

Center for Research on the Wisconsin Economy: State of Wisconsin lags in performance of unemployment insurance throughout pandemic

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MADISON, Wisconsin, May 10, 2021: Only 3 in 10 Wisconsin workers who applied for unemployment insurance over the past year have been paid, and in recent months the rate has dropped to 1 in 8. Further, many of the unemployed workers who were paid endured long delays, with 30% waiting ten weeks or more for payment. These are among the lowest payment rates and longest delays in the country, according to the latest report released by the Center for Research on the Wisconsin Economy (CROWE).

The Center's director Prof. Noah Williams says, "The COVID pandemic led to mass unemployment and an expansion of benefits to aid unemployed workers, but problems in administering benefits severely limited their effectiveness. Wisconsin in particular was unable to handle the volume of claims, leading to a decline in payment rates, a vast increase in delayed payments and a deterioration in ensuring accurate payments were made." Governor Evers has proposed upgrading the Department of Workforce Development's technology, however given the continued poor performance of the state system, the CROWE report argues the state should consider more drastic measures such as permanently outsourcing unemployment services management to a private provider.

In addition to increased delays, Wisconsin has been less accurate in detecting cases of fraud and delivering the correct payment amounts for individual unemployment

claims. Williams finds that, “during the second half of 2020, Wisconsin’s overpayment rate was one of the highest in the nation at 26.6%, compared to the national average of just 6.4%.”

The full research report is available on the CROWE website at crowe.wisc.edu. Regular updates will be published online, so readers are encouraged to check back for up to date information.

Questions about this research report or the CROWE can be directed to nwilliam@ssc.wisc.edu.