— TOP TAKEAWAYS —

Public Policy Should Reward Work, Not Compete With It

WORK IS AN EQUALIZER

• As U.S. incomes grew between 2017 and 2019 thanks to pro-growth economic policies that encouraged work, American income inequality fell. Over this two-year period, income for bottom percentile Americans rose faster than top-income earners.
• Americans working full time at least half the year are nearly 4 times less likely to be in poverty than those working part time and Americans overall.
• The poverty rate overall fell to 10.5% in 2019 (compared to 11.8% in 2018), with 4.2 million Americans lifted out of poverty because of employment and wage growth.

WORK IS A HAND UP, NOT A HAND OUT

• Work prevents a host of ills like substance abuse, depression, suicide, abuse, and is correlated with positive externalities of happiness and fulfillment.
• Many businesses have attributed hiring difficulties to the extra federal unemployment payments that continued even as the COVID emergency subsided.
• In a recent Harvard/HarrisX poll, an overwhelming 76% of Americans said people are “staying on unemployment because they can make more money.”
• During emergencies, government assistance is a vital, temporary lifeline for many, but we cannot incentivize poverty through policies that create a permanent sense of hopelessness.

LOWER-WAGE WORK IS A STEPPING STONE

• Though critics assail lower-paying jobs, these opportunities allow workers to gain confidence, skills and the ability to advance through promotions and new employment roles.
• Minimum wage hikes yield job losses and disincentivize hiring, especially among those who are less educated and with lower skills—people who need jobs the most.
• Lawmakers should find ways to boost income by rewarding employment.

Click here to read the full policy focus and learn more about the importance of incentivizing people to return to work.