

Economics Group

Tim Quinlan, Senior Economist
tim.quinlan@wellsfargo.com • (704) 410-3283

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

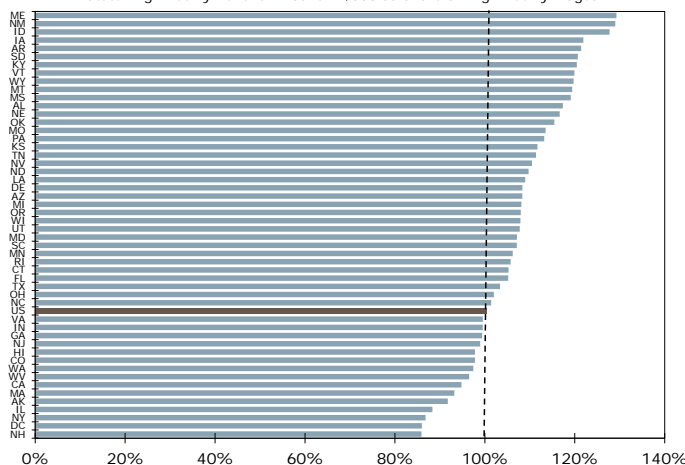
- After factoring in the \$600 weekly Federal top-up, the financial benefit to would-be workers was greater than pre-pandemic wages in 36 states, which created a short-term financial disincentive to return to work.
- But it's not as though people had a lot of choice; there are only 5.9 million jobs available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

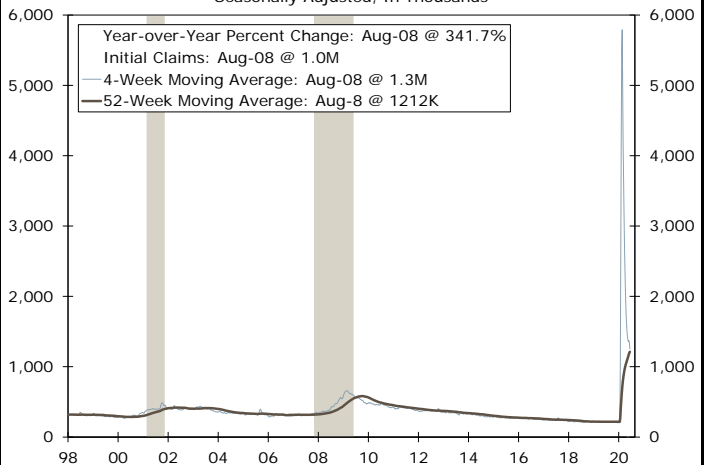
Wage Replacement Rates by State

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



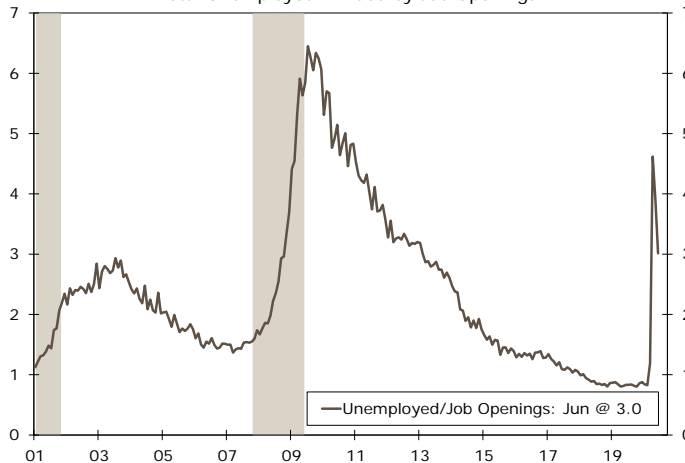
Initial Claims for Unemployment

Seasonally Adjusted, In Thousands



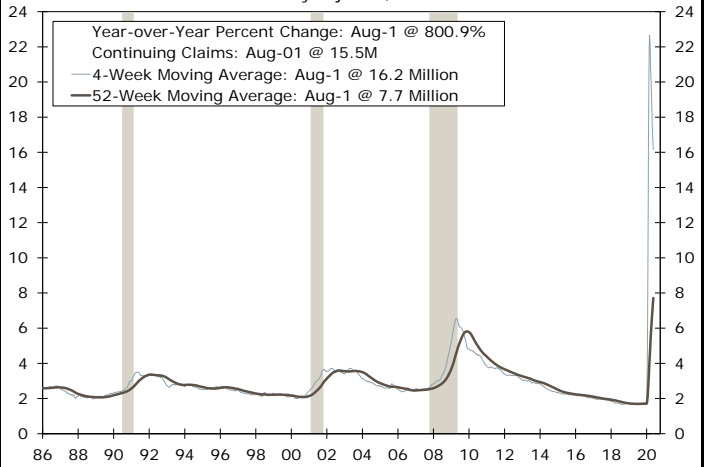
Number of Unemployed for Every Job Opening

Total Unemployed Divided by Job Openings



Continuing Claims for Unemployment

Seasonally Adjusted, In Millions



Wells Fargo Securities Economics Group

Jay H. Bryson, Ph.D.	Chief Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	International Economist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Tim Quinlan	Senior Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Azhar Iqbal	Econometrician	(212) 214-2029	azhar.iqbal@wellsfargo.com
Sarah House	Senior Economist	(704) 410-3282	sarah.house@wellsfargo.com
Charlie Dougherty	Economist	(704) 410-6542	charles.dougherty@wellsfargo.com
Michael Pugliese	Economist	(212) 214-5058	michael.d.pugliese@wellsfargo.com
Brendan McKenna	International Economist	(212) 214-5637	brendan.mckenna@wellsfargo.com
Shannon Seery	Economist	(704) 410-1681	shannon.seery@wellsfargo.com
Jen Licis	Economic Analyst	(704) 410-1309	jennifer.licis@wellsfargo.com
Hop Mathews	Economic Analyst	(704) 383-5312	hop.mathews@wellsfargo.com
Coren Burton	Administrative Assistant	(704) 410-6010	coren.burton@wellsfargo.com

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