

How reliable is the government's economic data? Under Trump, there are real concerns

Warm-up question: How much do you trust official government statistics, like unemployment rates or inflation data? Why or why not?

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SCOTT SIMON, HOST:

You will often hear us report, on this program, about the unemployment rate, consumer prices, whether the U.S. economy is growing or shrinking. We **put a lot of faith in** those statistics, and they typically come from the federal government. Will they remain reliable, given budget and staffing cuts or what observers fear would be deliberate **meddling**? NPR's Scott Horsley **digs into** the numbers.

SCOTT HORSLEY, BYLINE: Erica Groshen used to run the bureau and the government that conducts the monthly jobs tally and calculates the inflation rate. After leaving the government, she served on an advisory committee that consulted on those and other key statistics - until this week, when she got an email from the Commerce Department saying, thanks, but her services were no longer needed.

ERICA GROSHEN: Well, I was surprised but not surprised.

HORSLEY: The **terse** email and a note on the department's website say the advisory committee was **disbanded** because its purpose had been fulfilled. That puzzled Groshen since she sees quality control as an ongoing process.

GROSHEN: Is part of the mission of statistical agencies to be continually improving?

HORSLEY: The message came just days after Commerce Secretary Howard Lutnick suggested, in a Fox News interview, that he might change the way the government calculates GDP. Lutnick argued the change would present a more accurate picture of the economy, though it could also serve to **mask** negative effects of the Trump administration's spending cuts.

HOWARD LUTNICK: Governments, historically, have messed with GDP. They count government spending as part of GDP. So I'm going to separate those two and make it transparent.

HORSLEY: Subtracting government spending from the formula would be a major break with **longstanding** practice and international standards. Erica Groshen says so far, she hasn't seen any evidence of interference with the official government data, but she is on the lookout.

GROSHEN: Statistical agencies live and die by trust. If the numbers aren't trustworthy, people won't use them to make important decisions, and then you might as well not publish them.

HORSLEY: President Trump himself has frequently challenged the government's economic data, suggesting, for example, that job gains in the Obama administration were exaggerated. Trump is happy to **take credit**, though, when the numbers are in his favor - like the time his first press secretary, Sean Spicer, touted a **rosy** employment report.

SEAN SPICER: Yeah. I talked to the president, and he said to quote him very clearly. They may have been **phony** in the past, but it's very real now.

HORSLEY: Even without any meddling, government **number crunchers** have their hands full. Fewer people are answering their surveys these days, and their budgets have steadily **eroded**.

George Washington University professor Tara Sinclair is part of a group of business economists that works with the government data agencies.

TARA SINCLAIR: They've been really working on a **shoestring budget**. Now they're facing additional concerns and uncertainty about what their budgets are going to be going forward. And they've already seen staffing losses, in part, because of people taking what they call, you know, the fork emails.

HORSLEY: Government data can move financial markets and the president's polling numbers. Erica Groshen says that could create a temptation for someone to try to cook the books.

GROSHEN: Either for political purposes or possibly even for financial gain.

HORSLEY: Still, Groshen is confident that staffers at the government agencies would **sound the alarm** and probably resign if political people tried to **doctor the data**. She hopes that business people who count on the numbers to be reliable would also put up a fight.

GROSHEN: I would hope the business and the financial communities would speak up loud and clear. And, perhaps, maybe they'll speak up now just to prevent it.

HORSLEY: Taking the measure of this economy is not easy or free, but experts say losing the government's trustworthy data would be very costly.

Scott Horsley, NPR News, Washington.

Vocabulary and Phrases:

1. **Put faith in** – To trust or believe strongly in something or someone.
2. **Meddling** – Interfering in something in a way that is not wanted or helpful.
3. **Digs into** – Investigates or examines something in detail.
4. **Terse** – Brief and direct in a way that may seem unfriendly or rude.
5. **Disbanded** – Officially ended or dissolved, often referring to a group or organization.
6. **Mask** – To hide or cover something so that it is not easily seen or understood.
7. **Longstanding** – Existing for a long time; well-established.
8. **Take credit** – To claim recognition or praise for something, whether deserved or not.
9. **Rosy** – Overly optimistic or positive, sometimes unrealistically so.
10. **Phony** – Fake or not genuine.
11. **Number crunchers** – People, usually accountants or economists, who analyze numerical data.
12. **Eroded** – Gradually weakened or reduced over time.
13. **A shoestring budget** – A very small amount of money available to operate something.
14. **Sound the alarm** – To warn people about a problem or danger.
15. **Doctor the data** – To manipulate or alter data dishonestly.

Comprehension Questions:

1. Why was Erica Groshen surprised to receive an email saying the advisory committee was disbanded?
2. What change did Commerce Secretary Howard Lutnick suggest regarding the way GDP is calculated?
3. Why is longstanding trust in statistical agencies important?
4. How has Trump's view of government economic data changed depending on whether the numbers benefited him?
5. What challenges are number crunchers in government agencies currently facing?
6. Why would someone doctor the data, and what are the potential consequences?

Discussion Questions:

1. How important is it for economic data to remain free from meddling by political leaders?
2. Have you ever put faith in a statistic or fact that later turned out to be misleading? How did that affect your trust in the source?
3. Can you think of other examples where people or organizations tried to mask negative information?
4. Do you think businesses and financial institutions should have a role in ensuring government statistics remain trustworthy? Why or why not?
5. Some people believe that sounding the alarm about problems can prevent corruption. Do you agree? Why or why not?