

Federal Unemployment Stimulus Loss Will Devastate WI Working Families

Written by Citizen Action of Wisconsin Press
Friday, 24 July 2020 14:17

<http://newiproggressive.com/images/stories/S5/unemployment-virus-outbreak-dp-s5.jpg>



New Report shows loss of \$600-per-week benefit will lead to over 65,000 additional jobs lost. Every metropolitan area to see substantial job loss as families lose funds.

STATEWIDE: On a media webinar today Citizen Action of Wisconsin was joined by State Senator La Tonya Johnson to release a new report showing the economic consequences of a failure of Congress to extend the \$600-per-week benefit for out-of-work and partially working Wisconsinites.

Without a renewal by Congress and the President, the benefits will expire on Saturday in Wisconsin. Republicans in Washington [remain gridlocked](#) , and will not make a counter proposal to House Democrats (who passed an unemployment extension in May) until next week at the earliest.

A [video recording of the news conference is available here](#) .

The report breaks down the economic impact of cutting the \$600-per-week federal funding stimulus for major Wisconsin metropolitan areas. [Over 200,000 Wisconsin](#) unemployed workers and underemployed workers participating in Work-Share programs will lose more than half of their family incomes. Taking this money out of the pockets of working families across Wisconsin will have a cascading impact on local economies, cutting demand for groceries, auto

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repairs, and other basic services, damaging already struggling businesses and forcing additional layoffs. It will also force many to go without enough food and other basics, and spark an unprecedented wave of evictions and foreclosures.

Key Findings

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For workers, the drop in the \$600 enhanced UI stimulus weekly will result in an over 60% drop in weekly earnings for those out-of-work. (Figure 1)

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Statewide, Wisconsin could expect to see a loss of 65,635 jobs over the rest of the year by a drop in consumer demand from the ending of the \$600-per-week federal support to out-of-work Wisconsinites. (Figure 2)

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At current levels of unemployment, \$3.1 billion in federal funds will be taken out of the pockets of working people and local Wisconsin economies from August through December. An extension through the end of the year is included in the [HEROES Act](#) passed by the House of Representatives in May but stalled by the U.S. Senate and the President. (Figure 2)

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Because metropolitan areas often cover large regions, county level unemployment figures alone do not fully capture the impact. The 3 metropolitan areas most impacted are Greater Milwaukee (20,458 jobs at risk), Greater Madison (6,842 jobs at risk) and Greater Green Bay (3,238 jobs at risk).

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As covered in Figure 3, every county in Wisconsin would be impacted, hurting rural and urban Wisconsin alike as dollars are not spent consumer-to-business then business-to-business.

Figure 1: Percent of Income Reduction from Drop in UI Benefits

Impact by Worker Characteristics

Weekly Benefit Currently

Weekly Benefit Without Stimulus

Reduction in Earnings

Full-time worker who normally earns \$20/hour or more*

\$970

\$370

61% reduction in spending potential

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Worker who normally earns \$10/hour, 30 hours a week

\$756

\$156

79% reduction in spending potential

Worker on a "Work-Share" plan, hours reduced 50% to 20 per week, \$20/hour

\$1,185

\$585

50% reduction in spending potential

* - Unemployment insurance amount is based on the quarterly earnings, a combination of hours and hourly wage. Data gathered from Department of Workforce Development's [Weekly Benefit Rate Calculator](#)

. UI weekly benefits are capped in Wisconsin at \$370 per week at most.

Figure 2: Statewide and Metropolitan Economic Impact of Not Extending the \$600/Week Unemployment Stimulus Until the End of 2020

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Metropolitan Statistical Area (MSA)

Jobs at Risk

Federal \$ Taken from Wisconsin Working Families

STATEWIDE

65,635 jobs

\$3.1 billion not coming to families

Milwaukee-Waukesha, WI MSA (covering Milwaukee, Waukesha, Washington & Ozaukee counties)

20,458

\$975.1 million

Madison, WI MSA (covering Dane, Iowa, Columbia & Green counties)

6,842

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\$326 million

Green Bay MSA (covering Brown, Oconto & Kewaunee counties)

3,238

\$154.3 million

Appleton, WI MSA (covering Outagamie & Calumet counties)

2,344

\$111.7 million

Racine, WI MSA

2,204

\$105 million

Janesville-Beloit, WI MSA

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1,873

\$87.2 million

Wausau-Weston, WI MSA

1,490

\$71 million

Oshkosh-Neenah, WI MSA

1,644

\$78.3 million

Eau Claire, WI MSA (covering Eau Claire & Chippewa counties)

1,583

\$75.4 million

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La Crosse, WI-MN MSA

1,160

\$55.2 million

Sheboygan, WI MSA

1,030

\$49 million

Fond du Lac, WI MSA

874

\$41.6 million

* - Source: [US Census designation](#) of Metropolitan Statistical Areas

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** - Methodology: Using the state-level calculation of job loss from the [Economic Policy Institute](#), we estimate the local impact through adjusting for the proportion of unemployed Wisconsin workers eligible for the \$600-per-week benefit by multi-county Metropolitan Statistical Area (MSA). MSA's are preferred as they better capture the flow of money between adjacent communities and local economies.

*** - Based on DWD UI Week 26 estimate of weekly claim recipients by county, grouped by MSA, multiplied the number of weeks remaining in 2020 and by \$600 per week. Figures may be low, as they do not count residents waiting for unemployment determinations and UI funds.

Figure 3: Number of Residents Unemployed by County, as of DWD Week 26, and Estimate of Jobs at Risk Per County from End of \$600 Unemployment Stimulus.

County

Estimated Job Loss from Conclusion of \$600/week*

Weekly unemployment claims as of DWD UI Week 26**

Adams

109 jobs at risk

375 people unemployed

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Ashland

197

681

Barron

337

1,164

Bayfield

121

419

Brown

2,821

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9,744

Buffalo

75

260

Burnett

99

341

Calumet

558

1,929

Chippewa

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550

1,901

Clark

221

762

Columbia

711

2,456

Crawford

131

453

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Dane

5,604

19,354

Dodge

778

2,687

Door

259

894

Douglas

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276

954

Dunn

345

1,190

Eau Claire

1,033

3,567

Florence

12

43

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Fond du Lac

874

3,020

Forest

140

485

Grant

359

1,240

Green

257

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889

Green Lake

152

524

Iowa

270

931

Iron

53

184

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Jackson

285

984

Jefferson

710

2,453

Juneau

301

1,039

Kenosha

1,498

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5,174

Kewaunee

134

462

La Crosse

1,160

4,007

Lafayette

107

368

Langlade

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161

557

Lincoln

269

930

Manitowoc

899

3,106

Marathon

1,490

5,146

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Marinette

362

1,250

Marquette

141

488

Menominee

87

301

Milwaukee

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14,475

49,994

Monroe

336

1,161

Oconto

283

979

Oneida

309

1,066

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Outagamie

1,786

6,167

Ozaukee

829

2,862

Pepin

40

137

Pierce

236

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816

Polk

305

1,055

Portage

708

2,445

Price

109

377

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Racine

2,204

7,613

Richland

126

435

Rock

1,873

6,468

Rusk

95

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328

Sauk

890

3,075

Sawyer

150

519

Shawano

362

1,250

Sheboygan

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1,030

3,556

St. Croix

576

1,989

Taylor

113

391

Trempealeau

272

940

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Not allocated to a specific county***

5,419

18,718

Vernon

197

681

Vilas

133

458

Walworth

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774

2,675

Washburn

147

506

Washington

1,296

4,477

Waukesha

3,859

13,328

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Waupaca

392

1,355

Waushara

194

670

Winnebago

1,644

5,677

Wood

526

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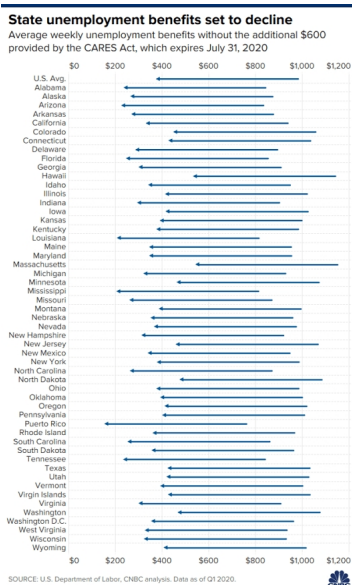
1,817

* - Methodology: Using the state-level calculation of job loss from the [Economic Policy Institute](#) , we estimate the local impact through adjusting for the proportion of unemployed Wisconsin workers eligible for the \$600-per-week benefit by county. While county level spill-overs no doubt occur (money is not only spent in the county one lives in) we assume spillovers occur in both directions between counties.

** - Source: Wisconsin Department of Workforce Development (DWD) Wisconsin Unemployment Insurance Initial and Weekly Claims Filed, UI Week 26

*** - DWD statistics do not account for the county of origin for all UI recipients.

Figure 4: Wisconsin UI Weekly Benefit Rate Compared to Other States, National Average



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