

# Employment and unemployment: a report on 1980

*At the onset of 1980, the Nation entered a recession—  
employment fell sharply but recouped in the fourth quarter,  
except in the hard-hit housing and auto industries:  
unemployment rose faster than at any time  
since the 1974–75 recession, peaked at midyear,  
and was well above prerecession levels at yearend*

DIANE N. WESTCOTT AND ROBERT W. BEDNARZIK

The labor market, weakened in early 1980 by declining employment and rising joblessness, recovered a bit in the second half of the year, with employment showing gradual improvement and unemployment holding at 7.5 percent. Although both major employment series<sup>1</sup> followed this pattern, they differed in terms of their pace of improvement.

In the establishment survey, job cutbacks totaled 1.3 million. The downturn was primarily concentrated in the goods-producing industries—specifically housing, automobiles, and related supplier industries. The number of jobs in the services sector continued to grow, albeit at a slower pace than in recent years. By the fourth quarter of 1980, the payroll job total, at 90.9 million, had essentially recouped earlier losses, although not in the hard-hit goods industries.

On the other hand, total employment, as measured by the household survey, had not yet fully recovered by yearend. For example, employment among blue-collar workers, adult men, and full-time workers remained below their pre-1980 peak levels. Moreover, a relatively large number of persons were still reported as working involuntarily on part-time schedules.

The number of unemployed, near 8 million persons at yearend, was much higher than prerecession levels. Thus, although the economy has shown some indications of turning upward, a large number of workers

were still suffering from the economic consequences of a recessionary period.

## Workers and jobs

*Payroll jobs.* As the decade began, the Nation entered a recession.<sup>2</sup> In the first three quarters of 1980, nonfarm payroll employment declines totaled about 1 million,<sup>3</sup> the first quarter-to-quarter declines since the 1974–75 recession. A rise in the number of payroll jobs in the fourth quarter brought the total to 360,000 higher than its year ago level. (See table 1.)

The depth and severity of payroll job cutbacks in 1980 were not of the same magnitude as in previous postwar recessions.<sup>4</sup> Table 2 illustrates measures of duration, depth, and diffusion of payroll job losses in each of the postwar recessions. Clearly, the 1980 downturn in payroll employment, in all amplitudes, was the mildest of the seven recorded in the postwar era. In contrast to the 1974–75 recession which is generally conceded to be the worst of the seven, the 1980 downturn in the number of payroll jobs was shorter, much shallower, and not nearly as pervasive. The reduction in payroll jobs in this recession was very similar to that which occurred in the 1969–70 recession; the two differed in that the earlier contraction endured over a slightly longer time span and was somewhat more diffused. (It is important to note that July 1980 is not necessarily the officially designated turning point of the current recession, only the date that payroll employment reached its 1980 low.)

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Diane N. Westcott and Robert W. Bednarzik are economists in the Office of Current Employment Analysis, Bureau of Labor Statistics.

**Table 1. Nonagricultural payroll employment, seasonally adjusted quarterly averages, 1978–80**

[Numbers in thousands]

| Industry                                 | 1978   | 1979   |        |        |        | 1980   |        |        |                 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
|  | IV     | I      | II     | III    | IV     | I      | II     | III    | IV <sup>P</sup> |
| Total nonagricultural payroll employment | 88,200 | 89,141 | 89,668 | 90,186 | 90,557 | 91,120 | 90,489 | 90,131 | 90,916          |
| Goods-producing industries               | 26,124 | 26,426 | 26,517 | 26,555 | 26,549 | 26,605 | 25,763 | 25,317 | 25,785          |
| Mining                                   | 919    | 934    | 947    | 971    | 986    | 1,005  | 1,021  | 1,018  | 1,054           |
| Construction                             | 4,534  | 4,403  | 4,451  | 4,499  | 4,566  | 4,644  | 4,427  | 4,362  | 4,469           |
| General building contractors             | 1,259  | 1,262  | 1,276  | 1,280  | 1,282  | 1,280  | 1,212  | 1,185  | 1,218           |
| Manufacturing                            | 20,852 | 21,088 | 21,119 | 21,085 | 20,997 | 20,955 | 20,314 | 19,937 | 20,263          |
| Durable goods                            | 12,577 | 12,771 | 12,819 | 12,815 | 12,721 | 12,701 | 12,176 | 11,878 | 12,125          |
| Motor vehicles and equipment             | 1,030  | 1,045  | 1,035  | 969    | 931    | 869    | 746    | 726    | 766             |
| Nondurable goods                         | 8,275  | 8,317  | 8,300  | 8,270  | 8,276  | 8,254  | 8,138  | 8,059  | 8,138           |
| Service-producing industries             | 62,075 | 62,715 | 63,150 | 63,632 | 64,008 | 64,516 | 64,726 | 64,814 | 65,131          |
| Transportation and public utilities      | 5,025  | 5,082  | 5,095  | 5,174  | 5,210  | 5,201  | 5,160  | 5,122  | 5,138           |
| Wholesale and retail trade               | 19,906 | 20,114 | 20,201 | 20,302 | 20,447 | 20,592 | 20,492 | 20,572 | 20,638          |
| Wholesale trade                          | 5,080  | 5,150  | 5,188  | 5,221  | 5,255  | 5,294  | 5,266  | 5,263  | 5,297           |
| Retail trade                             | 14,826 | 14,964 | 15,012 | 15,081 | 15,192 | 15,298 | 15,226 | 15,308 | 15,341          |
| Finance, insurance, and real estate      | 4,820  | 4,889  | 4,948  | 5,008  | 5,049  | 5,102  | 5,135  | 5,180  | 5,227           |
| Services                                 | 16,599 | 16,829 | 17,016 | 17,153 | 17,311 | 17,527 | 17,643 | 17,803 | 17,963          |
| Government                               | 15,725 | 15,801 | 15,890 | 15,994 | 15,990 | 16,093 | 16,296 | 16,137 | 16,165          |
| Federal                                  | 2,751  | 2,758  | 2,771  | 2,786  | 2,772  | 2,834  | 3,009  | 2,829  | 2,796           |
| State and local                          | 12,974 | 13,043 | 13,119 | 13,208 | 13,219 | 13,259 | 13,287 | 13,308 | 13,368          |

p=preliminary

It has been argued that employment in the United States has become increasingly resistant to recession and that this trend is likely to continue, largely because of the continuing shift in jobs from goods to service industries (7 of 10 nonfarm jobs are now service-producing). Employment in the services sector has historically been less cyclically sensitive than employment in the goods sector. As table 2 illustrates, the duration in months from peak to trough in nonfarm payroll employment has become progressively shorter in each of the postwar recessions.<sup>5</sup> Although the 1974–75 recession was the most severe of all the postwar contractions, payroll job declines turned around in 6 months. Job declines in 1980 began in March and ended 4 months later.

Job reductions took place almost entirely in the goods-producing industries—particularly those engaged in and related to marketing higher priced consumer goods. For example, the downturn never spread much beyond the auto, construction, and steel industries. And, although there were some “ripple” effects in related industries, the bulk of the economy experienced only minor setbacks.

After a year of almost no growth, the number of jobs in manufacturing declined by 1.1 million between the fourth quarter of 1979 and the third quarter of 1980. In the durable goods sector, particularly sharp cutbacks in fabricated metal products, primary metals, and transportation equipment reflected the drop in demand for U.S. automobiles. In addition to these industries, smaller declines were posted in machinery as well as in lumber and wood products, an industry which relies heavily on construction activities. The nondurable sector was characterized by small employment declines during 1980; only rubber and plastic products, a heavy

supplier to the automobile industry, posted a sizable decrease.

Demand for domestic automobiles, as reflected by sales figures, started to weaken in early 1979, and domestic production significantly declined a few months later. Among the factors contributing to the declining demand for U.S. automobiles were the unprecedented high cost of financing a car, the rising relative price of gasoline and stiff competition from small foreign cars. These developments had a devastating effect on employment in the industry, as the total loss of jobs between

**Table 2. Measures of duration, depth, and diffusion in peak to trough changes in nonfarm payroll employment, selected dates, 1948–80**

| Peak to trough <sup>1</sup>    | Duration (in months) | Depth (percent decline in employment level over period) | Diffusion <sup>2</sup> (percent) |                |
|--------------------------------|----------------------|---|----------------------------------|----------------|
|                                |                      |   | 30 industries <sup>3</sup>       | 172 industries |
| September 1948 to October 1949 | 13                   | -5.2  | 90                               | (*)            |
| June 1953 to August 1954       | 14                   | -3.5  | 87                               | (*)            |
| July 1957 to May 1958          | 10                   | -4.2  | 88                               | (*)            |
| April 1960 to February 1961    | 10                   | -2.2  | 82                               | 76             |
| March 1969 to November 1970    | 8                    | -1.5  | 77                               | 76             |
| October 1974 to April 1975     | 6                    | -2.9  | 92                               | 87             |
| February 1980 to July 1980     | 5                    | -1.4  | 62                               | 75             |

<sup>1</sup> Peak to trough dates in nonfarm payroll employment near the following National Bureau of Economic Research designated postwar recessionary periods: November 1948 to October 1949, July 1953 to May 1954, August 1957 to April 1958, April 1960 to February 1961, December 1969 to November 1970, November 1973 to March 1975, January 1980 to -: the 1980 trough has not yet been designated by the National Bureau of Economic Research.

<sup>2</sup> Percent of industries in which employment declined over a 6-month span, centered on the fourth month of the span: February 1949, March 1954, September 1957, August 1960, June 1970, January 1975, and May 1980.

<sup>3</sup> Indexes of diffusion, 30 industries, 6-month span for April 1947 to May 1974 are published in John F. Early, “Introduction to Diffusion Indexes,” *Employment and Earnings*, December 1974, p. 11, table 8. Indexes of diffusion, 30 industries, 6-month span for subsequent time periods under study were calculated specifically for this report.

<sup>4</sup> Data are not available.

the first quarter of 1979 and the third quarter of 1980 was 310,000, or 33 percent.

Employment in the construction industry decreased by nearly 300,000 between the first and third quarters of 1980. About a third of this decline occurred in homebuilding (general building contractors). Employment showed some growth at the end of the year, as construction activity recovered subsequent to a temporary decline in mortgage interest rates. However, continued inflationary pressures and a resurgence in interest rates leave the likelihood of further improvement in considerable doubt.

Service-producing employment continued to follow its long-run upward trend, although at a considerably slower pace. Job expansion in this sector was led by gains in the services industry—which includes hotels and motels, entertainment, and personal, medical, and educational services—and finance, insurance, and real estate. After falling off in the second quarter, there was a moderate expansion in retail trade; the number of jobs in the wholesale trade industry turned upward in the fourth quarter. As a result of temporary hiring for the 1980 Decennial Census, Federal Government employment surged between the first and second quarters but fell in the third quarter and ended the year at a slightly higher level than a year ago. The only services sector industry to post a noticeable job loss in 1980 was transportation and public utilities (70,000); however, employment was on the rebound at yearend.

Beginning in August, payroll employment turned up, as the plunge in auto and other manufacturing production ended. This was reflected in a rise, starting in the third quarter, in the factory accession rate (new hires and recalls from layoff). Likewise, the layoff rate for manufacturing workers began dropping around midyear after reaching an all-time high of 35 per 1,000 workers in the second quarter of 1980. Only the quit rate, which is an indication of how workers assess the strength of demand for labor, had shown almost no improvement, after reaching a 5-year low of 13 per 1,000 workers in the third quarter of 1980.

In addition to the increase in employment and the reduction in layoffs, hours of work also began to recover in the second half of 1980. For example, the manufacturing workweek, which had fallen to a 5-year low of 39.0 hours at midyear, rose 1.2 hours in subsequent months, partially as a result of a rise in factory overtime hours. Overtime hours had been reduced to 2.4 a week, down from a high of 3.9 in late 1978. Reflecting both the rise in hours worked and employment, the index of aggregate weekly hours<sup>6</sup>—a comprehensive measure of current employment performance—moved back up in the last quarter of 1980, although at 125.1 it was still well below its level a year earlier. While there was a slight improvement in employment and hours during the final quarter, high interest rates combined with an

unrelenting high rate of inflation, augured for the likelihood of a slow recovery.

*Total employment.* The labor market effects of the recession were also evident in the data gathered through the survey of households, as total employment, which had shown strong growth over the last several years, declined sharply between the first and second quarters of 1980 falling by 680,000 (but 1.0 million between February and June). The resumption in employment gains was only moderate during the last 6 months, not sufficient to outweigh the earlier losses. As a consequence, employment was still down by 300,000 between the fourth quarters of 1979 and 1980. The employment-population ratio<sup>7</sup>, which is the percentage of the working-age population that is employed, stood at 58.3 and 58.2 percent in the third and fourth quarters of 1980, respectively, the lowest levels in 2 years.

The drop in this ratio reflected declines among adult men and teenagers. The third and fourth quarter ratio for adult men, at 72.5 percent, was at an all-time low. In contrast, the ratio for adult women reached a high of 48.2 percent in the first quarter of 1980; however, employment growth slowed for women during 1980 and, thus, their ratio slipped to 47.9 percent by the fourth quarter.

*Major demographic groups.* The drop in employment among adult men and teenagers between the fourth quarter of 1979 and the second quarter of 1980 totaled 875,000, with adult men accounting for two-thirds of the decrease. Employment among teenagers fell slightly in subsequent quarters. Employment among adult men rebounded by the end of the year; however, their employment level was still below fourth quarter of 1979. There were moderate employment gains among adult women over the year, more than half a million from the fourth quarter 1979 to the fourth quarter 1980. (See table 3.)

The employment patterns of white and black workers<sup>8</sup> were roughly parallel during 1980. Both groups experienced employment declines during the first half of the year. Proportionally, blacks were hit harder, and their downturn began earlier. The second half of 1980 brought some recovery for each group, and at yearend, employment levels for both blacks (9.1 million) and whites (86.4 million) were only slightly below their employment peaks of the previous year. The number of employed Hispanics rose by 9 percent between the fourth quarters of 1979 and 1980. However, because this increase was less than the rapid pace of their population growth, the percent of employed Hispanics in the working-age population (employment-population ratio) actually declined over the period. By contrast, the decline in the ratio for blacks and whites resulted from the drop in their employment levels.

**Table 3. Employment status of selected worker categories, 1978-80**

[Numbers in thousands]

| Category                                 | Annual averages |        |        | Seasonally adjusted quarterly averages |        |        |        |        |        |        |        |        |  |
|--|-----------------|--------|--------|--|--------|--------|--------|--------|--------|--------|--------|--------|--|
|  | 1978            | 1979   | 1980   | 1978                                   | 1979   |        |        |        | 1980   |        |        |        |  |
|  |                 |        |        | IV                                     | I      | II     | III    | IV     | I      | II     | III    | IV     |  |
| Employment-population ratios:            |                 |        |        |  |        |        |        |        |        |        |        |        |  |
| Total, 16 years and over                 | 58.6            | 59.3   | 58.5   | 59.0                                   | 59.2   | 59.2   | 59.4   | 59.2   | 59.1   | 58.5   | 58.3   | 58.2   |  |
| Men, 20 years and over                   | 74.6            | 74.7   | 72.9   | 74.7                                   | 74.9   | 74.8   | 74.8   | 74.3   | 73.9   | 72.9   | 72.5   | 72.5   |  |
| Women, 20 years and over                 | 46.5            | 47.7   | 48.1   | 47.1                                   | 47.3   | 47.4   | 47.9   | 48.0   | 48.2   | 48.1   | 48.1   | 47.9   |  |
| Both sexes, 16 to 19 years               | 47.6            | 47.9   | 45.9   | 48.0                                   | 48.4   | 47.9   | 47.4   | 47.8   | 47.3   | 46.0   | 45.2   | 45.2   |  |
| White                                    | 59.3            | 60.0   | 59.5   | 59.8                                   | 60.0   | 60.0   | 60.1   | 60.1   | 60.0   | 59.5   | 59.2   | 59.2   |  |
| Black and other                          | 53.3            | 53.6   | 51.9   | 53.5                                   | 53.6   | 53.6   | 53.9   | 53.5   | 52.7   | 51.9   | 51.8   | 51.4   |  |
| Black                                    | 52.6            | 52.7   | 51.0   | 52.8                                   | 52.6   | 52.6   | 52.8   | 52.6   | 51.9   | 51.1   | 50.8   | 50.5   |  |
| Hispanic origin                          | 57.2            | 58.3   | 57.5   | 59.5                                   | 59.7   | 57.7   | 57.2   | 58.7   | 59.1   | 57.3   | 56.2   | 57.8   |  |
| Employed, 16 years and over              | 94,373          | 96,945 | 97,270 | 95,581                                 | 96,359 | 96,574 | 97,282 | 97,572 | 97,718 | 97,040 | 97,061 | 97,276 |  |
| Men, 20 years and over                   | 51,212          | 52,264 | 51,972 | 51,682                                 | 52,082 | 52,191 | 52,426 | 52,360 | 52,310 | 51,810 | 51,776 | 52,005 |  |
| Women, 20 years and over                 | 35,180          | 36,698 | 37,676 | 35,866                                 | 36,181 | 36,390 | 36,957 | 37,260 | 37,549 | 37,603 | 37,807 | 37,828 |  |
| Both sexes, 16 to 19 years               | 7,981           | 7,984  | 7,603  | 8,032                                  | 8,096  | 7,993  | 7,900  | 7,952  | 7,859  | 7,627  | 7,477  | 7,443  |  |
| White                                    | 83,836          | 86,025 | 86,380 | 84,895                                 | 85,552 | 85,715 | 86,254 | 86,591 | 86,784 | 86,216 | 86,150 | 86,386 |  |
| Black and other                          | 10,537          | 10,920 | 10,890 | 10,711                                 | 10,788 | 10,863 | 11,009 | 11,008 | 10,925 | 10,830 | 10,899 | 10,900 |  |
| Black                                    | 8,925           | 9,160  | 9,098  | 9,053                                  | 9,066  | 9,114  | 9,214  | 9,238  | 9,161  | 9,072  | 9,080  | 9,080  |  |
| Hispanic origin                          | 4,366           | 4,604  | 4,931  | 4,468                                  | 4,563  | 4,616  | 4,601  | 4,648  | 4,833  | 4,874  | 4,945  | 5,074  |  |
| White-collar workers                     | 47,205          | 49,342 | 50,809 | 47,975                                 | 48,729 | 49,149 | 49,594 | 49,896 | 50,363 | 50,643 | 51,135 | 51,105 |  |
| Professional and technical workers       | 14,245          | 15,050 | 15,613 | 14,514                                 | 14,904 | 15,053 | 15,090 | 15,164 | 15,395 | 15,583 | 15,669 | 15,818 |  |
| Managers and administrators, except farm | 10,105          | 10,516 | 10,919 | 10,122                                 | 10,366 | 10,459 | 10,631 | 10,613 | 10,785 | 10,850 | 11,038 | 11,001 |  |
| Sales workers                            | 5,951           | 6,163  | 6,172  | 6,035                                  | 6,053  | 6,142  | 6,163  | 6,285  | 6,231  | 6,055  | 6,195  | 6,202  |  |
| Clerical workers                         | 16,904          | 17,613 | 18,105 | 17,304                                 | 17,406 | 17,496 | 17,710 | 17,835 | 17,952 | 18,154 | 18,232 | 18,083 |  |
| Blue-collar workers                      | 31,531          | 32,066 | 30,800 | 31,913                                 | 32,090 | 31,942 | 32,188 | 32,032 | 31,669 | 30,788 | 30,315 | 30,481 |  |
| Craft and kindred workers                | 12,386          | 12,880 | 12,529 | 12,600                                 | 12,819 | 12,827 | 12,924 | 12,943 | 12,756 | 12,540 | 12,413 | 12,415 |  |
| Operatives, except transport             | 10,875          | 10,909 | 10,346 | 10,970                                 | 10,944 | 10,821 | 10,972 | 10,886 | 10,632 | 10,354 | 10,179 | 10,217 |  |
| Transport equipment operatives           | 3,541           | 3,612  | 3,468  | 3,600                                  | 3,595  | 3,626  | 3,625  | 3,599  | 3,566  | 3,461  | 3,422  | 3,425  |  |
| Nonfarm laborers                         | 4,729           | 4,665  | 4,456  | 4,744                                  | 4,732  | 4,667  | 4,667  | 4,604  | 4,715  | 4,433  | 4,300  | 4,424  |  |
| Service workers                          | 12,839          | 12,834 | 12,958 | 12,960                                 | 12,801 | 12,827 | 12,759 | 12,952 | 12,985 | 12,966 | 12,963 | 12,920 |  |
| Farm workers                             | 2,798           | 2,703  | 2,704  | 2,770                                  | 2,750  | 2,662  | 2,706  | 2,698  | 2,704  | 2,679  | 2,690  | 2,756  |  |

**Occupations.** The decline in employment during 1980 was concentrated in blue-collar occupations. As employers found their finished goods inventories growing and sales declining in the latter part of 1979, assembly lines were shut down, and blue-collar workers, especially operatives, were laid off in large numbers. Employment among nonfarm laborers, which had also been declining through most of 1979, fell steadily during the recession. Total blue-collar employment dropped 1.7 million between the fourth quarter of 1979 and the third quarter of 1980 and had only just begun to edge up during the final quarter as production levels increased.

In contrast, white-collar jobs continued to grow steadily during 1980, increasing 2.4 percent to 51.1 million over the year. Employment increases were particularly strong in the professional and technical professions. Only sales workers failed to show an employment rise during the year.

Among the other occupational categories, service employment, which had shown no growth over the previous year, remained sluggish during 1980. Interestingly, farm employment remained constant over the year, a departure from its long, slow historical decline.

**Full- and part-time workers.** An examination of full- and part-time work schedules provides further important insights into the employment picture in 1980. The number of persons at work on full-time schedules—persons

who worked 35 hours or more a week—in nonagricultural industries was 71.4 million in the third quarter of 1980, down markedly from 73.0 million three quarters previously. (Persons at work exclude those with a job but not at work during the survey period for such reasons as vacation, illness, or industrial dispute.) And while employment was again on the rise by yearend, this was the first time since the 1974-75 recession that full-time employment failed to register a year-to-year increase. The following tabulation traces the recent movement in the number of full- and part-time workers in nonagricultural industries, using seasonally adjusted quarterly averages (data in thousands):

| Quarter | Full-time schedules | Part time for economic reasons | Voluntary part time |
|---------|---------------------|--------------------------------|---------------------|
| 1978:   |                     |                                |                     |
| IV      | 71,497              | 3,155                          | 12,098              |
| 1979:   |                     |                                |                     |
| I       | 72,148              | 3,230                          | 12,098              |
| II      | 72,298              | 3,266                          | 12,013              |
| III     | 73,183              | 3,228                          | 12,415              |
| IV      | 72,969              | 3,412                          | 12,327              |
| 1980:   |                     |                                |                     |
| I       | 72,839              | 3,491                          | 12,484              |
| II      | 71,647              | 4,016                          | 12,340              |
| III     | 71,427              | 4,137                          | 12,393              |
| IV      | 72,156              | 4,205                          | 12,190              |

Another indication of a weakened economy was the substantial increase in the number of persons on part-time schedules for economic reasons.<sup>9</sup> This group of workers accepted part-time jobs only after an unsuccessful search for full-time work or because their employers reduced their hours in response to unfavorable economic conditions. The number of such workers increased continuously during 1980, reaching 4.2 million in the fourth quarter.

In recovery periods, the number of persons involuntarily on shortened workweeks usually turns downward a few months *prior* to unemployment. That is, employers tend to restore workers hours before recalling those on layoff or hiring new workers. The fact that the number of involuntary part-timers had not declined by yearend implies a continued sluggishness to the jobless picture, at least in the near term.

While the number of persons involuntarily on shortened workweeks and the number on full-time schedules move in a cyclical fashion, changes in voluntary part-time work are much more volatile. The number of such workers, after seesawing throughout the year, ended slightly below the level of a year earlier. The growth in the number of part-time workers, which was especially strong from the 1950's through the late 1960's, has continued at a fairly steady pace in the past decade. However, where once it exceeded the growth rate for their full-time counterparts, this rate of increase has now become about the same or slightly below it. Thus, part-timers share of total employment has flattened out at a little more than 14 percent in recent years.

## The unemployed and the discouraged

Unemployment increased sharply in 1980, as the number of jobless persons reached nearly 8 million, or 7.6 percent of the labor force around midyear. Unemployment hovered near the 6-million level throughout 1978 and 1979 before the onset of the recession. As the recession took hold, the unemployment rate rose rapidly, jumping 1.1 percentage points between the first and second quarters of 1980. The unemployment rate showed very little improvement in the last half of the year. (See table 4.) Although by most accounts the current recession is neither as severe nor as pervasive as its predecessor, only in the 1974-75 recession had unemployment jumped so rapidly or reached a level and rate of these proportions.

Unemployment developments in 1980 differed widely by age and sex, as adult men, who predominate in those industries where job cutbacks were most extensive, absorbed a major proportion of the increases. Their jobless rate also showed a marked deterioration earlier than other worker groups. Moreover, the impact on men was so extensive—a 2.2 percentage point increase—that, by the end of the third quarter, their rate actually exceeded that for adult women, a highly unusual labor market occurrence. However, a sizable recall of men from layoff in the fourth quarter left their unemployment rate lower than that of women—6.3, compared with 6.7 percent. The rate for women did not begin to rise until the second quarter of 1980, when it increased half a percentage point. During the last recession, the

**Table 4. Selected unemployment indicators, 1978-80**

[Unemployment rates]

| Category  | Annual averages |      |      | Seasonally adjusted quarterly averages |      |      |      |      |      |      |      |      |
|---|-----------------|------|------|--|------|------|------|------|------|------|------|------|
|   | 1978            | 1979 | 1980 | 1978                                   | 1979 |      |      |      | 1980 |      |      |      |
|   |                 |      |      | IV                                     | I    | II   | III  | IV   | I    | II   | III  | IV   |
| Total, 16 years and over                        | 6.0             | 5.8  | 7.1  | 5.9                                    | 5.8  | 5.7  | 5.7  | 5.9  | 6.2  | 7.3  | 7.5  | 7.5  |
| Men, 20 years and over                          | 4.2             | 4.1  | 5.9  | 4.1                                    | 4.0  | 3.9  | 4.1  | 4.4  | 4.8  | 6.2  | 6.6  | 6.3  |
| Women, 20 years and over                        | 6.0             | 5.7  | 6.3  | 5.7                                    | 5.8  | 5.6  | 5.6  | 5.7  | 5.8  | 6.4  | 6.4  | 6.7  |
| Both sexes, 16 to 19 years                      | 16.3            | 16.1 | 17.7 | 16.3                                   | 16.0 | 16.0 | 16.0 | 16.2 | 16.4 | 17.9 | 18.4 | 18.3 |
| White   | 5.2             | 5.1  | 6.3  | 5.1                                    | 5.1  | 4.9  | 5.0  | 5.2  | 5.5  | 6.5  | 6.7  | 6.6  |
| Black and other                                 | 11.9            | 11.3 | 13.2 | 11.5                                   | 11.5 | 11.4 | 10.8 | 11.3 | 11.8 | 13.2 | 13.9 | 14.1 |
| Black   | 12.6            | 12.2 | 14.1 | 12.2                                   | 12.5 | 12.3 | 11.9 | 12.1 | 12.6 | 14.1 | 14.9 | 15.2 |
| Hispanic origin                                 | 9.1             | 8.3  | 10.1 | 8.5                                    | 8.0  | 8.0  | 8.0  | 9.0  | 9.3  | 10.1 | 10.8 | 10.2 |
| Married men, spouse present                     | 2.8             | 2.7  | 4.2  | 2.6                                    | 2.7  | 2.6  | 2.8  | 3.0  | 3.4  | 4.4  | 4.8  | 4.4  |
| Married women, spouse present                   | 5.5             | 5.1  | 5.8  | 5.4                                    | 5.3  | 5.1  | 5.0  | 5.0  | 5.4  | 5.9  | 5.9  | 5.9  |
| Women who maintain families                     | 8.5             | 8.3  | 9.1  | 7.8                                    | 8.1  | 8.5  | 8.0  | 8.4  | 8.7  | 8.6  | 8.9  | 10.2 |
| Full-time workers                               | 5.5             | 5.3  | 6.8  | 5.3                                    | 5.3  | 5.1  | 5.2  | 5.5  | 5.8  | 7.0  | 7.3  | 7.3  |
| Part-time workers                               | 9.0             | 8.7  | 8.7  | 9.0                                    | 9.0  | 8.8  | 8.6  | 8.6  | 8.7  | 8.9  | 8.7  | 8.6  |
| White-collar workers                            | 3.5             | 3.3  | 3.7  | 3.3                                    | 3.4  | 3.3  | 3.4  | 3.3  | 3.4  | 3.7  | 3.8  | 3.9  |
| Blue-collar workers                             | 6.9             | 6.9  | 10.0 | 6.7                                    | 6.7  | 6.6  | 6.9  | 7.5  | 8.1  | 10.5 | 11.1 | 10.7 |
| Service workers                                 | 7.4             | 7.1  | 7.9  | 7.4                                    | 7.5  | 7.1  | 6.9  | 6.8  | 7.0  | 8.0  | 8.3  | 8.1  |
| Farm workers                                    | 3.8             | 3.8  | 4.4  | 3.7                                    | 3.2  | 3.4  | 4.0  | 4.3  | 4.2  | 4.7  | 4.8  | 4.1  |
| Nonagricultural private wage and salary workers | 5.9             | 5.7  | 7.4  | 5.7                                    | 5.7  | 5.6  | 5.8  | 5.9  | 6.2  | 7.7  | 7.9  | 7.8  |
| Construction                                    | 10.6            | 10.2 | 14.2 | 11.5                                   | 10.7 | 9.8  | 9.4  | 10.6 | 11.8 | 15.6 | 16.3 | 14.4 |
| Manufacturing                                   | 5.5             | 5.5  | 8.5  | 5.1                                    | 5.1  | 5.3  | 5.8  | 6.0  | 6.7  | 9.1  | 9.4  | 9.0  |
| Durable goods                                   | 4.9             | 5.0  | 8.9  | 4.6                                    | 4.4  | 4.6  | 5.2  | 5.7  | 6.6  | 9.9  | 10.3 | 9.2  |
| Nondurable goods                                | 6.3             | 6.4  | 7.9  | 5.9                                    | 6.2  | 6.4  | 6.7  | 6.5  | 6.8  | 7.9  | 8.1  | 8.7  |

rate for adult women had jumped much more substantially, reaching 8.5 percent. Unemployment among teenagers stood at 18.3 percent at yearend, 2.3 percentage points above its prerecession low but less than half the increase posted during the 1974–75 recession. By contrast, the jobless rate for men at its peak was within half a point of its 1975 high.

In contrast to adults, teenagers share of unemployment is much higher than their share of the labor force. The rapidly growing teenage workforce in recent years has had a considerable impact on the overall jobless rate since the early 1960's. However, the effect of the postwar baby boom on the expansion of the youth population has now run its course, and the percentage of youth in the labor force has begun to decline, from a peak of 9.7 percent in 1974 to 9.2 percent in 1979 and to 9.0 percent in 1980. This development should begin to exert considerable downward pressure on the overall unemployment rate in the 1980's.

As is evident from the foregoing, any analysis of unemployment during the 1980 downturn is heavily influenced by adult men—whether black or white—constituting a major proportion of the rise in joblessness. For example, the unemployment rate for married men rose rapidly until the third quarter of the year, increasing to 4.8 percent from the fourth quarter 1979 rate of 3.0 percent. In contrast, part-time workers, the bulk of whom are adult women and teenagers, showed almost no increase in joblessness during 1980, while the rate for full-time workers, of whom the majority are adult males, jumped from 5.5 percent at the end of 1979 to 7.3 percent in the third and fourth quarters of 1980.

*Blacks and Hispanics.* Unemployment rose for both white and black workers in 1980. The unemployment rate for blacks jumped 2.8 percentage points to 14.9 percent from the fourth quarter 1979 to the third quarter of 1980. Over the same period, the rate for whites increased from 5.2 to 6.7 percent.

Although blacks have always been disproportionately represented among the unemployed, their share of unemployment in 1980, at 20 percent (double their share of the labor force), was particularly acute. Blacks' share of unemployment has been holding at a higher level in recent years than early in the decade. It is also interesting to note that the ratio of black to white unemployment rates, which had hovered in the 1.9 to 2.1 range throughout the early and mid-1970's, has over the last several years become noticeably higher, averaging 2.4 or 2.5.<sup>10</sup>

The unemployment rate for Hispanics rose from 9.0 to 10.8 percent between the end of 1979 and the third quarter of 1980; the rise in unemployment was about in line with the increases experienced by both blacks and whites. The unemployment rate for Hispanics fell slight-

ly by yearend, but remained considerably above the rate for whites, but below that for blacks.

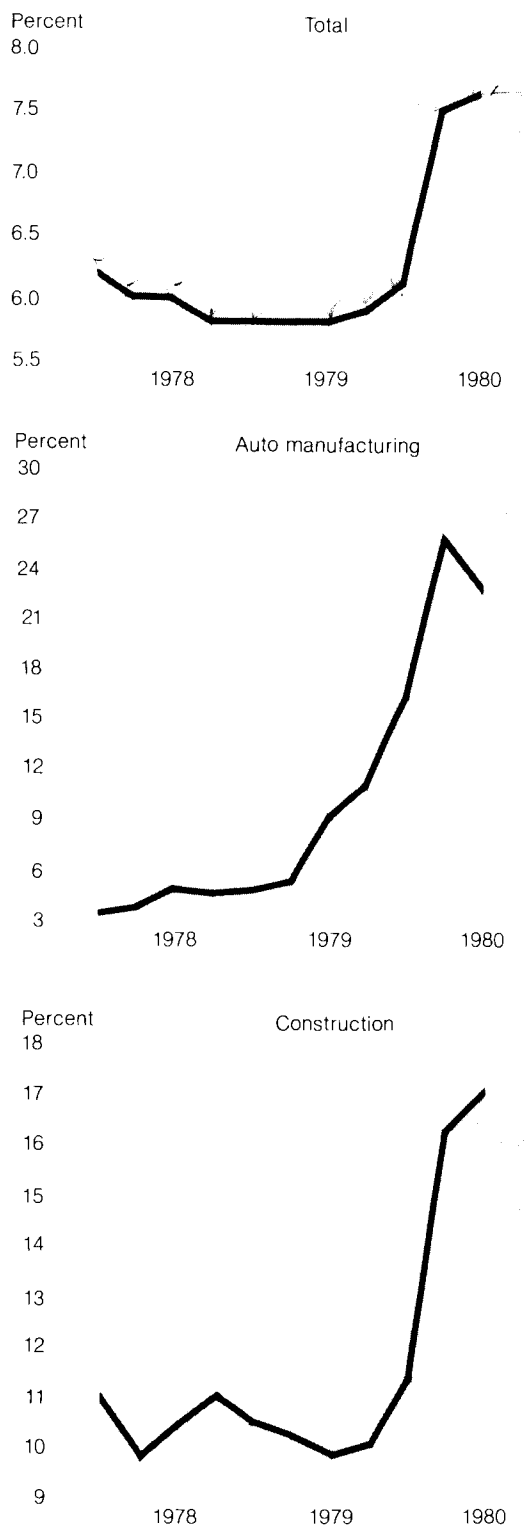
*Industry and occupation.* The impact and incidence of unemployment was unevenly distributed among the various industry and occupational groups. (See table 4.) Workers in the goods-producing industries bore the brunt of the rise in unemployment, with those in automobile manufacturing reporting the sharpest cutbacks in jobs. The unemployment rate for auto workers, which had been comparatively low in the second quarter of 1979 (4.8 percent), rose sharply to an all-time high of 24.7 percent a year later. (See chart 1.) During the last half of the year, unemployment in the auto industry began to recede steadily, falling to 17.2 percent at yearend, a considerable improvement from midyear but still well above prerecession levels. In addition to the automobile industry, joblessness was up substantially for workers in every other durable goods manufacturing industry, but particularly in lumber and wood products, primary metals, and fabricated metals. Among the nondurable industries, only rubber and plastic products showed a sizable increase in unemployment.

Construction worker unemployment also grew substantially during the recession, increasing 5.7 percentage points from the last quarter of 1979 to a rate of 16.3 percent in the third quarter of 1980 before finally turning downward. In contrast to automobile manufacturing, construction was harder hit in the 1974–75 downturn, when its rate exceeded that of all others and jumped to a postwar record of 20.3 percent.

Given the nature of the industries which sustained the hardest economic setbacks, it follows that the unemployment rate for workers in blue-collar occupations reached unusually high levels during 1980. After rising only marginally in 1979, from 6.7 percent at the beginning of the year to 7.5 percent at the end, blue-collar unemployment increased rapidly thereafter, peaking at 11.1 percent in the third quarter of 1980. White-collar workers, on the other hand, were much less affected by the recession, as their unemployment rate showed only a slight increase during the year. The jobless rates for both groups were considerably short of the peak reached during the 1974–75 recession.

*Job losers, leavers, and entrants.* As the number of unemployed persons rises during an economic downturn, there are also changes in their distribution in terms of the proportions of those who have lost their jobs (either because they were laid off or their jobs were terminated), those who have voluntarily left their jobs, and those who are entering or reentering the labor force. Reflecting the deterioration of the economy, the number of persons who had lost their jobs increased substantially, rising 1.6 million between the fourth quarter of 1979

**Chart 1. Unemployment rates for all workers and the auto manufacturing and construction industries, 1978-80 (seasonally adjusted)**



and the third quarter of 1980. Job loss accounted for 55 percent of total unemployment by the third quarter of 1980, up from 43 percent a year ago and almost equaling the 57 percent high set in the third quarter of 1975.

The number of persons on layoff, a subset of the job losers category and a sensitive cyclical indicator, increased rapidly during 1979 and early 1980, reaching 1.8 million in the third quarter of 1980 before declining toward yearend. Indeed, job losers dominate movements in total unemployment during all cyclical periods. (See table 5.) For example, unemployment among job leavers and entrants to the labor force also rose during this period, but at a slower pace than that caused by job loss.

*Duration.* Although measures of average duration of unemployment—the mean and the median—typically increase with a worsening in the economic situation, their movements tend to lag those in the incidence of joblessness because it takes time for the newly unemployed to reach the longer duration categories. This lag phenomenon was evident in 1980. Thus, whereas overall joblessness had peaked earlier in the year, the timing of the duration peaks was not yet apparent at yearend. (See table 5.)

Persons with long-term unemployment (15 weeks and over) became an increasing proportion of total joblessness as the year progressed; they accounted for 30 percent of the unemployed by the fourth quarter of 1980, up from 19 percent of the unemployed during the third quarter of 1979. At yearend, persons who had been jobless for more than 6 months passed the 1 million mark, double the number of a year earlier.

*Discouraged workers.* A rather large number of persons not actually in the labor force want jobs. Their reasons for not being active vary, and many, indeed, can be expected to enter the labor force at some later date. A relatively small but important group of these nonparticipants are often equated with the unemployed because they are not looking for work in the belief they would not find any. These so-called “discouraged workers” are not counted among the unemployed because they have not searched for work as recently as 4 weeks prior to being surveyed; many, in fact, have not searched at all. As shown in chart 2, however, changes in the number of discouraged workers move in a roughly parallel fashion with the cyclical changes in the unemployment rate. The relationship improves significantly when unemployment is tracked with “discouraged for job market factors”—repeated failures in finding a job or a belief that there were no suitable jobs in their line of work or geographic area. This group is very sensitive to labor market conditions.<sup>11</sup> During the fourth quarter of 1980, two-thirds of all the discouraged cited job market

**Table 5. Duration of and reason for unemployment, seasonally adjusted quarterly averages, 1978-80**

[Numbers in thousands]

| Duration and reason                     | 1978  | 1979  |       |       |       | 1980  |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|   | IV    | I     | II    | III   | IV    | I     | II    | III   | IV    |
| <b>DURATION</b>                         |       |       |       |       |       |       |       |       |       |
| Less than 5 weeks .....                 | 2,820 | 2,778 | 2,805 | 2,927 | 2,977 | 3,072 | 3,418 | 3,205 | 3,136 |
| 5 to 14 weeks .....                     | 1,863 | 1,916 | 1,871 | 1,837 | 1,947 | 2,112 | 2,591 | 2,589 | 2,414 |
| 15 weeks and over .....                 | 1,247 | 1,261 | 1,184 | 1,130 | 1,216 | 1,336 | 1,687 | 2,127 | 2,333 |
| 15 to 26 weeks .....                    | 717   | 714   | 671   | 640   | 693   | 789   | 978   | 1,233 | 1,233 |
| 27 weeks and over .....                 | 530   | 547   | 513   | 490   | 524   | 548   | 709   | 894   | 1,100 |
| Median duration, in weeks .....         | 5.7   | 5.8   | 5.6   | 5.4   | 5.5   | 5.6   | 6.0   | 7.5   | 7.5   |
| Mean (average) duration, in weeks ..... | 11.2  | 11.4  | 10.8  | 10.5  | 10.6  | 10.8  | 11.2  | 12.4  | 13.5  |
| <b>REASON</b>                           |       |       |       |       |       |       |       |       |       |
| Lost last job .....                     | 2,449 | 2,497 | 2,396 | 2,553 | 2,786 | 3,040 | 4,071 | 4,357 | 4,232 |
| On layoff .....                         | 718   | 796   | 763   | 828   | 974   | 1,098 | 1,716 | 1,758 | 1,538 |
| Other job losers .....                  | 1,731 | 1,701 | 1,633 | 1,725 | 1,812 | 1,942 | 2,355 | 2,598 | 2,693 |
| Left last job .....                     | 853   | 882   | 857   | 848   | 829   | 814   | 907   | 870   | 860   |
| Reentered labor force .....             | 1,806 | 1,759 | 1,746 | 1,770 | 1,755 | 1,806 | 1,906 | 1,865 | 1,926 |
| Seeking first job .....                 | 846   | 833   | 804   | 750   | 800   | 818   | 832   | 875   | 879   |

factors. The remainder had either never worked at all or had dropped out of the job market for personal reasons, such as viewing themselves as being too young or too old, lacking requisite education or training, or having other personal handicaps to jobseeking.

The total number of discouraged workers in the fourth quarter of 1980 was 1.1 million, more than one-third larger than a year earlier. Over the same period, the number of unemployed had increased by a little less than a third. However, contrary to the composition of the unemployed, the ranks of discouraged workers included very few men of prime working age (25 to 59 years); in fact, these men, account for only slightly more than one-tenth of all discouraged workers. The largest group consisted of women, who accounted for six-tenths of the total discouraged in 1980.

### Families

Interesting labor force patterns emerge when workers are grouped according to their position within the family structure. These data show a continual upward movement in the proportion of multi-earner families—that is, two or more workers in a household. Moreover, among husband-wife families in 1980, the proportion in which the husband and wife were both employed (42 percent) exceeded the proportion in which only the husband was employed (36 percent). This phenomenon has occurred only since 1978.

The extent of the impact of joblessness on the family depends upon how many of the unemployed were in families in which someone else was employed. Almost half of all unemployed husbands had no other employed person in their families in 1980; a year earlier, only two-fifths of husband-wife families had this experience. In addition, the percentage of unemployed wives with no other working member almost doubled over the year—from 8.1 to 16.6 percent.

Inflation more than offset wage and salary gains of American workers and their families in 1980. Median weekly earnings of families increased 8 percent between the first 3 quarters of 1979 and the same average period in 1980,<sup>12</sup> to \$400; there was, however, an even greater rise in consumer prices, so that the real earnings for the families declined by slightly more than 5 percent over this time period. The following tabulation shows the 1980 average (first 3 quarters) median weekly earnings of families by selected characteristics and change from 1979:

|                                       | Number<br>(in<br>thousands) | Weekly<br>earnings | Percent change<br>in earnings,<br>1979-80 |                     |
|---------------------------------------|-----------------------------|--------------------|---|---------------------|
|                                       |                             |                    | Current<br>dollars                        | Constant<br>dollars |
| Total families with                   |                             |                    |   |                     |
| earners .....                         | 40,392                      | \$402              | 7.9                                       | -5.2                |
| Married-couple ..                     | 33,228                      | 434                | 7.8                                       | -5.3                |
| One earner ..                         | 14,576                      | 310                | 5.3                                       | -7.5                |
| Two earners or<br>more .....          | 18,652                      | 535                | 9.2                                       | -4.0                |
| Families maintained<br>by women ..... | 5,559                       | 227                | 9.8                                       | -3.5                |
| Families maintained<br>by men .....   | 1,605                       | 359                | 7.5                                       | -5.5                |

Among married couples, the one-earner family experienced the largest drop in real earnings—7.5 percent. The number of such families declined by more than half a million in 1980, with most of the reduction occurring in families in which only the husband worked. The number of families where both husband and wife were wage and salary workers posted a modest increase, reflecting the continuing increases in labor force participation among married women.

The number of families maintained by female wage and salary earners (5.5 million) increased in 1980, as



**Chart 2. Unemployed and discouraged workers, 1974-80 (seasonally adjusted)**

(Thousands)

1,200

Discouraged

1,100

1,000

900

800

700

600

500

1974

1975

1976

1977

1978

1979

1980

Unemployed

8,500

8,000

7,500

7,000

6,500

6,000

5,500

5,000

4,500

1974

1975

1976

1977

1978

1979

1980

did their median weekly earnings. As with all family groups, however, because of a faster rise in prices, their purchasing power also declined. The median earnings of these families is still very low, \$225 a week, compared with \$435 for married-couple families and \$360 for families maintained by men.

### In and out of the labor force

Despite the recession, the civilian labor force continued to grow during 1980, although slower than in recent years. This is the usual pattern over the business cycle. Between the fourth quarters of 1979 and 1980, the labor force grew 1.4 million, compared with increases of 2.2 and 2.7 million in 1979 and 1978. Labor force changes across demographic groups in 1980 were much like the changes that occurred in the last recession: strong growth among women, moderate growth among men, and no growth among teenagers.

At 63.8 percent, the civilian labor force participation rate was unchanged over the year. In recent years, overall participation has grown almost continuously, primarily because of the pronounced labor market entry of women. The following shows the participation rates of various demographic groups for selected years of labor market contraction:

|                              | 1971 | 1975 | 1980 |
|------------------------------|------|------|------|
| Total                        | 60.2 | 61.2 | 63.8 |
| Teenagers (16-19 years)      | 49.7 | 54.1 | 56.9 |
| Men (20 years and over)      | 82.1 | 80.3 | 79.4 |
| Women (20 years and over)    | 43.3 | 46.0 | 51.4 |
| Never married                | 68.1 | 68.7 | 71.8 |
| Married                      | 41.3 | 44.8 | 50.5 |
| Widowed, separated, divorced | 39.0 | 38.8 | 42.4 |

More than half of all adult women are now working or seeking work; some 40 million were in the labor force in 1980. Moreover, their share of the labor force, nearly 40 percent in 1980, has continued to grow, while that of adult men and teenagers has fallen. The greatest labor force increases have occurred among married women. After declining over several years, male participation in the labor force, holding relatively steady following the 1974-75 recession, showed a further drop in 1980, to 79.4 percent. Participation among teenagers, at 56.9 percent, was down slightly from the level of the past few years.

The changing aspects of the labor force are often overlooked in discussions of the national employment situation. Although a majority of workers are attached to the labor force, there is a substantial amount of ebb and flow in the labor force, employment, and unemployment each month. Thus, a deeper understanding of labor force behavior can be obtained through an examination of gross monthly movements.<sup>13</sup> The flow data show that in 1980, 5 percent of the employed and about

50 percent of the unemployed—more than 8 million workers—changed labor force status each month. Moreover, this count does not include the large number of persons outside the labor force who found jobs or began actively looking for a job over the month (4.5 million), or the unknown number of workers who changed jobs over the month but were tabulated as employed in both months. (CPS flow data indicate only that there was a change in labor force status between measurements, not that an actual job change occurred.)

The following tabulation, based on CPS flow data, provides a percent distribution of subsequent month labor force status of employed and unemployed men and women for the past 3 recessionary years:

| <i>Status in previous month</i> | <i>Status in current month</i> |                   |                           |               |              |
|---------------------------------|--------------------------------|-------------------|---------------------------|---------------|--------------|
|                                 | <i>Employed</i>                | <i>Unemployed</i> | <i>Not in labor force</i> |               |              |
|                                 |                                |                   | <i>Home duties</i>        | <i>School</i> | <i>Other</i> |
| <b>Employed:</b>                |                                |                   |                           |               |              |
| <b>Men:</b>                     |                                |                   |                           |               |              |
| 1971 ..                         | 96.4                           | 1.5               | —                         | 0.9           | 1.2          |
| 1975 ..                         | 95.8                           | 2.0               | —                         | 0.9           | 1.3          |
| 1980 ..                         | 95.9                           | 2.0               | —                         | 0.8           | 1.4          |
| <b>Women:</b>                   |                                |                   |                           |               |              |
| 1971 ..                         | 92.5                           | 1.3               | 4.2                       | 1.2           | 0.8          |
| 1975 ..                         | 92.8                           | 1.7               | 3.5                       | 1.1           | .9           |
| 1980 ..                         | 93.8                           | 1.5               | 2.8                       | 0.9           | 0.9          |
| <b>Unemployed:</b>              |                                |                   |                           |               |              |
| <b>Men:</b>                     |                                |                   |                           |               |              |
| 1971 ..                         | 30.7                           | 52.1              | 0.3                       | 7.3           | 9.5          |
| 1975 ..                         | 25.5                           | 60.2              | 0.2                       | 5.4           | 8.5          |
| 1980 ..                         | 28.2                           | 57.0              | 0.3                       | 5.2           | 9.2          |
| <b>Women:</b>                   |                                |                   |                           |               |              |
| 1971 ..                         | 24.1                           | 43.5              | 22.1                      | 6.5           | 3.9          |
| 1975 ..                         | 23.1                           | 51.6              | 19.0                      | 5.0           | 3.6          |
| 1980 ..                         | 24.6                           | 47.7              | 17.3                      | 5.3           | 5.1          |

The vast majority of employed men and women who were working in any given month were also found to be employed in the following month. In contrast, the percentage movements out of and into (not shown in the above tabulation) unemployment each month are sizable. Generally, the changes among male workers are more likely to occur within the labor force between employment and unemployment, while changes among female workers are more likely to involve a period of time outside the labor force.

Interestingly, the outflow of women from the labor force because of home responsibilities has been declining. That is, although women are still more likely to leave the labor force than men, particularly when unemployed, the reason is increasingly less likely to be for traditional family purposes and more likely to be such things as prolonged illness or disability, discouragement over job prospects, or simply retirement from the labor force. Men leaving the labor force are also increasingly

likely to cite these same reasons. Indeed, women are becoming more firmly attached to the labor force, as evidenced by the high and climbing percentage that remain employed from one month to the next. Apparently, they are unwilling to give up the income needed to maintain or increase consumption in the wake of rising prices or to leave promising careers to maintain a family on a full-time basis.

### Recovery or respite?

Labor market developments were unsettled at the close of 1980. The onset of the recession in January was accompanied by an overall deterioration in labor market indicators. But as early as midyear, there was evidence that the economy had improved, as retail sales picked up, interest rates fell, and total employment

turned upward. Nevertheless, other disturbing signs by yearend left doubt as to whether the economy was in fact on the road to recovery or rather was experiencing a brief and mild respite before plunging even further.

The doubt arises from the unusual nature of the recession. The end of the year again showed a rise in the interest rates to levels that prevailed earlier. While employment had increased steadily over the second half, it had not improved sufficiently in the two industries—housing and auto manufacturing—hardest hit in the downturn. Instead, fourth quarter figures for housing sales and auto purchases were relatively weak, giving little hope for a strong improvement in employment in these industries. Also, the unemployment rate had shown very little improvement from the recession high. □

### FOOTNOTES

<sup>1</sup> Statistics on nonagricultural payroll employment and hours from the Current Employment Survey are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. Data on labor force, total employment, and unemployment are derived from the Current Population Survey (CPS), a sample survey of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. A description of the two surveys appears in the monthly Bureau of Labor Statistics publication, *Employment and Earnings*.

<sup>2</sup> The National Bureau of Economic Research, a well-known group of private-sector economists that traditionally establishes business cycle turning points in the United States, announced that the Nation had entered the recessionary phase of the cycle in January 1980.

<sup>3</sup> As noted earlier, the overall decline, based on monthly figures, was somewhat larger—1.3 million.

<sup>4</sup> Geoffrey H. Moore, "Lessons of the 1973-1976 Recession and Recovery" in William Fellner, ed., *Contemporary Economic Problems 1977* (Washington D.C., American Enterprise Institute for Public Policy Research, 1977), pp. 117-58.

<sup>5</sup> Norman Bowers, "Have employment patterns in recessions changed?" pp. 15-28, this issue.

<sup>6</sup> Aggregate hours is a joint measure of the cutback in both hours and employment. It is calculated by multiplying the number of production or nonsupervisory workers in a particular group by their corresponding average weekly hours and then putting the total on an index basis (1967=100).

<sup>7</sup> For a discussion of the employment population ratio as a cyclical indication, see Julius Shiskin, "Employment and unemployment: the doughnut or the hole?" *Monthly Labor Review*, February 1976, pp. 3-10.

<sup>8</sup> It should be noted that blacks now represent a smaller proportion of the black and other group—85 percent, down from 89 percent 10 years earlier—the result of the gradual influx of Asians, particularly Vietnamese, into the U.S. labor force in the 1970's. For this reason, and because of the availability and increased reliability of black only data, it is no longer necessary to use the term "black and other"

when discussing black workers. Thus, unless otherwise stated, the term black in this article refers exclusively to the black "only" population and not to the "black and other" category which is comprised of blacks, American Indians, Alaskan Natives, and Asian and Pacific Islanders.

<sup>9</sup> For an analysis of the "part time for economic reasons" measure as an economic indicator, see Robert W. Bednarzik, "Involuntary part-time work: a cyclical analysis," *Monthly Labor Review*, September 1975, pp. 12-18.

<sup>10</sup> For a detailed discussion of the black to white unemployment ratio, see Curtis Gilroy, "Black and white unemployment: the dynamics of the differential," *Monthly Labor Review*, February 1974, pp. 38-47 and Barbara Cottman Job, "The black labor force during the 1975-78 recovery," *Monthly Labor Review*, May 1979, pp. 3-7.

<sup>11</sup> For further detail on this subject, see Paul O. Flaim, "Discouraged workers and changes in unemployment," *Monthly Labor Review*, March 1973, pp. 8-16 and Carol M. Ondeck, "Discouraged workers' link to jobless rate reaffirmed," *Monthly Labor Review*, October 1978, pp. 40-42.

<sup>12</sup> Median wage and salary earnings adjusted for inflation for the fourth quarter of 1980 were not available at the time of this writing.

<sup>13</sup> Gross change data, a byproduct of the CPS, show the labor force status of persons not only for the current month but also for the previous month. The data thus permit the identification and measurement of the flow of persons who leave employment or unemployment from one month to the next. Gross changes, therefore, represent a short-run "flow" rather than a "stock" of a particular labor force group. Historically, gross flow data were published between 1949 and 1952, but publication was suspended when serious statistical deficiencies became apparent. The limitations of the gross flow data and the problems involved in trying to use the monthly household survey data for longitudinal analysis are discussed in *Using the Current Population Survey as a Longitudinal Data Base*, Report 608 (Bureau of Labor Statistics, 1980). The BLS is, however, presently planning the publication of an annual report on this topic. The initial report is still in the developmental stages and may become available about mid-1981.