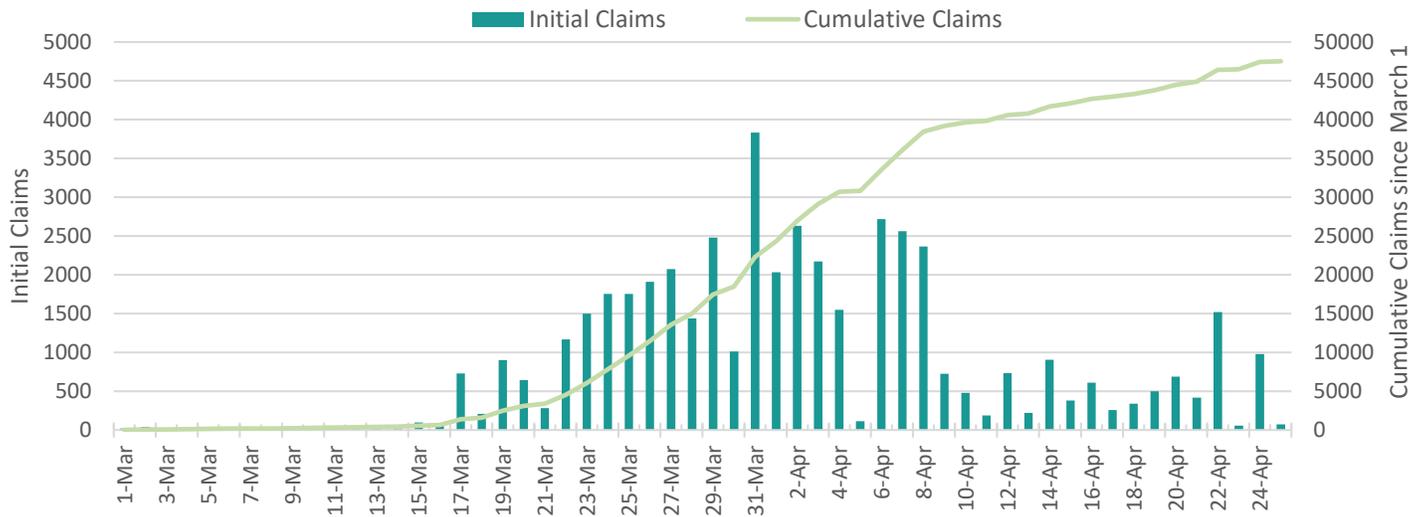




# UNEMPLOYMENT IN LANCASTER COUNTY: Tracking initial claims to understand the state of business

### Initial Unemployment Claims in Lancaster County



Source: Pennsylvania Commonwealth Workforce Development System

In the moment, initial unemployment claims are providing important, timely information on how businesses are responding to COVID-19 conditions and signaling their outlook on the economy returning to normal.

Labor market statistics, like the unemployment rate, number of employed and initial unemployment claims, are important indicators of the state of an economy.

When Governors across the country issued orders to close businesses and stay at home, the initial unemployment claims were among the quickest signals of the ramifications. In the weeks following PA’s March 19<sup>th</sup> order for non-life sustaining businesses to close, Lancaster County saw new unemployment claims shoot up from a weekly average of 225 to a peak of 15,720. Five weeks later, they still remain in the thousands, rather than hundreds.

The abrupt and strikingly high number of claims continues to be the single most significant indicator

of economic disruption. It clearly demonstrates how widespread business closures are and the extent to which people’s livelihoods are impacted. With consumer spending a key driver of the economy, it also foreshadows recession.

*Pennsylvania is moving towards reopening. With this shift, the indicator for economic recovery won’t be initial unemployment claims. Instead, the measure will be how many of people go back to work.*

Businesses have taken a significant financial blow over the past 4 to 6 weeks. But resuming “business as usual” will be anything but normal. The rate and scale of people regaining employment will depend on how many businesses not only survive the financial hardship to date but can manage the restrictions and operating requirements that come with reopening. This means tracking how many of nearly 43,000 people in Lancaster County that have been laid off or furloughed since mid-March have jobs to return to. Tracking towards pre-COVID-19 levels of employment in Lancaster County will be the measure whether business and consumer confidence returns to drive economic recovery.

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