



Written by [Bob Adelman](#) on July 12, 2018

Claims for Unemployment Insurance Drop Again, Near 50-year Low

Jobless claims, a proxy for layoffs in the U.S. economy, [dropped by 18,000 last week](#) to 214,000, a low that is close to levels last seen in the late 1960s. Economists polled by Reuters got it wrong once again, predicting a decline in jobless claims of just 6,000 for the week.

Not only did the economy's performance exceed forecasters' expectations, but the number of unemployment claims filed last week was the third-lowest of the current nine-year-old economic expansion that began in mid-2009.

Concurrent with this report are other indicators reporting on a robust and growing U.S. economy. For instance the government reported on Tuesday that Americans quit their jobs in May at the fastest rate since May 2001, leaving voluntarily to get a better-paying job somewhere else. And the number of unfilled jobs remains well above six million, though unemployed workers are flooding back into a healthy and growing economy.

So many, in fact, as reported by *The New American* earlier this week that the unemployment rate actually increased slightly, from 3.8 percent to 4.0 percent. Companies are hiring as rapidly as they can find qualified workers to keep up with the increasing demand for their products and services. And this bodes well for additional growth in the economy as those new wages percolate through the economy.

It's hard to find red or even yellow flags warning of trouble ahead. Wages are keeping ahead of inflation; pipeline bottlenecks in the Permian Basin are being eliminated rapidly; oil prices are dropping as America continues to outproduce its competitors, resulting in lower gasoline prices at the pump in the near future; and "trade wars" are very likely to be precursors to new "trade deals." Fairer trade agreements will easily translate into more demand for American exports, putting even more pressure on manufacturers to ramp up even further their factories' output. The Commerce Department just reported that indeed America's trade deficits with foreign countries narrowed for the third month in a row, driven by an increase in exports.

As Jeffry Bartash noted in *MarketWatch*: "The number of people losing their jobs and seeking [unemployment] benefits has totaled fewer than 250,000 each week since last September. That's an unusually low number for an unusually long time, reflecting the healthiest U.S. jobs market at least since the dotcom boom at the end of the 1990s."

An Ivy League graduate and former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at [LightFromTheRight.com](#), primarily on economics and politics. He can be reached at badelman@thenewamerican.com.





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