RESULTS SUMMARY

Current YLS results cover labor market activities from early April 2020 through the week of August 23-29. This period is two weeks longer than the period covered by the August BLS/Census Current Population Survey, published on September 4, which included the CPS reference week of August 9-15. 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 was little changed, rising 0.1 percentage point, to 10.7% for the week ending August 29. The unemployment rate has fallen by 2.7 percentage points since mid-July and remains close to the series low reached 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 changed little in the most recent report. The WFPR was 55.4% for the week ending August 29, up 0.3 percentage point from the previous week. The EPR was 57.1%, up 0.1 percentage point in the last week. Both of the most recent readings are series highs.
- The labor force participation rate (LFPR) is estimated at 65.5% for the week ending August 29, up 0.2 percentage point from the previous week.
- CPS results from its August reference week (Aug. 9-15) were generally stronger than YLS results from the same week. Relative to YLS data, CPS employment measures were higher and CPS unemployment rates were lower. However, in the two weeks following the CPS’s August reference week, the YLS has also indicated improvement in the labor market.
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. Since mid-July, the YLS estimate of the 20+ work-for-pay ratio has risen by 2.4 percentage points, to 55.4% for the week ending August 29. Calculation of the CPS version of the 20+ WFPR requires CPS microdata, which has not yet been published for August. However, the CPS WFPR for non-agricultural industries can be constructed with data from the monthly jobs report. This rate reached 54.3 percent in August, up 2 percentage points from July.

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 August CPS week, the BLS reported a 20+ employment-to-population ratio (EPR) of 58.3%, up 1.2 percentage points from mid-July.

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 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). During the week of July 12-18, both the calculated CPS EPR-alt estimate and the YLS EPR estimate stood at about 56%. The YLS measure has risen by 1.2 percentage points 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"). During the CPS reference week for August, the YLS unemployment rate stood at 13.2%. But over the following two weeks the YLS unemployment rate has fallen by 2.5 percentage points, to 10.7% for the week ending August 29.

**Labor Force Participation Rate**

As of the week ending August 29, the YLS labor force participation rate (LFPR) stood at 65.5 percent, up 0.2 percent from the previous week. 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.
The all-industries CPS ratio for August will be added after August CPS microdata are published.
Employment-to-Population Ratio

Note: Yale Labor Survey weight is wt_empr_feb_20.
EPR-alt for August will be added after August CPS microdata are published.
Note: Yale Labor Survey weight is wt_empr_feb_20.
U3-alt for August will be added after August CPS microdata are published.
Labor Force Participation Rate

- Yale Labor Survey (20+)
- CPS LFPR (20+)

Note: Yale Labor Survey weight is wt_empr_feb_20.