LABOR FORCE PARTICIPATION: A SURVEY OF THE LITERATURE**

I. General Studies


An important early study which found a negative relationship between real hourly earnings and the labor force participation rate of adult male workers.


Concerned with long-run trends and the factors which determine labor force behavior. Considers the great increase in the number of working women, the importance of part-time work, and racial differences in labor force participation.


An early comprehensive analysis of American labor force data from 1920 on with comparative statistics from other countries. The study focused on three questions: 1) Has labor force participation been influenced by changes in income and employment? 2) If effective, have these two influences been powerful enough to stand out over other possible forces? 3) Does any other possible factor furnish a fairly complete explanation of labor force behavior. The author's main conclusion is that labor force participation is inversely related to income.


The Committee, headed by Robert A. Gordon, engaged in a critical study and evaluation of the official statistics on employment and unem-

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** Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.
ployment. It examined the problems of definition and concept, the sampling and survey procedures, the problem of seasonal adjustment, the need for better data on job vacancies and occupational classification, and methods of developing better state and local data.


This study seeks an explanation of the causes and economic effects of long-term demographic swings. Part III, Labor force analyses, examines the sharply accelerated increase in labor force participation rates, especially among older women.


Summarizes labor force trends in the light of economic theory and of the growing empirical research in this area.


The most comprehensive study to date on the patterns and causes of variations in labor force participation. Part I offers a summary of the concepts and measurement of the labor force. Part II analyses the factors determining the labor force participation rates of particular population groups. The third section discusses the cross-sectional and time-series relations between unemployment and the labor force. Extensive appendices supply data and information on research procedures.

2. SPECIAL GROUPS IN THE LABOR FORCE


An important empirical study of the determinants of labor force participation rates of married women for the period 1940-1960. Special attention is given to explaining the differences in participation rates of white and nonwhite wives. Cain uses a conventional economic model that relates the wife's participation decisions to her market and nonmarket earning opportunities, family income and tastes.


Presents a micro labor supply model developed to assess the effects of age, education and other variables using data from the Current Population Survey.

Concludes that income supplement programs would have a strong negative effect on labor supply.


A study of the behavior of males in the age group 50-64 to test the assumption that the aggregate supply of labor has zero elasticity. The author concludes that the response of male labor supplied to wage rates is indeed low, and that therefore tax changes have little effect on the male labor supply but could have significant influence on the amount of labor supplied by married women.


An exploration of why the standard theory of a "backward-bending" supply curve does not adequately explain the labor force behavior of married women. The first study to show the relation of the market wage of women to the participation rate of wives.

3. Cyclical Behavior of the Labor Force

Barth, Peter S. "Unemployment and labor force participation." Southern Economic Journal (Carroll Hall, University of North Carolina, Chapel Hill, N.C. 27514), January, 1968, pp. 375-382. $2.00

Concludes that a rise in the unemployment rate will not noticeably increase the amount of "hidden unemployment" nor will a continued decline in unemployment bring many additional workers into the labor market.


Cross-sectional data for standard metropolitan areas from the 1950 and 1960 decennial censuses are used to investigate the effect of unemployment rates on labor force participation. The author concludes that the effect is negative for all groups of secondary workers.

Tests the “discouraged-worker” and “additional-worker” hypotheses of labor force participation during periods of economic recession and finds them valid except for younger and older males and for women. A review of the time-series models developed by the authors and by Alfred Tella is included in the study by Bowen and Finegan listed above.


Reviews the important studies of the relation between labor force participation and business conditions. Examines the concept of “disguised” unemployment and its implication for the theory of the labor force.


Concerned with the direction and magnitude of the relation between the overall state of the economy and the labor force participation rates of the urban poor. The author found an inverse relationship between unemployment rates and the participation decisions of the poor. Glen G. Cain and Jacob Mincer criticize the conclusions and methods of Professor Mooney in the March 1969 issue of the *American Economic Review*, pp. 185-194. A rebuttal by Mooney follows on pp. 194-198.


Considers the extent to which the demand for labor has been reflected by changes in the post-war labor force. Used regression analysis to show that short-term variations in the labor supply are closely related to demand for manpower.

———. “Labor force sensitivity to employment by age, sex.” *Industrial Relations* (Institute of Industrial Relations, University of California, Berkeley, Calif. 94720), February, 1965, pp. 69-83. $2.50.

The author builds on his earlier study which considered annual fluctuations in male and female participation rates. Using a detailed age-sex breakdown he seeks to measure the size of “disguised unemployment.”


Examines the turnover of labor under conditions of high employment and unemployment. Sets forth the “additional worker” hypothesis that the size of the labor force is inversely related to the level of economic activity.