

## **FRIENDS OF LABOR STATISTICS**

*An Informal Network of Organizations and Individuals Reliant on BLS Statistics*

November 5, 2015

The Honorable Harold Rogers  
Chairman, Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nita Lowey  
Ranking Member, Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Tom Cole  
Chairman, Subcommittee on Labor, Health &  
Human Services, Education, & Related  
Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Rosa DeLauro  
Ranking Member, Subcommittee on Labor,  
Health & Human Services, Education, &  
Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Appropriations Leaders,

The full palette of accurate, representative and objective federal statistics on employment, wages, the workforce, and consumer prices is necessary to inform wise decisions by the Federal Reserve Bank, policy decision makers at all levels of government, and American businesses. Caps on discretionary spending made it difficult for you to fund the Bureau of Labor Statistics (BLS) at a level that would sustain its current programs.

Given funds soon to be made available under the Bipartisan Budget Act of 2015, I write on behalf of the Friends of Labor Statistics, a network of businesses and prominent labor economists (see attached), to urge you to devote a small portion of those new funds to restore support of BLS core programs.

BLS produces essential economic information for public and private decision making. It is vital to our nation's business community, labor and workforce communities, and the research community that studies and evaluates labor and related economic policies and programs. If the U.S. hopes to compete in complex, increasingly data-driven global markets, it needs BLS survey data and economic indicators. Specifically, BLS provides data, programs, and products that serve our economy and workforce by:

- measuring labor market activity that supplies the critical gauge of our nation's employment/unemployment status;
- tracking consumer and producer price changes and developing price indicators, such as the principal inflation-measuring Consumer Price Index;
- calculating the productivity of business endeavors in a manner that can be compared across sectors and countries;
- monitoring working conditions; and
- informing state and local labor markets

The real (inflation adjusted) value of appropriations to the Bureau of Labor Statistics (BLS) fell between 2004 and 2008, and has been falling again since 2009. Its current purchasing power is less than it was in 2001. The agency has increasingly become unable to fulfill its basic responsibilities, despite its having made a series of cost-saving program changes since 2011, eliminating in 2013 its Mass Layoffs Statistics, Measuring Green Jobs, and

International Labor Comparisons programs, and curtailing, in 2014, some collection under its Quarterly Census of Employment and Wages. In 2015, it has had to rely on a one-time contribution from the Department of Commerce in order to continue its Export Price Program. We users of BLS statistics are especially fearful that the agency's current cuts in hiring and investments in staff training and development could affect the quality of its statistical information. These cuts are not sustainable, not even over the short run.

Without adequate funding in FY 2016, the BLS will be obligated to eliminate surveys and/or data programs. There is no other option.

Every existing BLS program has a large, varied, and vocal army of government agencies, businesses, community interests and others who rely on its output. Indeed, there are legislated limits on the programs that could be subject to elimination. The potentially continued cost-squeeze suggests that some of the millions of BLS customers will no longer have timely, objective, high quality data on which to make important decisions.

Accordingly, we prevail upon your appropriation powers to restore lost funding for all core BLS programs and for renewed investment in its technical staff. A level of at least \$609 million would make progress toward this restoration.

Thank you for your understanding of the gravity of the BLS funding situation and our hope to see it resolved in FY 2016 - to the benefit of evidence-based employment and workforce policies, U.S. firms' informed decision making, and our basic understanding of how U.S. prosperity is linked with wages, employment, consumer prices, and trade.

Sincerely,

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