

FOR IMMEDIATE RELEASE

Thursday, December 15, 2011

CONTACT: DWD Communications, 608-266-2722

On the Web: <http://dwd.wisconsin.gov/dwd/news.htm>

On Facebook: <http://www.facebook.com/WIWorkforce>

On Twitter: @WIWorkforce

WISCONSIN STATE UNEMPLOYMENT RATE DROPS TO 7.3 PERCENT

U.S Bureau of Labor Statistics corrects overestimate of Wisconsin's October job loss numbers to 2,400 from 9,700

MADISON – Department of Workforce Development (DWD) today released the Bureau of Labor Statistics (BLS) monthly report showing Wisconsin's unemployment rate dropped to 7.3 percent from 7.7 percent. October's job loss number was significantly reduced to 2,400 from the initial estimate of 9,700, a 75 percent correction.

Secretary Reggie Newson today issued a statement on the newest set of monthly Wisconsin employment numbers.

"October was the fifth straight month and the eighth month this year in which the federal government overestimated the preliminary job loss numbers or underestimated job gains for Wisconsin," Secretary Newson said. "I am particularly concerned by the disparity in the October preliminary numbers, which were off by 7,300 for total jobs and 7,900 for private-sector jobs. These unreliable employment statistics out of Washington misinform the public and create unnecessary anxiety for job seekers and job creators about the shape of our state's economy."

According to the U.S. Bureau of Labor Statistics (BLS), Wisconsin's revised numbers show the state lost 2,400 jobs in October, roughly a 75 percent correction from their initial estimate of 9,700 jobs. Meanwhile, Wisconsin added 11,000 jobs in June, but BLS initially underestimated that number by roughly 1,500 jobs.

"The most troubling thing to me is the effects these initial estimates have on the perception of Wisconsin's workforce," continued Secretary Newson. "The monthly revisions show a much steadier trajectory with gains being higher and losses being much lower than the BLS' initial reports. While there certainly is more progress to be made, we are moving Wisconsin in the right direction and laying the groundwork for the private sector to create jobs."

Since January 2011, the revisions between the state's preliminary job loss numbers and the revised numbers have varied wildly:

2011 Revision History (seasonally adjusted)						
Estimated change in employment, in thousands						
Month	Total Nonfarm			Private		
	Preliminary	Final	Revision	Preliminary	Final	Revision
January 2011	+6,200	+7,700	+1,500	+10,100	+11,300	+1,200
February 2011	+5,200	+8,200	+3,000	+3,600	+3,000	(600)
March 2011	+9,100	+7,700	(1,400)	+9,800	+7,600	(2,200)
April 2011	+2,300	+3,500	+1,200	+3,000	+3,600	+600

May 2011	+900	+700	(200)	+900	+900	+0
June 2011	+9,500	+11,000	+1,500	+12,900	+14,800	+1,900
July 2011	(8,200)	(6,400)	+1,800	(12,500)	(10,800)	+1,700
August 2011	(2,300)	(500)	+1,800	(800)	(200)	+600
September 2011	(12,400)	(11,000)	+1,400	(900)	(800)	+100
October 2011	(9,700)	(2,400)	+7,300	(9,300)	(1,400)	+7,900

Under an ongoing annual contract between the state and BLS, the monthly employment estimates are generated from a survey of approximately 4 percent of Wisconsin employers. The survey data are transmitted to Washington, where BLS generates the preliminary estimates and sends the numbers to Wisconsin to publish. The BLS revises the estimates as additional data comes in, but the revisions aren't published until the following month. The BLS' November preliminary estimates for Wisconsin indicate a decrease in total jobs by 14,600 on a seasonally adjusted basis.

"We are required by the federal government to release its preliminary numbers on a monthly basis, even though the numbers can be off by as many as 9,400 jobs and still be considered by BLS to be within an acceptable margin of error," Secretary Newson continued. "This margin of error may be fine for Washington, but not here in Wisconsin. In order to address the serious needs of Wisconsin's workforce, our state needs an accurate jobs reporting system that allows us to understand the trends without unnecessarily alarming the state's job seekers and job creators."

Secretary Newson said Wisconsin is one of many states reviewing monthly estimate data to determine and recommend improvements to the methods that the BLS is using. For example, the state of Minnesota is experiencing similar fluctuations, including an initial estimate for July that was revised upward by 6,900 jobs.

"We understand the BLS is aware of the concerns that states are voicing, and we will continue to push for measures that result in less volatility for these numbers," Secretary Newson said.

Place of Work Data

The revised October numbers for Wisconsin show preliminary figures underestimated the state's total employment by 7,300 and underestimated private-sector employment by 7,900. The revised numbers for October show a net 2,400 total nonfarm loss and 1,400 for private sector loss, out of a total nonfarm employment base of 2.75 million jobs.

Preliminary November data indicates employment declines for the month in most categories. The data show that, compared to November 2010, the private sector gained 16,600 jobs, including 5,600 in manufacturing and 11,400 in educational and health services. The public sector lost 12,100 jobs over the year. Without seasonal adjustment, the estimates had similar results, a monthly private sector job loss, but a 15,600 gain over the year.

Unemployment Rate

Wisconsin's seasonally adjusted November unemployment rate was 7.3 percent, down from 7.7 percent in October 2011 and 7.6 percent in November 2010. Without seasonal adjustment, the November rate was 6.6 percent, down from 6.8 percent in October 2011 and 7.2 percent in November 2010. The rates encompass Wisconsinites who are available for work and actively seeking jobs and are generated by BLS from Wisconsin household surveys and other input.

The U.S. seasonally adjusted unemployment rate was 8.6 percent, down from 9.0 percent in October 2011 and down from 9.8 percent in November 2010. Without seasonal adjustment, the U.S. rate was 8.2 percent, down from 8.5 percent in October 2011 and down from 9.3 percent in November 2010.

Wisconsin unemployment rates remain below the national rates and, through October 2011, below rates of other manufacturing-heavy Midwest states including Illinois, Indiana, Michigan and Ohio.

WISCONSIN LABOR FORCE SUMMARY

Seasonally Adjusted

PLACE OF RESIDENCE DATA	PRELIM.	FINAL	YEAR AGO	NET CHANGE OVER	
	Nov-11	Oct-11	Nov-10	1-Month	1-Year
CIVILIAN LABOR FORCE	3,055,200	3,057,000	3,045,200	-1,800	10,000
EMPLOYMENT (1)	2,831,400	2,822,900	2,814,100	8,500	17,300
UNEMPLOYMENT	223,800	234,100	231,200	-10,300	-7,400
UNEMPLOYMENT RATE	7.3%	7.7%	7.6%	-0.4%	-0.3%
U.S. Unemployment Rate	8.6%	9.0%	9.8%	-0.4%	-1.2%

PLACE OF WORK DATA

<i>NONFARM WAGE & SALARY</i>	2,740,200	2,754,800	2,735,700	-14,600	4,500
TOTAL PRIVATE	2,333,500	2,345,200	2,316,900	-11,700	16,600
<i>GOODS PRODUCING</i>	520,500	526,200	523,800	-5,700	-3,300
NATURAL RESOURCES & MINING	3,000	3,100	2,900	-100	100
CONSTRUCTION	83,700	86,400	92,500	-2,700	-8,800
MANUFACTURING	439,800	442,900	434,200	-3,100	5,600
Durable Goods	271,200	272,400	261,600	-1,200	9,600
Nondurable Goods	168,600	170,500	172,600	-1,900	-4,000
<i>SERVICE PROVIDING</i>	2,219,700	2,228,600	2,211,900	-8,900	7,800
<i>PRIVATE SERVICE PROVIDING</i>	1,813,000	1,819,000	1,793,100	-6,000	19,900
TRADE	410,400	412,700	405,600	-2,300	4,800
Wholesale Trade	117,700	118,300	113,800	-600	3,900
Retail Trade	292,700	294,400	291,800	-1,700	900
TRANS., WAREHOUSING, & UTILITIES	99,500	100,500	101,200	-1,000	-1,700
Utilities					
INFORMATION	46,800	47,400	46,700	-600	100
FINANCIAL ACTIVITIES	152,500	152,600	155,800	-100	-3,300
Finance and Insurance					
Real Estate, Rental, & Lease	23,900	24,000	24,600	-100	-700
PROFESSIONAL & BUSINESS SERVICES	267,300	268,200	269,200	-900	-1,900
Prof., Scien., & Tech. Services	86,600	88,300	90,900	-1,700	-4,300
Mgmt. Of Companies and Enterprises					
Admin. Support & Waste Mgmt. Services	134,500	132,900	131,800	1,600	2,700
EDUCATIONAL & HEALTH SERVICES	428,800	430,100	417,400	-1,300	11,400
Educational Services	54,300	54,100	52,100	200	2,200
Health Care & Social Assistance	374,500	376,000	365,300	-1,500	9,200
LEISURE & HOSPITALITY	259,800	259,800	252,800	0	7,000
Arts, Entertain., & Recreation	43,500	43,900	38,500	-400	5,000
Accommodation & Food Services	216,300	215,900	214,300	400	2,000
OTHER SERVICES, except Public Admin.	141,900	141,500	138,600	400	3,300
GOVERNMENT	406,700	409,600	418,800	-2,900	-12,100
Federal Government	28,200	28,700	29,200	-500	-1,000
State Government	92,300	90,900	94,300	1,400	-2,000
Local Government	286,200	290,000	295,300	-3,800	-9,100

*Differences in total may occur as a result of rounding.

(1) Includes L-M Disputes

Source: Local Area Unemployment Statistics and Current Employment Statistics programs, Labor Market Information Section.

Cautionary note to users: Revised methodological procedures mandated by the U.S. Bureau of Labor Statistics (BLS) force individual state estimates of employment into closer alignment with the national estimate. This change results in larger month-to-month employment change for the states and the information reported by DWD.

WISCONSIN LABOR FORCE SUMMARY

Not Seasonally Adjusted

PLACE OF RESIDENCE DATA	PRELIM.	FINAL	YEAR AGO	NET CHANGE OVER	
	Nov-11	Oct-11	Nov-10	1-Month	1-Year
CIVILIAN LABOR FORCE	3,048,100	3,054,000	3,040,900	-5,900	7,200
EMPLOYMENT (1)	2,846,300	2,846,400	2,821,500	-100	24,800
UNEMPLOYMENT	201,800	207,600	219,300	-5,800	-17,500
UNEMPLOYMENT RATE	6.6%	6.8%	7.2%	-0.2%	-0.6%
U.S. Unemployment Rate	8.2%	8.5%	9.3%	-0.3%	-1.1%

PLACE OF WORK DATA

NONFARM WAGE & SALARY	2,770,800	2,786,800	2,767,600	-16,000	3,200
TOTAL PRIVATE	2,350,200	2,368,500	2,334,600	-18,300	15,600
GOODS PRODUCING	534,200	543,400	537,300	-9,200	-3,100
NATURAL RESOURCES & MINING	3,200	3,300	3,100	-100	100
CONSTRUCTION	88,900	94,400	97,700	-5,500	-8,800
MANUFACTURING	442,100	445,700	436,500	-3,600	5,600
Durable Goods	273,900	274,500	264,300	-600	9,600
Nondurable Goods	168,200	171,200	172,200	-3,000	-4,000
SERVICE PROVIDING	2,236,600	2,243,400	2,230,300	-6,800	6,300
PRIVATE SERVICE PROVIDING	1,816,000	1,825,100	1,797,300	-9,100	18,700
TRADE	422,600	415,600	417,900	7,000	4,700
Wholesale Trade	118,500	118,600	114,600	-100	3,900
Retail Trade	304,100	297,000	303,300	7,100	800
TRANS., WAREHOUSING, & UTILITIES	101,600	102,700	103,300	-1,100	-1,700
Utilities	10,600	10,700	10,900	-100	-300
INFORMATION	47,100	47,300	47,000	-200	100
FINANCIAL ACTIVITIES	152,100	153,000	155,400	-900	-3,300
Finance and Insurance	128,700	129,200	131,300	-500	-2,600
Real Estate, Rental, & Lease	23,400	23,800	24,100	-400	-700
PROFESSIONAL & BUSINESS SERVICES	270,900	274,000	272,700	-3,100	-1,800
Prof., Scien., & Tech. Services	86,700	88,400	91,000	-1,700	-4,300
Mgmt. Of Companies and Enterprises	46,300	46,200	46,400	100	-100
Admin. Support & Waste Mgmt. Services	137,900	139,400	135,300	-1,500	2,600
EDUCATIONAL & HEALTH SERVICES	431,500	431,000	420,100	500	11,400
Educational Services	55,800	55,500	53,700	300	2,100
Health Care & Social Assistance	375,700	375,500	366,400	200	9,300
LEISURE & HOSPITALITY	248,000	258,600	242,000	-10,600	6,000
Arts, Entertain., & Recreation	36,700	41,400	32,500	-4,700	4,200
Accommodation & Food Services	211,300	217,200	209,500	-5,900	1,800
OTHER SERVICES, except Public Admin.	142,200	142,900	138,900	-700	3,300
GOVERNMENT	420,600	418,300	433,000	2,300	-12,400
Federal Government	28,100	28,600	29,100	-500	-1,000
State Government	97,000	94,300	99,000	2,700	-2,000
Local Government	295,500	295,400	304,900	100	-9,400
PERSONS INVOLVED IN LABOR/MGT. DISP	0	0	32	0	-32

*Differences in total may occur as a result of rounding.

(1) Includes L-M Disputes

Source: Local Area Unemployment Statistics and Current Employment Statistics programs, Labor Market Information Section.

Cautionary note to users: Revised methodological procedures mandated by the U.S. Bureau of Labor Statistics (BLS) force individual state estimates of employment into closer alignment with the national estimate. This change results in larger month-to-month employment change for the states and the information reported by DWD.