

Revisions to Employment and Growth After the 2023 Benchmark Review

Mark Flaherty, Economist

Every month the New Mexico Department of Workforce Solutions (NMDWS), working in conjunction with the U.S. Bureau of Labor Statistics (BLS), releases sample-based employment estimates from the Current Employment Statistics (CES) program. Every year the data are adjusted to employment counts collected through the Quarterly Census of Employment and Wages (QCEW) program. This process is known as benchmarking.

During this benchmarking process, estimates for New Mexico and its four Metropolitan Statistical Areas (MSAs)—Albuquerque, Santa Fe, Las Cruces, and Farmington—are revised. This year, most of the data series were revised back to March 2022. However, the financial activities and miscellaneous other services series were revised back to March 2020 in all geographic areas except the Las Cruces MSA. In the Las Cruces MSA, financial services was revised back to March 2020 and the miscellaneous other services series was revised back to March 2015. Please note that all the aggregate level series that these series fall within, including total nonfarm employment, were also revised back to the same dates for the given geographic area. Seasonally adjusted data was revised back to 1990. This article provides some revision highlights and then concentrates on changes to over-the-year growth in 2023 following the benchmark revisions.

Please note that, due to rounding, industry-level estimates do not necessarily sum to aggregate-level estimates. For more detailed information on the benchmarking methodology, please refer to the BLS Handbook of Methods at <https://www.bls.gov/opub/hom/ces/calculation.htm#benchmark>.

CES Data Notice

Users of CES historical data are advised to update records by downloading the revised data from NMDWS's interactive labor market information data website, LASER (www.jobs.state.nm.us/ces), or the BLS website (www.bls.gov).

Benchmark Revision Highlights

Most of this article provides changes to employment growth as a consequence of benchmark revisions. However, as total annual revisions are often seen as a proxy for the establishment survey's accuracy, included here are some highlights of the benchmark revisions themselves within New Mexico and its metropolitan statistical areas (MSAs).

Prior to the benchmark, **New Mexico's** average total non-farm employment level for 2023 was 868,800 jobs. This was revised up to 872,900 jobs, a change of 4,100 jobs, or 0.5 percent. Within the state, private employment was revised up to 687,700 jobs, a change of 4,800 jobs, or 0.7 percent. Government jobs were revised down to 185,200 jobs, a change of 600 jobs, or 0.3 percent. The industry with the largest percentage revision was information, which was revised down to 10,000 jobs, a change of 600 jobs, or 5.7 percent. The industry with the largest level adjustment was professional and business services, which was revised up to 120,100 jobs, a change of 4,200 jobs, or 3.6 percent.

Albuquerque MSA's 2023 average total non-farm employment level was revised up as a consequence of the benchmark, from 410,600 jobs to 414,500 jobs. This represents an upward adjustment of 3,900 jobs, or 0.9 percent. Within the MSA, private employment was revised up to 334,200 jobs, a change of 3,400 jobs, or 1.0 percent. Government jobs were revised up to 80,300 jobs, a change of 500 jobs, or 0.6 percent. The industry with the largest percentage revision was miscellaneous other services which was revised up to 13,000 jobs, a percentage change of 8.3 percent. The same industry also experienced the largest level adjustment of 1,000 jobs.

Santa Fe MSA's 2023 average total non-farm employment level was revised up to 62,500 jobs due to the benchmark. This represents an upward adjustment of 200 jobs, or 0.3 percent. Within the MSA, private employment was revised up to 48,400 jobs, a change of 200 jobs, or 0.4 percent. Government jobs remained at the pre-benchmark level of 14,100 jobs. The industry with the largest percentage revision was information which was revised down to 800 jobs, a change of 200 jobs, or 20.0 percent. The industry with the largest level adjustment was trade, transportation, and utilities, which was revised up to 10,100 jobs, a change of 400 jobs, or 4.1 percent.

Las Cruces MSA's 2023 average total non-farm employment level was revised up as a consequence of the benchmark, from 77,900 jobs to 79,200 jobs. This represents an upward adjustment of 1,300 jobs, or 1.7 percent. Within the MSA, private employment was revised up to 58,800 jobs, a change of 1,300 jobs, or 2.3 percent. Government jobs remained at their pre-benchmark level of 20,400

jobs. The industry with the largest percentage revision was miscellaneous other services which was revised up to 2,000 jobs, a change of 400 jobs, or 25.0 percent. The industry with the largest level adjustment was trade, transportation, and utilities, which was revised up to 12,100 jobs, a change of 800 jobs, or 7.1 percent.

Farmington MSA's 2023 average total non-farm employment level was revised up as a consequence of the benchmark, from 45,900 jobs to 46,800 jobs. This represents an upward adjustment of 900 jobs, or 2.0 percent. Within the MSA, private employment was revised up to 35,900 jobs, a change of 500 jobs, or 1.4 percent. Government jobs were revised up to 11,000 jobs, a change of 500 jobs, or 4.8 percent. Though the MSA doesn't break out to the industry level, we can say that the goods-producing industries were adjusted up by 100 jobs, or 1.1 percent, and the private-service-providing industries were adjusted up 400 jobs, or 1.5 percent.

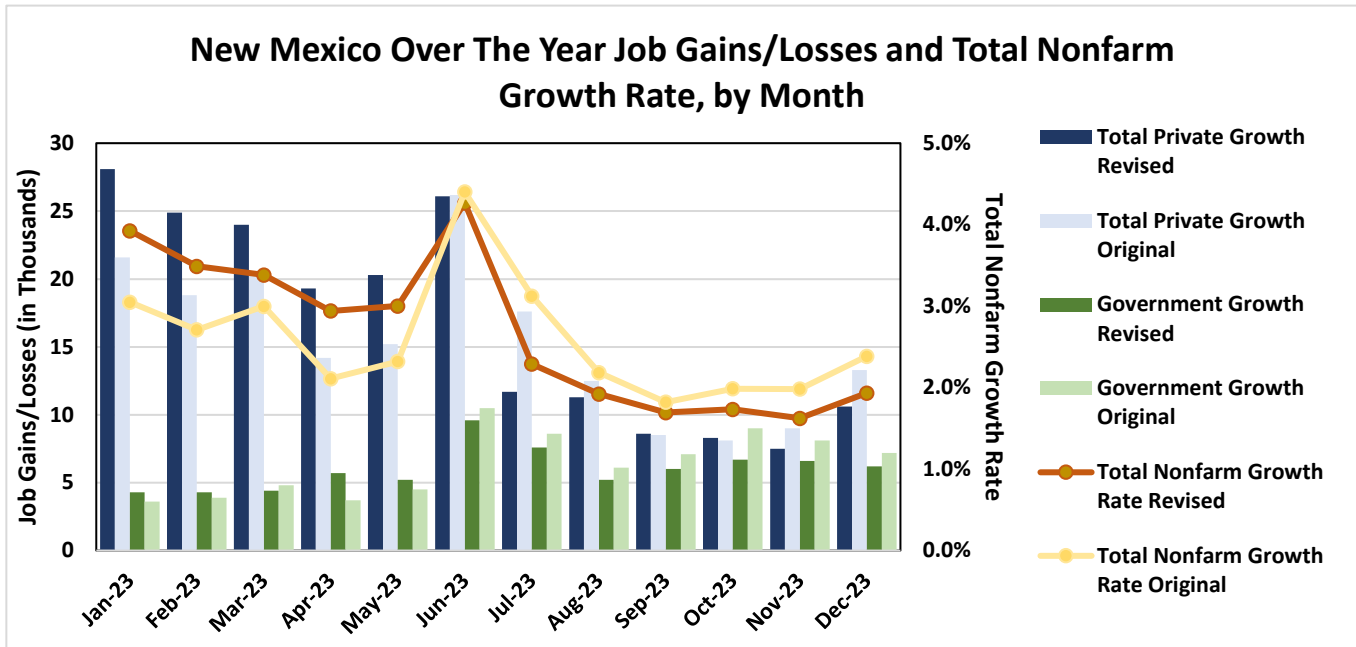
Changes to Growth Due to Benchmark Revisions

Prior to benchmarking, New Mexico's total nonfarm employment was estimated to be up 21,900 jobs, or 2.6 percent, in 2023 on average compared to 2022. After the benchmark revision, this over-the-year gain was increased to 22,700 jobs, or 2.7 percent.

Benchmark revisions resulted in a slightly sharper downward trend in job growth throughout 2023, except for a considerable spike in June when over-the-year gains peaked at 35,700 jobs, or 4.3 percent. November had the lowest growth at 14,100 jobs, or 1.6 percent. The year ended with a slight upturn in December (16,800 jobs or 1.9 percent) but this was still little over half the growth posted in January (32,400 jobs, or 3.9 percent).

The private sector originally averaged 15,400 more jobs, compared to 2022, representing a gain of 2.3 percent. This was revised up to an over-the-year gain of 16,800 jobs, or 2.5 percent, in the benchmark. A large share of the upward revisions to private sector estimates occurred in the first five months of 2023. There was a significant drop between June and July. From there on, job growth levels remained below those in the first half of the year.

The public sector's over-the-year employment gain originally averaged 6,400 jobs, or 3.6 percent, but that gain decreased to 5,900 jobs, or 3.3 percent, due to the revision. The corresponding chart displays monthly revisions to employment growth for total nonfarm, the private sector, and the public sector.



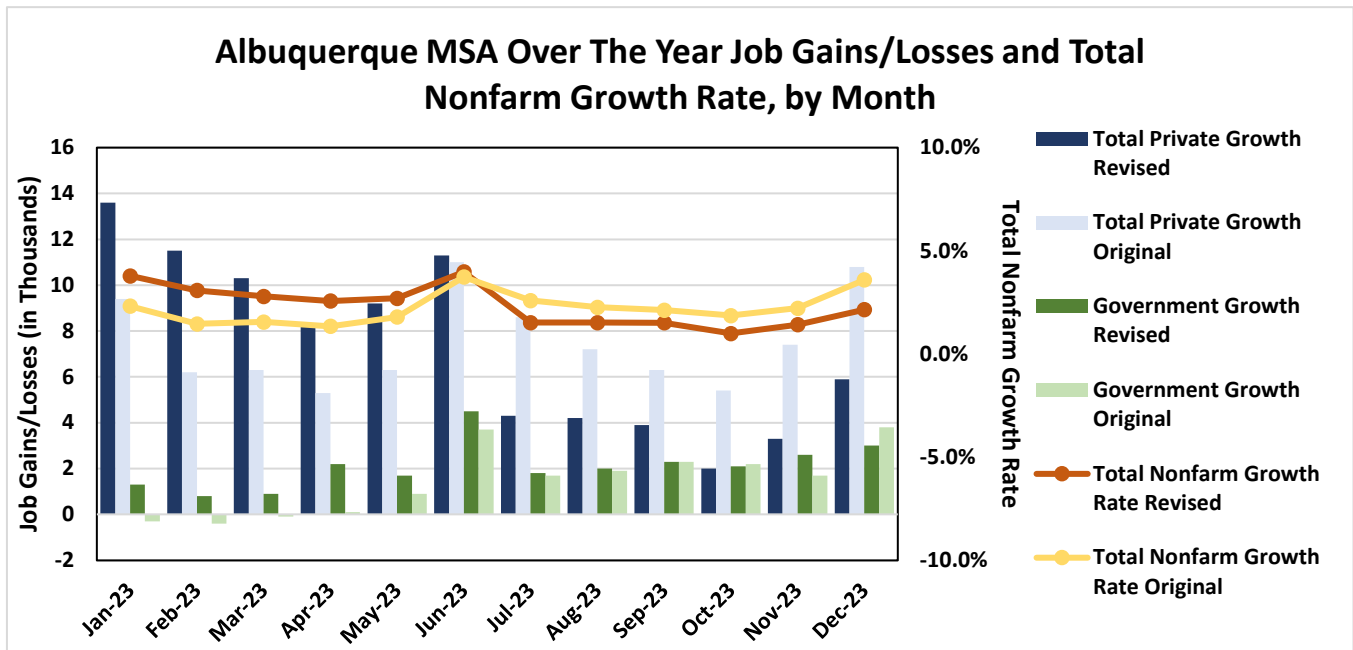
Six of the nine major private industry sectors experienced over-the-year gains prior to the benchmark. After the revision, the same number of industries reported gains. The revised over-the-year gains were as follows: mining and construction (5,100 jobs, or 7.2 percent); leisure and hospitality (4,000 jobs, or 4.2 percent); professional and business services (3,800 jobs, or 3.3 percent); private education and health services (2,900 jobs, or 2.0 percent); trade, transportation, and utilities (1,200 jobs, or 0.8 percent); miscellaneous other services (800 jobs, or 2.9 percent). Information reported a loss of 800 jobs, or 7.4 percent. Financial activities and manufacturing were each down 100 jobs, or 0.3 percent.

In the public sector, local government had an increased over-the-year gain of 4,100 jobs, or 4.2 percent. Within local government, local government education contributed most, with a gain of 2,200 jobs, or 4.4 percent. The revision to state government shifted from a gain

of 2,200 jobs, or 4.1 percent, down to a gain of 1,400 jobs, or 2.6 percent. The benchmark decreased the federal government’s gain of 600 jobs to a gain of 500 jobs, or 1.7 percent.

Albuquerque MSA

From 2022 to 2023, total nonfarm employment growth in the Albuquerque MSA was revised up by 400 jobs after the benchmarking process, leading to an average over-the-year gain of 9,400 jobs, or 2.3 percent. A 200-job downward revision in private employment growth resulted in an adjusted over-the-year gain of 7,300 jobs, or 2.2 percent. The public sector saw a revision upwards of 600 jobs, increasing the over-the-year job growth of 1,500 jobs, or 1.9 percent, to 2,100 jobs, or 2.7 percent. The corresponding chart displays monthly revisions to employment growth for total nonfarm, the private sector, and the public sector.



Of the nine major private sector industries, seven industries were up from the previous year, prior to the benchmark. After the benchmark, the number of growing industries went down to six. The revised over-the-year gains were as follows: private education and health services (2,600 jobs, or 3.9 percent); leisure and hospitality (2,300 jobs, or 5.4 percent); mining and construction (1,400 jobs, or 5.3 percent); professional and business services (700 jobs, or 1.1 percent). miscellaneous other services (600 jobs, or 4.8 percent); and financial activities (100 jobs, or 0.5 percent). Trade, transportation, and utilities was down 300 jobs, or 0.4 percent, and information was down 1,000 jobs, or 1.7 percent.

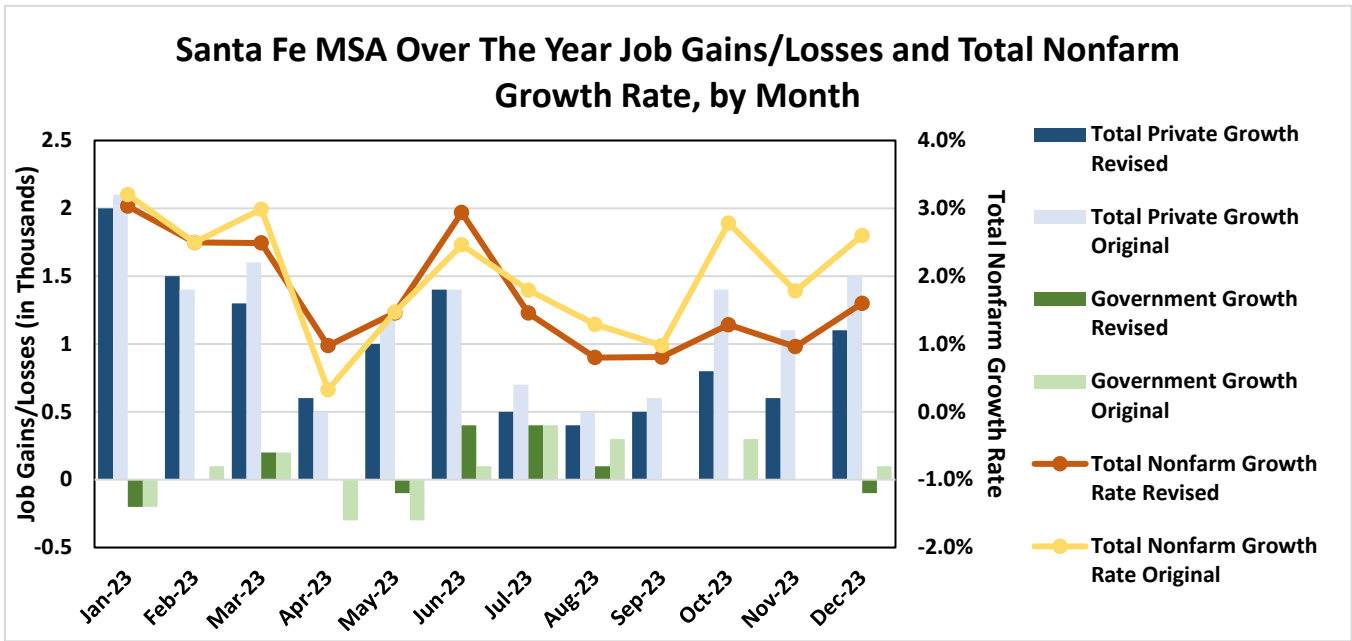
Of the three public subsectors, after benchmark revisions, local government was up 1,100 jobs, or 3.0 percent, state government was up 800 jobs, or 3.0 percent, and federal government was up 200 jobs, or 1.4 percent, compared to the previous year.

Santa Fe MSA

After the benchmark, the over-the-year employment growth for 2023 in the Santa Fe MSA was a gain of 1,000 jobs, or 1.6 percent, revised up from the original estimated gain of 1,200 jobs, or 2.0 percent. Private sector employment growth decreased by 300 jobs, representing an over-the-year gain of 900 jobs, or 1.9 percent. Public sector job growth in 2023 was unchanged compared to 2022 before and after the benchmark revisions. The corresponding chart displays monthly revisions to employment growth for total nonfarm, the private sector, and the public sector.

After the benchmark, private-sector industries with over-the-year job gains were as follows: leisure and hospitality (800 jobs, or 7.5 percent); trade, transportation, and utilities (200 jobs, or 2.0 percent); and private education and health services (200 jobs, or 1.9 percent). Information was down 200 jobs, or 20.0 percent. Professional and business services moved from a gain to a loss of 100 jobs, or 1.7 percent. Employment in the remaining private industries was unchanged from the previous year.

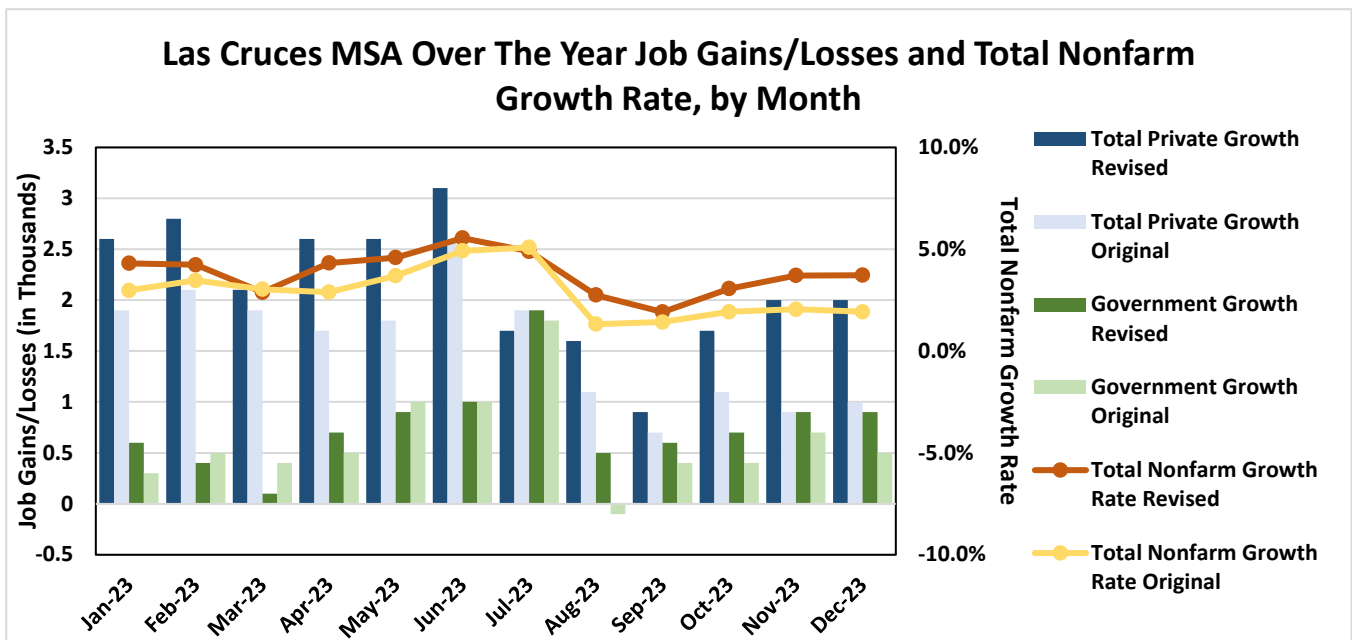
Within the public subsectors, over-the-year job growth was revised to the following: local government was up 100 jobs, or 1.6 percent, and state government was down 100 jobs, or 1.4 percent. Federal government employment was unchanged.



Las Cruces MSA

After the benchmark, total nonfarm over-the-year job growth in the Las Cruces MSA shifted from an original gain of 2,100 jobs, or 2.8 percent, to a revised gain of 3,000 jobs, or 3.9 percent. The private sector was revised to a gain of 2,200 jobs, or 3.9 percent. Public sector employment growth was revised up from a gain of 600 jobs, or 3.0 percent, to a gain of 800 jobs, or 4.1 percent. The corresponding chart displays monthly revisions to employment growth for total nonfarm, the private sector, and the public sector.

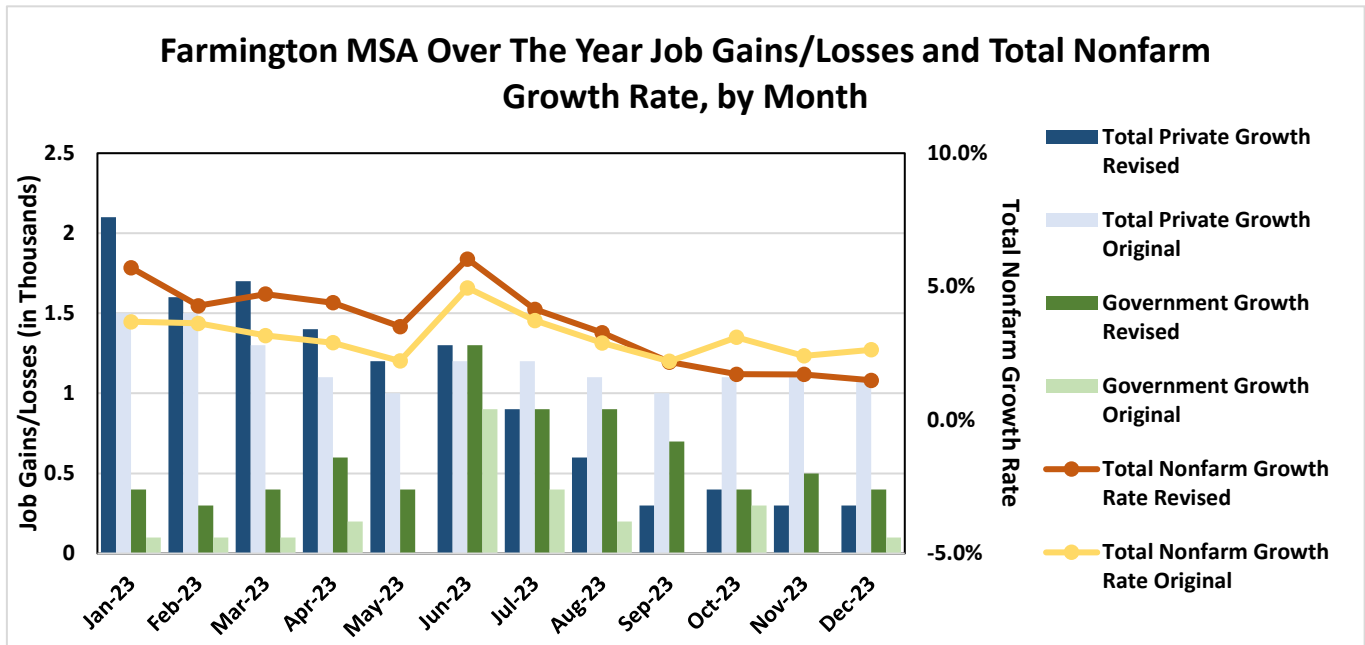
After the benchmark, major private-sector industries with over-the-year gains were as follows: leisure and hospitality (up 700 jobs, or 8.3 percent); trade, transportation, and utilities (up 500 jobs, or 4.3 percent); mining and construction (up 300 jobs, or 7.9 percent); professional and business services (up 300 jobs, or 4.3 percent); private education and health services (up 200 jobs, or 1.1 percent); miscellaneous other services (up 100 jobs, or 5.3 percent); financial activities (up 100 jobs, or 3.8 percent); and manufacturing (up 100 jobs, or 3.1 percent). Information was unchanged from 2022.



Within the public sector, local government was up 600 jobs, or 6.4 percent, and state government was up 200 jobs, or 2.9 percent. Employment in federal government was unchanged from the previous year.

Farmington MSA

Farmington MSA total nonfarm over-the-year job growth was revised up from a gain of 1,400 jobs, or 3.1 percent to a gain of 1,600 jobs, or 3.5 percent. Employment growth in the private sector decreased from a gain of 1,100 jobs, or 3.2 percent, to a gain of 1,000 jobs, or 2.9 percent. Benchmark revisions resulted in public sector employment moving up from a gain of 200 jobs, or 1.9 percent, to a gain of 600 jobs, or 5.8 percent, compared to the previous year. The corresponding chart displays monthly revisions to employment growth for total nonfarm, the private sector, and the public sector.



Within the private sector, the private service-providing employment was revised down 100 jobs to a gain of 400 jobs, or 1.5 percent. After the benchmark, goods-producing industry employment was 600 jobs, or 7.0 percent.

Within the public sector, all revisions came from local government, which was revised up to a gain of 600 jobs, or 7.2 percent. Employment in federal government and state government remained unchanged from the previous year, as was previously reported before the benchmark.

Upcoming Changes to Current Employment Statistics Data

Effective with the release of January 2024 estimates on March 11, 2024, the Current Employment Statistics (CES) program will implement a new weight smoothing procedure for state and metropolitan area employment data. Background information on the new weight smoothing procedure is available on the BLS website at www.bls.gov/osmr/research-papers/2014/pdf/st140140.pdf.