Design B: A Comprehensive Picture of Expenditures & Income

Workshop Discussion of NRC Report

October 16, 2012

Design B schematic

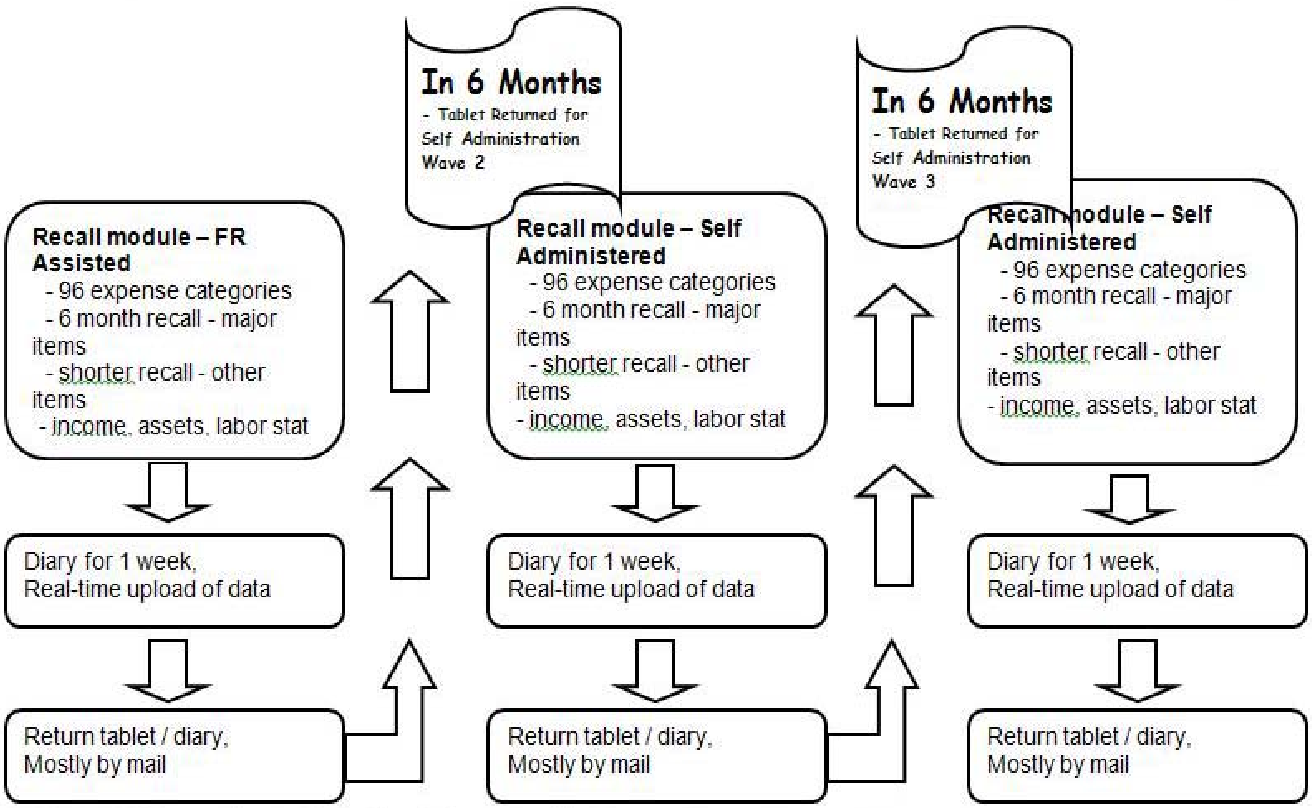

FIGURE 6-2 Process flow for Design B – A Comprehensive Picture of Expenditures and Income.

Potential strengths

- Large sample
- Detailed expenditure at the household level
  - Only imputation from *within* HH diary data
- No split sample—all data from all HHs
- Panel data
- “Gold standard” supplement

Potential weaknesses

- Loss of bounding information—are benefits of bounding worth the cost?
- Streamlining—will it mitigate response problems
- Estimation—do individual HHs have to have records to "account" for spending rather than "recall" or "estimate" it?
- "Gold standard"—is there an operational gold standard?

What design is optimal?

- CPI weights—which design has lowest MSE?
  - Design B has large effective sample size
  - Evidence is that recall surveys have lower bias
- Research & other uses (e.g., poverty measurement, child support)
  - Design B is the only design with true HH microdata (with panel)
- Supplemental panel is potential vehicle for future design improvements

Data output

- Data produced by design B roughly comparable to current survey, but with less detail on recall survey
  - No processing of base records, such as receipts
- Minimal imputation (within HH from diary component)