

Director's Message

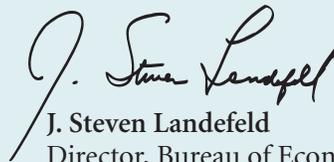
In July 2013, the Bureau of Economic Analysis (BEA) released its 14th comprehensive revision of the national income and product accounts (NIPAs). Comprehensive, or benchmark, revisions occur roughly every 5 years and incorporate significant improvements aimed at better reflecting a dynamic economy.

This year's comprehensive revision included changes to the way the NIPAs treat research and development; movies, books, television shows, and other artistic originals; pension contributions; and residential assets. This month, we're pleased to provide an article summarizing the main changes and their effect on key NIPA measures. In general, the picture of the economy shown in the revised estimates is similar in broad outline to the picture shown in the previous estimates.

Two other articles highlight recent innovations in our regional statistics. One discusses the release in June 2013 of prototype estimates of real, or inflation-adjusted personal income for states and metropolitan areas. The adjustments are based in part on regional price parities, which provide a measure of the differences in price levels across states and metropolitan areas, and in part on the national personal consumption expenditure (PCE) price index. A separate article looks at recent experimental estimates of current-dollar PCE by state.

In previous years, BEA has published an article that analyzes preliminary statistics on the operations of U.S. affiliates of foreign companies. Because of budget constraints, BEA will not publish an article containing in-depth analysis this year. Instead, a brief report is presented that provides a summary of these statistics. Full statistics are available on BEA's Web site.

In addition, the recent budget cuts have prompted BEA to scale back in other areas. BEA will also eliminate its RIMS II regional modeling product and some county and metropolitan personal income-related statistics.



J. Steven Landefeld

Director, Bureau of Economic Analysis