

UNEMPLOYMENT JUMPS (SEASONAL WORKERS LAID OFF)

 BUREAU OF LABOR STATISTICS

Once again we have news that puts us into the good news, bad news situation when it comes to unemployment. The bad news is that there was an uptick this week in the number of people who were filing for unemployment insurance benefits. That means more people are out of a job. The good news is that these jobs that were cut primarily were seasonal retail hires. As anyone who has worked in retail over the holidays can tell you droves of employees are brought on, with a temporary status, to help employers get through the busy season. So these people who are at out of work at least knew that their positions would be gone after the holiday rush. The number of applications rose to the highest numbers in the previous six weeks. The actual raise was by about 24,000 applications, which brings the seasonally adjusted number to 399,000 applications according to the U.S. Department of Labor. As you can imagine this type of laying off has not caused much a stir among unemployment specialists, since it happens every year around this time. Those who did make comment on the increase in unemployment applications were quick to point out that this jump is not part of an overall trend. As a matter of act comes at a time when the total number of unemployment applications is lower that it has been in three years. Adding to that is the fact that claims have been lower than 400,000 for the last nine out of 10 weeks. It is not surprising that many of those people who are unfamiliar with the finer points of the data may be confused. After all reports often come out with seemingly contradictory data. Take for example our [earlier coverage](#), which also cited Bureau of Labor statics: "According to a newly released data the number of people who have filed a claim for unemployment benefits has actually risen. It is important to note that while this is the first increase in the past four weeks, and the three weeks before there was a significant decline, this growth is claims is not encouraging. The number of weekly applications has increased by about 15,000 to a seasonally adjusted number of 381,000, according to information released by the Labor Department on Thursday. Though as you may recall the four week numbers for unemployment claims are generally seen to be a more stable measure of the economy, and due to the three weeks prior they are still looking very good." When looking at these reports one has to understand that, while the data may be valid, the week-to-week measures of unemployment are considered very volatile by economists. The four-week rate is considered much more stable. It is the larger trends that determine the number we all watch, the unemployment rate. So why do we keep the weekly rates? Because they give a current snap shot of joblessness, and when put together they show a long-term picture. For example, when the applications per week are dropped below 375,000 on a regular basis the unemployment rate will go down again.

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