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THREATS TO HEADLINE ECONOMIC STATISTICS

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This report is part of The Economic Indicators Initiative, a think tank collaborative dedicated to producing consensus-building research on improving key U.S. economic indicators. Learn more online at https://www.brookings.edu/economic-indicators-initiative/

AUTHOR NOTES AND ACKNOWLEDGEMENTS

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DISCLOSURES

Since the founding of the country, the nation's economic statistical system has produced timely, accurate, and relevant statistics that are used by policymakers and the public to make critical decisions. However, in recent years, the nation's economic statistical agencies have been increasingly threatened by political and technical challenges. Having dealt with continually falling budgets, staff shortages, and increasing pressures to modernize their statistical infrastructure, these agencies are now experiencing a period of unprecedented staff reductions, budget cuts, and criticisms of their statistical credibility. This social and political environment has put federal statistical agencies into a state of crisis, furthering distrust of government statistics among the American people and reducing the availability of statistics on various aspects of the nation's economy, people, and well-being.

The specific threats to the Federal Statistical System (FSS) can be placed into two broad categories. First, some threats are internal within the FSS, including declining survey response rates, changing technology, and the use of blended data. Second, other threats arise from external factors or political structures, including declining public trust, political interference, falling agency budgets, and staffing limits.

This paper provides an overview of internal and external threats and suggests a key mechanism for how agencies can survive in this challenging climate: keeping the staff motivated. After reviewing the structure of the FSS and headline economic indicators (or Principal Federal Economic Indicators), the paper focuses on the internal threats of falling response rates and difficulties in innovation and the external threats of decreasing budgets, staff, trust, and increasing political interference. This analysis shows that falling response rates are a concern if they bias the statistics, demonstrates the challenges faced by agencies in modernizing their statistics, highlights the recent reductions in staff, and discusses the implications of decreasing financial resources over the past 15 years. The conclusion examines whether attempts to limit the independence of the agencies could harm the statistics.

The Federal Statistical System

Let's first focus on the strengths of the FSS. For over 200 years, the FSS has been created in separate agencies with separate, yet similar, goals (StatsPolicy, n.d.). As new policy goals emerged, departments and agencies were created, yielding a largely decentralized system of agencies listed in Table 1 (see also ASA (2025) and Citro (2016) for an additional historical perspective). While not a stated goal of FSS agencies, their contributions to decision-making play a key role in supporting democracy broadly. The Economist Group's Democracy Index and the Statistical Performance Indicators by the World Bank demonstrate that the simple correlation between democracy and official statistics is 70% (Di Gennaro, 2024).

Currently, there are 13 federal statistical agencies (see Table 1) spanning nine cabinet departments, all with the mission to produce accurate, timely, and relevant statistics and data focusing on different topics.[1] For example, Census Bureau's mission states that they provide "…the best mix of timeliness, relevancy, quality, and cost for the data we collect and services we provide."[2] And the mission of the Bureau of Economic Analysis (BEA) "…promotes a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic accounts data in an objective and cost-effective manner."[3] Finally, the Bureau of Labor

Statistics (BLS) focuses on measuring labor market activity, working conditions, price changes, and productivity in the U.S. economy "…to support public and private decision-making."[4]

The U.S. statistical system is one of the best in the world (Bosworth and Triplett, 2000). In fact, the World Bank rating system shows the U.S. statistical system is exceeded only by a few countries like Finland, Norway, and Poland (World Bank, 2025). The strength of the FSS is due to the staff expertise in each of the specific areas, along with the integrity, accuracy, transparency, political independence, and the ability to produce publicly available data and statistics regularly, on schedule, and independent of the parent agency. The FSS agencies are extremely transparent about data quality, methodology, and measurement error, and they release a countless number of public use files for replication.

Since 1992, the National Academy of Sciences, Engineering, and Medicine have produced the Principals and Practices (P&P) for the Federal Statistical System (NASEM, 2025). The report supports the FSS agencies in ensuring that the statistics are relevant, timely, accurate, and provides guidance to the federal agencies in maintaining the public's trust in serving our democracy.

The P&P report highlights five key principles for FSS agencies: relevance to policy issues and society; credibility among data users and stakeholders; trust among the public and data subjects; independence from political and other undue external influence; and continual improvement and innovation. These principles act as guardrails for the FSS. However, many of these guardrails are deteriorating in the current political climate, especially maintaining the public's trust and the agencies' political independence (Horrigan, 2026). Despite these challenges, the dedicated staff of FSS agencies have worked to maintain the relevance, credibility, and innovative methods of the agencies' data and statistics. New attacks on these agencies that have led to sharp staffing cuts could mean that, despite its current place as the global gold standard, the U.S. statistical system could fall in international ranking. However, given the current high ranking, the U.S. FSS could make mistakes and still be one of the best.[5]

TABLE 1

List of principal federal statistical agencies

Acronym	Federal Statistical Agency title
BEA	Bureau of Economic Analysis, Department of Commerce
BJS	Bureau of Justice Statistics, Department of Justice
BLS	Bureau of Labor Statistics, Department of Labor
BTS	Bureau of Transportation Statistics, Department of Transportation
Census	U.S. Census Bureau, Department of Commerce
EIA	Energy Information Administration, Department of Energy
ERS	Economic Research Service, Department of Agriculture
NASS	National Agricultural Statistics Service, Department of Agriculture
NCES	National Center for Education Statistics, Department of Education
NCHS	National Center for Health Statistics, Department of Health and Human Services
NCSES	National Center for Science and Engineering Statistics, National Science Foundation
ORES	Office of Research, Evaluation, and Statistics, Social Security Administration
SOI	Statistics of Income, Internal Revenue Service, Department of the Treasury

SOURCE: ASA (2025)

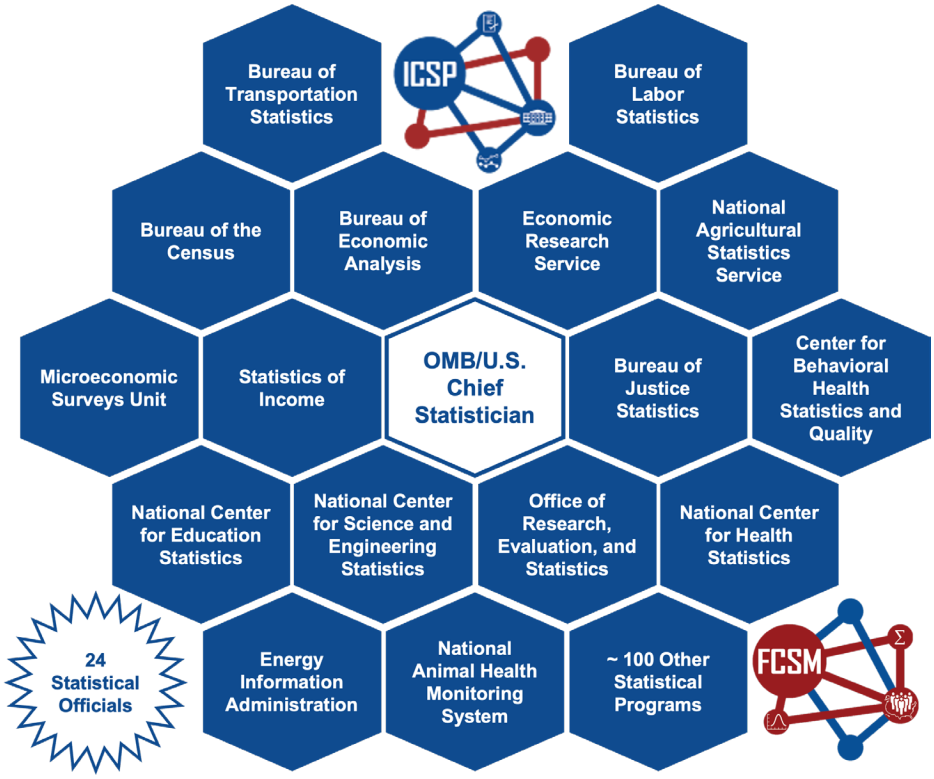
These statistical agencies and units along with 24 other Statistical Officials represent the major cabinet agencies in improving the quality of data. They are coordinated by the Office of the Chief Statistician at the Office of Management and Budget (OMB), with the guidance of the Interagency Council on Statistical Policy (ICSP) (StatsPolicy, n.d. and Knoedl, 2024). Figure 1, from OMB, displays the decentralized statistical system and illustrates the interaction between these agencies, the ICSP, and OMB. These agencies are protected from political interference by Statistical Policy Directives (SPD) No. 1 and No. 3, which are directives from OMB that guide the FSS and provide rules to be used in their operations. The new Trust Regulation codifies SPD 1 into an official OMB regulation.[6]

The Trust Regulation sets forth requirements for statistical agencies to carry out four fundamental responsibilities related to the principles in the P&P: producing timely information; conducting credible and accurate activities; maintaining objectivity; and protecting confidentiality. The Trust Regulation thus reinforces the guardrails protecting the FSS by requiring the cabinet-level departments to support their statistical agencies.[7]

Internationally, national statistical offices (NSO) follow similar guidelines and principles outlined by the United Nations Fundamental Principles of Official Statistics (UNFPOS). These international guidelines demonstrate the importance of protecting the agencies, data, and statistics by reinforcing the indispensable role of official statistics in the information system of a democratic society, the importance of creating statistics available to the public (UNFPOS, 2014), and the value of staff in implementing these key principles.

FIGURE 1

The Federal Statistical System



SOURCE: The Office of Management and Budget, accessed at https://statspolicy.gov/about#statistical-agencies

Headline economic statistics and the principal federal economic indicators

Federal economic statistics drive important policy decisions. The federal government currently labels 36 statistics—such as gross domestic product (GDP), consumer price index (CPI), the current population survey (CPS), the employment situation, monthly wholesale trade, weekly natural gas storage, crop production, consumer credit, and others—as principal federal economic indicators (PFEIs) (see Table 2, drawing from OMB, 2025). They were officially labeled PFEIs in 1985 in the Federal Register Notice (FRN, 1985) and are protected by OMB's Statistical Policy Directive No. 3. These statistics move financial markets and have direct bearing on decisions made by the Board of Governors of the Federal Reserve. Many have been around a long time—the CPI has been produced since 1913, GDP since 1934, and unemployment rate since the late 1940s (using the Current Population Survey).

Table 2 shows the 36 PFEIs, the producing agency, and their frequency. Because such statistics have significant value to the public and policymakers; may move financial, commodity, and investment markets; and are critical in evaluating government policies, their release to the public must be timely, accessible, and released according to an established policy.[8] To protect these statistics from political interference, SPD 3 requires these indicators be published by the designated statistical agency on specified release dates, which protects the integrity and credibility of the estimates, ensures that they are not subject to manipulation, and does not give any user an unfair advantage, so that businesses and the public can be confident the statistics are objective (OMB, 2024). While last year's government shutdown affected this schedule, many of the agencies are already back on track releasing the PFEIs under the original schedule. OMB's SPD 4 provides further structure and protection to all public releases by the statistical agencies.

TABLE 2

The Principal Federal Economic Indicators, PFEIs

Name	Agency	Frequency
Construction Put in Place	Census	Monthly
New Residential Construction	Census	Monthly
New Residential Sales	Census	Monthly
Monthly Wholesale Trade	Census	Monthly
Advance Monthly Sales for Retail	Census	Monthly
U.S. International Trade in Goods and Services (and U.S. Imports for Consumption of Steel)	Census	Monthly
Manufacturing and Trade: Inventories and Sales	Census	Monthly
Manufacturing Shipments, Inventories and Orders	Census	Monthly
Advance report on Durable Goods	Census	Monthly
Quarterly Financial report – Manufacturing	Census	Quarterly
Quarterly Financial report – Retail Trade	Census	Quarterly

TABLE 2 CONT.

Name	Agency	Frequency
Quarterly Services	Census	Quarterly
Housing Vacancies	Census	Quarterly
The Employment Situation	BLS	Monthly
Consumer Price Index	BLS	Monthly
Producer Price Indexes	BLS	Monthly
Real Earnings	BLS	Monthly
Productivity and Costs	BLS	Quarterly
Employment Cost Index	BLS	Monthly
U.S. Import and Export Price Indexes	BLS	Monthly
Gross Domestic Product	BEA	Monthly
Personal Income and Outlays	BEA	Monthly
Corporate Profits	BEA	Quarterly
U.S. International Trade in Goods and Services	BEA	Monthly
U.S. International Transactions	BEA	Quarterly
Agricultural Prices	NASS	Monthly
Crop Production	NASS	Monthly
Grain Stocks	NASS	Quarterly
Cattle on Feed	NASS	Monthly
Hogs and Pigs	NASS	Quarterly
Prospective Plantings	NASS	Quarterly
Weekly Natural Gas Storage	EIA	Weekly
Industrial Production and Capacity Utilization	Federal Reserve Board	Monthly
Consumer Credit	Federal Reserve Board	Monthly
World Agricultural Supply	World Agriculture Board	Monthly
World Agricultural Production	Foreign Agriculture Service	Monthly

SOURCE: OMB, accessed at https://www.whitehouse.gov/wp-content/uploads/2025/09/pfei_schedule_release_dates_cy2026.pdf

Internal threats

Internal threats represent risks or challenges inside the FSS agencies that hinder the agencies' ability to produce accurate, timely, and relevant statistics and PFEIs. These include difficulties with estimates like response rates, use of blended data, antiquated systems, and ability to communicate the value/uses of statistics. These internal threats are exacerbated by a changing society, updated technology, and interference from policy and limited budgets, which can cause agencies to produce less accurate, less timely, and less relevant statistics.

Having a decentralized system provides both strengths and weaknesses (or internal risks). While decentralization can help the statistical agencies be more responsive to the data needs of their parent agencies, it can make it harder for the agencies to fend off threats and pursue opportunities. With each agency developing separate standards, policies, and procedures, it becomes challenging to develop a comprehensive, coordinated, and efficient statistical infrastructure. The decentralized system also creates turf battles over products and data and introduces unnecessary bureaucratic hurdles in sharing data and methodology. Even with a decentralized system, however, there is an interdependency between the agencies (see Figure 6 below). The agencies and staff collaborate and act as one system through the leadership of ICSP and OMB (as in Figure 1).

Many stakeholder groups and key users have created their own top risks or threats to the FSS. Everyone's threat list includes eroding trust and falling budgets. The Government Accountability Office (GAO) issued a report (GAO, 2025) that included threats (beyond trust and budgets) such as technical challenges, political interference, and limited interaction with congressional policymakers. The ASA report (ASA, 2025) also includes reductions in staff and innovation barriers. Two former BLS Commissioners, Erika McEntarfer and Erica Groshen, included in their top threats the loss of staff and staff expertise, political interference, and technical challenges. Finally, Jed Kolko, former commerce undersecretary, and Denise Ross, former chief data scientist, also include the loss confidentiality and loss of datasets. All of these can be classified into internal and external threats.[9]

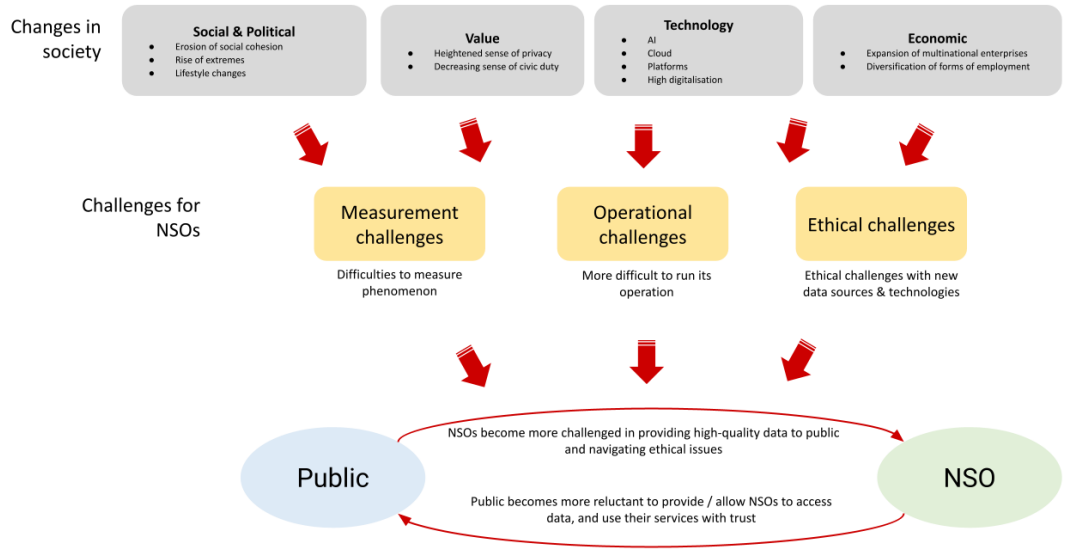
However, many of these threats are not new; the FSS has been dealing with decreasing budgets and falling response rates for decades. In fact, in 2010, the ANNALS of the American Academy of Political and Social Science dedicated an entire volume to these issues—"The Federal Statistical System: Its Vulnerability Matters More Than You Think,"—and almost three decades ago, Janet Norwood (1997), former BLS commissioner, reflected that the statistical environment is constantly changing, and the FSS struggles to keep up-to-date on new techniques and technologies.

These challenges are occurring internationally as well. Last year, the United Nations Economic Commission for Europe (UNECE) organized a High-Level Group for the Modernization of Official Statistics to evaluate the challenges for national statistical offices. The report, "The Future of National Statistics Offices - A Call to Action," highlighted the international experience with declining survey response rates, the need to acquire and utilize alternative data, and the rise of mis- and dis-information (UNECE, 2025).

As shown in Figure 2 (from UNECE), it is challenging for statistics to keep up with societal changes—technology, living situations, occupations, etc. The authors of the UNECE report highlight three types of challenges: measurement (society is becoming more complex), operational (falling budgets and response rates and data challenges), and ethical (ensuring privacy). All of these can be viewed as both internal and external threats and directly relate to the P&P principles of statistical agencies of maintaining credibility and trust, ability to innovate, and continued relevance. Even at the recent International Statistical Institute Conference, attendees discussed the challenges facing official statistics in sessions like "Democracy Dies in Darkness without Official Statistics."

FIGURE 2

Challenges for national statistical offices



SOURCE: UNECE (2025), reprinted with permission

FALLING RESPONSE RATES

As discussed above, one of the most discussed technical challenges (and internal threats) facing the statistical system is declining response rates. A recent Committee on National Statistics report (NASEM, 2025) suggests that both declining response rates and declining response to specific survey questions (item non-response) can lead to incomplete measurement and increase the risk of inaccuracies in statistical information. As shown by Rebecca Riley in a recent NBER presentation, Figure 3 shows that other countries have also been experiencing falling response rates for their employment surveys for a number of years prior to the pandemic (Riley, 2025).

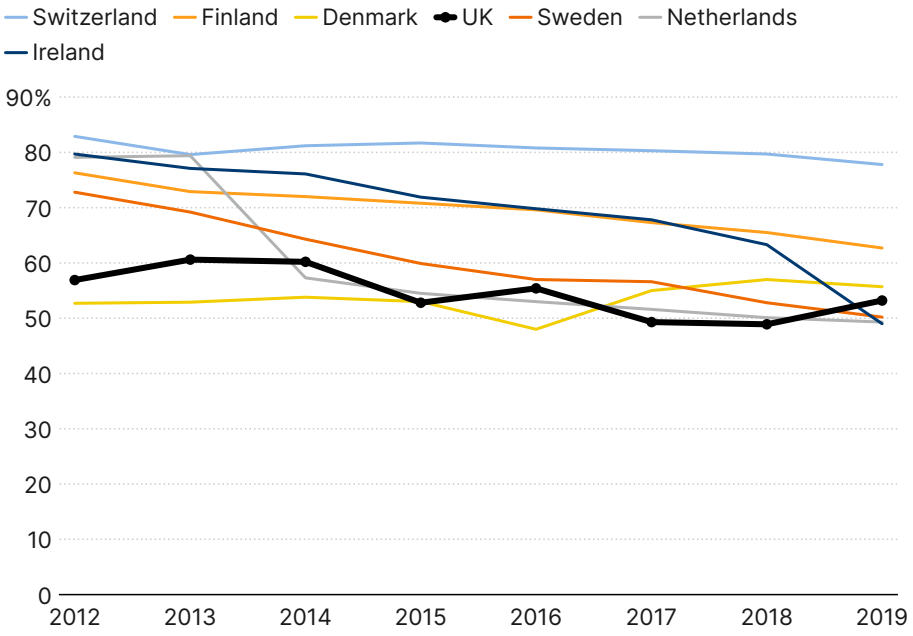
The worldwide statistical community, however, was broadsided when the U.K. Office for National Statistics ceased to publish the unemployment rate due to an insufficient response rate to the labor force survey. After the pandemic, the U.K. response rate for their Labor Force Survey continued to fall and fell below 20% in 2022. As a result, the U.K. Office for National Statistics suspended standard publication of labor force survey data from October 2023 to January 2024 and began publishing experimental headline statistics using alternative administrative data sources.

In the U.S., the Current Population Survey (the labor force survey used to produce the unemployment rate) also experienced a decline in response rates following the pandemic, with the historically lowest response rate in November 2025 of 64% (as seen in Figure 4). Figure 4 also shows other household surveys that have experienced similar declines in response rates, all of which are used to produce PFEIs. These falling household response rates, however, are not a recent problem. Figure 4 shows steadily declining response rates since 2015. Even before 2015, Massey and Tourangeau (2013) and Groves (2006) pointed out the alarming fall in survey response rates, as most surveys had experienced 70-80% response rates in the 2000s.

As presented by David Wilcox, former director the Federal Reserve Board's Division of Research and Statistics, at NBER, business surveys are on life support due to reluctance to participate in surveys and explosion of economic data outside of FSS. Figure 5 shows the response rates for establishment surveys used in the production of PFEIs. In particular, the Current Employment Survey (CES), used to calculate total employment, has a response rate hovering at about 40%.At the same conference, Steven Davis of Stanford University's Hoover Institution, stressed the failings of business surveys with their high nonresponse rates.

FIGURE 3

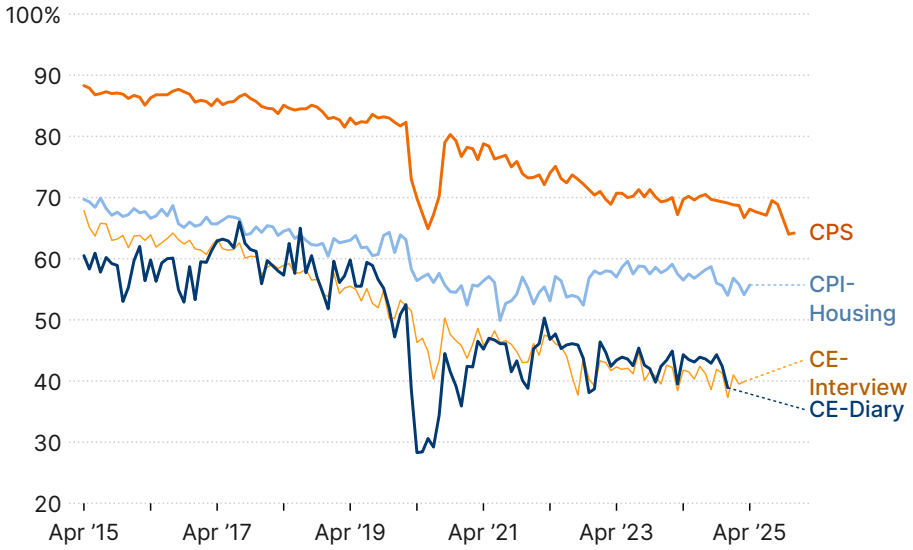
International response rates for employment surveys



Source: Eurostat

FIGURE 4

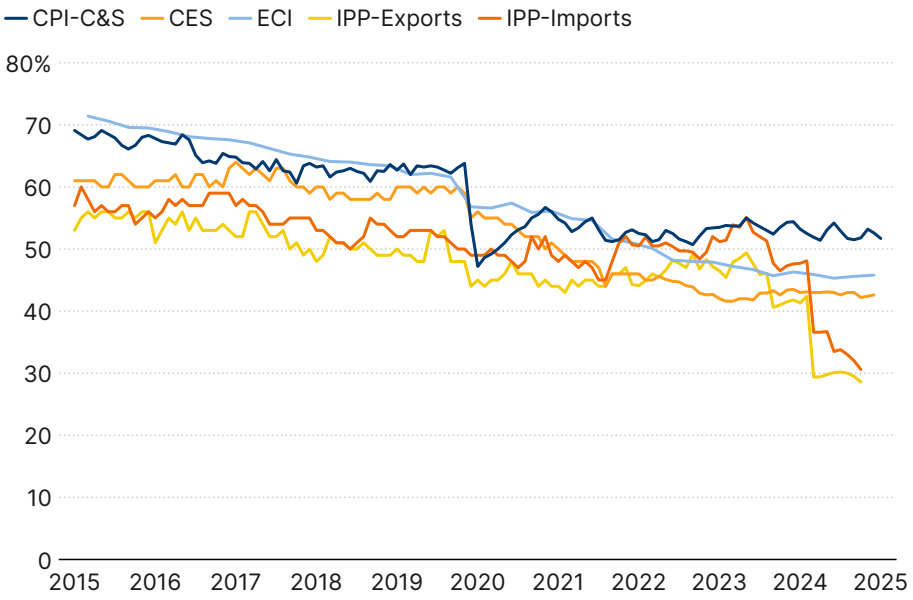
Household survey response rates



Source: Bureau of Labor Statistics

FIGURE 5

Establishment survey response rates



Source: Bureau of Labor Statistics

The U.K. employment situation suspension illustrates the challenge of low response rates. The response rate of 20% was believed to yield biased unemployment rates since the responders had different characteristics than the non-responders. Sample surveys are designed to survey a random (and representative) sample of people, such that the statistical estimates could mimic the population estimates. In some cases, however, a select group of people may refuse to respond, such as low-income people; hence, the estimate of average income may be too high because of an under-representation of low-income people (resulting in non-response bias). However, the point at which low-response rates impact the final statistics is up for debate, and these impacts are not always apparent in the statistics. West (2025), in his presentation at the University of Michigan, shows that non-response bias may not even occur until the response rate falls below 30%.

To deal with these low response rates and possible non-response bias, OMB's 2006 Standards and Guidelines for Statistical Surveys recommends that investigators carry out studies to estimate the level of non-response bias whenever the response rate for a survey falls below 80% (OMB, 2006). A number of surveys have conducted these studies with little evidence of bias. That is to say that surveys can have low response rates (and high non-response rates) and yet demonstrate minimal bias (Bee and Rothbaum, 2025; Groves, 2006; and Groves and Peytcheva, 2008). Thus, West (2025) claims that focusing only on the non-response rates could be misleading. This is not to suggest that low response rates are unimportant for sample surveys; the question is whether low response rates yield a non-representative or biased statistic.

One such study that found low response rates not necessarily biasing statistics, Bee and Rothbaum (2025), used the CPS linked to tax data to examine the income reports for respondents and non-respondents. They found that bias did not exist prior to the COVID-19 pandemic, but since 2020 there is a relationship between non-response and income that leads to an upward bias in the income estimates. Due to this bias, the Census Bureau releases adjusted weights to remedy this bias (for another example see McCulley (2025) for an evaluation of response bias in the international price indexes). West (2025) suggests that adjusting the weights could be a solution for non-response bias.

Beyond adjusting weights, the statistical agencies are conducting research and developing mechanisms to increase response. Presentations at advisory committees (Pickering, 2022) and NASEM studies suggest additional methods used to increase response, including sending sample members an advance letter describing the purpose of the survey, making multiple callbacks, and offering small, prepaid incentives.

OTHER INTERNAL CHALLENGES

In addition to dealing with falling response rates in all sample surveys—both household and business establishment—statistical agencies face challenges modernizing or improving statistics, data, and processes, and producing statistics in the decentralized system. These challenges are exacerbated by lack of funding, diminished staff expertise, and problems accessing alternative data in real time.

Even with falling response rates and the increasing costs of surveys, they are still a valuable tool in the FSS toolbox. In fact, Dan Gaylin from NORC recently reflected that survey statisticians believed over a decade ago that because of the falling response rates and costs of conducting surveys, the reliance on surveys would be much smaller.[10] But the need for surveys did not diminish. Ron Jarmin, Census Bureau deputy director reminds us that some items, like whether a person is looking for work, can only be obtained from surveys and not administrative or commercial data (CSIS, 2025). However, agencies need to "right-size surveys" to use alternative data when available (Jarmin, 2019).

Innovation barriers are everywhere in the federal statistical system, which can lead to a lack of innovation culture. Costs of failure are high compared to low benefits of successful innovation, and collaboration across agencies (and even across divisions within agencies) is not rewarded. Innovation may require a change of culture (Santos, 2025).

One of the key barriers to innovation is that agencies are often asked to meet new challenges—advancing technology, societal shifts, etc.—without additional funding. It is unusual for agencies to obtain extra funding for modernization; one of the few times occurred in 1993 for the redesign of the CPS. Instead of large overhauls, innovation usually occurs in small steps.

Despite the risks, innovations (or survey improvements or improved statistics) happen every day in the statistical agencies—for example, BLS converting to using online gas prices in the CPI, producing satellite accounts at BEA, improving imputation methods at Census, and simplifying question wording in surveys.[11] Agencies basically make improvements on a variety of statistics, datasets, questionnaires, one step at a time. For example, making small improvements in half of the projects, as BEA Director Vipin Arora reflected, yields incremental improvements for the multitude of statistics produced, and hence, would amount to a substantial innovation.[12]

Most of these innovations occurred not because of additional funding but support from within the agencies and dedicated staff willing to work to improve the estimates. Staff are always interested in improvements and innovations. Increasing staff morale can go a long way; everyone wants to find an improvement. However, the FSS is not well designed to reward innovation. With statistics being released on a strict schedule, any risk of error yields large costs, while the rewards to improvements are minimal. However, even with dedicated staff operating in a culture of innovation, real modernization and change requires sufficient funding.

The decentralized structure of statistical agencies is also a major internal risk, particularly in the dependence of statistics on multiple agencies. Many of the statistical agencies rely on the Census Bureau to manage the data collection for their surveys (e.g., Census collects the CPS for the unemployment statistics released by BLS). As a result, both agencies need funding in order for the data to be produced. For example, earlier this year, the Department of Commerce appropriated funding that will allow Census to collect the CPS, but at the time, the Department of Labor, and hence, BLS, did not have appropriations. In this case, BLS would not be able to fund the CPS data collection.

BEA, in the production of GDP, requires data from multiple sources and multiple federal agencies. The statistical agencies need to cooperate with BEA to pro-

duce information needed for constructing GDP. Over 300 different sources are required to produce BEA National Account statistics that feed into GDP. About a third of those come from the private sector, maybe a third come from state and local government, and then the rest comes from the FSS and other federal government sources.[13]

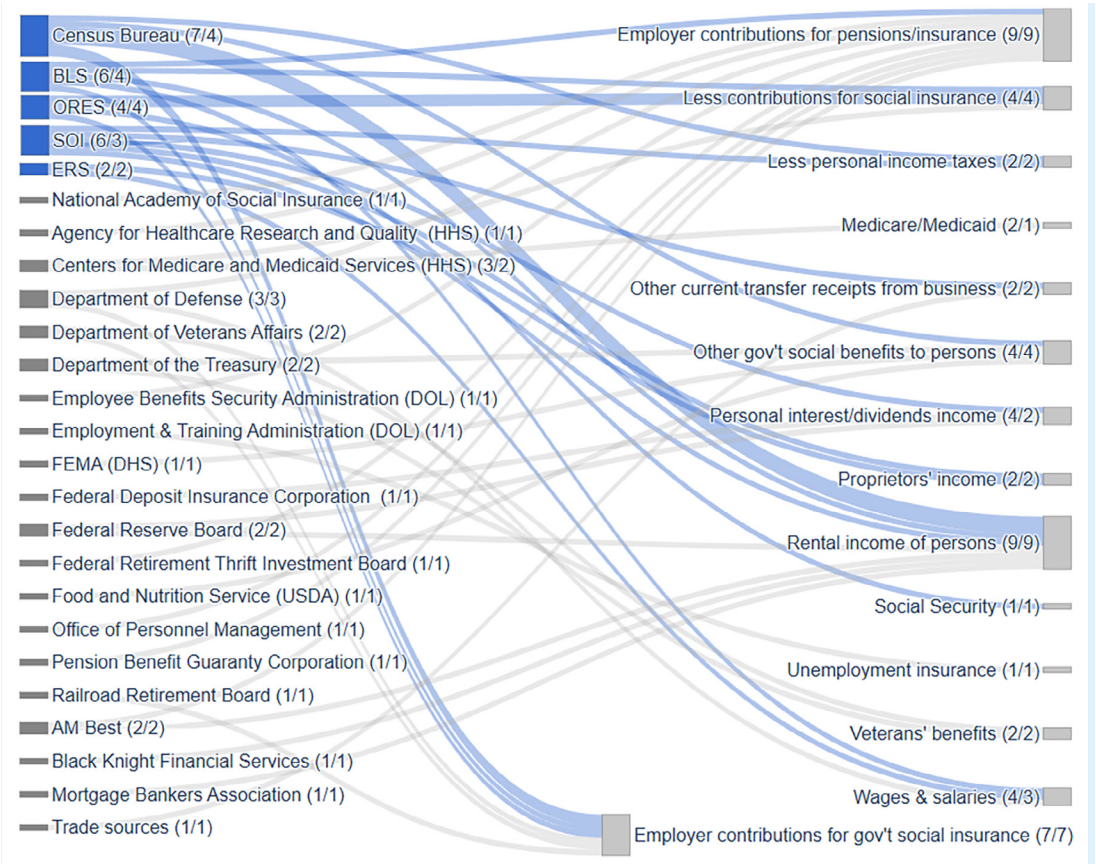
Figure 6 illustrates this interdependence across agencies by showing how these multiple sources feed into the production of BEA's Personal Income estimate, which is used in the production of GDP. BEA's Personal Income estimates rely on 17 data sets from five federal statistical agencies: BLS, Census, ERS, ORES, and SOI. Another 21 data sets come from 15 non-statistical federal agencies (e.g., CMS for Medicare and Medicaid expenditures). Finally, six datasets that feed into the estimates come from five non-federal businesses and organizations (ASA, 2025).

As a result, if one agency is not able to maintain their data and provide it to BEA, then the GDP and Personal Income statistics will be less accurate, less timely, and less relevant. This has been recently apparent with BEA's lack of funding to obtain the tax tabulations from IRS/SOI (illustrated in Figure 6).

Even within a department there are challenges with data sharing, as illustrated by the sharing of economic Census data between Census and BEA, both located in the Commerce Department. However, across agencies the problem is particularly acute. The decentralized system creates significant barriers to sharing data, resources, and innovations with other agencies. Agencies continue to navigate complex, duplicative data-sharing agreements that can take months to establish or renew, which diverts resources from analytical work and limits their ability to efficiently produce high-quality, integrated federal statistics. The

FIGURE 6

Interdependence of agency data for the production of BEA personal income



SOURCE: Bowen, C. M., Crosby, M., Citro, C., Pierson, S., Potok, N., & Seeskin, Z. (2025). The Nation's Data at Risk: 2025 Report. American Statistical Association. https://bit.ly/NationsDataAtRisk2025

challenges in data sharing and using alternative data are highlighted in many NASEM reports (NASEM, 2025 and ASA, 2025).

Finally, the statistical agencies are often criticized for the inability to communicate the value of economic statistics and their importance for government policy. While the agencies are complemented on their transparency of methods and data quality, they have difficulties marketing the usefulness of the statistics, even the PFEIs.[14] The Decennial Census does a great job, with significant funding, every 10 years of communicating the importance of completing the Census form with the hope of increasing response rates. While marketing can increase response rates and knowledge of the usefulness of the survey estimates, marketing requires resources, and there are lots of data and lots of statistics that need marketing (Balu and Congdon, 2026). The ability to communicate the importance of statistics and their uses is key to increasing the acceptance by policymakers and the public, which in turn can increase response rates. The FSS needs to not only create data that provides value to the average person, they also need to clearly communicate the value of that data. As Ron Jarmin suggested at a recent event, we need people to say "…hey, Census and BLS and BEA are giving us, you know, useful information" (CSIS, 2025).

External threats

All of these internal challenges of collecting survey data, incorporating innovative methodologies, and blending alternative data are compounded by the significant staff losses, funding shortfalls, and threats to statistical integrity that have increased recently at the FSS agencies. These external threats have strained agencies' abilities to innovate, engage data users, and fulfill their missions. In addition, political interference, staff cuts in 2025 under the efforts of Department of Government Efficiency (DOGE), and a lack of trust in the data have impacted the credibility of statistics produced. The recent government shutdowns placed even greater strain on the reduced staff and limited budget, magnifying the impacts of these external threats.

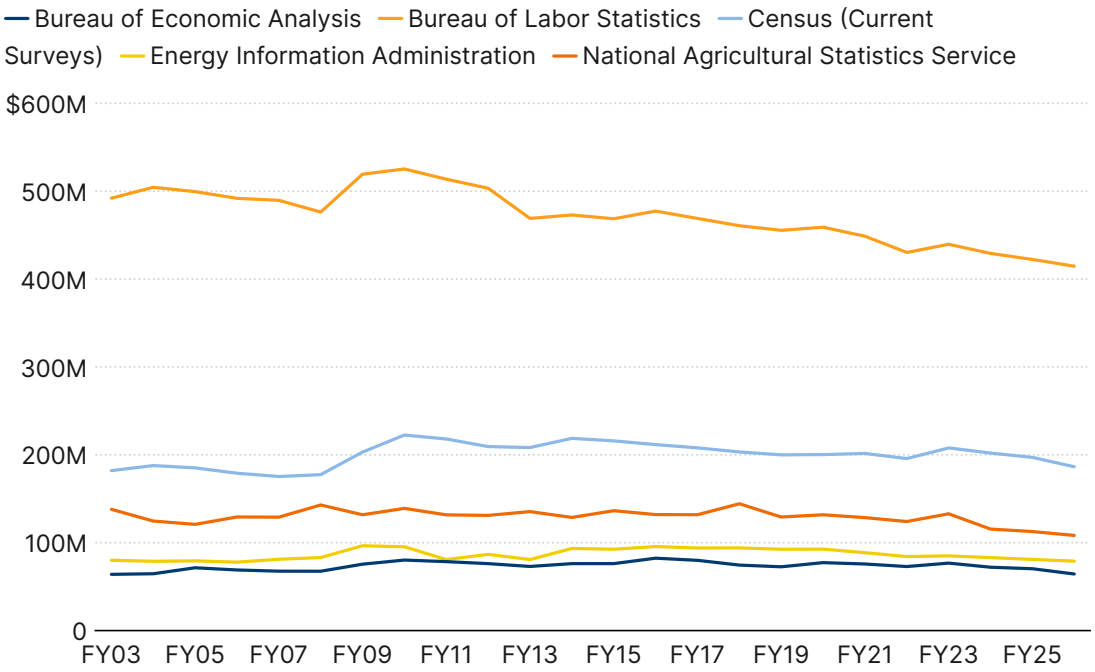
As described by many stakeholders, the budgets for statistical agencies have been falling for more than a decade. As shown in the ASA report, the total budget for all statistical agencies has been falling since 2012. Building on the estimates in the ASA report, figure 7 shows the detailed budgets in inflation-adjusted dollars for the economic statistical agencies producing PFEIs, each one showing similar reductions since 2012.

Government leaders profess an understanding of statistical agencies, at least in the production of the PFEIs. The 2026 Presidents budget mentions the importance of the PFEIs. The 2026 BLS Congressional budget stated that the BLS needs to focus on producing the data necessary for the PFEIs, which are required by statute or law. And yet, the amount of funding received by the FSS is small compared to the data infrastructure the FSS supports—a government data-intensive sector of about three-quarters of a trillion dollars (CNSTAT, 2025). In addition, the U.S. FSS receives only about 0.1% of total government spending, with a larger share once a decade if funding for the decennial census is included (ASA, 2025).

While the U.S. has a larger FSS budget than other countries, the budgets for the FSS system represent similarly small shares of total government spending for peer nations like Canada, U.K., and Australia, some of which are even below the 0.1% share for the U.S. NSOs internationally are also experiencing decreased funding, and a similarly small allocation relative to the size of government spending and the importance of the statistics.[15]

FIGURE 7

Budgets for the economic statistical agencies (producing PFEIs)



Source: ASA (2025)

DISAPPEARING STAFF AND EXPERTISE

With reductions in budgets, reductions in staff follow. These reductions have weakened agencies' ability to innovate, modernize, manage effectively, mentor staff, engage with data users, and communicate with stakeholders. With large decreases in budget, EIA, ERS, and NASS were highly impacted regarding loss of staff (ASA, 2025). As of September 2025, BLS had approximately one-third of its 36 leadership positions vacant in addition to the firing of its commissioner, and DOGE cuts and early retirements meant that many long-term, experienced staff left their agencies. Eight of the 13 FSS agencies have lost at least 16% of their inflation-adjusted budget since 2009. Most of the agencies have also lost 20–30% of their staff, and staff cuts increased substantially in 2025. The new federal workforce site from the Office of Personnel and Management shows the following declines in staff from 2024 to January 2026: BEA, -16%; BLS, -13%; Census, -15%; NASS, -37%.[16]

The impact of these staff losses is hard to understate. FSS staff are dedicated public servants, but beyond that, their intimate knowledge of the details and complex methodology represent an invaluable source of institutional knowledge that would be difficult to replace. Nobel Laureate Angus Deaton once highlighted attention to these details as "wisdom in the weeds" (Johnson, 2019). The Committee on National Statistics of NASEM P&P includes one of the 10 Practices on the importance of the professional advancement of staff, specifically highlighting the importance of agency staff in maintaining the credibility of the statistics (NASEM, 2025). The dedication and knowledge of staff, at all levels, are critical for the mission to create accurate, timely, and relevant data and statistics. However, these staff, their independence, dedication, expertise, and commitment is now at risk due to falling budgets, decreased staffing, and criticism of the statistics these staff tirelessly produce.

The continual decrease in funding for FSS over the past 15 years has created a spiral of increasing challenges to producing the key estimates. Even funding for the PFEIs (at Census, BLS, BEA, NASS, and EIA) are falling at similar rates. As a result, shocks, like the government shutdown make it even harder to recover and

return to a regular release schedule. It was phenomenal how the agencies (like BLS) returned to the regular announced PFEI schedule by January 2026.

Even with falling budgets, the statistical agencies have adapted, continuing to produce their PFEIs on schedule through herculean efforts. The key to managing these shrinking budgets has been increasing the efficiency of releases beyond the PFEIs. For example, the CPI releases thousands of individual monthly national and regional series. Similarly, BEA and Census release multiple tables of statistics with each monthly release of their PFEIs. And they are constantly expanding and changing the bundle of tables and series. Recently, the statistical agencies have eliminated some series that are not used as much, such as special producer price indexes from BLS, statistics on some foreign affiliates, EIA statistics on Natural Gas Production,[17] and hence, maximizing the usefulness and relevance of the statistics with the limited budgets and staff.

In addition to staffing cuts, the new changes to Schedule Policy/Career, made by executive order, removes the civil service protections for some federal staff, presenting a threat to staff morale, job security, and independence.[18] Reclassifying career civil servants serving in positions of a confidential, policy-determining, policymaking, or policy advocating character threatens the ability of these professionals to conduct their work in an independent, objective manner without fear of retribution.[19]

In order to maintain sufficient funding for the FSS, especially the key economic indicators, innovative ways to obtain funding beyond the appropriation process is needed. One possibility would be to use mandatory spending for essential data collection similar to that previously done for the State Children's Health Insurance Program (SCHIP) to support additional sampling for the CPS. Alternatively, funding could be obtained through allocations from Treasury or the Federal Reserve, both of whom rely on the key economic indicators; the Federal Reserve mandate requires the use of the CPI and unemployment rate, along with many other the PFEIs.

Finally, as several key stakeholders have mentioned, another external threat is the increased concern around the lack of privacy protection and confidentiality. In today's society, it is difficult to ensure the privacy of data with the large amount of individual data collected (Bowen, 2026). Without confidence in the confidentiality of the data, the public loses trust in the statistics. The FSS, however, is committed to maintain confidentiality and protecting privacy, as stated in P&P practice 8 on Respect for Data Subjects and Data Holders and Protection of Their Data, and that has not changed (NASEM, 2025). For decades, agency staff dealing with Title 13 surveys have been dedicated to protecting privacy by taking a Sworn Affidavit of Nondisclosure to never disclose any information contained in the surveys.

THE NEED FOR MORE STATISTICAL INDEPENDENCE

PEW Research shows trust in the federal government has fallen over the past 25 years to only 17% (Horrigan, 2026). The OECD international survey shows that the U.S. has the lowest level of trust in the government (OECD, n.d.). This fall in trust impacts the trust in the federal economic statistics. As NORC shows, only 52% of Americans trust FSS; however, for those 23% who have used federal statistics, 74% report trusting FSS (and 67% think they are accurate) (ASA, 2025). This suggests that a key internal threat is the poor communication of the value and importance of statistics produced by the FSS, which impacts the external threat of falling trust. We need to get more people to use statistics and realize they are using them. Better communication on the relevance of statistics may increase the credibility of and trust in the statistics.[20]

Addressing the international statistical community on building trust, IMF Chief Statistician Bert Kroese reminds us that national statistical offices are the guardians of data integrity and the backbone of informed decision-making (Kroese 2025). The importance of statistical independence and a separation between the FSS and politics is one of the key principals in P&P and the Trust regulation. However, this independence

has been challenged recently, as with the firing of the BLS Commissioner. The former U.S. Chief Statistician, Mark Calabria, even suggested that "…nobody's ever truly independent…" from politics (CSIS, 2025).

Independence is also challenged with the elimination of advisory committees and the FSS interaction with academics and international experts. These Federal Advisory Committee Act (FACA) advisory committees enabled statistical agencies to obtain independent advice and evaluation of data, statistics, and methods. The Presidential Memo enforcing Executive Order 14199 further prevents international statistical organizations like The United Nations Statistics Division (UNSD) from providing advice.[21] The UNSD is committed to the advancement of the global statistical system, disseminating global statistical information, and developing standards and norms for statistical activities. This coordination of international statistical activities helps improve the U.S. statistics on inflation, growth, income, wealth, poverty, employment, and demographic changes. Without this coordination, not only do national statistics suffer but also international comparisons.

To fill this vacuum in interaction between outside experts and the statistical agency staff, other organizations are trying to provide suggestions and venues for discussion and interaction, like American Economic Association, American Statistical Association, National Bureau of Economic Research, Association of Public Data Users, Council of Professional Associations on Federal Statistics, Association for Public Policy Analysis and Management, along with us at the Brookings Institution. However, without the coordination of the official advisory committees, these organizations may provide disparate suggestions and recommendations.

It is only because of the dedicated statistical agency staff and stakeholders that the FSS can survive and thrive and keep data and evidence prominent in guiding policy. Addressing the elimination of the advisory committees, Penelopi Goldberg, in her response to the U.S. Economic Experts Panel at University of Chicago stated: "I've served on [the Federal Economic Statistics Advisory Committee (FESAC)] for several years. The U.S. can do without FESAC, but the staff of the statistical agencies in indispensable" (Clark Center, 2025). Dedicated and informed staff are the key to maintaining the integrity of the FSS. As Cecilia Rouse stated at a recent Brookings seminar: "I have little doubt that the success of the United States economy in part over the past century is due to its strong and independent federal statistical agencies" (Rouse, 2025).

It is through communication that the FSS can build trust in the statistics. We need to strengthen training in data literacy to support evidence informed policymaking. Programs like the American Statistical Association's podcast on the importance of statistical measurement, Stats + Stories[22], can build understanding and provide policymakers with the tools to make informed, effective, and transparent decisions. Agencies should educate online, participate in seminars, and repeat.

Sinclair Lewis, in his dystopian novel, describes a country on the verge of the end of democracy, and re-

"It Can't Happen Here"

minds us that statistics can be manipulated to support the leader's agenda. Tales of Argentina and Hungary releasing made-up statistics were highlighted after the firing of the BLS commissioner and accusations of making up the numbers. But, could it happen here?

The White House would have an uphill task if its goal was to skew official data gathering in the manner of contemporary autocracies, or even governments like Greece and Argentina, where government statistical agencies were exposed for falsifying data, with profound economic and political consequences.[23] The automated process in the U.S. is designed to be impervious to manipulation. The entire process from the analysis of the data to the release would have to be redesigned. The detailed programs and the hundreds of people involved in producing the monthly CPI or unemployment rate hampers any attempt to fudge the numbers and produce consistent estimates the following month. Hundreds of staff follow strict methodology in producing the statistics, with detailed and documented methodologies, and very few people see the aggregate statistics before release.

While the statistics are difficult to manipulate, political interference could occur by discontinuing data collection (as has happened with food security CPS supplement), removing variables (e.g., Sexual Orientation and Gender Identity (SOGI) variables on surveys), discontinuing series, reducing the sample size, imposing questions (like the inclusion of a citizenship question for 2030 Census), or imposing data collection practices (like restricting the survey follow-up process to only allow two contacts). A new political appointee can change the press release, discredit the estimates, or mis-represent the statistics, but they cannot completely change the estimates.

The worst-case scenario is when political leaders misuse or mis-represent the official statistics in an attempt to discredit them. For example, after the firing of the BLS commissioner in August 2025, Kevin Hassett, representing the administration, claimed that the jobs data "…have become very unreliable…" and even suggested that the revisions "...makes you wonder 'well can I believe this number at all?"[24] Another example of misrepresentation was the administration's attempt last year to claim that the price of a Thanksgiving dinner by using a different basket of products was lower than the previous year.[25] Alternatively, officials can undermine the statistical system by releasing preferred estimates early in clear violation of SPD 3, as happened in early January 2026 when the administration released restricted employment statistics a day before they were publicly released (Grossman, 2026).

We, as stakeholders and data users, must support and praise agency staff, continue to use the data and statistics, build a bigger tent of data users, learn about agency methods and needs for innovation, and advocate for the statistical agencies to have more resources, data, and staff (Horrigan, 2026 and Bowen, 2026). We need to convert criticism into actions for improvements. As the protagonist (Doremus Jessup) in Lewis's novel returns to Minnesota, he continues his fight for democracy, being involved and continuing to work for truth. We, too, must continue to raise alarms, as expressed by Erica Groshen, after the firing of the BLS Commissioner, "The only gratifying thing about this has been the very strong response from all sorts of communities, raising alarm about it now that it has happened" (Tait, 2025).

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Endnotes

1 There are also three statistical units: Microeconomic Surveys Unit at Federal Reserve Board; Center for Behavioral Health Statistics and Quality at Department of Health and Human Services; National Animal Health Monitoring System at Department of Agriculture (See Figure 1).

2 See United States Census Bureau. "What We Do." https://www.census.gov/about/what.html#par_textimage.

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5 See Seth Carpenter's remarks at the AEA/ASSA session, https://www.aeaweb.org/webcasts/2026/state-of-govt-econ-statistics.

6 See NASEM, 2025 Appendix A: https://www.nationalacademies.org/read/27934/chapter/10 for the text of the SPDs and Trust Regulation.

7 The Trust Regulation is one result from Congress's Evidence Act (see NASEM, 2025).

8 See the 2026 schedule at https://www.whitehouse.gov/wp-content/uploads/2025/09/pfei_schedule_release_dates_cy2026.pdf.

9 See talks by Erika McEntarfer and Erica Groshen at the Friends of BLS seminar, https://www.friendsofbls.org/updates/2025/10/27/webinar-oct-23-2025. Jed Kolko has included his list in Kolko, 2025, and Denise Ross in Ross, 2025.

10 See NORC at the University of Chicago, https://www.norc.org/about/experts/dan-gaylin.html.

11 Agencies have lists of successful improvement programs. For example, see Census' experimental data products, https://www.census.gov/data/experimental-data-products.html; BEA's new initiatives, https://www.bea.gov/about/innovation-bea; and BLS use of alternative data in the CPI, https://www.bls.gov/opub/mlr/2024/article/alternative-data-sources-for-high-tech-products-in-the-cpi.htm.

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13 See Vipin Arora's talk at CSIS, https://www.csis.org/events/federal-statistics-economic-security.

14 See NASEM (2025) for practice 9 on dissemination.

15 See https://www.bloomberg.com/news/articles/2025-08-13/uk-s-crisis-stricken-statistics-body-faces-more-funding-cuts; https://www.ctvnews.ca/canada/article/statistics-canada-to-cut-850-jobs-12-per-cent-of-executive-team/#:~:text=Carter%20Mann%2C%20spokesperson%20for%20the,part%20of%20the%20executive%20team; and https://www.nature.com/articles/d41586-026-00838-9.

16 See https://data.opm.gov/.

17 For examples, see ASA monitoring site, https://www.amstat.org/the-nations-data-at-risk-year-two-ongoing-monitoring.

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20 See Horrigan (2026) for discussion of the impact of falling trust.

21 See https://www.whitehouse.gov/presidential-actions/2026/01/withdrawing-the-united-states-from-international-organizations-conventions-and-treaties-that-are-contrary-to-the-interests-of-the-united-states/.

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23 See Groshen quoted in Tait (2025) and Miller (2025).

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