

Small Drop in Initial UI Claims; Continuing Claims at Higher Level in Three Years; Job Growth to Rebound in November

- **Initial UI claims fell by 6,000 in the week ending November 16 to 213,000, and are at their lowest level in seven months.**
- **Continuing claims rose slightly in the week ending November 9 and are at their highest level in three years.**
- **Layoffs are low, but businesses are hiring less than they were a couple of years ago.**
- **Weather and the Boeing strike weighed on job growth in October; it should bounce back to above 200,000 in November.**
- **The labor market remains solid at the end of 2024.**

Initial claims for unemployment insurance claims fell by 6,000 in the week ending November 16 to 213,000. This is the lowest level of claims in seven months. Claims were revised slightly higher in the previous week to 219,000 from 217,000. Claims jumped to 260,000 in early October with Hurricanes Helene and Milton, but have fallen steadily since then. The four-week moving average of claims, which smooths out some of the volatility, fell slightly to 217,750 in the week ending November 16, from 218,500 the previous week.

Claims rose somewhat in mid-2024, to around 240,000 per week, but have been moving lower since then except for the spike in early October. Although claims are up from just above 200,000 in early 2024, they remain historically low, indicating low layoffs.

Continuing unemployment insurance claims rose by 36,000 in the week ending November 9 to 1.908 million. This is the highest level of continuing claims since November 2021. The four-week moving average of claims rose by 5,000 in the week ending November 9 to 1.879 million, also the highest level in three years.

Continuing claims bottomed out at around 1.35 million in mid-2022, and have gradually moved higher over the past couple of years. With hiring slowing but the job market still good, it is taking unemployed workers longer to find a new job. Continuing claims are slightly above their pre-pandemic level.

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The labor market is in good shape in November. The U.S. economy added only 12,000 jobs in October, the smallest number since December 2020. But the weak October job number was due to the Boeing machinists strike and Hurricanes Helene and Milton. With the strike settled and cleanup from the hurricanes underway, job growth in November should bounce back, to above 200,000. Extremely low initial claims are consistent with few layoffs in the economy. It is true that businesses are hiring less now than they were a couple of years ago, leading to the gradual increase in continuing claims. But the economy is still creating roughly enough jobs to keep up with labor force growth, the unemployment rate was historically low at 4.1% in October, and overall the labor market is in good shape.

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