

32 EXTENT AND NATURE OF FRICTIONAL UNEMPLOYMENT

CHAPTER II. TURNOVER, OR GROSS CHANGES, IN UNEMPLOYMENT

HOW MUCH TURNOVER

The extent of turnover among the unemployed is indicated by the fact that in a typical month during 1957, about 1½ million of the unemployed in 1 month had moved out of an unemployed status the following month and were replaced by an approximately equal number of newcomers to the unemployed.³ About 900,000 of those leaving unemployment in any month had first become unemployed in the preceding month.

Of the 1½ million who leave the unemployed each month, about 1 million move into employment while one-half million withdraw from the labor force. Usually these are replaced by equivalent numbers who leave jobs or enter the labor market to look for jobs (table II-1).

This extensive turnover in the unemployed explains in part why there were 10.6 million different persons with unemployment during 1957, even though the average level was only 2.9 million. In fact, with 1½ million persons becoming unemployed each month, the total for the entire year would have been much higher except for the fact that many of the unemployed are "repeaters"—that is, they become unemployed two or more times during the year. About 4.4 million of the 10.6 million who lost any working time due to layoff or unemployment during 1957 had two or more spells of unemployment.

TABLE II-1.—*Gross changes in unemployment, by type of change: Annual average, 1957*

[Numbers in thousands]

Type of change	Total	Male	Female	Percent distribution		
				Total	Male	Female
Unemployment.....	2,936	1,893	1,043	-----	-----	-----
Total gross changes.....	1,515	898	617	-----	-----	-----
Percent of total.....	51.6	47.4	59.2	-----	-----	-----
Total gross changes.....	1,515	898	617	100.0	100.0	100.0
Type (or source) of change:						
Employment.....	966	670	296	63.8	74.6	48.0
Agriculture.....	68	57	11	4.5	6.3	1.8
Nonagricultural industries.....	898	613	285	59.3	68.3	46.2
Full time.....	543	379	164	35.8	42.2	26.6
Part time.....	355	234	121	23.4	26.1	19.6
Economic reasons.....	189	136	53	12.5	15.1	8.6
Other reasons.....	166	98	68	11.0	10.9	11.0
Not in labor force.....	549	228	321	36.2	25.4	52.0
Housework.....	237	-----	237	15.6	-----	38.4
School.....	149	92	57	9.8	10.2	9.2
Other.....	163	136	27	10.8	15.1	4.4

NOTE.—Gross monthly entries and withdrawals to and from each status have been averaged without regard to net change.

³ The turnover figures cited in this report are averages for 12 monthly observations during 1957. The actual figures for specific months would vary around the mean because of seasonality, among other reasons. The additions and reductions have also been averaged, thus disregarding the slight uptrend in the series during the year.