

Economic Tracking Report - March 24, 2023 Version

Data Alert and Report Updates

Effective with January 2023 labor market data, the labor market data was adjusted at the national, state, and local level on account of a change to the base population that is used to weight and estimate the labor force of an area. The U.S. Census Bureau's population estimates series are updated annually, of which the national and states 2022 Vintage Series Population Estimates were released in December 2022 and incorporated into the labor market estimates, including labor force, employment, and unemployment. The Census Bureau modified its methodology for developing the annual population estimates in response to data availability issues stemming from the impact of COVID-19 on 2020 Census operations and other complicating factors. This base population adjustment has led to national, state, and local January 2023 labor force and employment data not being comparable to December 2022 and prior dates.

According to the Bureau of Labor Statistics, [Feb. 3, 2023 Employment Situation News Release](#), "The adjustments increased the estimated size of the [United States] civilian non-institutional population in December by 954,000, the civilian labor force by 871,000, employment by 810,000, unemployment by 60,000. The number of persons not in the labor force increased by 82,000. Although the total unemployment rate was unaffected, the employment-population ratio and labor force participation rate each increased by 0.1 percentage point. " The national civilian labor force change from December to January was 866 thousand as published, but the population adjustment alone accounted for an increase of 871 thousand. When removing the population adjustment, the labor force dropped by 5,000 from December to January.

Northern Virginia's civilian labor force increased by 49,610 and employment increased by 40,460 according to the published data, but much of the increase is attributed to the population adjustment when taking into consideration the national impacts of the population adjustment and Northern Virginia's monthly change amounts over the past two years, as shown in the NVRC report. All other data tracked in the NVRC report were much less impacted by the adjustment. As stated previously, national, state, and local January 2023 labor force and employment data is not comparable to December 2022 and prior dates.

As a result of the population adjustments, comparisons of today's total labor force to the pre-pandemic total labor force, as shown in the Monthly Labor Force chart of this tracking report, are no longer viable going forward. NVRC's Economic Tracking Report has been updated with new data charts and modifications to existing data charts as noted in the following list.

- 1. Monthly Labor Force chart:** This chart has been part of this report since its initial publication. It had been showing the total labor force from January 2008 to the

Present. The chart will now be used for historical reference only with an ending data of December 2022.

- 2. Monthly Change in Labor Force chart:** A newly added chart that tracks the monthly change over time, specifies the total annual change, and tracks the current year's year-to-date change.
- 3. Current Economic State of the Region:** A newly added introductory report page highlighting the overall current state of the region, along with the unemployment rate comparisons to the United States and Virginia.

Additional information on the effect of the population adjustment on the January 2023 labor force estimate is available from the Bureau of Labor Statistics, [Feb. 3, 2023 Employment Situation News Release](#). For additional information on the U.S. Census Bureau's methodological changes and the effects on the 2022 population estimates, see the [Vintage 2022 methodology and release notes](#).