



June 14, 2021

Hon. Gavin Newsom
 Governor, State of California
 California State Capitol Building
 Sacramento, CA 95814

Re: Enhanced COVID benefits, related impacts to employers, labor market

Dear Governor Newsom,

Tomorrow, under your direction, the State of California is expected to “reopen” as state and local COVID related restrictions are eased. As organizations representing small, medium, and large employers, we are ready to reopen California and rebuild businesses by helping our members do what they do best, serve their customers.

Unfortunately, extended and enhanced state and federal unemployment benefits are slowing our state’s economic recovery and hindering business’ ability to build back. Employer surveys have shown that government benefits are competing with private sector employers, discouraging prospective employees from accepting open positions.

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 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.

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To address and assess the barriers enhanced government assistance programs are presenting to California's economic recovery, we call upon your administration and the legislature to undertake the following actions:

1. Immediately reinstate the requirement for job seekers to demonstrate they are seeking work. This 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 WIBs 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, the Legislature should consider the status of enhanced COVID benefits.

Thank you for your thoughtful consideration of our suggestions.

Sincerely,



Dave Butler
Advocate
United Chamber Advocacy Network

On behalf of the following organizations:

California Building Industry Association
California Business Properties Association
California Retailers Association
Orange County Business Council
Tri-County Chamber Alliance
South Bay Association of Chambers of Commerce
Gateway Chamber Alliance
Garden Grove Chamber of Commerce
Redondo Beach Chamber of Commerce
Elk Grove Chamber of Commerce
El Dorado County Chamber of Commerce
El Dorado Hills Chamber of Commerce
Folsom Chamber of Commerce
Rancho Cordova Chamber of Commerce
Roseville Area Chamber of Commerce
Yuba Sutter Chamber of Commerce
Sacramento Regional Builders Exchange
Valley Contractors Exchange
Santa Barbara County Contractors Association

cc. DeeDee Myers, Governor's Office of Business and Economic Development