



Initial Claims for Unemployment Benefits in Michigan Hold Steady as Stay Home, Stay Safe Order Continues

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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.

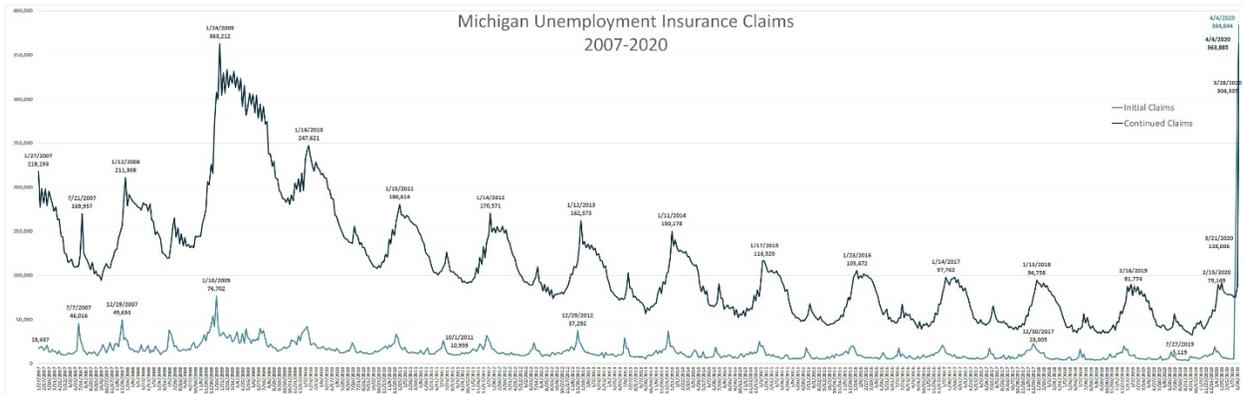
For the week ending April 4, 2020, the State of Michigan experienced a new high in initial unemployment insurance claims, with 384,844 initial claims. This reflects an increase of 80,509 claims, or 26.5 percent, from the week prior (ending March 28, 2020). While this increase looks numerically smaller than that of the weeks of March 21, 2020 and March 28, 2020 (an increase of 176,329 claims, or 138 percent), it continues to demonstrate the ongoing effects of the Stay Home, Stay Safe order. As the Coronavirus Aid, Relief, and Economic Security (CARES) Act expands Michigan's benefits to self-employed in the coming weeks – 1099-independent contractors, and low wage workers are now eligible for benefits – we should expect to see continued increases in the number of initial claims in the weeks to come.

In addition, 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 continue to certify for their weekly unemployment benefits while non-essential businesses remain closed. We expect to see this reflected in a rise in the insured unemployment rate (IUR), or the number of individuals receiving unemployment insurance as a percentage of jobs covered by the unemployment insurance system. Advance continued claims for the week ending March 28, 2020 were 363,885, and covered employment has been recorded at 4,302,198 since January 2020. As a result, we can predict that the IUR for week ending March 28, 2020 will be around 8.5 percent, over a six-percentage point jump from the week ending March 21, 2020. 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). While the true unemployment rate is only reported monthly, the IUR demonstrates that we can expect it to be hovering between approximately 15 to 20 percent for the month of April. The next true unemployment rate release will be for the month of March, and the

month of April will not be reported until May. Thus, the approximate 15 to 20 percent for the month of April is an advance prediction that may change over the next few weeks as the crisis continues to evolve.

It is also important to note that initial claims and continued claims numbers are only available at the state level. The true unemployment rate, released monthly, is reported at various regional levels, and will reflect much of the initial claims information being recorded at the state level.

For contextual purposes, the number of initial claims recorded at the beginning of the Great Recession, during December 2007 (as defined by the National Bureau of Economic Research) was 49,653 in one week. The highest number of initial claims recorded during the Great Recession’s duration was 76,702 in one single week, during January 2009. Thus, the number of initial claims filed during the week ending April 4, 2020 were 402.7% higher than the peak of unemployment claims during the Great Recession. On average, claims recorded during the Great Recession (between December 2007 and June 2009, as defined by the National Bureau of Economic Research) were 24,780 per week. Moreover, the total number of initial weekly claims recorded during 2019 was 376,008, and the State of Michigan has now surpassed that in a single week.



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 on a weekly basis. For more information or to connect with WIN on this topic, please contact 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