

Calif borrows \$40M a day to pay unemployment

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With one in every eight workers unemployed and empty state coffers, California is borrowing billions of dollars from the federal government to pay unemployment insurance.

The Los Angeles Times reports that the state owes \$8.6 billion already, and will have to come up with a \$362-million payment to Washington by the end of next September.

The continued borrowing means federal unemployment insurance taxes are going to increase, upping the annual payroll costs \$21 a year per worker.

California tops the list of 32 states that have borrowed a total of \$41 billion to pay claims.

The state took out its first loan from the federal government early last year, to deal with rising payment of benefits and number of claims.

Information from: Los Angeles Times, www.latimes.com

<http://sfgate.com/cgi-bin/article.cgi?f=/n/a/2010/11/07/state/n100503S24.DTL>

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