Integrated Household Surveys: An Assessment of U.S. Methods and an Innovation

Krislert Samphantharak, Scott Schuh, and Robert M. Townsend*

June, 2017

Forthcoming in Economic Inquiry

Abstract: We present a vision for improving household financial surveys by integrating responses from questionnaires more completely with financial statements and combining them with payments data from diaries. Integrated household financial accounts—balance sheet, income statement, and statement of cash flows—are used to assess the degree of integration in leading U.S. household surveys, focusing on inconsistencies in measures of the change in cash. Diaries of consumer payment choice can improve dynamic integration. Using payments data, we construct a statement of liquidity flows: a detailed analysis of currency, checking accounts, prepaid cards, credit cards, and other payment instruments, consistent with conventional cash-flows measures and the other financial accounts.

JEL Classifications: D12, D14, E41, E42

Keywords: Surveys, diaries, payments, financial statements, cash flows

* Krislert Samphantharak is an associate professor of economics at the School of Global Policy & Strategy, University of California at San Diego. Scott Schuh is the Director of the Consumer Payments Research Center in the Research Department at the Federal Reserve Bank of Boston and a senior economist and policy advisor. Robert M. Townsend is the Elizabeth & James Killian Professor of Economics at MIT and a visiting scholar in the Center. Their email addresses are ksamphan@ucsd.edu, scott.schuh@bos.frb.org, and mailto:rtownsen@mit.edu, respectively. Stacy Carlson, Mi Luo, Jason Premo, Giri Subramaniam, and David Zhang provided excellent research assistance. We thank Allison Cole, Claire Greene, John Sabelhaus, Robert Triest, the editor of Economic Inquiry, and an anonymous referee for helpful comments, and Suzanne Lorant for superb editing. We also thank all the staff members who manage the surveys studied in this paper for their assistance and reviews of our data calculations. The Townsend Thai Monthly Survey has been supported by the Eunice Kennedy Shriver National Institute of Child Health and Human Development (NICHD) grant number R01 HD027638; the research initiative PEDL, a program funded jointly by CEPR and DFID, under grant MRG002_1255; the University of Thai Chamber of Commerce; the Thailand Research Fund; and the Bank of Thailand. The views expressed in this paper are those of the authors and do not necessarily reflect the views of the Federal Reserve Bank of Boston or the Federal Reserve System.