



UNEMPLOYMENT RECOVERY REPORT IN NINE CHARTS

December 2020

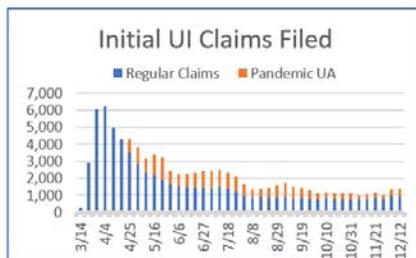
December 18, 2020
By John Courtney, President

Recent data indicate job openings and the unemployment rate have continued to slowly improve. However, they also show a worsening of long-term unemployment and, more recently, a strong relative uptick in unadjusted unemployment claims, rising to early August 2020 levels. Compared to four weeks prior:

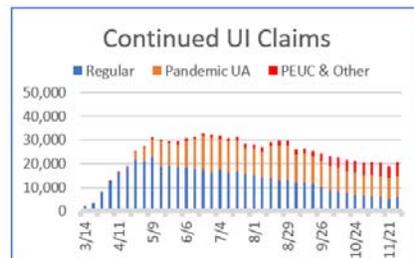
- Initial regular and Pandemic Unemployment Assistance UI claims grew 25% and 42% respectively over the prior four weeks, likely due to new COVID-19-related shutdowns
- Total continued unemployment claims rose 2% in the four weeks ending November 28th
- The unemployment rate fell slightly from 6.9% to 6.7% in mid-November
- The growth of long-term unemployment slowed to 10%, as workers laid off in May hit the six-month long-term mark in November
- The number of temporarily unemployed workers fell 13.8% from mid-October to mid-November
- The number of workers unemployed, not furloughed and seeking work rose just 1.4% to 7.9 million in mid-November
- October job openings again grew slightly, to 6.7 million, and remained higher than 2017 openings

For further insight, we've compiled nine charts below, using U.S. Department of Labor (DOL) dataⁱ.

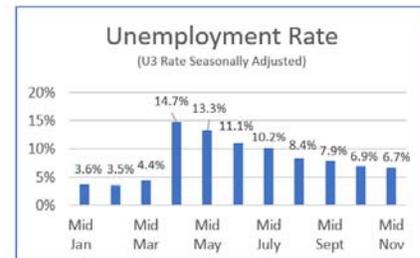
Unemployment Insurance (UI) Claims Filed, Caseload & Unemployment Rate



In 4 wks, new regular claims rose 25% & PUA grew 42%
[BLS Weekly Claims Report: Not Seasonally Adjusted](#)



In 4 wks, Total rose 2%, Reg'l fell 11%, & PEUC/Other rose 9%
[BLS Weekly Claims Report: Not Seasonally Adjusted](#)



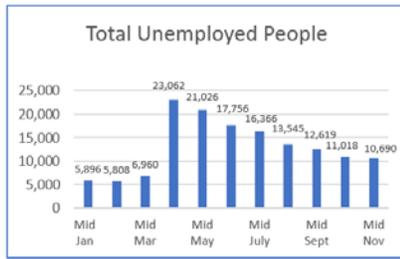
The unemployment rate fell from 6.9% to 6.7%
[BLS unemployment survey - U3 data - most common measure](#)

Likely reflecting new COVID-19-related business shutdowns, initial unemployment insurance (UI) claims have experienced a recent strong uptick relative to four weeks prior. Regular initial UI claims (not seasonally adjusted) rose 25% from 749,338 to 935,138 over the four weeks ending December 12th. In the same span, unadjusted initial Pandemic Unemployment Assistance (PUA) claims rose significantly on a relative basis (42%), from 319,694 to 455,037.

Meanwhile, total continued UI claims rose 2% over the four weeks ending November 28th. Continued PUA claims saw a four-week drop of 9%. Continued Pandemic Emergency Unemployment Compensation claimants rose 9% in the past four weeks. However, due in part to fraud, backlogs and other unusual situations, data anomalies have continued in the PUA and other programs, making the data difficult to use as an indicator.ⁱⁱ

The third chart above shows the unemployment rate improving slightly from 6.9% to 6.7% in mid-November.

Unemployed People by Duration • Temporary vs. Permanent



Unemployment dropped by 300K people in Nov.
[BLS unemployment survey - U3 data - most common measure](#)



Medium-term unempl. dropped, but long-term rose 9.8%
[BLS unemployment survey - U3](#)

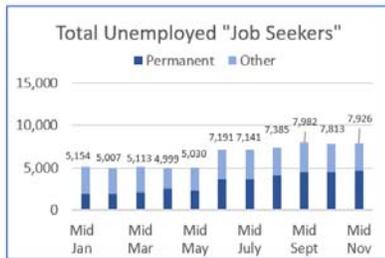


In Oct., temp. unemployment fell 13.8% & perm. grew 4.7%
[BLS unempl. survey; "Other" includes job leavers, Reentrants & New Entrants](#)

Medium-term unemployment (15 to 26 weeks) continued to drop as workers laid off in the spring moved into long-term unemployment status, driving a 10% increase in that category. **At nearly 3.9 million long-term unemployed workers, the U.S. now has over three times the number it had at the start of the pandemic in March.**

The number of temporarily laid-off workers continues to drop, falling 14% from mid-October to mid-November. **In November, 37% of workers who'd lost or ended a job said it was a temporary.** The number of permanent job losers and those ending temporary jobs ("Permanent" in dark blue above) increased 5% from mid-October to mid-November—to about 4.7 million – more than twice pre-pandemic levels.

Job Seekers, Openings and Hires



Total "Job Seekers" increased by 1.4% Oct. to Nov.
[BLS unempl. Survey; "Other" includes job leavers, Reentrants & New Entrants](#)



Oct. openings rose 2.4%, remaining above 2017 levels
[BLS JOLT Survey](#)



Oct. hires fell slightly, remaining just below 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 rose 1.4% month-over-month to 7.9 million in mid-November.

In comparison, end-of-October job openings^{iv} rose 2.4% to 6.7 million and continued to exceed the 2017 average, which was eight years into the recovery from our last recession. **Relative 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 (6.7 million now vs. 2.4 million then).** November 23rd [data](#) from online job site Glassdoor showed similarly encouraging job opening data – its online postings were just 6% below last year's late November job opening level.

While total job openings are relatively high for a downturn economy (6.7 million openings and 7.9 million "job seekers") certain industries, such as leisure and hospitality and retail trade have been affected more than others. Unemployed workers from these sectors may continue to struggle to find openings that match their skills and experience. The fallout from the economy has also been racially disproportionate. For example, in November the Black unemployment rate remained at 9.8% while the white unemployment rate was 5.7%. One year ago, in November, the rates were 5.2% and 3% respectively.

Modernizing Reemployment

With 37% of unemployed workers in long-term unemployment and the recent increase in pandemic-related business shutdowns likely to drive more layoffs, our nation’s workforce and unemployment programs will need to continue to employ new strategies to help workers land jobs.

In the coming year, program success will depend on states continuing to:

- Modernize work search requirements
- Diversify work search activities and
- Enhance virtual job search support (such as virtual RESEA meetings, online scheduling and notification systems, live web workshops and online job search learning and tools).

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. With COVID-19 related shutdowns affecting unemployment claims much more than seasonality when comparing data, we used unadjusted numbers to reflect actual claim data.

ⁱⁱ According to the General Accounting Office’s recent report, claim counts accuracy is impeded by backlogs of claims being paid and counted in the same week and states continuing to struggle with fraudulent claims. See [COVID-19: Urgent Actions Needed to Better Ensure an Effective Federal Response](#).

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 In June 2009, at the end of the Great Recession, the U.S. had 14.6 million unemployed workers compared to 10.7 million unemployed in November 2020.