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**Opening Statement
Senator Jack Reed
Vice-Chairman, Joint Economic Committee
Hearing on Measuring Economic Change
July 24, 2002**

Thank you, Mr. Chairman. I want to commend you for holding this hearing on measuring economic change. Reliable information about the performance of the economy has always been critically important for both private and public decision-makers. It is especially important now, as information technology has created new industries and transformed old industries in ways that raise a number of challenging measurement issues.

I am pleased that Secretary Evans is here to discuss the statistical activities of the Department of Commerce, which houses two key statistical agencies: the Bureau of Economic Analysis and the Census Bureau.

The BEA is responsible for statistics on gross domestic product, our most fundamental measure of economic output. They produce a whole system of economic accounts laying out the details of GDP, such as how much of our output is consumption and how much is investment. These accounts also tell us how much of the income earned producing GDP comes in the form of employee compensation and how much comes in the form of profits or other capital income.

The Census Bureau collects much of the source data from businesses and households that we use to construct those national accounts. The Census Bureau's economic census is our main source of information about the structure of American business and the products it makes.

In addition, the Census Bureau provides us with critical data on how individuals and families are doing economically. Traditionally, the long-form of the decennial census has provided us with our most comprehensive data about family incomes and other measures of individual well-being. Now the Census Bureau is looking forward to launching the American Community Survey, which would provide similar data but on a more frequent basis.

I am also pleased that Professor Nordhaus will be testifying today. He has excellent credentials as a close student of our statistical infrastructure and an active participant in efforts to make it better. I hope that he will provide us with a frank assessment of our current efforts to measure economic change and with constructive suggestions for improving those efforts.