The proposed Performance Measure Grading Scheme will be used to evaluate producer price indexes on key performance indicators to promote sound methodological practices, to plan program continuity and investments, and to express the overall quality and reliability of published index numbers.

**CHALLENGES**

Data types  
Criteria and grading must be applicable to all data types and indexes

Broad industry coverage

Coefficient of variation: Measure of confidence in estimate and often used to determine sample size.

Response rate: One response rate does not sufficiently measure quality. A range of indicators could be used to evaluate both cross-sectional and longitudinal measures of response.

**STANDARD MEASURES NOT SUFFICIENT**

Assessing the quality of an index is multifaceted because of the complex nature and the different components of index compilation. Standard quality measures are not sufficient to capture the overall quality of a price index.

**PURPOSE**

Accuracy  
Use of standard

Frequency of coverage of

Collection response rate

Index

needs of

Coherence across

Accessibility

Notifications to users

Timeliness

Timeliness of basket

Version of

can be

Suppressions

Changes in

industry

composition over time

Change in industry composition over time

Sampling

Index

success

of

initiation

Efficiency of collection

Success of initialization

Population at target

industry

industry

products

Product

specification

Quality adjustment for product substitution

Quality adjustment for product specification changes

Consistency

among

values

of

index

levels

Timeliness

Source of revision

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**STRUCTURE OF THE PERFORMANCE MEASURE GRADING SCHEME**

Weights are based on the number of performance measures and the importance of each in terms of the risk that the index does not represent reality.

Each dimension is assigned a grade based on the average of points of each performance measure.

An overall grade for the index is calculated using the weighted average of the grades for each dimension.

**PERFORMANCE MEASURES**

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Accuracy</th>
<th>Timeliness</th>
<th>Accessibility</th>
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<td>Time lag of release</td>
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<td>Source of revision</td>
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</tbody>
</table>

**RESULTS**

Grading schema fills quality measure gaps for price indexes

Measures longitudinal and cross-sectional aspect of price indexes

Provides measures for all six dimensions of quality

Results in an all-encompassing measure of quality for an index