



JOINT ECONOMIC COMMITTEE

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A RECENT HISTORY OF BENCHMARK REVISIONS

On October 8, the Bureau of Labor Statistics (BLS) will release employment data for the month of September 2004. In addition to the release of regular monthly employment data, BLS will also release its *preliminary estimate* of the annual benchmark revision of the payroll survey. This preliminary estimate will help to provide some guidance as to whether or not the payroll survey has accurately reflected employment growth over the 12-month period ending in March 2004.

Highlights

- Each year, BLS releases a *preliminary estimate* of its final benchmark revision of the payroll survey.
- Over the last ten years, on average, the difference between the preliminary estimates and final benchmark revisions has been roughly 43,000 payroll jobs.
- Since 1994, the average *final benchmark revision*, in either direction, has been roughly 300,000 jobs.

Benchmark revisions are annual events

Annual benchmark revisions of payroll employment are quite routine (Figure 1). Each year, data from the payroll survey are realigned with more comprehensive data from unemployment insurance tax records. This process, known as *benchmarking*, helps to more accurately reflect total payroll employment in the U.S.

Because unemployment insurance tax records are less timely and available only on a delayed basis, BLS relies on its own survey samples of employment until the more comprehensive tax data are available. Prior to 2004, *final benchmark revisions* were generally announced in February but were not officially incorporated until June. However, due to the ability of BLS to process data more quickly, final benchmark revisions to earlier payroll data are now incorporated in February.

A Recent History of Benchmark Revisions 1

(Size of revisions to total payroll employment, NSA)

Year	Preliminary Estimate	Final Revision
2003	-145,000	-122,000
2002	-284,000	-313,000
2001	-76,000	-123,000
2000	392,000	468,000
1999	146,000	258,000
1998	50,000	44,000
1997	475,000	431,000
1996	90,000	57,000
1995	590,000	542,000
1994	760,000	747,000

Source: Bureau of Labor Statistics (BLS)

Preliminary estimates are relatively accurate

In addition to the incorporation of the final benchmark revisions, BLS also regularly announces its preliminary estimates of those final revisions. For example, BLS announced in October 2003 that total employment would most likely be revised downward by 145,000 jobs for the 12-month period ending in March 2003. Their final revision incorporated a downward revision of 122,000 jobs.

Since 1994, the preliminary estimates and final revisions have, on average, differed by roughly 43,000 jobs. The average final benchmark revision since 1994, in either direction, has been roughly 300,000 jobs.