

THE AMERICAN ECONOMIC ASSOCIATION

Committee on Economic Statistics

Response to the Department of Commerce's Request for Comments on Field Testing an Internet Self-Response Option for the Current Population Survey

The American Economic Association's Committee on Economic Statistics (AEAStat) welcomes this opportunity to respond to the Department of Commerce's Request for Comments on plans to field-test an internet self-response option for the Current Population Survey, which was published in the Federal Register on September 30, 2024.¹ The American Economic Association (AEA) is a 17,500+ member organization dedicated to promoting economic research and intellectual exchange about economic issues. The AEA's Committee on Economic Statistics (AEAStat) promotes access to timely, detailed, high-quality, and useful economic statistics provided by the Federal government and other sources.

AEAStat views the field work described in the Request for Comments as a vital step in modernizing the Current Population Survey (CPS). The CPS is the nation's primary source of data on unemployment and other indicators of households' labor-market experiences. It is intended to provide timely, accurate, and representative information about whether conditions in the labor market and the health of the broader economy are improving or deteriorating. The CPS also sheds essential light on labor force participation, workers' earnings, hours worked, and the duration of unemployment. As such, it is a vital input to decisions by policy makers, financial-market participants, business leaders, and the general public.

Taking steps to modernize the CPS is urgent. As with other household surveys, the CPS response rate has fallen in recent years, as potential respondents increasingly ignore phone calls from unknown numbers and/or decline requests to talk with an interviewer in person.² The field work described in the Federal Register Notice figures centrally in plans by the Census Bureau and Bureau of Labor Statistics (which run the CPS jointly) to address this problem. The field work pretests an internet self-response option to be added to CPS respondents' current options of answering the survey's questions via in-person or telephone survey.³ As BLS and Census have described in public webinars and meetings of the Federal Economic Statistics Advisory Committee,⁴ experiences from other household surveys show that adding

¹ <u>89 FR 79512, document number 2024-22369</u>.

² The CPS response rate is high relative to other household surveys but, as with other surveys, has trended down over time. See Bureau of Labor Statistics, "Household and establishment survey response rates (https://www.bls.gov/osmr/response-rates/).

³ U.S. Census Bureau, "Current Population Survey (CPS) 2023 Modernization Efforts," May 13, 2024 (https://www.census.gov/programs-surveys/cps/about/modernization.html).

⁴ Ibid. K. Linse and N. Johnson, "Current Population Survey (CPS) Modernization," public webinar, October 24, 2023 (https://www.census.gov/content/dam/Census/newsroom/press-kits/2023/20231024-presentation-cps-

an internet self-response option positively affects response rates relative to what they would otherwise be, as many people are more comfortable providing information via the internet than they are via phone or in-person interview. Collecting data via the internet is also cost-effective relative to other survey modes, helping BLS and the Census Bureau navigate problems of rising survey costs with limited survey budgets.

Field-testing an internet self-response version of the CPS is essential for making sure it delivers improved response rates and cost moderation without sacrificing data quality. AEAStat believes the data collection described in the Request for Comments is vital for ensuring that the high value of the CPS is maintained, and that it needs to be conducted and used to inform broader efforts to strengthen and modernize the CPS, without delay.

modernization-webinar.pdf). K. Linse and N. Johnson, "Current Population Survey (CPS) Modernization," presentation at the December 8. 2023 FESAC meeting (https://apps.bea.gov/fesac/meetings/2023-12-08/Johnson-Linse.pdf).

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