

New Data on Persons Not in the Labor Force

by Paul O. Flaim*

Regular publication of new data on persons not in the labor force—that is, those who are neither working nor looking for work—begins with this issue of Employment and Earnings and will continue on a quarterly basis. Presentation of these data is designed to answer such questions as: How many of the persons outside the labor force want work but are prevented from looking for a job because of illness, home responsibilities, or other impediments? How many of them are “discouraged workers,” that is, persons who are willing and able to work but think that any search for a job would be in vain? How many have worked previously, and when and why did they leave their last job? How many intend to seek work in the near future? 1/

The new information on nonparticipants in the labor force is based on data collected for the Bureau of Labor Statistics by the Bureau of the Census as part of the Current Population Survey (CPS). This nationwide sample survey is conducted monthly in about 50,000 households and provides the basic national labor force and unemployment data. To obtain the new data, a series of special questions on nonparticipation in the labor force—questions 24A through 24E—were added beginning in January 1967. (A portion of the questionnaire showing these questions appears on page 6.)

Because a person's reasons for being outside the labor force are not likely to change from 1 month to another, the CPS interviewers ask the special questions in only 1 of the 4 consecutive monthly visits to the household. 2/ Repeating the questions every month would unnecessarily lengthen the interview and may even lead to a reduction in cooperation from some of the respondents.

Since the new data on persons not in the labor force are derived from only one-fourth of the CPS sample (or about 12,500 households), they are subject to somewhat greater sampling

variability than are estimates based on the full sample. It is mainly for this reason that the results are presented on a quarterly average basis. Standard errors for these quarterly data may be approximated by applying a factor of 1.4 to the standard errors of the monthly data from the entire CPS sample, shown in tables B, C, and D of the “Technical Note” in the back of this publication.

Comparability with Other Data

The new quarterly data on the nonparticipants in the labor force are designed to supplement some limited data which always have been available from the CPS and appear monthly in table A-3 of this publication. The data in this table, however, describe only the major activity of the nonparticipants, who are classified as either “in school,” “keeping house,” “unable to work,” or “other reasons.”

By asking the additional questions, some of the nonparticipants now can be placed in two additional categories which better describe their reasons for being outside the labor force. These two categories are: “retirement or old age” and “think cannot get job.” More importantly, how many of the nonparticipants want jobs and how

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1/ Some of these new data on the reasons for nonparticipation in the labor force already have been presented and analyzed in a recent Special Labor Force Report. See Paul O. Flaim, “Persons Not in the Labor Force: Who They Are and Why They Don't Work,” Monthly Labor Review, July 1969, pp. 3-14. A companion report now being prepared will focus on the nonparticipants as a labor force reserve.

2/ A household selected for the CPS sample is visited by interviewers for an initial period of 4 consecutive months. The household is then dropped from the survey for an 8-month interval before being returned to the sample for a second 4-month period.

many intend to seek work in the future can now be determined. Additional information also is gathered about their education, previous work experience, and reasons for leaving their last job.

The classification of the nonparticipants on the basis of the data obtained through this special series of questions (24A-D) is carried out as follows: If he states that he wants a job (24C), he is generally classified according to the reasons for not seeking work cited in answer to 24D, with ill health and disability given priority over other reasons. If he does not want a job when interviewed but has worked during the preceding 5 years, the nonparticipant is classified either on the basis of his major activity during the reference week (question 19) or his reasons for leaving his last job (24B), whichever is deemed to describe more accurately his current status. If he neither wants a job when interviewed nor has worked in the preceding 5 years, his classification is based solely on his activity during the reference week.

The classification system for the new data on the nonparticipants is not without some problems and limitations. One such problem arises when persons give more than one reason for not seeking work. When this occurs, they are generally classified according to the reason or impediment which is deemed to be the most serious obstacle to participation. Under this system, ill health and disability are given priority over other reasons. Thus, a woman citing both family responsibilities and poor health as reasons for not seeking work would be placed in the "ill health, disability" category. Although both conditions may be equally forbidding to her, she could conceivably make some arrangement whereby she could work despite the family needs, but she would generally have much less control over her health conditions.

Because of technical problems arising from separate estimating procedures, the total number of nonparticipants as computed from the one-fourth sample may differ slightly from data derived from the entire CPS. For most demographic groups, these differences are usually very minor.

More important differences between the two series of data arise in the classification of the nonparticipants according to their reasons for not seeking work. These differences are outlined schematically at the end of this article.

The Tables

The new quarterly data on persons not in the labor force will be presented in 10 special tables. In addition to classifying the nonparticipants according to their reasons for being outside the labor force, these tables also will contain information on the job desire of these persons, their previous work experience, and their future jobseeking intentions.

Three of the 10 tables—1, 6, and 9—will present data only for the most recent quarter. The other seven tables will present data for the comparable year-ago quarter as well as for the most recent one. The 10 tables which are published in this issue on pages 10-17 cover the third quarter of 1969, and seven of them also present comparable data for the third quarter of 1968.

In addition to these 10 tables, which will be published on a regular quarterly basis, this issue contains a series of special tables which present historical quarterly data on persons outside the labor force from the first quarter of 1967 through the second quarter of 1969. Whereas the data in the regular tables are presented by age group as well as by sex and race, the special tables contain no age detail and more limited coverage of other characteristics.

Portion of Current Population Survey questionnaire showing questions used to obtain data on persons not in labor force

<p>18. Line No.</p> <p>19. What was . . . doing most of LAST WEEK-</p> <ul style="list-style-type: none"> Working Keeping house Going to school or something else? <p>Working (Skip to 20A) .. WK <input type="radio"/></p> <p>With a job but not at work J <input type="radio"/></p> <p>Looking for work LK <input type="radio"/></p> <p>Keeping house H <input type="radio"/></p> <p>Going to school..... S <input type="radio"/></p> <p>Unable to work (Go to 24) U <input type="radio"/></p> <p>Other (Specify) OT <input type="radio"/></p>	<p>20. Did . . . do any work at all LAST WEEK, not counting work around the house?</p> <p>(Note: If farm or business operator in hh, ask about unpaid work)</p> <p>Yes <input type="radio"/> No <input type="radio"/> (Go to 21)</p> <p>20A. How many hours did . . . work LAST WEEK at all jobs?</p> <p>49+ <input type="radio"/> (Skip to Item 23)</p> <p>1-34 <input type="radio"/> (Go to 20C)</p> <p>35-46 <input type="radio"/> (Go to 20D)</p>	<p>21. (If J in 19, skip to 21A.)</p> <p>Did . . . have a job or business from which he was temporarily absent or on layoff LAST WEEK?</p> <p>Yes <input type="radio"/> No <input type="radio"/> (Go to 22)</p> <p>21A. Why was . . . absent from work LAST WEEK?</p> <p>Own illness... <input type="radio"/></p> <p>On vacation... <input type="radio"/></p> <p>Bad weather... <input type="radio"/></p> <p>Labor dispute... <input type="radio"/></p> <p>New job to begin within 10 days <input type="radio"/> (Ask 22B and 22C)</p> <p>Temporary layoff (Under 30 days) <input type="radio"/> (Ask 22C)</p> <p>Indefinite layoff (30 days or more or no def recall date) <input type="radio"/></p> <p>Other (Specify)... <input type="radio"/></p>	<p>22. (If LK in 19, skip to 22A.)</p> <p>Has . . . been looking for work during the past 4 weeks?</p> <p>Yes <input type="radio"/> No <input type="radio"/> (Go to 24)</p> <p>22A. What has . . . been doing in the last 4 weeks to find work? (Mark all methods used, if not read list.)</p> <p>Checked pub. employ. agency <input type="radio"/></p> <p>Within priv. employ. agency <input type="radio"/></p> <p>Employer directly <input type="radio"/></p> <p>Friends or relatives <input type="radio"/></p> <p>Placed or answered ads <input type="radio"/></p> <p>Nothing (Skip to 24) <input type="radio"/></p> <p>Other (Specify in notes, e.g., MDA, etc.) <input type="radio"/></p> <p>22B. Why did . . . start looking for work?</p> <p>Was it because . . . lost or quit a job at that time (pause) or was there some other reason?</p> <p>Last job <input type="radio"/></p> <p>Quit job <input type="radio"/></p> <p>Left school <input type="radio"/></p> <p>Wanted temporary work <input type="radio"/></p> <p>Other (Specify in notes) <input type="radio"/></p>																										
<p>20C. Does . . . USUALLY work 35 hours or more a week at this job?</p> <p>Yes <input type="radio"/> What is the reason worked less than 35 hours LAST WEEK?</p> <p>No <input type="radio"/> What is the reason USUALLY works less than 35 hours a week?</p> <p>(Mark the appropriate reason)</p> <p>Stock work... <input type="radio"/></p> <p>Material shortage... <input checked="" type="checkbox"/></p> <p>Plant or machine repair... <input type="radio"/></p> <p>New job started during week... <input type="radio"/></p> <p>Job terminated during week... <input type="radio"/></p> <p>Could find only part-time work... <input type="radio"/></p> <p>Holiday (Legal or religious)... <input type="radio"/></p> <p>Labor dispute... <input type="radio"/></p> <p>Bad weather... <input checked="" type="checkbox"/></p> <p>Own illness... <input type="radio"/></p> <p>On vacation... <input type="radio"/></p> <p>Too busy with housework, school, personal bus, etc... <input type="radio"/></p> <p>Did not want full-time work... <input type="radio"/></p> <p>Full-time work week under 35 hours... <input type="radio"/></p> <p>Other reason (Specify)... <input type="radio"/></p>		<p>20D. Did . . . take any time off LAST WEEK for any reason such as illness, holiday or slack work?</p> <p>Yes <input type="radio"/> How many hours did . . . take off?</p> <p>(Correct 20A if lost time not already deducted; if 20A reduced below 35, correct 20B and 20C; otherwise, skip to 23.)</p> <p>No <input type="radio"/></p> <p>20E. Did . . . work any overtime or at more than one job LAST WEEK?</p> <p>Yes <input type="radio"/> How many extra hours did . . . work?</p> <p>No <input type="radio"/></p> <p>(Go to 23 and enter job held last week)</p>																											
OFFICE USE ONLY <table border="1" style="margin-left: auto; margin-right: auto; width: fit-content;"> <thead> <tr> <th style="width: 33%;">INDUSTRY</th> <th style="width: 33%;">OCCUPATION</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>N</td> </tr> <tr> <td>B</td> <td>P</td> </tr> <tr> <td>C</td> <td>O</td> </tr> <tr> <td>D</td> <td>R</td> </tr> <tr> <td>E</td> <td>S</td> </tr> <tr> <td>F</td> <td>T</td> </tr> <tr> <td>G</td> <td>U</td> </tr> <tr> <td>H</td> <td>V</td> </tr> <tr> <td>J</td> <td>W</td> </tr> <tr> <td>K</td> <td>X</td> </tr> <tr> <td>L</td> <td>Y</td> </tr> <tr> <td>M</td> <td>Z</td> </tr> </tbody> </table>				INDUSTRY	OCCUPATION	A	N	B	P	C	O	D	R	E	S	F	T	G	U	H	V	J	W	K	X	L	Y	M	Z
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<p>23. DESCRIPTION OF JOB OR BUSINESS</p> <p>23A. For whom did . . . work? (Name of company, business, organization or other employer.)</p> <p>_____</p> <p>23B. What kind of business or industry is this? (For example: TV and radio mfg., retail shoe store, State Labor Dept., farm.)</p> <p>_____</p> <p>23C. What kind of work was . . . doing? (For example: electrical engineer, stock clerk, typist, farmer.)</p> <p>_____</p> <p>23D. Was this person</p> <p>An employee of PRIVATE Co., bus., or individual for wages, salary or comm. P <input type="radio"/></p> <p>A GOVT. employee (Federal, State, or county) G <input type="radio"/> (If not a firm) Is the business incorporated? Yes <input type="radio"/> No <input type="radio"/></p> <p>Self-empl in OWN bus., prof. practice, or firm O <input type="radio"/></p> <p>Working WITHOUT PAY in firm, bus., or firm WP <input type="radio"/></p> <p>NEVER WORKED NEV <input type="radio"/></p>																													
<p>24. INTERVIEWER CHECK ITEM</p> <p>Unit not in 1st or 5th month (End questions) <input type="radio"/></p> <p>Unit in 1st or 5th month (Ask 24A-E) <input checked="" type="checkbox"/></p> <p>24A. When did . . . last work for pay at a regular job or business, either full- or part-time?</p> <p>Within past 12 months <input type="radio"/></p> <p>1 up to 2 years ago <input type="radio"/></p> <p>2 up to 3 years ago <input type="radio"/> (Go to 24B)</p> <p>3 up to 4 years ago <input type="radio"/></p> <p>4 up to 5 years ago <input type="radio"/></p> <p>5 or more years ago <input type="radio"/> (Skip to 24C)</p> <p>Never worked <input type="radio"/></p> <p>24B. Why did . . . leave that job?</p> <p>Personal, family (Incl. pregnancy) or school... <input type="radio"/></p> <p>Health..... <input type="radio"/></p> <p>Retirement or old age..... <input type="radio"/></p> <p>Seasonal job completed..... <input type="radio"/></p> <p>Slack work or business conditions..... <input type="radio"/></p> <p>Temporary nonseasonal job completed..... <input type="radio"/></p> <p>Unsatisfactory work arrangements (Hours, pay, etc.) <input type="radio"/></p> <p>Other..... <input type="radio"/></p> <p>24C. Does . . . want a regular job now, either full- or part-time?</p> <p>Full <input type="radio"/> Part <input type="checkbox"/></p> <p>Yes <input type="radio"/> (Go to 24D)</p> <p>No <input type="radio"/> (Go to 24E)</p> <p>Maybe-it depends (Specify in notes) <input type="radio"/></p> <p>Don't know <input type="radio"/></p> <p>24D. What are the reasons . . . is not looking for work? (Mark each reason mentioned)</p> <ul style="list-style-type: none"> Believes no work available in line of work or area ... <input type="radio"/> Couldn't find any work..... <input type="radio"/> Locks rec. schooling, training, skills or experience..... <input type="radio"/> Employers think too young or too old..... <input type="radio"/> Other pers. handicap in finding job..... <input type="radio"/> Can't arrange child care... <input type="radio"/> Family responsibilities..... <input type="radio"/> In school or other training... <input type="radio"/> Ill health, physical disability <input type="radio"/> Other (Specify in notes).... <input type="radio"/> Don't know <input type="radio"/> <p>24E. Does . . . intend to look for work of any kind in the next 12 months?</p> <p>Yes <input type="radio"/></p> <p>It depends (Specify in notes) <input type="radio"/></p> <p>No <input type="radio"/></p> <p>Don't know <input type="radio"/></p> <p>If entry in 24B, describe job in 23</p>																													

**PRINCIPAL DIFFERENCES BETWEEN TWO SERIES OF DATA ON
NONPARTICIPATION IN LABOR FORCE**

Data obtained through regular interview of all nonparticipants in CPS sample

"Going to school"—Includes all the nonparticipants who report "going to school" as their major activity during the reference week (question 19).

"Unable to work"—This group includes only those persons who are afflicted by a physical or mental ailment or disability which is expected to prevent them from working for at least 6 months.

"Keeping house"—This group includes all those persons (mostly women) who report housekeeping as their major activity during the reference week.

"Other reasons"—This group includes all nonparticipants whose activity during the reference week does not fall within the three categories discussed above. (In the new data obtained from

Data obtained through special series of questions asked of one-fourth of nonparticipants in CPS sample

"In school"—In addition to all the nonparticipants who report "going to school" as their major activity during the reference week (question 19), this group includes a small number of persons who, in response to 24D, give "in school or other training" as their reason for not seeking work. As a result, the number of "in school" nonparticipants obtained through the additional questions asked of one-fourth of the CPS sample is slightly higher (about 1 percent) than the number obtained through the regular interview of the entire sample.

"Ill health, disability"—This group includes all persons who attribute their nonparticipation in the labor force to ill health or disability, regardless of the intensity or expected duration of the condition afflicting them. Consequently, the number of nonparticipants placed in the "ill health or disability" category is about twice as large as the number of nonparticipants classified as "unable to work."

"Home responsibilities"—This category of nonparticipants is roughly synonymous to the "keeping house" group obtained from the entire CPS sample. However, it excludes those persons who, although having kept house during the reference week, cite an illness or disability as the reasons for leaving their last job or as an obstacle to current work-seeking, or who think that it would be impossible for them to find a job. Because of this, the average number of persons placed in the "home responsibilities" category runs about 6 to 7 percent lower than the number classified as "keeping house."

"Retirement or old age"—The nonparticipants placed in this category through the additional questions are part of those who fall within the "other reasons" category in data collected from

Data obtained through regular interview of all nonparticipants in CPS sample

one-fourth of the CPS sample, this group of nonparticipants is divided roughly into the three groups listed in the opposite column: "Retirement or old age," "think cannot get job," and "all other reasons.")

Data obtained through special series of questions asked of one-fourth of nonparticipants in CPS sample

the entire sample. However, this group does not include all persons who might consider themselves "retired" in terms of having permanently separated themselves from their jobs. As used here, the retirement or old age concept applies, first of all, only to persons 60 years and over who have not worked during the previous 5 years and to persons who, regardless of their age, have left their last job because of "retirement or old age." Even within these two groups, however, a person is not classified as retired if reported as either wanting a job, keeping house (which allows few women to be classified as retired), or if prevented from seeking work by an illness or disability.

"Think cannot get job"—This category includes all nonparticipants who say they want a job (24C) but add that they think it would be impossible for them to find work (24D). These persons are often referred to as "discouraged workers."

"All other reasons"—This group includes all the nonparticipants who, even on the basis of their responses to the additional questions, cannot be placed in any of the five categories discussed above.