

(13) The monthly report on employment, labor force, and unemployment is based on the monthly current population survey of a sample of households. The basic concepts, definitions, and classification scheme remained unchanged from the survey's inception in 1940 until January 1957. There have been a number of changes in sample design and procedures.

Civilian labor force data beginning with May 1956 are based on a 330-area sample. For January 1954–April 1956 they are based on a 230-area sample; for 1946–53 on a 68-area sample; for 1940–45 on a smaller sample; and for 1929–39 on sources other than direct enumeration.

Effective January 1957, persons on layoff with definite instructions to return to work within 30 days of layoff and persons waiting to start new wage and salary jobs within the following 30 days are classified as unemployed. Such persons had previously been classified as employed (with a job but not at work). The combined total of the groups changing classification has averaged about 200,000 to 300,000 a month in recent years. The small number of persons in school during the survey week and waiting to start new jobs are classified as not in the labor force instead of employed, as formerly. Persons waiting to open new businesses or start new farms within 30 days continue to be classified as employed.

Beginning July 1955, monthly data are for the calendar week ending nearest the 15th of the month; previously, for week containing the 8th. Annual data are averages of monthly figures.

For the years 1940–52, estimating procedures made use of 1940 census data; for subsequent years, 1950 census data were used. The effects of this change on the historical comparability of the data are explained in the Annual Report on the Labor Force, 1954, series P–50, No. 59, April 1955, page 12.

These changes have had measurable effects on the magnitudes shown by the survey. For example, for 1957, unemployment was 4.0 percent of the civilian labor force on the old definition but 4.3 percent according to the new definitions adopted January 1957.

(14) Stanley Lebergott has shown that, although the proportion of the population exposed to possible unemployment has risen markedly since the early years of the 19th century, the average percent of the labor force unemployed has shown no distinct trend at all. Changes enabling the economy to operate with lower unemployment in proportion to the numbers exposed to its threat have fully offset the increase in the proportion of the population exposed to possible unemployment. See hearings, "Study on Employment, Growth, and Price Levels," part 3, pages 577–585.

(15) The effects of job shifting, labor mobility, changes in the age-sex composition of the labor force, and other factors on unemployment rates was examined in two new studies made for the Joint Economic Committee in connection with the current study of employment, growth, and price levels, by the Bureau of Labor Statistics, U.S. Department of Labor. See Study Paper No. 6, "The Extent and Nature of Frictional Unemployment," and No. 23, "Unemployment in Surplus Labor Market Areas," in press, January 1960.

(16) This was not a determination by the staff that 4 percent was the percentage consistent with the objectives of the Employment Act.