

Initial Unemployment Insurance Claims Edged Up to 223K in Week Ending April 5 But Continuing Claims Fell by 43K to 1.850 Million in the Week Ending March 29.

- Initial jobless claims rose by 4,000 to 223,000 in the week ending April 5.
- The four-week moving average of initial claims held steady at 223,000 in the week ending April 5.
- Continuing unemployment insurance claims fell by 43,000 to 1.850 million in the week ending March 29.
- The labor market should soften this year as the pace of job growth slows.

Initial claims for unemployment insurance rose by 4,000 to 223,000 in the week ending April 5, remaining near the lower end of a 214K to 242K range in the past six months. The four-week moving average of initial claims, which irons out some of the weekly volatility, held steady at 223,000 for the week ending April 5. This is up from 216,000 one year ago.

There is a growing but still small impact from the Department of Government Efficiency's layoffs of Federal government employees. Initial jobless claims filed by fired civilian Federal employees were 508 in the week ending March 29, down 56 from the previous week. There were 7,719 continuing claims filed by fired civilian Federal employees in the week ending March 22, a decrease of 526 from the previous week. This is below the 14,000 decline of Federal government employees in February and March according to the BLS. We expect larger declines in April, May and June.

Continuing unemployment insurance claims fell by 43,000 to 1.850 million in the week ending March 29, nearly reversing the 46,000 (revised down) rise in the previous week. The four-week moving average of continuing claims held steady at 1.868 million for the fourth week in a row. Both levels are close to 75,000 above the same period last year, suggesting it is taking unemployed workers somewhat longer to find a new job. The insured unemployment rate held steady at 1.2 percent in the week ending March 29, as the previous week was revised down from 1.3 percent.

The labor market remained solid in the opening quarter of 2025 but we expect labor market to weaken in the remainder 2025 with smaller job gains than the 152,000 monthly average in the first quarter and last year's monthly average rise of 166,000 (2.0 million new jobs in 2024). This will raise the unemployment rate from 4.2% in March.

PNC Economics

Stuart Hoffman, Senior Economic Advisor

economics@pnc.com

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Gus Faucher
Chief Economist

Jay Hawkins
Senior Economist

Stuart Hoffman
Senior Economic Advisor

Kurt Rankin
Senior Economist

Ershang Liang
Economist