

Initial Unemployment Insurance Claims Fell By 13K to 228K in Week Ending May 3 and Continuing Claims Fell by 29K to 1.879 Million in the Week Ending April 26.

- Initial jobless claims fell by 13,000 to 228,000 in the week ending May 3.
- The four-week moving average of initial claims rose by 1,000 to 227,000 in the week ending May 3.
- Continuing unemployment insurance claims fell by 29,000 to 1.879 million in the week ending April 26.
- The labor market will soften this year as the pace of job growth slows.

Initial claims for unemployment insurance fell by 13,000 to 228,000 in the week ending May 3, reversing half of the two previous weeks' rise. The four-week moving average of initial claims, which averages out some of the weekly volatility, edged up by 1,000 to 227,000 for the week ending May 3, near the middle of a 213,000 to 238,000 range in the past seven months. The Challenger Layoff report shows 552,000 layoffs announced in the past three months combined, more than double the number in the same three months in 2024. Layoffs of Federal workers by DOGE accounts for just over half of the total this year.

Continuing unemployment insurance claims fell by 29,000 to 1.879 million in the week ending April 26. The four-week moving average of continuing claims rose by 9,000 to 1.875 million, the highest level since mid-November 2024, suggesting it is taking unemployed workers somewhat longer to find a new job. The insured unemployment rate edged down to 1.2 percent in the week ending April 26, the same as a year ago.

There is a growing but still small impact from the Department of Government Efficiency's layoffs of Federal government employees. Initial jobless claims filed by fired civilian Federal employees were 468 in the week ending April 26, down by 2 from the previous week. There were 6,716 continuing claims filed by fired civilian Federal employees in the week ending April 19, an increase of 82 from the previous week. This is below the 24,000 decline of Federal government employees in February, March and April combined according to the BLS. We expect bigger declines in May and June.

PNC Economics

Stuart Hoffman, Senior Economic Advisor

economics@pnc.com

Visit pnc.com/economicreports for more information from PNC Economics.