



American Economic Association

Committee on Economic Statistics <https://www.aeaweb.org/about-aea/committees/economic-statistics>
Committee on Government Relations <https://www.aeaweb.org/about-aea/committees/government-relations>

April 2, 2021

The Honorable Marty Walsh
Secretary, U.S. Department of Labor
200 Constitution Ave NW, C-2318
Washington, DC 20210

Dear Secretary Walsh,

Hearty congratulations on your appointment as Secretary of Labor. We Chairs and members of the American Economic Association's (AEA) Committee on Economic Statistics (AEASat) and Committee on Government Relations (AEACGR) are pleased to send you our report, *Necessary Improvement in the U.S. Statistical Infrastructure: A Report to the Biden/Harris Administration* (attached, and available online at: <https://www.aeaweb.org/content/file?id=13507>).

Established in 1885, the AEA is a non-profit, non-partisan, scholarly association dedicated to the discussion and publication of economics research, and comprised of over 20,000 economists from academia, business, and government. The AEASat promotes AEA member access to current, detailed, useful economic statistics provided by the Federal government and other sources. The AEACGR is charged with representing the interests of the economics profession in Washington DC and other locations around the country without taking a position on questions of economic policy or on any partisan matter.

As you know, the Bureau of Labor Statistics (BLS) is one of 13 agencies designated by OMB as a U.S. Federal Statistical Agency. We find BLS data invaluable. The Labor Department also has important influences on a number of economic institutions and processes that collectively define the state of the U.S. economy. With that in mind, we note the following recommendations from our report that are among those with direct relevance to the Department of Labor:

- “The Executive Branch, with legislative support from Congress, must act to prevent politicization of federal statistics.” This recommendation is fully supportive of President Biden’s January 27, 2021 Memorandum on Restoring Trust in Government Through Scientific Integrity and Evidence-Based Policymaking.
- “Federal statistical agencies need to use lessons learned from statistical collection during the COVID-19 pandemic to propose, and the Executive Branch should examine and approve, new ways of making standard statistical measurement protocols nimbler.” BLS has already made commendable progress in this regard by adding COVID-19-related questions to the Current Population Survey (CPS) and conducting a Business Response Survey to the Coronavirus Pandemic. But more needs to be done, especially outside of measuring COVID-specific phenomenon. Expanding the CPS sample and adding race to wage records (see next item) are among ideas to improve the usefulness of nimbler BLS data.



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- “The Executive Branch and the Congress need to work together to develop fundamental processes and incentives that assure that federal statistical agencies, under sufficient privacy and confidentiality provisions, can access State administrative data for improved State and Federal statistics and program evaluations.”
 - Enact legislation granting access by statistical agencies to federally-funded State administrative records (e.g., from the SNAP and Unemployment Insurance—UI—systems). Access should be accompanied by funding and guidance for States to enhance and curate their records and modernize their processing systems. UI wage records, for example, should be enhanced by adding data on demographics (including race), hours worked, work site, and job title. This would allow BLS to reconfigure or eliminate several existing survey programs—reducing response burdens as it improves statistics.
 - Launch a research program at BLS aimed at developing timely and reliable economic indicators of layoffs from UI claims and wage records.
- “The Treasury Department must support, and the Congress must revise, Title 26, the Internal Revenue Code, to codify routine data sharing among the BLS, Census Bureau (Census), and Bureau of Economic Analysis (BEA).” Regular reconciliation of currently differing BLS and Census Bureau business registers will substantially improve the accuracy and comparability of major economic statistics used for business and public policy decision-making.
- The Commerce and Labor Departments should act in concert to ensure that Census, BLS, and BEA upgrade and modernize standard official economic indicators and increase the timeliness and granularity of their products, making the best use of opportunities to incorporate private-sector and public administrative data sources.

We would greatly appreciate the opportunity to discuss the details and subcomponents of these and related recommendations with you and appropriate Labor Department appointees and/or career staff. And we would like to hear from you and staff about how the American Economic Association can further the Labor Department’s mission. Who can we contact to make arrangements for a (virtual) meeting?

Many thanks, and congratulations, again.

John Haltiwanger

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cc: William Beach, Commissioner, Bureau of Labor Statistics

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