Local data is endangered

One of the quiet impacts of the interruption of federal services in the U.S. — both the ongoing sequestration and the fall 2013 shutdown — was a tragic loss of local-level economic data. This critically threatens our ability to measure the success of community-based foods initiatives.

The Bureau of Economic Analysis (BEA), a unit of the U.S. Department of Commerce, has enjoyed a deservedly solid reputation for publishing impartial data sets. Its Local Area Personal Income Statistics (LAPI), in particular, have offered essential measures of local economic activity. Few nations have comparable data.

Yet on November 21, 2013, BEA (2013b) announced that it had suspended publication of several critical local data sets. No longer will BEA report detailed data on farm income and expenses for counties across the U.S. It has stopped reporting transfer payments (such as SNAP benefits) at the county level. BEA will no longer publish local area employment data by industry, nor detailed local summaries of employee compensation or earnings. Gone are its compilations of data covering BEA economic areas (regions defined by economic trade rather than strictly political boundaries). The BEA has also eliminated its Regional Input-Output Modeling System (RIMS II) product — an essential tool for gauging economic impacts of local development plans.

BEA understands the critical importance of its own data. In its press release announcing the cuts, BEA stated, “LAPI [data] constitutes [sic] the only source for county and metropolitan area personal income statistics and are building blocks for other...
regional economic statistics” (BEA, 2013a, p. 1). Luckily BEA’s exceptionally user-friendly, interactive website persists, allowing researchers and advocates continued access to many state-level data sets.

As we wait for the publication of county-level data from the 2012 Census of Agriculture — also delayed by the fall shutdown — it becomes clear that local data itself is endangered in a political era that questions every possible public expenditure.

Indeed, the field of economics moved away from local-level data several decades ago. The penetration of the global economy was so complete, many argued, that only national-level or multinational data could offer meaningful tallies. Money flowed so freely across county lines that there was little to be gained by attributing economic activity to place, this worldview asserted.

BEA was one government agency that expressed a counterpoint to that assertion. Recognizing that most economic development occurs in specific places, often shaped by local incentives, BEA doggedly provided municipal decision-makers with the tools to understand local income trends. For me, the economic data covering farm income and SNAP have served as essential tools. Data on farm income and expenses have been one of the few detailed ways to show the workings of the overall economy at the local level.

In recent years, of course, there has been an outpouring of public interest in local economies. This is integral to community-based foods initiatives. Ironically, just as local leaders ask for solid measures of local economic impacts, the essential data that could provide them has been electronically erased.

This has profound consequences for communities across the U.S. Since our choices of what to measure sometimes define which issues we address, the opportunity to shape local policy is likely to further diminish. If local data is not readily available, many national policy-makers will be tempted to think that local issues can easily be overlooked.

Ironically, ideologues who reject a federal role in favor of greater local authority have undermined the possibility of exercising local authority — and a political calculation at the White House has reinforced their worldview.

When I contacted the BEA to point out that its funding decision had dire consequences for both my professional practice and for local economic planning across the U.S., the official who responded expressed hope that funding would be restored in a saner political climate. Perhaps if researchers take it upon themselves to speak out, both to Congress and to BEA itself, these essential data sets will be restored.

References