

*Statistical Needs for a Changing U.S.
Economy*

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STATISTICAL NEEDS
FOR A CHANGING
U.S. ECONOMY

BACKGROUND PAPER



CONGRESS OF THE UNITED STATES OFFICE OF TECHNOLOGY ASSESSMENT

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Foreword

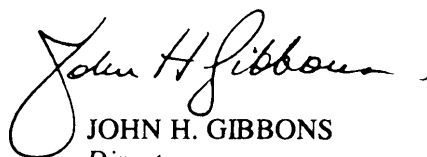
In 1988 the Office of Technology Assessment published *Technology and the American Economic Transition* outlining ways that new technologies have redefined options for stimulating economic growth. Several Committees of the Congress had asked OTA to step back from its analysis of specific technologies and describe the combined effect of the changes on the living standards of different American households, on jobs, and on America's position in the world economy. These questions required OTA to address some very basic questions about the way the economy operates and could operate in the future. The research made extensive use of statistical series from many private and public sources. In many cases standard statistical measures failed to indicate important dimensions of change. Improvements in choice and quality in areas like recreation were often unmeasured while increased spending for health often did not represent an increase in the quality of the amenity purchased.

The Subcommittee on Government Information and Regulation of the Senate Committee on Governmental Affairs asked OTA to use the experience gained in the transition study to provide a perspective on areas where better data would improve economic policy analysis. We found that many dimensions of growth and change were not well tracked by the existing statistical system. The problems are greatest where change is most evident: the introduction of radically new technologies—like computers and telecommunications equipment, the impact of international trade on the domestic economy, the value of education and training as an input to industry, techniques for evaluating the quality of health-care and other services. In virtually all cases, the statistical agencies are aware of the problems and are making efforts to correct them. We find, however, that their efforts are hampered by a lack of effective coordination and management—a role that the Office of Management and Budget has the authority to oversee.

Some of the problems identified in this study are old issues that recent events have made much more important, such as tracking the effects of international trade or finding ways to adjust service expenditures for inflation. Many of the problems are forced on us by technical change, evident in the difficulty associated with tracking quality changes in computers and other information equipment. In many cases the problems we identify have no easy resolution and the Nation will need to face the fact that uncertainties in key areas exist and, in some cases, are increasing. We also point out some long-standing problems that should not be forgotten. For example, there has never been a coordinated way to report statistics on the quality of life in America.

The background paper does not attempt to provide a comprehensive critique of national statistics and does not introduce new research designed to solve the technical problems. It is, instead, designed to show how defects in the existing statistical system can limit our understanding of key economic issues and to demonstrate the ways that better management and coordination of America's statistical agencies can lead to concrete improvements.

OTA acknowledges the generous help of the reviewers and contributors who gave their time to ensure the accuracy and completeness of this report. OTA, however, remains solely responsible for the contents of this background paper.



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¹U.S. Congress, Office of Technology Assessment, *Technology and the American Economic Tradition " Choices for the Future*, OTA-TET-283 (Washington, DC: U.S. Government Printing Office, May 1988).

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