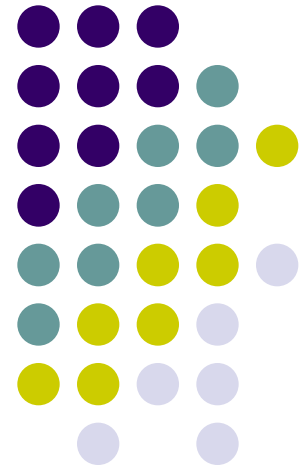
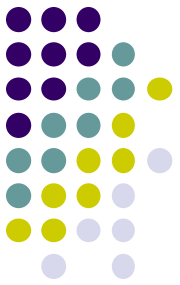


Redesigning the BLS Consumer Expenditure Surveys: NAS Panel

**For
Bureau of Labor Statistics**

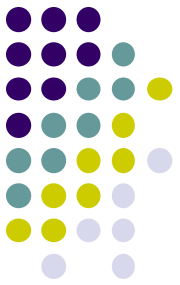
by
Carol House, Study Director
National Academies Panel on Redesign Options the
Consumer Expenditure (CE) Surveys





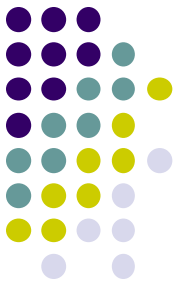
Today's purpose

- Provide insight into how perspectives from several relevant disciplines were brought to bear on redesign issues (Carol's presentation)
- Describe issues associated with CE Surveys from a survey methodology perspective. (Don's presentation)
- Limitations
 - Report is now under review – public by the end of August
 - Today's presentation stops short of recommendations



Charge to the Panel

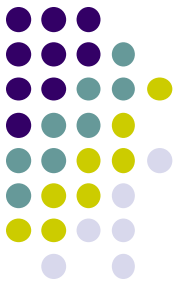
The Committee on National Statistics will convene an expert panel to contribute to the planned redesign of the Consumer Expenditure (CE) surveys by the U.S. Bureau of Labor Statistics (BLS). The panel will review the output of a data user needs forum and a methods workshop, both convened by BLS. It will also conduct a household survey data producer workshop to ascertain the experience of leading survey organizations in dealing with the types of challenges faced by the CE surveys and a workshop on redesign options for the CE surveys based on papers on design options commissioned from one or more organizations. Based on the workshops and its deliberations, the panel will produce a consensus report at the conclusion of a 24-month study with findings and recommendations for BLS to consider in determining the characteristics of the redesigned CE surveys.



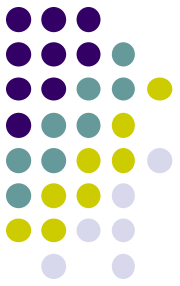
The Panel

- The Panel was composed of 13 members representing a variety of disciplines and skills.
 - Sample design
 - Data collection
 - Survey measurement and cognitive design.
 - Economics
 - Technology
 - Public Policy

The CE Panel on Redesigning the BLS Consumer Expenditure Surveys

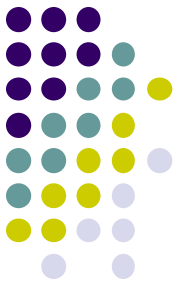


- Don Dillman, Department of Sociology, Washington State University (Chair)
- David Betson, College of Arts and Letters, University of Notre Dame
- Mick Couper, Institute for Social Research, University of Michigan
- Robert Gillingham, Independent Consultant, Potomac Falls, VA
- Michael Link, The Nielsen Company, Marietta, GA
- Bruce Meyer, Harris School of Public Policy Studies, University of Chicago
- Sarah Nusser, Department of Statistics, Iowa State University
- Andy Peytchev, RTI International, Research Triangle Park, NC
- Mark Pierzchala, Independent Consultant, Rockville, MD
- Robert Santos, The Urban Institute, Washington, DC
- Michael Schober, New School for Social Research, New York City, NY
- Melvin Stephens, Jr., Department of Economics, University of Michigan
- Clyde Tucker, Independent Consultant, Vienna, VA
- Carol House, Study Director, Committee on National Statistics



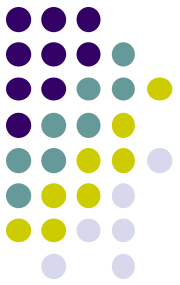
Consensus Report

- A menu of comprehensive design options with the highest potential, not one specific all-or-nothing design.
- Focus on redesign from scratch.
- Flexibility to allow for variation in program budget, staffing resources and skills, ability to implement.
- Recommendations for future research
- Approximate timeline for a new survey within 10 years.



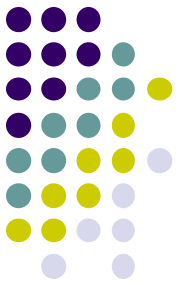
Consensus Report

- Focus on:
 - Underreporting of expenditures
 - Changes in social environment for data collection
 - Changes in the retail environment
 - Availability of large amounts of expenditure data from small number of intermediaries
 - Declining response rates
 - Proactive approaches



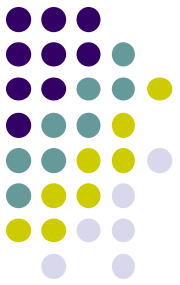
Consensus Report

- Constraints:
 - Budget
 - Meet the CPI needs
 - Support other data users as much as possible
- Modified Constraints – October 2011
 - CE Data Requirements document versus CPI Requirements of the CE



How was it achieved?

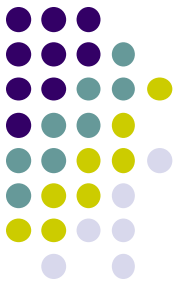
- Review GEMINI work
- Reach out to data users to understand uses of the CE
- Participate in proxy interviews
- Conduct a household survey producer workshop
- Solicit for redesign ideas and options (redesign options workshop)
- Do a lot of work within the panel



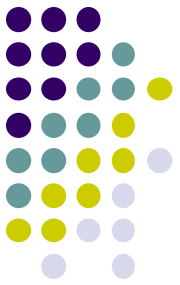
Review of progress by dates

- Feb. 8-9, 2011, First Panel Meeting
- March 14, Issued RFP for Proposed Redesigns
- June 1-3, Household Survey Producer Workshop, and second Panel meeting.
- October 26-29, Redesign Options Workshop and third Panel Meeting.
- Jan. 25-27, 2012, Panel Meeting to work on report.
- March 2, 2012, Web conference to discuss report.
- June 8, 2012, Report submitted for independent review.

Background: The U.S. Consumer Expenditure (CE) Surveys

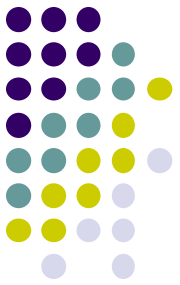


- First survey on consumer expenditure survey conducted 1888-91
- Done periodically until the early 1940's, then about every ten years
- Redesigned 1972-73, and this design used on continuing basis since 1980



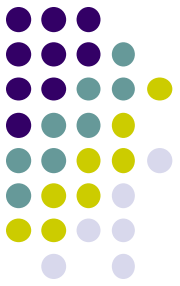
Purpose of CE Surveys

- To meet the need for timely and detailed information about the spending patterns of U.S. households.
- Three important uses of the CE surveys:
 - Provide budget shares for the Consumer Price Index (CPI).
 - Other government program administration, e.g. thresholds for Poverty Measurement.
 - Economic analyses of consumer expenditures, e.g. effect of tax or other changes.
- Uniqueness of CE: complete picture of spending at household level, with household income, assets and demographics.



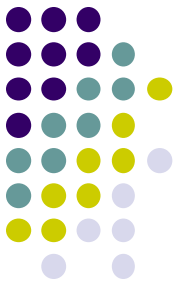
Two independent surveys

- The CE Diary: 7,000 diary households per year
 - 2 one-week diaries from each household
 - All expenditures in each week
- The CE Interview: 7,100 interview households/year
 - A bounding interview, followed by four interviews with the same household
 - Expenditures for the previous three months
 - About 1/3 of interviews by telephone
- All data collected by U.S. Census Bureau



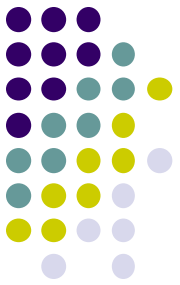
Response

- Response rates about 75% for both surveys
- Panel attrition
- Panel information not exploited for nonresponse adjustment
- Some evidence of disproportionate nonresponse



Underreporting

- Comparison with other sources, especially the PCE of the BEA
- Considerable research is available on these comparisons.
- There appears to be underreporting
 - Differential by survey (interview and diary)
 - Differential by expense item



Turn to Don Dillman to talk about CE from a survey methodology viewpoint.