

# Congress of the United States

WASHINGTON, DC 20510

May 14, 2021

Governor Tony Evers  
115 East State Capitol  
Madison, WI 53702

Dear Governor Evers:

The unemployment rate in Wisconsin currently stands at 3.8 percent. For the last few months, the primary issue Wisconsin employers consistently have raised is their inability to hire the workers they need to produce the products and services necessary to meet demand as the economy reopens.

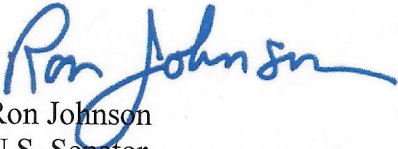
These businesses have stated that the main reason they cannot hire people is that Congress has repeatedly extended Federal Pandemic Unemployment Compensation (FPUC), the weekly federal unemployment bonus. The businesses believe the unemployment bonus has incentivized people to stay home, where they are often paid more than they would earn by going back to work. This week, Wisconsin Manufacturers and Commerce (WMC) wrote to you to highlight these exact concerns, stating that the federal unemployment bonus “threatens the viability of thousands of businesses and the jobs they provide for workers.” WMC continued, “[I]f immediate action is not taken, there is a great likelihood that long-term and irreversible damage will be done to Wisconsin's economy.”

As you know, many of us supported the passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), which provided the initial federal unemployment bonus during the early stages of the pandemic. The circumstances we face today are far better than those encountered during the challenging spring of 2020. Accordingly, we echo the concerns of WMC and employers across the state that are struggling to fill jobs despite offering generous hiring bonuses and benefit packages. These concerns are part of the reason that we voted against the most recent COVID-19 relief package. In order to minimize the harm from this policy, we are asking you — as sixteen other states have now done — to end the \$300 per week FPUC. Even the Biden Administration recognizes the problem these benefits are creating — his Administration is now directing the Department of Labor to work with states on re-imposing work-search requirements for Americans collecting unemployment benefits.

As one of President Obama's former economic advisers, Larry Summers, has written, “Each unemployed person has a ‘reservation wage’ — the minimum wage he or she insists on getting before accepting a job. Unemployment insurance and other social assistance programs increase the reservation wage, causing an unemployed person to remain unemployed longer.” When you extend unemployment insurance, you extend unemployment.

We urge you to follow the lead of these sixteen states and prevent the harm that WMC warns of. Wisconsin businesses and the Wisconsin economy will truly benefit from this action.

Sincerely,



Ron Johnson  
U.S. Senator



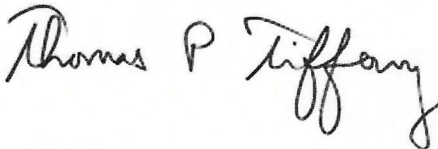
Glenn Grothman  
Member of Congress



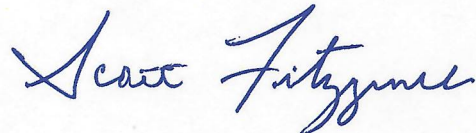
Mike Gallagher  
Member of Congress



Bryan Steil  
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Tom Tiffany  
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