Initial Jobless Claims Remain Fairly Steady

Headlines

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- Initial jobless claims fell slightly in the week ending August 15 and remain in a fairly tight range.
- The four-week moving average of initial claims rose above 200,000 after two consecutive weeks below that threshold.
- Continuing claims increased by 18,000 to 1.799 million in the week ending August 8.
- The insured unemployment rate was unchanged at 1.2% in the week ending August 8.
- The four-week moving average of initial claims in the survey reference week for the August employment report dropped from the same week last month, suggesting job gains could rebound in August after the small decline in July.

Details

There is still no sign that layoffs are accelerating. First-time jobless claims fell to 206,000 in the week ending August 15 from an upwardly revised 212,000 (Figure 1). This was slightly below PNC's forecast of 212,000. Initial claims are down 27,000 from the same week one year earlier.

The largest drops in initial claims (not seasonally adjusted) in the week ending August 15 were in Michigan (-2,408), Pennsylvania (-1,150), California (-1,202), Kansas (-1,014), and Georgia (-978).

The four-week moving average of initial claims in the week ending August 15 edged up to 204,000 but is down 21,500 from the same week last year.

Continuing claims or the number of people who still receive jobless benefits after filing an initial claim, rose by 18,000 to 1.799 million in the week ending August 8 (Figure 2). Continuing claims are down 158,000 from the same week a year ago.

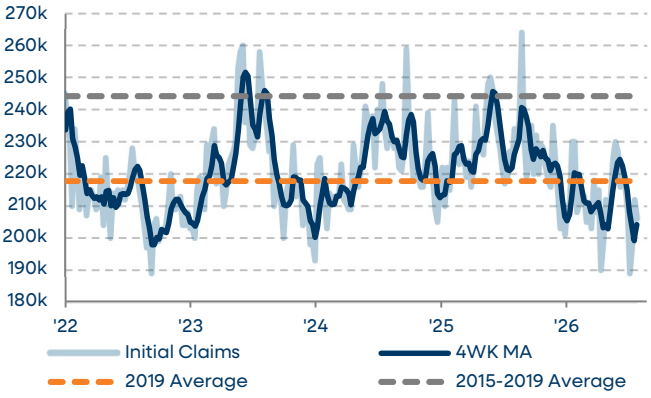
The four-week moving average of continuing claims ending August 8 increased slightly but remains below the level of continuing claims in the same week last year. While continuing claims are low, there is a possibility that some unemployed workers have used up their benefits before landing a new job in a difficult hiring environment.

The insured unemployment rate or the number of workers currently claiming jobless benefits relative

to the entire pool of workers covered by unemployment insurance, was 1.2% for the week ending August 8, unchanged from the previous week and down from 1.3% in the same week last year. The insured unemployment rate has remained at 1.2% for 14 straight weeks.

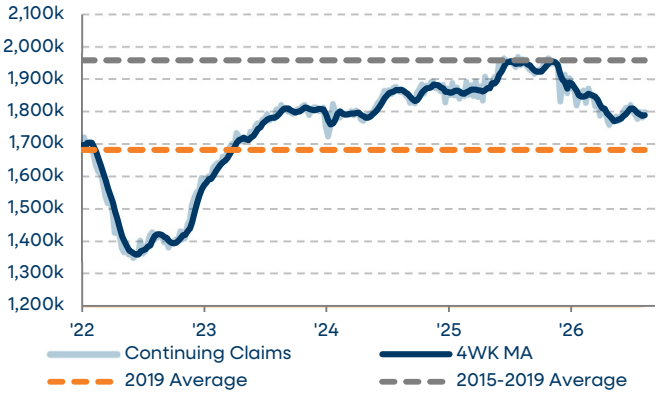
This week's report included August 12 and is the survey reference week for the August employment report that will be released on September 4. The four-week average of initial claims for the week ending August 15 fell by just over 20,000, suggesting job gains could rebound in August from the small decline in July.

Figure 1: Initial claims for unemployment insurance benefits (SA)



Sources: Department of Labor, PNC

Figure 2: Continuing claims for unemployment insurance benefits (SA)



Sources: Department of Labor, PNC

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