

## Bloomberg Businessweek

# News From Bloomberg

<http://www.businessweek.com/news/2014-02-20/jobless-claims-in-u-dot-s-dot-decreased-last-week-as-firings-abated>

# Jobless Claims in U.S. Fell Last Week as Firings Abated

By Jeanna Smialek and Shobhana Chandra February 20, 2014

---

Fewer Americans filed applications for unemployment benefits last week, a sign employers are holding the line on firings even as cold weather slowed industries from manufacturing to housing.

Jobless claims declined by 3,000 to 336,000 in the week ended Feb. 15, a Labor Department report showed today in Washington. The median forecast of 53 economists surveyed by Bloomberg called for a decrease to 335,000. No states were estimated and there was nothing unusual in the data, a Labor Department spokesman said as the figures were released.

A slowdown in dismissals could lay the groundwork for a pickup in hiring, and more jobs could translate to a boost in consumer spending. An improving job market would support a turnaround in an economy held back by harsh winter weather that has slowed retail sales, employment and factory production.

**Related:** Fed to Change Rate Guidance as Unemployment Falls, Minutes Show

“I think the fundamentals for stronger job growth are in place,” said Ryan Sweet, senior economist at Moody’s Analytics Inc. in West Chester, Pennsylvania, and the best forecaster of jobless claims the past two years, according to data compiled by Bloomberg. “We’re going to get some of the jobs that weren’t added in December and January because of weather,” though it may not be until March, he said.

Economists’ estimates in the Bloomberg survey ranged from 315,000 to 345,000. The prior week’s claims were unrevised at 339,000.

Another report today showed the cost of living rose at a slower pace in January, a sign inflation was restrained in early 2014. The consumer-price index climbed 0.1 percent after a 0.2 percent gain in December, according to Labor Department data.

## Stock Futures

Stock-index futures were little changed after the figures. The contract on the Standard & Poor’s 500 Index maturing next month rose 0.1 percent to 1,827 at 9:27 a.m. in New York after a gauge of manufacturing unexpectedly rose this month.

The Markit Economics preliminary index of manufacturing in February increased to 56.7 from a final reading of

53.7 last month.

The claims report corresponds to the week the Labor Department surveys businesses and households to calculate February payrolls and unemployment rate.

Today's data showed the four-week average of claims, a less-volatile measure than the weekly figure, increased to 338,500 from 336,750 the week before. The average for the comparable survey week in January was 332,250.

## Payroll Gains

The economy added 113,000 jobs in January, missing the 180,000 median estimate of economists surveyed by Bloomberg, after a 75,000-job gain in December.

Employment hasn't been the only area affected by the weather. A report from the Commerce Department last week showed retail sales declined in January by the most since June 2012, falling 0.4 percent after a 0.1 percent drop in December.

The number of people continuing to receive jobless benefits increased by 37,000 to 2.98 million in the week ended Feb. 8, today's report showed.

Twenty-seven states and territories reported an increase in claims, while 26 reported a decrease. The unemployment rate among people eligible for benefits rose to 2.3 percent from 2.2 percent. These data are also reported with a one-week lag.

Initial jobless claims reflect weekly firings and typically wane before job growth can accelerate. Better consumer spending could help companies, which have remained hesitant to hire even amid record profits.

## Household Debt

Buying could pick up as Americans feel more comfortable borrowing. Household debt including mortgages, credit cards, auto and student loans jumped by \$241 billion to \$11.52 trillion between October and December 2013, a report this week showed.

Demand for big-ticket items, including cars and appliances, has spurred companies to add workers. Ford Motor Co. said in December that it plans to create about 5,000 U.S. jobs in 2014, more than half salaried technical professionals. Home Depot, the world's largest home improvement retailer, has begun filling more than 80,000 positions as it prepares for spring, it said in a Feb. 12 press release.

"We believe our sales growth will be driven by continued recovery in the housing market as well as interconnected retail," Chief Financial Officer Carol Tome said in a December presentation.

Bad winter weather remains a threat to a pickup in spending and hiring. Last month was the coldest January since 1994 in the contiguous U.S., based on gas-weighted heating-degree days, a measure of energy demand, according to Commodity Weather Group LLC in Bethesda, Maryland.

The U.S. Northeast is also on track for the coldest winter since 1982, measured from December to February,

the group said. That's keeping buyers at home, away from car dealerships and retail shopping, and has reined in housing starts, a report this week showed.

To contact the reporters on this story: Jeanna Smialek in Washington at [jsmialek1@bloomberg.net](mailto:jsmialek1@bloomberg.net); Shobhana Chandra in Washington at [schandra1@bloomberg.net](mailto:schandra1@bloomberg.net)

To contact the editor responsible for this story: Carlos Torres at [ctorres2@bloomberg.net](mailto:ctorres2@bloomberg.net)

---

**SPECIAL OFFER | SUBSCRIBE AND SAVE 89%**

©2014 Bloomberg L.P. All Rights Reserved. Made in NYC