

Initial Unemployment Insurance Claims Edged Down to 224K in Week Ending March 22 and Continuing Claims Fell by 25K to 1.856 Million in the Week Ending March 15.

- Initial jobless claims edged down by 1,000 to 224,000 in the week ending March 22.
- The four-week moving average of initial claims moved down by 5,000 to 224,000 in the week ending March 22.
- Continuing unemployment insurance claims dropped by 25,000 to 1.856 million in the week ending March 15.
- The labor market should soften this year as the pace of job growth slows.

Initial claims for unemployment insurance edged down by 1,000 to 224,000 in the week ending March 22, 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, fell by 5,000 to 224,000 for the week ending March 15. This is up from 213,000 one year ago.

There is a growing impact from the Department of Government Efficiency's layoffs of Federal government employees. Initial jobless claims filed by fired civilian Federal employees were 821 in the week ending March 15, down 245 from the previous week. There were 9,135 continuing claims filed by fired civilian Federal employees in the week ending March 8, an increase of 487 from the previous week. This is close to the 10,000 decline of Federal government employment in February according to the BLS and we expect larger declines in March and April.

Continuing unemployment insurance claims fell by 25,000 to 1.856 million in the week ending March 15, reversing the rise of the 22,000 (revised) in the previous week. The four-week moving average of continuing claims rose by 2,000 to 1.870 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 15 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 additional tariffs on Mexico, Canada, China and the EU countries scheduled for April 2 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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