

## Employment and Unemployment Developments, July 1970

Unemployment declined less than it usually does in July, and the overall unemployment rate rose from 4.7 percent to 5.0 percent, the same as in May. At the same time, seasonally adjusted nonfarm payroll employment dropped for the fourth consecutive month.

The July increase in unemployment occurred almost entirely among adult women and young adult men. The jobless rate declined for workers covered by State unemployment insurance programs.

Nonfarm payroll employment declined by 145,000 in July, after seasonal adjustment. Employment declines were widespread among the major industries, although the largest drop occurred in manufacturing. The average workweek edged up slightly for the second month, after reaching its low point in May.

### Unemployment

The number of unemployed persons totaled 4.5 million in July, down 160,000 from June. However, unemployment typically drops more sharply in July, and, as a result, joblessness was up 275,000 over the month after seasonal adjustment. The increase in joblessness occurred mainly among adult women and men 20 to 24 years old. Since last July, unemployment has risen by 1.3 million—725,000 adult men, 400,000 adult women, and 200,000 teenagers.

The unemployment rate for adult women (20 years and over) rose from 4.5 to 5.0 percent in July, a return to the May level. The increase primarily reflected rising joblessness among women 25 years old and over, whose rate moved up to 4.5 percent, its highest level since early 1965.

Unemployment rates for all adult men (3.7 percent) and for married men (2.7 percent) rose over the month, continuing the upward trend in evidence since last winter. However, the rise for adult men occurred almost entirely among those 20-24 years of age, whose rate increased from 7.2 to 9.1 percent.

Jobless rates for both full-time workers (4.6 percent) and part-time workers (7.4 percent) moved up in July. Nearly all of the recent rise in total joblessness has occurred among full-time workers.

White workers accounted for all of the July increase in joblessness, as their rate moved up to 4.7 percent, the highest in 6 years. The unemployment rates for Negroes, at 8.3 percent, was about the same as in June. The ratio of Negro-to-white unemployment rates in July was less than 2 to 1, the ninth month out of the last eleven in which this has occurred.

Among occupational groups, there was a substantial increase in the jobless rate for white-collar workers. Their rate rose from 2.6 to 3.1 percent in July, due primarily to increased unemployment among professional and clerical workers. The jobless rate for blue-collar workers—craftsmen, operatives, and nonfarm laborers—was 6.6 percent in July compared with 4.3 percent in December 1969.

The jobless rate for workers who last worked in manufacturing continued to climb in July and, at 6.0 percent, was at its highest point since late 1963. The jobless rate in the finance and service industries also edged up in July and contributed to the rise in unemployment among adult women.

Unlike the developments in recent months when most of the increased joblessness occurred among persons who had lost their last jobs, the increase in July was almost entirely among workers who had just reentered the labor force, mostly adult women and 20 to 24 year-old men.

The unemployment rate for workers covered by State unemployment insurance programs, which relates primarily to adult experienced workers who had lost their last jobs, fell from 3.7 to 3.5 percent in July. This was the first decline in the State-insured rate since it first began to edge up last winter.

The number of persons on part-time work for economic reasons—such as slack work, material shortages, availability of only part-time work, or started or stopped a job within the survey week—rose substantially in July to 2.3 million. The percent of labor force time lost by persons who were working part time involuntarily and those who were unemployed rose from 4.9 to 5.4 percent. This was a return to the May level, which was the highest recorded since April 1965. (Labor force time lost is a measure of man-hours lost to the economy as a percent of total man-hours available from those in the labor force.)

#### Industry payroll employment

Nonfarm payroll employment was 70.5 million in July, down 900,000 over the month, a larger than usual decline for this time of year. As a result, payroll employment was down by 145,000 after seasonal adjustment, the fourth straight monthly reduction. The decline would have been even greater except for the net return to payrolls of about 50,000 striking workers. (Workers on strike are not counted as employed in the payroll series but are classified as "employed—with a job but not at work" in the household series.)

Employment cutbacks in July were widespread among the major industry divisions, with the largest seasonally adjusted decline taking

place in manufacturing. Factory payroll employment dropped by 75,000, continuing the persistent downward trend that began last fall. Since last September, employment in manufacturing has declined by 850,000.

Nearly all of the July decline in manufacturing occurred in the durable goods industries. Although job losses in durables were widespread, especially large declines were posted in the lumber and wood products, transportation equipment, and electrical equipment industries. Small but pervasive declines in employment were also registered in the nondurable goods industries, which were largely offset by employment advances in the rubber and plastics (primarily the result of a strike return) and apparel industries.

Employment in contract construction edged down 15,000 on a seasonally adjusted basis in July, despite the net return of a nearly equal number who had been on strike. Compared to July 1969, employment in contract construction was down by 140,000, although part of the decline reflected increased strike activity this July.

Seasonally adjusted employment declines also occurred in services (30,000), trade (20,000), and government (15,000). In government, a gain in State and local government (15,000) was more than offset by a cutback of 30,000 workers in Federal Government, about half of whom were temporary 1970 census workers.

Average monthly changes in nonagricultural payroll employment, seasonally adjusted  
(In thousands)

Industry	July 1970	Average monthly change		
		March 1970 to July 1970	July 1969 to March 1970	July 1968 to July 1969
Total nonagricultural payroll employment . . . . .	70,455	-200	107	203
Goods-producing industries . . . . .	23,328	-181	-32	52
Mining . . . . .	617	-2	1	0
Contract construction . . . . .	3,311	-43	5	14
Manufacturing . . . . .	19,400	-136	-38	38
Service-producing industries . . . . .	47,127	-20	139	151
Transportation and public utilities . . . . .	4,507	1	6	12
Trade . . . . .	14,922	-16	39	48
Finance, insurance, and real estate . . . . .	3,676	3	12	16
Services . . . . .	11,484	-13	42	49
Government . . . . .	12,538	5	40	26

The declines in total nonagricultural payroll employment in the past 4 months have reflected job losses in nearly all industry sectors. Since March, nonagricultural payroll employment has fallen by 800,000 (seasonally adjusted), an average of 200,000 a month. (See table.) This contrasts with an average monthly gain of 110,000 in the July 1969-March 1970 period and 200,000 a month in the July 1968-July 1969 period, when all major industries registered substantial employment increases. In both of these earlier periods, the total payroll employment gains were dominated by increases in service-producing industries; however, in the most recent period (March-July 1970), employment has declined even in the services sector, thus providing no offset to the accelerated cutbacks in manufacturing.

#### Hours of work

The average workweek for rank-and-file workers on private nonfarm payrolls inched up by 0.1 hour (seasonally adjusted) in July to 37.3 hours. In the past 2 months, hours of work have risen by 0.2 hour from the May low of 37.1 hours. The seasonally adjusted workweek edged up in all major industry divisions with the exception of contract construction and transportation and public utilities.

In manufacturing, the workweek was up 0.1 hour from June to 39.9 hours, only slightly higher than the 9-year lows of May and June. The nondurable goods industries accounted for all of the over-the-month rise in factory hours.

Factory overtime was down 0.1 hour on a seasonally adjusted basis, although remaining in the narrow range (2.9 to 3.1 hours) which has pre-

vailed since April. Overtime was down in both durable and nondurable goods.

#### Earnings

Average hourly earnings of production and nonsupervisory workers on private payrolls edged up 1 cent in July to \$3.22. Compared with a year ago, hourly earnings were up by 17 cents, or 5.6 percent.

Average weekly earnings rose by \$1.02 over the month to \$121.07, increasing in all major industries except manufacturing and mining. Compared with July 1969, weekly earnings were up by \$5.17, or 4.5 percent.

Over the year ending in June 1970, average weekly earnings rose by 4.2 percent; after adjustment for changes in consumer prices, however, earnings were down by 1.7 percent.

#### Civilian labor force and total employment

The civilian labor force increased by 750,000 over the month to 84.8 million; it normally remains about unchanged in July. The increase returned the civilian labor force to the March-April level (seasonally adjusted). The July labor force was 2.0 million above a year ago, with nearly all of the increase divided about evenly among adult men and women. Part of the over-the-year increase for men reflects the entry into the civilian labor force of returning veterans.

Total employment was 80.3 million in July, up about 400,000 more than seasonally. Compared to July 1969, total employment was up by 675,000, with more than two-thirds of the employment gain among part-time workers, mostly women.