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## FISCAL UPDATE Article

Fiscal Services Division

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### UNEMPLOYMENT INSURANCE CLAIMS — APRIL 8, 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, April 8, 2021, provides preliminary initial claims for the week ending April 3, 2021, and continued claims for the week ending March 27, 2021. The April 8 report represents the 55th weekly release since unemployment claims were first 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.

**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. Often, the preliminary numbers for Iowa are revised lower one week later.

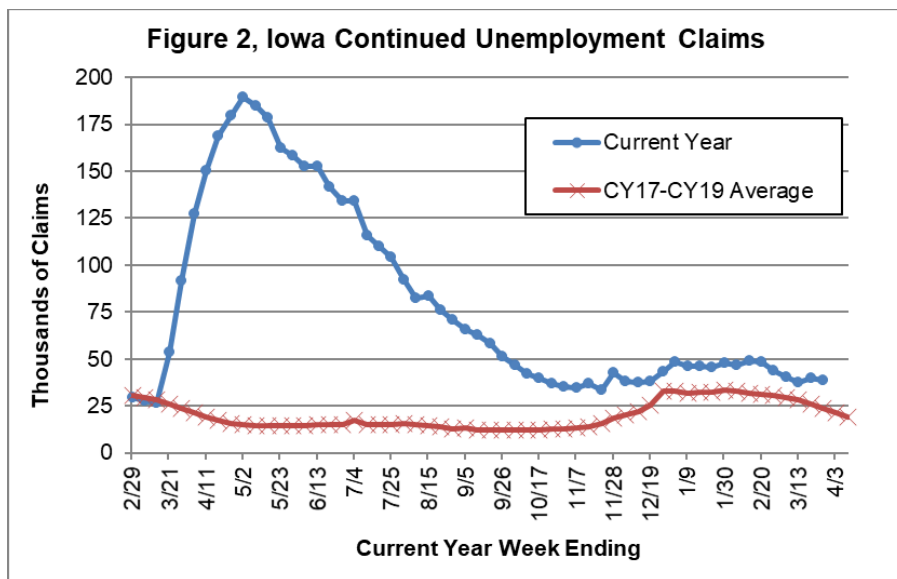
The right half of **Figure 1** highlights initial claims. The week ending April 3, 2021, is past the one-year anniversary of the start of the pandemic's impact on initial unemployment claims. For the week ending April 3, 2021, there were 6,770 initial Iowa claims, compared to 64,194 claims the same week last year. A large decrease compared to last year is also shown in initial U.S. claims.

**Figure 1**

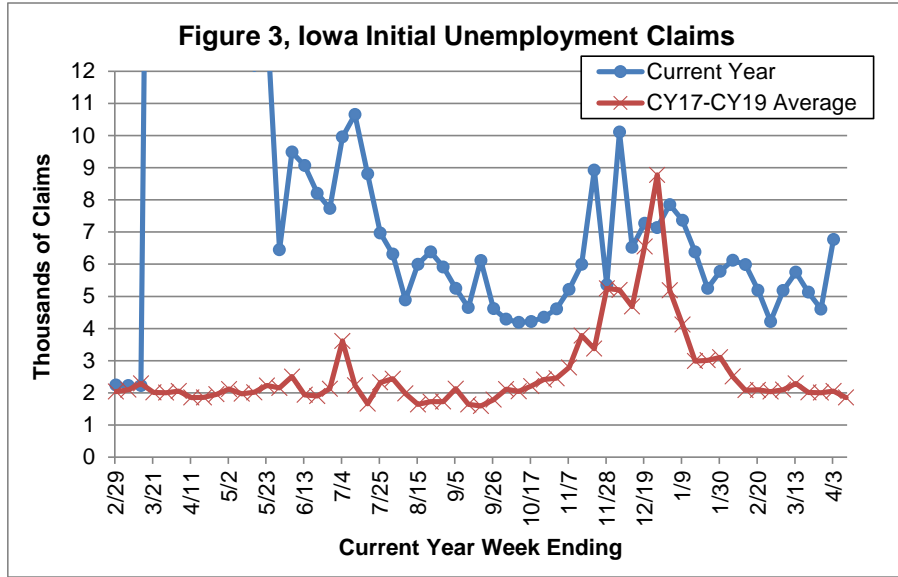
<b>Weekly Continued Claims</b>		<b>Weekly Initial Claims</b>	
Week ending 3/27/2021		Week ending 4/3/2021	
Time Period	U.S. Continued Claims	Time Period	U.S. Initial Claims
Last Year	8,158,208	Last Year	6,161,308
Last Week	4,099,195	Last Week	722,615
This Week	4,031,531	This Week	740,787
Iowa Continued Claims		Iowa Initial Claims	
Time Period	Claims	Time Period	Claims
Last Year	91,631	Last Year	64,194
Last Week	39,657	Last Week	4,602
This Week	38,642	This Week	6,770

Claim numbers are not seasonally adjusted.

**Figure 2** displays the number of Iowa continued claims over each of the past 57 weeks (blue line) with a comparison line that represents the prepandemic level of continued claims (red line). This prepandemic level is the average number of claims for each week for calendar years CY 2017 through CY 2019. **Figure 2** shows that Iowa continued claims under the regular unemployment program remain noticeably higher this year than a normal year, with claims for the week ending March 27, 2021, exceeding the normal level of claims by 14,866. 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. Unemployment insurance statistics indicate that 74,087 final payments for Iowa regular unemployment benefits were issued for the months of April 2020 through February 2021. For the same months the previous year, 15,419 Iowa regular program final payments were issued.



Iowa initial claims (**Figure 3**) for the week ending April 3, 2021, decreased by 2,168 claims compared to the previous week and increased 4,714 compared to the normal level of claims. Over the past four weeks, the weekly initial claims average has been 3,472 claims above the normal level.



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