

Initial Unemployment Insurance Claims Edged Down to 220K in Week Ending March 8 and Continuing Claims Fell by 27K to 1.88 Million in the Week Ending March 1.

- Initial jobless claims fell by 2,000 to 220,000 in the week ending March 8.
- The four-week moving average of initial claims edged up by 1,500 to 226,000 in the week ending March 8.
- Continuing unemployment insurance claims fell by 27,000 to 1.870 million in the week ending March 1.
- The labor market should soften this year as the pace of job growth slows.

Initial claims for unemployment insurance fell by 2,000 to 220,000 in the week ending March 8, toward the lower end of a 214K to 242K range in the past five months. The four-week moving average of initial claims, which irons out some of the weekly volatility, edged up by 1,500 to 226,000 for the week ending March 8. This is up from 209,000 one year ago.

There was little impact from the Department of Government Efficiency's layoffs of Federal government employees **yet**. Initial jobless claims filed by fired civilian Federal employees were 1,580 in the week ending March 1, down 54 from the previous week. There were 8,215 continuing claims filed by fired civilian Federal employees in the week ending February 22, an increase of 803 from the previous week. Federal employment fell by 10,000 in February according to the BLS but we expect a much larger decline in March and April.

Continuing unemployment insurance claims fell by 27,000 to 1.880 million in the week ending March 1, reversing about half of rise in the three previous weeks. The four-week moving average of continuing claims rose by 6,000 to 1.872 million. Both levels 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 held steady at 1.2% in the week ending March 1 and equal to the rate one year ago.

The labor market should soften in 2025 with smaller job gains relative to last year's average monthly gain of 166,000 (2.0 million new jobs in 2024) and an unemployment rate that moves slightly higher from 4.1% in February. Two downside risks to job growth are: 1) the imposition of tariffs on Mexico, Canada, China and the EU countries and their retaliations, and 2) the potential for immigration restrictions and deportations from President Trump's Executive Orders to decrease the supply of available workers.

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