



Testimony, AB336

Wednesday, May 26th

Shawn Phetteplace, State Manager

Chairman Petryk, Dittrich and Members of the Committee on Workforce Development:

My name is Shawn Phetteplace and I am the State Manager for the Wisconsin Chapter of the Main Street Alliance. We represent over 100 member businesses across the state and are rapidly growing. We are here today to testify against and urge a no vote on AB336.

We are mostly here to speak on the rejection of the enhanced \$300 in unemployment insurance that folks around our state who are out work are currently receiving. As I have spoken with employers across the state, including businesses with over 100 staff, they paint a different picture than has been portrayed by the majority in the state legislature. According to the Bipartisan Policy Center we have lost nearly 4.5 million childcare slots during the pandemic, causing huge shortages of access for families across our country. In addition, the combination of robust hiring happening concurrently throughout the economy and the fact that many folks have left the industries for alternative work have created these challenges much more than any impact enhanced UI has had.

The Chicago Federal Reserve released a report entitled "How Do Unemployment Benefits Relate to Job Search Behavior" that demonstrates that the underlying premise of AB336 is deeply flawed. The report states, "we find that those currently receiving UI

benefits search intensely for new work, and their effort appears to be somewhat greater than that of the unemployed not receiving benefits. At the same time, once individuals exhaust their benefits, their search effort drops precipitously. Finally, those collecting UI benefits tend to receive better job offers than those who have exhausted their benefits. This may be because the quality of job offers declines the longer an individual is unemployed. Regardless, both groups receive poorer offers than the employed or those currently out of the labor force.”

What we hear from employers is that their employees need access to health insurance. Many smaller employers can't afford group coverage. Providing Badgercare expansion, with a public option, as outlined in the Governor's budget would do much to address this. Furthermore, passing the WisconsinSaves plan would also help provide access to a critical benefit for workers. If you work, you should be able to make ends meet, go to the doctor and save for retirement. If we want to attract workers to the industries currently experiencing worker shortages we need to deal with these structural issues instead of a misguided attempt to cut off benefits which has been proven to have the opposite effect laid out here.