

WMC

Wisconsin's Chamber

June 14, 2021

The Honorable Tony Evers
Governor
Room 115 E
Wisconsin State Capitol
Madison, WI 53703

Dear Governor Evers:

As you know, WMC along with nearly 70 local chambers of commerce and business trade associations have urged you to end the \$300 per week federal supplemental to state unemployment insurance benefits. The reason is that we are all hearing from our respective members, who collectively number in the thousands, that the extra \$300 per week is without question incentivizing people to stay out of the workforce, making an existing labor shortage an emergency.

Yesterday, on UpFront, you repeated your claim that you have seen no evidence that the \$300 per week was impeding people from reentering the workforce post-pandemic. But with all due respect, all you need to do is talk to businesspeople to learn the truth or to drive down any Main Street or through any industrial park in Wisconsin to see the record number of "Help Wanted" and "Now Hiring" signs as proof that businesses are desperate for workers.

If that isn't enough, there are other data points, including from a University of Wisconsin-Madison economist who said last week that "the labor market in Wisconsin is tighter now than it was in the few months before the pandemic." While this is due to a number of factors, the enhanced unemployment benefits are one of them.

Additionally, the Federal Reserve Bank of San Francisco said that the \$300 per week supplemental was a "noticeable" contributor to the workforce shortage. The San Francisco Fed also said one in seven people offered a job would turn it down because of the benefits – that is 14 percent of the potential workforce that is actively sitting on the sidelines.

Lastly, research from the Indeed Hiring Lab showed that job searches experienced an uptick of five percent following the announcement that states were going to end the enhanced benefits. This shows at least some people were encouraged to get back on the job knowing the benefits were going away.

It is human nature to react to incentives. Right now, we have the wrong incentive to get people back to work when we are trying to rebuild our state's economy after Covid-19.

So again, on behalf of WMC and the aforementioned local chambers and business associations, I ask that you sign AB 336 into law in order to get Wisconsin working again.

Further, we renew our request for you to reinstate the talent attraction campaign. As you know, your biennial budget submitted to the Legislature didn't include funding for the campaign. But as you noted during your UpFront interview, the labor shortage existed before the pandemic and the preliminary U.S. Census data shows that it will continue beyond mid-century if we don't act now to draw people to our state. How can that be accomplished if we don't market our state's many quality of life advantages?

We would welcome the opportunity to speak about this further. Please let me know if you are interested in meeting with our staff and members on this issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kurt R. Bauer", with a large, stylized flourish that loops back under the name.

Kurt R. Bauer
President/CEO