Creating an Integrated System of Data and Statistics on Household Income, Consumption, and Wealth: Time to Build

Reflections by:

Hilary Hoynes

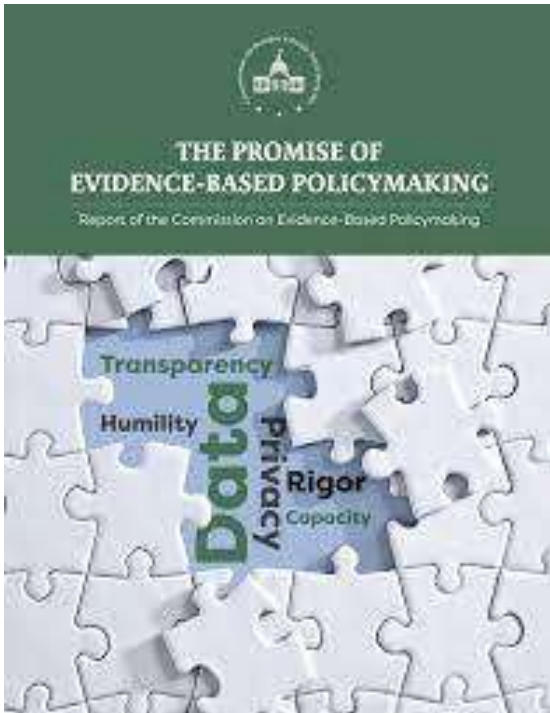Chancellor's Professor of Economics and Public Policy

University of California Berkeley

Member, Committee on National Statistics
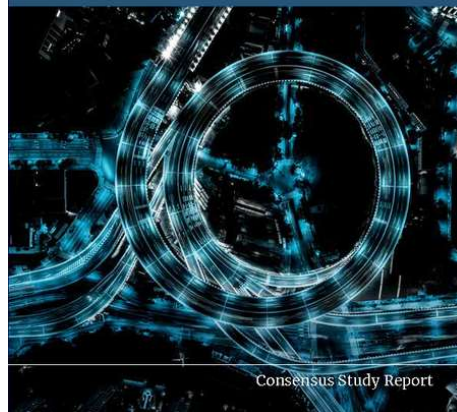
My entry point to this topic

THE PROMISE OF EVIDENCE-BASED POLICYMAKING
Report of the Commission on Evidence-Based Policymaking

Transparency
Humility
Data
Privacy
Rigor
Capacity

NATIONAL ACADEMIES — Sciences Engineering Medicine
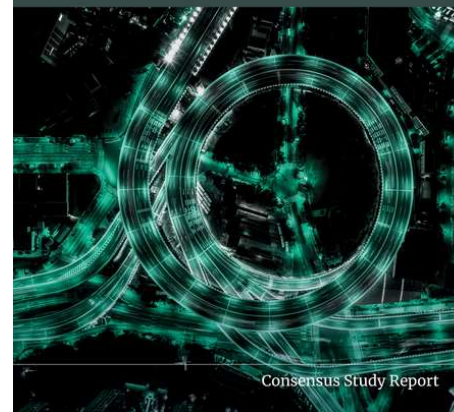
Committee on National Statistics

NATIONAL ACADEMIES — Sciences Engineering Medicine

Toward a 21st Century National Data Infrastructure: Mobilizing Information for the Common Good
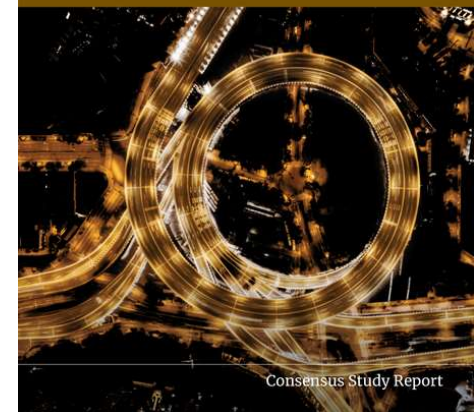
Consensus Study Report

NATIONAL ACADEMIES — Sciences Engineering Medicine

Toward a 21st Century National Data Infrastructure: Enhancing Survey Programs by Using Multiple Data Sources

Consensus Study Report

NATIONAL ACADEMIES — Sciences Engineering Medicine

Toward a 21st Century National Data Infrastructure: Managing Privacy and Confidentiality Risks with Blended Data

Consensus Study Report

"The U.S. needs a new 21st century data infrastructure that blends data from multiple sources to improve the quality, timeliness, granularity, and usefulness of national statistics, facilitates more rigorous social and economic research, and supports evidence-based policymaking and program evaluations."

Why this report is important

We need high quality, real time measurement of income, consumption and wealth for national statistics, surveillance, and evidence based policy making.

❑ Accurate and timely measurement of poverty and (wealth, income, and consumption) inequality

❑ Capacity to simulate the effects of reducing income and wealth disparities (across the distribution, by race, gender, geography, etc.)

❑ The data infrastructure to gain distributional insights of the labor market, proposed policy changes, and so on

Themes in the report that echo CNSTATs work on these issues

- Federal government statistical agencies produce vital data
- Too much is siloed across agencies
- There are huge fixed costs (e.g., data use agreements) to share data across agencies
- The agencies lack the resources to make this happen
- Private data represents more challenges (and opportunities)
- <u>And, the report outlines many ways that data linkages can be enormously valuable</u>

Themes in the report – what is new, specific and important

- The lack of consistency in **definitions** of key measures (e.g. income!) across agencies
- The possibility of duplicated efforts
- Also – focus on distributional statistics is critical

Recommendations – low hanging fruit

- Report **new data series** in line with current federal statistics: e.g., *The Census Bureau's household income estimates should include pre- and post-tax-and-transfer series* [Recommendation 3-1]

- Collaborate on a **periodic report** that compares levels and trends among the household income, consumption, and wealth statistical series [Recommendation 3-2]

- Use administrative data where we can (already happening, continue to make progress)

- Increase capacity for disaggregated statistics by geography, race, ethnicity and gender

Recommendations – harder, but important

- Solve administrative, legal, and technical challenges to integrate data from multiple federal entities (and private businesses [Recommendation 5-1]
- Identify spine on which to build blended
- Invest in strategies to improve timeliness in release of central federal statistics