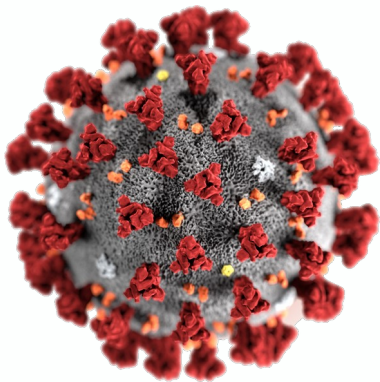




Cornell University
ILR School

Opportunities and challenges of real-time economic measurement



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Washington Center for Equitable Growth

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Agenda

- Official statistics are data infrastructure
- COVID's impact on official statistics
 - Data users
 - Statistical agencies
- Lessons for future

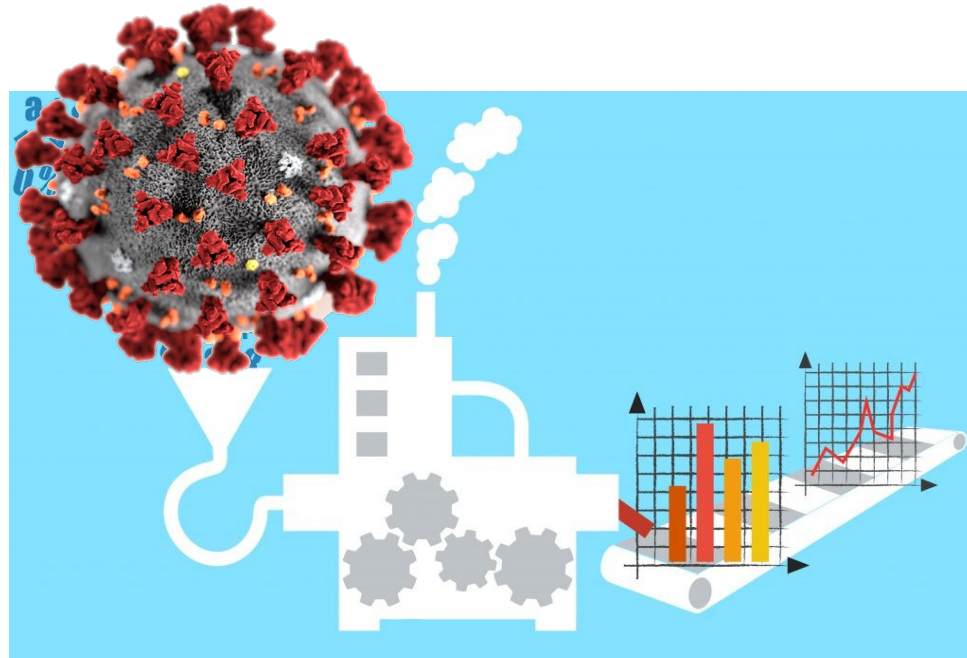


Official statistics are data infrastructure

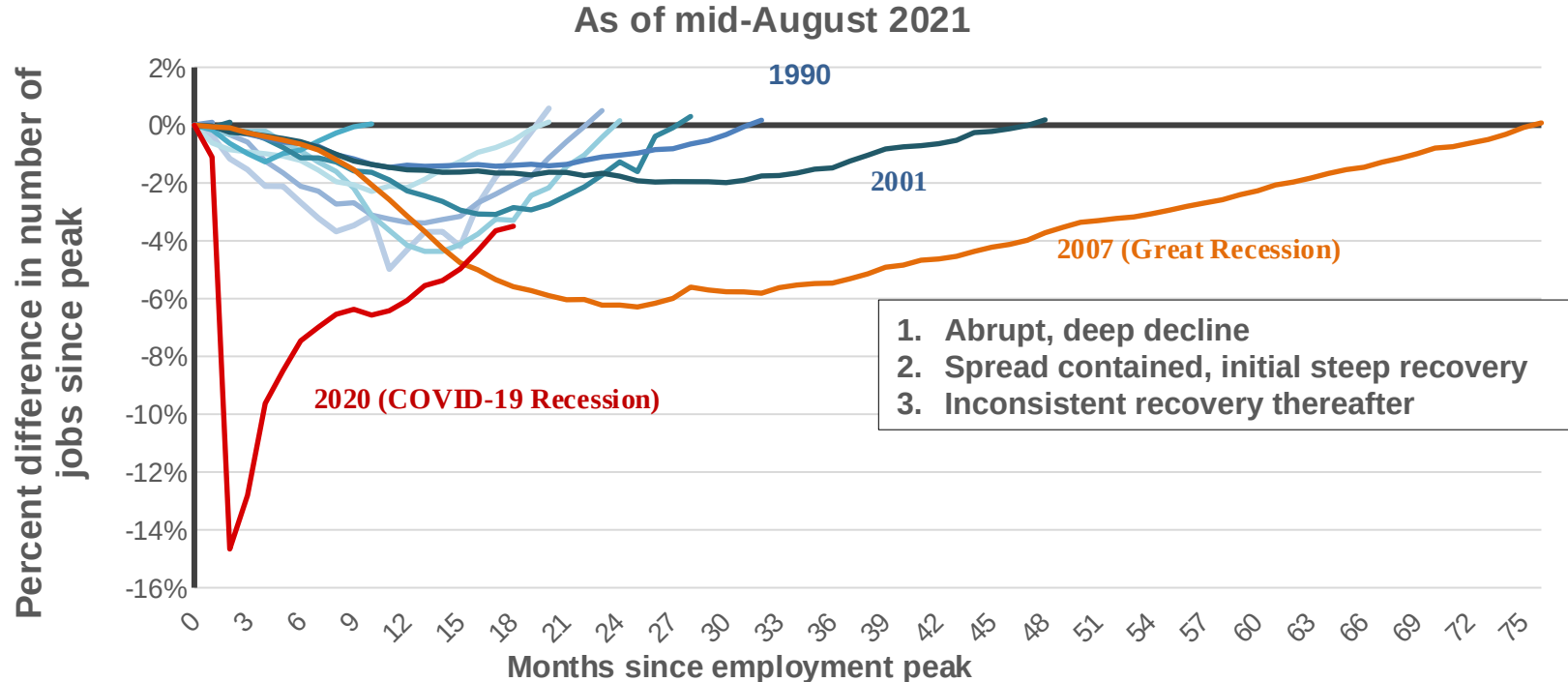
- Public good (non-rival & non-excludable)
- Essential for democracy, market economy, prosperity
 - Inform public and private decisions
 - Promote consensus
- Undersupplied by private sector; necessary role for government



COVID's impact on official statistics



COVID has been extraordinary: job losses vs. post-WWII recessions



Source: Bureau of Labor Statistics (Current Employment Statistics) and author's calculations. Seasonally adjusted.

Data user experience

- Which users

- Congress, Executive Branch, Federal Reserve, state and local government
- Financial markets
- Businesses
- Households
- Nonprofits, etc...

- Uses

- Design and administer policy to fight virus and provide economic relief
- Assess policy effectiveness
- Understand long-term consequences
- Inform investment



Data users wanted more

- Granularity (demographic, geographic, occupation, industry...)
 - Timeliness and frequency
 - Agility to ask new questions
 - Consistency across products for linking & combining data series
 - Assured independence from political influence
 - Privacy protection
- To better inform decisions and target policy



Data user responses

- **Creative analysis of official stats**
 - Linking, merging, modelling, mining neglected series...
 - Journalists and policymakers, especially....
- **New private sector data products**
 - JPM Chase, ADP, Indeed, ...
- **Government administrative releases**
 - UI Initial Claims, state UI data,...



Stat agency experience

- Met production challenges
 - Shifted to virtual data collection
 - Transparent about impact on data quality
- New analysis in every program?
- New questions on existing products
 - BLS Current Population Survey COVID questions
- New products
 - Census Pulse Surveys
 - BLS Business Survey
- Funded by low travel; wished they could have done more

National Center for Health Statistics



United States[®]
Census
Bureau



Economic Research Service
U.S. DEPARTMENT OF AGRICULTURE

IES • NCES National Center for
Education Statistics



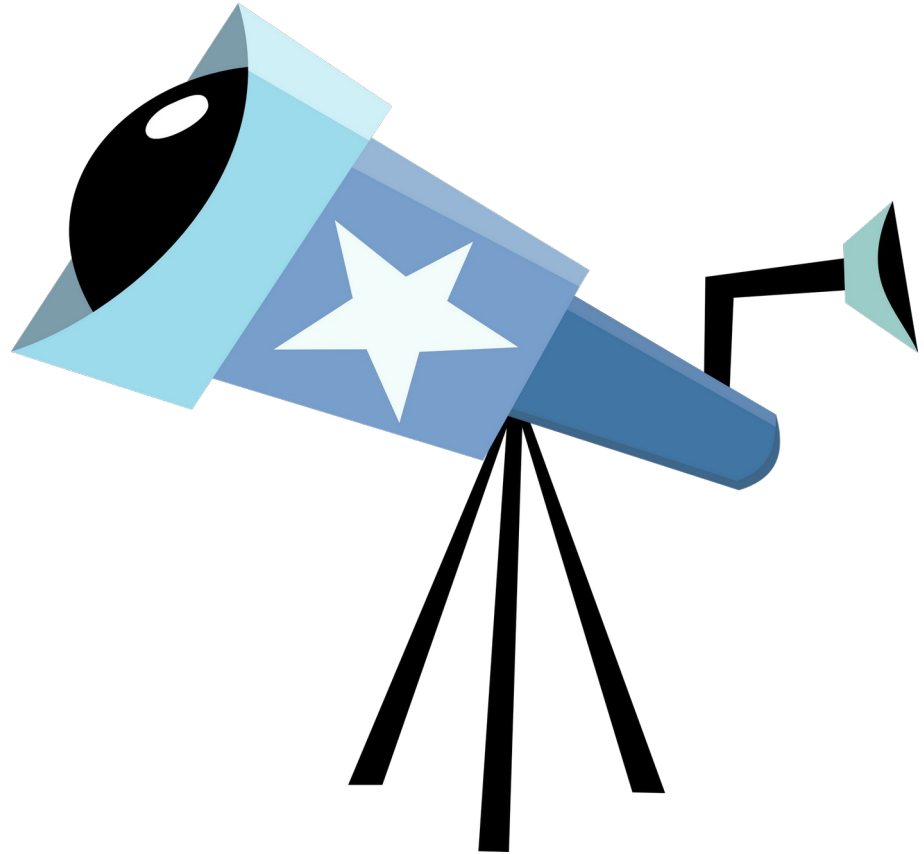
Social Security

Research, Statistics & Policy Analysis



Bureau of Transportation Statistics

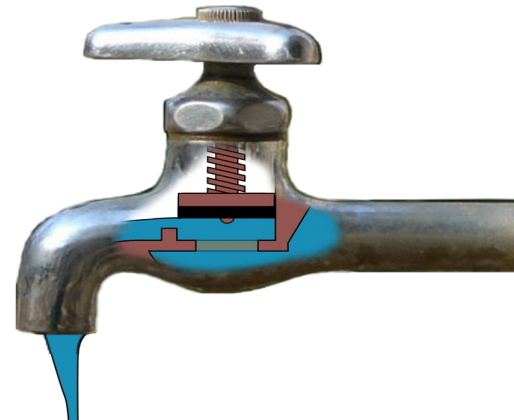
Lessons for future



Lesson 1: Tap more government administrative data

Ongoing effort: Evidence-based Policy Commissions, Evidence Act, and Advisory Committee on Data for Evidence Building (ACDEB)

- Improve access for statistics, policy analysis, program evaluations, and monitoring
- Allow routine sharing of data with and across statistical agencies
- National Secure Data Service for merging/linking confidential data
- Example of potential -- UI data



Example: Use UI wage and claims records



- Enhance records
 - Add job title, hours, work location, demographics
 - Adopt T3 JEDx standards (<https://www.t3networkhub.org/learn-more>)
- Bureau of Labor Statistics (BLS) funds and supervises data curation
 - Also funds state analytics to guide local policy and private decisions
- BLS uses records
 - Improve existing products: ↑ granularity and ↑ timeliness in JOLTS, payroll jobs and more
 - New products: improved mass layoff statistics, claims records reports...
 - Shrink BLS surveys: OES, National Compensation Survey

<https://>

www.ilr.cornell.edu/work-and-coronavirus/public-policy/pandemic-racial-inequities-underscore-need-better-labor-market-data

Lesson 2: Partner with private sector statistics

- Not “or,” but “and”
- Government and private initiatives are complements, not competitors

Official	Private
• Transparent, known statistical properties • Access to comprehensive, sensitive government data • High survey response rates • Objective • Long history	• Proprietary methods • Speedy production • Quick innovation • Access to transactional data • Tailored to special needs

Requires managing public/private data partnership opportunities and risks

- **Quality**
 - Bias
 - Production-grade
- **Access**
 - Cost
 - Risks that data stream can change
- **Legal framework**
 - Privacy
 - Security
 - Quid pro quo



Lesson 3: Coordinate US statistical agencies better

- One agency cannot do this alone
- Collect stat agencies outside of Cabinet, under US Chief Statistician
 - Use common inputs, concepts, aggregations, access points, privacy protocols, arrangements with data providers...
 - Share services (IT, training, legal,...)
 - Preserve missions
 - Reinforce independence
 - Fund adequately and dependably



Conclusions

- Official statistics are data infrastructure
- COVID clarifies need for better official statistics
 - Kudos to stat agencies for what they did!
 - Users want more granularity, timeliness, agility....
- We can have better statistics
 - Use administrative data better
 - Partner with private sector
 - Reorganize/coordinate statistical agencies

➤ ↑ Prosperity!



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Resources

- **BLS:** www.bls.gov, sign up for e-alerts or Twitter
- **UI record enhancement:**
<https://www.ilr.cornell.edu/work-and-coronavirus/public-policy/pandemic-racial-inequities-underscore-need-better-labor-market-data>

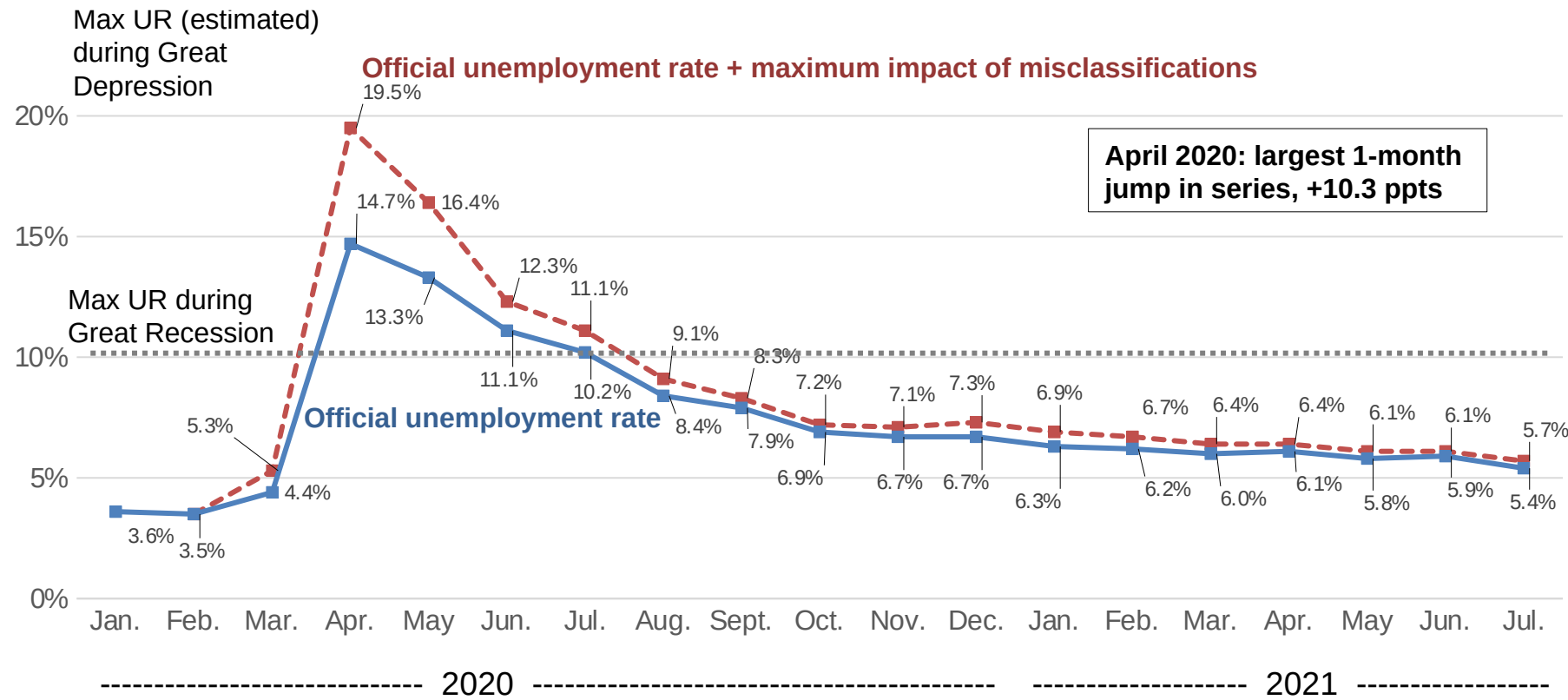
Bonus slides

Help improve official statistics

- Don't free ride—speak up for evidence and official statistics
 - Participate in federal surveys; encourage others
 - Attest to trustworthiness; debunk attacks
 - Cite your sources
 - Support funding and modernization
 - Join Friends of BLS via www.friendsofbls.org,
LinkedIn: “Friends of BLS” group,
Twitter: @Friends_of_BLS

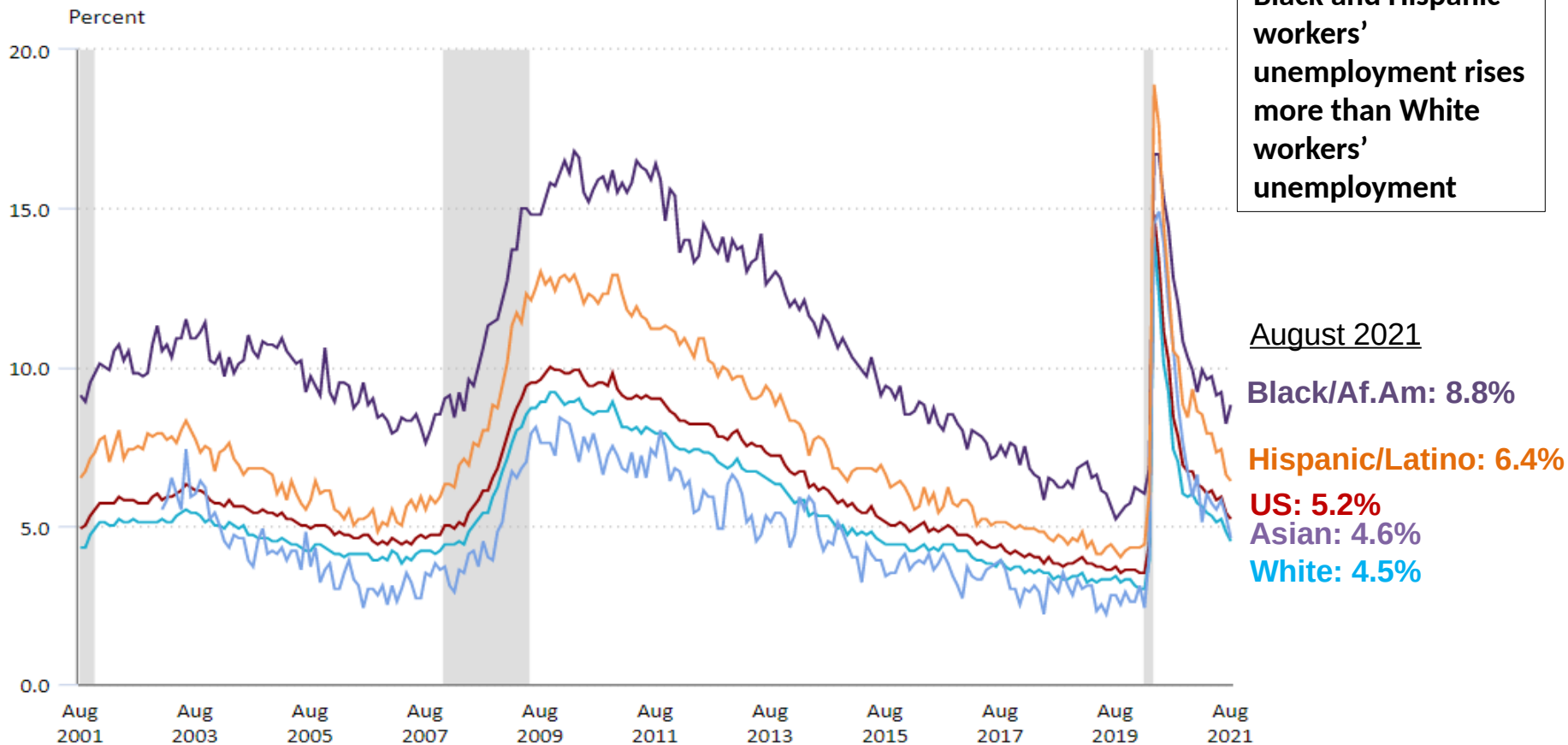


Unemployment rate in 2020-2021 (percent of labor force)



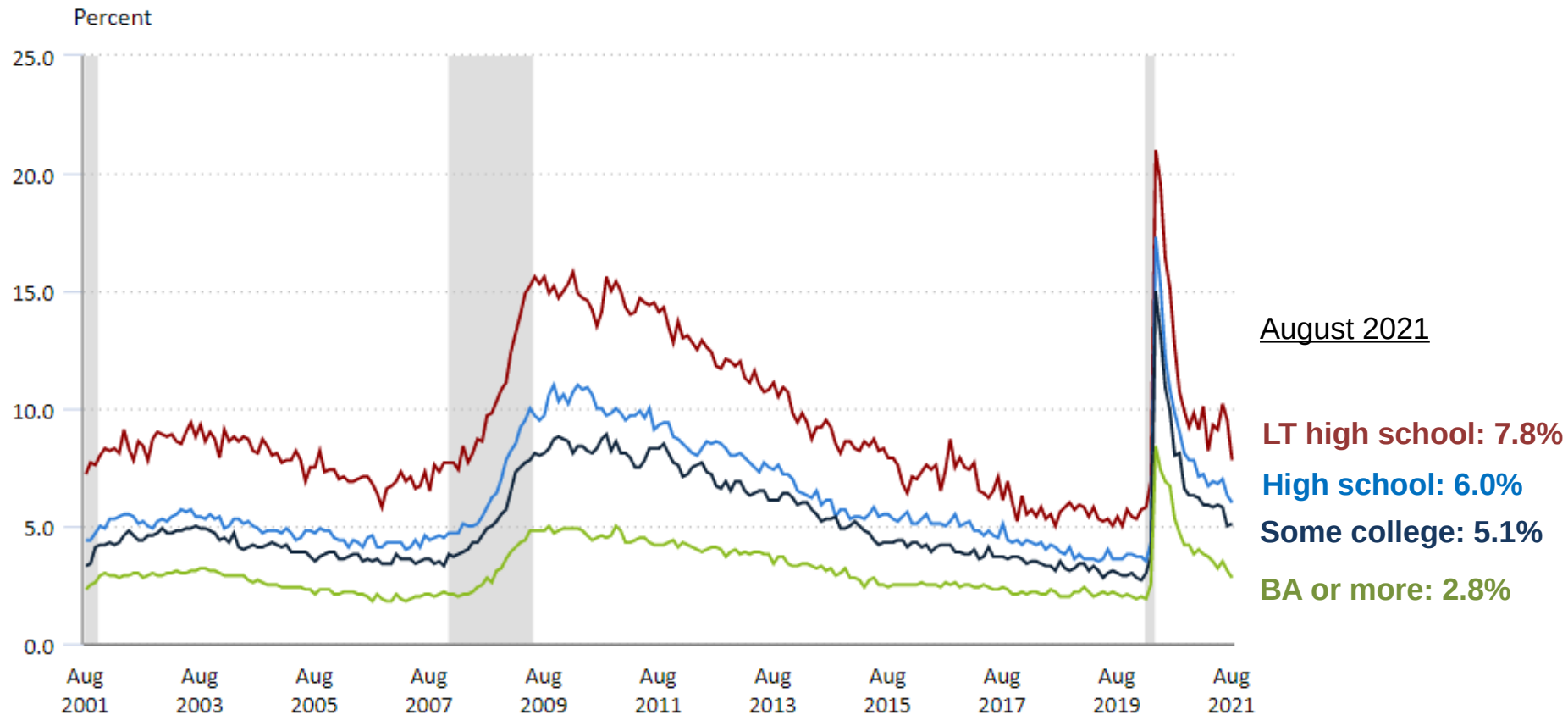
Source: Bureau of Labor Statistics (Current Population Survey). Seasonally adjusted.

Unemployment rates differ by race



Source: Bureau of Labor Statistics. Seasonally adjusted. Shaded areas denote recession months.

Unemployment rose more for the less educated



Source: Bureau of Labor Statistics. Seasonally adjusted. Shaded areas denote recession months.

COVID-specific measure for job loss

- Headline measures cannot track everything
- All ways workers' jobs disrupted
 - Layoffs
 - Unofficial layoffs (with job, not at work)
 - Short hours
 - Leave the labor force
- How many retain employer-employee connection?

disruption

COVID-19 disrupted workers

Millions of workers

