The labor market improves in 1993

Employment rose substantially and unemployment declined in 1993; nevertheless, parts of the work force still suffered from the adverse effects of the recent economic contraction

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The labor market recovery picked up some momentum in 1993. There was a large gain in employment, and some industries recorded their first sustained increase in jobs in several years. In addition, unemployment remained on the downward trend that began in mid-1992. However, structural changes in the economy and the lingering effects of the 1990–91 recession continued to adversely affect segments of the American work force. Several industries lost more jobs, and in certain respects, underemployment of the economy's labor resources persisted.

Nonfarm payroll employment, as measured by the BLS survey of employers, rose by 1.9 million in 1993.[1] Most of the jobs added over the year were in the services and retail trade industries. Employment in construction experienced its first over-the-year increase since 1989, although it remained substantially below its prerecession peak. And the string of manufacturing job losses that began in 1989 continued throughout most of the year; between early 1989 and the fall of 1993, factory employment dropped by 1.8 million.

Total employment, as measured by the household survey, grew by about 2.4 million over the year, and the proportion of the population with jobs—the employment-to-population ratio—rose from 61.3 to 61.9 percent. However, this ratio was still well below the levels reached before the 1990–91 recession. The number of unemployed persons, at 8.4 million in the fourth quarter, had declined by nearly 900,000 in 1993, bringing the unemployment rate down to 6.5 percent. (See the box on the following page for information on revisions to the Current Population Survey.)

Overview of the economy

Although the recession ended in early 1991, economic growth was relatively slow in that year and most of 1992, compared with other recovery periods. This was mainly due to a number of long-term problems, some of which continued to limit growth in 1993. (See table 1.) Defense cutbacks continued to act as a drag on the economy, and construction of office buildings remained sluggish as the result of overbuilding during the 1980's. Exports were relatively weak, as the Nation's major trading partners have been slow to emerge from their economic downturns. Also, consumer demand, which accounts for three-fifths of economic activity, has been negatively affected by slow job growth in recent years.

The increase in employment since the recession's trough has been unusually sluggish, compared with other economic recoveries. Employers have been extremely reluctant to hire, in part because of uncertainty over the strength and permanence of the expansion, and because increasingly competitive markets have caused them to pursue more flexible labor strategies. With many workers uncertain about their future job situ-

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ation, consumer confidence was weak and demand behaved erratically.

Although many of these problems persisted in 1993, other, favorable developments set the stage for a pickup of economic activity in the second half of the year. Expectations that inflation would accompany recovery proved groundless. As a result, interest rates retreated to their lowest levels in two decades. The low rates helped boost construction activity and investment in producer durables. They also led to another round of refinancing of mortgages and other debt, which freed up money for increased consumer spending in the second half of 1993. These economic developments affected both the size and composition of employment growth in 1993.

Revisions to Current Population Survey data

Data in this article from the Current Population Survey (household survey) do *not* reflect two changes to the survey that became effective in January 1994. The first was the introduction of new population estimates based on the 1990 census, adjusted for the estimated population undercount. The second was a major redesign of the survey that was undertaken to obtain more accurate and comprehensive information on the labor force. As part of the redesign, the survey questionnaire was completely revamped to include many new and revised questions regarding individuals' employment and unemployment activities, and a fully computerized data collection environment was introduced.

The new questionnaire and mode of data collection were tested using a separate sample of 12,000 households between July 1992 and December 1993. This test showed that the redesigned survey resulted in changes in the levels and ratios for most estimates. For example, the annual average unemployment rate for 1993 from the parallel test survey was 7.3 percent, while that from the CPS was 6.8 percent.

In addition to the questionnaire and collection methodology, some labor force concepts underlying the survey were changed as part of the redesign. The biggest change occurred in the definition of discouraged workers, which was altered to include the requirements that a person had searched for work in the past year and was currently available to take a job. This will result in a greatly reduced number of discouraged workers. For a comprehensive examination of the effects of the redesign on the household survey data, see "Revisions in the Current Population Survey Effective January 1994" in the February 1994 issue of of the BLS publication, *Employment and Earnings*.

Employment

The increase in nonfarm employment during 1993 (1.9 million) was nearly 2-1/2 times that of a year earlier (790,000) and contrasted sharply with the recessionary declines in both 1990 and 1991. In 1993, job gains continued in services, retail trade, and State and local government, while construction, wholesale trade, and finance, insurance, and real estate added employees for the first time in several years. These increases more than offset the continued employment declines in manufacturing, mining, and Federal Government. Transportation and public utilities had no over-the-year change in employment, which contrasts with losses during the prior 2 years. (See table 2.)

Industries with job gains. Employment growth during 1993 was strongest in the services industry, which added 1.2 million jobs. This rise was the largest in 4 years and similar in magnitude to the increases recorded during the expansionary years of the 1980's. The services industry has been the main source of job growth in the economy since the end of the 1990–91 recession, while employment in other industries has been declining or rising only moderately. As has been the case throughout the recovery period, the largest job gains in 1993 were in business and health services.

The rise in employment in business services was driven by growth in the help supply services industry, which primarily provides temporary workers to businesses.[2] Employment in help supply services has been on a strong upward trend both in number and as a share of total payroll employment since 1982—the first year for which data on this industry are available from the survey of employers. Although the industry incurred small job losses during the 1990–91 recession, its employment has increased quite rapidly since. (See chart 1.) During the first year and a half after the economic contraction, employment in help supply services increased 23 percent, whereas overall employment, excluding help supply agencies, rose only marginally. As a result, 1 in every 3 jobs added to the economy was in the help supply services industry during that period. In 1993, the pace of job growth continued in the industry, but it accelerated in a number of other industries as well, causing the help supply services' share of additional jobs to drop to 1 in 7.

Employment in health services rose by 317,000 in 1993. Although this industry continues to be a major source of job growth, the size of the over-the-year employment gains has decreased slightly since 1990. In 1993, there was a slowdown in hir-

Table 1. **Percent change from the previous quarter in real gross domestic product (GDP) and its components, seasonally adjusted at annual rates, 1991–93**

Category	1991		1992				1993			
	III	IV	I	II	III	IV	I	II	III	IV
Real GDP	1.4	0.6	3.5	2.8	3.4	5.7	0.8	1.9	2.9	5.9
Personal consumption expenditures	1.3	.0	4.3	1.8	4.2	5.6	.8	3.4	4.4	4.0
Nonresidential fixed investment	–3.8	–5.1	3.5	15.1	3.8	7.6	14.4	16.6	7.4	21.0
Structures	–21.3	–11.3	4.9	.3	–10.3	–2.1	.5	8.1	.3	10.7
Producers' durable equipment	5.3	–2.2	2.8	22.0	10.2	11.5	19.9	19.8	10.0	24.6
Residential fixed investment	17.3	20.3	16.8	21.8	1.2	32.8	1.5	–9.5	11.9	31.7
Exports of goods and services	3.0	13.3	4.9	–.6	6.5	8.8	–2.4	3.6	–.9	14.7
Imports of goods and services	11.8	6.3	3.8	15.9	9.2	5.6	11.6	13.3	6.0	18.8
Government purchases										
Federal	–6.9	–14.2	.0	–3.1	8.7	–3.5	–16.2	2.0	–6.2	–4.3
National defense	–12.3	–19.2	–5.5	–5.0	10.5	–4.6	–21.4	.7	–9.8	–3.1
Nondefense	9.1	.0	14.5	1.5	4.4	–.4	–3.2	5.5	2.5	–7.2
State and local	1.7	2.2	5.0	.4	1.2	.0	.3	5.6	4.5	1.6

NOTE: Data for the fourth quarter of 1993 are preliminary.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

ing in hospitals, where the growth amounted to only one-quarter of the number of workers who were added, on average, in the prior 3 years. In some other parts of health services, such as nursing homes and home health care services, employment increased at a faster rate than in prior years.

Elsewhere in the services industry, 1993 job growth also was strong in the relatively small agricultural, auto repair, and educational components, as well as in engineering and management services. In addition, social services, which was little affected by the 1990–91 recession, posted another large increase in employment in 1993.

The retail trade industry also experienced large employment gains over the past year. While the increase of 426,000 was less than the average rise during the 1980's, it was more than double the growth in 1992. Retail job gains also were more pervasive than a year earlier, when they were limited to eating and drinking places. While these establishments still made up the bulk of the increase in 1993—about 6 in 10 additional retail trade jobs—there also were small gains in food stores and automotive dealerships. General merchandise stores, in contrast, continued to lose jobs—54,000 over the year. This industry's employment has declined by 195,000 since the beginning of 1990.

State and local government employment rose by 223,000 in 1993. The increase of 64,000 jobs in State governments was about the same as that recorded in 1992, while the gain in local governments (159,000) was about two-thirds that of the preceding year. Virtually all of the additional jobs in local governments in 1993 were in public schools. Both State and local government work forces have been growing more slowly than in the expansionary years of the late 1980's.

In 1993, several industries added jobs for the first time since the late 1980's. After losing nearly three-quarters of a million jobs over the prior 3 years, construction employment rose by 189,000 in 1993, mainly reflecting greater activity in residential building. Special trade contractors accounted for most of the gain, as employment in businesses engaged in roofing, carpentry, electrical, plumbing, and similar work rose steadily during the year. In contrast, the heavy construction industry showed no net change in jobs in 1993, and general building contractors had only a slight increase in employment in the fourth quarter. In the wholesale trade industry, the improvement in employment that began in the fall of 1992 continued throughout 1993. Over the year, this industry added 71,000 jobs. Employment in finance, insurance, and real estate rose by 80,000 in 1993. The gains were confined to the finance industry, which benefited from a flurry of mortgage refinancing activity attributable to low interest rates.

Industries with job losses. A massive decline in the number of U.S. manufacturing jobs has occurred over the past several years, as employers reacted to declining government defense purchases and continued stiff foreign competition by eliminating jobs and adopting labor-saving technology. The losses were most severe in 1991, when more than 550,000 factory jobs were eliminated. Over the first three quarters of 1993, employment declined by 189,000, with drops occurring in both the durable and nondurable goods

Table 2. **Employees on nonfarm payrolls by industry, seasonally adjusted quarterly averages, 1990–93**

[In thousands]

Industry	1990	1991	1992	1993				Change, IV 1992–IV 1993[p]
	IV	IV	IV	I	II	III	IV[p]	
Total	109,126	108,144	108,930	109,446	109,993	110,382	110,860	1,930
Total private	90,810	89,668	90,184	90,673	91,179	91,518	91,943	1,759
Goods-producing industries	24,488	23,472	22,992	23,029	22,976	22,912	22,976	–16
Mining[1]	711	665	616	604	599	594	598	–18
Oil and gas extraction	401	377	341	337	338	350	347	6
Construction[1]	4,947	4,536	4,462	4,483	4,556	4,593	4,651	189
General building contractors	1,239	1,099	1,052	1,052	1,064	1,053	1,074	22
Manufacturing	18,831	18,272	17,914	17,942	17,820	17,725	17,727	–187
Durable goods	10,914	10,436	10,138	10,153	10,049	9,981	10,009	–129
Lumber and woods products	707	671	680	688	679	680	693	13
Furniture and fixtures	491	474	476	479	481	480	482	6
Stone, clay, and glass products	544	517	511	513	511	511	514	3
Primary metal industries	750	710	685	683	676	671	674	–11
Blast furnaces and basic steel products	276	257	245	242	239	236	236	–9
Fabricated metal products	1,400	1,344	1,311	1,319	1,311	1,304	1,311	0
Industrial machinery and equipment	2,071	1,954	1,911	1,906	1,902	1,894	1,895	–16
Electronic and other electrical equipment	1,641	1,563	1,513	1,521	1,513	1,506	1,515	2
Transportation equipment	1,941	1,882	1,781	1,783	1,726	1,701	1,699	–82
Motor vehicles and equipment	787	810	811	834	806	811	830	19
Aircraft and parts	703	651	585	568	550	530	513	–72
Instruments and related products	997	956	908	899	886	873	865	–43
Miscellaneous manufacturing industries	372	365	362	362	363	361	360	–2
Nondurable goods	7,917	7,836	7,776	7,789	7,771	7,744	7,718	–58
Food and kindred products	1,667	1,663	1,650	1,658	1,649	1,645	1,649	–1
Tobacco products	50	49	48	48	48	46	46	–2
Textile mill products	677	673	668	669	669	664	662	–6
Apparel and other textile products	1,013	1,017	993	993	986	974	958	–35
Paper and allied products	693	687	687	684	682	679	676	–11
Printing and publishing	1,568	1,518	1,501	1,501	1,504	1,507	1,504	3
Chemicals and allied products	1,082	1,080	1,081	1,079	1,075	1,073	1,066	–15
Petroleum and coal products	159	161	157	157	156	154	154	–3
Rubber and miscellaneous plastics products	880	867	873	883	887	887	888	15
Leather and leather products	128	122	118	117	116	115	115	–3
Service-producing industries	84,638	84,671	85,938	86,418	87,017	87,469	87,884	1,946
Transportation and public utilities	5,812	5,745	5,702	5,723	5,717	5,697	5,704	2
Transportation	3,546	3,493	3,488	3,512	3,513	3,505	3,517	29
Trucking and warehousing	1,621	1,609	1,606	1,626	1,628	1,631	1,636	30
Transportation by air	759	724	729	735	736	731	733	4
Communications and other public utilities	2,266	2,252	2,214	2,211	2,204	2,192	2,187	–27
Wholesale trade	6,154	6,059	6,058	6,095	6,115	6,117	6,129	71
Durable goods	3,596	3,500	3,464	3,479	3,488	3,494	3,506	42
Nondurable goods	2,557	2,559	2,594	2,616	2,627	2,623	2,624	30
Retail trade[1]	19,533	19,234	19,422	19,585	19,700	19,807	19,848	426
General merchandise stores	2,524	2,424	2,407	2,393	2,367	2,363	2,353	–54
Food stores	3,225	3,189	3,176	3,193	3,208	3,221	3,219	43
Automotive dealers and service stations	2,038	1,971	1,988	2,011	2,025	2,040	2,063	75
Apparel and accessory stores	1,169	1,142	1,131	1,141	1,142	1,144	1,133	2
Eating and drinking places	6,511	6,499	6,673	6,748	6,837	6,907	6,947	274
Finance, insurance, and real estate	6,712	6,601	6,571	6,576	6,588	6,607	6,651	80
Finance	3,248	3,155	3,170	3,184	3,198	3,218	3,254	84
Depository institutions	2,225	2,128	2,102	2,110	2,110	2,117	2,126	24
Insurance	2,150	2,153	2,120	2,109	2,110	2,114	2,115	–5
Real estate	1,314	1,293	1,281	1,283	1,280	1,275	1,282	1
Services[1]	28,111	28,557	29,438	29,665	30,084	30,378	30,635	1,197
Agricultural services	491	487	492	496	508	517	533	41
Hotels and other lodging places	1,625	1,582	1,566	1,565	1,572	1,582	1,592	26
Personal services	1,106	1,114	1,106	1,090	1,112	1,121	1,115	9

See footnotes at end of table.

Table 2. **Continued—Employees on nonfarm payrolls by industry, seasonally adjusted quarterly averages, 1990–93**

[In thousands]

Industry	1990	1991	1992	1993				Change, IV 1992–IV 1993[p]
	IV	IV	IV	I	II	III	IV[p]	
Business services	5,112	5,129	5,470	5,558	5,694	5,795	5,941	471
Personnel supply services	1,510	1,516	1,761	1,837	1,939	2,008	2,113	352
Auto repair, services, and parking	904	881	885	900	921	937	952	67
Miscellaneous repair services	358	342	347	351	354	355	360	13
Motion pictures	417	406	416	420	415	421	423	7
Amusement and recreation services	1,085	1,134	1,164	1,147	1,201	1,205	1,172	8
Health services	7,957	8,320	8,665	8,753	8,842	8,907	8,982	317
Hospitals	3,595	3,697	3,793	3,808	3,819	3,821	3,818	25
Legal services	911	915	919	926	930	931	933	14
Educational services	1,684	1,708	1,712	1,729	1,741	1,752	1,768	56
Social services	1,773	1,887	1,997	2,022	2,054	2,100	2,097	100
Museums and botanical and zoological gardens	68	70	74	74	76	77	78	4
Membership organizations	1,977	1,965	1,951	1,952	1,959	1,963	1,965	14
Engineering and management services	2,467	2,438	2,491	2,496	2,519	2,532	2,541	50
Government	18,316	18,476	18,746	18,773	18,814	18,863	18,916	170
Federal	2,962	2,982	2,952	2,942	2,912	2,901	2,899	–53
State	4,346	4,358	4,427	4,439	4,457	4,485	4,491	64
Local	11,008	11,135	11,367	11,392	11,445	11,477	11,526	159

[1]Includes other industries, not show separately.

[p] = preliminary.

sectors. In the fourth quarter, factory employment held about steady.

The largest job losses in manufacturing during the past year were in the transportation equipment industry (down 82,000). This industry has lost 380,000 jobs since early 1989, with the reductions during the past 3 years occurring mainly in aircraft and parts. Over that period, 1 out of 4 jobs in the aircraft industry was cut, reflecting a drop in demand from defense and export markets. In contrast, employment in motor vehicles—the largest component of transportation equipment—edged up over the past 3 years, recouping about half of the large job losses of 1989 and 1990.

Another durable goods industry with substantial employment cutbacks tied to declining defense purchases is instruments, which lost more than 40,000 jobs in each of the last 2 years. In 1993, employment continued to decline within other durable goods industries—including industrial machinery and primary metals—although the losses were milder than in prior years.

In nondurable goods manufacturing, employment in the apparel industry declined by 35,000 in 1993, continuing the downward trend that began in the late 1970's. Both the paper and chemicals industries also had employment declines (11,000 and 15,000, respectively) in 1993. Most of the decrease in the paper industry occurred in paper mills, while employment in other components of that industry, such as containers and boxes, showed little change. In chemicals, employment declines in plastics materials more than offset increases in drug manufacturing.

Although many manufacturing industries continued to lose jobs in 1993, the sector as a whole increased production by improving productivity and lengthening the workweek. Average weekly hours rose by half an hour over the year, to 41.7, and overtime was up to a record 4.4 hours. The manufacturing workweek has been trending upward since the second quarter of 1991, increasing by 1.2 hours.

Job losses also continued in mining in 1993, with most of the drop concentrated in coal mining. (In the early summer, about 16,500 coal mining workers went out on strike. They returned to work in December.) The overall decline in mining was mild compared with those of the prior 2 years. Employment in its largest component industry—oil and gas extraction—was unchanged in 1993 after a rapid 2-year decline, as this industry benefited from improved tax treatment of drilling expenses. Nevertheless, since the middle of 1990, the relatively small mining industry has lost nearly a sixth of its jobs, and by the end of 1993, employment was only about half what it was in the early 1980's.

The Federal Government was the only component within the service-producing sector where employment declined in 1993. Federal job losses were the most severe in the first half of the year, when approximately 30,000 Department of Defense civilian workers were offered buyouts or early retirements due to military base closures and

downsizing. Over the past 2 years, Federal employment has fallen by 83,000.

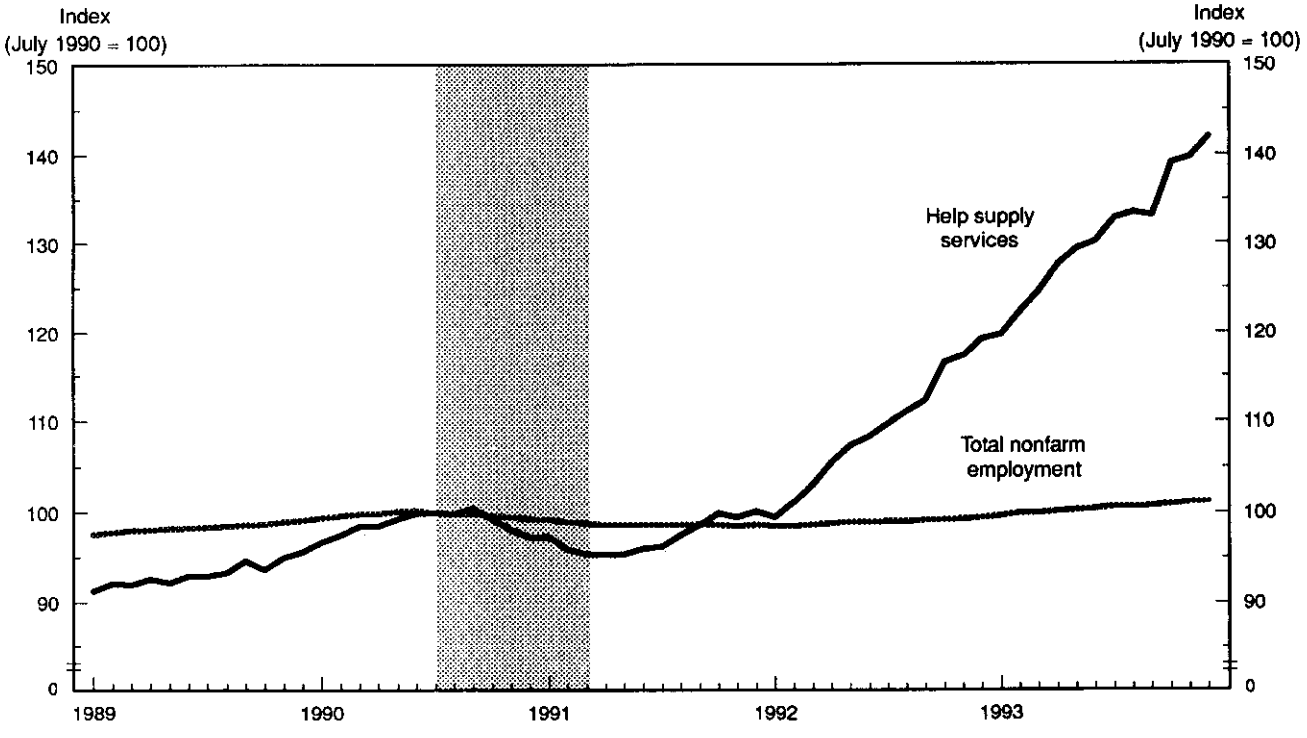
Age, sex, and race. Total employment—as measured through the household survey—grew by 2.4 million in 1993. Employment of adult men and that of adult women each rose by about 1.1 million. The number of teenagers with jobs increased slightly over the year, as did the proportion of that group that was employed—their employment-to-population ratio. The ratios also rose for adults, whites, blacks, and Hispanics. Despite the increase in the number employed in all of these worker groups, only adult women's employment-to-population ratio has returned to its prerecession level. (See table 3.)

Occupational employment. As is always the case, occupational employment trends in 1993 largely mirrored employment trends within industries. The number of executive, administrative, and managerial workers rose over the year, with much of the increase occurring in the finance, insurance, and real estate and business and repair services industries. Employment also was up in the professional specialty occupations, with most of the gain concentrated in health services and education. Reflecting in large part the improvement in the construction industry, the number of precision production, craft, and repair workers and operators, fabricators, and laborers increased slightly. Employment fell somewhat among technicians, with much of the decrease concentrated in the manufacturing industry. (See table 4.)

Regional differences. Among the four census regions, the largest employment gains in 1993 occurred in the South and the Midwest.[3] In the South, growth was concentrated in Florida, Georgia, North Carolina, and Texas. In all these States, the largest job gains were in the services industry. Other industries with notable employment increases included trade, government, and construction, and in North Carolina and Texas, manufacturing. In the Midwest, the largest employment gains were in Illinois, Michigan, Minnesota, and Wisconsin, where the services industry again accounted for a large share of the growth.

Most States in the West added jobs in 1993. However, California posted another large decline in employment. Job losses occurred in all major nonfarm industry groups in the State, except for the services industry. Manufacturing employment was particularly hard hit because of job losses in defense-related industries. Employment in the Northeast was little changed in 1993, after declining in the prior 4 years. Job growth in services was offset by losses in other industries, particularly manufacturing.

Chart 1. **Index of employment in all nonfarm industries and help supply services, seasonally adjusted monthly data, 1989-93**



NOTE: Shaded area denotes recessionary period, as designated by the National Bureau of Economic Research.

Table 3. **Employment status of the civilian noninstitutional population aged 16 and older by gender, age, race, and Hispanic origin, seasonally adjusted quarterly averages, 1990–93**

[Numbers in thousands]

Characteristic	1990	1991	1992	1993				Change IV 1992–IV 1993
	IV	IV	IV	I	II	III	IV	
Total								
Civilian labor force	124,974	125,579	127,230	127,355	127,890	128,181	128,713	1,483
Participation rate	66.2	65.9	66.2	66.1	66.2	66.1	66.2	.0
Employed	117,498	116,827	117,951	118,394	118,984	119,543	120,311	2,360
Employment-to-population ratio	62.3	61.3	61.3	61.4	61.6	61.7	61.9	0.6
Agriculture	3,201	3,209	3,193	3,132	3,059	3,047	3,077	–116
Nonagricultural industries	114,297	113,618	114,717	115,262	115,925	116,496	117,234	2,517
Unemployed	7,476	8,752	9,279	8,961	8,906	8,638	8,402	–877
Unemployment rate	6.0	7.0	7.3	7.0	7.0	6.7	6.5	–.8
Men, 20 years and over								
Civilian labor force	64,686	64,983	65,753	65,792	66,041	66,133	66,275	522
Participation rate	77.8	77.1	77.1	76.9	77.0	76.9	76.8	–.3
Employed	61,129	60,734	61,195	61,464	61,756	61,925	62,310	1,115
Employment-to-population ratio	73.6	72.1	71.8	71.8	72.0	72.0	72.2	.4
Agriculture	2,316	2,352	2,341	2,295	2,246	2,231	2,286	–55
Nonagricultural industries	58,814	58,382	58,854	59,170	59,510	59,695	60,025	1,171
Unemployed	3,557	4,249	4,558	4,328	4,285	4,208	3,965	–593
Unemployment rate	5.5	6.5	6.9	6.6	6.5	6.4	6.0	–.9
Women, 20 years and over								
Civilian labor force	53,114	53,804	54,727	54,772	54,987	55,200	55,622	895
Participation rate	57.8	57.9	58.3	58.2	58.3	58.4	58.7	.4
Employed	50,396	50,606	51,315	51,468	51,728	52,019	52,432	1,117
Employment-to-population ratio	54.8	54.4	54.7	54.7	54.9	55.0	55.4	.7
Agriculture	632	658	601	595	592	609	599	–2
Nonagricultural industries	49,764	49,947	50,714	50,873	51,136	51,410	51,833	1,119
Unemployed	2,718	3,199	3,412	3,304	3,259	3,181	3,190	–222
Unemployment rate	5.1	5.9	6.2	6.0	5.9	5.8	5.7	–.5
Both sexes, 16 to 19 years								
Civilian labor force	7,173	6,792	6,749	6,791	6,862	6,848	6,816	67
Participation rate	52.6	51.3	51.1	51.6	51.9	51.5	51.1	.0
Employed	5,972	5,487	5,441	5,462	5,500	5,599	5,569	128
Employment-to-population ratio	43.8	41.4	41.2	41.5	41.6	42.1	41.7	.5
Agriculture	253	198	252	243	220	208	192	–60
Nonagricultural industries	5,719	5,289	5,149	5,219	5,280	5,391	5,376	227
Unemployed	1,201	1,305	1,309	1,329	1,362	1,249	1,248	–61
Unemployment rate	16.7	19.2	19.4	19.6	19.8	18.2	18.3	–1.1
White								
Civilian labor force	107,258	107,693	108,689	108,816	109,133	109,510	109,943	1,254
Participation rate	66.7	66.5	66.6	66.6	66.6	66.7	66.9	.3
Employed	101,737	101,000	101,761	102,119	102,508	103,036	103,581	1,820
Employment-to-population ratio	63.3	62.4	62.4	62.5	62.6	62.8	63.0	.6
Unemployed	5,521	6,692	6,927	6,697	6,625	6,474	6,362	–565
Unemployment rate	5.1	6.2	6.4	6.2	6.1	5.9	5.8	–.6
Black								
Civilian labor force	13,537	13,548	13,931	13,898	13,911	13,947	14,004	73
Participation rate	63.2	62.3	63.0	62.6	62.4	62.3	62.3	–.7
Employed	11,877	11,813	11,963	12,004	12,060	12,187	12,329	366
Employment-to-population ratio	55.5	54.3	54.1	54.1	54.1	54.5	54.9	.8
Unemployed	1,659	1,735	1,968	1,894	1,851	1,760	1,676	–292
Unemployment rate	12.3	12.8	14.1	13.6	13.3	12.6	12.0	–2.1
Hispanic origin								
Civilian labor force	9,554	9,875	10,219	10,270	10,255	10,380	10,595	376
Participation rate	66.0	66.1	66.3	66.1	65.4	65.6	66.4	.1
Employed	8,712	8,864	9,035	9,110	9,200	9,318	9,458	423
Employment-to-population ratio	60.2	59.3	58.6	58.6	58.7	58.9	59.2	.6
Unemployed	842	1,011	1,184	1,160	1,054	1,061	1,138	–46
Unemployment rate	8.8	10.2	11.6	11.3	10.3	10.2	10.7	–.9

NOTE: Detail for race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

Table 4. **Employment by occupation, not seasonally adjusted quarterly averages, 1992 and 1993**

[In thousands]

Occupation	Fourth quarter		Percent change
	1992	1993	
Executive, administrative, and managerial	14,816	15,590	5.2
Professional specialty	16,827	17,316	2.9
Technicians and related support	4,146	3,898	–6.0
Sales occupations	14,109	14,429	2.3
Administrative support, including clerical	18,404	18,695	1.6
Service occupations	16,015	16,570	3.5
Precision production, craft, and repair	13,340	13,622	2.1
Operators, fabricators, and laborers	17,205	17,283	.5
Farming, forestry, and fishing	3,324	3,169	–4.7

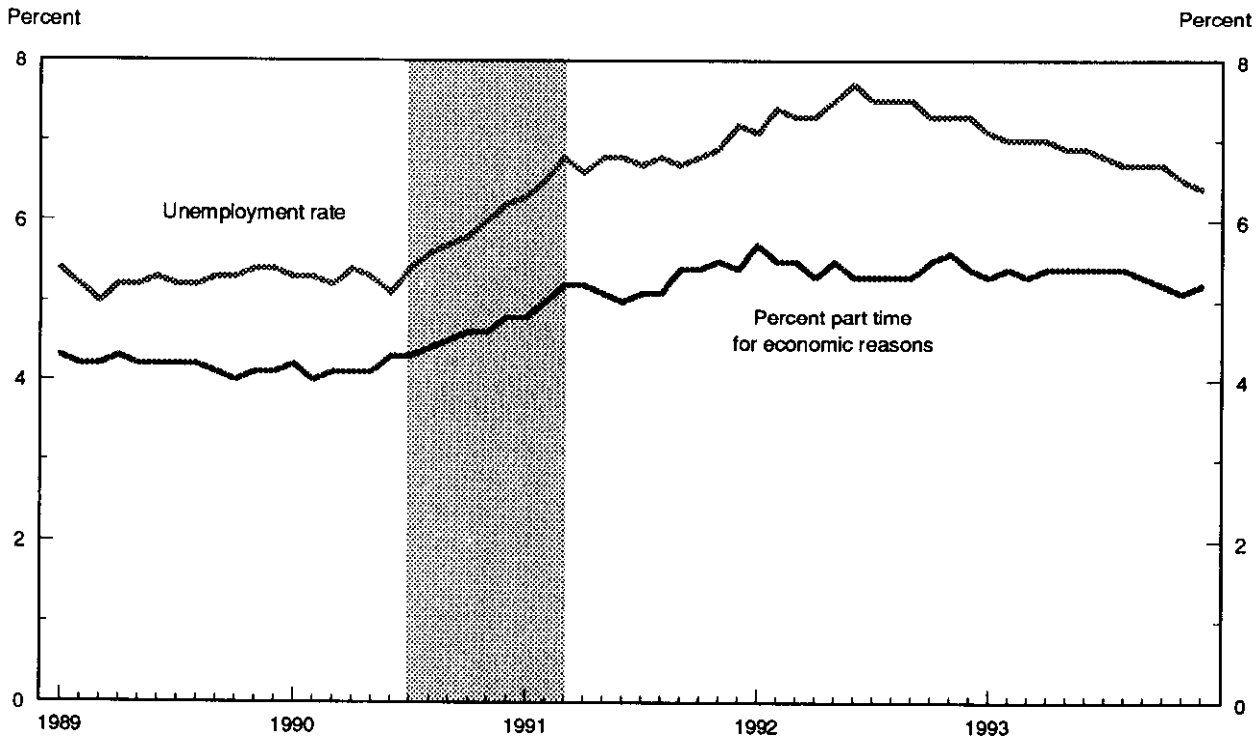
Unemployment and other measures

By the fourth quarter of 1993, the number of unemployed persons had decreased by nearly 900,000 to 8.4 million, and the unemployment rate had dropped 0.8 percentage point to 6.5 percent. Every major labor force group exhibited a gradual improvement during the year. Despite the decline in unemployment, several other measures revealed the difficulty that the economy has had in reemploying its labor resources since the recent downturn. (See table 3 and chart 2.)

Reason for and duration of unemployment. The number of persons who were unemployed in an average week in 1993 because they had lost their last job fell by about 650,000, and totaled 4.6 million by yearend. This group includes persons who were laid off and expected to be called back to work, as well as persons with little or no expectation of recall ("permanent" job losers). The number of persons unemployed due to permanent job loss increased sharply between early 1990 and mid-1992. Although that number subsequently decreased, permanent job losers still accounted for about two-fifths of the unemployed by the fourth quarter of 1993, compared with a third just prior to the 1990–91 recession.

The median duration of unemployment declined slightly during the first quarter of 1993, and then held steady at about 8-1/2 weeks for the remainder of the year. At that level, the measure exceeded its prerecession low by 3 weeks. While the number of unemployed decreased in all the duration categories, in the fourth quarter, nearly 1 in every 5 unemployed persons had been jobless for more than 6 months, compared with half that proportion prior to the recession. (See table 5.)

Chart 2. **Unemployment rate and percent of employed persons working part time for economic reasons, seasonally adjusted monthly data, 1989-93**



NOTE: Shaded area denotes recessionary period, as designated by the National Bureau of Economic Research.

Table 5. **Selected labor market indicators, seasonally adjusted quarterly averages, 1990–93**

[In thousands]

Category	1990	1991	1992	1993				Change, IV 1992–IV 1993
	IV	IV	IV	I	II	III	IV	
Characteristic								
Persons at work part time for economic reasons	5,485	6,359	6,447	6,322	6,443	6,438	6,182	–265
Discouraged workers	974	1,129	1,109	1,124	1,183	1,106	1,126	17
Reason for unemployment								
Job losers	3,784	4,814	5,211	4,863	4,820	4,812	4,555	–656
On layoff	1,132	1,205	1,190	1,083	1,114	1,162	1,080	–110
Other job losers	2,652	3,609	4,021	3,780	3,705	3,650	3,475	–546
Job leavers	1,004	962	947	972	963	908	950	3
Reentrants	2,010	2,155	2,232	2,212	2,208	2,091	2,062	–170
New entrants	673	807	879	924	901	849	823	–56
Duration of unemployment								
Less than 5 weeks	3,294	3,340	3,139	3,214	3,261	3,107	3,055	–84
5 to 14 weeks	2,425	2,717	2,693	2,558	2,607	2,536	2,380	–313
15 weeks and over	1,721	2,679	3,438	3,192	3,019	3,018	2,955	–483
15 to 26 weeks	948	1,366	1,440	1,310	1,279	1,271	1,217	–223
27 weeks and over	773	1,313	1,997	1,882	1,740	1,747	1,738	–259
Median duration, in weeks	5.9	7.6	9.2	8.5	8.4	8.5	8.3	–.9
Average (mean) duration, in weeks	12.4	14.9	18.7	18.1	17.8	18.2	18.5	–.2

Table 6. **Unemployment rates by census region and division, seasonally adjusted quarterly averages, 1990–93**

Region and division	1990	1991	1992	1993				Change, IV 1992–IV 1993
	IV	IV	IV	I	II	III	IV	
United States	6.0	7.0	7.3	7.0	7.0	6.7	6.5	–0.8
Northeast	6.0	7.6	8.1	7.6	7.1	7.1	6.9	–1.2
New England	6.5	8.2	8.2	7.5	6.7	6.4	6.3	–1.9
Middle Atlantic	5.8	7.4	8.1	7.6	7.3	7.3	7.2	–.9
South	6.3	6.8	6.9	6.7	6.6	6.4	6.2	–.7
South Atlantic	5.9	6.5	6.7	6.5	6.4	6.2	5.9	–.8
East South Central	6.6	7.1	6.9	6.5	7.0	6.3	6.0	–.9
West South Central	6.7	7.2	7.3	7.0	6.8	6.8	6.9	–.4
Midwest	5.8	6.6	6.1	6.2	6.3	5.7	5.8	–.3
East North Central	6.1	7.3	6.8	6.6	6.8	6.2	6.3	–.5
West North Central	5.0	4.9	4.6	5.3	5.2	4.6	4.8	.2
West	6.0	7.1	8.5	8.3	7.8	8.2	7.5	–1.0
Mountain	5.3	6.2	6.3	6.2	6.0	5.7	5.4	–.9
Pacific	6.2	7.4	9.3	9.0	8.4	9.0	8.2	–1.1

NOTE: See text footnote 3 for the definitions of the census regions and divisions.

Part time for economic reasons. The number of persons working part time for economic reasons—those who would have preferred full-time work—showed no clear trend for most of the year; however, the fourth-quarter level of 6.2 million was slightly less than that of the prior year. This group of workers—also called "underemployed" or "partially employed"—accounted for about 5 percent of all workers in the fourth quarter of 1993, a proportion that has been relatively stable since late 1991. Such a cyclical pattern is unusual; at the same point in prior recoveries, the proportion of employed persons working part time for economic reasons had declined substantially from recessionary levels. (See table 5 and chart 2.)

Discouraged workers. The number of discouraged workers—persons who want jobs but are not looking for them because they believe no work is available—was also stable during 1993, at 1.1 million. Discouragement has been near this level

since the end of the recession in early 1991. Although high by historical standards, this measure is markedly lower than the peak level of 1.8 million reached during the 1981–82 recession. (See table 5.)

Regional differences. During 1993, unemployment rates in all the census regions showed some improvement, but the rates remained relatively high in the Northeast and the West. At the end of the recession, the jobless rates for the four regions were relatively close—ranging from 6.5 percent in the West to 7.1 percent in the Northeast. Since then, the rates have diverged substantially. By the fourth quarter of 1993, unemployment rates varied from a low of 5.8 percent in the Midwest to a high of 7.5 percent in the West. Of all the States in the West, California had the highest unemployment rate during the past year—an average of about 9.0 percent—reflecting in part large cutbacks in defense-related activities. (See table 6.)

Labor force

The civilian labor force increased by 1.5 million in 1993, reaching 128.7 million in the fourth quarter. The over-the-year growth rate of 1.2 percent was about the same as that of 1992 and was more than twice that of 1991. Most of the growth in the labor force during 1993 was limited to adults, with women accounting for a larger share of the increase. After declining substantially in both 1990 and 1991, the teenage labor force changed little for the second consecutive year. Among the race and ethnic groups, Hispanics continued to account for a disproportionate share of the growth. Although Hispanics made up only 8 percent of the work force at the beginning of 1993, they accounted for about one-fourth of the overall increase during the year. (See table 3.)

Earnings

During 1993, the median weekly earnings of full-time wage and salary workers rose faster than consumer prices. In the fourth quarter of 1993, the median, as derived from the CPS, was $471, representing an increase of 4.7 percent from a year earlier. This outpaced the 2.7-percent rise in the Consumer Price Index for All Urban Consumers (CPI-U) over the same period. A year earlier, median earnings had increased at about the same rate as consumer prices.

Median earnings of women continued to increase at a faster pace than those of men in 1993, 3.6 versus 2.4 percent. (See table 7.) As a result, the ratio of women's earnings to men's increased to 77 percent. Since 1979, this ratio has risen by 14 percentage points.

Table 7. **Median weekly earnings of full-time wage and salary workers by sex, race, and Hispanic origin, not seasonally adjusted quarterly averages, 1992 and 1993**

Sex, race, and Hispanic origin	Fourth quarter		Percent change
	1992	1993	
Total	$450	$471	4.7
Men	508	520	2.4
Women	386	400	3.6
White	468	485	3.6
Men	522	544	4.2
Women	392	408	4.1
Black	358	367	2.5
Men	379	382	.8
Women	338	352	4.1
Hispanic	324	334	3.1
Men	336	351	4.5
Women	307	315	2.6

Data for production and nonsupervisory workers in the private nonfarm sector, derived from the survey of employers, showed that mean weekly earnings rose by 3.1 percent between December 1992 and December 1993, compared with a 1.9-percent gain in 1992.[4] After adjusting for the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), average weekly earnings rose 0.6 percent in 1993, after declining 1.0 percent in 1992.

THE PERFORMANCE OF the labor market in 1993 was better than the slow and uneven improvement in 1992. The employment gains were larger and more broadly based. While job growth still was concentrated in services and retail trade, there was also a substantial rise in construction. In addition, the unemployment rate remained on the gradual downward trend that began in mid-1992. Despite these developments, some problems lingered. Large job losses occurred in manufacturing, and both the share of unemployment due to permanent job loss and long-term unemployment continued at high levels. There also was little year-to-year improvement in the incidence of either economic part-time work or labor market discouragement. □

Footnotes

ACKNOWLEDGMENT: The authors thank Edna Biederman of the Division of Local Area Unemployment Statistics for her assistance in the preparation of the sections on regional labor market developments.

[1] This report summarizes developments in the U.S. labor market in 1993, using data from the Bureau's Current Employment Statistics (CES) survey of 370,000 nonfarm business establishments and from the Current Population Survey (the CPS, collected for BLS by the Census Bureau) of 60,000 households. Employment and unemployment data used in

this article are quarterly averages, unless otherwise noted. Estimates of over-the-year change are based on a comparison of fourth-quarter averages. Fourth-quarter data from the CES are preliminary.

[2] Employment data for this industry include the permanent employees of businesses such as temporary help agencies and leasing firms, as well as the workers who are sent out on assignments by temporary help agencies. The temporary workers are on the payrolls of the help supply service establishments, and make up the vast majority of the employment in the industry.

[3] The four census regions of the United States are Northeast, South, Midwest, and West. Within the Northeast, the New England division includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; and the Middle Atlantic division includes New Jersey, New York, and Pennsylvania. Within the South, the South Atlantic division includes Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; the East South Central division includes Alabama, Kentucky, Mississippi, and Tennessee; and the West South Central division includes Arkansas, Louisiana, Oklahoma, and Texas. Within the Midwest, the East North Central division includes Illinois, Indiana, Michigan, Ohio, and Wisconsin; and the West North Central division includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota. Within the West, the Mountain division includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and the Pacific division includes Alaska, California, Hawaii, Oregon, and Washington.

[4] Average weekly earnings derived from the survey of business establishments (CES) are different from those developed from the survey of households (CPS), partly because part-time workers are counted in CES averages, but not in the CPS data. Also, many workers are excluded from the CES earnings data, which are limited in scope to production and nonsupervisory workers. In addition, CES earnings averages are presented as means, whereas the CPS data are computed as medians—the earnings level at which half the workers earn more and half earn less. The two surveys also use different Consumer Price Index series to gauge changes in real (inflation-adjusted) earnings.

Career choices for Japanese women

In recent years, there is evidence that some Japanese firms will start to invest in the training of their female employees and offer them job rotation opportunities around the age of 30 when the probability of their quitting the job is reduced. However, women's chances for developing a career often start five or even ten years later than their male counterparts. In western countries, women can use external occupational or professional training as credentials to career development; in Japan the emphasis on firm-specific training means that Japanese women tend to face greater institutional barriers to their career advancement because firms have a stronger discretionary power in allocating the chances for career development. Occupational advancement depends much more on the allocative rules and procedures of the firms.

—Alice Lam

Women and Japanese Management: Discrimination and Reform
(London, Routledge, 1992), pp. 62–63.