

Initial Unemployment Insurance Claims Jumped to 242K in Week Ending 2/21

- Initial jobless claims jumped by 22,000 to 242,000 in the week ending February 21.
- The four-week moving average rose by 9,000 to 224,000 in the week ending February 21.
- Continuing unemployment insurance claims fell by 5,000 to 1.862 million in the week ending February 14, 2025.
- The labor market should remain solid this year although the pace of job growth will slow.

First-time claims for unemployment insurance claims rose by 22,000 to 242,000 in the week ending February 21, 2025, the highest level since early December 2024 and modestly above the same week a year earlier. There was no discernible impact from the Department of Government Efficiency's layoffs of Federal government employees with initial jobless claims (not seasonally adjusted) in D.C. little changed from the previous week and up only slightly from the same week in 2024. Despite the increase, first-time claims remain historically low, pointing to a solid labor market. The four-week moving average, which irons out some of the weekly volatility, rose by 9,000 to 224,000 in the week ending February 21, 2025. This is up slightly from 209,000 one year ago.

Continuing unemployment insurance claims decreased by 5,000 to 1.862 million in the week ending February 14, 2025. The four-week moving average of continuing claims edged up by 3,000 to 1.865 million. Both levels, however, are well above the same period last year, suggesting it is taking unemployed workers somewhat longer to find a new job. The insured unemployment rate was 1.2% in the week ending February 14, unchanged from last week and equal to the rate one year ago.

The labor market should remain solid in 2025, although with smaller job gains relative to last year's average monthly gain of 166,000 (or 2.0 million in 2024) and an unemployment rate edging slightly higher from the current 4.0%. One downside risk to job growth is the potential for immigration restrictions from President Trump's recent Executive Orders, which could decrease the supply of available workers.

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