

**COVID RAPID RESPONSE SURVEY FINDINGS**

# EMPLOYMENT DYNAMICS IN DETROIT DURING THE COVID-19 PANDEMIC

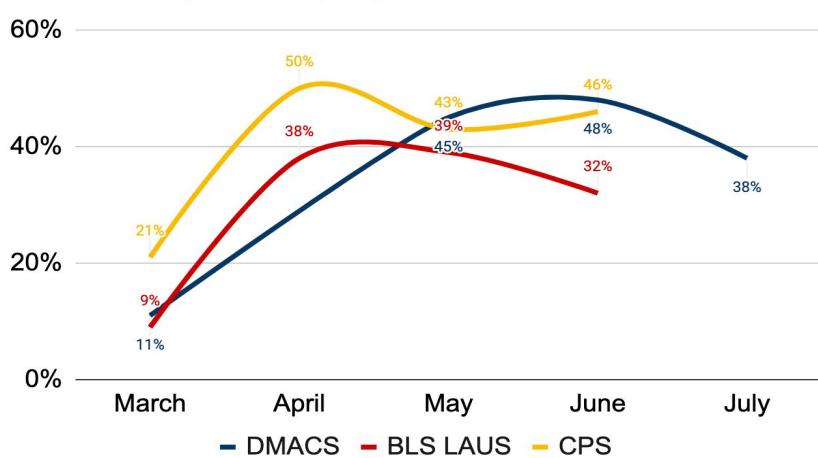
AUGUST 2020

In Spring 2020, DMACS invited 1,880 panelists to participate in rapid response surveys about how Detroiters are being affected by the COVID-19 pandemic. Between March and July, four surveys were fielded to better understand how the pandemic has shaped Detroit residents' health, behaviors, employment, and financial conditions. Results have been weighted to reflect the population of the City of Detroit. See [full results from DMACS surveys here.](#)

## Scale of unemployment and job loss

At its peak, the unemployment rate in Detroit topped 48%, more than four times the unemployment rate in the city prior to the pandemic. Though in the last month the city's unemployment rate has fallen by 10 percentage points, suggesting signs of economic recovery, more than a third of the labor force remains out of work. The recent dip in unemployment is a result of approximately 20,600 Detroiters entering or returning to work.<sup>1</sup> Meanwhile, the proportion of Detroiters in the labor force not working due to layoffs and business closures fell from 41% in May/June to 25% in July. The positive growth in employment should be viewed cautiously, 41% of working Detroiters say their hours have been cut, meaning a return to employment may not fully address financial strain brought on by the crisis.

## Detroit City Unemployment Rate Estimates

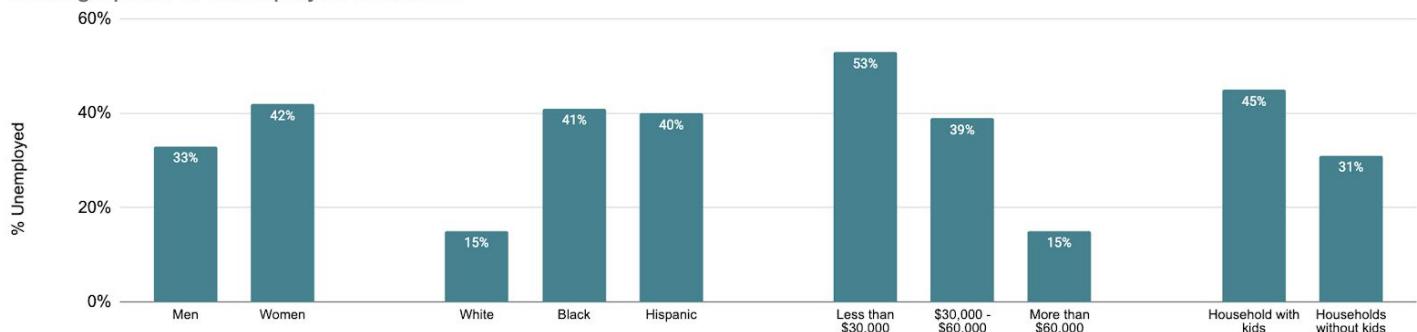


## Who is unemployed in Detroit?

Job loss and unemployment have been felt unequally by Detroiters. Among those in the labor force, women, people of color, low-wage earners, and households with kids are more likely to be unemployed than other residents. While a third of men are unemployed, 2-in-5 women are unemployed. Similarly, Black and Hispanic Detroiters are two and a half times as likely to be unemployed as white residents. Half of Detroit residents earning less than \$30,000 a year remain unemployed compared to 15% of those earning \$60,000 or more. Households with kids are also significantly more likely to have an adult who is unemployed compared to other households.

<sup>1</sup> This estimate reflects the 5% increase in the proportion of Detroit adults working for pay between May/June and July. It is calculated as 5% of Detroit's working age population of 412,739 (residents between 18 and 65) per the 2019 US Census Bureau population estimate. Retrieved from <https://www.census.gov/quickfacts/fact/table/detroitcitymichigan/PST045219>

## Demographics of Unemployed Detroiters



Most unemployed Detroiters lost their jobs due to business closures or downsizing: 62% say their place of work has closed temporarily due to the pandemic while 11% say their employer has closed permanently.<sup>2</sup> However, some unemployed residents have had to choose to not work or not return to work. Though 73% of those unemployed say they have been laid off, a quarter report they had to stop working due to family and personal obligations resulting from the pandemic. This is especially true for low-income Detroiters. A third of those earning under \$30,000 say they stopped working due to family obligations compared to just 4% of those earning \$60,000 or more. 38% of households with kids say they stopped work due to family obligations related to the pandemic. Relatively few unemployed Detroiters report being out of work directly due to the coronavirus: 5% report not working because they have COVID-19, while 7% report not working because they are caring for others with COVID-19.

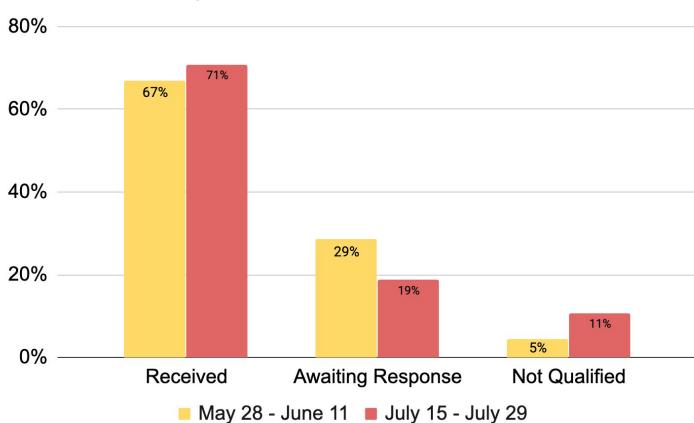
### What are the effects of unemployment on Detroiters?

Many Detroiters who became unemployed during the pandemic are facing acute financial precarity. A third of unemployed Detroiters say that they are in financial trouble, and only half say they could cover a \$400 emergency expense with cash they have on hand given their current financial situation. On average, unemployed residents put their likelihood of running out of money in the next three months at 50%, significantly lower than working Detroiters who put their likelihood of going broke at less than 30%. Nearly three quarters of unemployed Detroiters are uncertain if they will be able to afford the food they need in the coming months. These same residents are twice as likely as those employed to say they have not had enough to eat in the past seven days. Roughly two-thirds (63%) of unemployed Detroiters say they have skipped or partially paid one or more bills in the last month.

### Are Detroit's unemployed accessing relief?

The proportion of Detroiters receiving unemployment benefits rose from 13% in April to 22% in July. Roughly three quarters of unemployed residents report that they have applied for unemployment benefits in the last month. Among those who have recently applied for unemployment, 71% have received benefits while 19% are still awaiting a response. This represents a 10 percentage point decrease in the number of out-of-work residents waiting to receive benefits from early June. Only 11% of unemployed residents report receiving no form of public assistance or charity in the last month. Nearly half (46%) of unemployed residents report receiving SNAP or food assistance, a quarter report getting food from a food pantry, and 10% say they have accessed food for their families through school lunch programs.

### New Unemployment Benefit Application Outcomes



<sup>2</sup> Respondents could select multiple reasons why they were out of work, thus the proportion laid off and the proportion whose employer has closed, for example, are not mutually exclusive.