**TECHNICAL NOTES FOR LABOR FORCE AND UNEMPLOYMENT**

**ESTIMATING PROCEDURES**

**2015 Local Area Unemployment Statistics (LAUS) Redesign:**  Beginning with the publication of January 2015 data, the US Bureau of Labor Statistics (BLS) introduced changes to the methodology used in estimating monthly labor force and unemployment statistics for all states and areas. These changes lead to the publication of historical revisions for both statewide (January 1976) and substate (January 1990) estimates on March 17, 2015 and March 20, 2015, respectively.

Detailed information pertaining to the 2015 LAUS Redesign can be found on the [Redesign](http://www.bls.gov/lau/lauschanges2015.htm) section of the BLS website. For any questions regarding the methodological changes, please refer to the [Questions and Answers](http://www.bls.gov/lau/2015redesignqa.htm) section of the BLS website.

Labor force data for the State of New Jersey, Metropolitan Statistical Areas (MSAs), counties, and municipalities over 25,000 in population are estimated by procedures developed by the U.S. Bureau of Labor Statistics. The procedures use a combination of monthly unemployment insurance (UI) claims, monthly employer survey data from the Current Employment Statistics (CES) survey and Current Population Survey (CPS) data.

**Annual Average Estimates - Municipalities Under 25,000 In Population (1990-2009)**

The BLS preferred census-share methodology\* is used to produce estimates for these areas. A ratio is created for each municipalities’ decennial census share of the balance of county employment and unemployment to disaggregate the monthly subarea (i.e. municipality) estimates of employment and unem­ployment. The resulting census-share ratios for each municipality are applied to the balance of county labor force estimates.

*Census Sources:*

*1990 – 1999 estimates - 1990 decennial U.S. Census*

*2000 – 2009 estimates - 2000 decennial U.S. Census*

**Annual Average Estimates - Municipalities Under 25,000 In Population (2010 & 2011)**

The 2010 Census discontinued the use of the ‘long-form’ questionnaire in favor of a ‘short-form’ questionnaire. The detailed socioeconomic data which was previously captured via the ‘long-form’ questionnaire is currently collected via the American Community Survey (ACS). For more information regarding changes to the Census, please refer to the [US Census Bureau’s](https://www.census.gov/history/www/programs/demographic/american_community_survey.htmlhttps%3A/www.census.gov/history/www/programs/demographic/american_community_survey.html) website.

Therefore, following the same census-share methodology described above, estimates for municipalities under 25,000 in population were derived from ACS 5-year census-share ratios applied to the county labor force data.

*Census Sources:*

*2010 estimates = ACS 5 year estimates for 2006 – 2010*

*2011 estimates = ACS 5 year estimates for 2007 – 2011*

**Annual Average Estimates - Municipalities Under 25,000 In Population (2012 forward)**

Residence-based UI claims data are available for all municipalities within New Jersey’s labor market areas (LMA). As a result, the BLS preferred population-claims method is used to produce these estimates.

A ratio is created by comparing the number of UI claims in each municipality to the total number of UI claims within the LMA for use in determining each municipalities’ unemployment estimate. This ratio is then used to disaggregate the estimate of unemployed among each municipality. Employment is disaggregated using decennial census employment-population ratios updated each year with the latest vintage population estimates.

To ensure the quality of the claims data used in this technique, claimant records are processed through a residency assignment system that verifies and/or corrects residence addresses and assigns the associated residency codes. This provides a more accurate count of claims by municipality.

Since the population-claims methodology is the same methodology used to produce the monthly labor force statistics for counties, cities, and towns within New Jersey, the annual estimates for municipalities under 25,000 are directly comparable to the annual estimates produced by BLS.

**For further clarification of these procedures, please contact:**

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For this and related demographic information visit the [Office of Research and Information](http://lwd.dol.state.nj.us/labor/lpa/LMI_index.html) website