Unemployment Insurance Claims Decline, Underscoring Labor Market Stability

Headlines

- Initial unemployment insurance claims fell by 1,000 in the week ending September 19.
- The four-week moving average of initial claims moved closer to 200,000, a level that has provided a floor for claims over the past two years.
- Seasonally adjusted continuing claims fell to 1.719 million in the week ending September 12.

Kurt Rankin
kurt.rankin@pnc.com

PNC Economics
economics@pnc.com

Details

The Unemployment Insurance (UI) Claims report for the week of September 19, 2026 continued to point to a stable U.S. labor market. UI claims remain well below averages seen prior to the COVID-19 pandemic and are again approaching a four-week moving average of 200,000, a level claims have struggled to move below during the past two years (see Figure 1). Payroll employment growth has averaged roughly 80,000 jobs per month in 2026, modestly above the pace needed to absorb new entrants to the labor force. The breadth of hiring has also expanded in recent months to include manufacturing and other heavy-industry positions. Low initial and continuing claims are consistent with labor market data showing continued job growth and limited layoffs.

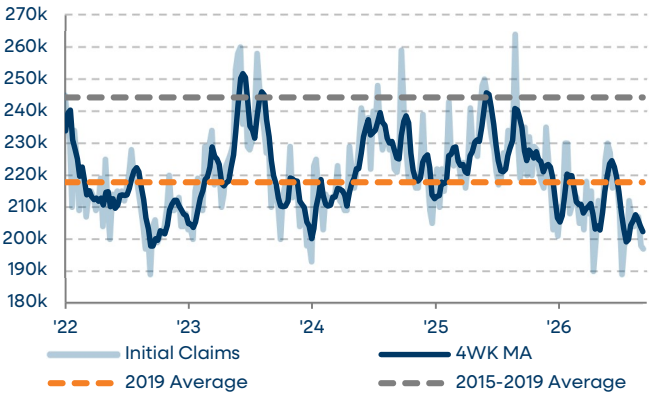
Continuing UI claims declined in the week of September 12, 2026 and now sit more than 10% lower than year-ago levels (see Figure 2). Continuing claims remain exceptionally low by historical standards and have trended modestly lower in recent months. If sustained, they could approach their pre-pandemic lows.

The Federal Reserve recently began raising interest rates, which PNC expects will continue over the coming quarters, to slow inflation that remains above its 2% target. Although job growth has remained steady despite policy uncertainty and rapid technological change, tighter monetary policy could weigh on hiring and business investment. Initial and continuing unemployment insurance claims provide a timely measure of labor market conditions and will be closely watched for signs that higher interest rates are affecting hiring and layoffs.

At the regional level, the manufacturing-heavy upper Midwest region saw a small collective rise in UI claims in the week of September 19 after similarly small gains in the prior week. Employment in the Manufacturing sector, as well as in Transportation & Utilities, began rising in the middle of this year after several years of outright declines. Continued hiring in these sectors could help support labor market conditions in states such as Michigan, Indiana, and Ohio. Hiring in manufacturing and transportation is becoming a more important source of job growth in

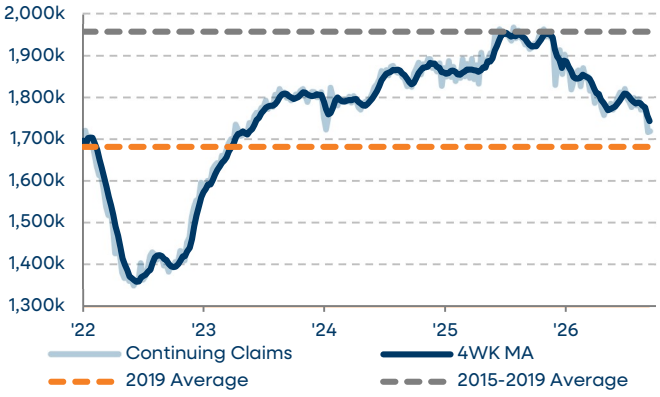
these economies as service-sector employment gains moderate.

Figure 1: Initial claims for unemployment insurance benefits (SA)



Sources: Department of Labor, PNC

Figure 2: Continuing claims for unemployment insurance benefits (SA)



Sources: Department of Labor, PNC

Disclosures

The material presented and the views expressed herein are of a general nature and does not constitute the provision of investment or economic advice to any person, or a recommendation of any particular securities, financial instruments, strategies or banking services. Opinions and forecasts expressed herein are subject to change without notice. Relevant information was obtained from sources deemed reliable. Such information is not guaranteed as to its accuracy. You should seek the advice of an investment professional to tailor a financial plan to your needs.

Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake any obligation to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance. As a result, we caution against placing undue reliance on any forward-looking statements.

"PNC" is a registered mark of The PNC Financial Services Group, Inc.

© 2026 The PNC Financial Services Group, Inc. All rights reserved.