

Initial Unemployment Insurance Claims Hold Steady; Continuing Claims Climb

- Initial jobless claims fell by 2,000 to 227,000 in the week ending May 17.
- The four-week moving average of initial claims rose by 1,000 to 231,500 in the week ending May 17.
- Continuing unemployment insurance claims increased by 17,500 to 1.888 million in the week ending May 10.
- The labor market will soften this year as the pace of job growth slows.

Initial claims for unemployment insurance fell by 2,000 to 227,000 in the week ending May 17, slightly above the 2025 average of around 223,000. The four-week moving average of initial claims, which smooths out some of the weekly volatility, ticked up by 1,000 to 231,500 for the week ending May 3, the highest since late-October 2024. The Challenger Layoff report shows 105,441 layoffs announced in April, a 63% jump from the same month last year. Moreover, April's total is the highest for the month since April 2020, when 671,129 cuts were announced, the highest number recorded in a month since Challenger began reporting on layoffs in 1989.

Continuing unemployment insurance claims rose by 36,000 to 1.903 million in the week ending May 10. That marks the second time in the last four weeks continuing claims have breached 1.9 million, suggesting it is taking unemployed workers somewhat longer to find a new job. The four-week moving average of continuing claims rose by 17,500 to 1.888 million, the highest level since late-November 2021. The insured unemployment rate was unchanged at 1.2% in the week ending May 10, the same as a year ago.

The latest initial jobless claims data provide a glimpse into the May employment report. While the four-week moving average of initial claims is still low, it climbed by about 10,000 between the April and May payroll reference periods, suggesting somewhat higher layoffs will be a moderate drag on employment growth.

PNC Economics

Jay Hawkins, Senior Economist

economics@pnc.com

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Gus Faucher
Chief Economist

Jay Hawkins
Senior Economist

Stuart Hoffman
Senior Economic Advisor

Kurt Rankin
Senior Economist

Ershang Liang
Economist