Initial Jobless Claims Slip Below 200K

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Headlines

- Initial jobless claims fell slightly in the week ending October 17.
- The four-week moving average of initial claims held below 200,000 for the third consecutive week.
- Continuing claims rose by 25,000 to 1.728 million in the week ending October 10 but continue to decline from a year ago.
- The insured unemployment rate was unchanged at 1.1% in the week ending October 10 for the seventh straight week.
- Initial claims were little changed in the October survey reference week relative to September's survey week, pointing to continued modest job gains in October.

Details

The continued low level of unemployment claims is consistent with a stable labor market. First-time jobless claims were below 200,000 for the fifth time in the last six weeks at 194,000 in the week ending October 17 (Figure 1). That was close to PNC's forecast of 202,000. Initial claims are down 37,000 from the same week one year earlier.

The four-week moving average of initial claims in the week ending October 17 ticked down and has held below 200,000 for three weeks in a row. The four week moving average is down 37,000 from the same week in 2025.

Continuing claims, or the number of people who continue to receive jobless benefits after filing an initial claim, rose by 25,000 to 1.728 million in the week ending October 10 (Figure 2). Continuing claims are down 219,000 from the same week a year ago.

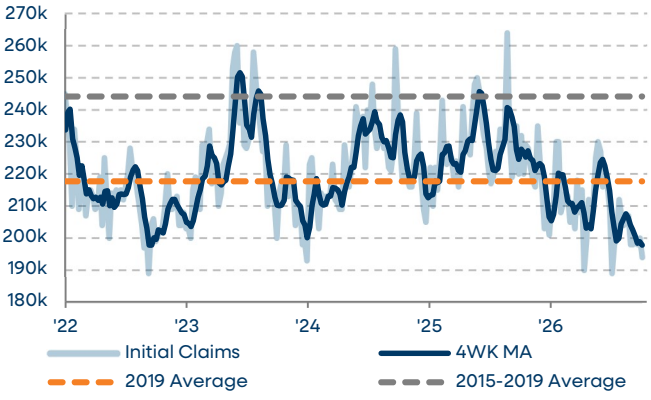
The four-week moving average of continuing claims ending October 10 edged up but is 11.4% below the level in the same week last year.

The insured unemployment rate was 1.1% for the week ending October 10, unchanged for the last seven weeks but down from 1.3% in the same week last year.

This week's initial claims data includes October 12, which is the survey reference period for the October employment report. Initial claims were little changed in the October survey reference week relative to September's survey week, pointing to continued modest job gains.

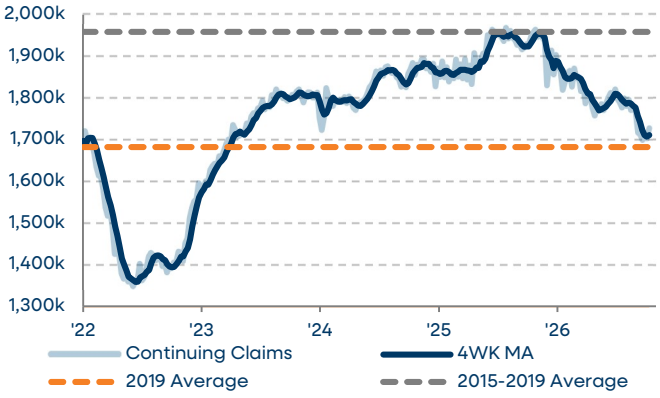
The continued stability in the labor market allows the Fed to place greater emphasis on the inflation side of its dual mandate. Despite elevated inflation above the Fed's 2% target, PNC's baseline forecast is for the FOMC to leave the fed funds rate unchanged at the conclusion of next week's meeting.

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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