

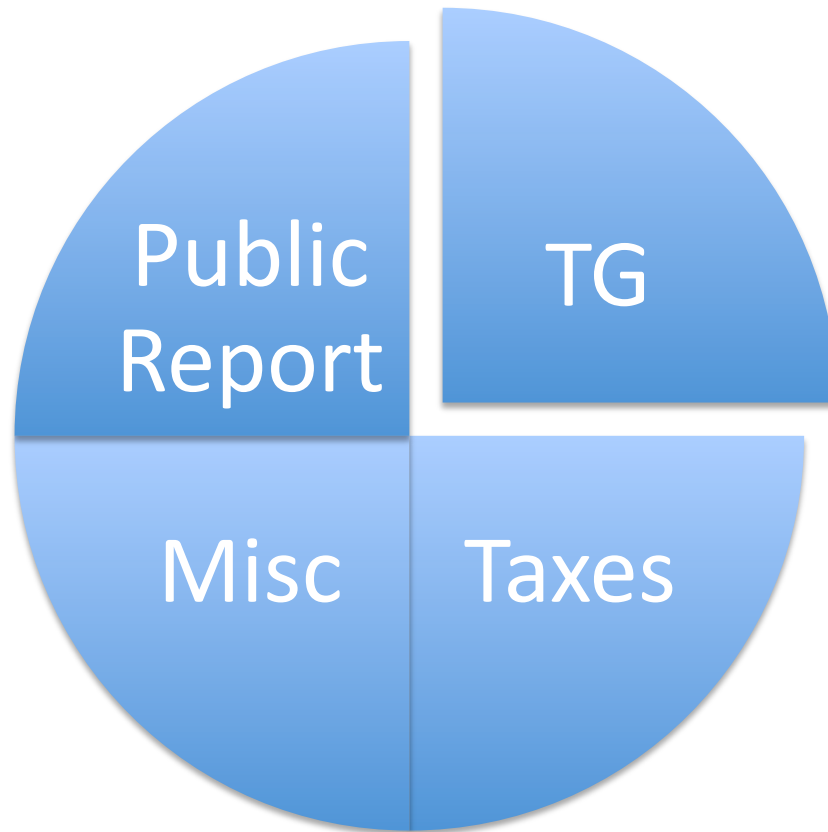
Public Transfers

Tim Miller

NTA 6 “Hands-on” Workshop

13 January 2009

GOAL 1: Complete 4 spreadsheets.



GOAL 2: Compile list of problems in completing Public Sector Transfer Spreadsheets (TG, Taxes, Misc, Public Report).

Compile list and post to wiki/email.



Encourage wiki/email discussion.



Discuss results on Friday.

Fifth Meeting of the Working Group on Macroeconomic Aspects of Intergenerational Transfers, Seoul November 5-6, 2007

- ① NTAs for sub-groups: Education, Gender, Income class.
- ② Health care expenditure profiles. E.g., should childbirth costs be attributed to mother or child?
- ③ Long-term care. Where should this be counted?

**Fourth Meeting of the Working Group on
Macroeconomic Aspects of Intergenerational
Transfers, Berkeley, January 22-23, 2007**

- ① Who owns the public sector? **The Taxpayer.**

List of Problems

Tax Incidence:

- Generational Accounting Rules?
- Earmarking of funds. Use new Public Report spreadsheet.
- Some taxes are progressive and some regressive. Some NTA estimates assume taxes are normal.

Benefit Incidence:

- Child birth.
- Cash, voucher, in-kind.

Benefit categories:

- Pensions – Include survivor benefits? Include non-contributory?
- NEW: Long-term care?
- NEW: Consumption, Other Social Protection.
- NEW: COFOG details

Reminder:
Tax Incidence Rules

(Now consistent with
Generational Accounting)

Tax Incidence

Source: Public Age Reallocations Guidelines,
July 28, 2008, Andrew Mason

Table 10. Mapping of UN SNA Taxes and Grants to NTA Public Transfer Outflows.

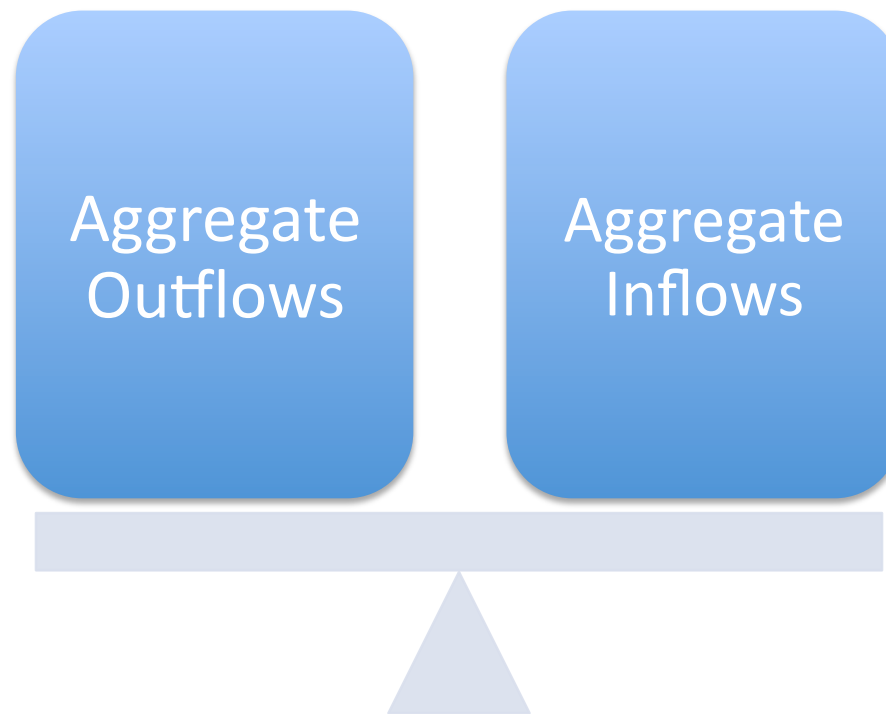
UN SNA Classification	Suggested NTA Classification
Taxes on production and imports	
Taxes on products	
Value added type taxes (VAT)	Consumption
Taxes and duties on imports excluding VAT	Consumption
Export Taxes	Labor and asset income (1)
Taxes on products except VAT, import and export taxes	
Monopoly revenues and excise and stamp taxes from tobacco and alcohol	Consumption (of alcohol and/or tobacco)
Taxes on financial transactions	Asset transactions (proxy by asset holdings)
Other	Consumption
Other taxes on production	Labor and asset income (1)
Subsidies	
Subsidies on products	
Import subsidies	Consumption
Export subsidies	Labor and asset income (1)
Other subsidies on products	Consumption
Other subsidies on production	Labor and asset income (1)
Current taxes on income, wealth, etc.	
Taxes on income	
Individual income tax	Labor and asset income (1)
Corporate income tax	Asset income
Other current taxes	Various
Social contributions	
Employers' actual social contributions	Labor income
Employees' actual social contributions	Labor income
Social contributions by self- and non-employed persons	Labor income
Imputed social contributions	Labor income
Other current transfer outflows	
Other current transfers, domestic	Net domestic transfers within general government are zero
Other current transfers, rest of the world	Rest of the world

(1) In the absence of additional information, taxes are allocated in proportion to the shares of labor and asset income.

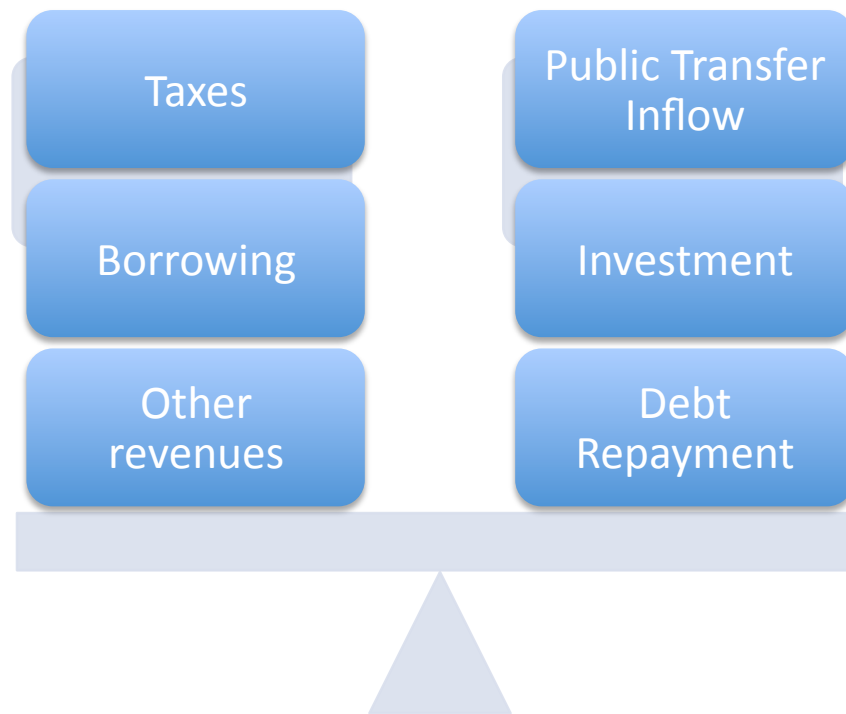
Reminder:
Aggregate Net Public Transfers = Zero

(Aggregate Net Private Transfers =
Zero)

The Public Sector in NTA

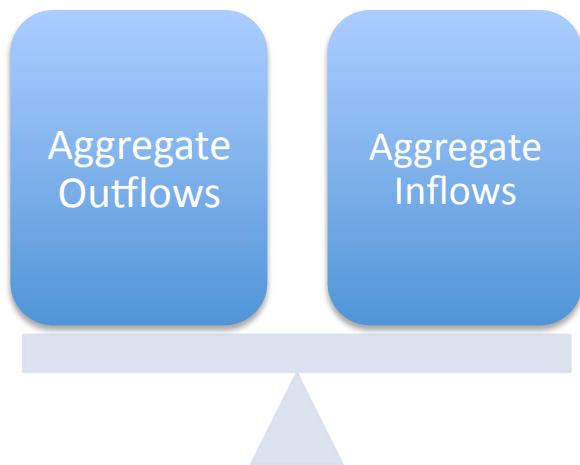


The Public Sector in NTA

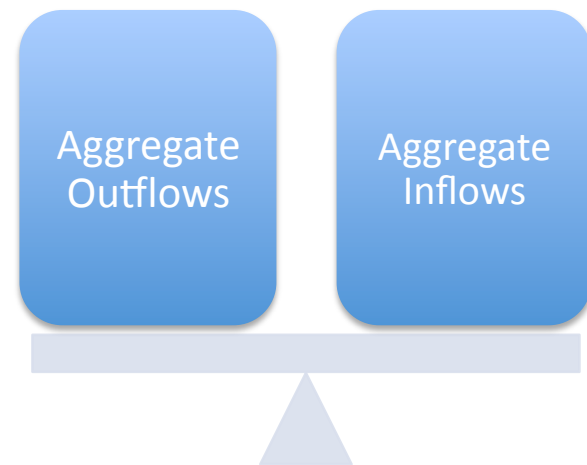


The Public Sector in NTA

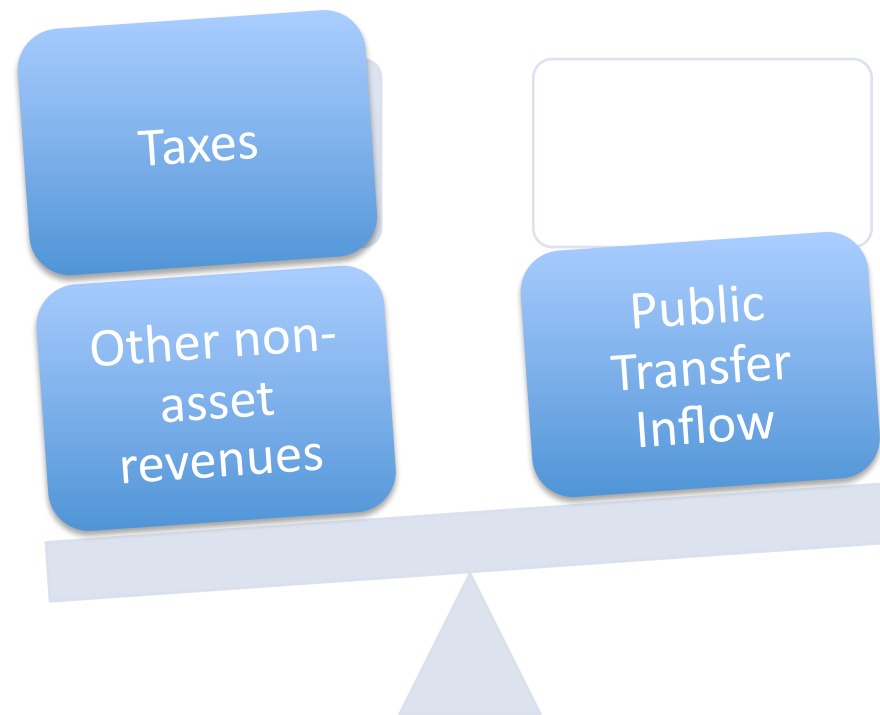
Public Transfers



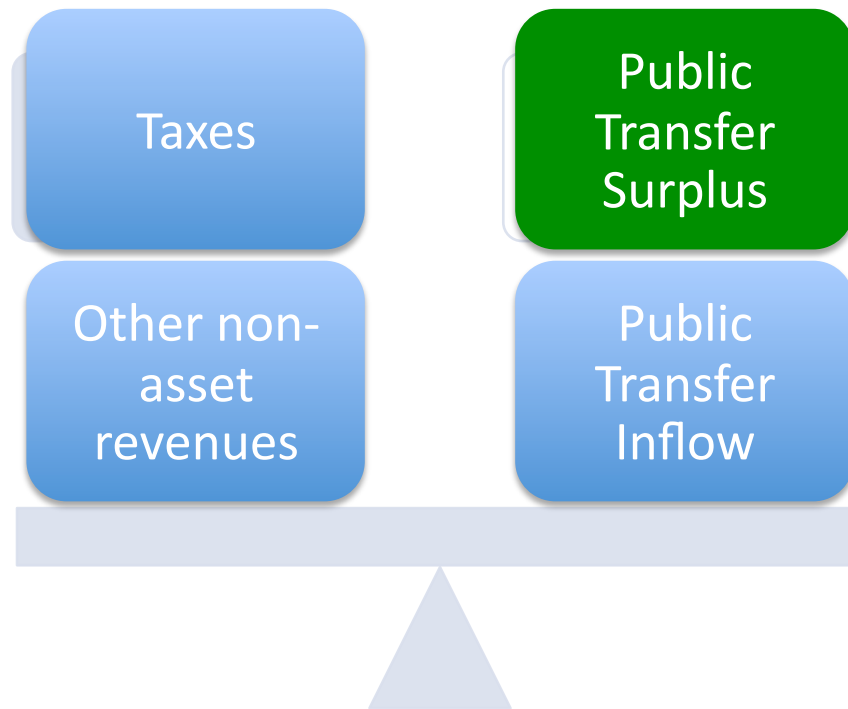
Public Asset-based Reallocations



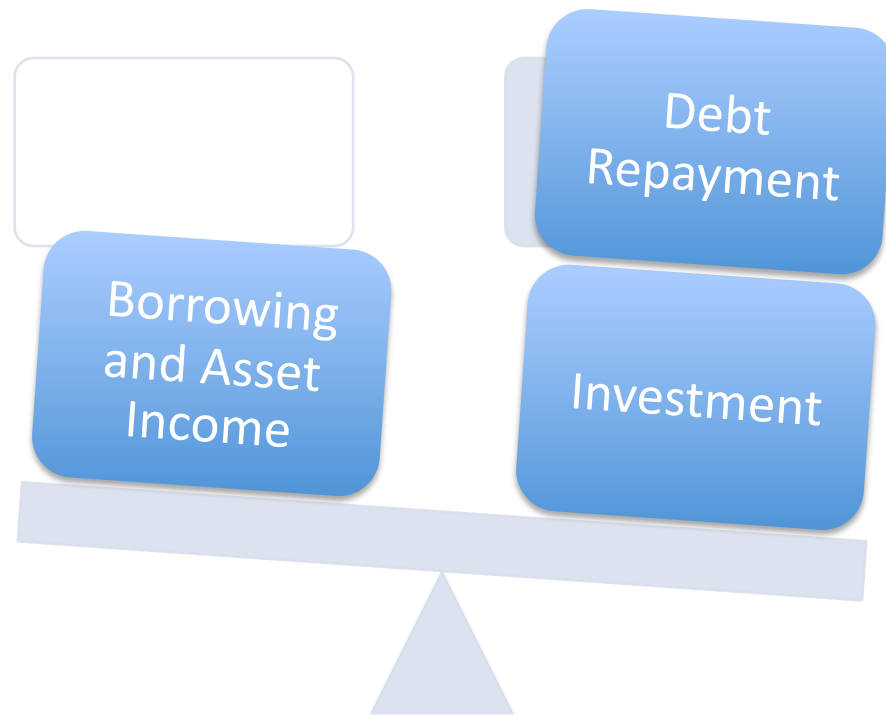
The Public Transfers in NTA



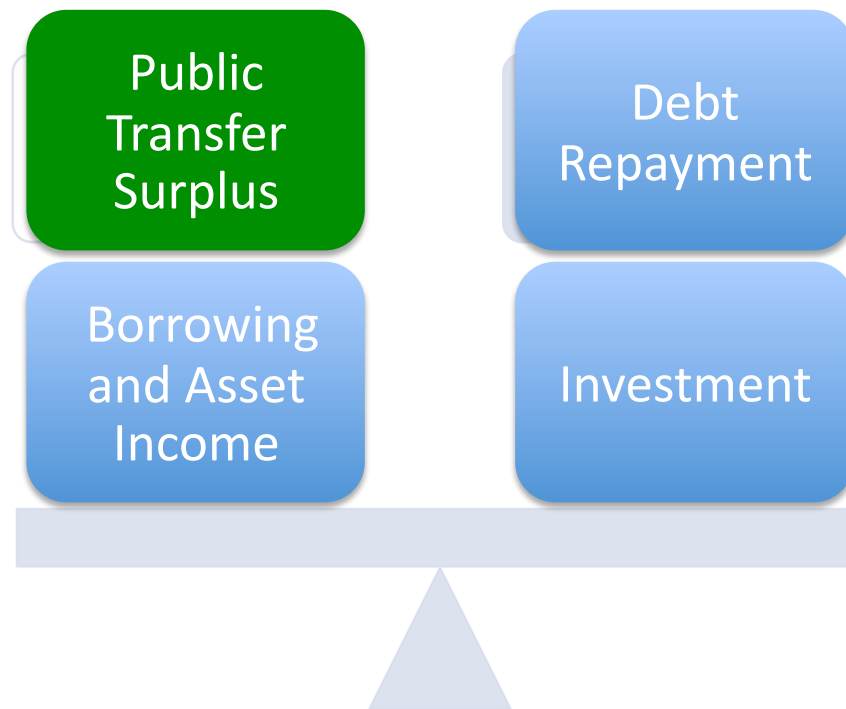
The Public Transfers in NTA



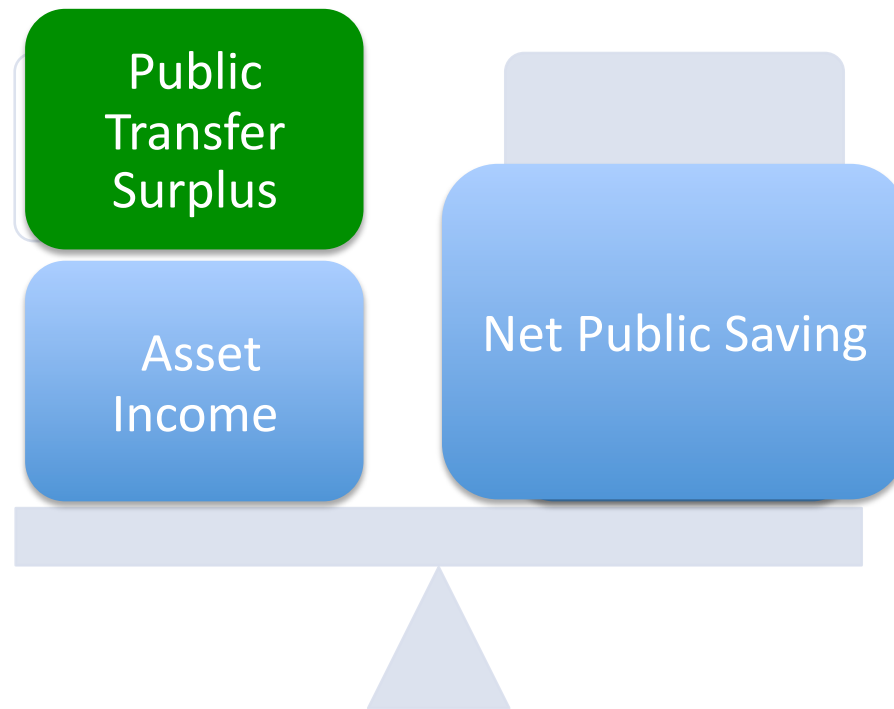
Public Assets (ABR) in NTA



Public Assets (ABR) in NTA



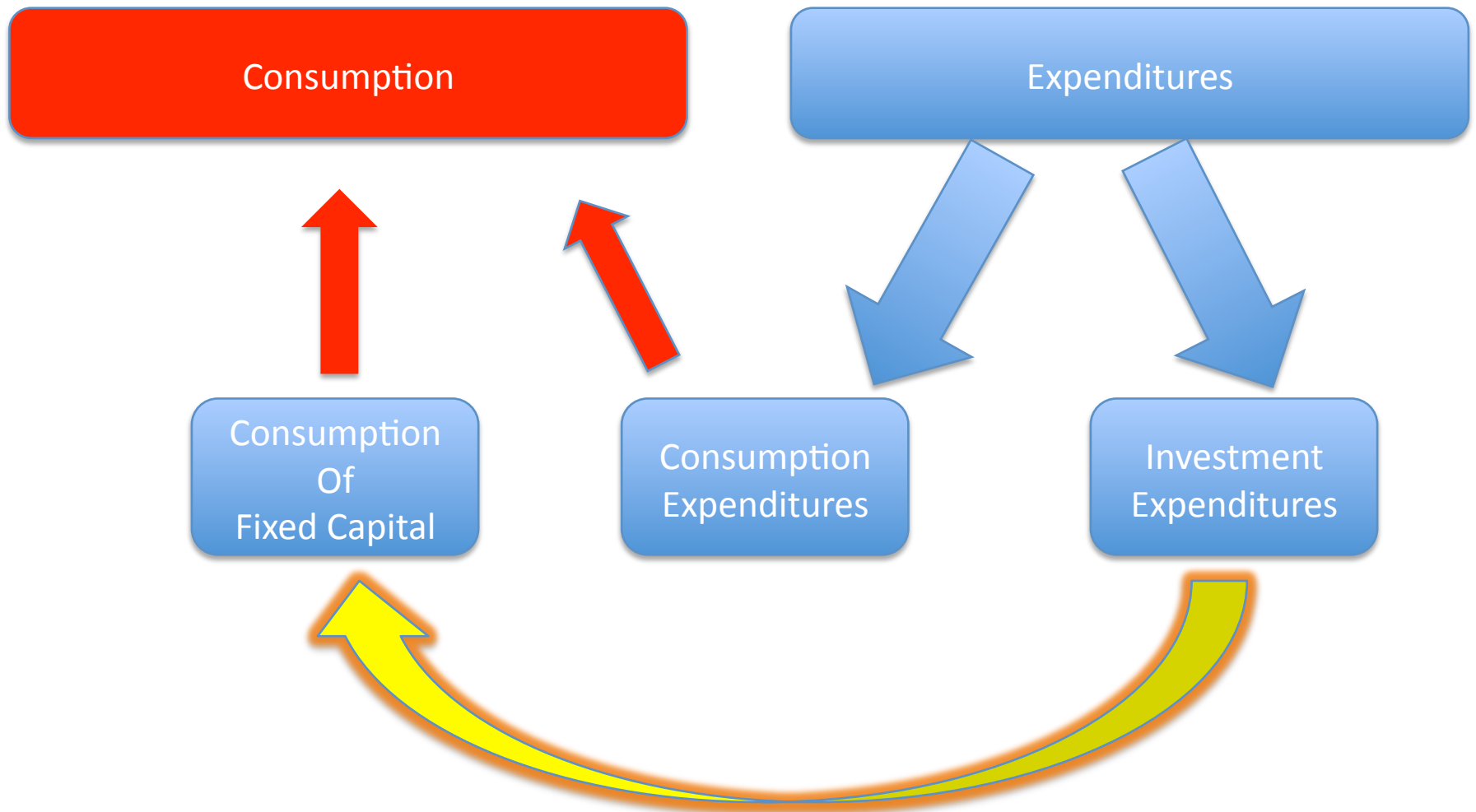
Public Assets (ABR) in NTA



**Reminder:
Use SNA,
not Government Budget Data**

NTAs (like NAs) are based on
Consumption and Investment
rather than Spending

Consumption and Expenditures



Use SNA, not Government Budgets.

SNA

Consumption

- Current Spending
- Service value of assets (past investments)

Investment

~~Budget~~

~~Spending~~

Use SNA, not Government Budgets.

SNA

Educational Consumption

- Spending on teacher's salaries
- Service value of school buildings

Educational Investment

- Purchase of new school buildings

~~Budget~~

~~Educational Spending~~

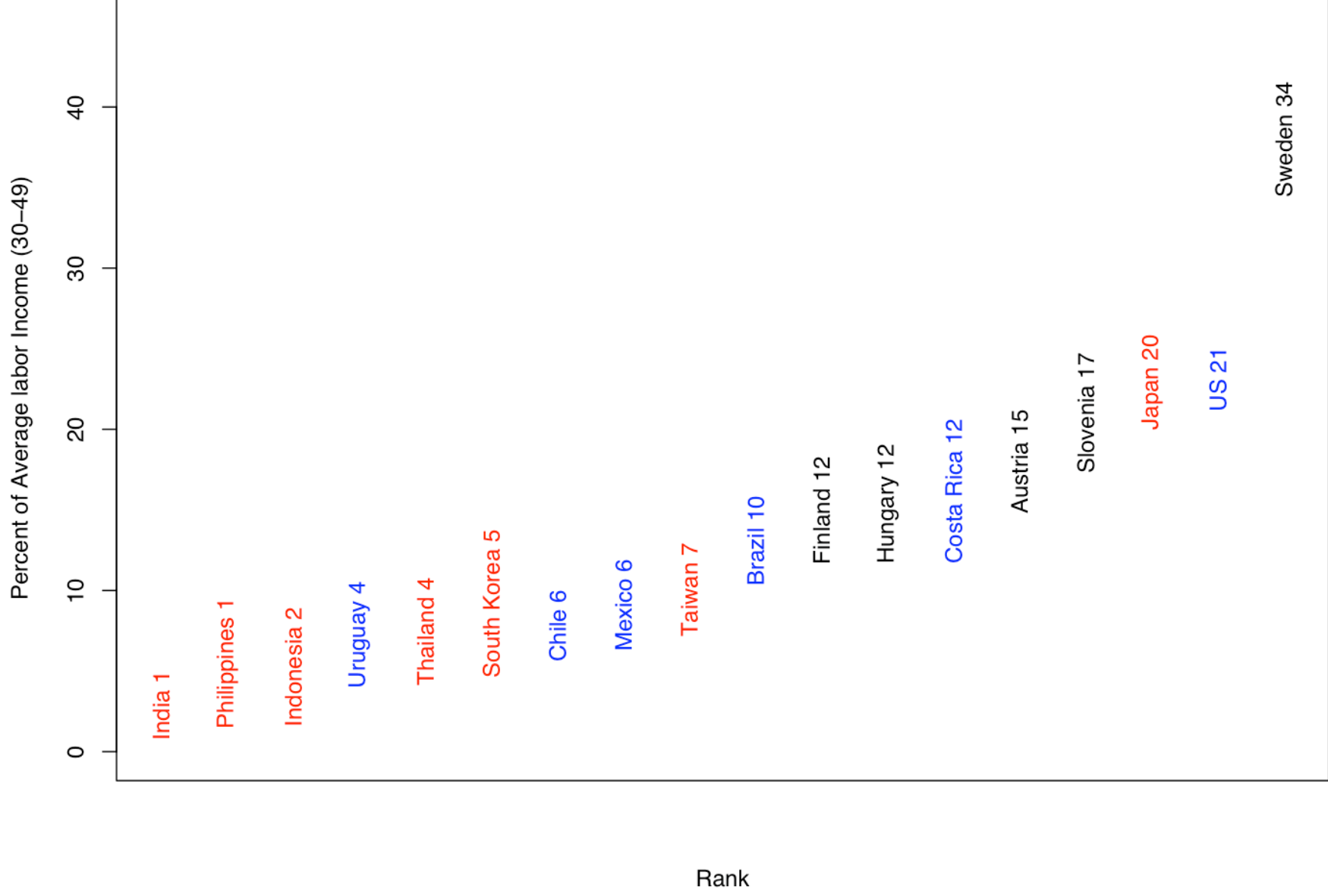
Top Three Problems in TG Spreadsheet

- ① Spreadsheet was altered to add additional information.
- ② Missing Public Sector Outflow.
- ③ Outliers?

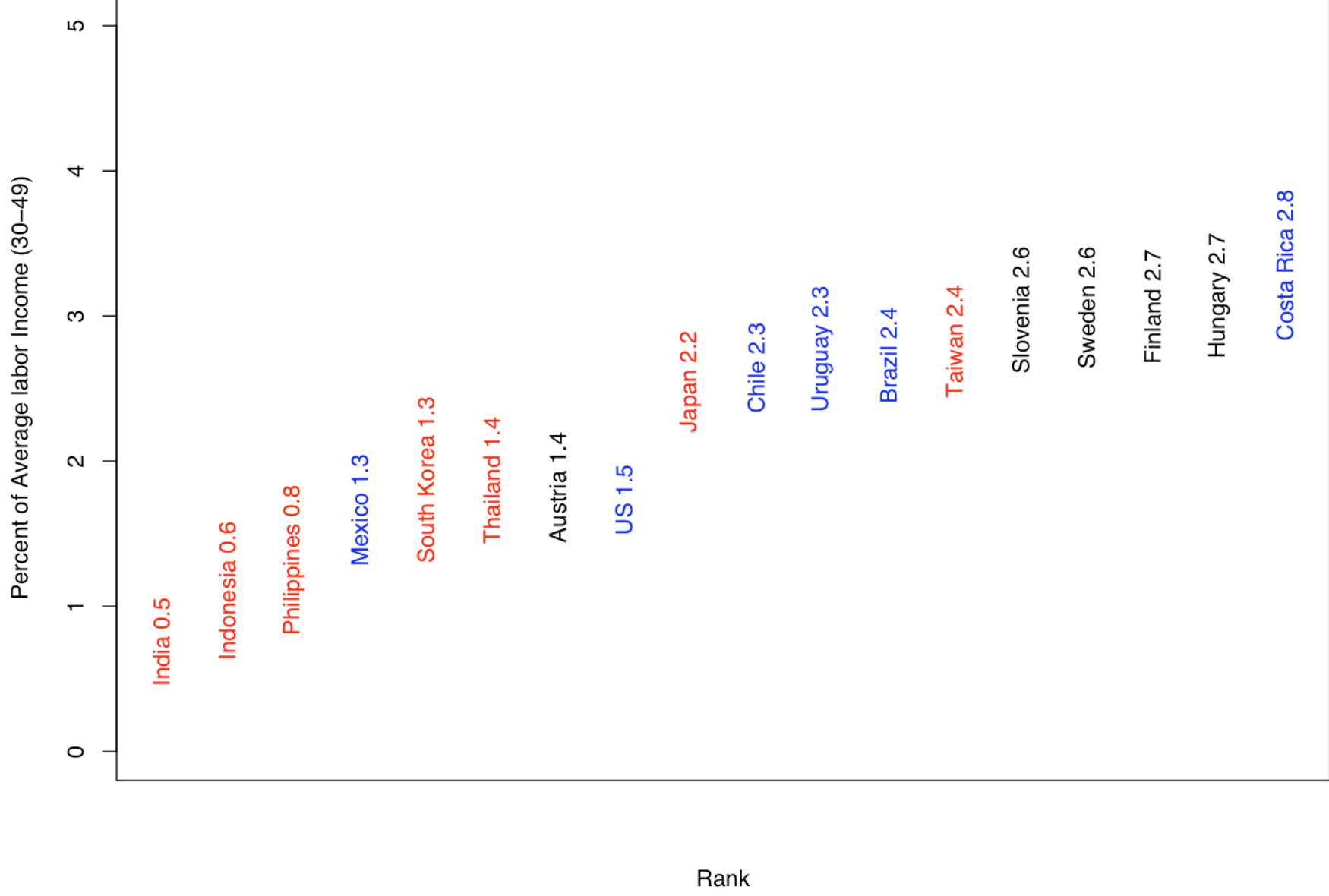
Outliers

Health

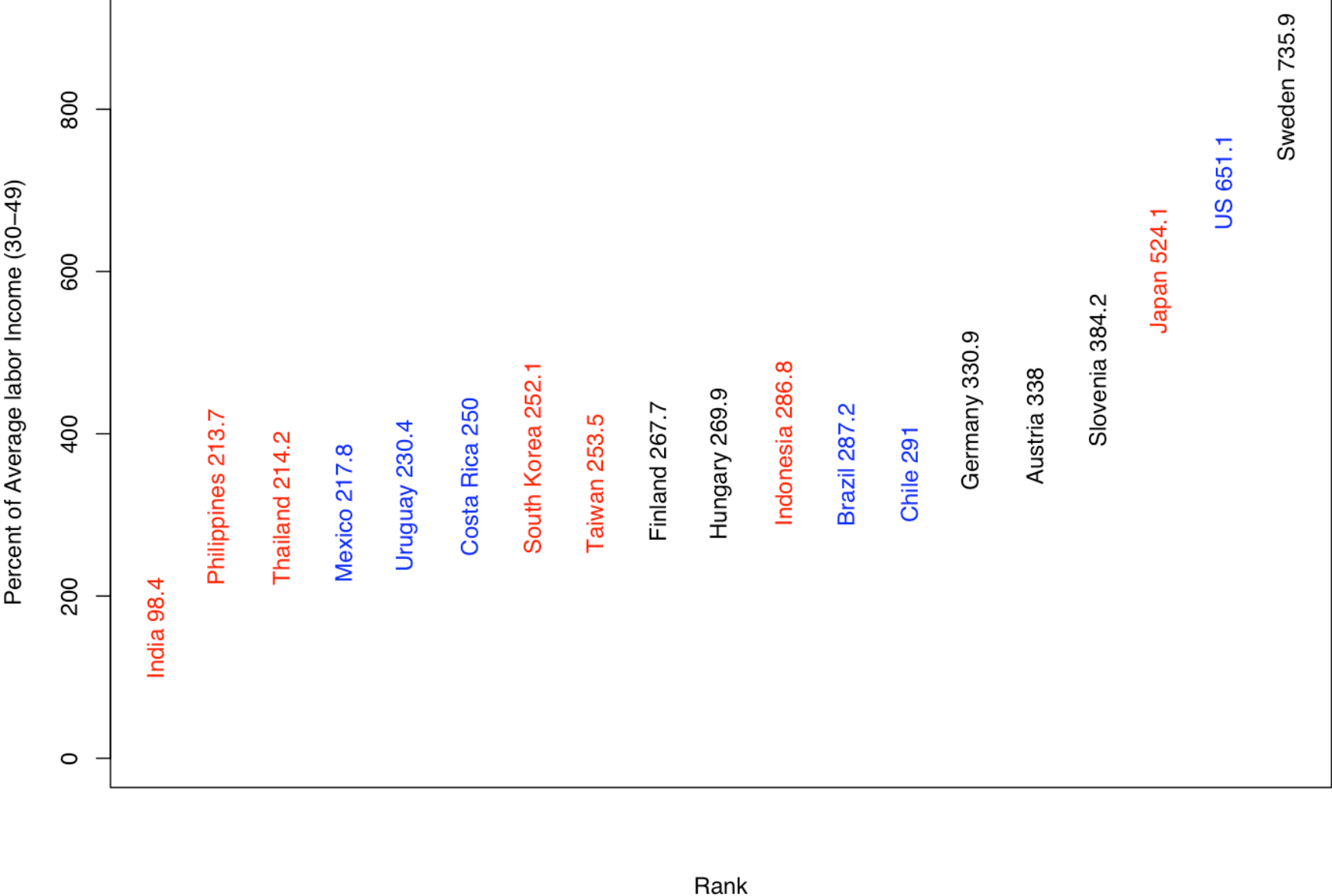
Govt HEALTH Spending on Older Persons



Govt HEALTH Spending on Youth



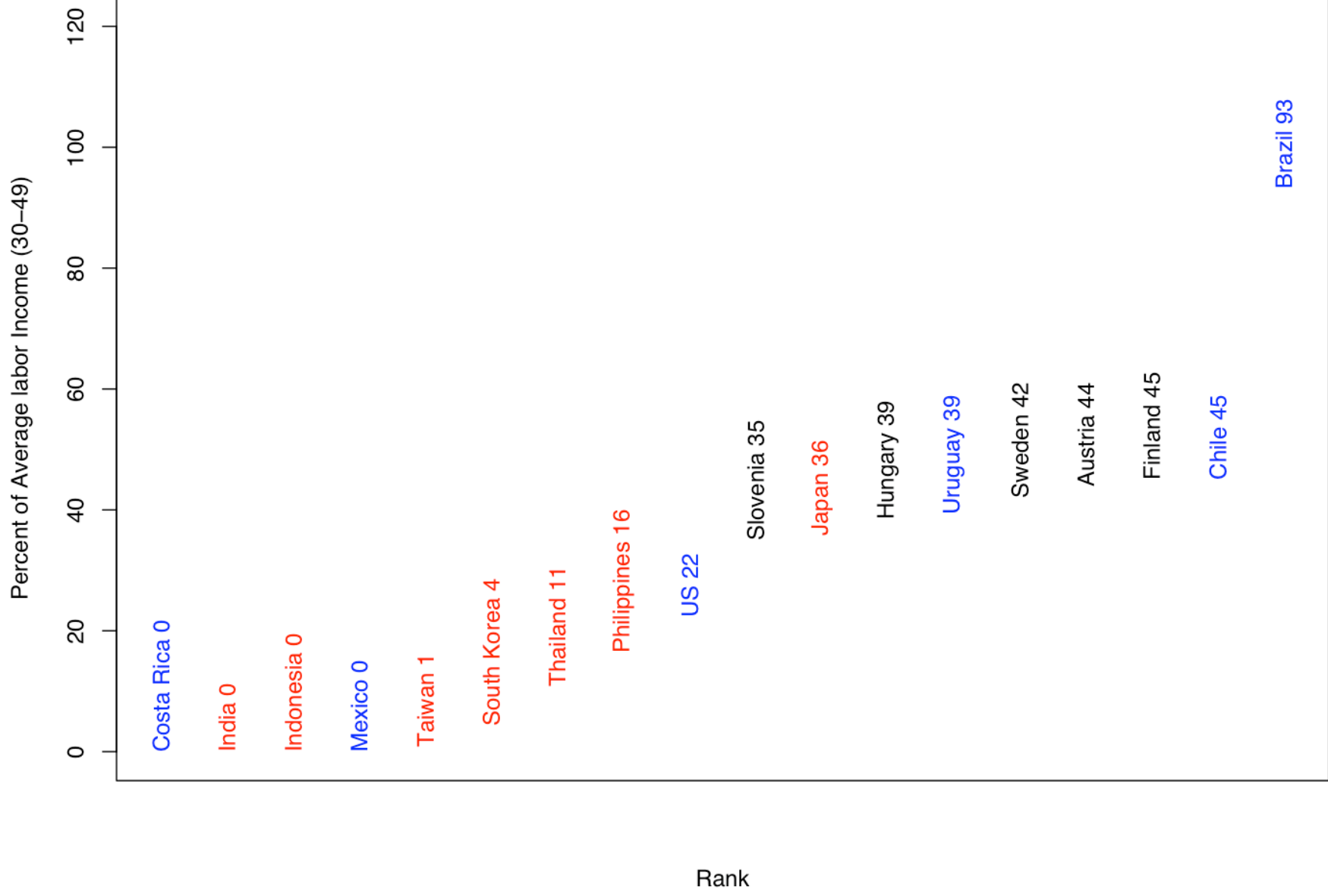
Govt Health Spending on Older Persons relative to Working-age Adults



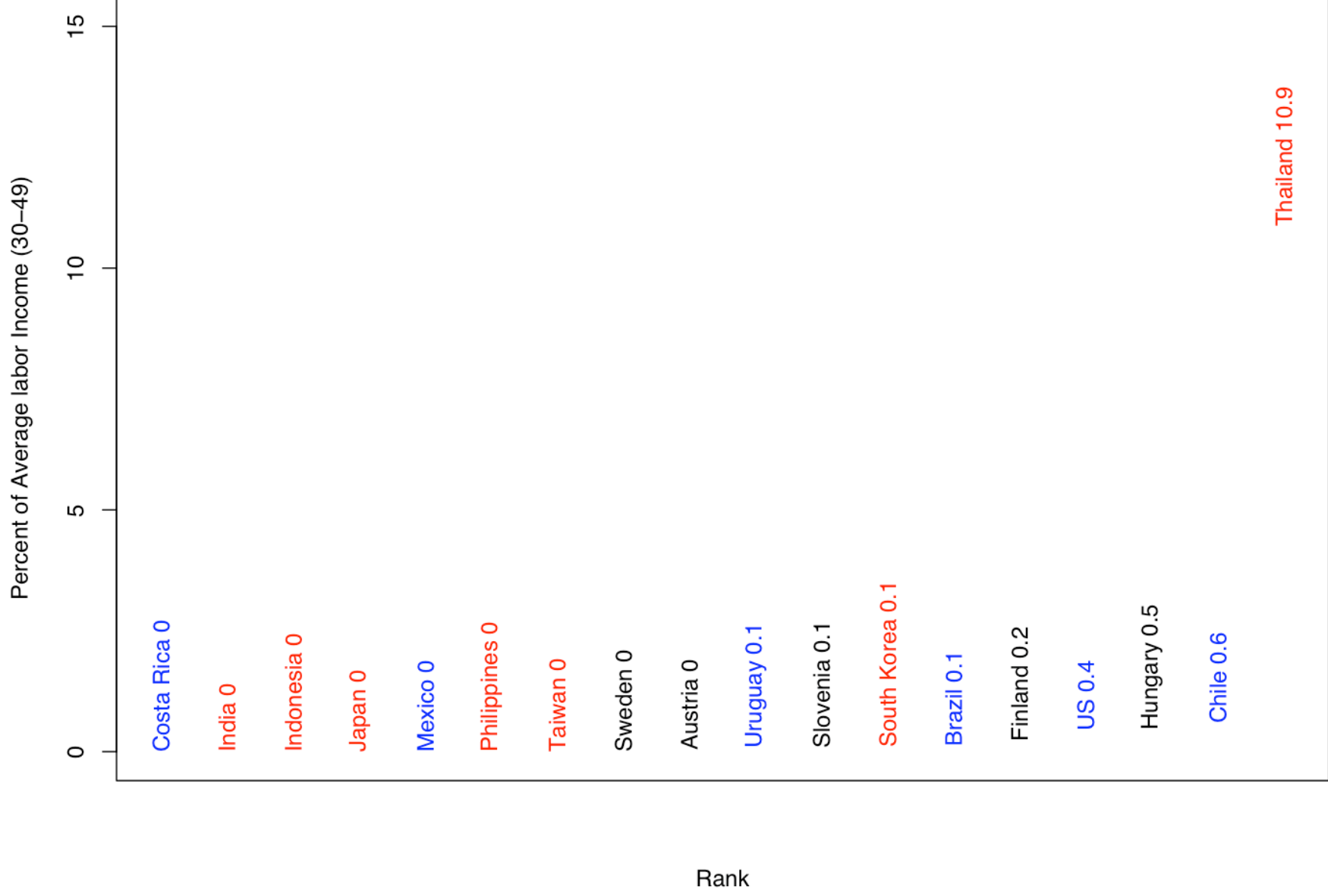
Outliers

Pensions

Govt PENSION Spending on Older Persons



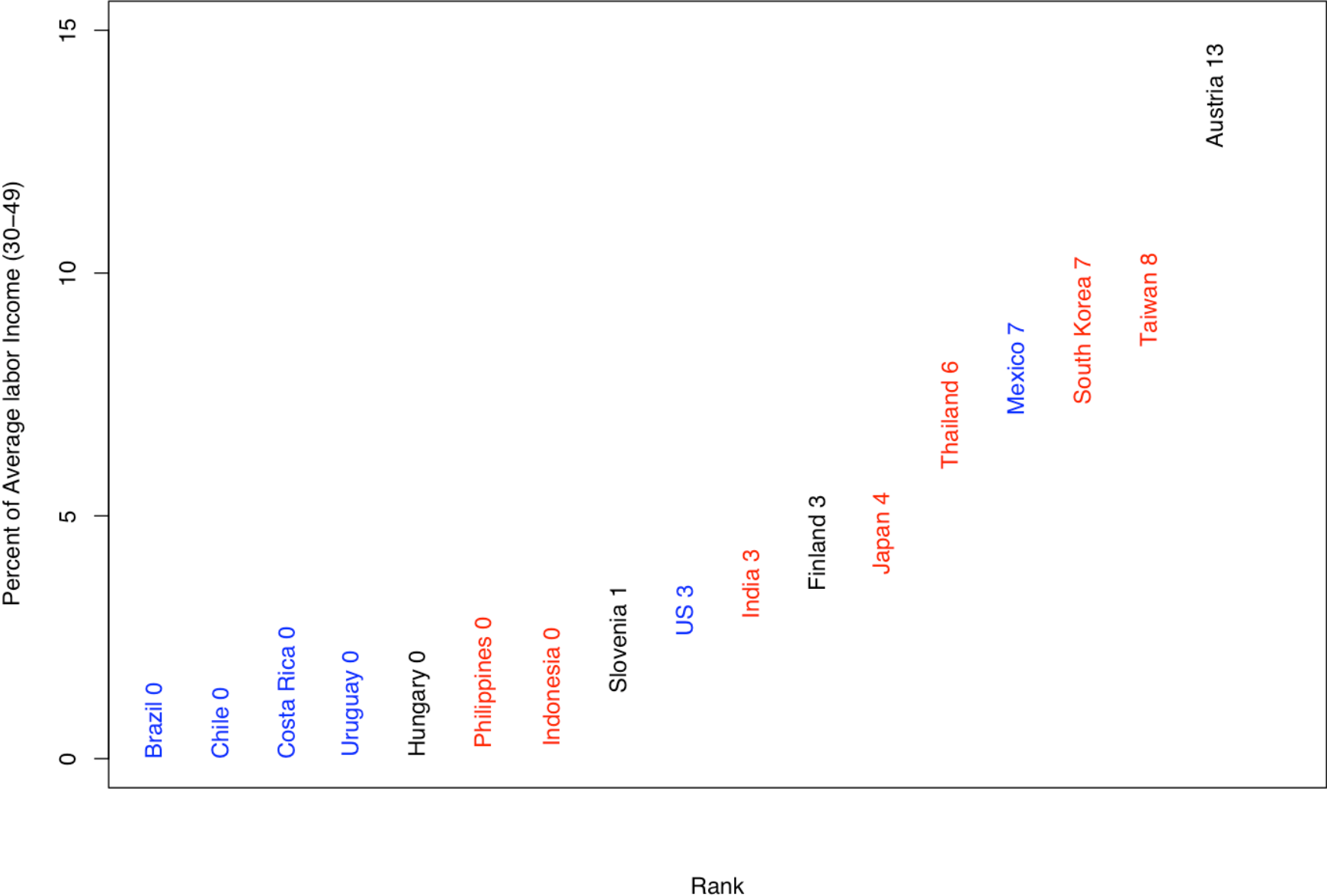
Govt PENSION Spending on Youth



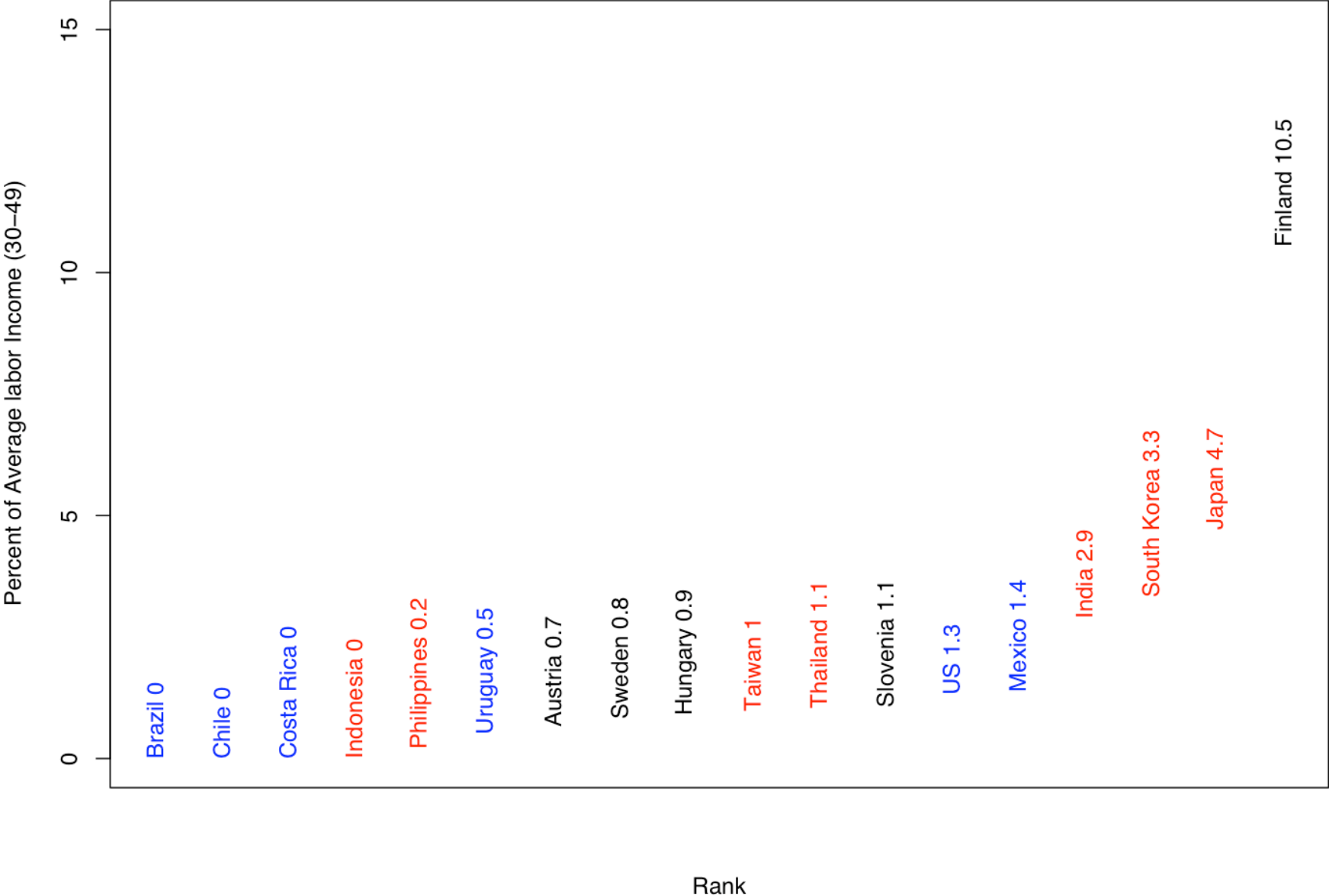
Outliers

Other Cash

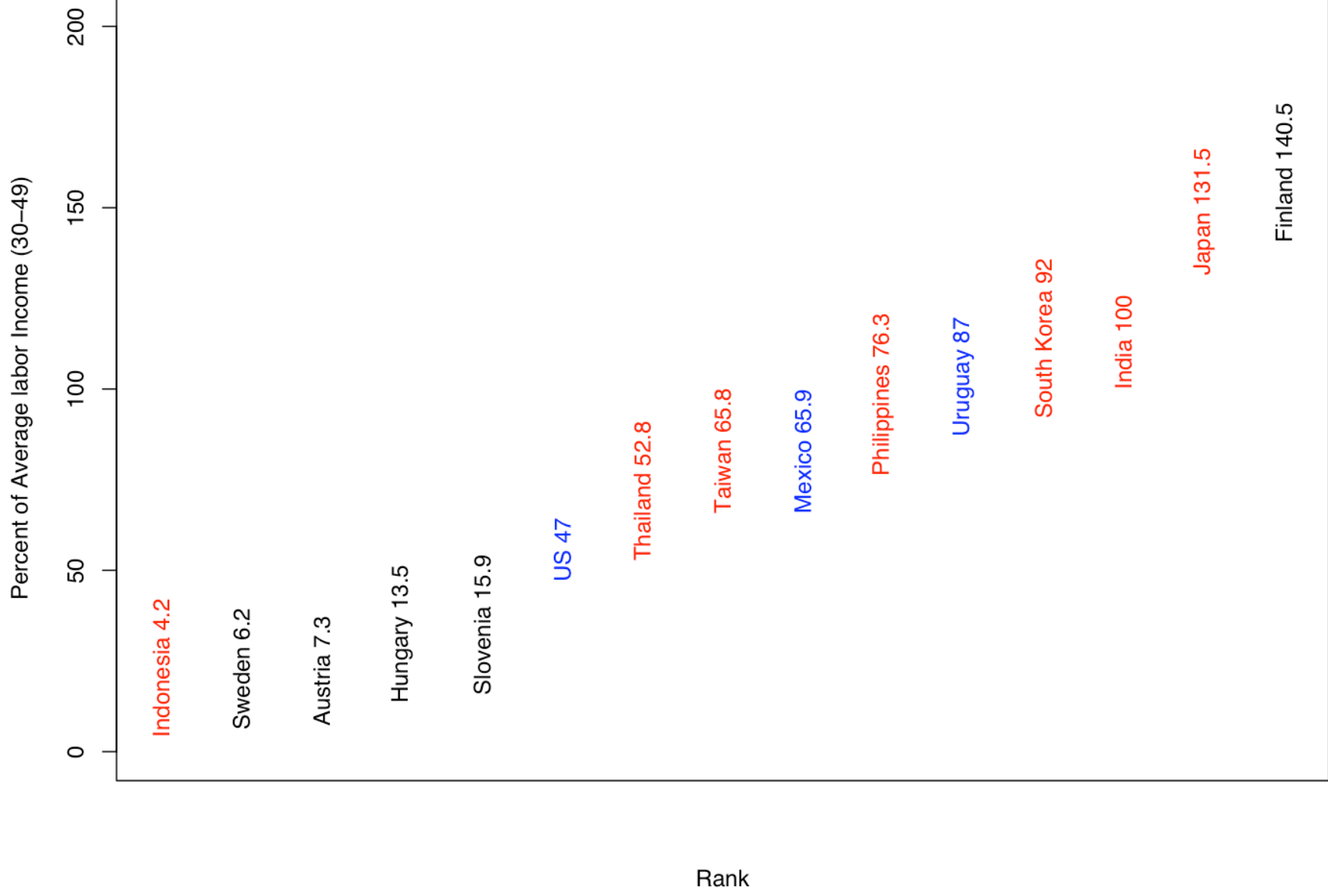
Govt OTHER CASH Spending on Older Persons



Govt OTHER CASH Spending on Youth



Govt OTHER Cash Spending on Youth relative to Working-age Adults



Outliers

Other In-kind

Govt OTHER In-Kind Spending on Youth relative to Older Persons

