LMI TUESDAYS!

What is the Local Area Unemployment Statistics (LAUS) program and what can it tell us?
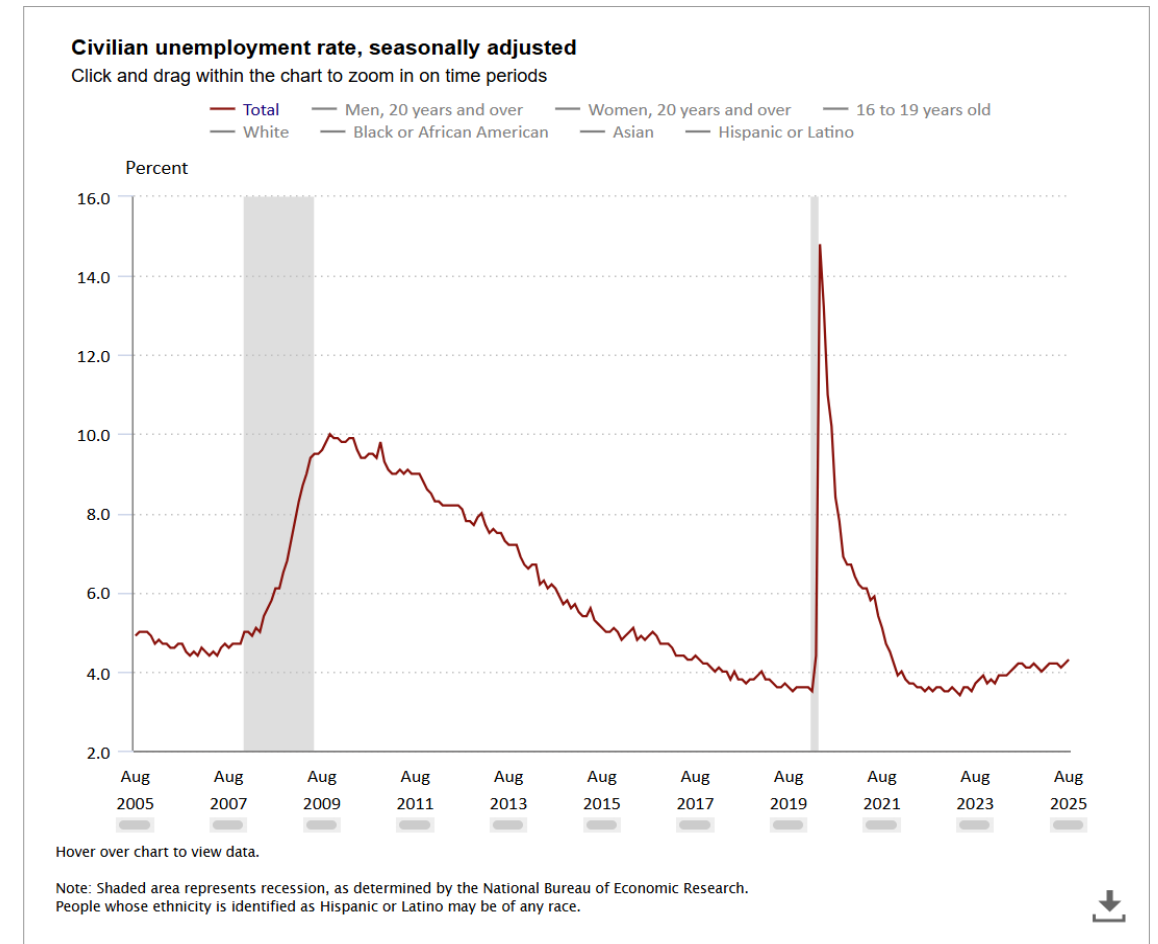
October 7, 2025

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What is the Local Area Unemployment Statistics (LAUS) Program?

- Program of the Bureau of Labor Statistics
- Produces the following estimates:
  - A. Total number of people employed
  - B. Total number of people unemployed
- From these estimates, calculates:
  - Total number of people in the labor force (A + B)
  - **The unemployment rate (B/(A + B))**
  - Other indicators
- The Current Population Survey produces these estimates at the national level
- LAUS produces these estimates at state, county, regional, and city levels
- Why do we need LAUS in addition to CPS?

Civilian unemployment rate, seasonally adjusted
Click and drag within the chart to zoom in on time periods

— Total — Men, 20 years and over — Women, 20 years and over — 16 to 19 years old
— White — Black or African American — Asian — Hispanic or Latino

Percent

Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.
People whose ethnicity is identified as Hispanic or Latino may be of any race.

Why Do We Need LAUS?

- Sample size in CPS is too small to reliably estimate state and substate areas

- For example, based on these ratings and number of reviews, which restaurant would you rather go to? Which rating seems more reliable?

Restaurant A: Restaurant B:

5.0 ★★★★★ (27)   4.8 ★★★★★ (1.3K)

- LAUS uses additional modeling and estimation techniques to produce a more reliable estimate

- LAUS itself is not a survey, but incorporates data from multiple survey and administrative sources

Presentation Outline

Local Area *Unemployment Statistics*

How is the national unemployment rate calculated?

Presentation Outline

Local Area Unemployment Statistics

Which geographic areas in North Carolina can we get the unemployment rate for?
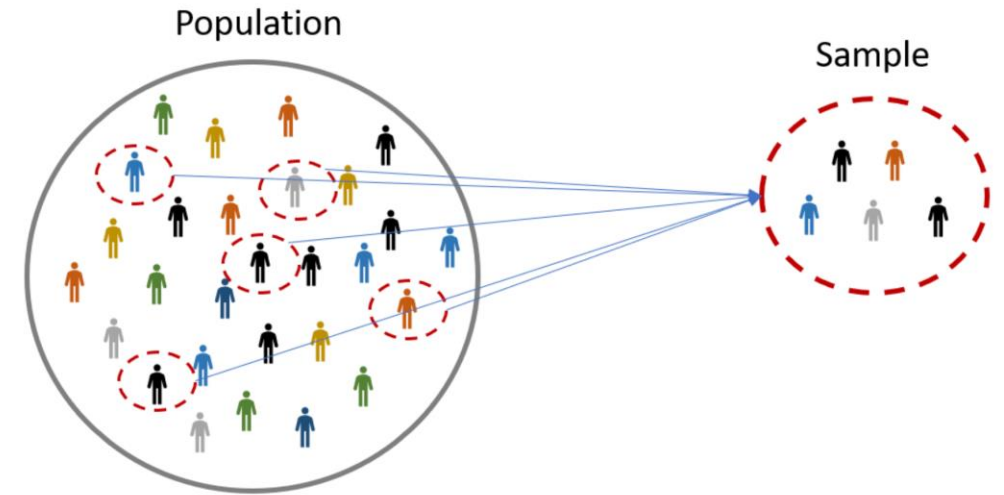
How does the methodology for calculating these rates differ from the national unemployment rate?

Where can I find these data?

Calculating the National Unemployment Rate

- An estimate based on the Current Population Survey (CPS)

- Includes approximately 60,000 households interviewed monthly

- Responses to questions on the CPS place individuals in one of three categories:
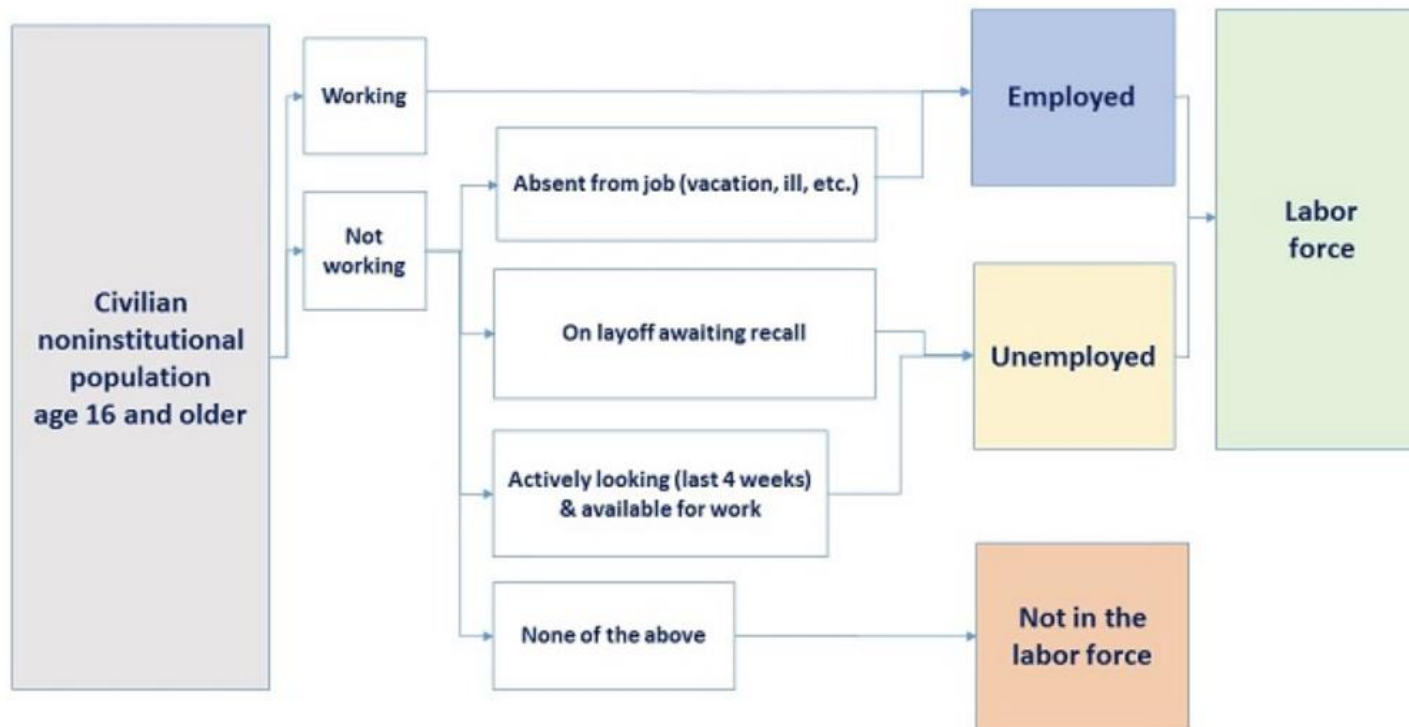 - Employed
  - Unemployed

  In the labor force
  - Not in the labor force

Population

Sample

- **Population** of employed people and unemployed people in the United States is estimated based on the CPS **sample**

Calculating the National Unemployment Rate

Determining who is employed, unemployed, or not in the labor force

Examples

Unemployed
- Lost their job and looking for a new job
- On layoff awaiting recall (e.g., during COVID)
- College graduate entering the labor market

Employed
- Working full-time
- Working part-time
- Gig worker
- On vacation from work

Not in the labor force
- Full-time student
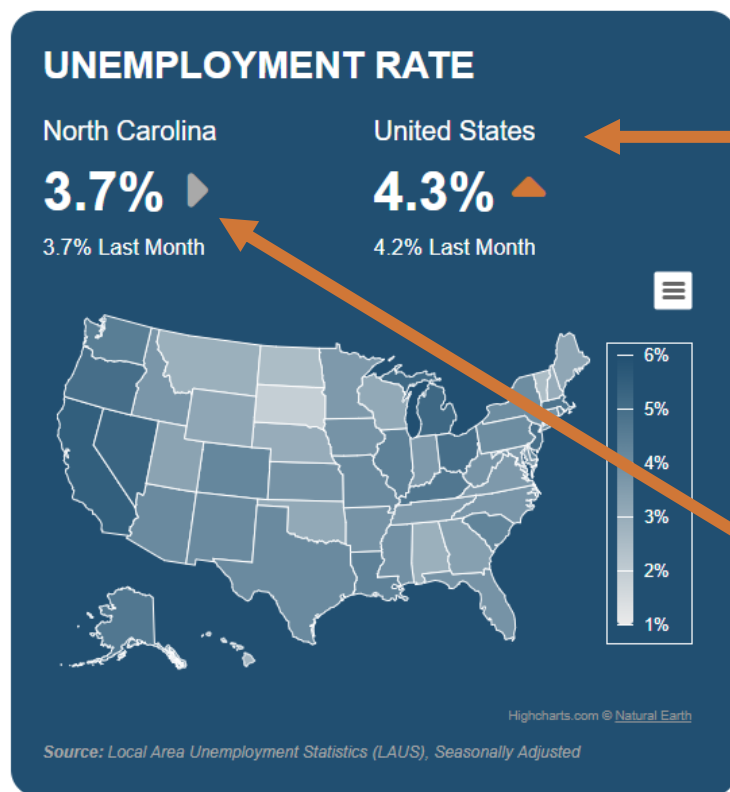- Retiree
- Stay-at-home parents

Calculating the National Unemployment Rate

$$\frac{Unemployed\ people}{(Unemployed\ people + employed\ people)}$$
$$=$$
$$\frac{Unemployed\ people}{Labor\ force}$$

- Expressed as a percentage
- Unemployed people + employed people = labor force
- People not in the labor force are not included in the denominator

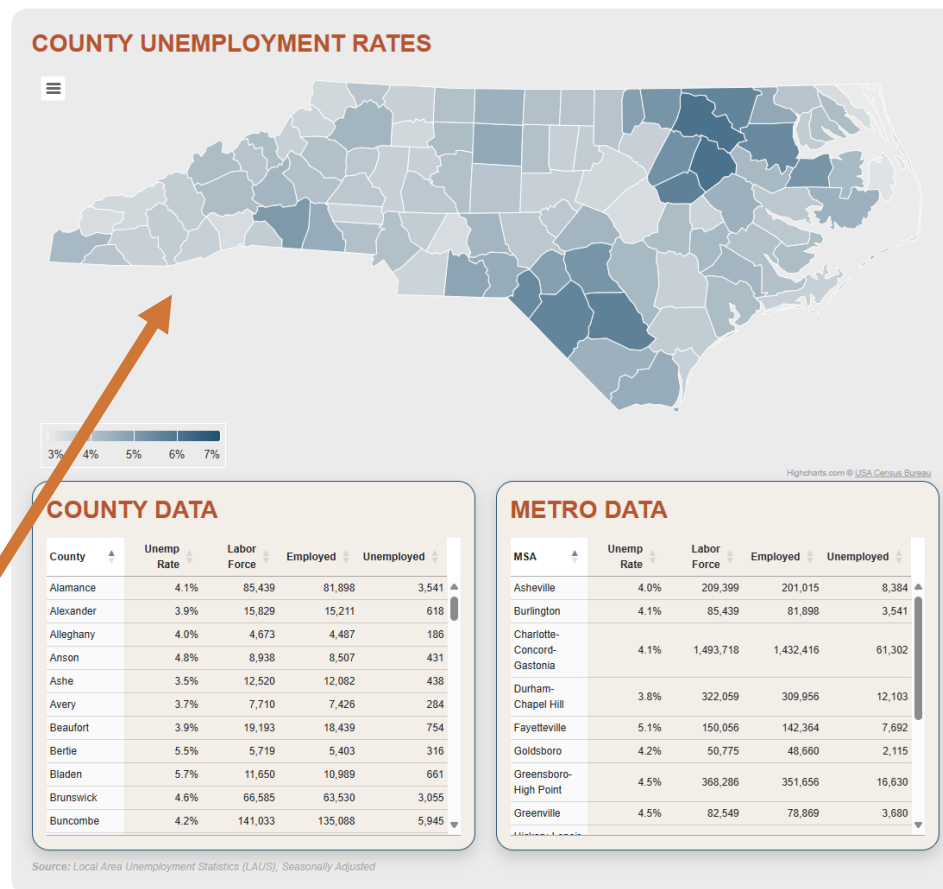# National vs. State and Substate Unemployment Rates

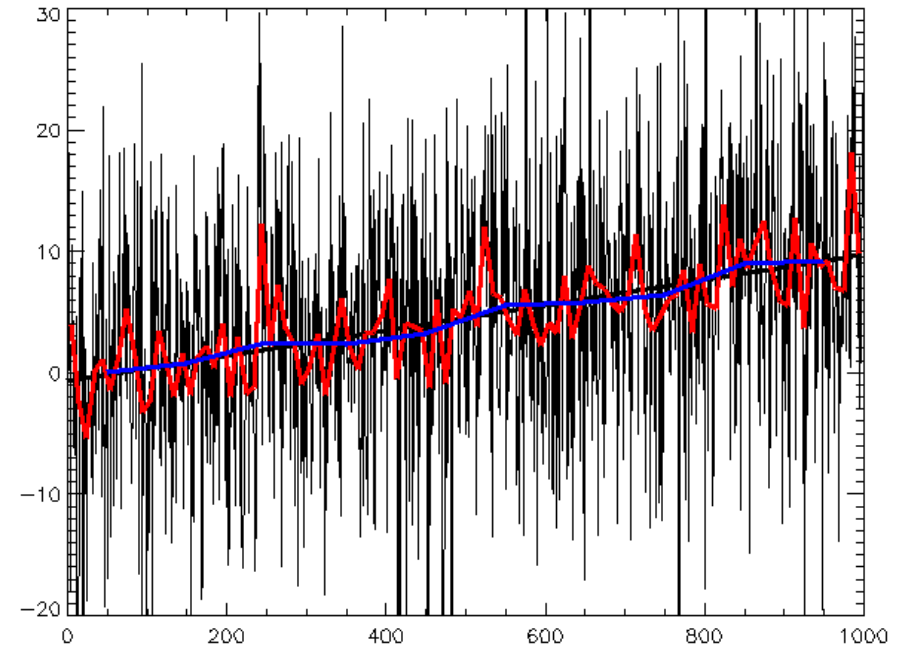# Geography of State and Substate Unemployment Rates

- The Local Area Unemployment Statistics program produces unemployment rates for:
  - States
  - Counties
  - Cities of 25,000 population or more
  - Other types of regions based on counties (e.g., Metropolitan Statistical Areas, Workforce Development Board Areas, Prosperity Zones)

Calculating State and Substate Unemployment Rates

- Unlike other BLS programs, there is no LAUS survey form that businesses or individuals fill out

- Instead, the LAUS program uses various data sources and estimating procedures to produce unemployment rates for state and substate areas

- The estimation methodology used differs by level of geography
  - State – model-based
  - County – Handbook method
  - City – disaggregation
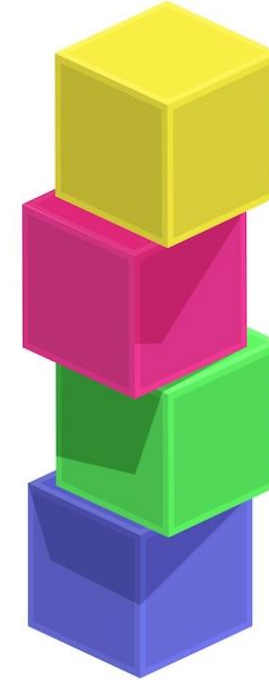
Calculating State Unemployment Rates

- **Step 1.** Estimate the number of people employed and unemployed at the state level
- The number of people employed and number of people unemployed are calculated separately using a complex statistical model
- These models try to differentiate between the true change and error from survey data
- The inputs to this statistical model are:
  - Current Population Survey (CPS) data
  - Current Employment Statistics (CES) data
  - Unemployment insurance (UI) claims

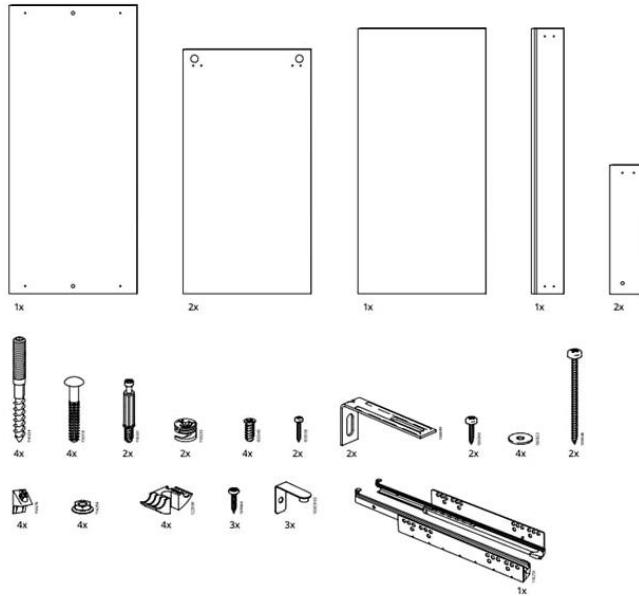This part of estimation like trying to find the "signal" among the "noise"

Calculating County Unemployment Rates

- **Step 2.** Estimate the number of people employed and unemployed at the county level

- The number of people employed and number of people unemployed are calculated separately using a complex formula

- The inputs to this calculation include, but are not limited to:
  - Current Employment Statistics (CES) data
  - Current Population Survey (CPS) data
  - Unemployment insurance (UI) claims
  - Quarterly Census of Employment and Wages (QCEW) data
  - American Community Survey (ACS) data
  - Population estimates from the U.S. Census Bureau

This part of estimation is like building a tower from building blocks

Calculating City Unemployment Rates

This part of estimation is like disassembling IKEA furniture into its separate parts

- **Step 3.** Estimate the number of people employed, unemployed, and the unemployment rate at the city level

- The estimate of the number of employed and unemployed people at the county level are allocated among the cities in proportion to the UI claims filed in and the total population of those cities

- For example, a city with a higher proportion of UI claims relative to the county will have a higher unemployment rate

Finding the North Carolina Unemployment Rates

https://d4.nccommerce.com/

NC Department of Commerce | Labor & Economic Analysis Division

Local Area Unemployment Statistics (LAUS) ❓

Type:

| Not Seasonally Adjusted |
| Seasonally Adjusted |

Graph Type:

| Original Data Value |
| 1 Mth Net Change |
| 1 Mth Percent Change |

Year:

| 2025 |
| 2024 |
| 2023 |
| 2022 |
| 2021 |
| 2020 |
| 2019 |
| 2018 |

Period:

| May |
| June |
| July |
| August |
| September |
| October |
| November |
| December |

Data:

| LaborForce |
| Employed |
| Unemployed |
| Unemployment Rate(%) |
| Labor Force Participation Rate(%) |
| Employment to Population Rate(%) |

Area Name	Year	Month	LaborForce	Employed	Unemployed	Unemployment Rate(%)
Apex Town	2025	08	40,406	39,091	1,315	3.3
Cary Town	2025	08	102,193	98,833	3,360	3.3
Fuquay-Varina	2025	08	23,251	22,401	850	3.7
Garner Town	2025	08	19,582	18,820	762	3.9
Holly Springs Town	2025	08	24,346	23,548	798	3.3
Morrisville Town	2025	08	19,606	19,012	594	3.0
North Carolina	2025	08	5,267,317	5,054,280	213,037	4.0
Raleigh City	2025	08	286,468	276,280	10,188	3.6
Wake County	2025	08	679,599	656,023	23,576	3.5
Wake Forest Town	2025	08	29,141	28,044	1,097	3.8

Additional information regarding the LAUS program including data for other states and geographical areas can be accessed on the Bureau of Labor Statistics website at https://www.bls.gov/lau/

Additional resources

- Same unemployment data are also published by BLS: Featured LAUS Searchable Databases : U.S. Bureau of Labor Statistics

- LAUS Handbook of Methods – BLS

- Overview of BLS programs – D4

- Calendar of LAUS release dates – D4

- Monthly LEAD press releases

Questions?

Feel free to reach out!

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