

Be brave, Democrats, and borrow to pay for unemployment benefits

By Ryan Cooper, Updated: December 30 at 2:16 pm

Well, folks, it's official: The cuts to unemployment insurance have [gone through](#). Over the weekend, 1.3 million people lost their benefits, a number that will increase as time goes on.

But the debate over “paying for” an increase in benefits — that is, finding spending cuts elsewhere in the budget to offset an increase on unemployment benefits — highlight the extent to which Democrats have caved to the Republican mindset on spending. Democrats are right to advocate for extending benefits — but they shouldn't fear to propose a straightforward spending increase.

Jared Bernstein [makes this point very well](#) today:

...this is not a simple tale of good D's and bad R's. It's also the result of a fiscal policy standard, often supported by both parties, that stands firmly against any deficit spending. Thus, when Rep. Boehner asked D's a few weeks ago how they planned to pay for the \$25 billion extension of UI, they were in a box. Whatever spending cuts they could find were already in the little Ryan/Murray budget deal, the R's would not countenance increasing tax revenues, and the notion of putting it on the deficit was largely verboten by both parties.

This is a mistake. With long-term unemployment still highly elevated, adding a temporary extension of UI benefits to the deficit is totally legitimate fiscal policy.

Let me be clear: Republicans are the major villains here. They are clearly the ones who are really itching to cut benefits, because they've convinced themselves that benefits are coddling people and keeping them from taking jobs. This is preposterous and has been since the recession started. As Matt Bruenig [points out well today](#), there simply Aren't. Enough. Jobs.

If it was the case that unemployed people are just refusing to take jobs, then you would see a great deal more reported job openings. The number of unemployed people would be high and the number of job openings would be high as well. In that case, you might force the two to come together by trying to starve out the unemployed, as the conservatives support. But when jobs are scarce because of a weak economy, starving out the unemployed won't put them in jobs that simply do not exist.

With not enough jobs to go around, snatching the unemployed's meager benefits will simply [put them into soup kitchens and on the street](#).

But Bernstein is right to finger the Democrats for not having the courage to advocate a little deficit spending here and there. For this three-month extension, proposed by Sen. Jack Reed (D-R.I.), we're talking \$6 billion. That's \$24 billion for a full year, in a national budget of

\$3.5 trillion. There is no reason on earth that can't be borrowed.

Because at the very least, this raises the question: What is the *point* of all this austerity? We've cut the budget deficit from \$1.4 trillion in 2009 to \$680 billion this year — it fell [37 percent in 2013 alone](#). If the idea was to improve the government's budget position, then it has succeeded wildly (at the expense of [other priorities](#)). On that path, surely we can afford to borrow a measly \$24 billion to keep millions of our fellow citizens off the street, right?

Republicans will probably disagree. But Democrats shouldn't fear to loudly advocate for a straight-up spending increase. They have [both](#) economic theory and good politics behind them.

© The Washington Post Company