



Economics Group

Sarah House, Senior Economist
sarah.house@wellsfargo.com • (704) 410-3282

Jobless Claims Inch Along in the Right Direction

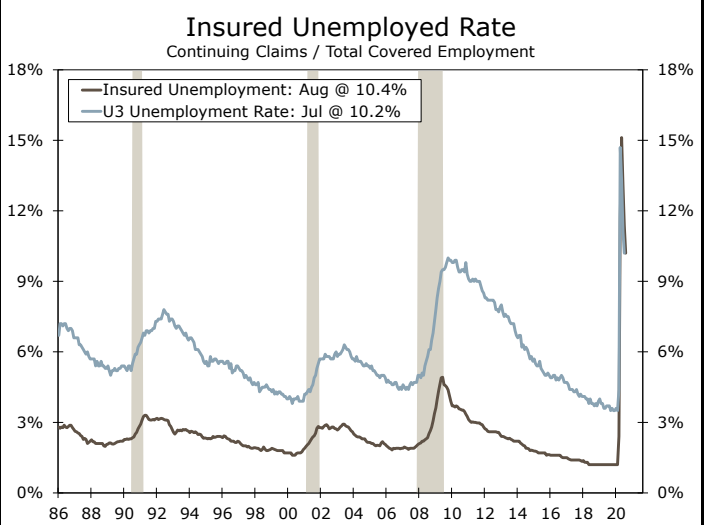
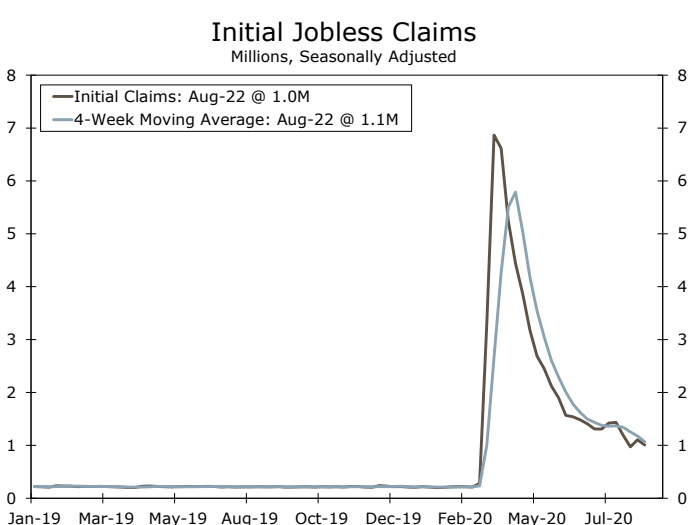
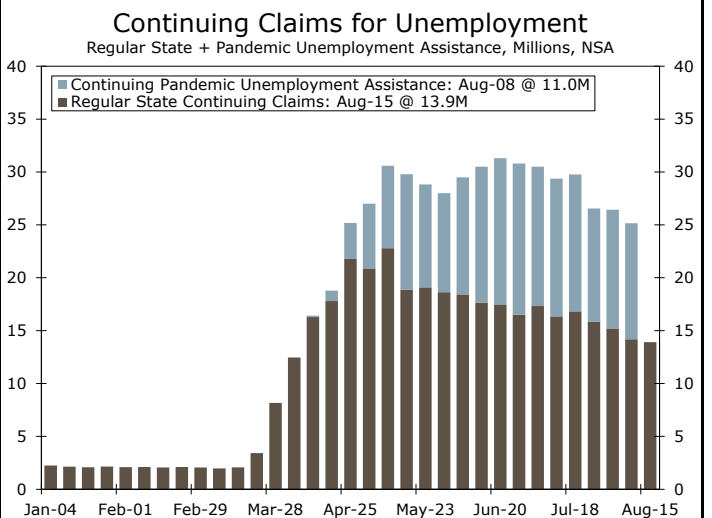
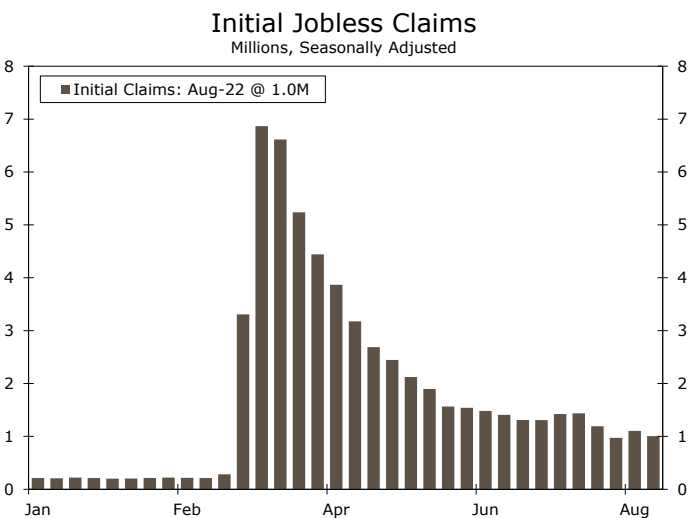
Initial jobless claims fell to 1.0M last week as the labor market gradually improves. Yet, the up and down moves of recent weeks underscore that the recovery will be slow-going as long as the virus continues to circulate.

Regular Claims Down but Pandemic Claims Up

- Initial jobless claims edged down the week ending Aug. 22 after having risen the prior week. While claims have moved up and down in recent weeks, on net, the trend is improving—but only gradually. New claims for regular state benefits came in right at 1.0M, still higher than any week during the Great Recession.
- Ongoing weakness is also evidenced by rising claims for the PUA program, which covers gig and self-employed workers.

A Dent, but Only a Small One

- The drop in initial claims shows that the labor market is heading in the right direction, but there remains a long way to go. The number of people collecting regular state unemployment benefits ticked down the week ending August 15 to 14.5M, but still points to unemployment remaining over 10%.
- The snail's pace of improvement in claims suggests that the next leg of the labor market's recovery will be much slower going.



Source: U.S. Department of Labor and Wells Fargo Securities

Wells Fargo Securities Economics Group

Jay H. Bryson, Ph.D.	Chief Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	International Economist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Tim Quinlan	Senior Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Azhar Iqbal	Econometrician	(212) 214-2029	azhar.iqbal@wellsfargo.com
Sarah House	Senior Economist	(704) 410-3282	sarah.house@wellsfargo.com
Charlie Dougherty	Economist	(704) 410-6542	charles.dougherty@wellsfargo.com
Michael Pugliese	Economist	(212) 214-5058	michael.d.pugliese@wellsfargo.com
Brendan McKenna	International Economist	(212) 214-5637	brendan.mckenna@wellsfargo.com
Shannon Seery	Economist	(704) 410-1681	shannon.seery@wellsfargo.com
Jen Licis	Economic Analyst	(704) 410-1309	jennifer.licis@wellsfargo.com
Hop Mathews	Economic Analyst	(704) 383-5312	hop.mathews@wellsfargo.com
Coren Burton	Administrative Assistant	(704) 410-6010	coren.burton@wellsfargo.com

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