

# Research on Using Synthetic Microdata to Protect Economic Data: Utility and Privacy Protection

Katherine Jenny Thompson

Workshop on Challenges and New Approaches for Protecting Privacy in  
Federal Statistical Programs

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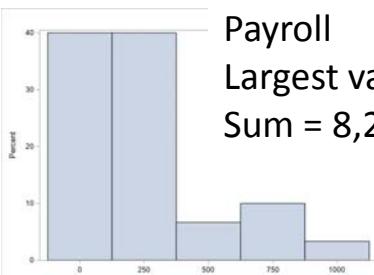
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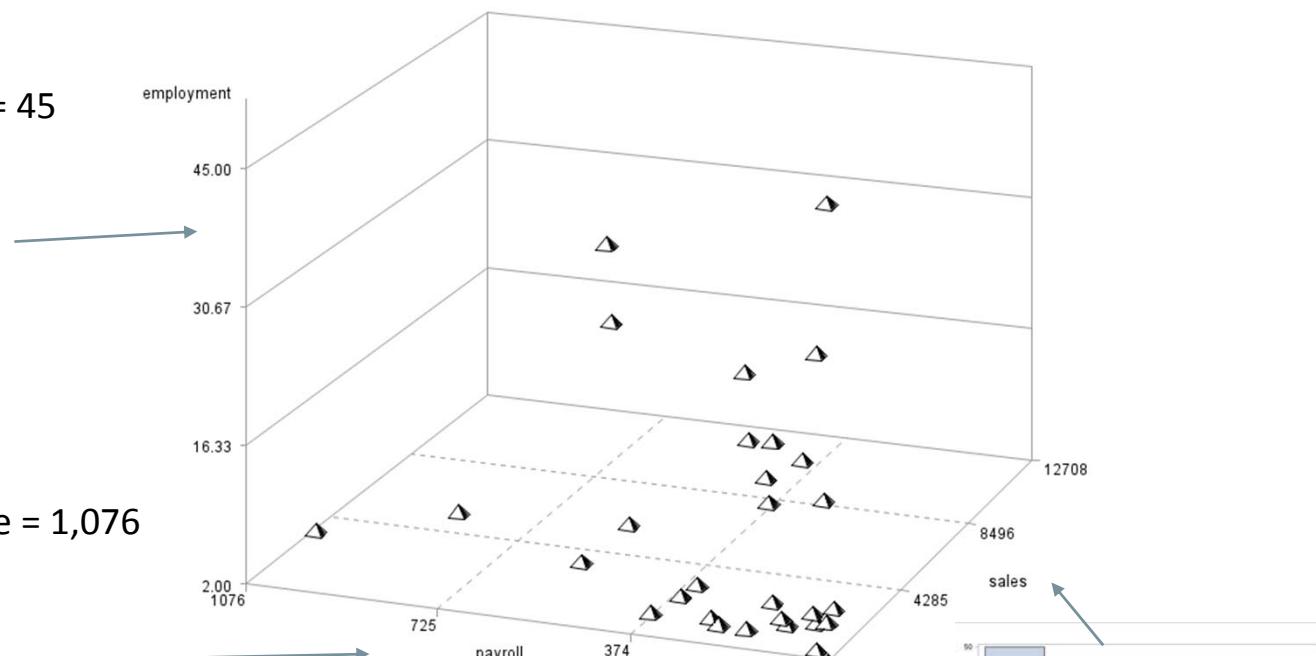
# Original Data from One Fictional Industry



Employment  
Largest value = 45  
Sum = 325

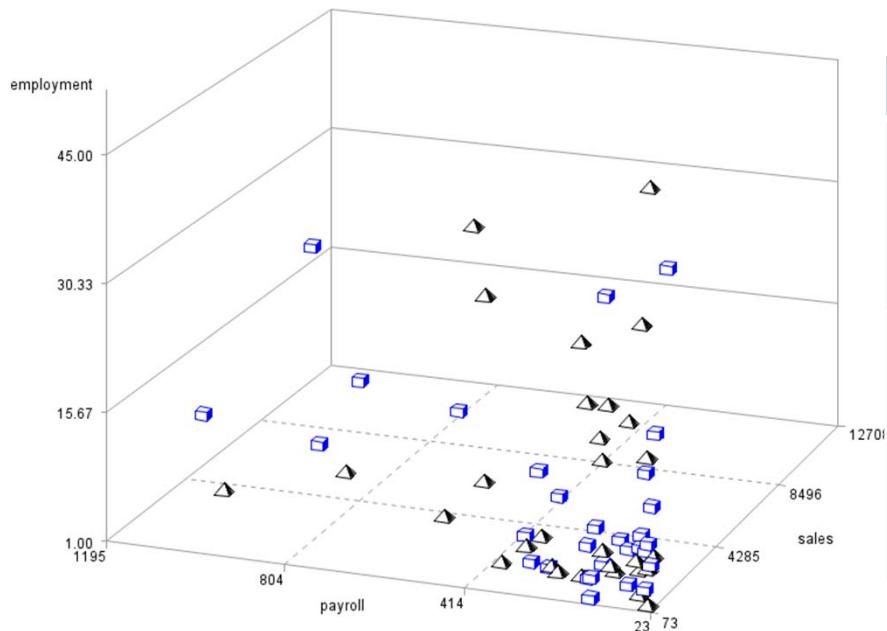


Payroll  
Largest value = 1,076  
Sum = 8,257



Sales  
Largest value = 12,708  
Sum = 63,504

# Synthetic Data from One Fictional Industry



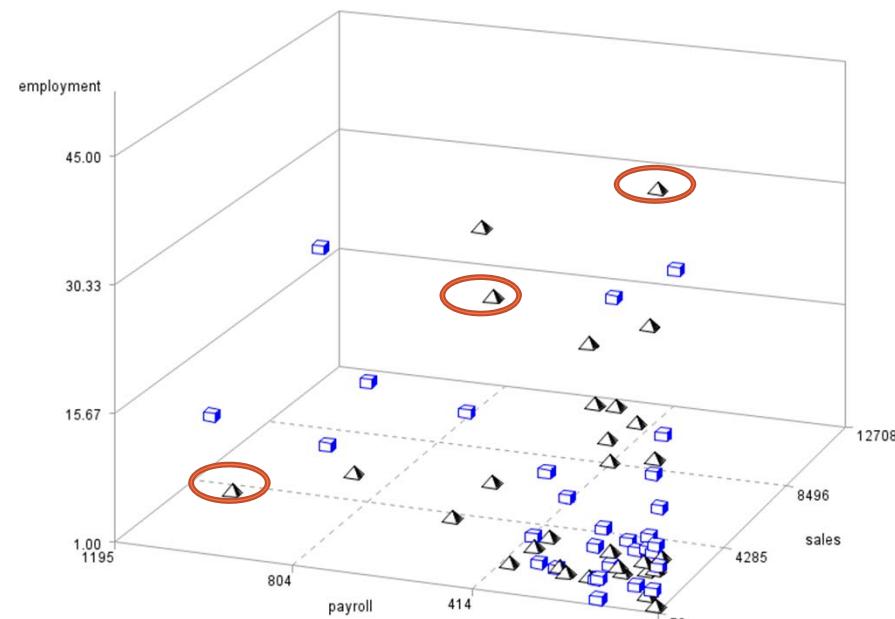
## Utility

Metric		Original	Synthetic
Totals	Payroll	8,257	8,278
	Sales	63,504	57,803
	Employment	325	275
Industry Average	Payroll/Employment	25.41	30.10
	Sales/Payroll	7.69	6.98
Multiple Regression	$\log(\text{Sales}) = \beta_0 + \beta_1 \log(\text{Payroll}) + \beta_2 \log(\text{Employment})$	$\beta_0 = 2.10$ $\beta_1 = 0.78$ $\beta_2 = 0.53$	$\beta_0 = 2.11$ $\beta_1 = 0.79$ $\beta_2 = 0.51$

Note: Illustration! More than one synthetic data set produced via proposed method

# Synthetic Data from One Fictional Industry

## Disclosure Risk



Intruder Scenario	Maximum Value	Original		Synthetic	
				Metric 1	Metric 2
Intruder only has access to <b>synthetic data</b> *	Payroll		1,076	1,195	n/a
	Sales		12,708	8,903	
	Employment		45	33	
Intruder has access to <b>true</b> value of 2 <sup>nd</sup> largest establishment in industry (by item)**	Payroll		1,076	1,195	97,436
	Sales		12,708	1,195	50,773
	Employment		45	33	245

\* Most “revealing” scenario with synthetic data

1. Developed univariate (marginal distribution) risk metrics
2. Multivariate distribution risk metric under development
3. Need to decide on “global” measure

\*\* Metric 1 = maximum(largest synthetic value, true 2<sup>nd</sup> largest value)

Metric 2 = Synthetic data total – true 2<sup>nd</sup> largest value (from p-percent rule)