



UNEMPLOYMENT RECOVERY REPORT IN NINE CHARTS

November 2020

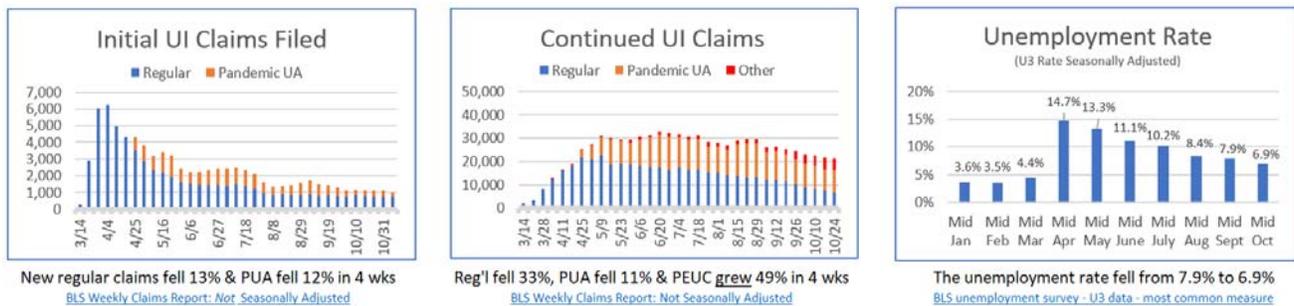
November 12, 2020
By John Courtney, President

The latest round of unemployment and job market data offers reason for both caution and optimism: Increasingly large numbers of workers are crossing into long-term unemployment; at the same, other key employment indicators continue to improve.

- The number of long-term unemployed grew again by 32%
- Pandemic Emergency Unemployment Compensation (PEUC) continued claims grew 49% in four weeks
- The unemployment rate dropped beyond expectations from 7.9% to 6.9%
- The number of workers temporarily unemployed fell 31% from mid-September to mid-October
- The number of unemployed who are “job seekers” grew just 8.1%
- Continued regular unemployment claims plummeted 33% in four weeks
- Initial Pandemic Unemployment Assistance (PUA) claims fell 12% in four weeks
- Job openings grew slightly to 6.5 million, a level higher than we experienced in 2017

For a quick yet insightful scan of unemployment trends, we’ve compiled nine charts derived from U.S. Department of Labor (DOL) data.¹

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

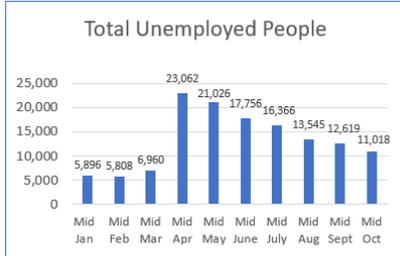


While still high, initial regular unemployment insurance (UI) claims continued to drop, reaching 723,105 for the week ending November 7th. Initial Pandemic Unemployment Assistance (PUA) claims also declined, falling 12% in the four weeks ending November 7th to 298,154.

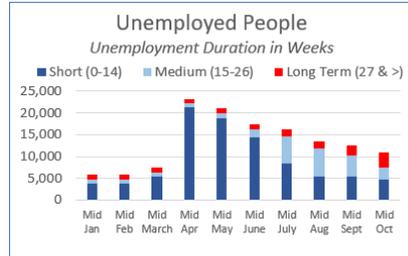
Meanwhile, continued regular UI claims fell 33% over the four weeks ending October 24th. Continued PUA claims saw a four-week drop of 11%. Some data anomalies may continue in the PUA program due to fraudulent claim schemesⁱⁱ and other unusual situations. PEUC extended unemployment benefit claimants rose a dramatic 49% in the past four weeks to now represent one in five of the total claimants in all programs.

The third chart above shows accelerated improvement in the unemployment rate which dropped from 7.9% to 6.9% in mid-October. That rate, while elevated, continues to outpace the 15.8% [projected](#) by the Congressional Budget Office in May for the 3rd Quarter unemployment rate average.

Unemployed People by Duration • Temporary vs. Permanent



Unemployment dropped by 1.6 million people
[BLS unemployment survey - U3 data - most common measure](#)



Medium-term unempl. dropped, but long-term rose 32%
[BLS unemployment survey - U3](#)



In Oct., temp. unemployment shrank 31% & perm. grew .2%
[BLS unempl. survey; "Other" includes job leavers, Reentrants & New Entrants](#)

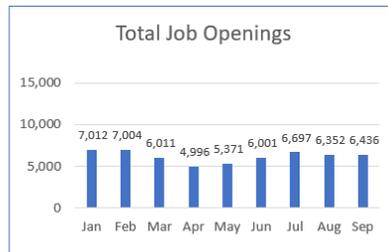
Medium-term unemployment (15 to 26 weeks) dropped as workers laid-off in the spring entered long-term unemployment. **In October, long-term unemployment grew another 32%.** How states assist and engage these workers in the next few months will be critical to their reemployment prospects.

Encouragingly, the number of temporarily laid-off workers continues to drop, falling 31% from mid-September to mid-October. **In October, 42% of workers who'd lost a job said it was a temporary.** The number of permanent job losers and those ending temporary jobs ("Permanent" in dark blue above) again increased only minimally, by 9,000 from mid-September to mid-October—remaining at about 4.5 million.

Job Seekers, Openings and Hires



Total "Job Seekers" dropped by 2.1%
[BLS unempl. Survey; "Other" includes job leavers, Reentrants & New Entrants](#)



Sept. openings rose 1%, remaining above 2017 levels
[BLS JOLT Survey](#)



Sept. hires fell slightly, remaining just above Feb's level
[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"ⁱⁱⁱ fell 2.1% month-over-month to 7.8 million in mid-October.

Meanwhile, end-of-September job openings^{iv} rose 1.3% to 6.4 million and continued to exceed the 2017 average, which was eight years into the recovery from our last recession. **Compared to the June 2009 end of the Great Recession, we now have fewer total unemployed^v and more than two and a half times as many job openings (6.4 million now vs. 2.3 million then).** October 26th [data](#) from online job site Glassdoor showed similarly hopeful data, with online postings now just 7.6% below last year's late October job opening level.^{vi}

While total job openings are relatively high for a downturn economy, certain industries such as leisure and hospitality and retail trade have been hit particularly hard. Unemployed workers from these sectors may have a harder time matching their experience and skills to available openings.

Conclusion: State Opportunity to Assist Those in Need

The second 32% increase in long-term unemployment in October suggests a great need to engage and help job seekers connect with the openings still available. Some may need help understanding how the skills and experience they obtained in one type of job can translate to another one—and how make that case to hiring managers. Other job seekers, however, may need to expand their skill set and find creative ways to gain new experience.

Recognizing these dynamics, state unemployment insurance and other benefit programs should consider modernizing and diversifying their work search requirements and strategies to include activities that prepare job-seekers for 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 or fullemployment.org.

ⁱ All chart data is presented in thousands and is seasonally adjusted with the exception of Initial and Continued UI Claim data. March 13, 2020 is used here as the start of the Pandemic's impacts on this data.

ⁱⁱ California and other states continue to work through fraudulent claims [multiple backlogged claim](#) weeks being paid and counted in the same week.

ⁱⁱⁱ 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.

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

^v Comparing October 2020 data to July 2009 Great Recession data shows unemployed workers of 11 million now vs. 14.6 million then.

^{vi} <https://www.glassdoor.com/research/job-market-report-october-2020/>