



Michigan Department of
TREASURY

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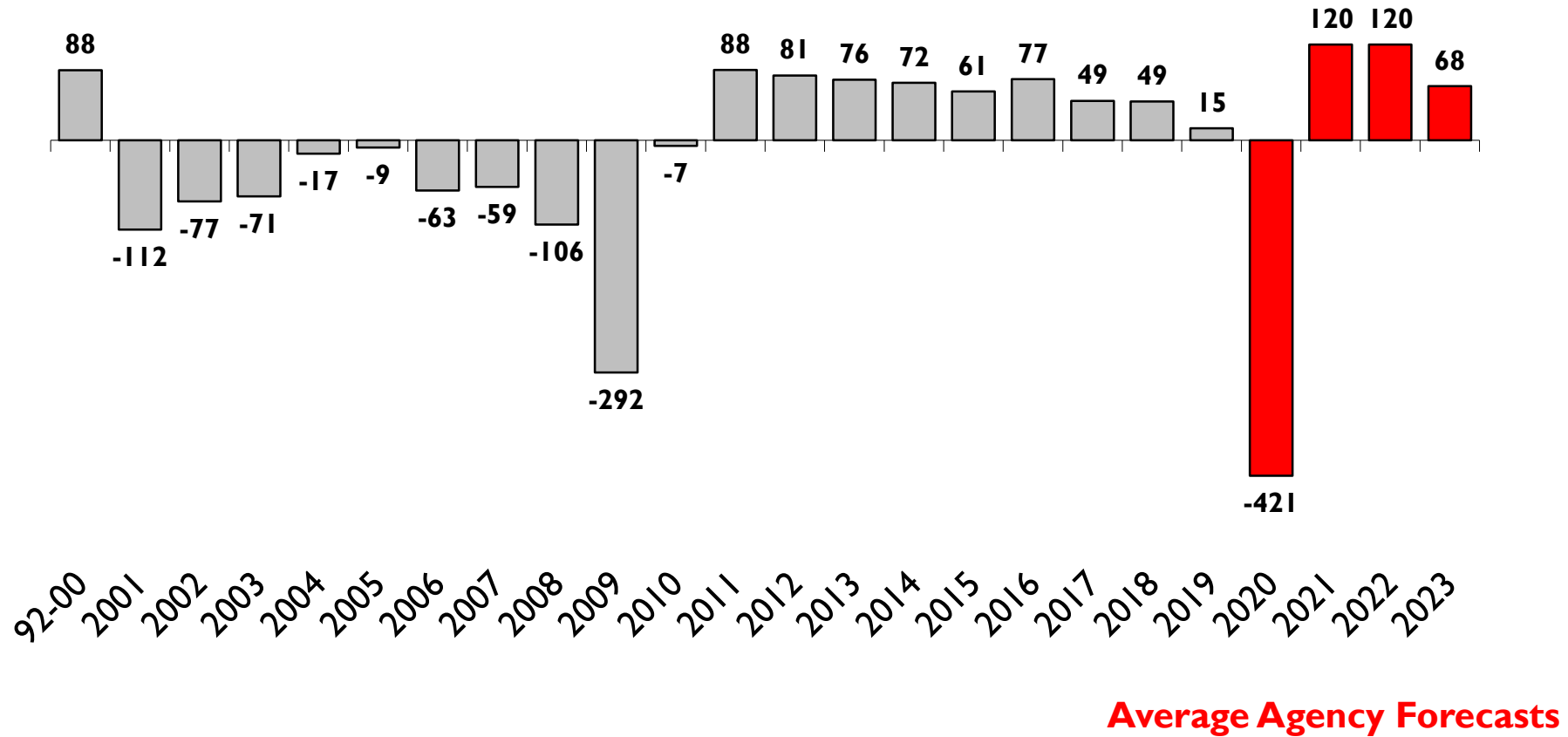
Brookings Hutchins

Rachael Eubanks, Treasurer

February 10, 2021

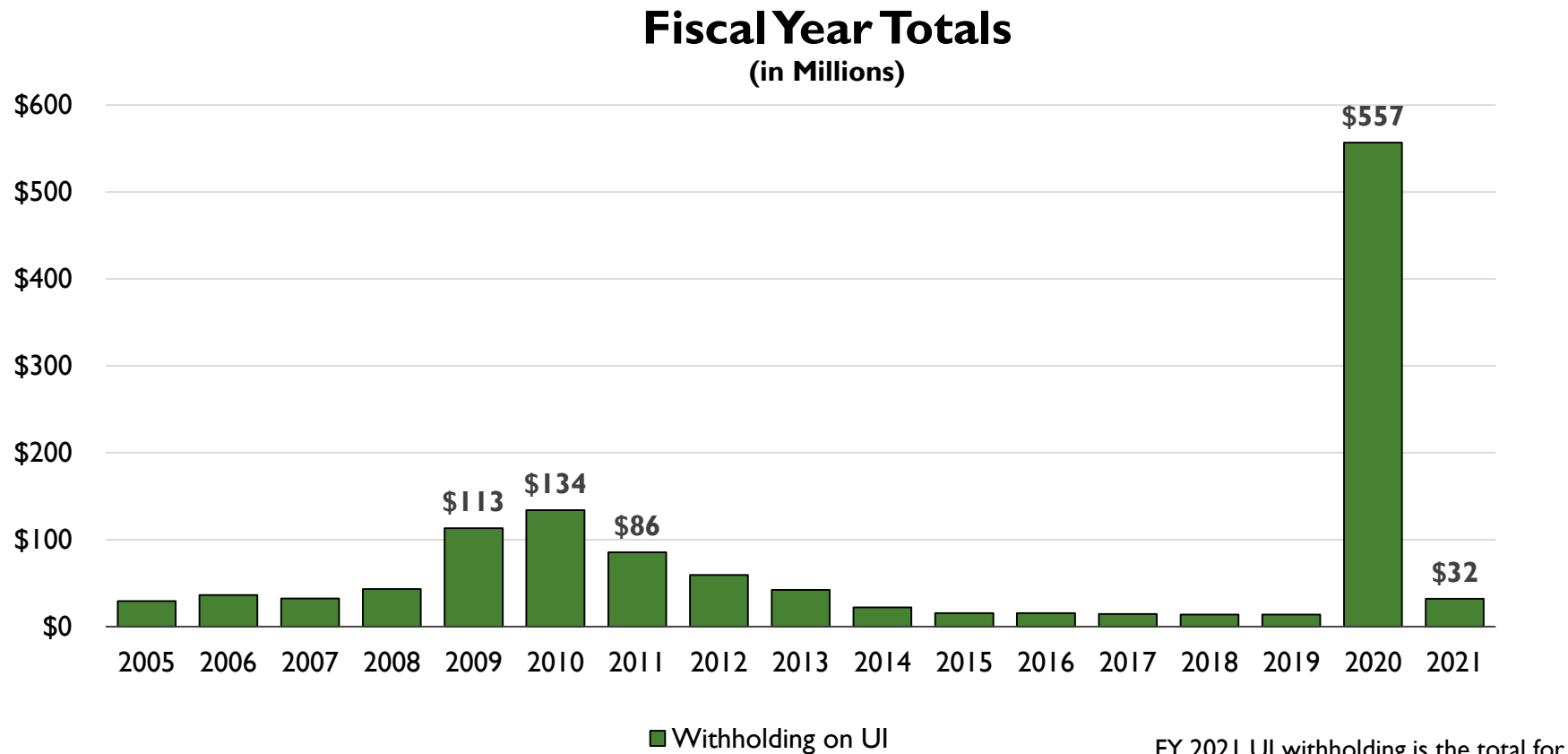
Michigan Job Gains Expected Through 2023

Change in Michigan Wage and Salary Employment Thousands



Withholding on Unemployment Benefits

Withholding on unemployment benefits in FY 2020 is over four times the level in FY 2009 or FY 2010. The support for withholding from unemployment benefits has been unprecedented.

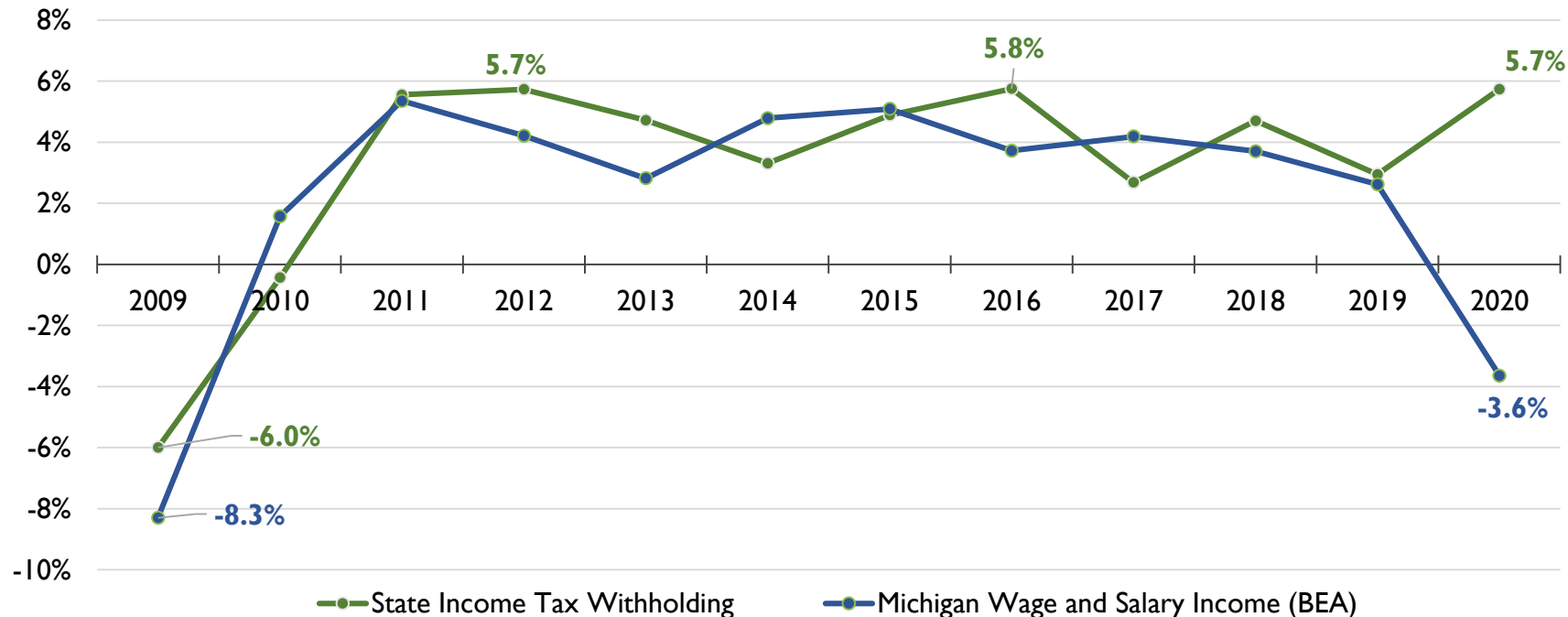


FY 2021 UI withholding is the total for November and December 2020.

Withholding Nears Record Growth in FY 2020

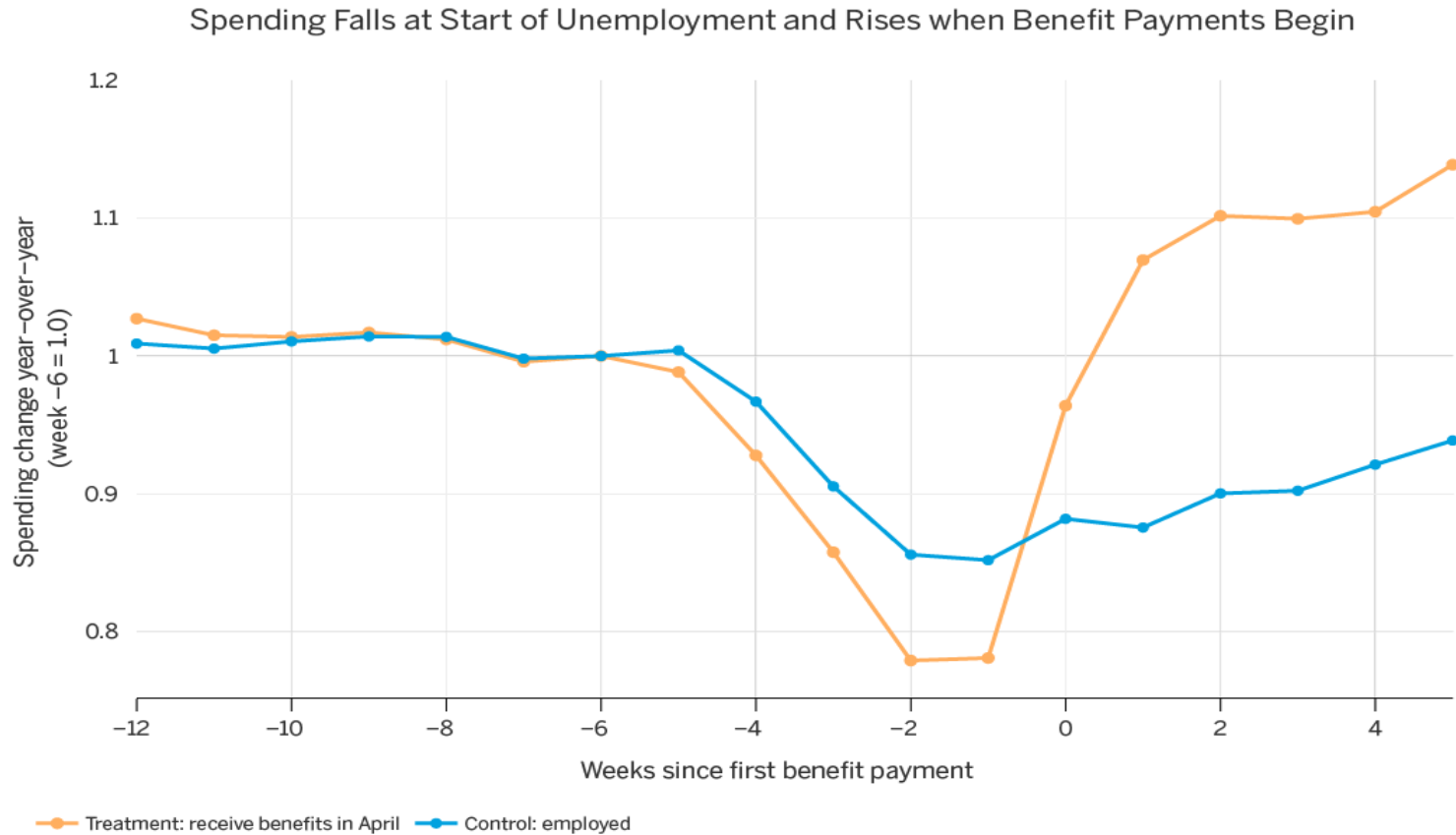
The change in state income tax withholding has outpaced the change in wages and salary income during the pandemic.

Withholding versus Wage and Salary Income Percent Change from Prior Year



Unemployment Benefits Drive Spending Higher

Unemployed people receiving benefits are spending about 73 cents of every dollar received and spending at rates higher than those who keep their jobs

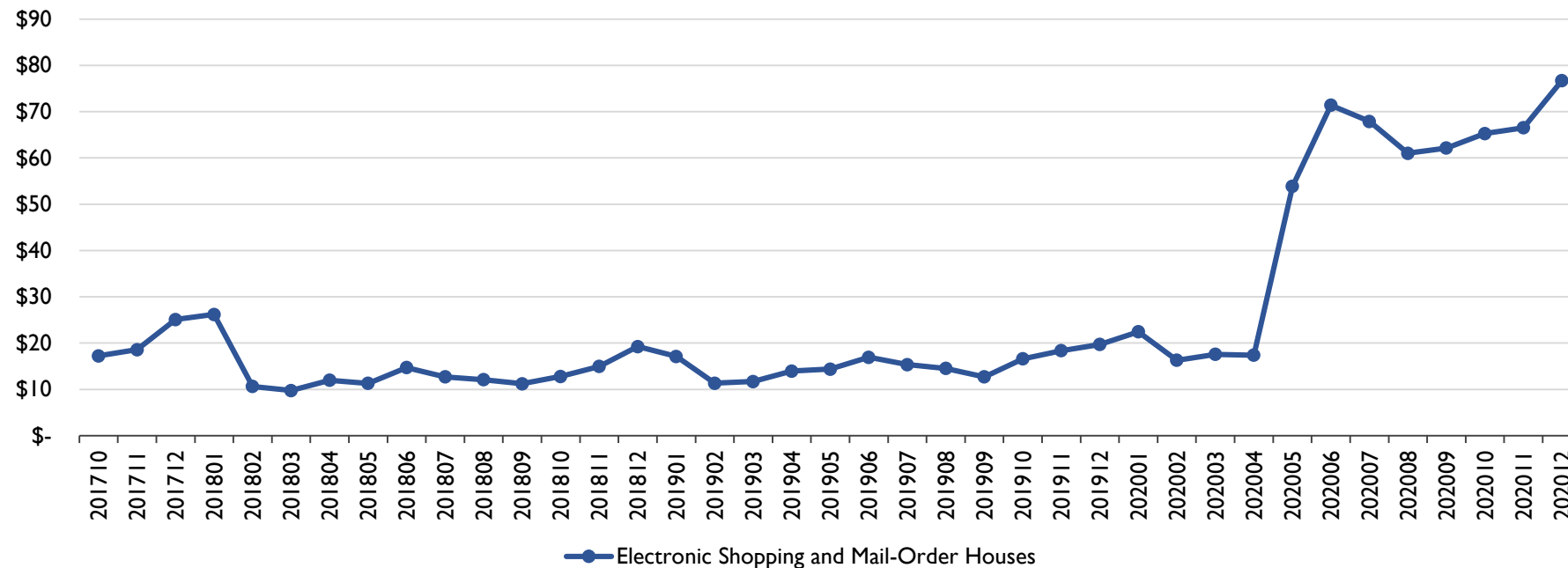


Note: This figure shows the change in spending year-over-year around the start of unemployment benefits. The x-axis shows the number of weeks since the first benefit payment. The treatment group, shown in orange, receives benefits beginning in April. The control group, shown in blue, is employed workers. See "Data and analytical approach" section for details on how the control group is constructed. The y-axis is normalized to one at six weeks prior to the first benefit payment.

Online Spending Boosts Sales and Use Tax Revenue

- In FY20, sales and use tax collections from online shopping and mail order businesses totaled over \$493 million, an increase of over \$318 million from the FY19 level of only \$175 million
- Since the beginning of the pandemic, collections from online retailers have averaged \$65 million per month, up from about \$17 million per month in the twelve months prior to the pandemic

**Monthly Sales and Use Collections
Values in Millions of Dollars**



Source: Michigan Department of Treasury

Thank You!