



American Economic Association
Committee on Economic Statistics and Committee on Government Relations

March 8, 2025

Dr. Kevin Hassett, Director
National Economic Council
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20501

Dear Dr. Hassett,

Hearty congratulations on your appointment as Director of the National Economic Council. We are writing on behalf of the American Economic Association's Committee on Economic Statistics (AEASat) and Committee on Government Relations (CGR), to highlight the importance of federal economic statistics to a wide range of users, including businesses, financial-market participants, government decision-makers, researchers, and the American public. The AEA is comprised of over 17,500 economists from academia, the business community, and government. AEASat promotes AEA member access to current, detailed, useful economic statistics provided by the federal government and other sources. CGR 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 from your current central role advising on economic policy within the Administration and your earlier work, timely, accurate, and objective economic data are essential for sound decision-making. The Census Bureau, Bureau of Economic Analysis, and Bureau of Labor Statistics provide critical information on business activity, employment, inflation, productivity, and income, among other key indicators. In addition to data for the nation, all three agencies produce geographically disaggregated statistics for states, metropolitan areas, and counties.

The data provided by these and other government agencies serve as a foundation for effective fiscal and monetary policy making, business decision-making, and public understanding of changes in economic conditions. Business strategies with respect to capital investments, locations of new outlets, workforce expansion, and more are shaped by the insights into the health of the economy that federal economic data provide. The smooth functioning of capital markets also depends on timely, accurate, and trustworthy macroeconomic data. Assessment of how rapidly changing technologies such as artificial intelligence are affecting the economy is feasible only with federal statistics that allow the impact of innovation on prices, productivity, wages, and employment to be assessed. Industry-specific and area-specific data can be especially

helpful to businesses for identifying opportunities and for guiding where to locate new facilities or focus sales efforts. State and local governments also rely on these data when planning their budgets. Individuals' decisions about spending, saving, job changes, and more are also informed by data on the state of the economy. Decreased availability of federal statistics might well increase uncertainty among economic decision-makers, potentially causing decreases in business investment and household spending.

It is sometimes suggested that increasingly available data from private sources could decrease the need for federal economic data. Private sector data undoubtedly can be useful—and more could be done to incorporate data from the private sector into the production of federal economic statistics—but they are by no means a substitute for the data produced by the federal statistical agencies. Among other considerations, even if publicly available, private sector data are not designed to be representative of the population of households or businesses as a whole and often are not consistent over time. The implication is that private sector data need to be benchmarked and validated against the more comprehensive and representative samples in federal data for the private data to be useful for decision makers.

There is broad-based agreement on the importance of objective data from the federal statistical agencies. In the context of its review of data for evidence-building, the final report of the bi-partisan Commission on Evidence-Based Policymaking released in 2017 endorsed the view that “Federal statistical agencies will play a vital role in evidence-based policymaking” (p. 14). Additionally, the Office of Management and Budget’s Analytical Perspectives document that accompanied the release of President Trump’s Fiscal Year 2018 budget referenced “... the vital role of the Federal government’s statistical agencies and programs in generating data that citizens, businesses, and governments need to make informed decisions” (p. 4).

All told, these considerations imply that even in a period when potential changes in the scale and scope of the federal government’s activities are under consideration, maintaining production of a full range of reliable economic statistics—on employment, unemployment, inflation, business investment, productivity growth, household incomes and spending, population characteristics, and more—is essential for ensuring the continued high functioning of the U.S. economy in future years. We thus hope that as NEC director you will continue to recognize and support the indispensable role that federal economic statistics play in fostering sound national policymaking and economic decisions by businesses, consumers, state and local governments, and communities. We welcome the opportunity to discuss these issues further and look forward to continued engagement.

Yours sincerely,



Karen Dynan, PhD
Chair, AEA Committee on Economic Statistics – on behalf of the committee
Harvard University
kdynan@fas.harvard.edu



Kenneth Troske, PhD
Chair, AEA Committee on Government Relations – on behalf of the committee
University of Kentucky
ktroske@uky.edu