February 2017

Honorable Thad Cochran
Chairman
US Senate Committee on Appropriations
U.S. Capitol S-128
Washington, DC   20510

Honorable Patrick Leahy
Ranking Member
US Senate Committee on Appropriations
U.S. Capitol S-128
Washington, DC   20510

Honorable Rodney Frelinghuysen
Chairman
U.S. House Committee on Appropriations
U.S. Capitol H-305
Washington, DC   20510

Honorable Nita Lowey
Ranking Member
U.S. House Committee on Appropriations
U.S. Capitol H-305
Washington, DC   20510

Dear Chairmen Cochran and Frelinghuysen and Ranking Members Leahy and Lowey:

We write to provide our perspective on, and to express our strong support for, the critical Federal data sources that inform and strengthen our nation's world-leading economic, educational, democratic and civic institutions and successes.

Our Federal statistical and data systems provide information that is uniquely accurate, objective, relevant, timely and accessible.   America's families, firms and policymakers are able to make informed decisions because they have open access to this unbiased high-quality information.

We are concerned that a lack of appreciation for the critical importance of our Federal statistical and data systems may worsen, and are worried that, after years of insufficient funding, these systems face deeper funding cuts and further marginalization.   Our nation, economy, businesses and citizens rely on the nonpartisan, gold-standard data provided by several agencies, including the Bureau of Labor Statistics, the Census Bureau, the Bureau of Economic Analysis, National Center for Education Statistics, the National Center for Science and Engineering Statistics, the Energy Information Administration, the Bureau of Transportation Statistics, the Bureau of Justice Statistics, the Economic Research Service, the National Agricultural Statistics Service, the Internal Revenue Service Statistics of Income, the Social Security Administration Office of Research, Evaluation, and Statistics, and the National Center for Health Statistics.

These data resources benefit **individual citizens** who seek information to:
- guide their career and education choices,
- gain a clearer sense of wages and benefits on offer for different careers,
- choose a community in which to live.

Our **Democracy** relies on Federal data for:

- Apportionment -- population count determines allocation of legislative seats by geography,
- Redistricting -- state legislatures use population counts and characteristics to determine legislative boundaries,
- Voting and civil rights -- Congress and the Supreme Court explicitly rely on data to ensure compliance with voting and civil rights laws.

Federal data resources help the **public sector** to:

- evaluate programs
- support evidence-based decision-making,
- project tax collections and craft budgets,
- guide fiscal and monetary policy,
- target limited resources,
- design policy and programs, such as in housing, health, education and training, economic development, transportation, and criminal justice,
- index many benefits and tax brackets to inflation,
- work with local businesses when making investments.

Businesses increasingly use a variety of Federal data elements from the various agencies to evaluate markets for new or established products and determine areas for the location, expansion, and contraction of their activities.   Examples of data elements include annual population estimates, industry, payroll and employment totals, metro area definitions, and total personal income estimates.

Federal data enable the **private sector** by helping employers:

- understand global, national, and regional economic characteristics to guide location, investment, and product choices,
- offer insights about available workforce talent,
- establish competitive wages and benefits,
- assess the capacity of key education and training providers to meet employer needs,
- project future worker needs,
- augment, benchmark and weight internal corporate "big-data" analysis to inform business decisions,
- reduce contracting costs by negotiating indexed price adjustments in multi-year contracts, and
- reduce occupational illnesses, injuries and fatalities.

> *FedEx depends on timely and consistent data from across government agencies. GDP, industrial production, business sales and inventories across the supply chain are just a handful of the key inputs in the business planning process. Census data on retail and e-commerce sales inform peak holiday season capacity planning. FedEx also uses detailed Census data on international trade to discern trends in commodity trade patterns and modal choice. BLS wage data is a key input in labor cost budgeting. Fuel price benchmarks from the EIA are used across the industry in setting fuel surcharge rates, and capital purchases are commonly subject to escalation formulas, which depend on producer price and wage data from the BLS."*
>
> *-Tim Mullaly, Chief Economist, FedEx*

Goods-producing industries, in particular, are still highly influenced by the business cycle and rely heavily on the economic statistics produced by the government. Manufacturers of consumer durables, such as the Ford Motor Company, use GDP data and subcomponents on a weekly basis to understand past performance and predict the future trajectory of sales.

> *The Greater Houston Partnership relies heavily on Federal data to support our mission of making the region "a better place to live, work and build a business."*
> - *Employment data from the U.S. Bureau of Labor Statistics informs employers what sectors of Houston's economy are expanding or contracting, which they incorporate into investment and hiring decisions.*
> - *Demographic data from the U.S. Census Bureau helps businesses select the ideal location in which to open a store, office or distribution center based on population densities, income, educational attainment and similar factors.*
> - *Data from the International Trade Administration helps the business community identify potential markets overseas and the role exports play in growing the region's economy.*
>   *-Patrick Jankowski, Senior Vice President, Research and Regional Economist,*

Closely related to this, data on employment conditions is a leading indicator of consumer spending. Indeed, the BLS monthly Employment Situation release is anticipated by senior management as the top indicator of the near-term outlook for the economy. Inflation and its detailed components are similarly leveraged to benchmark product pricing against the economy overall and particular sectors.

Federal data are an increasingly important and highly cost-effective component of a 21st Century national infrastructure, and enhance our national economic vitality and wellbeing. Yet the programs that create them have very low visibility and few Congressional champions. The below-signed organizations and individuals encourage Congress to reflect on the importance of the statistical system during policy, legislative, budget and appropriations deliberations and to support these programs required to ensure we have the necessary data for our country to make sound evidence-based decisions in the modern world.

Sincerely,

Cc: Chairs and Ranking Members of House and Senate Appropriations Subcommittees