

Update on BEA Activities

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Measuring the Nation's Economy.



Current Issues - Congress

- House and Senate Appropriations Sub-Committees both proposed full funding for BEA, including R&D and Health initiatives
 - Currently under CR until March 2009; implications of House and Senate “marks” unclear
- BEA program reductions moving forward
 - Some Congressional and user concern about FDI and Regional reductions.
- Nonmarket and near market goods
 - Bills introduced by Senators’ Kennedy and Feingold

National Accounts

- FAQ's in response to "current events" and press queries, critiques, and misunderstandings
- Improved documentation:
 - *Concepts and Methods of the U.S. National Income and Product Accounts*, Introductory Chapters 1-4, July 2008, www.bea.gov
 - "Taking the Pulse of the Economy: Measuring GDP" Spring 2008, *Journal of Economic Perspectives* (version including Appendix: www.bea.gov)
- International work:
 - High level forum on the future of the SNA
 - UN Working Groups on innovation, globalization, and integration

National Accounts

- Looking ahead:
 - Estimate improvements:
 - Comprehensive revision - July 2009
 - Flexible Revisions
 - Preparation of national-level production account as recommended by Secretary's Advisory Committee on Innovation

International Accounts

- New data on affiliated services by type that provides totals of affiliated and unaffiliated trade by type of service.
- Improved coverage of trade in services through data sharing
- Published data from reconfigured surveys of trade in services - affiliated and unaffiliated foreign parties
- Continued interest by Congress in state trade in services
- International work:
 - IMF BOP Manual (BPM6) is final
 - UN Globalization work on remittances, MNC's, and innovation

International Accounts

- Looking ahead:
 - Budget alignment:
 - Elimination of FDI “greenfield” investments survey
 - Reduction in detail in FDI data
 - Collection of annual data on foreign-owned banks
 - Implementation of the SNA, BPM6, and the OECD benchmark definition of foreign direct investment.

Industry Accounts

- Annual GDP by Industry Accounts, 2007
- Experimental work on balancing quarterly GDP by industry estimates
- BEA and BLS preparing reconciliation tables for industry output measures
- Flexible annual revisions, June *Survey* article
- Developing NAICs-based historical benchmark input-output tables
- Improved PCE statistics through better integration of Industry and National Accounts data

Regional Accounts

- GDP by Metro Area - first regular release
- Collaborative work with IRS on regional and state data (SOI Bulletin, summer 2008)
- Pension and price related research:
<http://www.bea.gov/papers/pdf>.
- Updated RIMS II multipliers released

Regional Accounts

- Looking Ahead:
 - Congressional expansions: accelerated county personal income
 - November *Survey* article on Regional Price Parities
 - Budget alignment:
 - Reductions in level of industry detail in regional data

Chief Statistician/Chief Economist

- Chief Statistician:
 - Source data:
 - Downward pattern of revisions in GDP: no clear pattern (varies across source data over time)
 - Further expansion of access to corporate tax data; Census-BLS-BEA data sharing
 - Research:
 - CNSTAT volume on R&D and Innovation
 - Seasonal adjustment
- Chief Economist:
 - Health accounting
 - Blueprint for Innovation Account
 - Human capital
 - Econometrics Training

Chief Information Officer

- BEA one of the top-rated IT units on security by DOC's Inspector General
- New core GDP processing system provides large reductions in processing time (hours to minutes)
- Dramatic increase in respondents' use of BEA new electronic reporting system.
 - Over 60% electronic reporting this year compared to 30% two years ago.

Long-Term Plans: Your Ideas?

- Review of what we are thinking about:
 - New: R&D, Innovation, Health, Energy, and Pensions
 - New international guidelines: Incorporating SNA 2008, BPM6, etc.
 - Extensions of existing accounts: New real measures, quarterly industry accounts, accelerated regional data, and further integration.
 - Research on updating concepts and methods: offshoring, capital gains, and IIP changes?
 - Infrastructure: Expanded coverage of services, improved sample frames, data sharing, expanded documentation and more efficient data collection, processing, estimation, and dissemination systems