How BEA Tracks the Health of America’s Businesses

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Quarterly statistics show how factories, retailers, educational services, health care providers and other industries are performing and affecting the U.S. economy.

- Most recent report released April 23, with results for the fourth quarter of 2014.
- First such quarterly report issued last year.
Tracking the Health of America’s Businesses

Real GDP and Real Value Added

Percent change from preceding period

-8.0 -6.0 -4.0 -2.0 0.0 2.0 4.0 6.0 8.0 10.0

2013 4th Quarter 2014 1st Quarter 2014 2nd Quarter 2014 3rd Quarter 2014 4th Quarter

GDP Private Goods Private Services Government

www.bea.gov
Why that’s Important

- Provides more up-to-date and precise view of industries’ economic activity and impact on U.S. economy.
- Aids business decisions on investing and hiring.
- Helps people better understand the industries they are employed in – or want to find work in.
- Informs public policy.
A Look at Industry Performance During the Great Recession

* Other Services includes Utilities, Transportation, Education, Health Care, Arts, Accommodation, Food Services, and Other Services Industry Groups
A Look at Industry Performance During the Great Recession and Beginning of Recovery

Percentage Points

-10.00 -8.00 -6.00 -4.00 -2.00 0.00 2.00 4.00 6.00

-10.00 2009 1st Quarter 2009 2nd Quarter 2009 3rd Quarter 2009 4th Quarter

Agriculture and Mining
Construction
Finance, Insurance, and Real Estate
Government
Information and Professional Services
Manufacturing
Other Services*
Trade

* Other Services includes Utilities, Transportation, Education, Health Care, Arts, Accommodation, Food Services, and Other Services Industry Groups

www.bea.gov
What Happened to Durable-Goods Manufacturing During the Great Recession and Recovery?
How Have Manufacturing and its Supply Chain Performed Over Time?

Index, 2009 = 100

- Real value added
- Real gross output

Source: www.bea.gov
How Have U.S. Industries Performed Since the Great Recession?

Index: Business Cycle

2007 4th Quarter - 2014 4th Quarter

2007 4th Quarter

Number of Quarters After Business Cycle Peak

GDP (15, 2011:III)
Goods (24, 2013:IV)
Services (12, 2010:IV)
Government (0, 2008:I)
How Have U.S. Industries Performed Since the Great Recession?

Index: Business Cycle

- GDP (15, 2011:III)
- Manufacturing (still below 2007:IV levels)
- Construction (still below 2007:IV levels)
- Professional and Business Services (12, 2010:IV)
- Finance, Insurance, and Real Estate (6, 2009:II)

2007 4th Quarter - 2014 4th Quarter

Number of Quarters After Business Cycle Peak

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How Did the Recession and Recovery Change the Size of U.S. Industries?

Value Added by Industry Group as a Percentage of GDP

Recession Begins
2007 4th Quarter

- Agriculture and Mining: 11.9%
- Finance, Insurance, and Real Estate: 17.7%
- Information and Professional Services: 12.8%
- Other Services*: 16.7%
- Construction: 19.6%
- Government: 3.3%
- Manufacturing: 4.8%
- Trade: 3.8%

Latest Snapshot
2014 4th Quarter

- Agriculture and Mining: 11.9%
- Finance, Insurance, and Real Estate: 18.9%
- Information and Professional Services: 12.0%
- Other Services*: 16.7%
- Construction: 20.3%
- Government: 3.7%
- Manufacturing: 12.8%
- Trade: 3.8%

*Other Services includes Utilities, Transportation, Education, Health Care, Arts, Accommodation, Food Services, and Other Services Industry Groups
Long-standing call for statistics on the sources of growth
- Solow (1957), Denison (1967), Griliches and Jorgenson (1967)
- Postwar Recovery, Big Slump, IT Boom, the Great Recession

What are the industry sources of GDP and multifactor productivity growth?
- For example, what is the role of manufacturing?

What is the contribution of:
- Information-communications-technology to growth and productivity?
- Intangible capital (e.g., R&D) to growth and productivity?
Computers and electronic products accounts for about 50% of MFP growth!
How BEA Tracks America’s Businesses

- Quarterly Statistics on GDP by Industry
  - An economic “earnings report” for U.S. Business
  - Next report for First Quarter 2015 on July 23rd
  - On November 5th, expand detail from 22 to 71 industries!

- Integrated GDP & Productivity Account by Industry
  - Joint with the Bureau of Labor Statistics, U.S. Dept. of Labor
  - Tracks sources of U.S. growth to better understand the role of industries, factor inputs, and productivity over important periods of economic history