

NEW DIRECTIONS IN DATA, INFORMATION SYSTEMS AND THEIR USER:  
CONSUMER DEMAND, CONSUMPTION, AND PRICES

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ACCI respondents to a survey on data needs by the economic statistics committee of AAEA selected the Consumer Expenditure Survey, consumer prices and price indices and family budgets as the three most important data sets. Reinstatement of BLS family budgets was the top priority issue. Three other data issues were important also--establishment of a consumer panel, measures of food safety and disaggregation of expenditure data. These data needs and issues overlap extensively with demand analysts surveyed.

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Hushak, Chern and Tweeten (1989) have outlined developments leading to a comprehensive analysis of data priorities in 1989 by the Economic Statistics Committee of the American Agricultural Economics Association in cooperation with six other professional associations. ACCI was one of the cooperating associations. In the winter of 1989 members received a questionnaire on "Priorities for Data on Agriculture and Rural Areas." Ninety four members responded. Although ACCI members comprised only 3.1% of all respondents (Hushak *et al.*, 1989), the response rate of ACCI members is underestimated. Members of ACCI who are also members of the other participating organizations were surveyed before ACCI members were surveyed and their responses were coded as coming from the other associations. The purposes of this paper are to summarize the responses of ACCI members to this survey, to compare their responses with others' and to identify implications for influencing data on consumer issues.

#### SAMPLE

First we describe the respondents to provide a background against which to assess their responses about data use and priorities. Of the 94 ACCI respondents, 35.1% had completed master's degrees and 50.0% held doctorates (Table 1). Respondents' modal primary discipline was home economics (32.3%), followed in descending order by family economics (27.9%) and consumer economics (18.3%). The majority were employed in colleges and universities (61.7%). The extension category, checked by 14.9%, was a created one which included any respondent who indicated extension or checked the combination of college and federal government employment. Accordingly, outreach education (42.6%), resident instruction (37.2%), and research (30.9%) were the most frequent employment responsibilities. Clearly, some extension personnel noted their employer as a college. Respondents' primary areas of focus were consumption and demand analysis (23.4%) and family economics (23.4%).

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#### DATA SETS

ACCI members selected the Consumer Expenditure Survey, consumer prices and price indices, and family budgets as the three most important data sets (Table 2). All three data sets are produced by the Bureau of Labor Statistics (BLS), although the third is discontinued. Among all respondents, those thought to be most like ACCI members were those who identified the same primary area of focus as ACCI members, those who identified consumption and demand analysis as their primary area of focus. These "demand analysts" named consumer prices and price indices, the Consumer Expenditure Survey, and the Household Food Consumption Survey as the three most important data sets. The Household Food Consumption Survey was ranked tenth by ACCI members. Although there was a high degree of agreement in the rankings of data sets by these two groups, there was much less agreement in the rankings of either of these groups with the rankings of all respondents. Consumer prices and price indices also were among the top three data sets for all respondents. While ACCI members and demand analysts had six data sets in common among their top ten, these two groups had only three in common with the top ten of all respondents. All respondents ranked more data sets about farming among their top ten than either ACCI members or demand analysts. Another indicator of the importance of data sets was the percentage who used them and thought them very important. Of the ten most important data sets to either ACCI members or demand analysts only consumer prices and price indices were used and thought very important by a majority of all respondents. On the other hand, only two data sets were used and thought very important by all respondents, and we agreed about one of the two.

#### ISSUES

The other topic covered in the survey was issues in data collection (Table 3 and Table 4). A clear top priority issue emerged for ACCI members -- reinstatement of the BLS family budgets (77.7%). Three other issues were important to a majority of member respondents -- establishment of a consumer panel (51.1%), measures of food safety (48.9%), and disaggregation of expenditure data (46.8%). Clear areas of agreement with demand analysts and all respondents also emerged. A majority of demand analysts assessed establishment of a consumer panel (55.3%) and disaggregation of expenditure data (54.3%) as important. For all respondents, the most important issue in household demand and consumption of food was measures of food safety (29.4%), whereas ACCI members agreed with demand analysts in ranking this issue third. On the other hand, both demand analysts and all respondents ranked the members' top priority issue fifth out of seven issues in demand and consumption.

On the topic of quality of statistics ACCI members believed publishing standard errors was more important than developing estimates of nonsampling errors. Demand analysts and all respondents also ranked these issues in the same order.

Table 1. Characteristics of ACCI Survey Respondents.

Characteristic	Percentage	Characteristic	Percentage
<b>Highest degree attained</b>		<b>Employment responsibility</b>	
BS/BA	7.4	Resident instruction	37.2
MS/MA	35.1	Research	30.9
PhD	50.0	Outreach education	42.6
Other	5.4	Data processing	1.1
<b>Primary discipline</b>		Administration	13.8
Sociology	1.1	Advising	2.1
Agricultural economics	1.1	Counseling	5.3
Economics	8.5	Retired	4.3
Consumer economics	11.8	No response	2.1
Consumer economics +	6.5	<b>Primary area of focus</b>	
Family economics	20.4	Agricultural cooperatives	1.1
Family economics +	7.5	International trade	1.1
Home economics	23.7	Consumption & demand	23.4
Home economics +	8.6	Demography	4.3
Other	7.5	Community development	2.1
No response	4.3	Issues	4.3
<b>Current employment</b>		Consumer economics	5.3
College	61.7	Consumer education	8.5
Industry	1.1	Law	5.3
Federal Government	5.3	Family economics	23.4
State or local government	2.1	Financial management	12.8
Consultant	1.1	Corporations	3.2
Nonprofit corporation	5.3	No focus	9.6
Consumer	1.1	Retired/No response	11.7
Extension	14.9		
Retired	6.4		
No response	2.1		

Table 2. Ranking of the Ten Most Important Data Sets.

Data Set	ACCI Members N=9	Consumption & Demand Analysts N=300	All Respondents N=2992
Consumer Expenditure Survey	1.0	2.0	
Consumer Price Index	2.0	1.0	3.0
Family Budgets	3.0		
Census of Population & Housing	4.0	5.0	2.0
Current Population Survey	5.0	6.0	4.0
Personal Consumption Expenditures	6.5	4.0	
Panel study of Income Dynamics		6.5	
Employment and Earnings-States		8.5	
Employment and Earnings-U.S.		8.5	
Household Food Consumption Survey	10.0	3.0	
Food Consumption Statistics		7.0	
Food Expenditures		8.0	
Census of Agriculture		9.0	1.0
Producer Price Index		10.5	
Food Intake by Individuals		10.5	
Farm Costs and Returns Survey			5.0
Prices Received by Farmers			6.0
Prices Paid by Farmers			7.0
County and City Data Book			8.0
Agricultural Outlook			9.0
Economic Indicators of the Farm Sector			10.0

Table 3. Very Important Issues.

	ACCI Members N=9	Consumption & Demand Analysts N=300	All Respondents N=2992
<b>Household demand and consumption of food</b>			
Disaggregate CES data into quantities and prices.	46.80	54.35	18.80
Collect data on food raised for direct consumption.	19.10	22.34	10.40
Reinstate BLS family budgets.	77.70	36.30	14.80
Establish consumer panel data.	51.10	55.35	20.20
Collect data on quantity and value of food in retail sector.	18.10	39.00	16.60
Develop food quality index.	20.20	29.62	14.50
Develop measures of food safety.	48.90	41.29	29.40
<b>Quality of statistics</b>			
Publish standard errors.	36.20	46.68	36.80
Develop estimates of nonsampling errors for major published statistics.	35.10	41.99	33.20

Table 4. Ranking of Very Important Issues.

	ACCI Members N=9	Consumption & Demand Analysts N=300	All Respondents N=2992
<b>Household demand and consumption of food</b>			
Disaggregate CES data into quantities and prices.	4	2	3
Collect data on food raised for direct consumption.	6	7	7
Reinstate BLS family budgets.	1	5	5
Establish consumer panel data.	2	2	2
Collect data on quantity and value of food in retail sector.	7	4	4
Develop food quality index.	5	6	6
Develop measures of food safety.	3	3	1
<b>Quality of statistics</b>			
Publish standard errors.	1	1	1
Develop estimates of nonsampling errors for major published statistics.	2	2	2

## WORKSHOP RECOMMENDATIONS

The Economic Statistics Committee of the American Agricultural Economics Association (AAEA) held a workshop "New Directions in Data, Information Systems, and Their Uses" in July, 1989. The workshop built on their survey of members of AAEA, the Rural Sociological Society, Association of Environmental and Resource Economists, Community Development Society, the Food Distribution Research Society, the socioeconomic section of the American Fisheries Society, and ACCI. Based on the survey results for demand analysts and the views of those attending the workshop, the discussion group on food demand recommended federal efforts to revise statistics focus on five needs (Table 5). The first priority was to improve the data collected on food away from home, an issue not identified in the survey. Food away from home was identified as the top priority because the amount and quality of data are low and the absence of data affects both producers and consumers because food away from home accounts for a large portion of agricultural output and consumer expenditures. Furthermore, both policymakers and academicians were interested in improved data on food away from home, policymakers because of agriculture subsidies and academicians because of the specification of demand functions and estimation of household production functions.

Table 5. Top Five Data Needs of Demand Analysts Attending "New Directions in Data Information Systems, and Their Uses."

Priority Ranking	Data Need
1	Food Away From Home
2	Food Safety & Quality
3	Disaggregation of Expenditures
4	Wage Rates for Individuals
5	Panel Data

The second priority was food safety and quality issues. Although demand analysts ranked this item lower in the survey, participants ranked it second out of consideration for its importance to other survey respondents and acknowledgement of the importance of policy in assuring food safety and quality. Assurance of food safety and quality was believed to be an important government function and an important function to inform with research based on nonproprietary data.

Disaggregation of expenditure data was the third priority. Disaggregation was a high priority for the academicians present, but only weak arguments were made for the policy implications. The chief argument made was that disaggregation would greatly improve estimation of demand functions at very little cost, since price data also are collected for the consumer price index. The same argument was made for dissemination of data on wage rates for individuals compatible with expenditure data. Wage rates were viewed as relevant prices for specification of demand functions for food, particularly food away from home.

Creation of a panel data set for the purpose of demand analysis was the fifth priority in the recommendations. The belief was that creation of a panel of households was feasible within the sampling structure of the consumer expenditure survey, and panel data would improve our ability to anticipate changes.

While two of the recommendations did not flow from survey results, the three which did were among the top four priorities identified by ACCI members. It might be inferred ACCI members would have ranked panel data, the fifth priority, first.

ACCI members did agree with the recommendation that food safety was a higher priority than disaggregation of expenditure data. To the extent that the workshop recommendations are influential, they will advance the views of ACCI members.

## IMPLICATIONS

At the workshop sponsored by the Economic Statistics Committee the point was made that federal statistics are created and maintained for the purpose of informing public policy decisions. We need to keep this point in mind when framing our support for the Bureau of Labor Statistics, the source of our most important data sets. We also need to keep this point in mind when expressing the need for them to reinstate family budgets. Many of you may find a persistent potential use for the family budget data is adjustment of expense estimates for changing family composition such as death of a family member. This use has little to do with public policy. Another potential use has a great deal to do with public policy, the cost of rearing a child for determining child support or the cost of minimum maintenance for spousal support or noncustodial parent support. Most state child support guidelines have ceilings and floors, meaning that noncustodial parents with very high and very low incomes do not have to follow them. Having budget figures for these income extremes would be particularly helpful. Clearly, low income budgets have more potential uses and should be a higher priority.

A perusal of the programs of this year's conference and last year's indicates members are interested in the public policy surrounding the issues of child support and divorce reform and food safety. What other policies do we wish to inform through federal statistics? Does ACCI wish to be a member of COPAFS or provide any other formal mechanism for influencing decision making surrounding data sets important to us?

## REFERENCES

Hushak, Leroy J., Chern, Wen S., & Tweeten, Luther. (1989). "Priorities for data on agriculture and rural areas: A survey of agricultural and rural social scientists." Unpublished manuscript.