

# **A NEW ARCHITECTURE FOR THE U.S. NATIONAL ACCOUNTS**

by

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# A New Architecture for the U.S. National Accounts

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# WHY A NEW ARCHITECTURE?

U.S. Economic Policy Is Shifting from Stabilization to Enhancing the Economy's Growth Potential

The U.S. Economy Is Confronted with New Challenges from Globalization and Rapid Changes in Technology

The Objective is to Make the U.S. National Income and Product Accounts Consistent with Industry, Productivity, and Flow of Funds Accounts

This Will Require Collaboration Among the Bureau of Economic Analysis, The Bureau of Labor Statistics, and the Federal Reserve Board

# New Architecture for an Expanded and Integrated Set of National Accounts for the United States

## 1. PRODUCTION

Gross Domestic Product Equals

Gross Domestic Factor Outlay

## 2. DOMESTIC RECEIPTS AND EXPENDITURES

Domestic Receipts Equal

Domestic Expenditure

## 3. FOREIGN TRANSACTION CURRENT ACCOUNT

Receipts from Rest of World Equal

Payments to Rest of World and

Balance on Current Account

## 4. DOMESTIC CAPITAL ACCOUNT

Gross Domestic Capital Formation Equals

Gross Domestic Savings

## 5. FOREIGN TRANSACTION CAPITAL ACCOUNT

Balance on Current Account Equals

Payments to Rest of the World and

Net Lending or Borrowing

## 6. DOMESTIC BALANCE SHEET

Domestic Wealth Equals

Domestic Tangible Assets and

U.S. Net International Position

## 7. U.S. INTERNATIONAL POSITION

U.S.-Owned Assets Abroad Equal

Foreign-Owned Assets in U.S. and

U.S. Net International Position

# 1. THE PRODUCTION ACCOUNT

Output, Input, and Productivity

## OUTPUT SHARES

Investment and Consumption Outputs

## CONTRIBUTIONS TO OUTPUT

Investment versus Consumption

## INPUT SHARES

Capital and Labor Inputs

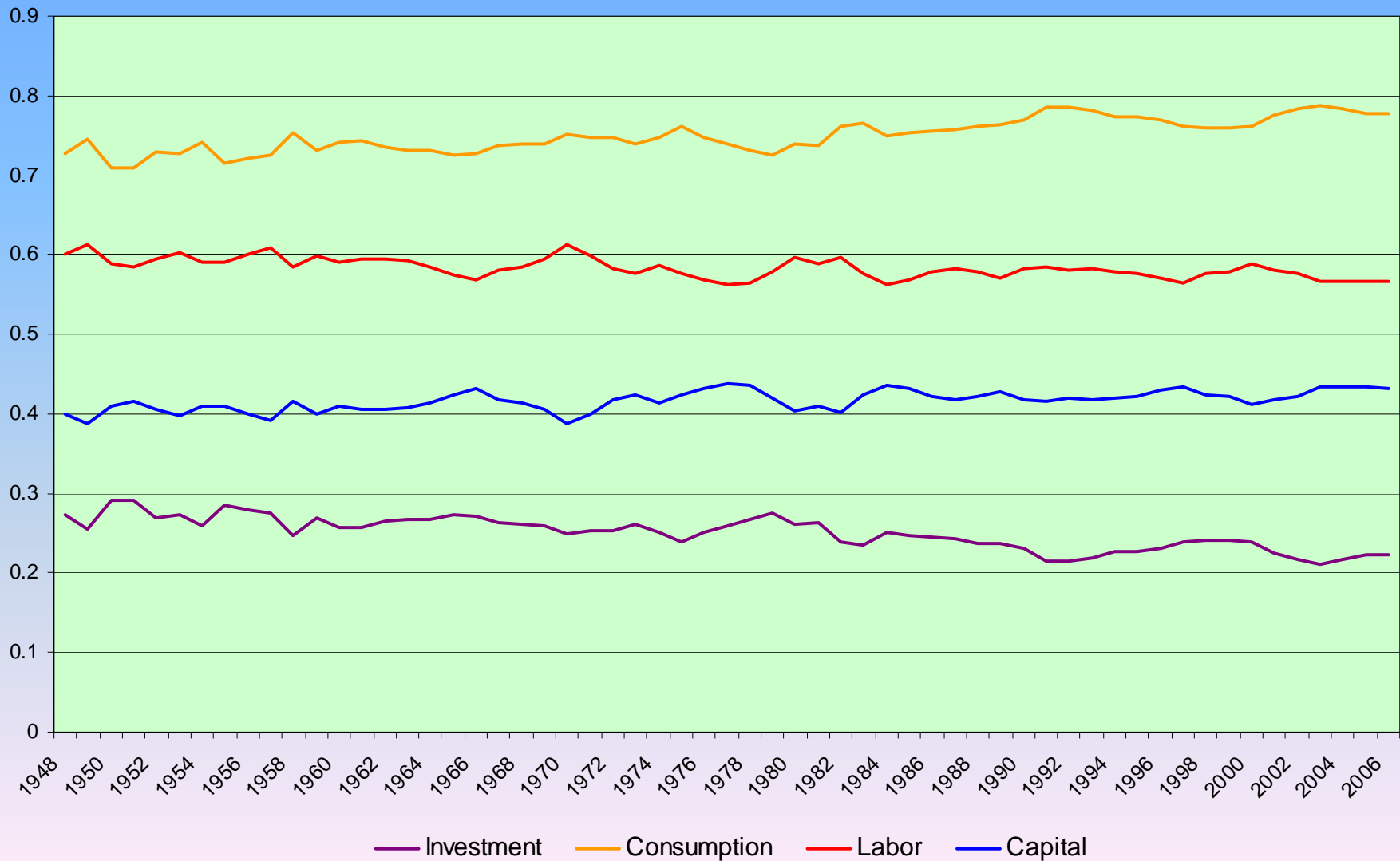
## CONTRIBUTIONS TO GROWTH

Capital, Labor, and Productivity

# 1. THE PRODUCTION ACCOUNT

Output, Input, and Productivity

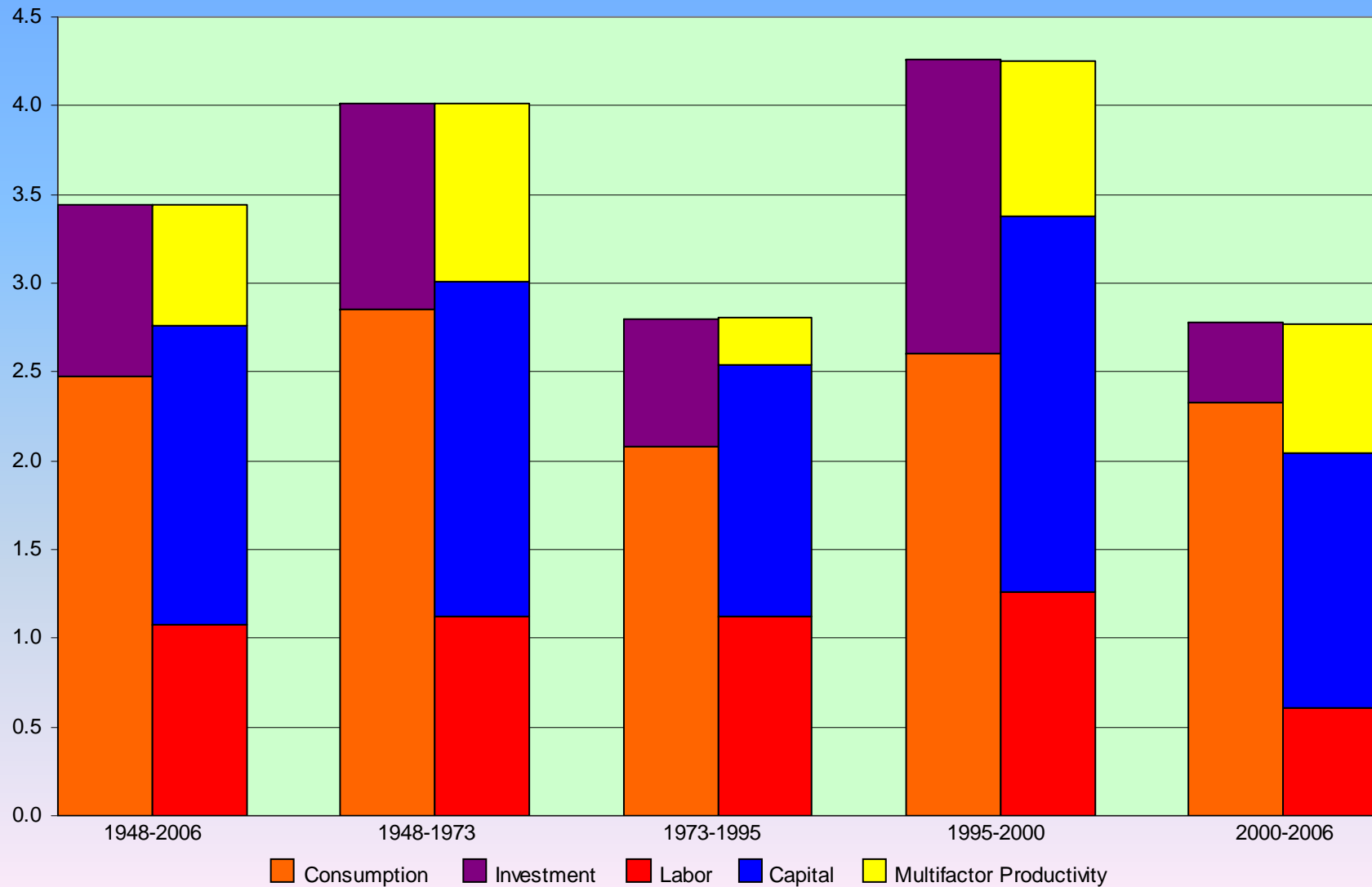
## Output and Input Shares



# 1. THE PRODUCTION ACCOUNT

Output, Input, and Productivity

## Contributions to Output and Economic Growth



## 2. DOMESTIC RECEIPTS AND EXPENDITURES

### Income, Consumption, and Saving

#### INCOME SHARES

Property and Labor Incomes

#### CONTRIBUTIONS TO INCOME

Property versus Labor

#### EXPENDITURE SHARES

Personal Consumption, Government Consumption,  
and Saving

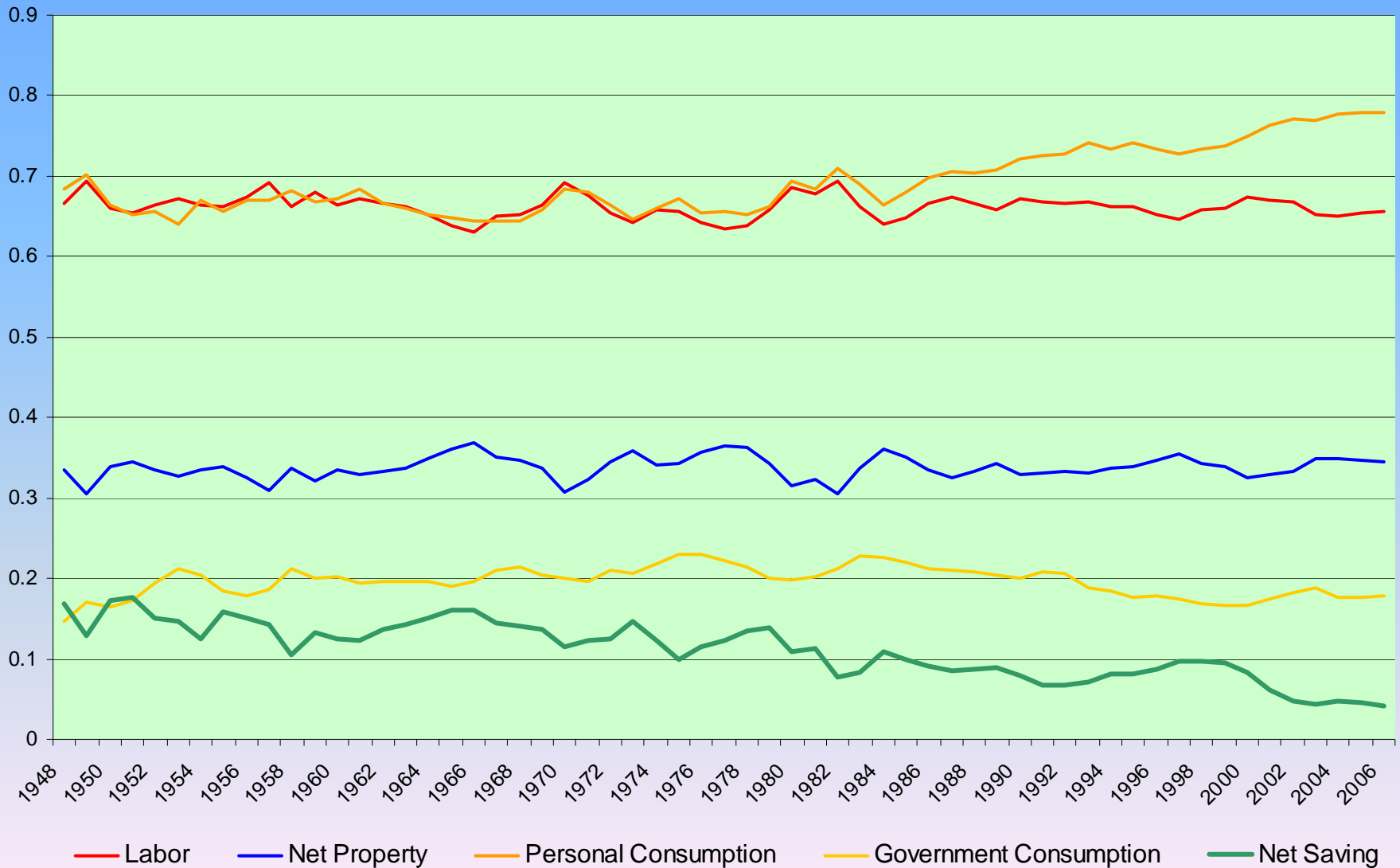
#### CONTRIBUTIONS TO EXPENDITURES

Consumption versus Saving



## 2. DOMESTIC RECEIPTS AND EXPENDITURES

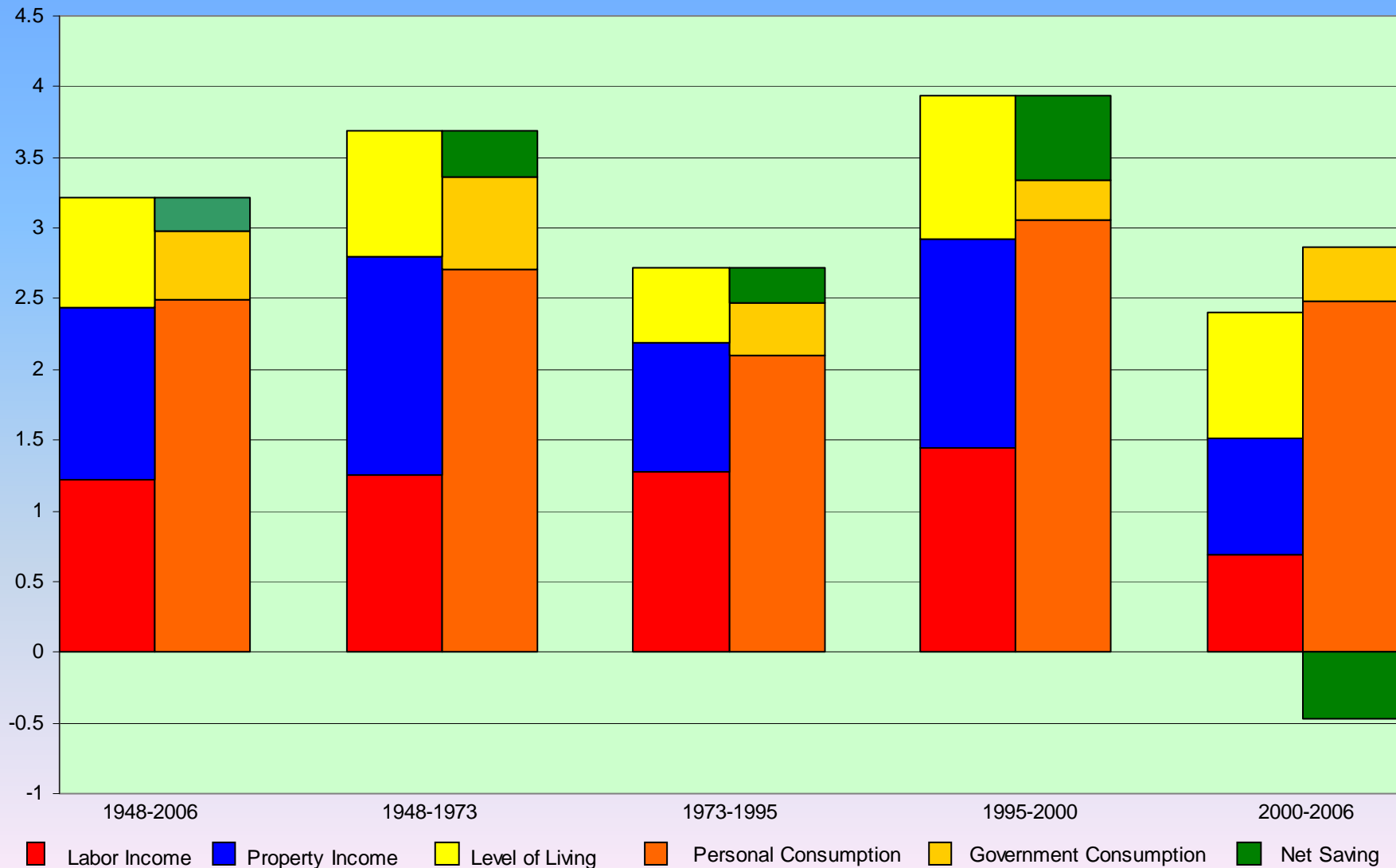
### Income, Consumption, and Saving Income and Expenditure Shares



## 2. DOMESTIC RECEIPTS AND EXPENDITURES

### Income, Consumption, and Saving

#### Contributions to Net Expenditure and Income



## 4. CAPITAL FORMATION ACCOUNT

### Investment and Saving

#### CAPITAL FORMATION SHARES

Private, Government, and Rest of the World Investment

#### CONTRIBUTIONS TO CAPITAL FORMATION

Private versus Government and Rest of the World

#### SAVING SHARES

Gross Saving and Depreciation

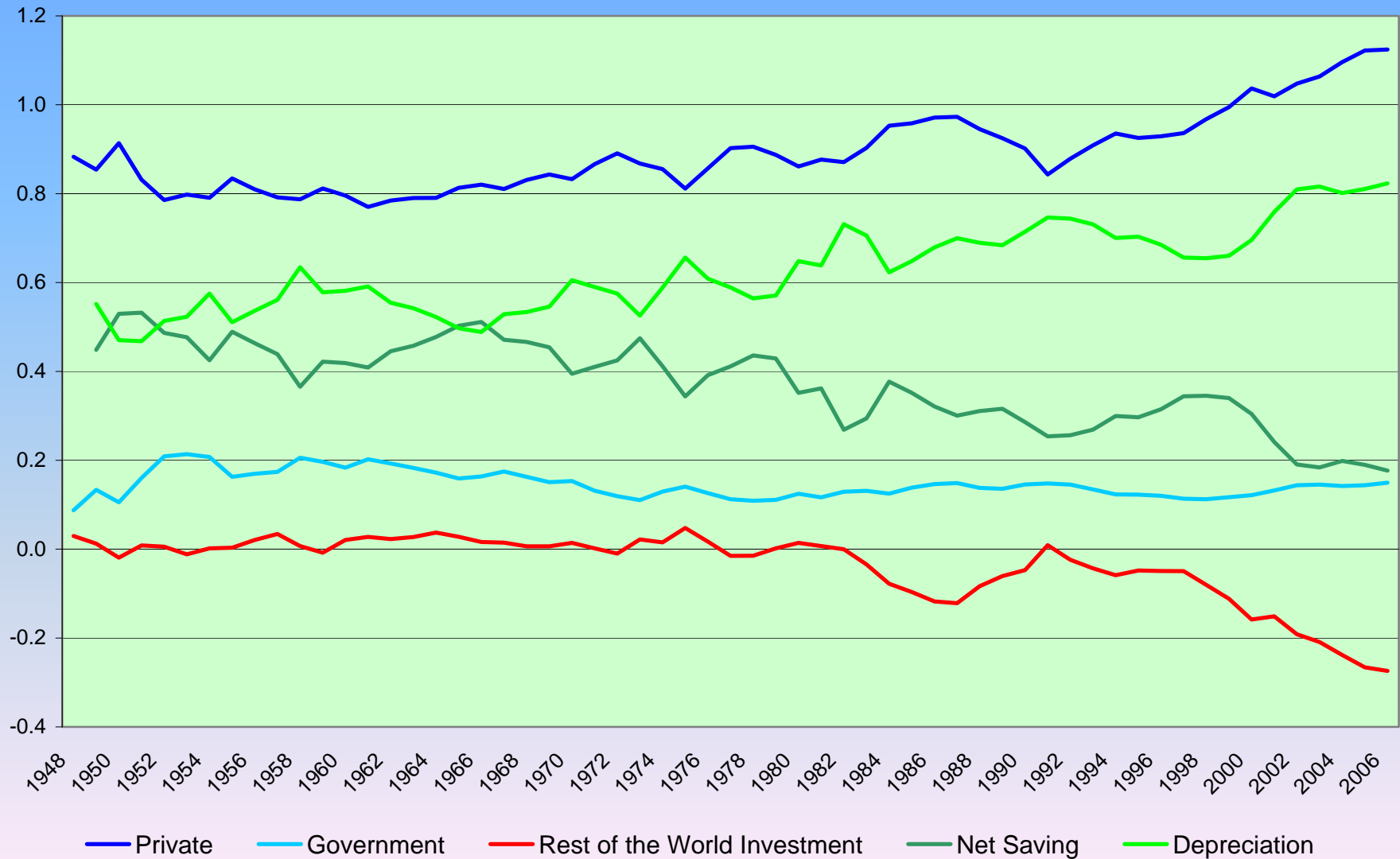
#### CONTRIBUTIONS TO SAVING

Saving versus Depreciation

# 4. CAPITAL FORMATION ACCOUNT

## Investment and Saving

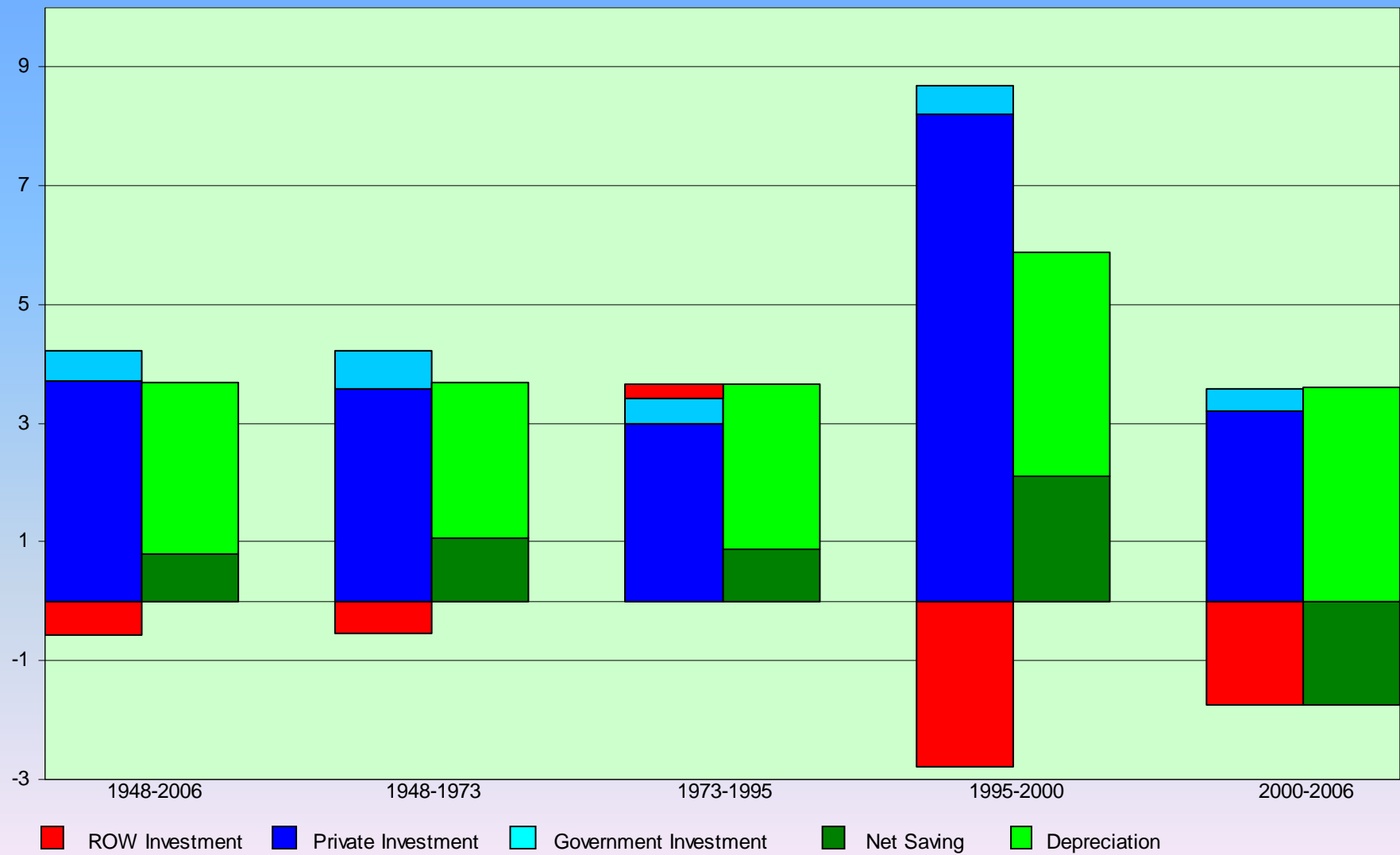
### Investment and Saving Shares



# 4. CAPITAL FORMATION ACCOUNT

## Investment and Saving

### Contributions to Investment and Saving



**6. DOMESTIC BALANCE SHEET**  
**Change in Wealth, Tangible Assets, and the U.S.**  
**International Investment Position**

**SHARE OF CHANGE IN WEALTH**  
**Net Saving and Revaluation**

**CONTRIBUTIONS TO CHANGE IN WEALTH**  
**Saving versus Revaluation**

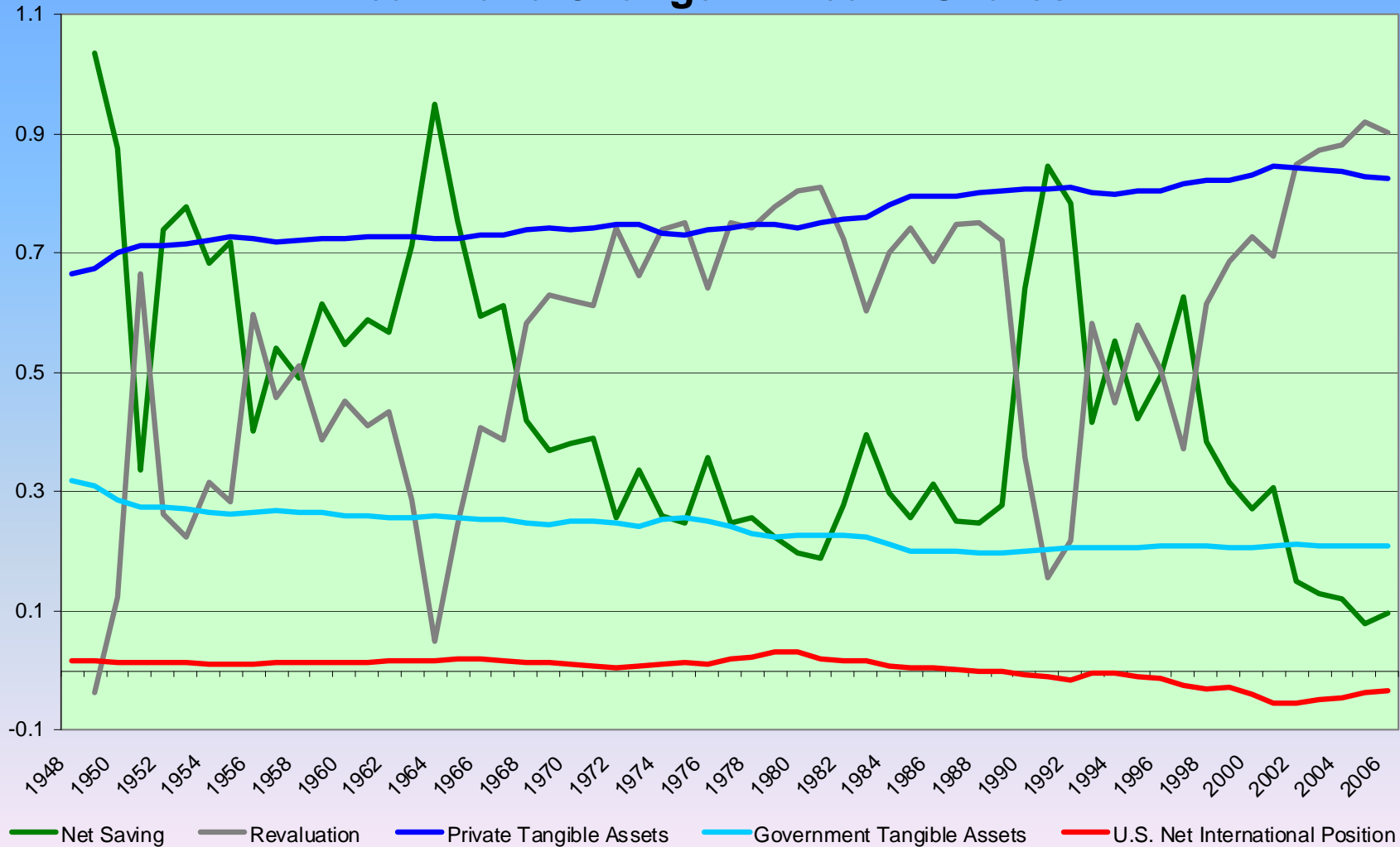
**WEALTH SHARES**  
**Private and Government Tangible Assets and U.S. Net**  
**International Position**

**CONTRIBUTIONS TO WEALTH**  
**Tangible Assets versus International Position**

## 6. DOMESTIC BALANCE SHEET

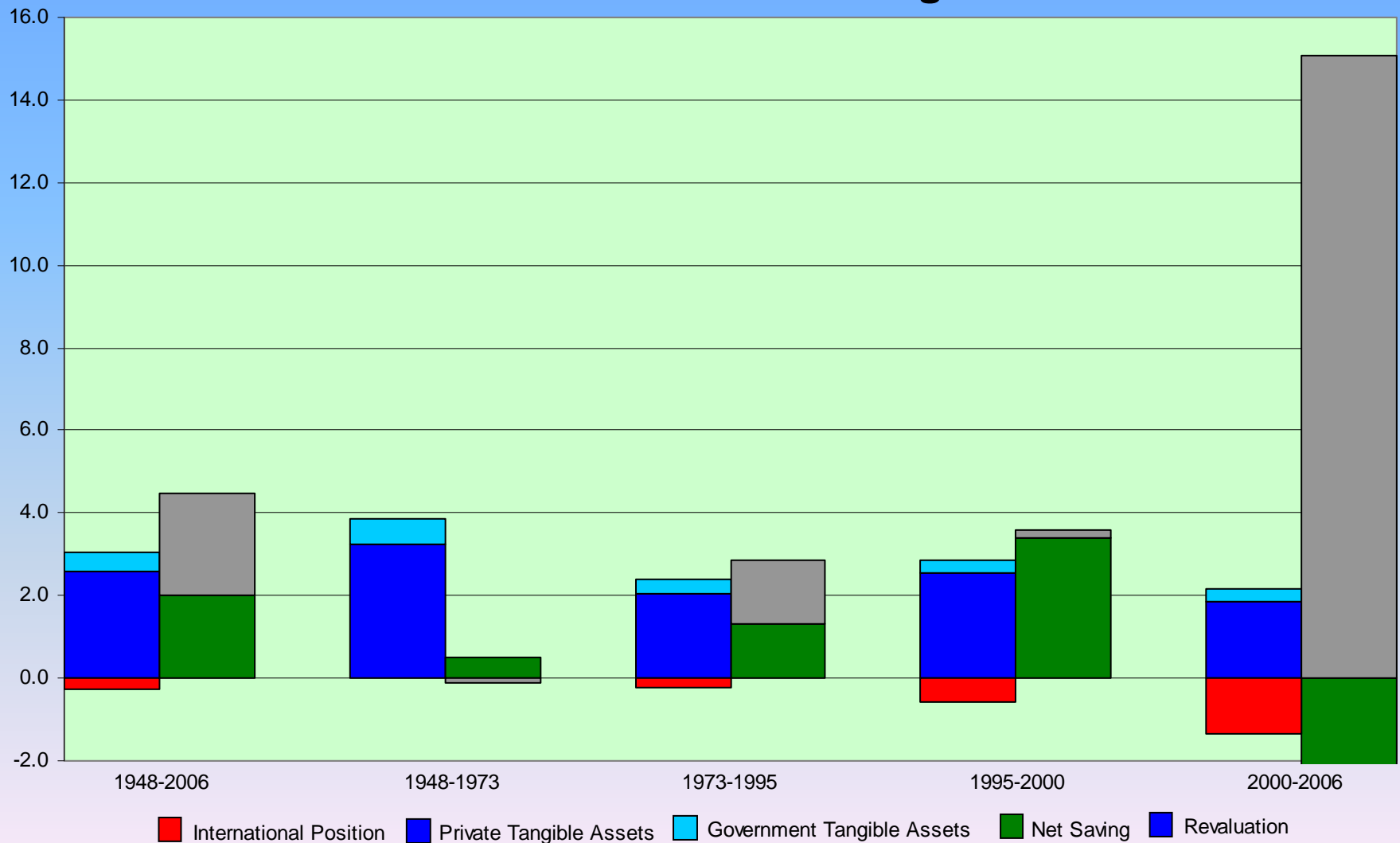
### Change in Wealth, Tangible Assets, and the U.S. International Position

#### Wealth and Change in Wealth Shares



## 6. DOMESTIC BALANCE SHEET

### Wealth, Tangible Assets, and the U.S. International Investment Position Contributions to Wealth and Change in Wealth





# **A NEW ARCHITECTURE FOR THE U.S. NATIONAL ACCOUNTS**

## **THE PRODUCTION ACCOUNT**

**Investment, not Productivity, Is the Most Important Source of Growth**

## **THE SAVINGS AND EXPENDITURES ACCOUNT**

**Economic Welfare Is Measured by Expenditures and Net Saving in Constant  
Prices**

## **CAPITAL FORMATION AND WEALTH ACCOUNTS**

**Net Saving Is Declining; Change in Wealth Is Due to Revaluation**

## **NEW OPPORTUNITIES FOR DEVELOPMENT OF THE U.S. STATISTICAL SYSTEM**

**Non-Market Accounts for Education, Health, and Time Use**

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# Productivity

V O L U M E 3

*Information Technology  
and the American Growth  
Resurgence*

Dale W. Jorgenson, Mun S. Ho,  
and Kevin J. Stiroh