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1. WEDNESDAY, APRIL 7, 1976

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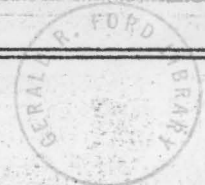
The Unemployment Issue

By PETER F. DRUCKER

As the election campaign heats up, it is

black teenagers stays in school. Still, there are only about 1.8 million black teenagers

fairly small area south of Stockholm, would not work for the continental United



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Date: April 26, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen

Jim Cannon

Max Friedersdorf

Jack Marsh

Bill Seidman

Mike Duval

Tim Austin

FROM THE STAFF SECRETARY

DUE: Date: TODAY - April 26.

Time: 4 P.M.

SUBJECT:

James T. Lynn memo of 4/25/76 re
Extension of Temporary Unemployment
Compensation Programs



ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

4/26/76
 We regret the short time given for review of this issue
 but OMB has requested that this package go forward to
 the President this afternoon -- *Beard*

*1. Federal Supplemental
 Approve option 2*
*2. Special Unemployment Assistance
 Approve option 1*
[Signature]

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
 delay in submitting the required material, please
 telephone the Staff Secretary immediately.

Jim Connor
 For the President

THE WHITE HOUSE

WASHINGTON

April 26, 1976

MEMORANDUM FOR: JIM CANNON

FROM: DAVID LISS 

SUBJECT: Jim Lynn's "Extension of Temporary
Unemployment Compensation Programs"

I concur with OMB's recommendation (Option 1) on the Special Unemployment Assistance (SUA) issue. The eligibility loophole to be closed would make eligibility in each instance conform to the existing State law. At the moment, in some States, Federal benefits under SUA can exceed benefits under the State plan because of the way wage records are counted.

I am uneasy with OMB's recommendation (Option 2) on the Federal Supplemental Benefits (FSB) issue. Substantively it is the right position to say that extended benefits should not be prolonged indefinitely. There is evidence that extended benefits themselves are a factor in leading to longer unemployment and a higher unemployment rate. The problem is that the new Congressional budget process and the unlikelihood of serious Congressional action this fall force us to deal now with what will be the situation literally a year from now.

The President can be against bad "job creation" bills and still be for jobs and I think his message on public service jobs and public works programs is being understood. It is harder to be against aid to the unemployed at a time when unemployment is still running at 7.5%.

I think it important that we convey the message that we are opposed to action now because it is unnecessary now and there is really no reason to address this issue now except that Congress has chosen to have hearings. We should emphasize that we will keep close watch next fall and winter and would not hesitate to act then should it be necessary -- as we acted when we took the initiative to propose FSB in the first place.

Page 2

I would, therefore, concur with the OMB recommendation but suggest that DOL be instructed to emphasize in its testimony the fact that this is really not the time to talk about extending a program which has a year to run and which may not need extension. We want to be sure the Administration is not said to be against helping people.

U

4/28/76
Replied by phone -
Told Ed we
will continue
to consider
the idea.

Dear Ed:

I can certainly appreciate the concern which prompted your letter about the youth unemployment problem and the proposals for a Civilian Conservation Corps.

The Administration is sensitive to the high levels of youth unemployment. The President commented on the difficult nature of this problem when he transmitted his request to the Congress for \$528 million to support some 888,100 jobs for disadvantaged youth in the coming summer months. However, we do not believe the Civilian Conservation Corps approach is a good idea for several reasons.

The issue of youth unemployment is very complex, and calls for attention to more than the absolute numbers unemployed at any given time. Some of those shown as unemployed are members of households where there is already one adult working full time, and whose added income, while desirable, is not essential to the family's well being. Others are youths whose future development is really best served not by employment, but by continuing education. Still others, although counted as unemployed by the monthly surveys, are really engaged in the normal movement from job to job which is typical of the ways young people learn about work.

Another set of issues relates to the kind of jobs our economy makes available for youth and changing perceptions among the young about the desirability of such jobs.

The Administration has been seeking ways to understand better the employment situation of youth, with special attention to the relationship of youth to work and to education. At the President's request, the National

Commission for Manpower Policy has a major project underway to develop better insights into this issue. The Secretary of Labor has been asked by the President to take the lead among Federal agencies in trying new program approaches and other devices to help communities work with all levels of government to address this problem.

It is also important to keep in mind that we have many income replacement and manpower programs now that did not exist in the 1930's. Chief among these is the network of unemployment compensation programs. These and other programs have been key to maintaining income in many families. In addition, we have a range of employment and training programs already in place. For example, under Title I of the Comprehensive Employment and Training Act over 165,000 youths were enrolled in various types of work experience, training and other services in the first half of fiscal year 1976 alone. Other youths are in the many programs of the Community Services Administration and HEW.

Finally, the cost of a Civilian Conservation Corps-type program would be enormous if it were to enroll any significant numbers. The pressures on the Federal Budget are already very great. Recent Congressional action on fiscal year 1977 budget resolution levels suggest that amounts substantially over the President's Budget may be sought by the Congress even without a major new spending program like a Civilian Conservation Corps. Added Federal spending, and its resultant increases in the deficit, may only work against the gains we expect the economy to make. It is these gains which are critical for material improvement in the employment for all workers.

There are no easy solutions to the problems of youth unemployment and we are constantly searching for ways to do a better job. I do not think, however, that a Civilian Conservation Corps is an approach which is desirable.

Sincerely,

James M. Cannon
Assistant to the President
for Domestic Affairs

The Honorable Edward I. Koch
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

May 3, 1976

MEMORANDUM FOR: JIM CANNON

FROM: DAVID LISSY *DL*

SUBJECT: DOL Plan to Help Relocate the
Unemployed

I thought you would be interested in the attached DOL press release which describes a project which will provide relocation assistance for those seeking employment. This is an idea I believe you have talked about and may have mentioned to Bill Usery.

*David -
Good
let's follow
this project -*

Attachment

cc: Jim Cavanaugh
Art Quern
Bill Diefenderfer
Allen Moore



Contact: Office - (202) 376-6905

USDL -- 76-744

Jack Hashian

Home - (703) 938-2343

Arthur Jaffey

Home - (301) 424-2106

FOR RELEASE:

12 noon EDT

Friday, April 30, 1976

LABOR SECRETARY ANNOUNCES PILOT PLAN TO ASSIST JOBLESS

An experimental program to help unemployed workers find jobs away from home and pay their relocation expenses was announced today by Secretary of Labor W.J. Usery, Jr.

Usery announced plans for the three-year experimental and demonstration project, which will be conducted in eight southeastern states, at the Law Day observance of the Walter F. George School of Law, Mercer University, Macon, Ga.

Plans call for 1,000 persons annually to be provided relocation assistance through selected local Job Service offices in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

Financial assistance to relocate is being provided in the form of long distance telephone referral service, funds for travel to explore job opportunities, and funds for moving to the site of a new job.

Relocation assistance grants will cover the travel expenses of the individual and his family and the expenses of moving furniture, up to a maximum of \$1,500. The maximum direct financial assistance provided any one individual will be \$2,500, counting travel for job exploration and other miscellaneous relocation costs.

The Job Search and Relocation Assistance Pilot Project will serve regular applicants to the local offices of the Federal-state public employment

(more)

services (Job Service offices) for whom local jobs are not available and who wish to relocate.

Eligible for the special assistance are persons registered with a local Job Service office in one of the eight states who:

- Are unemployed or underemployed due to lack of work in the area.
- Have completed an exhaustive search for employment opportunities within commuting distance of their homes.
- Have not refused to accept suitable employment in the area.
- Are job ready for employment as a result of work experience or recent training.
- Are not eligible for relocation assistance under any other federally funded program.

Information obtained from the Job Bank system of a state Job Service office will be used as "leads" to suitable out-of-area job openings. Individuals can be referred to jobs paying at least \$3.00 an hour.

Extensive evaluation of the project will be carried out by Westat, Inc., of Rockville, Md., under contract to the Labor Department's Employment and Training Administration. This evaluation will include both the project's administrative processes and procedures and the project's impact on participants and employers. In addition, an analysis of the project's cost effectiveness and net economic impact will be made.

The experience gained from the pilot project, estimated to cost about \$1.5 million a year, will help determine whether a broader, nationwide relocation assistance program would be desirable, and what procedures and techniques might most advantageously be incorporated into such an expanded program.

/////

THE WHITE HOUSE

WASHINGTON

May 7, 1976

MEMORANDUM FOR: JIM CANNON
JIM CAVANAUGH


FROM: DAVID LISSY

SUBJECT: Employment/Unemployment Statistics

Unemployment rate is 7.5%, same as in prior month.
7 million persons are unemployed, about the same as
last month.

Employment rose 710 thousand since last month.
Total employment now stands at 87.4 million persons,
a new high.

David
Good
Thank very
much
J



Labon - [unclear]

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

MAY 10 1976

Honorable Carl D. Perkins
Chairman
Committee on Education and Labor
House of Representatives
Washington, D.C. 20515



Dear Mr. Chairman:

The Department of Labor takes this opportunity to comment on H.R. 10138, a bill "To create the Young Adult Conservation Corps to complement the Youth Conservation Corps."

H.R. 10138 would amend the Youth Conservation Corps Act by adding at the end thereof a new title II, creating a Young Adult Conservation Corps to provide up to 12 months of employment for those aged 19 through 23 in conservation work and other projects of a public nature on the lands and waters of the United States. An initial 1-year planning period, followed by 4 years of program operation, would be provided. Planned enrollments would range from 100,000 in the first year to 500,000 in the fourth year, preference being given to applicants and projects within counties having a rate of unemployment equal to or in excess of 6 percent for 3 consecutive months. A total of \$9.15 billion would be authorized for planning and operation of the program over a 5-year period. The bill further provides that 30 percent of the funds appropriated would be used for grants to support State Young Adult Conservation Corps programs. The Young Adult Conservation Corps, like the present Youth Conservation Corps, would be administered by the Department of the Interior and the Department of Agriculture.

No new legislative authority is necessary to provide for the kind of public service employment effort envisioned in H.R. 10138. Under the basic Comprehensive Employment and Training Act (CETA) programs administered by this Department, local communities may undertake this type of program. Unlike this bill, CETA permits local communities to decide themselves how best to spend limited funds. In fiscal year

1975, 62 percent, or 695,000 participants, in CETA Title I programs were under 22 years of age. In addition, title IV of CETA provides special employment and training opportunities for young adults, through age 22, in the Job Corps. In 1975, 45,800 individuals were served by the Job Corps.

Not only would H.R. 10138 constitute costly duplication of our CETA efforts, it would not provide for appropriate CETA-type safeguards requiring enrollees to be unemployed or poor. We feel that in this kind of activity, limited Federal funds should be directed to those most in need.

We also question whether this program will provide enrollees with the "training and fundamental skills required to enter the labor force at a competitive level" as stated in section 201(2). Job Corps enrollees, and other CETA participants are offered assistance not provided for in H.R. 10138: counseling, educational opportunities, skill training etc.

H.R. 10138 would permit the 12-month employment period to consist of two or more separate periods. It is possible that the effect of this could be to authorize a program essentially geared to short-term income-supplement projects for students on school breaks.

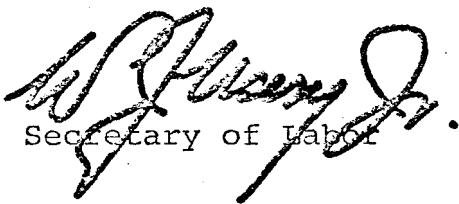
We also note that section 203(a)(3) of the bill stipulates that wages for Young Adult Conservation Corps enrollees should be set at the Federal minimum wage under section 6(a)(1) of the Fair Labor Standards Act (FLSA), but that "consideration shall be given to housing, transportation, food, medical and other direct benefits of employment, except that supplies and equipment shall not be benefits of employment." The purpose and intended effect of this provision are unclear. It should be noted that under section 3(m) of the FLSA, the reasonable cost or fair value of board, lodging or other facilities customarily furnished by an employer may already be considered wages for the purpose of the FLSA. We also note that the bill would not provide Davis-Bacon labor standards protection for assisted construction unless such work was performed under Federal contract or subcontract. We are not certain, however, whether any such unprotected construction work is contemplated under the bill.

Finally, while the Federal Government has an important role in providing some emergency jobs during periods of high unemployment, it is the private sector, in rural as well as urban areas, that must provide the long term solution. The Administration's primary approach to unemployment is through Federal policies that stimulate the economy and that provide lasting employment in the private sector. Enactment of H.R. 10138 would not be consistent with these policies. The large Federal expenditure, totaling \$9.15 billion, authorized under the bill would contribute to inflationary pressures.

For the foregoing reasons, we oppose the enactment of H.R. 10138.

The Office of Management and Budget advises that there is no objection to the presentation of this report and that enactment of H.R. 10138 would not be in accord with the program of the President.

Sincerely,



Secretary of Labor



Washington, D.C. 20212
Contact: S. Small (202) 523-1807
K. D. Hoyle (202) 523-1913
home: 333-1384

USDL -76-838
FOR RELEASE: 11:00 A.M. (E.D.T.)
Monday, May 17, 1976



STATE AND AREA UNEMPLOYMENT
MARCH 1976

Unemployment declined from February to March in most States and large metropolitan areas in the United States, according to figures reported today by the Bureau of Labor Statistics of the U.S. Department of Labor. Of the 47 States and the District of Columbia for which data are available, 43 registered decreases in both the level and rate of unemployment.

Because of data limitations, a consistent time series for each State and Standard Metropolitan Statistical Area is not available; therefore, the data are not seasonally adjusted. In the absence of seasonally adjusted data, it is not possible to determine whether the improvement in the employment situation in any State is due to temporary seasonal factors or underlying trends.

These estimates are the product of a Federal-State cooperative program in which State Employment Security agencies prepare labor force and unemployment estimates under concepts, definitions, and technical procedures established by the BLS.

The national unemployment statistics published monthly by the BLS are derived from the Current Population Survey (CPS), a survey of households. However, the size of the current CPS sample is not sufficient to generate monthly State and area estimates. Therefore, statistics derived from State unemployment insurance operations, as well as adjustment factors from the CPS and other sources, are used to calculate State and area estimates.

Because of the smaller size of the areas involved as well as limitations of the data inputs used, the State and area estimates are not of the same statistical quality as the national estimates. A fuller explanation of the technical procedures used to develop these estimates will appear in the May issue of the BLS periodical, Employment and Earnings.

Labor force and unemployment by State and selected areas

(Numbers in thousands)

State and areas	Labor force			Unemployment					
				Number			Percent of labor force		
	Jan. 1 1976	Feb. 1 1976	Mar. 1 1976	Jan. 1 1976	Feb. 1 1976	Mar. 1 1976	Jan. 1 1976	Feb. 1 1976	Mar. 1 1976
ALABAMA	1,422.6	1,428.5	1,433.7	107.0	105.6	102.2	7.5	7.4	7.1
Birmingham	344.5	342.8	342.5	25.7	25.2	24.2	7.5	7.3	7.1
Huntsville	117.4	117.4	118.5	9.3	9.2	9.2	8.0	7.8	7.8
Mobile	156.2	156.6	156.4	9.2	9.6	9.6	5.9	6.1	6.1
Montgomery	101.0	100.6	101.0	5.4	5.2	5.3	5.4	5.2	5.2
Tuscaloosa	51.0	51.0	50.8	3.3	3.3	3.0	6.6	6.5	5.8
ALASKA	182.7	184.3	195.4	21.1	20.7	22.0	11.6	11.2	11.3
ARIZONA	879.3	877.5	880.4	82.9	79.6	77.4	9.4	9.1	8.8
Phoenix	515.8	515.2	515.8	50.0	48.5	46.9	9.7	9.4	9.1
Tucson	167.3	168.5	169.3	12.3	12.3	12.1	7.3	7.3	7.2
ARKANSAS	810.8	818.7	832.5	64.0	60.9	56.3	7.9	7.4	6.8
Fayetteville-Springdale	61.1	61.4	61.2	4.6	4.3	3.8	7.6	7.0	6.2
Fort Smith	71.8	72.4	72.2	6.2	6.6	5.2	8.7	9.2	7.2
Little Rock-North Little Rock	156.7	155.6	157.6	8.8	7.6	8.3	5.6	4.9	5.3
Pine Bluff	30.6	30.9	31.2	2.3	2.4	2.3	7.5	7.9	7.5
CALIFORNIA	9,365.0	9,399.4	9,436.2	986.8	1,012.7	982.4	10.5	10.8	10.4
Anaheim-Santa Ana-Garden Grove	800.2	797.0	799.9	60.1	60.4	58.3	7.5	7.6	7.3
Bakersfield	137.6	135.2	141.4	11.9	12.8	13.7	8.7	9.5	9.7
Fresno	208.0	202.7	203.2	21.7	22.1	21.3	10.4	10.9	10.5
Los Angeles-Long Beach	3,231.0	3,245.8	3,250.7	322.5	325.5	313.7	10.0	10.0	9.7
Modesto	103.4	108.5	105.4	17.0	20.5	18.4	16.4	18.9	17.5
Quarand-Simi Valley-Ventura	167.8	171.2	172.6	17.1	17.8	16.6	10.2	10.4	9.6
Riverside-San Bernardino-Ontario	492.5	495.1	496.7	52.3	53.7	52.1	10.6	10.8	10.5
Sacramento	365.6	368.6	373.3	36.7	37.4	38.8	10.0	10.1	10.4
Salinas-Seaside-Monterey	94.6	96.4	98.7	10.7	11.9	11.2	11.3	12.3	11.3
San Diego	626.0	621.6	627.6	75.2	76.9	74.4	12.0	12.4	11.9
San Francisco-Oakland	1,465.2	1,465.1	1,468.9	169.2	170.6	167.9	11.5	11.6	11.4
San Jose	580.6	585.5	588.1	53.7	57.5	54.9	9.2	9.8	9.3
Santa Barbara-Santa Maria-Lompoc	111.9	116.2	117.3	8.5	10.8	9.5	7.6	9.3	8.1
Santa Rosa	95.6	97.6	99.2	12.1	12.6	13.0	12.7	12.9	13.1
Stockton	130.5	132.4	132.7	16.6	17.6	17.4	12.7	13.3	13.1
Vallejo-Fairfield-Napa	98.2	99.5	100.4	7.6	7.7	7.6	7.7	7.7	7.6
COLORADO	1,115.0	1,118.0	1,136.3	73.0	69.8	76.0	6.5	6.2	6.7
Denver-Boulder	670.3	669.3	679.6	49.7	46.3	50.0	7.4	6.9	7.4
CONNECTICUT	1,460.0	1,445.4	1,438.1	161.7	153.7	144.9	11.1	10.6	10.2
Bridgeport	185.3	184.0	181.7	23.9	22.6	20.9	12.9	12.3	11.5
Hartford	343.8	341.9	339.4	31.9	31.6	29.6	9.3	9.2	8.7
New Britain	72.1	70.8	69.9	9.2	8.6	8.1	12.8	12.2	11.6
New Haven-West Haven	193.8	192.8	193.3	20.9	20.8	20.3	10.8	10.8	10.5
Stamford	105.1	103.5	103.1	9.0	8.0	7.6	8.6	7.7	7.4
Waterbury	109.1	106.3	105.1	14.8	13.0	12.1	13.5	12.2	11.5
DELAWARE	242.0	243.9	243.9	20.3	20.1	19.0	8.4	8.2	7.8
Wilmington	222.0	221.4	221.8	18.7	17.3	17.4	8.4	7.8	7.8
DISTRICT OF COLUMBIA	340.3	339.2	341.1	28.3	27.0	26.9	8.3	8.0	7.9
Washington SMSA	1,429.0	1,426.0	1,434.1	86.0	82.0	81.7	6.0	5.7	5.7
FLORIDA	3,497.9	3,497.1	3,491.1	389.1	384.0	370.1	11.1	11.0	10.6
Fort Lauderdale-Hollywood	347.2	343.3	343.1	53.9	51.0	46.6	15.5	14.9	13.6
Jacksonville	284.4	285.4	285.3	20.0	20.3	19.7	7.0	7.1	6.9
Miami	698.7	698.9	695.7	82.0	80.0	78.3	11.7	11.5	11.3
Orlando	264.7	265.8	263.2	31.5	31.9	29.0	11.9	12.0	11.0
Pensacola	101.5	101.3	100.9	7.0	7.0	6.2	6.9	7.0	6.1
Tampa-St. Petersburg	528.1	530.7	529.0	61.9	62.8	59.2	11.7	11.8	11.2
West Palm Beach-Boca Raton	196.2	196.6	193.1	24.4	25.1	23.6	12.4	12.8	12.2
GEORGIA	2,081.3	2,080.5	2,083.4	169.9	163.4	151.3	8.2	7.9	7.1
Atlanta	801.9	800.5	800.0	74.7	71.0	65.2	9.3	8.9	8.2
Augusta	116.8	116.5	116.1	9.3	9.1	8.5	7.9	7.8	7.3
Columbus	84.4	84.3	84.2	6.4	6.3	5.8	7.6	7.4	6.8
Macon	97.6	97.4	97.3	7.4	7.4	7.3	7.6	7.6	7.5
Savannah	78.6	78.1	78.5	6.0	5.8	5.5	7.6	7.5	7.0

See footnotes at end of table

NOTE: All data are provisional. They are subject to revision as new benchmark information becomes available. Data refer to place of residence.

Labor force and unemployment by State and selected areas—Continued

(Numbers in thousands)

State and area	Labor force			Unemployment					
				Number			Percent of labor force		
	Jan. ^r 1976	Feb. ^r 1976	Mar. ^P 1976	Jan. ^r 1976	Feb. ^r 1976	Mar. ^P 1976	Jan. ^r 1976	Feb. ^r 1976	Mar. ^P 1976
HAWAII	355.8	359.1	363.9	29.6	31.1	32.6	8.3	8.7	9.0
Honolulu	284.8	287.6	292.4	22.2	23.6	25.4	7.8	8.2	8.7
IDAHO	348.2	349.0	343.8	27.7	28.8	27.7	8.0	8.3	8.1
Boise City	70.4	70.7	71.0	3.9	3.7	3.2	5.5	5.2	4.5
ILLINOIS	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Bloomington—Normal	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Champaign—Urbana—Rantoul	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Chicago	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Davenport—Rock Island—Moline ¹	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Decatur	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Peoria	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Rockford	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Springfield	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
INDIANA	2,345.1	2,336.8	2,343.3	184.0	174.4	159.3	7.8	7.5	6.8
Evansville	122.1	121.9	121.6	8.9	8.1	6.6	7.3	6.7	5.4
Fort Wayne	172.7	168.6	170.1	16.0	12.7	12.8	9.3	7.5	7.5
Gary—Hammond—East Chicago	271.5	268.9	269.5	22.9	19.9	19.1	8.4	7.4	7.1
Indianapolis	527.1	524.4	525.2	32.1	32.9	31.7	6.1	6.3	6.0
Muncie	54.1	54.0	53.8	4.8	4.7	4.2	8.9	8.7	7.7
South Bend	129.1	129.1	129.9	8.1	8.4	8.0	6.2	6.5	6.1
Terre Haute	77.1	76.6	76.7	5.7	5.1	5.0	7.4	6.7	6.5
IOWA	1,261.4	1,267.1	1,288.4	83.8	83.2	79.5	6.6	6.6	6.2
Cedar Rapids	75.5	75.7	76.5	4.7	4.6	4.6	6.2	6.1	6.1
Des Moines	158.2	158.0	158.8	10.1	10.3	10.2	6.4	6.5	6.4
Dubuque	40.2	40.0	40.2	3.3	3.0	3.1	8.2	7.6	7.7
Sioux City	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Waterloo—Cedar Falls	59.7	59.9	60.1	5.0	5.0	4.9	8.3	8.3	8.2
KANSAS	1,029.7	1,039.4	1,049.7	49.8	48.0	43.9	4.8	4.6	4.2
Topeka	83.0	83.2	83.0	5.0	4.8	3.9	6.1	5.8	4.6
Wichita	185.2	184.5	184.9	11.3	10.9	10.2	6.1	5.9	5.5
KENTUCKY	1,385.5	1,396.5	1,396.1	106.5	111.9	103.7	7.7	8.0	7.4
Lexington—Fayette	138.6	138.7	141.3	5.7	6.2	5.7	4.1	4.5	4.0
Louisville ¹	386.3	383.9	378.4	37.7	37.1	33.0	9.8	9.7	8.7
LOUISIANA	1,420.2	1,431.4	1,430.1	104.6	105.2	98.8	7.4	7.3	6.9
Baton Rouge	175.1	174.4	175.0	10.0	9.3	9.1	5.7	5.3	5.2
Lake Charles	57.2	57.1	57.0	5.2	5.0	4.8	9.1	8.7	8.3
Monroe	48.6	47.9	47.8	4.6	4.1	3.6	9.4	8.6	7.6
New Orleans	429.7	433.5	429.4	31.1	32.6	30.3	7.2	7.5	7.1
Shreveport	138.2	138.5	138.2	9.9	10.5	9.9	7.1	7.6	7.1
MAINE	425.3	423.3	425.3	43.9	42.1	40.3	10.3	9.9	9.5
Lewiston—Auburn	33.1	32.8	32.8	3.1	2.9	2.6	9.4	8.8	7.9
Portland	75.1	75.1	76.1	5.8	5.6	6.0	7.7	7.5	7.9
MARYLAND	1,827.1	1,820.7	1,831.9	140.7	136.0	132.4	7.7	7.5	7.2
Baltimore	929.6	924.0	927.8	79.2	74.0	73.0	8.5	8.0	7.9
MASSACHUSETTS	2,716.8	2,699.0	2,693.8	303.2	286.6	264.4	11.2	10.6	9.8
Boston	1,326.5	1,316.7	1,314.1	136.3	131.4	121.0	10.3	10.0	9.2
Brockton	75.3	76.1	76.0	8.7	8.5	7.7	11.6	11.2	10.1
Fall River ¹	72.4	71.9	71.7	8.5	7.7	7.2	11.7	10.7	10.0
Lawrence—Haverhill ¹	133.8	134.4	132.8	18.3	16.8	15.4	13.7	12.5	11.6
Lowell ¹	109.6	103.7	103.8	13.4	12.0	11.2	12.2	11.6	10.8
New Bedford	80.4	76.7	77.2	11.8	9.6	9.2	14.7	12.5	11.9
Springfield—Chicopee—Holyoke ¹	263.1	264.2	264.9	29.7	27.2	24.8	11.3	10.3	9.4
Worcester	186.7	186.6	186.9	20.3	19.2	18.5	10.9	10.3	9.9
MICHIGAN	3,858.0	3,846.7	3,854.0	470.8	450.1	438.7	12.2	11.7	11.4
Ann Arbor	122.7	123.5	124.7	12.1	11.6	12.0	9.9	9.4	9.6
Battle Creek	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Bay City	50.2	50.3	49.8	5.7	5.9	5.6	11.3	11.7	11.2
Detroit ¹	1,829.5	1,809.1	1,821.1	223.6	213.9	208.4	12.2	11.8	11.4
Flint	212.5	212.3	204.1	24.7	23.4	22.9	11.6	11.0	11.2

See footnotes at end of table.

NOTE: All data are provisional. They are subject to revision as new benchmark information becomes available. Data refer to place of residence.

Labor force and unemployment by State and selected areas—Continued

(Numbers in thousands)

State and area	Labor force			Unemployment					
				Number			Percent of labor force		
	Jan. ^F 1976	Feb. ^F 1976	Mar. ^P 1976	Jan. ^F 1976	Feb. ^F 1976	Mar. ^P 1976	Jan. ^F 1976	Feb. ^F 1976	Mar. ^P 1976
MICHIGAN—Continued									
Grand Rapids	259.4	259.6	258.1	25.5	24.2	23.3	9.8	9.3	9.0
Jackson	65.6	65.5	64.3	8.0	7.4	7.5	12.1	11.3	11.6
Kalamazoo—Portage	122.2	122.8	124.6	11.4	10.6	10.3	9.3	8.6	8.2
Lansing—East Lansing	203.7	206.7	207.8	22.5	22.1	19.5	11.0	10.7	9.4
Muskegon—Norton Shores—Muskegon Heights ..	72.7	72.9	76.0	9.6	8.8	8.5	13.2	12.1	11.2
Saginaw	94.5	93.8	96.5	9.8	8.9	9.9	10.3	9.4	10.2
MINNESOTA	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Duluth—Superior ¹	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Minneapolis—St. Paul ¹	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
MISSISSIPPI	880.2	881.4	897.3	55.5	55.9	54.1	6.3	6.3	6.0
Jackson	124.5	123.5	125.1	6.3	5.4	6.2	5.0	4.4	5.0
MISSOURI	2,045.4	2,040.5	2,055.8	148.5	136.0	123.5	7.3	6.7	6.0
Kansas City ¹	603.7	601.5	604.3	46.5	44.2	40.0	7.7	7.4	6.6
St. Joseph	44.6	42.6	42.1	2.6	2.4	2.2	5.8	5.6	5.2
St. Louis ¹	1,015.5	1,008.7	1,011.0	87.5	78.4	73.8	8.6	7.8	7.3
Springfield	92.0	88.4	86.9	4.9	4.6	4.0	5.3	5.2	4.6
MONTANA	316.3	317.5	326.8	30.7	28.8	28.6	9.7	9.1	8.8
Billings	46.3	46.1	46.8	3.4	3.0	3.1	7.5	6.5	6.7
Great Falls	31.5	31.5	32.3	2.9	2.7	2.8	9.2	8.5	8.7
NEBRASKA	680.9	684.3	694.9	46.4	47.3	45.2	6.8	6.9	6.5
Lincoln	96.6	97.3	97.9	4.7	5.7	5.7	4.9	5.8	5.8
Omaha ¹	249.6	250.1	252.4	22.6	23.1	23.4	9.1	9.2	9.3
NEVADA	283.3	286.5	287.8	29.4	29.8	27.6	10.4	10.4	9.6
Las Vegas	153.3	154.4	154.5	17.2	17.0	15.6	11.2	11.0	10.1
Reno	77.7	78.8	79.5	6.8	6.9	6.4	8.7	8.8	8.0
NEW HAMPSHIRE	351.0	350.5	353.6	20.4	19.9	19.1	5.8	5.7	5.4
Manchester	60.4	60.2	60.3	3.8	3.7	3.5	6.2	6.1	5.8
NEW JERSEY	3,193.3	3,170.1	3,181.6	356.0	341.7	329.8	11.1	10.8	10.4
Atlantic City	70.4	70.4	71.2	10.5	10.4	9.8	14.9	14.8	13.8
Jersey City	255.5	252.7	253.7	35.7	33.3	32.3	14.0	13.2	12.7
Long Branch—Asbury Park	193.7	193.1	195.8	19.3	18.2	18.7	10.0	9.4	9.5
Newark	894.3	882.0	885.8	98.4	91.6	90.2	11.0	10.4	10.2
New Brunswick—Perth Amboy—Sayreville	274.9	276.0	277.4	26.8	27.2	27.0	9.7	9.9	9.7
Paterson—Clifton—Passaic	196.9	196.4	197.9	24.2	23.8	23.2	12.3	12.1	11.7
Trenton	147.2	146.7	147.4	10.9	10.8	10.6	7.4	7.4	7.2
Vineland—Millville—Bridgeton	53.4	53.1	52.8	7.7	6.9	6.3	14.3	12.9	11.9
NEW MEXICO	423.7	430.5	436.7	30.7	32.6	32.3	7.3	7.6	7.4
Albuquerque	155.0	159.3	162.1	11.4	12.4	12.8	7.4	7.8	7.9
NEW YORK	7,503.9	7,481.5	7,502.8	779.3	767.0	742.5	10.4	10.3	9.9
Albany—Schenectady—Troy	342.4	342.9	343.4	28.0	28.8	27.9	8.2	8.4	8.1
Binghamton ¹	124.6	123.8	124.3	11.2	10.7	10.0	9.0	8.7	8.1
Buffalo	561.8	562.0	559.4	70.2	70.0	67.8	12.5	12.5	12.1
Elmira	40.9	40.8	40.8	4.0	4.0	3.7	9.9	9.7	9.0
Nassau—Suffolk	1,098.5	1,099.7	1,111.5	86.1	87.7	86.5	7.8	8.0	7.8
New York	3,554.4	3,526.5	3,533.6	389.0	374.3	361.6	10.9	10.6	10.2
Poughkeepsie	95.4	95.4	95.9	6.7	6.9	6.6	7.0	7.3	6.9
Rochester	450.9	448.7	449.7	39.6	38.9	37.8	8.8	8.7	8.4
Syracuse	275.2	278.2	278.8	27.0	28.3	27.8	9.8	10.2	10.0
Utica—Rome	124.4	124.9	125.0	15.0	15.2	14.7	12.1	12.2	11.8
NORTH CAROLINA	2,442.3	2,439.6	2,446.0	176.6	167.4	161.1	7.2	6.9	6.6
Asheville	74.9	74.4	75.3	5.9	5.3	5.2	7.9	7.1	6.9
Charlotte—Gastonia	303.7	300.6	300.3	23.0	19.4	18.4	7.6	6.5	6.1
Greensboro—Winston-Salem—High Point	378.9	373.6	375.2	27.5	22.8	22.9	7.3	6.1	6.1
Raleigh—Durham	237.3	237.7	238.1	11.9	11.3	11.3	5.0	4.7	4.7
NORTH DAKOTA	253.9	258.7	269.8	16.6	18.3	18.1	6.5	7.1	6.7
Fargo—Moorhead ¹	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.

See footnotes at end of table.

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Labor force and unemployment by State and selected areas—Continued

(Numbers in thousands)

State and area	Labor force			Unemployment					
				Number			Percent of labor force		
	Jan. F 1976	Feb. F 1976	Mar. P 1976	Jan. F 1976	Feb. F 1976	Mar. P 1976	Jan. F 1976	Feb. F 1976	Mar. P 1976
OHIO	4,650.2	4,639.9	4,659.8	414.3	414.9	382.7	8.9	8.9	8.2
Akron	286.4	284.8	284.4	27.7	28.5	26.7	9.7	10.0	9.4
Canton	175.8	174.0	175.3	17.6	17.3	17.2	10.0	10.0	9.8
Cincinnati ¹	595.4	593.1	595.3	52.9	50.8	47.9	8.9	8.6	8.1
Cleveland	877.4	874.5	877.2	68.8	67.2	63.6	7.8	7.7	7.3
Columbus	494.2	493.0	494.2	37.9	38.4	37.0	7.7	7.8	7.5
Dayton	350.7	352.2	351.7	27.5	27.9	25.0	7.8	7.9	7.1
Toledo	334.4	334.1	335.0	29.7	28.9	27.8	8.9	8.6	8.3
Youngstown-Warren	231.7	229.2	232.0	24.5	28.0	23.1	10.6	12.2	9.9
OKLAHOMA	1,157.0	1,158.6	1,165.3	91.7	91.5	89.4	7.9	7.9	7.7
Oklahoma City	354.7	353.3	356.8	28.0	26.4	27.3	7.9	7.5	7.7
Tulsa	270.0	270.2	271.0	19.3	20.1	19.2	7.1	7.5	7.1
OREGON	1,042.1	1,035.7	1,049.1	123.5	115.0	112.2	11.9	11.1	10.7
Eugene-Springfield	110.5	108.9	109.6	15.7	13.3	12.9	14.2	12.2	11.8
Portland ¹	508.8	506.4	511.4	51.9	49.5	48.8	10.2	9.8	9.5
Salem	91.4	90.6	91.3	10.8	9.5	9.1	11.8	10.4	10.0
PENNSYLVANIA	5,033.0	5,026.6	5,043.2	478.9	464.4	446.1	9.5	9.2	8.8
Allentown-Bethlehem-Easton ¹	296.4	295.0	294.5	29.4	28.3	27.0	9.9	9.6	9.2
Altoona	54.9	54.4	54.6	5.1	4.8	4.4	9.3	8.9	8.1
Erie	119.4	121.2	122.6	13.5	13.9	14.8	11.3	11.4	12.1
Harrisburg	205.1	206.5	206.8	15.0	14.9	12.8	7.3	7.2	6.2
Johnstown	104.6	103.1	103.4	10.4	8.7	7.9	9.9	8.4	7.6
Lancaster	158.8	158.0	160.5	13.5	11.3	10.8	8.5	7.1	6.7
Northeast Pennsylvania	269.9	270.3	270.8	32.2	32.4	30.6	11.9	12.0	11.3
Philadelphia ¹	2,008.7	2,009.2	2,015.7	184.3	180.2	177.1	9.2	9.0	8.8
Pittsburgh	969.8	962.2	963.8	86.5	83.6	78.6	8.9	8.7	8.2
Reading	143.7	144.5	145.4	10.9	10.4	10.8	7.6	7.2	7.4
Williamsport	49.1	48.7	49.5	6.2	5.6	5.7	12.6	11.5	11.5
York	151.3	150.5	152.1	13.8	12.8	12.6	9.1	8.5	8.3
RHODE ISLAND	412.3	410.2	409.2	55.0	51.7	48.3	13.3	12.6	11.8
Providence-Warwick-Pawtucket ¹	415.9	413.3	412.6	54.4	50.5	47.8	13.1	12.2	11.6
SOUTH CAROLINA	1,160.4	1,168.5	1,172.7	86.4	85.8	78.0	7.4	7.3	6.6
Charleston-North Charleston	124.4	125.5	126.1	9.4	9.6	8.3	7.6	7.7	6.6
Columbia	143.1	145.6	145.7	8.9	9.3	8.7	6.2	6.4	6.0
Greenville-Spartanburg	228.9	231.4	231.6	15.4	15.1	13.9	6.7	6.5	6.0
SOUTH DAKOTA	288.2	292.3	299.2	16.0	15.7	15.4	5.6	5.4	5.2
Sioux Falls	49.3	49.3	49.8	2.5	2.5	2.3	5.1	5.1	4.7
TENNESSEE	1,750.7	1,754.8	1,766.1	146.0	145.0	142.2	8.3	8.3	8.1
Chattanooga ¹	178.1	178.2	178.2	10.0	9.9	9.3	5.6	5.6	5.2
Knoxville	183.3	183.9	184.8	12.8	12.9	13.4	7.0	7.0	7.3
Memphis ¹	338.9	341.4	342.8	27.7	27.3	28.7	8.2	8.0	8.4
Nashville-Davidson	341.4	333.1	332.7	23.6	24.5	22.9	6.9	7.4	6.9
TEXAS	5,257.7	5,278.5	5,296.4	280.1	283.4	271.5	5.3	5.4	5.1
Amarillo	78.4	78.5	78.4	2.7	2.8	2.6	3.5	3.5	3.4
Austin	189.5	192.8	193.7	7.9	8.0	7.0	4.2	4.1	3.6
Beaumont-Port Arthur-Orange	157.5	158.1	158.9	10.3	9.5	9.3	6.5	6.0	5.8
Corpus Christi	123.0	124.4	124.8	8.3	8.5	8.2	6.8	6.8	6.6
Dallas-Fort Worth	1,171.6	1,171.9	1,173.2	57.6	57.6	53.8	4.9	4.9	4.6
El Paso	151.4	152.2	152.0	13.5	13.2	13.2	8.9	8.7	8.7
Galveston-Texas City	78.5	79.0	78.8	4.1	3.7	3.6	5.3	4.6	4.6
Houston	1,070.4	1,075.6	1,077.8	51.8	53.9	52.7	4.8	5.0	4.9
Lubbock	88.8	89.4	90.8	3.3	3.2	3.2	3.7	3.6	3.5
San Antonio	373.6	375.5	375.7	26.7	26.8	26.2	7.1	7.1	7.0
Waco	70.5	70.5	70.7	4.5	4.1	3.7	6.3	5.9	5.3
Wichita Falls	56.3	56.4	56.0	2.7	2.7	2.1	4.7	4.7	3.8
UTAH	495.9	499.0	510.8	38.4	36.3	34.5	7.7	7.3	6.8
Salt Lake City-Ogden	330.7	333.7	338.7	23.3	23.3	22.1	7.0	7.0	6.5
VERMONT	200.1	201.6	201.6	21.2	21.1	20.8	10.6	10.4	10.3

See footnotes at end of table

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Labor force and unemployment by State and selected areas—Continued

(Numbers in thousands)

State and area	Labor force			Unemployment					
				Number			Percent of labor force		
	Jan. r 1976	Feb. r 1976	Mar. P 1976	Jan. r 1976	Feb. r 1976	Mar. P 1976	Jan. r 1976	Feb. r 1976	Mar. P 1976
VIRGINIA	2,220.8	2,221.0	2,235.3	138.2	137.3	133.0	6.2	6.2	6.0
Lynchburg	66.7	66.4	67.7	3.9	3.7	3.8	5.8	5.5	5.6
Newport News-Hampton	146.1	145.3	147.6	9.4	9.1	9.2	6.5	6.3	6.3
Norfolk-Virginia Beach-Portsmouth ¹	293.2	292.1	296.6	19.1	19.1	20.3	6.5	6.5	6.8
Richmond	290.3	288.7	291.3	11.5	11.8	11.8	4.0	4.1	4.1
Roanoke	106.3	106.5	107.4	6.9	6.9	6.5	6.5	6.5	6.1
WASHINGTON	1,502.3	1,504.5	1,525.5	162.4	154.9	154.4	10.8	10.3	10.1
Seattle-Everett	660.2	658.9	664.9	66.5	63.4	62.5	10.1	9.6	9.4
Spokane	122.6	123.5	124.7	11.3	12.0	11.4	9.2	9.7	9.2
Tacoma	149.7	150.4	153.7	17.9	17.3	17.9	11.9	11.5	11.7
WEST VIRGINIA	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Charleston	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Huntington-Ashland ¹	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Parkersburg-Marietta ¹	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Wheeling ¹	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
WISCONSIN	2,080.6	2,086.7	2,083.6	159.4	167.2	146.0	7.7	8.0	7.0
Appleton-Oshkosh	134.4	134.1	133.1	10.8	9.7	8.4	8.0	7.2	6.3
Green Bay	81.7	82.1	81.1	6.0	6.3	5.7	7.3	7.6	7.0
Kenosha	63.4	56.1	62.0	5.1	10.0	4.2	8.1	17.7	6.9
La Crosse	39.9	40.9	40.5	3.3	3.2	2.7	8.2	7.7	6.8
Madison	157.8	161.9	161.8	8.2	7.9	7.7	5.2	4.9	4.8
Milwaukee	644.6	646.2	644.8	44.6	46.9	42.3	6.9	7.3	6.6
Racine	84.6	86.3	84.0	6.6	7.9	5.5	7.8	9.1	6.5
WYOMING	170.0	169.7	171.0	8.7	8.6	8.2	5.1	5.1	4.8

¹ Includes interstate portion of Area located in adjacent State(s).

g=preliminary.

r = revised.

N.A.=not available.

becomes available. Data refer to place of residence.

NOTE: All data are provisional. They are subject to revision as new benchmark information

SOURCE: Cooperating State Employment Security Agency.

THE WHITE HOUSE
WASHINGTON

May 25, 1977

MEMORANDUM FOR: MAX FRIEDERSDORF

THROUGH: CHARLES LEPPERT, JR. *CLJ*

FROM: TOM LOEFFLER *T.L.*

SUBJECT: Ways and Means Committee
Requested Rule for HR-10210,
a bill to amend the present
Unemployment Compensation Program

In executive session today, the Ways and Means Committee agreed upon the following rule request for HR-10210.

The Committee will request a closed rule allowing the following amendments:

- 1) an amendment to Section 111 requiring coverage of agricultural workers of employers with four or more workers in 20 weeks or who paid \$10,000 in quarterly wages (rather than four workers in 20 weeks or \$5,000 in quarterly wages as in HR-10210)
- 2) an amendment to Section 115 striking provisions that require coverage of state and local government employees and employees of non-profit schools.
- 3) an amendment to Section 211 raising the taxable wage base to \$6,000 (rather than \$8,000 as in HR-10210)
- 4) an amendment to Title III, adding Section 314, requiring states to pay a weekly benefit amount equal to 50% of the claimant's average weekly wage, up to the state maximum. The state maximum must be equal to at least $66\frac{2}{3}\%$ of the statewide average weekly wage in covered employment.

- 5) a duPont amendment to Title IV (study commission)
adding a study of the method by which unemployment
statistics are collected.

The Committee will also request one committal motion.

cc: Pat Rowland
Jim Cannon ✓
Jim Cavanaugh
Paul O'Neill
Alan Kranowitz

THE WHITE HOUSE

WASHINGTON

May 27, 1976

MEMORANDUM FOR:

JAMES CANNON

FROM:

BILL DIEFENDERFER *WD*

Attached are the total unemployment statistics for the 25 largest labor market areas in the United States. No figures are available for Chicago and the Minneapolis-St. Paul area because the State and Federal governments are at odds as to what the current figures are.



*But
Thanks
Pls give me
monthly.
Jim*

65-49

U.S. DEPARTMENT OF LABOR
OFFICE OF THE DEPUTY UNDER SECRETARY
WASHINGTON, D.C. 20210



May 26, 1976

MEMORANDUM FOR BILL DIEFENDEFER

FROM: VAN JOLISSAINT *uj*

SUBJECT: Recent Unemployment Rates: 25 Largest SMSA's

	<u>January</u>	<u>February</u>	<u>March</u>
1. New York	10.9	10.6	10.2
2. Chicago*			
3. Los Angeles	10.0	10.0	10.0
4. Philadelphia	9.2	9.0	8.8
5. Detroit	12.2	11.8	11.4
6. San Francisco	11.5	11.6	11.4
7. Washington, D.C.	6.0	5.7	5.7
8. Boston	10.3	10.0	9.2
9. Nassau-Suffolk, N.Y.	7.8	8.0	7.8
10. Dallas-Fort Worth	4.9	4.9	4.6
11. St. Louis	8.6	7.8	7.3
12. Pittsburgh	8.9	8.7	8.2
13. Houston	4.8	5.0	4.9
14. Baltimore	8.5	8.0	7.9
15. Newark	11.0	10.4	10.2
16. Cleveland	7.8	7.7	7.3
17. Minneapolis-St. Paul*			
18. Atlanta	9.3	8.9	8.2
19. Anaheim-Santa Ana	7.5	7.6	7.3
20. San Diego	12.0	12.4	11.9
21. Milwaukee, Wisconsin	6.9	7.3	6.6
22. Seattle-Everett	10.1	9.6	9.4
23. Cincinnati, Ohio	8.9	8.6	8.1
24. Denver-Boulder	7.4	6.9	7.4
25. Miami	11.7	11.5	11.3

*DATA UNAVAILABLE

THE WHITE HOUSE
WASHINGTON

NEW YORK CITY UNEMPLOYMENT

April (seasonally unadjusted)

10.3

New York State--April	9.5
United States--April	7.4



THE WHITE HOUSE

WASHINGTON

May 28, 1976

MEMORANDUM FOR ECONOMIC POLICY BOARD
EXECUTIVE COMMITTEE

The attached memorandum prepared by Henry Perritt on "Current Status of Unemployment Insurance (UI) Legislation" is distributed for your information.

Attachment



U.S. DEPARTMENT OF LABOR
THE DEPUTY UNDER SECRETARY OF LABOR
WASHINGTON



May 21, 1976

MEMORANDUM FOR THE EPB EXECUTIVE COMMITTEE

FROM: HENRY H. PERRITT, JR.
DEPUTY UNDER SECRETARY FOR
ECONOMIC POLICY REVIEW

Subject: Current Status of Unemployment
Insurance (UI) Legislation

Efforts to enact legislation (H.R. 10210) to reform the unemployment insurance system have been set back by the action in the House on Monday, May 17. The financial condition of the UI system at this time makes it imperative that some action be taken to try and salvage at least the financing portion of the bill. This memorandum provides you with a status report on prospects for UI reform.

Although the Administration preferred some provisions of its own bill, H.R. 8614 rather than the Committee bill, the Ways and Means Committee was advised that in light of expected approval of a closed rule, the Administration would have no objection to passage of H.R. 10210 in the House. It was recognized within the Administration that efforts would be made to amend certain provisions when it came to the Senate. Principal objections were to the greatly expanded coverage of public employees in H.R. 10210, and the omission of a Federal benefit standard.

With the defeat of the closed rule on the House floor on May 17 and the emergence of opposition on a number of key provisions in the bill, including those on financing, it may be necessary to rethink some of the specifics of the Administration position on the bill and be flexible enough to ensure passage at least of adequate financial provisions.

Background

Three overall objectives have guided unemployment insurance legislative efforts since mid-1974. They were first expressed in testimony by John Dunlop on April 22 and subsequently in testimony on July 15, 1975.

- (1) Immediate enactment (and orderly winding down when appropriate) of temporary, emergency programs to cope quickly with the unprecedented, heavy volume of claims induced by the 1974-1975 recession;
- (2) Reasonably prompt adoption of a limited number of needed permanent improvements in the basic UI program;
- (3) Establishment of a high-level study commission to consider and make recommendations on other major UI issues such as benefit adequacy, relationship of UI to other income maintenance qualifying requirements, appropriate duration of benefits.

The first objective was accomplished, in part, by enactment of the Federal Supplemental Benefit Program (P.L. 93-572), the Special Unemployment Assistance Program (P.L. 93-567) and subsequent amendments in the Spring of 1975, (P.L. 94-45). These programs were designed, respectively, to extend the duration of benefits already available to claimants and to provide benefits to other unemployed individuals who had work experience but were not covered under regular UI programs.

The second and third set of objectives were embodied in the Administration's bill H.R. 8614. The Administration position was presented in July 15th testimony before the Subcommittee on Unemployment Compensation supporting H.R. 8614, which was introduced by Congressman Steiger. A clean bill, H.R. 10210, was introduced on October 20, 1975 on a bipartisan basis by Congressmen Corman and Steiger and other UI Subcommittee members.

H.R. 10210's three major provisions involve: (1) extension of coverage to over 9.4 million of 12 million jobs not now covered by regular unemployment insurance; (2) increase in taxable wage base from \$4,200 to \$8,000 and temporary increase in net Federal tax rate from 0.5% to 0.7%; (3) establishment of a National Study Commission on Unemployment Insurance.

It was approved by the Subcommittee on October 20 and referred to the full Ways and Means Committee, which reported it on December 16, 1975, with a recommendation for a closed rule. Because of provisions of the Congressional Budget Control and Impoundment Act of 1974, floor action on the bill was delayed until Monday, May 17.

Current Legislative Situation

On Monday, May 17, the House of Representatives rejected, by a vote of 125 Yeas, 219 Nays, JH. Res. 1183, a closed rule providing for 3 hours of general debate on the bill H.R. 10210, Unemployment Compensation Amendments of 1975. The closed rule would have provided for only one motion to recommit, and would have prohibited a motion to recommit with instructions. The Democratic vote was evenly split at 116-116; the Republican vote was 9 Yeas, 103 Nays, 88 not voting.

Three major areas of concern appear to lay behind the vote to reject the rule:

- (1) The growing opposition of members of the House toward closed rules,
- (2) Opposition to mandatory coverage of State and local governmental employees, and
- (3) Opposition to the proposed increase in the taxable wage base from \$4,200 per year to \$8,000 per year for purposes of the Federal Unemployment Tax Act.

During the debate it was evident that, had the rule permitted and had the rule been adopted, a motion would have been offered to recommit the bill with instructions to lower the taxable wage base to \$6,000, to lower the net Federal tax rate, and to continue to permit State and local governments to elect to cover their workers rather than make such coverage mandatory.

This opposition raises the possibility of no action on UI reform during this session of Congress unless the supporters of such reform can come up with a strategy that will permit passage of the critical financing reform provisions of H.R. 10210.

The Department of Labor is working with key committee members and staff and with the White House legislative staff to develop a strategy that will meet this objective. An important element of such a strategy would be to keep the financing provisions intact or at least to avoid their being so weakened as to be inadequate. At the same time it may be necessary to modify our position with respect to other provisions of the bill.

Without Congressional action on permanent UI reform this year, the following results are likely:

- (1) The earliest possible effective date for changes in state financing and coverage legislation would be pushed back to January 1, 1979, assuming Federal legislation was passed in 1977.
- (2) The deficit funding of the UI system from general revenue, currently estimated to be \$16.8 billion by the end of FY 1977, will increase to \$19.7 billion by the end of FY 1978. Employment Service and Unemployment Insurance programs will either have to be cut back or \$200 million in general revenue provided in FY 1978 and \$300 million in FY 1979.
- (3) Pressure will increase to extend beyond March 1977 the life of the general revenue-financed temporary (SUA) coverage of State and local government, farm and domestic employees.
- (4) There will be increasing pressure from employer groups to:
 - (a) forgive or postpone repayment of outstanding loans to depleted State funds
 - (b) convert financing of Federal Supplemental Benefits from trust fund to general revenue funding.

I have attached, for your information, some further background on the provisions of H.R. 10210 (TAB A) and a paper outlining the key features of the UI system (TAB B).

I will keep the Board posted regarding developments in this area.

TAB A

Provisions of H.R. 10210

- Under the bill, most (7.7 million) of the workers to whom UI protection would be extended are local government employees. (The Administration bill would have extended coverage only to public school teachers and workers in public hospitals.) In addition, the bill would also extend coverage to 710,000 agricultural workers (those employed on farms having at least four employees or a quarterly payroll of at least \$5,000), about 400,000 domestic workers (whose employers pay quarterly wages of \$600 or more for such services), and about 600,000 jobs in State government.
- Most importantly, the bill also proposes changes in the wage base (from \$4,200 to \$8,000) and tax rate (from 0.5% to 0.7%) since 22 of the States' unemployment funds are now depleted. The Federal Unemployment Account (from which States with depleted funds borrow money) and the Extended Unemployment Compensation Account (which finances the Federal share of the extended benefits program) are both depleted and borrowing from Federal general revenues.
 - These changes in financing provisions are expected to raise an additional \$6.3 billion (\$1.6 billion in Federal revenues and \$4.7 billion in State revenues) in Fiscal Year 1978. These additional revenues will produce a positive balance in the Federal unemployment compensation trust funds and will restore most States' unemployment compensation trust funds to solvent positions by 1981.
 - Absent these changes, the Federal Unemployment Compensation trust funds will have a deficit of \$6.2 billion in 1978, increasing to \$8.2 billion in 1982 and \$9.6 billion in 1984.

- In addition to recommending creation of a National Study Commission, additional provisions of H.R. 10210 include: admission of the Virgin Islands into the Federal-State Unemployment Insurance System; State (instead of Federal) financing of administrative and extended benefit costs attributable to employment in State and local governments (there has been vocal opposition to this provision on the part of state and local governments and their organizations); changes in the method of allocating the costs of benefits paid Federal employees and ex-servicemen; modification of appellate rights of Federal employees; change in procedure for loan fund advances to States; reimbursement to States for unemployment insurance paid to CETA Public Service Employees; modification of trigger provisions in the extended benefits program; prohibition of disqualifications for benefits solely on the basis of pregnancy.
- H.R. 10210 also provides for a transition without a gap from SUA to regular UI for workers that would be newly covered under the proposal, thus, it provides for Federal reimbursement of benefits paid after the effective date of the Act (the Administration bill did not contain such a provision) and which are based on wages earned in jobs not covered prior to that date. Federal reimbursement, however, would be contingent upon a State's election to pay benefits under these circumstances.

TAB B

UNEMPLOYMENT INSURANCE BENEFITS

Unemployment insurance benefits are paid to eligible individuals with previous work force attachment in order to prevent the severe financial hardships caused by periods of unemployment. Special programs have been enacted extending the number of weeks for which individuals may receive benefits during periods of high unemployment. Currently, there are four different kinds of unemployment insurance programs:

1. The regular Unemployment Insurance program provides from 8 to a maximum of 26 weeks of benefits, depending on the State and on the earnings and employment history of the individual. Benefits under this program are funded by the States.

2. The Federal-State Extended Benefit (EB) program was provided for in the Employment Security Amendments of 1970, as amended. Under this program, when the total insured* unemployment rate is over 4.5%, beneficiaries in all States are eligible to receive additional benefits for one-half of the period for which they are eligible under the regular program; i.e., an increase ranging from 4 to a maximum of 13 weeks of benefits. Thus, a beneficiary could receive up to 39 weeks of unemployment insurance benefits under a combination of regular and extended benefit programs. Benefits under this program are funded equally by the States and by the Federal Government.

*The insured unemployment rate (IUR) differs from the more commonly discussed total unemployment rate in that:

- (a) The insured unemployment rate measures the ratio of individuals claiming benefit rights to a lagged measure of covered employment, and is an actual count based on administrative data. It generally refers only to regular UI claimants and does not include recipients of EB, FSB or SUA.

- (b) The total unemployment rate is compiled by the BLS from sample survey data and represents the ratio of the total number of unemployed to the civilian labor force.

3. The Federal Supplemental Benefit program (FSB) was enacted on December 31, 1974, as amended. Under this program, individuals were eligible to receive an additional increment of benefits equal to one-half of the period for which they were eligible under the regular program; i.e., an increase ranging from 4 to a maximum of 13 weeks of benefits. This meant that under all programs, an individual could receive from 16 to a maximum of 52 weeks of benefits. The Tax Reduction Act of 1975 contained a provision that, as of April 1, 1975 increased total benefits available to a range of 20 to a maximum of 65 weeks during the period April 1 through June 30, 1975.

On June 30, 1975, legislation was enacted which provided that, through March 1, 1977, under the FSB program, beneficiaries in States which had an insured unemployment rate of over 6% were eligible to receive benefits equal to 100 percent of their eligibility under the regular program; i.e., from 8 to 26 weeks of additional benefits for a total potential maximum of 65 weeks. Since January 1, 1976, States with an insured unemployment rate below 6% but more than 5% can pay benefits for up to 50% of the period for regular unemployment benefits to a maximum of 13 weeks. In States where the insured unemployment rate is less than 5% FSB benefits trigger off completely.

4. The Emergency Jobs and Unemployment Assistance Act of 1974 established Special Unemployment Assistance (SUA), a temporary two-year program of federally supported unemployment assistance for workers who are not eligible for unemployment benefits under any other law. The major groups affected are state and local government employees, farm workers, and domestic workers.

The SUA program allows payments to this group of unemployed workers if the seasonally adjusted total insured unemployment rate averaged 6 or more percent nationally. Such workers are eligible for assistance payments if their employment in the preceding 52 weeks, regardless of whether it is covered, satisfies the States' UI laws qualifying requirements. Potential duration is the duration provided by State law for regular programs, with a maximum of 26 weeks. P.L. 94-45, enacted June 30, 1975, increased SUA duration from 100 percent to 150 percent of regular unemployment insurance entitlement, subject to a maximum of 39 weeks. SUA claimants are not eligible for EB or FSB. SUA is also a temporary program and expires March 31, 1977, along with FSB.

The following chart summarizes important characteristics of the current system of unemployment compensation.

Regular State Programs	Extended Benefits Program (EB)	Federal Supplemental Benefits Program (FSB)
State Trust Funds from Earmarked Employer Taxes	50% State Trust Funds from Earmarked Employer Taxes 50% Federal Trust Funds from Earmarked Employer Taxes	Repayable Advances from Federal General Revenue Funds
Weeks 0	26	39
		52
		65
Trigger: None	4.5% (National) or 4.0% (State)	5% (State) 6% (State)

Special Unemployment Assistance Program (SUA)

100 Percent Federal General Revenue Funds

Weeks 0	26	39
Trigger	6% (National) or 6.5% (local)	

Table 1 in Tab C shows national totals for exhaustions from all programs during 1973, 1974 and 1975, and estimates exhaustions for 1976. Precise estimates on exhaustions for the remainder of the year are not possible because of a number of uncertainties such as the course of layoffs and other job loss, individuals voluntarily returning to work, and the varied timing among States of triggering off as insured unemployment rates change in individual States.

In all cases, FSB and EB exhaustees will add up to a total that is less than or equal to exhaustees under regular state programs, since these programs become available only after exhaustion of regular benefits. The difference is made up primarily of those who return to work or otherwise cease claiming benefits without exhausting.

Exhaustees may be either employed, unemployed or out of the labor force following exhaustion. The pattern of FSB exhaustions represents a greater proportion of EB exhaustees than did the exhaustion of EB relative to that of regular state benefits. This probably represents the greater difficulty encountered in finding work, the longer one is unemployed, i.e., the hardcore unemployed. The drop in the proportion of FSB to EB exhaustees projected for the remainder of 1976 reflects the fact that fewer and fewer states will be triggered into FSB programs as the year goes on and the unemployment rate improves.

SUA is shown separately since it operates completely apart from the other programs. Exhaustions here are expected to reach their peak during the first half of this year but are expected to decline somewhat in the second half of the year as economic conditions improve, fewer people enter the program and others return to work prior to exhaustion of full benefits.

Tables 2-5 break down estimated exhaustions for each State in each of the four UI programs over the next 6 months. These data were obtained from each of the States and compiled by the Unemployment Insurance Service. They correspond to the national totals presented by quarter in Table 1. These estimates were made under the assumption of an average total national rate of 7.5% for 1976. Most States appear to follow the national pattern, with the largest number of exhaustions occurring in the first quarter. Probably, the most significant set of data are those describing expected FSB exhaustions, for these individuals have no further recourse to UI benefits. Since FSB exhaustions follow exhaustions from regular and EB programs, it is interesting to inspect exhaustion trends in those programs

as well. Regular benefits exhaustions are expected to peak in March or April, extended benefits exhaustions are estimated to peak in February and March, and perhaps, most significantly, FSB exhaustions, the last program of available benefits will be peaking in the first quarter, with an additional blip upward in July, reflecting the high first quarter exhaustions in regular and extended benefits, particularly the latter.

