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THE EMPLOYMENT SITUATION: JULY 2001

HEARING

before the

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

ONE HUNDRED SEVENTH CONGRESS

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THE EMPLOYMENT SITUATION: JULY 2001

Friday, August 3, 2001

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
WASHINGTON, D.C.

The Committee met, pursuant to notice, at 9:30 a.m., in Room 1334, Longworth House Office Building, the Honorable Jim Saxton, Chairman of the Committee, presiding.

Present: Representatives Saxton, English and Watt; Senators Reed and Sarbanes.

Staff Present: Christopher Frenze, Robert Keleher, Darryl Evans, Colleen J. Healy, Brian Higginbotham, Patricia Ruggles, Matthew Salomon, Daphne Clones-Federing, and Reed Garfield.

OPENING STATEMENT OF REPRESENTATIVE JIM SAXTON, CHAIRMAN

Representative Saxton. It is a pleasure to welcome Commissioner Abraham here before the Joint Economic Committee (JEC) once again to report on the release of new employment and unemployment data for July.

Let me just say at the outset that the Senate apparently is going to have a vote immediately after their opening at 9:30, so I suspect that we will have some Senators here very shortly. In the meantime, we will get started with the Commissioner's opening statement.

Let me just say, as I have noted since last year, U.S. economic conditions have remained quite weak. A survey of economic data shows that the U.S. economy has been in a serious slowdown for the last year or so. The rate of real GDP (gross domestic product) growth has slowed dramatically over the last four quarters and investment has plunged.

We have a chart that shows that for the last four quarters we have seen quite a decline in gross domestic product. Of course, four quarters takes us back to the middle of 2000 when this decline obviously started.

[The chart entitled "Gross Domestic Product" appears in the Submissions for the Record on page 27.]

In addition to the evidence that we see in GDP decline, the next chart shows the manufacturing employment has trended downward over the last year as well.

[The chart entitled "All Employees: Manufacturing," appears in the Submissions for the Record on page 28.]

Again, going back to the third quarter of 2000, the red trend line on the chart and the accompanying arrow show that the manufacturing sector has been in serious decline over the last year as well, again starting in the middle of last year. These and other data demonstrate that the effects of the economic slowdown have been widespread.

However, on the other hand, consumer spending and the housing industry have held up surprisingly well. This year, the Fed has

aggressively cut interest rates, Congress has reduced the tax drag on the economy, and energy prices are retreating. This is all good news, of course. Although I am in agreement with many of the economists that these factors should work to foster an economic rebound in early next year, I am still concerned about the vulnerability of the economy to shocks and various disruptions.

The employment data released today reflect the economic slow down. Payroll employment has declined by 42,000 jobs in July, a poor performance relative to the 225,000 to 250,000 increases typical during a healthy economic expansion. Manufacturing employment has been in decline and has lost 837,000 jobs since July 2000, and of course that is reflected again in the chart that we see with the red trend line showing those 837,000 lost jobs since July of 2000. The unemployment rate has remained unchanged this month at 4.5 percent.

The domestic economic situation is cause for concern, but the international economic situation is also problematic. A worldwide economic slowdown coming all at the same time magnifies the potential for cascading contradictory forces to undermine the U.S. economy. There is also weaknesses in the international financial situation that bear close examination. I continue to believe that an easing by major central banks in the U.S., Europe and Japan should be considered to alleviate the potentially deflationary pressures.

In the event others do not act, it would certainly be appropriate for the Federal Reserve to act on its own to reduce interest rates. I have made these statements in the past and continue to believe that a downward trend in interest rates fostered by the Federal Reserve would be a positive force. Chairman Greenspan's policy actions in 1998 did much to stabilize the international economic situation. Although the circumstances are different today, actions by the Fed could have very positive effects not only on the U.S. economy but for the international economy as well.

All Americans look forward to the resumption of healthy economic and job growth. The economic slowdown has caused job losses in several sectors, but manufacturing has been especially hard hit over the past 12 months. Fortunately, the economy seems to have avoided slipping into a recession, and there are indications that the slowdown may have bottomed out. However, policymakers must remain alert to any signs of economic deterioration and be ready to take further actions if needed.

Commissioner, again, thank you for being with us today, and we look forward to your remarks at this time.

[The prepared statement of Representative Saxton appears in the Submissions for the Record on page 26.]

OPENING STATEMENT OF KATHARINE G. ABRAHAM, COMMISSIONER, BUREAU OF LABOR STATISTICS: ACCOMPANIED BY KENNETH V. DALTON, ASSOCIATE COMMISSIONER, OFFICE OF PRICES AND LIVING CONDITIONS; AND PHILIP L. RONES, ASSISTANT COMMISSIONER OF CURRENT EMPLOYMENT ANALYSIS

Ms. Abraham. Thank you, Mr. Chairman. It is a pleasure for me and my colleagues to be here.

Let me just go ahead and make a few remarks concerning the data we have to report today.

As you have already noted, total nonfarm payroll employment continued to erode in July, with a net loss over the month of 42,000. Manufacturing employment continued its year-long slide, which you also have alluded to; and most other industry divisions have little or no job growth over the month. The unemployment rate remained at 4.5 percent in July and has been essentially unchanged since April.

Manufacturing employment fell by 49,000 in July. During the first six months of the year, job losses in manufacturing had averaged nearly 100,000 a month. The largest declines in July continued to be in electrical equipment and industrial machinery. These two industries, which produce high-tech products such as computers and communications equipment, account for about 40 percent of the 632,000 manufacturing jobs lost thus far this year. Elsewhere in manufacturing, autos, chemicals and apparel showed gains in July, following job losses over the April through June period, although this month's gains may merely reflect vagaries in the timing of summer plant shutdowns, something I would be happy to talk a bit more about if you would like.

Construction employment was little changed in July, as growth in non-residential and heavy construction was offset by a decline in special trades. Although many parameters of construction activity remain at relatively high levels, we have seen some recent softening in construction employment.

The services industry, which has been a steady source of employment growth for decades, has shown no net job gain since March. A major factor in this weakening has been the large job losses in the help supply industry, which is principally temporary help firms. In July, employment in help supply service declined for the 10th month in a row, for a total job loss of 429,000 over the period. This industry provides workers to other businesses. Thus, the decline in its employment reflects the weakening in manufacturing and other industries.

The services industry also provided some of the very few bright spots in this month's report, as substantial job gains continued in health services and in engineering and management services.

Average hourly earnings for production and non-supervisory workers in the private sector at $14.35 in July rose by 4 cents over the month. Over the year, average hourly earnings were up 4.4 percent.

Looking at some of the data obtained from the survey of households, the unemployment rate at 4.5 percent in July was unchanged from June and has remained essentially the same since April. The jobless rates for major worker groups saw little or no change over the month. Rates for all of these groups were somewhat higher than their recent lows reached last year.

In summary, total non-farm employment declined further in July, manufacturing continued to shed workers, and few industries throughout the rest of the economy showed significant job growth. The unemployment rate remained at 4.5 percent.

As always, we would be very happy to address any questions you might wish to raise about the data.

[The prepared statement of Commissioner Abraham appears in the Submissions for the Record on page 29.]

Representative Saxton. Commissioner, thank you very much for being here with us today and bringing this information to us to share with the Committee and with members of the American public. It is always good that we understand as much as we can about the current economic conditions and what has led us here as well as what we might expect to happen in the future, recognizing that your job is not to look through a crystal ball but to tell us where we are and where we have come from.

As I mentioned in my opening statement and as I believe you have verified in your opening statement, you noted that the manufacturing employment continued its year-long slide—

Ms. Abraham. Right.

Representative Saxton. And I mentioned that there were some 837,000 jobs lost during the last year. Can you tell us when that happened and whether there were any economic conditions that you might be able to identify that occurred that may have brought this about or – I know that you hesitate to speculate on cause and effect, but if you can share your thoughts with us relative to that subject it would be appreciated.

Ms. Abraham. Just to start with the numbers, I also would peg the recent declines in manufacturing employment as having occurred since last July; and, as you noted, over the period from this July as compared to last July, manufacturing has shed 837,000 jobs.

I might also note that the rate of decline in manufacturing employment has seemed to accelerate beginning about in January. The rate at which we were shedding jobs picked up a bit. I don't know that there are specific things that I would point to as responsible for this other than what I would perceive to be an overall weakening in economic conditions.

A lot of this manufacturing job loss has been concentrated, as I noted in my statement, in the manufacture of high-tech products. The electrical equipment and industrial machinery industries account for 40 percent of the reduction in manufacturing employment that we have seen. So it seems to be tied into the hard times that high tech has faced in particular.

Representative Saxton. Commissioner, just by way of observation, I recall in 1999 that because of worry about inflation or because of worry about the economy, some folks used the term "overheating" because they were worried about the Phillips curve, meaning that the economy couldn't continue to grow at the rate that it was. There were actions taken by the Fed to, in effect, raise interest rates beginning in 1999 and through the first half of 2000. I am wondering if you have any thoughts relative to the effect of those interest rate increases.

Ms. Abraham. As a very general matter, purchases of capital equipment and so on may be sensitive to interest rates, but I have not ever looked into trying to draw those specific linkages.

Representative Saxton. I appreciate that. That is, as I said a few minutes ago, I know that your job is not to try to forecast into the future but to tell us where we are. But in looking back it seems to me that the Fed policy of increasing interest rates, which began in 1999 with a recognized historic lag time of nine to 18 months and then in the middle of 2000, we begin to see a decline in manufacturing jobs. It seems to me fairly obvious that, based on historic trends and based on activities carried out in terms of raising interest rates by the Fed in the preceding nine months or so, that there could be an effect there as well.

And let me just ask this, also: obviously, there are economic conditions that occur or that are not related to government or at least not directly related to government activities that also from time to time have an effect on the economy and in this case perhaps the manufacturing sector. It occurs to me that, thinking back, that energy prices started to go up rather dramatically in 1999 as well; and certainly by the middle of last year I remember, as a matter of fact, the worrisome statements stated by the Clinton administration officials back in 2000 that energy prices could have a negative effect on the economy. I am wondering if you see any relationship between energy prices that went up in 1999 and the first half of 2000 and the loss of manufacturing jobs.

Ms. Abraham. Energy prices clearly also could have played a role. Again, we have not carried out analyses or entered towards identifying the causal factors lying behind these figures.

You have mentioned interest rates. You have mentioned energy prices. I guess a third thing that I might mention that you did allude to in your opening statement is also conditions abroad. As you know, we do export a lot of the output of our manufacturing sector, and one thing that we have seen in our data is declines in employment in what we categorize as export-sensitive manufacturing industries, those that are heavily dependent on exports for sales of their products. So I might add that to the list as a possible factor as what has been happening in the rest of the world.

We certainly know that back a little bit earlier, 1998, 1999, when we started to see problems in the Asian economies, there was an indication in terms of a pattern of employment impacts in manufacturing that we were seeing that was having an impact here in the United States.

Representative Saxton. Commissioner, let me move on to another specific. In your statement you note that there has been a decline in electrical equipment employment during July. How does the current level of employment in this sector compare to that level in July of 2000 and how many jobs have been gained or lost in the electrical equipment employment sector?

Ms. Abraham. If you look at the two-digit industry, electronic and other electrical equipment, employment in that industry actually reached a peak last August of a little over 1.7 million jobs. Employment in that industry has now fallen to 1.6 million jobs. So it has shed 140,000 jobs over that 11-month period.

Representative Saxton. Commissioner, in your statement you also note the July employment decline in the industrial machinery and equipment sector. Has there also been a continuation of a longer term trend and how does the employment level in this industry compare with the level of July, 2000?

Ms. Abraham. Let me just add one comment on electronic and other electrical equipment. That decline in employment was about 8 percent of the starting level as of last August. Industrial machinery and equipment is down 127,000 over the last year. On a percentage basis, that is a drop of about six percent.

Representative Saxton. Thank you. And let me just follow up with one additional question, which takes us into a slightly different area of the economy – construction employment. Construction employment was flat in July after being down in June. Might this reflect some weakness in the construction sector and do you have any data that would support this notion?

Ms. Abraham. The data for construction, by way of preface I might say, as I think we have discussed on previous occasions, is a little hard to interpret month to month because construction is so weather sensitive.

This winter, we had a very mild January. Construction employment through the first quarter was really strong, reflecting in part I think the fact that it was possible for people to be out there working on projects that under more normal conditions might have had to have been shut down.

In recent months, we saw a big decline in April, and a decline in construction employment in June. It is hard to know the extent to which that is sort of a payback for the first quarter having been so strong.

Having said that, if you look at the growth in construction employment over the year to date, comparing July to December of last year, the growth over that period as a whole has been 11,000 a month, which is running behind the pace that we saw in 2000 either over the whole year or for the comparable period. So when I look at that I am seeing some softening in the employment data for construction.

Representative Saxton. Thank you. Commissioner, since manufacturing firms often contract out to the help supply industry couldn't some weakness in this industry also reflect in the weakness in

the manufacturing sector? And, also, how does the level of employment in this industry compare to the level of 2000?

Ms. Abraham. I think that the weakness in help supply probably does, at least in part, reflect weakness in manufacturing. Anecdotally, we do know that these help supply firms supply substantial numbers of people to manufacturing, and there is sort of anecdotal information based on press accounts and so on that some of the manufacturers are cutting back on their use of these temporary folks.

We don't have any way to quantify that. What we get from the help supply firms is just how many people they have got on their payroll. We don't know where they are sending them. That is not something we are able to collect. But I think it likely is almost certainly tied to what is going on in manufacturing.

Over the past year, from July of last year through July of this year, employment in help supply is down by 387,000 on an initial base of about 3.5 million. So that is a decline in excess of 10 percent of the employment in the industry.

Representative Saxton. Let me ask one final question and try to make an observation. We have covered most – we have covered many sectors of the economy. Let me ask a question about the high-tech sector: What has the trend been in the high-tech manufacturing employment over the last year and how many jobs have been gained or lost since July, 2000?

Ms. Abraham. To answer that question, I would need to start with a definition of high-technology employment or high-technology manufacturing employment. We define a group of industries that we call high tech based on employment in the industry of people working on research and development and people in technology-oriented occupations. We identify industries with lots more of those people than the average as being high tech. So that is what I am talking about when I say that.

If you look at what has happened in the industries that we identify as high-technology manufacturing industries over the last year – let me just do the math here – it is down by about 227,000, which is about 3.8 percent over the year.

Representative Saxton. Well, Commissioner, thank you very much.

We have been joined by Senator Reed and by Congressman Watt and Congressman English.

I would just like to make an observation, which this information gives us an opportunity to understand. The losses in manufacturing jobs, as demonstrated by trends in GDP over the past 12 months, pointed out – and let me just point this out for the other Members because I think this is very important – growth in gross domestic product over the last four quarters has dropped at a significant rate. Our second chart also shows this trend in manufacturing employment. The trend lines show this decline started in the second quarter of last year.

This is something that we all have to be concerned about. And in conversation with the Commissioner, together we identified at least three reasons why this may have happened.

The first had to do with increases in interest rates during 1999 and the first half of 2000 brought about by the Fed, which perhaps for good reasons worried about the overheating economy at the time, and about inflation in the future and tried to avoid the bad effects of the Phillips curve, which essentially means that an economy that grows too fast for too long causes inflation.

I don't happen to believe that that is a valid theory, but there are some who do, and this could have been something that brought about the change in policy.

Second, energy prices began to go up dramatically in 1999, and it is obviously going up in the first two quarters of 2000. And, as a matter of fact, they continue to go up even beyond that. They have begun to decline now, which, of course, is good news. And the Commissioner pointed out that the international situation as it relates to U.S. international trade also became somewhat of a concern during this period of time and may have contributed to this year-long decline as well.

The good news is that the Fed has reversed its policy on interest rates; and we are hoping that sometime soon, maybe in the last half of this year or the first quarter or so of next year, that that will begin to take effect. We have had a reversal in tax policy during 2001, which we hope will have some positive effect on the economy. And, of course, as was mentioned a minute ago, energy prices have begun to drop significantly.

So if the theory is correct that these factors worked together to cause the slowdown which occurred last year, then perhaps the new policies of the Fed, coupled with some change in tax policy, coupled with some decrease in energy prices costs will have the opposite effect in the months upcoming. We hope so.

In any event, I have enjoyed the interchange that we have been able to have, Commissioner.

Senator Reed, the Vice Chairman, has joined us, so let me turn to Senator Reed for any statement or questions he may have at this time.

Senator Reed. Thank you very much, Mr. Chairman.

First, let me welcome Commissioner Abraham and also thank you for holding this hearing. This is an important tradition of the Committee, to review these statistics, particularly on certain times as we are experiencing uncertain times.

My colleagues are delayed now by a vote in the Senate, so I assume they will be arriving shortly to join us.

But I would note that this is my first hearing as Vice Chairman of the Joint Economic Committee, and I look forward to working with you, Mr. Chairman, and all of our colleagues.

I can recall that we first met in this room as Members – and we are that old – of the Merchant Marine and Fisheries Committee, which no

longer exists. That historical moment aside, I look forward to working with you.

Over the last several years, we have had some extraordinary economic prosperity and consistent economic growth. So this period of slowing GDP growth demands some judgment and insight to understand what is going on. That is why I think it is particularly important we are here today.

It is also important at this time, as employment softens, as GDP growth declines, to be particularly sensitive to those people who are the most vulnerable to these types of changes, the low-income workers in many different sectors of the economy. So I hope we can spend some time focusing on those concerns. But let me turn to some questions.

First, Commissioner, in many parts of the country initial unemployment claims are declining, yet the unemployment rate seems to be steady, and that suggests either inconsistency in the surveys or something perhaps even counterintuitive. Can you help explain those apparently conflicting points?

Ms. Abraham. Let me just make a couple of comments in that regard.

I guess the first comment that I would make is that unemployment as measured by our monthly household survey is a very different thing than unemployment that is measured by people who are collecting unemployment insurance benefits. Our effort is to count everyone who is looking for work and available for work, and there is a much broader pool than the set of people collecting unemployment benefits. So the two often don't move together.

I guess the other comment that I would make is that the unemployment claims numbers are extremely volatile from one week to the next, depending on things that may be going on. They can jump around quite a lot. That, in turn, causes some difficulty in seasonally adjusting those numbers, and so you can get erratic movements.

If I am really looking for a statistic that gives me a picture as to what is happening with people who want work and can't find it, I would look at the monthly household survey data, rather than focusing too heavily on the claims data.

Having said that, in a number of recent weeks, initial claims are running at a faster pace than we had seen at earlier points in time, so I don't think you are truly inconsistent.

Senator Reed. This raises perhaps a larger question. That is, that looking at the various surveys, both initial claims and the unemployment rate, some are suggesting that we are bottoming out, that we have reached the end of the decline and that there will be an upturn. Can you give us any insights as to your perception?

Ms. Abraham. No. Really, what I can comment on is what we have seen to date, and I prefer to leave it to others to try to project the future.

Senator Reed. Fair response. We have a tendency to look at those industries which are shedding jobs – manufacturing, as the Chairman

points out is a classic example – but there are still some industrial sectors and service sectors that are desperately looking for workers – health care is one that I think of particularly – and managers, professionals, et cetera. Can you comment on situations where the existing labor markets are tight, and what does that suggest overall to you?

Ms. Abraham. Sure. I think you make a very good point when you say that, relative to historical standards, that the labor market today is still fairly tight. There are times in the not-too-distant past when the thought that we could ever get unemployment as low as 4.5 percent wouldn't have been believed by people. So, by historical standards, unemployment in particular does remain fairly low.

You are also correct that, in terms of where we have seen substantial job losses in recent months, they have been very concentrated in manufacturing and also in the help supply industry, which is the temporary help firms. They have also taken a bit of a beating.

But the other thing that has changed is that, even outside of manufacturing and help supply, we have seen a slowing in the rate of growth of employment. Industries that for long periods of time added jobs regularly, month after month after month, at this point in time many of them are not adding jobs. There are some that continue to add jobs. Health services is one. We continue to see growth in engineering and management services.

Over the longer haul, the year to date, we are seeing growth in construction continue, which is in some sense a little bit surprising. So there are pockets where in recent months or at least over the year to date we continue to see growth.

Senator Reed. Are there any regional pockets also in terms of areas where unemployment remains robust and other areas where it is of concern – or I should say employment remains robust?

Ms. Abraham. Particularly when we get this first report our focus tends to be on the national picture, because that is really what at this point we have the data for. We at this point don't have state-by-state numbers. Those come along a little bit later. So we do have figures through June on employment growth regionally and State by State; and, as I guess has been true for a very long period of time, the more rapid growth in employment has tended to be in the western part of the country rather than the eastern part of the country. But I don't have any particular insights beyond that to offer.

If I could ask my colleague, Phil Rones, to comment on the unemployment figures.

Mr. Rones. Just looking at the data that we produce for the states and the regions, the unemployment rates, which as you know have gone up maybe half a point or a little bit more at the national level, the biggest increases have been in the Midwest; and that goes along with what you have seen in the problems with manufacturing. So, just as an example, in the Midwest overall the unemployment rate has gone up from 3.7 in

June a year ago to 4.2 percent. That is a little bit bigger increase than in other regions of the country.

Senator Reed. Thank you very much.

Let me ask one additional question and then withhold so other Members can ask questions, and perhaps we can do a second round if that is appropriate.

It also appears that businesses are experiencing a slowing in productivity. Last year nonfarm labor productivity went up by less than half the rate it had maintained over the previous 4.5 years, and that raises several questions. Do you believe the productivity slowdown is a cyclical phenomenon? And then, also, given the importance of productivity in supporting economic growth and also in terms of – and I know we don't get into projections here – but in underlying many of the projections that we rely upon for making our decisions, can you just comment generally about productivity?

Ms. Abraham. With respect to the productivity experience of the recent past, as you know, productivity growth in the past few years had been quite strong. We had really seen a pickup in productivity growth, which is, of course, unambiguously a positive thing.

Recently, productivity has dropped off a bit. It could be that that is a cyclical thing. If you see slowing in output growth or in some cases even slowing in output, and employers are slower to cut back on employment than they are to cut back on production, that is the kind of pattern that you would expect. So I will have a better sense as we get more data.

You also were curious about what we might see going forward, and I guess I would only say I am as curious as you to see what the data will show.

Senator Reed. Well, we will all wait on the arrival of the data then; and I thank the Chairman.

[The letter and accompanying data from Commissioner Abraham to Senator Reed appear in the Submissions for the Record on page 53.]

Representative Saxton. Before I move to my friend from Pennsylvania, Congressman Phil English, let me just say that my friend from Maryland, Senator Paul Sarbanes, has arrived. We thank you for being here with us. We know you had a vote in the Senate, which held you up, and we are pleased that you are here.

Let me just, if I may for one moment, follow up on something that Senator Reed just brought up which I think is an extremely important point and that is the effect of productivity on economic growth.

One of the things that we watched very carefully up until the beginning of the decline in the middle of the last year was that productivity seemed to be having a marked positive effect on economic growth, which started during the very early 1980s and then continued on through the 1980s until we had a very brief interruption in the last quarter of 1990 and early 1991. Then the economic growth started again, and one of the factors we thought was playing in that positive growth was the

use of – or the increase in – productivity because of technological developments. Do you have any data that you can tell us about that speaks to that seeming cause and effect of technological improvement and its effect on the economy?

Ms. Abraham. I do not have anything that speaks very directly to the issue that I think that you are getting at, but I would be happy to go back and take a look as to whether there is any research that we are aware of that would help shed light on that.

Representative Saxton. Now we, as a matter of fact, released a study recently that developed the theory that the development of technology and its effect on the economy was very positive. I think it is something that we haven't looked at in great depth outside of the study that the Committee has done, and perhaps that would be an area that we could look into in a future hearing. Thank you very much.

[The July 2001 study, *Information Technology and the New Economy,* can be found online at http://www.house.gov/jec/growth/it.htm]

The gentleman from Pennsylvania: Mr. English.

Representative English. Thank you, Mr. Chairman, Commissioner Abraham.

Commissioner Abraham, I must say I find your presentation very interesting and also in some respects very disquieting. I would like to maybe focus on a couple of details for starters.

One, within the manufacturing slump that you have identified, what are the current trends with regard to the steel industry?

Ms. Abraham. Let me see whether I have here the detailed data for steel. The most detailed information that I have with me is the data for primary metals ,which steel would be the largest single component; and if we look at employment in primary metals, it has been going down, as has manufacturing overall, since the middle of last year.

Representative English. Well, in fact, steel has been declining fairly steadily over a period of several years.

Ms. Abraham. If we go back to the most recent peak in employment in primary metals, which was in June of 1998, we have seen a drop in employment of more than 70,000, which is about 10 percent of employment in the primary metals industry over that several year period.

Representative English. You have identified some of the sectors that are involved in the slump as being within manufacturing, export sensitive; and you have indicated that clearly because of the export situation we have seen a significant loss of U.S. jobs. Now I realize some of those are long-term trends, but you seem to attribute in your testimony some part of that decline to a slump in foreign consumption because of international economic conditions. May I ask, how much of this slump in export of manufactured goods can be attributable to the strength of the U.S. dollar?

Ms. Abraham. I am afraid that is just not a question I can answer. Looking at the data, I can see that there have been substantial declines in,

as I said, earlier employment in export-sensitive industries, but linking the causalities is not something that the data let us do.

Representative English. I represent a district, within Pennsylvania, which represents almost a unique concentration of manufacturing, and much of it is very export oriented. So we are particularly interested in that question.

Also, it seems to me most of the industries you have identified – and going back to Senator Reed's question, he had asked you how long you might anticipate it before there is a turnaround. I guess I would rephrase that question. Are not many of the areas where you have identified a slowdown typically lag indicators within the economy, reflective of situations that were occurring last year and even before that? Aren't these some of the areas of the economy where orders are made longer term and, as a result, it is only after the economy has rebounded that you start to see a rebound in some of these particular sectors of manufacturing?

Commissioner, can you comment on that?

Ms. Abraham. You certainly will collect that in terms of the effects of economic development on employment as well as on the level of economic activity overall, that there are often significant lags. I had been looking at employment, total employment and how movements in total employment, which is itself often considered a lagging indicator, relate to turning points in the economy as identified by the National Bureau of Economic Research's Business Cycle Dating Group; and employment overall lags what they identify as turning points in the economy by a couple of months on average.

It would be interesting to do as you have suggested and to look at some of these specific industries that have been hard hit in recent months. We have not done that. I would be happy to take a look at that.

[The letter from Commissioner Abraham to Representative English, including information on business cycles in export-sensitive manufacturing industries, appears in the Submissions for the Record on page 61.]

Representative English. I would welcome your input on that.

Mr. Chairman, my time is up, but I want to thank the Commissioner for making this presentation. It seems to me it would be very helpful for us to get a picture through some of these statistics of some of the subgroups of the economy and specifically some of the sectors that can give us an indication of – I think what you are presenting today is bad news, but some of it is dated news, and some of it I think we might be able to put in a better context if we had a sense of how some of these areas might actually be the areas we would anticipate would be slowest to recover from a slowdown.

I thank you, Mr. Chairman.

Representative Saxton. The gentleman's time has expired.

Senator Sarbanes. I wanted to just make an observation, if I could, very quickly.

Representative Saxton. Let me go to Mr. Watt, and then we will get to the Senator.

Representative Watt. Mr. Chairman, as much as I have always aspired to be senior to Senator Sarbanes, either in knowledge, service, looks or otherwise, I am happy to have him go next in line.

Senator Sarbanes. I will just take 10 seconds.

There is an article in this morning's *New York Times*, on the dollar valuation point which you made, which I think is extremely important, about Treasury Secretary O'Neill who is now talking a strong dollar. They make the point that when he was the head of International Paper Company – because the article is about the loss of jobs at International Paper – he had an entirely different refrain.

Representative English. I would simply point out that Secretary O'Neill was the President of Alcoa, which is another one of our local companies. But that perhaps may highlight the problems of using the *New York Times* as a primary source.

I thank the Senator.

Representative Saxton. Mr. Watt.

Representative Watt. Thank you, Mr. Chairman. Thank you, Senator Sarbanes.

Madam Commissioner, in addition to my service on this Committee I have the pleasure of serving on the Financial Services Committee, and we had the opportunity to have Chairman Greenspan come periodically to deliver his exposes. And it started out being the Humphrey-Hawkins hearings. I guess there is no such thing as Humphrey-Hawkins, but the whole theory of Humphrey-Hawkins was that full employment was a desirable thing. That is certainly the philosophy that I came to Congress with and that I started my service with.

I was somewhat appalled to go to the first hearing and find Chairman Greenspan saying that there was something desirable about unemployment because his theory, the first time I heard him testify, was that you needed at least 5.5 to six percent unemployment to keep the economy from overheating. It seems to me that the entire paradigm has shifted in a much more desirable direction over the nine years or so that I have been in Congress.

Fortunately, even his perspective on that has changed. He came a couple of times to our hearing and said, this can't possibly be sustained because unemployment can't go down any further without the economy overheating. And then he came and said, well, the decline in unemployment is being compensated for by the increase in productivity, all of which I understood and agreed with to some extent.

I am just wondering whether it is in your province to tell us what you perceive to be the structural unemployment level that this economy is going to have when all is said and done. What is the best-case scenario we could have on unemployment without dramatic increases in cost of living?

Ms. Abraham. That I am afraid really goes beyond the data and the interpretation of the data.

Representative Watt. I won't put you on that spot then.

Let me ask some more factual questions. Minimum wage is $5.15 per hour, which means that somebody working 40 hours, 50 weeks a year, makes $10,300. That is below the poverty line. Can you tell me how many people in this country are working below the poverty line and what percentage of the workforce that is?

Ms. Abraham. Boy, we certainly have those data. I don't have them here.

Representative Watt. Okay, so you could provide that to me.

Ms. Abraham. So it was the number of people below the poverty—

Representative Watt. And what percentage of the workforce that is.

Nobody that is with you has that information either?

Ms. Abraham. No. We bring these large binders with lots of stuff, but I am afraid we don't have that in it.

Representative Watt. Okay. That is fine.

[The report, *A Profile of the Working Poor, 1999*, appears in the Submissions for the Record on page 99.]

Representative Watt. Let me go on to another question.

In a number of local communities, communities have gone on beyond the concept of a minimum wage to something called a livable wage. In fact, in my local community of Charlotte, North Carolina, where I live, there was a big stadium referendum on the ballot that got defeated because the city council would not agree to pay a hundred or so employees a livable wage or commit to that; and a significant portion of the community believed that that was important as part of approving a sports facility, so they just voted down the referendum.

The question I would like to ask is, there are about 41 localities around the country that have living wage ordinances or standards in local communities. Does your agency track any of those local communities and do you have any statistics about what impact those livable wage agreements have on local or regional labor markets?

Ms. Abraham. We do not track those ordinances. I suspect that the Wage and Hour Administration in another part of the Department of Labor may do so. We likely also would have data on what has happened to employment in those communities, though, again, it is not something that we have looked at.

Representative Watt. You think that is something you could provide to us?

Ms. Abraham. Certainly.

Representative Watt. I just – the argument is always made that a livable wage requirement reduces demand for jobs and has some adverse impact on the economy; and if there is some reliable information out

there that would either prove that or disprove it or at least provide more intelligent information about it, it would be very helpful to have.

Ms. Abraham. What we may be able to provide is information on employment in at least some of these communities. It would require considerably more in-depth study than we have done.

[Data on living wage ordinances appears in the Submissions for the Record on page 110.]

Representative Saxton. Gentleman's time has expired. If you have one more question in this segment.

Representative Watt. Thank you. Just one other thing that you probably don't have with you that I think would be interesting to have is information about people receiving TANF (Temporary Assistance to Needy Families). That number apparently has fallen significantly since 1996 in the context of welfare reform; and it would be helpful I think to know how many of these people are employed, if they are employed, what kind of wages or income they are earning and whether you might have any recommendations about how better to deal with people who are leaving welfare and going into the workforce.

Ms. Abraham. We do have a research paper that was prepared by one of our staff members looking from our household survey data at people who were TANF recipients and then looking at those who stopped receiving benefits, whether they were moving into employment or other things. I am sure there is a great deal else to be done in analyzing this, but I would be happy to share that work with you.

Representative Watt. That would be wonderful. I won't burden the Committee with it, but it would be wonderful if we could just get some written responses to those questions.

[The study, *Note on the Possible Effects of Welfare Reform on Labor Market Activities: What Can be Gleaned from the March CPS*, appears in the Submissions for the Record on page 71.]

Representative Saxton. I thank the gentleman. And let me just say that I thought your first question or observation was extremely important, going back to – and it is easy to Monday-morning quarterback, especially a couple of years after some policy which may or may not have been the most productive was carried out, in this case by the Fed.

I don't mean this in any way to criticize the Fed, but the point that Mr. Watt made relative to the perception at that time – or the seeming perception – by the Fed that the labor shortage was about to be a factor in bringing about bad economic times and the resulting Fed policy of increasing interest rates to try to throw a wet blanket over the economy. Looking back, I can't justify that policy.

Representative Watt. I think what has happened over a period of time is there was a significant shift in the paradigm. Because technology apparently made it possible for productivity to substantially increase, and that made it possible, according to – I am the last person that should be trying to explain or defend or elucidate anything Chairman Greenspan says, but, as I understand it, his theory is that as productivity rocketed

higher and higher you could have unemployment get lower and lower and lower without having a resulting adverse impact on the cost of living; and I think I understand that. You have got to have productivity, and I guess one way to have productivity is to hire more employees. But if you can make the employees you have more productive and need more employees, which is what happened during this technology boom, apparently, that that offsets in some way.

Representative Saxton. And let me just say for the record that it was Chairman Greenspan who for a long period of time held the position that labor wasn't necessarily the key factor to look at. As a matter of fact, it was Chairman Greenspan who for many years talked about the Phillips curve and the faulty assumptions that were part of the theory that labor shortage would cause inflation. As a matter of fact, it is too many dollars chasing too few goods in Chairman Greenspan's opinion that causes inflation, not a shortage of labor.

So it is one that you have got on the record, because we are Monday-morning quarterbacking the Fed; and it was in fact Chairman Greenspan who held many of the theories that we are now saying were right.

Senator Sarbanes.

Senator Sarbanes. Well, thank you very much, Mr. Chairman.

First of all, Mr. Chairman, I want to commend you for holding this hearing and I understand that – I think you have already done it earlier in the year – it is your intention to do them on a regular basis.

Actually, these hearings began in a struggle between the Congress and the Executive Branch in terms of laying this information out to the public. I think the Congress over the years has made a significant contribution by holding these hearings, although occasionally it is difficult because of the Congressional calendar and so forth, but I think it is very important to hold the hearings. I very much appreciate your doing this, and I generally appreciate your concern to make the JEC a quality, functioning Committee.

In that regard, I also want to say it is a step forward for us that Senator Reed is now the Vice Chairman of the Committee. I know he is going to bring a lot of energy and commitment to the work of this Committee. I am hopeful that you and he, working together, can develop an agenda that all of us are supportive of and makes a real contribution to economic discussion in the country; and I am looking forward to that.

Now, Commissioner Abraham, it is nice to see you again.

Ms. Abraham. Hi.

Senator Sarbanes. I haven't been able to make these hearings the last couple of times. I understand that before I came in you were asked a question about whether the economy was bottoming out, and you said that you declined to forecast. Does nothing ever change?

Ms. Abraham. No, not that.

Senator Sarbanes. Well, that has been a consistent answer by commissioners since I have been here, and obviously it shows a sensitivity on your part to what you can lay out and what you can't lay out.

Now let me ask you a couple of questions which I hope you will be able to answer.

The unemployment rate I understand this month is 4.5 percent, correct?

Ms. Abraham. That is correct.

Senator Sarbanes. I also understand, though, that there has been a – if not a shrinking – a significant deceleration in the growth of the labor force, that people seem not to be coming into the labor force at the same rate as was earlier the case, even though the population demographics would lead one to assume that the numbers would be higher than they are. Is that correct?

Ms. Abraham. Well, comparing July to December, the labor force is up by several hundred thousand, which is a slower rate of growth than we had seen over the prior year.

Senator Sarbanes. But that doesn't reflect some change in population growth or the attaining of a labor force age on the part of young people or anything of that sort, does it?

Ms. Abraham. No, it does not. The labor force participation rate, that is, the share of the working age population that is in the labor force, has come down several tenths of a percentage point since January.

Senator Sarbanes. If the labor force had grown this year at the rate of last year's growth, if you had maintained the trend line, what would the unemployment rate be this month?

Ms. Abraham. Roughly, if the labor force participation rate were what it had been in December and what it had been the December before that, we would have had about 280,000 more employed people. So that would be a couple tenths of a percentage point more on the unemployment rate.

Senator Sarbanes. Now what about the number of people that are working part time who want to work full time? They are working part time – I understand some people want to work part time, but others work part time because that is all that is available to them. I think we call that part time for economic reasons, is that correct?

Ms. Abraham. That is correct.

Senator Sarbanes. Has that number increased?

Ms. Abraham. Let me find the series on that so that I am citing the correct figures for you. That number is up again several hundred thousand over the year. In July of this year as compared to July of last year, there were about 350,000 more people who were what we call part time for economic reasons.

Senator Sarbanes. So those are people that want to work full time. They can't get full time work. So if you factor them into the unemployment rate, where would we be?

Ms. Abraham. I guess I don't have a figure that is exactly that, but if it is about 350,000 people that would be another 3/10ths on the unemployment rate.

Senator Sarbanes. So we get up to about 5 percent or slightly above if we had all these things that we have just been reviewing.

Ms. Abraham. If those people had been counted in the unemployment figures, if we added in the change, that is how much it would be. As I think you know, we do calculate, on a routine basis, alternatives to the unemployment rate that are more inclusive in terms of the groups that they cover. We do have one that includes these people who are part time for economic reasons, as well as that whole set of people who say that they would like to be working and who have actually done something to look for work in the last 12 months, but aren't counted as unemployed because they haven't searched recently.

If we were to add the so-called marginally attached plus these people who are part time for economic reasons in with the unemployed, they account for just over eight percent on a nonseasonally adjusted basis of the labor force plus the marginally attached group as compared to an unemployment rate not seasonally adjusted for the same month of 4.7 percent.

Senator Sarbanes. Well, the point I am trying to get at – and let me see if you concur in this – is we have had arguments from time to time as to exactly what we ought to include in the unemployment rate. And, of course, we leave some things out of it that other countries include, but, generally we work with these figures. On the other hand, when you are trying to evaluate the economic situation and the unemployment rate raises from 3.9 to 4.5 percent, it seems to me if you are trying to gauge where the economy is it is also relevant to look at these other groups as well that are not counted to see if the indices in those areas are worsening in order to get a comprehensive picture of where the economy is.

It is one thing if the unemployment rate goes from 3.9 to 4.5 percent and then all these other related areas more or less stay the same. Then you are going to get the picture of just a 6/10ths of a worsening in the unemployment rate, which is of course significant.

But in this instance we also have to take into consideration that these other indices are worsening as well in terms of giving you some sense of what the economic circumstances are. Am I correct that all these other indices have worsened as I understand. And the situation is actually worse or more serious than what one might deduce solely from the rise in the unemployment rate itself?

Ms. Abraham. I think it depends in part on how you look at the data. If you look over the last year, on a not seasonally adjusted basis, which I am using because that is how we have these other figures, the unemployment rate has gone up from 4.2 to 4.7 percent. Our most

inclusive measure, the one that includes these marginally attached people, the people who say they would like to work, but miss being counted as unemployed because they haven't searched recently, and also the people who are part-time for economic reasons, that rate has gone up from 7.3 to 8.1 percent over the last year.

Representative Saxton. Senator, your five minutes is now 10, which is okay. Could you ask one final question?

Senator Sarbanes. I'm sorry, Mr. Chairman, I didn't realize the time had—

Ms. Abraham. We do track these other measures, and I guess from the perspective of trying to think about where the economy is headed, our experience has been, and the recent experience is no exception, that they tend to move up and down together. Their movement patterns aren't always identical, but they very much tend to move up and down together.

Senator Sarbanes. But the most comprehensive measures you have of unemployment put it at 8.1 percent; is that correct?

Ms. Abraham. The share of the unemployed, plus the marginally attached, plus the people working part-time for economic reasons, divided by the labor force, plus the marginally attached, that, the former group is 8.1 percent of the latter.

[The letter from Commissioner Abraham to Senator Sarbanes appears in the Submissions for the Record on page 124.]

Senator Sarbanes. Thank you.

Representative Saxton. Thank you very much.

Senator Sarbanes. Mr. Chairman, I apologize. I didn't realized my time had elapsed.

Representative Saxton. Thank you very much. If I may suggest, we are going to have a second round here, but if we will all limit ourselves to five minutes, that will be fine. Let me just turn for a minute to my home state situation, Commissioner. In New Jersey the economic situation data and the – if we could just look at those for just a minute. Understanding that they are obviously from earlier months, what do the recent trends in employment and unemployment suggest about the State of New Jersey's economy and in what industries does employment growth seem strongest and perhaps in which segments in New Jersey does it seem the weakest?

Ms. Abraham. I know that Phil has a package here with some of the information for the State of New Jersey, and perhaps I could ask you, Phil, to comment on what the data we have at hand show.

Representative Saxton. Thank you, Mr. Rones. Proceed, please.

Mr. Rones. We may have to follow up with you with some additional information. I have some summary information that we provided to the staff for you. If you look at just the overall unemployment rate in New Jersey, last fall we had rates of 3.8 percent, roughly in line with the national rate. The rate for June was 4.5 percent, again identical to the national rate. So overall, I would say that New

Jersey has very much mirrored the national economy or at least the trend in New Jersey for the payroll employment. We have seen very little job growth over the year. In fact, so far this year, so far in 2001, we have had no net job growth whatsoever in New Jersey, again not very different from the national picture.

What I don't have is a detailed industry-by-industry look for you, and we can actually provide that quite quickly to the staff as soon as we get back.

[The employment data for New Jersey appears in the Submissions for the Record on page 131.]

Representative Saxton. Thank you. I am anticipating the answer to my next question then and you may need to provide this after you have a chance to review it as well. But we have a map of New Jersey here, which shows a county-by-county breakout of the unemployment rate, and it appears that some of New Jersey counties are doing very well with less than two percent unemployment. Others are between two and three percent, others between three and four percent. And then two counties, which, when you pass through or drive through them, a cursory look would indicate that their economy is doing okay, but they are between seven and 10 percent unemployment, and that is curious to me.

I guess the question is, do you have any information that would explain this? And if not, can you provide some information that might be helpful in helping us to understand that?

Mr. Rones. We will provide more detailed information. But I notice that one of the counties with the high unemployment rate is Cape May.

Representative Saxton. Yes.

Mr. Rones. And one thing that we know, in areas that tend to have big seasonal swings in economic activity, when you look at their annual average unemployment rate, as you have in front of you, it would tend to be high because you are averaging these peaks and valleys of economic activity. So that is just one thing that jumps out at me when I look at that map you referred to.

Representative Saxton. Well, that may be, but Atlantic County, which doesn't find itself in the same category, is also a big tourist industry county, as is Burlington County and Monmouth County, and they don't find themselves in anywhere near the same condition relative to unemployment.

I know this is not the kind of thing that you specifically came this morning prepared to discuss, so if you would just take whatever time that you need to look at this kind of a question and get back to me, I would very much appreciate it.

[The information appears in the Submissions for the Record on page 131.]

Mr. Rones. Certainly.

Representative Saxton. Thank you very much. My time has expired. Senator Reed.

Senator Reed. Thank you very much, Mr. Chairman. Commissioner, it appears that the duration of unemployment has been rising since April, and today you report that the median duration of unemployment has risen again to just under seven weeks.

What does this rise in unemployment duration and related measures tell us about where we are in this current economic cycle?

Ms. Abraham. What you may have in mind in asking that question is the pattern that is typical for unemployment duration. When unemployment rises, the economy softens. We often see going along with that increases in the duration of unemployment as some of those who are unemployed take longer to find jobs. It tends to lag a little bit behind the increase in unemployment, and I think it is not inconsistent with what we are seeing in the rest of the data that we are starting to see that uptick.

Senator Reed. I don't want to once again get into the forecasting mode, but does that suggest anything about two issues: one, where we might be relative to a potential recovery period, and, second, and particularly since so much of the apparent loss of jobs comes from manufacturing, is this spreading from the manufacturing sector to other sectors? Is there any interrelationship that you can discern now on those two issues? You might decline about the recovery. But does it suggest, or indicate, where we are in the cycle? Second, does it suggest that we might be seeing an interrelationship between the sectors?

Ms. Abraham. The part of that, that in principle I would be happy to answer if I had the figures here. As to whether we are seeing this increase in duration concentrated among people who had been employed in particular sectors, I don't have those data here, but that is something that I should be able to take a look at .

Senator Reed. If you could do that, I would appreciate that, Commissioner. And you are gracefully not commenting upon what it tells us about recovery. So thank you so much for being consistent. If not illuminating, you are consistent.

Once again I want to commend you, Commissioner, for your testimony and also the Chairman, because I do think these are valuable forums to get the information out publicly and to raise questions which can be responded to here or later. I thank you, Commissioner, and thank you, Mr. Chairman.

Representative Saxton. Thank you, Senator Reed. Senator Sarbanes.

Senator Sarbanes. Thank you very much, Mr. Chairman. Commissioner, the unemployment rate was at 3.9 percent last September and October, correct? Less than a year ago.

Ms. Abraham. That is correct.

Senator Sarbanes. What was the most comprehensive figure of unemployment at the time comparable to the 8.1 percent figure which you gave me a few minutes ago?

Ms. Abraham. Let me see. We have the figures for the year earlier. I do not believe I have the full series of month-by-month figures here, though it would be easy to obtain that and provide it to you.

Senator Sarbanes. Do you have the figure for the end of 2000?

Ms. Abraham. No, I have the figures for the last few months and the figures for a year ago for comparison purposes.

Senator Sarbanes. What is the year ago figure?

Ms. Abraham. That was the figure we were talking about, the 7.3 percent.

Senator Sarbanes. I see. Okay.

Ms. Abraham. Because these series are not seasonally adjusted, and because there may be a seasonal element to it, the year ago figure is probably the most relevant comparison. The standard unemployment rate was about the same then as it was this October. So—

Senator Sarbanes. Is the worsening of the unemployment over this time period, does that sort of track past experience? Is it ahead of it or behind it?

Ms. Abraham. I am not sure I understand the question you are asking.

Senator Sarbanes. Well, the unemployment rate has gone up a half a point in about six months, correct?

Ms. Abraham. Right.

Senator Sarbanes. Now, when you look back over previous softenings of the economy, is that going up rather quickly, rather slowly, or about comparable with previous experience?

Ms. Abraham. I understand the question. I am looking at a graph here that shows what has happened over previous periods as we entered recessions. We of course do not yet know at this point whether we are entering a recession. The upward movement in unemployment in recent months is, if anything, looking at these data, I would be inclined to say that the increases at the start of these recessions was sharper than what we have seen in recent months. Let me find the—

Senator Sarbanes. Now the manufacturing sector, though, I take it is the hardest hit currently?

Ms. Abraham. Right. That is correct. To take the most recent recessionary period at the start of the early 1990s, we had a number of months of decline in manufacturing employment that the recent declines that we have seen in manufacturing employment are at least as large as those we saw during that recessionary period.

Senator Sarbanes. Right. So if you were at least working just off the manufacturing, and you are concerned about not having a recession, there would be real reason for some alarm about the situation based on the past experience?

Ms. Abraham. I have to say that the employment numbers that we are seeing in manufacturing are comparable to the employment numbers that we saw during the recession of the early '90s.

Senator Sarbanes. Yes. Okay. Thank you, Mr. Chairman. Traditionally, this Committee has shown some concern for the adequacy of the resources available to the Commissioner and the Bureau, and I wanted to ask the Commissioner about that. I have talked with Secretary Evans and the Chairman of the Council of Economic Advisors, both of whom seem interested in trying to boost this statistical infrastructure of the Federal Government. I have not yet had a chance to talk to the Secretary of Labor. Alan Greenspan, actually, in one of his testimonies before us said that while he never supported spending programs, one exception was to try to get an adequate statistical infrastructure because he thought the added cost was very small and the added benefits were very large, and he thought it made a good deal of sense.

What is your situation, your budget situation? How able are you to bring your various measurements up to current standards and to develop new series that take account of the changing economy and so forth?

Ms. Abraham. I have been pleased in recent years by both the receptivity of the Executive Branch and the receptivity of the Congress to proposals that we have brought forward to improve our data, particularly our major economic indicators. We do have this year as part of the President's budget a proposal for some further, and I think highly desirable, improvements to the Consumer Price Index that I very much hope we will end up getting the money to make. So that is the thing that I am particularly looking at in terms of funding at this point in time.

Senator Sarbanes. Okay. Well, we will see what we can do to try to help you. I think it is very important.

Ms. Abraham. We appreciate that.

Senator Sarbanes. Mr. Chairman, thank you very much.

Representative Saxton. Thank you, Senator, and thank you, Commissioner. I would like to thank the other Members of the House and Senate who were here today.

As far as I know, this is the last official meeting on the House side before the August break, so it is notable that these Members have been willing to stay to have this discussion with us. And Commissioner—

Senator Sarbanes. It is notable that it was done by the Joint Economic Committee.

Representative Saxton. It is notable that it was done by the Joint Economic Committee, that is true.

Commissioner, thank you, and Mr. Dalton, Mr. Rones, for being here today. I think it was a very good discussion, particularly as it related to the long-term economic trends that we were able to discuss through 1999, 2000 and of course this year.

We are all concerned about the condition of the economy, and we hope that, as was suggested by one or two of the other Members, that it has bottomed out, but we have watched it as it declined through the last half of 2000 and the first half of this year, and we are hoping that we will see some upward movement as a result of some policies that have been changed, policies that have been changed by the Fed, policies that have

been changed in tax policy, as well as policies that we had little to do with that have to do with energy costs.

So thank you for being with us. We look forward to seeing you again in the fall, and the Committee stands adjourned.

[Whereupon, at 10:56 a.m., the Committee was adjourned.]

PREPARED STATEMENT OF REPRESENTATIVE JIM SAXTON, CHAIRMAN

It is a pleasure to welcome Commissioner Abraham before the Joint Economic Committee (JEC) once again to report on the release of new employment and unemployment data for July.

As I have noted since last year, U.S. economic conditions have been and remain quite weak. A survey of economic data shows that the U.S. economy has been in a serious slowdown for the last year or so. The rate of real GDP growth has slowed dramatically over the last four quarters, and investment has plunged. Moreover, manufacturing employment has trended downward over the last year. These and other data demonstrate that the effects of the economic slowdown have been widespread.

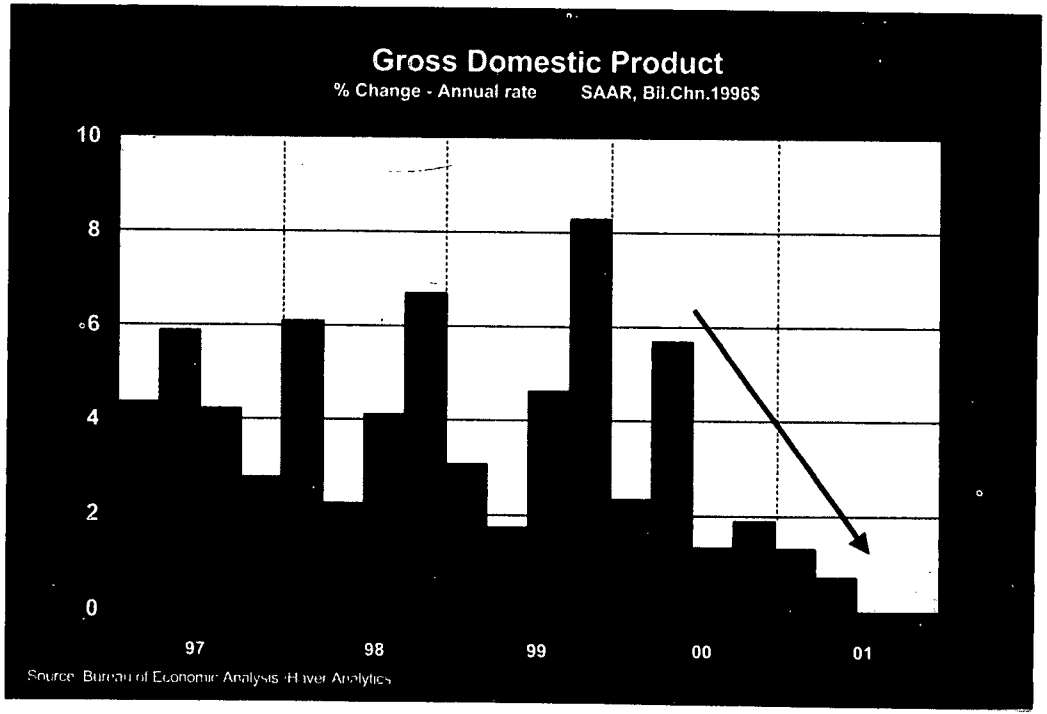
However, on the other hand, consumer spending and the housing industry have held up surprisingly well. This year the Fed has aggressively cut interest rates, Congress has reduced the tax drag on the economy, and energy prices are retreating. Although I am in agreement with many economists that these factors should work to foster an economic rebound by early next year, I'm still concerned about the vulnerability of the economy to shocks and disruptions.

The employment data released today reflect the economic slowdown. Payroll employment declined 42,000 in July, a poor performance relative to the 225,000-250,000 increases typical during the healthy economic expansion. Manufacturing employment has been in decline, and has lost 837,000 jobs since July 2000. The unemployment rate remained unchanged at 4.5 percent.

The domestic economic situation is cause for concern, but the international economic situation is also problematic. A worldwide economic slowdown coming all at the same time magnifies the potential for cascading contractionary forces to undermine the U.S. economy. There are also weaknesses in the international financial situation that bear close examination. I continue to believe that an easing by major central banks in the U.S., Europe, and Japan should be considered to alleviate potentially deflationary pressures.

In the event others do not act, it would be appropriate for the Federal Reserve to act on its own to reduce interest rates. Chairman Greenspan's policy actions in 1998 did much to stabilize the international economic situation. Although the circumstances are different today, actions by the Fed could have very positive effects not only for the U.S. economy, but for the international economy as well.

All Americans look forward to the resumption of healthy economic and job growth. The economic slowdown has caused job losses in several sectors, but manufacturing has been especially hard hit in the last year. Fortunately, the economy seems to have avoided slipping into a recession, and there are indications that the slowdown may have bottomed out. However, policy makers must remain alert to any signs of economic deterioration and be ready to take further actions if needed.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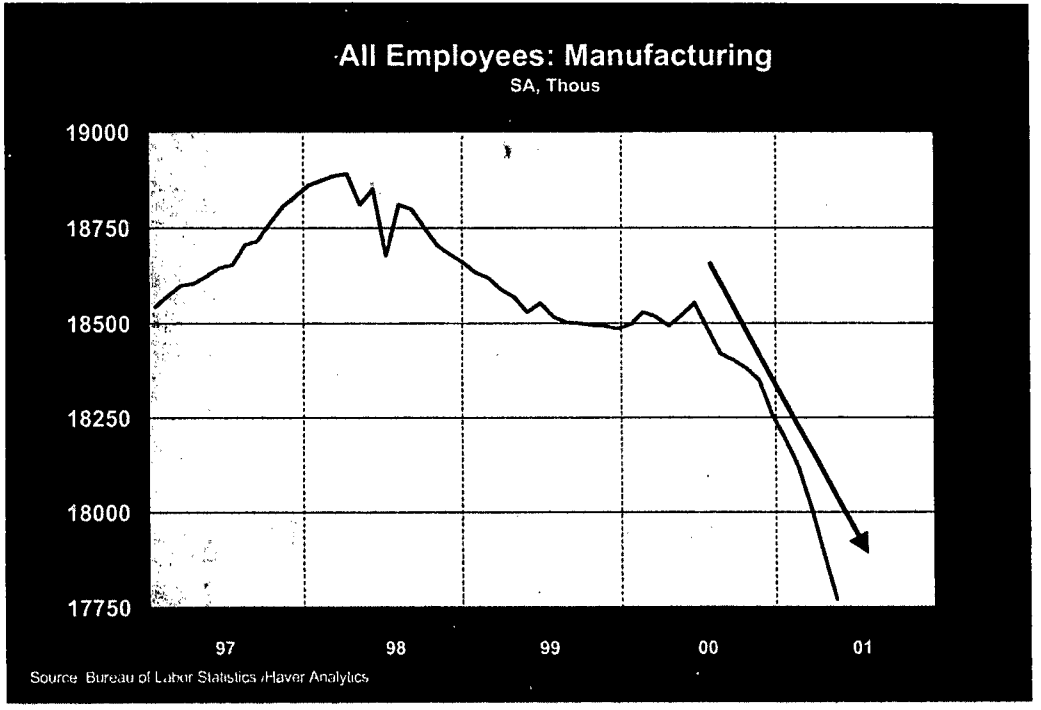
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Source: Bureau of Labor Statistics /Haver Analytics

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Statement of

Katharine G. Abraham
Commissioner
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

Friday, August 3, 2001

Mr. Chairman and Members of the Committee:

I would like to thank you for the opportunity to comment on the labor market data for July released this morning.

Total nonfarm payroll employment continued to erode in July, with a net loss of 42,000. Manufacturing employment continued its year-long slide, and most other industry divisions had little or no job growth. The unemployment rate remained at 4.5 percent in July and has been essentially unchanged since April.

Manufacturing employment declined by 49,000 in July. During the first 6 months of the year, job losses had averaged nearly 100,000 a month. The largest declines in July continued to be in electrical equipment (-24,000) and industrial machinery (-21,000). These two industries, which produce high-tech products such as computers and communications equipment, account for about 40 percent of the 632,000 manufacturing jobs lost thus far this year. Elsewhere in manufacturing, autos, chemicals, and apparel showed gains in July, following job losses over the April-June period, although this month's gains may merely reflect vagaries in the timing of summer plant shutdowns.

Construction employment was little changed in July, as growth in nonresidential and heavy construction was offset by a decline in special trades. Although many barometers of construction activity remain at relatively high levels, we have seen some recent softening in construction employment.

The services industry, which has been a steady source of employment growth for decades, has shown no net job gain since March. A major factor in this weakening has been the large job losses in the help supply industry. In July, employment in help supply services declined for the tenth month in a row, for a total job loss of 429,000 over the period. This industry provides workers to other businesses;

thus, the decline in its employment reflects the weakening in manufacturing and other industries. The services industry also provided some of the very few bright spots in this month's report, as substantial job gains continued in health services and in engineering and management services.

Average hourly earnings for production and nonsupervisory workers in the private sector, at $14.35 in July, rose by 4 cents over the month. Over the year, average hourly earnings were up 4.4 percent.

Looking at some of the data obtained from the survey of households, the unemployment rate, at 4.5 percent in July, was unchanged from June and has remained essentially the same since April. The jobless rates for major worker groups saw little or no change over the month. Rates for all these groups were somewhat higher than their recent lows reached last year.

I would note that the household survey data in today's release reflect an expansion of the survey sample from about 50,000 to about 60,000 households. The expansion, which began last fall, was undertaken by the Census Bureau to meet the program requirements of the State Children's Health Insurance Program (SCHIP).

Last fall, we said that we would defer the use of the additional sample in the official national labor force

estimates. This delay was intended to allow sufficient time to evaluate the differences between the estimates obtained from the current and the expanded samples. Since there were no significant differences in the national labor force estimates derived from the two samples, we are incorporating the additional sample into the official national estimates beginning with today's release.

In summary, total nonfarm employment declined further in July. Manufacturing continued to shed workers, and few industries throughout the rest of the economy showed significant job growth. The unemployment rate remained at 4.5 percent.

My colleagues and I would be glad to answer your questions.

News United States Department of Labor

Bureau of Labor Statistics Washington, D.C. 20212

Technical information:
Household data: (202) 691-6378 USDL 01-245
http://www.bls.gov/cpshome.htm

Establishment data: 691-6555 Transmission of material in this release is
http://www.bls.gov/ceshome.htm embargoed until 8:30 A.M. (EDT),
Media contact: 691-5902 Friday, August 3, 2001.

THE EMPLOYMENT SITUATION: JULY 2001

Nonfarm payroll employment continued to decline in July, and the unemployment rate was unchanged at 4.5 percent, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Payroll employment was down by 42,000 over the month. Job losses continued in manufacturing, and employment in most other major industries showed little significant change.

Chart 1. Unemployment rate, seasonally adjusted, August 1998 - July 2001

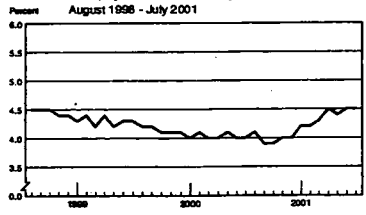
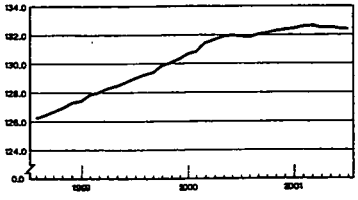


Chart 2. Nonfarm payroll employment, seasonally adjusted, August 1998 - July 2001



Unemployment (Household Survey Data)

The number of unemployed persons was essentially unchanged at 6.4 million in July, and the unemployment rate held at 4.5 percent. The jobless rate has been either 4.4 or 4.5 percent since April; its most recent low was 3.9 percent in October 2000. The rates for all the major worker groups—adult men (3.9 percent), adult women (3.9 percent), teenagers (14.8 percent), whites (4.0 percent), blacks (7.9 percent), and Hispanics (6.0 percent)—showed little or no change over the month. (See tables A-1 and A-2.)

Total Employment and the Labor Force (Household Survey Data)

The civilian labor force grew by 420,000 in July to 141.8 million, and the labor force participation rate—the proportion of the population 16 years of age and older who are either working or looking for work—edged up to 66.9 percent. Total employment increased by 447,000 over the month to 135.4 million, seasonally adjusted. Despite this rise, total employment in July was still 620,000 below its January 2001 level. The employment-population ratio rose slightly in July to 63.9 percent. (See table A-1.)

Table A. Major indicators of labor market activity, seasonally adjusted
(Numbers in thousands)

Category	Quarterly averages 2001		Monthly data 2001			June-July change
	I	II	May	June	July	
HOUSEHOLD DATA	Labor force status					
Civilian labor force	141,858	141,461	141,272	141,354	141,774	420
Employment	135,864	135,130	135,103	134,932	135,379	447
Unemployment	5,994	6,331	6,169	6,422	6,395	-27
Not in labor force	69,171	70,072	70,254	70,370	70,147	-223
	Unemployment rates					
All workers	4.2	4.5	4.4	4.5	4.5	.0
Adult men	3.7	4.0	3.9	4.0	3.9	-0.1
Adult women	3.6	3.8	3.8	3.8	3.9	.1
Teenagers	13.7	14.0	13.6	14.3	14.8	.5
White	3.7	3.9	3.8	4.0	4.0	.0
Black	8.1	8.2	8.0	8.4	7.9	-.5
Hispanic origin	6.2	6.5	6.2	6.6	6.0	-.6
ESTABLISHMENT DATA	Employment					
Nonfarm employment	132,559	p132,485	132,530	p132,437	p132,395	p-42
Goods-producing[1]	25,621	p25,314	25,324	p25,198	p25,151	p-47
Construction	6,878	p6,867	6,881	p6,867	p6,868	p1
Manufacturing	18,188	p17,885	17,879	p17,766	p17,717	p-49
Service-producing[1]	106,938	p107,171	107,206	p107,239	p107,244	p5
Retail trade	23,448	p23,549	23,546	p23,570	p23,576	p6
Services	41,026	p41,053	41,078	p41,087	p41,064	p-23
Government	20,673	p20,777	20,770	p20,815	p20,846	p31
	Hours of work[2]					
Total private	34.3	p34.2	34.2	p34.2	p34.2	p.0
Manufacturing	41.0	p40.8	40.7	p40.7	p40.8	p0.1
Overtime	4.1	p3.9	3.9	p3.9	p3.9	p.0
	Indexes of aggregate weekly hours (1982=100)[2]					
Total private	152.0	p151.4	151.5	p151.2	p151.0	p-0.2
	Earnings[2]					
Average hourly earnings, total private	$14.10	p$14.25	$14.24	p$14.31	p$14.35	p$0.04
Average weekly earnings, total private	484.21	p487.46	487.01	p489.40	p490.77	p1.37

[1] Includes other industries, not shown separately.

[2] Data relate to private production or nonsupervisory workers.

p=preliminary.

About 7.5 million persons (not seasonally adjusted) held more than one job in July. These multiple jobholders represented 5.5 percent of the employed, the same as a year earlier. (See table A-10.)

Persons Not in the Labor Force (Household Survey Data)

About 1.2 million persons (not seasonally adjusted) were marginally attached to the labor force in July, about the same as a year earlier. These were people who wanted and were available for work and had looked for a job sometime in the prior 12 months but were not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey. In July, the number of discouraged workers was 308,000. Discouraged workers, a subset of the marginally attached, were not currently looking for work specifically because they believed no jobs were available for them. (See table A-10.)

Industry Payroll Employment (Establishment Survey Data)

Nonfarm payroll employment was down by 42,000 in July to a level of 132.4 million, seasonally adjusted. This was the third decline in the past 4 months, resulting in a net loss of about 260,000 jobs over the period. Manufacturing employment continued to fall, but July's decline was the smallest so far this year. The other major industry groups posted little or no change in employment over the month. (See table B-1.)

In the goods-producing sector, manufacturing shed 49,000 jobs in July, bringing total losses in the industry since July 2000 to 837,000. The decline this July was less than half the size of the losses in each of the prior 3 months. In July, employment in electrical equipment and in industrial machinery continued to decline, by 24,000 and 21,000, respectively. So far this year, these two industries together have lost a total of 247,000 jobs, accounting for about 40 percent of the total job loss in manufacturing. Employment in primary metals fell in July, the ninth consecutive monthly decrease. In automobile manufacturing, employment has fallen by 45,000 so far this year despite an increase of 11,000 over the month. Among nondurable manufacturing industries, printing and publishing experienced another large employment decline in July and has lost 65,000 jobs in the past 12 months.

Employment in construction was little changed in July, following a decline in June. Monthly job growth in the industry has averaged 11,000 thus far in 2001, compared with 18,000 per month in 2000. In July, job gains in heavy construction were offset by losses in special trade contracting. Job growth continued in mining. Oil and gas extraction has added 21,000 jobs so far this year, while metal mining has lost 7,000.

In the service-producing sector, employment in the services industry was little changed overall in July. The help supply industry, which provides temporary workers to businesses on a contractual basis, lost 42,000 jobs in July. This was the tenth consecutive monthly employment decline for this industry, and its losses since last September now total 429,000 jobs. Large employment gains occurred in health services (25,000) and in engineering and management services (13,000).

Employment in retail trade was little changed in July. Job gains in eating and drinking places (40,000) and automobile dealers (5,000) were partially offset by losses in food stores, apparel stores, and building materials and garden supply stores. In July, employment in wholesale trade was unchanged following three months with large declines. Job losses in the distribution of durable goods were exactly offset by gains in the nondurable-goods component of the industry.

Employment in transportation and public utilities was little changed in July, following a decline of 16,000 in June. After gaining an average of 14,000 jobs a month in 2000, employment in the industry has

changed little on balance since December. Air transportation and transportation services continued their declining employment trends with small job losses in July.

Finance, insurance, and real estate employment edged down in July, following a larger decline in June. Together, the June and July job losses in this industry totaled 18,000. Security and commodity brokerages continued to shed jobs and accounted for most of the 2-month decline.

Employment in government edged up in July, with most of the gains in state and local government education. This was the second consecutive month of large seasonally adjusted job gains for state education employment, as light hiring for the school year last autumn resulted in smaller than usual layoffs during the summer months.

Weekly Hours (Establishment Survey Data)

The average workweek for production or nonsupervisory workers on private nonfarm payrolls was unchanged in July at 34.2 hours, seasonally adjusted. The manufacturing workweek ticked up by 0.1 hour to 40.8 hours. Manufacturing overtime was flat at 3.9 hours. Over the past 12 months, the factory workweek has fallen by 1.0 hour and factory overtime by 0.8 hour. (See table B-2.)

The index of aggregate weekly hours of production or nonsupervisory workers on private nonfarm payrolls fell by 0.1 percent in July to 151.0 (1982=100), seasonally adjusted. The manufacturing index was unchanged at 98.1. The factory index had declined in each of the previous 5 months, and has fallen by 8.3 percent over the past 12 months. The current level is the lowest since March 1983. (See table B-5.)

Hourly and Weekly Earnings (Establishment Survey Data)

Average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls increased by 4 cents in July to $14.35, seasonally adjusted. Over the month, average weekly earnings rose by 0.3 percent to $490.77. Over the year, average hourly earnings rose by 4.4 percent and average weekly earnings grew by 3.8 percent. (See table B-3.)

The Employment Situation for August 2001 is scheduled to be released on Friday, September 7, at 8:30 A.M. (EDT).

Expansion of the Current Population Survey (Household Survey) Sample

Effective with the release of data for July 2001, the Current Population Survey (CPS) sample size has increased from about 50,000 to about 60,000 households. Beginning in September 2000, the Census Bureau began to expand the monthly sample for the CPS as part of its plan to meet the requirements of the State Children's Health Insurance Program legislation. The Bureau of Labor Statistics (BLS), however, deferred the use of the expanded sample to allow sufficient time to evaluate the differences between the 50,000-household sample and the expanded 60,000-household sample. BLS evaluated the monthly data for the November 2000-April 2001 period and found no significant differences in the national labor force estimates derived from the two samples. Thus, BLS has incorporated the additional sample into the July 2001 official national labor force estimates presented in this release. Since estimates from the two samples were virtually identical, household data for the first 6 months of 2001 will not be revised. Annual average data for 2001 from the household survey, however, will be based on expanded-sample data for all of the months of 2001. The August 2001 issue of *Employment and Earnings* will contain an article discussing this sample expansion in more detail.

Explanatory Note

This news release presents statistics from two major surveys, the Current Population Survey (household survey) and the Current Employment Statistics survey (establishment survey). The household survey provides the information on the labor force, employment, and unemployment that appears in the A tables, marked HOUSEHOLD DATA. It is a sample survey of about 60,000 households conducted by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS).

The establishment survey provides the information on the employment, hours, and earnings of workers on nonfarm payrolls that appears in the B tables, marked ESTABLISHMENT DATA. This information is collected from payroll records by BLS in cooperation with State agencies. In June 2001, the sample included about 350,000 establishments employing about 39 million people.

For both surveys, the data for a given month relate to a particular week or pay period. In the household survey, the reference week is generally the calendar week that contains the 12th day of the month. In the establishment survey, the reference period is the pay period including the 12th, which may or may not correspond directly to the calendar week.

Coverage, definitions, and differences between surveys

Household survey. The sample is selected to reflect the entire civilian noninstitutional population. Based on responses to a series of questions on work and job search activities, each person 16 years and over in a sample household is classified as employed, unemployed, or not in the labor force.

People are classified as *employed* if they did any work at all as paid employees during the reference week; worked in their own business, profession, or on their own farm; or worked without pay at least 15 hours in a family business or farm. People are also counted as employed if they were temporarily absent from their jobs because of illness, bad weather, vacation, labor-management disputes, or personal reasons.

People are classified as *unemployed* if they meet all of the following criteria: They had no employment during the reference week; they were available for work at that time; and they made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons laid off from a job and expecting recall need not be looking for work to be counted as unemployed. The unemployment data derived from the household survey in no way depend upon the eligibility for or receipt of unemployment insurance benefits.

The *civilian labor force* is the sum of employed and unemployed persons. Those not classified as employed or unemployed are *not in the labor force*. The *unemployment rate* is the number unemployed as a percent of the labor force. The *labor force participation rate* is the labor force as a percent of the population, and the *employment-population ratio* is the employed as a percent of the population.

Establishment survey. The sample establishments are drawn from private nonfarm businesses such as factories, offices, and stores, as well as Federal, State, and local government entities. *Employees on nonfarm payrolls* are those who received pay for any part of the reference pay period, including persons on paid leave. Persons are counted in each job they hold. *Hours and earnings* data are for private businesses and relate only to production workers in the goods-producing sector and nonsupervisory workers in the service-producing sector.

Differences in employment estimates. The numerous conceptual and methodological differences between the household and establishment surveys result in important distinctions in the employment estimates derived from the surveys. Among these are:

- The household survey includes agricultural workers, the self-employed, unpaid family workers, and private household workers among the employed. These groups are excluded from the establishment survey.
- The household survey includes people on unpaid leave among the employed. The establishment survey does not.
- The household survey is limited to workers 16 years of age and older. The establishment survey is not limited by age.
- The household survey has no duplication of individuals, because individuals are counted only once, even if they hold more than one job. In the establishment survey, employees working at more than one job and thus appearing on more than one payroll would be counted separately for each appearance.

Other differences between the two surveys are described in "Comparing Employment Estimates from Household and Payroll Surveys," which may be obtained from BLS upon request.

Seasonal adjustment

Over the course of a year, the size of the nation's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays, and the opening and closing of schools. The effect of such seasonal variation can be very large; seasonal fluctuations may account for as much as 95 percent of the month-to-month changes in unemployment.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make nonseasonal developments, such as declines in economic activity or increases in the participation of women in the labor force, easier to spot. For example, the large number of youth entering the labor force each June is likely to obscure any other changes that have taken place relative to May, making it difficult to determine if the level of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. Insofar as the seasonal adjustment is made correctly, the adjusted figure provides a more useful tool with which to analyze changes in economic activity.

In both the household and establishment surveys, most seasonally adjusted series are independently adjusted. However, the adjusted series for many major estimates, such as total payroll employment, employment in most major industry divisions, total employment, and

unemployment are computed by aggregating independently adjusted component series. For example, total unemployment is derived by summing the adjusted series for four major age-sex components; this differs from the unemployment estimate that would be obtained by directly adjusting the total or by combining the duration, reasons, or more detailed age categories.

The numerical factors used to make the seasonal adjustments are recalculated twice a year. For the household survey, the factors are calculated for the January-June period and again for the July-December period. For the establishment survey, updated factors for seasonal adjustment are calculated for the May-October period and introduced along with new benchmarks, and again for the November-April period. In both surveys, revisions to historical data are made once a year.

Reliability of the estimates

Statistics based on the household and establishment surveys are subject to both sampling and nonsampling error. When a sample rather than the entire population is surveyed, there is a chance that the sample estimates may differ from the "true" population values they represent. The exact difference, or *sampling error*, varies depending on the particular sample selected, and this variability is measured by the standard error of the estimate. There is about a 90-percent chance, or level of confidence, that an estimate based on a sample will differ by no more than 1.6 standard errors from the "true" population value because of sampling error. BLS analyses are generally conducted at the 90-percent level of confidence.

For example, the confidence interval for the monthly change in total employment from the household survey is on the order of plus or minus 292,000. Suppose the estimate of total employment increases by 100,000 from one month to the next. The 90-percent confidence interval on the monthly change would range from -192,000 to 392,000 (100,000 +/- 292,000). These figures do not mean that the sample results are off by these magnitudes, but rather that there is about a 90-percent chance that the "true" over-the-month change lies within this interval. Since this range includes values of less than zero, we could not say with confidence that employment had, in fact, increased. If, however, the reported employment rise was half a million, then all of the values within the 90-percent confidence interval would be greater than zero. In this case, it is likely (at least a 90-percent chance) that an employment rise had, in fact, occurred. The 90-percent confidence interval for the monthly change in unemployment is +/- 273,000, and for the monthly change in the unemployment rate it is +/- .19 percentage point.

In general, estimates involving many individuals or establishments have lower standard errors (relative to the size of the estimate) than estimates which are based on a small number of observations. The precision of estimates is also improved when the data are cumulated over time such as for quarterly and annual averages. The seasonal adjustment process can also improve the stability of the monthly estimates.

The household and establishment surveys are also affected by *nonsampling error*. Nonsampling errors can occur for many reasons, including the failure to sample a segment of the population, inability to obtain information for all respondents in the sample, inability or unwillingness of respondents to provide correct information on a timely basis, mistakes made by respondents, and errors made in the collection or processing of the data.

For example, in the establishment survey, estimates for the most recent 2 months are based on substantially incomplete returns; for this reason, these estimates are labeled preliminary in the tables. It is only after two successive revisions to a monthly estimate, when nearly all sample reports have been received, that the estimate is considered final.

Another major source of nonsampling error in the establishment survey is the inability to capture, on a timely basis, employment generated by new firms. To correct for this systematic underestimation of employment growth (and other sources of error), a process known as bias adjustment is included in the survey's estimating procedures, whereby a specified number of jobs is added to the monthly sample-based change. The size of the monthly bias adjustment is based largely on past relationships between the sample-based estimates of employment and the total counts of employment described below.

The sample-based estimates from the establishment survey are adjusted once a year (on a lagged basis) to universe counts of payroll employment obtained from administrative records of the unemployment insurance program. The difference between the March sample-based employment estimates and the March universe counts is known as a benchmark revision, and serves as a rough proxy for total survey error. The new benchmarks also incorporate changes in the classification of industries. Over the past decade, the benchmark revision for total nonfarm employment has averaged 0.3 percent, ranging from zero to 0.7 percent.

Additional statistics and other information

More comprehensive statistics are contained in *Employment and Earnings*, published each month by BLS. It is available for $26.00 per issue or $50.00 per year from the U.S. Government Printing Office, Washington, DC 20402. All orders must be prepaid by sending a check or money order payable to the Superintendent of Documents, or by charging to Mastercard or Visa.

Employment and Earnings also provides measures of sampling error for the household survey data published in this release. For unemployment and other labor force categories, these measures appear in tables 1-B through 1-D of its "Explanatory Notes." Measures of the reliability of the data drawn from the establishment survey and the actual amounts of revision due to benchmark adjustments are provided in tables 2-B through 2-H of that publication.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone: 1-800-877-8339.

HOUSEHOLD DATA

Table A-1. Employment status of the civilian population by sex and age

(Numbers in thousands)

Employment status, sex, and age	Not seasonally adjusted			Seasonally adjusted[1]					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
TOTAL									
Civilian noninstitutional population	209,727	211,725	211,921	209,727	211,171	211,348	211,525	211,725	211,921
Civilian labor force	142,101	142,694	143,181	140,546	141,868	141,757	141,272	141,354	141,774
Participation rate	67.8	67.4	67.6	67.0	67.2	67.1	66.8	66.8	66.9
Employed	136,097	135,923	136,385	134,898	135,780	135,354	135,103	134,932	135,379
Employment-population ratio	64.9	64.2	64.4	64.3	64.3	64.0	63.9	63.7	63.8
Agriculture	3,736	3,335	3,449	3,295	3,161	3,192	3,193	2,995	3,045
Nonagricultural industries	132,361	132,588	132,936	131,603	132,618	132,162	131,910	131,937	132,334
Unemployed	6,004	6,762	6,797	5,648	6,088	6,402	6,169	6,422	6,395
Unemployment rate	4.2	4.7	4.7	4.0	4.3	4.5	4.4	4.5	4.5
Not in labor force	67,626	69,040	68,739	69,181	69,304	69,592	70,254	70,370	70,147
Persons who currently want a job	4,402	4,959	4,488	4,423	4,174	4,368	4,535	4,600	4,529
Men, 16 years and over									
Civilian noninstitutional population	100,745	101,786	101,885	100,745	101,504	101,593	101,684	101,786	101,885
Civilian labor force	76,344	76,460	76,836	75,026	75,516	75,741	75,344	75,462	75,719
Participation rate	75.8	75.1	75.5	74.5	74.4	74.8	74.1	74.1	74.3
Employed	73,408	72,885	73,441	72,141	72,201	72,245	71,978	71,928	72,279
Employment-population ratio	72.9	71.6	72.1	71.6	71.1	71.1	70.8	70.7	70.9
Unemployed	2,936	3,575	3,494	2,885	3,315	3,496	3,366	3,535	3,439
Unemployment rate	3.8	4.7	4.5	3.8	4.4	4.6	4.5	4.7	4.5
Men, 20 years and over									
Civilian noninstitutional population	92,642	93,616	93,708	92,642	93,285	93,410	93,541	93,616	93,708
Civilian labor force	71,138	71,527	71,818	70,782	71,261	71,575	71,351	71,346	71,555
Participation rate	76.8	76.5	76.8	76.4	76.4	76.6	76.3	76.2	76.4
Employed	68,927	68,910	69,061	68,495	68,534	68,706	68,595	68,468	68,745
Employment-population ratio	74.4	73.6	73.7	73.9	73.5	73.6	73.3	73.1	73.4
Agriculture	2,519	2,214	2,231	2,280	2,150	2,117	2,189	2,035	2,028
Nonagricultural industries	66,408	66,696	66,850	66,215	66,383	66,589	66,406	66,430	66,717
Unemployed	2,211	2,716	2,757	2,287	2,728	2,869	2,756	2,880	2,810
Unemployment rate	3.1	3.8	3.8	3.2	3.8	4.0	3.9	4.0	3.9
Women, 16 years and over									
Civilian noninstitutional population	108,983	109,939	110,035	108,983	109,667	109,756	109,842	109,939	110,035
Civilian labor force	65,757	66,234	66,346	65,520	66,352	66,016	65,928	65,893	66,055
Participation rate	60.3	60.2	60.2	60.1	60.5	60.1	60.0	59.9	60.0
Employed	62,689	63,038	62,943	62,757	63,578	63,109	63,125	63,008	63,100
Employment-population ratio	57.5	57.3	57.2	57.6	58.0	57.5	57.5	57.3	57.3
Unemployed	3,069	3,197	3,302	2,763	2,774	2,907	2,803	2,887	2,956
Unemployment rate	4.7	4.8	5.0	4.2	4.2	4.4	4.3	4.4	4.5
Women, 20 years and over									
Civilian noninstitutional population	101,111	102,023	102,057	101,111	101,779	101,870	101,938	102,023	102,057
Civilian labor force	61,015	61,707	61,575	61,535	62,412	62,132	62,119	61,890	62,145
Participation rate	60.3	60.5	60.3	60.9	61.3	61.0	60.9	60.7	60.9
Employed	58,656	59,215	58,940	59,273	60,178	59,741	59,786	59,610	59,752
Employment-population ratio	57.9	58.0	57.7	58.6	59.1	58.6	58.6	58.3	58.5
Agriculture	885	809	846	797	819	847	822	752	773
Nonagricultural industries	57,670	58,408	58,094	58,476	59,359	58,895	58,943	58,759	58,978
Unemployed	2,459	2,492	2,636	2,262	2,233	2,390	2,353	2,280	2,394
Unemployment rate	4.0	4.0	4.3	3.7	3.6	3.8	3.8	3.8	3.9
Both sexes, 16 to 19 years									
Civilian noninstitutional population	15,974	16,086	16,145	15,974	16,108	16,068	16,046	16,086	16,145
Civilian labor force	9,948	9,351	9,789	8,229	8,195	8,050	7,802	8,119	8,074
Participation rate	62.3	58.1	60.6	51.5	50.9	50.1	48.6	50.5	50.0
Employed	8,614	7,797	8,364	7,130	7,057	6,907	6,742	6,956	6,883
Employment-population ratio	53.9	48.5	51.8	44.6	43.9	43.0	42.0	43.2	42.6
Agriculture	332	312	373	218	191	229	201	209	244
Nonagricultural industries	8,282	7,486	7,991	6,912	6,866	6,679	6,541	6,748	6,639
Unemployed	1,334	1,554	1,424	1,099	1,127	1,143	1,060	1,162	1,191
Unemployment rate	13.4	16.6	14.5	13.4	13.8	14.2	13.6	14.3	14.8

[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

Table A-2. Employment status of the civilian population by race, sex, age, and Hispanic origin

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	Not seasonally adjusted			Seasonally adjusted[1]					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
WHITE									
Civilian noninstitutional population	174,443	175,789	175,924	174,443	175,416	175,533	175,653	175,789	175,924
Civilian labor force	118,533	118,859	119,119	117,298	118,243	118,145	117,888	117,733	117,982
Participation rate	67.9	67.6	67.7	67.2	67.4	67.3	67.0	67.0	67.1
Employed	114,294	113,926	114,222	113,201	113,853	113,434	113,185	113,037	113,237
Employment-population ratio	65.5	64.8	64.9	64.9	64.9	64.6	64.4	64.3	64.4
Unemployed	4,240	4,932	4,897	4,097	4,389	4,711	4,703	4,696	4,745
Unemployment rate	3.6	4.1	4.1	3.5	3.7	4.0	3.8	4.0	4.0
Men, 20 years and over									
Civilian labor force	60,325	60,681	60,714	59,982	60,358	60,598	60,512	60,389	60,432
Participation rate	77.2	77.0	77.0	76.7	76.7	77.0	76.8	76.6	76.6
Employed	58,769	58,651	58,771	58,317	58,366	58,488	58,493	58,244	58,362
Employment-population ratio	75.2	74.4	74.5	74.6	74.2	74.3	74.3	73.9	74.0
Unemployed	1,557	2,029	1,943	1,665	1,991	2,110	2,019	2,145	2,069
Unemployment rate	2.6	3.3	3.2	2.8	3.3	3.5	3.3	3.6	3.4
Women, 20 years and over									
Civilian labor force	49,830	50,226	50,161	50,328	50,910	50,697	50,611	50,431	50,684
Participation rate	59.6	59.7	59.6	60.2	60.6	60.3	60.2	59.9	60.2
Employed	48,067	48,457	48,240	48,700	49,318	48,907	48,902	48,749	48,925
Employment-population ratio	57.5	57.6	57.3	58.3	58.7	58.2	58.1	57.9	58.1
Unemployed	1,763	1,769	1,921	1,628	1,593	1,790	1,709	1,682	1,759
Unemployment rate	3.5	3.5	3.8	3.2	3.1	3.5	3.4	3.3	3.5
Both sexes, 16 to 19 years									
Civilian labor force	8,378	7,952	8,244	6,988	6,975	6,850	6,566	6,913	6,866
Participation rate	66.0	62.2	64.4	55.0	54.8	53.7	51.4	54.0	53.6
Employed	7,458	6,818	7,211	6,184	6,169	6,039	5,790	6,044	5,950
Employment-population ratio	58.7	53.3	56.3	48.7	48.5	47.3	45.3	47.2	46.5
Unemployed	920	1,134	1,033	804	806	812	776	869	916
Unemployment rate	11.0	14.3	12.5	11.5	11.6	11.8	11.8	12.6	13.3
Men	11.7	15.5	12.7	12.5	11.8	12.8	13.1	14.5	13.7
Women	10.2	12.9	12.4	10.4	11.2	10.8	10.5	10.6	13.0
BLACK									
Civilian noninstitutional population	25,221	25,533	25,565	25,221	25,441	25,472	25,501	25,533	25,565
Civilian labor force	16,808	16,897	16,990	16,501	16,789	16,666	16,639	16,758	16,693
Participation rate	66.6	66.2	66.5	65.4	66.0	65.4	65.2	65.6	65.3
Employed	15,356	15,434	15,481	15,232	15,348	15,299	15,311	15,343	15,374
Employment-population ratio	60.9	60.4	60.6	60.4	60.3	60.1	60.0	60.1	60.1
Unemployed	1,452	1,463	1,509	1,269	1,441	1,367	1,328	1,413	1,320
Unemployment rate	8.6	8.7	8.9	7.7	8.6	8.2	8.0	8.4	7.9
Men, 20 years and over									
Civilian labor force	7,357	7,329	7,439	7,306	7,404	7,369	7,275	7,317	7,395
Participation rate	72.8	71.6	72.6	72.3	72.6	72.2	71.2	71.5	72.1
Employed	6,831	6,805	6,815	6,811	6,776	6,781	6,723	6,744	6,808
Employment-population ratio	67.6	66.5	66.5	67.4	66.4	66.2	65.8	65.9	66.4
Unemployed	527	524	624	495	628	608	552	573	588
Unemployment rate	7.2	7.2	8.4	6.8	8.5	8.2	7.6	7.8	7.9
Women, 20 years and over									
Civilian labor force	8,198	8,467	8,371	8,234	8,418	8,353	8,421	8,491	8,409
Participation rate	64.8	66.1	65.2	65.1	65.9	65.3	65.8	66.3	65.5
Employed	7,522	7,886	7,808	7,714	7,885	7,892	7,882	7,917	7,903
Employment-population ratio	60.3	61.5	60.8	61.0	61.7	61.7	61.6	61.8	61.6
Unemployed	676	581	564	520	533	460	539	573	506
Unemployment rate	7.0	6.9	6.7	6.3	6.3	5.5	6.4	6.8	6.0
Both sexes, 16 to 19 years									
Civilian labor force	1,252	1,101	1,179	961	968	944	942	948	890
Participation rate	50.8	44.4	47.5	39.0	39.2	38.2	38.0	38.2	35.8
Employed	904	743	858	707	688	646	706	681	663
Employment-population ratio	36.7	30.0	34.5	28.7	27.9	26.1	28.5	27.5	26.7
Unemployed	349	358	321	254	280	299	236	267	227
Unemployment rate	27.8	32.5	27.3	26.4	28.9	31.6	25.1	28.2	25.5
Men	28.5	36.4	29.7	25.7	27.7	34.9	30.0	30.7	26.9
Women	27.2	29.1	24.9	27.1	30.2	28.6	20.3	26.0	24.3

See footnotes at end of table.

Table A-2. Employment status of the civilian population by race, sex, age, and Hispanic origin — Continued

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	Not seasonally adjusted			Seasonally adjusted[1]					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
HISPANIC ORIGIN									
Civilian noninstitutional population	22,422	23,090	23,157	22,422	22,889	22,957	23,021	23,090	23,157
Civilian labor force	15,291	15,669	15,792	15,243	15,770	15,775	15,608	15,570	15,788
Participation rate	68.2	67.9	68.2	68.0	68.9	68.7	67.8	67.4	68.2
Employed	14,397	14,640	14,814	14,384	14,782	14,747	14,634	14,536	14,843
Employment-population ratio	64.2	63.4	64.0	64.2	64.6	64.2	63.6	63.0	64.1
Unemployed	894	1,029	979	859	988	1,028	975	1,032	945
Unemployment rate	5.8	6.6	6.2	5.6	6.3	6.5	6.2	6.6	6.0

[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Detail for the above 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.

Table A-3. Employment status of the civilian population 25 years and over by educational attainment

(Numbers in thousands)

Educational attainment	Not seasonally adjusted			Seasonally adjusted[1]					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
Less than a high school diploma									
Civilian noninstitutional population	27,888	28,504	27,879	27,888	27,584	28,326	28,350	28,504	27,879
Civilian labor force	12,015	12,321	11,986	12,249	12,103	12,371	12,319	12,170	12,188
Percent of population	43.1	43.2	43.3	43.9	43.9	43.7	43.5	42.7	44.0
Employed	11,279	11,543	11,221	11,470	11,267	11,558	11,523	11,338	11,380
Employment-population ratio	40.4	40.5	40.5	41.1	40.9	40.8	40.6	39.8	41.1
Unemployed	736	778	765	779	835	813	797	831	808
Unemployment rate	6.1	6.3	6.4	6.4	6.9	6.6	6.5	6.8	6.6
High school graduates, no college[2]									
Civilian noninstitutional population	57,144	57,099	56,947	57,144	57,660	57,456	57,456	57,099	56,947
Civilian labor force	36,380	36,672	36,286	37,003	37,189	37,053	36,952	36,821	36,970
Percent of population	63.7	64.2	63.7	64.8	64.5	64.5	64.3	64.5	64.9
Employed	35,138	35,320	34,795	35,753	35,746	35,650	35,507	35,391	35,468
Employment-population ratio	61.5	61.9	61.1	62.6	62.0	62.0	61.8	62.0	62.3
Unemployed	1,242	1,352	1,491	1,250	1,443	1,403	1,448	1,431	1,502
Unemployment rate	3.4	3.7	4.1	3.4	3.9	3.8	3.9	3.9	4.1
Less than a bachelor's degree[3]									
Civilian noninstitutional population	44,724	44,812	45,444	44,724	45,182	44,553	44,578	44,812	45,444
Civilian labor force	33,052	33,111	33,432	32,916	33,241	33,044	33,192	33,314	33,298
Percent of population	73.9	73.9	73.8	73.6	73.6	74.0	74.5	74.3	73.3
Employed	32,093	32,102	32,366	32,014	32,360	32,065	32,188	32,263	32,301
Employment-population ratio	71.8	71.8	71.2	71.6	71.6	71.9	72.2	72.0	71.1
Unemployed	959	1,009	1,066	902	881	978	1,004	1,051	994
Unemployment rate	2.9	3.0	3.2	2.7	2.7	3.0	3.0	3.2	3.0
College graduates									
Civilian noninstitutional population	45,549	46,348	46,784	45,549	45,979	46,045	46,271	46,348	46,784
Civilian labor force	35,807	36,372	36,635	35,910	36,642	36,646	36,687	36,592	36,834
Percent of population	78.6	78.5	78.3	78.8	79.7	79.6	79.3	78.9	78.3
Employed	35,219	35,545	35,752	35,298	35,916	35,802	35,915	35,798	35,859
Employment-population ratio	77.3	76.7	76.4	77.5	78.1	77.8	77.6	77.2	76.6
Unemployed	588	826	883	612	726	845	771	795	775
Unemployment rate	1.9	2.3	2.4	1.7	2.0	2.3	2.1	2.2	2.1

[1] The population figures are not adjusted for seasonal variation, therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Includes high school diploma or equivalent.

[3] Includes the categories, some college, no degree; and associate degree.

Table A-4. Selected employment indicators

(In thousands)

Category	Not seasonally adjusted			Seasonally adjusted					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
CHARACTERISTIC									
Total employed, 16 years and over	136,097	135,823	136,385	134,898	135,780	135,354	135,103	134,932	135,379
Married men, spouse present	43,241	43,342	43,251	43,308	43,385	43,516	43,733	43,428	43,294
Married women, spouse present	33,047	33,113	32,931	33,621	34,080	33,662	33,686	33,380	33,603
Women who maintain families	8,372	8,453	8,507	8,460	8,049	8,160	8,319	8,529	8,567
OCCUPATION									
Managerial and professional specialty	40,517	41,849	41,629	40,804	42,023	41,841	41,996	41,987	41,917
Technical, sales, and administrative support	39,474	38,920	39,145	39,317	39,433	39,014	38,743	38,998	39,067
Service occupations	18,288	18,855	18,996	17,968	18,289	18,258	18,224	18,576	18,642
Precision production, craft, and repair	15,419	14,957	15,222	15,191	14,895	14,834	14,952	14,794	14,997
Operators, fabricators, and laborers	18,558	17,797	17,762	18,313	17,999	18,127	17,904	17,564	17,571
Farming, forestry, and fishing	3,842	3,544	3,631	3,332	3,321	3,236	3,251	3,135	3,166
CLASS OF WORKER									
Agriculture:									
Wage and salary workers	2,360	2,039	2,028	2,065	1,910	1,902	1,958	1,775	1,786
Self-employed workers	1,326	1,251	1,382	1,189	1,231	1,223	1,201	1,166	1,256
Unpaid family workers	50	44	29	39	36	47	38	36	22
Nonagricultural industries:									
Wage and salary workers	123,543	123,525	124,162	122,744	123,814	123,395	123,416	123,009	123,432
Government	18,072	18,624	18,371	18,592	19,134	18,854	19,067	18,812	18,919
Private industries	105,471	105,001	105,792	104,152	104,680	104,541	104,349	104,197	104,513
Private households	857	793	811	821	881	812	789	744	790
Other industries	104,614	104,208	104,981	103,331	103,800	103,729	103,559	103,453	103,723
Self-employed workers	8,739	8,864	8,694	8,619	8,784	8,606	8,530	8,741	8,574
Unpaid family workers	79	99	79	86	138	93	103	94	88
PERSONS AT WORK PART TIME									
All industries:									
Part time for economic reasons	3,283	3,924	3,681	3,110	3,164	3,201	3,371	3,537	3,468
Slack work or business conditions	1,905	2,288	2,167	1,871	1,914	2,097	2,215	2,299	2,120
Could only find part-time work	1,018	1,180	1,113	918	907	873	900	1,025	999
Part time for noneconomic reasons	16,238	16,884	16,452	16,579	16,647	16,713	16,581	16,472	16,845
Nonagricultural industries:									
Part time for economic reasons	3,146	3,801	3,559	2,972	3,007	3,061	3,197	3,532	3,336
Slack work or business conditions	1,802	2,225	2,094	1,773	1,828	1,985	2,089	2,234	2,059
Could only find part-time work	990	1,141	1,088	895	877	864	876	1,024	985
Part time for noneconomic reasons	15,696	16,379	15,929	16,052	16,132	16,176	16,061	16,039	16,309

NOTE: Persons at work excludes employed persons who were absent from their jobs during the entire reference week for reasons such as vacation, illness, or industrial dispute. Part time for noneconomic reasons excludes persons who usually work full time but worked only 1 to 34 hours during the reference week for reasons such as holidays, illness, and bad weather.

Table A-5. Selected unemployment indicators, seasonally adjusted

Category	Number of unemployed persons (in thousands)			Unemployment rates[1]					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
CHARACTERISTIC									
Total, 16 years and over	5,648	6,422	6,395	4.0	4.3	4.5	4.4	4.5	4.5
Men, 20 years and over	2,287	2,680	2,810	3.2	3.8	4.0	3.9	4.0	3.9
Women, 20 years and over	2,262	2,380	2,394	3.7	3.8	3.8	3.8	3.8	3.9
Both sexes, 16 to 19 years	1,099	1,162	1,191	13.4	13.8	14.2	13.6	14.3	14.8
Married men, spouse present	876	1,171	1,170	2.0	2.5	2.5	2.6	2.6	2.6
Married women, spouse present	948	1,034	981	2.7	2.7	2.9	2.9	3.0	2.8
Women who maintain families	508	577	569	5.7	6.2	6.3	6.2	6.3	6.2
Full-time workers	4,422	5,162	5,173	3.8	4.2	4.3	4.3	4.4	4.4
Part-time workers	1,223	1,282	1,242	5.1	4.8	5.5	4.8	5.3	5.1
OCCUPATION[2]									
Managerial and professional specialty	766	865	955	1.8	2.0	2.1	1.9	2.0	2.2
Technical, sales, and administrative support	1,464	1,638	1,608	3.6	3.7	4.1	3.7	4.0	4.0
Precision production, craft, and repair	545	690	663	3.5	3.5	4.5	4.5	4.5	4.2
Operators, fabricators, and laborers	1,216	1,513	1,369	6.2	7.4	6.8	7.3	7.9	7.2
Farming, forestry, and fishing	206	207	258	5.8	9.1	7.5	7.1	6.2	7.5
INDUSTRY									
Nonagricultural private wage and salary workers	4,428	5,236	5,158	4.1	4.5	4.6	4.5	4.8	4.7
Goods-producing industries	1,230	1,568	1,584	4.3	5.3	5.3	5.3	5.5	5.6
Mining	22	39	21	4.5	5.5	5.1	5.5	6.8	3.7
Construction	490	550	570	6.0	6.2	7.1	6.6	6.7	6.8
Manufacturing	718	979	994	3.6	5.0	4.6	4.8	5.0	5.1
Durable goods	404	611	567	3.3	5.0	4.3	4.9	5.0	4.7
Nondurable goods	314	368	427	4.0	5.0	5.1	4.7	4.9	5.7
Service-producing industries	3,198	3,670	3,574	4.0	4.3	4.4	4.2	4.5	4.4
Transportation and public utilities	250	358	285	3.1	3.1	4.1	3.8	4.4	3.3
Wholesale and retail trade	1,367	1,482	1,447	5.0	5.3	5.3	5.3	5.3	5.2
Finance, insurance, and real estate	175	213	259	2.2	2.6	2.7	2.3	2.6	3.2
Services	1,406	1,619	1,603	3.9	4.1	4.1	3.9	4.4	4.3
Government workers	407	394	402	2.1	2.1	2.3	2.0	2.0	2.1
Agricultural wage and salary workers	161	188	219	7.2	11.3	9.2	8.2	9.6	10.9

[1] Unemployment as a percent of the civilian labor force.
[2] Seasonally adjusted unemployment data for service occupations are not available because the seasonal component, which is small relative to the trend-cycle and irregular components, cannot be separated with sufficient precision.

Table A-6. Duration of unemployment

(Numbers in thousands)

Duration	Not seasonally adjusted			Seasonally adjusted					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
NUMBER OF UNEMPLOYED									
Less than 5 weeks	2,734	3,486	2,673	2,493	2,674	2,958	2,679	2,809	2,812
5 to 14 weeks	1,970	1,803	2,347	1,811	1,992	1,877	2,028	2,084	2,150
15 weeks and over	1,300	1,473	1,576	1,319	1,517	1,499	1,484	1,540	1,587
15 to 26 weeks	590	780	876	650	814	759	852	804	935
27 weeks and over	711	692	700	669	703	740	632	737	652
Average (mean) duration, in weeks	12.9	11.8	12.3	13.2	13.0	12.6	12.2	13.0	12.5
Median duration, in weeks	5.5	4.4	6.2	5.9	6.5	5.8	6.5	6.2	6.7
PERCENT DISTRIBUTION									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	45.5	51.8	42.3	44.3	43.2	46.0	43.3	43.7	41.1
5 to 14 weeks	32.8	26.7	34.5	32.2	32.2	30.7	32.8	32.4	33.9
15 weeks and over	21.7	21.8	23.2	23.5	24.5	23.3	24.0	23.9	25.0
15 to 26 weeks	9.8	11.5	12.9	11.6	13.2	11.8	13.8	12.5	14.7
27 weeks and over	11.8	10.2	10.3	11.9	11.4	11.5	10.2	11.4	10.3

Table A-7. Reason for unemployment

(Numbers in thousands)

Reason	Not seasonally adjusted			Seasonally adjusted					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
NUMBER OF UNEMPLOYED									
Job losers and persons who completed temporary jobs	2,489	3,090	3,327	2,450	2,963	3,199	3,159	3,291	3,252
On temporary layoff	887	843	1,033	857	991	1,053	1,064	940	1,003
Not on temporary layoff	1,603	2,247	2,294	1,593	1,972	2,146	2,075	2,351	2,249
Permanent job losers	1,105	1,656	1,721	(1)	(1)	(1)	(1)	(1)	(1)
Persons who completed temporary jobs	498	591	573	(1)	(1)	(1)	(1)	(1)	(1)
Job leavers	643	781	825	788	814	749	820	810	774
Reentrants	2,049	2,186	2,000	1,960	1,908	2,005	1,801	1,906	1,912
New entrants	623	705	644	412	386	462	482	477	436
PERCENT DISTRIBUTION									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers and persons who completed temporary jobs	41.5	45.7	49.0	43.7	48.8	49.9	50.4	50.8	51.0
On temporary layoff	14.8	12.5	15.2	15.3	16.3	16.4	17.3	14.5	15.7
Not on temporary layoff	26.7	33.2	33.8	28.4	32.5	33.5	33.1	36.3	35.3
Job leavers	14.0	11.5	12.1	14.0	13.4	11.7	13.1	12.5	12.1
Reentrants	34.1	32.3	29.4	34.9	31.4	31.3	28.8	29.4	30.0
New entrants	10.4	10.4	9.5	7.3	6.4	7.2	7.7	7.4	6.8
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE									
Job losers and persons who completed temporary jobs	1.8	2.2	2.3	1.7	2.1	2.3	2.2	2.3	2.3
Job leavers	.6	.5	.6	.6	.6	.5	.5	.6	.5
Reentrants	1.4	1.5	1.4	1.4	1.3	1.4	1.3	1.3	1.3
New entrants	.4	.5	.4	.3	.3	.3	.3	.3	.3

[1] Not available.

Table A-8. Range of alternative measures of labor underutilization

(Percent)

Measure	Not seasonally adjusted			Seasonally adjusted					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force	.9	1.0	1.1	.9	1.1	1.1	1.1	1.1	1.1
U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force	1.8	2.2	2.3	1.7	2.1	2.3	2.2	2.3	2.3
U-3 Total unemployed, as a percent of the civilian labor force (official unemployment rate)	4.2	4.7	4.7	4.0	4.3	4.5	4.4	4.5	4.5
U-4 Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers	4.4	4.9	5.0	(1)	(1)	(1)	(1)	(1)	(1)
U-5 Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers	5.0	5.5	5.6	(1)	(1)	(1)	(1)	(1)	(1)
U-6 Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers	7.3	8.2	8.1	(1)	(1)	(1)	(1)	(1)	(1)

[1] Not available.

NOTE: This range of alternative measures of labor underutilization replaces the U1-U7 range published in table A-7 of this release prior to 1994. Marginally attached workers are persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past. Discouraged workers, a subset of the marginally attached, have given a job-market related reason for not currently looking for a job. Persons employed part time for economic reasons are those who want and are available for full-time work but have had to settle for a part-time schedule. For further information, see "BLS introduces new range of alternative unemployment measures," in the October 1995 issue of the *Monthly Labor Review*.

Table A-9. Unemployed persons by sex and age, seasonally adjusted

Age and sex	Number of unemployed persons (in thousands)			Unemployment rates[1]					
	July 2000	June 2001	July 2001	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001	July 2001
Total, 16 years and over	5,848	6,422	6,395	4.0	4.3	4.5	4.4	4.5	4.5
16 to 24 years	2,077	2,340	2,281	9.2	10.0	10.4	9.9	10.4	10.1
16 to 19 years	1,099	1,162	1,191	13.4	13.8	14.2	13.6	14.3	14.8
16 to 17 years	514	505	609	16.3	15.0	16.7	15.5	16.0	19.3
18 to 19 years	578	652	582	11.5	12.3	12.6	12.2	13.1	11.8
20 to 24 years	978	1,177	1,090	6.9	7.8	8.3	7.9	8.2	7.5
25 years and over	3,550	4,110	4,104	3.0	3.2	3.4	3.3	3.5	3.4
25 to 54 years	3,107	3,621	3,604	3.1	3.4	3.5	3.5	3.6	3.6
55 years and over	436	521	521	2.4	2.6	2.8	2.6	2.8	2.8
Men, 16 years and over	2,885	3,535	3,439	3.8	4.4	4.6	4.5	4.7	4.5
16 to 24 years	1,127	1,371	1,228	9.6	10.9	10.9	11.0	11.8	10.4
16 to 19 years	598	655	629	14.1	13.8	15.1	15.3	15.9	15.1
16 to 17 years	281	288	304	17.5	15.6	18.7	17.4	18.0	19.0
18 to 19 years	313	369	331	12.0	12.7	12.8	13.9	14.5	13.0
20 to 24 years	529	716	599	7.1	9.3	8.7	8.7	9.5	7.9
25 years and over	1,767	2,167	2,220	2.8	3.2	3.5	3.3	3.4	3.5
25 to 54 years	1,506	1,856	1,910	2.8	3.3	3.5	3.5	3.5	3.6
55 years and over	243	311	307	2.4	2.9	2.9	2.9	3.0	3.0
Women, 16 years and over	2,763	2,887	2,956	4.2	4.2	4.4	4.3	4.4	4.5
16 to 24 years	950	968	1,053	8.9	8.9	9.8	8.8	8.9	9.7
16 to 19 years	501	507	562	12.6	13.7	13.3	11.8	12.7	14.4
16 to 17 years	233	216	305	15.0	16.4	14.5	13.6	14.0	19.6
18 to 19 years	265	283	251	10.9	11.9	12.4	10.4	11.6	10.6
20 to 24 years	449	461	491	6.7	6.3	7.8	7.1	6.7	7.1
25 years and over	1,783	1,942	1,884	3.3	3.2	3.3	3.4	3.5	3.4
25 to 54 years	1,601	1,755	1,694	3.4	3.5	3.4	3.6	3.8	3.6
55 years and over	193	209	214	2.4	2.2	2.6	2.2	2.5	2.5

[1] Unemployment as a percent of the civilian labor force.

Table A-10. Persons not in the labor force and multiple jobholders by sex, not seasonally adjusted

(Numbers in thousands)

Category	Total		Men		Women	
	July 2000	July 2001	July 2000	July 2001	July 2000	July 2001
NOT IN THE LABOR FORCE						
Total not in the labor force	67,626	68,739	24,400	24,950	43,226	43,790
Persons who currently want a job	4,402	4,488	1,922	1,812	2,480	2,676
Searched for work and available to work now[1]	1,170	1,225	617	549	553	676
Reason not currently looking:						
Discouragement over job prospects[2]	265	308	176	171	89	137
Reasons other than discouragement[3]	906	917	441	377	465	540
MULTIPLE JOBHOLDERS						
Total multiple jobholders[4]	7,553	7,452	4,024	3,920	3,529	3,532
Percent of total employed	5.5	5.5	5.5	5.3	5.6	5.6
Primary job full time, secondary job part time	4,043	4,017	2,337	2,382	1,706	1,635
Primary and secondary jobs both part time	1,593	1,573	592	512	1,001	1,061
Primary and secondary jobs both full time	416	324	258	196	158	127
Hours vary on primary or secondary job	1,441	1,493	802	804	639	689

[1] Data refer to persons who have searched for work during the prior 12 months and were available to take a job during the reference week.

[2] Includes thinks no work available, could not find work, lacks schooling or training, employer thinks too young or old, and other types of discrimination.

[3] Includes those who did not actively look for work in the prior 4 weeks for such reasons as child-care and transportation problems, as well as a small number for which reason for nonparticipation was not determined.

[4] Includes persons who work part time on their primary job and full time on their secondary job(s), not shown separately.

Table B-1. Employees on nonfarm payrolls by industry

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	July 2000	May 2001	June 2001p	July 2001p	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001p	July 2001p
Total	131,739	133,147	133,625	132,246	131,899	132,654	132,489	132,530	132,437	132,395
Total private	112,129	111,954	112,747	112,520	111,180	111,943	111,742	111,760	111,622	111,549
Goods-producing	26,105	25,349	25,555	25,490	25,774	25,602	25,421	25,324	25,198	25,151
Mining	551	563	572	574	542	557	560	564	565	566
Metal mining	41.1	36.5	35.5	34.9	40	38	37	37	35	34
Coal mining	75.9	76.1	77.4	77.9	76	75	75	76	78	78
Oil and gas extraction	316.3	335.8	343.3	344.4	313	331	335	339	340	341
Nonmetallic minerals, except fuels	117.5	114.2	115.7	117.0	113	113	113	112	112	113
Construction	7,019	6,938	7,122	7,213	6,678	6,929	6,852	6,881	6,867	6,868
General building contractors	1,592.5	1,550.2	1,594.5	1,619.7	1,525	1,552	1,548	1,556	1,549	1,553
Heavy construction, except building	966.6	955.7	988.2	1,003.8	897	938	915	923	926	932
Special trade contractors	4,460.3	4,431.9	4,538.8	4,589.8	4,256	4,439	4,389	4,402	4,392	4,383
Manufacturing	18,535	17,848	17,861	17,703	18,554	18,116	18,009	17,879	17,766	17,717
Production workers	12,649	12,041	12,032	11,893	12,688	12,254	12,166	12,066	11,963	11,924
Durable goods	11,179	10,772	10,758	10,622	11,207	10,941	10,870	10,778	10,695	10,646
Production workers	7,596	7,235	7,211	7,086	7,635	7,358	7,308	7,235	7,160	7,120
Lumber and wood products	847.3	793.6	808.1	806.8	836	799	800	797	798	795
Furniture and fixtures	557.6	537.8	533.3	524.9	565	548	543	540	532	532
Stone, clay, and glass products	591.5	577.2	580.3	580.4	581	578	577	574	571	570
Primary metal industries	696.9	657.8	654.9	645.1	700	671	667	660	654	648
Blast furnaces and basic steel products	225.7	211.1	211.3	209.2	(1)	(1)	(1)	(1)	(1)	(1)
Fabricated metal products	1,533.1	1,486.6	1,487.1	1,465.4	1,546	1,509	1,503	1,488	1,479	1,478
Industrial machinery and equipment	2,133.4	2,054.9	2,039.9	2,007.6	2,137	2,084	2,072	2,054	2,031	2,010
Computer and office equipment	363.8	363.3	358.5	353.4	362	369	367	366	357	351
Electronic and other electrical equipment	1,734.3	1,650.2	1,628.5	1,599.7	1,735	1,715	1,684	1,656	1,624	1,600
Electronic components and accessories	691.5	668.3	652.1	639.2	689	702	686	670	649	637
Transportation equipment	1,835.7	1,763.0	1,767.7	1,741.1	1,855	1,775	1,768	1,757	1,752	1,759
Motor vehicles and equipment	993.9	943.3	945.8	925.4	1,015	956	950	939	934	945
Aircraft and parts	465.0	464.1	465.9	464.2	465	465	464	465	485	485
Instruments and related products	857.3	864.1	867.7	866.4	856	871	866	865	865	865
Miscellaneous manufacturing	392.2	387.2	390.1	384.9	396	391	390	387	389	389
Nondurable goods	7,356	7,076	7,103	7,081	7,347	7,175	7,139	7,101	7,071	7,071
Production workers	5,053	4,806	4,821	4,807	5,053	4,896	4,858	4,831	4,803	4,804
Food and kindred products	1,710.3	1,660.4	1,684.4	1,708.9	1,686	1,687	1,687	1,684	1,686	1,685
Tobacco products	32.0	30.7	31.2	30.8	34	32	32	33	33	33
Textile mill products	528.0	480.6	475.6	468.9	530	494	489	480	472	470
Apparel and other textile products	827.7	581.1	576.8	564.5	637	590	581	579	569	573
Paper and allied products	659.0	636.9	638.9	634.4	656	642	641	639	635	632
Printing and publishing	1,554.1	1,498.7	1,498.8	1,489.8	1,553	1,524	1,512	1,502	1,496	1,488
Chemicals and allied products	1,037.8	1,034.5	1,040.0	1,042.3	1,036	1,039	1,036	1,033	1,034	1,041
Petroleum and coal products	130.5	127.6	130.1	131.6	128	126	128	127	128	129
Rubber and misc. plastics products	1,004.9	959.6	961.3	948.2	1,013	973	967	959	954	956
Leather and leather products	71.4	66.1	65.8	61.7	74	68	66	65	64	64
Service-producing	105,634	107,798	108,070	106,756	106,125	107,052	107,068	107,206	107,239	107,244
Transportation and public utilities	7,019	7,130	7,148	7,095	7,034	7,127	7,119	7,130	7,114	7,110
Transportation	4,512	4,586	4,589	4,542	4,536	4,591	4,576	4,584	4,568	4,566
Railroad transportation	235.9	230.5	228.7	227.9	235	230	230	230	227	227
Local and interurban passenger transit	415.3	501.5	480.5	418.6	477	480	477	483	482	481
Trucking and warehousing	1,882.4	1,858.5	1,880.3	1,887.9	1,860	1,872	1,864	1,867	1,865	1,865
Water transportation	206.3	204.5	207.9	215.2	195	201	202	203	201	204
Transportation by air	1,281.7	1,305.3	1,307.1	1,308.0	1,282	1,316	1,313	1,315	1,310	1,308
Pipelines, except natural gas	14.0	13.7	14.1	14.2	14	13	14	14	14	14
Transportation services	476.4	471.9	470.5	470.0	473	479	476	472	469	467
Communications and public utilities	2,507	2,544	2,558	2,553	2,498	2,536	2,543	2,546	2,546	2,544
Communications	1,649.5	1,698.7	1,706.6	1,698.9	1,647	1,690	1,696	1,699	1,700	1,697
Electric, gas, and sanitary services	857.8	845.0	852.4	853.7	851	846	847	847	846	847
Wholesale trade	7,065	7,040	7,069	7,057	7,030	7,066	7,053	7,038	7,022	7,022
Durable goods	4,221	4,172	4,184	4,173	4,201	4,196	4,187	4,174	4,165	4,153
Nondurable goods	2,844	2,868	2,885	2,884	2,829	2,870	2,866	2,864	2,857	2,869

See footnotes at end of table.

Table B-1. Employees on nonfarm payrolls by industry—Continued

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	July 2000	May 2001	June 2001[p]	July 2001[p]	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001[p]	July 2001[p]
Retail trade	23,418	23,568	23,780	23,683	23,311	23,457	23,530	23,546	23,570	23,576
Building materials and garden supplies	1,049.3	1,051.6	1,065.6	1,042.4	1,014	1,006	999	1,006	1,015	1,008
General merchandise stores	2,752.4	2,735.0	2,758.2	2,743.9	2,820	2,797	2,804	2,821	2,822	2,814
Department stores	2,409.6	2,396.8	2,417.4	2,404.3	2,470	2,451	2,459	2,473	2,478	2,465
Food stores	3,547.8	3,536.5	3,561.2	3,562.1	3,523	3,550	3,562	3,553	3,547	3,537
Automotive dealers and service stations	2,437.7	2,435.0	2,452.6	2,459.5	2,412	2,420	2,421	2,428	2,430	2,435
New and used car dealers	1,121.0	1,126.0	1,131.9	1,135.9	1,116	1,124	1,122	1,126	1,127	1,131
Apparel and accessory stores	1,190.5	1,203.0	1,215.6	1,213.5	1,196	1,228	1,226	1,231	1,228	1,218
Furniture and home furnishings stores	1,125.5	1,124.5	1,125.4	1,126.4	1,135	1,147	1,140	1,136	1,136	1,136
Eating and drinking places	8,278.9	8,363.5	8,494.4	8,439.6	8,123	8,158	8,213	8,216	8,241	8,281
Miscellaneous retail establishments	3,036.1	3,118.4	3,107.4	3,095.4	3,088	3,151	3,165	3,155	3,151	3,147
Finance, insurance, and real estate	7,626	7,640	7,698	7,715	7,536	7,618	7,626	7,644	7,631	7,626
Finance	3,726	3,761	3,784	3,788	3,701	3,755	3,761	3,770	3,768	3,763
Depository institutions	2,038.0	2,032.7	2,050.8	2,053.7	2,024	2,028	2,032	2,037	2,040	2,040
Commercial banks	1,435.7	1,421.6	1,434.4	1,435.3	1,425	1,418	1,421	1,426	1,428	1,425
Savings institutions	254.2	254.9	257.6	258.2	252	254	255	255	256	256
Nondepository institutions	677.5	697.0	703.4	702.8	675	686	691	697	701	700
Mortgage bankers and brokers	304.8	314.7	319.5	319.6	304	306	308	313	318	318
Security and commodity brokers	758.9	770.8	769.1	769.8	751	781	780	776	768	762
Holding and other investment offices	252.0	260.1	260.9	261.5	251	260	258	260	261	261
Insurance	2,350	2,357	2,365	2,368	2,340	2,353	2,356	2,358	2,356	2,358
Insurance carriers	1,592.1	1,597.2	1,604.5	1,606.4	1,585	1,593	1,596	1,598	1,598	1,599
Insurance agents, brokers, and service	758.2	759.8	760.2	761.6	755	760	760	760	758	759
Real estate	1,550	1,522	1,549	1,559	1,495	1,510	1,509	1,516	1,507	1,505
Services[2]	40,898	41,227	41,497	41,480	40,495	41,073	40,993	41,078	41,087	41,064
Agricultural services	880.4	891.7	919.0	920.1	798	828	824	834	834	835
Hotels and other lodging places	2,088.2	1,946.4	2,042.9	2,093.7	1,923	1,960	1,944	1,935	1,922	1,926
Personal services	1,201.8	1,256.4	1,246.7	1,234.5	1,250	1,265	1,267	1,277	1,280	1,284
Business services	9,922.7	9,658.9	9,708.6	9,640.8	9,884	9,822	9,729	9,702	9,688	9,603
Services to buildings	1,001.5	1,016.6	1,020.0	1,009.6	994	1,007	1,009	1,013	1,009	1,002
Personnel supply services	3,920.5	3,556.2	3,579.0	3,524.6	3,909	3,694	3,600	3,590	3,558	3,516
Help supply services	3,521.2	3,163.1	3,186.0	3,131.5	3,505	3,293	3,202	3,198	3,160	3,118
Computer and data processing services	2,108.0	2,194.8	2,205.6	2,210.6	2,106	2,195	2,199	2,200	2,205	2,208
Auto repair, services, and parking	1,254.7	1,309.6	1,312.7	1,321.2	1,248	1,298	1,300	1,309	1,302	1,314
Miscellaneous repair services	358.9	363.9	363.8	363.9	365	364	364	363	361	360
Motion pictures	606.0	588.7	601.1	606.0	596	605	601	587	596	593
Amusement and recreation services	2,053.5	1,873.9	2,046.8	2,109.3	1,735	1,775	1,764	1,787	1,776	1,782
Health services	10,121.6	10,285.0	10,356.1	10,380.2	10,097	10,259	10,280	10,296	10,329	10,354
Offices and clinics of medical doctors	1,926.4	1,970.7	1,986.2	1,988.5	1,923	1,962	1,967	1,973	1,981	1,985
Nursing and personal care facilities	1,797.6	1,810.6	1,824.9	1,825.8	1,793	1,811	1,816	1,814	1,820	1,822
Hospitals	4,001.5	4,063.4	4,092.1	4,111.0	3,988	4,055	4,062	4,071	4,086	4,097
Home health care services	645.1	647.1	649.8	649.3	645	648	646	645	648	649
Legal services	1,026.8	1,020.9	1,043.8	1,042.6	1,010	1,022	1,021	1,027	1,027	1,026
Educational services	2,048.8	2,475.8	2,225.0	2,130.0	2,337	2,384	2,388	2,431	2,429	2,428
Social services	2,846.9	3,069.2	3,045.4	3,014.1	2,883	3,009	3,023	3,039	3,052	3,042
Child day care services	650.1	771.1	733.8	692.8	715	739	743	745	752	762
Residential care	813.4	841.1	851.1	855.1	807	831	835	842	845	848
Museums and botanical and zoological gardens	118.4	113.4	119.6	121.7	107	110	109	110	111	112
Membership organizations	2,534.7	2,492.4	2,536.5	2,558.1	2,466	2,489	2,489	2,496	2,497	2,489
Engineering and management services	3,449.1	3,507.7	3,554.4	3,569.0	3,423	3,510	3,517	3,512	3,529	3,542
Engineering and architectural services	1,039.9	1,054.3	1,078.0	1,083.2	1,022	1,052	1,053	1,057	1,060	1,064
Management and public relations	1,099.1	1,121.8	1,135.3	1,137.3	1,090	1,125	1,124	1,121	1,125	1,128
Services, nec	51.7	51.6	52.7	52.7	(1)	(1)	(1)	(1)	(1)	(1)
Government	19,610	21,193	20,878	19,726	20,719	20,711	20,747	20,770	20,815	20,846
Federal	2,837	2,615	2,621	2,609	2,820	2,613	2,615	2,612	2,601	2,592
Federal, except Postal Service	1,980.0	1,762.5	1,778.9	1,771.6	1,957	1,754	1,758	1,754	1,752	1,749
State	4,530	4,913	4,700	4,640	4,782	4,836	4,847	4,854	4,880	4,902
Education	1,738.0	2,125.5	1,875.6	1,797.9	2,033	2,055	2,065	2,066	2,087	2,103
Other State government	2,791.5	2,787.9	2,824.4	2,841.6	2,749	2,781	2,782	2,788	2,793	2,799
Local	12,243	13,665	13,557	12,477	13,117	13,262	13,285	13,304	13,334	13,352
Education	6,255.7	7,902.8	7,550.3	6,342.0	7,438	7,492	7,495	7,512	7,521	7,533
Other local government	5,987.2	5,761.8	6,006.9	6,134.5	5,679	5,770	5,790	5,792	5,813	5,819

[1] These series are not published seasonally adjusted because the seasonal component, which is small relative to the trend-cycle and irregular components, cannot be separated with sufficient precision.

[2] Includes other industries, not shown separately.

[p] = preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonfarm payrolls by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	July 2000	May 2001	June 2001[p]	July 2001[p]	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001[p]	July 2001[p]
Total private	34.9	34.1	34.4	34.6	34.4	34.3	34.2	34.2	34.2	34.2
Goods-producing	41.0	40.6	40.6	40.4	41.1	40.5	40.6	40.5	40.3	40.4
Mining	43.5	44.0	43.7	43.5	43.2	43.8	44.0	43.9	43.3	43.1
Construction	40.0	40.1	39.9	40.3	39.0	39.1	39.3	39.7	39.3	39.4
Manufacturing	41.3	40.7	40.8	40.3	41.8	41.0	41.0	40.7	40.7	40.8
Overtime hours	4.5	3.8	4.0	3.9	4.7	4.1	3.9	3.9	3.9	3.9
Durable goods	41.7	41.1	41.1	40.5	42.4	41.3	41.3	41.0	40.9	41.2
Overtime hours	4.6	3.9	4.0	3.7	4.8	4.0	3.9	3.9	3.9	3.9
Lumber and wood products	40.8	40.9	40.8	40.8	41.0	40.3	40.1	40.6	40.3	41.1
Furniture and fixtures	39.7	38.2	38.5	39.0	40.1	39.1	39.3	38.6	38.3	39.4
Stone, clay, and glass products	43.5	44.3	44.4	44.3	43.2	43.7	43.2	43.9	44.1	44.0
Primary metal industries	44.5	43.5	43.8	43.2	45.2	43.4	44.3	43.5	43.8	43.9
Blast furnaces and basic steel products	46.4	44.4	45.1	44.5	46.2	44.4	45.4	44.6	45.1	44.3
Fabricated metal products	42.2	41.4	41.3	40.7	43.0	41.9	42.0	41.4	41.1	41.5
Industrial machinery and equipment	42.0	40.8	40.5	40.1	42.5	41.2	41.3	40.7	40.4	40.6
Electronic and other electrical equipment	40.8	38.9	39.3	38.5	41.5	40.1	39.8	39.1	39.3	39.1
Transportation equipment	42.1	42.7	42.3	40.8	43.7	42.0	42.4	42.4	41.9	42.3
Motor vehicles and equipment	42.4	43.8	43.5	41.3	44.5	42.3	43.3	43.6	42.9	43.3
Instruments and related products	41.2	40.9	40.7	40.3	41.6	41.0	41.0	41.0	40.8	40.7
Miscellaneous manufacturing	38.6	37.9	38.4	37.7	39.3	38.2	38.2	37.9	38.4	38.3
Nondurable goods	40.7	40.1	40.3	40.0	41.0	40.5	40.5	40.3	40.3	40.3
Overtime hours	4.5	3.8	3.9	4.1	4.5	4.1	3.9	4.0	3.9	4.0
Food and kindred products	41.8	40.7	41.1	41.0	41.8	41.2	41.3	41.1	41.2	41.0
Tobacco products	42.1	39.4	41.2	40.3	42.4	40.0	41.1	39.1	40.3	40.5
Textile mill products	41.0	40.3	40.6	39.1	41.6	40.5	40.3	40.3	40.5	39.7
Apparel and other textile products	37.6	37.9	37.8	37.3	38.1	37.5	38.0	37.8	37.5	37.8
Paper and allied products	42.4	41.3	41.5	41.5	42.6	41.8	42.0	41.8	41.7	41.7
Printing and publishing	38.2	37.7	37.8	37.8	38.4	38.6	38.2	38.0	38.0	38.0
Chemicals and allied products	42.3	42.3	42.1	42.1	42.7	42.3	42.6	42.4	42.1	42.5
Petroleum and coal products	42.2	41.7	42.8	42.8	(2)	(2)	(2)	(2)	(2)	(2)
Rubber and misc. plastics products	40.8	40.6	40.9	40.2	41.5	41.0	40.8	40.6	40.7	40.8
Leather and leather products	37.1	36.1	36.7	34.6	37.6	36.1	36.6	35.9	36.2	35.1
Service-producing	33.4	32.6	32.8	33.2	32.8	32.8	32.7	32.7	32.8	32.7
Transportation and public utilities	39.2	37.9	38.2	38.7	38.5	38.3	38.1	38.1	38.1	38.0
Wholesale trade	38.8	38.2	38.2	38.6	38.5	38.3	38.2	38.2	38.2	38.3
Retail trade	29.8	28.7	29.1	29.6	28.9	28.8	28.8	28.8	28.7	28.7
Finance, insurance, and real estate	36.7	35.9	36.2	36.9	36.2	36.3	36.3	36.2	36.5	36.4
Services	33.1	32.5	32.8	33.1	32.6	32.8	32.6	32.7	32.8	32.7

[1] Data relate to production workers in mining and manufacturing; construction workers in construction; and nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employees on private nonfarm payrolls.

[2] This series is not published seasonally adjusted because the seasonal component, which is small relative to the trend-cycle and irregular components, cannot be separated with sufficient precision.

[p] = preliminary.

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers[1] on private nonfarm payrolls by industry

Industry	Average hourly earnings				Average weekly earnings			
	July 2000	May 2001	June 2001p	July 2001p	July 2000	May 2001	June 2001p	July 2001p
Total private	$13.69	$14.22	$14.22	$14.27	$477.78	$484.90	$489.17	$493.74
Seasonally adjusted	13.75	14.24	14.31	14.35	473.00	487.01	489.40	490.77
Goods-producing	15.45	15.84	15.91	16.02	633.45	643.10	645.95	647.21
Mining	17.21	17.49	17.62	17.69	748.64	769.56	769.99	769.52
Construction	17.92	18.17	18.22	18.35	716.80	728.62	726.98	739.51
Manufacturing	14.35	14.75	14.79	14.85	592.66	600.33	603.43	598.46
Durable goods	14.74	15.19	15.24	15.27	614.66	624.31	626.36	618.44
Lumber and wood products	11.99	12.16	12.19	12.29	489.19	497.34	497.35	501.43
Furniture and fixtures	11.76	12.10	12.15	12.24	466.87	462.22	467.78	477.36
Stone, clay, and glass products	14.58	15.03	15.14	15.13	634.23	665.83	672.22	670.26
Primary metal industries	16.67	16.82	16.96	17.17	741.82	731.67	742.85	741.74
Blast furnaces and basic steel products	20.35	20.26	20.42	20.70	944.24	899.54	920.94	921.15
Fabricated metal products	13.83	14.23	14.26	14.24	583.63	589.12	588.94	579.57
Industrial machinery and equipment	15.57	15.79	15.81	15.91	653.94	644.23	640.31	637.99
Electronic and other electrical equipment	13.77	14.38	14.49	14.58	561.82	559.38	569.46	561.33
Transportation equipment	18.02	18.83	18.90	18.87	758.84	804.04	799.47	769.90
Motor vehicles and equipment	18.22	19.18	19.25	19.17	772.53	840.08	837.38	791.72
Instruments and related products	14.46	14.73	14.81	14.98	595.75	602.46	602.77	603.69
Miscellaneous manufacturing	11.57	12.10	12.05	12.10	446.60	458.59	462.72	456.17
Nondurable goods	13.75	14.07	14.12	14.23	559.63	564.21	569.04	569.20
Food and kindred products	12.54	12.83	12.87	12.98	524.17	522.18	528.96	532.18
Tobacco products	22.90	23.01	23.21	23.67	964.09	906.59	956.25	953.90
Textile mill products	11.18	11.29	11.32	11.37	458.38	454.99	459.59	444.57
Apparel and other textile products	9.29	9.39	9.44	9.41	349.30	355.88	356.83	350.99
Paper and allied products	16.36	16.72	16.90	16.96	693.66	690.54	701.35	703.84
Printing and publishing	14.41	14.75	14.76	14.86	550.46	556.08	557.93	561.71
Chemicals and allied products	18.33	18.52	18.55	18.73	775.36	783.40	780.96	788.53
Petroleum and coal products	21.93	21.83	21.79	21.90	925.45	910.31	932.61	932.94
Rubber and misc. plastics products	12.88	13.30	13.30	13.37	525.50	539.98	543.97	537.47
Leather and leather products	10.13	10.26	10.35	10.28	375.82	370.39	379.85	355.69
Service-producing	13.14	13.73	13.71	13.76	438.88	447.60	449.69	456.83
Transportation and public utilities	16.19	16.70	16.81	16.82	634.85	632.93	642.14	650.93
Wholesale trade	15.27	15.67	15.75	15.86	592.48	598.59	601.65	612.20
Retail trade	9.40	9.78	9.78	9.77	280.12	280.69	284.60	289.19
Finance, insurance, and real estate	15.01	15.76	15.73	15.87	550.87	565.78	569.43	585.60
Services	13.78	14.46	14.40	14.47	456.12	469.95	472.32	478.96

[1] See footnote 1, table B-2.

p = preliminary.

ESTABLISHMENT DATA

Table B-4. Average hourly earnings of production or nonsupervisory workers[1] on private nonfarm payrolls by industry, seasonally adjusted

Industry	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001p	July 2001p	Percent change from: June 2001-July 2001
Total private:							
Current dollars	$13.75	$14.17	$14.21	$14.24	$14.31	$14.35	0.3
Constant (1982) dollars[2]	7.87	7.95	7.94	7.93	7.95	N.A.	(3)
Goods-producing	15.38	15.79	15.78	15.86	15.91	15.95	.3
Mining	17.29	17.55	17.53	17.54	17.76	17.76	.0
Construction	17.86	18.33	18.15	18.22	18.29	18.29	.0
Manufacturing	14.37	14.66	14.72	14.78	14.81	14.87	.4
Excluding overtime[4]	13.62	13.96	14.04	14.09	14.13	14.19	.4
Service-producing	13.24	13.68	13.73	13.76	13.84	13.87	.2
Transportation and public utilities	16.18	16.68	16.74	16.76	16.89	16.81	-.5
Wholesale trade	15.24	15.68	15.74	15.70	15.84	15.82	-.1
Retail trade	9.47	9.72	9.74	9.79	9.84	9.84	.0
Finance, insurance, and real estate	15.07	15.61	15.64	15.74	15.84	15.93	.6
Services	13.92	14.40	14.48	14.49	14.55	14.62	.5

[1] See footnote 1, table B-2.

[2] The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is used to deflate this series.

[3] Change was .3 percent from May 2001 to June 2001, the latest month available.

[4] Derived by assuming that overtime hours are paid at the rate of time and one-half.

N.A. = not available.

p = preliminary.

Table B-5. Indexes of aggregate weekly hours of production or nonsupervisory workers[1] on private nonfarm payrolls by industry

(1982=100)

Industry	Not seasonally adjusted				Seasonally adjusted					
	July 2000	May 2001	June 2001p	July 2001p	July 2000	Mar. 2001	Apr. 2001	May 2001	June 2001p	July 2001p
Total private	155.2	151.3	153.5	154.3	151.6	152.0	151.5	151.5	151.2	151.0
Goods-producing	118.5	113.2	114.2	113.3	117.0	114.1	113.5	112.8	111.5	111.6
Mining	52.8	55.3	56.1	56.1	51.5	54.5	55.0	55.4	55.0	54.7
Construction	198.9	196.5	201.4	206.2	182.8	191.0	190.0	192.5	189.6	190.4
Manufacturing	105.3	98.8	98.9	96.7	107.0	101.2	100.7	99.1	98.1	98.1
Durable goods	110.6	103.7	103.4	100.1	113.0	105.9	105.4	103.6	102.1	102.2
Lumber and wood products	149.4	138.5	141.0	140.8	148.1	137.7	137.2	138.2	137.2	139.5
Furniture and fixtures	138.5	127.7	127.8	126.4	141.8	133.7	133.1	129.5	126.7	129.4
Stone, clay, and glass products	122.8	121.3	122.3	122.2	119.6	119.7	118.3	119.4	119.2	118.9
Primary metal industries	91.7	84.3	84.1	81.1	93.7	86.2	87.0	84.4	84.0	83.0
Blast furnaces and basic steel products	73.2	65.1	66.2	64.4	72.6	66.6	67.6	65.6	65.6	64.0
Fabricated metal products	120.5	113.8	113.6	109.6	124.4	117.1	116.9	114.0	112.3	113.3
Industrial machinery and equipment	102.9	94.5	92.9	90.1	104.4	97.0	96.3	94.0	92.0	91.3
Electronic and other electrical equipment	108.6	96.6	95.9	91.7	111.0	103.4	100.9	97.4	95.9	93.5
Transportation equipment	116.7	114.1	112.8	106.4	123.4	113.1	113.8	112.8	110.4	112.3
Motor vehicles and equipment	151.7	149.7	148.3	137.0	164.3	146.0	149.0	147.7	143.5	148.2
Instruments and related products	75.3	74.2	73.8	72.4	76.1	75.2	74.7	74.2	73.4	73.3
Miscellaneous manufacturing	97.5	93.3	95.0	91.8	100.6	95.3	95.3	93.8	95.0	94.4
Nondurable goods	98.2	92.1	92.9	91.9	98.9	94.7	94.1	93.0	92.6	92.5
Food and kindred products	119.8	111.6	114.4	116.7	117.8	115.9	116.0	114.8	115.4	114.8
Tobacco products	47.7	42.4	45.1	43.7	52.5	45.6	46.8	46.5	47.9	48.1
Textile mill products	75.4	67.1	67.0	63.8	76.9	69.5	68.5	67.1	66.5	65.0
Apparel and other textile products	54.2	50.0	49.4	47.5	55.8	50.4	50.1	49.5	48.1	48.9
Paper and allied products	103.4	97.2	98.1	97.2	103.4	99.4	99.7	98.4	97.8	97.4
Printing and publishing	120.7	114.1	114.2	113.5	121.4	119.2	116.5	115.4	114.7	114.0
Chemicals and allied products	99.4	97.9	97.7	97.7	100.5	98.9	98.7	98.1	97.2	98.8
Petroleum and coal products	72.9	69.9	73.3	74.3	69.9	69.5	72.9	70.1	72.3	71.4
Rubber and misc. plastics products	145.4	137.0	138.1	133.5	149.6	140.4	138.4	137.0	136.4	137.1
Leather and leather products	30.5	27.8	27.8	24.2	32.4	28.8	28.1	27.0	26.7	25.3
Service-producing	171.6	168.4	171.2	172.7	167.1	169.1	168.5	168.9	169.0	168.6
Transportation and public utilities	140.1	138.7	140.4	141.0	138.0	139.9	139.4	139.4	139.2	138.8
Wholesale trade	134.2	131.2	132.0	132.9	132.2	132.0	131.4	131.0	130.8	131.1
Retail trade	151.5	146.1	149.3	151.2	146.0	146.0	146.7	146.5	146.0	146.0
Finance, insurance, and real estate	142.1	139.0	141.6	144.4	137.9	140.0	140.2	140.2	140.9	140.3
Services	214.6	212.5	215.8	217.3	209.5	213.4	211.8	212.9	213.4	212.8

[1] See footnote 1, table B-2.

p = preliminary.

Table B-6. Diffusion indexes of employment change, seasonally adjusted

(Percent)

Time span	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Private nonfarm payrolls, 353 industries[1]											
Over 1-month span:												
1997	57.2	58.6	62.5	63.2	59.8	57.2	59.8	59.2	62.7	65.2	61.6	62.2
1998	63.2	56.2	59.3	60.2	58.9	57.1	55.4	58.4	54.8	55.0	58.2	56.4
1999	55.1	59.6	52.8	57.2	58.2	54.2	57.1	54.4	55.2	57.9	59.9	56.8
2000	55.7	59.3	61.0	54.2	47.7	60.5	57.8	55.1	52.0	54.8	55.1	54.2
2001	53.7	50.4	55.8	45.0	46.6	P44.9	P47.0					
Over 3-month span:												
1997	63.5	64.0	66.0	67.0	63.2	63.3	59.8	65.6	67.3	71.1	70.0	69.5
1998	65.3	66.1	64.6	65.7	62.2	57.9	57.5	58.4	59.1	59.2	59.3	59.2
1999	60.8	57.8	58.5	55.8	58.1	57.9	57.2	59.2	59.8	59.1	61.0	60.6
2000	61.6	63.3	61.9	56.2	55.1	57.9	61.5	56.4	54.1	53.3	55.7	53.3
2001	51.7	54.1	48.6	49.2	P43.1	P44.6						
Over 6-month span:												
1997	66.7	66.6	66.1	66.0	65.3	65.9	66.0	69.1	69.4	70.3	71.1	70.7
1998	70.4	67.4	65.0	62.5	63.6	60.5	59.2	58.6	57.9	58.6	60.6	59.9
1999	59.8	59.8	58.2	60.3	56.7	59.2	61.8	60.8	62.2	61.2	62.3	64.9
2000	63.5	60.6	62.6	63.7	61.5	55.5	56.1	58.6	54.2	54.8	51.8	54.2
2001	52.0	50.6	P48.0	P46.6								
Over 12-month span:												
1997	69.3	67.4	68.4	70.0	69.7	70.3	70.1	70.8	71.0	70.5	69.7	70.7
1998	69.7	67.6	67.4	66.0	64.0	62.7	61.9	62.0	60.9	59.3	60.8	58.8
1999	61.2	60.2	58.2	60.8	60.8	61.6	62.2	61.3	63.9	63.0	61.3	60.9
2000	62.5	63.0	61.8	59.5	58.4	56.8	55.7	56.5	54.2	53.4	53.0	P51.8
2001	P50.0											
	Manufacturing payrolls, 136 industries[1]											
Over 1-month span:												
1997	48.2	52.6	55.5	54.8	52.9	53.7	49.3	51.1	57.7	61.8	61.4	54.8
1998	57.4	51.5	53.7	53.3	43.8	48.2	38.2	51.5	41.9	41.5	41.2	43.4
1999	48.0	44.5	43.0	42.3	50.4	39.3	51.5	39.3	45.2	46.3	53.3	46.7
2000	44.9	56.6	55.5	46.7	41.2	54.8	53.7	38.6	34.6	41.5	43.8	44.1
2001	37.9	32.4	41.5	31.3	29.4	P33.1	P39.7					
Over 3-month span:												
1997	50.0	51.5	55.9	55.5	52.9	52.9	50.4	54.8	59.6	70.6	66.5	64.3
1998	59.6	59.6	55.9	50.4	46.7	37.9	41.5	41.5	41.9	38.2	36.8	40.8
1999	41.2	39.0	38.2	41.5	40.8	45.2	39.0	45.2	40.8	44.9	46.3	46.0
2000	50.0	54.0	52.9	42.3	43.0	48.5	48.2	33.8	28.7	30.5	39.0	35.7
2001	28.3	29.4	24.6	26.5	P22.1	P26.1						
Over 6-month span:												
1997	53.7	53.7	51.1	52.9	50.7	50.7	54.8	62.1	61.8	64.3	67.3	65.8
1998	63.2	54.4	50.4	40.4	44.5	40.1	37.5	36.4	34.9	40.1	37.1	34.2
1999	36.0	38.2	37.5	41.2	36.8	39.7	43.0	41.5	46.0	40.4	46.3	51.5
2000	51.5	44.5	48.5	55.1	43.8	34.9	33.5	34.6	30.1	29.4	25.0	27.9
2001	26.8	25.4	P19.9	P21.0								
Over 12-month span:												
1997	55.1	52.6	54.0	54.4	55.5	57.0	57.0	58.8	59.2	57.7	57.4	57.7
1998	54.8	52.2	51.8	48.7	40.4	40.1	38.2	37.5	36.4	34.6	35.7	34.2
1999	38.6	34.6	32.4	36.0	37.9	39.0	40.1	40.4	44.5	46.0	44.9	44.5
2000	46.3	45.2	41.2	37.9	33.8	31.3	31.3	31.3	27.6	25.4	24.3	P21.3
2001	P20.6											

[1] Based on seasonally adjusted data for 1-, 3-, and 6-month spans and unadjusted data for the 12-month span. Data are centered within the span.

P = preliminary.

NOTE: Figures are the percent of industries with employment increasing plus one-half of the industries with unchanged employment, where 50 percent indicates an equal balance between industries with increasing and decreasing employment.

AUG 17 2001

The Honorable Jack Reed
Vice Chairman, Joint
Economic Committee
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

At the August 3 hearing of the Joint Economic Committee, you requested further information on recent changes in the level and duration of unemployment among the manufacturing labor force.

Unemployment levels over the past year have risen, but the manufacturing industry, particularly its durable-goods component, has been hit hardest. From July 2000 to July 2001, total unemployment has risen by about 800,000, from 6.0 million to 6.8 million (not seasonally adjusted), according to the Current Population Survey (CPS). A substantial portion of the increase in unemployment has occurred in manufacturing (about 300,000) with two-thirds or 200,000 occurring in durable goods alone.

Over the past year, the median duration of unemployment has edged up from 5.5 to 6.2 weeks. (This means that, as of July 2001, half of the unemployed had been looking for work for at least 6.2 weeks.) Among those last employed in manufacturing, the increase was slightly larger, from 6.9 to 7.8 weeks. For durable goods manufacturing, the median duration of unemployment has risen from 5.9 to 8.4 weeks. (See enclosed table 36.)

Another measure of unemployment duration is the number of workers who have been unemployed 15 weeks or longer as a percent of the total labor force (which includes both the employed and unemployed). For all unemployed persons combined, this series has risen marginally, up 0.2 percentage point to 1.1 percent from July 2000 to July 2001. In manufacturing, however, this proportion has risen by 0.6 percentage point to 1.6 percent. In durable goods manufacturing, the share of workers unemployed for 15 weeks or more as a percent of the industry's labor force has doubled, from 0.7 percent to 1.5 percent.

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I hope this information is helpful to you. Please let me know if I can be of further assistance. Philip Rones, Assistant Commissioner for Current Employment Analysis, can be reached on 202--691-6378 and would be happy to answer any follow-up questions that you or your staff may have regarding these data.

Sincerely yours,

KATHARINE G. ABRAHAM
Commissioner

Enclosure

Table 36. Unemployed persons by duration of unemployment, industry, class of worker, and sex, July 2001 (based on CPS)

Industry	Total	Less than 5 weeks	5 to 14 weeks					15 weeks and over				
			Total	5 to 10 weeks			11-14	Total	15-26	27 weeks and over		
				Total	5-6	7-10				Total	27-51	52+
	Both sexes											
Total 16+	6,797	2,873	2,347	1,775	620	1,155	572	1,576	876	700	333	367
Agriculture	208	91	71	56	22	33	15	46	24	22	13	10
Wage and salary workers	171	81	57	45	22	23	12	34	19	15	10	4
Incorporated self-employed	3	3	–	–	–	–	–	–	–	–	–	–
Other	169	79	57	45	22	23	12	34	19	15	10	4
Self employed workers	37	10	14	11	0	11	3	13	5	8	2	6
Unpaid family workers	–	–	–	–	–	–	–	–	–	–	–	–
Nonagricultural industries	5,940	2,508	2,009	1,490	479	1,011	519	1,425	804	621	300	321
Wage and salary workers	5,813	2,436	1,971	1,484	468	996	507	1,407	795	612	300	312
Incorporated self-employed	19	8	7	5	2	2	2	4	4	0	0	–
Other	5,794	2,428	1,964	1,459	466	994	505	1,402	791	612	300	312
Mining	18	15	2	2	2	0	–	2	1	1	–	1
Construction	424	211	132	105	32	72	27	81	40	42	13	29
Manufacturing	1,084	427	349	220	62	158	129	308	189	119	62	56
Durable goods	653	233	233	155	39	116	78	186	129	58	30	28
Nondurable goods	431	194	116	65	23	42	51	121	60	61	32	29
Trans, communications, & other pub util	333	129	85	62	7	55	23	120	71	49	17	32
Transportation	244	96	63	46	5	41	17	84	50	34	9	25
Communications and pub util	90	32	22	16	2	14	6	35	20	15	8	7
Communications	72	30	22	16	2	14	6	20	14	6	6	–
Utilities & sanitary services	18	2	0	–	–	–	0	15	6	10	3	7
Wholesale & retail trade	1,481	616	518	415	130	285	103	347	201	146	66	80
Wholesale trade	145	37	60	47	20	28	13	47	30	18	13	5
Retail trade	1,336	578	458	368	110	258	90	300	171	128	53	75
Eating and drinking places	586	254	205	162	47	114	43	128	77	51	10	40
Finance, insurance, & real estate	260	99	105	69	28	41	36	56	29	27	15	12

Table 36. Unemployed persons by duration of unemployment, industry, class of worker, and sex, July 2001 (based on CPS) — Continued

Industry	Total	Less than 5 weeks	5 to 14 weeks					15 weeks and over				
			Total	5 to 10 weeks			11-14	Total	15-26	27 weeks and over		
				Total	5-6	7-10				Total	27-51	52+
	Both sexes											
Services	2,095	891	757	578	205	373	179	447	240	207	118	89
Private households	78	48	15	10	2	8	5	15	11	4	2	2
Miscellaneous services	2,016	843	742	568	203	365	174	432	228	203	116	87
Business, auto & repair services	630	250	219	158	29	129	61	162	96	65	53	12
Personal services, ex pvt hhold	167	43	76	56	29	27	20	48	14	35	15	19
Entertainment & recreation services	193	91	73	45	18	27	28	29	17	12	9	4
Professional & related services	1,023	456	374	309	127	182	65	193	102	91	39	52
Hospitals	76	35	29	25	5	21	4	12	8	4	–	4
Health services, ex hospitals	217	74	74	52	18	34	21	69	30	39	22	17
Educational services	415	199	179	166	82	84	13	38	12	25	6	20
Social services	160	86	40	28	16	12	12	34	22	11	5	6
Other professional services	154	62	52	37	6	31	15	40	29	11	7	5
Forestry and fisheries	3	3	–	–	–	–	–	–	–	–	–	–
Public administration	117	48	23	13	2	11	10	46	24	22	9	13
Self employed workers	125	70	37	24	11	14	12	18	9	9	–	9
Unpaid family workers	2	–	2	2	–	2	–	–	–	–	–	–
Nonagricultural industries:												
Private wage and salary workers	5,288	2,194	1,772	1,295	382	912	478	1,322	763	559	282	278
Incorporated self-employed	19	8	7	5	2	2	2	4	4	0	0	–
Other	5,269	2,185	1,766	1,290	380	910	476	1,318	759	559	281	278
Government workers	525	242	198	169	86	84	29	85	32	53	19	34
Federal	95	42	30	20	6	15	9	24	7	17	5	12
State and local	430	201	168	149	80	69	20	61	25	36	14	22
State	128	58	47	45	10	35	3	23	16	7	7	0
Local	302	143	121	104	70	34	17	38	9	29	7	22
No previous work experience	644	276	264	227	119	108	37	104	48	56	20	36
Armed Forces (last job)	5	–	4	3	–	3	2	0	0	–	–	–

Table 36. Unemployed persons by duration of unemployment, industry, class of worker, and sex, July 2000 (based on CPS)

Industry	Total	Less than 5 weeks	5 to 14 weeks					15 weeks and over				
			Total	5 to 10 weeks			11-14	Total	15-26	27 weeks and over		
				Total	5-6	7-10				Total	27-51	52+
	Both sexes											
Total 16+	6,004	2,734	1,970	1,550	518	1,032	420	1,300	590	711	296	414
Agriculture	148	58	47	38	18	20	10	43	18	25	12	13
Wage and salary workers	125	49	41	32	18	14	10	34	13	21	12	9
Incorporated self-employed	–	–	–	–	–	–	–	–	–	–	–	–
Other	125	49	41	32	18	14	10	34	13	21	12	9
Self employed workers	24	9	6	6	–	6	–	8	4	4	–	4
Unpaid family workers	–	–	–	–	–	–	–	–	–	–	–	–
Nonagricultural industries	5,226	2,434	1,649	1,268	385	883	381	1,143	531	612	265	347
Wage and salary workers	5,032	2,356	1,591	1,218	379	838	373	1,088	498	588	265	323
Incorporated self-employed	24	7	12	12	–	12	0	4	4	1	1	–
Other	5,009	2,349	1,578	1,206	379	827	372	1,081	494	587	264	323
Mining	19	12	3	–	–	–	3	4	3	1	–	1
Construction	368	178	97	78	25	53	19	93	33	60	22	38
Manufacturing	775	323	259	176	53	122	83	193	95	97	48	49
Durable goods	454	201	171	115	37	78	55	83	45	38	27	11
Nondurable goods	321	123	88	60	16	44	28	110	51	59	21	38
Trans, communications, & other pub util	311	149	75	52	11	41	24	86	36	50	28	22
Transportation	221	94	65	46	11	35	19	62	24	38	20	19
Communications and pub util	90	55	10	5	–	5	5	24	12	12	9	4
Communications	52	34	6	3	–	3	4	12	4	7	4	4
Utilities & sanitary services	37	21	4	3	–	3	1	13	8	5	5	–
Wholesale & retail trade	1,384	625	473	369	125	244	104	286	156	130	40	90
Wholesale trade	113	58	29	24	11	13	6	26	10	16	3	13
Retail trade	1,270	567	443	345	114	231	98	260	146	114	36	78
Eating and drinking places	579	264	207	166	54	112	41	107	45	62	25	38
Finance, insurance, & real estate	174	82	53	31	17	14	22	39	17	22	11	11

Table 36. Unemployed persons by duration of unemployment, industry, class of worker, and sex, July 2000 (based on CPS) — Continued

Industry	Total	Less than 5 weeks	5 to 14 weeks					15 weeks and over				
			Total	5 to 10 weeks			11-14	Total	15-26	27 weeks and over		
				Total	5-6	7-10				Total	27-51	52+
	Both sexes											
Services	1,829	893	599	489	135	354	110	337	144	193	104	89
Private households	72	29	29	24	9	15	4	14	3	11	2	9
Miscellaneous services	1,757	864	570	465	126	339	105	323	141	181	101	80
Business, auto & repair services	545	263	166	124	25	100	42	116	49	67	34	32
Personal services, ex pvt hhold	140	72	33	29	8	21	4	36	18	17	15	2
Entertainment & recreation services	162	77	47	36	8	29	11	37	16	21	15	6
Professional & related services	903	445	323	275	86	189	49	134	58	76	36	39
Hospitals	68	28	20	13	–	13	7	20	10	10	2	9
Health services, ex hospitals	202	107	51	40	8	32	11	44	20	24	18	6
Educational services	361	179	168	153	61	92	15	14	3	11	0	11
Social services	125	57	43	38	17	21	5	25	11	14	7	7
Other professional services	147	75	41	30	0	30	11	31	15	16	9	8
Forestry and fisheries	7	6	0	0	–	0	–	0	–	0	0	–
Public administration	173	95	31	23	13	10	8	47	14	33	13	20
Self employed workers	193	78	58	50	5	44	8	57	33	25	–	25
Unpaid family workers	1	–	1	1	1	–	–	–	–	–	–	–
Nonagricultural industries:												
Private wage and salary workers	4,503	2,104	1,409	1,070	333	737	339	990	475	515	238	279
Incorporated self-employed	24	7	12	12	–	12	0	4	4	1	1	–
Other	4,479	2,097	1,397	1,058	333	725	339	985	472	514	235	279
Government workers	530	252	182	148	47	101	34	96	23	73	29	44
Federal	126	71	12	9	2	7	3	42	12	30	20	10
State and local	404	181	169	139	44	94	30	54	10	43	9	35
State	135	46	59	42	12	30	17	30	5	24	8	17
Local	269	135	111	97	32	65	14	24	5	19	1	18
No previous work experience	623	235	274	244	115	129	29	114	41	74	19	54
Armed Forces (last job)	7	7	–	–	–	–	–	0	0	–	–	–

U. S. Department of Labor

Commissioner for
Bureau of Labor Statistics
Washington, D.C. 20212

AUG 17 2001

The Honorable Jim Saxton
Chairman, Joint Economic Committee
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

At the Joint Economic Committee Hearing on August 3, you asked about the relationship between productivity growth in recent years and technological development.

The Bureau of Labor Statistics (BLS) publishes measures of multifactor productivity (MFP), which compare the growth in output to the growth in capital and labor inputs. The BLS presents MFP in a framework designed to show how the use of capital inputs contributes to trends in output per hour ("labor productivity"). The "high tech" category of information processing equipment and software (IPES) represents a portion of capital investment, along with more traditional types of capital.

From 1973 through 1995, output per hour in the private nonfarm business sector grew at a 1.4 percent annual rate, with the use of capital input per hour worked accounting for 0.7 percentage point of that. Over the same period, the IPES portion of capital accounted for roughly half of the capital effect (0.4 percentage point). From 1995 through 1999, output per hour grew faster--at a 2.4 percent annual rate--and capital accounted for 1.0 percentage point of that growth. In this recent period, IPES accounted for almost all of the capital effect, contributing 0.9 percentage point to the growth in labor productivity. Investment in "high tech" equipment and software clearly has had a major effect in labor productivity, particularly in the recent past.

In addition to the efficiencies from using information processing equipment and software, the more efficient manufacture of high tech equipment also affects the productivity statistics. We can address this issue using BLS data on productivity for the industrial machinery and electrical machinery industries. We estimate that the productivity gains in these industries (which produce much of the high tech equipment and also other products but not software) accounted

The Honorable Jim Saxton--2

AUG 17 2001

for an additional 0.3 percentage point per year of the 1:4 percent annual average rise in private nonfarm business output per hour from 1973 to 1995. The total of the two estimated effects (the increased use and the more efficient manufacture of high tech equipment) in this baseline period was 0.7 percentage point--roughly half of the output per hour trend. From 1995 through 1999, the more efficient manufacture of high tech equipment accounted for 0.7 percentage point per year of the 2.4 percent upward trend in output per hour. Thus, the total of the high tech effects in this recent period was 1.6 percentage points, accounting for about two-thirds of the labor productivity trend.

I hope this response is useful to you. If you have any additional questions, please let me know. Should your staff wish to follow up on the productivity data, they should contact Marilyn Manser, Associate Commissioner for Productivity and Technology, at 202--591-5600.

At the JEC hearing, you also asked for more information about the employment situation in New Jersey. July employment and unemployment data for the State are being released today. We will incorporate this latest information into our assessment and send that to you next week.

Sincerely yours,

KATHARINE G. ABRAHAM
Commissioner

AUG 27 2001

The Honorable Phil English
Joint Economic Committee
House of Representatives
Washington, D.C. 20515

Dear Congressman English:

At the Joint Economic Committee hearing on August 3, you asked about business cycles in export-sensitive manufacturing industries, such as steel. Generally speaking, we find that employment in these industries tends to turn downward earlier than employment in general, and that downturns in these export-sensitive industries tend to continue beyond when the overall economy begins to recover.

The Bureau compiles an employment series each month for export-sensitive industries--a group of industries that had at least 20 percent of their employment tied to exports in the base year (1990). The series begins in 1988. Employment in export-sensitive manufacturing industries peaked in February 1989, 17 months prior to the 1990-91 recession, and then continued to decline until 2 years after the end of the recession. Employment expanded until 1998, when the Asian economic crisis began to have an impact on U.S. manufacturing industries. After a period of decline and then a plateau, employment in export-sensitive manufacturing industries has dropped sharply since the start of this year. The pace of recent job losses has been similar to that observed during the 1990-91 recession.

All types of primary metals industries, including steel, are part of the export-sensitive series. Employment trends in primary metals have been quite similar to those of the export-sensitive manufacturing series, described above. Historically, large declines in primary metals employment have led or coincided with the beginning of official recessions. All five recessions since the end of 1969 follow this pattern at the national level. Job losses typically continue beyond the end of the recession as well.

The Honorable Phil English--2
AUG 27 2001

Employment losses in primary metals accelerated in 2001. Since peaking in June 1998, the industry has lost 71,000 jobs, with 38,000 of these losses occurring in the past 7 months. The last time this industry experienced significant losses for an extended period occurred during the 1990-91 recession. Other industry indicators also reflect weakness. New orders, unfilled orders, capacity utilization, and steel production all are down for the year.

Recent slowdowns in the economy, especially automobile and industrial equipment production, have negatively affected the steel industry. This is compounded by the long-term problem of over-capacity in the industry worldwide, which has contributed to raw steel prices reaching record lows and resulted in an influx of steel imports into the United States. In addition, devaluation of foreign currencies and the strong U.S. dollar undoubtedly have helped to make foreign steel more attractive than American steel, though I am unable to quantify the effects on U.S. producers. Recent news reports indicate that metals prices have been so low that a few Pacific Northwest aluminum companies have found it more profitable to temporarily shut down their smelters and sell electricity.

Data on employment in primary metals are available for Pennsylvania and for the Erie and Sharon areas within the 21st District. Charts with these data, as well as the national data for export-sensitive industries and primary metals, are enclosed.

Please let me know if I can be of further assistance.

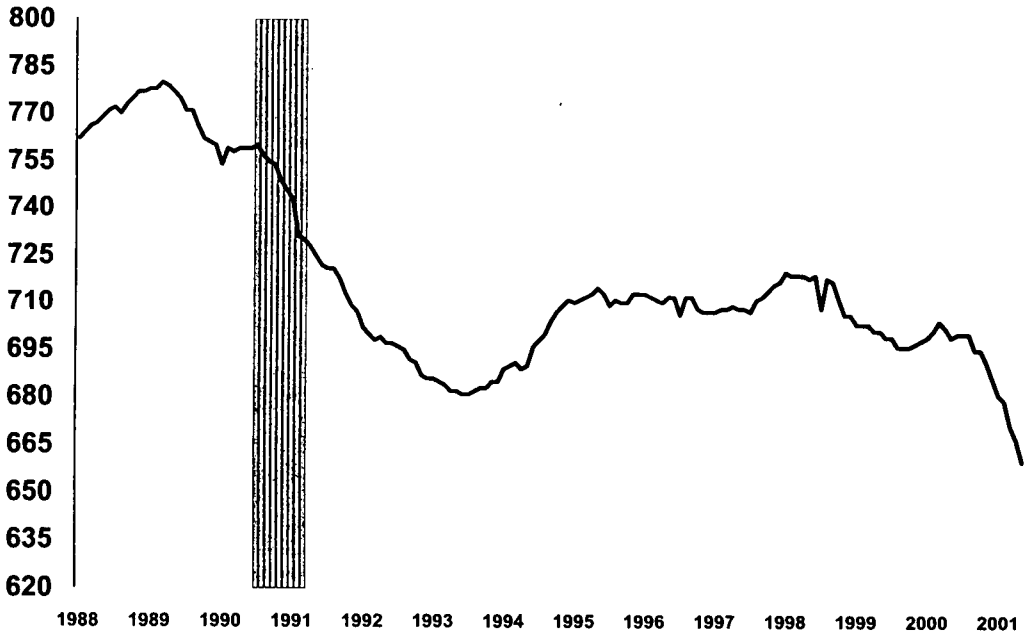
Sincerely yours,

KATHARINE G. ABRAHAM
Commissioner

Enclosures

Primary Metal Industries

Seasonally adjusted employment in thousands

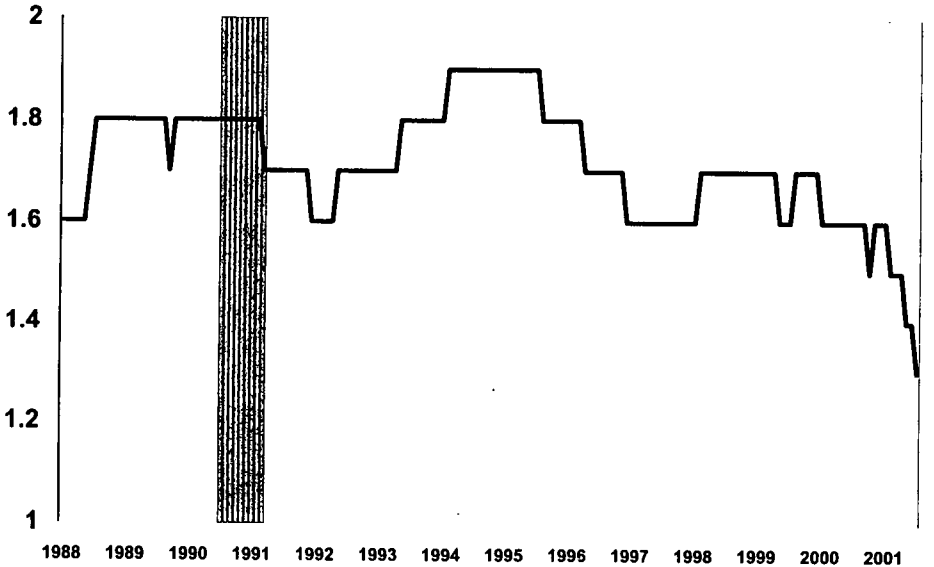


NOTE: Shaded area denotes recession

Primary Metal Industries

Erie, Pennsylvania

Not seasonally adjusted, employment in thousands

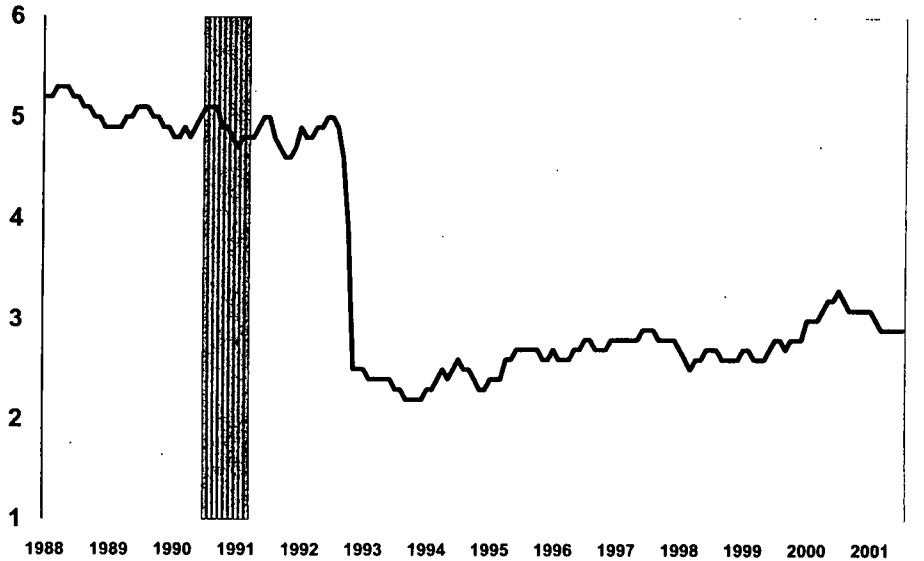


NOTE: Shaded area denotes recession

Primary Metal Industries

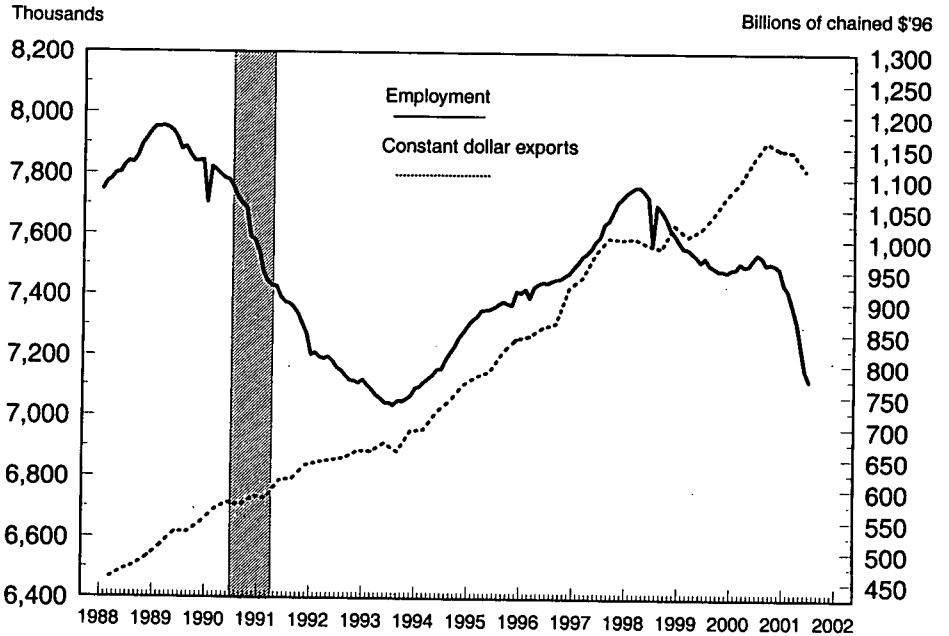
Sharon, Pennsylvania

Not seasonally adjusted, employment in thousands



NOTE: Shaded area denotes recession

Employment in Export-Sensitive Manufacturing Industries, Seasonally Adjusted, 1988-2001



NOTE: Series includes industries with at least 20 percent of 1990 employment tied to exports

NOTE: Shaded area denotes recession

ployment in Export-Sensitive Industries (20 %)
sonally Adjusted, 1988-2001

. Thousands)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1988	9376.9	9415.4	9433.8	9461.8	9466.7	9496.3	9511.0	9515.5	9541.1	9581.3	9608.3	9640.7
1989	9673.7	9685.2	9662.1	9666.5	9660.7	9636.8	9608.3	9628.6	9605.2	9597.6	9608.1	9633.5
1990	9499.5	9621.4	9613.8	9609.5	9603.4	9605.0	9575.4	9542.5	9529.1	9516.0	9414.0	9419.7
1991	9384.5	9287.1	9247.1	9231.4	9233.3	9183.3	9178.4	9173.3	9155.3	9125.5	9090.4	9053.9
1992	8982.3	8994.8	8979.8	8978.2	8978.3	8965.8	8939.6	8933.8	8920.8	8905.0	8898.5	8890.7
1993	8913.9	8902.0	8884.8	8869.0	8863.3	8856.6	8854.6	8833.2	8862.9	8862.9	8875.2	8871.5
1994	8917.2	8924.0	8949.3	8972.3	8986.7	9010.3	9023.5	9057.3	9091.4	9120.9	9156.1	9183.0
1995	9213.5	9232.8	9247.8	9270.9	9275.3	9280.9	9285.6	9312.6	9324.5	9326.3	9342.2	9387.2
1996	9371.2	9390.9	9366.4	9412.6	9424.7	9430.5	9438.0	9438.9	9445.2	9450.8	9458.4	9462.9
1997	9515.2	9539.6	9564.2	9581.5	9597.6	9628.0	9644.0	9523.3	9704.2	9743.2	9774.7	9776.6
1998	9802.0	9824.9	9838.9	9841.4	9833.5	9816.3	9670.6	9805.8	9796.9	9775.2	9742.9	9724.2
1999	9704.2	9689.8	9689.7	9684.8	9675.6	9666.4	9688.0	9665.2	9661.6	9656.3	9658.4	9664.0
2000	9675.4	9686.6	9712.6	9711.6	9710.0	9746.8	9768.5	9765.9	9745.9	9756.6	9758.7	9751.3
2001	9697.2	9679.9	9632.8	9578.7	9498.5	9401.0 p	9366.5 p					

NOTE: This series includes all industries which had at least 20 percent of 1993 employment tied to exports (includes direct & indirect exports).
NOTE: This series was substantially increased due to reclassification of employment into component industry Air Transportation.
This change first appeared in the estimates released June 6, 1997; all data from Jan'88 forward reflect the reclassification.

Employment in Export-Sensitive Industries, Manufacturing (20 %)
Seasonally Adjusted, 1988-2001

(In Thousands)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1988	7746.7	7771.7	7781.5	7801.3	7802.6	7827.4	7839.4	7835.6	7857.8	7894.8	7914.8	7936.8
1989	7953.4	7954.1	7956.7	7950.2	7940.3	7916.6	7878.7	7887.8	7861.9	7841.3	7842.0	7843.7
1990	7705.6	7822.8	7811.5	7797.3	7784.6	7779.9	7753.4	7722.4	7702.6	7687.1	7590.7	7581.7
1991	7540.0	7472.7	7443.7	7430.7	7427.3	7392.8	7376.6	7372.0	7359.3	7337.9	7303.9	7272.0
1992	7203.7	7210.6	7195.5	7190.9	7197.0	7183.3	7161.4	7151.3	7134.3	7118.2	7115.9	7109.3
1993	7120.6	7102.3	7087.5	7069.5	7058.9	7045.2	7044.4	7036.9	7050.6	7049.5	7057.1	7066.9
1994	7091.7	7096.6	7112.4	7124.2	7136.2	7156.3	7157.5	7189.9	7213.2	7233.7	7262.0	7280.7
1995	7302.9	7319.9	7330.9	7351.5	7353.1	7356.1	7362.9	7373.0	7381.1	7373.5	7370.0	7413.9
1996	7409.7	7421.8	7392.7	7428.5	7439.0	7444.1	7441.9	7448.2	7453.5	7455.3	7466.4	7474.5
1997	7493.6	7509.4	7529.4	7540.5	7555.2	7581.1	7595.0	7637.7	7649.4	7679.1	7710.8	7724.9
1998	7741.0	7751.3	7761.0	7761.7	7747.6	7727.7	7575.2	7700.6	7683.9	7659.6	7624.3	7603.9
1999	7580.6	7559.3	7556.2	7544.2	7531.0	7513.1	7526.7	7504.3	7494.8	7485.1	7484.8	7479.4
2000	7488.7	7490.2	7509.6	7499.6	7502.5	7522.7	7539.8	7529.3	7504.7	7509.2	7504.0	7492.8
2001	7439.6	7419.7	7371.6	7319.1	7238.0	7155.4 p	7120.3 p					

NOTE: This series includes all manufacturing industries which had at least 20 percent of 1993 employment tied to exports (includes direct & indirect exports).

Employment in Export-Sensitive Industries, except Defense (20 %)
Seasonally Adjusted, 1988-2001

(In Thousands)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1988	8074.4	8113.8	8139.6	8158.6	8164.1	8192.4	8204.4	8205.7	8232.7	8273.3	8298.5	8329.7
1989	8360.3	8371.8	8348.0	8351.0	8345.1	8320.7	8291.3	8313.8	8291.1	8285.1	8292.8	8321.9
1990	8187.5	8309.1	8306.1	8302.9	8298.4	8302.8	8276.3	8250.9	8243.3	8238.2	8145.5	8156.7
1991	8125.0	8042.8	8007.5	8000.7	8008.6	7967.2	7970.1	7968.7	7957.8	7933.6	7906.1	7875.8
1992	7810.5	7834.8	7828.6	7837.4	7843.3	7837.8	7820.3	7823.6	7819.0	7812.3	7813.5	7811.5
1993	7842.2	7836.9	7828.3	7820.5	7825.4	7827.5	7833.7	7820.6	7852.7	7861.8	7882.2	7889.0
1994	7941.4	7953.7	7981.9	8008.0	8024.3	8054.8	8070.3	8102.9	8138.1	8166.4	8200.9	8228.0
1995	8260.6	8280.6	8296.1	8319.8	8327.6	8336.4	8349.6	8376.5	8389.6	8417.0	8437.4	8455.9
1996	8438.1	8457.2	8431.2	8476.6	8487.0	8497.3	8498.5	8498.2	8501.8	8499.8	8503.0	8505.3
1997	8552.5	8573.2	8594.2	8606.9	8618.3	8642.0	8652.9	8526.4	8703.7	8739.1	8766.2	8765.0
1998	8786.7	8805.2	8818.7	8820.1	8813.7	8796.6	8652.5	8790.1	8785.3	8766.5	8739.3	8722.8
1999	8705.4	8698.4	8698.9	8701.4	8696.5	8692.2	8718.8	8699.9	8699.2	8697.2	8701.5	8710.8
2000	8721.5	8747.8	8759.9	8763.9	8759.1	8795.9	8818.6	8817.3	8800.6	8810.0	8812.7	8804.0
2001	8755.1	8737.2	8714.8	8661.9	8585.8	8496.4 p	8464.4 p					

p = preliminary
NOTE: This series includes all industries which had at least 20 percent of 1993 employment tied to exports (includes direct & indirect exports), except those identified on the attached table as included in the defense-dependent industries series.
NOTE: This series was substantially increased due to reclassification of employment into component industry Air Transportation.
This change first appeared in the estimates released June 6, 1997; all data from Jan'88 forward reflect the reclassification.

Industries in which exports account for at least 20 percent of employment

Name	% of Emp. tied to exports	SIC
Electronic components and accessories	47.1	367
Computer and office equipment	45.8	357
Household audio and video equipment	41.8	365
Aerospace*	39.1	372,376
Engines and turbines	37.4	351
Primary nonferrous smelting & refining	36.7	333
Water transportation	36.2	44
General industrial machinery and equipment	36	356
Industrial chemicals	34.8	281,286
Metal mining	34.4	10
Construction and related machinery	34.2	353
All other primary metals	32.9	334,339
Plastics materials and synthetics	32.5	282
Electrical industrial apparatus	31.9	362
Industrial machinery, nec	31.2	359
Nonferrous rolling and drawing	30.6	335
Measuring and controlling devices	30.5	382
Miscellaneous electrical equipment	29.7	369
Metal coating, engraving, & allied services	27.8	347
Passenger transportation arrangement	26.9	472
Metal forgings and stampings	25.6	346
Miscellaneous textile goods	25.5	229
Iron and steel foundries	24.7	332
Air transportation	24.7	45
Nonferrous foundries	24.6	336
Miscellaneous transportation services	24.3	473,-4,-8
Screw machine products, bolts, rivets, etc	23.3	345
Special industrial machinery	23.1	355
Miscellaneous transportation equipment*	23	375,379
Watches, clocks, and parts	23	387
Logging	22.8	241
Railroad transportation	22.7	40
Pulp, paper, and paperboard mills	22	261-263
Miscellaneous fabricated metal products	21.4	349
Metalworking machinery and equipment	20.8	354
Motor vehicles and equipment	20.8	371
Blast furnaces and basic steel products	20.6	331
Electric lighting and wiring equipment	20.2	364
Ordnance and ammunition*	20.1	348
Communications equipment*	19.5	366

* These industries or components of these industries are also included in the defense related series.

U. S. Department of Labor

Commissioner for
Bureau of Labor Statistics
Washington, D.C. 20212

AUG 17 2001

The Honorable Melvin L. Watt
Joint Economic Committee
House of Representatives
Washington, D.C. 20515

Dear Congressman Watt:

At the August 3 hearing of the Joint Economic Committee, you requested further information concerning welfare reform, the working poor, and living wage laws.

With regard to the effects of welfare reform on Temporary Assistance to Needy Families (TANF) recipients, I have enclosed a study written a few years ago by Bureau of Labor Statistics (BLS) researcher Anne E. Polivka, which examines this issue using 1994 through 1998 data from the Current Population Survey (CPS) March supplements. Among other results, this study found a modest increase in the likelihood that former recipients had found employment, after controlling for the period's economic expansion. At this time, we do not have any more recent analyses on the TANF/employment relationship.

With regard to your request for information about the working poor, I have included a BLS report entitled *A Profile of the Working Poor, 1999*. This report shows that, of people in the labor force for more than half a year in 1999, 5.1 percent lived in poverty. Of those in the labor force for the entire year and usually working full time, 3.4 percent lived in poverty. This report is produced annually, and the data for the year 2000 are expected to be available later this year.

You also requested information about living wage ordinances and their effectiveness. Although this is not an issue for which BLS has any program responsibility, we were able to find some information on the internet. I have enclosed a chart compiled by the Employment Policy Institute that displays living wage proposals by state. As this chart shows, living wage proposals are not all identical, but they do share some common features. Living wage ordinances commonly mandate that covered employers pay their employees a wage that would be sufficient to lift a

family of four above the poverty level, though many specify other wage thresholds. A unique feature of living wage ordinances is their narrow coverage. Most of the laws presently in existence cover employers that are contractors or subcontractors with the city. A limited number of living wage ordinances cover employers receiving business assistance from the city or cover the employees of the city.

You expressed interest in studies that examine the effect upon the poor, as well as any effect on available jobs, of passing a living wage ordinance. Unfortunately, the BLS has no data pertaining to this issue. Relevant research has been done by David Neumark and Scott Adams of the National Bureau of Economic Research. Due to the recent appearance of living wage ordinances, as well as their limited coverage, they found it difficult to identify the ordinances' effects with any precision.

I hope that this information is helpful to you. Please let me know if I can be of any further assistance. Philip Rones, Assistant Commissioner for Current Employment Analysis, can be reached at (202) 691-6378 and would be happy to answer any follow-up questions that you or your staff may have regarding these data.

Sincerely yours,

Katharine Abraham

KATHARINE G. ABRAHAM
Commissioner

Enclosures

NOTE ON THE POSSIBLE EFFECTS OF WELFARE REFORM ON LABOR MARKET ACTIVITIES: WHAT CAN BE GLEANED FROM THE MARCH CPS

SUMMARY

The United States welfare system was dramatically altered in August 1996 with the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The March 1998 CPS supplement offers the first chance to examine nationally representative data since this welfare reform was enacted. This note uses March supplement data, primarily from 1994 to 1998, in combination with basic CPS data. In the March supplements individuals are asked about income received, program participation and work activities in the previous calendar year. In the basic CPS individuals are asked about work activities in the survey week of the month the interview is conducted and job search activities in the previous month. The major findings are:

- The number of individuals receiving AFDC payments (or AFDC like payments) has decreased dramatically. In 1997 there were 721 thousand fewer individuals receiving welfare payments than in 1996. This is almost a 20 percent decrease in the number of recipients. Since 1993 the welfare caseload has decreased by almost 38 percent.

- The demographic characteristics of individuals receiving AFDC payments have remained relatively constant between 1993 and 1997. Since 1993 the proportion of recipients who are white grew slightly and the proportion who are black declined. There has been a modest increase in the proportion of AFDC recipients who were Hispanic between 1993 and 1997, however, the vast majority of AFDC recipients in 1997 were non-Hispanic. The proportion of AFDC recipients who had only a high school diploma decreased slightly from 1993 to 1997, while the proportion who had more than a high school degree increased.

- The proportion of AFDC recipients who did not work in the year in which they received payments steadily declined from 1993 to 1997. In 1993 63.7 percent of individuals who received AFDC payments some time in the year did no work in the year. By 1997 the percentage had declined to 54.5 percent. From 1996 to 1997 the proportion of recipients who did not work in the year that they received payments decreased by more than 3 percentage points.

- The proportion of individuals who received AFDC payments in the previous calendar year who were employed in the subsequent March (when the survey was conducted) increased a little more than 10 percentage points from 21.9 percent employed in March 1994 to 32.0 percent employed in March 1998.

- Part of the increase in employment among former AFDC recipients undoubtedly reflects the impact of the economic expansion. When overall economic conditions are controlled for by using state unemployment rates, the probability of individuals who received AFDC (or AFDC like) payments in calendar year 1997 being employed in March 1998 compared to the probability of individuals who received AFDC in calendar year 1993 being employed in March 1994 increased by 4 percentage points. These estimates suggest that when economic conditions are controlled for, welfare reform could have had a statistically significant, but modest, effect on the probability of AFDC recipients being employed.

- Although when economic conditions are controlled for, the increase in the probability of being employed in March was relatively small for individuals who received AFDC payments in the previous calendar year, the estimates indicated that 36 to 43 percent of what increase was seen might be able to be explained by welfare reform.

- Examination of the characteristics of the jobs held by individuals employed in March who received AFDC in the previous year indicate that both the proportion who usually worked full time (35 hours or more per week) and average real hourly earnings declined between 1993 and 1997. Neither difference, however, was statistically significant.

- Using the proportion of the CPS sample that is interviewed in consecutive years (approximately half of the sample), it was estimated that the proportion of welfare recipients who also received AFDC payments in the following year decreased from 60.8 percent in 1993/1994 to 48.9 percent in 1996/1997. Among recipients who were employed in March of the following year, the proportion who also received welfare payments in that second year decreased from 40.4 percent for 1993/1994 to 34.4 percent for 1996/1997.

- Using matched March data sets it was estimated that the proportion of all recipients who were employed in March two years after receiving AFDC increased from 33.3 percent for the 1993/1995 time period to 43.9 percent for the 1996/1998 time period. The proportion of AFDC recipients who were employed in March of the first year after receiving AFDC who were also employed in March of the second year following receipt steadily increased from 74.1 percent for the 1993/1995 time period to 80.7 percent for the 1996/1998 time period.

- For AFDC recipients who were employed in consecutive subsequent Marches, the proportion who worked full time in both Marches decreased dramatically from 95.1 percent in March 1994/March 1995 to 73.1 percent in March 1997/March 1998.

- The proportion of AFDC recipients who were employed in the first March who had the same employer one year later declined by more than 3 percentage points between March 1994/March 1995 and March 1997/March 1998. The decline was not statistically significant, but the downward trend was in contrast to the stability of the proportion of those who did not receive public assistance who remained with the same employer.

Anne E. Polivka
Office of Employment and
Unemployment Statistics
Bureau of Labor Statistics
December 1, 1998

NOTE ON THE POSSIBLE EFFECTS OF WELFARE REFORM ON LABOR MARKET ACTIVITIES: WHAT CAN BE GLEANED FROM THE MARCH CPS

The United States welfare system was dramatically altered in August 1996 with the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The March 1998 Current Population Survey (CPS) supplement offers the first chance to examine nationally representative data since this welfare reform was enacted. This note uses March supplement data, primarily from 1994 to 1998, in combination with basic CPS data. While this note examines changes in the proportion of the population receiving welfare assistance and the characteristics of these recipients, its primary focus is on examining recent recipients' interaction with the labor market. In other words, the focus is to examine what happened to those who recently were on the welfare rolls rather than examining the behavior of those who might have been eligible, but chose not to participate in welfare programs. Throughout this note, even though AFDC no longer formally exists, participants in state programs that are similar to AFDC will be referred to as AFDC recipients.[1]

RECEIPT OF PUBLIC ASSISTANCE

Table 1 presents the number of individuals who received public assistance in general (AFDC type assistance plus general assistance or emergency assistance) and AFDC type assistance in particular in the calendar year prior to when the March supplement was conducted. The year in Table 1 refers to the year January through December.[2]

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[1] In March 1998, individuals were classified as receiving public assistance who answered "yes" to the question: "At any time during 1997, even for one month, did (anyone in this household/you) receive any government payments because your income was low, such as public assistance or welfare, INCLUDE SUCH PAYMENTS AS: AID TO FAMILIES WITH DEPENDENT CHILDREN(AFDC), AID TO DEPENDENT CHILDREN (ADC), (STATE PROGRAM NAMES AND/OR ACRONYMS), TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM (TANF), GENERAL ASSISTANCE/EMERGENCY ASSISTANCE PROGRAM, REFUGEE CASH AND MEDICAL ASSISTANCE PROGRAM, OR GENERAL ASSISTANCE FROM BUREAU OF INDIAN AFFAIRS OR TRIBAL ADMINISTERED GENERAL ASSISTANCE." Individuals who identified their assistance in the follow up question using a new state program name or as AFDC/ADC were classified as AFDC recipients. The use of state program names started with the collection of data in March 1997.

[2] The year refers to the calendar year January to December prior to when the data was collected. The timing of when data was collected with respect to when assistance was received can perhaps be best illustrated with an example. The year 1993 in Table 1 indicates the number of individuals who received public assistance some time from January 1993 to December 1993 as reported in March of 1994.

TABLE 1.

RECEIPT OF PUBLIC ASSISTANCE AND AFDC					
All Public Assistance			AFDC		
Year (received)	Number (in thousands)	Proportion of Population (15+)	Number (in thousands)	Proportion of Population (15+)	AFDC's Proportion of Public Assistance
1993	5,878	2.9%	4,649	2.3%	79.1
1994	5,417	2.7%	4,224	2.1%	78.0
1995	4,989	2.4%	3,806	1.9%	76.3
1996	4,624	2.2%	3,634	1.8%	78.6
1997	3,758	1.8%	2,913	1.4%	77.5

Examination of the estimates in Table 1 reveals that there has been a dramatic recent decline in the number of AFDC recipients. From 1993, when AFDC reached a high point, to 1997, the number of individuals age 15 and over receiving AFDC declined by more than 1.7 million individuals.[3] This represents a 37.6 percent decrease in the number of people receiving AFDC. A smaller absolute number of people received AFDC in 1997 than in the 1970's. (It should be noted that caseloads grew dramatically in the early 1990's. Controlling for economic, demographic and program factors that should have lowered the rate suggests that the upward trend in the caseloads through 1993 actually began in the mid 1980's (Blank, 1997). Blank suggests that this trend was driven by a rise in child-only cases, an increase in the take-up rate in the early 1990s during the economic slowdown, and a long-term increase in the number of individuals eligible to participate.)

DEMOGRAPHIC CHARACTERISTICS OF AFDC RECIPIENTS

Tables A.1 through A.3 show the gender, racial, and ethnic composition of AFDC recipients from 1993 through 1997. Tables A.4 and A.5 contain the age and educational distribution of recipients. [4]

Overall, there does not seem to have been a radical shift in the demographic characteristics of AFDC recipients. Although relative to their share of the entire population blacks constitute a larger proportion of welfare recipients, the majority of AFDC recipients are white. Further, since 1994, the proportion of AFDC recipients who are white has grown slightly and the proportion who are black has declined.

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[3] A comparison of the number of AFDC recipients reported in the March CPS to the number of adult AFDC recipients in administrative data reported to the Health and Human Services Department indicate that there may have been a decrease in the proportion of AFDC recipients measured in the CPS, though it appears any such decrease would have been very modest. In addition, even this modest decrease probably would not affect comparisons using just CPS data over the time frame that is the focus here. See Appendix B for a more detailed discussion.

[4] Cross tabulations showing the gender/race, gender/ethnicity and age/educational composition of recipients are available on request.

With respect to ethnicity the proportion of AFDC recipients who are Hispanic has increased modestly from 18.5 percent in 1993 to 22.8 percent in 1997. Contrary to what has been recently reported in some of the mass media (e.g., *The New York Times*, September 15, 1998), however, the vast majority of AFDC recipients in 1997 are non-Hispanic, at least as measured by the CPS. The proportion of AFDC recipients who are in the younger age groups (15 to 24 years old) is highly variable and has not displayed a uniform pattern over time.

There does appear to have been a slight change in the educational attainment of AFDC recipients, with a slight increase in the proportion of AFDC recipients with some college or an associates degree and a slight decrease in the proportion of AFDC recipients who have only a high school diploma. From 1993 to 1997 the proportion of AFDC recipients with more than a high school diploma increased from 21.1 percent to 23.2 percent, a difference which is marginally significant.[5] This slight shift towards more education among AFDC recipients indicates that there may have been a slight increase in the "quality" of AFDC recipients. In general, however, based on the demographic characteristics examined here, there does not appear to have been a "creaming off" of the more highly qualified or employable AFDC recipients from 1993 to 1997. (Of course, some indicators of whether creaming was occurring are not available from the March CPS. For instance in the March supplement, there is no indication of how long individuals have received AFDC or how much total work experience individuals have had. Analysis of NLS data may help to clarify whether there has been creaming of recipients based on these measures.)

THE LABOR FORCE ATTACHMENT OF AFDC RECIPIENTS

One of the goals of welfare reform was to encourage recipients to obtain work and to increase their attachment to the labor force. There are several ways to use March CPS supplement data to assess the potential effect of welfare reform on recipients' labor force status. The first is to look directly at the number of weeks worked in the previous year by individuals who also received assistance. Since it is not possible to determine from the March CPS if the weeks worked in the previous year were before or after participating in the AFDC program, a second means of assessing the effect of welfare reform is to examine the current March labor force status of individuals who participated in AFDC in the previous calendar year.

[5] Throughout the text, the discussion of whether differences are statistically significant rely on variances calculated using the assumption of simple random sampling. The standard errors derived using this assumption will be smaller than the true standard errors. Alternative variances can be calculated using general variance function (GVF) parameters. The variances calculated using GVF parameters would account for the complex sample design of the CPS. Unfortunately, GVF parameters for AFDC and public assistance are not available. The closest parameters are those calculated for individuals below the poverty line. A comparison of a few tests of statistical significance using the simple random sampling estimates and the GVF estimates indicate that while many of the differences that were statistically significant under the assumption of random sampling remained significant when GVF parameters were used, several were not. For instance, none of the slight demographic changes in the composition of AFDC recipients were statistically significant when standard errors were calculated using GVF parameters.

Weeks Worked in the Year in Which AFDC was Received

Table 2 contains estimates for 1993 through 1997 of the number of weeks worked by individuals who received AFDC in that year. The estimates show a steady decrease in the number of recipients who did no work at all during the year, from 63.7 percent in 1993 to 54.5 percent in 1997. During the same time period there was also a steady increase in the proportion of AFDC recipients who worked more than half of the year, from 15.0 percent to 20.9 percent, with the proportion working 39 to 52 weeks increasing from 10.5 percent to 14.7 percent.

TABLE 2

WEEKS WORKED BY INDIVIDUALS WHO RECEIVED PUBLIC ASSISTANCE OR AFDC DURING THE YEAR (as a percentage of recipients)		
	All Public Assistance	AFDC
Year		
1993		
no weeks worked	63.3%	63.7%
1-4 weeks	4.3%	4.4%
5-8 weeks	4.1%	4.3%
9-12 weeks	4.0%	3.8%
13-26 weeks	8.9%	8.8%
27-39 weeks	4.3%	4.5%
39-52 weeks	11.3%	10.5%
1994		
no weeks worked	62.6%	62.1%
1-4 weeks	3.8%	3.9%
5-8 weeks	3.6%	3.8%
9-12 weeks	3.4%	3.6%
13-26 weeks	9.8%	10.6%
27-39 weeks	6.0%	5.9%
39-52 weeks	10.9%	10.1%
1995		
no weeks worked	61.0%	60.4%
1-4 weeks	4.7%	4.8%
5-8 weeks	3.5%	3.6%
9-12 weeks	3.1%	3.2%
13-26 weeks	10.2%	11.4%
27-39 weeks	4.4%	4.3%
39-52 weeks	13.0%	12.3%
1996		
no weeks worked	59.7%	57.8%
1-4 weeks	4.1%	4.6%
5-8 weeks	2.9%	3.1%
9-12 weeks	3.7%	3.8%
13-26 weeks	10.2%	10.9%
27-39 weeks	5.5%	6.0%
39-52 weeks	14.1%	13.8%
1997		
no weeks worked	55.4%	54.5%
1-4 weeks	4.4%	4.6%
5-8 weeks	3.1%	3.4%
9-12 weeks	4.1%	4.0%
13-26 weeks	11.6%	12.6%
27-39 weeks	5.9%	6.2%
39-52 weeks	15.6%	14.7%

Current Labor Force Status of Individuals Who Received AFDC in the Previous Year

As noted above, when examining the number of weeks worked in the previous year, it is not possible to determine if an individual worked before or after participation in an AFDC program. Examining the March labor force status of individuals who received AFDC during the prior year provides a measure of the labor force activities of AFDC recipients after they received AFDC payments (although it is possible for individuals concurrently to both be receiving AFDC payments and working). Table 3 contains the current March labor force status of individuals who received AFDC in the previous year.[6]

Table 3

CURRENT MARCH LABOR FORCE STATUS OF INDIVIDUALS WHO RECEIVED PUBLIC ASSISTANCE OR AFDC IN THE PREVIOUS YEAR (as a percentage of recipients)

	All Public Assistance	AFDC
Year		
1994		
Employed	22.5%	21.9%
Unemployed	13.4%	13.6%
Not in Labor Force	64.1%	64.5%
1995		
Employed	22.7%	22.7%
Unemployed	11.5%	12.2%
Not in Labor Force	65.8%	65.1%
1996		
Employed	25.2%	24.7%
Unemployed	12.9%	13.1%
Not in Labor Force	61.9%	62.2%
1997		
Employed	30.0%	31.6%
Unemployed	12.9%	14.2%
Not in Labor Force	57.2%	54.2%
1998		
Employed	31.6%	32.0%
Unemployed	14.0%	15.4%
Not in Labor Force	54.4%	52.6%

The estimates in Table 3 indicate that the proportion of individuals who received AFDC in a given year and who were employed in March of the following year increased by more than 10 percentage points, from 21.9 percent of 1993 AFDC recipients employed in March 1994 to 32.0 percent of 1997 AFDC recipients employed in March 1998. At the

[6] For example, according to the estimates in Table 3, of those who received AFDC sometime between January 1993 and December 1993, 21.9 percent were working in March 1994.

same time, the proportion of AFDC recipients who were not in the labor force the following March decreased by almost 12 percentage points. It is important to point out, however, that even with the increase in employment of individuals who had received AFDC, in the previous year, more than half of the individuals who received AFDC payments in calendar year 1997 were not in the labor force in 1998.

Another concern is that the increase in the proportion of individuals who received AFDC in the previous year who were currently employed in March could be heavily influenced by the overall expansion of the economy, and thus be completely unrelated to welfare reform. (From March 1994 to March 1998 the national unemployment rate went from 6.5 percent to 4.7 percent). To address this concern, a standard Probit model was estimated where the response variable was defined to be 1 if an individual who received AFDC in the previous year was currently employed in March and 0 if an individual who received AFDC in the previous year was unemployed or not in the labor force.

Overall economic conditions were controlled for in two different ways. In the first specification, states' annual unemployment rates in the year prior to the current March were included as a control variable. In the second specification, states' unemployment rates in the current March were entered as a control. The annual unemployment rates have the advantage of being more precisely measured and of perhaps being more reflective of the labor market AFDC recipients were facing during the time they were trying to obtain jobs. The current March unemployment rate has the advantage of more accurately reflecting the labor market conditions in the time period in which the labor force status was being observed.

To test whether the probability of being employed changed over time, annual dummy variables were included, with 1994 being the excluded category. In addition to the state unemployment rates and the time trend variables, recipients' age, age squared, race (black and other, with white the excluded category), gender, educational attainment (high school no diploma, some college, associates degree, and college or advanced degree, with high school diploma the excluded category), and Hispanic origin also were included as controls. Table 4 contains both the coefficient estimates for the year dummy variables and the estimated change in the probability (multiplied by 100) of being employed in the specified year in comparison to 1994. (The other parameter estimates are available, but were not included in this note for the sake of brevity). Asterisks indicate coefficient estimates that were significantly different from zero at the 5 percent level. Standard errors are provided in parentheses below the coefficient estimates.

TABLE 4

PROBIT ESTIMATION
OF THE PROBABILITY OF INDIVIDUALS WHO RECEIVED AFDC IN THE PREVIOUS YEAR BEING CURRENTLY EMPLOYED IN MARCH

	Specification Using States' Annual Unemployment Rates		Specification Using States' Current March Unemployment Rates	
	Coefficient Estimate	Change in Probability	Coefficient Estimate	Change in Probability
1995	-.061 (0.044)	-1.91	-0.092* (0.044)	-2.90
1996	-0.047 (0.047)	-1.47	-0.020 (0.046)	-0.63
1997	0.133* (0.048)	4.21	0.126* (0.047)	4.00
1998	0.136* (0.053)	4.29	0.115* (0.053)	3.64

The estimates in Table 4 indicate that, compared to 1994, the probability of being employed in 1997 and 1998 among individuals who received AFDC payments in the previous year was indeed higher. Given that March 1997 and March 1998 were after welfare reform had been enacted, the increased probability of employment may be indicative of the effects of welfare reform.[7] It is important to point out, however, that the increase in the probability of being employed when economic conditions were controlled for was only approximately 4 percentage points in 1998. This is much smaller than the size of the effect indicated by the simple tabulations presented in Table 3. In general, the coefficient estimates presented in Table 4 suggest that when economic conditions are controlled for, welfare reform may have had a modest effect on the probability of AFDC recipients being employed.[8]

On the other hand, although the increase in the probability of AFDC recipients becoming employed was relatively small, estimates indicate that welfare reform could perhaps explain about half of what increase was seen. Specifically, a Probit model of the probability of being employed including the demographic controls but without the state unemployment rates indicate that in comparison to 1994 the probability of being employed in 1997 was 8.34 percent higher and the probability of being employed in 1998 was 10.04 percent higher. These estimates in conjunction with the estimates in Table 4 indicate that, depending on the unemployment rate used as a control, welfare reform

[7] Given that 43 states had waivers prior to August 1996, some of the effect of "welfare reform" may have been evident prior to March 1997 and March 1998. To test this hypothesis further analysis will be done controlling for when a state was granted a waiver and if it was a type of waiver that would have encouraged employment.

[8] A multinomial logit model of the probability of being employed or unemployed in comparison to being not in the labor force, produced a similar pattern for employment as that presented in Table 4. At the same time the probability of being unemployed was significantly higher in 1997 and 1998 than in 1994.

could account for about 48 percent to 50 percent of the increase in the employment of AFDC recipients in 1997 and from 36 percent to 42 percent of the increase in employment in 1998.

To examine whether changes in the probability of being employed in the current March differed for various demographic groups, a Probit model of the probability of being employed in March of 1994 and March of 1998 was estimated with the inclusion of the demographic variables and the interaction of the demographic variables with a dummy variable for 1998. With the exception of those with an associates degree, the effect of having various demographic characteristics on the probability of being employed was not statistically different between 1994 and 1998. (In other words, being black had the same effect on the probability of an AFDC recipient being employed in 1994 as it did in 1998.) For those with an associates degree, the effect of having this degree on the probability of being employed was approximately 16.0 to 16.5 percent higher in 1998 than in 1994.

Characteristics of Jobs Held By Individuals Who Received AFDC in the Previous Year

In addition to whether individuals who received AFDC payments are employed, there also could be interest in the quality of the jobs held. Two job characteristics that can be measured using CPS data are hours on the job and earnings. Table 5 presents estimates of the full-time or part-time status of individuals employed in March who had received AFDC payments in the previous year. Part-time workers are defined as individuals who usually work less than 35 hours on all of their jobs, as reported in the basic CPS.

TABLE 5

FULL-TIME/PART-TIME STATUS OF INDIVIDUALS EMPLOYED IN MARCH WHO RECEIVED PUBLIC ASSISTANCE OR AFDC IN THE PREVIOUS YEAR (as a percentage of employed former recipients)

	All Public Assistance	AFDC
Year		
1994		
Full-time	54.3%	54.7%
Part -time	45.7%	45.3%
1995		
Full-time	58.0%	55.7%
Part -time	42.0%	44.4%
1996		
Full-time	55.8%	53.8%
Part -time	44.2%	46.2%
1997		
Full-time	52.8%	52.5%
Part -time	47.2%	47.5%
1998		
Full-time	55.5%	52.9%
Part -time	44.5%	47.1%

While the estimates are somewhat erratic, there seems to have been a slight increase since 1994 in the proportion of employed who are working part time. The increase, however, was not statistically different at standard levels. (Further analysis will distinguish between voluntary and involuntary part time employment.) If there were an increase in the proportion of individuals working part time it might suggest that, although there has been a trend towards greater employment of individuals who received AFDC, the jobs that these individuals are obtaining are less able to sustain them.

Table 6 presents the hourly earnings of individuals who received AFDC in a given year who were employed in March of the following year. The hourly earnings were constructed using the outgoing rotation earnings data from the basic CPS. To increase the sample size, since only approximately a quarter of the sample receives these questions in any March, individuals who were not in an outgoing rotation in March were matched forward to the month in which they received the earnings questions. For example, individuals who were in their third or seventh interview in March were matched to their earnings data collected in April. Individuals who were in their second or sixth interview in March were matched to their earnings data collected in May and individuals who were in their first or fifth interview in March were matched to their earnings data collected in June. There is some possibility that individuals who were employed in March were not employed in subsequent months, therefore as a point of comparison, hourly earnings calculated just using data collected in March also are presented. Hourly earnings were restricted to be between $2.00 an hour and $50.00 an hour. Earnings greater than this amount were assumed to be in error and discarded. Hourly earnings were converted to real hourly earnings using the March 1998 CPI-U as a deflator.

TABLE 6

HOURLY EARNINGS OF INDIVIDUALS EMPLOYED IN MARCH WHO RECIEVED AFDC IN THE PREVIOUS YEAR

Year	All Rotations				Out Going Rotation in March			
	Actual Mean	Real Mean	Actual Median	Real Median	Actual Mean	Real Mean	Actual Median	Real Median
1994	$6.73	$7.40	$5.60	$6.15	$6.65	$7.33	$5.90	$6.50
1995	$6.90	$7.36	$6.00	$6.39	$6.73	$7.21	$5.56	$5.96
1996	$6.82	$7.07	$6.00	$6.21	$6.49	$6.76	$5.53	$5.76
1997	$6.93	$7.01	$6.00	$6.08	$6.66	$6.75	$5.93	$6.01
1998	$7.07	$7.05	$6.25	$6.25	$6.79	$6.79	$6.25	$6.25

Examination of the estimates in Table 6 indicate that, since 1994, in real terms, the average hourly earnings of individuals who received AFDC in the previous year and who were currently employed in March decreased. It should be noted, however, that the difference in real mean earnings between 1994 and 1998 is not statistically significant. In addition, it might be possible that real mean earnings are falling due to compositional changes in those who are working. A regression model of real earnings using age, age squared, race, gender, and education in addition to year effects as controls, indicates that

when these demographic variables are controlled for, the 1998 earnings of those who received AFDC in 1997 were approximately 25 cents lower than the 1994 earnings of those who received AFDC in 1993. Again, however, the difference is not statistically significant.

OVER THE YEAR CHANGE IN AFDC PARTICIPATION AND LABOR FORCE STATUS

Another subject in which there is interest is the longer term experience of welfare recipients: whether they return to (or continue) using public assistance, remain employed, and remain employed with the same employer. To address these issues it is possible to use a matched CPS sample. Given the rotation pattern in the CPS, 50 percent of the CPS individuals who received the March supplement in one year are eligible to have their answers matched to their March supplement answers one year hence.[9] Table 7 presents the proportion of individuals who said that they received AFDC in one calendar year, who said that they also received AFDC in the next calendar year. The same estimates for the subset of AFDC recipients who were employed in March when they were first interviewed are also presented.

TABLE 7

PROPORTION OF AFDC RECIPIENTS WHO RECEIVED PUBLIC ASSISTANCE IN THE NEXT YEAR (as a proportion of all recipients in the first year and as a proportion of AFDC recipients who were employed at the time of the first March interview)

Time period	All AFDC Recipients	AFDC Recipients Employed in the Previous March
1993/1994	60.8%	40.4%
1994/1995	55.1%	37.7%
1995/1996	56.9%	36.6%
1996/1997	48.9%	34.4%

The estimates in Table 7 indicate that the proportion of AFDC recipients who received AFDC payments in consecutive years decreased from 60.8 percent in 1993/1994 to 48.9

[9] Theoretically, it should be possible to match 50 percent of the sample between Marches. However, due to sample attrition, caused by households moving or respondents no longer cooperating, and sample reductions the match rate is less than 100 percent. From 1994 to 1995 the overall match rate was 70.0 percent and the match rate for AFDC recipients identified in the first March was 54.2 percent. From 1995 to 1996 the overall match rate was 67.1 percent and the match rate for AFDC recipients was 55.2 percent. From 1996 to 1997 the overall match rate was 77.9 percent and the match rate for AFDC recipients was 62.0 percent. From 1997 to 1998 the overall match rate was 77.3 percent and the match rate for AFDC recipients was 60.1 percent. The 1994 to 1995 match rate was affected by the once a decade phase in of a new sample, while the 1995 to 1996 match rate was affected by the CPS sample reduction. Accounting for this sample reduction probably would bring the 1995/1996 match rate to be more in line with 1996/1997 and 1997/1998 rates. The relatively constant match rate between 1996/1997 and 1997/1998 suggests that changes in attrition probably are not affecting the comparisons made here (although more detailed analysis could be conducted to more fully verify whether a change in attrition was having an affect).

percent in 1996/1997. Perhaps more importantly, although not statistically significant at standard levels, the estimates in Table 7 indicate that the proportion of individuals who were employed in March when they were first interviewed who received AFDC payments in consecutive years also decreased. By 1997, only a little more than a third of recipients who had been employed in March of 1997 received AFDC in both calendar year 1996 and calendar 1997.

Table 8 presents the March employment status of individuals one year after having been reported to have received AFDC in the previous year as calculated using the matched March data sets. These estimates are presented for all AFDC recipients and just for AFDC recipients who were employed in the previous March. For example, the estimates in Table 8 indicate that of those who reported in March 1994 that they had received AFDC in calendar year 1993, 33.3 percent were reported to be working in March 1995. The estimates in Table 8 also indicate that of those who were reported to have received AFDC in calendar year 1993 and who were reported to be employed in March 1994, 74.1 percent were reported also to be employed in March 1995.

TABLE 8

Labor Force Status of AFDC Recipients In Second Year Following Receipt (as a percentage of recipients in the first year)		
	All AFDC Recipients	AFDC Recipients Employed in March of First Year Following Receipt
Year (of receipt)		
1993		
Labor Force Status in March 1995		
Employed	33.3%	74.1%
Unemployed	9.4%	7.0%
Not in Labor Force	57.4%	18.9%
1994		
Labor Force Status in March 1996		
Employed	33.5%	74.4%
Unemployed	12.0%	14.2%
Not in Labor Force	54.6%	11.4%
1995		
Labor Force Status in March 1997		
Employed	36.8%	75.1%
Unemployed	12.0%	3.0%
Not in Labor Force	51.2%	21.9%
1996		
Labor Force Status in March 1998		
Employed	43.9%	80.7%
Unemployed	9.2%	4.3%
Not in Labor Force	46.9%	15.0%

The estimates indicate that the proportion of AFDC recipients who were employed two years after receiving AFDC year increased for all AFDC recipients and for the subset who were employed in the previous March. Furthermore, while the percentage point increase was larger for all AFDC recipients than for just those who were employed at the time of the first of the paired March interviews, almost 81 percent of those who collected AFDC during 1996 and were employed in March 1997 were also employed in March 1998.

Again the probability of being employed in consecutive Marches could be influenced by overall economic conditions. To control for changes in the labor market, a Probit model was estimated in which the response variable was defined as 1 if an individual who had received AFDC was employed in consecutive Marches and 0 if an individual who had received AFDC and was employed in the first March was not employed in the second March. The sample consisted of all those who had received AFDC in the calendar year prior to the first March of the paired Marches who were also employed in the first March. Labor market conditions were controlled for using either states' annual unemployment rates or states' unemployment rates in the second March. Recipients' age, age squared, race, gender, educational attainment and ethnic origin were also included as controls. Table 9 contains both the coefficient estimates for the year dummy variables and the estimated change in the probability (multiplied by 100) of being employed in the specified year in comparison to 1994. The Probit estimates in Table 9 indicate that, in comparison to the 1994-1995 year, the probability of former AFDC recipients being employed in consecutive Marches did increase over time, with the largest increase occurring for the 1997-1998 year. It should be noted, however, that only the 1997-1998 change when states' March unemployment rates were used is statistically significant at a 5 percent level.

TABLE 9

PROBIT ESTIMATION OF THE PROBABILITY OF INDIVIDUALS WHO RECEIVED AFDC IN THE PREVIOUS YEAR BEING EMPLOYED IN CONSECUTIVE MARCHES

	Specification Using States' Annual Unemployment Rates		Specification Using States' Current March Unemployment Rates	
	Coefficient Estimate	Change in Probability	Coefficient Estimate	Change in Probability
1995-96	0.084 (0.170)	2.44	0.050 (0.170)	1.45
1996-97	0.155 (0.164)	4.51	0.157 (0.164)	4.55
1997-98	0.318 (0.173)	9.25	0.339* (0.173)	9.83

A multinomial logit model of the probability of AFDC recipients going from employment to employment or employment to unemployment in consecutive Marches compared to the probability of going from employment to not in the labor force yielded results similar to the simple Probit model. The parameter estimates from the multinomial logit model controlling for state unemployment rates indicate that the probability of going from employment to employment in the 1997/1998 year was greater than in the 1993/1994 year. However, the point estimate was significantly different from zero at a 5 percent level only when the March unemployment rates were used. When the annual unemployment rates were used, the parameter estimate on the 1997/1998 dummy was significantly different from zero only at a 7 percent level. Using either unemployment rate, the probabilities of going from employment to unemployment in the 1996/1997 and 1997/1998 years were no different from the probability in the 1993/1994 year.

For those AFDC recipients who were employed in consecutive Marches, Table 10 compares the full time and part time status of individuals in the first year with their full or part time status in the second year.

TABLE 10

FULL-TIME/PART-TIME STATUS OF AFDC RECIPIENTS WHO WERE WORKING IN THE PREVIOUS MARCH BY THEIR CURRENT FULL/PART-TIME STATUS

	Full-time (in previous March)	Part-time (in previous March)
Year (current)		
1995		
Full-time	95.1%	40.5%
Part-time	4.9%	59.6%
1996		
Full-time	90.1%	46.6%
Part-time	9.9%	53.4%
1997		
Full-time	91.2%	43.6%
Part-time	8.8%	56.4%
1998		
Full-time	73.1%	38.4%
Part-time	26.9%	61.6%

The estimates in Table 10 indicate that, although a larger proportion of AFDC recipients who were employed in the first March were also employed in the second March by 1997/1998, the proportion of full time workers in the first March who were full time in the second March decreased dramatically from 1994/1995 to 1997/1998. At the same time the proportion who went from part-time to full-time employment also decreased.

Table 11 presents the proportion of those who were employed in March who had the same employer one year later. These proportions are calculated both for those who received AFDC in the year prior to the first year and, as a point of reference, for individuals who were not receiving AFDC or other public welfare assistance. An

individual was classified as having the same employer if the individual was reported to have been employed in both Marches and the individual was reported to have had ONLY one employer in the previous year in the second March. This is a slightly noisy measure in that an individual could have changed employers between January and March and still have only had one employer in the previous calendar year.

TABLE 11

PROPORTION OF THOSE WHO WERE EMPLOYED IN MARCH WHO HAD THE SAME EMPLOYER ONE YEAR LATER		
	AFDC RECIPIENTS	NON-PUBLIC ASSISTANCE
Year (one year later)		
1995	63.4%	79.8%
1996	60.8%	79.1%
1997	60.3%	80.1%
1998	61.2%	80.3%

The estimates indicate that, even though a large proportion of AFDC recipients who had been employed in the first year were employed in the second year, the proportion who remained with the same employer declined from the 1994/1995 year to the 1997/1998 year. While the decrease in the proportion of AFDC recipients who remained with the same employer was not statistically significant, the downward trend contrasts with the stability of the proportion of those who did not receive public assistance who remained with their employer. Similar to the Probit estimates presented in Table 9, a multinomial logit model of the probability of having a different employer, being unemployed or not being in the labor force in comparison to remaining with the same employer for AFDC recipients who were employed in the first March yields parameter estimates that are not significantly different from zero. Although not statistically significant, the point estimates from a specification that includes state annual unemployment rates and year dummy variables indicate that probabilities of changing employers over the 1996/97 and 1997/98 intervals were greater than over the 1994/95 interval. At the same time the probabilities of going from employment to not in the labor force or employment to unemployment decreased in these years relative to the 1994/1995 year.

A decrease in the proportion of individuals who remained with a given employer is not necessarily a negative outcome if individuals voluntarily leave jobs to take other, better jobs. To partially address this issue, Table 12 presents the current March labor force status for those who did not remain with the same employer and Table 13 presents the change in hourly earnings for those who had more than one employer.

TABLE 12

CURRENT MARCH LABOR FORCE STATUS OF THOSE WHO DID NOT HAVE THE SAME EMPLOYER THEY HAD IN THE PREVIOUS YEAR		
	AFDC	Non-Public Assistance
Employed in 1994		
Labor Force Status in 1995		
Employed	29.3%	55.3%
Unemployed	19.1%	11.7%
Not in Labor Force	51.6%	33.0%
Employed in 1995		
Labor Force Status in 1996		
Employed	34.8%	54.8%
Unemployed	36.2%	11.2%
Not in Labor Force	29.1%	34.0%
Employed in 1996		
Labor Force Status in 1997		
Employed	37.2%	57.9%
Unemployed	7.7%	10.0%
Not in Labor Force	55.1%	32.2%
Employed in 1997		
Labor Force Status in 1998		
Employed	50.4%	56.5%
Unemployed	11.1%	10.9%
Not in Labor Force	38.5%	32.7%

TABLE 13

THE CHANGE IN HOURLY EARNINGS OF THOSE WHO WERE EMPLOYED THE PREVIOUS YEAR WHO HAD MORE THAN ONE EMPLOYER IN THE YEAR		
	AFDC	Non-Public Assistance
Previous Year 1994		
Earnings in 1995		
Increased 15% or more	50.8%	38.9%
Increased 10 to 15%	0.0%	5.4%
Increased 5 to 10%	0.0%	5.8%
Increased less than 5% and decreased less than 5%	13.1%	8.0%
Decreased 5 to 10%	0.0%	3.4%
Decreased 10 to 15%	0.8%	3.1%
Decreased 15% or more	35.3%	35.4%
Previous Year 1995		
Earnings in 1996		
Increased 15% or more	20.6%	40.6%
Increased 10 to 15%	10.5%	5.5%
Increased 5 to 10%	7.5%	4.7%
Increased less than 5% and decreased less than 5%	0.0%	8.4%
Decreased 5 to 10%	0.0%	4.0%
Decreased 10 to 15%	4.9%	4.0%
Decreased 15% or more	56.4%	32.8%
Previous Year 1996		
Earnings in 1997		
Increased 15% or more	57.2%	40.9%
Increased 10 to 15%	0.0%	5.2%
Increased 5 to 10%	0.0%	4.8%
Increased less than 5% and decreased less than 5%	8.0%	8.9%
Decreased 5 to 10%	0.0%	3.7%
Decreased 10 to 15%	0.0%	3.2%
Decreased 15% or more	34.8%	33.4%
Previous Year 1997		
Earnings in 1998		
Increased 15% or more	32.2%	39.4%
Increased 10 to 15%	0.0%	4.9%
Increased 5 to 10%	8.3%	5.9%
Increased less than 5% and decreased less than 5%	2.9%	11.1%
Decreased 5 to 10%	6.1%	2.7%
Decreased 10 to 15%	7.1%	2.8%
Decreased 15% or more	43.5%	33.3%

The estimates for AFDC recipients do indicate that, between 1997 and 1998, there was an increase in the proportion of individuals who did not have the same employer that they had in the previous year who were employed in the second year. Even in 1998, however, only a little more than 50 percent of those who were employed in 1997 who did not remain with the same employer were employed in the second year. This suggests that many of those who are not remaining with their employers are not leaving to take better jobs. The changes in hourly earnings do not indicate a consistent trend towards an increase or decrease in earnings for job changers who also received AFDC, but the estimated changes in hourly earnings for those who had more than one employer in the year should be viewed with extreme caution given the small sample size of individuals who had more than one employer in the year following the year in which AFDC payments were received.

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Bureau of Labor Statistics
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TABLE A1.

GENDER COMPOSITION OF PUBLIC ASSISTANCE AND AFDC RECIPIENTS (as a percentage of recipients)		
	All Public Assistance	AFDC
Year (received)		
1993		
Male	16.1%	11.2%
Female	83.9%	88.8%
1994		
Male	14.8%	10.0%
Female	85.2%	90.1%
1995		
Male	15.0%	9.4%
Female	85.0%	90.6%
1996		
Male	14.8%	9.4%
Female	85.2%	90.6%
1997		
Male	13.2%	10.0%
Female	86.8%	90.0%

TABLE A2.

RACIAL COMPOSITION OF PUBLIC ASSISTANCE AND AFDC RECIPIENTS (as a percentage of recipients)		
	All Public Assistance	AFDC
Year (received)		
1993		
White	59.1%	56.9%
Black	34.9%	37.7%
Other	6.0%	5.4%
1994		
White	59.4%	57.2%
Black	33.9%	35.9%
Other	6.7%	6.8%
1995		
White	59.4%	58.1%
Black	35.0%	36.1%
Other	5.6%	5.8%
1996		
White	60.2%	60.1%
Black	34.3%	34.4%
Other	5.6%	5.6%
1997		
White	60.9%	58.9%
Black	33.6%	35.1%
Other	5.5%	6.0%

TABLE A3.

HISPANIC ETHNICITY OF PUBLIC ASSISTANCE AND AFDC RECIPIENTS (as a percentage of recipients)		
	All Public Assistance	AFDC
Year (received)		
1993		
Hispanic	17.7%	18.5%
Non-Hispanic	82.3%	81.5%
1994		
Hispanic	18.4%	18.6%
Non-Hispanic	81.6%	81.4%
1995		
Hispanic	20.3%	21.2%
Non-Hispanic	79.7%	78.8%
1996		
Hispanic	20.5%	20.3%
Non-Hispanic	79.5%	79.7%
1997		
Hispanic	21.5%	22.8%
Non-Hispanic	78.5%	77.2%

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TABLE A4.

AGE OF PUBLIC ASSISTANCE AND AFDC RECIPIENTS		
	All Public Assistance	AFDC
Year (received)		
1993		
15-19 years old	7.3%	8.1%
20-24 years old	17.7%	19.4%
25-29 years old	19.1%	20.6%
30-34 years old	18.9%	20.1%
35-39 years old	14.2%	14.4%
40-44 years old	8.4%	7.7%
45-49 years old	5.0%	4.3%
50-54 years old	3.5%	2.4%
55 years and older	5.8%	3.1%
1994		
15-19 years old	7.2%	7.3%
20-24 years old	17.8%	18.8%
25-29 years old	18.7%	20.3%
30-34 years old	19.1%	20.8%
35-39 years old	14.3%	15.1%
40-44 years old	8.5%	8.3%
45-49 years old	5.4%	4.1%
50-54 years old	3.2%	2.4%
55 years and older	5.9%	3.0%
1995		
15-19 years old	7.6%	7.6%
20-24 years old	17.9%	19.7%
25-29 years old	19.5%	21.8%
30-34 years old	17.0%	18.5%
35-39 years old	13.1%	13.7%
40-44 years old	9.9%	8.5%
45-49 years old	5.6%	5.1%
50-54 years old	3.5%	2.3%
55 years and older	5.8%	2.8%
1996		
15-19 years old	7.7%	7.7%
20-24 years old	16.4%	17.9%
25-29 years old	17.0%	19.0%
30-34 years old	16.7%	17.9%
35-39 years old	15.5%	16.0%
40-44 years old	10.0%	9.1%
45-49 years old	6.3%	5.4%
50-54 years old	3.5%	2.5%
55 years and older	6.9%	4.4%
1997		
15-19 years old	7.2%	8.2%
20-24 years old	17.6%	19.8%
25-29 years old	17.2%	18.6%
30-34 years old	17.7%	18.8%
35-39 years old	14.2%	14.9%
40-44 years old	9.1%	9.1%
45-49 years old	6.1%	4.8%
50-54 years old	3.5%	2.2%
55 years and older	7.5%	3.6%

TABLE A5.

EDUCATIONAL ATTAINMENT OF PUBLIC ASSISTANCE AND AFDC RECIPIENTS (as a percentage of recipients)

	All Public Assistance	AFDC
Year (received)		
1993		
No High School Diploma	42.2%	43.0%
High School Diploma	36.4%	35.9%
Some College (no degree)	15.3%	15.8%
Associates Degree	3.5%	3.4%
Bachelor's Degree	2.3%	1.7%
Advanced Degree	0.3%	0.2%
1994		
No High School Diploma	41.6%	41.5%
High School Diploma	35.1%	35.0%
Some College (no degree)	16.6%	17.6%
Associates Degree	3.9%	3.8%
Bachelor's Degree	2.2%	1.8%
Advanced Degree	0.6%	0.3%
1995		
No High School Diploma	42.4%	41.8%
High School Diploma	33.6%	34.8%
Some College (no degree)	17.3%	18.1%
Associates Degree	3.6%	3.5%
Bachelor's Degree	2.3%	1.3%
Advanced Degree	0.8%	0.5%
1996		
No High School Diploma	43.0%	42.5%
High School Diploma	33.6%	34.4%
Some College (no degree)	16.4%	17.2%
Associates Degree	3.9%	3.8%
Bachelor's Degree	2.4%	1.6%
Advanced Degree	0.6%	0.5%
1997		
No High School Diploma	43.0%	44.1%
High School Diploma	34.1%	32.7%
Some College (no degree)	15.3%	16.3%
Associates Degree	4.9%	4.8%
Bachelor's Degree	2.4%	1.9%
Advanced Degree	0.4%	0.2%

APPENDIX B

In order to make a comparison between the March CPS data and the administrative data on AFDC recipients, it is necessary to convert the March CPS reports of receipt of AFDC any time in the previous calendar year to a monthly average number of recipients. This is necessary because the number of recipients is reported monthly in the administrative data. Converting the CPS data requires knowing the number of months individuals received AFDC. This information is obtained indirectly in the CPS through a follow-up question asked after individuals report the dollar amount of public assistance they received. This follow-up question was altered starting in March 1995. Prior to March 1995 individuals were only permitted to report the dollar amount of public assistance they received as a monthly figure. Consequently, in the follow-up question individuals were asked how many monthly payments they received. Since 1995 respondents have been permitted to report the dollar amount of public assistance they received as a weekly, every other week, twice a month, monthly or yearly amount. They are then asked how many payments they received. The weekly durations (number of payments) are converted to monthly durations by dividing by 4.33, while the every other week, and twice a month durations are converted to months by dividing by 2.17. Individuals who report annually are not asked how many payments they received; instead, they are assigned a duration of 12 months. In March 1997 2.1 percent of individuals reported weekly amounts, 12.5 percent reported every other week amounts, 7.4 percent reported twice a month amounts, 71.0 percent reported monthly amounts, and 7.1 percent reported annual amounts. The number of individuals who used a reporting periodicity smaller than monthly seems high given the structure of most states' public assistance programs. A large number of individuals reporting erroneously using a periodicity smaller than a month could result in a downward bias in the estimate in the average number of months AFDC payments were received. This in turn could have resulted in a decrease in the ratio of the monthly average number of AFDC recipients calculated based on the CPS to the number reported in the administrative data. A decrease in the ratio for this reason would not imply, however, that comparisons over time made using just CPS counts of the number of people who received AFDC at any time during the year were adversely affected.

A comparison of the monthly average number of AFDC recipients calculated based on the March CPS to the monthly average number of adult AFDC recipients in administrative data reported to the Department of Health and Human Services (HHS) indicates that there may have been a modest decrease in the proportion of total months on AFDC measured in the CPS. The ratio of the CPS estimates to the administrative count reported to HHS (with recipients in Guam, the Virgin Islands, and Puerto Rico removed from the administrative data) was: 83.0 percent for calendar year 1989, 86.7 percent for calendar year 1990, 86.0 percent for calendar year 1991, 82.5 percent for calendar year 1992, 84.2 percent for calendar year 1993, 78.5 percent for calendar year 1994, 75.5 percent for calendar year 1995 and 79.6 percent for calendar year 1996.[10] The ratio

[10] Recipients in Guam, the Virgin Islands, and Puerto Rico were removed because CPS interviews are not conducted in these areas. Data splitting out adult recipients are only available through June of 1997 so it was not possible to calculate estimates for 1997. The administrative data used here are from data that were

dropped for 1994, the first year affected by the change in the March CPS instrument that was implemented in 1995, and has been relatively constant since that time. To the extent that the ratio's decline in recent years reflects the survey instrument changes, there is no reason to think that the March CPS measures of the number of persons receiving AFDC at any time during the year have deteriorated over the time period used in the analysis in the text.

directly reported to HHS. Comparisons between the CPS and administrative data collected through the quality control survey may differ.

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A Profile of the Working Poor, 1999

U.S. Department of Labor
Bureau of Labor Statistics
February 2001

Report 947

In 1999, 32.3 million people, or 11.8 percent of the population, lived at or below the official poverty level—2.2 million fewer than in 1998. While most of these people were children and adults who did not participate in the labor force, some 6.8 million were classified as the "working poor." This was 362,000 fewer than in 1998, continuing a 6-year downtrend. The working poor are individuals who spent at least 27 weeks in the labor force (working or looking for work), but whose incomes fell below the official poverty level. Of all persons who worked 27 weeks or more, 5.1 percent were classified among the working poor in 1999, down 0.3 percentage point from the previous year. (See tables A and 1.)

Working full time substantially lowers a person's probability of being poor. Among persons in the labor force for 27 weeks or more, 3.9 percent of those usually employed full time were in poverty, compared with 10.5 percent for part-time workers. Nonetheless, the majority of the working poor—64.0 percent—were full-time workers. Only a very small proportion of the working poor (3.5 percent) actively sought a job for more than 6 months in 1999 without finding any work, down from 5.1 percent in 1998.

This report presents data on the relationships between labor force activity and poverty in 1999 for individual workers and their families. The data were collected in the work experience and income supplement to the March 2000 Current Population Survey (CPS). For a more detailed description of the source of the data and an explanation of the concepts and definitions used in this report, see the technical note.

For persons living with family members, the earnings thresholds used to determine poverty status are defined in terms of family income, rather than personal income. Thus, for persons living in family situations, earnings from their employment are only one factor in their poverty status. Other important factors include the earnings of others in the family, other sources of income that family members might have, and the size of the family. For persons living alone or with unrelated individuals, personal income data are used in determining poverty status.

Demographic characteristics

Among those who were in the labor force for 27 weeks or more in 1999, the proportion of women classified as working poor (5.9 percent) was higher than that of men (4.4 percent). Both rates have fallen since the early 1990s; they had been as high as 7.3 percent for women and 6.2 percent for men as recently as 1993. As in earlier years, younger workers were most vulnerable to poverty, in part because earnings are lower and unemployment is higher for younger workers than for older workers. Among teenagers who were in the labor force for 27 weeks or more, 10.1 percent were in poverty, as were 10.6 percent of those aged 20 to 24. These rates were roughly double the rate for workers aged 35 to 44 (4.7 percent), and more than triple the rate for workers 45 to 54 years of age (2.8 percent). (See table 2.)

Black and Hispanic workers continued to experience poverty at much higher rates than did whites. In 1999, 4.3 percent of whites who were in the labor force for 27 weeks or more were classified as working poor, compared with 10.2 percent of blacks and 10.7 percent of Hispanics. Nonetheless, the vast majority of the working poor were white (70 percent). Among whites and Hispanics, rates for men and women were comparable; however, the rate for black women (13.6 percent) was more than twice the rate for black men (6.2 percent). One explanation for this is that a relatively large proportion of black women maintain families. Nearly 30 percent of black women maintained families in 1999, compared with only about 10 percent of white women. As noted below, women maintaining families are far more likely to be among the working poor than are married women.

Table A. Poverty status of persons and primary families in the labor force for 27 weeks or more, 1996-99

(Numbers in thousands)

Characteristic	1996	1997	1998	1999
Total persons[1]	128,320	130,047	131,731	133,651
In poverty	7,421	7,453	7,158	6,796
Poverty rate	5.8	5.7	5.4	5.1
Unrelated individuals	25,539	26,158	26,971	27,845
In poverty	2,423	2,534	2,281	2,272
Poverty rate	9.5	9.7	8.5	8.2
Primary families[2]	58,087	58,815	59,621	60,454
In poverty	4,084	4,068	4,019	3,755
Poverty rate	7.0	6.9	6.7	6.2

[1] Includes persons in families, not shown separately.
[2] Primary families with at least one member in the labor force for more than half of the year.

Thomas M. Beers, formerly an economist in the Division of Labor Force Statistics, Bureau of Labor Statistics, prepared this report.

Working wives were less likely than working husbands to be poor, primarily because working wives were more likely to be in families with a second earner, usually a husband. (See "Family structure," below). In 1999, 1.8 percent of married women who were in the labor force for 27 weeks or more were in poverty, compared with 3.2 percent of married men. In contrast, 19.2 percent of women who maintained families and who were in the labor force for at least 6 months were in poverty.

Educational attainment

The risk of being among the working poor declines substantially for workers who complete high school. In 1999, 6.0 percent of workers with a high school diploma were in poverty, considerably lower than the proportion of those who had not completed high school (14.3 percent). Moreover, rates for workers with associate's and bachelor's degrees were even lower. At nearly all major educational attainment levels, women were more likely than men and blacks were more likely than whites to be among the working poor. (See table 3.)

Occupation

The likelihood of being among the working poor continued to vary widely by occupation in 1999. Nearly 11 percent of all workers who were in the labor force for at least 27 weeks and whose longest job over the year was in services were poor. Other occupations with relatively high proportions of workers in poverty included farming, forestry, and fishing (15.7 percent), and operators, fabricators, and laborers (6.9 percent). Rates were lowest for executives, administrators, and managers (1.7 percent) and for those employed as professional specialty workers (1.4 percent). These are occupations in which high earnings and full-time employment are typical. (See table 4.)

Family structure

Among families with at least one member in the labor force for 27 weeks or more, 3.8 million families, or 6.2 percent. had incomes below the poverty line in 1999, down from 6.7 percent in 1998. The poverty threshold for families reflects both the total family income and the number of family members; thus, the larger the family, the higher the level of income needed to keep the family out of poverty. The fact that the presence and number of young children can decrease the overall labor supply of a family also contributes to the relatively high incidence of poverty among families with children. In 1999, families with at least one child under age 18 continued to be much more likely to have incomes below the poverty level than did families without children (9.3 percent and 2.1 percent, respectively).

The more workers a family has, the less likely that family is to be living below the poverty line. For example, only 1.8 percent of families with two labor force participants and 1.1 percent of families with three or more participants were among the working poor. In contrast, 12.8 percent of families with only one member in the labor force for 27 weeks or more were in poverty. (See tables 5 and 6.)

Unrelated individuals

Unrelated individuals are persons who live either alone or with nonrelatives. Of the 27.8 million unrelated individuals who were in the labor force for 27 weeks or more in 1999, 2.3 million, or 8.2 percent, lived below the poverty level. This rate was down slightly from 8.5 percent in 1998. It should be noted that the poverty status of unrelated individuals, unlike that of family members, is determined by their personal incomes.

The living situations of unrelated individuals are characterized in one of two ways: some live by themselves, while some share housing with other, unrelated persons. Of those who were labor force participants for more than 6 months in 1999, persons living with unrelated individuals were twice as likely to be poor (11.3 percent) as were those living alone (5.4 percent). Unrelated individuals with low incomes often live with others in order to share expenses and pool resources. Because their poverty status is not determined by household income, the poverty measure for these unrelated individuals may overstate their actual economic hardship. Conversely, many of those who live alone do so because they have sufficient incomes to support themselves. (See table 7.)

Labor market problems

As noted above, people who usually work full time—that is, 35 hours or more per week—are far less likely to live in poverty than are others. However, there remains a sizable group of full-time workers who live below the poverty threshold. Among those who participated in the labor force for more than half of the year and who usually worked in full-time wage and salary jobs, 3.6 million, or 3.4 percent, were classified as working poor in 1999. The proportion has been on a downward trend since 1994. (See table 8.)

There are three primary labor market problems experienced by these full-time workers: Low earnings, periods of unemployment, and involuntary part-time employment. (See definitions of these problems in the technical note.) About 4 out of 5 of the working poor who usually worked full time experienced at least one of these major labor market problems. Low earnings continued to be the most common problem encountered—68.2 percent faced low earnings, either alone or in conjunction with other labor market problems. Nearly 35 percent of the working poor experienced unemployment, either alone or in conjunction with other problems. Only 4.3 percent experienced all three problems—low earnings, unemployment, and involuntary part-time employment.

Some 606,000, or 16.8 percent, of these working poor did not experience any of the three primary labor market problems in 1999. Their classification as working poor may be explained by other factors, including short-term employment, some weeks of voluntary part-time work, or a family structure that increases the risk of poverty.

Technical Note

Source of data

The primary source of data in this report is the work experience and income supplement (the Annual Demographic Survey) to the March 2000 Current Population Survey (CPS). The CPS is a monthly survey of about 50,000 households conducted by the U.S. Census Bureau for the Bureau of Labor Statistics to collect demographic, social, and economic information about persons 16 years of age and older. Work experience and income information collected in the March supplement refers to activity in the entire prior calendar year.

The estimates in this report are based on a sample and, consequently, may differ from figures that would have been obtained from a complete count using the same questionnaire and procedures. Sampling variability may be relatively large in cases where the numbers are small. Thus, small estimates, or small differences between estimates, should be interpreted with caution. For a detailed explanation of the March supplement to the Current Population Survey, its sampling variability, and more extensive definitions than those provided below, see *Poverty in the United States: 1999—Current Population Reports*, series P-60, no. 210 (U.S. Census Bureau, September 2000). This publication also is available on the U.S. Census Bureau website (**http://www.census.gov**).

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For more information on the data provided in this report, write to the Bureau of Labor Statistics, Division of Labor Force Statistics, Room 4675, 2 Massachusetts Avenue, NE, Washington, DC 20212; e-mail: *cpsinfo@bls.gov*; or telephone (202) 691-6378.

Concepts and definitions

Poverty classification. Poverty statistics presented in this report are based on definitions developed by the Social Security Administration in 1964 and revised by Federal interagency committees in 1969 and 1981. These definitions originally were based on the Department of Agriculture's Economy Food Plan and reflected the different consumption requirements of families, based on factors such as family size and the number of children under 18 years of age.

The actual poverty thresholds vary in accordance with the makeup of the family. In 1999, the average poverty threshold for a family of four was $17,029; for a family of nine or more persons, the threshold was $34,417; and for an unrelated individual aged 65 or older, it was $7,990. Poverty thresholds are updated each year to reflect changes in the Consumer Price Index for All Urban Consumers (CPI-U). The thresholds do not vary geographically. For more information, see *Poverty in the United States: 1999*, cited above.

Low earnings. The low earnings level, as first developed in 1987, represented the average of the *real* value of the minimum wage between 1967 and 1987 for a 40-hour workweek. The base year of 1967 was chosen because that was the first year in which minimum-wage legislation covered essentially the same broad group of workers who currently are covered. The low earnings level has subsequently been adjusted each year using the CPI-U, so that the measure maintains the same real value that it held in 1987. In 1999, the low earnings threshold was $245.21 per week. For a more complete definition, see Bruce W. Klein and Philip L. Rones, "A profile of the working poor," *Monthly Labor Review*, October 1989, pp. 3-13.

Income. Data on income are limited to money income received in the calendar year preceding the March survey date, before personal income taxes and payroll deductions. They do not include the value of noncash benefits such as Food Stamps, medicare, medicaid, public housing, and employer-provided benefits. For a complete definition of the income concept, see *Poverty in the United States: 1999*, cited above.

In the labor force. Persons in the labor force are those who worked or looked for work sometime during the calendar year preceding the March survey date. The number of weeks in the labor force is accumulated over the entire year. The focus in this report is on persons in the labor force for 27 weeks or more.

Involuntary part-time workers. These are persons who, in at least 1 week of the year, worked fewer than 35 hours because of slack work or business conditions, or because they could not find full-time work. The number of weeks of involuntary part-time work is accumulated over the year.

Occupation. Refers to the occupation in which a person worked the most weeks during the calendar year.

Unemployed. Unemployed persons are those who looked for work while not employed or those who were on layoff from a job and expecting recall. The number of weeks unemployed is accumulated over the entire year.

Family. A family is defined as a group of two or more persons residing together who are related by birth, marriage, or adoption. Persons in related subfamilies—married couples or parent-child groups sharing the living quarters of another family member—are included as members of that family and are not distinct family units. The count of families used in this

report does not include unrelated subfamilies, such as lodgers, guests, or resident employees living in a household but not related to the householder (the person in whose name the housing unit is owned or rented). Families are classified either as married-couple families or as those maintained by men or women without spouses present. Family status is determined at the time of the March interview, and thus may be different from that of the previous year.

Unrelated individuals. These are persons who are not living with any relatives. Such individuals may be living alone, reside in a nonrelated family household, or live in group quarters with other unrelated individuals.

Related children. Data on related children refer to own children (including sons, daughters, and step- or adopted children) of the husband, wife, or person maintaining the family and all other children related to the householder by birth, marriage, or adoption.

Race. White, black, and "other" are terms used to describe the race of workers. Included in the "other" group are American Indians, Alaskan Natives, and Asians and Pacific Islanders. Because of the relatively small sample size, data for this group are not separately tabulated or published.

Hispanic origin. This term refers to persons who identify themselves in the CPS enumeration process as Mexican, Puerto Rican, Cuban, Central or South American, or of some other Hispanic origin or descent. Persons of Hispanic origin may be of any race; thus, they also are included in both the white and black population groups.

Table 1. Persons in the labor force: Poverty status and work experience by weeks in the labor force, 1999

(Numbers in thousands)

Poverty status and work experience	Total in the labor force	27 weeks or more in the labor force	
		Total	50 to 52 weeks
TOTAL			
Total in labor force	149,042	133,651	119,376
Did not work during the year	1,503	547	476
Worked during the year	147,539	133,104	118,901
Usual full-time workers	118,368	111,992	103,620
Usual part-time workers	29,171	21,111	15,281
Involuntary part-time workers	3,717	2,958	2,333
Voluntary part-time workers	25,454	18,155	12,947
At or above poverty level			
Total in labor force	139,376	126,855	113,989
Did not work during the year	940	311	273
Worked during the year	138,436	126,544	113,716
Usual full-time workers	112,692	107,644	100,073
Usual part-time workers	25,744	18,900	13,643
Involuntary part-time workers	2,854	2,333	1,830
Voluntary part-time workers	22,890	16,568	11,813
Below poverty level			
Total in labor force	9,666	6,796	5,387
Did not work during the year	563	236	202
Worked during the year	9,103	6,559	5,185
Usual full-time workers	5,676	4,348	3,547
Usual part-time workers	3,427	2,211	1,638
Involuntary part-time workers	863	624	504
Voluntary part-time workers	2,564	1,587	1,134
Poverty rate[1]			
Total in labor force	6.5	5.1	4.5
Did not work during the year	37.5	43.2	42.5
Worked during the year	6.2	4.9	4.4
Usual full-time workers	4.8	3.9	3.4
Usual part-time workers	11.7	10.5	10.7
Involuntary part-time workers	23.2	21.1	21.6
Voluntary part-time workers	10.1	8.7	8.8

[1] Number below the poverty level as a percent of the total in the labor force.

NOTE: Data refer to persons 16 years and older. Data for 1999, which were collected in the March 2000 supplement to the Current Population Survey, are not strictly comparable with data for 1998 and earlier years because of the introduction in January 2000 of revised population controls used in the survey. For additional information, see "Revisions in the Current Population Survey Effective January 2000" in the February 2000 issue of *Employment and Earnings*.

Table 2. Persons in the labor force for 27 weeks or more: Poverty status by age, sex, race, and Hispanic origin, 1999

(Numbers in thousands)

Age and sex	Total	White	Black	Hispanic origin	Below poverty level				Poverty rate[1]			
					Total	White	Black	Hispanic origin	Total	White	Black	Hispanic origin
Total, 16 years and older	133,651	111,714	15,698	13,971	6,796	4,830	1,596	1,496	5.1	4.3	10.2	10.7
16 to 19 years	5,207	4,405	596	622	527	365	127	93	10.1	8.3	21.4	15.0
20 to 24 years	12,412	10,240	1,675	1,866	1,312	894	367	253	10.6	8.7	21.9	13.6
25 to 34 years	30,695	24,839	4,096	4,178	1,835	1,290	433	486	6.0	5.2	10.6	11.6
35 to 44 years	36,945	30,612	4,564	3,917	1,726	1,246	387	417	4.7	4.1	8.5	10.7
45 to 54 years	29,965	25,468	3,158	2,255	851	631	165	167	2.8	2.5	5.2	7.4
55 to 64 years	14,066	12,240	1,271	938	419	313	89	64	3.0	2.6	7.0	6.8
65 years and older	4,361	3,909	338	195	127	91	27	15	2.9	2.3	8.0	7.7
Men, 16 years and older	71,790	61,163	7,260	8,267	3,165	2,526	447	898	4.4	4.1	6.2	10.9
16 to 19 years	2,700	2,312	264	383	234	183	29	60	8.7	7.9	10.9	15.6
20 to 24 years	6,489	5,487	741	1,152	575	438	115	156	8.9	8.0	15.5	13.5
25 to 34 years	16,728	13,865	1,899	2,558	852	707	93	315	5.1	5.1	4.9	12.3
35 to 44 years	19,949	16,877	2,153	2,254	833	674	119	243	4.2	4.0	5.5	10.8
45 to 54 years	15,764	13,594	1,455	1,253	402	311	52	91	2.5	2.3	3.5	7.3
55 to 64 years	7,595	6,704	582	548	200	159	30	28	2.6	2.4	5.2	5.1
65 years and older	2,566	2,325	166	122	69	53	10	6	2.7	2.3	5.8	4.9
Women, 16 years and older	61,861	50,551	8,438	5,704	3,631	2,303	1,149	598	5.9	4.6	13.6	10.5
16 to 19 years	2,507	2,093	332	239	293	181	99	34	11.7	8.7	29.7	14.1
20 to 24 years	5,924	4,753	934	714	737	456	252	98	12.4	9.6	27.0	13.7
25 to 34 years	13,967	10,975	2,197	1,620	983	582	340	172	7.0	5.3	15.5	10.6
35 to 44 years	16,996	13,735	2,411	1,663	893	571	269	174	5.3	4.2	11.1	10.5
45 to 54 years	14,201	11,874	1,703	1,002	450	320	114	76	3.2	2.7	6.7	7.6
55 to 64 years	6,472	5,537	689	393	219	154	58	36	3.4	2.8	8.5	9.2
65 years and older	1,795	1,584	172	73	57	38	17	9	3.2	2.4	10.1	(2)

[1] Number below the poverty level as a percent of the total in the labor force for 27 weeks or more.

[2] Data not shown where base is less than 75,000.

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. Data for 1999, which were collected in the March 2000 supplement to the Current Population Survey, are not strictly comparable with data for 1998 and earlier years because of the introduction in January 2000 of revised population controls used in the survey. For additional information, see "Revisions in the Current Population Survey Effective January 2000" in the February 2000 issue of *Employment and Earnings*.

Table 3. Persons in the labor force for 27 weeks or more: Poverty status by educational attainment, race, and sex, 1999

(Numbers in thousands)

Educational attainment and race	Total	Men	Women	Below poverty level			Poverty rate[1]		
				Total	Men	Women	Total	Men	Women
Total, 16 years and older	133,651	71,790	61,861	6,796	3,165	3,631	5.1	4.4	5.9
Less than a high school diploma	15,991	9,729	6,263	2,287	1,257	1,030	14.3	12.9	16.4
Less than 1 year of high school	4,589	2,999	1,591	701	446	255	15.3	14.9	16.1
1-3 years of high school	9,914	5,861	4,054	1,412	720	692	14.2	12.3	17.1
4 years of high school, no diploma	1,487	868	619	174	91	83	11.7	10.5	13.3
High school graduates, no college	42,601	22,904	19,697	2,535	1,042	1,493	6.0	4.6	7.6
Some college, no degree	27,294	13,840	13,454	1,192	486	706	4.4	3.5	5.2
Associate degree	11,146	5,334	5,812	319	122	196	2.9	2.3	3.4
College graduates	36,619	19,984	16,635	463	257	206	1.3	1.3	1.2
White, 16 years and older	111,714	61,163	50,551	4,830	2,526	2,303	4.3	4.1	4.6
Less than a high school diploma	13,046	8,160	4,887	1,650	1,019	632	12.6	12.5	12.9
Less than 1 year of high school	3,967	2,660	1,307	592	410	182	14.9	15.4	13.9
1-3 years of high school	7,954	4,822	3,132	944	545	399	11.9	11.3	12.8
4 years of high school, no diploma	1,126	678	448	114	64	50	10.1	9.4	11.3
High school graduates, no college	35,536	19,448	16,088	1,758	816	942	4.9	4.2	5.9
Some college, no degree	22,412	11,605	10,807	844	377	467	3.8	3.2	4.3
Associate degree	9,507	4,646	4,861	213	93	119	2.2	2.0	2.5
College graduates	31,213	17,304	13,908	365	222	143	1.2	1.3	1.0
Black, 16 years and older	15,698	7,260	8,438	1,596	447	1,149	10.2	6.2	13.6
Less than a high school diploma	2,206	1,126	1,080	517	168	349	23.4	14.9	32.3
Less than 1 year of high school	365	213	151	74	17	57	20.2	7.8	37.7
1-3 years of high school	1,585	785	800	399	134	264	25.2	17.1	33.0
4 years of high school, no diploma	257	128	128	44	17	27	17.3	13.5	21.1
High school graduates, no college	5,632	2,733	2,899	668	177	491	11.9	6.5	17.0
Some college, no degree	3,790	1,644	2,146	276	71	205	7.3	4.3	9.6
Associate degree	1,172	457	715	81	14	67	6.9	3.1	9.4
College graduates	2,898	1,299	1,598	54	17	37	1.9	1.3	2.3

[1] Number below the poverty level as a percent of the total in the labor force for 27 weeks or more.

NOTE: Data for 1999, which were collected in the March 2000 supplement to the Current Population Survey, are not strictly comparable with data for 1998 and earlier years because of the introduction in January 2000 of revised population controls used in the survey. For additional information, see "Revisions in the Current Population Survey Effective January 2000" in the February 2000 issue of *Employment and Earnings*.

Table 4. Persons in the labor force for 27 weeks or more who worked during the year: Poverty status by occupation of longest job held, race, and sex, 1999

(Numbers in thousands)

Occupation and race	Total	Men	Women	Below poverty level			Poverty rate[1]		
				Total	Men	Women	Total	Men	Women
Total, 16 years and older[2]	133,104	71,451	61,652	6,559	3,017	3,543	4.9	4.2	5.7
Managerial and professional specialty	39,908	20,235	19,674	611	289	322	1.5	1.4	1.6
Executive, administrative, and managerial	19,857	10,917	8,940	339	182	157	1.7	1.7	1.8
Professional specialty	20,051	9,318	10,734	272	107	165	1.4	1.1	1.5
Technical, sales, and administrative support	38,675	13,679	24,996	1,610	387	1,222	4.1	2.8	4.9
Technicians and related support	4,495	2,076	2,419	79	43	36	1.8	2.1	1.5
Sales occupations	15,969	8,069	7,900	955	249	705	6.0	3.1	8.9
Administrative support, including clerical	18,411	3,735	14,676	576	95	482	3.1	2.5	3.3
Service occupations	17,928	7,335	10,593	1,937	570	1,367	10.8	7.8	12.9
Private household	848	46	803	199	9	190	23.4	(3)	23.6
Protective service	2,381	1,964	417	76	47	29	3.2	2.4	6.9
Service, except private household and protective	14,699	5,325	9,374	1,662	514	1,148	11.3	9.6	12.3
Precision production, craft, and repair	14,543	13,155	1,388	621	537	85	4.3	4.1	6.1
Operators, fabricators, and laborers	18,418	14,090	4,328	1,263	830	432	6.9	5.9	10.0
Machine operators, assemblers, and inspectors	7,524	4,811	2,714	483	235	248	6.4	4.9	9.1
Transportation and material moving occupations	5,638	5,059	579	278	228	50	4.9	4.5	8.6
Handlers, equipment cleaners, helpers, and laborers	5,256	4,221	1,036	502	367	135	9.5	8.7	13.0
Farming, forestry, and fishing	3,294	2,642	652	518	404	114	15.7	15.3	17.4
White, 16 years and older[2]	111,384	60,949	50,435	4,705	2,438	2,267	4.2	4.0	4.5
Managerial and professional specialty	34,291	17,754	16,537	494	257	236	1.4	1.4	1.4
Executive, administrative, and managerial	17,311	9,805	7,505	283	164	118	1.6	1.7	1.6
Professional specialty	16,980	7,948	9,032	211	93	118	1.2	1.2	1.3
Technical, sales, and administrative support	32,774	11,922	20,852	1,061	318	743	3.2	2.7	3.6
Technicians and related support	3,738	1,743	1,995	63	43	20	1.7	2.5	1.0
Sales occupations	13,892	7,241	6,651	618	206	412	4.4	2.8	6.2
Administrative support, including clerical	15,144	2,939	12,206	380	68	311	2.5	2.3	2.6
Service occupations	13,813	5,836	7,977	1,266	403	863	9.3	7.1	10.8
Private household	634	29	605	133	3	130	21.0	(3)	21.5
Protective service	1,805	1,544	261	34	20	14	1.9	1.3	5.5
Service, except private household and protective	11,173	4,062	7,112	1,098	380	719	9.8	9.4	10.1
Precision production, craft, and repair	12,845	11,689	1,157	522	460	62	4.1	3.9	5.4
Operators, fabricators, and laborers	14,654	11,381	3,274	888	634	254	6.1	5.6	7.8
Machine operators, assemblers, and inspectors	5,971	3,919	2,052	325	174	151	5.4	4.4	7.4
Transportation and material moving occupations	4,551	4,108	443	209	180	29	4.6	4.4	6.5
Handlers, equipment cleaners, helpers, and laborers	4,132	3,353	779	354	280	74	8.6	8.3	9.5
Farming, forestry, and fishing	3,098	2,475	623	473	365	108	15.3	14.8	17.3
Black, 16 years and older[2]	15,528	7,165	8,363	1,502	402	1,100	9.7	5.6	13.1
Managerial and professional specialty	3,352	1,270	2,082	78	17	59	2.3	1.4	2.8
Executive, administrative, and managerial	1,547	620	927	35	7	28	2.3	1.1	3.1
Professional specialty	1,805	650	1,155	40	10	30	2.2	1.6	2.6
Technical, sales, and administrative support	4,401	1,219	3,182	457	39	419	10.4	3.2	13.2
Technicians and related support	495	181	314	12	0	12	2.3	0.0	3.7
Sales occupations	1,374	484	889	282	19	263	20.5	4.0	29.5
Administrative support, including clerical	2,532	553	1,979	164	20	145	6.5	3.5	7.3
Service occupations	3,415	1,280	2,135	577	126	451	16.9	9.8	21.1
Private household	156	8	147	58	6	52	37.2	(3)	35.2
Protective service	508	360	148	38	24	14	7.4	6.5	9.5
Service, except private household and protective	2,751	912	1,839	481	96	385	17.5	10.6	20.9
Precision production, craft, and repair	1,273	1,116	157	65	46	19	5.1	4.1	11.9
Operators, fabricators, and laborers	2,930	2,144	785	292	144	147	10.0	6.7	18.8
Machine operators, assemblers, and inspectors	1,113	648	465	126	48	79	11.3	7.3	16.9
Transportation and material moving occupations	925	802	122	54	33	21	5.9	4.1	17.3
Handlers, equipment cleaners, helpers, and laborers	892	694	198	111	64	48	12.5	9.2	24.0
Farming, forestry, and fishing	132	117	15	35	30	5	26.9	25.6	(3)

[1] Number below the poverty level as a percent of the total in the labor force who worked during the year.

[2] Includes a small number of persons whose last job was in the Armed Forces.

[3] Data not shown where base is less than 75,000.

NOTE: Data for 1999, which were collected in the March 2000 supplement to the Current Population Survey, are not strictly comparable with data for 1998 and earlier years because of the introduction in January 2000 of revised population controls used in the survey. For additional information, see "Revisions in the Current Population Survey Effective January 2000" in the February 2000 issue of *Employment and Earnings*.

Table 5. Persons in families and unrelated individuals: Poverty status and work experience, 1999

(Numbers in thousands)

Poverty status and work experience	Total persons	In married-couple families				In families maintained by women			In families maintained by men			Unrelated individuals
		Husbands	Wives	Related children under 18	Other relatives	Householder	Related children under 18	Other relatives	Householder	Related children under 18	Other relatives	
TOTAL												
All persons[1]	209,067	54,714	55,247	5,475	17,180	12,669	1,760	9,763	4,003	429	3,832	43,996
With labor force activity	149,042	43,850	38,715	2,576	12,719	9,370	767	6,712	3,224	168	2,740	30,200
1 to 26 weeks	15,391	1,574	3,774	1,560	3,001	941	498	1,104	194	82	308	2,355
27 weeks or more	133,651	42,276	32,941	1,016	9,718	8,429	269	5,607	3,030	87	2,432	27,845
With no labor force activity	60,025	10,864	16,532	2,900	4,461	3,298	993	3,051	779	261	1,091	13,796
At or above poverty level												
All persons[1]	187,707	52,059	52,575	5,063	16,402	9,144	1,218	8,289	3,531	371	3,548	35,508
With labor force activity	139,376	42,304	35,842	2,488	12,414	7,153	608	6,087	2,944	152	2,614	26,770
1 to 26 weeks	12,521	1,396	3,493	1,513	2,896	342	380	856	124	73	252	1,197
27 weeks or more	126,855	40,909	32,349	975	9,519	6,811	228	5,231	2,820	79	2,362	25,573
With no labor force activity	48,331	9,754	16,733	2,575	3,987	1,991	610	2,202	588	219	934	8,738
Below poverty level												
All persons[1]	21,360	2,655	2,672	413	778	3,525	542	1,474	472	58	284	8,488
With labor force activity	9,666	1,546	873	88	305	2,218	159	625	280	16	126	3,430
1 to 26 weeks	2,871	179	282	47	105	599	118	248	70	9	56	1,159
27 weeks or more	6,796	1,367	592	41	200	1,618	41	377	211	7	69	2,272
With no labor force activity	11,694	1,110	1,798	325	474	1,307	383	849	191	42	158	5,058
Poverty rate[2]												
All persons[1]	10.2	4.9	4.8	7.5	4.5	27.8	30.8	15.1	11.8	13.5	7.4	19.3
With labor force activity	6.5	3.5	2.4	3.4	2.4	23.7	20.7	9.3	8.7	9.5	4.6	11.4
1 to 26 weeks	18.7	11.3	7.5	3.0	3.5	63.7	23.7	22.5	35.9	10.6	18.3	49.2
27 weeks or more	5.1	3.2	1.8	4.1	2.1	19.2	15.3	6.7	7.0	8.4	2.9	8.2
With no labor force activity	19.5	10.2	9.7	11.2	10.6	39.6	38.6	27.8	24.6	16.1	14.5	36.7

[1] Data on families include persons in primary families and unrelated subfamilies.

[2] Number below the poverty level as a percent of the total.

NOTE: Data refer to persons 16 years and older. Data for 1999, which were collected in the March 2000 supplement to the Current Population Survey, are not strictly comparable with data for 1998 and earlier years because of the introduction in January 2000 of revised population controls used in the survey. For additional information, see "Revisions in the Current Population Survey Effective January 2000" in the February 2000 issue of *Employment and Earnings*.

Table 6. Primary families: Poverty status, presence of related children, and work experience of family members in the labor force for 27 weeks or more, 1999

(Numbers in thousands)

Characteristic	Total families	At or above poverty level	Below poverty level	Poverty rate[1]
Total primary families	60,454	56,699	3,755	6.2
With related children under 18	34,542	31,337	3,205	9.3
Without children	25,912	25,362	550	2.1
With one member in the labor force	24,649	21,506	3,143	12.8
With two or more members in the labor force	35,805	35,193	612	1.7
With two members	29,970	29,421	550	1.8
With three or more members	5,835	5,772	62	1.1
Married-couple families:				
With related children under 18	25,658	24,314	1,343	5.2
Without children	21,158	20,845	313	1.5
With one member in the labor force	15,285	14,083	1,202	7.9
Husband	11,413	10,476	937	8.2
Wife	3,175	2,967	207	6.5
Relative	698	639	58	8.4
With two or more members in the labor force	31,530	31,076	454	1.4
With two members	26,518	26,112	406	1.5
With three or more members	5,012	4,964	48	1.0
Families maintained by women:				
With related children under 18	8,920	5,269	1,651	23.9
Without children	3,154	2,973	181	5.7
With one member in the labor force	7,189	5,498	1,691	23.5
Householder	5,870	4,380	1,490	25.4
Relative	1,319	1,118	201	15.2
With two or more members in the labor force	2,885	2,744	141	4.9
Families maintained by men:				
With related children under 18	1,965	1,754	211	10.7
Without children	1,600	1,543	56	3.5
With one member in the labor force	2,175	1,925	250	11.5
Householder	1,795	1,602	193	10.8
Relative	380	323	57	14.9
With two or more members in the labor force	1,390	1,372	18	1.3

[1] Number below the poverty level as a percent of the total in the labor force for 27 weeks or more.

NOTE: Data relate to primary families with at least one member in the labor force for 27 weeks or more. Data for 1999, which were collected in the March 2000 supplement to the Current Population Survey, are not strictly comparable with data for 1998 and earlier years because of the introduction in January 2000 of revised population controls used in the survey. For additional information, see "Revisions in the Current Population Survey Effective January 2000" in the February 2000 issue of *Employment and Earnings*.

Table 7. Unrelated individuals in the labor force for 27 weeks or more: Poverty status by age, sex, race, Hispanic origin, and living arrangement, 1999

(Numbers in thousands)

Characteristic	Total	At or above poverty level	Below poverty level	Poverty rate[1]
Age and sex				
Total unrelated individuals	27,845	25,573	2,272	8.2
16 to 19 years	621	400	221	35.6
20 to 24 years	3,608	2,986	622	17.2
25 to 64 years	22,435	21,069	1,367	6.1
65 years and older	1,180	1,118	62	5.3
Men	15,362	14,214	1,148	7.5
Women	12,483	11,360	1,124	9.0
Race and Hispanic origin				
White	23,069	21,258	1,811	7.8
Men	12,777	11,823	955	7.5
Women	10,291	9,435	856	8.3
Black	3,642	3,262	381	10.5
Men	1,930	1,775	155	8.0
Women	1,713	1,487	226	13.2
Hispanic origin	2,283	1,998	286	12.5
Men	1,521	1,349	172	11.3
Women	762	649	113	14.9
Living arrangement				
Living alone	14,765	13,969	796	5.4
Living with others	13,080	11,604	1,476	11.3

[1] Number below the poverty level as a percent of the total in the labor force for 27 weeks or more.

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. Data for 1999, which were collected in the March 2000 supplement to the Current Population Survey, are not strictly comparable with data for 1998 and earlier years because of the introduction in January 2000 of revised population controls used in the survey. For additional information, see "Revisions in the Current Population Survey Effective January 2000" in the February 2000 issue of *Employment and Earnings*.

Table 8. Persons in the labor force for 27 weeks or more: Poverty status and labor market problems of full-time wage and salary workers, 1999

(Numbers in thousands)

Poverty status and labor market problems	Total	At or above poverty level	Below poverty level	Poverty rate[1]
Total, full-time wage and salary workers	104,968	101,369	3,599	3.4
No unemployment, involuntary part-time employment, or low earnings[2]	86,868	86,262	606	.7
Unemployment only	5,320	4,907	413	7.8
Involuntary part-time employment only	2,025	1,983	42	2.1
Low earnings only	7,444	5,939	1,505	20.2
Unemployment and involuntary part-time employment	883	800	83	9.4
Unemployment and low earnings	1,426	820	606	42.5
Involuntary part-time employment and low earnings	623	435	189	30.3
Unemployment, involuntary part-time employment, and low earnings	377	222	155	41.1

[1] Number below the poverty level as a percent of the total in the labor force for 27 weeks or more.

[2] The low earnings threshold in 1999 was $245.21 per week.

NOTE: Data refer to persons 16 years and older. Data for 1999, which were collected in the March 2000 supplement to the Current Population Survey, are not strictly comparable with data for 1998 and earlier years because of the introduction in January 2000 of revised population controls used in the survey. For additional information, see "Revisions in the Current Population Survey Effective January 2000" in the February 2000 issue of *Employment and Earnings*.

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Living Wage Proposals by State: 6/13/01 < LISTING BY CITY >

Color Codes:

Enacted | Currently Active | No recent activity | Defeated/Vetoed (unless currently active)

CITY	ST	WAGE	APPLIES TO	PROPOSAL TYPE	DATE ENACTED
Little Rock	AR	$8.20 with benefits, $9.45 without	Contractors and subcontractors receiving >25K	No formal proposal introduced to date	Campaign underway in 9/ 1998; introduction to Council planned for 1999; research underway
Pine Bluff	AZ	Not specified	Not specified	No formal proposal to date	Campaign underway in late 2000. No recent activity reported.
Pima County	AZ	$8.00	County Contractors	No formal proposal introduced to date	Campaign underway as of 2/2000, no recent activity reported
Tucson	AZ	$8.00 w/benefits; $9.00 without benefits	City contractors, excluding construction workers and companies that hold a city franchise	City ordinance	Enacted September 1999
Tempe	AZ	Full health benefits	City Contractors	No formal proposal introduced to date	Campaign underway in 1999. No recent activity reported.
San Francisco	CA	$9.00 first year; $10.00 second year; 2.5% cost of living increase after that proposed expansion to include health coverage requirement	Contractors	City ordinance	Enacted in November 2000; campaign to expand to health coverage requirement began in 2001
Long Beach	CA	Unspecific rate	Unspecified	City ordinance	Activity reported in 1998, no recent activity reported
Los Angeles	CA	$7.39 with benefits, $8.64 without; 10 paid days off; indexed to inflation yearly; Campaign underway to raise wage to $10.00	Businesses with city contracts over $25K; companies receiving more than $100K annually/ $1m onetime grant; amended to include airport workers	City ordinance	Enacted in March 1997, after the council overrode a mayoral veto; amended in August 1998;Late 2000, Campaign underway to raise mandate to $10. No recent activity reported.
San Jose	CA	$9.50 w/benefits; $10.75 w/out;	Contracts > $20,000, with some exemptions; also	City ordinance	Enacted in November 1998

		also with "labor peace" measure that would make it easier for unions to organize	applies to some part-time city employees		Wage may be increased to $11.35 as part of the agreements surrounding new contracts at the San Jose Arena.
Ventura County	CA	$8.00 w/benefits; $10.00 w/o benefits	County contractors and recipients of >25K in assistance (full and part-time employees); board has approved the concept of a living wage	County ordinance	Enacted in 2001
Santa Barbara	CA	$11 with health benefits or $12.25 without	Not specified	No formal proposal introduced to date	Campaign underway, April 2001
Los Angeles County	CA	$8.32 with benefits $9.46 without	County contractors Amended to include only contractors with greater than 20 employees, with annual gross income exceeding $1 million ($2.5 for technical or professional service)	County ordinance	Enacted June 1999. Later amended to exctude businesses with 20 or fewer employees
Berkeley	CA	$9.75 w/benefits, $11.37 w/o	Companies doing business with the City or leasing land from the City	City ordinance	Enacted June 2000
Oakland	CA	$8.65 with benefits, $9.95 without; 12 paid days off, 10 unpaid days-off	Businesses and non-profits with service contracts > $25K or receiving > $100K in subsidies; plan to expand ordinance to cover Port.	City ordinance	Enacted in April 1998
North Hollywood	CA	Not specified	Not specified	No formal proposal introduced to date	Campaign underway
Hayward	CA	$8.61 with benefits; $9.95 without; adjusted yearly with the area's cost of living	City employees and city contractors > $25,000	City ordinance	Enacted April 1999
Santa Clara County	CA	$10 with health benefits or suitable alternative	Manufacturing businesses benefiting from tax abatements	County ordinance	Enacted September 1995
Marin County	CA	$15.75	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Fresno (defeated)	CA	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998; Council voted down even studying the issue in 3/2000; no recent activity reported
Santa Cruz	CA	$11.00 w/benefits,	City contractors and city workers; full-time only	City ordinance	Enacted October 2000

		$12.00 without			
Santa Monica	CA	$10.50 w/benefits; $12.25 without benefits during the first year; $14.00 without benefits during the second year	All businesses with >50 employees located in the city's tourist center and grossing over $5 M	City ordinance	Enacted June 2001
Port Hueneme	CA	Based on Oxnard proposal	Based on Oxnard proposal	City ordinance	Campaign underway in 2000. No recent activity reported.
Mountain View	CA	$9.50 w/benefits; $10.75 w/out;	Contracts > $20,000, with some exemptions; also applies to some part-time city employees	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
West Hollywood	CA	$7.25 w/benefits; $8.50 w/out benefits	Service contracts > $25K or > 3 months	City ordinance	Enacted September 1997
Pasadena	CA	$7.25 w/ benefits; $8.50 without	City employees; major contractors	City ordinance	Enacted September 1998
San Diego	CA	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 2001
Oxnard	CA	$8.00 w/benefits; $10.00 w/o benefits	City contractors and businesses receiving >25K in assistance (full and part-time employees)	City ordinance	Discussion began in 11/99; on Council agenda for 5/16/00, no recent activity reported
San Fernando	CA	$7.25 with benefits; $8:50 without; six compensated & six uncompensated days off	Service contractors >25K	City ordinance	Enacted April 2000
Sacramento	CA	$10.00 w/benefits; $12.84 without	Contractors and companies that receive assistance from the city	City ordinance	Campaign underway in 2001
Palo Alto	CA	$9.50 w/benefits; $10.75 w/out	Contracts > $20,000, with some exemptions; also applies to some part-time city employees	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Denver	CO	$8.20 (based on poverty level for a family of four)	City contractors and subcontractors with contract > 2K, for parking lot attendants, security guards, child care workers, clerical workers	City ordinance	Enacted February 2000
Meriden	CT	110% of poverty level for a family of four. Requires comprehensive health insurance with no more than 3% of the annual wage used as copay	City service contracts over $50,000	City ordinance	Enacted November 2000
Hartford	CT	110% of the federal poverty	City contractors > $50K and commercial	City ordinance	Enacted October 1999

		level for a family of four (currently $9.02)	development projects that receive subsidies > $100K		
New Haven	CT	Based on federal poverty level for a family of four; 2000 115%; (currently $9.43)	Service contractors	City ordinance	Enacted May 1997
Bridgeport	CT	Not specified	Not specified	No formal proposal introduced to date	Campaign underway as of November 2000. No recent activity reported.
Washington	DC	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Gainsville	FL	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Miami-Dade County	FL	$8.56 with benefits, $9.81 without benefits	County employees, contractors/subcontractors, airport employees	County ordinance	Enacted May 1999
Broward County	FL	$8.50	Companies doing business with the city with contracts over $100K	County ordinance	Proposal expected to reach county council in late 2001
Atlanta	GA	Not specified	Contractors	No formal proposal introduced to date	Campaign underway 1998; no recent activity reported
Valdosta	GA	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Dubuque	IA	Not specified	Not specified	No formal proposal introduced to date	Campaign underway as of November 2000. No recent activity.
Des Moines	IA	$7.00 minimum, with goal of $9.00	Non-management full-time employees at businesses receiving assistance	City ordinance	Enacted in 1988; amended to include $9.00 "goal" in July 1996
Cook County	IL	$7.60	Service industry contractors and subcontractors of any size required to pay stipulated wage to workers on awarded contract	County ordinance	Enacted September 1998
Chicago	IL	$7.60	Contractors and subcontractors w/ 25 or more full time workers	City ordinance	Enacted July 1998
Indianapolis	IN	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Gary	IN	"prevailing wage"	Recipients of tax abatements	City ordinance	Enacted in 1991
South Bend	IN	Around $10.00	Contractors and recipients of tax abatements	No formal proposal introduced to date	Campaign underway in 1/1999; study commission recommended not to proceed later in

					7/2000. No recent activity reported.
Bloomington	IN	Not specified	Contractors	No formal proposal introduced to date	Campaign underway 1998; no recent activity reported
Manhattan	KS	$8.45 with benefits; $9.28 without, community hiring	Businesses receiving econ. dev. funds	Draft proposal	Campaign underway in 1998, no recent activity reported
Topeka	KS	Not specified	Not specified	No formal proposal introduced to date	Campaign underwayin late 2000. No recent activity reported.
Letcher County (defeated)	KY	$7.50	All workers	County Ordinance	Proposal failed to advance due to a 3-3 vote on 7/1999, no recent activity reported.
Covington	KY	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998; no recent activity reported
Louisville	KY	Unspecified	City contractors and subcontractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Lexington	KY	$8.25 plus health benefits	Contractors	Draft proposal	Campaign underway in 1998, no recent activity reported
New Orleans (defeated)	LA	$1.00 above federal level	All employees	Citywide ballot initiative	Defeated in June 1997; lawsuits filed on procedural issue; resolved in 2000 to be sent back to voters. No recent activity.
North Hampton	MA	$7.00 w/ benefits; $8.50 w/out	All Hampshire County employees	County ordinance	Campaign underway in 1998, no recent activity reported
Somerville	MA	$8.35	Covering all city employees; employees of city contractors and subcontractors	City Ordinance	Enacted May 1999
Harvard	MA	$10.25	Currently Janitors, later to include all university employees	No formal proposal introduced to date	Campaign underway in 1999, multiple student rallies have been taking place
Boston	MA	$8.71; indexed to cost of living increases, promotes community hiring, establishes adv. Board	City agencies and contractors over $100K and subcontractors over $25K; amended later to exempt companies receiving asst. Mayor has announced plans to raise wage in July 2000	City ordinance	Enacted mid-1997; Amended in September 1998; efforts underway to increase wage to $10 an hour and lower the amount that triggers the wage to $25K
Cambridge	MA	$10.00	City employees, companies with city contracts > $10K, recipients of city assistance > $10K, subcontractors	City ordinance	Enacted May 1999

Brookline (defeated)	MA	$10.30	City employees and city contractors	City ordinance	Ordinance introduced in May 2001; council decided to study issue before moving further
Baltimore	MD	$7.10 in 1998; $7.70 in 1999 (based on prevailing wage; 12/2/98 proposal calls for $7.90 beginning in July 1999)	Construction and service contracts over $5K	City ordinance	Enacted in December 1994; increase pending as of December 1998; efforts are now underway to extend a living wage to private employees
Prince George's County (vetoed)	MD	"prevailing wage" $9.80	County contractors County contractors and companies that receive subsidies	County ordinance County ordinance	Passed by County Council in 1999, mayor vetoed; campaign restarted, but no recent activity reported
Montgomery County (defeated)	MD	$10.44/$11.00 (two versions)	Contractors and businesses that receive economic incentives/Contractors, non-profits	Started as ballot initiative, became county proposals	Initiative was to be put to voters in 11/1998; Defeated in 8/1999, in favor of local EITC.
Annapolis	MD	$10.28	Companies receiving state subsidies	No formal proposal introduced to date	Campaign underway in 1999; no recent activity reported
Portland	ME	Not specified amount; must create 25 new jobs	Businesses that receive tax increment financing	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Warren	MI	Equal to federal poverty level for family of four (currently $8.20 with benefits); 125% of federal poverty level without benefits ($10.25)	City contractors and companies receiving subsidies >50K	City ordinance	Enacted January 2000
Grand Rapids	MI	Unspecified rate	Businesses that receive public assistance	No formal proposal introduced to date	Commissioner preparing legislation in 1999; no recent activity reported
Kalamazoo	MI	$8.25	City contractors	No formal proposal introduced to date	After passage in Detroit, the City Council organized a group to study the possibility of an ordinance; Council voted not to include initiative on Nov. 2000 ballot; Coalition expected to file suit. No recent activity reported.
Oakland County (defeated)	MI	$8.50 with benefits	County contractors	County ordinance	Defeated in 8/2000
Ann Arbor	MI	$8.50 w/benefits	Contractors and subsidized	City ordinance	Enacted in spring

		$10.00 w/out	businesses		2001 after previous mayor vetoed ordinance
Lansing	MI	Unspecified	Based on Detroit's ordinance	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Eastpointe	MI	No details available	No details available	City ordinance	Enacted spring of 2001
Ferndale	MI	No details available	No details available	City ordinance	Enacted spring of 2001
Ypsilanti	MI	$8.50 with benefits, $10.00 without	Businesses with contractors > $5K; under-10 employee businesses exempted, but non-profits with > $10K in aid	City ordinance	Enacted May 1999
Detroit	MI	Indexed to federal poverty level (currently $9.02) with benefits; 125% of federal poverty level (currently $10.25) without benefits	Contractors and subcontractors > $50,000 annually; businesses receiving assistance > $50,000 annually	City ballot initiative	Enacted November 1998.
Ypsilanti Township	MI	$8.50 with benefits, $10.00 without	Businesses with contractors > $5K; under-10 employee businesses exempted, but non-profits with > $10K in aid	City ordinance	Enacted June 1999
St. Paul	MN	100% of federal poverty level for a family of four, plus benefits; 110% without benefits (currently $9.02 with benefits)	Contractors w/exceptions, companies receiving over $100K economic dev. assistance per year	City ordinance	Enacted January 1997, based on recommendations from the Joint Twin City Living Wage Task Force created after ballot initiative failed in 1995
Minneapolis	MN	100% of federal poverty level for a family of four, plus benefits; 110% without benefits (currently $9.02 with benefits)	Contractors and companies receiving subsidies > $100K for projects earmarked for "job creation;" expanded to cover projects > $25K	City ordinance	Enacted March 1997, based on recommendations from the Joint Twin City Living Wage Task Force created after ballot initiative failed in 1995; expanded in December 1998
Duluth	MN	Must pay 90% of employees $6.50 w/ health benefits; $7.25 without, indexed to inflation	Companies receiving city economic development assistance > $25K	City ordinance	Enacted July 1997
St. Louis	MO	130% of federal poverty level for a family of three (currently $8.84 w/benefits; $10.23 without)	City contractors and businesses receiving tax breaks	Ballot initiative	Enacted August 2000, debate continues over previously enacted state preemption statute.
Grand Junction	MO	Not specified	Not specified	No formal proposal introduced to date	Campaign underway as of Novemeber 2000.
McComb	MS	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported

Helena	MT	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Missoula (defeated)	MT	$8.00	City employees; city contractors	Ballot initiative (defeated)/no formal proposal introduced to date	Proposal introduced in the city council; ballot initiative defeated in 11/1999 ballot; campaign now underway for a city ordinance, no recent activity reported
Billings	MT	Not specified	Not specified	No formal proposal introduced to date	Campaign underway as of November 2000.
Bozeman	MT	$9.00 w/benefits, $9.80 w/o	Companies receiving >2,500 in assistance	No formal proposal introduced to date	Campaign underway 1999; no recent activity reported
Charlotte (defeated)	NC	$9.00	City workers	City ordinance	Council passed the measure in early May 2001, but was vetoed by mayor
Durham County	NC	Same as city employees, currently $7.55 an hour	Contractors and service vendors	Proposed county ordinance	Activity detected in 1999; no recent activity reported
Durham	NC	Hourly wage of city employees ($8.45 as of 06/00)	All city employees and contractors	City ordinance	Enacted January 1998
Greensboro (defeated)	NC	$8.03 with benefits (poverty level for family of four); $9.23 without benefits	City employees and contractors	No formal proposal introduced to date	LW Committee recommendations in 2/2000; Council defeated ordinance 6/2000. No recent activity reported.
Orange County	NC	$10.00	All county employees	County ordinance	Enacted July 1998; discussion regarding expansion to contractors
Omaha	NE	$8.19 w/benefits; $9.01 without	City employees; companies receiving > $75,000 assistance and city contractors with contracts > $75,000 (with greater than 10 employees); amendment to exempt development block grants, leaseholders and tenants	City ordinance	Enacted May 2000 Council members already considering exemptions
Lincoln	NE	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Concord	NH	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998; no recent activity reported
Portsmouth	NH	Not specified	Not specified	No formal proposal introduced to date	Campaign underway
Jersey City	NJ	$7.50	Service Contractors	City ordinance	Enacted June

					1998
Hudson County	NJ	150% of the federal minimum wage, currently $7.73, with benefits and paid vacation	County service contractors working at least 20 hours per week	County ordinance	Enacted January 1999
Camden	NJ	Not specified	Not specified	No formal proposal introduced to date	Campaign underway in 4/2000; no recent activity reported
Atlantic City	NJ	Not specified	Contractors	No formal proposal introduced to date	Campaign underway 1998; no recent activity reported
Albuquerque (defeated)	NM	$7.91 with benefits, $9.16 without	Companies that receive Industrial Revenue Bond (IRB) money and have >25 employees	City Ordinance	1996 initiative invalidated; City Council rejected ordinance in a 6-3 vote 11/15/99; no recent activity reported
Reno	NV	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
New York City	NY	Based on prevailing wage for specific industry as determined by city controller; new proposal for $10 minimum	Service contracts; new proposal includes contractors and subsidy recipients	City ordinance	Enacted September 1996; new legislation introduced in City Council in 2001
Niagara County	NY	$7.91	Companies receiving county assistance from the Industrial Development Agency (IDA)	County ordinance	County Legislature began looking at issue 10/1999; reintroduced April 2000, no recent activity reported.
Buffalo	NY	$6.22 in 2000, $7.25 in 2001, $8.08 in 2002 w/benefits; $7.22 in 2000, $8.15 in 2001, $9.08 in 2002 w/o benefits	City contractors and subcontractors over 50K with at least 10 employees	City ordinance	Enacted July 1999 Already having problems with enforcement and the specific language of who is covered.
Hempstead	NY	Not specified	Not specified	No formal proposal introduced to date	Campaign underway
Utica	NY	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Syracuse	NY	Not specified	Not specified	No formal proposal introduced to date	Campaign underway in late 2000. No recent activity reported.
Ithaca	NY	Not specified	Not specified	No formal proposal introduced to date	Campaign underway
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Suffolk	NY	$9.00 w/benefits; $10.25 without	Contractors	City ordinance	Enacted in June 2001
Buffalo (school district)	NY	Modeled after Buffalo city ordinance	Businesses that do business with the School Board	No formal proposal introduced to date	Campaign underway in 1999; no recent activity reported
Rockland County (vetoed)	NY	$8.25 w/benefits; $9.50 without	County contractors	County ordinance	Ordinance passed September 2000; mayor vetoed, override unsuccessful in 11/2000
Rochester	NY	$8.52 w/benefits; $9.52 without, indexed to inflation	Service contractors or recipients of assistance over $50K	City ordinance	Enacted in 2001
Albany	NY	$8.55, plus additional benefits for people working more than 15 hours a week	County contractors	City ordinance	Introduced October 1997; no recent activity reported
Columbus	OH	Not specified	Not specified	No formal proposal introduced to date	Campaign underway in 5/2000; no recent activity reported
Cincinnati	OH	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998; no recent activity reported
Cleveland	OH	$8.20 1/1/01, $8.70 10/1/01; $9.20 10/1/02; annual inflation index 10/1/03	City employees, city contractors with contracts >75K, and business that receive >75K in financial assistance (only those with over 20 employees; 50 employees for non-profits)	City ordinance	Enacted June 2000
Dayton	OH	$7.00	City employees only	City ordinance	Enacted April 1998 (original ordinance included contractors)
Marion (defeated)	OH	$9.02	Not specified	City ordinance	Defeated in February 2001 by a 5-4 vote.
Portland	OR	July 1998 - $7.50; July 1999 - $8.00; Aug. 2000 - $8.00 w/benefits, $9.00 without	Contractors must pay service employees	City ordinance	Enacted in May 1996; amended April 1998
Medford	OR	Not specified	Not specified	No formal proposal introduced to date	Campaign underway as of 2000. No recent activity reported.
Lincoln City	OR	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Corvallis	OR	$8.00	Contractors >5K	Ballot initiative	Expected November

Corvallis	OR	$9.00	Contractors >$5K	Ballot initiative	Enacted November 1999
Ashland	OR	$9.75 w/benefits $10.75 without	Contractors and grant recipients over $10,000	City Ordinance	Campaign underway in 2001
Eugene	OR	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998; no recent activity reported
Multonomah County	OR	July 1998 - $7.50; July 1999 - $8.00	Janitorial and security contracts; foodservice contracts to be added in 2000.	County ordinance	Enacted June 1996; amended to increase wage in October 1998
Salem	OR	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Scranton	PA	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Swarthmore (Swarthmore College)	PA	Not specified	Not specified	No formal proposal introduced to date	Campaign underway in late 2000. No recent activity reported.
Pittsburgh	PA	$9.12 w/benefits; $10.62 without	City workers; city contractors, and business receiving tax assistance or loans from the city over $5K	City ordinance	Enacted May 2001
Harrisburg	PA	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Allegheny County	PA	$9.12	County workers; contractors and subcontractors	Administrative Code; now also a proposed ordinance	Enacted into portion of county code in July 2000; separate effort underway in 2001 to enact a specific living wage ordinance
Philadelphia	PA	$7.90; including community hiring "prevailing wage"	All companies receiving "assistance"	City ordinance	No action since late 1998; new prevailing wage ordinance introduced. may take the place of living wage ordinance
Providence	RI	$12.30 w/benefits; $16.32 without	City workers and contractors and grant recipients over $10K	City ordinance	Campaign underway in 2001
Columbia	SC	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998; no recent activity reported
Rapid City	SD	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998. no recent activity reported
Knoxville (defeated)	TN	Around $9.50 ($19,000 per year with benefits) ($22,000 per year	City employees and contractors; expanding to private firms that do business with the city	City Ordinance	City Council rejected ordinance in 5/1999. Campaign re-

		without benefits)			started in 2000, but no recent activity reported.
Memphis	TN	"Prevailing wage"	Contractors/subcontractors on publicly funded projects	City ordinance	Enacted April 1999
Knoxville (University of Tennessee)	TN	$9.50	University employees submitted demands to the university	No formal proposal introduced to date	Campaign underway as of November 2000.
Nashville (defeated)	TN	$8.73	City workers only	City Ordinance	Ordinance introduced April 2001; a nonbonding resolution was sent to the mayor in May 2001 that only would apply to city workers
Austin (school district)	TX	$8.93; City of Austin maintains a minimum wage of $7.39 for city employees (set to go up to $8.00 in 1999) and Austin Community College pays $8.00	Classified employees of the Austin Independent School District; currently no provision for contractors	No formal proposal introduced to date	Campaign underway 1999; no recent activity reported
Houston (defeated)	TX	$9.00 minimum	Contractors or recipients of tax abatements	No formal proposal introduced to date	Campaign underway; ballot initiative defeated in 1/1996; no activity reported since 1999
Austin (defeated)	TX	$9.00 minimum	Contractors or recipients of tax abatements	No formal proposal introduced to date	1998 ballot initiative defeated; local commission on wage issues meets regularly to discuss issue
Travis County	TX	$8.50	County employees	County ordinance	Enacted in September 2000
Hidalgo County	TX	$6.75 January 2000; $7.50 January 2001	County employees; state and federal funded programs controlled by county	County ordinance	Enacted July 1999
San Antonio	TX	$9.27 to 70% of service employees in new jobs; $10.13 to 70% for durable goods workers $8.25	Businesses receiving tax break City employees	City ordinance Part of 2000 budget	Enacted July 1998 Enacted September 2000
Dallas (defeated)	TX	$6.20 w/benefits, $9.45 w/o	Contractors or recipients of tax abatements	City Ordinance	Initial ordinance defeated by City Council (2/01), as a compromise, council passed ordinance with an incentive plan for businesses to

					create living wage jobs
Arlington	TX	Not specified	Not specified	No formal proposal introduced to date	Campaign underway in 1999; no recent activity reported
Provo	UT	Unspecified	Unspecified	No formal proposal introduced to date	In February 2001 Utah passed legislation restricting municipalities from setting wage rates different from the state.
Salt Lake City	UT	$8.00	Companies doing business with the city	No formal proposal introduced to date	In February 2000 Utah passed legislation restricting municipalities from setting wage rates different from the state.
James City County	VA	$8.25	County workers	County ordinance	Enacted June 2001
Richmond	VA	Around $8.50 w/ benefits	Companies that receive assistance	No formal proposal introduced to date	Campaign underway in early 2000; No recent activity reported
Blacksburg	VA	Not specified	Not specified	No formal proposal introduced to date	Campaign underway
Nassawadox	VA	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Williamsburg	VA	Not specified	Not yet available	No formal proposal introduced to date	Campaign underway in 1999, no recent activity reported
Alexandria	VA	$9.84	City contractors	City ordinance	Enacted June 2000
Seattle	WA	Not specified	Contractors	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Spokane	WA	$8.25	All city employees	No formal proposal introduced to date	Campaign underway in 1998, no recent activity reported
Eau Claire County	WI	$6.67 w/benefits, $7.40 without	County contractors >100K	County ordinance	Enacted September 2000
Racine	WI	$7.50	City employees and city contractors	No formal proposal introduced to date	Study determining cost to city was due in 9/2000, no recent activity reported
Milwaukee (city)	WI	Indexed to poverty level for a family of three (currently $6.80)	Service contracts over $5K	City ordinance	Enacted November 1995
Madison	WI	105% of poverty level for a family of four (2000) $8.61; 110% in 2001 ($8.83);	Companies w/ assistance > $100K; non-profits with grants over $5K; non unionized city employees	City ordinance	Enacted March 1999

		(initially 100% poverty level for a family of four in 1999)			
Milwaukee (county)	WI	$6.25	Service employees of county contractors	County ordinance	Enacted May 1997
Milwaukee (school district)	WI	$7.70	School employees and contractors	Board measure	Enacted January 1996
Dane County	WI	100% poverty level and health benefits (approximately $8.20)	County employees and country contractors	County ordinance	Enacted March 1999
Cheyenne	WY	$10.00	Contractors	No formal proposal introduced to date	Campaign underway in 1998; no recent activity reported

The list is currently comprehensive according to our sources -- among them city ordinances as enacted, information collected from living wage supporters, and local press reports. Because of the nature of the initiatives, it is not possible to say that this list is "all inclusive." Please e-mail us at epi@epionline.org to let us know if we have missed any initiatives or have listed any incorrect information.

AUG 17 2001

The Honorable Paul Sarbanes
Joint Economic Committee
United States Senate
Washington, D.C. 20510

Dear Senator Sarbanes:

At the August 3 hearing of the Joint Economic Committee, you requested further information on the unemployment rate and alternative measures of labor underutilization. I have enclosed a chart and tables that provide that information.

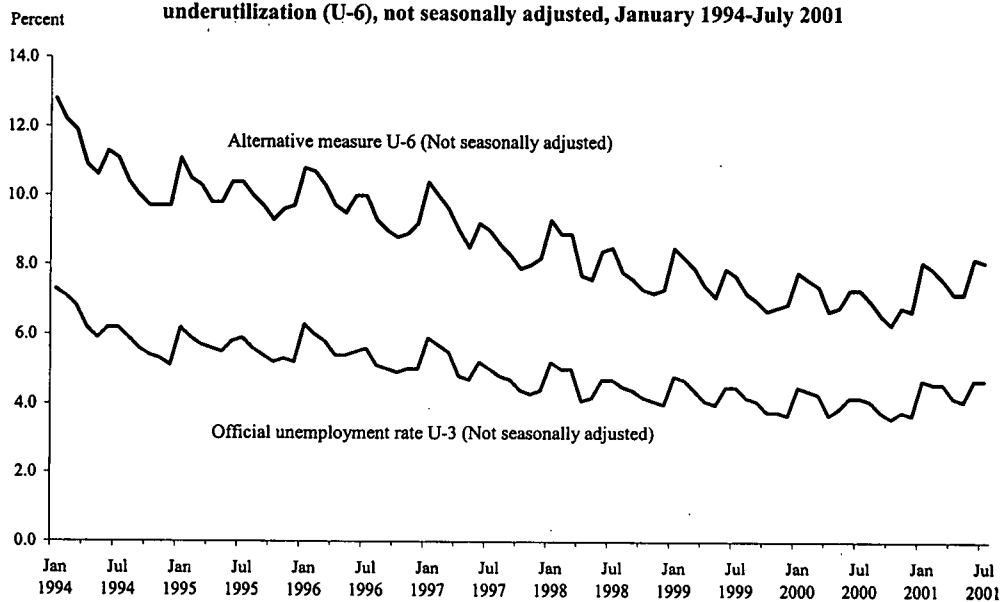
I hope that this information is helpful to you. Please let me know if I can be of any further assistance. Philip Rones, Assistant Commissioner for Current Employment Analysis, can be reached at 202--691-6378 and would be happy to answer any follow-up questions that you or your staff may have regarding these data.

Sincerely yours,

KATHARINE G. ABRAHAM
Commissioner

Enclosures

The official unemployment rate (U-3) and an alternative measure of labor underutilization (U-6), not seasonally adjusted, January 1994-July 2001



NOTE: The official unemployment rate (U-3) is the total unemployed as a percent of the civilian labor force. The U-6 alternative measure is the total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

SOURCE: Bureau of Labor Statistics

Selected unemployment and labor market underutilization measures, January 1999 - July 2001

Levels in thousands. Data are not seasonally adjusted.

Month	Unemployment rate (U-3)	Alternative measure U-6	Unemployed	Civilian labor force	Part time for economic reasons	Marginally attached	
						Total	Discouraged workers
1999							
January	4.8	8.5	6,604	137,943	3,815	1,358	339
February	4.7	8.2	6,563	138,202	3,594	1,279	271
March	4.4	7.9	6,119	138,418	3,703	1,245	295
April	4.1	7.4	5,688	138,240	3,316	1,257	245
May	4.0	7.1	5,507	138,919	3,281	1,148	256
June	4.5	7.9	6,271	140,666	3,641	1,228	220
July	4.5	7.7	6,319	141,119	3,537	1,133	290
August	4.2	7.2	5,826	140,090	3,238	1,134	265
September	4.1	7.0	5,661	139,217	2,948	1,172	289
October	3.8	6.7	5,372	139,761	2,832	1,184	271
November	3.8	6.8	5,380	139,895	3,045	1,128	272
December	3.7	6.9	5,245	139,941	3,332	1,142	267
2000							
January	4.5	7.8	6,264	139,621	3,535	1,197	234
February	4.4	7.6	6,231	140,185	3,296	1,273	262
March	4.3	7.4	6,007	140,501	3,306	1,209	257
April	3.7	6.7	5,188	140,403	3,043	1,215	330
May	3.9	6.8	5,435	140,395	3,140	1,116	282
June	4.2	7.3	5,940	142,132	3,369	1,141	308
July	4.2	7.3	6,004	142,101	3,283	1,170	265
August	4.1	7.0	5,824	141,425	3,120	1,095	205
September	3.8	6.6	5,324	140,357	2,854	1,158	250
October	3.6	6.3	5,122	140,893	2,851	1,036	230
November	3.8	6.8	5,295	141,025	3,241	1,097	234
December	3.7	6.7	5,227	141,319	3,246	1,122	265
2001							
January	4.7	8.1	6,587	141,049	3,693	1,290	303
February	4.6	7.9	6,464	141,238	3,424	1,339	289
March	4.6	7.6	6,453	141,751	3,338	1,104	350
April	4.2	7.2	5,951	141,073	3,108	1,124	346
May	4.1	7.2	5,846	141,048	3,270	1,149	325
June	4.7	8.2	6,762	142,684	3,924	1,159	291
July	4.7	8.1	6,797	143,181	3,681	1,225	308

NOTE: The official unemployment rate (U-3) is the number of unemployed persons as a percent of the civilian labor force. The U-6 alternative measure is the total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers. Persons at work part time for economic reasons, sometimes referred to as involuntary part time, worked 1 to 34 hours during the survey reference week due to an economic reason such as slack work or unfavorable business conditions, inability to find full-time work, or seasonal declines in demand. The marginally attached are persons not in the labor force who wanted and were available for work and had looked for a job sometime in the prior 12 months but were not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey. Discouraged workers, a subset of the marginally attached, are not currently looking for work specifically because they believe no jobs are available for them.

SOURCE: Bureau of Labor Statistics

Selected unemployment and labor market underutilization measures

Data are not seasonally adjusted.

Unemployment rate (U-3) (Percent)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1994	7.3	7.1	6.8	6.2	5.9	6.2	6.2	5.9	5.6	5.4	5.3	5.1
1995	6.2	5.9	5.7	5.6	5.5	5.8	5.9	5.6	5.4	5.2	5.3	5.2
1996	6.3	6.0	5.8	5.4	5.4	5.5	5.6	5.1	5.0	4.9	5.0	5.0
1997	5.9	5.7	5.5	4.8	4.7	5.2	5.0	4.8	4.7	4.4	4.3	4.4
1998	5.2	5.0	5.0	4.1	4.2	4.7	4.7	4.5	4.4	4.2	4.1	4.0
1999	4.8	4.7	4.4	4.1	4.0	4.5	4.5	4.2	4.1	3.8	3.8	3.7
2000	4.5	4.4	4.3	3.7	3.9	4.2	4.2	4.1	3.8	3.6	3.8	3.7
2001	4.7	4.6	4.6	4.2	4.1	4.7	4.7					

NOTE: The official unemployment rate (U-3) is the total number of unemployed persons as a percent of the civilian labor force.

Alternative measure of labor market underutilization U-6 (Percent)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1994	12.8	12.2	11.9	10.9	10.6	11.3	11.1	10.4	10.0	9.7	9.7	9.7
1995	11.1	10.5	10.3	9.8	9.8	10.4	10.4	10.0	9.7	9.3	9.6	9.7
1996	10.8	10.7	10.3	9.7	9.5	10.0	10.0	9.3	9.0	8.8	8.9	9.2
1997	10.4	10.0	9.6	9.0	8.5	9.2	9.0	8.6	8.3	7.9	8.0	8.2
1998	9.3	8.9	8.9	7.7	7.6	8.4	8.5	7.8	7.6	7.3	7.2	7.3
1999	8.5	8.2	7.9	7.4	7.1	7.9	7.7	7.2	7.0	6.7	6.8	6.9
2000	7.8	7.6	7.4	6.7	6.8	7.3	7.3	7.0	6.6	6.3	6.8	6.7
2001	8.1	7.9	7.6	7.2	7.2	8.2	8.1					

NOTE: The U-6 alternative measure is the total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

SOURCE: Bureau of Labor Statistics

Levels in thousands. Data are not seasonally adjusted.

Unemployed

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1994	9,492	9,262	8,874	8,078	7,656	8,251	8,281	7,868	7,379	7,155	6,973	6,690
1995	8,101	7,685	7,480	7,378	7,185	7,727	7,892	7,457	7,167	6,884	7,024	6,872
1996	8,270	7,858	7,700	7,124	7,166	7,377	7,693	6,868	6,700	6,577	6,816	6,680
1997	7,933	7,647	7,399	6,551	6,398	7,094	6,981	6,594	6,403	5,995	5,914	5,957
1998	7,069	6,804	6,816	5,643	5,764	6,534	6,567	6,173	6,039	5,831	5,711	5,565
1999	6,604	6,563	6,119	5,688	5,507	6,271	6,319	5,826	5,661	5,372	5,380	5,245
2000	6,264	6,231	6,007	5,188	5,435	5,940	6,004	5,824	5,324	5,122	5,295	5,227
2001	6,587	6,464	6,453	5,951	5,846	6,762	6,797					

Civilian labor force

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1994	129,393	129,764	129,718	129,682	130,602	132,115	132,783	132,361	131,155	131,879	131,869	131,418
1995	130,698	131,028	131,423	131,657	131,739	133,447	134,440	133,383	132,341	132,863	132,622	132,008
1996	131,396	131,995	132,692	132,513	133,558	135,083	136,272	135,011	134,230	135,015	134,973	134,583
1997	134,317	134,535	135,524	135,181	135,963	137,557	138,331	137,460	136,375	136,665	136,912	136,742
1998	135,951	136,286	136,967	136,379	137,240	138,798	139,336	138,379	137,903	138,255	138,288	138,297
1999	137,943	138,202	138,418	138,240	138,919	140,666	141,119	140,090	139,217	139,761	139,895	139,941
2000	139,621	140,185	140,501	140,403	140,395	142,132	142,101	141,425	140,357	140,893	141,025	141,319
2001	141,049	141,238	141,751	141,073	141,048	142,684	143,181					

SOURCE: Bureau of Labor Statistics

Levels in thousands. Data are not seasonally adjusted.

Part time for economic reasons

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1994	5,235	4,857	4,987	4,538	4,649	5,063	4,841	4,417	4,017	4,132	4,368	4,408
1995	4,848	4,567	4,566	4,245	4,351	4,740	4,749	4,553	4,217	4,092	4,335	4,410
1996	4,320	4,597	4,569	4,299	4,175	4,577	4,646	4,407	4,012	3,973	3,860	4,352
1997	4,541	4,419	4,277	4,244	3,891	4,258	4,279	4,036	3,638	3,602	3,768	3,869
1998	4,299	4,042	4,011	3,649	3,602	4,033	4,025	3,508	3,112	3,086	3,159	3,455
1999	3,815	3,594	3,703	3,316	3,281	3,641	3,537	3,238	2,948	2,832	3,045	3,332
2000	3,535	3,296	3,306	3,043	3,140	3,369	3,283	3,120	2,854	2,851	3,241	3,246
2001	3,693	3,424	3,338	3,108	3,270	3,924	3,681					

NOTE: Persons at work part time for economic reasons, sometimes referred to as involuntary part time, worked 1 to 34 hours during the survey reference week due to an economic reason such as slack work or unfavorable business conditions, inability to find full-time work, or seasonal declines in demand. Those who usually work part time must also indicate that they want and are available for full-time work to be classified as on part time for economic reasons.

Marginally attached workers

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1994	2,120	1,951	1,832	1,770	1,659	1,777	1,844	1,726	1,858	1,663	1,674	1,810
1995	1,783	1,721	1,732	1,390	1,504	1,574	1,568	1,510	1,583	1,587	1,542	1,619
1996	1,737	1,838	1,584	1,516	1,475	1,684	1,490	1,436	1,518	1,447	1,503	1,463
1997	1,615	1,546	1,471	1,480	1,431	1,428	1,281	1,298	1,363	1,284	1,337	1,453
1998	1,479	1,478	1,426	1,278	1,213	1,213	1,328	1,251	1,377	1,242	1,240	1,196
1999	1,358	1,279	1,245	1,257	1,148	1,228	1,133	1,134	1,172	1,184	1,128	1,142
2000	1,197	1,273	1,209	1,215	1,116	1,141	1,170	1,095	1,158	1,036	1,097	1,122
2001	1,290	1,339	1,104	1,124	1,149	1,159	1,225					

NOTE: The marginally attached are persons not in the labor force who wanted and were available for work and had looked for a job sometime in the prior 12 months but were not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey.

SOURCE: Bureau of Labor Statistics

Levels in thousands. Data are not seasonally adjusted.

Discouraged workers

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1994	600	489	533	502	436	532	542	489	521	460	447	445
1995	440	439	454	385	398	364	456	410	341	412	401	425
1996	409	455	451	403	352	414	423	415	391	374	346	334
1997	397	364	356	379	338	353	311	311	328	302	331	345
1998	374	361	343	344	268	311	374	280	317	333	310	358
1999	339	271	295	245	256	220	290	265	289	271	272	267
2000	234	262	257	330	282	308	265	205	250	230	234	265
2001	303	289	350	346	325	291	308					

NOTE: Discouraged workers, a subset of the marginally attached, are not currently looking for work specifically because they believe there are no jobs available or there are none for which they would qualify.

SOURCE: Bureau of Labor Statistics

AUG 24 2001

The Honorable Jim Saxton
Chairman, Joint Economic Committee
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

At the Joint Economic Committee Hearing on August 3, you asked about the employment situation in New Jersey. I have enclosed a package of charts and tables that provide the information we have available.

I hope this material is helpful to you. Philip Rones, Assistant Commissioner for Current Employment Analysis, can be reached at 202-691-6378 and would be happy to answer any follow-up questions that you or your staff may have regarding these data.

Please let me know if I can be of any further assistance.

Sincerely yours,

KATHARINE G. ABRAHAM
Commissioner

Enclosure

State of New Jersey

Employment and Unemployment

U.S. Department of Labor

Bureau of Labor Statistics

August 2001

State Unemployment (Seasonally Adjusted)

- The July 2001 unemployment rate for New Jersey, 4.0 percent, was somewhat higher than the state's historical low, 3.6 percent, recorded in both January and February of this year.
- New Jersey's unemployment rate rose consistently from March through June, but fell sharply in July. New Jersey reported the largest over-the-month unemployment rate decline of any state, 0.5 percentage point, between June and July.
- Over the year ending in July 2001, the unemployment rate in New Jersey was up by 0.3 percentage point. This was more than the 0.1 point increase for the Middle Atlantic division, but less than the national increase of 0.5 point.
- In July 2001, New Jersey posted the lowest unemployment rate among the states of the Middle Atlantic division. By comparison, the New York and Pennsylvania rates were 4.4 and 4.5 percent, respectively, while the Middle Atlantic average rate was 4.3 percent.
- The New Jersey unemployment rate was 0.5 percentage point below the U.S. rate in July 2001. New Jersey's rate has been at or below that of the nation since December of 1996.

Labor force data for the U.S., Middle Atlantic division, and Middle Atlantic states, July 2001, seasonally adjusted

(Levels in thousands)

Area	Month-year	Labor force	Employment	Unemployment			
				Level	Rate	Rate change	
						Over-the-month	Over-the-year
United States	Jul-01	141,774.0	135,379.0	6,395.0	4.5	0.0	0.5
	Jun-01	141,354.0	134,932.0	6,422.0	4.5		
	Jul-00	140,546.0	134,898.0	5,648.0	4.0		
Middle Atlantic	Jul-01	19,223.7	18,388.6	835.1	4.3	-0.2	0.1
	Jun-01	19,281.1	18,408.3	872.8	4.5		
	Jul-00	19,069.3	18,272.1	797.2	4.2		
New Jersey	Jul-01	4,229.2	4,061.3	167.9	4.0	-0.5	0.3
	Jun-01	4,246.3	4,055.7	190.5	4.5		
	Jul-00	4,166.9	4,013.6	153.4	3.7		
New York	Jul-01	8,914.5	8,521.8	392.8	4.4	0.0	0.0
	Jun-01	8,931.8	8,540.9	390.9	4.4		
	Jul-00	8,937.8	8,541.9	395.9	4.4		
Pennsylvania	Jul-01	6,080.0	5,805.5	274.5	4.5	-0.3	0.3
	Jun-01	6,103.1	5,811.7	291.4	4.8		
	Jul-00	5,964.5	5,716.6	247.9	4.2		

Metropolitan Area Unemployment (Not Seasonally Adjusted)

- Nine Primary Metropolitan Statistical Areas (PMSAs) exhaust the geography of New Jersey. It is the only state entirely covered by metropolitan areas.
- Four of the New Jersey metropolitan areas--Camden, Middlesex-Somerset-Hunterdon, Monmouth-Ocean, and Trenton--recorded unemployment rates below that of the state in July 2001.
  - Middlesex-Somerset-Hunterdon registered the lowest unemployment rate among the New Jersey areas, 3.6 percent, followed by Trenton, at 3.8 percent.
  - The highest unemployment rate, 8.2 percent, was reported for Vineland-Millville-Bridgeton. Jersey City had the next-highest rate, 6.7 percent.
- Over-the-year, most of New Jersey's metropolitan areas saw their unemployment rates increase. The single exception was Atlantic-Cape May, which had a rate decrease of 0.3 percentage point. The largest increases occurred in Vineland-Millville-Bridgeton, 0.7 point, and Bergen-Passaic and Newark, both 0.5 point. By comparison, the state rate was up 0.3 point and the national up 0.5 point.

Labor force data for the U.S. and New Jersey state and metropolitan areas, July 2001, not seasonally adjusted

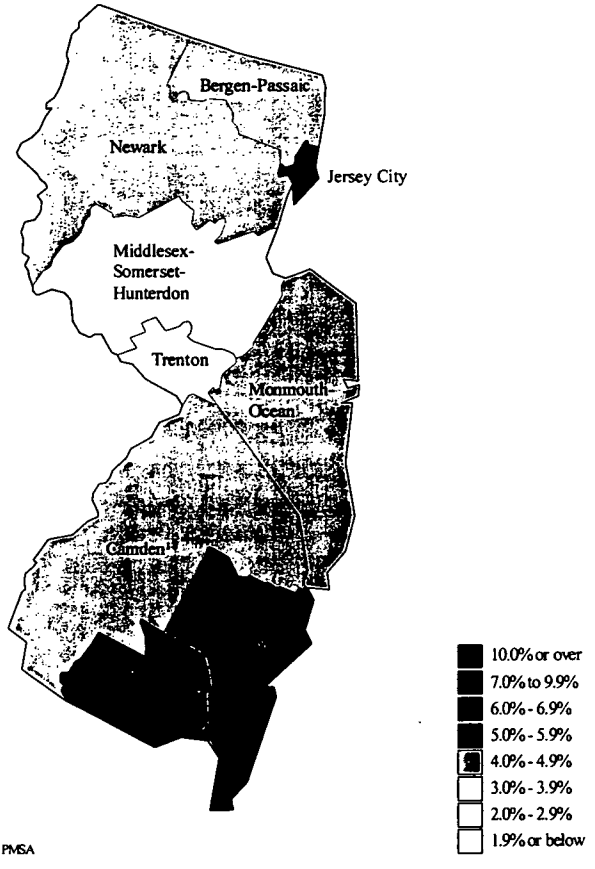
(Levels in thousands)

Area	Labor Force	Employed	Unemployed		
			Level	Rate	Over-the-year rate change
United States	143,181.0	136,385.0	6,797.0	4.7	0.5
New Jersey	4,306.3	4,108.6	197.7	4.6	0.3
Atlantic-Cape May	185.1	175.4	9.7	5.3	-0.3
Bergen-Passaic	670.6	637.9	32.7	4.9	0.5
Camden[1]	648.0	619.6	28.3	4.4	0.2
Jersey City	291.8	272.1	19.7	6.7	0.2
Middlesex-Sommerset-Hunterdon	667.9	643.8	24.0	3.6	0.4
Monmouth-Ocean	554.0	531.6	22.4	4.0	0.2
Newark	1,045.8	997.1	48.7	4.7	0.5
Trenton	180.2	173.3	6.9	3.8	0.2
Vineland-Millville-Bridgeton	63.0	57.8	5.2	8.2	0.7

[1] New Jersey portion of Philadelphia, PA-NJ PMSA

Unemployment rates by metropolitan area in New Jersey, July 2001, not seasonally adjusted

(New Jersey rate = 4.6 percent; U.S. rate = 4.7 percent)



New Jersey portion of Philadelphia, PA-NJ PMSA

State Nonfarm Payroll Employment (Seasonally Adjusted)

- Despite recent employment losses, New Jersey added 19,000 payroll jobs over the year ending in July 2001. Over the same period, the Middle Atlantic division and the U.S. saw employment gains of 90,800 and 496,000, respectively.
  - In percentage terms, nonfarm payroll employment in New Jersey grew at a rate identical to that of the Middle Atlantic division, 0.5 percent, and slightly above the U.S. average, 0.4 percent.
  - Employment growth rates have slowed markedly and consistently since mid-2000 for all three areas. (See chart on the next page.) The average over-the-year growth rate for New Jersey was 2.5 percent in 2000, compared to 1.1 percent for the first seven months of 2001.
- Among major industry divisions, services and government led in the net creation of new jobs (+23,600 and +7,700, respectively). Only manufacturing and transportation and public utilities shed jobs in New Jersey (-18,300 and -4,000, respectively) over the year.
  - At the 2-digit SIC level, health services and local government employment posted the largest gains (+7,900 and +7,600, respectively).
  - Industrial equipment and machinery within manufacturing shed the most jobs (-2,900), as all manufacturing industries registered losses over the year.
- In relative terms, construction grew most quickly, 2.1 percent, among the major industry divisions in New Jersey, albeit at a slower pace than the 2.8 percent posted for the U.S. Growth rates in excess of 1.0 percent were also reported for services and government.
- Employment in manufacturing and transportation and public utilities fell by 4.0 and 1.5 percent, respectively, over the year.
- Five of the eleven 2-digit SIC industries with growth rates of 2.0 percent or more were service industries, led by amusement and recreation services, at 5.5 percent.
- Among New Jersey's 2-digit SIC industries, those in manufacturing were the most hard hit with over-the-year employment declines. The following manufacturing industries experienced declines of at least 5.0 percent over the year:
  - Primary metal industries (-12.3 percent)
  - Apparel and other textile products (-9.3 percent)
  - Industrial and machinery equipment (-8.5 percent)
  - Furniture and fixtures (-7.1 percent)
  - Fabricated metal products (-6.3 percent)
  - Paper and allied products (-5.7 percent)
  - Petroleum and coal products (-5.3 percent)
  - Lumber and wood products (-5.2 percent).

  With the exception of petroleum and coal products, all of these industries underwent substantial contraction at the national level.
- Federal government employment in New Jersey was down 5.5 over-the-year, attributable largely to the loss of temporary Census jobs. (Federal employment shrank by 8.1 percent at the national level.)

Metropolitan Area Nonfarm Payroll Employment (Not Seasonally Adjusted)

- New Jersey added 18,300 nonfarm payroll jobs over the year ending in July 2001. The statewide growth rate of 0.5 percent was slightly higher than the national rate, 0.4 percent, over the same period.
- Over-the-year employment growth was registered in all but two of New Jersey's nine metropolitan areas.
  - The largest number of new jobs (+5,800) were added in Newark, the most populous of New Jersey's metropolitan areas.
  - Jobs were shed in Bergen-Passaic (-3,100) and, to a lesser extent, Vineland-Millville-Bridgeton (-800).
- Five metropolitan areas saw their employment grow more quickly than the state as a whole, while two areas grew at rates less than or equal to that of the state.
  - Employment in Trenton grew most rapidly, 2.0 percent over-the-year.
  - Employment in Vineland-Millville-Bridgeton shrank by 1.3 percent.

Employees on nonfarm payrolls in the U.S. and New Jersey state and metropolitan areas, July 2001, not seasonally adjusted

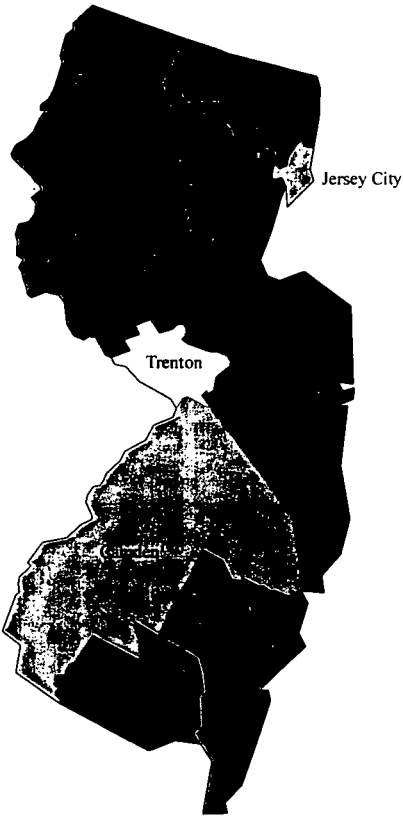
(Levels in thousands)

Area	Employment		
	Level	Over-the-year change	
		Level	Percent
United States	132,246.0	507.0	0.4
New Jersey	4,032.4	18.3	0.5
Atlantic-Cape May	205.4	1.5	0.7
Bergen-Passaic	665.7	-3.1	-0.5
Camden[1]	503.7	5.4	1.1
Jersey City	260.7	4.5	1.8
Middlesex-Sommerset-Hunterdon	667.6	1.1	0.2
Monmouth-Ocean	406.6	2.2	0.5
Newark	1,024.8	5.8	0.6
Trenton	220.1	4.4	2.0
Vineland-Millville-Bridgeton	58.7	-0.8	-1.3

[1] New Jersey portion of Philadelphia, PA-NJ PMSA

Percentage change in nonfarm employment by metropolitan area in New Jersey, July 2000 - July 2001, not seasonally adjusted

(New Jersey = 0.5 percent; U.S. = 0.4 percent)



[1] New Jersey portion of Philadelphia, PA-NJ PMSA