

Summary of Long-Term Macro Trends and Implications for BEA Data

Measurement Challenges

Identify the measurement challenges associated with “megatrends” and the actions that might be taken to address these challenges.

Growing Deficits and Debt

- Real-time updates to incorporate and explain the treatment and impact of changes in macro policies on BEA's GDP, income, government receipts and expenditures, regional, and other data.
- Updated and more timely BLS-BEA growth model estimates.
 - » Integrated with BLS work to better measure retail trade output and labor skills.

Avoiding Another Financial Crisis

- Better measures of risk including supplemental measures of the ultimate beneficial owner for foreign direct investment and “who owes what to who” data for portfolio investment.

Slow Growth in International Trade

- Supplemental global value chain estimates that provide a better perspective on the gains from trade (and losses from tariffs, quotas, and non-tariff restrictions).
- Continued work on measurement of international trade in services, the source of a significant share of U.S. global value added.

Slow Growth in GDP

Continued slow growth in GDP will highlight the need for updating the BLS-BEA growth accounting estimates, including:

- Alternative measures of labor, such as skills and tasks, that may better measure quality-adjusted labor inputs.
- More timely annual estimates.
- Updated investment and capital stock estimates that capital services inputs are based upon, especially intangible capital and other assets that embody new technologies.
- Continued focus on (low) net saving and investment and its impact on economic growth and standards of living through the BLS-BEA integrated growth accounts.

Heightened Geopolitical Tensions

Unlikely that statistics will materially affect these tensions, but it is possible that better data may help assess their impact, including:

- More and better data on global value chains (think Ukrainian wheat and Russian oil and their impact on U.S. and other countries' inflation).

Climate Change and Sustainability, Natural Capital, and Pollution

- Accelerate long-term work to develop new source data and methods using a mix of market and nonmarket data to develop proxies for market values for integrated environmental and natural resource accounts.
 - » As noted in the White House report on environmental accounts, progress in this field will be dependent on multidisciplinary and multiagency research and data collection agenda.

Demographic Trends in an Aging World

- Incorporate quality-adjusted prices for home health care, assisted living, and senior living rentals into the price indexes for owner-occupied housing prices.
- Extend BEA's existing output-based medical care prices that adjust for efficacy to cover the substitution of nonmarket substitution (home health care).

Urbanization and Changes in Use

- Updated price and output measures that address the structural impact of this infrastructure is likely to be different from today's.
 - » These differences include changes such as remote work, green architecture, sustainable building, energy efficiency/net-zero buildings, public transit and electric vehicles; aging and architectural modifications for in-home health care; as well as Zoom and other changes in technology that facilitate remote work.

Inequality

- Continue BEA's work on producing accurate, timely, relevant, and integrated national accounts data on the distribution of personal income and consumption and coordinating with the Fed on distribution of wealth.

Globalization and international trade

- Continued work on global value chain, ultimate beneficial ownership, and "who owes what to who" estimates; expanded international services estimates. To have better informed public policy and better informed public discourse on the impact of globalization and international trade.