

Changes to Labor Force Estimates in 2005

The U.S. Bureau of Labor Statistics (BLS) is implementing a series of changes that will have an effect on labor force estimates beginning with the release of January 2005 estimates in March. Two of these changes result from the incorporation of 2000 Census data. As in past decades, Census data are used to update the geographic definition of Metropolitan Statistical Areas (MSAs). Census data are also used to update the ratios needed to produce labor force estimates, including estimates of the civilian labor force and unemployment rates. This year, in addition to these updates, the BLS is also changing the way monthly labor force estimates are calculated. These changes will affect the estimates of an area's civilian labor force, number employed, number unemployed, and unemployment rate. Following are some brief highlights of these changes:

- Currently, Texas has 27 MSAs. Beginning with the January 2005 estimates, the number will be reduced to 25. In addition to geographic changes, some MSAs will also undergo name changes as well. The new MSA definitions are shown below. In the September 2003 issue of the *Texas Labor Market Review*, an

article discussed these changes to metropolitan statistical areas in detail. Previous issues of the newsletter are available on our website's "LMI Publications" page. See LMCT's TRACER home page at <http://www.tracer2.com>.

- Once each year, labor force estimates, such as the civilian labor force and the unemployment rate, are revised to reflect updated input data, new Census Bureau population controls, and new state-level annual average data from the Current Population Survey (CPS). This process is commonly referred to as "annual processing", or "benchmarking." As part of this procedure, all of the state figures are reviewed, revised as necessary, and then re-estimated. When new population controls are available from the U.S. Census Bureau, CPS estimates for all states are adjusted to these controls. Additionally, the time series regression models for the states and model-based areas are updated with the latest input data, and the resultant monthly estimates are adjusted, or benchmarked, to the population-controlled annual average CPS estimates. Along with the normal annual processing, the base year for Census data will be updated from 1990 to 2000 beginning with the January 2005 estimates.
- The BLS is implementing a redesigned method for producing labor force estimates. The redesigned method will include an improved time-series regression model as well as an introduction of real-time benchmarking. Real-time benchmarking to the national Current Populations Survey (CPS) will ensure that estimates of employment and unemployment for the states add to the national totals. In addition to reducing end-of-year revisions, it also means that major economic events will be reflected in a more timely manner in the state estimates. For more information on the new methodology, please visit the Bureau of Labor Statistic's website at <http://www.bls.gov/lau/lauschanges2005.htm>.

New MSA Definitions (Counties in *italics* are new to the MSA)

	MSA Name	Counties
1	Abilene	<i>Callahan</i> , <i>Jones</i> , Taylor
2	Amarillo	<i>Armstrong</i> , <i>Carson</i> , Potter, Randall
3	Austin-Round Rock	Bastrop, Caldwell, Hays, Travis, Williamson
4	Beaumont-Port-Arthur	Hardin, Jefferson, Orange
5	Brownsville-Harlingen	Cameron Co.
6	Bryan-College Station	Brazos, <i>Burleson</i> , <i>Robertson</i>
7	Corpus Christi	<i>Arañas</i> , <i>Nueces</i> , San Patricio
8	Dallas-Fort Worth-Arlington MSA	Consists of Dallas-Plano-Irving MD* and Fort Worth-Arlington MD*
	Dallas-Plano-Irving MD	Collin, Dallas, <i>Delta</i> , Denton, Ellis, Hunt, Kaufman, Rockwall
	Fort Worth-Arlington MD	Johnson, Parker, Tarrant, <i>Wise</i>
9	El Paso	El Paso Co.
10	Houston-Baytown-Sugar Land	<i>Austin</i> , <i>Brazoria</i> , Chambers, Fort Bend, Galveston, Harris, Liberty, <i>Montgomery</i> , <i>San Jacinto</i> , Waller
11	Killeen-Temple-Fort Hood	Bell, Coryell, <i>Lampasas</i>
12	Laredo	Webb Co.
13	Longview	Gregg, <i>Rusk</i> , Upshur
14	Lubbock	<i>Crosby</i> , Lubbock
15	McAllen-Edinburg-Pharr	Hidalgo Co.
16	Midland	Midland Co.
17	Odessa	Ector Co.
18	San Angelo	<i>Irion</i> , Tom Green
19	San Antonio	<i>Atascosa</i> , <i>Bandera</i> , Bexar, Comal, Guadalupe, <i>Kendall</i> , <i>Medina</i> , Wilson
20	Sherman-Denison	Grayson Co.
21	Texarkana	Bowie Co., TX & Miller Co., ARK
22	Tyler	Smith Co.
23	Victoria	<i>Calhoun</i> , <i>Goliad</i> , Victoria
24	Waco	McLennan Co.
25	Wichita Falls	Archer, <i>Clay</i> , Wichita

* Metropolitan Division (MD), a sub-unit of an MSA.

Note: Harrison, Henderson, and Hood Counties are no longer in MSAs. Brazoria and Galveston Counties were previously their own MSAs, but have now been incorporated into the Houston-Baytown-Sugar Land MSA.

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