



## Employment Security Department WASHINGTON STATE

May 31, 2011

Ms. Carol Rowan  
BLS Clearance Officer  
Division of Management Systems  
Bureau of Labor Statistics  
2 Massachusetts Avenue, N.E., Room 4080  
Washington D.C., 20212

Dear Ms. Rowan,

We are writing in response to the March 30, 2011, Notice regarding the proposed revision to the "Report on Current Employment Statistics" (CES). We appreciate the opportunity to comment. Please see our comments below:

- **Making a large number of detailed estimates increases the sampling error rate.** The Current Employment Statistics (CES) survey is a monthly nationwide survey of nearly 200,000 employers to determine the employment levels, hours and wages at the industry level for the nation as a whole, states and most metropolitan areas. Each month the CES data are used to generate 17,022 lines of data (in 2009) which are used as primary economic indicators for industries at the national, state and local levels. Making this many detailed estimates from even this large a sample means that the sampling error is high for a large number of state and local industry-level estimates. This is particularly the case for the preliminary estimates, upon which the national and state employment situation reports are based.
- **Later revisions and benchmarking of a small sample response may correct errors, but can undermine the timeliness of the data.** Waiting another month or even until the following year for accurate data seems to limit its effectiveness. Involving state analysts has proven valuable in the past to overcome this deficiency in sample. The Bureau of Labor Statistics (BLS) has worked with state analysts to apply their local knowledge to moderate some of the effects of a small sample or unrepresentative response in some of the industry-state and industry-local data cells. Over the past three years, the BLS has reduced the influence of the state analysts to almost zero, utilizing far fewer BLS staff in Washington, DC, to accomplish essentially the same function. We are concerned that this move, while less costly, may lead to less accurate state and local industry employment estimates. These data have the potential to influence the expenditure of many millions of dollars throughout the workforce, education and economic development systems. To risk misallocating these moneys for a modest cost savings seems unwise.

**We recommend two approaches to address this issue:**

- **Re-involve state analysts in the estimation process.** The resulting estimates would be more accurate and better serve the national, state and local users of the CES data.

**OR**

- **Increase the sample size.** By greatly increasing the sample size, the sample could support the over 17,000 estimates that are made each month, broken down by industry and geography. This increase in sample size could offset the amount of data required from each respondent so that this survey would deal only with employment levels and hours worked per week. The industry wage data could be a product of the Quarterly Census of Employment and Wages program, a cooperative program between BLS and the states.

The Current Employment Statistics program has become a foundational data program for many public purposes, ranging from workforce development, to education, to economic development programs. At the state and local levels, particularly at the industry level, the data must be revised or benchmarked to be accurate, which may be up to a year after the estimates. For these state and local data users, there is little that is current about the Current Employment Statistics program. I recommend taking steps to either re-engage state analysts in the estimation process to offset deficiencies of the sample size or increase the sample size of the monthly survey.

We appreciate your consideration of our comments.

If you would like more information, please contact me at (360) 407-4531 or at [gweeks@esd.wa.gov](mailto:gweeks@esd.wa.gov).

Sincerely,

*Greg Weeks*

Greg Weeks  
Director, Labor Market and Economic Analysis  
Washington State Employment Security Department