

December 30, 2020

Word Count: 197

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QuickPoint! – Employers Are Left With the Bill After Lockdowns

By Vlad Yurlov

When businesses fail, they shut down. But when the government shuts down businesses, it simply increases taxes. More than 85% of Oregon businesses will pay higher unemployment insurance rates in 2021. This is after lockdowns and restrictions forced their workers to use unemployment benefits in the first place. Most businesses pay unemployment insurance taxes into Oregon's Unemployment Insurance Trust Fund, which the state distributes to employees that are laid off without cause.

Oregon's pandemic response shut down hundreds of businesses, but its effects will continue to dampen economic recovery. Higher unemployment insurance tax rates mean that fewer people can go back to work. And any delay in employment furthers economic instability.

Oregon boasts "one of the healthiest [trust funds] in the nation." The reserves are meant to supply benefits for 18 months and there is \$4.1 billion in the fund today. So why should businesses have to increase their unemployment taxes? If it were up to employers, they would gladly hire their workers back instead! As revenues struggle above break-even, businesses should not be responsible for government restrictions that increase the use of unemployment benefits.

Vlad Yurlov is a Policy Analyst at Cascade Policy Institute, Oregon's free market public policy research organization.