## Evaluation of the 2008 American Community Survey Employment Status Question Change

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## Introduction

- For the 2008 American Community Survey (ACS), changes were made to the questionnaire that modified and improved existing questions for several subject areas.
- In particular, an improved series of labor force questions was introduced to better capture data on employment status.



## Introduction (continued)

- This paper will detail the specifics of the employment status question change.
- We will also present comparisons to Bureau of Labor Statistics data (i.e., Current Population Survey (CPS) and Local Area Unemployment Statistics (LAUS)) for the years 2007, 2008, and 2009.



## Introduction (continued)

- We believe the modifications and improvements made to the existing series of labor force questions had the effect of increasing the number of employed persons captured in the 2008 ACS.
- As a result of the above changes, we find that ACS data are more consistent with both CPS and LAUS data.



## Background

- In January through March of 2006, the ACS conducted the first field test of new and modified content since the ACS reached full implementation.
- One objective of this field test was to improve the measurement of employment status by addressing several limitations present in the ACS question wording.



# Background (continued)

- Past research revealed that employment levels were underestimated and unemployment levels were overestimated relative to benchmark data from CPS and LAUS.
- Three of the employment status questions were modified: whether the respondent (1) "worked last week;" (2) "was temporarily absent from their job or business;" and (3) "was looking for work."



## Background (continued)

- The findings from the field test showed that the test questions produced a higher estimate of employed people compared to the control.
- The test questions did not produce a lower estimate of unemployed people, though the overall unemployment rate was lower.
- Given the above positive findings, the revised questions were implemented in the 2008 ACS.



## Characteristics of Respondents Answering the Revised Question Sequence

- One of the more significant changes to the employment status sequence of questions was the change made to the "worked last week" question.
- Findings from the field test and other research indicated that the ACS was not completely capturing those workers with a "marginal" or "irregular" attachment to the labor market.



#### **ACS Employment Status Questions**

2007	2008
28 LAST WEEK, did this person do ANY work for either pay or profit? Mark (X) the "Yes" box even if the person worked only 1 hour, or helped without pay in a family business or farm for 15 hours or more, or was on active duty in the Armed Forces.	<ul> <li>a. LAST WEEK, did this person work for pay at a job (or business)?</li> <li>Yes → SKIP to question 29</li> <li>No - Did not work (or retired)</li> </ul>
$\square Yes \\ \square No \rightarrow SKIP to question 34$	<ul> <li>b. LAST WEEK, did this person do ANY work for pay, even for as little as one hour?</li> <li>Yes</li> <li>No → 5KIP to question 34a</li> </ul>
34 a. LAST WEEK, was this person on layoff from	
a job? ☐ Yes → SKIP to question 34c ☐ No	<ul> <li>a. LAST WEEK, was this person on layoff from a job</li> <li>Yes - SKIP to question 34c</li> <li>No</li> </ul>
b. LAST WEEK, was this person TEMPORARILY absent from a job or business?	b. LAST WEEK, was this person TEMPORARILY absent from a job or business?
<ul> <li>Yes, on vacation, temporary illness, labor dispute, etc. → SKIP to question 37</li> <li>No → SKIP to question 35</li> </ul>	<ul> <li>Yes, on vacation, temporary illness, maternity leave, other family/personal reasons, bad weather, etc. → SKIP to question 37</li> <li>No → SKIP to question 35</li> </ul>
c. Has this person been informed that he or she will be recalled to work within the next 6 months OR been given a date to return to work?	c. Has this person been informed that he or she w be recalled to work within the next 6 months C been given a date to return to work?
	Yes → SKIP to question 36 No
Has this person been looking for work during the last 4 weeks?	35 During the LAST 4 WEEKS, has this person been ACTIVELY looking for work?
$\bigcirc \text{Yes} \\ \bigcirc \text{No} \rightarrow \text{SKIP to question 37}$	$\bigcirc Yes \\ \bigcirc No \rightarrow SKIP \text{ to question 37}$
36 LAST WEEK, could this person have started a job if offered one, or returned to work if recalled?	36 LAST WEEK, could this person have started a job if offered one, or returned to work if recalled?
Yes, could have gone to work	Yes, could have gone to work
No, because of own temporary illness No, because of all other reasons (in school, etc.)	No, because of own temporary illness No, because of all other reasons (in school, etc.)

<ul> <li>LAST WEEK, did this person do ANY work for either pay or profit? Mark (X) the "Yes" box even if the person worked only 1 hour, or helped without pay in a family business or farm for 15 hours or more, or was on active duty in the Armed Forces.</li> <li>Yes</li> <li>No → SKIP to question 34</li> </ul>	<ul> <li>a. LAST WEEK, did this person work for pay job (or business)?</li> <li>Yes → SKIP to question 29</li> <li>No - Did not work (or retired)</li> <li>b. LAST WEEK, did this person do ANY work pay, even for as little as one hour?</li> <li>Yes</li> </ul>
<ul> <li>a. LAST WEEK, was this person on layoff from a job?</li> <li>Yes → SKIP to question 34c</li> <li>No</li> <li>b. LAST WEEK, was this person TEMPORARILY absent from a job or business?</li> <li>Yes, on vacation, temporary illness, labor dispute, etc. → SKIP to question 37</li> <li>No → SKIP to question 35</li> <li>c. Has this person been informed that he or she will be recalled to work within the next 6 months OR been given a date to return to work?</li> <li>Yes → SKIP to question 36</li> <li>No</li> </ul>	<ul> <li>No → SKIP to question 34e</li> <li>a. LAST WEEK, was this person on layoff from</li> <li>Yes → SKIP to question 34c</li> <li>No</li> <li>b. LAST WEEK, was this person TEMPORARILL absent from a job or business?</li> <li>Yes, on vacation, temporary illness, materleave, other family/personal reasons, bad weather, etc. → SKIP to question 37</li> <li>No → SKIP to question 35</li> <li>c. Has this person been informed that he or be recalled to work within the next 6 more been given a date to return to work?</li> <li>Yes → SKIP to question 36</li> <li>No</li> </ul>
<ul> <li>Has this person been looking for work during the last 4 weeks?</li> <li>☐ Yes</li> <li>☐ No → SKIP to question 37</li> </ul>	<ul> <li>35 During the LAST 4 WEEKS, has this person be ACTIVELY looking for work?</li> <li>☐ Yes</li> <li>☐ No → SKIP to question 37</li> </ul>
<ul> <li>LAST WEEK, could this person have started a job if offered one, or returned to work if recalled?</li> <li>Yes, could have gone to work</li> <li>No, because of own temporary illness</li> <li>No, because of all other reasons (in school, etc.)</li> </ul>	<ul> <li>LAST WEEK, could this person have started if offered one, or returned to work if recall</li> <li>Yes, could have gone to work</li> <li>No, because of own temporary illness</li> <li>No, because of all other reasons (in school,</li> </ul>

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## Characteristics of Respondents Answering the Revised Question Sequence (continued)

- In 2008, there were approximately 1.2 million people who were considered "marginal" workers.
- Demographic and economic differences<sup>\*</sup> between marginal and non-marginal workers were consistent with characteristics of workers who may work temporarily or have changing work schedules.
- For example, marginal workers were more likely to be enrolled in school and self-employed.



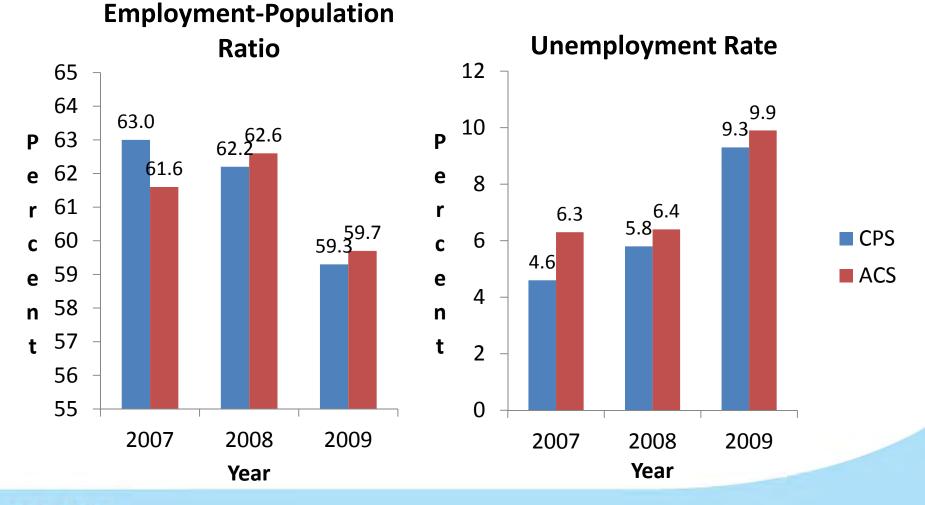
\*All comparisons made in this paper have undergone statistical testing and are significant at the 90 percent confidence level unless otherwise noted. 11

# Effect on Employment and Unemployment Estimates

- The CPS and LAUS are used to produce the official estimates of employment, unemployment, and the unemployment rate for the nation and states.
- The CPS provides the official national level estimates, while the LAUS data provide the official estimates for the 50 states and the District of Columbia.

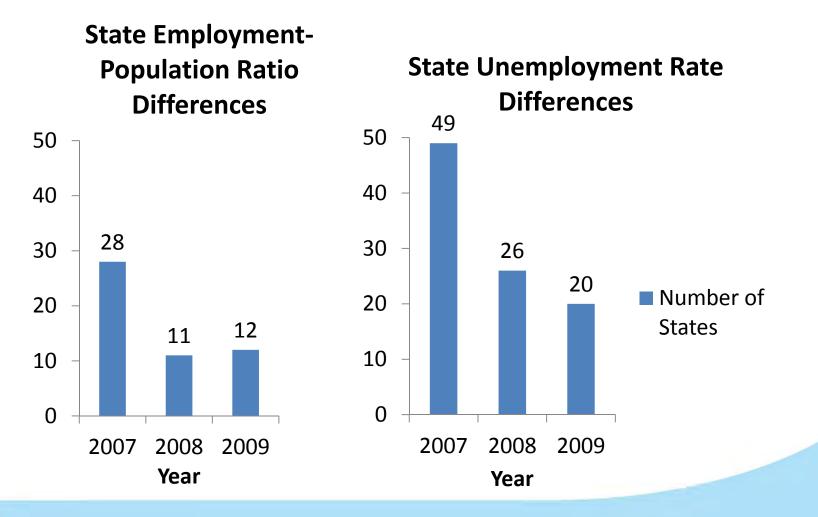


#### Effect on Employment and Unemployment Estimates (continued)





Effect on Employment and Unemployment Estimates (continued)





## Conclusion

- ACS labor force data is now more consistent with benchmark data from the CPS and LAUS program.
- We believe the revised "worked last week" question is capturing those additional workers potentially not identified in the past.



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