

Initial and Continuing Jobless Claims Decreased Slightly in Early November

- Initial jobless claims decreased to 217,000 in the week ending November 9 from an upwardly revised 221,000 in the prior week.
- The four-week moving average dropped by 6,250 to 221,000 but is up somewhat from 211,750 in the same week last year, suggesting the U.S. labor market has softened over the past year.
- Continuing claims for unemployment insurance fell by 11,000 to 1.873 million for the week ending November 2 but are much higher compared to a year earlier (1.807 million).
- PNC expects job gains to slow to near 150,000-175,000 per month for the balance of this year (with a big rebound in November) and to about 100,000 per month in the first half of 2025, driving the jobless rate up to around 4.5% by summer 2025.

First-time jobless claims inched down to 217,000 in the week ending November 9 from an upwardly revised 221,000 in the previous week. Initial claims are down by 11,000 from a year ago. The four-week moving average dropped by 6,250 to 221,000 which is up slightly from 218,250 in the same week last year, implying the U.S. labor market has cooled over the past 12 months. Some of the decline in the four-week moving average came from dropping elevated claims in the second week of October, when Hurricanes Helene and Milton led to a large jump in claims. The insured unemployment rate was 1.2% in the week ending November 2, unchanged from the previous week and the same rate a year earlier.

Continuing claims for unemployment insurance fell by 11,000 to 1.873 million in the week ending November 2. Continuing claims are much higher compared to a year earlier when they stood at 1.807 million. The four-week moving average increased by 1,000 to 1.875 million and is up from 1.814 million a year earlier, signaling it is taking unemployed workers a little longer to find a new job now than a year ago.

The U.S. labor market continues to cool against a backdrop of still-restrictive monetary policy. Job gains have slowed to an average of 170,000 per month this year (distorted somewhat by the gain of 12,000 in October that was influenced by the Boeing strike and the hurricanes) from 227,000 per month last year and the unemployment rate has climbed by 70 basis points from 3.4% in April 2023

to 4.1% in October 2024. PNC expects a further softening in the labor market as economic growth moderates, with average job gains near 150,000-175,000 per month in the final two months of this year (including a big rebound in November) and about 100,000 per month in the first half of 2025. As a result, the unemployment rate will rise to around 4.5% by mid-year 2025.

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