

U.S. Unemployment Benefit Applications Fall To 343K

Christopher S. Rugaber, AP Economics Writer

WASHINGTON (AP) — The number of Americans applying for unemployment benefits fell 5,000 to a seasonally adjusted 343,000 last week, a sign that employers are adding jobs at modest pace.

The less volatile four-week average dipped 750 to 345,500, the Labor Department said Wednesday.

Weekly applications for unemployment benefits are a proxy for layoffs. The four-week average has fallen 9 percent in the past year.

Job growth has been stable. A separate report showed that companies stepped up hiring in June, a hopeful sign ahead of Friday's employment report for last month.

Payroll provider ADP said businesses added 188,000 jobs in June, up from 134,000 in May and the most since February. Construction firms added 21,000 jobs, a sign the housing recovery is boosting hiring. Small businesses — those with less than 50 employees — added 84,000 jobs.

ADP's survey has frequently diverged from the government's figures. Still, Jennifer Lee, an economist at BMO Capital Markets, said the report and the low number of unemployment benefits were encouraging.

Economists forecast that Friday's report will show the economy added 165,000 jobs in June. That's slightly below the 175,000 gain in May, which was in line with the monthly average over the past two years.

The unemployment rate likely stayed at 7.6 percent.

Nearly 4.6 million Americans received unemployment benefits in the week that ended June 15, the latest period for which data is available. That's about the same as in the previous week. The total number of recipients has fallen 22 percent in the past year.

More hiring could help the economy grow faster later this year. The economy expanded at only a 1.8 percent annual rate in the January-March quarter. Most analysts think it grew at a similarly tepid annual pace between 1.5 percent and 2 percent in the April-June period.

Recent reports have raised hopes for a stronger second half of the year.

A survey by the Institute for Supply Management showed that manufacturing

U.S. Unemployment Benefit Applications Fall To 343K

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

activity expanded in June after shrinking in May. Measures of new orders and production rose. Still, a gauge of hiring fell, indicating that factories cut jobs for a fourth straight month.

A separate report from the Commerce Department said U.S. factories fielded more orders for computers, machinery and other goods in May. And a measure of business investment increased for the third straight month.

The housing recovery continues to strengthen, which should help boost construction jobs. A measure of home prices rose in May from a year ago by the most in seven years, while sales of previously occupied homes surpassed the 5 million mark for the first time in 3 ½ years.

And consumers continue to help the economy with their spending, despite higher taxes that have reduced their take-home pay this year. Spending at retail businesses rose in May. And the improving job market has lifted consumer confidence to its highest point in 5½ years.

Source URL (retrieved on 04/01/2015 - 10:14pm):

<http://www.impomag.com/news/2013/07/us-unemployment-benefit-applications-fall-343k>