

Slower economic growth affects the 1995 labor market

Job growth slowed dramatically in 1995, but the unemployment rate remained little changed

Jennifer M. Gardner and Howard V. Hayghe

The labor market continued to expand in 1995, but at a much slower rate than in either of the previous 2 years. The rapid growth in payroll employment that characterized 1993 and 1994 continued into the first quarter of 1995, then slowed dramatically. Job gains were very moderate for the remainder of the year, but still were sufficient to keep the unemployment rate at about the level it had reached at the end of 1994.

The modest economic growth suggested by the employment data for 1995 is confirmed by other economic indicators. (See chart 1.) Real gross domestic product (GDP)—which measures the overall output of the economy, adjusted for changes in prices—grew at a much slower pace in 1995 than in 1994. Contributing to the generally lackluster performance was the trend in government purchases, which fell in 3 out of the 4 quarters of 1995.

Sectors of the economy that are sensitive to consumer demand also showed weakness during the past year. Retail sales—a measure that, while volatile, provides insight into consumers' perceptions of current and future economic conditions—grew at a slower pace in 1995 than during most of the prior 2 years. The housing market also was weak, despite declines in mortgage interest rates to near-1993 levels (the lowest in two decades). Housing starts recovered from an early downturn in 1995, but remained below year-earlier levels.

This article reviews the important changes in the employment picture that occurred in 1995 as the economy was cooling down from 1994's robust expansion. It discusses the trends in non-

farm payroll employment by industry, as well as changes in the employment status of persons in various demographic and occupational groups. The data in this article were collected through the Bureau of Labor Statistics two monthly employment surveys, the Current Employment Statistics (CES) survey and the Current Population Survey (CPS).¹ Employment and unemployment data used in this article are quarterly averages, unless otherwise noted.

Job gains and losses

The Nation

Nonfarm payroll employment growth slowed dramatically during 1995. While nearly 2 million jobs were added to nonfarm payrolls over the year ending in the fourth quarter of 1995, this was considerably fewer than in each of the preceding 2 years, as shown below²:

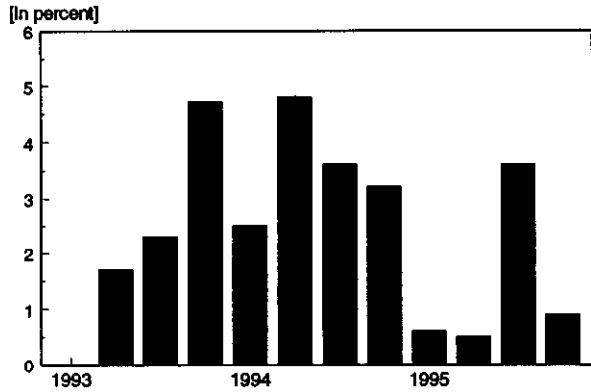
Year ending with the fourth quarter	Change in nonfarm payroll employment	
	Level (in thousands)	Percent
1993	2,691	2.5
1994	3,513	3.1
1995	1,866	1.6

Forty percent of the entire year's increase was realized in the first quarter. Throughout the rest of the year, job growth was sporadic, with virtually no net growth posted in some months.

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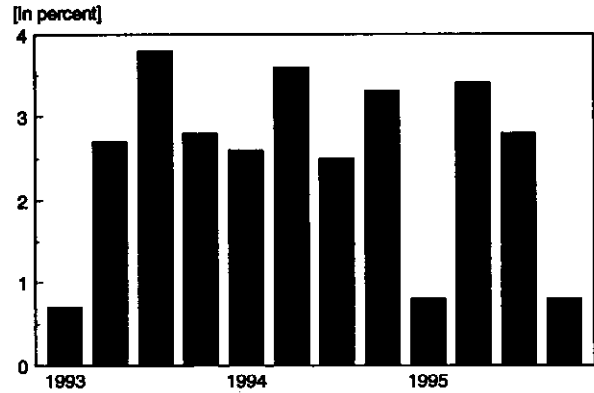
Chart 1. Selected economic indicators, 1993-95

Quarterly change in real gross domestic product (GDP), seasonally adjusted annual rate



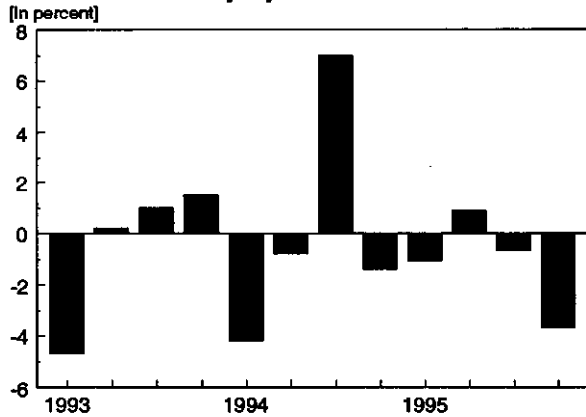
SOURCE: Bureau of Economic Analysis.

Quarterly change in real personal consumption expenditures, seasonally adjusted annual rates



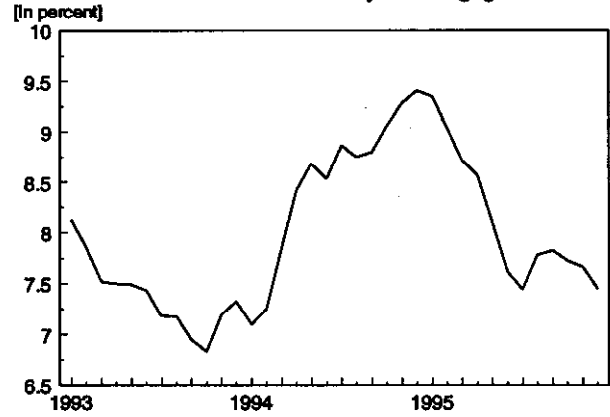
SOURCE: Bureau of Economic Analysis.

Quarterly change in real government purchases, seasonally adjusted annual rates



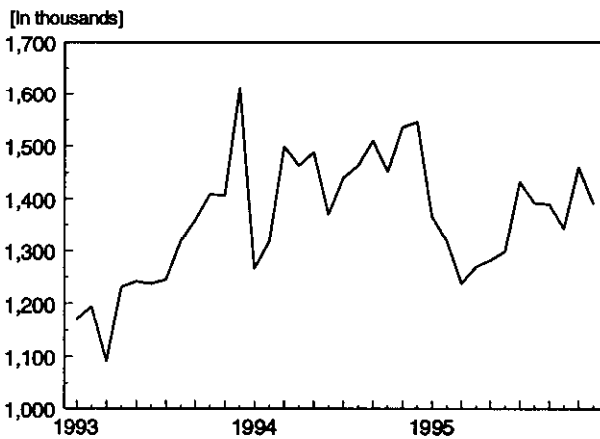
SOURCE: Bureau of Economic Analysis.

National average interest rate for conventional 30-year mortgage



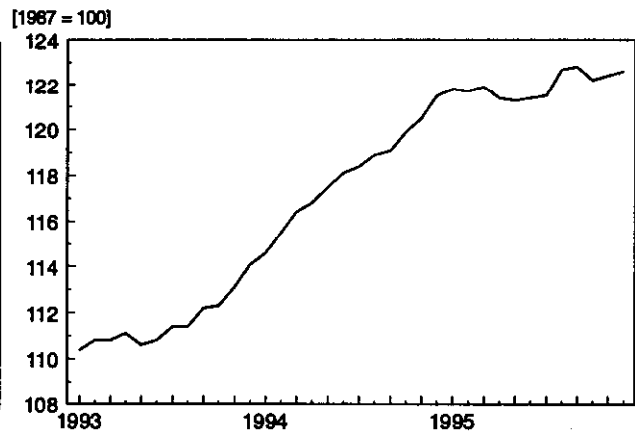
SOURCE: HSH Associates.

Housing starts, seasonally adjusted



SOURCE: Bureau of the Census.

Industrial production index, seasonally adjusted



SOURCE: Federal Reserve.

Employment gains among most of the major industry groups were smaller than those in the prior year and losses occurred among two major groups. (See table 1 and chart 2.) The expansion of the services industry group continued at a brisk pace in 1995, despite a slight slowdown from the prior 2 years, as nearly all of its component industries had employment increases. The gain for services was so large relative to those of other industry groups that it accounted for more than 6 in every 10 jobs added to the economy during the year. In contrast, manufacturing was a net job loser. Characterization of the other major industry divisions was not as clear-cut, as there were many offsetting increases and decreases among their component industries. The following discussion high-

lights employment developments in selected industries.

The services group. The number of jobs in services rose by 1.2 million, or 3.6 percent, in 1995. Business and health services continued to add large numbers of jobs during the year, and other, much smaller industries also had relatively sizable gains.

Employment in business services rose by 328,000, or 5.1 percent, over the year, a growth rate that was 3 times the total for all industries combined. Still, growth was well below the 1993-94 average of almost 500,000 or 8.4 percent. During those years, much of the strength came from the help supply services industry. Employment in this industry—which con-

Chart 2. Annual percent change in nonfarm payroll employment by major industry, 1993-95

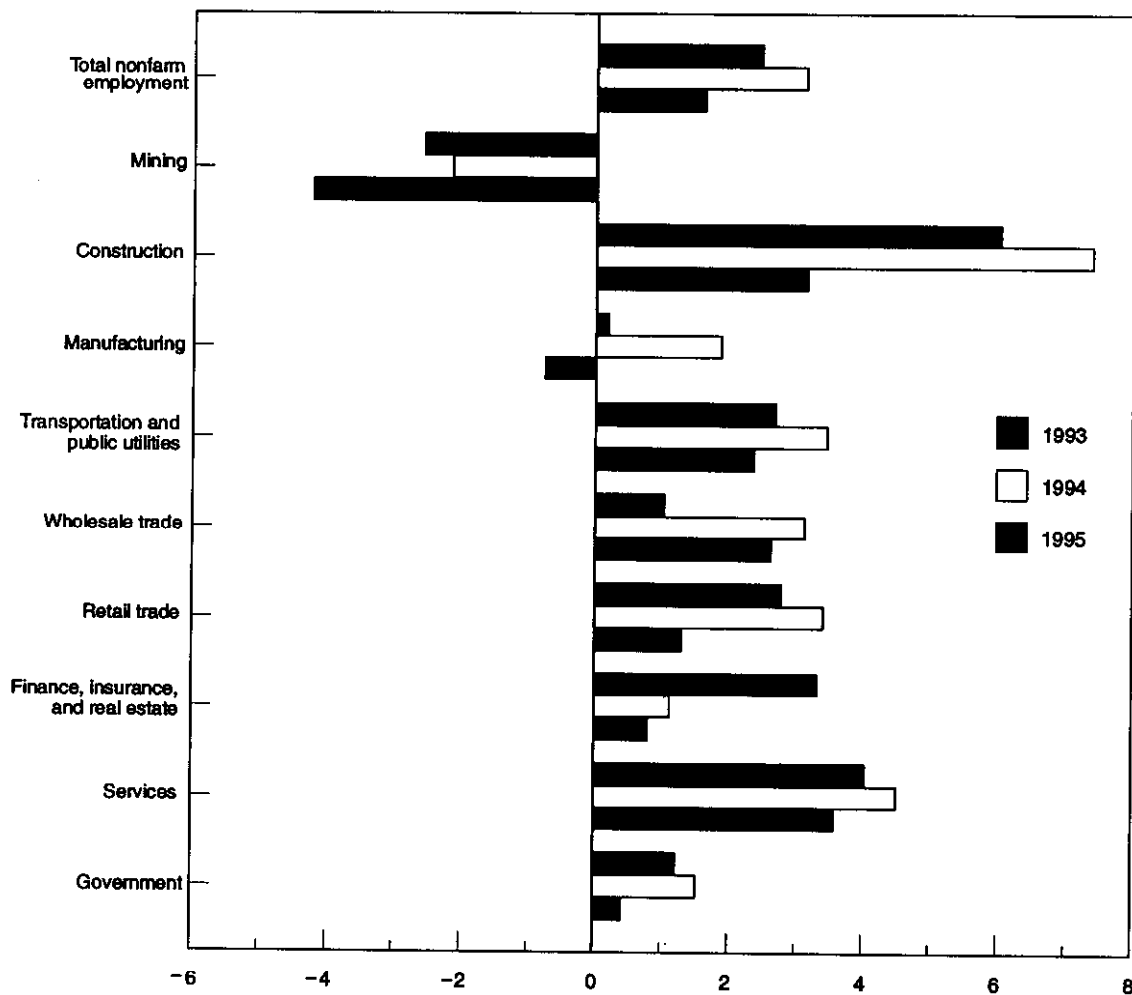


Table 1. Employees on nonfarm payrolls by industry, seasonally adjusted quarterly averages, 1992-95

[Numbers in thousands]

Industry	1992 IV	1993 IV	1994 IV	1995				Change, IV 1994- IV 1995	
				I	II	III	IV ^a	Level	Percent
Total nonfarm	109,125	111,816	115,329	116,078	116,368	116,782	117,195	1,866	1.6
Total private	90,417	92,877	96,099	96,841	97,106	97,466	97,882	1,783	1.9
Goods-producing	23,190	23,481	24,162	24,329	24,266	24,159	24,159	-3	(^b)
Mining ¹	622	606	593	589	582	575	568	-25	-4.2
Metal mining	52	49	49	51	51	52	51	2	4.1
Oil and gas extraction	344	352	328	324	320	313	307	-21	-6.4
Nonmetallic minerals, except fuels	102	103	104	105	104	104	105	1	1.0
Construction	4,507	4,779	5,133	5,223	5,221	5,240	5,295	162	3.2
General building contractors	1,078	1,148	1,232	1,253	1,244	1,232	1,233	1	.1
Heavy construction, except building	710	722	738	743	737	745	742	4	.5
Special trade contractors	2,718	2,908	3,163	3,228	3,240	3,264	3,320	157	5.0
Manufacturing	18,061	18,096	18,436	18,517	18,463	18,344	18,296	-140	-.8
Durable goods	10,231	10,248	10,546	10,617	10,613	10,576	10,577	31	.3
Lumber and wood products	691	725	764	767	757	751	755	-9	-1.2
Furniture and fixtures	480	491	506	509	501	494	495	-11	-2.2
Stone, clay, and glass products	514	521	539	545	544	538	538	-1	-.2
Primary metal industries	687	685	712	717	718	711	713	1	.1
Blast furnaces and basic steel products	245	240	240	240	241	239	239	-1	-.4
Fabricated metal products	1,328	1,349	1,413	1,434	1,438	1,431	1,434	21	1.5
Industrial machinery and equipment	1,926	1,943	2,005	2,024	2,037	2,047	2,062	57	2.8
Computer and office equipment	382	357	344	339	337	339	344	0	.0
Electronic and other electrical equipment	1,519	1,533	1,596	1,612	1,619	1,626	1,638	42	2.6
Electronic components and accessories	526	529	557	566	574	587	599	42	7.5
Transportation equipment	1,799	1,738	1,763	1,766	1,760	1,744	1,710	-53	-3.0
Motor vehicles and equipment	820	853	924	934	936	936	927	3	.3
Aircraft and parts	586	515	465	457	452	440	420	-45	-9.7
Instruments and related products	916	882	854	849	846	844	838	-16	-1.9
Miscellaneous manufacturing industries	371	382	395	396	394	391	393	-2	-.5
Nondurable goods	7,830	7,848	7,891	7,900	7,850	7,768	7,719	-172	-2.2
Food and kindred products	1,667	1,684	1,681	1,690	1,690	1,680	1,681	0	.0
Tobacco products	45	44	41	40	40	40	38	-3	-7.3
Textile mill products	675	672	674	671	664	648	641	-33	-4.9
Apparel and other textile products	999	974	964	951	931	906	877	-67	-9.0
Paper and allied products	693	690	692	692	690	687	682	-10	-1.4
Printing and publishing	1,507	1,522	1,552	1,560	1,558	1,554	1,551	-1	-.1
Chemicals and allied products	1,085	1,076	1,054	1,054	1,048	1,041	1,039	-15	-1.4
Petroleum and coal products	154	150	149	148	145	142	140	-9	-6.0
Rubber and miscellaneous plastics products	887	919	970	982	975	964	966	-4	-.4
Leather and leather products	119	116	112	112	110	106	104	-8	-7.1
Service-producing	85,935	88,335	91,167	91,749	92,102	92,622	93,036	1,869	2.1
Transportation and public utilities	5,733	5,887	6,091	6,153	6,184	6,206	6,236	145	2.4
Transportation	3,517	3,672	3,846	3,900	3,916	3,938	3,969	123	3.2
Railroad transportation	253	244	241	242	240	237	236	-5	-2.1
Local and interurban passenger transit	368	386	421	431	440	460	462	41	9.7
Trucking and warehousing	1,622	1,739	1,843	1,871	1,876	1,876	1,892	49	2.7
Water transportation	170	170	165	165	161	158	155	-10	-6.1
Transportation by air	732	744	751	757	760	765	780	29	3.9
Pipelines, except natural gas	19	18	18	17	17	16	16	-2	-11.1
Transportation services	353	371	407	418	423	427	427	20	4.9
Communications and public utilities	2,216	2,214	2,246	2,253	2,268	2,268	2,267	21	.9

Table 1. Continued—Employees on nonfarm payrolls by industry, seasonally adjusted quarterly averages, 1992–95

[Numbers in thousands]

Industry	1992 IV	1993 IV	1994 IV	1995				Change, IV 1994– IV 1995	
				I	II	III	IV ^a	Level	Percent
Communications	1,267	1,274	1,325	1,340	1,360	1,366	1,366	41	3.1
Electric, gas, and sanitary services	949	940	920	913	908	902	901	-19	-2.1
Wholesale trade	5,960	6,022	6,211	6,271	6,306	6,340	6,375	164	2.6
Durable goods	3,417	3,465	3,587	3,630	3,657	3,680	3,708	121	3.4
Nondurable goods	2,544	2,557	2,625	2,641	2,649	2,660	2,667	42	1.6
Retail trade	19,456	19,998	20,681	20,771	20,769	20,862	20,952	271	1.3
Building materials and garden supplies	763	795	843	850	850	850	859	16	1.9
General merchandise stores	2,459	2,499	2,582	2,546	2,534	2,533	2,542	-40	-1.5
Department stores	2,094	2,160	2,252	2,222	2,215	2,218	2,230	-22	-1.0
Food stores	3,180	3,249	3,309	3,328	3,347	3,365	3,386	77	2.3
Automotive dealers and service stations	1,974	2,047	2,164	2,192	2,205	2,214	2,239	75	3.5
New and used car dealers	883	926	984	996	999	1,002	1,013	29	2.9
Apparel and accessory stores	1,130	1,141	1,131	1,117	1,098	1,087	1,077	-54	-4.8
Furniture and home furnishings stores	802	846	923	937	945	953	965	42	4.6
Eating and drinking places	6,699	6,924	7,134	7,200	7,183	7,246	7,259	125	1.8
Miscellaneous retail establishments	2,450	2,497	2,595	2,601	2,606	2,613	2,625	30	1.2
Finance, insurance, and real estate ..	6,635	6,856	6,934	6,931	6,926	6,947	6,990	56	.8
Finance	3,175	3,289	3,319	3,312	3,305	3,311	3,335	16	.5
Depository institutions	2,084	2,088	2,071	2,066	2,059	2,050	2,049	-22	-1.1
Commercial banks	1,486	1,499	1,497	1,498	1,491	1,488	1,491	-6	-.4
Savings institutions	337	320	297	291	286	280	275	-22	-7.4
Nondepository institutions	422	484	485	476	476	488	503	18	3.7
Security and commodity brokers ..	449	491	528	531	528	529	534	6	1.1
Holding and other investment offices	220	226	235	239	242	244	250	15	6.4
Insurance	2,162	2,225	2,235	2,235	2,239	2,246	2,254	19	.9
Insurance carriers	1,505	1,550	1,541	1,535	1,535	1,540	1,543	2	.1
Insurance agents, brokers, and service	657	675	694	700	704	706	711	17	2.4
Real estate	1,298	1,342	1,381	1,384	1,382	1,391	1,401	20	1.4
Services ¹	29,442	30,634	32,019	32,385	32,654	32,951	33,170	1,151	3.6
Agricultural services	492	540	583	580	583	587	596	13	2.2
Hotels and other lodging places	1,577	1,614	1,610	1,615	1,618	1,635	1,627	17	1.1
Personal services	1,121	1,141	1,139	1,155	1,148	1,140	1,138	-1	-.1
Business services	5,467	5,902	6,445	6,546	6,565	6,675	6,773	328	5.1
Services to buildings	809	833	867	870	867	881	891	24	2.8
Personnel supply services	1,719	2,033	2,365	2,411	2,371	2,412	2,450	85	3.6
Help supply services	1,497	1,792	2,101	2,143	2,097	2,133	2,169	68	3.2
Computer and data processing services	857	910	983	1,006	1,037	1,062	1,090	107	10.9
Auto repair, services, and parking ..	893	935	995	1,010	1,018	1,028	1,045	50	5.0
Miscellaneous repair services	352	339	337	342	341	342	343	6	1.8
Motion pictures	407	420	518	563	591	599	593	75	14.5
Amusement and recreation services	1,210	1,279	1,370	1,404	1,481	1,516	1,485	115	8.4
Health services	8,594	8,850	9,097	9,169	9,229	9,296	9,380	283	3.1
Offices and clinics of medical doctors	1,484	1,516	1,557	1,570	1,581	1,592	1,608	51	3.3
Nursing and personal care facilities	1,546	1,616	1,664	1,676	1,684	1,698	1,712	48	2.9
Hospitals	3,772	3,772	3,785	3,797	3,810	3,820	3,835	50	1.3
Home health care services	419	504	581	595	601	616	626	45	7.7
Legal services	916	925	929	932	930	930	930	1	.1
Educational services	1,669	1,756	1,849	1,857	1,876	1,892	1,894	45	2.4
Social services	1,999	2,106	2,225	2,254	2,271	2,270	2,294	69	3.1
Child day care services	459	481	511	517	522	530	525	14	2.7
Residential care	545	580	617	626	633	638	641	24	3.9
Museums and botanical and zoological gardens	74	77	80	81	81	82	83	3	3.8
Membership organizations	2,000	2,045	2,065	2,060	2,060	2,064	2,058	-7	-.3
Engineering and management services	2,493	2,534	2,606	2,647	2,690	2,722	2,760	154	5.9

Table 1. Continued—Employees on nonfarm payrolls by industry, seasonally adjusted quarterly averages, 1992–95

(Numbers in thousands)

Industry	1992 IV	1993 IV	1994 IV	1995				Change, IV 1994– IV 1995	
				I	II	III	IV ¹	Level	Percent
Engineering and architectural services	746	761	787	794	800	804	813	26	3.3
Management and public relations	670	695	737	762	794	816	834	97	13.2
Government	18,708	18,939	19,230	19,237	19,262	19,316	19,313	83	.4
Federal	2,946	2,901	2,855	2,832	2,832	2,824	2,798	-57	-2.0
Federal, except Postal Service	2,169	2,099	2,022	1,998	1,992	1,980	1,945	-77	-3.8
State	4,437	4,513	4,594	4,607	4,607	4,602	4,596	2	(²)
Education	1,806	1,850	1,890	1,898	1,910	1,922	1,917	27	1.4
Other State government	2,631	2,663	2,704	2,709	2,697	2,680	2,680	-24	-9
Local	11,325	11,525	11,780	11,797	11,823	11,891	11,919	139	1.2
Education	6,271	6,395	6,550	6,589	6,610	6,679	6,673	123	1.9
Other Local government	5,054	5,130	5,230	5,208	5,214	5,212	5,246	16	.3

¹Includes other industries, not shown separately.
² Less than 0.05 percent.

P = preliminary.

sists mostly of temporary help agencies—increased by about 20 percent a year during the 1993–94 period. In 1995, however, job growth slowed substantially, to only about 3 percent; in a slower-growth economy, employers' need for temporary help typically declines.

In contrast, the pace of expansion in the computer and data processing industry (another component of business services) accelerated in 1995. This industry is involved in supplying computer programming services, designing and producing computer software, developing computer systems, and collecting and processing data. Not surprisingly, employment in this industry has been trending upward since the early 1970's, when BLS first began collecting data for it. After growing by 11 percent in 1995, employment in this highly specialized industry now accounts for about 1 percent of total payroll employment.

Health services employment rose by 283,000, or 3.1 percent, in 1995. This rise, both in number and percent, was in line with those of the prior 3 years but was smaller than those recorded in the late 1980's and early 1990's. Much of the strength during that earlier period was in hospitals, which accounted for about one-third of the health services increase each year. Net job gains in hospitals had all but stopped in 1993, but resumed in 1994 and accelerated in 1995, accounting for 18 percent of the total increase in health services over the last year. In other components of the health services industry, the employment rise in home health care services in 1995 was the smallest in 6 years, and job increases at doctors' offices and nursing homes occurred at a slightly slower pace than in prior years.

Elsewhere in the services industry group, employment growth in management and public relations services has accelerated in recent years—the 1995 increase was, in fact, twice that recorded in 1994. In contrast, employment gains slowed

in agricultural, educational, and social services and in motion pictures during 1995.

Manufacturing. The number of factory jobs declined by about 140,000 over the year ending in the fourth quarter of 1995, continuing the long-term downward trend that started in 1979. There have been periods since 1979, however, during which factory employment increased modestly. The most recent of these began in the fall of 1993. In the ensuing 1–1/2 years, manufacturing employment rose by about 470,000, to 18.5 million in the first quarter of 1995. Since then, however, the Nation's factories have lost nearly a quarter of a million jobs, with declines occurring in most of the component industries.

The factory workweek and overtime hours in manufacturing also decreased during 1995. Both of these measures had been trending upward since mid-1991, and had held at very high levels for much of 1994. Weekly factory hours and overtime peaked in the first quarter of 1995 at 42.1 and 4.8 hours, respectively. In the second quarter, the workweek and overtime decreased and then held steady at about 41.5 and 4.4 hours throughout the remainder of the year.

Most of the decline in manufacturing employment occurred in the nondurable goods industries. The largest losses occurred in apparel and textile mill products, as the long-term decline in these industries continued. Employment losses also continued in chemicals, petroleum, leather, and tobacco products. Employment showed no net change during 1995 after rising in prior years in the rubber products and printing industries.

Employment losses also occurred in the durable goods industries during 1995, but offsetting increases in two relatively large components resulted in an overall rise of 31,000. The increases occurred in the electronic equipment and industrial machinery industries (42,000 and 57,000, respectively), con-

tinuing the upward trends that began in 1993.

Factory employment related to construction—such as that in the lumber and wood products industry—declined during 1995, despite some modest strength in construction activity during the last half of the year.³ Construction-related manufacturing employment had been rising during the prior 3 years, as new home construction trended upward. Employment in the furniture and fixtures industry followed a similar path; after rising since mid-1991, it, too, declined during the past year. Although this industry does not directly produce inputs for construction, its health is clearly related to residential construction activity, as half of its employment is devoted to the manufacture of household furniture.

Employment declines continued during the past year in many durable goods industries that are dependent upon defense procurement, such as aircraft and guided missiles and space vehicles.⁴ Employment in these and other defense-dependent manufacturing industries has been decreasing since mid-1989, when large cutbacks began in military spending.

Elsewhere in durable goods manufacturing, the number of workers employed in motor vehicles and equipment was unchanged, on net, during 1995 following substantial gains in the prior year. The 1995 weakness reflected a drop in automobile production from levels reached a year earlier. In addition, the number of jobs in the manufacturing industries that supply inputs to auto manufacturing, such as flat glass, showed no net change in 1995 after rising in previous years.⁵

Retail trade. Retail trade employment growth in 1995 was about half that in the prior 2 years—271,000 compared to an average of more than 600,000 in 1993 and 1994. As retail sales softened, employment growth slowed in many component industries, while others posted declines. The only exception was food stores, in which hiring occurred at about the same pace as in the prior 2 years.

Employment in eating and drinking establishments, which accounts for about one-third of all retail trade jobs, rose by 125,000 over the year. This pace of job growth was much slower than during the prior 3 years, during which annual gains of more than 200,000 were posted. In addition, the pace of employment growth in 1995 was at most half that of the prior year in new and used car dealers, furniture stores, and building and garden supply stores. In contrast, employment declines continued in apparel and accessory stores, totaling a particularly large 54,000 over the past year. Since the end of 1989, about 125,000 jobs have been lost in this industry (despite a small over-the-year rise in 1993). Over-the-year decreases also occurred in general merchandise stores for the first time since 1991.

Construction. Over the year ending in the fourth quarter of 1995, construction employment rose by 162,000, an increase

that was less than half that of the prior year (354,000). There was a large increase (seasonally adjusted) in the first quarter of 1995, which reflected unusually mild weather across most of the United States and, thus, fewer winter layoffs than is typical and earlier-than-normal spring hiring. Employment growth was quite weak in subsequent months but, by year's end, there was some indication of renewed strength in construction activity. Declines in mortgage interest rates and increases in building activity that had started earlier in the year translated into small construction job gains in the fall and winter (seasonally adjusted) of 1995. Virtually all of the over-the-year rise was among special trade contractors.

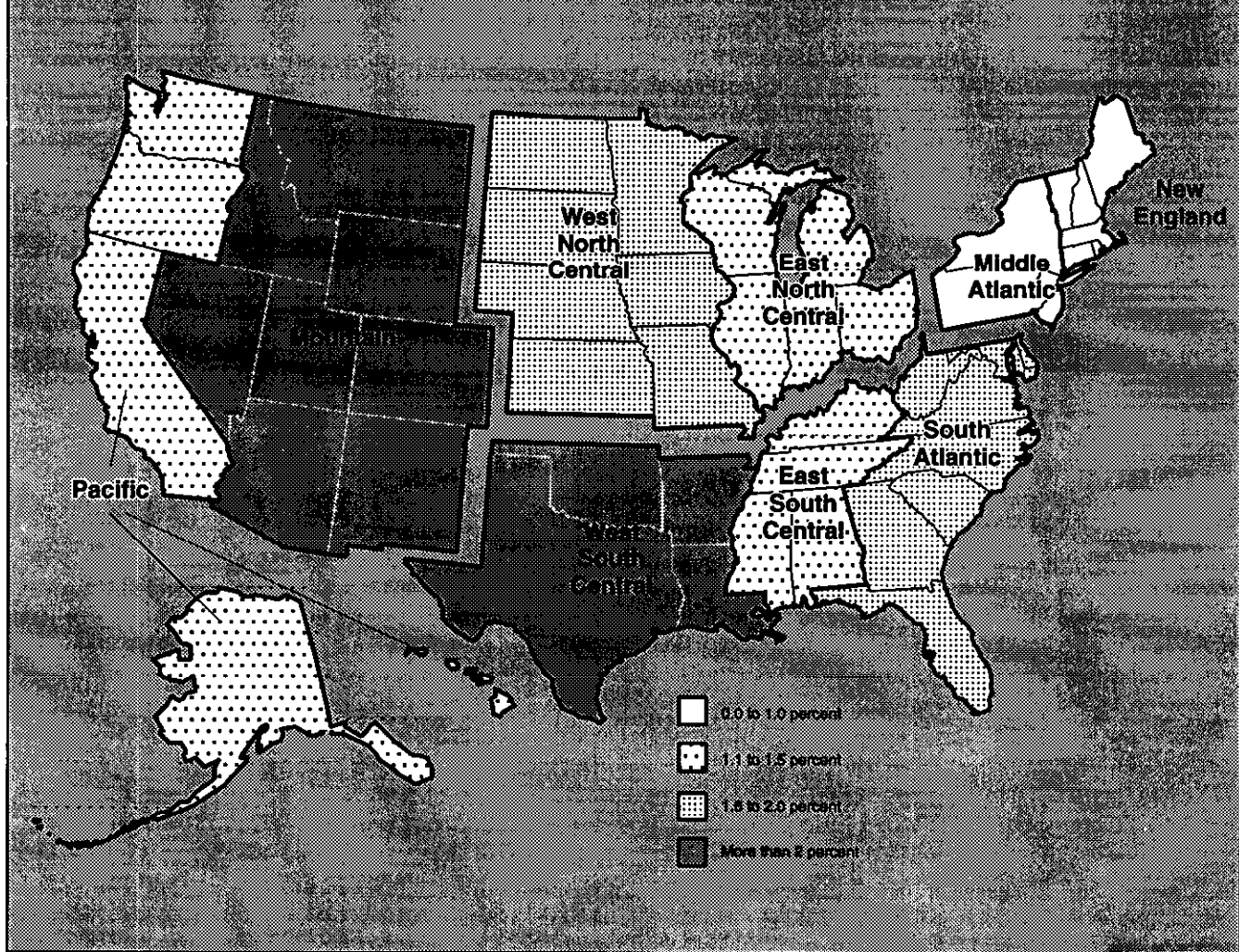
Finance, insurance, and real estate. Employment in the finance, insurance, and real estate industry group rose by 56,000 in 1995. This gain was slightly less than the 1994 increase, but only about one-fourth the rise posted in 1993, when mortgage interest rates were at a 20-year low. During that year, employment rose rapidly in finance and real estate, as many homeowners refinanced their mortgages and prospective purchasers rushed to buy homes. In 1994, mortgage rates began to rise. Although they declined again in 1995—falling nearly to levels reached 2 years earlier—employment gains in industries closely tied to changes in interest rates were weaker during the past year than in 1993.

In 1995, real estate employment grew at about half the rate of the prior 2 years, as sales of both new and existing homes were below their 1994 levels. Employment in finance also was quite weak: declines during the first half of the year were followed by modest job increases, so that, on net, finance employment grew by 16,000 in 1995. Strength in the latter half of the year occurred among mortgage bankers, investment offices, nondepository institutions, and security brokers, while losses occurred over the entire year in depository institutions, commercial banks, and savings institutions.

Government. Overall, government employment rose by 83,000 during the past year. Most of this gain occurred in education as hiring at schools and universities continued at both the State and local levels during 1995, though at slower rates than in the prior year. Among the noneducational components, State and local government employment showed no net job growth during the year.

Civilian employment in the Federal Government (excluding Postal Service workers) continued to decrease in 1995. The drop of 77,000 was in line with those posted over the prior 2 years—70,000 in 1993 and 77,000 in 1994. The employment declines in the earlier years reflected the large number of military base closings during that period. In 1995, consolidation of Armed Forces worksites slowed, but Federal Government downsizing continued with the use of buyouts, early retirements, and hiring freezes.

Chart 3. Percent change in nonfarm payroll employment by census region and division, fourth-quarter 1994 to fourth-quarter 1995 (seasonally adjusted)



Regions⁶

Nonfarm payroll employment rose in all regions of the United States during 1995. (See chart 3.) The largest increase occurred in the South as substantial gains in the West South Central division, fueled by advances in services, construction, trade, and government, outweighed sluggish growth in the East South Central States. Substantial employment growth also occurred in the Mountain States, where job growth was spurred by sharp population increases. The slowest employment growth by far occurred in the New England and in the Middle Atlantic States, where job gains have been so sluggish that employment has not yet returned to the levels posted just prior to the recession in 1990.

As might be expected, employment developments among the major industries varied across the regions. For example,

services and trade accounted for the majority of the 1995 job growth in all four census regions (and all divisions). Employment in construction and government rose in 3 of the 4 census regions. In the Northeast, however, the number of construction jobs was about unchanged and government employment declined. By contrast, manufacturing employment rose modestly in the Midwest while edging down in the other three regions.

The workers

Total employed

According to the survey of households (Current Population Survey), the total number of employed persons grew by about 730,000 in 1995, reaching 125.1 million in the fourth quarter.

This estimate of employment differs from that of total nonfarm payroll employment (which is based on information collected from employers) largely because of conceptual and methodological differences between the two surveys. (For a brief discussion of the differences in coverage between the surveys, see the box note on p. 14.)

Adult women and teenagers accounted for all of the 1995 net increase in total employment. The number of employed adult women grew by 640,000 over the year, while employment of teenagers rose by nearly 160,000. There was little change in the number of employed adult men. Among the major race-ethnic groups, blacks led employment growth with a gain of 450,000, followed by whites and Hispanics. (See table 2.)

The overall employment-population ratio, which is the percent of the civilian noninstitutional population aged 16 and older who are employed, was unchanged over the year at 62.8 percent in the fourth quarter of 1995. This resulted from offsetting movements in the measure for adult men, whose ratio declined, and that for adult women, whose ratio rose. The ratio was little changed for teenagers.

The increase in the employment-population ratio among adult women represents a continuation of their long-term employment growth, which was briefly interrupted by the effects of the 1990-91 recession.⁷ The story for adult men, however, is more complicated. Following more than 3 decades of gradual decline, the employment-population ratio for adult men began to grow slowly in the mid-1980's. As was the case with adult women, this increase was interrupted by the last recession. Since then, the employment-population ratio for adult men has edged up, on balance.

Multiple jobholding. The number of multiple jobholders—workers who hold more than one job at a time—to-

Table 2. Employment status of the civilian noninstitutional population 16 years and older by age, sex, race, and Hispanic origin, seasonally adjusted quarterly averages, 1994-95

[Numbers in thousands]

Characteristic	1994 IV	1995				Change, IV 1994- IV 1995
		I	II	III	IV	
Total						
Civilian labor force	131,696	132,318	132,139	132,440	132,458	762
Participation rate	66.6	66.9	66.6	66.6	66.4	-.2
Employed	124,371	125,012	124,625	124,960	125,104	733
Employment-population ratio ..	62.9	63.2	62.8	62.9	62.8	-.1
Agriculture	3,509	3,643	3,468	3,348	3,346	-163
Nonagricultural industries	120,862	121,369	121,158	121,612	121,759	897
Unemployed	7,325	7,306	7,514	7,480	7,354	29
Unemployment rate	5.6	5.5	5.7	5.6	5.6	.0
Men, 20 years and over						
Civilian labor force	67,324	67,57	67,348	67,226	67,193	-131
Participation rate	76.9	77.2	76.8	76.5	76.3	-.6
Employed	64,051	64,358	64,019	63,999	63,989	-62
Employment-population ratio ..	73.2	73.5	73.0	72.8	72.6	-.6
Agriculture	2,372	2,474	2,323	2,294	2,273	-99
Nonagricultural industries	61,679	61,885	61,696	61,706	61,716	37
Unemployed	3,273	3,219	3,329	3,226	3,204	-69
Unemployment rate	4.9	4.8	4.9	4.8	4.8	-.1
Women, 20 years and over						
Civilian labor force	56,887	57,030	56,984	57,403	57,491	604
Participation rate	59.4	59.4	59.3	59.6	59.5	.1
Employed	54,085	54,237	54,138	54,539	54,724	639
Employment-population ratio ..	56.5	56.5	56.3	56.6	56.7	.2
Agriculture	865	896	848	783	815	-54
Nonagricultural industries	53,220	53,341	53,290	53,756	53,909	689
Unemployed	2,801	2,793	2,846	2,864	2,768	-33
Unemployment rate	4.9	4.9	5.0	5.0	4.8	-.1
Both sexes, 16 to 19 years						
Civilian labor force	7,486	7,711	7,807	7,811	7,774	288
Participation rate	52.5	53.9	54.0	53.6	52.8	.3
Employed	6,235	6,417	6,468	6,421	6,392	157
Employment-population ratio ..	43.7	44.9	44.8	44.0	43.4	-.3
Agriculture	272	273	296	271	258	-14
Nonagricultural industries	5,964	6,144	6,172	6,150	6,133	169
Unemployed	1,250	1,294	1,339	1,390	1,382	132
Unemployment rate	16.7	16.8	17.2	17.8	17.8	1.1
White						
Civilian labor force	111,636	111,902	111,754	112,138	112,019	383
Participation rate	67.2	67.2	67.0	67.1	66.9	-.3
Employed	106,201	106,556	106,193	106,729	106,481	280
Employment-population ratio ..	64.0	64.0	63.7	63.9	63.6	-.4
Unemployed	5,434	5,346	5,561	5,409	5,539	105
Unemployment rate	4.9	4.8	5.0	4.8	4.9	.0
Black						
Civilian labor force	14,589	14,794	14,816	14,731	14,990	401
Participation rate	63.4	64.0	63.9	63.3	64.1	.7
Employed	13,065	13,308	13,272	13,077	13,519	454
Employment-population ratio ..	56.8	57.6	57.2	56.2	57.8	1.0
Unemployed	1,524	1,486	1,544	1,655	1,472	-84
Unemployment rate	10.4	10.0	10.4	11.2	9.8	-.7
Hispanic origin						
Civilian labor force	12,257	12,018	12,157	12,387	12,462	205
Participation rate	66.8	65.3	65.5	66.2	66.1	-.7
Employed	11,138	10,886	11,028	11,248	11,297	159
Employment-population ratio ..	60.7	59.1	59.4	60.1	59.9	-.6
Unemployed	1,118	1,132	1,129	1,139	1,165	47
Unemployment rate	9.1	9.4	9.3	9.2	9.3	.2

Note: Detail for race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

taled an average of 7.7 million, or 6.2 percent of all employed persons, in 1995.⁸ These estimates were about the same as those recorded a year earlier. As shown below, about three-fifths of all “moonlighters” combined a full-time job with a part-time one in 1995:

	Percent		
	Total	Men	Women
Full-time job and part-time job	58.1	64.6	50.4
Two full-time jobs	3.4	4.5	2.0
All part-time jobs	22.1	12.9	32.8
Hours vary on one or more jobs	16.5	18.0	14.7

The proportion of working women who were “moonlighters” was about the same as that for men, and moonlighters of both sexes were more likely to work a combination of full- and part-time jobs than any other job combination. The women, however, were more than twice as likely as the men to work exclusively at part-time jobs. This sort of work arrangement may be preferred by some, particularly mothers, because it can offer greater flexibility in scheduling work hours.

Occupation. Nearly all the employment growth in 1995 occurred among managers and professionals, whose numbers grew by almost 1.3 million to reach 35.7 million, seasonally adjusted, in the fourth quarter of 1995. (See table 3.) Partly offsetting these increases was a decline of about 515,000 in the number of technical, sales, and administrative support workers. Mirroring the decline in manufacturing employment, the number of workers in precision production, craft, and repair also fell, by 175,000, over the year.

Unemployment

Even though job growth was quite modest in 1995, it was sufficient to absorb the supply of labor generated by a slowly growing population. As a result, the unemployment rate and the number of unemployed persons in the fourth quarter of 1995 were about the same as a year earlier—5.6 percent and 7.4 million, respectively. There was little change in the unemployment rates of adult men, adult women, whites, blacks, and Hispanics, while the rate for teenagers rose slightly. (See table 2.)

The current expansion has been somewhat unusual in that the unemployment rate continued to rise for more than a year after the end of the

1990–91 recession, reaching a peak of 7.5 percent in mid-1992. Subsequently, the overall unemployment rate fell by about 2 percentage points before leveling off in 1995 at rates close to those that prevailed prior to the onset of the recession.

Duration. The distribution of the unemployed by the number of weeks they had looked for work changed somewhat over the year ending in the fourth quarter of 1995. About 37 percent of the unemployed had been looking for work for 1 to 4 weeks, and 31 percent had been looking for 15 weeks or more. A year earlier, these proportions had been 35 and 37 percent, respectively. The proportion with very long periods of unemployment—27 weeks or more—edged down to 17 percent. (See table 4.)

Another unusual feature of the current economic expansion is that the proportion of the unemployed who have been jobless for 27 weeks or more has not declined to its usual extent. As noted above, in the fourth quarter of 1995, when the jobless rate stood at 5.6 percent, about 1 unemployed person in 6 had been looking for work for more than 6 months. In 1992, when unemployment was at its peak, 1 in 5 was jobless that long. In 1989, however, when the overall unemployment rate was only slightly lower (5.3 percent) than in fourth-quarter 1995, just 1 in 10 of the unemployed had been looking for work for 27 weeks or more.

Several explanations for this phenomenon have been advanced.⁹ One is that some groups with the greatest extent of long-term unemployment—prime-age workers, managers, professionals, and job losers not on temporary layoff—have comprised an increasing share of total unemployment in recent years. Yet, the fact that workers in virtually all demographic, industry, and occupational groups have stubbornly high proportions of long-term unemployment suggests that this explanation may be incomplete. Others have pointed to the recent redesign of the Current Population Survey itself as having some impact on the estimates of duration. A review of

Table 3 Employed persons by occupational group, seasonally adjusted quarterly averages, 1994–95

Occupation	1994 IV	1995				Change, IV 1994–IV 1995
		I	II	III	IV	
Managerial and professional specialty	34,411	34,725	35,091	35,690	35,734	1,323
Technical, sales, and administrative support	37,744	37,292	37,352	37,634	37,231	-513
Service occupations	16,886	17,000	16,952	16,867	16,942	56
Precision production, craft, and repair	13,586	13,777	13,539	13,412	13,411	-175
Operators, fabricators, and laborers	18,069	18,275	18,061	17,826	18,194	125
Farming, forestry, and fishing	3,740	3,858	3,615	3,546	3,633	-107

the data, however, suggests that the redesign has had little effect on overall duration measures.¹⁰ Finally, some researchers have suggested that the extension of Unemployment Insurance (UI) benefits can lengthen spells of unemployment. But, eligibility requirements for receiving these benefits have been tightened, and the prevalence of extensions of benefits has been sharply reduced due to low aggregate jobless rates. Thus, the actual reasons underlying the continuation of long-term unemployment are not readily apparent.

Regional differences. Mirroring the stability at the national level, unemployment rates in all four regions were little changed over the year. The highest jobless rate in the fourth quarter of 1995 was in the West. In contrast, the Midwest once again had the lowest rate and was, in fact, the only region in which the unemployment rate was below its prerecessionary level. Three divisions—the Northeast's New England, the Midwest's West North Central States, and the West's Mountain States—recorded notable improvements in their unemployment rates. (See table 5.)

Other job market indicators

Unemployment is not the only indicator of job-market conditions. The number of persons employed part time for economic reasons—that is, who work 1 to 34 hours a week because of slack work, business conditions, seasonal slowdowns, and so forth—also is a frequently used indicator. The number of such workers, at about 4.4 million in the fourth quarter of 1995, has held fairly steady since the third quarter of 1994.

Another indicator of labor market conditions is the number of persons in a group referred to as “marginally attached” to the labor force. This group consists of persons who are not in the labor force (currently neither working nor looking for work), but who want a job, have looked for one in the past 12 months, and are available for work. At 1.6 million in 1995, the marginally attached constituted a relatively small group of the 66.3 million total not in the labor force. This was about 210,000 fewer than in 1994. Almost 40 percent of this de-

Table 4. Unemployed persons by reason and duration of unemployment, seasonally adjusted quarterly averages, 1994–95

[Numbers in thousands]

Reason and duration	1994 IV	1995				Change, IV 1994– IV 1995
		I	II	III	IV	
Total unemployed	7,325	7,306	7,514	7,480	7,354	29
Reason for unemployment						
Job losers and persons who completed temporary jobs	3,483	3,450	3,523	3,469	3,488	5
On temporary layoff	886	1,039	1,056	1,032	1,011	125
Not on temporary layoff	2,597	2,411	2,467	2,438	2,476	-121
Job leavers	723	760	840	864	849	126
Reentrants	2,575	2,464	2,588	2,569	2,481	-94
New entrants	582	595	566	587	577	-5
Duration of unemployment						
Less than 5 weeks	540	2,687	2,657	2,727	2,755	215
5 to 14 weeks	2,189	2,202	2,361	2,442	2,386	197
15 weeks and over	2,684	2,317	2,463	2,351	2,300	384
15 to 26 weeks	1,206	1,014	1,165	1,081	1,066	-140
27 weeks and over	1,477	1,302	1,298	1,269	1,234	-243
Median duration, in weeks	9.3	7.9	8.3	8.6	8.1	-1.2
Average (mean) duration, in weeks	18.4	17.1	16.7	16.4	16.3	-2.1

Table 5. Unemployment rates by census region and division, seasonally adjusted quarterly averages, 1994–95

Region and division	1994 IV	1995				Change, IV 1994– IV 1995
		I	II	III	IV	
Northeast	6.0	6.0	6.0	6.1	5.8	-0.2
New England	5.6	5.6	5.4	5.6	4.9	-.7
Middle Atlantic	6.2	6.1	6.2	6.3	6.2	.0
South	5.6	5.1	5.5	5.6	5.6	.0
South Atlantic	5.3	4.6	5.2	5.1	5.4	.1
East South Central	5.3	5.3	5.8	6.2	5.4	.1
West South Central	6.1	5.6	5.8	6.1	6.0	-.1
Midwest	4.7	4.4	4.6	4.6	4.6	-.1
East North Central	4.9	4.6	4.9	4.9	5.0	.1
West North Central	4.2	3.9	4.0	4.0	3.7	-.5
West	6.7	6.4	6.8	6.7	6.7	.0
Mountain	5.1	4.5	5.0	5.2	4.7	-.4
Pacific	7.2	7.1	7.5	7.3	7.5	.3

NOTE: See text footnote 6 for definitions of the census regions and divisions.

cline occurred among a subgroup called “discouraged workers,” who were persons who had stopped looking for work specifically because they believed there were no jobs available for them. In 1995, there were about 410,000 discouraged workers, compared with 500,000 a year earlier. (See table 6.)

Earnings

Payroll survey: hourly earnings

Average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls rose from \$11.25 in the fourth quarter of 1994 to \$11.60 in the fourth quarter of 1995.

Reconciling differences in employment estimates from the Current Population Survey (household survey) and the Current Employment Statistics survey (establishment survey)

The Bureau of Labor Statistics (BLS) maintains two separate monthly data series of employment that are independently obtained. These are: the count of total nonfarm jobs derived from the Current Employment Statistics (CES) survey and the estimate of total employment derived from the Current Population Survey (CPS). The CES survey is an employer-based survey that provides information on the number of jobs by industry, while the CPS is a household survey that provides data by demographic characteristics, occupation, and industry. Each series measures unique aspects of the U.S. employment situation.

Employment estimates from the CPS include persons in any type of work arrangement—including the self-employed and unpaid workers in family businesses—whereas those from the CES survey refer only to persons on nonfarm payrolls. (See text footnote 1 for additional information on the surveys.) As a result, the count of employment from the CPS is larger than that from the CES survey. Partially offsetting the higher estimate from the CPS is the fact that it is a count of persons, and, as such, includes individuals only once, regardless of the number of jobs they hold. In contrast, the CES survey is a count of jobs and includes each job for persons who work in more than one establishment. It is possible, though, to make some adjustments to the CPS employment estimate so that it more closely matches the CES data.

A partial reconciliation of the two series is shown in the table below. It should be noted that the data shown are not

necessarily representative of the difference between the two surveys at all points in the business cycle. There also are some differences in concepts and definitions that are not possible to quantify. For example, the CPS provides information on persons aged 16 and older. In the CES survey, any person who appears on a payroll record, regardless of age, is counted as employed.

Technical differences in the surveys' methodology and coverage also preclude a perfect reconciliation of the two employment series. The reference period for the CPS is the week that includes the 12th day of the month while, for the CES survey, it is the pay period that includes the 12th of the month. Obviously, pay periods vary in length and can be longer than 1 week. It is therefore possible for the CES survey estimate of employment to reflect a longer reference period than that used for the CPS.

Survey coverage in the CPS includes household members who are part of the civilian noninstitutional population. Persons who are inmates of institutions, such as penal or mental facilities and homes for the aged, and those who are on active duty in the Armed Forces, are excluded from the survey. Also, only households that are in the United States are eligible to be sampled in the CPS. The coverage of the CES survey, in contrast, is broader. Military personnel who hold civilian jobs and persons who commute into the United States from Mexico or Canada and are employed by companies within the United States are counted as employed in the CES estimate.

**Reconciliation of employment estimates from the CPS and the CES survey, not seasonally adjusted
(In thousands)**

	<i>Fourth-quarter</i>		<i>Over-the-year change</i>
	<i>1994</i>	<i>1995</i>	
CPS employment estimate	124,783	125,571	788
Less: Agricultural employment	3,429	3,264	-165
Nonagricultural:			
Self-employed workers	8,948	8,930	-18
Unpaid family workers	120	100	-20
Private household workers	966	961	-5
Unpaid absences from work	1,500	1,448	-52
Plus: Multiple jobholders	4,826	5,032	206
Agricultural services	740	706	-34
Adjusted CPS employment	115,386	116,606	1,220
CES survey employment estimate	116,219	118,099	1,880

Table 6. Persons not in labor force by desire and availability for work, age, and sex, annual averages, 1994-95

[Numbers in thousands]

Category	Total		Age						Sex			
			16 to 24 years		25 to 54 years		55 years and older		Men		Women	
	1994	1995	1994	1995	1994	1995	1994	1995	1994	1995	1994	1995
Total not in labor force	65,758	66,280	10,937	10,922	18,720	18,854	36,101	36,503	23,538	23,818	42,221	42,462
Want a job now ¹	6,218	5,670	2,302	2,115	2,930	2,808	985	947	2,449	2,282	3,769	3,388
Searched for work in previous year ²	2,630	2,384	1,040	963	1,319	1,172	272	250	1,138	1,050	1,492	1,334
Not available to work	823	791	400	397	379	350	44	45	308	302	515	490
Available to work	1,807	1,593	639	566	939	822	228	205	830	749	977	844
Reason not currently looking:												
Discouragement over job prospects ³	500	410	143	108	278	231	79	72	296	245	204	166
Reasons other than discouragement	1,307	1,182	496	458	661	591	149	133	534	504	772	679
Did not search for work in previous year	3,588	3,286	1,263	1,153	1,611	1,436	714	697	1,311	1,231	2,277	2,054
Do not want job now ¹	59,540	60,610	8,635	8,807	15,790	16,246	35,116	35,557	21,089	21,536	38,452	39,074

¹ Includes some persons who are not asked if they want a job.

² Persons who had a job in the prior 12 months must have searched since the end of that job.

³ Includes those who believe that no work is available, that they could not

find work, that they lack necessary schooling or training, or that an employer would think they were too young or too old, and persons giving other reasons for discouragement.

This represents about a 3-percent increase in workers' earnings over the year, compared to a 2.8-percent rise in the previous year.

The following tabulation shows average hourly earnings on a quarterly basis and the quarter-to-quarter percent change in the earnings levels:

	1994		1995		
	IV	I	II	III	IV
Average hourly earnings	\$11.25	\$11.32	\$11.40	\$11.51	\$11.60 ^p
Percent change from prior quarter9	.6	.7	1.0	.8 ^p

^p = preliminary.

Household survey: weekly earnings

Median weekly earnings of full-time wage and salary workers rose in 1995 to \$479. (See table 7.) This was an increase of 2.6 percent over the 1994 figure. Over the same period, the cost of the average market-basket of goods and services purchased by the typical consumer rose 2.8 percent, as measured by the Consumer Price Index for All Urban Consumers (CPI-U). Men's median earnings rose at a somewhat faster clip than those of women, an unusual development in recent years. Consequently, women's median earnings as a percentage of men's edged down from 76.4 to 75.5 percent.

While median weekly earnings rose for all the major occupational groups, the increase was greatest for those with the highest earnings and smallest for those who earn the least. For example, median weekly earnings of executives, administrators, and managers (\$684), and technicians and related support workers (\$558) rose by 4.0 and 4.5 percent, respectively, in 1995. By contrast, median earnings for professional specialty workers (\$718) grew by 1.8 percent. At the other end of the wage spectrum, the median weekly earnings of service workers (\$299) grew by less than 2 percent.

Summary

As the pace of economic activity moderated in 1995, job growth slowed. Nonetheless, it was enough to absorb the small increase in the supply of labor, with the result that the unemployment rate remained at about the same level it had reached at the end of 1994.

In the first quarter of 1995, employment grew at a brisk pace but, as the economy began to slow, job gains fell sharply. Employment growth continued at a much more moderate pace for the balance of the year, so that, by the fourth quarter, nearly 1.9 million jobs had been added to the Nation's payrolls. By comparison, in the fourth quarter of 1994 alone, payroll employment had grown by 1.1 million. Most of the job gains in 1995 were in the services

Table 7. Median usual weekly earnings of full-time wage and salary workers by sex and occupation, annual averages, 1994-95

Sex and occupation	1994	1995	Percent change, 1994-95
Total	\$467	\$479	2.6
Men	522	538	3.1
Women	399	406	1.8
Women's earnings as a percent of men's	76.4	75.5	-1.3
Executive, administrative, and managerial	658	684	4.0
Professional specialty	705	718	1.8
Technicians and related support	534	558	4.5
Sales occupations	450	454	0.9
Administrative support, including clerical	392	399	1.8
Service occupations	294	299	1.7
Precision production, craft, and repair	504	519	3.0
Operators, fabricators, and laborers	373	380	1.9
Farming, forestry, and fishing	282	287	1.8

industry group. Manufacturing employment, which had been rising since the fall of 1993, began to decline in the spring, and by the end of 1995, that industry group had lost nearly a quarter of a million jobs. Employment increased in most of the other major industry groups, even though declines in some of their component industries partly offset gains in others. □

Footnotes

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¹The Current Employment Statistics (CES) survey conducted by the Bureau of Labor Statistics collects information on payroll employment, hours, and earnings from about 390,000 nonfarm business establishments containing over 47 million workers. The Current Population Survey (CPS), a nationwide sample survey conducted for the Bureau of Labor Statistics by the Bureau of the Census, collects information about the demographic characteristics and employment status of the noninstitutional population aged 16

and older. In January 1996, the CPS sample was reduced from about 60,000 households to approximately 50,000 households. Fourth-quarter data from the CES survey are preliminary.

Both surveys include persons working in the private and public sectors. Self-employed workers are persons who work for profit or fees in their own business, profession, trade, or farm. Unpaid family workers are persons who work 15 hours a week or more in a family-owned business or farm without pay.

²These estimates are revised each year when benchmark data for employment are available from administrative records. Preliminary indications are that the benchmark revisions to be released in June 1996 will raise the level of employment for March 1995 by approximately 590,000, and increase employment growth for the first quarter of 1995 by about 150,000. The impact on estimates of growth for the remaining quarters of 1995 is expected to be minimal.

³Manufacturing industries related to construction are those for which the majority of workers are devoted to the production of goods for construction.

⁴Manufacturing industries dependent on defense are those for which the majority of workers were devoted to the production of goods for defense in 1987, when defense purchases peaked.

⁵Manufacturing industries related to automobiles are those for which the majority of workers are devoted to the production of goods for automobiles.

⁶The four census regions of the United States are the Northeast, South, Midwest, and West. Within the Northeast, the New England division includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; and the Middle Atlantic division includes New Jersey, New York, and Pennsylvania. Within the South, the South Atlantic division includes Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; the East South Central division includes Alabama, Kentucky, Mississippi, and Tennessee; and the West South Central division includes Arkansas, Louisiana, Oklahoma, and Texas. Within the Midwest, the East North Central division includes Illinois, Indiana, Michigan, Ohio, and Wisconsin; and the West North Central division includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota. Within the West, the Mountain division includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and the Pacific division includes Alaska, California, Hawaii, Oregon, and Washington.

⁷See Howard V. Hayghe, "Are women leaving the labor force?" *Monthly Labor Review*, July 1994, pp. 37-39, for a brief discussion of women's labor force participation trends.

⁸This section on multiple jobholding analyzes annual average data. For more information on this subject, see an upcoming article by John E. Stinson in the *Monthly Labor Review*.

⁹See *Issues in Labor Statistics*, "Long-term unemployment remains high during recovery," Summary 95-11 (Bureau of Labor Statistics, September 1995).

¹⁰For a discussion of issues involved in comparability of unemployment rates before and after the redesign of the Current Population Survey, which was effective in January 1994, see Anne E. Polivka and Stephen M. Miller, "The CPS After the Redesign: Refocusing the Lens," Paper presented at the Conference on Research in Income and Wealth, December 15-16, 1994, Washington, DC.