

Weekly jobless claims rise marginally

Third-quarter worker productivity accelerates

Lucia Mutikani
REUTERS

WASHINGTON — The number of Americans filing new applications for unemployment benefits increased moderately last week amid relatively low layoffs, though demand for labor remained sluggish, with businesses squeezing more output from their existing workforce.

Worker productivity grew at its fastest pace in two years in the third quarter, other data from the Labor Department showed on Jan. 8, suggesting a boost from increased artificial intelligence investment was underway. The surge in productivity, which depressed unit labor costs, underscored what economists have termed a jobless economic expansion. It followed on the heels of robust economic growth in the third quarter.

"Firms are successfully doing more with less labor, giving more credence to a jobless expansion," said Matthew Martin, senior U.S. economist at Oxford Economics. "Productivity will be key to determining the economy's speed limit and inflationary dynamics. If productivity growth continues to accelerate ... economic growth can pick up without causing unwanted inflation."

Initial claims for state unemployment benefits rose 8,000 to a seasonally adjusted 208,000 for the week ended Jan. 3. Economists polled by Reuters had forecast 210,000 claims for the latest week. Claims have been choppy in recent weeks amid challenges adjusting the data for seasonal fluctuations around the year-end holiday season. Through the volatility, layoffs have remained low by historical standards.

Employers have been reluctant to boost headcount amid tariff-related uncertainty and integration of AI in some job roles, but they have not engaged in mass firings of workers, keeping the labor market in a state of paralysis.

While a separate report from global outplacement firm Challenger, Gray & Christmas showed layoffs announced by U.S.-based employers jumped 58%



Employers have been reluctant to boost headcount amid tariff-related uncertainty and integration of AI in some job roles, but they have not engaged in mass firings of workers, keeping the labor market in a state of paralysis.

TYRONE SIU/REUTERS FILE

"Firms are successfully doing more with less labor, giving more credence to a jobless expansion. Productivity will be key to determining the economy's speed limit and inflationary dynamics. If productivity growth continues to accelerate ... economic growth can pick up without causing unwanted inflation."

Matthew Martin, senior U.S. economist at Oxford Economics

to a five-year high of 1.206 million in 2025, cost cutting by the federal government and technology companies accounted for the bulk of the planned reductions.

Job cuts in the technology sector were attributed to AI and overhiring in prior years.

Planned hiring by businesses fell 34% to 507,647 last year, the lowest level since 2010. Lackluster hiring means more unemployed people are experiencing long bouts of joblessness.

The number of people receiving unemployment benefits after an initial week of aid, a proxy for hiring, increased

56,000 to a seasonally adjusted 1.914 million during the week ended Dec. 27, the claims report showed. The government reported on Jan. 7 that job openings dropped to a 14-month low in November. There were 0.91 job openings for every unemployed person in November, the lowest level seen since March 2021, and down from 0.97 in October.

The claims data have no bearing on December's employment report due to be released on Jan. 9.

Nonfarm payrolls probably increased by 60,000 jobs last month after rising 64,000 in November, a Reuters survey of economists predicted. But the focus

is likely to be on the unemployment rate, estimated to have slipped to 4.5% after accelerating to more than a four-year high of 4.6% in November.

The November unemployment rate was partially distorted by the 43-day federal government shutdown, which also prevented the collection of household data for October. The unemployment rate for October was not published for the first time since the government started tracking the series in 1948.

U.S. stocks opened lower. The dollar advanced against a basket of currencies. U.S. Treasury yields rose.

In a separate report, the Labor Department's Bureau of Labor Statistics said nonfarm productivity, which measures hourly output per worker, accelerated at a 4.9% annualized rate in the third quarter.

That was the quickest pace since the third quarter of 2023 and followed an upwardly revised 4.1% growth rate in the second quarter.

Economists had forecast productivity would grow at a 3.0% rate after a previously reported 3.3% pace of expansion in the April-June quarter. The report was delayed by the government shutdown. Productivity grew at a 1.9% rate from a year ago.

Though the Federal Reserve was not expected to cut interest rates again this month, economists said the Jan. 8 reports gave the U.S. central bank room for monetary policy easing this year.

The jump in productivity helps to explain the gap between strong gross domestic product growth and a lackluster labor market. The economy grew at a robust 4.3% rate in the third quarter. In contrast, private job gains averaged 55,000 per month in the three months through October.

Unit labor costs — the price of labor per single unit of output — decreased at a 1.9% rate in the third quarter. That followed a 2.9% pace of decline in the April-June quarter. Labor costs increased at a 1.2% rate from a year ago.

"Given that labor is the key input for super core services inflation this is good news for the inflation outlook, even if some of the survey-based prices paid indicators remain a little elevated," said Paul Ashworth, chief North America economist at Capital Economics.

NOTICE OF PUBLIC HEARINGS

The Martin County Board of County Commissioners will conduct a public hearing on **January 27, 2026**, beginning at **9:00 A.M.**, or as soon thereafter as the item may be heard to review LDR 25-03, Accessory Dwelling Units, a text amendment to the Martin County Land Development Regulations.

The public hearing will consider the following item:

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF MARTIN COUNTY, FLORIDA, AMENDING ARTICLE 3, ZONING DISTRICTS, LAND DEVELOPMENT REGULATIONS, MARTIN COUNTY CODE, UPDATING THE TERMS, PERMITTED USES AND DEVELOPMENT STANDARDS REGARDING ACCESSORY DWELLING UNITS; PROVIDING FOR CONFLICTING PROVISIONS; SEVERABILITY; APPLICABILITY; FILING WITH THE DEPARTMENT OF STATE; CODIFICATION; AND EFFECTIVE DATE.

All interested persons are invited to attend and be heard. The meeting will be held in the Commission Chambers on the first floor of the Martin County Administrative Center, 2401 S.E. Monterey Road, Stuart, Florida. Written comments may be mailed to: Paul Schilling, Director, Martin County Growth Management Department, 2401 S.E. Monterey Road, Stuart, Florida 34996. Copies of the items will be available from the Growth Management Department. For further information, including copies of the original application or agenda items, contact Amy Offenbach, Planner at 772-288-5495.

Persons with disabilities who need an accommodation in order to participate in this proceeding are entitled, at no cost, to the provision of certain assistance. This does not include transportation to and from the meeting. Please contact the Office of the ADA Coordinator at (772) 320-3131, or the Office of the County Administrator at (772) 288-5400, or in writing to 2401 SE Monterey Road, Stuart, FL, 34996, no later than three days before the hearing date. Persons using a TTY device, please call 711 Florida Relay Services.

If any person decides to appeal any decision made with respect to any matter considered at the meetings or hearings of any board, committee, agency, council, or advisory group, that person will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record should include the testimony and evidence upon which the appeal is to be based.

NOTICE OF PUBLIC HEARINGS

The Martin County Board of County Commissioners will conduct a public hearing on **January 27, 2026**, beginning at **9:00 A.M.**, or as soon thereafter as the item may be heard to consider adoption of the following ordinance:

AN ORDINANCE OF MARTIN COUNTY, FLORIDA, REGARDING COMPREHENSIVE PLAN AMENDMENT 25-04, ACCESSORY DWELLING UNITS, AMENDING THE TEXT OF CHAPTER 2, OVERALL GOALS AND DEFINITIONS, AND CHAPTER 4, FUTURE LAND USE ELEMENT, OF THE MARTIN COUNTY COMPREHENSIVE GROWTH MANAGEMENT PLAN; PROVIDING FOR CONFLICTING PROVISIONS, SEVERABILITY, AND APPLICABILITY; PROVIDING FOR FILING WITH THE DEPARTMENT OF STATE, CODIFICATION, AND AN EFFECTIVE DATE.

This is a request, initiated by the Board of County Commissioners, to amend the text of the Martin County Comprehensive Growth Management Plan (CGMP) regarding Accessory Dwelling Units (ADUs).

All interested persons are invited to attend and be heard. The meeting will be held in the Commission Chambers on the first floor of the Martin County Administrative Center, 2401 S.E. Monterey Road, Stuart, Florida. Written comments may be mailed to: Paul Schilling, Director, Martin County Growth Management Department, 2401 S.E. Monterey Road, Stuart, Florida 34996. For more information, including copies of the original application or agenda items, contact Amy Offenbach, Planner, at (772) 288-5495.

Persons with disabilities who need an accommodation in order to participate in this proceeding are entitled, at no cost, to the provision of certain assistance. This does not include transportation to and from the meeting. Please contact the Office of the ADA Coordinator at (772) 320-3131, or the Office of the County Administrator at (772) 288-5400, or in writing to 2401 SE Monterey Road, Stuart, FL, 34996, no later than three days before the hearing date. Persons using a TTY device, please call 711 Florida Relay Services.

If any person decides to appeal any decision made with respect to any matter considered at the meetings or hearings of any board, committee, agency, council, or advisory group, that person will need a record of the proceedings and, for such purpose, may need to insure that a verbatim record of the proceedings is made, which record should include the testimony and evidence upon which the appeal is to be based.

Opposition leader favors Greenland-U.S. dialogue

Tom Little and Stine Jacobsen

REUTERS

COPENHAGEN, Denmark — Greenland should hold direct talks with the U.S. government without Denmark, a Greenlandic opposition leader told Reuters, as the Arctic island weighs how to respond to President Donald Trump's renewed push to bring it under U.S. control.

Trump has recently stepped up threats to take over Greenland, reviving an idea he floated in 2019 during his first term in office.

Greenland is strategically located between Europe and North America, making it a critical site for the U.S. ballistic missile defense system. Its rich mineral resources also fit Washington's goal of reducing dependence on China.

The island is an autonomous territory of the kingdom of Denmark. It has its own parliament and government, but Copenhagen retains authority over foreign affairs and defense.

"We encourage our current [Greenlandic] government actually to have a dialogue with the U.S. government without Denmark," said Pele Broberg, the leader of Naleraq, the largest opposition party and the most prominent political voice for Greenland's independence.

"Because Denmark is antagonizing both Greenland and the U.S. with their mediation," Broberg added.

Naleraq, which strongly advocates a rapid move to full independence, doubled its seats to eight in last year's election, winning 25% of the vote in the nation of just 57,000.

Although excluded from the governing coalition, the party has said it wants a defense agreement with Washington and could pursue a "free association" arrangement — under which Greenland would receive U.S. support and protection in exchange for military rights, without becoming a territory.

All Greenlandic parties favor independence but differ on how, and when, to achieve it.

Greenlandic Foreign Minister Vivian Motzfeldt said Greenland could not conduct talks with the U.S. without Denmark because it is not legally allowed to do so.

The Danish and Greenlandic governments did not immediately reply to requests for comment.

The comments come ahead of a planned meeting between the Danish and Greenlandic foreign ministers and Secretary of State Marco Rubio to address tensions between NATO allies.

Motzfeldt said it was important to set Greenland's relationship with Washington on a steady course.

"My greatest hope is that the meeting will lead to a normalization of our relationship," she told Sermitsiaq.

Denmark and Greenland are seeking to steer the debate back onto a diplomatic track, where rational concerns can be addressed, said Ulrik Pram Gad, senior researcher at the Danish Institute for International Studies.