

Outcome Goal 1.3

Improve the Effectiveness of Information and Analysis on the U.S. Economy

The Bureau of Labor Statistics (BLS) makes information related to important economic indicators available to the public through a variety of means, including seminars and trade association conferences.



Photo Credit: Shawn T. Moore

Overview

The Department of Labor's Bureau of Labor Statistics (BLS) is responsible for producing some of the Nation's most important economic indicators. Several of the key BLS data series are Principal Federal Economic Indicators. These key indicators, as well as other economic data produced by BLS, provide American workers, employers, and policy makers with the information they need to keep our country competitive in a global economy. Every month, for example, BLS reports on the number of jobs and on the number of workers in the labor force. BLS publishes job information by industry and location down to the county level within each State.

Serving The Public

BLS provides employment information by occupation, education and training requirements, and industry. One searchable database allows users to search by education and training category to compare data on occupations within the education and training category. A second searchable database allows users to search the nearly 700 occupations within and across 260 industries. For example, an occupation search allows users to see which industries provide the most jobs for workers in that occupation, and an industry search allows users to see which occupations in that industry account for the most jobs.

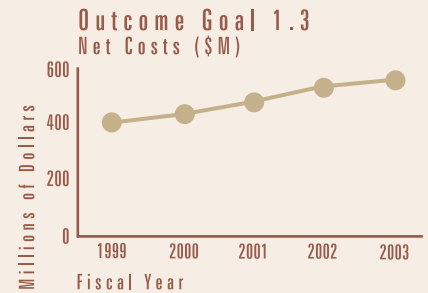
BLS also publishes information about jobs in its popular Occupational Outlook Handbook. This print and website publication assists students and others to compare occupations in terms of employment size, projected employment growth, earnings, education or training requirements, opportunities for self-employment and part-time work, and can be very valuable in career decision-making.

BLS not only provides information on the United States, but it also provides information on the world at large. During this year, BLS partnered with DOL's Bureau of International Labor Affairs to produce a Chartbook of International Labor Comparisons, focusing on the comparative labor market situation in the United States, Europe, and Asia. In her forward to the document, Secretary Elaine Chao noted that "A comparative labor market perspective...can be helpful in the policy development process. This chartbook provides information that can be used to assess U.S. economic and labor performance relative to other countries and to evaluate the competitive position of the U.S. in international trade."

After developing the North American Industry Classification System (NAICS) in cooperation with Canada and Mexico, BLS continues to implement the NAICS in its industry-based series. Not only does NAICS make our data consistent with our neighbors' data, it also changes the focus of industrial classification to being based on the activity in which the establishment is primarily engaged. This approach will help us to move from the old system, which was heavily focused on manufacturing, to a new system that ensures that our economic statistics reflect our Nation's changing economy.

Program Costs

FY 2003 program costs of \$533 million supported BLS programs to produce and disseminate timely, accurate, and relevant information on the economy. The Bureau's budget and costs grew incrementally from 1999 to 2003. This trend is attributed primarily to inflationary cost increases; the creation of new programs, such as the Job Opening and Labor Turnover Survey and the American Time Use Survey; and important improvements to the Consumer Price Index (CPI), Producer Price Index (PPI), and Employment Cost Index (ECI), including efforts to modernize the computing system for monthly processing of the PPI.



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:

- Introduce a new quarterly data series on business employment dynamics. The new series tracks gross job gains from expanding and opening establishments and gross job losses from contracting and closing establishments. The additional measures show the dynamic labor market changes that underlie the net employment change and will enhance the ability of economists, policy makers, and the business community to understand business cycles.

To maintain a high level of response for its voluntary surveys:

- Complete research studies to better understand the causes of nonresponse, including factors that are under BLS control and those that are not. Some specific recommendations for reducing nonresponse from the studies include increasing BLS visibility with respondents and accelerating the introduction of additional data reporting options, including Internet reporting and electronic mail.

To meet the challenges of evolving technology:

- Continue to use technology to enhance BLS survey methods to improve the efficiency of BLS programs. An example is the PPI effort to switch from paper forms to broadcast fax as the primary means for respondents to receive that month's survey repricing forms.
- Continue to ensure the security of our computer systems and confidential data by improving virus protection. This is especially important as more and more of our users rely upon our website to obtain the information that they need from BLS.

Timely, Accurate, and Relevant Economic Information

Performance Goal 1.3A (Bureau of Labor Statistics) – FY 2003

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

Indicators

Percentage of releases of National Labor Force; Employment, Hours, and Earnings; Consumer Price Index; Producer Price Index; U.S. Import and Export Price Indexes; and Employment Cost Index that are prepared on time; measures of accuracy for each Principal Federal Economic Indicator; and BLS Internet site improvement initiative.

Results

The goal was achieved. Targets were reached for timeliness, accuracy, and economic relevance.

Analysis of Results

The Bureau of Labor Statistics (BLS) 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 meets the release dates in the published schedule of its Principal Federal Economic Indicators. The second, accuracy, indicates how well BLS statistics reflect the economic activity described. The third, access, reflects the continued improvements to the BLS Internet site.

Timeliness

BLS met the timeliness measures for all programs. A comparison of actual release dates to the published release schedule of BLS Principal Federal Economic Indicators provides the data for measuring the results of the timeliness indicator. The report includes the results for 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, BLS scheduled 52 releases in 2003, comprised of quarterly releases of the Employment Cost Index and separate monthly releases of the National Labor Force and Employment, Hours, and Earnings; Consumer Price Index; Producer Price Index; and U.S. Import and Export Price Indexes.

BLS continued efforts to improve the timeliness of the data. For example, more respondents of the U.S. Import and Export Price Indexes and the Producer Price Index now routinely fax responses back to BLS, which has improved the timeliness of respondents' data. The use of electronic data collection has increased. For example, the Internet Data Collection Facility (IDCF) has been expanded to two more programs, with others under development. Once again, this collection method allows for quicker receipt of respondent data and provides more reporting options for respondents.

Accuracy

BLS reached 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 assures that it is relevant to the user.

To remain responsive to those who rely on BLS data, BLS continuously invites advice and ideas from users and experts in business, labor, professional and academic organizations, and from members of the public. The Federal Economics Statistics Advisory Committee (FESAC), which is composed of economic, statistical, and behavioral science researchers, continued to provide advice and recommendations in areas such as statistical methodology, survey design, and data collection and analysis. For example, the FESAC reviewed papers on the disparity between alternative measures of consumer expenditures and the price indexes associated with them; changes in data editing procedures and strategies resulting from Web-based survey instruments developed for business establishment surveys; and technical and theoretical issues underlying the construction of the Employment Cost Index (ECI). Additionally, spring and fall meetings of the BLS Business and Labor Research Advisory Councils yielded advice for BLS regarding its statistical and analytical work, providing perspectives on the needs of the business and labor communities, respectively.

BLS uses various strategies to maintain a high level of cooperation for its voluntary surveys. BLS continues to reduce respondent burden through ensuring that there is not duplication of data collection efforts. The Confidential Information Protection and Statistical Efficiency Act of 2002 promotes statistical efficiency by providing for the sharing of business data among the BLS, Bureau of Economic Analysis, and Bureau of the Census. Another strategy is to increase the number of options available to respondents for transmitting their information to the Bureau. By giving respondents more data collection options, BLS 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.

Access

The BLS Internet site, which averages over two million user sessions each month, continues to improve. For example, a new maps tool was added. With this tool, users can download maps showing unemployment rates by State, county, or metropolitan statistical area, for any month or year since 1990. Also, an interactive query capability to access demographic data in the National Labor Force program was initiated. These enhancements increase the accessibility and functionality of the BLS Internet site for our data users.

When Tom needs an explanation about the process used to convert a data series from the Standard Industrial Classification to the North American Industrial Classification System, he turns to the Economic Analysis and Information (EA&I) Office in Kansas City, one of eight EA&I Offices that DOL's Bureau of Labor Statistics (BLS) maintains throughout the country. Tom reviews procurement contracts as part of his job in Material Estimating at Bombardier Aerospace in Wichita, Kansas. Bombardier assembles the Challenger 300, Learjet 40, Learjet 45, Learjet 45XR, and Learjet 60 business aircraft for clients worldwide. Tom uses BLS earnings data and price indexes to estimate future labor and product pricing based on the terms and conditions negotiated in long-term contracts with suppliers. EA&I staff assist Tom with tasks such as determining when average hourly earnings figures include lump-sum payments, or locating the data he needs among hundreds of price and earnings data series. The Economic Analysis and Information Office in Kansas City, along with EA&I Offices in Boston, New York, Philadelphia, Atlanta, Chicago, Dallas, and San Francisco, can be reached through the website of DOL's Bureau of Labor Statistics at <http://www.bls.gov/bls/reghome.htm>.



Tom of Bombardier Aerospace checks business jet contracts.
Photo Credit: Loretta Reuther, Bombardier Aerospace

Contracts for the manufacture of commercial aircraft use escalation formulas to cover price changes during the time period between customer order and product delivery, which can span many years. These price escalation formulas are often linked to changes in the cost of employee compensation as measured by the Employment Cost Index (ECI) of DOL's Bureau of Labor Statistics (BLS). The ECI is a quarterly index measuring change in labor costs over time. Ty, a senior analyst in The Boeing Company's Commercial Estimating & Pricing group, uses ECI aircraft manufacturing industry data that he downloads from the BLS website to help determine the final price on Boeing's commercial aircraft delivery invoices. As part of his job reviewing and approving invoices, Ty consults staff at BLS to investigate index fluctuations that might raise questions with customers. ECI fluctuations result not only from changes in wages and salaries, but also the cost of benefits such as retirement and health insurance plans. The Employment Cost Index can be found on the website of DOL's Bureau of Labor Statistics at <http://www.bls.gov/hcs/ect/home.htm>.



Ty (left) of Boeing Commercial Airplane Group reviews data with colleagues Michelle and Bob.
Photo Credit: Michael Inman, The Boeing Company.

Management Issues

The performance measures used for this outcome goal highlight the accomplishments of the Bureau's statistical programs. The *Interagency Council on Statistical Policy's Guidelines for Reporting Performance by Statistical Agencies* provides guidance on measuring and reporting on statistical program performance. Timeliness and accuracy are identified as critical aspects of performance, as is achieving customer satisfaction with statistical products and services.

The performance measures used for this outcome goal are obtained from information available to the public. Timeliness data come from comparing the published release schedule to the actual news release date. Likewise, accuracy measures are discussed within the statistical program news release, and detailed documentation of how the measures are derived is provided on individual program home pages on the BLS Internet site. Finally, new Internet functionality can be found on the "What's New" page on the BLS Internet site.

BLS programs are evaluated both internally and externally to ensure that they provide taxpayer value. As described in OMB Statistical Policy Directive #3, the seven statistical series designated as Principal Federal Economic Indicators are evaluated on a three-year schedule. In FY 2003, BLS submitted required performance evaluations for the U.S. Import and Export Price Indexes and the Consumer Price Index.

During this year, the Office of the Inspector General (OIG) conducted a Government Information Security Reform Act (GISRA) Review of the Current Employment Statistics program. The review is described in Appendix 3 of this report (Study 1).

To determine customer satisfaction with BLS statistical products and services, BLS participated in the American Customer Satisfaction Index (ACSI) survey conducted by the University of Michigan. BLS received a customer satisfaction score of 74 in 2003; the aggregated Federal government score in 2002 was 70.2.

Goal Assessment and Future Plans

The Program Assessment Rating Tool (PART) review recommended that BLS develop more outcome-based, quantitative, and transparent performance measures. Working collaboratively with the Department, BLS revised its FY 2004 performance goal: Goal 1.3A — Improve information available to decision-makers on labor market conditions, and price and productivity changes.

Improve Economic Measures

Performance Goal 1.3B (Bureau of Labor Statistics) – FY 2003

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

Result

This goal was achieved. All FY 2003 milestones for improving the accuracy, efficiency, and relevancy of the economic measures were achieved.

Indicators

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.

Analysis of Results

Milestones for Significant New or Enhanced Efforts in FY 2003

NAICS Conversion: The North American Industry Classification System (NAICS) replaces the Standard Industrial Classification (SIC) system and offers a new and more consistent approach to industrial classification that better reflects the modern economy. The following programs completed conversion from SIC to NAICS in FY 2003: Conversion for the National Labor Force data series was completed with the release of January data in February 2003. Conversion for Employment, Hours, and Earnings was completed in two parts; the new series was introduced in March 2003 for State and Metropolitan Area series, and conversion of national series was completed in June 2003. Conversion for the Job Openings and Labor Turnover Survey was completed with the release of May 2003 data in August 2003. In addition, conversion for the industry labor productivity series was completed in September 2003.

Consumer Price Index, Item Sample Update: The accuracy of the Consumer Price Index (CPI) depends on the items that are included in the index. The CPI implemented a new, more rapid process for updating the items in a significant proportion of CPI categories. Items are now updated twice as often as they were in the past. A continuing evaluation of the new item samples relative to the old item samples will be conducted to determine if the objective of keeping samples more in line with current economic conditions is being achieved.

Consumer Price Index, Electronic Data Collection: Each month, CPI data collectors obtain price information from thousands of retail stores, service establishments, rental units, and doctors' offices all over the United States. BLS completed implementation of a new process to electronically collect prices for CPI items other than rent. Implementation began in September 2002, and was completed for all 87 CPI pricing areas in April 2003. The process offers numerous benefits, including the reduction in time required to transmit and process data, and increased accuracy and efficiency in data entry and review.

U.S. Import and Export Price Indexes: BLS has undertaken a multiyear project to modernize the computing system for monthly processing of the Producer Price Index and the U.S. Import and Export Price Indexes. One result of this modernization is to signifi-

The Boulder-Longmont area in Colorado was the leading metropolitan area for software employment relative to overall population from 1998 to 2001, ahead of San Jose, Washington, DC, and San Francisco, according to a "top 25" list released by the Software and Information Industry Association (SIIA) in September, 2003. The SIIA list was developed using Occupational Employment Statistics information from DOL's Bureau of Labor Statistics (BLS), which publishes annual estimates of employment for over 700 occupations for the Nation as a whole, for individual States, for metropolitan areas, and for specific industries nationwide. For the last four years, Anne, SIIA Director of Research, has produced the ranking from an index she creates of software-related occupational employment by metropolitan area. The resulting "top 25" list contains some surprise cities, according to Anne, showing that software jobs are not concentrated just in Silicon Valley. Information from the Occupational Employment Statistics program can be found on the website of DOL's Bureau of Labor Statistics at <http://www.bls.gov/oes/home.htm>.



Anne, of the Software & Information Industry Association discusses software employment index with a reporter.
Photo Credit: Liz Martin, SIIA Designer

cantly improve the reliability of the U.S. Import and Export Price Indexes by producing annually weighted indexes. Historically, these indexes have been re-weighted every five years. These annually weighted indexes will be published in February 2004 with the release of January 2004 data.

Industry Productivity: Users of the productivity statistics have stated the critical need for more coverage in the service sector. Labor productivity and unit labor cost measures for six new service-producing industries were published in January 2003. Multifactor productivity and related cost measures for the airline transportation industry were published for the first time in September 2003. This is a multiyear project with additional service sector coverage planned.

BLS Internet Data Collection Facility: BLS relies on thousands of businesses to provide information on a voluntary basis. BLS offers respondents a wide array of reporting mechanisms, including state-of-the-art technology tools. The Internet Data Collection Facility (IDCF) provides a single, manageable, and secure architecture for Bureau surveys to use in collecting information over the Internet. The IDCF is currently being used to collect respondent information for the Employment, Hours, and Earnings program and the Survey of Occupational Injuries and Illnesses. In addition to providing more reporting options for respondents, this data collection method is intended to increase the accuracy and efficiency of collection. BLS continues to work on new programs under IDCF, including the Producer Price Index and the U.S. Import and Export Price Indexes.

Management Issues

Management issues for performance goal 1.3B can be found under the same section for performance goal 1.3A.

Goal Assessment and Future Plans

The Program Assessment Rating Tool (PART) review recommended that BLS develop more outcome-based, quantitative, and transparent performance measures. In this goal, previous measures indicated if the projects were completed on schedule, rather than if the projects achieved the outcome of improving accuracy, efficiency, or relevancy of the statistical data. Working collaboratively with the Department, BLS revised its performance goals and measures for FY 2004. In many instances, the new measures quantify annual milestones that previously had not been quantified. The new goal reads: Goal 1.3A — Improve information available to decision-makers on labor market conditions and price and productivity changes.