RESULTS SUMMARY

Current YLS results cover labor market activities from early April 2020 through the week of August 9-15. This is also the time period covered by the August BLS/Census Current Population Survey, which will be published in early September. Data are not seasonally adjusted and refer to the population aged 20 and older. The survey’s key findings are as follows:

- Although unemployment has improved substantially since early May, the YLS unemployment rate rose in the most recent weekly survey. For the week ending August 15, the YLS estimates a 20+ unemployment rate of 13.2%, up 1.3 percentage points from the previous week. The YLS unemployment rate has fallen by 0.2 percentage point since the week of the July CPS survey (July 12-18), and is down by 1.9 percentage points since mid-June.

- In official government data, “employment” includes (i) persons who “work for pay” during the reference week plus (ii) persons who are absent from work because of vacation, illness, or similar reasons. The YLS measures the ratio of work-for-pay to population (WFPR) and the employment-to-population ratio (EPR). The WFPR was 52.9% for the week ending August 15, down by 0.8 percentage point relative to the previous week. The EPR was 55.3%, down by 1.2 percentage points in the last week. Since the week of the July CPS survey, the WFPR and EPR have fallen by 0.1 and 0.6 percentage point, respectively.

- The labor-force participation rate (LFPR) is estimated at 65.3% for the week ending August 15, down by 0.4 percentage point relative to the previous week.

- The YLS agrees more closely with CPS estimates of employment than it does with CPS estimates of unemployment and labor force participation. Although YLS estimates of unemployment and participation are higher than the corresponding rates in the CPS, movements over time in unemployment and participation have been similar across the two surveys.
DETAILS OF THE ESTIMATES

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. After falling sharply when the pandemic hit, the WFPR rose significantly from late April through mid-June but has been stable since then. The last CPS estimate of the WFPR in July stood at 53.2%. The WFPR in that week for the YLS was 53.0%. During the following four weeks, the YLS estimate of the work-for-pay ratio has fallen by 0.1 percentage point, to 52.9% for the week ending August 15.

Employment-to-Population Ratio

The labor market picture changes little in moving from the work-for-pay concept to the employment concept, the latter being the standard measure of labor market activity reported by the Bureau of Labor Statistics (BLS). For the July CPS week, the BLS reported a 20+ employment-to-population ratio (EPR) of 57.1%, up slightly from 56.6% in June.

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 illness or vacation) and workers who were displaced by the pandemic. An alternative measure of the government’s EPR calculated by YLS researchers, “EPR-alt”, is designed to remove pandemic-displaced workers from CPS employment (see the background documentation for details). 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. Both the calculated CPS EPR-alt estimate and the YLS EPR estimate stood at about 56% during the week of July 12-18. The YLS measure has fallen by about ½ percentage point since then.

Unemployment

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.

Despite the differences, the basic trend in unemployment-rate estimates are similar in the CPS and YLS. Unemployment fell significantly from April through June, consistent with the significant increase in employment that both surveys measure. During the July CPS reference week, the YLS unemployment rate was 13.4%, compared to 11.7% for an adjusted CPS unemployment rate (“U3-alt”). After drifting lower in late July and early August, the YLS unemployment rose by 1.3 percentage points in the most recent weekly survey, to 13.2% for the week ending August 15.
**Labor Force Participation Rate**

As of the week ending August 15, the YLS labor force participation rate (LFPR) has fallen 0.9 percentage point since July 12-18 and 0.4 percentage point since August 2-8. Over the entire sample period, the YLS participation rate has been higher than the corresponding CPS rate. This discrepancy is due almost entirely to the overestimate of the unemployment rate, which in turn is due largely to the YLS’s overestimate of the number of persons searching for jobs. (An increase in the number of job searchers raises both the unemployment rate and the participation rate.)
Work-for-Pay Ratio

Percent of 20+ Population

Note: Yale Labor Survey weight is wt_empr_feb_20.
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Unemployment Rate

- Yale Labor Survey (20+)
- CPS UR (20+)
- U3-alt (20+)

Note: Yale Labor Survey weight is wt_empr_feb_20.
Labor Force Participation Rate

Note: Yale Labor Survey weight is wt_empr_feb_20.