Fewer Americans than forecast filed first-time claims for unemployment insurance payments last week, easing concern that the labor market was deteriorating.

Applications for jobless benefits decreased by 14,000 in the week ended June 30 to 374,000, the fewest since mid May, Labor Department figures showed today. Economists forecast 385,000 claims, according to the median estimate in a Bloomberg News survey. A Labor Department spokesman said there was nothing unusual in the data.

Fewer firings help pave the way for faster job creation when companies grow more confident about the economic outlook. A report tomorrow may show the world’s largest economy added 90,000 jobs in June, capping a second quarter where employment growth slowed to half the pace of the prior three months.

“It’s very hard to see too much downside risk in the labor market given jobless claims numbers,” David Semmens, a senior U.S. economist at Standard Chartered Bank in London, said before the report.

Estimates for first-time claims ranged from 371,000 to 400,000 in the Bloomberg News survey of 46 economists. The Labor Department revised the prior week’s figure to 388,000 from an initially reported 386,000.

While auto-plant shutdowns to retool for the new model year often play havoc with the claims data around this time of year, there was no indication that influenced last week's claims, the Labor Department spokesman said as the data was released to the press.

**Unadjusted Claims**

The Labor Department projected a 3 percent increase in un-adjusted claims last week, or about 11,300. Instead, there was a 0.8 percent decrease. The agency projects an almost 30 percent jump this week as a result of the shutdowns, the spokesman said.

The four-week moving average, a less-volatile measure, fell to 385,750 last week from 387,250.

The number of people continuing to collect jobless benefits climbed by 4,000 in the week ended June 23 to 3.31 million. The continuing claims figure does not include the number of workers receiving extended benefits under federal programs.

Those who’ve used up their traditional benefits and are now collecting emergency and extended payments decreased by about 29,000 to 2.68 million in the week ended June 16.

The unemployment rate among people eligible for benefits was 2.6 percent in the week ended June 23, where its been since mid March, today’s report showed. Thirty-three states and territories reported a decrease in claims, while 20 reported an increase.
Payroll Forecast

Initial jobless claims reflect weekly firings and tend to fall as job growth -- measured by the monthly non-farm payrolls report -- accelerates.

Tomorrow's Labor Department report will probably show the job market is making little progress after payrolls expanded by 69,000 in May, the least in a year. Excluding government agencies, private hiring may have climbed by 100,000 in June after increasing by 82,000 in May, concluding the smallest quarterly advance since the first three months of 2010, according to the economists' forecast.

The churn in labor market firing and hiring isn't cutting into the joblessness either. The unemployment rate probably held at 8.2 percent, the economists predicted tomorrow's report will show. Joblessness has exceeded 8 percent since February 2009, the longest stretch in monthly records dating to 1948.

Swiss drugmaker Roche Holding AG (ROG) said last week it will close a New Jersey laboratory to consolidate research and development, cutting about 1,000 U.S. jobs. At the same time, Nissan Motor Co. said it will hire at least 1,000 more workers this year at its Canton, Mississippi, plant.

“After a brighter start to the year, economic momentum has slowed in the last few months,” Federal Reserve Bank of New York President William C. Dudley said during a June 29 speech. “Employment growth remains positive but has slowed considerably of late as the economy has lost forward momentum, and the unemployment rate remains elevated.”

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