Unemployment applications lowest since '08

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WASHINGTON — The number of Americans applying for unemployment benefits dropped last week to its lowest level since April 2008, extending a downward trend that shows the job market strengthening.

First-time applications for unemployment benefits fell 4,000 to a seasonally adjusted 364,000, the Labor Department said Thursday. It was the third straight weekly drop.

The four-week moving average, a less volatile gauge, fell for the 11th time in 13 weeks. At 380,250, it's the lowest since June 2008. Applications generally must fall below 375,000 — consistently — before hiring is strong enough to reduce the unemployment rate.

Unemployment applications are a measure of the pace of layoffs. Job cuts have fallen sharply since the recession, though many employers remain slow to start hiring.

The declining number of applications suggests that the U.S. economy may finally be regaining strength, 2 1/2 years after the Great Recession ended. The nation added at least 100,000 jobs every month from July through November, the first five-month streak since 2006.

If unemployment applications continue declining, the number of jobs created each month could rise to 200,000 and the unemployment rate might fall as low as 8 percent before November's elections, experts note.

In the past three months, employers have added an average of 143,000 net jobs a month. That compares with an average of 84,000 in the previous three months.