

“The Future of Data Collection, Access, and Dissemination: Uses of Administrative Data and Data Matching”

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Data Collection Issues

- Resource constraints
- Costs of expanding surveys
- Respondent burden/response rates

To overcome

- Electronic reporting
- Use of administrative data
- Sharing data

Increasing Use of Administrative Data

- Looking to greater use of administrative data, including more intensive and more effective use of:
 - tax data
 - micro health insurance data
 - business financial and accounting records
 - financial and other regulatory data
 - state, local and federal administrative data
 - international banking and other financial data

Benefits of Administrative Data

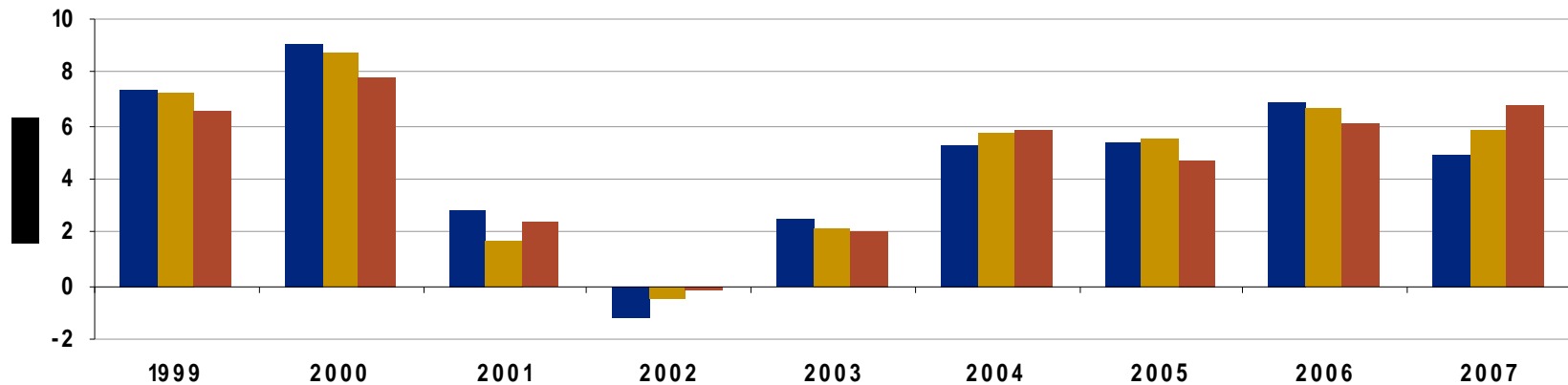
- Lower Collection and processing cost
- Near universe level coverage with few sampling or coverage problems
- No additional burden on businesses
- Administrative, or tax scrutiny usually results in high rates of compliance and accuracy (for data used for administrative purposes)
- Identification information, especially EIN, offers lots of possibilities for linking with other administrative data

Challenges of Administrative Data

- Collected for non-statistical purposes and virtually no control over concepts, definitions, and methods.
- Inconsistencies across “similar” administrative data
- Concerns about timeliness of updating, consistency over time
- Limited or no editing for items unrelated to administrative purpose
- Tax avoidance and other “biases” in reporting
- Legal limits on access impede ability of BEA, Census, and BLS to share data derived from administrative data

Different Measures of Wages and Salaries

Growth Rate of Wages and Salaries



- Census, County Business Patterns (CBP)
- BLS Qtrly Census of Employment & Wages (QCEW)
- IRS, SOI Wages & Salaries

Benefits of Exchanging and Matching Existing Data

- Identify gaps and duplication
- Improve accuracy:
 - By using stronger source of data: Bank reported deposits vs. depositors reports; W-2s instead of household reported salary income
 - By identifying and correcting misreporting (e.g. units, reporting level, concept, etc)
- Improve consistency in allocations by industry and region
- Additional data with no response burden and low cost

Challenges of Exchanging and Matching Existing Data

- Legal barriers in decentralized U.S. system restrict ability to harmonize data
- Significant differences across source data that need to be resolved
 - Resolution is at firm-level and can be labor intensive
 - Identifiers for matching are imperfect
 - Differences may need to be resolved by statistical agency adjustments
 - IT requirements may be significant

Example 1: Foreign-Direct Investment Detail and Geography

- Foreign-Direct Investment Match: International Investment, Finance, and Trade in Services Act
- Match dramatically expanded data, with no additional respondent burden and relatively low processing cost (BEA-Census-BLS)
 - Three agency in the 1990s; BEA and Census about every 5 years since 1987
 - BEA Enterprise to Census Establishment: from all U.S. total for 200 industries to data for all 50 states for over 1000 industries

Example 2: Medical Care Output and Prices

- Studies of heart disease, depression, and cataracts
 - Making the broader case: Insurance data, provider-based survey data, or household survey data
- Initial results suggest more accurate measure of measured medical care prices, real output (GDP), and productivity.
- Data by disease, by type of medical care provider, by geography

Example 3: Globalization of Financial Markets

- Rise of direct transactions, not through U.S. banks, large gaps and growing gaps.
- Data exchange with foreign banks (macro data)
 - Their claims are our liabilities and their liabilities are their claims
- Very large improvement in accuracy
 - Depending on type of financial asset, between 33 and 70% of data are from financial partners
- Opportunities for access to additional financial data should increase as the Financial Reform bill gives BEA access to data collected by Office of Financial Research