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Federal Government Responds to Wisconsin's Request to Correct Data Series that Yields Misleading Job Estimates

In letter to Sec. Newson, Bureau of Labor Statistics notes benchmark-related change 'probably' will occur

MADISON – Wisconsin Department of Workforce Development (DWD) Secretary Newson today expressed his appreciation to the U.S. Bureau of Labor Statistics (BLS) after it confirmed this week it is studying changes to the way monthly job estimates, which incorrectly stated Wisconsin lost private-sector jobs in 2011, are compiled.

"We encourage and stand ready to assist the BLS in making changes that will result in more accurate, reliable labor market data to help employers, job seekers and other individuals make well-informed economic decisions," Secretary Newson said. "I am glad to hear that such changes are not only being studied, but are likely to be made in time for next year's annual update to the data series."

On July 19, Secretary Newson wrote to Acting BLS Commissioner John Galvin, asking for changes to the process used to update, or "benchmark," the Current Employment Statistics (CES) data series after the series estimated Wisconsin lost 22,700 private sector jobs from December 2010 through December 2011. A separate survey of 96 percent of business establishments, called the Quarterly Census of Employment and Wages (QCEW) indicated a net gain of 27,811 private sector jobs over the same time frame, a difference of 50,511.

In procedural change, BLS this year revised 2011 job estimates using two quarters of actual jobs data instead of three quarters. The use of three quarters had been the previous practice and, as Secretary Newson notes, had yielded CES numbers that were more consistent with QCEW and other economic indicators.

In a response letter dated July 24, Commissioner Galvin stated that BLS, working with the federal-state CES Policy Council, is researching the feasibility of benchmarking through the third quarter instead of the second quarter, noting that "while the research is not yet complete, preliminary results suggest that we probably will be able to update CES estimates with QCEW data through the third quarter with the next annual benchmark scheduled for publication in March 2013."

"I am thankful for Commissioner Galvin's response, and am encouraged to hear that this important issue has been identified as a top priority," Secretary Newson said.

[Read Commissioner Galvin's response to Secretary Newson.](#)

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