
FISCAL UPDATE Article

Fiscal Services Division

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UNEMPLOYMENT INSURANCE CLAIMS — APRIL 30, 2020

Unemployment Claims Weekly News Release. The U.S. Department of Labor (DOL) releases national and state level unemployment insurance (UI) claims data each Thursday. The [data](#) released on Thursday, April 30, 2020, covers the week ending April 25, 2020, for initial claims and the week ending April 18, 2020, for continued claims. The April 30 report represents the sixth weekly release in which unemployment claims are significantly impacted by the recent economic turmoil and government response resulting from the COVID-19 pandemic.

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 sixth week of unprecedented initial unemployment claim counts at both the State and national level, although the year-over-year percentage increase in initial claims is lower than last week's increase. Compared to the same week last year, U.S. initial claims increased 1,610.1%, while Iowa initial claims increased 978.5%. As expected, the substantial increase in initial claims reported in recent weeks produced a large increase in continued claims for the week ending April 18, 2020. National continued claims increased 862.0% compared to the same week last year, while Iowa continued claims increased 982.7%.

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		Weekly Initial Claims	
This week ending 4/18/2020		This week ending 4/25/2020	
<u>Time Period</u>	<u>U.S. Continued Claims *</u>	<u>Time Period</u>	<u>U.S. Initial Claims *</u>
Last Year	1,847,874	Last Year	204,033
Last Week	16,277,222	Last Week	4,281,648
This Week	17,776,006	This Week	3,489,261
<u>Time Period</u>	<u>Iowa Continued Claims *</u>	<u>Time Period</u>	<u>Iowa Initial Claims *</u>
Last Year	15,793	Last Year	2,673
Last Week	150,445	Last Week	26,901
This Week	170,990	This Week	28,827

* 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 paid by employers. In response to the recent economic decline, the federal government is currently financing a [portion](#) of unemployment insurance payments.

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