Navigating Private Data for Public Insights

Tara M. Sinclair @TaraSinc

Assoc. Prof. of Economics, George Washington University
Senior Fellow, Indeed

THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON, DC

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#FedFMC

indeed

Private data:
Information about individuals
in the hands of private companies

Every action becomes data

Economy Week Ahead: Trade Deficit, Inflation Data

5 Numbers to Watch to Spot the Next Recession

BUREAU OF LABOR STATISTICS

bea

Public Insights

U.S. First-Quarter Employment Costs Rise 0.7%, as Forecast

United States Census Bureau

Employment Report Shows Real Strength – Market Update

Private Data for Public Insights

Promises

- **Granular**
  - Fine slices: time, geography, type, ...
- **Timely**
  - Shorter reporting lags
- **Innovative**
  - New measures of old and new concepts
- **Observational**
  - Less talk, more actions
- **Inexpensive**
  - Piggyback on existing data collection

Private Data for Public Insights

Perils

- **Business use ≠ public use**
  - Businesses have their own incentives
- **Unclear accountability**
  - Transparency is a challenge
- **Rarely representative**
  - Right weights? Benchmarks?
- **Lack of history**
  - Consistency, compatibility
- **Changing definitions**
  - Need standardization, documentation
- **Unstructured data**
  - Collected, not necessarily useable

Not All Data Are Created Equal

Suggestions for Users/Producers/Regulators

- **Privacy is not the same as data protection**
  - Authorized access (legal issue) versus unauthorized access (security/technical issue)

- **Aggregation can build in assumptions and biases**
  - Ask lots of questions about aggregated data

- **Think carefully about non-aligned data**
  - Is the data being used in ways the suppliers of the data would expect?

- **Patience will be required**
  - Statistical agencies have had decades to develop the quality data they provide today

- **Benchmark new data sources to trusted government data**
  - New sources are complements, not substitutes