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**Statewide, Local Business Organizations Say Enhanced Benefits are Stalling Economic Recovery**

*Call on Gov. Newsom to Reinstate Requirement for Job Seekers to Demonstrate Job Search*

In a joint letter to California Governor Gavin Newsom, 20 statewide and local business organizations called on the state to address concerns of employers throughout California – that enhanced federal and state benefits are stalling economic recovery by incentivizing job seekers to stay home rather than accept available jobs.

The day before the State of California is expected to “reopen” as state and local COVID related restrictions are eased, the groups cite recent employer surveys and government statistics to make the case for immediate policy changes.

A recent [survey](#) by the United Chamber Advocacy Network found that 78% of employers have current job openings and, among those, 78% said they were having difficulty hiring employees. And of that group, 56% said prospective employees indicated they would prefer to accept current COVID benefits than accept a job.

According to the NFIB, the nation’s largest small-business lobbying group, a record 48% of small businesses surveyed could not fill open jobs, even with many of them offering higher pay. “The labor shortage is holding back growth for small businesses across the country,” said NFIB chief economist Bill Dunkelberg.

The US Chamber of Commerce, citing new data recently released by [the Bureau of Labor Statistics](#), reported there were more than 9.3 million job openings available at the end of April and 9.8 million unemployed Americans, a single month increase of 1 million openings, and more than 2.5 million job openings have been added in 2021.

“The first thing we’re hearing from every small business we work with is they have the jobs but can’t fill them,” said Rex Hime, President of the California Business Properties Association. “This is the biggest thing holding back the economy, and its entirely self-inflicted.”

Marni Sanders, President and CEO of the Yuba Sutter Chamber of Commerce said, “Our members are telling us the government is competing with them for employees. After 16 months of health restrictions, these enhanced benefits are keeping our small businesses from building back after COVID.”

To address and assess the barriers enhanced government assistance programs are presenting to California’s economic recovery, the groups called on Newsom and the Legislature to undertake the following actions:

1. Immediately reinstate the requirement for job seekers to demonstrate they are seeking work, which was suspended at the beginning of COVID. <https://www.edd.ca.gov/Unemployment/Eligibility.htm>
2. Require EDD to conduct a 30-day analysis to verify employers’ concerns and determine if indeed job seekers are turning down jobs in favor of COVID relief.
3. Call upon local Workforce Investment Boards to do the same to “fact check” the EDD report.
4. Do not extend any current COVID benefits beyond their current expiration date, pending the EDD analysis.
5. Based on the EDD and WIB findings, urge the Legislature to consider the status of enhanced COVID benefits.

The California Business Properties Association, the California Retailers Association and the California Building Industry Association were joined by business and chamber of commerce organizations representing El Dorado, Los Angeles, Placer, Sacramento, Santa Barbara, San Luis Obispo, Sutter, Ventura and Yuba counties.

**UCAN - United Chamber Advocacy Network**

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El Dorado County, El Dorado Hills, Elk Grove, Folsom, Rancho Cordova, Roseville, Yuba-Sutter Chambers of Commerce