

## US JOBLESS CLAIMS RISE UNEXPECTEDLY



More Americans than were forecasted filed applications for unemployment benefits during the holiday-shortened week, signaling limited recovery in the labor market. The Labor Department figures showed today in Washington that the jobless claims climbed by 6,000 to 402,000 in the week ended November 26 that included the Thanksgiving holiday. The median forecast of the 43 economists that were surveyed by Bloomberg News called for a drop to 390,000. The number of people on the unemployment benefit rolls and those getting extended payments increased. Some of the companies are trimming their staff and others are reluctant to add workers until the demand picks up and there's more clarity on tax breaks due to expire at year-end. Faster hiring is needed to spur consumer spending, which accounts for around 70 percent of the economy, and reduce a jobless rate stuck near 9 percent, that's a concern for Federal Reserve officials. "Companies are still in a mode of hiring based on absolute need," said Russell Price, who is the senior economist at Ameriprise Financial Inc. in Detroit. "They're not adding a whole lot of workers for future growth. Employers are waiting to see what happened with the payroll tax cut." According to the survey median, the jobless benefits applications were projected to decrease from 393,000 initially reported for the prior week. The estimates ranged somewhere from 380,000 to 415,000. The Labor Department revised the figures from the prior week up to 396,000. Stock-index futures were changed very little after the report. At 8:33 am yesterday in New York, the contract on the Standard & Poor's 500 Index, expiring this month, declined 0.1 percent to 1,244.5. A Labor Department spokesman said that there was nothing unusual in the state level data last week. The spokesman said that because of the holiday, the seasonal-adjustment factors projected claims would drop by about 75,000, instead they fell by about 70,000, pushing up the adjusted reading. It is often difficult to account for the effect of holidays on the weekly claims. The data from Thursday showed the four-week moving average, a less volatile measure than the weekly figures, rose to 395,750 last week from 395,250, which was a seven-month low. In the week ended November 19, the number of people continuing to receive jobless benefits climbed by 35,000 to 3.74 million. Those who have used up their traditional benefits and are now collecting emergency and extended payments increased by about 69,500 to 3.52 million in the week ended November 12. Some employers see the need for more employees. Williams-Sonoma Inc. (WSM), who is a retailer of high-end home goods, raised its annual profit forecast and will "continue to look for a few key jobs" in online sales, said Chief Executive Officer Laura Alber, in a November 17 conference call with analysts. Vail Resorts Inc. (MTN) is among those that are trimming their workforce. On Thursday, the Broomfield, Colorado-based owner of ski resorts said that it plans to make "selected staff reductions" as it reorganizes.

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