



NEWS RELEASE



FOR IMMEDIATE RELEASE: February 16, 2011
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BE11-05

Economic Infrastructure Will Benefit From FY 2012 Budget Proposal for the Bureau of Economic Analysis

WASHINGTON, DC – The budget President Obama submitted Monday to Congress contains a request for funds that will allow the U.S. Bureau of Economic Analysis to provide a more detailed understanding of the direction of the U.S. economy with expanded statistical analysis.

The President's request for \$108 million for the BEA (an agency of the Department of Commerce) for fiscal year 2012 includes \$5.2 million to create "A New Economic Dashboard" to expand and realign statistical coverage of industry with an emphasis on small business. The budget also seeks \$3.9 million to fund an initiative to publish a new set of "Everyday Economics" statistics designed to better tell the story of the economic experience of the American household – its income, spending and savings.

As the President seeks to rebuild the nation's physical infrastructure, the funds for the BEA's initiatives will significantly upgrade the nation's economic infrastructure, resulting in more actionable intelligence on the status and trends of the American economy. They will provide a more detailed and nuanced picture of household economic dynamics.

The New Economic Dashboard will provide more detail on key industry sectors, identify the drivers of growth and fluctuations, and publish several new statistics to ensure analysts and regulators have the necessary detail at their disposal. The proposal involves the development and publishing of several new data series, including:

- Quarterly gross domestic product by industry
- New industry-level production accounts
- Measures of sustainability of economic trends
- New detail and breakouts for all business sectors – including small business.

The everyday economics initiative will help explain the economic experience of the American household. Household consumption accounts for more than two-thirds of all economic activity in the U.S. New quarterly releases of household indicators will be valuable to businesses, policy makers and the public. Elements of the new set of measures will include:

(more)

- State-level personal consumption expenditures
- Disposable income excluding tax rebates and government transfer payments
- New measures of disposable income minus taxes and spending on essentials to provide a clearer picture of true discretionary income
- A decomposition of household savings and wealth estimates into assets and liabilities, illustrating what percentage of household consumption is financed by debt
- The share of household wealth based on appreciation in housing prices and capital gains versus the share from savings of income earned
- Insight into changes in household leveraging of investment in housing
- Breakout and valuation of supplemental compensation such as employer paid benefits

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