

Economic Insights: Weekly Jobless Claims 8/6/2011

By: SEI Investment Management Unit

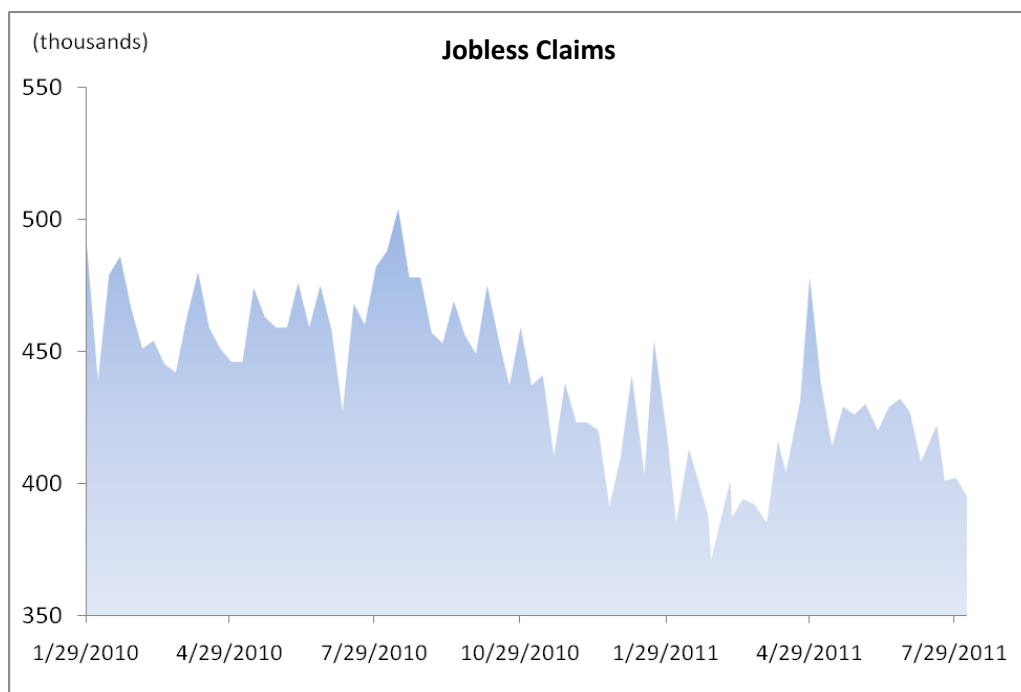
Weekly jobless claims compiled by the U.S. Department of Labor for the week ending August 6 came in at 395,000. This was a decrease of 7,000 from last week's revised number of 402,000.

Our View

After 17 consecutive weeks of claims registering north of 400,000, this week's number finally fell below that psychological mark while also setting a four-month low. Hopefully, this is the start of a new trend. With the market in need of positive data to at least partially offset recent negative developments, the claims number was welcomed by investors.

The four-week moving average, which is less volatile, fell to 405,000 from 408,250 the prior week. This is the preferred measure, as it smoothes weekly volatility and provides a better gauge of the labor environment. Individuals continuing to collect benefits fell by 60,000 to 3,688,000 for the week ending July 30. This statistic lags initial claims by one week.

With all of the recent market volatility, we need the recent good news from the labor front to keep coming. At this point, SEI continues to believe that the U.S. economy will not fall into a recession, and remains cautiously optimistic that moderate economic growth will pick up throughout the remainder of 2011.



Source: Bloomberg, SEI

Release Frequency: Weekly

Data Breakdown

Consensus 405,000

Actual 395,000

Week Ending 7/30/2011

Continuing Claims 3,688,000

Claims by State (Top 5)

California 56,781

New York 21,217

Pennsylvania 20,383

Florida 19,003

Texas 17,611

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