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Source: BLS/FRED
Introduction

Local Area Unemployment Statistics (LAUS)

https://www.bls.gov/lau/home.htm
Definitions

- Unemployed persons – Not employed, available to work, and actively seeking employment during the prior 4 weeks.
- Employed persons - Employed, 1 hour or more for pay per week
- Labor force - Sum of unemployed and employed persons
- Unemployment rate - (Unemployed persons / Labor force) x 100

Detailed documentation: [https://www.bls.gov/cps/eetech_methods.pdf](https://www.bls.gov/cps/eetech_methods.pdf)
Methodology

• A complex model incorporating survey and administrative records producing monthly estimates of civilian labor force, employment, unemployment and the unemployment rate.

• Details on the methodology at https://www.bls.gov/lau/laumthd.htm

• Geographic reporting for Regions, Divisions, States, Core Based Statistical Areas, Counties and Cities.

• Details on geographic concepts and coverage at https://www.bls.gov/lau/laugeo.htm
Top-Down Approach

• Nation → States → Counties

• State estimates input:
  • Current Population Survey (CPS)
  • Current Employment Statistics survey (CES)
  • Unemployment Insurance (UI) claims

• State estimates are controlled to the National totals
County Estimates - "Handbook method"

• Detailed description in BLS Handbook of Methods at [https://www.bls.gov/opub/hom/lau/home.htm](https://www.bls.gov/opub/hom/lau/home.htm)

• Employed persons by Place of Work
  • Current Employment Statistics (CES) survey
  • Quarterly Census of Employment and Wages (QCEW)

• Employed persons by Place of Residence
  • Adjust Place of Work to Place of Residence using commuting patterns from the American Community Survey (ACS)

• Synthetic estimates of agricultural workers, self-employed and unpaid family workers, and private household workers
Estimates of Unemployed Persons

- Unemployment Insurance claimants
- Persons who have exhausted their benefits
  - "Survived" using a conditional probability model
- New entrants and Reentrants
  - Allocating state level estimates from the CPS to each county based on age composition
County Estimates of Employed and Unemployed Persons

“Handbook-based total employment and unemployment estimates finally are controlled to the statewide model-based totals” (https://www.bls.gov/lau/laumthd.htm).
Recap of the Method for County Estimates

• Concepts and definitions underlying LAUS data come from the Current Population Survey (CPS).

• State monthly model-based estimates are controlled in "real time" to sum to national monthly employment and unemployment estimates from the CPS.
  • Combine current and historical data from the CPS, the Current Employment Statistics (CES) survey, and state unemployment insurance (UI) systems.

• Estimates for counties are produced through a building-block approach known as the "Handbook method." Data from several sources:
  • Current Population Survey (CPS)
  • Current Employment Statistics (CES) survey
  • State Unemployment Insurance (UI) records
  • American Community Survey (ACS)

• Estimates are adjusted to the statewide measures of employment and unemployment