

Expanding the Integrated Macroeconomic Accounts' Financial Sectors

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Paper Abstract: After the financial crisis that began in 2008, the G-20 Data Gaps Initiative recommended more complete, detailed economic statistics on the financial sector. In this paper, we use the framework of the Integrated Macroeconomic Accounts (IMAs) to present estimates on production, income, and saving for five financial subsectors: depository institutions, the Federal Reserve banks, pension funds, insurance companies, and other remaining financial institutions. For the depository institutions, the estimates utilize unpublished NIPA estimates as well as regulatory reports to distinguish depository subsidiaries from holding companies. We treat the Federal Reserve banks as a non-market producer and employ the accrual basis treatment of defined-benefit pension plans.

We find trends in gross value added vary considerably across different financial subsectors. Put another way, different subsectors make distinct contributions to changes in GDI over the course of business cycle. During the last financial crisis of 2008, for example; the other financial sector, which includes brokerage and security firms, has experienced a steep decline in value added and net operating surplus in the early part of the crisis (2007-08) while depository institutions have witnessed a decline later (2008-09). With this exercise, we demonstrate the value of a more disaggregated presentation of the financial sector. In addition, our results point to the areas of further research and discussion such as how to account for statistical discrepancies in the depository institution sector.