

CHAPTER V. SOME POSTWAR TRENDS IN UNEMPLOYMENT

Of the various forms of noncyclical unemployment that have been discussed, structural unemployment in many ways presents the most serious problems from the point of view of the national welfare. It is most usually considered to result from changes in basic economic conditions attending economic growth. These may embrace shifts in consumer tastes, the relocation of industry, the evolution of technological innovations, as well as new labor force patterns stemming from trends in population growth or work habits. The effects of structural unemployment may be confined to particular areas only, or affect relatively small segments of the overall work force. But this form of labor surplus is particularly likely to be long term in nature.

A forthcoming study for the Joint Economic Committee will investigate, so far as the available data permit, the impact of structural unemployment upon geographical areas most affected. The attention of this section is directed to the overall dimensions of the problem, in particular its important historical aspects; the kinds of basic changes likely to result in structural unemployment and their effect on total unemployment; and the trend in the extent of noncyclical unemployment. This examination of changes over time differentiates the treatment here from preceding parts of this study which have focused on the characteristics of the unemployed in a particular postwar period most suitable (from some technical or conceptual point of view) for the problem at hand.

Unfortunately, data limitations severely restrict the period that can be observed in any detail to but a few years. In particular, the years 1948 and 1956 have been selected for comparison because of all the period for which household survey estimates are available (1940 to present) these years were probably the least affected by the major dislocations of World War II and the postwar periods.¹⁰ The composition of the unemployed in both these years is compared to see what changes, if any, took place in this group over an 8-year period and to what extent they can be related to major changes in the economic structure.

THE TREND IN TOTAL UNEMPLOYMENT

From what little is known of the history of unemployment in the United States, there is no very strong evidence of a distinct trend toward higher or lower rates of unemployment. When the years of the great depression and World War I are omitted, estimates for the period 1900 to 1940, painstakingly pieced together from a variety of sources, show a median (and modal) unemployment rate of slightly under 5 percent.¹¹ While the fluctuations about this rate were more considerable in the earlier period (perhaps because of estimation problems), the typical postwar rate of unemployment, excluding the

¹⁰ There is no special advantage here, as earlier, in using the 1957 estimates of unemployment by detailed characteristics, since there are no comparable data for 1948. In addition, any comparison between 1948 and 1957, would be affected by the early effects of the 1958 business recession.

¹¹ See Stanley Lebergott: "Annual Estimates of Unemployment in the United States, 1900-1954" in "The Measurement and Behavior of Unemployment," National Bureau of Economic Research Special Conference Series, No. 8, Princeton University Press, 1957. The median rate quoted here has been converted roughly so that it is more comparable with the definitions of unemployment adopted by the Census Bureau in 1957.