
FISCAL UPDATE Article

Fiscal Services Division

May 7, 2020



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UNEMPLOYMENT INSURANCE CLAIMS — MAY 7, 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, May 7, 2020, covers the week ending May 2, 2020, for initial claims and the week ending April 25, 2020, for continued claims. The May 7 report represents the seventh 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 seventh week of unprecedented initial unemployment claim counts at both the State and national level. While the year-over-year weekly U.S. increase in initial claims (1,413.3%) was lower than last week's increase, Iowa's percentage increase (1,020.4%) was higher. As expected, the substantial increase in initial claims reported in recent weeks produced a large increase in continued claims for the week ending April 25, 2020. National continued claims increased 1,250.7% compared to the same week last year, while Iowa continued claims increased 1,164.3%.

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 4/25/2020		This week ending 5/2/2020	
<u>Time Period</u>	<u>U.S. Continued Claims</u>	<u>Time Period</u>	<u>U.S. Initial Claims</u>
Last Year	1,631,426	Last Year	188,264
Last Week	17,794,976	Last Week	3,495,703
This Week	22,035,753	This Week	2,849,090
<u>Time Period</u>	<u>Iowa Continued Claims</u>	<u>Time Period</u>	<u>Iowa Initial Claims</u>
Last Year	14,345	Last Year	2,204
Last Week	168,971	Last Week	27,220
This Week	181,358	This Week	24,693

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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Doc ID 1136270