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JUNE 2, 2020 — ANDREW STETTNER AND AMANDA NOVELLO

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In the midst of the most dramatic period of job loss in modern American history, unemployment insurance has been the program upon which the country has relied most to bolster workers' incomes. Throughout the pandemic and the related economic fallout, data collected by the U.S. Departments of Labor and the Treasury have offered unique, ongoing insight into the depth and breadth of the current economic crisis; and with May coming to a close, a new tranche of numbers is ready for review. What can they tell us?

The picture they paint is, of course, not a pretty one; but these data put more detail into the portrait than we previously had. According to the latest figures, with an additional 3.1 million filed claims in the week ending May 23 (1.9 million regular state unemployment insurance (UI) claims and 1.2 million federal claims), more than forty million Americans have submitted unemployment claims since the crisis began. Nearly twenty-seven million claims have been processed and are either receiving or awaiting payment ("insured unemployment"), either through regular state unemployment insurance (nineteen million) or through the Pandemic Unemployment Assistance (PUA) program (7.8 million), and have been counted this past month as "continued claims," meaning that their need goes on and they have not canceled their enrollment in UI.

While a record number of workers have been applying for unemployment insurance, there has been major concern about delays in receiving unemployment benefits. Overwhelmed state labor departments have struggled to process record numbers of claims with antiquated structures; and this month's data gives us a better sense than we've had before of the nature of those struggles. This article reviews those state and national figures on the number of workers who have received benefits. In particular, while the weekly figures track on-going economic hardship and the demand for UI benefits, the recently released monthly data offer new insight into how quickly people are receiving them.

The data used for the following analyses are those released by the U.S. Department of Labor (DOL) on May 27 for state payments for the month of April, in addition to weekly DOL and ongoing releases of Treasury data. It follows our previous analysis of monthly data for March. Here are the key observations we've made:

## Payments increased dramatically in April.

The percentage of all claims being paid jumped from just 14 percent by the end of March to 47 percent by the end of

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This report can be found online at: <https://tcf.org/content/commentary/unemployment-payouts-accelerated-april-may-still-slow/>

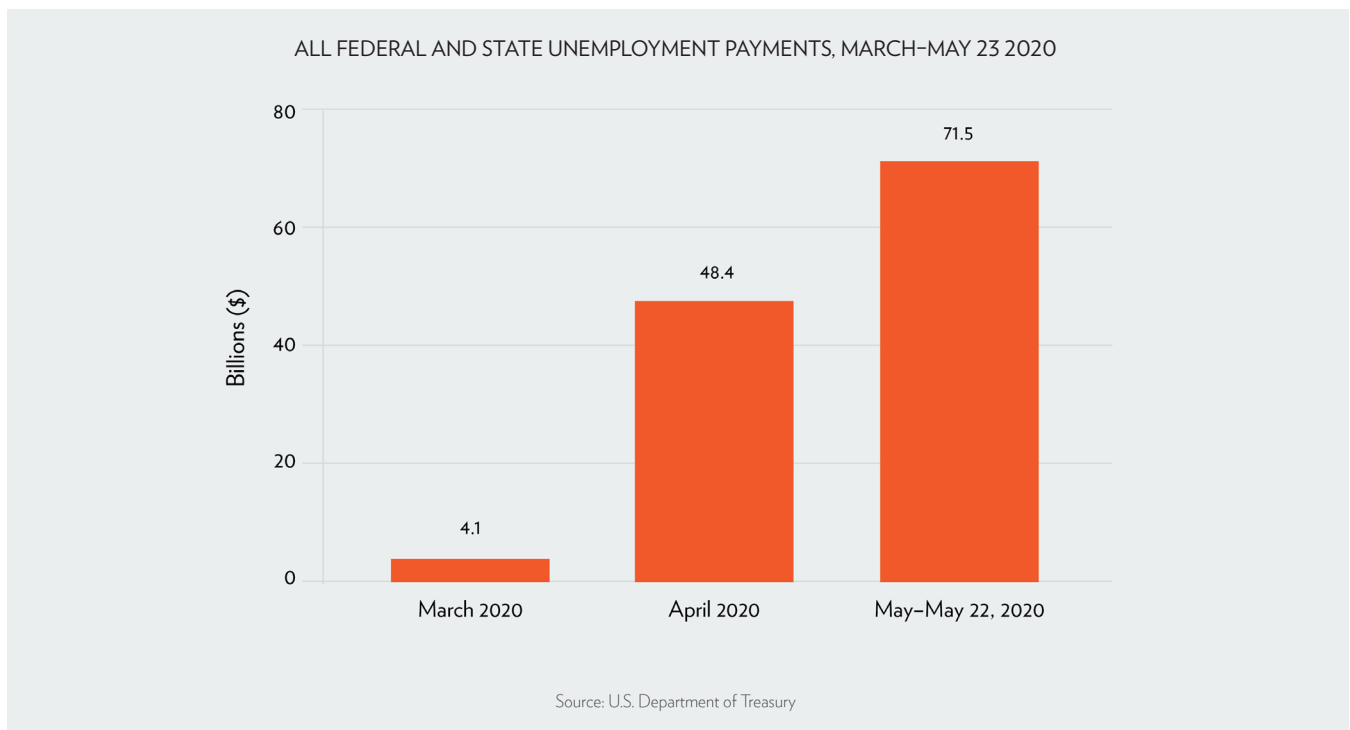
**TABLE 1**

<b>Unemployment Payments Increased from March to April 2020s</b>					
<i>State or Territory</i>	<i>First Payments, March</i>	<i>First Payments, April</i>	<i>Total Initial Claims, March and April</i>	<i>One-Month Change in First Payments, March–April</i>	<i>Percent of Initial Claims That Have Been Paid, March and April</i>
Minnesota	6,462	3,186	555,243	-3,276	1.74%
Missouri	7,232	7,505	503,418	273	2.93%
Montana	1,678	1,311	89,962	-367	3.32%
Delaware	1,603	2,259	83,135	656	4.65%
U.S. Virgin Islands	148	883	5,269	735	19.57%
Nebraska	3,939	21,400	107,855	17,461	23.49%
Hawaii	3,417	57,892	207,579	54,475	29.54%
Georgia	63,320	447,682	1,666,468	384,362	30.66%
Florida	8,980	295,866	979,318	286,886	31.13%
Arizona	3,914	162,957	516,626	159,043	32.30%
Washington	56,552	257,741	882,200	201,189	35.63%
Kentucky	17,875	208,678	417,539	190,803	35.79%
Maryland	20,635	143,915	457,740	123,280	35.95%
Connecticut	29,040	80,453	299,712	51,413	36.53%
Puerto Rico	3,255	86,016	239,125	82,761	37.33%
Idaho	11,457	34,357	122,476	22,900	37.41%
Oklahoma	21,261	113,553	336,199	92,292	40.10%
New Jersey	91,605	320,523	1,011,319	228,918	40.75%
Alabama	10,150	177,498	450,635	167,348	41.64%
Alaska	2,039	31,379	80,030	29,340	41.76%
New Hampshire	13,813	58,333	170,002	44,520	42.44%
Wisconsin	29,272	183,828	482,709	154,556	44.15%
Texas	72,051	702,478	1,754,148	630,427	44.15%
North Carolina	20,052	341,830	810,858	321,778	44.63%
Wyoming	1,921	11,501	29,925	9,580	44.85%
Indiana	23,744	262,912	630,383	239,168	45.47%

TABLE 1 (CONTINUED)

<b>Unemployment Payments Increased from March to April 2020s</b>					
<i>State or Territory</i>	<i>First Payments, March</i>	<i>First Payments, April</i>	<i>Total Initial Claims, March and April</i>	<i>One-Month Change in First Payments, March–April</i>	<i>Percent of Initial Claims That Have Been Paid, March and April</i>
Ohio	111,262	392,621	1,076,337	281,359	46.81%
South Carolina	4,399	201,522	436,660	197,123	47.16%
Kansas	17,560	88,537	223,800	70,977	47.41%
Mississippi	13,374	91,489	218,619	78,115	47.97%
Utah	6,942	63,202	145,861	56,260	48.09%
Louisiana	46,968	221,108	549,470	174,140	48.79%
Oregon	21,085	139,256	322,781	118,171	49.67%
Arkansas	16,847	78,216	191,139	61,369	49.74%
Illinois	48,850	437,295	952,504	388,445	51.04%
Pennsylvania	21,152	668,855	1,338,325	647,703	51.56%
Tennessee	25,132	211,730	453,152	186,598	52.27%
Washington, D.C.	3,120	40,353	81,186	37,233	53.55%
California	215,234	2,040,331	4,008,600	1,825,097	56.27%
South Dakota	802	18,118	33,570	17,316	56.36%
Nevada	63,192	171,822	416,016	108,630	56.49%
Vermont	4,686	46,715	88,936	42,029	57.80%
New Mexico	8,082	64,270	124,178	56,188	58.26%
Massachusetts	70,296	383,921	762,104	313,625	59.60%
New York	226,106	886,925	1,832,101	660,819	60.75%
Maine	17,850	48,098	107,701	30,248	61.23%
West Virginia	12,764	73,127	137,265	60,363	62.57%
Colorado	16,497	212,161	363,516	195,664	62.90%
North Dakota	3,678	35,675	60,755	31,997	64.77%
Rhode Island	30,611	57,364	131,622	26,753	66.84%
Virginia	111,068	597,986	621,975	486,918	114.00%
Source: U.S. Department of Labor and authors' calculations.					

FIGURE 1



April—a big improvement, but still reflecting major delays in payments that have bedeviled state agencies and frustrated millions of workers. During April, 11.3 million workers became new recipients of unemployment benefits. In a single month, states were able to increase their claims paid by more than six times the previous month’s number, from under 1.7 million first claims paid out in March. California accounted for two million first payments in April, and New York and Texas provided first benefit payments to 887,000 and 702,000 individuals, respectively.

### Key states were still paying less than one in three workers as of April.

The thirteen million who received benefits for the first time in either March or April represent fewer than half—47 percent—of the nearly twenty-eight million workers who filed claims during those two months. Minnesota and Montana were the only two states that initiated fewer first payments in April than in March, and it is possible that there are data and reporting issues with these states. A number of larger states that have pushed to reopen their economies have also been slow to pay out unemployment benefits: Georgia and Florida, with 1.7 million and one million initial

claims in March and April, respectively, have only provided relief to about 31 percent of those who applied. Florida’s UI program has been plagued with technological problems and those challenges persisted in April. Georgia is a state that has had one of the largest inflows of claims, which may explain delays in payments, as it struggles to keep up with the pace of demand. Nebraska and Arizona, two states with a historically low take-up on unemployment benefits, also paid out to less than one in three workers by April, as did Hawaii, Montana, and Delaware. Virginia appears as an outlier in the data because of how many workers live in Virginia but work in another state (claims can be filed in the state of residence and paid against the state of work).

### Pandemic Unemployment Assistance implementation has meant that a larger percentage of workers are receiving some unemployment relief.

The data reported in Figure 1 do not include the new CARES Act program, Pandemic Unemployment Assistance (PUA), which provides assistance for those not eligible for regular UI benefits. While the program pick-up was slow, recent data demonstrate that PUA is playing an increasingly large

TABLE 2

Unemployment Payments Increased from March to April 2020	
Benefits Paid, April 3–May 23	\$119,900,000,000
Average Payout (Estimated)	\$940
Total Weeks Compensated (Estimated)	127,537,692
Total Weeks Claimed	175,342,317
Percent Paid (Estimated)	72.7%
Source: Authors' analysis of data provided by the U.S. Department of the Treasury and U.S. Department of Labor.	

role in buffering economic distress. By the last week in April, 3.4 million workers were receiving PUA benefits, and by May 9 (the latest data available), that number had climbed to nearly 7.8 million, and 2.4 million more individuals have applied in the two weeks since then. A significant share of these individuals initially applied for state unemployment payments are now in the pandemic unemployment assistance, which means that the payment rate is larger. Still, only thirty-three states are reporting PUA data, which means there are likely tens or hundreds of thousands more applying for and claiming benefits from PUA in the states that remain to deliver official numbers to the Department of Labor.

### Payment data reveal accelerating payments in May, reaching more than two-thirds of continuing claimants.

The U.S. Department of the Treasury's daily activities statements provide more up-to-date information about payment activity on the national level, combining all federal and state unemployment outlays. As illustrated in Figure 1, payments have accelerated even more during the month of May, reaching \$71.5 billion in the first three weeks of the month, as compared to \$48.4 billion in April and \$4.1 billion in March. Given the average weekly benefit amounts provided by regular state benefits, Pandemic Unemployment Assistance, and the \$600-per-week Pandemic Unemployment Compensations, payouts in April

and May are estimated to represent an unprecedented 127 million weeks of compensated unemployment. (Many of these weeks were delivered as back payments, which explains the large growth in UI payments from April to May).

During this seven-week period, there was an estimated 175.3 million of weeks of unemployment claimed (an average of 25 million per week) between the regular state and federal pandemic unemployment programs. These totals include reported data for continuing claims through May 16 for the regular state program, and through May 9 for Pandemic Unemployment Assistance.

Comparing the 127 million estimated weeks paid to the 175.3 million weeks claimed yields an estimated payment rate of 72.7 percent. While this rate does not include those initial claims that were never fully processed as continued claims, it represents a remarkable and improving pay-out rate for a state unemployment program that has been tested like never before. The improvement that states have made to their technology and their ability to bring in thousands of new temporary staff with federal CARES Act dollars has yielded dividends. Furthermore, it's a tribute to the persistence of millions of jobless workers, many of whom have called into state agencies hundreds of times each to resolve questions holding up their claims.

Nevertheless, it's uncertain what will happen with the remaining unpaid fifty million weeks of claimed

unemployment. As workers are called back to work, it's very possible that they will abandon their unemployment claims and whatever issues that had blocked their payments. What's more, there remain hundreds of thousands—potentially millions—of workers who have unresolved issues and continue to face long waits for benefits owed to them or have claims that have only been partially processed. By regulation, states are required to process payments within fourteen to twenty-one days of finding them eligible, and decide any disputed claims within twenty-one days. Far too many claims have gone beyond these timeliness standards, and it is incumbent on states and the federal government to catch up on the backlog.

## Looking Ahead

The escalated unemployment payments activity we can see in these data represents some of the peak benefits of the CARES Act. While implementation of these CARES Act expansions have been rocky, they have been some of the most effective and lasting aid in the landmark bill. But, the expanded payouts are in large part due to the additional \$600 per week, which expires on July 31, and the new aid from Pandemic Unemployment Assistance, which ends December 31. Given the major value of this aid, Congress should act to sustain the lifeline of the CARES Act as the economy haltingly reopens.

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