Overview of Census Bureau Initiatives
To Improve BEA Source Data

Bureau of Economic Analysis Advisory Committee

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Assistant Director for Economic Programs
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Agenda

• 2002 Economic Census Improvements
• FY 2003 Economic Statistics Enhancements
• FY 2004 Economic Statistics Improvements – Request Pending
2002 Economic Census Improvements

• Expanded purchased services data
  – Business Expenses Survey (wholesale, retail, and services) coverage and detail expanded – finance, insurance, real estate
  – Manufacturing, mining and construction additional detail

• New information
  – E-commerce -- by industry and state
  – Leased employees by industry
  – Changing supply chain functions
  – Product data for 65 service industries

• Accelerated data product release schedule
  – Advance report available March 2004
  – Industry series including product data available by 12/04
  – Business Expenses Survey data by June 2005
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Amount</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Statistics</td>
<td>$5.5 million</td>
<td>Fully funded</td>
</tr>
<tr>
<td>E-Business</td>
<td>$5.2 million</td>
<td>$4.6 million provided</td>
</tr>
<tr>
<td>Foreign Trade Statistics</td>
<td>$12.9 million</td>
<td>No funds provided</td>
</tr>
</tbody>
</table>
FY 2003 Improved Measurement of Services

- **FY03 Budget request: $5.5 million**
  - *This request will:*
    - Provide annual information on the cost of purchased services and materials
    - Provide product data annually on the outputs of service industries
    - Establish a new quarterly principal economic indicator of service industry activity
FY 2003 Improved Measurement of Services

• **FY03 Budget request: $5.5 million**
  • *This request will:*
    – Provide annual information on the cost of purchased services and materials
      - Purchased materials and supplies
      - Telecom services
      - Management and consulting services
      - Purchased electricity
      – Added incrementally over two years beginning with 2003 SAS
    – Provide product data annually on the outputs of service industries -- add incrementally over 3 years starting with 2003 SAS
    – Establish new quarterly services indicator
      Data collection begins April 2004, first release October 2004
### Quarterly Services Indicator

#### Proposed Coverage for Year One

Scheduled proposed collection (receipts and value of contracts awarded and cancelled for 4Q 2003) begins first quarter 2004. First release is scheduled for September 2004. Coverage will be expanded in 2005 to include hospitals, nursing and residential care facilities effective with the collection of data for the first quarter of 2005.

<table>
<thead>
<tr>
<th>NAICS Kind of Business</th>
<th>2000 SAS Revenue Employer Firms (millions $)</th>
<th>Receipts As Percent of Sector Total</th>
<th>Number of Reporting Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>51 Information ..........</td>
<td>849,506</td>
<td>100.0</td>
<td>1,537</td>
</tr>
<tr>
<td>511 Publishing Industries</td>
<td>233,327</td>
<td>27.5</td>
<td>534</td>
</tr>
<tr>
<td>51111 Newspaper publishers</td>
<td>51,507</td>
<td>6.1</td>
<td>180</td>
</tr>
<tr>
<td>51112 Software publishers</td>
<td>88,042</td>
<td>10.4</td>
<td>159</td>
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<tr>
<td>Other 51 Other publishing</td>
<td>93,778</td>
<td>11.0</td>
<td>195</td>
</tr>
<tr>
<td>512 Motion picture and sound recording industries</td>
<td>66,107</td>
<td>7.8</td>
<td>236</td>
</tr>
<tr>
<td>513 Broadcasting and telecommunications</td>
<td>473,548</td>
<td>55.7</td>
<td>179</td>
</tr>
<tr>
<td>Broadcasting (5131 &amp; 5132)</td>
<td>120,598</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>Telecommunications (51331-51339)</td>
<td>352,950</td>
<td>41.5</td>
<td></td>
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<tr>
<td>51331 Wired telecommunications carriers</td>
<td>269,545</td>
<td>31.7</td>
<td>86</td>
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<tr>
<td>51332 Wireless telecommunications carriers (except satellite)</td>
<td>64,309</td>
<td>7.6</td>
<td>82</td>
</tr>
<tr>
<td>Other 5133 Other telecommunications</td>
<td>76,642</td>
<td>9.0</td>
<td>120</td>
</tr>
<tr>
<td>514 Information services and data processing services</td>
<td>76,524</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>5141 Information services</td>
<td>34,575</td>
<td>4.1</td>
<td>164</td>
</tr>
<tr>
<td>5142 Data Processing Services</td>
<td>41,950</td>
<td>4.9</td>
<td>136</td>
</tr>
<tr>
<td>54 Professional, scientific, and technical services (except notaries and landscape architectural services)</td>
<td>789,077</td>
<td>100.0</td>
<td>1,534</td>
</tr>
<tr>
<td>5412 Accounting, tax preparation, bookkeeping, and payroll services</td>
<td>74,229</td>
<td>9.4</td>
<td>147</td>
</tr>
<tr>
<td>5413 Architectural, engineering, and related services (except landscape architectural services)</td>
<td>160,776</td>
<td>20.4</td>
<td>166</td>
</tr>
<tr>
<td>5415 Computer systems design and related services</td>
<td>175,495</td>
<td>22.2</td>
<td>249</td>
</tr>
<tr>
<td>5416 Management, scientific, and technical consulting services</td>
<td>88,540</td>
<td>11.2</td>
<td>336</td>
</tr>
<tr>
<td>Other 54 Other professional, scientific, and technical services (5411 legal, 5414 specialized design, 5417 scientific research and development, and 5418 advertising and related services)</td>
<td>290,037</td>
<td>36.8</td>
<td>636</td>
</tr>
<tr>
<td>56 Administrative and support and waste management and remediation services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5613 Employment Services</td>
<td>410,638</td>
<td>100.0</td>
<td>2,257</td>
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<tr>
<td>Other 561 Other administrative and support services</td>
<td>125,618</td>
<td>30.6</td>
<td>218</td>
</tr>
<tr>
<td>562 Waste management and remediation services</td>
<td>236,241</td>
<td>57.5</td>
<td>1,909</td>
</tr>
<tr>
<td>GRAND TOTAL (Sectors 51, 54, and 56)</td>
<td>2,049,221</td>
<td>49.7 of SAS</td>
<td>5,328</td>
</tr>
</tbody>
</table>
FY 2003 E-business Budget Initiative

FY03 Budget Request: $5.2 million

- Provides detailed annual information on business expenditures on hardware and software
  - 2003 Annual Capital Expenditures Survey revamped
  - computer, communication, hi-tech medical hardware by industry
  - software -- capitalized and expensed by industry
  - total software by category (prepackaged, custom, in-house) -- no industry detail
  - total expenditures on physical security and computer security
FY 2003 E-business Budget Initiative

• Provide annual coverage of the entire wholesale trade sector
  – manufacturers’ sales offices by 4-digit NAICS included in 2003 ATS
  – e-markets, agents and brokers will be added in 2005 ATS

• Implements a first-ever supply chain study
  – focus on changing inventory practices, expanded service fees and globalization effects
  – document effects on economic statistics
  – study plan developed by October 2003
FY 2004 Economic Statistics
Requested Initiatives

- Service Statistics  $4.0 million requested
- E-Government      $3.3 million requested
- Accelerate and Improve Measures of International Trade $12.9 million requested
Service Statistics
$4.0 million

- Expand 2004 Service Annual Survey Coverage
  - 95 industries added, 20% of GDP
  - Finance, insurance, real estate, rental and leasing, utilities and transportation industries
  - Products and purchased services will be added in 2005 and 2006

- Expand QSS Coverage
  - Transportation; rental and leasing; additional health care industries; arts, entertainment and recreation
  - Data collection begins first quarter 2005, first release September 2005

- Expand retail and wholesale product data
  - Focus on 40-50 industries selling diverse products
  - Data collection begins survey year 2004
E-Government
Request $3.3 million

- Electronic reporting for current economic surveys
- Company-centric rather than survey-centric approach for data collection
- Extend Economic Census Account Manager program to current surveys
Accelerate and Improve Measures of International Trade

- Accelerate monthly release of trade statistics
  - Currently released 44 days after reference month
  - Release 30 days after reference month
- Improve coverage and quality of export statistics
  - Undercoverage now ranges from 3-10%
- Expand Automated Export System
  - Electronic reporting facilities and expedites filing
  - Strengthens nation’s export control system
Questions and Answers

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