

## LETTERS TO THE EDITOR

### Jobless benefits increase unemployment

Regarding the Friday *Dispatch* article, "Ohio has no idea how to pay U.S. back for jobless benefits," the first rule to follow when you find yourself in a deep hole is to stop digging. It is basic economics that if you tax an activity, you tend to get less of it, while if you subsidize an activity, you tend to get more of it.

Unemployment insurance pays workers to be unemployed and funds this with a tax on employment. The natural outcome is fewer jobs and more unemployment. Experience rating only partially offsets the adverse incentives this program creates.

Since we all want more jobs and less unemployment, unemployment compensation is completely counterproductive.

Congress and the states have compounded this folly by extending benefits repeatedly during this

recession, so that they now continue up to 99 weeks in most states, including Ohio.

Not surprisingly, the average duration of unemployment is almost 50 percent higher than any other time in the past 60 years. The Ohio fund is already \$2 billion in the hole and is expected to grow to \$3 billion by year's end.

Unfortunately, Congress compels the states to participate in this program. However, if Nebraska can be exempted from the burden of expanded Medicare, there is no reason that Ohio's congressional delegation shouldn't be able to get us exempted from the burden of expanded unemployment.

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