Integrated Macroeconomic Accounts

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BEA and the Federal Reserve Board jointly developed IMAs to further harmonize the national income and product accounts (NIPAs) and flow of funds accounts (FFAs).

The System of National Accounts (SNA) was used as the organizing framework for the IMAs.
IMA Sectors

- IMAs relate production, income and saving, capital formation, financial transactions, and asset revaluations to changes in net worth between balance sheets for the following sectors:
  - Households and NPISHs
  - Nonfinancial noncorporate business
  - Nonfinancial corporate business
  - Financial business
  - Federal government
  - State and local governments
  - Rest of the world
Sequence of Accounts

1. Balance sheet position

Current Accounts

2. Production

Accumulation Accounts

3. Income and saving

4. Accumulation of fixed assets (capital account)

5. Net lending or net borrowing (financial account)

6. Other changes in volume

7. Holding gains and losses
Current Account

- Production
  - Gross value added (including components) by sector

- Income and saving
  - Income received by type
  - How income is used to finance consumption and saving
Accumulation Accounts – Capital Account

- Records transactions linked to net acquisition (and disposal) of nonfinancial assets

- Net lending/borrowing (NLNB) derived as:

  \[\text{Net saving minus capital transfers paid} \]
  
  \[\text{Less: net capital formation}\]
Accumulation Accounts – Financial Account

- Alternative net lending/borrowing derived as:

  *Net acquisition of financial assets*

  *Less: net incurrence of liabilities*

- Conceptually, NLNB from the financial account should match NLNB from the capital account
Net Lending/Borrowing

Net Lending (+) or Net Borrowing (-) in the Capital and Financial Accounts

Billions of dollars

Source: Flow of Funds Accounts of the United States, March 10, 2011
Accumulation Accounts

- The other changes in volume account (OCVA) reflects both capital and financial account transactions
  - Disaster losses
  - Adjustment for nonproduced nonfinancial assets
  - Statistical discrepancy recorded here

- The revaluation account reflects holding gains/losses for both financial and nonfinancial assets (presented separately)
IMA Balance Sheets

- Present opening and closing positions for both financial and nonfinancial assets

- Financial liabilities also included – and corresponding net worth
How do the IMA balance sheets differ from the NIPA balance sheet (NIPA Table 5.9)?

- IMA balance sheets are available by sector
- IMA balance sheets include land (selected sectors)
  - households and institutions
  - Nonfinancial noncorporate business
  - Nonfinancial corporate business
- IMA balance sheets are available quarterly
Current account and capital account statistics based on NIPA data

Financial account statistics based on FFA data

OCVA and revaluation accounts reflect both NIPA and FFA
Publication Schedule

- IMA’s updated quarterly about 75 days after the end of the quarter

- Current and capital account revisions limited to preceding quarter (except for the September release following a NIPA Annual Revision)

- Financial account revisions not limited (typically see revisions going back several years)
Importance of IMAs Following the Financial Crisis

- Improves identification of data gaps (e.g., see NLNB chart)

- Improves integration of existing “real” and financial data – but there is more we can do
  - More detailed financial sector data to identify misalignment of assets and liabilities
  - Ratios for things like value of housing to personal income and household net worth to personal income to quickly identify/analyze size and extent of “bubbles”
Households and NPISHs

Value of financial assets / Disposable income

Value of real estate / Disposable income
More Analytical Uses of the IMAs

- Analyze net worth of sectors and sources of change

- Compare trends in savings to net worth

- Analyze possible inconsistencies between NIPAs and FFAs
  - Compare net lending/net borrowing by sector

- Compare trends on balance sheet for real estate vs. structures
Households and NPISHs

Index numbers, 1960=1.00

Net worth

Net saving
Nonfinancial Corporate Business—Real Estate

[Billions of dollars]
Nonfinancial Corporate Business
[Closing Balance]
Recent Improvements

- Expanded IMAs to include quarters
  - Property income available on a “net basis” only

- Expanded NIPA presentation of saving, investment, capital account transactions, and net lending/net borrowing to show broad sector splits

- Newly available stock reconciliation tables

- Interactive web-based documentation
Looking Forward

- Research feasibility of producing more detail for financial business sector
  - Central bank
  - Deposit-taking corporations (excluding Central bank)
  - Insurance and pensions
  - Other financial institutions

- Carry quarterly estimates back in time