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Toward a Framework for Time Use, Welfare, and Household-Centric Economic Measurement

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What is meant by economic progress, and how should it be measured? The conventional answer is growth in real GDP over time or compared across countries, a monetary measure adjusted for the general rate of increase in prices. However, there is increasing interest in developing an alternative understanding of economic progress, particularly in the context of digitalization of the economy and the consequent significant changes Internet use is bringing about in production and household activity. This paper discusses one alternative approach, combining an extended utility framework considering time allocation over paid work, household work, leisure, and consumption with measures of objective or subjective well-being while engaging in different activities. Developing this wider economic welfare measure would require the collection of time use statistics as well as well-being data and direct survey evidence, such as the willingness to pay for leisure time. We advocate an experimental set of time and well-being accounts, with a particular focus on the digitally driven shifts in behavior.