Last week left many concerned people waiting to see if the Federal Government would in fact shut down.

Last week left many concerned people waiting to see if the Federal Government would in fact shut down. Although it wasn't officially wrapped up until about 39 minutes after the midnight deadline, Congress successfully averted a government shutdown in the waning hours of Friday night.

House and Senate leaders ended weeks of budget stalemate with a compromise representing the largest budget cut the country has seen. The agreement slashes $78.5 billion off of the president's fiscal 2011 request, $38.5 billion from current spending levels starting with a prorated, six-day stopgap measure to keep the country running, minus about $2 billion, until Thursday, to give lawmakers time to ink the deal.

Could you even begin to imagine if the state of Ohio shut down?

Military veterans might not receive benefits checks and other Americans would be unable to apply for Social Security. The State Department might not issue new passports and unemployment statistics would not publish as scheduled. Museums and parks would close.

Budget disagreements between Bill Clinton and Republicans prompted these incidents in 1995 and 1996, as federal agencies halted operations and stopped paying workers.

For more than 20 days, federal employees stayed home or reported for duty only to be sent

packing hours later. In Washington, security guards roamed the halls forcing out workers who lingered and some frustrated Feds sought temporary jobs as bike messengers and servers at restaurants to pay holiday bills.

There are, of course, the obvious government programs Social Security and Medicare that would cause the most worry in the days of a shutdown. Social Security recipients would continue to receive checks, either electronically or in the mail, but new enrollees would face a delay.

And Medicare beneficiaries would still receive medical coverage, according to government officials. Other services that are part of people's daily routines would continue, including operations at the U.S. Postal Service.

USPS runs on the revenue from the sale of postage and not tax dollars. Even though that self-sufficient revenue stream has dried up over the years, we have seen big cutbacks. Small businesses would have to wait to apply for a loan. The Small Business Association would stop approving applications during the shutdown.

State and municipal courts and, for that matter, all state and municipal offices would remain open because they don't rely on federal funding. But state and municipal budgets receive federal funding for various projects so a prolonged shutdown could hurt.

Social service agencies could feel the pinch if the government were to take a long hiatus. Head

Start, fuel assistance, child nutrition supplements, weatherization would be affected because they’re mostly funded through one-year state contracts.

While the politicians in Washington have been really busy setting the scene for a great battle over the 2011 budget. The newly empowered congressional Republicans are trying to put more and more people out of work.

No one is paying attention to the fact that 25 million people are unemployed, underemployed or have given up looking for work altogether. The reason for so much unemployment is not a secret. We don’t have enough demand in the economy. The housing bubble drove the economy until it collapsed beginning in 2007.

When the bubble burst, the millions of jobs created by the bubble-driven construction boom disappeared. The plunge in house prices also brought an end to the consumption boom, which had been driven by housing wealth. Together, the drop in construction and consumption led to a falloff in annual demand of more than $1.2 trillion, almost 10 percent of the economy.

The private sector will not replace this demand anytime soon. And that means we need additional government spending to generate jobs or we are left with very high rates of unemployment. Note that this fact has nothing to do with whether we like the government or like the private sector more. Private businesses are not going to start expanding and hiring people because we cut government spending. Just go ask your nearest storeowner how many more people she will hire if the government cuts its spending.

My view is businesses will expand and hire people when they see that there is more demand for their products. The federal government is the only force with the ability to create enough demand to get the economy back on its feet right now. The stimulus package Congress enacted was a step in the right direction but it was nowhere near large enough. When you cut through the hype, the size of the annual stimulus in 2009 and 2010 was about $300 billion a year.

Roughly half of this was offset by cutbacks at the state and local level. Translation… We were trying to fill a $1.2 trillion hole with a net stimulus from the government sector of $150 billion. While research shows the stimulus was actually more effective than predicted, we need much more to get the unemployment rate down to normal levels. Unfortunately, the politicians in Was hington
are too scared to say the simple truth. ‘We need more spending to get the economy back on its feet, not less.’

Many individuals and families receiving assistance in the form of unemployment compensation or cash assistance have lost their incomes, their savings, and their retirement security. Additionally, many lost their homes and their gas and grocery money. That’s reason enough to advocate for an extension of benefits.

However, to argue that these benefits are at all stimulative is without merit.

They are, at most, supportive of a semi warm status quo. Stimulative denotes a higher meaning than preservation of persistently high unemployment. Moreover, ask most people on benefits or assistance and they would tell you they would rather be working.

Among the state’s 88 counties, the February 2011 unemployment rates ranged from a low of 6.7 percent in Delaware County to a high of 18.0 percent in Ottawa County.

Rates decreased in 83 of the 88 counties.

In February, the comparable rate for Ohio was 9.8 percent.

March 2011 unemployment rates and nonagricultural wage and salary data for Ohio will be released by ODJFS on Friday, April 15, 2011. County, city and metropolitan area unemployment rates will be available on Tuesday, April 19, 2011.

So, I am glad they avoided the government shut down because now I can mind my business.