Michigan's Jobless Rate Declines During May
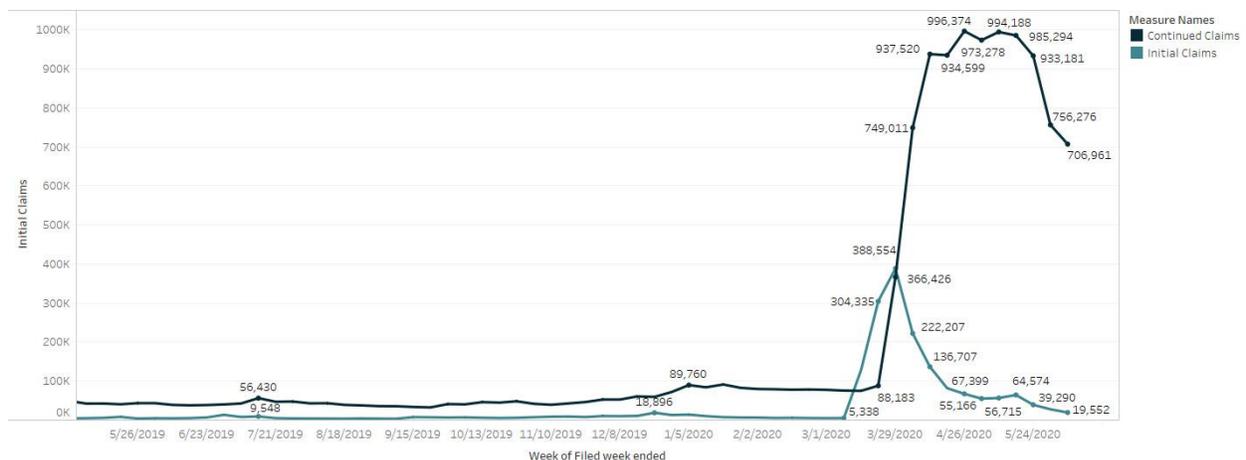
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The Workforce Intelligence Network for Southeast Michigan (WIN) is a partnership of community colleges and workforce development boards, known locally as Michigan Works! Agencies (MWAs), in greater southeast Michigan. WIN was established in 2011 to create a comprehensive and cohesive talent development system in the region to ensure workers are prepared for success. The coronavirus disease (COVID-19) pandemic has impacted every aspect of our lives in southeast Michigan and across the globe. 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 June 13, 2020 the State of Michigan saw initial unemployment insurance claims decline when compared to the prior week, with 19,552 initial claims filed. This reflects a decrease of 8,284 initial claims, or a decline of 29.8 percent, from the week prior (week ending June 6, 2020). Following several weeks of initial claim decreases, continued claims are beginning to trend down as well. The greatest number of new job losses and unemployment claims due to pandemic-related shutdowns occurred in late March and early April 2020. As parts of Michigan begin to reopen and stay at home restrictions loosen, we are likely to see these patterns continue.


Michigan had the fifth 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 May 30, 2020, at 17.6 percent.[1] As not all workers are covered under unemployment insurance, even after recent benefit expansions, this rate is consistently below the true unemployment rate. For much of April and May, Michigan reported the highest IUR in the nation. For the past several weeks several other states and territories, including Maine, Nevada Puerto Rico and Hawaii have seen increases in their IURs as Michigan's begins to decline. 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, occupations initially 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.
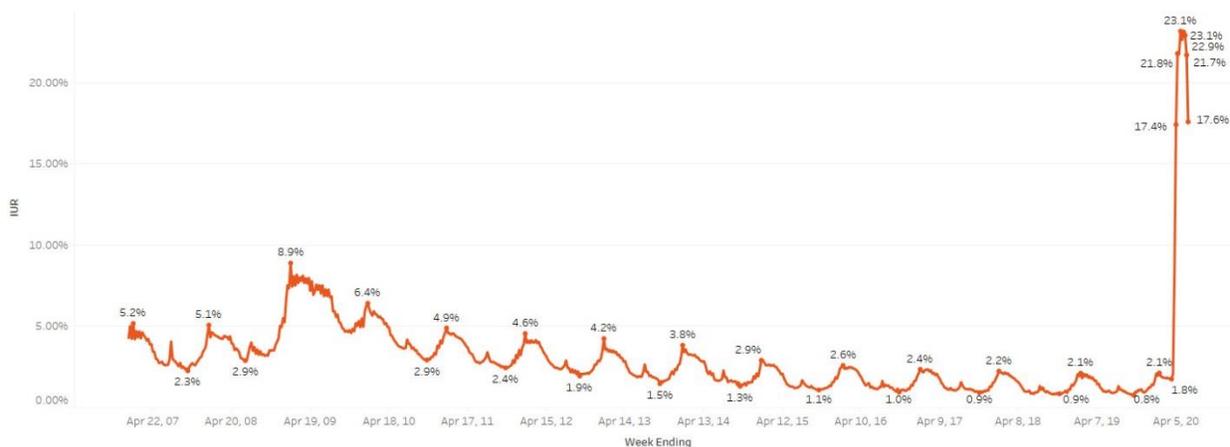

We can continue to use this methodology to predict the IUR for week ending June 6, 2020. Advance continued claims for the week ending May 30, 2020 were estimated at 706,961 and covered employment remained 4,305,711 workers for week ending May 16, 2020.[2] As a result, we can predict that the IUR for week ending May 30, 2020 will be around 16.4 percent, a 1.2 percentage point drop from the week ending May 30, 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.

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[1] Last week we predicted the IUR to be 19.6 percent for the week ending May 30, 2020. The difference of 2.0 percentage points can be explained through the revision down in the number of continued claims (756,276 counted versus advance numbers of 842,268 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.
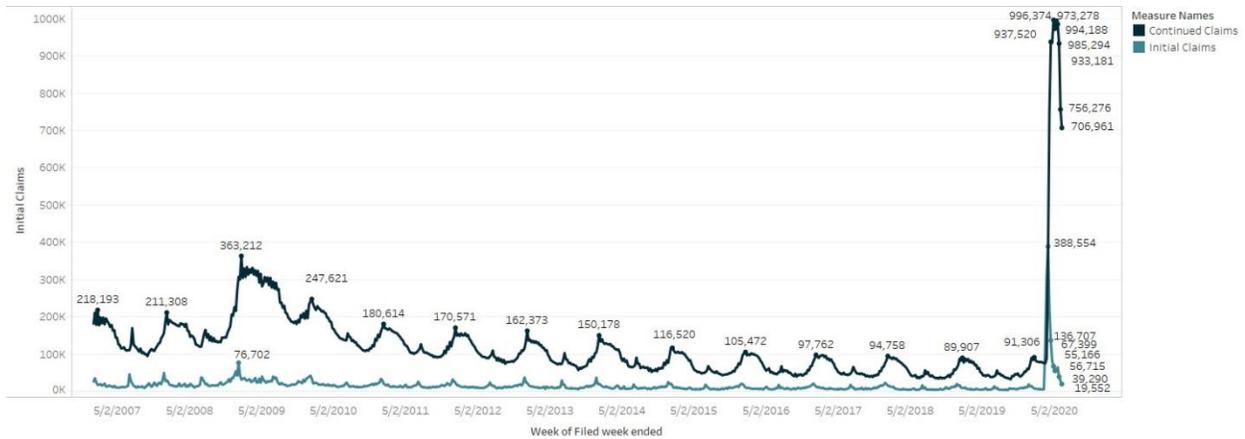
The non-seasonally adjusted unemployment rate, per Local Area Unemployment Statistics (LAUS) data released in June, declined to 20.7 percent for the month of May in the State of Michigan. This is a decrease of 2.9 percentage points from April 2020.[3] To put another way, a fifth of the state's labor force is currently out of work. April and May continue to be the highest unemployment rates on record in the State of Michigan since January 1983, when the unemployment rate was recorded at 17.3 percent. During the Great Recession, Michigan saw its highest unemployment rate during July 2009, at 15.4 percent.
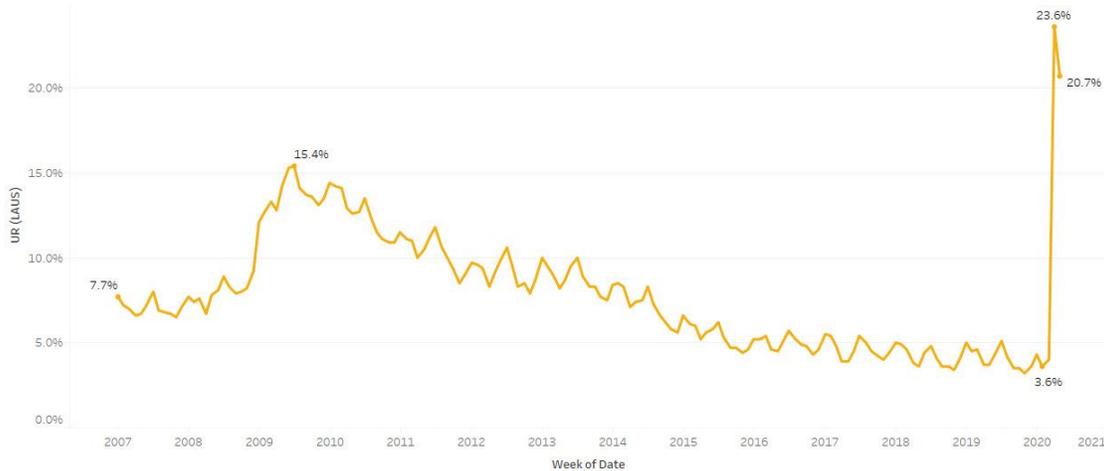
The IUR can be a useful predictor for the true unemployment rate (though these numbers are calculated differently – the former relies on official numbers of those receiving benefits while the latter is a measured through government surveys). Graphs of both the true unemployment rate and the IUR are presented here for comparison. While the true unemployment rate is only reported monthly, the IUR demonstrates that we can expect it to continue to decline during the month of June. This is an advance prediction that may change over the next few weeks as the crisis continues.

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.

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[3] WIN predicted that the May 2020 unemployment rate in Michigan would be between 23 and 28 percent beginning the week of May 16, 2020.

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 the16-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