Accounting for Special District Governments in the U.S. National Accounts

Dylan G. Rassier
U.S. Bureau of Economic Analysis
dylan.rassier@bea.gov

Melissa J. Braybrooks
U.S. Bureau of Economic Analysis

Special district governments are a type of local government that may embody characteristics of both governments and private businesses and are becoming an important source of public services in the United States. Given the combined characteristics of special districts and their growing economic importance, a complete and consistent economic accounting for special districts that operate like businesses – special district enterprises – is important to the relevance and accuracy of the U.S. national accounts. However, the U.S. national accounts do not currently reflect a complete or consistent accounting. In this paper, we present a preliminary set of economic accounts for special district enterprises. Our results suggest that identifying special district enterprises by function rather than by unit, which is consistent with current measurement practice in the U.S. national accounts, may yield a more precise set of estimates. However, our results also suggest that some functions currently treated as enterprise functions in the U.S. national accounts do not fit the SNA criteria for treatment as enterprise functions. Based on identification by function, measured value-added for enterprises in 2012 is approximately $25.9 billion, of which $21.3 billion reflects compensation and $4.6 billion reflects operating surplus. The results may change once additional data sources are incorporated.

JEL Codes: C82, E01, H11, H70
Keywords: macroeconomic data, national accounts, government, local government