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# Redesign of the Consumer Expenditure Surveys

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# Survey Purpose

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- Collect information on the buying habits of America's consumers, including their expenditures, income, and household characteristics
- Used for periodic revision of the Consumer Price Index (CPI)

# Survey Overview

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- Conducted by Census Bureau
- Interview Survey: 5 quarterly interviews
  - ▶ Designed personal visit, but about 35% done on phone
  - ▶ Sample size  $\approx$  12,000 addresses per wave
  - ▶ Average response rate  $\approx$  75%
- Diary Survey: 2 one-week self administered diaries
  - ▶ Sample size  $\approx$  12,000 addresses per year
  - ▶ Average response rate  $\approx$  76%

# Redesign Motivations

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- Why redesign:
  - ▶ Evidence of measurement error
  - ▶ Environmental changes in technology and spending behaviors
  - ▶ Need for greater flexibility
- Objectives:
  - ▶ Verifiable reduction in measurement error, with a particular focus on underreporting

# Primary Success Criteria

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- Reduction in measurement error
- Improved data quality
- Maintain survey costs

# Challenges Faced: CE Surveys

Challenge	Current Interview	Current Diary
Reference period	3 months	Daily diary (kept for 2 weeks)
Proxy reporting	1 HH member reports for whole household	Main respondent, asked to talk to all HH members
Interview length (OMB Estimates)	Five 65-minute interviews	105 minutes/week diary keeping, and three 25-minute interviews
Mode	Designed PV, increasingly by phone	Designed paper, need for web instrument
Interview structure	Standardized, highly scripted interview, minimal flexibility	Organized by expenditure type and day

# Challenges Faced: Redesign Process

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- Defining survey requirements is challenging
  - ▶ Identifying varied user needs
  - ▶ Reconciling competing interests
- Collecting stakeholder input while maintaining forward progress
- Maintaining ongoing research efforts without waiting for redesign decisions

# Redesign Constraints

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- Final survey has to meet user needs
  - ▶ Provide required data for CPI
  - ▶ Other user needs will be identified through User Forum (Summer 2010)
  - ▶ Needs will be prioritized to create survey requirements
- Long-term operational survey costs cannot significantly increase



# Testing

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- Preliminary research currently in the field
  - ▶ Question order effects
  - ▶ Split questionnaire
  - ▶ Reference period
- Statistical research on feasibility of using split questionnaires
- Plans for research workshop to get expert opinions and recommendations on key topics
- Anticipate many research efforts 2012 – 2013

# Timeline

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- 2009 (completed): Project planning, definition of data quality
- 2010: Identify and prioritize user needs, hold research methodology workshop
- 2011: Develop research roadmap and survey alternatives
- 2012 - 2013: Testing
- 2014 and beyond: Development and implementation of redesigned survey

# Costs

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- Annual CE research budget to fund most research projects
- Submitted budget initiative for 2011 requesting funding support large scale research