BUSINESS

# JOBLESS CLAIMS AT 5-YEAR LOW

## Companies not yet slashing jobs because of concerns over US government's 'fiscal cliff'

By Christopher S. Rugaber
Associated Press

WASHINGTON — The average number of people seeking unemployment benefits over the past month fell to the lowest level since March 2008, a sign that the job market is healing.

The Labor Department said Thursday that weekly applications dropped 12,000 to a seasonally adjusted 350,000 in the week ended Dec. 22. The four-week average, a less volatile measure, fell to a nearly five-year low of 356,750.

Still, the Christmas holiday may have distorted the figures. A department spokesman said many state unemployment offices were closed Monday and Tuesday and could not provide exact data. That forced the government to rely on estimates. Normally, the government might estimate application data for one or two states. Last week, it had to use estimates for 19.

The estimates are usually fairly accurate, the spokesman said. Even so, the government will likely revise the figures by next week.

Weekly applications have mostly fluctuated this year between 360,000 and 390,000. At the same time, employers have added an average of 151,000 jobs a month in the first 11 months of 2012. That's enough to slowly reduce the unemployment rate.

Economists were mildly encouraged by the decline in applications.

But they emphasized that the figures are volatile around the holidays. They were also distorted until recent weeks by Superstorm Sandy.

Many expect next week's jobs report to show that employers added about 150,000 jobs in December.

The decline in unemployment benefit applications suggests companies are not yet slashing jobs because of concerns over the "fiscal cliff." That's the name for sharp tax increases and spending cuts that are scheduled to take effect next week unless the Obama administration and Congress can reach a deal before then.

Still, unemployment remains high and companies are reluctant to ramp up hiring. The unemployment rate fell to 7.7 percent in November from 7.9 percent in October mostly because many of the unemployed stopped looking for jobs. The government counts people as unemployed only if they are actively searching for work.