

Restaurant Blames CARES Act For Labor Shortage Due to High Unemployment Pay

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The \$2-trillion CARES Act included a \$1,200 stimulus check and an additional \$600 weekly payment for the unemployed, which is more than some people earn from work. Government payments that cushion households from economic hardship will prolong the recovery in the labor market, because many people will be paid more to sit at home than to work. An Arizona restaurant owner who was allowed to reopen says that many of her furloughed employees are staying home and have told her their pay from the government is better than working at her restaurant. She says there are about 30 job openings, but rehiring is challenging because people are comfortable with unemployment benefits.

One of the great tragedies in America today is that of the CARES Act, which included a \$1,200 stimulus check and an additional \$600 weekly payment for the unemployed, has given millions of Americans their first real taste of socialism, that is the sweet taste of the forbidden fruit of free of money.

The Trump administration has unleashed helicopter money directed at households that will have severe consequences. Not too long ago, **we noted** how government intervention, cushioning households from an economic depression, will prolong the recovery in the labor market as people get paid more to sit at home than work and be productive in society:

"So don't expect the unemployment rate to bounce back very much once this pandemic begins to subside. Congress has decided to make it very financially rewarding not to work, and millions upon millions of Americans are going to be more than happy to take advantage of that opportunity for as long as it lasts."

As Arizona's economy reopens, one restaurant owner has blamed the CARES Act for labor shortages, even though she says the national unemployment rate is very high.

*"With an unemployment rate at almost 20%, you'd think we'd have a lot of applicants coming in, but we're not," said Times Square Italian Restaurant owner Paullette Cano, who recently spoke with **AZFamily**.*

Cano said the CARES Act and unemployment checks have resulted in many of her furloughed employees staying home. They collectively told her their pay from the government is much better than working at her restaurant.

"They don't want to come back to work," said Cano. "It's the unemployment. They're receiving about \$840 a week, which puts them about \$22 an hour."

At the moment, there are 30 job openings at the restaurant with dozens of furloughed employees sitting at home collecting welfare. She said rehiring is challenging because people are demanding +\$20 per hour, or around the hourly rate, they're receiving from unemployment and federal dollars.

"They're asking for \$20 an hour, which makes it difficult because we operate under slim margins," said Cano.

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