

SUPPORTING STATEMENT

A. JUSTIFICATION

1. Necessity of the Information Collected

The purpose of this request for review is for the Bureau of Labor Statistics (BLS) to renew its monthly clearance for collection of labor force data through the Current Population Survey (CPS). Also sought is clearance for the addition of three certification/licensure questions and the removal of three educational attainment questions through the CPS. The current clearance expires April 30, 2017; however, in January 2015, the CPS program is planning to implement these changes to the CPS questionnaire.

Collection of labor force data through the CPS is necessary to meet the requirements in Title 29, United States Code, Sections 1 through 9 (Attachment B). Collection of the data is also authorized by Title 13 (Attachment E), United States Code, Section 182.

2. Needs and Uses

The CPS has been the principal source of the official Government statistics on employment and unemployment for over 70 years. The BLS and the Census Bureau share the responsibility for this survey and are submitting two separate clearance requests that reflect the way in which the two agencies divide the responsibilities for the analysis and dissemination of the data from the survey. The Census Bureau is submitting a request for clearance for the collection of the basic demographic information on the population being sampled. BLS is requesting Office of Management and Budget (OMB) clearance for a revision to the collection of the labor force information that it analyzes and publishes monthly. The proposed change is to add three questions on professional certification and licensure, while removing three little-used questions on educational attainment. (The CPS currently includes seven questions on educational attainment, and the main educational attainment question, which is very widely used, will be retained.) The educational attainment items are being removed in order to limit the increase in respondent burden. The three additional questions will identify whether respondents have a currently active professional certification/license; whether any of these credentials were issued by the Federal, State or local government; and whether the credential is required for their main job. The three educational attainment items that are proposed for removal were added in 1996 to enable researchers to construct a measure of continuous years of education. All three of the questions are about graduate education—specifically, whether individuals have taken any graduate or professional school courses since completing a bachelor's degree, whether they've completed six or more courses, and whether their master's degree program was a 1-year, 2-year, or 3-year program. After conducting a literature search and consulting with stakeholders, BLS determined that these questions were rarely used. The 2014 basic CPS items booklet, which includes the questions used to collect both demographic and labor force information, is shown in Attachment A. The proposed changes to the basic CPS questionnaire are shown in attachment G.

The labor force information gathered through the survey is of paramount importance in keeping track of the economic health of the Nation. The survey is the official source of monthly data on total employment and unemployment, with the monthly Employment Situation report designated a Principal Federal Economic Indicator (PFEI). The CPS data are used monthly, in conjunction with data from other sources, to analyze the extent to which the various components of the American population are participating in the economic life of the Nation.

The labor force data gathered through the CPS are provided to users in the greatest detail possible, consistent with the demographic information obtained in the survey. In brief, the labor force data can be broken down by sex, age, race, ethnicity, marital status, family composition, educational level, disability status, and various other characteristics. With the addition of the three questions, this type of information would also be available for individuals with and without certifications and licensures. Through such breakdowns, one can focus on the employment situation of specific population groups as well as on the general trends in employment and unemployment. Moreover, the survey yields data on the basic status and characteristics of people who have stopped looking for work because they believe no jobs are available – discouraged workers. Information of this type can be obtained only through demographically-oriented surveys such as the CPS.

In addition to being a source of much detailed data at the national level, the CPS provides information that is crucial in examining the employment situation at the sub-national level. For the 50 states, the District of Columbia, New York City, and the Los Angeles-Long Beach-Glendale metropolitan division and the respective balances of state, data are produced using estimating equations based on regression techniques. These models combine current and historical data from the CPS with data from other surveys.

The basic CPS data are also used as an important platform on which to base the data derived from the various supplemental questions administered in conjunction with the survey. By coupling the basic data from the monthly survey with the special data from supplements, one can gain valuable insights on the behavior of American workers and on the social and economic health of their families. Recent supplements have produced data on poverty, health insurance, volunteering, persons with a disability, displaced workers, and veterans with service-connected disabilities, for example.

The monthly CPS data are first published by means of a news release, The Employment Situation (<http://www.bls.gov/news.release/pdf/empsit.pdf>), and, on the same day, are often discussed by the Commissioner of Labor Statistics before the Joint Economic Committee of the U.S. Congress. There is wide interest in this initial release among Government policy makers, legislators, economists, the media, and the general public. The data are subsequently published in much greater detail on the BLS website and in a variety of publications. Special analyses of data by BLS economists often are reported in the *Monthly Labor Review*, also published by BLS.

While the data from the CPS are used in conjunction with data from other surveys—notably the Current Employment Statistics (CES) survey—in assessing the economic health of the

Nation, they are unique in various ways. They provide monthly, nationally representative measures of total employment that include self-employed workers, farm workers, and unpaid family workers. By contrast, establishment surveys are generally restricted to the nonagricultural wage and salary sector. The CPS provides timely and detailed data on all job seekers, and on all persons outside the labor force, while payroll-based surveys cannot, by definition, cover these sectors of the population, and other national surveys that include a few questions on employment (such as the American Community Survey) do not have sufficient space (or legal mandate) to collect information at this level of detail. Finally, the CPS data on employment, unemployment, and persons not in the labor force can be linked separately to the demographic characteristics of the many groups which make up the Nation's population, while data from other surveys are often devoid of demographic information.

3. Use of Information Technology

The Census Bureau, which conducts the actual collection of the CPS data—designing the sample, training and monitoring the interviewers, and conducting a continuous quality control program—is using methods designed to keep respondent burden as low as possible. These interviewing methods, which include the use of computer-assisted interviewing, were improved as part of a complete CPS redesign implemented in January 1994. The redesign was preceded by years of wide-ranging discussions, research, and large-scale field tests aimed at long-range improvements in the survey. The CPS and all of its supplements are collected 100 percent electronically by using Computer Assisted Telephone Interviews (CATI) and Computer Assisted Personal Interviews (CAPI). Since January 2007, the data collection instrument has been programmed in Blaise, a Windows-based survey processing system developed by Statistics Netherlands and licensed by Westat in the United States.

4. Efforts to Identify Duplication

As noted above, the labor force data generally obtained through the CPS are not available with the same degree of quality from any other source. This is particularly the case in terms of the timeliness, comprehensiveness, versatility (through supplements), and reliability of the data. There is, therefore, no significant duplication of effort between the CPS and other surveys.

While other surveys provide data that serve as valuable complements to those obtained in the CPS, these surveys cannot substitute for the CPS as they are generally much more limited in scope, they are not conducted as frequently, or there is a greater lag between data collection and publication.

Other Federal surveys have collected or plan to collect data on certifications/licensures. In 2012, the 13th wave of the 2008 panel of the Survey of Income and Program Participation (SIPP) collected a module on alternative credentials, which included questions about whether individuals had certifications or licenses, the issuers of the certification/licenses, whether the certification/license was required for individuals' current or most recent job, as well as a number of items relating to field of study and preparation. These data were published in January 2014 and were the first official statistics published on certification/licensure from a

Federal government survey; however, this collection was a single point in time, and there are no plans to repeat it.

The recently redesigned SIPP included on its 2014 panel two questions on certifications/licenses—whether individuals have a currently active certification/license and who issued it. These questions will be included on the SIPP going forward; however, the survey does not include a question that asks whether the certification/licensure is required for the job.

The National Center for Education Statistics (NCES) is incorporating questions on certification/licenses into longitudinal studies with young adult and adult respondents. This will allow researchers to evaluate how certifications/licenses impact long-term labor market success. Also, as part of the National Household Education Survey, NCES plans to field the Credentials for Work Survey in 2015 and the Training for Work Survey in 2017. Both of these surveys would include many more questions on certifications/licenses than are proposed for addition to the CPS and will allow the topic to be studied in much more detail.

The National Center for Science and Engineering Statistics of the National Science Foundation is including certification/licensure questions on its National Survey of College Graduates. While the NSCG surveys college graduates in all academic disciplines, many certifications/licenses are issued to individuals who do not have college degrees.

While there are other Federal surveys that provide information about certifications/licenses, no survey provides data on a monthly basis. Such data, when combined with the demographic and socioeconomic data collected in the CPS, would provide a rich picture of labor market outcomes among individuals with certifications/licenses across business cycles, as well as showing overall trends. The inclusion of these questions would allow researchers to evaluate how key economic indicators, such as the official unemployment rate, differ for those with certifications/licenses and how they compare to other characteristics. The monthly CPS also has a larger sample size than other surveys collecting information on certifications/licenses and is published on a more timely basis, with public use files generally being available to the public within a month of collection. In addition, data collected in the monthly CPS can be analyzed along with data collected through CPS supplements—such as the Annual Social and Economic Supplement (ASEC), which contains detailed information about income and is the source of the official poverty rate.

5. Minimizing Burden

The data are collected from households; their collection does not involve any small businesses or other small entities.

6. Consequences of Less Frequent Collection

Section 2 of Title 29, United States Code, mandates BLS to publish, at least once a month, complete statistics on levels and month-to-month changes in employment and unemployment.

7. Special Circumstances

The CPS data are collected monthly as part of the requirement in 29 USC, Chapter 1, relating to the Collection, Collation, and Reports of Labor Statistics.

8. Consultation Outside the Agency/Federal Register Notice

Federal Register Notice

Six comments were received as a result of the Federal Register Notice published in 79 FR 41706 on July 17, 2014. Four were supportive, noting that the addition of certification/licensure questions to the CPS will greatly increase the amount of data available to policy makers and researchers. Three of the commenters also expressed support for the proposed removal of the educational attainment questions on graduate education, stressing that the certification/licensure questions would be of considerably more value.

The fifth comment was also supportive but asked two questions about specific wording.

1. Regarding proposed question A.1., would it be helpful to explicitly explain that a standard high school or college diploma is not included in the intended meaning of “professional certificate”? Without an explicit clarification of this nature, will a nontrivial proportion of respondents say “yes” because they view their high school or college degree as a “professional certification”?

The potential confusion between education credentials and work credentials was one of our initial concerns when we began developing these new questions. In four rounds of cognitive interviews with 160 respondents, we found that, with one exception, respondents appropriately distinguished between these two types of credentials, with very little confusion or mis-classification. When respondents were probed, they did not mis-identify educational certificates (or other kinds of education credentials, such as high school diplomas or college degrees) as occupational certifications.

2. Proposed question A.3 asks “is your certification or license required for your current job?” I am concerned that it may be unclear whether this is a fact question (about the legal or regulatory requirements for employment) or an opinion question (about whether or not someone really needs formal certification or licensure in order to have the skills to do that job well). My sense is that the intent here is to focus on the fact question, about the formal requirements for holding the job. I am concerned that many respondents will not hear it that way and will instead say “yes” or “no” based on their opinion about whether what they learned in obtaining their certificate or license is essential for doing

the job well. Many could say “no” because they have negative views about the training they received or resent having had to obtain a certificate or license.

We used the cognitive testing process to probe this issue, and the results showed that this was not a problem. Testing showed that respondents tended to interpret “required” literally, in the factual sense. Because this question does not ask specifically about legal requirements, a “yes” response can indicate either a legal requirement (via licensure) or an employer requirement for certification. The cognitive test results showed that both types of requirements elicited “yes” responses.

The sixth comment, in addition to expressing support for the questions, made two suggestions as to how to improve the data:

1. The commenter suggested that it is important to capture licenses issued by municipalities and urges BLS to ensure that the CPS can be used to produce reliable estimates at the county level.

The proposed certification questions were designed to identify credentials issued by municipalities. The first question identifies individuals with a certification or license, and the second identifies whether their credential was issued by the government. Our cognitive testing showed that people answered the questions correctly when they had credentials that were issued by municipalities. The CPS cannot provide reliable estimates at the county level and was not designed for this purpose. To produce reliable estimates at the county level would require a major redesign of the survey and a large increase in sample size, tasks for which there is currently no funding.

2. The commenter urged BLS to distinguish between licensure, permitting, certification, and registration.

There are many other types of lesser-known and lesser-used work-related credentials, including permits, registration, designations, and badges. However, due to the difficulty in designing a small question set to identify and distinguish between the many types of credentials, our work focused on ensuring the validity of survey questions for the two most prevalent work-related credentials—certifications and licenses.

Outside Consultation

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

Bureau of the Census

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Associate Directorate for Demographic Programs Division

Bureau of Census

Department of Commerce

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In addition to the above, a statement soliciting comments for improving CPS data is prominently placed in all Census Bureau publications that cite CPS data. A similar statement is included in the technical documentation that accompanies the microdata files. Finally, the CPS advance letter (Attachment C) provides respondents with an address at the Census Bureau to which they can submit general comments on the survey, specifically those regarding respondent burden.

9. Paying Respondents

The Census Bureau does not make any payments or provide any gifts to individuals participating in the CPS.

10. Assurance of Confidentiality

The Census Bureau will collect the data in compliance with the Privacy Act of 1974 and OMB Circular A-130. Each sample household will receive an advance letter (Attachment C) approximately one week before the start of the initial CPS interview. 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 must ask each respondent if he/she received the advance letter and, if not, must provide a copy of the letter to each respondent and allow sufficient time for him/her to read the contents. Also, interviewers provide households with the pamphlet "The U.S. Census Bureau Respects Your Privacy and Keeps Your Personal Information Confidential," which further states the confidentiality assurances associated with this data collection effort (Attachment D). All information given by respondents to Census Bureau employees is held in strict confidence under Title 13, United States Code, Section 9 (Attachment E). Each Census Bureau employee has taken an oath to that effect and is subject to a jail penalty and/or substantial fine if he/she discloses any information given to him/her.

11. Justification for Sensitive Questions

No sensitive questions are asked in this survey.

12. Estimate of Respondent Burden

The total respondent burden for the CPS is estimated at 101,934 hours for 2015. Of this total, the Census Bureau has estimated 18,334 hours to obtain basic demographic data and 83,600 hours for the collection of the labor force information, the main product of the survey. These estimates are based on interviewing 55,000 households on a monthly basis.

The estimated length of the labor force portion of each interview is 7.6 minutes. This is derived from the average respondent time that has been required to complete the labor force questions and reinterview in an average household across all months-in-sample for the past few years. This includes the time required to answer the disability questions and the estimated time to answer the three new certification questions less the time required to answer the three educational attainment items proposed for removal. The actual respondent

burden is dependent on the size of the household and the characteristics of its occupants. Generally, one respondent answers for the household. Each month about 10 percent of all CPS enumerators have a portion of their assignments reinterviewed for quality control purposes. Depending on the interviewer's experience level and position, they can be selected as many as three times every 15 months. Errors uncovered during the reinterview are discussed with the original interviewer and remedial action is taken. Also, 1 percent of cases are reinterviewed to measure response error.

The overall annualized dollar cost to the respondents for collection of the labor force information is \$1,080,948. This estimate assumes a wage rate of \$12.93 an hour (this figure was the median hourly wage for 2013) for all respondents regardless of whether they are employed, unemployed, or not in the labor force. The annual cost per household would be roughly \$6.47, since an individual household would be in the survey at most 4 times a year for a total of about 30 minutes.

13. Estimate of Cost Burden

- a. Capital start-up costs: \$0
- b. Total operation and maintenance and purchase of services: \$0

14. Cost to the Federal Government

The estimated cost to the federal government is expected to be \$88 million in fiscal year 2014 for the full CPS data collection program as administered by the Census Bureau. The BLS will contribute approximately \$52 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 Children's Health Insurance Program (CHIP) 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 \$12 million for the collection of demographic data in fiscal year 2014. The remaining funds are received from various agencies to fund supplements and other projects.

In fiscal year 2014, the BLS will spend an additional approximately \$10 million for review and dissemination of labor force data from the CPS.

15. Changes in Respondent Burden

Total respondent burden for the collection of labor force information will increase by 1,100 hours in 2015 to 83,600 hours. This increase is due to the addition of the three new certification questions. This increase is limited by the fact that three little-used educational attainment questions are being removed.

16. Time Schedule for Information Collection and Publication

A large portion of the labor force data obtained through the CPS is published on a monthly basis. Other data from the survey, such as those on earnings, are published on a quarterly basis. Still other data, such as the detailed information on employment and unemployment at the local level, are published on an annual basis. The monthly data are released soon after collection, the usual lag averaging 19 days after the start of interviewing.

Monthly data are published in the Employment Situation news release. This release can be found on the BLS website at www.bls.gov/schedule/archives/empsit_nr.htm, and a schedule of the release dates is available at www.bls.gov/schedule/news_release/empsit.htm. BLS also publishes a variety of other news releases and reports using CPS data, which are posted on the BLS website at www.bls.gov/cps/news.htm.

17. Request to Not Display Expiration Date

The Census Bureau does not wish to display the assigned expiration date of the information collection because the instrument is automated and the respondent, therefore, would never see the date. The advance letter sent to households by the Census Bureau contains Census's OMB clearance number for the CPS and Census's version of the failure to comply notice (Attachment C). Copies of this advance letter are stockpiled by the Census Bureau for use as needed; changes to the letter would make the current inventory of letters unusable.

18. Exceptions to the Certification

There are no exceptions to the certification.