
FISCAL UPDATE Article

Fiscal Services Division

March 4, 2021



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

UNEMPLOYMENT INSURANCE CLAIMS — MARCH 4, 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, March 4, 2021, provides preliminary initial claims for the week ending February 27, 2021, and continued claims for the week ending February 20, 2021. The March 4 report represents the 50th 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 20, 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 17,511 claims above the same four weeks last year.

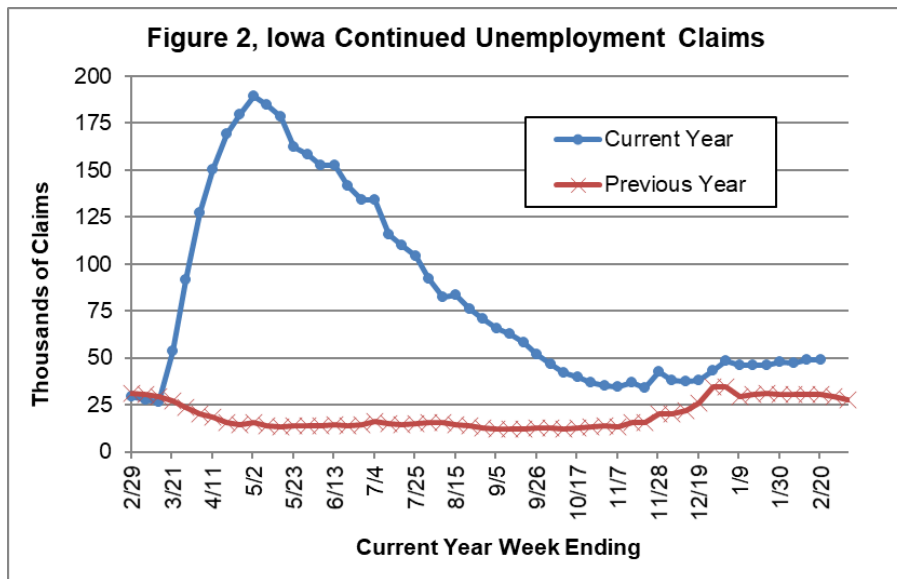
Figure 1 provides U.S. and Iowa initial and continued claims numbers for the most recent report week as well as the previous week and the same week last year. Please note that the claims reported are actual claims numbers and have not been seasonally adjusted. The claims numbers represent preliminary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

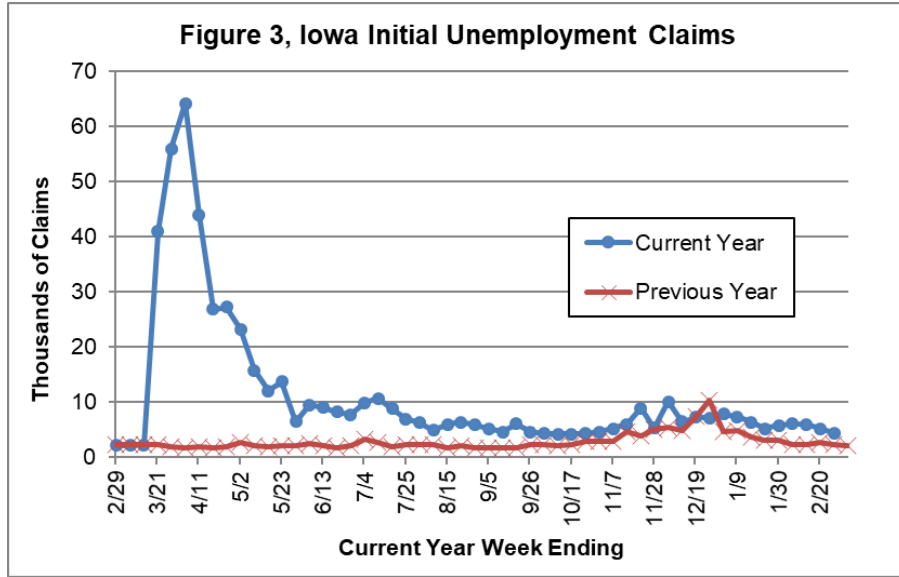
| Weekly Continued Claims | | Weekly Initial Claims | |
|--------------------------------|-----------------------|------------------------------|---------------------|
| Week ending 2/20/2021 | | Week ending 2/27/2021 | |
| Time Period | U.S. Continued Claims | Time Period | U.S. Initial Claims |
| Last Year | 2,103,447 | Last Year | 216,205 |
| Last Week | 4,828,624 | Last Week | 716,559 |
| This Week | 4,806,269 | This Week | 748,078 |
| Iowa Continued Claims | | Iowa Initial Claims | |
| Time Period | Claims | Time Period | Claims |
| Last Year | 30,516 | Last Year | 2,240 |
| Last Week | 48,758 | Last Week | 5,192 |
| This Week | 49,140 | This Week | 4,452 |

Claim numbers are not seasonally adjusted.

Figure 2 displays the number of Iowa continued claims over each of the past 52 weeks and the same weeks the previous year. Iowa continued claims have declined by 140,503 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 20, 2021, exceeding claims for the week ending February 22, 2020, by 18,624 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 27, 2021, decreased by 740 claims compared to the previous week and increased by 2,212 claims compared to the week ending February 29, 2020. Over the past four weeks, the weekly initial claims average has been 3,066 claims above the same four weeks last year.



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

Doc ID 1215915