



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**

The COVID-19 pandemic is a generational public health and economic crisis

Story of the crisis:

- Business closures to mitigate epidemic spread and flatten the curve
- Unprecedented spike in unemployment
- Government imposed restrictions demand government solutions


Relief: Provide income support



- 1 Expand eligibility and access**
Coverage for every vulnerable worker

- 2 Pay more**
Maximize drawdown of federal relief

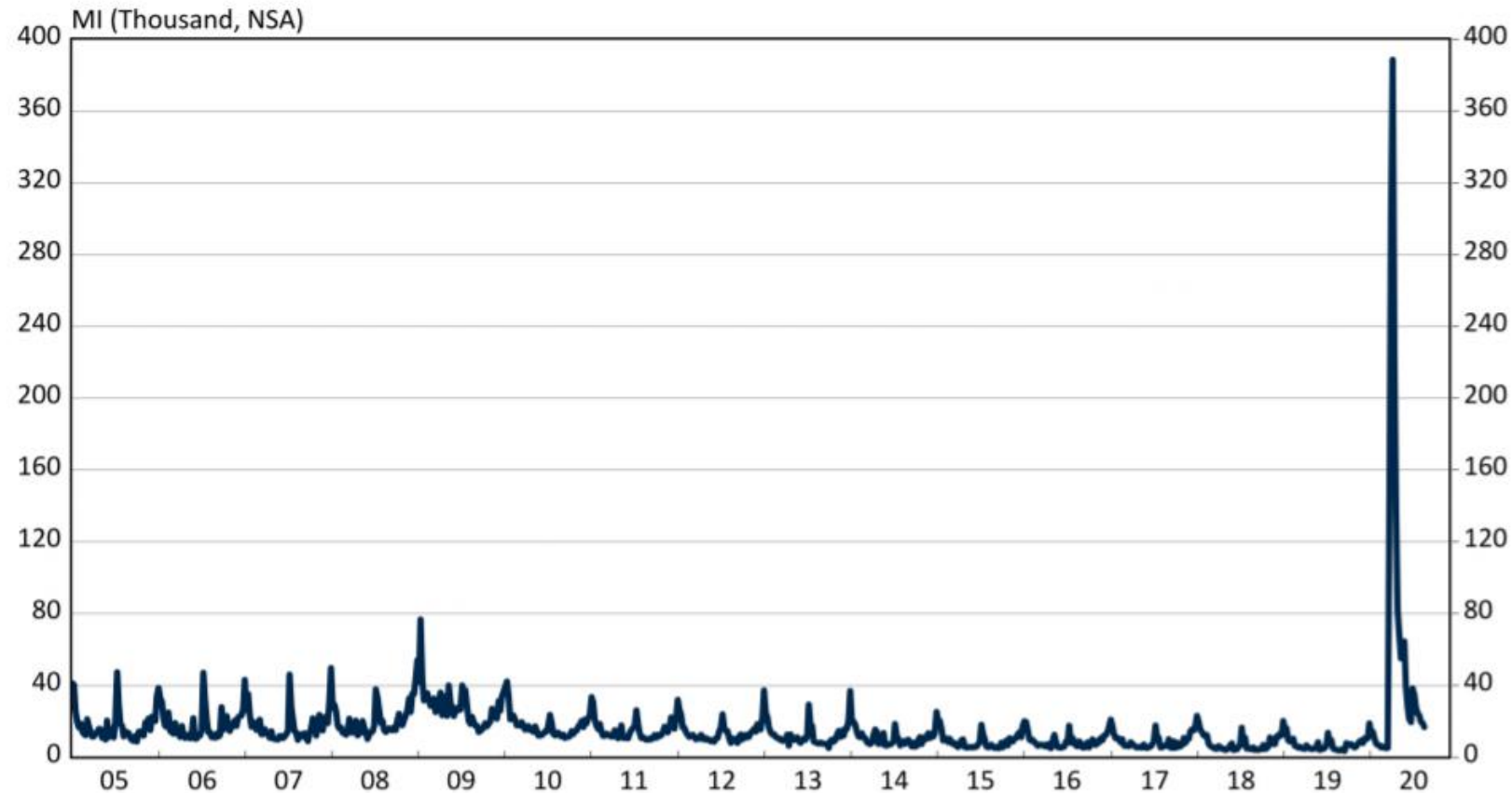
- 3 Past fast**
Process / pay claims as quickly as possible



**~\$25B in
benefits
paid since
March 15**

Unprecedented spike in workload

Weekly initial unemployment claims, 2005-2020



Massive spike in unemployment

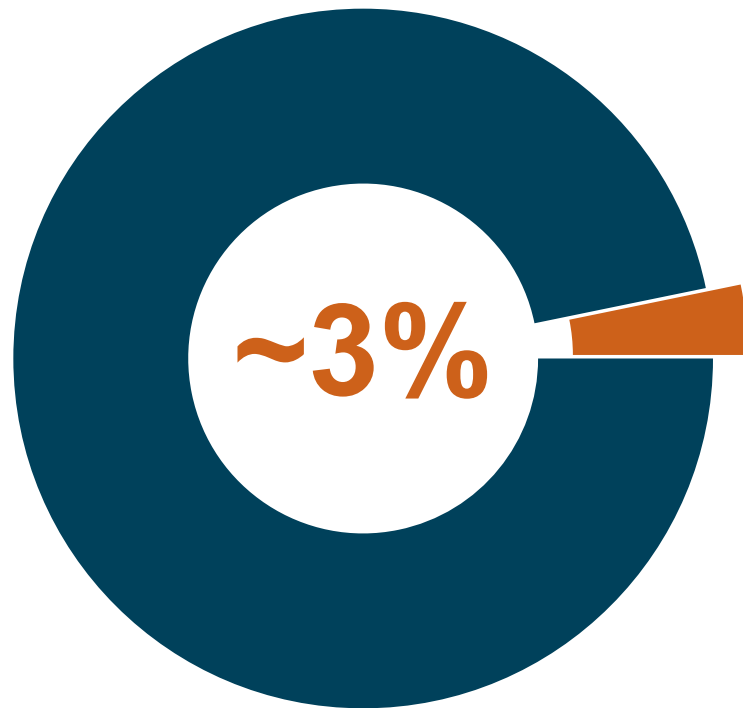
Design feature, not design bug



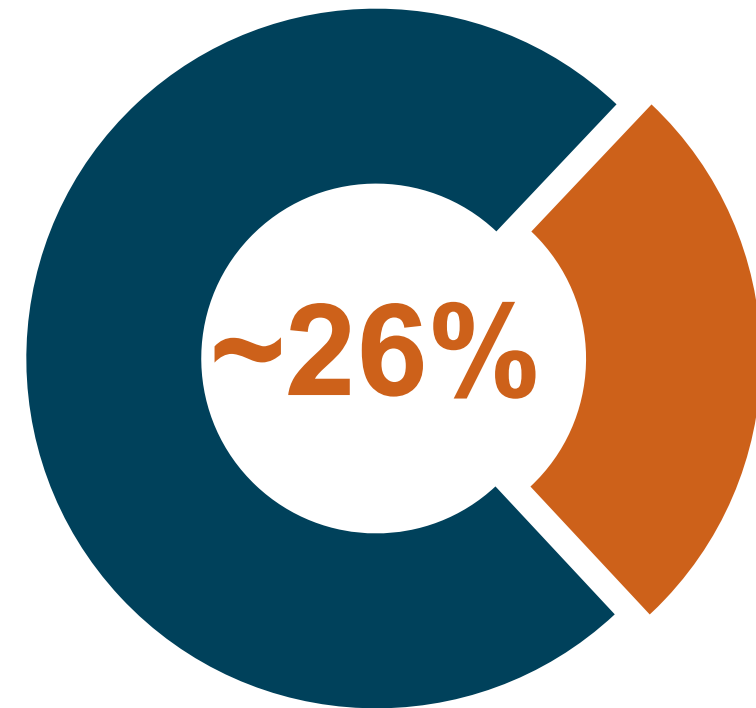
“Having studied how [the unemployment system] was internally constructed, I think the goal was for whoever designed, it was, 'Let's put as many kind of pointless roadblocks along the way, so people just say, oh, the hell with it, I'm not going to do that,'”

Why is it constructed this way?

Fraud



Reciprocity



How did the system perform?



1st *consumer spending growth*

8th *personal income growth*


47th *wage / salary growth*

Recovery: Keep and fill the jobs we have



1 **Preserve jobs**
Financial stimulus for people and businesses

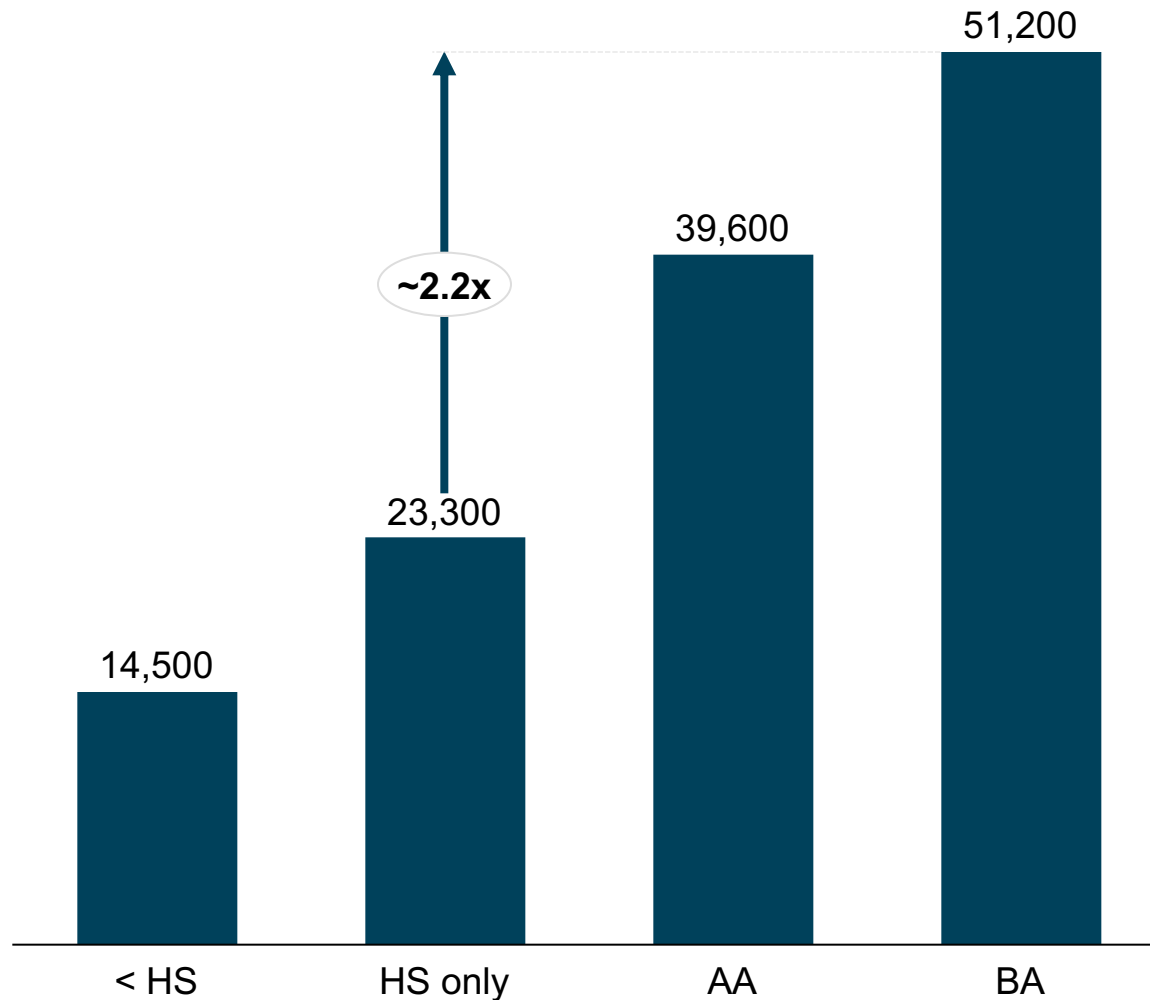
2 **Skills and education**
Training for higher income and better outcomes



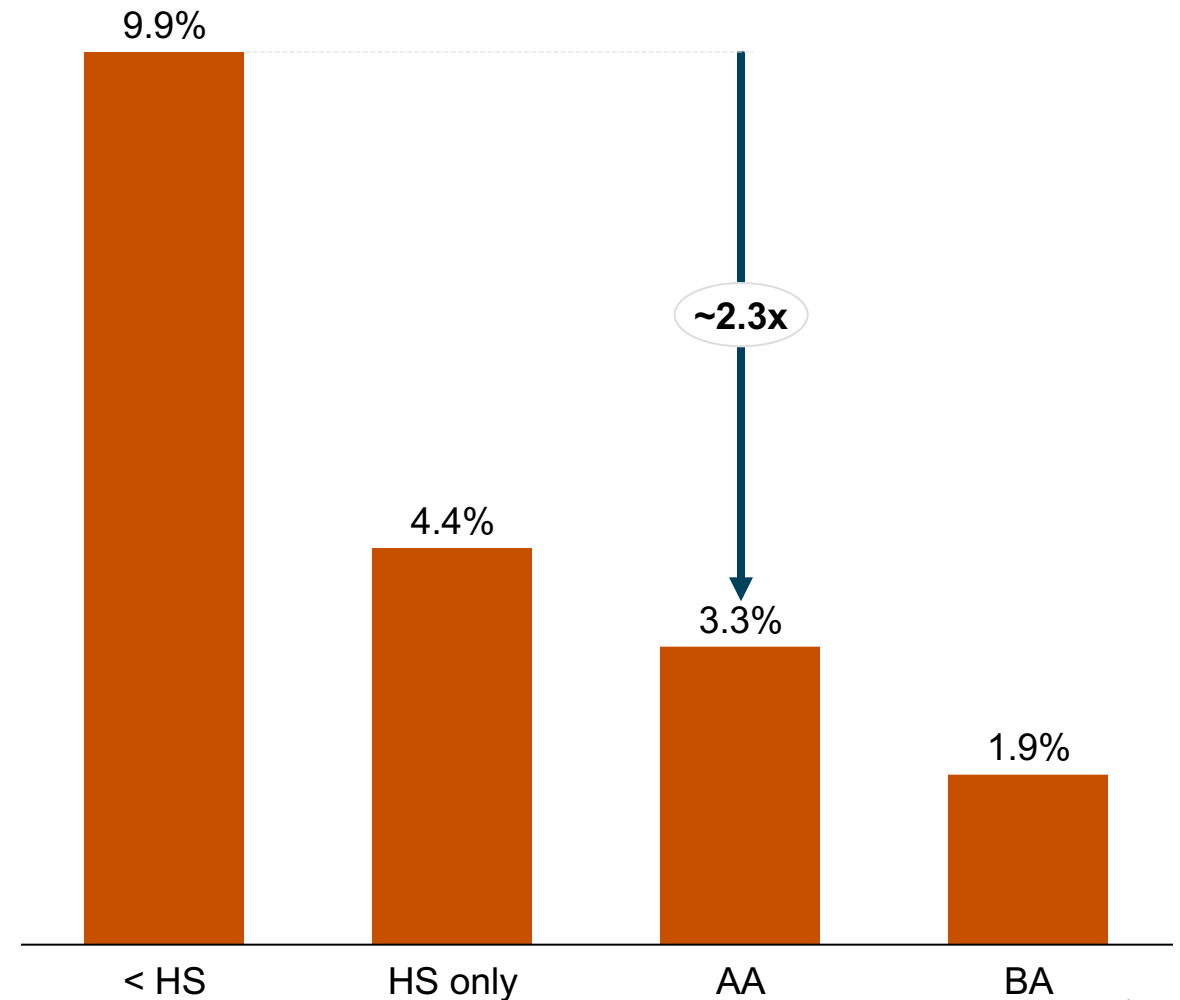
**110,000
jobs saved
via state
programs**

High school isn't enough anymore

Income by education, 5 years after graduation



Unemployment by education, 5 years after graduation



High school isn't always enough anymore



- **Futures for Frontliners**
- **Michigan Reconnect**

Resilient sectors

- **Today:** Second most exposed to recession in US, 40%+ of jobs exposed to automation
- **Going forward:** Sector strategies with laser focus on resilient, inclusive economic growth

Resilient workers

- **Today:** Falling behind on postsecondary attainment, leaving workers vulnerable
- **Going forward:** Sixty by 30, Futures for Frontliners, Reconnect, Opportunity

Three policy proposals



- 1 Relief: Unemployment insurance**
Simpler eligibility criteria, application process, and tech

- 2 Recovery: Investment in Talent**
Additional pathways to postsecondary credentials

- 3 Survival: COVID-19 safety**
Masking / Safeguards in law