

Unemployment and its effect on family income in 1980

Survey on work experience of the population shows that the median income of families with an unemployed member was 21 percent lower than that of families without unemployment

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Data from the "work experience" survey conducted in March 1981 show that, with the weakening of the economy in 1980, the total number of persons who were unemployed for at least 1 week during the year rose to 21.4 million, nearly 3 million more than in 1979. This represented 18.1 percent of all persons who were in the labor force for any part of 1980, well above the comparable proportion for 1979—15.8 percent—but still below the 1975 high of 20.2 percent. Also reflecting the impact of the 1980 recession was the relatively small increase recorded in the number of persons with jobs. About 115.8 million were employed during all or part of 1980, an increase of less than 800,000 over 1979 and the smallest annual increase since 1975.¹

The work experience survey is conducted each March as a supplement to the monthly Current Population Survey (CPS). In this supplement, respondents are queried concerning their employment and unemployment experiences, personal earnings, and family income for the preceding year.

Because of the dynamic nature of the labor force, the total number of persons with jobs or those engaged in job-seeking during the year, as obtained retrospectively through the work experience survey, is far higher than the "average" number employed or unemployed in any given month. Therefore, the survey data provide a much

more complete picture of the extent to which all persons of working age have engaged in employment or job search during the year.² In addition, the linkage of these data with the information on income obtained through the same survey provides valuable insights as to how employment and unemployment affect the economic welfare of individuals and of families.

The data show, for example, that the median income of families with one unemployed member or more during 1980 was 21 percent below the median for families not affected by unemployment (\$19,076 compared with \$24,020). Primarily because of lower earnings, 15 percent of the families affected by unemployment were in poverty in 1980. By contrast, among families where no working members experienced unemployment, only 6 percent had incomes which fell below the poverty level.

Job growth is slow

During the 4 years of economic recovery since the 1974–75 recession, the annual increases in the number of persons who worked during all or part of the year had averaged close to 3 million with more than half of the year-to-year gains being in year-round, full-time jobs. The 1979–80 increase of 759,000 in the number of persons with full- or part-year jobs represented only one-quarter of the average gain for the previous 4 years. Of this gain, only 230,000 were in full-time, year-round jobs, slightly more than one-tenth of the average increase in this category over the last 4 years.³

Since job growth in 1980 did not keep pace with population growth, the proportion of the working age

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population with some employment—68.3 percent—was slightly lower than in 1979. (See table 1.) The slow

Table 1. Work experience during the year of persons 16 years and over by extent of employment, race, and sex, 1979 and 1980

[In percent]

Extent of employment	Both sexes		Men		Women	
	1979 ¹	1980	1979 ¹	1980	1979 ¹	1980
All persons						
Population (in thousands) ² . . .	166,953	169,452	79,014	80,193	87,939	89,259
Worked during the year: ³						
Number (in thousands) . . .	114,993	115,752	64,063	64,260	50,929	51,492
Percent of the population . . .	68.9	68.3	81.1	80.1	57.9	57.7
Persons who worked during the year . . .	100.0	100.0	100.0	100.0	100.0	100.0
Full time ⁴ . . .	79.0	78.5	87.5	87.2	68.2	67.8
50 to 52 weeks . . .	56.3	56.1	66.3	65.2	43.7	44.7
27 to 49 weeks . . .	13.0	12.5	12.9	12.9	13.0	12.0
1 to 26 weeks . . .	9.7	10.0	8.4	9.1	11.4	11.0
Part time ⁵ . . .	21.0	21.5	12.5	12.8	31.8	32.2
50 to 52 weeks . . .	7.1	7.7	4.2	4.4	10.8	11.9
27 to 49 weeks . . .	5.5	5.2	3.1	3.0	8.4	8.0
1 to 26 weeks . . .	8.5	8.5	5.1	5.5	12.6	12.3
Whites						
Population (in thousands) ² . . .	145,671	147,371	69,439	70,154	76,232	77,217
Worked during the year: ³						
Number (in thousands) . . .	101,407	101,904	57,084	57,122	44,323	44,782
Percent of the population . . .	69.6	69.1	82.2	81.4	58.1	58.0
Persons who worked during the year . . .	100.0	100.0	100.0	100.0	100.0	100.0
Full time ⁴ . . .	78.8	78.4	87.7	87.5	67.2	66.9
50 to 52 weeks . . .	56.7	56.5	67.1	66.2	43.3	44.1
27 to 49 weeks . . .	12.7	12.4	12.7	12.7	12.8	12.0
1 to 26 weeks . . .	9.4	9.5	8.0	8.5	11.1	10.8
Part time ⁵ . . .	21.2	21.6	12.3	12.5	32.8	33.1
50 to 52 weeks . . .	7.3	7.8	4.3	4.4	11.1	12.2
27 to 49 weeks . . .	5.6	5.4	3.1	3.0	8.8	8.4
1 to 26 weeks . . .	8.3	8.4	4.8	5.1	12.9	12.6
Blacks						
Population (in thousands) ² . . .	17,701	18,105	7,884	8,065	9,817	10,039
Worked during the year: ³						
Number (in thousands) . . .	11,114	11,153	5,638	5,652	5,476	5,502
Percent of the population . . .	62.8	61.6	71.5	70.1	55.8	54.8
Persons who worked during the year . . .	100.0	100.0	100.0	100.0	100.0	100.0
Full time ⁴ . . .	80.3	78.9	85.4	84.5	75.0	73.1
50 to 52 weeks . . .	53.0	52.7	59.0	56.4	46.8	49.0
27 to 49 weeks . . .	14.8	13.1	15.1	14.3	14.6	11.9
1 to 26 weeks . . .	12.5	13.1	11.4	13.9	13.5	12.2
Part time ⁵ . . .	19.7	21.1	14.6	15.5	25.0	26.9
50 to 52 weeks . . .	5.9	6.9	3.6	3.8	8.3	10.0
27 to 49 weeks . . .	4.3	4.3	3.0	2.8	5.6	5.9
1 to 26 weeks . . .	9.5	9.9	7.9	8.9	11.2	11.0
Hispanics⁶						
Population (in thousands) ² . . .	8,394	8,862	4,043	4,255	4,351	4,607
Worked during the year: ³						
Number (in thousands) . . .	5,732	5,914	3,369	3,484	2,363	2,430
Percent of the population . . .	68.3	66.7	83.3	81.9	54.3	52.7
Persons who worked during the year . . .	100.0	100.0	100.0	100.0	100.0	100.0
Full time ⁴ . . .	82.8	82.4	87.5	88.3	76.0	73.9
50 to 52 weeks . . .	53.2	53.1	60.1	61.1	43.3	41.6
27 to 49 weeks . . .	16.9	15.2	17.4	15.7	16.2	14.4
1 to 26 weeks . . .	12.7	14.1	10.0	11.5	16.5	17.8
Part time ⁵ . . .	17.2	17.6	12.5	11.7	24.0	26.1
50 to 52 weeks . . .	5.0	5.9	3.6	4.0	7.0	8.6
27 to 49 weeks . . .	4.4	4.2	2.9	2.4	6.4	6.7
1 to 26 weeks . . .	7.8	7.6	5.9	5.4	10.6	10.8

¹ Data for 1979 reflect updated weights based on the 1980 Census of the Population; therefore, these differ from 1979 data previously published in the June 1981 *Monthly Labor Review*.

² Unadjusted population as of the survey date.

³ Weeks worked includes paid vacation and sick leave.

⁴ Usually worked 35 hours or more per week.

⁵ Usually worked 1 to 34 hours per week.

⁶ Persons of Hispanic origin may be of any race.

growth in employment for 1980 was evident among all major demographic groups. For example, after increasing steadily since 1976, the proportion of women 16 years old and over who worked during the year remained largely unchanged from 1979 to 1980, at 58 percent. For men, the job gain was only 300,000. This was considerably less than the increase in their population, so that the proportion with employment declined from 81 percent in 1979 to 80 percent in 1980. For black men, the proportion who worked during the year declined from 72 percent to 70 percent in 1980, reaching the lowest level since 1950, the starting point for this data series.

The proportion of workers employed at full-time jobs (35 hours or more per week) all year long remained at 56 percent in 1980. This was in line with the pattern observed over most of the last decade and significantly higher than the low (54 percent) registered during 1974–75. Among women with jobs, the proportion employed full-time, year-round continued to increase as it has since 1976. It rose slightly from 44 to 45 percent, but the comparable proportion for men edged down, from 66 to 65 percent.

Among blacks with jobs during the year, the proportion employed full-time, year-round continued to drop for men (from 59 to 56 percent), but rose further for women (from 47 to 49 percent). Black men remain less likely to be employed full-time, year-round than their white or Hispanic counterparts, while black women remain more likely to be employed full-time, year-round than white or Hispanic women.

Reflecting the deterioration in labor market conditions, more workers were apt to be employed only part time in 1980. The 25 million who usually worked part time represented 22 percent of all workers, a high previously reached in 1975, another recession year. The increase in part-time work during a recession reflects both cutbacks in hours among the employees on board, as well as the hiring of part-timers to fill jobs that normally would be for full-time workers.⁴ In addition to the 25 million usually employed part time in 1980, another 18 million workers reported that they were confined to part-time work for at least 1 week, although they were usually employed full time. Of the 43 million workers with some part-time work, 31 percent of them attributed it to unfavorable economic conditions—that is, slack work or being unable to find full-time jobs. This proportion was significantly higher than the 26 percent average for the previous 4 years.

A rise in unemployment

A total of 21.4 million persons experienced some unemployment during 1980. This figure is 2.7 times higher than the average number unemployed during any given month of 1980. In addition, it represents an in-

crease of 3 million over 1979, a year-to-year jump surpassed only once before in the history of the series—in 1974, also a recession year.⁵

In contrast to the usual patterns, a higher proportion

of men than women who were in the labor force encountered some unemployment during 1980 (19 versus 18 percent). (See table 2.) Since 1965, only in 1972 and 1973 had men been more likely to encounter unemploy-

Table 2. Persons 16 years and over who experienced some unemployment, by race and sex, 1979 and 1980

[Numbers in thousands]

Extent of unemployment	Both sexes		Men		Women	
	1979 ¹	1980	1979 ¹	1980	1979 ¹	1980
All Persons						
Employed or looked for work during the year	116,983	118,348	64,739	65,277	52,244	53,071
Percent unemployed	15.8	18.1	15.5	18.5	16.1	17.6
Persons unemployed	18,468	21,410	10,042	12,072	8,426	9,338
Did not work but looked for work	1,990	2,597	675	1,018	1,315	1,579
1 to 14 weeks	1,300	1,434	351	416	949	1,018
15 to 52 weeks	690	1,163	324	602	365	561
With work experience	16,478	18,813	9,367	11,054	7,111	7,759
Median weeks unemployed	—	12.5	—	13.2	—	10.7
Unemployed persons with work experience	100.0	100.0	100.0	100.0	100.0	100.0
Year-round workers unemployed 1 or 2 weeks	5.2	4.9	6.4	6.1	3.6	3.3
Part-year workers unemployed	94.8	95.1	93.6	93.9	96.4	96.7
1 to 4 weeks	25.9	20.8	21.2	16.6	32.0	26.7
5 to 14 weeks	35.7	33.1	37.4	33.7	33.4	32.4
15 weeks or more	33.3	41.2	35.0	43.6	31.0	37.7
With 2 spells or more of unemployment	32.2	31.7	35.7	34.5	27.7	27.7
Whites						
Employed or looked for work during the year	102,761	103,608	57,548	57,791	45,214	45,817
Percent unemployed	14.8	16.9	14.6	17.3	14.9	16.4
Persons unemployed	15,168	17,506	8,426	10,005	6,742	7,501
Did not work but looked for work	1,354	1,704	464	668	891	1,035
1 to 14 weeks	906	956	245	275	661	681
15 to 52 weeks	448	748	219	393	229	354
With work experience	13,814	15,802	7,962	9,336	5,851	6,465
Median weeks unemployed	—	12.3	—	12.9	—	10.3
Unemployed persons with work experience	100.0	100.0	100.0	100.0	100.0	100.0
Year-round workers unemployed 1 or 2 weeks	5.5	5.2	6.8	6.5	3.8	3.4
Part-year workers unemployed	94.5	94.8	93.2	93.5	96.2	96.6
1 to 4 weeks	26.9	21.7	21.9	17.1	33.8	28.3
5 to 14 weeks	36.4	33.2	38.4	34.1	33.8	31.8
15 weeks or more	31.1	39.9	33.0	41.3	28.5	36.4
With 2 spells or more of unemployment	31.9	31.5	35.4	34.8	27.0	26.9
Blacks						
Employed or looked for work during the year	11,702	11,980	5,837	5,972	5,865	6,007
Percent unemployed	24.6	28.0	24.2	29.4	25.0	26.6
Persons unemployed	2,880	3,352	1,412	1,755	1,468	1,596
Did not work but looked for work	588	826	198	321	390	505
1 to 14 weeks	362	434	99	125	263	309
15 to 52 weeks	226	392	99	196	126	197
With work experience	2,292	2,526	1,213	1,435	1,079	1,091
Median weeks unemployed	—	13.9	—	17.4	—	12.9
Unemployed persons with work experience	100.0	100.0	100.0	100.0	100.0	100.0
Year-round workers unemployed 1 or 2 weeks	3.5	3.2	4.5	3.6	2.4	2.6
Part-year workers unemployed	96.5	96.8	95.5	96.4	97.6	97.4
1 to 4 weeks	19.0	14.2	16.0	12.9	22.3	16.0
5 to 14 weeks	30.8	33.1	30.8	31.1	31.0	35.8
15 weeks or more	46.7	49.5	48.7	52.4	44.4	55.7
With 2 spells or more of unemployment	35.0	31.9	37.7	31.9	31.9	31.9
Hispanics						
Employed or looked for work during the year	5,872	6,069	3,416	3,547	2,456	2,522
Percent unemployed	22.4	23.0	22.2	23.2	22.6	22.7
Persons unemployed	1,314	1,396	757	822	556	574
Did not work but looked for work	140	155	47	63	93	93
With work experience	1,174	1,240	709	759	463	481
Median weeks unemployed	—	13.0	—	13.7	—	12.1
Unemployed persons with work experience	100.0	100.0	100.0	100.0	100.0	100.0
Year-round workers unemployed 1 or 2 weeks	3.9	2.7	4.6	3.5	2.8	1.4
Part-year workers unemployed	96.1	97.3	95.4	96.5	97.2	98.6
1 to 4 weeks	22.4	19.5	20.1	15.8	26.0	25.4
5 to 14 weeks	36.9	34.5	38.0	34.9	35.1	33.8
15 weeks or more	36.9	43.3	37.4	45.8	36.1	39.3
With 2 spells or more of unemployment	33.9	35.6	36.8	37.2	29.6	32.9

¹Data for 1979 reflect updated weights based on the 1980 Census of the Population; therefore these data differ from 1979 data previously published in the June 1981

Monthly Labor Review.

NOTE: Dashes indicate data not available.

ment during the year than women were. Men and women are not equally distributed among the various occupations and industries, and this affects their vulnerability to unemployment when the economy slows down.⁶ Relative to women, men are much more concentrated in blue-collar occupations and in goods-producing industries, which are very sensitive to economic fluctuations. In 1980, for example, one-fourth of all workers in blue-collar occupations were unemployed for at least 1 week. In contrast, only one-tenth of white-collar workers encountered some unemployment during the year.⁷

Because jobs are not readily available during recessionary periods, the duration of unemployment also rose in 1980. Of all the persons who encountered unemployment during the year, the proportion that was jobless for 15 weeks or more was 41 percent, up from 33 percent in 1979. The median duration of unemployment in 1980 was 12 weeks. Of course, ending a period of unemployment does not necessarily mean that a person found a job. Many who are unable to find work become discouraged over their prospects and simply stop looking.⁸

As in past years, men experienced more weeks of unemployment in 1980 than women. The median duration of unemployment in 1980 was 13 weeks for men and 11 weeks for women. One of four jobless women was unemployed only 1 to 4 weeks during the year compared with 1 of 6 men.

Race. Blacks and other minorities have traditionally experienced unemployment more often and for longer periods than whites and this was again the case in 1980. About 28 percent of all blacks who were in the labor force experienced some unemployment compared with 17 percent of all whites. And blacks remained unemployed longer than whites. Their median duration of unemployment was 14 weeks compared with 12 weeks for whites.

The differences in the incidence and the duration of unemployment between blacks and whites remained large, both among men and women. Over 29 percent of black men, who were in the labor force during the year, encountered some unemployment in 1980, and the median duration of their joblessness was 17 weeks. By comparison, 17 percent of all white men experienced some unemployment during the year; their median duration was 13 weeks. The incidence of unemployment for black women was 27 percent, compared with 16 percent for white women, and black women remained unemployed roughly 3 weeks longer than white women (a median 13 weeks versus 10 weeks).

The proportion of Hispanics who were unemployed at some time during 1980 was largely unchanged from the 1979 level, remaining at approximately 23 percent.

However, as for other demographic groups, the duration of unemployment for Hispanics rose in 1980, and at 13 weeks, was 1 week higher than the median for whites.

Age. Teenagers are much more likely to experience unemployment during the year than older workers. However, teenagers also spend less time looking for work. In 1980, 30 percent of all teenagers with labor force experience encountered some unemployment during the year, but their median duration of unemployment was only 10 weeks. (See table 3.)

Older persons are the least likely to experience a spell of joblessness during the year. However, when they do they tend to remain jobless longer. Both in 1980 and 1979 the median number weeks of unemployment for workers age 55 and over was 13 weeks, exceeding all other age categories.

Occupations. The 9.2 million blue-collar workers with some unemployment in 1980 represented one-fourth of all persons who worked at such jobs during all or part of 1980, the highest among all occupational groups. By comparison, 19 percent of all serviceworkers and only 13 percent of all farmworkers encountered some unemployment during the year. However, farmworkers were even more likely than blue-collar workers to experience more than one jobless period.

Workers employed in white-collar occupations experienced the smallest year-to-year increase in the proportion encountering unemployment, from 9 to 10 percent in 1980. They were also the least likely among all occupational groups to experience two periods or more of unemployment during the year. Managers and administrators, although having the lowest incidence of unemployment, experienced the sharpest year-to-year increase in the median duration of unemployment among all worker groups (from 9 weeks in 1979 to 12 weeks in 1980). (See table 3.)

Unemployment and annual earnings

Economically, unemployment represents a loss of earning power. Table 4 shows that the median annual earnings of persons who encountered some unemployment in 1980 was \$4,046 or only 38 percent as much as the median earnings of workers with no unemployment, \$10,760.⁹ However, this wide earnings gap also stems from unemployment often being symptomatic of other labor market problems. For example, at least 40 percent of all persons who encountered some unemployment in 1980 also dropped out of the labor force at some time during the year.¹⁰ In addition, the workers who are most prone to joblessness during the year have a different occupational and demographic mix than workers who do not experience unemployment. Persons who encounter

unemployment are more likely to be women, youths, blacks, and Hispanics, who, even when employed, tend to be concentrated in low-skill, low-paying occupations.¹¹

Unemployment had a particularly hard impact on blacks' earnings. The median annual earnings of blacks with some unemployment in 1980 was \$1,990 or only one-fifth that of blacks who did not encounter any unemployment. By comparison, whites and Hispanics with some unemployment earned at least two-fifths as much as their counterparts who were never unemployed. The median for blacks with unemployment is so low partly because a very high proportion of them never worked at all during the year. About one-quarter of all unemployed blacks were nonworkers who looked for work, compared to only one-tenth of whites and of Hispanics.¹²

Married men who experienced unemployment earned \$9,514 in 1980 or about half as much as those who were not unemployed. On the other hand, among women who maintained families, those who encountered un-

employment during the year had median earnings of only \$2,097, less than one-fourth that of those who were never unemployed during the year.

Unemployment and the family

Unemployment affects the economic well-being of the family unit as well as that of the individual. However, the impact on the family is often cushioned by the presence of other earners or of other sources of income.¹³

As shown in table 5, the 14.6 million families¹⁴ in which at least one member was unemployed had a median income of \$19,076—21 percent less than the median income of families where none of the working members were unemployed in 1980. And the likelihood of falling below the poverty level was 15 percent for families with unemployment compared with 6 percent for those who were free of unemployment.¹⁵ In addition, there were 3.5 million unrelated men and women who experienced some unemployment in 1980 and their me-

Table 3. Selected characteristics of persons who were unemployed during the year by percent with unemployment, percent with 2 spells or more of unemployment, and median number of weeks unemployed, 1979-80

Characteristic	1980				1979 ¹		
	Persons unemployed		Percent of unemployed workers with 2 spells or more of unemployment	Median number of weeks unemployed	Persons unemployed		Median number of weeks unemployed
	Number (in thousands)	Percent of the labor force			Number (in thousands)	Percent of the labor force	
All persons	21,410	18.1	31.7	13	18,468	15.8	10
Men	12,072	18.5	34.5	13	10,042	15.5	11
Women	9,338	17.6	27.7	11	8,426	16.1	9
Age							
16 to 19	3,235	29.5	36.1	10	3,085	26.5	8
20 to 24	5,197	28.8	33.2	12	4,523	25.4	9
25 to 54	11,415	15.9	30.2	13	9,566	13.7	11
55 and over	1,563	8.9	30.1	13	1,295	7.4	13
Occupation²							
White-collar	6,060	10.3	25.0	11	5,444	9.4	9
Professional, technical	1,458	8.2	20.9	10	1,341	7.7	9
Managers, administrators	867	7.0	25.7	12	740	6.3	9
Salesworkers	827	11.4	24.3	10	771	10.8	9
Clerical	2,907	13.4	26.9	11	2,592	12.1	8
Blue-collar	9,194	25.1	34.8	13	7,835	21.1	11
Craftsmen	2,959	20.6	36.7	13	2,486	17.3	10
Operatives, except transport	3,520	28.6	31.0	13	2,852	22.7	11
Transport equipment operatives	894	22.4	33.7	13	798	19.8	10
Nonfarm laborers	1,821	30.8	39.8	14	1,699	27.4	12
Serviceworkers	3,149	18.5	33.4	13	2,847	16.8	11
Private household workers	162	11.5	42.0	14	137	10.6	12
Other serviceworkers	2,987	19.1	32.9	13	2,710	17.3	11
Farmworkers	410	13.2	48.8	14	352	11.0	14
Farmers and farm managers	34	(³)	(³)	(³)	15	(³)	(³)
Farm laborers and supervisors	376	22.1	49.2	16	337	19.7	14
Marital and family status⁴							
Husbands	5,397	13.3	32.4	13	4,279	10.5	11
Wives	4,226	14.6	25.6	11	3,835	13.3	9
Others in married-couple families	4,214	26.1	33.1	11	3,895	23.6	9
Women who maintain families alone	1,406	22.3	26.9	12	1,228	20.5	10
Others in such families	1,889	34.1	36.7	14	1,499	28.4	12
Men who maintain families alone	315	20.3	38.4	14	211	15.6	12
Others in such families	435	30.5	35.4	14	339	25.4	12
Unrelated men	2,162	22.4	35.2	14	1,914	20.6	12
Unrelated women	1,366	16.9	32.4	10	1,268	16.5	8

¹ Data for 1979 reflect updated weights based on the 1980 Census of the Population; therefore, these data differ from 1979 data previously published in June 1981 *Monthly Labor Review*.

² Only persons who worked during the year are asked to report their occupation; there-

fore, the percent of the labor force with unemployment represents the percent of workers with unemployment.

³ Percentages and medians are not shown when base is less than 75,000.

⁴ Includes secondary families.

Table 4. Median annual earnings by whether persons did or did not encounter some unemployment during 1980, and by race, sex, and marital and family status

Characteristic	Persons with no unemployment		Persons with unemployment		Ratio of median earnings for the two categories
	Number (in thousands)	Median earnings	Number (in thousands)	Median earnings	
All persons	96,939	\$10,760	21,410	\$4,046	0.38
Men	53,206	15,491	12,072	5,724	.37
Women	43,733	7,198	9,338	2,636	.37
Race and sex					
Whites	86,102	11,036	17,506	4,508	.41
Men	47,786	16,077	10,005	6,251	.39
Women	38,316	7,131	7,501	2,919	.41
Blacks	8,628	9,250	3,352	1,990	.22
Men	4,217	10,997	1,755	2,963	.27
Women	4,411	7,696	1,596	1,024	.13
Hispanics	4,674	8,932	1,396	3,956	.44
Men	2,725	11,193	822	5,347	.48
Women	1,949	6,369	574	2,599	.41
Marital and family status					
Husbands	35,227	18,708	5,397	9,514	.51
Wives	24,807	7,183	4,226	3,218	.45
Others in married-couple families	11,949	3,076	4,214	1,970	.64
Women who maintain families alone	4,888	9,288	1,406	2,097	.23
Others in such families	3,648	5,085	1,889	1,572	.31
Men who maintain families alone	1,239	15,243	315	6,385	.42
Others in such families	989	6,908	435	2,568	.37
Unrelated men	7,476	14,031	2,162	6,070	.43
Unrelated women	6,716	9,689	1,366	4,157	.43

dian personal income was only half that of those not experiencing any unemployment.

The median income of black families in which at least one member was unemployed at some time in 1980 was \$12,880 compared with \$19,959 for white families. Because the income of black families is one-third lower than that of white families even when no members experience unemployment, the proportion whose incomes fell below the poverty line when affected by unemployment was 2.7 times higher for black families than for white ones (33 percent versus 12 percent). The median income of Hispanic families who experienced some unemployment (\$14,338) fell between that of black families and white families. Over one-fifth of all Hispanic families with unemployment had incomes which fell below the poverty line.

Of all the families with some unemployment in 1980, the vast majority, or 83 percent, had only one unemployed member, 15 percent had two members, and 2 percent had three members or more unemployed. Interestingly, the median income of the latter families was higher than that of families where only one or two members experienced unemployment. The reason is that the unemployment of three members or more is indicative of at least that many members actively participating in the labor market. Even with some unemployment, their combined earnings tend to boost the family's income.

More relevant in terms of the true impact of unemployment on income is the position occupied within the family by the members affected by unemployment and the type of family to which they belong. A closer examination of the data for 1980 provides some interesting insights.

A closer look

Husband-wife families constitute the majority of all families in the labor force. This is also the case among families in which at least one member was unemployed in 1980. (See table 5.) About 78 percent were husband-wife families, 18 percent were families maintained by women, and 4 percent were families maintained by men.

Mainly because there are more members participating in the labor force in husband-wife families, their incomes are higher than those of other family groups. The 11.3 million husband-wife families with at least one member unemployed in 1980 had the highest median income, \$21,448, and lowest incidence of poverty, 9 percent.

Unemployment has its greatest financial impact on husband-wife families when husbands are affected. For example, in the 4 million families in which only husbands encountered unemployment during the year the median income was \$17,432, about 19 percent below the median income of \$21,448 for all husband-wife families with any unemployed members. The incidence of poverty of families in which only the husband encountered unemployment was 14 percent compared with 9 percent for all husband-wife families. When both husband and wife experience some joblessness during the year, family income drops even more dramatically. In 1980 there were 925,000 such families. Their median income was \$14,840 and 16 percent had incomes which fell below the poverty level.

Husband-wife families were least affected by unemployment when the family member who experienced unemployment was not one of the spouses. In such cases, the median income of husband-wife families was more than \$30,000. Close to 80 percent of family members experiencing unemployment in these instances were youths from 16 to 24 years old. Their earnings often go to meet personal expenses rather than family expenses.

Regardless of labor force status, families headed by women are the least well-off financially of all family groups. According to the Bureau of the Census, in 1980 the poverty rate for the 9 million families headed by women was 33 percent, compared with 6 percent for husband-wife families.¹⁶ When a member of a family headed by a woman experienced unemployment, the incidence of poverty increased to 39 percent. (See table 5.)

In 1980, 2.6 million female-headed families were affected by joblessness. In roughly half of these families the individual who experienced unemployment was not

the householder but a related member—usually a young son or daughter. As in husband-wife families, unemployment had a very small impact on the family's economic welfare when only the young members experienced joblessness.

The economic impact of unemployment greatly increases when the female householder is out of work. There were 1.2 million families in 1980 in which only the female householder was unemployed, and for 60 percent of them, family incomes fell below the poverty line. For the 430,000 black families where only the

woman householder was unemployed, the poverty rate was 76 percent.

Aside from those who live in a family environment, there are millions who either live alone or with other persons to whom they are not related. In 1981, there were 18 million such individuals who participated in the labor market and, as could be expected, unemployment has a great impact on their personal incomes. For the 2.2 million such men who were unemployed at some time during 1980, personal median income was \$7,459. For the 1.4 million such women with some unemploy-

Table 5. Unemployment of families and unrelated individuals in 1980 by family relationship, member experiencing unemployment, income, and percent below poverty level

[Numbers in thousands]

Extent of unemployment	Number	Median family income	Percent below poverty level	Family income						
				Below \$5,000	\$5,000 to \$9,999	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$24,999	\$25,000 to \$49,999	\$50,000 and over
All families in the labor force	53,048	\$22,700	8.0	2,153	5,143	6,932	7,708	7,900	19,273	3,938
All unrelated individuals in the labor force	17,720	11,090	13.6	2,919	4,547	4,109	2,729	1,597	1,489	206
Families with no members unemployed	38,455	24,020	5.5	1,038	3,114	4,700	5,423	5,934	14,994	3,251
Unrelated individuals with no unemployment	14,192	12,333	9.2	1,612	3,354	3,521	2,483	1,477	1,417	204
Families with at least one member unemployed	14,592	19,076	14.7	1,115	2,029	2,232	2,285	1,967	4,278	686
Unrelated individuals with some unemployment	3,528	6,616	31.2	1,306	1,193	588	245	120	73	3
Husband-wife families with at least one member unemployed	11,344	21,448	9.0	387	1,171	1,703	1,862	1,661	3,900	660
One member unemployed	9,357	21,555	8.3	297	941	1,376	1,570	1,423	3,231	519
Husband unemployed	4,023	17,432	14.0	219	630	759	787	594	968	66
Wife unemployed	2,980	21,455	4.3	58	213	460	578	566	1,008	97
Other related family member	2,353	32,039	3.7	20	98	157	204	262	1,255	356
16 to 19 years old	1,140	32,083	2.8	9	36	83	80	139	653	141
20 to 24 years old	825	32,651	3.8	7	32	42	85	88	415	155
25 years or older	389	30,247	6.1	4	30	32	39	35	188	60
Two members unemployed	1,770	19,900	12.6	85	220	302	275	207	568	113
Husband and wife only	925	14,840	15.9	73	177	222	179	112	147	17
Wife and other related family member	210	28,505	7.3	4	7	19	16	32	121	11
Husband and other related family member	316	23,021	13.8	9	23	47	54	34	129	20
Two related family members unemployed	320	35,050	5.7	0	13	15	26	29	171	66
Three members or more unemployed	217	29,854	9.3	5	10	25	16	32	102	28
Families maintained by women with at least one member unemployed	2,648	9,157	39.1	672	743	418	340	223	241	10
One member unemployed	2,249	8,681	40.5	627	619	338	285	179	192	9
Householder unemployed	1,196	5,527	60.1	523	378	153	75	48	19	1
Other related family member	1,053	14,670	18.2	103	241	184	210	132	174	8
16 to 19 years old	383	13,040	25.9	48	98	63	74	45	53	1
20 to 24 years old	343	15,532	14.3	30	65	68	76	35	64	5
25 years or older	326	15,483	13.2	25	78	53	60	51	57	2
Two members unemployed	338	11,522	30.9	41	106	72	44	39	35	2
Householder and other related family member	185	9,334	34.1	29	73	41	15	19	8	0
Two related family members unemployed	153	15,579	27.1	12	32	31	29	21	27	2
Three members or more unemployed	61	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Families maintained by men with at least one member unemployed	600	15,649	15.0	56	114	111	84	82	137	16
One member unemployed	504	15,511	14.7	42	99	97	76	61	117	13
Householder unemployed	244	11,656	24.6	36	64	48	35	24	38	0
Other related family member	260	19,852	5.4	6	35	49	40	38	79	12
16 to 19 years old	79	17,838	7.6	1	9	19	14	7	26	4
20 to 24 years old	94	19,190	5.8	2	14	15	18	20	20	5
25 years or older	87	21,720	3.1	3	13	15	9	11	33	3
Two members unemployed	82	19,245	18.6	14	13	10	6	20	14	3
Householder and other related family member	61	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Two related family members unemployed	21	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Three members or more unemployed	15	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Unrelated men with some unemployment ²	2,162	7,459	28.4	701	692	416	185	102	64	2
Unrelated women with some unemployment ²	1,366	5,674	35.5	605	501	172	61	17	9	1

¹Data not shown when base is less than 75,000.

²The income figures for unrelated individuals represent personal income.

ment, median income was \$5,674. The incidence of income below the poverty level for these individuals who experienced some unemployment in 1980 was approximately 33 percent.

THE NUMBER OF PERSONS who encountered some unemployment in 1980—when the Nation experienced a moderate recession—was 21.4 million. On the average, these persons earned only 38 percent as much as those who did not experience any unemployment. The median income of families in which at least one member

was unemployed was 20 percent lower than that of families with no unemployed members. For unrelated individuals with some unemployment, median personal income was only half that of those who did not experience any unemployment during the year.

With the labor market deteriorating further in the last half of 1981, the total numbers of persons affected by unemployment during the year is expected to show a further increase. The exact numbers will not be known until the work experience data to be collected in March 1982 are tabulated and analyzed. □

—FOOTNOTES—

¹ The work experience numbers reported here have been inflated using population weights based on results from the 1980 Census of the Population. The previously published 1979 work experience data, as they appeared in the June 1981 *Monthly Labor Review*, reflected population weights projected forward from the 1970 Census of the Population. The revision of the 1979 data raised the number of persons who worked or looked for work by 2.3 million and the number experiencing some unemployment by 500,000. Despite these significant changes in the data for 1979, the various relationships and rates based on the new estimates are nearly the same as those based on the previously published estimates. For example, the percent of the population with some unemployment in 1979 was estimated at 15.7 percent using the 1970 population weights and 15.8 percent using the 1980 weights. For further comparisons see Press Release USDL 81-413.

Because the numbers in this report are based on a sample they are subject to sampling error. Standard error tables, which estimate the magnitude of sampling errors, are available upon request. As in any survey, the results are also subject to errors in response and reporting. These may be relatively large in the case of persons with irregular attachment to the labor force.

² For a review of the employment and unemployment situation in 1980 based on the monthly CPS labor force data, see Diane N. Westcott and Robert W. Bednarzik, "Employment and unemployment: a report on 1980," *Monthly Labor Review*, February 1981, pp. 4-14.

³ Historical work experience data are published in the *Handbook of Labor Statistics*, Bulletin 2070, Bureau of Labor Statistics, December 1980, as well as in the *Employment and Training Report of the President*, U.S. Department of Labor and U.S. Department of Health and Human Services, 1980.

⁴ See Robert W. Bednarzik, "Involuntary part-time work: a cyclical analysis," *Monthly Labor Review*, September 1975, pp. 12-18.

⁵ The work experience figures may underestimate the number of persons who are unemployed during the year. Studies comparing the work experience and the monthly survey unemployment numbers estimate the degree of underreporting to be between 15 and 25 percent. Groups which are more likely to be in and out of the labor force during the year, such as teenagers and adult women, have a greater degree of underreporting. For further discussion see Richard Morgenstern and Nancy Barrett, "The Retrospective Bias in Unemployment Reporting by Sex, Race and Age," *Journal of the American Statistical Association*, June 1974, pp. 355-57; Wayne Vroman, "Measuring Annual Unemployment," Working Paper 1280-01, The Urban Institute, Washington, D.C., February 1979; and Francis W. Horvath, "Forgotten unemployment: recall bias in retrospective data," *Monthly Labor Review*, March 1982, pp. 40-43.

⁶ Women tend to find employment in a small selected number of occupations. Both in 1969 and 1979, about one-half of all working women were employed in fewer than 30 of the detailed census occupations, such as nurses, secretaries, and elementary schoolteachers. For further discussion of this issue and the related earnings issue, see Nancy F. Rytina, "Occupational segregation and earnings differences by sex," *Monthly Labor Review*, January 1981, pp. 49-53, and Francine Blau, "Women's Place in the Labor Market," *American Eco-*

nomic Review, May 1972, pp. 161-66.

⁷ With the major exception of the 1980 recession, women employed in manufacturing and in blue-collar occupations have in past recessions tended to lose their jobs more readily than men. For further discussion, see Norman Bowers, "Have employment patterns in recessions changed?" *Monthly Labor Review*, February 1981, pp. 15-28.

⁸ Unemployment and discouragement are directly related. The number of persons who become discouraged over their job prospects increases as the unemployment rate rises. See Paul O. Flaim, "Discouraged workers and changes in unemployment," *Monthly Labor Review*, March 1973, pp. 8-16. Also, see Carol M. Ondeck, "Discouraged workers' link to jobless rate reaffirmed," *Monthly Labor Review*, October 1978, pp. 40-42.

⁹ The medians as shown in this report are calculated from the corresponding distributions by linear interpolation within the interval in which the median falls. Therefore, because of this interpolation, the median value depends not only on the distribution of income but also on the income intervals used in calculating the median.

¹⁰ Only 14 million of the 21 million who were unemployed in 1980 indicated that looking for a job was their major activity when not working. For the remaining 7 million unemployed, activities such as keeping house, going to school, retirement, represented their major activity when not employed. Data on monthly labor force movements for 1980 show that, on average, 21 percent of persons who were unemployed in a given month dropped out of the labor force in the subsequent month.

¹¹ See Paul O. Flaim, "The effect of demographic changes on the Nation's unemployment rate," *Monthly Labor Review*, March 1979, pp. 13-23.

¹² When unemployed nonworkers are excluded from these computations, the median annual earnings for persons who were unemployed increased to \$4,886 from \$4,046. For blacks, the median annual earnings of the unemployed increased to \$3,658 from \$1,990 when excluding nonworkers.

¹³ Other Bureau of Labor Statistics studies which link individual labor force status to family income include "Linking Employment Problems to Economic Status," Report 2123, BLS, January 1982; and Howard Hayghe, "The effect of unemployment on family income in 1977," *Monthly Labor Review*, December 1979, pp. 42-44.

¹⁴ The term family is used broadly in this report. The count of 14.6 million includes 14.3 million primary families (a group of two persons or more residing together by blood, marriage, or adoption), and .3 million secondary families (a married couple or parent-child group sharing the living quarters of the married couple or persons maintaining the household).

¹⁵ Data on income are limited to money income received before personal income taxes and payroll deductions. Money income is the sum of the amounts received from earnings (hourly wages, salaries, or profits or losses of self-employed operations); social security or railroad retirement; public assistance or welfare payments; supplemental security income; dividends, interest, and rent (including losses); unemployment, veterans', and workers' compensation; government and private employee pensions; alimony, child support, or regular

contributions from persons not living in the household; and other periodic income. In the March 1981 CPS, income did not reflect nonmoney transfers, such as: food stamps; subsidized housing; goods produced on a farm or in a home; employer-financed fringe benefits, such as retirement, stock options, or health insurance.

Poverty statistics presented in this report are based on a definition developed by the Social Security Administration in 1964 and revised by a Federal Interagency Committee in 1969. These indexes are based on the Department of Agriculture's Economy Food Plan and reflect the different consumption requirements of families based on their size and composition, sex and age of the family head, and farm-nonfarm

residence. The poverty thresholds are updated each year to reflect changes in the Consumer Price Index. For more information on the income and poverty population in 1980, see the advance report *Money Income and Poverty Status of Families and Persons in the United States: 1980*, advance report, Series P-60, No. 127, Bureau of the Census, August 1981. For a technical description of the income data, see *Money Income of Families and Persons in the United States: 1979*, Series P-60, No. 129, Bureau of the Census, November 1981, pp. 282-302.

¹⁶ *Money Income and Poverty Status of Families and Persons in the United States: 1980*, advance report, Series P-60, No. 127, Bureau of the Census, August 1981.

A note on communications

The *Monthly Labor Review* welcomes communications that supplement, challenge, or expand on research published in its pages. To be considered for publication, communications should be factual and analytical, not polemical in tone. Communications should be addressed to the Editor-in-Chief, *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C. 20212.
