

Scott Marshall, top, of Calhoun, Ga., files for unemployment Aug. 22 in Dalton, Ga. DAVID GOLDMAN/AP

Hiring outlook improves as jobless claims drop

Analysts temper outlook on Aug. payroll growth

By Christopher S. Rugaber
Associated Press

WASHINGTON — Fewer Americans sought unemployment benefits last week, and a private survey showed businesses stepped up hiring in August. The data sketched a brighter outlook for the job market a day before the government reports on August employment.

Weekly applications for unemployment benefits fell by 12,000 to a seasonally adjusted 365,000, the Labor Department said Thursday. The four-week average, a less volatile measure, ticked up to 371,250.

Unemployment benefit applications are a measure of the pace of layoffs. When they consistently fall below 375,000, it suggests that hiring is strong enough to lower the unemployment rate.

Separately, payroll provider ADP said businesses added 201,000 jobs last month. That's the most reported by the survey since March. And ADP said job growth in July was stronger than first thought: Employers created 173,000 jobs — 10,000 more jobs than the group reported last month.

Despite the positive signals, most economists tempered their expectations for August payroll growth. The ADP survey only covers hiring in the private sector and excludes government job growth. The Labor Department's report today will offer a more complete picture. The two surveys reported roughly the same private-sector job creation in July. But they have diverged sharply in previous months.

And the drop in applications likely won't affect the August jobs report, set to be released today. The data for that report were compiled three weeks ago. But it could signal better hiring in September.