

Initial Jobless Claims Fell by 1K in Mid-March; Continuing Claims Rose by 17K in Early-March But From a Revised Sharply Lower Level in the Previous Week

- **Initial claims for unemployment insurance edged down by 1,000 to 209,000 in the week ending March 9. The four-week moving average also declined by 1,000 to 208,000.**
- **Continuing claims rose by 17,000 to 1.811 million in the week ending March 2 and the four-week moving average rose by 2,000 to 1.799 million.**

Initial Unemployment Insurance (UI) claims edged down by 1,000 to 209,000 in the week ending March 9 from a downward revised 210,000 in the previous week (was 217,000). The four-week moving average of claims, which smooths out some of the weekly volatility in this data set, fell by 1,000 to 208,000 from a downward revised 209,000 (was 212,000). 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 17,000 to 1.811 million in the week ending March 2 but there was a large downward revision in the previous week to 1.794 million (was 1.906 million). The four-week moving average of continuing claims, which smooths out some of the weekly volatility in this data set, rose by 2,000 to 1.799 million but again there was a large downward revision in the previous week to 1.797 (was 1.888 million). These data include the annual revisions to weekly initial and continuing claims data seasonal adjustment factors.

The sharp downward revisions to continuing claims in the past three months means that it has not been as difficult for workers who lose their job to find another job. Frankly, this is more consistent with the strong gains in payroll jobs reported for February (275,000), January (229,000) and December 2023 (290,000). 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, especially as legal immigration has risen by over 1 million in each of the past two years. This is a theme that will please the Federal Reserve and pave the way for rate cuts starting this summer.

PNC Economics

economics@pnc.com

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