

Economic and Statistical Analysis

Includes the Bureau of Economic Analysis and the Economics and Statistics Administration Headquarters

The United States is widely recognized as the world's economic information leader, due in large part to the timely, relevant, and accurate data and analyses produced by the Economics and Statistics Administration's (ESA) Bureau of Economic Analysis (BEA) and the Bureau of the Census. BEA produces some of the Nation's most important economic statistics, including the gross domestic product (GDP) and the balance of payments; the Bureau of the Census conducts the quinquennial Economic Census and produces important economic measures, including durable goods, wholesale and retail trade, and new construction. ESA provides economic policy analysis that is used by the President and Congress, as well as business leaders, and ultimately affects the lives of all Americans.

ESA includes: **ESA Headquarters, the Bureau of Economic Analysis (BEA), and the Bureau of the Census.**

ESA Headquarters staff consists of the Office of the Under Secretary for Economic Affairs, policy support staff, STAT-USA and support personnel. The Under Secretary for Economic Affairs provides leadership and executive oversight of all ESA activities including BEA and the Census Bureau. The policy support staff provides real time, sophisticated economic research and policy analysis directly in support of the Secretary of Commerce and the Administration. ESA monitors and interprets economic developments and domestic fiscal and monetary policies, and analyzes economic conditions and policy initiatives of major trading partners. STAT-USA offers fee-based data dissemination services that provide a focal point for business, economic and trade statistics. STAT-USA operates under a revolving fund account.

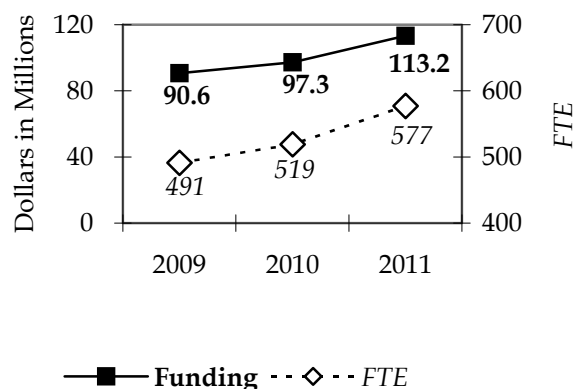
Bureau of Economic Analysis (BEA). Funding requested in FY 2011 will help BEA achieve its mission to promote a better understanding of the U.S. economy by providing timely, relevant and accurate economic accounts data in an objective and cost-effective manner. Although a relatively small agency, BEA's economic statistics are among the Nation's most closely watched. BEA's statistics influence critical decisions made by policy makers, business leaders, households and individuals affecting interest and exchange rates, tax and budget projections, business investment plans, and the allocation of over \$200 billion in Federal funds.

The cornerstone of BEA's statistics is the National Income and Product Accounts (NIPAs), which feature the GDP statistics and related measures. Since the NIPAs were first published, BEA has developed and expanded these statistics to keep pace with the constantly changing nature of U.S. economic activity, and the FY 2011 budget provides an increase to allow BEA to continue these efforts. Today, BEA prepares national, regional, industry and international economic accounts that present essential information on such issues as economic growth, regional economic development, inter-industry relationships and the Nation's position in the world economy.

The BEA five-year Strategic Plan provides a detailed outline for improving the quality and accuracy of BEA economic statistics. Annually reviewed by BEA and provided to stakeholders, users and the public for comment, the BEA Strategic Plan calls for a number of ambitious undertakings to improve its measures and better meet its mission in FY 2011.

The **Bureau of the Census** budget is discussed in its own section of the Budget in Brief, as it receives its funding from a separate appropriation.

Budget Authority and FTE



Summary of Appropriations

Funding Levels

Appropriation	2009 <u>Actual</u>	2010 <u>Estimate</u>	2011 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$90,621	\$97,255	\$113,200	\$15,945
TOTAL, BUDGET AUTHORITY	90,621	97,255	113,200	15,945

FTE

Salaries and Expenses	491	519	577	58
Reimbursable	29	34	30	(4)
Revolving Fund	9	9	9	0
TOTAL	529	562	616	54

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2010 Appropriation			519	\$97,255
Adjustments to Base				
<u>Other Changes</u>				
2010 Pay raise		\$293		
2011 Pay raise		662		
Full year cost in FY 2011 of positions financed for part-year in FY 2010	3	339		
Civil Service Retirement System (CSRS)		(82)		
Federal Employees' Retirement System (FERS)		343		
Thrift Savings Plan		54		
Federal Insurance Contributions Act (FICA) - OASDI		52		
Health insurance		213		
Employees' Compensation Fund		5		
Rent payments to GSA		85		
Printing and reproduction		2		
Postage		6		
NARA		2		
Other services: Working Capital Fund		209		
General Pricing Level Adjustments				
Communications, utilities, and miscellaneous charges		26		
Other services		155		
Supplies		13		
Equipment		15		
Subtotal, other cost changes			3	2,392
Total, Adjustments to Base			3	2,392
2011 Base			522	99,647
Program Changes			55	13,553
2011 APPROPRIATION			577	113,200

Comparison by Activity

	2010 Currently Avail.		2011 Base		2011 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Bureau of Economic Analysis	503	\$93,497	506	\$95,654	561	\$109,207	55	\$13,553
Policy Support	16	3,936	16	3,993	16	3,993	0	0
TOTAL DIRECT OBLIGATIONS	519	97,433	522	99,647	577	113,200	55	13,553
REIMBURSABLE OBLIGATIONS	34	7,099	30	6,558	30	6,558	0	0
TOTAL OBLIGATIONS	553	104,532	552	106,205	607	119,758	55	13,553
FINANCING								
Unobligated balance, start of year (Direct)		(178)						
Unobligated balance, start of year (Reimbursable)		(126)						
Offsetting collections from:								
Federal funds	(32)	(6,753)			(28)	(6,308)		
Non-Federal sources	(2)	(220)			(2)	(250)		
Subtotal, financing	(34)	(7,277)			(30)	(6,558)		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	519	97,255			577	113,200		

Highlights of Program Changes

	<u>FTE</u>	<u>Base Amount</u>	<u>Increase / Decrease</u>	
			<u>FTE</u>	<u>Amount</u>
Improving the Foreign Direct Investment Statistics	76	\$11,406	11	\$3,285

In the face of increasingly global production strategies by multi-national companies (MNCs) and the need to monitor and understand their role in domestic and international markets for goods and capital, the demands for surveys of both U.S. direct investment abroad and foreign direct investment in the United States have grown dramatically. With this initiative, BEA would enhance and expand the coverage and detail of the data that it collects on MNCs. By taking advantage of this opportunity to reexamine and redesign these surveys, BEA would maximize their efficiency and improve their usefulness in addressing current needs.

A New Economic Dashboard	0	\$0	21	\$5,198
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In an effort to maximize the Federal Government's ability to provide the right information at the right time in the future, the Bureau of Economic Analysis proposes to expand the statistical coverage of the business and government sectors, and to develop new data series that will better serve the statistical and regulatory communities' evolving needs. Specifically, BEA proposes to bring online new measures of GDP-by-Industry on a quarterly basis (currently only available on an annual basis) as well as new detail and breakouts of the business sector, with an emphasis on small businesses. These new data series will provide far greater tools than currently exist for analysts, policy-makers, and regulators to monitor the economy, identify risks.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Everyday Economics – The American Household	0	\$0	15	\$3,870

Understanding how changes in the economy impact the household is limited by assessments currently available. To address this problem, BEA proposes publishing a new suite of measures of household income, expenses, debt, and savings. America's path to economic recovery will require a new mix of consumption and savings. Developing a key new indicator suite detailing household spending power, debt, and the composition of savings will provide a roadmap, a gauge of progress, and critical tools necessary to identify signs of weakness in the future.

Energy's Economic Impact	0	\$0	8	\$1,200
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The most pressing public policy issues of today call for new and expanded statistics that extend GDP beyond the long-established boundaries. This initiative proposes to extend the accounts to include energy usage in the U.S. economy. Increases in world commodity prices, including energy prices, dramatically affect U.S. living standards, production methods, and U.S. production overall. At present, the GDP accounts contain limited type-of-energy information within the GDP. More accurate, comprehensive, and integrated measures for the energy sector are critical – such data are essential for developing a comprehensive U.S. energy policy built on accurate forecasts of energy supply and consumption and for identifying infrastructure enhancements that will improve the domestic supply chain for energy goods and services. With this initiative, BEA will improve both the accuracy of its GDP statistics and its estimates of supply and consumption of energy. It will provide key statistics for analyzing this sector's contribution to U.S. economic growth, productivity, inflation, the trade balance, and income. The new account will introduce quarterly industry statistics that will improve the accuracy of BEA's measures of consumer spending on energy goods and services.

Performance Outcome and Measures

(Dollars reflect obligations in Millions)

ESA and BEA support the Department's strategic goal to "Maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers." BEA's mission is to "promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner." To monitor progress toward achieving this mission, BEA has developed six performance measures for FY 2010 to assess long-term performance and track efforts to accomplish specific budget initiative requests. The following table shows the measures that BEA uses to evaluate its performance. A more detailed description of this outcome and these measures is in the BEA section of the Department of Commerce budget.

	2009 Actual	2010 Enacted / Targets	2011 Estimate / Targets
Outcome: Provide timely, relevant and accurate economic statistics	\$98.7	\$106.0	\$121.6
Reliability of delivery of economic data (number of scheduled releases issued on time)	56 of 57	55 of 55	TBD ¹
Customer satisfaction with quality of products and services (mean rating on a 5 point scale)	4.2	Greater than 4.0	Greater than 4.0
Percent of GDP estimates correct	88%	Greater than 85%	Greater than 85%
Improvement of GDP and the economic accounts	Completed all major Strategic Plan milestones	Successful completion of Strategic Plan milestones	Successful completion of Strategic Plan milestones
Meeting U.S. international obligations	Completed all major Strategic Plan milestones	Successful completion of Strategic Plan milestones	Successful completion of Strategic Plan milestones
Measurement of the knowledge economy	Completed all major Strategic Plan milestones	Successful completion of Strategic Plan milestones	Successful completion of Strategic Plan milestones

Note: The total obligations may differ from those reported in the Congressional Justification exhibits due to the inclusion of the revolving fund in the amounts cited above.

1. FY 2011 targets will be added when the schedule is made available to OMB and published in the *Survey of Current Business* in the fall of the preceding year