Mind the gap! The challenge of using consumption surveys to feed macroeconomic models

Topic: Linking micro-data from consumption surveys and IO models: from theory to practice
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Consumption micro-data are very useful for the analysis of the effects of policies across different types of households. However, feeding macroeconomic models with such kind of information is not a simple matter. Recent studies show that inaccurate procedures result in notably biased results. This paper describes the challenges, their sources and their impact if disregarded. It also explains how to tackle these using only open data and discusses the limitations. Finally, it presents some recommendations. This method estimates the net taxes and margins associated to specific consumer profiles. They are useful beyond impact analysis, i.e. to assess the fairness of the taxes related to consumption.