



Joint Economic Committee

Republicans

Representative Kevin Brady
Vice Chairman

NEWS RELEASE

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STATEMENT OF VICE CHAIRMAN KEVIN BRADY

“The Economic Impact of Ending or Reducing Funding for the American Community Survey and other Government Statistics”

Washington, DC – I thank the witnesses for appearing at today’s hearing.

The Joint Economic Committee has a long history of interest in the accuracy, relevance, and timeliness of U.S. economic statistics. Washington relies upon these statistics to make policy decisions, and American job creators use these statistics to make employment and investment decisions.

I wish this hearing had been called to make a broad inquiry into the accuracy, relevance, and timeliness of all U.S. economic statistics instead of focusing narrowly on the American Community Survey. Since this Committee is unlikely to have another opportunity during this Congress to explore how to rectify deficiencies in U.S. economic statistics, the Republican Members of this Committee will not confine our inquiry to the American Community Survey. Instead, the witnesses invited by the Republican side of the aisle, Mr. Grant Aldonas and Dr. Keith Hall, will broadly explore how Congress and U.S. statistical agencies can work together to improve the quality of economic statistics for the benefit of the American people.

Frankly, this hearing is being held because the House of Representatives agreed to two amendments in the appropriations bill for fiscal year 2013 that covers the Census Bureau. One would prevent the Census Bureau from using funds to compel Americans to fill out the American Community Survey; the other would defund it altogether.

Compulsory participation in the American Community Survey is the number one objection that I hear over and over from my constituents. In my opinion, this objection swayed the majority of the House on these two amendments concerning the Census Bureau.

Recognizing the importance of the statistics generated by the American Community Survey to economic decision-making by both governmental and private entities, I believe that there is a way forward. As former Commissioner Hall will testify, participation in the monthly Current Population Survey that generates the unemployment rate and other employment statistics is voluntary. The Bureau of Labor Statistics and the Census Bureau jointly design the Current Population Survey in such a way as to generate accurate statistics on a voluntary basis.

If the Census Bureau were to make participation in the American Community Survey voluntary rather than compulsory, most public opposition would disappear. The Bureau of Labor Statistics and the Census Bureau can jointly use a voluntary survey to obtain the necessary data from the Current Population Survey to generate accurate employment statistics, so why can’t the able statisticians at the Census Bureau design a voluntary survey for the American Community Survey that would generate accurate statistics?

Now, let me turn to other issues. I have long been concerned about the quality of our statistics measuring international trade and investment flows and the output of the services sectors. For example, we cannot accurately count the number of jobs created by exports of American goods and services. Moreover, we rely on outdated rules of origin that ignore global supply chains and attribute, for example, all of the value of an i-phone assembled in China as a Chinese export even though final assembly accounts for only 8% of an i-phone’s total value. From his experience as both Under Secretary for International Trade at the Department of Commerce and Chief International Trade Counsel at the Senate Finance Committee, Mr. Aldonas will outline what steps Congress and the statistical agencies should take together to improve the quality of U.S. international trade and investment statistics.

Many statistical issues involve the price indices that are used to deflate gross service revenues into real services output. As a former Commissioner of the Bureau of Labor Statistics, Dr. Hall will offer his suggestions on how to improve not only the quality of labor statistics, but also the quality of price indices affecting the measurement of international trade and the real output of the services sector as well.

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U.S. statistical agencies have a proud tradition of reporting economic data objectively regardless of the political ramifications for the incumbent administration. In the Green Jobs Act, however, the Democratic leadership in Congress inserted an ill-defined and ill-conceived mandate for the Bureau of Labor Statistics to count “green jobs.”

This “green jobs” mandate, which is a thinly disguised attempt to create a metric to support a policy agenda, reeks of politics. Something is not quite right when, as I understand it, “green jobs” include EPA bureaucrats and attorneys that are suing to block the construction of the Keystone pipeline—a project that would create up to 20,000 jobs and reduce our nation’s dependence on unfriendly oil sources in the Middle East and Venezuela. Is there any economically meaningful definition of a “green job?” As the official formerly charged with executing this mandate, Dr. Hall, I would like to hear your opinion.

I look forward to the testimony of today’s witnesses.

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