



Impact of the 2008 Federal Budget on the Availability and Quality of Data from the Bureau of Labor Statistics

On December 26, 2007, President Bush signed into law the 2008 Consolidated Appropriations Act. The bill provides \$544.3 million in funding to the Bureau of Labor Statistics for the 2008 fiscal year that began on October 1, 2007. This funding level is \$30.2 million (or 5.3 percent) less than the President requested.

To meet its 2008 funding level, the BLS is taking the steps listed below. These actions will reduce somewhat the ability of the BLS to supply timely and accurate information on the economy and labor market, and halt implementation of critical data improvements that were planned for this year.

1. Consumer Price Index (CPI) program: Delay the Consumer Price Index (CPI) initiative to implement a more representative and current sample of geographic areas and a continuously updated housing sample. The CPI geographic areas sample and rental housing sample are 18 years old. The overall housing component makes up about 30 percent of the Nation's most widely known measure of inflation.
2. Current Employment Statistics (CES) program: Eliminate the publication of all metropolitan area hours and earnings data and the publication of all employment data for the 65 smallest metropolitan areas, affecting all metropolitan areas with total nonfarm employment of 50,000 or less (approximately 3,900 estimates each month.) See <http://www.bls.gov/sae/msareductions.htm> for a list of the metropolitan areas being discontinued. Further, the CES program will delay a project to reduce monthly data revisions by improving response rates.
3. Occupational Employment Statistics program: Reduce the sample size of the May 2008 panel by 20 percent. This reduction is expected to reduce the number of published employment estimates by at least five percent, or about 25,000 estimates, and will decrease the accuracy of the remaining estimates. The number and quality of wage estimates also is expected to decline.
4. Survey of Occupational Injuries and Illnesses: Expanded details for high-risk occupations and events, such as truck-drivers and falls, will not be available. Further, the BLS will defer planned research to understand and address a potential undercount in workplace injuries and illnesses, leaving questions about the completeness of these statistics unresolved.
5. Consumer Expenditure Survey (CE): Postpone an individual diary pilot that had the potential to improve CE estimates, which are used to revise weights and item samples in the CPI.
6. International comparisons: Defer adding comparative labor costs in Indonesia to the International Comparisons series. The BLS labor cost comparisons are a key competitiveness indicator for U.S. manufacturing. Customers have been asking the BLS to add more of the low-wage developing countries in Asia, such as Indonesia, to its comparisons.
7. Publications: Starting February 1, 2008, subscribers will no longer receive paper copies of BLS news releases or the *Monthly Labor Review* (MLR) in the mail. BLS news releases and the MLR will be available only through the Bureau's Web site. See <http://www.bls.gov/opub/mlr/subscrib.htm> for more information on the MLR.
8. All programs: The BLS has instituted a hiring freeze and curtailed all discretionary spending. The quality and quantity of some BLS data will be diminished, as fewer resources are available to collect and review data or to perform data analysis. This will result in lowered response rates, fewer published estimates, and a loss of detail in many data series. The reduced funding level also will result in a decline in customer service, as fewer Federal and State staff will be accessible to respond to data inquiries from the public, other Federal government agencies, and Congress.

The BLS also is implementing the following reductions, which were included in the 2008 President's budget request:

1. International Price Program: Discontinue the publication of four out of six service sector price indexes measuring international trade. Work on developing new service indexes also will be discontinued.
2. National Compensation Survey: Reduce the sample size by five percent, making the outputs of the Employment Cost Index, Employee Benefits Survey, and Locality Pay Surveys less reliable.

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