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ABSTRACT
                This progress report summarizes the findings of a
second round of interviews with a cohort of young men between 14 and
24 years of age. These 1967 interviews provide data on the magnitude
and patterns of changes in educational and employment status during
the 12 months following the first round of interviews. The data
suggest that family income and other measures of socioeconomic status
have a large effect on the decision to remain in school or return
after dropping out, especially for the transition from high school to
college. During the period between interviews, labor force
participation increased substantially, with a moderate reduction in
susceptibility to unemployment, measured while holding demand
conditions constant. The large number of job changes occurring among
the cohort are consistant with previous studies of entry workers.
Noting that these shifts diminish with age within the cohort, the
study concludes that these early adjustments contribute to employment
stability. The first report is available as MP 000 718. Similar
studies on other population subsets are available as ED 026 525, ED
039 331, and ED 043 755. (BH)

CAREER THRESHOLDS:

A longitudinal study of the
educational and labor market
experience of male youth

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2

This volume is a brief progress report on a longitudinal study of the educational and labor market experience of young men. In early 1965, the Center for Human Resource Research, under a contract with the United States Department of Labor, began the planning of longitudinal studies of the labor market experience of four subsets of the United States population: men 45 to 59 years of age, women 30 to 44 years of age, and young men and women 14 to 24 years of age.

Cost considerations dictated limiting the population covered; given that constraint, these four groups were selected for study because each faces special labor market problems that are challenging to policy makers. In the case of the older male group these problems are reflected in a tendency for unemployment, when it occurs, to be of longer-than-average duration and in the fact that average annual incomes of males decline continuously with advancing age beyond the mid-forties. In the case of the older of the two groups of women the special problems are those associated with reentry into the labor force on the part of a great many married women after their children no longer require their continuous presence at home. For the young men and women, of course, the problems are those revolving around the process of occupational choice and include both the preparation for work and the frequently difficult period of accommodation to the labor market when formal schooling has been completed.

While the more-or-less unique problems of each of the subject groups to some extent dictate separate orientations for the four studies, there is, nevertheless, a general conceptual framework and a general set of objectives common to all of them. Each of the four studies views the experience and behavior of individuals in the labor market as resulting from an interaction between the characteristics of the environment and a variety of demographic, economic, social, and attitudinal characteristics of the individual. Each study seeks to identify those characteristics that appear to be most important in explaining variations in several important facets of labor market experience: labor force participation, unemployment experience, and various types of labor mobility. Knowledge of this kind may be expected to make an important contribution to our understanding of the way in which labor markets operate and thus to be useful for the development and implementation of appropriate labor market policies.

For each of the four population groups described above, a national probability sample of the noninstitutional civilian population has been drawn by the Bureau of the Census. Members of each sample are being surveyed periodically for five years. According to present plans, the last round of interviews will occur in 1971 for the two male groups, in

1972 for the older group of women, and in early 1973 for the younger group of women. Reports on the first survey of the young men (Career Thresholds, Volume I, 1969), the first and second surveys of the older men (The Pre-Retirement Years, Volumes I and II, 1968 and 1970), and the first survey of the older of the two groups of women (Dual Careers, Volume I, 1970) have already been published. A report on the first survey of the young girls is expected to be available by the end of this year.

The present report, the second in the series on the young men, summarizes some of the findings of the second round of interviews with that cohort that were conducted in the autumn of 1967. Based exclusively on tabular data, its primary purpose is to describe the magnitude and patterns of change that occurred in the educational and labor market status of the youth during the 12-month period between the first and second surveys. More intensive analyses of the data will be made at a later date, but the unique nature of some of the data already available has argued for its immediate publication.

Both the overall study and the present report are the product of the joint effort of a great many persons, not all of whom are even known to us. The research staff of the Center has enjoyed the continuous expert and friendly collaboration of personnel of the Bureau of the Census, which, under a separate contract with the Department of Labor, is responsible for developing the samples, conducting all of the interviews, processing the data, and preparing the tabulations we have requested.

We are especially indebted to Daniel Levine, Chief of the Demographic Surveys Division for his cooperation and advice; and to Marie Argana, Chief of the Longitudinal Surveys Branch, who has been intimately involved in and has made substantial contributions to the project from its inception. We wish also to acknowledge our indebtedness to Rex Pullin and his staff of the Field Division, who were responsible for the collection of the data; to David Lipscomb and his staff of the Systems Division for editing and coding the interview schedules; and to Robert Bartram, Richard Bartlett, Robert Goodson, and their associates for the computer work.

The advice and counsel of many persons in the Department of Labor have been very helpful to us both in designing the study and in interpreting its findings. Without in any way implicating them in whatever deficiencies may exist in this report, we wish to acknowledge especially the continuous interest and support of Howard Rosen, Director of the Office of Research and Development and the valuable advice provided by Stuart Garfinkle and Jacob Schiffman, who, as our principal contacts in the Office of Research and Development, have worked closely with us from the outset.

The Ohio State University   Herbert S. Parnes
September 1970   Project Director

7

I   INTRODUCTION

How much change occurs during the course of a year in the educational
and labor market status of young men? To what extent do they leave or
return to school, move into or out of employment, change jobs, and modify
their educational goals? How do the youths who make these changes differ
from those who do not? This report is addressed to questions such as
these.

In the autumn of 1966, interviews were conducted with a nationa
probability sample of about 5,000 young men in the civilian,
noninstitutional population who were then between 14 and 24 years of
age--the initial stage of a five-year longitudinal study of the cohort.[1]
The results of that survey, designed to set the stage for the longitudinal
analysis to follow, have been reported in the first volume of this series.[2]
The second round of interviews with the same young men was carried out
12 months after the first--in the fall of 1967. Of the 5,234 members of
the sample interviewed in 1966, only 433 (8.4 percent) were not
reinterviewed in 1967. The attrition was this high only because of a
decision to forego interviewing men entering the armed services until
such time as they return to civilian life. Actually the noninterview
rate attributable to refusals and inability to locate respondents was
only 3.1 percent of the original sample. The extent to which these
rates varied according to certain economic and social characteristics
of the respondents in the original sample is shown in Appendix Table A-1.

The present document, based on the first and second interviews, is
intended simply as a progress report on the longitudinal study. Its
purpose is to describe the magnitude and the patterns of change that
have occurred during the one-year period in the school activities,
the plans, and the labor market status of members of the sample and in
certain other characteristics that have an important effect on these
dimensions of behavior.

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*   This chapter was written by Jack A. Meyer.

1   For a description of the sample design, see Appendix C.

2   Herbert S. Parnes, Robert C. Miljus, Ruth S. Spitz, and
Associates, Career Thresholds: A Longitudinal Study of the Educational and
Labor Market Exper nce of Male Youth 14 to 24 Years of Age, Vol. I (Columbus:
The Ohio State University, Center for Human Resource Research, 1969). This
volume henceforth will be referred to as Career Thresholds, Vol. I.

The remainder of this chapter deals with various movements into and out of the formal school system and between levels of that system (e.g., high school to college) and examines several important correlates of school enrollment in the two years. Chapter 2 describes the changes in labor force and employment status between the two surveys and explores in particular their relation to changes in school enrollment and marital status. Chapter 3 continues the analysis of mobility with an examination of movement among employers, occupations, and geographic areas. Chapter 4 considers changes that occurred between 1966 and 1967 in the educational aspirations of high school students and relates these to several variables which generally are believed to condition school achievement goals. Finally, Chapter 5 summarizes the major findings and discusses possible policy implications.

II COMPARATIVE SCHOOL ENROLLMENT STATUS

For a variety of reasons--including public concern for ways of reducing poverty and youth unemployment--understanding why some youngsters stay in school while others do not is an important topic for inquiry.

Conceptual Framework

School attendance is affected by a wide variety of factors which often interact with each other in complex ways. While this interaction impedes identification of clear causal relationships, it is still useful to specify the variables which are expected to have independent effects on dropping out of and returning to school. Past research and a priori reasoning suggest that school enrollment is affected by the following factors: a young man's socioeconomic background and the income of his family; his expectations, aspirations, and abilities; the nature of the educational environment available to him; and the availability of attractive alternative uses of time, such as gainful employment.[3]

It should be expected that educational attainment is positively related to socioeconomic status, to educational goals, expectations and abilities, and to the quality of educational services available. However, it is somewhat less clear what relationship to expect between year-to-year changes in educational attainment and alternative uses of time. Does an abundance of remunerative employment opportunities lure young people out of school? Or, do such opportunities make possible part-time, weekend, and vacation work and thus enable lower-class youths

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3   Although not available in time for the analysis reported here, a special 1968 school survey has generated intelligence and achievement test scores for the respondents and estimates of the quality of the high schools they attended. These data will be used in a forthcoming special report and in later regular reports.

2

who otherwise might drop out to remain in school?[4] Over the course of
the longitudinal study, we hope to provide answers to questions such as
these. In the remainder of this section we examine the magnitude of
dropping out of and returning to school along with several important
correlates of such change.

School Dropout and Retention Rates

     Considering only those who remained in the sample from one year to
the next, high school dropout rates for white and black[5] youngsters in
the one-year period were 5 and 7 percent, respectively.[6] In absolute
terms, this amounts to about 303,000 white and 66,000 black high school
dropouts. These numbers would almost certainly have been larger, and
the difference between white and black youth wider, had we been able to
reinterview in 1967 all of the respondents who were interviewed in 1966.[7]

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     4   Empirical evidence supports the former hypothesis; see William
G. Bowen and T. Aldrich Finegan, The Economics of Labor Force Participation
(Princeton, New Jersey: Princeton University Press, 1969), pp. 445-51.

     5   At the expense of some accuracy, we are using the term"black"
throughout this report to refer to the group now referred to in U. S.
Government reports as "Negro and other races." In official data on the
United States labor force, this category includes such groups as
Indians, Chinese, and Japanese, as well as Negroes. However, since Negroes
constitute over 90 percent of the total category, their characteristics are,
by and large, the characteristics of the total; and it is generally understood
that data on "Negro and other races" are descriptive of Negroes, but not, for
example, of Chinese-Americans. Our data are classified into the two color
groups in the same way as the official data, but the interpretations that
would in any case be drawn are made more explicit by referring in tables,
as well as in the text, to all those who are not Caucasian as "blacks."

     6   These rates, unadjusted for attrition from the sample, are based
on the number of young men in grades 9 through 12 at the time of the first
survey.

     7   The dropout rates presented here doubtless underestimate the rates
that would emerge if we had interviewed everyone in 1967. Of the high school
students who left the sample, 14 percent of the whites and 24 percent of the
blacks were enrolled in grades 9 to 11 in 1966 and left the sample by virtue
of joining the armed services. With rare exceptions, these men must have
dropped out of high school. There is reason to believe that young men who
were unavailable to be reinterviewed had a higher dropout rate from high
school than those who were reinterviewed. However, assuming that those who
were enrolled in grades 9 to 11 in 1966 and joined the armed services
dropped out of high school, and that those who were unavailable for reinterview
dropped out at the same rate as those who were interviewed in 1967, the high
school dropout rates for whites and blacks become 5.7 percent and 8.5 percent,
respectively. For the same reason, attrition biases our estimates of other
dropout and matriculation rates. However, since the attrition rates are
small, these biases are not great.

In part the higher dropout rates of black youth are attributable to
differences between blacks and whites in socioeconomic status, a matter
that will be discussed more fully below. An additional explanation,
however, is that black youth tend to be older than white youth for a
given grade in school, and dropout rates are positively correlated with
age.[8]

Several other patterns of change in school enrollment are worth
describing, yet it should be kept in mind that the exclusion from the
data of those who entered the armed forces between the two survey dates
results in an understatement of national dropout rates and an overstatement
of retention rates. Considering only those twelfth graders in 1966 who
were reinterviewed in 1967, 64 percent of the whites but only 38 percent
of the blacks were enrolled in school at the time of the second survey.
While a few were repeating the twelfth grade, the vast majority of these
men were in college.

At the same time, of young men enrolled in college in 1966 and
interviewed in both years, 15 percent of the whites (424 thousand) and
12 percent of the blacks (20 thousand) left college without receiving
a bachelor's or higher degree.[9] However, about two-thirds of the young
men who dropped out of college between the two surveys expect to return
to college in the future. Roughly three-fourths of these say they will
do so either this year or next, while one-fourth report indefinite plans.

Of those young men interviewed in both years who were not enrolled
in school in 1966, about 5 percent of the whites (approximately one
quarter of a million) and 3 percent of the blacks (about 23,000) were
in school at the time of the 1967 survey. One-fourth of the whites
returned to high school and three-fourths entered college, while about
three-tenths of the blacks returned to high school and seven-tenths
entered college. In both color groups, approximately one in ten of
those who returned to school were college graduates pursuing graduate work.[10]

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8   See Parnes, et al., Career Thresholds, Vol. I, p. 22.

9   While we do not know the exact number, undoubtedly some of these
young men left college upon completion of less-than-baccalaureate programs.

10   Since most of the returnees entered college, it is hardly
surprising to find that about three-fifths of them were 21 to 25 years
old in 1967. One-fifth were 19 to 20 years of age, while the remaining
fifth were 15 to 18 years of age.

Correlates of Dropping out of, Staying in, and Returning to School

Dropping out of high school   As expected, high school dropouts[11]
tend to come from families of lower socioeconomic status than the families
of those who remain in school (Table 1.1).[12] While we do not know at
this time what the independent effects of each factor may be, it is clear
that dropping out of school is associated with low family income, being
reared in broken homes, having a father with less than a high school
diploma, possessing meager information about occupations[13] (at least for
whites), and having poor access to newspapers, magazines, and libraries.[14]

Controlling for these variables has a considerable effect on the
intercolor difference in dropout rates (Table 1.1). Specifically, in
families with incomes less than $6,000, a larger proportion of blacks
than of whites remained in school, while the opposite is true of young

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11   Because of the way in which the data were tabulated, "dropouts"
are defined differently here than in the previous section in which total
high school dropout rates were calculated. Specifically, in this section,
dropouts do not include youth who were in the twelfth grade in 1966 but
who left school without graduating. On the other hand, the data include
a small number of young men who were enrolled in grades six through eight
in 1966 and dropped out of school.

12   The research on the relationship between socioeconomic status
and leaving school before graduation typically has produced this conclusion.
See, for example, the following: Forrest A. Bogan and Vera C. Perrella,
"Out of School Youth, February 1963," Monthly Labor Review (November 1964),
pp. 1260-68; Robert E. Herriott, Charles B. Nam, and A. Lewis Rhodes, "School
Retention by Race, Religion, and Socioeconomic Status," The Journal of Human
Resources (Spring, 1968), pp. 171-90; and Lucius F. Cervantes, The Dropout:
Causes and Cures (Ann Arbor: The University of Michigan Press, 1965).

13   The occupational information test used to measure knowledge of
the world of work consists of three components: (1) describing the duties
of 10 occupations; (2) knowing the amount of educational attainment typically
achieved by men in these occupations; and (3) comparing average annual
earnings for each of eight pairs of occupations. A composite score, based
on al. three components, was computed for each respondent and has a range of
0 to 56. Respondents were classified into three categories: low (0-20),
medium (21-37), and high (38-56). Composite scores are used in this report.

14   The variable which we have labeled "exposure to reading
materials at age 14" identifies whether the family of the respondent,
when he was 14 years old, had a library card and received newspapers
and/or magazines in the home.

Table 1.1   Proportion Enrolled in School in 1967, by Selected Characteristics:
Respondents Enrolled in Grades 6 through 11 in 1966

Characteristic	WHITES		BLACKS	
	Total number enrolled in 1966 (thousands)	Percent enrolled in 1967	Total number enrolled in 1966 (thousands)	Percent enrolled in 1967
Highest year of school completed by father[a]				
11 years or less	1,631	91	290	91
12 years or more	1,989	98	104	94
Total or average	3,691	95	436	92
Exposure to reading materials at age 14				
Had newspapers, magazines, library card	2,689	96	205	96
Lacked any 1	1,015	92	181	93
Lacked any 2 or 3	471	85	315	86
Total or average	4,182	94	703	91
Living arrangement at age 14				
Father and mother	3,538	95	414	92
Mother only	282	86	162	86
Other	345	38	127	90
Total or average	4,182	94	703	91
Occupational information score				
Low	1,450	91	473	89
Medium	1,992	95	197	94
High	740	95	32	88
Total or average	4,182	94	703	91
1966 family income[b]				
Less than $3,000	230	83	212	90
$3,000-$5,999	694	91	246	92
$6,000 or more	3,039	96	204	93
Total or average	3,960	94	661	92

(a)   Includes only respondents living with father during survey week and/or at age 14.
(b)   Includes only respondents living with family members other than wife.

NOTE: For general notes on interpretation of tables see Appendix A.

men in families with higher incomes. Of course, the median family income of whites in the category "$6,000 or more" is undoubtedly much higher than it is for blacks. Hence, this latter difference is attributable, at least in part, to the crudeness of the income categories. This same classification problem interferes with interpretation of the relationship between the probability of remaining in high school and father's education. Black men with fathers in the category of 11 or fewer years of education are probably less well educated than their white counterparts. Therefore. it is especially noteworthy that the same proportion (91 percent) of both white and black youth with fathers in that educational attainment category remained in school between 1966 and 1967. Thus, the higher overall rate of dropout among black youngsters is in large measure attributable to their poorer position in the socioeconomic hierarchy. Controlling for various measures of socioeconomic status, black youth frequently are at least as likely as their white counterparts to remain in high school.

Transition from high school to college   At the end of 12 years of schooling there is a sharp break in retention within the formal system of education. Of the young men interviewed in both years who were high school seniors in 1966, only 64 percent of the whites and 38 percent of the blacks were in school at the time of the second interview (Table 1.2).[15] Furthermore, the systematic relationship between movement to college and various measures of family background, income, and knowledge is much stronger in this instance than in the case of dropping out of high school. While the number of sample cases is often too small to permit confident estimates for youth in certain categories, transition from high school to college bears a strong positive correlation to father's education, exposure to reading materials at age 14, occupational information score, and (at least in the case of whites) family income. As stated previously, there is considerable intercorrelation among these variables; we shall be interested in exploring at some future time whether occupational information and access in the home to reading material have independent influences on going on to college.

Finally, it is clear that the intercolor difference in the probability of going to college is far greater than the difference in the probability of remaining in high school. What is more important, whereas the latter difference, as has been noted, is frequently eliminated or even reversed when socioeconomic status is controlled, this is by no means true of the black-white difference in the rate of movement from high school to college. While the overall difference tends to be somewhat reduced within socioeconomic categories, it remains true that in every category of Table 1.2 in which there are sufficient sample cases for reliable estimates, far smaller proportions of blacks than of whites moved from high school to college.

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15   While a small proportion may have been repeating their senior year, most were in their first year of college in 1967. Although not precise, we refer to these proportions as transition rates from high school to college. The "true" rates would be smaller for the   reason just given and because of temporary attrition from the sample of men who entered military service between 1966 and 1967.

Table 1.2   Proportion Enrolled in College[a] in 1967, by Selected Characteristics:
Respondents Enrolled in Grade 12 in 1966

Characteristic	WHITES		BLACKS	
	Total number enrolled in 1966 (thousands)	Percent enrolled in 1967	Total number enrolled in 1966 (thousands)	Percent enrolled in 1967
Highest year of school completed by father[b]				
11 years or less	465	44	59	32
12 years or more	557	79	20	60
Total or average	1,051	63	86	38
Exposure to reading materials at age 14				
Had newspapers, magazines, library card	832	71	50	50
Lacked any 1	302	49	40	38
Lacked any 2 or 3	45	40	46	24
Total or average	1,177	64	138	38
Living arrangement at age 14				
Father and mother	1,057	64	82	40
Mother only	53	77	31	45
Other	63	62	24	21
Total or average	1,177	64	138	38
Occupational information score				
Low	137	53	50	12
Medium	586	61	58	47
High	454	72	28	64
Total or average	1,177	64	138	38
1966 family income[c]				
Less than $3,000	39	31	33	15
$3,000-5,999	152	44	56	57
$6,000 or more	867	70	35	37
Total or average	1,060	65	124	40

(a) Includes a small number of students repeating their senior year of high school.
(b) Includes only respondents living with father in survey week and/or at age 14.
(c) Includes only respondents living with family members other than wife.

8

15

The likelihood of a youth's going to college might be expected to be influenced by the possibility of his attending one without incurring the expense of living away from home. We hypothesized, therefore, that rates of transition from high school to college would be higher among young men residing in counties (or SMSA's) containing colleges (Table 1.3). In the case of white youth there may indeed be such a relationship. Of those living in a college community 66 percent of the 1966 high school seniors went on to college in 1967, compared with 62 percent of the youth who did not live in such close proximity to college. This difference, however, is not very large and may very well not be statistically significant. Moreover, there has been no control for several variables such as family income, which we have reason to believe are intercorrelated with proximity to college. In the case of black youth, the number of sample cases residing in areas that do not contain colleges is too small for reliable analysis.

Table 1.3   Proportion Enrolled in College in 1967,[a] by Presence of College[b] in County or SMSA and Color: Respondents Enrolled in Grade 12 in 1966

Presence of college in 1967 local labor market	WHITES		BLACKS	
	Total number enrolled in 1966 (thousands)	Percent enrolled in 1967	Total number enrolled in 1966 (thousands)	Percent enrolled in 1967
Present	875	66	119	36
Not present	279	62	16	50
Total or average	1,177	64	138	38

(a) Includes a small number of students repeating senior year of high school.
(b) Includes two-year as well as four-year colleges.

Returning to school   With respect to the characteristics of those youth who returned to school in 1967, once again most measures of socioeconomic status confirm the expectation that returnees tend to come from families with higher socioeconomic status than the families of those who remained nonstudents (Table 1.4).

Compared to the nonstudents, those who returned to school were more likely to have fathers who completed 12 or more years of school, to have been living with both parents at age 14, to have had magazines, newspapers,

9

Table 1.4   Proportion Enrolled in School in 1967, by Selected Characteristics: Respondents Not Enrolled in School in 1956

Characteristic	WHITES		BLACKS	
	Total number enrolled in 1966 (thousands)	Percent enrolled in 1967	Total number enrolled in 1966 (thousands)	Percent enrolled in 1967
Highest year of school completed by father[a]				
11 years or less	2,407	4	322	2
12 years of more	1,258	8	62	18
Total or average	3,864	6	480	4
Exposure to reading materials at age 14				
Had newspapers, magazines, library card	2,291	6	224	6
Lacked any 1	1,539	6	235	1
Lacked any 2 or 3	967	2	365	2
Total or average	4,801	5	832	3
Living arrangement at age 14				
Father and mother	3,952	6	469	4
Mother only	405	1	199	2
Other	439	3	161	1
Total or average	4,801	5	832	3
Occupational information score				
Low	814	5	414	1
Medium	1,785	5	295	3
High	2,203	6	123	6
Total or average	4,801	5	832	3
1966 family income[b]				
Less than $6,000	391	4	282	2
$6,000-9,999	595	5	113	6
$10,000 or more	792	10	79	4
Total or average	1,780	7	475	4

(a) Includes only respondents living with father during survey week and/or at age 14.
(b) Includes only respondents living with family members other than wife.

10

and library cards in their homes at age 14, to be relatively knowledgeable about the world of work, and to belong to families with high income in 1966 (whites only). Once again, proportionately more out-of-school white than black men 14 to 24 years of age in 1966 returned to school--5 compared to 3 percent.

III   SUMMARY

While almost a tenth of the youth in the 1966 sample were not reinterviewed in 1967 (8.2 and 10.0 percent of the whites and blacks, respectively), the principal reason was entry into the armed services. Only 3.1 percent of the respondents (2.8 percent of the whites and 5.3 percent of the blacks) were not interviewed because of their refusal to see the interviewer or their inability to be located. Thus, the most serious bias resulting from failure to reinterview in the second year is related to the entrance of youngsters in their late teens to the military services. Specifically, school dropout rates reported on the basis of 1966 and 1967 data are understated, and transition probabilities from high school to college undoubtedly are overstated. These biases, however, are not substantial.

Of young men in grades 9 through 12 in 1966 who were reinterviewed a year later and who had not completed high school, 5 percent of the whites and 7 percent of the blacks had dropped out of school. The higher rate for blacks was not unexpected. For one thing, a larger proportion of blacks than whites are over age for their grade level in school and age is positively correlated with leaving school. Moreover, a much larger proportion of blacks than whites are members of low-income families, far down on the ladder of socioeconomic status, and socioeconomic status bears a strong inverse relation with dropout rates. It is noteworthy that when controls are introduced for socioeconomic status there are several categories in which blacks were no more likely than whites (and, in some cases slightly less likely) to drop out of school.

Differences by color are much more striking when considering the transition from high school to college. The proportion of white youth who moved from twelfth grade in 1966 to college in 1967 was about two-thirds, compared with only about two-fifths of the black youth. Moreover, the relationship between entrance to college and the several measures of socioeconomic status is more pronounced than in the case of dropping out of high school. Finally, unlike the situation in the case of high school dropout rates, intercolor differences in transition rates from high school to college remain pronounced even when socioeconomic status is controlled.

The numbers of youth who returned to school between the first and second surveys were relatively small--5 percent of the whites and 3 percent of the blacks. Not only is this intercolor difference consistent with that noted in the case of dropout and high school-to-college transition rates, but also measures of socioeconomic status tend to be related to this variable in the same way as to the others.

11

18

CHANGES IN LABOR FORCE AND EMPLOYMENT STATUS

I   INTRODUCTION

The persistence of high rates of unemployment among youth, particularly teenagers, has generated great concern with problems of adjustment of youngsters to the labor market. The longitudinal design of this study permits a careful analysis of this adjustment process, a preliminary stage of which is covered in the present chapter. Based on data provided in the first and second interviews, the chapter describes the changes that occurred in the labor force participation and unemployment experiences of our cohort of young men between 1966 and 1957. Not only did the young men "age" a year, but there were concomitant changes for many of them in school enrollment and in marital status. Moreover, some variation in overall labor market conditions occurred during the period.

We begin the analysis in the next section with a description of the gross change in labor market status experienced by the young men in the sample between the first two interviews. This is compared with cross-sectional data yielded by the Current Population Survey for the same two points in time in order to assess the extent to which the observed longitudinal changes might have resulted from changes in the economic climate between the two survey dates. In the following two sections, the impact on labor market status of changes in school enrollment status and marital status is examined.

Before turning to an analysis of the data a word or two should be said about the measures of labor force participation and unemployment used in this chapter. In addition to conventional labor force participation and unemployment rates in the survey week, we use the average (mean) number of weeks in the labor force and average number of weeks unemployed during the 12-month period preceding each survey. While mean number of weeks in the labor force for a given group of individuals is conceptually analogous to their labor force participation rate in a given week, the same relationship does not exist between mean number of weeks unemployed and the unemployment rate, since the unemployment rate uses as its base only those persons in the labor force, but mean number of weeks of unemployment is calculated on the basis of all respondents. From some points of view, it is more appropriate to ask what proportion of weeks in the labor force were spent in unemployment. Such a measure is included in some of the tables. Finally, in the first table in the chapter we have shown a fourth measure of unemployment: weeks unemployed in 1967 per individual who experienced one or more weeks of unemployment in that year. This measure of average duration provides some insight into the character of the unemployment experienced.

12/13

II   CORRELATES OF CHANGE

Age

    Substantial increases in intensity of labor market activity occurred
among the young men between the dates of the first two surveys. The
longitudinal data reveal that participation rates for whites and blacks
were respectively 5.6 and 7.2 percentage points higher in 1967 than in
1966 (Table 2.1). All three age categories experienced increases, but
the most dramatic shift occurred among youngsters who were 15 to 18
years old in 1967. Among whites, the average number of weeks in the
labor force during the 12-month period preceding the 1967 interview was
3.2 weeks greater than the average reported the year before. For blacks,
the means for the two years reflect an increase in the second year of
nearly one month (3.6 weeks).

    Variation in the measures of unemployment is not nearly so
consistent as the pattern of change in participation rates and mean weeks
in the labor force. Among whites, survey week unemployment rates
(7.0 percent in both years) and mean weeks unemployed (2.5 in 1966 and
2.6 in 1967) demonstrate relative stability in unemployment experience
for the total cohort, but there were important differences across age
categories. In the face of a 2.7 percentage point decline in the rate
between 1966 and 1967 for youth 19 to 20 years of age, slight increases
took place in the youngest and oldest age groups. On the other hand,
while the survey week rate increased between the interview dates for
the group most susceptible to unemployment--that is, youngsters 15 to 18
years old--there was a sharp decline in the percentage of weeks in the
labor force that were spent in unemployment--14.5 percent of weeks in
the 12 months prior to the 1966 interview, compared to 7.8 percent in
the following 12 months. The reason for this substantial difference
between the behavior of the current unemployment rate and the rate over
the 12-month period is not clear.

    In the case of black youth in the sample, with the exception of
those 19 to 20 years old, survey week unemployment rates increased
between 1966 and 1967 (Table 2.1). Black youngsters 15 to 18 years of
age experienced a change similar to that experienced by their white
counterparts. That is, while the survey week rate rose, the proportion
of weeks in the labor force spent in unemployment dropped significantly,
from 20.4 percent in 1966 to 11.9 percent in 1967. Blacks in the two
older age categories apparently experienced somewhat more unemployment
relative to whites in the second year than in the first--at least this
is indicated by year-to-year variation in the survey week unemployment
rate, in mean weeks unemployed, and in the average number of weeks
unemployed for those who experienced some unemployment.

    The increase in labor supply and the change in unemployment
experience over the one-year period, although substantial, are certainly
not surprising. The results of several demographic surveys, including

14

Table 2.1   Selected Measures of Labor Force Participation and Unemployment in 1966 and 1967, by Age in 1967 and Color: Respondents 15 to 25 Years of Age

Measure of labor force participation and unemployment	WHITES				BLACKS			
	15-18	19-20	21-25	Total or average	15-18	19-20	21-25	Total or average
Total number (thousands)	5,907	2,320	4,666	12,893	939	257	641	1,837
Labor force participation								
1966 participation rate	50.0	72.2	88.7	68.0	50.7	73.1	92.2	68.3
1967 participation rate	58.5	73.8	92.5	73.6	59.9	81.0	96.2	75.5
Change in rate (1967 minus 1966)	+8.5	+1.6	+3.8	+5.6	+9.2	+7.9	+4.0	+7.2
1966 mean weeks in labor force	23.4	35.2	44.3	33.1	20.6	36.1	43.4	30.7
1967 mean weeks in labor force	26.8	36.6	45.5	36.3	24.4	38.0	47.4	34.3
Change in mean weeks (1967 minus 1966)	+3.4	+1.4	+1.2	+3.2	+3.8	+1.9	+4.0	+3.6
Unemployment								
1966 unemployment rate	13.4	7.6	2.0	7.0	19.5	11.3	3.1	9.1
1967 unemployment rate	13.8	4.9	2.2	7.0	22.9	11.3	4.9	13.1
Change in rate (1967 minus 1966)	+0.4	-2.7	+0.2	0.0	+3.4	0.0	+1.8	+4.0
1966 mean weeks unemployed	3.4	3.4	1.1	2.5	4.2	2.5	1.0	2.9
1967 mean weeks unemployed	2.1	1.4	1.2	2.6	2.9	4.3	2.0	2.8
Change in mean weeks (1967 minus 1966)	-1.3	-2.0	+0.1	+0.1	-1.3	+1.8	+1.0	-0.1
1966 weeks unemployed as percent of weeks in labor force	14.5	9.7	2.5	7.6	20.4	6.9	2.3	9.4
1967 weeks unemployed as percent of weeks in labor force	7.8	3.8	2.6	7.2	11.9	11.3	4.2	8.2
Change in percent (1967 minus 1966)	-6.7	-5.9	+0.1	-0.4	-8.5	+4.4	+1.9	-1.2
1967 weeks unemployment per individual with some unemployment	9.8	6.4	7.4	8.2	9.6	8.5	8.5	9.1

15

the initial survey of this same sample of young men,[1] firmly establish
that age is strongly associated with labor force participation and
unemployment among young men in their teens and early twenties. The
patterns of change that have been observed between the two survey dates
provide a clear manifestation of an "age effect," whether it be the result
of leaving school, becoming eligible for additional jobs under child labor
laws, or acquiring additional knowledge, experience, and maturity. For
example, the observation that 15 to 18 year old boys experienced the
largest increases in participation rates is consistent with the finding
that in 1966 the rate at which participation rates increased with age
was greatest among boys 14 to 17 years old. In 1966, the difference in
participation rates between 14 to 15 and 16 to 17 year old boys was
larger than the difference between any other consecutive age categories
(Table 2.2). In addition, the longitudinal observation that 19 to 20
year old men experienced the largest decrease (or smallest increase)
in unemployment rates is consistent with the cross-sectional data in
Table 2.2 which show that in 1966 the continuous decline of unemployment
rates with age was most precipitous between the groups 18 to 19 and
20 to 21 years of age.

Table 2.2   Labor Force Participation and Unemployment Rates in
             1966, by Age in 1966:   Respondents 14-24 Years of
                           Age in 1966 Survey

Age in 1966	Total number (thousands)	Labor force participation rate	Total number in labor force in 1966 (thousands)	Unemployment rate in 1966
14-15	3,697	42	1,560	15.6
16-17	3,584	61	2,198	13.1
18-19	3,054	74	2,253	8.6
20-21	2,301	82	1,894	3.2
22-24	3,451	93	3,201	1.6
Total or average	16,087	69	11,107	7.5

Change in Labor Market Conditions, 1966-1967

However, before attributing the observed changes in labor market
activity between 1966 and 1967 primarily to an "aging" of the sample by one
year, it is necessary to inquire to what extent they may merely reflect
changes in general economic conditions between the two years. Since inter-
views were conducted in October and November of each year, it is possible to

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1   Parnes, et al., Career Thresholds, Vol. I, Chapter 3.

16

compare the experiences of respondents in the National Longitudinal Surveys (LGS) at two points in time with cross-sectional data on roughly comparable age groups collected as part of the Current Population Survey (CPS). An examination of the results of the CPS surveys for October 1966 and October 1967 reveals that among both blacks and whites participation rates and unemployment rates were higher in the latter year (Table 2.3). However, the data also show substantial differences in the pattern of change between students and nonstudents. While the participation rates of students increased, those of nonstudents decreased; and increases in unemployment rates were greater among students than nonstudents. The data also show that increases in unemployment were particularly noticeable among blacks.

In any case, the CPS data indicate that the impact of changes in labor market conditions on participation can account for only a small fraction of the total longitudinal change. For whites, CPS rates increased by 0.8 percentage points while the observed longitudinal increase was 5.6 percentage points. Among blacks the increases were 1.4 and 7.2 percentage points, respectively. Among the youngest cohort in each sample the difference between longitudinal change and that reflected by the CPS was even more substantial (Appendix Table A-2). For whites 15 to 18 years old the observed longitudinal change was 8.5 percentage points whereas the CPS rate for white youth 14 to 17 years old increased by only about 1 percentage point. Among blacks in these age categories the longitudinal increase amounted to 9.2 percentage points whereas the CPS change was 3 points.

The almost universal increases in unemployment evidenced by the CPS data imply that if unemployment decreases as a result of aging the full effect of this phenomenon may not be apparent in the longitudinal data. The fact is that the longitudinal data are more likely to show decreases in unemployment or to show increases of a much smaller magnitude than the CPS data reflect. We conclude, therefore, that the changes in labor market status measured by the longitudinal study between the 1966 and 1967 surveys are not likely in any substantial degree to be simply a reflection of changes in the economic climate between the two dates. Rather, they reflect changes in the characteristics of the respondents that affect their employment prospects.[2]

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2   In the first report, Career Thresholds, Vol. I, Appendix E, pp. 229-41, it was shown that estimates of labor force participation and unemployment rates derived from LGS differed substantially from CPS estimates. Somewhat different questions and probes, definitions, and timing were implicated in the 1966 discrepancy. On the other hand, by October 1967, the CPS definitions had been modified and were identical to those used in the LGS, and possible "first interview" bias presumably either no longer existed or should have been considerably reduced (Ibid., p. 231 and n.4). Thus, it is of more than passing interest to note that many of the same CPS-LGS differences by age and color in 1966 continued to hold in 1967   (Appendix Table A-3). While there are slight age differences and while attrition from the LGS may have biased the estimates somewhat, there is now stronger evidence that labor force participation rates from the two sources are related to first-hand versus second-hand responses. In the CPS, one family member (usually the housewife) generally answers for everyone; in the LGS, each respondent answers for himself.

17

Table 2.3   Labor Force Participation Rate and Unemployment Rate According to Current Population Survey of Men 14 to 24 Years of Age in the Civilian Noninstitutional Population, by School Enrollment Status and Color, October 1966 and October 1967

Statistic	Enrolled in school			Not enrolled in school			Total or average		
	October 1966	October 1967	1967 minus 1966	October 1966	October 1967	1967 minus 1966	October 1966	October 1967	1967 minus 1966
WHITES									
Population (thousands)	9,118	9,224	--	4,907	5,020	--	14,025	14,244	--
Labor force participation rate	33.0	34.6	+1.6	94.3	93.2	-1.1	54.5	55.3	0.8
Unemployment rate	6.4	9.3	+2.9	4.8	5.3	0.5	5.4	6.9	+1.5
NEGRO AND OTHER RACES									
Population (thousands)	1,160	1,247	--	874	869	--	2,034	2,116	--
Labor force participation rate	22.8	28.1	+5.3	90.3	89.1	-1.2	51.8	53.2	+1.4
Unemployment rate	15.2	27.9	+12.7	7.9	11.6	+3.7	9.7	16.7	+7.0

(a) Source: Appendix Table A-2.

Comparative School Enrollment Status

Since school attendance absorbs both time and energy, changes in school enrollment status should have a major bearing on labor force participation. The longitudinal data support this expectation. The largest increases in survey week participation rates occurred among both white and black youth who left school between the two surveys (Table 2.4). Moreover, with the exception of those who were 15 to 18 years of age in 1967 and of blacks who were 19 to 20 years old, youngsters who left school experienced the greatest increase in mean weeks in the labor force during the 12 months preceding each survey. These exceptions, incidentally, are important, for they manifest an apparent "age effect" on participation separate from the influence of school enrollment. Indeed, the fact that with rare exceptions participation rates and average weeks in the labor force rose for all categories of the total cohort between 1966 and 1967 suggests that maturation itself makes a difference in the gainful activities of male youth.

While substantially increased participation in the labor force is to be expected when young men leave school, it is not clear whether to expect an accompanying increase or decrease in unemployment. On the one hand, the youth who is no longer in school generally has fewer constraints upon his availability for work. Moreover, tight labor market conditions induce some youngsters to leave school. On the other hand, employment problems are frequently encountered by those just entering the labor force. The data indicate that the influence of the latter phenomenon on overall unemployment is outweighed by other factors (Table 2.5). In every instance where there are sufficient sample cases to warrant a reasonably confident inference, leaving school between the surveys is associated with a substantial decline in unemployment. To illustrate, among boys 15 to 18 years old in 1967, survey week unemployment rates declined between 1966 and 1967 from 24.1 to 11.8 percent for blacks and from 12.5 to 7.1 percent for whites. Thus, however severe the problems of transition from school to work, it is interesting that the likelihood of finding a job for those who want it is greater once the youth has left school than while he is still enrolled.

It is interesting to inquire whether there is any relationship between a high school student's employment experience and his prospects for employment upon leaving school. By classifying the respondents who left school between the two surveys according to their labor force status in 1966, it is possible to shed some light on this question. Looking only at the school leavers who were nonmarried in both years, the longitudinal data indicate quite dramatically the importance of earlier labor force experience (Table 2.6). Of the white youngsters 15 to 18 years of age who were outside the labor force in 1966 fully 15.6 percent were unemployed at the time of the second survey, in contrast with only 3.1 percent of those who were in the labor force at the time of the first interview when they were still students. Unemployment rates among blacks the same age were somewhat higher than among whites, but basically the same relationship is evident.

Table 2.4   Selected Measures of Labor Force Participation, 1966 and 1967, by Age in 1967, Comparative School Enrollment Status 1966 and 1967, and Color: Respondents 15 to 25 Years of Age

Age in 1967 and comparative school enrollment 1966 and 1967	Total number (thousands)	Survey week participation rate			Mean weeks in labor force		
		1966	1967	1967 minus 1966	1966	1967	1967 minus 1966
WHITES							
15 to 18 years							
In school both years	4,840	44.9	52.3	+7.4	21.7	24.2	+2.5
In school 1966, out 1967	618	63.4	87.0	+23.6	29.7	35.7	+6.0
Out of school both years	404	86.1	87.6	+1.5	33.3	43.3	+10.0
Total or average[a]	5,903	49.9	58.6	+8.7	23.5	26.8	+3.3
19 to 20 years							
In school both years	1,125	54.3	56.2	+1.9	28.8	28.8	0.0
In school 1966, out 1967	261	70.5	87.7	+17.2	35.2	39.3	+4.1
Out of school both years	882	93.6	92.5	-1.1	42.9	45.4	+2.5
Total or average[a]	2,321	72.2	73.8	+1.6	35.2	36.6	+1.4
21 to 25 years							
In school both years	828	58.3	65.7	+7.4	32.9	31.1	-1.8
In school 1966, out 1967	420	70.5	98.0	+27.5	36.8	39.8	+3.0
Out of school both years	3,256	98.3	98.6	+0.3	48.1	49.7	+1.6
Total or average[a]	4,661	88.8	92.5	+3.7	44.3	45.5	+1.2
BLACKS							
15 to 18 years							
In school both years	696	42.4	50.1	+7.7	18.6	21.0	+2.4
In school 1966, out 1967	130	63.8	84.6	+20.8	24.4	29.3	+4.9
Out of school both years	103	85.4	89.3	+3.9	27.6	40.7	+13.1
Total or average[a]	940	50.7	59.8	+9.1	20.6	24.4	+3.8
19 to 20 years							
In school both years	69	37.7	44.9	+7.2	19.3	22.7	+3.4
In school 1966, out 1967	22	52.2	100.0	+47.8	31.6	32.2	+0.6
Out of school both years	162	91.4	96.3	+4.9	43.7	45.7	+2.0
Total or average[a]	257	73.1	81.0	+7.9	36.1	38.0	+1.9
21 to 25 years							
In school both years	65	76.6	89.1	+12.5	33.2	39.5	+6.3
In school 1966, out 1967	24	54.2	100.0	+45.8	28.4	36.5	+8.1
Out of school both years	541	95.4	97.1	+1.7	45.5	48.8	+3.3
Total or average[a]	639	92.2	96.2	+4.0	43.4	47.4	+4.0

(a) Includes respondents enrolled in 1967 but not in 1966 not shown separately.

Table 2.5   Selected Measures of Unemployment Experience, 1966 and 1967, by Age in 1967,
Comparative School Enrollment Status 1966 and 1967, and Color: Respondents
15 to 25 Years of Age

Age in 1967 and comparative school enrollment, 1966 and 1967	Total number in labor force, survey week (thousands)		Survey week unemployment rate			Weeks unemployed as percent of weeks in labor force		
	1966	1967	1966	1967	1967 minus 1966	1966	1967	1967 minus 1966
WHITES								
15 to 18 years								
In school both years	2,172	2,530	14.0	16.2	+2.2	15.7	7.9	-7.8
In school 1966, out 1967	392	538	12.5	7.1	-5.4	12.8	7.3	-5.5
Out of school both years	348	354	8.9	8.8	-0.1	6.9	7.6	+1.3
Total or average[a]	2,951	3,456	13.4	13.8	+0.4	14.5	7.8	-6.7
19 to 20 years								
In school both years	611	632	14.2	10.1	-4.1	14.6	3.8	-10.8
In school 1966, out 1967	184	229	6.0	2.6	-3.4	8.2	3.8	-4.4
Out of school both years	826	816	3.5	1.1	-2.4	5.4	4.0	-1.4
Total or average[a]	1,673	1,714	7.6	4.9	-2.7	9.7	3.8	-5.9
21 to 25 years								
In school both years	482	545	3.1	4.5	+1.4	7.6	2.6	-5.0
In school 1966, out 1967	296	411	5.5	6.6	+1.1	4.6	3.3	-1.3
Out of school both years	3,204	3,208	1.6	1.2	-0.4	1.2	2.4	+1.2
Total or average[a]	4,137	4,311	2.0	2.2	+0.2	2.5	2.6	+0.1
BLACKS								
15 to 18 years								
In school both years	295	349	19.3	15.7	-3.6	23.1	11.4	-11 7
In school 1966, out 1967	83	110	24.1	11.8	-12.3	21.7	11.6	-10.1
Out of school both years	88	92	15.9	16.3	+0.4	10.5	14.3	+3.8
Total or average[a]	476	562	19.5	22.9	+3.4	20.4	11.9	-8.5
19 to 20 years								
In school both years	26	31	23.1	16.1	-7.0	10.4	12.8	+2.4
In school 1966, out 1967	12	21	16.7	14.3	-2.4	19.0	8.1	-10.9
Out of school both years	148	151	9.4	10.6	+1.2	4.3	11.6	+7.3
Total or average[a]	188	210	11.3	11.3	0.0	6.9	11.3	+4.4
21 to 25 years								
In school both years	49	57	0.0	1.8	+1.8	7.2	6.1	-1.1
In school 1966, out 1967	13	24	18.2	12.5	-5.7	0.0	7.1	+7.1
Out of school both years	519	546	3.0	4.8	+1.8	2.0	3.9	+1.9
Total or average[a]	590	616	3.1	4.9	+1.8	2.3	4.2	+1.9

(a) Totals include respondents enrolled in 1967 but not in 1966 not shown separately.

Table 2.6   Labor Force Participation and Unemployment Rates :.n 1967,
              by Age in 1967, Labor Force Status in 1966, and Color:
              Nonmarried Respondents 15 to 18 Years of Age Who Were
              Enrolled in School in 1966 but Not in 1967

1967 labor force status	Total number (thousands)	Labor force participation rate, 1967	1967 unemployment rate
WHITES			
In labor force	357	88.9	3.1
Out of labor force	218	81.3	15.6
Total or average	575	86.0	7.5
BLACKS			
In labor force	81	92.0	8.8
Out of labor force	46	71.4	18.5
Total of average	127	84.5	11.8

Comparative Marital Status[3]

     There is good a priori reason to believe that changes in marital
status may be systematically associated with changes in the extent of
labor force participation and unemployment. Cross-sectional data suggest
that controlling for school enrollment and age, the chances of a married
man being in the labor force are substantially greater than for a single
man.[4] Marriage and attendant responsibilities may place financial and
other pressures on a young man who otherwise might be inclined not to
participate in the labor market. Moreover, the decision to marry may
itself be influenced by the security of a job and of a steady source
of income.

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     3   Unless otherwise noted, the term "married" refers to respondents
who are married with wife present. "Nonmarried" refers to respondents
who are never married, divorced, separated, widowed, and marriei, wife
absent.

     4   Bowen and Finegan, The Economics of Labor Force Participation,
pp. 392-93, 412-13; Parnes, et al., Career Thresholds, Vol. I, pp.
54-56, 62-64.

Since marital status is correlated with school status and age--
factors which independently influence participation and employment
chances--it is necessary to control statistically for these variables.
This leaves us with a single subset of the sample for which we have a
sufficient number of cases for arriving at a reasonably confident
conclusion: youth 21 to 25 years of age who were out of school in both
years. Among them there is no evidence of any substantial effect of
a change in marital status on the extent of labor market activity
(Table 2.7). True, youth in both color groups who married between the
dates of the two surveys[5] experienced a somewhat greater increase in
survey week labor force participation rates and in mean number of weeks
in the labor force during the respective 12-month periods than their
counterparts who were married in both years, but the differences are
very small.

What is far more interesting about the data in Table 2.7 is that
the youth who were nonmarried at the time of both surveys had much
lower rates of labor force activity in both years than either those
who were married in both years or those who married between the dates
of the first and second surveys. To state this in another way, of the
young men under consideration who were nonmarried at the time of the
1966 survey, the subset who were destined to be married during the
ensuing year had rates of labor force activity at the time of the first
survey that were well above the rates of those who were to remain
nonmarried. Thus, the observed cross-sectional relationship between
marital status and labor force participation may result not from the
fact that being married induces greater labor force participation but,
from the fact that marriage is a selective process which "recruits"
youth with characteristics that are associated with high labor force
participation (e.g., good health, initiative, etc.).[6] On the other
hand, it may also be that over a period as short as one year the plan
to marry may exert a positive influence on labor market activity.
Finally, to the extent that being married actually causes higher rates
of labor force activity, one might expect to note the relationship
more strongly in cross-sectional data, since the married category
includes persons who have been married for substantial periods of time
rather than for at most a year as in the data under consideration here.

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5   In Table 2.7 the data referred to actually relate to those
who experienced any type of change in marital status between the two
years. However, 80 percent of the youth in this category changed
from nonmarried to married.

6   Cf. Bowen and Finegan, The Economics of Labor Force Participation,
p. 413. While Bowen and Finegan conclude that the "selection factor"
as the principal explanation of the association between marital status
and labor force participation for men 25 to 54 years of age (pp. 48-49),
they believe that for the younger males under consideration here the
selection factor is probably not as important as the "family
responsibility" influence.

2.7   Selected Measures of Labor Force Participation and Unemployment in 1966 and 1967 by Comparative Marital Status 1966 and 1967, and Color: Respondents 21 to 25 Years of Age Not Enrolled in School Both Years

Measure of labor force participation and unemployment	WHITES				BLACKS			
	Total or average	Married both years	Nonmarried both years	Change in status	Total or average	Married both years	Nonmarried both years	Change in status
Total number (thousands)	3,262	2,010	851	395	543	248	228	65
Labor force participation								
1966 participation rate	98.3	99.8	94.6	98.8	95.4	99.5	90.2	98.3
1967 participation rate	98.6	99.7	95.3	99.8	97.1	98.9	94.4	100.0
Change in rate (1967 minus 1966)	+0.3	-0.1	+0.7	+1.0	+1.7	-0.6	+4.2	+1.7
1966 mean weeks in labor force	48.1	49.8	44.0	48.0	45.4	48.5	41.9	45.8
1967 mean weeks in labor force	49.7	50.6	47.3	49.9	48.7	50.5	46.6	49.3
Change in mean weeks (1967 minus 1966)	+1.6	+0.8	+3.3	+1.0	+3.3	+2.0	+4.7	+3.5
Unemployment								
1966 mean weeks unemployed	0.6	0.1	1.6	0.5	0.9	0.6	1.4	0.1
1967 mean weeks unemployed	1.2	0.8	2.1	1.4	1.9	1.5	2.4	1.8
Change in mean weeks (1967 minus 1966)	+0.6	+0.7	+0.5	+0.9	+1.0	+0.9	+1.0	+1.7
1966 unemployment rate	1.6	1.8	1.7	0.2	3.1	2.5	3.5	4.2
1967 unemployment rate	1.3	1.2	2.0	0.0	4.6	1.1	10.4	1.7
Change in rate (1967 minus 1966)	-0.3	-0.6	-0.3	-0.2	-1.5	-1.4	+6.9	-2.5
1966 weeks unemployed as percent of weeks in labor force	1.3	0.2	3.6	1.0	2.0	1.2	3.3	0.2
1967 weeks unemployed as percent of weeks in labor force	2.4	1.6	4.4	2.8	3.9	3.0	5.2	3.7
Change in percent (1967 minus 1966)	+1.1	+1.4	+0.8	+1.8	+1.9	+1.8	+1.9	+3.5

24

III   SUMMARY

Conceptually, changes that occur in the labor market status of a
group of individuals over a period of time may be explained in terms
of changes in the characteristics of the individuals or of changes in
the external environment. Given constant environmental conditions,
there is reason to expect that "aging" of the sample of youth in this
study by one year between the 1966 and 1967 surveys would have the
effect of increasing their labor force participation and decreasing
their susceptibility to unemployment. Within this age group, one year
can make a very substantial difference, as many youth leave school,
move from high school to college, become legally eligible for
additional types of work under child labor legislation, and/or get
married. In addition, all of them accumulate an additional year of
maturity, knowledge, and experience which, particularly at the youngest
age levels, frequently put the youngster over the margin of employability
for many types of work.

The findings of the present chapter are generally consistent with
these expectations, although interpretations are made somewhat more
difficult by the fact that labor market conditions did not remain
unchanged between the two survey dates, as evidenced by increasing
labor force participation and unemployment rates registered for male
youth 14 to 24 years of age by the CPS cross-sectional data.
Nevertheless, the increase in labor force participation in the sample
of the longitudinal survey was far greater than that registered by
the CPS, particularly in the youngest age category. Moreover, in the
face of increasing unemployment rates for both white and black youth
in the cross-sectional data, the unemployment rate for the whites in
this longitudinal study remained unchanged between the two survey dates
and that for the blacks increased by a lesser amount than in the
cross-sectional data.

As might have been anticipated, the largest increases in labor
force participation occurred among the group who left school between
the two survey dates. Perhaps more surprising is the fact that the
unemployment rate for this group registered a substantial decline in
the case of both whites and blacks. It is also noteworthy that among
those who left school between the two surveys the 1967 unemployment
rate was lower for those who had been in the labor force while in
school than for those who had not.

Despite the pronounced relationship between marital status and
labor force status that is observed in cross-sectional data for this
age group, there is no perceptible association in the present data
between a change in marital status and change in labor force status.
It cannot be said whether this is because a one-year period is too
short for such an association to be apparent or because the
cross-sectional relationship is produced by the influence of a third
set of factors on both labor force status and marital status.

Although a change in school enrollment status appears to be the most important single factor in affecting both the probability of labor force participation and of unemployment among this age group, it does not account for the total change in these variables over the course of a year. There is evidence, in other words, that the other concomitants of aging also operate to increase the labor force participation and reduce the susceptibility to unemployment of the cohort as a whole.

It is widely recognized that young men exhibit the greatest rates of
movement among employers, occupations, and geographic areas of any age-sex
cohort in the population.[1] These three aspects of labor market dynamics
are examined in this chapter. More specifically, the questions to which
the analysis is directed are: (1) how much of each of these types of
change occurs over a 12-month period? (2) what factors distinguish
changers from nonchangers? and (3) what are some of the consequences of
the changes that occur?

I   INTERFIRM MOVEMENT

Extent of Change

As should be expected of young men in the earliest phase of their
work careers, there is a large volume of job changing even during the
course of a 12-month period. Of the 4.0 million young men out of school
in both years, nearly two-fifths were employed by different firms at
the times of the two surveys.[2] There is substantial variation in the
amount of job changing among out-of-school youth according to age, color,
and occupation (Table 3.1). An inverse association between rate of job
movement and age was anticipated for several reasons. To begin with,

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*   This chapter was written by Andrew I. Kohen.

1   For example, see Laurence Hunter and Graham Reid, Urban Worker
Mobility (Paris: Organization for Economic Cooperation and Development,
1968); John B. Lansing and Eva Mueller, The Geographic Mobility of Labor
(Ann Arbor: University of Michigan Institute for Social Research, 1967);
Organization for Economic Cooperation and Development, Wages and Labour
Mobility (Paris: Organization for Economic Cooperation and Development,
1965); Samuel Saben, Occupational Mobility of Employed Workers, Special
Labor Force Report No. 84 (Washington, D.C.: U.S. Department of Labor,
Bureau of Labor Statistics, June 1967).

2   This figure undoubtedly understates the total amount of movement
among young men during the year for two reasons. First, it refers to the
number of movers and not the number of moves made during the course of the
year. Second, just less than one-tenth of those in the 1966 sample who were
out of school and employed were not reinterviewed in 1967. While many of
those noninterviewees entered the armed forces and would not affect our
estimates, the remainder of the group probably contains a disproportionately
large number of young men who changed employers during the 12 months between
the survey dates.

27

Table 3.1   Proportion Changing Employers between 1966 and 1967, by
             Age in 1967, Type of Occupation in 1966, and Color:
             Respondents Not Enrolled in School in Either Year[a]

Age in 1967 and type of occupation in 1966	WHITES		BLACKS	
	Total number (thousands)	Percent changers	Total number (thousands)	Percent changers
15-20				
White-collar	192	37	8	54
Blue-collar	715	56	108	68
Service	43	37	25	83
Farm	77	65	34	51
Total or average	1,032	53	179	66
21-25				
White-collar	913	26	59	48
Blue-collar	1,905	36	326	36
Service	116	20	57	24
Farm	143	22	31	43
Total or average	3,110	32	479	38
15-25				
White-collar	1,105	28	67	49
Blue-collar	2,621	42	434	44
Service	159	24	82	49
Farm	220	37	65	47
Total or average	4,142	37	558	45

(a)   Includes only respondents who were employed in 1966 and 1967.

teenagers (15 to 20 year olds in 1967) are more likely than older youth
to be subject to involuntary job separation because they are, on the
average, less skilled and have shorter tenure.[3] Their lower skill level
is a product of both the smaller number of years they could have spent in
school and the smaller number of years they could have spent acquiring
on-the-job training (formal and informal). In addition, the younger men
may be more likely to make voluntary changes because of the lower monetary
search costs, lower psychic costs (in terms of family responsibilities
and social ties to fellow workers), and uncertainty about what they
actually desire in a job. The data in Tables 3.1 and 3.2 are consistent
with the hypothesized "age effect." For both color groups the 21 to 25
year old men are only about three-fifths as likely as those 15 to 20
years of age to have changed jobs during the period between the surveys.
Rates of interfirm movement are lower for the older than the younger
group within all type-of-occupation and length-of-service categories for
which comparisons can be made with confidence.

Table 3.2   Proportion Changing Employers between 1966 and 1967, by
               1967 Age, Length of Service in 1966 Job, and Color:
               Respondents Not Enrolled in School in Either Year[a]

Age in 1967 and length of service in 1966 job	WHITES		BLACKS	
	Total number (thousands)	Percent changers	Total number (thousands)	Percent changers
15-20				
Less than 1 year	704	57	127	71
1 year or more	324	44	52	55
1-2 years	246	50	40	65
3 years or more	78	23	12	20
Total or average	1,032	53	179	66
21-25				
Less than 1 year	1,278	44	234	42
1 year or more	1,817	23	241	33
1-2 years	1,118	25	138	33
3 years or more	699	20	103	34
Total or average	3,110	32	479	38
15-25	4,142	37	658	45

(a) Includes only respondents who were employed in 1966 and 1967.

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     3   Due to a difficulty in the interview schedule, we are unable to
distinguish between voluntary and involuntary separations from 1966 employer.
Since interview schedules for subsequent years have been revised to permit
examination of that aspect of interfirm movement, our treatment of employer
changing in this report is much abbreviated and largely confined to variables
which we expect to operate in the same direction for both voluntary and
involuntary changers.

We expected to find higher rates of interfirm movement among blacks than among whites because of a higher incidence of both voluntary and involuntary job termination. First, young black men are more prone than their white counterparts to involuntary separation because of lower skills (less education and formal out-of-school training), shorter job tenure, and relatively greater concentration in occupation groups most subject to unstable employment. In addition, the intercolor difference in the occupational distribution of young men probably implies, ceteris paribus, a greater likelihood of blacks making voluntary shifts. That is, blacks are more heavily concentrated--relative to whites--in the farm worker and nonfarm laborer categories which have been shown in at least one study to exhibit comparatively high rates of voluntary interfirm movement.[4]

In general, the data in Tables 3.1 and 3.2 are consistent with the hypothesis. Overall, the proportion of black job changers was 8 percentage points higher than that of the white. Although the intercolor difference narrows with increasing age, the remaining disparity among men in their early twenties is not accounted for by the intercolor difference in occupational distribution. Rather, if the black men 21 to 25 years of age were distributed among the major occupation groups exactly as their white counterparts, the overall intercolor difference would actually be slightly greater. That is, the proportion of blacks who changed employers is at least as high as that of whites in every major occupation group and the difference is greatest in the white-collar category in which blacks are most underrepresented. Furthermore, even though black men in their early twenties are more likely than the corresponding group of white men to have been short-service workers (less than one year) on their 1966 jobs, this does not explain the intercolor difference in rates of interfirm movement. Indeed, the intercolor differential in the likelihood of changing employers seems to increase with tenure among men 21 to 25 years of age. For those with less than one year of service in 1966, the rate of job movement between 1966 and 1967 was actually somewhat higher for whites than for blacks.

Correlates and Consequences of Change

Training   In the case of white (but not black) men in their early twenties, those who received formal occupational training between the 1966 and 1967 interviews were more likely than those who did not to have changed employers between the same two dates, although the strength of the association varies among the different types of training (Table 3.3). Moreover, the figures mainly reflect the positive relationship between training and interfirm movement for those in blue-collar jobs in 1966.[5]

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4   Parnes, et al., The Pre-Retirement Years, Vol. II, p. 19.

5   College graduates were not asked about occupational training experience, which eliminates approximately one-third of the white-collar workers from the universe to be studied. Therefore, the data may well understate the relationship between job changing and training to the extent that such white-collar employees are highly likely to receive training and to change jobs.

30

It is not certain, of course, whether the direction of causation is from training to job change or vice versa. Some young men may have sought training outside the firm in anticipation of searching for a position elsewhere. On the other hand, many job changers probably were given training in conjunction with undertaking their new assignments.

Table 3.3 Proportion Changing Employers between 1966 and 1967, by Extent and Type of Occupational Training Acquired between 1966 and 1967, and Color: Respondents 21 to 25 Years of Age Not Enrolled in School in Either Year[a]

Extent and type of training	WHITES		BLACKS	
	Total number (thousands)	Percent changers	Total number (thousands)	Percent changers
None	2,220	29	414	38
Some	607	42	52	40
White-collar	267	45	16	8
Blue-collar	230	39	24	64
Other	110	49	12	33
Total or average	2,827	32	466	38

(a) Includes only respondents who were employed in 1966 and 1967. Excludes college graduates.

Labor force and employment experience during the year   The extent to which the process of changing employers includes some time of nonemployment obviously depends on the reason for the change--i.e., the probability that an involuntary shift will involve a period of unemployment is greater than the corresponding probability for a voluntary shift. In addition, it is expected that the amount of time not employed during a year will be greater for those who change employers than for those who remain with the same firm. For one thing, the process of active job search is frequently conducted while unemployed. For another, job changing is more prevalent among workers in occupations and industries characterized by unstable employment opportunities.

The data in Table 3.4 are generally consistent with the hypotheses advanced above. Although the relationships between labor force experience and interfirm movement are stronger and more consistent among whites, they also are evident for blacks. Irrespective of color and 1966 occupation group, young men who changed employers between the survey dates experienced more unemployment during the year than did those who were with the same

Table 3.4   Labor Force and Employment Experience during 12 Months
between 1966 and 1967 Surveys, by Comparative Job Status
1966 and 1967, Type of Occupation in 1966 and Color:
Respondents 21 to 25 Years of Age Not Enrolled in School
in Either Year[a]

Comparative job status and type of occupation in 1966	Total number (thousands)	Mean weeks employed[b]	Mean weeks unemployed[b]	Mean weeks out of labor force[b]
WHITES				
Same employer				
White-collar	652	49.2	0.1	1.7
Blue-collar	1,184	48.7	0.6	1.8
Total or average[c]	2,071	49.0	0.4	1.7
Different employer				
White-collar	235	47.2	1.2	1.9
Blue-collar	667	45.0	2.6	3.6
Total or average[c]	957	45.2	2.6	3.0
BLACKS				
Same employer				
White-collar	30	46.3	0.3	1.6
Blue-collar	208	48.7	0.4	2.1
Total or average[c]	294	48.2	0.8	2.1
Different employer				
White-collar	28	46.7	3.0	1.4
Blue-collar	117	43.4	3.6	2.2
Total or average[c]	177	44.4	3.2	2.2

(a)   Includes only respondents who were employed in 1966 and 1967.
(b)   Means computed from grouped data.
(c)   Total includes service and farm workers not shown separately.

32

38

employer on both dates. Time spent out of the labor force shows generally the same relationship. Moreover, the nature of the time spent out of the labor force varies according to whether a young man changed employers (Table 3.5). More than three-fourths of those who stayed with the same employer were on vacation or ill during their inactive periods, whereas only about one-half of those who changed jobs offered those two reasons for their periods of inactivity.

One other interesting aspect of the interim labor market experience of these young men is the number of jobs (excluding those held at the time of the surveys) that they held during the year between the two surveys. What is surprising about the data is that less than two-fifths of those who held one or more interim jobs were ultimately classified as having made an employer change (Table 3.6). Undoubtedly a major portion of this is attributable to young men finding temporary employment while on layoff from their regular jobs and to cases of "moonlighting." But the data may also reflect the process of early experimentation in the labor market, which very likely includes some movement whose only result is to convince young men that their initial job choices were "good" ones.

Wage rates   It was expected that low-wage workers would have higher-than-average rates of interfirm movement, since it is probable that as compared with more highly paid workers they are both more subject to involuntary job separations and more likely to leave a position voluntarily. Our data are perfectly consistent with those hypotheses, although the relationship appears to be stronger among blacks than among whites (Table 3.7).

Despite the fact that those young men who changed employers between 1966 and 1967 experienced increases in their average hourly rate of pay, the increases were generally smaller in absolute and relative terms than those received by young men who remained with the same employer. That is not surprising considering that the group of changers includes those who were involuntarily separated from their 1966 jobs, whose wage would not necessarily be expected to improve with the job change. White youth employed in white-collar jobs are the major exception to the generalization; among them, job changers experienced hourly pay increases that were greater both absolutely and relatively than those going to workers who remained with the same employer. A plausible explanation for this exception is that voluntary shifts are relatively more prevalent among white-collar than among blue-collar employees.[6]

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6   The inability to draw the same inference for blacks may be due to their different distribution among the white-collar occupations and/or the small sample size.

Table 3.5   Reasons for Periods Out of Labor Force during Past 12
Months, by Comparative Job Status 1966 and 1967 and Color:
Respondents 21 to 25 Years of Age, Not Enrolled in School
in Either Year[a]

(Percentage distribution)

Reason for periods out of labor force	WHITES		BLACKS	
	Same employer	Different employer	Same employer	Different employer
Ill or disabled	22	21	56	47
Couldn't find work	0	4	11	11
Vacation	56	35	16	4
In school	2	6	0	7
Other[b]	20	35	16	31
Total percent	100	100	100	100
Total number (thousands)	517	290	81	36

(a) Includes only respondents employed in 1966 and 1967 who were out of
the labor force at least one week between 1966 and 1967 surveys.
(b) Includes "In armed services."

Table 3.6   Proportion Employed in Different Firms in 1966 and 1967,
by Number of Jobs Held in Interim and Color: Respondents
21 to 25 Years of Age Not Enrolled in Either Year[a]

Number of jobs held between 1966[b] and 1967 jobs	WHITES		BLACKS	
	Total number (thousands)	Percent changers	Total number (thousands)	Percent changers
None	2,413	30	346	32
1	519	33	103	43
2 or more	178	48	30	82
Total or average	3,110	32	479	38

(a) Includes only respondents employed in 1966 and 1967.
(b) Does not include jobs held in survey weeks, 1966 and 1967.

Table 3.7   Median Hourly Rates of Pay in 1966 and 1967, by Comparative Job
Status, 1966 and 1967, Type of Occupation in 1966, and Color:
Respondents 21 to 25 Years of Age Not Enrolled in School in
Either Year[a]

Comparative job status 1966 and 1967 and type of occupation in 1966	Total number (thousands)	1966 median rate of pay[b]	1967 median rate of pay[b]	Percent increase 1966 to 1967
		WHITES		
All respondents	2,926	$2.49	$2.81	13
Same employer				
White-collar	614	2.56	2.96	16
Blue-collar	1,148	2.60	2.89	11
Total or average[c]	1,928	2.57	2.90	13
Different employer				
White-collar	225	2.35	2.84	21
Blue-collar	658	2.45	2.52	3
Total or average[c]	936	2.37	2.60	10
		BLACKS		
All respondents	475	1.76	2.06	17
Same employer				
White-collar	30	2.33	2.90	۱
Blue-collar	208	1.91	2.24	.7
Total or average[c]	294	1.88	2.21	18
Different employer				
White-collar	28	1.73	1.94	12
Blue-collar	115	1.69	1.85	9
Total or average[c]	173	1.63	1.88	15

(a)   Includes only respondents who were employed in 1966 and 1967 as wage and salary
      workers.
(b)   Medians computed from grouped data.
(c)   Total includes service and farm workers not shown separately.

41

Job satisfaction   It is clear that there are definite psychological dimensions to the process of interfirm movement. First, it was expected that the likelihood of job changing would be inversely related to the degree of satisfaction a worker expressed about his 1966 job, irrespective of the reason for changing jobs.[7] Those who express high satisfaction are less likely than those who are less satisfied to be seeking alternative positions, to encounter alternatives which "measure up" to the current job, and therefore, to make voluntary moves. In addition, the highly-satisfied are likely to have personal and employment characteristics (e.g., highly educated, white-collar job) which make them less prone than the less-satisfied to be involuntarily separated from a job. The figures in Table 3.8 are consistent with the hypothesized relationship which is particularly pronounced among whites in white-collar jobs.

Table 3.8   Proportion Changing Employers between 1966 and 1967, by Degree of Satisfaction[a] with 1966 Job, Type of Occupation in 1966, and Color: Respondents 21 to 25 Years of Age Not Enrolled in School in Either Year[b]

Degree of satisfaction with 1966 job and type of occupation in 1966	WHITES		BLACKS	
	Total number (thousands)	Percent changers	Total number (thousands)	Percent changers
Highly satisfied				
White-collar	546	19	28	44
Blue-collar	965	33	106	34
Total or average[c]	1,712	27	171	38
Other				
White-collar	366	37	31	52
Blue-collar	916	38	221	37
Total or average[c]	1,370	37	308	38
Total or average	3,110	32	479	38

(a) See text footnote 7 for definition of "degree of satisfaction."
(b) Includes only respondents who were employed in 1966 and 1967.
(c) Total includes service and farm workers not shown separately.

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7   Degree of satisfaction is measured by the response to the question "How do you feel about the job you have now? Do you like it very much, like it fairly well, dislike it somewhat, or dislike it very much?" Those giving the first response are classified as highly satisfied.

A second and related psychological dimension of interfirm movement is the association between a change of employers and a change in the level of job satisfaction. Partly on the basis of the observed relation between 1966 level of satisfaction and actual movement and partly on a priori grounds, we would hypothesize a positive association between interfirm movement and improvements in job satisfaction. In other words, if job changing among young men is functional, it will result in more satisfied workers. Moreover, since there is more movement among the less-than-highly-satisfied, movers are more likely than nonmovers to experience increased satisfaction. On the other hand, young men who change jobs involuntarily may include substantial numbers who experience a decrease in satisfaction. Table 3.9 indicates that, generally speaking, young men who change jobs are more likely than those who remain with the same employer to express a change in satisfaction, for better or worse.[8] Among changers and nonchangers alike, those who express an increase in job satisfaction far outnumber those who express a decrease. But job changers are considerably more likely than nonchangers to report an increase in satisfaction (71 percent versus 33 percent for whites) and are also much more likely to report a decrease in satisfaction (16 percent versus 7 percent for whites). Keeping in mind that both voluntary and involuntary changes are included, it is encouraging that seven out of ten of the white job changers and well over half of the black like their new jobs better than the old ones. Of course, it is possible that this simply reflects a tendency of the respondents to rationalize the results of important decisions which they make or which are beyond their control. Nevertheless, it can also be argued that the ability to rationalize is itself an indication of relative psychological health.

Length of service on 1966 job   It is a well-established fact that the number of job changes that occur during a given period of time far exceeds the number of individuals who change jobs. That is, the process of reallocating labor services among firms over the medium-run is accomplished by the multiple moves of a relatively small group of workers. An obvious corollary of this phenomenon is that there should be a positive relationship between the entire history of job changing and the likelihood of recent interfirm movement. Thus, one reason that we expected young men with short tenure to exhibit greater rates of interfirm movement than those with longer tenure is that length of service is an inverse measure of past job changing. In addition, short-service employees are expected to have higher-than-average voluntary quit rates because (1) their economic and sociopsychological equities in a job are relatively small; and (2) the

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8   Among blacks, the young men in white-collar positions are the aberrant group but the small number of sample cases prohibits any statements about whether the aberration is real or the product of sampling error.

Table 3.9   Comparative Job Attitude, 1966 and 1967, by Comparative
             Job Status, 1966 and 1967, Type of Occupation in 1966,
             and Color: Respondents 21 to 25 Years of Age Not Enrolled
             in School in Either Year[a]

Comparative job status 1966-1967 and type of occupation in 1966	Total number (thousands)	Percent who like 1967 job more than 1966 job	Percent who like 1967 job less than 1966 job
	WHITES		
Same employer			
White-collar	652	38	8
Blue-collar	1,184	30	8
Total or average[b]	2,071	33	7
Different employer			
White-collar	235	72	16
Blue-collar	667	70	13
Total or average[b]	957	71	16
	BLACKS		
Same employer			
White-collar	30	52	19
Blue-collar	208	38	5
Total or average[b]	294	36	8
Different employer			
White-collar	28	38	14
Blue-collar	117	60	9
Total or average[b]	177	56	9

(a) Includes only respondents employed in 1966 and 1967.
(b) Total includes service and farm workers not shown separately.

early months of a job are an experimental period during which many workers may decide that they erred in taking the job in the first place. Furthermore, involuntary separations are also likely to diminish with increasing service since seniority is an important and pervasive criterion for determining the order of layoffs. The data in Table 3.10 are uniformly consistent with the hypothesis even though the range of length of service is quite small for young men in their early twenties. The relationship appears to be stronger among whites than among blacks.[9]

Table 3.10   Proportion Changing Employers between 1966 and 1967, by
                Type of Occupation in 1966, Length of Service on 1966 Job,
                and Color: Respondents 21 to 25 Years of Age Not Enrolled
                in School in Either Year[a]

Type of occupation and length of service, 1966 job	WHITES		BLACKS	
	Total number (thousands)	Percent changers	Total number (thousands)	Percent changers
White-collar				
Less than 1 year	399	34	38	60
1 year or more	574	22	21	29
Blue-collar				
Less than 1 year	835	49	160	41
1-2 years	662	29	99	34
3 years or more	405	20	65	27
Total or average[b]				
Less than 1 year	1,278	44	234	42
1-2 years	1,118	25	138	33
3 years or more	699	20	103	34

(a) Includes only respondents employed in 1966 and 1967.
(b) Totals include service and farm workers not shown separately.

Degree of attachment to 1966 employer   In the 1966 interview, employed young men were asked the following question: "Suppose someone in this area offered you a job in the same line of work you're in now. How much would the new job have to pay for you to be willing to take it?" Answers were coded in relation to current rates of pay, and respondents were classified in terms of the percentage increase in rate of pay that

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    9   As can be seen in Table 3.2, the relationship is also evident among teenagers.

would be required to induce them to make an interfirm shift within the same labor market area. The question was designed as a measure of a respondent's mobility or degree of attachment to current employer in the sense of his propensity to respond to perceived economic differentials between jobs. The hypothesis that mobility was related to, but nevertheless distinct from, degree of job satisfaction was supported. No significant association was observable between mobility and length of service in the job, primarily due to the very small possible range of job tenure among young men.[10]

If the question involving the hypothetical job offer is in fact a valid measure of propensity to change jobs in response to perceived differentials in "net economic advantage," one would expect this measure of mobility to be positively related to the likelihood of voluntary job change. The relationship obviously would not be perfect since the likelihood that a worker will actually make a voluntary job change depends not only on his propensity to move, but also on the existence of opportunities to move and on those personal characteristics that determine (a) his knowledge of alternative jobs; (b) his initiative in pursuing the alternatives; and (c) his attractiveness to potential employers.[11]

As a test of the hypothesized model, Table 3.11 exhibits the relationship between our measure of mobility and the rate of actual interfirm movement--both voluntary and involuntary--between 1966 and 1967. Young men who reported that they would accept the hypothetical job offer at a wage rate within 10 percent of their current wage are classified as "highly mobile." Those who reported a willingness to take the job for a specified rate 10 percent or more above their current rate of pay are classed as "moderately mobile." Those who stated that they would not take the job at any conceivable rate of pay are designated as "immobile." A systematic relationship between the 1966 measure of mobility and actual job movement between 1966 and 1967 exists only in the case of white youth employed in blue-collar jobs, among whom the highly mobile, the moderately mobile, and the immobile made job changes in the ratio of 9:7:5. While the predictor variable does not perform so well as we would have liked, there are mitigating circumstances. Among blacks, small sample sizes prohibit any confident statement about the hypothesis. In addition, since the data do not distinguish between voluntary and involuntary shifts, the ability to test a hypothesis framed in terms of voluntary movement is impaired.[12]

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10   Parnes, et al., Career Thresholds, Vol. I, pp. 149-59. It should be noted that in this chapter, the term "mobility" is used exclusively in the sense of propensity to respond to perceived pay differentials, as measured by the question described in the text.

11   For a fuller description of the hypothesized model and application to the cohort of young men see Parnes, et al., The Pre-Retirement Years, Vol. I, pp. 148-53, and Career Thresholds, Vol. I, pp. 149-59.

12   Another test of the model, using more appropriate data, yielded somewhat better results. It can be found in Parnes, et al., The Pre-Retirement Years, Vol. II, pp. 21-24.

Table 3.11 Proportion Changing Employers between 1966 and 1967, by
Type of Occupation in 1966, Degree of Mobility,[a] and
Color: Respondents 21 to 25 Years of Age Not Enrolled
in School in Either Year[b]

Type of occupation and degree of mobility, 1966 job	WHITES		BLACKS	
	Total number (thousands)	Percent changers	Total number (thousands)	Percent changers
White-collar				
Highly mobile	228	28	7	19
Moderately mobile	429	23	38	58
Immobile	120	29	10	24
Total or average	865	27	59	48
Blue-collar				
Highly mobile	568	45	89	34
Moderately mobile	861	36	181	36
Immobile	277	25	27	36
Total or average	1,854	36	325	36
Total or average[c]				
Highly mobile	842	40	113	36
Moderately mobile	1,407	32	272	40
Immobile	437	27	50	28
Total or average	2,926	33	475	37

(a) See text for definitions of degree of mobility.
(b) Includes only respondents employed in 1966 and 1967 as wage and
     salary workers.
(c) Total includes farm and service workers not shown separately.

II   INTRAFIRM OCCUPATIONAL MOVEMENT[13]

Extent and Type of Change

An infrequently studied aspect of labor market dynamics is a change in occupation unaccompanied by a change of employers.[14] The only national data on the extent of such movement that has come to our attention is a study by the Bureau of Labor Statistics based on data collected in the Current Population Survey. According to this source the rate of intrafirm occupational movement over a 12-month period is 6.9 percent for males 20 to 24 years of age, and the rate falls consistently with age to less than 1 percent among men 65 years of age and older.[15] However, over a similar span of time our data reveal a substantially greater amount of intrafirm occupational movement than the CPS data for men in the 20 to 24 year old cohort. We find a rate of 18.8 percent--more than two-and-one-half times as great as that indicated by the CPS (Table 3.12). This suggests that the phenomenon is deserving of more investigation, if only because there is more of it to study than previously had been thought.

There are three major differences between the IGS and CPS data, other than the different dates of the surveys,[16] which should be expected to produce divergent estimates (in the observed direction) of the rate of intrafirm occupational change. First, the CPS data refer to all men

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13   A coding problem prohibits us at this point from measuring the extent of occupational change among men who changed employers. Thus, our discussion is confined to a consideration of intrafirm occupational movement, which probably accounts for much less than half of all occupational shifts made during a year by men in this age cohort.

14   The concept of the "internal labor market" is one which only recently has begun to receive the attention of empirical researchers as noted in Herbert S. Parnes, "Labor Force Participation and Labor Mobility," manuscript, pp. 43-44, for a forthcoming IRRA volume reviewing labor market research during the 1960's.

15   Saben, Occupational Mobility of Employed Workers, Table K, p. A-13.

16   The difference in survey date, itself, may account for some of the difference in observed rates of intrafirm occupational change, since the extent of such movement is probably positively related to the "tightness" of the labor market, and since the unemployment rate declined between 1965 and 1967. See Michael Piore, "On the Job Training and Adjustment to Technological Change," The Journal of Human Resources (Fall 1968), pp. 435-49.

Table 3.12   Interfirm and Occupational Movement: Comparison of Data from Longitudinal Survey
(October 1966 to October 1967) and Current Population Survey (January 1, 1965 to
January 1, 1966) for Men 20 to 24 Years of Age at the Beginning of Each Period Who
Were Employed at Beginning and End of Each Period

Comparative job status	Longitudinal Survey(a) (October 1966 to October 1967)			Current Population Survey(b) (January 1965 to January 1966)		
	Total number (thousands)	Percent of total	Percent of subtotal	Total number (thousands)	Percent of total	Percent of subtotal
Same employer						
Same occupation	1,922	54.9	81.2	1,900	53.4	93.1
Different occupation	444	12.7	18.8	139	3.9	6.9
Total or average	2,365	57.6	100.0	2,039	57.3	100.0
Different employer						
Same occupation	(c)	(c)	(c)	643	18.1	42.4
Different occupation	(c)	(c)	(c)	876	24.6	57.6
Total or average	1,134	32.4	100.0	1,519	42.7	100.0
Total or average	3,499	100.0	---	3,558	100.0	---

(a) Longitudinal Survey data exclude men enrolled in school in either 1966 or 1967.
(b) Samuel Saben, Occupational Mobility of Employed Workers, Special Labor Force Report No. 84
    (Washington, D. C.: U. S. Department of Labor, Bureau of Labor Statistics, June 1967), Table A,
    p. A-5 and Table K, p. A-13.
(c) Not available at this time.

20 to 24 years of age, whereas ours refer only to those who were nonstudents in both years. Students in that age range are more likely than nonstudents to be part-time employees, and therefore probably less likely to make occupational changes <u>within</u> a given firm.[17] Second, LGS data are based on interviews that were invariably with the subject himself, whereas CPS data on men 20 to 24 years old frequently are obtained from some other household member, e.g., wife or parent. Third, the respondent in the CPS was asked whether the subject individual was doing the same kind of work a year earlier as was reported for him in the survey week. Only if the answer to this question was "No" was a further question asked about the kind of work he was doing in the previous year. In our study, the criteria for deciding that an individual has made an occupational change are (1) that the three-digit occupation reported in the 1967 interview is different from the three-digit occupation reported in the 1966 interview; and (2) that in the 1967 interview he in effect acknowledges that there has in fact been a change by reporting a "reason" for having changed occupations. Thus, unlike the situation in the CPS, information on occupational change in the LGS comes from the individual himself, does not depend on recall, and does not require the respondent himself to make an occupational comparison but merely to report a specific occupation in each of the two years. At the same time, the fact that he responds to a question on the reason for having changed occupations allows one to be confident that there has been an actual change in assignment, rather than simply an inadvertent use of a different job title in each year. All these factors might be expected to produce a larger--and probably more accurate--count of intrafirm occupational changers in the present study than in the BLS report.

There appears to be little if any intercolor difference in rate of occupational movement during a one-year period for those young men who remain with the same employer. The proportion of whites who changed three-digit occupations within a firm is 19.0 percent compared to 17.2 percent of the blacks (Table 3.13). The blacks who moved were slightly more likely than the whites to move upward in terms of the Duncan

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17   It is probable that this difference in the universes of the two studies would produce disparate results in the opposite direction with respect to interfirm movement rates and overall occupational change rates, particularly since the CPS data include young men who may be enrolled in school at the first date but not enrolled at the second date.