

Initial and Continuing UI Claims Rose in Late-November; Labor Market Remains Solid Even as Job Growth Eases

- **Initial claims for unemployment were 218,000 in the week ending November 25, up by 7,000 from the previous week. The four-week moving average held steady at 220,000.**
- **Continuing claims jumped sharply to 1.927 million in the week ending November 18, up by 86,000. The four-week moving average of continuing claims rose to its highest level this year.**
- **The initial and continuing claims data are consistent with a strong labor market but easing job growth.**

Initial claims for unemployment insurance rose to 218,000 in the week ending November 25, up from from 211,000 in the previous week (revised slightly higher from 210,000). The four-week moving average of initial claims, which smooths out some of the volatility, was unchanged at 220,000 in the week ending November 25.

After increasing to around 250,000 per week in the summer of 2023, initial claims have fallen this autumn to around 215,000. Although this is up somewhat from late 2022 and early 2023, initial claims remain very low and are at a level consistent with solid job growth and a strong labor market.

Continuing unemployment insurance claims jumped sharply to 1.927 million in the week ending November 18, up from 1.841 million the previous week (revised lower from 1.862 million). The four-week moving average of continuing claims was 1.866 million in the week ending November 18, up from 1.837 million (revised slightly lower).

This is the highest level for the four-week moving average for continuing claims thus far in 2023. Continuing claims have gradually increased since bottoming out at around 1.3 million in the fall of 2022, but remain low on an historical basis. However, the rapid increase in continuing claims in October and November is an indication that recently laid-off workers are taking a somewhat longer time to find a new job.

Layoffs are up somewhat, job growth is slowing to a more sustainable pace, and it is a bit harder for unemployed workers to find a new job. From the Federal Reserve's perspective, these are welcome developments. The central bank would like to see a bit more slack in the labor market; this will slow wage growth and reduce inflationary pressures, allowing inflation to gradually ease to the Fed's 2% objective.

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