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# Weekly U.S. jobless claims fall to 189,000

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WASHINGTON · The number of Americans filing for unemployment benefits tumbled to their lowest level more than 50 years last week despite a number of economic headwinds including the war in Iran.



U.S. jobless aid applications for the week ending April 25 fell by 26,000 to 189,000, down from the previous week's 215,000, the Labor Department reported Thursday. That's well below the 214,000 new applications analysts surveyed by the data firm FactSet were expecting.

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.

According to High Frequency Economics, this week's number for new jobless aid applications was the fewest since September of 1969. *Note*

"There is nothing to worry about in this report. YET!" HFE's Chief Economist Carl Weinberg wrote in a note to clients. "At some point, elevated energy costs and prices for materials will cause firms to lay off marginal workers to protect profit margins."

Despite dwindling layoffs shown in government data, the Iran war, now in its ninth week, has injected a large degree of uncertainty about how it will affect the U.S. and global economies even as Iran and the U.S. remain under a ceasefire agreement.

U.S. financial markets have rebounded near record levels and prices for a barrel of U.S. crude oil remain elevated around \$104 per barrel. That's better than the \$112 earlier this month, but still 50% higher than before the war began. Gas prices also much higher since the war began — AAA says the national average Thursday was at \$4.30 a gallon — saddling businesses and consumers with higher costs.

Also Thursday, the government reported that a key inflation measure jumped in March as gas prices soared, the latest sign that the Iran war is driving the cost of living sharply higher.

An inflation gauge monitored by the Federal Reserve rose 0.7% in March from February, up sharply from the previous month, the Commerce Department said. Compared with a year ago, prices rose 3.5%, the biggest increase in almost three years.

Excluding the volatile food and energy categories, core inflation also rose.

This comes at a time when U.S. inflation was already above the Federal Reserve's 2% target. On Wednesday, the Fed opted to leave its benchmark rate where it was, citing economic uncertainty caused by instability in the Middle East and persistently high inflation.

Lower interest rates can boost the economy and hiring, but also tend to fuel inflation. Fed officials voted to cut rates three times to close 2025 out of concern for a weakening job market.

More government data released Thursday showed that the U.S. economy expanded at a modest 2% pace from January through March. That's up from a lackluster 0.5% expansion the last three months of 2025, hampered by the 43-day government shutdown.

The Labor Department reported earlier this month that U.S. employers added an unexpectedly strong 178,000 new jobs in March, nudging the unemployment rate back down to 4.3%. That followed a surprisingly large loss of 92,000 jobs in February. Revisions also have trimmed 69,000 jobs from December and January payrolls, a sign that the labor market remains under strain.

A number of high-profile companies have cut jobs recently, including Morgan Stanley, Block, UPS, Amazon and several other tech companies.

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 erratic tariff rollouts, his purge of the federal workforce and the lingering effects of high interest rates meant to control inflation.

Employers added fewer than 200,000 jobs last year, compared with about 1.5 million in 2024, according to the data firm FactSet.

The American labor market appears stuck in what economists call a "low-hire, low-fire" state that has kept the unemployment rate historically low, but has left those out of work struggling to find a new job. The recent artificial intelligence boom and the investment required to develop it is also making companies reluctant to hire.

The Labor Department's report Thursday showed that the four-week moving average of jobless claims, which evens out some of the weekly volatility, came in at 207,500, about 3,500 lower than the previous week.

The total number of Americans filing for unemployment benefits for the previous week ending April 18 fell to 1.79 million, a decrease of 23,000.