Jobless claims drop delivers fresh hope

Seven-month low seen as sign of layoffs easing, more hiring going on

By Jenny Munro
Staff writer
jmunro@greenvilleonline.com

Fewer people nationwide filed unemployment claims last week than any week in the past seven months, a sign that layoffs may be easing and that hiring could begin picking up even more, according to the U.S. Labor Department.

However, unemployment remains high. South Carolina reported a September rate of 11 percent, down 0.1 percent from the previous month. October rates will be released Tuesday morning.

South Carolina's initial claims last week were about the same as the week before, said Adrienne Fairwell, state Department of Employment and Workforce. The numbers have been moving down slightly, and "if it continues the trend, I would think we would have some good news in January or February."

Claims nationwide dropped by 5,000 to a seasonally adjusted 388,000, according to DOL statistics. This was the fourth decline in five weeks.

The four-week average, a less volatile measure, dropped to 396,750. That's the first time the average been below 400,000 in seven months, according to The Associated Press.

Applications need to drop below 375,000 on a consistent level to signal sustained job gains. The numbers haven't been that low since February.

The job market "is still weak but there are hopeful signs of some modest improvement," Steven Wood, an economist at Insight Economics, said in a note to clients.

Several South Carolina companies have recently announced plans to expand or build facilities here, generating jobs. That includes more than 1,400 anticipated by TD Bank at its office complex in the next few years. Also, Bosch Rexroth announced an expansion that will generate at least 160 jobs within the next few years. That company has been hiring throughout 2011. Many of the announced jobs, however, will be created several years in the future.

The number of people receiving benefits also fell to the lowest level since Sept. 2008, when Lehman Brothers collapsed and the financial crisis intensified.

The pace of hiring over the past few months has been mixed. The economy added only 80,000 jobs in October, the fewest in four months. But the government also said this month that employers added more jobs in August and September than it had initially reported. The unemployment rate dipped to 9 percent.

The economy is growing but not enough to generate many jobs. Several reports this week this week shows manufacturers are producing more goods and consumers are spending more in stores.

A rebound in manufacturing could lead to more hiring, which would be a major help in the Upstate, which depends heavily on manufacturing. Factory output grew in October for the fourth straight month, the Federal Reserve said Wednesday. Production of trucks, electronics and business equipment all rose.