
FISCAL UPDATE Article

Fiscal Services Division

April 3, 2020



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

UNEMPLOYMENT INSURANCE CLAIMS — APRIL 2, 2020

Unemployment Claims Weekly News Release. The U.S. Department of Labor (DOL) releases national and state level unemployment insurance (UI) claims data every Thursday. The [data](#) released on Thursday, April 2, 2020, covers the week ending March 28, 2020, for initial claims and the week ending March 21, 2020, for continued claims. The April 2 report represents the second release in which unemployment claims are significantly impacted by the economic consequences of the COVID-19 outbreak and government response.

The dataset published by the DOL provides two statistics covering the number of unemployment claims each week. The DOL defines the two statistics in the weekly news release as follows:

- **Initial Claims:** An initial claim is a claim filed by an unemployed individual after a separation from an employer. The claimant requests a determination of basic eligibility for the UI program. When an initial claim is filed with a state, certain programmatic activities take place, and these result in activity counts including the count of initial claims. The count of U.S. initial claims for unemployment insurance is a leading economic indicator because it is an indication of emerging labor market conditions in the country. However, these are weekly administrative data which are difficult to seasonally adjust, making the series subject to some volatility.
- **Continued Claims:** A person who has already filed an initial claim and who has experienced a week of unemployment then files a continued claim to claim benefits for that week of unemployment. Continued claims are also referred to as insured unemployment. The count of U.S. continued weeks claimed is also a good indicator of labor market conditions. Continued claims reflect the current number of insured unemployed workers filing for UI benefits in the nation. While continued claims are not a leading indicator (they roughly coincide with economic cycles at their peaks and lag at cycle troughs), they provide confirming evidence of the direction of the U.S. economy.

This week's DOL report shows a second significant record level of initial unemployment claims at both the State and federal level. Compared to the same week last year, U.S. initial claims increased 3,069.4%, while Iowa initial claims increased 3,005.9%. As expected, the substantial increase in initial claims reported on March 26 produced a large increase in continued claims identified in the April 2 report. Iowa continued claims increased 101.9% compared to the same week last year, while U.S. continued claims increased 77.3%. Iowa's percentage year-over-year increase in initial claims for the week ranked 37th highest out of 53 states and territories, while Iowa's continued claims increase ranked 25th.

The following table provides U.S. and Iowa initial and continued claims numbers for the most recent report week as well as the previous week and the same week last year. Please note that the claims reported are actual claims numbers and have not been seasonally adjusted.

Weekly Continued Claims This week ending 3/21/2020		Weekly Initial Claims This week ending 3/28/2020	
<u>Week</u>	<u>U.S. Continued Claims *</u>	<u>Week Ending</u>	<u>U.S. Initial Claims *</u>
Last Year	1,908,355	Last Year	183,775
Last Week	2,074,736	Last Week	2,920,160
This Week	3,383,382	This Week	5,823,917
<u>Date</u>	<u>Iowa Continued Claims *</u>	<u>Date</u>	<u>Iowa Initial Claims *</u>
Last Year	26,969	Last Year	1,882
Last Week	26,496	Last Week	40,952
This Week	54,461	This Week	58,453

* Claim numbers are not seasonally adjusted.

Unemployment claim payments are made to qualified unemployed workers, and the payments are generally made from the State Unemployment Insurance Fund. That Fund is financed through a payroll tax on employers.

LSA Staff Contact: Jeff W. Robinson (515.281.4614) jeff.robinson@legis.iowa.gov

Doc ID 1133711