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March 5, 2021

Dear Senator:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in strong support of the amendment offered by Senator Rob Portman to H.R. 1319, the *American Rescue Plan Act of 2021*. This amendment would decrease supplemental federal pandemic unemployment compensation from \$400 per week to \$300 per week and shorten the extension of the supplemental benefits. **The Portman amendment will be considered an NFIB Key Vote for the 117th Congress.**

NFIB is concerned that expanded federal pandemic unemployment compensation set at high levels may lead to unintended consequences. Last year, the \$600 per week supplement created tension between small business owners and employees in certain instances and conflicted with the goals of the Paycheck Protection Program (PPP) of returning workers to payroll. This benefit presented a significant challenge to some small business owners trying to fill open positions. About one-third (32%) of small business owners reported that the extra \$600 per week hurt their business by making it harder to hire or re-hire workers.¹ The Congressional Budget Office confirms the provisions may make it difficult for employers to fill open positions, "The expansion and extension of unemployment insurance benefits could increase the unemployment rate as well as decrease labor force participation throughout the period for which those benefits would be in place."²

Finding qualified employees continues to be small business owners' top business problem. According to NFIB's monthly jobs report, 56% of small business owners reported hiring or trying to hire in February.³ Congress should avoid creating perverse incentives by compensating individuals on unemployment insurance more than regular wages.

NFIB supports the Portman amendment to H.R. 1319, the *American Rescue Plan Act of 2021* and will consider the amendment an NFIB Key Vote for the 117th Congress.

Sincerely,

A handwritten signature in black ink that reads "Kevin Kuhlman".

Kevin Kuhlman
Vice President, Federal Government Relations
NFIB

¹ Holly Wade, *Covid-19 Small Business Survey (11) – PPP, EIDL, Unemployment Insurance, the Economy*, NFIB Research Center, August 17-18, 2020, <https://assets.nfib.com/nfibcom/Covid-19-11-Questionnaire-and-Write-up-FINAL.pdf>.

² Congressional Budget Office, *Reconciliation Recommendations of the House Committee on Ways and Means*, February 17, 2021, <https://www.cbo.gov/system/files/2021-02/hwaysandmeansreconciliation.pdf>.

³ *NFIB Jobs Report*, NFIB Research Center, March 4, 2021, <https://assets.nfib.com/nfibcom/2021-February-Jobs-Report-FINAL.pdf>.