

X. ALTERNATIVE MEASURES OF COUNTY EMPLOYMENT AND WAGES

Three widely used measures of county employment and wages by place of work are employment and payroll published in the Census Bureau's *County Business Patterns* (CBP), employment and wages from the Quarterly Census of Employment and Wages (QCEW) program of the Bureau of Labor Statistics (BLS), and wage and salary disbursements and employment from the Bureau of Economic Analysis (BEA).¹ These measures differ in source data and coverage.

The CBP data are derived from Census Bureau business establishment surveys and Federal administrative records. The QCEW data are tabulations of monthly employment and quarterly wages of workers covered by state unemployment insurance programs or by the unemployment insurance program for federal civilian employees. The BEA estimates of employment and wages are primarily derived from the QCEW data, but the estimates are also based on supplemental data from other agencies—such as the Department of Defense, Department of Agriculture, and the Railroad Retirement Board—for industries that are either not covered or not fully covered by the QCEW.²

The coverage of the CBP data differs from that of the QCEW data primarily because the CBP data exclude most government employees, while the QCEW data cover civilian government employees.³ The QCEW data also include some farm and private household employees that are excluded by the CBP data. However, the CBP data cover the employees of educational institutions, membership organizations, and small nonprofit organizations in other industries more completely than the QCEW data.⁴ In addition, the CBP data reports employment for the month of March only; the QCEW employment data are quarterly and annual averages of monthly data.

Beginning in 2001, both QCEW and BEA include employees of Indian tribal governments and enterprises in local government. These employees were previously included in the relevant private industries.⁵ In the CBP data, these employees are still classified in private industries.

The BEA estimates of employment and wages differ from the QCEW data because BEA adjusts estimates to account for employment and wages not covered, or not fully covered, by unemployment insurance programs. BEA adds estimates of

¹ See table B.

² The QCEW data account for 95 percent of BEA wages and salaries.

³ The CBP data cover only those government employees who work in government hospitals, federally chartered savings institutions and credit unions, liquor stores, and wholesale liquor establishments. QCEW data in most states exclude state and local elected officials, members of the judiciary, state national and air national guardsmen, temporary emergency employees, and those in policy and advisory positions.

⁴ Some religious elementary and secondary schools are not covered by QCEW because of a 1981 Supreme Court decision stating “schools operated and supported by churches and not separately incorporated [are] held exempt from unemployment compensation taxes.” College students (and their spouses) employed by the school in which they are enrolled and student nurses and interns employed by hospitals as part of their training are also excluded from QCEW. While QCEW coverage varies, half of the states only include nonprofit organizations with four or more employees during twenty weeks in a calendar year.

⁵ For example, employees of casinos owned by tribal councils were included in the North American Industry Classification System subsector “Amusement, Gambling, and Recreation Industries.”

employment and wages to the QCEW data to bridge small gaps in coverage for nonprofit organizations (in several industries), for students and their spouses employed by colleges or universities, for elected officials and members of the judiciary (in state and local government), for interns employed by hospitals and by social service agencies, and for insurance agents classified as statutory employees (in insurance agencies and brokerages). In addition, BEA uses supplemental source data to estimate most or all of the employment and wages for the following: Farms, farm labor contractors and crew leaders, private households, private elementary and secondary schools, membership organizations, rail transportation, military, and U.S. residents who are employed by international organizations and by foreign embassies and consulates in the United States. BEA also adjusts for employment and wages subject to unemployment insurance coverage, but not reported by employers. Estimates of unreported tips, judicial fees paid to jurors and witnesses, compensation of prison inmates, and marriage and license fees paid to justices of the peace are added to wages.