



Written by [Bob Adelman](#) on April 26, 2018

Job Market Remains Strong; Unemployment Rate at 50-year Low

Unemployment claims for the week ending April 21 [fell to new lows](#), according to the Department of Labor. On Thursday it reported that new claims fell to 209,000, far below forecasters' expectations of 230,000. It also was the 24th week of jobless claims fewer than 250,000 and the 164th straight week of claims below 300,000.

Even more remarkable is that the last time jobless claims were this low was during the first term of President Richard Nixon, nearly 50 years ago, when the country's labor force was just 153 million, compared to today's work force of 162 million. Translation: Not only is the latest report from the Labor Department impressive, reflecting a vibrant and dynamic labor market, it's even better when viewed through the lens of a smaller total labor market back then.



At the bottom of the Great Recession, the economy was shedding jobs at such a rate that jobless claims exceeded 650,000 a week in late 2009, with the unemployment rate exceeding 10 percent. Today the unemployment rate is 4.1 percent and is expected to drop even further.

This new report from the Labor Department has a flip side: The economy has been adding new jobs at more than 200,000 a month this year, compared to 181,000 new jobs last year, the first year of the Trump administration. Optimists expect new jobs growth to continue strongly into his second year and thereafter, thanks largely to deregulation and tax reform.

Is there any bottom? Is there a point at which job growth slows simply because there aren't enough workers? One number sticks out: Despite the robust growth of the economy there are still 6.5 million people unemployed — people who could work but either don't want to (welfare recipients) or can't (disability payment recipients). But at some point, perhaps when welfare checks are linked to work (as in Maine where new rules have more than halved the welfare rolls after the state implemented work requirements to get a check) many of those on the sidelines will decide they can do better working and earning rather than receiving.

For example, if the unemployment rate drops from 4.1 percent to 3.5 percent, as some are predicting, that means that nearly a million new workers are expected to enter the workforce over the next several months.

The benefits are manifold: From a purely economic viewpoint, fewer people on welfare reduces financial pressure on the states paying benefits. It also means more people working at real jobs, paying real wages and paying real taxes, further strengthening the economy. It also is likely to develop more



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individual responsibility as individuals decide to fend for themselves, rather than subsist on the largesse of the welfare state. There's an important cultural benefit as well: As people become more dependent on themselves and their own efforts, they become less dependent on the government.

The latest report from the Labor Department is just about close as one can get to unblemished good news.

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