

VIEWPOINT

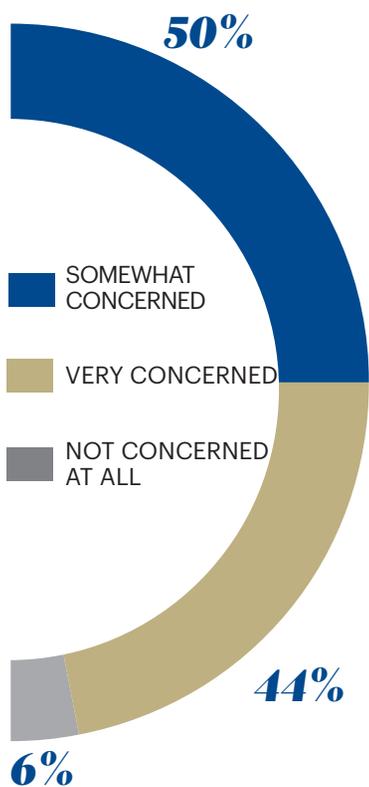
Triad Business Journal welcomes letters to the editor

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► BUSINESS PULSE SURVEY

WE ASKED

How concerned are you about big-data companies accessing your personal information?



THIS WEEK'S QUESTION

What's more important to you when selecting an airline: customer service or pricing?

VIEWPOINT

N.C. Senate is employing public cruelty as economic policy

Last week the N.C. Senate inserted a provision in its proposed budget that would tighten eligibility requirements in the state for the federal SNAP program (formerly known as food stamps). Gov. Roy Cooper's office claimed that the move would take food assistance away from 133,000 North Carolinians, including more than 51,000 children.

Oh well, one might say – such is the age-old conflict between liberal and conservative policy. Conservatives don't like spending money on the social safety net, while liberals do.

But there's one problem with that explanation. The Senate's SNAP decision wouldn't save North Carolina taxpayers one dime. SNAP is a federally funded program. In fact, for technical reasons, the move could actually increase the state's cost of administering the program.

The tightening of eligibility rules would stop tens of millions of dollars from flowing into the state. Federal funding may not be "free money" (North Carolina taxpayers are also federal taxpayers). But federal money is a boon to a state economy, whether for military bases or food stamps. You can't applaud the former on economic grounds without approving of the latter as well.

It remains to be seen if the final budget will include this provision, but it's part of a pattern. The current General Assembly has a habit of enacting economic policies that harm the poor without yielding an



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economic benefit. There's a word for that: cruelty.

A prime example is the requirement to drug-test welfare recipients, which is widely viewed as a waste of money. Only 1 percent have tested positive, a much lower percentage than in the general population.

Then there was North Carolina's refusal to expand Medicaid under the Affordable Care Act. Studies showed that expansion would reduce state spending, because the small increase in coverage and administrative expenses would be more than offset by a reduction in reimbursements to hospitals for charity care.

Aside from increasing the number of people with health coverage and reducing the number of preventable deaths, Medicaid expansion would have meant more federal funds flowing into our state.

Expansion would have created tens of thousands of jobs and averted the financial crisis now facing rural hospitals.

Another example of this pattern

was North Carolina's savage cut in unemployment benefits. Did you know that we are now among the stingiest states in the country? The NCGA justified the cut in 2013 because it allowed us to repay a loan to the federal government about four years sooner, in 2015 instead of 2019.

If we'd repaid the loan more slowly, it would have cost us some interest, but unemployed North Carolinians wouldn't have lost hundreds of millions of dollars each year in state and federal benefits.

And repaying the loan clearly wasn't the reason anyway, because the loan is paid off now and unemployment benefits haven't been restored to previous levels.

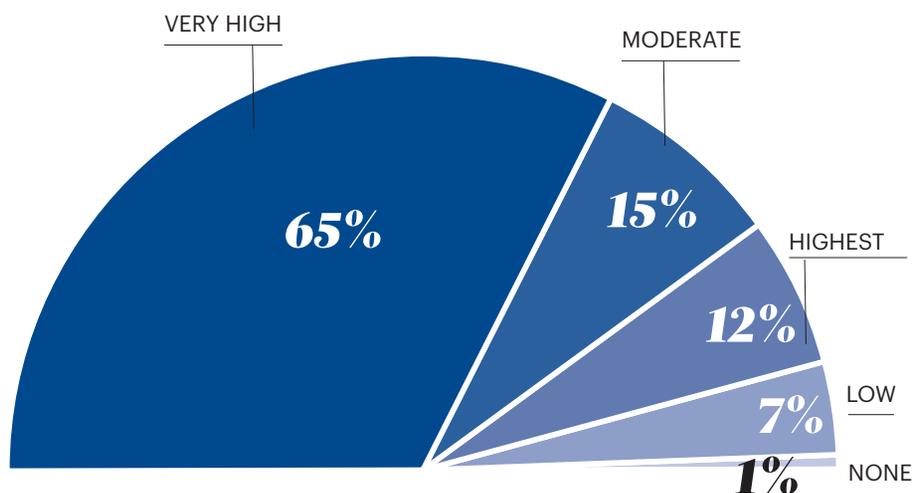
These policies have consequences beyond public cruelty. Unemployment benefits and SNAP payments generate a big bang for the buck. Beneficiaries spend almost all the money they receive, and they spend it quickly. The state economy grows by well more than a dollar for each dollar spent on those programs. (In contrast, tax cuts for the rich return far less than a dollar.)

If these policies had supercharged the state economy, perhaps they could be justified. But since the beginning of the Great Recession, North Carolina has merely kept pace with the national economy.

There's been no supercharging. One is left with the disturbing conclusion that these policies were designed to be punitive.

► SURVEY SAYS

HOW MUCH IMPORTANCE DOES YOUR COMPANY GIVE CYBERSECURITY?



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FACEBOOK COMMENTS ON "NIDO QUBEIN PROMISES \$38M FOR PUBLIC AMENITIES TO SUPPORT HIGH POINT BASEBALL STADIUM."



"If anyone can do it, he can."

CATHY SIEGAL

"That \$38 million in capital investment will create a lot of sustainable jobs."

MICHAEL UMPHENOUR

