

Is there light in the economic tunnel?

Weekly new jobless claims drop slightly

WASHINGTON (AP) — Nearly 5 million Americans continued to draw jobless benefits late last month, and new requests again exceeded 600,000 as companies lay off scores of workers amid a deepening recession.

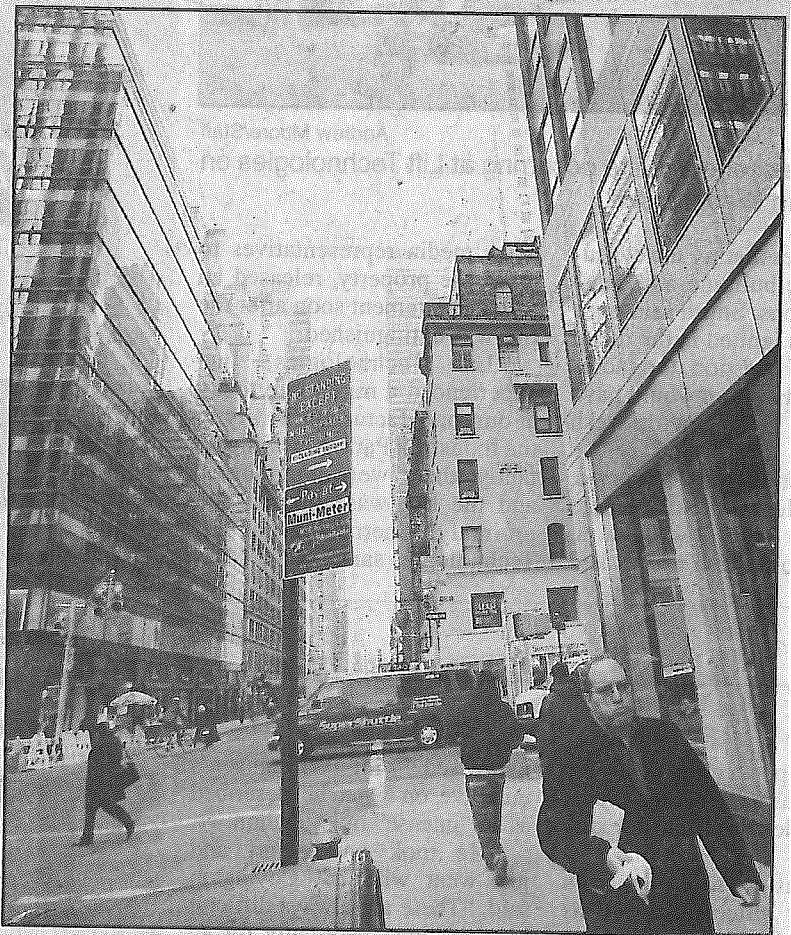
However, the Labor Department also said Thursday that the number of initial jobless benefit claims dropped to a seasonally-adjusted 623,000, from an upwardly revised figure of 631,000 the previous week. The latest tally still was above analysts' expectations of 610,000 claims.

And in a sign that laid-off workers are having difficulty finding new work, the number of people claiming benefits for more than one week rose to 4.81 million from 4.78 million, the highest total since records began in 1967. The continuing claims data lag new claims by a week.

An additional 1.5 million people are receiving benefits under an extended unemployment compensation program approved by Congress last year, bringing the total number of recipients to 6.3 million.

Continuing claims are up sharply from a year ago, when the figure was 2.7 million.

"The smaller-than-expected decline suggests that the recent spike in claims reflects a fundamental deterioration in labor market conditions rather than statistical noise," David Resler, chief economist at Nomura Securities, wrote in a research note.



Associated Press
Shoppers grappling with rising layoffs and shrinking retirement accounts dug deep into survival mode last month, but U.S. retail sales still showed an unexpected one percent increase.