

New Sample Areas Selected for BLS National Compensation Survey Program

The Bureau's occupational compensation program, which is being converted from the study of wages of predetermined occupations to the study of a much broader range of occupations, will also study an entirely new sample of geographic areas.

BY KENNETH J. HOFFMANN

The Bureau of Labor Statistics has selected a new sample of areas for its surveys of occupational wages based on the 1990 Census. It is fundamentally different from the current sample in three ways:

- It represents all 50 States;
- Where applicable, the program studies Consolidated Metropolitan Statistical Areas rather than Primary Metropolitan Statistical areas, and;
- Separate data will be provided for nine broad regions (defined in table 1) rather than the previous four—Northeast, South, Midwest, and West.

BLS has conducted occupational wage surveys since 1960. They have been designed to present data for individual metropolitan areas, broader geographic regions, and the United States. About once every 10 years following a decennial census, a new set of areas is selected to (1)

reflect changes in the definitions of metropolitan areas; (2) give new metropolitan areas an opportunity to be represented in the program; and (3) reflect changes in employment among regions.

Through 1995, the Bureau had studied a sample of 90 metropolitan areas and 70 nonmetropolitan counties developed from the 1980 Census. The sample, when statistically weighted, represented the United States (excluding Alaska and Hawaii) and four broad regions. Seventeen additional areas were surveyed for the Pay Agent for administering the Federal Pay Comparability Act of 1990.¹ Approximately 120 additional areas were surveyed for the Employment Standards Administration of the U.S. Department of Labor for administering the Service Contract Act.

Depending on the purpose of the survey and the size of the area, studies were conducted 1 or 2 years apart. A preselected list of occupations was surveyed in each of the areas.

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Defining Metropolitan Areas

A *Consolidated Metropolitan Statistical Area (CMSA)* is one having over a million inhabitants with separate component areas, or *Primary Metropolitan Statistical Areas (PMSA's)*, meeting statistical and other criteria specified by the Office of Management and Budget. An example is the Washington-Baltimore CMSA, which consists of the Washington PMSA, the Baltimore PMSA, and the Hagerstown PMSA. A *Metropolitan Statistical Area (MSA)* contains 50,000 to 1,000,000 inhabitants, for example, Albany-Schenectady-Troy, or is a freestanding area with a million or more inhabitants such as Atlanta. The criteria for defining metropolitan areas are published in the *Federal Register* (55 FR 12154-12160, March 30, 1990).

Background to the National Compensation Survey

The Bureau's Occupational Compensation Survey program (OCS) is being combined with two other Bureau programs, the Employment Cost Index and the Employee

Benefit Survey.² In doing so, occupational pay surveys will convert from the study of wages for predetermined occupations and levels to the study of occupations randomly selected in the establishments studied. Thus, data will be provided for a much broader range of occupations. The method of determining the work level of occupations will also be changed.³

Under the new program, tentatively titled the National Compensation Survey (NCS), information will be published for individual occupations such as secretary; larger groups such as administrative support occupations, including clerical; and even more aggregate groups such as white-collar workers. As the program is put in place in steps, information will also be available on benefits, total compensation, and change over time. The same methodology will be used across geographic areas so that interarea comparisons will be possible. Survey results will be published and made available on the Internet as well.⁴

Selecting survey areas

Using 1990 census data, the United States Office of Management

and Budget has identified 251 MSA's and 18 CMSA's in the United States as of June 30, 1994. The 18 CMSA's are made up of 73 PMSA's. There are about 2,300 nonmetropolitan counties in the United States.⁵

In selecting the sample of areas for NCS, BLS designated each of the 18 CMSA's; the 13 largest MSA's (those with nonagricultural employment of 560,000 or more); and Anchorage, AK, and Honolulu, HI as certainty areas.⁶ That is, they were certain of inclusion in the survey program.

The remaining 236 MSA's were divided into 45 individual clusters or strata. Each stratum consisted of two or more areas within the same Census region and with similar average annual pay.⁷ One area was randomly selected from each of the 45 strata. An area's chance of selection was proportionate to its share of the total nonagricultural employment in the cell. The 2,295 nonmetropolitan counties of the United States were stratified and 73 counties were randomly selected in a similar manner.⁸ Table 2 lists the metropolitan areas and nonmetropolitan counties selected for study.

Examples of Stratification and Selection

(Selected area shaded)

Area	Employment	Percent of total	Average annual pay
Example 1			
Total Employment	547,978	—	—
York, PA	146,825	26.79	\$24,454
Lancaster, PA	185,301	33.82	24,233
Erie, PA	117,701	21.48	23,812
State College, PA	54,193	9.89	23,077
Glen Falls, NY	43,958	8.02	22,971
Example 2			
Total Employment	508,221	—	—
Corpus Christi, TX	129,259	25.43	\$23,202
Baton Rouge, LA	245,995	48.40	23,868
Lake Charles, LA	67,328	13.25	24,229
Tyler, TX	65,639	12.92	23,539

Meeting other user's needs

The President's Pay Agent is required under the Federal Employees Pay Comparability Act of 1990 to set salary rates for Federal General Schedule workers (primarily white-collar workers) on a locality basis. As required by the Act, each year BLS provides the Pay Agent with earnings data for the major centers of Federal employment as well as for the "Rest of the United States combined, excluding Alaska and Hawaii."⁹ The areas are selected by the Pay Agent.

The Employment Standards Administration (ESA) also selects the areas to be surveyed by BLS for use in administering the Service Contract Act. Whenever possible, ESA uses data from the Bureau's regular program. However, ESA needs to make wage determinations for many geographic areas and for some specific industries not surveyed in detail by BLS. For these cases, ESA annually contracts with BLS to conduct occupational wage surveys, generally using the same methodology used in the BLS program.

The Bureau also manages the Federal-State cooperative Occupational Employment Survey (OES) program which measures occupational employment by industry for each State and the Nation. BLS has provided funding, technical assistance, and statistical procedures for the surveys while the State employment security agencies have collected the data. Eleven States and the District of Columbia have expanded this program to also provide information on occupational earnings.

To meet the needs of the Employment and Training Administration for alien labor certification, the OES program is being expanded to include occupational earnings for every State, every metropolitan area, and as many as four nonmetropolitan areas in every State. In order to reduce respondent burden, the Bureau will coordinate the collection of data for NCS with the collection of data in the OES program as much as possible. On a test basis in 1997, the Bureau will collect information for both pro-

grams in a single contact for establishments that require authorization or collection of data from the organization's central office.

Publication plans

The Bureau will publish comprehensive NCS wage data for the Nation, the nine Census regions, each of the CMSA's studied, the 13 certainty MSA's, the additional 3 MSA's surveyed for the Pay Agent, and any non-certainty MSA's or counties for which sufficient data meet publication criteria.¹⁰ Employment and earnings data will be published for occupational groups as well as individual occupations. Wherever possible, further detail will be provided by level of occupation.

The results of all surveys conducted for the Employment Standards Administration are published in summary form by the Bureau. Nationwide results for the OES program are published by the Bureau, while statewide, MSA, and selected nonmetropolitan area data will be published by the individual States.

Table 1. Geographic definitions of nine economic regions

<p>New England</p> <p>Connecticut Maine Massachusetts New Hampshire Rhode Island Vermont</p>	<p>Middle Atlantic</p> <p>New Jersey New York Pennsylvania</p>	<p>East South Central</p> <p>Alabama Kentucky Mississippi Tennessee</p>	<p>South Atlantic</p> <p>Delaware District of Columbia Georgia Florida Maryland North Carolina South Carolina Virginia West Virginia</p>	
<p>East North Central</p> <p>Illinois Indiana Michigan Ohio Wisconsin</p>	<p>West North Central</p> <p>Iowa Kansas Missouri Minnesota Nebraska North Dakota South Dakota</p>	<p>West South Central</p> <p>Arkansas Louisiana Oklahoma Texas</p>	<p>Mountain</p> <p>Arizona Colorado Idaho Montana Nevada New Mexico Utah Wyoming</p>	<p>Pacific</p> <p>Alaska California Hawaii Oregon Washington</p>

Table 2. Areas selected for surveying in the BLS NCS program

<p>Consolidated metropolitan statistical areas Boston-Worcester-Lawrence, MA-NH-ME-CT Chicago-Gary-Kenosha, IL-IN-WI Cincinnati-Hamilton, OH-KY-IN Cleveland-Akron, OH Dallas-Fort Worth, TX Denver-Boulder-Greeley, CO Detroit-Ann Arbor-Flint, MI Houston-Galveston-Brazoria, TX Los Angeles-Riverside-Orange County, CA Miami-Fort Lauderdale, FL Milwaukee-Racine, WI New York-Northern New Jersey-Long Island, NY-NJ-CT-PA Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD Portland-Salem, OR-WA Sacramento-Yolo, CA San Francisco-Oakland-San Jose, CA Seattle-Tacoma-Bremerton, WA Washington-Baltimore, DC-MD-VA-WV</p>	<p>Greensboro-Winston-Salem-High Point, NC Greenville-Spartanburg-Anderson, SC Hickory-Morgantown-Lenoir, NC Iowa City, IA Johnstown, PA Knoxville, TN Lincoln, NE Louisville, KY-IN Melbourne-Titusville-Palm Bay, FL Memphis, TN-AR-MS Mobile, AL New Orleans, LA Norfolk-Virginia Beach-Newport News, VA-NC Ocala, FL Oklahoma City, OK Providence-Fall River-Warwick, RI-MA Reading, PA Reno, NV Richland-Kennewick-Pasco, WA Richmond-Petersburg, VA Rochester, NY Rockford, IL Salinas, CA San Antonio, TX Springfield, MA Springfield, MO Tallahassee, FL Visalia-Tulare-Porterville, CA York, PA Youngstown-Warren, OH</p>	<p>Delta, MI Des Moines, IA Dorchester, MD Fairbanks-North Star, AK Fergus, MT Fond Du Lac, WI Franklin, VA Freeborn, MN Georgetown, SC Gillespie, TX Goodhue, MN Grafton, NH Green Lake, WI Greenwood, SC Griggs, ND Harrison, KY Henderson, IL Henry, AL Jefferson, IN Juneau, AK Juneau, WI Kauai, HI Lee, MS Lewis, MO Liberty, GA Lincoln, WY Logan, NE Madison, NE Marshall, IN Monroe, OH Montgomery, VA Moore, NC Morgan, IL Northumberland, PA Orange, VT Palo Pinto, TX Panola, TX Polk, NC Pope, AR Prairie, AR Sauk, WI Seneca, OH Seward, NE Skagit, WA St. Francis, AR St. Lawrence, NY Tama, IA Tattall, GA Taylor, KY Tunica, MS Vermillion, LA Ward, ND Wasco, OR Washington, GA Wayne, OH Wayne, TN Winston, MS Yavapai, AZ</p>
<p>Certainty metropolitan statistical areas Anchorage, AK Atlanta, GA Charlotte-Gastonia-Rock Hill, NC-SC Columbus, OH Hartford, CT Honolulu, HI Indianapolis, IN Kansas City, MO-KS Minneapolis-St. Paul, MN-WI Orlando, FL Phoenix-Mesa, AZ Pittsburgh, PA San Diego, CA St. Louis, MO-IL Tampa-St. Petersburg-Clearwater, FL</p>	<p>Metropolitan areas surveyed for the Pay Agent Huntsville, AL Kalamazoo-Battle Creek, MI Raleigh-Durham-Chapel Hill, NC</p>	
<p>Selected non-certainty metropolitan areas Amarillo, TX Augusta-Aiken, GA-SC Austin-San Marcos, TX Birmingham, AL Bloomington, IN Bloomington-Normal, IL Brownsville-Harlingen-San Benito, TX Buffalo-Niagara Falls, NY Charleston-North Charleston, SC Corpus Christi, TX Dayton-Springfield, OH Elkhart-Goshen, IN Fort Collins-Loveland, CO Grand Rapids-Muskegon-Holland, MI Great Falls, MT</p>	<p>Selected nonmetropolitan counties Andrews, TX Bannock, ID Bradley, TN Carson City, NV Cheshire, NH Cheyenne, CO Choctaw, AL Citrus, FL Clatsop, OR Clinton, IA Clinton, NY Columbia, NY Craven, NC Crook, OR Decatur, GA</p>	

—ENDNOTES—

¹The Pay Agent is a group designated by the President to advise on locality pay disparities and make recommendations for appropriate comparability payments for General Schedule (white-collar) workers.

²For a discussion of the combining of these programs, see John E. Buckley, "BLS Redesigns Its Compensation Surveys", *Compensation and Working Conditions*, September 1996, pp. 19-21.

³For information on the method of selecting and leveling occupations, see Kenneth J. Hoffmann, "New Approach to Measuring Occupational Wages," *Compensation and Working Conditions*, December 1996, pp. 4-8.

⁴Hard copy bulletins can be purchased from the Bureau of Labor Statistics, Publications Sales Center, P.O. Box 2415, Chicago, IL 60690-2145. Electronic files are available on the Internet's

World Wide Web through the Bureau of Labor Statistics' site: <http://stats.bls.gov/ocshome.htm>.

⁵Through 1995 the October 1984 definition had 257 MSA's, 70 PMSA's, and 20 CMSA's, and almost 2,400 nonmetropolitan counties, excluding Alaska and Hawaii. Area surveys related to PMSA's rather than CMSA's.

⁶Anchorage and Honolulu were designated certainty areas so that Alaska and Hawaii can be excluded from estimates for the Pay Agent.

⁷Average annual pay data were compiled from 1993 reports submitted by employers subject to State and Federal unemployment insurance (UI) laws covering 109.4 million full- and part-time workers. In selecting the earlier sample of areas, those with similar major 2-digit manufacturing industrial composition and located in the same region were grouped in the same strata.

⁸The nonmetropolitan jurisdictions of Alaska and Hawaii formed separate strata so that data representing these States can be excluded from estimates for the Pay Agent

⁹"Rest of the United States combined, excluding Alaska and Hawaii" consists of all metropolitan areas and nonmetropolitan counties not designated by the Pay Agent for locality based rates.

¹⁰Comprehensive bulletins will be published for Dayton-Springfield, Huntsville, and Richmond-Petersburg to meet the needs of the Pay Agent. Results of the Kalamazoo-Battle Creek and Raleigh-Durham-Chapel Hill surveys will be included in the "Rest of the United States combined" data provided to the Pay Agent. Bulletins will be published for these areas if sufficient data meet publication criteria.