

## **Initial Jobless Claims Dipped to 245K in the Week Ending 6/14. Continuing Claims Dipped to 1.945 million in the Week Ending 6/7, the Fourth Straight Week Above 1.9 Million. The Labor Market is Softening.**

- **Initial jobless claims dipped by 5,000 to 245,000 in the week ending June 14.**
- **The four-week moving average of initial claims rose by 5,000 to 245,500 in the week ending June 14.**
- **Continuing unemployment insurance claims fell by 6,000 to 1.945 million in the week ending June 7.**
- **The labor market is starting to soften as the pace of job growth slows which will persist for the rest of the year.**

Initial claims for unemployment insurance fell by 5,000 to 245,000 in the week ending June 14, the second highest level since early-October 2024. The four-week moving average of initial claims ending June 14, which smooths out some of the weekly volatility, rose by 5,000 to 245,500, a clear break-out above the top of a 213,000 to 240,000 range in the past eight months. Initial claims are close to 10,000 above the same week a year ago. June 14 is the reference week for the June employment survey which signals a smaller gain in June payroll jobs than the 135,000 average rise in three months ending in May.

Continuing unemployment insurance claims fell by 6,000 to 1.945 million in the week ending June 7, the fourth straight week above 1.9 million. The four-week moving average of continuing claims ending June 7 rose by 13,000 to 1.926 million. These levels are close to 110,000 above the same week a year ago and the highest levels since late-November 2021 clearly showing that it is taking unemployed workers somewhat longer to find a new job. The insured unemployment rate held steady at 1.3 percent in the week ending June 7, slightly above the same week a year ago.

There is a growing but still small impact from the Department of Government Efficiency's layoffs of Federal government employees. Initial jobless claims filed by fired civilian Federal employees were 535 in the week ending June 7, down by 26 from the previous week. There were 7,074 continuing claims filed by fired civilian Federal employees in the week ending May 31, an increase of 755 from the previous week. This is well below the 59,000 decline of Federal government employees in February, March, April and May combined (15,000 per month on average) according to the BLS. This suggests laid-off Federal government workers are finding jobs in the private sector.

In summary, the higher level of initial claims and the large rise in continuing claims in the past four weeks, both well above their year ago levels, are clear signs that the labor market started softening in late-spring which we expect to persist for the rest of this year.

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