

# Solving US Unemployment

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Feb 23, 2009

I often tell people that sometimes the solution to a problem is the opposite of what one would often expect. Sometimes you push and sometimes you pull. It all depends on what makes sense. With the US economy in almost a free fall, everyone is saying how can we create new jobs? And yes this is important. However, another approach to reducing unemployment is to reduce the number of people looking for jobs. So a proposed partial solution to the unemployment crisis is to 1) prevent workers from joining the work force and 2) to remove those who are almost at retirement age.

## **Reduce the number of people entering the workforce**

The concept is simple. If there are fewer workers in the work force pool, achieving employment will be easier. How could we accomplish this? Well first, there could be a onetime government backed loan or even a grant to encourage students in college to remain in college to get an advanced degree. This could be a no-interest loan and may even include some grant money to allow students to continue their education with a masters or a doctorate degree and thus delaying their entry into the workforce. In the long term, it gives us a more skilled workforce and it would have the positive side effect of increasing not only college enrollment but would stimulate the need for more housing on and around campuses. In the short term, it prevents the influx of a large number of students from entering the work force for a couple of years. I have had numerous people indicate that their college graduate son or daughter has not been able to find a job. The reality is that unemployment is much higher than the numbers reported to us weekly.

## **Reduce the number of people remaining in the workforce**

On the back end of things, a special onetime government-backed deal could allow workers to retire one to three years earlier than allowed by the current social security schedule. It would also allow them to have access to both their social security and IRAs as if they were one to three years older. This could even be supplemented with a onetime bonus of several thousand dollars as an incentive to accept this offer. You could look at it as a buy-out from the US Government to leave the workforce. It would have to have a stipulation that the recipient of this plan would not accept full time employment for 1-3 years after accepting this arrangement and if they did they would lose access to the social security until they were at the original age prescribed by the social security schedule.

The result of both of these actions would be fewer workers entering the workforce and an increase in the number of workers leaving the workforce. I think this could be also supplemented with some sort of incentive for young people to join or remain in the military.

This later action would help us shore up or military size and help prevent those individuals from also adding to the ranks of unemployed. It seems that such actions would be easy to implement and would perhaps help the country through what appears to be a long and deep recession.