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Jobless filings rise to 229K, stay historically low

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WASHINGTON · U.S. applications for jobless aid rose modestly last week, but remain at a historically low level despite economic headwinds brought on by the war in Iran.



The number of Americans filing for unemployment aid for the week ending June 6 rose by 4,000 to 229,000, the Labor Department reported Thursday. That's the most since early February, before the U.S. and Israel launched attacks on Iran, but still considered a healthy level. It's also more than the 216,000 new applications forecast by analysts surveyed by the data firm FactSet.

Weekly filings for unemployment benefits are considered a proxy for U.S. layoffs and are close to a real-time indicator of the health of the job market.

Despite concerns that the conflict in the Middle East could further squeeze a flagging labor market, hiring has picked up in recent months following a miserable 2025 that saw fewer than 200,000 job gains. For comparison, about 1.5 million jobs were added in 2024.

U.S. employers delivered a surprising 172,000 new jobs in May and the economy is averaging 188,000 job gains in the three months since the Iran war began in late February. That's the best three months of hiring since early 2024. The unemployment rate remains historically low at 4.3%.

Job openings also rose in April as employers posted 7.6 million vacancies, up from 6.9 million in March and the most since May 2024.

The government reported Wednesday that rising gas prices — triggered by the closure of the Strait of Hormuz off Iran's southern border — pushed U.S. consumer inflation in May to 4.2%, its highest level in three years. Despite recent declines, prices for oil and gas remain elevated, which can squeeze consumers' budgets and make businesses think twice about hiring.

With inflation well above the Federal Reserve's 2% target, most analysts expect officials at the U.S. central bank to stand pat on its benchmark interest rate when they meet next week. That meeting will be the first with new Fed Chair Kevin Warsh, who replaces Jerome Powell after his eight-year run as the U.S. central bank's leader.

Lower interest rates can boost the economy and hiring, but also tend to stoke inflation, leading a number of

Fed policymakers to say they are actually willing to consider an interest rate hike this year. That could potentially help bring inflation down, but higher borrowing costs generally make businesses more reluctant to hire.

Optimism over artificial intelligence has also injected a degree of uncertainty about the job market due to the investment required to develop it and because the powerful technology could alter or even replace some jobs.

Among the companies that have cut jobs recently are Verizon, UPS, Amazon, Disney, Starbucks and Walmart.

Weekly jobless aid applications have stabilized in a range mostly between 200,000 and 250,000 since the U.S. economy emerged from the pandemic recession. However, hiring began slowing about two years ago and tapered further in 2025 due to President Donald Trump's tariffs, his purge of the federal workforce and the lingering effects of high interest rates meant to control inflation.

The Labor Department's report Thursday showed that the four-week moving average of jobless claims, which evens out some of the weekly volatility, rose by 4,250 to 219,000.

The total number of Americans filing for unemployment benefits for the previous week ending May 30 jumped by 24,000 to 1.8 million, slightly more than analysts predicted.