

**Current Population Reports**

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Household  
Economic Studies

Series P-70, No. 16-RD-2

# **Spells of Job Search and Layoff . . . and Their Outcomes**

CENSUS



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**Data from the  
Survey of Income and  
Program Participation**

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## Acknowledgments

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Issued July 1989



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# Contents

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	Page
Introduction.....	1
Highlights.....	1
Defining spells of job search and layoff.....	2
Persons beginning spells of job search and layoff in 1984.....	3
Duration of completed spells of job search and layoff.....	3
The concentration of time spent in job search and layoff.....	6
Health insurance and unemployment insurance coverage.....	7
Health insurance.....	7
Unemployment insurance.....	8
Outcomes of spells of job search and layoff.....	9
Job finder's average hourly earnings.....	11
Household incomes of persons not finding jobs.....	13

## TEXT TABLES

A. Persons who had spells of job search and layoff, by age, sex, race, and Hispanic origin.....	3
B. Frequency of spells of job search and layoff, by age and sex groups, race, and Hispanic origin.....	4
C. Duration of spells of job search and layoff, by age and sex.....	5
D. Duration of spells of job search and layoff, by age, sex, race, and Hispanic origin ...	6
E. Distribution of months of spells of job search and layoff, by major age-sex groups, race, and Hispanic origin.....	7
F. Health insurance coverage during first and only spell of job search and layoff, by coverage status 1 month before spell began.....	8
G. Persons who had only some or no months of health insurance coverage during first and only spell of job search and layoff, by duration of spell and major age-sex groups.....	8
H. Unemployment insurance coverage during spells of job search and layoff, by duration of spell, major age-sex groups, race, and Hispanic origin.....	9
I. Outcomes of spell of job search and layoff, by age, sex, race, and Hispanic origin ..	10
J. Average hourly earnings of persons who found jobs after completing first spell of job search and layoff and average hourly earnings on previous job, by duration of spell and major age-sex groups.....	12
K. Average hourly earnings of persons who found jobs after completing first spell of job search and layoff BUT had no average hourly earnings in survey period, by duration of spell and major age-sex groups.....	13
L. Average monthly household income of persons who withdrew from labor force after completing first spell of job search and layoff and average monthly household income 1 month before spell began, by duration of spell and major age-sex groups.....	14

## CHARTS

### Figure

1.	Persons who had spells of job search and layoff, by age and sex .....	4
2.	Distribution of total spells of job search and layoff, by duration of spell .....	5
3.	Outcomes of spells of job search and layoff, for selected groups.....	11
4.	Average hourly earnings of persons who found jobs after completing first spell of job search and layoff and average hourly earnings in their previous job, by major age-sex group.....	12

## APPENDIXES

A.	Overview of the SIPP Program .....	15
	Sample design .....	15
	Survey operations.....	16
	Full panel research file .....	16
B.	Definitions and Explanations .....	17
C.	Source and Accuracy of Estimates .....	19
	Source of data .....	19
	Estimation .....	20
	Accuracy of estimates .....	20
	Uses and computation of standard errors.....	21

## APPENDIX TABLES

A-1.	Design of first SIPP panel .....	15
C-1.	SIPP generalized variance parameters for estimates.....	22
C-2.	Standard errors of estimated numbers.....	23
C-3.	Standard errors of estimated percentages .....	24

# Spells of Job Search and Layoff... and Their Outcomes

## INTRODUCTION

This report presents an analysis of the spells of job search and layoff that began in 1984 and the outcomes of those spells. The data provide a rare glimpse of some of the characteristics of these spells—who experienced them, how long they lasted, whether health and unemployment insurance coverage was in force—and their outcomes—how many ended as a result of a job or by a withdrawal from the job market. As was reported by the Bureau of Labor Statistics (BLS), the Nation's economy during this period was still recovering from the 1981-82 recession and employment was growing vigorously and unemployment was dropping sharply.<sup>1</sup>

The data on spells of job search and layoff discussed here are different from the official unemployment data reported by the BLS. The BLS data are cross-sectional, that is, they indicate how many people were unemployed at a *point-in-time*. Embodied in that estimate are the persons who have just entered and exited the unemployment pool as well as those who remained unemployed. The data on spells of job search and layoff discussed in this report are longitudinal. They relate to the experience of the same people *through time*, that is, from the time they began looking for work or periods of layoff to their completion of the spells of job search or layoff.

The distinction between these two types of data is an important one. With the official unemployment data, it is difficult to observe changes in the economic welfare of the same individuals that may take place during a period of job search or layoff. Similarly, it is difficult to observe the outcomes of spells, that is, whether individuals either found or returned to jobs or withdrew from the labor force. With longitudinal data, these and other matters associated with the spell of job search or layoff can be examined.

The source of the data on spells of job search and layoff examined in this report is the 1984 panel of the Survey of Income and Program Participation (SIPP), a longitudinal survey of approximately 2 1/2 years duration. Although the primary purpose of this survey is to collect information on the incomes received by individuals and the extent to which they participate in Federal

government transfer income programs, it also collects information on labor force activity. The linkage of the labor force data to the income and program participation data in a longitudinal context make them particularly useful for examining such subjects as the economic welfare of persons looking for work and on layoff from jobs.

The BLS's employment and unemployment statistics are the Federal government's official estimates and they are collected in the monthly Current Population Survey (CPS). This survey has provided policy makers and researchers with monthly labor force information since the 1940's. In addition, in the March CPS, supplemental questions are asked about the annual work experience of individuals in the previous calendar year. Labor force data from SIPP can enhance what we have learned from both the monthly and March CPS supplement, and it is in this context that this report should be viewed. Differences in labor force concepts and survey procedures exist between the SIPP and CPS, so data comparability is problematic. (See appendix B for a description of some of these differences.) Furthermore, since the SIPP sample is considerably smaller than the CPS, the data results are subject to greater sampling variability (see appendix C).

## HIGHLIGHTS

(The figures in parentheses signify the 90 percent confidence intervals of the estimates.)

- In 1984, 26.7 ( $\pm 0.7$ ) million spells of job search and layoff began and were completed either in that year, 1985, or early 1986. These spells were attributed to 21.7 ( $\pm 0.5$ ) million persons. Women made up 11.7 ( $\pm 0.4$ ) million of the total and men 10.0 ( $\pm 0.4$ ) million.
- The "approximate" average length of a spell of job search or layoff was 3.4 ( $\pm 0.1$ ) months. The average for men was 3.6 ( $\pm 0.2$ ) months and for women, it was 3.2 ( $\pm 0.1$ ) months.
- Of the 11.0 ( $\pm 0.4$ ) million persons beginning their first spell of job search or layoff in 1984 and who had health insurance coverage previous to the spell, 20.1 ( $\pm 1.5$ ) percent either had no coverage or only some coverage during the spell.
- About 54.0 ( $\pm 6.1$ ) percent of the spells of job search and layoff of 5 months or longer experienced by men aged 25 to 54 were covered by unemployment insurance.

<sup>1</sup>See Richard Devens, Jr., Carol Boyd Leon, and Debbie Sprinkle, "Employment and Unemployment in 1984: A Second Year of Strong Growth in Jobs," *Monthly Labor Review*, February, 1985, pp. 3-15.

- About two-thirds—67.4 ( $\pm 1.3$ ) percent—of the total spells ended with a job. Men were more likely to end their spells with a job than women, and Whites more likely than Blacks and Hispanics.
- On average, the hourly earnings of jobseeking workers on their new job—\$5.81 ( $\pm .16$ )—were lower than on their previous job—\$6.18 ( $\pm .17$ ).
- For those persons who had no previous job during the survey (possibly new entrants or re-entrants to the labor force), but after a period of search took a job, hourly earnings averaged \$4.46 ( $\pm .19$ ).
- For persons who did not find jobs after their first spell of job search or layoff, average monthly household income fell from \$1,878 ( $\pm 82$ ) before the spell began to \$1,737 ( $\pm 78$ ) after the spell ended.

## DEFINING SPELLS OF JOB SEARCH AND LAYOFF

Spells of job search and layoff are periods of time in which jobless persons are actively looking for work or have been released from jobs that they may or may not be called back to. Such spells are commonly associated with persons who lose their jobs (or are laid off) as a result of a business slowdown or plant closing. But other spells arise, for example, when persons quit their jobs to find better ones, or when persons start looking for work for the first time. Still others come about when individuals who have been out of the labor force for some time decide to go back to work.

Most spells of job search and layoff have identifiable beginnings and endings because they involve events to which persons attach some significance. But some spells are not as identifiable. Researchers have found that for certain groups in the population the distinction between looking for work and being outside the labor force is weak.<sup>2</sup> A jobseeker, after a period of unsuccessful job search, may become discouraged and give up looking for a while, but then resume the search later on. In such cases, whether or not the individual experienced one spell or a series of spells is difficult to determine.

It should be noted that a person can experience more than one spell of job search or layoff in the course of a year. For example, a young college graduate may “job hop” before finding the right job and experience two or three spells of job search, or a construction worker may be laid off several times in the year after construction projects are completed.

The labor force information collected in SIPP reflects, to some degree, the movement of persons into and out of spells of job search and layoff. This is because survey

respondents were interviewed every 4 months between the second half of 1983 and the first half of 1986, thereby providing a panoramic view of their labor force behavior. Respondents were asked to recall the weeks in which they had jobs, and if they did not have jobs, whether or not they were looking for work or on layoff in those weeks. (Because of the questionnaire design it was not possible to separate persons who reported they had been laid off from those reporting they were looking for work.)

For the purposes of this report, only persons who began spells of job search (looking for work) or layoff in 1984 and completed them in 1984 or 1985 or early 1986 are analyzed. As shown in the table below, these persons totaled 21.7 million and they experienced 26.7 million spells of job search and layoff.

Subject	Persons (thous.)	Spells (thous.)
Total.....	21,674	26,749
1 spell .....	17,296	17,296
2 spells .....	3,774	7,548
3 spells .....	518	1,554
4 spells .....	80	320
5 spells .....	6	30

Only a small number of spells that began in 1984 extended beyond the life of the survey (less than 2 percent). Persons with multiple spells beginning in 1984 are included (as shown above), but persons beginning spells in earlier years which ended in 1984 are excluded.

Because SIPP was designed to measure income and program participation during 2 1/2 year periods of time, the basic time unit in the survey is the month (even though the labor force data are collected in terms of weeks). This creates problems when measuring labor force activity. For example, an individual in the course of a month could begin looking for a job and then find one (unemployed and employed) or be outside the labor force and then start looking for work (not in the labor force and unemployed).

In SIPP, cases of multiple labor force statuses during a month are handled by means of a series of employment status recodes that are discussed in appendix B. Basically, what these recodes do is to classify individuals into the various combinations of statuses that are possible during a month. In this report, persons who reported that they were “looking for work or on layoff” either at some time in the month or for the entire month are considered as having a spell of job search or layoff. Moreover, looking for work or on layoff for only part of a month is counted as a full month of job search or layoff. Duration estimates of completed spells of job search and layoff, therefore, are somewhat overstated and should be considered “approximations,” since not all the specific starting and ending points of spells are known from the recodes.

<sup>2</sup>See Kim B. Clark and Lawrence H. Summers, “Labor Market Dynamics and Unemployment: A Reconsideration,” in *Brookings Papers on Economic Activity*, No. 1, 1979, pp. 13-72.

Table A. **Persons Who Had Spells of Job Search and Layoff, by Age, Sex, Race, and Hispanic Origin**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986. Numbers in thousands)

Age and sex	All persons	White	Black	Hispanic <sup>1</sup>
Both sexes .....	21,674	17,135	3,875	1,755
Male .....	10,003	8,067	1,646	823
16 to 19 years .....	2,273	1,688	525	221
20 to 24 years .....	2,145	1,728	361	195
25 to 54 years .....	4,751	3,933	656	332
55 to 64 years .....	627	539	75	60
65 years and over .....	208	180	29	15
Female .....	11,671	9,068	2,229	932
16 to 19 years .....	2,268	1,706	516	88
20 to 24 years .....	2,503	1,944	498	219
25 to 54 years .....	5,988	4,669	1,090	575
55 to 64 years .....	793	644	109	51
65 years and over .....	119	103	16	-

- Represents zero.

<sup>1</sup>Persons of Hispanic origin may be of any race.

NOTE: Components may not add to totals because of rounding.

### PERSONS BEGINNING SPELLS OF JOB SEARCH AND LAYOFF IN 1984

A total of 21.7 million persons began at least one spell of job search or layoff in 1984 that ended either in 1984, 1985, or early 1986.<sup>3</sup> The data in table A summarize the characteristics of these persons by age, sex, race, and Hispanic origin.

The most intriguing estimates in the table concern those for women and men. According to the SIPP, 11.7 million women began spells of job search or layoff in 1984, compared with 10.0 million men. In the CPS, whether measured on a monthly or annual work experience basis, the unemployment level of women is typically smaller than it is for men. For example, according to the March supplemental questions, 9.4 million women had some unemployment in 1984, while for men, the estimate was 12.2 million. The SIPP finding suggests, of course, that more women than men may have been looking for jobs than previously believed.<sup>4</sup>

The difference by sex in the number of persons beginning spells of job search and layoff was particularly evident among 25- to 54-year-olds (figure 1). In this age category, women outnumbered men by 1.2 million. Women in this age group were also more numerous than men among Whites, Blacks, and Hispanics.

<sup>3</sup>According to the supplemental work experience data from the March 1985 CPS, approximately 21.5 million persons experienced some unemployment in calendar year 1984. This estimate, however, includes persons whose unemployment spells began in the previous year (or earlier) and continued into 1984.

<sup>4</sup>Different survey methods may account for this difference. In the monthly CPS it is possible for persons to have very short spells of unemployment between monthly interviews which are not reported to the interviewers. In the March CPS supplemental questions on work experience, short spells of unemployment occurring in the previous calendar year may be forgotten. In SIPP, however, short spells of job search or layoff may be better reported because of the 4-month reference period which is a compromise between a very short and very long reference period.

Table B presents the frequency of spells by age-sex groups, and for Whites, Blacks and Hispanics (in the course of a year an individual could have more than one spell of job search or layoff). The 21.7 million persons began, on average, 1.23 spells of job search or layoff during 1984. There was virtually no difference in the average frequency of spells for men and women. Although Blacks experienced 1.26 spells, compared with 1.23 for Whites, the difference was not statistically significant.<sup>5</sup>

Persons experiencing only one spell of job search or layoff constituted almost 80 percent of the total. Only 2.8 percent of the total had three or more spells that began in 1984. A slightly greater proportion of Blacks than Whites—4.5 versus 2.5 percent—began three or more spells of job search and layoff.

### DURATION OF COMPLETED SPELLS OF JOB SEARCH AND LAYOFF

Estimates of the duration of completed spells of job search and layoff are also different from BLS monthly estimates of the average duration of unemployment. Theoretically, the SIPP measures the length of a spell from the time a job search or layoff began to its conclusion (whether as a result of taking a job or withdrawing from the labor force). The BLS measures the length from the time a job search or layoff began up until the time of the survey.<sup>6</sup>

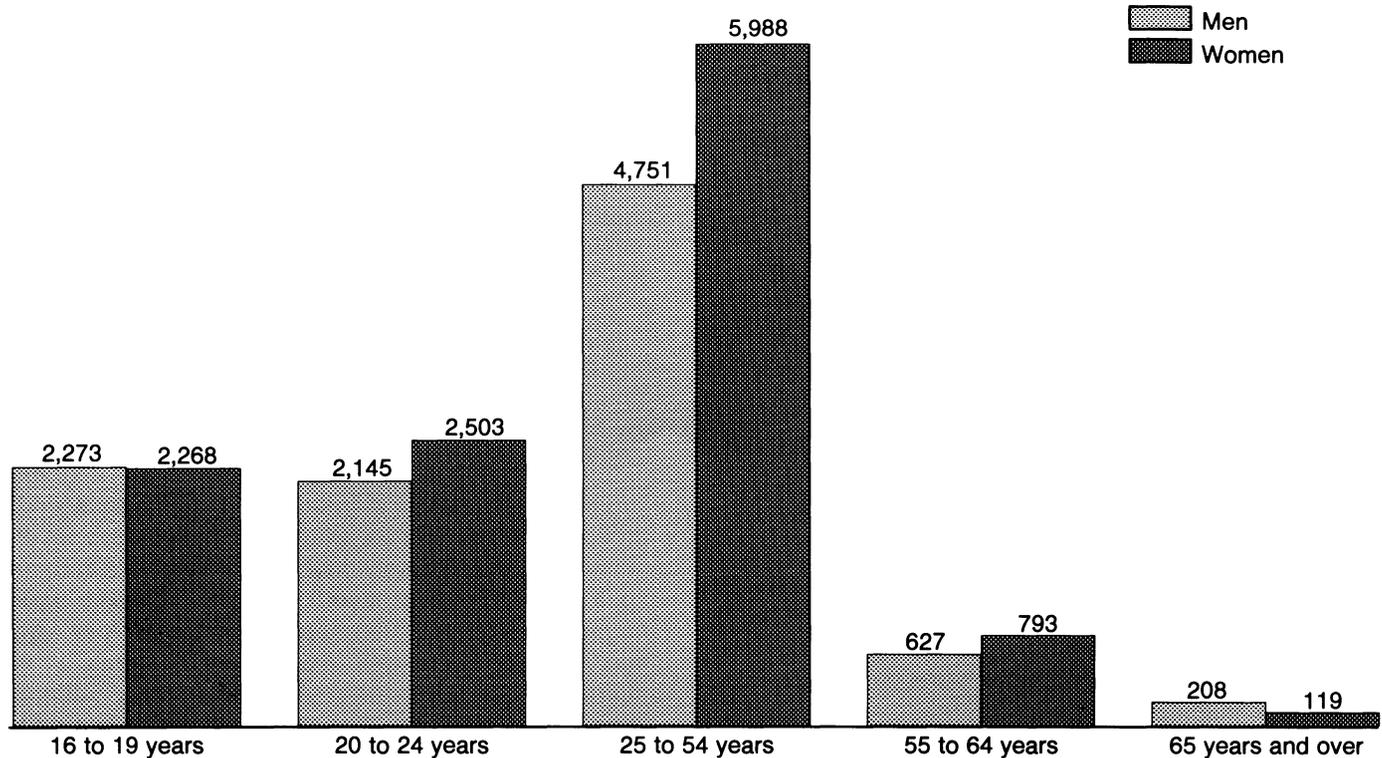
The estimates of the duration of completed spells of job search and layoff presented in tables C and D should be considered as *approximations*. This is because

<sup>5</sup>As is known from the CPS, however, Blacks have a much higher "incidence" of unemployment than do Whites. For example, in 1984, 26.7 percent of Blacks 16 years and over experienced some unemployment in that year, compared with 16.2 percent of the Whites.

<sup>6</sup>This is sometimes referred to as an "interrupted" spell of unemployment.

Figure 1.  
**Persons Who Had Spells of Job Search and Layoff, by Age and Sex**  
 (Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986)

In millions



in SIPP the basic time unit is a month and persons may have been looking for a job and taken one, all in the

same month. For the purposes of this report, any job search or layoff during a month, would be counted as a

Table B. **Frequency of Spells of Job Search and Layoff, by Age and Sex Groups, Race, and Hispanic Origin**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986. Numbers in thousands)

Age, sex, race, and Hispanic origin	All persons	1 spell	2 spells	3 spells	4 spells or more	Spells per person
Both sexes .....	21,674	17,296	3,774	518	86	1.23
Male .....	10,003	7,939	1,781	262	21	1.24
16 to 19 years .....	2,273	1,738	488	47	-	1.26
20 to 24 years .....	2,145	1,673	405	51	15	1.26
25 to 54 years .....	4,751	3,831	764	149	6	1.23
55 to 64 years .....	627	508	110	8	-	1.20
65 years and over .....	208	188	14	6	-	1.12
Female .....	11,671	9,357	1,993	256	65	1.23
16 to 19 years .....	2,268	1,736	464	49	20	1.27
20 to 24 years .....	2,503	2,000	433	53	16	1.23
25 to 54 years .....	5,988	4,871	960	129	29	1.22
55 to 64 years .....	793	638	130	25	-	1.23
65 years and over .....	119	113	6	-	-	1.05
White .....	17,135	13,708	2,996	370	61	1.23
Black .....	3,875	3,055	647	148	25	1.26
Hispanic <sup>1</sup> .....	1,755	1,380	348	20	8	1.23

- Represents zero. <sup>1</sup>Persons of Hispanic origin may be of any race.  
 NOTE: Components may not add to totals because of rounding.

**Table C. Duration of Spells of Job Search and Layoff, by Age and Sex**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986. Numbers in thousands)

Age and sex	Total spells	1 month	2 months	3 months	4 months	5-7 months	8-11 months	12 months or more	Mean length
Both sexes .....	26,749	8,746	4,960	3,153	4,465	2,609	1,899	917	3.41
Male .....	12,377	3,770	2,234	1,573	2,014	1,306	986	493	3.62
16 to 19 years .....	2,855	858	515	343	494	269	215	161	3.71
20 to 24 years .....	2,697	896	407	359	485	264	212	76	3.43
25 to 54 years .....	5,837	1,722	1,176	729	798	665	502	246	3.71
55 to 64 years .....	754	221	77	113	176	108	48	12	3.52
65 years and over .....	234	74	60	29	61	-	10	-	2.59
Female .....	14,371	4,976	2,725	1,581	2,450	1,303	912	424	3.24
16 to 19 years .....	2,889	1,088	621	317	384	233	185	60	2.97
20 to 24 years .....	3,091	1,082	580	357	451	369	176	76	3.21
25 to 54 years .....	7,293	2,386	1,346	814	1,370	623	499	253	3.38
55 to 64 years .....	973	349	172	86	225	65	49	26	3.13
65 years and over .....	126	71	6	6	20	13	4	6	(B)

- Represents zero.

B Base less than 200,000.

NOTE: Components may not add to totals because of rounding. Users of spell estimates should be aware that the associated standard errors may be underestimated. The Census Bureau is currently researching this matter.

full month of job search or layoff. Despite this tendency toward overestimation, the duration estimates provide some indication of the period of time persons spent looking for work and on layoff.

Table C presents distributions of completed spells and average completed spell lengths by age-sex groups. The average duration for the 26.7 million completed spells of job search and layoff that began in 1984 was 3.41 months. Almost one-third of the spells, or 32.7 percent, were of 1 month duration. In contrast, only 3.4 percent of them lasted 12 months or longer (figure 2).

Women experienced 14.4 million spells of job search and layoff, compared with 12.4 million for men. The

women's average duration of completed spells was less than that for men: 3.24 months versus 3.62 months. The teenage women's average was 2.97 months, but the teenage men's was 3.71 months.

The average spell duration for Blacks shown in table D was longer than for Whites and Hispanics: 3.94 months versus 3.28 and 3.34 months, respectively. (The spell durations of Whites and Hispanics were not significantly different.) Average durations for men were significantly greater than for women in the two race groups and among Hispanics. Among Black male teenagers, the spell lengths averaged 5.12 months as compared with 2.95 months for their female counterparts.

Figure 2.  
**Distribution of Total Spells of Job Search and Layoff, by Duration of Spell**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986)

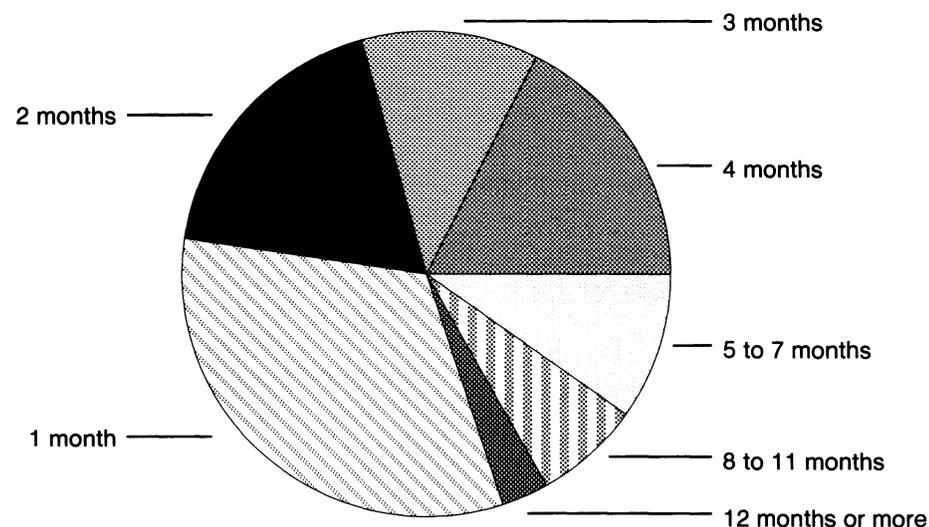


Table D. Duration of Spells of Job Search and Layoff, by Age, Sex, Race, and Hispanic Origin

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986. Numbers in thousands)

Age, sex, race, and Hispanic origin	Total spells	1 month	2 months	3 months	4 months	5-7 months	8-11 months	12 months or more	Mean length
<b>WHITE</b>									
Total .....	21,059	7,034	4,032	2,544	3,279	2,239	1,335	595	3.28
Male .....	10,014	3,181	1,881	1,239	1,560	1,122	739	295	3.42
16 to 19 years .....	2,165	725	430	265	313	176	172	84	3.38
20 to 24 years .....	2,166	748	318	288	373	240	167	32	3.21
25 to 54 years .....	4,873	1,491	997	588	668	597	359	172	3.55
55 to 64 years .....	604	142	77	68	167	108	36	6	3.70
Female .....	11,046	3,854	2,151	1,306	1,720	1,117	597	303	3.15
16 to 19 years .....	2,112	790	473	262	219	194	121	52	2.98
20 to 24 years .....	2,369	832	465	329	292	321	79	50	3.03
25 to 54 years .....	5,672	1,880	1,086	641	1,001	530	362	172	3.28
55 to 64 years .....	790	293	121	74	189	59	34	20	3.08
<b>BLACK</b>									
Total .....	4,894	1,461	807	537	978	328	511	272	3.94
Male .....	1,982	462	316	285	354	158	236	172	4.54
16 to 19 years .....	603	98	66	70	156	93	43	77	5.12
20 to 24 years .....	465	137	78	59	78	24	46	44	4.52
25 to 54 years .....	762	154	172	123	88	41	137	45	4.41
Female .....	2,912	999	491	252	624	171	275	99	3.52
16 to 19 years .....	731	289	134	56	142	38	63	8	2.95
20 to 24 years .....	661	213	114	28	143	48	90	26	3.90
25 to 54 years .....	1,353	438	208	150	314	78	105	59	3.64
<b>HISPANIC<sup>1</sup></b>									
Total .....	2,166	648	364	285	502	190	99	77	3.34
Male .....	1,000	239	183	172	196	114	48	48	3.70
16 to 19 years .....	290	74	40	58	45	49	12	13	3.77
20 to 24 years .....	240	70	20	31	51	31	20	17	4.19
25 to 54 years .....	378	80	101	67	84	26	-	19	3.28
Female .....	1,165	409	182	113	307	76	51	29	3.03
16 to 19 years .....	137	53	28	29	19	-	7	-	(B)
20 to 24 years .....	278	146	23	22	44	33	10	-	2.47
25 to 54 years .....	680	165	121	52	237	43	34	29	3.52

- Represents zero.

B Base less than 200,000.

<sup>1</sup>Persons of Hispanic origin may be of any race.

NOTE: Components may not add to totals because of rounding. Users of spell estimates should be aware that the associated standard errors may be underestimated. The Census Bureau is currently researching this subject.

The duration estimates for men and women and Blacks and Whites, even though they are approximations and conceptually different from the BLS monthly estimates, are consistent with what we know to be the relative lengths of job search and layoff for these groups.

### THE CONCENTRATION OF TIME SPENT IN JOB SEARCH AND LAYOFF

Although upwards of one-third of all the spells of job search and layoff that began in 1984 were of 1 month duration, persistent unemployment is still a problem. Indeed, previous research has shown that a large part of the total time spent unemployed is accounted for by

a small proportion of persons with long periods of unemployment.<sup>7</sup> The SIPP data confirm this conclusion.

Table E shows the distribution of the total months persons (who began spells in 1984) spent looking for work or on layoff by the length of the spells. One month spells, which we have shown made up 32.7 percent of all spells, contributed only 9.6 percent of the total months spent in job search and layoff. On the other hand, spells of 5 months or longer made up only 20.3 percent of all spells, but contributed 49.6 percent of all the months spent in job search and layoff.

<sup>7</sup>See, for example, Norman Bowers, "Probing the Issues of Unemployment Duration," *Monthly Labor Review*, July, 1980, pp. 23-32.

Among the major age-sex groups, men age 25 to 54 had the greatest concentration of months spent in persistent job search and layoff of five months or longer—56.3 percent. The comparable proportion for women was 47.2 percent. Spells of 5 months or longer accounted for 55.4 percent of all months spent in job search and layoff for Blacks, a much greater proportion than for Whites and Hispanics.

## HEALTH INSURANCE AND UNEMPLOYMENT INSURANCE COVERAGE

An important dimension of an individual's spell of job search or layoff is his or her economic security during the spell. This economic security is typically dependent on the income of the household in which the person resides and his or her position in the household. If the person happens to be the chief breadwinner then the person's economic security, and that of the household, is imperiled. If, however, the person is a "first-time jobseeker" from an affluent household, the period of job search may not create any threat to their economic security.<sup>8</sup>

In this section we focus on whether or not persons who began spells of job search or layoff in 1984 had health insurance coverage and unemployment insurance coverage during the spell. The absence or presence of both coverages have a bearing on an individual's economic well-being during a spell of job search or layoff, even though the data presented here do not, by themselves, reflect the degree of their importance in this matter.

<sup>8</sup>The BLS has periodically examined the linkages between labor market problems, such as unemployment, and economic hardship. See *Linking Employment Problems to Economic Status*, U.S. Department of Labor, Bureau of Labor Statistics, Bulletin 2282, August 1987.

## Health Insurance

The loss of health insurance coverage as a result of job termination has been a topical issue in public policy circles in recent years. In 1985, Federal legislation was passed requiring employers with 20 or more employees to make previously held employment-related health insurance available to workers who have been laid off (the Consolidated Omnibus Reconciliation Act of 1985, P.L. 99-272). Unemployed workers can now retain their coverage at their own expense for up to 18 months.

Table F shows the health insurance coverage status of persons during their spells of job search or layoff by their status one month before the spell. At that time, these persons may have been either employed or not in the labor force so the effect of a job loss is not fully seen.<sup>9</sup> (Further analysis of this issue would involve separating and comparing these two groups.) Nevertheless, health insurance status before and during the spell for the entire group is of interest.

About 11.0 million persons (or 63.6 percent of the total with only one spell) had health insurance coverage before their spell of looking for work or layoff began. Of that total, 1.0 million had no coverage during their spell and 1.2 million had coverage only in some months. Together, this amounts to 20.1 percent of the total with either no coverage or only some health insurance coverage during their spell.

The proportion of men aged 25 to 54 who had health insurance coverage before their spells began, but then either had none or only some, was 27.4 percent. The

<sup>9</sup>The SIPP data analyzed here do not reflect health insurance coverage obtained through public sources, that is, through Medicare, Medicaid, CHAMPUS, and CHAMPVA. Consequently, it is possible that some portion of the persons analyzed here who reported no private health insurance coverage, may indeed have been covered by one of the public programs.

Table E. **Distribution of Months of Spells of Job Search and Layoff, by Major Age-Sex Groups, Race, and Hispanic Origin**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986. In percent)

Age, sex, race, and Hispanic origin	Total	Total months in spells lasting—				
		1 month	2 months	3 months	4 months	5 months or more
Total.....	100.0	9.6	10.9	10.4	19.5	49.6
Both sexes:						
16 to 24 years.....	100.0	10.2	11.1	10.8	18.9	49.0
55 years and over.....	100.0	10.7	9.4	10.5	28.8	40.6
Men, 25 to 54 years.....	100.0	8.0	10.9	10.1	14.7	56.3
Women, 25 to 54 years.....	100.0	9.7	10.9	9.9	22.3	47.2
White.....	100.0	10.2	11.7	11.1	19.0	48.1
Black.....	100.0	7.6	8.4	8.4	20.3	55.4
Hispanic <sup>1</sup> .....	100.0	9.0	10.1	11.8	27.8	41.4

<sup>1</sup>Persons of Hispanic origin may be of any race.

NOTE: Components may not add to totals because of rounding. Users of spell estimates should be aware that the associated standard errors may be underestimated. The Census Bureau is currently researching this subject.

**Table F. Health Insurance Coverage During First and Only Spell of Job Search and Layoff, by Coverage Status 1 Month Before Spell Began**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986. Numbers in thousands)

Coverage status, age, sex, race, and Hispanic origin	All persons	Covered during spell:		
		All months	Some months	No months
Total .....	17,296	9,096	1,728	6,472
Covered .....	11,000	8,784	1,225	991
In own name .....	5,156	3,663	822	672
Not covered .....	6,296	312	503	5,481
Both sexes, 16 to 24 years ..	7,147	3,645	807	2,695
Covered .....	4,440	3,486	529	426
In own name .....	1,227	726	235	266
Not covered .....	2,705	159	279	2,269
Men, 25 to 54 years .....	3,832	1,805	471	1,555
Covered .....	2,398	1,743	387	269
In own name .....	1,911	1,341	365	204
Not covered .....	1,433	63	83	1,286
Women, 25 to 54 years ....	4,870	2,584	379	1,908
Covered .....	3,039	2,526	275	239
In own name .....	1,163	826	187	150
Not covered .....	1,830	57	105	1,668
Both sexes, 55 and over ...	1,448	1,062	71	314
Covered .....	1,121	1,029	35	58
In own name .....	853	766	35	53
Not covered .....	327	20	36	258
WHITE .....	13,708	7,756	1,302	4,650
Covered .....	9,292	7,514	980	797
In own name .....	4,279	3,080	661	538
Not covered .....	4,416	242	323	3,853
BLACK .....	3,054	1,008	395	1,651
Covered .....	1,373	963	236	173
In own name .....	705	439	152	114
Not covered .....	1,682	45	159	1,477
HISPANIC <sup>1</sup> .....	1,380	512	101	766
Covered .....	667	463	85	117
In own name .....	319	180	72	64
Not covered .....	714	49	16	649

<sup>1</sup>Persons of Hispanic origin may be of any race.

NOTE: Components may not add to totals because of rounding.

proportion for young persons 16 to 24 years old was 21.5 percent and for women 25 to 54, it was 16.9 percent. The lower proportions for young persons and women probably reflect the fact that they were more likely than men to have health insurance coverage in someone else's name. Only 8.3 percent of the persons age 55 and over had only some or no coverage during their spells.

Blacks and Hispanics who had spells of job search and layoff were more likely than Whites to have only some or no health insurance coverage after their spells began. The proportions were 29.8 percent for Blacks and 30.3 percent for Hispanics. The proportion among Whites was 19.1 percent.

The SIPP data also indicate that the likelihood of having only some or no health insurance coverage during a spell of job search or layoff rises as the length of the spell increases. Table G shows that for those persons with a 1-month spell, 7.6 percent had some or no coverage, but for those with a spell of 9 months or more, 48.0 percent had only some months or no months of health insurance coverage. Differences by these spell durations were observed for the major age-sex groups (except for those persons age 55 and over).

## Unemployment Insurance

Table H contains data on the unemployment insurance coverage status of spells of job search and layoff. Unemployment insurance benefits are available to unemployed workers who have demonstrated their attachment to the labor force by a specified amount of recent work and/or earnings in covered employment. Consequently, many of the job search and layoff spells observed in the SIPP were not covered because individuals did not meet eligibility requirements.

According to the data, of the 26.7 million spells that began in 1984, approximately 16.6 percent of the total had unemployment insurance coverage in some of the months of the spells (11.7 percent had coverage in all of

**Table G. Persons Who Had Only Some or No Months of Health Insurance Coverage During First and Only Spell of Job Search and Layoff, by Duration of Spell and Major Age-Sex Groups**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986. In percent)

Duration of spell	All persons	Both sexes, 16-24 years	Men, 25-54 years	Women, 25-54 years	Both sexes, 55 years and over
Total .....	20.1	21.5	27.4	16.9	8.3
1 month .....	7.6	9.3	11.6	4.1	3.4
2 months .....	16.5	18.7	21.2	13.9	(B)
3 months .....	19.8	24.4	22.3	13.2	(B)
4 months .....	21.9	25.1	33.8	25.5	11.7
5 to 8 months .....	35.6	33.5	47.2	32.8	(B)
9 months or more .....	48.0	57.4	40.3	51.2	(B)

B Base less than 200,000.

**Table H. Unemployment Insurance Coverage During Spells of Job Search and Layoff, by Duration of Spell, Major Age-Sex Groups, Race, and Hispanic Origin**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986. Numbers in thousands)

Age, sex, race, and Hispanic origin	Total spells	Spells lasting—					
		1 month	2 months	3 months	4 months	5-7 months	8 months or more
Total .....	26,749	8,746	4,960	3,153	4,465	2,609	2,816
Some coverage .....	4,434	-	783	794	870	1,069	919
All months .....	3,122	-	783	656	605	709	371
Both sexes, 16 to 24 years .....	11,532	3,923	2,123	1,376	1,815	1,135	1,161
Some coverage .....	895	-	117	189	186	251	152
All months .....	617	-	117	157	102	179	63
Men, 25 to 54 years .....	5,837	1,722	1,176	729	798	665	748
Some coverage .....	1,805	-	388	326	329	409	353
All months .....	1,332	-	388	263	241	260	181
Women, 25 to 54 years .....	7,293	2,386	1,346	814	1,370	623	752
Some coverage .....	1,262	-	225	179	233	275	349
All months .....	863	-	225	143	191	197	107
Both sexes, 55 and over .....	2,086	715	315	234	481	186	155
Some coverage .....	473	-	53	101	121	133	65
All months .....	310	-	53	93	71	74	20
WHITE .....	21,059	7,034	4,032	2,544	3,279	2,239	1,930
Some coverage .....	3,828	-	714	696	703	1,004	711
All months .....	2,735	-	714	576	494	672	280
BLACK .....	4,894	1,461	807	537	978	328	783
Some coverage .....	453	-	63	86	99	48	155
All months .....	303	-	63	67	78	21	74
HISPANIC <sup>1</sup> .....	2,166	648	364	285	502	190	176
Some coverage .....	337	-	41	78	95	78	44
All months .....	193	-	41	57	49	45	-

- Represents zero.

<sup>1</sup>Persons of Hispanic origin may be of any race.

NOTE: Components may not add to totals because of rounding. Users of spell estimates should be aware that the associated standard errors may be underestimated. The Census Bureau is currently researching this subject.

the months).<sup>10</sup> For spells of 2-month duration, coverage was observed in 15.8 percent of the spells, but in spells of 5 months or longer 36.6 percent of the spells had some coverage.<sup>11</sup>

Unemployment insurance coverage of spells of 5 months or longer was more comprehensive among men age 25 to 54 (53.9 percent) and among women of the same age (45.4 percent), than among men and women age 16 to 24 (17.6 percent). This probably reflects the relative differences in these groups in meeting eligibility requirements for unemployment insurance. (The difference in coverage between men and women aged 25 to 54 was not significant.)

The coverage rate among Blacks with spells of job search and layoff was only 9.3 percent, compared with

15.6 percent for Hispanics and 18.2 percent for Whites. (The coverage rates for Hispanics and Whites were not significantly different.) Only 18.3 percent of the spells of 5 months or longer experienced by Blacks had some coverage.

## OUTCOMES OF SPELLS OF JOB SEARCH AND LAYOFF

One of the advantages of SIPP longitudinal data on job search and layoff is that it is possible to find out how the spell ends. A spell may end, of course, by finding or returning to a job (a job accession) or by ceasing to look for work or losing interest in the job market (a labor force withdrawal). Table I shows the outcomes of the 26.7 million spells of job search and layoff that began in 1984 for age, sex, race, and Hispanic groups.

The findings presented here must be qualified on a number of counts. First, the economy in 1984 was recovering strongly from the 1981-82 recession and creating millions of jobs. Whether or not a similar pattern of outcomes would prevail in another phase of the

<sup>10</sup>This statistic should not be confused with unemployed persons who at a point-in-time received unemployment insurance. In many spells there may be a lag between the beginning of the spell and receipt of the benefit. In other cases, the spell may be longer than the benefit period.

<sup>11</sup>Most States have a 26-week limit on the receipt of unemployment insurance benefits, although extended benefits can be received in periods of high unemployment for up to 13 additional weeks.

Table I. Outcomes of Spells of Job Search and Layoff, by Age, Sex, Race, and Hispanic Origin

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986. In percent)

Age and sex	Total	Found job	Withdrew	Total	Found job	Withdrew
	Total			White		
Both sexes .....	100.0	67.4	32.6	100.0	71.0	29.0
Male .....	100.0	77.2	22.8	100.0	80.1	19.8
16 to 19 years .....	100.0	63.9	36.1	100.0	70.2	29.8
20 to 24 years .....	100.0	81.7	18.3	100.0	86.7	13.3
25 to 54 years .....	100.0	84.6	15.4	100.0	85.0	15.0
55 to 64 years .....	100.0	65.9	34.1	100.0	66.4	33.6
65 years and over .....	100.0	37.8	62.2	100.0	38.3	61.7
Female .....	100.0	59.0	41.0	100.0	62.8	37.2
16 to 19 years .....	100.0	57.2	42.8	100.0	62.9	37.1
20 to 24 years .....	100.0	61.0	39.0	100.0	66.2	33.8
25 to 54 years .....	100.0	59.1	40.9	100.0	62.1	37.9
55 to 64 years .....	100.0	58.8	41.2	100.0	60.1	39.9
65 years and over .....	100.0	(B)	(B)	100.0	(B)	(B)
	Black			Hispanic <sup>1</sup>		
Both sexes .....	100.0	52.7	47.3	100.0	57.8	42.2
Male .....	100.0	64.7	35.3	100.0	74.8	25.2
16 to 19 years .....	100.0	44.9	55.1	100.0	64.8	35.2
20 to 24 years .....	100.0	58.2	41.8	100.0	84.7	15.3
25 to 54 years .....	100.0	84.2	15.8	100.0	84.0	16.0
55 to 64 years .....	100.0	(B)	(B)	100.0	(B)	(B)
65 years and over .....	100.0	(B)	(B)	100.0	(B)	(B)
Female .....	100.0	44.6	55.4	100.0	43.2	56.8
16 to 19 years .....	100.0	40.8	59.2	100.0	(B)	(B)
20 to 24 years .....	100.0	42.7	57.3	100.0	36.0	64.0
25 to 54 years .....	100.0	46.9	53.1	100.0	43.8	56.2
55 to 64 years .....	100.0	(B)	(B)	100.0	(B)	(B)
65 years and over .....	100.0	(B)	(B)	100.0	(B)	(B)

B Base less than 200,000.

<sup>1</sup>Persons of Hispanic origin may be of any race.

NOTE: Components may not add to totals because of rounding. Users of spell estimates should be aware that the associated standard errors may be underestimated. The Census Bureau is currently researching this subject.

business cycle is conjectural. Second, the full nature of the jobs persons found or returned to is not explored in this report (e.g., the occupations or industries in which the jobs were found, if they were temporary jobs), although the average hourly earnings received are examined below. And third, spells which ended due to a withdrawal from the labor force may have occurred because of either market reasons (e.g., discouragement over job prospects, wage offers too low) or nonmarket reasons (e.g., returning to school, illness). Despite these qualifications the findings are instructive and confirm earlier research.<sup>12</sup>

Of the spells of job search and layoff that began in 1984, 67.4 percent came to an end as the result of finding or returning to a job and 32.6 percent ended as a result of a withdrawal from the labor force. The data in Table I show that the outcome for 77.2 percent of the men's spells was a job. In contrast, 59.0 percent of the spells of women came to an end as a result of a job.

Almost 85.0 percent of the spells of men aged 25 to 54 ended in jobs, compared with 59.1 percent of the women's.

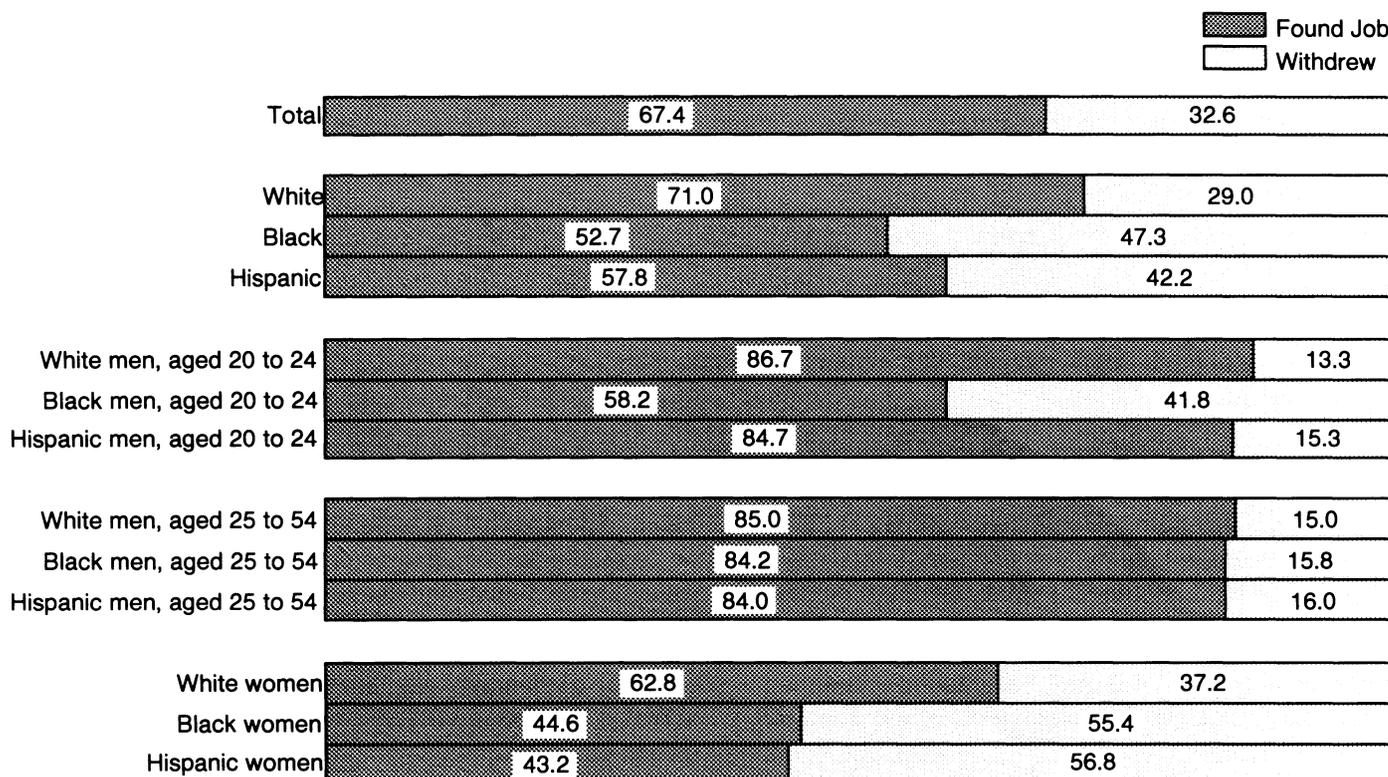
Whites were more likely to have job outcomes after their spells than Blacks and Hispanics. Slightly more than 70 percent of the spells of Whites ended with a job, compared with only 52.7 percent of the Blacks' spells and 57.8 percent of the Hispanics' spells (the difference in outcomes between Blacks and Hispanics was not significant). In other words, for whatever the reasons, Whites were more likely to complete their period of job search or layoff with a job rather than by withdrawing from the labor force.

Sharp differences in outcomes existed among young men and women by race and Hispanic origin (figure 3). Spell outcomes of White and Hispanic males age 20 to 24 were much more likely to be a job—86.7 and 84.7 percent, respectively—than was the case for Black males of the same age, 58.2 percent.<sup>13</sup> In contrast, spells of White, Black, and Hispanic men aged 25 to 54

<sup>12</sup>One of the more well-known analyses in recent years on the outcomes of spells of unemployment is that by Clark and Summers, *op cit*.

<sup>13</sup>The difference in outcomes between White and Hispanic males aged 20 to 24 was not statistically significant.

Figure 3.  
**Outcomes of Spells of Job Search and Layoff, for Selected Groups**  
 (Covers spells that began in 1984 and were completed by 1984, 1985, or early 1986)



were all as likely to end with jobs (around 84 to 85 percent). Last, the job search and layoff spells of White women were more likely to end with jobs than the spells of Black and Hispanic women (62.8 percent versus 44.6 and 43.2 percent).<sup>14</sup>

### Job Finders' Average Hourly Earnings

The group of individuals who found or returned to jobs after a spell of job search or layoff can be disaggregated into two groups. First, there are the persons who left jobs (whether voluntarily or involuntarily) during the SIPP survey period and eventually found new jobs or returned to their old ones. For these persons we know what their hourly earnings were on the previous job as well as the hourly earnings on the job they found or returned to. The second group is composed of persons who did not report any earnings from a previous job in the survey period, but did report earnings from the job they found. These successful job finders may have been either new entrants to the labor market or re-entrants after a period of absence. As will be seen, the average hourly earnings on the jobs both groups found or returned to differed.

<sup>14</sup>The difference in outcomes between Black and Hispanic women was not statistically significant.

The table below shows the distribution of average hourly earnings for persons who reported earnings from both previous jobs and new jobs.<sup>15</sup> Around 25 percent of the persons with new jobs had average hourly earnings of less than \$3.35 an hour, almost 50 percent had hourly earnings between \$3.35 and \$6.99, and around 25 percent had earnings of \$7.00 or more an hour. Hourly earnings on the new job averaged \$5.81 compared to \$6.18 on the previous job. This change represented a 6.0 percent reduction in the estimated wage level for these persons.

Hourly earnings	Previous job	New job
Total (in thousands) .....	9,514	9,514
Total (in percent).....	100.0	100.0
Less than \$3.35.....	23.9	25.9
\$3.35 to \$4.99 .....	26.3	26.0
\$5.00 to \$6.99 .....	21.0	22.2
\$7.99 to \$9.99 .....	14.8	12.8
\$10.00 or more .....	14.1	13.1

Table J shows the average hourly earnings on the new jobs and the previous jobs for young persons and

<sup>15</sup>Average hourly earnings were derived by dividing the person's monthly earnings by the product of his or her usual weekly hours and weeks worked in a month.

**Table J. Average Hourly Earnings of Persons Who Found Jobs After Completing First Spell of Job Search and Layoff and Average Hourly Earnings on Previous Job, by Duration of Spell and Major Age-Sex Groups**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986)

Duration of spell	Number (thous.)	Previous job	Standard error	New job	Standard error	Number (thous.)	Previous job	Standard error	New job	Standard error
	Total					Both sexes, 16-24 years				
Total persons.....	9,514	\$6.18	.10	\$5.81	.10	3,414	\$4.73	.14	\$4.74	.14
1 month.....	3,236	6.34	.19	6.11	.18	1,160	5.24	.28	5.44	.28
2 to 3 months.....	3,258	6.28	.17	5.83	.17	1,231	4.68	.22	4.65	.24
4 months.....	1,131	5.96	.31	5.46	.31	413	4.61	.38	4.24	.26
5 to 11 months.....	1,653	5.63	.23	5.45	.24	520	3.90	.26	3.89	.22
12 or more months.....	236	7.41	.74	5.82	.60	89	(B)	(B)	(B)	(B)
	Men, 25-64 years					Women, 25 to 64 years				
Total persons.....	3,589	8.15	.19	7.33	.19	2,405	5.35	.17	5.10	.16
1 month.....	1,176	8.12	.34	7.42	.33	852	5.53	.32	5.27	.29
2 to 3 months.....	1,211	8.48	.33	7.35	.32	783	5.42	.30	5.42	.28
4 months.....	393	8.14	.61	7.27	.57	301	4.93	.44	4.61	.48
5 to 11 months.....	704	7.17	.42	7.15	.44	428	5.18	.32	4.54	.36
12 or more months.....	106	(B)	(B)	(B)	(B)	41	(B)	(B)	(B)	(B)

(B) Base less than 200,000.

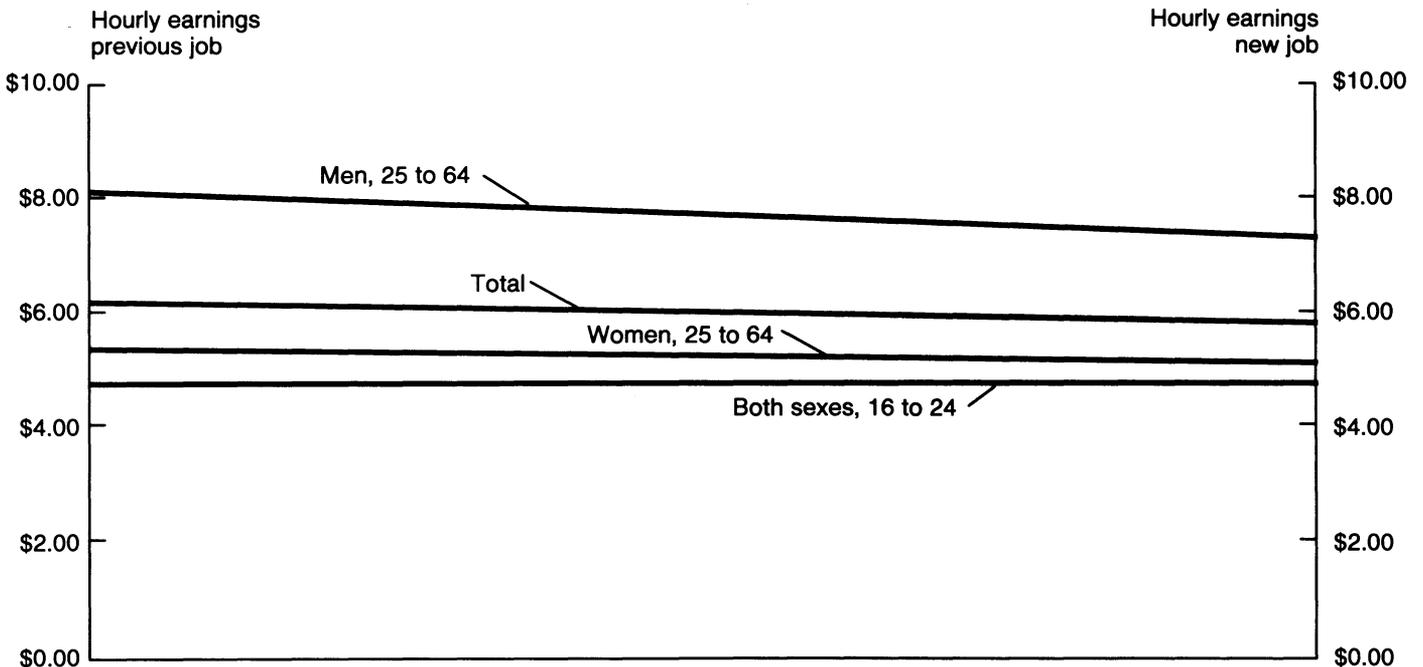
NOTE: Components may not add to totals because of rounding.

men and women 25 to 64 years old by duration of their job search or layoff. Men 25 to 64 who found or returned to jobs experienced a 10.1 percent reduction in hourly earnings—from \$8.15 to \$7.33. For women 25 to 64, hourly earnings were \$5.35 on the previous job and

\$5.10 on the new job, but the difference in the averages was not statistically significant. The average hourly earnings for young persons were virtually unchanged (figure 4).

**Figure 4. Average Hourly Earnings of Persons Who Found Jobs After Completing First Spell of Job Search and Layoff and the Average Hourly Earnings on Their Previous Job, by Major Age-Sex Group**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986)



Average hourly earnings for persons out of work a year or more fell from \$7.41 to \$5.82. On the other hand, the drop in hourly earnings for those with spells of one month or less was from \$6.34 to \$6.11 and this change was not statistically significant. Among White workers average hourly earnings dropped from \$6.46 to \$6.01, but for Blacks earnings were largely unchanged at about \$4.65 an hour.

Table K presents the average hourly earnings for the 4.0 million persons who entered the labor force for the first time or were re-entering after an absence and found a job. The overall average for these persons was \$4.46. (Approximately 41 percent of them had average hourly earnings below \$3.35.) The majority of the individuals in this group were young persons between the ages of 16 and 24. Their average hourly earnings on the jobs they found or eventually returned to was \$4.10.

### Household Incomes of Persons Not Finding Jobs

A job search or layoff which ends in a labor force withdrawal may or may not have a significant impact on a household's economic situation. This usually depends on a number of factors, such as, the household member who incurred the spell and the length of spell, alternative sources of income available to the household, the labor supply responses of other household members, and so on. In addition, household income changes may occur that are not directly linked to the spell of job

search or layoff, such as a household composition change, a windfall, or a loss. Consequently, to isolate the impact of an unsuccessful spell of job search or layoff on household income, a multiple-regression analysis would be required.

Despite the many factors that can influence household income over a period of unsuccessful job search or layoff, it is still useful to observe monthly incomes before spells begin and after they end. This is because we obtain some idea as to what happens to the economic situation of those households in which an unsuccessful job search or layoff takes place, even though causation is difficult to detect.

Approximately 7.0 million persons who began their first spell of job search or layoff in 1984 ended them by dropping out of the labor force. On average, their monthly household incomes fell from \$1,878 to \$1,737, or 7.5 percent (table L). There was little change in household income, on average, when the unsuccessful spell of job search or layoff lasted a month, but a drop of \$234 did occur when the spell lasted between 5 and 11 months.

Household incomes for men 25 to 64 who did not find or return to jobs fell by 17.4 percent, or from \$1,623 to \$1,341. Obviously, joblessness for this traditional bread-winning group has a substantial impact on household income. They constituted, however, only a small part of all unsuccessful job finders. Among young persons 16 to 24 (who made up 44.2 percent of the total), monthly household incomes declined by 7.2 percent over their

Table K. **Average Hourly Earnings of Persons Who Found Jobs After Completing First Spell of Job Search and Layoff BUT Had No Average Hourly Earnings in Survey Period, by Duration of Spell and Major Age-Sex Groups**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986)

Duration of spell	Number (thous.)	Average hourly earnings	Standard error	Number (thous.)	Average hourly earnings	Standard error
	Total			Both sexes, 16-24 years		
Total persons .....	3,973	\$4.46	.12	2,328	\$4.10	.13
1 month .....	1,246	4.35	.19	751	3.93	.21
2 to 3 months .....	1,310	4.24	.20	783	4.11	.24
4 months .....	544	4.68	.37	310	4.03	.28
5 to 11 months .....	692	4.99	.33	399	4.50	.41
12 months or more .....	183	(B)	(B)	83	(B)	(B)
	Men, 25-64 years			Women, 25-64 years		
Total persons .....	366	6.22	.58	1,256	4.62	.22
1 month .....	79	(B)	(B)	401	4.59	.38
2 to 3 months .....	114	(B)	(B)	412	4.17	.32
4 months .....	46	(B)	(B)	179	(B)	(B)
5 to 11 month .....	95	(B)	(B)	197	(B)	(B)
12 months or more .....	32	(B)	(B)	67	(B)	(B)

B Base less than 200,000.

NOTE: Components may not add to totals because of rounding.

**Table L. Average Monthly Household Income of Persons Who Withdrew From Labor Force After Completing First Spell of Job Search and Layoff and Average Monthly Household Income 1 Month Before Spell Began, by Duration of Spell and Major Age-Sex Groups**

(Covers spells that began in 1984 and were completed in 1984, 1985, or early 1986)

Duration of spell	Number (thous.)	Before spell	Standard error	After spell	Standard error	Number (thous.)	Before spell	Standard error	After spell	Standard error
	Total					Both sexes, 16-24 years				
Total persons.....	7,004	\$1,878	51	\$1,737	49	3,098	\$2,207	86	\$2,048	80
1 month.....	2,103	2,009	100	1,983	94	1,026	2,418	164	2,449	147
2 to 3 months.....	1,705	1,954	107	1,755	104	784	2,266	184	1,991	176
4 months.....	1,855	1,725	94	1,686	99	734	2,145	161	1,996	157
5 to 11 months.....	1,024	1,664	103	1,430	88	430	1,682	171	1,517	154
12 months or more.....	317	2,186	279	1,290	168	124	(B)	(B)	(B)	(B)
	Men, 25-64 years					Women 25-64 years				
Total persons.....	950	1,623	128	1,341	122	2,763	1,628	72	1,566	70
1 month.....	207	1,856	342	1,621	317	801	1,601	121	1,562	125
2 to 3 months.....	200	1,855	265	1,341	274	675	1,623	137	1,636	139
4 months.....	271	1,512	211	1,353	233	802	1,461	138	1,550	154
5 to 11 months.....	227	1,493	250	1,204	191	345	1,744	139	1,496	117
12 months or more.....	45	(B)	(B)	(B)	(B)	141	(B)	(B)	(B)	(B)

B Base less than 200,000.

NOTE: Components may not add to totals because of rounding.

spells of job search and layoff. The change in average monthly household income for women 25 to 64 who did not find jobs was not statistically significant.

Monthly incomes in White households declined, on average, from \$2,008 to \$1,875 when a household member's spell of job search or layoff was resolved

unsuccessfully (regardless of who the household member was). In Black households, average incomes fell from \$1,420 to \$1,251 when a household member's spell outcome ended in a labor force withdrawal.<sup>16</sup>

<sup>16</sup>The difference between the decline in income for White households and the decline in income for Black households was not statistically significant.