

Jobless Benefits Drop, Signaling Growth-Heavy 2011

Christopher S. Rugaber, AP Economics Writer

WASHINGTON (AP) — Fewer people applied for unemployment benefits last week, adding to evidence that layoffs are slowing and employers may be stepping up hiring.

The number of people seeking benefits dropped by 5,000 to a seasonally adjusted 382,000 in the week ended March 19, the Labor Department said Thursday.

The fourth decline in five weeks lowered the four-week average to 385,250, the fewest for that measure since July 2008. The four-week average has fallen almost 11 percent in the past seven weeks.

Applications at about 375,000 or below indicate a sustained increase in hiring. Applications peaked during the recession at 651,000. Weekly applications for unemployment benefits are considered a gauge of the pace of layoffs.

"The economy is getting better, demand is growing," said Dan Greenhaus, chief economic strategist at Miller Tabak. "There is only so much companies can do with their existing payrolls. At some point they have to expand."

Private-sector employers could add as many as 200,000 net new employees in March, Greenhaus said. That's similar to February's gain, which was the most in almost a year.

Separately, companies ordered fewer long-lasting manufactured goods last month, purchasing fewer computers, machines and primary metals. The Commerce Department said Thursday that orders for durable goods dropped 0.9 percent in February, the fourth decline in the past five months. A key category that measures business investment fell for the second straight month.

The number of people receiving unemployment benefits fell for the fifth straight week to 3.7 million. But that doesn't include 4.3 million people who are receiving extended benefits under emergency federal programs enacted during the recession.

As applications have fallen, hiring has started to pick up. The economy added a net total of 192,000 jobs in February, the most in nearly a year. Many economists are expecting similar gains in March.

The unemployment rate fell to 8.9 percent last month, the lowest since April 2009. Still, more hiring is needed to rapidly reduce the unemployment rate. More than 18 months after the recession ended, the economy has about 7.4 million fewer jobs

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

than it did before the recession began in December 2007.

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AP Economics Writer Martin Crutsinger contributed to this report.

Source URL (retrieved on 05/03/2015 - 6:33am):

<http://www.impomag.com/news/2011/03/jobless-benefits-drop-signaling-growth-heavy-2011>