

UNEMPLOYMENT CLAIMS DIP



As we creep closer and closer to 2012, the outlook for the United States job market seems to be getting brighter as we speak. Compared to three months ago, fewer and fewer people are looking for unemployment benefits, which is a sign that layoffs are dropping at an alarming rate. Last week, the number of citizens who applied for unemployment benefits dropped to 366,000, which is the smallest amount since May of 2008. Should the number of people seeking unemployment benefits stay that low, it would signal that hiring is strong enough to lower the unemployment rate for the country. The unemployment rate for the United States is hovering at 8.6 percent right now. When applications for unemployment benefits were this low the last time, the rate was 5.4 percent. The question on everyone's mind now is if the lower amount of layoffs will translate into robust hiring for the country. Despite job growth rising consistently each of the past couple of months, this has yet to happen. "Labor market conditions have taken a turn for the better in recent weeks," Michael Gapen, an economist at Barclays Capital, said in a note to clients, according to the Camden Courier-Post. "Payroll growth should improve in the coming months." As the economy picks up, the downward trend of unemployment claims shows that companies are cutting fewer and fewer employees. This data comes at an interesting time, as congress is working on trying to figure out whether to extend unemployment benefits, which are slated to expire at the end of the year. In the final three months of the year, growth for jobs is expected to top 3 percent. In the July-September quarter, growth topped out at 2 percent. In the month of November, companies added 120,000 jobs as the unemployment rate fell from 9 percent to 8.6 percent. The 8.6 rate is the lowest for the country in two and a half years. Close to half of that decline was a result of those who were unemployed giving up on finding a job. When someone stops looking for a new job, that person is no longer counted as an unemployed person. According to the government, companies posted fewer jobs in the month of October than in the previous month, but the decline in jobs posted was modest. When the recession ended in June of 2009, job openings have risen since then by roughly 35 percent, but they are still 25 percent under levels prior to the recession. Roughly 6.7 million Americans are receiving unemployment benefits right now, with 2 million of them losing those benefits by the middle of February if the emergency benefit program is not extended. The country's lawmakers cannot seem to agree on how long the benefits should last. The House of Representatives passed a Republican bill on Tuesday of this week that would renew the emergency benefits but lower the max number of weeks to 59. The current number of weeks to receive benefits is 99 weeks. The Democrats want to keep it at 99 weeks.

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