

# ***PERSONALLY SPEAKING***

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## **INDEPENDENT COMMITTEE NEEDED TO REVIEW HOUSEHOLD SURVEY**

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*Permission to quote is granted when the source is acknowledged.*

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Conditions in the labor market resemble a weather system. Just as it can be pouring down rain in one part of town and at the same time sunny and bright in another, there are huge differences in the jobless rate for different demographic groups. For full-time workers the unemployment rate was 7.3 percent in November. For those working part time, the rate was 5.6 percent.

Among 20-24 years olds unemployment reached 11.6 percent. For those who are 25 years of age and older with at least a four-year college degree the jobless rate was 3.4 percent. At 10.0 percent the rate for persons who are not married is more than double the rate for married persons.

The BLS also provides monthly estimates of unemployment by state and metropolitan area. The latest estimates (for October) indicate that it is raining in nine states where there is at least one metropolitan area with unemployment at 10 percent or higher: Arizona (1), California (10), Connecticut (1), Georgia (1), Illinois (4), Massachusetts (1), New Jersey (3), North Carolina (1), and Texas (1).

The lowest statewide jobless rate was recorded in North Dakota (1.9 percent); the highest in the District of Columbia (9.9 percent) and Nevada (9.2 percent).

These large differences demographically and geographically caution against using the overall unemployment rate of 7.0 percent as a final indicator of extent of the hardship of unemployment across the entire United States. Further, in November there were 7.7 million persons counted as *employed* even though they were working part time for economic reasons. If they had been counted as *unemployed*, a classification not allowed by the BLS for these workers, the jobless rate in November jumps to 12.0 percent.

Though few took note of it, the BLS announced that the November household survey was taken during the week that included the 12<sup>th</sup> day of the month. The usual practice is to schedule the survey for the week that includes the 19<sup>th</sup> of the month. Thus in November the reference week, the week that respondents are asked about their labor force activity, included the 5<sup>th</sup> of the month -- an off-year election day across the United States, involving

various local and state offices and issues. Did that make it more difficult for enumerators to reach the population included in the household sample by landline telephone?

The BLS justified this departure from its usual procedures on grounds that due to the Thanksgiving holiday it was not possible to collect and process the data in time for release in a timely fashion. But Thanksgiving this year occurred during the fourth week of November and the data were released on December 6. Thus, allowing two days off for Thanksgiving, the Census Bureau had at least five days to collect the data and the BLS had as many as seven days to process and analyze the data *without* departing from its usual procedures.

In the end, does this change in procedures really matter? Perhaps. To help ensure that the respondents do not become bored and indifferent through repeated interviewing the Census Bureau rotates some of the households out of the sample every month and replaces them with households that are rotated into the sample. The households that remained in place from October to November were interviewed three weeks after the October interview rather than four. Did some of them brush off the enumerator with a “same as last time” response? Did the enumerator accept that reply or insist on asking every question in the survey instrument as required? Does the Census Bureau have audit procedures in place to assure that enumerators are faithfully doing their job assignments?

The House Committee on Oversight and Reform is investigating charges that Census enumerators may be turning in survey questionnaires with made-up information. Given the importance of these data to national economic policy, it’s time for an independent commission to examine Census Bureau and BLS procedures, top to bottom. Fifty years ago President Kennedy appointed a special committee to look into the household survey and recommend changes as needed. The committee’s Gordon Report led to several important improvements in the household survey.

To avoid the usual political wrangling, President Obama should appoint an independent committee to find out how the Census Bureau executes its responsibilities for data collection and processing and how the BLS takes care of its duties regarding data analysis and reporting. One important question is: Should the BLS continue to count persons working part time for economic reasons as employed or re-classify them as full-time equivalents? Another is: To assure greater reliability of its estimates should the Census Bureau enlarge the sample size to take account of a growing population? A third is: Given the large number of undocumented workers who, fearful of detection and deportation, hide from the enumerators, how accurate are the household survey estimates?

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