

# Local Area Unemployment Statistics Program

## New Model and Introduction to PROMIS

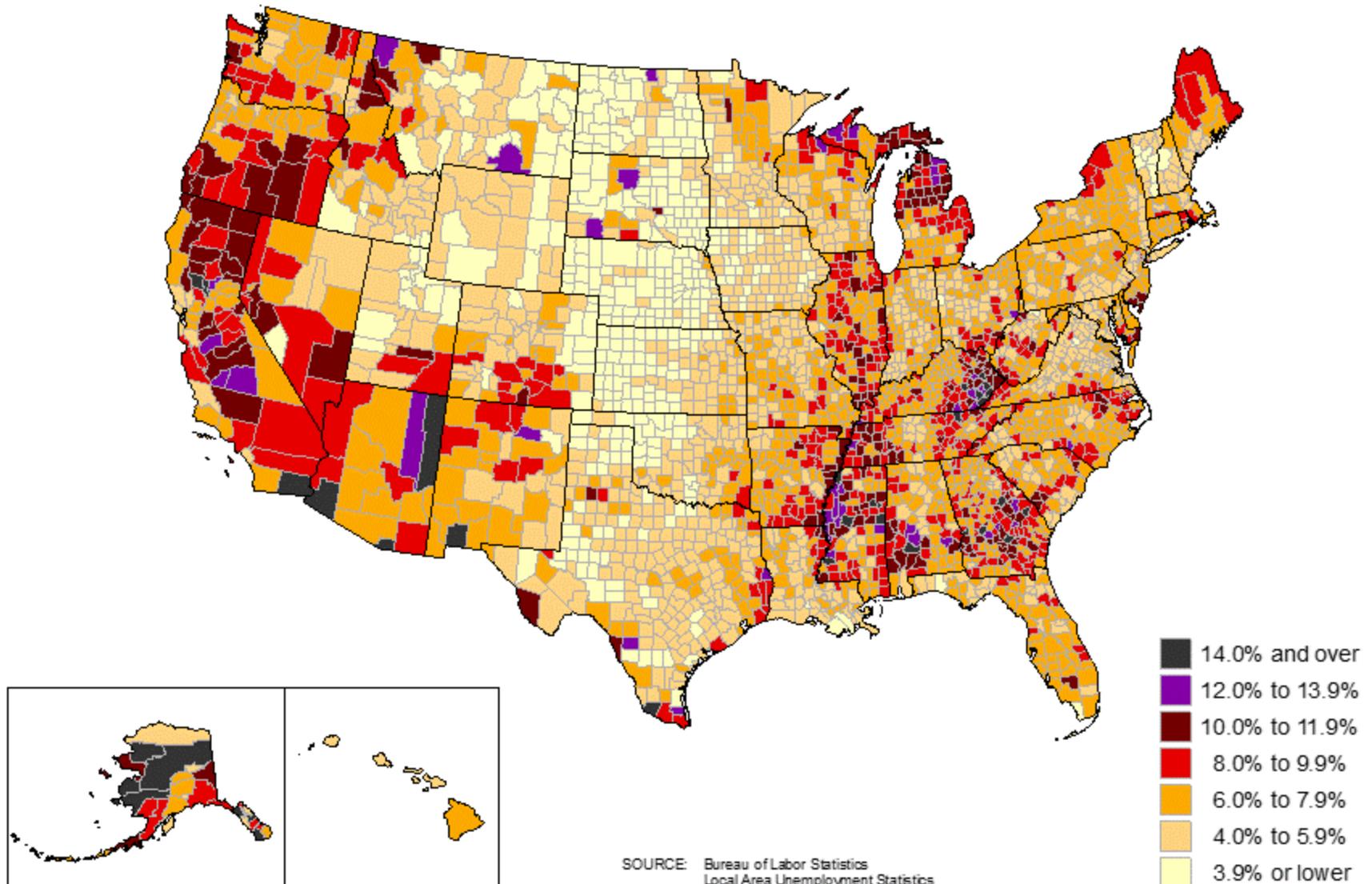
Employment Development Department  
Labor Market Information Division  
LMI Advisory Meeting – October 23<sup>rd</sup>, 2014

# LAUS Statistics

- Employment
- Unemployment
- Labor Force
- Unemployment Rate
- Labor Force Participation Rate

# Unemployment rates by county, September 2013 - August 2014 averages

(U.S. rate = 6.6 percent)



# Current Population Survey

- Started in 1940, Census Bureau took it over in 1942, became a BLS joint program in 1959
- 60,000 households in sample
- Conducted in person and by telephone
- Sample representative on nation only



# LAUS – Seasonally Adjusted

- Seasonally adjusted data at State and selected metropolitan areas, including LA
- Seasonal fluctuations smoothed
- Changes could be due to seasonality and/or economic changes

# Uses of LAUS Data

- Key indicator of local economic conditions
- Planning/Budgeting
- Employment and training services/programs
- Federal Assistance

# Examples

- Workforce Investment Act (WIA) Programs - ~\$4 billion
- EB-5 Investor Visa Program
  - Grants 10,000 immigrant visas per year to qualified individuals seeking permanent resident status if they invest in Target Employment Areas (TEA)

# 2015 LAUS Redesign

- Typically completed every 10 years
  - Examination of current methodologies & procedures
  - New technologies
  - New data sources
  - Discontinued data series

# 2010 Decennial Census

- No Long Form
  - Journey-to-work (Dynamic Residency Ratios)
  - All-other Employment
    - Self Employed
    - Unpaid Family Workers
    - Private Household Workers

# American Community Survey (ACS)

- Benefits
  - More timely than decennial Census
  - Same information
  - Employment estimates in line with LAUS employment estimates

# American Community Survey (ACS)

Continued

- Challenges
  - Not a “point-in-time” estimate
    - 1-year estimates for areas with pop of 65,000+
    - 3-year estimates for areas with pop of 20,000+
    - 5-year estimates for all areas
  - Suppressed data



# Dynamic Residency Ratios (DRRs)

- Current Employment Statistics (CES)
- Quarterly Census of Employment and Wages (QCEW)



# Dynamic Residency Ratios (DRRs)

Continued

**Current DRR:**

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**New DRR:**

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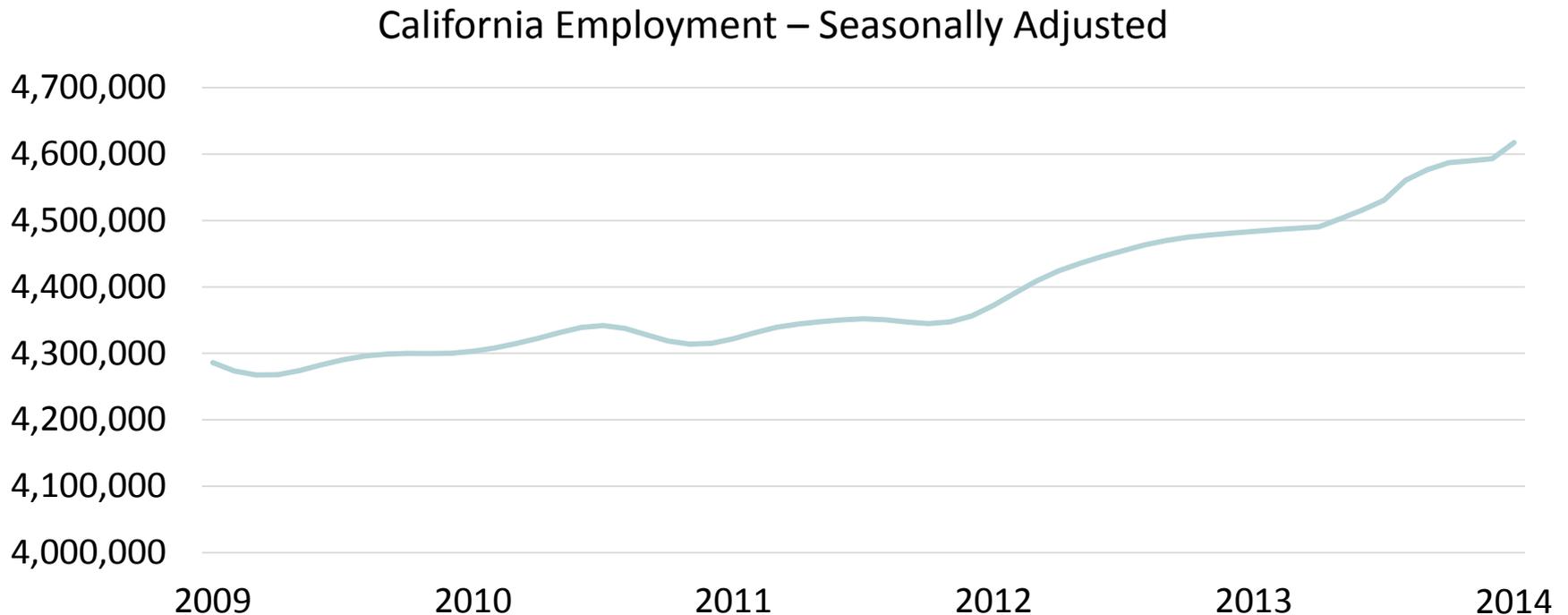
# Program to Measure Insured Unemployment Statistics

Also known as PROMIS

- UI Input
- Residency Assignment System (RAS)

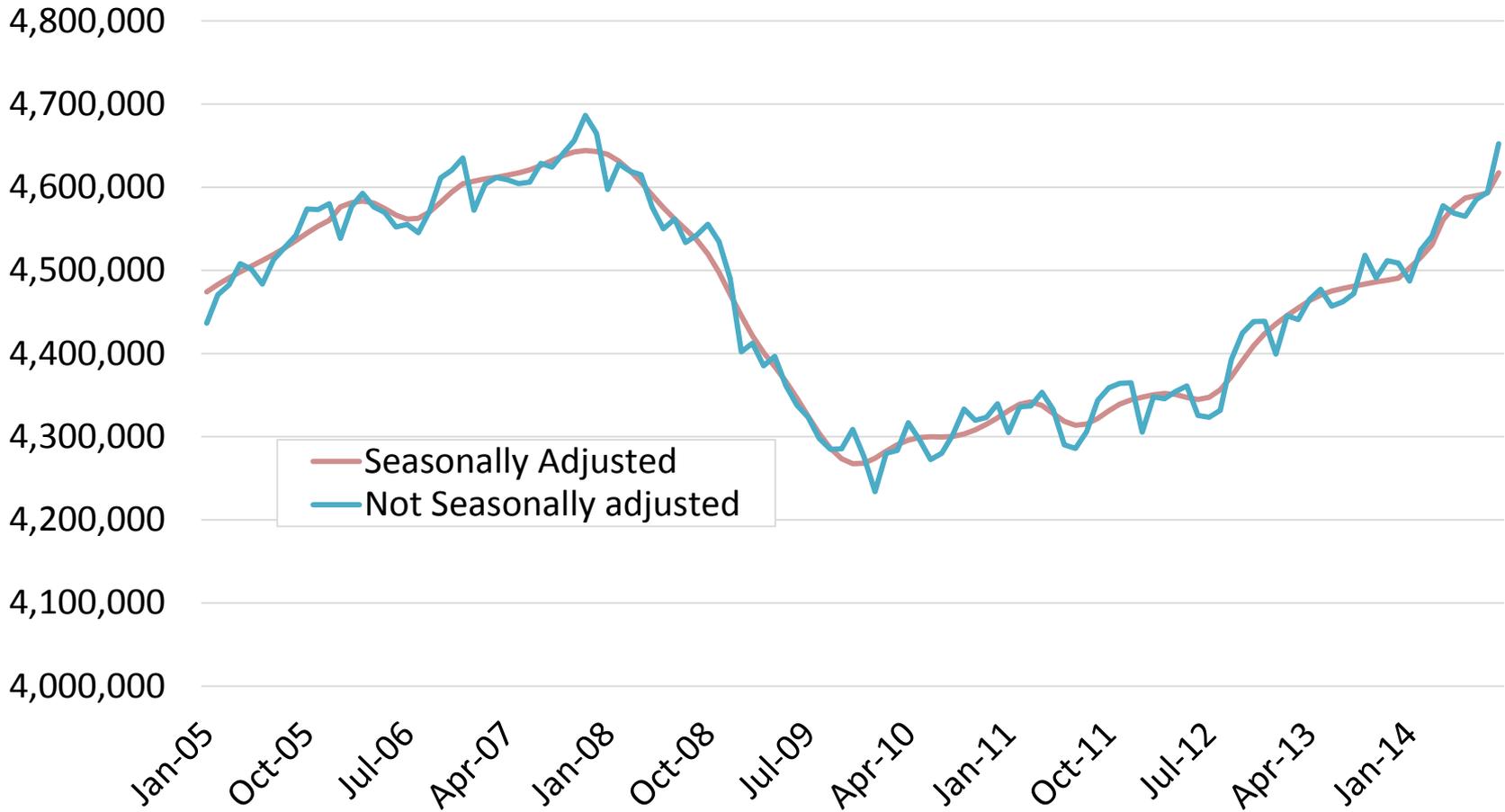
# 3rd Generation LAUS Model

- Smoothed Seasonal Adjusted (SSA)
- Henderson Trend Filter



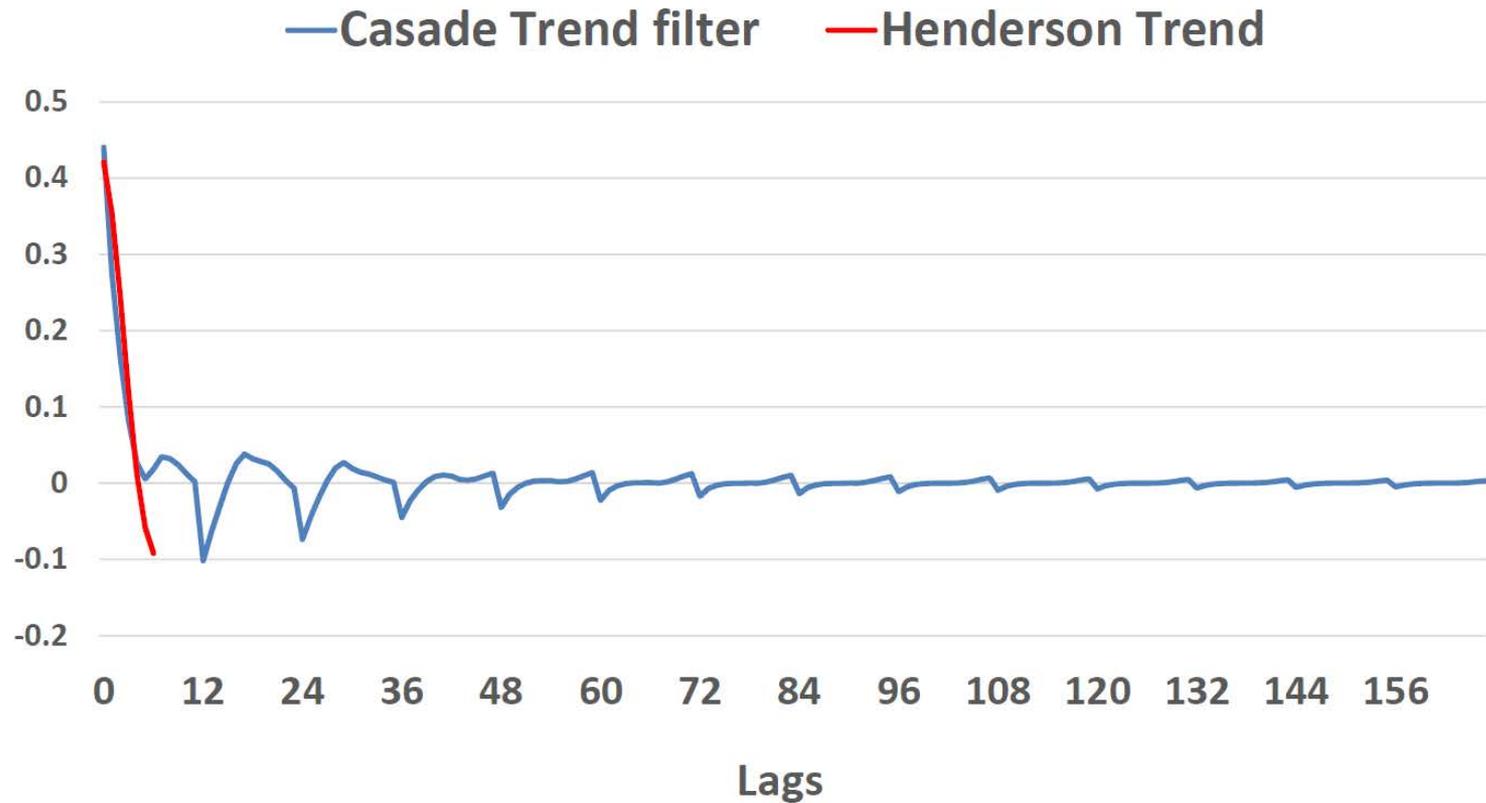
# California Employment:

## Not Seasonally Adjusted and Seasonally Adjusted



# 4<sup>th</sup> Generation LAUS Model

- Cascade Trend Filter



# Summary

- Better Estimates
- Small areas
  - Less volatility
  - More accurate seasonal pattern
    - UI Claims – RAS'd
    - ACS will catch seasonality throughout year

# Contact Information

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