Contrasting two Eurosystem surveys of households and firms:
from micro to macro, from short term to long term, from the phone to your door

Sébastien Pérez-Duarte

Directorate General Statistics
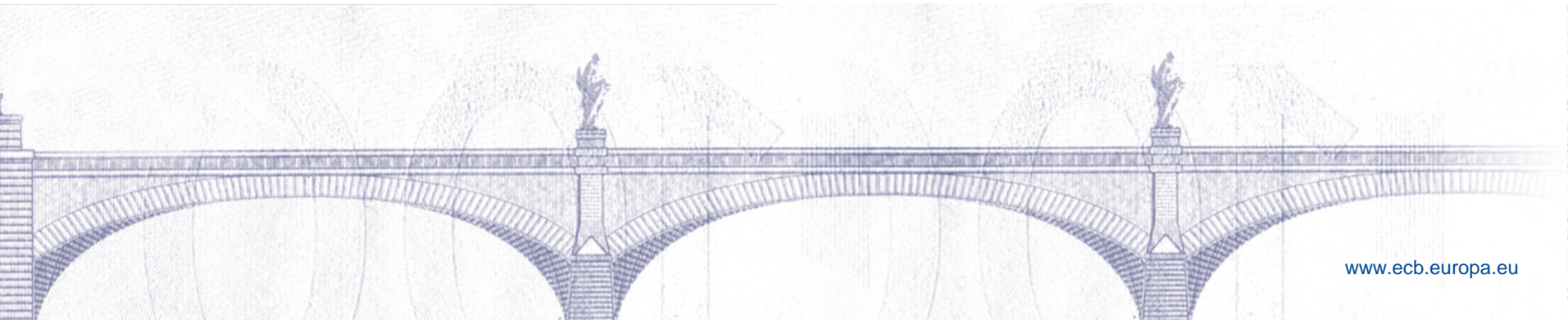
European Central Bank

IPS 091 The use of surveys by central banks

Outline

The use of surveys by central banks

- Recurring and important issue
  - IFC workshops on "The use of surveys by central banks" (Pune and Buenos Aires 2007, Vienna 2008)
  - CEMLA seminar with the exact same title (2010)
  - IFC conferences in 2012 and 2014, with a session on "The use of sample surveys"
  - ISI 2013 "Central banks and the role of sample surveys in an age of abundant administrative data"
  - International workshops on "Central bank business surveys" (5th one in 2014)
  - Even a whole issue of *Billetaria* on the use of surveys by the cash departments of central banks

- **Is the use of surveys really different in central banks?**

or:

- **Are the surveys used by central banks different?**
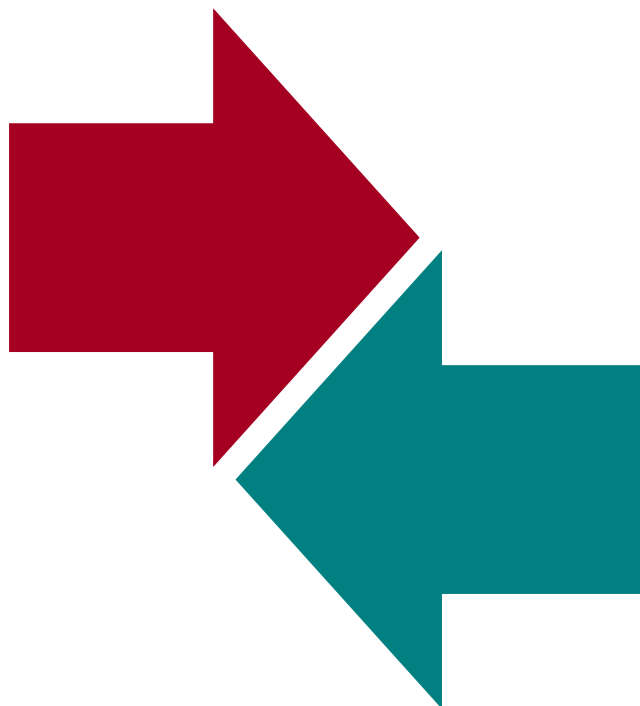
Why do central banks carry out surveys?

- Data necessary for the central bank functions (monetary policy, banknote issuance, financial stability, payment systems)
  - Data not existing elsewhere
  - Existing data not available in as much detail as needed
  - Existing data not timely enough
  - Central bank independence
  - Institutional reasons
  - …

- Main types of central bank surveys (IFC Bulletin, 2009)
  - Survey of consumers & households
  - Business surveys
  - Compilation of external sector statistics
  - Monetary and financial conditions
  - Economic forecasts

Surveys are the outcome of different forces

- Survey: balance of usually opposing factors

- Needs
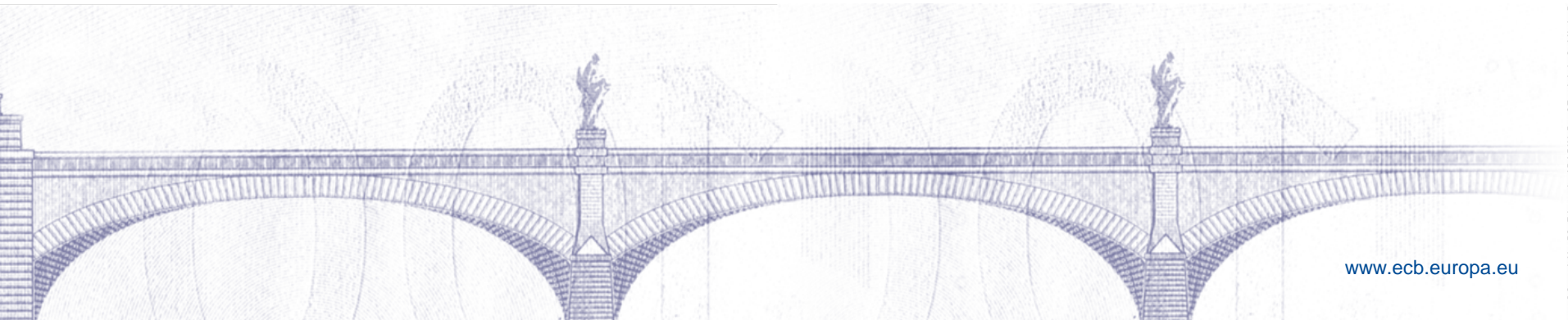 – Timeliness
  – Frequency
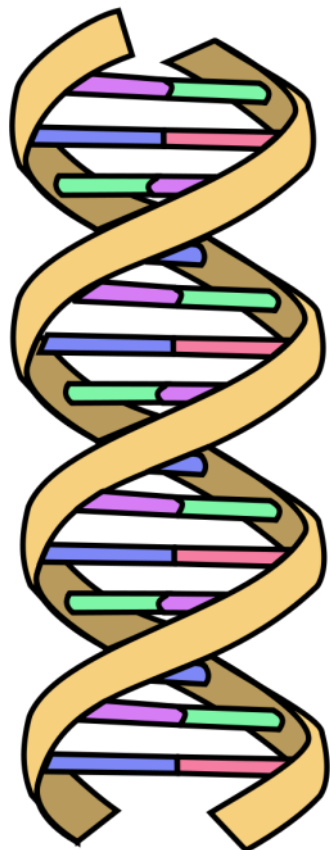 – Precision
  – Detail level

- Costs
  – Fieldwork
  – Data editing:
    cost, time and effort
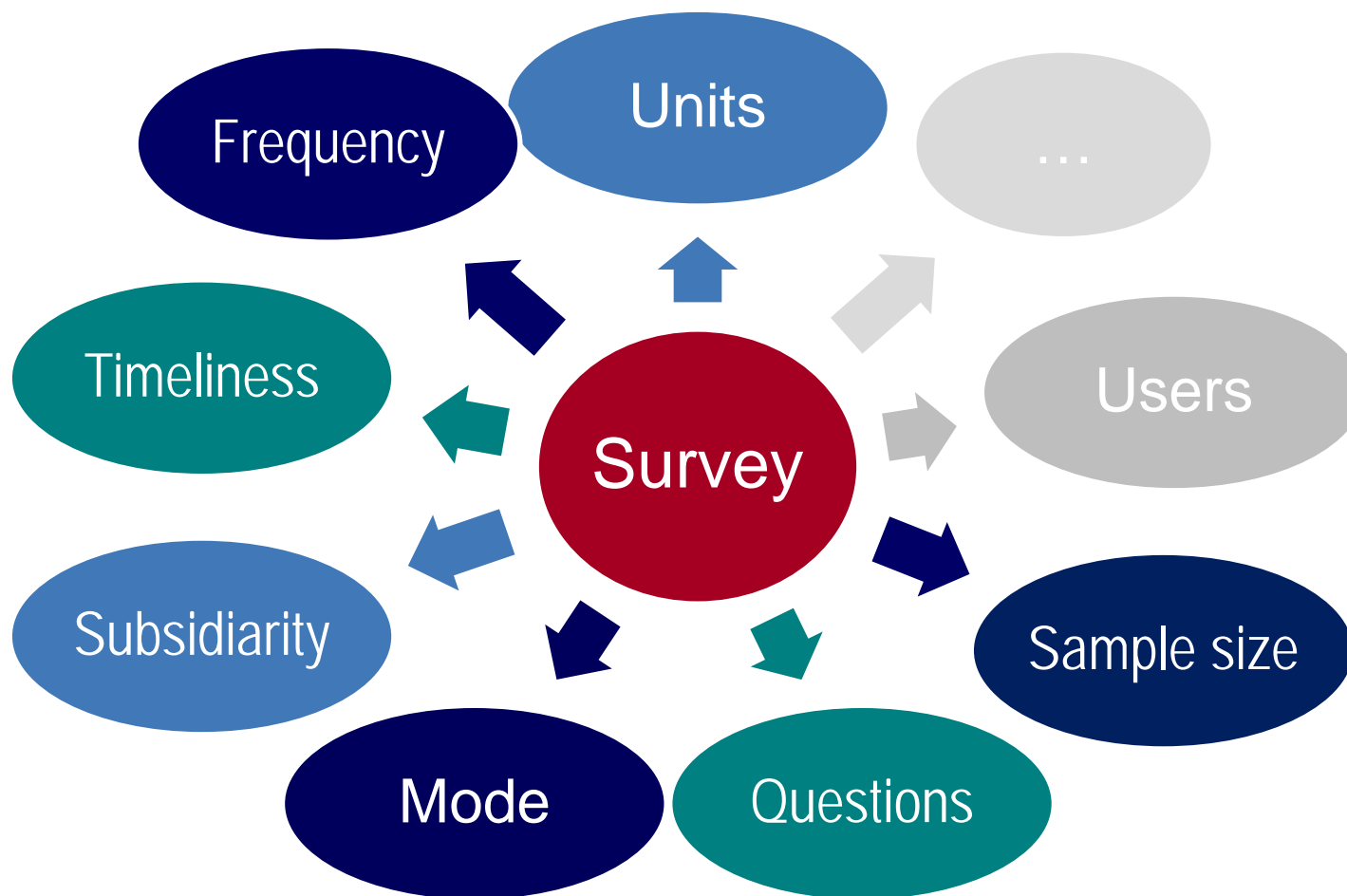 – Response burden

Outline

Can we talk about a survey DNA?

- Surveys share common dimensions

- They can be compared along this set of comparable and differing elements

- Does not replace data documentation standards such as DDI (Data Documentation Initiative) or SDMX for documenting surveys

- The Central Bank Survey database (Federal Reserve Bank of Atlanta) has four attributes
  - Type (business conditions, finance, inflation, wages, etc.)
  - Frequency
  - Participants
  - Method (in-person, mail, online, phone)

- Role for IFC? Conclusion of IFC Bulletin No. 30

Characterisation of surveys

Outline
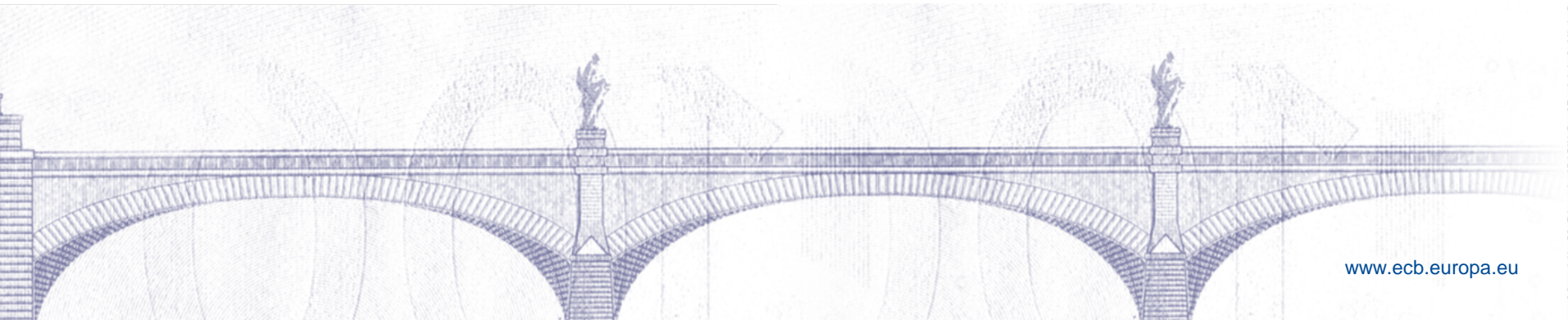
Two Eurosystem surveys in a few words

SAFE = Survey on the Access to Finance of Enterprises

HFCS = Household Finance and Consumption Survey

➔ Measuring the financing conditions of enterprises, in particular SMEs

➔ Assets, liabilities, income and consumption of households

Target units

- Enterprises
  – with at least one employee
  – for profit
  – business economy
  – independent, subsidiaries
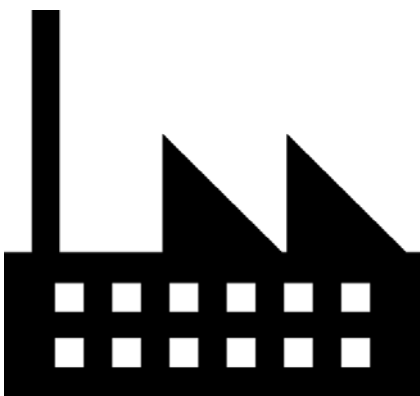
- Private households
- Precise definition of "household" and of the members to be included

Frequency

- Every 6 months
- No sufficient underlying movement for quarterly survey

- Every 2 to 3 years
- Consistent with structural changes

Questionnaire type

- Mostly qualitative =

- *"Over the past 6 months, did X increase, decrease, or remain unchanged?"*

- Mostly quantitative =

- *"What is the value of this property?"*

Mode

- New respondents:
  - Telephone
  - Cold-call

- Panel
  - Email or phone

    - Web survey or phone

  - Response rate: 7 to 30%

- Letter

- Appointment

- Door to door, face to face

- Response rate 20 to 70%

Sample size

- Variable, between 8,000 to 15,000 enterprises depending on the wave (euro area or European Union)

- Quota sample

- Stratified by country and firm size

- Over-represents importance of smallest firms

- Panel (50%)

- In 2010, 62,000 households in 15 countries (300 to 15,000 by country)

- Probabilistic sample

- Design varies by country (simple random sample, stratified by region, by type of household, etc.)

- Oversampling of the wealthy in some countries

- Panel in some countries

Coverage

- 12 biggest euro area member states every 6 months

- All EU every year

- Euro area (except IE and EE in 2010)

- In 2014, also: Hungary, Poland

- In the future: Croatia, Denmark, Czech Republic

April

October

2010

2017

Execution

- Centralised

- ECB & European Commission

- One survey company (now GDCC)

- Decentralised

- Coordinated by ECB

- Implemented in each country by the National Central Bank or the National Statistical Institute

- Carried out by NSI or survey company

Data editing

- Formal checks mostly
- No imputation ("no answer" is an answer)

- Formal checks + coherence & plausibility
- Thorough editing and multiple imputation
  → Reduce the effect of item non-response

Timeliness

- Fieldwork = 4 weeks

- Internal results = 5 to 10 days after the end of fieldwork

- Publication = 45 days after the end of fieldwork

- Fieldwork = 1 to 8 months

- Internal (ECB) results = 10 to 18 months after the end of fieldwork

- Publication = 21 months after last fieldwork

Publication
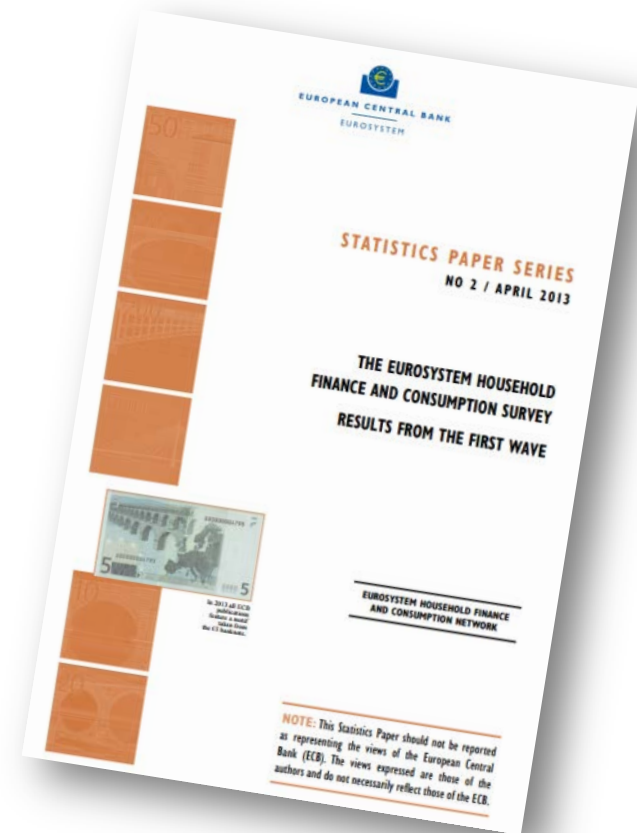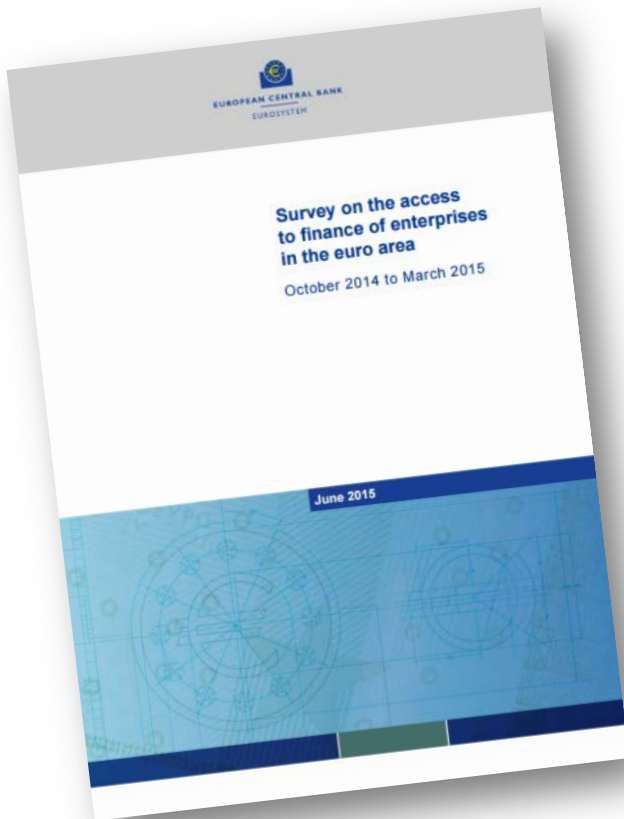
Dissemination

- Available to researchers outside the ECB

- Available for research purposes

- Requires project description and confidentiality form

Research use of the data

- Over 160 external users

- Topics include:
  - Discouraged borrowers
  - Access to non-bank sources of finance and the role of public guarantees schemes
  - SME lifecycle and non-bank financing in Europe
  - Divergence of financing conditions of SMEs

- Over 400 external users

- Topics include:
  - Distributional effects of inflation
  - Measuring consumption and the wealth effect
  - Substitutability between private wealth and social benefits
  - Micro-simulation of household distress

22

Schematic view of diverging dimensions

Dimension	Left		Right
Frequency	Daily	SAFE ··· HFCS	Decennial
Timeliness	Days	SAFE ··· HFCS	Years
Unit	Firms	SAFE — MFIs — Other — HFCS	Households
Mode	Close	HFCS ··· SAFE	Far
Questions	Qualitative	SAFE ··· HFCS	Quantitative
Sample	A few	SAFE HFCS	Census
Subsidiarity	Local	HFCS ··· SAFE	Central
Detail	High	HFCS ··· SAFE	Low

➜ What about
your surveys?

BANK OF CANADA   BANK INDONESIA BANK SENTRAL REPUBLIK INDONESIA   BANK OF JAPAN   TÜRKİYE CUMHURİYET MERKEZ BANKASI

Conclusions

- Surveys created for a set of reasons…

… with a set of similar constraints …

… implemented in different ways …

… along a set of common dimensions …

… face comparable challenges

- Two ECB surveys on firms and households…

... share similar challenges:
  - Unit non-response
  - Item non-response

- With comparable outcomes
  - Monetary policy purposes
  - Scientific community as a whole

Thanks for your time

http://www.ecb.europa.eu/stats/money/surveys/sme/html/index.en.html

http://www.ecb.europa.eu/home/html/researcher_hfcn.en.html