

Matthew Brathwaite, 22, applies for a position at a Target job fair last month. The number of Americans seeking unemployment benefits fell last week to the lowest level in five years. AP

# Jobless claims drop to 5-year low, 330K

## Even with seasonal adjustments, the news is encouraging

**By Christopher S. Rugaber**
Associated Press

WASHINGTON — The number of Americans seeking unemployment aid fell last week to the lowest level in five years, evidence that employers are cutting fewer jobs and may step up hiring.

The Labor Department said Thursday that weekly unemployment benefit applications dropped 5,000 to a seasonally adjusted 330,000. That's the fewest since January 2008.

The four-week average, a less volatile measure, fell to 351,750. That's also the lowest in nearly five years.

The decline may reflect the government's difficulty adjusting its numbers to account for layoffs after the holiday shopping season. Layoffs spike in the second week of January and then plummet.

The department seeks to adjust for those seasonal trends, but the figures can still be volatile.

If the trend holds up, fewer applications would suggest the job market is improving.

"Encouraging news on the U.S. jobs front, even when you remove all of the noise," said Jennifer Lee, an economist at BMO Capital Markets. "Weekly data are noisy, particularly at this time of year, so keep that in mind."

Applications are a proxy for layoffs. The unemployment rate fell 0.7 percentage points last year to 7.8 percent.

### ECONOMIC NEWS

In other news related to the economy:

» **LEADING INDICATORS:** A measure of the U.S. economy designed to signal future activity increased in December from November, suggesting growth may strengthen in 2013. The Conference Board said that its index of leading indicators rose 0.5 percent in December, the best showing since September.

» **MORTGAGE RATES:** Average U.S. rates on fixed mortgages rose this week but remained near record lows, keeping home buying more affordable. Mortgage buyer Freddie Mac says the average rate on the 30-year fixed loan increased to 3.42 percent from 3.38 percent last week.