

## U.S. UNEMPLOYMENT RATES HIT 4-YEAR LOW



Last week, the unemployment rates fell to the lowest point in four years raising hopes for the economy. The Labor Department reported that a seasonal adjusted 351,000 people had applied for unemployment aid against 353,000 people from the week before. So, taking into account the low unemployment rate three weeks ago, the unemployment rate twice touched 4-year lows within 4 weeks. Things are definitely looking brighter. The four-week average of applications was, correspondingly, on a 4-year low last week, at 354,000. Most economic experts expected February to be a strong month for hiring, what with the shadow of IBM mass layoffs and annual ritual of teacher layoffs across the nation. In January, the economy added 243,000 net jobs, the highest in nine months and the unemployment rate fell to 8.3 percent, the lowest in three years. However, the growth in the number of jobs is not accompanied by growth in pay rates, and with inflation and oil prices making things dearer, the chances of consumer spending being low and setting off a vicious cycle of less money-less purchase-less sales-less jobs-less money into action. However, there have been some positive sightings and the economy has been reported to have grown by 3 percent over the last three months compared to a simultaneous contraction of economy in Europe. However, the economy has to grow a lot before the figure of 13 million jobless people and 8.3 percent unemployment rate reduces to respectable proportions. Industry experts say one of the main reasons for apparent lowering of unemployment can be due to the fact that many people have given up searching for work and the federal government only counts those unemployed who are actively making job searches. And of course, what in traditional economy was taught as 'concealed unemployment' has hit the U.S. shores. 'Concealed unemployment' is a phenomenon predominant in underdeveloped countries where people work in jobs that pay much less than what is required for the worker to maintain a household and his/her responsibilities independently. It is existence supplemented by drawing upon a common pool of family resources where there may be several people with similar earnings all contributing and sharing from a common economic pool. It is counted as gainful employment according to statistics, but is insufficient for independent existence.