



UNEMPLOYMENT RECOVERY REPORT IN NINE CHARTS

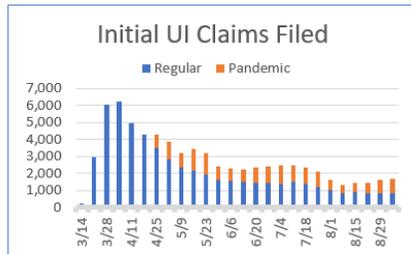
September 2020

September 10, 2020
By John Courtney, President

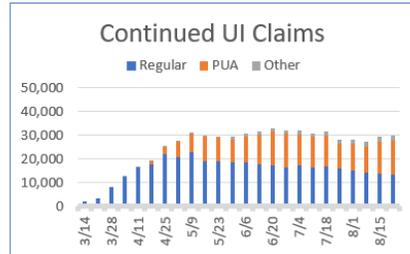
This past week's jobs and unemployment reports suggest solid movement toward recovery, but an increase in unemployment claims. Specifically, the U.S. saw: 1) a significant drop in the unemployment rate to 8.4%, 2) a slight growth in the number of unemployed who are "job seekers," 3) a continuation of regular initial unemployment claims under one million, 4) a jump in initial Pandemic Unemployment Assistance (PUA) claims filed and PUA weeks paid and 5) a 10% increase in job openings to a level matching 2017 openings.

Below, we've developed nine charts using U.S. Department of Labor (DOL) data to present a balanced view of U.S. unemployment. Each indicatorⁱ has limitations, but taken together they present an insightful picture.

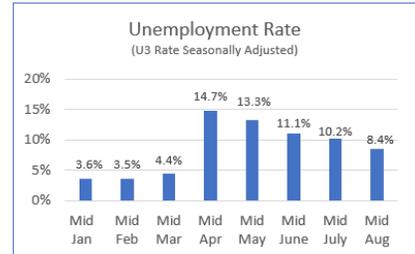
Unemployment Insurance (UI) Claims Filed, Caseload & Unemployment Rate



Initial claims grew to late July levels, driven PUA claims
[BLS Weekly Claims Report - Not Seasonally Adjusted](#)



In prior 4 wks regular claims fell 17% while PUA rose 36%
[BLS Weekly Claims Report - Not Seasonally Adjusted](#)



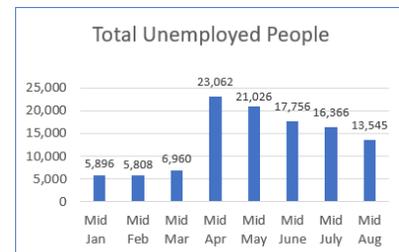
The unemployment rate fell significantly to 8.4%
[BLS unemployment survey - U3 data - most common measure](#)

Initial regular unemployment insurance (UI) claims remained under one million again at 857,148 for the week ending September 5th, but PUA claims grew 71% over the prior four weeks to 838,916.

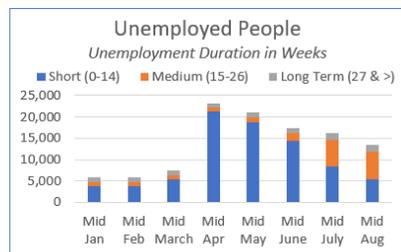
While continued regular UI claims dropped 17% over the four weeks leading to August 22nd, continued PUA claims grew sharply by 71%, to drive a 4-week increase of 28% in total continued UI claims, due in part to data anomalies.ⁱⁱ In particular, recent analysis again suggests the count of weeks paid does not match the number of people claiming benefits on a 1-to-1 basis. This appears to be due to [multiple backlogged claim](#) weeks being paid and counted in the same week, fraudulent claim schemes and other unusual situations.

The last measure above is again encouraging. The unemployment rate marked another significant drop, falling month-over-month from 10.2% to 8.4%.

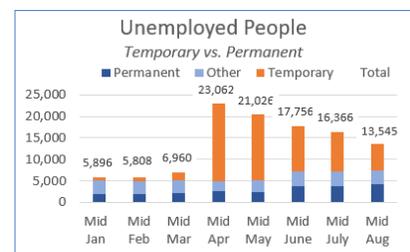
Unemployed People by Duration & Temporary vs. Permanent



Unemployment dropped by nearly 3 million people
[BLS unemployment survey - U3 data - most common measure](#)



Short-term unempl. dropped; medium-term remained high
[BLS unemployment survey - U3](#)



In Aug, temp. unemployment shrank 33% & perm grew 12%
[BLS unempl. survey - "Other" includes job leavers, reentrants & new entrants](#)

A new addition to this report examines workers by duration of unemployment. The second chart above depicts a growing number of "Medium-Term" unemployed as March and April laid-off employees reached four months unemployed in July and August. How states assist and engage these workers as they head toward long-term unemployment in September and October will be important to watch.

The “Unemployed People - By Type” chart above shows an encouraging 33% drop in the number of “Temporary” laid-off workers, shown in orange. Fortunately, the movement from temporary to permanent unemployment (permanently lost a job or completed temporary job) has increased permanent numbers only marginally from mid-July to mid-August—from 7.1 million to 7.4 million.

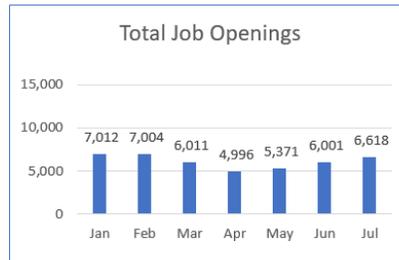
As of mid-August, most of the unemployment continues to be temporary. **Sixty percent of workers who’d lost a job or completed a temporary job said it was due to a temporary layoff.**

Job Seekers, Openings and Hires



Total "Job Seekers" grew slightly

[BLS unempl. Survey](#); "Other" includes Job Leavers, Reentrants & New Entrants



July openings climbed 10%, surpassing 2017 levels

[BLS JOLT Survey](#)



July hires were just under pre-pandemic #

[BLS JOLT Survey](#)

The last set of charts compare the number of job seekers to job opportunity data. The number of total unemployed workers who are true “job seekers” (those who permanently lost jobs, quit or entered or reentered the workforce)ⁱⁱⁱ rose 3.4% month-over-month to 7.4 million in mid-August.

Meanwhile end-of-July job openings^{iv} climbed 10.3% to 6.6 million, matching the average level of openings in 2017, eight years into the recovery from our last recession. **Compared to the end of the Great Recession, we have roughly the same number of total unemployed,^v but nearly three times as many job openings (6.6 vs. 2.3 million).** Confirming the trend, August 24th [data](#) from online job site Glassdoor shows online postings are just 17% below their pre-pandemic level, compared to a low of 27% off at the start of June.^{vi}

State Opportunity to Engage Those in Need

In September, workers laid off at the pandemic’s start are beginning to reach long-term unemployment—six months unemployed. Fortunately the number of job openings relative to job seekers continues to improve, providing fertile ground for states to [consider ending](#) work search waivers – at least for UI claimants who are permanently laid off. As more states follow the trend to re-engage claimants in work search many will also find it critical to modernize their work search requirements and activities to better match a more virtual COVID-19-altered job market.

John Courtney is President of the American Institute for Full Employment. Its 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. States seeking assistance in reemployment or evidence-based RESEA programs can reach the Institute at info@fullemployment.org or visit fullemployment.org.

ⁱ All data is presented in thousands and the only data not seasonally adjusted is the Initial and Continued UI Claim data.

ⁱⁱ Continued UI Claims 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.

ⁱⁱⁱ In the Total “Job Seekers” chart, “Other” includes “Reentrants” and “New Entrants” into the job market.

^{iv} For better comparative data, this report now uses seasonally adjusted data for job openings.

^v Comparing July 2020 to July 2009 Great Recession data shows unemployed workers of 13.5 vs. 14.6 million.

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