

Jobless tax hike would cost jobs

By Deborah Dowdell

Gov. Chris Christie has set forth a plan to restore solvency to the state's unemployment system. The governor's proposed changes require the support of legislators and New Jersey residents alike for a key reason: Revamping unemployment insurance will help revitalize employment.

Changes to the unemployment system are crucial now because of previous missteps by lawmakers. Politicians have been allowed to drain more than \$4.6 billion from the state's fiscal reserves for purposes other than providing for jobless New Jerseyans. As a result, our unemployment insurance coffers are virtually empty.

This situation has been exacerbated by continued high unemployment and a multitude of extensions of unemployment benefits prompted by the protracted recession. For all these reasons, our unemployment system is bankrupt.

Unemployment insurance was designed to provide a modicum of security for people

in a time of need. Yet the system can no longer function as it was intended unless there is immediate reform. Christie has mapped out a bold, viable course of action to address the dire situation in a time of unparalleled economic duress. Businesses of all types will suffer severe economic hardship if the governor's proposed reforms

would be lost if the July 1 increases of up to \$1,100 per employee went into effect without action by the state.

Most restaurants are small businesses. But in many municipalities, they are among the largest employers. If the governor's reforms are not instituted, thousands of additional jobs may be lost — not only in

future enrollees. One state senator recently remarked, "Cutting unemployment benefits? That's cruel. Are we going to start kicking puppies next?" To this we reply: No one wants to kick puppies, senator. And no one wants our state economy to "go to the dogs," which it surely will if we lose more jobs because of inaction by our elected leaders.

The provision to phase in reduced unemployment benefits is only one aspect of a broader series of measures needed to restore fiscal solvency and offset future job losses. Christie is committed to creating an environment where the private sector can generate jobs. For that he should be applauded.

The time of reckoning is upon us. New Jersey residents and lawmakers must stand up and support the tough reforms the governor is proposing — changes that require shared sacrifices. Only by doing so will we enjoy the shared success of our state's economic revitalization.

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A recent survey of the New Jersey Restaurant Association's membership showed that tax obligations tied to unemployment insurance will cost companies an additional \$25,000 to \$480,000 because of rate increases triggered to fill the insolvent fund. This horrifying prospect would spell the difference between profitability and sheer survivability.

The governor's proposal would significantly lessen that tax burden. What's more, it will preserve jobs that certainly

restaurants, but in businesses of all types and sizes.

At the risk of stating the obvious, New Jersey cannot afford more job losses at a time of record unemployment.

Businesses are not asking for corporate welfare. They have paid their fair share when economic times were good and they expected the dollars to be there.

There are some legislators who have unfairly criticized the governor for proposing a solution that reduces the weekly unemployment benefit for