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*Central Files*  
THE PRESIDENT HAS SIGNED *dy.*

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

September 6, 1974

*[Handwritten signature]*

MEMORANDUM FOR THE PRESIDENT

Subject: Employment Situation in August

The seasonally adjusted civilian unemployment rate increased by 0.1 percentage point to 5.4 percent in August. Civilian employment declined by 125,000, while unemployment increased by 19,000. The labor force participation rate decreased by 0.2 percentage point to 61.7 percent. The long duration unemployment rate was unchanged at 1.0 percent.

The unemployment rate and labor force changes differed by age and sex. Unemployment increased for adult males, but not for adult females or teenagers. However, while the adult male labor force increased by approximately 200,000, for adult females and teenagers it declined by approximately 200,000. Among adult males, the increase in unemployment was largely concentrated among those 20 to 24 years of age who were not married.

The major increases in unemployment were in contract construction and in durable and nondurable manufacturing. The unemployment rate increased by 0.4 percentage point to 6.5 percent for blue collar workers, but declined for white collar, service and farm workers.

Data on employment in nonagricultural payrolls show a similar sectoral change. Seasonally adjusted payroll employment increased by 77,000 (1.2 percent, annual rate) in August. The decline of 95,000 jobs in the goods producing sector was largely confined to durable manufacturing. Of the increase of 172,000 jobs in the service sector, 92,000 were in State and local government and 92,000 were in services.

The seasonally adjusted average number of hours of work per week declined by 0.1 hours to 36.7 hours in August. Hours worked increased slightly in manufacturing and in most service sectors, but declined in mining and contract construction. The decline for mining may have been in anticipation of the temporary work stoppage.



In summary, the household and establishment data indicate a continued weakening of employment opportunities in the goods producing sector, particularly in durable manufacturing and construction. There is, however, considerable employment strength in the service producing sectors, especially State and local government and service employment.

These data are for release at 10:00 a.m., Friday, September 6.

Alan Greenspan