

Taking Account...

BEA Director Named Shiskin Award Recipient

Steve Landefeld, Director of the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce since 1995, has been selected as the recipient of the 2006 Julius Shiskin Memorial Award for Economic Statistics.

Landefeld was recognized for his leadership in improving the U.S. economic accounts and related statistics through effective management, collaboration with domestic and international users, and scholarly research. These efforts have enhanced the reputation of BEA and the U.S. economic accounts throughout the world.

The annual Shiskin Award is cosponsored by the Washington Statistical Society, the Business and Economics Statistics Section of the American Statistical Association, and the National Association for Business Economics.

At a recent Washington Statistical Society event, Landefeld accepted the award on behalf of BEA and all of its employees—past and present—noting that the accomplishments are the result of a collective effort that stretches over many years.

Annual Revision of NIPAs To Be Released This Month

The regular annual revision of BEA's national income and

product accounts (NIPAs) is scheduled to be released July 28, 2006. The revision will incorporate source data that are more complete, more detailed, and otherwise more appropriate than those previously available.

The annual revision will also incorporate various methodological refinements, including the following:

- The valuation of unit sales of light trucks and utility vehicles will be based on retail-transactions-price data from J.D. Power (the same data source that BEA currently uses to derive estimates of automobile sales). Currently, the valuation is based on suggested retail prices by manufacturers. The new approach is part of BEA's initiative to acquire and incorporate real-time data into the economic accounts to provide more accurate and timely estimates.
- Quarterly estimates of personal consumption expenditures for hospitals and nursing homes will reflect data from the Census Bureau's expanded quarterly services survey. Currently, the quarterly estimates for hospitals and nursing homes are extrapolated from proxy data.
- Quarterly estimates of investment in computers will be derived from a weighted average of the Federal Reserve

Board's Industrial Production Index (IPI) for computers and peripherals (weighted at 75 percent) and the Census Bureau's Manufacturing Shipments (M3) for computers (weighted at 25 percent). The IPI will be converted to current dollars using a BEA price index. Currently, only the M3 series is used for the extrapolation.

The annual revision will be detailed in an article in next month's SURVEY OF CURRENT BUSINESS. The article will also be available on BEA's Web site.

New FAQ on Dark Matter Available on Web Site

BEA's public Web site has a new FAQ about "dark matter," the theory that advantages in technology and management allow the United States to maintain a surplus on investment income despite being the "so-called" world's largest debtor nation.

The FAQ notes that returns on U.S. direct investments abroad are not abnormally high, that there may be numerous reasons for low returns on foreign direct investment in the United States, and that any unmeasured trade in knowledge capital due to dark matter may result in offsetting changes within the current account and thus have no impact on the current-account balance.