

United States Air Force Master Sgt. Matt Ditarando, center, talks with Wal-Mart store manager Craig Edwards at the Hiring Our Heroes job fair at Raymond James Stadium in Tampa. AP

Jobless claims fall to lowest rate in 4 years

114,000 new jobs in September not enough to relieve unemployed

By Christopher S. Rugaber
Associated Press

WASHINGTON — The number of Americans seeking unemployment aid plummeted last week to seasonally adjusted 339,000, the lowest level in more than four years.

The Labor Department said Thursday that weekly applications fell by 30,000 to the fewest since February 2008. The four-week average, a less volatile measure, dropped by 11,500 to 364,000, a six-month low.

The positive figures follow a report last week that said the unemployment rate fell in September to 7.8 percent. It was the first time since January 2009 that the rate dropped below 8 percent.

A Labor Department spokesman cautioned that the weekly applications can be volatile, particularly at the start of a quarter.

Unemployment benefit applications are a proxy for layoffs. When they consistently drop below 375,000, it suggests that hiring is strong enough to lower the unemployment rate.

Skeptics want data

Some economists said they want to see more data before suggesting the job market is turning around.

"Should this level hold for another week, it would flag a meaningful improvement in October" hiring, said Sal Guatieri, senior economist at BMO Capital Markets, in a note to clients.

The total number of people receiving unemployment benefits also fell, the Labor Department said. A little more than 5 million Americans received benefits in the week ending Sept. 22, the latest data available. That's down about 44,000 from the previous week.

Last week's report noted that the unemployment rate declined to 7.8 percent in September from 8.1 percent in August because a survey of households found that 873,000 more people had jobs. It was the biggest jump in nearly 10 years, largely because of part-time employment.

Still, a separate survey of businesses showed that employers added 114,000 jobs in September. That's generally enough to keep pace with population growth but not enough to bring relief to more than 12 million who are unemployed.