

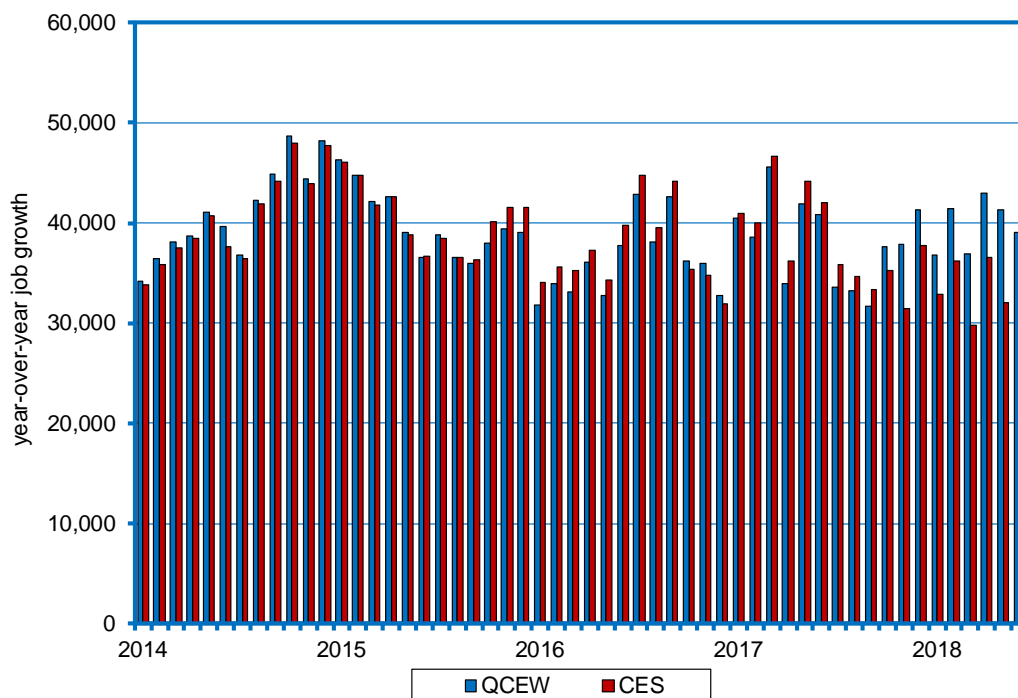
# Research Notes



QCEW vs. CES Employment Estimates  
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## CES Job Estimates Lower Than QCEW Trends



- The Quarterly Census of Employment and Wages (QCEW) Program publishes the most accurate, albeit less-timely, measure of jobs. It represents a comprehensive count of employment based on information reported by all businesses covered under the Unemployment Insurance System, but is not available until several months following the end of a calendar quarter. As such, QCEW is the principal source of benchmark data for the more timely Current Employment Statistics (CES) monthly estimates--which are revised at the end of every calendar year.
- Both the CES and QCEW series have turned in strong performances in average employment growth over the year during the first half of 2018. Average employment growth in QCEW is around 40,000 while CES is around 34,000. Although both series have demonstrated strong growth, CES appears to have been estimating slightly on the conservative side, resulting in lower average growth estimates than QCEW.
- While QCEW estimates did not surpass CES for every aggregate group, there were some notable ones. The specific industries where growth, as measured by QCEW, has exceeded the estimates provided by CES by the greatest amount were information, wholesale trade, and durable goods manufacturing.
- The CES program calculates employment as a weighted average of employment estimates using sample data and a forecast of employment using QCEW historical data. During the first half of 2018, QCEW has exceed employment forecasts resulting in strong performances in average employment growth over the year in multiple industries. As a result, minor revisions upward are expected during the year-end CES benchmarking process.

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