



UNEMPLOYMENT RECOVERY REPORT

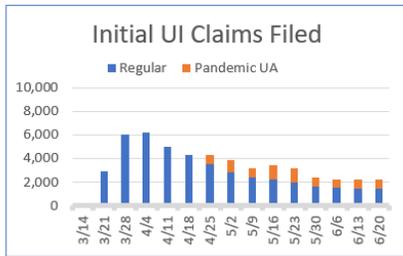
Nine Clarifying Charts

June 25, 2020
By John Courtney, President

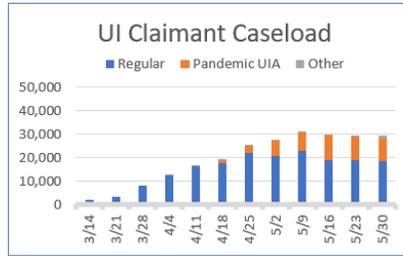
It's been a tumultuous year for U.S. unemployment and those who work to alleviate it. While our economic challenges could continue, the latest data from the Bureau of Labor Statistics (BLS) offers some meaningful reason for hope.

Below are nine graphs that present a combined look at U.S. unemployment. Though each indicator¹ has limitations, taken together they provide important insights.

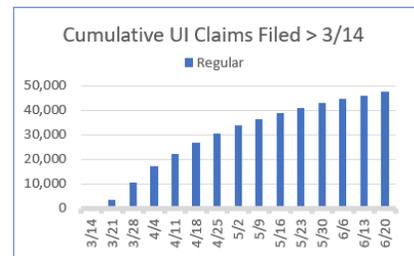
Unemployment Insurance (UI) Claims Filed, Caseload & History of Filings



Layoffs surged in March/April & slowed in May/June
[BLS Weekly Claims Report: Not Seasonally Adjusted](#)



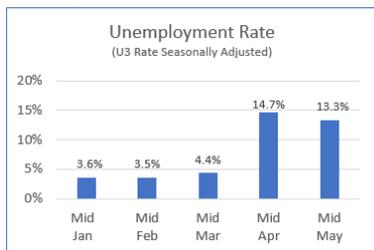
UI total claimant caseload has started to fall
[BLS Weekly Claims Report: Not Seasonally Adjusted](#)



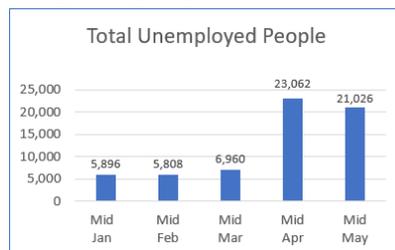
Often mistaken for total unemployed and "lost jobs"
[BLS Weekly Claims Report: Seasonally Adjusted](#)

The first three charts track unemployment claim activity. **It's important to note the cumulative unemployment insurance claims filed since March 14th has little to do with "jobs lost"** or even total unemployed as headlines continue to erroneously suggest. Just as every coronavirus infection does not lead to a life lost, neither does every job infected with temporary unemployment lead to a job permanently lost. A more accurate measure of "jobs lost" to date is the number of permanent layoffs highlighted below.

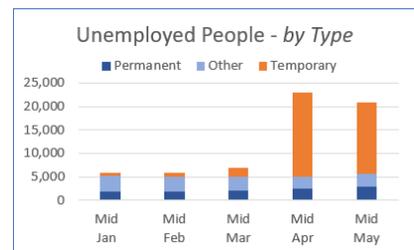
Unemployment Rate, People & Temporary Layoffs



Unemployment surged in April, dropped in May
[BLS unemployment survey - U3 data - most common measure](#)



Unemployment surged in April, dropped in May
[BLS unemployment survey - U3](#)



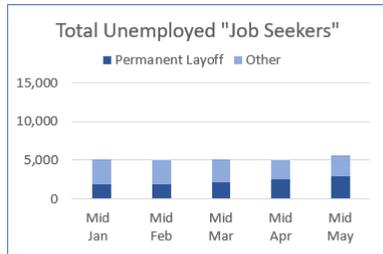
In May, 83% who lost/ended jobs said layoff was temporary
[BLS unempl. Survey: "Other" includes job Leavers, Reentrants & New Entrants](#)

The next three charts go beyond unemployment insurance claims to examine the state of unemployment. Most significant and rarely discussed is the composition of the unemployed in the third chart – Unemployed People – by Type. One measurement of jobs lost is permanent layoffs to date. **Since the start of the pandemic through mid-May the number of "jobs lost" has increased from 2.1 M to 2.9 M.**

From a relative standpoint, as of mid-May, just 17% of those laid off said their layoff was permanent. **A stunning 83% of workers who lost or ended jobs said their layoff is temporary and as the recovery progresses, this percentage will be important to watch, as some temporary layoffs (furloughs) are becoming permanent.**

Much has been written in recent weeks about irregularities in the BLS data including how employees on furlough due to coronavirus-related business closures have been counted in the Unemployment Rate measure, as BLS has [noted a challenge](#) in ensuring that its survey team is consistently marking those furloughed as temporarily unemployed. Fortunately, while BLS noted that the Unemployment Rate may be underestimated by 3%, it also noted that the same error occurred in April and May, suggesting the promising trendline of declining unemployment is likely accurate. Also, the erroneous undercount is in those temporarily laid off which of course is less concerning than an undercount of those permanently laid off.

Job Seekers, Openings and Hires



Total "Job Seekers" increased less than expected
[BLS unempl. Survey](#); "Other" includes Job Leavers, Reentrants & New Entrants



Job openings dropped slowly through the last day of April
[BLS JOLT Survey](#)



Hires remained relatively strong in the month of April
[BLS JOLT Survey](#)

The last set of charts examines trends in the number of unemployed job seekers on permanent layoff, as well as total job openings and monthly hires.

In the year prior to the pandemic, job openings were higher than they've been in twenty years. From the start of the pandemic to mid-April openings dropped, but only by 14% to 5 million. Glassdoor tracks online job openings on its job board site with less time lag. As of June 8th, its [data](#) suggests the portion of openings posted *online* have dropped 29% from March 1, 2020 to 4.3 million. **By either measure, job openings appear to be at the levels that existed five years after the Great Recession.**

Total job openings will be important to watch as an indicator of opportunity, as well as a possible indicator of the difficulty employers may have in convincing permanently laid off employees to leave the unemployment insurance program to return to work.

Accuracy and Hope Go Hand in Hand

Job search success can be strongly impacted by hope. Particularly in today's environment, it's essential that we provide the nation's unemployed with a clear and accurate view of the employment landscape.

John Courtney is President of the American Institute for Full Employment, whose team of consultants has worked with more than 25 states and Congress to develop evidence-based reemployment solutions in unemployment insurance, welfare and workforce programs for the past 25 years. For help assessing your state's reemployment or evidence-based RESEA program, contact the Institute at info@fullemployment.org or visit fullemployment.org.

ⁱ Data Notes: The first three graphs use data published in the Bureau of Labor Statistics (BLS) Weekly Claims Report. The next four use data from the BLS Unemployment Survey. The last two graphs draw on data from the BLS Job Openings and Labor Turnover Survey. The only data seasonally adjusted is in the Unemployment Rate graph, the Unemployed People graphs and the Cumulative UI Claims Filed graph. The UI Claimant Caseload data includes the following UI claim types: Regular State, Federal Employees, Newly Discharged Veterans, Pandemic Unemployment Assistance, Pandemic Emergency UC, Extended Benefits, State Additional Benefits and STC/Workshare. In the Total "Job Seekers" chart, "Other" includes "Reentrants" and "New Entrants" into the job market.