POINT/COUNTERPOINT: Should governments end unemployment benefits early, given the difficulty filling many jobs?

EDITOR'S NOTE: For the past month the Illinois Business Journal has gathered reactions to the idea that many states are dropping extended unemployment benefits related to the American Recovery Act, in the wake of the difficulty in filling jobs in many sectors. Here is a sampling of voices from the debate.

Maybe, says National Federation of Independent Business state director Mark Grant. Several factors may contribute to the worker shortage, including child care responsibilities, and enhanced unemployment benefits, he said. "Members who have talked to me about their restaurants and some of their other businesses that they have that depend largely upon a lot of employees, they are concerned of not being able to stay open."

Yes, says Liz Hill, opinion contributor for The Hill. "That pesky $300 per week supplemental unemployment insurance … is most definitely making it harder for small businesses to hire back staff and limiting job growth. That the Biden team insisted on including an extension of those payments in the ARP was an early indication that they are ignorant of how real-life businesses function."

No, says Illinois Gov. JB Pritzker. Illinois will not be opting out of the extra federal money. Despite having readily available and effective COVID-19 vaccines, he believes many people are leery about going back to work.

"There are circumstances as well where people are afraid to go back to work and they are staying out of the workforce or at least staying away from taking a new job," — The Center Square.

Yes, says a majority of lenders surveyed by Phoenix Management in the second quarter: "The vast majority of lenders, 71 percent, believe many Americans will remain disincentivized from entering the labor force due to the current COVID unemployment benefits. Twenty-nine percent of lenders say that with the roll-out of vaccines, the U.S. will reach similar pre-COVID unemployment rates by the end of 2021.

"Confidence in the near-term U.S. economy continues to improve as results exceed pre-pandemic predictions," says Michael Jacoby, Senior Managing Director and Shareholder of Phoenix. "While lenders seem to be confident about the U.S. economy, the factor deemed most likely to derail the U.S. economy is policy risk and the majority of lenders are concerned about how current COVID unemployment benefits could disincentivize Americans from entering the labor force."

Yes, says Missouri Gov. Mike Parson, in announcing his decision to end benefits: "From conversations with business owners across the state, we know that they are struggling not because of COVID-19 but because of labor shortages resulting from these excessive federal unemployment programs. While these benefits provided supplementary financial assistance during the height of COVID-19, they were intended to be temporary, and their continuation has instead worsened the workforce issues we are facing. It's time that we end these programs that have ultimately incentivized people to stay out of the workforce.

"We know that one of the last remaining hurdles to full economic recovery is addressing this labor shortage. Even with unemployment at only 4.2 percent, there are still 221,266 known job postings across the state. The solution to close this gap is not the excessive spending of taxpayer dollars by the federal government, but rather getting people back to work and to a sense of normalcy for themselves and their families. Today's action ensures that we will fill existing jobs as well as the thousands of new jobs coming to our state as businesses continue to invest and expand in Missouri."

No, says U.S. Rep. Mike Bost, R-Murphysboro: Many small business owners across America are struggling to reopen and rebuild after the COVID-19 shutdowns. They simply can't find the workers to fill their job openings. Why? Because the federal government is disincentivizing people from finding work. Many people are making more money off unemployment insurance than they would if they went back to work. And that is having a crippling impact on Main Streets across America. People in Washington, D.C., need to hear these stories."

Depends on who you ask, says QSR Web, which serves the quick service restaurant industry: At this point, one of the problems with developing a solid, industry-wide response to the labor shortfall might be that the consensus opinion about the cause of the problem appears to be relatively evenly split down the middle. For instance, many leaders interviewed said they believe the root causes of the shortage of able and willing restaurant workers is a direct result of the increased benefits offered by federal and state governments to restaurant workers in the wake of the disruptions caused by the pandemic.

"The current recession was led by a health shock and for many workers making starvation wages without proper benefits, all while putting your health on the line to ensure the restaurant (chain) success isn't worth it. Not to mention the cyclical nature of laying off and rehiring staff when it was convenient for the employers' balance sheet," said &pizza CEO Michael Lastoria, a serial entrepreneur.

This is the argument, for instance, that Rep. David Rouzer, R-N.C., made in a Twitter post earlier this month, where he posted that aforementioned "Closed due to NO STAFF" photo from a Hardee's outlet in the state. The post and ensuing Twitter-based debate really encapsulated both the division around this whole issue, as well as the very raw emotions involved in it. Many responding restaurant workers made it clear that government benefits had little to do with their industry exodus, rather they blamed the problem on inadequate wages.