### Frequently asked questions: The impact of the coronavirus (COVID-19) pandemic on The Employment Situation for April 2020

(NOTE: On September 23, 2020, BLS corrected data in the response to item 17 in this document. Minor corrections were made to occupation estimates. For more information on these corrections, see <a href="https://www.bls.gov/bls/errata/revision-to-current-population-survey-estimates-for-January-through-July-2020.htm">www.bls.gov/bls/errata/revision-to-current-population-survey-estimates-for-January-through-July-2020.htm</a>.)

(NOTE: On May 11, 2020, BLS corrected data in the response to item 4 and table A in this document. The corrected change in total nonfarm employment for April is 37,000 lower than initially reported. Professional and business services and total private employment were also affected.)

The labor market data from the establishment and household surveys for April clearly reflect the impact of the coronavirus (COVID-19) pandemic. The material below addresses some questions about the effect of the pandemic on <u>The Employment Situation</u> for April 2020, which presents national-level estimates from the establishment (Current Employment Statistics, or CES) and household (Current Population Survey, or CPS) surveys. (See the assessment of the impact on the Employment Situation for <u>March 2020</u>.)

Additional detail at the state and local area level will be available in forthcoming releases with data from the <u>CES State and Metro Area</u> and the <u>Local Area Unemployment Statistics</u> (LAUS) programs.

### 1. Household and establishment surveys: What is the reference period for the two surveys?

The household survey reference period is generally the calendar week that contains the 12th day of the month, in this case April 12th through April 18th. In the household survey, individuals are classified as employed, unemployed, or not in the labor force based on their answers to a series of questions about their activities during the survey reference week.

In the establishment survey, workers who are paid by their employer for all or any part of the pay period including the 12th of the month are counted as employed, even if they were not actually at their jobs. Workers who are temporarily or permanently absent from their jobs and who are not being paid are not counted as employed, even if they continue to receive benefits. The length of the reference period does vary across businesses in the establishment survey; one-third of businesses have a weekly pay period, slightly over 40 percent a bi-weekly, about 20 percent semi-monthly, and a small amount monthly.

### 2. Establishment survey: Was there an impact on data collection in the establishment survey?

Yes. Data collection for the establishment survey was impacted by the coronavirus. Approximately onefifth of the data is collected at four regional data collection centers. Although these centers were closed during the collection period, about half of the interviewers at these centers worked remotely to collect data by telephone. Additionally, BLS encouraged businesses to report electronically. Approximately half of the data that are typically collected by telephone were instead collected by web.

The collection rate for the establishment survey in April was 75 percent. This is unchanged from the average for the 12 months ending in February 2020, before data collection was impacted by the coronavirus, and higher than March (66 percent). This rate was also higher than that for April 2019 (72 percent). The survey benefitted from a longer than average collection period in April (16 business days). The typical collection period for this survey ranges from 10-16 days.

The collection rates for construction, manufacturing, wholesale trade, and other services declined between 10 and 20 percentage points in April from the average for the 12 months ending in February 2020. Conversely, the collection rates for leisure and hospitality and for federal government increased by 10 to 20 percentage points from the average for the 12 months ending in February 2020. The collection rates for all other major industries were within 10 percentage points of the average of the 12 months ending in February 2020.

Although the collection rates were adversely affected by pandemic-related issues, BLS was still able to obtain estimates that met our standards for accuracy and reliability.

# **3.** Establishment survey: Were there methodological changes to the establishment survey estimates?

Yes. BLS changed the estimation method used in the establishment survey for April. Business births and deaths cannot be adequately captured by the establishment survey as they occur. Therefore, the establishment survey estimates use a model to account for the relatively stable net employment change generated by business births and deaths. Due to the impact of the COVID-19 pandemic, the relationship between the two was no longer stable in April. Therefore, the establishment survey made changes to the birth-death model.

These changes include using a portion of business deaths reported by establishments in the estimation process. These business deaths are normally excluded from the estimation process. BLS also added a regression variable to the model for forecasting net business births and deaths. The regression variable added more recent information to the model, which typically relies on inputs only available on a lag of several months. See additional information about changes to the <u>net birth-death model</u>.

The establishment survey also uses outlier detection as a usual part of the seasonal adjustment process. All outliers for seasonal adjustment are identified on a monthly basis in the establishment survey seasonal adjustment documentation.

# 4. Establishment survey: How did the pandemic response impact April employment, hours, and earnings estimates?

As highlighted in <u>The Employment Situation news release</u>, total nonfarm payroll employment fell by 20.5 million in April, after declining by 881,000 in March. Over the two months, payroll employment

fell by 14 percent, reflecting the effects of the coronavirus and efforts to contain it. The April over-themonth decline is the largest in the <u>history of the series</u> and brought employment to its lowest level since January 2011 (the series dates back to 1939). Job losses were widespread in April. The largest employment decline occurred in leisure and hospitality, where employment plummeted by 7.7 million over the month, or 47 percent. (See table A.)

Industry	April 2020			Last time employment level was lower		Last time monthly loss was larger (or next largest loss)		Last time monthly percent loss was larger (or next largest loss)	
	Employ -ment level	Monthly change	Monthly percent change	Date	Employ- ment level	Date	Monthly change	Date	Monthly percent change
Total nonfarm	131,045 (c)	-20,537 (c)	-13.5	Jan 2011 (c)	130,841 (c)	Sep 1945	-1,959	Sep 1945	-4.8
Total private	109,308 (c)	-19,557 (c)	-15.2 (c)	Mar 2011	109,096	Sep 1945	-1,766	Sep 1945	-5.1
Mining and logging	657	-50	-7.1	Feb 2017	655	Apr 1981	-134	Apr 1981	-11.6
Construction	6,631	-975	-12.8	Jan 2016	6,620	Mar 1960	-172	Jul 1943	-7.5
Manufacturing	11,488	-1,330	-10.4	Mar 2010	11,453	Sep 1945	-1,715	Sep 1945	-12.1
Wholesale trade	5,569	-363	-6.1	Feb 2012	5,562	Feb 2009	-48	Jun 1942	-1.3
Retail trade	13,520	-2,107	-13.5	Jul 1994	13,516	Apr 1951	-123	Apr 1951	-2.6
Transportation and warehousing	5,087	-584	-10.3	Jan 2017	5,078	Aug 1997	-148	Aug 1997	-3.7
Utilities	543	-3	-0.6	Aug 1971	542	Jul 2018	-4	Jul 2012	-1.3
Information	2,636	-254	-8.8	Aug 2011	2,634	Aug 1983	-586	Aug 1983	-25.4
Financial activities	8,580	-262	-3.0	May 2018	8,567	Apr 2009	-57	Jan 1947	-1.2
Professional and business services	19,305 (c)	-2,165 (c)	-10.1 (c)	Oct 2014	19,285	Feb 2009	-196	Sep 1945	-2.4
Education and health services	21,941	-2,544	-10.4	Apr 2015	21,906	Nov 2008	-101	Jan 1949	-0.8
Leisure and hospitality	8,715	-7,653	-46.8	Aug 1988	8,663	Mar 2020	-499	Mar 2020	-3.0
Other services	4,636	-1,267	-21.5	Jan 1996	4,625	Nov 2008	-40	Nov 2008	-0.7
Government	21,737	-980	-4.3	Jan 2005	21,735	Jun 2000	-260	Sep 1945	-3.1

Table A. Employment by industry, April 2020 compared with historical levels and changes (Numbers in thousands)

(c) Corrected May 11, 2020

Average weekly hours for all private-sector workers showed an increase of 0.1 hour in April, after declining by 0.3 hour in March. However, in April, there were notable declines in the average workweek for manufacturing (-2.1 hours), construction (-1.3 hours), and wholesale trade (-1.2 hours).

Given the large employment decline in March and the extreme job cuts in April, one must be cautious when interpreting the changes in average weekly hours for all private-sector workers. While it is certainly true some employees worked additional hours in April, the majority of the increase in average weekly hours reflects the disproportionate number of workers with shorter workweeks who went off payrolls; their removal put upward pressure on the average hours estimate.

Similarly, estimates of average hourly earnings for April also must be interpreted with extra caution. Average hourly earnings of all employees on private nonfarm payrolls rose by \$1.34 in April to \$30.01, following a gain of 15 cents in March. While some workers experienced an increase in pay in April, the increase in average hourly earnings reflects the disproportionate number of lower-paid workers who went off payrolls; their removal put upward pressure on the average hourly earnings estimate.

In the establishment survey, workers who are paid by their employer for all or any part of the pay period including the 12th of the month are counted as employed, even if they were not actually at their jobs. Workers who are temporarily or permanently absent from their jobs and who are not being paid are not counted as employed, even if they continue to receive benefits. The length of the reference period does vary across businesses in the establishment survey; one-third of business have a weekly pay period, slightly over 40 percent a bi-weekly, about 20 percent semi-monthly, and a small amount monthly.

### 5. Household survey: What was the impact on data collection in the household survey?

The household survey is conducted by the U.S. Census Bureau and normally includes both in-person and telephone interviews, with the majority of interviews collected by telephone. Interviewing for the household survey began on April 19, 2020.

Households are in the survey's sample for a total of 8 months, meaning that interviewers attempt to interview someone in the household each of those 8 months. Generally, households entering the sample for their first month are interviewed through a personal visit, and households in their fifth month also often receive a personal visit. Interviews for other months are generally conducted by telephone.

For the safety of both interviewers and respondents, the Census Bureau did not conduct in-person interviews in April. Additionally, the two Census Bureau call centers that assist with telephone interviewing were closed. The Census Bureau continued to conduct the household survey by telephone and made efforts to collect telephone interviews for households that would normally have been interviewed in person.

The response rate for the household survey was 70 percent in April 2020, following a response rate of 73 percent in March. For comparison, the response rate for April 2019 was 83 percent, and the average response rate for the 12 months ending in February 2020 was also 83 percent.

The response rate for households entering the sample for their first month was particularly low. The response rate for these households, which would normally have been interviewed in person, was over 30

percentage points lower than the average for the 12 months ending in February 2020. In addition, households in the sample for their second month—which entered the sample for the first time last month and had low response rates in March—were down about 20 percentage points compared with the average for the 12 months ending in February. The rate for those in their fifth month was over 10 percentage points lower.

Although the response rate was adversely affected by pandemic-related issues, BLS was still able to obtain estimates that met our standards for accuracy and reliability.

# 6. Household survey: Were there modifications to the seasonal adjustment methodology for the household survey?

During their review of household survey data for April, BLS staff tested for outliers to determine whether any changes were needed to the seasonal adjustment models. BLS staff determined that the vast majority of household survey data series had significant outliers in April and manually added outlier terms to the seasonal adjustment models.

Seasonal adjustment factors can be either multiplicative or additive. A multiplicative seasonal effect is assumed to be proportional to the level of the series. A sudden large increase in the level of the series will be accompanied by a proportionally large seasonal effect. In contrast, an additive seasonal effect is assumed to be unaffected by the level of the series. In times of relative economic stability, the multiplicative option is generally preferred over the additive option. However, in the presence of a large level shift in a time series, multiplicative seasonal adjustment factors can result in systematic over- or under-adjustment of the series; in such cases, additive seasonal adjustment factors are preferred since they tend to more accurately track seasonal fluctuations in the series and have smaller revisions.

Most household data series that had outliers in April used multiplicative seasonal adjustment factors. Therefore, BLS staff decided to specify all series with significant April outliers as additive. In accordance with the household survey's usual practice, the seasonal adjustment models and factors will be reviewed at the end of the calendar year, when five years of seasonally adjusted estimates will be subject to revision.

More information about seasonal adjustment is available in the household survey documentation.

# **7.** Household survey: Were there any changes to measures of error for household survey estimates?

As with all survey-based estimates, household survey estimates are subject to sampling error. When a sample is surveyed, there is a chance that the sample estimates may differ from the true population values they represent. The component of this difference that occurs because samples differ by chance is known as sampling error, and its variability is measured by the standard error of the estimate. There is about a 90-percent chance, or level of confidence, that an estimate based on a sample will differ by no more than 1.6 standard errors from the true population value because of sampling error. BLS analyses are generally conducted at the 90-percent level of confidence.

In general, estimates based on a large number of observations have lower standard errors (relative to the size of the estimate) than estimates based on a small number of observations. Also, estimates of higher magnitude tend to have higher standard errors than estimates of lower magnitude.

The relatively low April response rate—meaning that household survey estimates were based on fewer observations in April than in prior months—increased standard errors for most measures. However, many estimates had substantially different magnitudes than in prior months, which also had an effect on standard errors. For example, the 90-percent confidence interval for the over-the-month change in the unemployment rate was +/- 0.3 percentage point in April, compared with about +/- 0.2 percentage point in April of last year. The increase in the size of the confidence interval is largely due to the increase in the magnitude of the unemployment rate (14.7 percent in April 2020 versus 3.6 percent in April 2019) rather than to the lower response rate. See information about the <u>reliability of estimates</u> in the household survey.

### 8. Household survey: Were interviewers provided with any special guidance?

Due to the unusual circumstances related to the pandemic, additional guidance was provided to Census Bureau interviewers prior to collecting data in April. This was similar to the guidance that had been provided in March. In both months, guidance was provided only for the three items discussed below. Information was not provided for other survey questions.

If someone who usually works full time (35 hours or more per week) reports working 1 to 34 hours during the <u>survey reference week</u>, there is a question that asks the main reason they worked less than 35 hours. For this question, if a person indicated they were under quarantine or self-isolating due to health concerns the interviewer should select "own illness, injury, or medical problem." For people who were not ill or quarantined but said that their hours were reduced "because of the coronavirus," the interviewer should select "slack work or business conditions." An example would be "the store cut back hours during the coronavirus."

For those who did not work at all during the survey reference week of April 12–18, if a person indicated they were under quarantine or self-isolating due to health concerns, the interviewer should select "own illness, injury, or medical problem." For people who were not ill or quarantined but said that they did not work last week "because of the coronavirus," the interviewer should select "on layoff (temporary or indefinite)." This scenario would include people who reported "I work at a sports arena and everything is postponed" or "the restaurant closed for now because of the coronavirus."

To be classified as unemployed on temporary layoff, a person has either been given a date to return to work by their employer or expects to be recalled to their job within 6 months. Additional guidance was also provided to household survey interviewers regarding the question "Have you been given any indication that you will be recalled to work within the next 6 months?" If, because of the coronavirus, a person was uncertain of when they would be able to return to work and thus was unsure of how to answer the question, the interviewer was instructed to enter a response of "yes," rather than "don't know." This would allow the individual to be included among the unemployed on temporary layoff. In light of the uncertainty of circumstances related to the pandemic, this unusual step was taken as part of

an attempt to classify people who were effectively laid off due to pandemic-related closures among the unemployed on temporary layoff.

#### 9. Household survey: How did the pandemic response impact April estimates?

Household survey total employment fell precipitously, and unemployment rose sharply in April. These changes were widespread, as the labor market reacted to efforts to contain the spread of the coronavirus. (See details in item 10 below.)

The household survey can identify people who were not at work during the survey reference week for reasons such as their own illness, vacation, or taking care of a family member. Under the guidance provided to the household survey interviewers, workers who indicate that they were not working during the entire reference week due to efforts to contain the spread of the coronavirus should be classified as unemployed on temporary layoff, whether or not they are paid for the time they were off work. (See details in item 8 above.)

Among the unemployed, a large increase occurred among people on temporary layoff in April. However, as happened in <u>March</u>, some workers who were not at work during the entire reference week were not classified as unemployed on temporary layoff in April 2020. Rather, they were classified as employed but absent from work. BLS analysis of the underlying data suggests that most of these workers were misclassified; they should have been classified as unemployed on temporary layoff. (See details in item 13 below.)

The number of hours some people worked were affected by efforts to contain the pandemic. Employed people who usually work full time (35 hours or more per week) but indicate that they had worked fewer than 35 hours in the reference week because of slack work or business conditions, including those due to pandemic-related closures, are classified as employed part time for economic reasons. (See details in item 15 below.) Other effects can be seen in the number of people at work part time for noneconomic reasons. (See details in item 16 below.)

The number of people not in the labor force who currently want a job nearly doubled in April, as the impact of the pandemic kept many individuals from engaging in labor market activity. (See details in item 18 below.)

### 10. Household survey: How did the pandemic response impact unemployment and employment measures from the household survey?

As highlighted in <u>The Employment Situation news release</u>, the unemployment rate increased by 10.3 percentage points to 14.7 percent in April. This is the highest rate and the largest over-the-month increase in the <u>history of the series</u> (seasonally adjusted data are available back to January 1948). The number of unemployed people rose by 15.9 million to 23.1 million in April. Jobless rates rose sharply among all major worker groups. The stark increases in unemployment reflect the effects of the coronavirus and efforts to contain it. (Note that measures from the household survey pertain to the week of April 12–18.)

The number of unemployed people who reported being on temporary layoff increased by 16.2 million in April to 18.1 million. The number of permanent job losers increased by 544,000 to 2.0 million.

The number of unemployed people who were jobless less than 5 weeks increased sharply by 10.7 million in April to 14.3 million, accounting for 61.9 percent of the unemployed.

Employment, as measured by the household survey, fell sharply in April, declining by 22.4 million to 133.4 million. The employment-population ratio, at 51.3 percent, dropped by 8.7 percentage points over the month. This is the lowest rate and largest over-the-month decline in the <u>history of the series</u>, which dates back to 1948. Employment declines were widespread among the major worker groups. People who usually work part time were particularly affected; part-time workers accounted for one-third of the over-the-month employment decline.

# 11. Household survey: How are people who are absent from their jobs counted in the household survey?

The monthly household survey has two measures that show the number of people who missed work. One addresses people who did not work at all in the <u>survey reference week</u>, and the other addresses people who usually work full time but were at work part time (1 to 34 hours) during the reference week.

First, the survey collects data on the number of people who had a job but were not at work for the entire reference week due to reasons like vacation or their own illness. These people are counted as employed regardless of whether they were paid for the time off. People who have a job but were not at work for other reasons may be classified as employed or unemployed depending on the reason they missed work. For example, people who missed work due to vacation, parental leave, or bad weather are classified as employed. People who were temporarily laid off and expecting recall are classified among the unemployed on temporary layoff. (See details in item 12 below.)

Second, the household survey provides a measure of the number of people who usually work full time (35 hours or more per week) but were at work part time (1 to 34 hours) during the survey reference week. Depending on the reason provided, these workers are then grouped into those at work part time for economic or noneconomic reasons. Economic reasons include working reduced hours due to slack work or business conditions, seasonal work, or starting or ending a job during the week. Noneconomic reasons include illness, vacation, holidays, schooling, childcare problems, labor dispute, bad weather, and other reasons. (See details in items 15 and 16 below.)

People who report in the survey that they do not have a job, including those who permanently lost their job, are classified as unemployed if they are both available for work and actively looking for employment. (People on temporary layoff do not need to look for work to be unemployed.) People who do not meet the criteria to be unemployed (for example, they are not available to work for reasons other than their own temporary illness or they do not expect to be recalled from their layoff) are classified as not in the labor force. (See further explanation in item 18 below.)

#### 12. Household survey: How many employed people were not at work during the reference week?

In April, 11.5 million workers were classified as employed with a job but not at work during the <u>survey</u> <u>reference week</u> (not seasonally adjusted). This is much larger than the number of employed people with a job not at work <u>typical</u> at this time of the year and reflects the impact of the coronavirus pandemic.

Table B. Employed people with a job but not at work, March and April, selected years, not seasonally adjusted

(Numbers in thousands)

Year	Ma	rch	Aŗ	oril	Difference* (April - March)		
	Total employed	With a job not at work	Total employed	With a job not at work	Total employed	With a job not at work	
2016	150,738	4,496	151,075	4,022	337	-474	
2017	152,628	5,573	153,262	5,625	634	52	
2018	154,877	5,612	155,348	4,083	471	-1,529	
2019	156,441	5,108	156,710	4,078	269	-1,030	
2020	155,167	6,439	133,326	11,524	-21,841	5,085	

\* Users are generally cautioned against over-the-month comparisons of not seasonally adjusted data, as the change could be affected by some seasonal component.

There were many reasons why employed people were not at work for the entire survey reference week. BLS tabulates data on employed people not at work whose main reason for being absent was vacation, own illness, childcare problems, other family or personal obligations, labor dispute, bad weather, maternity or paternity leave, school or training, civic or military duty, and other reasons. Vacation and a person's own illness are typically the most common reasons people are not at work. (See table C below.)

Of the 11.5 million employed people not at work during the survey reference week in April 2020, 2.0 million people were included in the "own illness, injury, or medical problems" category (not seasonally adjusted). This was twice as large as the 1.0 million that is typical for April in recent years. People who were not at work to care for a sick family member should be counted in the "other family or personal obligations" category. This measure was within the usual range for April in recent years.

In April 2020, 8.1 million people were included in the "other reasons" category—more than two-thirds of the 11.5 million employed people not at work during the survey reference week (not seasonally adjusted). This is the highest value in the "other reasons" series, which dates back to 1994, and is much higher than the average of 620,000 for April 2016–2019. BLS analysis of the underlying data suggests that this group included workers affected by the pandemic response who should have been classified as unemployed on temporary layoff. Such a misclassification is an example of nonsampling error and can occur when respondents misunderstand questions or interviewers record answers incorrectly.

April	Total not at work	Vacation	Own illness, injury, or medical problems	Childcare problems	Other family or personal obligations	Labor dispute	Bad weather	Maternity or paternity leave	School or training	Civic or military duty	Other reasons
2016	4,022	1,620	1,045	16	267	7	65	288	133	4	576
2017	5,625	2,981	1,065	28	293	10	117	295	116	2	718
2018	4,083	1,618	981	22	236	11	142	313	125	4	630
2019	4,078	1,835	912	24	235	8	98	312	99	1	554
2020	11,524	622	2,010	81	232	4	51	370	58	11	8,085

Table C. Employed people with a job but not at work, April, selected years, not seasonally adjusted (Numbers in thousands)

# 13. Household survey: How many more workers should have been classified as unemployed on temporary layoff in April?

Other than those who were themselves ill, under quarantine, or self-isolating due to health concerns, people who did not work during the <u>survey reference week</u> (April 12–18) due to efforts to contain the spread of the coronavirus should have been classified as "unemployed on temporary layoff." However, as happened in <u>March</u>, some people who were not at work during the entire reference week were not included in this category. Instead, they were misclassified as employed but not at work.

Of the 11.5 million employed people not at work during the survey reference week in April 2020, 8.1 million people were included in the "other reasons" category, much higher than the average of 620,000 for April 2016–2019 (not seasonally adjusted). BLS analysis of the underlying data suggests that this group included workers affected by the pandemic response who should have been classified as unemployed on temporary layoff. Such a misclassification is an example of nonsampling error and can occur when respondents misunderstand questions or interviewers record answers incorrectly.

According to usual practice, the data from the household survey are accepted as recorded. To maintain data integrity, no ad hoc actions are taken to reassign survey responses.

# 14. Household survey: What would the unemployment rate be if these misclassified workers were included among the unemployed?

If the workers who were recorded as employed but not at work the entire <u>survey reference week</u> had been classified as "unemployed on temporary layoff," the overall unemployment rate would have been higher than reported. This kind of exercise requires some assumptions. For example, first one needs to determine how many workers might be misclassified. The 8.1 million workers with a job but not at work who were included in the "other reasons" category is about 7.5 million higher than the average of recent April estimates. (While this category contains misclassified workers, not every person in this category was necessarily misclassified. The average for 2016–2019 was 620,000 employed people with a job not at work for "other reasons.") One assumption might be that these additional 7.5 million workers who were included in the "other reasons" category should have been classified as unemployed on temporary layoff. If these 7.5 million people were to be considered unemployed on temporary layoff, the number of unemployed people in April (on a not seasonally adjusted basis) would increase by 7.5 million from 22.5 million to 30.0 million. The number of people in the labor force would remain at 155.8 million in April (not seasonally adjusted) as people move from employed to unemployed but stay in the labor force. The resulting unemployment rate for April would be 19.2 percent (not seasonally adjusted), compared with the official estimate of 14.4 percent (not seasonally adjusted). Estimates of people with a job but not at work are not available on a seasonally adjusted basis, so seasonally adjusted data, such as the unemployment rate mentioned in <u>The Employment Situation news release</u>, are not used in this exercise. (Repeating this exercise, but combining the not adjusted data on people with a job but not at work with the seasonally adjusted estimates reported in The Employment Situation news release yields a similar 4.8 percentage point increase in the unemployment rate for April—or 19.5 percent, compared with the official seasonally adjusted rate of 14.7 percent.)

#### 15. Household survey: How many people were at work part time for economic reasons in April?

The pandemic may have affected the number of hours some people worked during the <u>survey reference</u> <u>week</u> (April 12-18). For example, some people may have worked for some part of the reference week, but not as many hours as they usually work. Some people may have worked more hours than usual.

In April 2020, there were 10.9 million workers who worked part time for economic reasons (seasonally adjusted). These individuals, who would have preferred full-time employment, were working part time because their hours had been reduced or they were unable to find full-time jobs. This was 5.1 million more than the previous month and 6.6 million more than in February, clearly reflecting slack work or business conditions due to the pandemic response.

The over-the-month increase in the number of people working part time for economic reasons was particularly large in both educational services and in health care.

#### 16. Household survey: What else do we know about why people were at work part time in April?

Employed people who usually work full time (35 hours or more per week) but indicated that they had worked fewer than 35 hours in the survey reference week are asked the reason they worked part time that week. Depending on the reason provided, these workers are then grouped into those at work part time for economic or noneconomic reasons. Economic reasons include working reduced hours due to slack work or business conditions, seasonal work, or starting or ending a job during the week. (See item 15 for a discussion of people at work part time for economic reasons.) Noneconomic reasons include illness, vacation, holidays, schooling, childcare problems, labor dispute, bad weather, and other reasons.

The number of people who usually work full time but were at work part time for noneconomic reasons fell in April, reflecting the overall decline in employment. In addition, the change in the number of full-time workers who reported being at work part time for "other reasons" likely reflects the pandemic. There were 3.5 million workers who usually work full time but worked less than 35 hours in April due

to "other reasons" (not seasonally adjusted). Prior to 2020, this category typically has had about half a million people in March and April.

It is important to note that the household survey data do not reflect all cases of people who worked fewer hours during the month. They refer to work missed only during the <u>survey reference week</u>. They are restricted to cases where people who usually work full time (35 hours or more per week) worked 1 to 34 hours. Thus, a person who usually works 50 hours per week but missed 8 hours would not be included in this measure since they still worked more than 35 hours. Also, the data do not reflect how many people who usually work part time miss work.

# 17. Household survey: What were the effects of the coronavirus on occupational employment and unemployment?

In April, the household survey estimate of total employment fell by 21.8 million, or 14 percent, on a not seasonally adjusted basis. Declines occurred across all the major occupation groups, but service workers were especially affected. Employment in service occupations fell by 7.3 million over the month, nearly 30 percent. In particular, both food preparation and serving related occupations (-3.5 million, or 45 percent) and personal care and service occupations (-1.8 million, or 43 percent) were severely affected.

Unemployment rates increased for all occupation groups. The highest rates were experienced by workers in service occupations, where the unemployment rate tripled to 27.2 percent in April. The unemployment rate for food preparation and serving related occupations increased to 41.8 percent, and the jobless rate for personal care and service occupations increased to 39.3 percent (not seasonally adjusted).

Online monthly tables show additional information on <u>employment</u> and <u>unemployment</u> by occupation. Time series estimates of employment and unemployment by occupation from the household survey are also available in our <u>online database</u>. (These data are not seasonally adjusted. Users are generally cautioned against over-the-month comparisons of not seasonally adjusted data, as the change could be affected by some seasonal component. Additionally, changes in the classification of occupations complicate comparisons over time.)

### 18. Household survey: How many people want a job, but are not classified as unemployed?

People are categorized as either employed, unemployed, or not in the labor force based on how they respond to survey questions about their recent activities. People who have a job are <u>employed</u>, including those who may be temporarily absent (whether or not they are paid). People who do not have a job and are actively looking for and available for work are <u>unemployed</u>. People who do not have a job and are on layoff and expecting to be recalled to their job do not need to look for work to be counted as unemployed, but they do need to be available for work. Those who do not meet the criteria to be classified as either employed or unemployed are <u>not in the labor force</u>.

Among those not in the labor force, the survey does identify people who <u>want a job</u>. There were 9.9 million people not in the labor force who wanted a job in April, nearly twice as many as in March (5.5

million) and a high for the <u>monthly series</u> that dates back to 1994. In April, people who wanted a job represented 1 in 10 of those not in the labor force, much higher than in recent months. Among people ages 25 to 54, those who wanted a job represented nearly 1 in 5 people not in the labor force.

The large increase in the want a job category reflects the impact of the pandemic on the job market, as mandatory business closures, stay-at-home orders, and concerns about the coronavirus kept many individuals from engaging in labor market activity in April. Most people who wanted a job in April had not looked for work recently. If they had actively looked for work in the prior 4 weeks and were available to take a job, they would have been counted among the unemployed.

If the entire 9.9 million people who want a job but were not in the labor force were added to the total 23.1 million people unemployed in April, the resulting 33.0 million people would represent 19.8 percent of the labor force plus those who want a job. A similar calculation for March results in 7.5 percent.

### 19. Household survey: What's the difference between a furlough and a layoff?

Some people use the terms furlough and layoff interchangeably, and others find them to be distinct. The household survey does not have a formal measure or definition of furlough.

The survey identifies different <u>reasons people are unemployed</u>, including being on temporary layoff. This measure includes people who were "furloughed", although that is not a term used in the survey questionnaire. (The manual provided to survey interviewers does discuss how to code responses from people who report that they are furloughed. This guidance was prepared several year ago and was tailored to the use of "furlough" as a term describing budget-related layoffs, typically among government entities.)

Unemployed people on temporary layoff are those who said they were laid off or were not at work during the survey reference week because of layoff (temporary or indefinite) or slack work/business conditions, and who have been given a date to return (or expect to be recalled within the next 6 months), and who could have returned to work if they had been recalled (except for temporary illness). Unlike other unemployed people, those on temporary layoff do not need to look for work to be classified as unemployed. Pay status is not a criteria to be unemployed on temporary layoff. People absent from work due to temporary layoff can be classified as unemployed on temporary layoff, whether or not they are paid for the time they were off work.

Recent information about unemployed people on temporary layoff is available in an <u>online table</u>; additional information is available from our <u>online database</u>.

The household survey does not include any information on whether people on temporary layoff return to their employers. The monthly survey is a snapshot of the labor market and is not designed to track people's work experience over time.

#### 20. How many working people had to take care of children that could not go to school?

BLS does not have monthly estimates of employed parents, nor do we have data that reflect school closures.

#### 21. Do the household and establishment surveys measure telework?

No, the surveys do not regularly measure telework or work from home. However, BLS is adding new questions related to the coronavirus pandemic to the household survey, including one on telework. (See item 22 below.)

### 22. Are there plans to learn more about people affected by the pandemic?

Yes, the household survey will begin collecting information from <u>5 new questions related to the</u> <u>pandemic</u> in May. Information from these new questions will not be available with the release of the regular May estimates from the household survey.

### 23. How are these data different from the unemployment insurance (UI) claims data?

For the household and establishment surveys, the data for a given month relate to a particular week or pay period. In the household survey, the reference period is generally the calendar week that contains the 12th day of the month, in this case April 12–18. In the establishment survey, the reference period is the pay period that includes the 12th of the month, regardless of the length of the pay period. (The length of the reference period does vary across businesses in the establishment survey; one-third of businesses have a weekly pay period, slightly over 40 percent a bi-weekly, about 20 percent semi-monthly, and a small amount monthly.)

Every week, the Department of Labor's Employment and Training Administration (ETA) reports the number of people filing <u>initial and continuing claims for UI benefits</u>. Because the UI claims data are a weekly series, they can capture the impact of shocks more quickly than the BLS monthly household and establishment surveys, particularly when these shocks hit between survey reference periods.

Data users must be cautious about trying to compare or reconcile the UI claims data with the official unemployment figures gathered through the household survey. The unemployment data derived from the household survey in no way depend upon the eligibility for or receipt of unemployment insurance benefits. Learn more about how the government measures unemployment.