THE LONG-TERM UNEMPLOYED IN PHILADELPHIA IN 1936

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FEDERAL WORKS AGENCY WORK PROJECTS ADMINISTRATION

F. C. HARRINGTON CORRINGTON GILL

Commissioner Assistant Commissioner

NATIONAL RESEARCH PROJECT

on

Reemployment Opportunities and Recent Changes in Industrial Techniques

> DAVID WEINTRAUB Director

In cooperation with

INDUSTRIAL RESEARCH DEPARTMENT WHARTON SCHOOL OF FINANCE AND COMMERCE UNIVERSITY OF PENNSYLVANIA

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Philadelphia Labor Market Studies Gladys L. Palmer, Economist in Charge

PHILADELPHIA LABOR MARKET STUDIES

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THE LONG-TERM UNEMPLOYED IN PHILADELPHIA IN 1936

A Study of the Chief Wage Earners of Families on Relief or the Works Program for Two Years Prior to August 1936

- by

Gladys L. Palmer

and

Janet H. Lewis

WORK PROJECTS ADMINISTRATION, NATIONAL RESEARCH PROJECT
In cooperation with
INDUSTRIAL RESEARCH DEPARTMENT, UNIVERSITY OF PENNSYLVANIA

Report No. P-8

Philadelphia, Pennsylvania

August 1939

THE WPA NATIONAL RESEARCH PROJECT ON REEMPLOYMENT OPPORTUNITIES AND RECENT CHANGES IN INDUSTRIAL TECHNIQUES

Under the authority granted by the President in the Executive Order which created the Works Progress Administration, Administrator Harry L. Hopkins authorized the establishment of a research program for the purpose of collecting and analyzing data bearing on problems of employment, unemployment, and relief. Accordingly, the National Research Program was established in October 1935 under the supervision of Corrington Gill, Assistant Administrator of the WPA, who appointed the directors of the individual studies or projects.

The Project on Reemployment Opportunities and Recent Changes in Industrial Techniques was organized in December 1935 to inquire, with the cooperation of industry, labor, and governmental and private agencies, into the extent of recent changes in industrial techniques and to evaluate the effects of these changes on the volume of employment and unemployment. David Weintraub and Irving Kaplan, members of the research staff of the Division of Research, Statistics, and Finance, were appointed, respectively, Director and Associate Director of the Project. The task set for them was to assemble and organize the existing data which bear on the problem and to augment these data by field surveys and analyses.

To this end, many governmental agencies which are the collectors and repositories of pertinent information were invited to cooperate. The cooperating agencies of the United States Government include the Department of Agriculture, the Bureau of Mines of the Department of the Interior, the Bureau of Labor Statistics of the Department of Labor, the Railroad Retirement Board, the Social Security Board, the Bureau of Internal Revenue of the Department of the Treasury, the Department of Commerce, the Federal Trade Commission, and the Tariff Commission.

The following private agencies joined with the National Research Project in conducting special studies: the Industrial Research Department of the University of Pennsylvania, the National Bureau of Economic Research, Inc., the Employment Stabilization Research Institute of the University of Minnesota, and the Agricultural Economics Departments in the Agricultural Experiment Stations of California, Illinois, Iowa, and New York.

FEDERAL WORKS AGENCY WORK PROJECTS ADMINISTRATION

1734 NEW YORK AVENUE NW. WASHINGTON, D. C.

F. C. HARRINGTON
COMMISSIONER OF WORK PROJECTS

August 3, 1939

Colonel F. C. Harrington
Commissioner of Work Projects

Sir:

There is transmitted herewith a report on The Long-Term Unemployed in Philadelphia in 1936. This study deals with the family composition and occupational characteristics of the chief wage earners in families which were on home or work relief for 2 years continuously prior to August 1936. After the inauguration of the Works Program all of these people were certified as eligible for assignment, and some of them were employed on WPA projects. These workers, who may be termed the "hard core" on relief, represented more than 20 percent of Philadelphia's relief load in August 1936.

From the standpoint of this Administration, the most significant findings of the study are those concerning the employability of persons who have been without jobs in private industry and dependent on relief or Works Program employment for a long period of time. It was found that there are few clear marks distinguishing this group from others on relief. With respect to sex, race, and usual occupation, for instance, they were similar to other chief wage earners on relief.

Pronounced differences were observed, however, between the long-term unemployed on relief and all unemployed in Philadelphia. Workers in the hard core were older than the average unemployed worker. A higher proportion of them were women, and a higher proportion were Negroes. They came in much higher proportions from unskilled occupations and less frequently from skilled, semiskilled, and clerical or professional jobs.

They had been out of work much longer than the average unemployed person in the city.

Nevertheless, by all the tests which the available data permit, workers in the hard core of the unemployed in 1936 were employable. They were out of work because, compared with other job seekers, they had specific disadvantages of age, sex, race, or type of occupational experience.

Respectfully yours,

Corrington Gill Assistant Commissioner

CONTENTS

Chapter	r	Page
	PREFACE	xi
I.	INTRODUCTION	1
	Long-term unemployment in Philadelphia	1
	Long-term relief in Philadelphia	3
	Relief cases selected for study	5
II.	COMPOSITION OF THE FAMILIES ON RELIEF	e
	Number of persons per case	8
	Number of employable persons per case	8
	social head	8
	Changes in first priority workers	8
III.	OCCUPATIONAL CHARACTERISTICS OF THE CHIEF	
	WAGE EARNERS	11
•	Sex, race, and age	12
	Marital status, years in city, and schooling	14
	Occupational and industrial experience	15
	The longest job	15
	The last regular job	19
	unemployed on relief	22
IV.	SUMMARY AND CONCLUSIONS	25
Append	ix	
A.	PROCEDURE USED TO DETERMINE WORKERS TO BE INCLUDED IN THE STUDY	30
	Determination of cases on relief	0.0
	for 2-year period	30
	selected for study	31
	Location of the registration cards of the first	
	priority workers	32
	of the study	32
	Recapitulation	33
В.	SCHEDULE AND DEFINITIONS OF TERMS USED	34
	Schedule	34
	Definitions of terms	35
c.	TABLES	38
	CHARTS	
Figure		
_	verage number of direct- and work-relief cases in	
T. A.	Philadelphia, September 1932 to December 1938	S

CHARTS-Continued

wigur	·e	rage	
2.	Occupational group of longest job of new applicants at the State Employment Office, quarter-months of 1934 and 1935, by sex	18	
3.	Occupational group of longest job of first priority workers among the long-term unemployed on relief who registered in 1934 and 1935, by sex	17	
	TEXT TABLES		
Table			
1.	Total number of cases, by type of case and sex of first priority worker	6	
2.	Relationship of first priority worker to social head of case	9	
3•	Reason for removal of first priority worker in cases where such changes occurred, by sex	10	
4.	Sex and race of first priority workers in the hard core on relief and in the Relief Labor Inventory, of the unemployed in May 1935, and of new applicants at the State Employment Office in 1934 and 1935	12	
5.	Sex and age of first priority workers in the hard core on relief, of the unemployed in May 1935, and of new applicants at the State Employment Office, 1934 and 1935	13	
6.	Occupational group of longest job of first priority workers in the hard core on relief and in the Relief Labor Inventory and of new applicants at the State Employment Office in 1934 and 1935, by sex	18	
7.	Occupational group of last regular job of first priority workers in the hard core on relief and of the unemployed in May 1935, by sex	20	
	APPENDIX TABLES		
C-1.	Average number of direct- and work-relief cases in Philadelphia, September 1932 through December 1938	38	
C-2.	Number of persons in case, by type of case and sex of first priority worker	40	
С-3.	Number of employable persons in case, by type of case and sex of first priority worker	41	
C-4.	Number of changes in first priority worker, by type of case	42	
C-5.	Occupational group of last regular job, by age of men	43	

CONTENTS

APPENDIX TABLES-Continued

ix

Table		Page
C-8.	Occupational group of last regular job, by age of women	44
C-7.	Years in city, by race and sex	45
C-8.	School grade completed, by sex and race	46
C-9.	Occupation of longest job, by sex	47
C-10.	Industrial group of longest and last regular jobs, by sex	51
C-11.	Occupational group of longest job of men, by length of service	52
C-12.	Occupational group of longest job of women, by length of service	52
C-13.	Occupational group of last regular job, by length of service and sex	53
C-14.	Date of loss of last regular job of men, by industrial group of last regular job	54
C-15.	Date of loss of last regular job of women, by industrial group of last regular job	55
C-16-	Ade by date of loss of last redular ich and sev.	58

PREFACE

The types of social problems that flow from the persistence of a large volume of unemployment vary in kind and in degree according to whether the unemployed are a continuously changing or a stagnant group. For example, the measures required for the relief of unemployment differ depending on whether an average of 10 million unemployed during every month of a year represents that number of persons who are chronically unemployed or an equal number of different persons who are only temporarily unemployed during one month of the year. Such evidence as there is seems to point to an increasing seriousness of one of the unemployment problems: the pool of able and willing job seekers who are chronically unemployed has grown greatly in recent years.

The processes by which workers are laid off and hired have been a strategic element in the relegation of certain individuals to this immobile reserve of long-term unemployed. The selection of workers from the available supply is largely based upon criteria which individual employers consider important from the standpoint of management controls and efficient production. In many establishments every job has been analyzed; "job specifications" setforth the qualities required of candidates. In general, however, these job requirements are flexible. If, for example, workers are wanted who have had experience on a particular type of machine, others with an allied occupational background or even completely untrained workers may be hired should there be a shortage of trained workers or should other considerations appear more important to the employer.

The degree of selectivity that an employer exercises depends only in part upon his standard of qualification; it is also affected by what the prevailing labor market situation will permit. When unemployment is widespread and affects the entire range of industries and occupations, as has been true over the last 10 years, the standards of qualification for employment are apt to rise; the job orders that flow into employment offices tend to specify desired qualifications in minute detail. The older worker, skilled or unskilled, though formerly employed for many years, finds difficulty regaining a foothold in industry once he loses a job. The worker whose major experience has been confined to a particular process or machine that has undergone

xii PREFACE

a technological change often finds himself passed over in favor of a completely untrained and inexperienced applicant. In addition, employers may exercise preferences that flow from such factors as the desire to change the existing wage levels rather than from the technical requirements of the work; the selective factors of age, sex, and race are often in this category. The passage of time - that is, long-term unemployment - itself proves to be a selective factor in the distribution of employment opportunity in that those longest unemployed are likely to have the least chances for jobs for that reason alone. Thus, in an economic setting characterized by a persistently large volume of unemployment, there are bound to result pools of unemployed whose opportunities for reemployment diminish as times goes on.

The present report is concerned with the characteristics of a group of such long-term unemployed workers. Other National Research Project reports have dealt with the operation of selective factors in lay-off, rehiring, and new hiring. The characteristics reported here reflect some of the effects of the functioning of such factors. The study analyzes the important occupational characteristics of Philadelphia residents who, as chief wage earners of families, were unemployed and continuously on relief or on emergency Works Program projects for 2 years or longer during a general recovery period. Their characteristics are compared with those of the unemployed in general, of applicants for jobs at the Philadelphia State Employment Office, and of other workers on relief or employed on Works Program projects.

This report completes the National Research Project's series of "Philadelphia Labor Market Studies." These studies, conducted in cooperation with the Industrial Research Department of the University of Pennsylvania, have been directed to measuring and analyzing the volume and character of employment and unemployment in an industrially diversified, metropolitan labor market. The group of studies was conducted under the direction of Gladys L. Palmer, who with Janet H. Lewis prepared this report. The completed manuscript was edited and prepared for publication under the supervision of Edmund J. Stone.

For furnishing access to materials, special tabulations, and counsel on the interpretation of data, acknowledgement is gratefully made to the following agencies: The Pennsylvania Department

PREFACE

xiii

of Public Assistance, the Philadelphia Department of Public Assistance (formerly the Philadelphia County Relief Board), the Pennsylvania State Employment Service and the Philadelphia State Employment Office, the Division of Research of the Work Projects Administration (formerly the Works Progress Administration), and the Pennsylvania Work Projects Administration.

DAVID WEINTRAUB

PHILADELPHIA
August 2, 1939