

Winnebago County's jobless rate jump detailed

New unemployment claims showing a decline

By Joseph Schulz
HERALD CONTRIBUTOR

After a decade of steadily decreasing jobless claims, the May unemployment rate in Winnebago County was higher than when it peaked following the Great Recession, according to data released the last full week of June.

The unemployment rate in Winnebago County fell from 13.2 percent in April to 10.6 percent in May, according to preliminary statistics from the state Department of Workforce Development (DWD). For comparison, when the unemployment rate in Winnebago County peaked in 2010 it was 9.3 percent.

According to the DWD, new unemployment claims have fallen more significantly than ongoing claims. New claims decreased by 68.3 percent from 2,940 in late March to 865 on July 11; ongoing claims decreased by 32.6 percent from 8,409 in late April to 5,667 on July 11, according to the DWD's weekly data.

New jobless claims began to fall significantly in mid-April before Wisconsin's Safer at Home order ended. Ongoing claims have decreased much slower and have been hovering between 5,700 and 5,500 since June 13, according to the DWD.

While fewer people are being laid off, Fox Valley Workforce Development Board CEO Anthony Snyder doesn't expect unemployment to return to pre-pandemic levels for quite some time.

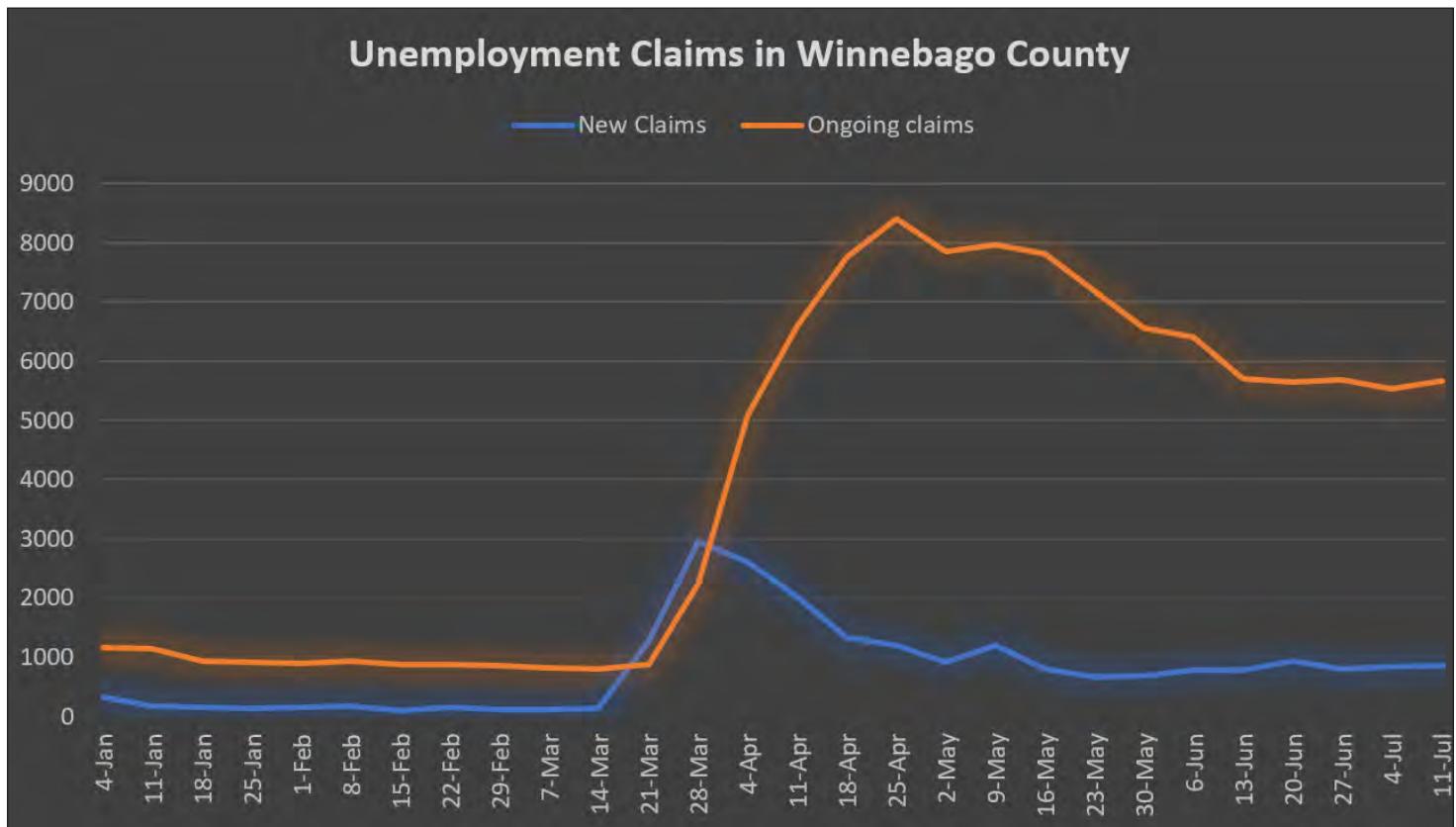


Illustration from state Department of Workforce Development

Business experts expect to see a sharp, positive swoosh-shaped recovery as the state's economy continues to reopen.

"I think we have to realize that many of these jobs are not going to come back," Snyder said.

He said roughly 40 percent of people who filed for unemployment likely will not return to the job they left, explaining that companies furloughed employees in March, expecting them to return after a brief period.

"Businesses were thinking that this would be two to four weeks tops — and

then it became two months," Snyder said. "Some businesses still haven't reopened after three or four months, and people are now finding themselves not furloughed but truly unemployed."

In March, experts predicted a V-shaped recovery where the economy contracts and rebounds quickly. However, they now expect to see a "swoosh"-shaped recovery, which Snyder described as a sharp rebound as states reopen, followed by a slow return to pre-pandemic activity.

He attributes the slower recovery to consumer fears as many are hesitant to dine in at a restaurant or go on vacation.

"People need to be reassured that it's safe not only to go back to work but to go back out to the stores and restaurants," Snyder said. "I'm not sure that we will ever be sure until we have a vaccine in place."

In addition, by the end of July those on unemployment will lose the additional \$600 in benefits allocated by federal CARES Act. Although there have been rumors that those benefits may be extended beyond July 31, there's no guarantee.

Despite the uncertainty, Snyder says a bill has been introduced in Congress that seeks to help displaced workers get back on their feet.

That bill is the Relaunching America's Workforce Act (RAWA), which would provide state and local workforce, career and technical education systems with sup-

port to respond to the COVID-19 crisis.

If the bill becomes a law, Snyder says it would give FVWDB the funding to retrain displaced workers.

"I don't want (displaced workers) going back to another low-skilled service job," Snyder said. "What I want to do is have one of my career planners meet with them, do a skills assessment, figure out what their hopes and dreams are, and then get them into a retraining program that we will pay for."

Currently, FVWDB cannot afford to pay for retraining programs because its federal funding has been cut each year since 2017, according to a spreadsheet provided by FVWDB.

"With record-low unemployment I think there was probably a gamble made that we didn't have to fund workforce development," Snyder said.

In the meantime, he encourages those currently on unemployment to reach out to their congressional representatives regarding RAWA.

"The \$600 is good for a while, to keep people afloat, but we need to think about the next step," Snyder said. "We need to help the people who are now permanently unemployed because they don't have the skills to compete with a technical school graduate or college graduate."

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