

The November Review

Thomas Edison is credited with saying, “Genius is one percent inspiration and ninety-nine percent perspiration.” However true that may be of genius, it is entirely accurate in the field of economic statistics. As Joshua C. Pinkston and James R. Spletzer point out, there is nothing easy about creating annual measures of gross gains and losses in employment from the quarterly statistics that the Bureau of Labor Statistics collects; the only secret is to sweat the details. In the end, however, there is a clear increase in economic understanding: “The annual statistics show job gains and losses over a year. The sum of quarterly numbers looks at gains and losses during a year.” Each of these is the answer to a different analytical question.

The Job Openings and Labor Turnover Survey (JOLTS) was introduced to readers of this *Review* in our December 2001 issue. Kelly A. Clark, a co-author of that piece, now shares some of the early findings of that program. The basic trends in the data are consistent with the results of other surveys, but provide new insight into the detailed working of the labor market.

Charles S. Colgan uses data from the Quarterly Census of Employment and Wages to describe the “ocean economy”—as defined by sectors and industries that use ocean resources as inputs—and the “coastal economy”—as defined strictly by proximity to the oceans or Great Lakes.

Matthew Russell, Paul Takac, and Lisa Usher provide the latest chapter in the adoption of the North American Industry Classification System (NAICS). The industry productivity data they work with provide a detailed look at trends in output per hour of labor.

John E. Buckley and Robert W. Van Giezen survey the availability of Federal Government statistics on healthcare benefits and the cost of those benefits. Their notes provide a very large num-

ber of very valuable links to more detailed information.

Social Security Administration economist James H. Moore, Jr., contributes a report based on a synthetic pension data set created by regression and data matching techniques. One of the calculations uses BLS data on pension plans to estimate the income replacement rate for retirees.

Occupations and poverty

The chance of being among the working poor varies widely by occupation. Workers in occupations requiring higher education and characterized by high earnings, such as managers and professionals, were least likely to be classified as working poor in 2002. Only 2 percent of workers in these occupations who had been in the labor force more than half the year were among the working poor.

On the other hand, persons employed in jobs that usually do not require high levels of education and that are characterized by low earnings were more likely to be among the working poor. For example, 10.3 percent of service workers were classified as working poor in 2002. Service occupations, with 2.2 million working poor, accounted for 29.3 percent of all those classified as the working poor. These data are from the 2003 Annual Social and Economic Supplement to the Current Population Survey. For more information, see *A Profile of the Working Poor, 2002*, BLS Report 976.

Comparing factory productivity and costs

Korea registered the largest gain in manufacturing productivity in 2003 (9 percent). The increase in U.S. manufacturing output per hour in 2003 was the second highest (6.8 percent). Manufacturing productivity also increased in all the compared economies, except for Italy.

As in 2002, U.S. productivity growth in manufacturing in 2003 was substantially above its average growth rate since 1979. Seven of the other economies for which comparisons are available also had 2003 productivity growth that exceeded their annual average from 1979 through 2003.

Among the economies for which 2003 unit cost data are available, manufacturing unit labor costs fell in U.S. dollar terms only in Taiwan. In the United States, unit labor costs in manufacturing rose 1.6 percent in 2003. Unit labor costs are defined as the cost of labor input required to produce one unit of output. They are computed as nominal labor compensation divided by real output.

There were double-digit increases in unit labor costs (on a U.S. dollar basis) in 8 of the 13 economies studied. The widespread increases in unit labor costs in U.S. dollar terms are explained by the depreciation of the dollar, particularly with respect to the euro and other European currencies. The U.S. dollar depreciated against the currencies of all the economies, but the depreciation was slight versus the Taiwan dollar. For more information, see news release, “International Comparisons of Manufacturing Productivity and Unit Labor Cost Trends, 2003,” USDL 04-1945.

Women’s earnings

Between 1979 and 2003, the earnings gap between women and men narrowed for most age groups. Overall, the women-to-men earnings ratio was 80 percent in 2003, up from 63 percent in 1979. The ratio of women-to-men earnings among 16- to 24-year-olds was 93.3 percent in 2003, compared with 78.5 percent in 1979; that for 25- to 34-year-olds was 87 percent in 2003, compared with 67.4 percent in 1979.

Among 35- to 44-year-olds, women earned 76.2 percent as much as men in 2003 and 58.3 percent in 1979, while among 45- to 54-year-olds, women earned 73 percent as much as men in 2003 and 56.9 percent as much in 1979. For more information, see *Highlights of Women’s Earnings in 2003*, BLS Report 978. □