

PART B

**CURRENT POPULATION
SURVEY CONCEPTS**

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Part B, Chapter 1

Employment Concepts

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PART B, CHAPTER 1 EMPLOYMENT CONCEPTS

1.A INTRODUCTION

The purpose of this chapter is to define the concepts related to employment.

Employed. Employed persons are those who are working at a paid job or business for at least one hour during the reference week, or are working without pay in a family business for 15 or more hours during the reference week or who did not work last week, but held a job or owned a business from which they were temporarily absent during the reference week.

The chapter is broken down as follows:

- 1.B Employment Concepts
- 1.C Business
- 1.D Work
- 1.E Job
- 1.F Absence from a Job
- 1.G Multiple Jobholders
- 1.H Hours Worked

Further details on individual questions dealing with employment are in Part C, Chapter 4.

1.B EMPLOYMENT CONCEPTS

As stated in Part A, Chapter 1, employed persons are those who are working at a paid job or business for at least one hour during the reference week, or are working without pay in a family business for 15 or more hours during the reference week, or did not work in the reference week but had a job or business from which they were temporarily absent.

Business, work, and job are all important concepts in understanding who is employed. Most of the cases you face when interviewing will be straightforward. That is, the respondent will be able to tell you if the specified person was working and had a job or business. However, there will be some borderline or atypical cases that will require your knowledge of the inclusions and exclusions that follow.

1.C BUSINESS

Business. A business exists when one or more of the following conditions is met:

- Machinery or equipment of substantial value is used in conducting the business, or
- An inventory of significant value is maintained for the business, or
- An office, store, website, or other place of business is maintained, or
- The business is advertised by:
 - + listing in the classified section of the telephone book, frequent listings or long term postings on a website, or
 - + displaying a sign, or
 - + distributing cards or leaflets or otherwise publicizing that the work or service is offered to the general public.

Business is a particularly important concept in classifying a person as being absent from work during the reference week. Knowing whether a person **holds a job or has a business** allows us to determine if persons who did not work during the reference week should be classified as employed at work or employed but temporarily absent. It also helps to obtain a good description of the person's industry and occupation, determine class of worker, and to find out whether a person holds multiple jobs.

Although paying employees is a common function of businesses, by itself, it is not sufficient to determine if a business exists. For example, households may hire people to work as maids, gardeners, etc., but that does not make the households businesses.

1.C.1 Business Exclusions

Unless one of the above conditions is met, there is no business. In addition, the following arrangements are specifically **excluded** from being counted as a business:

- **Sale of Personal Property**

The sale of personal property (for example, garage or yard sales, the selling of items on the Internet, or the sale of a car) is not a business or work.

- **Seasonal businesses**

Exclude businesses in the off-season if no one in the household worked in the business during the off-season. Consider the examples below.

The following household would not have a business in July: Members of a household had a business chopping and selling Christmas trees from October through December. No one worked in the business during any of the off-season months.

The following household would have a business in July: Members of a household ran a ski resort from October through March. During the off-season they continued to trim the slopes, buy equipment, train staff, keep books and take reservations for the next season.

- **Distributors**

Distributing products (such as cosmetics, household goods, or newspapers) is **WORK** if the selling was done during the reference week. However, it **is not a business UNLESS** the person buys the goods directly from a wholesale distributor or producer, sells them to the consumer, **and** bears any losses resulting from failure to collect from the consumer.

1.C.2 Business Inclusions

- **Selling of Items via the Internet**

Individuals who sell items via the Internet that are obtained specifically for resale or produced for sale would have a business if they intended such Internet sales to occur on an ongoing or recurring basis, and if they intended to make a profit. Although not a requirement, one indication of intending to sell items on an ongoing or recurring basis is the maintenance of an inventory of items that have significant value. Individuals who sell only their own personal property via the Internet would not have a business, even if they sold items repeatedly.

Individuals who are providing a service by facilitating the sale of other individuals' items via the Internet also would have a business, if the individuals providing the service did so on an ongoing or recurring basis with the intent of making a profit.

1.D WORK

Work. Work includes any activity for wages or salary, for profit or fees, or for payment in kind. One hour or more of such activity constitutes work. Work also includes unpaid activity of at least 15 hours a week on a family farm or business.

item for sale, packing an item, and shipping an item) do not have to take place in one continuous hour, but the total time spent on these activities during the reference week has to be equal to or greater than an hour. An individual does not have to have a business selling items via the Internet to be classified as working. Individuals do not have to receive payment by the reference week for items sold in order to be classified as employed (payment can be deferred).

Use Table B1, on page B1-6, as a checklist to determine if you should count an activity as work.

NOTE. If a person receives part of the profits from the business/farm, or would have received part of the profits if the business/farm had not operated at a loss, consider him/her to be working. This is regardless of the number of hours worked during the reference week unless (s)he owns the business for investment purposes only. The part of the profit received can be in cash or pay "in kind."

For example, count all of the following as receiving part of the profits from the business/farm:

\$ receiving a proportion of the proceeds from cattle sales

\$ receiving \$1500 a month for living expenses

\$ receiving a share of the earnings

A person selling items via the Internet (e.g. eBay sellers) would be classified as working, as long as the individual was not selling only personal items and the person was engaged in Internet sales-related activities for an hour or more during the reference week. Internet sales-related activities (e.g. photographing an item, writing a description of an item, posting an

Table B1. Determining Which Activities are Considered as Work

Activity Included as Work?		
	Include as work?	
Paid work for cash wages or salary (including welfare payments or other public assistance), at piece rates, on commission, or for tips.	YES	
Exchange or sharework on farms , such as when farmers may help each other during peak farming periods, without compensation.	YES	
Jury Duty		NO
National Guard/Reserve Duty (Weekend, summer training)		NO
Ownership of a business solely for investment purposes. No participation in the management or actual operation of the business.		NO
Paid training in which the person receives wages or salary for training they must complete before starting the job.	YES	
Unpaid training programs in order to qualify for a job.		NO
Training not sponsored by an employer , even if the trainee is receiving a welfare check or other public assistance for attending the training.		NO
Work for pay "in kind" such as meals, living quarters, room and board, or supplies received in place of cash wages.	YES	
Work for profit or fees in own business, profession, or farm. (Includes those who intend to earn a profit whose business produced a loss.)	YES	
Set up own new business. Includes: searched for a place of business; dealt with prospective suppliers, contractors, or advertisers; ordered equipment or inventory; readied the building or obtained work permits; searched for or met potential clients; interviewed future employees.	YES	
Selling of Items on the Internet. <ul style="list-style-type: none"> • The reselling of items purchased for personal use. • The selling of items purchased or produced for the purpose of selling on the internet. • Providing a service with the intention of making a profit that facilitates the sale of other individuals' items on the Internet. 		NO
	YES	
	YES	
Unpaid Work <ul style="list-style-type: none"> • In a family business or farm (other than housework at home) of 15 hours or more which contributed to operating a farm or business run by a member of the household who is related by marriage, blood, or adoption. • Unpaid work that did not contribute to operating a family farm or business. • Unpaid work in the business of an unrelated member of the household. • Unpaid work for a relative not in the household. 	YES	
		NO
		NO
		NO
Volunteer work without pay		NO

1.E JOB

Job. A job exists when there is a definite arrangement for regular work every week, or every month, for pay or other compensation (e.g., profits, anticipated profits, or pay in kind, such as room and board).

A formal, definite arrangement with one or more employers to work on a continuing basis for a specified number of hours per week or days per month, but on an irregular schedule during the week or month, is also a job.

The difference between a job and work is particularly important in identifying persons who did not work during the reference week, but who had a job from which they were absent. Consider this example:

Joan was paid to clean a friend's house 2 weeks before the reference week, but does not clean houses on an ongoing basis.

In this instance Joan does not have a job. However, if she had an arrangement to clean a person's house for pay every Tuesday, but happened to be sick during the reference week, then she would have a job from which she was temporarily absent.

It is possible to have worked during the reference week and not have a job. A person may not have a definite arrangement for work on a continuing basis. (See Table B2, on page B1-8, to determine which activities are considered a job.) Consider the following example:

Fred was paid to build a deck for a friend last week. He does not usually build decks for a living. **Fred would have worked during the reference week, but he would not have a job.**

The concept of **job** is also important in getting a good description of the person's industry and occupation and in determining whether a person holds multiple jobs.

1.F ABSENCE FROM A JOB

The following is a list of reasons for being temporarily absent from a job or business that are accepted in the CPS interview. (Instructions for selecting individual reasons are in Part C, starting on page C4-11.)

- On layoff (temporary or indefinite)
- Slack work/business conditions
- Waiting for a new job to begin
- Vacation/personal days
- Own illness/injury/medical problems
- Child care problems
- Other family/personal obligation
- Maternity/paternity leave
- Labor dispute
- Weather affected job
- School/training
- Civic/military duty
- Does not work in the business
- Other (specify response)

Table B2. Determining Which Activities are Counted as a Job

Activity Included as a Job?		
	Include as a job?	
Domestic or day work. An arrangement to work on a continuing basis for each of one or more employers.	YES	
Leave of absence. On a leave of absence from a regular job (for example, to attend school or travel) and has an arrangement to return to that job.	YES	
Maternity/paternity leave. Must intend to return to work, and have an agreement with an employer to hold a job or find a place for him/her upon return.	YES	
Persons "on call". Arrangements with a union hiring hall or a professional service (for example, nurses, substitute teachers) to be called to work with little or no advance notice and there is NOT a definite arrangement to work a specified period of time each week or each month.		NO
Seasonal job during "off" season. For example, in the summer, you would not consider a non-working ski instructor as having a job or being absent from a job.		NO
Seasonal job, work in season. For example, count a ski instructor who was on vacation or otherwise absent from work during the reference week as having a job only if the reference week was part of the ski season.	YES	
Student attending school. Students who have gone back to school and are not currently working DO NOT HAVE A JOB from which they are temporarily absent. Having an arrangement to return to work when the school year is over (for example as a waiter or waitress) does not make him/her absent from a job.		NO
Summer vacation for school personnel. If they have definite arrangements or contracts, either oral or written, to return to work.	YES	
Unpaid work on a family farm or business. Usually does unpaid work on a family farm or business but did not work during the reference week.		NO
Work as needed. Work done as needed, and not done on a continuing basis. An example would be a consultant who works on an as-needed basis.		NO

1.G MULTIPLE JOBHOLDERS

Multiple jobholders are persons who have more than one job or business. In the CPS, we ask persons who worked during the survey week if they had more than one job or business and if so, how many they had. This information allows us to collect additional information about the person's main job and other jobs separately.

Main Job. The job at which the person usually works the most hours is his/her main job. If a person usually works the same number of hours at two jobs, the "main" job is the job at which the person has been employed the longest.

Refer to the discussion of JOB and BUSINESS to determine whether multiple jobs exist. Persons who started and ended jobs in the same week are considered multiple jobholders. The guidelines below will help you in situations **that are NOT considered multiple jobholding.**

1.G.1 More Than One Employer in Occupations Where Multiple Employers are Common

It is possible for individuals to have more than one employer, but only one job. If an individual does the same type of work for more than one employer in an occupation where it is common to have more than one employer, do not consider the individual a multiple jobholder. Examples include private household or domestic workers including baby-sitters, chauffeurs, gardeners, handy persons, cooks, and maids.

1.G.2 More Than One Client

It is possible for individuals to have more than one client, but only one job. If an individual does the same type of work for more than one client in an occupation where it is typical to have more than one client (s)he should not be considered a multiple jobholder. Examples include artists, consultants, doctors, and lawyers.

1.G.3 More Than One Contract

It is possible for individuals to have more than one contract or piece of work without having more than one job. *For example, a general contractor working at more than one construction site would not be a multiple jobholder.*

If an individual has more than one piece of work or more than one contract (for example, contractors, construction workers), and all the work is the same type, then (s)he has only one job. (S)he would not be a multiple jobholder.

1.H HOURS WORKED

There are two different concepts measured in the hours series of questions in the CPS. First, you ask respondents the number of hours (s)he usually works per week. The objective of this question is to measure the **usual full-time/part-time status** of employed persons. Next, you ask a series of questions to determine the number of hours (s)he actually worked last week. From this it is determined whether (s)he actually worked full-time or part-time during the reference week.

For multiple jobholders, questions on usual and actual hours are asked separately for "the main job" and "all other jobs combined."

1.H.1 Usual Hours

You ask all employed persons, both those who were at work and those who were absent from work, about the number of hours they usually work. In addition to providing information on full-time/part-time status, asking usual hours before actual hours provides a frame of reference for the subsequent actual hours worked questions. (You further improve this estimate by asking about the main job and other jobs separately.)

Usually. 50% of the time or more, or the most frequent schedule during the past 4 or 5 months.

It is possible for a person who worked during the reference week to not **usually** work. In such cases his/her usual hours are zero. For example, a retired person worked 20 hours in a friend's business during the reference week, but usually does not work. His/her usual hours are 0 and actual hours are 20.

1.H.2 Actual Hours

The question on usual hours worked prompts the respondent to think about his/her usual schedule. The questions on actual hours then prompt the respondent to think about any deviations from that schedule in order to report actual hours worked more accurately.

In this series of questions you first determine if the person lost or took off any hours from work. You then identify any extra hours or overtime worked. At this point you ask for actual hours. For multiple jobholders, you ask for actual hours for "main" and "other" jobs separately.

More information about how to record usual and actual hours is on Pages C4-6 through C4-8.

1.H.3 Full-time and Part-time Hours

Full-time. Generally speaking, any job that is usually 35 hours or more per week is considered full-time. In some occupations, usual weekly schedules of less than 35 hours per week are considered to be full-time (for example, air-traffic controllers). For these cases, the option "Regular hours are full-time" is provided.

1.H.4 Reasons For Part-Time Work

If a person usually works part-time, or worked part-time in the previous week, we ask about the main reason for part-time work. Based partially on the reason why people are working part-time, shown in Figure B1, we classify these individuals either as part-time for economic reasons or part-time for noneconomic reasons.

Figure B1. Reasons for Working Part-Time

Usually Works Full-Time

- Slack work/business conditions
- Seasonal work
- Job started or ended during week
- Vacation/personal day
- Own illness/injury/medical appt.
- Holiday (legal or religious)
- Child care problems
- Other family/personal obligations
- Labor dispute
- Weather affected job
- School/training
- Civic/military duty
- Other reason

Usually Works Part-Time

- Slack work/business conditions
 - Could only find part-time work
 - Seasonal work
 - Child care problems
 - Other family/personal obligations
 - Health/medical limitations
 - School/training
 - Retired/Social Security limits on earnings
 - Full-time work week is less than 35 hours
 - Other
-

The distinction between the two types of part-time work is important because the number of workers who are part-time for economic reasons is an important indicator of the health of our economy.

Part-time for non-economic reasons.

Individuals who choose to work part-time for personal reasons (for example, to allow time to attend school, care for children or elderly parents, or to avoid exceeding social security limits on yearly earnings).

Part-time for economic reasons.

Individuals who want and are available to work full-time but who are working part-time because of poor economic conditions or an inability to find full-time work.

Examples of part-time for economic reasons are: individuals who usually work full-time, but worked part-time because of **slack work/business conditions, seasonal work, or their job started or ended during the survey week**. If an individual usually works part-time, (s)he is **economic part-time** only if (s)he wants to work full-time AND is working part-time due to **slack work/business conditions or because (s)he could only find part-time work or seasonal work AND is available to work full-time**.

*Further details on individual questions dealing with employment
are in Part C, Chapter 4.*