GDP and Beyond: Update

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Overview

- AEA Panelists' Perspectives
- BEA Progress
- Upcoming Products

AEA Panelists' Perspectives

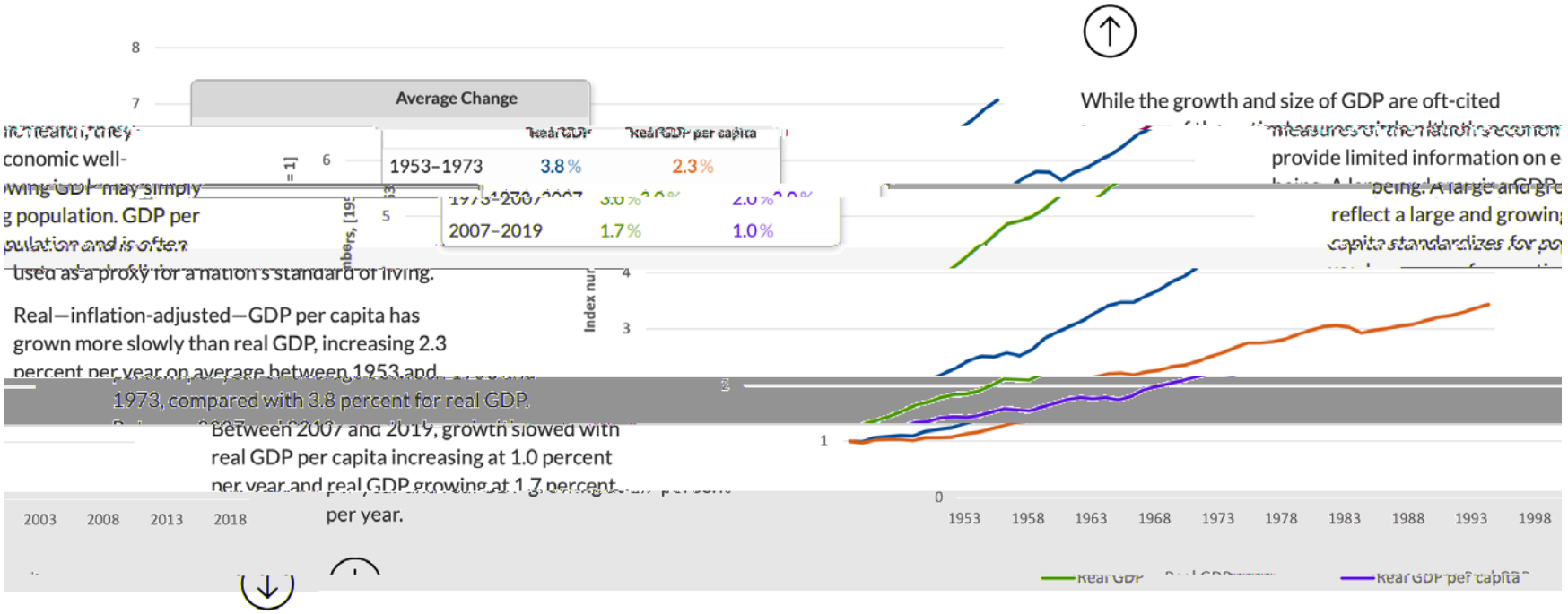
AEA Panelists' Perspectives on BEA's GDP and Beyond Program						
	Deaton	Jorgenson	Lynch	Schreyer	Sheiner	Sichel
More prominently feature PCE, PI, and DPI	X			X		
Distribution HH Income	X			X		X
Health Care	X				X	
Dashboard of Market and Nonmarket Indicators				X		
Composite Measure of Economic Welfare		X				X
Human Capital		X	X			X
Household Production			X	X		X
Environmental/Natural Resource Economic Accounts				X		
Evidence-Based Policy				X		
Notes:						
General Support for Satellite Accounts						
Deaton: SWB helpful, but no replacement for National Acccounts						
Lynch: HH Production should include home health care, volunteering, and free labor faciltated by IT						
Deaton and Sheiner: Quality-adjusted measures of health care output extemely important						

BEA Progress

- Distribution of Personal Income (prototype—March 2020)
- Measures of Economic Well-Being and Growth (prototype—March 2020)
  - Americans' economic well-being
    - Income, wealth, employment, production, and inflation
    - Distribution of income and production across households, countries, states, and industries
  - Sustainability of economic growth
    - Contributions to growth by capital, labor, and technology
    - Adequacy of national saving and investment
    - Sustainability of trade and budget deficits

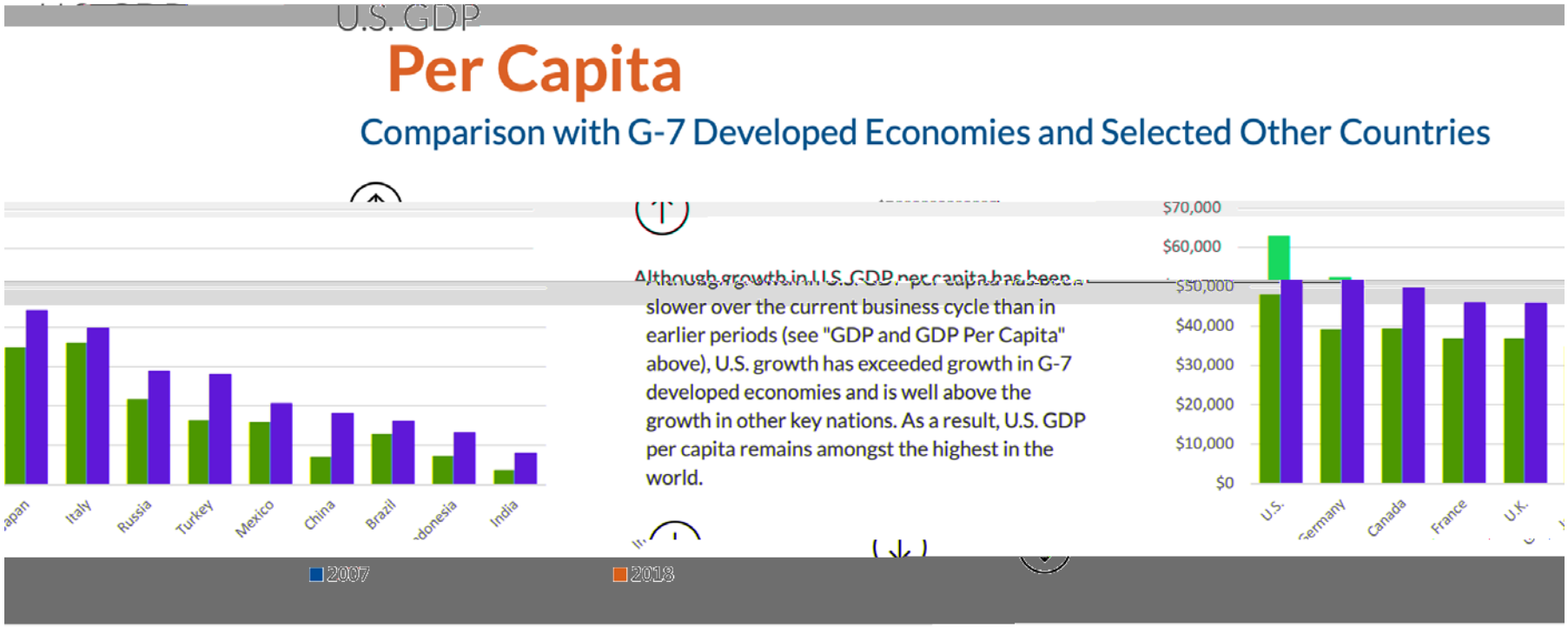
Snapshot: GDP Per Capita

GDP and GDP Per Capita



Source: BEA NIPA table 1.1.6 and NIPA table 7.1

Snapshot: Country Comparison



ıtries, 2007 and 2018

ıt prices (purchasing power parity; international dollars per capita)"

ween countries' currencies to changes in the countries' prices, providing a mechanism for directly comparing buying power

Data: GDP per capita for G-7 developed economies and selected other cour

Source: International Monetary Fund DataMapper: "GDP per capita, curren

Purchasing power parities relate changes in the nominal exchange rates bet across countries.

Snapshot: Economic Growth

Trends in Economic Growth

Growth in GDP is essential to economic well-being.

Over time, there has been a slowdown in all three of the sources of economic growth—labor and capital inputs and multifactor productivity (real GDP per unit of output)—which has contributed to the declining rate of long-term growth.

The slowdown in labor input is accounted for by demographic factors such as the aging and retirement of the population and economic factors such as lower labor force participation. The slowdown in capital services reflects a slowdown in net investment (and saving). The slowdown in multifactor productivity is much debated and reflects many factors, including the pace of technological change.

Component	Average Annual Growth 1987–2007	2007–2017	Difference
Real GDP	3.1%	1.5%	-1.6%
Labor input	1.5%	0.8%	-0.7%
Capital services	4.0%	2.2%	-1.8%
Multifactor productivity	1.1%	0.4%	-0.7%

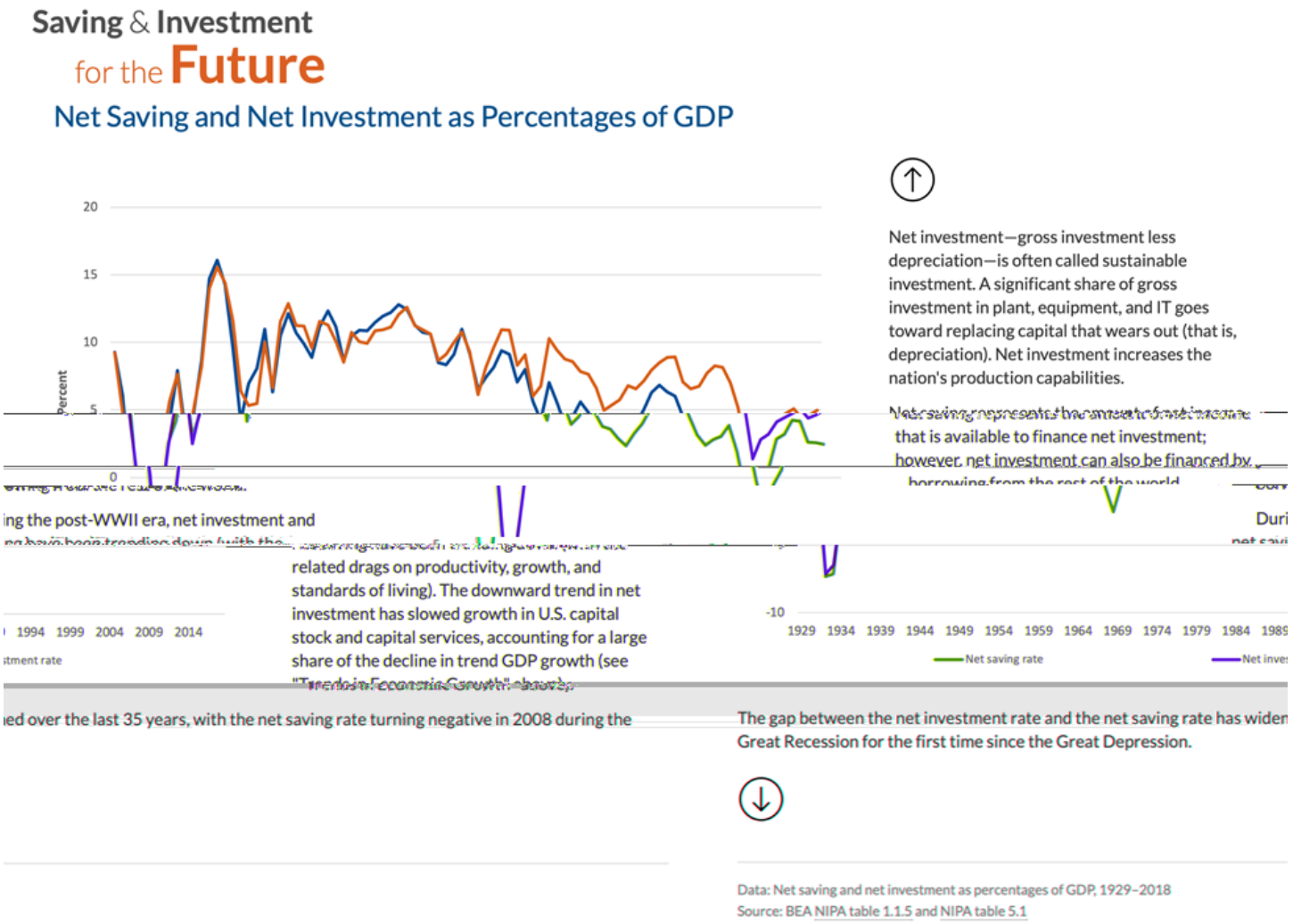
	Contributions to Growth [Percentage points]	
Real GDP[1]	3.1	1.5
Labor input	1.00	0.49
Capital services	1.37	0.86
Multifactor productivity	0.74	0.14

[1] Estimates under the contributions columns are also percent changes.

Source: BEA NIPA table 1.1.3, Integrated BEA GDP-BLS productivity accounts

Contributions to real GDP for labor input and capital services are calculated by multiplying labor's and capital's average shares in cost by their average annual growth rates; contributions to real GDP for multifactor productivity is the residual.

Snapshot: Saving and Investment



Upcoming Products

- **GDP and Beyond: Priorities and Plans, SURVEY OF CURRENT BUSINESS, forthcoming, 2020**
  - Evolution of efforts to extend National Accounts
  - Recent interest in expanded measures of economic well-being and growth
  - Review of approaches for better measuring economic well-being and sustainability
  - BEA plans
- **GDP and Beyond: AEA Member Panel Perspectives, SURVEY OF CURRENT BUSINESS, forthcoming, 2020**