“In Order That They Might Rest Their Arguments on Facts”:
The Vital Role of Government-Collected Data

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“If gentlemen have any doubts with respect to [this information’s] utility, I cannot satisfy them in a better manner, than by referring them to the debates which took place upon the bills intended collaterally to benefit the agricultural, commercial, and manufacturing parts of the community. Did they not wish then to know the relative proportion of each, and the exact number of every division, in order that they might rest their arguments on facts, instead of assertions and conjectures?”

- James Madison, speaking on February 2, 1790
Government data collection

• Rigorous, carefully crafted procedures
• Political independence
• Security and confidentiality
Overview

Importance of government-collected data for:

- Businesses
- Policy Makers
- Families

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Businesses
High-quality local data can be difficult to obtain.

The American Community Survey fills this gap.

Firms deciding on locations, product mix, and advertising draw on ACS information.
American Community Survey

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FIGURE 2.
Elderly Share of Population

Sources: American Community Survey 2010–14; Authors’ calculations.
Note: The elderly population is defined as those age 65 and over.

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H-1B visas

- U.S. participates in a global market for both goods and labor
- H-1B visas are an important tool for firms that seek skilled labor that is difficult or impossible to find in the U.S.
- Computer systems analysts and software developers are particularly sought after
International trade

- Role of trade in U.S. economy has increased
- Indicator of health of economy for businesses
- Helpful to firms seeking to understand the international environment in specific sectors

Sources: Bureau of Economic Analysis 1947-2016.
Energy economics

- Energy Information Administration provides important energy data and projections
- Recent innovations have narrowed U.S. energy trade deficit
- Energy companies use EIA market data regularly
The agricultural economy

- USDA’s Economic Research Service collects valuable agricultural data
- Agriculture production continues to rise
- Many U.S. firms produce or rely on agricultural products
Policy Makers
The labor market

- Current Population Survey provides measures of unemployment
- BLS explores under-employment through a variety of related measures
- State governments, researchers, and businesses rely heavily on the CPS
  - Return to education
  - Well-being of military veterans
  - Rate of occupational licensure

• Current Population Survey also allows researchers to study impact of policy changes
• March Supplement provides valuable data on family characteristics
• Pairing CPS data with administrative data improves accuracy

**FIGURE 8.** Employment Rates of Women by Marital Status and Children

• CPS March supplement also allows researchers to study social trends in detail
• Declining share of children growing up in a married-parent household unique to less-educated
• Important policy implications for education and poverty
• Detailed migration data at local level
• Effects of migration and productivity in rural areas
• Implications for state and local policy
Disability insurance

- Administrative government data play an increasingly important role
- Useful for evaluating performance of government programs
- Complementary to survey data
- The Social Security Office of the Actuary provides data on disability insurance receipt, by type of diagnosis
- Loosening of the eligibility criteria led to increases in the DI rolls

Sources: Congressional Budget Office [CBO], 2016; Social Security Administration 1970–2016. Note: The dashed line indicates projections for 2017 to 2026.
Families
Earnings by college major

- Families consult tools based on government data to make decisions about college.
- Computer engineering majors earn more than twice what drama and theater arts majors earn at 10 years after graduation.
- Large sample size provides detailed data.

**FIGURE 15.**
Median Salary in 10th Year of Career, by Major

Sources: American Community Survey 2009-12; The Hamilton Project n.d.

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Earnings differences across occupations

- User-friendly career tools draw on ACS data
- Large samples allow fine-grained analysis
- Differences by occupation and gender
Inflation and wages

- Consumer Price Index is continuously studied and improved
- Families feel the effects of cost-of-living increases relative to wages
- Implications for retirement benefits and wage contracts
Moving forward

Opportunities to strengthen data:

• Coverage of more topics
• Linked survey and administrative data
• Data synchronization