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DWD Secretary Newson: Actual Jobs Data Reported by Wisconsin Employers Show State Added Over 23,300 Jobs in 2011

Gain represents correction of over 57,200 from earlier employment estimates

MADISON – Wisconsin Department of Workforce Development (DWD) Secretary Reggie Newson today released 2011 Wisconsin actual jobs data based on reports from nearly 160,000 employers, which shows the state added over 23,300 jobs between December 2010 and December 2011.

“For the first time, we see Wisconsin’s 2011 jobs picture based on what 96 percent of Wisconsin employers reported, not what statistics out of Washington, D.C. estimated based on a survey of 3.5 percent of Wisconsin businesses,” Secretary Newson said. “Wisconsin added jobs last year, which not only contradicts the loss in jobs that the federal government estimated for our state, but also lines up with other indicators that show Wisconsin’s economy is headed in the right direction.”

Every quarter, all employers that are covered under state or federal unemployment insurance are required to submit tax reports on monthly employment, quarterly total and taxable wages, and contributions for hourly and salaried employees. Wisconsin has nearly 160,000 business establishments that employ some 2.7 million workers and are required by state and federal statutes to submit this information to DWD. DWD sends the data to the U.S. Bureau of Labor Statistics, which incorporates the information when it publishes the Quarterly Census of Employment and Wages (QCEW).

States are required to send data this week to BLS covering the fourth quarter of 2011. The next QCEW release by BLS is currently scheduled for June 28. Information about the QCEW, including data for the first three quarters of 2011, can be accessed through the BLS website at <http://bls.gov/cew/>.

The year-over-year change in actual job counts as reported by some 160,000 Wisconsin employers shows a **net gain of 23,321 jobs from December 2010 through December 2011**. Meanwhile, the BLS’ Current Employment Statistics data series estimated a **net loss of 33,900 jobs over the year**. **That puts the CES monthly estimates off from actual, employer-reported job counts by 57,221 jobs.**

“It looks like 160,000 Wisconsin employers helped show us the thousands of new jobs that BLS estimates missed last year,” Secretary Newson said. “The bottom line is Wisconsin added jobs in 2011.”

The QCEW is a comprehensive count of jobs, as it includes reports from nearly all Wisconsin employers. This data series is distinct from the Current Employment Survey (CES), which estimates jobs based on a survey of roughly 5,500 employers (3.5 percent of Wisconsin businesses) and is released in preliminary form each month.

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“The BLS’ monthly job estimates are volatile and not in line with the economic growth we see throughout the state,” Secretary Newson said. “And, because workforce data is important to job creators as they contemplate key decisions for their businesses, Wisconsin employers – and job seekers – have the most to lose when volatile data is represented as a reliable indicator.”

The QCEW also differs from the Local Area Unemployment Statistics (LAUS), which is compiled from a monthly survey conducted by the Census Bureau of 1,450 households around the state and forms the basis of the state’s unemployment rate. Unlike the CES series, the QCEW and LAUS have moved in a similar direction, showing economic gains in 2011. The attached chart illustrates this point for calendar year 2011.

The following table shows how the three data series compare with other economic indicators for Wisconsin:

		Alignment with other economic indicators			
Name of Data Series	Dec. 2010 – Dec. 2011 Change	Decline in UI claims	Increase in state sales tax revenues	Surveys of job creators	Personal income estimates
QCEW + Q4 actual jobs data	+23,321	Yes	Yes	Yes	Yes
LAUS (household surveys)	+ 15,463	Yes	Yes	Yes	Yes
CES (place of work survey)	- 33,900	No	No	No	No

Note: Actual jobs data for Q4 2011 have been submitted to BLS for processing; BLS’ next QCEW release is June 28, 2012.

Secretary Newson urged the BLS to reexamine the process it uses to develop the CES monthly data, given the increased volatility and decrease in reliability of the data series since the program was gradually centralized by BLS.

He cited concerns that the National Association of State Workforce Agencies indicated in writing in 2010 over the trend to centralize the estimation process for CES at the federal government from the states, specifically that “data quality will continue to degrade and user confidence will be undermined.”

“Wisconsin can’t afford to have job creators rely on volatile and unreliable jobs estimates,” Secretary Newson said. “It’s time for us to shift our attention to what 160,000 Wisconsin employers have reported and move away from highly volatile estimates. At the very least, I urge Wisconsinites to consider what 96 percent of Wisconsin employers have told us - that Wisconsin added over 20,000 jobs in 2011 - when BLS’ monthly jobs estimates are published.”

The BLS’ April preliminary and March revised LAUS and CES data for Wisconsin will be released tomorrow, Thursday, May 17.

	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
LAUS Employment	23,832	18,546	22,447	23,381	5,140	9,997	-203	417	2,842	7,056	13,828	20,626	15,463
CES (T	23,200	32,300	34,900	36,600	28,600	25,500	21,000	20,800	6,700	4,100	-8,100	-25,200	-33,900
Actual Job Numbers	33,660	38,707	39,424	42,661	33,951	27,573	26,699	32,016	34,395	36,561	21,363	19,710	23,321

Note: Actual Job Numbers include QCEW data and Q4 2011 actual jobs data that has been submitted to BLS for processing; BLS' next QCEW release is June 28, 2012.

