



U.S. House of Representatives  
**Joe Cunningham**  
1st District, South Carolina

July 24, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives

The Honorable Charles E. Schumer  
Democratic Leader  
U.S. Senate

Dear Speaker Pelosi, Republican Leader McCarthy, Majority Leader McConnell, and Democratic Leader Schumer:

As negotiations continue over the contents of the next COVID-19 response package, I urge you to take immediate action to protect the over 30 million Americans receiving unemployment insurance (UI) benefits from further hardship. If Congress seeks to avoid allowing millions of Americans to fall deeper into a cycle of poverty and prevent local economies across the country from spiraling into a state of economic ruin, we need to act now to pass an extension of enhanced UI benefits and create further incentives for reemployment by allowing newly hired workers to retain a portion of their weekly payments.

In March, I was proud to join the majority of my colleagues on both sides of the aisle in the House and Senate in voting to pass the CARES Act, which provided direct economic relief to American families, resources to help small businesses weather the storm, critical funding for health care workers on the front lines, and enhanced unemployment measures for workers who've been laid off or furloughed. These expanded UI benefits, including a \$600-a-week increase and a 13-week extension for workers who have exhausted their state benefits, have effectively helped households through the lockdowns by ensuring that countless Americans can continue to provide for their families and keep a roof over their head.

Now, as the number of diagnosed cases in South Carolina continues to grow at an increasingly alarming rate, many will see their benefits abruptly reduced next week. While I am glad to see that our national economy is recovering in some respects, in South Carolina, our unemployment rate is still a staggering 8.7 percent—with more people relying on unemployment benefits than at any point during the Great Recession. And while many of my colleagues in Congress choose to fault increased UI payments for persistent unemployment, the evidence from my district tells an entirely different story.

Given our reliance on the tourism, service, and hospitality industry, my constituents in the Lowcountry remain especially vulnerable to the harmful economic effects of the pandemic. In what is normally one of our busiest periods of the year for tourism, South Carolina is enduring its second straight week of declining hotel occupancy rates. Meanwhile, social distancing restrictions are forcing many in the service industries to drastically reduce their capacity for customers, along with the amount of staff needed to support operations. This has led to 62,500 fewer jobs than were available in the sector at this time last year.

The job losses do not end with the service industry; at the Medical University of South Carolina, one of the largest employers in my district, a halt in elective procedures to prioritize COVID-19 response led to over 1,000 workers being laid off, of which only a fraction has returned to work. And, in the public sector, where there are already 14,800 fewer jobs than June 2019 throughout the state, cities like Charleston are being forced to consider further cuts to make up for lost revenues and Congress' refusal to pass a meaningful state and local government aid package.

And while provisions in the CARES Act will ensure that thousands of South Carolinians can continue to collect UI benefits after FPUC benefits expire this week, they will see their monthly income reduced by \$2,400. Absent this additional \$600 per week, the maximum weekly state UI payment in South Carolina is \$326, which is plainly not enough for a family to live at any time, but especially in the midst of a global pandemic.

FPUC also benefits businesses and our economy. It is estimated that increased payments supported as many as 2.8 million jobs and prevented unemployment from rising an additional 1.8 percent. And, according to the Congressional Budget Office, extending these payments through the end of the year would spur consumer spending, serving as a lifeline to businesses as they continue to reopen.

Although I support an extension of enhanced UI benefits, I am sensitive to the concerns raised by many Lowcountry small business owners who are facing difficulties in rehiring staff as they reopen. The reason for this is clear: this pandemic has exacerbated a number of longstanding economic challenges, such as sky-high medical expenses and the accessibility of affordable childcare, which are forcing many who lost their job during the pandemic to reconsider returning to the workforce. In addition, the low-wage positions many will be returning to are often front-line retail and restaurant jobs, which carry a greater risk of infection, and many do not want to risk spreading the virus to vulnerable members of their families.

Our goal should be to expedite full reemployment as soon as businesses are able to safely and responsibly reopen without abandoning those workers for whom it is not yet in their best interest to return to work. Accordingly, I believe it is time we reevaluate the wisdom of a one-size-fits-all approach to enhanced UI benefits. While I support increasing the federal minimum wage, the reality is that many industries simply cannot afford to offer wages competitive with the \$600 supplemental payments in this current state of economic uncertainty. To remedy this, we should implement a more localized approach, taking into account the average wage—accounting for cost-of-living increases resulting from the pandemic—as well as the current trend in new COVID-19 cases in each state or locality.

And Congress should also further empower workers to make the best decision for themselves and their families by establishing a “return-to-work” bonus, akin to a proposal by U.S. Senator Rob Portman (R-OH). This would provide newly reemployed workers a temporary \$450-a-week bonus on top of their regular wages, providing a positive incentive to seek a new job.

Extending enhanced unemployment benefits and enacting incentives for Americans to return to work is the right thing to do for workers, their families, and our economy. I appreciate your attention to this urgent request and look forward to continuing to work with you to see our country through this unprecedented economic and public health crisis.

Sincerely,



Joe Cunningham  
Member of Congress