



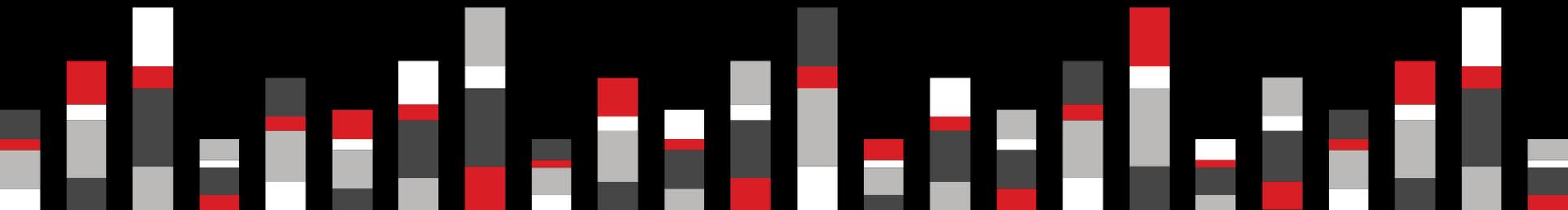
UNIVERSITY OF NEBRASKA AT OMAHA

CENTER FOR PUBLIC AFFAIRS RESEARCH

Data and Research Series for Community Impact

PART TWO

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Local Challenges in Safeguarding Data Systems in Nebraska

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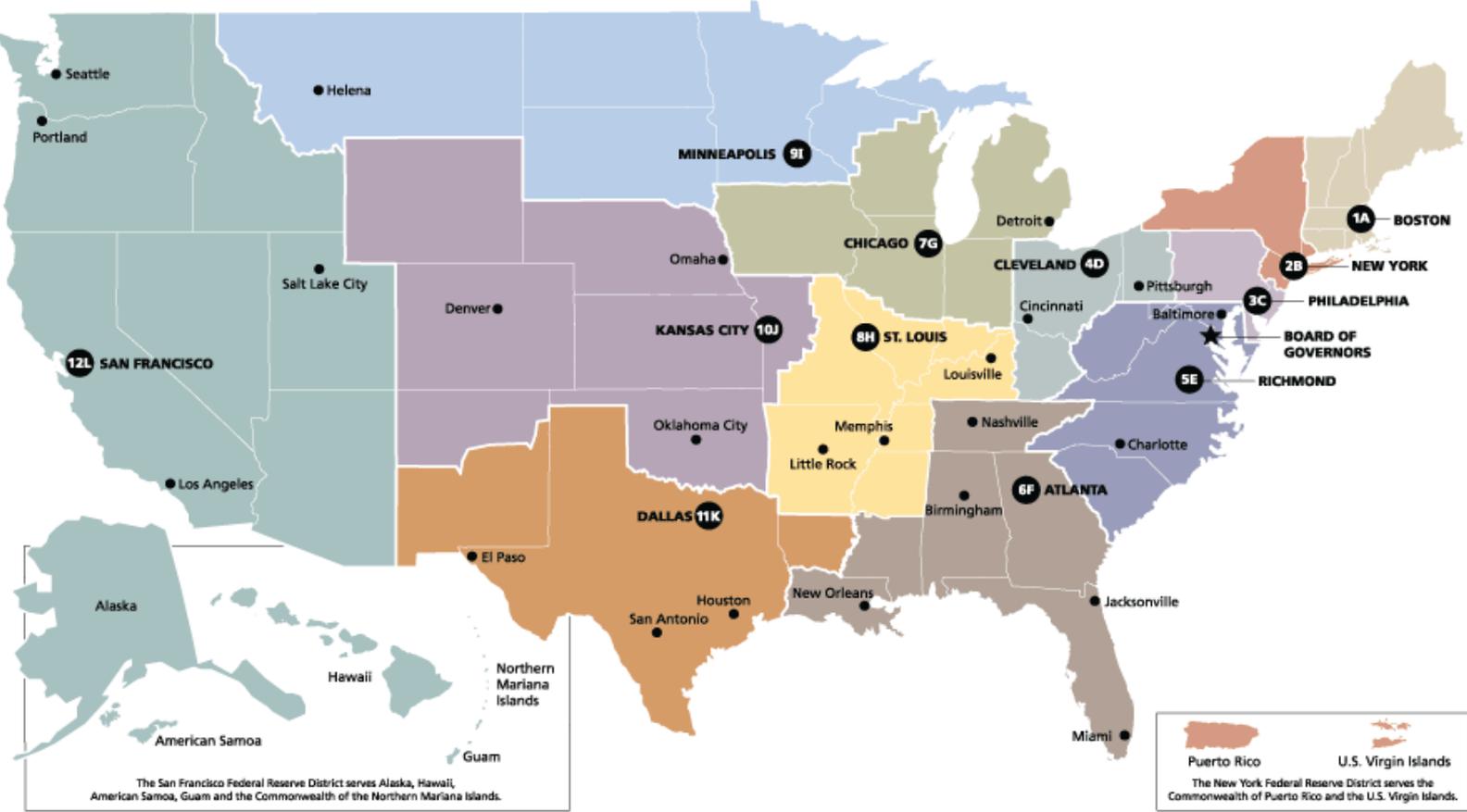
The views expressed are mine alone and do not necessarily reflect the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.

What will it take to protect the credibility and availability of data in a time of rapid change and growing skepticism?

Safeguarding data in analysis to result in the most accurate policy possible.

- Data-driven decision-making rarely (if ever) can be responsibly boiled down to a single indicator.
- The structure of the Federal Reserve System explicitly designed to account for imperfect, incomplete data.
- Within the structure of the central bank, a range of sources and methods are used to advice policymakers to achieve discrete policy goals.

The Federal Reserve Act establishes a diffuse, quasi-private central bank.



Congress has given the Federal Reserve a dual mandate.

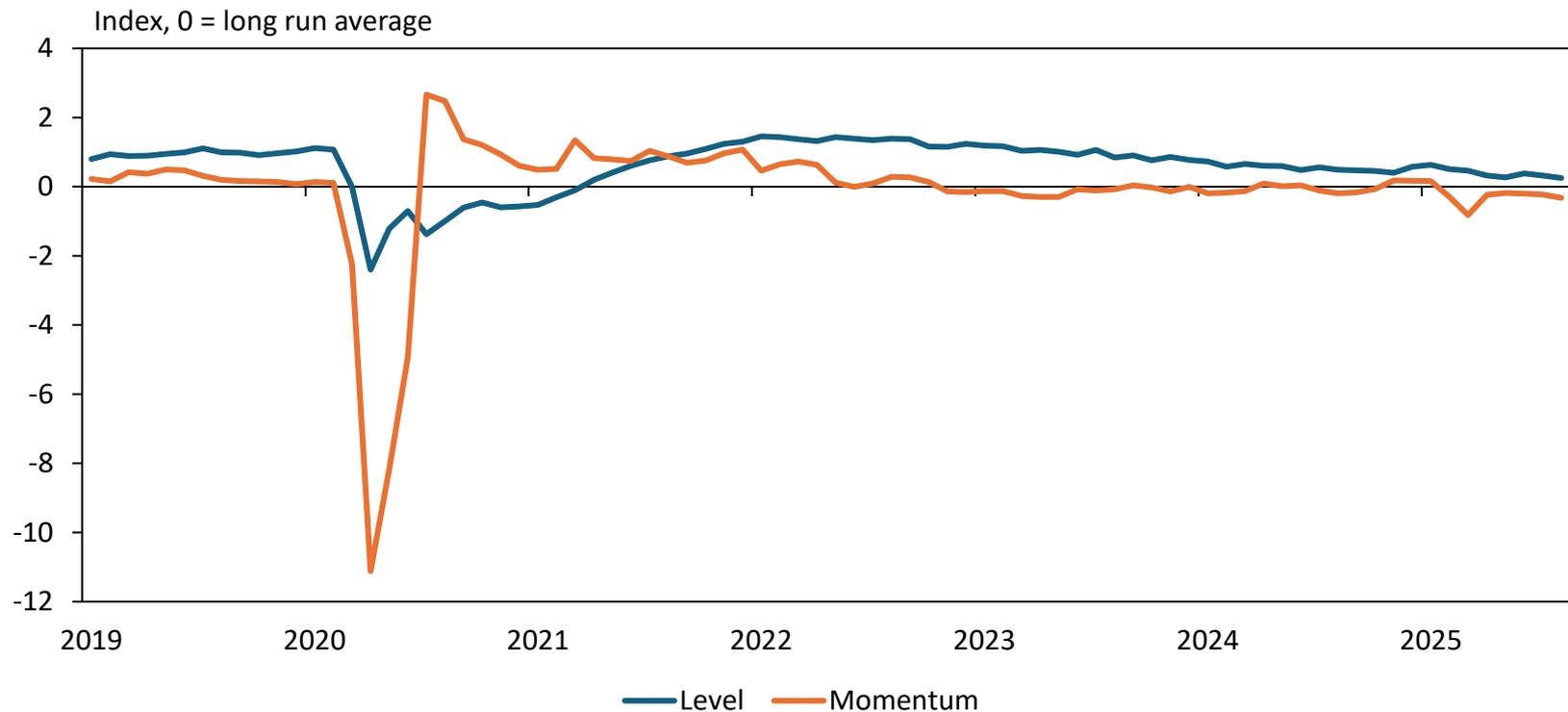
- **Maximum Employment:** highest level of employment (or lowest level of unemployment) that will not spur higher inflation.
- **Stable Prices:** the Federal Reserve targets an annual change in prices of 2 percent over the longer run

Maximum employment is not a single statistic.

- A multitude of analyses, like the KC Fed's [Labor Market Conditions Indicators \(LMCI\)](#), utilize formal, quantitative data.
- The KC Fed also surveys businesses across the region across industries like [manufacturing](#) and [services](#), producing quasi-quantitative measures.
- Further, the KC Fed collects qualitative anecdotes, anonymized and released in the [Beige Book](#).

A quantitative look: labor market activity remains above average, but momentum is falling.

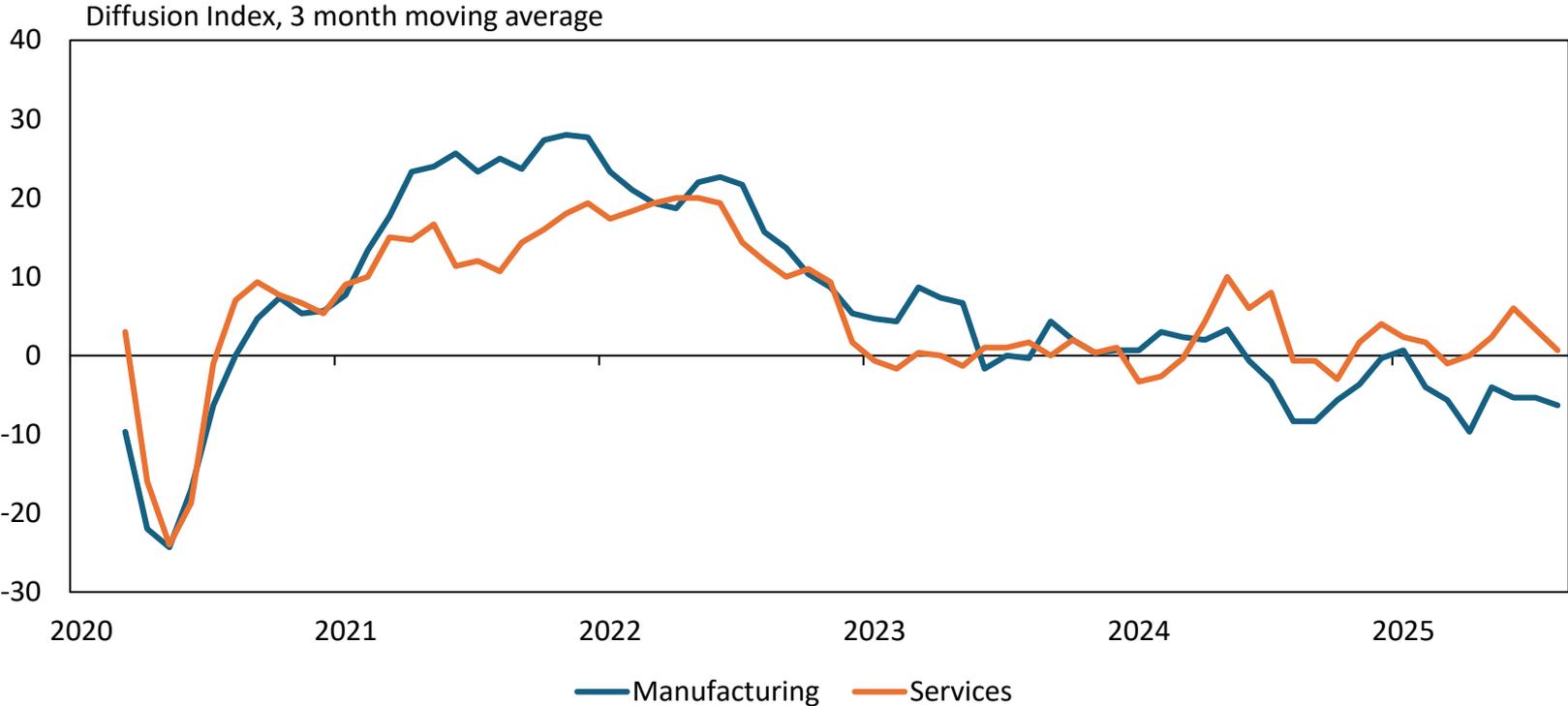
Labor Market Conditions Indicators



Source: Federal Reserve Bank of Kansas City

A quasi-quantitative look: headcounts have been falling at manufacturers but steady at services firms.

Number of Employees at Regional Firms Compared with Previous Month



Source: Federal Reserve Bank of Kansas City

A qualitative look: Anecdotes reported in the Beige Book suggest a slightly weak labor market.

“Employment levels contracted modestly in the District...Businesses anticipated slightly weaker hiring activity in coming quarters...Job placements for recent graduates were decidedly mixed across the District – most contacts reported a weaker job market for recent college graduates, including those graduating in STEM fields...”

Source: Federal Reserve Bank of Kansas City

Concluding Thoughts

- Definitions are key in decision-making, and an appropriate level of definitional precision is needed.
- Even with goals well defined, finding a single indicator on which to base decisions is exceedingly difficult.
- A selection of data using a range of sources and methods can help alleviate concerns about any single source of data.