

OMB Information Collection Request
Supporting Statement A
U.S. Department of Commerce
U.S. Census Bureau
Current Population Survey (CPS) Basic Demographic Items
OMB Control Number 0607-0049

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

This request is for approval for extension of a currently approved collection of basic demographic information in the Current Population Survey (CPS). The CPS Basic Demographics are currently approved through August 31, 2024, with OMB Control Number 0607-0049.

Authority for the collection of this information for the Current Population Survey is provided under 13 U.S.C. Sections 8(b), 141, and 182, and 29 U. S. C. Section 2.

The Current Population Survey is the primary source of monthly labor force statistics. It is used to keep the Nation informed of the economic and social well-being of its people. This survey measures how the economy and labor force are doing across the country and in your community. The U.S. Census Bureau conducts this survey in partnership with the U.S. Bureau of Labor Statistics.

Personal information collected includes age, marital status, sex, Armed Forces status, education, race, origin, family income, etc. It asks questions about employment, and in certain months includes questions about education, health, family income, housing, and other important subjects.

Furnishing this information is voluntary. There are no consequences for not providing the requested information. However, cooperation in obtaining this much needed information is extremely important to ensure complete and accurate results.

The Census Bureau provides the BLS with data files and tables. The BLS seasonally adjusts, analyzes, and publishes the results for the labor force data in conjunction with the demographic characteristics. In accordance with the OMB's request, the Census Bureau and the BLS divide the clearance request in order to reflect the joint sponsorship and funding of the CPS program. Title 13, United States Code, Sections 8(b), 141, and 182 authorize collection of the demographic items in the CPS. See Attachment F for the full text of these statutes. Title 29, United States Code, Section 2 authorizes the collection of labor force data in the CPS. The justification that follows is in support of the demographic data.

The demographic information collected in the CPS provides a unique set of data on selected characteristics for the civilian noninstitutional population. We use these data in conjunction with other data, particularly the monthly labor force data, as well as periodic supplement data. We also use these data independently for internal analytic research and for evaluation of other

surveys. In addition, we need these data to correctly control estimates of other characteristics to the proper proportions of age, sex, race, and origin.

In addition to the demographic questions, we have included the questions needed to make contact with the household. These include introductions, determining the correct respondent, and verifying the address. These questions are referred to as the “Front” questions. Also involved in maintaining contact with the household are the “Back” questions. These questions collect telephone numbers, best time to contact, and thank the respondent for their cooperation. These questions are needed to do the interview and maintain contact with the household throughout the survey.

In addition to the contact and basic demographic information, questions may be added to the CPS on an “as-needed” basis, in the aftermath of a severe weather event, to determine the number of household members displaced as a result of the event. This is a small battery of questions, consisting of only one question for the vast majority of households. For those households where someone evacuated from the home, even temporarily, follow-up questions ask who evacuated, where they evacuated to, and when they returned home. These questions will not change over the period of this clearance request. They will appear in the CPS for several months, and once deemed no longer needed, they will be removed.

Attachment B-4 provides a listing of the proposed “as-needed” items. A nonsubstantive change request will be submitted to request permission to make this minor modification to the data collection instrument, if and when the need arises.

This request also asks for clearance for the forms that are used in conjunction with the CPS. These forms include:

<u>Form No.</u>	<u>Description</u>	<u>Attachment</u>
CPS-263, CPS-263(SP),	Advance letters sent to new households prior to the first-month interview	D-1
CPS-264, CPS-264(SP),	Advance letters sent to returning households prior to the fifth-month interview.	D-2
CPS-266	Thank you cards sent to households at the conclusion of the eighth interview.	D-3
BC-1433, BC-1433(SP)	Fact Sheet for the CPS.	E-1
CPS-692	Monthly Flow of the CPS	E-2
BC-1428, BC-1428(SP)	How the Census Bureau Keeps Your Information Strictly Confidential.	E-3

2. Purpose and Use of Information Collection

We use the CPS data on household size and composition, age, education, ethnicity, and marital status to compile monthly averages or other aggregates for national and sub-national estimates. We use these data in four principal ways: in association with other data, such as monthly labor force or periodic supplement publications; for internal analytic research; for evaluation of other surveys and survey results; and as a general purpose sample and survey.

The demographic data are central to the publication of all labor force data in the BLS' monthly report *Employment and Earnings*. The data set that results from combining the monthly labor force data with the demographic data provides analysts with the ability to understand labor force patterns of many subpopulation groups. This is particularly important since the federal government often directs initiatives at special groups that historically have not conformed to general labor force participation patterns.

Analysts also use the demographic data in association with CPS supplement visualizations and publications. (Supplements are described later in this section.) For example, the *Fertility Historical Time Series Visualizations* provide a visual presentation of data from the CPS Fertility Supplement. *School Enrollment in the United States* is a publication derived from the School Enrollment Supplement to the CPS. Comparably, researchers are able to characterize the population within the subject area of the many supplements conducted in conjunction with the CPS. For instance, the Annual Social and Economic Supplement (ASEC) identifies which subpopulation groups, as established by the demographic variables, experience the highest incidence of poverty. While we collect and support independently the demographic variables, the labor force data, and the supplement inquiries, their use as a combined data set enhances the utility of each.

The Census Bureau also uses the demographic data extensively for internal analytic work. For example, we use these data to develop estimates of family and household types and metropolitan and nonmetropolitan populations. We use these estimates to identify population trends between decennial censuses and to analyze the growth and distribution of various racial and ethnic groups. We may then use this information in preparing reports on these subjects or in determining the accuracy of population controls used throughout the Census Bureau. As is noted below, we use the demographic data to improve our postcensal population estimates (that is, the components of emigration and undocumented immigration).

Also, we use the CPS as a source for other survey samples. A household remains in the CPS sample for 16 months. Other surveys conducted by the Census Bureau may use a CPS sample when it is no longer part of the CPS. The ongoing American Time Use Survey, sponsored by the BLS uses expired CPS sample. By using the CPS demographics to select their samples, other surveys have been able to avoid screening samples and to obtain accurate estimates by demographics.

Another use of the demographic data is in evaluating other survey results. For example, analysts control the results of the National American Housing Survey to the CPS monthly averages of households. Similarly, in order to determine the plausibility of the results of the Survey of Income and Program Participation (SIPP), analysts continuously compare the data on household and family composition from the SIPP to the CPS monthly household and family composition data.

The Census Bureau often uses the CPS as a model and resource for improving the efficiency and quality of other surveys. For example, the Census Bureau designed some items for the SIPP from the CPS. Academics and researchers have historically used the CPS to better understand the many complexities associated with sample surveys and household interviews in general.

In addition to the collection of demographic and labor force data, the CPS is also a major vehicle for the collection of supplemental questions on various socio-economic topics. In most months of the year we ask supplemental questions after asking the basic labor force questions of all eligible people in a household, thereby maximizing the utility of the CPS sample. We also collect annual data on work experience, income, migration (ASEC), and school enrollment of the population (October supplement). In addition, we collect biennial, but separately funded, data on fertility and birth expectations of women of child-bearing age (June), voting and registration (November) and child support. The BLS, the Census Bureau, other government agencies, and private groups sponsor the supplements. Attachment C is a list of the CPS supplements scheduled for 2024 and 2025. All of these supplements use the demographic items covered here as classification variables.

Discontinuance of demographic data in the CPS would impair the determination of changes in the country's economy, as these changes differentially affect various subpopulation groups and would lessen the government's ability to react to the changes properly and quickly. Discontinuance also would mean the loss of the benchmark of demographic data for many other surveys.

The basic CPS front, demographic, and back items (including coverage items and other non-labor force items) are illustrated in Attachment B-1, B-2, and B-3.

Information quality is an integral part of the pre-dissemination review of the information disseminated by the Census bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to the information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. Use of Improved Information Technology and Burden Reduction

Since January 1994, we have been collecting both the demographic and the labor force data using computer-assisted interviewing. We deem the use of personal visits and telephone interviews using computer-assisted telephone interviewing and computer-assisted personal interviewing the most appropriate collection methodology given existing available information technology. We are currently examining the use of the Internet as a response mode, to improve both the respondent experience during the survey and the response rate. CPS program leadership from the Census Bureau and BLS have agreed that modernization is needed to ensure the sustainability of the CPS. The Census Bureau and the Bureau of Labor Statistics are in the early stages of a multi-year effort to improve and modernize the operations of CPS. One of the largest efforts of this process is the introduction of an Internet self-response mode by 2027.

4. Efforts to Identify Duplication and Use of Similar Information

The demographic data collected in the CPS must be collected in conjunction with the labor force data in order for the labor force information to be most useful; therefore, although we collect demographic data in conjunction with almost all surveys, we need to continue its present collection in the CPS. There is no other current data source available that provides as comprehensive a set of statistics for analysis as described in question 2 above.

5. Impacts on Small Businesses or Other Small Entities

The collection of CPS demographic information does not involve small businesses or other small entities.

6. Consequences of Collecting the Information Less Frequently

Title 29, United States Code, Section 2 requires the BLS to publish, at least once a month, complete statistics on levels and month-to-month changes in employment and unemployment. The labor force data cannot be fully interpreted and put to practical use without the demographic data. In addition, less frequent collection would also mean a disruption in a primary source of national demographic data.

7. Special circumstances that would cause the information collection to be conducted in a manner inconsistent with OMB guidelines

This data collection will be consistent with the general information collection guidelines of 5 CFR 1320.5. However, the Census Bureau and BLS acknowledge the impetus to effect new race and ethnicity standards as set forth in the revised *Statistical Policy Directive No. 15: Standards for Maintaining, Collecting and Presenting Federal Data on Race and Ethnicity* as

released on March 28, 2024. The agencies seek an approach for introducing the revised race and ethnicity standards expeditiously while ensuring that the nation's unemployment rate – a Principal Federal Economic Indicator (PFEI) – remains stable and that any changes resulting from the new standards are thoroughly understood and communicated.

Considerations for the successful execution of the revised race and ethnicity standards on the CPS include:

- **Ensuring the Stability of the U.S. Unemployment Rate and other key economic measures from the CPS as a Principal Federal Economic Indicator (PFEI)** – The CPS produces critical data on the U.S. labor force economy, including the monthly unemployment rate that is produced and released by BLS on the first Friday of every month. These data include closely watched measures by race and ethnicity. As changes to CPS design or content are introduced, it is essential that BLS and the Census Bureau understand and communicate to the public any impacts those changes have on this PFEI. Typically, CPS implements changes after at least one other major (non-PFEI) survey has done so to learn from the other survey's implementation. In the past this has been ACS. Additionally, much work must be done to successfully transition to the revised standard, such as ensuring that BLS and the Census Bureau understand reporting consistency and/or measures to provide details on breaks in trends. New population controls must be estimated, and the CPS weighting methodology revised to reflect new race and ethnicity control populations. Processes for editing, allocation, and data dissemination must be revised. Additionally, the effects of implementing the new standard must be researched and the results conveyed to the public in order for people to understand the change in reporting to properly report if the change is change in the estimates or the data collection categories. These critical phases of data production require significant coordination within and between these agencies. Each of these should be researched and tested as much as possible before implementation.
- **Reliability of CPS Data as Source of Population and Migration Estimates** -- CPS data are used to produce U.S. population and migration estimates. Further, other agencies and private industries use the CPS weights to create their own estimates using our population controls. Given this foundational role and the risk to skewing data that reverberates well beyond the CPS itself, the Census Bureau must update the population controls with data collected under the new standards before we can introduce them into CPS data collection. This means we need a source of the data either through another survey such as ACS or an accurate model to be created. At this time, Census anticipates that these first version of controls based on models will be available in 2026 and would need to be reviewed to make sure they meet CPS requirements on reporting. Census also anticipates that updates to the population controls would be made more often as better data are collected, which introduces difficulties in trend reporting in the event there are large changes in the population identification.

- **CPS Modernization Initiative Currently Underway** -- CPS is in the middle of a significant modernization effort that will for the first time offer an internet self-response mode for CPS respondents. As we execute the development and testing efforts for this major design change, we must maintain consistency between test and production data to compute mode effects and their impact on the PFEI. Introducing two different sets of race and ethnicity questions at this juncture preclude our ability to control for differences in mode. The new mode will be introduced in 2027; and ideally, we would introduce the new race and ethnicity response categories after that point in a controlled fashion that mitigates the risks of introducing changes in the unemployment rate that are not well understood or sufficiently communicated to economic policy makers.

The Census Bureau is deeply invested in the establishment of the new race and ethnicity standard. It represents years of rigorous research and testing at Census – and they offer people living in the U.S. a method for self-identifying that is more straightforward and more nuanced than the old standard. The Census Bureau is aligned with the impetus for introducing these new race and ethnicity standards as expeditiously as possible. For the CPS, the Census Bureau and BLS are wholly committed to producing data on the new standard by the OMB published target date of March 28, 2029; however, both agencies are developing an action plan to determine how the new standard can be effected sooner.

To advance and balance these two important dynamics – timely deployment of the new standard while preserving the quality and reliability of the CPS – the Census Bureau proposes that the CPS panel design be introduced no later than October, 2025 to initiate research to understand the impacts of the new standards on the CPS data using test questions based on the new race and ethnicity categories in our longitudinal pattern for comparison of reporting to current standard.

BLS is in the process of planning the Current Population Survey’s (CPS) transition to the revised 2024 SPD15. BLS will meet OMB’s September 28, 2025 deadline for the publication of an OMB-approved timeline for CPS’s transition to the new standard. CPS will also meet the March 28, 2029 deadline for this transition, as set by OMB.

As the agency responsible for releasing the official unemployment rate, BLS is evaluating the effects of the new SPD15 standard on U.S. labor force indicators, such as the Nation’s unemployment rate. Staff at BLS have begun to study this issue and recently published an NBER paper, [“Measuring Potential Effects of Introducing the 2024 Race and Ethnicity Standards into the Current Population Survey”](#) on this topic. This paper uses existing, unedited race and ethnicity data from the CPS to estimate the potential impact of the new Hispanic or Latino category and new MENA category on U.S. unemployment rates, employment-to-population ratios, labor force participation rates, and earnings. More research is needed and planned, including research that uses data collected on both the old and new standards – data that will be available for this purpose given the Census Bureau’s proposal above to introduce

test questions using the new standard starting in 2025.

8. Comments in Response to the Federal Register Notice/Outside Consultation

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

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In addition to the above, a statement soliciting comments for improving the CPS data is prominently placed in all Census Bureau publications that cite the CPS data. We include a similar statement in the technical documentation that accompanies the microdata files. We published a notice of our intent to ask the demographic questions during the CPS in the March 1, 2024, edition of the *Federal Register* (USBC-2024-0003). We received one comment in response to this notice, requesting the inclusion of sexual orientation and gender identity in the data collection for the CPS. In response to this request, the CPS program is considering including these characteristics in the data collection, and is consulting with the sponsoring agency on the impacts of such inclusion, while also looking to other national household surveys for their input on the matter. Finally, the advance letter (Attachments D-1 and D-2) 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. Explanation of any Payment or Gift to Respondents

We do not make any payments or provide any gifts to individuals participating in the CPS.

10. Assurance of Confidentiality Given to Respondents

The Census Bureau will collect data in compliance with OMB Circular A-130. Each sample household receives an advance letter approximately one week before the start of CPS interviewing (see Attachments D-1 and D-2). The letter includes the information required by the Paperwork Reduction Act, explains the voluntary nature of the survey, and states the estimated time required for participating in the survey. Interviewers must ask if the respondent

received the letter and, if not, provide a copy and allow the respondent sufficient time to read the contents. Also, interviewers provide households with the pamphlet, *The U.S. Census Bureau Respects Your Privacy and Protects Your Personal Information* and *Fact Sheet for the Current Population Survey* (see Attachments E-1 and E-3).

All information given by respondents to Census Bureau employees is held in strict confidence under Title 13, United States Code, Section 9. Disclosure of the information provided to us is permitted under the Privacy Act of 1974 (5 U.S.C. § 552a) and may be shared with other Census Bureau staff for work-related purposes identified in the Privacy Act System of Records Notice COMMERCE/Census-COMMERCE/Census-3, Demographic Survey Collection (Census Bureau Sampling Frame).

11. Justification for Sensitive Questions

1There are no sensitive questions in the demographic portion of the CPS.

12. Estimates of Annualized Hour and Cost Burden

The total estimated annual respondent burden for the interview will be 66,080 hours. We base this estimate on interviewing 59,000 households on a monthly basis. The sample size includes the extra households added to the monthly CPS as part of the expansion provided by the State Children's Health Insurance Program (SCHIP) funding. The estimated average interview length per month per household of this operation for the front, back and demographics is 5.6 minutes. We base these estimates on the average interview time in any month; however, the time spent on the collection of demographic information is highly dependent on the month-in-sample of the household. We calculated the burden estimates shown in this package based on the full demographic battery of questions.

The total estimated annual respondent burden indicated in the 60-day Federal Register Notice incorrectly states the burden as 17,700 hours. That total only represents the demographic items. The actual respondent burden reflects not only those items, but also the introductory items in the front of the survey, and the items in the back of the survey that serve to conclude the questions and thank the respondent for their time.

A household in the CPS is in sample for four consecutive months one year and for the corresponding time period one year later. (This is the 4-8-4 rotation pattern.) We complete all the demographic information in the first-month interview and update it during the remaining seven months. In the subsequent months, all we require is verification of the household roster and making changes and updates as necessary. The time estimate given here is the average respondent time that was required to complete the introductory items, the demographic questions, and closing contact questions, in an average household across all months-in-sample.

The estimated total annual respondent cost burden is based on the estimated respondent hour burden, which is 66,080 hours. Therefore, the estimated total annual respondent cost burden based on these hours is \$2,073,590. For individuals, the wage rate is \$31.38 per hour based on hourly earnings for employees as reported by the Bureau of Labor Statistics.

12A. Estimated Annualized Burden Hours

Type of Respondent	Expected Number of Respondents ¹	Number of Responses per Respondent	Average Burden per Response (in hours)	Total Burden Hours
CPS Household Respondent	708,000	1	.0933	66,080

12B. Estimated Annualized Burden Costs

Type of Respondent	Total Burden Hours	Hourly Wage Rate	Total Respondent Costs (rounded to nearest dollar)
Household Respondent	66,080	\$31.38	\$2,073,590
Total	66,080		\$2,073,590

13. Estimates of Other Total Annual Cost Burden to Respondents

There are no direct costs to the respondent other than that of their time to respond.

14. Annualized Cost to the Federal Government

The estimated cost to the government is expected to be \$93 million in fiscal year (FY) 2024 for the full CPS data collection program as administered by the Census Bureau. The BLS will contribute approximately \$54 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 the SCHIP also contributes to the CPS program to fund the additional sample that is required for the precision requirements of health insurance data from the ASEC to the CPS. The Census Bureau will contribute about \$12 million for the collection of demographic data in FY 2024. The remaining funds are received from various agencies to fund supplements and other projects.

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Additionally, BLS will spend approximately \$8 million for review and dissemination of the labor force data.

15. Explanation for Program Changes or Adjustments

There is no change in burden.

16. Plans for Tabulation, Publication, and Project Time Schedule

The information collected in the CPS is made available to the public through the Internet on the BLS/Census Bureau CPS Web site ([Current Population Survey \(CPS\) \(census.gov\)](http://census.gov)). We only release information that has been sanitized such that we do not identify any individuals' data. The publication date of the CPS demographic data varies depending on which data we analyze in conjunction with the demographics. For example, when we associate the demographic data with the basic labor force data, as we do each month, we release the data 19 days after the start of interviewing. When we associate the demographic data with the ASEC, we release the data approximately five months after we complete interviewing.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

Respondents' length of participation in the CPS is not likely to coincide with the expiration date of this clearance. To avoid confusion that may arise from this fact and given that the CPS has been in place for over 70 years and the basic CPS interview has remained relatively unchanged over the past 10 years, we request a waiver of the requirement to display the expiration date.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification.