

**Supporting Statement for Requests for OMB Approval
Job Openings and Labor Turnover Survey (JOLTS)**

A. Justification

1. Necessity of Collection:

The Job Openings and Labor Turnover Survey (JOLTS) collects data on job vacancies, labor hires, and labor separations. The data can be used as demand-side indicators of labor shortages. These indicators of labor shortages at the national level will greatly enhance policy makers' understanding of imbalances between the demand for and supply of labor. Presently there is no other economic indicator of the demand for labor with which to assess the presence of labor shortages in the U.S. labor market. The availability of unfilled jobs - the number of job vacancies or the vacancy rate - is an important measure of tightness of job markets, parallel to existing measures of unemployment.

JOLTS statistics reveal structural labor market conditions, such as the effectiveness of job matching and training processes, the implications of unemployment insurance and welfare, and deficient demand for labor.

JOLTS statistics can be used as a potential indicator of business cycles. In addition, JOLTS statistics allow businesses to compare their turnover rates to national rates.

Title 29, chapter 1, part 2 of United States Code authorizes JOLTS data collection.

2. Description of the Information Collected:

The information is collected once a month at the Bureau of Labor Statistics, Atlanta Data Collection Center (DCC), Atlanta, Georgia. Data is collected from the private sector, State and local governments, and the Federal Government. It is collected using Computer Assisted Telephone Interviewing (CATI), Touchtone Data Entry (TDE), email, fax, and Web reporting. For the next survey round, an establishment will be in the sample for 24 months.

Upon receiving the selected sample, the sample units are distributed among the Atlanta DCC interviewers. The interviewer then conducts address refinement. Address refinement requires interviewers to confirm correct contact information for an establishment. Once this has been done, the enrollment package is printed and mailed to the respondent. During the first six months of collection, the interviewer calls the respondent and conducts the interview

over the phone using CATI. The first month includes clarification on the reporting unit. During the sixth month interview, the interviewer prepares the respondent for rollover to fax, TDE, or web. Each respondent is encouraged to report all remaining months of data using fax or TDE.

There are 6 data elements collected by the form. Those elements are Total Employment, Total Number of Job Openings, Total Hires, Quits, Layoffs and Discharges, and Other Separations. Quits, Layoffs and Discharges, and Other Separations comprise Total Separations.

The reference period for Total Employment is the pay period including the 12th of the month. The reference period for Job Openings is the last business day of the month. Hires and Separations are requested for the entire month.

The information is published monthly at the NAICS Supersector level for the U.S. and at the total non-agriculture level for the major Census regions. The data are made public via press releases and the BLS Web Site. The data are used by BLS economists in their efforts to interpret and report labor market developments. Businesses use the data to compare their own turnover rates to a national figure. JOLTS data are useful to academics studying labor economics. Policy analysts can use the data to track the business cycle.

3. Use of Technology to Reduce Burden:

JOLTS collects data using CATI for the first six months a unit is in the sample. JOLTS then encourages use of TDE technology in collecting data after a sample unit's sixth month in the sample. Fax, email, and Web reporting are other alternatives for collection. These options allow the respondent to save time since they do not have to process and return the form by mail. The initial six months reporting via CATI is necessary to help the respondent understand the form and data requested.

Although every attempt is made to schedule CATI interviews at the most convenient time for respondents, TDE, email, fax, or Web reporting allow respondents an even greater flexibility in responding at their most convenient time.

Respondents who are not able to break out Separations into Quits, Layoffs and Discharges, and Other Separations, are routed through TDE in such a way as to only report Total Separations. This use of TDE reduces their response time and their overall burden.

4. Identification of Duplication and Availability of Similar Information:

Extensive research using libraries, other statistical agencies, and the Internet has not identified similar information. Some academics have made use of proxies, such as the "Help-Wanted Advertising Index" from the Conference Board Economics Watch (<http://www.conference-board.org/economics/helpwanted.cfm>), but this measure falls short of an accurate measurement of true job openings since it creates the index based solely on help-wanted advertising in newspapers.

5. Small Businesses:

The information requested is readily available in both small and large firms. Special attention was paid to selecting reference periods for data elements that were easily understandable to all respondents.

The JOLTS sampling frame is stratified by geographic Region, Industry Supersector, and Employment Size Class. A stratified sample is allocated using the Neyman allocation (Cochran, 1977, pp. 259-261) methodology. This stratification and allocation methodology ensures that small businesses are sampled at a lower rate (i.e., lower probability of selection) than large businesses; this reduces the respondent burden on small establishments relative to large establishments.

6. Less Frequent Conduct of Study:

As an indicator of the demand for labor that would be parallel to existing measures of unemployment, less frequent conduct of study would diminish the ability of BLS to produce meaningful statistical estimates. In addition, it would prevent the estimates from being used as a leading indicator of business cycles and current economic trends.

7. Special Circumstances:

JOLTS releases data rates and levels on a monthly basis, therefore requiring collection of information on a monthly basis to support the monthly estimate.

8. Consultation with Persons Outside BLS:

No comments were received as a result of the Federal Register Notice published in 75 FR 70165 on November 10, 2011.

During the original development of the JOLTS concepts and forms, the JOLTS form was sent to seven experts for their comments regarding the data elements to be collected. The comments were solicited to ensure that the form collected only essential data elements and/or appropriate breakouts.

The result is a form that imposes the least respondent burden while capturing data essential to produce a quality economic indicator.

Reviewers of Form:

Katharine Abraham	Past Commissioner, BLS
Carolyn Bagin	Center for Clear Communications, Inc.
Dan Hamermesh	University of Texas
Harry Holzer	Chief Economist, DOL/Michigan State University
Larry Katz	Harvard University
Bruce Meyers	Northwestern University
Dan Sullivan	Federal Reserve Bank of Chicago
William Wascher	National Bureau of Economic Research/ Bank for International Settlements
Joyce Zickler	Federal Reserve - DC

Also, during 2008 an OMB approved response analysis survey was conducted to determine the cause for employment divergence within the temporary help industry. Discussions were held with the owner of a Manpower Inc. franchise to identify possible areas of improvement in our survey questions.

9. Gifts or Payments to Respondents:

There will be no gifts or payments to respondents.

10. Confidential Responses:

The Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) safeguards the confidentiality of individually identifiable information acquired under a pledge of confidentiality by controlling access to, and uses made of, such information. CIPSEA includes fines and penalties for any knowing and willful disclosure of individually identifiable information by an officer, employee, or agent of the BLS.

Based on this law, the BLS provides respondents with the following confidentiality pledge/informed consent statement:

The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.

The Bureau of Labor Statistics Commissioner's Order 2-11 "BLS Respondent Identifiable Information," explains the Bureau's policy on the confidential nature of respondent identifiable information (RII): "RII acquired or maintained by the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that ensures the information will be used only for statistical purposes and will be accessible only to authorized individuals with a need-to-know."

This policy remains in effect.

11. Sensitive Questions:

No sensitive questions will be asked.

12. Burden of Collection:

Explanation of how the total burden hours were derived for fiscal years 2012-2015 is illustrated below.

Fiscal Year 2012 - Partial
(April 2012 - September 2012)

Private

Form	Annual Responses	Average Response Time
CATI	27,051	10 minutes
TDE	5,410	10 minutes
Fax	2,705	10 minutes
Email	2,705	10 minutes
Web	<u>16,231</u>	10 minutes
Total	54,102	

State, Local, and Tribal Government

Form	Annual Responses	Average Response Time
CATI	4,245	10 minutes
TDE	849	10 minutes
Fax	425	10 minutes

Email	425	10 minutes
Web	<u>2,546</u>	10 minutes
Total	8,490	

Federal Government

Form	Annual Responses	Average Response Time
CATI	1,179	10 minutes
TDE	236	10 minutes
Fax	118	10 minutes
Email	118	10 minutes
Web	<u>707</u>	10 minutes
Total	2,358	

Estimated fiscal year 2012 total Burden Hours are 10,825.
Estimated fiscal year 2012 total Burden Cost is \$264,455.

Fiscal Year 2013
(October 2012 - September 2013)

Private

Form	Annual Responses	Average Response Time
CATI	54,102	10 minutes
TDE	10,820	10 minutes
Fax	5,410	10 minutes
Email	5,410	10 minutes
Web	<u>32,461</u>	10 minutes
Total	108,203	

State, Local, and Tribal Government

Form	Annual Responses	Average Response Time
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Form	Annual Responses	Average Response Time
CATI	8,490	10 minutes
TDE	1,698	10 minutes
Fax	849	10 minutes
Email	849	10 minutes
Web	<u>5,095</u>	10 minutes
Total	16,981	

Federal Government

Form	Annual Responses	Average Response Time
CATI	2,358	10 minutes
TDE	472	10 minutes
Fax	236	10 minutes
Email	236	10 minutes
Web	<u>1,415</u>	10 minutes
Total	4,717	

Estimated fiscal year 2013 total Burden Hours are 21,650.
 Estimated fiscal year 2013 total Burden Cost is \$544,714.

Fiscal Year 2014
 (October 2013 - September 2014)

Private

Form	Annual Responses	Average Response Time
CATI	54,102	10 minutes
TDE	10,820	10 minutes
Fax	5,410	10 minutes
Email	5,410	10 minutes
Web	<u>32,461</u>	10 minutes
Total	108,203	

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Fax	236	10 minutes
Email	236	10 minutes
Web	<u>1,415</u>	10 minutes
Total	4,717	

Estimated fiscal year 2014 total Burden Hours are 21,650.
 Estimated fiscal year 2014 total Burden Cost is \$561,168.

Fiscal Year 2015 (Partial)
 (October 2014 - March 2015)

Private

Form	Annual Responses	Average Response Time
CATI	27,051	10 minutes
TDE	5,410	10 minutes
Fax	2,705	10 minutes
Email	2,705	10 minutes
Web	<u>16,231</u>	10 minutes
Total	54,102	

State, Local, and Tribal Government

Form	Annual Responses	Average Response Time
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Federal Government

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CATI	1,179	10 minutes
TDE	236	10 minutes
Fax	118	10 minutes
Email	118	10 minutes
Web	<u>707</u>	10 minutes
Total	2,358	

Estimated fiscal year 2015 total Burden Hours are 10,825.
 Estimated fiscal year 2015 total Burden Cost is \$289,028.

Average Fiscal Year Burden

Average FY Burden Hours are 21,650.
Average FY Burden Cost is \$553,122.

Average Calendar Year Burden

Average Calendar Year Burden Hours are 21,650.
Average Calendar Year Burden Cost is \$553,122.

Burden cost was calculated by obtaining the hourly employment cost for office and administrative support occupations as determined by the National Compensation Survey (NCS) Employment Cost for Employee Compensation. The employment cost for the third quarter of 2011, the most current quarter available, was \$23.72. This base was increased by 3% for each of the years until FY 2015. The hourly rate was then multiplied by the number of hours required for responding (burden hours). The resulting hourly wages used for FY 2012, FY 2013, FY 2014, and FY 2015 are \$24.43, \$25.16, \$25.92, and \$26.70 respectively.

Respondents to each survey round remain in a panel for 24 months. Fiscal year 2013 is representative of a complete year as it includes 12 months.

Fiscal year 2015 reflects the time period from the beginning of the fiscal year until the anticipated expiration date of the OMB approval, March 31, 2015.

13. Capital/Start-up Cost

There are no capital/start-up costs.

14. Cost to the Federal Government:

The annual JOLTS budget is \$4.4 million, which includes approximately \$1.9 million annually for data collection labor hours.

15. Changes in Burden:

This request shows a slight decrease in respondents, annual responses, and burden hours from current approval (11,088; 133,056; and 22,176, respectively) to (10,825; 129,900; and 21,650, respectively). Previously, OMB approved an increase in the responses and burden hours in order to perform response analysis for two industries. This research has been performed, and the elevated number of respondents and burden hours is not required at this time. The JOLTS

program plans to perform response analysis again sometime before this approval expires and will seek an appropriate increase in respondents and burden hours at that time.

16. Publication Plans/Schedule:

The JOLTS program releases data on a monthly basis available at www.bls.gov/jlt/. The release is available within 30 - 60 working days of the survey reference month. Regular monthly releases began April 15, 2004.

17. OMB Approval Expiration Date:

Permission for suppressing the expiration date for OMB approval is not being requested.

18. Exception to Certification Statement:

There are no exceptions to the certification.