

portion of young people moving on to higher education is increasing, so that the numbers of entrants that our economy has to absorb—particularly those who are untrained or uneducated or unprepared to cope with the problems of entry—will be increasingly smaller.

Sixth, the situation of young entrants will be very heavily affected by what we do in our Nation with respect to military service. As indicated in my testimony, there is at the present time some discrimination against young people who have not yet fulfilled their military obligation. I would expect that new policy respecting the draft—a matter now under consideration—will be of a kind which would diminish this discrimination.

It is readily apparent, when all of these factors are taken into account, that the matter of estimating the size of the program necessary to “sop up” the unemployment of a given size which might take place is not merely a matter of multiplying an assumed unemployment figure by some estimated average cost of a job spent in the public sector or the special cost of training and development of a job in the private sector.

Nonetheless, it is illuminating to indicate the range of detailed considerations which would have to be taken into account in making an estimate, assuming that none of the factors mentioned above would decrease the size of the group for whom the program was necessary—a completely unrealistic assumption, of course.

First is the relation of the unemployment rate to those who would be involved in the program—the size of the program needed to bring unemployment down by a certain amount, given the method by which unemployment is counted for statistical purposes. In this connection it is important to realize that the unemployment statistics collected by the Bureau of Census through the Current Population Survey for the BLS of the Department of Labor measures unemployment at a single point in time. Thus the people who are unemployed in one month will be, to a very considerable degree, different from those who are unemployed in other months; there is a great deal of short-term unemployment in the Nation. It makes a difference whether we aim a program at those who are unemployed no matter what the duration of their unemployment, or at those who are unemployed for a certain minimum period of time.

In general, there are approximately $2\frac{1}{2}$ to 3 times as many people who experience some unemployment during the year as there are people who are unemployed during the weekly period of the single monthly count. To the extent that operating manpower programs draw from the entire population of the unemployed, they therefore would have to be aimed at a somewhat larger target in terms of numbers than the size of the one-time unemployed group, if it is to affect the statistical count. Moreover, a program will inevitably reach not only those who are unemployed at any time during the year but will also draw some who are now out of the labor force into the labor force, will draw new entrants who are only newly entering the labor force, and will even in some cases draw underemployed people, particularly those employed at very low wages. Thus, even assuming that none of the factors mentioned earlier would affect the situation, a program designed to offset a rise in unemployment rate by something like 400,000 might have to reach several times this number of people.

Some of the people to be reached, of course, can be handled by quick referral to jobs through normal operations of the Employment Service. Insofar as it was necessary to tackle a very large group, it would be necessary to assign a high priority to the improved operations of the Federal-State Employment Service so that it could handle with the greatest possible rapidity those who have the education or the training to get into the available jobs in short order. In this connection it is important to realize that probably half of our unemployment is normally of a short-term character, and that a reduction of only one week in the average duration of unemployment as a result of improved Employment Service operation—such as a development of Job Banks or other computerization of the Service—would have the effect of lowering the overall rate of unemployment by some sizeable portion of the 400,000 that is the concern of this discussion. Thus, improved Employment Service operation would clearly be a priority matter for any manpower program, as in fact it is at the present time in budget submission.

For some, training will be important as we develop an improved system of job vacancy reporting and are able to put people into job opportunities with additional preparation. For still others, the special costs of being supported while on the job will be important. In some cases such costs are now being met by employers or are reimbursed. It is to be expected that employers