Fewer Americans than expected file for unemployment

By Gordon Voit
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Americans filed 27,000 fewer initial unemployment claims for the week ended Feb. 9 compared to the previous week, suggesting that the economy continues to grow at a steady yet tempered rate.

The weekly, seasonally adjusted total of 341,000 claims was released Thursday by the U.S. Department of Labor and represents the lowest mark since the four-year low of 330,000 on Jan 19. However, some say that January trough may have been artificially low due to poorly adjusted seasonal figures.

Thursday’s announced number surprised the consensus prediction from Briefing.com by 24,000 claims. The site had been expecting 365,000.

Some experts are questioning the accuracy of the mildly positive news, however, including JP Morgan Chase & Co. economist Daniel Silver.

“There was a major snow storm at the end of last week which could have affected the claims data, though it is unlikely that the states that were affected by the storm accounted for all of the most recent decline in claims,” he said in a Thursday research note.

Silver added that the figures could also be skewed due to the fact they fall between two federal holidays, Martin Luther King Jr. Day and Presidents’ Day.

Illinois performed poorly for the week, as unemployment claims from its residents rose by 10.1 percent to 15,575 for the week ended Feb. 2. The bump of 1,435 claims put the state at No. 6 in the nation. The state said that the increase was due to layoffs in construction, manufacturing and administrative support services.

Many economists argue that the four-week moving average is a stronger indicator thanks to its ability to even out volatile spikes from weekly data points. According to that figure for the four-week period ended Feb. 9, claims actually rose 1,500 to 352,500.

Meanwhile, compared to the year-ago period, Americans filed 29,000 fewer initial unadjusted claims and nearly 1 million fewer Emergency Unemployment Compensation claims according to the department’s data.

“The story there seems to be that in general, higher-skilled, what we call ‘white-collar labor,’ but higher-skilled labor generally, has fared better,” said Tim Classen, professor of economics at
Loyola University. “Overall construction and manufacturing were down slightly. Those are kind of the big ones that we often look up a lot in the labor force.”

Classen, whose research focuses on the intersection between layoff trends and health, said that Thursday’s numbers represent a positive given that the workforce is being placed in fewer stress-inducing situations. However, he added that the news could also be a sign of discouraged Americans dropping out of the labor force.

“As people remain unemployed and searching for longer periods, these are real concerns for our future,” he said.

According to the Thursday report, Illinois also has the ninth-highest rate of unemployment insurance in the country with 3.9 percent. The state had the second-highest rate in the Midwest, behind Wisconsin, which reported 4.2 percent.