

UNEMPLOYMENT APPLICATIONS DECLINE



The amount of people in the United States who have applied for unemployment benefits has actually declined for the first time within the past five weeks. However, the decline shows that job growth is still sluggish and in general, hiring levels are not where they should be. Earlier on in the week, the Labor Department announced that the number of applications for unemployment benefits had decreased by 12,000 applications but this is still not considered to be any sort of major growth. The unemployment applications are measured based on the number of layoffs that take place. When the number of unemployment claims is lower than 375,000 for a typical week, it is possible that there has been enough improvement to the point that the unemployment rate would also decline a bit. The labor market is, in fact, stronger than it was at this point in time during 2011 but it is still not something to brag about. The labor market is starting to become more stable but many still worry, since the labor market and the economy still seem sluggish. A chief economist for Insight Economics, Steven A. Wood, says that the labor market is not, in any way, shape or form, robust. In fact, the government recently announced that during the month of May, employers had only added about 69,000 jobs, which was the least amount of jobs created for the entire year of 2012 so far. And, to make matters worse, the unemployment rate increase between the months of April and May, going from 8.1 percent to an adjusted 8.2 percent. Within the past few months, there has been a slowdown of hiring and, on average; only about 96,000 jobs have been made available per month. While the number of people who receive unemployment benefits is declining, it is believe that it is for other reasons, aside from these individuals finding employment. For example, the extended benefit program is coming to an end in a number of different states, which means people who were still on unemployment for quite a while are now being cut off and will no longer receive the benefits that they were depending on. The economy is still struggling to pick back up to where it left off, prior to the recession, which officially ended during the summer of 2009. And, because the economy is not up to par, consumers are watching their spending as well. The Labor Department believes that hiring will improve shortly but some people are not so optimistic about the prospect, especially since there have been so many struggles within the labor market. The economy did improve during the spring of this year but even with minor improvements, there have been some setbacks.