Discussion of

Mega-trends: Implications for BEA Data

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Sources of New Data Demands and Expectations

New data demands can arise from mega-trends, mega-shocks, and new policies/policy proposals

Some relevant mega-trends can be identified

New data expectations can also arise from updated international standards for macroeconomic statistics, and availability of new kinds of source data
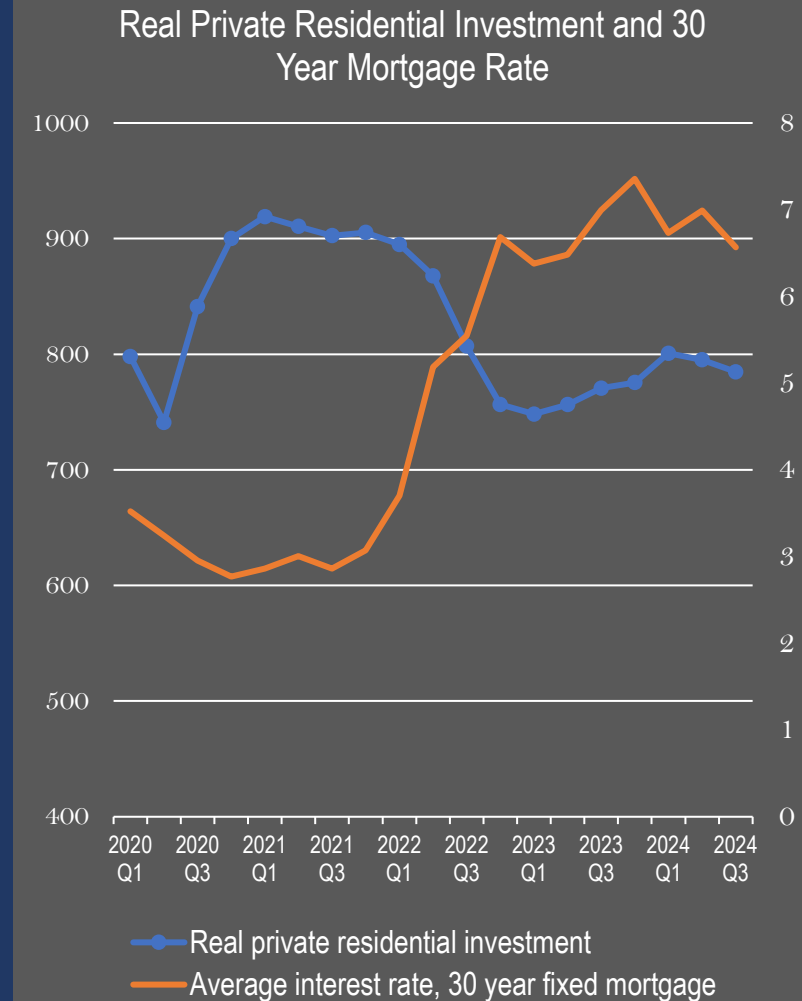
➢ Countries will begin implementation of the 2025 SNA and Balance of Payments Manual

Growth of Debt- and Deficit-to-GDP Ratios

Rising debt- and deficit-to-GDP ratios will lead to increased relevance of data on national saving and investment, on the drivers of growth including productivity, and on impact of fiscal programs on the economy

➢ Government revenue and tax avoidance strategies, such as profit-shifting by multinational corporations, could also become a focus of the debate

Upward pressure on interest rates could have important impacts on the economy

Real Private Residential Investment and 30 Year Mortgage Rate

Real private residential investment

Average interest rate, 30 year fixed mortgage

Growing Impact of Climate Change

Questions about impact of disasters on local areas, economic activity and supply chains will arise more frequently as the frequency and severity of disasters increases

Unaffordable or unavailable insurance and repeated catastrophes in at-risk local areas could disrupt housing and MBS markets

➢ Land loss, weather-related catastrophes and excessive heat could also affect agriculture

Natural resource and environmental data will be increasingly relevant

➢ Natural capital/natural resources is a high-profile part of the 2025 SNA

➢ The SEEA (System of Environment-Economic Accounts) is expected to be widely implemented

Protectionism and Globalization/De-globalization

Rising protectionism and concerns about global supply chains will generate increased needs for measures to support analysis of these issues, including gains from trade, downstream impacts of tariffs, and impacts of trading partner retaliation

➤ Trade in Value Added (TiVA) data and extended input-output tables will help

Population aging

Further increase in importance of health care

➢ Treating institutions legally organized as like for-profit businesses if they operate as "market producers", as recommended in the 2025 SNA, could provide an improved view of the health care industry

Concerns about approach of the exhaustion of the Medicare and Social Security trust funds will generate questions about retirement income/security

➢ Distributional accounts by age group would help inform this debate

How will the movement to assisted living and rentals for seniors will be captured in the data?

Inequality will remain a critical question

In the international NA standards, distributional accounts will be part of the core set of economic accounts

The "Core" Economic Accounts and the Recommended Complementary Accounts of the 2025 SNA

Figure 2.1: A broader and enhanced combination of accounts
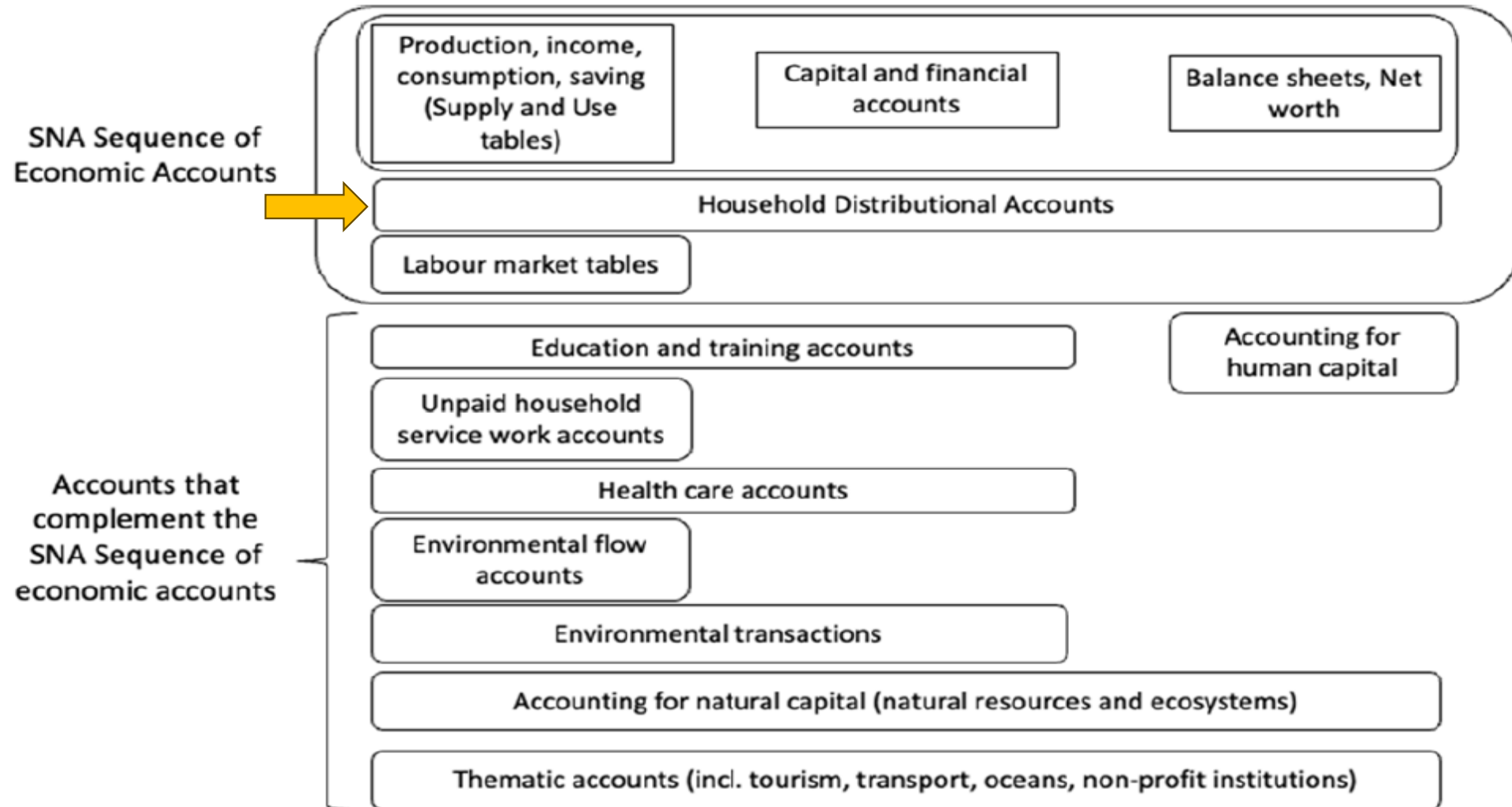
Accelerating Technical Change

Data needed to understand the impact of technical change in computing and telecommunications, including AI, robots and autonomous vehicles, will continue to evolve

➢ Will AI finally reverse the productivity slowdown?

Growing role of crypto assets will be important to address

Innovation in life sciences/medicine is also likely to have important impacts

Future Data Development

Criteria for selecting indicators to develop (or retain) are *comparative advantage*, *relevance*, and *feasibility* (Abraham, 2018)

   ➢   Emergence of new data sources could change feasibility

Productivity gains from AI and other software tools and from intensified collaboration among the statistical agencies will be critical in freeing resources to meet future challenges