

August 13, 2009

Initial Jobless Claims, week of August 7, 2009



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The U.S. Labor Department reported today that initial jobless claims increased modestly in the week ending August 7, compared with forecasts for a small decline. Continuing claims, for the week ending July 31, fell more than 2%, compared with consensus forecasts for an increase. The insured unemployment rate declined slightly both before and after seasonal adjustment. State-level comments show fewer layoffs in both services and manufacturing.

- Initial jobless claims rose 4,000 to 558,000 for the week ending August 7. The mean forecast had been for a decline to 545,000, with individual forecasts ranging from 526,000 to 590,000. The four-week moving average rose to 565,000. Initial claims for the week ending July 31 were revised from 550,000 to 554,000.
- Comments from individual states (for the week ending July 31) showed the largest declines in California, Michigan, Tennessee and Florida, and that layoffs were moderating in both services and manufacturing. No state had a significant increase (more than 1,000) in claims that week.
- Continuing claims (also reported for the week ending July 31) fell 2% to 6.20 million, compared with expectations for an increase to 6.30 million. The insured unemployment rate fell to 4.7% from 4.8%.

Source: U.S. Department of Labor

While weekly claims data obviously fluctuate, we remain convinced that the trend in claims is downward as layoffs moderate. We continue to expect that claims should decline below the roughly 400,000 level consistent with recession before the end of this quarter. ■

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