

Yale Labor Survey
Report of March 9, 2021 for the week ending February 27, 2021

RESULTS SUMMARY

Current YLS results cover labor market activities through the week of February 21-27, which is two weeks after the reference week for February's Current Population Survey (CPS). YLS data are not seasonally adjusted and refer to the population aged 20 and older. This week's key findings are as follows:

- YLS employment measures were mixed in the most recent survey. The employment-to-population ratio fell by 0.5 percentage point relative to the previous week, but the work-for-pay ratio, which does not include persons on paid absences, rose by 0.6 percentage point.
- Relative to their values during the CPS reference week for February, the employment-to-population ratio is down 0.1 percentage point and the work-for-pay ratio is up 0.4 percentage point. CPS results for the February reference week were published on Friday, March 5.
- The YLS unemployment rate rose almost 2 percentage points in the week ending February 27, while the YLS participation rate rose 0.7 percentage point. Since mid-October, the YLS unemployment rate has been significantly higher than the unemployment rate from the CPS. The proximate cause of this discrepancy is a higher share of YLS respondents who are looking for work, as non-employed persons who are conducting active job searches are counted as unemployed in labor market surveys.

Work-for-Pay Ratio

The work-for-pay ratio (WFPR) measures the fraction of survey respondents who report that they worked for pay or profit during the reference week. During the week ending February 27, the WFPR rose by 0.6 percentage point, to 57.2%.

Employment-to-Population Ratio

The employment-to-population ratio (EPR) is the standard measure of labor market activity reported by the Bureau of Labor Statistics (BLS). In addition to persons working for pay, the EPR also includes workers who are absent from their regular jobs (for example, workers on vacation). The EPR fell by 0.5 percentage point during the week of February 27, to 58.3%.

During the pandemic, the BLS has stated that the CPS has had difficulty distinguishing between workers who were absent from their jobs for the usual reasons (such as vacation or illness) and workers who were displaced by the pandemic. An alternative measure of the government's EPR calculated by YLS researchers with CPS microdata, "EPR-alt," is designed to remove pandemic-displaced workers from CPS employment. The EPR-alt measure is close to the YLS definition of employment, which includes only paid absences and is

therefore less susceptible to classification error (see the [background documentation](#) for details). The most recent CPS estimate for EPR-alt corresponds to the week ending January 16, when this statistic was 58.2%, down slightly from its 58.6% reading in mid-December.

Unemployment Rate

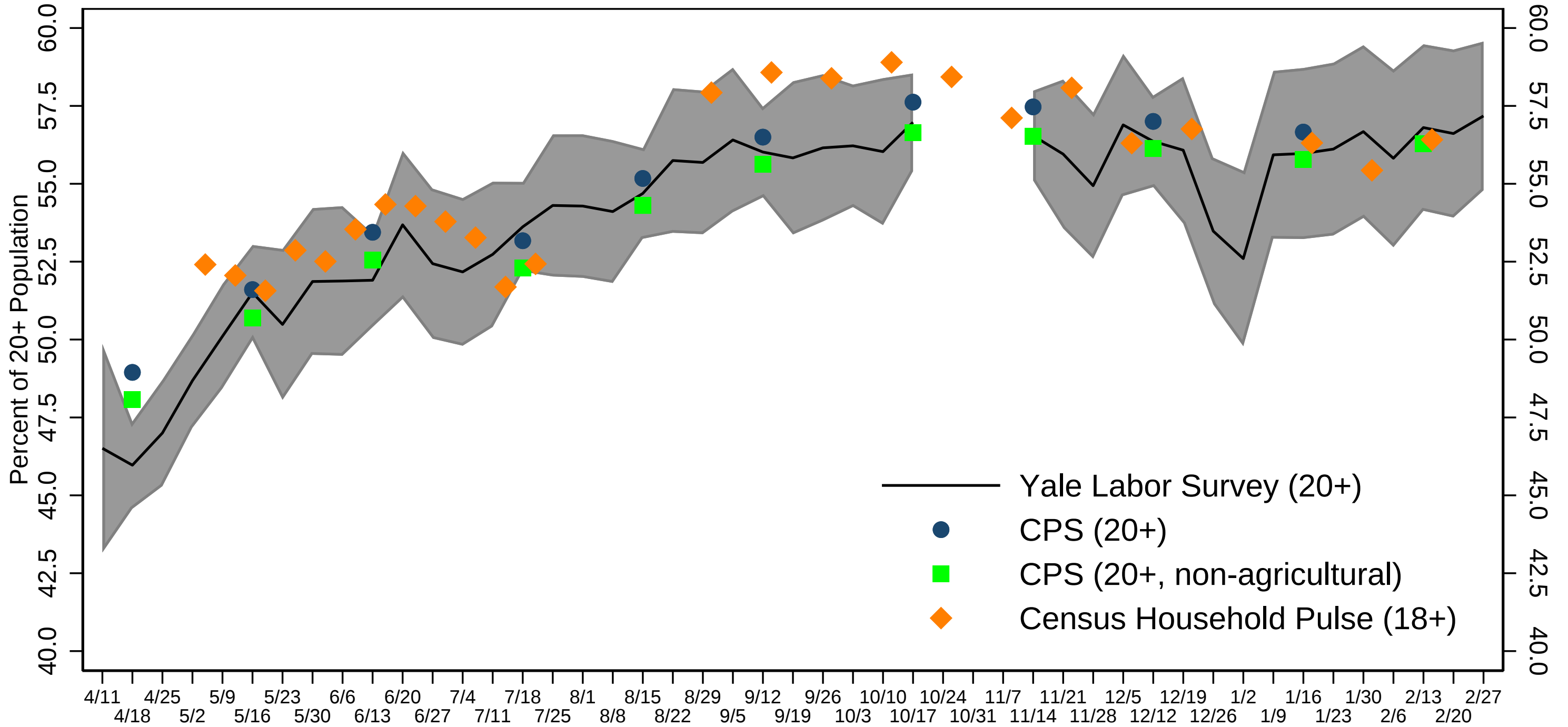
The YLS has consistently overestimated the unemployment rate, although the divergence depends upon whether corrections for recent CPS classification errors discussed above are made. To be classified as unemployed, a non-employed person must either (i) have actively searched for a job in the last four weeks, or (ii) be laid off from a job with an expectation of return. The questions that gather information about job-search activities and layoff conditions differ slightly between the CPS and YLS.

As noted above, the unemployment-rate discrepancy has been high in recent weeks. The YLS unemployment rate stood at 9.4% during the February CPS reference week, compared to a published CPS 20+ rate of 6.3%. In the most recent report, the YLS unemployment rate rose by 1.8 percentage points, to 10.3%.

Labor Force Participation Rate

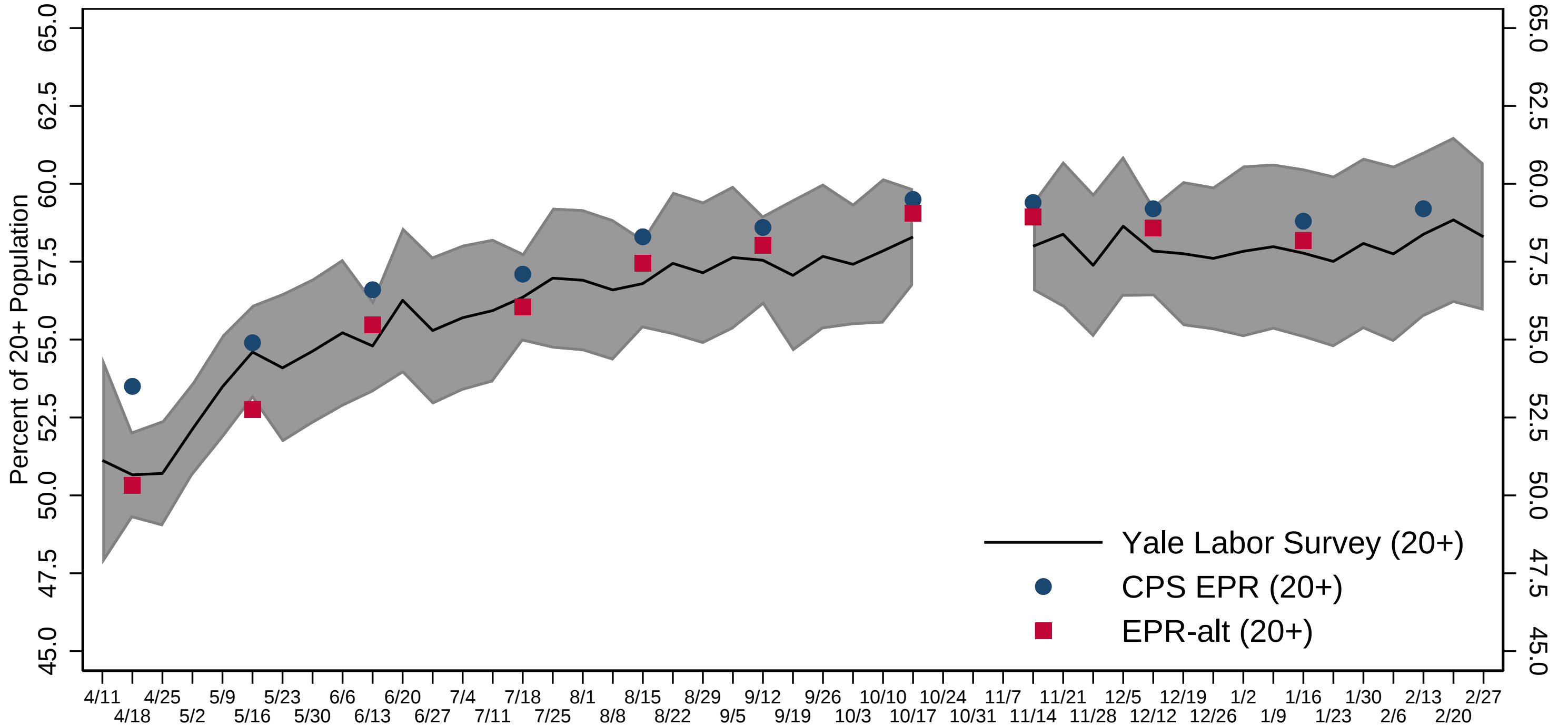
As of the week of February 27, the YLS labor force participation rate (LFPR) stood at 66.6%, up 0.7 percentage point from the previous week. During the last several weeks, the YLS participation rate has been much higher than the corresponding participation rate in the CPS. This difference between YLS and CPS participation rates explains most of the gap between the unemployment rates in the two surveys over the last several months. The source of these differences is an active area of research for the YLS team.

Work-for-Pay Ratio



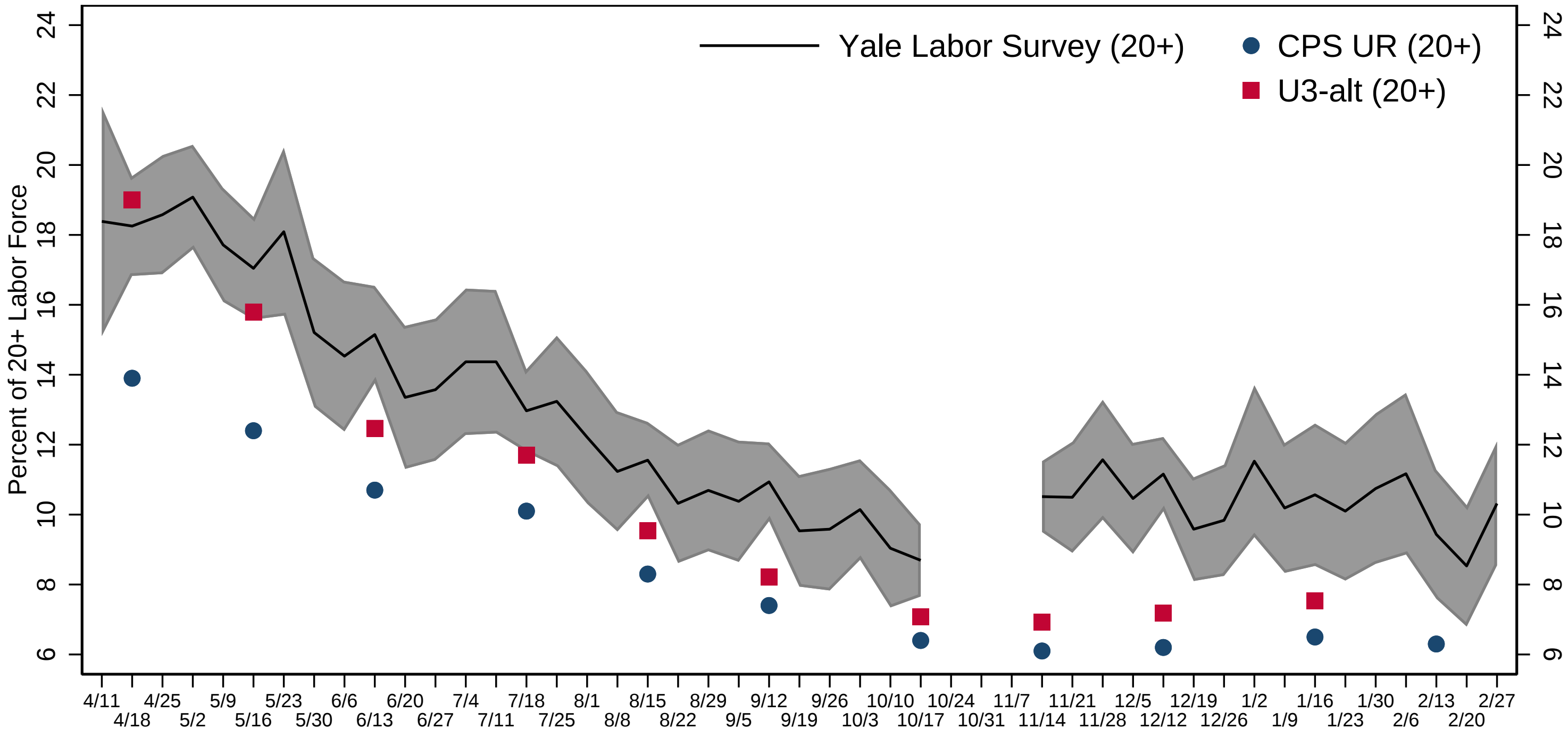
Note: Yale Labor Survey weight is wt_finwt1. The all-industries CPS ratio for Feb. will be added after Feb. CPS microdata are published. YLS surveys were not conducted for the weeks ending October 24, October 31, and November 7.

Employment-to-Population Ratio



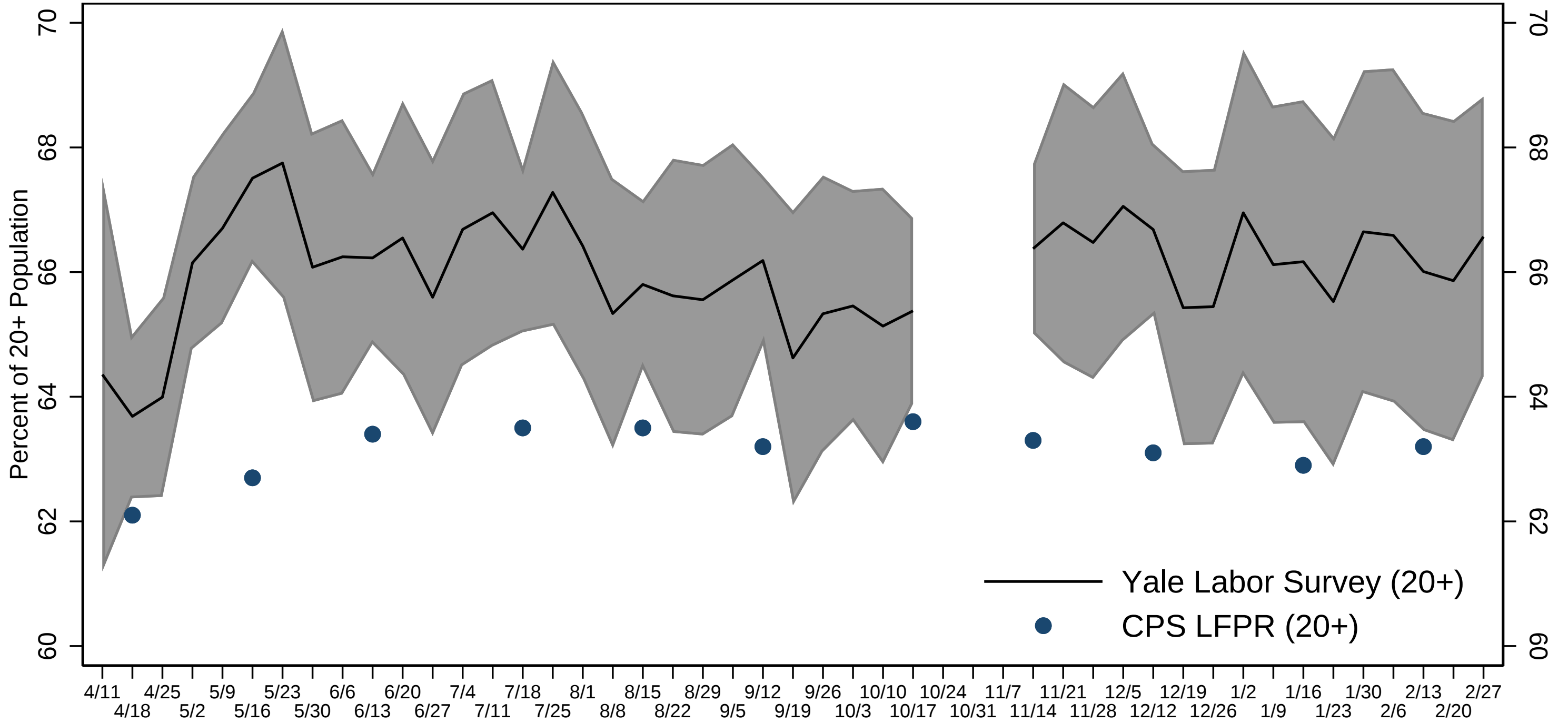
Note: Yale Labor Survey weight is wt_finwt1. EPR-alt for February will be added after February CPS microdata are published. YLS surveys were not conducted for the weeks ending October 24, October 31, and November 7.

Unemployment Rate



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Labor Force Participation Rate



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