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February 16, 1960

The Rate of Unemployment in Great Britain  
and the United States 1950-59

42 pages

Edward Kalachek and Richard Westebbe

NOT FOR PUBLICATION

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The Rate of Unemployment in Great Britain  
and the United States 1950-59

Contents

- A. Summary
  - Concept
  - Structure
  - Supply-demand
- B. Concept and Measurement
  - Differences in coverage
  - Magnitude of differences
- C. Structural Factors
  - 1. Unemployment and participation rates
    - The prime working ages (20-54)
    - Teenagers (15-19)
    - 55 years and over
  - 2. Analysis of the structural differences
    - The teenager and education
    - Women in the labor force
    - Mobility and the distribution of labor
- D. Supply-Demand: The labor market
  - Population and productivity
- E. Quantitative appraisal
  - Adjustment one (concept)
  - Adjustment two (concept)
  - Adjustment three (structure)
  - Residual (supply-demand)
  - Insured unemployment

Appendix

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Edward Kalachek and  
Richard Westebbe\*

A. Summary

In the postwar period, most industrialized nations have been committed to a policy of maintaining full and expanding levels of employment. The rate of unemployment has become a key barometer of the relative success of these policies. Movements in unemployment rates are frequently considered prima facie evidence of the need for either restrictionist or expansionist measures. Unemployment at more than frictional levels is widely taken as an indicator of less than optimum rates of national growth whereas "overfull" employment is usually associated with unsustainable rates of growth and inflationary pressures. This concern with unemployment levels is, furthermore, based on the social implications of large-scale involuntary unemployment.

Both Britain and the United States are among the nations committed to "full employment" as a primary economic policy objective. Yet official estimates of the rate of unemployment in Great Britain have been significantly lower than in the United States and have shown substantial differences in trend during the past decade, a period when both countries maintained employment at high levels. In fact, these published rates of unemployment provide only a partial basis for gauging full employment policies in the two countries and can be highly misleading if used for this purpose without qualification.

During the American recession and recovery of 1949-50, unemployment rates were about 4 percentage points higher in the United States than in Great Britain. The differences narrowed during the Korean War, due to a substantial decline in American unemployment. American rates were only about one percentage point higher than British rates in 1952-early 1953, a period when the level of demand was exceptionally high in the U.S. and relatively slack in Great Britain.

Since then American unemployment rates have tended upward, being higher in recession, recovery and expansion of each succeeding cycle. In contrast, British labor market conditions showed no such easing between 1953 and 1957 and so differences between the two countries widened appreciably as can be seen in Table I and Chart I. In 1958 and 1959, however, British unemployment rates were considerably higher than they had been in earlier recession and recovery periods. Substantial differences in cyclical timing and intensity complicate comparisons between unemployment rates in the two countries (See Chart II).

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\* The authors wish to express their gratitude to A. Jane Moore who has been of invaluable assistance in the statistical aspects of this study.

CHART I

UNEMPLOYMENT RATE  
QUARTERLY, SEASONALLY ADJUSTED

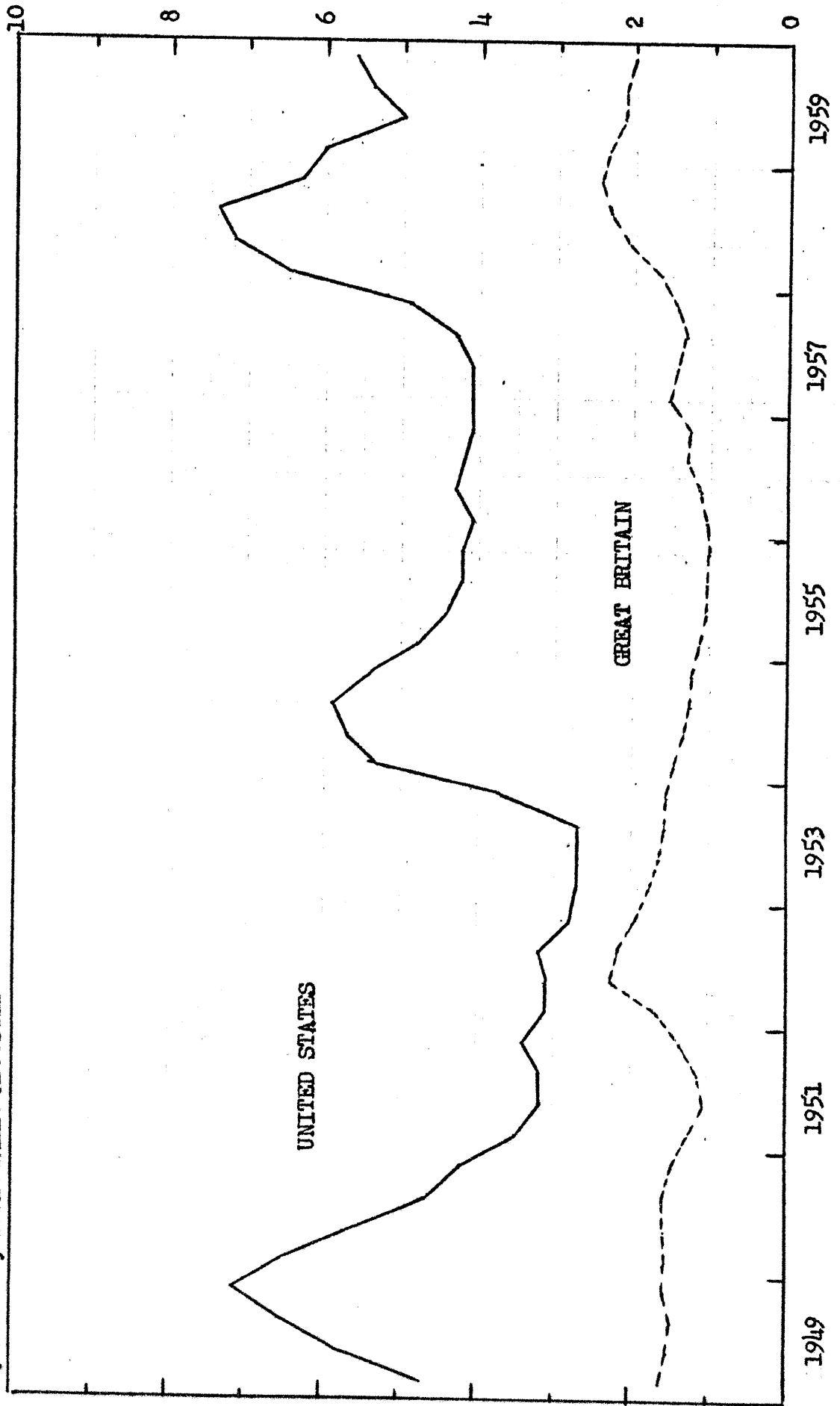


CHART II

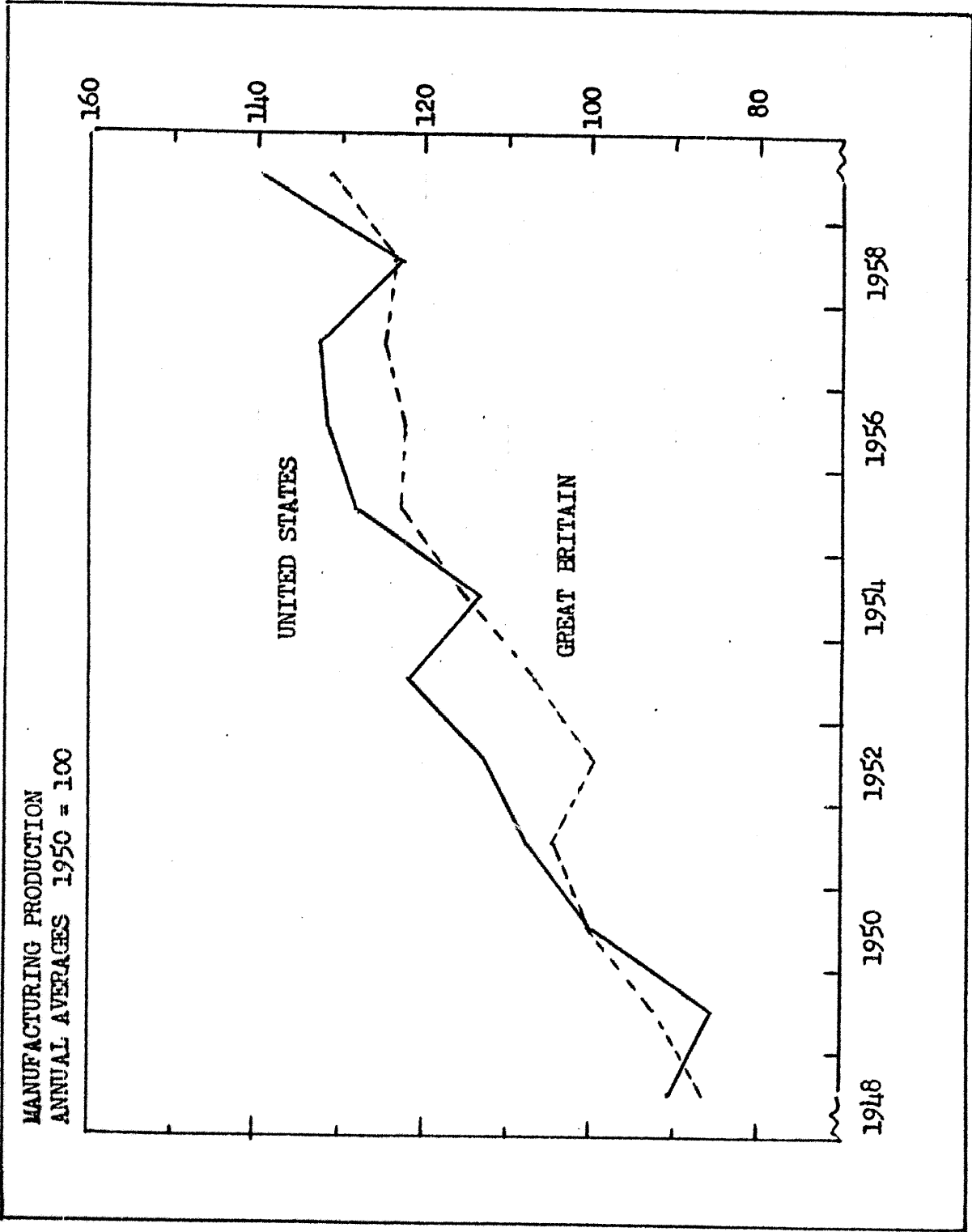


Table 1

Annual Average Unemployment Rates  
(Per cent)

	<u>Great Britain</u>	<u>United States</u>	<u>Difference</u>
1949	1.5	5.9	4.4
1950	1.5	5.3	3.8
1951	1.2	3.3	2.1
1952	2.0	3.1	1.1
1953	1.6	2.9	1.3
1954	1.3	5.6	4.3
1955	1.1	4.4	3.3
1956	1.2	4.2	3.0
1957	1.5	4.3	2.8
1958	2.1	6.8	4.7
1959	2.2	5.5	3.3

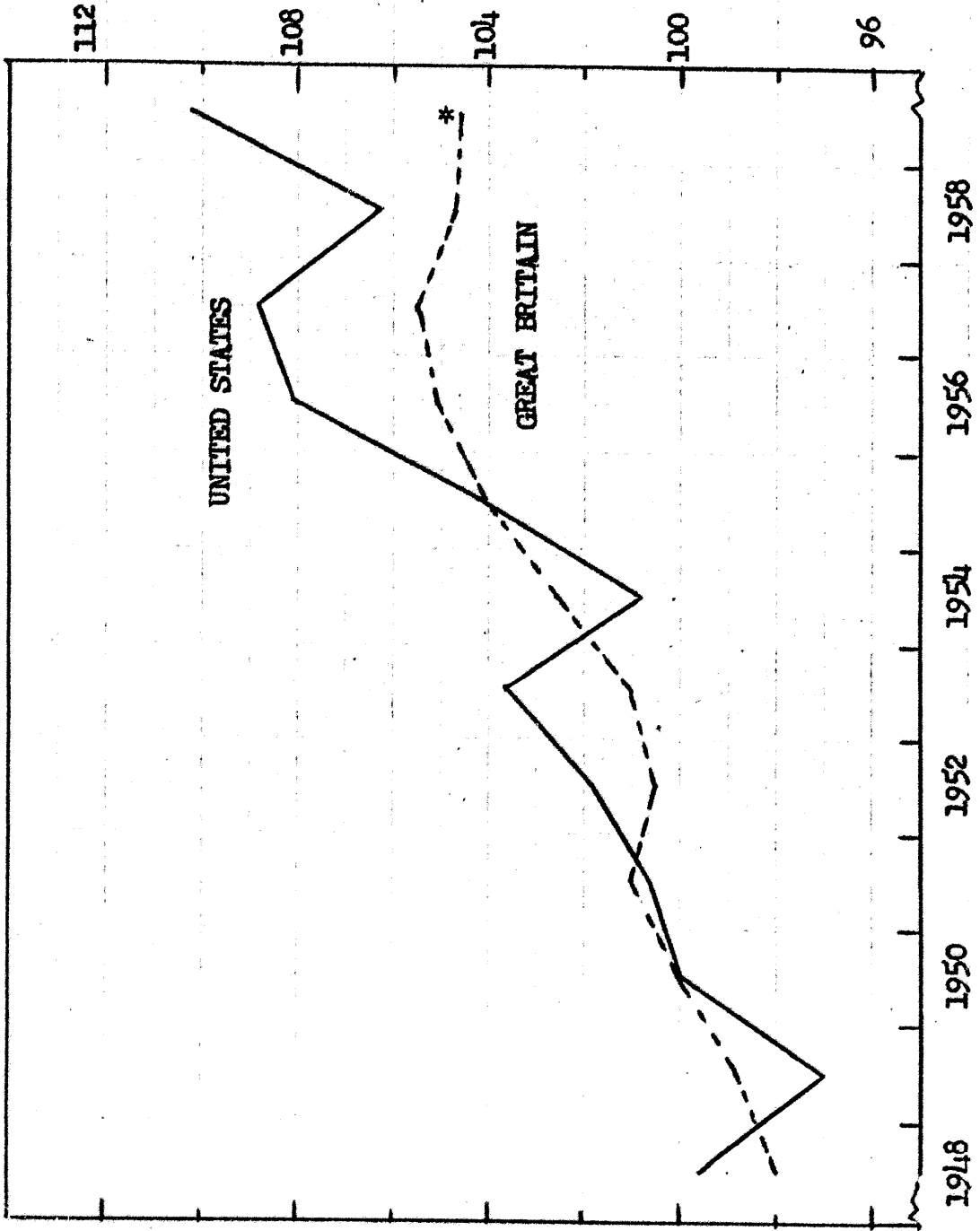
This paper attempts to determine whether the spread between published British and American unemployment rates is due primarily to differences in concept and measurement or to economic forces. Past efforts at explanation have usually emphasized one factor to the exclusion of others. For example, official British sources apparently attribute lower British unemployment rates almost entirely to the maintenance of a relatively higher level of aggregate demand relative to resource availability in Britain. On the other hand, some private writers have maintained that the difference would be largely or totally eliminated if both countries defined and measured unemployment in the same way.

Our major findings are that the American series provides a more comprehensive coverage of the unemployed than does the British series, but that higher American unemployment rates are only partially explained by differences in concept and measurement. Structural and socio-economic factors have clearly contributed to the persistence of higher unemployment rates in the United States. For example, important differences between the two countries can be found in the age-sex distribution of the population, educational levels, marital status, mobility rates, productivity levels and in the industrial distribution of employment. Even after all of these factors are taken into account, unemployment rates still appear higher in the United States than in Great Britain and the spread widened between 1951-53 and 1955-57.

During the 1950's, the labor supply potential increased more rapidly in the United States than in Great Britain, and so to a lesser extent did employment, as can be seen in Chart III. Growth in real

CHART III

TOTAL EMPLOYMENT - JUNE OF EACH YEAR  
1950 = 100



\* Estimated.

output was also greater in the United States, but not by a sufficient margin to keep American unemployment rates from rising relative to those in Great Britain. Between 1950 and 1959, Gross National Product in constant dollars rose by 34 per cent in the U.S., as compared with a 22 per cent increase in Great Britain. Manufacturing output rose by 39 per cent in the United States and 31 per cent in Great Britain in this period.

Available data do not permit precise quantitative estimates of the effects of all these factors on unemployment rates. Nevertheless, there are considerable advantages in estimating the range of importance of conceptual and socio-economic factors since then can we obtain, as a residual, some measure of the comparative tightness of the labor markets in the two countries. Rough quantitative estimates are presented in Section E.

Concept. The British unemployment series is a count of persons who register as unemployed on a specific Monday in each month in order to obtain either unemployment benefits or the job placement services of the Employment Exchange. The American series is based on a monthly household sample survey of the total noninstitutional population age 14 or over. It is an estimate of the total number of persons who did not work at all during the survey week and who said they were looking for work.

The British series is clearly not a total count of the unemployed since it excludes many voluntary quits, married women, elderly men, entrants or re-entrants to the labor force and others who for various reasons are not eligible for benefits or have little incentive to register for placement. The downward bias relative to the American series which results from these omissions is partially offset by the fact that unemployment is measured as of a single day in Great Britain rather than over an entire week as in the U.S. and by the exclusion of the self-employed from the denominator of the British unemployment rate. Our estimates indicate that differences in concept and measurement lead to an understatement of approximately .7 to 1.0 percentage points in the British unemployment rate.

Structure. An important part of the difference in unemployment rates is due to structural or socio-economic differences between the two countries. Although both are highly industrialized, they specialize in producing different things and have significantly different productivity levels. British productivity and hence standards of living are lower and this has had a profound influence on labor force participation and the intensity of labor utilization.

The biggest differences between the two countries in unemployment and participation rates are found among teenagers and women, and not



among adult males. In Britain, most young persons are part of the primary labor force. In the United States, most teenagers attend school, with many of them also holding down summer and part-time jobs. The British economy is organized to absorb younger workers directly into permanent employment while in the United States teenagers attending school form part of a pool of part-time labor which experiences frequent short spells of unemployment when entering or re-entering the labor market.

British women also have lower unemployment and higher labor force participation rates than American women. There is little overall difference in unemployment rates between men and women in Britain whereas in the U.S. women generally experience higher unemployment rates than men. In Britain, women are more likely to be permanently attached to the labor force, in part because lower incomes intensify the desire to increase family incomes but also because Britain has a greater proportion of single women than does America. A higher proportion of British women are in manufacturing and other full-time occupations whereas relatively more American women are working in services and other trades where employment is often part time and intermittent. The quantitative effects of these structural differences are not easily estimated since they vary over time both cyclically and for other reasons. Indeed, all important structural differences cannot be isolated. Our tentative adjustments indicate structural differences may account for as much as .5 to 1.0 percentage points in the unemployment spread.

Supply-demand. The impact of supply and demand forces on unemployment in the two countries can best be judged by comparing unemployment rates for men age 20-54. Almost all men in this age group are permanent members of the labor force and are less affected by structural and conceptual factors than are persons in other age-sex groups. Unemployment rates for men in these prime working ages show a smaller inter-country disparity than total unemployment rates. Significantly they show the same trend as the over-all series, as can be seen in Section E. On the basis of adult male unemployment rates, adjusted for differences in concept, British rates were equal to or higher than American rates in 1952-53, but by 1955-57 were from 1-1/2 to 2 percentage points lower. This rise in American male unemployment rates relative to those in Great Britain can be attributed to differences in the intensity of general demand pressures and in the growth of labor resources. American unemployment rates were unusually low in 1952-53, in part because a considerable number of young men were in the armed forces. The rise in unemployment rates after 1953, however, reflected something more than a return to normal peacetime levels of frictional unemployment. If the rise had been due only to this, then most of the increase would have shown up among persons unemployed for four weeks or less. In fact, both intermediate- and long-term unemployment rose considerably in the U.S. after 1953.

A detailed analysis of demands and resource availability in the two countries is outside the scope of this paper. However, two factors warrant separate treatment: the more rapid growth in the United States in output per man and in the population of working age. The United States, with higher productivity rates, has been able to raise output with relatively less need for labor than Great Britain. On the supply side, the British population of working age has shown a percentage increase only one-fifth as great as that reported in the U.S. The working age population in Great Britain, in fact, has increased less than the civilian labor force. Consequently, British labor force participation rates have been moving up since 1951, whereas little trend is observable in the over-all American participation rate. America has, on balance, been able to satisfy its labor requirements by tapping an increasing working age population, while Britain has had to rely to a greater extent on a more intensive utilization of the existing labor supply.

## B. Concept and Measurement

American and British unemployment statistics are based on different concepts and employ different techniques of measurement. Each series classifies as unemployed certain categories of persons who would not be so considered in the other country. On the whole, the British series provides a less comprehensive coverage of the unemployed; the British Census of April 1951 affords some evidence of the understatement involved. However, the fact that the spread between British and American unemployment rates has varied considerably over the postwar period strongly suggests that differences in concept and measurement account only in part for the lower level of British unemployment rates.

The American unemployment series is an estimate of the total number of persons who did not work at all and who claimed they were looking for work during the survey week.<sup>1/</sup> It is based on a sample household survey of the total noninstitutional population 14 years of age and over, conducted monthly by the Bureau of the Census and the Department of Labor. The British series, on the other hand, is a count of persons registered as unemployed on a specific Monday in each month. Persons are counted as unemployed only if they register at Employment or Youth Exchanges, and the incentives for registration in some instances are small. Unemployed persons can register in order to secure the use of the Ministry of Labour's employment service, regardless of whether or not they are eligible for unemployment compensation.<sup>2/</sup>

Differences in coverage. The British count of the number of registered unemployed excludes a considerable number of persons classified as unemployed in the U.S. Nonregistrants can be classified into two categories: (1) workers eligible for unemployment benefits may choose not to register immediately since this involves the possibility of having to accept a relatively undesirable job, if offered, on penalty of being

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<sup>1/</sup> In addition, persons are classified as unemployed if they are waiting for the results of a job application filed within the preceding 60 days; are waiting to be called back from layoff or to report to a new job within the next 30 days; or would have been looking for work except that they were temporarily ill or believed that there were no jobs available in their line of work or community.

<sup>2/</sup> The number of uninsured persons who register as unemployed is believed to be small. All employed persons became insurable in July 1948. Married women were the only group who opted in large numbers not to be covered by the scheme. Devons, E. An Introduction to British Economic Statistics, (Cambridge University Press 1956) page 69.

disqualified from benefits;<sup>3/</sup> and (2) unemployed persons who are not eligible for benefits under the National Insurance Act often choose not to register due to the ready availability of jobs in the tight labor markets of recent years. Included in this group would be married women and elderly persons over retirement age who have elected not to join the insurance scheme, some new entrants to the labor force, and unemployed persons who voluntarily left their last job. Unemployed persons who are sick are also excluded from the unemployment count.<sup>4/</sup>

During the postwar period in Great Britain, there has been a considerable number of workers leaving jobs voluntarily, in order to shop around in the hope of improving their positions.<sup>5/</sup> Many of these workers undergo at least brief periods of transitory unemployment. Information on the number of voluntary quits is not available for Great Britain. While labor mobility in Britain is believed to be considerably less than in the U.S. (see Section C-3), the voluntary quit series for American manufacturing provides some indication of the importance of this sort of labor turnover. During the 1955-57 period, there was an average annual rate of 20 quits for every 100 employed workers in American manufacturing industries. The exclusion of most voluntary quits and of many entrants or re-entrants to the labor market is quantitatively the most important of the omissions in the British series. The U.S. Department of Labor has estimated that during the years 1955-57, a period of relatively full employment, voluntary quits accounted for roughly 10 per cent of the unemployed in the U.S. and entrants or re-entrants to the labor market for an additional 20 per cent.<sup>6/</sup>

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<sup>3/</sup> H. A. Turner, "Employment Fluctuations, Labour Supply and Bargaining Power," The Manchester School of Economic and Social Studies, May 1959, page 179. Some delay in registration for unemployment compensation is also apparent in the U.S. Local surveys have indicated that a considerable number of eligible workers do not register until after at least some weeks of unemployment.

<sup>4/</sup> In the U.S., persons who are employed and ill are classified as with job, but not at work; persons without jobs who are disabled or seriously ill are classified as outside of the labor force. Persons who state that they are without jobs and would be looking for work, except for the fact that they are temporarily ill are classified as unemployed.

<sup>5/</sup> H. A. Turner, loc. cit.

<sup>6/</sup> The U.S. Department of Labor, Bureau of Labor Statistics, The Extent and Nature of Frictional Unemployment, page 1. Materials Prepared in Connection with the Study of Employment, Growth and Price Levels, Joint Economic Committee, Congress of the U.S., 86th Congress, November 9, 1959.

In other instances, however, the British unemployment series has both a wider coverage and an upward bias relative to the American series. The British enumerate as unemployed all those who are so registered as of a given Monday of the month, including persons registered at an earlier date and still seeking work, and any person who during the ensuing week can prove he was unemployed on the count day. Consequently, persons who find a job later in the week and many persons who have a job on the enumeration Monday but are on a short workweek are listed as unemployed. The American labor force series, on the other hand, accords priority to employment over unemployment, and anyone who performed any work for pay or profit during the survey week is classified as employed. The American series counts as unemployed only those who were without jobs and looking for work during the entire survey week.<sup>7/</sup>

Comparisons of British and American unemployment are usually based on unemployment rates (the level of unemployment divided by some measure of the labor force) rather than on the absolute level of unemployment. Comparison is affected by differences in definition and measurement of the labor force as well as of unemployment. In the U.S., the denominator of the unemployment rate is the civilian labor force, which includes all persons employed or unemployed. The denominator of the British rate is the employee work force, a series which excludes the self-employed. This exclusion gives the British series a significant upward bias relative to American rates. Table 2 below indicates the upward adjustment in American rates which would be necessary if the self-employed were excluded from both the unemployment and labor force series.<sup>8/</sup>

Table 2  
U.S. Unemployment Rates  
(Per cent) - -

<u>May</u>	<u>Published rate</u>	<u>Adjusted to exclude self-employed</u>
1951	2.9	3.5
1952	2.9	3.5
1953	2.5	2.9
1954	5.7	6.8
1955	4.2	4.9
1956	4.2	5.1
1957	4.0	4.7
1958	7.1	8.3

<sup>7/</sup> Persons who entered the labor force during the survey week and do not find a job in that period are also counted as unemployed.

<sup>8/</sup> Mandatory insurance coverage of self-employed persons was provided by the Act of 1946, but substantial numbers have apparently refrained from registering. Ely Devons, op. cit., pages 55-56. The amount of unemployment among the self-employed is relatively small and the number registered as unemployed is believed to be insignificant.

Magnitude of differences. On balance, the British series affords a less comprehensive coverage of the work activity of the population and of the number of unemployed. There is considerable variance in published estimates of the quantitative importance of intercountry differences in concept and measurement, and the extent of the relative understatement in the British series is still an open question. Turner, in writing of the 1958 recession, estimates the official unemployment rate of 2.4 per cent for November of that year would probably have to be more than doubled if measured by a method comparable to that of the U.S.<sup>9/</sup> In contrast, the London Economist for December 13, 1958, implies in its discussion of "hidden unemployment" that the appropriate increase in the official rate for October 1958 would be less than 50 per cent.<sup>10/</sup> Finally, the Minister of Labour in February 1959 refused to admit that the British registration statistics underestimated unemployment as compared with the system used in the U.S. In fact, he said, "There is an enormous statistical error latent . . . in the American sampling system."<sup>11/</sup> This latter argument can be dismissed in view of the consistency of the differences shown over an extended period. In late 1959, the U.S. Department of Labor reported that the average standard error of the unemployment estimate, as computed over a recent 12-month period, was one hundred thousand. In short, the sampling error implicit in the American series (plus or minus approximately 8 per cent at 2.6 standard errors) is not sufficiently large to prejudice its comparability with the British series.

In our view, the most important clues available as to differences due to measurement are provided by the time path of the respective unemployment rates, by the British Census of April 1951, and by the age-sex distribution of unemployment in the two countries. These clues indicate that conceptual and measurement differences account for some but hardly all of the spread between unemployment rates in the two countries.

Unemployment rates during the postwar period have been consistently higher in the U.S. than in Great Britain. Differences in concept and measurement could account for a relatively stable difference between the American and British rate. This difference would not be absolutely constant but would change somewhat over time with shifts in the quantitative importance of various age-sex groups in the two countries. The difference between the British and American rates from year to year has, however, not been constant nor has there been any consistency in the direction or rate of change.

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9/ Turner, op. cit., page 183.

10/ The Economist, December 13, 1958, page 1,010.

11/ Hansard Oral Questions, Mr. Macloed and Mr. Seingler, February 25, 1959, pages 1098-1099.



The second important clue is provided by the British Census taken as of midnight April 8-9, 1951. The Census listed as unemployed 445,000 persons or 2.0 per cent of the "occupied population."<sup>12/</sup> The Census definition of unemployment -- out of work and looking for work -- is more nearly akin to the American concept than to the monthly British registration series. The number of persons reported unemployed by the Census was considerably higher than the number of registered unemployed who on April 16, 1951, totaled 253,000 or 1.2 per cent of the total number of employees. The Census reported higher unemployment rates among every age-sex group than was shown by the registration data. The biggest differences occurred among teenagers, Census estimates being approximately three times higher than those of the Ministry of Labour.<sup>13/</sup> This supports the thesis that many young persons entering the labor force may not register until they have located work and probably do not go to an employment exchange when changing jobs. Turner points out that men in engineering and building and women in catering trades made up a considerable proportion of those reported unemployed by the Census. Since job mobility is quite high in some of these industries, this suggests further that voluntary quits may have made up a considerable part of the difference between the registration figure and the Census estimates.<sup>14/</sup>

The British Census estimate of 2.0 per cent was lower than the American unemployment rate of 2.8 per cent in mid-April. The major differences are found among younger and older persons. Among persons age 20-54, unemployment rates in the two countries were quite similar. British rates were strikingly lower than American rates in the 15 to 19 year old group. On the other hand, among persons ages 55 and over, unemployment rates were somewhat higher in Britain than in the U.S.

Two separate adjustments for differences in concept and measurement were attempted in Section E. They suggest that the understatement in the British unemployment series is in the approximate range of .7 to 1.0 percentage points. The first adjustment was of the American series. On the basis of the previously cited Department of Labor study of frictional unemployment, the American unemployment total was reduced to exclude voluntary quits, entrants and re-entrants. The self-employed were then subtracted from the denominator of the unemployment rate. As

<sup>12/</sup> Great Britain, Census of Great Britain, One Per Cent Sample -- Part I, 1952.

<sup>13/</sup> Age-sex comparisons are based on registration data for June 1951, the nearest month for which the Ministry of Labour compiles an age-sex distribution of the unemployed. The age groupings employed by the Ministry of Labour are not identical with those of the Census, but are close enough for comparisons to be made. Findings must be qualified since seasonal changes and the continued cyclical expansion between April and June might have somewhat altered the age-sex distribution of unemployment.

<sup>14/</sup> Turner, op. cit., page 180.

an alternative, the British series was adjusted upward on the basis of the two-thirds higher unemployment rate reported by the Census. This adjustment is quite tentative. One Census observation is hardly sufficient to determine an adjustment factor since the understatement involved in the British registration statistics may vary over time for seasonal, cyclical or secular reasons.

Critics frequently assert that the British unemployment series fails to measure the total impact of reduced demand on the workforce since fluctuations in the amount of overtime and short-time work are not fully taken into account. Another criticism is that the British series does not take account of the fact that labor force growth is often retarded during recessions because many people, aware of the difficulties in finding a good job, decide not to engage in job-hunting.<sup>15/</sup> All of these criticisms apply to both countries; in neither country does the unemployment count provide a measure of the additional manhours of work potentially forthcoming if demands were higher.

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<sup>15/</sup> For a treatment of this problem see: Turner, op. cit.; Hansard, Parliamentary Debate on Unemployment, December 17, 1958.



C. Structural factors

An important part of the difference between British and American unemployment rates is due to structural or socio-economic dissimilarities between the two countries. Even if both countries were to define unemployment in the same way and were subject to identical supply-demand conditions, American unemployment rates would be generally higher than British. Structural factors may account for .5 to 1.0 percentage points of the spread between British and American rates (see Section E). This divergence is not surprising.

Although both countries are highly industrialized, there are substantial differences in their industrial structures. They do not specialize in producing the same things nor do they employ the same techniques or amounts of capital per worker. The capital labor ratio and output per manhour are considerably lower in Great Britain.<sup>16/</sup> This is reflected in a lower average standard of living and a more intensive utilization of labor in Britain than in America. The average workweek is from 5 to 6 hours longer in Great Britain. The age structure of the population is also conducive to more intensive use of labor in Britain. The British do not have a population bulge in the younger age groups as we do. A considerably higher proportion of their population is in the prime working ages. All of these factors influence the structure of the labor market and worker attitudes towards job attachments as, of course, do diversities in the pattern of industrial and cultural development.

Substantial difference exists between the two countries in the labor force participation rates of the various age-sex groups.<sup>17/</sup> These distinctions are largely offsetting and over-all participation rates are quite close, with British rates being slightly higher both for the total

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<sup>16/</sup> Output per worker in the United States is estimated to be 172 to 215 per cent higher than in the United Kingdom. Deborah Paige and Gottfried Bomback, A Comparison of National Output and Productivity of the United Kingdom and the United States. Joint study by the OEEC and the Department of Applied Economics of the University of Cambridge, Paris, 1959, page 24.

<sup>17/</sup> In the U.S., the civilian labor force includes employees and the self-employed. British labor force data, on the other hand, are restricted to employees. As a consequence of this omission, published British statistics show that the labor force participation rate for the total population and particularly for men in the prime working ages is substantially lower than in the U.S. The British Census of 1951 indicates that the self-employed comprised 10.8 per cent of the male working age population and 2 per cent of the female population. British participation rates shown in Appendix Table 1 were constructed on the assumption that these percentages remained relatively unchanged through 1958. The resulting participation rates are then somewhat higher than in the U.S.

working age population and among males and females. An age-sex analysis of the labor force indicates that the lack of similarity in unemployment and participation rates between the two countries is not nearly as great for men in the prime working ages as among the younger participants and women.

1. Unemployment and participation rates

The prime working ages (20-54). Unemployment rates among males in the two countries in the 20-54 age category were quite close in the 1952-53 Korean War period (see Table 3). The differences in prime male unemployment rates in the two countries remained less than intercountry differences for teenagers and women in subsequent years. Unemployment rates among women in the prime working ages in Britain is on balance close to the rates reported for men in this category, with rates somewhat higher than for men in the Korean War period and almost the same in later years. In the U.S., in contrast, unemployment rates for women have been higher than for males.

Table 3

Unemployment Rates - 20-54 Age Group  
(Annual averages - midyear data)

<u>Years</u>	<u>Per cent</u>					
	<u>Males</u>			<u>Females</u>		
	<u>U.S.</u>	<u>G.B.</u>	<u>Differ- ence</u>	<u>U.S.</u>	<u>G.B.</u>	<u>Differ- ence</u>
1952-53	2.1	1.1	1.0	2.9	1.7	1.2
1955-56	3.4	.8	2.6	4.3	.9	3.4
1957-58	4.9	1.4	3.5	5.6	1.3	4.3

Note: See Appendix tables for sources and description.

Male labor force participation rates are also strikingly similar in both countries in the prime working ages, as can be seen from Table 4. In Britain, participation rates for women in the prime working age group are from 3 to 5 percentage points higher than in the U.S. with a tendency for American participation rates to increase somewhat more rapidly than British in recent years.

Table 4

Labor Force Participation Rates - 20-54 Age Group  
(Midyear data)

<u>Years</u>	<u>Per cent</u>			
	<u>Males</u>		<u>Females</u>	
	<u>U.S.</u>	<u>G.B.</u>	<u>U.S.</u>	<u>G.B.</u>
1952	96.3	94.7	39.7	42.8
1955	96.1	95.1	40.3	45.4
1958	95.8	95.8	43.3	46.0

Note: See Appendix tables for sources and description.

Teenagers (15-19). The most striking difference between unemployment and participations rates in the two countries is in the 15-19 year old age group. During 1953, the year of greatest correspondence in rates, 5.5 per cent of the American teen-age labor force was reported as unemployed in midyear, compared with less than one per cent of the British (see Table 5). The rates exhibited their greatest divergence in the recession of 1958 when 16 per cent of the American teen-age labor force was unemployed at midyear compared with only 1.5 per cent of the British. In Great Britain in 1957, teenagers accounted for some 12 per cent of the labor force and about 10 per cent of total unemployment. In contrast, this group accounted for only 7 per cent of the American labor force but 15 per cent of its unemployment.

Table 5

Unemployment Rates - 15-19 Age Group  
(Annual averages - midyear data)

<u>Years</u>	<u>Per cent</u>					
	<u>Males</u>			<u>Females</u>		
	<u>U.S.</u>	<u>G.B.</u>	<u>Differ- ence</u>	<u>U.S.</u>	<u>G.B.</u>	<u>Differ- ence</u>
1952-53	7.3	1.0	6.3	7.8	1.2	6.6
1955-56	10.4	.6	9.8	12.7	.6	12.1
1957-58	13.4	1.4	12.0	14.2	1.0	13.2

Note: See Appendix tables for sources and description.

The British unemployment figures for the 15 to 19 age group raise some questions in that they show English teenagers with lower unemployment rates than their elders, both in periods of recession and prosperity. In contrast, unemployment rates are substantially higher in the U.S. among teenagers, both male and female, than among any other age group. In general, it seems highly improbable that unemployment rates would be lower among young, relatively inexperienced and low seniority workers than among older workers with more experience and seniority. The comprehensiveness of the registration data for this group appears to be deficient; the 1951 Census provides some evidence of the magnitude of understatement. The Census shows a teen-age unemployment rate of 2 per cent in April 1951 while registration data indicate a .6 per cent rate in June 1951 despite the fact that teen-age unemployment rates might be expected to rise between April and June as schools let out. The higher rates shown by the Census are still substantially lower than teen-age rates in the U.S.

The proportion of teenagers participating in the labor force in Britain is considerably higher than in the U.S. Furthermore, participation rates for the 15-19 year age group has been rising in Britain since 1952 and falling in the United States (see Table 6). British teen-age females have higher participation rates than British teen-age males. In contrast, younger females in the U.S. have markedly lower participation rates than do American teen-age males.

Table 6  
Labor Force Participation Rates - 15-19 Age Group  
(Midyear data)

<u>Years</u>	<u>Per cent</u>			
	<u>Males</u>		<u>Females</u>	
	<u>U.S.</u>	<u>G.B.</u>	<u>U.S.</u>	<u>G.B.</u>
1952	51.8	65.5	34.6	77.2
1955	48.8	69.2	30.1	78.6
1958	48.8	71.3	32.5	74.8

Note: See Appendix tables for sources and description.

55 years and over. Differences in unemployment rates are narrowest among workers 55 years of age and over. In both countries, unemployment rates tend to be somewhat higher for men past age 55 than for those in the 20 to 54 age bracket. In the United States, this

relationship is reversed during recession years, reflecting greater seniority and consequently a lower incidence of layoffs among older men; in addition when older men are laid off, they tend to withdraw from the labor force. In the U.S., unemployment rates have generally been higher among women than men for all age groups except for the group 55 and over. In Britain, unemployment rates for men and women are very close, although in the age group 55 and over women in Britain also have slightly lower unemployment rates than men. An important difference between the countries is the considerably higher participation rates for American workers age 55 and over than in Britain. This may be ascribed to a more liberal pension system for a larger percentage of the population in Britain and to the fact that agriculture, in which persons continue to be employed to a much older age, is relatively less important in Britain.

## 2. Analysis of the structural differences

It is clear from the previous examination of unemployment and participation rates that the two countries diverge in important respects in the use of male and female labor and in the use of workers of different ages. The principal factors accounting for these differences will be examined in the following sections.

The teenager and education. There is a vast difference in the labor force orientation of teenagers in Britain and the U.S., a phenomenon largely explained by the fact that youths in England complete their formal education at an earlier age than in the U.S. In America, the school leaving age is usually from 17 to 18 years of age; in Britain it is 15 years. Between 65 and 70 per cent of the population in the 15 to 19 age group attends school in the U.S. compared with about 11 per cent in Britain.<sup>18/</sup> Furthermore, in the U.S. male and female teenagers attend school in about the same proportion; in Britain only 8 per cent of the females ages 15-19 were in school in 1951 compared with 14 per cent of the males. Teenagers in England, and particularly females, thus become permanent members of the primary labor force at a relatively young age. By contrast, a considerable proportion of American teenage labor force participants are students who engage only in part-time or part-year work. The greater American stress on lengthy secondary education results in a reservoir of part-time and part-year labor which experiences frequent short spells of unemployment when they shift jobs or enter and re-enter the labor market.

Between April and June of the past three years, for example, unemployment among persons between the ages 14 to 19 has risen by an average of 650,000 in the U.S. In Britain, on the other hand, unemployment falls seasonally in May and June. Unemployment rates for British

18/ 1951 Great Britain, Census, op. cit.

teenagers are not available monthly, but official sources do indicate that some 500,000 males and females enter full-time employment each year, after leaving full-time schooling. The vast bulk of these are 15 years of age.<sup>19/</sup> The average teenager enters the labor force at a far younger age in Britain than in the U.S. The British teenagers enter an industrial structure set up to employ them immediately in full-time occupations -- a large number of males go into skilled crafts as apprentices, and the females go largely into clerical work.

Women in the labor force. In both Britain and the U.S., women have accounted for much of the postwar expansion in the labor force. As a secondary reservoir of labor, they have shown great adaptability to employment opportunities. During periods of high labor demand, women have entered the labor market in great numbers, while during periods of recession, their rate of entry has been greatly reduced and at times there have been net withdrawals.

In Britain, women account for a somewhat higher proportion of the total labor force than in the U.S., due to the combined influence of a slightly higher percentage of women in the British population and a slightly higher female labor force participation rate. Of particular importance is the fact that British women are more likely to have full-time jobs and permanent attachment to the labor force than are American women. Consequently, British women probably experience a lesser rate of turnover and of transitory unemployment. There are several reasons for this. There is a higher percentage of single women in England and hence more women who are primary labor force members; primary income earners must remain in the labor force regardless of demand conditions and must seek permanent full-time employment.

Differences in marriage rates are particularly sharp amongst teenagers; 13 per cent of American girls age 15 to 19 are married as compared with 6 per cent in Britain. In the U.S. in 1957, 67 per cent of all women over age 15 were married, in Britain only 63 per cent. Furthermore, a relatively large proportion of women employed in the U.S. are working in services (including domestic service) and trade, areas where their employment is often part-time, intermittent and seasonal. In Britain, on the other hand as can be seen in Appendix Table 10, a higher proportion of women are engaged in manufacturing and other pursuits where employment tends to be more permanent.

In the U.S., women, like teenagers, have relatively high unemployment rates because many of them have only a casual adherence to the work force and seek part-time or part-year employment. Thus there

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<sup>19/</sup> Ministry of Labour Gazette, October 1958 and June 1959; article entitled: "Young Persons Entering Employment."

exists almost continuously a large number of teenagers and women who are just entering or re-entering the labor market. These persons may be unemployed for brief periods of time while hunting a job. Since many of them are employed in seasonal activities, they may also be reported as unemployed in the interim after a job terminates and before they secure new employment or leave the labor force.

Mobility and distribution of labor. The widely held view that the British worker is less mobile than his American counterpart is confirmed by official statistics on separation rates in manufacturing, as can be seen in Appendix Table 12. The British measurement of turnover has a downward bias relative to the American series, but the difference between rates in the two countries is sufficiently great to be considered significant. Unfortunately, separation data on quits and layoffs are not available; consequently, it cannot be determined whether lower labor turnover in Britain results mainly from a greater attachment to the job on the part of the worker or a greater reluctance to layoff workers on the part of employers, or, as seems likely, some combination of both factors. In any event, lower turnover among British employees results in a lower rate of transitory unemployment.

The industrial distribution of employment in the two countries is quite different. Secondary industries are more important in England, tertiary in the U.S. In 1957, 52 per cent of the wage and salary workers in Britain were employed in manufacturing, construction and mining, as compared with only 38 per cent in the U.S. It is these industrial activities which normally have the highest unemployment rates and are most cyclically sensitive. On the other hand, 52 per cent of American wage and salary workers were employed in services, trade and public administration, compared with 34 per cent in Britain (see Appendix Table 9). In these tertiary industries, unemployment rates are normally relatively low and display a good deal of cyclical stability. The differences in industrial distribution and in the relative importance of agriculture in the two countries are the main structural factors tending to give British rates an upward bias relative to American rates. These factors affect prime working age males as well as members of other age-sex groups.

Unemployment data by industry show that workers in every major industrial grouping have higher unemployment rates in the U.S. than in Great Britain, demonstrating again the pervasiveness of the differences in reported unemployment rates in the two countries.<sup>20/</sup> Intercountry differences are most significant in mining, construction and manufacturing, and are smallest in services and public administration, as can be seen in Appendix Table 7.

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<sup>20/</sup> Comparison has been confined to broad industrial groups since it is difficult to find comparable groups on a more detailed basis.



The differences are particularly sharp in construction. This may be due in part to the impermanent nature of job attachments in this industry and to the failure of British workers to register as unemployed in the interim between jobs. It may be noted that the British rate in manufacturing was higher than the American rate in 1952 due to the severe textile crisis.<sup>21/</sup>

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<sup>21/</sup> Turner, "Measuring Unemployment," Journal of the Royal Statistical Society, Part K, 1955. This article discusses the textile recession of 1952 and how the figures on registered unemployment seriously understated the true state of affairs.



D. Supply-Demand: The labor market

Differences in concept and socio-economic factors do not fully explain the fact that American unemployment rates have been consistently and substantially higher than British rates. As was noted earlier, the compression of this spread in unemployment during 1952-53 and its subsequent rise suggest varying degrees of tightness in the labor markets of the two countries as a primary explanation of differences in unemployment rates. For example, in 1955-57, American rates averaged 3.0 percentage points higher than British rates. Our analysis (See Section E) would suggest that differences in the comparative tightness of labor markets in the two countries may have accounted for about one-half of this spread.

The rise in British labor force participation rates and the relative stability in American participation rates since 1951 tend to confirm the hypothesis that the demands exerted on the labor force have been relatively greater in Britain than in the U.S., even though employment showed a greater increase in the U.S. Part of the explanation for tighter British labor markets is to be found in slower rates of growth in the population of working age and in productivity in Great Britain. A fuller explanation would require a detailed analysis of demands and resource availability in the two countries, a task beyond the scope of this paper.

American unemployment rates were slightly more than one percentage point greater than British rates in 1952-53, a spread easily amendable to explanation by socio-economic and conceptual factors. Demands were unusually pressing in the U.S. during this period due to the Korean War while they were somewhat slack in Britain, particularly for soft goods. After 1953, the American armed forces were reduced, defense outlays were cut, and a good part of the backlog of consumer and producer demands held over from World War II had been satisfied. Aggregate demands remained relatively high and employment continued to grow aside from cyclical interruptions, but unemployment rates showed upward tendencies. The American unemployment rate was higher in the 1957-58 recession than in the 1953-54 recession. It was higher during the 1955-57 boom than in 1952-53, and has been higher thus far in the 1958-60 expansion.

In contrast, Great Britain experienced an excess demand for labor during much of the period. Registered unemployment exceeded unfilled vacancies only in the recession years of 1952-53 and 1958-59, as can be seen in Appendix Table 8. There was no indication of any uptrend in British unemployment rates, cyclical change aside, until 1958-59. In

British and American Unemployment

fact, British unemployment rates were lower during 1954-56 than they had been during such high demand years as 1949-50.<sup>22/</sup>

The rise in U.S. unemployment rates after 1953 was in part due to reductions in the size of the armed forces and in defense expenditures, but it reflected something more than a return to normal peacetime levels of frictional unemployment. If the rise had been due only to this, then most of the increase would have shown up among persons unemployed for four weeks or less. In fact, both intermediate- and long-term unemployment rose after 1953. In June 1953, less than one-tenth of one per cent of the U. S. labor force had been unemployed for six months or more. The proportion rose to almost four-tenths of one per cent by June of 1957 and to nine-tenths of one per cent by June of 1959. In Great Britain, the proportion of persons unemployed over 26 weeks actually declined between 1953 and 1957, rising only during the recession of 1958-59. Unemployment for periods ranging from 5 to 26 weeks showed similar trends in the two countries, as can be seen in Appendix Table 5.

Population and productivity. Since 1951, population has shown a much more rapid increase in the United States than in Great Britain, as can be seen in Table 7. There has been some net emigration from Great Britain over this period, but the difference is due primarily to a considerably lower British birth rate. More germane to the problem of labor supply, the working age population (defined in this paper as age 15 or over) in the U.S. has shown a percentage increase 5 times greater than that shown in Britain. Employment and labor force have also grown more rapidly in the U.S. than in Great Britain.

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<sup>22/</sup> It has been suggested that the British labor supply has gradually become better adapted geographically and occupationally to the patterns of demand, and that this has led to some downward drift in unemployment. For a discussion of this development in the postwar years prior to 1950, See J.C.R. Dow and L.A. Dicks-Mireaux "The Excess Demand for Labour," Oxford Economic Papers, February 1958, page 3. Great Britain, Information Division of the Treasury, Bulletin for Industry, No. 125, December 1959, provides recent evidence.

British and American Unemployment

Table 7

Population and Labor Force

	<u>Mid-1951</u>	<u>Mid-1957</u>	<u>Absolute</u>	<u>Per cent</u>
	<u>(000's)</u>		<u>change</u>	<u>change</u>
<u>Great Britain</u>				
DeFacto population	48,854	50,057	1,203	2.5
Working age population	37,905	38,499	594	1.6
Civilian labor force <sup>a/</sup>	22,393	23,480	1,087	4.8
<u>United States</u>				
Civilian noninstitutional population	153,384	170,293	16,909	11.4
Working age population	106,680	115,581	8,901	8.3
Civilian labor force	63,845	69,624	5,779	9.1

a/ Total in civil employment plus wholly unemployed.

In Great Britain, the labor force has grown at a considerably more rapid rate than has the working age population, while in the United States the labor force has shown only a slightly larger rate of increase. British civilian labor force participation rates have consequently been moving upward since 1951, after allowing for cyclical and irregular fluctuations. This has been particularly true among younger and older persons. This uptrend in labor force participation reflects the sustained adjustment of the labor force to a consistently high level of demand. On the other hand, American participation rates showed little uptrend during this period, lower participation among teenagers and older men being largely offset by higher participation among middle-aged and elderly women. In interpreting the table below, it should be recognized that a rise of 1-1/2 to 2 percentage points in labor force participation rates within the span of less than a decade represents quite a significant adjustment in labor supply. On net, American labor requirements during the 1950's have been largely satisfied from an increasing working age population, while to a considerable extent, British labor demands have been met only by a more intensive use of the existing labor supply.

Table 8

Labor Force Participation Rates

	<u>Per cent</u>	
<u>May</u>	<u>Great Britain</u>	<u>United States</u>
1951	59.1	58.6
1952	59.0	58.3
1953	59.1	57.7
1954	59.8	58.1
1955	60.4	58.0
1956	60.8	59.6
1957	61.0	58.8
1958	60.7	58.9

Labor requirements per unit of output have been reduced most sharply in the U.S. An OEEC study estimated that output per worker rose 3 to 5 per cent more in the U.S. than in the United Kingdom between 1950 and 1957. The lower estimate in the range was derived by measuring real product in the two countries by U.K. prices, the upper estimate is based on U.S. price weights.<sup>23/</sup> The U.S. would show a somewhat larger advantage if productivity change were estimated on the basis of output per manhour rather than output per worker, since average hours worked showed diverse trends in the two countries. British hours were up slightly while American hours were down a bit, especially when the increase in paid holidays and vacations is taken into account. Lomax has estimated that manufacturing output per production worker manhour rose at an annual rate of 3.1 per cent in the U.K. between 1949 and 1955-56, as compared with a 3.7 per cent rate of increase in the United States.<sup>24/</sup> The more substantial economization in the use of labor in the U.S. during the 1950's has contributed to the establishment of relatively easier American labor market conditions.

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<sup>23/</sup> Deborah Paige and Gottfried Bombach, op. cit., p. 25.

<sup>24/</sup> K. S. Lomax, "Production and Productivity Movements in the United Kingdom Since 1900," Journal of the Royal Statistical Society, Vol. 122, Part 2, 1959, p. 203.

### E. Quantitative Appraisal

How important quantitatively are differences in concept and structure? What proportion of the spread between British and American unemployment rates is accounted for by these factors? Would British unemployment rates be higher than American in some years if adjustments could be made for differences in concept and structure? It is unfortunately not possible to construct comparable unemployment series for the two countries since the required data are either unavailable or available only for limited time periods.

It is, however, possible to make some rough tentative adjustments to both the British and American series. These adjustments indicate a plausible range of differences in concept and structure; residually they roughly indicate the importance of changes in supply and demand forces. In those cases where the selection of an adjustment factor required some more or less arbitrary decision, we have tended to choose the factor which would maximize the size of the conceptual adjustment.

Using different and possibly equally defensible methods, other observers could obtain results different from those shown below. However, any reasonable method chosen would have to conclude that British labor markets have been tighter than American throughout the past decade, with the possible exception of 1952-53.

Adjustment 1 (Concept). The U.S. Department of Labor has estimated that in the relatively full employment years of 1955-57, voluntary quits accounted for 10 per cent and entrants and re-entrants into the labor force for 20 per cent of total unemployment. Some persons in these two groups do register at Employment Exchanges in Britain, but the evidence indicates that most do not. In order to achieve comparability, American estimates of total unemployment were reduced by 30 per cent for the high employment years of 1951-1953 and 1955-57. Adjustments were not made for the years 1954 and 1958-59, since estimates of the relative importance of voluntary quits, and of entrants and re-entrants as causes of unemployment during recession and recovery periods are not available.

The denominator of the published American rate is the civilian labor force which consists of all employees plus unpaid family workers and the self-employed. The denominator of the published British rate consists only of all employees. The American unemployment total obtained in the previous step was divided by the civilian labor force adjusted to eliminate the self-employed and unpaid family workers. These adjustments, in part offsetting, lowered the American unemployment rate by .4 to .7 of a percentage point. They account for some of the major differences in concept between the American and British series, but not for all of them, as the reader may check by turning to Section B on concept and measurement.

Table 9  
Unemployment Rates in the United States  
and Great Britain - Adjustment I

	<u>Per cent</u>		
	<u>Great Britain</u>	<u>United States</u>	
	<u>Published</u>	<u>Adjusted</u>	<u>Published</u>
1951	1.2	2.9	3.3
1952	2.0	2.6	3.1
1953	1.6	2.5	2.9
1955	1.1	3.7	4.4
1956	1.2	3.5	4.2
1957	1.5	3.6	4.3

Adjustment 2 (Concept). The British Census of April 1951 suggested an upward adjustment of about two-thirds in the published British monthly unemployment statistics. Certain caveats should be considered before this adjustment is undertaken. The British Census is more similar in concept and in measurement technique to the American series than is the British registration series, but differences do exist. Furthermore, there is only one British Census observation and differences between the registration statistics and Census estimates undoubtedly vary over time due to seasonal, cyclical, and secular factors.

Table 10  
Unemployment Rates in the United States  
and Great Britain - Adjustment II

	<u>Per cent</u>		
	<u>Great Britain</u>		<u>United States</u>
	<u>Published</u>	<u>Adjusted</u>	<u>Published</u>
1951	1.2	2.0	3.3
1952	2.0	3.3	3.1
1953	1.6	2.7	2.9
1955	1.1	1.8	4.4
1956	1.2	2.0	4.2
1957	1.5	2.5	4.3

Adjustments One and Two largely eliminate the differences between American and British rates in the 1952-53 period. These adjustments suggest that the more intensive American demand for labor in

1952-53 may have offset the importance of those structural factors which normally give American rates an upward bias. The significant easing of American labor market conditions between 1951-53 and 1955-57 results in a substantial widening of the difference in unemployment rates between the two countries even after adjustment for concept is made according to either Method One or Two.

Adjustment 3 (Structure). Socio-economic factors impinge less heavily on the unemployment and labor force rates of prime working age males than they do on total unemployment rates. Differences in income level, length of the educational process, and in the proportion of the population married will significantly affect the unemployment and labor force participation rates of other age-sex groups in the two countries, but will have relatively little effect on men age 20-54.

As can be seen in Table 11, the spread between male unemployment rates in the two countries is smaller than the spread between total unemployment rates. Monthly data are used for this comparison since an age-sex distribution of the British unemployed is available only for June. The difference in the intercountry spread between males and total unemployment rates provides only a crude index of the significance of structural or socio-economic factors. For one thing, differences in the industrial distribution of the labor force and in labor mobility affect the male prime working age group as well as others.

The comparison of unemployment rates among adult males narrows the intercountry disparity most during the relatively full employment years of 1951 and 1955-57, as can be seen in Table 9. It makes less of a difference in 1952-53, boom years in the U.S., and during the recessions of 1954 and 1958. This reflects the conditioning of structural factors by changes in demand and supply forces. Teen-age unemployment levels, for instance, are much higher in the U.S. than in Great Britain for a variety of reasons including the greater length of the American educational process, more rapid population increases in the U.S. in the younger age groups, and differences in measurement. During the Korean War period of 1952-53, these factors were in part offset by particularly intense demands for labor and by the fact that a considerable number of young men were in the Armed Forces.

Table 11

Published Unemployment Rates in the  
United States and Great Britain

<u>Period</u>	<u>Total</u>		<u>Males Age 20-54</u>	
	<u>Great Britain</u>	<u>United States</u>	<u>Great Britain</u>	<u>United States</u>
1951	.9	2.9	.7	2.0
1952	2.1	2.9	1.7	2.0
1953	1.4	2.5	1.2	2.2
1954	1.1	5.7	1.0	5.2
1955	1.0	4.2	.8	3.5
1956	1.0	4.3	1.0	3.3
1957	1.2	4.0	1.2	3.1
1958	1.8	7.1	2.0	6.8

Note: American statistics are for May, British statistics for June. The total British unemployment rate includes the temporarily stopped. The unemployment rate for British males is based on the assumption that the age-sex distribution of the temporarily stopped is the same as that of the totally unemployed.

Residual (supply-demand). The impact of differences in demand and supply forces on unemployment rates in the two countries is most evident in the unemployment rates of males, age 20-54, adjusted for differences in concept and measurement. Accordingly, an adjustment of British adult male unemployment rates on the basis of the 1951 Census is shown in Table 12.



Table 12

Prime Working Age Male Unemployment Rates  
in the United States and Great Britain

<u>Period</u>	<u>Per cent</u>	
	<u>Great Britain</u> Adjusted	<u>United States</u> Published
1951	1.3	2.0
1952	3.2	2.0
1953	2.3	2.2
1954	1.9	5.2
1955	1.5	3.5
1956	1.9	3.3
1957	2.3	3.1
1958	3.8	6.8

Note: The British monthly registration series provides unemployment rates by sex, but not by age for April 1951, the month of this Census. However, unemployment rates for men age 20-54 have borne a fairly constant relationship to unemployment rates for all men during the past decade. On the basis of this relationship, an unemployment rate for men age 20-54 was estimated for April 1951. An adjustment factor was derived by comparing this with the Census unemployment rate for males age 20-54. See Note for preceding table.

Insured unemployment. The reader may have noticed various similarities between the British unemployment series and the American series on insured unemployment which is based on a count of persons drawing unemployment compensation under one of the various public benefit systems. The British unemployment series is usually compared with total unemployment in the U.S., but it is more similar in concept and administration to insured unemployment.

The British series in this instance is considerably more comprehensive in coverage. In Great Britain eligibility requirements appear less stringent and benefits are generally available for longer periods of time. Persons without work who are using the job placement service are counted as unemployed along with those drawing unemployment benefits; nevertheless, insured unemployment rates have been considerably higher in the U.S. than in Great Britain, as can be seen in Table 13.

Table 13

Insured Unemployment Rates in the United States  
and Great Britain

	<u>Per cent</u>	
	<u>United States</u>	<u>Great Britain</u>
1949	8.5	1.5
1950	5.3	1.5
1951	3.3	1.2
1952	3.5	2.0
1953	3.4	1.6
1954	6.4	1.3
1955	4.1	1.1
1956	3.6	1.2
1957	4.2	1.5

Note: American insured unemployment includes State unemployment compensation programs, railroad and veterans' programs and Federal employees program instituted in 1955. The coverage of the series was widened considerably during the time period under consideration. For greater comparability with the British series, insured unemployment is adjusted to include initial claims.

## Appendix Table 1

Labor Force Participation Rates by Age and Sex  
United States and Great Britain

Year	15 to 19 yrs.		20 to 54 yrs.		55 yrs. & over		Total
	U.S.	G.B.	U.S.	G.B.	U.S.	G.B.	
	Per cent						
<u>Males</u>							
1952	51.8	65.5	94.7	94.7	67.6	61.0	85.0
1953	49.1	64.6	94.8	94.8	66.4	61.2	84.4
1954	50.1	67.9	95.1	95.1	65.9	61.4	84.3
1955	48.8	69.2	95.1	95.1	65.0	63.2	83.7
1956	54.1	70.2	95.4	95.4	66.2	64.2	84.5
1957	50.4	70.0	95.9	95.9	64.5	64.2	83.6
1958	48.8	71.3	95.8	95.8	63.8	63.7	83.0
<u>Females</u>							
1952	34.6	77.2	42.8	42.8	19.4	14.2	34.4
1953	32.1	78.3	43.1	43.1	19.4	14.6	33.6
1954	30.6	79.1	44.3	44.3	20.2	15.1	34.3
1955	30.1	78.6	45.4	45.4	21.7	15.6	34.7
1956	33.7	77.8	46.0	46.0	24.0	16.3	36.9
1957	32.4	77.3	46.3	46.3	22.9	16.8	36.4
1958	32.5	74.8	46.0	46.0	23.2	16.9	37.0

Note: Labor force participation rates were obtained by dividing the civilian labor force by the working age population. American rates, which are for mid-May, are based on civilian noninstitutional population. Population and labor force data for the United States are published for persons age 14 and over. The number 14 years of age was estimated and subtracted from the labor force and population totals in order to make the American figures comparable with the British. British population estimates include British armed forces stationed in the British Isles. The British civilian labor force was derived from end-May estimates of the employee labor force plus the self-employed. This latter group was estimated by subtracting end-May employee labor force from end-June civilian working population. The age distribution of this residual (almost entirely the self-employed) was made according to the April 1951 Census. It was necessary to use end-June civilian working force figures since this is the only point in the year for which a sex distribution is available.

Source: --Great Britain, Ministry of Labour Gazette; Central Statistical Office, Annual Abstract of Statistics and Monthly Digest of Statistics; Census of Great Britain, One Per Cent Sample, Part I, 1952; U. S. Department of Commerce, Bureau of the Census, Current Population Reports, The Monthly Report on the Labor Force.

Appendix Table 2

Age Distribution of Civilian Labor Force  
United States and Great Britain

	Year	15 to 19 years		20 to 54 years		55 years & over	
		U.S.	G.B.	U.S.	G.B.	U.S.	G.B.
<u>Percentage distribution</u>							
<u>Males</u>	1952	5.9	6.6	74.6	75.1	19.5	18.3
	1953	5.6	6.6	74.9	75.0	19.5	18.5
	1954	5.8	6.8	74.7	74.6	19.5	18.6
	1955	5.7	7.0	74.9	73.9	19.4	19.1
	1956	6.2	7.0	74.1	73.5	19.6	19.5
	1957	6.0	7.1	74.6	73.1	19.4	19.8
	1958	6.0	--	74.8	--	19.2	--
<u>Females</u>	1952	9.3	16.4	77.2	72.0	13.4	11.6
	1953	8.8	16.4	77.1	71.5	14.1	12.0
	1954	8.3	16.4	77.2	71.3	14.5	12.3
	1955	8.1	16.0	76.3	71.3	15.7	12.7
	1956	8.6	15.5	74.9	71.2	16.5	13.3
	1957	8.6	15.3	75.4	70.9	16.1	13.8
	1958	8.7	--	75.2	--	16.1	--

Note: See Appendix Table 1 for description and sources.



Appendix Table 4

Distribution of Unemployment by Age and Sex  
United States and Great Britain

Year	15 to 19 yrs.		20 to 54 yrs.		55 yrs. & over	
	U.S.	G.B.	U.S.	G.B.	U.S.	G.B.
<u>Percentage distribution</u>						
<u>Males</u> - 1952	19.4	5.8	61.0	67.0	19.6	27.2
1953	14.7	4.9	68.7	67.0	16.6	28.1
1954	13.4	5.6	70.7	65.1	16.0	29.3
1955	14.5	5.6	66.5	62.6	19.1	31.7
1956	17.8	5.6	63.4	64.0	18.8	30.5
1957	17.7	6.2	63.7	65.6	18.6	28.1
1958	13.7	7.5	71.5	68.9	14.9	23.6
1959	18.3	7.7	63.3	66.8	18.3	25.5
<u>Females</u> -1952	22.7	13.7	67.4	77.2	9.9	9.1
1953	20.5	12.0	71.3	77.2	8.3	10.8
1954	16.2	12.1	73.4	77.0	10.5	10.9
1955	19.2	12.0	67.8	77.4	12.8	10.6
1956	23.6	11.7	64.9	77.1	11.5	11.2
1957	23.3	11.4	65.6	77.6	11.0	11.0
1958	18.6	13.4	73.3	76.1	8.1	10.4
1959	22.1	11.9	67.0	76.5	10.9	11.6

Note: See Appendix Table 3 for description and sources.

Appendix Table 5

Duration of Unemployment  
United States and Great Britain

Year	4 wks. or less		5 to 26 wks.		Over 26 wks.	
	U.S.	G.B.	U.S.	G.B.	U.S.	G.B.
	<u>Per cent of labor force unemployed</u>					
1953	1.5	.55	.94	.48	.09	.30
1954	2.4	.44	2.8	.36	.58	.25
1955	1.9	.46	1.7	.26	.63	.19
1956	2.2	.48	1.8	.30	.33	.17
1957	2.1	.44	1.6	.45	.38	.24
1958	2.6	.77	3.7	.73	.88	.33
1959	2.0	.59	2.0	.66	.87	.53

Note: U.S. data are for mid-May. British data for unemployed are mid-June and for the employee labor force are end-May. British duration data as published refer to registered wholly unemployed. Temporarily stopped and unemployed casuals have been added to 4 weeks or less category.

Source: Great Britain, Ministry of Labour Gazette; U.S. Department of Commerce, Bureau of the Census, Current Population Reports, The Monthly Report on the Labor Force.

Appendix Table 6

Duration of Unemployment  
United States and Great Britain

Year	4 weeks or less		Over 4 to 26 weeks		Over 26 weeks	
	U.S.	G.B.	U.S.	G.B.	U.S.	G.B.
<u>Percentage distribution</u>						
1953	58.6	41.6	37.7	35.9	3.7	22.5
1954	41.8	42.0	48.0	34.2	10.2	23.8
1955	44.9	50.2	40.0	29.4	15.1	20.4
1956	50.7	50.9	41.6	31.5	7.7	17.6
1957	51.5	38.9	39.0	39.6	9.6	21.5
1958	36.3	42.1	51.4	39.8	12.3	18.1
1959	41.5	33.1	40.7	37.2	17.9	29.7

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Note: For description and sources, see Table 5.



Appendix Table 7

Unemployment by Industry  
United States and Great Britain

Industry	1956		1957		1958	
	U.S.	G.B.	U.S.	G.B.	U.S.	G.B.
Percent of nonfarm wage and salary labor force unemployed						
Total nonfarm	3.9	1.0	4.2	1.2	7.5	2.0
Mining and quarrying	5.8	0.2	5.3	0.3	14.0	0.6
Construction	7.2	1.5	8.1	2.3	11.6	3.4
Manufacturing	4.9	1.0	5.2	1.1	11.2	2.1
Transportation, communication, and public utilities	2.3	0.8	2.7	1.0	6.5	1.4
Trade	4.2	0.8	4.3	1.0	6.7	1.5
Service	2.7	0.8	3.0	1.0	3.9	1.3
Public administration	1.0	0.9	1.7	1.1	2.8	1.5

Note: U. S. data are for mid-May, British data for the unemployed are mid-June and for the employee labor force are mid-May. U. S. data for 1956 are based on old labor force definitions.

Source: Great Britain, Ministry of Labour Gazette; U. S. Department of Commerce, Bureau of the Census, Current Population Reports, Monthly Report on the Labor Force.

## Appendix Table 8

Unfilled Vacancies and Registered Unemployment in Great Britain

Annual averages

<u>Year</u>	<u>Registered unemployment</u>	<u>Unfilled employment vacancies</u>
	(000's)	
1947	480	571
1948	310	466
1949	308	393
1950	314	364
1951	253	410
1952	414	275
1953	342	274
1954	285	329
1955	232	405
1956	257	356
1957	313	274
1958	457	198
1959 (First seven months)	514	203

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Source: Great Britain, Central Statistical Office, Annual Abstract of Statistics, 1959.

Appendix Table 9

Industrial Distribution of Wage and Salary Employment  
United States and Great Britain

Industry	May 1952		May 1957	
	U.S.	G.B.	U.S.	G.B.
	<u>Percentage distribution</u>			
Wage and salary workers	100.0	100.0	100.0	100.0
Agriculture	2.9	3.7	3.2	3.1
Mining	1.9	4.3	1.4	4.0
Construction	6.3	6.3	5.4	6.4
Manufacturing	31.3	40.9	31.0	42.0
Transportation, communications and public utilities	8.3	10.2	7.7	9.5
Trade	18.1	10.5	18.2	11.4
Service	17.4	17.4	19.6	17.6
Publication administration	13.7	6.6	13.6	6.0

Source: Great Britain, Ministry of Labour Gazette; U. S. Department of Commerce, Bureau of the Census, Current Population Reports, The Monthly Report on the Labor Force.

## Appendix Table 10

Industrial Distribution of Female Employment  
April 1951  
United States and Great Britain

<u>Industry</u>	<u>United States</u>	<u>Great Britain</u>
	<u>Percentage distribution</u>	
<u>Total</u>	<u>100.0</u>	<u>100.0</u>
Agriculture, forestry, and fisheries	4.7	1.7
Nonfarm self-employed	6.8	4.0
Nonfarm unpaid family workers	1.9	0.4
Nonfarm wage and salary	<u>86.7</u>	<u>93.9</u>
Mining	0.1	0.2
Construction	0.3	0.7
Manufacturing	24.9	38.2
Transportation & public utilities	3.9	3.5
Trade	17.8	15.1
Service excluding domestics	17.4	26.8
Domestic service	10.3	5.8
Public administration	11.8	3.5

Source: Great Britain, Census of Great Britain, One Per Cent Sample, Part I, 1952; U. S. Department of Commerce, Bureau of the Census, Current Population Reports, The Monthly Report on the Labor Force.

Appendix Table 11

Marital Status of Female Population by Age, 1957  
United States and Great Britain

Marital status	15 to 19 yrs.		20 to 54 yrs.		55 yrs. & over		15 yrs. & over	
	U.S.	G.B.	U.S.	G.B.	U.S.	G.B.	U.S.	G.B.
<u>Percentage distribution</u>								
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Single	87.0	94.1	10.5	17.2	7.7	15.6	18.6	22.7
Married	12.8	5.9	82.7	78.7	50.8	47.9	66.6	63.1
Widowed and divorced	0.2	--	6.9	4.0	41.5	36.5	14.8	14.2

Note: U.S. data, which includes those 14 years of age are for March; British data are for June.

Source: Great Britain, Central Statistical Office, Annual Abstract of Statistics; U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-50.

Appendix Table 12

Labor Turnover in Manufacturing - 1953-1958  
United States and Great Britain

Year	Month	Accessions		Separations	
		U.S.	G.B.	U.S.	G.B.
				<u>Per cent</u>	
<u>1953</u>	Feb.	4.2	2.6	3.6	2.6
	May	4.1	2.7	4.4	2.6
	Aug.	4.3	3.7	4.8	2.9
	Nov.	2.7	2.9	4.2	2.6
<u>1954</u>	Feb.	2.5	2.8	3.5	2.8
	May	2.7	3.6	3.3	3.2
	Aug.	3.3	3.7	3.5	3.0
	Nov.	3.3	3.0	3.0	2.6
<u>1955</u>	Feb.	3.2	3.1	2.5	3.0
	May	3.8	3.4	3.2	3.4
	Aug.	4.5	3.8	4.0	3.3
	Nov.	3.3	2.9	3.1	2.6
<u>1956</u>	Feb.	3.1	2.8	3.6	3.0
	May	3.4	2.8	3.7	2.3
	Aug.	3.8	2.6	3.9	2.4
	Nov.	3.0	2.5	3.3	2.5
<u>1957</u>	Feb.	2.8	2.4	3.0	2.6
	May	3.0	2.8	3.4	2.8
	Aug.	3.2	3.4	4.0	2.9
	Nov.	2.2	2.8	4.0	3.0
<u>1958</u>	Feb.	2.2	2.3	3.9	2.6
	May	3.0	2.3	3.6	2.2
	Aug.	3.9	2.3	3.5	2.2
	Nov.	2.7	2.0	2.7	2.2

Source: Great Britain, Ministry of Labour Gazette; U. S. Department of Labor, Monthly Labor Review.

Appendix Table 13

Unemployment Rates: Selected Industries  
United States and the United Kingdom

Year	Manufacturing		Construction	
	U.S.	U.K.	U.S.	U.K.
	<u>Per cent</u>			
1950	6.1	1.2	8.9	2.8
1951	3.4	.8	3.6	1.7
1952	2.9	3.2	4.7	2.5
1953	2.1	1.4	4.4	2.9
1954	7.0	1.0	10.4	2.2
1955	4.4	1.0	7.3	1.7
1956	4.9	1.1	7.2	1.8
1957	5.2	1.2	8.1	2.7

Note: U. S. data are for mid-May. United Kingdom data for unemployed are mid-June and for employees are end May.

Source: Great Britain, Central Statistical Office, Annual Abstract of Statistics, 1959; U. S. Department of Commerce, Bureau of the Census, Current Population Reports, the Monthly Report on the Labor Force.