

November 19, 2020

Ms. Carol Rowan
BLS Clearance Officer
Division of Management Systems
Bureau of Labor Statistics, Room 4080
2 Massachusetts Avenue, NE
Washington, DC 20212

RE: Federal Register Notice of October 9, 2020, for the Bureau of Labor Statistics Quarterly Census of Employment and Wages Program (OMB Number: 1220-0012)

Dear Ms. Rowan:

The Bureau of Economic Analysis (BEA) strongly supports the continuation of the Bureau of Labor Statistics' (BLS) Quarterly Census of Employment and Wages (QCEW) Program. This program is our only source of wage, employment, and establishment data and is thereby critical to the data quality for several key components of BEA's statistics.

The importance of the QCEW program cannot be overstated. BEA uses the QCEW wage data as the principal basis for estimating the wage and salary component of gross domestic product (GDP), GDP-by-state, GDP-by-industry, and national, state, and local area personal income, comprising over fifty percent of the national and personal income estimates. The detailed industry, and employment and wage information (provided down to a county level of detail) aid BEA in adjusting its historical series for changes in industry classification. The state-level estimates, based primarily on the QCEW program, are used in the allocation of about \$500 billion in Federal funds to state and local governments. A list of each item used is found in the attachment below.

The accuracy of the BLS QCEW employment and wage data, classified by industry, ensures that BEA appropriately captures the industrial and geographic changes in the economy in its regional accounts, national income and product and wealth accounts, industry input-output accounts, GDP-by-industry estimates, and travel and tourism satellite accounts.

In addition, International accounts at BEA uses, and is exploring further ways to use, the QCEW data for survey data validation and improvement, specifically:

- The microdata are used to help apportion employment by state for BEA's BE-12/15 surveys (Annual and Benchmark Surveys of Foreign Direct Investment in the United States) when such breakouts by state are not provided by survey respondents.

- BEA is exploring the use of the QCEW microdata to validate and enhance the state information reported on the BE-13 survey (Survey of New Foreign Direct Investment in the United States).
- BEA is working with BLS to produce a new data set providing additional industry and geographic (including down to the county level) detail by linking BEA data from the BE-12/15 surveys with BLS' QCEW for 2012 (www.bls.gov/fdi), and both agencies are exploring the feasibility of producing a linked data set for a more recent period.

Please keep BEA informed about any modifications to this form. We are particularly interested in any modifications proposed during the form's approval process that would substantially affect our use of these data. For additional information, please contact Tiffany Burrell, Source Data Coordinator, on 301-278-9618, or by e-mail at Tiffany.Burrell@bea.gov. Should you need assistance in justifying these forms to the Office of Management and Budget, please do not hesitate to contact BEA.

Sincerely,

Dennis J. Fixler
Chief Economist

Attachment

ATTACHMENT

Uses of BLS QCEW in Preparation of BEA's National Income and Product Accounts and Regional Accounts

Item	Used for
Quarterly Total Wages & Salaries by NAICS Industry and Ownership	Wages & Salaries Component: National GDP, National GDP by-industry, State GDP by-industry, State Personal Income, Local Area Personal Income, National and Regional Industry Input-Output Tables, Adjust private sector data for Tribal Governments
Monthly Employment by NAICS Industry and Ownership	Sub-national Employment by Industry Statistics: Employer contributions to government social insurance component by industry Employee and self-employed contributions to government social insurance component by Industry
Quarterly Total Employment by NAICS Industry and Ownership	Industry Output Estimates: Own-Account Software, Own Account Research and Development, Travel and Tourism Satellite Account, Arts & Cultural Production Satellite Account
Employer contributions to unemployment insurance	Employer contributions to government social insurance component: National GDP, National GDP by-Industry, State GDP by-industry, State Personal Income, Local area Personal Income, National and Regional Input-Output Tables
Revision Flag	Edit QCEW
Reporting Units	Edit QCEW

Annual File

Items	Estimate
Annual employment by NAICS Industry and Ownership	Sub-national Employment by Industry Statistics