

Chapter 11. Overview of the Public Employment Statistics

Introduction

The purpose of the Census Bureau's employment survey is to measure the number of public employees and their payrolls annually, according to a detailed cross-classification by function and type of employee (full- or part-time). The primary focus of the annual survey is state and local governments. However, the Census Bureau compiles Federal Government employment statistics from the U.S. Office of Personnel Management, to complement the state and local data and to yield complete coverage of the nation's government sector employment activity.

11.1 Survey Coverage and Definitions

The basis of coverage for the employment surveys is the government unit, as defined in Chapter 1. Employment statistics are collected for individual government units, then aggregated by geographic area, level of government, or type of government. The employment surveys cover all three levels of government – Federal, state, and local.

11.1.1 Employment Statistics on State and Local Governments

In total, there are eight basic statistics in the annual and census employment surveys:

Number of full-time employees	Payrolls (converted to Monthly Payrolls)
Number of part-time employees	Average monthly earnings
Full-time equivalent employees	Hours worked by part-time employees
Standard hours worked	Pay interval

Six of the eight statistics are collected from (reported by) the individual government units canvassed in the surveys, including the payrolls statistic. However, this statistic is converted during processing to a monthly basis by the Census Bureau, as described later in this chapter (see Section 11.1.4). Two statistics are calculated by the Census Bureau using standard methodology, also described later in this chapter. The chart on the next page summarizes how the eight employment statistics are obtained.

Chart 11.A Sources of the Eight Employment Statistics	
Statistic:	Source:
Full-time employees.....	Reported by respondent
Part-time employees	Reported by respondent
Full-time equivalent employees	Calculated
Standard hours worked.....	Reported by respondent
Payrolls	Reported, then converted to monthly basis
Average monthly earnings	Calculated
Hours worked by part-time employees	Reported by respondent
Pay interval	Reported by respondent

Each of these statistics is categorized by function. Functional categories are used in the employment surveys to group statistics so that they can be aggregated and compared across governments or geographic areas. The functional categories for employment surveys are similar to, but not identical with, those used for expenditure statistics in the Census Bureau’s surveys on government finance. The functional categories are explained in more detail in Chapter 12, along with definitions and examples.

11.1.2 Employees/Employment Definition

Employment refers to all persons gainfully employed by and performing services for a government. Employees include all persons paid for personal services performed from all sources of funds, including persons paid from Federally-funded programs, paid elected officials, persons in a paid leave status, and persons paid on a per meeting, annual, semiannual, or quarterly basis.

Several categories of “workers” are excluded from the public employment statistics. These do not fall within the definition of paid employees of the government unit, even though the work they perform is done on behalf of the government or benefits the government in some way. Unpaid officials, pensioners, persons whose work is performed on a fee basis, volunteers (including volunteer firemen who receive no remuneration), and contractors and their employees, all are excluded from the counts of employees for a government.

11.1.3 Full-Time and Part-Time Employees

The classification of an employee as full- or part-time is determined by the standard used by the reporting government itself:

Full-time employees are defined to include those persons whose hours of work represent full-time employment in their employer government.

Part-time employees are those persons who work less than the standard number of hours for full-time work in their employer government.

11.1.4 Payrolls

Payroll amounts are gross payrolls for the one-month period of March. Gross payrolls includes all salaries, wages, fees, commissions, and overtime paid to employees before withholdings for taxes, insurance, etc. It also includes incentive payments that are paid at regular pay intervals. It excludes employer share of fringe benefits like retirement, Social Security, health and life insurance, lump sum payments, and so forth.

Monthly Payrolls represent a calculated statistic. Data collected for the one pay period that includes March 12 are converted to monthly figures using the conversion factors noted in the following chart:

Chart 11.B Conversion Factors for Monthly Pay	
Frequency of Pay Period	Conversion Factor
Weekly	4.429
Biweekly	2.214
Twice a month	2.000
Monthly	1.0
Quarterly	0.340 or 0.442 ¹
Semi-annually	0.170 or 0.277 ¹
Annually	0.085
¹ Conversion used for institutions of higher education only.	

11.1.5 Hours Worked by Part-Time Workers

First collected during the October 1986 survey, these data represent the number of hours worked by part-time employees during the pay period. Note that these data are not collected for publication but rather are used to calculate full-time equivalent employment statistics.

11.1.6 Full-Time Equivalent Employment

The term “full-time equivalent employment” refers to a calculated statistic representing the number of full-time employees that could have been employed if the reported number of hours worked by part-time employees had been worked by full-time employees. This statistic is calculated separately for each function of a government by dividing the “part-time hours paid” by the standard number of

hours for full-time employees in the particular government, and then adding the resulting quotient to the number of full-time employees.

This statistic is computed for each functional category of a government using the following formula:

$$\text{Full-Time Employees} + \frac{\text{Part-Time Hours Paid}}{\text{Standard Number of Hours for Full-Time Employees in that Government}}$$

11.1.6.1 Special Topics: Note Regarding the October 1986 Revision to Full-Time Equivalent Calculation Method

The method for calculating full-time equivalent employment based on part-time hours worked has been in use since the 1986 employment survey. Prior to the 1985 survey, the Bureau used a different method, one based on payrolls. (For the October 1985 employment survey no full-time equivalent employment data were calculated.)

This payroll method calculated full-time equivalent employment for each functional category of a government using the following formula:

$$\text{Full-Time Employees} \times \frac{\text{Full-Time Payrolls}}{\text{Full-Time Payrolls} + \text{Part-Time Payrolls}}$$

This payroll-based method was discontinued when “hours of work” data became more generally available as a result of changes to the Fair Labor Standards Act.

11.1.7 Average Monthly Earnings – Full-Time Employees

Average monthly earnings is a calculated statistic representing the average monthly payrolls per full-time employee. This statistic is calculated for each functional category of a government using the following formula:

$$\frac{\text{Full-Time Employee Monthly Payrolls}}{\text{Number of Full-Time Employees}}$$

Average earnings data may not convert to accurate annual earning rates because of overtime, unusual situations (e.g., special events, natural disasters), and such factors as employees who are paid only during 9 or 10 months of the year (especially in education and natural resources).

Other factors affecting average monthly earnings rates include (1) the proportion of highly trained or skilled personnel, (2) the concentration of employees in metropolitan or urban areas where the cost-of-living is higher, and (3) the exclusion of housing, meals, or other “in kind” compensation, which may be provided to employees (especially for hospitals).

11.1.8 Standard Hours Worked

This is the number of hours worked by employees considered to be “full-time” by the responding government. This statistic varies for each government. It is used in the calculation of the “full-time equivalent employment” statistic, as described above in Section 11.1.6.

11.1.9 Pay Interval

This represents the length of the standard pay period for the respondent government or government agency. This statistic is collected from each respondent. It is necessary in order to standardize March payrolls (convert payrolls to a monthly basis in accordance with the methodology described in Section 11.1.4).

11.2 Employment Statistics for the Federal Government

The Census Bureau includes the Federal Government in its surveys of public employment. Coverage involves two sets of statistics:

- Functional measures consistent with the statistics for state and local governments, and
- Federal employment by state area

11.2.1 Federal Government – Employment By Function

These annual statistics are compiled from the U.S. Office of Personnel Management and based on that agency’s Monthly Report of Federal Civilian Employment (Standard Form 113A). Only three statistics are developed, compared to the eight statistics for state and local governments:

- Full-time employees
- Part-time employees
- March payrolls

The payrolls data are a total monthly payrolls only. There is no detail available for full-time or part-time employee payrolls. Consequently, there are no statistics calculated on full-time equivalent employment.

The data cover all civilian employees, including seasonal and intermittent employees, as well as employees on foreign assignments residing outside of the fifty states and the District of Columbia. Employees of the Central Intelligence Agency, National Security Agency, and Defense Intelligence Agency are not included in the functional data. Federal judges, members of Congress and their staffs, employees of the Congressional Budget Office, and elected and appointed officials of the Executive Branch are included.

The data are classified by function in the same manner as for state and local governments (as detailed in Chapter 12). Three function categories are applicable to the Federal Government only and do not apply to state and local governments. These are shown below and explained fully in Chapter 12:

- Federal National Defense and International Relations

- Federal Postal Service
- Federal Space Research and Technology

11.2.2 Federal Government – Employment By State Area

Federal civilian employment data by state are compiled biennially in even numbered years. There is one statistic only, total employment, with no measures of full- or part-time employment, pay intervals, payrolls, or full-time equivalent employment.

The data also differ from the annual functional measures of Federal Government employment in other ways involving coverage. First, the following employees are excluded:

- Seasonal and intermittent employees.
- Employees on foreign assignment.
- Commissioned Corps of the Public Health Service.
- Intelligence agencies (Central Intelligence Agency, National Security Agency, Defense Intelligence Agency).

Second, two categories of employees are included in the total count but not allocated by state. These are Federal judges and other employees of the Federal courts, plus employees of the Federal Bureau of Investigation stationed outside of the District of Columbia.

Members of Congress and their staffs (including the Congressional Budget Office) and appointed officials of the Executive Branch working in the District of Columbia are included in counts for Washington, DC.

11.3 Reporting Periods

The Census Bureau measures government employment and payrolls statistics in a traditional manner, by using a specific time frame applicable to all governments. Currently, the time frame used is the month of March. Statistics are collected from each government for its pay period that includes March 12, regardless of the length of the pay period.

March has been the measurement period since the 1997 survey year. However, the time frame has changed twice since 1957, when the Census Bureau began collecting public employment statistics in the current survey format. The month used for different survey years is shown below:

1997 - present -	March
1958-1995 -	October
1957 -	April
(The employment survey was not conducted in 1996)	

For counts of employees, the statistics are straightforward and represent the number employed during the pay period that included March 12. However, for government payrolls measures, the Census Bureau converts the statistics reported by government respondents to a monthly basis, as described earlier (Section 11.1.4). This is because governments have pay periods that differ in length. Converting the

payrolls statistics to a standard monthly basis enables aggregates to be tabulated and allows comparisons among government units to be made more easily.

During the survey years from 1958 to 1995, the payrolls period for coverage purposes had to include the date of October 12.

The reporting period for statistics covering the Federal Government differ. For annual statistics that show employment by function, the reporting period is December, but this has varied as follows:

2003 - present -	December
1997 - 2002 -	March
1992 - 1995 -	October

(The employment survey was not conducted in 1996)

For the biennial statistics on Federal employment by state area (compiled only in even number years), the statistics reflect December of the year indicated. Users can refer to the Census Bureau's website for updated information on reporting periods.

11.4 Joint Activities of Governments

As noted in Section 1.5, government units often cooperate to provide a specific service or activity. Section 1.5 explained three methods for the classifying employment activity under these cases. The first two methods, summarized below, are straightforward. This section further explains the third methodology.

1. Governments might establish an independent special district to carry out the activity, in which case the related employees and payrolls are assigned to that government unit.
2. One of the governments might be solely responsible for administering the activity, but the other governments share its financial support. In such situations, all employment statistics are assigned to the administering government.
3. The participating governments might create a separate organizational body that is neither independent nor dependent on any one member, but is jointly administered by all of them. An example of this occurrence is where the joint agency issues debt that is not in the name of any of the participating governments. These types of joint activities provide special problems in a classification system where the focus is the individual government entity. Such joint activities, therefore, are classified on the basis of the circumstances involved in each case. For this third type of situation, the Census Bureau has three options for classification:
 - 3a. A joint agency having substantial financial and employment activity can be treated (classified) as if it were an independent special district government.
 - 3b. A joint inter-local agency having substantial financial and employment activity might be assigned as a dependent agency of one of the participating governments. Its employees are classified in the same manner as the second case cited above.
 - 3c. A joint inter-local agency not having substantial financial activity or employment is allocated to each of the participating governments to the extent of their respective participation. In this case, employees and employee payrolls should be reported as part of the government that issues employee paychecks or, if the joint agency issues

paychecks, allocated to the sponsoring governments on the basis of their financial contribution to the “joint” activity.

11.5 Special Topics: Classification Issues for Washington, DC

The District of Columbia and the city of Washington, contained within it, constitute special handling in Census Bureau statistics on government finance and public employment. The District of Columbia is classified as a municipal government for Census of Governments purposes. However, it is a unique government entity in many respects, having characteristics of both state and local governments. As a result, there are several finance and employment classification categories that apply solely to Washington, DC and to no other local governments. The finance categories are detailed in Section 3.13.

Like all state governments, Washington, DC administers a Federally-Sponsored unemployment insurance program. Hence, Washington, DC has employee and payrolls statistics for *Social Insurance Administration*, code 22. This employment classification function applies to state governments and to Washington, DC, only.

11.6 Special Topics: Additional Statistics During Census of Governments

The Census Bureau occasionally develops additional statistics about public employees and public employment, especially during the Census of Governments.¹ This statistical information has varied since the first Census of Governments in 1957. Two primary topics were labor management relations and government costs for employee benefits. Users should refer to the Census Bureau’s website for additional information on the availability of special topics during Census of Governments survey years.

¹The Census of Governments is taken at 5 year intervals as part of the Nation’s Economic Census.