

36 EXTENT AND NATURE OF FRICTIONAL UNEMPLOYMENT

An employer will hold onto his most highly skilled and productive workers the longest, and will try to hire them back first, within the limitations imposed by seniority and other contractual arrangements covering layoffs and hiring.

TABLE II-5.—*Gross reductions in unemployment, by type, by duration of unemployment in previous month: Annual average, 1957*

[Numbers in thousands]

Age and sex	Total	4 weeks or less	5 to 14 weeks	15 weeks and over
Unemployment.....	2,936	1,485	890	560
Total reductions.....	1,515	893	401	220
Status after change:				
Employment.....	966	601	249	115
Agriculture.....	68	39	19	10
Nonagricultural industries.....	898	562	230	105
Full time.....	543	351	134	57
Part time.....	355	211	96	48
Economic reasons.....	189	106	55	28
Other reasons.....	166	105	41	20
Not in labor force.....	549	292	152	105
School.....	149	88	47	14
Other.....	400	204	105	91
Percent of unemployed who—				
Became reemployed.....	32.9	40.5	28.0	20.5
Dropped out of labor force.....	18.7	19.7	17.1	18.8
Remained unemployed.....	48.4	39.8	54.9	60.7

It is important to note that turnover among the unemployed occurs each month at a fairly high rate. This is true even in years when employment conditions are less favorable, although the extent of turnover may fall as low as 40 to 45 percent as compared with 55 percent in 1957. At the same time, however, observations regarding turnover should be qualified by at least two pieces of related data.

(1) Although the overall turnover rate is 55 percent between one month and the following month, not all of those moving out of unemployment had been looking for work for only 1 month. That is, of the 1.5 million leaving the unemployed between March and April of 1957, for example, about 600,000 had already been unemployed 5 weeks or longer at the time of the April survey. In fact, about 200,000 had already been out of work 15 weeks or longer.

(2) Not all of those leaving the unemployed enter full-time employment. About 550,000 persons withdrew from the labor force in an average month in 1957. There is little direct information about the reasons for those withdrawals, although it has been presumed that most of them were voluntary. Another 350,000 are persons who enter part-time employment, with at least half reporting that their employment at part-time jobs is involuntary, due to economic reasons. Thus, only about 600,000 of the gross reductions in unemployment represent entries into full-time jobs and of this group, only 400,000 could be classified with some assurance as short-term unemployed—that is, they were only classified as unemployed in one previous survey before becoming reemployed.