

## Director's Message

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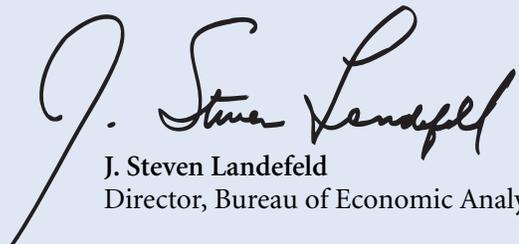
As health care spending continues to increase as a percentage of gross domestic product (GDP), the Bureau of Economic Analysis (BEA) has embarked on an effort to better measure such spending and its effects on the economy. In this issue of the *SURVEY OF CURRENT BUSINESS*, we outline in a *BEA Briefing* our preliminary efforts to create a health care satellite account that would provide a means to better assess the returns to various health treatments and the sources of changes in health care costs.

Another article explains the new classification structure for consumer spending that BEA will adopt next year in its comprehensive revision of the national income and product accounts (NIPAs). The new structure is more consistent with international guidelines and makes our consumer spending classifications more consistent with those used in Europe, Canada, and other large trading partners. The new structure is based on updated demand criteria and better reflects contemporary spending patterns and purposes.

Interpolation, the practice of calculating quarterly and monthly estimates based on annual data, is important to the production of the NIPAs. In a *Research Spotlight*, we look at several methods of interpolation and recommend the methods that show the best results when calculating BEA statistics.

Newly released statistics on county personal income statistics rounds out our presentation of regional income data; estimates for states and metropolitan areas were previously released. The slowdown in personal income growth in 2006 was widespread: growth slowed in most of the nation's 3,111 counties.

Also, please note the article presenting advance estimates of GDP by industry. This article has proven to be a useful early look at value added and price changes for specific industry groups.



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