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## FISCAL UPDATE Article

Fiscal Services Division

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### UNEMPLOYMENT INSURANCE CLAIMS — JUNE 4, 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, June 4, 2020, covers the week ending May 30, 2020, for initial claims and the week ending May 23, 2020, for continued claims. The June 4 report represents the 11th consecutive 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.

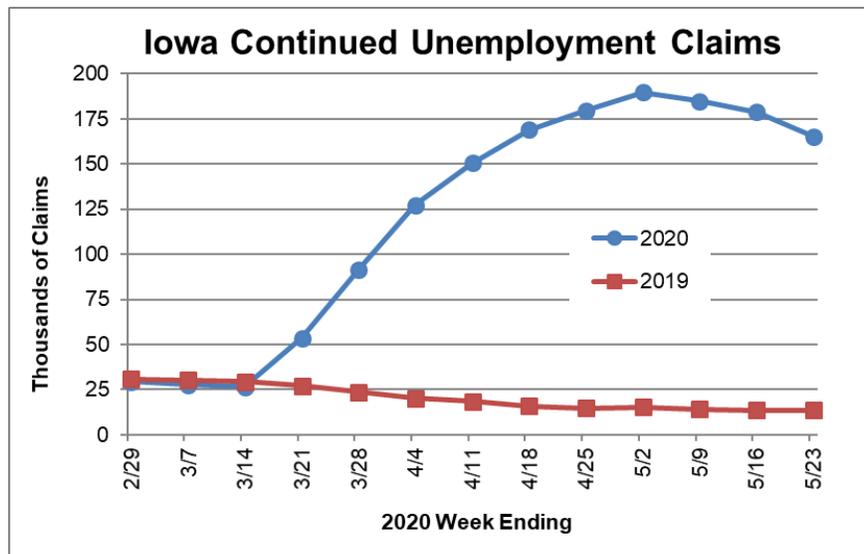
This week's DOL report shows continued unprecedented initial unemployment claim counts at both the State and national level, with a U.S. year-over-year increase in initial claims of 628.0% and an Iowa increase of 169.4%. As expected, the substantial increase in initial claims reported in recent weeks produced a large increase in continued claims for the week ending May 23, 2020, when compared to the same week last year. National continued claims increased 1,168.0% compared to the same week last year, while Iowa continued claims increased 1,111.8%.

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.

<b>Weekly Continued Claims</b> Week ending 5/23/2020		<b>Weekly Initial Claims</b> Week ending 5/30/2020	
Time Period	U.S. Continued Claims	Time Period	U.S. Initial Claims
Last Year	1,521,741	Last Year	220,186
Last Week	18,858,128	Last Week	1,917,604
This Week	19,295,200	This Week	1,603,000
Time Period	Iowa Continued Claims	Time Period	Iowa Initial Claims
Last Year	13,632	Last Year	2,569
Last Week	178,619	Last Week	13,653
This Week	165,195	This Week	6,920

Claim numbers are not seasonally adjusted.

The following chart displays the number of Iowa continued claims over the past 12 weeks for 2019 and 2020. Although the reduction was small, the number of continued claims has declined in Iowa over the past two weekly reports.



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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