HOW DOES BLS DEAL WITH MEASUREMENT UNCERTAINTY?

Erica L. Groshen
Commissioner
U.S. Bureau of Labor Statistics

2015 Policy Summit on Housing, Human Capital, and Inequality
Pittsburgh, Pennsylvania
June 18, 2015
Agenda

- BLS mission
- Why do we need measurements?
- When do measurements fail?
- How can a statistical agency help reduce uncertainty?
- How can we improve outcomes for data users and the public?
BLS mission

- ... principal Federal agency responsible for measuring
  - labor market activity,
  - working conditions, and
  - price changes in the economy.
- ... collect, analyze, and disseminate essential economic information
- to support public and private decision-making.
Why do we need measurements?

- “If you can not measure it, you cannot improve it.” Lord Kelvin ~1883
- Measurements reduce uncertainty
  - Give us a read on current conditions
  - Allow tests of hypotheses about relationships
  - Create shared framework of facts to frame options
- Result: Better decisions and outcomes
When do measurements fail?

- Measurements do not simply fail because they have standard errors.
- Measurements fail when you have **bad measures**
  - Incorrect
  - Biased, not trustworthy
  - Irrelevant
  - Too late
  - Inaccessible
How can a statistical agency help reduce uncertainty?

Accurate... Get it right

Objective... Free from bias

Relevant... Information you can use

Timely... Put it out quickly

Accessible... Meet you where you are
How can a statistical agency help reduce uncertainty? (cont’d)

- Reduce standard error
  - Increase participation
  - Increase sample sizes
  - Augment data with alternative sources (e.g., “big data”)
  - Doable with funding and/or legislation
How can a statistical agency help reduce uncertainty? (cont’d)

- Improve communication
  - Standard errors
    - Where to find these measures
    - How to understand them
  - Non-sampling errors
  - Methods (e.g., What is the revision process?)
  - Limitations

- Listen to users about their needs
How can BLS improve outcomes for data users and the public?

- Provide access for non-production uses
  - Research data center (FSRDCs)
  - Interagency agreements
  - For meta-analyses, different time frames, matching, etc.

- Meet unforeseen needs
  - Requires pre-existing flexibility and capacity
  - Dependent on funding
How can BLS improve outcomes for data users and the public? (cont’d)

- Encourage appropriate use of data
  - Reject **blind faith** in point estimates and nihilism
  - Promote policies and norms of practice
In closing—what you can do

- Help increase response rates
  - Participate in our surveys
  - Tell others it’s safe and important to respond

- Support efforts to manage uncertainty
  - Budget and data-sharing legislation
  - Communicate your data needs

- Don’t let cheap shots, sloppy work or nihilism go unanswered
Contact Information

Erica L. Groshen
Commissioner
U.S. Bureau of Labor Statistics
www.bls.gov
202-691-7800
Groshen.Erica@bls.gov