
FISCAL UPDATE Article

Fiscal Services Division

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UNEMPLOYMENT INSURANCE CLAIMS — FEBRUARY 25, 2021

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, February 25, 2021, provides preliminary initial claims for the week ending February 20, 2021, and continued claims for the week ending February 13, 2021. The February 25 report represents the 49th 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.

This week's DOL report shows elevated initial unemployment claim counts at both the State and national levels. The substantial increase in initial claims since March has produced a large increase in State and national continued claims for the week ending February 13, 2021, when compared to the same week last year. Over the past four weeks, the Iowa weekly continued claims average under the regular unemployment compensation program was 16,793 claims above the same four weeks last year.

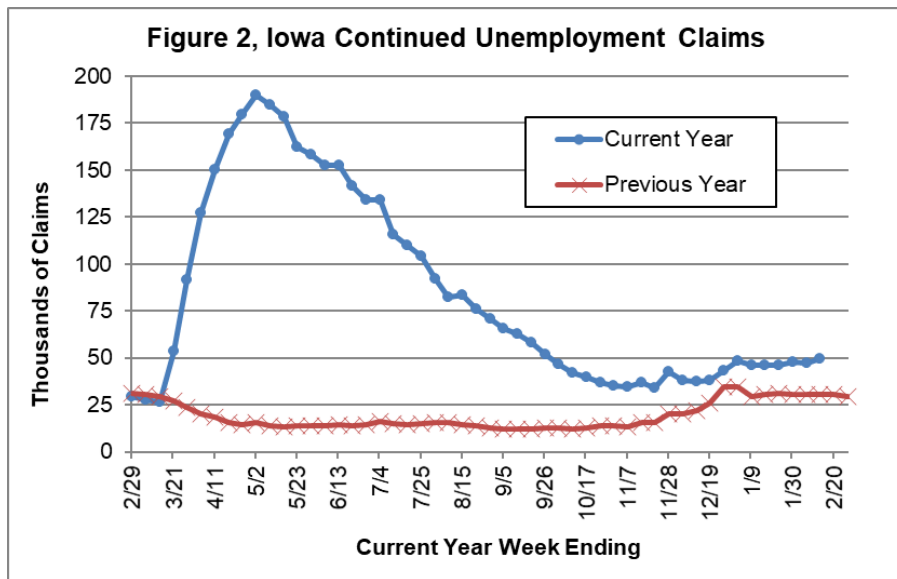
Figure 1 provides U.S. and Iowa initial and continued claims numbers for the most recent report week as well as the previous week and the same week last year. Please note that the claims reported are actual claims numbers and have not been seasonally adjusted. The claims numbers represent preliminary (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.

Figure 1

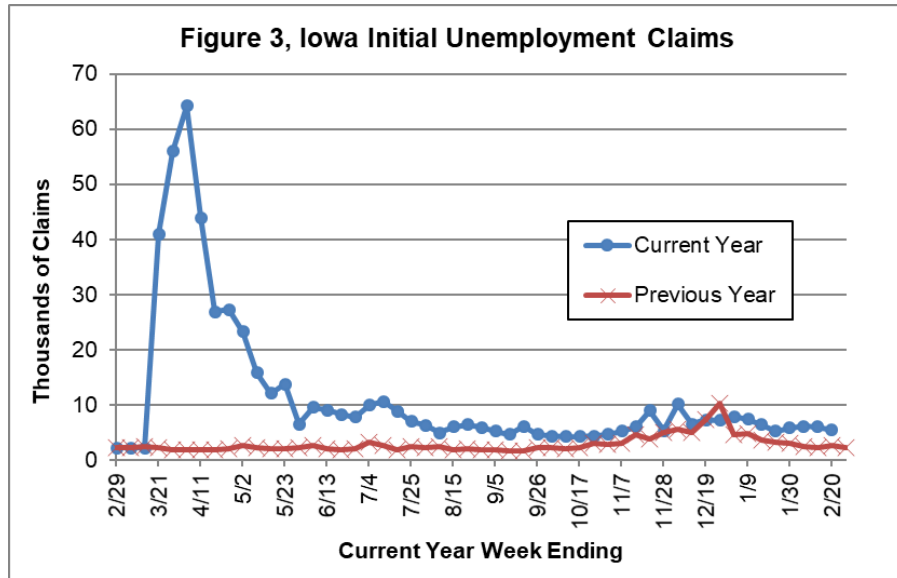
Weekly Continued Claims		Weekly Initial Claims	
Week ending 2/13/2021		Week ending 2/20/2021	
Time Period	U.S. Continued Claims	Time Period	U.S. Initial Claims
Last Year	2,061,355	Last Year	198,832
Last Week	4,971,347	Last Week	842,047
This Week	4,828,027	This Week	710,313
Iowa Continued Claims		Iowa Initial Claims	
Time Period	Claims	Time Period	Claims
Last Year	30,741	Last Year	2,631
Last Week	46,963	Last Week	5,988
This Week	49,597	This Week	5,457

Claim numbers are not seasonally adjusted.

Figure 2 displays the number of Iowa continued claims over each of the past 51 weeks and the same weeks the previous year. Iowa continued claims have declined by 140,046 claims since the week ending May 2, 2020. However, regular program continued claims remain significantly higher than last year, with claims for the week ending February 13, 2021, exceeding claims for the week ending February 15, 2020, by 18,856 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 70,810 final payments for Iowa regular unemployment benefits were issued for the months of April 2020 through January 2021. For the same months the previous year, 13,942 Iowa regular program final payments were issued.



Iowa initial claims (**Figure 3**) for the week ending February 20, 2021, decreased by 531 claims compared to the previous week and increased by 2,826 claims compared to the week ending February 22, 2020. Over the past four weeks, the weekly initial claims average has been 3,257 claims above the same four weeks last year.



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