FRIENDS OF BLS

January 5, 2024

The Honorable Chuck Schumer
   Senate Majority Leader, United States Senate
   Washington, DC 20510

The Honorable Mitch McConnell
   Senate Minority Leader, United States Senate
   Washington, DC 20510

The Honorable Bernie Sanders
   Chair, Committee on Health, Education, Labor, and Pensions
   United States Senate
   Washington, DC 20510

The Honorable Bill Cassidy
   Ranking Member, Committee on Health, Education, Labor, and Pensions
   United States Senate
   Washington, DC 20510

Dear Majority Leader Schumer, Minority Leader McConnell, Chair Sanders, and Ranking Member Cassidy,

On behalf of the Friends of the Bureau of Labor Statistics we write to enthusiastically support the nomination of Erika McEntarfer as Commissioner of Labor Statistics for the U.S. Bureau of Labor Statistics and to urge her swift confirmation. Dr. McEntarfer is an excellent nominee to lead the Bureau of Labor Statistics. She has both an outstanding background and key qualifications for this critical position.

Erika McEntarfer currently serves as the head of research for the Longitudinal Employer-Household Dynamics (LEHD) program at the Center for Economic Studies (CES) at the U.S. Census Bureau. She leads a section of economists conducting research in various fields of economics, including labor, macro-, education, and urban economics. She also leads the development of new experimental economic statistics derived from the LEHD jobs data, such as Job-to-Job Flows, Post-Secondary Employment Outcomes, and Veteran Employment Outcomes. Prior to joining CES, she was an economist at the U.S. Treasury Department. She recently served as a senior economist at the White House Council of Economic Advisors. McEntarfer's own research is focused on job loss, retirement, worker mobility, and wage rigidity. She holds a B.A. in Social Science from Bard College and a Ph.D. in Economics from Virginia Polytechnic Institute and State University.

As you know, accurate, timely, and readily available statistics are an essential public good in a democratic nation and free enterprise economy. Such statistics help government and private entities make better decisions, producing a more vibrant and efficient economy. By the same token, lack of such statistics or poor-quality statistics can lead to poor choices that waste public and private resources and make people's lives worse. For the United States, the Bureau of Labor Statistics produces vital information about jobs and unemployment, wages, working conditions and inflation. As part of the Department of Labor, the Bureau of Labor Statistics is the second largest and one of the oldest statistical agencies within the federal government. For more than 140

years, the Bureau of Labor Statistics has collected, analyzed, disseminated, and improved essential economic information, serving as a key pillar of the knowledge infrastructure of the nation.

The Commissioner is the only presidentially nominated and Senate confirmed position at BLS. As we describe below, the Commissioner is the principal facilitator of change at BLS, and BLS needs to be adaptive to serve its mission.

BLS has been under acting leadership since March 20, 2023. Prior to former Commissioner William Beach's confirmation, the position was vacant for 26 months, following the departure of Commissioner Erica Groshen, whose term ended on January 27, 2017. Over that long hiatus, the Bureau was ably led by Acting Commissioner William Wiatrowski, who once again has been leading the agency since Commissioner Beach's departure. Yet, many crucial actions generally are not taken by an Acting Commissioner. These actions await the arrival of a new Commissioner.

On the operational side, key, vacant senior leadership positions are left unfilled, significant new budget initiatives are not undertaken, and the Bureau holds up major alterations to existing statistical products. In short, this world-class, highly important statistical agency generally cannot make significant upgrades without a Senate confirmed Commissioner on board. Given that BLS is the source for nearly all official employment, price, productivity, and worker safety statistics, any major disruption or additional obstacles to its work could well impair US economic performance.

Moreover, the Commissioner's leadership is essential for guiding BLS and the rest of the statistical system as it adjusts to substantial structural changes underway in our statistical infrastructure, data sources, and economy:

- **Statistical Infrastructure:** The implementation of the Foundations for Evidence-Based Policymaking Act of 2018 is slowly easing the boundaries between federal statistical agencies, rebuilding barriers against political interference in the agencies' operations, and creating new bridges to private statistical organizations and agencies at the State and local government levels. In addition, Congress is recognizing the wealth of new opportunities for the federal statistical system through its support of the experimental National Secure Data Service. Much more is afoot, and all of these initiatives must include active participation by the BLS Commissioner. Without prudent risk taking, we likely will not realize the full promise of the Evidence Act; and Senate-confirmed leadership is best employed to encourage and support BLS staff as they move beyond their old comfort zones.

- **Revolution in Source Data:** Every statistical agency that depends on respondent data, whether in voluntary surveys or required administrative reports, faces declining response rates. The decline in respondent participation is so severe in some cases that agencies are unable to publish detailed information and worry whether the surveys can be published at all, should trends continue. This is why the exploration of new data sources and the blending of private and public data are so important. The very existence of some of the most cherished statistical products depends on taking significant steps now to tap into new sources, technology, and methods. That process, however, also requires the leadership of statistical agencies to experiment with novel approaches and to communicate the need for change to stakeholders on the Hill, in the Administration, and elsewhere in the data-using community. An absence of leadership now harms the effort to make these needed changes.

- **Changing Economic Times:** The country was blessed to have a strong statistical system during the pandemic and the many challenges that period presented. That said, the post-pandemic world is no less challenging. Thus, demand for timely, granular, trustworthy, and relevant statistics has never been greater. Long-lasting changes to global commerce, to the workplace, and to the interplay between human and robotic labor are among the many economic and social developments that are reshaping our statistical representation of American life. That reshaping means that our official statistics must evolve to accurately reflect contemporary economic and social activity. The federal statistical agencies provide vital, irreplaceable infrastructure with which private and public decision makers assess problems, frame solutions, and judge consequences. Without the work of agencies like BLS, decision makers would have to rely on public anecdotes and private experience. Again, leadership is crucial to building statistical infrastructure that is current, authoritative, and long lasting.

Thus, the Bureau of Labor Statistics is at a critical juncture, facing constrained funding at a time of growing national need, expanding uses for gold-standard statistics, and a sharp imperative for modernization. With a return to full funding and additional funds for initiatives, the BLS could restore temporary cuts it has made, reduce risk of operational failure and accomplish many important improvements to its statistical programs. High-value improvements include:

- Modernizing the Current Population Survey to protect the quality of the monthly unemployment rate, labor force participation, and earnings growth measures, some of the nation's most closely watched economic indicators. This involves introducing online data collection to safely improve efficiency and reliability.
- Improve measures of inflation by expanding quality-adjustment efforts and detail for services and tech industry prices to keep up with growth in these parts of economic activity.
- Supporting the Workforce Innovation and Opportunity Act by improving timelines and regional and job detail in existing programs and by helping states use enhanced administrative wage records to support workforce development through the BLS Wage Records Program.
- Developing an Input Price Index by industry to provide competitiveness and outsourcing measures and improve measures of industry productivity.
- Modernizing the Consumer Expenditure Survey to reduce response burden and improve quality by taking advantage of new technologies.
- Measuring employer-provided training for the first time since 1995, to track this otherwise invisible part of worker training in the U.S.

We could continue. The many reasons to quickly confirm Dr. McEntarfer as the new BLS Commissioner all boil down to this: the agency, like the entire statistical system, is undergoing an intense, significant period of change and Dr. McEntarfer's wealth of research and statistical experience have equipped her to be the strong leader that BLS needs to meet these challenges.

Now, more than in many prior periods, the Bureau needs a Commissioner so that we who depend on the Bureau's products can make good decisions in our dynamic economy. Erika McEntarfer is an outstanding nominee for Commissioner of the U.S. Bureau of Labor Statistics. We strongly recommend that the Senate confirm Dr. McEntarfer and urge the Senate to do so quickly, so she can assume leadership of this essential agency in a timely manner.

Erica L. Groshen
BLS Commissioner, 2013-2017
Chair, Friends of the Bureau of Labor Statistics

William W. Beach
BLS Commissioner, 2019-2023

Kathleen P. Utgoff
BLS Commissioner, 2002-2006

Katharine G. Abraham
BLS Commissioner, 1993-2001

Katherine K Wallman
Chief Statistician of the United States (1992-2017), US Office of Management and Budget (retired)

Paul Schroeder
Co-Chair, Friends of the Bureau of Labor Statistics
Executive Director, Council of Professional Associations on Federal Statistics

Organizations
American Statistical Association
Association of Population Centers
Council of Professional Associations on Federal Statistics
Decision Demographics, LLC
Population Association of America
SRR Consulting
The Consortium of Social Science Associations
The W.E. Upjohn Institute for Employment Research
Twin Cities Research Group

Individuals
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Caroline R. Bastian
Research Scholar, New York University

David S. Birdsell
Provost and Senior Vice President for Academic Affairs, Kean University

John W. Budd
Professor of Work and Organizations, University of Minnesota

Henggao Cai
Software Engineer, BLS

David J Corliss, PhD
Director, Peace-Work

Ali Dadpay
Associate Professor, The University of North Texas Health Science Center

Wendy Buchanan Dickinson, PhD

Martha Gimbel
Research Scholar, Yale Law School

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Thomas J. Holmes
Professor and Chair, Dept of Economics, University of Minnesota

Nicholas Horton
Beitzel Professor of Technology and Society, Amherst College

William C Hunter
Dean Emeritus and Professor of Finance, Tippie College of Business, University of Iowa

Martin Kohli, Ph.D

John H. Laub,
Distinguished University Professor Emeritus University of Maryland, College Park

Cheryl McMichael
Economist Bureau of Labor Statistics

Bruce D. Meyer
McCormick Foundation Professor, University of Chicago

Robert A. Moffitt
Krieger-Eisenhower Professor of Economics, Johns Hopkins University

Luke Pardue
Economist

Andrew Reamer
Research Professor, George Washington University

Marshall Reinsdorf
Expert in Economic Statistics, IMF (retired)

Jesse Rothstein
Carmel P. Friesen Professor of Public Policy and Economics, University of California, Berkeley
Former Chief Economist, US Department of Labor

Jesse Sanchez
Economist Bureau of Labor Statistics

Richard Schmalensee
Professor Emeritus, MIT

Robert Seamans
Professor, New York University

Heidi Shierholz
President, Economic Policy Institute

Peter Smejkal
Senior Vice President, retired Formerly Federal Reserve Bank of New York

Aaron Sojourner
Senior Economist, W. E. Upjohn Institute for Employment Research

Betsey Stevenson
Professor of Economics and Public Policy, University of Michigan

Michael Strain
Director of Economic Policy Studies, American Enterprise Institute

Brian K. Weikel
Professor, Franklin University

David Weil
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Kristine West
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