

A Blue Print for the National Accounts: Overview

- Goals:
 - Integrating the Economic Accounts Produced by BEA, BLS, and the FRB.
 - Extending these accounts through satellite systems that incorporate non-market activity
- Principles:
 - Comprehensive, double-entry accounts with valuation based on market prices
 - Integrated accounts accounts for production, income, expenditure, and wealth

A Blue Print for the National Accounts (Overview):

- History:
 - U.S. system has produced a wealth of timely and relevant current indicators of economic activity
 - Opportunities exist for enhancing the internal consistency of the system and extending boundaries
- Specific Objectives:
 - Integrating and accelerating industry accounts at BEA
 - GDP by industry and input-output accounts
 - Integrating BEA and BLS production accounts at the aggregate and industry levels
 - BEA GDP by industry and input-output accounts and BLS productivity measures

A Blue Print for the National Accounts (Overview):

- Specific Objectives (continued):
 - Integrating BEA and FRB income, expenditure and wealth accounts
 - BEA NIPA estimates of capital formation and wealth and BOP estimates of financial flows assets and liabilities and FRB flow of funds and balance sheet accounts
 - Extending the accounts to cover non-market activities
 - NRC panel will cover time use, education, health, human capital, environment and natural resources.
 - Integrating the macroeconomic accounts with microeconomic data
 - Firm and establishment data on production and household data on income, expenditure and wealth

A Blue Print for the National Accounts: Goals

- Market-Based Economic Accounts for:
 - Macroeconomic analysis and policy
 - Growth and productivity analysis and policy
 - Industry and sector analysis and policy
- Non-Market Accounts for Important Areas of Economic Policy
 - Education, health, and human capital
 - Research and development
 - Natural resource and the environment

A Blue Print for the National Accounts: Accounting Principles

- Comprehensive, Double-Entry Accounts Based on Economic Principles
- Valuation via Market Prices or Proxies Thereof
- Integrated and Fully Articulated Accounts
 - Meeting the specific needs of each agency and their customers, but integrated and articulated so as to allow their analytical use as a unified, consistent, and fully articulated set of national accounts

A Blue Print for the National Accounts: Principles (Continued)

- Accrual Based Accounting
 - That address such issues as stock options and accrual-based government assets and liabilities
- Accurate, Timely, Relevant, and Objective Accounts
 - That address the challenge of developing timely, comprehensive, consistent, relevant and accurate accounts.

A Blue Print for the National Accounts:

- Balancing, Consistency, and Accuracy: U.S. and Other Country Experience
 - The U.S. system has emphasized timeliness, relevance, innovation, and accuracy and has given less attention to consistency.
 - BEA, BLS, and the FRB -- using data generated by Census, IRS, and other sources -- each produce parts of the U.S. national accounts.
 - Other systems have emphasized consistency and given less attention to timeliness, relevance, and accuracy.
 - Many other countries have a unified statistical system that includes collection of source data and generation of national accounts within a single agency like Statistics Canada.

A Blue Print for the National Accounts:

- Existing Accounts Have Been Improved Through Ongoing Enhancements:
 - BEA's Strategic Plan priorities include:
 - Addressing data gaps and other shortcomings
 - Improving consistency and integration across BEA accounts and with FRB and BLS accounts
 - Improving consistency with international standards
 - Accelerating BEA's industry, regional, and international account estimates
- Opportunities for Enhancements Through Integration Include:
 - BEA developing fully integrated estimates for GDP-by-industry, gross output, inputs, and prices across the industry, input-output, and regional accounts

A Blue Print for the National Accounts:

- Opportunities for Enhancements Through Integration Include (continued):
 - BEA and BLS harmonizing their industry and productivity accounts estimates and generating an integrated production account that would present inputs of labor capital services as well as outputs in nominal and real terms.
 - BEA and FRB harmonizing their accounts and generating integrated income, expenditure, and wealth accounts in nominal and real terms.

A Blue Print for the National Accounts:

- Boundary Between Market and Non-Market Accounts:
 - Over 50 years of debate on the boundary have produced little change.
 - Extension of the boundary has been limited by conceptual and empirical uncertainties, the potential role of subjectivity and normative judgments, and concerns about reductions in the objectivity, relevance and accuracy of the existing accounts.
 - Solution proposed in SNA 93 is a system of market-based satellite accounts; these have been elaborated in such areas as environmental and natural resource accounting and R&D

A Blue Print for the National Accounts:

- Earlier Work on Expanding the Accounts
 - Mainly conducted by researchers outside the statistical agencies
 - Extremely important in:
 - Advancing research on sources of growth and other issues.
 - Advancing the debate on what direction the expansion of official accounts should take.
 - Focus on economic accounts and inputs to the production process
 - Market Prices or proxies thereof
 - Expanded scope but consistent with existing economic accounts principles
 - Use of integrated satellite, or supplementary, accounts

A Blue Print for the National Accounts:

- Recent and Forthcoming NRC Panel Studies Review and Build on Past Research and Suggest Directions for Expanding the Accounts
 - Environmental and natural resource accounts are the subject of *Nature's Numbers*, the report of a Natural Resource Council Panel Chaired by William Nordhaus
 - A comprehensive overview of non-market accounts will be presented in a Natural Resource Council Panel Chaired by Katherine Abraham. The report will cover:
 - Environmental and natural resource accounting
 - Education, health, human capital, and household production accounts.

A Blueprint for the National Accounts

- Research on Linking Macro Data to Micro Data in the United States and Canada Provides Directions for Expanding the Accounts