A “Soup to Nuts” Guide for Modernizing and Integrating the Production and Dissemination of Statistics

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Why another set of Guidelines?

- Great Recession and financial crisis underscores the need for timely, accurate and consistent set of official statistics.
- Need for consistent and reliable assessment of a country’s economic activity for coordinating effective monetary, fiscal, regulatory and trade policies.
- Production of key statistics in a consistent manner makes country to country comparisons easier - necessary given the increasing impact of Globalization on the World’s economies.
- Need for consistent and transparent data by business leaders and policy makers to make some of the most important decisions on the world’s most pressing issue – the economy.
Major chapters of the *Guidelines*:

I. Introduction
II. Policy Needs, Benefits & Challenges of Integrated Economic Statistics
III. General Framework for Integrated Economic Statistics
IV. Institutional Agreements for Managing Integrated Economic Statistics
V. The Statistical Production Process of Integrated Economic Statistics
VI. Implementation of Integrated Economic Statistics

Country case studies throughout all chapters of the *Guidelines*
• Builds upon foundation of established international standards:
  ▪ UN System of National Accounts (SNA)
  ▪ IMF Balance of Payments Manual (BPM6)
  ▪ IMF Government Finance Statistics Manual (GFSM)
• And other specialized manuals:
  ▪ OECD Benchmark Definition of Foreign Direct Investment Manual
  ▪ UN Manual on Statistics of International Trade in Services (MSITS 2010)
  ▪ North American Industrial Classification System and International Standard Classification System
Importance of Integrated Economic Data: Common Classifications & Registers

Part 2
Recent Economic and Financial Developments

1. Change in real gross domestic product, 2006–12

2. Change in the chain-type price index for personal consumption expenditures, 2006–12

Note: Here and in subsequent figures, except as noted, change for a given period is measured to its final quarter from the final quarter of the preceding period.
Source: Department of Commerce, Bureau of Economic Analysis.
Importance of Integrated Economic Data: Common Classifications & Registers

Federal

Office of Management and Budget
Sensitivity of the Budget to Economic Assumptions

[Fiscal years; billions of dollars]

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<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td>-14.2</td>
<td>-45.3</td>
<td>-84.3</td>
<td>-127.8</td>
<td>-177.0</td>
<td>-231.6</td>
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<td>-423.4</td>
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<td><strong>Outlays</strong></td>
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<td>-0.8</td>
<td>-0.1</td>
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<td>10.3</td>
<td>18.9</td>
<td>29.3</td>
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<td>56.3</td>
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<td><strong>Increase in deficit (-)</strong></td>
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<td>-44.5</td>
<td>-84.2</td>
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Sustained during 2012-2022, with no change in unemployment:

State & Local

- 21 states have statutory limits on revenues and spending tied to state personal income or some of its components
- Most state agencies use BEA data for tax revenue forecasts

Differences in Growth Rates of Real Value Added, 2007
Importance of Integrated Economic Data: Common Classifications & Registers

Differences between Census Bureau (CBP) and BLS (QCEW) wages & salaries data, 2007

<table>
<thead>
<tr>
<th>State</th>
<th>Census CBP Yr-Yr % Chg.</th>
<th>BLS QCEW Yr-Yr % Chg.</th>
<th>Impact on 1 yr. Tax Projection (mil $)</th>
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</thead>
<tbody>
<tr>
<td>California</td>
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<tr>
<td>Connecticut</td>
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<td>Georgia</td>
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<tr>
<td>Iowa</td>
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<td>Pennsylvania</td>
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<td>West Virginia</td>
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Techniques for Increasing Consistency

- Common classification system
  - Industries
  - Geography
- Common units of measurement
  - Enterprises
  - Establishments
- Standard concepts and definitions
- Standard survey form or administrative records for classification
- Use of common business register
- Micro data sharing and reconciliation
- Use of statistically-based balancing for input-output estimates
- Benchmarking and extrapolation
Importance of Integrated Economic Data: Common Concepts & Data

Source: Standard & Poor’s, Bureau of Economic Analysis and Internal Revenue Service/SOI
Techniques for Increasing Consistency: Profits

- **Common units of measurement**
  - Enterprises
  - Establishments

- **Standard concepts and definitions**
  - Financial accounts
  - Tax accounts
  - Economic accounts

- **Economic profits adjustments:**
  - Accelerated to economic depreciation
  - Historical to replacement cost
  - Business accounting to operating profits
    - Removal of capital gains and losses
Importance of Integrated Economic Data: Accuracy, Relevance, Consistency

2000-2010

- Real GDP per capita
- Real Personal Income per capita
- Real Median Household Income (Census Bureau)