

# Unemployment Impacts of the COVID-19 Pandemic on Milwaukee Workers



OFFICE OF  
**EQUITY AND  
INCLUSION**

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# Unemployment Impacts of the COVID-19 Pandemic on Milwaukee Workers

The COVID-19 pandemic has had an immense and widespread impact on Milwaukee workers. To better understand this impact, the City of Milwaukee Office of Equity and Inclusion analyzed claims for unemployment benefits filed from March 2020 through January 2021 for workers living in the City of Milwaukee.

The analysis provides valuable insight into Milwaukee workers seeking unemployment benefits over the first eleven months of the pandemic: where they lived, where they worked, how much they made before the pandemic, and the period of time over which they filed for unemployment benefits.

It also sheds light on the geography of unemployment throughout the City of Milwaukee and helps to identify neighborhoods that experienced concentrated unemployment during the COVID-19 pandemic; information which traditionally-reported unemployment statistics do not provide. Taking a place-based approach to the analysis helps to inform our understanding of employment loss in majority-Black, Hispanic or Latino, and white neighborhoods and the disproportionate impacts of the pandemic on communities of color. It also helps to inform the city's economic recovery efforts from the COVID-19 pandemic from a racial equity perspective.

## Key Findings

- **Over a third (37%) of the city's labor force filed a claim for unemployment benefits during the COVID-19 pandemic.** During the eleven month period from March 2020 through January 2021, 100,058 workers living in the City of Milwaukee filed unemployment claims.
- **More workers living in Black neighborhoods filed unemployment claims compared to Hispanic or Latino and white neighborhoods.** Roughly 45% of the labor force in Black neighborhoods filed unemployment claims, compared to 30% in Hispanic or Latino neighborhoods and 25% in white neighborhoods.
- **Low-wage workers were hit particularly hard during the COVID-19 pandemic.** Over 50,000 workers with unemployment claims had annual reported wages of \$25,000 or less in 2019. About 57% of workers with unemployment claims in Black neighborhoods had annual reported wages of \$25,000 or less in 2019.
- **Approximately 47% of Milwaukee workers with unemployment claims, or roughly 46,800 workers, filed at least three months of weekly claims during the COVID-19 pandemic.** Over 26,000 workers filed at least six months of weekly unemployment claims from March 2020 through January 2021.
- **Workers living in Black neighborhoods experienced disproportionate unemployment impacts during the COVID-19 pandemic.** Overall, Black neighborhoods saw a higher percentage of workers filing unemployment claims, a higher percentage of low-wage workers filing claims, and a higher percentage of workers filing at least six months of weekly claims, compared to Hispanic and Latino and white neighborhoods.

## Background on unemployment claims and benefits

Individuals are eligible for state unemployment insurance benefits when they are out of work due to no fault of their own, their employment was subject to unemployment insurance tax, and they meet requirements for wage and work history.

During the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent Federal Acts have provided additional benefits to unemployed workers that are not eligible for regular unemployment insurance benefits. For example, Pandemic Unemployment Assistance provides unemployment benefits to the self-employed, independent contractors, and workers with limited work history. Pandemic Emergency Unemployment Compensation provides extended benefits after unemployed workers have exhausted their regular unemployment benefits.

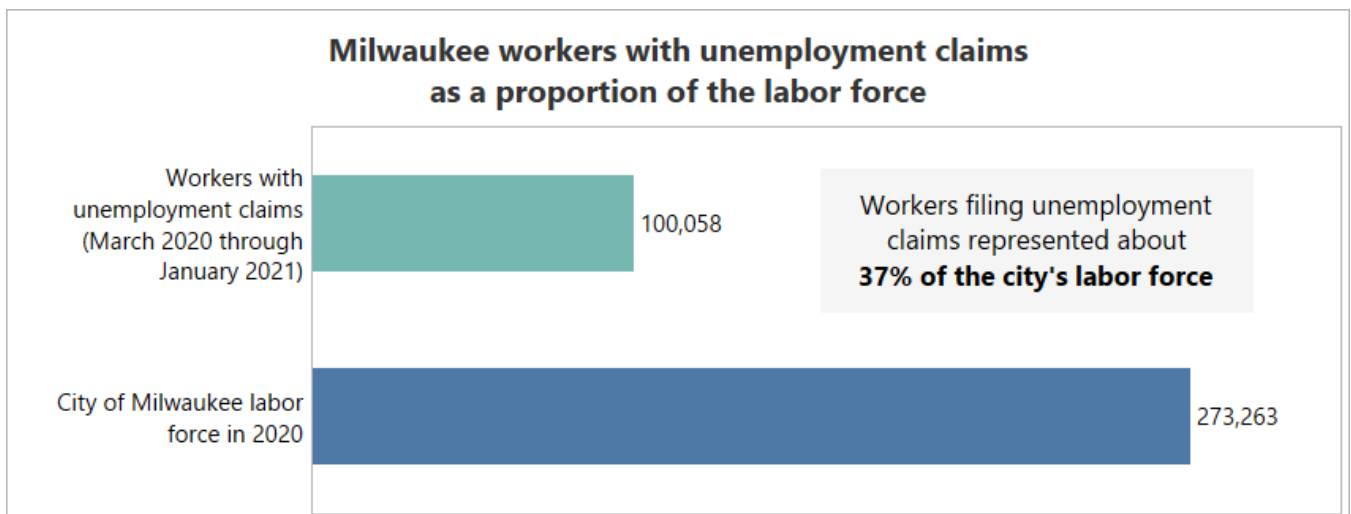
Despite the additional unemployment benefits provided during the COVID-19 pandemic, there are also cases where unemployed workers may not have filed unemployment claims. For example, jobless workers eligible for unemployment benefits may have encountered barriers to filing an application or confusion over eligibility requirements and available benefits. Or, for example, jobless workers may have been ineligible to receive benefits because of their immigration status.

Finally, not all individuals who filed unemployment claims have received unemployment benefits, due to ineligibility determinations or delays in processing claims. Our analysis focuses specifically on Milwaukee workers that filed unemployment claims, regardless of whether they received unemployment benefits.

## Milwaukee workers with unemployment claims

The COVID-19 pandemic impacted a vast number of workers living throughout all areas of the City of Milwaukee. Although unemployment claims do not provide a complete picture of unemployment, the data helps to understand the scope of employment loss on Milwaukee workers during the pandemic. In 2020 there were approximately 273,263 workers in the city's labor force, according to Local Area Unemployment Statistics data. From March 2020 through January 2021, 100,058 Milwaukee workers, or roughly 37% of the city's labor force, filed a claim for unemployment benefits (Figure 1).

Figure 1



# The geography of unemployment

Although nearly every part of the city was affected by unemployment during the COVID-19 pandemic, the impacts were not uniform across the city. To understand where unemployment impacts were most concentrated, workers with unemployment claims were mapped by their home address.

To start, we looked at the number of workers with unemployment claims by aldermanic district. Aldermanic districts on the north and northwest sides of the city had the highest number of workers with unemployment claims from March 2020 through January 2021 (Figure 2). The number of workers filing unemployment claims ranged from a high of 7,821 workers in aldermanic district 2 to a low of 4,816 workers in aldermanic district 8.

Figure 2

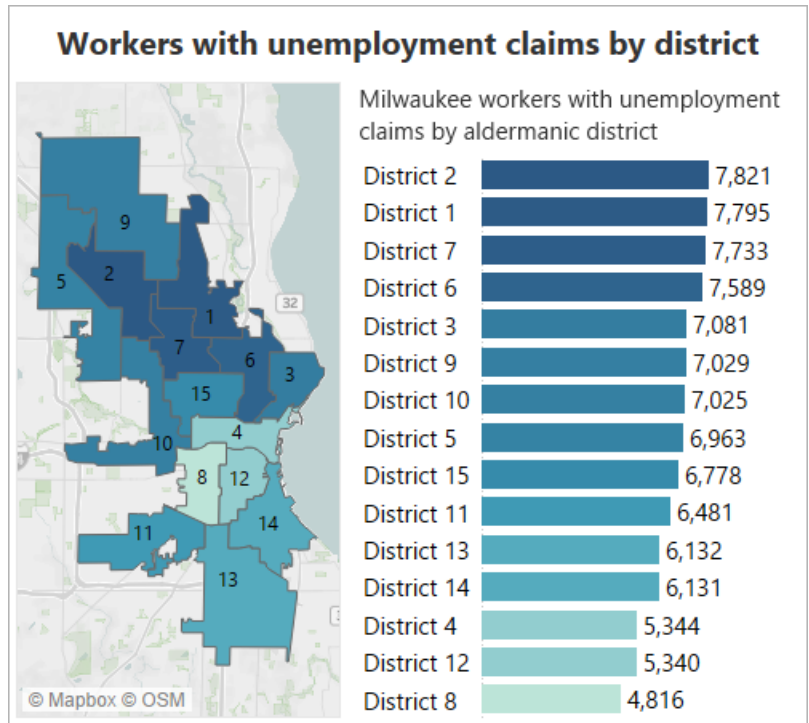
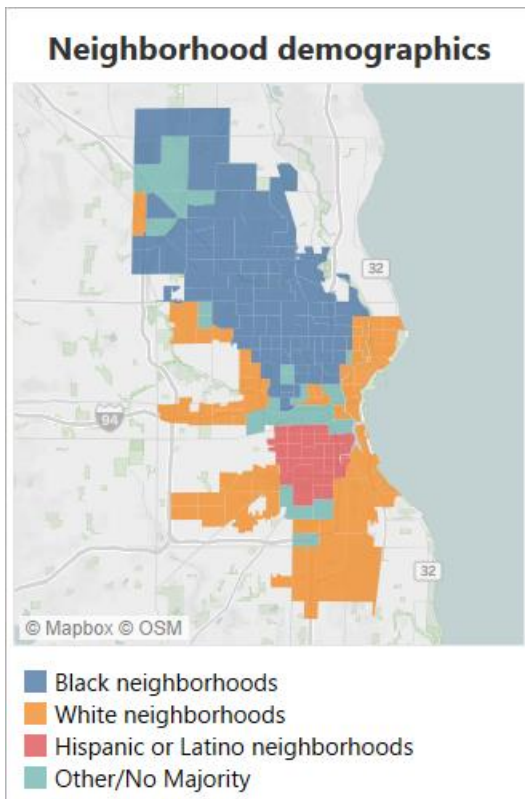


Figure 3

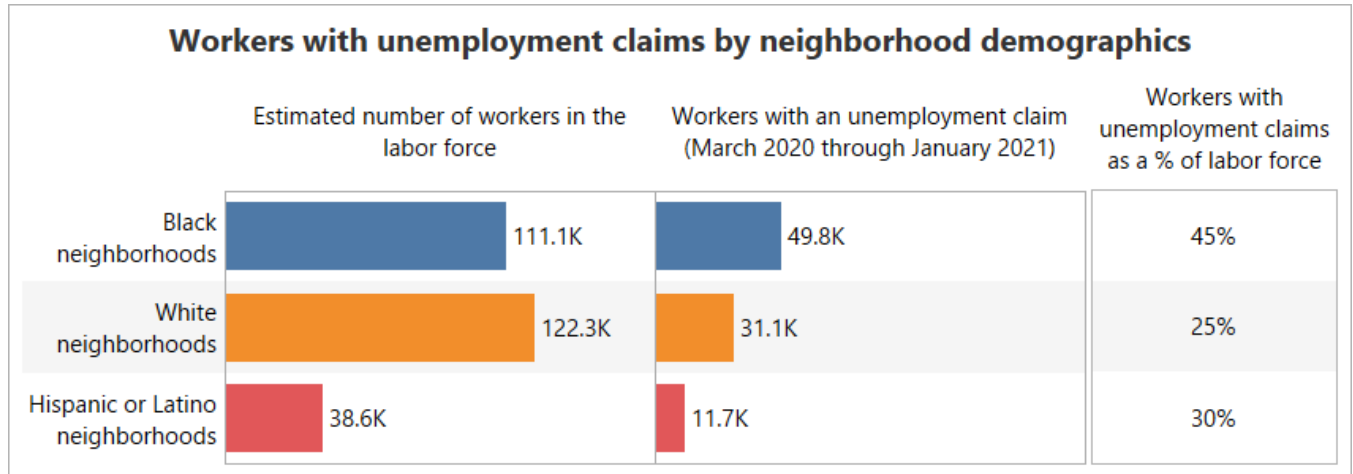


To more fully understand the geographic variation in unemployment, particularly in communities of color, we looked at the racial/ethnic makeup of the neighborhoods where workers with unemployment claims lived.

Census tracts were categorized by their racial/ethnic majority (Black, white, Hispanic or Latino, and other/no majority) using the most recent American Community Survey population estimates (Figure 3). For example, census tracts categorized as Black neighborhoods had a Black population of at least 50%. In cases where census tracts had an Asian population of 50% or more, or tracts where the largest racial/ethnic group was less than 50% of the population, the census tracts were categorized as other/no majority.

Using this approach, we found that although workers in white neighborhoods make up a larger share of the city's labor force, more workers living in Black neighborhoods filed unemployment claims compared to Hispanic or Latino and white neighborhoods (Figure 4). Roughly 45% of the labor force in Black neighborhoods filed unemployment claims, compared to 30% in Hispanic or Latino neighborhoods and 25% in white neighborhoods.

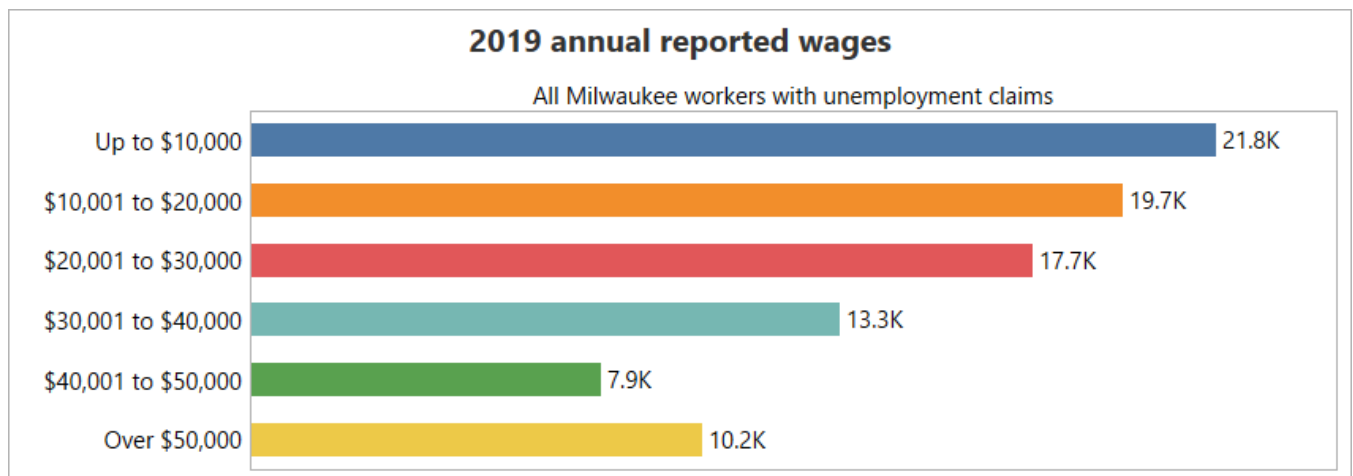
Figure 4



## Wages before the pandemic

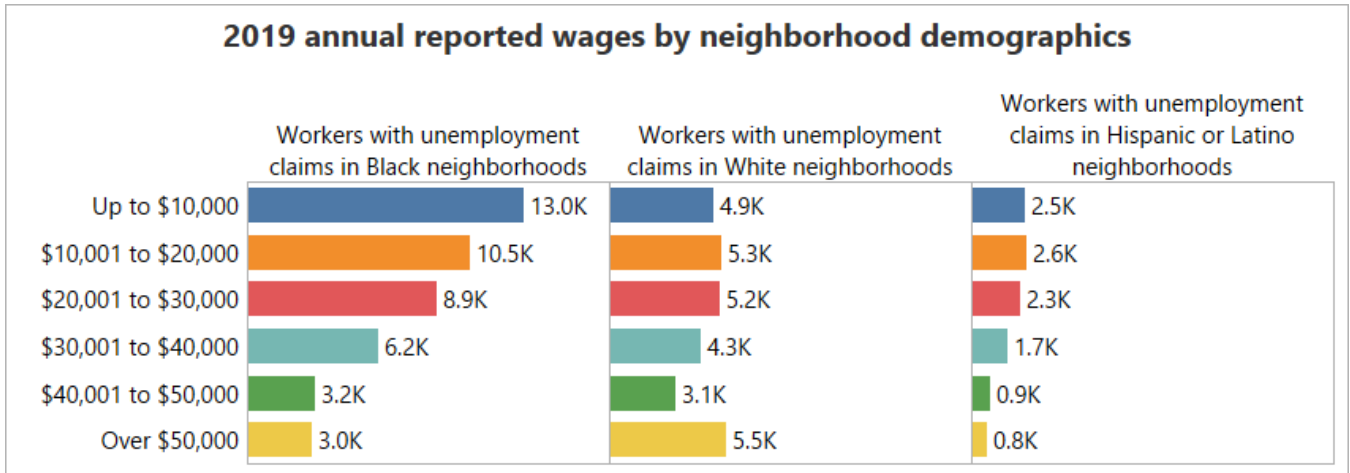
A majority of Milwaukee workers filing unemployment claims during the COVID-19 pandemic were low-wage workers prior to the pandemic, based on an analysis of 2019 annual reported wages. Half (51%) of Milwaukee workers filing unemployment claims had 2019 annual wages of \$25,000 or less, the equivalent of about \$12 per hour for a full-time worker. And 22% of Milwaukee workers filing unemployment claims had 2019 annual wages of \$10,000 or less (Figure 5).

Figure 5



What's more, workers in Black neighborhoods made up a greater share of low-wage workers filing unemployment claims (Figure 6). About 57% of workers with unemployment claims in Black neighborhoods had annual wages of \$25,000 or less in 2019.

Figure 6



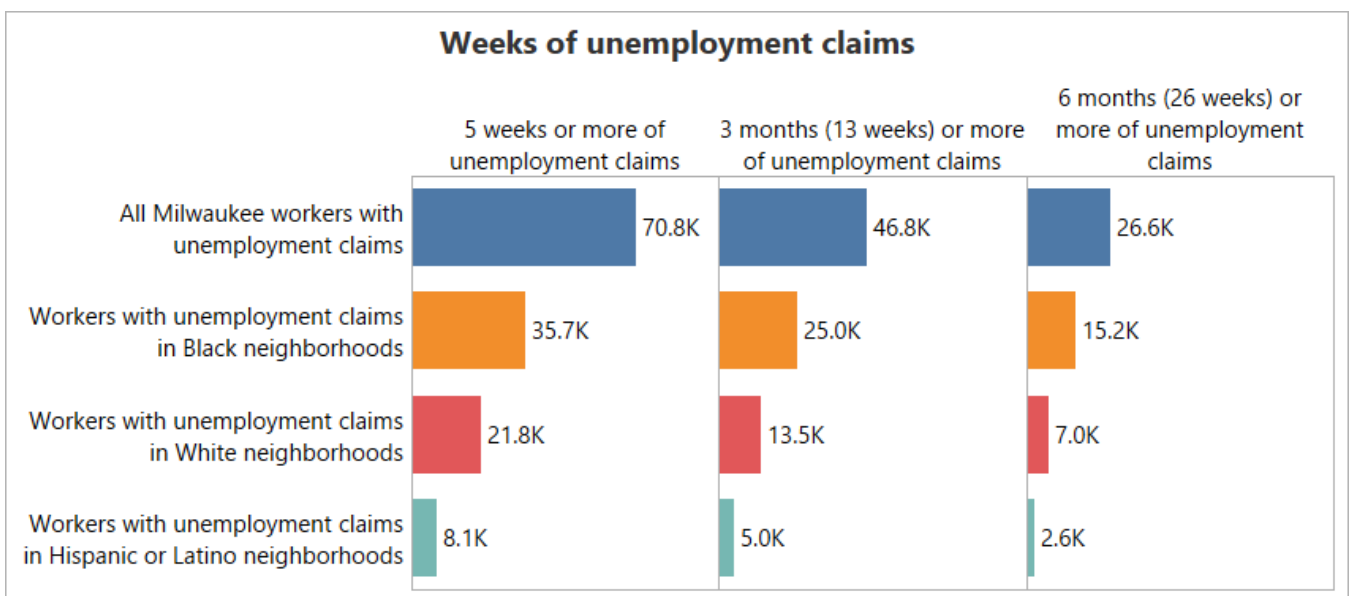
## Weeks of unemployment claims

The COVID-19 pandemic disrupted operations for many employers, particularly during the spring of 2020 when Safer at Home orders and other restrictions were put in place. For some workers, that resulted in filing weekly unemployment claims for up to a month or two. Other workers continued to file weekly claims for months.

Approximately 47% of Milwaukee workers with unemployment claims, or roughly 46,800 workers, filed at least three months of weekly claims during the COVID-19 pandemic (Figure 7). And over 26,000 workers filed at least six months of weekly unemployment claims from March 2020 through January 2021.

Looking at neighborhood demographics, workers with unemployment claims in Black neighborhoods made up a greater share of workers who filed at least six months of weekly unemployment claims during the COVID-19 pandemic.

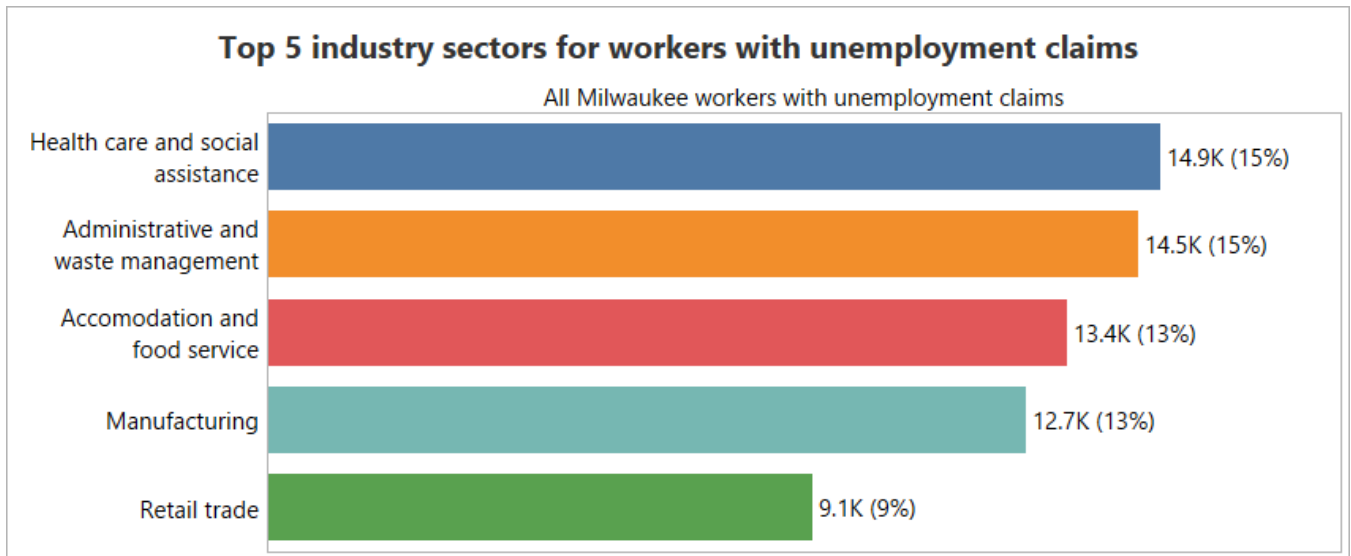
Figure 7



## Industry sectors

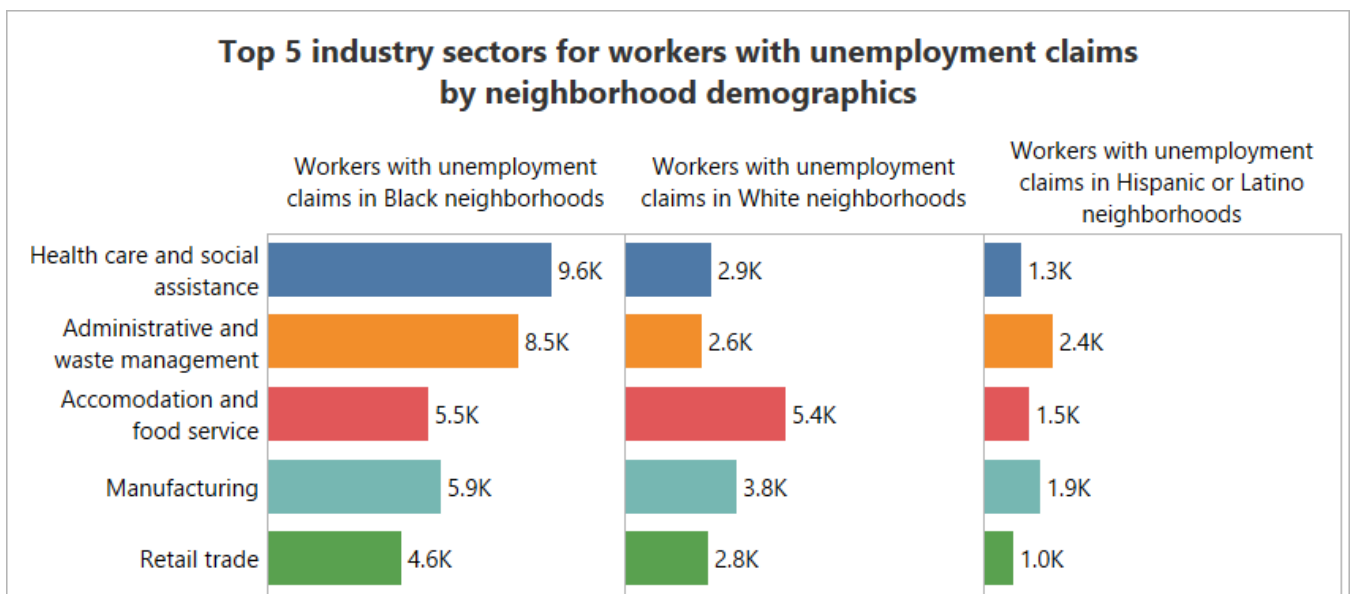
To learn more about the industry sectors where job losses and reductions were concentrated during the COVID-19 pandemic, we looked at where Milwaukee workers filing unemployment claims had most recently been employed. The health care and social assistance industry sector employed about 14,900 Milwaukee workers filing unemployment claims, or 15% of the total, and the administrative and waste management industry sector (which includes temporary help services) employed about 14,500 Milwaukee workers filing claims (Figure 8).

Figure 8



For workers with unemployment claims in Black neighborhoods, the greatest number were employed in the health care and social assistance industry sector; in white neighborhoods, the greatest number were employed in the accommodation and food service industry sector; and in Hispanic and Latino neighborhoods, the greatest number were employed in the administrative and waste management industry sector (Figure 9).

Figure 9



## Methodology

For this analysis the City of Milwaukee requested and obtained data from the Wisconsin Department of Workforce Development on unemployment insurance claims for individuals that filed an initial or weekly unemployment insurance claim between March 1, 2020 and January 31, 2021 and lived in ZIP codes either completely or partially located in the City of Milwaukee. To determine whether individuals lived in the City of Milwaukee, each individual's address was geocoded and mapped. Individuals with an address field containing a PO Box, an address that could not be geocoded, or text that was not a usable address were not included in the analysis.

The data used for the analysis includes weekly claims for regular unemployment insurance benefits, Pandemic Unemployment Assistance, Pandemic Emergency Unemployment Compensation, Extended Benefits, and Work Share. Each weekly claim includes two dates: the date the claimant filed the weekly claim and the date of the end of the week the claimant was unemployed. The analysis only included weekly claims where both the date filed and the date of the week unemployed were between March 1, 2020 and January 31, 2021.

The city's data request also included information on 2019 annual reported wages for workers with unemployment claims during the study period and details for the workers' most recent employer, including the employers' North American Industry Classification System (NAICS) code.

2015-2019 American Community Survey 5-Year estimates were used to identify majority-Black, Hispanic or Latino, and white neighborhoods and to estimate the size of the labor force in majority-Black, Hispanic or Latino, and white neighborhoods.