

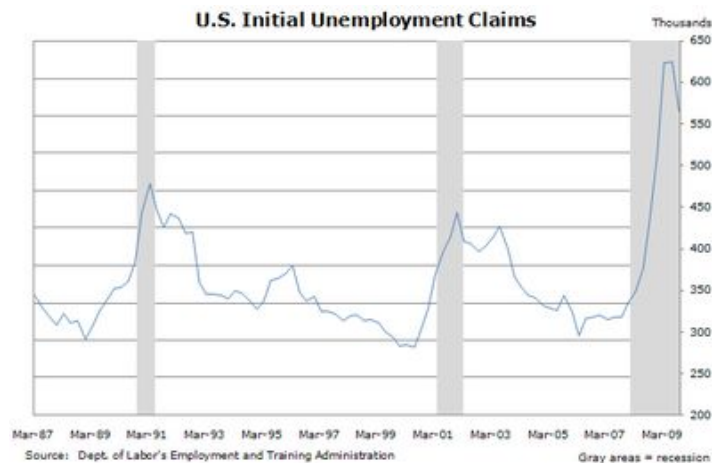
# Some good news from the labor market - SouthPoint

« [Keeping up with the South's economy](#) | [Main](#) | [Helping teachers teach economics](#) »

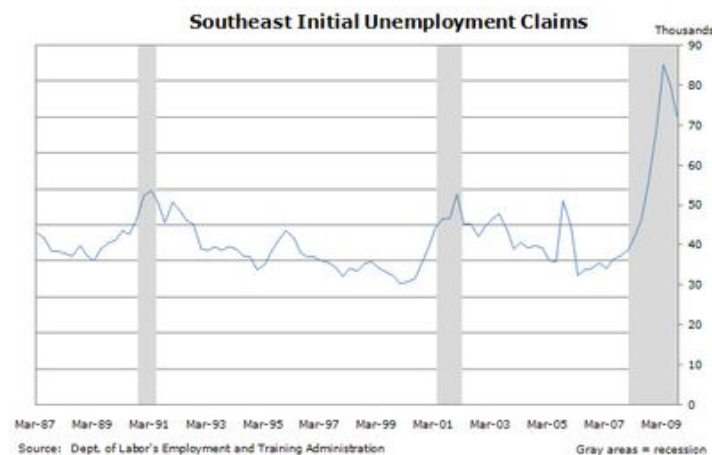
09/30/2009

## Some good news from the labor market

Initial unemployment insurance claims are a very useful economic indicator, providing insight into general labor market conditions as well as serving as a good gauge for the path of overall economic activity. The Atlanta Fed's Q1 2009 issue of [EconSouth](#) highlighted these data, and you can read the most recent report on the [Department of Labor's Employment and Training Administration Web site](#). So what do we see when we look at these numbers?



The deceleration in initial unemployment claims seems to indicate that the end of recession is near. Chart 1 shows that the deceleration in U.S. initial claims occurred near the end of recessionary periods in 1991 and again in 2001. In the second quarter of 2009, U.S. initial claims averaged 624,000 per week. In July and August that average fell to 565,000. Is the current deceleration in initial unemployment claims a sign that the recession is over? Well, it's clearly a good sign. As you probably read, Chairman Bernanke earlier this month indicated that the recession "[is very likely over](#)."



Can we say the same for the region? Well, Chart 2 shows that initial claims for unemployment in the Southeast have also decelerated in much the same manner as have U.S. initial claims. (We define the Southeast as the states of the Sixth Federal Reserve District—Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee.) In the second quarter the average number of initial unemployment claims was just over 80,000. In July and August that average fell to just above 72,000. The chart also shows that, in the United States, the deceleration in regional initial claims occurred near the end of recessionary periods in 1991 and 2001.

While the drop in initial claims appears to suggest the end of recession, it does not equate to a net job gain. The Southeast is still shedding jobs, according to the latest report on [national](#) and [state employment](#) from the U.S. Bureau of Labor Statistics. Maybe the best way to think about the initial claims data for the nation and region is that they show that labor market healing is under way.

By [Michael Chriszt](#), an assistant vice president in the Atlanta Fed's research department

September 30, 2009 in [Employment](#), [Labor Markets](#), [Recession](#) | [Permalink](#)

## TrackBack

TrackBack URL for this entry:

<http://www.typepad.com/services/trackback/6a011572565d3f970b0120a5adb2b3970b>

Listed below are links to blogs that reference [Some good news from the labor market](#):

## Comments