

BUREAU OF ECONOMIC ANALYSIS

The Bureau of Economic Analysis (BEA) is the principal federal statistical agency providing data about the nation's economy. Part of the Department of Commerce, the BEA publishes the U.S. gross domestic product (GDP) from the national to county level, as well as for industry sectors; foreign trade and investment statistics; and an array of industry data, among other economic indicators. The BEA has a robust culture of innovation to respond to data user requests, such as for more timely release and more geographic and sector detail. In addition to being a leader in expanding its use of private and administrative data sources, the agency has taken steps to publish statistics on income distribution and links between the economy and the environment. BEA's influence is evident: its leading economic statistics are used as input for fiscal policy, monetary policy, allocation of federal and state and local funds, and private sector investment. BEA's data are widely cited in the media and used extensively for research on the economy.

**The following is based on publicly available information and selected information from our questionnaire.

STRENGTH OF BEA'S SUPPORT†

Autonomy: Challenging. No current threats but lacks professional autonomy protections and agency authorization in statute. BEA lacks full decision authority to recruit/fill senior executive or senior technical positions.

Budget/staffing: Mixed. While BEA enjoys strong support for its budget from Congress and the administration, its appropriations have not been sufficient to maintain its staffing level, resulting in a 10% reduction in full-time employees at the same time that workload and number of products have increased. Should this trend continue, because of the significant technical expertise required for its work, BEA will not be able to sustain its many products at current levels or continue to make its products more timely, relevant, and frequent.

Parent agency: Good. The Department of Commerce is strongly supportive of BEA to fulfill its requirements as a federal statistical agency, as exemplified by the department's use of BEA's new products, including space economy statistics, Puerto Rico GDP, and marine economy, outdoor recreation, and other satellite accounts. The parent agency and White House also use BEA statistics in communication with the public about the state of the economy.

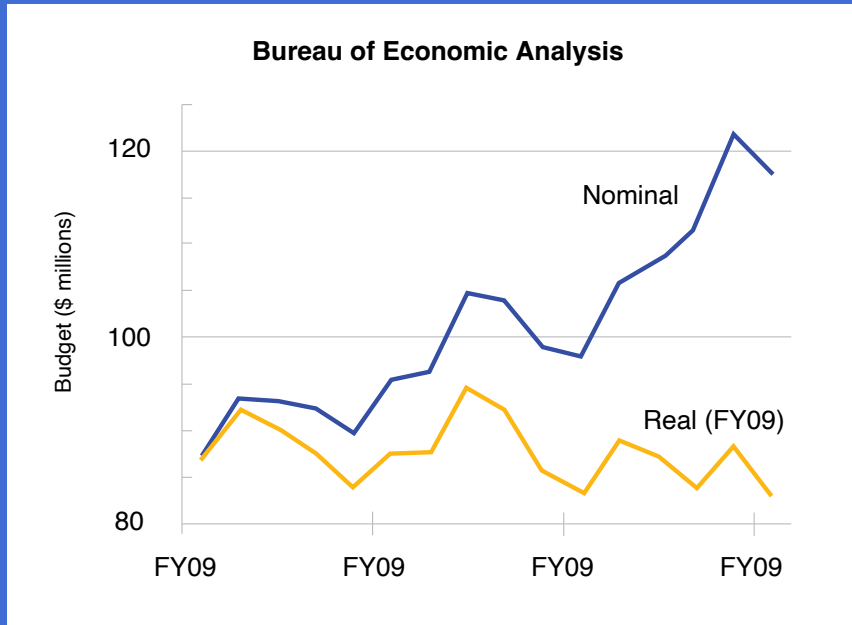
† See Supporting Materials F for an explanation of the support ratings.

AGENCY FAST FACTS

Budget inputs and FY24 level

1. Appropriations line item: \$117 million
2. BEA produces some satellite accounts with outside funding.

Funding history, inflation adjusted



Appointment of head & layers down in the Department of Commerce org chart

BEA is one of eight principal federal statistical agencies for which the head is a career senior executive service appointee.

Two: The BEA director reports to the Under Secretary of Commerce for Economic Affairs, who reports to the Secretary

Other

- ➔ BEA director serves as the Commerce Statistical Official (on a two-year rotation with the Census director).
- ➔ BEA regularly administers 17 surveys and uses a constantly growing number of administrative and private datasets that numbered, respectively, 52 and 153 in FY23.
- ➔ Approximately 60% of BEA's employees are economists.
- ➔ The number of downloads from its website is 5 million to 6 million annually; website views exceeded 22 million in FY22; citations of BEA data in academic journals, news media, and the Congressional Record were nearly 20,000 in FY22.
- ➔ Five of BEA's products are official Principal Federal Economic Indicators (some joint with the U.S. Census Bureau).

<p>Recent successes</p>	<ul style="list-style-type: none"> ➔ To keep up with America’s growing economy (which reached a real GDP of \$21.8 trillion in FY22), BEA’s productivity and innovation in delivering relevant, timely, and frequent data is exceptional. For example, the agency has initiated 26 new products since 2011, including such products as quarterly GDP by industry and GDP by county; accounts on healthcare, the space economy, marine economy, digital economy, and outdoor recreation; and near-real-time spending. ➔ BEA is active in engaging with its stakeholders and data users for their data needs and incorporates their input into its innovation work. ➔ BEA is a leader in diversifying its data sources both to provide more timely, relevant, and frequent data and also to reduce survey respondent burden.
<p>Agency strengths</p>	<ul style="list-style-type: none"> ➔ BEA’s budget is generally supported by both the administration and Congress, and BEA has done better than other federal statistical agencies over the last two decades. Nevertheless, as described in the “Challenges” section, BEA’s budget is not adequate for its mission. ➔ Despite its current budget challenges, BEA is highly productive, consistently delivering new products and introducing innovations in operations and timeliness. ➔ BEA has firm support from the Department of Commerce in terms of recognition, professional autonomy, use of its data, and more. ➔ BEA has enjoyed continuous and effective leadership for more than two decades. ➔ BEA’s products are highly cited and consulted from local governments to the White House, throughout the private sector, and by researchers and the media. ➔ BEA has a supportive culture for its staff and high rankings in employee satisfaction surveys (i.e., #32 out of 432 in 2022 Best Places to Work in the Federal Government, agency subcomponents), and is attuned to data user needs.
<p>Agency threats/ vulnerabilities</p>	<ul style="list-style-type: none"> ➔ BEA is funded in the same appropriations line as the Office of the Under Secretary for Economic Affairs (OUSEA) to which it reports. Separating the two budgets would provide additional professional autonomy for BEA—reducing the opportunity for even the appearance of undue influence—and clarity for appropriators on the use of funds across the two organizations. ➔ BEA lacks enabling legislation and statutory autonomy protections.

<p>Agency challenges</p>	<ul style="list-style-type: none"> ➔ Because of its budget losing purchasing power and its staffing consequently being down 13% in the last several years, BEA is challenged to keep up with the demand for its growing number of products and the interest in them—with 26 new products since 2011 and website views reaching 22 million in 2022 and website downloads at 5.6 million that year.¹ If trends continue, or are not reversed, BEA will struggle to continue its productive and innovative work to track our nation's economy that is ever growing and more complicated. • In May 2024, we learned that, due to budget constraints, BEA suspended its “Near Real-Time Spending” reports, which were based on card transaction data.
<p>Agency opportunities</p>	<ul style="list-style-type: none"> ➔ BEA could be more effective and economic statistics more accurate if it had the same access to federal tax data as the U.S. Census Bureau. ➔ With additional funding, BEA could build on its program to better understand economic well-being—the GDP and Beyond initiative—through better tracking and highlighting of economic activity as well as capturing nonmarket goods and services. In addition, BEA could expand its economic research capacity, which would better position the agency to address emerging measurement issues, including expanded use of private business data, the integration of data science and economics, the use of artificial intelligence (AI), and the retail trade's shift to the internet. BEA could develop a critically needed comprehensive system of environmental-economic accounts and modernize its Travel and Tourism Satellite Account. See the Department of Commerce FY 2024 and FY 2025 budget request documents for details on these and other opportunities.
<p>Agency-specific recommendations</p>	<p>In addition to the all-agency recommendations in the body of the report, we recommend that:</p> <ul style="list-style-type: none"> ➔ Congressional appropriators should separate the budget of the Office of the Under Secretary for Economic Affairs from that of BEA. ➔ Congressional authorizers should provide BEA the same access to federal tax data as that of the U.S. Census Bureau. ➔ The Department of Commerce and Congress should give BEA full decision authority to recruit/fill senior executive and senior technical positions.

¹ Because roughly half of BEA's budget is for salaries, the use of GDP deflator likely underestimates inflationary costs for BEA. The GDP deflator for federal non-defense government compensation has compounded a rate eight percentage points more than the GDP since FY09 and 25 percentage points since FY03.