

September 24, 2024

The Honorable Patty Murray Chair Senate Appropriations Committee Washington, DC 20510

The Honorable Tom Cole Chairman House Appropriations Committee Washington, DC 20515 The Honorable Susan Collins Vice Chair Senate Appropriations Committee Washington, DC 20510

The Honorable Rosa DeLauro Ranking Member House Appropriations Committee Washington, DC 20515

Dear Chair Murray, Vice Chair Collins, Chairman Cole, and Ranking Member DeLauro:

We, the undersigned, represent 141 civil society organizations *and* businesses alongside two former Commissioners, who led the U.S. Bureau of Labor Statistics (BLS) for a combined eight years: four under President Barack Obama, two under President Donald Trump, and two under President Joseph Biden. We write to alert you to an emergent threat to the quality of a critical national economic indicator: the Current Population Survey (CPS). We all rely on this data and are deeply concerned about its future, given its influence on global financial markets and macroeconomic policymaking. Despite its invaluable data, including the monthly unemployment rate, the CPS is under threat of cuts to its sample size due to inadequate resources. To preserve the accuracy and integrity of the monthly unemployment rate and associated measures of labor market activity, as well as enact overdue steps to modernize its data collection, we strongly urge you to provide an additional \$20.6 million above FY 2024 levels for the CPS in any final fiscal year 2025 (FY25) appropriations or continuing resolution for the Departments of Labor, Health and Human Services, Education, and Related Agencies (LHHS-Ed).

Following two years of flat funding, BLS has announced plans to survey fewer households for each month's CPS starting in January 2025. This follows more than a decade of enacting alternative cost-saving measures such as reducing the number of in-person visits to households, non-response follow-up, field training, and more. Since collecting labor market information from fewer people will endanger the reliability of metrics such as national unemployment and labor force participation, this step is a last resort that has been delayed for as long as possible by exhausting all other available means.

The rise in operating costs stems from two factors. First, the cost of in-person data collection has steadily risen over the past decade. This stems from increased labor costs for data collectors, in addition to the need to contact households repeatedly to encourage their participation. The participation rate in the CPS has been steadily falling, and first fell below 90 percent in December 2012. It dropped precipitously in 2020 and was 67 and 71 percent in the past two years, respectively.

Second, and more subtle, costs have increased due to a lack of funding for a reformed and modernized CPS. A decade ago, BLS and the Census Bureau began work to develop new, Internet-based ways to collect data. As described in this recent <u>presentation to the Federal Economic Statistics Advisory Committee</u>, the timeline for modernization can be carried out in just three years contingent on funding. However, for several decades the U.S. has failed to allocate the resources required to implement these modernizing efforts. After adjusting for inflation, overall BLS funding has <u>fallen by more than 20 percent</u> from a high in 2010 and more than 13 percent since the sample size became approximately 60,000 households in 2001.

Reducing the CPS sample size will make its statistics less reliable. Not only will uncertainty surrounding the top-line statistics edge up, as noted in a <u>statement from the American Economic Association</u>, but it will also hinder accurate analysis of states and local areas and subpopulations, including teenagers, seniors, veterans, people with disabilities, the self-employed, people who identify as Asian, Hispanic or Latino ethnicity, and Black or African Americans. Furthermore, it would inhibit the analysis of the intersections of these demographics by <u>geography and sex</u>. Already, disaggregated data by state cannot be produced for some racial and ethnic groups. Should cuts to the CPS sample size be enacted, there simply will not be sufficient representation in the sample to trust timely disaggregated findings and information on these demographic groups likely will disappear entirely from the monthly Employment Situation report. And finally, a smaller sample also makes the system less resilient. It raises the risk that BLS will be forced to delay or miss a monthly release because of a major disruption such as extreme weather or another pandemic - moments when accurate, localized labor market information is particularly critical.

Providing BLS with \$718.6 million – \$650.6 million in congressional appropriations (an additional \$20.6 million above FY 2024 levels) and \$68 million which may be expended from the Employment Security Administration account in the Unemployment Trust Fund for FY 2025 – would prevent cuts to the CPS sample size this year, and with continued investment for the following two fiscal years, will save the CPS from further sample erosion. The BLS-Census Bureau plan for a new, modern CPS could be fully implemented in as little as three years and would prevent future cuts to the sample as survey response rates to phone and in-person survey techniques continue to trend downward. The individual components of that funding are broken out as follows:

- 1. Congress can provide the BLS Division of Employment and Unemployment Statistics with \$12 million dollars in FY2025—an additional \$4.4 million above the President's request. This increase to annual funding would support the current operations of the CPS.
- Second, and most importantly, Congress can commit to a multi-year modernization initiative (as proposed in the Administration's FY2024 budget) to prepare the CPS for success in the 21st Century with an initial appropriation of \$15 million in FY2025 in addition to the above request.

We join together and write today because we know that the immediate problems facing CPS are real, urgent, and can be readily solved with some stop-gap funding. In addition, we know that BLS and Census cannot achieve a heathier CPS without development funding for a modernized labor market survey over the next few years. We urge Congress, with your leadership, to find a bipartisan solution to shore up the CPS now and support its modernization, thereby assuring private and public policymakers that they can confidently base decisions on the invaluable data contained in that survey now and into the future.

Respectfully,

Erica L. Groshen, Ph. D

Organization or business name:

14th Commissioner of Labor Statistics

William Beach, D. Phil.

15th Commissioner of Labor Statistics

State, if not a national organization or business:

bullbull

Friends of BLS A New Hope Consulting Oregon

Alabama Arise Alabama

Alaska Public Research Interest Group Alaska

American Association of University Women American Federation of State County and Municipal Employees

American Institute for Boys and Men

American Sociological Association

American Statistical Association

Asian Americans Advancing Justice | AAJC Asian and Pacific Islander American Vote (APIAVote)

Associated General Contractors of America Association for Public Policy Analysis and Management (APPAM)

Association of People Supporting Employment First (APSE)	
Association of Population Centers	
Association of Public Data Users	
Autistic Self Advocacy Network (ASAN)	
Balcony View Consulting, LLC	
Better Life Lab at New America	
Brookings Institution	
Caring Across Generations	
Center for American Progress	
Center for Economic and Policy Research	
Center for NYC Affairs at The New School	New York
Center for Parental Leave Leadership Center for Regional Economic Research, University of Tennessee at Chattanooga	Tennessee
Center on Budget and Policy Priorities	
Center on Policy Initiatives	California
Central American Resource Center - CARECEN	Washington DC
Children's Institute	Oregon
Coalition on Human Needs	
Colorado Fiscal Institute	Colorado
Community Service Society of New York	New York
Connecticut Voices for Children	Connecticut
Consortium of Social Science Associations	

Council for Community and Economic Research

Council for Professional Recognition Council of Professional Associations on Federal	
Statistics	
Decision Demographics, LLC	
Economic Policy Institute	
Economic Progress Institute	Rhode Island
Equal Rights Advocates & Equal Pay Today	
ERA Coalition	
Family Values @ Work	
First Focus Campaign for Children	
Florida Policy Institute	Florida
FPWA	New York
Grand Canyon Institute	Arizona
Greenhouse Institute	
Harvard University	
Haver Analytics	
Hawaii Children's Action Network	Hawaii
Hilltop Economics LLC	
Idaho Center for Fiscal Policy	Idaho
Immigration Research Initiative	New York
Impact Fund	
Indeed	
Indiana Community Action Poverty Institute	Indiana

Industry Studies Association

Insights Into Comp, LLC	
Institute for Policy Studies, Poverty Project	
Institute for Women's Policy Research	
Institute on Taxation and Economic Policy	
IPUMS	
Jewish Women International	
Justice for Migrant Women	
Kentucky Center for Economic Policy	Kentucky
Kentucky Voices for Health	Kentucky
Kids Forward	Wisconsin
Labor Council for Latin American Advancement (LCLAA)	
Legal Aid at Work	California
Legal Momentum, The Women's Legal Defense and Education Fund	
MacroPolicy Perspectives LLC	
MACS 2030 - Minnesotans for the American Community Survey and 2030 Census	Minnesota
Main Street Alliance	
Maine Center for Economic Policy	Maine
Maui Economic Opportunity, Inc.	Hawaii
Minnesota Budget Project	Minnesota
MomsRising	
Motio Research	
Movement Advancement Project	
National Asian Pacific American Women's Forum	

National Association for Business Economics (NABE)	
National Association for Family Child Care	
National Black Worker Center	
National Center for Transgender Equality	
National Committee on Pay Equity	
National Community Action Partnership	
National Education Association	
National Employment Law Project	
National Partnership for Women & Families	
National Urban League	
National Women's Law Center	
NC Budget & Tax Center	North Carolina
NETWORK Lobby for Catholic Social Justice	
New Jersey Policy Perspective	New Jersey
New Mexico Voices for Children	New Mexico
Noel Collective, LLC	Maryland
North Star Policy Action	Minnesota
North Yard Analytics LLC Oklahoma Partnership for School Readiness Foundation	Oklahoma
OpenSky Policy Institute	Nebraska
Opportunity@Work	

Oxfam America

PHI	
Policy Matters Ohio	Ohio
Population Association of America	
Population Reference Bureau (PRB)	
PowHer New York	New York
Project on Government Oversight	
Regionomics LLC	Ohio
Research 2 Impact	
Rhode Island KIDS COUNT	Rhode Island
RuralOrganizing.org	
South Carolina Program for Infant/Toddler Care	South Carolina
SRR Consulting	
Start Early	
Storied Analytics, LLC	
The Budget Lab at Yale	
The Burning Glass Institute	
The Consortium of Social Science Associations	
The Joint Center for Political and Economic Studies	
The Leadership Conference on Civil and Human Rights	
The Society for Research in Child Development (SRCD)	
The Stat Guy LLC	Colorado
The W.E. Upjohn Institute for Employment Research	
Transgender Legal Defense & Education Fund (TLDEF)	

Twin Cities Research Group Minnesota

UCLA Latino Policy and Politics Institute

Union for Reform Judaism

VOICES for Alabama's Children Alabama

Washington Center for Equitable Growth

Washington State Budget and Policy Center Washington

West Virginia Center on Budget and Policy West Virginia

Whitman-Walker Institute

Women Employed Illinois

Working Partnerships USA California

Workplace Justice Project Louisiana

Young Invincibles Both state and national

YWCA USA

Cc The Honorable Tammy Baldwin

Chair, Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

The Honorable Shelley Capito

Ranking Member, Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

The Honorable Robert Aderholt

Ranking Member, House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies