

FCRA Finance Chair Discusses the Real Costs of Cutting Unemployment Benefits in Florida



This article discusses the costs workers will pay if Gov. Rick Scott signs the bill to cut unemployment benefits beginning 2012.

Orlando, Florida - Last week, Florida lawmakers approved a bill that will limit unemployment benefits. The bill directly links the amount of benefits received to the current unemployment rate. If signed by Gov. Rick Scott, Florida would be the first state in history to connect the two together. State lawmakers decided to reorganize current unemployment benefits to help smooth the substantial increases in unemployment taxes businesses are forced to pay.

Given the state's current economic position, there is a strong argument that something needs to be done fiscally to help decrease the amount of unemployed Floridians. However, what are the "real costs" to those without employment and those who could potentially be without a job in the future?



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FCRA, Finance Chair

The key points of the new bill include:

- Unemployment benefits directly tied to current unemployment rate
- Eliminates a major safety net that Floridians have used for more than 60 years
- Requires applicants to complete an initial skills assessment
- After receiving benefits, recipients must submit reports that show that they have reported to a state career office or have contacted at least five potential employers

While lawmakers have a duty to act responsibly when it comes to doing what's best for the state, they have an even bigger duty to its citizens. The unemployment rate in March was 11.1%, the third highest in the nation. Cutting the length of unemployment benefits from 26 weeks to just 12 weeks could lead to devastating hardship for millions of families. That equates to less than half the amount of time that workers are accustomed to receiving benefits or 46% less overall. This is a huge deal, given the fact that unemployment benefits are usually not enough to cover current living expenses. After considering the ramifications of such a bill, it seems as if lawmakers are siding with big business instead of the citizens.

My recommendations are as follows:

1. Always remain active in the election process, so that you are able to protect your rights.
2. Rebalance your household budget by downsizing unnecessary wants. You can significantly trim your monthly budget by getting rid of your home phone and using a cell phone, down grading cable to basic, switching from high speed internet to a lower speed, using coupons extensively, and buying generic brand products.
3. Gather up things within your home, storage, or apartment to sell in a yard sale.
4. Consider sharing your home or apartment with another family member or potential roommate, to help split costs.
5. Look for part-time and/or seasonal work. Sometimes, this pay is better than unemployment benefits.
6. Consider going back to school to learn another trade or to get an advanced degree.
7. Think about starting your own small business.

These are things that I help others with to get out of financial trouble and to start rebuilding their life.