



PAID NOT TO WORK:

Federal Money Is Keeping Kentucky Workers at Home

THE PROBLEM: NEW FEDERAL PROVISIONS HAVE GREATLY EXPANDED UNEMPLOYMENT AND OTHER BENEFITS



Congress has doubled down on this benefits expansion **with a \$300 weekly UI bonus** combined with tax credits and other benefits.



There are still **nearly 90,000 fewer Kentuckians in the labor force** compared to before the pandemic.

THE REALITY: INCREASED FEDERAL BENEFITS PAY TO STAY HOME

Low-income Kentuckians can receive **\$3,748 per month** (\$44,976 per year) in cash or cash-equivalent benefits by remaining unemployed.



How much does it pay to be unemployed?

\$22 per hour for full time work.

These Kentuckians could receive **another \$1,091 per month** (\$13,092 per year) in non-cash benefits, such as newly boosted premium subsidies, for a total of **\$4,839 per month** (\$58,068 per year).

More than 60 percent of these cash benefits are **due to the UI payments and the UI bonus.**

Cash/Cash Equivalent Programs	
UI Bonus	\$1,300
Average State UI	\$1,001
Child Tax Credits	\$600
Earned Income Tax Credit (EITC)	\$481
Food Stamps	\$366
MONTHLY TOTAL	\$3,748

Based on a low-income Kentuckian with two children under age six.

A Kentucky worker earning minimum wage **would have to work 24 hours a day for nearly seven days a week** to equal the total value of all benefits.





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THE IMPACT: THE BENEFITS FROM STAYING HOME ARE MORE LUCRATIVE THAN WORKING



Unemployed Kentuckians can **receive more in cash and cash-equivalent benefits by staying home** instead of returning to work.



New Biden-issued guidance **allows even more Kentuckians to remain on unemployment and refuse work offers.**



Kentucky businesses are desperate for workers, with more than 77,000 jobs currently unfilled.

	Earnings from Work	Monthly Cash Benefits to Stay Home	Percent Difference
Median Monthly Earnings of a Full-Time Kentucky Worker	\$3,103	\$3,748	20.8 percent
Monthly Earnings of a Full-Time Kentucky Worker Earning Minimum Wage	\$1,257	\$3,748	198.2 percent

THE BOTTOM LINE

Federal lawmakers should reject additional benefit expansions.

Federal policymakers should **push back on Biden's welfare-for-all agenda.**

If the UI bonuses don't expire on time, **those on unemployment could receive extra UI benefits for roughly 80 weeks**—pushing the debate to 2022.

To unleash the economic recovery, **new and enhanced benefit programs—like the federal UI bonus and child tax credit—should be allowed to expire on time.**

Hayden Dublois and Jonathan Ingram, "Paid to stay home: How the \$300 weekly unemployment bonus and other benefits are stifling the economic recovery," Foundation for Government Accountability (2021).