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## FISCAL UPDATE Article

Fiscal Services Division

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### UNEMPLOYMENT INSURANCE CLAIMS — DECEMBER 31, 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, December 31, 2020, provides preliminary initial claims for the week ending December 26, 2020, and continued claims for the week ending December 19, 2020. The December 31 report represents the 41st consecutive weekly release in which unemployment claims are significantly impacted by the 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.

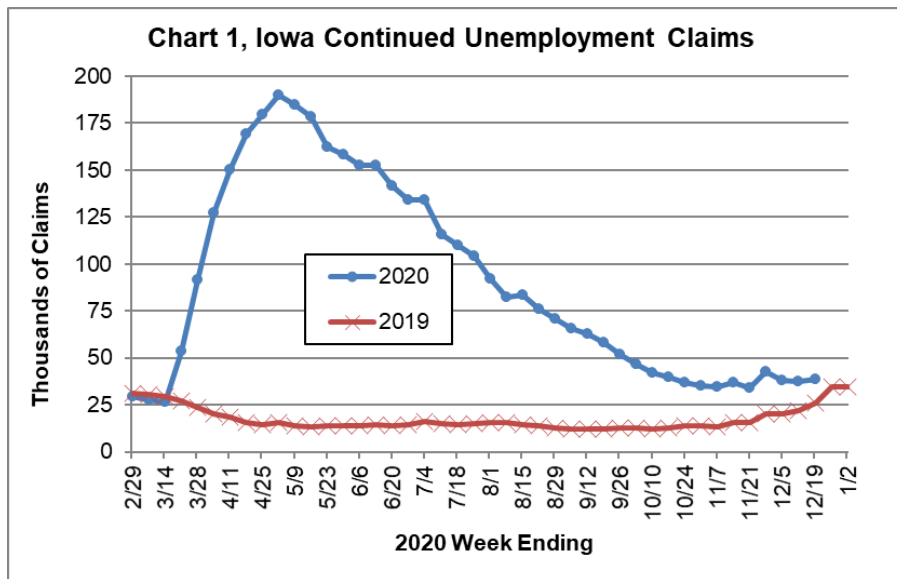
While this week's DOL report shows continued elevated initial unemployment claim counts at the national level, the Iowa initial claim numbers show a decline when compared to the same week last year and after next week's revision will also show a decline compared to the previous week. The substantial increase in initial claims since March has produced a large increase in State and national continued claims for the week ending December 19, 2020, when compared to the same week last year. Over the past four weeks, the Iowa weekly continued claims average was 16,933 claims above the same four weeks 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 numbers for Iowa are revised lower one week later.

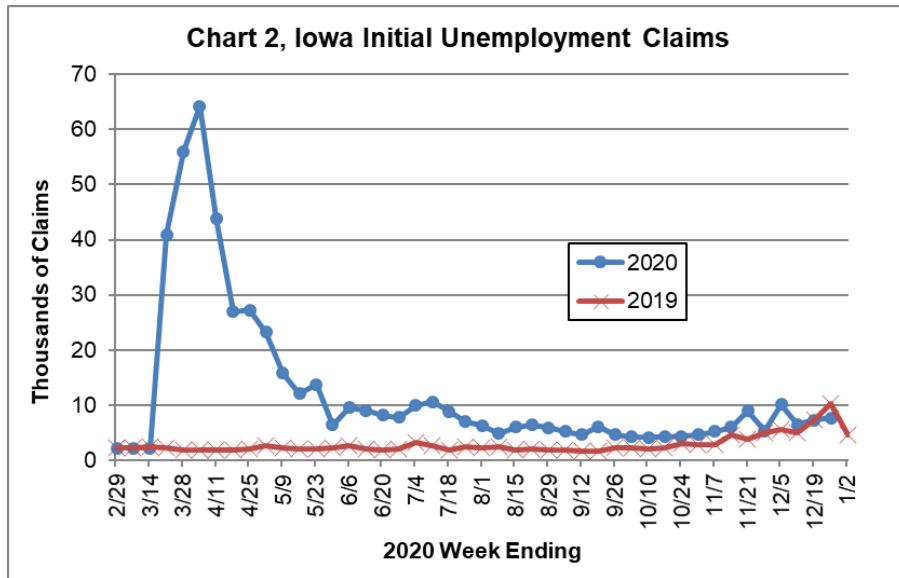
Weekly Continued Claims		Weekly Initial Claims	
Week ending 12/19/2020		Week ending 12/26/2020	
Time Period	U.S. Continued Claims	Time Period	U.S. Initial Claims
Last Year	1,776,317	Last Year	312,524
Last Week	5,429,108	Last Week	872,847
This Week	5,258,073	This Week	841,111
Time Period	Iowa Continued Claims	Time Period	Iowa Initial Claims
Last Year	25,963	Last Year	10,338
Last Week	37,492	Last Week	7,271
This Week	38,296	This Week	7,644

Claim numbers are not seasonally adjusted.

**Chart 1** displays the number of Iowa continued claims over each of the past 43 weeks for 2019 and 2020. Iowa continued claims have declined by 151,347 claims since the week ending May 2, 2020. However, continued claims remain significantly higher than last year, with claims for the week ending December 19, 2020, exceeding claims for the week ending December 21, 2019, by 12,333 claims. It is important to note that while declining continued claims may mean that people are returning to work, it also means that people have reached the end of their eligibility for regular unemployment benefits. Unemployment insurance statistics indicate that 61,096 final payments for Iowa regular unemployment benefits were issued for the months of April through November 2020. For the same months of 2019, 10,662 Iowa regular program final payments were issued.



Iowa initial claims (**Chart 2**) for the week ending December 26, 2020, increased by 373 claims compared to the previous week and decreased by 2,694 claims compared to the week ending December 28, 2019. Over the past four weeks, the weekly initial claims average has been 848 claims above the same four weeks last year.



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