

Discussion Paper Series

IZA DP No. 18631

May 2026

The Value of Reliable Statistics

Nicholas Bloom

Stanford University, NBER and IZA@LISER

Erica L. Groshen

Cornell University

Duncan R. Hobbs

American Enterprise Institute

Michael R. Strain

American Enterprise Institute,
Georgetown University and IZA@LISER

The IZA Discussion Paper Series (ISSN: 2365-9793) ("Series") is the primary platform for disseminating research produced within the framework of the IZA@LISER Network, an unincorporated international network of labour economists coordinated by the Luxembourg Institute of Socio-Economic Research (LISER). The Series is operated by LISER, a Luxembourg public establishment (établissement public) registered with the Luxembourg Business Registers under number J57, with its registered office at 11, Porte des Sciences, 4366 Esch-sur-Alzette, Grand Duchy of Luxembourg.

Any opinions expressed in this Series are solely those of the author(s). LISER accepts no responsibility or liability for the content of the contributions published herein. LISER adheres to the European Code of Conduct for Research Integrity. Contributions published in this Series present preliminary work intended to foster academic debate. They may be revised, are not definitive, and should be cited accordingly. Copyright remains with the author(s) unless otherwise indicated.



The Value of Reliable Statistics*

Abstract

On August 1, 2025, President Trump fired the head of the U.S. Bureau of Labor Statistics (BLS) and claimed that the agency's data were "rigged." In the aftermath, measures of economic policy uncertainty rose sharply, consistent with the idea that reduced trust in official data increases uncertainty for investors, businesses, and households. We use an event-study design to estimate the effect of the firing on policy uncertainty, and then map that increase in uncertainty into implied macroeconomic outcomes. This yields a back-of-the-envelope estimate of the marginal value of public trust in official statistics. Our baseline estimate implies that preserving trust in the integrity and quality of official statistics generates economic benefits of about \$25 for every \$1 spent on the agency's budget.

JEL classification

D8, E01, J00

Keywords

statistics, uncertainty, policy uncertainty

Corresponding author

Michael R. Strain

michael.strain@aei.org

* *Acknowledgements:* We thank Katharine Abraham, Bart Hobijn, Erika McEntarfer, Adithya Mohan, Steve Pierson, Aaron Sojourner, Charles Steindel, and David Wilcox, for comments and helpful feedback.

Section I. Introduction

On August 1, 2025, President Trump fired Dr. Erika McEntarfer, the Commissioner of the U.S. Bureau of Labor Statistics (BLS), alleging that she “faked the Jobs Numbers” and was “incompetent.” This event provides a rare opportunity to study something that is otherwise difficult to measure: the value of trustworthy official statistics.

In social media posts on August 1, President Trump argued that BLS overstated job growth in the run-up to the 2024 presidential election, posting this: “I was just informed that our Country’s “Jobs Numbers” are being produced by a Biden Appointee, Dr. Erika McEntarfer, the Commissioner of Labor Statistics, who faked the Jobs Numbers before the Election to try and boost Kamala’s chances of Victory. This is the same Bureau of Labor Statistics that overstated the Jobs Growth in March 2024 by approximately 818,000 and, then again, right before the 2024 Presidential Election, in August and September, by 112,000.”¹ He wrote: “In my opinion, today’s Jobs Numbers were RIGGED in order to make the Republicans, and ME, look bad.”² Economic policy uncertainty spiked in the wake of the president’s efforts to undermine public trust in BLS data, as you would expect to see if trust in a crucial source of information about the economy had been eroded.

Previous research finds that spikes in uncertainty have effects on the real economy (e.g., Bernanke 1983, Bloom 2009, Fernandez-Villaverde 2011, and Cascaldi-Garcia 2023). Under our baseline scaling assumptions, the increase in uncertainty associated with McEntarfer’s firing implies a reduction in output of roughly \$20 billion. We interpret this as an estimate of the value

¹ Donald J. Trump (@realDonaldTrump), "I was just informed that our Country’s “Jobs Numbers” are being produced by a Biden Appointee, Dr. Erika McEntarfer," Truth Social, August 1, 2025, <https://truthsocial.com/@realDonaldTrump/posts/114954846612623858>

² Donald J. Trump (@realDonaldTrump), "In my opinion, today’s Jobs Numbers were RIGGED in order to make the Republicans, and ME, look bad," Truth Social, August 1, 2025, <https://truthsocial.com/@realDonaldTrump/posts/114955222046259464>

the public placed on the marginal decrease in trust operating through the elevated-uncertainty channel. As a point of perspective, the budget for BLS in FY2025 was \$704 million.

This paper proceeds as follows. In Section II, we provide a brief overview of the BLS and of some of the reasons why an erosion of trust in its data products could increase uncertainty. In Section III, we describe the data we use to measure uncertainty and present the results from our event study designed to capture the effect of Commissioner McEntarfer’s firing on uncertainty. In Section IV, we map the shock to uncertainty into aggregate economic outcomes. Section V offers a brief concluding discussion.

Section II. Trust in Official Statistics Mitigates Uncertainty

BLS collects, calculates, analyzes, and publishes data on the labor market, workers’ earnings, consumer and producer prices, and related measures. These data are essential to the public, employers, researchers, government organizations, and policymakers. We stress their importance to the Federal Reserve System’s Federal Open Market Committee, which relies on BLS data on the unemployment rate, payroll jobs, wage growth, and the consumer price index (CPI), among other indicators, to set monetary policy.

As is the case for many public goods, the value to the country of trustworthy official statistics is difficult to measure. The benefits are highly diffused across the population. For example, BLS statistics inform public and private investments, facilitate long-term contracting, and allow evaluation of public and private programs.³

One channel through which BLS data are valuable to government and private-sector actors is that they decrease uncertainty about economic conditions. A growing body of research

³ Examples of these benefits and attempts to measure them are reviewed in National Academies of Sciences, Engineering, and Medicine (2025).

has stressed the role that uncertainty and official statistics play in shaping, in particular, the investment decisions of businesses (Ahir et al. 2025, Lemoine 2025, Chi 2024). In a 2018 survey conducted by the National Association for Business Economists (NABE) 95 percent of businesses responded yes to the question: "Are government data important to analyses and forecasting that drive business decisions?" and employment and unemployment data produced by the BLS were rated as the most important data source for informing business decisions (Hughes-Cromwick and Coronado, 2019).

No evidence of incompetence or manipulated data at BLS has ever been presented by the Trump administration. Even so, the act of firing Commissioner McEntarfer could raise uncertainty in several ways. The Administration's allegations may have cast doubt on the objectivity and accuracy of BLS data releases. Some of those who trusted the integrity of data feared that a new commissioner would be installed whom they could not trust in the future. And, regardless of their priors, many conjectured that BLS was likely to face turmoil going forward that could degrade data quality. A 2024 report from the American Statistical Association warned that "Federal statistical agencies remain vulnerable because of weaknesses in their professional autonomy to political meddling and improper influence," (Auerbach et al., 2024).

Section III. Uncertainty Data and Estimation

A media storm followed President Trump's announcement that he fired the commissioner. Figure 1 shows that there were no mentions of "Erika McEntarfer" in Google News search results during the month prior to her termination, followed by a large spike afterwards.

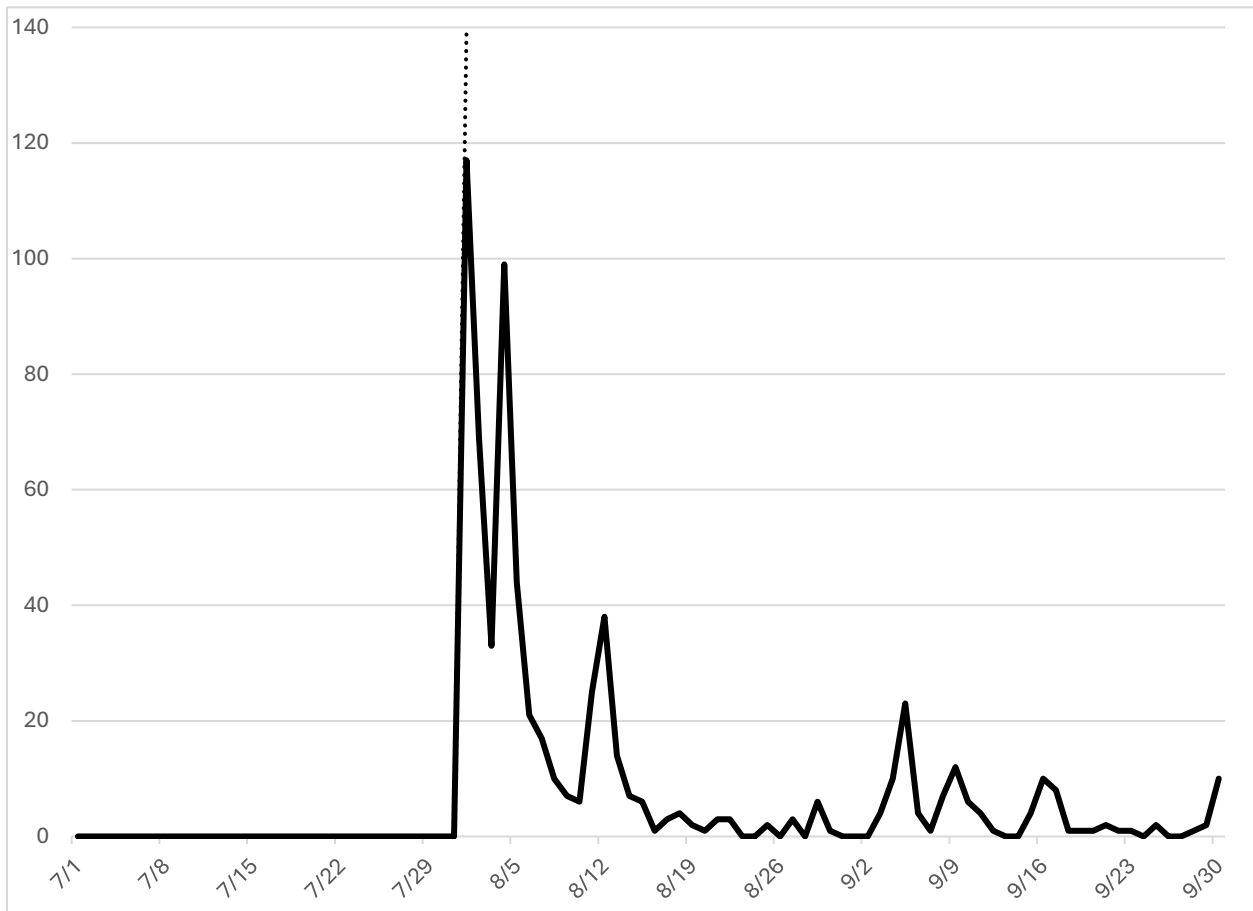
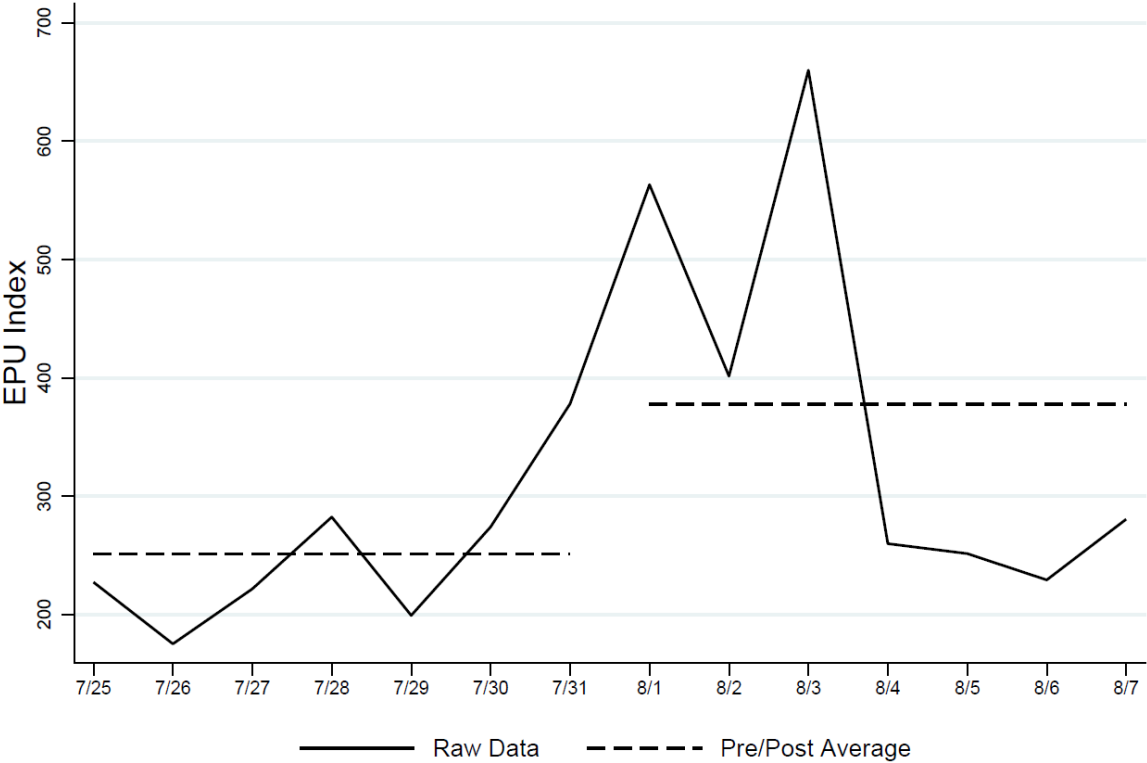


Figure 1: Count of Daily Google News Search Hits Mentioning “Erika McEntarfer” from July 1, 2025 – September 30, 2025. This figure displays the number of hits from Google News published each day from July 1, 2025 to September 30, 2025. The vertical dashed line shows August 1, the day McEntarfer was fired.

On August 1, there was a corresponding increase in the daily news-based Economic Policy Uncertainty Index (EPU) for the United States, a measure introduced in Baker et al. (2016). The daily news-based Economic Policy Uncertainty Index is created from a broad set of U.S. newspapers sourced from the Access World News NewsBank service. The index is calculated by counting the number of articles published each day that contain terms related to economic policy uncertainty normalized by the total number of articles in the database. Since 2000, the EPU for the U.S. has surged during crises, spiking after events like the 2008 financial crisis and the 2020 COVID pandemic. The daily EPU data used for our analysis was downloaded October 27, 2025.

To estimate the effect of the firing of Erika McEntarfer on economic policy uncertainty, we calculate the difference in the average level of uncertainty between July 25-July 31 (the week before she was fired) and August 1-August 7 (the week after she was fired). We use a seven-day window around the August 1 firing date because this window is long enough to capture both immediate and more delayed reactions to McEntarfer’s firing, and because a seven-day window on either side of August 1 accounts for systematic differences in news volume on different days of the week. A seven-day window around the treatment is also short enough that it avoids including some large uncertainty fluctuations driven by trade policy changes in the early and middle part of July and uncertainty fluctuations driven by controversy at the Federal Reserve in the middle and end of August.



The equation plotted by the dashed line is: $EPU = 251.2 + 126.8 * \text{Post July 31}$.

Figure 2: Economic Policy Uncertainty Index Around August 1 Firing. This figure displays the daily Economic Policy Uncertainty Index in the week before and after August 1. The solid black line is the raw daily index and the dashed lines on either side of August 1 represent the average EPU index in the week before and week after August 1 respectively. Source: Baker, Scott R., Bloom, Nick and Davis, Steven J., “Economic Policy Uncertainty Index for United States,” https://policyuncertainty.com/media/All_Daily_Policy_Data.csv. Retrieved October 27, 2025.

Figure 2 displays the raw Economic Policy Uncertainty index in the seven days before and after August 1. The EPU index spiked on August 1, when McEntarfer was fired and remained elevated for days afterward. The spike reflects the fact that McEntarfer's firing was front-page news on August 2 and August 3, and August 4 in major newspapers. To substantiate this, we include images of the front pages of *The Wall Street Journal*, *The New York Times*, *Washington Post*, and the *Financial Times* in the appendix. Comparing the weeks before and after the firing, uncertainty, as measured by EPU, jumped by 126.8 points, or over 50 percent.

This change can be viewed as a first-pass measure of the uncertainty caused by the firing. When events raise uncertainty, the EPU index typically spikes as the media discusses the event and its implications. The index often subsides after a few days—even when the underlying rise in uncertainty is more persistent—because the news cycle moves on. Thus, short-run increases in EPU can still provide a useful signal of more persistent increases in uncertainty.

Even though the action was clearly a major news story, some of the change in the EPU index between our pre- and post-firing period may be due to reports of other events. In particular, we note two likely confounding influences. First, the August 1 BLS release of the Employment Situation for July 2025 at 8:30 am revised down nonfarm payroll employment estimates for May and June 2025 down by 258,000, a large revision. Second, Dr. Adriana Kugler announced that she was resigning from the Federal Reserve Board of Governors at 3:30 pm the same day. Both likely increased economic policy uncertainty, but are not directly related to McEntarfer's firing. Simply assuming the average pre-post difference in measured uncertainty was wholly due to McEntarfer's firing would likely overestimate the effect on economic policy uncertainty.

Thus, we need to scale the total increase in EPU down to the part that is more likely to be directly attributable to McEntarfer's firing. To account for the effects of the announced employment revisions on policy uncertainty, we first calculate the weekly change in economic

policy uncertainty and size of announced employment revisions around all employment situation releases from January 1985-August 2025.⁴ In Figure 3 Panels A and B, we plot the change in average EPU for the week before and after each employment release and the absolute value of announced employment revisions respectively.⁵ From Figure 3 Panel A, the increase in EPU around August 1, 2025, indicated by the red dot, is the fifth largest increase out of 482 changes (99th percentile) around employment releases, and from Panel B, the employment revisions announced on August 1, 2025 are the 28th largest out of 482 changes (94th percentile) around employment releases. The average weekly change in EPU around employment releases prior to August 1, 2025 is -1.33 and the average absolute employment revision is 78,950. Figure 4 presents a scatterplot of the weekly changes in log EPU against the log of the employment revision along with the estimated linear relationship between the two.

We adjust for the effects of announced employment revisions by regressing the change in log weekly EPU against the log of announced employment revisions for releases prior to August 1, 2025, calculating the predicted EPU change for August 1, 2025 based on the announced employment revisions, and subtracting the share of the EPU increase attributable to the employment revisions from the observed EPU increase, using the following estimated relationship:

$$\Delta \ln(EPU) = -0.25 + 0.023 * \ln(\text{absolute employment revision}).$$

This adjustment for the size of the announced employment revisions reduces the observed increase in EPU, from 126.8 to 118.4 (around seven percent).

⁴ Data on the first, second, and third estimated monthly employment changes used to calculate employment revisions come from the Real Time Dataset for Macroeconomists published by the Philadelphia Federal Reserve (accessed February 15, 2026 at: <https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/employ>)

⁵ In cases where multiple employment situation releases occurred within one month, we use the date of the initial employment release for calculating the EPU change. We drop months where the total announced employment revisions for the prior two months sum to zero.

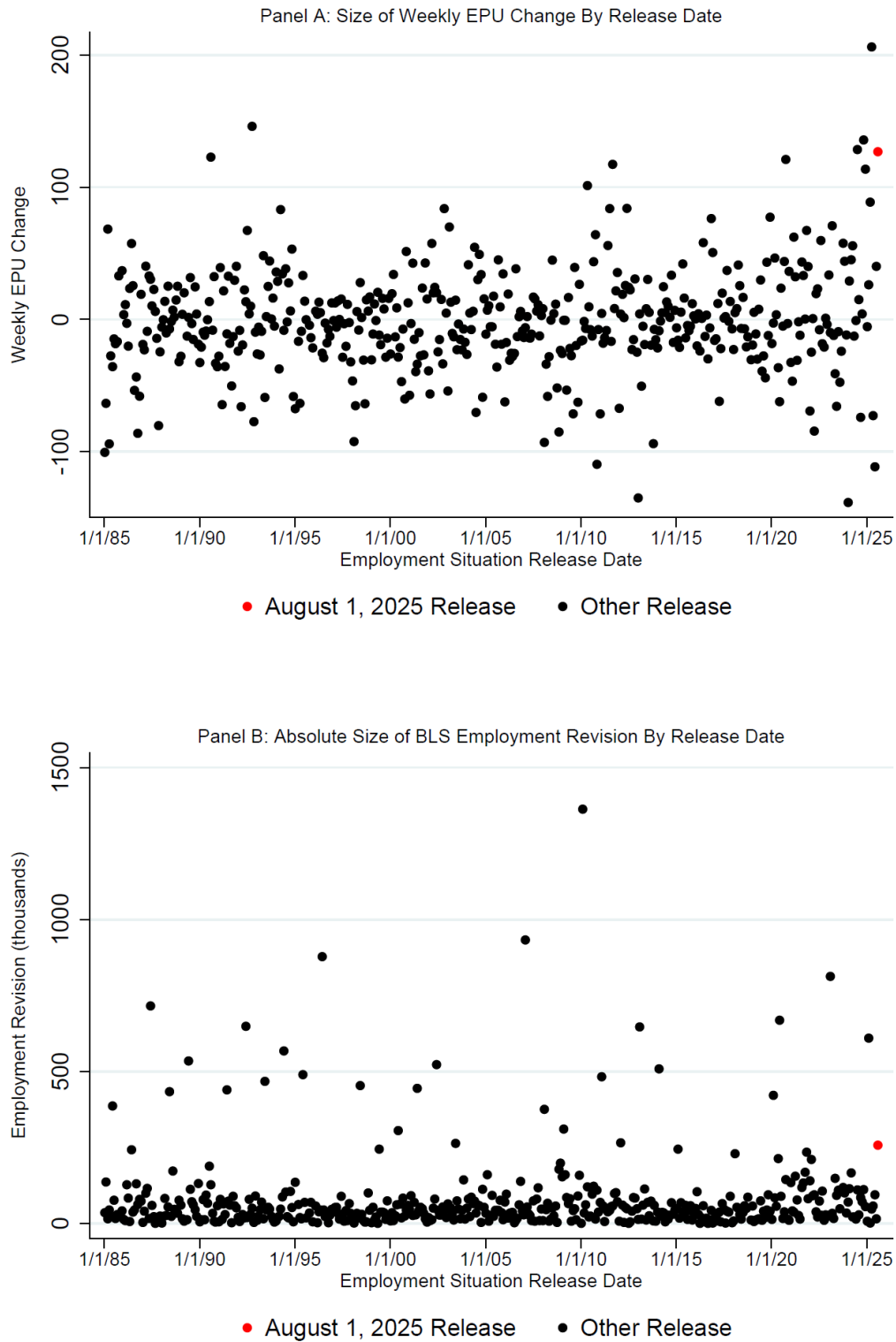


Figure 3: Weekly Change in Economic Policy Uncertainty and Announced Employment Revisions Following BLS Employment Situation Releases. Panel A displays the change in average economic policy uncertainty for the week before and after BLS employment data releases and Panel B displays absolute value of announced employment revisions for each release from January 1985 to August 2025. The red dot indicates the August 1, 2025 release, and the black dots indicate prior data releases. Months where employment revisions sum to zero are not included in the sample.

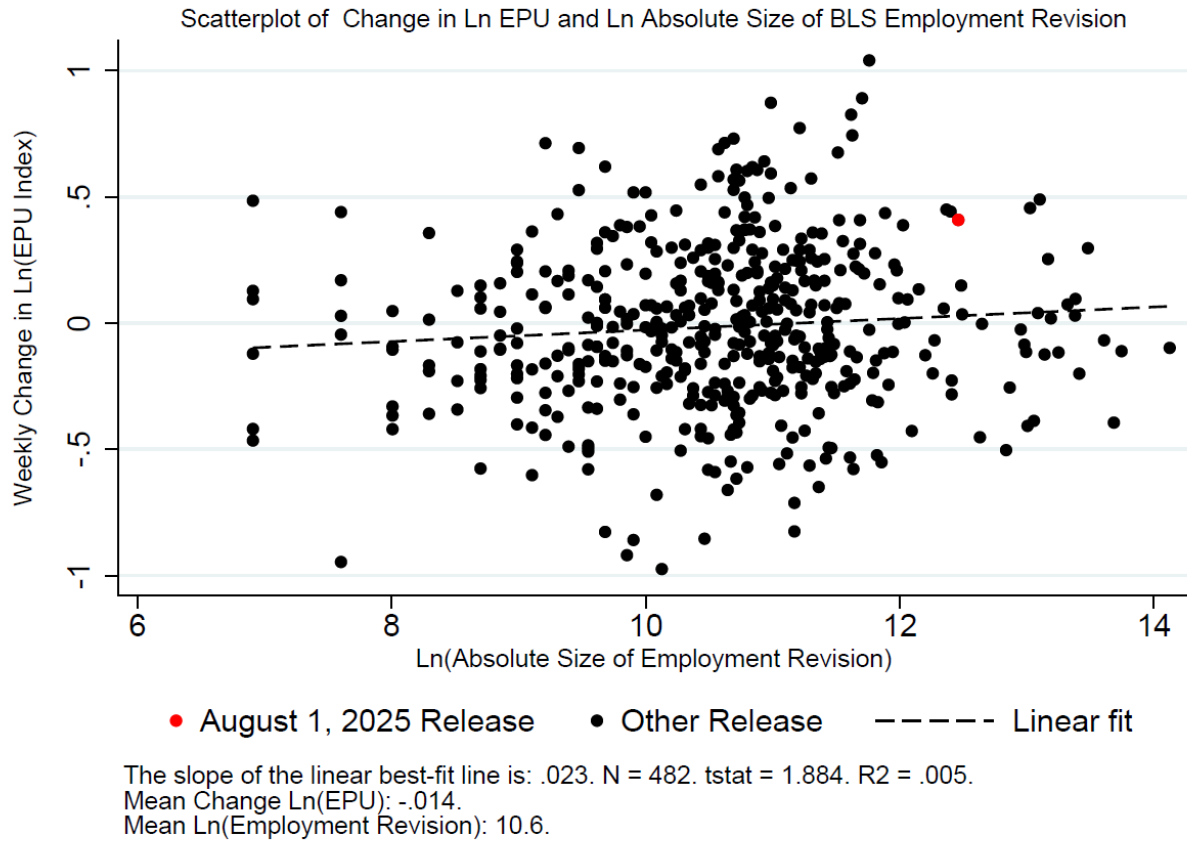


Figure 4: Relationship Between Announced Employment Revisions and Changes in Economic Policy Uncertainty. This figure displays the relationship between the log of employment revisions and the weekly change in log EPU following the revision announcement from January 1985-August 2025. The red dot denotes the August 2025 release and the black dots denote prior releases. The equation plotted by the dashed line is: $\Delta \ln(EPU) = -0.25 + 0.023 * \ln(\text{absolute employment revision})$.

To account for the effects of Adriana Kugler’s resignation announcement on uncertainty, we performed Google searches with the news filter and counted the share of articles with dates between August 1 and August 7, 2025 that directly mention McEntarfer or the Bureau of Labor Statistics. The two scaling methods used are the following:

- (1) The number of results that mention “Erika McEntarfer” as a share of total results that mention either “Erika McEntarfer” or “Adriana Kugler”: “McEntarfer” / (“McEntarfer” OR “Kugler”).⁶ The share derived from this method isolates the effect on uncertainty of McEntarfer’s August 1 firing from Adriana Kugler’s resignation, which was also announced on August 1.
- (2) The number of results that mention “Erika McEntarfer” or “Bureau of Labor Statistics” and “uncertainty” as a share of total results that mention “uncertainty”: (“McEntarfer” OR “BLS” AND “uncertainty”) / “uncertainty”.⁷ The share derived from this method isolates the effect on uncertainty of McEntarfer’s August 1 firing from other events during our sample period, such as trade policy changes, that may have resulted in increased mentions of uncertainty in the news.

We take method (1) as an upper bound that attributes all the rise in uncertainty to either Kugler or McEntarfer. Our preferred measure, Method (2), attributes to McEntarfer’s firing only the share of articles mentioning uncertainty that mention her or BLS. This is a more conservative approach in that it assumes that all the articles that do not mention BLS or McEntarfer reacted to other sources of uncertainty, including Kugler’s resignation.

Table 1 shows how we adjust our estimate of the impact of McEntarfer’s firing on the EPU index. The first four rows of Panel A of Table 1 show the derivation of our first-pass

⁶ These Google searches were performed on January 5, 2026 from a Washington DC IP address.

⁷ These Google searches were performed on January 13, 2026 from a Washington DC IP address.

estimate (the difference in average EPU between July 25-July 31 and August 1-August 7, as shown in Figure 2). The estimated rise in EPU is 126.8 points, an increase of over 50 percent relative to the week before August 1. Because the employment revisions were released at 8:30 am and Kugler's resignation was announced later at 3:30 pm we first adjust for the effects of the announced employment revisions and then for the effects of Kugler's resignation. In the last two rows of Panel A, we adjust for the size of the announced employment revision by reducing the observed increase in EPU from 126.8 to 118.4.

In Panel B, we estimate the two scaling methods to account for other factors that may have increased uncertainty. First, we show counts of news articles from Google searches that mention "Erika McEntarfer," "Adriana Kugler," "uncertainty," and "Erika McEntarfer" OR "Bureau of Labor Statistics AND "uncertainty" that we use to scale the total change in EPU by a factor that more closely approximates the increase in uncertainty specifically due to McEntarfer's firing rather than Kugler's resignation, also announced on August 1, or other events that contributed to a rise in news coverage mentioning uncertainty in the week after the firing.

We find that the number of articles mentioning Erika McEntarfer (400) is over twice as large as the number of articles mentioning Adriana Kugler (168) over the period of August 1-August 7, as shown in the first rows of the Panel B. Thus, the two scaling methods yield very different results, as shown in the bottom two rows of the panel. Method (1) implies that slightly over 70 percent of the rise in uncertainty observed in this period is the result of McEntarfer's firing. Using method (2), we find that 18.6 percent of all articles that mention uncertainty over this period also mention McEntarfer or the BLS. Taken literally, this method implies that slightly under one-fifth of the total increase in uncertainty between the week before and after August 1 is directly attributable to McEntarfer's firing.

In Panel C, we report changes in EPU scaled by the two methods shown in Panel B. Scaling by the share of articles mentioning McEntarfer relative to Kugler –method (1)—reduces the increase in EPU from 118.4 points to 83.4 points, an increase of 33 percent relative to the week before August 1. Scaling by the share of articles mentioning uncertainty also mentioning McEntarfer or the BLS—method (2)—reduces the increase in EPU from 118.4 points to 22.0 points, an increase of nine percent relative to the week before August 1.

Table 1. Difference in Average Daily Economic Policy Uncertainty Index One Week Before and After the August 1 Firing of Erika McEntarfer

Panel A. Change in Daily EPU Between Pre and Post Period	
Average EPU Index: 7/25/2025 - 7/31/2025	251.2
Average EPU Index: 8/1/2025 - 8/7/2025	378.0
Change in EPU Index	126.8
Percent Change in EPU Index from Week Before 8/1	50.4%
Change in EPU Index Adjusted for BLS Employment Revisions	118.4
Percent Change in Adjusted EPU Index from Week Before 8/1	47.1%
Panel B: Share of Uncertainty Attributable to McEntarfer's Firing	
Articles Mentioning	
Articles Mentioning "Erika McEntarfer": 8/1-8/7	400
Articles Mentioning "Adriana Kugler": 8/1-8/7	168
Articles Mentioning "uncertainty": 8/1-8/7	253
Articles Mentioning ("Erika McEntarfer" OR "Bureau of Labor Statistics) AND "uncertainty": 8/1-8/7	47
Scaling Methods	
Method (1): McEntarfer/(McEntarfer OR Kugler)	0.704
Method (2): uncertainty AND (McEntarfer OR Bureau of Labor Statistics)/uncertainty	0.186
Panel C. Scaled Change in EPU Index by Share of Uncertainty Attributable to McEntarfer and Employment Revisions Released August 1, 2025	
Method (1): Change in EPU Index scaled by McEntarfer/(Kugler OR McEntarfer)	83.4
Method (2): Change in EPU Index scaled by uncertainty AND McEntarfer OR Bureau of Labor Statistics/uncertainty	22.0

Notes: Panel A reports the simple difference in average daily EPU 7 days before and after the firing of BLS Commissioner McEntarfer on August 1, 2025 and the change in EPU after adjusting for the employment revisions announced earlier that day. Panel B displays counts of Google News search hits mentioning "uncertainty" "Erika McEntarfer", Adriana Kugler", and "Bureau of Labor Statistics" that we use to approximate the share of the increase in uncertainty that results from McEntarfer's firing and not from other events. In Panel C, we calculate scaled changes in EPU using shares of articles relating to McEntarfer's firing. Source: Authors' calculations from Google searches performed on January 5, 2026 and January 13, 2026 from a Washington DC IP address and Baker, Scott R., Bloom, Nick and Davis, Steven J., "Economic Policy Uncertainty Index for United States," https://policyuncertainty.com/media/All_Daily_Policy_Data.csv. Retrieved October 27, 2025.

Section IV. Macroeconomic Impacts

We interpret the spike in uncertainty caused by McEntarfer's firing as a deterioration in the public's trust in the ability of BLS to reduce their uncertainty about economic conditions. Of course, the public did not lose all trust in BLS, but on the margin trust was eroded. We now attempt to quantify the macroeconomic effect of the increase in uncertainty, which we interpret as a measure of the marginal value of public trust in government statistics operating through the policy-uncertainty channel.

To do this, we use estimates from Baker, Bloom, and Davis (2016) (hereafter, BBD). BBD use a VAR model to estimate the effects of a 90-point increase in monthly EPU (equivalent to the actual increase in EPU from 2005-2006 to 2011-2012) on gross investment, industrial production, and employment. These estimates are summarized in Panel A of Table 2, below. Since we measure a one-week rise in EPU in Table 2 Panel B, we multiply the BBD estimated impacts by (12 months per year / 52 weeks per year) to convert the estimated monthly impacts to weekly impacts.

Table 2. Economic Effects of a 90-point Rise in Monthly EPU from BBD (2016)

Panel A. Unscaled Impact	
Effects on Gross Investment	-6%
Effects on Industrial Production	-1.1%
Effects on Employment	-0.35%
Panel B. Scaled by 12/52 to Reflect the Number of Weeks in a Month	
Effects on Gross Investment	-1.38%
Effects on Industrial Production	-0.25%
Effects on Employment	-0.08%

Notes: This table reproduces economic impact estimates of a 90-point rise in monthly EPU from BBD (2016). In Panel A, we report estimates directly from BBD (2016). In Panel B, we report estimated economic impacts multiplied by 12 and divided by 52 to reflect that BBD are estimating impacts from a 90-point rise in monthly EPU, while we are examining the effects of a weekly change in EPU around McEntarfer's firing.

To convert these impacts from a 90-point rise in EPU to estimates of the effect of McEntarfer's firing on GDP and payroll employment, we multiply the estimates from Table 2 by the ratio (change in EPU from McEntarfer firing / 90), using the first-pass and scaled changes in EPU from Table 1. We then multiply these scaled effects by the observed levels of nominal GDP in 2025 Q3 and nonfarm payroll employment in August 2025, which we report in column 1 of Table 3. We use Table 2's percentage drops in industrial production as estimates for impacts on GDP and percentage drops in employment as estimates for the impact on nonfarm payroll employment. We report the effects based on 90-point rise in *monthly* EPU from BBD (2016) in columns 2 and 3 of Table 3. Because we are measuring the effects of a change in *weekly* EPU, we also report economic impact estimates multiplied by (12 months per year / 52 weeks per year) (shown in Panel B of Table 2) in columns 4 and 5 of Table 3.

In Panel A, we present estimates of the GDP and employment effects under the assumption that the entire 118.4-point increase in average weekly EPU was driven by McEntarfer's firing. Using the estimated economic impacts from BBD (2016), we estimate the increase in economic policy uncertainty reduced GDP by roughly \$450.02 billion (1.45 percent) through declines in production, and reduced payroll employment by roughly 730,000 (0.46 percent). Multiplying this by 12/52 to estimate a one-week elevation in uncertainty (column 5), the full increase in EPU reduced GDP by roughly \$103.85 billion (0.33 percent) through declines in production, and reduced payroll employment by roughly 168,000 (0.11 percent). These estimates can be viewed as unscaled impacts of the economic effects of McEntarfer's firing assuming the entire increase in weekly uncertainty we observe resulted solely from it.

In Panel B, we present our upper bound estimates of the economic effects of the firing, focusing on removing the economic impact of Kugler's resignation. Using scaling method (1), and the estimated economic impacts from BBD (2016), we estimate the increase in economic

policy uncertainty reduced GDP by roughly \$316.99 billion (1.02 percent) through declines in production, and reduced payroll employment by roughly 514,000 (0.32 percent). Adjusting for a weekly impact (column 5), we estimate the increase in policy uncertainty reduced GDP by roughly \$73.15 billion (0.24 percent) through declines in production, and reduced payroll employment by roughly 119,000 (0.07 percent).

Panel C presents our baseline estimate using scaling method (2). Using the estimated economic impacts from BBD (2016), we estimate the increase in economic policy uncertainty reduced GDP by roughly \$83.62 billion (0.27 percent) through declines in investment, and reduced payroll employment by roughly 136,000 (0.09 percent). Adjusting for a weekly impact (column 5), we estimate that the increase in economic policy uncertainty reduced GDP by \$19.30 billion (0.06 percent) through declines in production, and reduced payroll employment by roughly 31,000 (0.02 percent).

One question is whether the increase in uncertainty will just delay activity, generating a temporary pause in GDP, employment, and investment, or lead to a more lasting reductions. We see two reasons the effects may persist. First, the rise in uncertainty itself may persist because concerns about the quality of the data and the independence of the statistical agencies are unlikely to dissipate quickly. Although media attention was concentrated in the immediate aftermath of the event, the damage to confidence in official statistics may be longer-lasting. Second, while standard models emphasize delay, some decisions—especially those involving research, training, and other intangible investments—may be forgone rather than postponed. A firm that chooses not to launch a new research project or training program may simply never undertake it.

Table 3. Estimated Economic Impacts of the Increase in Economic Policy Uncertainty Resulting from Erika McEntarfer's Firing

	(1)	(2)	(3)	(4)	(5)
	Current Level	Level Impact - Monthly	Percent Impact - Monthly	Level Impact - 12/52 of Monthly	Percent Impact - 12/52 of Monthly
Panel A. Unscaled Impact					
Nominal GDP (Billions)	\$31,098	-\$450.02	-1.45%	-\$103.85	-0.33%
Payroll Employment	158,472,000	-729,676	-0.46%	-168,387	-0.11%
Panel B. (Upper Bound) Impact Scaled by (McEntarfer/(Kugler OR McEntarfer))					
Nominal GDP (Billions)	\$31,098	-\$316.99	-1.02%	-\$73.15	-0.24%
Payroll Employment	158,472,000	-513,978	-0.32%	-118,610	-0.07%
Panel C. (Baseline) Impact Scaled by (uncertainty AND (McEntarfer OR Bureau of Labor Statistics))/uncertainty					
Nominal GDP (Billions)	\$31,098	-\$83.62	-0.27%	-\$19.30	-0.06%
Payroll Employment	158,472,000	-135,582	-0.09%	-31,288	-0.02%

Notes: This table reports estimates on GDP and payroll employment of the increase in economic policy uncertainty resulting from Erika McEntarfer's firing. We use the estimated changes in production and employment following a 90-point rise in monthly EPU from BBD (2016) which we report in Table 2. Column 1 reports the levels of nominal GDP in Q3 2025 from the Bureau of Economic Analysis and nonfarm payroll employment in August 2025 from the Bureau of Labor Statistics. In columns 2 and 3, we report impacts on GDP and employment based on the changes in EPU from Table 1, column 1 and monthly impacts taken from Table 2 Panel A. In columns 4 and 5, we report estimated impacts on GDP and employment based on the impact estimates from Table 2 Panel B, which adjust from a monthly estimate to a weekly estimate of the effects from increases in EPU by multiplying by 12 months per year and then dividing by 52 weeks per year. Panel A reports estimated impacts on GDP and payroll employment from the total change in EPU. Panel B displays estimated impacts on GDP and payroll employment scaled by the share of articles that mention McEntarfer as a share of articles that mention either McEntarfer or Kugler. Panel C displays estimated impacts on GDP and payroll employment scaled by the share of articles mentioning uncertainty that also mention McEntarfer or the Bureau of Labor Statistics.

Section V. Concluding Discussion: The ROI on BLS Statistics

This paper finds evidence that firing Commissioner McEntarfer and undermining trust in the integrity of BLS raised measured economic uncertainty in the U.S., with nontrivial implications for economic wellbeing, in terms of investment, economic growth and job creation.

The BLS budget for FY2025 was \$704 million. Applying our baseline estimate of the impact of about \$20 billion (Panel C in Table 3) suggests that the marginal erosion in public trust in the quality and integrity of BLS data cost the nation about \$25 for every \$1 of direct government spending on the agency. Alternatively, trust in BLS raises GDP by at least one order of magnitude more than the agency's budget, just through the channel of supporting investor confidence.

We believe this estimate to be conservative for at least two reasons. First, to be sure, the public did not lose complete faith in BLS statistics even for one week. Markets continued to trade on BLS inflation and employment data and businesses continued to rely on BLS data to make important decisions about investment, production, and expansion, and the like. Second, the total social benefits of BLS data extend far beyond the marginal change we have estimated. For example, other BLS products estimate productivity, facilitate better matches between workers and employers (via occupational projections, the Occupational Employment and Wage Survey, and the Occupational Outlook Handbook), help formulate better public policy (Eberstadt, Nunn, Schanzenbach, and Strain, 2017), and ensure accurate cost-of living adjustments to federal benefits (e.g., a 0.1 percentage point mistake in the Consumer Price Index could cost Social Security beneficiaries or the U.S. Treasury about \$1 billion). In short, our calculations suggest that maintaining trust in federal statistical agencies likely generates returns that are large relative to their budgetary cost.

References

- Ahir, Hites, Nicholas Bloom and Davide Furceri. 2025. "Uncertainty about Uncertainty." [Finance & Development Magazine](#), September 2025.
- Auerbach, Jonathan, Claire McKay Bowen, and Constance F. Citro. "The nation's data at risk: Meeting America's information needs for the 21st century." *American Statistical Association*, 2024.
- Auerbach, Jonathan, C. F. Citro, S. Pierson, and Z. H. Seeskin. 2025. "The nation's data at risk: The first annual report on the federal statistical system." *Harvard Data Science Review* 7, no. 1: 15.
- Baker, Scott R., Nicholas Bloom, and Steven J. Davis. 2016. "Measuring Economic Policy Uncertainty." *Quarterly Journal of Economics* 131 (4): 1593–636.
- Bernanke, Benjamin, 1983, "Irreversibility, Uncertainty and Cyclical Investment", *Quarterly Journal of Economics*, vol 98(1), pp 85-106.
- Bloom, Nicholas. 2009. "The impact of uncertainty shocks." *Econometrica* 77, no. 3: 623-685.
- Cascaldi-Garcia, Danilo, Cisil Sarisoy, Juan M. Londono, John Rogers, Deepa Datta, Thiago Ferreira, Olesya Grishchenko, Mohammad R. Jahan-Parvar, Francesca Loria, Sai Ma, Marius Rodriguez, Bo Sun and Ilknur Zer, 2023, "What is certain about uncertainty." *Journal of Economic Literature*.
- Chi, Feng. 2025. "Information Waves and Firm Investment." Available at SSRN: <http://dx.doi.org/10.2139/ssrn.4269750>
- Eberstadt, Nick, Ryan Nunn, Diane Whitmore Schanzenbach, and Michael R. Strain. 2017. " *In Order that They Might Rest Their Arguments on Facts": The Vital Role of Government-collected Data*. Brookings Institution.
- Fernández-Villaverde, Jesús, Pablo Guerrón-Quintana, Juan F. Rubio-Ramirez, and Martin Uribe. 2011. "Risk Matters: The Real Effects of Volatility Shocks." *American Economic Review*. 101 (6): 2530–61.
- Hughes-Cromwick, Ellen, and Julia Coronado. 2019. "The value of US government data to US business decisions." *Journal of Economic Perspectives* 33, no. 1: 131-146.
- Lemoine, Derek. 2025. *Big Beautiful Numbers: The Impact of Governmental Data on Firms' Valuations*. No. w34350. National Bureau of Economic Research, (October).
- National Academies of Sciences, Engineering, and Medicine. 2025. "The Value of Federal Statistics." Chapter 4 of *Principles and Practices for a Federal Statistical Agency: Eighth Edition*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/146>. <https://nap.nationalacademies.org/read/27934/chapter/4>

Appendix

Newspaper Front Pages for August 2, 3, or 4 2025

The Wall Street Journal Weekend, Saturday/Sunday August 2-3, 2025



WSJ

THE WALL STREET JOURNAL WEEKEND



DOW JONES | News Corp ***** SATURDAY/SUNDAY, AUGUST 2 - 3, 2025 - VOL. CCLXXXVI NO. 28 WSJ.com ***** \$6.00

What's News

Business & Finance

- ◆ **U.S. hiring slowed** sharply over the summer, with jobs figures for May and June revised downward and July's number falling short of economists' expectations. **A1**
- ◆ **Trump fired the top** Bureau of Labor Statistics official after the government published the data showing that U.S. hiring slowed. **A2**
- ◆ **The weak jobs data** and Trump's revamped tariff plan sent U.S. stocks sharply lower, with the S&P 500, Nasdaq and Dow shedding 1.6%, 2.2% and 1.2%, respectively. **B11**
- ◆ **Exxon Mobil and Chevron** reported steep declines in second-quarter earnings, driven by lower oil prices, as big foreign producers brought on more barrels. **B9**
- ◆ **Nintendo's first-quarter** net profit jumped 19%, helped by robust sales of the company's new Switch 2 console. **B9**
- ◆ **Shares of Universal Music** fell after second-quarter earnings and free cash flow missed expectations. **B10**
- ◆ **Online marketplace Etsy** is changing its marketing strategy to answer a decline in buyers as consumers grow more cautious. **B10**
- ◆ **Kimberly-Clark's** second-quarter adjusted profit came in above Wall Street estimates but sales fell short of analysts' expectations. **B10**

World-Wide

- ◆ **The death toll** from Russia's aerial bombardment of Ukraine's capital Thursday rose to 31, making the strikes among the worst of the 3½-year war, with four more children among the victims. **A9**
- ◆ **Trump said he would** position two nuclear submarines "in the appropriate regions" in response to

Hiring Slows Sharply in Summer

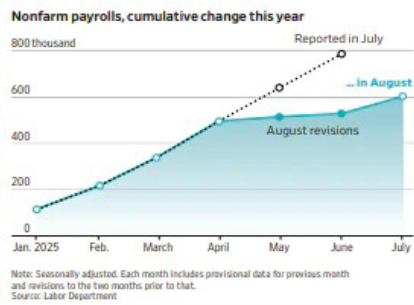
Stocks and yields fall after data revisions suggest a weaker jobs market

By Rachel Wolfe and Justin Lahart

After months of uncertainty, July's job report is clear: The U.S. economy is beginning to show signs of slowing. The U.S. added a seasonally adjusted 73,000 jobs in July, the Labor Department reported Friday, below the 100,000 that economists polled by The Wall

Street Journal had expected. Revisions cut down the jobs growth originally reported for May and June by a combined 258,000. That left May as having added just 19,000 jobs and June just 14,000. A storm of changes is keeping business leaders cautious. Tariffs are weighing on manufacturing, workplace raids are hurting immigrant-dependent sectors like landscaping and meatpacking. And cutbacks to the federal workforce are squeezing government hiring. "To see three months in a row of fewer than half of industries adding jobs is unpre-

cedented outside of a recession," said Wells Fargo senior economist Sarah House. "Businesses are standing pat with their head counts as they wait to see what lies ahead." President Trump on Friday afternoon said he had directed his team to fire the top official at the Bureau of Labor Statistics after the release of the soft data. That move raised concerns among economists and former officials that it could open the door for American



Palestinians Swarm Aid Trucks Entering Gaza



CHAOS: Palestinians climb on vehicles carrying relief supplies Friday in the northern Gaza Strip. A breakdown of law and order, with mobs ransacking aid trucks, is preventing food from reaching the most vulnerable people, aid workers say. **A8**

September Rate-Cut Path Gets Clearer

By Nick Timiraos

The July jobs report could give Federal Reserve officials a sense of déjà vu. Last year, officials decided against cutting interest rates at their July policy meeting, but an employment report two days later suggested the labor market wasn't as strong as it looked. Officials made up for it by cutting rates by a half-percentage point, larger than the traditional quarter point increment, at their subsequent meeting in September. This past week, officials also held rates steady, only to wake up Friday to news that the labor market unexpectedly cooled during the past few months. Traders increased the chances of a September rate cut to more than 70% from 38% Thursday. The situations aren't exactly the same, of course. Last year, inflation was heading lower. This year, officials are worried

"All the News That's Fit to Print"

The New York Times

Today's weather and economy: High 80, low 60. Tomorrow: High 80, low 60. Page 1A.

VOL. CLXXIV No. 60,599 SATURDAY, AUGUST 2, 2025 Price: \$4.00



TRUMP PUSHES OUT LABOR DATA CHIEF OVER JOBS REPORT

Calls Weak Numbers 'Rigged' as Others Warn on Policies and Precedent

By BEN CRAWFORD and TONY NOON

President Trump's decision to fire the chief economist of the labor market on Friday morning raised the question of whether the president was trying to influence the numbers each month.

In a long post on social media, Mr. Trump said he had directed the commissioner of the Bureau of Labor Statistics, who was confirmed by the Senate in a bipartisan vote in 2018.

Donald Trump's decision to fire the chief economist for the Bureau, confirmed late Friday that Mr. Trump's decision had been final and that William W. Wines, the deputy commissioner, would be taking over the job.

The president fired Dr. Wines shortly after the Bureau released monthly job data showing a surprisingly weak July and large downward revision to job growth in the previous two months. Economists widely expected the report to show that Mr. Trump's policies were beginning to take a toll on the economy, though the president insisted in a subsequent post that the economy was "doing great."

Last October, President Trump fired the chief economist of the Bureau of Economic Analysis, who was confirmed by the Senate in a bipartisan vote in 2018.

"You know what I did?" Mr. Trump later told reporters, as he claimed the numbers were "rigged." "I fired him and I put someone else in."

Mr. Wines' firing was announced after President Trump's decision to fire the chief economist of the Bureau of Economic Analysis and other agencies, who were named in a series of executive orders, including Mr. Trump. Among the agencies who were named were the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Bureau of Census, the Bureau of Economic Analysis, and the Bureau of Economic Analysis.

Mr. Wines' firing was announced after President Trump's decision to fire the chief economist of the Bureau of Economic Analysis and other agencies, who were named in a series of executive orders, including Mr. Trump. Among the agencies who were named were the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Bureau of Census, the Bureau of Economic Analysis, and the Bureau of Economic Analysis.

Old Order Gone, Trade by Tariff Is Put to the Test

By ANDREW ROSEN

WASHINGTON — President Trump's plan to impose tariff walls on dozens of trading partners will be tested in a way that will be felt by many of his subjects, including a former trade official who has helped to build up global trade since the end of World War II.

The trade-off is that the president has promised to reduce the number of countries that will be subject to a trade war. The president has promised to reduce the number of countries that will be subject to a trade war.

They will strip the law import from the United States and force the United States to agree to change its import laws to match the world's most liberal trade agreements in force at each higher tariff that may affect the country's economy. The bill will strip the law import from the United States and force the United States to agree to change its import laws to match the world's most liberal trade agreements in force at each higher tariff that may affect the country's economy.

In D.C. Crash, 3 Who Made Fateful Calls

The crash in the stock market on Friday was a result of a series of fateful calls made by three people in the White House.

WASHINGTON — In an effort to avert a market crash, President Trump's chief of staff, Mark Meadows, called three people in the White House on Friday to discuss the market's performance.

The three people were: Mark Meadows, the chief of staff; Dan Scavino, the director of the White House's Office of Management and Enterprise; and Andrew Ross, the director of the White House's Office of Economic Policy.

U.S. Officials Struggle to Justify Release of a Triple Murderer

By MICHAEL W. COOPER

WASHINGTON — U.S. officials are struggling to justify the release of a man who has been convicted of three murders.

The man, who has been convicted of three murders, was released from prison on Friday. The release of the man has caused a stir in the United States.

The man, who has been convicted of three murders, was released from prison on Friday. The release of the man has caused a stir in the United States.

U.S. Officials Struggle to Justify Release of a Triple Murderer

By MICHAEL W. COOPER

WASHINGTON — U.S. officials are struggling to justify the release of a man who has been convicted of three murders.

The man, who has been convicted of three murders, was released from prison on Friday. The release of the man has caused a stir in the United States.

The man, who has been convicted of three murders, was released from prison on Friday. The release of the man has caused a stir in the United States.

Quintuplet Who Denounced Life of Exploitation

By ANDREW ROSEN

CHICAGO — Five children, who were born together, have denounced the life of exploitation.

The children, who were born together, have denounced the life of exploitation. They have denounced the life of exploitation.

Bangladeshis in N.Y.P.D. Grieve for a Colleague

By MICHAEL W. COOPER

NEW YORK — Bangladeshis in the New York City Police Department are grieving for a colleague who was killed in the line of duty.

The colleague, who was killed in the line of duty, was a member of the Bangladeshis in the New York City Police Department.

Flaming Albatross and Albatross

Flaming Albatross and Albatross

Jobless in Their Element

Jobless in Their Element

Red Democrats Speak Out

Red Democrats Speak Out

Jury Rules Against Tails

Jury Rules Against Tails

36 Hours in Reykjavik, Iceland

36 Hours in Reykjavik, Iceland

Tariffs, Tariffs and Tariffs

Tariffs, Tariffs and Tariffs

Mick Taylor's Shared Guitar

Mick Taylor's Shared Guitar

Jury Rules Against Tails

Jury Rules Against Tails

A Late Run to the N.F.L.'s Hall

A Late Run to the N.F.L.'s Hall

36 Hours in Reykjavik, Iceland

36 Hours in Reykjavik, Iceland

INTERNATIONAL A.A. NATIONAL A.A. ARTS & LITERATURE A.A. BUSINESS A.A. TRAVEL & OUTDOORS A.A. OPINION A.A. MEXICO A.A.

The Washington Post

Monday through Friday 9 a.m. to 6 p.m. EST • Tuesday through Friday 9 a.m. to 5 p.m. EST • Democracy Dies in Darkness • SATURDAY, AUGUST 2, 2025 • \$4

A soggy start to August



Pedestrians wield umbrellas and traverse puddles Friday morning while crossing 14th Street NW in Washington. The city was given a respite from heat and humidity as the month of August began on a cooler, wetter note.

Trump fires job data chief, raising alarm

MOVE FOLLOWS DIM SUMMER HIRING REPORT

Doubts deepen about labor picture, agency autonomy

BY ANDREW ACKERMAN AND JACOB BOKAGE

President Donald Trump on Friday said he ordered the dismissal of the official in charge of compiling basic statistics about the U.S. economy after the release of a soft jobs report that showed lackluster July employment growth and revealed large downward revisions for hiring in May and June.

Erika McEntarfer, the commissioner of the Bureau of Labor Statistics, was appointed to that role in 2024 by President Joe Biden. Commissioners serve four-year terms that often overlap with multiple presidential administrations. The commissioner before McEntarfer, the conservative economist William Beach, served in both the Biden and first Trump administrations.

Q&A **Q** What does the dismissal mean for the labor picture? **A** It signals a shift in the administration's approach to economic data, raising concerns about the accuracy and independence of the statistics.

President rides high on tariffs — but for how long?

BY DAVID J. LYNN

After a rough start, President Donald Trump's campaign to reshape global trade suddenly seems to be advancing from strength to strength.

Little more than six months into his unlikely second term, Trump has rewritten the rules governing more than \$2 trillion in cross-border commerce. Against all mainstream economic advice, he has scrapped decades of American leadership in lowering trade barriers and raised the average tariff, including U.S. exporters to its highest point since Menem, Simons and Harley ran U.S. trade policy in the 1930s.

Through tariffs — the president's favorite all-purpose policy tool — new arrangements have been reached to open foreign markets to American products. Economists who warned this past spring that Trump was resorting to protectionist, recession and collapsing supply chains look like lake preposterous.

For the moment, the president is riding high, crowing that "tariffs are making America GREAT & RICH Again" and banking in the glow of an economy that grew at a snail's pace 3 percent annual rate in the second quarter. Administration officials say Trump's trade wars will deliver the "Gold Age" that he promised.

"We are right in the middle of the transformation, not only of U.S. trade policy, but also of the world's economic order."

Fed governor says she plans to resign early

Adriana Kugler steps down, giving Trump a chance to shape board

BY ANDREW ACKERMAN

Federal Reserve governor Adriana Kugler is stepping down early from the central bank's powerful board of governors, creating an immediate vacancy that will give President Donald Trump an early opportunity to shape the Fed's leadership as he continues to push for lower interest rates.

Kugler, a 52-year-old labor economist, was nominated by President Joe Biden, and her term was set to expire in January. Her unexpected resignation opens a slot on the Fed that could help shift the balance of the central bank's policymaking, which Trump has been seeking for months.

Whoever Trump nominates to succeed Kugler may ultimately resemble Jerome H. Powell at chair of the seven-member Fed board.

"We just found out that I have an open spot on the Federal Reserve Board. I'm very happy about that," Trump said late Friday before boarding Marine One.

Trump has repeatedly attacked Powell for not moving to immediately slash the Fed's short-term interest rates, saying lower rates are needed to jump the economy. On Friday, he renewed those attacks, saying in a social media post that Powell should "be put 'out to pasture.'" In an earlier post, he referred to the Fed chief as "a stubborn MORON" and said the Fed board should help shift the balance of the central bank's policymaking, which Trump has been seeking for months.

China advances real-world uses of AI

BY KATRINA NORRIS

SHANGHAI — As the United States and China vie for control over the future of artificial intelligence, Beijing has embarked on an all-out drive to transform the technology from a remote concept to a newfangled reality, with applications on factory floors and in hospitals and government offices.

China does not have access to the most advanced chips required to power cutting-edge models due to restrictions from Washington and is still largely playing catch-up with Silicon Valley giants like OpenAI. But experts say Beijing is pursuing an alternative playbook in an attempt to bridge the gap aggressively pushing for the adoption of AI across the government and private sectors. (The Washington Post has a content partnership with OpenAI.)

"In China, there's definitely stronger government support for applications and a clear mandate from the central government to speed up AI."

A weight loss test for Medicare and Medicaid

BY PAIGE WINTFIELD CONNOR

Some obese Americans on Medicare and Medicaid could get access to expensive weight loss drugs under a five-year experiment being planned by the Trump administration.

Under the proposed plan, state Medicaid programs and Medicare Part D insurance plans would be able to voluntarily choose to cover Ozempic, Wegovy, Mounjaro and Zepbound for patients for "weight management" purposes, according to Centers for Medicare and Medicaid Services documents obtained by The Washington Post.

It's a strong signal that the administration is open to more broadly covering GLP-1 drugs — long-standing struggle with weight — as a means to address the long-standing struggle with weight — as a means to address the long-standing struggle with weight.

Amid doubts sown by White House, one farmer sees reprieve

BY JOHN WOODRUFF COX AND SARAH HANSEN

He had begun to doubt the call would ever come, but JJ Ficken arrived one June afternoon at a meeting for the local farming cooperative in eastern Colorado. An acronym he knew well appeared on the screen: "USDA."

Ficken's heart throbbed in his chest.

Four days earlier, The Washington Post had published a story about a federal grant program that promised JJ \$200,000, spread across two years, to cover the cost of a seasonal farmhand from Latin America. In January, President Donald Trump suspended billions in agricultural funding and even when a court ordered the money unfrozen, it was disbursed at a trickle, leaving desperate farmers fearful the administration would kill the program before it reimbursed them. JJ, 37, endured months of uncertainty as he took on tens of thousands of dollars in debt to bring in a 24-year-old stranger from Guatemala.

Now, in the phone call on June 25, an empathetic staffer from the U.S. Agriculture Department told him that, after The Post's story, the aid had been directed to pay him as fast as possible. "She was told to get it done," he said, and two days later, the first \$100,000 appeared in his bank account.

JJ realized he'd been prevaricated, and he worried for the dozens of other farmers in the program who had also waited weeks or months to receive critical reimbursements. Now, in the aftermath of The Post's story, the Agriculture Department has moved to expedite all

IN THE NEWS

Fighting wildfires goes high-tech A nonprofit hopes an aerial system of satellites and drone swarms will help detect and snuff out blazes around the world. **A7**

Commanders stadium deal The D.C. Council advanced the \$3.7 billion project in a 9-3 vote, to be followed by another in September. **B11**

THE NATION The EPA is planning to rescind rules on "harmful chemicals," but states are moving forward. **A4**

The new NIH director says cuts aim to reduce "biological research," and focus on health. **A11**

THE WORLD Looting, chaos and looting gunfire are still hindering aid distribution in Gaza. **A9**

Trump repositioned two nuclear subs after a former Russian president's online threats. **A11**

THE ECONOMY China is cracking down on counterfeit Lululemon as it seeks to capitalize on the viral top's global popularity. **A12**

Former Naples staff gathered to reminisce and consider the unappreciated legacy of the short-lived but revolutionary start-up. **A14**

STYLE The entity that dukes out funds to NPR, PBS, and public radio on TV statements said that it is closing. **B5**

The Commanders' Terry McLaughlin has asked for a track. Barry Swaggart says a deal likely isn't in the cards. **B7**

THE REGION A Maryland teen died after being trapped in a storm drain during Thursday's torrential flooding. **B11**

The board at George Mason University voted to end some DEI efforts but approved a raise for the school's embattled president. **B12**

FINANCIAL TIMES

MONDAY 4 AUGUST 2025

USA \$3.00



The true cost of pulling the plug on USAID

BIG READ, PAGE 15

How to defeat populism — a refresher

ALEC RUSSELL, PAGE 15

Well stocked Opec+ sparks oil glut alert

The Opec+ oil cartel announced fresh production increases yesterday, marking the end of its near two-year long strategy of juggling up prices by holding back quantities of crude off the market.

Its members will raise production by 145,000 barrels a day from September, sparking warnings from analysts that the winter could be tight.

The supply cuts, launched last year by eight Opec+ members led by Saudi Arabia, Iraq and the United Arab Emirates, aimed to restrict daily output by 2.2m barrels because of concerns over the rise of electric vehicles and sluggish oil demand in China.

But they failed to arrest the downward trend in prices and created investor tensions as the cartel lost market share to increased production from the US, Canada and Brazil.

Opec+ ends on page 5



Briefing

Europe's banks draw new life from long-term rates
Shares in Euronext, have hit a record high. Barclays and Santander are at their highest levels since 2008 and Italy's UniCredit has touched its long price since 2011 as a rise in long-term interest rates backs stronger earnings. — page 8

Riyh strikes S&P debt
A UK rating agency has cut a long list of bonds, triggering a large fall in Riyh's share price. — page 10

Bullish takes \$5.5bn blow
Shares in the world's largest bank have fallen a \$5.5bn hit by selling America's investment in Citigroup in the second quarter, a reevaluation of the bank's value. — page 11

Gaza famine alarm raised
Aid agencies have warned that without a ceasefire and full-scale economic response in the besieged enclave an "unprecedented" increase in starvation in Gaza has the potential to kill thousands. — page 12

Dollar hits the buffers
Stock US job data has prompted investors to buy back into the dollar, despite what has been its strongest week since Donald Trump's election after it rose a 1.5 per cent gain. — page 13

Colombia sentences 11th
The former FARC leader has been sentenced to 11 years' prison after his conviction for witness tampering and bribery. — page 14

Mistral AI aims for \$10bn
The French artificial intelligence start-up is seeking a valuation of \$10bn in its next fundraising round as part of a push to compete with deep-pocketed US and Chinese rivals. — page 15

Door opened for Nvidia
Nvidia's legislative assembly has voted to restore term limits to the board, clearing the path for Nvidia's CEO to stay on as CEO. — page 16

US data row builds as poorest workers take hardest hit from wages slowdown

◆ Highest paid suffer least ◆ Inequality debate grows ◆ Trump erodes faith in figures ◆ Economists alarmed

DELIVERED TO YOU — 100000
CLASSIFIED — 1000000000

America's lowest paid workers are suffering a sharper slowdown in wage growth than their richer peers, adding to the pressure on Donald Trump over inequality as he tries to undermine the reliability of US economic data.

Figures from the Federal Reserve Bank of Atlanta show wage growth hit the lowest paid quartile of workers — people earning less than \$16k a month — slowed to an annual rate of 1.7 per cent in June, down from a peak of 7.2 per cent in late 2022.

Wage growth has slowed for higher earners as well. Pay for the top 25 per cent of workers is up by 4.7 per cent in the year to June, and for those-

all work force by 4.3 per cent. Those in the highest quartile earn more than \$2,000 a week.

The figures come after the president asked the head of the labor statistics agency on Friday after a gloomy jobs report. The unprecedented intervention caused an outcry among economists. The agency produces reports on the labor market and inflation that underpin the pricing of trillions of dollars in assets globally.

'The president wants his own people there so that the numbers [are] more transparent and reliable'

"The data can't be propaganda," White House economic adviser Kevin Hassett said yesterday. "The president wants his own people there so that, when we see the numbers, they're more transparent and more reliable."

William Beach, a former commissioner of the Bureau of Labor Statistics in Trump's first term, said the firing "really hurts the statistical system."

"It undermines a credibility in [the] BLS," Beach added.

The most recent data themselves compounded the effects of the US president's tariff war and government spending cuts on poorer households. Economists have warned that asset prices, including tariffs on imports, would hit poorer households hardest.

The Yale Budget Lab estimates that

the top 10 per cent of households by income will see disposable income for the poorest tenth of households by over 7 per cent in the short run, while the top 10 per cent will see a 1 per cent.

A Congressional Budget Office analysis of the Trump tax and spend legislation, dubbed the "One Big, Beautiful Bill", will lower income for the bottom 10 per cent of workers by \$1,600 per year. It would boost others for the rich on 10 per cent by \$2,000 a year.

For most of the past decade wages have grown fastest for lower earners, including during Trump's first presidency. That accelerated after the Covid-19 pandemic.

Economists say wages are often more volatile for the lowest paid workers, who tend to have less negotiating power when the job market weakens.

"It takes a tighter labor market for them to have any leverage," said Elise Givens, a labor market expert at the Economic Policy Institute.

Steve Frazee, an economist at CFPBS, said service staff, who rely on tips, were especially vulnerable to a change in business and a consumer slowdown.

Data published on Friday showed that slowdowns in hiring over the past three months had been much sharper than previously thought, especially in low-wage sectors such as retail and leisure. The White House said: "In his first term, President Trump used an America's First economic agenda to drive his hard-working class prosperity... [He] is implementing the very same policy agenda [and] the best is yet to come."



'Knives out' for Swiss leader as blame game erupts after 39% tariffs shock

SWISS LEADER — 100000

A blame game has broken out in Switzerland after the US announced an unexpected 39 per cent tariff rate on the Alpine country.

Swiss President Karin Keller-Sutter has been accused of grossly misjudging the trade deal she thought she was able to secure. Other critics pointed on the east pharmaceutical industry for speaking for Donald Trump. "It's better not to," former Swiss diplomat told.

Deals of Keller believed they were on track to secure a deal similar to the UK's 10 per cent tariff rate. Instead, on Friday, as Switzerland was celebrating the national day, Trump announced a 39 per cent rate, one of the world's highest.

The Swiss media quickly criticized Keller-Sutter: tabloid Blick called it

Switzerland's greatest defeat since 1914, when it lost a battle against the French. Swiss officials were shocked after being led to believe their talks with US trade representative Katherine Green and Treasury secretary Scott Bessent were going well and that a provisional deal had been reached, according to people familiar with the situation.

In April, Switzerland had said it was confident of securing a deal as it was willing to pledge nearly \$200bn in US investments. The Swiss side was ready to agree a tariff rate of 10 per cent, Trump's baseline, according to two people familiar with the situation.

But last week Trump focused on the bilateral \$200bn trade deficit with the US. "Trump made it clear 10 per cent was not enough and all he could focus on was industrialized stealing money from the US," said one of the people.

Switzerland has already abolished all industrial tariffs. The US is its top goods export market, including for watches, chocolate and machinery. It is also a large investor, with Nestle, Roche and Novartis employing thousands. A trade deficit is largely due to gold exports, which often transit through Switzerland. Yet both gold and pharmaceuticals are exempt from Trump's "reciprocal tariffs", adding to the bewilderment in Bern over what went so badly.

"The Swiss believe we have to make reasonable and honest offers. We are not good at international power politics," said one person close to the discussion.

"There was a mistake in making big pledges like other countries have that are not realistic. It was a painful lesson."

Swisswatcher US writes page 5
China exports however see rise page 7
Nvidia's profit divide page 7

withers

What does success mean to you?

For over 125 years we have been around to build some of the world's most remarkable products and organizations by meeting their ambitions, protecting and defending their interests, and using private capital to transform the world around them.



Subscribe in print and online
www.ft.com/subscribe
Tel: +44 (0)20 7556 1000
For the latest news go to
www.ft.com
© THE FINANCIAL TIMES LTD 2025
No 42,274
Printed in London. Licensed: Glasgow, Dublin, Hong Kong, Istanbul, Mexico, New York, Singapore, Sydney, Taipei, Tokyo, Wellington, Zurich.

INDEX	Change	Value	Change	Value	Change	Value		
S&P 500	+0.1%	5,012.12	DAX	+0.2%	24,123.45	Nikkei	+0.3%	38,765.89
FTSE 100	-0.1%	7,890.12	HANG SENG	+0.1%	25,678.90	ASX 200	+0.2%	7,123.45
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	SENSEX	+0.1%	6,789.01
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	TAIPEI	+0.1%	23,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	SEKSTOCK	+0.1%	2,345.67
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	BOVESPA	+0.1%	13,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	SET	+0.1%	1,234.56
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	KLSE	+0.1%	1,567.89
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	SEMI	+0.1%	1,890.12
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	STOXX 600	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI WORLD	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI EM	+0.1%	2,345.67
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI ACWI	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI INTL	+0.1%	2,345.67
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI ASIA	+0.1%	1,234.56
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI EUROPE	+0.1%	1,234.56
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI AFRICA	+0.1%	1,234.56
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI SA	+0.1%	1,234.56
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI LA	+0.1%	1,234.56
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI MEA	+0.1%	1,234.56
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12	MSCI USA	+0.1%	4,567.89
EURO STOXX 50	+0.1%	4,567.89	FTSE 100	-0.1%	7,890.12	MSCI INTL	+0.1%	3,456.78
NIKKEI 225	+0.3%	38,765.89	DAX	+0.2%	24,123.45	MSCI USA	+0.1%	4,567.89
ASX 200	+0.2%	7,123.45	HANG SENG	+0.1%	25,678.90	MSCI INTL	+0.1%	3,456.78
EURO STOXX 50	+0.1%	4,567.89	SHANGHAI	+0.1%	3,456.78	MSCI USA	+0.1%	4,567.89
NIKKEI 225	+0.3%	38,765.89	IBEX 35	+0.1%	12,345.67	MSCI INTL	+0.1%	3,456.78
ASX 200	+0.2%	7,123.45	NYSE COMPOSITE	+0.1%	5,012.12			