Using New, High-Frequency Data Sources

Luke Teater - Deputy Director/Chief Economist

Colorado Office of State Planning and Budgeting

October 14, 2020

Lots of New Data Sources

- Household/Small Business Surveys (Census Bureau)
- Small Business Employment and Hours (Homebase, Kronos)
- Consumer Spending (MasterCard, Facteus, Earnest Research)
- Passenger Air Travel (TSA)
- Restaurant Activity (OpenTable)
- Hotel Occupancy (STR)
- New Business Formations (Census Bureau)
- Personal Mobility (SafeGraph, Apple, Google)
- Opportunity Insights
- Etc.

All This New Data is GREAT!

- Very helpful in dynamic situations in which normal data sources are slow to report on changing conditions!

- Good for:
    - Briefing policymakers
    - Comparisons between states and regions
    - Quick-checking hypotheses

…Or Maybe Not So Great?

- Is it representative?
- Is it reliable?
- What does it mean?
- What's the context?
- Is there historical data? Seasonality?
- Is it consistent?

More data = more noise!

Please Use Responsibly

- Know your data!
    - How it's gathered
    - What it means
    - Know what economic changes the new data would miss
- Validate and verify
    - Benchmark against official statistics
- Aggregate/consolidate from multiple sources
    - Don't lean too much on a single data series
    - Don't expect precision

Questions?