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UNEMPLOYMENT INSURANCE AND SOCIAL SECURITY CUTS COULD INCREASE JOBLESS *cbj*

EDITORS' NOTE: The following Letter To The Editor was printed in the New York Times on April 20, 1981. The authors are both members of the Labor Center Reporter editorial board. We are reprinting it here because we feel it may be of interest to our readers.

To The Editor:

At a time when over seven million Americans are actively looking for work, the Reagan Administration is proposing changes in the unemployment insurance program (UI) and the Social Security program that will have the deleterious effect of pitting younger unemployed workers against older unemployed workers in a growing unemployment queue.

Reagan proposes to reduce the period of time one can collect UI benefits. In the absence of a straightforward plan to create more jobs, cutting UI benefits will not help reduce the unemployment rate; it will merely increase the number of persons without a source of income to pay for their basic living expenses. UI benefits help support experienced workers until they can find jobs comparable to those lost. Currently, one-third of the unemployed are inexperienced and not eligible for UI. These workers queue up for jobs requiring less skills. Cutting UI benefits as the Administration proposes in periods of scarce jobs will enlarge the pool of desperate job seekers. Skilled workers, who would have previously collected UI, will now vie for any job and will be hired over less-experienced workers. Thus, not only are the valuable talents of skilled workers wasted in unskilled jobs, but so are the potential contributions of young inexperienced workers lost to society when they are barred from entry into the labor force.

Raising the retirement age under social security will result in many older workers being forced to remain working. This will shrink the number of job vacancies which are needed to open up jobs for potential job entrants. Again without a policy of national job creation the unemployment queue will be longer and younger workers will most likely bear the brunt of increased unemployment.

Unemployed workers between the ages of 16-24 account for 46% of the unemployment rate in 1980, which was twice their share of the labor force. As a society we are witnessing the tragic costs of youth unemployment--crime, drug and liquor abuse, and general disaffection from society. The National Conference of Mayors last month predicted a long, hot summer of urban crime if youth unemployment rates maintain high levels. As labor economists, we foresee the already high social costs of youth unemployment escalating if these proposals are implemented. Until this nation takes action to fulfill our commitment to full employment as stated in the Full Employment Act of 1946, and the Humphrey-Hawkins bill of 1978, we should not undertake policies that will increase the number of people out of work with no place to turn for aid.

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