BUSINESS

U.S. jobs end '11 on better note

Unemployment falling, production up

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The Associated Press

WASHINGTON — The long-suffering job market is ending the year better off than it began.

The number of people applying for unemployment benefits each week has dropped by 10 percent since January. The unemployment rate, 8.6 percent in November, is at its lowest level in nearly three years. Factory output is rising, business owners say they're more optimistic about hiring and consumer confidence has jumped to its highest level since April. Even the beleaguered housing market is looking slightly better.

"We are ending the year on an up note," says Joel Naroff, president of Naroff Economic Advisors.

Still, 25 million Americans are still out of work or unable to find full-time jobs. Most analysts forecast a stronger economy and job growth in 2012 — and rule out a second recession — but warn that may change if Europe's debt crisis worsens or consumers cut spending.

On Thursday, the Labor Department said the number of people applying for unemployment benefits last week rose 15,000 to 381,000. But the four-week average, a less volatile measure, dropped to 375,000 — the lowest level since June 2008. When applications for unemployment benefits consistently fall below 375,000, economists consider it a reasonable sign that hiring is rising enough to push the unemployment rate lower. The four-week average has stayed below 400,000 for seven weeks, the longest stretch since April.

A mildly positive report on housing also came out Thursday. The National Association of Realtors said the number of people who signed contracts to buy homes rose in November to its highest level in a year and a half. The association sought to temper enthusiasm by noting that the number of canceled contracts is also on the rise. But financial markets seized on the good news in both reports. The Dow Jones industrial average rose more than 113 points in afternoon trading.