August 22, 2011

OMB Desk Officer for the Department of Labor, Bureau of Labor Statistics
Office of Management and Budget, Room 10235
Washington, DC 20503

Via email: OIRA_submission@omb.eop.gov

Re: Comments on proposed renewal of BLS Report on Current Employment Statistics


As a research professor at the George Washington Institute of Public Policy, George Washington University, I focus on federal policies and programs that support job creation and economic competitiveness. From this perspective, I believe the BLS Report on Current Employment Statistics (CES) is essential to effective national economic policy and state and local economic and workforce development policies. In providing very timely snapshots of net changes in labor markets, by industry, at multiple levels of geography, CES allows policymakers to quickly assess and respond to current economic circumstances. Larger, more comprehensive employment datasets, such as the Quarterly Census of Employment and Wages (BLS) and the Regional Economic Information System (BEA), take many more months to appear.

For many decades, CES has been operated as a federal-state cooperative program, with substantial involvement of state labor market information (LMI) agencies in data collection, adjustment, and analysis. Of late, however, errors by several state LMI agencies in measuring jobs at the beginning of the recession (which caused the sum of states to diverge from the national jobs figure), substantial advances in information technology, and budget constraints have led BLS to centralize the CES program, removing much state LMI involvement and discretion. As you can see from letters, the National Association of State Workforce Agencies and several state LMI directors have expressed concerns about the direction of the CES program. Anecdotally, several LMI directors have told me that they believe the CES numbers produced by BLS for their state are inaccurate and find them difficult to defend before the staff in the Governor’s office, the economic development agency, and the workforce development agency.

Being an outside observer and not a methodologist, I can only note, not vouch for, the perspective of LMI directors. That said, that BLS and a number of LMI directors have divergent perspectives leads me to wonder if methodological issues and/or BLS-state tensions will impinge the future reliability of the critically important CES program, particularly at the state and substate level.
I also note that CES program issues seem to have grown, at least in part, out of budgetary constraints. BLS grants to states in support of the cooperative statistics program have been stagnant for a decade; I understand that the decline in real funding led to a decline in state analyst training, which in turn may have led to state LMI estimation errors of several years ago. BLS explicitly says that its decision to centralize the program is in part to save $5 million.

In light of the critical importance of the CES program to the nation and the different perspectives of BLS and the states, I suggest that OMB approve the information collection request for the Report on Current Employment Statistics with one condition of clearance—that BLS agree to explore the possibility of co-sponsoring, with the state LMI agencies, a joint review of the methods, structure, and reliability of the CES program by the National Academies of Science and the National Academy of Public Administration.

Thank you for your consideration of my support and condition of clearance recommendation for the valuable CES report. I look forward to your decision.

Sincerely,

Andrew Reamer
Research Professor