



# Continued Claims for Unemployment Benefits in Michigan Reflect Historic High Due to COVID-19 Response

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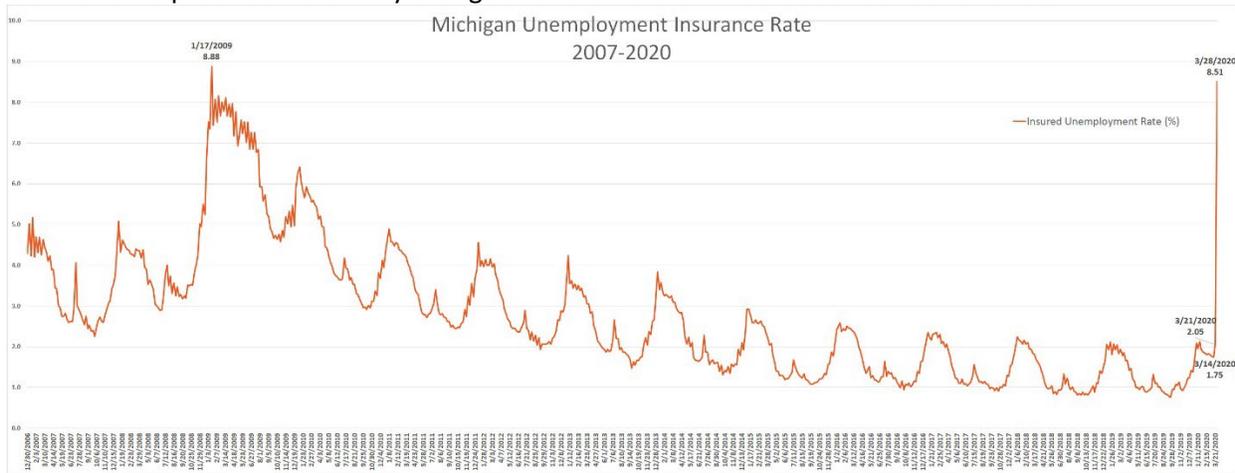
The Workforce Intelligence Network for Southeast Michigan (WIN) is a partnership of community colleges and workforce development boards, known locally as Michigan Works! Agencies (MWAs), in greater southeast Michigan. WIN was established in 2011 to create a comprehensive and cohesive talent development system in the region to ensure workers are prepared for success. The unprecedented coronavirus disease (COVID-19) pandemic has impacted every aspect of our lives in southeast Michigan and beyond. Now more than ever, data driven decision making is critical to our region as we navigate the impact of the pandemic and ultimately develop strategies for recovery and revitalization. WIN is committed to providing data and analysis specific to the COVID-19 impact on the greater southeast Michigan region as it becomes available.

For the week ending April 11, 2020, the State of Michigan experienced a dip in initial unemployment insurance claims, with 219,320 initial claims filed. This reflects a decrease of 169,234 claims, or 43.6 percent, from the week prior (April 4, 2020). However, as the Coronavirus Aid, Relief, and Economic Security (CARES) Act expands Michigan's benefits to self-employed and gig workers through Pandemic Unemployment Assistance (PUA) in the coming weeks – 1099-independent contractors, and low wage workers are now eligible for benefits – we should expect to see the number of initial claims grow again. While self-employed and gig workers can now apply for benefits through PUA, these claims remain in draft status until April 20, 2020.

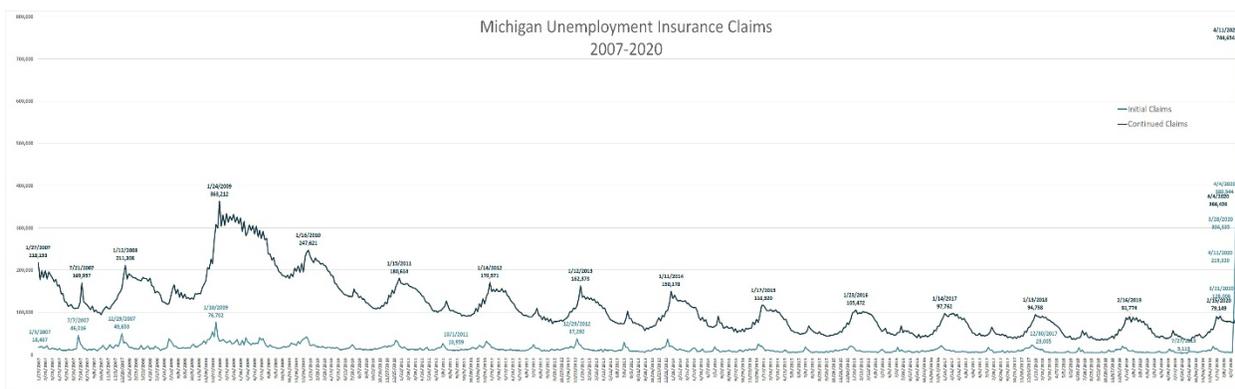
Last week, we predicted that we should expect to see a jump in the number of continued claims in the upcoming weeks, as individuals move through the benefit system and certify their unemployment while non-essential businesses remain closed. For the week ending March 28, 2020, there were 366,426 continued claims reported in the state of Michigan, resulting in an insured unemployment rate of 8.5 percent as predicted last week. The insured unemployment rate (IUR) is the number of individuals receiving unemployment insurance as a percentage of jobs covered by the unemployment insurance system. This is a 6.5 percentage point jump from week ending March 21, 2020, the largest single week change in the statewide IUR since its recording began in 1987. For contextual purposes, in January 2009, during the height of the Great Recession's weekly initial claims in Michigan, the IUR was 8.88 percent. However, this change happened gradually over many months between December 2007 and January 2009, and not over the course of one week.

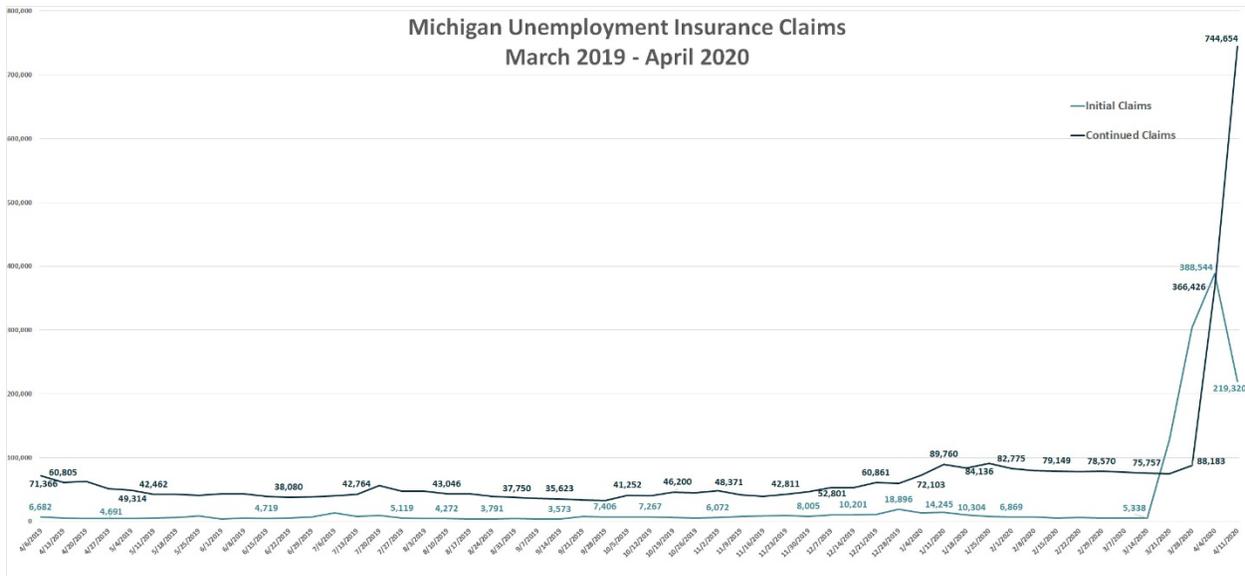
We can continue to use this methodology to predict the IUR for week ending April 4, 2020. Advance continued claims for the week ending April 4, 2020 were estimated at 744,654 claims, and covered

employment continues to be recorded at 4,302,198 workers since January 2020. As a result, we can predict that the IUR for week ending April 4, 2020 will be around 17.3 percent, an additional 8.8 percentage point jump from the week ending March 28, 2020. As discussed last week, this number can be a useful predictor for the true unemployment rate (though these numbers are calculated differently – the former relies on official numbers of those receiving benefits while the latter is a measured through government surveys). The Michigan true unemployment rate for March 2020 was reported at 4.1 percent, an increase of 0.5 percentage points from February 2020. This number does not yet reflect the impact of the pandemic on Michigan’s economy, as the reference week for calculation was before the Stay Home, Stay Safe Order. While the true unemployment rate is only reported monthly, the IUR demonstrates that we can expect it to be hovering around 25 to 30 percent for the month of April. This is an advance prediction that may change over the next few weeks as the crisis continues.



For contextual purposes, the total number of initial claims recorded during the Great Recession, between December 2007 and June 2009 (as defined by the National Bureau of Economic Research) was 2,056,737. Through four weeks of the COVID-19 pandemic (beginning with the week ending March 21, 2020), the total number of initial claims is 1,040,215. Thus, in four weeks, Michigan has recorded over half the number of initial claims in took 19 months to register in the Great Recession.





WIN’s data and research team will be continuously monitoring the impact of the COVID-19 pandemic in southeast Michigan and across the state over the coming weeks and months. Analysis will be posted to [www.WINintelligence.org/COVID-19](http://www.WINintelligence.org/COVID-19) on a weekly basis. For more information or to connect with WIN on this topic, please contact [research@WINintelligence.org](mailto:research@WINintelligence.org).

### About WIN

WIN serves three primary roles: (1) Gathering, analyzing, and distributing real-time labor supply and demand intelligence on workforce characteristics specific to the southeast Michigan Region; (2) Convening, facilitating, and engaging employers, and serving as the connection point for business, industry and other stakeholders as it relates to workforce development; and (3) Developing strategies and funding proposals for the delivery of regional workforce development programs through its partners.

WIN’s served population and scope of services is primarily offered in the 16-county area that includes Genesee, Hillsdale, Huron, Jackson, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, Saint Clair, Sanilac, Shiawassee, Tuscola, Washtenaw, and Wayne, and the City of Detroit. WIN also provides comparative analysis for the State of Michigan where applicable.

To learn more about WIN, please visit [www.WINintelligence.org/about-us](http://www.WINintelligence.org/about-us)