<u>**U.S. Senate Committee on Commerce, Science, and Transportation**</u>

<u>**Nominations Hearing of Mr. Jed Kolko**</u>

<u>**December 1, 2021**</u>

<u>**Questions for the Record – Minority**</u>

<u>***Senator Marsha Blackburn***</u>

Question 1*: The importance of data cannot be understated. Businesses cannot function if they do not have the numbers to aid and guide their decision-making. In your testimony, you specifically highlight that one of your goals will be to "support and enhance our statistical infrastructure." How do you plan to leverage your background to encourage the use of new technology, such as artificial intelligence and machine learning, to promote better statistical modeling and improve accuracy?*

Response:

Federal statistics are essential for businesses making decisions about hiring, production, and strategy. My own background includes developing proprietary indicators and using them alongside public data to analyze the economy.

If confirmed, one way I will leverage this experience is to support approaches to incorporating private-sector data and administrative sources into public statistics. Federal statistics already incorporate some private-sector data, which are a valuable complement though not a substitute for established public data products.

If confirmed, another way I will leverage my experience is to work with outside stakeholders and experts – including from the private sector – to get input and feedback about methodology and usability of federal statistics.

Question 2*: The COVID-19 pandemic created an economic upheaval that changed the trajectory of millions of people and businesses. It caused many business owners to rethink their businesses and caused many business owners to reconsider whether their current career path was the correct one for them. This upheaval led to many taking a leap of faith to start new businesses. In your testimony, you highlight the importance of supporting commercial activity as we emerge from the pandemic. You also highlight the difficulties that many are experiencing as the economy recovers. As we continue to emerge from the pandemic, how do we encourage small and medium business growth and support entrepreneurs taking a leap of faith to follow this path?*

Response:

During the pandemic, new businesses formed at a fast pace, according to the Census Bureau's Business Formation Statistics. To encourage and support new businesses and entrepreneurs, quality economic data are crucial. Providing timely and clear data on labor markets, prices, and

the existing business landscape can help new businesses and entrepreneurs make strategic decisions. Small and medium sized businesses and entrepreneurs often serve local markets, so local economic data are especially important for them. If confirmed, I will work closely with the Department's Economic Development Administration (EDA), other Department bureaus, the Small Business Administration (SBA), and other agencies to make sure they have data they need to support small and medium sized businesses and entrepreneurs.

Question 3*: Economic development is vital to our country's future. However, as our country continues to grow, many rural areas are experiencing a drain of youth who are leaving to move to highly populated areas where they are more likely to find good-paying jobs. When I speak with local mayors and stakeholders, this issue is one of their top priorities to solve. What, in your opinion, is the biggest barrier to rural economic development? How do you plan to leverage your position to highlight this issue and promote economic development in rural America?*

Response:

Regional inequalities have widened in America, especially between urban and rural areas. Although the pandemic temporarily changed patterns of industry growth, the longer-term trend is that job growth has been slower in important sectors that are more concentrated in rural areas and smaller cities, like agriculture and manufacturing, than in sectors that tend to cluster in larger metropolitan areas.

If confirmed, I hope to spotlight local data and regional differences, and to highlight the diversity across rural America and the range of challenges and opportunities that rural areas have. While there are strategies, like broadband investment, that would benefit rural America widely, rural areas are not all the same. Many rural areas have assets, like tourist attractions, a college or university, good transportation access, or a military base, that can be leveraged as part of a tailored economic development strategy. Data and analyses that focus on rural areas can show how rural areas differ systematically from urban areas, but also how much variation and opportunity there is among rural areas themselves.

Senator Rick Scott

Question 1*: The statistical data provided by the Bureau of Economic Analysis is extremely valuable for policy makers and the American public. How do you plan on keeping the gathering and disbursement of this data free from political influences or agendas?*

Response:

If confirmed, one of my highest priorities will be supporting the integrity and independence of America's statistical agencies, and to uphold stakeholders' trust in these data. Especially during the pandemic, Bureau of Economic Analysis (BEA) data have been essential for understanding shifts in economic activity. I will rely on the expertise of career staff at the Bureau for key decisions and look to outside experts and stakeholders for candid input and feedback. As a

lifelong user of federal data and a creator of proprietary data, I know how valuable data integrity is and how it must be continuously protected and cultivated.