

# Comments on “Private Sector Estimates of Unemployment Rate and the Development of the Labor Force Concept” by Gabriel Mathy

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SGE Friday seminars

February 26, 2021

Findings and views don't represent the agency  
I'm not in the employment/unemployment field.



# This paper is illuminating

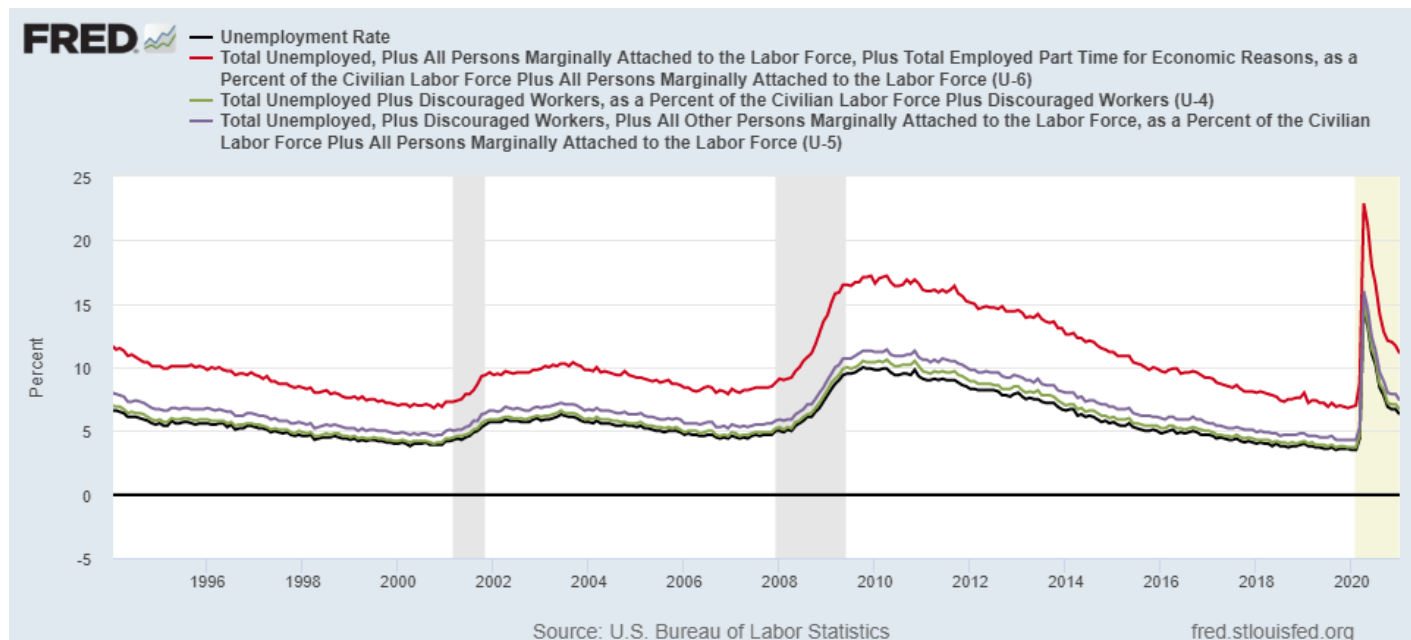
- Prehistory of official unemployment measures
- Many independent characters
  - Robert Nathan, Hart, Berridge, NICB, Ayres/Cleveland Trust, Chamber of Commerce, National Research League, AFL, Hetzel/CIO, Thompson, Krock, Lincoln, Eccles, Nixon & Samuelson, Woytinsky, Lebergott
- Contrast between methods:
  - (1) Estimated labor force minus estimated employment
  - (2) Census / survey / enumeration methods
    - Monthly Reports → Current Population Survey (CPS)
  - Different concepts / measures of agricultural employment
  - “Unemployment controversy of 1930”
    - President Hoover’s statement (disputed; Christmas hiring / seasonal adjustment)

# How to count WPA and CCC workers?

- Emergency relief programs of Federal government in 1930s
  - Works Progress Administration and Civilian Conservation Corps
- Contrast historic “gainful employment” to later “labor force” idea
  - Gainful employment, Census 1870-1930
    - Associated with reporting an occupation to the Census, whether working or seeking work
    - . . . where occupation means the kind of work a person would ordinarily do
    - NOT tied to what they did in a particular week
  - New concepts and measures stabilize around 1940
  - Gainful employment measures often miss paid work done by women (Bose, 2001; Folbre)
  - It’s hard to push labor force concepts and measures back to 1900 given US data
    - Women, Native Americans, children, students, can’t find/traveling, refused, retired, volunteering, border-crossers, military, institutionalized, unpaid apprentices
- Associated with concepts of role of individual in society
  - But did participants say they don’t think the WPA and CCC are productive?
  - Or just that it’s not regular employment?

# How to count discouraged workers?

- Recurring issue
- Official unemployment measures now tend to be based on behavior, not on what the individual says they'd want
  - Conceptual / scientific question – what we want, and what we **can** measure
  - Why? (1) **market measure**, (2) **stable measure**
  - Was stability/measurability discussed in the 1930s-1940s?



# Other characters and influences

- Frances Perkins, Secretary of Labor in in 1930s-40s
  - Public testimony about unemployment and employment statistics
- Isador Lubin, BLS chief
  - Attentive to WWII planning (Downey book; Goldberg and Moye)
- Some GNP concepts/measures stabilize around the same time
- Role of international comparisons and conferences?
  - ILO
  - International Congresses of Labour Statisticians, Galenson and Zellner (1957)

# Alternatives blossom before standardization

- That's a recurring pattern in technology history
- What are we in the prehistory of now?
- Maybe: Faster measures, e.g. of GDP
  - “Nowcasts” or “high frequency” measures, proxying for GDP
  - This depends on a stabilized concept of GDP, even if it's complicated
  - Many are available; Atlanta Fed has a smartphone app for this
  - Nowcasting works better than prediction