

served. (2) Even where continuous reporting by individual units is not available, sets of information for different periods which permit cross section analysis are very useful for research purposes since they permit examination of changes in structural characteristics and behavior. (3) It is emphasized that sets of data covering a wide range of items for a single reporting unit are more valuable for many purposes than larger sets of information which report on a smaller number of variables. In a great many cases it is the interrelationships among variables at the individual reporting unit level that are important for research purposes. (4) Sets of information which it is possible to match with other kinds of information are particularly important, even where the information contained in such sets of data may be quite narrow. Thus, for example, if a set of data tapes includes a social security number or some other identifying characteristic which would permit matching with similarly identified collateral information from another source, the tape is that much broader in its coverage. (5) Many sets of data are useful not because they are in themselves unique bodies of specialized information, but because they are already in a machine language and are capable of being manipulated at low cost, so that it is often easier and cheaper to use them than to have recourse to data already in tabulated form.

PROPOSAL FOR AN ORGANIZATION ON ECONOMIC DATA

In view of the increasing importance and usefulness of machine readable data for economic research, the committee recommends that economic research institutions and universities develop an organization to coordinate the requests by research scholars for economic data and to aid the Federal Government in the development of data for research purposes.

Usefulness of Federal economic data

The inventory of machine readable data held by the various agencies of the Federal Government and the results of examination of the inventory by research scholars in various areas has convinced the committee of the potential usefulness of such information for economic research. Out of the 600 items listed in the inventory, over 75 bodies of data can be identified as of prime importance for general research in the 10 areas listed. There is no doubt that this list would be considerably expanded if the scholars consulted had had available more detail on the exact contents of the different bodies of data. Furthermore this preliminary inventory was far from complete in its coverage of Federal agencies. Since there is such a large body of highly useful data, therefore, the committee believes that research institutions and universities should encourage the Federal Government to undertake the establishment of a Federal Data Center.

Need for coordination

There is a substantial and growing demand from scholars in research institutions and universities for bodies of machine readable data held by the Federal Government. These demands are highly duplicative in nature, but completely uncoordinated. It is quite likely that in many instances it would be possible to obtain agreement from scholars working in a given research area as to what sets of information would be most useful if developed by the Federal Government. Such sets of information would satisfy the needs of many research analysts, so that Federal agencies would not be faced with many different requests. From the point of view of the community of research scholars, there would be considerable advantages in providing a clearinghouse for information concerning economic data, since it is so difficult for the individual research scholar to discover what information exists in the different Federal agencies, who should be contacted, and how problems relating to the confidentiality of data may be solved.

Need for data development

It is not sufficient, however, merely to provide a clearinghouse and to coordinate individual demands for data. In a great many instances the research community should take an active role in advising the Federal Government how to develop and exploit a given body of economic data. The existence of a body of information can often stimulate valuable research activity. Thus, for example, the 1-in-1,000 sample of the population census was not developed as a response to specific research demand by scholars outside of the Government, but rather it was developed by the Census Bureau because they recognized the potential worth of this type of data. Those scholars who were consulted about specific research areas, furthermore, emphasized the need to integrate the different