An Update on BEA’s Statistics

Mary Bohman, Acting Director

June 5, 2020
Current Activities and Priorities

• Budget update
• Response to COVID-19
• Other innovations and priorities
BEA Budget

• FY 2020: $108 million ($7 million increase)
  – Funds existing programs
  – Adds new programs: GDP for Puerto Rico, Federal Data Service
  – Formalizes National-Industry integration

• FY 2021: $112 million ($4 million increase)
  – Covers core activities and GDP for Puerto Rico
  – Funds Commerce Chief Data Officer position
COVID-19 Response

• BEA releases: Seventeen successful releases with 100% telework
• Coordination with agency partners: Census, BLS, FRB, ICSP
• BEA COVID-19 internal working groups
Outreach & Communication: bea.gov/recovery

Federal Recovery Programs and BEA Statistics

COVID-19 and Recovery

This Bureau of Economic Analysis webpage will consolidate information about the COVID-19 virus and federal stimulus programs as they relate to BEA’s economic data. Any technical information important to a particular news release will also be published with the news release.

Notes & Technical Information

Technical Note

Gross Domestic Product First Quarter of 2020 (Advance Estimate)  
April 29, 2020

This technical note provides background information about the source data and estimating methods used to produce the estimates presented in the GDP news release. The complete set of estimates for the first quarter is available on BEA’s Web site at www.bea.gov. A brief summary of “highlights” is also posted on the Web site. In a few weeks, the Survey of Current Business, BEA’s monthly journal, will publish a more detailed analysis of the estimates (“GDP and the Economy”).

Coronaviruses (COVID-19) impact on First-Quarter 2020 GDP

Real GDP decreased 4.8 percent (annual rate) in the first quarter of 2020, following a 2.1 percent increase in the fourth quarter of 2019.

Paper, Blogs, Articles


Measuring the Effects of the COVID-19 Pandemic on Consumer Spending Using Card Transaction Data

Authors

Abstract

COVID-19 Pandemic: Federal Recovery Legislation and the NIPAs

Benjamin A. Mandel and Mark S. Ludwick

In response to the COVID-19 global pandemic that began in early 2020, Congress passed four major pieces of legislation to provide support to individuals, communities, and businesses. The legislation established several temporary support programs/initiatives as well as provided additional funding for existing federal pro-

FAQs

How did BEA adjust March 2020 wages and salaries to account for the effects of COVID-19?

How does BEA measure enrollment in college campuses?

How are the accounts of 2020 recorded?

How does the Payroll Employment accounts differ?

How does the 2020 recovery differ from the 2008 recovery?

Example 1: No Subsidy

Period 1 - Normal Business Operations: Business has 101 sales, 100 compensation expenses, 0 subsidy.

Period 2 - Business Closed: Business has 0 sales, 100 compensation expenses, 0 subsidy.

GDI

<table>
<thead>
<tr>
<th></th>
<th>Period 1</th>
<th>Period 2</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>101</td>
<td>0</td>
<td>-101</td>
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</tbody>
</table>
Other Innovations and Priorities

• New regional data on Outdoor Recreation
• New county-level GDP data
• New prototype economic statistics for Puerto Rico
• New prototype measures of Economic Well-being and Growth
• New prototype measures of Personal Income Distribution
• Updated and accelerated detailed health care expenditures statistics
• New prototype Ocean Economy statistics
• GDP developments & Annual Updates of BEA’s Economic Accounts
New Prototype Measures of Economic Well-Being and Growth

While the growth and size of GDP are oft-cited measures of the nation’s economic health, they provide limited information on economic well-being. A large and growing GDP may simply reflect a large and growing population. GDP per capita standardizes for population and is often used as a proxy for a nation’s standard of living. Real—inflation-adjusted—GDP per capita has grown more slowly than real GDP, increasing 2.3 percent per year on average between 1953 and 1973, compared with 3.8 percent for real GDP. Between 2007 and 2019, growth slowed with real GDP per capita increasing at 1.0 percent per year and real GDP growing at 1.7 percent per year.

Another key measure of the economic well-being of a nation is its wealth. Wealth increases economic welfare by supplementing income for large purchases, unemployment, emergencies, retirement, education, and bequests to heirs. Since 1940, household wealth—measured by net worth (that is, household assets less liabilities)—has risen every year except for in 2008 during the Great Recession. In addition, the ratio of household net worth to disposable personal income (DPI) indicates whether growth in saving, and hence wealth, is keeping up with growth in incomes and households’ retirement income requirements. During the post-WWII era, net worth of households as a percentage of DPI has risen, with net worth nearly seven times larger than DPI in 2016.
New Prototype Measures of Personal Income Distribution

• March 2020: Released new statistics that provide fresh insights into how American households share in economic growth

• New statistics measure the distribution of U.S. personal income across households in different income groups over time

• Next steps
  – Collect data users’ input and feedback
  – Refine methodology and presentation
  – Goal for 2020: Release of official distribution of income statistics by the end of year
Results

Real Personal Income by Category (2012=100)
Ocean Economy represents **1.8%** of nominal GDP in 2018

<table>
<thead>
<tr>
<th>Ocean Economy</th>
<th>2018 levels ($billions)</th>
<th>2017-2018 change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal GDP</td>
<td>$372.8</td>
<td>5.8%</td>
</tr>
<tr>
<td>Nominal Gross Output</td>
<td>$617.2</td>
<td>7.5%</td>
</tr>
<tr>
<td>Compensation</td>
<td>$162.0</td>
<td>4.9%</td>
</tr>
<tr>
<td>Employment</td>
<td>2.3 (millions of employees)</td>
<td>1.2%</td>
</tr>
</tbody>
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Annual Updates to BEA’s Accounts

• June 2020: International Accounts
  – Improvements reflect the culmination of BEA’s multiyear initiative to improve and expand our trade in services

• July 2020: National Accounts
  – Improvements to the estimates for retail trade, for R&D investment, and for financial, Internet, and educational services

• September/October 2020: Industry and Regional Accounts (acceleration of a few weeks)
  • Also on track to issue three quarterly GDP releases nearly simultaneously: U.S. GDP (third estimate) and GDP by Industry – Sept 30, GDP by State – Oct 2

• December 2020: Real State Personal Income for 2019 (5-month acceleration)