



PHOTO: MICHAEL CARPENTER

BLS FIELD STAFF FOR THE CONSUMER PRICE INDEX COLLECT PRICING DATA. PRICES ARE COLLECTED FOR 80,000 ITEMS EVERY MONTH FROM A VARIETY OF OUTLETS, INCLUDING GROCERY STORES, RESTAURANTS, AND DOCTORS.

Outcome Goal 1.3 **Improve the Effectiveness of Information and Analysis on the U.S. Economy**

Overview

The Department of Labor's Bureau of Labor Statistics (BLS) is responsible for producing some of the Nation's most sensitive and important economic indicators. The Office of Management and Budget has designated several of the key BLS data series as Principal Federal Economic Indicators.

As a producer of economic statistics on the U.S. economy, BLS must work in partnership with other Federal, State, and international statistical agencies. These organizations sometimes encounter common issues that must be coordinated for the benefit of the users of the data. BLS works with these organizations to coordinate methodologies, reduce and avoid duplication, increase compatibility of data, and improve communication. Such collaboration not only maximizes BLS performance, but also helps to improve the accuracy, efficiency, and relevancy of economic measures produced by BLS.

These cooperative efforts take many forms on many different levels, including:

- In response to the need for more labor market information for State and local areas under the Workforce Investment Act, BLS works in partnership with the States and the Employment and Training Administration in the Workforce Information Council (WIC). During FY 2002, a WIC workgroup developed a system of standardized methods, tools, and software that State Employment Statistics Agencies can use to conduct job vacancy surveys at the local area level. These surveys provide Workforce Investment Boards with current data on occupations in demand, including wages and benefits offered, full or part-time opportunities, and education and experience requirements.
- BLS, along with 14 other Federal statistical agencies, is a member of the Interagency Council on Statistical Policy, which addresses many common issues, including identifying areas for collaboration. During FY 2002, the Council worked on enhancements to FedStats, a "one-stop shopping" website for Federal statistics.
- As a representative on the Economic Classification Policy Committee of the United States, BLS, in partnership with the statistical agencies of Canada and Mexico, continued work in 2002 on a joint multi-year project to develop a common product classification system, the North American Product Classification System. Product lists for 121

different service sector industries were completed and are being tested in all three countries. This new classification system is critical to improving vital economic measures related to measuring the growth of output, prices, productivity, and trade.

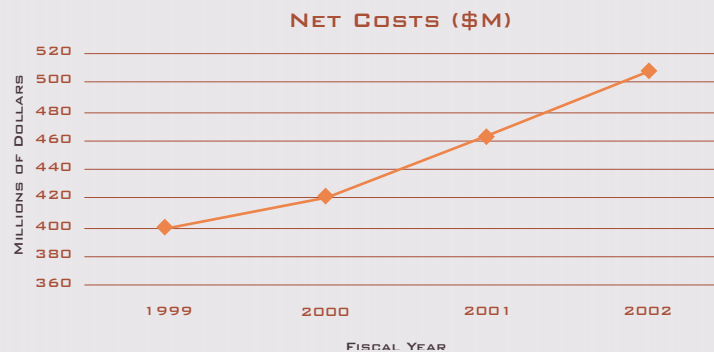
Serving the Public

The effectiveness of BLS data is determined by their timeliness, accuracy, and accessibility. BLS also continuously improves its statistical processes and products to ensure that data and dissemination methods are useful and relevant to its customers. Below are a few examples of such improvements:

- BLS published a new official measure of price change at the consumer level to supplement the existing Consumer Price Index (CPI) series. The new index more closely approximates a cost-of-living index by reflecting consumer responses to changes in relative prices.
- BLS released its first national monthly Job Openings and Labor Turnover Survey (JOLTS) data as a developmental series to provide a more complete picture of conditions in the U.S. labor market. The job openings data from JOLTS indicate the unmet demand for labor in the economy, and the turnover data profile the dynamic nature of the economy.
- This year, BLS published the CPI, Producer Price Index (PPI), and the U.S. Import and Export Price Indexes using updated weights. By more frequently updating the weights used to calculate these indexes, BLS produces indexes that reflect more accurately changes and patterns in the economy.

Program Costs

In FY 2002, net costs for Outcome Goal 1.3 were \$509 million. The Bureau's budget and costs grew incrementally from 1999 to 2002. This trend is attributed primarily to mandatory cost increases; the creation of new programs, such as the JOLTS and the American Time Use Survey (ATUS); and important improvements to the CPI, PPI, and Employment Cost Index.



DOL Challenges for the Future

Substantial challenges face BLS, including the changing economy, maintaining sufficient response levels, and evolving technology. BLS uses various strategies to address these challenges, which include the following:

- To respond to the changing economy:
 - Develop and publish new surveys and products, such as the ATUS and the JOLTS, to meet the data needs of the American public.
 - Expand service sector coverage in the PPI and in Industry Productivity Measurement to reflect current service-producing industries.
- To maintain a high level of response for its voluntary surveys:
 - Continue to build upon a national training curriculum whereby all field data collectors are trained on the best techniques and methods to use in approaching respondent contacts.
 - Provide more options to respondents for reporting their information by expanding the use of electronic data collection methods, such as Internet data collection, touch-tone data entry, computer-assisted telephone interviews, electronic mail, and electronic file transfer.
- To meet the challenges of evolving technology:
 - Continue to identify ways to improve the accessibility and usability of BLS data through enhanced dissemination methods, such as providing users Internet access to interactive maps that will improve their understanding of geographically based data series.
 - Continue to ensure the security of our computer systems and confidential data by improving virus protection and developing and testing continuity of operations plans.

Timely, Accurate, and Relevant Economic Information

Produce and disseminate timely,
accurate, and relevant economic information.

The Bureau of Labor Statistics reports performance for this goal using such measures as timeliness, output, relevancy, accuracy, and access. Extracted from those measures and presented here are the following measures: timeliness, accuracy, and access. The first, timeliness, addresses how often the Department's Bureau of Labor Statistics (BLS) meets the release dates in the published schedule of its Principal Federal Economic Indicators. The second measure is accuracy. Decision-makers need to know how well BLS statistics reflect the economic activity described. The third, access, reflects the continued improvements to the BLS Internet site.

FY 2002 Results: The goal was achieved. Performance measures were met fully for all three of the goal's dimensions.

Timeliness

Analysis of Results: The Department met the timeliness measures for all programs. An evaluation of the Office of Publications and Special Studies report of release dates against the release schedule of BLS Principal Federal Economic Indicators provides the data for measuring the results of the timeliness indicator. The report includes the results of these indicators: National Labor Force; Employment, Hours, and Earnings; Consumer Price Index; Producer Price Index; U.S. Import and Export Price Indexes; and Employment Cost Index.

For these indicators, the Department scheduled 52 releases in 2002, comprised of quarterly releases of the Employment Cost Index and separate monthly releases of the National Labor Force; Employment, Hours, and Earnings; Consumer Price Index; Producer Price Index; and U.S. Import and Export Price Indexes.

Strategies: The public-mail Anthrax incidents produced major challenges to BLS processes since several surveys collect data from respondents by mail. This was especially the case for two monthly indicators, U.S. Import and Export Price Indexes and the Producer Price Index. Using a combination of fax and telephone collection methods, BLS ensured release dates were met and index quality was retained. These actions have improved some processes; for example, respondents of the U.S. Import and Export Price Indexes now routinely fax responses back to BLS, which has improved the timeliness of respondents' data.

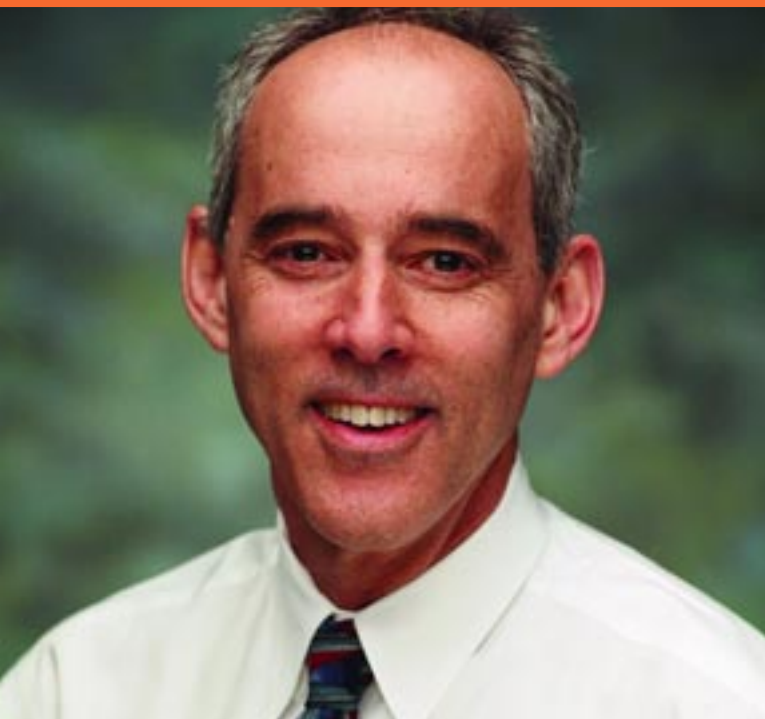


PHOTO: DOL/BLS

Between January 1992 and January 2002 the cost of medical care rose nearly twice as fast as the cost of all items surveyed by DOL's Bureau of Labor Statistics, and published in the Consumer Price Index (CPI). To enable members of the medical community and related businesses to keep pace with the rapidly changing costs and trends in this field, Nicholas Zelter has produced a newsletter since 1992. Included in the newsletter are charts and graphs of targeted monthly CPI and Producer Price Index (PPI) information, along with news items from media sources, in a format customized to meet the interests of insurance and pharmaceutical companies, health maintenance organizations (HMO's), hospitals, and other subscribers. Clients such as employee benefit managers use the data to negotiate contracts, forecast medical costs, analyze medical markets, and follow inflation trends. CPI medical care indexes and PPI medical services indexes can be found on the website of DOL's Bureau of Labor Statistics at: <http://stats.bls.gov/cpi/home.htm> and <http://stats.bls.gov/ppi/home.htm>.

Accuracy

Analysis of Results: The indicators met the established accuracy targets. Each of the indicators addressed in this goal has a unique accuracy measure. Appendix 4 provides information on individual program measures and performance. The accuracy measure not only assures that the indicator reflects the economic activity described, but also that it is relevant to the user.

To remain responsive to those who rely on BLS data, the Department continuously invites advice and ideas from users and experts in business, labor, professional and academic organizations, and from members of the public. In FY 2002, the Federal Economics Statistics Advisory Committee (FESAC), which is composed of economic, statistical, and behavioral science researchers, continued its work. This committee provides advice and recommendations in areas such as statistical methodology, survey design, and data collection and analysis. For example, the FESAC reviewed two papers on the advisability of seasonal adjustment practices with data from the National Labor Force and the Employment, Hours, and Earnings programs. Committee members endorsed the proposed use of concurrent adjustment. Additionally, spring and fall meetings of the BLS Business and Labor Research Advisory Councils took place as scheduled. These two Councils advise BLS regarding its statistical and analytical work, providing perspectives in relation to the needs of the business and labor communities, respectively.

Strategies: The Department continues to use various strategies to maintain a high level of cooperation for its voluntary surveys. One strategy has been to increase the number of options available to respondents for transmitting their information to the Bureau. By giving respondents more data collection options, the Department hopes to ease their burden. For example, the Employment, Hours, and Earnings program encourages respondents to provide data monthly through the Internet, in addition to other options such as touch-tone data entry, computer-assisted telephone interviews, and electronic file transfer. As already discussed, the U.S. Import and Export Price Indexes program has expanded the use of fax. Finally, the Employment Cost Index employs email as a data collection vehicle. Many of the Department's other statistical programs will offer these data reporting options in the future.

Access

Analysis of Results: The BLS Internet site continues to improve. In June, for example, the Department added features to enable users to obtain data from the BLS website and view the information in a graphical format. Line graphs now are available for every time series on the BLS Internet site; with a few clicks of a computer mouse, a user can access over 60 million line graphs.

Goal Assessment and Future Plans: The performance measures for the timeliness and accuracy dimensions remain the same in FY 2003. The access measure will change to reflect the continued improvements to the BLS Internet site. The new performance indicator for FY 2003 is:

Improve the BLS Internet site, to include (1) providing access to interactive maps that will improve user understanding of geographically based data series, and (2) expanding access to National Labor Force statistics by building a new interactive query tool tailored to the program's wealth of demographic information. ■

(Goal 1.3A — FY 2002 Annual Performance Plan)

Improve Economic Measures

Improve the accuracy, efficiency, and relevancy of economic measures.

This goal measures achievement of significant milestones that reflect the Department's Bureau of Labor Statistics (BLS) commitment to continuous improvement of its statistical processes and products.

Results: This goal was fully achieved. All FY 2002 milestones for improving the accuracy, efficiency, and relevancy of the economic measures were achieved.

Analysis of Results:

Milestones for Significant

New or Enhanced Efforts in FY 2002

Consumer Price Index, Superlative Index: DOL published a new measure of price change at the consumer level to supplement the official Consumer Price Index with release of July data. This index more closely approximates a cost-of-living index by reflecting more completely the consumer responses to changes in relative prices. Production of this type of index was a 1996 recommendation of the "Boskin Commission," and is supported by the recent "Schultze Committee" report published by the Committee on National Statistics.

Consumer Price Index, Expenditure Weights: Beginning with January data, DOL updated consumption expenditure weights to reduce the age of the Consumer Price Index market basket, and will continue to update the weights every two years. The age of the weights used in the index will now range between two and four years, a substantial reduction from the 7.5 years when the 1993-1995 weights were dropped in January 2002 and the 14.5 years when the 1982-1984 weights were revised in January 1998. The use of more current weights will reflect more accurately how consumers allocate their spending.

Consumer Price Index, Computer-Assisted Data Collection: DOL successfully completed a full field test of a new computer-assisted data collection system to electronically collect Consumer Price Index items other than rent, and will phase the system into production during FY 2003. Electronic collection offers numerous benefits, including the reduction in time required to transmit and process data; increased accuracy and efficiency (as direct data entry and review by field staff replaces the completion of paper surveys for later input by clerical staff); and editing of data during the collection process.

Producer Price Index: DOL re-weighted the Producer Price Indexes using 1997 shipment values and updated input/output ratios. The updated weights provide a more current revenue value for each industry, and the updated input/output ratios allow for more accurate adjustment for transactions among companies within any industry grouping.



PHOTO: DOL/BLS

Sprains and strains account for half of all workplace injuries and illnesses involving days away from work in services and in transportation and public utilities industries, according to DOL's Bureau of Labor Statistics. As a Staff Industrial Hygienist in the Safety and Health Department of the International Brotherhood of Teamsters, Azita Mashayekhi helps warehouse and public services workers use BLS data to improve worksite safety. Ms. Mashayekhi compares BLS occupational injury and illness data to Teamsters worksite safety records to determine where to focus future research, special projects, and training. At a recent warehouse division national meeting, Ms. Mashayekhi presented information on safety and health risks to workers and worker representatives, encouraging workers to recognize and prevent unsafe conditions at the job site, and identifying areas to target when negotiating contract provisions. Safety and Health Statistics can be found on the website of DOL's Bureau of Labor Statistics at <http://stats.bls.gov/iif/home.htm>.

U.S. Import and Export Price Indexes: To accommodate the fast pace of products entering and exiting the marketplace in the international economy, DOL re-weighted and published U.S. Import and Export Price Indexes using 2000 trade values with the release of January data.

Job Openings and Labor Turnover Survey: DOL released its first monthly Job Openings and Labor Turnover Survey (JOLTS) data as a developmental series to provide a more complete picture of conditions in the U.S. labor market. The job openings data from JOLTS indicate the unmet demand for labor in the economy, and the turnover data profile the dynamic nature of the economy.

Covered Employment and Wages: For the first time, DOL published Covered Employment and Wages data (CEW) for calendar year 2001 using a North American Industry Classification System (NAICS) 2002 structure. NAICS replaces the Standard Industrial Classification system, and offers a new and more consistent approach to industrial classification that better reflects the modern economy. BLS establishment survey programs use the CEW program output as a sampling frame.

Productivity: DOL produced 18 new measures of labor productivity for 3-digit Standard Industrial Classification service-producing industries. These measures will provide valuable information on the changing dynamics and performance of the service-providing sector — the largest and fastest growing segment of the economy.

Goal Assessment and Future Plans: The performance measures for this goal in FY 2003 are:

- Complete conversion of Current Employment Statistics, Job Openings and Labor Turnover Survey, and Current Population Survey data series to the North American Industry Classification System.
- Begin implementation of a two-year rotation process to update item samples within existing establishments for the Consumer Price Index.
- Complete a staged implementation of electronic data collection for Consumer Price Index items other than rent.
- Complete all the system components of the modifications necessary to support the 2004 introduction of annually weighted U.S. Import and Export Price Indexes.
- Produce measures of labor productivity and unit labor costs for two additional service-producing industries and multifactor productivity and related cost measures for one additional service-producing industry.
- Implement the use of the BLS Internet Data Collection Facility in at least two surveys. ■

(Goal 1.3B — FY 2002 Annual Performance Plan)

Women made up 46.6 percent of the U.S. workforce and 50 percent of managerial and professional specialty positions in 2001, according to data from the Current Population Survey (CPS) produced by DOL's Bureau of Labor Statistics (BLS). Catalyst, a nonprofit research and advisory organization, supplements CPS data with its own sources for use in speeches, publications, and the organization's website as it works to advance the status of women in business and the professions. Jan Combopiano, Director of the Information Center, uses CPS data on topics such as mothers in the workforce, flexible work arrangements, and workplace diversity to provide a context for research and consulting services delivered to clients — primarily corporations and professional firms, but also including academic and nonprofit organizations, professional associations, researchers, writers, and the media. Current Population Survey data can be found on the website of DOL's Bureau of Labor Statistics at http://stats.bls.gov/cps/cps_over.htm.



DIRECTOR JAN COMBOPIANO AND CATALYST INFORMATION CENTER STAFF SEARCH THROUGH BLS DATA FOR USE IN SPEECHES, PUBLICATIONS, AND MEMBER RESPONSES.

PHOTO: DOL/BLS