

industry into two components: unemployment resulting from merely an increase or decrease in the size of the industry labor force, and the structural unemployment attributable solely to a change in the industry unemployment rate. The various industry changes worked themselves out over the period so that, on balance, most of the net difference in the total between 1948 and 1956 could be ascribed to changes in labor force size, especially in the service sector. The effect of changes in the rate of unemployment was offsetting between the two major sectors, but workers in goods-producing industries experienced a relatively large increase in structural unemployment as compared to a reduction for the faster growing service industries.

TABLE V-5.—*Changes in unemployment between 1948 and 1956, by major industry group for wage and salary workers*

Industry division	Unemployment rate		Change in unemployment due to ¹ —		
	1948	1956	Total	Struc- tural changes	Labor force changes
Wage and salary labor force.....			+379	+113	+266
Goods-producing industries.....	4.1	5.0	+298	+215	+83
Agriculture.....	4.7	6.5	+30	+32	-2
Mining.....	2.3	6.4	+26	+30	-4
Construction.....	7.4	8.3	+80	+33	+47
Manufacturing.....	3.5	4.1	+162	+120	+42
Service-rendering industries.....	3.4	3.1	+81	-102	+183
Transportation.....	3.0	2.4	-27	-29	+2
Trade.....	4.3	4.1	+35	-21	+56
Service, including private household.....	3.2	2.9	+81	-37	+118
Forestry and fisheries.....	10.8	7.0	-1	-3	+2
Public administration.....	2.0	1.6	-7	-12	+5

¹ The structural change in unemployment is obtained by applying the change in the rate of unemployment between 1948 and 1956 to the appropriate 1956 labor force component. The labor force change is the product of the appropriate 1948 rate of unemployment and the 1948-56 change in the associated labor force component.

NOTE.—Figures are based on old definition of unemployment.

“Structural” unemployment is defined here in a very limited sense, referring only to changes in specific unemployment rates over a fairly brief period. In effect, the classification serves as a rough index of whether the employment position of a particular segment of the labor force was improving, without commitment as to how “good” or “bad” the situation may have been to begin with. Also, an improvement in the job position for a particular group is not an unconditionally favorable development if it comes about at another’s expense or is a symptom of labor scarcities in the economy. Subject to qualifications of this nature, significant changes in the rate of unemployment as between two periods of relatively full employment may be taken as indications of structural dislocations.

This same sort of analysis of the data is presented in table V-6 in terms of occupational changes. Here again, unemployment resulting from labor force change occurs mainly among white-collar or service workers with structural unemployment as an offset. Manual workers, comprising the bulk of goods-producing industries’ employees, again