
FISCAL UPDATE Article

Fiscal Services Division

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UNEMPLOYMENT INSURANCE CLAIMS — AUGUST 6, 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, August 6, 2020, provides preliminary initial claims for the week ending August 1, 2020, and continued claims for the week ending July 25, 2020. The August 6 report represents the 20th consecutive weekly release in which unemployment claims are significantly impacted by the recent economic turmoil 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.

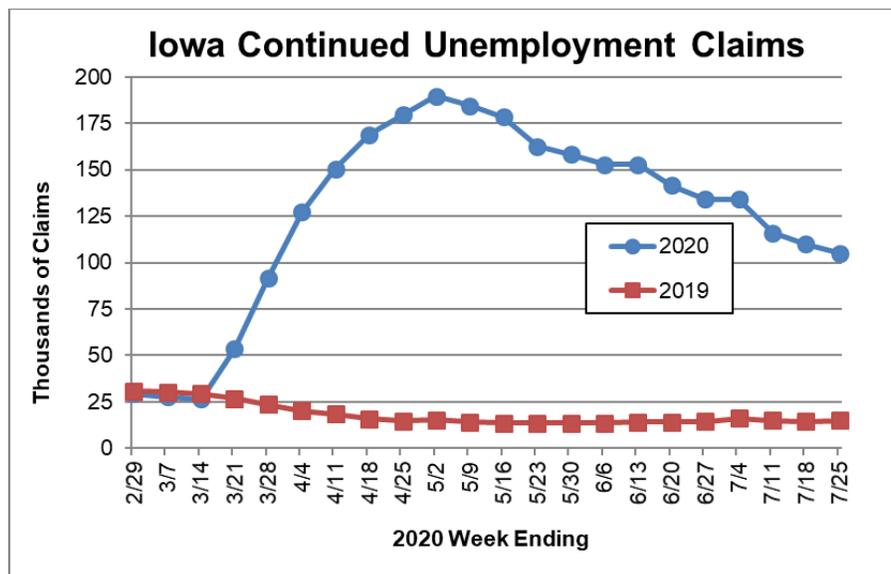
This week's DOL report shows continued elevated initial unemployment claim counts at both the State and national levels, with a U.S. year-over-year increase in initial claims of 426.5% and an Iowa increase of 188.0%. The substantial increase in initial claims reported since mid-March has produced a large increase in continued claims for the week ending July 25, 2020, when compared to the same week last year. National continued claims increased 851.8% compared to the same week last year, while Iowa continued claims increased 601.2%.

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. The claims numbers represent preliminary (advanced) reporting and the numbers are subject to revision the next week. In many instances, the preliminary number for a week is revised lower one week later.

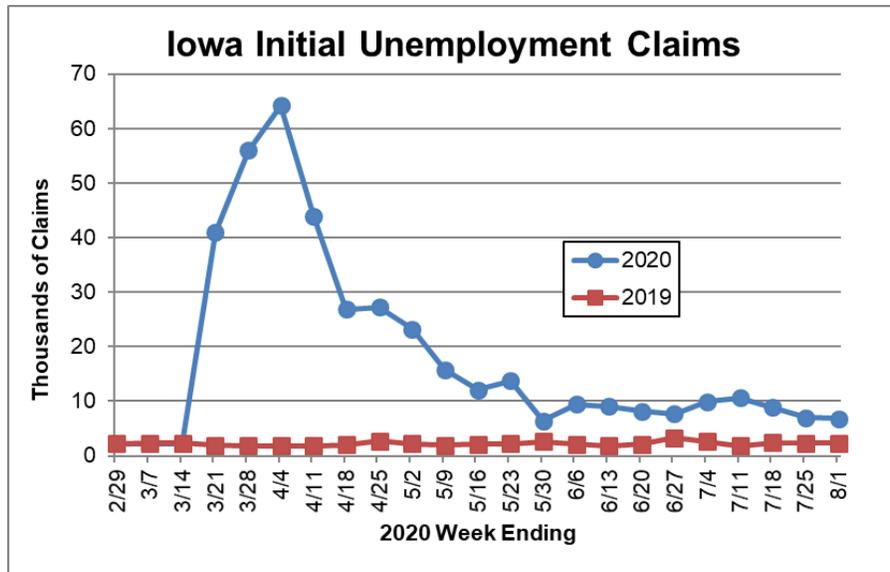
Weekly Continued Claims Week ending 7/25/2020		Weekly Initial Claims Week ending 8/1/2020	
Time Period	U.S. Continued Claims	Time Period	U.S. Initial Claims
Last Year	1,665,287	Last Year	186,914
Last Week	16,815,199	Last Week	1,207,044
This Week	15,849,488	This Week	984,192
Time Period	Iowa Continued Claims	Time Period	Iowa Initial Claims
Last Year	14,969	Last Year	2,349
Last Week	110,042	Last Week	6,970
This Week	104,970	This Week	6,765

Claim numbers are not seasonally adjusted.

The following chart displays the number of Iowa continued claims over the past 22 weeks for 2019 and 2020. Iowa continued claims have declined by 84,673 claims since the week ending May 2, 2020. However, continued claims remain significantly higher than last year, with claims for the week ending July 25, 2020, exceeding claims for the week ending July 27, 2019, by 90,001 claims.



While Iowa initial claims for the week ending August 1, 2020, declined from the previous week, the initial claims count was more than 4,400 higher than the week ending August 3, 2019.



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