

RESEARCH NOTES



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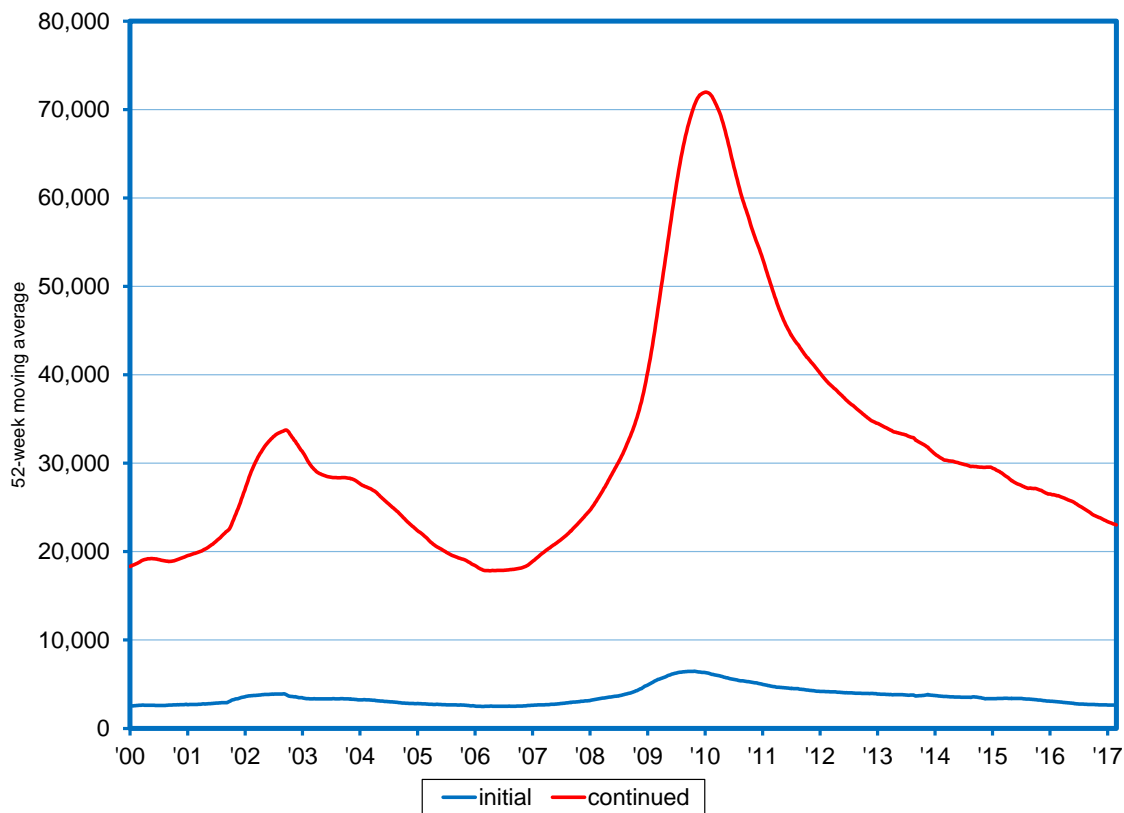
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Initial vs. Continued Claims
Alessandro Capello, Economist

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Initial and Continued Claims Continue to Trend Down; Both at Post-Recession Lows



- Claims for unemployment insurance (UI) are made on a weekly basis, generating two headline totals, the number of initial claims and the number of continued claims.
- The initial claims total is the most widely reported UI number, as many consider it a leading economic indicator. Unanticipated, persistent increases in the number of initial claims can be a sign of an economic downturn. These types of increases were seen in Nevada prior to the most recent recession.
- Continued claims account for persons who have already made an initial claim and are continuing to claim a need for unemployment insurance. With initial claims rising during an economic downturn, the number of people making a continued claim is essentially fed by the initial claims total. This, combined with the average length of time a person claims UI benefits increasing during a downturn, pushed the 52-week moving average in continued claims above 70,000 during the recession, the highest level ever reached in Nevada.
- As of late, initial and continued claims have both been trending down in Nevada and are currently at post-recession lows. This suggests few layoffs and a tighter labor market.