

of time lost because of unemployment during the calendar year. Moreover, they provide information as to the proportion of unemployed workers who had more than one spell of unemployment.

The monthly Current Population Survey also provides data on turnover among the unemployed. These data are based on tabulations for individuals who are in the sample for 2 consecutive months (each month, 25 percent of the sample is replaced by new households and 75 percent continue to be in the sample). By a matching process, it is possible to estimate the changes in status from one month to the next for identical persons. These data are designated as "gross" changes, as contrasted with "net" changes. An illustration would be a situation in which unemployment, for example, might be unchanged over the month (net change) even though 1 million persons found jobs; 1 million other persons lost jobs (gross changes).

APPENDIX II TO CHAPTER I

SELECTION OF PERIOD FOR STUDY

For a number of technical reasons, the year 1957 was selected as the primary focus for this study of unemployment:

1. The survey data on labor force, employment, and unemployment were based on the current sample design (instituted in May 1956) of 35,000 households in 330 areas, the largest, most widespread, and most reliable sample ever used for CPS.

2. The survey data were based on the current definitions of unemployment, adopted in January 1957. The change in definitions shifted the temporary layoffs and persons waiting to begin new jobs in 30 days from the employed to the unemployed.

3. The timing of the survey week (reference week for the activity or status of respondents) in 1957 was the same as at present. The timing was changed in July 1955 from the week containing the 8th to the week containing the 12th of the month, a change which affected seasonal patterns in some months.

4. The year 1957 was also the first in which information was compiled from the survey on more detailed occupation and industry groupings, including two-digit detail within manufacturing, although duration of unemployment data for these more detailed groups are not available prior to 1959.

From an analytical standpoint, the selection of 1957 appears to be satisfactory. The average level and rate of unemployment in 1957—2.9 million or 4.3 percent of the civilian labor force—were not significantly different from 1955 or 1956 levels. Although the recession began in the second half of 1957, unemployment did not rise more than seasonally until November and the big jump did not occur until January 1958. For the year as a whole, the basic characteristics of the unemployed were also largely the same as in the 2 preceding years.

In terms of duration, the year 1957 was fairly representative of good postwar years. If anything, there appeared to be a slightly lower rate of short-term and a higher rate of long-term unemployment in 1957 than in earlier postwar years, so that conclusions about the extent of short-term unemployment can be taken as conservative, and estimates of long-term unemployment can be regarded as a little on the high side for a full-employment year.

The selection of the year 1957 does not imply that 1957 levels of unemployment constitute either normal or minimum levels. Its only significance is that 1957 represented a fairly typical post-World War II good year in terms of high employment levels, even though the signs of recession were unmistakable during the year. It was also unaffected by any special conditions such as the partial mobilization during the Korean period, by postwar readjustment or by the rapid expansion typical of postrecession years. There were no major labor disputes, nor any major legislation affecting employment, wages and hours, unemployment insurance, etc., during 1957.