

Panel Discussion: OMB Proposal to Move BLS to Department of Commerce— Potential Impact on BEA

Brent Moulton
COPAFS Quarterly Meeting
Washington, DC
December 7, 2018

BEA's mission

- “The Bureau of Economic Analysis (BEA) promotes a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic accounts data in an objective and cost-effective manner.”
- What are **economic accounts**?
 - Based on a *double-entry accounting* framework
 - Designed to provide comprehensive, consistent time-series
 - Derived from source data from dozens of federal surveys and administrative sources, mostly from other agencies
 - Source of major macroeconomic statistics such as
 - **Gross domestic product**
 - **National income**
 - **Personal income, saving**
 - **Corporate profits**
 - **GDP by state; State personal income**

Examples of source data used by BEA

Census Bureau

- Monthly/annual retail sales and inventories
- Quarterly services survey/Services annual survey
- Monthly/annual manufacturing shipments and inventories
- Monthly construction spending
- Monthly trade in goods
- Quarterly financial report

Bureau of Labor Statistics

- Current employment statistics
- Quarterly census of employment and wages
- Consumer price index
- Producer price index
- International price indexes

Need for statistical coordination

- For BEA to compile economic accounts using source data from multiple agencies requires coordination:
 - Consistent standards (e.g., NAICS)
 - Coordination of coverage to minimize data gaps
 - Coordination of statistical improvements
 - Coordination of release dates, data access, etc.
- BEA holds regular meetings with agencies and engages in joint projects to address cross-cutting needs
- As part of the same Department (and now located in the same building), greater opportunities for joint work by BEA and Census Bureau

OMB proposal to move BLS to DoC

- Envisioned as a first step in a longer term process
 - Lays the groundwork for future, incremental steps
- Achieving goals of enhanced data harmonization and integration will require time and effort
- Moving BLS to DoC will facilitate that effort
- In the longer term, additional legislation would probably be needed to allow for greater sharing of data among the statistical agencies

Potential benefits of proposal – Data sharing

- Potential benefits of data sharing:
 - More consistent and improved industry classifications
 - More accurate reporting by resolving data anomalies
 - More detailed and consistent data with **no** increase in respondent burden
 - Answer policy and analytical questions while protecting confidentiality
- Short-run — Data sharing agreements under existing authority could be expedited
- Longer-run — Sets stage for legislation for broader sharing of data by statistical agencies

Potential benefits — Administrative

- Potential operational efficiencies:
 - **Information technology** and databases
 - Enhanced privacy protection
 - Coordinated data collection (*Large enterprise groups*)
 - Improved data quality
- Coordination of **strategic planning** and **budgets**
 - Jointly set priorities
 - Initiatives for new or improved data collections
- Each agency will retain its distinctive branding, organizational culture

Potential benefits – Statistical programs

- Opportunity to address inconsistencies in data due to differences in classification, coverage, etc.
- Better able to weave together different datasets
- Opportunity to improve coordination of release schedules, revision cycles, etc.
- Opportunity for agency staff to better understand how survey data are reflected in national accounts, productivity, etc.
- Gives the statistical system the capacity to address emerging data needs

Thank you!