Priorities for Economic Statistics from the National Perspective
United States

The Challenge

Keeping official statistics relevant, timely, and accurate given the changing global economy and the rapidly evolving needs of customers.

Gathering Feedback and Setting Priorities

It has become increasingly important to gather feedback from constituencies and stakeholders—both longstanding and new users—to set priorities and build coalitions to tackle the challenges we must confront. Gathering feedback comes through many channels and mechanisms, including: Policy makers and appropriators (at the Federal and local level); Federal advisory committees; Industry associations; Academic communities and forums; Public feedback channels; Expert panel studies; and international standards and guidelines.

High Priority Initiatives

1. Digital Economy

To advance a better understanding of the implications of digital disruption throughout the economy and its impact on markets, producers, and consumers. To do so, the United States is developing a multi-dimensional framework to explore issues such as quality-adjusted prices (e.g., smartphones, cloud computing), new digital platforms and business models (e.g., ride-hailing apps, advertising-supported digital media), and global ICT and IPP flows. The challenge lies in defining the digital economy and identifying transactions that are hidden in the core accounts, which has required a paradigm shift toward developing new public-private partnerships for access to nontraditional sources.

2. Health Care

To provide new perspectives for an ongoing policy debate. Health care is a growing share of GDP. While consumers spend on medical care to address different diseases, the statistical system doesn't track disease spending but rather traditional classifications of health care spending like that at physicians' offices or at hospitals. Thus, there is very strong policy interest and increasing public demand for information on this dynamic sector. The challenge is that limited information exists from traditional survey-based data sources and the existing framework is insufficient for examining health care costs. Consequently, there is a paradigm shift toward "blending" nontraditional and traditional data sources and building better collaboration with the scientific community.

3. Going Beyond GDP

What do topline numbers like GDP and Personal Income mean for the economic well-being of individuals at different income levels? Top priority—heightened attention from U.S. government officials echoes demands from academic and policy communities—is to develop measures on the distribution of income, consumption, and wealth. Major challenges include determining the concept of income (money

income vs. national accounts' concept of personal income), accessing source data with distributional breakouts, and communicating estimates to the public given the politically sensitive nature of the topic. Going beyond GDP requires enhanced information-sharing across different federal government agencies in ways that abide by legal constraints, including confidentiality requirements, and allows for traditional datasets and alternative data to be leveraged in new ways.

4. Greater Geographical Detail

The key to evidence-based policy making often requires more granular data than that which is available at the national level. The United States statistical agencies have held a long-standing commitment to provide finer levels of geographical detail—at the state, local, and county levels, and across industries and spending categories. This is because state and municipal decisions-makers need data tailored specifically to their localities. The major challenges include the lack of geographic detail in traditional data sources to break out economic activity for evidenced-based policy making and the need to harmonize estimation techniques for top-down and bottom-up methods such that insights can be gleaned from leveraging the best of both approaches. The need for greater geographical detail requires a paradigm shift to emphasize consistency between national and local area estimates and input from regional-level stakeholders, including access to new public and private data sources.

5. Increasing Accuracy and Timeliness

The trade-off: to make informed decisions, government officials and other policy makers need accurate data that are not subject to large revisions, yet customers are demanding this information in a more-timely manner. Earlier access to data sources from other Federal statistical agencies and filling data gaps in early estimates is of utmost importance. To appropriately balance this tradeoff requires a paradigm shift toward the use of cutting-edge tools (e.g., data science techniques like machine learning and artificial intelligence) and an employee base with the right skill sets to apply these tools.

Key Takeaways

Statistical agencies must change the way we do business to fulfill user demands for more relevant, accurate, and timely information. To succeed in this change requires paradigm shifts to develop new forms of collaboration (e.g. public-private partnerships to access non-traditional data, partnerships with outside experts to develop new data products); new estimation approaches (e.g. blending non-traditional and traditional data sources, using cutting-edge data techniques such as machine learning); enhanced outreach and public feedback mechanisms for developing new products and gaining access to new data sources; and recruitment of multi-disciplinary staff with a mix of skill sets.