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STUDY PAPER NO. 23

THE STRUCTURE OF UNEMPLOYMENT IN AREAS OF SUBSTANTIAL LABOR SURPLUS

BY THE

BUREAU OF LABOR STATISTICS
UNITED STATES DEPARTMENT OF LABOR

MATERIALS PREPARED IN CONNECTION WITH THE

STUDY OF EMPLOYMENT, GROWTH, AND PRICE LEVELS

FOR CONSIDERATION BY THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

JANUARY 30, 1960

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STUDY OF EMPLOYMENT, GROWTH, AND PRICE LEVELS

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II

This is part of a series of papers being prepared for consideration by the Joint Economic Committee in connection with its "Study of Employment, Growth, and Price Levels." The committee and the committee staff neither approve nor disapprove of the findings of the individual authors.

LETTERS OF TRANSMITTAL

JANUARY 30, 1960.

To Members of the Joint Economic Committee:

Submitted herewith for the consideration of the members of the Joint Economic Committee and others is Study Paper No. 23 "the Structure of Unemployment in Areas of Substantial Labor Surplus."

This is among the number of subjects which the Joint Economic Committee requested individual scholars to examine and report on in connection with the committee's study of "Employment, Growth, and Price Levels."

The findings are entirely those of the authors, and the committee and the committee staff indicate neither approval nor disapproval by this publication.

PAUL H. DOUGLAS,
Chairman, Joint Economic Committee.

U.S. DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D.C., January 24, 1960.

Hon. PAUL H. DOUGLAS,
U.S. SENATE,
Washington, D.C.

DEAR SENATOR DOUGLAS: I transmit herewith the report, "The Structure of Unemployment in Areas of Labor Surplus," which was prepared at your request by the Bureau of Labor Statistics. This supplements the report, "The Extent and Nature of Frictional Unemployment," also prepared by the Bureau and published by the Joint Economic Committee as Study Paper No. 6.

The present report provides data on the personal, occupational, and industrial characteristics of the employed and unemployed in areas of labor surplus (including chronically depressed areas) and other areas. Data presented in this report are, in many cases, the result of special retabulations and have never been available before.

This report was compiled in the Bureau's Division of Manpower and Employment Statistics, Harold Goldstein, Chief, and prepared under the direction of Joseph S. Zeisel.

Sincerely yours,

EWAN CLAGUE,
Commissioner of Labor Statistics.

JANUARY 24, 1960.

Hon. PAUL H. DOUGLAS,
Chairman, Joint Economic Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR DOUGLAS: Transmitted herewith is one of the series of papers prepared for the study of "Employment, Growth, and Price Levels" by outside consultants and members of the staff. This paper was prepared by the Bureau of Labor Statistics, U.S. Department of Labor.

All papers are presented as prepared by the authors.

OTTO ECKSTEIN,
Technical Director,
Study of Employment, Growth, and Price Levels.

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STUDY PAPER NO. 23

THE STRUCTURE OF UNEMPLOYMENT IN AREAS OF SUBSTANTIAL LABOR SURPLUS *

The overall level of unemployment is one of the most critical indicators of the state of the American economy. In recent years, however, there has been growing concern not only with the overall level but also with the anatomy of unemployment. Considerable attention has been given to the reasons for unemployment and the characteristics of the unemployed in periods of generally high levels of economic activity as well as during periods of recession.

Although recessions and depressions have been the major cause of high unemployment, it has been generally accepted that some degree of unemployment is unavoidable in a free market economy even in periods of high or "full" employment. The nature and extent of this frictional unemployment, as it has been called, was explored in a previous study in this series by the Bureau of Labor Statistics.[1] Frictional unemployment, which is the direct result of seasonal fluctuations in employment, movement into and out of the labor force and the very high rate of job mobility in the United States, is generally short-term.

In addition, however, in prosperity as well as recession, there has been a substantial degree of long-term unemployment associated with secular declines in occupations, industries, and areas, reflecting the development of new products, changing tastes, industrial productivity developments, and so forth—often called structural unemployment. This is a particularly virulent form of unemployment, not only because of the economic, social, and emotional implications for the individual, but also because, by its nature, structural unemployment is frequently concentrated geographically, affecting the jobs and incomes of persons not immediately connected with the distressed industry.

Thus, for example, as the decline in demand for coal closed mines in West Virginia and other areas, and the decline of the New England textile industry closed factories in that area, large numbers of workers were laid off. Because these industries were the dominant employers in their areas, those laid off found few alternative job opportunities. Moreover, what few job openings did arise were often at lower paid, less skilled trades. With the resulting decline in income in these areas, service, construction, and other industries often suffered declines. The lack of employment opportunities has resulted in many of the young and more mobile workers leaving these areas while older workers with family responsibilities, long personal associations, and owning homes, have tended to stay on, exhausting their unemployment insurance eligibility and facing little opportunity for reemployment.

*By Joseph S. Zeisel and Robert L. Stein.

[1] Study Paper No. 6, "The Extent and Nature of Frictional Unemployment," U.S. Department of Labor, Bureau of Labor Statistics, Nov. 19, 1959.

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Moreover, these factors often create an atmosphere that is not conducive to investment by new industries. Thus, the effect of a dominant employer moving out, or an industry declining. often proliferates throughout an area, and is felt by virtually the entire community.

Public policy decisions on the necessity for ameliorative action, as well as on the types of action, require as many facts as possible on the extent and the nature of the problem of depressed area unemployment. A recent report by the Department of Labor summarizes a great deal of the relevant information.[2]

The present study is supplementary to the earlier one on frictional unemployment and deals with one serious aspect of frictional unemployment—that associated with depressed areas. Like the earlier report, it attempts to enhance our understanding of the unemployment problem by providing information not previously available, in this case for very different kinds of labor market areas. As in the previous study, an attempt has been made to exploit more fully data already collected in the monthly labor force survey. In addition, the present study also uses data from a sample survey of unemployment insurance claimants which was in operation in 1956 and 1957. It must be emphasized, however, that these surveys are being used for purposes not contemplated in their original design. Because the results are subject to a number of limitations, this study must be regarded as experimental rather than as a definitive work in the field of depressed area unemployment.

Part I of the study is based on a special retabulation of data compiled from the sample used for the Monthly Report on the Labor Force (MRLF). The original data were collected in April and May 1959. It was recognized that this would create special problems of interpretation because recovery from the 1957–58 recession was not yet complete last spring, with unemployment still at 5 percent of the civilian labor force. Because of technical difficulties, however, it was not possible to retabulate the MRLF for the full employment period of 1955–57, the period of reference for the previous analyses of frictional unemployment. (In part, this gap was filled by data from the unemployment insurance sample, which did cover the period from July 1, 1956, to June 30, 1957.)

The MRLF data for the spring of 1959 (separate data for April and May were averaged, thus reducing sampling variability by about 20 percent) were tabulated by several groupings of major labor market areas as defined and classified by the Bureau of Employment Security. These can be described as follows:

Class 1—Areas of continued tight, or balanced, labor supply-demand relationships.

Class 2—Areas of tight or balanced labor supply before the recession, characterized by a substantial rise in unemployment during the recession, but recovery thereafter.

Class 3—Areas of either chronic labor surplus, or which became areas of substantial labor surplus during the recent recession and had not recovered as of the spring of 1959. These areas were still classed as D, E, or F in May 1959.[3]

[2] U.S. Department of Labor, Bureau of Employment Security, "Chronic Labor Surplus Areas, Experience and Outlook," July 1959.

[3] For a description of the criteria used in area classification, see U.S. Department of Labor, Bureau of Employment Security, "The Labor Market and Employment Security," December 1959 (p. 5).

Included in class 3 were 19 areas that may be designated as chronically depressed areas. These were places classified by BES as D, E, or F throughout 1957, 1958, and the first half of 1959. This subgroup (known as class 3B) had 3 million in its civilian population of working age, 10 percent of the total class 3 population. Detroit was not included in class 3B because, with the relatively small MRLF sample in chronically depressed areas, its characteristics would have dominated the overall pattern. The sample in these areas was not large enough to yield separate statistics, except in the case of a few items such as labor force participation rates. Here again, the unemployment insurance (UI) data were of considerable help because there was no problem of showing separate figures for chronically depressed areas as distinguished from other areas of substantial labor surplus.

One unique advantage of part I lies in its presentation of kinds of data not elsewhere obtainable, as will be indicated later. The utility of this study could be greatly enhanced by the accumulation of similar data for other periods, especially 1955–57, so that the effects of the recession would not be reflected, and so that additional information could be shown for areas with a chronic labor surplus.

Part II of this study is based on tabulations from a sample of unemployment insurance claimants in 1956 and 1957. The time reference is consistent with that used in Study Paper No. 6. Moreover, this sample was large enough (two-tenths of 1 percent) to permit publication of separate data for chronically depressed areas. According to the definitions used, 21 major labor market areas and 70 smaller areas were identified as chronically depressed.

These data relate to the total number of different persons who had at least one spell of insured unemployment between July 1956 and June 1957. The unemployment experience of the same individuals has been traced over that 12-month period, and statistics have been presented on duration and spells of insured unemployment as well as the extent of exhaustions.

The major limitation of these figures is that they are subject to non-economic influences, such as the legal restrictions on eligibility. This problem is especially acute for depressed areas because there may be a large pool of "chronic exhaustees," that is, persons who had used up their benefits and never became reemployed long enough to earn new benefit rights.

Despite the limitations of both sets of data described above, a number of significant findings have emerged from these studies:

1. Unemployment in chronically depressed areas accounted for at least one-fifth of total unemployment in the full-employment period of 1956–57. Not all the unemployment in chronically depressed areas was "structural," i.e., the result of long-term changes in the economy. Some of it was clearly the result of short-term frictional situations. If the rate of unemployment in these areas could have been reduced to the national average, the jobless total would have been roughly a quarter of a million lower at that time.

2. The characteristics of the unemployed in chronically depressed and other areas of substantial labor surplus indicated that unemployment had much more serious welfare implications in those areas than elsewhere.

(*a*) The rate of long-term unemployment (15 weeks or longer) in chronically depressed and other areas of substantial labor surplus was much higher than that of other areas. The differences were especially sharp in the proportions jobless for one-half year or longer (26 percent of the unemployed in labor-surplus areas, 13 percent in other areas).

(*b*) Unemployment in areas of substantial labor surplus was concentrated to a greater extent among adult men, especially heads of families. This finding was borne out in both parts of the study.

(*c*) Both studies also showed that substantially larger proportions of the unemployed in chronically depressed and other areas of substantial labor surplus were blue-collar workers (especially semiskilled) previously employed in manufacturing. The plight of such workers is especially difficult because they are often not equipped in terms of skill to fill jobs in occupations where vacancies are most likely to exist (e.g., professional, technical, secretarial, service.) As a result, they may accept relatively unskilled jobs at lower pay.

3. Unemployment in areas of substantial labor surplus not only affects the dominant industries in those areas but also spreads to other components of the economy. Unemployment rates were much higher in hard goods manufacturing industries in areas of substantial labor surplus than in other areas, and they were also significantly higher in construction, transportation, and trade.

4. The extent of labor force participation among several age-sex groups in the population differed sharply as between chronically depressed areas and other areas but the differences were minor for men in the principal working ages (25–64). The main differences were as follows:

(*a*) There was a lower labor force rate among young men under 25 in chronically depressed areas than in class 1 areas. However, nearly all those not in the labor force were in school, suggesting that part-time jobs were less plentiful in depressed areas and many of these young persons probably just did not look for work.

(*b*) In the chronically depressed areas, the worker rate for men 65 and over was lower than in class 1 areas but the difference was slight.

(*c*) The labor force rates for women showed the opposite picture, higher rates for women in chronically depressed areas than in all other areas among young women 20 to 24 and those in the 35 to 64 age group. Although this pattern probably reflected the greater need for supplementary family earners in depressed areas, to some extent it may have been a result of the types of industries located in these areas (e.g., textiles and other nondurable goods plants), which traditionally have employed many women.

PART I

Part I of this study of areas with a substantial labor surplus is based on data compiled from the sample used for the Monthly Report on the Labor Force.[4] The MRLF sample was designed to yield

[4] For a brief description of this source, see the explanatory notes in "Employment and Earnings." U.S. Department of Labor, Bureau of Labor Statistics, Washington 25, D.C.

reliable national estimates, and its use as a source for data by types of areas should be recognized as tentative and exploratory. This retabulation does not provide statistically significant data for individual areas, but does provide valuable data, never previously available, by broad groups of areas. Moreover, the results are illustrative of the kinds of information potentially available from this source for labor market areas. Before the direct sample survey approach could be used widely for areas below the national level, however, the sample would probably have to be redesigned and appreciably enlarged. Moreover, in chronically depressed areas, the scope of the inquiry itself might have to be expanded in order to reveal the full dimensions of manpower underutilization.

Despite these and other limitations, the MRLF data for April and May 1959 were retabulated by several groupings of major labor market areas. The data made available from these special tabulations are valuable for two reasons:

1. There are some types of information available from the labor force surveys that cannot be obtained directly from other sources such as: (*a*) The personal characteristics of the population, of the labor force, and of the employed and unemployed as well as more detailed subgroupings within the labor force; (*b*) identification of the occupations and industrial attachments of both the employed and the unemployed (last job held) from the same primary source; (*c*) distributions by hours of work for the employed and by duration of unemployment for the unemployed.

2. The employment, unemployment, and labor force data for areas are consistent with the national figures in terms of concepts and collection methods. Although subject to the usual field survey problems of sampling variability and response error (especially in cases of persons with marginal attachment to the labor force), the data are not subject to the special problems connected with administrative statistics.

Because of time and cost limitations, it was possible to tabulate, process, and analyze data only for one specific period, the spring of 1959. Separate data were obtained for April and May and were then averaged in order to increase the reliability of the results. Specific estimated variances are not available for these data per se, but the more general tables of sampling error published for MRLF data are reasonably satisfactory approximations. (See p. 22 of this study.)

The basic plan for this pilot study was as follows:

1. The 145 major labor market areas in the continental United States classified by the Bureau of Employment Security were grouped into three categories. The criteria used were:

> Class 1.—Areas whose classification remained at A, B, or C from January 1957 to May 1959; i.e., areas with a consistently tight or balanced labor supply-demand situation.
>
> Class 2.—Areas whose classification fell to D, E, or F after the first quarter of 1957 but returned to C or better by May 1959; i.e., areas with a substantial labor surplus during the recession, but which showed recovery in 1959.
>
> Class 3.—Areas whose classification fell to D, E, or F after the first quarter of 1957 and were still D or worse in May 1959; and areas whose classification was D or worse throughout the period

January 1957 to May 1959; i.e., areas of substantial labor surplus and chronically depressed areas.[5]

2. The MRLF data were tabulated for each labor market area group for the spring of 1959.

The 145 major labor-market areas classified by BES account for nearly 60 percent of the civilian noninstitutional population 14 years and over in the continental United States. Of these areas, 115 are in the MRLF sample, including all of the 100 largest areas. The data for the three groupings were tabulated separately, and the results were appropriately weighted to reflect the 30 labor-market areas not in the sample.

The main focus of the study is on class 3 areas (areas of substantial labor surplus). About one-third of these areas may be characterized as chronically depressed; the rest as cyclically affected and showing lagging recovery. It is probably too early to tell whether the 1957–58 downturn has added to the list of chronically depressed areas.

Class 3 areas may be described as follows:

(1) They comprise 57 of the 145 major labor-market areas.

(2) The 57 areas included 19 which were chronically depressed.[6]

(3) The remaining 38 were areas which might be described as having substantial labor surpluses because of the business downturn. Most of these fell as low as D in the first quarter of 1958.

Altogether, about half the areas in class 3 were still classified D, E, or F in November 1959. Most of this group had experienced a substantial labor surplus for at least 2 years, some of them for 3 years or more.

The major substantive findings of the present study are described below. For most purposes, comparisons are drawn between class 3 areas and class 1 areas in order to delineate the significant differences as sharply as possible. The unemployment rate was the same in class 2 as in class 1 areas and in a number of other respects class 2 area characteristics closely resembled those of class 1 areas.

UNEMPLOYMENT

Class 3 areas accounted for 1.1 million or nearly one-third of total unemployment in the spring of 1959 although they represented only one-fourth of the Nation's population and labor force. As a group, their rate of unemployment, based on direct surveys of the labor force, was 6.3 percent as compared with 4.9 percent in class 1 and class 2 areas, each of which included a little over 500,000 jobless workers. Significant qualitative differences in the characteristics of the unemployed were revealed among the groups. Unemployment in class 3 areas showed greater concentration among regular labor force members, a higher proportion of factory operatives and other industrial workers, and a much higher incidence of long-term unemployment.

[5] Unfortunately, the scope of the study had to be curtailed from its original design, as it was determined that the sample was not large enough to yield sufficiently reliable estimates separately for chronically depressed areas. This does not mean that such areas are not adequately represented in the national sample, but only that separate figures for these areas cannot be obtained. It was necessary, therefore, to combine such areas with areas whose labor surplus had its origins in the 1957–58 recession and to present the final results in terms of three area groupings rather than four. Moreover, as noted earlier, because of time and cost factors, the data had to be confined to 1959 rather than to each of the 3 years 1957, 1958, and 1959 as originally planned. Thus, the final product is much more limited than its original outline, but it provides some useful information not previously available and opens the door to further research in this field.

[6] For a detailed analysis, area by area, see the report "Chronic Labor Surplus Areas, Experience and Outlook," op. cit.

Personal characteristics of the unemployed

In areas of substantial labor surplus, a larger proportion of the unemployed were men between the ages of 25 and 64 (45 percent in class 3, 36 percent in class 1; see table 1). Men in these age groups also accounted for a slightly larger proportion of the labor force in class 3 than in class 1. More important, however, was the much higher unemployment rates for adult men, especially those in the 25- to 34-year age group.

A larger proportion of the unemployed in class 1 areas, on the other hand, were teenagers (25 percent, as compared with 16 percent). Such unemployment is more likely to be of short duration and is less serious in other respects since teenagers seldom have dependents, and in fact may still be largely dependent on their parents. The unemployment rate for teenagers was the same in class 1 as in class 3 areas, a little over 17 percent. It is likely, however, that teenager unemployment in class 1 areas included a higher proportion of casual jobseekers who had entered the labor market in response to a favorable job situation.

TABLE 1.—*Unemployment by age and sex, by labor market area class, spring 1959*

[Based on the monthly labor force survey]

Age and sex	Number of unemployed (thousands)			Unemployment rate (percent)			Percent distribution		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Total	579	524	1,130	4.9	4.9	6.3	100.0	100.0	100.0
Male	356	333	717	4.7	4.6	6.0	61.5	63.5	63.5
14 to 19 years	84	62	99	17.8	15.2	17.1	14.5	11.8	8.8
20 to 24 years	45	43	76	6.6	7.1	8.6	7.8	8.2	6.7
25 to 34 years	63	72	171	3.4	4.1	6.2	10.9	13.7	15.1
35 to 44 years	54	53	128	2.9	3.0	4.3	9.3	10.1	11.3
45 to 54 years	50	46	115	3.3	3.2	4.7	8.6	8.8	10.2
55 to 64 years	43	40	95	4.5	4.2	5.5	7.4	7.6	8.4
65 years and over	18	17	32	5.6	5.7	6.0	3.1	3.2	2.8
Female	224	191	413	5.4	5.5	6.9	38.7	36.5	36.5
14 to 19 years	58	39	81	17.2	12.1	17.6	10.0	7.4	7.2
20 to 24 years	34	18	61	7.3	4.8	8.4	5.9	3.4	5.4
25 to 34 years	42	37	61	4.8	5.8	5.9	7.3	7.1	5.4
35 to 44 years	40	40	70	4.5	5.2	4.8	6.9	7.6	6.2
45 to 54 years	27	34	95	2.9	4.3	7.0	4.7	6.5	8.4
55 to 64 years	20	19	35	4.0	4.3	4.7	3.5	3.6	3.1
65 years and over	3	5	15	2.2	4.0	6.9	.5	1.0	1.3
Male, 25 to 64 years	210	211	509	3.4	3.6	5.1	36.2	40.2	45.0

Married women represented a higher proportion of the unemployed in class 1 than in class 3, while married men accounted for a smaller proportion (table 2). Although these differences were slight, they were consistent with the pattern of a more serious kind of unemployment problem in class 3 areas.

Unemployment rates for nonwhite workers were much higher than for white workers in all three area groups (about 2½ to 3 times as high among men) and unemployment rates were higher in class 3 areas than in class 1 areas for both whites and nonwhites. Interestingly, however, the class 1-class 3 difference seemed to be a little sharper for white than for nonwhite workers, probably reflecting (among other things) a difference in industry and occupation distribution.

TABLE 2.—*Unemployment by marital status, color, and sex, labor market area class, spring 1959*

[Based on the monthly labor force survey]

Characteristic	Number of unemployed (thousands)			Unemployment rate (percent)			Percent distribution		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Total	579	524	1,130	4.9	4.9	6.3	100.0	100.0	100.0
Male	356	333	717	4.7	4.6	6.0	61.5	63.5	63.5
Married, wife present	166	156	375	2.9	2.8	4.1	28.7	29.8	33.2
All other	190	177	342	10.6	10.6	12.6	32.8	33.8	30.3
Female	224	191	413	5.4	5.5	6.9	38.7	36.5	36.5
Married, husband present	105	90	178	4.8	4.8	6.0	18.1	17.2	15.8
All other	119	101	235	6.3	6.3	7.7	20.6	19.3	20.8
Male	356	333	717	4.7	4.6	6.0	61.5	63.5	63.5
White	243	252	550	3.7	3.9	5.1	42.0	48.1	48.7
Nonwhite	112	81	166	11.2	10.8	13.9	19.3	15.5	14.7
Female	224	191	413	5.4	5.5	6.9	38.7	36.5	36.5
White	164	138	330	4.8	4.6	6.4	28.3	26.3	29.2
Nonwhite	61	53	83	9.0	11.7	10.0	10.5	10.1	7.3

Industry and occupation of latest job held by the unemployed

The big difference in the previous job experience of unemployed workers in areas of substantial labor surplus, as contrasted with other major labor market areas, was the much higher ratio of factory unemployed to total unemployed. Nearly two-fifths of the 1.1 million jobless in areas of substantial labor surplus were formerly employed in manufacturing industries; only one-fifth of those in class 1 areas were factory workers. (See table 3.) The work force in areas of substantial labor surplus was generally more heavily concentrated in manufacturing, and in addition, the unemployment rate for factory workers was much higher in class 3 areas; in durable goods industries, the rate was 7 percent as compared with 4 percent in the other areas.

The automobile and apparel industries each accounted for about 5 percent of the unemployed in class 3 areas but were a negligible proportion in the other areas.

In class 1 areas, a higher proportion of the unemployed than in class 3 were new entrants to the labor market, were from growing industries (trade, services, government) or were from sectors with wide seasonal fluctuations (agriculture, construction). This means that class 1 area unemployment reflected to a much larger extent short-term frictional situations and to a smaller extent basic economic maladjustments.

Although there was a greater concentration of class 1 area unemployed in nonmanufacturing industries, the rates of unemployment in three important sectors—construction, transportation, and trade—were lower than in class 3 areas. On the other hand, in those industries less closely related to the general level of business activity such as services and government, unemployment rates were virtually the same in class 1 as compared with class 3 areas.

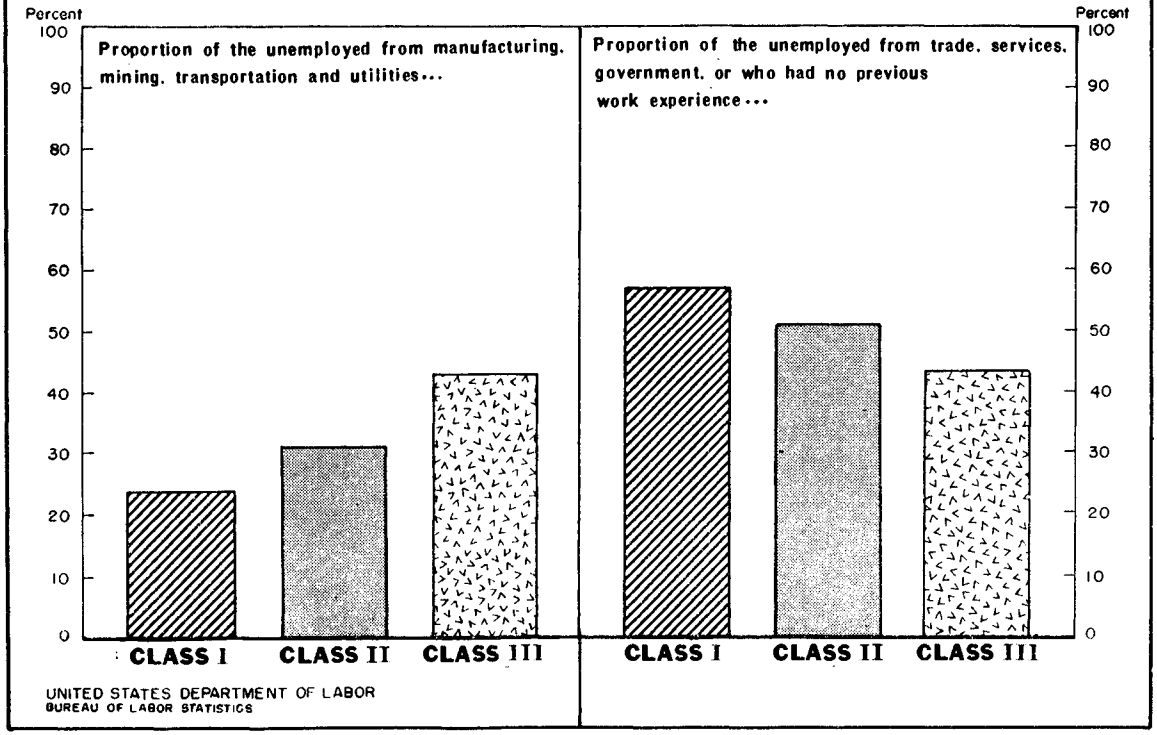
TABLE 3.—*Unemployment by industry of last job, labor market area class, spring 1959*

[Based on the monthly labor force survey]

Industry group	Number of unemployed (thousands)			Unemployment rate (percent)			Percent distribution		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Total	579	524	1,130	4.9	4.9	6.3	100.0	100.0	100.0
New workers	76	68	119				13.1	13.0	10.5
Experienced unemployed	503	456	1,011	4.3	4.3	5.7	86.9	87.0	89.5
Agriculture	26	14	7	7.5	5.8	3.2	4.5	2.7	.6
Nonagricultural industries	477	442	1,004	4.2	4.3	5.7	82.4	84.4	88.8
Self employed and unpaid	14	14	24	1.2	1.4	1.5	2.4	2.7	2.1
Private household workers	30	17	30	5.6	5.1	4.3	5.2	3.2	2.7
Government workers	40	15	33	2.3	1.5	1.9	6.9	2.9	2.9
Other wage and salary workers	396	397	920	5.0	4.9	6.8	68.4	75.8	81.4
Mining, forestry and fisheries	1	3	14	(1)	(1)	(1)	.2	.6	1.2
Construction	73	66	125	10.4	12.3	15.0	12.6	12.6	11.1
Manufacturing	111	141	416	4.8	4.2	7.0	19.2	26.9	36.8
Durable goods	53	87	242	4.1	3.9	7.0	9.2	16.6	21.4
Automobiles		7	57	(1)	4.7	11.7		1.3	5.0
All other	53	80	185	4.5	3.8	6.2	9.2	15.3	16.4
Nondurable goods	58	55	173	5.5	4.9	7.0	10.0	10.5	15.3
Textile-mill	8	3	22	(1)	(1)	8.6	1.4	.6	1.9
Apparel	9	9	65	6.4	7.6	10.6	1.6	1.7	5.8
All other	42	43	86	5.0	4.5	5.4	7.0	8.2	7.6
Transportation and other utilities	28	20	58	3.3	3.0	4.9	4.8	3.8	5.1
Railroads	8	7	16	4.3	3.9	5.5	1.4	1.3	1.4
All other	20	13	42	3.1	2.7	4.7	3.4	2.5	3.7
Trade	101	106	183	5.0	6.1	6.8	17.4	20.2	16.2
Service	84	62	126	4.3	3.7	4.6	14.5	11.8	11.2

[1] Percent not shown where base is less than 100,000.

Chart 1. Industrial Composition of the Unemployed, by Labor Market Area Grouping: Spring 1959



The occupation data in table 4 reflect the same basic factors as the industry statistics—a higher rate of unemployment in nearly all occupations in class 3, a higher proportion of factory operatives (semiskilled production workers) among the unemployed, and a lower proportion of farm workers, service workers, and new workers.

TABLE 4.—*Unemployment by occupation group, by labor market area class, spring 1959*

[Based on the monthly labor force survey]

Occupation group	Number of unemployed (thousands)			Unemployment rate (percent)			Percent distribution		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Total	579	524	1,130	4.9	4.9	6.3	100.0	100.0	100.0
New workers	76	68	119				13.1	13.0	10.5
Experienced unemployed	503	456	1,011	4.3	4.3	5.7	86.9	87.0	89.5
White collar	122	117	251	2.2	2.4	3.2	21.1	22.3	22.2
Professional and technical	17	20	30	1.1	1.7	1.5	2.9	3.8	2.7
Managers, officials, proprietors	11	18	34	.9	1.5	2.0	1.9	3.4	3.0
Clerical	71	46	132	3.6	2.7	4.5	12.3	8.8	11.7
Sales	23	33	55	2.8	4.1	4.7	4.0	6.3	4.9
Blue collar	268	255	629	6.6	6.0	8.4	46.3	48.7	55.7
Craftsmen and foremen	69	64	132	4.5	4.1	5.3	11.9	12.2	11.7
Operatives	124	119	347	6.7	5.8	8.8	21.4	22.7	30.7
Manufacturing	60	78	256	7.0	6.3	10.1	10.4	14.9	22.7
All other	63	42	90	6.4	5.2	6.4	10.9	8.0	8.0
Laborers	75	72	150	10.9	10.8	14.1	13.0	13.7	13.3
Manufacturing	12	21	46	11.7	9.2	14.2	2.1	4.0	4.1
All other	63	51	104	10.8	11.7	14.0	10.9	9.7	9.2
Service occupations	98	77	130	5.9	6.0	5.8	16.9	14.7	11.5
Farm occupations	18	12	3	6.2	5.4	1.7	3.1	2.3	.3

Duration of unemployment

One of the most critical measures of the nature of unemployment is its duration. Most industrial workers are covered by unemployment insurance, and may have some savings to tide them over short periods of unemployment. But when unemployment extends for long duration involving exhaustion of savings as well as of entitlement for unemployment benefits, serious social implications are involved. In this respect, class 3 areas also showed up considerably worse than class 1 areas. One-fourth of the unemployed in class 3 had experienced a jobless spell of more than 6 months; this was true of only one-eighth of the unemployed in class 1 (table 5). Conversely, a smaller proportion of the class 3 unemployed had been seeking work for only 1 month or less.

Class 3 areas accounted for over 40 percent of the very long-term unemployed in the nation (over one-half year), but they represented only 25 percent of the short-term unemployed.

Differences in duration of unemployment would undoubtedly be even greater, and more revealing, if data were available for an entire calendar year for these areas. It is hoped that such data can be developed in a future work experience study covering an entire year.

Chart 2. Long-Term and Short-Term Unemployed, by Labor Market Area Grouping: Spring 1959

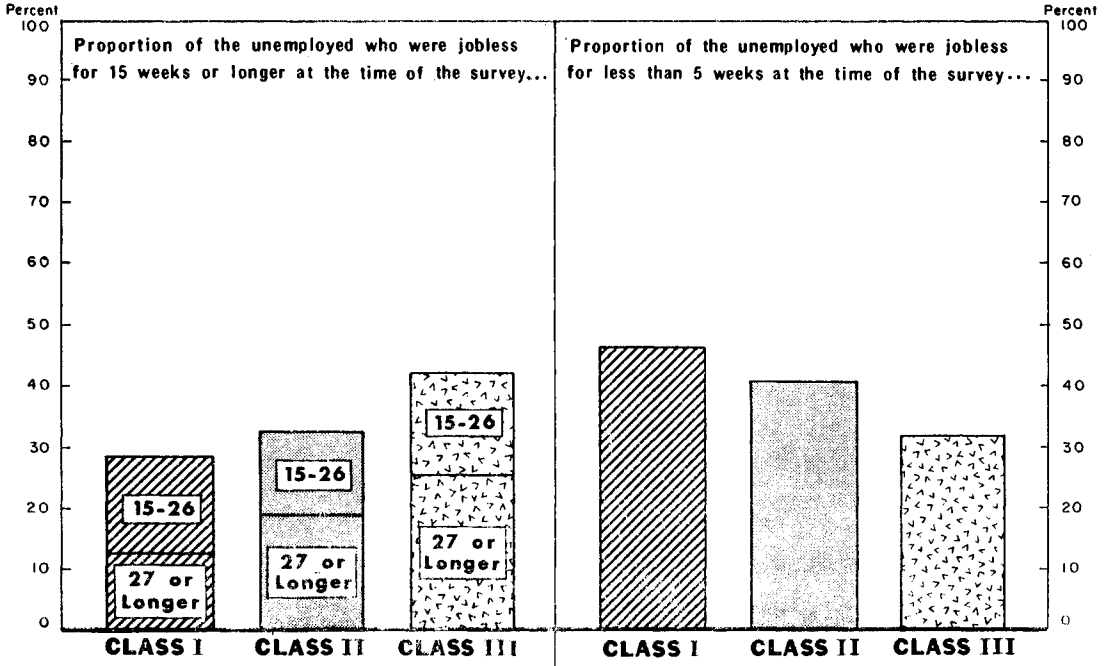


TABLE 5.—*Unemployment, by duration, by labor market area class, spring 1959*

[Based on the monthly labor force survey]

Duration of unemployment (weeks)	Number of unemployed (thousands)			Percent distribution		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Total	579	524	1,130	100.0	100.0	100.0
Less than 5	269	214	360	46.5	40.8	31.9
5 to 10	102	97	199	17.6	18.5	17.6
11 to 14	42	40	96	7.3	7.6	8.5
15 or longer	166	172	476	28.7	32.8	42.1
15 to 26	92	72	187	15.9	13.7	16.5
27 or longer	74	100	289	12.8	19.1	25.6

EMPLOYMENT

Industry and occupation

The industrial character of employment in class 1 areas showed a heavier concentration in sectors which have shown steady employment growth and which are less subject to cyclical unemployment. Government, trade, and service made up 50 percent of employment in class 1 areas, 40 percent in class 3 (table 6). On the other hand, as noted earlier, manufacturing was much more important in class 3 than in class 1, comprising one-third of the employed as compared with one-fifth.

In line with the industrial pattern, there was a larger proportion of semiskilled factory operatives among the employed as well as the unemployed in class 3 than in class 1 (table 7). Other differences were relatively small, but there were perceptibly lower proportions of white collar (especially professional) and service workers in class 3.

TABLE 6.—*Employment by industry group, by labor market area class, spring 1959*

[Based on the monthly labor force survey]

Industry group	Number of employed (thousands)			Percent distribution		
	Class 1	Class 2	Class 3	Class 3	Class 2	Class 1
Total	11,142	10,136	16,768	100.0	100.0	100.0
Agriculture	319	229	209	2.9	2.3	1.2
Nonagricultural industries	10,823	9,907	16,560	97.1	97.7	98.8
Self-employed and unpaid family	1,138	988	1,599	10.2	9.7	9.5
Private household workers	506	319	673	4.5	3.1	4.0
Government workers	1,714	960	1,717	15.4	9.5	10.2
Other wage and salary workers	7,467	7,640	12,570	67.0	75.4	75.0
Mining, forestry, and fisheries	44	28	67	.4	.3	.4
Construction	626	472	711	5.6	4.7	4.2
Manufacturing	2,225	3,229	5,524	20.0	31.9	32.9
Durable goods	1,226	2,168	3,222	11.0	21.4	19.2
Automobiles	89	143	432	.8	1.4	2.6
All other	1,137	2,025	2,790	10.2	20.0	16.6
Nondurable goods	998	1,060	2,301	9.0	10.5	13.7
Textile—mill	74	29	233	.7	.3	1.4
Apparel	131	110	549	1.2	1.1	3.3
All other	794	922	1,520	7.1	9.1	7.9
Transportation and other utilities	809	646	1,125	7.3	6.4	6.7
Railroads	177	171	276	1.6	1.7	1.6
All other	632	475	849	5.7	4.7	5.1
Trade	1,911	1,644	2,509	17.2	16.2	15.0
Service	1,854	1,622	2,637	16.6	16.0	15.7

TABLE 7.—*Employment by occupation group, by labor market area class, spring 1959*

[Based on the monthly labor force survey]

Occupation group	Number of employed (thousands)			Percent distribution		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Total	11,142	10,136	16,768	100.0	100.0	100.0
White collar	5,527	4,736	7,611	49.6	46.7	45.4
Professional and technical	1,544	1,167	1,965	13.9	11.5	11.7
Managers, officials, and proprietors	1,252	1,150	1,703	11.2	11.3	10.2
Clerical	1,918	1,655	2,827	17.2	16.3	16.9
Sales	813	764	1,116	7.3	7.5	6.7
Blue collar	3,794	3,998	6,867	34.1	39.4	41.0
Craftsmen and foremen	1,459	1,486	2,360	13.1	14.7	14.1
Operatives	1,721	1,919	3,590	15.4	18.9	21.4
Manufacturing	792	1,160	2,267	7.1	11.4	13.5
All other	929	759	1,322	8.3	7.5	7.9
Laborers	614	593	917	5.5	5.9	5.5
Manufacturing	91	207	278	.8	2.0	1.7
All other	523	386	639	4.7	3.8	3.8
Service occupations	1,551	1,196	2,123	13.9	11.8	12.7
Private household workers	425	258	589	3.8	2.5	3.5
All other	1,126	938	1,534	10.1	9.3	9.1
Farm occupations	274	209	170	2.5	2.1	1.0

Hours of work

Part-time employment (less than 35 hours during the survey week) did not vary significantly among the three area groupings, representing about 15 percent of nonfarm employment. The proportion of the employed on part-time workweeks due to economic reasons (such as slack work, material shortages, inability to find full-time work) totaled about 3 percent in all three groupings. At the same time, however, a larger proportion of the class 1 than of the class 3 workers had employment in excess of 40 hours a week, implying more overtime work at premium pay and more dual job holding (table 8).

TABLE 8.—*Employment in nonfarm industries by hours of work, by labor market area class, spring 1959*

[Based on the monthly labor force survey]

Hours of work	Number of employed (thousands)			Percent distribution		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Total	10,823	9,907	16,560	100.0	100.0	100.0
With a job but not at work	340	332	554	3.1	3.4	3.3
At work	10,483	9,575	16,006	96.9	96.6	96.7
1 to 34 hours	1,709	1,484	2,420	15.8	15.0	14.6
Usually work full time, worked part time for—						
Economic reasons	153	151	266	1.4	1.5	1.6
Other reasons	270	263	388	2.5	2.7	2.3
Usually work part time:						
Economic reasons	168	156	276	1.6	1.6	1.7
Other reasons	1,118	915	1,491	10.3	9.2	9.0
35 hours or more	8,776	8,091	13,588	81.1	81.7	82.1
35 to 40 hours	5,523	5,491	9,650	51.0	55.4	58.3
41 hours or more	3,253	2,600	3,938	30.1	26.2	23.8

POPULATION AND LABOR FORCE

The civilian noninstitutional population in areas of substantial labor surplus, as might be expected, tended to be somewhat older than in areas with more balanced labor supply-demand relationships or with labor shortages. For example, 63 percent of the class 3 area population were 35 years of age and over as compared with 59 percent of the class 1 area population (table 9). This undoubtedly reflects some tendency for young persons to migrate from chronically depressed and other areas of substantial labor surplus in search of better employment opportunities. Partly as a result, the labor force in class 3 areas also included a smaller proportion of workers under 35.

TABLE 9.—*Civilian noninstitutional population by age and sex, by labor market area class, spring 1959*

[Based on the monthly labor force survey]

Age and sex	Number in the population (thousands)			Percent distribution		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Total	19,945	18,505	30,793	100.0	100.0	100.0
Male	9,271	8,818	14,526	46.5	47.7	47.2
14 to 19 years	1,091	992	1,652	5.5	5.4	5.4
20 to 24 years	768	716	1,038	3.9	3.9	3.4
25 to 34 years	1,879	1,805	2,816	9.4	9.8	9.1
35 to 44 years	1,871	1,789	3,022	9.4	9.7	9.8
45 to 54 years	1,586	1,477	2,512	8.0	8.0	8.2
55 to 64 years	1,128	1,092	1,903	5.7	5.9	6.2
65 years and over	949	947	1,586	4.8	5.1	5.2
Female	10,673	9,688	16,267	53.5	52.4	52.8
14 to 19 years	1,258	1,100	1,746	6.3	5.9	5.7
20 to 24 years	1,002	886	1,386	5.0	4.8	4.5
25 to 34 years	2,158	1,790	2,954	10.8	9.7	9.6
35 to 44 years	2,019	1,804	3,359	10.1	9.7	10.9
45 to 54 years	1,695	1,599	2,743	8.5	8.6	8.9
55 to 64 years	1,248	1,227	2,043	6.3	6.6	6.6
65 years and over	1,295	1,285	2,038	6.5	6.9	6.6

Table 10 shows labor force participation rates by age and sex for four labor market area groupings, including separate data for chronically depressed areas (class 3B) and other areas of substantial labor surplus (class 3A). These data are also presented in charts 3 and 4. The labor force rates were the only separate data for chronically depressed areas from the MRLF that were considered to have a small enough degree of sampling variability to permit publication and analysis.

The proportion of young men under 25 who were in the labor force—either employed or seeking work—was lowest in chronically depressed areas, highest in class 1 areas. The gap between the rates was about 10 percentage points. The sharpest difference in worker rates between class 1 and the chronically depressed area group (class 3B)—a 20-percentage-point difference—occurred among boys of high school age (16 and 17), virtually all of whom are in school and ordinarily seek only part-time work. Most of the young men aged 14 to 24 in the chronically depressed areas who were not in the labor force were in school.

The data also showed lower labor force participation rates for men over 65 in chronically depressed areas, but the differences between types of areas were comparatively small. The lower rates of participation of this age group reflects in part the increasing number of men who are becoming eligible for social security and private pension benefits. With the loss of their jobs, and facing little opportunity for reemployment, these older men apparently retire from the labor market. This pattern of increased retirement under conditions of relatively high unemployment was apparent during the 1957–58 recession, when the number of persons drawing social security benefits rose sharply.

On the other hand, among men in the central age groups (25 to 64) there was no significant difference in rates of labor force participation between class 1 areas and chronically depressed areas. These adult men appear as unemployed in the labor force survey if they do not have jobs and do not drop out of the labor force from discouragement.

Moreover, to keep these facts in perspective, it should be pointed out that even if the worker rates for men in the chronically depressed areas were as high in each case as in class 1 areas and even if all these additional labor force members were unemployed the net addition to the national unemployed total would be less than 50,000 or a little over 1 percent of the spring 1959 level of unemployment.

Of course, there are other factors that affect labor force participation rates that have not been considered here. We know, for example, that class 1 areas and chronically depressed areas differ with respect to other characteristics that influence labor force participation (industrial distribution, ethnic composition of the population, demographic characteristics) but with the present sample, it is impossible to standardize for these differences. However, the very fact of being an area of high unemployment as against being a prosperous area, in turn, has an influence on the kinds of people who live in the area (e.g., young, middle aged, older) and the kinds of industries that might be attracted.

The data for women, in contrast to those for men, appeared to lend some support to the "additional worker" theory. This theory assumes that in families where the main breadwinner is unable to earn sufficient

income for the family's needs, the wife or some other member will enter the labor force to assist with the support of the family. Industries where women usually seek work, such as trade and service, are in general less affected by unemployment even in areas of substantial labor surplus.

The worker rates for women seem to suggest that either unusual need or especially good opportunities are among the incentives which motivate women to enter the labor market. For example, in the 35- to 64-year age group, the proportion of working women was highest in chronically depressed areas, (50 percent) next highest in class 1 areas (47 percent), and lowest in class 2 and 3 areas (43 percent).

The patterns for women under 35 were somewhat different. Among teenage girls, for example, differences between the area groupings were small, but the worker rate was at least average or better in chronically depressed areas. For those in the 20- to 24-year group, the rate was highest in chronically depressed areas (nearly 60 percent), second highest in other areas of substantial labor surplus (52 percent). It may be that opportunities for early marriage or a college education are fewer in areas of substantial labor surplus than in other urban centers. Also, it is possible that young married couples in areas of substantial labor surplus find it more necessary for both husband and wife to work, at least before the birth of their first child.

In the 25- to 34-year age bracket, the worker rate was highest in class 1 areas (40 percent). In other areas, it was just about the same (35 percent). Of course, this is the age group where women are most likely to have young children to care for, a major deterrent to labor force participation in all areas and population groups.

TABLE 10.—*Labor force status by age and sex, by labor market area class, spring 1959*

[Based on monthly labor force survey]

Age and sex	Number in the labor force (thousands)			Labor force rate				
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3		
						Total	A	B
Total	11,721	10,658	17,898	58.8	57.6	58.1	58.2	57.3
Male	7,609	7,198	11,896	82.1	81.6	81.9	82.3	77.3
14 to 19 years	472	409	579	43.3	41.2	35.0	35.2	33.3
20 to 24 years	687	603	883	89.5	84.2	85.1	85.4	80.6
25 to 34 years	1,827	1,742	2,755	97.2	96.5	97.8	97.9	96.9
35 to 44 years	1,831	1,754	2,977	97.9	98.0	98.5	98.6	97.6
45 to 54 years	1,514	1,430	2,440	95.5	96.8	97.1	97.5	93.2
55 to 64 years	954	962	1,730	84.6	88.1	90.9	91.4	86.7
65 years and over	323	300	533	34.0	31.7	33.6	34.1	30.6
Female	4,112	3,461	6,002	38.5	35.7	36.9	36.6	40.0
14 to 19 years	337	322	460	26.8	29.3	26.3	26.2	28.7
20 to 24 years	466	376	729	46.5	42.4	52.6	52.0	58.9
25 to 34 years	871	634	1,040	40.4	35.4	35.2	35.2	35.7
35 to 44 years	885	771	1,451	43.8	42.7	43.2	42.4	50.3
45 to 54 years	919	788	1,366	54.2	49.3	49.8	49.0	57.0
55 to 64 years	502	446	741	40.2	36.3	36.3	35.5	42.2
65 years and over	135	125	218	10.4	9.7	10.7	11.1	8.3

Class 3A—Substantial labor surplus areas except depressed areas.
Class 3B—Chronically depressed areas.

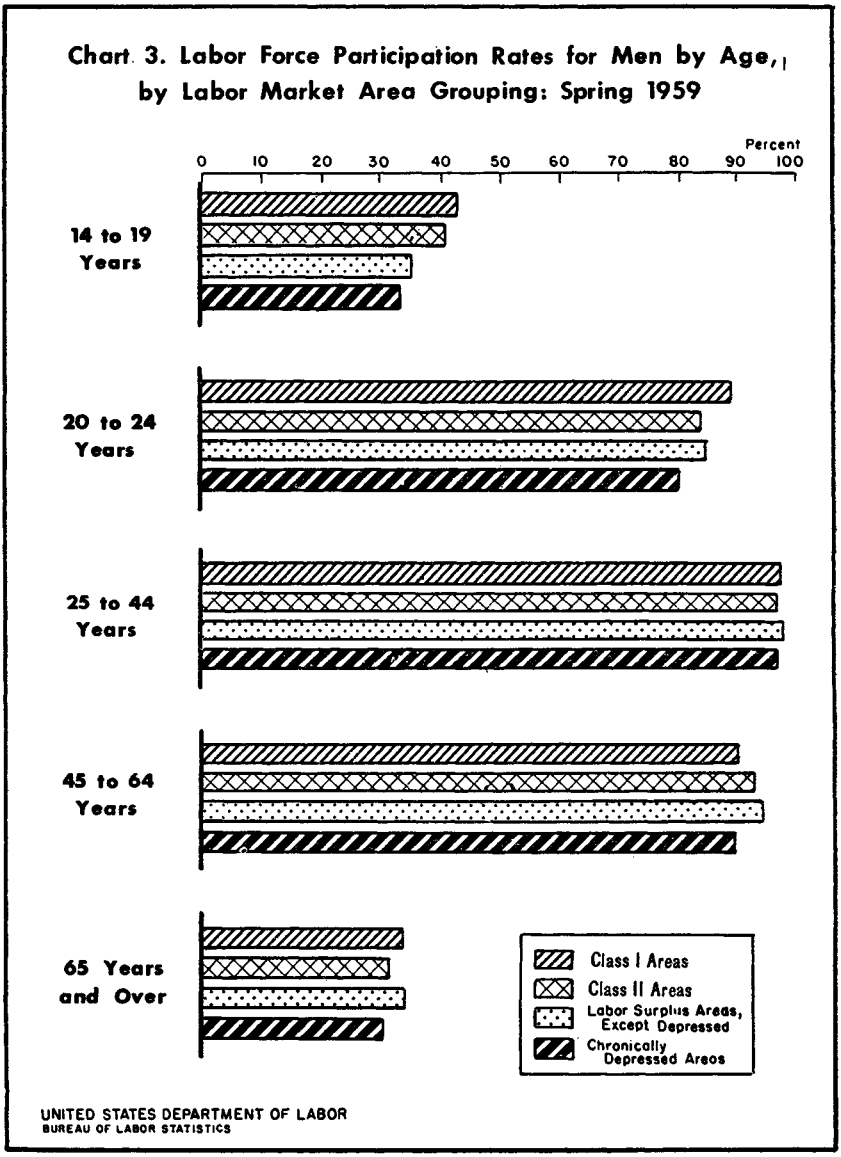
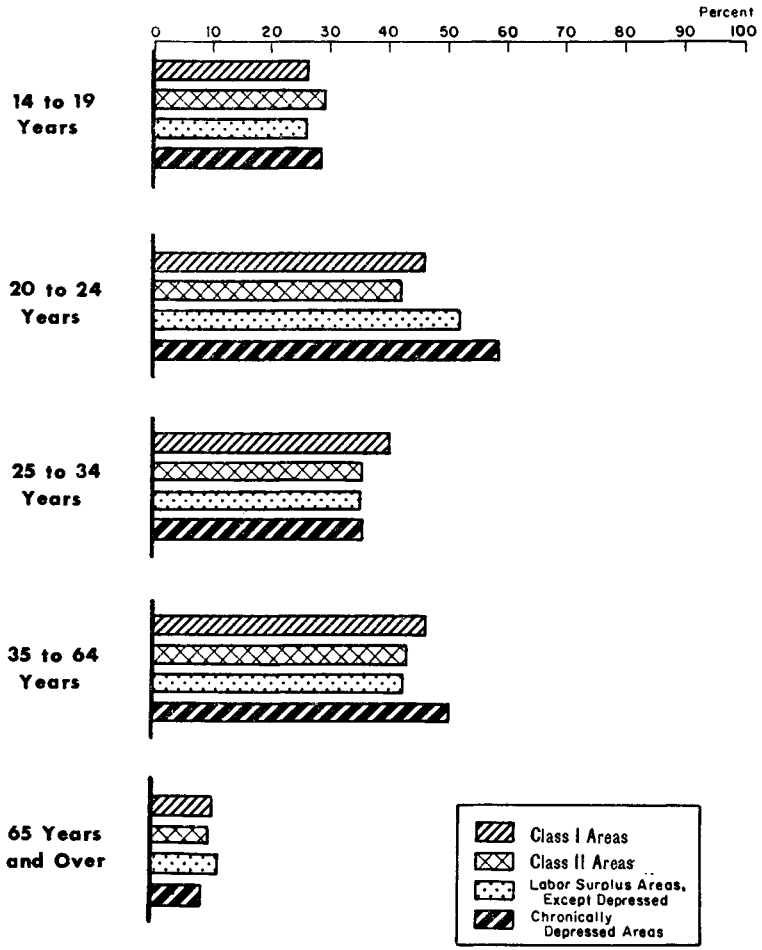


Chart 4. Labor Force Participation Rates for Women by Age, by Labor Market Area Grouping: Spring 1959



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

APPENDIX TO PART I

List of areas included in each class

CLASS 1

Arizona: Phoenix
Arkansas: Little Rock
California:
- Fresno
- Sacramento
- San Diego
- San Francisco-Oakland
- San Jose
- Stockton

Colorado: Denver
Connecticut:
- Hartford
- Stamford-Norwalk

Delaware: Wilmington
District of Columbia
Florida:
- Jacksonville
- Miami
- Tampa-St. Petersburg

Georgia:
- Atlanta
- Augusta
- Macon
- Savannah

Illinois:
- Davenport-Rock Island-Moline
- Rockford

Iowa:
- Cedar Rapids
- Des Moines

Kansas: Wichita
Louisiana:
- Baton Rouge
- New Orleans
- Shreveport

Massachusetts: Boston
Michigan: Kalamazoo
Mississippi: Jackson
Nebraska: Omaha
New Hampshire: Manchester
New Mexico: Albuquerque
New York: Rochester
North Carolina:
- Charlotte
- Winston-Salem

Ohio:
- Cincinnati
- Columbus

Oklahoma:
- Oklahoma City
- Tulsa

Pennsylvania:
- Harrisburg
- Lancaster

South Carolina:
- Charleston
- Greenville

Tennessee: Nashville
Texas:
- Austin
- Dallas
- El Paso
- San Antonio

Utah: Salt Lake City
Virginia:
- Hampton-Newport News
- Norfolk-Portsmouth
- Richmond

Washington: Seattle
Wisconsin: Madison

CLASS 2

California:
- Los Angeles-Long Beach
- Riverside-San Bernardino-Ontario

Connecticut: New Haven
Georgia: Columbus
Illinois:
- Chicago
- Peoria

Indiana: Indianapolis
Michigan:
- Battle Creek
- Lansing
- Saginaw

Minnesota: Minneapolis-St. Paul
Missouri:
- Kansas City
- St. Louis

New York:
- Binghamton
- Syracuse

North Carolina: Greensboro-High Point
Ohio:
- Akron
- Canton
- Cleveland
- Dayton
- Hamilton-Middleton
- Lorain-Elyria
- Youngstown

Oregon: Portland
Pennsylvania: Reading
Tennessee: Memphis
Texas:
- Fort Worth
- Houston

Wisconsin:
- Kenosha
- Milwaukee
- Racine

CLASS 3 AREAS

Alabama:
- Birmingham
- Mobile

Connecticut:
- Bridgeport
- New Britain-Bristol
- Waterbury

Illinois:
- Aurora [7]
- Joliet

Indiana:
- Evansville
- Fort Wayne
- South Bend
- Terre Haute

Kentucky: Louisville
Maine: Portland
Maryland: Baltimore
Massachusetts:
- Brockton
- Fall River
- Lawrence
- Lowell
- New Bedford
- Springfield-Holyoke
- Worcester

Michigan:
- Detroit
- Flint
- Grand Rapids
- Muskegon-Muskegon Heights

Minnesota: Duluth-Superior
New Jersey:
- Atlantic City
- Newark [8]
- Paterson
- Perth Amboy

New York:
- Albany-Schenectady-Troy
- Buffalo
- New York-northeastern New Jersey
- Utica-Rome

North Carolina:
- Asheville
- Durham

Ohio: Toledo
Pennsylvania:
- Allentown-Bethlehem-Easton
- Altoona
- Erie
- Johnstown
- Philadelphia
- Pittsburgh
- Scranton
- Wilkes-Barre-Hazleton
- York

Rhode Island: Providence
Tennessee:
- Chattanooga
- Knoxville

Texas:
- Beaumont-Port Arthur
- Corpus Christi

Virginia:
- Huntington-Ashland
- Roanoke

Washington:
- Spokane
- Takoma

West Virginia:
- Charleston
- Wheeling-Steubenville

SAMPLING ERRORS FOR ESTIMATES OF CHARACTERISTICS OF THE LABOR FORCE FROM THE MRLF SAMPLE

Below are given the approximate sampling errors for various estimates obtained from the monthly labor force survey in April and May 1959. The data presented in the report are averages for April and May, thus reducing the sampling errors shown in the tables (which relate to a single month) by 20 percent. On the other hand, the sampling error for areas are generally relatively larger than for the country as a whole, so that on balance the figures shown below are probably satisfactory approximations.

[7] Separate MRLF data unavailable, combined with Joliet.
[8] Separate MRLF data unavailable, combined with New York-northeastern New Jersey.

Standard error of level of monthly estimates

[In thousands]

Size of estimate	Both sexes		Male		Female	
	Total or white	Nonwhite	Total or white	Nonwhite	Total or white	Nonwhite
10,000	5	5	7	5	5	5
50,000	11	10	14	10	10	10
100,000	15	14	20	14	14	14
250,000	24	21	31	21	22	21
500,000	34	30	43	30	31	30
1,000,000	48	40	60	40	45	40
2,500,000	75	50	90	50	70	50
5,000,000	100	50	110	----	100	----
10,000,000	140	----	140	----	130	----
20,000,000	180	----	150	----	170	----
30,000,000	210	----	----	----	----	----
40,000,000	220	----	----	----	----	----

Standard error of percentages

Estimated percentage	Base of percentage (thousands)										
	150	250	500	1,000	2,000	3,000	5,000	10,000	25,000	50,000	75,000
1 or 99	1.0	0.8	0.6	0.4	0.3	0.2	0.2	0.1	0.1	0.1	0.1
2 or 98	1.4	1.1	.8	.5	.4	.3	.2	.2	.1	.1	.1
5 or 95	2.2	1.7	1.2	.9	.6	.5	.4	.3	.2	.1	.1
10 or 90	3.0	2.3	1.7	1.2	.8	.7	.5	.4	.2	.2	.1
15 or 85	3.5	2.8	2.0	1.4	1.0	.8	.6	.4	.3	.2	.2
20 or 80	4.0	3.1	2.2	1.6	1.1	.9	.7	.5	.3	.2	.2
25 or 75	4.2	3.4	2.4	1.7	1.2	1.0	.8	.5	.3	.2	.2
35 or 65	4.7	3.7	2.6	1.9	1.3	1.1	.8	.6	.4	.3	.2
50	4.9	3.9	2.8	1.9	1.4	1.1	.9	.6	.4	.3	.2

PART II

Part II of this study is based on tabulations from the 1-percent sample survey of unemployment insurance claimants operated jointly in 1956 and 1957 by the Bureau of Labor Statistics and the Bureau of Employment Security with the cooperation of the State employment security agencies. From this source, it was possible to trace the unemployment experience of the same individuals over an entire year (July 1956–June 1957). The data relate to all persons who terminated at least one spell of insured unemployment at any time during that period. Separate figures are available on exhaustions. The data on duration of unemployment reflect an accumulation of all spells of insured unemployment experienced during the 12 months under observation.

In the 1-percent sample, information was also collected on the characteristics of claimants—age, sex, marital status, and occupation and industry of the job held before their first spell of insured unemployment. Because of time and cost factors, it was possible to use only a subsample (0.2 of 1 percent) in this study. Nevertheless, reliable information could be obtained at a fairly detailed level. (See table of standard errors on p. 34.) In fact, the sample for the insured unemployed was sufficiently large to show separate data for the United States for depressed areas, and all other areas. Chronically depressed areas comprise those major labor market areas which were classified by the Bureau of Employment Security as having a

substantial labor surplus in at least three out of the six regular bimonthly classifications between July 1956 and June 1957, as well as the smaller labor market areas so classified at least once during that period.

According to the definition of chronically depressed areas used for this study, 21 major labor market areas were so identified; of these, 15 were also classified as chronically depressed in the more recent BES study,[9] which used a slightly different set of criteria. By and large, areas which had over 6 percent of their labor force unemployed in the last half of 1956 or the first half of 1957—a period of high and growing employment—are considered chronically depressed areas for the purpose of this study.

There are several advantages to be derived from Part II of this study:

1. These data are based on a relatively large sample of insured unemployed, permitting the presentation of separate data on their characteristics in depressed areas.
2. Separate data on the number and characteristics of exhaustees in depressed areas and other areas are available.
3. Although beyond the scope of this report, the publication of these data permits comparison of insured unemployment and total unemployment in terms of experience for an entire year.

Some of the limitations in the use of these data are:

1. Among the major labor market areas identified as depressed is Detroit, which accounts for nearly half the population in the combined group. To a large extent, therefore, the unemployment characteristics of Detroit dominate the pattern for the depressed areas as a whole.
2. There are no comparable figures for the characteristics of covered employment—that is, the cumulative number of persons who worked at any time during the 12-month period under study in covered employment, by age, sex, marital status, occupation, industry, by type of area. Therefore, it is impossible to estimate a covered labor force or to calculate unemployment rates.
3. The figures on duration reflect administrative and legislative limitations on duration of benefits. Moreover, these limitations vary by State and comparisons of exhaustion rates or duration of insured unemployment as between depressed and other areas may not be entirely valid because of these variations.

The major findings of the study are described below.

Altogether there were 6.3 million different persons who had one or more spells of insured unemployment at some time between July 1956 and June 1957. Of this total, about 900,000—15 percent—were located in chronically depressed areas as defined for purposes of this report.

If it is assumed that the ratio of insured to total unemployment of 60 percent was roughly the same in chronically depressed areas as in the United States, then total unemployment in depressed areas would have accounted for about 400,000 of the 2.8 million average level of unemployment in 1956 and 1957. Allowing for the fact that duration of unemployment tends to be longer in chronically depressed than in other areas, this estimate should be raised somewhat—perhaps to about 500,000 or nearly 20 percent.

[9] Op. cit.

Of course, this represents a rough approximation. There may be other reasons why the ratio of insured unemployment to total unemployment would differ in chronically depressed areas from that for the country as a whole. Nevertheless, the figures do provide an order of magnitude as to how much unemployment was located in chronically depressed areas in a period of generally high employment for the Nation as a whole. The estimate of a little under 20 percent compares with an estimate of about 15 percent in the BES report on chronically depressed areas as of May 1959; but that report related to fewer areas.

Of course, it should be remembered that even in chronically depressed areas, some unemployment would have occurred irrespective of the state of the labor market. All nonfarm areas are subject to frictional unemployment caused by seasonal fluctuations in employment, by voluntary job changing, and by the constant stream of new entrants and reentrants into the labor market. Improved economic opportunities in chronically depressed areas would reduce both long-term unemployment and short-term frictional unemployment, but some of the unemployment in such areas would be present even under more favorable economic conditions.

On the other hand, the level of unemployment in chronically depressed areas may not reflect the full magnitude of their economic plight. It has been hypothesized, for example, that there is underutilization of labor in such areas which is not manifested in the numbers of insured or total unemployed. Some persons who remain outside the labor force presumably would seek and accept work if the employment situation were more favorable. Some confirmation of this tendency for young men and older men of retirement age is provided by the data on worker rates in part I. At the same time, adult men who cannot find jobs in their own line of work might accept poorer jobs at lower pay, requiring less training and skill.

Moreover, the existence of chronically depressed areas may have secondary effects that act as a drag on general economic activity. Such effects cannot be measured directly in terms of unemployment in other areas, but the degree of interrelation of our economy is such that there is a strong presumption of this effect.

Age, sex, and marital status

In depressed areas a relatively higher proportion of the insured unemployed were men between the ages of 25 and 54 years (49 percent against 42 percent in other areas). Similarly, a higher proportion were married men. On the other hand, 12 percent of the insured unemployed in nondepressed areas were women between the ages of 45 and 64, in contrast to only 7 percent of those in depressed areas.

In terms of the welfare aspects of the problem, unemployment was clearly more serious in depressed areas not only because of the higher rate but also because of the greater concentration among family heads. Most married men in the 25- to 54-year age groups have dependent children and many have the additional financial responsibility of mortgages and other kinds of consumer debt. Married women, on the other hand, are less frequently the primary wage earners in their families. Although the loss of their earnings can make a significant dent in the family's buying power, it probably does not spell financial disaster.

TABLE 11.—*Insured unemployment by type of area, by age, sex, and marital status, July 1956–June 1957*

[Cumulative number of persons who terminated 1 or more spells of insured unemployment during specified period]

Age, sex, and marital status	Thousands of persons			Percent distribution		
	United States	Depressed areas	Other areas	United States	Depressed areas	Other areas
Total	6,300	908	5,392	100.0	100.0	100.0
Male	4,119	640	3,479	65.4	70.4	64.5
Under 25 years	696	104	592	11.0	11.5	11.0
25 to 34 years	989	171	818	15.7	18.8	15.2
35 to 44 years	905	144	761	14.4	15.9	14.1
45 to 54 years	810	129	681	12.9	14.2	12.6
55 to 64 years	503	70	433	8.0	7.7	8.0
65 years and over	216	22	194	3.4	2.4	3.6
Married	3,105	491	2,614	49.3	54.1	48.5
Single	846	124	722	13.4	13.7	13.4
Widowed or divorced	168	25	143	2.7	2.8	2.7
Female	2,180	268	1,912	34.6	29.6	35.5
Under 25 years	299	38	261	4.7	4.2	4.8
25 to 34 years	521	72	449	8.3	7.9	8.3
35 to 44 years	607	89	518	9.6	9.8	9.6
45 to 54 years	456	48	408	7.2	5.3	7.6
55 to 64 years	236	16	220	3.7	1.8	4.1
65 years and over	61	5	56	1.0	.6	1.0
Married	1,597	194	1,403	25.3	21.4	26.0
Single	328	51	277	5.2	5.6	5.1
Widowed or divroced	255	23	232	4.0	2.5	4.3

Industry and occupation

The industry figures relate to the job held by persons before their first spell of insured unemployment during the 12-month period under study. About a third of the insured unemployed experienced more than one spell, but it is not known how many found jobs in other industries or occupations before being laid off a second or third time. The industry and occupation distributions for those with only one spell of insured unemployment were, however, substantially the same as for the total, suggesting that conclusions about the occupations and industries of the insured unemployed would not be invalidated by job mobility between spells of unemployment.

Since the chronically depressed areas included Detroit, 1 out of every 5 insured unemployed in the depressed areas was from the auto industry in contrast to only 1 out of 20 in all other areas. Other industries accounting for a disproportionately high number of insured unemployed in chronically depressed areas were mining and textiles. Conversely, a smaller proportion were from industries subject to wide seasonal variations (construction, trade, food processing) or from industries characterized by steady employment growth (finance, service, government). It is noteworthy, however, that even in chronically depressed areas at least a third of the insured unemployed came from these latter industries—not usually thought of as being directly subject to structural unemployment. Two-thirds came from manufacturing, mining, and transportation.

Semiskilled workers accounted for 4 out of every 10 insured unemployed in depressed areas but for only 3 out of 10 in other areas.

Skilled workers also accounted for a slightly higher proportion of the insured unemployed in chronically depressed than in other areas. These two groups together comprised 61 percent of insured unemployment in depressed areas; 48 percent in other areas.

In nondepressed areas, where much of the unemployment arises from short-term frictional situations, a higher proportion of the insured unemployed were white-collar or service workers.

TABLE 12.—*Insured unemployment by type of area, by industry, July 1956–June 1957*

[See headnote on table 11]

Industry	Thousands of persons			Percent distribution		
	United States	Depressed areas	Other areas	United States	Depressed areas	Other areas
Total	6,300	908	5,392	100.0	100.0	100.0
Mining	154	67	87	2.5	7.4	1.6
Construction	857	100	757	13.6	11.0	14.0
Manufacturing	3,523	570	2,953	55.9	62.8	54.8
Durable goods	1,812	343	1,469	28.8	37.8	27.2
Primary metals	174	26	148	2.8	2.9	2.7
Fabricated metals	201	30	171	3.2	3.2	3.2
Machinery, excluding electrical	215	35	180	3.4	3.9	3.3
Electrical machinery	229	20	209	3.6	2.1	3.9
Transportation equipment	428	182	246	6.8	20.0	4.6
All other durable goods	565	50	515	9.0	5.7	9.6
Nondurable goods	1,711	227	1,484	27.2	25.0	27.5
Food and kindred	272	12	260	4.3	1.3	4.8
Textile-mill	366	80	286	5.8	8.8	5.3
Apparel	640	86	554	10.2	9.5	10.3
Leather	167	16	151	2.7	1.8	2.8
All other nondurables	266	33	233	4.2	3.6	4.3
Transportation and other utilities	181	20	161	2.9	2.2	3.0
Trade	730	69	661	11.6	7.6	12.3
Finance, service, and government	490	42	448	7.8	4.6	8.3
All other industries	364	41	323	5.8	4.5	6.0

TABLE 13.—*Insured unemployment by type of area, by occupation, July 1956–June 1957*

[See headnote on table 11]

Occupation	Thousands of persons			Percent distribution		
	United States	Depressed areas	Other areas	United States	Depressed areas	Other areas
Total	6,300	908	5,392	100.0	100.0	100.0
Professional and managerial	157	16	141	2.5	1.8	2.6
Clerical and sales	598	59	539	9.5	6.5	10.0
Service	364	29	335	5.8	3.2	6.2
Skilled	1,051	170	881	16.7	18.7	16.3
Semiskilled	2,087	388	1,699	33.1	42.7	31.5
Unskilled	1,859	227	1,632	29.5	25.0	30.3
Entry and other	182	20	162	2.9	2.2	3.0
Male	4,119	640	3,479	65.4	70.4	64.5
Professional and managerial	118	14	104	1.9	1.5	1.9
Clerical and sales	240	25	215	3.8	2.8	4.0
Service	210	17	193	3.3	1.9	3.6
Skilled	952	158	794	15.1	17.4	14.7
Semiskilled	1,178	238	940	18.7	26.2	17.4
Unskilled	1,270	169	1,101	20.2	18.6	20.4
Entry and other	150	19	131	2.4	2.1	2.4
Female	2,180	268	1,912	34.6	29.6	35.5
Professional and managerial	39	2	37	.6	.2	.7
Clerical and sales	358	34	324	5.7	3.7	6.0
Service	154	12	142	2.4	1.3	2.6
Skilled	99	12	87	1.6	1.3	1.6
Semiskilled	909	150	759	14.4	16.5	14.1
Unskilled	589	58	531	9.3	6.4	9.8
Entry and other	32	1	31	.5	.1	.6

Exhaustions, duration, and spells of insured unemployment

Somewhat surprisingly, the rate of exhaustions in chronically depressed areas was only slightly higher than in other areas during the second half of 1956 and first half of 1957 (17½ per 100 against 16 per 100 persons who had at least one spell of insured unemployment). Similarly, the proportion with 15 weeks or more of insured unemployment was also only slightly higher in depressed areas—29 percent as compared with 27 percent.

TABLE 14.—*Duration and spells of insured unemployment by type of area, by age, sex, and marital status, July 1956–June 1957*

[See headnote on table 11]

Age, sex, and marital status	Thousands of persons							Percent distribution						
	Total	Exhaustions	Duration		Spells			Total	Exhaustions	Duration		Spells		
			Less than 5 weeks	15 weeks or longer	1 only	2 only	3 or more			Less than 5 weeks	15 weeks or longer	1 only	2 only	3 or more
United States, total	6,300	1,019	2,274	1,726	4,307	1,240	752	100.0	16.2	36.1	27.4	68.4	19.7	11.9
Male, total	4,119	594	1,547	1,063	2,918	795	406	100.0	14.4	37.6	25.8	70.8	19.3	9.9
Under 25	696	73	265	147	515	131	50	100.0	10.5	38.1	21.1	74.0	18.8	7.2
25 to 44	1,894	202	803	415	1,339	382	173	100.0	10.7	42.4	21.9	70.7	20.2	9.1
45 to 54	810	119	291	208	558	154	98	100.0	14.7	35.9	25.7	68.9	19.0	12.1
55 and over	719	200	189	294	505	129	85	100.0	27.8	26.3	40.9	70.2	17.9	11.8
Female, total	2,180	424	726	663	1,389	445	347	100.0	19.4	33.3	30.4	63.7	20.4	15.9
Depressed areas, total	908	158	316	265	599	192	117	100.0	17.4	34.7	29.2	66.0	21.2	12.8
Male, total	640	107	228	186	450	128	62	100.0	16.7	35.6	29.1	70.3	20.0	9.7
Under 25	104	16	36	30	73	22	9	100.0	15.4	34.6	28.8	70.2	21.2	8.7
25 to 44	315	43	120	83	216	68	31	100.0	13.7	38.1	26.3	68.6	21.6	9.8
45 to 54	129	17	48	30	98	19	12	100.0	13.2	37.2	23.3	76.0	14.7	9.3
55 and over	92	31	25	42	65	17	10	100.0	33.7	27.2	45.7	70.7	18.5	10.9
Female, total	268	51	88	80	150	64	55	100.0	19.0	32.8	29.9	56.0	23.9	20.5
Other areas, total	5,392	861	1,958	1,461	3,708	1,048	635	100.0	16.0	36.3	27.1	68.8	19.4	11.8
Male, total	3,479	487	1,319	877	2,468	667	344	100.0	14.0	37.9	25.2	70.9	19.2	9.9
Under 25	592	57	229	117	442	109	41	100.0	9.6	38.7	19.8	74.7	18.4	6.9
25 to 44	1,579	159	683	332	1,123	314	142	100.0	10.1	43.3	21.0	71.1	19.9	9.0
45 to 54	681	102	243	178	460	135	86	100.0	15.0	35.7	26.1	67.5	19.8	12.6
55 and over	627	169	164	252	440	112	75	100.0	27.0	26.2	40.2	70.2	17.9	12.0
Female, total	1,912	373	638	583	1,239	381	292	100.0	19.5	33.4	30.5	64.8	19.9	15.3
Married men: United States	3,105	440	1,209	790	2,185	605	315	100.0	14.2	38.9	25.4	70.4	19.5	10.1
Depressed areas	491	78	190	136	348	101	46	100.0	15.9	38.7	27.7	70.9	20.6	9.4
Other areas	2,614	362	1,018	654	1,837	504	269	100.0	13.8	39.0	25.0	70.3	19.3	10.3

The fact that insured unemployment of more than 15 weeks was only slightly more prevalent in depressed areas suggests that the figures compiled in this study do not reflect the full measure of chronic unemployment. There are a number of factors that may influence these data [10] and it must be recognized that the data shown here relate only to persons who terminated an active spell of insured unemployment sometime during the period under observation. What we still do not know is the number of persons in each type of area who were chronically unemployed; who, for example, exhausted their benefits long before the second half of 1956 but who never became reemployed long enough to earn new benefit rights. This group of inactive unemployed would presumably be much more prevalent in chronically depressed areas than in other areas.

Even if the industrial distribution of the insured unemployed in chronically depressed areas shown in these data had been the same as in other areas, the proportion drawing benefits for 15 weeks or more would not have been any higher. Within certain industries, however, such as mining, construction, and automobile production, the proportions with spells of insured unemployment lasting over 3 months was a good deal higher in chronically depressed than in other areas.

[10] By and large most of the major depressed areas are in large industrial States where the benefits are among the more liberal in terms of duration. This would tend to narrow the differences in exhaustion rates to the extent that the insured unemployed in nondepressed areas might run out of benefits sooner because of legal provisions alone. On the other hand, the concentration of depressed areas in large States with longer duration of benefits should have accentuated the differences in the proportion exceeding 15 weeks. It is not possible for this study, however, to quantify the effect of variations in State law and operating procedures on exhaustions or on duration, but it seems likely that it had little overall effect and cannot explain the very small differences between depressed and other areas.

TABLE 15.—*Duration and spells of insured unemployment by type of area, by industry, July 1956–June 1957*

[See headnote on table 11]

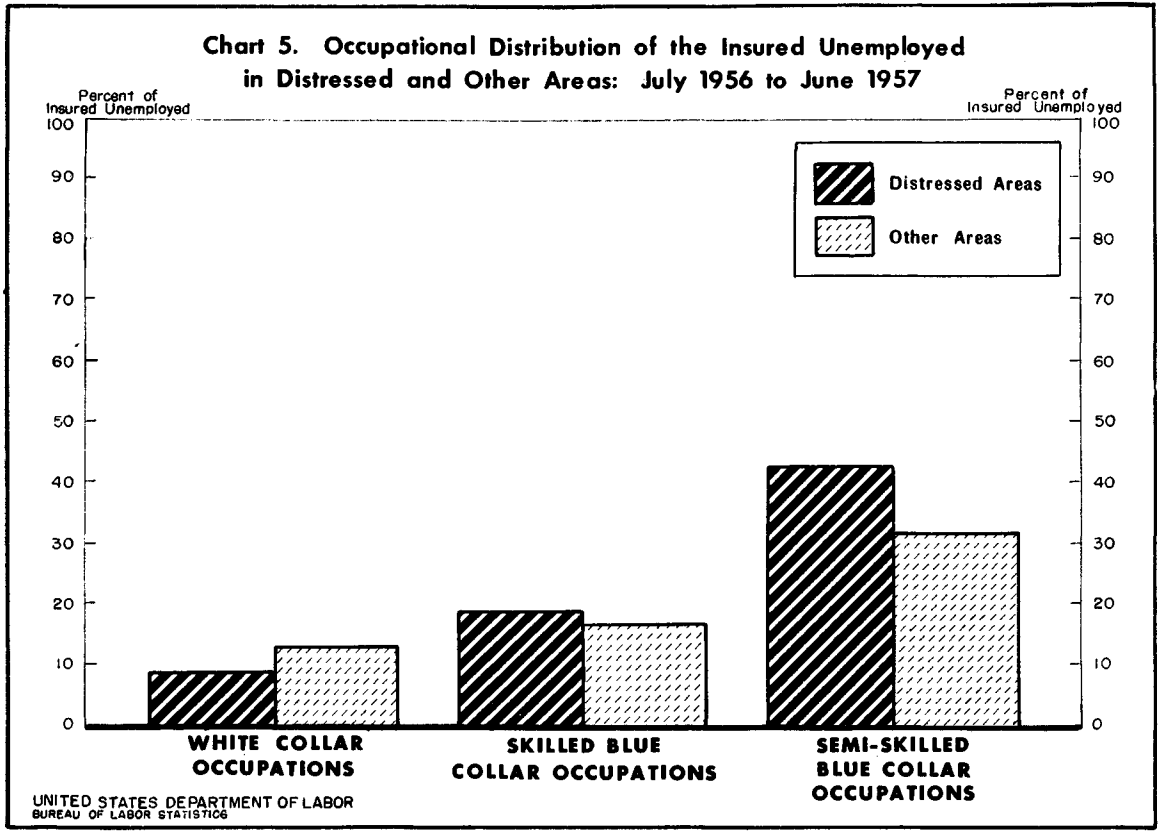
Industry	Thousands of persons							Percent distribution						
	Total	Exhaustions	Duration		Spells			Total	Exhaustions	Duration		Spells		
			Less than 5 weeks	15 weeks or longer	1 only	2 only	3 or more			Less than 5 weeks	15 weeks or longer	1 only	2 only	3 or more
United States, total	6,300	1,019	2,274	1,726	4,307	1,240	752	100.0	16.2	36.1	27.4	68.4	19.7	11.9
Mining	154	20	71	37	117	24	14	100.0	12.6	46.0	23.9	75.7	15.2	9.1
Construction	857	122	244	236	551	192	114	100.0	14.2	28.5	27.6	64.3	22.3	13.4
Manufacturing	3,523	521	1,402	906	2,300	724	500	100.0	14.8	39.8	25.7	65.3	20.5	14.2
Durable goods	1,812	264	749	464	1,298	362	152	100.0	14.6	41.3	25.6	71.7	19.9	8.4
Transportation equipment	428	56	188	108	323	81	24	100.0	13.2	44.0	25.2	75.5	18.9	5.6
All other	1,384	208	561	356	975	281	128	100.0	15.0	40.5	25.7	70.4	30.2	9.2
Nondurable goods	1,711	257	653	441	1,002	362	348	100.0	15.0	38.2	25.8	58.5	21.2	20.4
All other industries	1,765	357	556	547	1,339	301	125	100.0	20.2	31.5	31.0	75.9	17.1	7.1
Depressed areas, total	908	158	316	265	599	192	117	100.0	17.4	34.7	29.2	66.0	21.2	12.8
Mining	67	10	28	20	48	11	8	100.0	14.9	41.0	29.1	70.9	16.4	12.7
Construction	100	17	22	34	60	26	13	100.0	17.1	22.6	34.7	60.3	26.6	13.0
Manufacturing	570	92	218	152	367	124	78	100.0	16.1	38.3	26.7	64.4	21.8	13.9
Durable goods	343	62	126	101	248	72	23	100.0	17.9	36.6	29.4	72.3	21.0	6.7
Transportation equipment	182	29	65	56	138	36	7	100.0	16.0	35.8	30.6	76.0	19.8	4.2
All other	161	33	61	45	110	36	16	100.0	20.5	37.9	28.0	68.3	22.4	9.9
Nondurable goods	227	30	93	51	119	52	56	100.0	13.4	41.0	22.5	52.4	22.9	24.7
All other industries	172	38	46	58	124	30	17	100.0	22.1	26.7	33.7	72.1	17.4	9.9
Other areas, total	5,392	861	1,958	1,461	3,708	1,048	635	100.0	16.0	36.3	27.1	68.8	19.4	11.8
Mining	87	10	43	17	69	13	6	100.0	11.5	49.4	19.5	79.3	14.9	6.9
Construction	757	105	222	202	491	166	101	100.0	13.9	29.3	26.7	64.9	21.9	13.3
Manufacturing	2,953	429	1,184	754	1,933	600	422	100.0	14.5	40.1	25.5	65.5	20.3	14.3
Durable goods	1,469	202	623	363	1,050	290	129	100.0	13.8	42.4	24.7	71.5	19.7	8.8
Transportation equipment	246	27	123	52	185	45	17	100.0	11.0	50.0	21.1	75.2	18.3	6.9
All other	1,223	175	500	311	865	245	112	100.0	14.3	40.9	25.4	70.7	20.0	9.2
Nondurable goods	1,484	227	560	390	883	310	292	100.0	15.3	37.7	26.3	59.5	20.9	19.7
All other industries	1,593	319	510	489	1,215	271	108	100.0	20.0	32.0	30.7	76.3	17.0	6.8

TABLE 16.—*Duration and spells of insured unemployment by type of area, by occupation, July 1956–June 1957*

[See headnote on table 11]

Occupation	Thousands of persons							Percent distribution						
	Total	Exhaustions	Duration		Spells			Total	Exhaustions	Duration		Spells		
			Less than 5 weeks	15 weeks or longer	1 only	2 only	3 or more			Less than 5 weeks	15 weeks or longer	1 only	2 only	3 or more
United States, total	6,300	1,019	2,274	1,726	4,307	1,240	752	100.0	16.2	36.1	27.4	68.4	19.7	11.9
Professional and managerial; clerical and sales	755	141	250	230	612	102	46	100.0	18.7	33.1	30.5	81.1	13.5	6.1
Service	364	102	101	145	289	56	21	100.0	28.0	27.7	39.8	79.4	15.4	5.8
Skilled	1,051	119	395	247	688	226	134	100.0	11.3	37.6	23.5	65.5	21.5	12.7
Semiskilled	2,087	270	834	519	1,300	443	340	100.0	12.9	40.0	24.9	62.3	21.2	16.3
Unskilled	1,859	356	625	532	1,273	385	201	100.0	19.2	33.6	28.6	68.5	20.7	10.8
Entry and other	182	31	69	52	144	27	10	100.0	17.0	37.9	28.6	79.1	14.8	5.5
Depressed areas, total	908	158	316	265	599	192	117	100.0	17.4	34.7	29.2	66.0	21.2	12.8
Professional and managerial; clerical and sales	75	21	21	27	58	12	5	100.0	28.0	28.0	36.0	77.3	16.0	6.7
Service	29	6	8	8	24	4	1	100.0	20.7	27.6	27.6	82.8	13.8	3.4
Skilled	170	20	64	42	113	34	23	100.0	11.8	37.6	24.7	66.5	20.0	13.5
Semiskilled	388	52	144	102	235	91	62	100.0	13.4	37.1	26.3	60.6	23.5	16.0
Unskilled	227	58	72	80	155	49	23	100.0	25.6	31.7	35.2	68.3	21.6	10.1
Entry and other	20	4	6	7	16	2	2	100.0	20.0	30.0	35.0	80.0	10.0	10.0
Other areas, total	5,392	861	1,958	1,461	3,708	1,048	635	100.0	16.0	36.3	27.1	68.8	19.4	11.8
Professional and managerial; clerical and sales	680	120	229	203	554	90	41	100.0	17.6	33.7	29.9	81.5	13.2	6.0
Service	335	96	93	137	265	52	20	100.0	28.7	27.8	40.9	79.1	15.5	6.0
Skilled	881	99	331	205	575	192	111	100.0	11.2	37.6	23.3	65.3	21.8	12.6
Semiskilled	1,699	218	690	417	1,065	352	278	100.0	12.8	40.6	24.5	62.7	20.7	16.4
Unskilled	1,632	298	553	452	1,118	336	178	100.0	18.3	33.9	27.7	68.5	20.6	10.9
Entry and other	162	27	63	45	128	25	8	100.0	16.7	38.9	27.8	79.0	15.4	4.9

Statistics on the number of spells of insured unemployment also showed little overall difference between chronically depressed and other areas. Altogether, 34 percent of the insured unemployed in depressed areas had more than one spell including 13 percent who had three or more spells. The comparable figures for other areas were 31 percent and 12 percent. Both in construction and in the auto industry, longer cumulative duration in chronically depressed areas did not result from a greater number of separate spells but rather from the longer duration of each individual spell.



Appendix to Part II

List of Major Areas Identified as Chronically Depressed

Indiana:
- Evansville
- Terre Haute

Massachusetts:
- Fall River
- Lawrence
- Lowell

Michigan:
- Detroit
- Flint
- Grand Rapids
- Lansing
- Muskegon-Muskegon Heights

New Jersey: Atlantic City

North Carolina:
- Asheville
- Durham

Pennsylvania:
- Altoona
- Johnstown
- Scranton
- Wilkes-Barre-Hazelton

Rhode Island: Providence

Tennessee: Knoxville

West Virginia: Charleston

Wisconsin: Kenosha

SAMPLING ERRORS FOR ESTIMATES OF CHARACTERISTICS OF THE INSURED UNEMPLOYED FROM THE 0.2 PERCENT SAMPLE

Below are given the approximate sampling errors for various estimates obtained from the 0.2 percent sample of all persons terminating a spell of insured unemployment in the United States during the July 1956–June 1957 report periods. These sampling errors also apply to the estimates obtained for the depressed areas.

The sampling errors shown are for the 68 percent level of confidence. Doubling these percents gives the sampling variability for a 95 percent confidence level. Where estimates are for subtotals, the sampling errors will tend to be overstated.

The approximate sampling error in percentage terms

For an estimate of—	*Sampling error (percent)*	For an estimate of—Con.	*Sampling error (percent)*
1,000	70	250,000	4.4
5,000	31	500,000	3.4
10,000	22	1,000,000	2.0
50,000	10	2,500,000	.5
100,000	7	5,000,000	.5