

## Jobless Claims Fall by 2,000 Last Week Thursday July 6

WASHINGTON (AP) -- The number of Americans filing new claims for unemployment benefits declined slightly last week, indicating continued strength in the labor market despite a spring slowdown in the economy.

The Labor Department said Thursday that applications for jobless benefits totaled 313,000 last week, a drop of 2,000 from the previous week.

That was a slightly better performance than economists had been expecting. They had forecast that jobless claims would rise by 2,000.

In other economic news, the nation's retailers reported that sales stalled in June as shoppers curbed their spending on other items because of soaring gasoline prices.

As the nation's retailers began reporting their monthly sales early Thursday, disappointments included Wal-Mart Stores Inc., Costco Wholesale Corp. and Limited Brands Inc. Retailers who reported solid sales included Bebe Stores Inc. and Children's Place Retail Stores Inc.

June is considered the second most important month of the year in a retailer's calendar behind December. It is a month when merchants start to clear out summer goods to make room for fall merchandise.

The government is scheduled to report new unemployment figures on Friday. Analysts are expecting the jobless rate will remain at 4.6 percent and they believe businesses created 160,000 new jobs in June. That would be a significant rebound after only 75,000 jobs had been created in May, the smallest gain in seven months.

Economists believe the weak job growth in May overstated the slowdown in the job market but they are looking for more moderate gains in employment in the months ahead as the economy slows from the sizzling pace of the first three months of the year, when the economy expanded at a 5.6 percent rate.

A number of recent indicators have provided evidence that the economy slowed in the spring under the impact of surging gasoline prices, rising interest rates and a cooling housing market.

The decline of 2,000 in jobless claims last week was the first drop in three weeks. The four-week moving average for claims edged up slightly to 308,500, compared with 306,000 in the previous week, but still remained at a level that analysts believe shows a healthy labor market.

The previous week, the number of claims for jobless benefits totaled 315,000. During that week, 30 states and territories had an increase in claims and 23 had decreases.

The state with the largest increase in claims was North Carolina, with a rise of 6,495. The increase was attributed to layoffs in a variety of industries including transportation, primary metals, construction, textiles and lumber.

There was an increase of 5,291 layoffs in New Jersey, a rise blamed on layoffs in transportation, warehousing, trade, service and public administration.

Massachusetts, Connecticut, Missouri and New York all reported increases in jobless claims of more than 1,000.

Six states had a decline in jobless claims of more than 1,000, led by Pennsylvania, which saw a drop of 3,070, which it attributed to fewer layoffs in transportation, wood products and service industries.

Wisconsin reported a drop of 2,412 in jobless claims applications which it attributed to fewer layoffs in such industries as construction and transportation.

The state data lags behind the national jobless claims data by one week.