

June 1963

FEDERAL RESERVE BANK OF ST. LOUIS

Review

Page

Business and

Financial Developments

2

The rise in economic activity in 1963 has been similar to the expansion in early 1962. The level of unused resources, however, also remains substantially the same as last year. The rate of monetary expansion in 1963 has been greater than in early 1962.



Louisville Employment 1952-1963

5

Between 1952 and 1962 there was a net increase in payroll employment of approximately 15,000 in Louisville, despite sharp decreases in certain industries. Payrolls have varied only moderately during the last four years with growth in nonmanufacturing.

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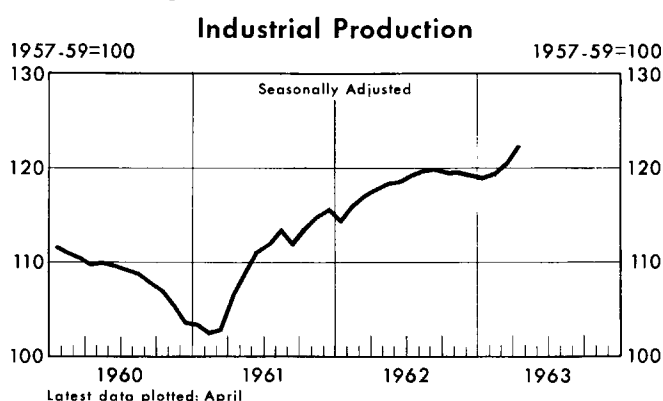
Business and Financial Developments

ECONOMIC ACTIVITY

has risen since January while the level of unused resources remains about the same as a year ago. The rise in business has been similar in magnitude to that which occurred in the early months of last year. Employment and durable goods orders have moved forward more strongly in early 1963 than in the first part of 1962 (see table), while personal income, retail sales, and construction have not been so strong in 1963. The money supply has increased more rapidly this year than last, and short-term interest rates, which were unchanged in early 1962, have increased this year.

Business Developments

The rise in economic activity continued in April and May. The index of industrial production rose to 122 in April, up from 121 in March and 119 in January. The largest increases were in durable manufac-



tured goods and mining. The advance probably continued in May since steel and automobile production, which have been major factors in the recent increase, appear to have risen further.

Reflecting the rise in production, employment in manufacturing rose to 16.9 million in April, up nearly 2 per cent since January. Total civilian employment,

Selected Economic Indicators

	1963			1962		
	Jan.	Apr.	Per cent change	Jan.	Apr.	Per cent change
Industrial Production Index (1957-59=100)	118.9	122.4	+2.9	114.3	117.7	+3.0
Civilian Employment (millions of persons)	68.2	68.9	+1.0	67.3	67.6	+0.4
Personal Income (billions of dollars, at annual rates)	452.4	455.8	+0.8	428.8	438.3	+2.2
Durable Goods Orders (billions of dollars)	16.7	18.0	+7.8	16.4	15.7	-4.3
Retail Sales (billions of dollars)	20.3	20.2	-0.5	18.9	19.7	+4.2
Construction (billions of dollars, at annual rates)	62.9	62.7 ¹	-0.3	59.0	60.8 ¹	+3.1

¹ May Data

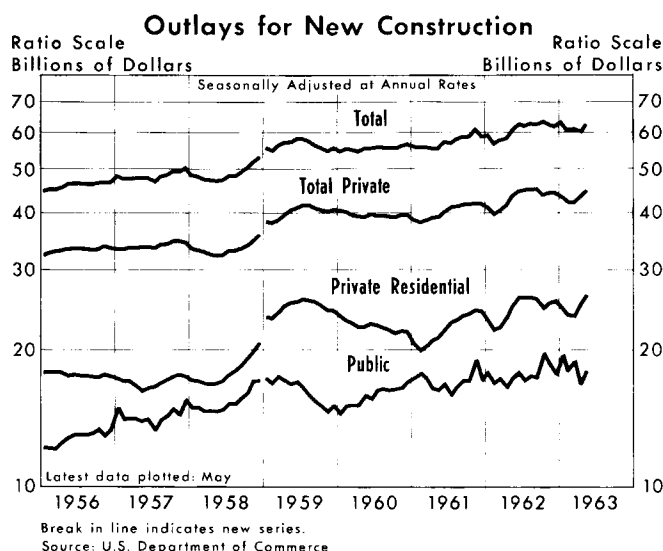
which had remained relatively stable at about 68.0 million from February 1962 to early 1963, rose to 68.6 million in March and to 68.9 million in April. The unemployment rate, at 5.7 per cent in April, was slightly below the level of late last year and early this year and about the same as a year ago (see box on page 3).

Total personal income rose moderately from January to March, increased sharply from March to April and, based on preliminary indications, probably rose further in May. The annual rate of increase from January to April was 3 per cent. This increase has reflected primarily rising employment, with wage and salary payments increasing \$5.4 billion. Transfer payments, which include social security and veterans benefits, have risen only slightly in recent months and are at about the same level as late last year.

Despite the increases in production, employment, and income since early this year, retail sales have remained on the plateau which was reached in November of last year. Total retail sales were \$20.2 billion in April compared with \$20.3 billion in January and \$20.2 billion last November. Sales of nondurable goods have been about unchanged in recent months while durable goods sales have been high, with automobile purchases an important source of strength. Accompanying the large volume of automobile sales, automobile installment credit outstanding has increased an average of about \$230 million per month this year compared with about \$140 million during the comparable period last year.

In contrast to the advance in some other areas of the economy, construction, which was on a plateau

from June 1962 to January 1963, has since January averaged below plateau levels. Outlays on new construction were at a \$62.7 billion annual rate in May. Since January, however, such expenditures have averaged \$61.2 billion, in contrast with \$62.6 billion from June 1962 to January 1963.

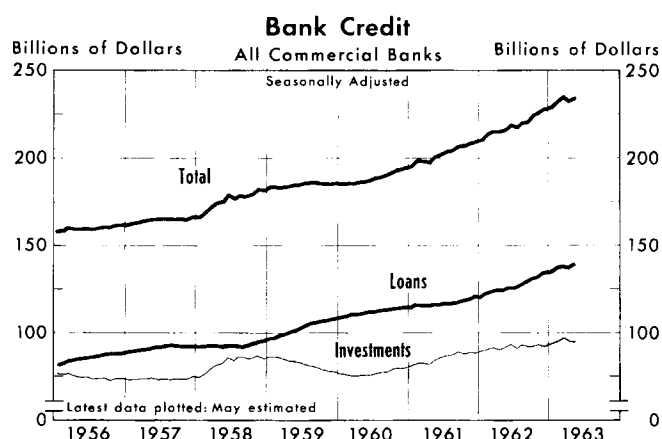


Softness in total construction thus far in 1963 has largely been concentrated in the public component. Nonfarm residential housing was weak in the early months of the year but from March to May rose about 11 per cent. Declining mortgage rates have been a significant factor in the residential housing market over the past year.

Financial Developments

Total member bank reserves, which increased rapidly during the autumn of last year, have risen at an annual rate of 2.6 per cent from December to the month ending mid-May. During the comparable period of 1962, total reserves increased at a 3.1 per cent annual rate.

Total loans and investments of commercial banks have increased at an annual rate of about 6 per cent from December to May, roughly the same rate as during the comparable period last year. Loans and investments rose by about equal amounts last year,



Labor Force Changes over the Past Year

OF THE 189 MILLION PEOPLE IN THE U. S. there are about 73 million who are employed at civilian work or who express a desire to work. This group of 73 million people is referred to as the civilian labor force. Of this number 69 million are employed, while 4 million are seeking employment.

About 5 million persons are employed in agriculture, leaving 64 million in other pursuits. Of the 64 million who are engaged in nonfarm work about 56 million are working for salaries or wages and 8 million are otherwise employed.

While total employment has increased 1.3 million persons during the past year, the civilian labor force has increased as much or more so that unemployment has not declined. Unemployment as a per cent of the labor force, at 5.7 per cent, is about unchanged from a year ago. When both unemployment and time lost through involuntary part-time work are considered, about 6.6 per cent of potentially available labor force is unused. This, too, is the same as a year ago.

STATUS OF THE LABOR FORCE*

Employment	April 1963	April 1962	Change During Year	Per cent Change
	(millions)			
Civilian Labor Force.....	73.0	71.6	+1.4	+ 2.0
Total Employment.....	68.9	67.6	+1.3	+ 1.9
Nonagricultural Employment..	63.9	62.3	+1.6	+ 2.6
Wage and Salary**.....	56.2	55.3	+0.9	+ 1.6
Other ¹	7.7	7.0	+0.7	+10.0
Agricultural Employment....	5.0	5.3	-0.3	- 5.7
Unemployment.....	4.1	4.0	+0.1	+ 2.5
	(per cent)			
Unemployment Rate.....	5.7	5.6	+0.1
Labor Force Time Lost.....	6.6	6.6	-0-

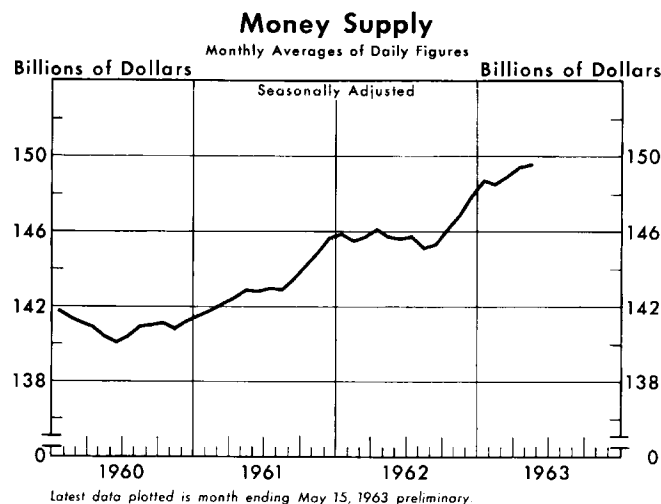
* Unless otherwise indicated these data are from the monthly survey of households conducted for the Bureau of Labor Statistics by the Bureau of Census.

** These data are from the Bureau of Labor Statistics series on employment in nonagricultural establishments. The wage and salary series is commonly referred to as nonagricultural payroll employment.

¹ The "other" category is obtained by subtracting wage and salary employment (obtained from the Bureau of Labor Statistics surveys of nonagricultural establishments) from nonagricultural employment (obtained from the Bureau of Census surveys of a sample of households). This category includes proprietors, the self-employed and unpaid workers in family businesses, and domestic workers in households.

whereas most of the increase in bank credit during the first five months of 1963 was in loans. Since December 1962, the annual rate of increase in business loans has been 6 per cent, in real estate loans 11 per cent, and in consumer loans 12 per cent. Security loans, which increased rapidly earlier this year, declined sharply from March to April and are currently at about the level of late 1962.

The money supply (demand deposits plus currency), seasonally adjusted, rose at an annual rate of 3.1 per cent from last December to the month ending mid-May. In the comparable period a year ago, the money



supply increased at a rate of 0.7 per cent. Reflecting the greater increase in money during the spring this year than last year, the money supply is now 2.4 per cent higher than it was at this time last year. In December last year, the money supply was only 1.5 per cent higher than in December 1961. By comparison, the money supply rose at an average annual rate of 2.1 per cent in the 1951-61 decade.

The more rapid rate of increase in the money supply this year compared with early 1962 occurred despite a similar rate of increase in bank credit. This development is explained in large measure by a slower rate of increase in time deposits and a greater decline in Treasury balances at commercial banks. Both time and Treasury deposits absorb reserves which otherwise might be used to support private demand deposits, the major component of the money supply.

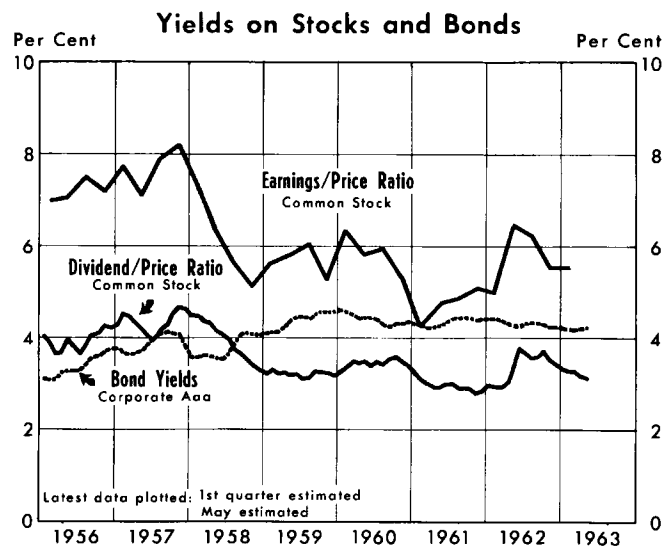
Time deposits increased \$5.6 billion from December 1962 to the month ending mid-May, an annual rate of increase of 15.3 per cent. During the same period last year, time deposits rose \$6.5 billion or at a rate

of 21.0 per cent. At weekly reporting banks, both time certificates and savings deposits have grown less rapidly this year, with the greater decline in the rate of increase occurring in savings deposits.

Interest rates have moved up since mid-May, following a period of relative stability during the first four and one half months of the year. The three-month Treasury bill rate, which had moved within a narrow range about the 2.90 per cent level from late 1962 to mid-May, has increased in recent weeks. Yields on these instruments averaged 3.02 per cent during the week ending June 5. Trends in yields on long-term bonds have been mixed. Interest rates on U. S. Government and municipal bonds have risen slightly while rates on medium grade corporate bonds and on mortgages have declined somewhat.

Stock prices have increased since late last year. The Standard and Poor's 500 composite stock index increased from an average of 62.64 in December to 70.14 in May. High or rising stock prices may stimulate consumer demand and also may facilitate stock flotations and business investment. The current level of stock prices is about the same as in late 1961.

The dividend-price ratio for corporate common stocks has declined from an average of about 3.65 per cent in the June-October 1962 period to about 3.10 per cent in recent weeks. The current yield on

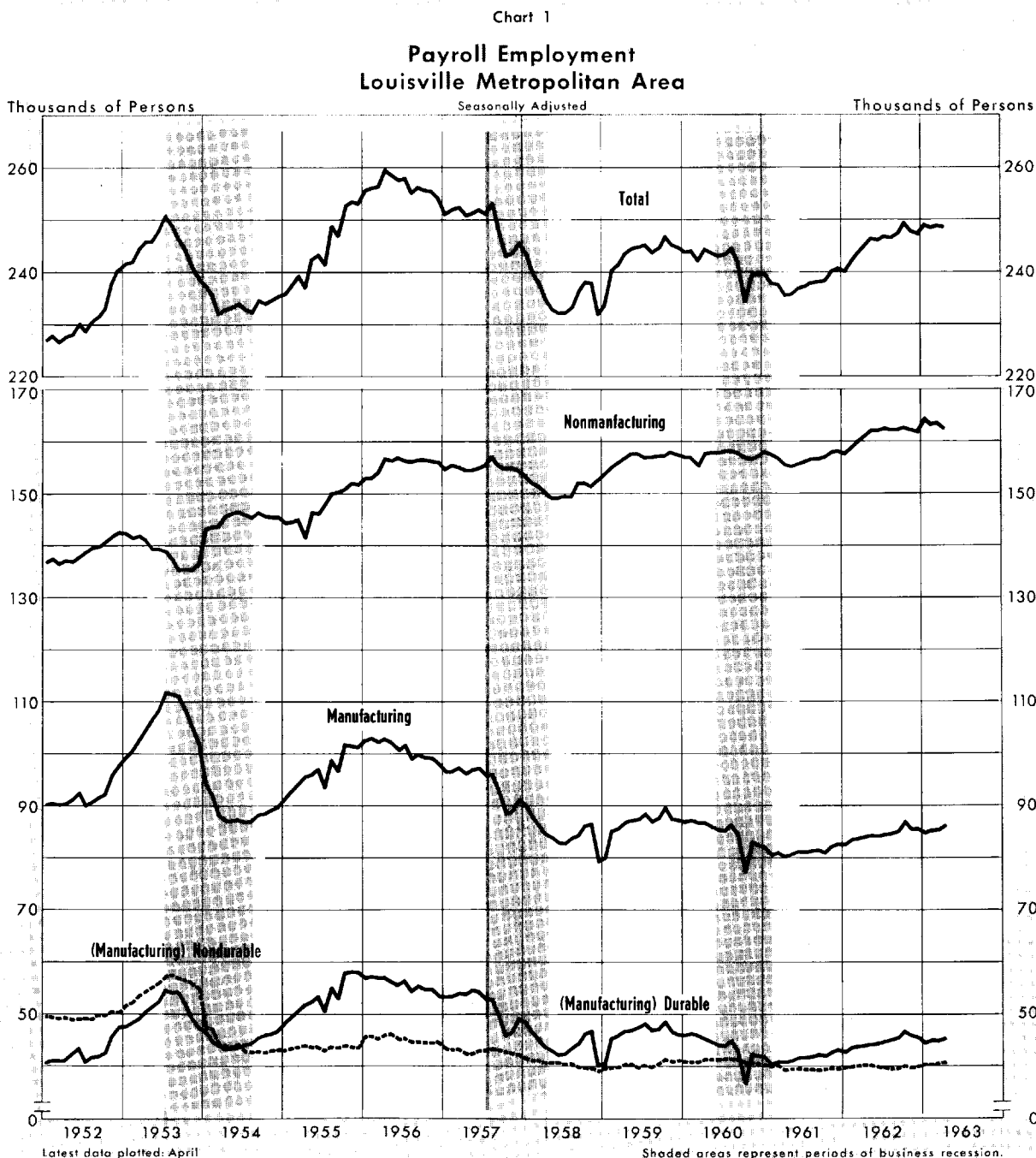


stocks compares with yields of about 4.85 per cent on Baa corporate bonds, 4.20 per cent on Aaa bonds, and 3.95 per cent on long-term Government bonds. The common stock dividend-price ratio has now been below the corporate Aaa yield since late-1958. Previously, stock yields had almost never been below bond yields.

Louisville Employment 1952-1963

PAYROLL EMPLOYMENT in the Louisville Metropolitan Area rose from about 228,000 in early 1952 to a peak of approximately 260,000 in April 1956

(Chart 1). Subsequently, employment fell and was about 230,000 at the end of 1958. By the last half of 1962, it had risen to 247,000, and in the first four



months of 1963, it increased further to an average of about 249,000. From 1952 to 1962 Louisville payroll employment increased about 6.5 per cent.^{1, 2}

A study of employment movements in Louisville provides an indication of changes in this area's economic progress.³ A comparison of total employment in 1950 and 1960 and a comparison of payroll employment for 1952 and 1962 provide a measure of Louisville's economic growth between 1950 and 1962. Short-run changes in employment reflect Louisville's cyclical or irregular developments. A study of changes in employment in various segments of this labor market is useful both in providing an understanding of the economic trend of Louisville and in shedding light on short-run variations in its business activity. To place these events in perspective, comparisons are made with employment movements in the nation and in eight cities similar to Louisville.⁴

¹ Payroll employment does not include unpaid family workers, paid domestics, and self-employed, which together with payroll employment constitute total employment.

² The Louisville Metropolitan Area consists of Jefferson County, Kentucky; and Clark and Floyd Counties, Indiana. The Louisville labor market corresponds to this same area. All monthly data in this article have been seasonally adjusted.

³ Since it is possible that a community may be prosperous without an increasing number of job opportunities, employment data should be used in conjunction with other available data for an area in order to get a more complete picture of a community's well-being. A monthly report presenting employment and various other indicators of economic activity for Louisville and six other Central Mississippi Valley metropolitan areas, entitled *Selected Economic Indicators*, is available from this bank upon request to the Research Department.

⁴ A study of the St. Louis Labor Market was reported in the December 1962 issue of this *Review*.

Louisville Labor Market 1962

Total employment in the Louisville Labor Market averaged 278,000 in 1962. This total consisted of 246,000 wage and salary earners in nonagricultural establishments, 5,000 agricultural workers, and 27,000 workers composed of unpaid workers in family businesses, paid domestic workers, and self-employed.

Employment in Factories

Factory employment in Louisville in 1962 was 34 per cent of total payroll employment (Table I). Nationally, manufacturing payrolls accounted for 30 per cent. The proportion in manufacturing was greater in Louisville than in Nashville, Memphis, Atlanta, Birmingham, and Little Rock. It was about the same proportion as in Indianapolis and St. Louis, and a smaller proportion than in Cincinnati.

Employment in nondurables manufacturing constituted a greater share of payroll employment in Louisville than in the nation and in the other cities studied where data are available. The share employed in durables manufacturing in Louisville was the same as nationally but considerably less than in most of the other cities (Table I). Louisville employment in durables manufacturing was larger than employment in nondurables, following the national pattern. The composition of manufacturing affects the cyclical behavior of employment. The production of nondurable goods, such as food, chemicals, textiles, and apparel, has usually been more stable over the course of a

TABLE I

Composition of Louisville Payroll Employment — 1962 Compared with the Nation and Selected Areas

	Percent of Average Total Payroll Employment									
	United States	Louisville	Cincinnati	Indianapolis	Nashville	St. Louis	Memphis	Atlanta	Birmingham	Little Rock
Total Payroll Employment	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Manufacturing	30	34	37	34	28	35	23	23	30	19
Durables	17	18	22	23	n.a.	20	10	n.a.	n.a.	n.a.
Nondurables	13	16	15	11	n.a.	15	13	n.a.	n.a.	n.a.
Nonmanufacturing	70	66	63	66	72	65	77	77	70	81
Contract Construction	5	6	5	5	5	5	5	6	6	6
Trans., Comm., and Public Utilities	7	8	8	7	7	9	8	10	8	9
Trade	21	22	21	22	22	21	27	26	23	23
Government	17	11	11	14	15	11	16	14	11	20
Finance, Ins., and Real Estate ...	5	5	5	7	7	5	6	7	7	8
All other ¹	15	14	13	11	16	14	15	14	15	15

¹ Includes mining, services and miscellaneous.
n.a.—Not available.

business cycle than the production of durables, which include autos, household appliances, and metals.

Other Employment

Total nonmanufacturing employment, which includes government, trade, services, and construction, represented a smaller share of the labor market in Louisville than in the nation as a whole. The share employed in trade (retail and wholesale firms) was slightly larger in Louisville than in the nation, Cincinnati, and St. Louis, but smaller than in Memphis, Atlanta, Birmingham, and Little Rock. Governments employed a relatively small share of the Louisville work force, since some of the other cities studied are state capitals. Financial, public utility, and construction employment constituted roughly the same shares of total payrolls in Louisville as nationally.

Total Employment

Total employment in Louisville increased from about 224,000 on April 1, 1950 to about 256,000 on April 1, 1960, according to the census.⁵ The average annual increase was 1.4 per cent compared with a national average increase of 1.6 per cent. Since 1958, total employment estimates have been prepared by the Louisville Employment Security Office. These figures (Chart 2, below) are much higher than the census data. A major reason is that they include estimates of all employment in the area regardless of where the workers live (for a description of method, see box, page 12), whereas census data include only residents of the metropolitan area. If the monthly data shown on the chart below are computed as annual averages, employment has increased at roughly 1 per cent per year from 1958 to 1962. Over the like period, employment in the nation rose 1.5 per cent.



⁵ U. S. Census of Population, 1950 and 1960.

Gain in Employment 1952-62

Payroll employment in Louisville was 6.5 per cent higher in 1962 than in 1952. This rate of increase was about one-half the national rate and was less than the increase for five of the eight cities studied.⁶ Birmingham payrolls increased at a slower rate; and if the data available since 1958 are an indication, rates of increase registered by Cincinnati and St. Louis were below Louisville's (Table II).

TABLE II

Louisville and Selected Areas
Per Cent Change in Payroll Employment ¹

	Total Payroll	Manufacturing			Nonman- ufacturing
		Total	Durables	Nondurables	
1952 - 1962					
Louisville	+ 6.5	— 8.1	+ 4.9	—19.2	+ 16.1
U.S.	+ 13.3	+ 0.7	— 0.8	+ 2.7	+ 19.8
Atlanta	+ 35.7	+ 20.7	n.a.	n.a.	+ 40.8
Birmingham	+ 4.4	+ 0.5	n.a.	n.a.	+ 6.1
Indianapolis	+ 7.9	— 6.2	— 6.2	— 6.1	+ 16.9
Little Rock ..	+ 20.5	+ 24.8	n.a.	n.a.	+ 19.6
Memphis ...	+ 14.2	+ 5.1	n.a.	n.a.	+ 17.3
Nashville ..	+ 20.9	+ 17.2	n.a.	n.a.	+ 22.4
1958 - 1962					
Louisville	+ 4.2	— 0.4	+ 0.5	— 1.2	+ 6.8
U.S.	+ 7.6	+ 5.0	+ 6.9	+ 2.7	+ 8.7
Atlanta	+ 13.0	+ 7.4	n.a.	n.a.	+ 14.8
Birmingham	— 1.3	— 8.0	n.a.	n.a.	+ 1.9
Indianapolis	+ 8.1	+ 7.0	+ 10.2	+ 0.9	+ 8.6
Little Rock ..	+ 9.2	+ 11.4	n.a.	n.a.	+ 8.7
Memphis ..	+ 7.4	+ 9.7	+ 9.7	+ 9.8	+ 6.8
Nashville ..	+ 7.0	+ 4.1	n.a.	n.a.	+ 8.2
Cincinnati ..	+ 2.5	— 2.8	— 2.0	— 4.0	+ 5.9
St. Louis ...	+ 0.5	— 2.9	+ 1.4	— 8.3	+ 2.4

¹ Computed from annual averages.
n.a.—Not available.

The moderate increase in total Louisville employment payrolls from 1952 to 1962 reflected a 16 per cent gain in nonmanufacturing and an 8 per cent decrease in manufacturing. Nationally, nonmanufacturing increased 20 per cent and manufacturing increased about 1 per cent. The increase in nonmanufacturing payrolls in Louisville exceeded the rise in Birmingham, was the same as in Indianapolis and Memphis, and was less than in the other cities (Table II). In the case of manufacturing, Louisville and Indianapolis had decreases while the other cities for which data are available had gains.

Factory Employment Decreased

The net decrease of Louisville manufacturing employment from 1952 to 1962 was confined to the nondurable industries. A net decline of 19 per cent in nondurables more than offset a 5 per cent net gain in durables.

⁶ 1952 is the first year for which comparable data are available for Louisville and most of the other cities studied.

In nondurables manufacturing, the major loss of jobs was in chemicals (Chart 3), with a large part of this loss in chemical production for national defense. The number of jobs in food processing also declined moderately. The number of workers employed in tobacco, textile and apparel, and printing and publishing jobs remained about unchanged.

The major net gains in employment in durables manufacturing from 1952 to 1962 were in machinery (Chart 4). During this period employment gains in many machinery manufacturing firms more than offset sharp reductions in ordnance and farm equipment. Employment in fabricated metals and in transportation equipment remained unchanged on balance, while lumber and wood products and furniture and fixtures declined.

Other Employment Increased

Nearly all types of nonmanufacturing employment increased (Chart 5). One exception, construction, showed little net change as a decline from 1955 to 1958 nearly matched an earlier rise.

Employment Fluctuations 1952-62

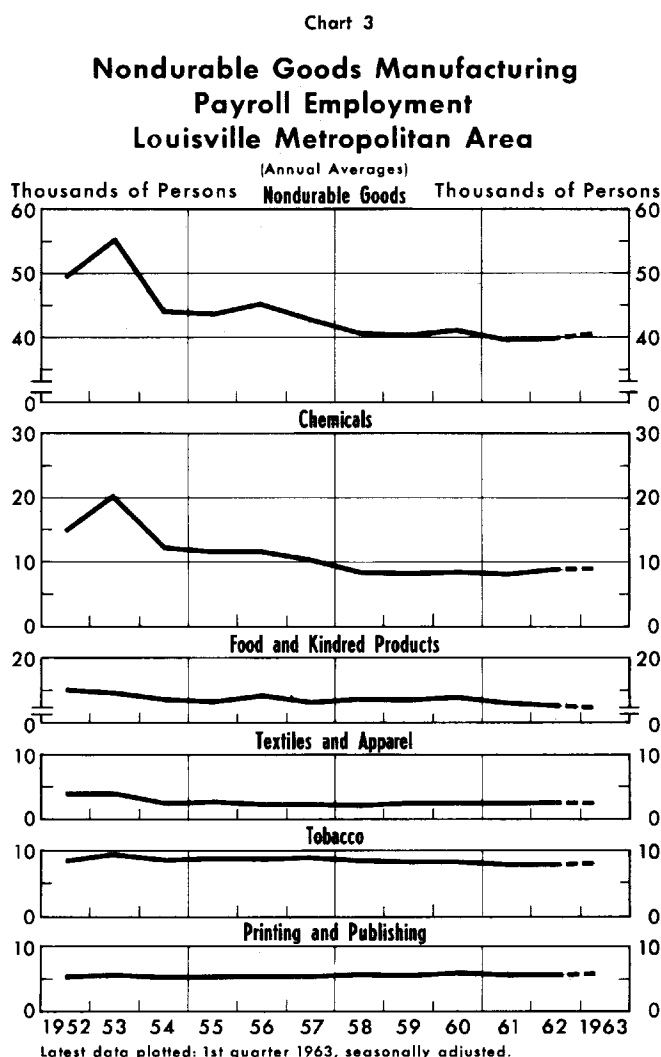
While Louisville employment was 6.5 per cent greater in 1962 than in 1952, the increase was the result of many significant increases and decreases. As Chart 1 shows, sharp increases in employment took place from January 1952 to July 1953 and from August 1954 to April 1956. Each of these periods of increase was followed by a substantial reduction in employment nearly offsetting the preceding gain. Since 1958, Louisville employment has increased moderately and has shown milder short-run fluctuations than previously.

1952 - 1954

Employment advanced 24,000 from January 1952 to July 1953 and then fell 18,000, reaching a low in August 1954. The decline was influenced in part by the 1953-54 recession. In addition, movements during this January 1952-August 1954 period were considerably influenced by shifts in the chemicals sector of nondurables (Chart 3). Payroll employment in this industry increased from 15,000 workers in 1952 to 20,000 in 1953, but then fell to 12,000 in 1954. Chemical manufacturing for national defense began to decline in 1953. In nonmanufacturing, only employment in trade advanced appreciably (Chart 5).

1954 - 1958

Louisville payroll employment again moved upward from August 1954 to April 1956, increasing 27,000. A decline from April 1956 to the end of 1958 nearly

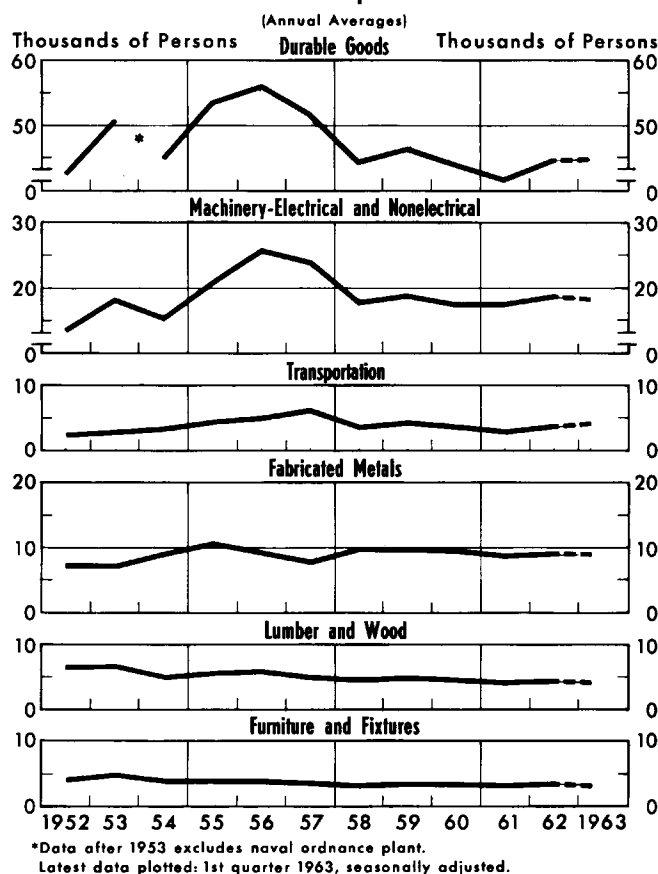


offset the preceding gain. The level of employment at the end of 1958 was only slightly above the average of 1952. The high in Louisville employment (April 1956) was reached fifteen months prior to the peak in national business activity (July 1957), and the downswing in Louisville employment continued eight months past the national business trough in April 1958.

The course of Louisville employment from August 1954 to December 1958 was marked by large swings in durable goods employment (Chart 4). Machinery manufacturing increased from 15,000 in 1954 to 26,000 in 1956, and then fell to 18,000 in 1958. Employment in transportation equipment varied similarly. During this period Appliance Park in Louisville came into full production. Around the end of 1958 the ordnance plants, which had been reducing employment, closed. Employment in the production of nondurable goods, which declined sharply in 1953, fell moderately from 1956 to 1958, occasioned in part by the closing of a defense chemical installation late in this period (Chart 3).

Chart 4

Durable Goods Manufacturing Payroll Employment Louisville Metropolitan Area



Employment changes in nonmanufacturing between 1956 and 1958 reflected primarily changes in the number employed in trade (Chart 5). Employment in retail and wholesale establishments advanced from 52,000 in 1954 to 58,000 in 1956 and then fell to 51,000 in 1958. Closing of the Government Quartermaster Depot around the end of 1958 partially offset increases in other government employment.

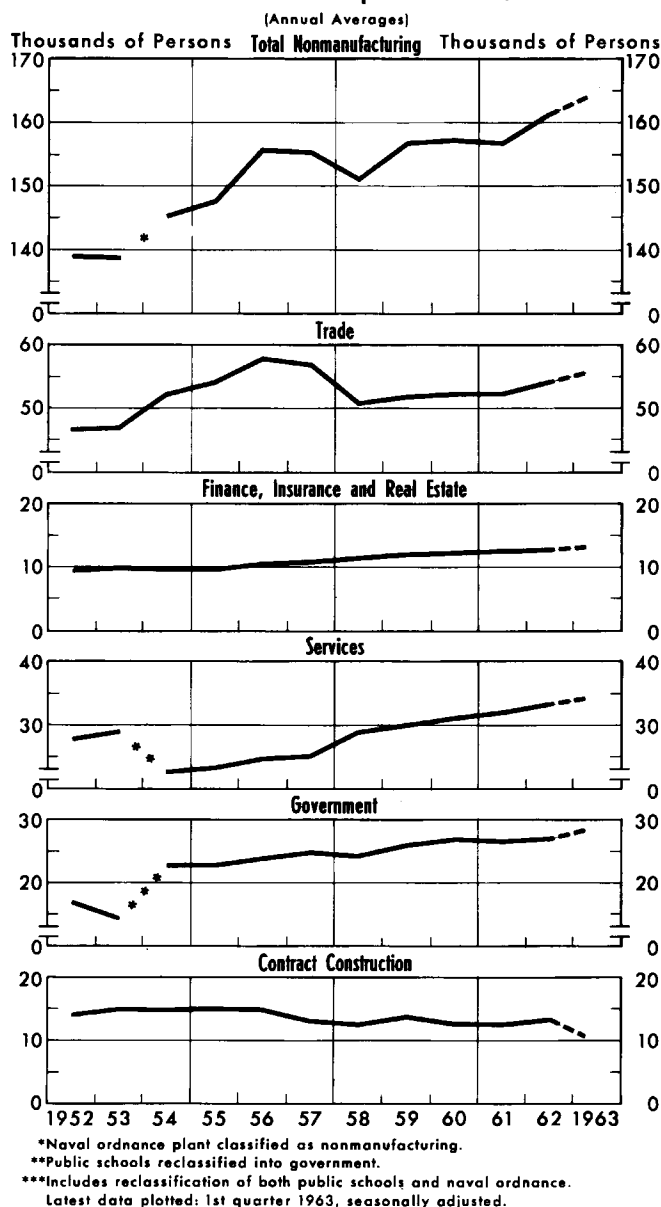
1958 - 1962

Since late 1958, payroll employment in Louisville has shown some growth and has fluctuated less than in the preceding periods. There was a significant advance in payroll employment during 1959 (Chart 1), whereas in the rest of the country, activity was depressed by a major strike in steel. Employment declined somewhat during the 1960-61 recession and showed a moderate upward movement from early 1961 to mid-1962. Since mid-1962, employment growth has slowed.

Since mid-1959, small increases in nonmanufacturing have provided the major source of growth in Louisville payroll employment (Chart 1). Between

Chart 5

Nonmanufacturing Payroll Employment Louisville Metropolitan Area



1958 and 1962, service employment increased 4,000 and government employment 3,000 (Chart 5). Manufacturing employment was about unchanged on balance (Chart 1).

Summary

The economic progress of Louisville during the last decade, as indicated by movements in employment, has been characterized by short-run fluctuations around a slightly rising trend. Payroll employment since 1952 has increased less in Louisville than in the nation and in other cities studied except Birmingham, Cincinnati, and St. Louis.

— Continued on page 12, following employment table on pages 10 and 11.

PAYROLL EMPLOYMENT IN NONFARM ESTABLISHMENTS—1952-1963

Louisville Metropolitan Area

(in thousands)

	Total		Manufacturing						Non-Mfg.		
	Unadj.	Seas. Adj.	Total			Durables		Non-Durables		Unadj.	Seas. Adj.
			Unadj.	Seas. Adj.	Adj.	Unadj.	Seas. Adj.	Unadj.	Seas. Adj.		
Jan. 1952	225.8	226.9	91.1	90.1		40.8	40.5	50.3	49.6	134.7	136.8
Feb.	225.4	227.8	90.5	90.3		41.3	41.0	49.2	49.3	134.9	137.5
Mar.	225.8	226.7	90.7	90.1		41.5	41.0	49.2	49.1	135.1	136.6
Apr.	226.7	227.5	90.6	90.3		41.7	41.0	48.9	49.3	136.1	137.2
May	227.2	228.0	90.6	91.1		42.9	42.2	47.7	48.9	136.6	136.9
June	230.1	230.1	91.7	92.3		44.0	43.3	47.7	49.0	138.4	137.8
July	228.1	228.7	87.9	90.0		39.6	40.8	48.3	49.2	140.2	138.7
Aug.	230.5	230.4	89.1	90.7		40.8	41.7	48.3	49.0	141.4	139.7
Sept.	231.1	231.5	90.6	91.6		40.8	41.8	49.8	49.8	140.5	139.9
Oct.	232.8	233.0	92.0	92.2		41.3	42.4	50.7	49.8	140.8	140.8
Nov.	239.9	237.9	97.7	96.0		46.2	45.7	51.5	50.3	142.2	141.9
Dec.	245.8	240.3	99.9	97.7		48.2	47.5	51.7	50.2	145.9	142.6
Jan. 1953	240.3	241.6	100.2	99.2		48.0	47.5	52.2	51.7	140.1	142.4
Feb.	239.3	242.0	100.5	100.5		48.5	48.3	52.0	52.2	138.8	141.5
Mar.	242.8	244.4	102.7	102.6		49.3	49.1	53.4	53.5	140.1	141.8
Apr.	245.4	245.8	105.1	104.8		51.2	50.4	53.9	54.4	140.3	141.0
May	245.9	245.9	106.2	106.6		52.1	51.4	54.1	55.2	139.7	139.3
June	248.2	247.8	107.9	108.5		53.2	52.5	54.7	56.0	140.3	139.3
July	249.4	250.6	109.2	111.8		53.2	54.7	56.0	57.1	140.2	138.8
Aug.	248.8	248.8	109.9	111.5		53.1	54.0	56.8	57.5	138.9	137.3
Sept.	246.0	246.4	110.3	111.0		53.3	54.1	57.0	56.9	135.7	135.4
Oct.	244.2	244.0	109.0	108.5		51.4	52.1	57.6	56.4	135.2	135.5
Nov.	242.6	240.7	106.7	105.3		49.4	49.3	57.3	56.0	135.9	135.4
Dec.	243.2	238.6	104.0	102.1		47.6	47.3	56.4	54.8	139.2	136.5
Jan. 1954	235.6	237.4	95.0	94.2		47.2	46.7	47.8	47.5	140.6	143.2
Feb.	232.4	235.7	92.0	92.1		44.9	44.9	47.1	47.2	140.4	143.6
Mar.	229.7	232.1	88.1	88.2		44.0	43.9	44.1	44.3	141.6	143.9
Apr.	232.5	232.8	87.2	87.1		43.8	43.2	43.4	43.9	145.3	145.7
May	234.8	233.3	87.0	87.0		43.9	43.3	43.1	43.7	147.8	146.3
June	234.8	233.9	87.0	87.3		44.1	43.5	42.9	43.8	147.8	146.6
July	231.9	232.8	84.6	86.8		42.7	44.0	41.9	42.8	147.3	146.0
Aug.	232.9	232.3	86.0	86.9		43.8	44.3	42.2	42.6	146.9	145.4
Sept.	234.9	234.7	88.1	88.3		45.0	45.5	43.1	42.8	146.8	146.4
Oct.	234.5	234.0	89.2	88.4		45.6	45.8	43.6	42.6	145.3	145.6
Nov.	236.4	234.6	90.0	89.1		46.1	46.1	43.9	43.0	146.4	145.5
Dec.	239.3	235.4	91.3	89.9		46.9	46.7	44.4	43.2	148.0	145.5
Jan. 1955	233.1	235.8	91.9	91.4		48.7	48.4	43.2	43.0	141.2	144.4
Feb.	233.3	237.4	92.7	92.9		49.4	49.5	43.3	43.4	140.6	144.5
Mar.	236.2	239.2	94.0	94.2		50.7	50.6	43.3	43.6	142.2	145.0
Apr.	236.9	237.1	95.8	95.6		52.7	51.8	43.1	43.8	141.1	141.5
May	245.0	242.3	96.3	95.9		53.2	52.4	43.1	43.5	148.7	146.4
June	244.4	243.3	96.9	97.1		54.2	53.5	42.7	43.6	147.5	146.2
July	240.3	241.4	91.2	93.5		49.2	50.6	42.0	42.9	149.1	147.9
Aug.	250.0	248.8	98.5	98.8		54.9	55.1	43.6	43.7	151.5	150.0
Sept.	247.5	246.9	96.5	96.7		52.5	53.1	44.0	43.6	151.0	150.2
Oct.	253.8	252.7	102.7	101.8		57.7	57.9	45.0	43.9	151.1	150.9
Nov.	255.2	253.5	101.8	101.5		57.5	58.0	44.3	43.5	153.4	152.0
Dec.	256.9	253.2	102.7	101.4		58.3	58.0	44.4	43.4	154.2	151.8
Jan. 1956	252.2	255.6	103.0	102.6		57.2	57.0	45.8	45.6	149.2	153.0
Feb.	251.0	256.1	102.8	103.0		57.2	57.3	45.6	45.7	148.2	153.1
Mar.	252.6	256.4	102.0	102.3		57.2	57.0	44.8	45.3	150.6	154.1
Apr.	259.0	259.5	102.8	102.8		57.9	57.0	44.9	45.8	156.2	156.7
May	261.6	258.5	102.5	102.1		57.1	56.2	45.4	45.9	159.1	156.4
June	258.9	257.6	100.6	100.7		56.3	55.6	44.3	45.1	158.3	156.9
July	257.0	258.0	99.6	101.7		55.1	56.4	44.5	45.3	157.4	156.3
Aug.	256.6	255.2	99.2	99.0		54.5	54.4	44.7	44.6	157.4	156.2
Sept.	257.7	256.3	99.9	99.9		54.7	55.3	45.2	44.6	157.8	156.4
Oct.	257.4	255.7	99.9	99.3		54.3	54.8	45.6	44.5	157.5	156.4
Nov.	257.1	255.4	99.2	99.2		54.0	54.8	45.2	44.4	157.9	156.2
Dec.	258.1	254.1	99.5	98.2		53.9	53.5	45.6	44.7	158.6	155.9
Jan. 1957	247.1	251.2	96.6	96.5		53.4	53.3	43.2	43.2	150.5	154.7
Feb.	246.6	252.1	96.3	96.5		53.5	53.4	42.8	43.1	150.3	155.6
Mar.	248.3	252.4	97.0	97.2		54.2	54.0	42.8	43.2	151.3	155.2
Apr.	250.0	250.8	96.0	96.2		54.6	53.8	41.4	42.4	154.0	154.6
May	254.3	251.4	97.3	96.9		55.4	54.5	41.9	42.4	157.0	154.5
June	253.1	251.9	96.9	97.1		54.7	54.2	42.2	42.9	156.2	154.8
July	250.8	251.2	94.4	95.9		52.2	53.0	42.2	42.9	156.4	155.3
Aug.	255.0	253.1	96.8	96.0		53.2	52.8	43.6	43.2	158.2	157.1
Sept.	250.1	247.8	93.2	92.8		49.4	49.8	43.8	43.0	156.9	155.0
Oct.	245.2	243.2	88.9	88.4		45.3	45.9	43.6	42.5	156.3	154.8
Nov.	245.4	243.8	88.6	88.9		45.5	46.6	43.1	42.3	156.8	154.9
Dec.	249.4	245.6	92.2	91.2		49.4	49.1	42.8	42.1	157.2	154.4

	Total		Manufacturing						Non-Mfg.	
	Unadj.	Seas. Adj.	Total		Durables		Non-Durables		Unadj.	Seas. Adj.
			Unadj.	Seas. Adj.	Unadj.	Seas. Adj.	Unadj.	Seas. Adj.		
Jan. 1958	239.4	243.7	89.9	90.1	48.6	48.6	41.3	41.5	149.5	153.6
Feb.	234.5	239.9	87.6	87.8	46.8	46.6	40.8	41.2	146.9	152.1
Mar.	233.2	237.7	86.0	86.3	45.4	45.2	40.6	41.1	147.2	151.4
Apr.	233.8	234.7	84.1	84.5	44.3	43.8	39.8	40.7	149.7	150.2
May	235.4	232.9	83.8	83.7	43.6	43.0	40.2	40.7	151.6	149.2
June	233.5	232.1	82.7	82.9	42.5	42.2	40.2	40.7	150.8	149.2
July	232.1	232.1	81.6	82.6	41.9	42.3	39.7	40.3	150.5	149.5
Aug.	234.4	233.2	84.3	83.8	43.5	43.4	40.8	40.4	150.1	149.4
Sept.	239.4	236.2	85.1	84.2	44.3	44.3	40.8	39.9	154.3	152.0
Oct.	240.7	238.1	86.9	86.1	46.0	46.3	40.9	39.8	153.8	152.0
Nov.	239.4	237.9	86.3	86.5	45.8	46.8	40.5	39.7	153.1	151.4
Dec.	234.9	231.9	79.7	79.3	40.1	40.2	39.6	39.1	155.2	152.6
Jan. 1959	229.1	233.7	79.4	80.0	40.1	40.3	39.3	39.7	149.7	153.7
Feb.	234.5	240.1	84.9	85.2	45.6	45.4	39.3	39.8	149.6	154.9
Mar.	236.6	241.5	85.3	85.7	46.1	45.9	39.2	39.8	151.3	155.8
Apr.	242.7	243.6	86.6	86.9	47.2	46.7	39.4	40.2	156.1	156.7
May	247.4	244.7	87.3	87.1	47.6	47.0	39.7	40.1	160.1	157.6
June	246.8	244.9	87.3	87.3	47.9	47.5	39.4	39.8	159.5	157.6
July	245.7	245.2	87.7	88.3	48.2	48.2	39.5	40.1	158.0	156.9
Aug.	245.1	243.9	87.3	86.9	46.9	47.0	40.4	39.9	157.8	157.0
Sept.	248.3	244.7	88.7	87.5	47.2	47.1	41.5	40.4	159.6	157.2
Oct.	249.1	246.9	90.2	89.7	47.9	48.5	42.3	41.2	158.9	157.2
Nov.	246.9	245.3	87.6	87.4	45.9	46.6	41.7	40.8	159.3	157.9
Dec.	247.2	244.7	87.2	87.2	45.8	46.1	41.4	41.1	160.0	157.5
Jan. 1960	239.1	243.9	86.2	86.9	45.6	46.0	40.6	40.9	152.9	157.0
Feb.	238.2	244.0	86.7	87.2	46.3	46.3	40.4	40.9	151.5	156.8
Mar.	236.9	242.1	86.2	86.7	46.0	45.9	40.2	40.8	150.7	155.4
Apr.	243.5	244.4	86.3	86.7	45.7	45.3	40.6	41.4	157.2	157.7
May	246.5	243.7	85.9	85.9	45.1	44.7	40.8	41.2	160.6	157.8
June	245.4	243.1	85.5	85.3	44.7	44.1	40.8	41.2	159.9	157.8
July	244.2	243.3	84.8	85.2	44.0	43.8	40.8	41.4	159.4	158.1
Aug.	245.7	244.5	86.6	86.3	44.8	45.0	41.8	41.3	159.1	158.2
Sept.	245.7	241.9	85.6	84.2	43.3	42.9	42.3	41.3	160.1	157.7
Oct.	236.1	234.2	77.6	77.3	35.9	36.7	41.7	40.6	158.5	156.9
Nov.	241.4	239.6	83.5	83.0	42.0	42.3	41.5	40.7	157.9	156.6
Dec.	241.5	239.5	82.4	82.4	41.7	42.0	40.7	40.4	159.1	157.1
Jan. 1961	235.0	239.8	81.2	81.9	41.3	41.7	39.9	40.2	153.8	157.9
Feb.	232.0	237.9	79.8	80.5	40.2	40.5	39.6	40.0	152.2	157.4
Mar.	232.8	237.7	80.6	81.0	41.0	40.9	39.6	40.1	152.2	156.7
Apr.	234.5	235.6	79.6	80.1	41.1	40.8	38.5	39.3	154.9	155.5
May	238.6	235.7	80.7	80.6	41.6	41.1	39.1	39.5	157.9	155.1
June	239.7	236.9	81.8	81.2	42.5	41.6	39.3	39.6	157.9	155.7
July	238.3	237.2	80.8	81.1	42.1	41.7	38.7	39.4	157.5	156.1
Aug.	238.9	237.9	81.4	81.3	41.6	41.9	39.8	39.4	157.5	156.6
Sept.	241.5	238.1	82.7	81.5	42.6	42.2	40.1	39.3	158.8	156.6
Oct.	239.8	238.3	81.3	81.4	40.9	42.0	40.4	39.4	158.5	156.9
Nov.	242.0	240.1	82.7	82.2	42.4	42.6	40.3	39.6	159.3	157.9
Dec.	242.5	240.7	82.5	82.6	42.7	43.1	39.8	39.5	160.0	158.1
Jan. 1962	235.3	240.1	82.0	82.5	42.4	42.7	39.6	39.8	153.3	157.6
Feb.	236.1	242.1	82.6	83.4	43.1	43.5	39.5	39.9	153.5	158.7
Mar.	238.8	243.7	83.4	83.7	43.8	43.7	39.6	40.0	155.4	160.0
Apr.	243.6	244.9	83.5	84.0	44.2	43.9	39.3	40.1	160.1	160.9
May	249.7	246.4	84.4	84.2	44.7	44.1	39.7	40.1	165.3	162.2
June	249.4	246.2	85.0	84.1	45.4	44.3	39.6	39.8	164.4	162.1
July	247.9	246.8	83.9	84.3	45.0	44.6	38.9	39.7	164.0	162.5
Aug.	247.6	246.7	84.4	84.5	44.5	44.9	39.9	39.6	163.2	162.2
Sept.	250.5	247.3	86.1	85.0	45.7	45.3	40.4	39.7	164.4	162.3
Oct.	251.3	249.4	86.9	86.8	45.8	46.8	41.1	40.0	164.4	162.6
Nov.	249.8	247.8	86.1	85.6	45.7	45.9	40.4	39.7	163.7	162.2
Dec.	248.9	247.3	85.3	85.5	45.0	45.5	40.3	40.0	163.6	161.8
Jan. 1963	244.2	249.1	84.3	84.8	44.3	44.6	40.0	40.2	159.9	164.3
Feb.	242.1	248.4	84.3	85.2	44.5	45.0	39.8	40.2	157.8	163.2
Mar.	243.8	248.8	85.0	85.3	45.0	44.9	40.0	40.4	158.8	163.5
Apr.	247.1	248.5	85.6	86.2	45.7	45.4	39.9	40.8	161.5	162.3

Between 1952 and 1962 there was a net increase in payroll employment of approximately 15,000 in Louisville, despite sharp decreases in certain industries. A reduction in employment in defense related establishments (ordnance and chemical firms, and a Government Quartermaster Depot) and their subsequent closing around the end of 1958 resulted in a loss of about 22,000 jobs. In addition, employment declined by about 8,000 in some large farm equipment and metal processing and fabricating firms. There were substantial additions in employment by other firms and government units. A large share of the new jobs was provided for by the establishment of General Electric Appliance Park.

Two prominent short-run, expansion-contraction periods in Louisville employment occurred between 1952 and 1958. Both periods were of short duration and by the end of each employment had increased only at about its ten-year annual rate of 0.5 per cent.

Neither of these two short-run movements exactly coincided with national business fluctuations as each was associated with movements in an individual industry. The 1952-54 period reflected almost entirely the rise and fall of employment in defense chemicals and ordnance. The 1954-58 period was marked by rising production in a new, large electrical appliance manufacturing installation in the early part of the period and the closing of several defense installations around the end of 1958. As a result, the expansion in Louisville payrolls came to a halt fifteen months prior to the national business peak of July 1957, and the ensuing contraction continued eight months past the April 1958 national trough.

Since 1958, no special situations similar to those which had marked Louisville's 1952-58 period have developed. Payrolls have varied only moderately during the last four years with growth being provided in nonmanufacturing.

The Data

ESTIMATES OF LOUISVILLE EMPLOYMENT are made monthly by the Louisville Employment Security Office in cooperation with the United States Bureau of Labor Statistics.¹ The total employment data include both persons employed by firms which are covered by state unemployment insurance programs and persons who are not covered by the unemployment insurance programs. Estimates of "covered" employment are derived from a sample of monthly payroll reports to the Employment Security Office. Under cooperative arrangements with the Louisville Office, responding firms fill out a schedule which is later used for national employment estimates by the Bureau of Labor Statistics.

A significant number of workers are not covered by state employment security programs. Current estimates of the number employed by railroads and by state and local governments are secured from special monthly reports to the Louisville Office. Others not covered by the state programs include those who work for firms too small to be covered by state unemployment programs, those who work for nonprofit organizations, the self-employed, unpaid family workers, and private household workers. The Louisville sample of establishments includes small firms and nonprofit organizations. The procedures for estimating noncovered categories are based on extensive studies conducted jointly by the Bureau of Labor Statistics and the Louisville Employment Security Office. These estimating procedures are employed uniformly by local employment security offices.²

There is a considerably body of detailed employment data for various components of the employed work force in the Louisville Metropolitan Area. Seasonally adjusted data are available with respect to

payroll employment in major categories covering the period from 1952 to the present. These data are presented on pages 10 and 11.

Payroll employment excludes proprietors, the self-employed, and domestic servants. Beginning in January 1958 the Louisville Employment Security Office began publishing monthly estimates of total employment³ in the Louisville Labor Market, including estimates for proprietors, the self-employed, and domestic servants.

The estimate of domestic servants is a constant, consisting of the number of persons counted as so employed in the 1960 Population Census. The estimate of agricultural employment is also a constant, the number of farm workers counted in the 1959 Census of Agriculture. All other employment is estimated by the 1960 ratio of self-employed and unpaid family workers to 1960 nonfarm payroll employment.

It can be seen below that yearly changes in total employment have resulted almost entirely from movements in nonfarm payroll employment. Therefore, most

Louisville Total Employment
Annual Averages 1958 to 1962
(thousands of persons)

	1958	1959	1960	1961	1962
Nonfarm Payroll	236.3	243.3	242.2	238.0	245.7
Domestics	8.1	8.1	8.1	8.1	8.1
Agriculture	5.3	5.3	5.3	5.3	5.3
All Other	18.8	19.1	19.1	18.9	19.2
Total Employment . .	268.5	275.8	274.7	270.3	278.3

employment developments in Louisville can be analyzed by examining changes in nonfarm payroll employment.

¹ Basic data for this article were provided by the Louisville Employment Security Office. Seasonally adjusted data were prepared by the Research Department of the Federal Reserve Bank of St. Louis.

² These procedures are described in *Handbook on Estimating Area Employment of Self-Employed, Unpaid Family, and Private Household Workers—Nonagricultural Total*, U. S. Bureau of Employment Security, 1960.

³ Workers on strike are excluded from local estimates of employment and unemployment but are included in estimates of the work force. In national data workers on strike are included among the employed.