

# Household Production Accounts for Canada, Mexico, and the United States: Methodological Issues, Results, and Recommendations

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UNIVERSITY OF  
SOUTHERN MAINE

# What Matters

- **Recognizing the contribution of nonmarket activities**
- **Methodology**
- **Comparability**
- **Publication on a “regular” basis**

# **Recognizing the contribution of nonmarket activities**

- **Majority of time use**
- **Essential to the functioning of  
countries and to the well-being of  
individuals**

# **Recognizing the contribution of nonmarket activities**

- **Consistent with the increasing emphasis on human capital & well-being**
  - **Commission on the Measurement Of Economic Performance and Social Progress (Stiglitz Commission)**
  - **OECD human capital consortium**
  - **World Wealth Report & UNECE/OECD/Eurostat Task Force on Measuring Sustainability**

# Methodology

- **Time use at the core**
- **Valuation issues**
- **Coverage issues**

# **Time Use (Szalai 1972)**

- **Secondary activities**
- **Collection methodology**

# Valuation

- **Replacement cost**
  - Specialist
  - Productivity-adjusted specialist cost
  - Generalist
- **Opportunity Cost**

# **Accounts by Country**

## **A Comparability Story**

- **Canada**
  - Hamdad [2003]
  - Harvey and Mukhopadhyay [2005]
- **Mexico**
  - Gómez Luna [undated]
- **United States**
  - Landefeld, Fraumeni and Vojtech (2009)



# Country Comparisons - Coverage

**Age of youngest – the younger the larger the estimate if children are assumed to (or are old enough to) perform household work**

# Country Comparisons - Coverage

- Year
- Age of youngest
- One respondent vs. whole families
- Sample size
- Reference period & length of period covered

**Effect of these differences unknown**

# Country Comparisons - Coverage

- **Labor input only or labor input and capital input**
- **Types of activities included**
- **Labor input before or after tax**

**Refer to Table 1**

**Listed by % of GDP**

**within**

**type of valuation method used**

**categories**

# **Methodology Matters**

## **Using % of GDP for Comparisons**

- 1) Opportunity cost**
- 2) Output approach**
- 3) Specialist cost**
- 4) Productivity-adjusted specialist cost**
- 5) Generalist cost**
- 6) Minimum wage**

# **Methodology Matters**

## **Using % of GDP for Comparisons**

**Reasons for many differences across  
studies cannot be determined**

# Table 2

**Share of total labor input  
performed by women  
differs for Mexico**

# **Recommendations**

## **Comparability Across Countries**

- **Common methodology**
  - Generalist cost
- **Common coverage**
  - Labor input
  - Childcare
  - Exclude volunteer activities



# **Present Alternatives & Experimental Accounts**

- **Capital input**
- **Facilitate links to GDP, even embed household production in GDP accounts**
- **Nominal and real accounts**
- **Show time usage**
- **Nonmarket accounts**

# Periodicity of Accounts

- **Differs significantly**
- **Every 5 years would suffice**

# Policy-making and Analysis

- Goes beyond knowing that nonmarket activities are important
- Particularly significant when labor force participation changes
- Accounting for market and nonmarket impacts

**Raise the profile of these accounts!**