

The Non-Market Production of Amicable Relationships in Shared Households

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Researchers studying poverty and inequality routinely find that household sharing provides significant economies of scale when purchasing physical goods and services (Daley et al. 2020). However, these physical consumption gains are not a free lunch. Rather, shared households spend significant amounts of time and energy maintaining amicable relationships. For example, roommates can share a bathroom amicably if both remember to knock before usage and clean up after usage. This paper argues that the time and energy spent maintaining amicable relationships in a shared household is a type of nonmarket production and therefore should be tracked using the same framework already used to track traditional household production like cooking and cleaning (Landefeld et al. 2009).

The paper calculates that household sharing increased physical consumption by \$7.0 trillion in 2017, more than the \$4.5 trillion produced from traditional household production (Kanal and Kornegay 2019). Household sharing was common when household production satellite account started in 1948, decreased rapidly until 1984 and then stabilized afterwards. In contrast, consumption without adjustment for household sharing increased rapidly from 1948 to 1984 and then stabilized at a lower growth rate afterwards. Adjusting for household sharing ameliorates the post-1984 consumption growth slowdown from 0.55 percentage point per year to only 0.27 percentage point per year.