

## Initial Jobless Claims Fell by 12,000 in Mid-February and Continuing Claims Fell by 27,000.

- **Initial claims for unemployment insurance fell by 12,000 to 201,000 in the week ending February 17. The four-week moving average declined modestly to 215,000.**
- **Continuing claims dropped by 27,000 to 1.862 million in the week ending February 10 but the four-week moving average rose by 9,000 to 1.878 million.**

Initial Unemployment Insurance (UI) claims fell by 12,000 to 201,000 in the week ending February 17, for a third straight weekly decline. The week ending February 17 is the reference week for the February employment report (released on March 8) and we expect a rise in February payroll jobs of close to 200,000 and the unemployment rate to stay at 3.7%. The four-week moving average of claims, which smooths out some of the weekly volatility in this data set, fell by 4,000 to 215,000. 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 2024, before moving back down to that 200,000 level thus far in February.

Continuing claims fell by 27,000 to 1.862 million in the week ending February 10, more than reversing the 24,000 rise in the prior week. The four-week moving average of continuing claims, which smooths out some of the weekly volatility in this data set, rose by 9,000 to 1.878 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 or rate cuts starting in May or June.

### **PNC Economics**

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