



## **Answers to Frequently Asked Questions About Unemployment Rates and Statistics**

### **Where do North Carolina's state and local unemployment and job numbers come from?**

The North Carolina Department of Commerce's *Labor and Economic Analysis Division (LEAD)* works in collaboration with the *U.S. Department of Labor's Bureau of Labor Statistics (BLS)* to produce state and local unemployment and employment statistics. These statistics are generated by the BLS with input from data provided by each state. State and local unemployment rates are produced via the *BLS's Local Area Unemployment Statistics (LAUS)* program. Monthly state and metropolitan-area job numbers are produced via the *BLS's Current Employment Statistics (CES)* program. The same methods are used to produce figures for all states. North Carolina statistics are published by both the North Carolina Department of Commerce and the BLS.

### **What is the unemployment rate? Does it only include unemployment insurance (UI) claims?**

The unemployment rate helps us understand the extent of joblessness in the labor force. The *labor force is defined by the BLS as non-institutionalized civilians age 16 and older who are either working ("employed") or are without work, available for work, and actively seeking work ("unemployed"). The unemployment rate is the number of unemployed people divided by the number of people in the labor force.*

State and local unemployment rates from the LAUS program are estimated using statistical models that incorporate information from household surveys, surveys of employers, and unemployment insurance (UI) claims data. Many unemployed people do not file a claim for or receive UI benefits, and many UI claimants do not meet the BLS definition of "unemployed," therefore, *the statistical models that are used to produce unemployment rates include more than one data source and do not rely solely on UI claims information.*

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## What levels of geography are available for monthly unemployment and job numbers?

BLS programs publish data at the national level and some programs also publish data for smaller geographic areas, allowing focus on regional, state, or local trends. The LAUS and CES programs use different methods to provide estimates and each program has different geographic level for reporting the estimates. In addition to the state level, CES publishes employment data for North Carolina's 15 metropolitan statistical areas (MSAs). Note that CES employment estimates are not available at the county level since CES sample cannot support estimates at this level. LAUS provides estimates for all 100 NC counties and the state's largest cities as well as various regional areas such as workforce development board areas, MSAs, and prosperity zones.

## What types of jobs are included in the job numbers?

Job numbers from the CES program cover the vast majority of paid employment, excluding farm workers, private household workers, and military and intelligence agencies. Business owners and many of the self-employed – including certain “gig workers” – are not counted.

## Why do the LAUS and CES numbers for “employment” differ?

*The LAUS program estimates the number of employed persons by their place of residence. The CES program measures the number of jobs by the location of the employing establishment.* A person working multiple jobs at different establishments is counted once at each establishment. Also, many people work in one county and commute to another county. The two statistics have different definitions, measure different concepts, and are estimated using different methods. So which employment measurement should we use? The answer depends on if we need a count of jobs or a count of people employed.

## What does “seasonally adjusted” mean?

Nearly all economic data published by government agencies and reported in the news media are seasonally adjusted. *Seasonal adjustment is a statistical technique that eliminates the influence of weather, holidays, the opening and closing of schools, and other recurring seasonal events.* By adjusting for these seasonal movements, trends in the data become smoother and allow for improved month-to-month comparisons. Note that unemployment rates for North Carolina's substate areas are published without seasonal adjustment. Since these monthly numbers are subject to seasonal variation, it is recommended that data users may want to focus on over-the-year changes.

## When are these numbers revised?

Unemployment rates and job numbers are revised on a monthly and annual basis. These revisions incorporate information that was not available when the numbers were first released and help to improve the accuracy of the statistics. Monthly revisions affect only the prior month's statistics and are typically small. Annual revisions affect data from prior years and can range from small to substantial.

**Where can I find more information regarding the methodologies utilized to produce the unemployment rate and monthly job numbers?**

More information regarding the Local Area Unemployment Statistics (LAUS) program can be found on the BLS website via the following link: [bls.gov/lau](https://www.bls.gov/lau). More information regarding the Current Employment Statistics (CES) program can be found on the BLS website via the following link: [bls.gov/sae](https://www.bls.gov/sae)

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