

**U.S. DEPARTMENT OF COMMERCE
ECONOMICS AND STATISTICS ADMINISTRATION
Economic and Statistical Analysis Budget**

**Budget Estimates
Fiscal Year 2010**

As Presented to Congress

May 2009



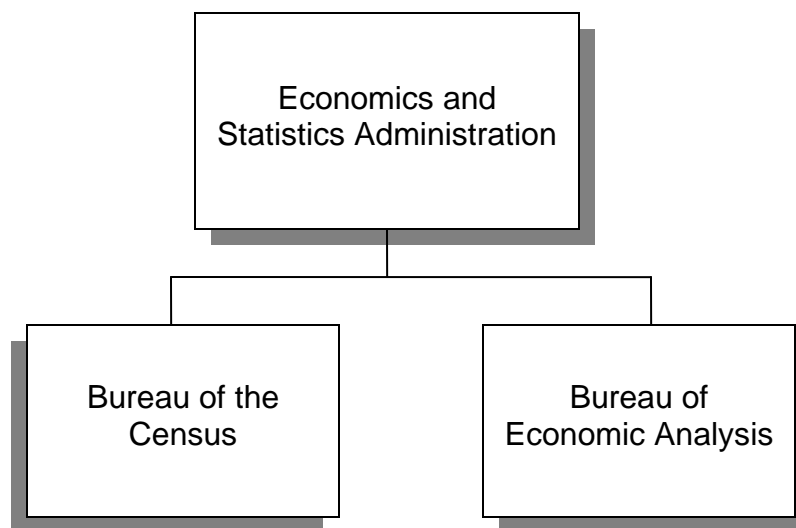
Economic and Statistical Analysis Budget
Economics and Statistics Administration / Bureau of Economic Analysis

Budget Estimates, Fiscal Year 2010
Congressional Submission

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U.S. Department of Commerce Economic and Statistical Analysis Budget

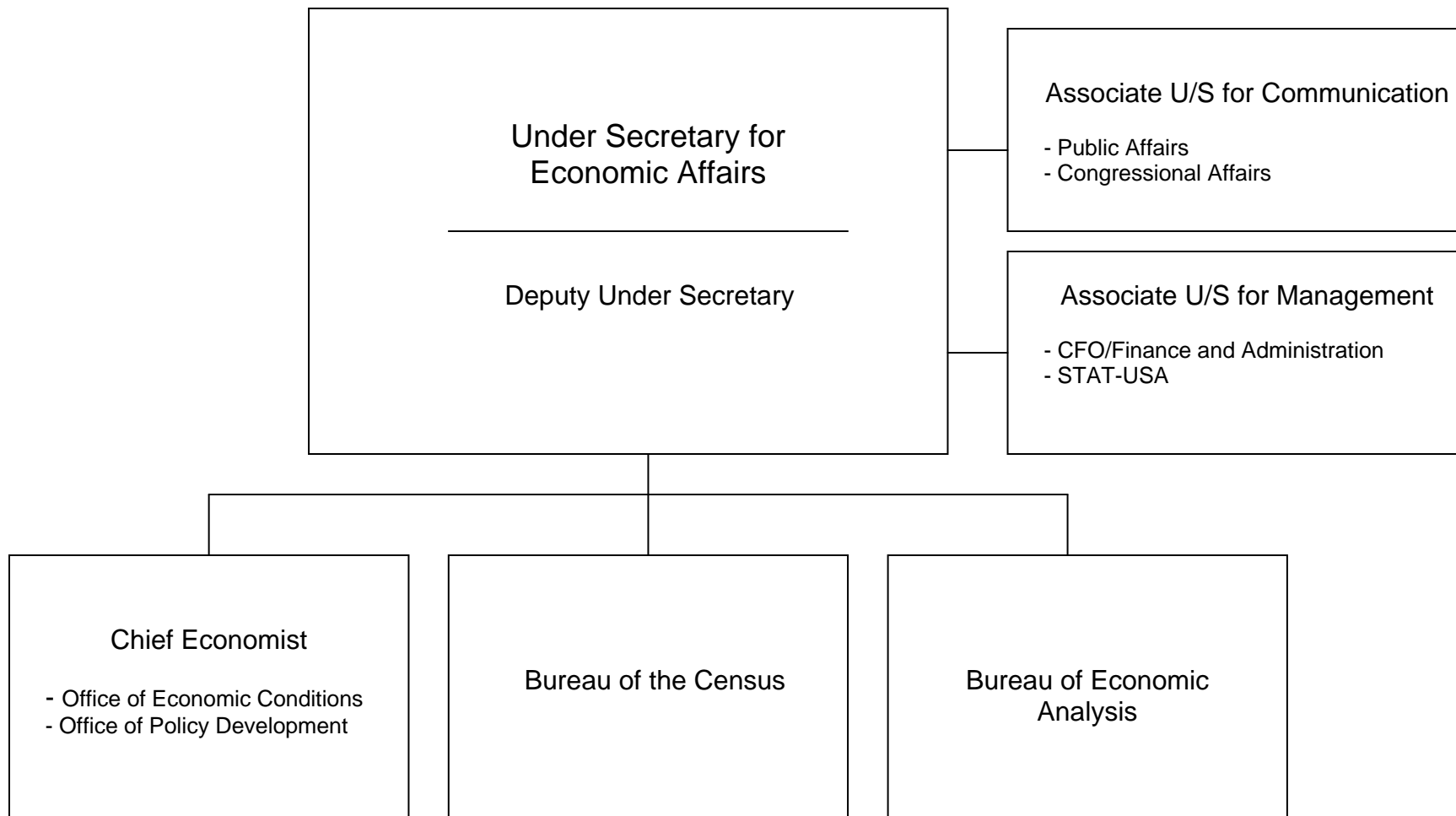


The Economics and Statistics Administration (ESA) includes ESA Headquarters, the Bureau of Economic Analysis (BEA) and the Bureau of the Census. The Bureau of the Census budget is submitted separately.

ESA Headquarters (Policy Support) staff consists of the Office of the Under Secretary for Economic Affairs, policy support staff, STAT-USA, and support personnel. The Under Secretary for Economic Affairs provides leadership and critical oversight of the Census Bureau and Bureau of Economic Analysis. The policy support staff conducts economic research and policy analysis directly in support of the Secretary of Commerce and the Administration. ESA monitors and interprets economic developments, domestic fiscal and monetary policies, and analyzes economic conditions and policy initiatives of major trading partners. STAT-USA offers fee-based data dissemination services for business, economic, and trade statistics. STAT-USA operates as a revolving fund.

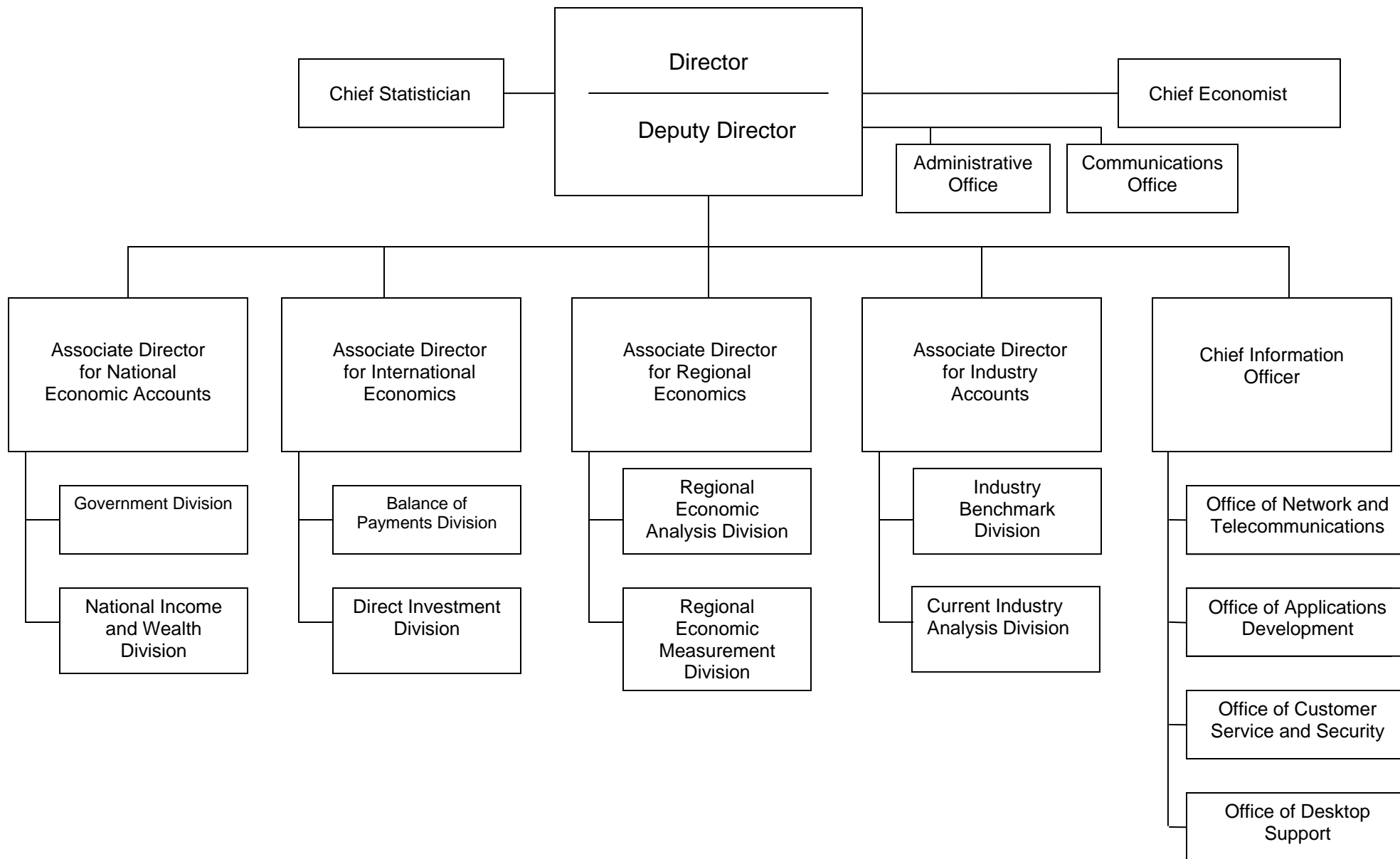
The Bureau of Economic Analysis (BEA), a principal Federal statistical agency, promotes a better understanding of the U.S. economy by providing timely, relevant, and accurate economic accounts data in an objective and cost-effective manner. BEA's national, industry, regional, and international economic accounts present valuable information on key issues such as U.S. economic growth, regional economic development, inter-industry relationships, and the Nation's position in the world economy. Some of the widely used statistical measures produced by BEA include gross domestic product (GDP), personal income and outlays, corporate profits, GDP by state, balance of payments, and GDP by industry. These statistics are used by Federal, state, and local governments for budget development and projections; by the Federal Reserve for monetary policy; by the business sector for planning and investment; and by the American public to follow and understand the performance of the Nation's economy. BEA's strategic vision is to remain the world's most respected producer of economic accounts.

Economics and Statistics Administration



Bureau of Economic Analysis

Exhibit 2



Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis

Executive Summary

ESA’s mission is to: 1) help maintain a sound Federal statistical system that monitors and measures America’s rapidly changing economic and social arrangements; 2) improve understanding of the key forces at work in the economy and the opportunities they create for improving the well-being of Americans; 3) develop new ways to disseminate information using the most advanced technologies; and 4) support the information and analytic needs of the Commerce Department, Executive Branch, and Congress.

Resource Requirements

<u>FY 2009 Enacted:</u> \$ 90.6million	<u>FY 2010 Request:</u> \$ 105 million	<u>Permanent positions:</u> 599	<u>FTEs:</u> 560
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The United States is widely recognized as being the world’s economic information leader. This is due, in large part, to the timely and accurate data provided by the Bureau of Economic Analysis (BEA) and Census Bureau. BEA and the Census Bureau provide vital economic information, including the gross domestic product (GDP) and international balance of payments, which are essential to decision making by the President, Congress, American business leaders, and participants in world financial markets.

The largest component of the Economic and Statistical Analysis budget is the Bureau of Economic Analysis, which accounts for 96 percent of the FY 2010 budget request. The Census Bureau budget is submitted separately. Although a relatively small agency, BEA produces some of the most closely watched national economic statistics that directly affect decisions made by policy makers, business leaders, and the American public. All of BEA’s programs and activities fully support the Departmental goal to “provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.”

For FY 2010, BEA is requesting a total of \$101.2 million to continue improving the timeliness, relevance, and accuracy of the national economic accounts. Base funds will be used for work outlined in the BEA Strategic Plan, which provides a detailed plan for maintaining and improving those accounts. For FY 2010, BEA requests support for four initiatives:

- \$1.5 million to develop new estimation models for financial services statistics in order to more accurately reflect the critical changes that are occurring in the financial sector of the U.S. economy. Today's economic conditions have created an environment where once tolerable gaps in data are no longer tolerable without significant risk to the nation's economic indicators. This initiative allows BEA to build new estimation models and incorporate tomorrow's new source data into financial sector statistics.
- \$4.5 million to develop a comprehensive set of real-time statistics that address some of the most pressing issues facing policy makers today: energy, retirement income and innovation. This initiative extends the U.S. economic accounts to include new and expanded statistics on energy usage in the U.S. economy, an expanded set of statistics on the role of innovation in the U.S. economy, and retirement income developments.
- \$3.2 million to rebuild foreign direct investment statistics. As a result of reductions in the FY 2008 enacted budget, BEA pared back the data it collects on multinational companies (MNCs), eliminating a survey of new foreign direct investments in the United States and scaling back annual surveys of both U.S. direct investment abroad and foreign direct investment in the United States. This initiative restores and expands the coverage and detail of the data that it collects on MNCs.
- \$2.0 million to improve, accelerate, and expand county-level economic statistics. Detail that was eliminated as a result of the FY 2008 enacted cut to BEA's budget will be fully-restored. In addition, BEA will increase the timeliness of the statistics and expand the amount of information contained in the statistics. New measures of GDP at the county level will also be developed and released, and improvements will be made to the procedures used to account for missing or suppressed data.

This request also contains \$3.8 million for ESA headquarters to fund its base program.

ESA's economic policy support is provided by the ESA headquarters staff. The staff consists of the Office of the Under Secretary for Economic Affairs, policy support staff led by the Chief Economist, STAT-USA, and support personnel. STAT-USA is a self-sustaining, fee-for-service organization. The Under Secretary for Economic Affairs provides leadership and critical oversight of the Census Bureau and Bureau of Economic Analysis, and works to advance U.S. goals related to growing the economy, supporting trade, and fostering innovation.

ESA provided valuable economic analysis and advice to the Secretary of Commerce and the Administration throughout the past year and plans to continue this level of support in areas such as economic recovery, climate change, innovation and trade. ESA will also measure the economic impacts of policy proposals, natural and man-made disasters, and prices on the Nation's economy. The Under Secretary will continue work on pension reform through the Pension Benefit Guaranty Corporation. ESA is also leading the Department's efforts to measure the impact of innovation on the U.S. economy; innovation metrics will improve our understanding of how innovation occurs and how it impacts economic growth and productivity. ESA continues its work through the U.S.-China Joint Commission on Commerce and Trade to improve bilateral trade with China.

ESA provides economic analyses to aid policy makers. In the last year, these analyses included reports on sub-prime mortgages, the offshoring of service jobs, the impact of immigration on wages, and the role of immigrants in the U.S. economy. ESA economists reported on income inequality, foreign investment in the U.S. and U.S. investment abroad, and the personal savings rate. ESA will continue to quantify and add value to the most critical policy debates by briefing the Secretary and other leaders in the Administration on the issues that affect the economy.

The Bureau of Economic Analysis regularly examines its base funding to ensure all public funds support activities that fit BEA's core mission. During much of the 1990s, resource constraints required BEA to discontinue programs that were not core to its mission. Regional projections of personal income and employment by state and local areas were eliminated, detailed establishment-based foreign direct investment data were canceled, pollution abatement and control spending estimates were ended, and the leading indicators were transferred to The Conference Board.

The following list shows BEA's four economic accounts and their products. Each product serves the core mission of the Agency and either feeds into the GDP and other core accounts, is required by law, or is used to implement Federal programs.

- **National Economic Accounts:** GDP and related accounts are the basis for Federal budget projections and are the mainstay of macroeconomic analysis.
- **International Economic Accounts:** Balance-of-payments data are required by the Bretton Woods Agreement and critical to monetary, trade, investment, exchange rate, and financial policies. BEA's direct investment programs are also required by law and are critical to understanding the impact of U.S. and foreign multinational companies on the U.S. and world economies.
- **Regional Economic Accounts:** Regional data are used to allocate over \$200 billion in Federal funds and are the basis for virtually all states' spending and revenue forecasts.

- **Industry Economic Accounts:** Industry data are the basis for the infrastructure for the National Income and Product Accounts and many other key government statistics, such as the Bureau of Labor Statistics' Producer Price Index. They are also critical to industry and macroeconomic analyses.

BEA has carefully chronicled its use of base and initiative funds and has sought to provide the public with a thorough account of how these funds are spent by making available its Strategic Plan and Strategic Plan Report Card. In every case, initiative funds have been used to improve the timeliness, relevance, and accuracy of BEA statistics, including critical spending on BEA's information processing systems.

Conclusion

The rapid growth, increasing complexity, and changing structure of the American economy make it increasingly important for policy makers and business leaders to have the most timely, relevant, and accurate economic information possible. The work performed by ESA and BEA helps maintain a sound Federal statistical system to provide such information. The data produced, including the GDP, personal income, and balance-of-payments accounts, have a major effect on government spending and taxing decisions, the allocation of Federal funds to states, and private sector business planning of all types. The GDP and related accounts data are critical inputs to monetary, fiscal, trade, and regulatory policies, and because they influence interest rates and financial markets, they also affect every American who runs a business, saves for retirement, or borrows to buy a home. The FY 2010 Economic and Statistical Analysis budget request helps the Nation's economic accounts keep pace with the rapidly changing U.S. economy.

Bureau of Economic Analysis: Economic Accounts

- ❖ 10,000 time series produced each month ❖ Nearly 2 million other data produced quarterly and annually ❖
- ❖ Critical for monetary and fiscal policy, government, and business decisions ❖

<p style="text-align: center;"><u>National Income and Product Accounts</u></p> <p>Gross Domestic Product (GDP) – The broadest measure of the U.S. economy. Components of GDP show how specific sectors of the economy are performing. GDP and the other components of the National Income and Product Accounts are key ingredients into Federal budget planning, monetary policy, and business planning.</p> <p>Personal Income and Outlays – A comprehensive and timely monthly estimate of all income received by persons in the United States, the money they spend on goods and services, and the income they save.</p> <p>Corporate Profits – The only comprehensive, timely, and consistent estimates of corporate earnings. These estimates are an important baseline for businesses and individuals in judging corporate earnings.</p> <p>Fixed Assets – Comprehensive estimates of U.S. wealth including capital stocks, consumer durable goods, and depreciation. These estimates are crucial in the analysis of the effect of wealth on consumer spending, investment, and economic growth.</p>	<p style="text-align: center;"><u>International Accounts</u></p> <p>Balance of Payments – The international transactions accounts are a statistical summary of transactions between U.S. and foreign residents, including, for example, transactions in goods and services, debt forgiveness, and transactions in U.S.-owned assets abroad and foreign-owned assets in the United States.</p> <p>U.S. International Trade in Goods and Services – Monthly estimates of U.S. imports and exports of goods and services.</p> <p>International Investment Position – The only comprehensive comparison of the value of U.S.-owned assets abroad and the value of foreign-owned assets in the United States. These estimates facilitate analysis of the economic effects of international lending and investment on the U.S. economy.</p> <p>MNC Financial and Operating Data – These data sets cover the financial structure and operations of U.S. multinational companies (MNCs) and of U.S. affiliates of foreign MNCs. The data are used to analyze the characteristics and performance of MNCs and to assess their impact on the U.S. and foreign host economies.</p>
<p style="text-align: center;"><u>Industry Accounts</u></p> <p>Annual Industry Accounts – These accounts are a set of integrated estimates that include the GDP-by-industry and the annual input-output accounts. These accounts provide detailed information on the changing structure of the U.S. economy, including the annual contributions of private industries and government to the Nation’s GDP and the annual flows of goods and services used in the production processes of industries.</p> <p>Benchmark Input-Output Accounts – These accounts show how industries interact at detailed levels; specifically, how approximately 500 industries provide input to, and use output from, each other to produce gross domestic product. These accounts provide detailed information on the flows of goods and services that make up the production processes of industries.</p> <p>U.S. Travel and Tourism Accounts – This satellite account is the most comprehensive and timely picture of direct and indirect sales made in tourism-related industries and their role in the U.S. economy.</p>	<p style="text-align: center;"><u>Regional Accounts</u></p> <p>State and Local Personal Income – This measure reports income for state, county, metropolitan and micropolitan areas, and BEA economic areas, and is used along with Gross Domestic Product by State to allocate over \$215 billion in Medicaid and other Federal transfers and grants. States use state personal income to project tax receipts and set spending caps.</p> <p>Gross Domestic Product (GDP) by State – The state counterpart to the GDP, GDP by State is the most comprehensive measure of production in all industries within a state. It shows the portion of the Nation’s output produced in each state and the portion of each industry’s output by state and is used in Federal funding formulae to distribute grants to states.</p> <p>Regional Input-Output Multipliers – These estimates provide a measure of the local economic impacts of changes in government regulations, policies, or programs or in private-sector economic development plans. Multipliers have been used to study the effects of military base closings, firm relocation, sports facility construction, natural disasters, and terrorist attacks.</p>

**Department of Commerce
Economic and Statistical Analysis Budget**

**FY 2008 Annual Performance Plan
Bureau of Economic Analysis**

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BEA Mission Statement:

The Bureau of Economic Analysis promotes a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic accounts data in an objective and cost-effective manner.

Corresponding DOC Strategic Goal, Objective / Outcome

The Bureau of Economic Analysis (BEA) is a principal Federal statistical agency and is a part of the Economics and Statistics Administration within the U.S. Department of Commerce (DOC). BEA produces some of the Nation's most trusted, closely-watched national, international, regional, and industry economic statistics, including the gross domestic product (GDP). BEA's economic statistics provide a comprehensive picture of the U.S. economy and are key ingredients to critical decisions affecting fiscal and monetary policy, tax and budget projections, and household and business investment plans.

Corresponding DOC Strategic Goal and Objective

BEA's mission statement reflects its commitment to achieve its performance outcome as detailed in Strategic Goal 1, Objective 1.3 in the *U.S. Department of Commerce FY 2007—FY 2012 Strategic Plan*.

**U.S. Department of Commerce Strategic Plan
related to the Bureau of Economic Analysis**

Strategic Goal 1:

“Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.”

Objective 1.3:

“Advance key economic and demographic data that support effective decision-making by policymakers, businesses, and the American public.”

The BEA Five-Year Strategic Plan is a comprehensive plan of action that tracks BEA’s progress toward accomplishing its mission—which is its performance goal—and contributing to the completion of the Department’s Strategic Goal 1. The Plan has nearly 200 detailed milestones which ensure that BEA statistics are as timely, relevant, and accurate as possible. These milestones allow managers and senior staff to plan resources and staff allocations and encourage personal accountability by connecting the achievement of milestones to individuals’ annual performance plans. This direct progression, from DOC Objective 1.3 to the BEA mission and, finally, to the milestones of the BEA Five-Year Strategic Plan, reinforces the link between the first strategic goal of DOC and the employees at BEA.

Priorities / Management Challenges

This FY 2010 budget request enables BEA to: (1) maintain “core” statistical programs that produce statistics that feed into the estimation of GDP and related statistics, are required by law, and/or are required for the administration of Federal programs; (2) improve select programs in response to changes in the U.S. economy; (3) expand BEA’s statistics to provide a more accurate measure of services statistics—particularly finance sector statistics—in order to improve the accuracy of the GDP statistics; (4) restore and expand foreign direct investment statistics that were eliminated in FY 2008 as a result of a budget reduction; and (5) restore and accelerate county-level statistics that also were eliminated in FY 2008 as a result of a budget reduction.

BEA faces three long-term challenges to its mission:

1. **Measuring a constantly changing economy** – The U.S. economy is in constant flux as is its relationship with the economies of the world. BEA is responsible for understanding the structural changes in the economy and its international interactions, to

improve the statistical methods used to measure these changes, and to locate and incorporate data sources to capture the changes.

2. **Integrating Federal economic accounts** – The demand for greater consistency among the various economic accounts in a decentralized statistical system is growing among users of Federal economic statistics. The Federal agencies responsible for the production of U.S. economic accounts must continue to work together to integrate the accounts by harmonizing definitions, methodologies, and analytical techniques in order to provide consistent estimates to users.
3. **Building and developing a skilled workforce** – BEA is its people. The quality of BEA statistics is dependent on the knowledge and skill of its staff. With the increasing complexity of the changing economy, there are growing demands for BEA staff to be at the leading edge of economic change and to provide innovative solutions for measurement. Through a detailed human capital strategy, BEA will continue to prepare its employees for these challenges.

The largest of BEA's challenges is the constantly-changing economy. Recent government intervention into the economy combined with the current recession and the volatility of the financial sector have made comprehensive measures of the economy much more difficult to achieve. BEA's initiative to improve select programs in response to changes in the U.S. economy, and the initiative to expand statistics to provide a more accurate measure of services statistics directly address this challenge.

A constant priority for BEA is its customers. BEA continuously maintains a high level of customer satisfaction—a performance measure the bureau takes very seriously. After discontinuing regional county-level statistics and foreign direct investment statistics in 2009, BEA received an outpouring of requests from both the public and private sectors to reinstate these statistics. Responding to our customers, BEA has proposed to restore and improve these two programs.

Targets and Performance Summary / FY 2010 Target Description / Measure Descriptions / Validation and Verification

BEA has established six performance measures to monitor its progress toward meeting its objectives and operating goals. The first three performance measures track overall agency performance with respect to the agency's mission to provide timely, relevant, and accurate economic data. The final three measures are directly related to BEA budget initiatives and track BEA's progress toward meeting its commitments to the President, Congress, and the American public when initiative funds are provided.

Outcome – Timeliness						
Measure 1a: Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time)	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	54 of 54	54 of 54	54 of 54	57 of 58	57 of 57	TBD
Description: The importance of BEA data as an ingredient for sound economic decision making requires BEA to deliver data into the hands of decision makers and other data users not only quickly but also reliably—that is, on schedule. Since instituting this performance measure, BEA has consistently met its target of releasing economic data on schedule and on time, with the exception of FY 2008, when BEA released 57 of its 58 scheduled releases on time.						
Comments on Changes to Targets: In FY 2008, one of BEA's releases—the 2004-2006 Annual Industry Accounts—was intentionally postponed in order to incorporate more complete data from the U.S. Census Bureau. The target is based on the number of official BEA data releases as announced by OMB at the beginning of each fiscal year.						

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
A schedule of release dates for the calendar year is published each fall in the <i>Survey of Current Business</i> and is posted on the BEA website. BEA maintains a record of subsequent actual release dates.	Quarterly	BEA maintains the schedule of future release dates and the record of actual release dates. Both sets of information are available on the BEA website.	Scheduled and actual release dates are a matter of public record and can be verified via the Internet at www.bea.gov .	Not all releases may be included in the published annual schedule because their release dates cannot be established that far in advance.	FY 2010 target will be added when the schedule is made available to OMB and published in the <i>Survey of Current Business</i> in the Fall of the preceding year.

Outcome – Customer Satisfaction						
Measure: Score on Customer Satisfaction Survey	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
		4.4	4.2	4.3	4.2	Greater than 4.0
<p>Description: Customer satisfaction is a critical measure of BEA’s ability to provide the types of data that are relevant, accurate, and needed by users. BEA measures the level of customer satisfaction through an on-going online survey of users. In FY2008, BEA scored 4.2 out of a maximum of 5.0, indicating users are very satisfied with the overall quality of BEA’s products and services.</p>						
<p>Comments on Changes to Targets: As BEA moves forward with improving its economic statistics to reflect the unpredictable and rapidly-changing economy, it will strive to reach a customer satisfaction rating greater than 4.0 on a 5-point scale—a customer satisfaction rate of over 80%. Given the current unpredictability of the economy, a customer satisfaction rating of BEA’s ability to keep up with these changes that exceeds 80% will be a challenge to achieve.</p>						
Relevant Program Change(s):	<p>Title: Critical Service Sector Improvements, Navigating the 21st Century Economy: Critical Statistics for Critical Decisions, Rebuilding the Foreign Direct Investment Statistics, Restoring and Enhancing County-Level Statistics</p>				<p>Exhibit 13 Page no: ESA – 63,67,76,80</p>	

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
BEA customer satisfaction survey conducted online at BEA’s website, www.bea.gov.	Continually	BEA conducts the survey, compiles the results, and retains records of raw data and computations that lead to the final results. A report is written and made available to the public at www.bea.gov.	BEA provides a copy of the survey results to the OMB, Budget Office of the DOC, and the Economics and Statistics Administration. The report is made available on the BEA website.	The customer satisfaction survey is an ongoing, voluntary survey conducted via the website. As a voluntary survey, responses are representative of those who choose to respond.	Survey is continually conducted with results monitored quarterly and reported after the end of the fiscal year.

Outcome – Accuracy						
Measure: Percent of GDP Statistics Correct	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
		96%	96%	93%	94%	Greater than 85%
<p>Description: This performance measure tracks BEA's ability to accurately estimate its most important statistic, the gross domestic product (GDP). This measure is a composite index of six indicators of accuracy, applied using three-year rolling averages to develop a single measure of the correctness of the GDP statistics. BEA exceeded this target with a score of 94% in FY 2008.</p>						
<p>Comments on Changes to Targets: BEA's GDP statistics are recognized world-wide as the most timely and accurate national statistics available. However, the economy, in particular the service sector (which includes finance, insurance, and real estate), is in a significant state of flux, and this is not likely to end in the immediate future. Moreover, today's economic conditions have created an environment where the once tolerable gaps in data and stability are no longer tolerable without risk to the nation's economic indicators. Given the current state of the economy and BEA's resulting statistical needs, which are addressed in its FY 2010 initiatives, a goal of 85% accuracy in the GDP statistics may be challenging to achieve.</p>						
Relevant Program Change(s):	Title: Critical Service Sector Improvements, Navigating the 21 st Century Economy: Critical Statistics for Critical Decisions				Exhibit 13 Page no: ESA – 63,67	

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Data used for this measure are produced by BEA and made available in press releases; in our monthly publication, the <i>Survey of Current Business</i> (SCB); and on the Website: www.bea.gov . Background research studies are published in the SCB.	Annually	The <i>Survey of Current Business</i> is published monthly and available online.	DOC has evaluated this measure and BEA has submitted a <i>Validation and Verification</i> report. The <i>Survey of Current Business</i> is a matter of public record and can be verified via the Internet or hardcopy.	The measure is the best single point estimation of the accuracy of GDP. Economic conditions, rather than statistical practices, could dramatically change the measure.	Research to calculate the new measure will be conducted, following the completion of the annual revisions, in August 2009.

Outcome – Improved GDP and Economic Accounts (Budget related)						
Measure: Complete all major Strategic Plan milestones related to improving the economic accounts	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
		Related milestones completed.	Related milestones completed.	Related milestones completed.	Related milestones completed.	Sucessfully complete related milestones.
Description: BEA must continually update its economic accounts to keep pace with the ever-changing U.S. and global economies. The BEA Five-Year Strategic Plan tracks BEA’s progress toward achieving the milestones related to this measure. In FY 2008, BEA completed all of its major milestones related to improving GDP and the economic accounts and expects to meet this target for FY 2009 and FY 2010.						
Comments on Changes to Targets: BEA must continually update its economic accounts to keep pace with the ever-changing U.S. and global economies. The BEA 5-year Strategic Plan tracks BEA’s progress toward achieving the milestones related to this measure. In FY 2010, BEA will implement new flexible revision procedures; incorporate new, improved source data and methods; accelerate implementation of new IT processing systems.						
Relevant Program Change(s):	Title: Critical Service Sector Improvements, Rebuilding the Foreign Direct Investment Statistics, Restoring and Enhancing County-Level Statistics				Exhibit 13 Page no: ESA – 63,76,80	

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
The BEA 5-year Strategic Plan provides annual milestones for this budget-related measure. At the end of each fiscal year, BEA evaluates and reports its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data annually via the BEA Scorecard, available on the BEA website.	Internal review and analysis by BEA.	BEA’s annual review and update of its Strategic Plan could result in changes to the milestones.	Milestones will be adjusted as necessary to match the BEA 5-year Strategic Plan.

Outcome – Data that conform to international standards (Budget related)						
Measure: Complete all major Strategic Plan milestones related to meeting international obligations.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
		Related milestones completed.	Related milestones completed.	Related milestones completed.	Related milestones completed.	Successfully complete related milestones.
Description: BEA is responsible for making its data series conform to standards agreed to by the U.S. Government with international organizations and other countries. Meeting these commitments is important to maintaining the United States' leadership in economic measurement. In FY 2008, BEA met all of the major milestones related to meeting its international obligations and expects to do the same in FY 2009 and FY 2010.						
Comments on Changes to Targets: Meeting commitments to international statistical bodies is important to maintaining the United States' leadership in economic measurement. In FY 2010 BEA will continue its leadership role in the UN, IMF, OECD and other international fora by continuing to lead in implementing the new international accounting standards adopted for national and international accounts.						
Relevant Program Change(s):	Title:					Exhibit 13 Page no:

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
The BEA 5-year Strategic Plan provides annual milestones for this budget-related measure. At the end of each fiscal year, BEA evaluates and reports its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data annually via the BEA Scorecard, available on the BEA website.	Internal review and analysis by BEA.	BEA's annual review and update of its Strategic Plan could result in changes to the milestones.	Milestones will be adjusted as necessary to match the BEA 5-year Strategic Plan.

Outcome – Measures of the Knowledge Economy (Budget related)						
Measure: Complete all major Strategic Plan milestones related to measuring the knowledge economy.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	New.	Related milestones completed.	Related milestones completed.	Related milestones completed.	Successfully complete related milestones.	Successfully complete related milestones.
Description: This performance measure monitors and signifies BEA’s commitment to better measuring the 21st century knowledge economy in order to accurately report a comprehensive picture of the U.S. economy. In FY 2008, BEA met all of the major milestones related to measuring the knowledge economy.						
Comments on Changes to Targets: This performance measure monitors and signifies BEA’s commitment to better measuring the 21 st Century knowledge economy in order to accurately report a comprehensive picture of the U.S. economy. In FY 2010 BEA will continue on-going work on developing new methods and source data to capture the role of innovation in driving economic activity and updating BEA’s prototype estimates of research and development.						
Relevant Program Change(s):	Title: Navigating the 21 st Century Economy: Critical Statistics for Critical Decisions				Exhibit 13 Page no: ESA-67	

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
The BEA 5-year Strategic Plan provides annual milestones for this budget-related measure. At the end of each fiscal year, BEA evaluates and reports its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data annually via the BEA Scorecard, available on the BEA website.	Internal review and analysis by BEA.	BEA’s annual review and update of its Strategic Plan could result in changes to the milestones.	Milestones will be adjusted as necessary to match the BEA 5-year Strategic Plan.

FY 2010 Program Changes

	Accompanying GPRA		Base		Increase/Decrease		Exhibit 13 Page #
	APP Page #.	Performance Measure	FTE	Amount	FTE	Amount	
Critical Service Sector Improvements	ESA- 14, 15, 16	1b, 1c, 1d	1	1,200	2	1,502	ESA- 63
Navigating the 21st Century Economy: Critical Statistics for Critical Decisions	ESA- 14, 15	1b, 1c	0	0	17	4,467	ESA-67
Rebuilding the Foreign Direct Investment Statistics	ESA- 14, 16	1b, 1d	68	10,651	11	3,245	ESA-76
Restoring and Enhancing County- Level Statistics	ESA- 14, 16	1b, 1d	0	0	13	2,000	ESA-80

Resource Requirements Table

(Dollars in millions)

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate	FY 2010 Base	Increase / (Decrease)	FY 2010 Request
Salaries and Expenses	82.4	83.8	85.2	86.8	97.2	99.4	11.2	110.6
Total Funding	84.1	85.6	87.0	88.4	98.9	101.3	11.2	112.5
Direct	80.0	79.2	79.9	81.6	90.9	93.8	11.2	105.0
Reimbursable ¹	4.1	6.4	7.1	6.8	8.0	7.5	0.0	7.5
IT Funding ²	13.3	13.3	11.3	12.4	19.9	13.8	0.0	13.8
FTE ⁴	543	543	536	524	553	560	43	603

¹ Reimbursable include ESA, BEA, and STAT–USA revolving fund.

² ESA/BEA IT funding is included in total funding. IT Funding includes ESA until FY 2006. Beginning in FY 2007 ESA's IT funding is reporting with Departmental Management, as IT services were centralized within the Department.

³ Total FTE includes ESA, BEA, and STAT–USA FTE.

Skill Summary: Economists, accountants, statisticians, and IT specialists

Department of Commerce
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 Salaries and Expenses

SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

							Positions	FTE	Budget Authority	Direct Obligations		
2009 Enacted							536	511	90,621	90,621		
plus: 2010 Adjustments to base							6	6	3,165	3,165		
2010 Base							542	517	93,786	93,786		
plus: 2010 Program changes							57	43	11,214	11,214		
2010 Estimate							599	560	105,000	105,000		
Comparison by activity/subactivity		2008 Actual		FY 2009 Enacted		2010 Base		2010 Estimate		2010 Increase/ (Decrease)		
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Bureau of Economic Analysis.....	Pos/BA	486	77,153	518	86,948	524	89,962	581	101,176	57	11,214	
	FTE/Obl.	472	77,847	496	87,082	502		545		43		
Policy support.....	Pos/BA	18	3,122	18	3,673	18	3,824	18	3,824	0	0	
	FTE/Obl.	16	3,800	15	3,796	15		15		0		
TOTALS.....	Pos/BA	504	\$80,275	536	\$90,621	542	\$93,786	599	\$105,000	57	\$11,214	
	FTE/Obl.	488	81,647	511	90,878	517		560		43		
Adjustments to Obligations												
Recoveries and Refunds			(299)									
Unobligated Balance, start of year			(1,351)		(257)							
Unobligated balance transferred												
Unobligated Balance, end of year			257									
Unobligated Balance, rescission			800									
Unobligated balance expiring			21									
Appropriation		488	\$81,075	511	\$90,621	517	\$93,786	560	\$105,000	43	\$11,214	

Department of Commerce
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 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

Comparison by activity	2008 Actual	2009 Enacted	2010 Base	2010 Estimate	2010 Increase/ (Decrease)
Total Obligations	86,775	97,177	99,433	110,647	11,214
Offsetting collections from:					
Federal Funds	(4,942)	(6,109)	(5,457)	(5,457)	0
Trust funds	0	0	0	0	0
Non-Federal sources	(186)	(190)	(190)	(190)	0
Recoveries and Refunds	(299)	0	0	0	0
Unobligated balance direct, start of year	(1,351)	(257)	0	0	0
Unobligated balance reimbursable, start of year	0	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance direct, end of year	257	0	0	0	0
Unobligated balance reimbursable, end of year	0	0	0	0	0
Unobligated balance expiring	21	0	0	0	0
Budget Authority	80,275	90,621	93,786	105,000	11,214
Financing:					
Unobligated balance rescission	800	0	0	0	0
Transferred from other accounts (-)	0	0	0	0	0
Transferred to other accounts (+)	0	0	0	0	0
Appropriation	81,075	90,621	93,786	105,000	11,214

Department of Commerce
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 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
ADJUSTMENTS TO BASE
 (in thousands)

Adjustments to Base	FTE	Amount
<u>ESTIMATED COST CHANGES:</u>		
Annualization of FY 2009 pay raise		930
FY 2010 pay raise		878
Full year cost in FY 2010 of positions financed for part-year in FY 2009	6	609
Civil Service Retirement System (CSRS)		(43)
Federal Employees Retirement System (FERS)		69
Thrift Savings Plan		28
Federal Insurance Contribution Act (FICA) - OASDI		27
Health Insurance		90
Employees Compensation Fund		35
Rental payments to GSA		145
Mileage		1
Per diem		73
Printing and reproduction		2
Postage		2
NARA		2
Working Capital Fund		(76)
General Pricing Level Adjustments:		
Communications, Utilities and Miscellaneous		245
Other Services		131
Supplies and materials		11
Equipment		6
Subtotal Estimated Cost Changes	6	\$3,165
Total, Adjustments to Base	6	\$3,165

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE

Adjustments to Base	FTE	Amount
<u>Annualization of FY 2009 pay raise</u>		930
Full-year cost of the 2009 pay increase and related costs. A pay raise of 3.9% is effective for FY 2009 January 1, 2009.		
(in thousands)		
Total cost of FY 2009 pay increase	2,103	
Less amount requested in FY 2009	(1,173)	
Amount requested in FY 2010 for FY 2009 pay increase	930	
 <u>FY 2010 increase and related costs</u>		 878
A general pay raise of 2.0% is assumed to be effective January 1, 2010.		
(in thousands)		
Total cost in FY 2010 of pay increase	860	
Payment to Working Capital Fund	18	
Amount requested in FY 2010 for FY 2010 pay increase (3/4 of year)	878	
 <u>Full-year cost in FY 2010 of positions financed for part-year in FY 2009</u>		 609
An increase of \$608,950 is required to fund the full-year cost in FY 2010 of positions financed for part-year in FY 2009, The computation follows:		
(in thousands)		
Annual salary of new positions in FY 2009	2,149,930	30
Plus 2009 Payraise of 3.9%	83,847	
Less 5% lapse	(111,689)	(2)
Full-year cost of personnel compensation	2,122,088	28
Less compensation included in the FY 2008 budget	(1,659,208)	(22)
Subtotal Personnel Compensation	462,880	6
Adjustment for FY 2010 pay raise (2.0% x .75)	6,943	
Amount required for personnel compensation	469,823	6
Benefits	139,127	
Total Adjustments to Base	608,950	6

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses

JUSTIFICATION OF ADJUSTMENTS TO BASE

Adjustments to Base	FTE	Amount
<u>Civil Service Retirement System (CSRS)</u>		(43)
<p>The number of employees covered by CSRS continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees' Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 20.3% in FY 2009 to 19.0% in FY 2010. The contribution rate will remain 7.0%.</p>		
FY 2010 (\$47,636,000 x .190 x .07)	633,559	
FY 2009 (\$47,636,000 x .203 x .07)	676,908	
Total adjustment to base	(43,349)	
<u>Federal Employees Retirement System (FERS)</u>		69
<p>The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 79.7% in FY 2009 to 81.0% in FY 2010. The contribution rate will remain the same at 11.2%.</p>		
FY 2010 (\$47,636,000 x .810 x .112)	4,321,538	
FY 2009 (\$47,636,000 x .797 x .112)	4,252,180	
Total adjustment to base	69,358	
<u>Thrift Savings Plan (TSP)</u>		28
<p>The cost of agency contributions to the Thrift Savings Plan will rise as FERS participation increases. The contribution rate based on actual performance is 4.60%.</p>		
FY 2010 (\$47,636,000 x .810 x .046)	1,774,917	
FY 2009 (\$47,636,000 x .797 x .046)	1,746,431	
Total adjustment to base	28,486	

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 Salaries and Expenses

JUSTIFICATION OF ADJUSTMENTS TO BASE

Adjustments to Base	FTE	Amount
<u>Federal Insurance Contribution Act (FICA)</u>		27
<p>As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will increase from \$106,425 in FY 2008 to \$110,400 in FY 2010. The OASDI tax rate will remain 6.2% in FY 2009.</p>		
<u>Full-time and part-time salaries</u>		
FY 2010 (\$47,636,000 x .810 x .940 x .062)	2,248,743	
FY 2009 (\$47,636,000 x .797x .944 x .062)	2,222,068	
	26,675	
<u>Other salaries</u>		
FY 2010 (\$707,000 x .810 x .940 x .062)	33,375	
FY 2009 (\$707,000 x .797 x .944 x .062)	32,979	
	396	
<u>Health Insurance</u>		90
<p>Effective January 2008 the cost of the ESA's contribution to the Federal employees' health insurance premium increased by 3.3%. Applied against the FY 2008 estimate of \$2,733,000, the additional amount requested is \$90,189.</p>		
<u>Employee's Compensation Fund</u>		35
<p>The Employee's Compensation Fund is based on the actual billing from the Department of Labor.</p>		
<u>Rental payments to GSA</u>		145
<p>GSA rates are projected to increase 2.5% over the FY 2009 estimate of \$5,819,000 for currently occupied space. This results in an increase of \$145,475.</p>		
<u>Mileage</u>		1
<p>Changes to the Federal Travel Regulations on August 1, 2008 increased the rate of privately-owned automobiles from 48.5 cents to 58.5 cents. This represents a 20.6% increase. The percentage was applied to the FY 2009 mileage estimate of \$3,000 for an increase of \$618.</p>		
<u>Per Diem</u>		73
<p>Effective October 1, 2008, the General Services Administration raised per diem rates. This increase results in a 8.2% increase for ESA. The percentage was applied to the 2009 estimate of \$888,000 to arrive at an increase of \$72,816.</p>		

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 Salaries and Expenses

JUSTIFICATION OF ADJUSTMENTS TO BASE

Adjustments to Base	FTE	Amount
<u>GPO Printing</u> GPO has provided an estimated rate increase of 0.8%. This percentage was applied to the 2009 estimate of \$189,000 to arrive at an increase of \$1,512.	2	
<u>National Archives & Records Administration</u> The National Archives and Records Administration (NARA) projects storage costs will increase in price by \$2000 for ESA.	2	
<u>Working Capital Fund</u> An additional \$152,000 is required to fund cost increases in the Departmental Management's Working Capital Fund. Departmental Management changed the administrative billing of GSA Steam and Electricity (\$228,000). This effectively moves the request for increases into the communications, utilities and miscellaneous charges object class code.		(76)
<u>Postage</u> Effective May 12, 2008, the Governors of the Postal Service implemented a rate increase for first-class mail from 41 cents to 42 cents. The percentage increase of 2.4% was applied to the FY 2009 estimate of \$73,000 to arrive at an increase of \$1,752.	2	
<u>General Pricing Level Adjustment</u> This request applies a 0.8% general pricing adjustment based on OMB economic assumptions for FY 2010 to object classes where the prices that the Government pays are established through the market system. Factors are applied to the following:		
Communications, utilities and miscellaneous charges This includes the general pricing adjustment applied to a base of \$485,000 for an increase of \$3,880 plus the transfer of price increases for GSA Steam (\$80,000) and Electricity (\$161,000) from the Departmental Management Working Capital Fund.		245
Other services		131
Supplies and materials		11
Equipment		6
Total, Estimated Cost Changes	6	3,165
Total, Adjustments to Base	6	3,165

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: National Economic Accounts

Comparison by line item	2008 Actual		2009 Enacted		2010 Base		2010 Estimate		2010 Increase (Decrease)	
	Personnel	Amount	Personnel	Amount			Personnel	Amount	Personnel	Amount
National Economic Accounts..... Pos/BA	146	26,952	155	30,605	158	31,666	169	35,663	11	3,997
FTE/Obl.	137	27,195	143	30,652	146		154		8	
Direct Obligations..... Pos/BA	146	26,952	155	30,605	158	31,666	169	35,663	11	3,997
FTE/Obl.	137	27,195	143	30,652	146		154		8	

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: International Economic Accounts

Comparison by line item	2008 Actual		2009 Enacted		2010 Base		2010 Estimate		2010 Increase (Decrease)	
	Personnel	Amount	Personnel	Amount			Personnel	Amount	Personnel	Amount
International Economic Accounts.. Pos/BA	168	25,796	173	28,390	173	29,374	188	32,619	15	3,245
FTE/Obl.	164	26,027	169	28,435	169		180		11	
Direct Obligations..... Pos/BA	168	25,796	173	28,390	173	29,374	188	32,619	15	3,245
FTE/Obl.	164	26,027	169	28,435	169		180		11	

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: Regional Economic Accounts

Comparison by line item	2008 Actual		2009 Enacted		2010 Base		2010 Estimate		2010 Increase (Decrease)	
	Personnel	Amount	Personnel	Amount			Personnel	Amount	Personnel	Amount
Regional Economic Accounts..... Pos/BA	99	13,951	99	14,356	99	14,854	120	17,710	21	2,856
FTE/Obl.	99	14,077	99	14,380	99		115		16	
Direct Obligations..... Pos/BA	99	13,951	99	14,356	99	14,854	120	17,710	21	2,856
FTE/Obl.	99	14,077	99	14,380	99		115		16	

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: Industry Economic Accounts

Comparison by line item		2008 Actual		2009 Enacted		2010 Base		2010 Estimate		2010 Increase (Decrease)	
		Personnel	Amount	Personnel	Amount			Personnel	Amount	Personnel	Amount
Industry Economic Accounts	Pos/BA	73	10,454	91	13,597	94	14,068	104	15,184	10	1,116
	FTE/Obl.	72	10,548	85	13,615	88		96		8	
Direct Obligations.....	Pos/BA	73	10,454	91	13,597	94	14,068	104	15,184	10	1,116
	FTE/Obl.	72	10,548	85	13,615	88		96		8	

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Activity: Policy Support
 Subactivity: Policy Support

Comparison by line item	2008 Actual		2009 Enacted		2010 Base		2010 Estimate		2010 Increase (Decrease)	
	Personnel	Amount	Personnel	Amount			Personnel	Amount	Personnel	Amount
Policy support..... Pos/BA	18	3,122	18	3,673	18	3,824	18	3,824	0	0
FTE/Obl.	16	3,800	15	3,796	15		15		0	
Direct Obligations..... Pos/BA	18	3,122	18	3,673	18	3,824	18	3,824	0	0
FTE/Obl.	16	3,800	15	3,796	15		15		0	

Department of Commerce
Economic and Statistical Analysis Budget
Economics and Statistics Administration/ Bureau of Economic Analysis
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Bureau of Economic Analysis
Subactivity: National Economic Accounts

Goals and Objectives

Goals: To strengthen our understanding of the U.S. economy and its competitive position by improving the gross domestic product (GDP) and other national, industry, regional, and international economic accounts data and to provide these data in the most timely, relevant, accurate, cost-effective, and easily accessible manner possible.

Objectives: To maintain and improve the system of national economic accounts. Efforts to improve these accounts include developing new and improved measures of output and prices and updated measures of the Nation's investment, savings, and wealth. Efforts to improve the accuracy, timeliness, cost-effectiveness, and accessibility of the data include upgrades to statistical processing systems, standardization of data transfer, and increased access to BEA products through the Internet and other electronic gateways.

Base Program

National economic accounts - This work consists of the preparation, analysis, and publication of the national income and product accounts (NIPAs), the wealth accounts, and the associated government accounts. The NIPAs, summarized by GDP, provide a comprehensive, up-to-date picture of U.S. domestic production, consumption, investment, and exports and imports as well as national and domestic income and savings. The wealth accounts provide statistics on structures, capital equipment and software, and consumer durable goods held by businesses, governments, and others. The government accounts provide statistics on Federal, state, and local government transactions in a national accounts framework. BEA continuously modernizes and expands all of these accounts to improve their reliability, relevance, and their alignment with international guidelines.

The output consists of the following:

1. Personal income and outlays - These statistics show personal income by type, personal taxes, personal savings, and both total and per capita disposable personal income in current dollars and in real terms, and personal consumption expenditures in current dollars and in real terms. Estimates of personal income and outlays are published monthly on the BEA Web site and in the *Survey of Current Business (Survey)*.
2. GDP statistics - This family of statistics includes:
 - GDP by type of expenditure (consumption and investment), by type of product (goods, services, and structures), and by sector (business, households and institutions, and general government);
 - National and domestic income by type, including compensation of employees and self-employment income;
 - Personal income, spending, and saving;
 - Exports and imports of goods and services and receipts and payments of income;
 - Investment in fixed assets by type;
 - Inventory investment, stock, and ratios of inventories to sales;
 - Government consumption expenditures and gross investment, current receipts, and expenditures by type;
 - Contributions of GDP components to growth in real GDP;
 - Output of select economic sectors, such as farms, motor vehicles, computers, and housing; and
 - Comparisons of key GDP components to similar series from other agencies.

Quantity and price indexes associated with GDP and its components are calculated using a chain-type annual weighted formula that allows for changes in prices and quantities over time.

Quarterly GDP data are released to the public in a sequence of three monthly estimates – advance, preliminary, and final – and are published on the BEA Web site and in the *Survey*. Each year, estimates for the last three years are revised to incorporate comprehensive information, including annual Census Bureau surveys, annual Bureau of Labor Statistics (BLS) tabulations of payroll tax records, and annual Internal Revenue Service tabulations of business tax records. The results of these annual revisions are published on the BEA Web site and in the August *Survey*.

Comprehensive (benchmark) NIPA statistics, based largely on the results of the quinquennial economic censuses and the benchmark input-output tables, are prepared approximately every five years. The results of the most

recent benchmark revision were published on the BEA Web site in 2003; the next comprehensive revision of the NIPAs will be released in 2009.

3. Wealth estimates - Estimates of the stock of fixed assets and consumer durable goods are prepared annually and published on the BEA Web site and in the *Survey*; the full set of statistics is available on the BEA Web site. Estimates of real inventories, final sales of business, and inventory-sales ratios are published quarterly in the *Survey*, as are separate estimates of real manufacturing and trade inventories, sales, and inventory-sales ratios. Estimates of manufacturing inventories by stage of fabrication are also published quarterly.

- Private fixed assets. These statistics show net stocks owned by private businesses in historical-cost terms, in real terms, and in current-cost valuations, classified by type of asset, by industry, and by legal form of organization.
- Government fixed assets. These statistics show net stocks owned by the Federal Government and by state and local governments, in real terms and in current-cost valuations. The Federal Government and state and local governments are reported separately for equipment and software and for structures.
- Consumer durable goods. These statistics show net stocks of durable goods owned by consumers in real terms and in current-cost valuations, classified by type of good.
- Housing. These statistics show net stocks of the farm and nonfarm housing stock in historical-cost terms, in real terms, and in current-cost valuations, classified by type of structure,.,.

4. Government budgets in the national economic accounts framework - Federal, state, and local budgets prepared within the NIPA framework provide a means for gauging the effect of government fiscal policies on the economy. Statistics reflecting the programs underlying the Federal budget for the upcoming fiscal year are published in the *Budget of the United States*; more detailed statistics and an article describing the budget within the NIPA framework are published in the *Survey* soon after the President's budget is released. Detailed reconciliations between the statistics on a NIPA basis and the actual outlays and receipts as presented in the U.S. budget and subsequent financial reports of the U.S. Treasury are published in the March *Survey*.

5. Special compilations for international organizations - BEA prepares annual “translations“ of GDP and other NIPA statistics into the forms prescribed by the United Nations and the Organisation for Economic Co-operation and Development (OECD).
6. Intangibles research – The national and industry accounts continue to collaborate on the production and improvement of a supplementary research and development (R&D) account in order to produce better measures of the 21st century knowledge economy. The first estimate of the contribution of R&D to GDP growth was released in 2006. In addition, BEA is updating statistics on effect of R&D on GDP growth, developing a preliminary industry-level R&D account, and beginning work on a prototype health-care satellite account.

Performance Goals:

Progress toward achieving long-term results for the national economic accounts is monitored by three long-term performance measures. These measures track BEA’s ability to release its statistics on time and on schedule, customer satisfaction with BEA programs, and the accuracy of one of the most important BEA estimates, GDP.

Measure	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2010 Target	FY 2011 Target	FY2012 Target
1a. Timeliness: Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time)	58 of 58	57 of 58	57 of 57	TBD	TBD	TBD
1b. Relevance: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-Point Scale)	Greater than 4.0	4.2	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0
1c. Accuracy¹: Percent of GDP Estimates Correct /1	Greater than 85%	94%	Greater than 85%	Greater than 85%	Greater than 85%	Greater than 85%

¹ This performance measure provides an estimate of BEA’s ability- through its early GDP estimates- to accurately measure: (1) whether the economy is expanding or contracting; (2) whether the economy is growing faster or slowing; (3)

whether the economy is strong or weak; (4) the trend GDP growth rate; (5) the quarterly GDP growth rate; and (6) the level of current-dollar GDP.

In addition to the measures that track long-term results of base programs, other budget-specific performance measures are used to monitor annual progress toward achieving specifically funded program initiatives. These measures are closely tied to milestones in the BEA 5-year Strategic Plan. For the national economic accounts, the following four measures are used to gauge performance.

Measure	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Budget-Related: Improving GDP and the Economic Accounts	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	Successful completion of related Strategic Plan milestones.	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	Successful completion of related Strategic Plan milestones.	Successful completion of related Strategic Plan milestones.
Budget-Related: Accelerating Economic Estimates	BEA completed all major Strategic Plan milestones related to accelerating economic estimates.	BEA completed all major Strategic Plan milestones related to accelerating economic estimates.	Discontinue measure as acceleration work is complete.			
Budget-Related: Meeting U.S. International	BEA completed all major Strategic Plan	BEA completed all major Strategic Plan	Successful completion of related Strategic Plan	BEA completed all major Strategic Plan	Successful completion of related Strategic Plan	Successful completion of related Strategic Plan

Obligations	milestones related to meeting U.S. international obligations.	milestones related to meeting U.S. international obligations.	milestones.	milestones related to meeting U.S. international obligations.	milestones.	milestones.
Budget-Related: Measuring the Knowledge Economy	BEA completed all major Strategic Plan milestones related to measuring the knowledge economy.	BEA completed all major Strategic Plan milestones related to measuring the knowledge economy.	Successful completion of related Strategic Plan milestones.	BEA completed all major Strategic Plan milestones related to measuring the knowledge economy.	Successful completion of related Strategic Plan milestones.	Successful completion of related Strategic Plan milestones.

Department of Commerce
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Economics and Statistics Administration/ Bureau of Economic Analysis
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Bureau of Economic Analysis
Subactivity: International Economic Accounts

Goals and Objectives

Goals: To strengthen our understanding of the U.S. economy and its competitive position by improving GDP and other national, industry, regional, and international economic accounts data and to provide these data in the most timely, relevant, accurate, cost-effective, and easily accessible manner possible.

Objectives: To maintain and improve the system of international economic accounts. Efforts to improve these accounts include developing new and improved measures of U.S. international trade and finance. Efforts to improve the accuracy, timeliness, cost-effectiveness, and accessibility of the data include upgrades to statistical processing systems, the expansion of sample frames using data from other government agencies, and the introduction of new surveys and the redesign of existing surveys to close data gaps.

Base Programs

Balance-of-payments accounts - This work consists of the preparation, analysis, and publication of the balance-of-payments accounts and international investment position accounts. The balance-of-payment accounts provide a comprehensive and detailed view of economic transactions between the United States and other countries. Major types of transactions covered are trade in goods; trade in travel, transportation, and other private services; income from international investment; U.S. Government military and other services; private remittances; foreign aid programs; private financial flows; and changes in foreign official assets in the United States and U.S. official reserve assets. The international investment position accounts provide estimates of the accumulated stocks of U.S.-owned assets abroad and of foreign-owned assets in the United States, as well as estimates of the value of the net international investment position of the United States. BEA continuously modernizes and expands these accounts to improve their reliability and relevance and their alignment with international guidelines.

The output consists of the following:

1. Balance-of-payments estimates - Statistics containing all major components of the balance-of-payments accounts, including regional and country breakdowns, are published quarterly on the BEA Web site and in the *Survey*. The regional and country breakdowns include bilateral balance-of-payments estimates for selected countries and regions.

Statistics are released to the public quarterly and are published in the *Survey* along with articles that analyze current developments in the U.S. balance of payments, changes in the foreign exchange value of the U.S. dollar, and the economic developments in the United States and abroad that affect them. Each year, statistics for at least the three most recent years are revised on the basis of more comprehensive information; these annual revision estimates are published on the BEA Web site and in the July *Survey*.

2. Special analyses - Special studies of current developments related to the balance of payments are prepared. Examples include ways of estimating the market value of imported computer software and appraisals of supplementary ways to classify and present the balance-of-payments accounts.
3. Trade in goods - Quarterly estimates (on a balance-of-payments basis) of trade in goods, grouped by end-use categories, are prepared as part of the quarterly balance-of-payments accounts published on the BEA Web site and in the *Survey*. The end-use classification system was developed by BEA for use in both the international and national accounts.

Since 1994, BEA and the Bureau of the Census have jointly issued monthly reports on trade in goods and services, which include goods trade totals on both a Census basis and on a balance-of-payments basis. These reports are released on the BEA Web site.

4. Trade in services - Detailed estimates of receipts and payments arising from international travel and transportation, military expenditures and sales, and of a number of other U.S. Government and private services transactions are prepared for the quarterly balance-of-payments accounts published on the BEA Web site and in the *Survey*. Most services statistics are based on BEA surveys. Every five years, a benchmark survey of selected services is conducted to obtain data, by country, on a variety of business, professional, and technical services. Quarterly

follow-up surveys update the selected services data. In addition, every five years, a benchmark survey of financial services is conducted to obtain data by country and by detailed type of financial service. An ongoing quarterly survey of financial services is also conducted, both in benchmark and nonbenchmark years. Surveys are also conducted covering insurance services and transportation services.

Summary measures of services are prepared as part of the monthly BEA–Census report mentioned above. As a result, the BEA-Census report gives a comprehensive view of trade, including both goods and services.

Data on services transactions from the balance-of-payments accounts, together with data from BEA’s direct investment surveys on services sold through U.S. and foreign affiliates, are published annually in a detailed and unified format, usually in the October *Survey*.

5. Income - Quarterly estimates of income derived from direct investment, portfolio investment, other investment, and compensation of employees are prepared and included in the quarterly balance-of-payments accounts published on the BEA Web site and in the *Survey*.
6. Government grants and credits - Quarterly statistics are prepared with information by program on grants, credits, and other assistance to foreign countries by the U.S. Government. These statistics are included in the quarterly balance-of-payments accounts published on the BEA Web site and in the *Survey*.
7. Financial account - Tabulations of banking and securities transactions, of direct investment transactions, and of corporate transactions with unaffiliated foreigners are prepared. These statistics are included in the quarterly balance-of-payments accounts published on the BEA Web site and in the *Survey*.
8. Special compilations of the balance-of-payments accounts - Quarterly and annual “translations” of the balance-of-payments accounts into the format and content prescribed by the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD) are prepared for these organizations. In addition, tabulations of current-account data presented on a supplemental, ownership basis are prepared annually and released on the BEA Web site.
9. Bilateral reconciliation - The bilateral current-account statistics of the United States and Canada are reconciled and published annually. Results of the reconciliation are published on the BEA Web site and in the November *Survey*.

10. International investment position of the United States - Detailed annual estimates of the international assets and liabilities of the United States, changes in its net investment position, and factors accounting for those changes are prepared and published on the BEA Web site and in the July *Survey*. These statistics are reconciled with the financial flows shown in the balance-of-payments accounts. The direct investment components of these accounts are published on a current-cost, a market-value, and a historical-cost basis. Also, quarterly estimates of direct investment debt and selected other categories of U.S. debt owed to foreigners are prepared according to the format and content prescribed by the IMF's Special Data Dissemination Standards.

Direct investment statistics - This work consists of the preparation, analysis, and publication of estimates of U.S. direct investment abroad; foreign direct investment in the United States; income flows associated with these investments; and other economic aspects of multinational companies, including their trade, employment, taxes, sales, research and development, and plant and equipment expenditures.

The output consists of the following:

1. Regular sample surveys of foreign direct investment - Quarterly surveys of U.S. direct investment abroad and of foreign direct investment in the United States collect data on income and capital flows for inclusion in the quarterly balance-of-payments accounts. A summary presentation of the direct investment position at the end of each year is published on the BEA Web site and in the July *Survey*. A more detailed annual recapitulation of the results of these surveys is published later in the year. This annual report gives detailed information by country and by industry on direct investment capital flows, income, reinvested earnings, and the year-end direct investment position on a historical-cost basis.

Annual surveys of foreign direct investment in the United States and of U.S. direct investment abroad gather other financial and operating data, such as data on trade, employment, sales, property, plant, and equipment. The results are published on the BEA Web site and in the *Survey*; more detailed data appear in separate annual data reports available on the BEA Web site. In addition, a survey of new foreign direct investment in the United States collects data on outlays by foreigners to acquire or establish new U.S. affiliates and data on selected operating expenses for the new affiliates. These results also are published on the BEA Web site and in the *Survey*.

2. Benchmark surveys of international direct investment - These surveys cover transactions and positions between all U.S. parent organizations and their foreign affiliates and between foreign parent organizations and their U.S. affiliates. Other information collected relating to U.S. parents and U.S. and foreign affiliates includes sales of

goods and services, international trade, employment, balance sheets, and income statements. The statistics for these multinational companies from the benchmark surveys are shown separately by industry and by country or region.

3. Multinational company activities - An information system is maintained that integrates the international and domestic data for multinational companies collected by BEA. This system provides for the production of consistently defined information on U.S. companies and their foreign affiliates, and on the U.S. affiliates of foreign companies. The system provides detail useful for analysis, including data on type of ownership, industry, and country classification. Data are stored in an accessible form and are organized to facilitate the matching of benchmark surveys against sample surveys, permitting efficient universe estimates from sample surveys. Analyses using the data are published in the *Survey* and cover such topics as patterns of production and employment by U.S. multinational companies, the role of multinational companies in U.S. international trade, the rates of return of foreign-owned U.S. companies, estimates of the value added of foreign affiliates of U.S. companies and of U.S. affiliates of foreign companies, and the differences in the characteristics of foreign-owned U.S. manufacturing establishments by country of owner and by location.

Data in the system for foreign-owned U.S. business enterprises are being linked to the Census Bureau's data for individual establishments (i.e., plants) of those enterprises to obtain more detailed data by state and industry for foreign-owned enterprises than would otherwise be available. The first results of this link project, covering 1987, were published in 1992. Results covering the years 1988—1992, 1997, and 2002 have also been published on the BEA Web site; the next year BEA will be linking to and publishing is 2007.

Performance Goals:

Progress toward achieving long-term results for the international economic accounts is monitored by three long-term performance measures. These measures track BEA’s ability to release its estimates on time and on schedule, customer satisfaction with BEA programs, and the accuracy of one of the most important BEA estimates, GDP.

Measure	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2010 Target	FY 2011 Target	FY2012 Target
1a. Timeliness: Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time)	58 of 58	57 of 58	57 of 57	TBD	TBD	TBD
1b. Relevance: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-Point Scale)	Greater than 4.0	4.2	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0
1c. Accuracy¹: Percent of GDP Estimates Correct /1	Greater than 85%	94%	Greater than 85%	Greater than 85%	Greater than 85%	Greater than 85%

¹ This performance measure provides an estimate of BEA’s ability- through its early GDP estimates- to accurately measure: (1) whether the economy is expanding or contracting; (2) whether the economy is growing faster or slowing; (3) whether the economy is strong or weak; (4) the trend GDP growth rate; (5) the quarterly GDP growth rate; and (6) the level of current-dollar GDP.

In addition to the measures that track long-term results of base programs, other budget-specific performance measures are used to monitor annual progress toward achieving specifically funded program initiatives. These measures are closely tied to milestones in the BEA 5-year Strategic Plan. For the international economic accounts, the following three measures are used to gauge performance.

Measure	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Budget-Related: Improving GDP and the Economic Accounts	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	BEA completed all Strategic Plan milestones related to improving the economic accounts.	Successful completion of related Strategic Plan milestones.	BEA completed all Strategic Plan milestones related to improving the economic accounts.	Successful completion of related Strategic Plan milestones.	Successful completion of related Strategic Plan milestones.
Budget-Related: Accelerating Economic Estimates	BEA completed all major Strategic Plan milestones related to accelerating economic estimates.	BEA completed all major Strategic Plan milestones related to accelerating economic estimates.	Discontinue measure as acceleration work is complete.	Discontinued measure as acceleration work is complete.		
Budget-Related: Meeting U.S. International Obligations	BEA completed all major Strategic Plan milestones related to meeting U.S. international obligations.	BEA completed all major Strategic Plan milestones related to meeting U.S. international obligations.	Successful completion of related Strategic Plan milestones.	BEA completed all major Strategic Plan milestones related to meeting U.S. international obligations.	Successful completion of related Strategic Plan milestones.	Successful completion of related Strategic Plan milestones.

Department of Commerce
Economic and Statistical Analysis Budget
Economics and Statistics Administration/ Bureau of Economic Analysis
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Bureau of Economic Analysis
Subactivity: Regional Economic Accounts

Goals and Objectives

Goals: To strengthen our understanding of the U.S. economy and its competitive position by improving GDP and other national, industry, regional, and international economic accounts data and to provide these data in the most timely, relevant, accurate, cost-effective, and easily accessible manner possible.

Objectives: To maintain and improve the system of regional economic accounts. Efforts to improve these accounts build on, and extend the improvements in, the national economic accounts. Efforts to improve the accuracy, timeliness, cost-effectiveness, and accessibility of the data include upgrades to statistical processing systems, standardization of data transfer, and increased access to BEA products through the Internet and other electronic gateways.

Base Program

This work consists of the preparation, analysis, and publication of economic accounts that show detail on economic activity by region, state, metropolitan area, and county. BEA continuously modernizes and expands these accounts to improve their reliability and relevance.

The output consists of the following:

1. Gross domestic product (GDP) by state - Annual estimates of GDP by state and industry provide the most comprehensive measure of economic activity available for a state. Advance total GDP by state and industry are released on the BEA Web site and in the June *Survey* each year. Revised total and industry GDP by state, based

on more complete source data and revised national data, are then released in the following June. Statistics are provided for 81 industries.

Benchmark estimates of GDP by state are prepared every five years based largely on the comprehensive NIPA revisions and the availability of additional or more current state data.

2. Personal income by state - Quarterly estimates of personal income by type of income and by place of residence and estimates of earnings by major industry and by place of work for the 50 states and the District of Columbia are prepared four times a year. State estimates of personal income by major source and of earnings by industry are released in March, June, September, and December.

Annual estimates of personal income by type of income, personal current taxes, and disposable personal income by place of residence and estimates of earnings by industry and by place of work for the 50 states and the District of Columbia are prepared twice each year. Specifically, summary level preliminary estimates of total and per-capita personal income and disposable personal income are released in March. A revised, more detailed set of estimates based on more complete data is released in September. The complete database is released on the BEA Web site and on CD-ROM.

Benchmark estimates of personal income are prepared about every five years based largely on the comprehensive NIPA revisions and additional or more current state data.

3. Personal income by county, metropolitan area, and micropolitan area – Local area personal income statistics are the most comprehensive and detailed economic series available annually on a local area basis. Annual metropolitan area estimates of personal income by type of income and by place of residence and estimates of compensation by major industry and by place of work are prepared twice each year and are first available in September, nine months after the end of the reference year. Annual estimates of compensation by detailed industry and by place of work for counties, metropolitan areas, micropolitan areas, and BEA economic areas are available each December, twelve months after the end of the reference year. A complete set of annual estimates of personal income by type of income and by place of residence and estimates of earnings by industry and by place of work for counties, metropolitan areas, micropolitan areas, and BEA economic areas are available in April, sixteen months after the reference year. The complete set of tables that are released in April includes summary estimates of total and per-capita personal income, compensation and earnings by NAICS subsector industries, estimates of personal current transfer receipts by major program, estimates of farm income and expenses by major

category, estimates of employment by industry, and a description of the methodology. All of the information is available on the BEA Web site and on DVD.

Benchmark estimates of personal income are prepared about every five years based largely on national and state benchmark estimates and additional or more current local area data.

4. Regional input-output modeling system (RIMS II) - Regional economic multipliers for any combination of counties are provided to users on a reimbursable basis from the regional input-output modeling system (RIMS II). The multipliers are used to analyze the local economic effects of events such as disasters, the conversion or closing of military bases, and economic development projects. A handbook, *Regional Multipliers* (1997), provides the detailed information needed to use the multipliers effectively and is available on the BEA Web site. In addition, training in the proper use of RIMS multipliers is provided to users several times each year at BEA headquarters.. RIMS II is funded through fee sales.
5. Regional economic information dissemination - This work consists of maintaining the regional economic information system (REIS) and supporting the BEA User Group.

Regional staff maintain and distribute all annual and quarterly estimates of personal income by type and earnings and employment by industry, and annual estimates of GDP by state. The REIS staff maintain the complete database on the BEA Web site, and they prepare and distribute the REIS DVD and the state personal income (SPI) CD-ROM. These discs contain detailed regional databases for states, metropolitan and micropolitan areas, counties, and BEA economic areas. Staff also prepare the BEA Regional Fact sheets (BEARFACTS), a computer-based quick-turnaround narrative summary of recent economic trends for any state or local area.

Data and analyses are shared with the BEA User Group, which consists of over 200 institutions based mainly in state government offices, state universities, or state libraries. Members of the user group help to disseminate BEA data in their states.

6. Regional, state, and local area economic analyses - Analyses are carried out to identify and measure the factors that determine area differences in levels and growth rates of total and per-capita personal income and of industrially-detailed earnings, employment, and gross product. Analyses of journey-to-work data are used to produce the BEA economic areas, which are groupings of counties that entirely cover the United States and are defined to minimize the amount of commuting from one BEA economic area to another. Analyses are published in

the *Survey*, news releases, working papers on the BEA Web site, and in separate volumes. Special tabulations and analyses are prepared on a reimbursable basis for customers ranging from other Federal agencies to state universities to private consultants.

Performance Goals:

Progress toward achieving long-term results for the regional economic accounts is monitored by three long-term performance measures. These measures track BEA's ability to release its estimates on time and on schedule, customer satisfaction with BEA programs, and the accuracy of one of the most important BEA estimates, GDP.

Measure	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2010 Target	FY 2011 Target	FY2012 Target
1a. Timeliness: Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time)	58 of 58	57 of 58	57 of 57	TBD	TBD	TBD
1b. Relevance: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5- Point Scale)	Greater than 4.0	4.2	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0
1c. Accuracy¹: Percent of GDP Estimates Correct /1	Greater than 85%	94%	Greater than 85%	Greater than 85%	Greater than 85%	Greater than 85%

¹ This performance measure provides an estimate of BEA's ability- through its early GDP estimates- to accurately measure: (1) whether the economy is expanding or contracting; (2) whether the economy is growing faster or slowing; (3) whether the economy is strong or weak; (4) the trend GDP growth rate; (5) the quarterly GDP growth rate; and (6) the level of current-dollar GDP.

In addition to the measures that track long-term results of base programs, other budget-specific performance measures are used to monitor annual progress toward achieving specifically funded program initiatives. These measures are

closely tied to milestones in the BEA 5-year Strategic Plan. For the regional economic accounts, the following two measures are used to gauge performance.

Measure	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Budget-Related: Improving GDP and the Economic Accounts	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	Successful completion of related Strategic Plan milestones.	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	Successful completion of related Strategic Plan milestones.	Successful completion of related Strategic Plan milestones.
Budget-Related: Accelerating Economic Estimates	BEA completed all major Strategic Plan milestones related to accelerating economic estimates.	BEA completed all major Strategic Plan milestones related to accelerating economic estimates.	Discontinue measure as acceleration work is complete.	Discounted measure as acceleration work is complete.		

Department of Commerce
Economic and Statistical Analysis Budget
Economics and Statistics Administration/ Bureau of Economic Analysis
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Bureau of Economic Analysis
Subactivity: Industry Economic Accounts

Goals and Objectives

Goals: To strengthen our understanding of the U.S. economy and its competitive position by improving GDP and other national, industry, regional, and international economic accounts data and to provide these data in the most timely, relevant, accurate, cost-effective, and easily accessible manner possible.

Objectives: To maintain and improve the system of industry economic accounts. Efforts to improve these accounts include developing new and improved measures of industry outputs, inputs, and prices that build on, and extend improvements in the national accounts. Efforts to improve the accuracy, timeliness, cost-effectiveness, and accessibility of the data include upgrades to statistical processing systems, standardization of data transfer, and increased access to BEA products through the Internet and other electronic gateways.

Base Program

Industry economic accounts - The industry accounts, presented both in an input-output accounting framework and as a time series, provide a detailed view of the interrelationships between U.S. producers and users and the contribution to production across industries. BEA continuously modernizes and expands these accounts to improve their reliability, relevance, and their alignment with international guidelines.

The output consists of the following:

1. Annual Industry Accounts
 - a. GDP-by-industry – GDP-by-industry measures the contribution of each private industry and government to

the nation's output, or GDP.

The GDP-by-industry family of statistics includes:

- GDP-by-industry - also referred to as industry “value added”;
- Gross output by industry;
- Intermediate inputs by industry;
- KLEMS (K-capital, L-labor, E-energy, M-materials, and S-purchased services) by industry;
- Quantity and price indexes for value added, gross output, intermediate inputs, and KLEMS;
- Contributions by industry to growth in real GDP;
- Contributions by industry to growth in GDP prices; and
- Current-dollar cost per unit of real GDP by industry.

b. Annual input-output accounts – Input-output tables show how industries interact; specifically, they show how industries provide input to and use output from other industries to produce GDP. These accounts provide detailed information on the flows of the goods and services that make up the production processes of industries. The annual input-output accounts, prepared as a time series for 1998–2004, were released in December 2005. These statistics are based on less comprehensive data than the data from the 5-year economic censuses, and are published at a 65-industry level. The annual tables are integrated with the GDP-by-industry accounts.

2. Benchmark input-output accounts - Input-output tables show how industries interact; specifically, they show how industries provide input to and use output from other industries to produce gross domestic product (GDP). These accounts provide detailed information on the flows of the goods and services that make up the production processes of industries.

The benchmark input-output family of estimates includes:

- Benchmark input-output tables, which are based on detailed data from the economic censuses that are conducted every five years by the Bureau of the Census. These tables are published at the summary level for 97 industries and at the detailed level for 498 industries. The 2002 benchmark input-output tables were published on BEA's Web site and in the October 2007 *Survey*.

- Employment and compensation tables, which supplement the benchmark input-output tables, are shown by industry, employment, wages, and salaries; supplements to wages and salaries; and hours worked.
3. Satellite accounts - The satellite accounts are unique economic accounts that are linked to the input-output and GDP accounts, but organize those data differently. By remaining consistent with the broader economic accounts, while adding new information and formats better suited to answering particular analytical questions, these accounts provide a “laboratory” for economic accounting research into specific industries and markets. For example, the travel and tourism satellite accounts present a detailed picture of travel and tourism activity and its role in the U.S. economy.
 4. Intangibles research – The industry and national accounts continue to collaborate on the production and improvement of the research and development (R&D) satellite account in order to produce better measures of the 21st century knowledge economy.

Performance Goals:

Progress toward achieving long-term results for the industry economic accounts is monitored by three long-term performance measures. These measures track BEA’s ability to release its estimates on time and on schedule, customer satisfaction with BEA programs, and the accuracy of one of the most important BEA estimates, GDP.

Measure	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2010 Target	FY 2011 Target	FY2012 Target
1a. Timeliness: Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time)	58 of 58	57 of 58	57 of 57	TBD	TBD	TBD
1b. Relevance: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-Point Scale)	Greater than 4.0	4.2	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0
1c. Accuracy¹: Percent of GDP Estimates Correct /1	Greater than 85%	94%	Greater than 85%	Greater than 85%	Greater than 85%	Greater than 85%

¹ This performance measure provides an estimate of BEA's ability- through its early GDP estimates- to accurately measure: (1) whether the economy is expanding or contracting; (2) whether the economy is growing faster or slowing; (3) whether the economy is strong or weak; (4) the trend GDP growth rate; (5) the quarterly GDP growth rate; and (6) the level of current-dollar GDP.

In addition to the measures that track long-term results of base programs, other budget-specific performance measures are used to monitor annual progress toward achieving specifically funded program initiatives. These measures are closely tied to milestones in the BEA 5-year Strategic Plan. For the industry economic accounts, the following three measures are used to gauge performance.

Measure	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Budget-Related: Improving GDP and the Economic Accounts	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	Successful completion of related Strategic Plan milestones.	BEA completed all major Strategic Plan milestones related to improving the economic accounts.	Successful completion of related Strategic Plan milestones.	Successful completion of related Strategic Plan milestones.
Budget-Related: Accelerating Economic Estimates	BEA completed all major Strategic Plan milestones related to accelerating economic estimates.	BEA completed all major Strategic Plan milestones related to accelerating economic estimates.	Discontinue measure as acceleration work is complete.	Discontinued measure as acceleration work is complete.		
Budget-Related: Measuring the Knowledge Economy	BEA completed all major Strategic Plan milestones related to measuring the knowledge economy.	BEA completed all major Strategic Plan milestones related to measuring the knowledge economy.	Successful completion of related Strategic Plan milestones.	BEA completed all major Strategic Plan milestones related to measuring the knowledge economy.	Successful completion of related Strategic Plan milestones.	Successful completion of related Strategic Plan milestones.

Department of Commerce
Economic and Statistical Analysis Budget
Economics and Statistics Administration / Bureau of Economic Analysis
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Policy support
Subactivity: Policy support

Goals and Objectives

Goals: To provide relevant, timely and accurate economic information and analyses to the President, Congress and the American public to help them make informed economic and financial decisions.

Objective: To provide executive direction, oversight, management, financial and administrative support to ESA headquarters, the U.S. Census Bureau, and the Bureau of Economic Analysis; to evaluate current economic conditions; to provide economic policy analyses; and to provide data dissemination services.

Base Program

The Economics and Statistics Administration (ESA) provides broad and targeted economic data, analyses and forecasts for use by Government agencies, businesses and others, as well as develops domestic and international economic policy. ESA's mission is three-fold:

- Support the information and analytical needs of the Department of Commerce, the Executive Branch, the President, and Congress;
- Maintain the highest possible quality Federal statistical system and make improvements where warranted and feasible; and,
- Communicate a vision of the key forces at work in the economy and of the opportunities they create for improving the well-being of all Americans.

The Under Secretary for Economic Affairs provides leadership and executive management of the Census Bureau and the Bureau of Economic Analysis, and works to advance U.S. goals related to growing the economy, supporting trade and fostering innovation. ESA headquarters staff consists of policy support staff, STAT-USA (a fee-for-service organization), and support personnel.

The economic policy staff advises the Secretary, Under Secretary, and other Government officials on matters related to economic developments and forecasts and the development of options and positions relating to economic policy. The staff supports the Secretary's and Under Secretary's participation in White House policy councils, in similar Administration economic policy forums, and on the Board of the Pension Benefit Guaranty Corporation. The economic policy staff analyzes domestic and international economic developments; conducts studies contributing to economic policy development; provides weekly analyses on the near-term prospects and composition of economic activity in the U.S.; produces periodic analyses of international macroeconomic issues and their implications for the U.S. economy; and maintains a tabulation of diverse economic indicators. The staff provides research on contemporary industrial performance and analyses of cross-industry effects of economic trends, proposed and current policies, and unique events such as supply interruptions, strikes, natural disasters, and threats to homeland security.

For example in FY 2008, ESA's policy staff prepared reports to support the Secretary of Commerce on the prevailing topics of the day including the housing crisis and the resulting financial crisis, the options for economic stimulus and the impact of soaring commodity prices on consumer prices. ESA research included a final report on the impact of Hurricane Katrina and modeling exercises related to energy and the pandemic influenza policy. ESA supported the Secretary's trade creation role by reporting on the economies of Mexico, China, the Czech Republic, Ukraine, Russia, Brazil, Columbia, Uruguay and Jordan. ESA economists provided information on manufacturing employment, exports, and the importance of exports to the U.S. manufacturing and agricultural sectors. ESA partnered with other bureaus to provide policy makers with current analysis on natural gas prices, nanotechnology, and pension reform. In addition, ESA supported the American Competitiveness Initiative through its Advisory Committee on Measuring Innovation in the 21st Century. This blue ribbon panel assembled from leaders of industry and academia released its final report in FY 2008.

Department of Commerce
 Economic and Statistical Analysis Budget – Salaries and Expenses
 Bureau of Economic Analysis / Economics and Statistics Administration
 Increase for FY 2010
 (Thousands of dollars)

FY 2010 Base		FY 2010 Estimate		FY 2010 Increase/Decrease	
<u>FTE</u>	<u>Dollars</u>	<u>FTE</u>	<u>Dollars</u>	<u>FTE</u>	<u>Dollars</u>
1	1,200	3	2,702	2	1,502

Critical Service Sector Improvements

Background: The economy, in particular the service sector (which includes finance, insurance, and real estate), is in a significant state of flux, and this is not likely to end in the immediate future. The modern U.S. economy is highly dynamic and is expected to change more rapidly in the future than it has in the past. Moreover, today's economic conditions have created an environment where the once tolerable gaps in data and stability are no longer tolerable without significant risk to the nation's economic indicators. As such, to meet the needs of today and the unknowns of tomorrow, the Bureau of Economic Analysis must strengthen its internal capacity to understand today's newly fluid economy, build new estimation models and incorporate tomorrow's new source data.

One of the most pressing examples of this need is the unprecedented changes in the financial sector – which represents roughly 25% of GDP – and the resulting critical challenges in adapting the nation's modeling tools to ensure accurate and reliable data on this sector. Current gaps in "hard data" on the financial sector require the Bureau to depend on complex estimation models to tell the story of what is occurring in the economy. To the extent that stability in the sector is preserved, such models operate effectively. However, when instability is introduced into the system new models must be rapidly developed to ensure the continued delivery of functional information. At present, the Bureau lacks the internal research capacity to accomplish such tasks, and as a result must depend exclusively on private sector expertise.

Proposal: The Bureau proposes to increase the size of the research staff assigned to the National Economics Directorate. These staff would provide the Bureau with dedicated researchers, supplemented as necessary by outside expertise, focused on the development of new estimation models and the incorporation of those models and new source data into current computations.

Such an improvement to the Bureau's internal research capacity brings a number of important benefits. Most significantly BEA will have an enhanced ability to quickly and consistently respond and adapt to the current and future changes in the economy. The importance of this cannot be overstated, as the Bureau produces much of the key economic data that the Administration and Congress depend on for development of national policy. In addition to ensuring that BEA is ready to meet the sudden and unforeseen challenges which arise in measuring the economy, this initiative will be critically important to implementing long-term solutions such as incorporating new source data from the Census Bureau's proposed Service Sector Survey.

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: National
 Program Change: Critical Service Sector Improvement

Title	Band	Interval	Number	Annual Salary	Total Salary
Senior Economist	V	1	2	119,814	239,628
Total			2		239,628
Less Lapse			0		(59,907)
Total Full-time permanent (FTE)			2		179,721
2010 Pay Adjustment (2.0%)					3,594
Total					183,315

Personnel Data

Full-time Equivalent Employment:
 Full-time permanent 2
 Other than full-time permanent 0
Total 2

Authorized Positions:
 Full-time permanent 2
 Other than full-time permanent 0
Total 2

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: National
 Program Change: Critical Service Sector Improvement

		2009 Increase/ (Decrease)
11.0	Personnel compensation	
11.1	Full-time permanent	183
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel service payments	0
	Total personnel compensation	183
12.1	Civilian personnel benefits	44
13.0	Benefits for former personnel	0
21.0	Travel and transportation of persons	5
22.0	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	2
24.0	Printing and reproduction	1
25.1	Advisory and assistance services	7
25.2	Other services	412
25.3	Purchases of goods and services from Government accounts	819
25.4	Operation of GOCOs	0
25.5	Research and Development contracts	0
25.6	Medical Care	0
25.7	Operation and maintenance of equipment	4
25.8	Subsistence and support of persons	0
26.0	Supplies and materials	5
31.0	Equipment	20
	TOTAL OBLIGATIONS	1,502

Department of Commerce
 Economic and Statistical Analysis Budget – Salaries and Expenses
 Bureau of Economic Analysis / Economics and Statistics Administration
 Increase for FY 2010
 (Thousands of dollars)

FY 2010 Base		FY 2010 Estimate		FY 2010 Increase/Decrease	
<u>FTE</u>	<u>Dollars</u>	<u>FTE</u>	<u>Dollars</u>	<u>FTE</u>	<u>Dollars</u>
0	0	17	4,467	17	4,467

Navigating the 21st Century Economy: Critical Statistics for Critical Decisions

Background: The U.S. gross domestic product (GDP) statistics are respected worldwide. They measure the market economy according to international standards that ensure comparability among the GDP statistics of all countries. They are produced every month by the 480 analysts and economists of the BEA, using thousands of items of source data produced elsewhere in the government and the private sectors. This family of national, international, regional, and industry GDP accounts provides comprehensive and consistent measures that guide over \$108 trillion dollars in private investments and public policy, ranging from federal budget projections and monetary policy to the allocation of federal and state and local funds.

The most pressing public policy issues of today, however, call for new and expanded statistics that extend the GDP beyond the long-established boundaries. BEA researchers have determined that it is possible to produce new and expanded GDP-related statistics that uniquely measure the role of innovation, retirement income developments, and energy price pressures on U.S. economic growth. Production of these statistics requires investments in personnel, data, and information technology (IT).

This initiative is part of an ongoing plan to produce a comprehensive set of real time statistics that are relevant to the most pressing issues facing policy makers today. The accounts presented in this initiative build upon the research and development (R&D) account initiative and the health care account initiative funded in BEA's FY 2009 enacted budget in

order to provide a broad suite of accounts to aid in public policy decision making. For FY 2010, this initiative extends the accounts to include producing new and expanded statistics on retirement income developments, energy usage in the U.S. economy, as well as an expanded set of statistics on the role innovation in the U.S. economy. Innovation, retirement income developments and energy usage in combination with R&D and health care are the critical aspects of the economy that pose the greatest challenge to public understanding, statistical measurement, and the public policy debate.

Because these will be expanded areas of GDP-related statistical measurement, the early work will remain outside the core GDP statistics now being provided to the public within four weeks of the end of each quarter. Nonetheless, the new statistics will be compatible with the current GDP and will allow, for the first time, calculation of the repercussion of developments in those areas on U.S. economic growth.

These extensions of GDP statistics are inter-related. To the extent that funding is made available, BEA will begin to produce new statistics on all three subjects simultaneously. The reason for the combined nature of that statistical production is that early development of GDP extension into one subject area produces the groundwork for extensions into the other subject areas, permitting new statistics to be produced in all four areas much more quickly than would be the case if the subject areas were developed independently, one after the other.

GDP Energy Usage Account

Background: Recent runs-up in world commodity prices, and more specifically energy prices, will dramatically affect U.S. living standards, production methods, and U.S. economic production overall. At present, the GDP accounts contain limited type-of-energy information within the GDP and within the GDP-related statistics on production by each U.S. industry. BEA is prepared to produce first-time statistics on energy-usage within the GDP accounts in conjunction with the Energy Information Administration (EIA) in the U.S. Department of Energy.

Consumer spending on energy products has risen by 90 percent since 2000, reaching about \$645 billion in 2008. Prices paid by consumers for these products accounted for more than 16 percent of average yearly inflation since 2000, nearly four times that of the previous decade. In 2007, domestic industries spent over 80 percent more on energy products than they did in 2000. The air transportation industry, for example, more than doubled its spending on energy over the period. Most projections—such as those by the EIA and the Government Accountability Office—suggest that rising energy costs will likely continue, making energy a key economic policy issue for the coming decade.

More accurate, comprehensive, and integrated measures for the energy sector—including linking macroeconomic statistics for the United States with micro analysis on energy supply, consumption, and prices—are critical for understanding U.S. competitiveness and the prospects for future economic growth. Such data are essential for developing a comprehensive U.S. energy policy built on accurate forecasts of energy supply and consumption. These statistics are also required by policy makers and industry leaders for assessing alternative energy options and for identifying infrastructure enhancements, such as new information technology and key capital investments, that will improve the domestic supply chain for energy goods and services.

Proposal: Understanding the changing structure of energy supply and consumption for the U.S. and its impact on economic growth and inflation is critical to addressing many of the important policy issues being raised about energy. With this initiative, BEA will improve both the accuracy of its GDP estimates and its estimates of supply and consumption of energy within an integrated and comprehensive set of supplementary energy accounts that will:

- **Create common BEA-EIA statistics on energy supply, consumption, and price data.** BEA will work with the EIA to develop detailed energy statistics that accurately identify the sources of energy production and spending. Harmonization of U.S. energy data will provide a common and consistent set of metrics for discussing energy trends and for developing forecast models to study energy supply and consumption dynamics.
- **Provide comprehensive statistics on income, expenditures, and production.** BEA's GDP accounts provide a comprehensive, macroeconomic view of national and industry-level data on energy. While these accounts are well-suited for studying broad macroeconomic trends, they are not designed specifically for detailed cross-sectional and time-series analysis on energy. This project will pull together BEA and EIA data on energy to present a comprehensive and integrated picture of the energy sector. It will provide key statistics for analyzing this sector's contribution to U.S. economic growth, productivity, inflation, the trade balance, and income. It will also provide critical information on changes to the structure of energy supply and consumption, such as "in-house" production of energy by businesses. The new account will introduce quarterly industry statistics that will improve the accuracy of BEA's measures of consumer spending on energy goods and services.

BEA will co-sponsor a National Academies Panel Study on National Energy Accounts. BEA, using internal research funds, will begin preliminary research into the feasibility of producing these accounts. Funds to continue the baseline work to implement recommendations coming out of the National Academies Panel will be required, starting in FY 2010.

GDP Innovation Account

Background: All countries acknowledge that business investment in tangible assets as a major contributor to economic activity. In the U.S., they are thought by experts to be fully equal to investment in intangible assets. No country has yet included a comprehensive estimate of business investment in intangible assets in the GDP, yet such investments are increasingly the drivers of economic growth. BEA will expand its 2009 R&D initiative with this broader innovation account, resulting from the Secretary's Advisory Committee on Measuring Innovation in the 21st Century. Building on its work with the National Science Foundation (NSF) measuring R&D, BEA will develop estimates of investments in innovative activities. Working with NSF, BEA produced the first U.S. R&D account in 2006 and is prepared to develop that further with this initiative.

As BEA confronts the challenges of measuring a dynamic and ever-changing economy, there are gaps in the economic statistics BEA produces that must be filled. To more effectively and comprehensively measure the 21st century economy, BEA must build on its development of the R&D satellite account and significantly improve its measures of broader innovative economic activities. Investments in innovation, or knowledge-based activities, are thought to be important engines of economic growth. Yet very little is understood about their role in the economy. Much of the growth that the U.S. economy has experienced in the last ten years is not captured by traditional economic measures—many economists believe that as much as 40 percent of that unexplained growth can be accounted for by knowledge-based activities. Understanding the role of these activities in the economy is critical to accurately measuring and encouraging a strong U.S. economy.

Proposal: Early results from BEA's work on R&D suggest that investments in R&D account for roughly 1/5 of the contribution of knowledge-based activities to economic growth. This new initiative will expand on the R&D statistics BEA has been developing, and will fully research, identify, and quantify the other components of innovation and their contribution to growth. BEA will develop an innovation account that estimates investments in human capital, the design and development of new goods and services, and improved business processes. BEA proposes the following specific products:

- **Work with NSF to develop a framework and prototype estimates of investments in innovative activities by the end of FY 2010.** BEA will work with the NSF to develop measures of innovation activities that reach beyond the scientific R&D statistics that are currently provided by NSF and have been incorporated into BEA's R&D satellite account. These innovative activities—including important intangibles

like new product development and firm-specific training—are thought to be important contributors to economic growth.

- **Work with NSF and Census to develop detailed estimates of innovation-related intermediate inputs in FY 2011.** In understanding the contributions of R&D to economic growth, it is important to not only measure the uses of R&D by industry, but to understand the inputs into R&D. These inputs, ranging from IT equipment to scientists and engineers, are critical to understanding the sources of R&D's own contributions to growth and in designing public policies to encourage innovation and growth.
- **Work with BLS to develop aggregate and industry-level measures of the contributions of investments in innovation total factor productivity.** BEA's work on R&D has demonstrated that there are important differences across industries with respect to investment in R&D and the contribution of those investments to overall total factor productivity. Because these differences are also likely to exist for the broader classes of innovative activity, BEA will develop industry-level estimates of innovative investments that will facilitate measurement of individual industries' contributions to economic growth.
- **Work with NSF and Census to publish innovation statistics on firm and establishment-level data.** BEA will publish innovation statistics based on data on firms as well as establishments to provide more comprehensive estimates of employment in innovation occupations.

GDP Retirement-Income Account

Background: The U.S. baby boom generation is beginning to retire and, given advances in education and health care, will live longer, healthier, and wealthier than earlier generations. Their spending will play an increasingly decisive role in the U.S. GDP, and paying promised pension benefits will challenge the finances of sponsors of underfunded pension plans, and possibly even the Pension Benefit Guaranty Corporation (PBGC). In 2007, private and public pension and profit sharing funds paid \$688 billion in benefits, and Social Security paid \$576 billion. In the same year, employers contributed \$384 billion to pension funds and paid \$308 billion into Social Security. Defined-benefit pension plans controlled nearly \$10 trillion in assets.

At present, the U.S. GDP lacks measures of pension benefit accruals; it incorporates only an inadequate cash-basis measure of funds contributed to pension funds by employers; it does not separately track other types of income related to

retirement, such as individual retirement arrangements; and it provides no regional information on the sizable variation on retirement income across the states. The new GDP retirement-income account will, along with the health care account (FY 2009 initiative) provide a more comprehensive economic picture of how the needs of retirees will challenge the U.S. health care and retirement income systems.

Proposal: To develop new statistics on the assets and other income sources of retirees. These will include comprehensive measures of pension plan assets, liabilities, and benefits, as well as measures of other assets and sources of income that provide for retirement. BEA will also develop measures of pension-related compensation and of retirement income by state and metropolitan area, in addition to measures for the U.S. The retiree population varies substantially across the U.S.: the economic effects of increased retiree purchasing power weigh in as a major factor in the economic health of many areas. The key elements of this proposal are:

- **Prepare actuarial measures of defined benefit pensions.** BEA will prepare estimates of the actuarial liability of defined benefit pension plans and of annual benefit accruals of employees covered by these plans. Estimates for private pensions will be based on IRS Form 5500 filings, estimates for Federal pensions will be based on Treasury Department financial reports, and estimates for state and local government pensions will be based on data from Census Bureau surveys of state and local government finances and data gathered by BEA from publicly available financial reports of these pension plans.
- **Produce a comprehensive set of accounts for all pension plans and retirement funds.** The GDP accounts do not currently include balance sheet information or accrual basis income measures. A comprehensive set of accounts that includes these measures along with the cash measures already produced by BEA is needed to understand the activities and financial status of pension plans and their role in the U.S. economy.
- **Produce a broader set of accounts on sources of cash income during retirement.** BEA will also develop accounts showing the cash income that supports spending of those 65 and over and a breakdown of this income by type. These accounts will include retirement plans not linked to employment and hence excluded from the data on pensions in the National Accounts. (Individual retirement arrangements are an example.) To support these broader retirement income accounts, BEA will procure data from special tabulations of tax data from the IRS Statistics of Income Division.

- **Produce a set of accounts on retirement income plans by state.** Retirees may not live in the same state where they earned their pension, and active employees may not plan to remain in the same state where they are accruing pension rights. Furthermore, the timing of cash contributions to defined benefit pension plans by major employers can have large effects in states with just one or two dominant industries. As a result, measures of personal income are often more sensitive to the way that pension-related income is measured at the state level than at the national level. BEA will therefore develop a set of alternative measures by state of pension-related income and wealth for persons.

**SCHEDULE OF DELIVERABLES FOR
NAVIGATING THE 21ST-CENTURY ECONOMY: CRITICAL STATISTICS FOR CRITICAL DECISIONS**

2008	Develop more detailed national and industry-level annual energy statistics to be used in EIA macro-modeling of U.S. energy supply and consumption.
2009	Prepare a joint BEA-EIA paper that identifies a long-term roadmap for energy accounts and establish a joint BEA-EIA Web link for energy-related statistics.
2009	Publish joint BEA-BLS GDP/Productivity accounts.
2009	Present framework and comprehensive plan for supplemental innovation accounts for the U.S.
2010	Co-sponsor a National Academies Panel Study on National Energy Accounts; develop methodologies based on Panel recommendations; and develop a methodology for quarterly energy industry statistics that is integrated with consumer spending and quarterly GDP.
2010	Produce a set of accounts of the actuarial liability for defined benefit pension plans and of annual benefit accruals of employees covered by these plans. Develop time series of state estimates of retirement income.
2010	Publish prototype estimates of economy-wide business innovation output.
2011	Publish research estimates for a National Energy Account and develop quarterly industry statistics on energy that are integrated with consumer spending and GDP.
2012	Produce a set of accounts of cash income of retirement age people by type of income, including retirement plans not linked to employment (such as IRAs.)
2012	Publish the prototype estimates of innovation output by major sector.
2012	Publish a preliminary National Energy Account and publish research estimates for quarterly energy industry statistics.
2013	Develop state estimates of retirement income and assets on an accrual basis for contributions and income earned on assets.
2013	Integrate R&D as investment into the 2007 National Income and Product Accounts.
2013	Publish an enhanced National Energy Account, including quarterly industry statistics.
2014	Begin regular production of alternative measures by state of pension-related income and wealth for persons.
2015	Integrate R&D as investment into the regional accounts.

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: National, Regional and Industry
 Program Change: Navigating the 21st Century Economy: Critical Statistics for Critical Decisions

Title	Band	Interval	Number	Annual Salary	Total Salary
Senior Economist	IV	1	6	86,196	517,176
Economist	III	1	9	60,476	544,284
Economist	II	1	8	40,864	326,912
Total			<u>23</u>		<u>1,388,372</u>
Less Lapse			<u>6</u>		<u>(347,093)</u>
Total Full-time permanent (FTE)			17		1,041,279
2010 Pay Adjustment (2.0%)					<u>20,826</u>
Total					<u>1,062,105</u>

Personnel Data

Full-time Equivalent Employment:
 Full-time permanent 17
 Other than full-time permanent 0
Total 17

Authorized Positions:
 Full-time permanent 23
 Other than full-time permanent 0
Total 23

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
 PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: National, Regional and Industry
 Program Change: Navigating the 21st Century Economy: Critical Statistics for Critical Decisions

	2009 Increase/ (Decrease)
11.0 Personnel compensation	
11.1 Full-time permanent	1062
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel service payments	0
Total personnel compensation	1062
12.1 Civilian personnel benefits	258
13.0 Benefits for former personnel	0
21.0 Travel and transportation of persons	56
22.0 Transportation of things	1
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	23
24.0 Printing and reproduction	9
25.1 Advisory and assistance services	80
25.2 Other services	860
25.3 Purchases of goods and services from Government accounts	1653
25.4 Operation of GOCOs	0
25.5 Research and Development contracts	0
25.6 Medical Care	0
25.7 Operation and maintenance of equipment	42
25.8 Subsistence and support of persons	0
26.0 Supplies and materials	195
31.0 Equipment	228
TOTAL OBLIGATIONS	4,467

Department of Commerce
 Economic and Statistical Analysis Budget – Salaries and Expenses
 Bureau of Economic Analysis / Economics and Statistics Administration
 Increase for FY 2009
 (Thousands of dollars)

FY 2010 Base		FY 2010 Estimate		FY 2010 Increase/Decrease	
<u>FTE</u>	<u>Dollars</u>	<u>FTE</u>	<u>Dollars</u>	<u>FTE</u>	<u>Dollars</u>
68	10,651	79	13,896	11	3,245

Rebuilding the Foreign Direct Investment Statistics:

Summary: As a result of reductions in its FY 2008 enacted budget, BEA pared back the data it collects on multinational companies (MNCs), eliminating a survey of new foreign direct investments in the U.S. and scaling back annual surveys of both U.S. direct investment abroad and foreign direct investment in the U.S. At the same time, in the face of increasingly globalized production strategies by MNCs and the need to monitor and understand their role in domestic and international markets for goods and capital, the demands for this type of data have grown dramatically. Recent studies by organizations such as the Government Accountability Office and the National Academy of Public Administration have provided recommendations for data improvement through investment in better data collection, processing, and analysis, which BEA is prepared to implement with the provision of funding.

Background: The recent turmoil in the U.S. economy and in the global economy has resulted in heightened interest and debate on the significance and effects of foreign direct investment in the United States and U.S. direct investment abroad. Questions have been raised on the contributions of direct investments to domestic income, output, employment, and capital formation. Other questions concern the role of multinationals in international trade and the international transmission of technology, and on the apparent reasons—which may be related to labor and other costs or to proximity to markets—why firms locate production where they do. Good statistics are required to address these.

Proposal: In restoring the coverage and detail of the data that it collects on MNCs, BEA would not simply reinstate the programs as they were before. BEA will take this opportunity to reexamine and redesign the programs, with a view to

maximizing their efficiency and improving their usefulness in addressing current needs. For example, the discontinued survey of new foreign direct investments collected data for newly acquired or established foreign-owned companies, but it failed to capture information on major expansions of existing companies, such as the construction of new plants. In resuming the tracking of new foreign direct investments, BEA would take a broader perspective covering expansion by existing as well as new foreign-owned firms. In bringing back detail and coverage to the surveys of MNC operations, BEA would add new questions that would facilitate linkages between company records for U.S. parent companies and foreign-owned U.S. companies with records for those same companies in data sets maintained by the Census Bureau and Bureau of Labor Statistics. Similar questions also could be added to BEA's surveys of trade in services. This would improve the usefulness of the data for analyzing such topics as offshore outsourcing of jobs. BEA will:

- **Develop a survey to replace the expiring BE-13 survey.** The BE-13, Initial Report on a Foreign Person's Direct or Indirect Acquisition, Establishment, or Purchase of the Operating Assets, of a U.S. Business Enterprise, including Real Estate, will be replaced with a survey that will more accurately measure "greenfield" (new) investment by U.S. affiliates.
- **Revise the BE-11 and BE-15 annual surveys.** The BE-11, Annual Survey of U.S. Direct Investment Abroad, and the BE-15, Annual Survey of Foreign Direct Investment in the United States, will be revised to bring the overall coverage and detail collected back to former levels. The design of both surveys will be reviewed to ensure that the information collected meets current needs without imposing undue burdens on respondents. Processing programs will be modernized to ensure that the results of the surveys can be published in a timely manner.

Potential Supporters: The data are used by several U.S. Government agencies, including the Office of the U.S. Trade Representative, the International Trade Administration, the Departments of Treasury and State, the Council of Economic Advisers, and the Federal Reserve Board to support U.S. international economic policy. The annual surveys provide detailed information, by country and industry, on assets, sales, employment, trade, research and development, taxes, and other measures of affiliates' activities that the U.S. Government requires to assess their effects on U.S. and foreign economies.

International organizations and private researchers also use data from the annual surveys in assessing the impact of direct investment on the U.S. and foreign economies. International organizations that regularly use BEA data on direct investment include the United Nations, International Monetary Fund, Organisation for Economic Co-operation and Development, and World Bank. Numerous private researchers use the data; use by researchers affiliated with the National Bureau of Economic Research has been among the most extensive.

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: International
 Program Change: Rebuilding the Foreign Direct Investment Statistics

Title	Band	Interval	Number	Annual Salary	Total Salary
Accountant	IV	1	4	86,196	344,784
Accountant	III	1	3	60,476	181,428
Accountant	II	1	8	40,864	326,912
Total			<u>15</u>		<u>853,124</u>
Less Lapse			<u>(4)</u>		<u>(213,281)</u>
Total Full-time permanent (FTE)			11		639,843
2010 Pay Adjustment (2.0%)					<u>12,797</u>
Total					<u>652,640</u>

Personnel Data

Full-time Equivalent Employment:
 Full-time permanent 11
 Other than full-time permanent 0
Total 11

Authorized Positions:
 Full-time permanent 15
 Other than full-time permanent 0
Total 15

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
 PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: International
 Program Change: Rebuilding the Foreign Direct Investment Statistics

	2009 Increase/ (Decrease)
11.0 Personnel compensation	
11.1 Full-time permanent	653
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel service payments	0
Total personnel compensation	653
12.1 Civilian personnel benefits	158
13.0 Benefits for former personnel	0
21.0 Travel and transportation of persons	187
22.0 Transportation of things	1
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	15
24.0 Printing and reproduction	6
25.1 Advisory and assistance services	52
25.2 Other services	338
25.3 Purchases of goods and services from Government accounts	1623
25.4 Operation of GOCOs	0
25.5 Research and Development contracts	0
25.6 Medical Care	0
25.7 Operation and maintenance of equipment	27
25.8 Subsistence and support of persons	0
26.0 Supplies and materials	36
31.0 Equipment	149
TOTAL OBLIGATIONS	3,245

Department of Commerce
 Economic and Statistical Analysis Budget – Salaries and Expenses
 Bureau of Economic Analysis / Economics and Statistics Administration
 Increase for FY 2010
 (Thousands of dollars)

FY 2010 Base		FY 2010 Estimate		FY 2010 Increase/Decrease	
<u>FTE</u>	<u>Dollars</u>	<u>FTE</u>	<u>Dollars</u>	<u>FTE</u>	<u>Dollars</u>
0	0	13	2,000	13	2,000

Restoring and Enhancing County-Level Statistics:

Background: As a result of years of prioritization of GDP and statutorily-mandated statistics, programs producing regional data have been impacted. Further compounding this problem, the FY 2008 BEA enacted funding level was insufficient to make investments necessary to keep some of these statistics accurate and reliable. The impact to the county-level income program was the elimination of North American Industry Classification System (NAICS) subsector industry detail in published statistics beginning in 2008. However, this detail - used by policy makers, government officials, businesses and researchers to make informed policy decisions and conduct regional economic analysis - has become critical during the current economic crisis. Furthermore, since the announcement of the program reduction, many government officials and organizations representing data users have voiced their alarm over the loss of subsector detail. Through this initiative, BEA proposes to restore industry detail to the county-level statistics as part of a comprehensive program to improve the reliability and accuracy of local-area economic statistics.

Proposal: The current recession in the U.S. economy has re-emphasized the need for accurate and detailed regional statistics. In particular, as the American Recovery and Reinvestment Act of 2009 funds are allocated, decision-makers need reliable and consistent information to accurately select the projects and areas of the country where these funds can have maximum benefit. As the economy begins to recover, it will become increasingly important to identify the areas of the country still in need of assistance. A robust set of regional accounts will provide this information.

To meet the current demands, simply restoring the eliminated industry-level detail is insufficient. A comprehensive county-level program, and the associated investment, is required. Improving the quality of regional statistics will require developing new data sources, improving estimating methodologies, accelerating statistical releases, and developing statistical techniques that mitigate data suppressions while preserving confidentiality of persons and businesses (a significant issue with county-level statistics). In order to meet these requirements, BEA proposes to:

Restore the NAICS subsector detail in county-level statistics. Three-digit NAICS industry detail will be restored to the published county-level personal income statistics and the published GDP by metropolitan area statistics.

Accelerate release of county-level personal income statistics. Release of county-level statistics will be accelerated by six months; statistics will be available ten months after the end of the reference year.

Expand the GDP by metropolitan area statistics to produce GDP by county statistics. Release prototype aggregate GDP-by-county statistics. Initially these statistics may not include industry detail.

Develop inflation-adjusted state and county estimates. Develop price estimates at the state and county level in order to produce real (inflation-adjusted) measures of state and local area product and income.

Potential Supporters: Leadership from a variety of U.S. Government agencies has contacted BEA to express their dependence on county-level detail and their concern over the impact that these reductions will have on their operations. These agencies include the Bureau of Land Management, the U.S. Forest Service, the Department of Energy, and state and county offices of economic development.

In addition, a variety of organizations have expressed strong objections to the reductions and voiced the express need for a more adequate set of regional accounts. These organizations include: National League of Cities, Council of State Governments, National Association of Counties, the Council for Community and Economic Research, the Association for University Business and Economic Research, the Association of Public Data Users, The Council of Professional Associations on Federal Statistics, National Association of Development Organizations, National Association of Regional Councils, Council on Competitiveness, International Economic Development Council, New Economy Strategies, Northeast Midwest Institute, Federation of Tax Administrators, and National Association for Business Economics.

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: Regional
 Program Change: Restoring and Enhancing County-Level Statistics

Title	Band	Interval	Number	Annual Salary	Total Salary
Economist	IV	1	3	86,196	258,588
Economist	III	1	10	60,476	604,760
Economist	II	1	4	40,864	163,456
Total			<u>17</u>		<u>1,026,804</u>
Less Lapse			<u>(4)</u>		<u>(256,701)</u>
Total Full-time permanent (FTE)			13		770,103
2010 Pay Adjustment (2.0%)					<u>15,402</u>
Total					<u>785,505</u>

Personnel Data

Full-time Equivalent Employment:	
Full-time permanent	13
Other than full-time permanent	0
Total	13
Authorized Positions:	
Full-time permanent	17
Other than full-time permanent	0
Total	17

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 PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity: Bureau of Economic Analysis
 Subactivity: Regional
 Program Change: Restoring and Enhancing County-Level Statistics

		2009 Increase/ (Decrease)
11.0	Personnel compensation	
11.1	Full-time permanent	786
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel service payments	0
	Total personnel compensation	786
12.1	Civilian personnel benefits	191
13.0	Benefits for former personnel	0
21.0	Travel and transportation of persons	41
22.0	Transportation of things	1
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	17
24.0	Printing and reproduction	7
25.1	Advisory and assistance services	59
25.2	Other services	100
25.3	Purchases of goods and services from Government accounts	559
25.4	Operation of GOCOs	0
25.5	Research and Development contracts	0
25.6	Medical Care	0
25.7	Operation and maintenance of equipment	31
25.8	Subsistence and support of persons	0
26.0	Supplies and materials	40
31.0	Equipment	168
	TOTAL OBLIGATIONS	2,000

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SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	2008 Actual	2009 Enacted	2010 Base	2010 Estimate	2010 Increase/ (Decrease)
11 Personnel compensation					
11.1 Full-time permanent	44,829	47,083	49,215	51,899	2,684
11.3 Other than full-time permanent	913	922	922	922	0
11.5 Other personnel compensation	916	884	884	884	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	46,658	48,889	51,021	53,705	2,684
12.1 Civilian personnel benefits	11,328	12,110	12,601	13,252	651
13 Benefits for former personnel	2	0	0	0	0
21 Travel and transportation of persons	920	1,133	1,207	1,496	289
22 Transportation of things	17	24	24	27	3
23.1 Rental payments to GSA	5,061	5,819	5,964	5,964	0
23.2 Rental payments to others	50	0	0	0	0
23.3 Communications, utilities and miscellaneous charges	487	569	816	873	57
24 Printing and reproduction	198	189	191	214	23
25.1 Advisory and assistance services	424	640	645	843	198
25.2 Other services	5,594	7,400	7,459	9,169	1,710
25.3 Purchases of goods and services from Government accounts	8,915	11,656	11,648	16,302	4,654
25.7 Operation and maintenance of equipment	109	127	128	232	104
26 Supplies and materials	1,216	1,348	1,359	1,635	276
31 Equipment	637	717	723	1,288	565
42 Insurance claims and indemnities	9	0	0	0	0
43 Interest and dividends	1	0	0	0	0
99 TOTAL OBLIGATIONS	81,626	90,621	93,786	105,000	11,214
Less, prior year recoveries and refunds					
Less, prior year unobligated balance	(1,351)				
Plus, unobligated balance, EOY					
Plus, unobligated balance, rescission					
Plus, unobligated balance, expiring					
TOTAL BUDGET AUTHORITY	80,275	90,621	93,786	105,000	11,214

Personnel Data	2008 Actual	2009 Enacted	2010 Base	2010 Estimate	2010 Increase/ (Decrease)
Full-Time Equivalent Employment:					
Full-time permanent	468	500	497	540	24
Other than full-time permanent	20	20	20	20	0
Total	<u>488</u>	<u>511</u>	<u>517</u>	<u>560</u>	<u>43</u>
Authorized Positions:					
Full-time permanent	484	516	522	554	32
Other than full-time permanent	20	20	20	20	0
Total	<u>504</u>	<u>536</u>	<u>542</u>	<u>599</u>	<u>57</u>

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DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

		Adjustments to Base	2010 Base	2010 Estimate	2010 Increase/ (Decrease)
11	Personnel compensation				
11.1	Full-time permanent				
	Executive level	0	0	0	0
	Senior executive service	0	2,071	2,071	0
	General schedule	2,132	47,144	49,828	2,684
	Commissioned officers	0	0	0	0
	Wage board/wage marine	0	0	0	0
	Scientific & professional (P.L. 80-313)	0	0	0	0
	Examiners of patent appeals (P.L. 82-593, 98-622)	0	0	0	0
	Examiners of trademark appeals (P.L. 98-622)	0	0	0	0
	Senior foreign service	0	0	0	0
	Foreign service staff	0	0	0	0
	Foreign service nationals	0	0	0	0
	Consultants & experts	0	0	0	0
	Students	0	0	0	0
	Subtotal	2,132	49,215	51,899	2,684
11.3	Other than full-time permanent				
	General schedule	0	922	922	0
	Wage board	0	0	0	0
	Experts & consultants	0	0	0	0
	Hourly	0	0	0	0
	Subtotal	0	922	922	0
11.5	Other personnel compensation				
	Overtime	0	36	36	0
	SES performance awards	0	177	177	0
	Cash awards	0	671	671	0
	Merit pay awards	0	0	0	0
	Subtotal	0	884	884	0
11.8	Special personnel services payments				
	Foreign service officers (State)	0	0	0	0
	Other	0	0	0	0
	Subtotal	0	0	0	0
11.9	Total personnel compensation	2,132	51,021	53,705	2,684

Department of Commerce
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DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Adjustments to Base	2010 Base	2010 Estimate	2010 Increase/ (Decrease)
12.1				
Civilian personnel benefits				
Civil service retirement	(34)	676	711	35
Federal employees' retirement	187	4,330	4,553	223
Thrift savings plan	77	1,715	1,803	88
Federal insurance contribution act - Medicare	16	1,608	1,691	83
Federal insurance contribution act - OASDI	90	699	735	36
Health insurance	118	2,851	2,998	147
Life insurance	2	73	77	4
Employees' compensation fund	35	-35	-35	0
Other	0	684	719	35
Subtotal	491	12,601	13,252	651
13				
Benefits for former personnel				
Severance pay	0	0	0	0
Unemployment compensation	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0
21				
Travel and transportation of persons				
Common carrier	0	184	228	44
Mileage	1	4	5	1
Per diem	73	961	1,191	230
Vehicular	0	0	0	0
Other	0	58	72	14
Subtotal	74	1,207	1,496	289
22				
Transportation of things	0	24	27	3
[Overseas estimates]	0	0	0	0
23.1				
Rental payments to GSA	145	5,964	5,964	0
23.2				
Rental payments to others	0	0	0	0

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Adjustments to Base	2010 Base	2010 Estimate	2010 Increase/ (Decrease)
23.3 Communications, utilities and miscellaneous charges				
GSA Steam	80	80	86	6
Electricity	161	161	172	11
Rental of ADP equipment	0	62	66	4
Rental of office copying equipment	0	0	0	0
Other equipment rental	0	0	0	0
Federal telecommunications system	0	11	12	1
Other telecommunications services	0	230	246	16
Postal Service by USPS	2	75	80	5
Other	4	197	211	14
Subtotal	247	816	873	57
24 Printing and reproduction				
Publications	2	128	143	15
Public use forms	0	40	45	5
Envelopes	0	5	6	1
Other	0	18	20	2
Subtotal	2	191	214	23
25.1 Advisory and assistance services				
Management and professional support services	0	185	185	0
Studies, analyses, and evaluation	5	460	658	198
Engineering and technical services	0	0	0	0
[Overseas estimates]	0	0	0	0
Subtotal	5	645	843	198
25.2 Other services				
Training				
University	5	604	631	27
Other	8	958	1,026	68
ADP services	4	448	493	45
Telecommunications services	0	0	0	0
Other non-government contracts	42	5,290	6,852	1,562

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DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Adjustments to Base	2010 Base	2010 Estimate	2010 Increase/ (Decrease)
Other	0	159	167	8
Subtotal	59	7,459	9,169	1,710
25.3 Purchases of goods and services from Government accounts				
Office of Personnel Management Training	0	59	62	3
GSA reimbursable services	0	0	0	0
National Archives and Record Administration	2	1	1	0
Payments to GA, WCF	(76)	3,368	3,529	161
Other government accounts	66	8,220	12,710	4,490
Subtotal	(8)	11,648	16,302	4,654
25.4 Operation of GOCOs	0	0	0	0
25.5 Research and development contracts	0	0	0	0
25.6 Medical care	0	0	0	0
25.7 Operation and maintenance of equipment	1	128	232	104
25.8 Subsistence and support of persons	0	0	0	0
26 Supplies and materials				
Office supplies	1	97	117	20
ADP supplies	9	1,134	1,364	230
Other	1	128	154	26
Subtotal	11	1,359	1,635	276
31 Equipment				
Office machines and equipment	1	123	220	97
ADP hardware	2	259	461	202
ADP software	0	0	0	0
Other	3	341	607	266
Subtotal	6	723	1,288	565
43 Interest and Dividends	0	0	0	0
99 TOTAL OBLIGATIONS	3,165	93,786	105,000	11,214
TOTAL BUDGET AUTHORITY	3,165	93,786	105,000	11,214

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Economic and Statistical Analysis Budget
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APPROPRIATION LANGUAGE AND CODE CITATIONS

“For necessary expenses as authorized by law of economic and statistical analysis programs of the Department of Commerce, \$105,000,000 to remain available until September 30, 2011.”

15 U.S.C. 171 et seq., provides for the establishment of the Bureau of Economic Analysis (BEA) and provides the authority(s) and responsibility(s) for the functions of the Bureau of Economic Analysis.

15 U.S.C. 1501 et seq., establishes the Department of Commerce and, among other responsibilities, provides the Secretary of Commerce (delegated by Departmental order to the Under Secretary for Economic Affairs) with the authority to carry out economic and statistical analysis functions.

22 U.S.C. 286f provides that the President shall make available balance of payments information as required by the Bretton Woods Agreement Act. The Bureau of Economic Analysis was assigned responsibility by Executive Order No. 10033, as amended and subsequent Departmental delegation for the collection of certain balance of payments data and the publication of the U.S. balance of payments accounts.

22 U.S.C. 3101 et seq., provides that the President shall undertake mandatory surveys of U.S. direct investment abroad and foreign direct investment in the United States. The Bureau of Economic Analysis was assigned responsibility for the direct investment surveys under this Act by Executive Order No. 11961 and subsequent Departmental delegation.

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ADVISORY AND ASSISTANCE SERVICES
 (Dollar amounts in thousands)

	FY 2008	FY 2009	FY 2010
	Actual	Enacted	Estimate
	Amount	Amount	Amount
Management and Professional Services	110	185	185
Special Studies and Analyses	314	455	658
Engineering and Technical Services	0	0	0
TOTALS.....	424	640	843

Management and professional services, and special studies are utilized to the extent that they provide a cost-effective source for services.

Further, it is not practical for ESA to work in an insulated environment. Consulting and related services contribute to the overall stability of ESA's work by: (1) providing cross-checks to ESA's work; and (2) supplementing staff to investigate important issues or problems.

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PERIODICALS, PAMPHLETS, AND AUDIOVISUAL SERVICES

	FY 2008 Actual Amount	FY 2009 Enacted Amount	FY 2010 Estimate Amount
Periodicals	\$104	\$106	\$107
Pamphlets	\$13	\$13	\$13
Audiovisual Services	\$8	\$8	\$8
TOTALS	\$125	\$127	\$128

A central component of BEA's mission is to gather and disseminate information about U.S. economic accounts in a timely and cost effective manner. BEA accomplishes this dissemination through its public Web site, <www.bea.gov>. The site provides a comprehensive set of data tables, economic indicator releases, methodology papers, the BEA Strategic Plan, and other key information developed by the Bureau. All are presented in a downloadable, Section 508-compliant electronic format BEA's customers can easily access (see table in Exhibit 3a). Another important means of disseminating BEA information is through creation and public distribution of periodicals, reports, pamphlets, and related printed or audiovisual materials. BEA has developed an effective portfolio of these communications tools, maximizing public access to economic account information. A variety of dissemination channels ensures customers have convenient access to BEA information in a format most suited to their needs.

In particular, the types of information dissemination products produced by BEA are as follows:

Periodicals – On a monthly basis, BEA publishes the *Survey of Current Business (SCB)*. The SCB is BEA's flagship journal containing numerous articles written by BEA staff interpreting economic data being disseminated by BEA. In addition, the SCB includes extensive tables and charts of economic data gathered and tracked by BEA. The data

collectively serve as a resource for government officials, economists, the media, financial professionals, academicians, and the general public. The SCB also serves to fulfill BEA's legal requirement to make public the data it collects across the national, international, regional, and industry economic accounts both in print and online versions.

On a periodic basis, BEA issues formal, detailed reports (typically two to six per year) on key topics within these accounts over multiple-year periods, such as to re-establish benchmark data or produce data revisions. In FY 2007 State Personal Income 2004 Methodology, Gross Domestic Product (GDP) by State Estimates Methodology, Foreign Direct Investment in the United States (FDIUS) 2002 Establishment Data, FDIUS Final Results from the 2002 Benchmark Survey, *and a National Income and Product Account (NIPA) Methodology Paper and Primer on GDP and the NIPAs were published.*

Pamphlets and other publications – Each year BEA produces and distributes a variety of publications to support its mission of providing available data and services to thousands of external customers. These products are often distributed to the public through trade shows and regional conferences where BEA staff are present, or at meetings with other government agencies or congressional officials. Products include the BEA brochure, the BEA Strategic Plan, the BEA Customer Service Guide, economic account fact sheets, release schedules, regional data wheels, instructional literature on using BEA data, and the BEA Customer Satisfaction Report.

Audiovisual products - BEA annually produces and disseminates two CD-ROM products covering regional economic data. These products contain explanatory information and extensive, interactive tables provided to customers (particularly local and state governments as well as depository libraries) upon request. All CD-ROM data are downloadable from <www.bea.gov>.

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AVERAGE GRADE AND SALARIES

	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate
Average ES Salary	\$163,882	\$165,521	\$167,176
Average GS/GM Grade	12	12	12
Average GS/GM Salary	\$91,343	\$94,014	\$96,341