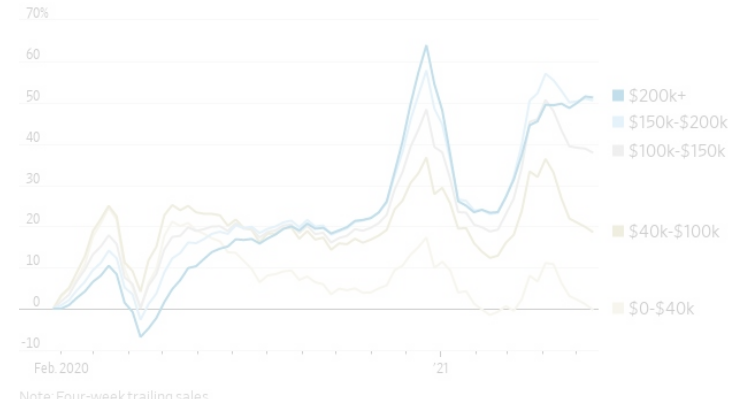


# Priorities for a CNSTAT Consensus Study



**Karen Dynan**  
Harvard University

CNSTAT Virtual Planning Meeting  
May 28, 2021

# A key countercyclical policy design issue in 2020-2021

We had very good data on the distribution and nature of job loss

But we had much less information about the degree to which that job loss was translating into hardship

We were especially lacking high-quality data based on transparent methodologies and widely accepted standards

# Such evidence would have been highly valuable

It would have informed choices about:

The magnitude of benefits (stimulus checks, unemployment and SNAP supplements, rental housing assistance ...)

Who should get benefits

When to ease off with temporary measures

# A lesson from the pandemic period—"big data" is not the answer without appropriate filtering

I do not think the case has been made that this requires the proposed level of total stimulus. Estimates by Harvard economics professor Raj Chetty and his colleagues suggest that consumer spending by low-income consumers is up more than 13 percent from January 2020 to January 2021, before any new stimulus. Researchers working with data from the JPMorgan Chase Institute find household cash balances have risen across the income distribution during the pandemic.

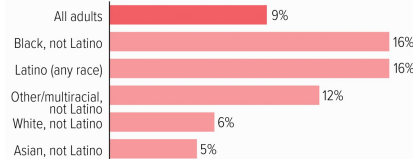
- [Larry Summers](#) (*Washington Post*) 2/7/21



[ABC News](#)

## Black and Latino Households Likelier to Experience Food Insecurity During Pandemic

Share of adults saying that their household sometimes or often did not have enough to eat in the last 7 days

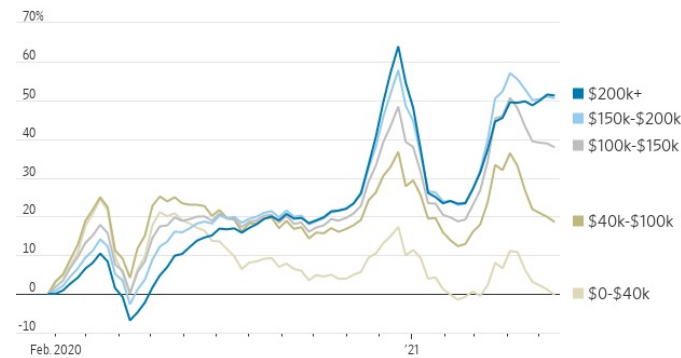


Note: Other/multiracial, not Latino = people identifying as American Indian, Alaska Native, Native Hawaiian or Pacific Islander, or more than one race. Percentages are based on reporting distributions and do not include the populations that did not respond to the question. Source: CBPP analysis of Census Bureau Household Pulse Survey tables for April 28 - May 10, 2021.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

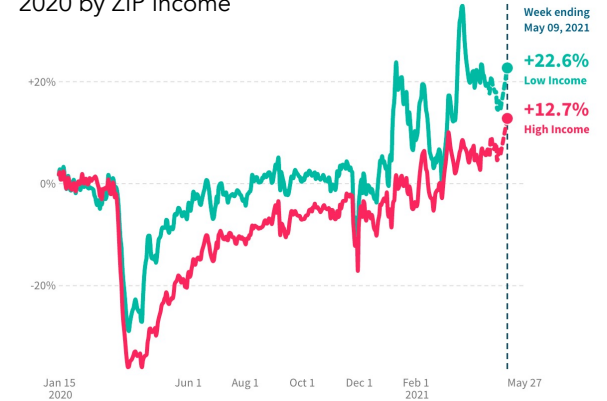
[CBPP](#) based on Census Pulse

U.S. credit- and debit-card spending, change since January 2020 by income level



Note: Four-week trailing sales  
Source: Earnest Research

US "Consumer Spending" Change since January 2020 by ZIP Income



[tracktherecovery.org](#)

Peter Ganong  
@p\_ganong

If stimulus checks were larger, would people spend more?

Natural starting point: how were the checks that went out in April and May spent?

tldr: we have no idea 🙄

estimates all over the place. afaik no reconciliation.

(wonky thread on 3 papers w conflicting results)

10:11 PM · Dec 28, 2020 · Twitter Web App

# For distributional “aggregate” data to be useful for countercyclical policy making ...

It needs to be high-frequency and timely

Preliminary estimates need to have more signal than noise

Particularly in periods of unusual macro activity (do weights based on historical micro data yield accurate estimates around turning points?)

The “units” tracked need to be relevant

Those with “currently low” income in downturns will include rich people who have lost jobs who may be doing just fine

# What does this mean for study priorities?

## Tim's instructions:

Pick the ones that you feel are important and say why—any of the below, which are especially important from the organizer's point of view, or others mentioned in the prospectus:

1. Units -- appropriate and consistent definitions of household, family, and individuals.
2. Treatment of and method(s) used to value in-kind benefits and services, such as health insurance, as well as education subsidies.
3. Treatment of retirement income and contributions (bequeathable/ transferable wealth vs. non bequeathable/ non transferrable wealth).
4. Treatment of debt
5. Ability to measure transfers of wealth across and within generations
6. Frequency and timeliness of estimates.
7. Quality improvements for relevant data collection programs.
8. Potential for using multiple data sources (public, private, survey, non-survey) to produce linked highest-quality estimates of income, consumption, and wealth for households.
9. Approaches to address legal, administrative, and other barriers to an integrated system of income wealth and consumption data and statistics and secure researcher access to these data.

Considerations: (1) where risk-sharing is done (households versus individuals), (2) "current poor" versus lifetime poor

Timely important for policy but preliminary estimates would need to be accurate around turning points (this can be tested!)

Seems like it will be essential to bring in estimates from multiple sources to satisfy the above criteria