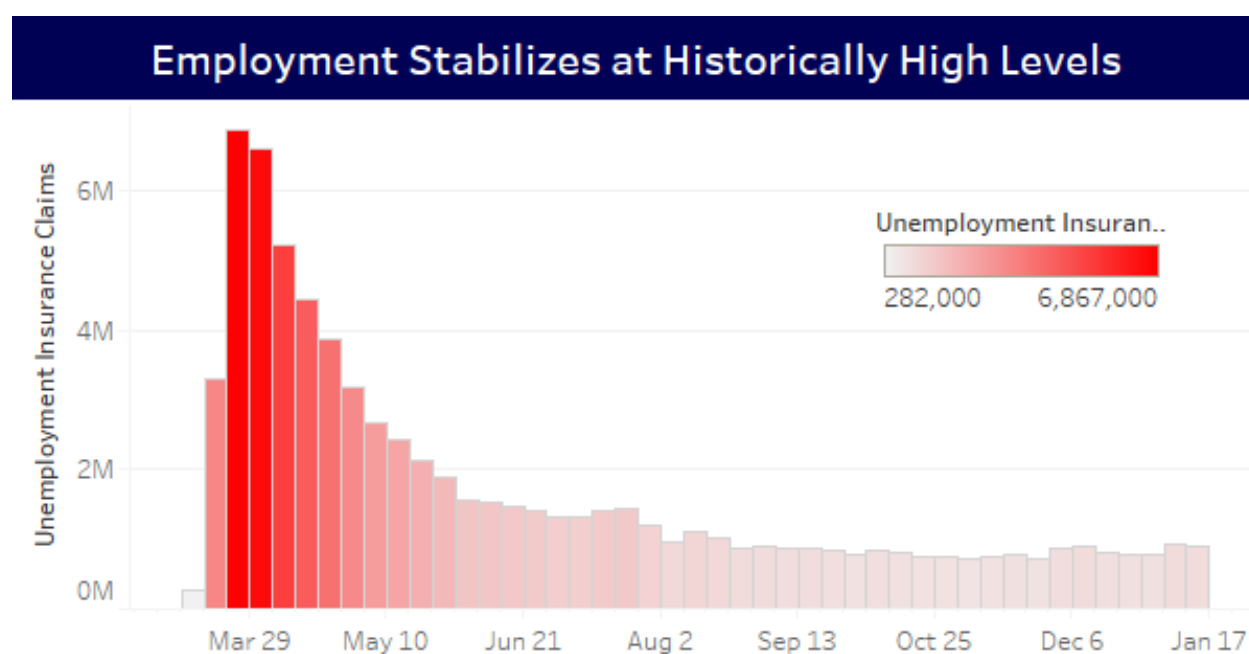


## What to Expect from the January Jobs Report

As we approach the end of the month, it's worth checking in on the job situation. We will get the January jobs report next Friday from the Bureau of Labor Statistics. In December, the economy lost 140,000 jobs. The weekly [unemployment claims data from the Department of Labor](#) gives us an indication of what we might see in that January report.

**By the numbers:** The initial claims data have been concerning of late. Initial claims had dipped to their lowest pandemic levels in the last week of December and the first week of January at 782,000 and 784,000, respectively. For the weeks ending January 9 and 16 claims spiked to 926,000 and 900,000. This is the highest they have been since late August, when claims finally fell below 1 million.

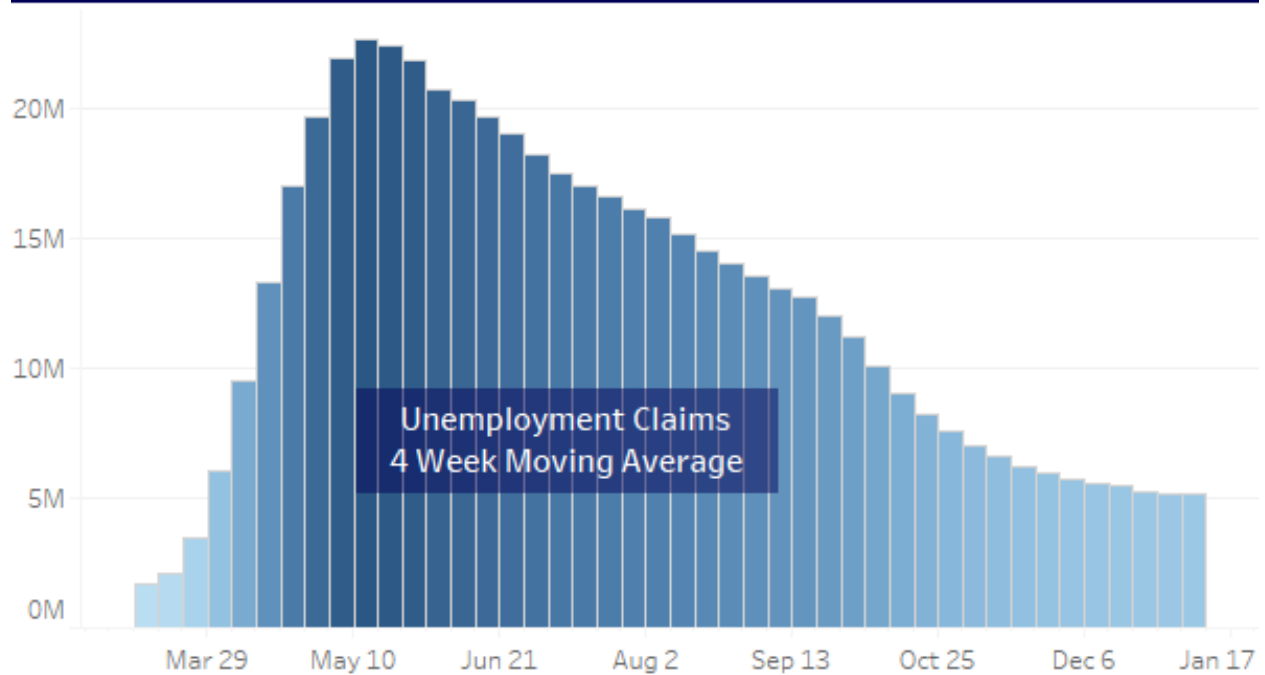


Higher benefits, passed at the end of December, may have something to do with the surge in claims. But a weakening job market caused by higher COVID-19 case levels is also driving claims higher. The elevated claims mean we could see another month of job losses in January.

**Go deeper:** To get a more complete view of unemployment claims it's necessary to look at continuing claims as well. Those include all those who have filed, minus those that are no longer receiving benefits because they have gone back to work or have exhausted the weeks they can receive benefits.

Continuing claims have been dropping steadily, even as initial claims have spiked. The four-week moving average of continuing claims fell 127,000 for the week ending January 9. This is a good sign that people are going back to work, even if the decline is in part driven by longer-term unemployed people having run out of benefits.

## Continuing Unemployment Claims Falling Steadily



**Bottom line:** The job market will remain rocky as virus levels remain high. When virus cases drop as vaccinations rise, and more states open their economies, it will improve.

—Curtis Dubay, Senior Economist, U.S. Chamber of Commerce