## The Monthly Revision Process

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The Texas labor market is a large dynamic entity with a diverse set of industries spanning throughout. With over 660,000 employers and a July job count of just over 14.3 million positions, monthly estimates for the number of jobs, unemployment rate, or even the size of the civilian labor force can be an arduous task without statistical methods.

The Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) Programs are two federal-state cooperative programs that are designed to answer questions about the labor market. The CES program specifically measures jobs while the LAUS program measures people in the labor force, those who are employed, unemployed, and the unemployment rate.

As with any statistical program, there is a margin of error, since statistics are designed to draw conclusions from a sample to represent the entire population. The CES and LAUS programs are no different. Knowing this, the Bureau of Labor Statistics (BLS) will revise state-level estimates from both the CES and LAUS programs every month and again at the end of the year to ensure the most accurate results.

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Both programs collect survey responses from establishments (CES) and households (LAUS) for the reference period that includes the 12th of the month, and the BLS must estimate based on the first round of responses. After this "deadline" has assured timely release, survey collection continues to the end of the full cycle and responses are re-estimated. With more survey data in hand, the CES and LAUS estimates are released as revised the following month.

Additionally, both programs also go through an annual revision process to determine if the estimates have tracked well with tax record information that largely make up the Quarterly Census of Employment and Wages program (QCEW)[1]. During the annual revision process, statistical models are compared to tax reports from employers subject to unemployment insurance law. Adjustments may include cyclical industry reclassifications such as businesses that either changed industries or were classified incorrectly.

Observing CES annual revisions for the last ten years reveals that the largest one-year mean absolute revision for Texas occurred during 2020, with a value of 11,155 jobs. One may notice this happened during the COVID outbreak, which drastically affected collection rates for both programs. In percentage-terms this equated to a 0.1 percent revision on average. On a monthly basis, the largest absolute revision occurred in March 2020 with a value of 39,000 and a percentage change of 0.3 percent. The mean absolute monthly revision dating back to January 2015 was 7,100 jobs or 0.1 percent.

Considering LAUS annual revisions over the same timeframe we also see the largest revisions arising in 2020 with an absolute revision of 11,014 people for the civilian labor force (0.1 percent), 17,656 people for employment (0.1 percent), and 20,169 for unemployment (1.9 percent). Since 2015, the average monthly revisions for labor force (0.0 percent), employment (0.0 percent), and unemployment (0.2 percent) were small.

Revisions are a normal process of any statistical program with a goal of presenting precise and dependable data. This vital step contributes to the consistency and accuracy for both indicators used to track employment pattern changes over time.

[1] *William Lutz, "Understanding the Economy Data in Context Benchmarking", January 2025, https://texaslmi.com/api/GetArticleLink/Article_25_01*