

Initial Claims Rose by 17K in early-December but Remain Near Lowest Level This Year. Continuing Claims Reach a Three Year High.

- **Initial UI claims jumped by 17,000 to 242,000 in the post-holiday week ending December 7.**
- **Continuing claims rose by 15,000 to 1.886 million in the holiday week ending November 30.**
- **Layoffs are low, but businesses are hiring fewer 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 rose by 17,000 to 242,000 in the week ending December 7. This is the highest level of claims since mid-October during the aftermath of the hurricanes. Claims jumped to 260,000 in early October with Hurricanes Helene and Milton but had fallen since then. The four-week moving average of claims, which smooths out some of the volatility, rose by 6,000 to 224,250 in the week ending December 7. This is still near the lowest level in 2024.

Claims rose somewhat in mid-2024, to around 240,000 per week, but had 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 15,000 to 1.886 million in the holiday-week ending November 30. The four-week moving average of claims edged up by 3,500 to 1.888 million in the week ending November 30, 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 two and a half 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.

The labor market is in good shape 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 gradual increase in continuing claims. But the economy is still creating roughly enough jobs to keep up with labor force growth, the unemployment rate is historically low at 4.2% in November.

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