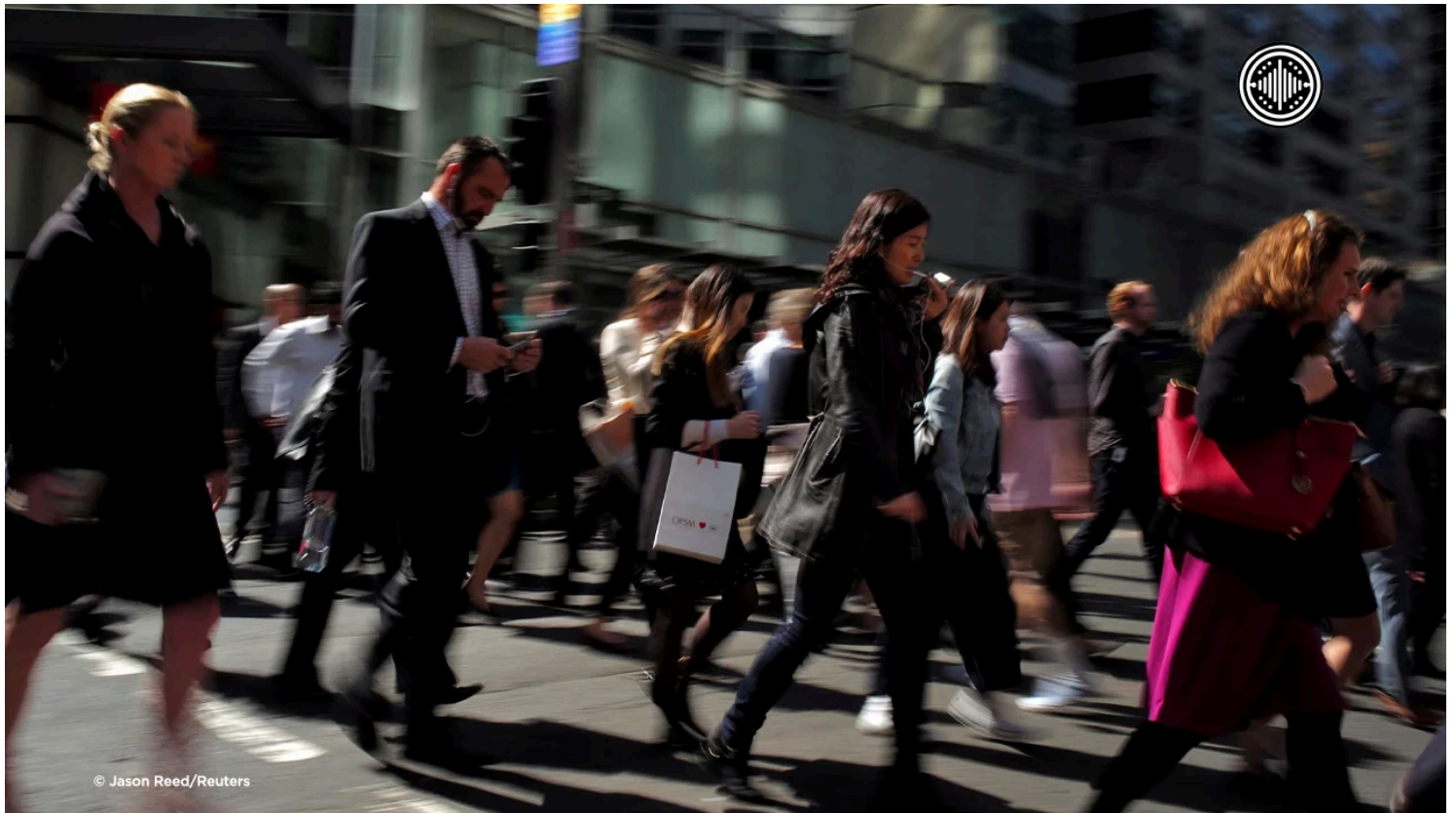


Experts Warn of Declining Reliability in U.S. Economic Data

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Concerns over the reliability of U.S. economic data are mounting, as budget cuts and reduced participation in federal surveys raise doubts about the quality of critical government statistics. Experts warn that these developments may hinder effective policymaking and weaken the nation's standing as a global benchmark for economic data integrity.

A recent Reuters poll of 100 top economists and policy specialists found that 89 respondents are worried about the accuracy of official economic data in the United States. Among them, 41 said they are “very concerned.” The findings highlight growing anxiety over how deep staff cuts, early retirements, and hiring freezes across key agencies are affecting the government’s ability to deliver dependable economic information.

The U.S. Bureau of Labor Statistics (BLS), the country’s primary source for labor market and inflation data, has been particularly hard hit. The agency is now operating with at least 15% fewer staff members than before, forcing it to scale back its reporting. In August, BLS will stop publishing about 350 components of the Producer Price Index (PPI), a key measure of inflation before goods reach consumers. According to the BLS, declining survey response rates and resource limitations are making it increasingly difficult to collect consistent data.

Other vital agencies, including the U.S. Bureau of Economic Analysis and the U.S. Census Bureau, are facing similar challenges due to recent budget reductions. These developments have raised concerns that errors or bias could become more prevalent in future reports, potentially undermining the confidence of policymakers, businesses, and the public.

Former BLS Commissioner Erica Groshen told Reuters, “I can’t help but worry that some deadlines are going to be missed and that undetected biases or other errors are going to start creeping into some of these reports just because of the reduction in staff.” She also warned that ongoing changes might politicize civil service roles, further eroding trust in federal data.

More than 80% of economists surveyed said the issue is not being treated with the urgency it deserves. Additionally, 70% believe that agencies no longer have the resources needed to collect and maintain high-quality economic data.

Ethan Harris, former global economic research head at Bank of America, noted, “Statistical agencies are easy targets for budget cuts because there’s no powerful lobby to defend them.”

Experts also expressed concern that weakening data could impair the Federal Reserve’s ability to make sound policy decisions. The U.S. Federal Reserve depends on accurate data to manage interest rates and monitor inflation trends effectively.

Karen Dynan, a Harvard University professor and former U.S. Assistant Secretary of the Treasury for Economic Policy, emphasized that policymakers are failing to prioritize this issue. “Budgets are not adequate to support the ongoing production of the wide range of high-quality statistics they have traditionally released,” she said.

As the challenges continue to grow, the credibility of U.S. economic data, long regarded as the global standard, may be at risk without renewed support and attention from national leadership.