Future Direction of the Regional Accounts: Comments

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Innovations of the Regional Directorate

• New Statistical Products
• Research
  – Products
  – Priorities
• Infrastructure
New and Improved Statistical Products

• Goal: Subnational measures of existing national-level statistics with improved frequency

• Integrated release of quarterly statistics of GDP and Personal Income by state, September 2022
  – Greater industry detail (NAICS 3-digit detail)

• GDP statistics for U.S. territories, improved timeliness
Improve timeliness of GDP statistics for U.S. territories, TBD (Establish data access agreements)

State Statistics
- Gross Domestic Product (GDP)
- Personal Income (PI)
- Employment
- Personal Consumption Expenditures (PCE)
- Regional Price Parities (RPPs)
- Outdoor Recreation Satellite Account (ORSA)
- Arts and Cultural Production Satellite Account

County & Metro Area
- Gross Domestic Product
- Personal Income (PI)
- Employment
- Regional Price Parities (RPPs) – metro area only

U.S. Territories
- Gross Domestic Product

5/6/2022
Overview – Regional Directorate

State Statistics: Quarterly

• Gross Domestic Product (GDP)
• Personal Income (PI)
• Employment
• Personal Consumption Expenditures (PCE)*
• Regional Price Parities* (RPPs)

County & Metro Area

• Gross Domestic Product
• Personal Income (PI)
• Employment
• Regional Price Parities* (RPPs) – metro area only
Regional price parities (RPPs): annual only

Regional price parities (RPPs) measure the differences in price levels across states and metropolitan areas for a given year and are expressed as a percentage of the overall national price level. States with the highest RPPs in 2020 were Hawaii (112.0), New Jersey (111.2), and California (110.4); the RPP in the District of Columbia was 111.5. States with the lowest RPPs were Mississippi (87.8), West Virginia (88.0), and Arkansas (89.2). The release also includes new estimates of 2020 regional price parities for the metropolitan areas and revised data for the states and metropolitan areas for 2008 to 2019.

Current Release

• Current Release: December 14, 2021
• Next release: December 15, 2022
Innovations of the Regional Directorate

• Improved and New Statistical Products
• Research
  – Products
  – Priorities
• Infrastructure
Research: New Statistical Products

- Quarterly Consumption Expenditures by state
- R&D state statistics
- Government consumption and gross investment by state
- State private fixed investment (residential and nonresidential buildings, equipment, and software), (FY2023 budget)
NOW: Quarterly PCE by State

State Quarterly PCE
Percent Change: 2020Q3 to 2020Q4

U.S. Bureau of Economic Analysis
5/6/2022

FOR ILLUSTRATION ONLY
Research & Development by State


- Value Added
- Employment
- Compensation
Regional Research Priorities

• Consumption Zones

• Income Distribution: Distribution of Personal Income by State (using personal income) Based on the “personal income” concept
  – Gini coefficients and income quintiles, median income and income percentiles for states
  – Data sources: Current Population Survey, adjusted/augmented with data from the Internal Revenue Service, the American Community Survey, and other sources

• State Supply Use Tables
Consumption Zones

- Provides new data source on spending flows between consumer and firm locations for all counties
- Based on credit card transaction data which identify all credit card transactions by firm.
- Data include information about both the location of consumers’ residence and firm location, allowing the measurement of cross-county spending flows.
Dunn and Gholizadeh (2020), The Geography of Consumption and Local Economic Shocks: The Case of the Great Recession

Figure 2. Share of Consumer Consumption in Home County

Notes: For each county we use all 15 NAICS categories and spending flow estimates for all counties to calculate the total spending by consumers in their home county and the total spending by consumers across all counties. We then take the ratio of home county consumption to total consumption.
Innovations

• Synchronized Release of National and Local Data including New Quarterly Local Data
• Research
• Infrastructure
Infrastructure

- **Python**
  - Migration of all production procedures to Python programming language, 2024-2025
  - Application Programing Interface (API) to facilitate use by researchers
- Alternative data, big data and nowcasting
- Synthetic data and privacy protection (IRS)
- Data science: machine learning, hierarchical methods
Yes! And Congratulations!

- Regional Directorate’s goals
  - Improve existing statistics
  - New statistical products
  - Research activities
  - Other activities

- Potential improvements or new regional statistics
  - Quarterly PCE by State Statistics
  - R&D by state Statistics

- Regional research priorities
  - Income Distribution
  - Consumption Zones
  - State Supply Use Tables