



SOCIETY OF ACTUARIES

Article from:

The Actuary

December 1988 – Volume 22, No. 11

Bureau cont'd

increasing role of (1) high technology, (2) services, and (3) imports. If these changes are not addressed more fully and rapidly, the portrayal of the economy by BEA, and by the statistical system in general, will become less useful. Addressing the changes will require, in some instances, new classifications or new concepts and, in others, the collection of additional information in statistical surveys.

Looking ahead, the nation's economic accounts will need to be modified and extended in order to provide information necessary for analysis of emerging societal developments. For example, the accounts now do not provide a comprehensive and consistent accounting for costs of health care or retirement benefits. Neither, in the judgment of some, do they provide an adequate accounting for natural resource use or for environmental costs.

2. Over the years, BEA has not kept up-to-date statements documenting the methodologies used to derive the estimates in the economic accounts. We are remedying this situation. An up-to-date methodological statement for state personal income estimates in the regional accounts was published in 1984. A statement for the NIPAs is in progress; chapters are published serially as completed. To date, five chapters are available. They cover the conceptual basis of the economic accounting; an overview of estimating methods and source data for GNP; and the details for corporate profits, foreign transactions, and government transactions. The entire series is scheduled to be completed in 1990. A statement for the balance of payments accounts will be available early next year. Thus, it's easier for users to develop a thorough understanding of the basis of BEA's work, allowing them to use the accounts more fully and intelligently. (The *Users Guide* contains information on ordering the statements.)

3. BEA makes a substantial effort to provide its outputs to users promptly and efficiently as technology changes. In recent years, many outputs have been placed on diskettes and on the electronic bulletin board operated by Economic Affairs in Commerce. BEA asks users about their needs for particular outputs and the availability to them of various technologies.

Answers to 'IQ' test

1) In 1987, direct investment of U.S. corporations in foreign countries was larger, amounting to \$308.8 billion. \$46.9 billion more than direct investment of foreign corporations in the United States. Such a differential will continue to be the case at the end of 1988. Unlike the direct investment position, the total investment position, which includes both portfolio and direct investment, is negative; that is, foreign investment in the United States is larger.

2) Federal tax receipts were about the same percent of GNP in 1980 and 1987 (20.3% in 1980 and 20.2% in 1987) because Social Security and other payroll taxes increased as income taxes declined.

3) Population and personal income growth rates on average were higher in nonmetropolitan areas than in metropolitan areas during the 1970s. This pattern was reversed in the 1980s when metropolitan areas resumed faster growth rates than nonmetropolitan areas, more like the pattern of the post-World War II decades before 1970.

References

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- "Report of the Statistics Committee of the National Association of Business Economists." (Forthcoming in *Business Economics*, February 1989.)

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Minority Recruiting

by Linda M. Kahn

The Subcommittee on Minority Recruiting, which actively encourages qualified minority students to enter the actuarial profession, has just released its new brochure for use in minority recruiting. This brochure is clear evidence of the contributions that minority members are making to our profession.

In addition to providing scholarships to minority students, we have given support to the summer actuarial program at Howard University in Washington, D.C., for a number of years and to the summer actuarial program that started this last summer at Florida A&M University in Tallahassee, Florida. These intensive summer programs acquaint qualified minority high school students with the actuarial profession, the skills they will need to acquire, and the types of work that an actuary may do. CIGNA and the Equitable Life Assurance Society also sponsor a number of the scholarships, and their representatives take an active part in supporting the summer programs as well.

With the rapidly escalating costs of higher education, your support is urgently needed. We will be mailing a letter soliciting your support in the near future. We hope you will give generously, both of your time and your money. Such a gift will be an investment in our young people and in the future of our profession. If you would like more information about our activities or would like to volunteer your time or services, please call me at (415) 576-3248 or any of our committee members.

Linda M. Kahn, chairperson of the Subcommittee on Minority Recruiting, is Director of Program Management, Pacific Maritime Association.