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OFFICE OF THE CITY MANAGER

January 6, 1993

Robert W. Healy, City Manager
City of Cambridge
Cambridge City Hall
Cambridge, MA 02139

Dear Bob,

I received your letter regarding the City Council's request for the "real" Cambridge unemployment rate and have spent the last several weeks tracking this down.

According to Bob Vinson, Director of Field Research at the Massachusetts Department of Employment and Training, the only way to get the "real" rate for the city of Cambridge is to do a household survey. Unlike New York City, Cambridge doesn't have a large enough population to use a sample of the census data to determine what percent of the population are discouraged workers (those who have stopped looking for work). He would be willing to answer any questions you or City Council members have on the subject and can be reached at 727-6718.

I called Nancy Snyder, Deputy Director of EDIC, to ask her how Boston determined its "real" unemployment rate. She was not aware of the 14% statistic quoted in the order and referred me to Greg Perkins, a researcher at the BRA. Mr. Perkins was also unaware of the 14% rate and did not know how this figure was arrived at. However, he did advise me that liberal economists generally add another 50% to the unemployment rate to capture the underemployed and the discouraged worker. Currently, Cambridge's unemployment rate is 5.6%; using this formula, we could calculate that the "real" unemployment rate is 8.4%

I will continue to research this but it doesn't seem that the information is as easy to access as one would think.

Sincerely,



Nancy Brown, President
Employment Resources, Inc.

NB:ter



EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

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Deputy City Manager

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300
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9.

January 11, 1993

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 16, regarding the unemployment rate in Cambridge, received from Nancy Brown, President, Employment Resources, Inc.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", is written over the typed name.

Robert W. Healy
City Manager

RWH/mev
attachment

CONSENT AGENDA ITEM #9

5-27
Awaiting Report Item No. 16 regarding the
unemployment rate in Cambridge.

*See Finance # 510 of 1992
dated 11/23/92*

In City Council,

January 11, 1993

Placed on file