

Taking Account...

Comprehensive revision information now available

In late July, the Bureau of Economic Analysis (BEA) will release the results of the 2009 comprehensive, or benchmark, revision of the national income and product accounts (NIPAs). The revision will incorporate the results of the 2002 benchmark input-output accounts as well as changes in definitions, classifications, statistical methods, source data, and presentation. To help users prepare, BEA has made a variety of information available on its Web site at www.bea.gov/national/an1.htm.

- A preview of the upcoming tables for personal consumption expenditures (PCE). The 2009 benchmark revision will feature a new classification system for PCE that will define new categories of expenditures by function and type of product. This will require changes to the NIPA tables.
- Various articles published in the SURVEY OF CURRENT BUSINESS. This issue includes an article about changes in definition and presentation. An article in May 2008 previewed the upcoming revision's new PCE classifications.
- Background FAQs. The frequently asked questions are part of BEA's agency-wide FAQ features. These FAQs are included in the "National" category under the subcategory "NIPA Comprehensive Revision."

More information will be made available as the release date approaches.

Improvements to SURVEY OF CURRENT BUSINESS online

BEA has launched an improved version of its SURVEY OF CURRENT BUSINESS Web site, the definitive information source about BEA statistics and programs. The online SURVEY can be accessed at www.bea.gov/scb/index.htm.

The redesigned site offers easier access to the vast breadth of interactive data that BEA also makes available across all program areas—national, international, regional, and industry. The site also offers improved search features. For example, users can now choose to search only the SURVEY or the entire BEA Web site.

More improvements are being planned, and as always, customer feedback is welcome. Please address comments to James Kim, Editor-in-Chief, at customerservice@bea.gov.

A new look at prepackaged software prices

Compared with information technology products such as computers and semiconductors, software has attracted relatively little economic research. A new working paper from BEA economist Adam Copeland aims to help fill this gap by constructing a new kind of price index for prepackaged software, a growing segment of software investment in the United States.

In his paper "Seasonality and Prepackaged Software Price Indexes," Copeland constructs a seasonally adjusted price index for prepackaged software using detailed and comprehensive scanner data from the NPD Group.

Copeland's approach to constructing the software component of the cost-of-living price index explicitly accounts for consumer heterogeneity. In fact, Copeland documents a large sales surge over winter holidays and finds that this seasonal effect is driven by such consumer heterogeneity.

Using his index and detailed product-level data, he finds that from 1997 to 2003, constant-quality software prices fell at an average annual rate of 16.8 percent.

To demonstrate the importance of properly accounting for consumer heterogeneity, the new index was compared with a Mudgett-Stone price index, a representative-consumer approach to accounting for seasonality. The comparison showed substantial differences in the estimates of constant-quality annual price declines.

Constructing a price index that properly accounts for the seasonality in software purchases is important for accurately measuring real personal consumption expenditures on prepackaged software.

The paper is available on the BEA Web site at www.bea.gov/papers/working_papers.htm.