Unemployment Aid Requests Near 3-Month High

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WASHINGTON (AP) — The number of people seeking U.S. unemployment benefits remained stuck near a three-month high last week, a sign that job gains will likely remain modest.

The report disappointed economists, who had forecast a decline in unemployment applications. Even so, most analysts think employers will add about 175,000 jobs this month. That would be more than in March but less than the robust job growth achieved during the winter.

Last week, applications for unemployment aid dipped to a seasonally adjusted 388,000, the Labor Department said Thursday. That was little changed from the previous week's figure, the highest since Jan. 7.

The four-week average, a less volatile figure, rose to 381,750, also the highest in three months. When applications fall below 375,000, it generally suggests that hiring will be strong enough to lower the unemployment rate.

The figures "aren't bad; they're just not as good as they have been," said Jonathan Basile, an economist at Credit Suisse.

Applications jumped sharply three weeks ago, a sign that employers had stepped up layoffs and added fewer jobs. Economists said the increase might have been inflated by temporary layoffs during the spring holidays, when many school employees are laid off.

But applications haven't dropped back since then. And the consensus estimate that the economy will have added about 175,000 jobs in April is well below the average of 250,000 jobs added each month from December through February.

The rise in applications follows a report this month that hiring slowed in March, when employers added only 120,000 jobs.

Still, many economists suggested that weather distorted the March jobs report. A warmer winter likely pulled some hiring that normally would have occurred last month into January and February.

Federal Reserve Chairman Ben Bernanke agreed Wednesday that weather has likely disrupted recent data.

The warm winter "made perhaps January and February artificially strong and March perhaps artificially a little bit weak," he said at a news conference. "I wouldn't draw too much conclusion from the March report."

Despite the slowing improvements, the job market appears healthier than it did last year. The unemployment rate has fallen to 8.2 percent from 9.1 percent in August.

Part of the drop was related to people gave up looking for work. People who are out of work but not looking for jobs aren't counted among the unemployed.

Economists note that unemployment benefit applications remain lower than they were last year. The government's report next week on April employment should help clarify the jobs picture.

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