Integrated Industry-Level Production Account for the United States: Intellectual Property Products and the 2007 NAICS

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Abstract

Ongoing structural change in the U.S. economy due, in part, to globalization, the spread of information and communications technology, and the Great Recession, has reinforced the need for an up-to-date decomposition of aggregate GDP to industry-level sources of growth. This approach, typically labeled “KLEMS” accounts has been developing at an accelerating rate within the international community and has garnered significant attention in recent years. Partly in response, the U.S. Bureau of Economic Analysis and the U.S. Bureau of Labor Statistics collaborated to introduce an integrated industry-level production account for the United States, spanning the years 1998-2010 (Fleck, Rosenthal, Russell, Strassner and Usher 2012). In this paper, we update the integrated industry-level production account through 2012 in order to incorporate the results and methodological changes of the 2013 comprehensive revision of the U.S. national income and product accounts, the 2007 benchmark input-output account, and the times series of integrated GDP by industry and annual input-output accounts for the United States. We trace the sources of U.S. economic growth and productivity using our updated account, and provide new estimates of the contributions of expanded investments in intangible capital—intellectual property products, including research and development and entertainment, artistic, and literary originals.