

## Initial Claims Rose by 9K in late-November but Remain Near Lowest Levels in the Past Seven Months. The Job Market Remains Solid.

- **Initial UI claims rose by 9,000 in the week ending November 30 to 224,000 but are still near their lowest levels in seven months.**
- **Continuing claims fell by 25,000 in the week ending November 23 to 1.871 million.**
- **Layoffs are low, but businesses are hiring less than they were a couple of years ago.**
- **The labor market remains solid as the end of 2024 approaches.**

Initial claims for unemployment insurance claims rose by 9,000 in the week ending November 30 to 224,000. This is the second lowest level of claims in the past seven months. Claims jumped to 260,000 in early October with Hurricanes Helene and Milton but have fallen since then. The four-week moving average of claims, which smooths out some of the volatility, fell slightly to 218,250 in the week ending November 30.

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 fell by 25,000 in the week ending November 23 to 1.871 million. The four-week moving average of claims fell by 3,000 in the week ending November 23 to 1.884 million, the second 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.

We expect that payroll jobs rose by 265,000 in November in the BLS report tomorrow morning. This includes about 33,000 Boeing strikers who returned to work and an estimate of 75,000 workers returning to their jobs after being prevented from working in October because of the hurricanes. The three-month average of payroll jobs ending in November should be within a range of 150,000 to

170,000/month. The unemployment rate is expected to remain at 4.1% and average hourly earnings rose by 0.3% in November.

The labor market is in good shape as the end of 2024 approaches. Extremely 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 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.

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