

**SUPPORTING STATEMENT FOR  
CONSUMER PRICE INDEX HOUSING SURVEY**

**OMB CONTROL NO. 1220-0163**

This information collection request seeks a 3 year extension of the Consumer Price Index Housing Survey. There are no substantive changes to the collection forms or methodology of this collection.

**A. JUSTIFICATION**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

Section 2 of Title 29, Chapter 1, Subchapter 1, United States Code Annotated directs the Bureau of Labor Statistics (BLS), under the direction of the Secretary of Labor, to collect, collate, and report full and complete statistics of the conditions of labor and the products and distribution of the products of the same. A copy of the relevant section of Title 29 is included (Attachment I).

The Consumer Price Index (CPI) is an index compiled by the U.S. Government that is designed to measure changes in the purchasing power of the consumer's dollar. The CPI is a measure of the average change in prices over time in a market basket of goods and services. It is calculated monthly for two population groups, one consisting of all urban consumers (CPI-U), and the other consisting of urban wage earners and clerical workers (CPI-W). The CPI-U represents the buying habits of about 93 percent of the population of the United States, while the CPI-W represents about 29 percent of that group.

In addition to the above produced indexes, BLS also produces the Chained Consumer Price Index for all urban consumers (C-CPI-U). The C-CPI-U is a "superlative" type index that is designed to be a closer approximation to a "cost-of-living" index than the CPI-U and CPI-W. The C-CPI-U is distinguished from the CPI-U and CPI-W by the expenditure weights and formula used to produce aggregate measures of price change. Expenditure data required for the calculation of the C-CPI-U are available only with a time lag. Thus, the C-CPI-U is being issued first in preliminary form using the latest available expenditure data at that time and is subject to quarterly revisions until issued as final approximately one year later. The C-CPI-U is issued for national averages only and is not seasonally adjusted.

BLS also calculates an experimental index for the elderly. The CPI for the elderly or CPI-E is calculated monthly and is available on request. The CPI-E is a reweighting of the CPI basic indexes using expenditure weights from households headed by someone 62 years of age or older

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The CPI is used most widely as a measure of inflation and serves as an indicator of the effectiveness of government economic policy. It is also used as a deflator of other economic series, that is, to adjust other series for price changes and to translate these series into inflation-free dollars. Examples include retail sales, hourly and weekly earnings, and components of the Gross Domestic Product.

Another major use of the CPI is to adjust income payments. Almost 2 million workers are covered by collective bargaining contracts, which provide for increases in wage rates based on increases in the CPI. Similarly, nine states have laws that link the adjustment in state minimum wage to the changes in the CPI. The index affects the income of almost 80 million people as a result of statutory action: 47.8 million Social Security beneficiaries, about 4.1 million military and Federal Civil Service retirees and survivors, and about 22.4 million food stamp recipients. In addition, eligibility criteria for millions of Supplemental Nutrition Assistance Program recipients and 26.7 million children who eat lunch at school are affected by changes in the CPI. Under the National School Lunch Act and Child Nutrition Act, national average payments for those lunches and breakfasts are adjusted annually by the Secretary of Agriculture on the basis of the change in the CPI series, "Food away from Home." Since 1985, the CPI has been used to adjust the Federal income tax structure to prevent inflation-induced tax rate increases. Additionally, since 2000, the CPI has been used to adjust the maximum amount disaster survivors seeking financial assistance can receive through the programs administered by the Federal Emergency Management Agency (FEMA).

Shelter accounts for 33.3% of the CPI's Relative Importance. Included in Shelter is Rent of primary residence (7.9% relative importance) and Owners' equivalent rent of residences (24.3% relative importance).

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.**

Utilizing computer-assisted data collection (CADDC), trained BLS Economic Assistants (EAs) determine if selected addresses are eligible for the Housing Survey (screening) by mailing contact materials (Attachments V, VI, VII), making personal visits, or conducting telephone interviews. Eligible rental units are initiated into the sample by collecting information on the rent that is paid and specific housing services that are associated with the unit. Once initiated, EAs collect all data utilizing CADDC by contacting respondents primarily by telephone or by personal visit. There are special circumstances when data can be collected by email or fax using a form (Attachments X, XI) that the respondent can complete and return. Respondents may be the

renters, managers, or landlords of the selected dwellings. This process greatly reduces the amount of time EAs spend collecting and transmitting data to Washington.

The Housing Data Collection Manual (HDCM) gives detailed directions for conducting and completing the interview. The HDCM is approximately 300 pages and is revised when there are changes to software or administrative procedures related to data collection. The HDCM is available on the computers used by EAs for quick reference while in the field.

The BLS is also testing the feasibility of using alternative transaction data in lieu of in-person, telephone, and email data collected by the CPI survey program. In particular, the BLS is researching the incorporation of unit level rental transaction data from both a current CPI respondent and a housing government agency which have agreed to supply these data on an ongoing basis. The current CPI housing respondent has been supplying corporate transaction data for research since August 2021 and the housing government agency since November 2020. Both alternative data sources are sent by Safe File Transfer Protocol (SFTP) and at some point in the future, data transfer will be carried out by a BLS Internet Data Collection Facility (IDCF). The majority of the data are for multi-family housing units which is a significant portion of the CPI housing rental sample. Further information about the use of alternative data is attached, focusing upon API usage, web-scraping, and corporate data (Attachments XII, XIII).

As has been our past practice, but especially now, during the COVID-19 pandemic, the top priority of the CPI program is the health, safety, and well-being of all staff. In an effort to ensure the safety of data collection staff, personal visit data collection for the Housing survey has been suspended and personal visit collection burden has been reduced to zero. Data collection activities are being conducted via telephone, email, and internet. We will partner with our respondents to determine how we transition back to personal visit collection which we expect will occur on a state-specific basis.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.**

The CPI is the nation's chief source of information on retail price changes. The BLS has made extensive efforts to identify, from other government agencies and the scientific literature, other sources of data. To the BLS's knowledge, there is no duplication of indexes and there is no other series available which performs the function of the CPI.

The CPI Housing Survey is the nation's primary source of information on residential rent change. In addition, the CPI Housing data must be timely and available monthly. No other survey is both as timely and geographically comprehensive. The information provided by the American Housing Survey, Current Population Survey or American Community Survey does not meet the CPI's timeliness or geographic requirements.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

The Housing Survey is aimed at rental housing. Some respondents are the owners, managers, or authorized representatives of housing complexes, some of which are small businesses. Their designation as a small business is not collected.

Through software developed for the use of CADDC, a pricing module for multiple-unit addresses enables data to be collected from a single respondent for several units. This pricing pod is called the Interview Group (IG). IG collection from one respondent is more efficient in that respondent burden is reduced. IGs are formed over time as EAs become more familiar with their address collection assignments. This function in the collection instrument has reduced burden for respondents.

**6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

If the information on prices of rental units were not collected, all the programs discussed in items (1) and (2) above could not function properly. Federal fiscal and monetary policies would be hampered due to the lack of information on price changes in a major sector of the U.S. economy and estimates of the real value of GDP could not be made. The consequences to both the Federal and private sectors would be far-reaching and would have serious repercussions on Federal government policy and institutions.

If collection were conducted less frequently, the timeliness and accuracy of the CPI would be significantly decreased.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **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 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.**

All data are collected in a manner consistent with the guidelines in 5 CFR 1320.5.(d)(2).

**8. If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

#### Federal Register Notice

A letter of support has been received from the Bureau of Economic Analysis (BEA) as a result of the Federal Register Notice published in 86 FR 59427 on October 27, 2021.

#### Consultation with Outside Sources

Due to the CPI's high visibility, data collection, data review and index methodologies used for its construction are under constant scrutiny by individuals and organizations within and outside the U.S. Government. Agencies with which the BLS has had recent contact for the purposes of eliciting comments regarding methodology and procedures include:

- the Bureau of Economic Analysis (BEA),
- the BLS Technical Advisory Committee (BLSTAC),

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- the Congressional Budget Office (CBO),
- the Council of Economic Advisers (CEA),
- the BLS Data Users Advisory Committee (DUAC),
- the Federal Economic Statistics Advisory Committee (FESAC),
- the Federal Reserve Board (FRB),
- the Government Accountability Office (GAO)
- the Congressional Joint Economic Committee (JEC), and
- the Office of Management and Budget (OMB).

The BLS is a full partner with the Census Department and the Bureau of Economic Analysis in the resumption of the Federal Economic Statistics Advisory Committee (FESAC). The committee advises the Directors of Economics and Statistical Administration's two statistical agencies, the Bureau of Economic Analysis (BEA) and the U.S. Census Bureau (Census), and also the Commissioner of the BLS on statistical methodology and other technical matters related to the collection, tabulation, and analysis of federal economic statistics.

In past years, members of the CPI staff in Washington have participated in meetings with the National Association of Business Economics (NABE), Organization for Economic Co-operation and Development, Bank of Japan, Taiwan Department of Census, Statistics Canada, U.K. Office of National Statistics, Federal Reserve Board, United Nations Economic Commission for Europe (UNECE), and the Committee on National Statistics to discuss various aspects of the CPI survey, including methodological and procedural aspects of the data collection process.

CPI staff participate in semi-annual discussions with the Housing Statistics Users Group, made up of representatives from Federal agencies and private businesses and industries sponsored by the National Association of Home Builders (NAHB: 202-822-0200).

The BLS Commissioner and Associate Commissioners report on a monthly basis to the Congressional Joint Economic Committee, and they meet as needed with the CEA and the Government Accountability Office to discuss BLS issues, and especially the CPI program.

**9. Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.**

Cooperation by the respondents to supply data for the CPI is voluntary and no remuneration, payment, or gift is provided.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

The Confidential Information Protection and Statistical Efficiency Act (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.

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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 (44 U.S.C. 3572) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent. Per the 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.”

Special care is taken to ensure data security. Data collected by Economic Assistants using CAD/C is encrypted and transmitted by a Virtual Private Network (VPN). A VPN is a secure, private communication tunnel between two or more devices across a public network (like the Internet). Even though data can travel across the Internet, it is secure because of the strong encryption algorithm used. If an unauthorized user attempts to intercept data across the VPN tunnel, the intruder will not be able to decipher the transmitted data because the data will be encrypted. In addition, VPN software monitors connections such that transmissions are ensured to be unaltered while traveling across the public network.

The data are stored in computer files which have provisions for data security and extensive rules for data access to protect the data from unauthorized use. Collected data are maintained in the Housing server database for a period of 60 months. After that timeframe the data are moved to an archive database.

Although the CAD/C data-capture-screens do not include a statement regarding confidentiality or burden, the data collection staff do provide respondents a pamphlet (Attachment III (English version), IV (Spanish version)) that contains confidentiality and burden statements.

A letter from the Regional or Assistant Regional Commissioner of Labor Statistics is sent to potential respondents (Attachment V). The letter introduces the CPI and explains our mission. The letter assures that information collected will be used for statistical purposes only and contains a confidentiality assurance.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no sensitive questions in this survey.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. General, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The following paragraphs and tables give the derivation of the respondent burden for each activity for Fiscal Years 2022 through 2024. There are three activities that might be associated with any one project listed below. They are screening, initiating, and pricing. Successful completion of this three-stage process provides the information required to revise and update the Housing samples (See Part B) and continue accurate and timely collection of rent information for monthly calculation and publication of the CPI.

Updating the Housing sample begins with CPI economists and statisticians using American Community Survey (ACS) data to sample block groups within CPI Primary Sampling Units (PSUs). Address lists are then purchased for the selected block groups. The address lists also contain tenure codes. The codes represent the likely tenure—owner/renter—of the addresses within the designated block groups. Addresses with a high probability of being owner occupied



or that can be identified as commercial or post office boxes are eliminated. The remaining addresses are transmitted to the field for the EAs to begin the screening and initiation process.

Upon the successful completion of the screening questions, initiation commences smoothly and without interruption. During this phase, questions about the unit, the rent, and what is included in the rent are asked of respondents. The initiation of rental units is a one-time activity, and subsequent visits to these addresses are termed as pricings. Once a unit is initiated, it is in the sample. Subsequently, an attempt to contact a respondent at or associated with that address (in the case of landlords or managers) will be made every six months.

There are two types of pricing—short and long. With short pricing, fewer questions are asked of the respondent. The short pricing interview is the most frequently conducted interview type. Short pricing is an abbreviated interview that confirms the unit’s eligibility for the survey, verifies respondent information, and collects rent data. If the unit has the same occupant as was recorded during the last pricing and there have been no changes in the unit, questions for the short pricing interview are asked. Short pricing questions save time for both our respondent and the EA. A short pricing interview reverts to a long pricing interview if there is a change in occupancy. A long pricing interview occurs if there is a new occupant, certain modifications have been made to the unit, or it has been two or more years since a long interview has been completed.

As part of quality assurance activities, each data collector has eight (8) units randomly selected during the fiscal year for reinterview activities. This reflects less than 2% of the total sample. Each reinterview lasts approximately four (4) minutes.

The CPI is moving the survey to a web collection platform that will simplify the maintenance and development costs. This project is expected to be deployed in 2023.

**Public burden statement:** The survey interview can be completed in an estimated 5-15 minutes.

- \* To determine your eligibility (Screening) – 6 minutes
- \* If eligible, to complete the interview (Initiation) – 9 minutes
- \* Long pricing – 7 minutes
- \* Short pricing – 5 minutes

**Estimated Annualized Respondent Cost and Hour Burden**

Activity	No. of Respondents	No. of Responses per Respondent	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate (\$)	Total Burden Cost (\$)
Screening	25,928	1	25,928	6/60	2,593	26.85	\$69,622.05
Initiation	5,692*	1	5,692	9/60	854	26.85	22,929.90
Long Pricing	14,849	2	29,698	7/60	3,465	26.85	93,035.25
Short Pricing	29,688	2	59,376	5/60	4,948	26.85	132,853.80
Quality Reinterviews	2,648**	1	2,648	4/60	177	26.85	4,752.45
Unduplicated Total	70,465		123,342		12,037		\$323,193.45

The projected cost to respondents assumes a \$26.85 hourly wage.\*\*\* The only cost to the respondent is the time it takes to complete the interview.

\* Initiation activity of 5,692 is included in the Screening number.

\*\* Reinterview activity of 2,648 is included in the Pricing numbers.

\*\*\*BLS News Release, USDL-15-0386; *Employer Costs for Employee Compensation- -March 2021*, released June 17, 2021.

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

- **The cost estimate should be split into two components: (a) a total capital and start up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost**

**burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**

- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

Not applicable. There are no start-up or operations and maintenance costs associated with the collection for the respondent.

**14. Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.**

CPI total cost for FY 2021 is approximately \$92 million. The Housing Survey cost is estimated at about \$23 million or 25 percent of the total cost for the CPI. This figure reflects the full cost of conducting the Housing part of the CPI, including space rent and telecommunications.

**15. Explain the reasons for any program changes or adjustments.**

The previous Information Collection Request (ICR) is based on the average of FY2019, FY2020 and FY2021 and it reflected 12,752 burden hours. The burden included in this request is based on the average of FY2022, FY2023 and FY2024 and reflects 12,037 hours as shown in the table above.

Factors which contributed to the decrease in estimated burden hours for FY2022-2024 compared with FY2019-2021 are the following:

- Over the course of the 2019-2024 period, the housing sample is scheduled to be reduced from 50,000 to 43,000 units. During the 2019-2021 period, half of the sample reduction was completed, while this reduction will continue in the 2022-2024 period.

**16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

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Data are collected from the first day to the last day of the reference month. (For example, data for the January index are collected during January 1-31.) The monthly CPI is first published in a news release between the 10th and 14th of the month following the month in which the data are collected (for example, the index for January is published in mid-February). The release includes a narrative summary and analysis of major price changes, short tables showing seasonally adjusted and unadjusted percentage changes in major expenditure categories, and several detailed tables. Summary tables are also published in the Monthly Labor Review the following month. The information also is found on the CPI public website at:  
<https://www.bls.gov/cpi/publications-overview.htm>.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The Consumer Price Index Housing Program requests authorization to not display the expiration date for OMB approval on the survey materials, to save printing costs and personnel time.

**18. Explain each exception to the certification statement.**

There are no exceptions to the certification statement, "Certification for Paper Work Reduction Act Submissions."