

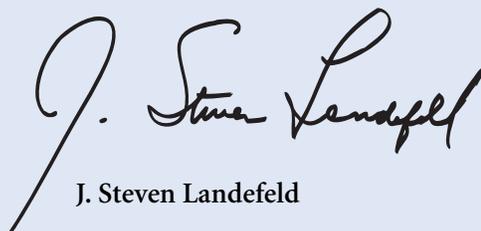
Director's Message

Health care spending ranks as one of the most significant economic issues of our time. To facilitate analysis and policy making, sound accounting for health care spending is of paramount importance. One important step toward this goal is reconciling various estimates of health care spending. In this issue, we present an article authored by economists at the Centers for Medicare and Medicaid Services (CMS) and the Bureau of Economic Analysis (BEA) that summarizes recent research aimed at reconciling health care spending estimates from both organizations. This effort builds on previous research and finds that the health care spending estimates from national health expenditures accounts from CMS and the national income and product accounts (NIPAs) from BEA are similar, differing less than 2 percent in most years back to 1960.

Also in this issue, we present the results of a recent effort to measure gross domestic product for American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands. The estimates were developed in partnership with the Department of the Interior's Office of Insular Affairs, which provided funding for this project. In the future, BEA hopes to integrate these estimates into the NIPAs.

Elsewhere in this issue, we present estimates of metropolitan area personal income for 2009. Personal income declined in 223 metropolitan areas, increased in 134 areas, and was unchanged in 9 areas. On average, metropolitan area personal income fell 1.8 percent in 2009 after rising 2.7 percent in 2008.

This month, we also provide a look at government receipts and expenditures for the second quarter of 2010 and detail the second estimates of GDP for the second quarter.



J. Steven Landefeld