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Panel Remarks

J. Steven Landefeld

We have heard from Federal Reserve Board chairman Ben Bernanke; Council of Economic Advisers member Katharine Abraham; former Treasury secretary Larry Summers; officials of the US FRB and Treasury, the European Central Bank (ECB), and the International Monetary Fund (IMF); and representatives of the financial industry about the importance of the statistics we produce and the urgent need to address the measurement issues highlighted by the recent recession. These issues include developing and better integrating measures of economic welfare and sustainability into our national accounts as well as developing better and more comprehensive measures relevant to key long-term issues confronting the nation, such as health care and investments in human capital.

We are also all aware of the daunting fiscal challenges that we confront in statistical agencies in the United States and abroad. In many cases, existing statistics are confronting elimination as a result of budget cuts. How do we then cut and improve at the same time? The seeds of the solution are, I believe, contained in the papers and topics that we have discussed—and will continue to discuss—at this and future CRIW meetings. The papers presented at this meeting highlight how through new methods and source data we can do more with less. Three examples may be particularly important.

The first example is the integration of micro and macro distributional

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data. We have had several excellent papers by Jorgensen and Slesnick, Schreyer and Diewert, and Carroll on the concepts and methods and important results that can be produced through such integration. Traditionally, the work supporting such integration has relied on large-scale and challenging exact and statistical match studies—matching household survey to tax data to adjust for underreporting, misreporting, and family size. However, as the papers by Fixler and Johnson and by McCully suggest, use of adjustments using aggregate household, tax, and national accounts data can produce estimates of the distribution of income and spending that are likely to be close to the results from more detailed micro studies. Also, using the latest national accounts data on growth in incomes and spending by type, it should be possible to extrapolate from the latest microdata benchmark to produce more timely and reasonably reliable data on broad trends in the distribution income than is available from tabulations of the microdata with significantly fewer resources than those required by micro studies.

Second, in the financial area, we have heard proposals for important new data collections that would fill gaps in coverage and develop new methods for better measurement of risk and sustainability in financial markets. If such collections by financial regulators and central banks are designed so as to provide data that meets both the microdata needs of regulators and the aggregate data needs of investors, policymakers, and business, statistical agencies may be able to incorporate such data at a relatively low cost. While this process will require better coordination, through better access and standardization, statistical agencies should be able to piggyback on regulatory information rather than developing expensive new surveys.

These new data collections can supplement ongoing work presented by Cagetti et al. on how the integration of existing and extended flow of funds and national accounts data can fill gaps and provide key information including ratios, or leading indicators, of unsustainable trends (bubbles) in asset prices, liabilities, saving, and consumer spending.

Third, as illustrated by the chapter by Dunn, Liebman, and Shapiro, existing commercial, administrative, and Internet data—in this case health insurance records—can be used by statistical agencies to address measurement problems that cannot be easily addressed by surveys, at a fraction of the cost of surveys. Use of such "big data" will require the development of new IT systems, work on assessing the coverage and reliability of such data, as well as agreements and standards on confidentiality, access, and control. Such data seem to offer a major tool for updating, extending, and improving official statistics. Possible uses include weighting and benchmarking big data for use as extrapolators to produce more timely and accurate early GDP and other estimates. The US national accounts have always made extensive use of private data as extrapolators, and there are important opportunities to update and improve the accounts. No doubt, as the BEA learned from

its work on health care, there is a front-end investment that is required, but such investment will produce significant gains to the statistical system in the future.

Shirin Ahmed

It is a pleasure to be here and to talk about the National Income and Product Accounts from the perspective of the economic programs area at the US Census Bureau.

With respect to the national accounts, our primary role is to provide useful and relevant source data that allows the BEA to accomplish its their mission. We work very closely with the BEA staff to continually improve what we are doing. My remarks cover our work in providing information to fill data gaps, creating new opportunities with data sharing, and strategically aligning priorities across agencies.

Filling Data Gaps

In terms of filling data gaps, our key area of focus has been providing more data about the services sectors of the US economy.

We received funding in mid-2010 to expand the industry coverage of both the Quarterly Services Survey (QSS) and the Service Annual Survey (SAS) with the goal of providing complete coverage of receipts across all of the services sectors of the US economy, which are estimated to be 55 percent of GDP. Previously, only the Economic Census provided this kind of coverage every five years. At the time, the QSS was only covering 17 percent of the services sector and the SAS was covering about 30 percent.

The funding allowed QSS to expand over a two-year period, starting with new quarterly statistics on ambulatory health-care services and social assistance, and then adding in other industries covering transportation, warehousing, finance, and so on, with the expansion fully implemented by March 2011. This timing coincided with the release in January 2011 of the full set of services industries for SAS for the 2008 survey year. At this point, the industry expansion allowed the Census Bureau to produce complete coverage of consumer spending for the BEA annually.

To provide complete coverage quarterly for consumer spending, plans are underway to add the accommodations sector to the QSS with the collection of data this fall as part of the business surveys redesign. Every five years, after an Economic Census, the business surveys undergo a major sample revision process that gives the Census Bureau an opportunity to fill new

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