

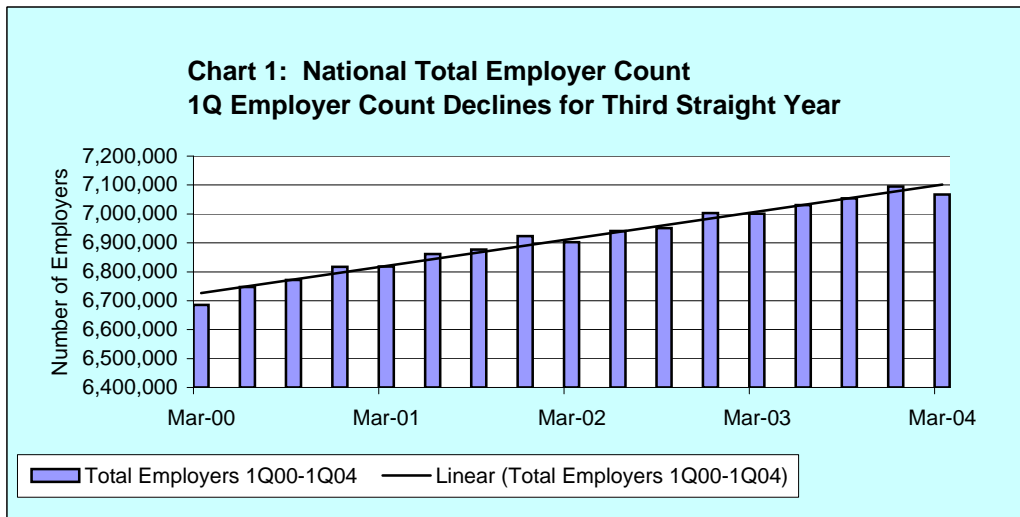
Selected Data from Form ETA 581 1Q2000 - 1Q2004

Quarterly Highlights: Employer Tax Accounts Show Seasonal Drop

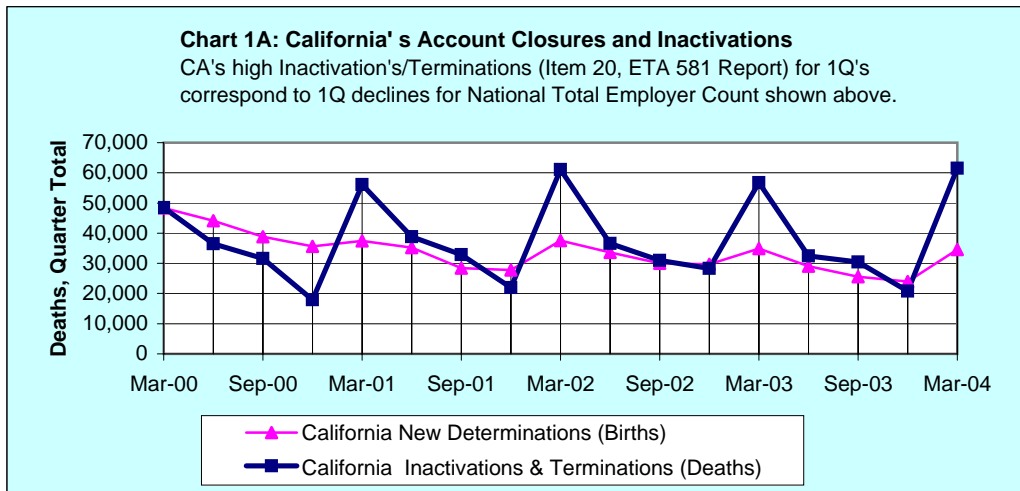
The total number of employers reported by SWAs nationally is continuing a long growth trend. The average growth over the last four years has been approximately 1.5% per year. However, as shown on Chart 1 and the accompanying legend, the national total of all liable and active state employers has consistently declined in the first quarter of the last three years. The pattern of first quarter declines appears to be the result of many states (27 in first quarter, 2004) reporting more inactivations and terminations (deaths) of employers' accounts in first quarters than determinations of new employers and reactivations (births).

The trend is most evident in California, as illustrated in Chart 1A below. Note the pattern of first quarter peaks for California's "Deaths" of accounts followed by a consistent decline in "Deaths" that were reported through the second, third and fourth quarters for each of the four years shown on Chart 1A. Thus, the charts suggest that the decline in total employers as shown in the first quarter of 2004, simply reflects a seasonal trend in the way states open and close employers' accounts, rather than a valid quarterly indicator of an economic downturn in the national economy.

The average national quarterly growth for the 17 quarters shown on the Legend is 22,447 (employers/qtr).



Quarter/ Year	Total Employers 1Q00-1Q04
Mar-00	6,685,130
Jun-00	6,747,181
Sep-00	6,772,336
Dec-00	6,817,003
Mar-01	6,818,218
Jun-01	6,861,163
Sep-01	6,877,178
Dec-01	6,922,847
Mar-02	6,902,476
Jun-02	6,941,088
Sep-02	6,950,898
Dec-02	7,003,066
Mar-03	7,000,286
Jun-03	7,030,258
Sep-03	7,054,398
Dec-03	7,095,163
Mar-04	7,066,727



Average Growth Per Qtr.	
Mar-00	6,685,130
Mar-04	7,066,727
Growth -17 Quarters	381,597
Average Growth/qtr	22,447