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U.S. ECONOMY

U.S. Unemployment Claims Held Nearly Steady Last Week

Weekly initial claims for jobless benefits fell by 7,000 to a seasonally adjusted 751,000

A customer walked past a hiring sign outside an eatery in Richardson, Texas, in September.

PHOTO: LM OTERO/ASSOCIATED PRESS

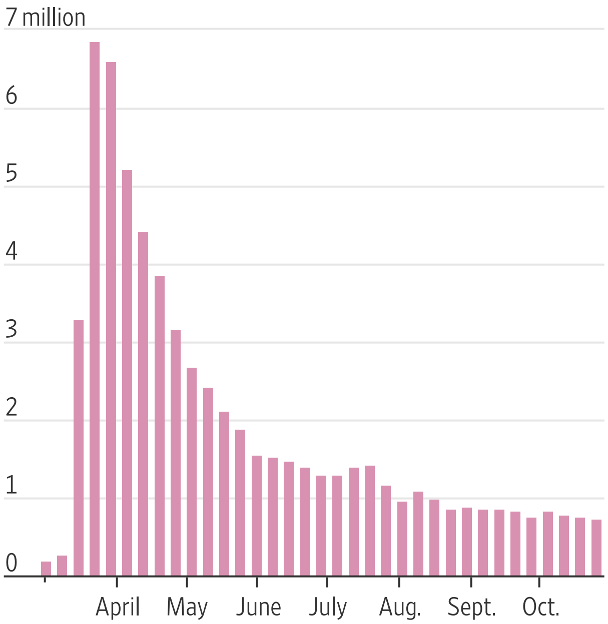
By *Kim Mackrael*
Updated Nov. 5, 2020 10:41 am ET

The pace of the labor market recovery showed fresh signs of cooling last week, with new applications for unemployment benefits holding nearly steady as virus cases surged in several states.

Weekly initial claims for jobless benefits fell by 7,000 to a seasonally adjusted 751,000 in the week ended Oct. 31, the Labor Department said Thursday. That was the lowest level since mid-March, but was well above the 217,000 claims filed in late February, before economic shutdowns to control the spread of the new coronavirus began.

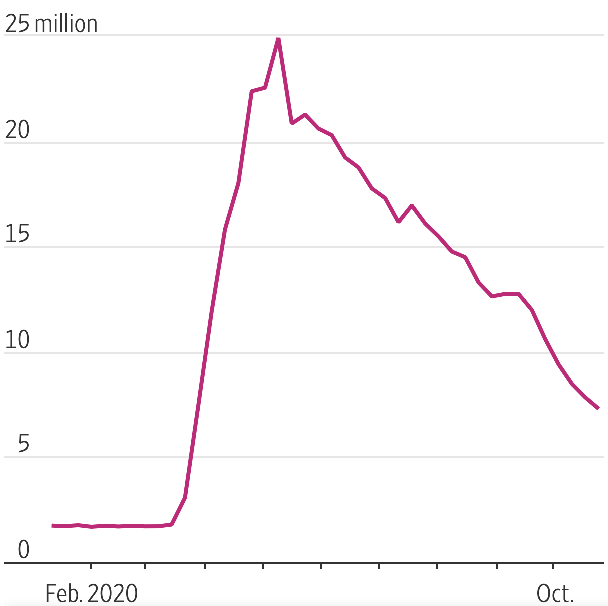
"This is consistent with the idea that the labor market continues to recover, but that the pace of improvement has moderated."

Initial unemployment claims, weekly



Note: Seasonally adjusted
Source: Labor Department

Continuing unemployment-benefits recipients, regular state programs



Employers added 661,000 jobs in September, down from a 1.5 million gain in August. Economists surveyed by The Wall Street Journal forecast Friday's jobs report to show employers added 530,000 jobs in October. Economists expect the unemployment rate to edge down to 7.7% from 7.9% in September.

Many workers experienced temporary layoffs this spring, but in some industries changes appear to be longer term. Last week, Boeing Co. said it would reduce its workforce by another 11,000, including 7,000 layoffs, as the aerospace company grapples with sharply lower demand for international and domestic air travel. Oil giant Exxon Mobil Corp. said it would cut 1,900 jobs in the U.S.

Thursday's jobless claims report showed the number of people collecting unemployment benefits through regular state programs, which cover most workers, decreased by 538,000 to about 7.3 million for the week ended Oct. 24. That was also the lowest level since March, reflecting that many laid-off workers have been recalled to jobs or hired elsewhere, and that some have exhausted state benefits.

Rising cases of Covid-19, the disease caused by the new coronavirus, could pose a threat to job gains, economists say, if consumers become more cautious and more states bring back virus-related restrictions.

The seven-day moving average of reported Covid-19 infections in the U.S. reached a record on Wednesday and daily case counts are on the rise in most states, according to data from Johns Hopkins University. Some jurisdictions, including Maine and Massachusetts, recently tightened limits on indoor gatherings.

"As these last few weeks have shown us, the pandemic is not over," said Alfonso Flores-Lagunes, an economist at Syracuse University. He said the recent surge in Covid-19 cases could lead to another round of business closures and job losses, potentially unwinding a portion of the labor market's summer rebound.

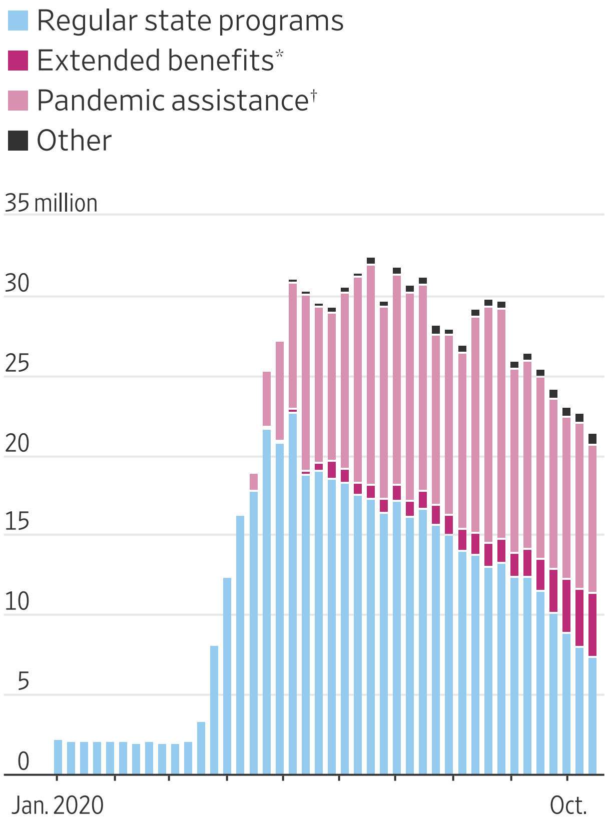
And until a vaccine becomes widely available, Mr. Flores-Lagunes said, weaker consumer demand will continue to weigh on the recovery. "Going back to normal in terms of

"There are a lot of employers that are looking to hire folks," said Jennifer Mauro, Goodwill's vice president of employment and training in southern New Jersey and Philadelphia. She said some companies have created new positions related to virus safety, such as cleaning and sanitization, and demand for workers in transportation has increased with a rise in online shopping.

However, she added some people haven't been able to return to the workforce because they lack child care, and others are reluctant to take jobs that pay significantly less than their previous work.

The number of job postings increased in October from the previous month, but they remain about 7.5% below their year-ago levels, according to job search site ZipRecruiter. There are also early signs that holiday hiring will be particularly weak this year, with fewer people making travel plans and shopping at brick and mortar stores. ZipRecruiter economist Julia Pollak said holiday-related job postings were down 18.5% in September and October compared with the same months last year.

Number of people claiming ongoing unemployment benefits, by program



*Reflects Pandemic Emergency Unemployment Compensation for those who exhausted other programs. †Reflects Pandemic Unemployment Assistance for self-employed and others not typically eligible.
Source: Labor Department

It is encouraging that the volume of new jobless applications continues to decline, she said. “But when you’re more than 10 million jobs in the hole, we really would have hoped to see a swifter return to normal.”

Thursday’s report from the Labor Department provides data on regular state programs—which have served as an economic bellwether for a half-century—as well as details from two pandemic-specific programs first implemented in March.

The larger of those programs—available to the self-employed, gig workers and others not typically eligible for unemployment aid—paid benefits to 9.3 million workers in the week

A second pandemic program pays 13 additional weeks of benefits to individuals who have exhausted regular unemployment benefits. Enrollment in that program moved higher in recent weeks, and reached nearly 4 million in mid-October. That suggests that some of the decline in state-benefit recipients represents workers who have exhausted the maximum amount of payments available through those programs.

Hoang Samuelson, who lost her accounting job at an engineering company in Portland, Ore., in late March, said she has had a few interviews in recent months, but the prospective employers she spoke with seemed reluctant to hire. In one interview, the employer told her they needed an accountant but couldn't hire because of uncertainty related to the pandemic.

Ms. Samuelson said her family has cut back on spending and she is focusing on doing more free activities with her children. Her husband is employed, and she has been taking care of their 4-year-old and 7-year-old.

Taking a job that requires her to work in another location would mean finding care for her son and a babysitter to supervise her daughter's school work, which she is completing remotely, Ms. Samuelson said. "I'd have to be making a certain amount of money in order to make it viable," she said.

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Appeared in the November 6, 2020, print edition as 'Jobless Claims Fall, but Trend Flattens.'