

## Taking Account...

### Two New BEA Papers Explain the NIPAs

The Bureau of Economic Analysis (BEA) has released two papers about the national income and product accounts (NIPAs). The papers are aimed at audiences with different levels of understanding about the NIPAs.

*Measuring the Economy: A Primer on GDP and the National Income and Product Accounts*, which is aimed at new users, discusses the basic economic concepts that underlie the NIPAs.

The primer begins by describing a simple economy to illustrate the circular flow between production and the income generated by production. It then addresses several of the key points underlying the measurement of output—GDP—and income in the economy. Next, it describes the NIPA sectors for which economic activity is measured and uses a simple T-account to illustrate economic flows. With this foundation, the primer introduces the seven NIPA summary accounts and the important aggregate measures they contain. It then discusses the release schedule for the NIPA estimates and provides a brief description of source data and methods for the estimates, including the “real,” or inflation-adjusted, measures. For learning more about the NIPAs, a list of references is provided. Finally, a handy appendix

explains BEA’s presentation of the NIPA tables and illustrates how to use the interactive NIPA tables on BEA’s Web site.

*An Introduction to the National Income and Product Accounts (MP-1)*, which is aimed at more advanced users, provides a comprehensive explanation of the conceptual basis and framework of the NIPAs.

MP-1 begins with an overview of the NIPAs—what they measure, how they fit into the larger system of U.S. economic accounts, and what are the key concepts and conventions that underlie them. Next, MP-1 discusses the conceptual derivation of economic accounts from the financial-accounting statements familiar to business accountants. Based on the economic accounts for an individual enterprise, MP-1 shows how the accounts of individual units are aggregated to derive generalized production, income and outlay, and capital accounts for the business, household, and government sectors of the economy. It also notes the modifications that are made to ensure consistency with NIPA concepts. The last section discusses the derivation of the seven NIPA summary accounts from the economic accounts for each sector of the economy.

This paper replaces a previous methodology paper published in March 1985.

Both papers are available at [www.bea.gov/national/index.htm](http://www.bea.gov/national/index.htm).

### Nominations for 2008 Julius Shiskin Award

The annual Julius Shiskin Memorial Award for Economic Statistics recognizes original and important contributions in the development of economic statistics or in the use of statistics in interpreting the economy.

Nominations for the 2008 award are now being accepted. Individuals or groups in the public or private sector from any country can be nominated. The award will be presented with a \$750 honorarium.

Contributions are recognized for statistical research, development of statistical tools, application of information technology, use of statistical programs, management of statistical programs, or developing public understanding of measurement issues. The award is cosponsored by the Washington Statistical Society, the National Association for Business Economics, and the Business and Economics Statistics Section of the American Statistical Association.

Please contact Steven Paben at [paben.steven@bls.gov](mailto:paben.steven@bls.gov) for more information. Nomination forms can be accessed at [www.amstat.org/sections/bus\\_econ/shiskin.html](http://www.amstat.org/sections/bus_econ/shiskin.html).