

The Exhaustee Situation in Michigan

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In Michigan, unemployed workers may first qualify for up to 26 weeks of regular state unemployment benefits. Over the past three months, roughly 47,000 workers have exhausted these benefits without finding a job. The number of “exhaustees” in Michigan has risen 174 percent over the past two years, from about 17,000 to roughly 47,000 over similar three-month periods. This is an indication that long-term unemployment in the state has grown significantly.

Since the enactment of temporary federal legislation in March 2002, unemployed workers who exhaust their regular state benefits have been able to qualify for federally funded benefits, which in Michigan can last for up to 13 weeks. New data for September that was just released by the Labor Department, along with data from earlier months, indicate that this temporary federal program (called the Temporary Emergency Unemployment Compensation or “TEUC” program) is proving particularly inadequate in Michigan. Exceptionally large numbers of workers are running out of federal benefits before they find new employment. In Michigan:

- More than 20,000 unemployed workers had their TEUC benefits run out in September before they were able to find a new job.
- Since the TEUC program began, almost 71,000 unemployed workers have exhausted these benefits. Among the states, this is the sixth highest number of exhaustees in the nation.
- The *proportion* of the workforce that consists of workers who have exhausted their TEUC benefits is also exceptionally high. The state ranks fifth highest in the nation by this measure.
- The severity of the exhaustee problem reflects the state’s shaky labor market. Its average unemployment rate over the past three months of 6.5 percent also ranks fifth highest in the nation.

The large number of exhaustees in Michigan also reflects the fact that the TEUC program is weaker than similar temporary federal programs enacted in previous recessions. It provides substantially fewer weeks of assistance, for example, than the temporary federal program enacted in response to the recession of the early 1990s.

Over the past month Congress has begun to consider whether to provide additional weeks of federal unemployment benefits to those who have exhausted their TEUC benefits and remain without work, whether to provide more weeks of benefits to the unemployed in high unemployment states, and whether to extend the current TEUC program beyond its current expiration date at the end of the year. In the meantime, the lack of Congressional action to date means that those who have exhausted their benefits and remain without work have neither unemployment benefits nor a paycheck upon which to rely.