
FISCAL UPDATE Article

Fiscal Services Division

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UNEMPLOYMENT INSURANCE CLAIMS — MAY 27, 2021

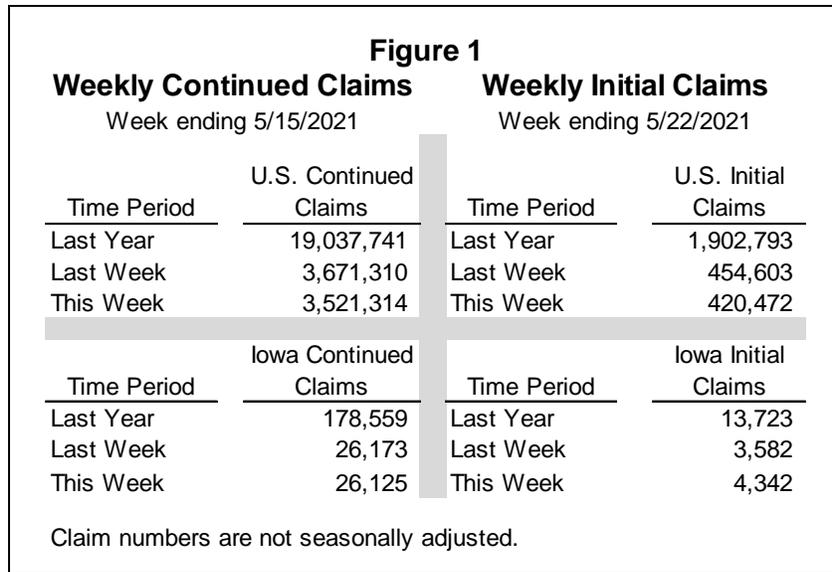
Unemployment Claims Weekly News Release. The U.S. Department of Labor (DOL) releases national and state-level unemployment insurance (UI) claims data each Thursday. The [report](#) released on Thursday, May 27, 2021, provides preliminary initial claims for the week ending May 22, 2021, and continued claims for the week ending May 15, 2021. The May 27 report represents the 62nd 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 May 22, 2021, is past the one-year anniversary of the start of the pandemic's impact on initial unemployment claims. For the week ending May 22, 2021, there were 4,342 initial Iowa claims, compared to 13,723 claims the same week last year. A large decrease compared to last year is also shown in initial U.S. claims.



Iowa initial claims (**Figure 2**) for the week ending May 22, 2021, increased by 760 claims compared to the previous week and increased 2,115 compared to the normal level of claims. Over the past four weeks, weekly initial claims have averaged 1,506 claims above the normal level.

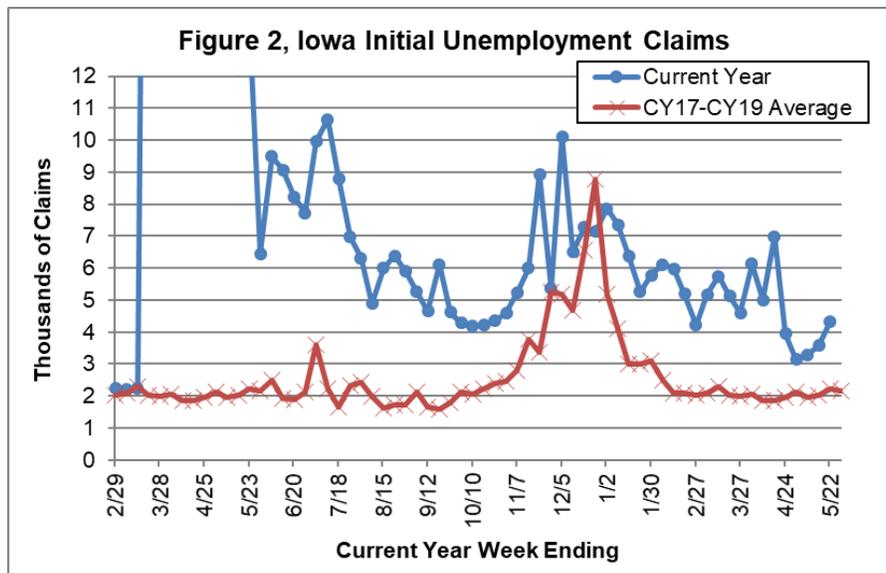
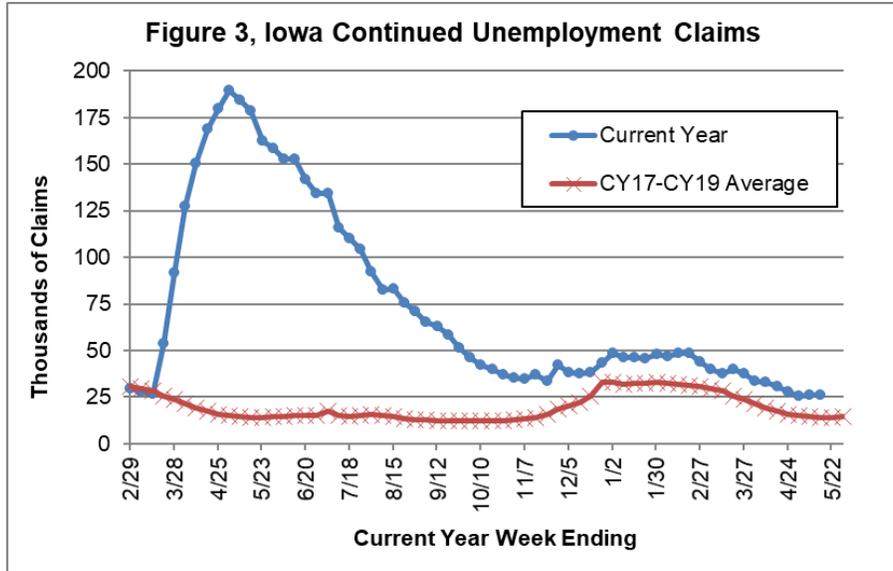


Figure 3 displays the number of Iowa continued claims over each of the past 65 weeks (blue line) with a comparison line that represents the prepandemic level of continued claims (red line). This prepandemic level is the average number of claims for each week for calendar years CY 2017 through 2019.

Figure 3 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 May 15, 2021, exceeding the normal level of claims by 11,917. 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 80,251 final payments for Iowa regular unemployment benefits were issued for the months of April 2020 through April 2021. For the same months the previous year, 20,653 Iowa regular program final payments were issued.



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