BEA Regional Accounts: Research Underway

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Regional Accounts Data

• Personal income
  – State, quarterly and annual
  – Local area, annual
    • Counties, metro areas, BEA economic areas

• Gross State Product (GSP) by industry
  – Annual for 63 industries

• Regional input-output multipliers
  – For user defined regions
Regional Accounts Research Themes

• New statistics
• Accelerated estimates
• Improved estimates
• Other research
New Statistics: More Local Area Data

- Gross metro product (GMP)
  - Initial estimates: allocate GSP by local area earnings data
  - Above problematic for non-labor part of GMP
    - Taxes and gross operating surplus
    - Research using sub-state Census Bureau data
- Metro area disposable personal income
  - Research the estimation of personal current taxes for metro areas
    - Subtracted from personal income to derive DPI
New Statistics: Longer Time Series

• Carry time series back in time on a NAICS basis
  – State and local area earnings back to 1990
    • Will evaluate extent of BLS suppressions of W&S
  – GSP back to 1992
    • Requires back-casting Census Bureau data at Center for Economic Studies
• Historical GSP on SIC basis
  – GSP now released for 1977 forward
  – Update experimental estimates back to 1963
    • Develop estimates consistent with current methodology
New Statistics: Interarea Prices

- Indexes that permit place to place comparisons correcting for price level differences
- Joint with the BLS, using CPI microdata
- Intermediate goal: produce indexes for 38 urban areas
- CPI covers urban areas (87 percent of the population)--state indexes require additional data
New Statistics: Alternative income estimates

• Develop alternative household income measures that better meet user needs to:
  – Measure spending capacity
  – Track tax base
• Presentation today
Accelerated estimates

- Permanent program contingent on future funding
- Metro and county personal income
  - From 17 to 10 months after the end of the year
- Gross State Product
  - From 17 to 6 months after the end of the year
    - June release for total GSP
    - November release for GSP by industry
Acceleration issues

- Limited source data available
  - Many components will need to be extrapolated
    - Often with personal income
- Trade-off between timeliness and accuracy
- Trade-off between accuracy and level of detail estimated
  - For example, total advance GSP is more accurate than advance industry GSP estimates
Improved Estimates: Interarea Variation

• More accurately reflect interarea variation in personal income
  – Employers’ contributions for pensions and insurance
• Develop estimates of employer contribution rates from an econometric model
• Presentation today
Improved Estimates: Regional Multipliers

• Improve methods to “regionalize” the national input-output accounts
• Capture interregional flows of goods and people
• Produce value-added multipliers
  – In addition to gross output multipliers currently produced
• Much of this research will be undertaken with Commodity Flows Survey microdata
  – At the Census Bureau’s Center for Economic Studies
Improved Estimates: New Source Data

- IRS Information Returns data at state level
  - Potential information on
    - Pension disbursements and roll-overs to aid in estimating alternative income measures
    - Income of individuals who receive information returns but don’t need to file tax returns
      - Improve estimates of property income
    - Information to reconcile state personal income with adjusted gross income
Other Research

• Revise BEA Economic Areas, reflecting
  – New commuting data from 2000 Decennial Census
  – Revised OMB metropolitan area definitions
• Improve Consistency of BEA’s Accounts
  – Research differences in taxes on production and imports among BEA accounts and accounts in the Census Bureau's Governments Division