

COMMENTS ON PAPERS PRESENTED AT A SESSION ON
"LABOR FORCE MEASUREMENT AND INTERPRETATION"

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The papers presented here, with their impressive display of knowledge about the labor force, suggest how much we know now about this subject, despite constant reference to the areas of our ignorance. Dr. Bancroft concludes with a suggestion for the next Golden Age of research in labor force measurement. The implication of this phrase is that the last twenty years have themselves been a sort of a Golden Age for this field. That is certainly true and, at the same time, is no small tribute to the Chairman of our session. If I may quote from a forthcoming paper by my colleague Albert Rees:

"The person who more than any other has been at the forefront of this effort is Dr. Gladys Palmer of the University of Pennsylvania and the Office of Statistical Standards of the Bureau of the Budget. I know of no one who can be at a statistical forefront less obtrusively or more effectively."

We are all deeply indebted to Dr. Palmer.

The papers by Drs. Wolfbein and Bancroft are substantive in nature and the one by Dr. Martin procedural. Let me start with a few comments on procedural matters.

I would like to add to Martin's informative description of the transfer of the Monthly Report on the Labor Force from Census to Labor a footnote for the political scientist, a note of clarification for the user, and a plea for the Department of Labor.

Martin makes the switch sound so reasonable that one is tempted to accept hers as a complete explanation. In that case, the political scientist must assume that the Secretary of Commerce either does not care about the scope of his activities or is a very poor bargainer. I have heard by the grape-vine that he was neither of these and that part of the explanation for the switch, or at least for its timing, must be found in a move in the other direction of another statistical program. I will leave it to the ingenuity of political scientists to find out what program it was.

For the user, I must add a note of caution. If you are one of those who received the old Census publication, are now on the list for the Department of Labor release, and intend to file what you receive for some months and then dive into the pile to unearth your favorite tabulation, beware! The new release does not carry all the old information. For the full story, you must look in Employment and Earnings, published a little later and available at a price.

My plea is that the Department of Labor not overreconcile the results of its various series on unemployment and non-agricultural

employment. Two independent readings on the labor market are useful to analysts. Each has its area of strength and weakness. Of course, where true explanation of differences is possible, that explanation is useful. There is always a temptation, however, to somehow smooth over differences "so as not to confuse the public". It seems to me that too much can be made of this public relations point. If different readings give different answers, it is useful to analysts to know about that.

Martin also mentions the work now going forward on improving the seasonal adjustment of unemployment. This has always presented a ticklish public relations problem for the publishing agency and I suppose that accounts for the fact that, officially, we now adjust an unemployment rate rather than unemployed people. As is generally recognized, however, this method leaves much to be desired when unemployment is changing rapidly. There are strong arguments for first adjusting the various figures themselves and then computing a seasonally adjusted rate from these figures. I hope that the Budget Bureau is considering these arguments.

Finally, I should like to endorse Martin's call for emphasis on improving estimates of local unemployment as preferred to further fussing with the questionnaire used by the Monthly Report on the Labor Force. Local unemployment presents some sharp policy issues and our factual information about the localities involved is shaky indeed. It would be desirable to have more information before legislation is passed on depressed areas; but if this does not come to pass, then we must have in any such legislation provision for improvement in our knowledge about local unemployment.

Bancroft and Wolfbein together offer 1,967 neatly organized and perceptive observations about the labor force. My sample check on the accuracy of their reporting shows that there are 99 chances out of 100 that 99.9 percent of these observations summarize accurately the available evidence. I shall say no more about these statements, except that they seem to me to be in the best traditions of reporting by producers of statistics: Careful, apparently descriptive but inclusive of much analysis by virtue of the descriptive categories selected, and close to the data.

I was delighted to hear Wolfbein, as a responsible and key figure in the statistical program about the labor force, urge that gross change data be made available on a regular basis and I trust that his hedging comment was as the instinctive act of a man attuned to the workings of a bureaucracy rather than as a cautious note from a professional statistician. As his paper shows, it is important to present more than the gross rate, as he computed it, or the gross numbers involved. Analysts will want to dis-

aggregate as he has. It is particularly important, I think, to separate flows between employment and unemployment from those between out-of-the-labor-force and unemployment. Those latter figures might usefully be analysed in conjunction with flows between out-of-the-labor-force and employment.

Bancroft's suggestion for the path of future research is related, I think, to this point, for it is those groups with changing and diverse labor force attachments that interest her and whose motives she wishes to measure. How is this to be done? Let me conclude by commenting on this question.

There are two broad approaches, it seems to me. One is illustrated by the M.R.L.F. and Bancroft's paper. It is indirect. It seeks to identify groups within the population that exhibit reasonably stable and common patterns of behavior: mostly in the labor force, mostly out, entering or leaving as a function of some variable such as children under school age. Once we have a group nailed down in this sense, we seem to feel we have solved the motivation problem. Some jump to the conclusion that the descriptive categories carry the explanation of motives. Others are more cautious and are content with the high probabilities they can attach to statements about a group's labor force behavior. At any rate, this approach has taken us a very long way. It commends itself to us,

as a group discussing labor force research conducted by the survey method through Government auspices.

Alternatively, there is the direct approach. Here one seeks knowledge about how individuals have approached and decided on their labor force behavior. It is illustrated, I think, by the local labor market studies conducted primarily by scholars at universities--studies greatly stimulated by the example and counsel of Dr. Palmer. This approach requires that considerable time be spent with individuals, though perhaps the psychologists may develop some useful short cuts for us. At any rate, these studies do not give the kind of solid evidence produced by the M.R.L.F. The results tend to be suggestive rather than conclusive. Nevertheless, they can be most helpful in the design of categories for use by the survey method.

Each of these methods has special advantages that the other cannot duplicate and it is a mistake, I think, to try to force out of one method too great a range of results. The land of interplay between methods that we have had in the past has been productive. It is to this kind of interplay that we should look during the next Golden Age of research in labor force measurement.