

2. Effect on labor force of raising school-leaving age: We estimate that if the 16-year-olds now in school would continue in school at least 1 year longer, the labor force would decline by perhaps 100,000. If the school-leaving age were uniformly set at 17 in all States, and there were no dropouts of 14- to 17-year-olds, the labor force might drop by about 300,000.

These estimates assume that larger numbers of teenagers would remain in school than at present but that they would continue to work after school or on weekends at the same rate that they do now. Our latest study, for October 1961, shows that 90 percent of the 14- to 17-year-olds were enrolled in school, and 20 percent of those in school were also in the labor force, mostly as part-time workers.

3. Effect on labor force of lowering retirement age: A reduction in the permissible age of retirement from 62 to 60 under OASDI would probably have only a limited effect on the size of the labor force, particularly if the benefits and conditions surrounding the reduction were similar to those of the recently enacted reduction in the permissible age of retirement for men from age 65 to 62.

Although these latter provisions have been in effect for about a year, only a slight reduction in the labor force rates for men 62 to 65 years old has been recorded so far. On the basis of experience for the 62- to 64-year-old men, it may be estimated that as many as 150,000 men in the labor force might apply for benefits the first year after the retirement age was lowered to 60. It is probable that most of these persons would not leave the labor force, however. The benefits would be comparatively low and they would continue to work as permitted under the provisions of the OASDI system. The number who would leave the labor force if the retirement age were lowered to 60 would, therefore, probably be substantially less than 150,000.

For women, it is estimated that 75,000 women in the labor force would apply for benefits if the permissible age of retirement were dropped to 60. Many of these would also continue to work and would not leave the labor force. The principal reason for the smaller number of women who might leave the labor force is that there are fewer women than men in the labor force.

The above estimates should be regarded tentative for many reasons. Possible future increases in the level of OASDI benefits combined with possible changes in provisions of private plans to allow for earlier retirement at age 60 may bring about reductions in the work force similar to those noted after age 65. If this occurs, the number of persons leaving the labor force would be much larger than indicated in these estimates.

Sincerely yours,

ROBERT J. MYERS,
Acting Commissioner of Labor Statistics.

Representative REUSS. Turning now to the next group, the young workers, you point out that one of the troubles is that the long-term decline in agriculture has reduced some opportunities.

What studies have been made—I do not know whether your outfit would be the one to make it, but somebody should be doing it—what studies have been made about opportunities for young people that are presented by changing technology and social habits?

Certainly there are a great many more opportunities for young people today running a mechanical lawn mower than there were 20 years ago, because suburbia has come up strongly.

Has anybody put his mind on this question?

Maybe one of the reasons for more unemployment than anybody likes among young people is the lack of organization of some of these service trades, particularly service trades which do not require much training and do not require dedication to the task for a long period of time.

Who worries about that?

Mr. CLAGUE. Well, we are making some studies in technological unemployment and trying to get what we call an early warning system of places where changes might be occurring.