

Initial Jobless Claims Rose by 13,000 in Late-February and Continuing Claims Jumped by 45,000

- Initial claims for unemployment insurance rose by 13,000 to 214,000 in the week ending February 24. The four-week moving average declined modestly to 213,000.
- Continuing claims jumped by 45,000 to 1.905 million in the week ending February 17 and the four-week moving average rose by 3,000 to 1.88 million.

Initial Unemployment Insurance (UI) claims rose by 13,000 to 201,000 in the week ending February 24, reversing the previous week's decline. The four-week moving average of claims, which smooths out some of the weekly volatility in this data set, fell by 3,000 to 213,000. Overall, UI Claims remain low by historical standards. The 200,000 mark appears to be a solid floor for the Initial Claims measure, with the weekly results having bouncing upward from that level once reached throughout the second half of 2023 and again in January and February 2024.

Continuing claims jumped by 45,000 to 1.905 million in the week ending February 17, the highest level since early-November 2023. The four-week moving average of continuing claims, which smooths out some of the weekly volatility in this data set, rose by 3,000 to 1.88 million. This rise puts Continuing Claims back up to its highest level since early-December 2023. The dichotomy between exceptionally low Initial claims and the recent rise in continuing claims suggests that the U.S. labor market is slowing, and that workers who lose their jobs are having a more difficult time finding new work. New UI claimants in the coming months will therefore likely face a longer search for their next role as compared to those facing similar circumstances over the past two years. While UI Claims are still at healthy levels in an historical context, the labor market is becoming better balanced between demand for and supply of workers which will help moderate upward wages pressures. This is a theme that will please the Federal Reserve and pave the way for rate cuts starting in May or June.

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