

The original documents are located in Box C20, folder “Presidential Handwriting, 5/2/1975” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Central File

THE PRESIDENT HAS SEEN....
Paul

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 2, 1975

MEMORANDUM FOR THE PRESIDENT

Subject: The Employment Situation in April 1975

RAF

Summary

The seasonally adjusted unemployment rate increased to 8.9 percent in April, 0.2 percentage points above the March rate. There was a marked increase in long-term unemployment as the percent of the labor force unemployed 15 weeks or more increased from 2.2 to 2.6 percent and the percent unemployed 27 weeks or more increased from 0.8 to 1.0 percent.

On the positive side, however, civilian employment increased slightly from 83.8 to 84.1 million. Employment had declined by 2.3 million from the third quarter of 1974 to the first quarter of 1975, but has remained relatively stable over the period February through April 1975. A similar pattern was evident in nonfarm private payroll employment (based on a different survey) which remained at roughly the March level after having declined sharply for 5 months. The length of the workweek has been roughly stable since February, again after a downward trend since last fall.

Detail

The increase in seasonally adjusted unemployment varied among different groups in the economy. The rate for blue collar workers continued to rise (up 0.5 percentage point to 13.0 percent) while the rate for white collar workers barely rose (by 0.1 percentage point to 4.7 percent) and the rate for service workers and farm workers actually declined. These changes by occupation reflect to a large extent industrial attachment, and by industry the unemployment rate rose again in durable goods manufacturing (up 1.5 percentage points to 12.8 percent) and in transportation and public utilities (up 1.0 percentage point to 6.6 percent).



Since adult men are more heavily concentrated in blue collar occupations and in durable goods industries, their unemployment has risen more than the rate for adult women or young people. The rate for adult men increased from 6.8 to 7.0 percent. The rate for married men rose by 0.4 percentage points to 5.6 percent, which is more than twice the rate of April 1974 (2.4 percent). Women are heavily concentrated in clerical and other white collar occupations and in service industries. Although more women entered the labor force in April, and their participation rate rose to 46.0 percent (almost 1 percent above their participation rate of April 1974), the unemployment rate for adult women rose by only 0.1 percentage point to 8.6 percent.

The duration of unemployment (seasonally adjusted) increased considerably, from 11.4 to 12.9 weeks. This was the result of both an increase in the number of long-term unemployed (the number unemployed 27 weeks or more increased by 30 percent) and a decrease (by 11 percent) in the number unemployed less than 5 weeks. This decrease in short-term unemployed occurred during a month when the labor force was increasing, which may indicate some abatement in the rate of new layoffs, although the duration of a layoff is evidently rising.

While nonfarm payroll employment (seasonally adjusted) remained fairly steady, employment in durable goods manufacturing continued to decline, though for the second month the rate of decline was much slower than in preceding months. There were slight increases in employment in nondurable goods and in service producing industries.

Hours of work (seasonally adjusted) in production or nonsupervisory workers on private nonfarm payrolls have been about the same since February, dipping by 0.1 hours in March and going back to 36.0 hours in April, which is still 0.6 hours below the figure for April 1974. However, the changes over the year may to some extent reflect the increase in the proportion of women among the employed since women usually have shorter workweeks, one factor behind the secular decline in the workweek. In manufacturing, although overtime hours went down a bit (from 2.3 to 2.2), total hours worked increased from 38.8 to 39.0, which may be compared to the 39.3 hour week of April 1974 (a comparison less affected by the relative increase in women employees).

The average hourly earnings index for private nonfarm payroll employment did not change at all in April, following a sharp increase in March. The index this April was 9.4 percent above the index in April 1974; in March the index was 9.9 above that of March 1974.

A handwritten signature in black ink, consisting of several overlapping loops and a vertical line on the left side, positioned above the printed name.

Alan Greenspan