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BLS Revised Employment Estimates for Wisconsin Reflect Major Upward Revisions During 2012

Federal government's own data shows earlier estimate underreported Dec. '12 totals by 67,100

MADISON – Department of Workforce (DWD) Secretary Reggie Newson today released revised state employment estimates for each month in 2012. The monthly job totals have been adjusted by the U.S. Bureau of Labor Statistics (BLS) through an annual process called “benchmarking” to bring the sample-based series into closer alignment with actual job counts.

Highlights of the benchmarked estimates for Wisconsin include:

- The Federal government's **initial estimate for total non-farm jobs December 2012 was off by 67,100 when benchmarked, representing a correction of 2.5 percent** for a revised total estimate of 2.796 million jobs that month from under 2.73 million jobs (seasonally adjusted).
- The BLS' estimated **private-sector job count was also off by 2.5 percent, or 58,400 jobs** seasonally adjusted, for December 2012 when the benchmarked totals are compared to the initial estimates.
- The BLS' estimates show Wisconsin posted **year-over-year job gains during every month in 2012** on a seasonally adjusted basis, contradicting initial estimates that had indicated job year-over-year *losses* during 10 of 12 months during 2012.
- The benchmarking aligns all indicators, and all indicators show Wisconsin is creating jobs.

Secretary Newson issued the following statement in reaction to the revised estimates:

“As we pointed out many times when the monthly estimates were initially published, the estimations of thousands of job losses were based on unreliable methodology and did not track with all other economic indicators in the state showing job creation. Today's revised totals show just how far off the mark those initial estimates were. While we are encouraged to see the revisions bring this data series into closer alignment with other indicators showing economic improvement in Wisconsin, we will continue to monitor the series. It is our hope that the federal government demonstrates better performance in the future with this monthly series.”

The BLS uses three data sets to measure employment and unemployment:

- **Current Employment Statistics (CES):** compiled from a monthly survey sent to about 5,500 employers (3.5% of Wisconsin employers). CES data has been shown to be subject to significant revision.
- **Local Area Unemployment Statistics (LAUS):** compiled from a monthly survey of 1,450 households. Measures the labor force, employment, unemployment, and the unemployment rate.
- **Quarterly Census of Employment and Wages (QCEW):** compiled on a quarterly basis from Unemployment Insurance records from some 96 percent of Wisconsin business establishments. Considered by most economists to be the most accurate measure of jobs, the QCEW includes data from almost all employers in Wisconsin.

(more)

From summer 2011 through the end of 2012, the monthly estimates for the survey-based CES tracked in a different direction from other economic indicators that showed a trend of growth in Wisconsin's economy.

The benchmarked jobs data are more consistent with actual job counts from the QCEW. The latest available QCEW data show Wisconsin added 29,800 private sector jobs in 2011. Complete data on job creation for 2012 will be available later this year.

The BLS' benchmarking brought back the traditional pattern found between actual job counts, the unemployment rate and the monthly job estimates for 2012.

Secretary Newson continues to urge Wisconsinites to look at multiple economic indicators to understand the state of job creation in Wisconsin. He also said the revisions underscore the need for a source of real-time data on job openings in Wisconsin, which is envisioned for the future Labor Market Information System (LMIS).

The LMIS is part of the Wisconsin Fast Forward legislation that the Governor signed into law Wednesday following near-unanimous passage by the Wisconsin Legislature on a bipartisan basis.

Benchmarked CES and LAUS estimates for 2012 and earlier are accessible at [WORKnet](#).

January 2013 Estimates Released

Secretary Newson today also released CES and LAUS estimates for January 2013. Highlights of the BLS estimates include:

- **Place of work data:** A gain of 12,400 private-sector jobs from December 2012 to January 2013 and decline of 10,600 government jobs for a net gain of 1,800 in total nonfarm jobs on a seasonally adjusted basis. The one-month decline of 9,400 state government jobs is likely attributable to a difference between the University of Wisconsin System payroll schedule and the week of the CES count.
- **Place of residence data:** A preliminary seasonally adjusted unemployment rate of 7.0 percent in January, up from 6.7 percent in December and unchanged from 7.0 percent in January 2012. The rate remains below the national unemployment rate of 7.9 percent.

Attached to this report are tables that show the (1) December-January LAUS and CES revisions; (2) preliminary January preliminary estimates for LAUS and revised estimates for CES; (3) the CES revision history for calendar year 2013; and (4) QCEW data for the third quarter of 2012, which is the most recent data available.

A bar graph showing the QCEW and benchmarked LAUS and CES, as well as the pre-benchmarked CES, is also attached.

Wisconsin Employment and Unemployment Report
DECEMBER – JANUARY 2013

1. REVISIONS TO ESTIMATES

Seasonally Adjusted

Not Seasonally Adjusted

Place of Residence Data (Revisions to December, 2012 Estimates)	Prelim	Revised	Change	Prelim	Revised	Change
CIVILIAN LABOR FORCE	3,060,800	3,049,000	-11,800	3,043,200	3,036,700	-6,500
LABOR FORCE PARTICIPATION RATE	67.9%	67.8%	-0.1%	67.5%	67.5%	0.0%
EMPLOYMENT (1)	2,858,600	2,844,500	-14,100	2,843,900	2,837,500	-6,400
UNEMPLOYMENT	202,200	204,600	2,400	199,300	199,200	-100
UNEMPLOYMENT RATE	6.6%	6.7%	0.1%	6.5%	6.6%	0.1%
U.S. Unemployment Rate	7.8%	7.8%	0.0%	7.6%	7.6%	0.0%
Place of Work Data (Revisions to January, 2013 Estimates)						
NONFARM WAGE & SALARY	2,790,000	2,797,800	7,800	2,717,700	2,725,600	7,900
TOTAL PRIVATE	2,395,400	2,394,400	-1,000	2,329,000	2,328,100	-900
GOODS PRODUCING	556,800	557,000	200	534,000	534,200	200
NATURAL RESOURCES & MINING	3,600	3,600	0	2,900	2,900	0
CONSTRUCTION	93,600	93,800	200	78,800	79,000	200
MANUFACTURING	459,600	459,600	0	452,300	452,300	0
Durable Goods	283,200	283,100	-100	279,600	279,500	-100
Nondurable Goods	176,400	176,500	100	172,700	172,800	100
SERVICE PROVIDING	2,233,200	2,240,800	7,600	2,183,700	2,191,400	7,700
PRIVATE SERVICE PROVIDING	1,838,600	1,837,400	-1,200	1,795,000	1,793,900	-1,100
TRADE	410,300	409,900	-400	406,100	405,700	-400
TRANS., WAREHOUSING, & UTILITIES	100,300	100,400	100	98,200	98,300	100
INFORMATION	46,400	46,600	200	46,300	46,500	200
FINANCIAL ACTIVITIES	162,000	162,400	400	160,600	161,000	400
PROFESSIONAL & BUSINESS SERVICES	295,400	295,200	-200	284,100	283,900	-200
EDUCATIONAL & HEALTH SERVICES	420,400	419,700	-700	417,100	416,400	-700
LEISURE & HOSPITALITY	266,300	265,900	-400	247,200	246,900	-300
OTHER SERVICES, except Public Admin.	137,500	137,300	-200	135,400	135,200	-200
GOVERNMENT	394,600	403,400	8,800	388,700	397,500	8,800
Federal Government	28,500	28,500	0	28,300	28,300	0
State Government	81,500	90,100	8,600	76,700	85,300	8,600
Local Government	284,600	284,800	200	283,700	283,900	200

2. MONTHLY ESTIMATES FOR JANUARY 2013

Place of Residence Data (January estimates are preliminary)	Jan-13	Dec-12	Net Change	Jan-13	Dec-12	Net Change
CIVILIAN LABOR FORCE	3,050,200	3,049,000	1,200	3,022,000	3,036,700	-14,700
LABOR FORCE PARTICIPATION RATE	67.8%	67.8%	0.0%	67.2%	67.5%	-0.4%
EMPLOYMENT (1)	2,838,100	2,844,500	-6,400	2,779,600	2,837,500	-57,900
UNEMPLOYMENT	212,100	204,600	7,500	242,400	199,200	43,200
UNEMPLOYMENT RATE	7.0%	6.7%	0.3%	8.0%	6.6%	1.4%
U.S. Unemployment Rate	7.9%	7.8%	0.1%	8.5%	7.6%	0.9%
Place of Work Data (January estimates are revised)						
NONFARM WAGE & SALARY	2,797,800	2,796,000	1,800	2,725,600	2,799,700	-74,100
TOTAL PRIVATE	2,394,400	2,382,000	12,400	2,328,100	2,377,600	-49,500
GOODS PRODUCING	557,000	553,200	3,800	534,200	546,000	-11,800
NATURAL RESOURCES & MINING	3,600	3,500	100	2,900	3,300	-400
CONSTRUCTION	93,800	94,600	-800	79,000	89,600	-10,600
MANUFACTURING	459,600	455,100	4,500	452,300	453,100	-800
Durable Goods	283,100	280,700	2,400	279,500	279,400	100
Nondurable Goods	176,500	174,400	2,100	172,800	173,700	-900
SERVICE PROVIDING	2,240,800	2,242,800	-2,000	2,191,400	2,253,700	-62,300
PRIVATE SERVICE PROVIDING	1,837,400	1,828,800	8,600	1,793,900	1,831,600	-37,700
TRADE	409,900	409,300	600	405,700	422,000	-16,300
TRANS., WAREHOUSING, & UTILITIES	100,400	101,500	-1,100	98,300	102,200	-3,900
INFORMATION	46,600	45,200	1,400	46,500	45,600	900
FINANCIAL ACTIVITIES	162,400	162,700	-300	161,000	162,800	-1,800
PROFESSIONAL & BUSINESS SERVICES	295,200	290,600	4,600	283,900	289,400	-5,500
EDUCATIONAL & HEALTH SERVICES	419,700	420,300	-600	416,400	421,800	-5,400
LEISURE & HOSPITALITY	265,900	263,100	2,800	246,900	251,700	-4,800
OTHER SERVICES, except Public Admin.	137,300	136,100	1,200	135,200	136,100	-900
GOVERNMENT	403,400	414,000	-10,600	397,500	422,100	-24,600
Federal Government	28,500	28,700	-200	28,300	28,700	-400
State Government	90,100	99,500	-9,400	85,300	102,200	-16,900
Local Government	284,800	285,800	-1,000	283,900	291,200	-7,300

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

(1) Includes Labor Market Disputes

(P) = Prelim; (R) = Revised

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.

3. HISTORY OF REVISIONS OF ESTIMATES FROM PLACE OF WORK SURVEY

	TNF			Private		
	Prelim	Revised	Change	Prelim	Revised	Change
January 2013	-6,000	1,800	+7,800	13,400	12,400	(1,000)
February 2013						
March 2013						
April 2013						
May 2013						
June 2013						
July 2013						
August 2013						
September 2013						
October 2013						
November 2013						
December 2013						

4. LATEST QUARTERLY DATA: CENSUS OF EMPLOYMENT AND WAGES

	2011*			2012†			Sep-Sep	
	Jul	Aug	Sep	Jul	Aug	Sep	Number	Percent
TOTAL	2,666,225	2,678,858	2,700,920	2,691,132	2,705,665	2,718,656	17,736	0.7%
<i>Total Private</i>	2,334,762	2,342,528	2,322,477	2,359,743	2,365,749	2,718,656	20,481	0.9%
Natural Resources & Mining	27,041	27,524	28,164	28,274	28,614	29,280	1,116	4.0%
Construction	102,479	102,684	100,662	101,244	101,624	99,809	-853	-0.8%
Manufacturing	452,974	453,575	448,528	463,740	463,231	457,322	8,794	2.0%
Trade, Transportation, Utilities	506,234	507,377	506,755	506,987	508,342	507,123	368	0.1%
Information	47,112	47,222	46,855	46,633	46,888	46,340	-515	-1.1%
Financial Activities	150,438	150,212	148,988	150,622	150,681	148,948	-40	0.0%
Professional & Business Services	286,671	289,460	288,883	291,888	293,192	292,857	3,974	1.4%
Education & Health Services	388,390	389,068	391,406	393,480	395,550	396,422	5,016	1.3%
Leisure & Hospitality	273,982	275,502	263,020	278,158	278,515	266,825	3,805	1.4%
Other Services	90,937	90,712	89,244	89,128	88,760	87,455	-1,789	-2.0%
Unclassified	8,504	9,192	9,972	9,589	10,352	10,577	605	6.1%
<i>Total Government</i>	331,463	336,330	378,443	331,389	339,916	375,698	-2,745	-0.7%

*Data as published by U.S. Bureau of Labor Statistics. † Data as published at worknet.wisconsin.gov.
 Quarterly Census of Employment and Wages counts are published 6 months after the quarter they describe.
 Data from the latest published quarter and a year prior are included here.

Wisconsin Employment Data Y/Y Change

	Jun 11	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12
LAUS Employment (Household Survey)	432	7,033	20,818	8,136	18,346	8,462
CES - Benchmarked monthly jobs data (Seasonally Adjusted, Tot. Nonfarm., Bus. Est. Survey)	34,400	40,800	32,500	44,900	37,600	21,500
BLS QCEW (06/11 - 06/12); Actual Jobs Data (07/12 - 09/12)	25,315	39,592	21,662	30,726	37,534	17,736
CES - Original monthly job estimates before Benchmarking (Seasonally Adjusted, Tot. Nonfarm., Bus. Est. Survey)	37,700	21,200	3,200	-23,900	-19,600	-4,800

Note: Actual Jobs Data is UI Admin Data that has been submitted to BLS for processing; BLS' next QCEW release is 3/28/2013.

Updated 2/13 to include Actual Jobs Data for 3Q 2012.

Updated 3/13 to include benchmarked CES and LAUS

