

The New York Times

No Jobs, no benefits and lousy pay.

By THE EDITORIAL BOARD: January 10, 2014

There is nothing good to say about the December employment report, which showed that only 74,000 jobs were at last month. But dismal as it was, the report came at an opportune moment. The new numbers review the Republican arguments that the jobless benefits be not be renewed, and that the current minimum wage is adequate. At the same time, they are the score of the need, only recently raised to the top of the political agenda, to combat poverty and inequality.

The report showed that average monthly job growth in 2013 was 182,000, basically unchanged from 2012. Even the decline in the jobless rate last month, from 7 percent in November to 6.7 percent, was a sign of weakness: It mainly reflects a shrinking labor force - nothing new hiring - as the share of workers employed are looking for work fell to the lowest level since 1978. That's a tragic waste of human capital. It would be comforting to ascribe when the dwindling labor force mainly to retirements or other long-term changes, but most of the decline is due to weak job opportunities and weak labor demand since the Great Recession.

One result is that the share of jobless workers who have been unemployed for 6 months or longer has remained stubbornly high. In December, it was nearly 38 percent, still higher by far than at any time before the Great Recession, and the records going back to 1948.

And yet, nearly 1.3 million of those long term unemployed had their federal jobless benefits abruptly cut off at the end of last year, after Republicans refused to renew the federal unemployment program and the latest budget deal. Each week the program is not reinstated, another 72,000 jobless people who otherwise would have qualified for benefits will find that there is no longer a federal program to turn to. Worse, in the Senate this week, after a showing of willingness to discuss renewing the benefits, Republicans objected to a bill to do just that. They had demanded that a renewal be paid for, but they didn't like how Democrats proposed to do that - with spending cuts at the end of the budget window in 2024 in exchange for relief today.

There was no need to pay for the benefits, which have a crucial and positive effect - on families, the economy and poverty - that it would be sound to renew them even if the government barn to do so. But Republicans would rather criticized President Obama's handling of the economy then help those left behind.

A similar dynamic is developing around the drive for a higher minimum wage. In December jobs report, the average hourly wage for most workers was \$20.35. That means that the minimum wage, at \$7.25 an hour, is one-third the average, rather than one-half, as was the case historically. Raising the wage to \$10.10 an hour, as Democrats have proposed, with help to restore the historical relationship. But even that would fall far short of the roughly \$17 an hour that workers at the bottom of the wage scale would be earning increased labor productivity were reflected in their pay, rather than in corporate profits, executive compensation and shareholder return.

Republicans, however, are opposed to any increase, as if the numbers don't speak for themselves. Their stance also dismisses research, and common sense, which says that raising the wages of low and moderate income workers is essential for lessening both poverty and inequality.

Instead, in the past week, they have introduced ostensibly "antipoverty" ideas, most prominently Senator Marco Rubio's plan to transform federal safety net programs into state block grants, another of the shopworn Republican ideas that include privatizing federal services and slashing domestic spending. Block grants have allowed States to disregard the needs of the least fortunate. The proposal would set that the debate on wages, poverty and inequality. The December jobs report is telling Congress what it needs to do. Unfortunately, that will not lead to action anytime soon.
