



Economics Group

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Claims Adjuster: Jobless Filings Drop Below 1M...At Last

In the first full week without the additional \$600 weekly top-up from the federal government, fewer people filed first time claims for unemployment insurance continuing a trend decline over the past several weeks.

Incentives Matter, But Options Are Limited

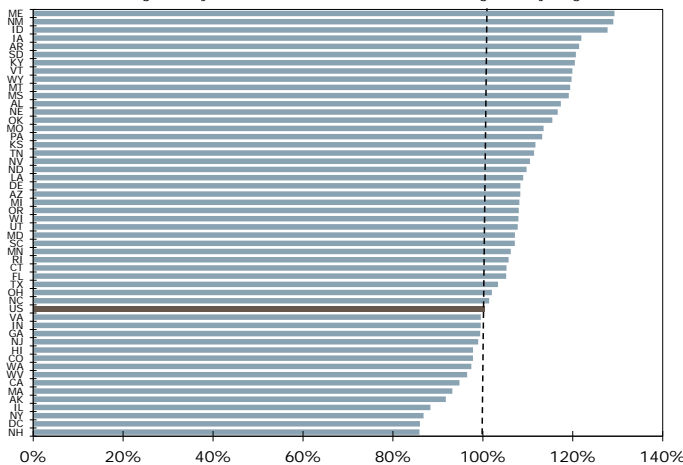
- After factoring in the \$600 weekly Federal top-up, the financial benefit to would-be workers was greater than pre-pandemic wages in 36 states, which created a short-term financial disincentive to return to work.
- But it's not as though people had a lot of choice; there are only 5.9 million jobs available at last count compared to 16.3 million unemployed. For every job, there are three people who need it.

Trend Improvement but Long Road to Recovery

- Initial jobless claims fell to 963K in the first full week of August. The level of claims is still higher than it ever was pre-pandemic and remains a glaring reminder that this recovery is only beginning, but it does feel good to be below 1M.
- Continuing claims also fell through the week of August 1. The 15.5M people still receiving benefits is down 9.4M from the peak in May, but still twice as high as during the financial crisis.

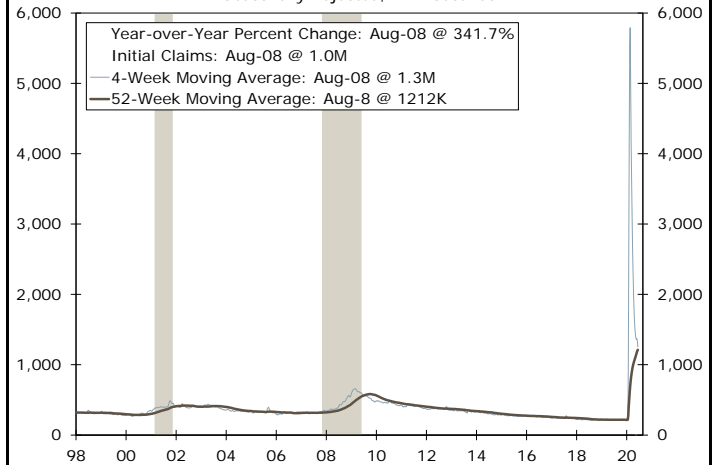
Wage Replacement Rates by State

State Avg. Weekly Benefit Amount + \$600 as Share of Avg. Weekly Wages



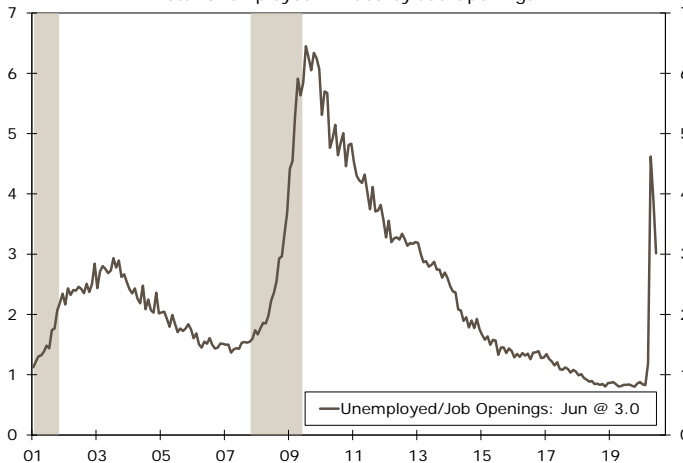
Initial Claims for Unemployment

Seasonally Adjusted, In Thousands



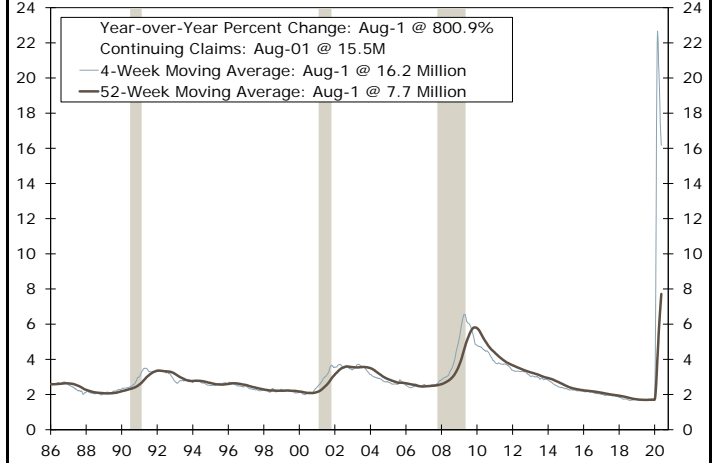
Number of Unemployed for Every Job Opening

Total Unemployed Divided by Job Openings



Continuing Claims for Unemployment

Seasonally Adjusted, In Millions



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