



PAID NOT TO WORK:

Federal Money Is Keeping Virginia 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 **more than 2.5 times as many Virginians on unemployment** compared to before the pandemic.

THE REALITY: INCREASED FEDERAL BENEFITS PAY TO STAY HOME



Virginians can receive **\$3,690 per month** (\$43,278 per year) in cash or cash-equivalent benefits by remaining unemployed.

How much does it pay to be unemployed?

More than \$21 per hour

These Virginians could receive **another \$1,348 per month** (\$16,176 per year) in non-cash benefits, such as Medicaid, for a total of **\$5,038 per month** (\$60,456 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 | \$987 |
| Child Tax Credits | \$600 |
| Earned Income Tax Credit (EITC) | \$433 |
| Food Stamps | \$370 |
| MONTHLY TOTAL | \$3,690 |

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

A Virginia worker earning minimum wage **would have to work 24 hours a day for nearly five 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 Virginians can **receive more in cash and cash-equivalent benefits by staying home** instead of returning to work.



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



Many of the **estimated 249,000 job openings** at Virginia businesses are being left unfilled.

| | Earnings from Work | Monthly Cash Benefits to Stay Home | Percent Difference |
|--|--------------------|------------------------------------|--------------------|
| Monthly Earnings of a Full-Time Virginia Worker Earning Minimum Wage | \$1,646 | \$3,625 | 124 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.**

Calculations based on original FGA analysis using data from various government and nonprofit sources.