



Sharing Experiences of Unemployment in Michigan During the COVID-19 Pandemic

Overview

During the COVID-19 pandemic and in the years following, Michigan legal services providers provided a line of defense for hundreds of thousands of Michiganders who received conflicting and often inaccurate messages from the state Unemployment Insurance Agency. People who were unable to work because of pandemic restrictions and told to apply for once-in-a life-time federal benefits experienced delayed payment, lack of payment, and after they finally received payment, frequently experienced problematic collection activity. Attorneys gained insights that offer a window into the real-life impact of these administrative challenges.

Michigan Poverty Law Program collected narratives to learn from this period and to inform our advocacy priorities. Representative examples of their stories are shared here in an anonymous manner to protect the identity of the clients. It's important to keep in mind that these experiences are from those individuals who were able to secure representation—many whom legal aid was not able to reach and support likely had even more extreme adverse impacts.

Immediate financial impacts

- Many clients shared that they had to exhaust any savings they had, if they did have any, in order to live while they waited for appropriate benefits to be paid. Many legal aid clients who live in poverty had no savings to begin with, and felt the impact immediately.

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- Clients with informal housing arrangements found themselves on the street or in their cars when their unemployment benefits were delayed and they were unable to pay rent. Pandemic era rules protected lease holders , but when the protections ended, clients faced aggressive eviction proceedings.
 - Clients could not pay phone bills, ultimately being forced to communicate with their attorneys through other people who still had phones. For instance, one individual became homeless and slept outside a church, using the pastor's phone to reach his attorney. The loss of telephone service made it nearly impossible for clients to claim benefits or respond to inquiries from the UIA.

Long-term financial impacts

- When unemployment benefits were delayed, many older employees were forced to draw on their retirement benefits.
 - Older employees without pension benefits had no choice but to claim Social Security. Early withdrawal of Social Security translates to a reduced benefit payment and a life-long financial detriment.
 - Many older public school employees decided to take early retirement when their benefits were delayed. These early retirement benefits made them ineligible for the unemployment payments to which they would otherwise have been entitled when schools shut down due to COVID.

Emotional impacts

- **Reports of severe depression and anxiety**

One client fell behind on rent because her benefits were delayed while the agency confirmed her identity. Then after they confirmed her identity, payment was further delayed because the amount owed was significant. The client was hospitalized for depression in connection with her difficulty in meeting her housing needs and regular expenses. Care arrangements had to be made for her children while she was hospitalized.

- **Physical signs of distress**

Attorneys reported that multiple clients, particularly those who were older, had to be hospitalized due to cardiovascular symptoms related to the stress of non-payment.