Weekly jobless claims fall to 339K

Reports: Construction, manufacturing grew

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Associated Press

WASHINGTON — The number of Americans seeking unemployment benefits dipped 2,000 last week to a seasonally adjusted 339,000, evidence that layoffs are low and hiring will likely remain steady.

The Labor Department said Thursday that the less volatile four-week average rose 8,500 to 357,250.

The average was driven up in recent weeks by spikes that reflected seasonal volatility around the Thanksgiving and Christmas holidays. The government struggles to account for seasonal hiring by retailers and other businesses and for temporary layoffs of school employees during the holidays.

Applications are a proxy for layoffs. They appear to have stabilized near pre-recession levels and are at a level consistent with solid hiring.

The job market has picked up in recent months. Employers added an average of 200,000 jobs a month from August through November. That's helped lower the unemployment rate to a five-year low of 7 percent.

Still, nearly 4.5 million people received some form of unemployment benefits in the week ending Dec. 14, the latest data available. That's 180,000 more than the previous week.

Of those recipients, about 1.3 million stand to lose their benefits this month, according to the National Employment Law Project, an advocacy group. That's because Congress opted not to renew an emergency federal program, which provided up to 47 weeks of additional benefits. The program expired last week.

In other news:

» **Manufacturing:** It grew at a healthy pace in December as factories stepped up hiring and received more orders. The expansion suggests solid growth at the end of the year. The Institute for Supply Management, a trade group of purchasing managers, said that its index of manufacturing activity slipped to 57 from 57.3 in November. But that's still the second-highest reading in the past 2½ years. And any reading above 50 signals growth.

» **Mortgage rates:** Freddie Mac said that the average for the 30-year loan rose to 4.53 percent from 4.48 percent last week. The average for the 15-year loan increased to 3.55 percent from 3.52 percent.

» **Construction:** Spending rose in November at the strongest pace in more than four years, driven by solid gains in home construction and commercial projects. The Commerce Department said construction spending increased 1 percent in November to a seasonally adjusted annual rate of $934.4 billion. That's the fastest rate since March 2009.