



May 13, 2010

Drop in weekly jobless claims encouraging, but Michigan may have to wait for next year for a rebound in hiring

By Jackie Headapohl

Weekly initial jobless claims are down in Michigan, but don't expect an increase in hiring soon, say experts.

The U.S. Department of Labor released its **weekly jobless numbers**, and initial filings were down by 4,000 in the week ending May 8. The four-week average of initial claims, a more reliable gauge of employment trends, also dropped by 9,000 to 450,500 — a six-week low.

This marks four consecutive weeks of decreasing initial claims. However, economists generally say that the four-week average of initial jobless claims needs to drop below 400,000 to signify significant job growth.

Initial jobless claims in Michigan decreased by 1,748, among the biggest decreases in the country.

"It's nice that weekly claims are trending down, but what we're seeing is the market stabilizing and not shedding as many people," said employment attorney Ron Sollish at **Maddin-Hauser** in Southfield, Michigan. "The economy is still very fragile. We're not out of the woods yet."

As an employment attorney, Sollish has helped his clients navigate layoffs during the past few years. He sees those layoffs decreasing. "Business is improving, but I believe companies will want to see year-end earnings before they make the decision to move forward and start hiring again," he said.

Phil Bahr, managing partner at **Rehmann**, a business consulting/financial services firm in Troy, Michigan, said he's encouraged by the weekly jobless numbers, but adds "I don't believe a significant increase in hiring is just around the corner."

Bahr said his clients, many of them large manufacturing firms, are seeing signs of

improving business. "The recession hit first in Michigan, and it's been painful," he said. "But the companies that survived are leaner and more efficient. They will make do without hiring for as long as they can. Eventually, as business improves, they will need to add people."

Don't expect companies to begin significantly adding those people until 2011 or 2012, according to Sollish. "We still need a couple of good quarters before companies are ready to take the risk and start hiring," he said.