

Kelly Ruh: If the “bad” economic news is that American workers have it too good, we’re doing well

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You know you have a strong economy on your hands when even the “bad news” strikes you as really good.

That’s what I thought when I read a recent Wall Street Journal report about the “bad news” of the tight labor market here in the industrial heartland.

Since Donald Trump’s election two a half years ago, the national unemployment rate has plummeted, recently reaching a 50-year low of 3.6 percent, and the American economy has added a prodigious number of new jobs — more than 4.5 million of them as of April.

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Nowhere is the economic renaissance more evident than here in Wisconsin, where the unemployment rate stands at an unheard-of 2.9 percent.

Since virtually everyone who wants a job now has one, and many people have found better jobs than they had before, employers have to offer workers higher wages and/or better benefits to entice them away from competitors. Reflecting on the dearth of jobseekers, an employer called applicants with one particularly in-demand skill set “unicorns.”

I don’t know about you, but a “unicorn” is exactly what I want to be in the labor market. Who wouldn’t want to be hounded relentlessly by employers trying to

outbid each other?

But what about the “labor shortage?” What of the small businesses that are struggling to recruit enough new workers?

I have no doubt that some small business owners are having hiring difficulties, but the data show that small businesses as a whole are thriving in the Trump economy.

The small business optimism index compiled by the National Federation of Independent Business, for instance, remains near historic highs, and is still trending upward. Meanwhile, job creation among small business just busted a 45-year record.

The fact is, the “labor shortage” is something of a myth. Greater competition for American workers is a good thing. It raises wages for everyone, and it disproportionately benefits minorities, as well as individuals with minimal education and those trying to reintegrate into society after serving time in prison — the very people employers are most reluctant to hire when they’re flooded with qualified applicants for every open position.

A tight labor market also encourages people who have dropped out of the workforce entirely to go back to work. Despite the lowest unemployment rate in half a century, there are still historically high numbers of Americans out of the labor force. While there are many reasons that people choose not to work, rising wages make gainful employment a more attractive proposition in the vast majority of cases.

The enticements that employers are offering to attract those people also benefit the entire workforce. Their labor strengthens the economy as a whole, and the competition among employers enhances the financial security of workers and leads to better working conditions.

The Wall Street Journal report about hiring woes notes that companies are adding gyms and on-site recreation centers, introducing more flexible work rules, and paying more attention to employees’ work-life balance when they’re unable to raise wages any further.

The fact that some smaller firms are having trouble hiring is no reason to sacrifice the tremendous gains workers have made over the past two years. After decades of stagnation, wages are finally rising again, and the economy is at full employment

for the first time since the 1960s. Most workers have never experienced a labor market like this in their lifetimes.

This is the kind of economy President Trump promised on the campaign trail, and a tight labor market is merely a sign that his pro-growth agenda is delivering results for all American workers.

When the worst economic news out there is that workers are becoming more valuable as companies compete for their services, you know we're in a darn good place.

-Ruh, of De Pere, is the 8th Congressional District chair for the Republican Party of Wisconsin.