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

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IPS 091 The use of surveys by central banks
Contrasting two Eurosystem surveys of households and firms

Outline

1. Why do central banks carry out surveys?
2. About survey DNA
3. Characterisation of surveys
4. Comparing and contrasting two ECB surveys
5. Schematic view
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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

1. Why do central banks carry out surveys?
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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
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Characterisation of surveys

- Frequency
- Units
- Timeliness
- Subsidiarity
- Mode
- Sample size
- Questions
- Users

www.ecb.europa.eu
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**Contrasting two Eurosystem surveys of households and firms**

**Two Eurosystem surveys in a few words**

**SAFE** = Survey on the Access to Finance of Enterprises

- Measuring the financing conditions of enterprises, in particular SMEs

**HFCS** = Household Finance and Consumption Survey

- Assets, liabilities, income and consumption of households
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**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
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**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?”
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**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
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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 2010
October 2017
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**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
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**Timeliness**

- **SAFE**
  - Fieldwork = 4 weeks
  - Internal results = 5 to 10 days after the end of fieldwork
  - Publication = 45 days after the end of fieldwork

- **HFCs**
  - Fieldwork = 1 to 8 months
  - Internal (ECB) results = 10 to 18 months after the end of fieldwork
  - Publication = 21 months after last fieldwork
Dissemination

- Available to researchers outside the ECB
- Available for research purposes
- Requires project description and confidentiality form
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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
### Schematic view of diverging dimensions

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<th>MFIs</th>
<th>Other</th>
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<td>Low</td>
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</tr>
</tbody>
</table>

What about your surveys?
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
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Thanks for your time
