



# UNEMPLOYMENT RECOVERY REPORT IN NINE CHARTS

October 2020

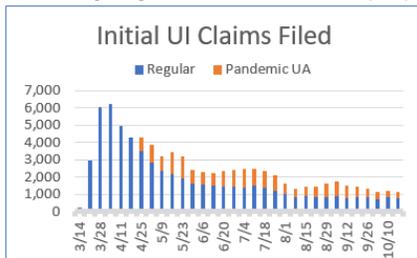
October 26, 2020  
By John Courtney, President

This month’s jobs and unemployment reports suggest ongoing movement toward recovery with a continued downtrend in unemployment and unemployment insurance claims but a rise in long-term unemployment. In particular, the country saw:

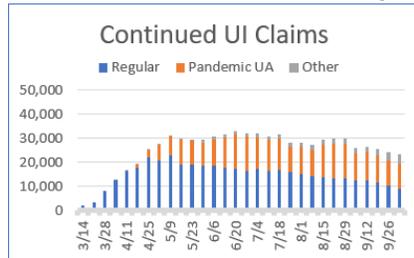
- The unemployment rate drop from 8.4% to 7.9%
- 8.1% growth in the number of unemployed who are “job seekers”
- A 32% increase in long-term unemployment
- Initial unemployment claims drop to 760,000
- A striking 44% month-over-month drop in initial Pandemic Unemployment Assistance (PUA) claims filed
- A 3% drop in job openings to a level still exceeding 2017 openings

Below are nine charts derived from U.S. Department of Labor (DOL) data that provide a balanced view of U.S. unemployment. Each indicator<sup>1</sup> has limitations, but taken together they illuminate important trends in our nation’s recovery.

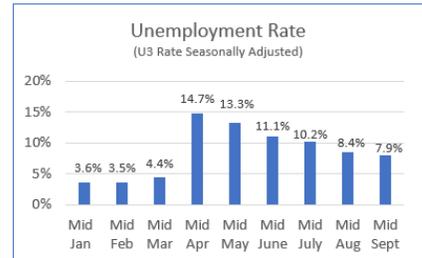
## Unemployment Insurance (UI) Claims Filed, Caseload & Unemployment Rate



Initial claims fell 15% 9/5-10/3 & rose slightly since  
[BLS Weekly Claims Report: Not Seasonally Adjusted](#)



Regular cont'd claims fell 28% & PUA fell 11% 9/5-10/3  
[BLS Weekly Claims Report: Not Seasonally Adjusted](#)



The unemployment rate fell to 7.9%  
[BLS unemployment survey - US data - most common measure](#)

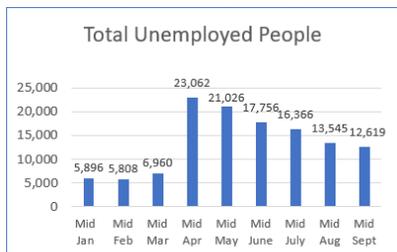
Initial regular unemployment insurance (UI) claims remained elevated, but well under a million at 757,000 for the week ending October 17<sup>th</sup>. Initial PUA claims dropped dramatically, falling 44% to 345,000 in the four weeks ending October 17<sup>th</sup>.

Also on a downward trend were continued regular UI claims, which dropped 28% over the four weeks ending October 3<sup>rd</sup>. Continued PUA claims data were corrected for anomalies in California and showed a four-week drop of 11%. Some data anomalies may continue as California and other states work through [multiple backlogged claim](#) weeks being paid and counted in the same week, fraudulent claim schemes and other unusual situations.

The third chart above is again encouraging: The unemployment rate continued to drop, falling month-over-month from 8.4% to 7.9%. However, the rate of decline has slowed and unemployment remains elevated.

Fortunately, September’s unemployment rate of 7.9% is now just half the 15.8% [projected](#) by the Congressional Budget Office in May for the 3<sup>rd</sup> Quarter unemployment rate average and over a third of the unemployed are furloughed workers (4.6 million of the total 12.6 million unemployed).

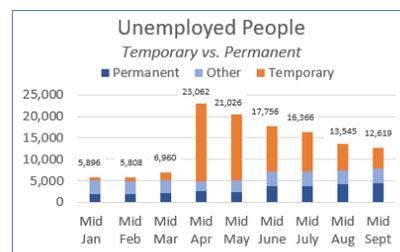
## Unemployed People by Duration & Temporary vs. Permanent



Unemployment dropped by nearly 1 million people  
[BLS unemployment survey - US data - most common measure](#)



Medium-term unempl. dropped; long-term rose 32%  
[BLS unemployment survey - US](#)



In Sept., temp. unemployment shrank 25% & perm. grew 7%  
[BLS unempl. survey; "Other" includes job leavers, reentrants & new entrants](#)

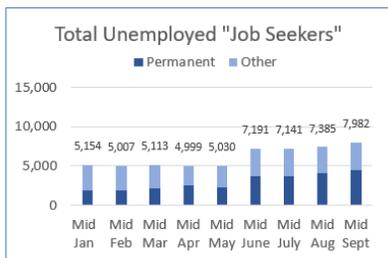
The second chart above shows a continued growth of medium-term unemployed (15 to 26 weeks), as March through May laid-off employees moved into the four-to-six months unemployed in September.

**Unfortunately, September saw 32% growth in the long-term unemployed.** How states assist and engage these workers in the next few months will be critical to their reemployment prospects.

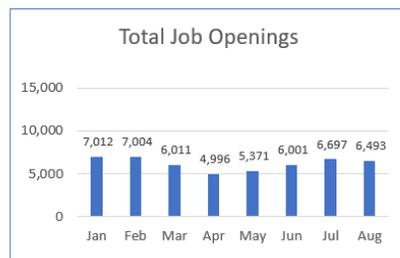
The third chart shows a sizable 25% drop in the number of temporarily laid-off workers as overall unemployment declined. **Fortunately, as of mid-September fifty-one percent of workers who'd lost a job said it was due to a temporary layoff instead of a permanent reduction.**

Encouragingly, the number of permanent job losers and those ending temporary jobs ("Permanent" in dark blue) increased only somewhat modestly from mid-August to mid-September—from 4.1 million to 4.5 million.

## Job Seekers, Openings and Hires



Total "Job Seekers" grew by 8.1%  
[BLS unempl. Survey; "Other" includes job leavers, reentrants & new entrants](#)



August openings fell 3%, but remained above 2017 levels  
[BLS JOLT Survey](#)



August hires were again just under pre-pandemic #s  
[BLS JOLT Survey](#)

The last set of charts compares the number of job seekers to job opportunities. The number of total unemployed workers who are true "job seekers"<sup>ii</sup> rose 8.1% month-over-month to 8 million in mid-September.

Meanwhile, end-of-August job openings<sup>iii</sup> fell 3% to 6.5 million, but remained above the 2017 average, 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,<sup>iv</sup> but more than two and a half times as many job openings (6.5 million now vs. 2.3 million then).** Confirming the trend, September 21<sup>st</sup> [data](#) from online job site Glassdoor show online postings are just 14% below their pre-pandemic level, compared to a low of 27% off at the start of June.<sup>v</sup>

While total job openings are relatively high for a downturn economy, certain industries such as leisure, hospitality and retail trade have been hit much harder than others. Given that, it appears that a portion of our unemployed workers may have a harder time matching their experience and skills to available openings.

## State Opportunity to Assist Those in Need

The 32% increase in long-term unemployment in September points to a real need to help job seekers avoid prolonged struggles and the specter of many dropping out of the job market altogether, as happened in the wake of the Great Recession. Fortunately, the number of job openings relative to job seekers has continued to run strong.

To seize those opportunities, many of those seeking work will need hope as well as help to translate their skills and experience and, in some cases, build their skills and experience. As states reinstate UI work search requirements – at least for UI claimants who are permanently laid off – states should also consider updating and diversifying their work search requirements and activities to not only align with today’s job market, but to assist job seekers in navigating COVID-19-driven occupation changes.

*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](mailto:info@fullemployment.org) or [fullemployment.org](http://fullemployment.org).*

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

<sup>ii</sup> In the Total “Job Seekers” chart, we attempt to include the unemployed seeking work who are not temporarily laid off. “Permanent” includes “Permanent Job Losers” and those who’ve ended a temporary job. “Other” includes “Job Leavers,” and “Reentrants” and “New Entrants” into the job market.

<sup>iii</sup> For better comparative data, this report now uses seasonally adjusted data for job openings.

<sup>iv</sup> Comparing September 2020 to July 2009 Great Recession data shows unemployed workers of 12.6 million now vs. 14.6 million then.

<sup>v</sup> March 13, 2020 is used here as the start of the Pandemic’s impacts on this data.