Weekly U.S. Jobless Aid Applications Drop To 343K

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WASHINGTON (AP) — The number of Americans seeking unemployment benefits fell sharply for a fourth straight week, a sign that the job market may be improving.

The Labor Department said Thursday that weekly applications for unemployment benefits fell 29,000 last week to a seasonally adjusted 343,000, the lowest in two months. It is the second-lowest total this year.

Applications are a proxy for layoffs, so the drop indicates that companies are cutting fewer jobs. But employers also need to step up hiring to rapidly push down the unemployment rate.

Applications spiked five weeks ago because of Superstorm Sandy. The storm's impact has now faded. The four-week average, a less volatile measure, fell 27,000 to 381,500. Before the storm, applications had fluctuated between 360,000 and 390,000 this year.

The storm had little effect on overall hiring in November. Employers added 146,000 jobs last month, the government said last week. That's about the same as the average monthly gain of 150,000 in the past year.

The unemployment rate fell to 7.7 percent — a four-year low — from 7.9 percent in October. But the decline occurred mostly because more people without jobs gave up looking for work. The government counts people without jobs as unemployed only if they're actively seeking one.

The department also said Tuesday that employers posted the most open jobs in four months in October. That suggests that hiring could pick up a bit in the coming months.

But some companies may postpone hiring this month because of concerns over the "fiscal cliff," the package of tax increases and spending cuts scheduled to take effect next year. If all the changes in the cliff take effect for a full year, economists forecast it would push the economy into recession.

President Barack Obama and House Speaker John Boehner are negotiating a potential deficit-reduction deal that would avert the cliff. The goal is to complete an agreement by the end of the year, though talks could continue into January.

Most economists say that if the tax increases and spending cuts are in effect only temporarily while a budget agreement is in sight, the damage to the economy would be minor.

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