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Bard College's Levy Economics Institute Releases Report Contracted by the US Bureau of Labor Statistics on Integrating Household Production into Consumption Data

Estimates Show about 80 Percent of Services Enhancing Household Consumption Are Provided by Women

ANNANDALE-ON-HUDSON, N.Y.—The Levy Economics Institute of Bard College has released its research report on integrating nonmarket consumption into the US Bureau of Labor Statistics (BLS) Consumer Expenditure Survey. The Levy Economics Institute's research project develops an empirical methodology and identifies data sources to extend the consumer expenditure data collected by BLS by incorporating household production (nonmarket and nongovernmental services such as do-it-yourself home repairs and childcare). Contracted by the BLS, the report "Integrating Nonmarket Consumption into the BLS Consumer Expenditure Survey" was prepared by Levy Institute scholars Ajit Zacharias, Fernando Rios-Avila, Nancy Folbre, and Thomas Masterson.

In spring 2021, the US Bureau of Labor Statistics (BLS) kicked off a major initiative to produce a measure of consumption to supplement the release of consumer expenditures; such a measure would fill a data gap regarding household economic well-being. To support this new initiative, the BLS sought input from the greater research community and public, and issued a May 2021 Request for Information that would result in an outside BLS contract. The Levy Institute was awarded the contract with a period of performance of twelve months beginning September 30, 2021. During fiscal year 2024, the BLS will be evaluating the methodology proposed in this report with an expectation that a BLS consumption measure that includes home production will be forthcoming in 2025.

Consumption expenditures are a powerful indicator of standard of living because most families acquire key requirements for their daily lives—food, clothing, cellphone services, etc.—as commodities, i.e., goods and services exchanged for money. The Levy Institute research project creates a methodology to integrate information on a set of products that do not take the form of commodities—primarily nonmarket and nongovernmental services such as do-it-yourself home repairs and childcare—but that are crucial to sustaining living standards.

The report estimates show that household production is a little less than two-thirds of a standard definition of consumption expenditures*, hence a sizeable factor in shaping household consumption. The overwhelming share, about 80 percent, of these services that enhance household consumption is provided by women. Distinct from most previous research, the report extends the scope of household production to include supervisory childcare and care received by household members from people outside their household, for which better data collection efforts are needed.

Recognizing the diversity of views and analytical strategies among researchers studying household production and its relationships with living standards, the report implements estimation of various categories and imputation techniques to accommodate at least some of the diversity. Estimates are generated for various major components of household production, such as childcare and cooking, rather than a single category. This report includes estimates by alternative methods and create monetary values of household production according to two valuation principles. Researchers can examine the sensitivity of their findings to alternative methods of imputation and use a particular set of imputed values based on their analytical strategy and goals. The authors of the report hope that their efforts contribute to closer scrutiny of household production and aid in the formulation of policies to reduce gender inequality and economic inequality.

The full report can be downloaded here: levyinstitute.org/publications/integrating-nonmarket-consumption-into-the-bureau-of-labor-statistics-consumer-expenditure-survey

* Note: The starting point in constructing this definition is the total consumer expenditures available in the public use BLS consumer expenditure data for each consumer unit. Total expenditures in the public use data consists of expenditures in 14 major categories: food, alcohol, housing, clothing, transportation, healthcare, entertainment, personal care, reading, education, tobacco, miscellaneous, cash contributions, and personal insurance and pensions. The authors subtract from this definition of consumer expenditures, mortgage interest, property taxes, maintenance, repairs, insurance, and other expenditures on owner-occupied primary home. The authors also subtract expenses classified as miscellaneous, cash contributions, and personal insurance and pensions. Finally, they add the rental equivalent for owned homes. The definition of consumption in this report is not the same as that being produced by the BLS. In addition to rental equivalence for owner-occupied housing, the BLS measure also includes consumption values for the flow of services from vehicles, in-kind benefits, and public and private health insurance.

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About the Levy Economics Institute

The [Levy Economics Institute of Bard College](#), founded in 1986 through the generous support of the late Bard College trustee Leon Levy, is a nonprofit, nonpartisan, public policy research organization. The Institute is independent of any political or other affiliation, and encourages diversity of opinion in the examination of economic policy issues while striving to transform ideological arguments into informed debate.

About Bard College

Founded in 1860, Bard College is a four-year, residential college of the liberal arts and sciences located 90 miles north of New York City. With the addition of the Montgomery Place estate, Bard's campus consists of nearly 1,000 parklike acres in the Hudson River Valley. It offers bachelor of arts, bachelor of science, and bachelor of music degrees, with majors in more than 40 academic programs; graduate degrees in 13 programs; eight early colleges; and numerous dual-degree programs nationally and internationally. Building on its 163-year history as a competitive and innovative undergraduate institution, Bard College has expanded its mission as a private institution acting in the public interest across the country and around the world to meet broader student needs and increase access to liberal arts education. The undergraduate program at our main campus in upstate New York has a reputation for scholarly excellence, a focus on the arts, and civic engagement. Bard is committed to enriching culture, public life, and democratic discourse by training tomorrow's thought leaders. For more information about Bard College, visit [bard.edu](#).

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