

# Update on BEA Activities

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November 7th, 2008*

*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](http://www.bea.gov)
  - "Taking the Pulse of the Economy: Measuring GDP" Spring 2008, *Journal of Economic Perspectives* (version including Appendix: [www.bea.gov](http://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