

An Update on BEA's Statistics

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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

- 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](https://www.bea.gov/recovery)



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bea Bureau of Economic Analysis
U.S. DEPARTMENT OF COMMERCE

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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.

Paper, Blogs, Articles

BEA Working Paper Series, WP2020-5

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

Authors: Benjamin A. Mandel and Mark S. Ludwick
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COVID-19 Pandemic: Federal Recovery Legislation and the NIPAs

Benjamin A. Mandel and Mark S. Ludwick
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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-

Notes & Technical Information

Use of RIMS II Multipliers—COVID-19

BEA's Regional Input-Output Modeling System (RIMS II) provides a tool that can be used in estimating the economic impact of the COVID-19 pandemic. The model produces multipliers for a wide range of project categories, providing a basic structure of the impact of the man-made disaster. The model uses an econometric model to estimate changes in business and government tax and multiplier effects.

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 online monthly journal, will publish a more detailed analysis of the estimates ("GDP and the Economy").

Coronavirus (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

FAQs

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

How does BEA measure the impact of COVID-19 on college campuses?

How are the economic effects of COVID-19 recorded in the NIPAs?

How does the Payroll Compensation account for COVID-19?

How does the 2020 GDP estimate account for COVID-19?

Why does BEA publish the GDP news release?

In both examples, one can see the decline in GDI between these two periods. However, the impact on GDI is the same in Period 2 -- regardless of whether there is a subsidy. In effect, the subsidy in Period 2 transfers the cost of employment to the government and offsets the decline in net operating surplus. There is no change in compensation because only the source of funding has changed.

	Period 1	Period 2	Change
GDI	101	0	-101

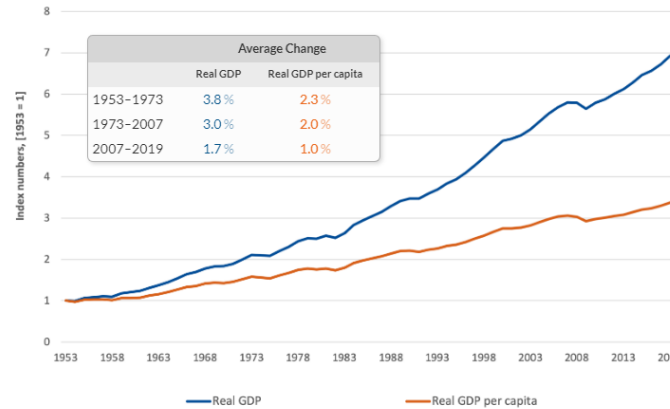
Example 1: No Subsidy
 Period 1 - Normal Business Operations: Business has 101 sales, 100 compensation expense, 0 subsidy
 Period 2 - Business Closed: Business has 0 sales, 100 compensation expense, 0 subsidy

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

GDP and GDP Per Capita



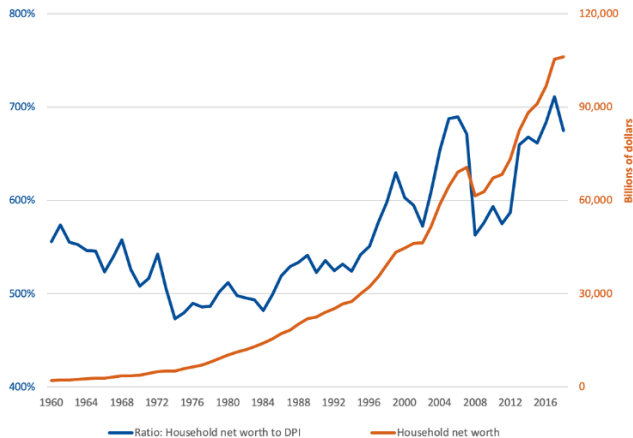
While the growth and size of GDP are oft-cited measures of the nation's economic health, they provide limited information on economic well-being. A large and growing GDP may simply reflect a large and growing population. GDP per capita standardizes for population and is often used as a proxy for a nation's 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.



American's Financial Well-being

Trends in Household Wealth as Measured by Net Worth



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 1960, 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 2018.



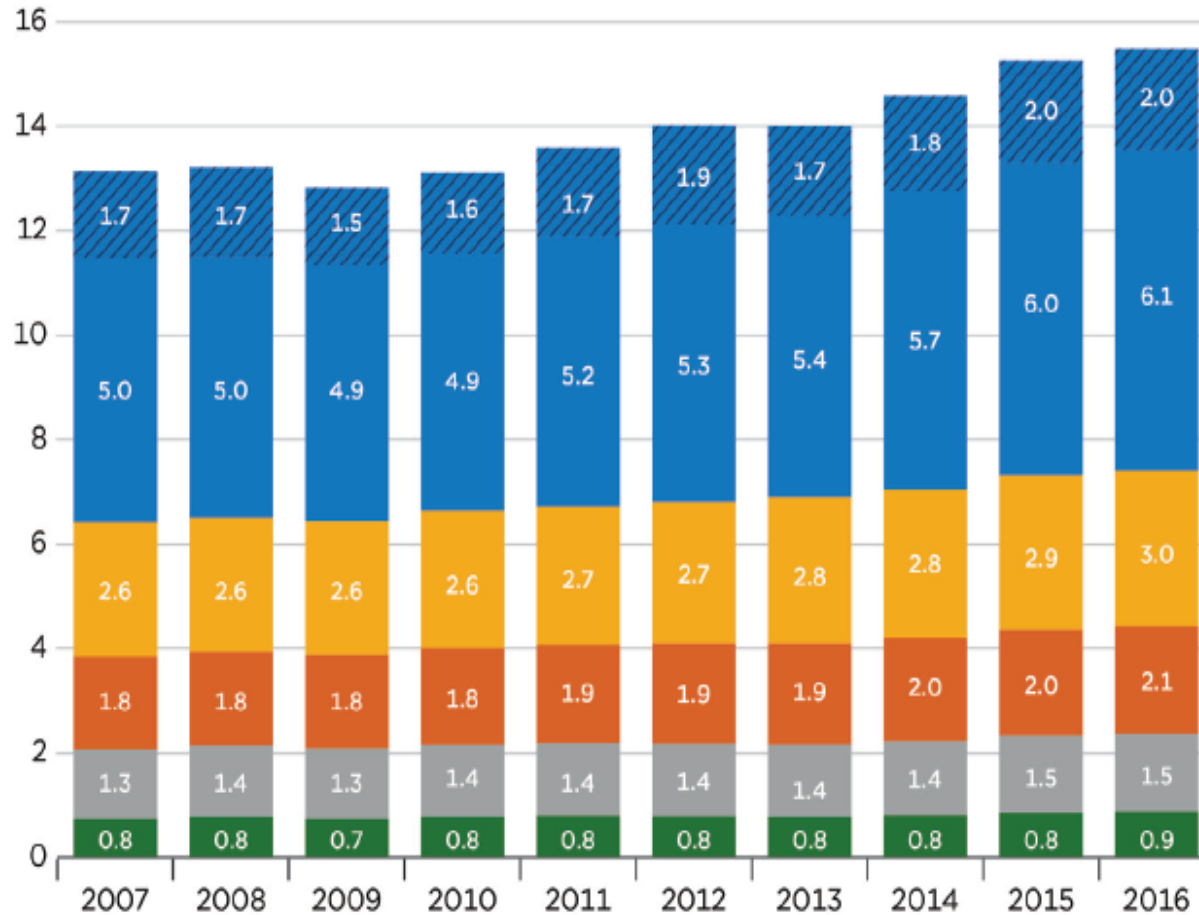
New Prototype Measures of Personal Income Distribution

- 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)

Trillions of dollars



Income categories
(divisions denote quintiles)

-  Top 1%
-  80%-99%
-  60%-80%
-  40%-60%
-  20%-40%
-  Bottom 20%

New Prototype Ocean Economy Statistics



Ocean Economy represents **1.8% of nominal GDP in 2018**

Ocean Economy	2018 levels (\$billions)	2017-2018 change
Nominal GDP	\$372.8	5.8%
Nominal Gross Output	\$617.2	7.5%
Compensation	\$162.0	4.9%
Employment	2.3 (millions of employees)	1.2%

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)