

IN-DEPTH LOOK AT THE BLACK LABOR MARKET

WASHINGTON -- The black labor force, which has shown little growth over the past year, expanded moderately in the third quarter of 1974.

However, because there was virtually no employment growth for blacks, their unemployment rate rose from 9.0 to 9.5 percent during this quarter, according to a report of the U.S. Department of Labor's Bureau of Labor Statistics.

With the white rate increasing from 4.7 to 5.0 percent over the same period, the ratio of the two jobless rates remained a bit below 2 to 1.

The report, first of a series of quarterly reports on the Nation's employment situation, points out that when the black-white ratios are examined by major age-sex groups, there are some deviations from this overall relationship.

For example, the rate for black teenagers at 33.0 percent was almost 2-1/2 times the rate for white teenagers, 14.1 percent.

On the other hand, the jobless rate for adult black women was significantly less than twice the white rate (1.6 to 1).

The labor force developments report indicates that twice as many blacks as whites expressed some desire to be working "now", although not currently seeking jobs. These proportions were 16 and 7 percent, respectively, in the quarter.

About 150,000 blacks--one quarter of the total--were not looking for jobs specifically because of discouragement over job prospects.

The unemployment rate for 20- to 34-year old black veterans, at 10.8, not seasonally adjusted, was higher in

the third quarter of 1974 than a year earlier when it was 9.2 percent. The rate for white veterans in this age bracket, at 4.0 percent, was about unchanged.

Moreover, the black veteran rate during the third quarter was significantly above the rate of their nonveteran counterparts (9.0 percent).

The unemployment rate for blacks in poverty areas was 12.0 percent during the third quarter, about unchanged from the third quarter of 1973.

The new quarterly series, in addition to an analysis of overall trends in the Nation's labor force, will regularly cover developments for special groups based on data from the household survey: discouraged workers, Vietnam-era veterans, persons of Spanish origin and poverty area residents. Most of the data for these special groups are not published on a monthly basis.

Following are some of the highlights reported in the new series for the third quarter:

--The Nation's unemployment rate averaged 5.5 percent, well above the 5.1 percent average rate of the second quarter.

--Employment reached a new quarterly high of 86.3 million, though the rate of growth has slowed since last year. The overall labor force participation rate returned to its first quarter all-time high, 61.3 percent, reflecting the long-term uptrend for adult women.

--Of the persons outside the labor force, the number of "discouraged workers"--590,000-- edged down to the lowest level in 4-1/2 years.

--Recently discharged veterans, 20 to 24 years, continued to

be more adversely affected by joblessness than young nonveterans. The rate for young veterans was 11.1 percent, compared with 8.3 percent for young nonveterans.

--For persons of Spanish origin, the unemployment rate at 8.0 percent, not seasonally adjusted, remained substantially above the rate for white workers (5.0 percent) but was below that for black workers (10.5 percent), and

--The jobless rate in the Nation's poverty areas was 7.4 percent more than 2 percentage points above the rate in other areas.

The rapid expansion in total employment which had started in mid-1971 tapered off in the closing months of 1973 with the onset of the energy crisis.

Unemployment, which had been moving down for almost 2 years, also changed course. After declining to a 3-1/2 year low last fall, the unemployment rate increased to 5.2 percent in the first quarter and stayed at about that level through the second quarter. In the State of Nevada the unemployment rate is 8.0 percent.

The stability in the unemployment situation during this period reflected two factors: the sharp slowdown in labor force growth that materialized soon after employment ceased to grow, and the mild recovery in employment following termination of the oil embargo.

During the third quarter, employment continued to grow but at a relatively slow pace. An important factor in the sluggish employment picture has been the slump in the construction industry.

The prolonged decline in housing starts has not only caused a decline in employment in this in-

dustry, but its adverse job effects were also being felt by those industries which depend heavily on the home-building activity such as lumber, furniture, and appliances.

While Labor force growth had been relatively stagnant during the first half of 1974, marked changes occurred during the third quarter.

The overall participation rate of workers returned to its first quarter post-World War II high of 61.3 percent, due entirely to a continued rise in participation of adult women to 45.7 percent. Teenage participation edged down for the second straight quarter, while adult men were unchanged over the quarter at an alltime low of 80.9 percent.

Given the relatively slow pace of employment growth, nearly half of these labor force increases were translated into a rise in unemployment. As a result, the number of jobless persons rose to an average of 5.0 million in the third quarter, and the quarterly unemployment rate moved to 5.5 percent. The September rate was 5.8 percent.

Of the 5 million unemployed, 2.1 million had lost their last jobs. The number of job losers, which is cyclically sensitive, had been averaging about 1.6 million prior to the current slowdown in economic activity.

About half of the total unemployed had been looking for work for less than 5 weeks. However, almost 1 million had been looking for work for 15 or more weeks.

The average (mean) duration of unemployment was 9.9 weeks for the third quarter, only slightly higher than either of the first two quarters of 1974.

Changes in the duration of unemployment have usually lagged several months behind changes in the jobless rate. At its current level, average duration of unemployment is about 2 weeks below the average of 1972 and not materially different from the 1973 average.

Among the persons outside the labor force, the number expressing some desire to have a job was also unchanged. The number of "discouraged workers"--persons who want work but were not looking for a job specifically because they think they could not find one--declined to a 4-1/2 year low of 590,000 after averaging about 680,000 in the three prior quarters.

The employment situation of Vietnam-era veterans 20-34 years of age was about unchanged in the third quarter of 1974. On a seasonally adjusted basis, their unemployment rate of 5.0 percent was about the same as the two previous quarters and a year ago. The veterans' jobless rate in the third quarter was well below the 5.8 percent rate of their nonveteran counterparts.

Unemployment rates for older veterans have been equal to or lower than those for older nonveterans for some time now. In the third quarter of 1974, the jobless rates for young veterans and nonveterans were 11.1 percent and 8.3 percent, respectively.

The jobless rate in poverty areas increased from 6.4 to 7.4 percent over the year, while in nonpoverty areas it rose from 4.4 to 5.1 percent. (These data also cannot yet be seasonally adjusted.)

Nearly 29 million persons (16 years and over) live in poverty

areas-- Census geographical divisions where, in 1969, 20 percent or more of the population were poor.

Almost all of the over-the-year increase in poverty area unemployment occurred among whites. Their jobless rate rose from 4.2 to 5.5 percent.

The number of unemployed persons in poverty areas in the third quarter of 1974 was 1.2 million, up 150,000 over the same quarter a year ago. The number of unemployed persons, 14.8 million, was at about last year's level.

Labor force participation remained substantially lower in poverty areas than in nonpoverty areas in the third quarter of 1974.

A Look At Spanish Labor Units

The Spanish-origin civilian labor force averaged 4.1 million in the third quarter of 1974 and accounted for a little over 4 percent of the Nation's labor force. These data cannot yet be seasonally adjusted.

The overall labor force participation rate for this group was 62.7 percent, considerably greater than the rate for blacks and also exceeding that of whites.

Nearly 3.8 million persons of Spanish origin were employed during the quarter, and 325,000 were unemployed.

Their unemployment rate of 8.0 percent was substantially above the 5.0 percent rate for whites but below the 10.5 percent rate for black workers. Since the third quarter of 1973, Spanish-origin workers experienced an upturn in joblessness (29 percent) that was in excess of both the white (22 percent) and black (8 percent increase.)

Las Vegas Employment Rate Bared

LAS VEGAS--Clark County's adjusted unemployment rate for September remained stable while the national jobless rate went up four tenths of a percentage point, the local office manager of the Nevada Employment Security Department said Friday.

Manager Charles Smith said Clark County's 8 per cent unemployment rate last

month (Sept) indicated the area's economy was beginning to stabilize again following recent labor disputes. He added that total employment between August and September increased by 900 workers.

Further evidence of the county's healthy growth, said Smith, is the increase in the number of new workers between September 1973 and September of this year, up 9,200. "That's a 7 per cent jump in employment in one year."

Smith said September unemployment rates in the Western states of

California, Alaska and Washington were higher than Nevada's rate.

He also noted the U.S. Census Bureau this week said Nevada ranks as the second fastest growing state in the country.

High unemployment in rapid-growth states is a common occurrence, said Smith.

"People don't move to states with poor economies and little possibility for employment. So anytime a state's population grows rapidly, such as in Nevada, it is a sure sign that the state's economy and jobs are expanding."

Smith said, however, that new residents who are job hunting immediately land on the unemployment rolls and stay there for the three or four weeks it might take to obtain work.

"But when they find jobs, there are always other new residents to take over the unemployed slots for the next three to four weeks. It is a continuing cycle whenever rapid growth occurs."

But he pointed out that growth would not be possible without a large labor pool.

He said four of the eight major industries

in Clark County increased in the number of jobs between August and September, with the service industry and construction leading the way, up 1,100 and 400 new employees respectively.

Trade went up by 200 workers and mining increased by 100. Government held steady in employment, and manufacturing and finance-insurance - real estate held steady. Construction, suffering from the nationwide problems of inflation and tight-money, declined by 1,400 workers during the year-long period.

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