Unemployment rate



Kelsey Devoe, of Miramar, Fla., fills out a form at a job fair in Miami Lakes, Fla. The Labor Department reports the number of Americans seeking unemployment benefits dropped to the fewest since 2007. AP

Requests for jobless benefits hit 6-year low

Economist sees 'continued improvement'

By Christopher S. Rugaber
Associated Press

WASHINGTON — The number of Americans seeking unemployment benefits dropped 15,000 last week to a seasonally adjusted 320,000, the fewest since October 2007 — a sign of dwindling layoffs and steady if modest job growth.

The Labor Department said Thursday that the less volatile four-week average fell 4,000 to 332,000, the fewest since November 2007 and the fifth straight decline.

Companies are laying off fewer workers, a trend that has lowered applications for unemployment benefits 14 percent this year. But hiring is still sluggish, resulting in only modest net job growth.

At the depth of the recession in March 2009, applications for unemployment benefits numbered 670,000. They have fallen steadily ever since.

"The underlying story in jobless claims is one of a continued improvement," Yelena Shulyatyeva, an economist at BNP Paribas, wrote in a note to clients. But "we need to see the pace of hiring pick up in order for payroll growth to accelerate from its current pace."

Nearly 4.6 million Americans received unemployment benefits in the week that ended July 27, the latest period for which data are available. That's about 66,000 more than in the previous week but nearly 20 percent less than a year ago.

CURRENT UNEMPLOYMENT RATE

Employers have added an average of 192,000 jobs a month this year. The unemployment rate has declined to 7.4 percent, a 4½-year low. » That's still well above the 5 percent to 6 percent range associated with a normal economy.

The Labor Department says layoffs have averaged 1.6 million a month through June, fewer than the monthly average of nearly 1.8 million in the pre-recession year 2006.

Hiring hasn't recovered as quickly. Employers hired an average of 4.3 million people a month this year through June, well below the 2006 monthly average of 5.3 million. As a result, net job growth is still subpar.