

# The first wave of benefit payments

## Details on the first to receive unemployment insurance checks

By JENNA LUHRS

Initial weekly claims for unemployment benefits set back-to-back records in March as businesses across the state shut down or reduced operations to prevent the spread of the coronavirus.

Initial weekly claims typically fall throughout March and continue the downward trend in April as seasonal industries pick up, but this year the pandemic changed everything. By the second week of March, new claims had jumped 722 percent from the same week in March 2019 (up 7,000, to 7,800 total initial claims).

Increases were even more staggering in the last two weeks of March, with 13,800 and then 14,600 workers filing initial claims.

### What initial claims tell us

Initial claims only reveal how many new claimants filed for unemployment insurance benefits in a given week. They don't provide specific information about who they are or who will end up receiving a payment.

The lag between the initial claim and the first benefit payment can stretch up to two weeks, and it's not until that first payment that the state collects

additional information from recipients, including age, industry, earnings, education level, and where they live.

This month we'll focus on the first group of filers to receive an unemployment insurance benefit payment after losing their jobs due to the earliest measures to curb COVID-19. That first wave of 7,800 people opened a new claim between March 7 and March 14, and 3,900 received their first payment by March 28.

These 3,900 recipients are the first group for whom we have detailed claimant information, and this helps identify the industries and areas hit immediately by measures to slow virus transmission.

### The circumstances surrounding the first wave of new claims

The initial group of 7,800 filers opened claims before official travel restrictions, hunker-down orders, or mandated statewide closures took effect, but state and local governments had taken other initial measures to limit the virus' spread.

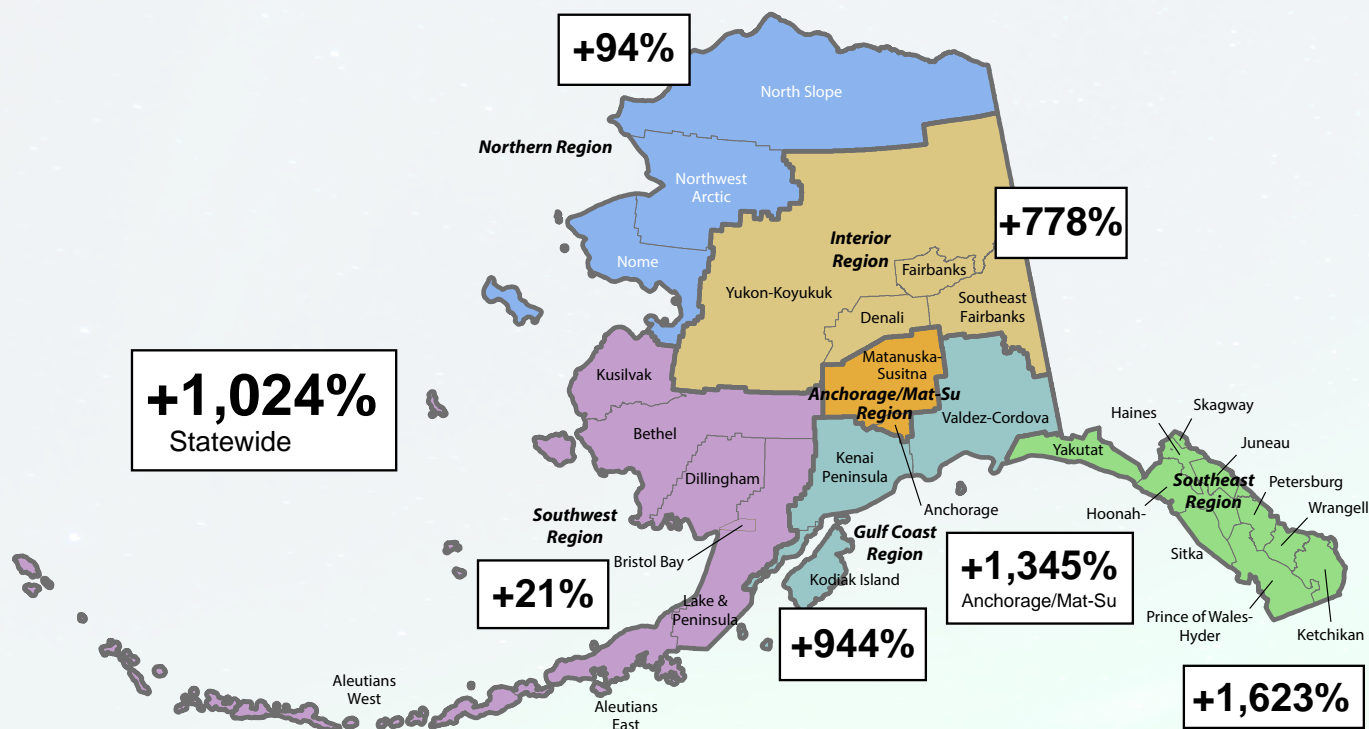
On March 11, the governor declared a statewide emergency. The following day, Alaska reported its first positive COVID-19 case, the Anchorage mayor declared a state of emergency, and the University of

## Initial UI benefit payments by region during March

Region	Number of new payments for the week ending ...			Amounts of new payments for the week ending ...		
	3/28/2020	3/30/2019	3/21/2020	3/28/2020	3/30/2019	3/21/2020
Anchorage/Matanuska-Susitna	2,457	170	287	\$632,972	\$44,220	\$73,708
Interior	395	45	57	\$95,550	\$11,136	\$15,180
Southeast	379	22	66	\$98,458	\$5,228	\$14,970
Gulf Coast	376	36	55	\$86,516	\$9,546	\$12,142
Outside Alaska	259	40	74	\$73,078	\$10,958	\$19,562
Northern	33	17	16	\$5,766	\$3,542	\$3,640
Southwest	23	19	19	\$3,832	\$4,134	\$2,990
Total	3,922	349	574	\$996,172	\$88,764	\$142,192

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# First wave of shutdown-related unemployment benefit payments by region, increase in the last week of March from year-ago levels



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Alaska system announced plans to move students off campus and shift to distance delivery. On Friday, March 13, the state capitol closed to the public, all Anchorage municipal buildings closed, Fairbanks confirmed its first case, and the governor announced schools would close statewide the following Monday.

It was in response to these earliest precautions that the first wave of new jobless claims were filed for the week ending March 14.

## Anchorage/Mat-Su up the most

The initial filers were concentrated in the population centers where COVID-19 precautions began. Between March 7 and March 14, the largest claims increases from the prior year were in the Southeast, Anchorage/Mat-Su, Gulf Coast, and Interior regions.

Of the 3,900 first payments, 2,500 were in Anchorage and Mat-Su, or 62 percent. Just under 400 claims each were paid in the Interior, Southeast, and Gulf

Coast (each 10 percent), and about 300 were paid to people who had left the state (7 percent).

The Northern and Southwest regions were less affected by early closures than the rest of the state, and each accounted for about 1 percent of payments.

Anchorage and Mat-Su's 62 percent share was disproportionately high for any given week. The region represented around 39 percent of weekly claims in March over the last three years and 49 percent during the same week last year.

The workers affected most by early social distancing and other preventive measures were concentrated in Anchorage and Mat-Su and worked mainly in food service, health care, accommodation, and other face-to-face services. People living in more densely populated areas also require extra precautions to avoid contracting and spreading viruses.

In terms of the amounts paid to this first wave, Southeast's total rose the most from last March 28, jumping 1,783 percent, or \$83,000. Anchorage and Mat-Su were second, with the region's payments up



# Initial UI benefit payments by industry in March

Industry	Number of new payments for the week ending ...			Amounts of new payments for the week ending ...		
	3/28/2020	3/30/2019	3/21/2020	3/28/2020	3/30/2019	3/21/2020
Eating and Drinking Places	1,158	24	53	\$291,822	\$5,016	\$10,296
Health Care/Social Assistance	466	29	44	\$131,220	\$6,622	\$11,518
Accommodation	425	12	29	\$102,882	\$2,816	\$6,248
Retail and Wholesale Trade	298	48	68	\$65,554	\$10,794	\$14,614
Other and Unclassified	244	29	36	\$58,816	\$6,968	\$9,868
Transportation	220	23	69	\$57,164	\$6,532	\$17,590
Construction	199	60	86	\$61,902	\$19,188	\$25,262
Arts, Entertainment, Recreation	145	5	10	\$29,986	\$708	\$1,716
Administrative	135	18	25	\$32,650	\$4,284	\$5,878
Education*	122	8	11	\$23,672	\$1,330	\$2,420
Mining (including Oil and Gas)	105	8	19	\$38,014	\$2,364	\$6,142
Public Administration	91	23	48	\$21,496	\$5,738	\$10,700
Seafood Processing	82	26	31	\$19,036	\$5,478	\$7,184
Professional Services	66	13	15	\$18,362	\$3,986	\$4,852
Other Manufacturing	60	4	6	\$17,544	\$1,124	\$1,490
Information	37	7	7	\$8,826	\$2,324	\$2,134
Finance/Insurance	28	5	6	\$7,672	\$1,604	\$1,752
Real Estate, Rental, and Leasing	27	6	9	\$6,640	\$1,744	\$1,908
Agriculture	14	1	2	\$2,914	\$144	\$620
Total	3,922	349	574	\$996,172	\$88,764	\$142,192

\*Private only, includes K-12 through college

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

1,331 percent, or \$560,000, from last year.

## Food service and other service jobs were hit first

Statewide, the highest numbers of new jobless claims came from workers in food service, health care and social assistance, accommodation, and retail/wholesale trade.

Initial benefit checks to food service workers swelled from under 30 to more than 1,000 in the last week of March, an increase of almost 5,000 percent from a year ago.

Of the 1,158 food service workers who received a payment, 810 worked in full-service restaurants, 151 worked in bars and other drinking places, 99 worked in limited-service restaurants, 45 came from snack and nonalcoholic drink businesses, and 40 worked for food service contractors.

In March 2019, Alaska had 20,484 jobs in these types of businesses, meaning about 6 percent were affected by virus-related measures in mid-March.

For health care and social assistance workers, first payments rose from 29 last year to 466, an increase of 1,507 percent. Of those 466, 183 worked in dentist offices, 50 were in child day cares, and about 30 each worked for chiropractors or physicians.

Other workers hit hardest in early March were in scenic and sightseeing transportation (179), oil and gas (95), and private elementary/secondary schools (92).

## Continued claims will become more relevant in coming months

The department also receives a weekly count of continued claims, which we will focus on more in the coming months. Continued claims cover those who filed for two weeks in a row. Because these data only reflect consecutive filings, they'll take longer to capture shutdown-related effects. They will also remain elevated long after initial claims return to their typical levels, as claimants can continue to file and collect benefits for multiple weeks.

For example, in the third week of March, when Alaska had just under 14,000 initial claims, continued claims went up by only about 2,700, to 11,000, before shooting up to 20,000 in week four and then 35,000 in the first week of April.

In the third week of April, the most recent week available, initial claims dropped to 10,000 but continued claims surged to 52,000 as the early flood of initial claims turned into continued claims.

Jenna Luhrs is an economist in Juneau. Reach her at (907) 465-4507 or [jenna.luhrs@alaska.gov](mailto:jenna.luhrs@alaska.gov).