

Title: *Productivity Measurement in a Decentralized Statistical System: Challenges and Opportunities*

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Although the U.S. statistical system is not centralized, the major statistical agencies--the Bureau of Labor Statistics (BLS), the Bureau of Economic Analysis (BEA), and the Census Bureau--work together as partners to provide a complete picture of economic activity. These three agencies provide nearly all of the data used by BLS to prepare the official U.S. estimates of productivity growth. A major ongoing challenge for a decentralized statistical system is avoiding duplication of effort and data series while meeting the needs of its major customers and fulfilling important agency mandates. A more recent challenge for the U.S. statistical system is the need for a coordinated conversion of historical industry series used for productivity measurement to the North American Industry Classification System (NAICS).

This paper describes a recent collaborative effort by BEA and BLS aimed at creating "production accounts" for the business sector and for the entire economy that include industry data on a NAICS basis. It includes improving the accuracy and usefulness of both the BEA and BLS data by taking advantage of the strengths of both data sets to increase their consistency and integration. So far, this effort has focused on better integrating the BEA national economic accounts, input-output accounts, industry output measures, and the BLS productivity statistics. While the need to convert industry data series to NAICS is an extra challenge, it provides opportunities to incorporate information that reconciles and better integrates the data, providing an improved basis for constructing a production account.

This paper updates previous empirical work that presented illustrative aggregate production accounts, showing how existing BEA and BLS accounts could be better harmonized and providing a crosswalk to facilitate comprehensive, integrated analysis of growth and productivity. The paper also updates comparisons of BEA and BLS industry output measures on a NAICS basis, and describes improvements that have been made to further reduce differences. We also discuss recent inter-agency efforts to prepare historical industry production accounts on a NAICS basis.

Finally, we describe other inter-agency efforts of interest, including the development of historical value added labor productivity estimates on a NAICS basis for use in describing industry contributions to important productivity changes; issues associated with computing industry contributions to growth and productivity when the industry estimates are prepared independently of aggregate measures such as GDP and nonfarm business; how BEA estimates are used for international labor productivity comparisons; and recent efforts by BEA and BLS to provide its industry output and productivity estimates on a timelier basis.