

Reaganomics and the Federal Statistical Programs

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Substantial curtailments in federal statistical programs are one of the consequences of the Reagan administration's cuts in domestic programs. Reductions in funds available for the collection, analysis, and dissemination of federal statistical series will have significant impacts on assessments of the nature and extent of problems in the domestic policy area, the development and management of effective programs to deal with these problems, and the evaluation of government programs administered at the federal, state, or local level.

Political scientists have cause for concern, both as citizens and as scholars, with the serious deteriorations in federal statistical programs which have already occurred and with further deteriorations which will occur as a consequence of planned budget cuts.

Budgetary effects occur in several ways. Inflation effectively reduces the resources available to collect, analyze, and disseminate statistical series, even when budget allocations remain constant. In addition to the effects of inflation, significant reductions have occurred or will occur in the budgets of agencies assigned these tasks. In fact, many agencies face proposed or enacted cuts of 12 percent or more in their budgets for the 1982 fiscal year.

Further problems are presented by mandated personnel reductions, which eliminate the jobs of professionals required to

carry out the statistical work or which result in the bumping of qualified professionals from their jobs. Requirements to reduce paper work burdens, curtail published reports, and weaken the statistical planning and coordination function within the federal government create further difficulties.

While the workloads of key federal statistical agencies have increased, in real terms their budgets have declined. For example, the Bureau of Economic Analysis experienced an 8.6 percent budget decline in real terms from 1977 to 1981, while the Census Bureau experienced a decline of nine percent. The administration recommended an 11 percent cut in the 1982 Census Bureau budget. (Most agencies were cut an average of 4 percent for 1981, with recommended cuts of 12 percent for 1982.) The Census Bureau plans to meet this budget cut by eliminating approximately 500 jobs and furloughing 5400 employees for varying lengths of time.

The effects on statistical series are numerous. Some statistical series are threatened with elimination. The frequency of reporting for many statistical series has been or will be reduced. The size of samples on which statistical series are based is in many instances being reduced. Geographic coverage for certain statistical series is being reduced and for others eliminated.

Delays are occurring in the release of data. For example, release of data from the 1980 Census of Population has been far slower than from the 1970 Census, even though dissemination of data from the 1980 Census is a priority for the Census Bureau. As of early 1982, income, employment, and age distribution data for counties and communities had not yet been compiled. This delay creates prob-

lems for policy planning at all levels of government.

Because congressional enactment of 1982 budgets for many agencies has been late, the full impact of budget reductions on federal statistical series is not yet known. However, some consequences are already apparent.

In a time of high unemployment, the Bureau of Labor Statistics may have to eliminate several data series dealing with unemployment. Despite President Reagan's call for a "new federalism," giving the states the responsibility for funding and administering many programs currently funded and administered in part or entirely by the federal government, some detailed data series on localities from the 1980 Census of Population will be delayed or eliminated.

Data on the Gross National Product, essential for economic policy-making, did not receive their annual benchmark adjustment this past year because the information necessary for that was not available from the Internal Revenue Service. Funding problems have stalled that work.

Budget cuts are forcing the Department of Labor to eliminate most of the occupational analysis division, which has collected, compiled, and published information about the different occupations and their employment potential. Reductions in the budget of the Census Bureau led to consideration of eliminating the 1982 Census of Agriculture, and the mandated five-year Census of Population has received no funding.

According to a report issued by the Joint Economic Committee of Congress,¹ the deterioration in key statistical series used to calculate national income accounts creates a threat to effective policy-making. For example, re-estimates indicate that the data series on business plant and equipment spending seriously underestimated the levels of spending

occurring in the economy from 1977 to 1979, with the inaccuracy of the estimates increasing over time. On the basis of those inaccurate estimates, however, extensive changes in federal tax law were made in 1981 to stimulate increased business investment. The problem of the inaccuracy of the estimates has not been resolved, as requests by the Bureau of Economic Analysis for funds to design and implement improvements in the surveys on which these estimates are based have not been approved.

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Most of the statistical series used in estimating national income accounts indicators are collected by other federal agencies for other purposes and provided by those agencies to the Bureau of Economic Analysis. As those agencies face budget cuts, statistical series lower in priority to the agencies will be reduced in frequency of reporting, sample size, or other ways, or perhaps completely eliminated, undermining the soundness of crucial national income accounts indicators. Further curtailments in the budget of the Census Bureau would result in weakening the quality of economic census series which focus on manufacturing, transportation, retail trade, and wholesale trade.

To a very limited extent, private industry can assume some of the responsibilities of federal statistical programs which suffer budget cuts. For example, when the Census Bureau eliminated funding for providing census data by postal zip code area, important for many marketing decisions, a consortium of large retailers organized and funded that activity. However, funding by private enterprise of data collection, analysis, and dissemination for most basic statistical series is not feasible.

While the Reagan administration has frequently repeated its commitment to maintain a "safety net" under the truly

¹U.S. Congress, Joint Economic Committee, "Maintaining the Quality of Economic Data," Nov. 27, 1981.

needy, the statistical bases for assessing the extent to which the "safety net" is in place is threatened. For example, the Survey of Income and Participation, a joint project of the Census Bureau and the Social Security Administration to measure family income and "in kind" income from Medicaid, food stamps, and housing subsidy programs, has been eliminated, with estimated budgetary savings over three years of \$16 million.

Federal budget cuts are also affecting other statistical series which contribute to developing trend data assessing the effectiveness of the "safety net." Social science research programs which develop trend data useful in assessing alternative policy proposals or the effects of various programs are also threatened. One example is a study conducted during the past 14 years by researchers at the University of Michigan, funded by the National Science Foundation, which tracks changes in the incomes of 5000 families.

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Ironies abound in the current situation. President Reagan has received detailed briefings from Richard Beal, Director of the White House Office of Planning and Evaluation, on trends in numerous policy areas, including health, crime, housing, employment, and urban conditions, based on various federal statistical series. More detailed briefings are given to presidential aides on a regular basis, using the National Indicators System developed by the Reagan White House staff to ensure access to the best and latest domestic policy data. At the same time, however, the agencies which produce the statistical base for effective program planning and evaluation are being forced to eliminate or curtail many of the statistical series essential to domestic policy planning and evaluation.

Several explanations have been presented for the policies relating to the col-

lection, analysis, and dissemination of federal statistical series pursued by the Reagan administration. One is that of ignorance; key decision makers are unaware of the consequences for future decision making of reductions in the availability of various federal statistical series or the accuracy of their estimates.

Another explanation is that statistical series are considered no less sacrosanct than other programs and must therefore take their fair share of budget cuts. The third view, presented among others by nationally syndicated columnist Ellen Goodman, is that the Reagan administration's key decision makers believe that if data do not exist to demonstrate the nature and magnitude of domestic policy problems, demands for federal policies to reduce or eliminate these problems will be unsustainable, since the crucial data will not be available. In effect, "the data did it," so kill the data.²

One recommendation contained in the report on the quality of economic indicators data issued by the Joint Economic Committee is to enhance the federal statistical policy coordination and planning function, now located within the Office of Information and Regulatory Affairs of the Office of Management and Budget where other matters tend to have priority. This enhancement could be achieved by increasing the staff and providing stronger leadership. A different solution to the problem, proposed by a special study commission in 1978, is to establish a separate Office of Statistical Policy within the Executive Office of the President.³

The Council of Professional Associations on Federal Statistics (of which the Ameri-

²Ellen Goodman, "Killing the Bearer of Bad Tidings," *Washington Post*, Feb. 6, 1982, p. A17.

³*Improving the Federal Statistical Systems: Issues and Options*, prepared by the President's Reorganization Project for the Federal Statistical System, James T. Bonner, Project Director. Originally distributed November, 1978. A revised edition of the report can be found in *Statistical Reporter*, U.S. Department of Commerce, February, 1981, pp. 133-221.

can Political Science Association is a member) is actively monitoring the impact of federal budget cuts on federal statistical programs. It has urged the Joint Economic Committee of Congress to consider re-establishing a Subcommittee on Federal Statistical Programs. The House Committee on Post Office and Civil Service, Subcommittee on Census and Population scheduled hearings for March, 1982, on the impact of federal budget cuts on the quality of federal statistical programs and the implications for domestic policy planning and evaluation.

No single committee is responsible for oversight of federal statistical programs. As the adjoining table indicates, the ap-

propriations for federal statistical programs are currently distributed among a number of congressional subcommittees.

Decisions are currently being made about the retention or frequency of collection or manner of reporting of various federal statistical series. Priorities are being established, and these priorities can still be influenced by the expressed concerns of users of federal statistics. Political scientists who find a particular statistical series or set of series relevant in policy planning or evaluation in policy areas of interest to them should express to the appropriate congressional committees the importance of those statistical series. □

Congressional Committees and Appropriations Subcommittees Responsible for Appropriations for Federal Statistical Agencies

U.S. SENATE

SENATE COMMITTEE ON APPROPRIATIONS:

Sen. Mark O. Hatfield (R-OR), Chairman
J. Keith Kennedy, Staff Director and Chief Clerk
Room S-130, U.S. Capitol, Washington, D.C. 20510, 224-7200

Subcommittee on Agriculture and Related Agencies:

Sen. Thad Cochran (R-MS), Chairman
Stephen H. Kohashi, Professional Staff Member
Room 1320, DSOB, Washington, D.C. 20510, 224-7272
(Statistical Reporting Service and Economic Research Service)

Subcommittee on Interior:

Sen. James A. McClure (R-ID), Chairman
Frank Cushing, Professional Staff Member
Room 1208, DSOB, Washington, D.C. 20510, 224-7262
(Bureau of Mines)

Subcommittee on Labor, Health & Human Services, & Education:

Sen. Harrison H. Schmitt (R-NM), Chairman
Gar Kaganowich, Professional Staff Member
Room 1108, DSOB, Washington, D.C. 20510, 224-7283
(BLS, Occupational Safety & Health Administration, National Center for Education Statistics, National Center for Health Statistics, Social Security Administration)

Subcommittee on State, Justice, Commerce, The Judiciary:

Sen. Lowell P. Weicker (R-CT), Chairman
Claudia T. Ingram, Professional Staff Member
Room S-146A, U.S. Capitol, Washington, D.C. 20510, 224-7244
(Census, BEA, BIE, Energy Information, BJS)

Subcommittee on Treasury, Postal Service, General Government:

Sen. James Abdnor (R-SD), Chairman
Charles G. Hardin, Professional Staff Member
Room 132, RSOB, Washington, D.C. 20510, 224-2729
(IRS Statistics)

U.S. HOUSE OF REPRESENTATIVES

HOUSE COMMITTEE ON APPROPRIATIONS:

Rep. Jamie L. Whitten (D-MS), Chairman
Keith F. Mainland, Clerk & Staff Director
Room H-218, U.S. Capitol, Washington, D.C. 20515, 225-2771

Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies:

Rep. Neal Smith (D-IA), Chairman
John G. Osthaus, Staff Assistant
Room H-309, U.S. Capitol, Washington, D.C. 20515, 225-3351
(Census, BEA, BIE, Energy Information, and BJS)

Subcommittee on Interior:

Rep. Sidney R. Yates (D-II), Chairman
Frederick G. Mohrman, Staff Assistant
Room B-308, RHOB, Washington, D.C. 20515, 225-3081
(Bureau of Mines)

Subcommittee on Labor, Health and Human Services, and Education:

Rep. William H. Natcher (D-KY), Chairman
Henry A. Neil, Jr., Staff Assistant
Room 2358, RHOB, Washington, D.C. 20515, 225-3508
(BLS, Occupational Safety & Health Administration, National Center for Education
Statistics, National Center for Health Statistics, Social Security Administration)

Subcommittee on Treasury-Postal Service-General Government:

Rep. Edward R. Roybal (D-CA), Chairman
Aubrey A. Gunneis, Staff Assistant
Room H-164, U.S. Capitol, Washington, D.C. 20515, 225-5834
(IRS Statistics)

Subcommittee on Agriculture, Rural Development & Related Agencies:

Rep. Jamie L. Whitten (D-MS), Chairman
Robert B. Foster, Staff Assistant
Room 2362, RHOB, Washington, D.C. 20515, 225-2638
(Statistical Reporting Service and Economic Research Service)

CORRECTIONS

Jeanne Marie Col was inadvertently listed as an assistant professor in the winter 1982 People in Political Science Section. She is an associate professor at Sangamon State University.

Larry Elowitz, Georgia College, was listed in the Winter Features section as the president of the Georgia Political Science Association (GPSA) president. Elowitz was the president in 1979-80, Raymond Chambers, Bainbridge Junior College, was president in 1980-81, Ethel Cullinan, Macon Junior College, was president in 1981-82, and Don Fairchild, Georgia State University, is now the president. The GPSA publishes the *Southeastern Political Review*, edited by Don Wells, West Georgia College.