BROOKINGS

Current Population Survey Challenges: Lessons from International Labor Market Surveys

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Overview

The CPS serves an invaluable role in economic policymaking

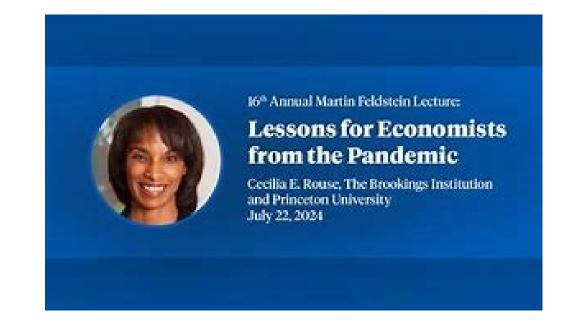
Changing norms + strained budgets → more urgent problems

New approaches are needed to preserve measurement and data integrity

The CPS serves an invaluable role in economic policymaking

 Provides official measures of the unemployment rate, a key input for monetary and fiscal policy, as well as statistics on income, poverty and health insurance

 Comparative advantage: timely statistics on the health of the U.S. labor market for a nationally-representative sample "Better-calibrated economic policymaking requires more investment in data and infrastructure."



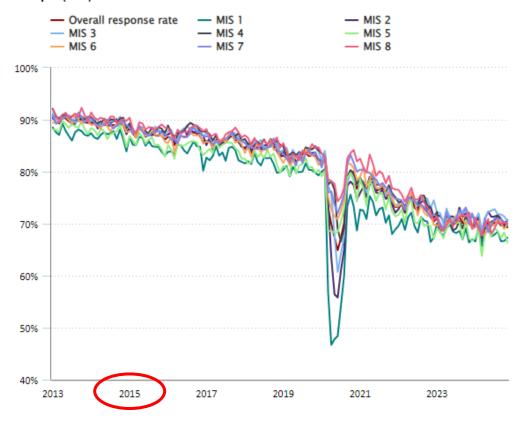
The problems the CPS faces are not new ...



Household Surveys in Crisis[†]

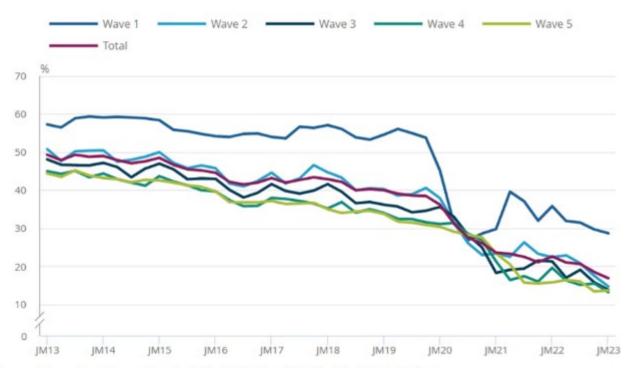
Bruce D. Meyer, Wallace K. C. Mok, and James X. Sullivan

CPS response rates, overall response rate and response rates by month in sample (MIS)



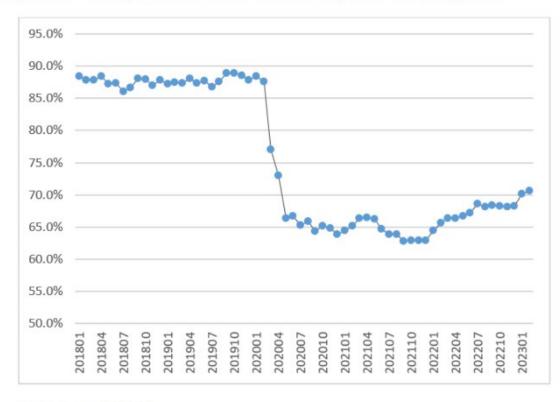
... and are present in other countries...

Figure 2. Great Britain, excluding imputed households, January-to-March 2013-2023



Source: Labour Force Surveys form the Office for National Statistics Quality Monitoring

Figure 3. LFS Response Rates Over Time: January 2018 - January 2023

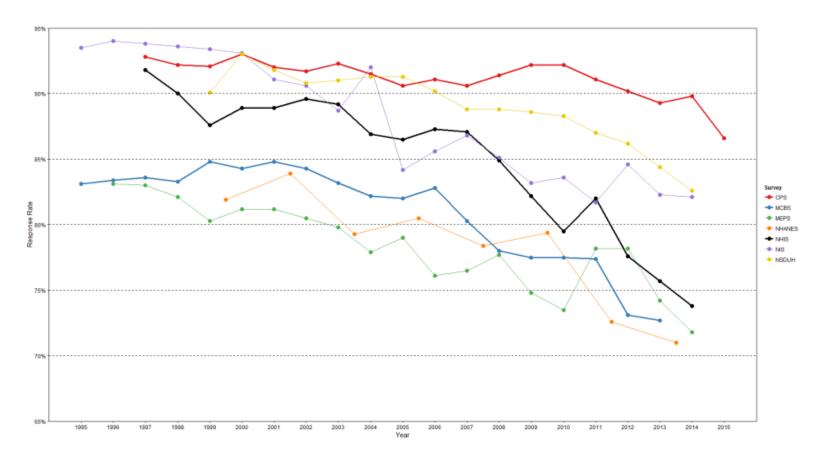


Source: FEDCASIC 2023

Source: 2023 Modernization Efforts, U.S. Census Bureau, retrieved on December 10, 2024.

... and other surveys.

Figure III.1 Selected survey response rates



Source: <u>Declining Response Rates in Federal Surveys: Trends and Implications</u>, June 2016, John Czajka and Amy Beyler.

Problems go beyond survey non-response...

Sample size

Notice regarding funding of the Current Population Survey

The Bureau of Labor Statistics (BLS) and the Census Bureau have paused plans to reduce the Current Population Survey (CPS) sample in January 2025, due to a provision in the recently passed continuing resolution that allows BLS to spend CPS funds at a faster rate. We will continue to monitor the budget situation and will keep the public updated about potential impacts to the CPS sample.

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Item non-response/growing number of imputations

What are the levers the BLS can pull within the current CPS structure, and what are the tradeoffs?

- Survey modality (online, telephone, in person, ...)
 - Higher response rates but how does modality change responses? ("mode effects")
 - What is the optimal order of survey mode?
- Survey length
 - How does reducing survey length impact response? Likely impacts item non-response but may not impact survey non-response...

What are some possible outside-the-box solutions?

Administrative data

 Combination of administrative/survey data to better adjust for nonresponse

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