

Expanding Upon Issues in Measuring What We Spend: Toward a New Consumer Expenditure Survey

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October 16, 2012

Measuring What We Spend

- The report contains the results of tremendous efforts by the panel to
 - synthesize a wealth of information (prior research, workshops, etc.)
 - identify potential improvements in the collection of expenditure data
 - produce prototype surveys that meet the CE requirements while improving the overall quality of the CE data
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 - do so within a relatively short period of time
- While agreeing with the vast majority of the report, three of us felt that there were some important areas that may be overlooked and/or were underdeveloped.
- Our discussion is labelled as a “dissent” in the report, but not really.
- This presentation highlights these issues.

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- Diary survey which includes use of incentives and multiple respondents with tablet technology are primary features of report

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- Panel data is needed for microdata research that investigates changes in consumption
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- Modeling of expenditures reduces respondent burden
 - Complexity of decision requires including individual specific prices in model
 - Thwarts use of data to uncover these behavioral relationships
 - Potentially problematic for distributional analysis
 - Modeling based on current income problematic for numerous economic uses
 - Collection of spending over differing time periods in same survey raise a different set of modeling issues.

Quite Helpful But Nearly Invisible Recommendations

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- Immediately changing language of intro letter to allow for linkages as in
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- Having ability to balance budget during sample period
 - Requires spending and income collected over same interval
 - Provides additional check (“balance edit”) to improve data quality

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 - Underreporting of certain items (e.g., jewelry) is linked to higher income households
- Role of complementary data sources
 - Much as the PCE combines expenditures from various sources
 - Helpful to define where might the CPI benefit from such data
 - E.g., Alcohol is underreported by 75% in CE
 - Ability to match such data (pulled from a variety of sources) to households may be challenge that is as yet unexplored