



# **Bringing Together National, Industry, and State GDP for the First Time**

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Advisory Committee Meeting

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## Three views of GDP come together

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BEA is on track to issue in the fall of 2020 three quarterly GDP releases nearly simultaneously:

- U.S. GDP (third estimate): Sept. 30
- GDP by industry: Sept. 30
- GDP by state: Oct. 2

The three major dimensions of GDP also will be synchronized to cover the same time period – giving data users a fuller view of the economy, without the wait.

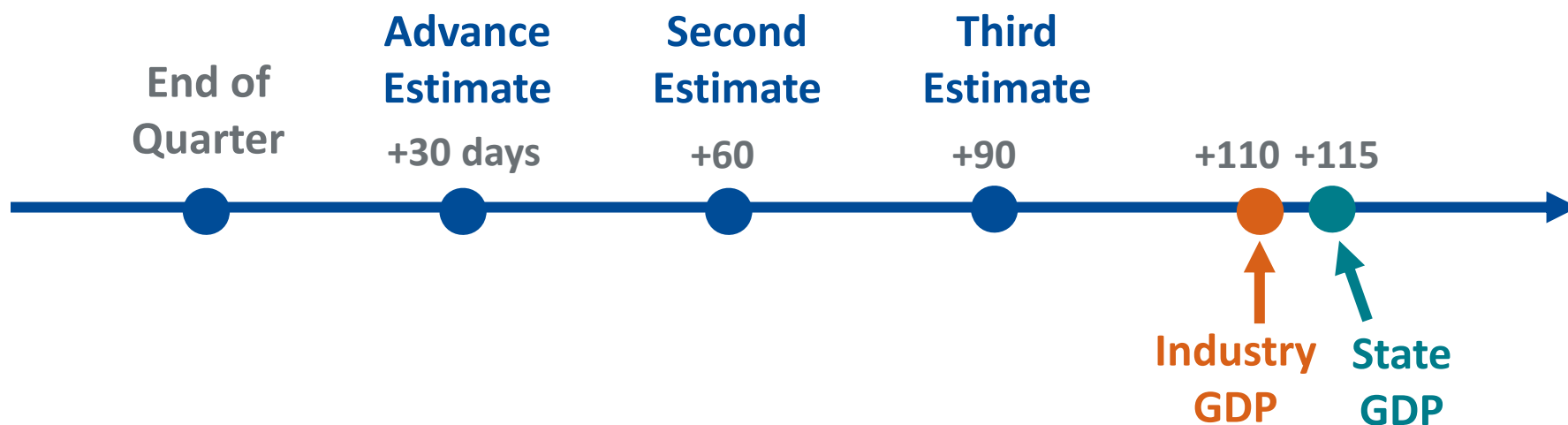
Speeding up the quarterly state and industry GDP releases to accompany the third estimate of U.S. GDP brings many advantages:

- Provides data users faster access to a more complete story of quarterly changes in the economy
- Helps BEA further improve the accuracy of our estimates
- Creates efficiencies at BEA that may lead to future improvements

# Current timing of these three GDP releases



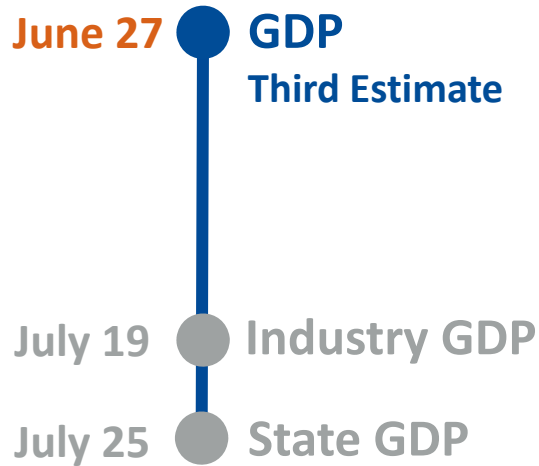
## Industry and state lag the three estimates of U.S. GDP



## National perspective: GDP increased 3.1 percent in Q1

EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, Thursday, June 27, 2019

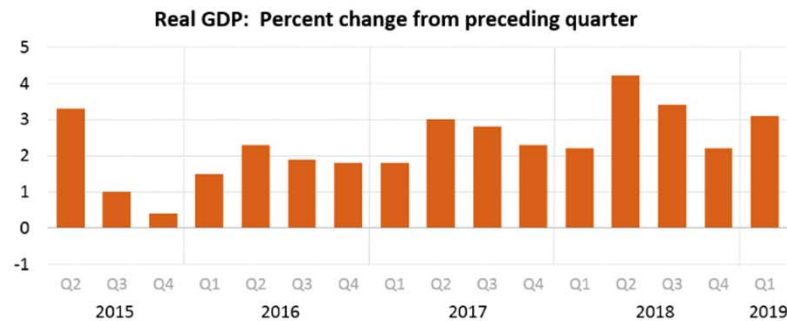
BEA 19-29



### Gross Domestic Product, First Quarter 2019 (Third Estimate); Corporate Profits, First Quarter 2019 (Revised Estimate)

Real gross domestic product (GDP) increased at an annual rate of 3.1 percent in the first quarter of 2019 (table 1), according to the "third" estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2018, real GDP increased 2.2 percent.

The GDP estimate released today is based on more complete source data than were available for the "second" estimate issued last month. In the second estimate, the increase in real GDP was also 3.1 percent. Upward revisions to nonresidential fixed investment, exports, state and local government spending, and residential fixed investment were offset by downward revisions to personal consumption expenditures (PCE) and inventory investment and an upward revision to imports (see "Updates to GDP" on page 2).



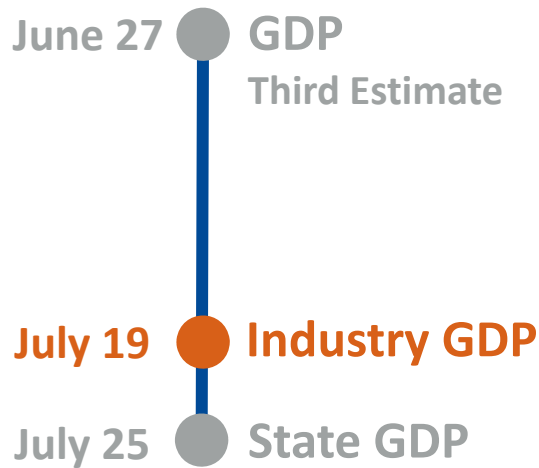
U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

# What you get now: Industry GDP



## Industry perspective: Finance and insurance, retail trade, and health care & social assistance led GDP growth in Q1

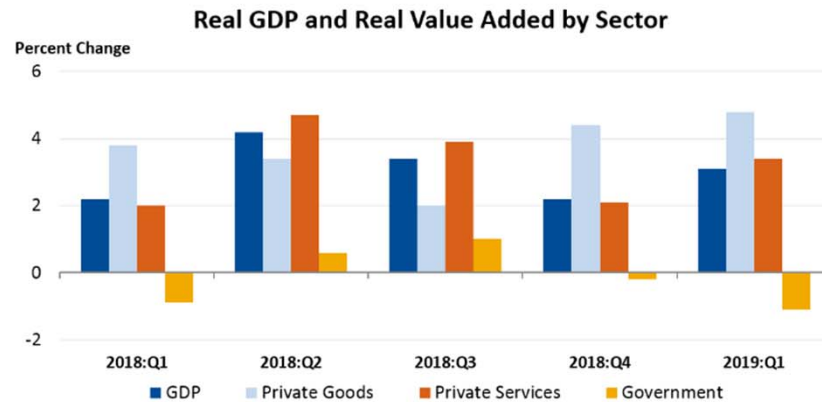


EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, FRIDAY, July 19, 2019

BEA 19-33

### Gross Domestic Product by Industry: First Quarter 2019

Finance and insurance; retail trade; and health care and social assistance were the leading contributors to the increase in U.S. economic growth in the first quarter of 2019. According to gross domestic product (GDP) by industry statistics released by the Bureau of Economic Analysis, 16 of 22 industry groups contributed to the overall 3.1 percent increase in real GDP in the first quarter.

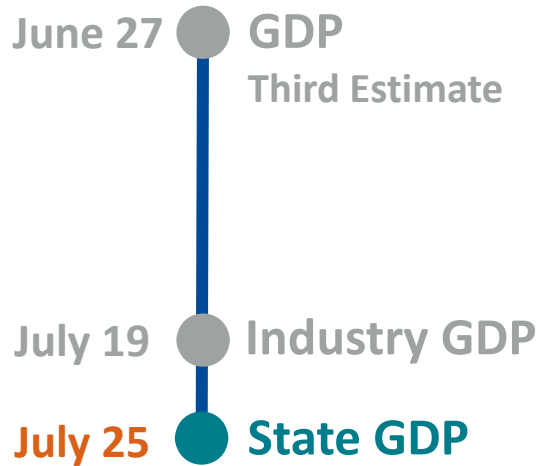


U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

# What you get now: State GDP

## State perspective: Mining increased 26.5 percent nationally and led growth in West Virginia, Texas, and New Mexico in Q1



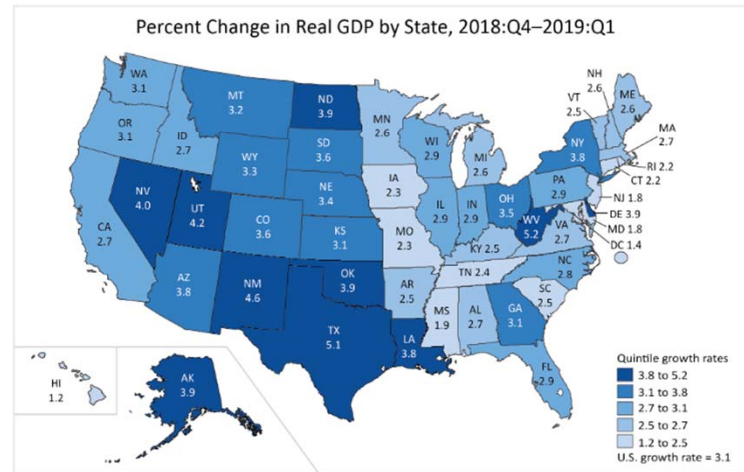
EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, Thursday, July 25, 2019

BEA 19-35

### Gross Domestic Product by State, First Quarter 2019

West Virginia Had the Fastest Growth in the First Quarter

Real gross domestic product (GDP) increased in all 50 states and the District of Columbia in the first quarter of 2019, according to statistics released today by the U.S. Bureau of Economic Analysis. The percent change in real GDP in the first quarter ranged from 5.2 percent in West Virginia to 1.2 percent in Hawaii (table 1).



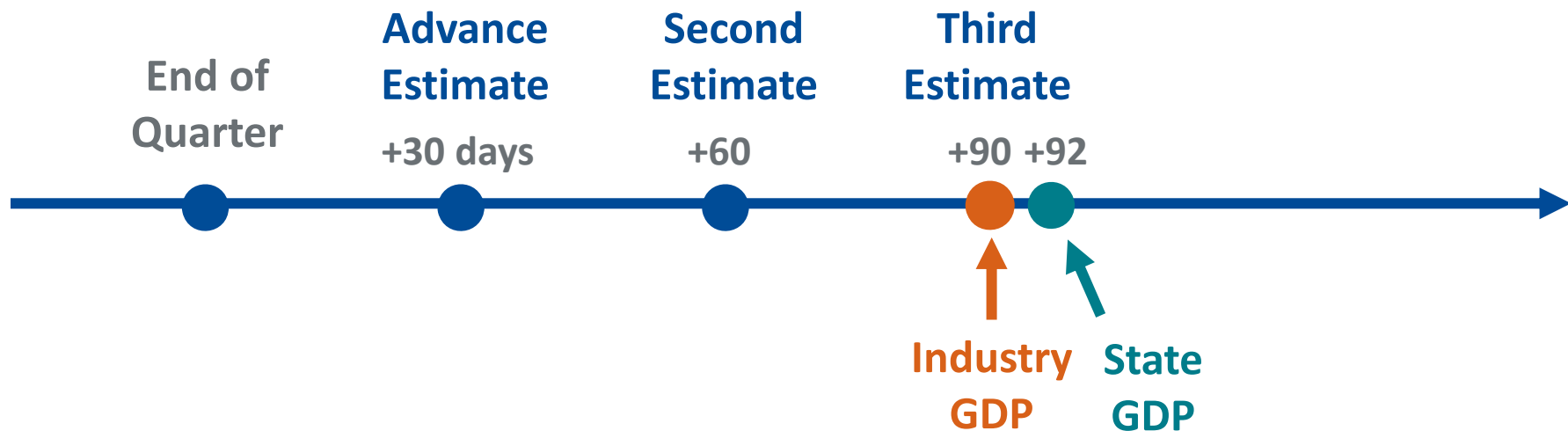
U.S. Bureau of Economic Analysis

## Starting in September



We will release industry GDP with the third estimate of national GDP, followed within two days by state GDP:

**All will cover the second quarter of 2020**





# Faster, fuller view of the U.S. economy

A more timely release of the three views of GDP offers users a powerful tool to analyze the industry and geographic underpinnings of the U.S. economy.



## Improve accuracy and efficiency

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Production and review is now integrated, allowing national, industry, and regional economists to share analysis and information during shared production cycles.

Minor differences between the accounts' data, often caused by slightly differing methodologies, can be identified and eliminated.

Broader measurement issues are now identified, researched, and solved in a more efficient and inclusive way.

BEA worked for two years to set the stage for these upcoming improvements.

- Deployed strategies that support cross-training and job shadowing that expand knowledge of methods and statistical practices
- Redesigned internal review processes that better align and inform the estimates and identify areas for future research

For the past three quarters, BEA conducted internal tests for producing national, industry, and state GDP together. Tests will continue through the release of industry and state GDP for the first quarter of 2020.

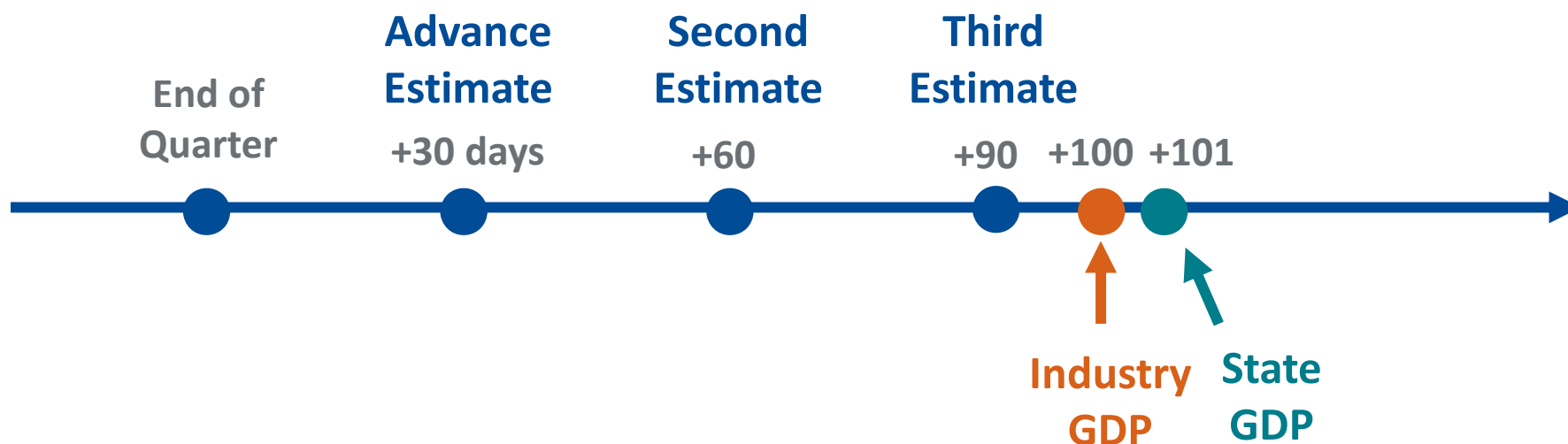
Over the next several months, we will:

- Prepare the GDP news release (third estimate) to bring in the industry perspective on developments in the U.S. economy
- Conduct testing to prepare BEA's interactive tables and API for increased load on release day
- Reach out to inform customers of the coming changes, including through our website, blogs, social media, and conference outreach

## The first changes you'll see



Starting in January, the time between the U.S. GDP news release and the industry and state GDP releases will be reduced.



## Industry and state annual updates come faster

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Annual updates of the industry and state GDP statistics also will be accelerated to come sooner after the national GDP update.

- Annual update of GDP and its major components: July 2020
- Industry annual update: Sept. 30
  - 30 day acceleration for annual update
- State annual update: Oct. 2
  - 35 day acceleration for annual update

## Summing it up

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Next year, national and industry GDP statistics will be released together on Sept 30. State GDP statistics will follow two days later, on Oct 2.

Going forward, state and industry GDP statistics will follow similar timing with the third estimate of national GDP for each quarter.

The improvements will:

- Provide users with a fuller and more timely picture of U.S. economic activity
- Bolster accuracy by improving the flow of internal information among economists working on different types of GDP data
- Lead to improved accuracy through reconciling any asymmetries or discrepancies in the data

Looking ahead to 2021, BEA is exploring further acceleration of state GDP estimates.

- Would releasing state data with the third estimate of national GDP and industry GDP in the same release be advantageous to users?

The new approach creates efficiencies that will offer opportunities to build and expand our data.

- BEA is now positioned to consider releasing industry and state GDP even earlier—with the second estimate of U.S. GDP, based on internal tests. How helpful would that be to users?
- What expanded products do you suggest to best benefit users?