



STS060.08 – Can We Employ Time Use Survey Data To Forecast Fluctuations in Macroeconomic Aggregates?

Adrian G. de la Garza

Research Department, Bank of Mexico, Mexico City, DF, Mexico

This paper investigates the links between time allocation decisions by individuals and fluctuations in macroeconomic aggregates. How people distribute the 24 hours that are available to them each day has important repercussions on several dimensions, including their financial security, physical health, emotional well-being, and general level of happiness (Hamermesh, Frazis, and Stewart 2005). It is thus possible that these decisions also have significant effects on macroeconomic aggregates. For example, an increase in the average time spent shopping in a given month may provide an early signal of an improvement in consumer confidence and a potential rise in output. By contrast, indications that individuals on the average are choosing to eat more at home and spend more time doing house chores, may help us foresee a decrease in economic activity. In spite of their potential benefits, widespread implementation of time use surveys has been limited. Continuous data would allow researchers and policymakers to analyze how shocks that differentially affect the market and nonmarket sectors result in substitution between market and nonmarket work. Also, data at such high frequency would enable us to investigate the activities of various sectors of the population (e.g., the unemployed) and assess how different types of household production activities vary over the business cycle. These advantages, among many others, justify the need to collect high-frequency information on individuals' time allocation decisions.

Keywords: Time use; Macroeconomic fluctuations

Biography: Dr. Adrián de la Garza is a researcher in the Macroeconomic Analysis Division at the Bank of Mexico's Research Department. He has a bachelor's degree in Mathematics and Economics from the University of Pennsylvania and obtained his M.A., M.Phil., and Ph.D. in Economics from Yale University. His previous employment includes research and teaching positions at the Bank of Mexico, Harvard University, the International Monetary Fund's Research Department, the National Graduate Institute for Policy Studies in Tokyo, Japan, and Yale University. His research focuses on issues in international finance in emerging markets, happiness and well-being, and individual time allocation decisions.

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