The Political View of Economic Data*

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Abstract

We find that initial Nonfarm Payrolls (NFP) estimates, based on a roughly 70% survey response rate, are more likely to be subsequently revised downward when the Bureau of Labor Statistics Commissioner and the sitting President share the same political party. The effect is stronger when preliminary estimates require greater judgment and is absent for Gross Domestic Product revisions produced by the Bureau of Economic Analysis, whose Director is not a presidential appointee. Using minute-level data around NFP announcements, we find that S&P 500 futures anticipate these revisions. Our findings suggest that political views shape the production of official statistics.

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1 Introduction

Government-produced data are of significant value to firms, with some survey evidence suggesting that data on employment are the most important type of government data used to inform business decisions (Hughes-Cromwick and Coronado, 2019). Many of the key data produced by the U.S. Government are collected, with early estimates revised when the data collection is more complete. The existing literature has largely focused on whether government agencies construct an optimal forecast by combining the raw data with observables.[1] In this paper, we focus on revisions to Nonfarm Payrolls (NFP) estimates and examine whether initial estimates are affected by political alignment, leading to predictable future revisions. A recent literature suggests that economic agents, even those who are sophisticated, differ in their assessments of economic conditions due to their political leanings.[2] We find that when the Bureau of Labor Statistics (BLS) Commissioner is politically aligned with the President, initial NFP estimates are systematically revised downward in subsequent releases. This pattern is consistent with preliminary estimates being initially overly optimistic and later corrected as more complete information becomes available.

We begin by constructing revisions from the first NFP estimate, when an average of 71% of survey responses have been received by the BLS, to the second estimate, when the corresponding figure rises to 91%.[3] If political views influence how incomplete information is interpreted, we would expect preliminary estimates released under politically aligned leadership to be systematically more optimistic and subsequently revised downward as more complete information becomes available. We define a politically aligned BLS Commissioner as one who was appointed by a President from the same party as the sitting President. Using data from 2014 to 2025, we find that revisions from the first

[1] See Mankiw, Runkle, and Shapiro (1984).

[2] See Kempf and Tsoutsoura (2021), Meeuwis, Parker, Schoar, and Simester (2022), Dagostino, Gao, and Ma (2023), Mian, Sufi, and Khoshkhou (2023), and Kay, Lakdawala, and Ryngaert (2025).

[3] These collection rates are for our sample period. For further details on collection rates, see https://www.congress.gov/crs-product/IF13084.

to the second NFP estimate are 3.09 basis points more negative when the BLS Commissioner is politically aligned with the sitting President than otherwise. This pattern is consistent with political views influencing the construction of preliminary estimates under incomplete information. This effect is economically meaningful, given the interquartile range of NFP revisions (5.80 basis points). We focus on the post-2014 period because the November 2013 elimination of the filibuster made it more difficult to block presidential nominees, thereby facilitating more partisan appointments.

To provide further evidence on the impact of political views, we first exploit the difference in the appointment structure across federal statistical agencies. This variation in appointment structure potentially leads to different scope for political views to matter across agency leaders.[4] Unlike the BLS Commissioner, who is a presidential appointee confirmed by the Senate, the Director of the Bureau of Economic Analysis (BEA) is a career Senior Executive Service official appointed by the Under Secretary for Economic Affairs at the U.S. Department of Commerce. As a result, the BEA Director is institutionally more insulated from the presidential appointment process than the BLS Commissioner. Exploiting this difference, we examine the association between revisions to Gross Domestic Product (GDP), produced by the BEA, and the political alignment between the President and the BEA Director. In contrast to the NFP results, we do not find an association between GDP revisions and political alignment. These findings are consistent with political views influencing the construction of preliminary estimates when agency leadership is more directly exposed to the presidential appointment process.

Beyond this institutional comparison, we next consider whether there are economic circumstances under which the political alignment effect is stronger. Political alignment can affect future data revisions because the initial data estimate is constructed under incomplete information and political views can affect expectations. When the available information is relatively informative about aggregate conditions or uncertainty about economic conditions is low, there is little scope for judgment to influence preliminary

[4]See Harris-Kojetin and Citro (2021), particularly Appendix B, for a discussion of the structure of the 13 key statistical agencies of the United States.

estimates. In contrast, when labor market conditions are harder to gauge from incomplete data, greater judgment is required, creating more scope for political views to influence the interpretation of available information. To test this prediction, we construct two measures of labor market conditions: the cross-sectional dispersion of state-level NFP estimates and the worker reallocation rate. We find that the effect of political alignment on NFP revisions is significantly stronger when NFP dispersion or the reallocation rate is higher.

Finally, we examine whether financial markets price these politically predictable revisions. Because political alignment is publicly observable prior to the release, any such effect may already be reflected in pre-announcement price dynamics. We construct high-frequency price changes of S&P 500 futures before and around the 8:30 a.m. initial payroll announcement. Using the pre-announcement window [-10 mins, -1 min], we find that the coefficient on the future NFP revisions of the current release is already positive and statistically significant at the 10% level. The positive coefficient indicates that pre-announcement return dynamics are systematically related to future NFP revisions in the predicted direction. Beginning in the [-1, 5] window and continuing through the [-1, 60] window, the coefficient on NFP Revision remains positive, increases in magnitude, and becomes highly statistically significant. This evidence suggests that market participants anticipate future revisions and incorporate this information into asset prices in a relatively persistent way.

Our paper is related to the literature on the reporting of macroeconomic data by government agencies and subsequent revisions. Mankiw, Runkle, and Shapiro (1984) develop a framework in which agencies may either report the available raw data or produce an optimal, unbiased forecast that combines the raw data with observable information. Under the latter view, subsequent revisions should not be predictable from observables. Consistent with this prediction, Mankiw and Shapiro (1986), Mork (1987), and Faust, Rogers, and Wright (2005) generally find that revisions are not forecastable. In contrast, we show that revisions are predictable using a political variable: the alignment between

the BLS Commissioner and the sitting President.

Another line of literature focuses on the political views of economic agencies, professionals, and households. Our results are consistent with economic agency officials allowing their views to affect expectations, leading to revisions that are associated with political alignment. There is ample evidence in the literature that sophisticated economic agents may have political leanings. Engelberg, Henriksson, Manela, and Williams (2023) find that while the Fed has remained nonpartisan, the SEC has become more partisan over time. Kempf and Tsoutsoura (2021) find that partisan bias affects credit rating analysts' assessments. Dagostino, Gao, and Ma (2023) find that bankers whose party differs from the sitting President charge higher loan spreads and attribute this to optimism and pessimism driven by political alignment. Kay, Lakdawala, and Ryngaert (2025) find that partisan bias also affects professional forecasters. Meeuwis, Parker, Schoar, and Simester (2022) find that political affiliations affect portfolio choices, and Mian, Sufi, and Khoshkhou (2023) find that political affiliations affect households' economic expectations and spending. Overall, this literature suggests that economic agencies, professionals, and households may be influenced by their political views when constructing forecasts.

The remainder of the paper proceeds as follows. Section 2 describes the institutional background and data. Section 3 presents empirical evidence on the political alignment effect, the underlying mechanism, and market responses. Section 4 concludes.

2 Institutional Background, Hypothesis, and Data

2.1 The BLS and NFP revisions

The Bureau of Labor Statistics (BLS), an agency within the U.S. Department of Labor, is the primary producer of official labor market statistics in the United States. Its mandate is to collect, process, and disseminate data on labor market activity, working conditions, prices, and productivity. Among its most closely watched releases is the monthly *Employment Situation Summary*, which is typically released at 8:30 a.m. East-

ern Time on the first Friday of each month and provides a comprehensive snapshot of labor market conditions. The headline figure from this report is total nonfarm payroll employment (NFP), a measure of the number of paid employees in the U.S. economy excluding farm workers, private household employees, and certain other categories, from the previous month. Because NFP is released at a relatively high (monthly) frequency and is viewed as a timely indicator of economic activity, it is closely monitored by financial markets and policymakers.

The NFP estimate is derived from the Current Employment Statistics survey, a monthly study of U.S. businesses and government agencies.[5] Because the *Employment Situation Summary* is released on the first Friday of the following month, the initial estimate is constructed using only a partial sample, with an average collection rate of 71% in our sample period. To account for missing data, the BLS supplements incomplete survey responses using statistical procedures and staff judgment that account for nonresponse and late reporting. As additional responses arrive over subsequent weeks, the collection rate rises to an average of 91% by the second release one month later and 94% by the third release two months later. Notably, the additional data collected are relatively minimal between the second and the third estimates.[6]

The survey therefore follows a structured monthly revision timeline where the first estimate is considered the most preliminary. For NFP in month t, the first estimate is released on the first Friday of month $t+1$, and the second estimate is released on the first Friday of month $t+2$. More broadly, the production of preliminary payroll statistics necessarily involves operational judgment under incomplete information, as certain procedures are needed to produce timely estimates before the full set of survey responses becomes available.

[5]For details on how the BLS conducts and presents the Current Employment Statistics, see https://www.bls.gov/opub/hom/ces/home.htm.

[6]In addition to late survey responses, NFP estimates may also be revised because of updates to seasonal adjustment factors, annual benchmark revisions to unemployment-insurance tax records, and changes in the CES net birth-death model used to account for employment changes from business openings and closings. For details, see: https://www.bls.gov/web/empsit/cestn.htm. See also Mankiw, Runkle, and Shapiro (1984) for an early discussion of preliminary estimates and data revisions by U.S. economic agencies. All of these leave room for staff discretion.

2.2 BLS Commissioner appointment

The BLS is one of the 13 principal statistical agencies in the United States responsible for collecting and publishing official government statistics. These agencies differ in how their leaders are chosen. Some executive branch agencies, such as the BLS, are led by presidential appointees with Senate confirmation, while others are headed by career Senior Executive Service (SES) appointees (Harris-Kojetin and Citro, 2021). Compared to SES officials, who are career civil servants, it is plausible that agency heads who are presidential appointees are more likely to be influenced by political views and are therefore more optimistic about economic conditions during periods when their political party controls the presidency. The BLS Commissioner has a statutory four-year term unless the Commissioner is removed by the President or resigns earlier.

A key institutional change affecting executive branch appointments occurred in November 2013, when the U.S. Senate eliminated the filibuster for most executive nominations. Prior to this change, advancing a nominee often required a supermajority vote to end debate (60 votes to invoke cloture), which gave the minority party greater ability to delay or block confirmations.[7] In effect, this allowed a minority of U.S. Senators to prevent a vote on a nominee whom they viewed as being too partisan. Following the rule change, most executive nominees could be confirmed by a simple majority. One immediate implication is that a President could choose a more politically aligned Commissioner as long as the President's party had a simple majority in the Senate. Prior to the elimination of the filibuster rule, BLS commissioners were often confirmed unanimously or via voice vote. In the years subsequent to eliminating the filibuster, confirmation votes for leadership positions at economic agencies, including the BLS, became more polarized and more closely aligned with party lines.[8] The post-2013 environment therefore repre-

[7]The last Congress in which one party controlled at least 60 Senate seats was the 95th Congress (1977-1979).

[8]Bakke, Mahmudi, Virani, and Zhang (2023) show that, following the 2017 removal of the Supreme Court judicial filibuster, Republican-leaning firms earned positive abnormal returns around Ruth Bader Ginsburg's death as expectations shifted toward a conservative Court majority. Nash and Shepherd (2020) present a model that shows that the end of the filibuster allows Presidents to choose appointees closer to their political ideology. Empirically, they find that after the filibuster was eliminated, judges

sents a period in which it became more likely that a nominee with partisan political views could be confirmed. Our empirical analysis starts in 2014, when this revised confirmation environment was fully in place.

In addition to Senate-confirmed commissioners, there are periods in which the BLS is led by an acting commissioner. Acting commissioners are typically senior career officials within the agency who assume leadership temporarily when a Senate-confirmed commissioner has departed and a successor has not yet been confirmed. Because acting commissioners are career civil servants and are not appointed and confirmed through the same political process as permanent commissioners, we code acting commissioners as not politically aligned.[9]

2.3 Hypothesis and Data

Because the BLS Commissioner oversees the agency's operational and methodological environment, the Commissioner's expectations regarding the economy may affect the production of preliminary payroll estimates. Furthermore, a Commissioner's expectations may be affected by his/her political viewpoint. To the extent that such effects exist, they should be most visible when first releases are compared to subsequent releases (which incorporate more complete information). Revisions therefore provide a natural empirical setting to examine whether preliminary estimates systematically differ depending on a Commissioner's alignment with the current presidential administration. Our main hypothesis is that politically aligned leadership may produce relatively more optimistic preliminary assessments of labor market conditions, leading to more negative subsequent revisions as additional information becomes available.

Our data come from several sources. We obtain seasonally adjusted vintage Total Nonfarm Payroll (PAYEMS) data from Archival Federal Reserve Economic Data (ALFRED). We hand-collect the appointment years of BLS commissioners from the Bureau of Labor Statistics website. Analyst forecasts of NFP are from Bloomberg. For the

newly appointed by President Obama more closely matched his ideology and made decisions accordingly.

[9] Our findings remain robust if we drop periods in which an acting commissioner is in charge.

market return analysis, we use intraday data on S&P 500 futures and VIX futures from FirstRate. Our baseline sample consists of NFP data releases corresponding to payroll employment estimates from January 2014 through June 2025.

Our primary outcome variable is the revision to nonfarm payroll (NFP) employment between successive releases of the *Employment Situation Report*. For each reference month t, the month for which NFP employment is estimated, we define NFP Revision as the difference between the second (reported in month $t+2$) and first (reported in month $t+1$) estimates, scaled by the first estimate; positive (negative) values indicate future upward (downward) revisions. Panel A of Figure 1 shows substantial variation in NFP Revision over time. NFP Revision has a mean of 0.13 basis points, a standard deviation of 9.15 basis points, and an interquartile range of 5.80 basis points.

In addition, we construct a Political Alignment indicator equal to one when the BLS Commissioner was originally appointed by a President from the same political party as the sitting President at the time of the NFP release, and zero otherwise; as discussed earlier, periods led by an acting commissioner are coded as not aligned. Panel B of Figure 1 illustrates the evolution of political alignment over our sample period (1 = aligned), reflecting transitions across four presidential administrations and four BLS commissioners.

Finally, we construct several additional variables used in our analysis. Following the literature, we define NFP Surprise as the difference between the initially released NFP estimate and the median analyst forecast from Bloomberg, scaled by the median forecast. We also control for underlying labor market conditions with NFP Growth, defined as the change between the current month's first estimate and the previous month's second estimate, scaled by the previous month's second estimate.[10] NFP Surprise has a mean of 7.78 basis points and a standard deviation of 71.11 basis points. NFP Growth has a mean of 11.50 basis points and a standard deviation of 122.58 basis points. To examine capital market responses, we also obtain changes in high-frequency prices around the 8:30

[10]In particular, this is the percentage change in NFP from month $t-1$ to month t, using estimates for both months reported on the first Friday of month $t+1$.

a.m. release using intraday S&P 500 futures (E-mini) and VIX futures data.

3 Empirical Results

3.1 NFP revisions and political alignment

We begin by examining whether political alignment predicts subsequent revisions to preliminary payroll estimates. Table 1 reports regressions of NFP Revision on Political Alignment. We consider various specifications with alternative sets of fixed effects and control variables.

Across all specifications, the coefficients on Political Alignment are consistently negative and statistically significant. In the univariate specification (column (1)), Political Alignment is associated with a revision of -3.09 basis points, meaning a negative future revision. Relative to the distribution of revisions reported in Section 2.3 (standard deviation = 9.15 basis points; interquartile range = 5.80 basis points), this effect is economically meaningful. Columns (2)-(4) introduce controls for contemporaneous labor market conditions, including NFP Surprise and NFP Growth. The coefficient on Political Alignment remains negative and statistically significant after including these controls, suggesting that the documented relation is not simply driven by differences in the underlying state of the labor market at the time of the release. NFP Growth enters positively and is highly statistically significant, indicating that stronger underlying employment growth is associated with upward revisions. In contrast, NFP Surprise is generally insignificant, suggesting that revisions do not respond to market forecast errors.

The remaining columns of Table 1 incorporate relevant fixed effects. These specifications account for persistent differences across presidential administrations and/or BLS commissioners. Specifications with commissioner fixed effects are particularly of interest for our research as the identification comes from within-commissioner variation. Across these specifications, the coefficient on Political Alignment remains negative and statistically significant, ranging from -4.49 to -6.21. Consistent with our baseline results, the

negative coefficient implies that preliminary NFP estimates released under politically aligned leadership are subsequently revised downward one month later. Importantly, this pattern holds within the tenure of the same commissioner across aligned and non-aligned periods. Overall, the evidence is consistent with preliminary payroll estimates being systematically more optimistic when BLS leadership is politically aligned with the incumbent administration.

Our baseline sample covers the period from January 2014 to June 2025, following the 2013 removal of the Senate filibuster for most executive branch nominations (including BLS commissioners). As discussed earlier, this institutional change reduced the confirmation threshold for executive appointments and may have increased the possibility for economic-agency leadership to reflect the nominating administration. Moreover, the recent literature (e.g., Waller and Anderson, 2021; Fos, Kempf, and Tsoutsoura, 2022) documents a marked increase in political polarization in the United States after 2016. In unreported results (to conserve space), we verify that the coefficient on Political Alignment remains negative, economically large, and statistically significant when focusing on the post-2016 period.

Overall, the evidence indicates that NFP revisions are systematically explained by a political variable — namely, whether the BLS Commissioner is politically aligned with the sitting President. Our finding stands in contrast to the classical view that preliminary macroeconomic releases represent optimal, unbiased forecasts whose revisions are not systematically predictable. This is the main economic insight of our paper.

3.2 Mechanism

The main economic effect that we document requires incomplete data at the time of the initial report, discretion in translating that information into a preliminary estimate, and political views that influence how such discretion is exercised. This implies that political alignment should matter most when the construction of preliminary estimates is expected to require greater judgment.

As discussed in Section 2, NFP estimates are based on a monthly survey of individual worksites. Relative to the Quarterly Census of Employment and Wages, the survey provides a timelier but less complete measure of labor market conditions. Because only about 70% of sampled worksites have reported by the initial release, the BLS must rely on statistical adjustments and model-based imputation to produce a timely estimate. Erica Groshen, a former BLS Commissioner, summarized this difficult task in an interview with Paul Krugman (Krugman, 2025):

> So any particular number has just sort of statistical noise around it. One month, the changes could be a change in trend, or could just be noise, right? If you smooth it too much to get rid of the noise, then you're not going to pick up the turning point. But if you hang on every bit of noise, you may predict many more turning points than you actually have. So they had a range to choose from on how sensitive to make it, they chose one that seems reasonable but it's going to smooth things a little bit more than you might want in retrospect.

Groshen's discussion suggests that revisions to NFP estimates are an inevitable and expected feature of data reporting. This view is also consistent with a long literature on economic data revisions dating back at least to Mankiw, Runkle, and Shapiro (1984). However, neither Groshen's discussion nor the existing literature on data revisions implies that revisions should be systematically related to political alignment. Our focus on political views builds on a growing literature showing that political views shape economic agents' expectations. Partisan beliefs have been shown to affect portfolio choices (Meeuwis, Parker, Schoar, and Simester, 2022), household expectations (Mian, Sufi, and Khoshkhou, 2023), credit rating assessments (Kempf and Tsoutsoura, 2021), loan spreads (Dagostino, Gao, and Ma, 2023), and professional macroeconomic forecasts (Kay, Lakdawala, and Ryngaert, 2025). Our evidence adds to this literature by showing that political views can shape the construction of official economic statistics under incomplete information.

To provide further evidence on the impact of political views, we start by using the difference in the appointment structure across federal statistical agencies. As discussed in Section 2.2, BLS commissioners are presidential appointees subject to Senate confirmation. In contrast, many other federal statistical agencies are led by career officials who are not presidential appointees. We focus on the Bureau of Economic Analysis (BEA), which produces official estimates of Gross Domestic Product (GDP). Unlike the BLS Commissioner, the BEA Director is a career senior executive service appointee and reports to the Under Secretary for Economic Affairs at the U.S. Department of Commerce. As a result, the BEA Director is institutionally more insulated from the political appointment process than the BLS Commissioner.[11]

In Table 2, we regress GDP revisions on the political alignment of the BEA Director with the President. In contrast to our findings for NFP revisions, we find that Political Alignment has an economically small and statistically insignificant effect on GDP revisions. This contrast is consistent with the fact that the BEA Director is substantially more insulated from the political appointment process than the BLS Commissioner. Moreover, both agencies operate within the federal statistical system and produce closely watched macroeconomic releases. The absence of comparable effects at the BEA supports the interpretation that our baseline findings are not driven by a general feature of government data revisions.

Thus far, we have argued that our results arise from a combination of incomplete data that require subjective judgment and political views that shape how that judgement is exercised. We now provide further evidence for this interpretation by exploiting *heterogeneity* in how much subjective views may matter. When the available information is less informative about aggregate conditions or uncertainty about economic conditions is higher, there should be more room for discretion to affect preliminary estimates, including through political views.

To capture such variation, we consider two measures of labor market conditions.

[11] See Faust, Rogers, and Wright (2005) for a discussion of GDP revisions.

The first is the cross-sectional dispersion of state-level payroll growth (State NFP Dispersion). Greater dispersion reflects a more heterogeneous labor market environment, making *aggregate* employment conditions harder to infer from incomplete information. The second is the gross worker reallocation rate (Reallocation Rate), which measures worker transitions across jobs in the economy. Absent worker transitions, there is little uncertainty in nonfarm payrolls, whereas more worker transitions create greater uncertainty in the survey data that the BLS initially collects.

In Table 3, we regress NFP Revision on Political Alignment, a measure of labor-market conditions, and their interaction. Our prediction is that the effect of Political Alignment should be stronger when State NFP Dispersion or Reallocation Rate is higher. Under this interpretation, the interaction term is expected to be negative. Panel A provides supportive evidence using State NFP Dispersion. In column (1), a one-standard-deviation increase in State NFP Dispersion is associated with an additional 8.37-basis-point effect of Political Alignment, relative to the baseline estimate of -2.56 basis points reported in Table 1. Although the interaction term becomes statistically insignificant in some specifications with Commissioner and President fixed effects, its estimated coefficient remains consistently negative and economically meaningful. Panel B provides stronger and more consistent evidence using Reallocation Rate. Across all specifications, the interaction term is negative, with a one-standard-deviation increase in Reallocation Rate associated with an additional reduction of 3.63 to 7.06 basis points in the estimated coefficient on Political Alignment.

Overall, evidence in this section suggests that the negative relation between political alignment and subsequent NFP revisions is absent in a statistical agency whose leadership is less exposed to the political appointment process (Table 2) and is strongest when preliminary estimates are likely to require greater judgment (Table 3).

3.3 Implication: Capital market responses

We next examine whether financial markets anticipate these politically predictable revisions. If investors understand that politically aligned leadership is associated with negative subsequent revisions, futures prices should partially adjust at the time of the initial payroll release announcement. Moreover, because political alignment is publicly observable prior to the release, any such effect may already be reflected in pre-announcement price dynamics.

To test this prediction, we estimate the following regression. The dependent variables are the high-frequency price changes in S&P 500 futures and VIX futures before and around the NFP announcement. Specifically, for each NFP release, we calculate high-frequency price changes over several event windows surrounding the 8:30 a.m. announcement and use NFP Revision as an explanatory variable.[12] The control variables are NFP Surprise and NFP Growth, which capture the deviation of the initial payroll estimate from analyst expectations and the underlying growth in payroll employment, respectively.

Table 4 reports the capital market evidence. Using the pre-announcement window [-10 mins, -1 min], we find that the coefficient on NFP Revision is positive and statistically significant at the 10% level, controlling for NFP Surprise and NFP Growth. The positive coefficient indicates that pre-announcement return dynamics are systematically related to future NFP revisions in the predicted direction. Economically, the results suggest that market participants partially anticipate the direction of future payroll revisions before the official release itself. In terms of economic magnitude, a one-standard-deviation increase in NFP Revision (9.19 basis points) is associated with a 1.10-basis-point (0.2-standard-deviation) increase in S&P 500 futures returns during the pre-announcement window.[13]

[12] Gilbert (2011) uses daily data to study the contrasting relation of S&P 500 announcement returns with future NFP revisions in recessions vs. expansions. With the goal of understanding returns in the minutes leading up to and just after NFP data releases, and in the spirit of the literature on the high-frequency market reactions to government agency announcements (e.g., Nakamura and Steinsson, 2018; Hu, Pan, Wang, and Zhu, 2022; Bauer and Swanson, 2023) that shows that minute-by-minute data can better identify effects, we run our analysis using intraday data.

[13] Due to NFP releases occasionally coinciding with Good Friday, when U.S. equity markets are closed,

Beginning in the [-1, 5] window and continuing through the [-1, 60] window, the coefficient on NFP Revision remains positive, increases in magnitude, and becomes highly statistically significant. For example, the estimated coefficient rises from 0.69 in the first five minutes following the announcement to 1.14 over the one-hour interval. The effect becomes statistically insignificant in the long post-announcement window [60, 450], although its economic magnitude is similar. Overall, this pattern is consistent with financial markets incorporating anticipated revision information during periods of heightened attention to NFP.

We also examine high-frequency changes in VIX futures around NFP announcements. In Panel B, the coefficient on NFP Revision is economically small and statistically insignificant during the pre-announcement window. More pronounced effects emerge following the announcement. Beginning 15 minutes after the release, the coefficient becomes negative and statistically significant. For example, it is -59.40 over the [-1, 15] window. We interpret these results cautiously because movements in VIX futures are mechanically related to contemporaneous returns on equity-index futures. Nevertheless, the earlier and stronger response in S&P 500 futures (during the pre-announcement interval) is consistent with the revision information being incorporated first through directional movements in equity prices. Taken together, the evidence suggests that market participants incorporate a predictable component of subsequent NFP revisions around the initial announcement.

4 Conclusion

In this paper, we examine whether political alignment influences the construction of official U.S. macroeconomic data. Focusing on Nonfarm Payrolls (NFP) revisions in the 2014-2025 period, after the filibuster was eliminated for executive branch nominees, we document that revisions from the first to the second release are systematically related to the political alignment between the BLS Commissioner and the sitting President. When

Table 4 has slightly fewer observations than Table 1. Similarly, the standard deviation for NFP Revision in this sample (9.19 basis points) is slightly different from the full sample (9.15 basis points).

the Commissioner is politically aligned with the President, preliminary payroll estimates are significantly more likely to be revised downward one month later, consistent with optimism in the initial release.

Our evidence suggests that this relation arises because preliminary estimates are constructed from incomplete information and therefore require judgment. The political alignment effect is stronger when preliminary estimates are likely to require greater judgment and disappears for GDP revisions produced by the Bureau of Economic Analysis, whose leadership is not appointed through the presidential nomination and appointment process. Finally, we show that financial markets partially anticipate this predictable component of revisions, with high-frequency evidence indicating that market participants incorporate information about expected future revisions around the initial NFP announcement.

More broadly, our findings suggest that the production of official statistics is not purely a statistical exercise. When preliminary estimates must be formed from incomplete information, expectations influenced by political views can impact how available data are interpreted and incorporated into initial releases.

Appendix

A Detailed Variable Definitions

1. NFP Revision: The relative difference between the second and first estimates of total nonfarm payroll (NFP) employment, measured at the monthly level. It is calculated as

$$\text{NFP Revision}_t = \frac{\text{NFP}_t^{(2)} - \text{NFP}_t^{(1)}}{\text{NFP}_t^{(1)}},$$

   where $\text{NFP}_t^{(1)}$ and $\text{NFP}_t^{(2)}$ denote the first and second estimates of NFP employment for reference month t, respectively. The variable is reported in basis points in Tables 1 and 3, and in decimal form in Table 4.

2. GDP Revision: The relative difference between the second and first estimates of GDP, measured at the quarterly level. It is calculated as

$$\text{GDP Revision}_q = \frac{\text{GDP}_q^{(2)} - \text{GDP}_q^{(1)}}{\text{GDP}_q^{(1)}},$$

   where $\text{GDP}_q^{(1)}$ and $\text{GDP}_q^{(2)}$ denote the first and second estimates of GDP for reference quarter q, respectively. The variable is reported in basis points in Table 2.

3. Political Alignment: An indicator equal to one if the BLS Commissioner was appointed by a President from the same political party as the President in office at the time of the first NFP release, and zero otherwise. Periods led by acting commissioners are coded as zero.

4. Political Alignment (BEA Director): An indicator equal to one if the BEA Director first assumed office under a President from the same political party as the President in office at the time of the first GDP release, and zero otherwise.

5. NFP Surprise: The unexpected change in nonfarm payrolls, scaled by the forecasted level of NFP. The unexpected change is calculated as the initially released change in NFP minus the median Bloomberg forecast of the change. The forecast-implied NFP level equals the previous month's NFP level reported in the initial release plus the median Bloomberg forecast of the monthly change. The variable is reported in percentage points in Tables 1 and 3, and in decimal form in Table 4.

6. NFP Growth: The difference between the current month's first estimate and the previous month's second estimate of total nonfarm payroll employment, scaled by the previous month's second estimate. Both estimates are reported in the same Employment Situation release. The variable is reported in percentage points in Tables 1 and 3, and in decimal form in Table 4.

7. State NFP Dispersion: Measures the dispersion in state-level labor market growth in a given month. It is calculated as the cross-sectional standard deviation, across the

50 states plus Washington, DC, of the month-over-month log change in seasonally adjusted total nonfarm payroll employment (BLS CES State series SMS[FIPS]000000000000001). The resulting measure is standardized to have a mean of zero and a standard deviation of one.

8. Reallocation Rate: Measures gross worker reallocation activity in the U.S. labor market. Following the definition of worker reallocation in Haltiwanger, Hyatt, and McEntarfer (2015), it is constructed as the monthly sum of the BLS Job Openings and Labor Turnover Survey (JOLTS) hires rate and total separations rate for total nonfarm employment. The resulting measure is standardized to have a mean of zero and a standard deviation of one.

9. S&P 500 Futures Return: The intraday return on the E-mini S&P 500 futures around the initial NFP announcement. NFP news is released at 8:30 a.m. ET. For each release date d, the return is measured over a minute-level event window around the announcement:

$$\text{S\&P 500 Futures Return}_{d,[t_1,t_2]} = \frac{P_{d,t_2} - P_{d,t_1}}{P_{d,t_1}},$$

where P_{d,t_1} and P_{d,t_2} denote the S&P 500 futures price at the beginning and end of the intraday window, respectively.

10. VIX Futures Change: The intraday change in the VIX futures prices around the initial NFP announcement. For each release date d, the change is measured over a minute-level event window around the 8:30 a.m. ET NFP release:

$$\Delta\text{VIX}_{d,[t_1,t_2]} = \text{VIX}_{d,t_2} - \text{VIX}_{d,t_1},$$

where VIX_{d,t_1} and VIX_{d,t_2} denote the VIX futures price at the beginning and end of the intraday window, respectively.

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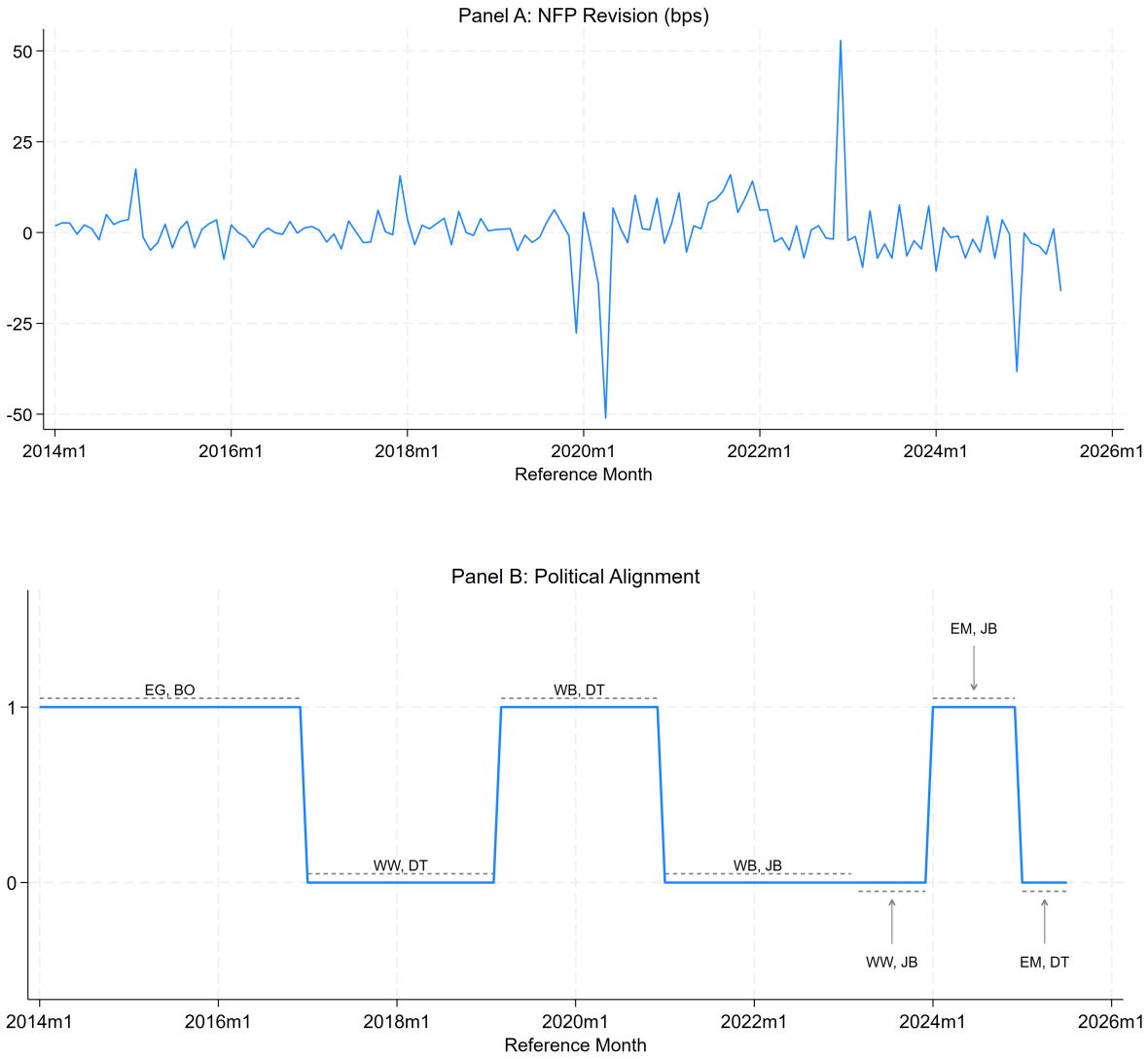


Figure 1: **Political NFP Revisions and Political Alignment over Time**

This figure presents the time-series trends for our primary dependent and explanatory variables over the sample period, spanning January 2014 to June 2025. Panel A displays the Nonfarm Payrolls (NFP) revisions in basis points, defined as the difference between the second and first estimates scaled by the first estimate. Panel B presents the Political Alignment indicator, which equals one if the BLS Commissioner was appointed by a President from the same political party as the President in office when the initial NFP estimate was released. Periods led by acting commissioners are coded as zero. The monthly labels on the x-axis denote the reference month for which NFP employment is estimated. In Panel B, the first abbreviation refers to the commissioner's name: EG = Erica L. Groshen, WW = William J. Wiatrowski, WB = William W. Beach, and EM = Erika McEntarfer. The second abbreviation refers to the President's name: BO = Barack Obama, DT = Donald J. Trump, and JB = Joe Biden. See Appendix A for detailed variable definitions.

Table 1: **Political Alignment and NFP Revisions: Baseline Results**

This table reports baseline regressions examining whether the political alignment between BLS Commissioners and the President is associated with Nonfarm Payrolls (NFP) revisions. The dependent variable is the NFP Revision (in basis points), defined as the difference between the second and first estimates scaled by the first estimate. Political Alignment is an indicator equal to one if the BLS Commissioner was appointed by a President from the same political party as the President in office when the first NFP estimate was released. Controls include NFP Surprise, defined as the difference between the released NFP change and the median Bloomberg analyst consensus forecast, scaled by the forecasted level of NFP, and NFP Growth, defined as the difference between the current month's first NFP estimate and the previous month's second estimate, scaled by the previous month's second estimate. Both control variables are measured in percentage points. The sample covers NFP reference months from January 2014 through June 2025. Fixed-effects specifications are noted at the bottom of the table; robust standard errors are reported in brackets. See Appendix A for detailed variable definitions. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Political Alignment	-3.09**	-3.09**	-2.60*	-2.56*	-6.17**	-6.21**	-5.04**	-4.96**
	[1.54]	[1.50]	[1.37]	[1.38]	[2.93]	[2.86]	[2.40]	[2.44]
NFP Surprise		-0.00		-0.26		0.11		-0.24
		[1.22]		[0.48]		[1.14]		[0.52]
NFP Growth			3.51***	3.51***			3.46***	3.46***
			[0.23]	[0.22]			[0.27]	[0.26]
Commissioner FE	No	No	No	No	Yes	Yes	Yes	Yes
President FE	No	No	No	No	No	No	No	No
Observations	138	138	138	138	138	138	138	138
R-squared	0.03	0.03	0.25	0.25	0.10	0.10	0.32	0.32

	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Political Alignment	-5.22**	-5.34**	-4.49**	-4.51**	-5.60**	-5.64**	-4.74*	-4.68*
	[2.33]	[2.29]	[1.93]	[1.99]	[2.78]	[2.74]	[2.44]	[2.47]
NFP Surprise		0.43		0.08		0.15		-0.21
		[1.11]		[0.49]		[1.13]		[0.53]
NFP Growth			3.42***	3.42***			3.45***	3.45***
			[0.18]	[0.18]			[0.27]	[0.26]
Commissioner FE	No	No	No	No	Yes	Yes	Yes	Yes
President FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	138	138	138	138	138	138	138	138
R-squared	0.07	0.07	0.27	0.27	0.11	0.11	0.32	0.32

Table 2: **Political Alignment and GDP Revisions at the BEA**

This table reports baseline regressions examining whether political alignment between the Bureau of Economic Analysis (BEA) Director and the President is associated with GDP revisions. The dependent variable is GDP Revision, measured in basis points and defined as the difference between the second and first GDP estimates, scaled by the first estimate. Political Alignment (BEA Director) equals one if the Director first assumed office under a President from the same political party as the President in office at the time of the first GDP release, and zero otherwise. The sample covers GDP reference quarters from 2014Q1 through 2025Q2. Fixed-effects specifications are reported at the bottom of the table. Robust standard errors are reported in brackets. See Appendix A for detailed variable definitions. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)
Political Alignment (BEA Director)	0.35	1.77	0.94	1.34
	[3.57]	[4.26]	[5.48]	[6.29]
BEA Director FE	No	Yes	No	Yes
President FE	No	No	Yes	Yes
Observations	46	46	46	46
R-squared	0.00	0.06	0.00	0.08

Table 3: **Political Alignment and NFP Revisions: Heterogeneity by Labor Market Conditions**

This table reports interaction regressions examining whether the association between political alignment and Nonfarm Payrolls (NFP) revisions varies with labor market conditions. NFP Revision and Political Alignment are defined as in Table 1. Panel A uses State NFP Dispersion, which measures the cross-sectional dispersion of state-level NFP growth. Panel B uses Reallocation Rate, which measures gross worker reallocation activity. Both variables are standardized to have a mean of zero and a standard deviation of one. Controls include NFP Surprise and NFP Growth, both measured in percentage points. The sample covers NFP reference months from January 2014 through June 2025. Fixed-effects specifications are reported at the bottom of the table, and robust standard errors are reported in brackets. See Appendix A for detailed variable definitions. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Panel A: State NFP Dispersion				
	(1)	(2)	(3)	(4)
Political Alignment	-3.81**	-5.02**	-5.83***	-4.91**
	[1.46]	[2.41]	[2.14]	[2.41]
State NFP Dispersion	7.52**	3.64	7.47*	3.55
	[3.46]	[4.44]	[3.81]	[4.58]
Political Alignment x State NFP Dispersion	-8.37**	-4.73	-7.70*	-4.63
	[3.64]	[4.47]	[4.05]	[4.63]
Controls	Yes	Yes	Yes	Yes
Commissioner FE	No	Yes	No	Yes
President FE	No	No	Yes	Yes
Observations	138	138	138	138
R-squared	0.27	0.32	0.29	0.32

Panel B: Reallocation Rate				
	(1)	(2)	(3)	(4)
Political Alignment	-2.30*	-3.96	-4.28**	-4.45*
	[1.28]	[2.54]	[1.94]	[2.48]
Reallocation Rate	4.60***	1.92	5.92***	2.93
	[1.33]	[1.93]	[1.43]	[2.17]
Political Alignment x Reallocation Rate	-5.76***	-3.63*	-7.06***	-4.76**
	[1.48]	[1.95]	[1.47]	[2.14]
Controls	Yes	Yes	Yes	Yes
Commissioner FE	No	Yes	No	Yes
President FE	No	No	Yes	Yes
Observations	138	138	138	138
R-squared	0.30	0.34	0.33	0.35

Table 4: **Market Responses**

This table examines whether intraday financial-market movements around initial Nonfarm Payrolls (NFP) announcements are associated with subsequent NFP revisions. NFP Revision is defined as the difference between the second and first NFP estimates, scaled by the first estimate. The initial NFP estimate is released at 8:30 a.m. ET. The dependent variables are S&P 500 futures returns in Panel A and changes in VIX futures in Panel B, measured over minute-level event windows relative to the initial NFP release. Controls include NFP Surprise and NFP Growth. NFP Revision, NFP Surprise, NFP Growth, and S&P 500 futures returns are expressed as decimals, while changes in VIX futures are expressed in index points. The sample excludes three announcements that occurred on Good Friday, when U.S. equity markets were closed. Robust standard errors are reported in brackets. See Appendix A for detailed variable definitions. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Panel A: S&P 500 Futures Returns						
	(1)	(2)	(3)	(4)	(5)	(6)
	[-10, -1]	[-1, 5]	[-1, 15]	[-1, 30]	[-1, 60]	[60, 450]
NFP Revision	0.12*	0.69**	1.24***	1.34***	1.14***	1.11
	[0.07]	[0.34]	[0.35]	[0.41]	[0.30]	[0.82]
NFP Surprise	0.00	0.09***	0.09***	0.11***	0.15***	0.08***
	[0.00]	[0.01]	[0.01]	[0.02]	[0.01]	[0.02]
NFP Growth	-0.00*	-0.02	-0.05***	-0.05**	-0.03*	-0.09***
	[0.00]	[0.02]	[0.02]	[0.02]	[0.01]	[0.03]
Observations	135	135	135	135	135	135
R-squared	0.03	0.05	0.09	0.09	0.11	0.02

Panel B: VIX Futures Change						
	(1)	(2)	(3)	(4)	(5)	(6)
	[-10, -1]	[-1, 5]	[-1, 15]	[-1, 30]	[-1, 60]	[60, 450]
NFP Revision	-7.61	-36.80	-59.40**	-64.70**	-76.36***	-5.18
	[8.16]	[29.69]	[27.90]	[31.47]	[28.94]	[80.72]
NFP Surprise	-0.13	-11.64***	-13.38***	-11.11***	-15.02***	2.99
	[0.28]	[0.92]	[1.63]	[1.88]	[1.78]	[2.81]
NFP Growth	0.18	0.34	3.83*	4.43*	2.74	11.92***
	[0.39]	[1.44]	[1.94]	[2.40]	[2.00]	[3.10]
Observations	135	135	135	135	135	135
R-squared	0.01	0.08	0.09	0.06	0.11	0.02