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In late March, the CARES act passed by the Federal government added an extra \$600/week to unemployment benefits. This policy had a high price tag of \$260 billion and was one of the most extensive economic relief packages in history. Since people make decisions that are generally in their best interest, people would likely rather earn 600/week for as long as they can instead of going back to work and earning less. The result of this is that it created a shortage of workers, so jobs would have to create an incentive for workers to come back (higher wages) or work less and collect partial unemployment benefits. However, people are still spending more because the extra 600 plus regular services are more than an individual's regular wages. So people's consumption is increased, which increases the demand for goods and labor. Since jobs have to pay increased wages to encourage people to work, the cost of production will increase, making prices higher. Another issue with the policy is someone has to pay for it. The solution is to either raise taxes or borrow. Since the government borrowed this money, they borrow money from future purchasing power, and the future government will have to pay the bill. This means that we will receive less social benefits later and will have to pay higher taxes.