This month’s job data includes several positive signs relative to the prior months’ trendlines: 1) regular claims dropping 26% in the last month, to below one million for the first time since the start of the pandemic, 2) a continued drop in the number unemployed, 3) a flattening of the total unemployed “job seekers” and 4) a solid increase in job openings.

We’ve selected nine charts using U.S. Department of Labor (DOL) data that present a multi-perspective view of U.S. unemployment. Each indicator has limitations, but taken together they present an insightful picture.

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

The drop in combined Initial Unemployment Insurance Claims (unadjusted regular plus pandemic UA claims) accelerated through the start of August, falling 46% from the week of July 11th to the week of August 8th from 2.5 million to 1.3 million claims. *Seasonally adjusted* regular claims dropped below one million for the first time since the start of the pandemic, falling 26% to 963,000.

Total Continued UI Claims also dropped month-over-month, from 31 million to 28 million. However, continued claims are a weaker indicator than in the past. U.S. DOL revealed the count of weeks paid no longer matches the number of people claiming benefits on a 1-to-1 basis, due to multiple backlogged claim weeks being paid and counted in the same week. Other anomalies include fraudulent claim schemes and other unusual situations. Illuminating the disconnect, a recent analysis showed Continued PUA Claims is greater than the total of PUA claims ever filed.

The last measure, Cumulative UI Claims Filed, is often misunderstood and misrepresented as “jobs lost.” In reality, most claims are associated with jobs on a temporary hold—not jobs that are permanently “lost.” Fortunately, fewer outlets are using inaccurate language to describe filed claims.

**Unemployment Rate, People & Temporary Layoffs**

The unemployment rate fell again in July. Total unemployed dropped 1.4 M (8%) from June to July. In June, 71% who lost/ended jobs indicated temporary layoff.
A more accurate measure of “jobs lost” is the number of “permanent” unemployed. This data appears in dark blue in the above “Unemployed People - By Type” chart. The number includes the unemployed who are “not on temporary layoff” and is comprised of those who permanently lost a job and those who completed temporary jobs. From mid-June to mid-July, this number dropped slightly—from just over 3.7 million to just under 3.7 million—but it continues to be elevated substantially over the pre-pandemic, February level of 2.1 million.

Between June and July, the unemployment rate dropped from 11.1% to 10.2% and the number of unemployed dropped by 1.4 million. As of mid-July, most of the unemployment continues to be temporary. Of workers who’d lost a job or completed a temporary job, a full 71% said it was due to a temporary layoff, compared to 74% in mid-June.

**Job Seekers, Openings and Hires**

![Graph showing total unemployed job seekers and job openings](image)

The last set of charts examines trends in the number of job seekers not on furlough, as well as their total job opportunities. The number of true “job seekers” (those who permanently lost jobs, quit or entered or reentered the workforce) dropped slightly by mid-July to 7.1 million. End-of-June job openings climbed 10% to 5.8 million, matching the average level of openings in 2018.

More recently, July 27th data from online job site Glassdoor shows online postings are just 18% below their pre-pandemic level. Compared to a dip of 26% at the start of June, this suggests a positive trend. By either measure, the number of openings compared to “job seekers” is encouraging.

Total Unemployed Job Seekers will be important to watch as one possible indicator of the number of temporary layoffs turning permanent. Total Job Openings are important as well as an indicator of employer opportunities as well as headwinds caused by fear and lack of UI work search engagement.

**Time to Engage Those Not on Furlough**

In September, workers laid off at the pandemic’s start will begin reaching long-term unemployment—six months unemployed. Given the encouraging number of job openings relative to job seekers, unemployment and workforce agencies should re-examine work search waivers for UI claimants who don’t have a job waiting for them.

At the same time, since the morale of the unemployed has been unduly undermined by inaccurate characterizations of job data, it will also be important give them plenty of encouragement. After all, hope can be a key factor supporting job seekers in today’s uncertain times.

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Data Notes: All data is presented in thousands. 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 Continued UI Claim 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.

DOL’s UI Weekly Claims Report for August 6, 2020 gives this disclaimer on page 7: “Backdated claims data may be included in these figures.”

March 13, 2020 is used here as the start of the Pandemic’s impacts on this data.