

CONTENTS

PREFACE	v
TABLES	x
CHARTS	xii
I. INTRODUCTION	3
II. DESCRIPTION OF THE EMPLOYMENT FORECAST SURVEY AND OTHER SURVEYS OF EMPLOYMENT EXPECTATIONS	4
1. The United States Bureau of Employment Security's Surveys of "Employers' Forecasts of Labor Requirements"	4
2. The Dun and Bradstreet "Surveys of Business Expectations"	6
3. The "Business Test" of the IFO Institute	8
4. The Canadian Department of Labour's "Employment Fore- cast Survey"	9
5. Differences among the Surveys	17
III. REVIEW OF PREVIOUS RESEARCH	18
1. The Bureau of Employment Security's Surveys of "Employers' Forecasts of Future Labor Requirements"	19
2. Dun and Bradstreet's "Surveys of Business Expectations"	21
3. The "Business Test" of the IFO Institute	23
4. The "Employment Forecast Survey" of the Canadian Depart- ment of Labour	24
5. The Purpose of the Present Study	26
IV. EVALUATION AND ANALYSIS OF PREVIOUS EFS PREDICTIONS	28
1. Description of the Errors of the EFS Predictions	28
2. Evaluation of the Errors of the EFS Predictions	38
V. THE SOURCES OF PREDICTIVE ERRORS	43
1. Conceptual Framework	43
2. The Estimation of Sampling and Forecast Errors	44
VI. THE SAMPLING PROBLEM	49
1. A Description of the Sampling Errors	50
2. The Determinants of the Sampling Problem	57
3. The Resolution of the Sampling Problem	60
4. Summary and Conclusion	62
VII. THE FORECAST PROBLEM	63
1. Description and Analysis of the EFS Sample Forecast Errors	63

VIII.	THE PREDICTIVE VALUE OF THE ESTABLISHMENT FORECASTS	72
1.	Forecasts of Employment Levels by Individual Establishments	73
2.	Predictions of the Direction of Non-Seasonal Changes by Individual Establishments	75
3.	The Adequacy of the Forecasts Submitted by the Group of Sample Establishments	77
4.	Conclusions	86
IX.	THE SOURCES AND REDUCTION OF ESTABLISHMENT FORECAST ERRORS	87
1.	The Sources of Forecast Errors	87
2.	The Reduction of Establishment Forecast Errors	90
X.	IMPLICATIONS FOR DERIVATION OF MORE RELIABLE INDUSTRY PREDICTIONS	95
1.	Evaluation Assuming Sample Forecast Errors Were Reliable Estimates of Population Values	97
2.	The Reliability of the Sample Forecast Errors as Estimates of Population Values	99
3.	Implications for the Derivation of More Reliable Industry Predictions by the Ratio Estimate Approach	102
4.	Implications for the Derivation of More Reliable Industry Predictions by the Diffusion Index Approach	102
5.	Conclusions	104
XI.	GENERAL IMPLICATIONS	105
APPENDIXES	109
A.	Industrial Classification Used in the Employment Forecast Survey, 1952-6	111
B.	Description of the Employment Forecast Survey Sample	113
C.	Employment Forecast Survey Shuttle Card	118
D.	The Errors of the EFS Predictions of the Direction of the Non-Seasonal Changes in DBS Employment Indexes, Classified by Quarterly Target Date, Manufacturing Industries, January 1, 1952-July 1, 1956	119
E.	The Percentage of EFS Predictions which Underestimated the Magnitudes of the Non-Seasonal Declines and Gains in DBS Employment Indexes, Manufacturing Industries, January 1, 1952-July 1, 1956	122
F.	The Errors of the EFS Predictions of the Magnitudes of the Non-Seasonal Changes in DBS Employment Indexes, Classified in Terms of the Direction of the Corresponding Actual Non-Seasonal Changes, Manufacturing Industries, January 1, 1952-July 1, 1956	124
G.	The Errors of the EFS Predictions of the Direction of the Non-Seasonal Changes in DBS Employment Indexes, Manufacturing Industries, January 1, 1952-July 1, 1956	126

CONTENTS

ix

H. Comparison of the Errors of the EFS and Hypothetical Predictions of the Magnitudes of the Non-Seasonal Changes in DBS Employment Indexes, Manufacturing Industries, January 1, 1952–July 1, 1956	128
I. Percentage of Hypothetical Predictions with Smaller Errors than Comparable EFS Predictions, Manufacturing Industries, January 1, 1952–July 1, 1956	129
J. Determinants of the Reliability of EFS Predictions	130
K. The Estimation of the EFS Sample Size Requirements with an Alternative Design	137
NOTES	139
BIBLIOGRAPHY	148
INDEX	151