2026-8-21

Unemployment claims dip, showing stability in job market

ECO

The Denver Gazette · 21 Aug 2026 · C5 · Reuters

The number of Americans filing claims for unemployment benefits slipped last week, suggesting that the labor market remains stable despite a surprise drop in employment in July and leaving the Federal Reserve in position to keep its focus on containing inflation.

Initial claims for state unemployment benefits fell 6,000 to a seasonally adjusted 206,000 for the week ended August 15 from the prior week's upwardly revised 212,000, the Labor Department said on Thursday. Economists polled by Reuters had forecast 210,000 claims for the latest week.

Some economists had expected an uptick in claims from states affected hardest by recent wildfires, such as Oregon and Washington, but the report showed no evidence of that. Advance measures of new claims in both states fell last week.

Note

Jobless benefits claims appear for now to be anchored in the lower end of their 189,000-230,000 range for this year, indicating that layoffs remain low even if hiring is soft. The latest level is notably lower than it was at this time in each of the last three years, emblematic of a low-hire-low-fire job market.

While the U.S. shed 23,000 jobs in July, the loss was centered in local government education, and the private sector added 30,000 jobs. An aging population driving a wave of retirements and President Donald Trump's immigration policies are shrinking the size of the workforce and allowing a lower level of job creation to keep the unemployment rate steady. The U.S. jobless rate of 4.1% remains near historically low levels.

Note

"Demand for workers remains soft, but the supply of workers has slowed even more – leaving the labor market roughly in balance," Matthew Martin, senior U.S. economist at Oxford Economics, said.

Thursday's report covers the survey week for the employment report for August. While it was 17,000 higher than in the same week for July, which was the lowest level of new claims since 1969, economists saw little to be concerned about from the latest data.

Labor market stability, together with signs of mild inflation, if sustained could allow the Fed to keep interest rates unchanged in September. That remains the current market expectation despite inflation still running above the Fed's 2% target for five years now.

The number of people receiving unemployment benefits after an initial week of aid, a proxy for hiring, rose 18,000 to a seasonally adjusted 1.799 million during the week ended August 8, the claims report showed. The increase reversed a drop of the same amount the prior week and kept continued claims at their relatively low trend level. Like initial claims, they remain well below a year ago at this time.