

2026-9-25

U.S. weekly jobless claims hover near 57-year lows, Labor Department says.

The Denver Gazette · 25 Sep 2026 · C1 · Reuters

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WASHINGTON · New claims for U.S. unemployment benefits hovered near 57-year lows last week, suggesting the labor market was regaining momentum after struggling through much of summer and appears for now to be weathering headwinds from the Middle East conflict.



The weekly jobless claims report from the Labor Department on Thursday, the most timely data on the economy's health, also suggested the unemployment rate remained steady at 4.1% this month. The number of people collecting unemployment checks was near three-year lows during the week that the government surveyed households for September's jobless rate, even as the U.S.-Israeli war with Iran has raised energy prices, with diesel hitting record highs.

"It is a race against time perhaps as energy prices have kicked up again as the Iran war stretches on and the economy could always suffer through a soft patch in demand," said Christopher Rupkey, chief economist at FWDBONDS. "But in mid-September the economy seems to be firing on all cylinders in part due to the extraordinary capex expenditures on AI." *Note*

Initial claims for state unemployment benefits slipped 1,000 to a seasonally adjusted 197,000 for the week ended Sept. 19, the Labor Department said on Thursday. Economists polled by Reuters had forecast 201,000 claims for the latest week. Claims are near levels last seen in 1969. *- Note*

Economists have partly attributed the glide lower to difficulties seasonally adjusting the data around moving holidays like Labor Day. They have also noted what they refer to as residual seasonality that

tends to push claims lower as the year winds down. Still, the underlying trend in claims remains in line with a labor market that has regained its footing after stumbling through much of the summer, anchored by low layoffs.

The four-week moving average of claims, which irons out week-to-week volatility, fell 1,750 to 202,250 last week. Low layoffs account for much of the labor market stability, with companies not in a rush to boost headcount.

While companies are hoarding workers, they remain hesitant to ramp up hiring, with economists blaming uncertainty stemming from the Iran war as well as tariffs on imports. Worker shortages as an immigration crackdown and retirements shrink the labor supply are also hindering hiring. A survey from S&P Global on Wednesday noted that companies in September were “also reporting increasing problems finding suitable staff.”