INTERPRETING THE DATA FROM THE REDESIGNED CPS

The first reported data from the redesigned Current Population Survey (CPS) will be the data for January 1994, to be reported on February 4.

To ensure that data users understand the important changes that have been made to the survey, the Bureau of Labor Statistics has carried out an intensive, year-long program of public education. The forthcoming February issue of Employment and Earnings will contain a summary of differences between the "new" and the "old" CPS (including differences in questions, collection methodology, and population controls), together with a summary of the effects on major labor force series based on data for calendar year 1993.

Many CPS data users with whom BLS staff have spoken have expressed the desire for additional help with interpreting the data from the new survey, especially the unemployment rate. To this end, we plan to do three things in preparation for the February 4 release. First, using information from the 12,000 household parallel survey conducted during late 1992 and 1993 to test the new survey methods, we will develop monthly estimates based on sample data and models of what the unemployment rate would have been had the new survey been in place during that period. Second, we plan to assess, as best we can, the special factors related to the survey being fielded for the first time that may impinge upon the January 1994 estimates. Data for February, March, and possibly even later months also may be affected by special start-up factors; for that reason, all of the early months' reports will be carefully monitored. Third, we will attempt to estimate, based upon the historical relationship between the unemployment rate and other economic indicators, what the January 1994 unemployment rate would have been had the old survey been continued. We plan to continue producing these projections for a few subsequent months.

Beginning in January and continuing for a year or two, in addition to fielding the official 60,000 household CPS using the new methods, the Bureau of the Census will be administering the "old" survey to a sample of 12,000 households each month. This continuing parallel survey is designed to allow analysts to compare the performance of the redesigned survey with that of the "old" survey over a longer time period than permitted by the testing carried out during 1992 and 1993. Once data from this new parallel survey become available, they will be incorporated into a model to estimate what the monthly unemployment rate would have been had the "old" survey been continued, replacing the projections described above.

Microdata from the 1992-93 parallel survey will be available for users in the form of a public-use tape in May 1994. Public-use data from the continuing parallel survey will be made available a year or so from now.

Bureau of Labor Statistics
January 1994