

## Daily Dose of Macro & Markets 9<sup>th</sup> September 2025: “All Eyes on QCEW (i.e. US Payroll Revisions)”

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The ‘[Daily Dose of Macro & Markets](#)’ is our daily publication designed to speak to the key global macro debates that matter for markets (with 1 - 3 charts and two paragraphs). This product is published every Tuesday, Wednesday and Thursday morning (early London time).

### Key Quote: “Softening US Economy”

“Several factors are at the heart of our concerns about the strength of the US economy, including: i) the current fiscal tightening that has occurred this year (which we analysed [HERE](#)); ii) the ongoing tightness of Fed policy, as evidenced by the behaviour of various parts of the US economy (i.e. our ‘soft underbelly of growth’ theme - analysed [HERE](#)); & iii) slowing income and labour market growth, which is the key driver of consumer spending (along with credit growth, a falling household savings ratio, and wealth effects).”

**Source:** Longview on Friday: “US Labour Market: Resilient or Rolling Over?”

### All Eyes on QCEW (i.e. US Payroll Revisions)

The US economy is clearly slowing. The evidence for that began to emerge in late 2024 and was outlined [HERE](#) (“US Mid Cycle Slowdown Expected (2025)”).

That initial deterioration in activity, though, is now broadening out, as the impact of tight monetary, & now tight fiscal, policy is biting (see quote above), i.e. the slowdown is no longer confined to just the manufacturing and housing sectors (which is where it started).

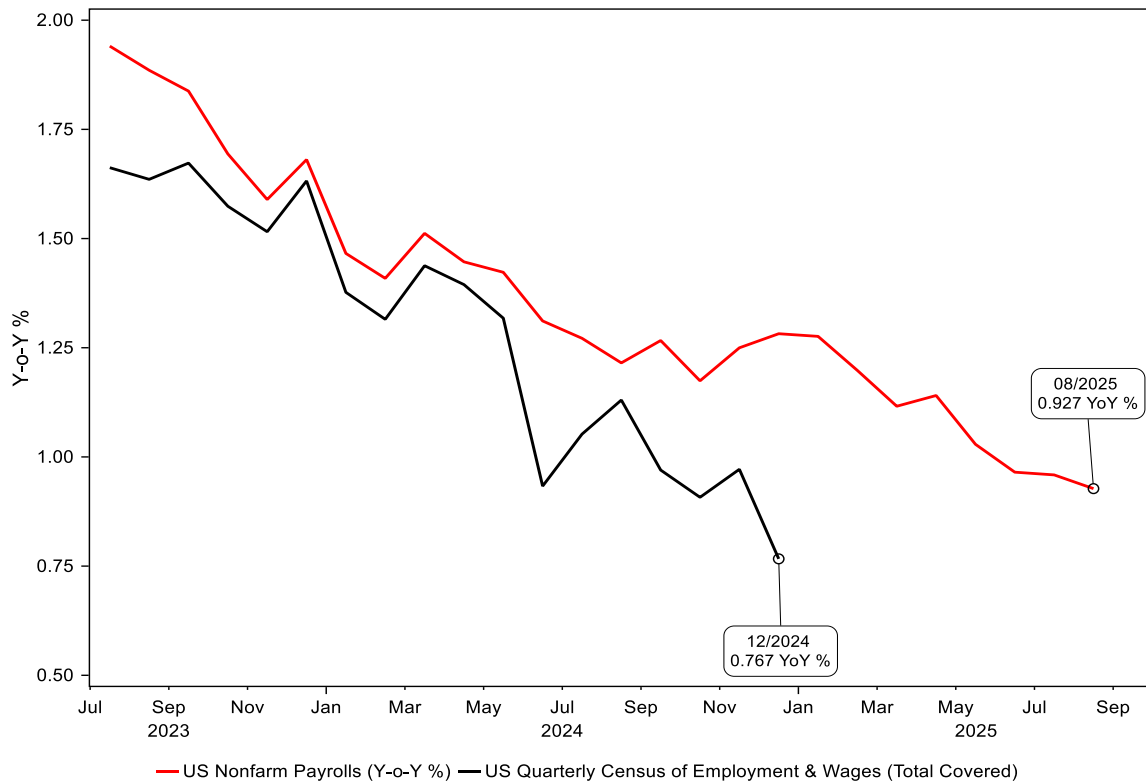
Indeed even the labour market (one of the last bastions of strength other than AI capex) is now weak. That was clear from last week’s jobs data, which was again worse than expected with only 22k net new jobs last month and growing signs of labour market slack (as summarised [HERE](#) last week).

More troublingly, though, the BLS may be about to **revise down the number of nonfarm payroll workers once again** (later today when the QCEW survey is published at 3pm London time). That is, while payrolls are published monthly (reasonably frequently), the data is based on a survey which covers only 6-7% of all nonfarm workers. Each year, therefore, payrolls are then later revised and ‘benchmarked’ to the QCEW survey, with a preliminary estimate published in August and a final update in February\*. The QCEW survey is based on state unemployment insurance and tax records, and covers about 97% of all jobs. It’s therefore much more comprehensive (but comes out with a 6-9 month lag).

In the latest revision (March), the BLS (in the QCEW survey) revised down the number of workers in the US economy (by 598k). All eyes, therefore, are on today’s BLS ‘preliminary revision’\*. As the chart shows, growth in payrolls jobs has been running well above the growth in QCEW jobs (FIG 1), with the gap between their two growth rates at its largest since the pandemic (FIG 2). There’s every chance therefore that payrolls jobs will be revised down yet again – especially if the message of yesterday’s

NY Fed survey of consumers' employment expectations is correct (at its lowest on record – FIG 3).

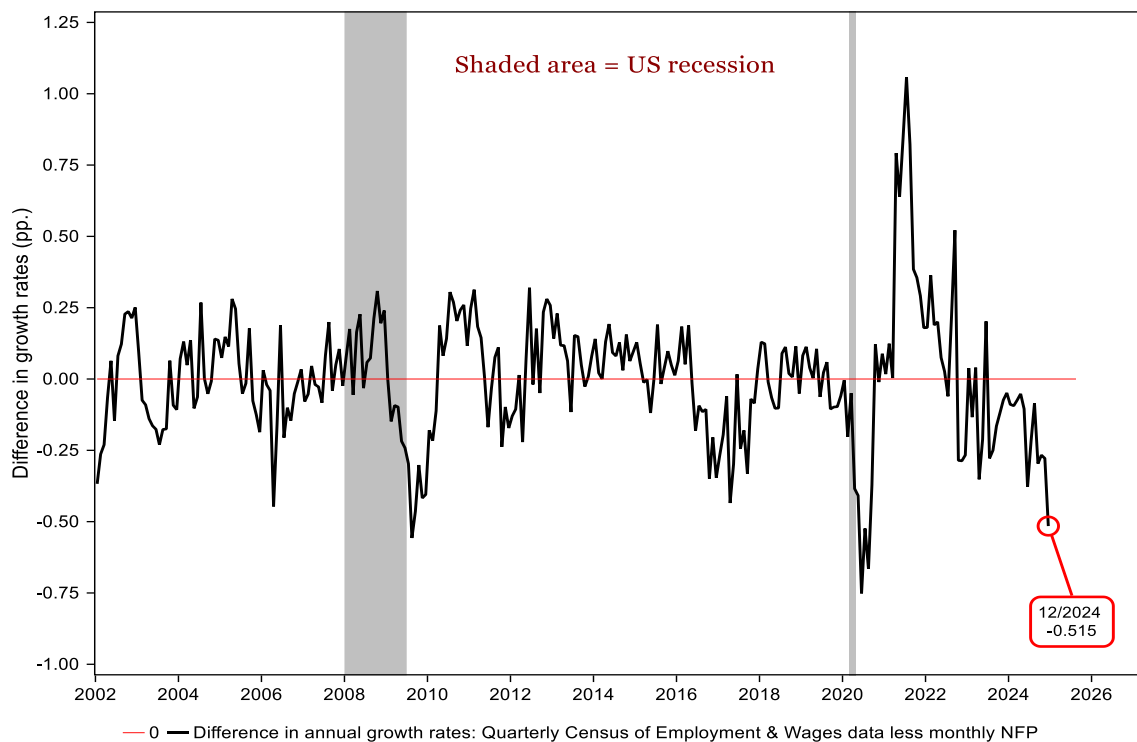
**FIG 1: Employment growth rates (QCEW vs. NFP), Y-o-Y %**



Source: Longview Economics, Macrobond

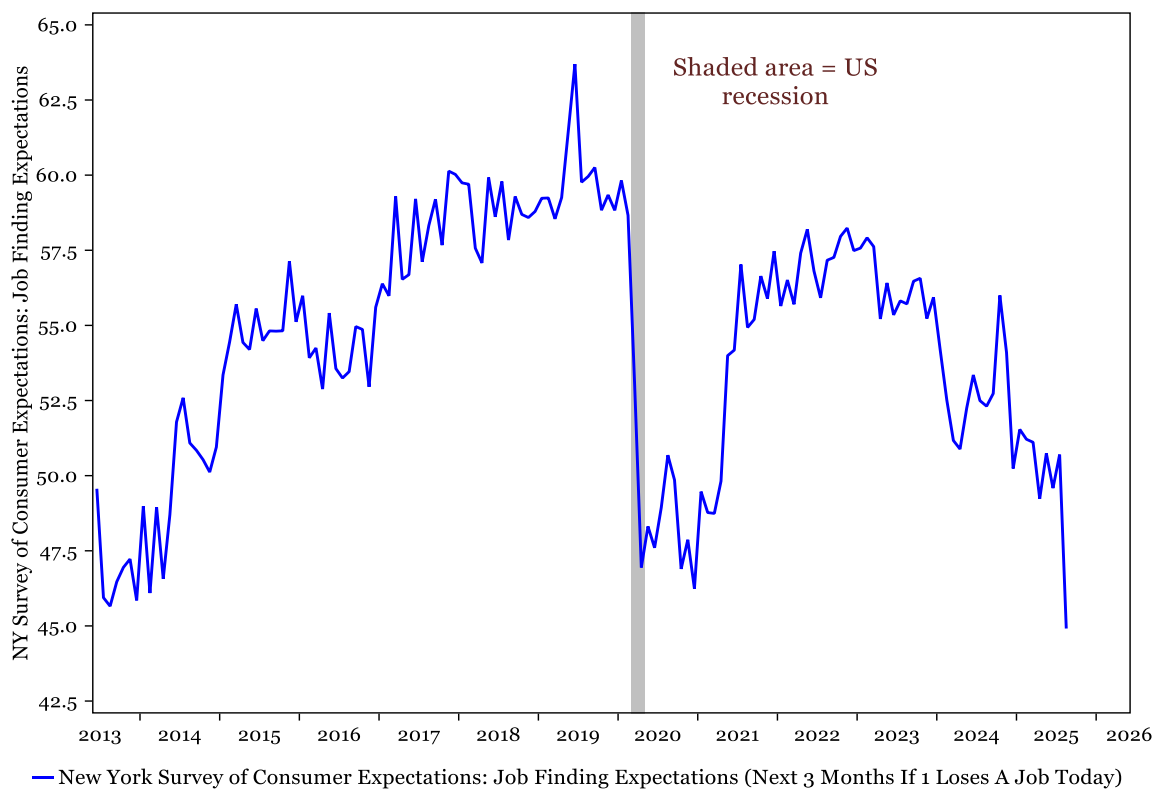
\*Revisions are made at two points in the year. The first is a preliminary, 'first look' announcement in August, with a (final) revision in March the following year. Last August, for example, the BLS revised down the number of payroll workers by 818k (see [HERE](#)). That was then corrected this March (to a smaller downward revision of 598k, see [HERE](#)). In other words, payrolls data had over-estimated the strength of the labour market (according to the more detailed QCEW survey). NB: The revisions cover the 12 months ending in the prior March, with March acting as the anchor point. BLS first gives a preliminary estimate in August and then a final update in February once complete data is available.

**FIG 2: Difference in annual employment growth rates (QCEW less NFP)**



Source: Longview Economics, Macrobond

**FIG 3: New York Survey of Consumer Expectations: Expected Ease of Finding a Job (Next 3 Months If Job Lost Today)**



Source: Longview Economics, Macrobond