

RESEARCH IN LABOR FORCE CONCEPTS

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Following some sharp criticism of the Government's unemployment figures during the 1961 recession, a Committee to Appraise Employment and Unemployment Statistics (the Gordon Committee) was established by President Kennedy. The Committee submitted its report in September 1962, strongly urging that the Government undertake a program of experimentation to sharpen the measurement of unemployment. ^{1/} Although the Committee approved of the underlying concept of unemployment being used, it pointed out that some of the procedures used to measure this concept were inadequate--in particular, they relied in too many instances on volunteered information, and they depended on questions which were not sufficiently detailed.

The Committee acknowledged that no single measure of unemployment that would satisfy all users of the statistics could ever be devised. However, the Committee did see a need for some more reasonable working rules to set the boundaries between the unemployed and those not in the labor force and for detailed classification within each of the two groups so that different users of the statistics could combine the data to fit their particular requirements.

The Committee set forth 5 general criteria to be used in defining the concept of unemployment:

1. The concept should correspond to objectively measurable phenomena and should depend as little as possible on personal opinion or subjective attitudes.
2. The concept should be operationally feasible.
3. The definition used should be readily understood and broadly consistent with the common understanding of these concepts.
4. The definition should not be so inclusive that it yields figures which are difficult to interpret.
5. The concept should reflect the usual market criteria used in measuring the national output--an unemployed person would be one seeking work yielding a monetary reward.

The Committee recommended the establishment of a separate sample for experimenting with a sharpened definition of unemployment, and for testing questions which would yield greater accuracy and more information about all components of the employed, the unemployed, and persons outside the labor force.

^{1/} President's Committee to Appraise Employment and Unemployment Statistics, Measuring Employment and Unemployment, U.S. Government Printing Office, September 1962.

The research sample was placed in operation by the Bureau of Labor Statistics in cooperation with the Census Bureau in April 1964. This sample, which is called the Monthly Labor Survey (MLS), was selected in the same manner as the Current Population Survey (CPS); that is, it is an area probability sample of the entire United States. ^{2/} The initial sample size comprised 8,750 households per month--one-fourth the size of the CPS--located in 105 sample areas, as compared with 357 for the CPS. The sample size was increased in the summer of 1965 to 17,500 households per month distributed among 197 areas. A completely independent staff of interviewers is used in the operation of this sample survey, to avoid any possibility of affecting the continuing CPS results, and to avoid confusion in the enumeration and in the interpretation of the findings. In each month, interviews have been conducted in the same enumeration week as is used for the CPS--the week containing the 19th day of the month--testing various forms of questions relating to employment status during the preceding calendar week--the week containing the 12th. As recommended, the experimental survey has also attempted to test questions designed to increase accuracy in other items and to provide information not previously available.

It should be re-emphasized that the Committee felt that most of the definitions and procedures used to collect the current labor force information through the household survey were well formulated and reasonable. Thus, in large measure, these same concepts and techniques were carried over for use in the MLS. The Committee endorsed the CPS definition of employment, which is based on work activity or job attachment during a specified calendar week. It considered but rejected a number of proposals to change the definitions, such as excluding from the labor force 14 and 15 year olds or persons working very few hours, although it placed great emphasis on the importance of providing separate estimates for these groups so that users could subtract them from the totals. Moreover, even with respect to unemployment, where the definitional problem is concentrated, the Committee gave its approval to most of the concepts underlying the present measurement, for example:

(1) Basing the unemployment definition on current labor market activity or status rather than on need or financial hardship;

(2) Including secondary workers (i.e., persons not permanently attached to the labor force or not the primary earners in their families) as unemployed when they look for work although, again,

^{2/} A detailed description of the CPS sample is presented in Census Technical Paper No. 7, The Current Population Survey: A Report on Methodology, U.S. Bureau of the Census, 1963.

separate identification of such groups was to be made insofar as possible. (The Committee's recommendations that unemployed heads of households and unemployed persons seeking part-time work should be separately identified in the statistics have actually been in effect since January 1963.)

(3) Counting as employed those persons on part time for economic reasons. The Committee commended the BLS for its publication of the labor force time lost index which reflects the combined effect of unemployment and involuntary part-time work for economic reasons.

(4) Including among the unemployed persons on layoff or waiting to start new jobs within 30 days (except those in school).

(5) Including among the unemployed persons who were not working and were looking for work even though:

a. they had rejected previous job offers or were selective in the jobs they were willing to accept;

b. they were discharged for cause or quit their last job to seek another;

c. they might be considered unemployable by certain criteria or under certain labor market conditions.

(6) Keeping the issue of under-employment separate from the definition of unemployment. Extension of research in the area of under-employment was recommended.

In short, according to the Committee's recommendations, the basic concept of unemployment would continue to be persons without jobs who were looking for work.

Research Findings

The report that follows should be regarded as an interim progress report on the research undertaken during the past 18 months. None of the changes in procedure which are being tested has yet been adopted for use in the CPS survey (which provides the only official statistics), nor have any final decisions been made as to which features of the experimental program will be recommended for adoption. Nevertheless, it was thought to be useful at this stage of experimentation to report on what has been learned thus far.

Employment. In the area of employment, only one small definitional change was introduced in the MLS. Included as employed were persons absent from their jobs the entire survey week because of illness, vacation, bad weather, labor dispute, or personal reasons even if they looked for other jobs. In the CPS, persons absent from their jobs who are reported as looking for work are counted as unemployed. This change brings the classification of this small group into line with the treatment of persons who were at work

but looked for other jobs--they are still employed.

The MLS concept--that is, all persons with jobs are employed--probably corresponds more closely to the public impression as to what is being measured in CPS. In order to evaluate the effect of this change, persons absent from their jobs were asked whether they also were looking for work. Results indicate that this change would increase the employed by less than 100,000. 3/

In addition to this single definitional change, questions were tested which yield additional information about the employed or to increase the accuracy of the statistics on the composition of the employed. For example, a question was added to collect information on whether persons with a job but not at work usually work full time or part time at their present jobs. This would permit more complete estimates of the full-time and part-time labor force, by combining this information with the data for those at work, and with the data on whether the unemployed are seeking full-time or part-time work.

Previous research into the problem of obtaining accurate reporting of hours worked 4/ has shown that many persons tend to report usual or scheduled hours rather than hours actually worked during the survey week. In the MLS, a series of probing questions was added to remind the respondent of time taken off during the survey week because of holidays, illness, or personal reasons; of overtime worked; or of hours spent on a second job. Mainly as a result of these probes, the

3/ Data presented in this paper, unless otherwise stated, are averages based on results for the first 6 months of 1965. The use of 6-month averages increases the reliability of the comparisons by reducing the sampling variability. Although most of the present MLS procedures have been followed since August 1964, the 1965 data are more representative of the results that could be expected from MLS because enumerators had gained training and experience and because there have been no further changes in questions or question wording since the beginning of 1965.

4/ At this point it is appropriate to mention that the Gordon Committee also stimulated the creation in the Census Bureau of a continuing field experiment in measurement techniques and related survey problems, including the reporting of hours worked and feasibility of collecting additional data from persons not in the labor force. Following their development in this experimental program, called "The Methods Test," these questions were incorporated into the MLS. This program is described in an article by Robert B. Pearl and Joseph Waksberg, New Methodological Research in Labor Force Measurements, prepared for the 1965 meetings of the American Statistical Association.

number of part-time nonagricultural workers reported in the MLS (those working under 35 hours) has been running some 1.8 million above the CPS level; most of the additional part-time workers (1.6 million) were working short hours for non-economic reasons. The number with overtime hours has been 1.1 million higher in the MLS (see table 1). The number reporting between 35 and 40 hours, on the other hand, was 2.6 million lower in the MLS as compared with the CPS results. Average hours were 39.6 in MLS, 40.0 in CPS.

In the CPS, estimates of the self-employed have been too high because they included some persons who were the operators of small incorporated family enterprises, and regarded themselves as proprietors, rather than as wage or salary workers. The misclassification of these wage and salary workers as self-employed has been one of the major reasons for the discrepancy of some 2 million between household and establishment statistics on wage and salaried workers. In the MLS, an additional question was asked for all persons reported as self-employed in a nonfarm business as to whether the business was incorporated. The effect of this question has been to place the MLS estimate of nonfarm self-employed approximately 1 million below the CPS level, and to yield a correspondingly higher estimate of nonfarm wage and salary workers. The MLS procedure reduces the gap between the household and establishment survey estimates by about 50 percent, on the average.

As noted earlier, the experimental program retained the same basic definition of employment, with the exception of one minor change. It is not surprising, therefore, that comparisons of the MLS and CPS estimates of both total and non-agricultural employment have been well within the expected sampling error.

Unemployment. There is, of course, no question but that the genesis of the Gordon Committee was the criticism of the measurement of unemployment. Much of the criticism at that time, and subsequently, reflects a fundamental misunderstanding of the nature and purpose of the statistics. The assumption underlying most of the attacks on the statistics has been that unemployment must necessarily be equated with need or hardship, whereas the actual basis for the official statistics is that unemployment must be an accurate measure of currently available, unutilized manpower resources. Only by examining the regularly tabulated data on the characteristics of the unemployed is it possible to differentiate unemployed persons with very different kinds of employment and financial problems.

The concepts and methods used in the government's employment and unemployment statistics have been subject to periodic review by technical

committees. In recent years, three outstanding groups of experts--the Stephan Committee, ^{5/} the Review of Concepts Committee, and the Gordon Committee--have thoroughly investigated the concepts and methods and have arrived at the general conclusion that the system currently in use was of a very high quality. All 3 groups, and particularly the Gordon Committee, have suggested the need for a number of significant changes designed to refine the statistics. Many of these improvements have been incorporated into the CPS during the past 10 years. The research carried out over the past year and a half has had as its goal a still more accurate system of measurement.

The definition of unemployment currently in use in the CPS includes all persons 14 years of age and over who did not work during the survey week but were looking for work (or waiting the results of a job application made within the last 60 days). Also counted as unemployed are the following:

- (1) Persons on layoff waiting to return to work.
- (2) Persons waiting to start a new job within 30 days (except those in school).
- (3) Persons who would have been looking for work except that they were temporarily ill, or they believed no work was available in their line of work or in their community. These groups are the so-called "inactive" unemployed.

The information is elicited by asking for persons not reported as working last week, "Was ...looking for work?" Persons on layoff or waiting to start a new job are identified by a question on the reason they did not work at their job last week. This question is directed to those who did not work or look for work but were reported as having a job from which they were absent.

The Committee noted critically that the time period for seeking work is not explicitly spelled out, that no evidence is given that steps were actually taken to look for work, and that for the "inactive" unemployed there were no questions that would elicit the relevant facts. Only if the respondent volunteers the information or raises questions can these groups be identified under present procedures.

The Committee proposed an alternative definition for testing--an unemployed person would be one who did not work during the survey week, but who had looked for work within a specified period of time--30, 45, or 60 days--and who was still available for work. Persons on layoff and those waiting to start new jobs within 30 days would

^{5/} The Measurement of Employment and Unemployment by the Bureau of the Census in its Current Population Survey, Report of the Special Advisory Committee on Employment Statistics, August 1954.

also be counted as unemployed, as they are in CPS. All other persons who had taken no definite steps to find work within the specified time period would be excluded from the unemployed.

One specific approach recommended by the Committee for high priority in the testing as a replacement for the present single question involved asking people who did not work during the survey week whether they wanted to work at the present time, whether they had looked for work within a specified recent period, and what they had done to look for work. Those who wanted to work and who had taken steps to find work would be called unemployed. Persons who were reported as wanting to work but not having looked in the past 4 weeks were asked why they had not looked, in order to identify the "inactive unemployed" who are included in the CPS definition but would not be in the definition to be tested.

The results obtained by this approach appeared to be particularly unreliable. Professional staff who observed their use in actual interviews reported that the question on wanting to work drew affirmative answers that appeared unrealistic, and these were sometimes supported by unlikely claims to work-seeking activities. Moreover, interviewers found the question awkward because in many households the wanting to work seemed to be just a vague hope.

This procedure was thus rejected and a new one adopted for testing that was believed to adhere to the spirit and purpose of the Gordon Committee's recommendations and to yield more objective results. For a person not employed or on layoff during the survey week, information was obtained as to whether he looked for work within the past 4 weeks, what he did to look for work, and whether there was any reason he could not take a job during the survey week. According to this procedure, those who took definite steps to find work within the past 4 weeks are counted as unemployed unless they were not available for work during the survey week. 6/

6/ There would be one minor exception to this rule--persons who looked for work within the past 4 weeks but were not available for work during the survey week because of temporary illness would be included as unemployed. This group is very small, amounting to only 0.1 percent of the labor force.

In MLS, the question on reason for absence from a job was changed to "Did he have a job from which he was temporarily absent or on layoff last week?" This is more explicit, in terms of identifying persons on layoff waiting to be called back than is the CPS question "Even though ...did not work last week, does he have a job or business?" In addition, there is a place on the MLS schedule to record the fact that a person was on indefinite or more-than-30-day layoff. As in the CPS, there is also a specific place to record the fact that a person was on temporary layoff with definite instructions to return to work within 30 days. In both surveys, both types of layoffs are included as unemployed but in the MLS the questioning is more precise.

In contrast to the CPS definition, the MLS definition of unemployment excludes persons who would have been looking for work except for belief that no work was available in the community or in their line of work. The basis for this exclusion is the difficulty of measuring this group on a monthly basis with a reasonable degree of objectivity. A somewhat related but more broadly defined group is identified by a series of questions to be described in detail below, and is broken out as a separate component of the total outside the labor force.

Finally, in order to improve the reporting on duration of unemployment, the MLS includes a question as to the date unemployed persons last worked at a full-time job. This is in addition to the regular CPS question on the number of weeks they have been looking for work. If the time since the last job is shorter than the duration of unemployment as reported, the interviewer asks further questions to obtain the correct answers.

To recapitulate, the definition of the unemployed that is currently being tested in the MLS is: Persons without jobs who took specified steps to look for work in the past 4 weeks and were still available for work in the survey week, plus those waiting to be called back from a layoff, or waiting to start a new job in 30 days (unless in school) and available for work in the survey week.

The following table summarizes the various components of the present definitions of unemployment, and those being tested:

<u>Present definition of unemployed</u>	<u>Definition of unemployed being tested</u>
1. Persons not at work last week but looking for work (time period not specified).	1. Persons not employed (i.e., at work or absent from a job) last week who looked for work during the past 4 weeks and were available for work last week. Some definite work-seeking activity must be reported.
2. Persons waiting to start a new job within 30 days (unless in school).	2. Same - If available for work last week.
3. Persons waiting to be called back from layoff.	3. Same - If available for work last week. Question wording more explicit.
4. Persons who would have been looking for work except for temporary illness.*	4. Unemployed if actually looked for work within the past 4 weeks.
5. Persons waiting to hear the results of a job application made within 60 days.*	5. Unemployed if actually looked for work within the past 4 weeks and were available for work last week.
6. Persons who would have been looking for work except they believed no work was available in their community or line of work.*	6. Not in labor force.

*Classified as unemployed if information is volunteered; no specific question asked or identification made.

The discussion below amplifies the significance of each of the changes in procedure being tested in MLS.

(1) Persons on temporary layoff with definite instructions to return to work within 30 days averaged about 100,000 in both surveys despite the change in question wording.

Persons on indefinite or more-than-30-day layoff ^{7/} averaged 300,000 in the first half of 1965 in MLS. The size of the indefinite layoff group cannot be estimated from CPS.

The MLS data suggest that seasonal cutbacks are responsible for most of the indefinite layoffs under current economic conditions. Persons waiting to be called back from an indefinite layoff averaged only about 100,000 during the summer months of 1964 (June-September), started climbing in October to a peak of nearly 500,000 in February, turned down again in April, and returned to 100,000 by May and June 1965. Only 20 percent of the indefinite layoffs reported unemployment lasting 15 weeks or more. In fact, two-thirds reported less than 2 months of joblessness.

(2) Unemployed persons seeking work at some time during the past 4 weeks and still available for work in the survey week averaged 2.2 million in MLS. The size of this group cannot be estimated from CPS. However, it is a plausible inference that the use of a fixed time period of 4 weeks increases the count of marginal workers among the unemployed. In the June 1965 MLS, it was determined that 650,000 persons who had looked for work in the past 4 weeks, and were still available, did not do anything to find work during the survey week itself. Only 100,000 of these were men in the prime working age groups.

Of course, the CPS (which does not specify the time period for job-seeking activity) also includes some unemployed persons whose work-seeking activities predated the survey week. However, it seems likely that most respondents would assume that the CPS question "Was ...looking for work?" relates to the survey week since it follows 2 questions which specifically mention last week. In any case, since most of the new procedures being tested in MLS tend to reduce unemployment, it must be inferred that the 4-week reference period works in the opposite direction.

(3) The question on current availability in the MLS eliminated an average of 500,000 persons reported as seeking work during the past 4 weeks. Such a question has never been asked in the CPS, but it is certain that some of the persons now reported in the regular survey as looking for work (particularly those in school in the Spring months) would not be available to take a job in the survey week. In MLS, the number of persons eliminated from the group reported looking for work within the past 4 weeks because they could not take a job during the survey week ranged from about 200,000 in January 1965 to about 1 million in June, rising steadily with the approach of school vacations. The insertion of a question on availability changes the seasonal pattern for teenagers, reducing their number sharply in May and June from CPS levels. Such a question would have little effect in the summer, however, whereas the 4-week approach significantly raises teenage unemployment at that time of year.

^{7/} This combined group is referred to hereafter as "persons on indefinite layoff."

Students constituted 85 percent of the persons eliminated from the unemployed in MLS by the availability question. The remainder were unavailable for such reasons as pregnancy, child care, other family responsibilities, personal business, and vacations.

(4) Persons who reported that they had looked for work were asked what they had been doing in the last 4 weeks to find work. (The methods were listed on the questionnaire but were not read to the respondent.) All persons who said they were looking for work reported some specific activity. A substantial proportion (40 percent) reported that they had done more than one thing to find a job.

The most common method used was to check directly with an employer. After that, checking with a public employment agency was most frequently reported (see table 2).

The fact that all work-seekers reported how they looked for work gives some additional assurance that the figures are not inflated. However, the question on methods does not provide any evidence as to how vigorously work was sought.

(5) The experimental definition used in the MLS does not include inactive work-seekers (theoretically counted in the CPS, but without explicit questions) who would have been looking for work except for belief that no work was available. Under the MLS definition such persons are not in the current labor force if they took no steps to find work in the past 4 weeks.

Originally, the inclusion in the definition of unemployment of persons who would have been looking for work except they believed none was available in their line of work or in their community was meant to refer to discouraged workers in stranded areas or occupations. It has always proved a difficult group to measure because of the subjective nature of the concept. Attempts are being made in MLS to identify a somewhat broader group of presumably "discouraged" workers. The definition of the "believe no work available" group has been expanded from the original CPS definition to allow for the inclusion of workers idled by a seasonal lull and those who believe they can't get jobs because of racial discrimination, lack of education, inadequate training, or lack of skills or experience.

The precise quantitative effect of each specific change cannot be measured because the present CPS cannot be broken down in terms of each of the MLS components included in the unemployment definition. On an overall basis, the net effect of all changes in procedure appears to be relatively small. For the first 6 months of 1965, both surveys yielded a jobless level close to 4 million and an unemployment rate of about 5 percent, not seasonally adjusted. The differences in average level and rate between

the two surveys were within sampling error. For adult men 20 years and over, the jobless rates were identical (3.8 percent).

For teenagers, the MLS and CPS rates of unemployment were also within the range of normal sampling variability; both rates were close to 16 percent. The first half year comparison for teenagers, however, was affected by the elimination of a large number from the unemployed in MLS because they were not available for work in the survey week. On an annual average basis, the level of teenage unemployment as estimated by MLS procedures would probably be slightly higher than the CPS level.

For adult women 20 years and over, the MLS rate was consistently higher, averaging 5.6 percent, as compared with 5.0 percent.

Altogether, the new approach brings in more persons seeking part-time jobs: 21 percent of the total in first half 1965 MLS, 16 percent in CPS.

The long-term unemployed were 65,000 fewer in MLS, probably because of corrections made in the reported duration of unemployment as a result of the additional question on date last worked.

Persons not in the labor force. The Gordon Committee was strongly in favor of obtaining more information relating to persons not in the labor force. Their past work experience, reasons for leaving their last job, and their intentions to look for work again all were suggested as useful facts in helping the analyst understand the dynamics of the labor force.

Since the situation for the vast majority of people not in the current labor force remains unchanged for long periods of time (e.g., the disabled, the retired, mothers of very young children), these questions are not appropriately asked of the same individuals month after month.^{8/} Accordingly, additional questions to be asked of this group were designed for use in households entering the sample for the first time or returning to the sample for their second four-month period of interviewing. Thus, on a monthly basis, this information would be available for one-fourth of the sample, which could be adjusted to represent the universe or, preferably, could be accumulated over several months.

The test questions developed in the experimental program include determining when each person not in the labor force last worked at a regular full- or part-time job. For those who worked within the past 5 years, the reason for leaving and the occupation and industry of that job are recorded. Everyone is asked whether he intends to look for work in the next 12 months,

^{8/} Households selected for the sample are interviewed for 4 consecutive months, drop out for 8 months, and then return for an additional 4 months of enumeration.

and if the answer is "yes", "probably", or "maybe", why he is not looking for work now.

Beginning in July 1965, all those whose last job was terminated because of economic reasons (for example, completion of a seasonal job or temporary nonseasonal job or because of slack work or business conditions) are asked why they are not looking now, even if they indicate no intention to look for work.

Based on an average of the results for the first six months of 1965, the test questions show that almost 15 percent of the persons not in the labor force (excluding those reported as unable to work)--some 8.5 million persons in all--say that they will or may look for work in the next 12 months. About one-third of this group never held a regular job and one-fifth had not held a regular job for more than a year.

Slightly under half of those planning to look for work--about 3.8 million--had in fact worked within the past 12-month period. On the basis of the answers given as to why they left their last job within the year, it appears that for about 1 million or one-fourth of the group, the last job was terminated for economic reasons--for example, it was a seasonal or temporary job, work was slack, or the company merged or went out of business. Relatively few of this group (about 200,000) were adult men; nearly a third were teenagers, many of whom it may be assumed were reporting on summer employment.

To date, the results of these experimental questions do not suggest that a very large number of persons on the margin of the labor force have been discouraged from looking for work because they believe no jobs are available. ^{9/} Of the total who intend to look in the next 12 months, only 100,000 were not looking at the time of the interview because of this reason; almost 5 million were in school and most of the remainder mentioned such factors as illness and family or household responsibilities (see table 3).

From the questions on when persons last worked, it was learned that about one-third of the persons not in the labor force, some 18.5 million, had worked at a regular job in 1960 or later. Most of those who had worked since 1960 had left their last jobs for noneconomic reasons--ill health, retirement or voluntary reasons--but about one-sixth (3.2 million) gave reasons that suggested that the job was terminated for seasonal or "economic" reasons. The age distribution of this group is shown in table 4. Of particular significance is the fact that only 300,000 of these persons were adult men 20 to 64 years of age.

Conclusions

To date, then, the experimental program through the use of the MLS has developed tech-

^{9/} The modified procedure adopted in July will, of course, yield a somewhat higher estimate.

niques which will lead to improvements in measures of hours worked, the self-employed, and the duration of unemployment. Questions have been developed which expand the amount of information available about persons not in the current labor force. The MLS classification of persons with jobs who looked for others during the survey week seems to be more logical and more in line with the underlying concepts--all persons with jobs are employed and the unemployed are the jobless seeking work.

With respect to unemployment, the experimental program has incorporated two fairly non-controversial Gordon Committee suggestions--the inclusion of specific question wording to identify persons waiting to be called back from a layoff and a specific question to determine the steps unemployed persons took to find work.

The most far-reaching features of the definition of the unemployed used in the MLS testing program are:

- (1) Spelling out the time period and fixing it at 4 weeks.
- (2) Injecting a test of current availability.
- (3) Shifting persons who believe no work is available out of the labor force.

All 3 of these proposals move in the direction of implementing the Gordon Committee's recommendations that the definitions be made more precise and objective. These aspects of the experimental definition sharpen the distinction between the unemployed and persons not in the labor force by establishing specific rules for classification, at the same time minimizing the need for probing and sophisticated judgment by the enumerator.

It was believed desirable in the testing program to experiment with a time period for job-seeking beyond the survey week itself since, by its very nature, jobhunting does not necessarily involve specific identifiable activity every day or every week. The more typical pattern of behavior probably involves periods of activity (i.e., checking with employers) followed by periods of waiting. Some forms of looking are continuous, i.e., registration with public employment agencies, but others are not.

The 4-week cutoff is at the lower limit of the various alternatives suggested by the Gordon Committee. This was done for 3 reasons: (1) to minimize the inclusion of persons with very loose attachments to the labor force, (2) to keep the time reference for jobseeking from getting too far out of line with that of jobholding, (3) to minimize the memory problem.

Results obtained so far indicate that spelling out the time period at 4 weeks and the other MLS procedures do not have any significant net effect on the count of unemployed adult men.

Since they are for the most part family breadwinners or at least responsible for their own support, they are likely to be seeking work intensively when not employed and can be readily identified by any reasonable set of questions. This pattern is reinforced by the social pressure on adult males to seek work, so that even those who do not look very actively are probably reported as looking for work.

Specifying the time period at 4 weeks appears to operate in the direction of increasing the count of unemployed women and of teenagers seeking part-time jobs. Because this kind of change in the composition of the unemployed is a matter of concern, further research into the time period of jobseeking activity is being planned. Beginning in November, unemployed persons will be asked when they last took steps to find work during the last 4 weeks. It will then be possible to study this information in relation to whether they were seeking full- or part-time jobs; their age, sex, and marital status; and other characteristics.

Although further research is necessary, it is clear that the definition of unemployment developed thus far tends to be sharper and more objective than that used in CPS. Moreover, substantial gains in the accuracy and scope of the information on the employed and persons not in the labor force appear to be feasible through the extension of the questions.

It should be pointed out that some of the changes being tested, if adopted for the regular statistics on employment and unemployment, would involve breaks in the historical series. So much of our economic policy depends on the analysis of trends in the employment status of the population that even minor discontinuities could be serious. It is essential, therefore, to continue the research on the MLS for a sufficient period to permit a fuller evaluation of the effects of the changes (with appropriate modifications if necessary) before proposing their adoption. Once the final decisions have been taken with respect to specific definitional changes, the next step would be to merge the MLS and CPS samples, with an ultimate size of some 50,000 households per month, distributed among 445 sample areas.

Table 1.--Persons employed in nonagricultural industries, by hours worked: first half average, 1965 (Millions)

	<u>CPS</u>	<u>MLS</u>
Total.....	66.8	67.0
With a job but not at work.....	2.6	2.6
At work.....	64.2	64.5
1-34 hours.....	12.8	14.7
Economic reasons.....	1.9	2.1
Other reasons.....	10.9	12.5
35-40 hours.....	30.4	27.8
41 hours or more.....	20.9	22.0
Average hours.....	40.0	39.6

Note: Detail does not necessarily add to totals because of rounding.

Table 2.--Methods used by the unemployed to look for work: first half average, 1965

	<u>Number of methods (In thousands)</u>	<u>Percent</u>
Total.....	5,275	100.0
Public employment agency.....	1,211	23.0
Private employment agency.....	316	6.0
Checked with employer.....	2,176	41.2
Placed or answered ads.....	691	13.1
Checked with friends or relatives.	575	10.9
Other.....	307	5.8

Table 3.--Persons intending to look for work in the next 12 months, by reason for not looking now: first half average, 1965
(In millions)

Total.....	<u>8.5</u>
Believe no work available.....	0.1
Temporary illness.....	0.6
Family or household reasons.....	0.9
School.....	4.9
Other and NA.....	2.0

Table 4.--Persons whose last job was terminated for economic reasons
(In millions)

Total.....	<u>3.2</u>
14-19 years.....	0.6
20-64 years.....	2.1
Men.....	0.3
Women.....	1.8
65 years and over.....	0.5
Men.....	0.3
Women.....	0.2
