

SUPPORTING STATEMENT
U.S. Department of Commerce
U.S. Census Bureau
Current Population Survey (CPS) Basic Demographic
OMB Control No. 0607-0049

A. **JUSTIFICATION**

1. **Necessity of Information Collection**

The purpose of this request for review is for the U.S. Census Bureau to obtain clearance from the Office of Management and Budget (OMB) for the collection of basic demographic information on the Current Population Survey (CPS). Title 13, United States Code, Sections 141, 181, and 182 and Title 29, United States Code, Sections 1-9 authorize the collection of this information.

The CPS has been the source of official government statistics on employment and unemployment for over 50 years. The Bureau of Labor Statistics (BLS) and the Census Bureau jointly sponsor the basic monthly survey, and the Census Bureau prepares and conducts all the field work. The Census Bureau provides the BLS with data files and tables. The BLS seasonally adjusts, analyzes, and publishes the results for the labor force data in conjunction with the demographic characteristics. In accordance with the OMB's request, the Census Bureau and the BLS divide the clearance request in order to reflect the joint sponsorship and funding of the CPS program. Title 29, United States Code, Sections 1-9, authorizes the collection of labor force data in the CPS. The justification that follows is in support of the demographic data.

The demographic information provides a unique set of data on selected characteristics for the civilian noninstitutional population. Some of the demographic information we collect is age, marital status, gender, Armed Forces status, education, race, origin, and family income. We use these data in conjunction with other data, particularly the monthly labor force data, as well as periodic supplement data. We also use these data independently for internal analytic research and for evaluation of other surveys. In addition, we need these data to correctly control estimates of other characteristics to the proper proportions of age, gender, race, and origin.

The demographic questions relating to origin and race within the CPS will undergo minor wording changes beginning in January 2012. These wording changes are being done to bring the CPS origin and race questions more in alignment with those in the American Community Survey. Attachment B illustrates the question wording for these items

prior to and after the changes, which take effect in January 2012. These changes were not mentioned in the Federal Register Notice, which requested public comment on the information collection. However, since the changes do not affect the meaning or purpose of the questions, nor will they affect the resulting information provided to data users, their absence from the Federal Register should not disrupt the clearance process.

This request also asks for clearance for the forms that are used in conjunction with the CPS. These forms include:

<u>Form No.</u>	<u>Description</u>	<u>Attachment</u>
CPS-263, CPS-263(SP),	Advance letters sent to new households prior to the first-month interview	D-1
CPS-264, CPS-264(SP),	Advance letters sent to returning households prior to the fifth-month interview.	D-2
CPS-266	Thank you cards sent to households at the conclusion of the eighth interview.	D-3
BC-1433, BC-1433(SP)	Fact Sheets for the CPS.	E-1
CPS-692	Monthly Flow of the CPS	E-2
BC-1428, BC-1428(SP)	How the Census Bureau Keeps Your Information Strictly Confidential.	E-3

2. **Needs and Uses**

We use the data from the CPS on household size and composition, age, education, ethnicity, and marital status to compile monthly averages or other aggregates for national and sub-national estimates. We use these data in four principal ways: in association with other data, such as monthly labor force or periodic supplement publications; for internal analytic research; for evaluation of other surveys and survey results; and as a general purpose sample and survey.

The demographic data are central to the publication of all labor force data in the BLS' monthly report *Employment and Earnings*. The data set that results from combining the monthly labor force data with the demographic

data provides analysts with the ability to understand labor force patterns of many subpopulation groups. This is particularly important since the federal government often directs initiatives at special groups that historically have not conformed to general labor force participation patterns.

Analysts also use the demographic data in association with all supplement publications. (We describe supplements later in this section.) For example, publications that use these data are *Fertility of American Women*, *School Enrollment--Social and Economic Characteristics of Students and Educational Attainment in the United States* (Series P-20). Comparably, researchers are able to characterize the population within the subject area of the many supplements conducted in conjunction with the CPS. For instance, the Annual Social and Economic Supplement identifies which subpopulation groups, as established by the demographic variables, experience the highest incidence of poverty. While we collect and support independently the demographic variables, the labor force data, and the supplement inquiries, their use as a combined data set enhances the utility of each.

The Census Bureau also uses the demographic data extensively for internal analytic work. For example, we use these data to develop estimates of family and household types and metropolitan and nonmetropolitan populations. We use these estimates to identify population trends between decennial censuses and to analyze the growth and distribution of various racial and ethnic groups. We may then use this information in preparing reports on these subjects or in determining the accuracy of population controls used throughout the Census Bureau. As is noted below, we use the demographic data to improve our postcensal population estimates (that is, the components of emigration and undocumented immigration).

Also, we use the CPS as a source for other survey samples. A household remains in the CPS sample for 16 months. Other surveys conducted by the Census Bureau may use a CPS sample when it is no longer part of the CPS. In 2006, the National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, sponsored by the Department of the Interior, used retired cases from the CPS samples. The ongoing American Time Use Survey, sponsored by the BLS uses expired CPS sample. By using the CPS demographics to select their samples, other surveys have been able to avoid screening samples and to obtain accurate estimates by demographics.

Another use of the demographic data is in evaluating other survey results. For example, analysts control the results of the National American Housing Survey to the CPS monthly averages of households. Similarly, in

order to determine the plausibility of the results of the Survey of Income and Program Participation (SIPP), analysts continuously compare the data on household and family composition from the SIPP to the CPS monthly household and family composition data.

The Census Bureau often uses the CPS as a model and resource for improving the efficiency and quality of other surveys. For example, the Census Bureau designed some series of items for the SIPP from the CPS. Academicians and researchers have historically used the CPS to better understand the many complexities associated with sample surveys and household interviews in general.

In addition to the collection of demographic and labor force data, the CPS is also a major vehicle for the collection of supplemental questions on various socio-economic topics. In most months of the year we ask supplemental questions after asking the basic labor force questions of all eligible people in a household thereby maximizing the utility of the CPS sample. The Census funding for the CPS and this OMB clearance also provides for annual data on work experience, income, migration (Annual Social and Economic Supplement), and school enrollment of the population (October supplement). In addition we collect biennial, but separately funded, data on the fertility and birth expectations of the women of child-bearing age (June), voting and registration (November) and child support and alimony. The BLS, the Census Bureau, other government agencies, and private groups sponsor the supplements. Attachment C is a list of the CPS supplements scheduled for January through December 2011 and 2012. All of these supplements use the demographic items covered here as classification variables.

Discontinuance of demographic data in the CPS would impair the determination of changes in the country's economy, as these changes differentially affect various subpopulation groups and would lessen the government's ability to react to the changes properly and quickly. Discontinuance also would mean the loss of the benchmark of demographic data for many other surveys.

The basic CPS demographic items (including coverage items and other non-labor force items) are illustrated in Attachment B.

Information quality is an integral part of the pre-dissemination review of the information disseminated by the Census bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to the information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. **Use of Information Technology**

Since January 1994, we have been collecting both the demographic and the labor force data using computer-assisted interviewing. We deem the use of personal visits and telephone interviews using computer-assisted telephone interviewing and computer-assisted personal interviewing the most appropriate collection methodology given existing available information technology.

4. **Efforts to Identify Duplication**

The demographic data collected in the CPS must be collected in conjunction with the labor force data in order for the labor force information to be most useful; therefore, although we collect demographic data in conjunction with almost all surveys, we need to continue its present collection in the CPS. There is no other current data source available that provides as comprehensive a set of statistics for analysis as described in question 2 above.

5. **Efforts to Minimize Burden on Small Businesses**

The collection of CPS demographic information does not involve small businesses or other small entities.

6. **Consequences of Less Frequent Collection**

Section 2 of Title 29, United States Code, mandates the BLS to publish, at least once a month, complete statistics on levels and month-to-month changes in employment and unemployment. The labor force data cannot be fully interpreted and put to practical use without the demographic data. In addition to violating this code, less frequent collection would also mean a disruption in a primary source of national demographic data.

7. **Consistency with Office of Management and Budget (OMB) Guidelines**

These data will be collected in a manner consistent with OMB guidelines.

8. **Consultations Outside the Agency**

The following people have been in continuous consultation concerning the development of the demographic items:

Thomas Nardone
Assistant Commissioner for Current Employment Analysis
Bureau of Labor Statistics

(202-691-6379)

John Eltinge
Associate Commissioner for Survey Methods Research
Bureau of Labor Statistics
(202-691-7404)

Dorinda Allard
Chief, Division of Employment and Unemployment Analysis
Bureau of Labor Statistics
(202-691-6378)

In addition to the above, a statement soliciting comments for improving the CPS data is prominently placed in all Census Bureau publications that cite the CPS data. We include a similar statement in the technical documentation that accompanies the microdata files. We published a notice of our intent to ask the demographic questions during the CPS in the December 16, 2010 edition of the *Federal Register* (Volume 75, Number 241). There were no comments received in response to this notice. Finally, the advance letter (Attachments D-1 and D-2) provides respondents with an address at the Census Bureau and at the OMB to which they can submit general comments on the survey, specifically those regarding respondent burden.

9. **Paying Respondents**

We do not make any payments or provide any gifts to individuals participating in the CPS.

10. **Assurance of Confidentiality**

The Census Bureau will collect data in compliance with the Privacy Act of 1974 and the OMB Circular A-130. New and returning households receive an advance letter approximately one week before the initial start of the CPS interview (see Attachments D-1 and D-2). The letter includes the information required by the Privacy Act of 1974, explains the voluntary nature of the survey, and states the estimated time required for participating in the survey. Field representatives (FRs) must ask if the respondent received the letter and, if not, provide a copy and allow the respondent sufficient time to read the contents. Also, FRs provide households with the pamphlet, *How the Census Bureau Keeps Your Information Strictly Confidential* and *Fact Sheet for the Current Population Survey* (see Attachments E-1 and E-3). All information given by respondents to Census Bureau employees is held in strict confidence under Title 13, United States Code, Section 9. Each Census Bureau

employee has taken an oath to that effect and is subject to a jail penalty or substantial fine if he or she discloses any information.

11. **Justification for Sensitive Questions**

There are no sensitive questions in the demographic portion of the CPS.

12. **Respondent Burden**

The total estimated respondent burden for the demographic items will be 18,013 hours for fiscal year 2011. We base this estimate on interviewing 59,000 households on a monthly basis. The sample size includes the extra households added to the monthly CPS as part of the expansion provided by the State Children's Health Insurance Program (SCHIP) funding. The estimated average length per month per household of this operation is 1.5265 minutes. We base these estimates on the average interview time in any month; however, the time spent on the collection of demographic information is highly dependent on the month-in-sample of the household.

A household in the CPS is in sample for four consecutive months one year and for the corresponding time period one year later. (This is the 4-8-4 rotation pattern.)

We complete all the demographic information in the first-month interview and update it during the remaining seven months. In the subsequent months, all we require is verification of the household roster and making changes and updates as necessary. Only 3.5 percent of the CPS households are eligible for reinterview each month. The time estimate given here is the average respondent time that was required to complete the demographic questions and reinterview in an average household across all months-in-sample for the past few years.

13. **Other Cost to Respondents**

There are no other costs to the respondent other than that of their time to respond.

14. **Cost to Federal Government**

The estimated cost to the government is expected to be \$91 million in fiscal year 2011 for the full CPS data collection program as administered by the Census Bureau. The BLS will contribute approximately \$53 million through an interagency transfer of funds to the Census Bureau that covers costs associated with the labor force and disability data collected in the survey. A direct appropriation of \$20 million from the State Children's Health Insurance Program (SCHIP) legislation also

contributes to the CPS program to fund the additional sample that is required for the precision requirements of health insurance data from the Annual Social and Economic supplement to the CPS. The Census Bureau will contribute about \$13 million for the collection of demographic data in FY 2011. The remaining funds are received from various agencies to fund supplements and other projects.

Additionally, BLS will spend approximately \$8 million for review and dissemination of the labor force data.

15. **Reason for Change in Burden**

There is no change in burden.

16. **Time Schedule, Analysis, and Publication Date**

The information collected in the CPS is made available to the public through the Internet on the BLS/Census Bureau CPS Web site through the Federal Electronic Research and Review Extraction Tool system. (This tool is the current demographic surveys' component of the American FactFinder.) All of the CPS data issued in the future will be made available through this method. The publication date of the CPS demographic data varies depending on which data we analyze in conjunction with the demographics. For example, when we associate the demographic data with the basic labor force data, as we do each month, we release the data 19 days after the start of interviewing. When we associate the demographic data with the Annual Social and Economic Supplement, we release the data approximately five months after we complete interviewing.

17. **Displaying the OMB Expiration Date**

Respondents' length of participation in the CPS is not likely to coincide with the expiration date of this clearance. To avoid confusion that may arise from this fact and given that the CPS has been in place for over 50 years and the basic CPS interview has remained relatively unchanged over the past 10 years, we request a waiver of the requirement to display the expiration date.

18. **Exceptions to the Certification**

There are no exceptions to the certification.