

Revised Estimates of 2011 Payroll Employment

Based on the Quarterly Census of Employment and Wages (QCEW or ES-202) release through the fourth quarter of 2011 on June 28 by the U.S. Bureau of Labor Statistics (BLS), MassBenchmarks estimates that the number of payroll jobs (on a seasonally adjusted basis) in December 2011 was 3,241,800, or 30,000 more than the official (CES-790) payroll job count of 3,211,800 from the BLS (Table 1). MassBenchmarks estimates that job growth in 2011 – from December 2010 to December 2011 – was 39,100 or 1.2 percent (Table 2), versus the official job growth of 9,100 or 0.3 percent.

Table 1			
Official ES-790 and MassBenchmarks Estimates of Nonagricultural Payroll Employment (thousands of jobs)			
		Unofficial MassBenchmarks	
	Official	Revised Estimate	Revision
Jan-10	3,177.8	3,177.8	0.0
Feb-10	3,174.8	3,174.8	0.0
Mar-10	3,176.6	3,176.6	0.0
Apr-10	3,184.8	3,184.8	0.0
May-10	3,197.6	3,197.6	0.0
Jun-10	3,187.1	3,187.1	0.0
Jul-10	3,191.6	3,191.6	0.0
Aug-10	3,191.2	3,191.2	0.0
Sep-10	3,189.6	3,189.6	0.0
Oct-10	3,202.7	3,202.7	0.0
Nov-10	3,201.4	3,201.4	0.0
Dec-10	3,202.7	3,202.7	0.0
Jan-11	3,206.2	3,209.7	3.5
Feb-11	3,207.7	3,212.1	4.4
Mar-11	3,211.3	3,216.5	5.2
Apr-11	3,215.5	3,219.9	4.4
May-11	3,212.5	3,217.5	5.0
Jun-11	3,209.2	3,216.3	7.1
Jul-11	3,206.5	3,231.9	25.4
Aug-11	3,203.0	3,232.2	29.2
Sep-11	3,205.0	3,244.8	39.8
Oct-11	3,212.1	3,242.4	30.3
Nov-11	3,211.4	3,241.7	30.3
Dec-11	3,211.8	3,241.8	30.0

Sources: Official CES-790: Bureau of Labor Statistics; Unofficial: MassBenchmarks using QCEW (ES-202) from the Bureau of Labor Statistics

Note: The revisions are the revised employment estimates minus the official employment estimates.

The largest upward revisions in employment were in Educational Services, with a revision of 9,000 jobs, and Construction, with a revision of 7,000 jobs. Other sectors which had upward revisions of 3,400 or more jobs include Professional and Technical Services; Arts, Entertainment, and Recreation; Accommodation and Food Services; and Local Government. The largest downward revision, of 4,500 jobs, was in Manufacturing. In all other sectors with downward revisions, the change was less than 2,000 jobs.

Based on these revised payroll employment estimates, the sectors which had the fastest rate of job growth in 2011 – from December 2010 to December 2011 – were Construction, with a job growth of 4.6 percent, and Professional and Technical Services, with a job growth of 4.0 percent. Other fast-growing sectors, with job growth of 2 percent or more in 2011, included Management of Companies and Enterprises, Accommodation and Food Services, and Other Services. Three other sectors had higher-than-average job growth: Administrative and Waste Services, Educational Services, and Health Care and Social Assistance.

In six sectors, the number of jobs declined in 2011: Manufacturing, Information, Finance and Insurance, and all three levels of government (Federal, State, and Local).

These estimates provide the first preview of what the official revisions for 2011 will be when they are released in early March 2013, after the BLS performs its annual benchmark revisions. The MassBenchmarks methodology is a simplified version of the procedure used by the BLS, and is an estimate of what the BLS would release if they performed these

Table 2			
Revisions to 2011 Payroll Employment, by Sector			
Source: MassBenchmark's estimates based on the June 28 release of the QCEW (ES-202) by the U.S. Bureau of Labor Statistics			
Sector	December 2011 Employment	December 2010 to December 2011	
	Revision	Change in Employment	Percent Change
Natural Resources and Mining	100	100	9.5%
Construction	7,000	5,000	4.6%
Manufacturing	-4,500	-2,200	-0.9%
Wholesale Trade	-800	100	0.0%
Retail Trade	-1,800	3,200	1.0%
Transportation, Warehousing, and Utilities	-600	0	0.0%
Information	1,900	-100	-0.1%
Finance and Insurance	1,200	-600	-0.3%
Real Estate and Leasing	700	600	1.6%
Professional and Technical Services	3,400	10,000	4.0%
Management of Companies and Enterprises	0	1,300	2.1%
Administrative and Waste Services	900	2,900	1.8%
Educational Services	9,000	2,800	1.7%
Health Care and Social Assistance	2,900	9,400	1.9%
Arts, Entertainment, and Recreation	5,000	100	0.2%
Accommodation and Food Services	3,400	6,100	2.3%
Other Services	-1,600	2,600	2.2%
Federal Government	-900	-800	-1.6%
State Government	1,100	-1,000	-0.8%
Local Government	3,500	-500	-0.2%
Total Nonagricultural Payroll Employment	30,000	39,100	1.2%

Notes: The revisions in employment represent the difference between MassBenchmark's estimates of payroll employment and the current official estimates. The sums may not equal the totals because of rounding. The standard error for the revision in total employment and the change in total employment is +/- 4,000 jobs.

revisions on a quarterly basis. The standard error of the difference between the MassBenchmarks estimates and those that would have been calculated by the BLS is 4,000 jobs for total employment. This means that there is a 95 percent probability that the official revision to December 2011 employment will lie between 22,000 and 38,000 jobs.

The complete set of estimates by sector can be found in the spreadsheet file "rebenchmark_2011q4.xlsx". For an explanation of this spreadsheet file and the methodology behind the estimates, see the document "A Simple Methodology for Using UI-Based Payroll Employment to Adjust CES-790 Survey-Based Estimates of Payroll Employment". Both of these documents are available on www.MassBenchmarks.org. For a discussion of the BLS's benchmarking procedure and the problems with the CES-790 survey, see "Endnotes" in MassBenchmarks (vol 14, issue 1).