

12 EXTENT AND NATURE OF FRICTIONAL UNEMPLOYMENT

The current monthly survey data, however, do not provide a direct measure of final duration of unemployment because the figures relate only to the duration for persons still unemployed at the time of the survey. The data for any single month do not reveal, for example, how many of the unemployed will end their spell of unemployment immediately after the survey week and how many will remain unemployed and move into a longer duration category. Some indication of the relationship between duration of unemployment at the time of the survey and final duration at the time of reemployment or labor force withdrawal can be obtained by use of a cohort method, that is, tracing the experience of the same individuals over a period of months. This technique is a little more precise when data for single weeks of unemployment are used. However, estimates for single weeks were first tabulated in 1959; April-July 1959 data are used here for illustrative purposes even though the level and rate of unemployment were about 20 percent higher than in 1957.

In April 1959, there were 3.6 million unemployed—about 5 percent of the civilian labor force. The short-term unemployed (less than 5 weeks) included 1.4 million persons. The experience of these workers in the following 3 months was:

(a) 950,000 were no longer unemployed in May; 450,000 continued to be unemployed in May.

(b) 150,000 (of the 450,000) were no longer unemployed in June; 300,000 continued to be unemployed in June.

(c) 170,000 (of the 300,000) were no longer unemployed in July; 130,000 continued to be unemployed in July.

Thus, of the original group of 1.4 million newly unemployed, 130,000—less than 10 percent—definitely moved into the long-term group and another 170,000 ended their unemployment somewhere between 10 and 18 weeks. On the basis of the data for single weeks, it has been estimated that about 70,000 of the latter group eventually experienced from 15 to 18 weeks of unemployment.

ANNUAL WORK EXPERIENCE SURVEY DATA

Another way of looking at the extent of unemployment is to study the work history of the population over an entire calendar year. From this viewpoint, we want to know how many different people were unemployed at any time during the year, and the total number of weeks they were unemployed, counting all the spells of unemployment they may have had during the year. This kind of information is available from the survey of work experience during the entire year, which is conducted annually.