



Initial jobless claims jumped by 27k to 263k in the holiday week ending 9/6 and continuing claims held steady at 1.939 million in the week ending 8/30.

Headlines

- Initial jobless claims jumped by 27,000 to 263,000 in the holiday week ending September 6, well above market expectations. The four-week moving average of initial claims moved up by 10,000 to 240,000.
- Continuing unemployment insurance claims held steady at 1.939 million in the week ending August 30. This is just below the highest level of continuing claims since late 2021 when the economy was still recovering from the pandemic.
- The labor market has softened as the pace of payroll job growth slowed in the past three months to just 29,000/month and will remain weak during the rest of the year.

Details

Initial claims for unemployment insurance jumped by 27,000 to 263,000 in the holiday week ending September 6, well above market expectations. Claims are particularly hard to seasonally adjust in a holiday week. The four-week moving average of initial claims ending September 6, which smooths out some of the normal weekly volatility and other temporary factors, rose by 10,000 to 240,000, moving up to the top of a 213,000 to 240,000 range that has prevailed during the past year, after temporarily rising above the top of that range in June. Initial and continuing claims were somewhat above the same week a year ago.

Continuing unemployment insurance claims held steady at 1.939 million in the week ending August 30. The four-week moving average of continuing claims ending August 30 fell by 1,000 to 1.946 million, near the highest level since late-2021. These levels are close to 90,000 above the same week a year ago, 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 August 30, slightly above the rate for same week from a year ago.

In summary, the jump in initial claims in the holiday week ending 9/6 may overstate layoffs since the average of the past twelve weeks remains relatively low at 231,000 per week, but the high levels of continuing claims above 1.935 million for the past fourteen weeks shows that employers are reluctant to hire new workers. This is a clear sign that the labor market was weakening in the late-spring and summer months, which we expect to persist for the rest of this year.

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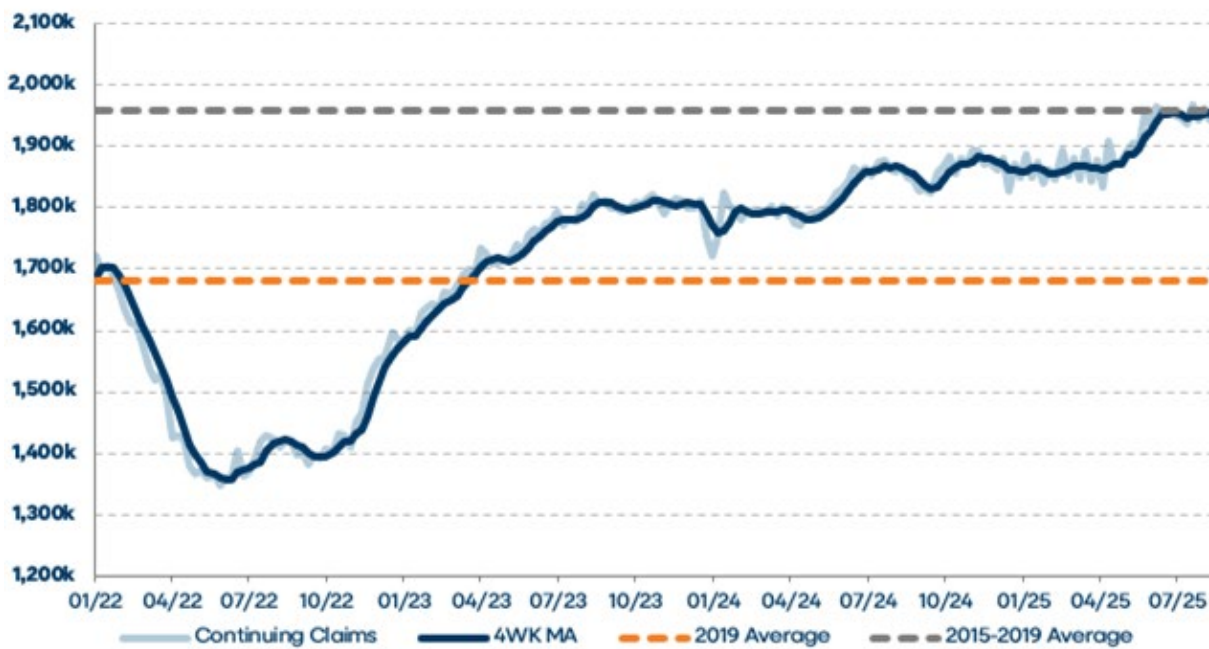
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Figure 1: Initial Unemployment Insurance Claims (SA)



Figure 2: Continuing Claims for Unemployment Insurance Benefits (SA)





Please reach out with any questions,

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