

Taking Account...

BEA publishes additional NIPA handbook chapters

The Bureau of Economic Analysis (BEA) has made available two more chapters in its national income and product accounts (NIPA) handbook, which is being released in stages on the BEA Web site.

The NIPAs are a critical component of the broad U.S. national economic accounts, displaying the value and composition of national output and the distribution of incomes generated in its production. The NIPA handbook describes the fundamental concepts, definitions, classifications, and accounting framework that underlie the accounts and the source data and methodologies used to calculate the estimates.

The two newly available chapters focus on compensation of employees (chapter 10) and corporate profits (chapter 13). Additional chapters on proprietors' income (chapter 11) and rental income of persons (chapter 12) are currently under development. Their release schedule will be determined following the publication of the results of the 2013 comprehensive revision of the NIPAs in July.

This *Taking Account* will discuss compensation of employees. A subsequent *Taking Account* will focus on corporate profits.

Chapter 10 discusses the definitions and concepts regarding BEA's approach to compensation, the way compensation is

recorded in the NIPAs, and an overview of the specific source data and estimation methodologies.

Compensation measures the total income—both wages and salaries and supplements to wages and salaries—earned by employees in return for contributing to production during an accounting period. It is the largest component of gross domestic income, of national income, and of personal income in the NIPAs.

Compensation estimates are an integral part of the NIPAs, a set of accounts that provides a logical and consistent framework for presenting statistics on U.S. economic activity (see “Chapter 2: Fundamental Concepts”).

BEA's measures of compensation provide comprehensive and consistent economic measures of the income earned by all U.S. workers.

In contrast to other available measures of compensation, the NIPA measures include not just wages and salaries but also non-cash benefits, such as employer contributions to pension funds, to health insurance, and to social insurance programs. Thus, the NIPA measures of compensation are particularly useful in analyses of labor's share in the functional distribution of income.

Additionally, unit labor costs—the ratio of compensation to real output—is an important indicator of potential inflation. Moreover, analyses of

the components and supporting detail underlying the compensation measures are useful for considering the differences between the individual experiences of households and the picture of the economy captured in broader aggregates such as gross domestic product and personal income.

In addition, wages and salaries—the largest component of compensation—is critical for projecting federal budgets and social security trust fund balances.

The NIPA handbook in its entirety can be accessed at www.bea.gov/methodologies/index.htm#national_meth.

BEA, Census Bureau to release trade data earlier

Starting in early March, monthly trade statistics from BEA and the Census Bureau will be available to users approximately 1 week earlier than in 2012. The first accelerated report on U.S. international trade in goods and services will cover January and will be released on March 7. These more timely statistics will help business leaders and government officials in their analysis and decisionmaking.

For a listing of U.S. monthly trade release dates for 2013, visit bea.gov/international/pdf/accelerated_trade.pdf.

For more information about international statistics in general from BEA, please visit www.bea.gov/international/index.htm.