BUREAU OF LABOR STATISTICS

The Bureau of Labor Statistics (BLS) is the principal federal statistical agency delivering economic data on employment, price change, working conditions, and productivity in the U.S. economy. BLS employs over 2,000 staff, including economists, statisticians, data scientists, information technology specialists, researchers, administrative specialists, and other professionals. BLS maintains partnerships with state and territorial governments, coordinates with other federal statistical agencies, and contracts with private vendors for parts of its data collection, information technology, and related services. BLS provides statistical guidance to the Department of Labor (DOL)—as designated by the Evidence Act, the BLS commissioner is the DOL statistical official—and its agencies to support their data needs and DOL's mission to "foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights."

A variety of data products produced by BLS provide statistical information on:

PRICES

- Consumer Price Index (CPI)
- Producer Price Index (PPI)
- U.S. Import and Export Price Indexes
- Consumer Expenditure Surveys (CE)

EMPLOYMENT AND UNEMPLOYMENT

- Current Population Survey (CPS)
- Job Openings and Labor Turnover Survey (JOLTS)
- Quarterly Census of Employment and Wages (QCEW)
- Current Employment Statistics (CES)
- Local Area Unemployment Statistics (LAUS)
- Occupational Employment and Wage Statistics (OEWS)
- Employment Projections (EP)
- National Longitudinal Surveys (NLS)
- American Time Use Survey (ATUS)

COMPENSATION AND WORKING CONDITIONS

- National Compensation Survey (NCS)
- Occupational Requirements Survey (ORS)
- Survey of Occupational Injuries and Illnesses (SOII)
- Census of Fatal Occupational Injuries (CFOI)
- Work Stoppage Statistics

PRODUCTIVITY

- Labor productivity
- Total factor productivity

^{**}The following is based on publicly available information and selected information from our questionnaire.

STRENGTH OF BLS'S SUPPORT+

Autonomy: Mixed. No current threats but lacks professional autonomy protections in statute.

Parent agency: Good. The Department of Labor is strongly supportive of BLS, meaningfully engaging BLS in DOL initiatives, consulting it to provide publicly available data to inform policy initiatives, often recognizing its work through the annual Secretary's Honor Awards, supporting stakeholder outreach, and providing such shared services as human resources (HR), procurement, and personnel security. For key BLS appropriation issues, DOL should consider including BLS leadership in meetings with Congressional appropriations staff.

Budget/staffing: Challenging. BLS has lost 18% in purchasing power since FY 2009. Its budget has allowed it to continue to innovate but has prevented it from carrying out in a timely manner the much-needed redesign of at least two of its major products, thereby threatening their long-term viability at the same quality level. The agency's staffing level is commensurate with its budget, which along with budget flexibility, enables it to make the most of its resources.

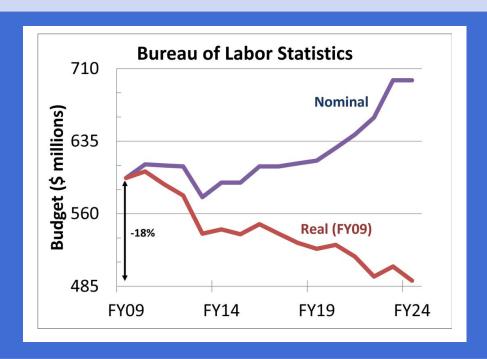
† See Supporting Materials F for an explanation of the support ratings.

AGENCY FAST FACTS

Budget inputs and FY24 level

1. Appropriations line: \$698 million

Funding history, inflation adjusted



Appointment of head & layers down in the Department of Commerce org chart

The BLS commissioner is presidentially appointed and Senate confirmed, one of three federal statistical agencies with such an appointment. The commissioner has a fixed four-year term set in statute, which also establishes professional qualification requirements for the position.

One: The BLS commissioner reports to the Secretary of Labor and interacts on operational issues with the deputy secretary.

Other

- → BLS administers 9 surveys on its own and 12 in collaboration with federal and state agencies. It also draws from 14 administrative data sets, 10 private data sets, and 45+ other data sources from federal agencies and other organizations for input to its products.
- → Among the data sets added in the last several years are foreign direct investment administrative data from the Bureau of Economic Analysis (BEA); wage records from states' administrative data; a private source for gas prices; and car prices from JD Power and Associates for the consumer price index.
- → Seven of BLS's products are official <u>Principal Federal Economic Indicators</u>.
- → Thirty-two percent of BLS employees are national office economists, and 37% are field staff.
- → BLS innovated (see <u>BLS Innovations</u>) in such areas as data granularity and timeliness, data quality, analytic tools, and collaboration. As one example, BLS published the first-ever measure of consumption based on the Consumer Expenditure Surveys data and administrative data. This measure is important because many economists consider consumption to be a better estimate of economic well-being than, for example, measures of income or expenditures.
- → BLS showed agility in the production of <u>reports</u> analyzing the impact of the Covid-19 pandemic on employment and prices, including in its <u>Monthly Labor Review for 2020</u>.
- → BLS built a new data center with supporting infrastructure to replace its main data center that was in the basement of its headquarters building. The new data center is in a Sigma 5 site.

Recent successes

- → BLS data are widely used. Annual output includes 2.5 million downloads; Application Programming Interface (API) usage at 20 million; website page views at 170 million; hundreds of citations of Monthly Labor Review articles and research based on the NLS; and 1 million media mentions.
- → BLS has maintained strong support and engagement from DOL and the administration from both parties.
- While down significantly in purchasing power since 2009, BLS has received stronger budget support recently.
- → BLS maintains an active program of employee recognition and training, including program-specific training in Python, R, and other advanced statistical and data science tools.

Agency strengths

- → A large fraction (a quarter to a third) of hires come from other parts of the federal government (perhaps indicating BLS is viewed by government employees as a desirable place to work); low number of labor disputes relative to size of workforce; high ranking in employee satisfaction survey (i.e., #57 out 432 in 2022 Best Places to Work in the Federal Government, agency subcomponents).
- → BLS actively engages its three advisory committees and regional data users' meetings and incorporates their feedback into its work to maintain relevant and timely products.

Agency threats/ vulnerabilities

- → BLS has no professional autonomy protection in statute.
- → For information technology (IT), BLS has control over IT operations for collecting, processing, and disseminating statistical information, although the DOL has repeatedly expressed interest in incorporating BLS IT into the department.
- → A possible threat is that 27% of BLS employees in FY 2023 are eligible for retirement by FY 2026, substantially more than what other agencies reported, which could impair institutional knowledge, quality management, and analytic capabilities. The upcoming national office headquarters move to Suitland, MD, could exacerbate this threat but also presents an opportunity to increase collaboration with the Bureau of Economic Analysis (BEA) and the Census Bureau.
- → <u>BLS survey response rates</u> are falling, resulting in higher data collection costs and, if the surveys cannot be redesigned, potential erosion of the precision and utility of BLS statistics.
- Preserving respondent privacy and ensuring cybersecurity of data are important to maintain trust but are increasingly costly and difficult, often requiring major system or product redesign. Without additional support for such efforts, funding would have to be offset from programs for data, data products, and innovation.
- → User focus on evidence-based decision-making has raised public and private sector demand for more timely, relevant, and granular (e.g., by demographics and geography) official statistics.

Agency challenges

- → An increasing share of the BLS budget is being absorbed by the Department of Labor in charges for shared services, including HR, procurement, and personnel security services.
- → BLS has lost 18% in purchasing power since FY09. As a result, two major surveys, the Current Population Survey (CPS—source of unemployment rates) and the Consumer Expenditure Survey (CE—a key input to inflation measures), are past due for major redesign, endangering their viability to produce high-impact products with the same quality over the next decade. Indeed, in June 2024, BLS announced a 6% cut in the CPS sample size, threatening overall data quality and the availability of employment statistics at the subnational level."
- → BLS is rarely included in relevant meetings with appropriations staff.
- → While Congress and the administration have been working to address BLS's loss in purchasing power (as wages and contract prices rise), many of the agency's proposed initiatives are not funded.

- → BLS's proposed initiatives in the <u>FY 2024</u> President's Budgets illustrate what BLS could do with additional resources:
 - Funding to modernize the CPS to improve accuracy of unemployment and workforce estimates, reduce respondent burden, and ensure the long-term viability of the unemployment and workforce estimates in light of declining survey response rates.
 - Funding to modernize the CE to improve inflation measures and produce production-quality thresholds to support the Census Bureau's Supplemental Poverty Measure.
 - Funding to support production of the American Indian Population and Labor Force Report.
 - Funding to improve the Job Openings and Labor Turnover Survey in order to enhance the understanding of openings, hires, and separations by producing earlier preliminary estimates, expanding the sample size; and adding depth through focused questions on labor market issues.
 - Funding to restore agricultural industries to the Occupational Employment and Wage Statistics program.
 - Funding to improve the timeliness of the final chained Consumer Price Index.

→ With more resources, BLS could also:

- Publish Consumer Price Index estimates for many to all of the 50 states plus the District of Columbia.
- Make BLS's research measure of household consumption into an official U.S. economic statistic.
- Reverse the recent decline from 77.3% to 72.5% in coverage of price changes received by businesses in the domestic economy, as measured by the Producer Price Index.
- Expand to all states partnerships whereby states' enhanced administrative data are used to produce more timely and granular local labor market information and augment BLS survey programs.
- Modernize the BLS data repository and its toolkit for accessing the publicly available data.
- Test use of more private and public administrative data sources to augment or replace aspects of its survey programs.

Agency challenges

Agency-specific recommendations

In addition to the all-agency recommendations in the body of the report, we recommend that the Department of Labor should:

- Continue its support of BLS along with its respect for its professional autonomy.
- Regularly include BLS in discussions with appropriators to explain the motivation behind BLS budget requests, including challenges faced by the agency and benefits of initiatives.

See also

State of the Workforce Data Infrastructure; what three experts have to say about the state of BLS.

BLS INNOVATIONS

Innovations

The Bureau of Labor Statistics (BLS) has undertaken significant initiatives and improvements across various fronts over the past several years. For example, in **data granularity and timeliness**, BLS initiated the following:

- productivity data at the state level;
- productivity measures for Urban Transit;
- inclusion of American Indians and Alaska Natives, Native Hawaiians and Other Pacific Islanders, as well as Asian ethnic groups, including Asian Indians, Chinese, Filipinos, Japanese, Koreans, Vietnamese, and Other Asians in monthly labor force data;
- estimates on respiratory infections and work-related Covid infections in the Survey of Occupational Injuries and Illness;
- official monthly state job openings and labor turnover survey data;
- measures of within-industry productivity dispersion, in collaboration with the Census Bureau;
- experimental industry-level measures of Total Factor Productivity in collaboration with the Bureau for Economic Analysis;
- expansion of Total Factor Productivity to include non-manufacturing industries and 10 new major industry groups; and
- annual employment projections (formerly biennial).

The BLS also works continually to improve data quality and develop tools to facilitate the use of their data. Data quality improvements included developing a methodology at the onset of the pandemic to improve estimates of quarterly labor productivity to account for the March 2020 Covid-19-related job losses. They have also made improvements to the quarterly productivity measures, the Occupational Employment and Wage Statistics, and developed experimental measures of productivity for several retail trade industries, including grocery stores. BLS new tools include a pay measures comparison tool, a mapping application for Local Area Unemployment Statistics, a Local Area app for Android and iPhones, a CareerInfo (Occupational Outlook Handbook) app for Android and iPhones, a Covid-19 data dashboard showing key economic variables, an industry productivity viewer tool, and a demographic data sources tool.

Ongoing Collaborations and Planning

BLS has many ongoing efforts and collaborations to support continued innovation. Reflecting the recognition of BLS's work and the expertise of its staff, BLS staff members also participate in various **national and international committees**:

- UN Task Teams on the revision of the Central Product Classification and Standard International Energy Product Classification;
- the Economic Classification and Policy Committee establishing the North American NAICS and NAPCS classification:
- the UN Voorburg Group on Service Statistics;
- the multi-agency Policy Working Group on Natural Capital and Environmental-Economic Statistics;
- the UN Statistical Mission Ottawa Group on price indexes; and
- the UN Economic Commission for Europe Geneva Group of Experts on Consumer Price Indexes.

BLS is also engaged in several **interagency initiatives**, including:

- foreign direct investment research into employment, occupation, and wages with BEA;
- CPS modernization with the Census Bureau;
- the Interagency Working Group on Data Equity;
- productivity dispersion with the Census Bureau;
- Integrated Production Accounts with BEA;
- the Interagency Working Group on Supplemental Poverty Measure); (vii) collaboration with the Social Security Administration to ensure that estimates produced by the Bureau's Occupational Requirements Survey meet their data needs; and
- collaboration with BEA to produce distributional personal consumption expenditure accounts based on the Consumer Expenditure Surveys.

To tap outside expertise, in addition to its advisory committees, BLS regularly engages with **outside organizations and academics**, including the following: the National Institute of Statistical Sciences (NISS); the Committee on National Statistics (CNSTAT), the American Statistical Association (ASA) for an annual Fellowship Program mediated through the National Science Foundation (NSF), Columbia University, and Pennsylvania State University.

BLS also engages in multiple **Joint Ventures and Cooperative Agreements**, including to expand the

<u>Wage Records Program</u> to all states, initiate a new cohort
of the <u>National Longitudinal Surveys of Youth</u>, and extend
use of private payroll provider data among BLS.