Uses of BEA Statistics

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BEA statistics are widely used by Federal and State governments and the private sector for policy and business decisions. While it is impossible for any Federal agency to know all of the ways its products are used by policymakers and the public, the following list presents several of the most high-impact uses of BEA statistics. This list demonstrates the enormous value of timely, accurate, and objective economic data to the American people.

Principal Federal Economic Indicators

BEA publishes five statistical products designated by the Office of Management and Budget (OMB) as principal federal economic indicators, or PFEIs. These indicators, published across the Federal statistical system, are deemed by OMB to be "widely watched and heavily relied upon," and that they "have significant commercial value," "may affect the movement of commodity and financial markets," or "may be taken as a measure of the impact of government policies." These indicators are subject to more stringent security protocols and have strict requirements for timeliness and public notice. The following PFEIs are published by BEA:

- Gross Domestic Product, or GDP
- Personal Income and Outlays
- Corporate Profits
- U.S. International Trade in Goods and Services[1]
- U.S. International Transactions

In addition to these statistics that are widely recognized as key to both understanding and driving U.S. economic performance, BEA produces a wealth of other statistical products that are used by decisionmakers across the country and around the world. The following sections provide several specific examples organized by type of statistical product: national, regional, or international.

National Economic Statistics

- ***Dating the U.S. business cycle***. The National Bureau of Economic Research (NBER) uses several BEA statistics to assess turning points in the U.S. economy—those points at which the economy

[1] U.S. International Trade in Goods and Services is a joint product of BEA and the U.S. Census Bureau.

enters or exits a recession. The series evaluated include the following BEA statistics:

- Real GDP (quarterly)
- Real Gross Domestic Income, or GDI (quarterly)
- Average of Real GDP and GDI (quarterly)
- Real Personal Income excluding Current Transfer Receipts (monthly)
- Real Personal Consumption Expenditures, or PCE (monthly)
- Real Manufacturing and Trade Industries Sales (monthly)

- ***Informing monetary policy decisions***. The Federal Reserve Board uses the PCE price index to evaluate and monitor progress in achieving its dual mandate for maximum employment and price stability.

- ***Constructing other economic data***. GDP and related data series are essential inputs to other key macroeconomic data series, including:

  - The Federal Reserve Board's Financial Accounts of the United States
  - The Bureau of Labor Statistics' Productivity and Costs

- ***Monitoring economic progress and forecasting economic conditions.*** The Council of Economic Advisers uses BEA statistics to brief White House officials on U.S. economic conditions and features GDP and Personal Income data in the analysis and statistical tables included in the annual *Economic Report of the President*.

- ***Assessing fiscal and legislative policy proposals***. The Congressional Budget Office regularly publishes projections of budgetary and economic outcomes that includes estimated impacts on major economic variables including GDP and prices.

- ***Evaluating federal budget requests***. The Office of Management and Budget routinely includes GDP and related component series in evaluating and forecasting impacts of the President's annual budget requests to Congress.

- ***Understanding impacts of major economic legislation***. Detailed data and analysis spotlighting federal government supports for households, businesses, and state and local governments have been used to monitor the distribution and assess the effectiveness of major U.S. government stimulus programs, including:

  - The American Recovery and Reinvestment Act of 2009
  - Federal Responses to COVID-19 Pandemic

- ***Setting contract escalations***. The Gross National Product (GNP) implicit price deflator is used in

some contract escalations. The series is presented in the addenda of NIPA table 1.1.9, and FAQ 513 aids users looking for the specific data series.

- ***Assessing employment projections.*** The Bureau of Labor Statistics Employment Projections (EP) program publishes 10-year projections of national employment by industry and occupation, using data from the Industry Economic Accounts, along with other sources.

Regional Economic Statistics

- ***Setting Medicaid reimbursement rates.*** The Federal Medical Assistance Percentages (FMAP) program uses the ratio of 3-year moving average state per capita personal income to U.S. per capita personal income to derive Medicaid (and, for enhanced FMAP, for CHIP) reimbursement rates.

- ***Providing critical funding for schools, roads, and other municipal services.*** The Secure Rural Schools Program is a joint effort by the U.S. Forest Service and Bureau of Land Management program that uses per capita county personal income to derive payment amounts disbursed to about 700 counties which contain federal land in the United States.

- ***Determining disaster relief funding.*** The Federal Emergency Management Agency (FEMA) uses per capita personal income and GDP by state (as an alternative to total taxable resources of the state when not available) to determine federal disaster relief funding.

- ***Calculating the economic impact of disasters.*** FEMA uses state-level GDP data to calculate the economic impact per capita per day due to lost services (e.g., electricity, water, wastewater, etc.) following a disaster.

- ***Setting limits on State spending.*** Twenty State constitutions set limits on spending tied to state level personal income or one of its components.

In addition to the above examples, a comprehensive list of uses of BEA regional data is readily available on the BEA website.

International Economic Statistics

- ***Constructing other economic data.*** BEA's international statistics are essential inputs to other key macroeconomic data series, including:

  - BEA's National Income and Product Accounts (NIPAs), which incorporate BEA international data on exports and imports of goods and services, receipts and payments of income, and capital account transactions data.
  - The Federal Reserve Board's Financial Accounts of the United States

- ***Protecting national security***. The Committee on Foreign Investment in the United States (CFIUS) uses foreign direct investment statistics in its review of certain transactions involving foreign persons to the determine the effect of such transactions on the national security of the United States.

- ***Supporting trade and investment***. Statistics on foreign direct investment and trade in goods and services are a key input used by other agencies across the Federal government to support the role of the United States in the global economy. Examples include:

  - The Office of the U.S. Trade Representative, which uses statistics on trade in goods and services in trade negotiations with foreign partners.
  - SelectUSA, which uses foreign direct investment statistics to facilitate job-creating business investment into the United States and raise awareness of the critical role of economic development.
  - The National Travel and Tourism Office of the International Trade Administration, which uses travel and air passenger data to support U.S. travel industry policy and export promotion.
  - The U.S. Agency for International Development's (USAID) annual reporting on official foreign assistance.

- ***Fueling academic research***. BEA company-level data on foreign direct investment and trade in services are housed in the Federal Statistical Research Data Centers, where academic researchers can access the data for statistical research projects of mutual benefit to the researcher and the U.S. government.

- ***Understanding the U.S. position in the world economy***. BEA international statistics are inputs in a myriad of ways by international organizations to compare the economic performance of countries around the world. Examples include:

  - The United Nations World Investment Report
  - The International Monetary Fund (IMF) External Sector Report and World Economic Outlook
  - The Organization for Economic Cooperation and Development (OECD) statistics on Balance of Payments, International Investment Position, and Foreign Direct Investment

In addition to the above examples, a list of general uses of BEA international economic statistics is available on the BEA website.