

The Nation's Data At Risk

Meeting America's Information Needs for the 21st Century

A First Assessment of
the Health of the
Federal Statistical
Agencies



BEA AC Briefing
2024

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Study Sponsors and Disclaimers

A New Effort to Assess the Health of the Principal Federal Statistical Agencies & Chief Statistician's Office in OMB

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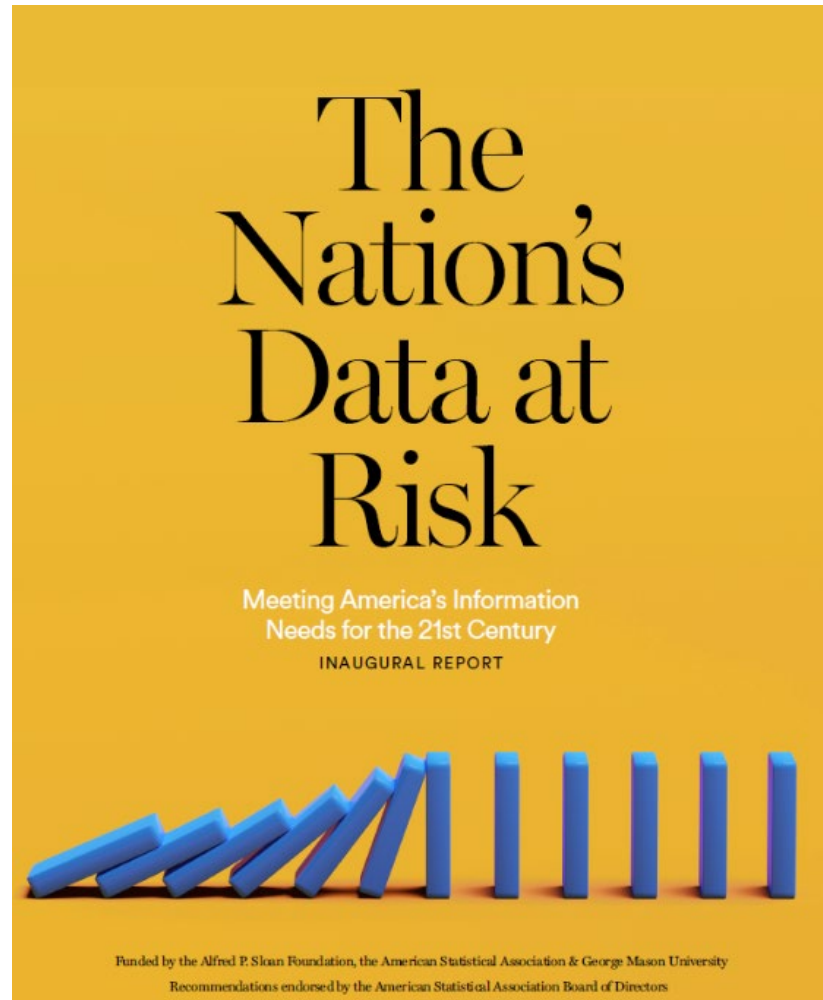
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New Report released July 9th, 2024



Assesses the capacity of 13 principal statistical agencies to serve the nation's data needs.

Assesses the support required to enable these statistical agencies to meet their missions in the 21st century.

Update ~annually

Presentation Outline

- Motivation and Framing
- Select Findings – General
 - BEA-specific
- Recommendations
- Summary

Framing: Uncover Challenges and Threats

Current challenges and threats for statistical agencies include but are not limited to:

- shrinking budgets (declining purchasing power, unfunded mandates, lack of multi-year funding authority)
- environmental challenges (declining response rates, barriers to data sharing)
- demand for more timely, granular, and frequent data
- undue political interference (meddling in operations, gutting staff)

Framing: Guided by Six Questions

1. Is the agency able to consistently produce relevant, timely, credible, accurate, and objective statistics?
2. Is the agency trustworthy, accountable, and agile?
3. Does the agency have sufficient support in three key areas: professional autonomy; parent-agency support; budget and staffing
4. What are the challenges and threats the agency faces?
5. What is its record with innovation?
6. Is the agency responsive to user needs and transparent about its data products and decisions that affect users?

Framing: Guided by Six Questions

For inaugural report, questions boil down to

Is the agency able to produce relevant and timely statistics

- Requires constant innovation to update existing products, create new products
- Requires support in three areas: professional autonomy, parent-agency support, budget and staffing

⇒ Take into account headwinds (declining response rates, unfunded mandates, rising costs) and challenges of changing economy, society, data user needs, etc.

Methods: Data Collection

- ☑ Conducted listening sessions with 13 principal agencies, US Chief Statistician
- ☑ Surveyed the principal statistical agencies
- ☑ Collected public information from agency websites, OMB, OPM and Data Watch
- ☑ Held an in-person workshop in November 2023
 - ☑ Participants included 12 agencies, 11 agency heads, Chief Statistician and staff

Governance and Reviews

- ☑ Received guidance from a **Scientific Advisory Board** of federal statistics experts
- ☑ 11 report reviewers
- ☑ Various consultations throughout the system
- ☑ Fact checks within the statistical agencies

Findings: Federal Statistics Are At Risk

- Federal statistical agencies have many strengths—timely production of key economic and social indicators; innovative data to respond to Covid-19
- BUT agencies face increasing challenges to innovate (e.g., granular data on infrastructure & AI impacts on work, education, society)

Findings: Federal Statistics Are At Risk

- Most, if not all, statistical agencies have a significant weakness in at least one of three critical supports:
 - Weak legislative protection for “professional autonomy” (i.e., control over statistical and professional operations—makes agencies vulnerable to political meddling as has happened in other countries; also weakens accountability and agility)
 - Lack of strong support from cabinet department or independent agency (“parent agency”)
 - Insufficient resources (budget and staffing levels - often woefully so)

Findings: Agency Support Strength Ratings

| Agency* | Resources | Staffing applicable only to BJS, NCES & NCSES) | Professional Autonomy | Parent-Agency Support |
|---------------|-------------|--|-----------------------|-----------------------|
| BEA | Mixed | — | Challenging | Good |
| BJS | Weak | Challenging | Mixed | Mixed |
| BLS | Challenging | — | Mixed | Good |
| BTS | Challenging | — | Weak | Challenging |
| Census | Mixed | — | Weak | Good |
| EIA | Challenging | — | Good | Strong |
| ERS | Challenging | — | Challenging | Good |
| NASS | Challenging | — | Challenging | Good |
| NCES | Challenging | Weak | Weak | Weak |
| NCHS | Challenging | — | Mixed | Mixed |
| NCSES | Mixed | Challenging | Mixed | Mixed |
| ORES | | — | Challenging | |
| SOI | Challenging | — | Challenging | Mixed |



BEA Characteristics, Strengths, Successes

- Outsized influence, importance
 - Five products official Principal Federal Economic Indicators
 - website views >22 million; downloads >5 million
- Strong innovative culture
 - 26 new products since 2011
- Leader in use of administrative data

Findings: Strength of BEA's Support

Autonomy: Challenging.

No current threats but lacks professional autonomy protections and agency authorization in statute. BEA lacks full decision authority to recruit/fill senior executive or senior technical positions.

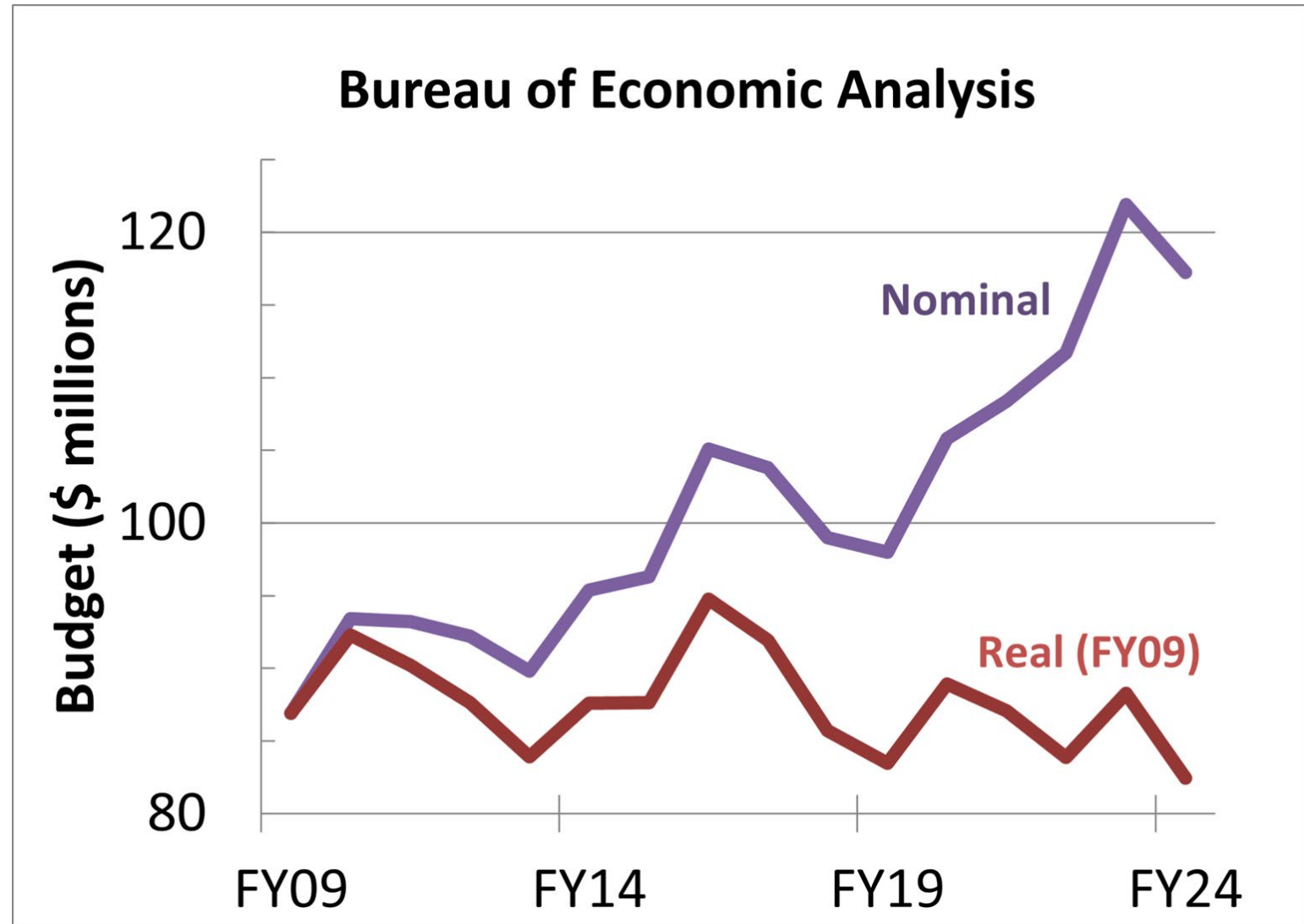
Parent agency: Good.

The Department of Commerce is strongly supportive of BEA to fulfill its requirements as a federal statistical agency, as exemplified by the department's use of BEA's new products, including space economy statistics, Puerto Rico GDP, and marine economy, outdoor recreation, and other satellite accounts. The parent agency and White House also use BEA statistics in communication with the public about the state of the economy

Findings: Strength of BEA's Support

Resources:
Mixed*

*Mixed but
possibly at
inflection point



Findings: Resources challenges

Keeping in mind

- Federal statistical agency work is labor-intensive
 - Salaries increase at rate greater than GDP
 - Hierarchy of budget trimming (simplified): deferred IT maintenance; deferred updates/redesign; reduced sample size; program cuts
-
- Staffing commensurate with budget, but ...
 - Lost 13% in purchasing power since FY16, staff reduced ~10%
 - Cut at least two products in FY24: Near Real-Time Spending, Integrated Macroeconomic Accounts for the United States
- ⇒ Can BEA continue all products and sustain innovation pace?

Recommendations: 15 Actions to Strengthen Federal Statistics

Directed at Congress, parent agencies, statistical agencies, and OMB to:

1. Protect and enhance professional autonomy (statute provides much stronger protection, should facilitate more efficient and seamless transitions);
2. Provide adequate budget and staffing support for baseline work and innovation;
3. Conduct more effective communications between statistical agencies and Congress/parent agencies;
4. Develop proactive outreach to data users; and,
5. Strengthen the Chief Statistician's ability to lead.

Recommendations: BEA-specific

- Congressional appropriators should separate the budget of the Office of the Under Secretary for Economic Affairs from that of BEA.
- Congressional authorizers should provide BEA the same access to federal tax data as that of the U.S. Census Bureau.
- The Department of Commerce and Congress should give BEA full decision authority to recruit/fill senior executive and senior technical positions.

“Trust Regulation” finalized October 10, 2024

- Evidence Act of 2018: “The head of each agency shall enable, support, and facilitate statistical agencies or units in carrying out [their] responsibilities...” to produce trusted, quality statistics
- Trust Reg finalized October 10, 2024 pursuant to Evidence Act
 - clarifies role of parent agencies to support statistical agencies and ensure resources and capacity to fulfill responsibilities
 - requires parent agency to “produce a budget request specific to the Recognized Statistical Agency” & present separately

Summary

- Inaugural report
 - Established framework and foundation
 - Identified and documented weaknesses, challenges, strengths, ...
 - Recommendations for Congress, agencies, parent agencies, OMB
- Year 2: monitor, expand, and deepen
 - Seeking broad input, including from the BEA advisory committee
 - \$ estimate for BEA to sustain programs and innovation capacity?
 - Messaging and storytelling
- Goal: Ensure relevant & timely statistics for 21st century through annual, proactive monitoring

Questions Input for year 2

Report: bit.ly/NationsDataAtRisk

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