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## FISCAL UPDATE Article

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

### UNEMPLOYMENT INSURANCE CLAIMS — OCTOBER 15, 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 [report](#) released on Thursday, October 15, 2020, provides preliminary initial claims for the week ending October 10, 2020, and continued claims for the week ending October 3, 2020. The October 15 report represents the 30th 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 that 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.

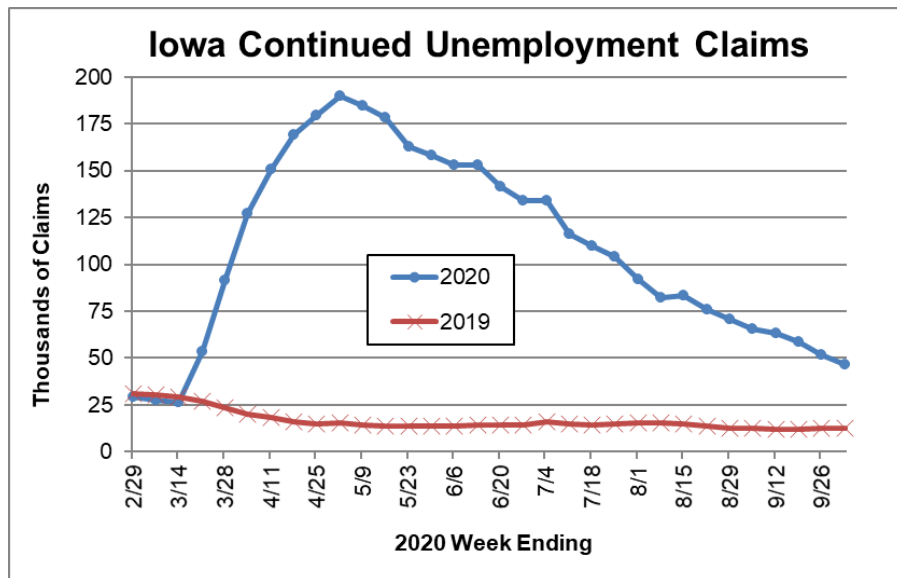
This week's DOL report shows continued elevated initial unemployment claim counts at both the State and national levels. The substantial increase in initial claims reported since the week ending March 14, 2020, has produced a large increase in State and national continued claims for the week ending October 3, 2020, when compared to the same week last year.

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 Iowa is revised lower one week later.

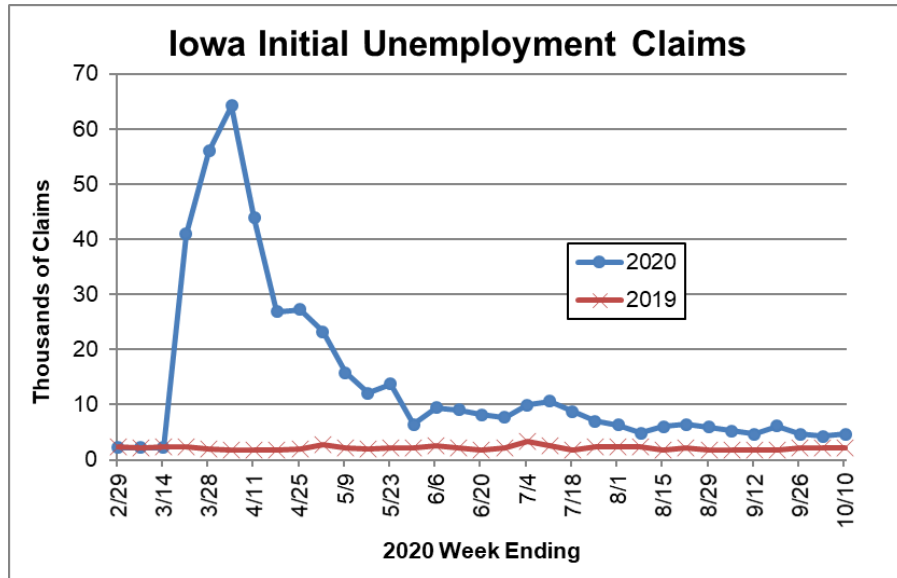
<b>Weekly Continued Claims</b> Week ending 10/3/2020		<b>Weekly Initial Claims</b> Week ending 10/10/2020	
Time Period	U.S. Continued Claims	Time Period	U.S. Initial Claims
Last Year	1,369,887	Last Year	201,677
Last Week	10,819,790	Last Week	809,215
This Week	9,631,588	This Week	885,885
Time Period	Iowa Continued Claims	Time Period	Iowa Initial Claims
Last Year	12,665	Last Year	2,117
Last Week	51,560	Last Week	4,288
This Week	46,577	This Week	4,644

Claim numbers are not seasonally adjusted.

The following chart displays the number of Iowa continued claims over each of the past 32 weeks for 2019 and 2020. Iowa continued claims have declined by 143,066 claims since the week ending May 2, 2020. However, continued claims remain significantly higher than last year, with claims for the week ending October 3, 2020, exceeding claims for the week ending October 5, 2019, by 33,912 claims. It is important to note that while declining continued claims may mean that people are returning to work, it also may mean that people have reached the end of their eligibility for regular unemployment benefits.



Iowa initial claims for the week ending October 10, 2020, increased compared to the previous week, and the claim count was 2,527 higher than the week ending October 12, 2019. Given that Iowa initial claims are usually revised lower the week after the preliminary number is released, it is likely that the week's increase in initial claims will prove not to be the case once the actual number of claims for the week is released.



LSA Staff Contact: Jeff W. Robinson (515.281.4614) [jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov)

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