

Updating BEA's National Accounts: *Update on Seasonal Adjustment Plans*



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Seasonal adjustment improvements



Work continues on several fronts:

- Ensuring high-quality seasonal adjustment conducted on input series
- Evaluating GDP and GDI component series for residual seasonality and developing remedial adjustments
- Developing and refining not seasonally adjusted estimates

Actions taken since May update



- Detailed evaluation of NIPA (and Bureau-wide) seasonal adjustment methods and practices
 - All input series will be tested for seasonality (and residual seasonality)
 - Diagnostics and critical values consistent with Census standards
- Partnering with source data providers (Census Bureau, Fed, BLS, EIA)
 - Formal training and one-on-one consultations with time series experts
 - Collaboration on seasonal adjustment for key NIPA source data

Mitigating residual seasonality



- Isolating specific time series and time spans for remedial seasonal adjustment
 - Requires attention to sub-component series as well as aggregates
- Updating and expanding the analysis by Moulton and Cowan (2016)

- Prepared in parallel with the SA estimates
 - In most cases, NSA source data available
- Level of publication NIPA 1.1x (product side) and 1.10 (income side)
- SA estimates will still reflect an indirect (bottom up) approach to seasonal adjustment
 - The NSA estimates will allow for comparison of the two adjustment approaches (direct and indirect)