

BLS and CE: What's New? What's Planned?

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CNSTAT Panel: Integrated System of Household Income, Consumption, and Wealth Data Event

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Questions Raised - 1

- What are your recent and planned initiatives to improve income, consumption, and wealth statistics?
 - Research to improve data collection
 - Research to improve estimates
 - From a macro/micro perspective: new project with BEA to allocate PCE using CE's distribution of expenditures and owner's equivalent rent
 - New initiative to go beyond expenditures in CE key statistics
- How do/could your initiatives further a goal of an integrated system?
 - CE collects data on *expenditures*, *income*, and *wealth*, and related information for consumption (e.g., rental equivalence, owned vehicles, limited info on in-kind government transfers), and demographic variables
 - Could develop a CE-COICOP crosswalk
 - Challenges
 - Trade-off of respondent burden vs. development of more comprehensive integrated statistics
 - Imputing Diary elements to Interview CUs
 - Imputing data from other household surveys
 - Access to and integrating administrative data
 - Legal hurdles
 - Timeliness
 - Public release of survey data augmented with administrative data
 - Under-representation of high net-worth CUs in respondent sample



Questions Raised - 2

- Are you involved with relevant international efforts? *YES*
 - ▶ OECD-Eurostat Expert Group on Disparities in a National Accounts (EG DNA) framework (2020 to present)
 - ▶ OECD Expert Group on Micro Statistics on Household Income and Consumption and Wealth (EG ICW) developed international guidelines for measuring the distribution of household wealth in micro statistics and framework to integrate, served as expert (report released 2013)
 - ▶ *Other:*
 - Canberra Group (UNECE, report released 2011)
 - ILO Household Income and Expenditures (released 2003)
 - ITWG on Evaluating Alternative Measures of Poverty (released 2021)
 - UNECE on measuring poverty and inequality (2019 to present)
- What sociodemographic and geographic detail do/could your statistics provide?
 - All those listed in OECD EG DNA forthcoming report (see OECD attachment distributed earlier), with exception of
 - Migratory status of reference person
 - Disability status of reference person (but do include if listed as reason for not working)
- What frequency and timeliness do/could your statistics provide?
 - Release of published 12-month estimates twice a year (April and September)
 - Release of micro-level data once a year (September)



Recent CE Survey Improvement Initiatives

- Implementing an online diary to encourage contemporaneous reporting and provide a technological platform for future enhancements (e.g., receipt capture, geolocation features, etc.)
- Implementing a streamlined questionnaire to (1) reduce the number of questions, (2) facilitate the use of records, (3) cluster questions together more logically from a respondent's point of view, and (4) eliminate many kinds of follow up questions
- Developing statistical programs to impute assets and liabilities data using CE reporters only
 - Retirement accounts, IRA, 401(k), thrift savings plans, checking accounts, savings accounts, money market, CDs, stocks, bonds, whole life insurance, annuities, trusts, and royalties, other assets
 - Student loans, credit cards, other types of loans
- Linking CEQ and HUD addresses to assess the potential benefit of using HUD administrative data in CE processing for questions involving housing
- Evaluating matched IRS data for potential use in imputation and other production procedures or edits



New BLS Initiative: Produce a Consumption Measure



Who? What? When? Where? Why?

Produce a Consumption Measure

■ Who?

- ▶ Researchers and staff in Divisions of Price and Index Number Research (DPINR) and Consumer Expenditure Surveys (DCES) with assistance from OEUS and outside research community
- ▶ Support from Commissioner Beach (April 2021)

■ What?

- ▶ *OECD 2013 Framework definition*
- ▶ *Consumption expenditure* - value of consumption goods and services used or paid for by a household to directly meet its needs
 - purchase of goods and services in the market
 - consumption flows from owner-occupied housing, vehicles, and durables
 - in-kind transfers from employers
 - barter of goods and services
 - household's own production of goods and services consumed
 - transfers in-kind from other households (e.g., gifts) and from businesses
- ▶ **GOAL: Actual final consumption** - sum of
 - consumption expenditure
 - value of social transfers in kind provided by government and non-profit institutions

Source: OECD (2013), *OECD Framework for Statistics on the Distribution of Household Income, Consumption and Wealth*, OECD Publishing, Paris, Chapter 5. Household Consumption, p.104.



Produce a Consumption Measure

■ When?

- ▶ Within two years will have a prototype

■ Where?

- ▶ Within DPINR & DCES – research series

■ Why?

- ▶ To provide a more complete picture of economic well-being at the consumer unit level than has been produced previously
 - Supports integration of household consumption, income, and wealth data
 - Supports production of multi-dimensional measures of inequality and alternative measures of poverty

Data Gaps and Needs

■ What?

- ▶ *Consumption expenditure* - value of consumption goods and services used or paid for by a household to directly meet its needs
 - purchase of goods and services in the market [*currently collected in CE*]
 - consumption flows from owner-occupied housing [*currently collected in CE*], vehicles [stock currently collected in CE], and durables
 - in-kind transfers from employers
 - barter of goods and services
 - household's own production of goods and services consumed
 - transfers in-kind from other households (e.g., gifts) and from businesses
- ▶ **GOAL: Actual final consumption** - sum of
 - consumption expenditure
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First Steps – *Currently in Progress*

■ Consumption Symposium

- ▶ Virtual Symposium: September 14, 2021
- ▶ Call for Presenters: deadline is August 2, 2021
- ▶ Posting on CE webpage with link on DPINR's
- ▶ Topics expected
 - Theoretical concepts
 - International guidelines
 - Sources of data and methods to fill data gaps
 - Measurement of consumption from, e.g.,
 - health insurance
 - durable goods
 - government-provided in-kind benefits
 - employer benefits
 - home production
 - Integration of CE data with data from other household surveys (e.g., American Time Use Survey - ATUS)
 - Integration of CE and administrative data

■ Formal Outside Assistance

- ▶ Request for Information (RFI) – to be announced May, closes June 2021
- ▶ Request for Proposals (RFP) – to be announced July, closes August 2021
- ▶ Contract award and duration: September 2021-August 2022
- ▶ Focus
 - Imputations from other surveys
 - Linkage to administrative data
 - Usable computer code
 - Recommendations for additional data collection

