



Initial and Continuing Moved Down in the Opening Weeks of the New Year

Headlines

- **Initial unemployment claims in week ending January 24 edged down by 1,000 to 209,000. This is a clear sign that layoffs remain low in the opening weeks of the new year.**
- **Continuing claims fell by 38,000 to 1.827 million in the week ending January 17, 2026, the third straight large weekly decline and the lowest level since mid-September 2024.**
- **Firing did not rise much in 2025, but hiring clearly slowed in the “low fire but low hire” jobs market. This continued into the early weeks of 2026.**

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Details

Initial claims filed for unemployment insurance in the week ending January 24 edged down by 1,000 to 209,000 from 210,000 the previous week (revised up from 200,000). The January 24 level of initial claims is 1,000 below the same week a year ago. The four-week moving average of initial claims, which partly smooths out holiday week and other temporary factors, in the week ending January 24 rose by 2,000 to 206,000, which is 7,000 below the level in the same four weeks a year ago. Employers have been reluctant to lay off workers but also reluctant to hire workers in the “low fire but low hire” job market.

Continuing claims in the week ending January 17 fell by 38,000 to 1.827 million from the previous week’s 1.865 million (revised up from 1.849 million). This is the third straight large weekly decline. 1.827 million continuing claims is the lowest level since mid-September 2024 and 22,000 below the same week

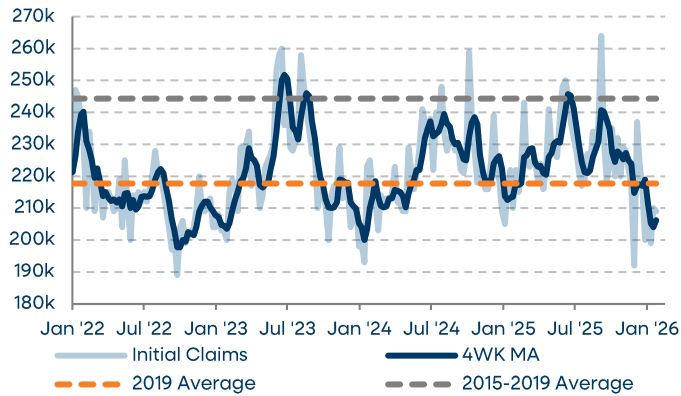
a year ago. The four-week moving average of continuing claims in the week ending January 17 fell by 7,000 to 1.868 million. This is only 3,000 above the same four weeks a year ago. The insured unemployment rate held steady at 1.2 percent in the week ending January 17, 2026.

In summary, initial claims point to low layoffs in the U.S. economy in the opening weeks of 2026 as was the case last year. Both initial and continuing claims are about the same as in the early weeks of 2025 but are lower than they were in the middle of last year. Both initial and continuing claims remain low on a historical basis and consistent with a softening but not declining labor market. Layoffs remain low, but hiring has slowed, and it is more difficult to find a job now than it was during the first few years of recovery from the pandemic through the first quarter of 2025. Indeed, the FOMC’s statement from yesterday’s meeting noted that “job gains



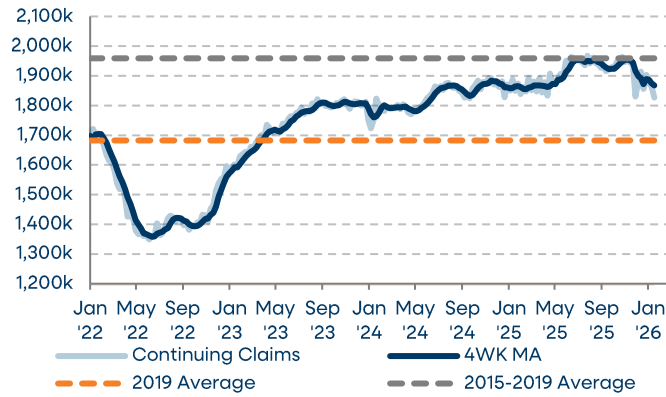
have remained low, and the unemployment rate has shown some signs of stabilization” as reasons they kept the Fed funds rate unchanged at a 3.50-3.75% target range.

Figure 1: Initial Claims for Unemployment Insurance Benefits (SA)



Source: Department of Labor

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



Source: Department of Labor



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