

Results of the 2014 Annual Revision of the National Income and Product Accounts

Bureau of Economic Analysis

July 30, 2014

Why does BEA revise its estimates?

- Improve accuracy
- Incorporate more complete & reliable data
- Provide more detailed picture of economy
- Improve estimation methods

Revision cycle

- **Current quarterly estimates**
 - 3 consecutive releases: Advance, Second, Third
 - Revise previous quarter during “Second” release
 - Rare methodology changes (Apr – June 2014Q1)
- **Annual revisions**
 - Generally 3 years open to revision, sometimes more
 - Methodology and presentation changes (July 2014)
- **Comprehensive revisions**
 - Benchmark GDP component dollar level
 - Introduce major conceptual changes (July 2013)

Categories of source data

Vary by quality, availability, and use

Comprehensive

- In coverage, scope, and NIPA concept

Adjusted Comprehensive

- In coverage, but require adjustment to conform to NIPA concepts

Direct Indicator

- Indicate movement in a series but not dollar level

Indirect Indicator

- Indirectly related to measurement series, but best available information

Trend-based

- Used when no other data is available

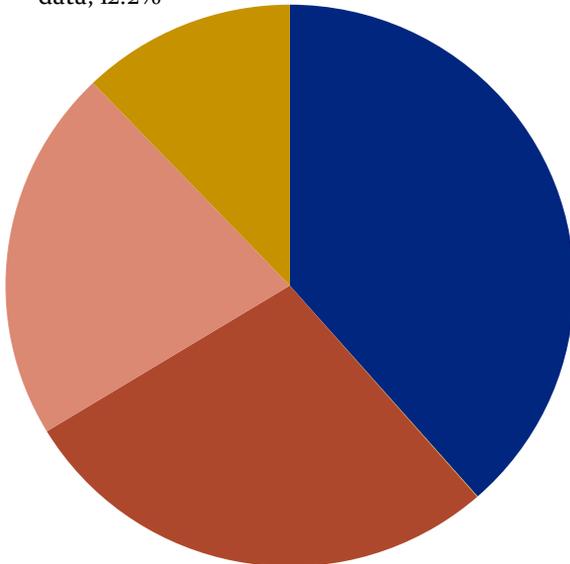
Shares of source data for GDP

GDP

Third current estimate

Trend-based data, 12.2%

Indirect indicator data, 21.5%



Direct indicator data, 27.8%

Comprehensive data, 38.5%

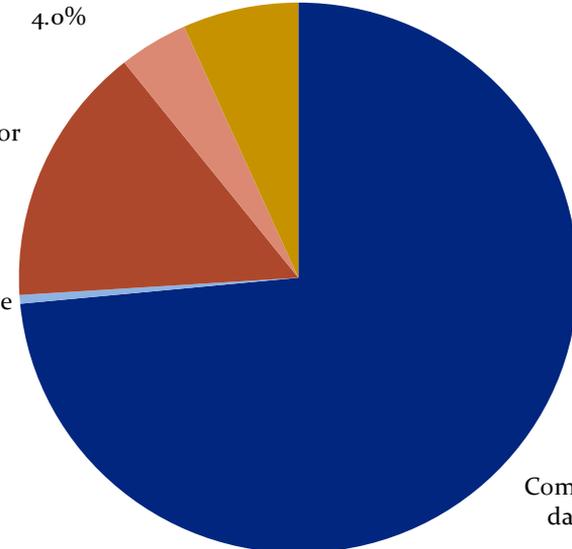
First annual revision

Indirect indicator data, 4.0%

Trend-based data, 6.7%

Direct indicator data, 15.3%

Adjusted comprehensive data, 0.5%

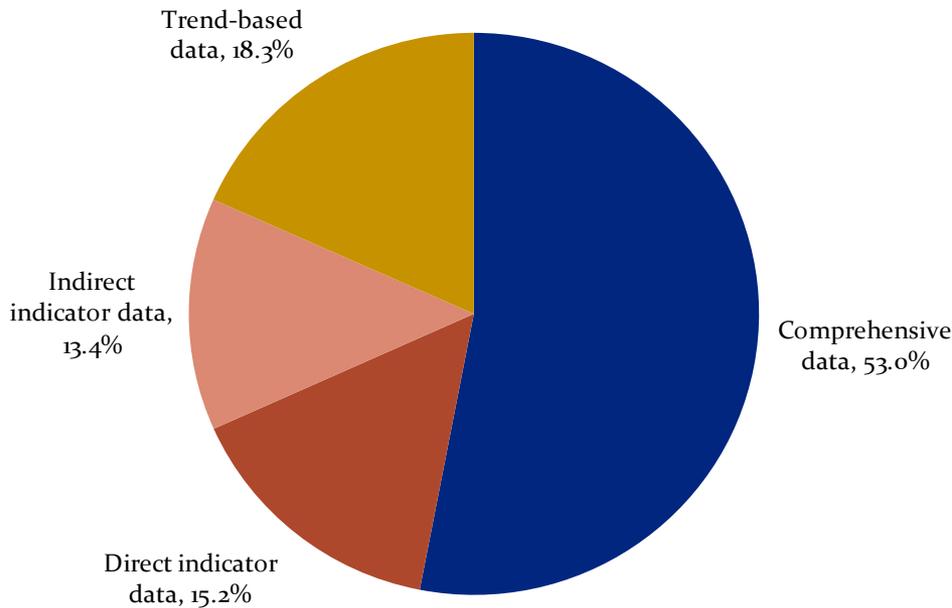


Comprehensive data, 73.5%

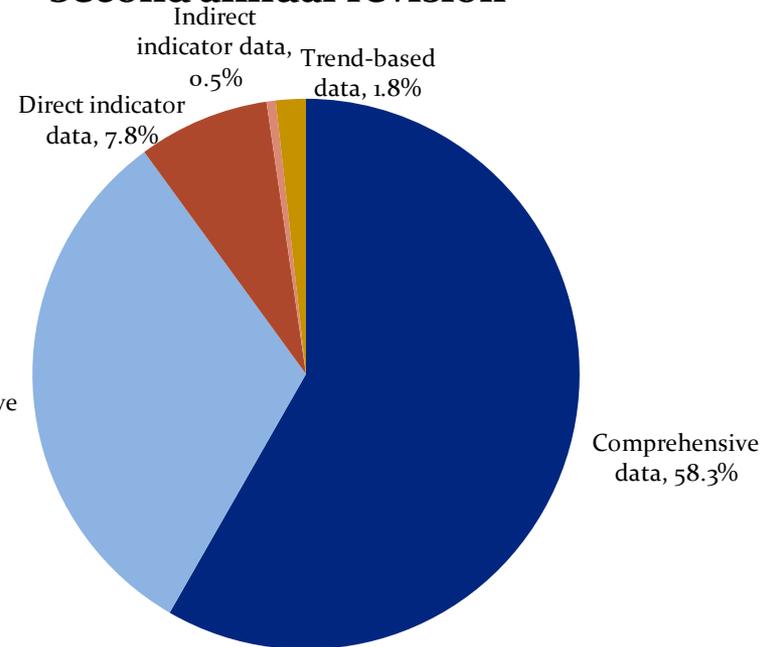
Shares of source data for GDI

GDI

First annual revision



Second annual revision



Source data in the 2014 annual revision

- Census Bureau surveys
 - Annual retail and wholesale trade surveys
 - Services annual survey
 - Construction spending (value put in place)
 - Government finances survey
 - Current population/housing vacancy survey
- Bureau of Labor Statistics:
 - Quarterly census of employment and wages
 - Prices
- Internal Revenue Service
 - Corporate and sole proprietorships and partnership tax return
- Office of Management and Budget:
 - Federal government budget – FY 2015
- BEA's international transactions accounts

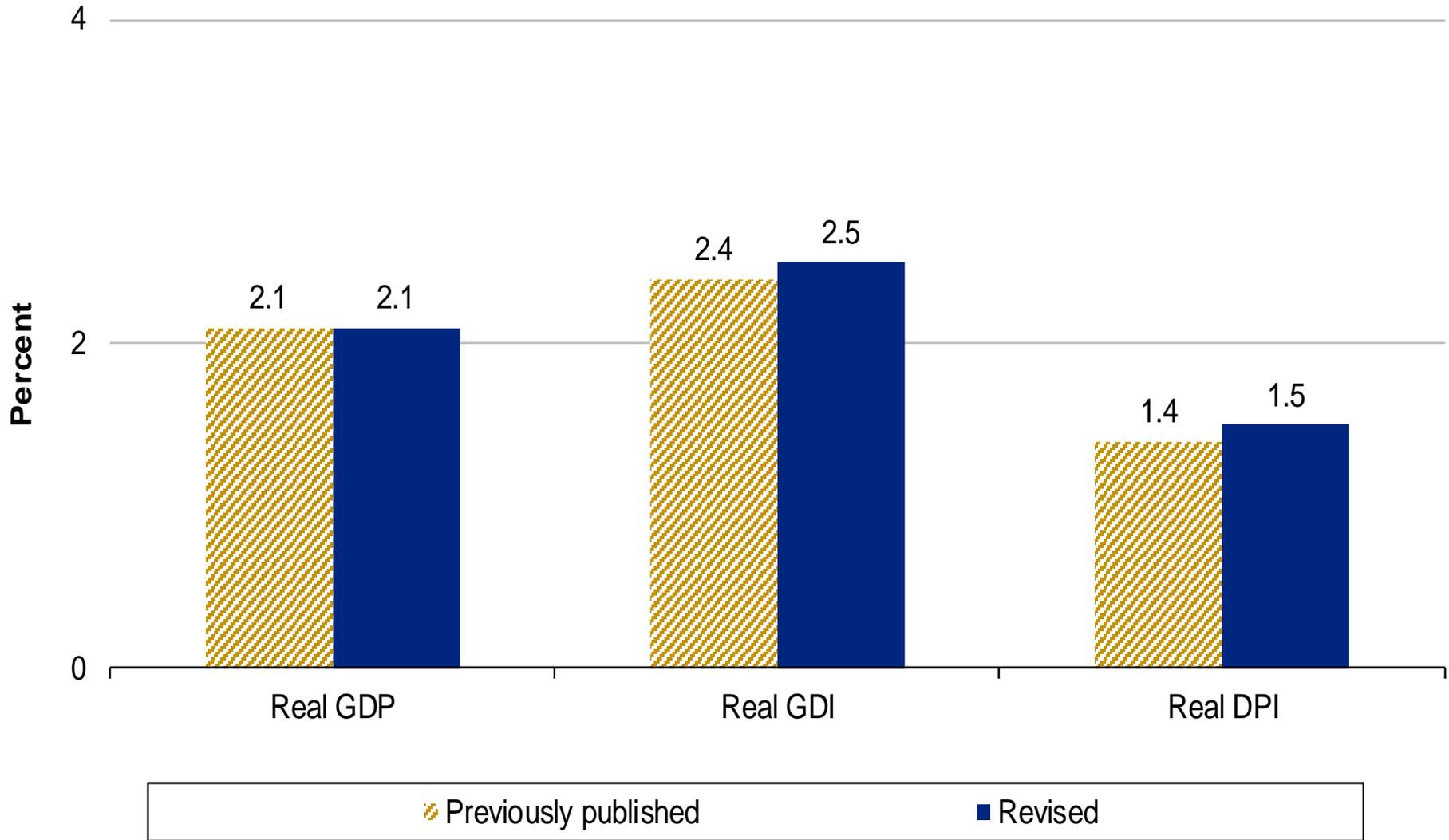
Improvements in data & presentation

- Flexible annual revision
- BEA's ITA revisions 1999-2014Q1
 - Net exports, PCE, national income
- Methodology and presentation improvements
 - Separately identify defined contribution pension plan transactions in a new table 7.25
 - New underlying detail foreign trade tables

Period covered by revisions

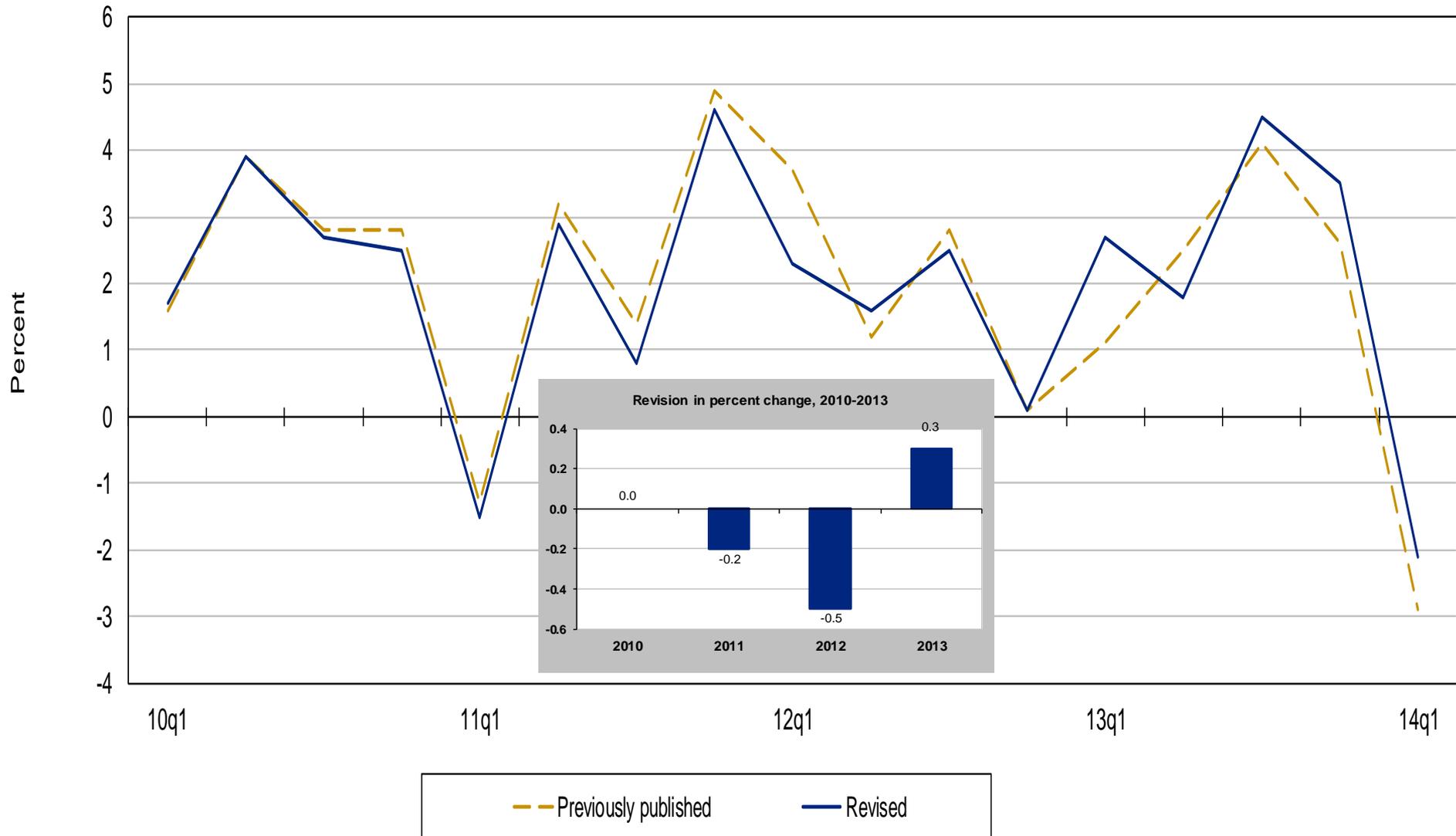
- Most components: 2011Q1-2014Q1
- PCE, net exports, and some income components range from 1999Q1-2014Q1
- Reference year remains 2009
- Full period quantity and price index levels revised for GDP and select components
- Revisions for 2014Q1 and Advance 2014Q2 to be released on July 30

Average annual rates of change of real GDP, real GDI, and real DPI, 2009Q2 to 2014Q1



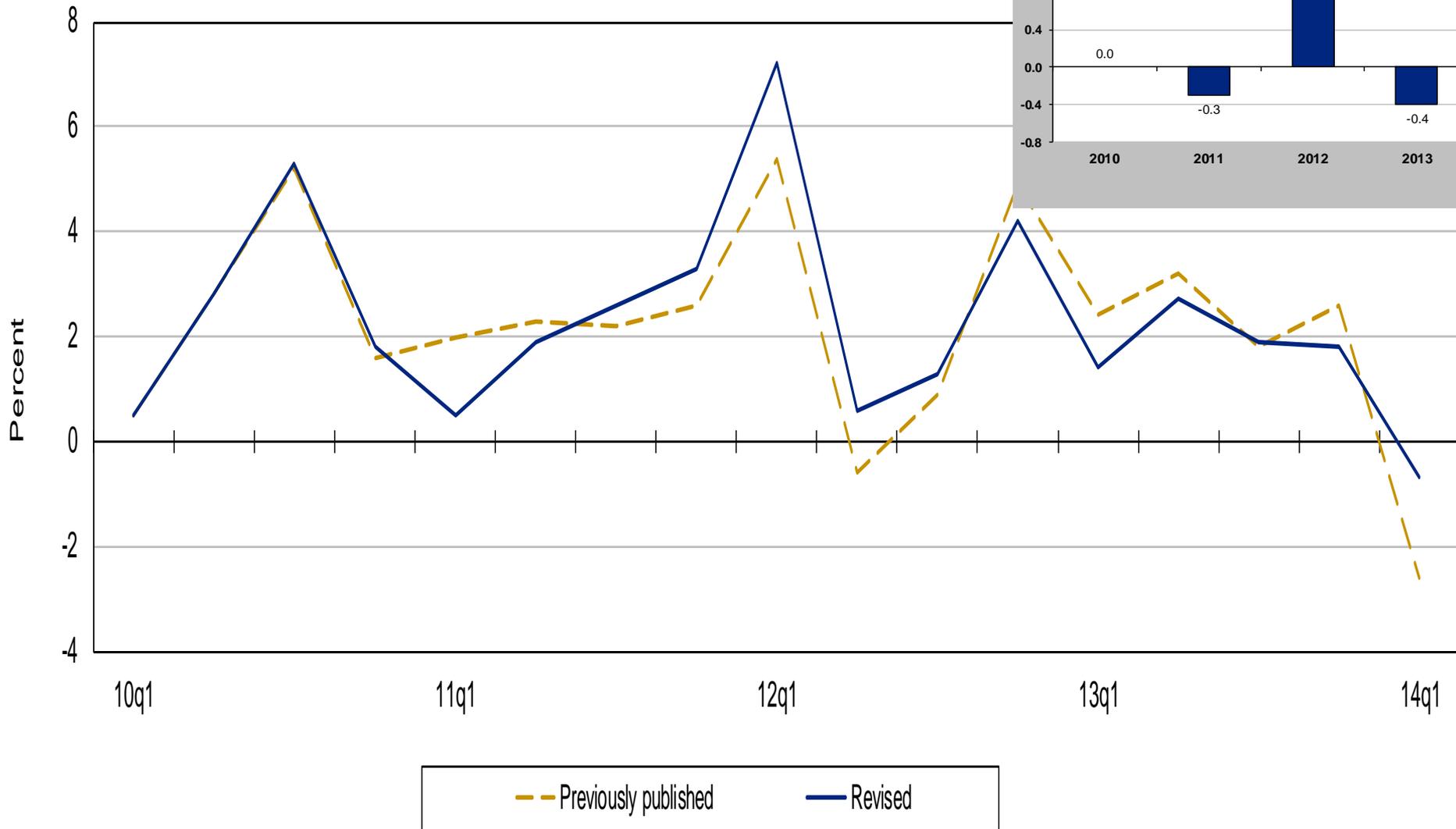
Real gross domestic product

[Percent change from preceding period, SAAR]



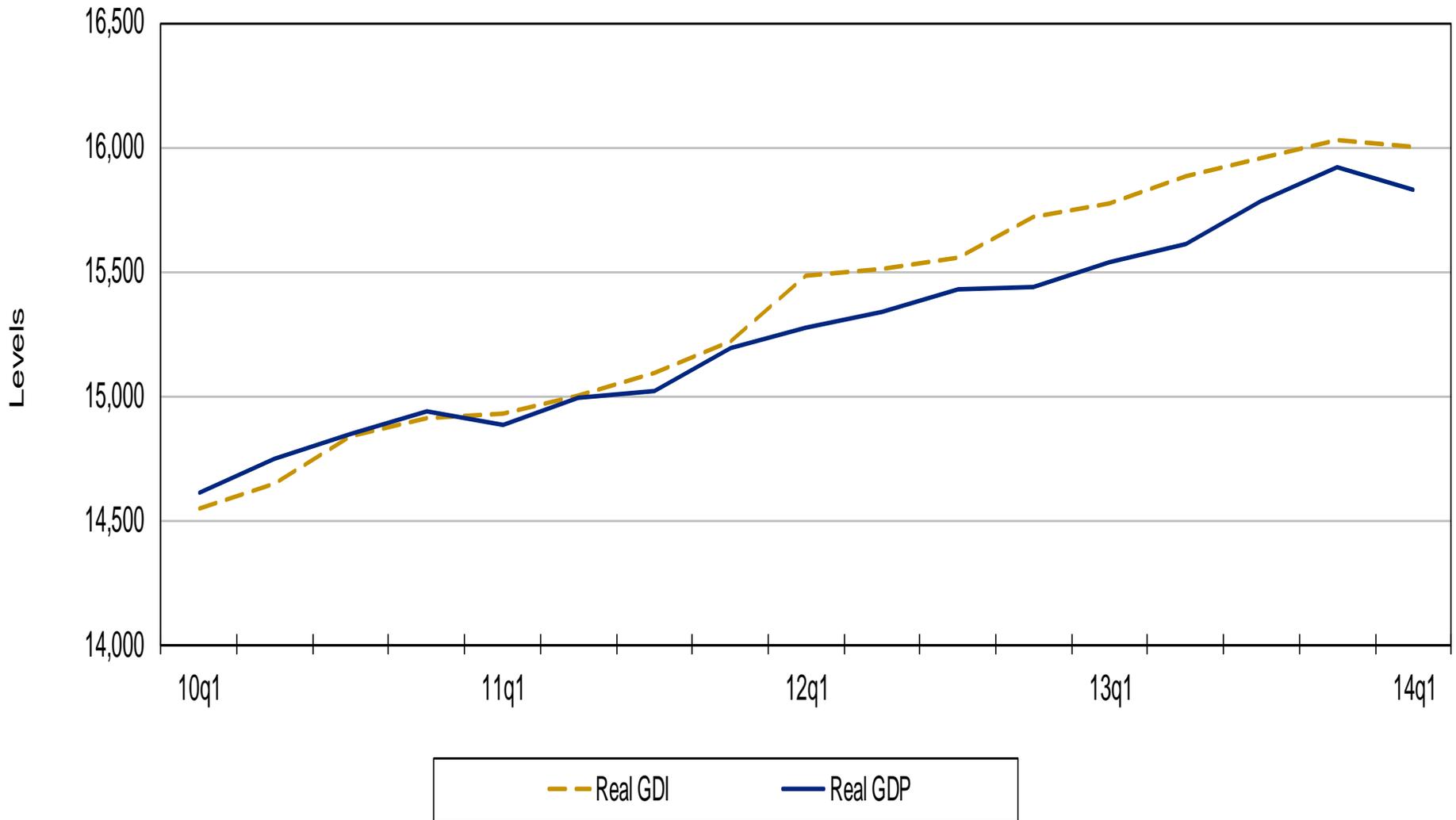
Real gross domestic income

[Percent change from preceding period, SAAR]

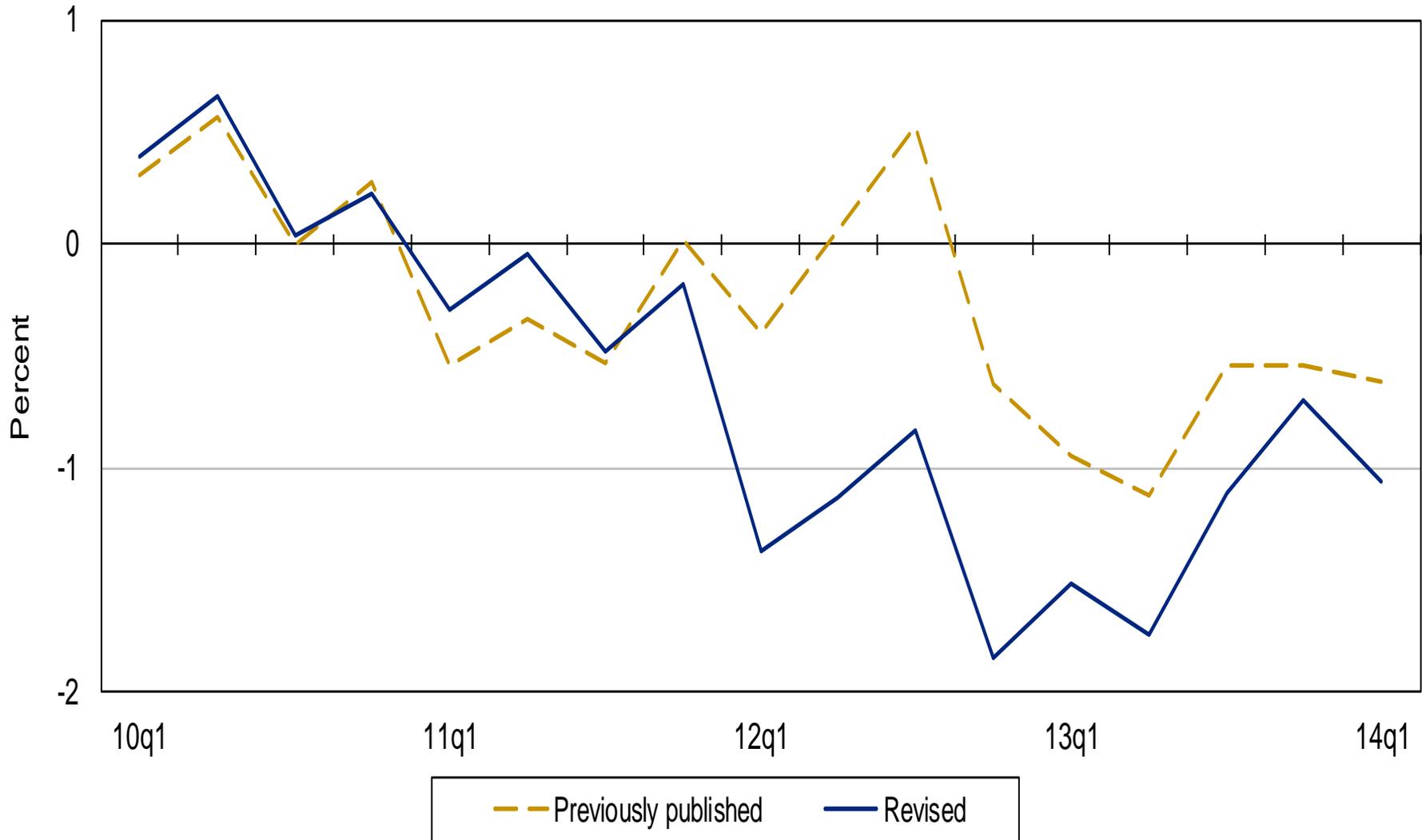


Real GDI and Real GDP

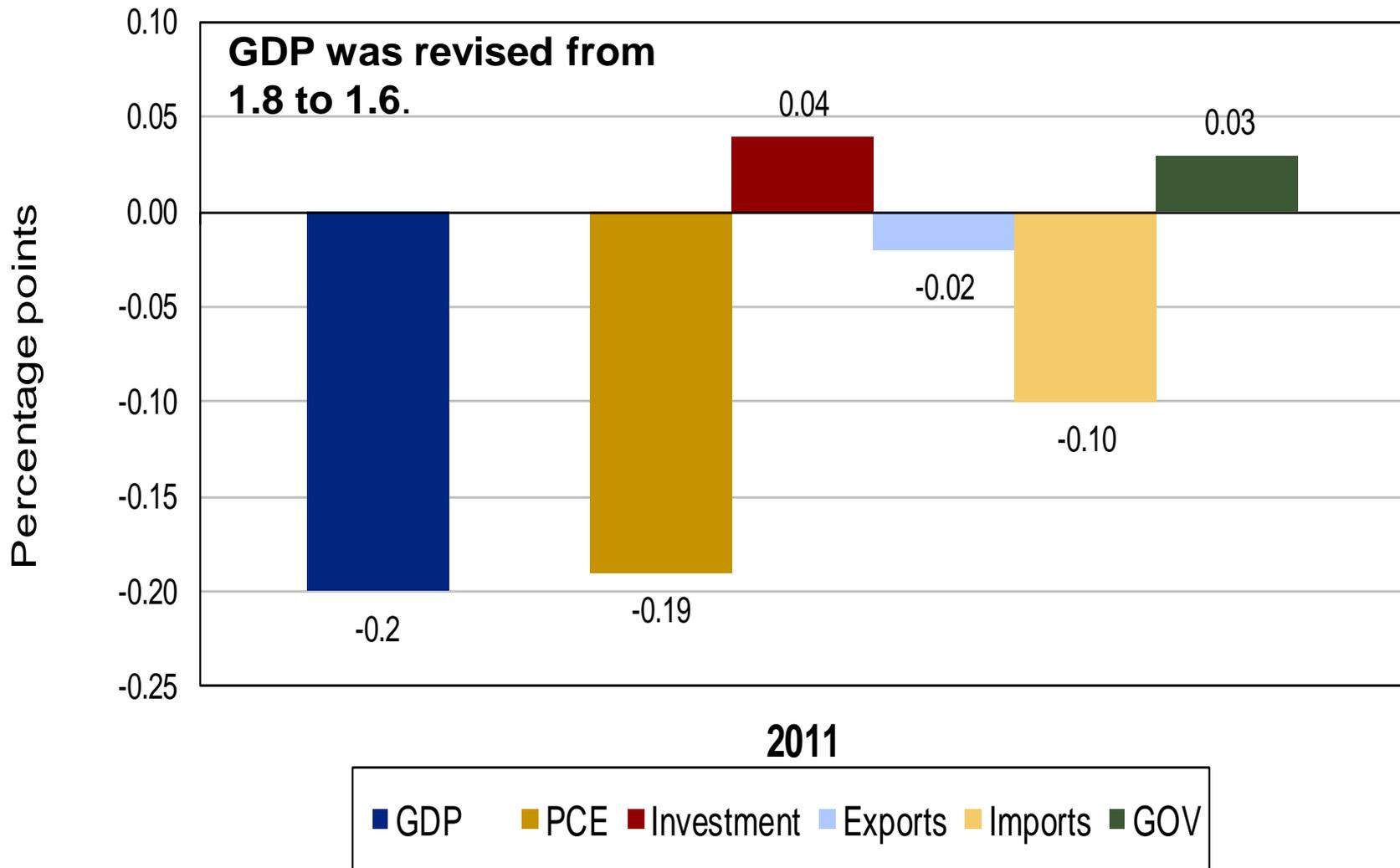
[Billions of chained (2009) dollars]



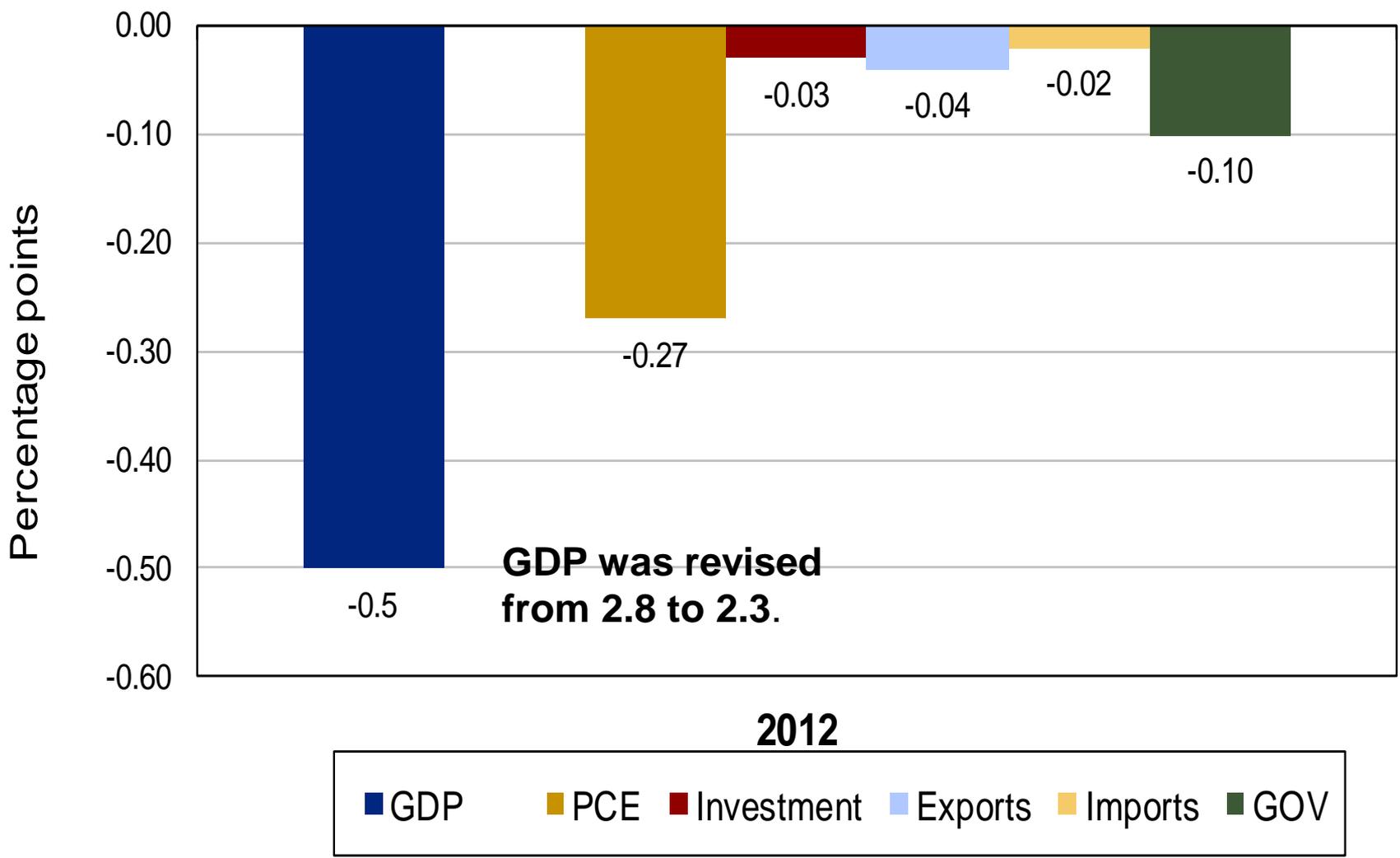
Statistical discrepancy as % of GDP



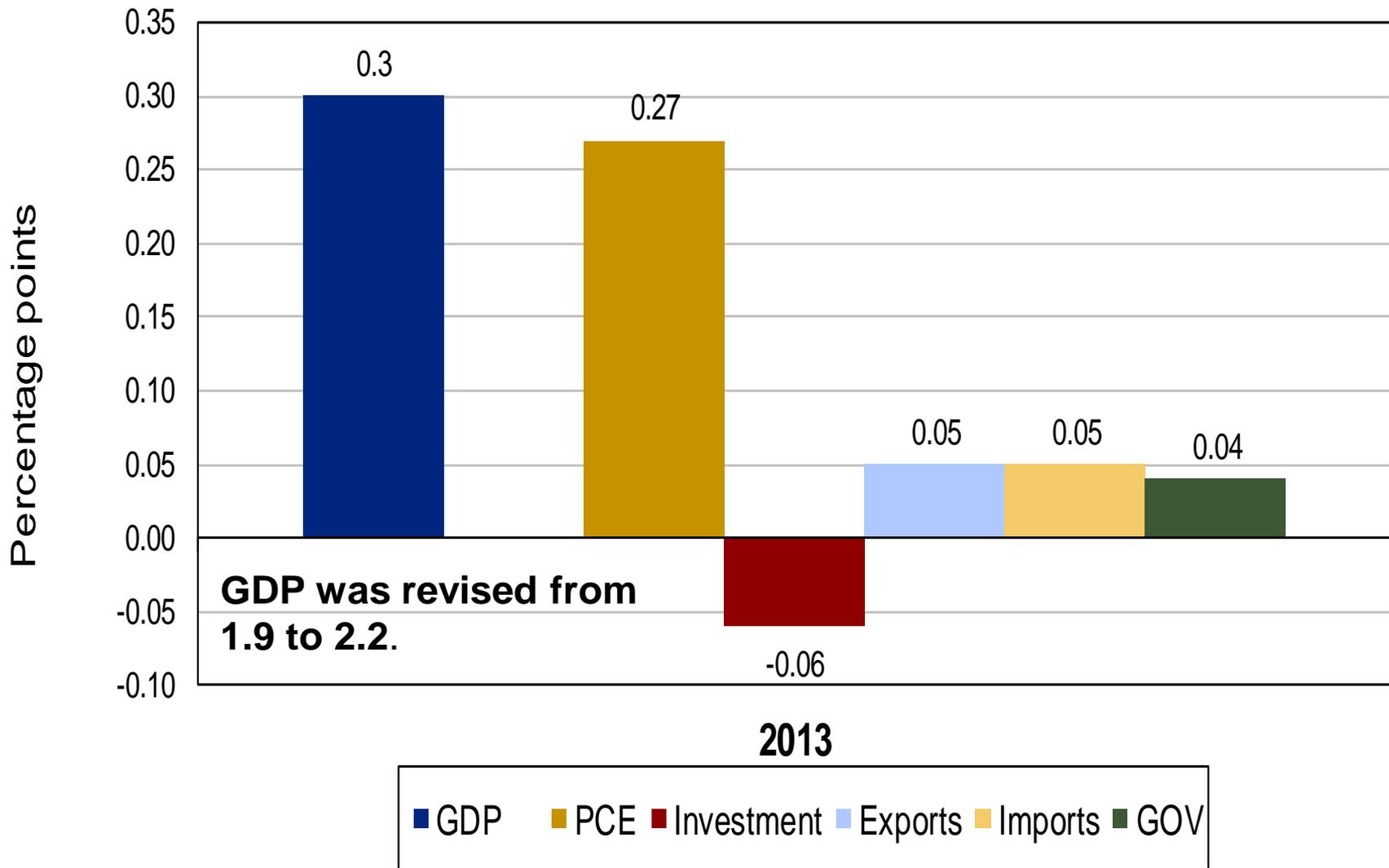
Revisions to percent change in real GDP and to contributions to percent change - 2011



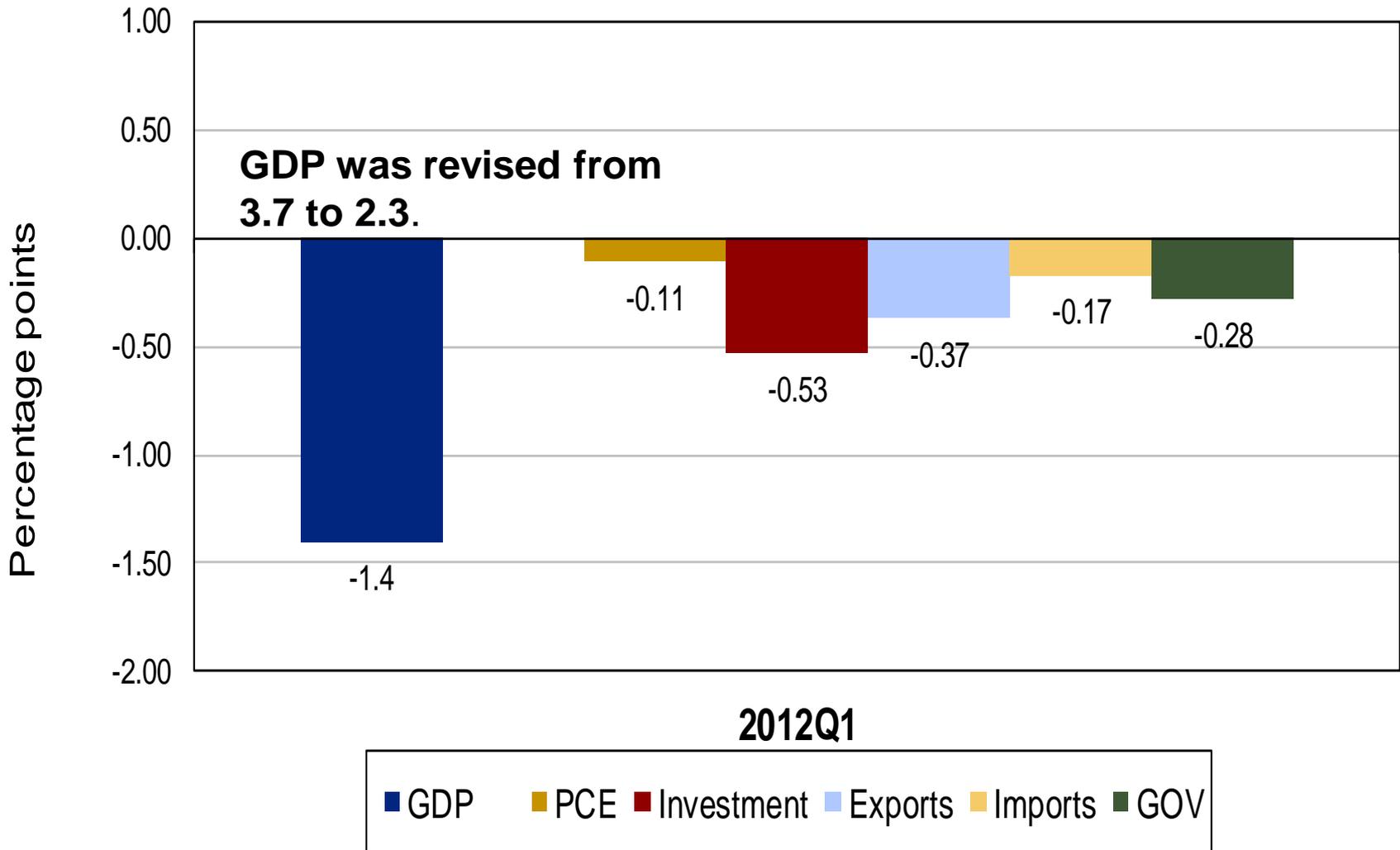
Revisions to percent change in real GDP and to contributions to percent change - 2012



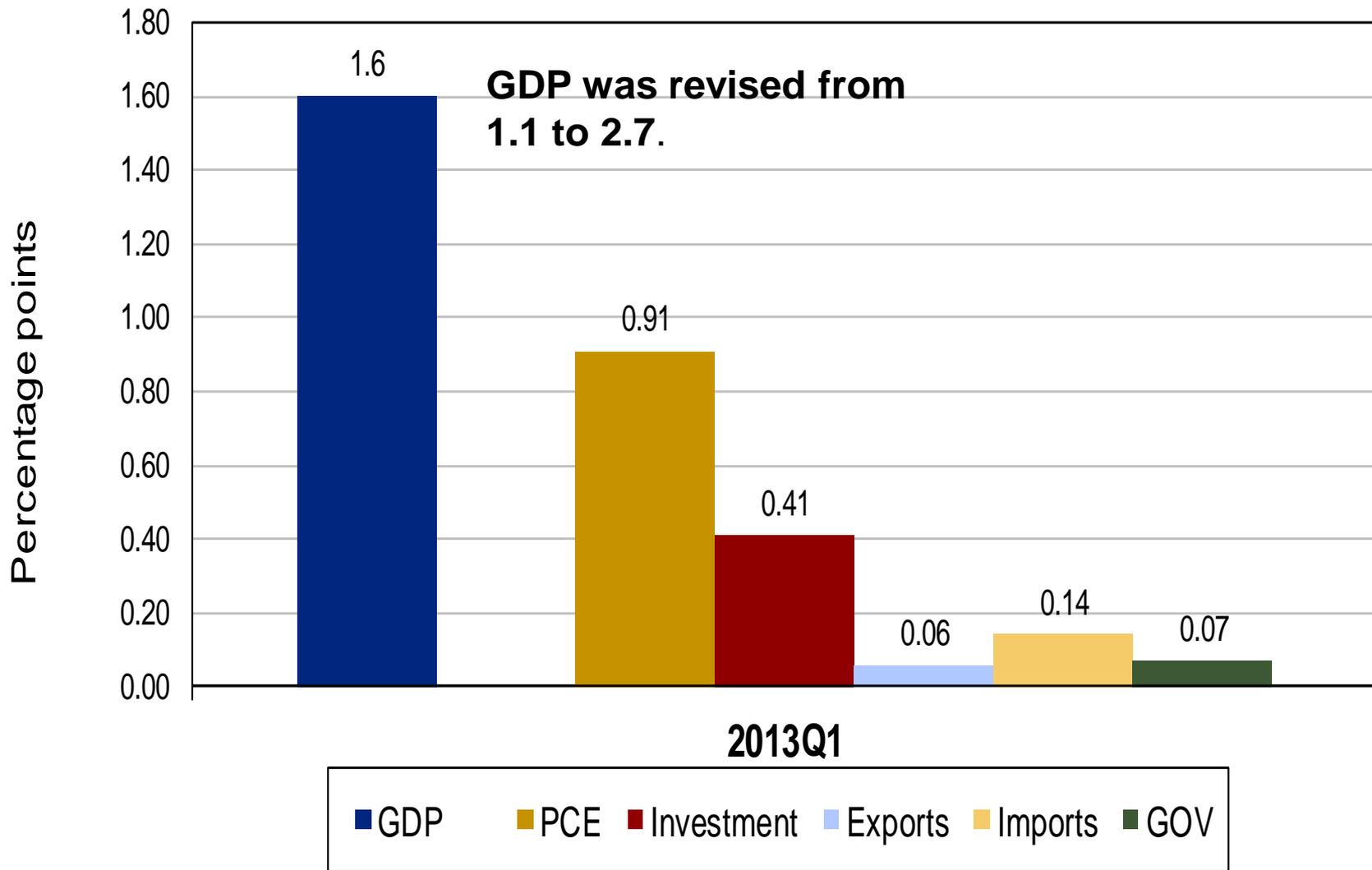
Revisions to percent change in real GDP and to contributions to percent change - 2013



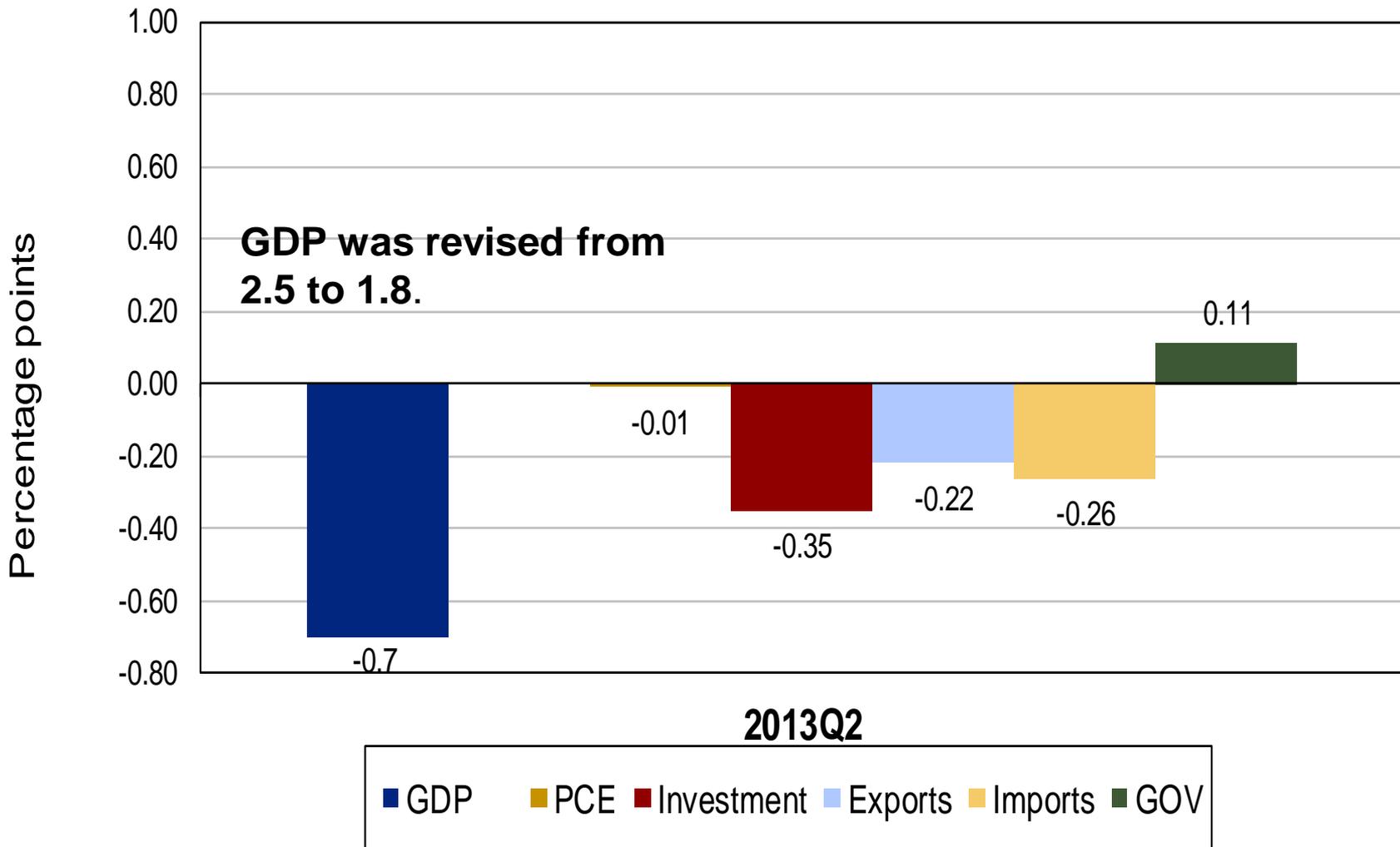
Revisions to percent change in real GDP and to contributions to percent change – 2012Q1



Revisions to percent change in real GDP and to contributions to percent change – 2013Q1

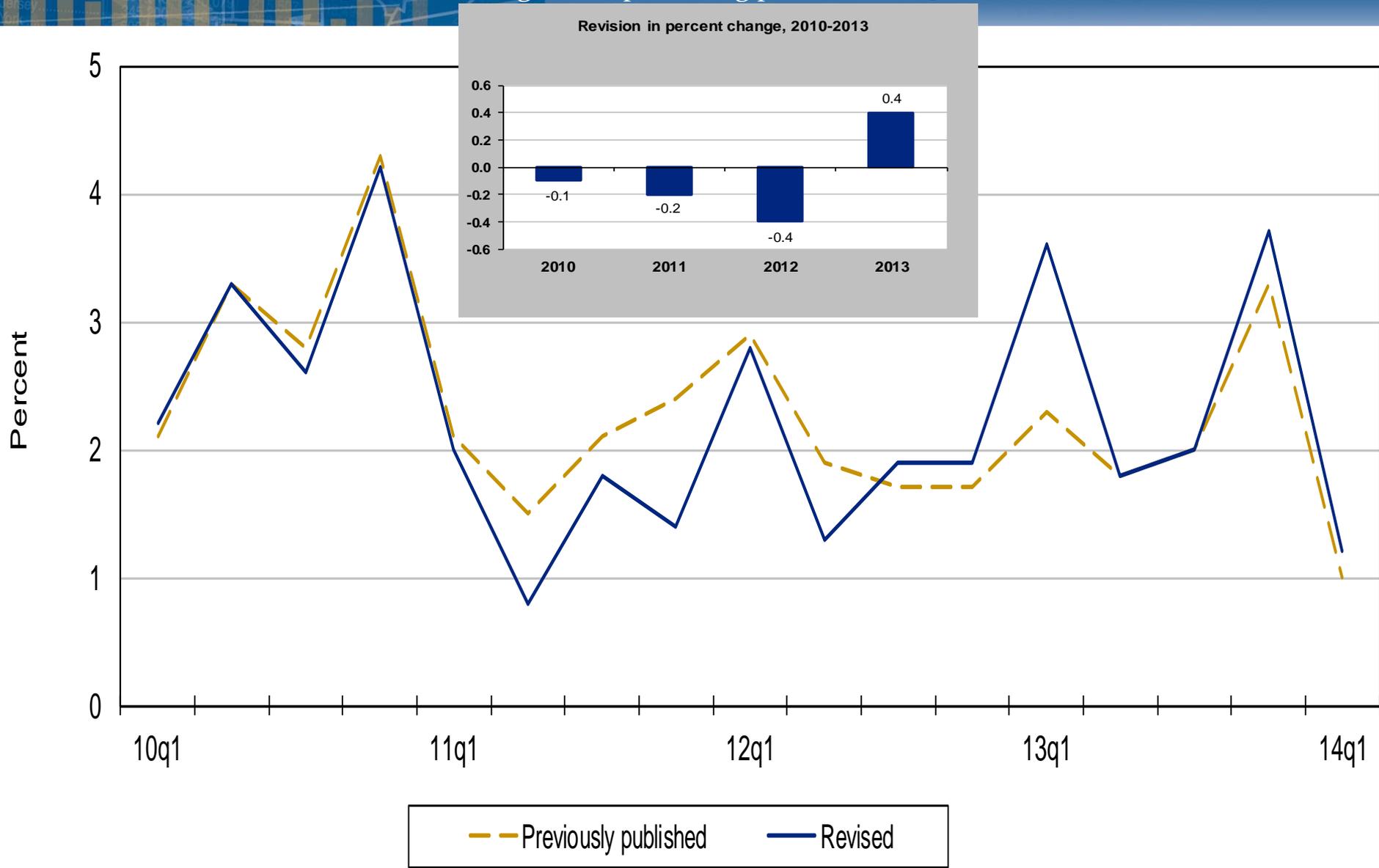


Revisions to percent change in real GDP and to contributions to percent change – 2013Q2



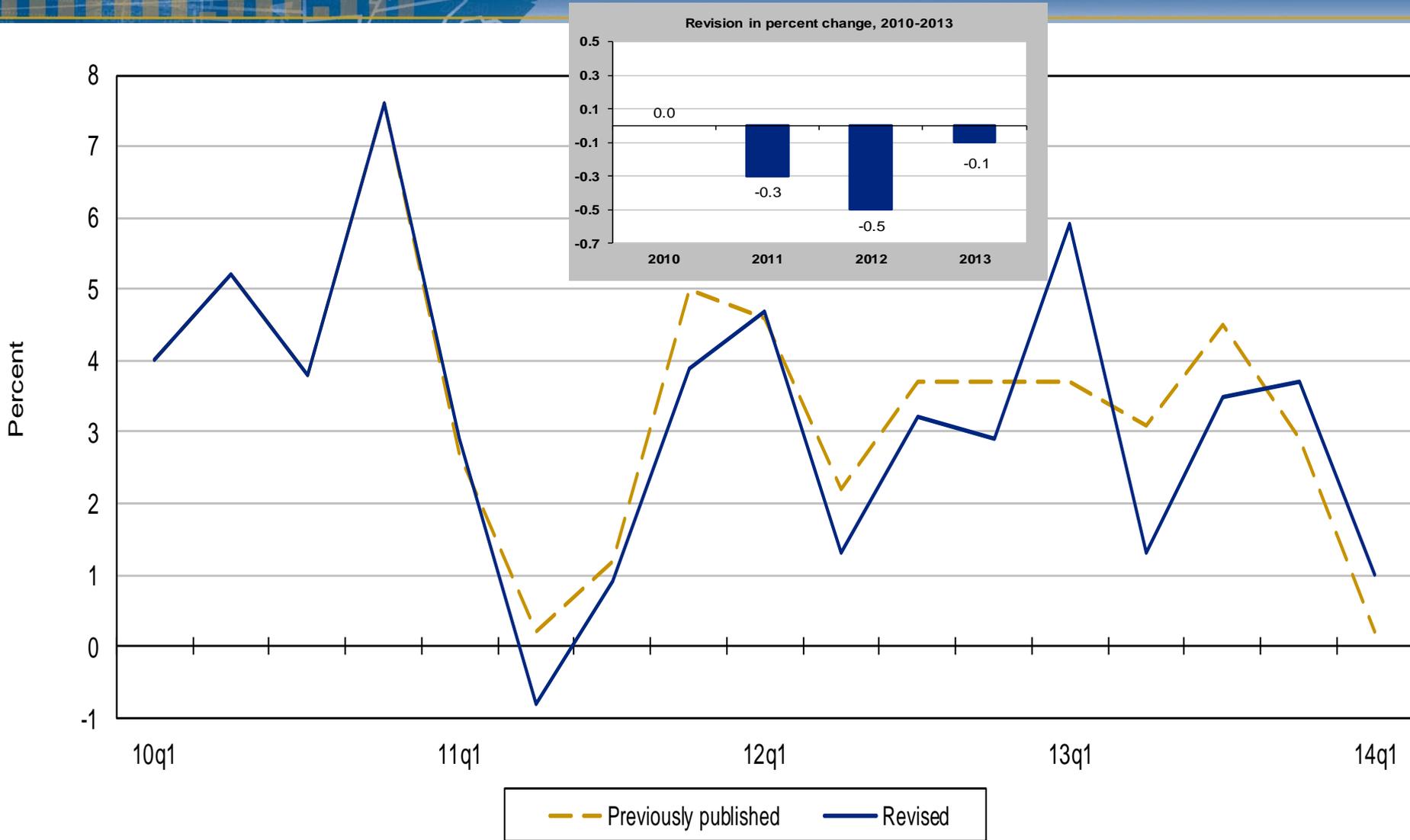
Real personal consumption expenditures

[Percent change from preceding period, SAAR]



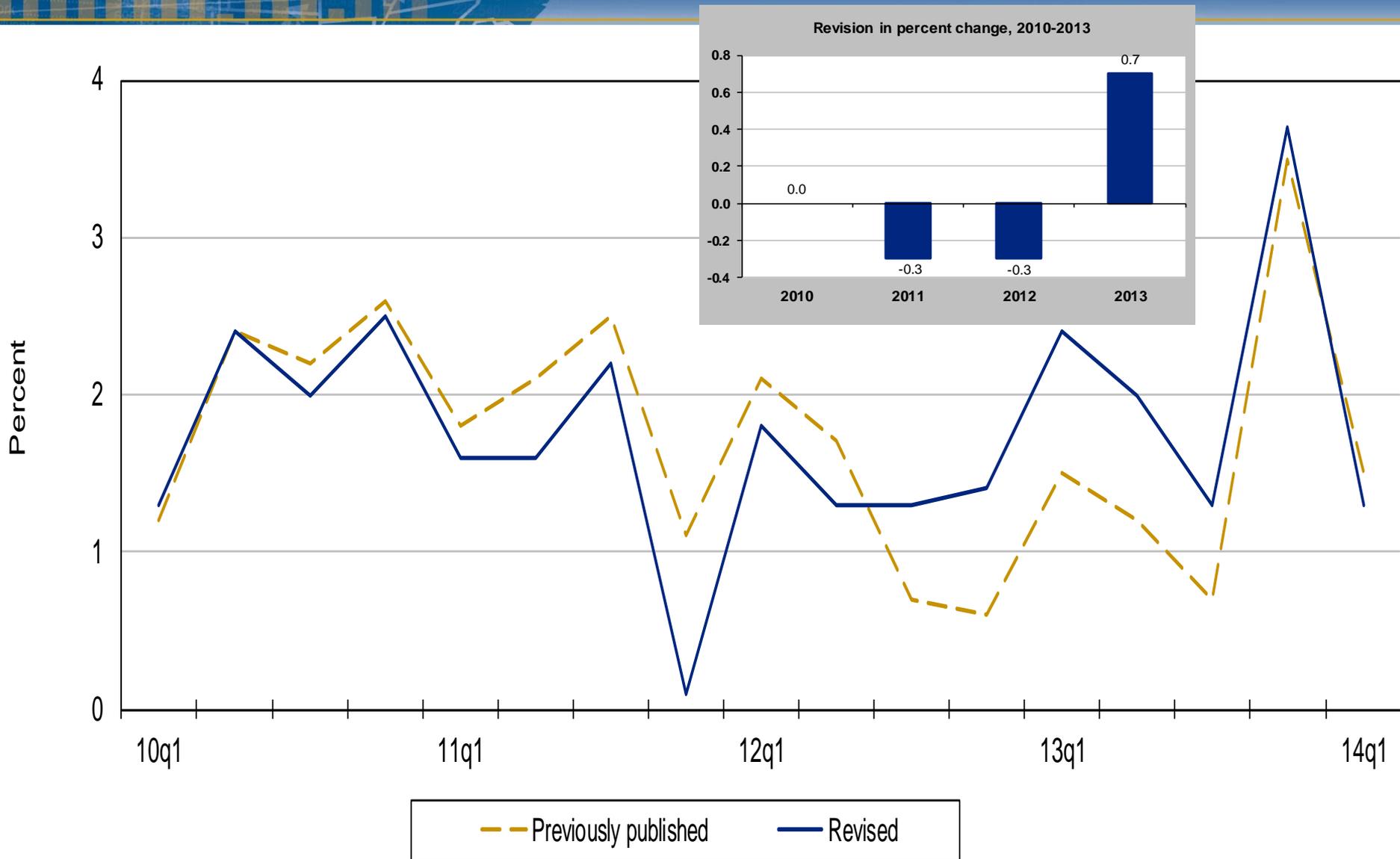
Real PCE for goods

[Percent change from preceding period, SAAR]



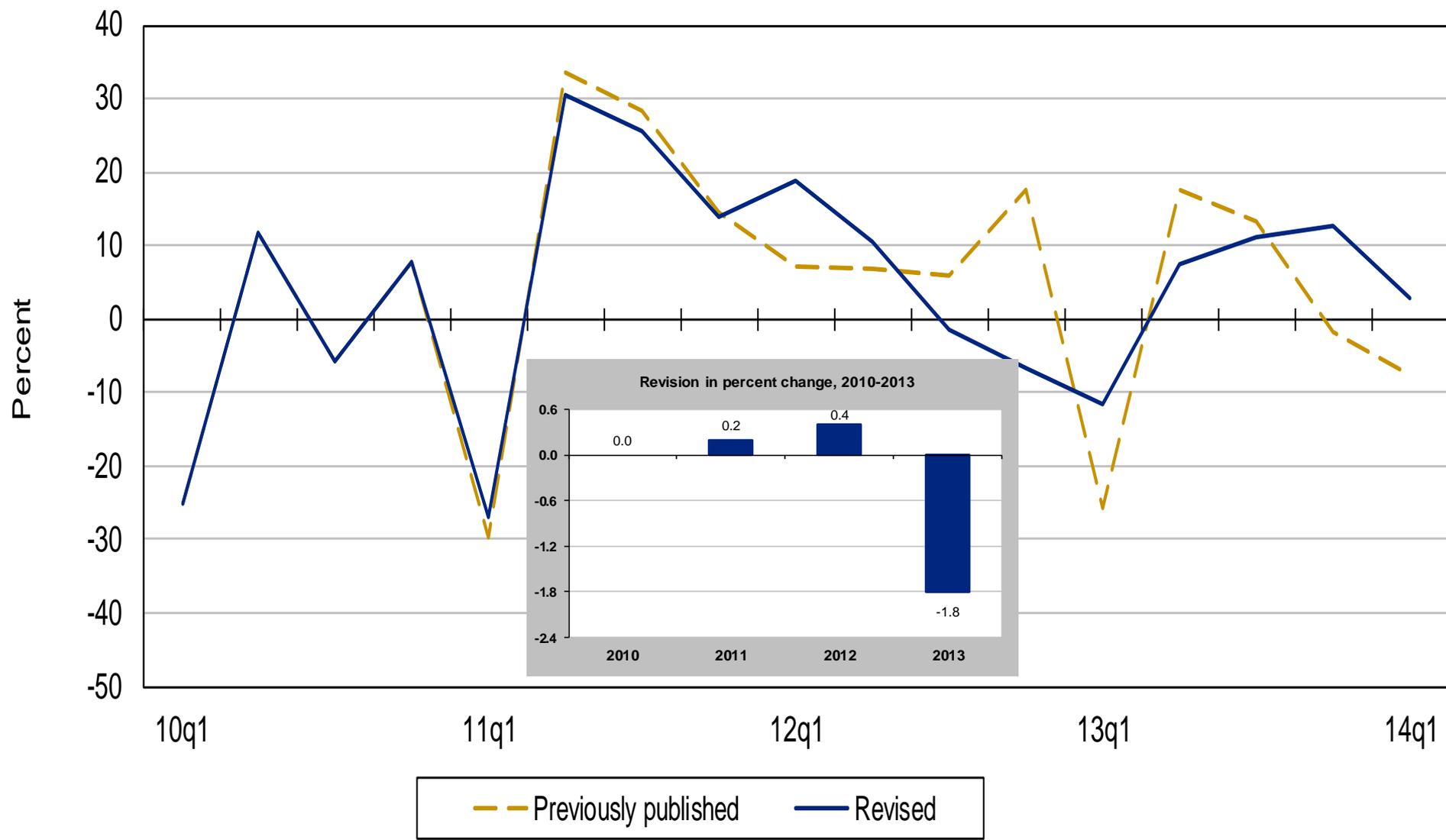
Real PCE for services

[Percent change from preceding period, SAAR]



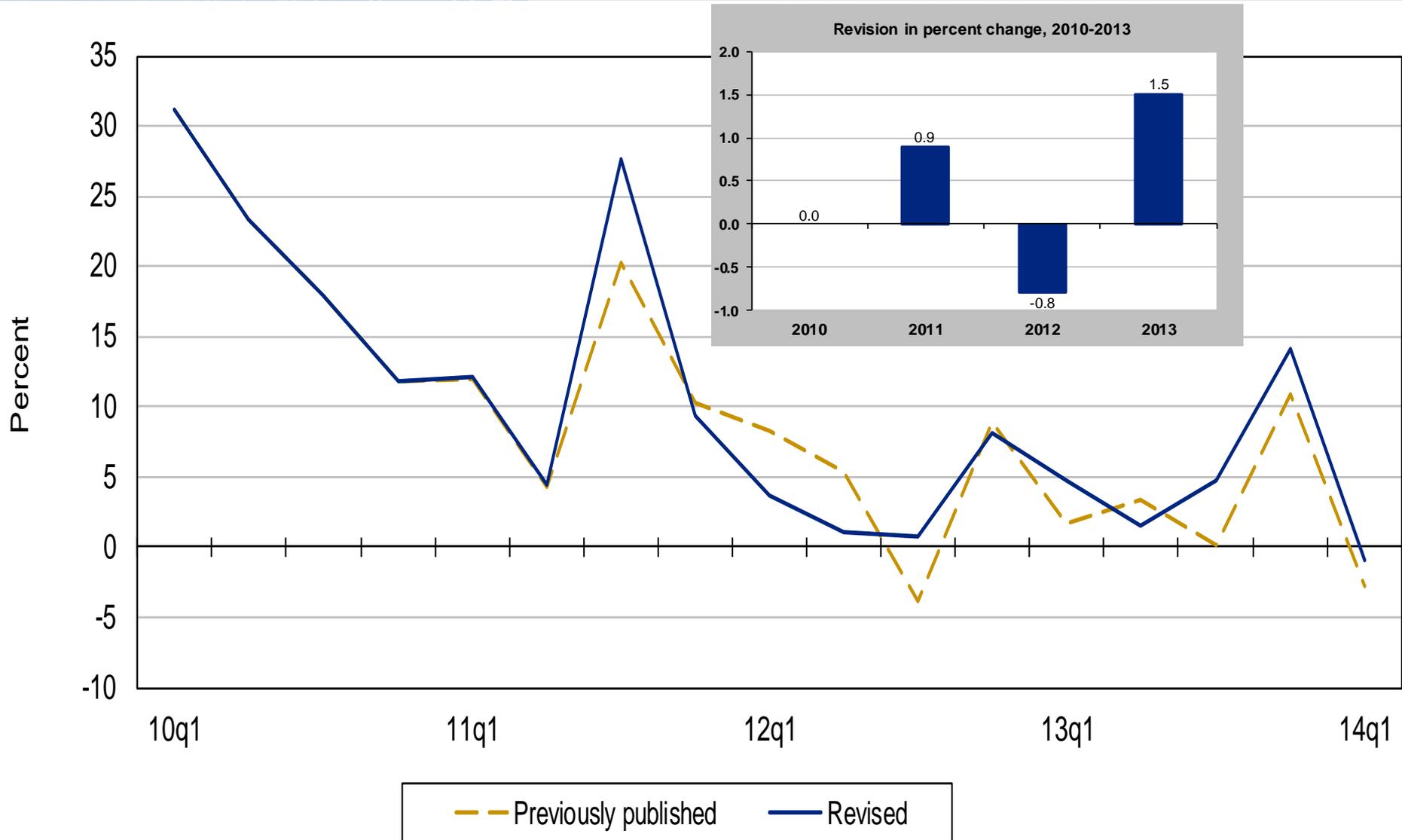
Real nonresidential structures

[Percent change from preceding period, SAAR]



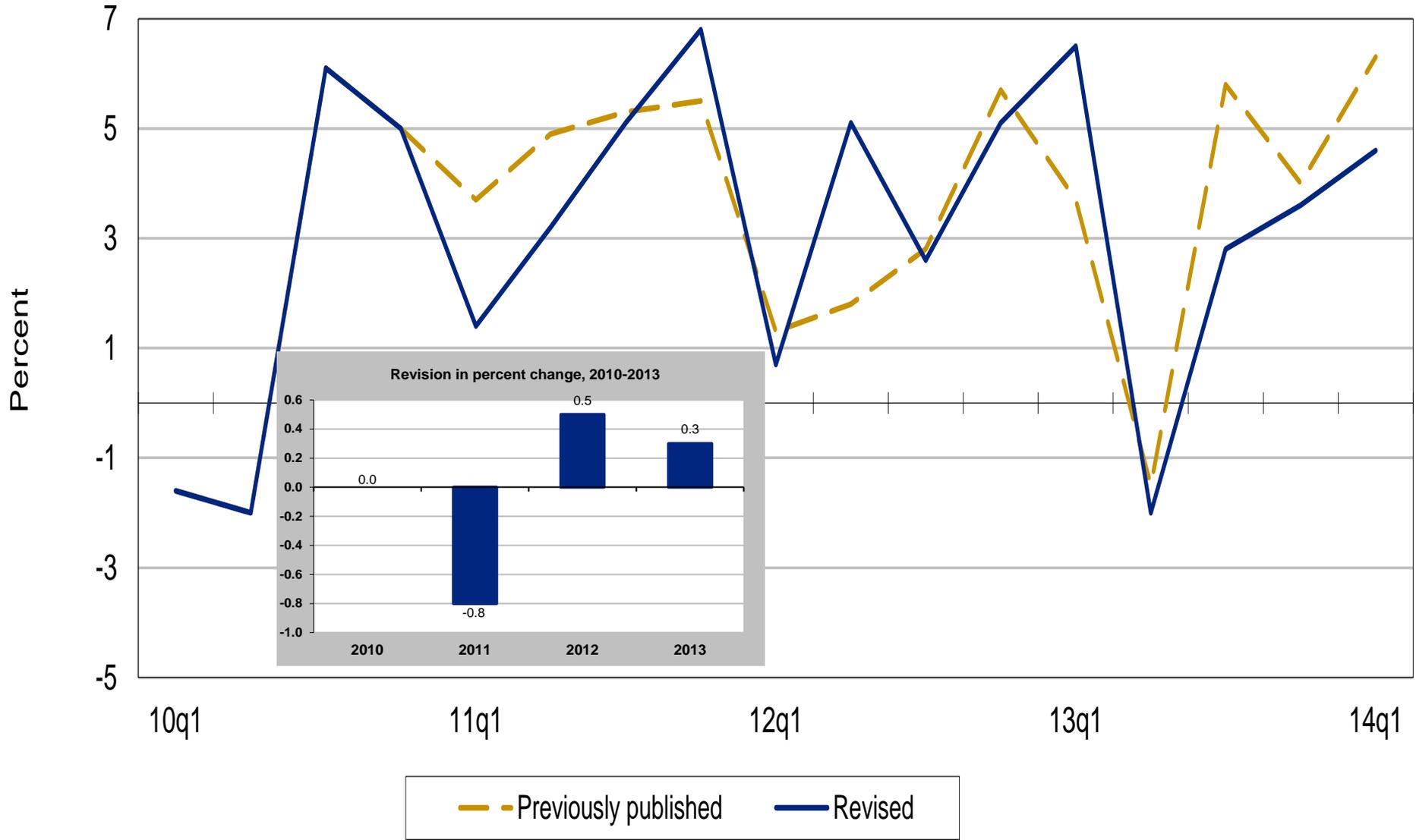
Real nonresidential equipment

[Percent change from preceding period, SAAR]



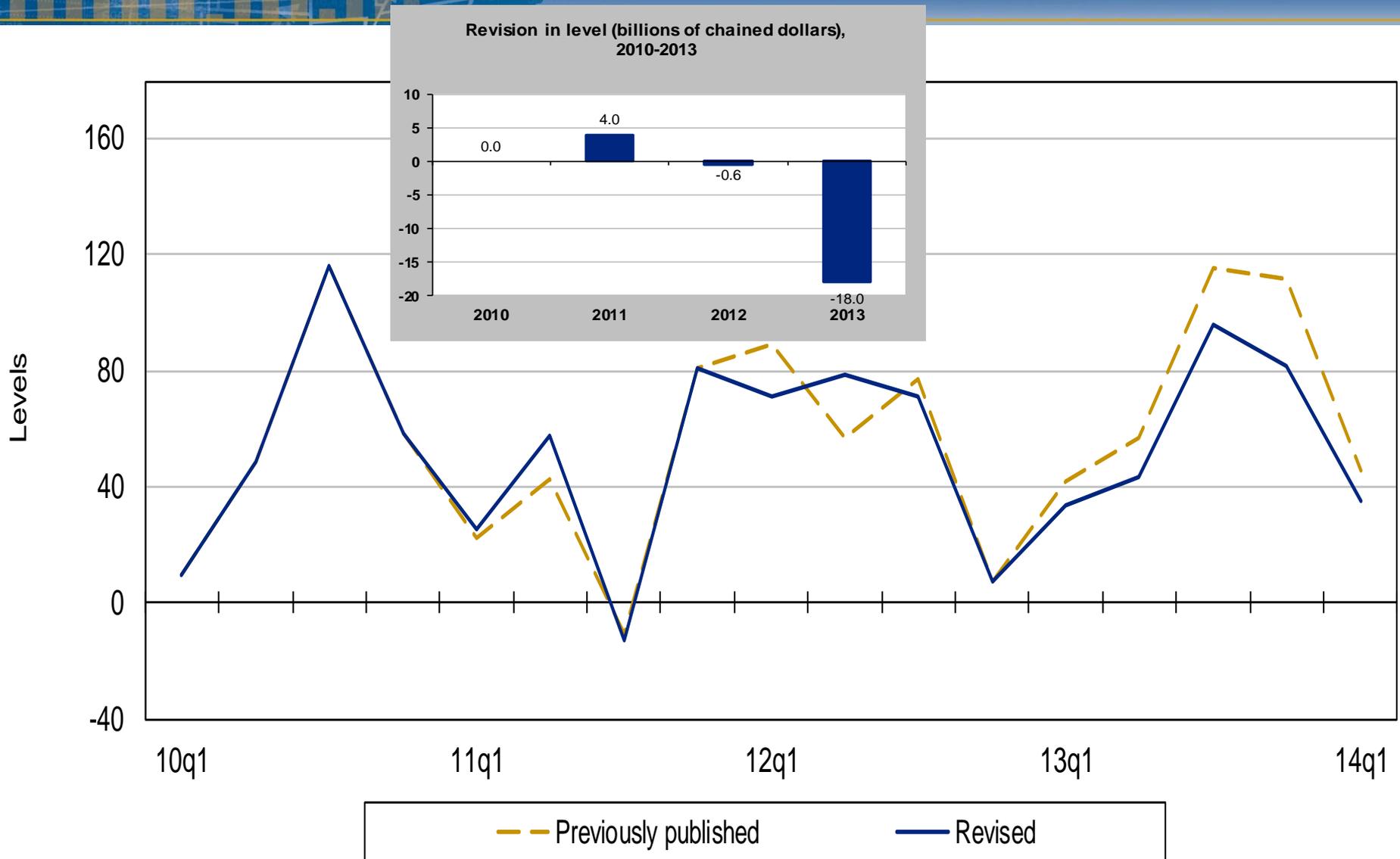
Real private intellectual property products

[Percent change from preceding period, SAAR]



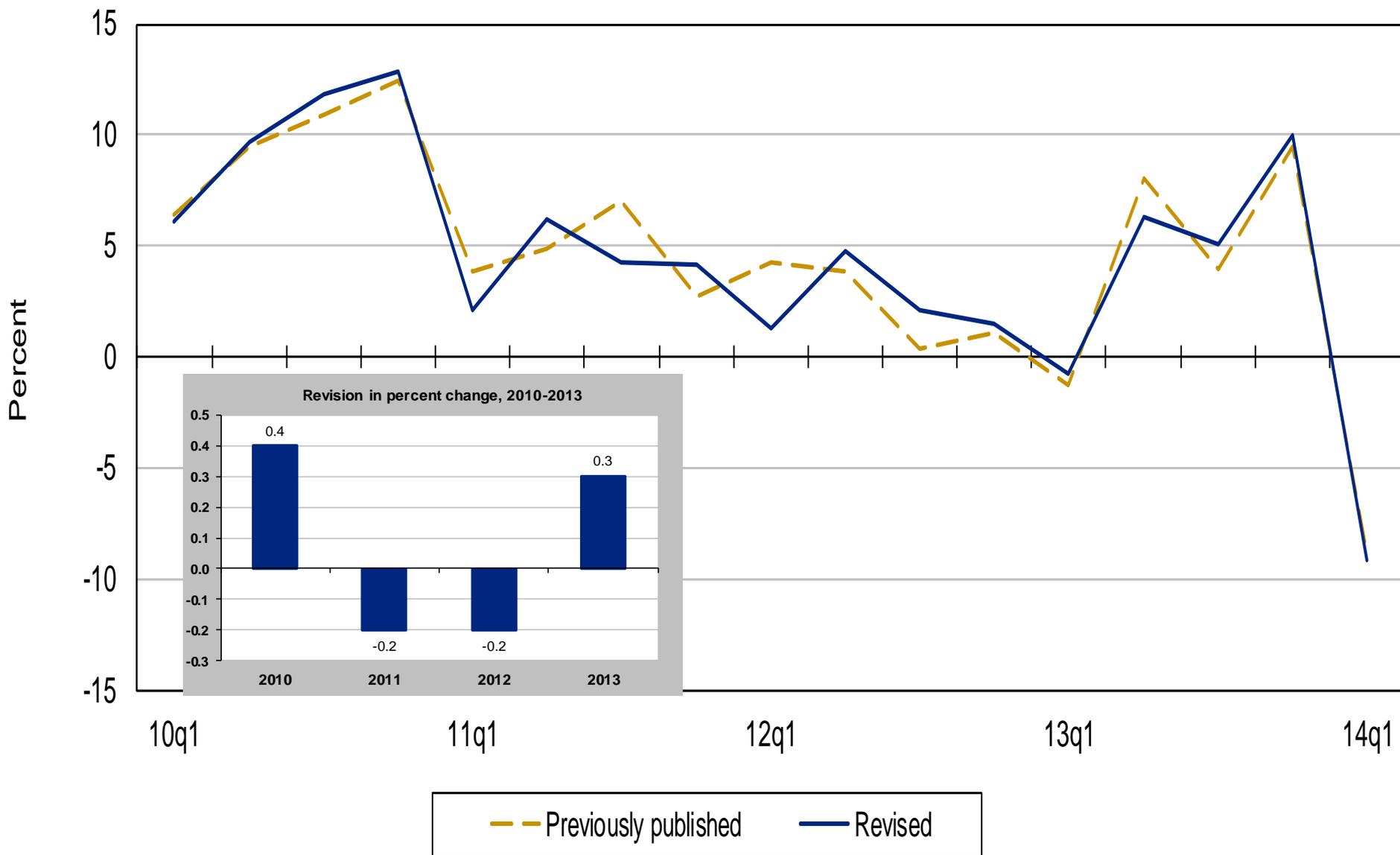
Change in real private inventories

[Billions of chained dollars, SAAR]



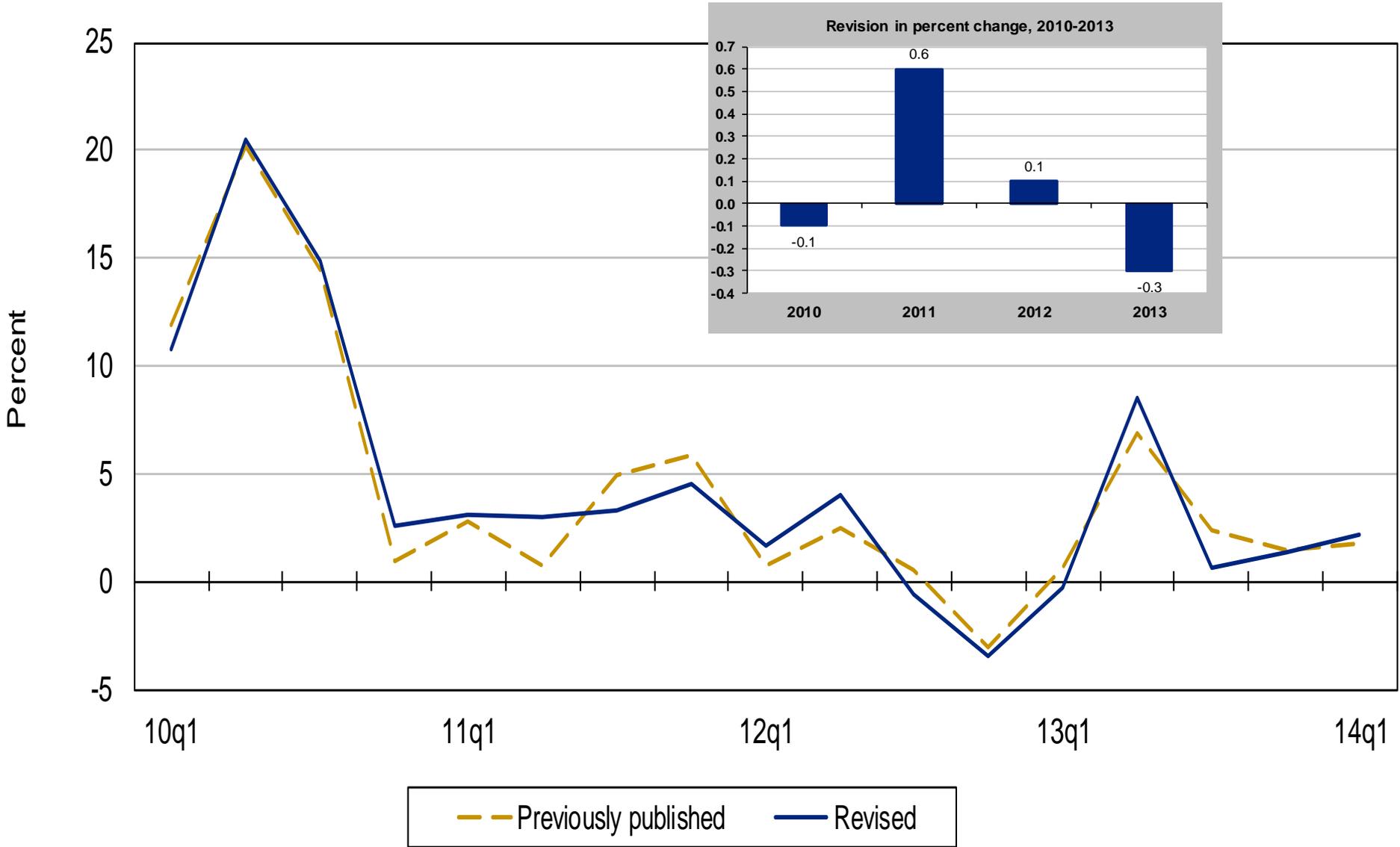
Real exports of goods and services

[Percent change from preceding period, SAAR]



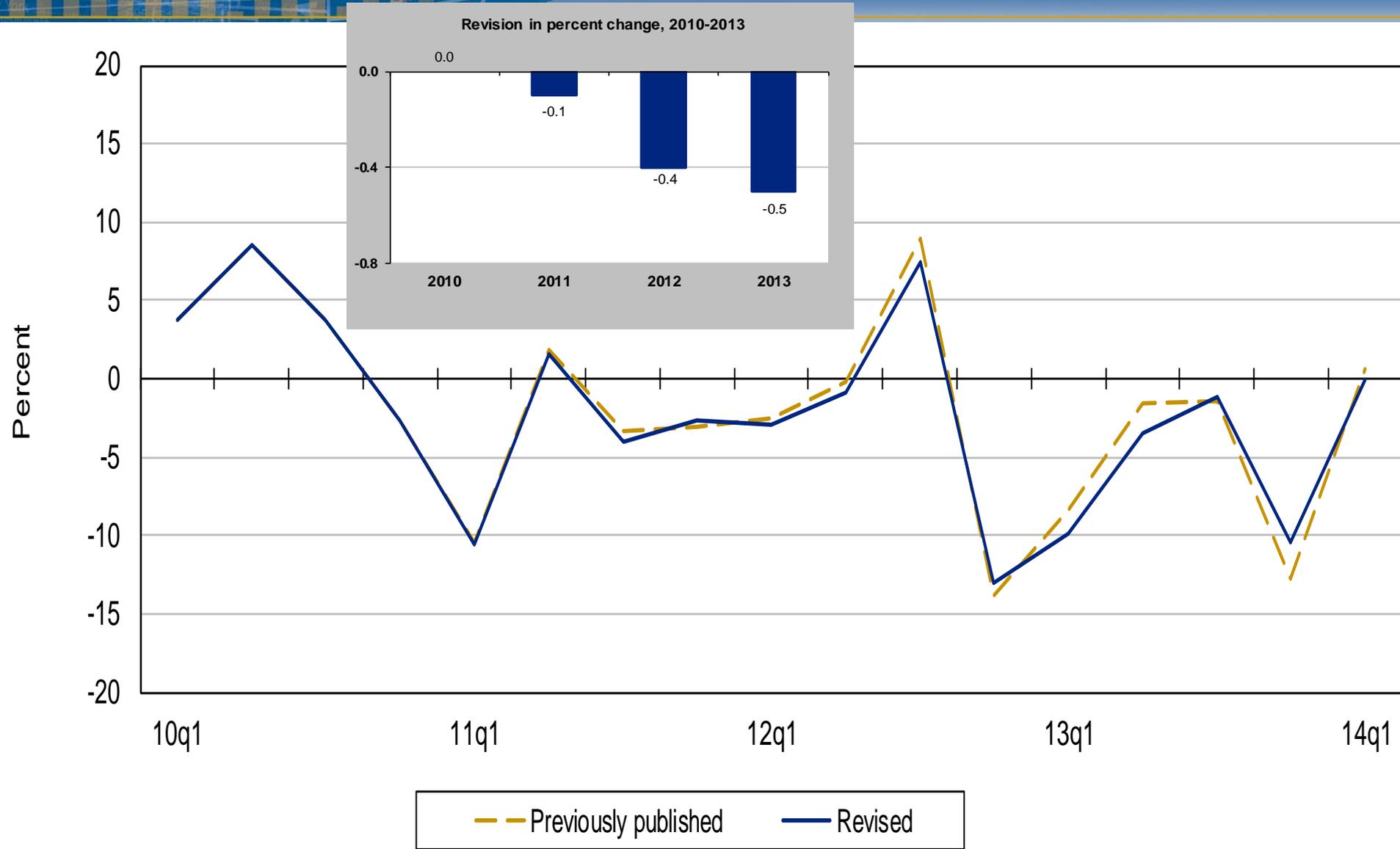
Real imports of goods and services

[Percent change from preceding period, SAAR]



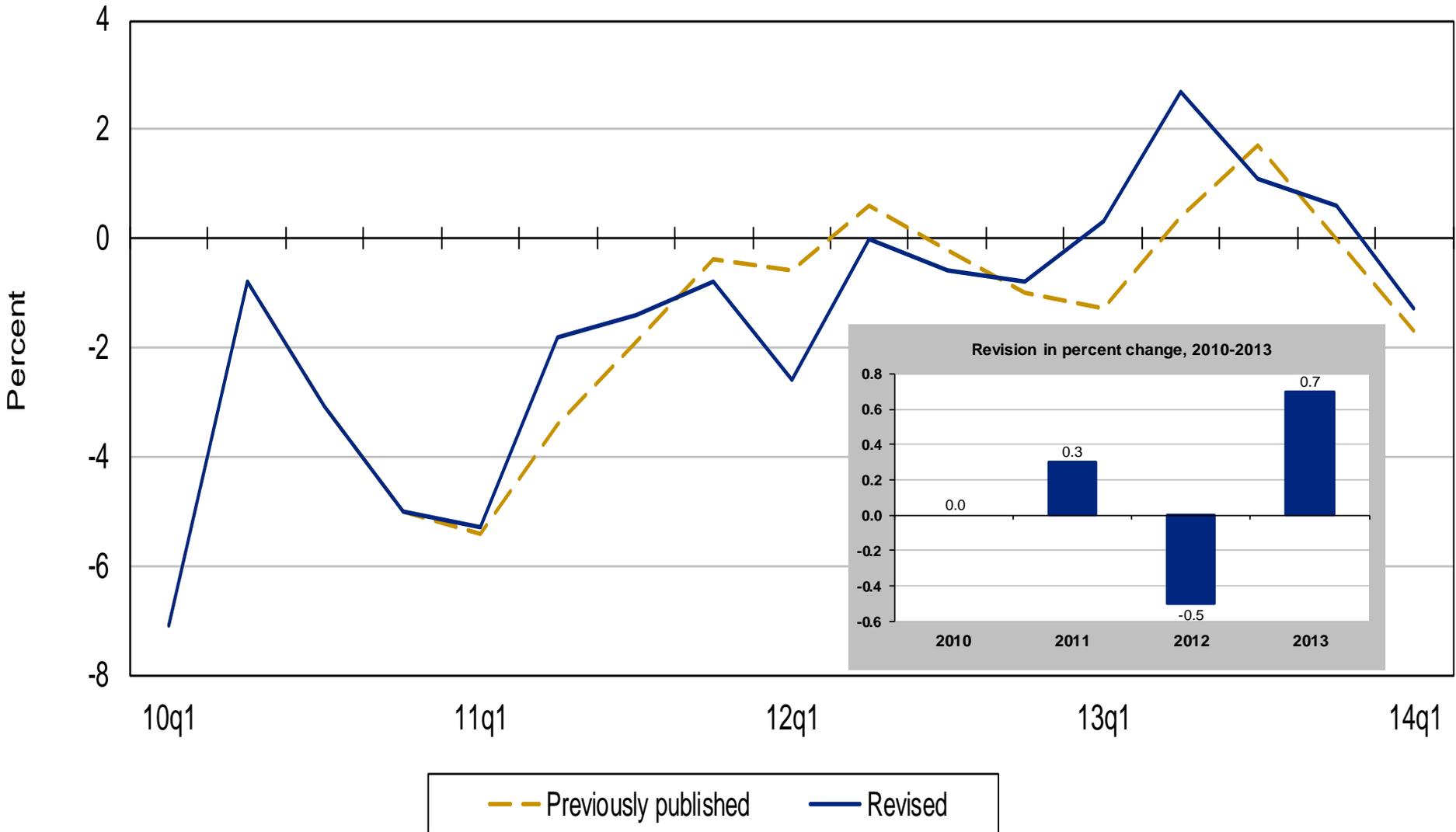
Real federal government spending

[Percent change from preceding period, SAAR]



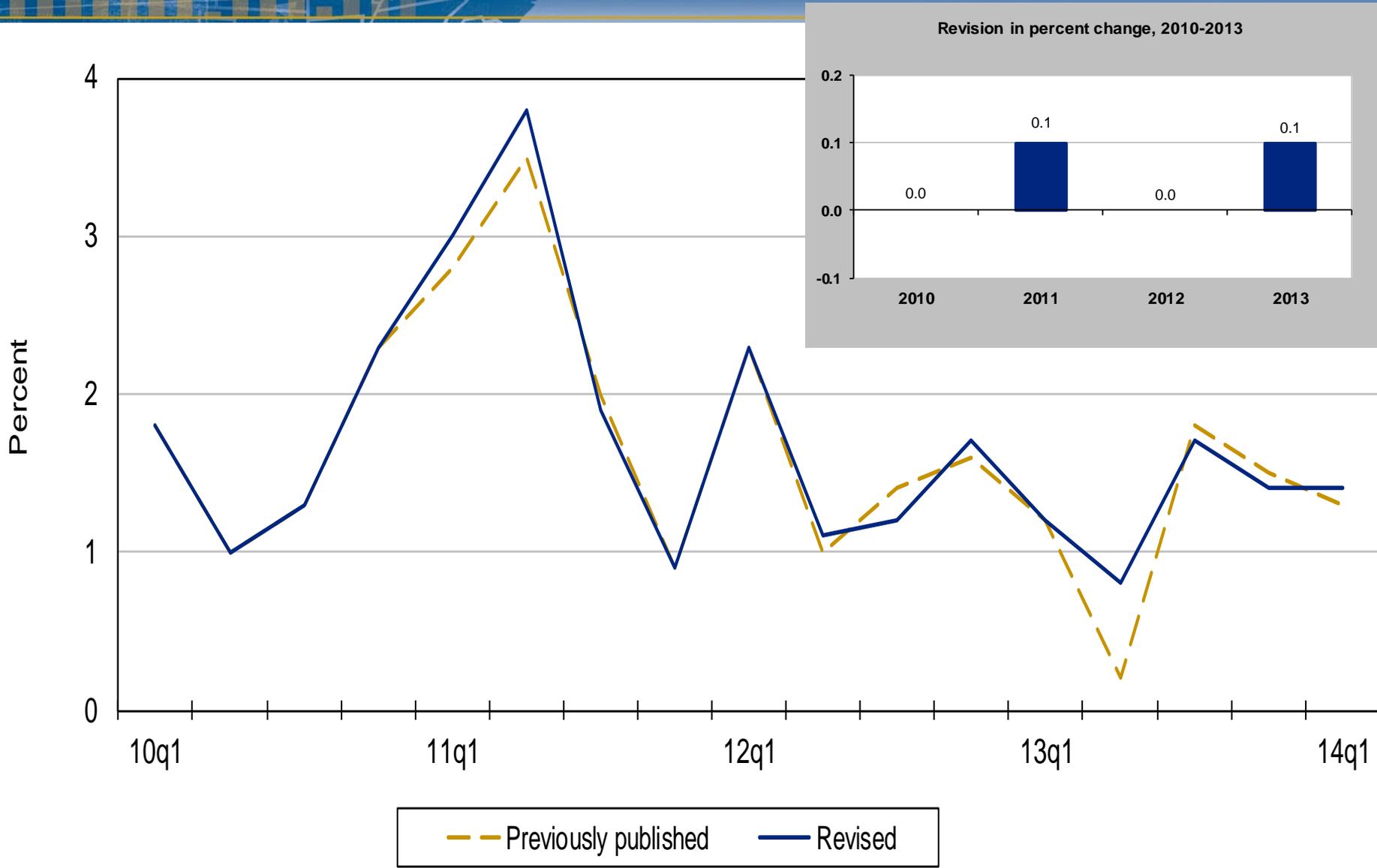
Real state and local government spending

[Percent change from preceding period, SAAR]



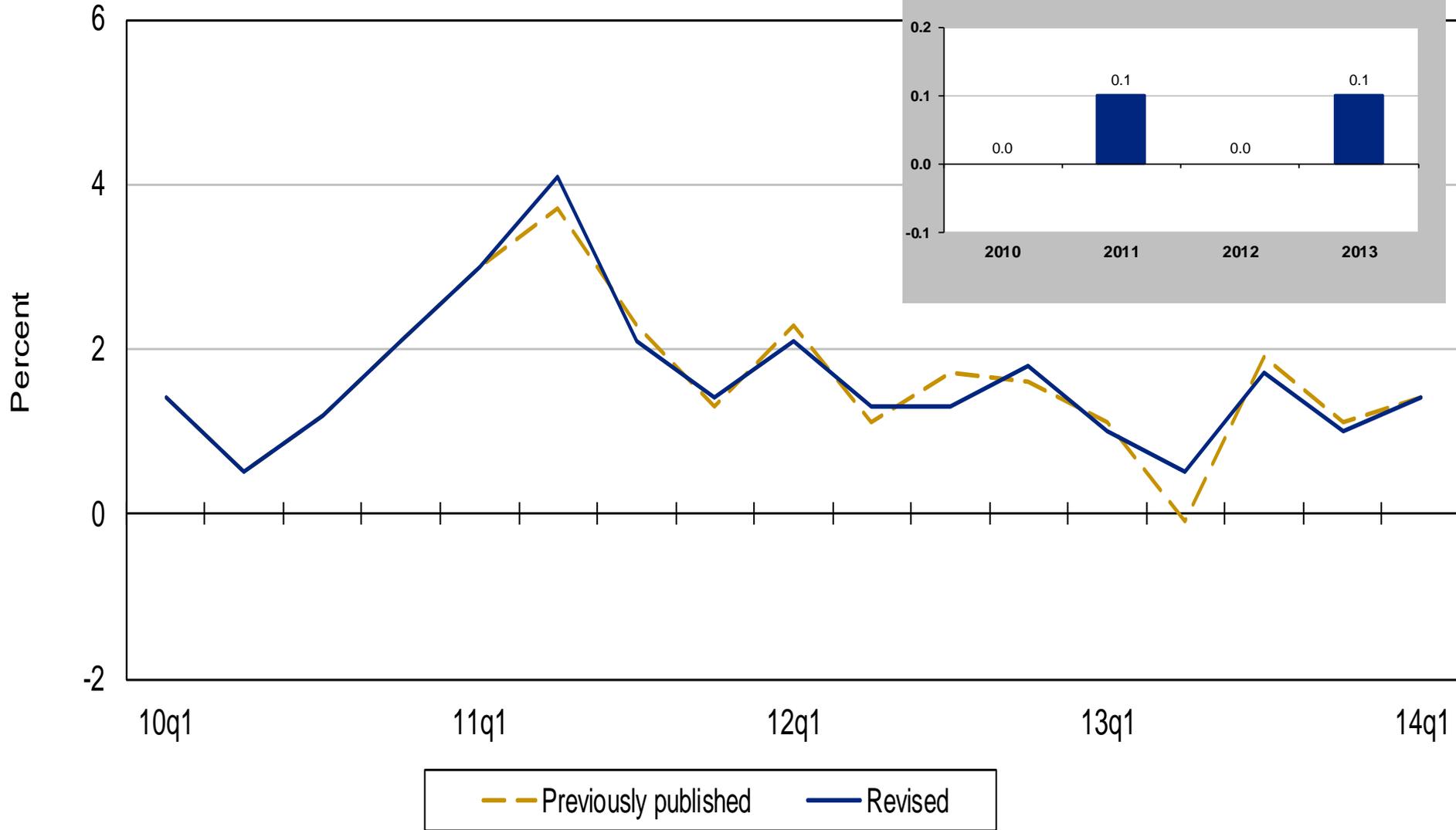
Price index for gross domestic purchases

[Percent change from preceding period, SAAR]



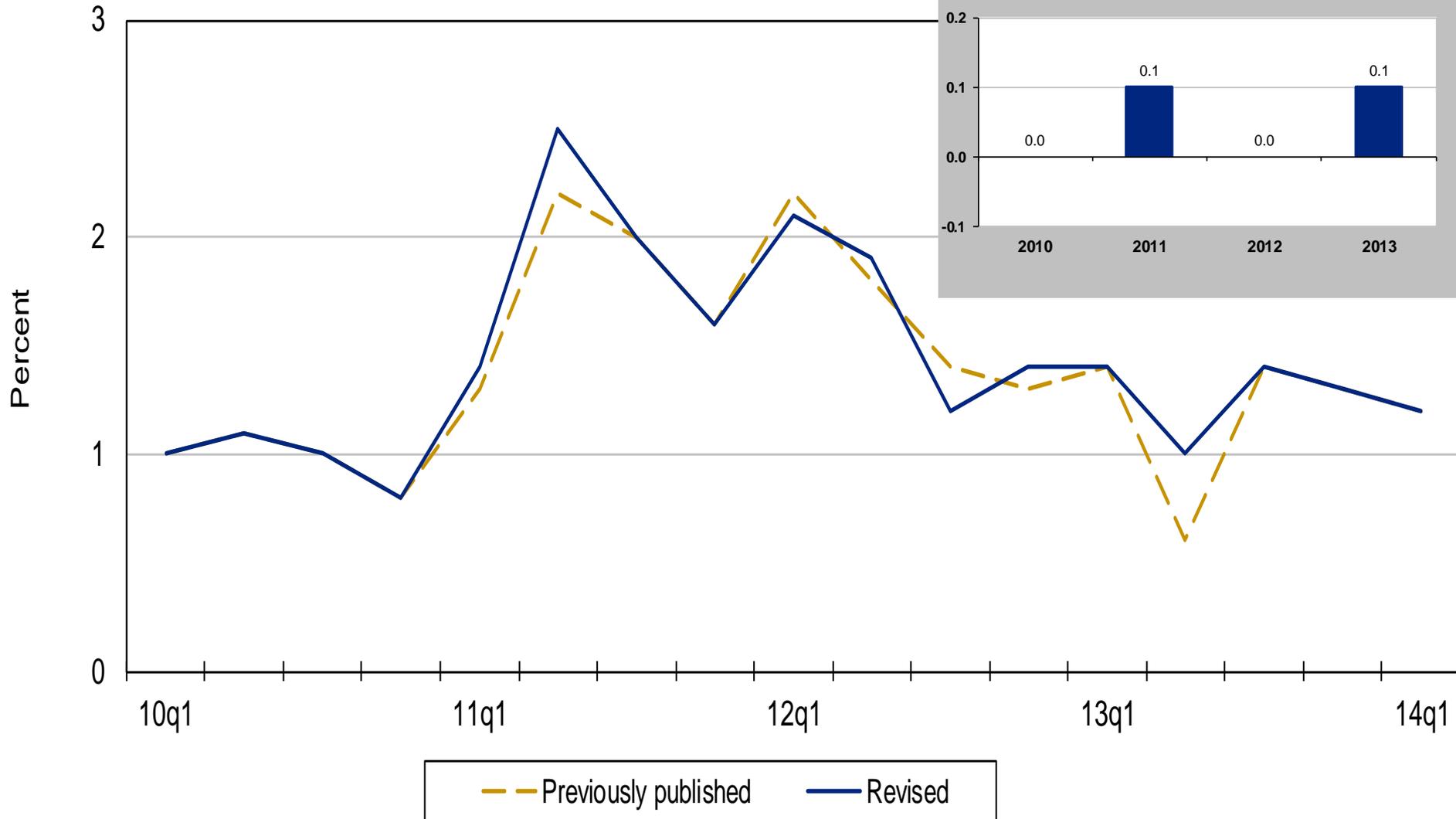
Price index for PCE

[Percent change from preceding period, SAAR]



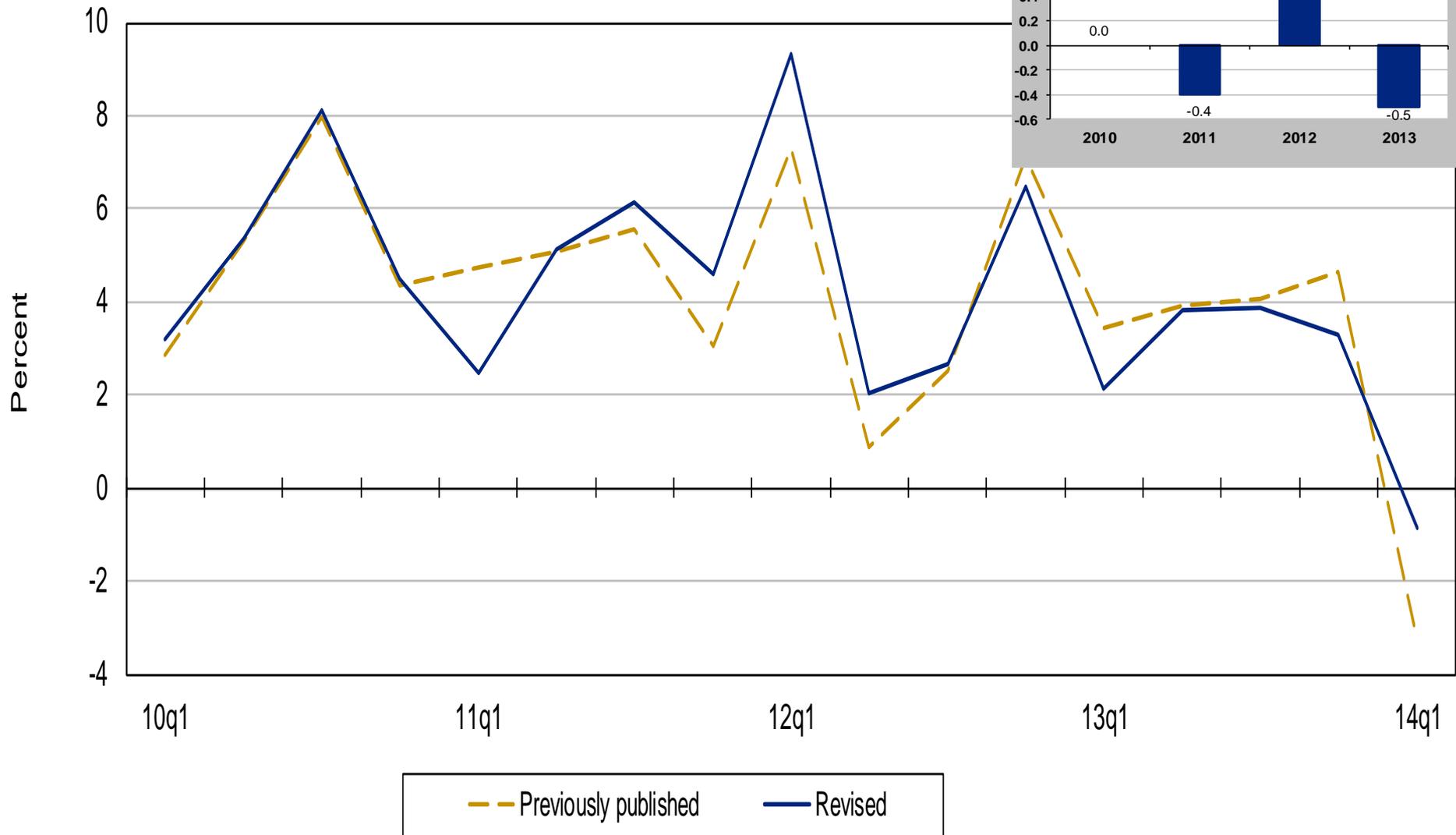
Price index for PCE, excluding food and energy

[Percent change from preceding period, SAAR]



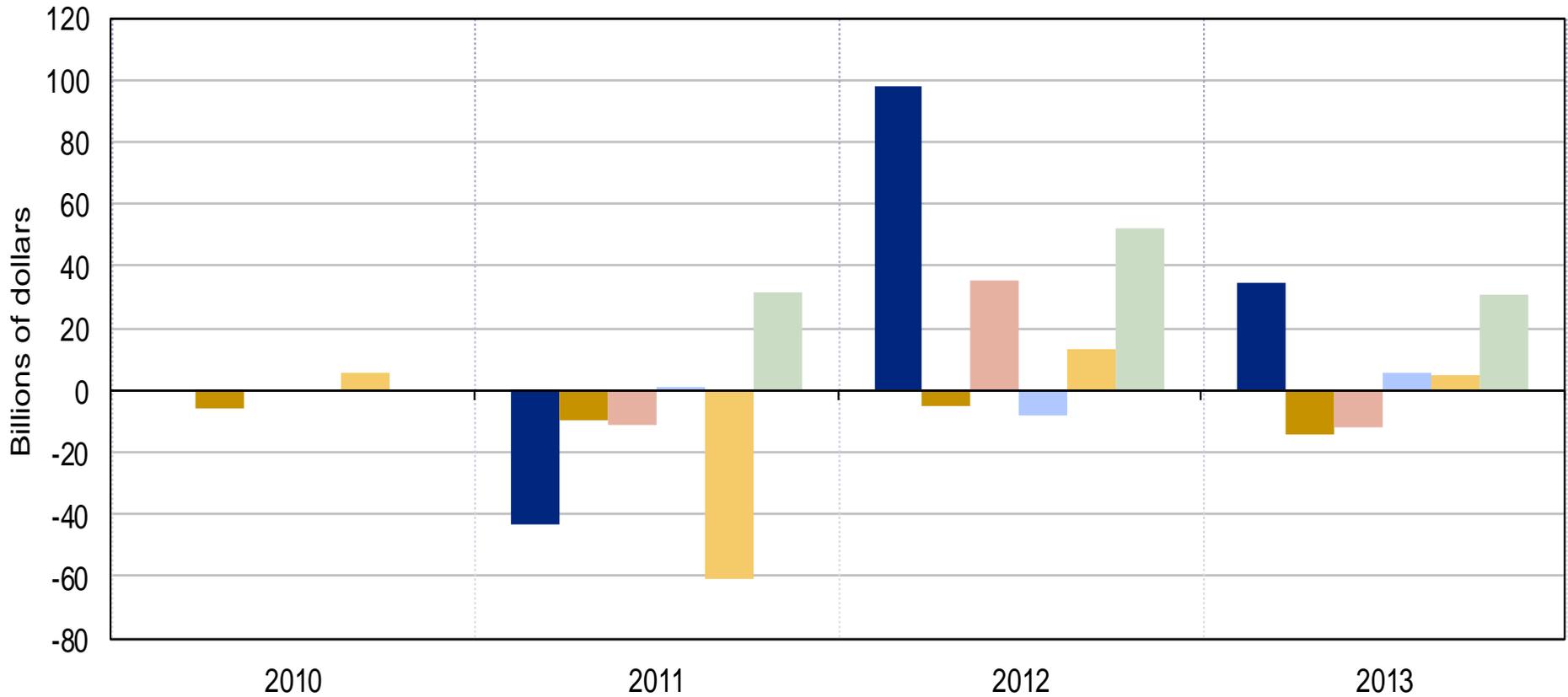
National income

[Percent change from preceding period, SAAR]



National income

[Revisions in level]



■ National income ■ Compensation ■ Proprietors' income ■ Rental income ■ Profits ■ Interest & misc. payments

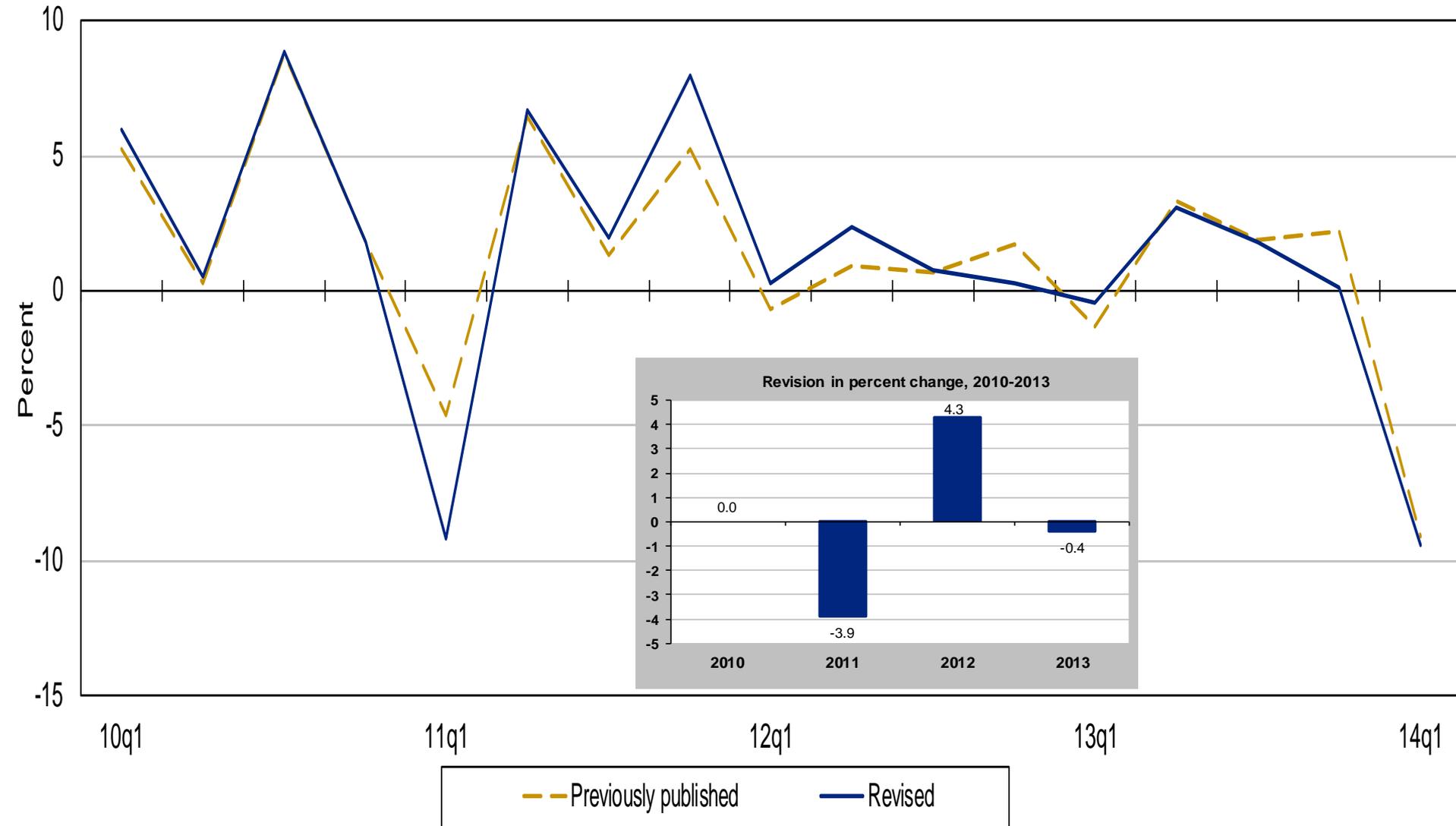
Compensation of employees

[Revisions in level]



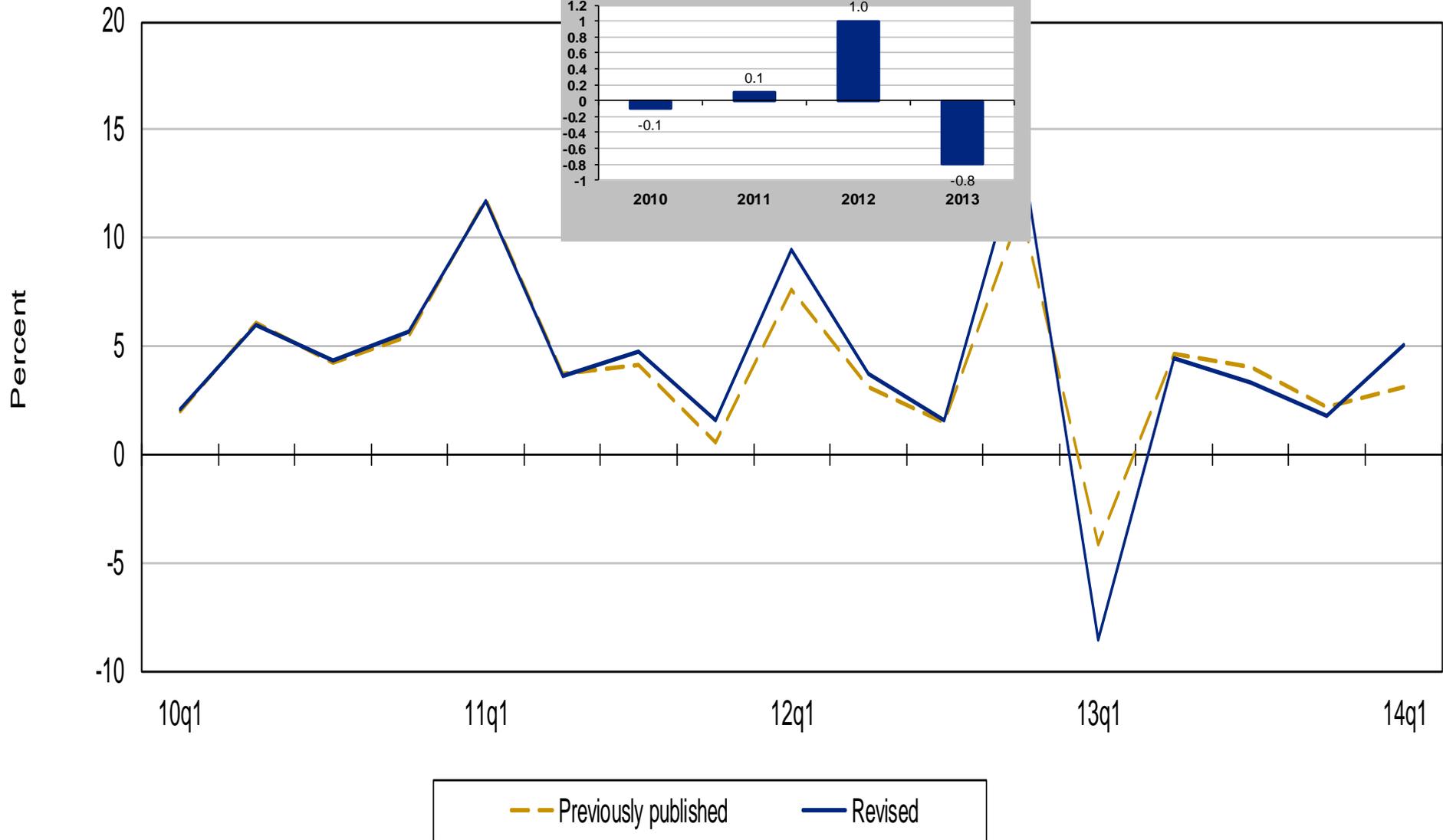
Corporate profits from current production

[Percent change from preceding period, quarterly rate]



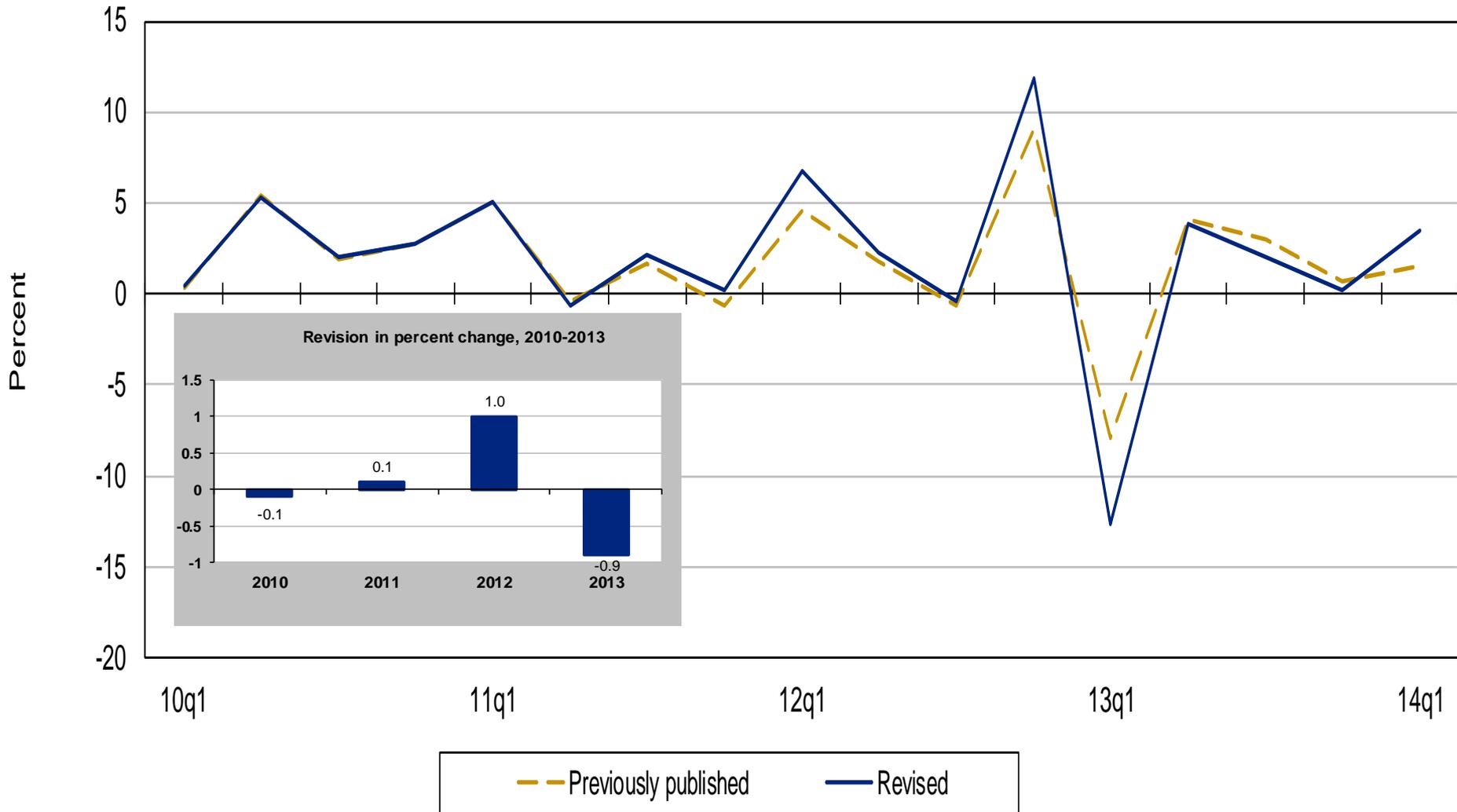
Personal income

[Percent change from preceding period, SAAR]



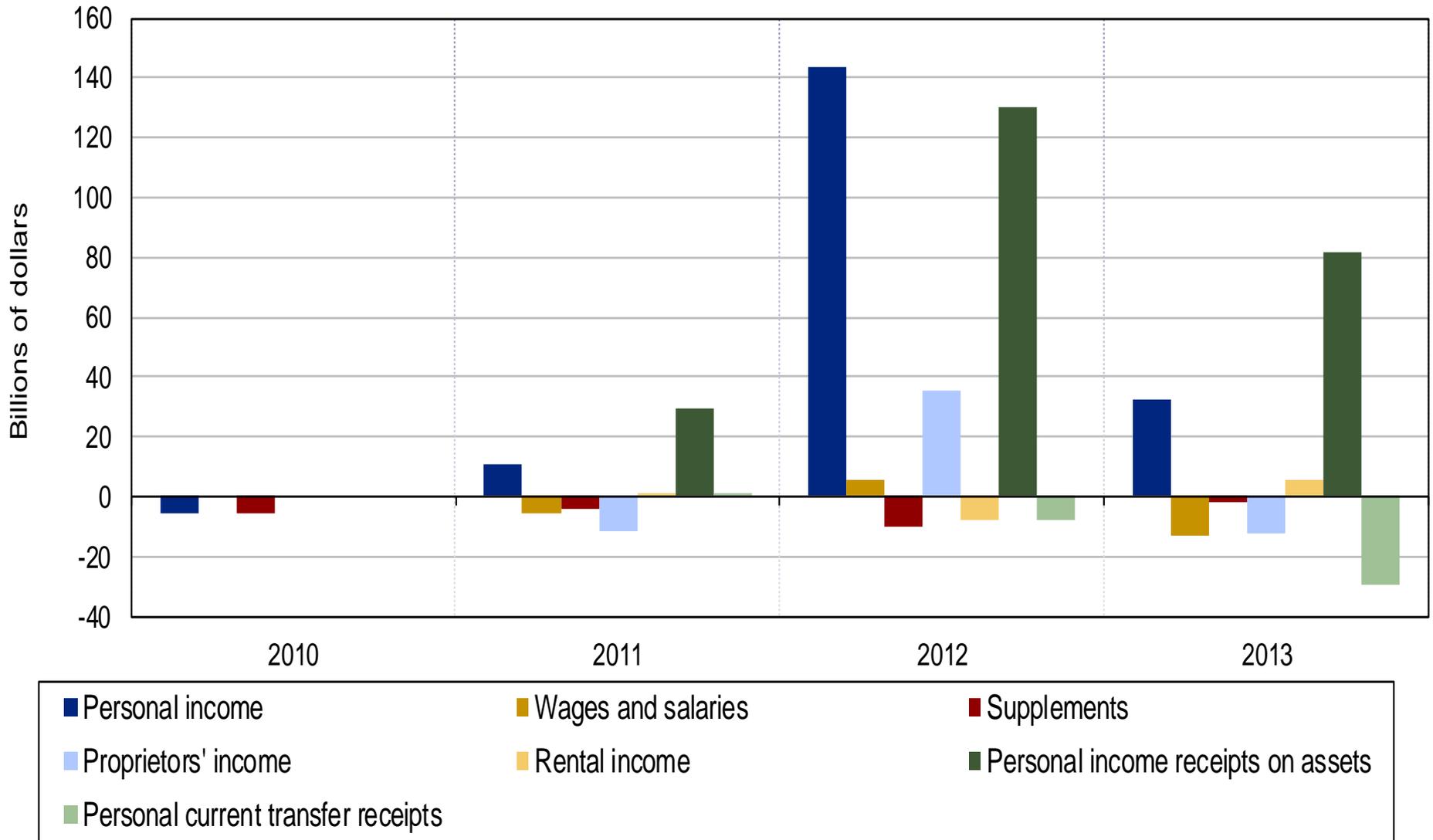
Real disposable personal income (DPI)

[Percent change from preceding period, SAAR]



Personal income and its components

[Revisions in level]



Personal saving as a percentage of DPI

