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## FISCAL UPDATE Article

Fiscal Services Division

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### UNEMPLOYMENT INSURANCE CLAIMS — AUGUST 13, 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 13, 2020, provides preliminary initial claims for the week ending August 8, 2020, and continued claims for the week ending August 1, 2020. The August 13 report represents the 21st 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.

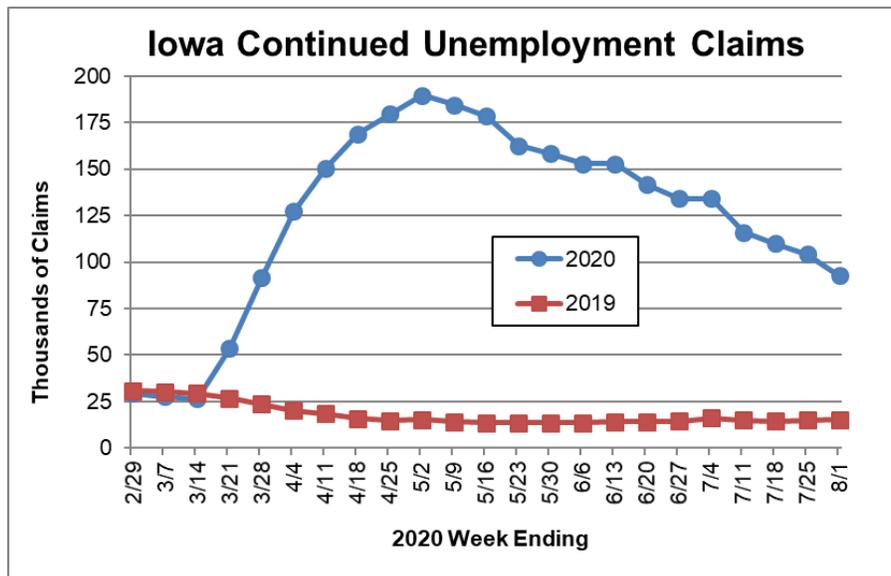
This week's DOL report shows continued elevated initial unemployment claim counts at both the State and national levels, with a U.S. year-over-year increase in initial claims of 385.4% and an Iowa increase of 192.6%. The substantial increase in initial claims reported since mid-March has produced a large increase in continued claims for the week ending August 1, 2020, when compared to the same week last year. National continued claims increased 805.5% compared to the same week last year, while Iowa continued claims increased 506.5%.

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.

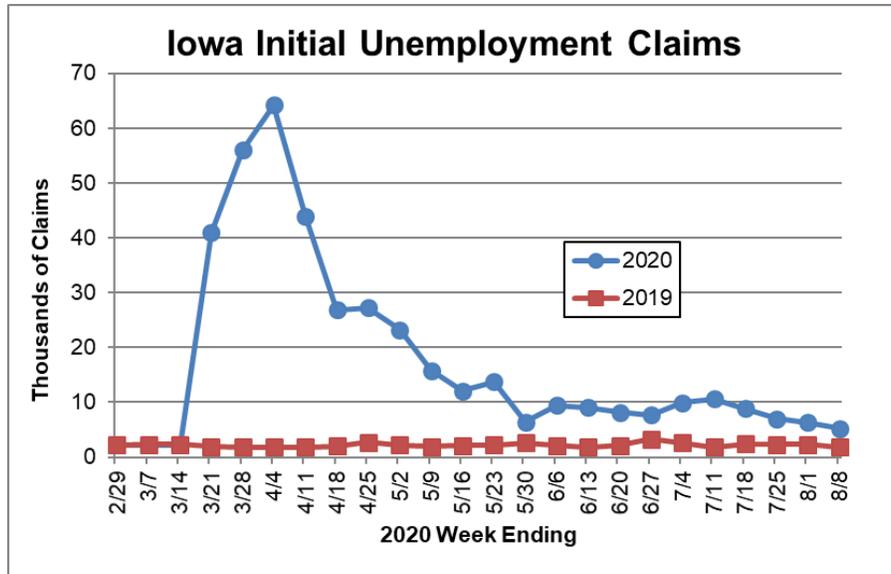
| <b>Weekly Continued Claims</b> |                       | <b>Weekly Initial Claims</b> |                     |
|--------------------------------|-----------------------|------------------------------|---------------------|
| Week ending 8/1/2020           |                       | Week ending 8/8/2020         |                     |
| Time Period                    | U.S. Continued Claims | Time Period                  | U.S. Initial Claims |
| Last Year                      | 1,679,471             | Last Year                    | 171,386             |
| Last Week                      | 15,832,355            | Last Week                    | 988,309             |
| This Week                      | 15,207,671            | This Week                    | 831,856             |
| Time Period                    | Iowa Continued Claims | Time Period                  | Iowa Initial Claims |
| Last Year                      | 15,309                | Last Year                    | 1,805               |
| Last Week                      | 104,316               | Last Week                    | 6,317               |
| This Week                      | 92,853                | This Week                    | 5,282               |

Claim numbers are not seasonally adjusted.

The following chart displays the number of Iowa continued claims over the past 23 weeks for 2019 and 2020. Iowa continued claims have declined by 96,790 claims since the week ending May 2, 2020. However, continued claims remain significantly higher than last year, with claims for the week ending August 1, 2020, exceeding claims for the week ending August 3, 2019, by 77,544 claims.



While Iowa initial claims for the week ending August 8, 2020, declined from the previous week, the initial claims count was more than 3,477 higher than the week ending August 10, 2019.



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