

## Ever wonder why the Economic and Labor Market Information Bureau (ELMIB) produces different employment numbers?

**T**hat is because there are different definitions of employment that can be measured. One focuses on how many jobs exist in New Hampshire while the other measures how many New Hampshire residents are employed. But what causes the difference?

Each month ELMIB releases two employment figures for some of the geographical areas. These areas are New Hampshire-statewide and the three major metropolitan areas: Manchester, Nashua and Portsmouth-Rochester.

### **A household survey versus a payroll survey**

As part of Local Area Unemployment Statistics (LAUS), a civilian employment figure is calculated each month. This figure includes the number of residents in the area that work, no matter where they work. The LAUS employment number is based on a *household* survey called the Current Population Survey (CPS) conducted by U.S. Census Bureau. Total

employment is published statewide and for LMA's (PMSA's), counties, and selected cities and towns.

The Current Employment Statistics (CES) program, also released monthly estimates of nonfarm employment based on a *payroll* survey. CES employment includes the number of payroll jobs in an area, no matter where those employees actually live. Industry employment is published statewide and for three PMSA's by NAICS Supersectors.

In other words the LAUS employment is *by residence* whereas CES employment is *by place of work establishment*. Data on commuting patterns - from area of residence to area of work place - can to a large extent explain the difference between the two employment numbers. Another difference is that the household survey only distinguishes between whether a person works or doesn't work, whereas CES counts each employee that is on an employer's payroll. This means

<b>Household survey - Local Area Unemployment Statistics (LAUS)</b>	<b>Payroll survey - Current Employment Statistics (CES)</b>
Counts People (residents with full-time or part-time jobs) Multiple jobholders are counted once	Counts Jobs (full-time and part-time) Multiple jobholders can be counted several times
Employment by residence: Includes residents that work where they live as well as those that travel to work at locations in another area of the state or another state. Includes business owners, self-employed, private household workers or unpaid family workers that are living in the area	Employment by place of establishment: Includes jobs held by employees living outside the area of where the job is located  Excludes business owners, self-employed persons, unpaid volunteers or family workers and private household workers.
Agricultural and railroad employment is included Includes residents that are on unpaid leave or not working due to a labor dispute	Nonfarm employment  Does not include jobs held by those on unpaid leave or not working because of labor dispute

that a multiple jobholder can be counted several times by the CES survey, but would only be counted once by CPS (LAUS). Both surveys collect data for the week containing the 12<sup>th</sup> of the month. Additional differences in what is included and what is not included in the two surveys are included in the first table.

### How can we reconcile the two employment numbers?

The reference period for the U.S. Census 2000 Commuting Patterns was April 2000. In the following we'll try to reconcile the employment numbers from April 2000 with commuting patterns, multiple jobholders and self-employment data. Multiple jobholders and self-employment data are annual estimates. In April 2000 LAUS employment was estimated at 666,386 as opposed to CES employment at 615,800.

Census 2000 estimated that 638,565 residents commuted to work, 538,457 of whom commuted within New Hampshire. In other words 100,108 residents commuted out of the state to work. The number of out-of-state residents that

worked in New Hampshire was 54,094. This is a net difference of 46,014 employed people that the payroll survey would not have included, assuming that all commuters were eligible to be included in nonfarm estimates.

The annual estimate of self-employed by CPS was about 61,000 for 2000. As this figure is based on a small sample, and as the data varies from year to year, a range of data from 2000 to 2002 has been applied. The Bureau of Labor Statistics (BLS) estimated the number of multiple jobholders for 2000 was 42,000 or 6.3 percent of total LAUS employment. Some of these multiple jobholders had more than two jobs. Applying the national share of multiple jobholders working 2, 3 or 4 or more jobs, additional jobs not included in the New Hampshire household survey (LAUS) would be approximately 45,500.

As all these numbers are estimates based on surveys, it is difficult to reach the exact "truth" of employment and the reconciliation shows that.

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### Reconciliation between LAUS and CES employment data

<b>LAUS Employment, April 2000 (New Hampshire)</b>	<b>666,386</b>
Commuters out of the state, April 2000 [100,108]	-100,108
	566,278
Commuters into the state, April 2000 [54,094]	+ 54,094
	620,372
Self-employed, Annual, 2000-2002 range [from 51,000 to 61,000]	- 51,000 - 61,000
	569,372 - 559,372
Multiple job holders, Annual 2000 [45,500]	+ 45,500
	604,872 - 614,872
Hired Labor 150 days or more, 1997 Census of Agriculture [1,386]	- 1,386
Adjustment to LAUS Employment	603,486 - 613,486
<b>CES Employment, April 2000 (New Hampshire)</b>	<b>615,800</b>