

PRESS RELEASE

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Expected Revisions to Colorado Nonfarm Payroll Jobs

Third quarter 2020 Quarterly Census of Employment and Wages (QCEW) results indicate Colorado total nonfarm payroll jobs estimates will be revised down for this period with the release of benchmarked estimates in March 2021. September 2020 estimates are expected to be revised down by about 30,300 nonfarm payroll jobs. July and August 2020 estimates are expected to be revised down by about 19,100 and 33,200 nonfarm payroll jobs, respectively.

Applying these results through December 2020 brings estimated total nonfarm payroll jobs in December to 2,632,300. This change brings over the year payroll job growth estimates through December 2020 to -192,100 or -6.8 percent.

The final March 2021 benchmarked series are expected to vary from these estimates due to new seasonal adjustment factors and new estimates of nonfarm payroll jobs not covered by the unemployment insurance program.

Industry sectors expected to undergo an upward revision to payroll jobs estimates in the 3rd quarter¹ include government (~5,600), trade, transportation, and utilities (~5,300), other services (~2,200), and information (~1,400). Payroll jobs estimates for financial activities and education and health services may also be revised upward.

The industry sectors expected to undergo a downward revision to payroll jobs estimates are professional and business services (~20,000), leisure and hospitality (~15,100), manufacturing (~6,100), and mining and logging (~4,600). Payroll jobs estimates for construction may also be revised down.

Total nonfarm payroll job estimates for the Denver (~40,100), Greeley (~3,800), Grand Junction (~3,100), and Colorado Springs (~1,800) Metropolitan Statistical Areas are expected to be revised down in the 3rd quarter¹. Estimates for the Boulder Metropolitan Statistical Area may also be revised down.

Payroll jobs estimates for the Fort Collins and Pueblo Metropolitan Statistical Areas may be revised upward in the 3rd quarter.

¹ Values shown are September estimates.

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Expected Revisions to Colorado Nonfarm Payroll Jobs based on 4th quarter 2020
QCEW data will be released Wednesday, May 26, 2021.

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Every month of the year other than February the Colorado Department of Labor and Employment, in cooperation with the U.S. Bureau of Labor Statistics, releases estimates of Colorado nonfarm payroll jobs for the previous month based on results from a survey of business establishments. Estimates for Colorado are produced by the Bureau of Labor Statistics for total nonfarm payroll jobs and specific industry sectors or groups of sectors across the entire state, and for the seven metropolitan statistical areas.

In February of each year these survey based estimates are compared to and adjusted in a process called “benchmarking” based on administrative records available since the release of the survey estimates. The results of that comparison are released in March.

For instance, at the beginning of the 2021 calendar year Colorado nonfarm payroll jobs estimates for the 4th quarter of 2019 and all of 2020 will be benchmarked based on information available from the QCEW program for the 4th quarter of 2019 and the first three quarters of 2020. These updated estimates will be released in March 2021.

The source of these administrative records for the QCEW program are unemployment insurance reports Colorado employers are required to file quarterly with the Colorado Department of Labor and Employment. Among other information, employers include the number of people employed at the firm for each month of the quarter for which the report is being filed. Although only firms with employees covered by the Colorado Unemployment Insurance program are required by state and federal law to submit these reports, this quarterly census of employment covers about 98 percent of all nonfarm payroll jobs and about 88 percent of total employment in Colorado.

Aggregated by industry, the QCEW data are more closely aligned with the definition of nonfarm payroll jobs than with total employment. This is because an individual holding more than one job is counted only once in the total employment estimate but multiple times in both QCEW and the nonfarm payroll jobs estimates. Total employment estimates are by place of residence while both QCEW and payroll jobs are by place of business.

Though the official nonfarm payroll jobs estimates are benchmarked only once a year, data from QCEW are available quarterly and, once available, can be compared to the official series to see by about how much the official statistics will be adjusted.