

Initial and Continuing Claims Fell Sharply in Mid-September; The Job Market Remains Very Tight Albeit Better Balanced between Supply and Demand

- **Initial claims for unemployment insurance plunged by 20,000 to 201,000 in the week ending September 16. The four-week moving average of initial unemployment insurance claims fell by 8,000 to 217,000.**
- **Continuing claims plunged by 21,000 to 1.662 million in the week ending September 9 and the four week moving average fell by 9,000 to 1.687 million.**

Initial Unemployment Insurance (UI) claims plunged by 20,000 to 201,000 in the week ending September 16. **This is the lowest level since late-January.** The four-week moving average of claims, which smooths out some of the weekly volatility in this data, fell by 8,000 to 217,000, the lowest level since late-February.

Continuing claims plunged by 21,000 to 1.622 million in the week ending September 9 and the four-week moving average of continuing claims fell by 9,000 to 1.687 million. **These are their lowest levels since early-February.** The insured unemployment rate remained at 1.1 percent in the week ending September 9.

Initial and continuing claims numbers remain exceptionally low by any historical standard. This reflects the fact that laid-off workers continue to quickly find new jobs in the tight job market. The U.S. labor market continues to advance, but is now doing so with gains that are much more consistent with the ongoing anecdotal talk of labor and skills shortages and average wage growth that is now trending above CPI inflation. Yesterday, Chairman Powell emphasized that there is better balance in the demand and supply of workers. He noted that payroll job growth slowed to 150,000 per month, on average, in the three months ended in August, well below the monthly average gain of 244,000 from January through May. But the big declines in initial and continuing claims thus far in September point to a bigger than 150,000 rise in payroll jobs this month (data released on October 6 IF the Federal Government is not shutdown), indicating that the job market remains very tight albeit better balanced.

Please reach out with any questions.

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