Update: Improving BEA’s Regional Data

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Federal Economic Statistics Advisory Committee
June, 2014
- State and metropolitan area real personal income
- PCE by State
- Quarterly GDP by State
Real Personal Income

- **Release of official statistics for the first time** April 24, 2014

- **Coverage**
  - Annual statistics: 2008-2012
  - States and metropolitan areas

- **Based on regional price parities (RPPs)**
Real Personal Income

- RPPs
  - Compare to national average
  - Compare to other regions
  - Adjust regional statistics

- Real personal income
  - Compare changes across time
  - Use national PCE price index
State-level PCE Statistics

- Uses of geographic PCE statistics
  - Fiscal policy, regional macro and I-O analysis
  - Geographic marketing information
  - Consumption as a measure of economic well-being

- Existing approaches to PCE-by-state measures
  - Retail sales
  - State tax receipts
  - Household survey data
  - Scale national totals to population or income
State-level PCE Statistics

- **Comprehensiveness**
  - Nominal expenditures for 15 major PCE categories
  - Both goods and services
  - Prepared at more detailed level and aggregated to major categories

- **Consistency**
  - Annual time series 1997-2007, extrapolating to 2012
  - NIPA definitions and concepts
  - Retain key data sources for NIPA estimates; use national control totals
  - Consistent with other BEA regional statistics

- Adjust for out-of-state spending in receipts-based data; aligns state personal income and expenditures
State-level PCE Statistics

- **PCE includes**
  - Out-of-pocket household spending
  - Spending on behalf of households
  - **Imputations**
    - Owner-occupied housing
    - Financial services without explicit payment
  - Net expenditures of non-profit institutions serving households
State-level PCE Statistics

- Prototype PCE by State for 2007-2012: August 2014

- Survey of Current Business Article: September 2014

- Planned Official Release in 2015
Prototype release in August, 2014
  - Covers 2007-2013
  - Quarterly data

Other features
  - Industry detail (21 industries)
  - Consistent definitions across time
Quarterly GDP by State

- Earlier read on state of the economy
- Earlier identification of weakening industries
- More precise timing of upturns and downturns in state economic activity
- Survey of Current Business Article: September 2014
