

U.S. Unemployment Claims Fell Last Week To 382K

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WASHINGTON (AP) — The number of Americans seeking unemployment benefits fell only slightly last week to a seasonally adjusted 382,000. The level suggests hiring remains weak.

The Labor Department said Thursday that applications declined by 3,000 from the previous week, which was revised up. The four-week average, a less volatile measure, rose for the fifth straight week to 377,750, the highest level in nearly three months.

Applications were skewed higher two weeks ago by the fallout from Hurricane Isaac. A Labor Department spokesman said there were no special factors last week.

Weekly applications are a proxy for layoffs. When they consistently fall below 375,000, it typically suggests hiring is strong enough to lower the unemployment rate.

Employers added only 96,000 jobs last month, below the 141,000 in July and much lower than the average 226,000 added in the first three months of the year. Recent job gains are barely enough to keep up with the growth of the working age population and aren't enough to rapidly drive down unemployment.

"Businesses clearly remain reluctant to aggressively boost their workforces," said Jim Baird, chief investment strategist at Plante Moran Financial Advisors, in a note to clients.

The unemployment rate dropped in August to 8.1 percent from 8.3 percent. But that was only because fewer people were looking for jobs. The government only counts people as unemployment if they are actively looking for work.

The number of people receiving unemployment aid fell sharply earlier this month. About 5.2 million people received benefits the week ending September 1, the most recent data available. That's a drop of about 220,000 from the previous week.

The economy isn't growing fast enough to support much more hiring. It grew at a tepid 1.7 percent annual rate in the April-June quarter, down from 2 percent in the January-March quarter and 4.1 percent in the final three months of last year.

Growth isn't likely to get much better for the rest of this year. Economists expect the economy to grow at a roughly 2 percent pace.

High unemployment and sluggish growth prompted the Federal Reserve last week

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to announce several major steps to boost the economy. Chairman Ben Bernanke said the Fed will buy \$40 billion of mortgage-backed securities a month until there is "substantial" improvement in the job market.

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