Social Accounting for U.S. States by Example: New Jersey 2022

Topic: Input-Output Theory and Methodology (6)
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In this paper, we show how to build a social accounting matrix (SAM) for a U.S. state, specifically for New Jersey in 2022. Such documentation has not yet been made available. In so doing, we define how SAMs are different from extended input-output tables--the latter tend to articulate labor income and household consumption in more detail than typical input-output accounts, including attention to transboundary income flows. We cursorily discuss how RAS can be applied to fill-in some missing data elements (down to the six-digit industry level for US BLS QCEW data--census-type employees' jobs and payroll data--and to the four-digit level for US BEA components of value-added and counts of proprietors). Ultimately, we focus on general structural features that are either additional to or missing in most subnational SAMs compared to their national equivalents, particularly with respect to institutions. This elaboration follows from available data resources albeit specifically for the case of U.S. states. We conclude the paper bemoaning loss of some SAM elements and celebrating the gain of others and by identifying laundry list of unavailable data elements that could be helpful if they should become available from official statistical agencies. We also discuss how aggregation is best applied when such SAMs are used with in computable general equilibrium (CGE) models.