WE ASKED
WHAT IS THE GREATEST AMERICAN ROCK BAND OF ALL-TIME?

9.8% 16.1% 40.2% 16.5% 9.6% 1.2%
BLACK BOYS NIRVANA SPRINGSTEEN EAGLES TOM PETTY DEAD OTHERS

WHO WILL WIN SUPER BOWL 50?

16.1%

North Carolina cut unemployment benefits sharply in 2013, and it’s still a bone of contention in policy circles. Conservatives claim that the cuts spurred job growth, while liberals disagree. Both sides cite data supporting their claims.

No one disputes the notion that reducing benefits induces unemployed people to look harder for work. The question is whether more intense job searches lead to more jobs. It could, if jobs are on offer and going unfilled. If people take jobs they didn’t want while receiving benefits, then the cuts could cause employment to rise.

In contrast, there would be no job growth if people who lose benefits become discouraged and leave the labor force, though the unemployment rate would drop.

There is still much slack in the North Carolina economy, with fewer job openings than people who want jobs. Between 2010 and 2014, the median wage in the state increased by barely more than 1 percent per year. If employers were trying to lure lazy jobless people away from their couches and unemployment benefits, we would have seen more wage growth.

Therefore, a person is more likely to be unemployed due to a lack of opportunity than a lack of effort. Theoretically, given the specific type of recession we experienced and the slow recovery we’re in, it’s highly unlikely that cutting unemployment benefits would spur job creation in North Carolina cut unemployment benefits sharply in 2013, and it’s still a bone of contention in policy circles. Conservatives claim that the cuts spurred job growth, while liberals disagree. Both sides cite data supporting their claims.

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North Carolina.

What do the data say?

In a recent column in this paper, John Hood of the conservative John Locke Foundation claimed that since the cuts, the state’s employment-population ratio has increased by more than it did nationally. However, he didn’t look at the so-called prime working age population (people 25–54 years old), which means he didn’t rule out demographic causes like retiring baby boomers.

The liberal Economic Policy Institute did it right and found that since the cuts, the employment-population ratio for the prime working age population grew more slowly in North Carolina than it did nationally. The same is true for Georgia and Florida, which also sharply cut benefits. However, because job growth usually accelerates during the spring, the benefit cuts would claim that they single-handedly turned the economy around. (In a previous column, I showed that North Carolina’s tax cuts didn’t do it either.) Job growth is obviously a function of overall economic gains, so perhaps it’s premature to give the win to the conservative view.

Of course, this is a rough analysis. After all, GDP growth in each of these three states also happened to accelerate in recent years. Not even supporters of the benefit cuts would claim that they single-handedly turned the economy around. (In a previous column, I showed that North Carolina’s tax cuts didn’t do it either.) Job growth is obviously a function of overall economic gains, so perhaps it’s premature to give the win to the conservative view.

Even so, and in spite of a rock-solid theoretical argument (to say nothing of a compelling moral case), these data make it harder for liberals to refute the claim that cutting unemployment benefits in North Carolina helped spur job creation.

The team earns a berth in Super Bowl 50 versus the Denver Broncos and will likely enter the game as favorites. Keep pounding.

Duke University graduates earn more money in the long term than any other university in North Carolina, according to a report by the Georgetown University Center on Education and the Workforce.

Harris Teeter has joined a growing trend (perhaps encouraged by the experience of its parent company, Kroger Co.) by opening a gas station adjacent to one of its supermarkets near Charlotte. If successful, look for the company to add more HT Fuel stations around the state.

“Pirate” is claimed to be the most Googled job title in North Carolina, per study issued this week. More exciting we suppose, than Virginia’s Operations Research Analyst or Tennessee’s Nurse Practitioner. So why the down arrow? Few pirate ships are currently hiring.

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