

DRAFT

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REDUCING UNEMPLOYMENT IN NEWARK, N.J.

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CHAPTER I

EMPLOYMENT OPPORTUNITIES IN NEWARK

Two basic characteristics of unemployment in Newark are lack of skills in the job seekers and racial discrimination. If these twin problems were solved, almost every household head in Newark could be gainfully employed. Both problems exist in large part because of the shift in employment opportunities from manufacturing to non-manufacturing jobs, a shift which has been accompanied by increased employment in the suburban counties in New Jersey at the same time as unemployment is increasing in the cities.

There is no lack of work for well-educated, trained and skilled workers, (with the exception of non-white discrimination and some specialties not in demand). Newark has not yet experienced a major employment crisis such as that which hit the Northeast textile centers in the 1950's or the Kentucky coal fields. It may do so in the future, but at present, there are more than enough jobs for skilled people. Every day, 200,000 people come into the City of Newark to work while 50,000 of Newark's 157,000 workers go out of the city to work. Table I, on the following page, indicates employment trends in the Newark Labor Market Area. (See Appendix, Tables F and G for further detail.)

What has happened in Newark is typical of the pattern throughout the nation. A general decline in the percentage of semi-skilled and unskilled manufacturing jobs has taken place. A report on Industrial Potential in Clinton Hill, prepared by this office for the Clinton Hill Neighborhood Council in 1962, refers to major work force reductions and plant closings as follows:

Westinghouse Meter is reported to have cut its work force from 2,000 to 1,000 men; Federal Telephone in Clifton went from 4,000 to 1,600; Monroe Calculator, which was absorbed by Litton Industries, reduced its 1,200 man force to 300; Keerfott Engineering closed its 1,000 man plant altogether...

Reference in the report is also made to the closing of the Mack Company assembly plant. These examples are only some of the changes which have reduced the employment in "auto assembly, machinery, shipbuilding, and other categories which use large amounts of unskilled and semi-skilled labor, jobs that have not been replaced - and are not likely to be replaced - with similar ones."

Analysis of ten of the largest plants to move into the area during the past decade suggests that new plants will not materially reduce unemployment in the ranks of the unskilled and semi-skilled. The new firms, including electrical equipment and instruments, firms in fine chemicals, perfumes,

TABLE I.
EMPLOYMENT BY MAJOR INDUSTRY GROUP, NEWARK LABOR MARKET
AREA, 1958-1961

Industry	1958 employment*		1961 employment*		% change, weekly wa-	
	(000)	%	(000)	%	1958-61	ges, 1963
Construction	26.4	4	29.3	4	+11	\$120.35 ¹
Manufacturing	232.0	37	235.9	36	+2	97.44 ¹
Transportation/ utilities	45.4	7	48.2	7	+6	121.24 ²
Trade	122.9	20	129.4	20	+5	76.03 ¹
Finance	45.4	7	45.6	7	--	87.95 ²
Service	86.2	14	96.9	15	+12	58.13
Government	63.4	10	69.4	11	+9	-- ³
Total	622.8	100**	655.5	100	+5	

Source: Employment and Earnings Statistics for the State and Areas, 1939-1962, Bulletin No. 1370, United States Department of Labor, Bureau of Labor Statistics, 1963.

* Business cycle recovery years: 1958, began in April; 1961, began in February. Bureau of Economic Research, Rutgers.

** Difference in totals due to rounding.

¹ Employment and Earnings, Vols. 8 and 9, March, 1963, Table C-6; current dollars, January, 1963. National figures.

² Ibid. Weighted averages of subcategory earnings based on number employed in each subcategory nationally.

³ Not available.

and aromatic chemicals, are all cyclic industries. There is one metals processing firm including the drawing of wire which might employ some semi-skilled labor. Others are in metallurgical research, chemical and catalytic research, which employ higher skills predominantly. Thus, while heavy users of unskilled and semi-skilled workers tend to reduce work forces or to liquidate, the new industries tend to employ far fewer such employees, or to provide only seasonal work.

The end is not yet in sight for reductions in unskilled and semi-skilled labor in manufacturing. Many of those currently employed in manufacturing are threatened by loss of jobs now or in the near future due to continuing automation and technological improvement. The most rapid changes will occur in large manufacturing operations where wages are relatively high. An additional factor aggravating this situation is the erratic performance of industries related to defense contracts. As future defense cuts are initiated or program emphasis shifts, their impact on the affected firms (electrical machinery, aircraft, etc.) will only tend to further the decline of manufacturing activity in the Newark economy.

Manufacturing shows more dramatic rises and falls than other sectors, fluctuating in Newark by 10 percent in a two year period and exhibiting a tendency to decline over the long term. In the Newark Labor Market area, manufacturing employment seems to be fairly stable, at least from a comparison of 1958 and 1961 figures (which are, of course, not conclusive) which shows a 2 percent rise. Nevertheless, the long term picture is not good, and over the past decade, there has been a substantial reduction in the numbers of unskilled and semi-skilled jobs available in the Newark area.

The occupational composition of those seeking jobs has been noted as follows in the January 1962 issue of Covered Employment Trends, published by the New Jersey State Division of Employment Security (DES):

Noticeable concentrations include construction craftsmen, semi-skilled machine operators, apparel workers, sales persons, packers, truckers, warehousemen, clerical and various service workers.

For youth, the lack of any skill is a serious problem. The Youth Career Development Center (YCDC) in a random sample of unemployed youth in 1962 found that only 38.5 percent had previous work experience, 55 percent were school dropouts, two-thirds needed counseling and only 11.9 percent had any vocational training.

Job openings do exist in many areas, primarily for those with higher skills and training. In the January 1962 issue of Covered Employment Trends, referred to above, the "hard-to-fill" jobs were listed as follows:

"...electrical engineer, auditor, sales manager, physicist, aerodynamist, chemist, physical metallurgist, economist, psychiatric social worker, programmer and nurse. The highly skilled section includes television serviceman, oil burner installation and serviceman, tool-and-die maker, machinist, nurseryman and baker."

Men with high skills have as yet experienced little difficulty in finding new jobs. As was proved in a study of Mack Company employees, those with real skills such as machinist or tool-and-die maker had no trouble in getting new jobs, nor was age an impediment.

Even among non-whites, the Essex County Urban League in 1955-56 found that "more than 150 job orders could not be filled" for lack of qualified applicants.

One of the more significant effects of the rise in unemployment has been the increased participation of women in the labor force - pushing unemployment totals still higher. When men cannot find jobs, women must look for work. They work for less wages, and at different kinds of jobs. They work in seasonal jobs and as domestics, all of which is less remunerative and stable.

A depressed economy also seems to attract certain types of industry which thrives on a labor market which provides intermittent low-wage female labor. Thus in Newark there has been an increase in seasonal and cyclical industries which employ women. Growth in apparel, cosmetics and drugs, among other industries, has been rapid, and tends to raise the chronic unemployment level. Yet many union and non-white leaders would like to see "40 or 50 more apparel firms" which would employ mostly female non-white workers and on this basis, supported the Light Industrial Project for Clinton Hill which would have displaced 6,000 families.

Newark's business and governmental efforts to attract new industry and business is more directly oriented to increased taxes and utility use than it is to reducing unemployment. The Commerce and Industry Association of Newark, the Newark Industrial Development Commission, the Greater Newark Development Council, the Public Service Electric and Gas Company, the Newark Area Redevelopment Corporation (a semi-public corporation) and the Federal Small Business Administration cooperate in various ways and have various purposes and functions in attracting new business and industry to Newark. In part, these groups help in finding locations, giving general development assistance, financing and even managerial assistance for new firms, old ones which must relocate and for small business which has a potential for expansion.

Aside from this largely promotional effort which to one extent or another is

undertaken throughout the country, the Newark business community has strong ties to the city government and almost directs its renewal effort - especially its downtown and industrial renewal efforts. While the business leaders give lip service to creating jobs that reduce unemployment, they would prefer the highest type of industrial research laboratory (which would supply few jobs to the unemployed) to apparel firms, and they want those plants at any price. It is the business community which has pressed for the Clinton Hill Light Industrial Project, and it is a matter of indifference to them that 6,000 families, mostly nonwhites, would have to be displaced.

There is no overall policy or program by which these efforts are guided. An "Overall Economic Development Plan" being prepared for the Federal Area Redevelopment Administration is simply an inventory of existing programs, more detailed than that set forth above. The Urban Renewal program, through which it is hoped to attract industry, is moving very slowly, to the tune of local opposition, government ineptitude, and private interference. It seems unlikely that any private or government effort at increasing the number of jobs in the manufacturing sector will change the pattern of fewer jobs for semi-skilled and unskilled workers.

There are sectors of the Newark economy in which employment is increasing, however. While manufacturing employment rose by only 2 per cent between 1958 and 1961, adding 3,000 new jobs, employment in construction, service, and government rose by 11, 12, and 9 per cent respectively, adding 3,000 construction, 11,000 service, and 6,000 government employees. In the service sector, where the bulk of the new jobs for the unskilled and semi-skilled are appearing, wages (as shown in Table I) are 60 per cent of those in manufacturing. Trade, in which an additional 7,000 were employed, also has an average weekly wage level about 75 per cent of that in manufacturing.

To summarize the increases and decreases in employment shown in Table I, we would show 12,000 new jobs which pay average weekly earnings of more than manufacturing, and 18,000 which pay less.

While the number of jobs in the Newark Labor Market Area has been increasing, the number of unemployed has been rising even more rapidly in Newark itself. Since 1960, the unemployment rates have been climbing. Work certificates issued to underage youth have declined from 3,750 in 1959-60 to 2,747 in 1963-64, a decline of almost 30 per cent in four years. Newark unemployed and Newark youth are finding it more and more difficult to enter the labor market.

One reason for this is discrimination against nonwhites. Discrimination is far more pronounced in non-manufacturing industries and, with the

downward trend in manufacturing and the upward trend in non-manufacturing, it is easy to see how the unemployment situation for nonwhites can get steadily worse. In the report by Rapkin and Grier on Group Relations in Newark - 1957, at least partial discrimination is still practiced in manufacturing at higher levels, in apprenticeships, construction, the brewery industry, public utilities especially in the "front office," railroads, white collar work in general, insurance companies, banks, department stores and smaller specialty shops.

The Rapkin-Grier report goes on to say that "...the above average Negro today experiences little difficulty in job placement; but the...Negro of average ability continues to experience discrimination in hiring as compared to the white applicant of equivalent qualifications."

The elimination of discrimination would by no means solve the unemployment problem. There are more unemployed whites than there are Negroes (or Puerto Ricans, who may be classified as white), and the problem would seem to be one of education, training, and retraining at least as much as it is a lack of jobs.

Technological advance has caught the nation unprepared. Just as agricultural jobs gave way to manufacturing jobs, the new cycle of technological advance is replacing manufacturing with non-manufacturing jobs. And the economy is already beginning to experience the introduction of the next advance, the replacement of service trades with professional-administrative activity. For all this we are worse than unprepared. Youth is coming out of school with an inadequate education for the new tasks, we are still experiencing an immigration of untrained nonwhites and whites from rural areas, and we are now facing the impact of the postwar baby boom as youth enters, or attempts to enter, the labor force in increased numbers. Of the 100,000 projected increase in the Newark Labor Market Area labor force by 1970, 58 per cent will be under 25 years of age.

Accompanying this projected addition of 100,000 to the labor force will be a 10 per cent decline in the demand for unskilled and semi-skilled workers, an increase of skilled occupations of only 2 per cent. By contrast, service employment is expected to increase by 25-30 per cent, while professional employment will rise by 50 per cent.

Even assuming that our educational and training programs are shifted to meet the emerging employment patterns (a very questionable assumption), there is some evidence to suggest that there are not enough jobs for everyone, even if labor force skills and training mirror the employment opportunity pattern. R.S. Eckaus, writing on "Economic Criteria for Education and Training," in The Review of Economics and Statistics, Vol. 46, No. 2, May, 1964, calls attention to trends in the relationship between jobs

and education:

In 1940 and 1950, according to the Census of Population, the proportions of employed persons who actually had at least a full high-school education were 31.2 and 39.0 per cent respectively. Those needing that much education for their job according to this study were 28.5 and 32.4 per cent of the labor force. On the other hand, the higher education represented in the labor force is quite fully employed: in 1940 and 1950, the percentage of employed persons having four or more years of college were 5.9 and 7.4 per cent respectively while the percentage of those requiring such an education were 7.1 and 7.4 .

Mr. Eckaus concludes by suggesting that "These numbers seem to show a growing amount of 'unemployed' high school education in the labor force." The implication is quite clear. Increased educational achievement may only increase the competition for a declining number of jobs overall, the consequent labor surplus driving down wages (through such devices as seasonal work for females) and resulting in considerable unemployment and badly paid and unstable employment as a permanent condition for a growing sector of the population.

This possibility has given strong impetus to demands for drastically reduced work weeks and for expansion of public sector employment as one device for distributing benefits to the poor in the form of increased services. The fear that there are not enough jobs in any event, or that they cannot be made available over the short term, has inspired the Triple Revolution and civil rights demands for income without work.

The Eckaus analysis, valuable as it is, does not take into account the emerging trends in employment. It may well be that our educational levels, rapidly rising as they are, will be insufficient to cover the job needs of the future. Even now there is a gap between available jobs and the work that needs to be done, and it will tend to widen. There may also be a tendency to correlate too closely job requirements and education and training, losing sight of the growing requirement for education in off-the-job activity.

CHAPTER II

CHARACTERISTICS OF THE UNEMPLOYED

In comparison with the current and possible future opportunities for employment, the labor force balance is at least partially reflected by the numbers and composition of the unemployed. A 2 per cent unemployment rate is considered a normal percentage to take care of labor turnover; anything above that represents a surplus in general or specific categories. There is, on the other hand, little information on labor shortages, and they are not dealt with in this chapter.

To obtain a reasonable measure of unemployment was not a simple task. Starting from the assumption that there was indeed something wrong with existing estimates, several possible ways of modifying U.S. Census findings were tried, with mostly negative results. In addition to this critical analysis, comparable and detailed statistics are hard to find; the various agencies employ a variety of definitions, often fail to collect meaningful statistics, and generally do not seem concerned with measuring total unemployment. Our final unemployment table, shown on the following page, is an amalgam of national, state, labor market area, and Newark data, fitted together as best it could be done.

This estimate, shown in Table II, differs from the 1960 U.S. Census figures in only two basic respects. First, the numbers of the unemployed have been increased by the negative differences in the Newark and national labor force participation rates. This was based on the assumption that in a depressed economy such as Newark's, some persons of working age will drop out of or fail to enter the active labor force because they have failed to find work for a long time or see no possibility of getting it. Some 3300 males were added to the unemployed total in 1960 as a result of this modification. Second, the table has been updated by an amount equal to the rise in unemployment as reported by the ARA (Area Redevelopment Administration) of the Federal government.

On the basis of these modifications, Newark is seen to have an unemployed total of 23,100, a rate of 12.8 per cent. This is 2.2 per cent higher than the official ARA rate for the city.

As will be seen from the table, white and non-white unemployment is almost equal in number, though non-whites account for only a third of the labor force. The relative unemployment rates are 9.5 for whites and 19.8 for non-whites. As will also be noted, the highest unemployment rates are found in the 14-24 year age group, where the white rate runs around 20

TABLE II

AGE DISTRIBUTION OF THE UNEMPLOYED, BY RACE AND SEX,
NEWARK, 1964

Age	White				Non-White				Total	
	Male		Female		Male		Female		#	%
	#	% *	#	%	#	%	#	%		
14-17	400	26.7	300	21.4	100	20.0	200	66.7	1,000	27.0
18-24	2,000	21.7	800	12.3	1,900	36.5	1,400	30.4	6,200	24.3
25-44	2,500	6.6	1,800	9.6	2,900	17.3	1,500	13.9	8,700	10.3
45-64	1,800	6.6	1,300	10.1	2,000	16.8	1,000	13.3	6,200	10.4
65 & over	600	14.3	100	6.3	100	11.1	100	20.0	900	12.5
Total	7,400	9.2	4,300	10.5	7,100	20.1	4,300	18.1	23,100	12.8

Source: U.S. Census, and others. See text and Appendix for derivation.

* All percentages refer to unemployment rates: unemployed/labor force.

per cent while nonwhites are above 30 per cent unemployed.

To gain a fuller understanding of what these unemployment figures mean, we must add data on occupational skills and potentials. On the following page, a matrix has been drawn which distributes the unemployed by occupational desires. This matrix is based on known skill levels of experienced unemployed, knowledge of the educational level of unemployed youth, and assumptions about the remainder of the population; a required educational and training level for certain types of jobs adapted from work by R.S. Eckaus, and general data on the distribution of various kinds of work held by males and females, whites and nonwhites. (See Appendix, Tables D and E, for the basic data from which the estimates were derived.)

Before attempting to interpret this matrix, two points should be clear. First, though it may appear that applicants for jobs have the required education and skill to perform them, they do not have jobs. Either they are not attractive from the employer's point of view (because of a disability, color, race, personality, unusual education or experience, poor grades or other reasons) or there are no jobs in that field at present. There is, of course, a fairly large component of job-seekers who are very attractive to employers and who will find work within a week or two.

The second point is that the table is not meant to be definitive. It is not meant to show more than general or average conditions. In those looking for manufacturing jobs, for example, there will be many high-school graduates, and there may be many non-high-school graduates looking for clerical or sales positions. No attempt was made to refine the matrix along these and other lines.

With this clarification of the table, we can move toward an analysis of its contents. We will start with the job-seekers having the most education and training, and work our way down to those with the least.

Professional and Managerial

Of the approximately 800 people in this category, 700 are white and 100 nonwhite. Three-quarters are over 25 years of age, and half of these are over 45. Considering the general unemployment rate of 3.8 per cent, it is difficult to get excited about unemployment at this level ; but a few points are worth making, both for their own sakes as well as for their assistance in undertaking the total problem.

Of those under 25 years of age, about 25 per cent are entering the field or moving from job to job. In neither case will they have too much difficulty. Those between 25 and 44 years of age will also have no difficulty. But when we reach those over 45 years of age, discrimination against

MATRIX OF UNEMPLOYMENT, NEWARK 1964

Occup'l Potent'l and Total in Group	Educational and Vocational Training - Total Years Required			
	College required 14-15 yrs: white 16-17 yrs: NW	At least HS grad plus vocational 12-13 yrs: white 14-15 yrs: NW	About HS grad or equivalent 10-11 yrs: white 12-13 yrs: NW	Less than HS grad 8-9 yrs: white 9-10 yrs: NW
Prof'l Mgr'l --- 800	Prof'l & Mgr'l 800; 90% white 90% over 25 yrs Most whites over 45 yrs. 30% females Mostly qualified			
Clerical Sales Crafts --- 6,600	Craftsmen, const 800; 300 NW All over 25; many over 45 All males Mostly qualified		Wholesale, retail, finance, pub adm. 5,800; 75% NW Mostly under 25 and over 45 40% female - half are NW Mostly HS grads	
Opr'tvs. Service Laborer --- 15,900	Bus. & Repair Svc Ent. & Rec. Svc 900; mostly white All over 25, most over 45 All males Partly qualified		Manufacturing 10,700; 60% white Half 25-44 yrs, others young & old Half female - half are NW Never finish'd HS	
Totals --- 23,300 *	800 *	1,700	16,500	4,300

* Total does not add to 23,100 because of rounding

age does begin to operate. In a city like Newark, where plants have closed down, where substantial contractions and expansions of employment and rapid population shifts may have forced older professionals and executives to seek new positions, they are at, at least, a temporary disadvantage.

For nonwhites, it is reasonable to expect discrimination to be heavily at work. Though the nonwhite unemployment rate of 4.0 per cent is close to the white rate of 3.4 per cent, the fewer nonwhite professionals in the 45 year or older category makes one suspicious of an unemployment rate about double that of normal turnover.

This does not mean that nonwhites do not have jobs. These people are well enough equipped to get jobs at lower skill levels without difficulty, and do so because they have to feed their families. What probably happens is that frustration with these lower-level jobs is a constantly recurring theme. They quit and look for better jobs more often than whites. Their employment may also be less stable. This group is therefore constantly turning over, taking and leaving jobs, probably ending up in clerical, sales, civil service or other jobs that are open to them. Since whites hold almost 8 times as many jobs in this category as nonwhites, it is safe to say that discrimination in the professional-managerial categories, and in the school systems which produce these elite categories, is massive.

Craftsmen, Construction

At least two-thirds of this group is white; the one-third that is Negro is probably less qualified because of discrimination in apprenticeship training; inability to get into unions, and similar problems. Here, the lagging construction industry is to blame for the lack of work. As in the professional-managerial class, however, this unemployment in the construction field is one that varies from week to week. One firm will not have work, another will. The following month, a new group of workers is laid off, the net result being an average of 800 unemployed, involving perhaps a total of 10 to 15 per cent of the whole construction industry when semi-skilled and unskilled laborers are taken into account.

The effect of unemployment on this group, therefore, is less work over the year. There may be some chronic unemployment among older workers and the less skilled, and some of these may tend to move into lower level employment. On the whole, however, this class of worker is not likely to accept lower-paying jobs.

Business and Repair, Entertainment and Recreation Services

Again, this is rather a small number of unemployed. Most of this group is older, with the exception of nonwhites, who may be discriminated against.

Nonwhites, as in the construction field, however, are less likely to be fully trained, and there may be some validity to hesitation to hire men who are not fully qualified. Long periods of training are necessary to turn out really skilled technicians in these fields, and the lack of training programs of reasonable duration and people capable of undertaking such programs and completing them, results in continuing shortages of qualified people.

Another part of the problem in this area is the relatively small size of most organizations dealing in such services. It is difficult to start and maintain these small businesses at profitable levels, and many desired services cannot be adequately performed for the community nor can employment in the services be maintained at demand levels because of this complication.

Wholesale, Retail, Finance, Real Estate, Insurance,
Public Administration, etc.

Here we meet the first large component of unemployed, the 5,800 applicants for clerical and sales positions. It is interesting that 80 per cent of these applicants are non-white. As with the professional-managerial situation, discrimination is an undeniable component of the situation. And in this category, younger workers make up a substantial portion of the unemployed.

This group is composed for the most part of high-school graduates, and is made up equally of the 14-24, 25-44, and 45 and over age groups. If we assume that nonwhite preparation is somewhat lower than that of whites, and that twice as many nonwhites as whites are not attractive to employers for reasons other than color alone, we are still left with about 2,800 nonwhite males who are being actively discriminated against and who should have jobs.

Going into somewhat more detail, we find 300 white males, 1,100 white females, 1,100 nonwhite females and about 3,400 nonwhite males. In percentages of the unemployed, these figures amount to 4 per cent of the white males, 28 per cent of the white females, 28 per cent of the nonwhite females, and 48 per cent of the nonwhite males. The nonwhite male is the victim of massive discrimination while the nonwhite female is in no worse general position than the white female. She may have to take the lesser jobs, but she is not shut out of the market. The nonwhite male obviously is.

The pattern of those employed in clerical and sales positions bears out this general finding. Only 2,250 nonwhite males are employed in clerical and sales positions compared to 12,000 white males.

The extent of discrimination against nonwhites in clerical, sales and similar positions is further borne out by consideration of employment in the

Newark Labor Market Area (which includes Essex, Morris, and Union Counties) and of the composition of the labor force in the City of Newark. In the Labor Market Area, 20 per cent of the jobs are in trade, and 11 per cent in government. In the City of Newark, by contrast, only 16 and 5 per cent are so employed. Newark people are unrepresented in these jobs by about 18,000; nor is this imbalance purely a function of nonwhite discrimination. It would also seem to have to do with the generally lower educational levels of Newarkers in general.

Of this entire group, many may remain unemployed for long periods of time, but the majority will be flitting from one job to another. Failing to get employment in white-collar areas, they will take jobs in industry or service. Since their competitive position is much better than that of those without a high school diploma, they are more likely to get lower level jobs when they apply. This will be more true of young people, of course, older workers not being acceptable even in lower level jobs. It is also undeniable that there will be a greater percentage of continually unemployed in this group than among the professional-managerial applicants; a much steeper status drop occurs from white collar to blue collar work than is involved in dropping from professional to clerical or sales levels.

Manufacturing

To this point, we have been dealing with the elite of the unemployed, amounting to 30 per cent of the total. The overwhelming majority of the unemployed, a full 70 per cent, is without a high school diploma or an acceptable skill. Of this group, the bulk is aiming at a job in manufacturing, the remainder at a job in service.

There are, of course, a wide variety of jobs in manufacturing. Highly skilled technicians with decades of experience and relatively high wage levels stand at one end of the scale while the sweeper or helper in a marginal operation stands at the other. When we are dealing with the unemployed group, however, we are dealing primarily and predominantly with the unskilled level. There is a component, amounting to about 10 per cent of the unemployed, which is skilled and employable, and which will be working at a steady job within a week or two. There is another component (perhaps of equal size) which is skilled but unemployable because either temporarily or permanently there is a surplus of such skills. But the great bulk, about 9,000 of the unemployed, have neither the education or training to qualify for skilled positions.

Some idea of the composition of this segment of the unemployed can be had from the YCDC (Youth Career Development Center) study of the characteristics of youth signing up for employment and counseling. Fully 45 per cent of the signups were immigrants during the last three years, some 65

per cent of them from the South. Not only do these young people have poor school records and little vocational training, as indicated earlier, but a substantial proportion have the added burden of adjusting to urban life.

A goodly portion of this group looms as an unemployable group, and it is not restricted to nonwhites (who make up only 40 per cent of the unemployed in this category). Puerto Ricans probably account for another 5 per cent, but whites are clearly in the majority. Half of this group is in the prime working ages of 25-44, a quarter each in the younger and older age groups. Half of those looking for work are female, equally distributed between whites and nonwhites.

That there is little demand for this pool of labor is evidenced by the high unemployment rate. While 70 per cent of the unemployed are seeking or qualified for operative, service, and laborer positions, only 53 per cent of the labor force is currently employed in this type of activity. In this group, there will be much intermittent labor, much job finding and losing, much changing. Most of the long term unemployment is also found among this group, the competition for jobs being stiff enough to freeze out older and very young persons from any job.

And of course, there is nowhere to go from here, except to the service jobs, in which the tenure has no stability at all, low wages prevail, and the work is considered demeaning. Still an average of more than 4,000 people in Newark are seeking such positions at any one time.

Personal and Household Services

Here at the lowest employment level, as in the white collar world, nonwhites predominate among the unemployed, making up 60 per cent of the total. Most of the people seeking this type of work are under 25 or over 45 years of age, neither being a prime working age. Half of this group is female, and half the females are nonwhites.

Here at the bottom of the ladder, there is no discrimination. Nonwhites can find jobs as easily as whites, but neither will find permanency, decent wages, decent working conditions or much in the way of job satisfaction. Much of the work here is temporary, by the day or week; there is a continuous revolving door into and out of the employment office. In this and in much of the work open to those seeking manufacturing jobs, unemployment insurance will not often be available. It is a short step to welfare at these employment levels, and the choice to work is not always easy to make.

The matrix shows several major components of unemployment with which we must be concerned. First is racial discrimination. About 3,500

non-whites are denied employment or adequate training on the basis of color alone. This breaks down to about 100 in the professional-managerial field, 2,800 in the white collar field and about 600 in the skilled services and construction fields. This cannot be considered the sum of the discrimination, of course, It is likely that twice this number, or 7,000 other non-whites are underemployed, but there is insufficient data on which to base an accurate figure.

There is, of course, plenty of evidence of discrimination. In the ERAP (Economic Research and Action Project) prospectus for the Newark Summer Project, a partial picture is given:

For example, of 1,576 managerial and supervisory jobs at the nearby Western Electric plant in Kearny in 1962, only three were held by non-whites. Of 1,102 skilled jobs in the same plant, only eight were non-white. Of 941 employees at Newark's (and the state's) largest banking chain, 56 were Negroes (exclusively messengers, custodians, cleaners and similar positions). Of 3,600 in the state-wide apprentice-training program for skilled craft jobs, there were only 14 Negroes in 1962.

Discrimination in employment against Negroes and Puerto Ricans is obvious everywhere in Newark - in construction, in public utilities, especially in the "front office," in insurance companies, in banks and department stores, in nearly all types of white collar jobs.

A second component is the group seeking white collar work, who need more training and perhaps additional education before they can successfully compete for white collar jobs. Subtracting those who are frictionally unemployed, this amounts to 2,100 persons, both white and non-white.

We now come to the laboring groups for whom there is no work or only intermittent work. Subtracting a two percent frictional unemployment rate, we are left with 13,800 in this group, which breaks down into three different levels of concern.

Of these, almost half appear to be unemployed because of the economy's decreasing need for their skills or because they have recently entered the labor market and lack vocational skills. About 6,500 fall into this third component.

A fourth component includes most of the recent in-migrants, with limited skills and education, who require a more extensive preparatory program before becoming capable of competing effectively for stable, decent-wage employment. Among this group are the apparel workers, domestics, personal service workers and others in cyclical and uncertain jobs, totalling about 5,500.

The fifth component, can more realistically be termed "hard core." It includes those who cannot hold a job for any period of time, whose skill levels, education, work habits, personalities and general attitude makes it difficult for any employer to accept them as steady employees. Many workers over 65 years of age would fall into this group, many under 25 would also. This group is personally unattractive; its members may drink, steal, be unreliable, be destructive. Long-term rehabilitation is the only - and not very promising - cure. About 1,800 persons must be classified in this group, most of whom work in services when they get work; there are likely to be somewhat more non-whites than whites in the group.

In summary, the situation is somewhat as follows:

Numbers Affected	Type of Work Sought	Remedy
100	Professional-managerial	Eliminate discrimination
600	Craft Skills	Eliminate discrimination
2,800	White collar	Eliminate discrimination
2,100	White collar	Up to 1 years training or educ.
6,500	Manufacturing	Up to 1 years training or educ.
5,500	Manufacturing & Servc.	Two years rehabilitation and training.
1,800	Service & Manufacturing	Four years intensive rehabilitation.

If discrimination were eliminated in the white collar trades and highest skill level opportunities (it should also be eliminated in manufacturing employment at lowest levels, but is not a major problem there), and if the education, training and rehabilitation equivalents were supplied, unemployment would drop to the frictional rate in Newark and full employment would be achieved.