

May 19th, 2021

To: Wisconsin Lawmakers, Political Staffers, and Press

From: Wisconsin Unemployment ACTION Group

RE: Proposal to end Federal Pandemic Benefits

In recent days, the Wisconsin GOP and Chamber of Commerce have launched an attack on the working-class constituents that remain on Unemployment. Unfortunately, this is not a unique plan, as 20 other states have made decisions to end federal benefits in the month of June. These decisions lack a significant component: no one is speaking to the people and families these decisions will truly effect.

In December 2020, the Continued Cares Act was passed to extend federal benefits into March 2021. In March 2021 President Biden signed the American Rescue Plan that further extended those benefits throughout the summer with an end date of September 4, 2021. These benefits include weekly unemployment payments that range from \$1 and max out at \$370. In addition to the base benefit, there is a program (FPUC) that adds \$300 each week to supplement that base benefit as many workers are struggling to find suitable employment or have childcare needs that can not be met within their community.

It is the opinion of the GOP and those following their lead that the 400k Wisconsinites currently receiving UI benefits are the root of several industries and business owners who cannot find employees. The narrative being pushed through media, and now a proposal set to go to the assembly floor, is that forcing people off federal UI will push them into filling those empty positions. The facts prove otherwise. Unemployment benefits are not lavish dollars being thrown at the unemployed and enabling them to travel, make large purchases, shower their friends and family with gifts, or buy cars and homes. These benefits are below the poverty threshold for families of three or larger.

Unemployment recipients can not refuse work if they are recalled by an employer that has laid them off. If they refuse based on anything other than safety issues or other covid related reasons, benefits will be terminated. Current data shows that the cost of living in Wisconsin is approximately \$59,250 a year. This is for a two-adult household with two dependents and only one adult working. Breaking down this data we have the following facts (calculated in gross format):

Working Wages	
Cost of Living	\$59,250/yr
Monthly Income	\$4960
Weekly Income	\$1240
Hourly Wage	\$31/hr

Unemployment Benefits		Poverty Guidelines
Average UI Benefit	\$220/wk	
Federal Enhancement	\$300/wk	
Total Avg Benefit	\$520/wk	\$637/wk
Avg Hourly Benefit	\$13/hr	

This data has been calculated using the MIT living wage and cost of living calculators.

The Wisconsin Unemployment ACTION Group, together with the Center for Popular Democracy and their “Unemployed Action” campaign, are working to ensure that citizens and lawmakers are aware of all factors relating to job openings, business closures due to no employee’s, and the truth about life while receiving unemployment benefits. Additionally, we encourage Wisconsinites to educate themselves on this topic. More than 80% of the businesses that are suffering employee shortages had these same issues pre-pandemic. This is a systemic issue within our state and nation and will continue unless employers take a hard look at the wage packages, benefits, time off, schedules, and work environments they offer potential employees.

- Finally, we would like to highlight a few particularly important factors in this discussion. Without these federal benefits hundreds of thousands of Wisconsinites will be with no income and no means to provide for their families.
- There is a majority support within the UI community that bringing back Work Search requirements is important to continue the phasing in of our communities in a safe and healthy way. People do not wish to be unemployed and most have been doing work searches on their own due to the DWD and the UI division failing to process claims and payments in an acceptable time frame.
- Federal UI benefits have been written into law. Even if a state elected to not administer the program, the federal government is responsible for figuring out how to get those dollars into the hands of the unemployed.
- Childcare continues to be an escalated concern due to kids not in school, lack of affordable and available childcare, and a lack of suitable employment.
- This pandemic decimated the middle class in Wisconsin. Many of the unemployed are business owners that have not been able to resume their services. Even more are skilled laborers that know their worth and are not willing to accept subpar employment.
- This move by the GOP would force the unemployed into a volatile job market that places little value in the employee.

In the coming days and weeks our members and allies will be speaking with legislative members and the press about this issue. The people of Wisconsin deserve better, and we call on everyone to stand up and refuse to be bullied by the GOP and Chamber of Commerce simply because they want to protect their bottom line and continue undervaluing their workforce.

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