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Our Economy is Evolving: Shouldn't the Way We Measure It Evolve Too?

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The Local Consumer Commerce Index is a measure of local economic activity parsed by a variety of consumer and merchant characteristics. By leveraging an administrative database of over 24 billion debit and credit card transactions made by over 64 million de-identified customers, this index from the JPMorgan Chase Institute addresses the lack of data series with sufficient spatiotemporal and demo/firmographic resolution to support tactical decision making in local economies.

Each transaction carries the age and income of the consumer, the merchant size and type of product it sells, as well as the zip code of both. Using these characteristics we construct a measure of year-over-year spending growth by consumers at merchants located in 14 major metropolitan areas in the US. The index data are screened and weighted to represent population-wide spending levels. This unique lens on local economies is freely provided to the public in accordance with the Institute's mission of advancing the public good.

We have also extended this data asset beyond its use for reporting and economic monitoring. One extension has been our research that measures intra-city demand. By measuring the distance between where consumers live and the merchants at which they shop, we have lent nuance and granularity to policy discussions surrounding intra-city inequities in economic vitality.

We hope to socialize the power of leveraging administrative data for the public good, in hopes that other administrative data-owners are encouraged to also furnish analyses based on their administrative data to help inform the public policy process.

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