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## Jobs Woes Persist As Jobless Claims Increase

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The number of people filing new claims for unemployment insurance rose last week, a worrisome sign for the job market. But the Conference Board's gauge of future economic-growth rose in May after a flat April, suggesting slow but continuing growth in the months ahead.

Initial claims for unemployment insurance rose 12,000 to 472,000 in the week ended June 12, and the week-earlier figure was revised upward, the Labor Department said Thursday. The four-week moving average of initial claims, considered a more reliable figure because it smooths out weekly fluctuations, was essentially flat, falling by just 500 people.

"Even after recent declines, the level of claims is considerably high," said Joshua Shapiro, chief U.S. economist for research firm MFR Inc. Although down from recession highs, the still-elevated level indicates that many companies continue to shed workers and reluctant to hire new ones.

The latest pickup in jobless claims is likely to get the attention of Federal Reserve officials as they plan for a policy meeting next week.

Some officials have been puzzled and slightly concerned about the behavior of claims, which were declining earlier this year but have stopped doing so, a possible sign that improvement in the job market is stalling.

Yet even while jobless claims remain stuck at a high level, other indicators such as reports from the Institute for Supply Management and the Labor Department's monthly employment report show that companies are finally starting to hire. "No economic measure has lately caused as much confusion as those that gauge labor-market conditions in the U.S.," wrote **Bernard Baumohl**, chief global economist at the Economic Outlook Group in a note to clients.

Separately, the Conference Board's index of leading indicators, which aims to predict the economy's short-term future, increased 0.4% in May after holding steady in April.

Growth in the work week, one of 10 components of the index, outweighed the brutal stock market and weakness in building permits.

"It suggests that this recovery is going to continue at whatever pace through the summer months and at least into the fall," said Ken Goldstein, an economist at the Conference Board. "The question now is not the continuation of the recovery, but what's going to happen to the pace."The Commerce Department Thursday said the U.S. current account deficit, the broadest measure of the nation's trade balance, widened for the third consecutive quarter to \$109 billion—3% of gross domestic product—in the first quarter. The gap was a revised \$100.9 billion—2.8% of GDP—in the fourth quarter.