

Revised Data Show that District Gained, Not Lost, Jobs in 2010

By Natalia Kolesnikova and Yang Liu

On March 11, 2011, the Bureau of Labor Statistics (BLS) released its annual benchmark revision to the April 2009—December 2010 payroll employment data for metro areas in the United States. The revision incorporates information from a comprehensive count of employment and provides more accurate estimates of actual payroll employment. (See the sidebar for a discussion of the revision details.) This revision is particularly interesting because it reveals the development in national and local job markets during 2010, the second year of the economic recovery.

Employment in the Eighth District

The annual revision suggests that the recent performance of the Eighth Federal Reserve District labor market is more robust than originally reported but still weaker than the nation's. The new data indicate that the Eighth District gained 15,200 jobs in 2010, rather than losing 7,800 jobs, as estimated earlier. Percentage-wise, employment growth was revised from a 0.2 percent decline to a 0.4 percent increase. The revised 2010 District employment growth rate, however, remained below the national average of 0.7 percent.

As the table shows, revisions for different metropolitan areas in the Eighth District were quite mixed, with the employment growth being revised upward for some metro areas and revised downward for others. (The latter are highlighted in blue.)

St. Louis

Employment in the St. Louis metro area for December 2010 is now estimated to have been 1,299,300, which is a decrease of 700 jobs from the original estimate. Still, the St. Louis labor market generated more jobs during

2010 than initially thought. The December 2009 to December 2010 job growth rate was revised from 0.2 percent to 0.7 percent because of a moderate downward revision of December 2009 payroll employment (to 1,290,100 from 1,297,200). At the industry level, the largest positive revisions of 2010 job growth occurred in the leisure and hospitality sector (to 3,800 jobs from 600) and in the professional and business services sector (to a gain of 600 jobs from a loss of 1,600 jobs). Meanwhile, government jobs were subject to a substantial downward revision (to a loss of 2,200 jobs from a gain of 100 jobs).

Little Rock

The revision completely reversed the employment growth picture in Little Rock. December 2010 payroll employment was revised upward to 340,800 from 332,700, while December 2009 payroll employment experienced a relatively small revision to 338,000 from 336,600. As a result, the 2010 employment growth rate is now 0.8 percent, significantly higher than the original estimate of -1.2 percent. This change indicates that Little Rock not only experienced labor market recovery during 2010, but also had the highest employment growth among the District's large metro areas. The professional and business services sector saw the largest revision, from a loss of 2,000 jobs to a gain of 2,200 jobs.

Louisville

Before the revision, payroll employment in Louisville was estimated to be 588,000 in December 2010 and 595,500 in December 2009. The new report decreased the December 2009 employment numbers by 200 but raised December 2010 employment numbers by 5,700. Because of this, Louisville lost

fewer jobs than originally estimated. The 2010 employment growth rate was revised upward to -0.3 percent from -1.3 percent. At the industry level, the manufacturing and the trade/transportation/utilities sectors experienced significant positive revisions. Manufacturing jobs were revised from a loss of 3,500 to a gain of 1,300, and trade/transportation/utilities jobs were revised from a loss of 2,200 to a gain of 400. In contrast, the natural resources/mining and the construction sectors lost more jobs than initially estimated. The new numbers indicate a loss of 4,400 jobs rather than the previously estimated loss of 2,100 jobs.

Memphis

In Memphis, the overall negative employment growth was only slightly affected by the revised data. December 2010 payroll employment is now at 591,000 jobs (an upward revision of 1,300 jobs from the original estimate), while the December 2009 payroll employment is now at 598,100 jobs (an upward revision of 2,700 jobs). These changes indicate that Memphis lost slightly more jobs than originally estimated. Its 2010 employment growth rate dropped to -1.2 percent from -1.0 percent.

Although the overall employment growth was changed slightly by the revision, payrolls in several sectors were affected considerably. Government jobs were revised downward from a gain of 300 jobs to a loss of 2,000 jobs during 2010. The leisure and hospitality sector lost 3,900 jobs (1,700 more jobs than originally estimated). The professional and business services sector saw an upward revision: Its employment growth is now estimated at 2,700 jobs, compared with a loss of 100 jobs in the initial report.

How the Data Are Collected

Current Employment Statistics (CES) is a monthly survey that is compiled from information from about 140,000 businesses and government agencies, representing approximately 410,000 individual work sites around the United States. Although the survey covers hundreds of thousands of employers, these employers make up only a small percentage of all businesses and work sites in the country.

The Quarterly Census of Employment and Wages (QCEW) is a tabulation of employment information for workers covered by state and federal unemployment insurance programs. As its name suggests, the QCEW is a census that achieves nearly 100 percent sampling of the nation's employment and is, therefore, very accurate. Lags in the compilation of the data, however,

mean that the QCEW is not a very good source for up-to-date information.

To bridge the gap, the Bureau of Labor Statistics (BLS) augments the CES with an estimate of the number of establishments in the area. This can be difficult: When the economy is going into a recession, for example, old firms might be going out of business, while the formation of new firms might be slowing. The BLS doesn't find out about the changes until the unemployment insurance records are updated, which can take several months or more. This lag is compounded by the fact that small firms might need to provide unemployment insurance information only once a year rather than monthly or quarterly, as is required of larger firms.

Because of the lags and revisions to the QCEW data, the annual benchmarking affects employ-

ment data from the CES going back 21 months. Consequently, the estimates that were released in March have affected the yearly employment changes for 2009 and 2010. Note also that the estimates for job growth in 2010 will change again in March 2012, when the data for 2010 will once again be revised in the annual benchmark revision process.

END NOTE

¹ The sidebar is updated from Garrett and Pakko.

REFERENCE


Garrett, Thomas A.; and Pakko, Michael R. "Annual Revision of Metro Jobs Data Shows Little Change from Earlier Reports." *The Regional Economist*, Vol. 17, No. 2, April 2009, pp. 24-25.

Small and Medium Metro Areas

Some significant revisions occurred for the 15 smaller metro areas in the Eighth District. Nine of these metro areas experienced upward revisions of employment growth, while the other six saw downward revisions.

The annual revision improved the 2010 job market picture in the Fayetteville, Ark., and Evansville, Ind., metro areas. New data indicate that payroll employment in Fayetteville rose 1.6 percent during 2010, rather than declined 1.1 percent as initially estimated. Specifically, trade/transportation/utilities jobs were revised from a loss of 500 jobs to a gain of 1,400 jobs. Similarly, Evansville saw a 1.5 percent rise in payroll employment compared with a 0.6 percent drop in the original data release. Government jobs in Evansville were revised from a loss of 900 jobs to a gain of 600 jobs.

The Elizabethtown, Ky., metro area had a positive revision of employment growth—to 5.1 percent from 2.6 percent. Its professional and business services sector generated 800 more jobs than initially reported.

The largest downward revision occurred for the Hot Springs, Ark., metro area. The 2010 payroll employment growth rate was revised to -0.3 percent from 4.1 percent. 

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Metro-Area Employment Changes

	December 2009 – December 2010			
	Original Estimate as of January 2011		Revised Estimate as of March 2011	
	Thousands of Jobs Lost or Gained	Percent Change	Thousands of Jobs Lost or Gained	Percent Change
Large Metro Areas				
Little Rock–N. Little Rock, Ark.	-3.9	-1.2%	2.8	0.8%
Louisville, Ky.–Ind.	-7.5	-1.3	-1.6	-0.3
Memphis, Tenn.–Ark.–Miss.	-5.7	-1.0	-7.1	-1.2
St. Louis, Mo.–Ill.	2.8	0.2	9.2	0.7
Small and Medium Metro Areas				
Columbia, Mo.	0.5	0.5	1.1	1.2
Jefferson City, Mo.	0.2	0.3	0.5	0.6
Springfield, Mo.	3.5	1.8	0.4	0.2
Fayetteville–Springdale–Rogers, Ark.	-2.2	-1.1	3.2	1.6
Fort Smith, Ark.–Okla.	-0.7	-0.6	-0.2	-0.2
Hot Springs, Ark.	1.5	4.1	-0.1	-0.3
Jonesboro, Ark.	0.4	0.8	0.7	1.4
Pine Bluff, Ark.	-0.6	-1.6	-1.2	-3.2
Texarkana, Texas–Ark.	1.3	2.3	0.6	1.1
Evansville, Ind.–Ky.	-1.0	-0.6	2.5	1.5
Bowling Green, Ky.	0.9	1.5	1.2	2.0
Elizabethtown, Ky.	1.2	2.6	2.3	5.1
Owensboro, Ky.	0.6	1.2	0.1	0.2
Clarksville, Tenn.–Ky.	0.8	1.0	0.9	1.1
Jackson, Tenn.	0.1	0.2	-0.1	-0.2
Eighth District Total	-7.8	-0.2%	15.2	0.4%

SOURCE: Bureau of Labor Statistics.

The table shows how the estimates of jobs lost and gained between December 2009 and December 2010 changed between reports that came out in January and March 2011. For example, according to the estimate released in January 2011, the St. Louis metropolitan statistical area (MSA) had gained 2,800 jobs between December 2009 and December 2010. But, according to the revised estimate that was released in March 2011, the St. Louis MSA had gained 9,200 jobs between December 2009 and December 2010. Downward revisions (between the two reporting periods) are in blue.