

Initial Jobless Claims Remained at a Low 208K in Late-April and Continuing Claims Fell By 4K to 1.774 million in Mid-April; The Labor Market Remains Strong.

- **Initial claims for unemployment insurance were unchanged at 208,000 in the week ending April 27. The four-week moving fell by 4,000 to 210,000.**
- **Continuing claims were unchanged at 1.774 million in the week ending April 20 and the four-week moving average fell by 4,000 to 1.789 million.**

Initial Unemployment Insurance (UI) claims held steady at 208,000 in the week ending April 27. The four-week moving average of claims, which smooths out some of the weekly volatility in this data set, fell by 4,000 to 210,000. UI Claims have remained unusually steady and low by historical standards signally that the labor market remains strong. The 200,000 mark appears to be a solid floor for the Initial Claims measure, with the weekly results having bouncing upward from that level once reached throughout the second half of 2023 and again in the first four months of 2024.

Continuing claims held steady at 1.774 million in the week ending April 20 from a downward revised 1.774 million in the previous week (was 1.781 million) The four-week moving average of continuing claims, which smooths out some of the weekly volatility in this data set, edged down by 4,000 to 1.789 million from a downward revised 1.793 million in previous week (was 1.794 million).

While UI Claims are still at healthy levels in an historical context, the labor market is becoming better balanced between demand for and supply of workers which will help moderate upward wages pressures, especially as legal immigration has risen by over 1 million in each of the past two years. This is a theme that Chair Powell discussed yesterday at his post-FOMC meeting press conference which PNC thinks will pave the way or rate cuts starting in the third quarter. We expect the first 25 bps funds rate cut at the July 31 FOMC meeting and a second cut at the November meeting.

In tomorrow morning's April employment report, we expect payroll jobs rose by close to 225K, somewhat slower than the 276K average monthly rise in the first quarter (subject to revision). The April unemployment rate likely held steady at 3.8%. Average hourly wages rose by 0.3%, keeping the Y/Y rise at 4.2%. The index of average weekly hours worked held steady after big gains in February and March.

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