

A line worker assembles an engine for a Ford Focus at the Ford Michigan Assembly plant in Wayne, Mich. The number of people applying for unemployment benefits has dropped to its lowest level since April 2008. PAUL SANCYA/AP

Fewest layoffs since '08 as economy strengthens

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By Martin Crutsinger
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Kevin Offield welds a tank at JV Northwest, in Canby, Ore. JV Northwest makes stainless steel vessels. The recent drop in unemployment benefits claims reflects a strengthening job market. RICK BOWMER/AP

WASHINGTON — The job market is getting healthier, adding to evidence that the U.S. economy is improving as 2011 nears an end. The number of people seeking unemployment benefits fell last week to its lowest level since April 2008, the government said; the report suggested layoffs are slowing further and that employers may be ready to hire more aggressively in 2012.

A gauge of future economic activity also rose sharply last month. And the economy is thought to be growing in the current quarter far faster than the 1.8 percent annual rate Washington now estimates for last summer.

"The economy is carrying some clear momentum into 2012," said economist Joel Naroff of Naroff Economic Advisors. "The consistent decline in the weekly lines at the unemployment offices is pointing to a firming in the labor markets, fewer layoffs, more jobs being added and most importantly, a decline in the unemployment rate."

First-time applications for unemployment benefits last week fell 4,000 to a seasonally adjusted 364,000, the Labor Department said Thursday. It's the third straight weekly drop. The four-week moving average, a less volatile gauge, fell for the 11th time in 13 weeks. At 380,250, it's the lowest since June 2008.

Unemployment applications reflect the pace of layoffs. Job cuts have fallen sharply since the recession, though many employers have been slow to hire more freely.