



February 27, 2012

Secretary Hilda Solis
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210
[talktosolis@dol.gov]

Acting BLS Commissioner John (Jack) Galvin
U.S. Bureau of Labor Statistics
Postal Square Building
2 Massachusetts Avenue, NE
Washington, DC 20212-0001
[Galvin.John@bls.gov]

Dear Secretary Solis and Commissioner Galvin:

As members of the Technical Review Committee (TRC) of the National Longitudinal Survey (NLS), we advise BLS on the scientific usefulness and integrity of the NLS program. Because we fear the budget cuts proposed by BLS will effectively gut the program, depriving the nation of a critical source of labor market information, we urge you to restore the NLS Program budgets to their original levels.

The NLS plays a unique role in the analysis of U.S. labor markets. It follows respondents from youth to adulthood, revealing critical links between schooling, training, and labor market success. It also surveys respondents' parents and children, tracking labor market performance from generation to generation.

These unique features of the program have led to key discoveries about U.S. workers and the labor market. A small sampling of those insights includes:

- Head Start has lifetime benefits for children, despite its short-term effects on test scores;
- These effects are stronger for low-income children and Hispanic children;
- Much of the wage gap between white and African-American workers stems from a skills gap that pre-dates their entry into the labor market;
- Family income has a greater effect on college attendance today than it had 20 years ago.

BLS proposes to implement millions of dollars of cuts to the NLS budget by (a) reducing the frequency of the NLS interviews, and (b) dropping the Hispanic “oversample” from its surveys. Less frequent interviews will mean two things. First, due to recall issues, respondents report fewer short-term employment spells, which may be particularly important for young workers in an economic downturn. Second, as BLS acknowledges, less frequent interviews “will lead to lower response rates and higher attrition over time, degrading NLS data quality and usability” (http://www.bls.gov/bls/budget2012_enacted.htm). Higher attrition will mean respondents are

lost to the survey, often for good. That will translate directly into lower response rates and less reliable information, threatening the integrity of the entire program

Moreover, the Hispanic oversample is what makes the NLS representative of Hispanics, which is vitally important to understanding the lives of these Americans who now constitute 16% of the U.S. population. Losing the oversample will effectively eliminate our ability to understand the issues that are unique to this group, such as the role of bilingualism in school and the labor market. This sample is also the only national resource that provides information about the integration of the children of immigrants into American society.

The TRC believes the budgets for FY2012 and FY2013 must be restored if the NLS is to remain a scientifically valuable and credible program. The NLS has provided a unique perspective on two generations of American workers. The proposed funding cuts would dramatically reduce the nation's return on its 30-year investment in this important resource.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. A. Grogger". The signature is fluid and cursive, with a horizontal line at the end.

Jeffrey Grogger
University of Chicago
Chair, NLS TRC

On behalf of TRC members: Amitabh Chandra, Harvard University; Guang Guo, University of North Carolina; Lingxin Hao, Johns Hopkins University; Scott Huettel, Duke University; Ariel Kalil, University of Chicago; Arie Kapteyn, RAND; Lance Lochner, University of Western Ontario; Kathleen McGarry, UCLA; Seth Sanders, Duke University.