SUPPORTING STATEMENT FOR
LOCAL AREA UNEMPLOYMENT STATISTICS

OMB CONTROL NO. 1220-0017

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

The Local Area Unemployment Statistics (LAUS) program utilizes survey data from the Current Population Survey (CPS) (OMB Control No. 1220-0100) and the Current Employment Survey (CES) (OMB Control No. 1220-0011). Detailed information on these surveys can be found in Census Technical Paper 77[1] for the CPS, the program FAQ[2] for the CES, and in the OMB Paperwork Reduction Act approvals for these collections.

2. Describe the procedures for the collection of information including:

- **Statistical methodology for stratification and sample selection,**

- **Estimation procedure,**

- **Degree of accuracy needed for the purpose described in the justification,**

- **Unusual problems requiring specialized sampling procedures, and**

- **Any use of periodic (less frequent than annual) data collection cycles to reduce burden.**

The LAUS program does not conduct its own survey. Rather, it uses a hierarchy of non-survey methodologies for producing monthly labor force estimates for approximately 7,500 subnational areas. Four measures are produced for each geographic area: civilian labor force, employed people, unemployed people, and the unemployment rate. Employed and unemployed persons are independently estimated. Civilian labor force is then summed from the employed and unemployed, while the unemployment rate is calculated as the unemployed percent of the civilian labor force.

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[1] https://www2.census.gov/programs-surveys/cps/methodology/CPS-Tech-Paper-77.pdf
[2] https://www.bls.gov/web/empsit/cesfaq.htm#SurveyMethods

Estimates for states are derived from signal-plus-noise models that use the monthly employment and unemployment measures tabulated from the CPS as the primary input. Payroll employment estimates from the CES survey of establishments and unemployment insurance (UI) claims counts from the state workforce agencies are also used as model inputs to mitigate volatility in the employment and unemployment measures tabulated directly from the CPS. These models are controlled, or forced to sum, to the national not-seasonally-adjusted employment and unemployment estimates from the CPS. They furthermore serve as controls for substate areas, so that the monthly estimates are additive and comparable across geographic levels. LAUS data for counties (or cities and towns in the New England states) are developed through a building-block approach known as the Handbook method. In the Handbook method, each category of employed or unemployed persons is independently estimated, then added together to produce total Handbook employment and unemployment estimates. These Handbook-based estimates are controlled to the statewide model-based totals to produce the LAUS employment and unemployment estimates.

For multi-county areas, such as many of the metropolitan areas delineated by the Office of Management and Budget, LAUS estimates are summed from the Handbook-based data for their component counties (or component cities and towns in the New England states).

LAUS estimates for cities outside of New England are produced through a disaggregation technique using Census Bureau employment and population data and UI claims counts.

A description of the LAUS program's estimation procedure can be found in the BLS Handbook of Methods (https://www.bls.gov/opub/hom/lau/design.htm).

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

This section does not apply as the LAUS program does not conduct any surveys.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of test may be submitted for approval separately or in combination with the main collection of information.

This section does not apply as the LAUS program does not conduct any surveys.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze person(s) who will actually collect and/or analyze the information for the agency.

Local Area Unemployment Statistics:

> Tom Krolik
> Division Chief
> Local Area Unemployment Statistics
> Bureau of Labor Statistics

Current Population Survey:

> <u>Statistical Design:</u>
>
> Tim Trudell
> CPS Lead Scientist
> Demographic Statistical Methods Division
> Bureau of the Census
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> <u>Statistical Analysis:</u>
>
> Nicholas Johnson
> Division Chief
> Office of Employment and Unemployment Statistics
> Bureau of Labor Statistics
> Washington, D.C. 20212
>
> <u>Data Collection/Survey Design:</u>
>
> Kyra Linse
> CPS Survey Director
> Associate Directorate for Demographic Programs
> Bureau of the Census

Current Employment Survey:

> Mr. Edwin Robison, Chief, Statistical Methods Division of the Office of Employment and Unemployment Statistics, is responsible for the statistical aspects of the CES survey.