

## **Supporting Statement for the BLS Current Employment Statistics Program**

### **BACKGROUND**

The Bureau of Labor Statistics (BLS) Current Employment Statistics (CES) program provides current monthly statistics on employment, hours, and earnings, by industry and geography. CES estimates are among the most visible and widely-used Principal Federal Economic Indicators (PFEIs). CES data are also among the timeliest of the PFEIs, with their release each month by the BLS in the *Employment Situation*, typically on the first Friday of each month. The statistics are fundamental inputs in economic decision processes at all levels of government, private enterprise, and organized labor.

The CES monthly estimates of employment, hours, and earnings are based on a sample of U.S. nonagricultural establishments. Information is derived from approximately 297,000 reports (from a sample of 147,000 businesses and government agencies with State Unemployment Insurance (UI) accounts representing approximately 634,000 individual worksites). Each month, firms report their employment, payroll, and hours on forms identified as the BLS-790. The sample is collected under a probability based design. Puerto Rico and the Virgin Islands collect an additional 7,000 reports.

Respondents receive variations of the basic collection forms, depending on their industry. Letters and other materials sent to establishments are also included.

The CES program is a voluntary program under Federal statute. Reporting to the State agencies is voluntary in all but three States (North Carolina, Oregon, and South Carolina), Puerto Rico, and the Virgin Islands. To our knowledge, the States that do have mandatory reporting rarely exercise their authority. The collection form's confidentiality statement cites the Confidential Information Protection and Statistical Efficiency Act of 2002 and mentions the State mandatory reporting authority.

Automated data collection methods are now used for most of the CES sample. Approximately 139,000 reports are received through Electronic Data Interchange as of February 2017. Web data collection accounts for 48,000 reports. Computer Assisted Telephone Interviewing is used to collect 73,000. Fax is also a significant collection mode as 8,000 reports are collected via this method. Touchtone Data Entry is used for 7,000 reports.

The balance of the sample is collected through other methods including submission of transcripts, emails, and other special arrangements.

## **A. JUSTIFICATION**

### **1. Necessity of Collection**

The BLS has been charged by Congress (29 USC 2) with the responsibility of collecting and publishing monthly information on employment, the average wage received, and the hours worked, by area and by industry. The data necessary to produce these estimates are voluntarily reported. The BLS receives approximately 297,000 reports each month from nonagricultural establishment worksites (including government) in the 50 States and the District of Columbia. An additional 7,000 reports are collected by Puerto Rico and the Virgin Islands. Puerto Rico and the Virgin Islands reports are not included in the probability sample design. Spanish-language versions of the collection forms are being added in this OMB package revision.

### **2. Use and Users of Data**

The estimates produced from the data collected on the BLS-790 forms are fundamental inputs in economic decision processes at all levels of private enterprise, government, and organized labor. The estimates are vital to the calculation of the National Income Accounts, the Federal Reserve Board's Index of Industrial Production, and the Composite Index of Leading and Coincident Economic Indicators among others. The earnings data provide a proxy measure of the cost of labor at a level of industry detail not available from the BLS's Employment Cost Index program. The early availability of employment and hours data provides one of the primary indicators for the current status of the U.S. economy.

### **3. Use of Technology in Reducing Burden**

The CES program relies extensively on information technology for data collection. Ninety one percent of the sample is collected by Electronic Data Interchange (EDI), Web, Computer Assisted Telephone Interviewing (CATI), Web, FAX, and Touchtone Data Entry (TDE). Electronic reporting via EDI is used for many very large multi-unit reporters. EDI allows firms to transmit a sample file containing all of their reports to a central location, significantly reducing respondent burden for these firms. As of March 2017, 84 large firms, representing 140,000 reports and 5.7 million employees, report via EDI.

The BLS has developed special forms to facilitate reporting of data by facsimile transmission ("fax"). These forms somewhat lessen reporting burden on large multi-unit reporters by allowing them to report information for several of their establishments on one form each month. These forms allow firms that report for establishments in different industries to consolidate all reporting on a single form. One version has been developed for each of the six form schedule types.

#### **4. Identification of Duplication**

There are no comparable Federal surveys. The cooperative Federal-State collection program eliminates duplication of requests made of the respondent at the Federal, State, and local levels. The CES program is the only program that provides current monthly data on payroll employment, hours, and earnings, by industry and area. Preliminary national data are released within 3 weeks of the end of the survey week.

#### **5. Small Businesses**

The probability-based design calls for inclusion of all UI accounts with more than 1,000 employees with certainty. For other size classes, stratification of the sample by size decreases the probability of selection for smaller size firms. The BLS has also implemented sample rotation of non-certainty units to further reduce burden. Most non-certainty firms will report for 2 to 4 years, then will be rotated out of the sample for at least 3 years.

#### **6. Less Frequent Conduct of Study**

The Congress (29 USC 2) mandated that the data be collected monthly for the purpose of deriving fundamental inputs into economic decision processes at all levels of government, private enterprise, and organized labor.

#### **7. Special Circumstances**

This request does not have any special circumstances that would cause information collection to be conducted in a manner:

- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secret or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There are special circumstances that require respondents to report information to the agency more often than quarterly; and require respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it. Congress has mandated monthly collection (29 USC 2). Survey respondents are requested to provide payroll information for the pay period including the 12th of the month as soon as the data are available. This allows for timely publication of preliminary estimates within 3 weeks of the reference period. Research has shown that the vast majority of sample units have the requisite data available in their regular payroll summaries at the time BLS is requesting this information.

## **8. Federal Register Notice and Comments and Outside Consultations**

No comments were received as a result of the Federal Register notice published at 82 FR 27874 on June 19, 2017.

## **9. Payment of Gifts to Respondents**

There are no payments or gifts to respondents.

## **10. Confidentiality**

The Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) safeguards the confidentiality of individually identifiable information acquired under a pledge of confidentiality for exclusively statistical purposes 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:

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. Per the Federal Cybersecurity Enhancement Act of 2015, Federal information systems are protected from malicious activities through cybersecurity screening of transmitted data.

BLS policy on the confidential nature of respondent identifiable information (RII) states that "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.”

Authorized persons are:

1. Sworn BLS employees.
2. State Employment Security Agency employees.
3. Contractors who have signed the appropriate confidentiality agreement with the Bureau.

### 11. Sensitive questions

There are no sensitive questions asked on this survey.

### 12. Estimate of Respondent Reporting Burden

The following table shows reporting burden by form type:

Form	Reports	Minutes per Report	Frequency of Response	Annual Responses	Annual Burden Hours
A--Mining and Logging	1,283	10	12	15,396	2,566
B--Construction	11,503	10	12	138,036	23,006
C--Manufacturing	9,837	10	12	118,044	19,674
E--Service Providing Industries	195,448	10	12	2,345,376	390,896
G--Public Administration	60,382	6	12	724,584	72,458
S--Education	11,025	6	12	132,300	13,230
Fax790 A,B,C,E,G,S	8,205	10	12	98,460	16,410
Total	297,683			3,572,196	538,240

Table Source: CMI Industry Report 1\_2A: Number Received by Industry for Feb 3rd Closing, 2017

Estimate of the CES program's cost to respondents:

Annual Burden hours	538,240
Total Compensation, Office and administrative support occupations*	\$25.75
Estimated total cost to respondents	\$13,859,680
Number of establishments	297,683
Average annual cost per establishment	\$46.55

\*The BLS derives this wage figure from the National Compensation Survey, Employer Costs for Employee Compensation program, Office and Administrative Support occupations for the most recent data available (2016 4th quarter).

**13. Annual Burden Costs to Respondent as a Result of the Collection of Information**

There is no operational or maintenance cost burden to the respondent because the information collection seeks information that is part of customary and usual business practices and does not require purchase of equipment or services to meet the information collection request.

**14. Estimate of the CES program's FY 2016 cost to the Federal Government**

State Contracts	\$8,000,000
All Other	\$49,000,000
TOTAL	\$57,000,000

**15. Changes in Burden**

The burden currently requested is 538,240 hours. This request is an increase from the previous burden request of 536,636 hours. The number of responses increased, due to an increase in the number of in-scope worksites; however, the average minutes per report for the private sector was reduced from 11 to 10 minutes.

## **16. Publication Plans**

The data are initially released in the “Employment Situation” news release (<http://www.bls.gov/news.release/empsit.toc.htm>) on the first Friday following the reference period. The release contains employment, hours, and earnings data by major industry division.

Detailed tabulation and presentation of national estimates of employment, hours, and earnings are found in the B tables of [Employment and Earnings](http://www.bls.gov/opub/ee/home.htm) (<http://www.bls.gov/opub/ee/home.htm>), the BLS's monthly on-line publication.

The CES program will produce 16,000 series at the national level and 22,750 series at the State and area levels in FY 2018. Data are published monthly by the BLS in Employment and Earnings, press releases, and on the BLS web site.

## **17. Displaying the OMB Expiration Date**

The BLS is requesting continuation of the approval to not display the expiration date on the BLS-790 forms. The BLS and States are continually soliciting new respondents for the CES and their ability to use the approved form would be constrained as the expiration date approaches.

## **18. Exception to Certification**

There are no exceptions to item 19 of the “Certification for Paperwork Reduction Act Submissions”.