

## Key findings of the workshops on “The use of surveys by central banks”

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The IFC organised three workshops on “The use of surveys by central banks”. A total of 90 participants from 51 central banks attended these workshops. Apart from reviewing country experiences, the workshops allowed participants to draw some general conclusions on particular issues and to identify a number of best practices with respect to the use of surveys.

The workshops confirmed that central banks are active collectors and compilers of statistics, in particular with respect to money and banking, external statistics, and finance. Traditionally they have used a full reporting or census approach. Increasingly they are also starting to rely on survey methods. There are a number of reasons for this, including the reduction of compilation costs, the easing of reporting burdens on respondents, and the need to speed up the process of gathering information in order to obtain more timely statistics. Surveys can also be used more readily to collect qualitative information, for instance on inflation expectations and consumer/business sentiment. Sometimes survey methods can also provide more statistical rigour in compilation techniques (for instance the calculation of representative interest rates), and facilitate the monitoring of particular developments and innovations (such as financial innovations in payment systems and financial literacy of the population). Finally, in some cases surveys are part of coordinated international data collection efforts, eg the IMF Coordinated Portfolio Investment Survey (CPIS) and the BIS Triennial Survey of Foreign Exchange and Derivative Market Activity.

From the workshop discussions it was clear that conducting surveys is an art as much as a science. Many central banks are building up internal expertise on survey methodology and are collaborating closely with their respective national statistical offices, sometimes outsourcing surveys to them or asking them to extend their existing surveys to cover issue of particular interest or concern (eg financial position of the household sector). Until the workshops there has been little structured exchange of information or cooperation between central banks with respect to the conduct of surveys. One reason is that relatively little information is readily available on the types of surveys and survey techniques used by central banks. The background material collected by the IFC Secretariat on the various data collection exercises of central banks, including the conduct of surveys, proved to be of particular interest and should be regularly updated and made available on the IFC internal website.

A number of general lessons were learnt and best practises were identified at the workshops. These covered principally the organisation of surveys, the statistical survey techniques used, the design of the questionnaire and how to improve response rates. In terms of the *organisation of surveys*, there was general agreement that it is crucial to define clear objectives, and to stay focused. Agreement should be obtained from all stakeholders (eg the management of the central bank, industry associations, the national statistical office). A cost/benefit analysis should be conducted in order to select most appropriate collection system since surveys can be costly in terms of human resources. Other sources of statistical information should be explored first. Even if it is decided to conduct a survey, it is necessary to analyse how to combine the survey data with information which are obtainable from other sources.

The frequency of regular surveys should be carefully determined. Irrespective of whether they are carried out on a once-off or regular basis, surveys should be properly planned. Care

should be taken in the design and definition of the data processing procedures and in the coordination across national agencies (and internationally where appropriate). An adequate legal framework should be ensured, including to guarantee the confidentiality of respondents' answers. New web technologies should be utilised as much as possible and attention should also be given to the effective communication of survey results. Survey exercises should regularly be evaluated and re-evaluated.

There was also broad consensus on a number of issues related to *statistical survey methodologies*. Of key importance is the precise definition of the population and the frame (eg business register, list of authorised financial institutions) as well as the identification of valid units to be included in the sample. The choice of sampling technique should be made with care. Probability (random) sampling might be preferable whenever it is possible, particularly to allow proper statistical inference. The sample should be stratified to the extent possible and largest units should be properly represented in case of a skewed distribution. A panel (fixed sample) can be included to improve comparability of results over time. The representativity of the sample should be continuously checked over time. Monitoring the evolution of the population/frame is particularly important for surveys using probability sampling techniques. The (non-)response rate should be taken into account when interpreting survey results. Moreover, survey users should be provided with a detailed description of the population, frame and sampling technique used, as well as information on the level of the response rate.

There was little doubt that a *good questionnaire* is of key importance for a successful survey. To ensure optimum results, questionnaires need to be clear, concise and consistent. Where possible, advice should be sought from experts/consultants on the design of the questionnaire. Questionnaires should also be tested beforehand. It may be useful to add guidelines for respondents as a supplement to questionnaire. Changes in the questionnaire used for regular surveys should be introduced carefully in order to maintain consistency in the survey results over time. At the same time, limited flexibility should be allowed to include ad hoc and/or specific questions.

Since the quality of any survey results depends on an *adequate response rate*, serious efforts should be made to improve the willingness of the sampled persons to participate in the survey. The workshops made various suggestions in this respect. For instance, interviewers should be properly trained and motivated to obtain optimum results. Invitations to participate in a survey should be made through high-profile, official communication. Incentives to respond could include financial compensation as well as the communication of survey results to the respondents in line with their interests (eg by sector, region, professional group, comparisons with peers). Respondents could also be motivated by explaining the purpose of the survey and emphasising the analytical value of the survey results, eg for policy or research purposes. The importance of building good relationships with respondents to regular surveys cannot be overemphasised. Working with industry associations could improve members' willingness to participate through peer pressure. Other ways of improving response rates include: ensuring strict confidentiality of responses, allowing data submissions via different channels according to respondents' preferences, sending gentle reminders and showing appreciation for responses received (again, perhaps, through high-profile official communication).

The interest and active participation in the IFC workshops demonstrated that issues relating to the conduct of surveys by central banks are becoming more important, and that there may be a need among central banks to continue to share their expertise in this area, and, to the extent possible, continue to identify best practices. Some possible follow-up topics were identified, including the statistical properties of quantitative indicators based on qualitative information (ie net difference of diffusion indices), the use of surveys to measure inflation perception and inflation expectations, and the usefulness of bank lending surveys during normal times as well as in times of financial turmoil.