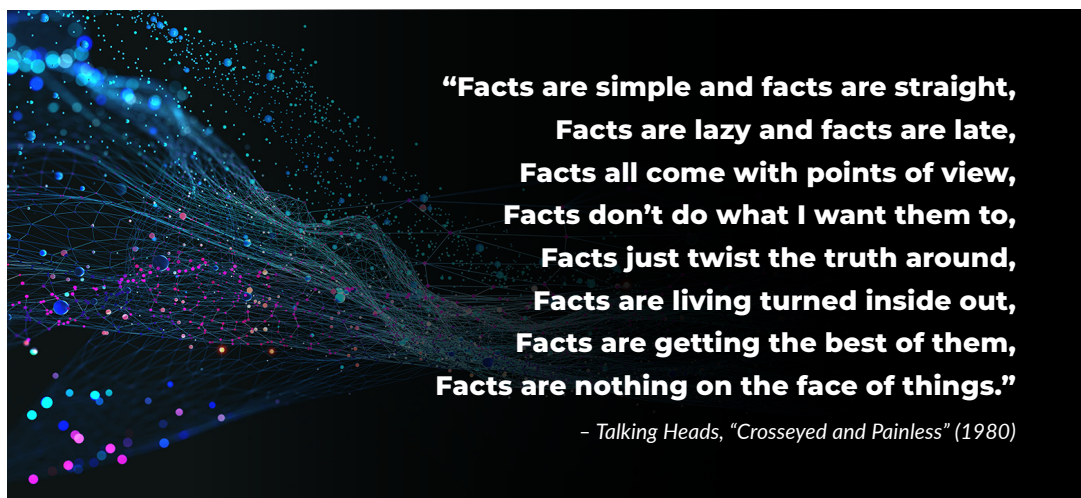


# When Data Fades: Rethinking Economic Signals Beyond the BLS

Ryan Kimmel, Analyst, Macro Asset Allocation | September 2025



The Bureau of Labor Statistics (BLS) has long stood as a pillar of economic analysis in the United States, providing policymakers, businesses and the public with hard data on employment, wages, inflation and productivity. Its monthly reports, such as the Employment Situation Summary (ESS), colloquially known as the "jobs report," move markets and inform decisionmakers in the Federal Reserve, government and corporate America. However, beneath the surface of these widely circulated data releases lies a growing problem: the deterioration of data quality. This situation gained a new level of notoriety with the July jobs report. The BLS found itself compelled to make outsized downward revisions to the previous two months of data totaling 258,000 in overstated nonfarm payrolls. (Figure 1) Those marked the largest downward revisions seen since the depths of the COVID-19 pandemic, leading to the swift sacking of the head of the BLS by President Donald Trump. The revisions materially altered the trend in labor growth. If the Federal Reserve had accurate data in hand at the July Federal Open Market Committee, would it have taken a different monetary policy stance?

**Two-Month Net Nonfarm Payroll Revisions | As of August 2025**

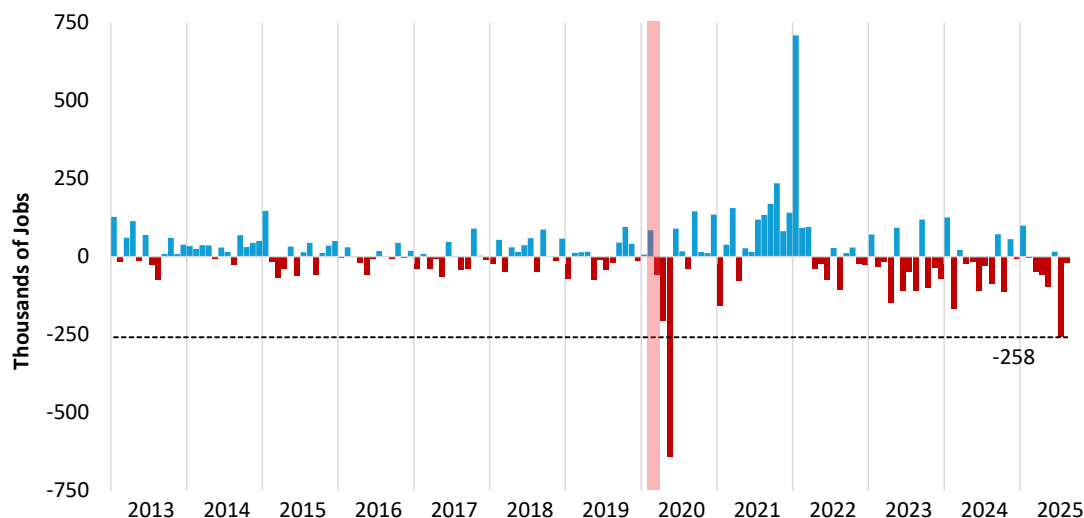


Figure 1

Source: DoubleLine, BLS, Bloomberg, Macrobond

Next release date is October 3, 2025. Data frequency is monthly. Red-shaded area indicates recessionary period.

In recent years, the BLS has faced mounting difficulties in collecting reliable data, with response rates falling steadily across almost every major survey. The ESS, in which the BLS attempts to poll thousands of employers each month, has suffered a drop in participation rates from 60% in the 2010s to around 40% in recent years. This trend can also be seen in other flagship surveys, such as the household survey, the informal name for the Current Population Survey (CPS); the Job Openings and Labor Turnover Survey (JOLTS); the Employment Cost Index (ECI), compiled from a survey of employer payrolls; and Current Employer Statistics (CES), compiled from a survey of businesses and government agencies. (Figure 2)

## Response Rates for Selected Series From the BLS

As of September 5, 2025

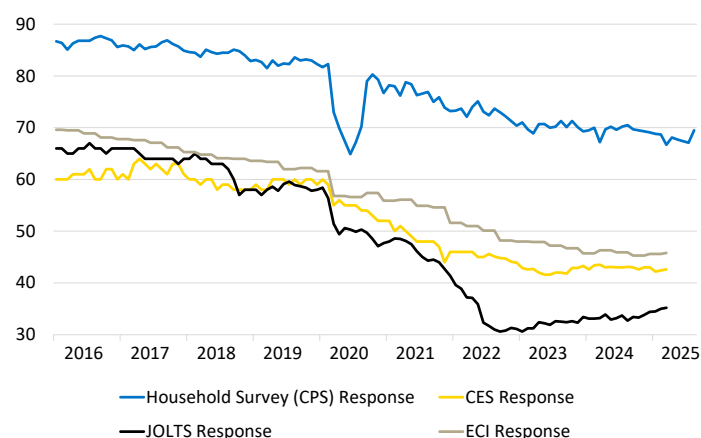


Figure 2

Source: DoubleLine, BLS, Macrobond

Declining response rates to BLS surveys are driven by factors like survey fatigue, privacy concerns, shifting business practices and pandemic disruptions, all of which make collecting reliable data increasingly difficult. This trend hampers the accuracy and representativeness of economic statistics.

In the ESS, as response rates have declined, the BLS has had to rely more heavily on statistical imputation. Imputation uses models to estimate missing data based on historical and sectoral trends. The more data is inferred instead of collected, the risk of mismeasurement grows. This has manifested in the form of larger-than-usual data revisions in the months following initial estimates. For instance, since 2022, preliminary job growth figures are now routinely revised down in the proceeding releases as more data trickles in or as methodological adjustments are made. Over the past three years, 75% of the initial monthly releases have been revised downward in the following months, for a cumulative 1.45 million in downward nonfarm-payroll revisions over the period. (Figure 3)

## U.S. Nonfarm Payroll Monthly Change and Revisions

As of August 2025

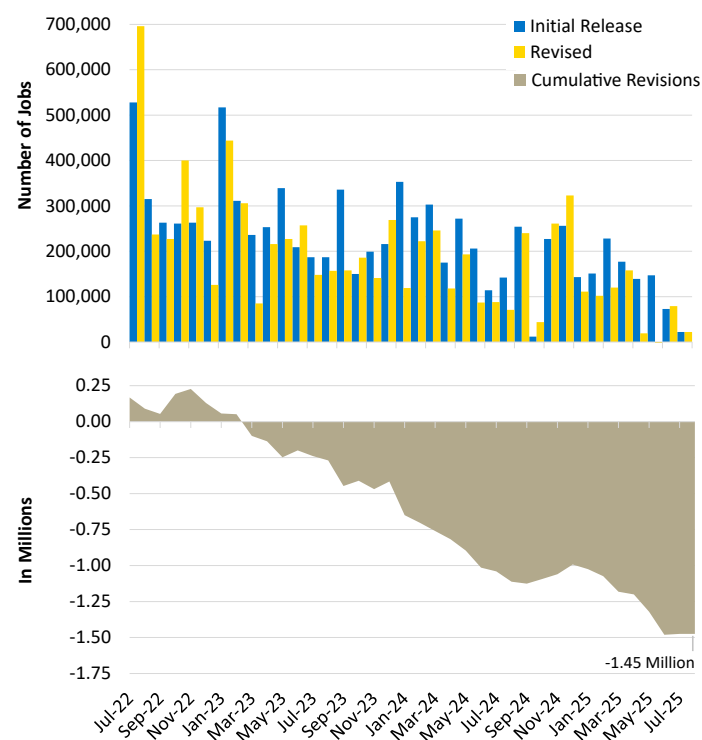


Figure 3

Source: DoubleLine, BLS, Macrobond

Data revisions are a normal part of statistical reporting, but their frequency and magnitude in jobs reporting have increased alongside declining response rates. Prior to 2020, revisions to nonfarm payrolls in the ESS were relatively modest, reflecting minor adjustments as late responses were incorporated. In the 2020-2025 period, however, the scale of revisions has grown materially, with median monthly revisions over 80% higher. (Figure 4) On Sept. 9, 2025, the BLS announced preliminary benchmark revisions for April 2024-March 2025 based on a more comprehensive measure of job growth using tax records. The picture emerging indicates total nonfarm payrolls were likely 911,000 lower than currently printed, or about 76,000 jobs less per month. This follows 818,000 preliminary downward revisions during the year-ago period (April 2023-March 2024) and would be the largest downward revision since Bloomberg began tracking BLS revisions in 2000. BLS is expected to release final benchmark revisions this February. (Figure 5)

**Nonfarm Payroll Preliminary Estimate Benchmark Revision**  
As of September 9, 2025

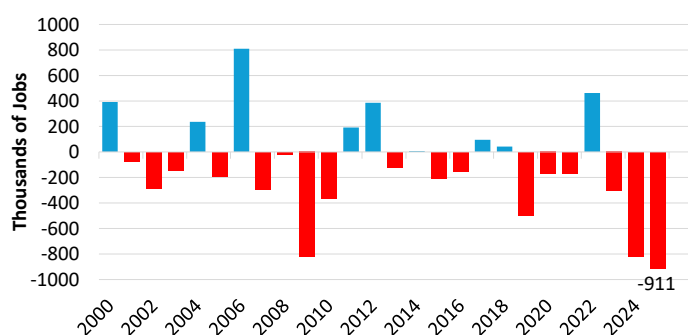


Figure 4  
Source: DoubleLine, Bloomberg, Macrobond

**Size of Monthly Revisions to Nonfarm Payrolls**  
As of September 9, 2025

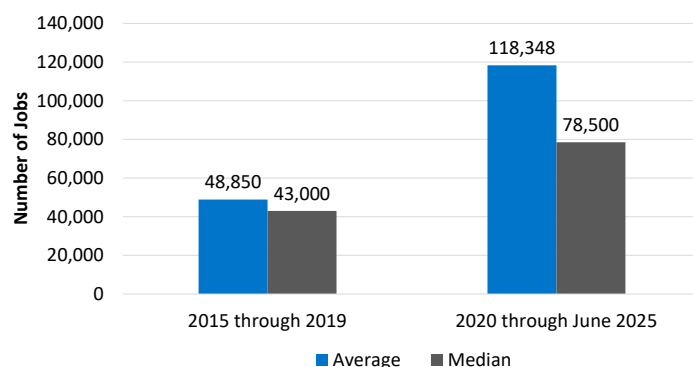


Figure 5  
Source: DoubleLine, Bloomberg, Macrobond

The decline in data quality at the BLS undermines the reliability of economic analysis, putting businesses, policymakers and markets at risk. As statistical accuracy slides, the ability to respond effectively to economic changes and maintain public trust in government data is increasingly compromised. Should this trend continue, it could lead to increased uncertainty and diminished confidence throughout the economy.

At DoubleLine, we take a holistic approach to monitoring the health of the economy. While we do pay close attention to official data sources, such as the BLS, we build a mosaic of economic indicators, using both official and private data sources as well as idiosyncratic data points from corporate earnings calls and insights from DoubleLine's sector experts in corporate credit, consumer lending, commercial real estate and residential mortgage lending. In essence, we combine bottom-up microeconomic inputs with top-down macroeconomic data to track economic continuities and identify inflection points.

Confronted by challenges to the accuracy and reliability of BLS data, stemming from declining survey participation and resulting increase in reliance on imputation, it is more important than ever to possess robust, multifaceted approaches to economic analysis. Ultimately, if data revisions become more commonplace and uncertainty grows, employing a holistic methodology, one that leverages diverse sources and perspectives, would become essential for informed decision-making and effective investment management through economic cycles. ■



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**Current Employment Statistics (CES)** – This program of the U.S. Bureau of Labor Statistics produces industry estimates of nonfarm employment, hours and earnings of workers on payrolls. Each month, CES surveys approximately 121,000 businesses and government agencies, representing approximately 631,000 individual worksites.

**Current Population Survey (CPS)** – The CPS, produced by the U.S. Bureau of Labor Statistics and also known as the “household survey,” measures the labor force status of the civilian noninstitutional population with demographic detail. The national unemployment rate is the best-known statistic produced from the household survey, which also provides a measure of employed people, one that includes agricultural workers and the self-employed. A representative sample of U.S. households provides the information for the survey.

**Employment Cost Index (ECI)** – Survey of employer payrolls conducted by the U.S. Bureau of Labor Statistics that measures the change in total employee compensation each quarter. It is used by a wide variety of stakeholders – economists, investors, employers – to track the state of the economy or set pay scales for their employees.

**Job Openings and Labor Turnover Survey (JOLTS)** – Conducted by the U.S. Bureau of Labor Statistics, JOLTS involves the monthly collection, processing and dissemination of job openings and labor turnover data. The data, collected from sampled establishments on a voluntary basis, includes employment, job openings, hires, quits, layoffs, discharges and other separations. The number of unfilled jobs – used to calculate the job openings rate – is an important measure of the unmet demand for labor, providing a more complete picture of the U.S. labor market than by looking solely at the unemployment rate.

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