



Michigan IUR Continues to Rise as COVID-19 Continues

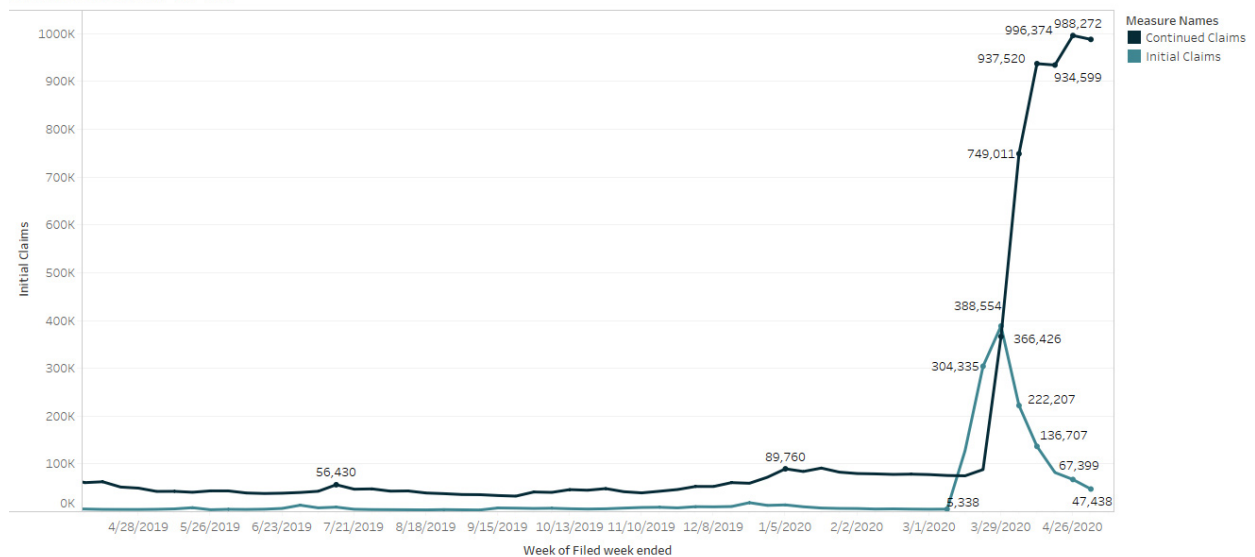
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May 14, 2020

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 May 9, 2020, the State of Michigan experienced another dip in initial unemployment insurance claims when compared to the prior week, with 47,438 initial claims filed. This reflects a decrease of 19,961 initial claims, or 29.6 percent, from the week prior (May 2, 2020). This is Michigan's fifth consecutive week of claim decreases, indicating that the greatest number of new job losses and unemployment claims due to the shutdown occurred in late March and early April, so we are likely to see these rates continue to slow.

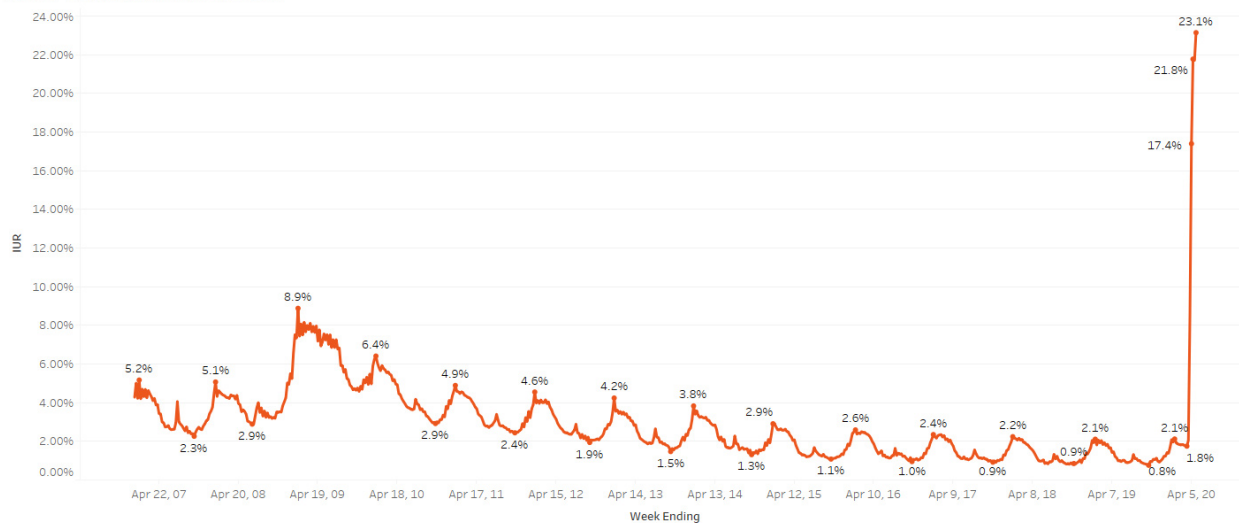
Michigan UI Claims, Past Year



Michigan has the second highest insured unemployment rate (IUR), or the number of individuals receiving unemployment insurance as a percentage of the jobs covered by the unemployment insurance system, reported in the country for the week ending April 25, 2020, at 23.1 percent.¹ In previous weeks, Michigan has had the highest IUR in the nation, however, for week ending April 25, 2020, California (27.7 percent) experienced a greater rate. While much of this continued elevated IUR is related to the nature of employment in Michigan – a larger percentage of our workforce is employed in occupations relating to advanced manufacturing, skilled trades and engineering and design, much of which has been deemed non-essential – streamlined filing in Michigan may have contributed to the early relatively rapid rise in the reported IUR, as a greater proportion of our unemployed individuals were accurately captured in this estimate.

We can continue to use this methodology to predict the IUR for week ending May 2, 2020. Advance continued claims for the week ending May 2, 2020 were estimated at 988,272 and covered employment continues was recorded at 4,305,711 workers for week ending April 25, 2020.² As a result, we can predict that the IUR for week ending May 2, 2020 will be around 22.9 percent, a 0.2 percentage point drop from the week ending April 25, 2020. For contextual purposes, the highest previously reported IUR in the State of Michigan was in January 2009, during the height of the Great Recession, at 8.88 percent.

Insured Unemployment Rate Since 2007



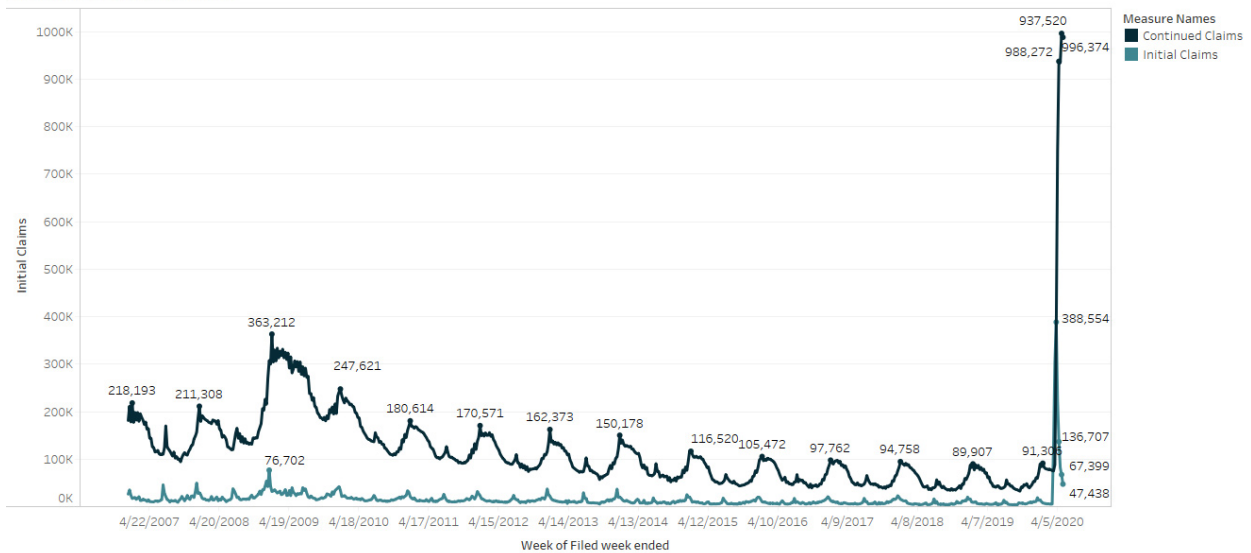
As previously discussed, this IUR can be a useful predictor for the true unemployment rate (though these numbers are calculated differently – the former relies on official numbers of those receiving benefits while the latter is a measured through government surveys). The Michigan seasonally adjusted 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

¹ Last week we predicted the IUR to be 24.2 percent for the week ending April 25, 2020. The difference of 1.1 percentage points can be explained through the revision up in the number of continued claims (996,374 counted versus advance numbers of 1,041,344 reported) enumerated between weeks.

² Covered employment rose for week ending April 4, 2020, for the first time since January 11, 2020. We expect that some of this is related to an increase in number of workers, such as gig and self-employed, who are now eligible for benefits.

hovering around 23 to 28 percent for the month of April. This is an advance prediction that may change over the next few weeks as the crisis continues.

Michigan UI Claims Since 2007



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