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## APPENDIX E

### The Concept of Unemployment and Labor Force

"We believe, after all, that nothing is so much disliked as steady, regular labour; and that the opportunities of idleness afforded by an occupation of irregular employment are so much more than an equivalent for its anxiety as to reduce the annual wages of such occupations to below the common average."

NASSAU W. SENIOR, *An Outline of the Science of Political Economy*

#### *The Labor Force and Its Components*

The concept of *labor force* was developed by the Bureau of the Census more for demographic, than for economic purposes, but it is surprising how few alterations are required to make it fit the economic notion of *labor supply*. Of the seven characteristic features of the census' concept, four conform reasonably well with the meaning of marketable labor:

1. All persons who have jobs or businesses for pay or profit. They comprise wage and salary earners, salesmen and commission workers, employers and the self-employed, and even unpaid children or wives milking cows on the family farm or waiting on customers in the family store, provided the products of their labor are sold.

2. Employees of government, and private nonprofit institutions.<sup>1</sup>

3. Both the employed and the unemployed. The former are persons who are occupied as described in point 1; the latter, those who are not so occupied but are seeking work.

4. All persons who are working or seeking work at any time during the week with reference to which the labor force is surveyed. (Since 1940 the censuses of the United States have classified individuals on the basis of their employment status in a given week. However, through 1930, and in Canadian censuses as late as 1941, persons were grouped according to *whether*, but not precisely *when* they had a customary occupation. This is still true in other countries.)

The other three particulars of the census' concept differ from the idea of economic labor supply:

5. The census includes in the labor force persons who are inactive—

<sup>1</sup>The censuses of 1850 and 1860 included students aged 16 and older even though they were not gainfully employed. Solomon Fabricant, "The Changing Industrial Distribution of Gainful Workers: Comments on the Decennial Statistics, 1820-1940," in *Studies in Income and Wealth, Volume Eleven*, National Bureau of Economic Research, 1949, p. 11.

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the employed who are ill, on vacation, or weather-bound, and the unemployed who are ill if it is reported that they would otherwise be seeking work. From an economic point of view none of these inactive people should be counted in the current labor supply, since they are not immediately available for productive effort.

6. Before 1940, the census excluded from the labor force (in theory, but not necessarily in practice) people who were seeking employment for the first time and who could not, therefore, claim a customary occupation. The practice since 1940 of including such persons is sound from an economic point of view since they represent a supply of labor even if they are inexperienced.

7. The census has never questioned job seekers on the amount of pay or the type of work they desire or on the kind of jobs they can fill. Yet these preferences and abilities are related to their "willingness" and "ability" to work—in other words, their employability.

But the meaning of unemployment and its relation to employability must be clarified before a reasonably accurate boundary can be drawn to mark off the labor force from the great range of leisure and non-gainful activities that lies outside it.

### *Status of the Concept of Unemployment*

Actually, the concept of unemployment furnishes less a boundary than a battleground on which economic and social philosophies are still fighting. This can be seen clearly in the literature on the subject, which falls into three main groups.<sup>2</sup>

The first can hardly be said to have defined unemployment at all; for the writings ranged from implying that the unemployed tend to be unemployable (because they demand higher wages than they are worth) to letting the idle person determine his own status,<sup>3</sup> merely stipulating that a person must first have been a gainful worker, i.e. a member of the labor force, in order to be classified as unemployed. In the local surveys this untidiness of concept persisted well into the Great Depression.

The second group, largely theoretical, has tended to characterize the unemployed as persons willing and able to work but not working. The writers have differed from one another not only in their treatment of such knotty problems as are presented by strikers, the self-employed, family workers, persons temporarily sick or laid off, part-time workers,

<sup>2</sup> Some of the rest of this appendix is a revision of part of the author's article on "The Concept of Unemployment," which appeared in the *Quarterly Journal of Economics* in November 1942 (pp. 1-20). The article refers to the rather extensive literature underlying the present section.

<sup>3</sup> *Occupations at the Twelfth Census* (Special Reports), Bureau of the Census, 1904, pp. ccxxv-ccxxvii, ccl-cclii.

and inexperienced job seekers, but also in their interpretation of willingness and ability to work. Some have conceded that a person's *ability* to work may depend on whether conditions in the labor market are those of a normal, depressed, or booming economy. Others ignore the question of ability, but have insisted that a person's *willingness* to work depends on the wages specified. Even these authors vary widely in the meanings they attach to the term "wages." They speak of wages demanded by the workers, wages that prevail at any given moment, wages that are "reasonable," wages that are not so high as to price the worker out of the market, or wages of a kind not specified. Their theoretical definitions of unemployment have therefore been incomplete, vague, and conflicting.

The third, or statistical group also defines the unemployed as those who term themselves willing and able to work, but the writings vary according to the test applied by the writer himself. And some apply no test at all. Then there are those who use as the criterion the fact that the person is *usually working* or would be if jobs were available. Still others ask if the person is *seeking work*, a question that was included in the United States censuses of 1940 and 1950 and in the monthly sample surveys of the labor force in this country and in Canada. But the censuses, as we have noted, and the surveys usually accept the respondent's statement that the idle person is willing and able to work and is seeking employment, regardless of the economic conditions which may affect his willingness and ability. Are these concepts of unemployment and labor force useful for studying how the labor force responds to economic influence? The answer lies in the meaning of employability and in certain problems of disguised unemployment, such as part-time idleness, the fringe desire to work, and substandard productivity.

### *Employability*

A really rigorous definition of employability must examine carefully the meaning of its components—the willingness and ability to work. Many theoretical, and all statistical definitions give the impression that willingness to work is what mother love ought to be—independent of the character and mood of the subject and of the attractiveness of the object. Ability to work is also usually regarded as an absolute. Yet both of these attributes may be subject to numerous factors—wage rates, non-wage income, working conditions, the cost of living, the difficulty and expense of getting a job,<sup>4</sup> and the outlook for future employment.

<sup>4</sup> Many persons who would be glad to work for current wages under current conditions lose their willingness to work when confronted by fatiguing, embarrass-

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The usual statistical practice—of sample surveys as well as the regular censuses—is to let the respondent and the enumerator decide on the worker's employability. The enumeration treats the subject as employable (by classifying him as unemployed) not only if he is seeking work but also if he is not, when it is reported that he would be if work were available. The alternative to this method is to study job histories of the unemployed, an expensive and futile process, since millions of marginal employables are young people who have no histories worth analyzing. Also the judgments of employers necessarily relate to particular jobs; and even a congress of personnel managers could rarely be certain that there was no job in the economy which a particular worker could fill, however sub-standard he might appear to be from many points of view. And employers are apt to be influenced by circumstances—those who would not hire a poor worker during a depression might be glad to do so in wartime.

But the current practice is also far from satisfactory. Some people who may regard themselves as employable may not be in the eyes of the law or of public opinion. Children, for example, might be banned from employment by organized labor when there were not enough jobs for adult men, or by age restrictions in some occupations. Very few children aged 10 to 13 were reported in the labor force in 1930; and they were not enumerated in 1940 or 1950.<sup>5</sup> The 400,000 youths aged 14 to 17 who were unemployed in 1940 and the approximately 225,000 who were unemployed in 1950 might well be kept in a separate classification.

There has been little agreement on the issue of classifying strikers as involuntarily unemployed. Some economists argue that a strike is a refusal of labor to accept going wages and that the resulting idleness is voluntary. But collective bargaining between large unions and big business firms tends to be a power struggle between quasi-monopolies; it provides no precise standard of the "rightful" wage and therefore no

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ing, expensive, and discouraging job-hunts. The possible relation of labor supply to the attainment of employment applies especially to young women of the middle class, college students, and reasonably well-off married women.

<sup>5</sup> There may not have been many children aged 10-13 in gainful employment in 1940 because jobs were so scarce in cities and because the number of unemployed adults on farms was probably so great that there was no extensive need for child labor in rural areas. By 1950, however, a special sample survey by the Bureau of the Census for the Department of Labor yielded an estimate of over a million children 10-13 working in August, and over 700,000, or about 8 per cent of the population of that age, in October when school was in session. Approximately 40 per cent were working as unpaid family labor for 15 hours or more a week and 60 per cent were working for pay. Most of the latter worked a substantial number of hours per week. More than a tenth of the children 10-13 who were working during the school term were not enrolled in school. *Caution: Children under 14 at Work*, Dept. of Labor, January 24, 1951, pp. 1-4.

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indication that strikers are either genuinely, or voluntarily unemployed.<sup>6</sup>

Generally, strikers were reported as unemployed by the census of 1930. The 1940 and 1950 censuses classified most of them in the "with job but not at work" category (employed), and some of them in the "other and unknown" categories. The problem of whether or not strikers are unemployed is further complicated because they do not normally seek work at their regular occupations; they may not look for other work if there is only one industry in their locality or if they expect the strike to be short. Local and special surveys have occasionally included strikers but usually have not classified them. Fortunately, strikes are rarely a major cause of idleness.

The individual's opinion is apt to vary with economic conditions. He may not have the knowledge or emotional stability to distinguish between normal and abnormal conditions, or he may lose self-confidence after a prolonged and fruitless search for work. Or if he were near the margin of employability he might have described himself as unable to work or as too old in 1940, when jobs were tight, because he could not find employment. Two years later, when jobs were plentiful, he might have decided that he was employable after all. It is even conceivable that an employable worker could become unemployable simply as a result of a long period of poverty or unemployment itself.

Actually, there is little evidence that poverty and unemployment are the cause of any extensive disability in this country.<sup>7</sup> Some even hold that the decline in mortality among the whole population during the Great Depression indicates a general improvement in health. However, Collins and Perrott definitely challenge this assumption, pointing out that the most important causes of illness are not the most important causes of death, and that the ratio of illness to death averages more than 100 to 1.<sup>8</sup> Moreover, the great lag between sickness and death could make the drop in mortality a result of the previous prosperity. The 1950 census revealed that the proportion of people who said they were unable to work had decreased since 1940 (as had unemployment) from 5.2 to 4.1 per cent of the population aged fourteen and

<sup>6</sup> Strikers have usually been excluded from unemployment benefits under joint agreement, trade union compensation plans, and unemployment compensation systems in the United States.

<sup>7</sup> For some light on this question, see the eight-city survey made in 1932 by the Public Health Service and the Milbank Memorial Fund, summarized by S. D. Collins and G. S. Perrott, in "The Economic Depression and Sickness," *Proceedings of the American Statistical Association*, March 1934.

<sup>8</sup> *Ibid.*, p. 47.

older<sup>9</sup>—a reduction of 1.25 million disabled persons. And considering the growing number of older persons, who are naturally more subject to disability, the relative decline is accentuated. Thus standardizing the proportion in 1950 according to the age and sex composition of the population unable to work in 1940 reduces the 1950 percentage to 3.6 and brings the decrease in the number of disabled up to 1.8 million. However, such comparisons must be made with caution, for the way in which the census enumerators' questions are posed, or replies tabulated, has much to do with the results. To illustrate: a woman who says she is unable to work may mean that she is too busy caring for young children.<sup>10</sup> These data suggest that a depression may well cause significant increases in disability. But they do not throw a clear light on whether the increases are actual or the spurious result of relying on respondents' opinions which are conditioned by the ease or difficulty of getting and holding jobs. It is suspected that most of the increase is due to the latter.

Thus unemployment as measured in persons willing and able to work may theoretically vary according to economic conditions. The variation would reflect the net effect of two speculative countermovements. One would be the addition of job seekers who are pressed into the labor market by a reduction in family income; the other, the exodus of comfortably situated persons who are normally employable but who may be currently discouraged by the obstacles in the course of a job-hunt, or by depression wages and job conditions. Some economists believe that during depressions the labor force gains more workers than it loses.<sup>11</sup> Woytinsky, for one, has tried to show statistically that the addition of secondary workers accounts for an important part of the general volume of unemployment.<sup>12</sup> However, his method has been

<sup>9</sup> *Census of Population: 1940*, Vol. IV, *Characteristics of Persons Not in the Labor Force*, p. 17; 1950, Vol. II, *Characteristics of the Population*, p. 99. Some data were reported in the 1930 census also, but since no real attempt was made to count persons unable to work among those not in the labor force, the figures were absurdly low—about a tenth of those in 1940 or 1950.

<sup>10</sup> The dubious reliability of these statistics is disclosed by the discrepancy between the 1950 decennial census, which reported 4.6 million persons unable to work, and the *Current Population Reports*, which found only half this number for the same month, using an almost identical questionnaire. The latter count was, of course, still further below the census of 1940. There were no data on age available from the current reports' enumeration at this writing, but even the distribution by sex varied as between the two census reports for the same month.

<sup>11</sup> *Testimony of Leon Henderson before the Temporary National Economic Committee*, Part 1, *Economic Prologue*, 75th Cong., 3d sess., 1938, p. 162.

<sup>12</sup> W. S. Woytinsky, *Additional Workers and the Volume of Unemployment in the Depression*, Social Science Research Council, Pamphlet Series No. 1, 1940, pp. 1, 17, 26.

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criticized by Humphrey on the ground that the results are due to assumption—specifically, that Woytinsky concerned himself only with persons entering the labor market and overlooked persons who were withdrawing.<sup>13</sup>

It has not been proved that depressions cause a net increase in the labor supply. The evidence so far has been to the contrary.<sup>14</sup> Indeed, Chapter 10 of this volume shows that the Great Depression tended to bring about a moderate net decrease.

### *Hidden Unemployment*

#### PART-TIME EMPLOYMENT.

Census figures are designed to show the number of persons employed regardless of hours actually worked. For example, in the week ending May 14, 1949, the census reported 60.2 million persons in civilian employment, distributed by hours worked in class intervals. Time "lost," both willingly and unwillingly, by the persons who spent less than a full-time workweek (assumed here to be 42 hours) at their jobs, was the equivalent of 7.4 million persons absent 42 hours a week; the aggregate overtime (some persons worked an 80- to 90-hour week) was the equivalent of 8 million extra workers.<sup>15</sup>

In some months, measurement by hours has had a significant effect on the employment figure, e.g. the number of employed persons was 1.1 million greater in February 1951 than in May 1949, but measured in 42-hour equivalents it was 2.3 million less. True, the difference resulted mainly from seasonal variations due to illness and vacations.

#### PART-TIME UNEMPLOYMENT.

Except for the Voluntary Registration of 1937, a few special surveys, and some census surveys which, until recently, were scheduled only

<sup>13</sup> D. D. Humphrey, "Alleged 'Additional Workers' in the Measurement of Unemployment," *Journal of Political Economy*, June 1940, pp. 412-419. See also W. S. Woytinsky, "Additional Workers on the Labor Market in Depressions: A Reply to Mr. Humphrey," *Journal of Political Economy*, October 1940, pp. 735-739.

<sup>14</sup> C. D. Long, *The Labor Force in Wartime America*, National Bureau of Economic Research, Occasional Paper 14, 1944.

<sup>15</sup> The actual full-time week of a large number of people may have fallen below 42 hours. In this week the equivalent part time and the equivalent overtime should have been the same, since the average happened to be the same as the arbitrary figure of 42 hours. The reason for the relatively small discrepancy was that the actual average within each broad hours class was not given and had to be approximated from the mid-points; the census' report of average hours worked was computed from a distribution by single hours of work.

Of course, one person who works 21, and another 63 hours need not be the equivalent in productive efficiency of two persons who each work 42 hours, and one who works 84 hours may not make up for one who does nothing.

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occasionally, part-time unemployment has been ignored or it has been merely reflected in data on part-time employment. As we have seen, the 1940 and 1950 censuses and the regular monthly estimates have classified persons as employed if they worked any part of the week of enumeration and reported the hours they worked, and did not report the hours desired or regarded as normal or standard. Yet part-time employment may at times conceal a significant source of involuntary idleness.

The failure to collect and report information on this vital question has been largely due to the difficulties of defining full time, the meaning of which must in general be left up to the worker, whose choice is subject to many outside restrictions. There can, therefore, be no single standard of full time. Depending upon the purpose of the investigation, part-time unemployment may be computed by subtracting the actual hours the worker puts in from the hours he wants currently, or would have wanted to put in if times were normal, the hours that are limited by law, unions, or employers; or the hours that could be sustained in a war emergency.

Part-time unemployment is not, of course, confined to employees working for wages or salary. Non-wage workers, including farmers, unpaid family workers, employers, and the self-employed also suffer involuntary partial idleness not ordinarily reported in the statistics of unemployment.<sup>16</sup> A farmer and his family, say, with little to do in off seasons, may be unable because of isolation or lack of information, to locate nonfarm jobs for which they are suited. Such disguised idleness is never reported in the unemployment statistics, yet these data would be valuable in estimating the amount of labor that might, with skillful management, be made available to the armed forces or to industry.

Occasionally reports have been made since 1947 on partial employment and unemployment; regular reports have been made since 1940 on hours worked by employed persons. An estimate of the number of partially unemployed persons was made for the fifteen scattered months in which the census asked workers employed part time and the unemployed if they wanted full- or part-time work. Although they were not asked the number of hours of work they wanted, the full time desired could be approximated by assuming, arbitrarily, that generally it amounted to 42 hours a week, or the average put in by all persons at work. Converted into full-time equivalents, part-time unemployment ranged from a low of about  $\frac{2}{3}$  million in November 1950 to a high of 1.2 million in August 1949.<sup>17</sup>

<sup>16</sup> An unpaid family worker could theoretically be counted in the 1940 and 1950 censuses as unemployed, if idle and seeking work.

<sup>17</sup> Regular reports were instituted in February 1955.

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### FRINGE WORKERS

Fringe workers or the "inactive unemployed" are terms applied to persons who may desire work but do not seek it, believing there is none available. Such persons are classed by the census as being outside the labor force, as are persons who do not want work.

Have there been many inactive unemployed? This question was raised during the 1949 contraction in employment, and again during the contraction of late 1953 and early 1954. (In both instances the census was accused of understating the amount of unemployment.) The census sought the answer by resorting to eight special surveys, conducted between 1946 and 1950.<sup>18</sup>

These surveys, which yielded substantially similar results, have demonstrated how difficult it is to measure accurately the number of borderline unemployed. Regular censuses, asking only a few questions, may not count in the labor force some who are genuinely unemployed. And special surveys, trying to extract the last bit of information, are likely to include a large number of persons who have no more than a nebulous attachment to the labor market. The Bureau of the Census has indicated, "It is probably better to accept the exclusion of small marginal groups from the unemployment estimates rather than probe more deeply and run the risk of including large numbers of persons not actually attached to the labor force."<sup>19</sup> An additional factor has not been mentioned by the census. If adding certain fringe groups now left *out* of the unemployed and labor force classifications is considered, eliminating certain fringe groups now counted *in*, both as employed and unemployed, should also be considered. We have already noted that the census' definition of unemployment is by some criteria very generous, for it admits into the labor force:

1. Some persons who may be physically or temperamentally unemployable.
2. Some persons merely pretending to seek work, possibly in order to collect unemployment insurance.
3. Some persons who wish to work, but for wages and under working conditions that are unrealistic in terms of their abilities.
4. Sick persons who would be seeking work if they were well.
5. Job-seekers who desire only part-time employment.
6. Persons who are about to give up the search for work and leave the labor force.

There is no certainty that the number of such fringe workers is great,

<sup>18</sup> For example: *Population, Labor Force Memorandum*, Bureau of the Census, No. 3, June 25, 1948, pp. 3-5.

<sup>19</sup> *Ibid.*, p. 3.

but it may well be as great as the number of fringe workers who are not included in the labor force.

### *Employment That Is Substandard in Productivity*

Persons in jobs that do not utilize their capabilities or that yield no output may in some degree be regarded as representing disguised unemployment.<sup>20</sup> The concept of disguised unemployment must not be so comprehensive as to cover the enormous number of persons who are at all times and in all societies under-utilized by the highest existing standard of efficiency. A sensible concept would cover depression decreases (if any) in output per person or per man-hour employed.<sup>21</sup> There is a fairly common assumption that a depression creates a shift to less productive employment. There are equal grounds for believing that declining profits spur many business firms to get rid of deadwood and make organizational improvements, thus raising the average efficiency of the remaining employees. These conflicting beliefs suggest that a net shift to less productive employment during a depression cannot be assumed;<sup>22</sup> they must be determined by statistical investigation—properly, a study of cyclical fluctuations in productivity. No thoroughgoing study of this kind has yet become available.

### *Economic Labor Force*

Whatever definition of labor force may be needed for sociological, legal, political, or other studies, an ideal one for an economic study should take employment to be the number of persons actually at work (perhaps in terms of time worked or, less satisfactorily, time paid for) and unemployment, the number of persons who are actually seeking

<sup>20</sup> Russell A. Nixon lists the categories of inferior employment as (1) skilled workers in semiskilled and unskilled jobs; (2) workers doing unnecessary work, which makes no addition of goods or services; (3) workers making a bare living on marginal land; (4) workers self-employed on a subsistence basis. *The Problem of Employability: A Consideration of Certain Fundamental Aspects of the Labor Market* (unpublished doctoral dissertation, 1940; manuscript in the Harvard University library), pp. 81–87. J. Douglas Brown has added, in conversation, a fifth class—young persons who are prevented by depression conditions from advancing to jobs in which they would develop skill and a sense of responsibility. See also J. H. G. Pierson, *Full Employment*, Yale University Press, 1941, p. 43.

<sup>21</sup> R. A. Nixon and P. A. Samuelson make the same suggestion: "We would argue the concept of disguised unemployment should not include all deviations from optimal allocation, but only those which are due to cyclical variations in the level of effective demand." "Estimates of Unemployment in the United States," *Review of Economic Statistics*, February 1940, p. 103.

<sup>22</sup> Compare this with Joan Robinson's statement: "In all those occupations which the dismissed workers take up, their productivity is less than in the occupations that they have left. For if it were not so they would have engaged in them already." "Disguised Unemployment," *Essays in the Theory of Employment*, London, Macmillan, 1937, p. 84. This is economic theory at its tautological worst.

work and able to work. Whether willingness and ability to work shall be judged by current or normal labor market standards is a legitimate theoretical question, but it does not seem important in practice. Even in severe depressions the size of the labor force is not much less than in periods of normal or moderately high employment conditions (Chapter 10).

From a strictly economic point of view the present census' concept of the labor force as pointed out in the preceding section and in Chapter 3, has two main operational defects: it includes some persons who are not actually and currently working or available for work and it fails to deal adequately with the problem of part time.

The first defect is remedied in the estimate of the number of persons in the economic labor force in Table E-1 (this appendix). It was computed by adding to the number of persons actually at work in the survey week, the number who were unemployed because of economic factors beyond their control. This is the number of persons who would presumably have been at work if there had been a demand for their service (under conditions that did not alter the supply). During the 8-year period studied, the economic labor force numbered fewer persons than the labor force reported by the census, the difference ranging from 2 to 7 per cent. The main reasons for this difference, and for the variations in the difference, were bad weather and sickness during the winter and vacations—paid or unpaid—in the summer. It should be noted that in the summer months, although the census reports the labor force as rising sharply because of the inflow of students, the *economic labor force* may actually decline because of the vacation exodus of many persons who are normally employed but currently unavailable for productive effort. *But there were no significant variations in the ratio of economic to census-reported labor force between years of recession and years of high employment.*

The second defect of census estimates of the labor force, their failure (admittedly forgivable) to come to grips with the problem of part-time workers, is remedied for rough purposes by converting the number employed into a full-time equivalent (assumed here to be 42 hours per week, about the average hours worked by all the labor force) and adding to it the equivalent full-time unemployment. This economic labor force in full-time equivalents seems to fluctuate more widely from month to month than the census-reported labor force, and again the greater fluctuation appears to be the result of seasonal factors. In February the economic labor force may be below 97 per cent of the census figure. In August there is a sharp rise in the number of persons not at work. In other months there may be a loss of working time because of legal holidays. Aside from these seasonal variations, however,

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the economic labor force, more strictly speaking, did not seem to have differed greatly from the census-reported labor force during the period, and the ratio of economic, to census-reported labor force did not seem to have responded in any systematic way to either the recession of 1949-1950 or the Korean conflict. The economic labor force was about 1 per cent higher than the census-reported labor force in May 1951 during the Korean operations and in May 1949 during the recession, and about 4 per cent lower in both February 1950 and February 1951.

TABLE E-1

United States:  
 Adjustment of Census-Reported Unemployment and Labor Force to Arrive at the Number of Persons Unemployed  
 and in the Labor Force for Economic Reasons, 1947-1956

	ANNUAL AND QUARTERLY AVERAGES (millions)									
	1947				1948					
	I	II	III	IV	I	II	III	IV		
1) Census-reported unemployment	2.14	2.41	2.31	2.20	1.65	2.06	2.38	2.05	2.02	1.81
2) Add: persons with jobs but not at work because on layoff or not yet called to a new job	0.22	0.15	0.27	0.28	0.16	0.26	0.25	0.30	0.28	0.21
3) Deduct: persons without jobs but unavailable for work because of illness <sup>a</sup>	0.31	0.30	0.31	0.32	0.30	0.31	0.30	0.31	0.32	0.32
4) Total persons unemployed for economic reasons	2.05	2.26	2.27	2.16	1.51	2.01	2.33	2.04	1.98	1.70
5) Total persons at work	56.99	55.13	57.56	57.15	58.13	57.93	55.99	58.49	57.73	59.52
6) Total persons in the economic labor force (sum of lines 4 and 5)	59.04	57.39	59.83	59.31	59.64	59.94	58.32	60.53	59.71	61.22
Seasonally adjusted										
7) Total persons unemployed for economic reasons	2.05	1.97	2.23	2.18	1.80	2.01	2.03	2.00	2.00	2.02
8) Total persons at work	56.99	55.67	56.99	57.73	57.55	57.93	56.56	57.91	58.31	58.93
9) Total persons in the economic labor force (sum of lines 7 and 8)	59.04	57.64	59.22	59.91	59.35	59.94	58.59	59.91	60.31	60.95

ANNUAL AND QUARTERLY AVERAGES  
(millions)

	1949				1950				
	I	II	III	IV	I	II	III	IV	
1) Census-reported unemployment	3.39	3.02	3.71	3.49	3.14	4.43	3.32	2.69	2.14
2) Add: persons with jobs but not at work because on layoff or not yet called to a new job	0.29	0.29	0.34	0.23	0.21	0.19	0.27	0.21	0.16
3) Deduct: persons without jobs but unavailable for work because of illness <sup>a</sup>	0.32	0.31	0.32	0.32	0.32	0.31	0.32	0.33	0.33
4) Total persons unemployed for economic reasons	3.36	3.00	3.73	3.40	3.03	4.31	3.27	2.57	1.97
5) Total persons at work	57.56	56.88	56.35	58.68	58.80	56.39	59.29	58.23	61.32
6) Total persons in the economic labor force (sum of lines 4 and 5)	60.92	59.88	60.08	62.08	61.83	60.70	62.56	60.80	63.29
Seasonally adjusted									
7) Total persons unemployed for economic reasons	3.36	2.50	3.77	3.95	3.03	3.75	3.27	2.62	2.46
8) Total persons at work	57.56	57.45	56.92	58.10	58.80	56.96	58.71	58.32	60.72
9) Total persons in the economic labor force (sum of lines 7 and 8)	60.92	59.95	61.03	62.05	61.83	60.71	61.98	61.44	63.18

TABLE E-1, continued

	ANNUAL AND QUARTERLY AVERAGES (millions)										
	1951				1952						
	I	II	III	IV	I	II	III	IV			
1) Census-reported unemployment	1.88	2.35	1.78	1.68	1.68	1.71	1.67	1.98	1.68	1.66	1.37
2) Add: persons with jobs but not at work because on layoff or not yet called to a new job	0.22	0.18	0.24	0.28	0.28	0.17	0.26	0.24	0.28	0.32	0.19
3) Deduct: persons without jobs but unavailable for work because of illness <sup>a</sup>	0.33	0.32	0.33	0.34	0.34	0.33	0.33	0.33	0.33	0.34	0.33
4) Total persons unemployed for economic reasons	1.77	2.21	1.69	1.62	1.62	1.55	1.60	1.89	1.63	1.64	1.23
5) Total persons at work	61.33	59.67	62.03	60.76	62.85	61.92	60.96	62.19	61.06	63.48	63.48
6) Total persons in the economic labor force (sum of lines 4 and 5)	63.10	61.88	63.72	62.38	64.40	63.52	62.85	63.82	62.70	64.71	64.71
Seasonally adjusted											
7) Total persons unemployed for economic reasons	1.77	1.92	1.66	1.64	1.85	1.60	1.65	1.60	1.66	1.47	1.47
8) Total persons at work	61.33	60.27	61.42	61.38	62.23	61.92	61.58	61.57	61.68	62.85	62.85
9) Total persons in the economic labor force (sum of lines 7 and 8)	63.10	62.19	63.08	63.02	64.08	63.52	63.23	63.17	63.34	64.32	64.32

ANNUAL AND QUARTERLY AVERAGES  
(millions)

	1953				1954 <sup>b</sup>					
	I	II	III	IV	I	II	III	IV		
1) Census-reported unemployment	1.60	1.79	1.48	1.37	1.77	3.23	3.49	3.37	3.23	2.82
2) Add: persons with jobs but not at work because on layoff or not yet called to a new job	0.27	0.22	0.25	0.28	0.33	0.34	0.33	0.42	0.36	0.23
3) Deduct: persons without jobs but unavailable for work because of illness <sup>a</sup>	0.33	0.33	0.33	0.34	0.33	0.34	0.33	0.34	0.34	0.34
4) Total persons unemployed for economic reasons	1.54	1.68	1.40	1.31	1.77	3.23	3.49	3.45	3.25	2.71
5) Total persons at work	62.96	62.54	63.66	62.24	63.40	61.55	61.10	62.17	59.93	63.00
6) Total persons in the economic labor force (sum of lines 4 and 5)	64.50	64.22	65.06	63.55	65.17	64.78	64.59	65.62	63.18	65.71
Seasonally adjusted										
7) Total persons unemployed for economic reasons	1.54	1.46	1.37	1.32	2.10	3.23	3.03	3.38	3.28	3.23
8) Total persons at work	62.96	63.23	63.02	62.86	62.77	61.55	61.78	61.55	60.53	62.38
9) Total persons in the economic labor force (sum of lines 7 and 8)	64.50	64.69	64.39	64.18	64.75	64.78	64.81	64.93	63.81	65.61

TABLE E-1, continued

	ANNUAL AND QUARTERLY AVERAGES (millions)									
	1955 <sup>b</sup>				1956 <sup>b</sup>					
	I	II	III	IV	I	II	III	IV		
1) Census-reported unemployment	2.65	3.30	2.71	2.29	2.32	2.55	2.88	2.70	2.34	2.28
2) Add: persons with jobs but not at work because on layoff or not yet called to a new job	0.22	0.23	0.26	0.15	0.22	0.27	0.24	0.32	0.31	0.22
3) Deduct: persons without jobs but unavailable for work because of illness <sup>a</sup>	0.34	0.33	0.34	0.35	0.35	0.35	0.34	0.35	0.36	0.35
4) Total persons unemployed for economic reasons	2.53	3.20	2.63	2.09	2.19	2.47	2.78	2.67	2.29	2.15
5) Total persons at work	63.30	61.28	63.54	62.84	65.57	64.67	63.38	65.43	63.86	66.01
6) Total persons in the economic labor force (sum of lines 4 and 5)	65.83	64.48	66.17	64.93	67.76	67.14	66.16	68.10	66.15	68.16
Seasonally adjusted										
7) Total persons unemployed for economic reasons	2.53	2.78	2.58	2.11	2.61	2.47	2.42	2.62	2.31	2.56
8) Total persons at work	63.30	61.96	62.91	63.47	64.92	64.67	64.08	64.78	64.51	65.35
9) Total persons in the economic labor force (sum of lines 7 and 8)	65.83	64.74	65.49	65.58	67.53	67.16	66.50	67.40	66.82	67.91

Source: Appendix Table B-1.

<sup>a</sup> An estimate of  $\frac{1}{2}$  of 1 per cent of total labor force is based on data reported for 1940-1954. Gertrude Bancroft, "Current Unemployment Statistics of the Census Bureau and Some Alternatives," *The Measurement and Behavior of Unemployment*, Princeton University Press for the National Bureau of Economic Research, 1957, pp. 63-119.

<sup>b</sup> From January 1954 through April 1956 the data were based on the 230-area sample; from May 1956, they were based on the 330-area sample. Through 1953 there were 68 sample areas.