

## Initial Claims Plunged in Mid-December, Nearly Reversing the Rise in the Two Previous Weeks. The Job Market is Solid as 2024 Comes to an End.

- Initial UI claims plunged by 22,000 to 220,000 in the week ending December 14, nearly reversing the rise in the previous two weeks.
- Continuing claims fell by 5,000 to 1.874 million in the week ending December 7.
- Layoffs are low, but businesses are hiring few workers in 2024 than in the previous two years.
- The labor market remains solid as the end of 2024 approaches.

Initial claims for unemployment insurance claims plunged by 22,000 to 220,000 in the week ending December 14, nearly reversing the 27,000 rise in the previous two weeks. The four-week moving average of claims, which smooths out some of the volatility, rose by 1,000 to 225,500 in the week ending December 14. Both of these levels are slightly above this time last year. Claims jumped to a peak of 260,000 in early October with Hurricanes Helene and Milton but had fallen since then. Although claims are up from just above 200,000 in early 2024, they remain historically low, indicating low layoffs.

Continuing unemployment insurance claims fell by 5,000 to 1.874 million in the week ending December 7. The four-week moving average of claims ending December 7 fell by 6,000 to 1.880 million, but still one of the highest levels in three years. Both of these levels are well above this time last year and slightly above their pre-pandemic level. Continuing claims bottomed out at around 1.35 million in mid-2022 and have gradually moved higher over the past two and a half years. With hiring slowing but the job market still in good shape, it is taking unemployed workers longer to find a new job.

The labor market is solid as the end of 2024 approaches. Historically low initial claims are consistent with few layoffs in the economy. It is true that businesses are hiring less this year than they were in 2022 and 2023, leading to the persistent increase in continuing claims in 2024. But the economy is still creating roughly enough jobs to keep up with labor force growth and the unemployment rate is historically low at 4.2% in November.

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