RESULTS SUMMARY

Current YLS results cover labor market activities from early April 2020 through the week of August 16-22. This period is one week longer than the period covered by the August BLS/Census Current Population Survey, which will include the CPS reference week of August 9-15 and be published on Friday, September 4. YLS data are not seasonally adjusted and refer to the population aged 20 and older. The survey’s key findings are as follows:

- The YLS unemployment rate fell 2.6 percentage points, to 10.6% for the week ending August 22. This is the lowest YLS unemployment rate recorded since the survey began and reverses an increase in unemployment in the previous week.
- 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), both of which reached their series highs in the latest report. The WFPR was 55.1% for the week ending August 22, up 2.2 percentage points from the previous week. The EPR was 57.0%, up 1.7 percentage points in the last week.
- The labor force participation rate (LFPR) is estimated at 65.3% for the week ending August 22, unchanged from 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 quickly from late April through mid-June but has increased at a slower rate since then. Since mid-June, the YLS estimate of the 20+ work-for-pay ratio has risen by 3.2 percentage points, to 55.1% for the week ending August 22.

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. (The EPR for the CPS week of August 9-15 will be reported on Friday, September 4.)

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 risen by about 1 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”). For the week ending August 15—the CPS reference week for August—the YLS unemployment rate stood at 13.2%. But in the following week the YLS unemployment rate fell by 2.6 percentage points, to 10.6%.
Labor Force Participation Rate

As of the week ending August 22, 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.)
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`.

The graph shows the percent of 20+ labor force from April 11 to August 22, with data points for each week.
Labor Force Participation Rate

Note: Yale Labor Survey weight is wt_empr_feb_20.