

US Economics Research

Revisions to our forecast: We expect initial unemployment claims of 4.0mn

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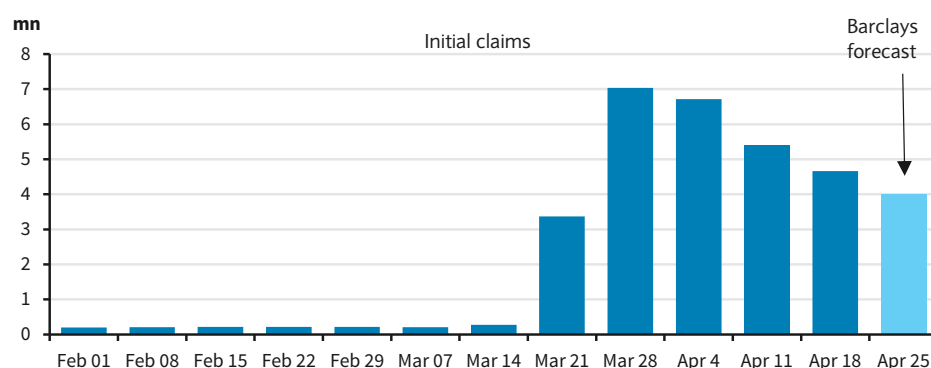
We expect jobless claims of 4.0mn for the week ending April 25 (from 3.25mn), based on our model that tracks available early claims estimates by individual states. We now expect the number of overall claims to have declined at a slower pace amid rising unemployment-related 311 calls in NYC.

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This is an update to 'US Economics Research: Revisions to our forecast: We expect initial unemployment claims of 4.0mn', originally published on 29 Apr 2020 at 16:15 BST, to correct the initial claims forecast figure in the second paragraph to 4.0mn.

Ahead of tomorrow's initial jobless claims report for the week ending April 25, we make revisions to our forecast in light of data that have become available since we released our initial forecasts last week. The revision points to a higher number of jobless claims than we had estimated and a continued sharp deterioration in labor markets.

FIGURE 1. We project 4.0mn in initial jobless claims for the week ending April 25



Source: Department of Labor, Haver Analytics, Barclays Research

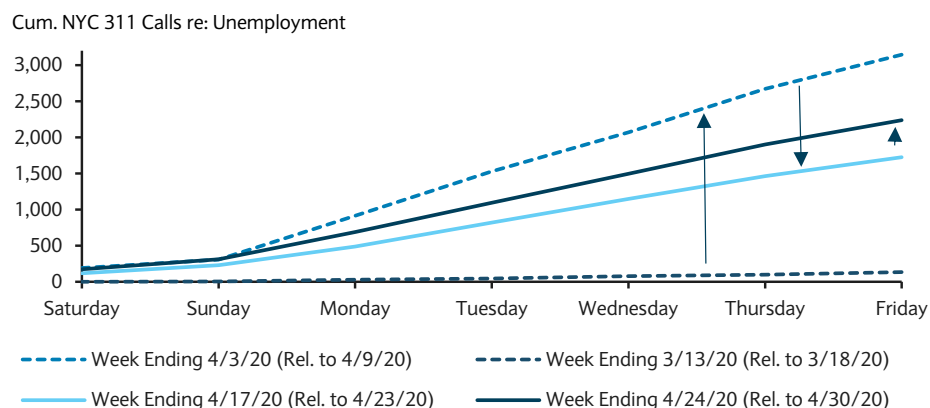
We now expect initial claims of 4.0mn during the week ending April 25 (Figure 1), which is about 750k higher than our previous forecast. The new forecast reflects the estimates from our model, which uses available press articles and other sources for the states that report figures early. Our estimate also gives some weight to ongoing work by our investment and data

sciences teams that examines the historical relationship between claims and NYC 311 calls ([If you thought this week's jobless claim number was big...](#), 26 March 2020).

With regard to our state-level model, it uses available press articles and other sources for the states that report figures early. For the remaining states, we make our own assumptions, informed by the trajectory of available data. This week's reports suggest that claims fell at an average pace of 10% across states with available data (NSA), which would be roughly similar to the pace of slowing in initial claims the prior week.

NYC 311 calls in the week ending April 24 were running about 30% higher than a week earlier and support our change in forecast (Figure 2). NYC 311 calls are categorized and include calls made by those inquiring about jobless claims filings in New York. We recognize that the margins of error for forecasts are larger than usual and that the historical relationship between NYC 311 calls and jobless claims is not perfect, but we still find the signal from these data useful in the present circumstances. In particular, we find it concerning that after declining steadily in recent weeks, the number of calls related to unemployment rose again during the week ending April 24.

FIGURE 2. Unemployment insurance-related calls to NYC's 311 line increased last week, reversing previous improvements



Source: NYC Open Data, Barclays Research

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