BUSINESS

Jobless claims fall by 6,000

Decline indicates job market remains stable, economists say

Associated Press

WASHINGTON — The number of Americans applying for unemployment benefits fell by 6,000 last week to a seasonally adjusted 361,000, a level consistent with modest gains in hiring.

The Labor Department said Thursday that the less volatile four-week average rose by 2,250 to 368,250 in the week that ended Aug. 4. Weekly applications bounced around in July, skewed by the difficulty of accounting for temporary summertime layoffs in the auto industry. The seasonal distortions had faded by last week.

Applications measure the pace of layoffs. When they consistently fall below 375,000, it typically suggests hiring is strong enough to lower the unemployment rate, which ticked up to 8.3 percent from 8.2 percent in June.

Paul Dales, senior U.S. economist at Capital Economics, said fewer unemployment applications suggest that the job market is fairly stable.

The economy added 163,000 jobs in July, the biggest increase since February. From April through June, employers had created 73,000 jobs a month, not enough to keep up with a rising population. The total number of people receiving some kind of benefits also fell. Nearly 5.8 million got aid in the week that ended July 21, the most recent data available. That's 200,000 less than a week earlier.

WHAT NEEDS TO HAPPEN TO LOWER UNEMPLOYMENT?

Despite the improvement in hiring in July, the unemployment rate ticked up to 8.3 percent from 8.2 percent in June.

Most economists say growth must be stronger to generate enough jobs to lower unemployment. The economy grew at an annual rate of 1.5 percent from April through June, down from 2 percent in the first quarter and 4.1 percent in the fourth quarter of 2011