

Did the White House Signal Higher Unemployment?

This is a question from one of our clients today about White House comments on the jobs data and our answer from Bob Stein.

Question: On Thursday morning, White House Press Secretary Robert Gibbs stated that the unemployment rate may “tick upward” when it is announced in tomorrow morning’s employment report, even though most economists are looking for no change. Gibbs said, “Obviously, we’ve seen the one payroll estimate – the ADP payroll estimate – came out yesterday and it seems to suggest that it might tick upward.” Is it possible that the White House has access to these numbers before they are released publicly?

Answer from Bob Stein: I highly doubt the White House has seen the data yet. If they did, then making a comment like this is an extreme breach of protocol. Instead, I think they are just getting in front of a downside possibility, and making an unchanged jobless rate seem like a victory.

I was at the Treasury Department for four years and our office received every data release by the government the late afternoon or evening before the official release.

What happens is that the agency releasing the report sends it to the Fed Chairman and the Chairman of the Council of Economic Advisers in the afternoon, the day before the release. The CEA will then chew it over and send it to key people at the White House and Treasury. It is not widely distributed. A few congressional staffers see it an hour before the official release, but they are sequestered, literally unable to leave the room or use any telecommunications equipment.

The fact that the White House made the statement in the morning shows they were aware that saying it later in the day would suggest that the party making the statement knew what was in the report. Saying it early in the day signals they made the statement before getting the data.

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