

ODU's Dragas Center for Economic Analysis and Policy: Signs of Reopening in Claims Data

Another 39,242 Virginians filed an initial unemployment claim while continued claims fell slightly to 402,926

Norfolk, VA – (May 29, 2020) – Newly released nonseasonally adjusted data from the Virginia Employment Commission shows that 39,242 Virginians filed an initial unemployment claim for the week ending May 23, a decline of 5,457 from the previous week. Continued claims decreased by 631 to 402,926.

“The continued decline in initial claims suggests that we are past the worst of the initial wave of the unemployment crisis. If continued claims continue to decrease in the coming weeks, it would be a sign that Virginia businesses are not only reopening but are also bringing employees back to work,” said Robert McNab, director of the Dragas Center. “Even with this very cautious note of optimism, continued claims remain historically high.”

For the United States, 1.9 million Americans filed an unemployment claim through state programs. Another 1.2 million claims were filed through the Pandemic Unemployment Assistance (PUA) program, which covers workers typically ineligible for state unemployment insurance benefits.

In Virginia, of the 39,242 claims filed the week ending May 23, 12,705, approximately 32%, were covered through PUA. Of the 402,296 continued claims, 48% (193,684) were PUA claims.

“Almost 10% of the labor force in Virginia is receiving some form of unemployment insurance,” said Dominique Johnson, research associate at the Dragas Center. “If not for PUA program, 200,000 Virginians might find themselves in considerable financial difficulty.”

Of the Virginians receiving unemployment benefits as of May 23, 93,204 worked in food and accommodation services, followed by retail trade (56,008) and health care and social assistance (45,121). We estimate 26.3% of workers in food and accommodation services are receiving unemployment benefits, followed by other services, except public administration (19.2%); arts, entertainment and recreation (14.8%); and retail trade (13.7%).

Note 1: Advance claims are not directly comparable to claims reported in prior weeks. Advance claims are reported by the state liable for paying the unemployment compensation, whereas previous weeks' reported claims reflect claimants by state of residence. In addition, claims reported as "workshare equivalent" in the previous week are added to the advance claims as a proxy for the current week's "workshare equivalent" activity.

Note 2: Continuing claims by industry sector covers 93.4% of total continuing claims for the week ending May 9. Industry sectors are self-reported. Continuing

claims as a share of industry employment uses 2018 Quarterly Census of Employment and Wages (QCEW) employment estimates by two-digit NAICS from the Bureau of Labor Statistics.

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About the Dragas Center for Economic Analysis and Policy:

The Dragas Center for Economic Analysis and Policy in the Strome College of Business at Old Dominion University undertakes a wide range of economic, demographic, transportation and defense-oriented studies. For two decades, the Center and its predecessors have produced the highly regarded State of the Region Report for Hampton Roads and economic forecasts for the region. If you would like more information about this topic, please contact Robert M. McNab at 831-917-2455 or by email at rmcnab@odu.edu, or Dominique Johnson at 757-506-1565 or by email at d1johnson@odu.edu.

About Old Dominion University:

Old Dominion University is Virginia's entrepreneurial-minded doctoral research university with more than 24,000 students, rigorous academics, an energetic residential community and initiatives that contribute \$2.6 billion annually to the Commonwealth's economy.