Initial Jobless Claims Remain Below 200K

Headlines

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- **Initial jobless claims fell slightly in the week ending October 3.**
- **The four-week moving average of initial claims slipped for the fifth week in a row.**
- **Continuing claims rose by 17,000 to 1.716 million in the week ending September 26 but are down sharply from a year ago.**
- **The insured unemployment rate was unchanged at 1.1% in the week ending September 26.**
- **The low level of initial jobless claims is consistent with recent layoff data. U.S. employers announced 43,281 job cuts in September, down 18% from August.**

Details

The continued low level of unemployment claims points to a well-balanced labor market. First-time jobless remained below 200,000 for the fourth week in a row at 197,000 in the week ending October 3 (Figure 1). That was in line with PNC's forecast of 202,000. Initial claims are down 36,000 from the same week one year earlier.

The low level of initial jobless claims is consistent with recent layoff data. According to Challenger, Gray & Christmas, U.S. employers announced job cuts of 43,281 in September, down 18% from August and 20% below the same month last year. Through September, employers have announced 573,195 job cuts, down 39% from the same period last year.

The four-week moving average of initial claims in the week ending October 3 eased to 198,000, the first time it has been below 200k since early August. The four-week moving average is down nearly 30k from the same week last year.

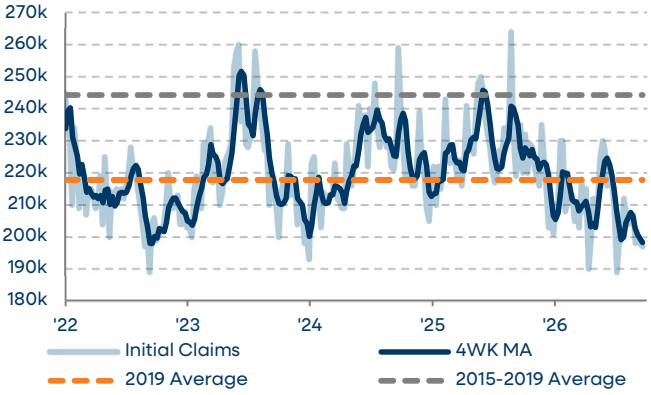
Continuing claims, or the number of people who still receive jobless benefits after filing an initial claim, rose by 17,000 to 1.716 million in the week ending September 26 (Figure 2). Continuing claims are down 213,000 from the same week a year ago.

The four-week moving average of continuing claims ending September 26 declined slightly and is 11% below the level in the same week last year.

The insured unemployment rate was 1.1% for the week ending September 26, unchanged for four weeks in a row but down from 1.3% in the same week last year.

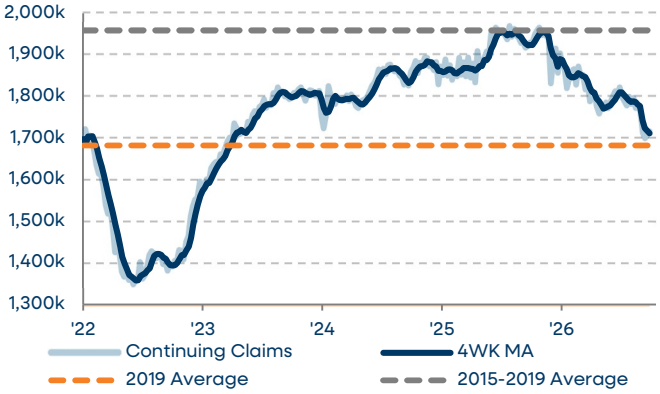
The decline in initial claims points to limited layoffs, although the gradual increase in continuing claims suggests it may be taking somewhat longer for unemployed workers to find new jobs.

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



Sources: Department of Labor, PNC

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



Sources: Department of Labor, PNC

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