

Principles AND Practices FOR A Federal Statistical Agency

FIFTH EDITION

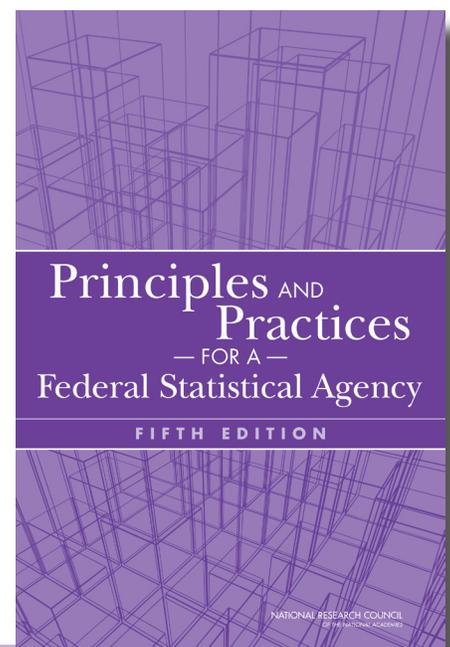
HIGHLIGHTS

Publicly available statistics from government agencies that are credible, relevant, accurate, and timely are essential for policy makers, individuals, households, businesses, academic institutions, and other organizations to make informed decisions. Even more, the effective operation of a democratic system of government depends on the unhindered flow of statistical information to its citizens.

In the United States, federal statistical agencies in cabinet departments and independent agencies are the governmental units whose principal function is to compile, analyze, and disseminate information for such statistical purposes as describing population characteristics and trends, planning and monitoring programs, and conducting research and evaluation. The work of these agencies is coordinated by the U.S. Office of Management and Budget.

Statistical agencies acquire information from surveys or censuses of people and organizations, but may also derive data from such sources as government administrative records, private-sector datasets, and Internet sources that are judged of suitable quality and relevance for statistical use. They may conduct analyses but do not advocate policies or take partisan positions. Statistical purposes for which they provide information relate to descriptions of groups and exclude any interest in or identification of an individual person, institution, or economic unit.

Four principles are fundamental for a federal statistical agency: relevance to policy issues, credibility among data users, trust among data providers, and independence from political and other undue external influence.



PRINCIPLE 1: RELEVANCE TO POLICY

ISSUES – A statistical agency must provide information that is relevant to issues of public policy and useful to a broad range of public- and private-sector users as well as the general public. To establish priorities for its programs, a statistical agency must not only work closely with the executive branch, Congress, and interested nongovernmental groups, but also engage a broad spectrum of users in the business sector, academia, state and local governments, and elsewhere. Interaction with stakeholders is essential to enable a statistical agency to continually reassess the needs of its users for information.

PRINCIPLE 2: CREDIBILITY AMONG

DATA USERS – Because few data users are in a position to verify the completeness and accuracy of statistical information, they must rely on an agency’s reputation as a source of accurate and useful statistics that are free from political and other undue external interference. An agency builds credibility with users when it widely disseminates its data on an equal basis to all. Also essential to building credibility is that an agency exhibit openness about its data sources and their limitations, be willing to understand and meet user needs, and provide full documentation of the processes used to produce and disseminate statistical products.

PRINCIPLE 3: TRUST AMONG DATA

PROVIDERS – Data providers, such as survey respondents and custodians of administrative records, must be able to trust that the information they provide to a statistical agency will be used only for the purposes that the agency has described. Thus, they must be able to trust that information collected for statistical purposes will not be used for another purpose, such as law enforcement or regulation, directed at specific individuals or organizations. Data providers must also be able to trust that a statistical agency will honor its pledge to protect the confidentiality of their responses. A statistical agency further builds

trust among data providers by respecting their privacy and autonomy through minimizing the intrusiveness of questions and the time and effort to respond, consistent with the agency’s requirements for information, and through informing them of the expected time required to participate in the data collection, whether the collection is mandatory or voluntary, and the important uses of the information.

PRINCIPLE 4: INDEPENDENCE FROM POLITICAL AND OTHER UNDU

EXTERNAL INFLUENCE – To be credible and unhindered in its mission, a statistical agency must maintain a widely acknowledged position of independence from undue external influences. It must avoid even the appearance that its collection, analysis, or reporting processes might be manipulated for political purposes or that individually identifiable data collected under a pledge of confidentiality might be turned over for administrative, regulatory, or law enforcement uses. Protection from undue outside influences requires that a statistical agency have authority for professional decisions on its programs, including authority over the selection and promotion of staff, the processing, secure storage, and maintenance of data, and the timing and content of data releases, accompanying press releases, and documentation. The credibility that comes from independence is essential for users to maintain confidence in the accuracy and objectivity of a statistical agency’s data and for data providers to be willing to cooperate with agency requests.

By adhering to the principles and following the practices enumerated in the fifth edition (see next page), a federal statistical agency will be well positioned to provide the relevant, accurate, timely, and credible statistical information that policy makers and the public require.

Thirteen practices are critical for the effective, principled operation of a statistical agency:

- (1) a clearly defined and well-accepted mission;**
- (2) necessary authority to protect independence;**
- (3) continual development of more useful data;**
- (4) openness about sources and limitations of the data provided;**
- (5) wide dissemination of data;**
- (6) cooperation with data users;**
- (7) respect for the privacy and autonomy of data providers;**
- (8) protection of the confidentiality of data providers' information;**
- (9) commitment to quality and professional standards of practice;**
- (10) an active research program;**
- (11) professional advancement of staff;**
- (12) a strong internal and external evaluation program; and**
- (13) coordination and collaboration with other statistical agencies.**

Definition of a Statistical Agency

A federal statistical agency is a unit of the federal government whose principal function is the compilation and analysis of data and the dissemination of information for statistical purposes. Statistical purposes include description, evaluation, analysis, inference, and research; they do not include administration, regulation, or enforcement.

Why We Need Statistical Agencies

Statistics that are publicly available from government agencies—estimates of business activity and productivity, consumer and producer prices, labor force and employment, high school and college completion, birth and death rates, prices of fuels, health and disability status, healthcare expenditures, health insurance coverage, transportation patterns, crime victimization, investment in research and development, air and water quality, crop forecasts, poverty, inequality, and welfare dependency, assets and wealth—are essential for a nation to advance the economic well-being and quality of life of its people and to operate a democratic system of government. Federal statistical agencies are established to be a credible source of relevant, accurate, and timely statistics in one or more subject areas that are available to policy makers in all levels and branches of government and for use by the broader public, including individuals, families, corporations, academic institutions, and other organizations.



In addition to definitions and commentary on the principles and practices, the fifth edition of *Principles and Practices for a Federal Statistical Agency* includes appendixes on the laws and regulations that cover the operations of the federal statistical system, the organization of the system, a reproduction of the *Fundamental Principles of Official Statistics* of the Statistical Commission of the United Nations, a reproduction of the *European Statistics Code of Practice for the National and Community Statistical Authorities*, and selected federal statistical websites.



About the Committee on National Statistics

The Committee on National Statistics (CNSTAT) is a standing committee of the National Academy of Sciences. It was established in 1972 to improve the statistical methods and information on which public policy decisions are based. The Committee carries out studies, workshops, and other activities to foster better measure and fuller understanding of the economy, the environment, public health, crime, education, immigration, poverty, welfare, and other public policy issues. It also evaluates ongoing statistical programs and tracks the statistical policy and coordinating activities of the federal government, serving a unique role at the intersection of statistics and public policy.

The Committee is chaired by Lawrence Brown, Professor of Statistics at the University of Pennsylvania, and includes 14 distinguished members with expertise in survey research, statistics, computer science, biostatistics, economics, sociology, demography, and the operation of statistical agencies. They are assisted by a small professional staff. The Committee's work is supported by a consortium of federal agencies through a National Science Foundation grant.

Principles and Practices for a Federal Statistical Agency, Fifth Edition, is available online at http://www.nationalacademies.org/Principles_and_Practices or from The National Academies Press online at <http://www.nap.edu>.

COMMITTEE ON NATIONAL STATISTICS

500 Fifth Street NW, Washington, DC 20001

TEL (202) 334-3096 • FAX (202) 334-3751

<http://www.nationalacademies.org/CNSTAT>

