

Using the Factor Evaluation System

Bureau of Labor Statistics Wage
Surveys and the FES

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BLS Wage Surveys

- The Bureau of Labor Statistics is an agency of the U.S. Department of Labor
- BLS conducts surveys on labor-related issues and reports on the results
- BLS wage surveys are used in the Federal white-collar pay process
 - ECI used for national adjustment
 - Local wage data used to determine pay gaps for locality pay component

Changes to BLS Wage Surveys

- In the mid-1990s, BLS undertook a number of changes to its wage surveys
 - Occupations are now selected by probability techniques, which enables BLS to estimate mean earnings for all workers in an area
 - The level of work for each occupation is determined using the Factor Evaluation System (FES)

Concerns About BLS Wage Surveys

- The Federal Salary Council and the President's Pay Agent have expressed concerns about the new BLS approach to wage surveys
 - Probability selection of occupations leads to inconsistent data on occupations from area to area and from time to time
 - Use of the FES is not specific enough to the occupations being surveyed

Improvement Projects

- Staff from OPM, OMB, and BLS worked together to design improvement projects to address these concerns, including
 - Use of regressions to fill in missing data, leading to more consistency
 - Revision to FES and creation of occupation family guides to assist in determining grade level
- Projects supported by FSC and Pay Agent

How BLS Uses the FES

- BLS field economists visit an establishment in the survey sample
- Occupations are selected by probability
- The occupation is defined according to duties and responsibilities
- Questions about the 9 factors are asked
- Points are summed to determine the level

Field Economist Findings

- There are strong relationships between FES factors
- There are standard patterns for common jobs, such as teachers
- FES factors aren't always descriptive enough for certain jobs
 - Information technology
 - Sales

Changing the FES

- Reducing the number of factors may help the field economist get better data
 - Time with the survey respondent is often limited
- Providing occupation family guidelines may increase the consistency of leveling between field economists

Implementing Changes

- OPM and BLS are working on a prototype for a new factor system
- Testing is planned for late in 2000
- After testing, final language will be prepared
- There will be much work to create occupation family guidelines
- Coordinate timing of BLS changes with OPM implementation of revised FES

Implementing Changes

- Establishments are in BLS wage surveys for about 5 years
- Establishments are replaced on a rotating basis, one-fifth per year
- If a new leveling system were introduced with new establishments, it would take 5 years to complete the work across the entire sample

Issues

- If the reduced factor system included a point system that was consistent with the current system, BLS might be able to translate existing data into the new system without new collection -- reducing implementation time
- The amount of occupation family material cannot be too voluminous for the field economist to use in an interview