

The importance and challenges of measuring work hours

Measuring work hours correctly is important, but different surveys can tell different stories

Keywords: hours of work, household surveys, establishment surveys, time-use surveys, productivity, hourly wages

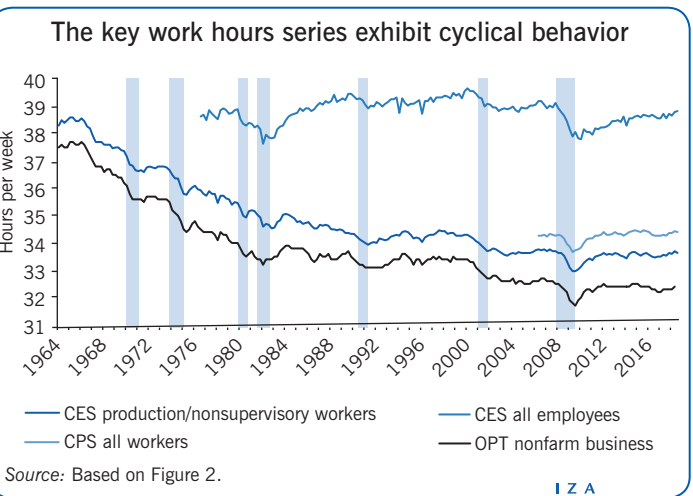
ELEVATOR PITCH

Work hours are key components in estimating productivity growth and hourly wages as well as being a useful cyclical indicator in their own right, so measuring them correctly is important. The US Bureau of Labor Statistics (BLS) collects data on work hours in several surveys and publishes four widely used series that measure average weekly hours. The series tell different stories about average weekly hours and trends in those hours but qualitatively similar stories about the cyclical behavior of work hours. The research summarized here explains the differences in levels, but only some of the differences in trends.

KEY FINDINGS

Pros

- ⊕ On average, respondents to the US BLS's household survey correctly report weekly hours worked per person and weekly hours worked on their main jobs.
- ⊕ All series exhibit similar cyclical behavior.
- ⊕ Differences in levels between the longest-running series (Current Population Survey (CPS), Current Employment Statistics (CES) production and nonsupervisory workers, and Office of Productivity and Technology (OPT)) can be explained by differences in concepts and coverage.
- ⊕ These three series exhibit similar trends since the beginning of the 1990s (all four since 2007).
- ⊕ Hours measured in different countries' labor force surveys can be compared after adjusting for differences in survey reference periods.



Cons

- ⊖ Significant differences exist between the longest-running series in levels and trends; differences in long-term trends cannot be completely reconciled.
- ⊖ In the household survey, respondents under-report multiple jobholding and over-report hours worked on second jobs; still, aggregate hours are approximately correct because these errors mostly offset each other.
- ⊖ Estimating annual work hours from average weekly hours overstates the annual number of hours worked, since the surveys' reference periods exclude most holidays.
- ⊖ Hours worked as recorded in national income accounts across different countries are difficult to compare because of differences in data sources.

AUTHOR'S MAIN MESSAGE

The BLS publishes four widely used weekly-hours series: one from its household survey (CPS), two from its establishment survey (the CES production-worker and all-employee series), and one that combines data from the two (OPT). The difference in level between these series can be explained by survey features, but the difference in long-term trends can be only partially explained. However, all four series tell qualitatively similar stories about the cyclical behavior of weekly work hours. It is important for decision makers to understand the advantages and limitations of the different hours series.