

NEW CLAIMS FOR UNEMPLOYMENT AT LOWEST POINT IN FOUR YEARS



Unemployment is continuing its slow decline. The number of people making new claims for unemployment benefits fell to its lowest point in four years. New claims for the week ending March 17th totaled 348,000, which is 5,000 less than last week's 353,000 – despite some experts predicting an increase. According to the Department of Labor (DOL), this number of claims has not been this low since February of 2008. The four-week moving average showed a similar drop of 1,250 from the previous estimation. DOL statistics show the insured unemployment rate at 2.6 percent for the week ending March 10th, decreasing 0.1 percent from the previous week. The insured unemployment now stands at 3,352,000, which fell 9,000 from the prior week – an amount so low that it hasn't been seen since August of 2008. The four-week moving average for insured unemployment looks even more promising, dropping 13,000 to mark a new total at 3,385,750. For the week ending March 3rd, the total number of people claiming benefits in all programs was 7,281,541, which had fallen 142,499 from the week before. The unadjusted data for the week ending March 17th currently shows comparable results. Companies added 227,000 jobs last month, with the preceding three months seeing an accumulation of 734,000 new jobs available. Employment terminations have reportedly been decreasing as well, and businesses seem more susceptible to augmenting their workforces. More people with jobs will hopefully instigate consumer spending, which is roughly 70 percent of the economy. "The labor market is clearly getting better," said Joseph LaVorgna, chief U.S. economist at Deutsche Bank Securities, Inc. in New York. "We're seeing much fewer layoffs. This coincides with an increase in hiring." The Federal Reserve Bank reiterated LaVorgna's positive outlook. The U.S. central bank released a statement claiming that "labor market conditions have improved further" and that "the unemployment rate has declined notably in recent months but remains elevated." For the week ending March 10th, the states of Kentucky, Puerto Rico, Alabama, North Carolina and Tennessee saw increases in new claimants. California, Illinois, Florida and Pennsylvania all had drops in initial claims, but New York had the biggest drop with a total of 14,222 fewer new claims. Each of the states seeing declining numbers noted "fewer layoffs" in service industries, with New York citing improvement in transportation and education services, Florida in construction, manufacturing, trade and retail, and Pennsylvania in scientific and technology services, healthcare and social service industries. Long-term unemployment is still a concern, and of the 12.8 million Americans out of work in February, 43 percent of them have been looking for work for more than six months. At the beginning of this month, extended benefits had been available for the majority of states, but as many have witnessed the decline in unemployment and the jump in employment opportunities, this is sure to change over the next few months.

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