

United States Senate

March 5, 2021

The Honorable William W. Beach
Commissioner
Bureau of Labor Statistics
Postal Square Building
2 Massachusetts Ave., N.E.
Washington, D.C. 20212-0001

Dear Commissioner Beach:

It is my expectation, and I am sure you would agree, that data published by the United States government must be transparent and accurate, especially when the data is the basis for important decisions that affect the livelihoods of American families.

That is why it is so alarming that recent and significant changes were made by the Bureau of Labor Statistics (BLS) to current and historical estimates of state and local area unemployment with no explanation. In the course of one afternoon, I watched Florida's monthly unemployment rate¹ quietly change from 6.1% to 5.1% for December 2020, a full percentage point difference. Several other states saw similarly significant changes in their unemployment rates, again without explanation. Data dating back to 1976 was completely altered based on a new formula, and no one was told why.

On March 3, 2021, the BLS Local Area Unemployment Statistics (LAUS) Program released² its "2020 Annual Average Summary of Regional and State Unemployment." A footnote within the release states, "All subnational estimates presented in this news release were produced using a new generation of time-series models," and "Effective with this news release, data have been re-estimated back to 1976 for regions, divisions, states, and the District of Columbia."

Why would such a wide-ranging and historic alternation of unemployment data be announced in a footnote?

It is worth mentioning that this data may be used in a formula to determine how much federal funding goes to state and local governments in the next COVID-19 spending package currently before Congress. While I oppose bailouts for wasteful blue states for their decades of mismanagement, it is alarming that this new formula came

¹ <https://www.bls.gov/web/laus/laumstrk.htm>

² <https://www.bls.gov/news.release/srgune.nr0.htm>

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out the night before these determinations are being made – disproportionately impacting some states. The new data shows increased unemployment figures for blue states: California (+0.3%); New York (+0.5%); Illinois (+0.4%); New Jersey (+0.1%); and decreased unemployment figures for red states: Florida (-1%), Texas (-0.3%), Oklahoma (-0.8%), Arizona (-0.7%), and South Carolina (-1%).

The American people deserve as much transparency as possible, so I am asking you to please answer the following questions:

- What is the reasoning behind this wide scale change and re-estimation of all state and local unemployment data? Why is it being done now?
- Why was no one informed of this historically significant change? Why was it noted in a footnote, rather than widely announced?
- What is being done regarding the large disparities created by this new estimation model compared to the previous figures? Will the previous figures remain available to the public?
- When was the decision made to change LAUS's estimation model? Were public awareness campaigns conducted before this release?
- What potential impacts could these new estimates have on government services and programs that rely on a formulaic approach for funding? Was this a consideration in the decision?
- What impact will these changes have on state and local unemployment statistics going forward?

There can be no doubt about the Bureau's commitment to transparency, and I look forward to your response.

Sincerely,



Rick Scott
United States Senator

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cc: The Honorable Joe Biden
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