

## [Local Area Unemployment Statistics \(LAUS\)](#)

**Organization:** Bureau of Labor Statistics, U.S. Department of Labor. The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor is “the principal Federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy.”<sup>1</sup>

**Purpose and Uses:** The Local Area Unemployment Statistics (LAUS) program is a federal-state cooperative effort that produces monthly and annual estimates of labor force size and status—key indicators of local economic conditions—for nearly 7,500 geographic areas nationwide. According to BLS:

Federal programs use the data for allocations to States and areas, as well as eligibility determinations for assistance. State and local governments use the estimates for planning and budgetary purposes and to determine the need for local employment and training services. Private industry, researchers, the media, and other individuals use the data to assess localized labor market developments and make comparisons across areas.<sup>2</sup>

BLS has compiled a description of the various federal administrative uses of LAUS data.<sup>3</sup>

### **Data Elements Relevant to Postsecondary Education and Workforce Development:**

- Labor force (number)
- Employment (number)
- Unemployment (number and rate)

LAUS data are available for census regions and divisions, states, metropolitan and micropolitan areas, counties, cities and towns, and small labor market areas.

**History and Status:** Federal efforts to estimate local unemployment began in 1940, and a regular program was instituted soon after. For many decades, the LAUS program has been a cooperative effort between BLS and State Workforce Agencies (SWAs).

Methods for estimating local labor market conditions have been improved on a regular basis over the decades, the last effort taking place in 2011.<sup>4</sup> The LAUS program’s next redesign is expected to take place in 2015. Planned changes include modeling improvements, use of American Community Survey (ACS) data as inputs to LAUS estimation, and implementation of statistical area delineations based on the 2010 Census.<sup>5</sup>

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<sup>1</sup> BLS website, <http://www.bls.gov/bls/infhome.htm>.

<sup>2</sup> “[Overview, Local Area Unemployment Statistics](#),” LAUS website.

<sup>3</sup> BLS, “[Administrative Uses Of Local Area Unemployment Statistics](#).”

<sup>4</sup> Metro SSA website, <http://www.bls.gov/lau/metrossa.htm>.

<sup>5</sup> U.S. Department of Labor, “[FY 2015 Congressional Budget Justification: Bureau of Labor Statistics](#),” p. 26.

LAUS operates under two legal directives from Congress. First, Congress has instructed BLS to produce monthly labor force statistics for the nation, states, and “such smaller geographical subdivisions as the . . . Secretary may from time to time prescribe.”<sup>6</sup>

Second, through the not-yet-in-effect (it will be effective July 1, 2015) Workforce Innovation and Opportunity Act of 2014 (P.L. 113-128), Congress has told the Secretary of Labor to maintain a national workforce and labor market statistics system that includes data that “enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on . . . employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers . . . .”<sup>7</sup>

LAUS data collection has OMB clearance through March 2015.

**Methodology:** Models that produce LAUS estimates for states rely on data from sources including the Current Population Survey (CPS), the Current Employment Statistics (CES) program, and state unemployment insurance (UI) programs. Estimates for substate areas are produced through either the “Handbook method,” a building-block approach incorporating inputs from the CPS, CES, UI programs, the Quarterly Census of Employment and Wages, and the Census Bureau, or a disaggregation technique.<sup>8</sup>

The SWAs prepare the monthly labor force, employment, and unemployment estimates in cooperation with BLS. The LAUS program is responsible for the concepts, definitions, and technical procedures that states use in the preparation of labor force and unemployment estimates. Both the SWAs and the BLS analyze and publish the LAUS estimates each month.<sup>9</sup>

**Data Products and Services:** LAUS data are available in [tables and a database](#) on the BLS website.

**Annual Costs:** For FY2011, the annual Federal cost associated with the LAUS program was \$18.8 million (\$10.6 million from BLS directly and \$8.3 million from SWAs). For FY2015, the President requested \$20.3 million for LAUS.

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<sup>6</sup> 29 USC Section 2.

<sup>7</sup> 29 USC Section 491-2(a)(1).

<sup>8</sup> U.S. Department of Labor, [“FY 2015 Congressional Budget Justification: Bureau of Labor Statistics,”](#) p. 21.

<sup>9</sup> *Ibid.*, p. 22.