

**POLICY ANALYSIS:
The Federal Statistical System
(Session 1)**

INTRODUCTION

“It has been said that the seasonally adjusted unemployment rate is—at least in its political implications—the most important single statistic published by the Federal Government.”

Professor R.A. Gordon, Hearings before House Subcommittee on Government Operations, April 1971

A little more than twenty years later, the 1992 Presidential election campaign at least partially validated this observation. Perhaps the intervening years may have seen other issues or data series rise to the top of the sensitive statistics list, or at least made the top of the important economic indicators list more crowded. Still, as we head into another Presidential election year, job loss and job creation, unemployment, and overall growth press the war in Iraq and homeland security as the most pressing issues of national concern.

Rather than debate the relative importance of critical national issues and the significance of individual data series, it is probably much more constructive and useful to focus on the fact that there are a small number of somewhat obscure Federal Government agencies that perform a vital public function. These agencies, often called Federal Statistical Agencies, produce a wide variety of very sensitive statistics and reports that form the basis for the management and tracking of our Nation’s economy. As a result, these same data subsequently form the basis for the evaluation of public and private policies as well as very prominent public and private officials. Indeed, at any given point in time, depending on the state of the economy, population trends, and demographic developments, there are a number of critical data sets that could emerge front and center as the object of widespread public interest and concern.

Over the course of six weeks, **WWS 594 k** will consist of a relatively rapid, summary level review of major statistical products of the decentralized U.S. statistical system. Sensitive technical and political issues associated with these programs will be identified and discussed. The coordination and oversight role of the Office of Management and Budget, a powerful administrative and policy arm of the Executive Office of the President, will be described. Practices that support the public interest, such as the highly sensitive process for release of major statistical reports and economic indicators, will be examined.

In its six sessions, the course will focus on the work of three statistical agencies--the Bureau of Economic Analysis and the Bureau of the Census in the Department of Commerce and the Bureau of Labor Statistics in the Department of Labor. As time permits, broader government-wide issues such as developments regarding data confidentiality, data sharing, and the structure of the statistical system will also be

examined. (NOTE: More detailed discussion and assessment of Census 2000 will take place in WWS 594I, Census 2000-Lessons Learned and Plans for the Future.)

COURSE OBJECTIVES AND PURPOSE

The products of Federal statistical agencies have a pervasive impact on the lives, and the livelihood, of virtually every resident and citizen of the United States. Data from the constitutionally mandated Decennial Census are used to allocate billions of dollars of Federal funds and to distribute and allocate political representation among the States in the United States House of Representatives. Disaggregated versions of these same data are used at State and local levels for similar purposes. Measures of Gross Domestic Product, inflation, job growth, and unemployment are used to track and assess the health of the economy, and to evaluate economic policies. At a more personal level, statistics such as the Consumer Price Index (CPI) impact the lives of virtually every American, either directly or indirectly, through indexation of benefit levels and tax brackets and the influence such measures have on the decisions of the Executive Branch, the Congress, the Federal Reserve, as well as business and private decision makers and investors. Despite their importance, the Government's statistical agencies have endured long periods of budget austerity (the large budget for the 2000 census would be a notable exception). Over the course of six weeks, WWS 594k will provide a summary overview of the three largest statistical agencies and their major products. Aside from expanding knowledge of these agencies and their products, the objective of the course will be to provide insights on some of the major technical and political and issues that are associated with these sensitive and widely used statistical measures.

GRADING STRUCTURE

The final grade for Course 594k will consist of assignments graded and weighted as follows:

- 50 % Issue/Research Paper (8-10 pages doubles spaced)
- 10% Briefing Paper (one page explaining topic of paper and its importance)
- 15% Oral Presentation (ten minute presentation on issue/research paper topic)
- 25 % Class participation

OFFICE HOURS

Available upon request. Contact Tim Waldron (84143) to schedule appointment.

SUMMARY OF ASSIGNMENT DUE DATES

- March 3** **Submit one page paper summary**
March 10 **Class presentations on topic**
March 12 **Papers Due (tentative)**

SPRING 2004 WWS 594k COURSE CALENDAR AND DUE DATES

The calendar of events and course requirements for **WWS 594k Policy Analysis: The Federal Statistical System (Session 1)** is set forth below on a week-by-week basis. Please make note of the calendar of events and the scheduled completion dates for course requirements, including the briefing paper, the oral presentation, and the research paper.

WWS 594k will meet on Wednesdays **from 1pm to 4 pm** beginning Wednesday, February 4, 2003.

Week 1
(February 4)

Topics

- Introductions of course participants
- Review and discussion of Norwood paper
- New York Times article on Department of Justice
- Overview of Federal statistical agencies and issues

ASSIGNMENTS FOR WEEK 2

Read Survey of Current Business, December 2001, pp 23-26.

Review selected BEA publications (to be provided)

Read Statistical Budget of the United States Government for 2004 (pages 8-12, pages 53-56)

Week 2
(February 11)

Topics

Guest Lecturer: Steven J. Landefeld
Director
Bureau of Economic Analysis (BEA)
U. S. Department of Commerce

Topics to include: Work of the BEA
Measurement issues
Future plans for improvements

ASSIGNMENTS FOR WEEK 3

Read Packet Material on Unemployment Incident

Read The First Hundred Years of the Bureau of Labor Statistics, pp. 178-264

Review Major BLS Programs-Employment and Unemployment

Review Employment Situation, January 2004

Week 3
(February 18)

Topics

Overview of the U.S. Labor Market-2003-2004

Review the monthly BLS report on the Employment Situation, as issued on February 7

Examine major statistical program inputs
-the Current Population Survey
-the Current Employment Statistics program (BLS 790)

ASSIGNMENTS FOR WEEK 4

Tentative identification of topic for presentation/paper

Review publication Major BLS Programs - All sections excluding section on Employment and Unemployment

Read Senate Finance Committee Report on the Consumer Price Index

Read Selected Articles from the Journal of Economic Perspectives, Winter 2003 (to be provided)

Week 4
(February 25)

Topics

Programs of the Bureau of Labor Statistics-Part 2

Overview of BLS Programs

The Consumer Price Index Controversy

ASSIGNMENTS FOR WEEK 5

Read Measurement of Poverty in the United States
Summary and Recommendations

Submit three-five sentence summary of report topic

Week 5
(March 3)

Topics

Programs of the Bureau of the Census

Measurement of Poverty
Trends in data series
Measurement issues

Major Household Surveys

Major Economic Indicators

Economic Census and Economic reports

ASSIGNMENTS FOR WEEK 6

Prepare ten to fifteen minute in class presentation on research paper or report stating what the topic is, why it is important, what you recommend.

Week 6
(March 10)

Topics

Individual presentations by class members

Status of Federal Statistical System Issues

- Data sharing among agencies
- Organizational structure

