

The New York Times

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your colleagues, clients or customers [here](#) or use the "Reprints" tool that appears next to any article. Visit www.nytreprints.com for samples and additional information. [Order a reprint of this article now.](#)

PRINTER-FRIENDLY FORMAT
SPONSORED BY



November 6, 2009

Worker Productivity Surges; Jobless Filings Fall

By THE ASSOCIATED PRESS

WASHINGTON (AP) — Productivity surged in the third quarter at the fastest pace in six years while labor costs continued to drop, a combination that is likely to bolster companies' profits but continue to saddle workers with stagnant incomes.

The productivity news came as a second report said that the number of newly laid-off workers filing claims for unemployment benefits fell to the lowest level in 10 months.

In the first report, the Labor Department says productivity, the amount of output per hour of work, was rising at an annual rate of 9.5 percent in the third quarter, much better than the 6.4 percent gain economists had expected. Unit labor costs fell at a 5.2 percent rate.

It is typical for productivity to soar in the early stages of a recovery as businesses continue to aggressively cut costs even as output rebounds. However, the concern is that the continued squeeze on workers' incomes will depress consumer spending in the months ahead, putting the economic recovery at risk.

The number of newly laid-off workers filing claims for unemployment benefits falls to the lowest level in 10 months, evidence that job cuts are easing as the economy slowly heals.

Still, companies are reluctant to hire and economists expect the unemployment rate will tick up to 9.9 percent when October's figure is reported Friday.

The Labor Department says first-time claims for jobless benefits fell by 20,000 to a seasonally adjusted 512,000. Economists had expected 523,000 new claims.

The four-week average, which smoothes fluctuations, dropped to 523,750, its ninth straight decline.

The number of people claiming benefits for more than a week fell by 68,000 to 5.75 million, above analysts' estimates but its eighth fall in nine weeks.

Copyright 2009 The New York Times Company

[Privacy Policy](#) | [Terms of Service](#) | [Search](#) | [Corrections](#) | [RSS](#) | [First Look](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)