

## **Bureau of Labor Statistics Report to the Appropriations Committees on a New Cohort to the National Longitudinal Surveys**

### **5-Year Plan for Design and Cost (Fiscal Years 2020 to 2025)**

The following report outlines cost and design options for a new youth cohort to the National Longitudinal Surveys (NLS) in response to the Joint Explanatory Statement that accompanies the Further Consolidated Appropriations Act, 2020 (Pub.L. 116-94), which directed the Bureau of Labor Statistics (BLS) to:

*Initiate spending on the planning and development of a new National Longitudinal Survey of Youth (NLSY) cohort. BLS shall brief the Committees on the annual costs and a five-year plan for implementing the new NLSY cohort within 90 days of enactment of this Act.*

The design options presented in this report build upon BLS experience and analysis of its two ongoing longitudinal surveys. Reports and additional information about these surveys are available upon request.

#### 1. National Longitudinal Survey of Youth 1979 (NLSY79)

The NLSY79 sample is composed of 12,686 young men and women who were born in the years 1957 to 1964. Data were first collected in 1979, when sample members were ages 14-22. In fall 2019, BLS completed round 28 of data collection with NLSY79 sample members who are ages 55 to 63. BLS has followed this cohort of late Baby Boomers for nearly 40 years, recording their lives from their teens into their 50s and early 60s.

#### 2. National Longitudinal Survey of Youth 1997 (NLSY97)

The NLSY97 began over 20 years ago with the collection of data from a sample of approximately 9,000 youths who were born in the years 1980 to 1984. The sample members were ages 12-16 as of December 31, 1996. In fall 2019, BLS began round 19 of data collection for this cohort with sample members ages 35 to 40.

Over the years, thousands of academic journal articles and reports have examined NLS data to improve the understanding of the U.S. labor market and help policymakers develop programs to enhance the well-being of American workers. The longitudinal approach of the NLS program provides data to economists, sociologists, and other researchers in government, academia, and private organizations to answer such questions as how wages change over time, how schooling and training contribute to the development and maintenance of skills to obtain and keep good jobs over one's career, how individuals navigate work and family responsibilities, and how individuals plan for retirement as their careers come to an end.

To continue building on these longstanding strengths of the NLS program, BLS envisions that a new youth cohort would cover a broad range of topics related to labor market outcomes. Respondents in previous NLS cohorts have been asked a core set of questions that provide

extensive information on employment, training, education, sources of income, assets, marital status, fertility, health, attitudes toward work, and occupational and geographical mobility. BLS anticipates that the new youth survey content would cover these same topics, thus enabling the study of educational experiences, achievement, cognitive and non-cognitive skills, and the transition from school to work; training programs and training in the workplace; the value of early-career job exploration; geographic mobility; relationships between the workplace and the well-being of the family and family transitions; drug and alcohol use; juvenile delinquency and criminal behavior; fertility and childbearing; and employment and earnings of workers.

As with past NLS cohorts, a new NLS youth survey would collect detailed information about each job held, along with the characteristics of that job, including wages, hours, occupation, and industry. Each period of nonwork would be investigated to capture time spent looking for work and other factors that distinguish the unemployed from those not in the labor force. Detailed information would be collected on education and training, and events such as marriage and divorce, as well as fertility, all of which affect labor market choices.

As part of its planning and development of a new youth cohort, BLS would also consider how best to include data sources outside of survey responses to complement and enrich the survey data it collects as part of a new youth cohort. These additional data sources could include cognitive assessments, school information and school records, activity monitors, time diaries, and parent interviews, as well as other administrative data. The identification of useful data sources and the application of innovative technologies to blend them with NLS survey data is a key focus of the NLS program's ongoing improvement efforts.

BLS estimates that the planning and development of a new youth cohort would take approximately five years. To begin, extensive consultation would be conducted with stakeholders in government, academia, and the private sector, such as federal agencies, policymakers, users of NLS products, and relevant advisory committees. BLS currently is considering several approaches, such as public forums, expert panels, targeted interviews, and formal information solicitations, to ensure that its outreach gathers insight from the stakeholder community's broad range of knowledge and interest. The planning and development process also would include significant efforts devoted to designing the sample and the survey and developing a system to collect, process, and disseminate the data. Additionally, a new survey would need to undergo testing and complete the review and clearance processes as required by the Paperwork Reduction Act. Round 1 data collection could occur as early as Fiscal Year (FY) 2026.

Based on a preliminary set of assumptions regarding sample size and mode of collection described below, the following is a 5-year plan (excluding the current fiscal year) for developing the new cohort, with estimated costs by fiscal year.

FY	Estimated Cost	Major Tasks
2020	\$1.0 million	Stakeholder outreach and planning
2021	\$1.0 million	Stakeholder outreach and planning
2022	\$10.0 million	Design (sampling, survey, questionnaire, materials, dissemination)
2023	\$10.5 million	Continue design and begin development (sampling, survey, questionnaire, materials, dissemination)
2024	\$12.0 million	Continue survey development and begin systems development, pretest preparations
2025	\$16.0 million	Pretest fielding, screening and data collection preparation for round 1

The above estimates are preliminary and will be refined as planning and development activities continue. The increase in the FY 2020 BLS appropriation is being used to restore the production and publication of data under the Local Area Unemployment Statistics program for New England Minor Civil Divisions with populations less than 1,000 (\$0.5 million), and to partially cover the 2020 federal pay raise (\$8 million for BLS staff and \$2 million for BLS-funded Census staff) and one additional day of pay in FY 2020 (\$1 million), as well as the increase in agency FERS contributions (\$4 million), while adhering to the requirements of maintaining its staffing levels and other statistical products. Due to these required costs, the current BLS appropriation is insufficient to fund many of the necessary activities for a new NLS cohort including design, formal development, or fielding of a new cohort. At this time, BLS anticipates that the ongoing annual cost after development would be \$20 million, though additional one-time costs for sampling and screening in FY 2026 may be needed.

The proposed timeline includes a lengthy period for stakeholder outreach and survey planning. BLS has determined that such a time period is necessary in order to determine practices that achieve high data quality while controlling costs and risks. This determination recognizes that the survey landscape has changed dramatically over the last three decades. Many inputs and factors used to develop the NLSY97 cohort are no longer valid or relevant, and the federal government has not initiated a longitudinal survey of this size and scope for many years. The proposed outreach and planning period would allow BLS to investigate approaches to address several factors, including:

- Declining response rates across surveys
- Increasing costs that exceed the rate of inflation
- A reduction in the use of landlines
- Alternative modes of communication, survey administration and incentive payments
- Prioritized use of administrative and other existing data
- Integration of paradata and responsive design into data collection activities
- Enhanced respondent confidentiality and data security requirements
- Comparability across retired and existing cohorts

While it may be possible to accelerate the outreach and planning phase with additional resources, a deliberative planning and outreach effort is likely to result in enhanced data quality and long-run cost-effectiveness. In addition, other areas of the schedule cannot be easily compressed. For example, if BLS decides to contract some or all of this work to an outside vendor, it would require a significant lead time of 12 to 18 months to procure these services. There may be ways to accelerate implementation of the survey, but that is difficult to forecast without adequate discussion and research.

BLS recommends the first round of interviewing be an in-person survey of approximately 15,000 respondents in the age range of 11 to 16. The sample for the new youth cohort would be representative of the U.S. population from these birth years at the time the new survey begins. BLS would consider the inclusion of oversamples to facilitate statistically reliable analyses of sub-groups whose employment and economic outcomes may be of special interest.

A sample size in the neighborhood of 15,000 respondents strikes what BLS believes to be a reasonable balance between cost and research objectives. The cost estimates are based upon fielding annual in-person surveys to ensure that the data are timely and to facilitate identifying changes in schooling and employment as the youth move through their teens, a period where many school and work transitions occur and administrative data do not necessarily capture wages and earnings. Different interviewing schedules will be considered after consultation with stakeholders. Reducing the level of detail or survey periodicity would reduce the estimated costs, but not proportionately, due to relatively fixed infrastructure and development costs. As part of stakeholder outreach and planning activities carried out in the next two years, BLS will refine its proposed approach to introducing a new cohort and will update estimated costs accordingly.