

EXPANDED UNEMPLOYMENT BENEFITS ENDING SOON IN SEVERAL STATES

WHAT THIS COULD MEAN FOR PAY RATES AND HIRING

Only 266K jobs were added to company payrolls nationwide in April. This was a surprise as many economists expected upwards of 1 million jobs to be added.

Some experts believe the low jobs number is because many unemployed people aren't looking for work due to expanded federal jobless benefits – which provide an extra \$300 a week. They believe stopping these programs will be an incentive to unemployed workers to actively start their job search.

The expanded benefits are due to end nationwide on September 6, [yet governors in 21 states across the country have decided to end them earlier.](#)

END DATES APPLICABLE TO OUR CLIENTS:



Note: North Carolina, Kentucky, Illinois and Virginia have not yet announced if they will end the expanded benefits early.

DOES THIS MEAN COMPANIES NO LONGER HAVE CHALLENGES FINDING TALENT?

Maybe. [Many businesses have been scrambling to hire people since the economy has started to reopen.](#) Without the extra benefits, many people could end up actively looking for work.

However, these changes are by no means an invitation to lower pay rates or anticipate a flood of labor back to the market. Yes, we will see short-term loosening in the labor market, but the gain could be negated by the [new child tax credit payments taking effect July 15](#) and Q4 peak demand. The child tax credit could help people enough that they decide to stay home a while longer. And we can expect Q4 peak demand to be high which is a function of the season rather than the benefit changes.