



August 21, 2024

Employment Update Preliminary QCEW Benchmark

Author: Zachary Milne

Introduction

Each year the U.S. Bureau of Labor Statistics (BLS) undergoes a series of revisions to the widely published monthly Current Employment Statistics (CES) based on updated data from the Quarterly Census of Employment and Wages (QCEW). This revision process allows BLS to benchmark the level of employment as outlined in the CES – a survey of employer establishments in the U.S. – to more comprehensive data from unemployment insurance filings.

This report summarizes the revisions to the CES employment levels for the U.S. and the four states where the Common Sense Institute operates. These revisions represent changes to the level of employment for March of 2023 through March of 2024.

Key Findings – Large National Revision; BLS Estimates 2.5% Reduction for Colorado Employment.ⁱ

The 2024 preliminary benchmark yielded a reduction in the level of U.S. employment of 818,000 jobs (-0.5%), representing the largest revisions since 2009.ⁱⁱ This large downward revision suggests that the job market was not as strong as was originally signaled through the monthly CES data. Based on this revision, the economy may have added around 178,000 jobs per month on average between the beginning of March of 2023 and end of March of 2024, significantly lower than the 246,000 average monthly growth based on the current CES data.ⁱⁱⁱ

Although the preliminary revision was substantial, final revisions to the monthly CES data are likely to differ in February when the final QCEW revision is made and the CES employment figures are updated.

Arizona – The preliminary benchmark estimates an upward revision for Arizona of +39,800 jobs, or a gain of +1.2% relative to current CES estimates. While this represents a significant revision for the state, it is well within the range of revisions for the last two years of 1.4% and 1% for 2022 and 2023, respectively.

Colorado – Preliminary QCEW data suggests Colorado employment may be overstated by as much as -72,700 jobs through March of 2024. **This revision equates to a -2.5% reduction in the number of jobs in the state as of March**

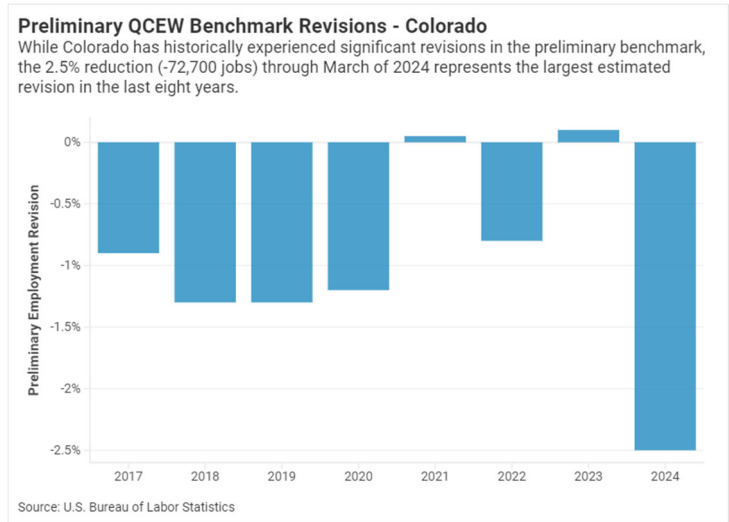
QCEW Preliminary Revision

Arizona
+39,800 jobs
(+1.2%)

Colorado
-72,700 jobs
(-2.5%)

Iowa
-9,600 jobs
(-0.6%)

Oregon
+7,300 jobs
(+0.4%)



2024, which represents the largest revision among all 50 states, and the largest for Colorado in the last eight years.

Iowa – The estimated reduction in the Iowa employment level was -9,600 jobs, or -0.6%. This reduction was well within the ‘normal’ range for the preliminary revisions. However, this comes on top of declining employment since February 2024. Common Sense Institute’s recent report, [Iowa Inflation, Employment, and Economic Update – July 2024](#), identified Iowa’s decline in employment since February as a possible indicator of a slowing economy. Strong upward revisions would have signaled a stronger economy than previously observed. Given the downward revisions, though small, Common Sense Institute’s hypothesis of a weakening economy remains intact.

Oregon – The preliminary benchmark for Oregon suggests a small addition of +7,300 jobs through March, representing a +0.4% increase to the CES employment level. This is only the third time in eight years that the preliminary benchmark suggested an upward revision to Oregon employment, although the magnitude of that revision was well within the normal range.

The Bottom Line

Since the pandemic it appears that magnitude of the revisions to the monthly CES employment data has been increasing. This phenomenon was highlighted again in the preliminary QCEW benchmark released this month. In a healthy economy with robust job growth, the consequences of upward or downward revisions are minimal. But as we find ourselves in a period economic slowing, large revisions – particularly large downward revisions – can mean the difference between tepid job growth and job declines.

The large magnitude of these changes makes drawing conclusions from the monthly employment figures more difficult. While employment growth in Arizona has been slowing recently relative to prior years, the significant upward revision suggests that growth may have been stronger. Conversely, for states like Colorado the significant downward revisions cast doubt on the already sour economic picture drawn by the monthly employment numbers reported over the last year.

ⁱ [“2024 Preliminary Benchmark Revisions to Current Establishment Survey Data for States and Select Metropolitan Areas”](#), Bureau of Labor Statistics, August 21, 2024.

ⁱⁱ Saraiva, Augusta, [“U.S. Payrolls Marked Down by Most Since 2009 in Preliminary Data,”](#) Bloomberg, August 21, 2024.

ⁱⁱⁱ Goldfarb, Sam, [“U.S. Job Market Was Weaker Than Previously Reported, Data Show,”](#) The Wall Street Journal, August 21, 2024.