



June 23, 2021

Dear Governor Whitmer and Members of the Michigan Senate and House:

Small business owners, agricultural leaders, managers in retail, hospitality, manufacturing and nearly every industry sector across our state are struggling to find job applicants and available workers. The problem? There are too many people without jobs—and too many jobs without people to fill them.

Job providers are doing their part. They are raising wages, offering signing and retention bonuses, offering cash to interview and competitive benefits including job flexibility, work-from-home options, longer vacations, shorter shifts. The truth is that there has never been a better time to enter the workforce. It is a worker's market whether you are skilled or unskilled.

New federal [data](#) released in early June illustrates the increasingly urgent need to address the ever-worsening workforce crisis and break down the barriers to employability. However, a new [poll by the U.S. Chamber](#) of Americans displaced by the pandemic and remaining on unemployment suggests there are steep barriers to doing so, including inflated unemployment benefits, lack of access to affordable childcare, skills gaps and more.

We're stepping up to the challenge to solve these pressing issues, but we need your help. Here's what can--and should--be done to address this critical problem:

End the Federal Unemployment Insurance Benefits by mid-July -

Open positions currently outnumber job seekers. In fact, there are more than [231,000 people](#) drawing unemployment insurance (UI) benefits in Michigan and over 378,926 jobs posted across the state.¹

The current maximum UI benefit is \$662/week (state and federal Pandemic Unemployment Compensation [PUC]) providing an hourly rate of \$16.55. At this pay rate, more than 41 percent of workers in Michigan has the potential to earn more drawing UI benefits than what they might earn working 40 hours per week.

The U.S. Chamber survey further highlights the problem: One in eight (13%) who became unemployed during the pandemic and remain unemployed have turned down at least one job offer in the past year, and one in six (16%) not actively seeking work say the amount of money they are receiving from unemployment benefits and government programs makes it “not worth looking” for jobs. Even more—28 percent of all respondents—agree that “there are a lot of people who are not looking for work because they can do almost or just as well collecting unemployment benefits.”

¹ The estimate on job postings is from [EMSI](#), and refers to the number of unique online job advertisements posted across the state from a variety of sources (e.g., Indeed, Monster, Glassdoor, etc.). The true estimate of job openings is likely larger than the 378k number because employers often utilize one posting to fill multiple openings for the same role. This is a conservative estimate because it only counts one job per posting.

Expanded federal UI benefits have created a strong disincentive for UI recipients to return to work and/or advance their knowledge and skills to obtain higher paying jobs. The current labor shortage is having a detrimental effect on our ability to serve our communities, while also impacting Michigan businesses.

Michigan should follow the lead of 26 Governors across the country and terminate the extra \$300 in federal unemployment benefits, authorized by the CARES Act, and instead work to fund back to work and training initiatives. While we greatly appreciate the Michigan House's action on [legislation](#) to terminate these benefits, we need the Senate to follow suit and the Governor to sign the bill. *Alternatively*, administrative action can be taken by Governor Whitmer to cancel the state's agreement with the US-DOL; this route does NOT require legislative approval. Regardless, prompt action is needed.

Along with reinstating mandatory work search and registration requirements, terminating the federal UI benefits, especially now that vaccines are now widely available, could make a difference and get people to come off UI and back into the workforce.

New [data](#) suggests this policy change can move the needle. Now is the time for action.

Other policy initiatives many of our groups support and urge you to consider:

- Offering [return-to-work bonuses](#) to UI recipients contingent upon maintaining employment for at least four weeks.
- Aggressively enforcing [work search requirements](#) to make it clear to claimants that they must be actively engaged in seeking work as a condition of unemployment and [cannot turn down](#) suitable job offers because they wish to “choose” to stay on unemployment.
- [Reinstating work registration requirements](#) with the Michigan Works! Offices. The requirement should include both virtual and in-person options.
- Fully funding the [Going Pro Training Fund](#).
 - \$39 million was appropriated in January of 2020, but employer demand signals additional investment is needed.
 - For Fiscal Year 2021-22, the Governor proposed \$43 million. The Senate passed \$40 million, but the House passed \$29 million.
 - We support a \$43 million appropriation so to be able to fully fund all applications submitted in 2020.
- Allocating federal funds to invest heavily in solutions that will break down the barriers to employability, including access to affordable childcare (e.g., [this](#) bipartisan plan to improve child-care access and quality and reduce costs), affordable housing and reliable transportation.
- [Passing legislation](#) to create and expand tools for local governments to support the development or rehabilitation of housing supply that is attainable to more of our citizens. See more at the [Housing Michigan Coalition](#).

Michigan job providers are counting on you to help solve the ever-worsening workforce crisis and break down the barriers to employability. We respectfully urge your prompt attention and action.

Please contact any of us with questions you may have.

Sincerely,

Adrian Area Chamber of Commerce

Associated Builders & Contractors of MI

Barry County Chamber and Economic Development Alliance

Battle Creek Area Chamber of Commerce

Belleville Area Chamber of Commerce

Birch Run Bridgeport Chamber of Commerce

Chaldean American Chamber of Commerce

Community Bankers of Michigan

Frankenmuth Chamber of Commerce and Convention & Visitors Bureau

Gaylord Area Chamber of Commerce

Grand Haven, Spring Lake, Ferrysburg Chamber of Commerce

Grand Rapids Area Chamber of Commerce

Greater Niles Chamber

Grosse Pointe Chamber of Commerce

Hartland Area Chamber of Commerce

Home Builders Association of Michigan

Jackson County Chamber of Commerce

Lansing Regional Chamber of Commerce

Lapeer Area Chamber of Commerce

Manistee Area Chamber of Commerce

Michigan Chamber of Commerce

Michigan Chemistry Council

Michigan Festivals & Events Association

Michigan Independent Retailers Association

Michigan Licensed Beverage Association

Michigan Manufacturers Association

Michigan Retailers Association

Michigan Trucking Association

Michigan West Coast Chamber of Commerce

Midland Business Alliance

MI Institute of Laundering and Dry Cleaning

Muskegon Lakeshore Chamber

NFIB Michigan

Northern Michigan Chamber Alliance

Saginaw County Chamber of Commerce

Small Business Association of Michigan

Southern Wayne County Regional Chamber of Commerce

Southwest Michigan Regional Chamber

Tecumseh Area Chamber of Commerce

Telecommunications Association of Michigan

Three Rivers Area Chamber of Commerce

Traverse Connect

Walker Chamber of Commerce