

Results of the 2012 Annual Revision of the National Income and Product Accounts

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Bureau of Economic Analysis

July 27, 2012



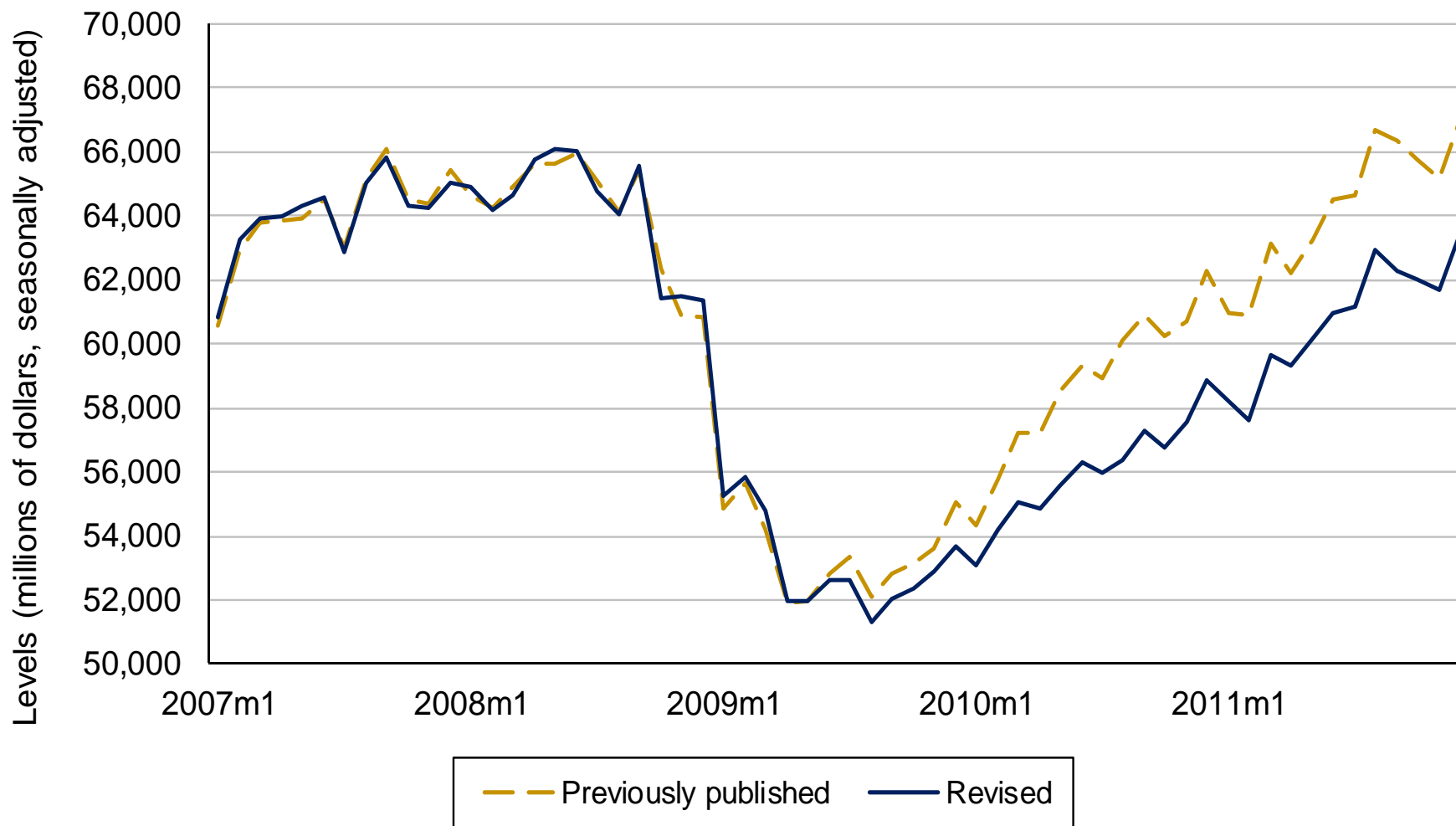
Why does BEA revise its estimates?

- Improve accuracy of the estimates by incorporating the most complete and reliable source data
 - Benchmarking indicators to annual surveys
 - Replacing trends or indirect indicators with comprehensive source data
- Provide a more detailed picture of the economy
- Make improvements to methods used for preparing the estimates

Example: Benchmarking manufacturing

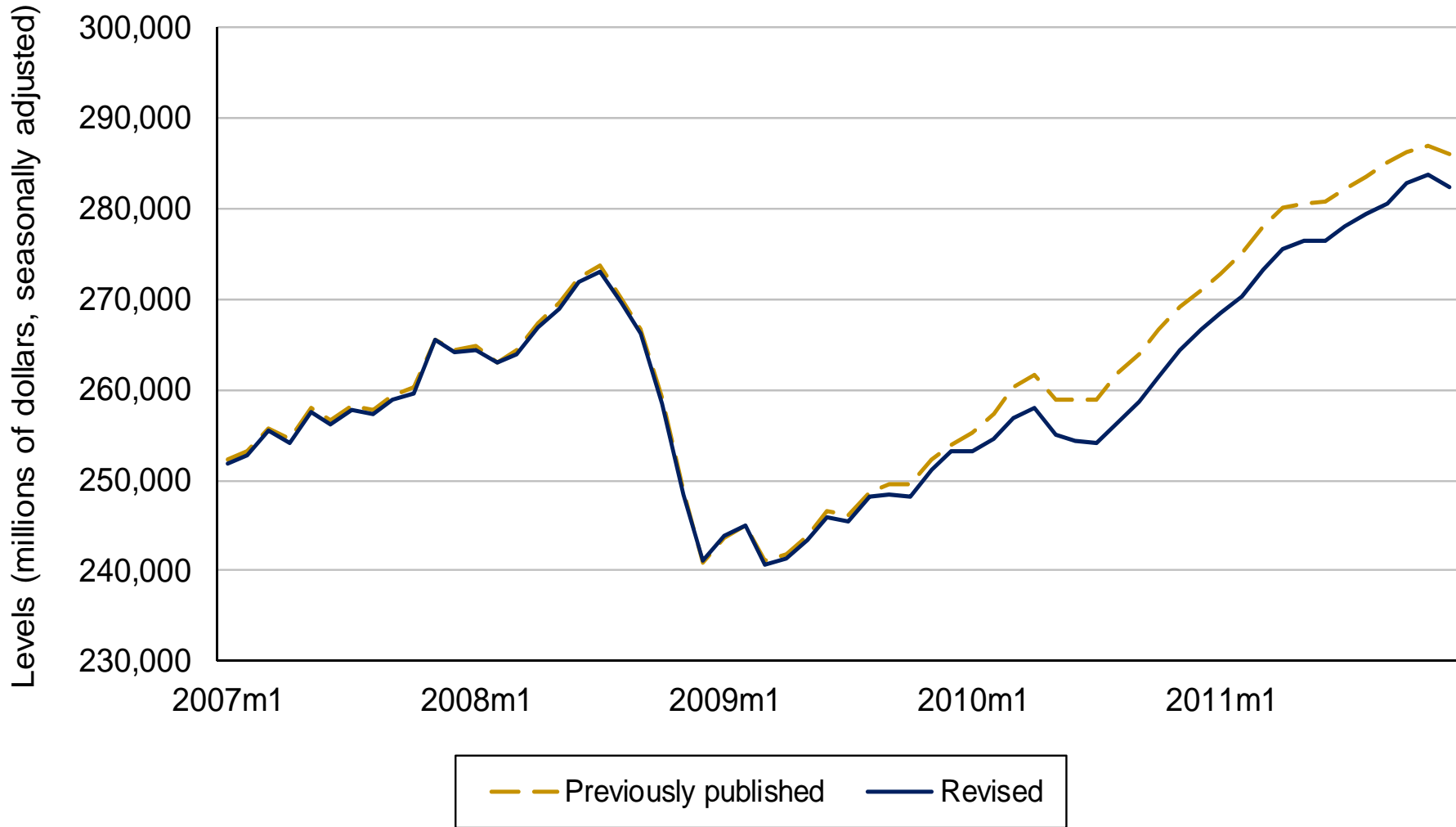
- Indicator: Monthly M₃ (“manufacturers’ shipments, inventories, and orders”)
 - Voluntary reporting
 - 4,300 reporting units with more than \$500 million in shipments (represents 60% of manufacturing)
 - 89 industry categories
 - No product detail
- Benchmark: Annual survey of manufactures
 - Mandatory reporting
 - 50,000 establishments (representing all 328,500 manufacturing establishments)
 - 471 industries
 - 1,384 product classes

Shipments - Nondefense capital goods excluding aircraft

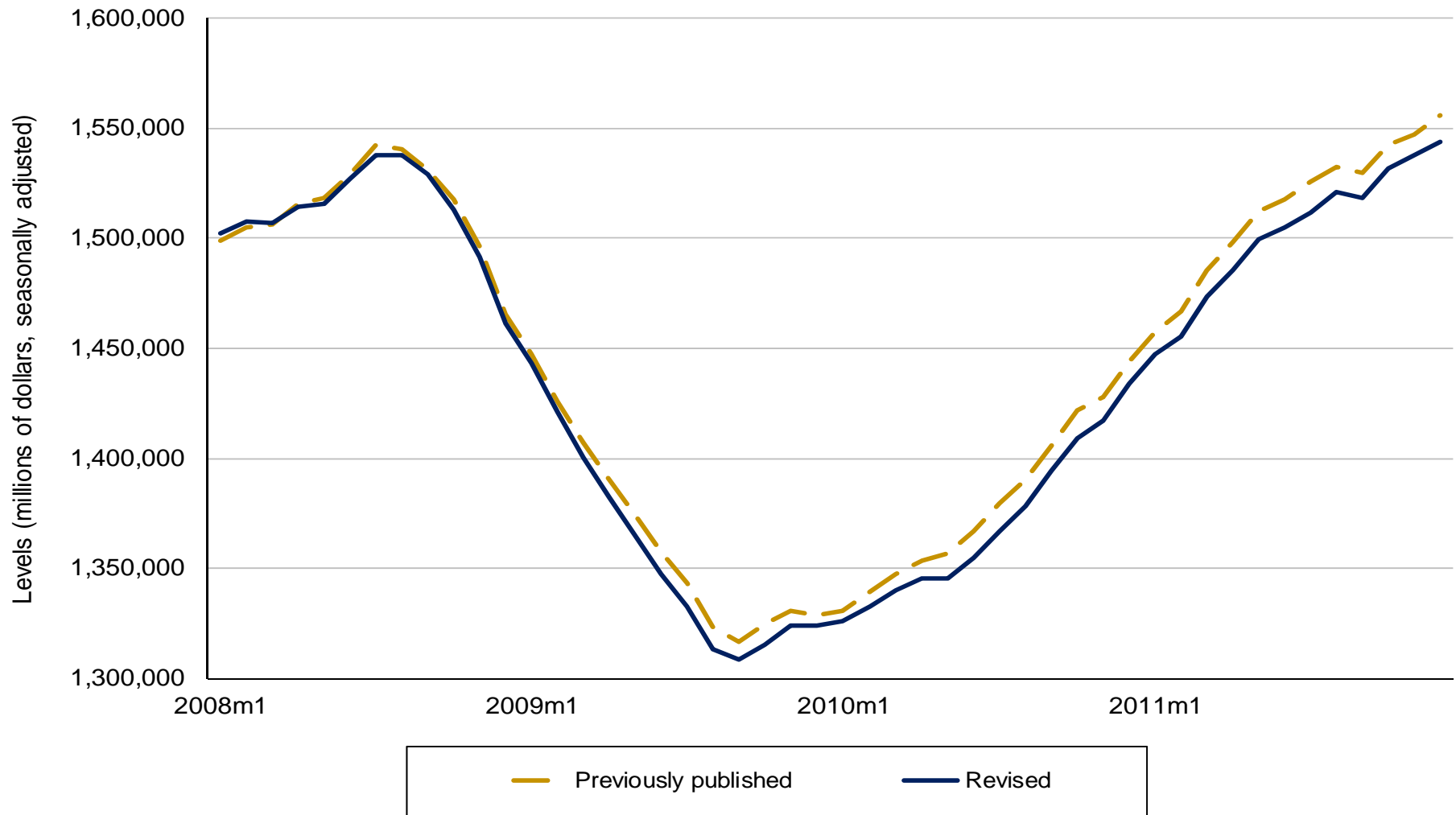


Source: Census Bureau, July 3, 2012

Retail sales excluding motor vehicles



Source: Census Bureau, March 30, 2012



Source: Census Bureau, July 20, 2012

New source data vs. indirect indicators

- For some components of GDP and GDI, direct indicators aren't available
 - State & local government spending
 - Current data on employment and construction
 - Data on other types of spending available from Census Bureau with a 2-year lag
 - Corporate profits
 - Current data on public corporations
 - Comprehensive IRS data available (including private and S corporations) with a 2-year lag
 - IRS data on proprietors' and partnership income with a 2-year lag



Period covered by revisions

- Revised annual estimates for 2009-11 and quarterly estimates for 2009Q1–2012Q1
- Revised estimates for the first quarter of 2012 will be released on July 27
- Reference year continues to be 2005
- Full historical period (1929 forward) will be open to revision in next year's comprehensive revision



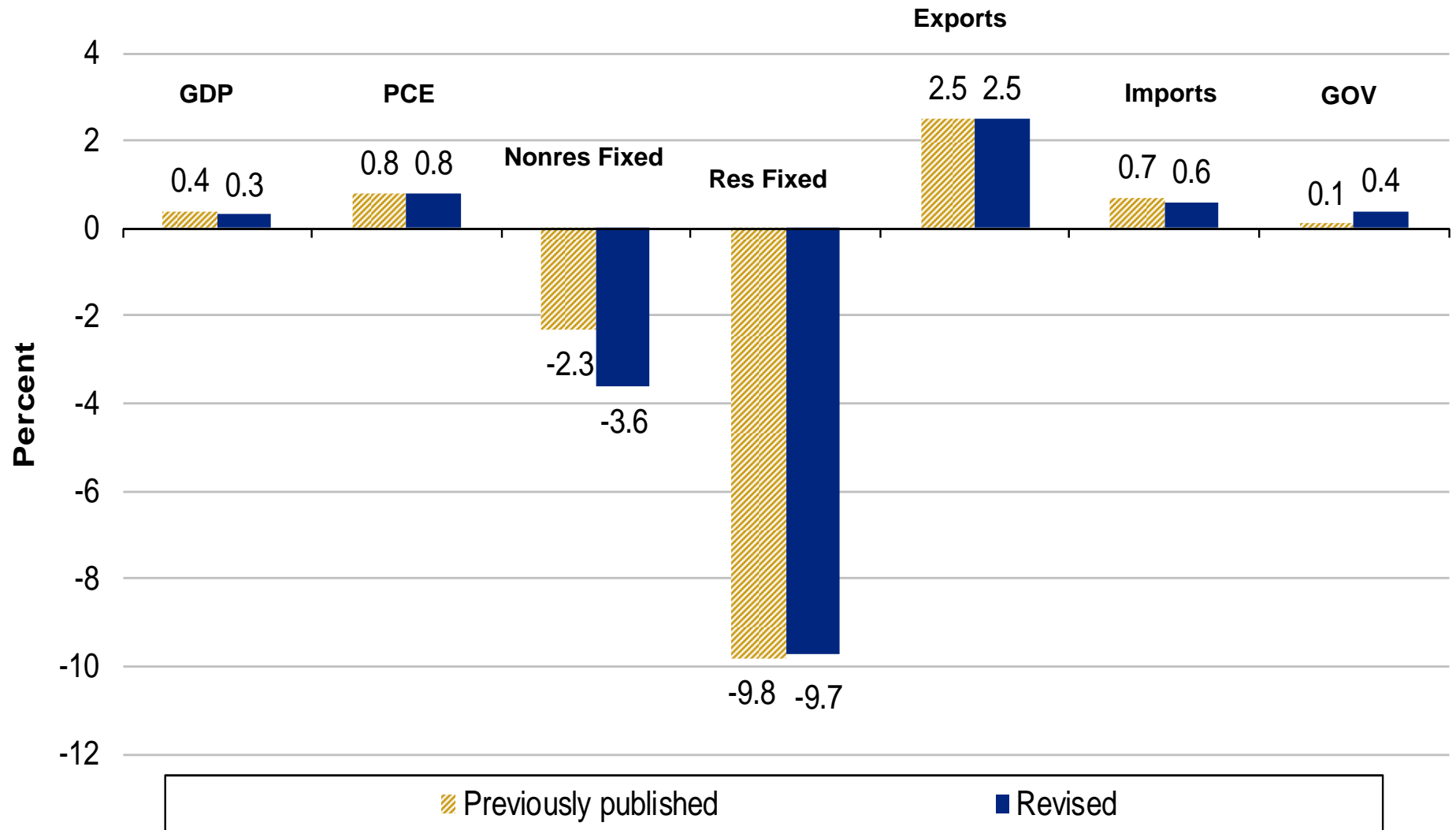
New and revised source data

- Census Bureau surveys:
 - Annual survey of manufactures
 - Annual retail trade survey
 - Annual wholesale trade survey
 - Service annual survey
 - Construction spending (value put in place)
 - Government finances
- Bureau of Labor Statistics: Wage and salary data
- Internal Revenue Service: Tabulations of tax returns for corporations and for sole proprietorships and partnerships
- Office of Management and Budget: Federal government budget data
- BEA: International transactions accounts

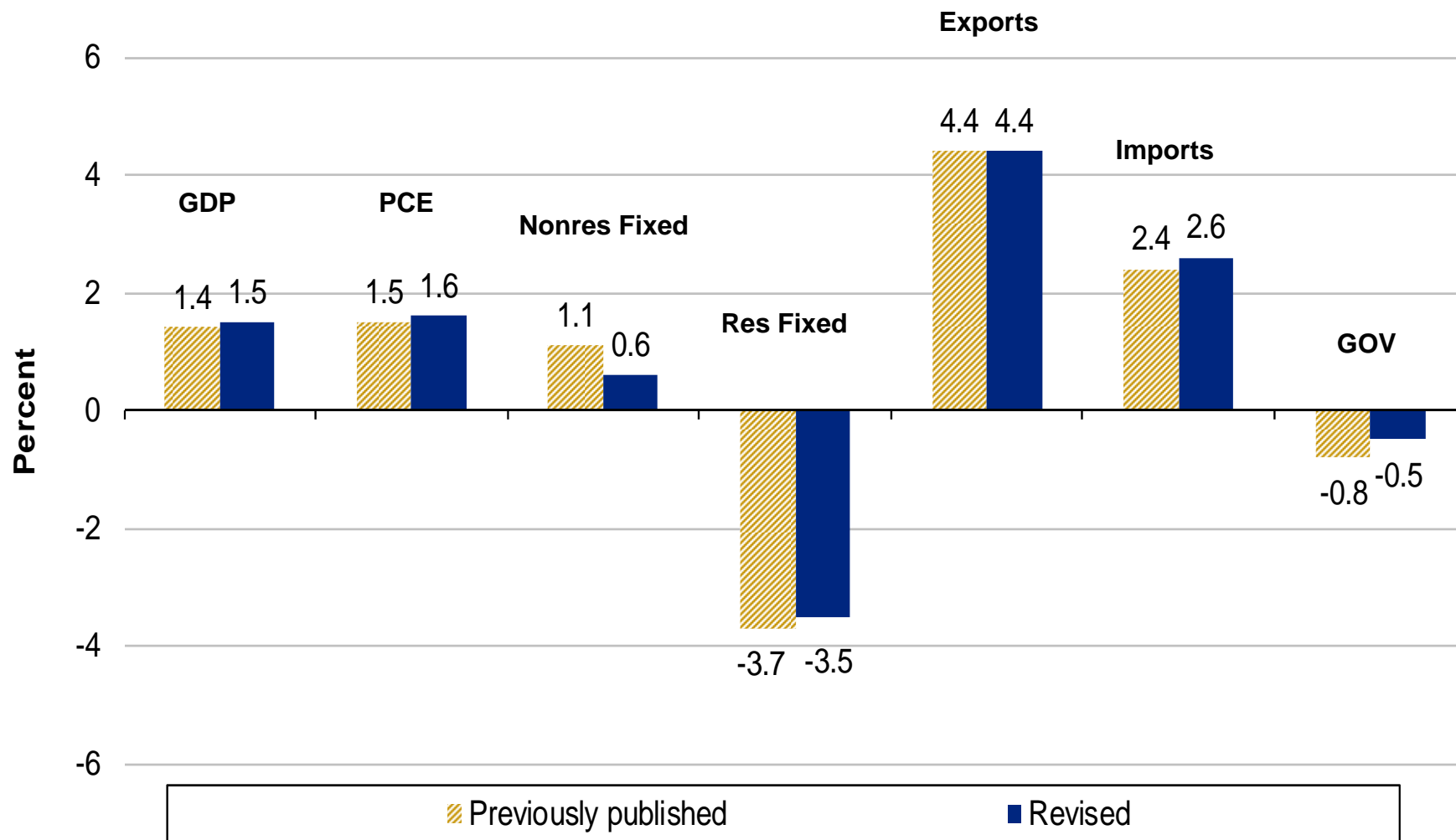
Improvements in data & presentation

- New data from expansion of the Census Bureau's service annual survey and quarterly services survey will be incorporated in PCE:
 - Household utilities
 - Transportation services
 - Education services
- QSS now available for 42% of PCE services
- A new set of tables will present GDP, GDI, and other major aggregates in a single location on BEA's Web site

Average annual rates of change of real GDP and its major components, 2008 to 2011

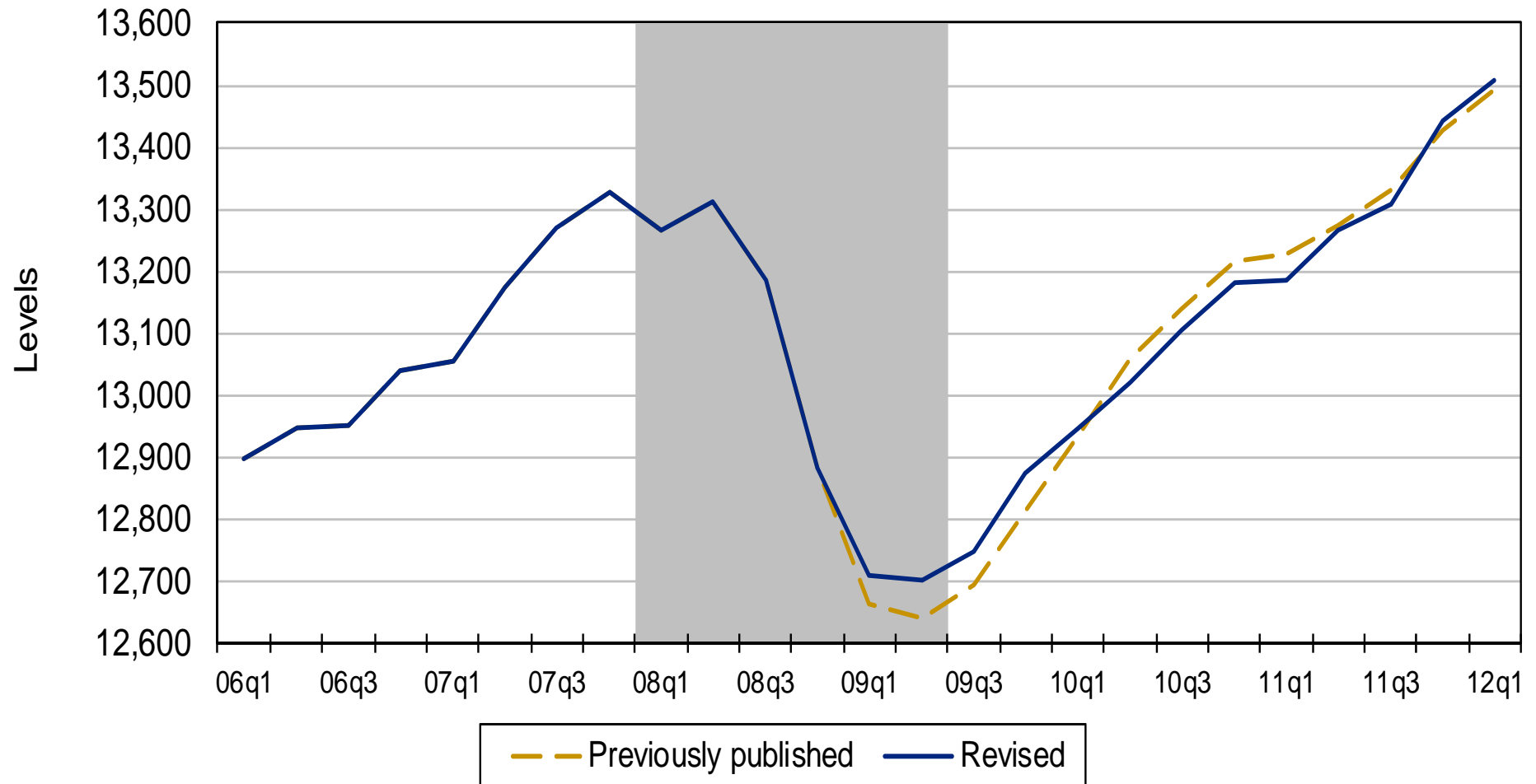


Percent change (annual rate) of real GDP and its major components, 2008:Q4 to 2012:Q1



Real gross domestic product

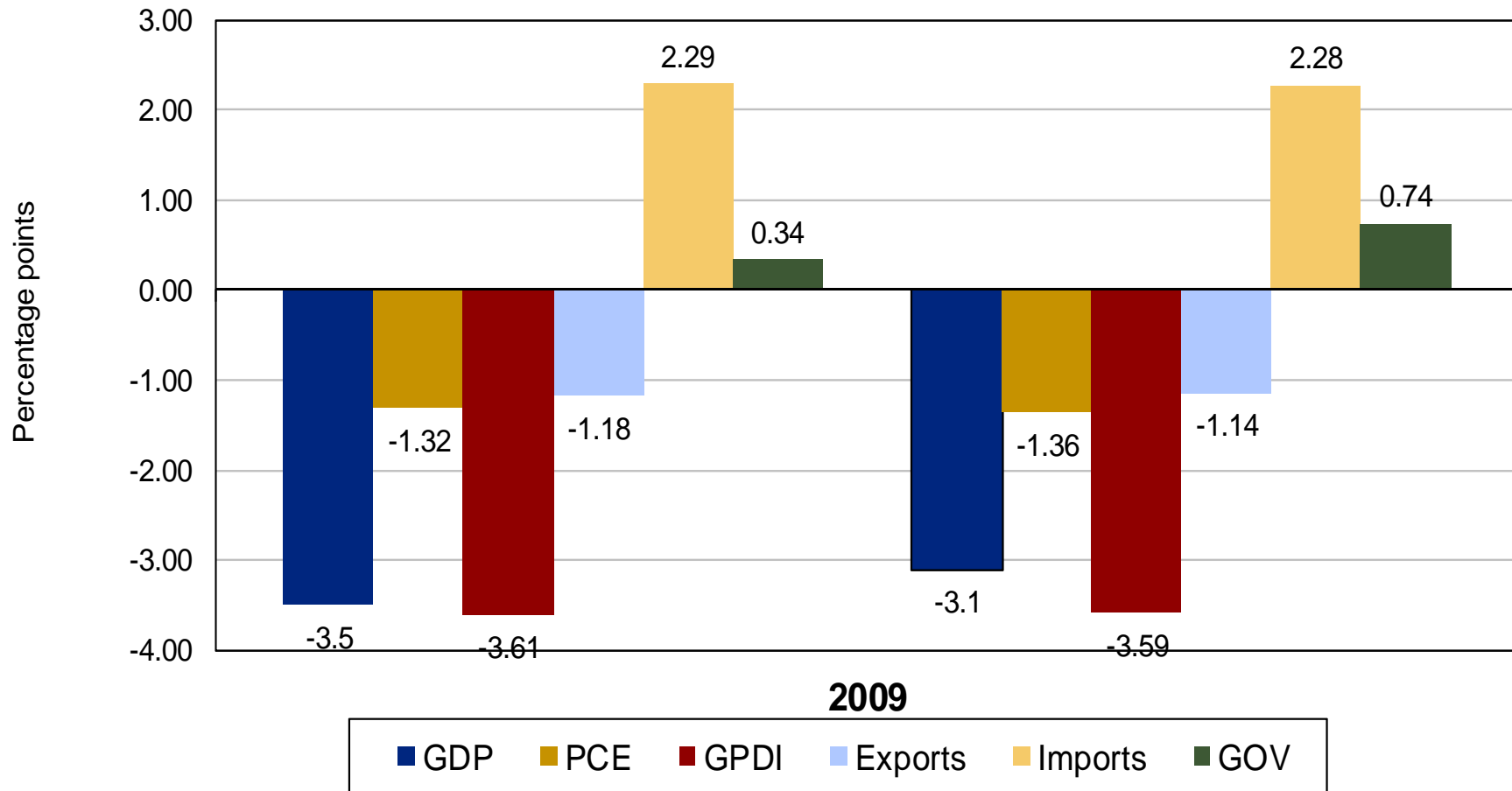
[Billions of chained (2005) dollars, SAAR]



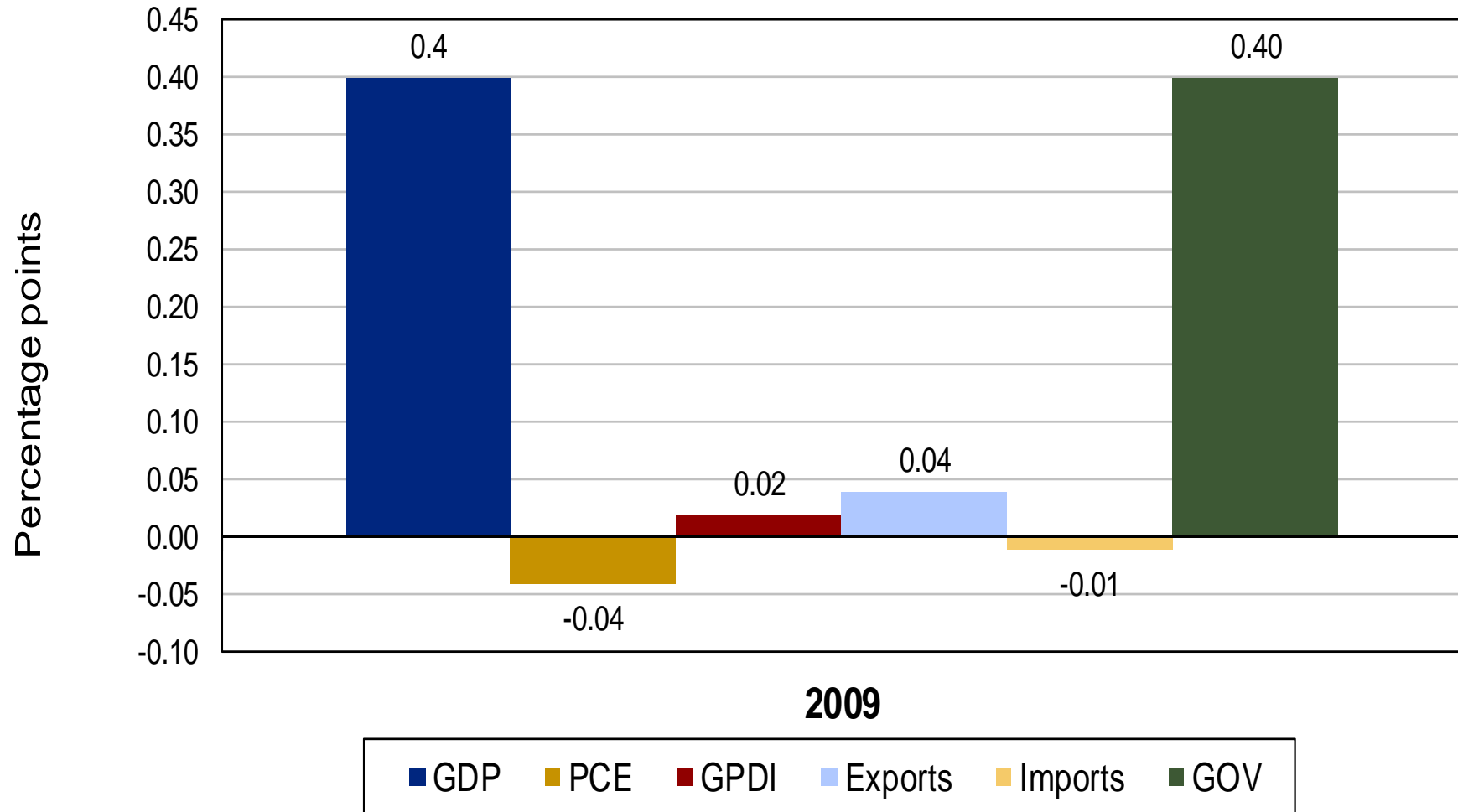
Percent change in real GDP and contributions to percent change - 2009

Previously published

Revised



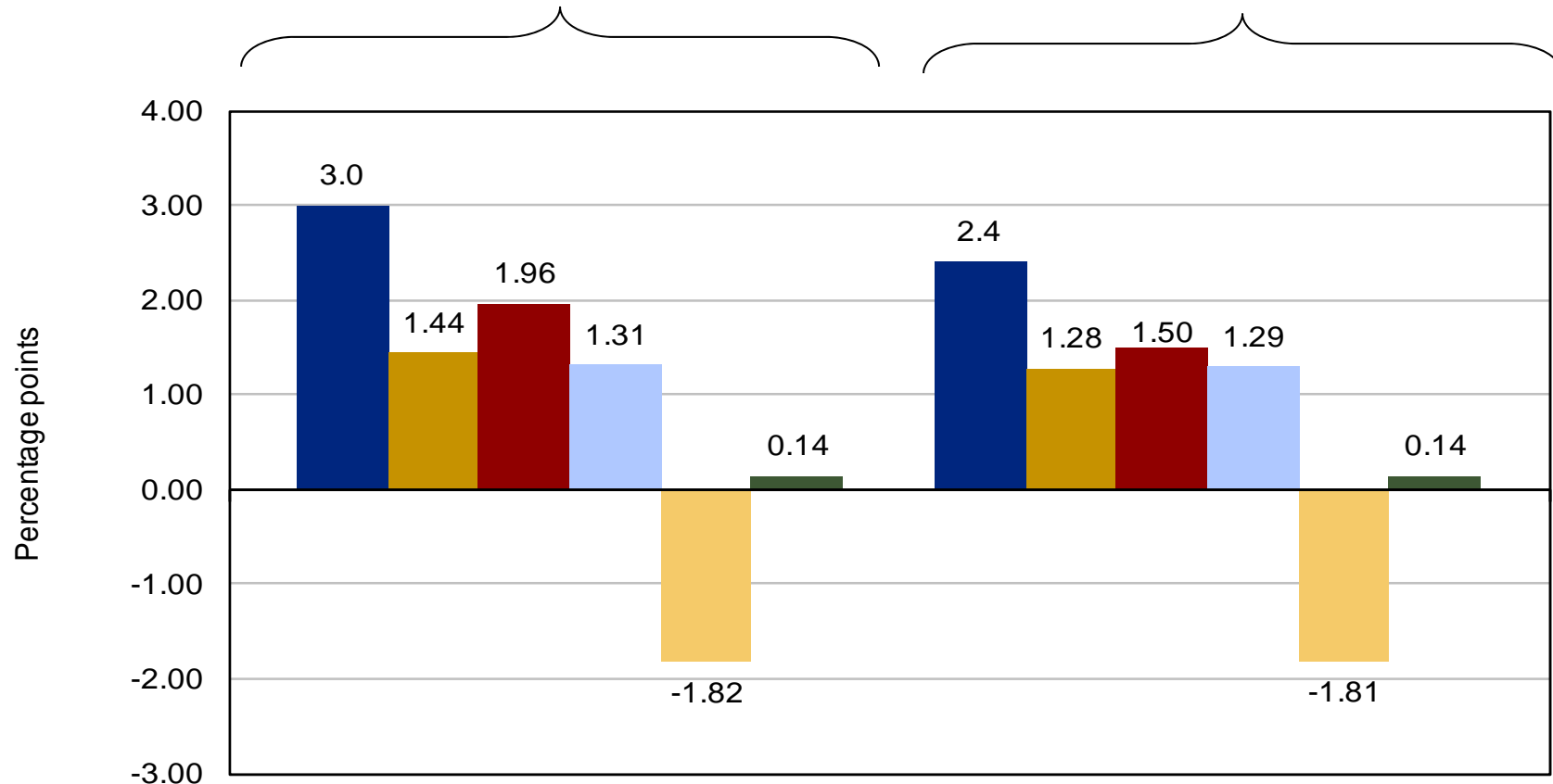
Revisions to percent change in real GDP and to contributions to percent change - 2009



Percent change in real GDP and contributions to percent change - 2010

Previously published

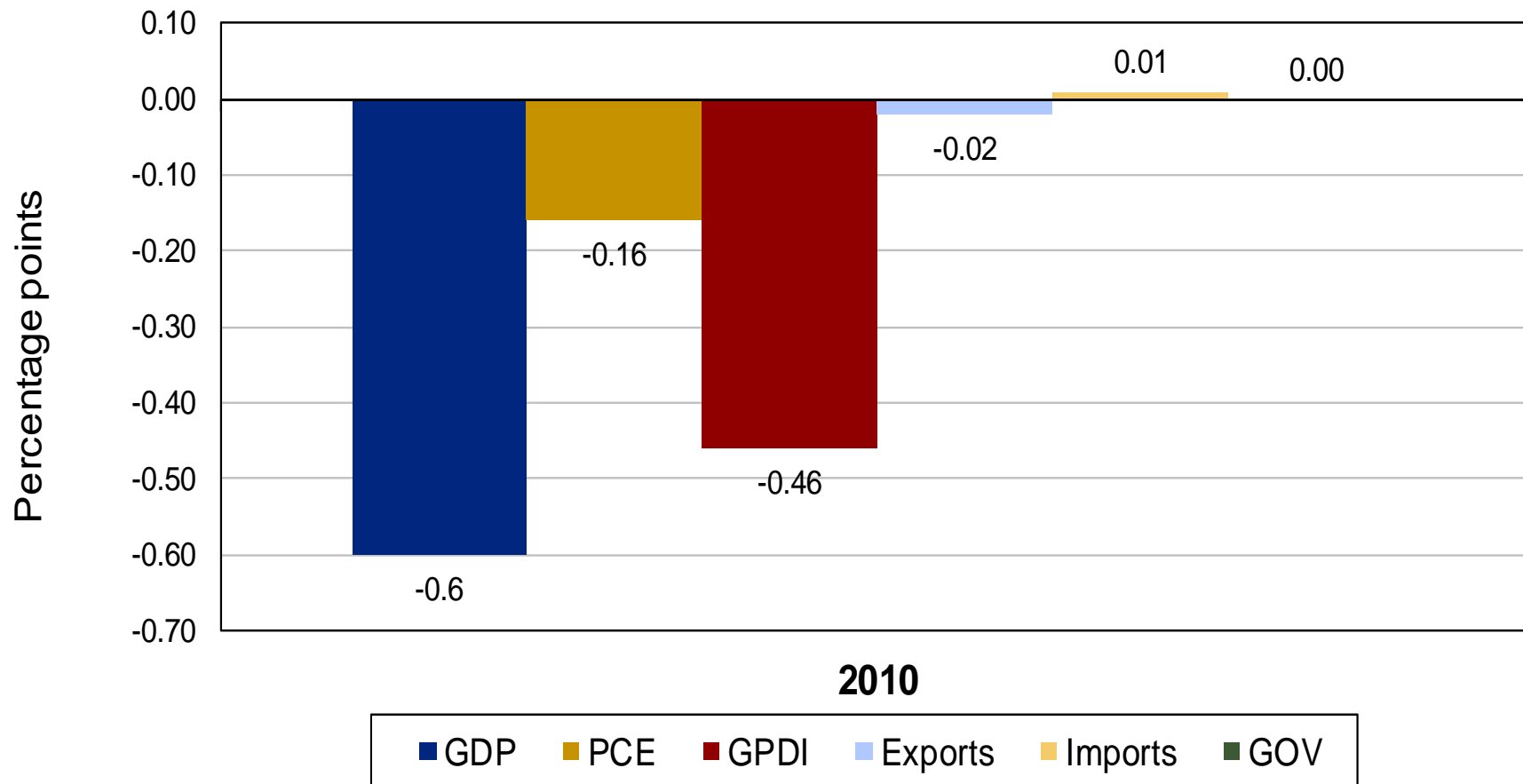
Revised



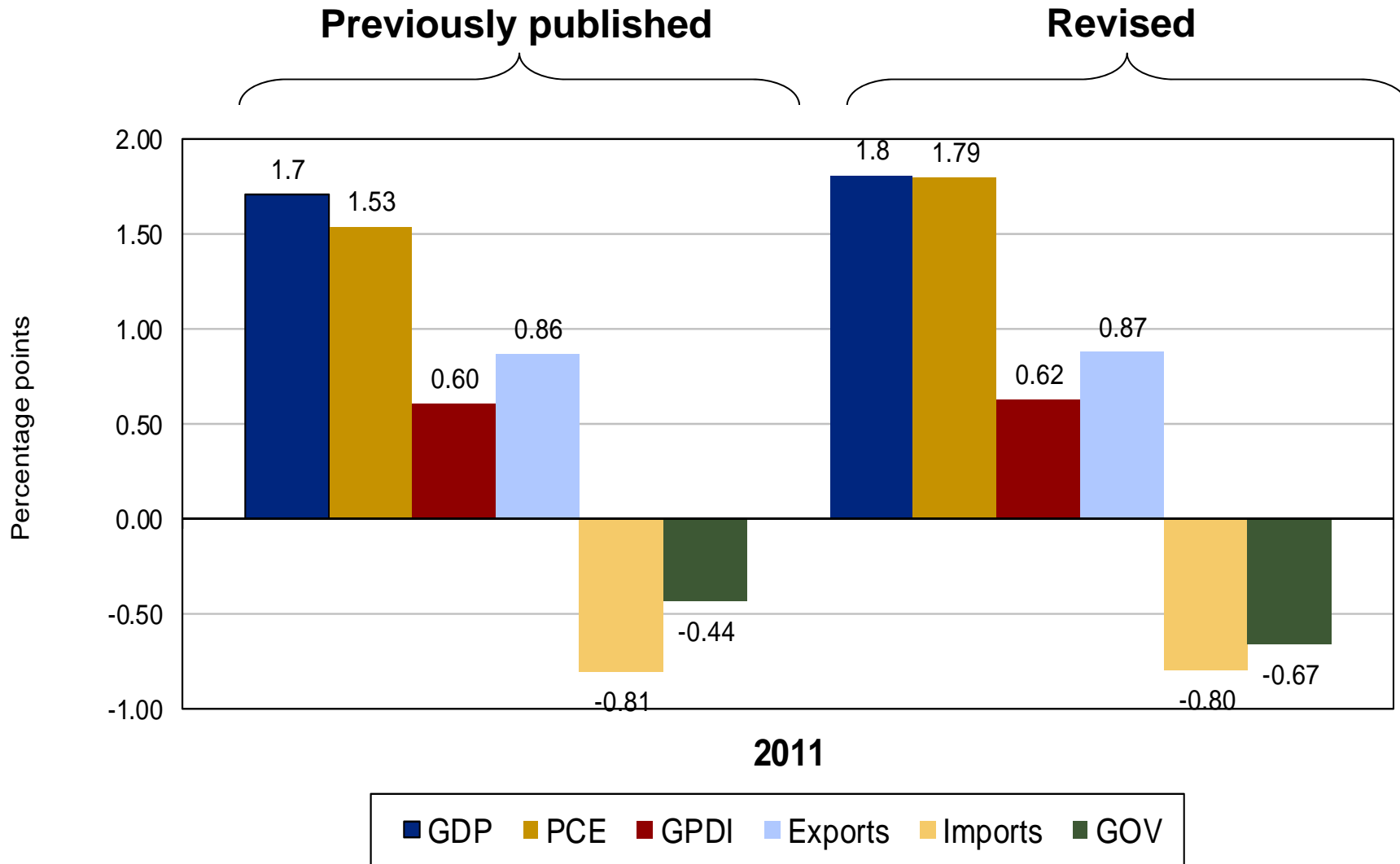
2010



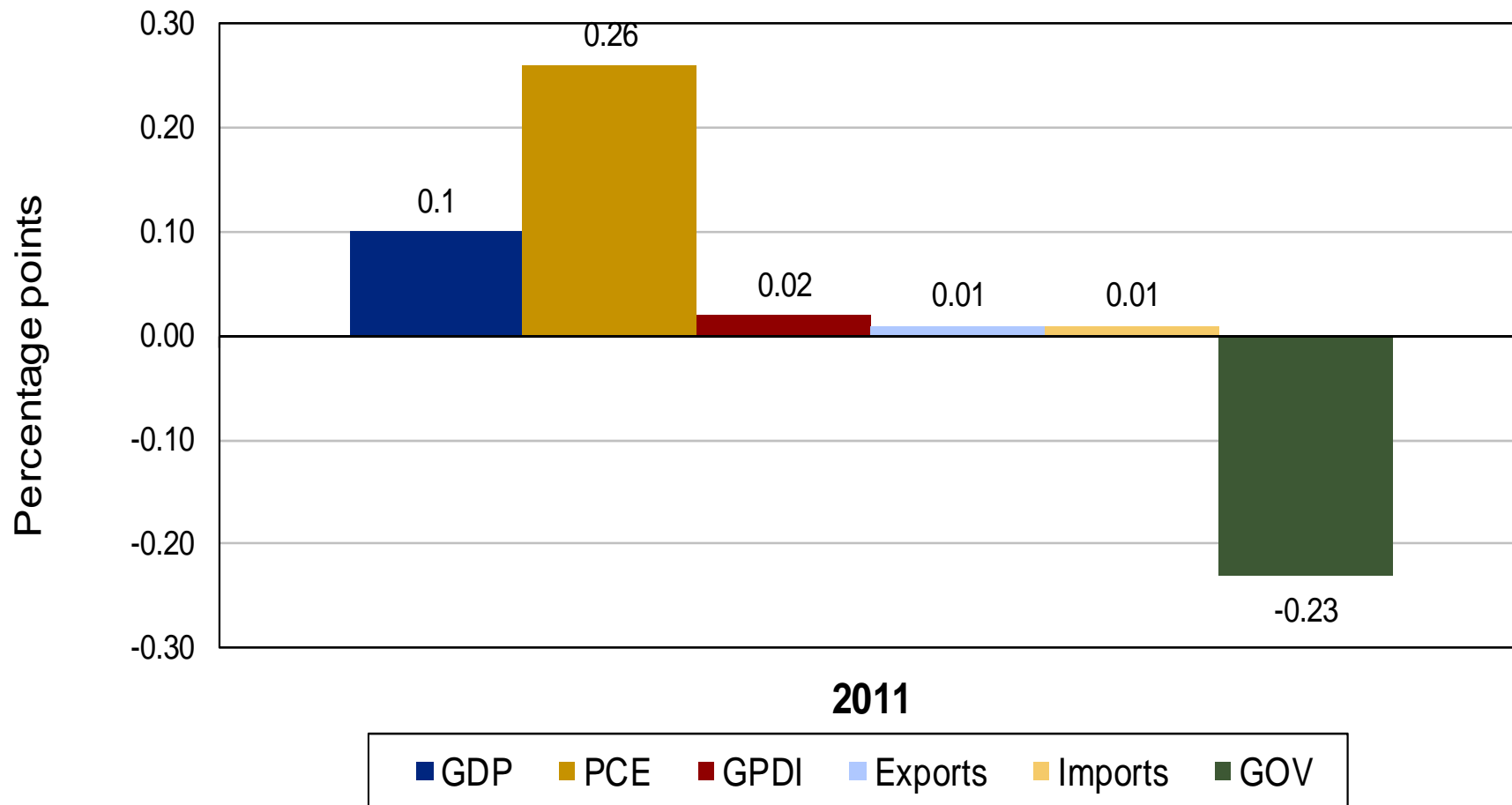
Revisions to percent change in real GDP and to contributions to percent change - 2010



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

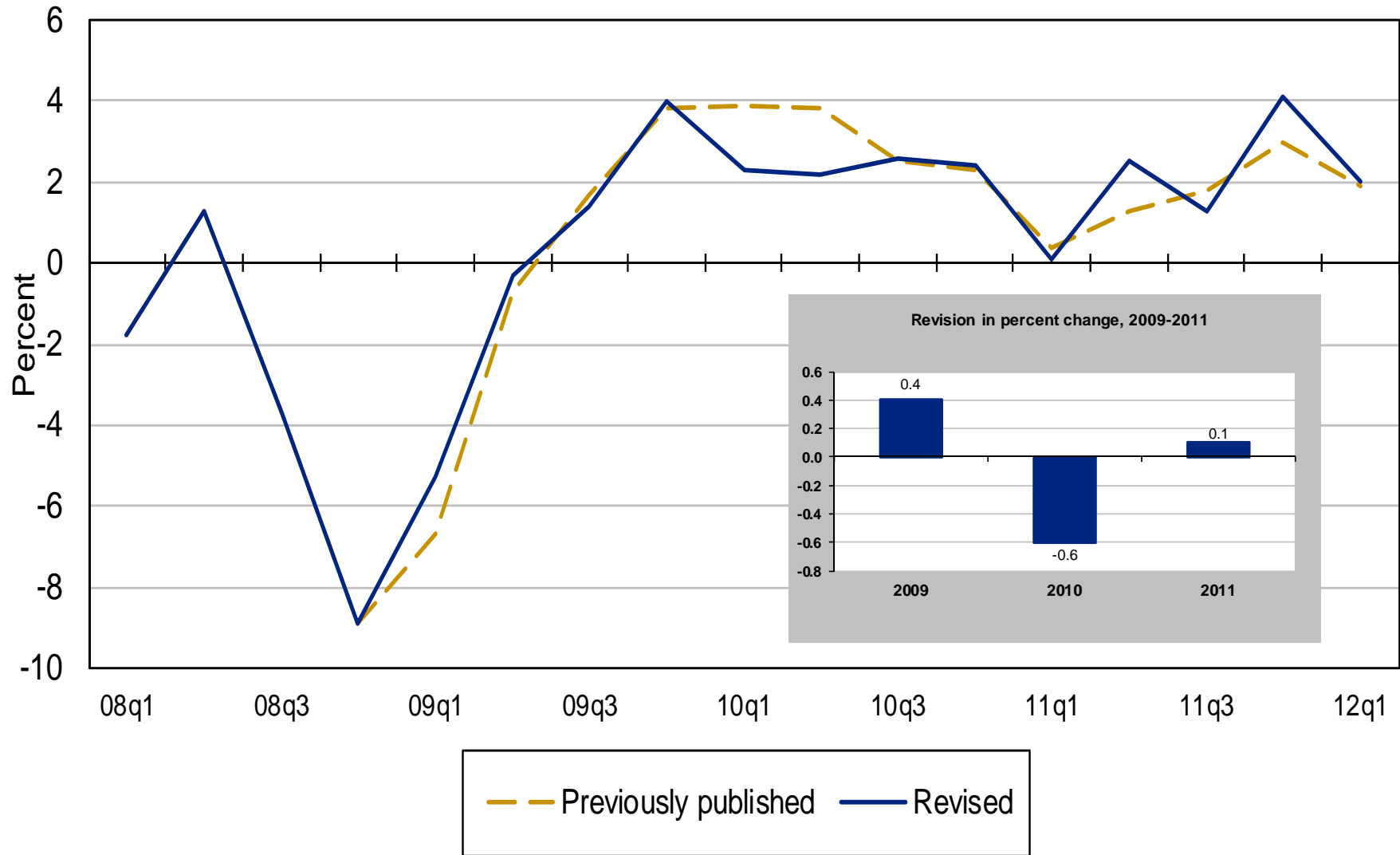


Revisions to percent change in real GDP and to contributions to percent change - 2011

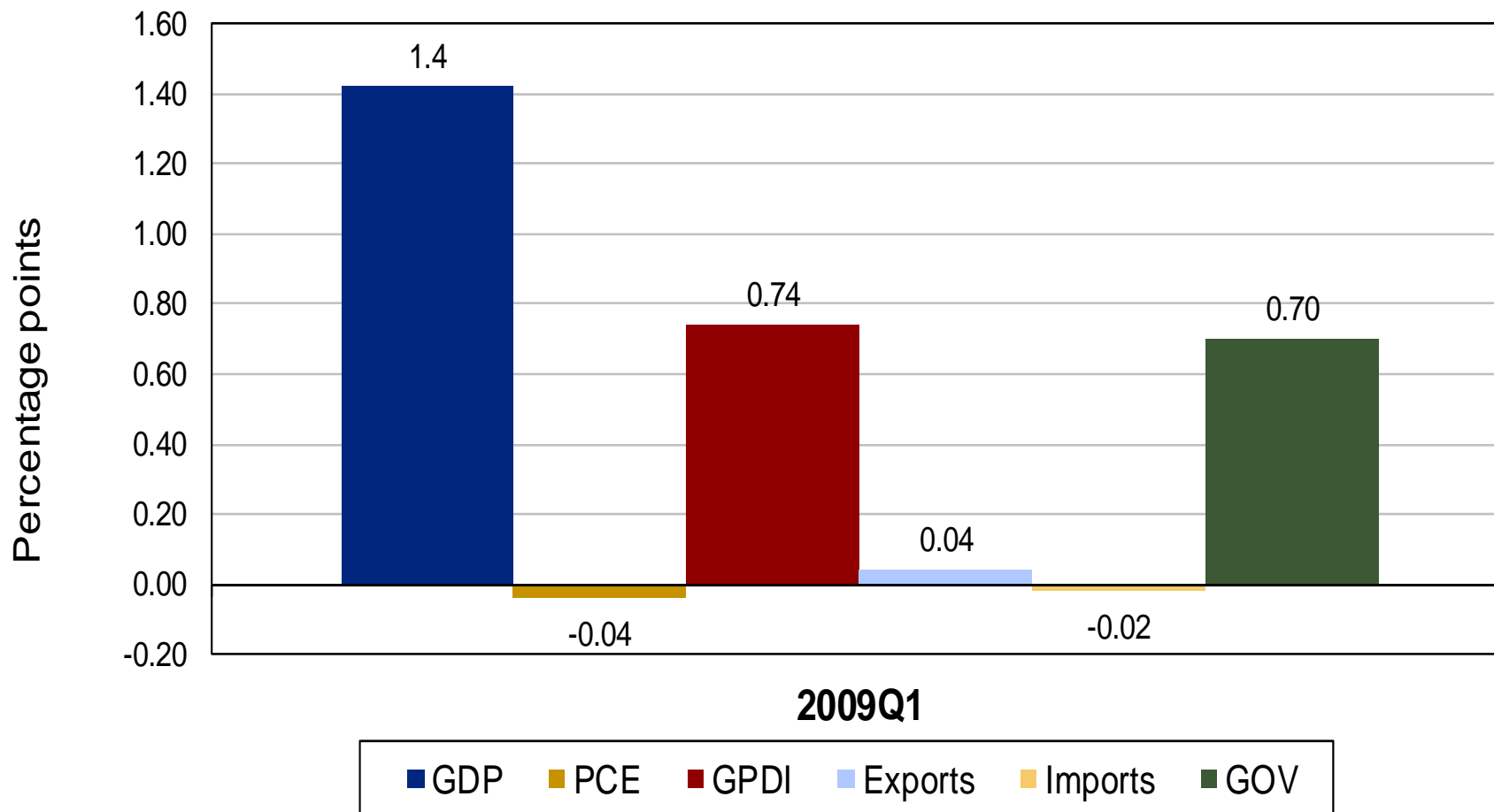


Real gross domestic product

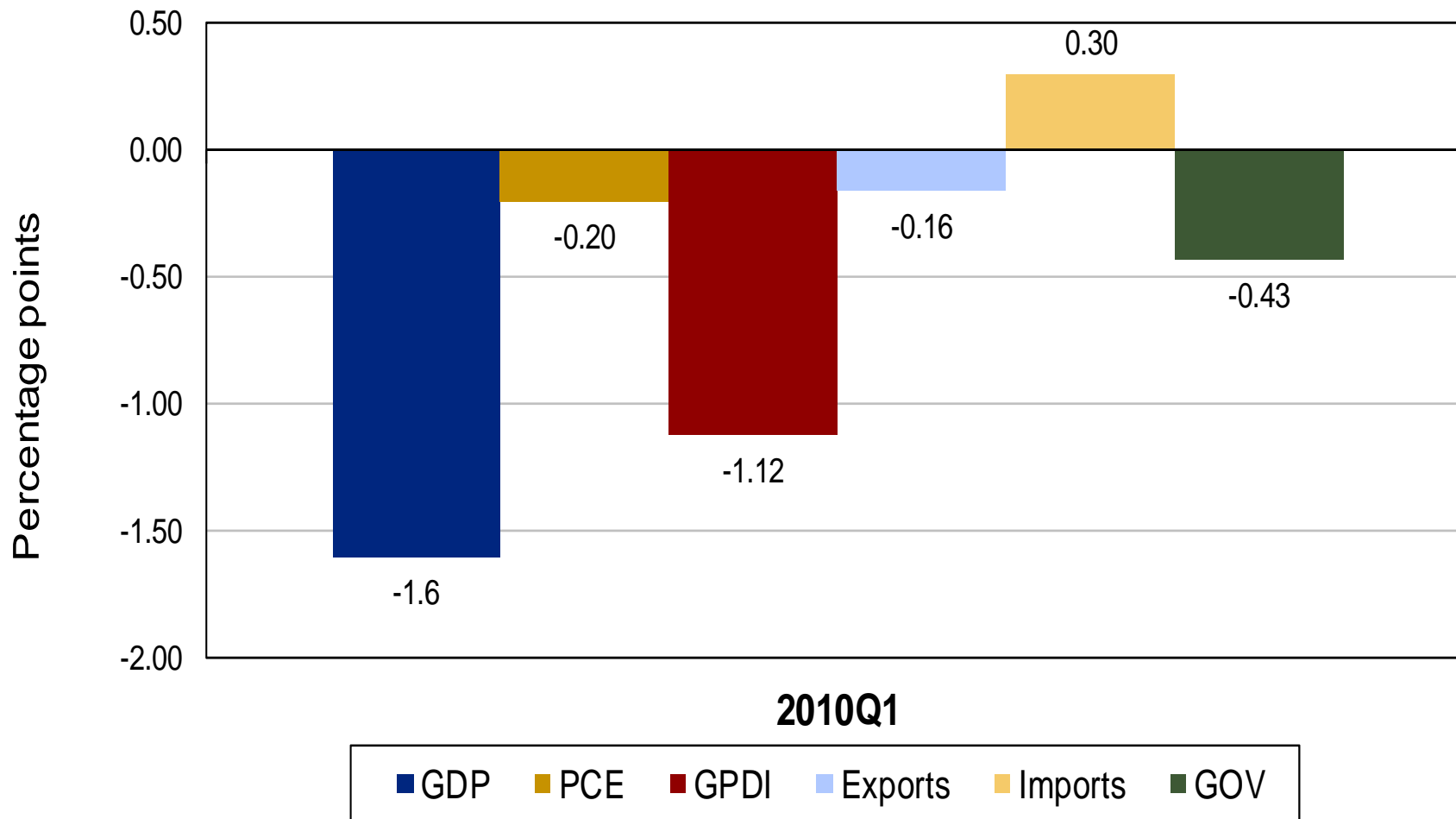
[Percent change from preceding period, SAAR, 2008-2011]



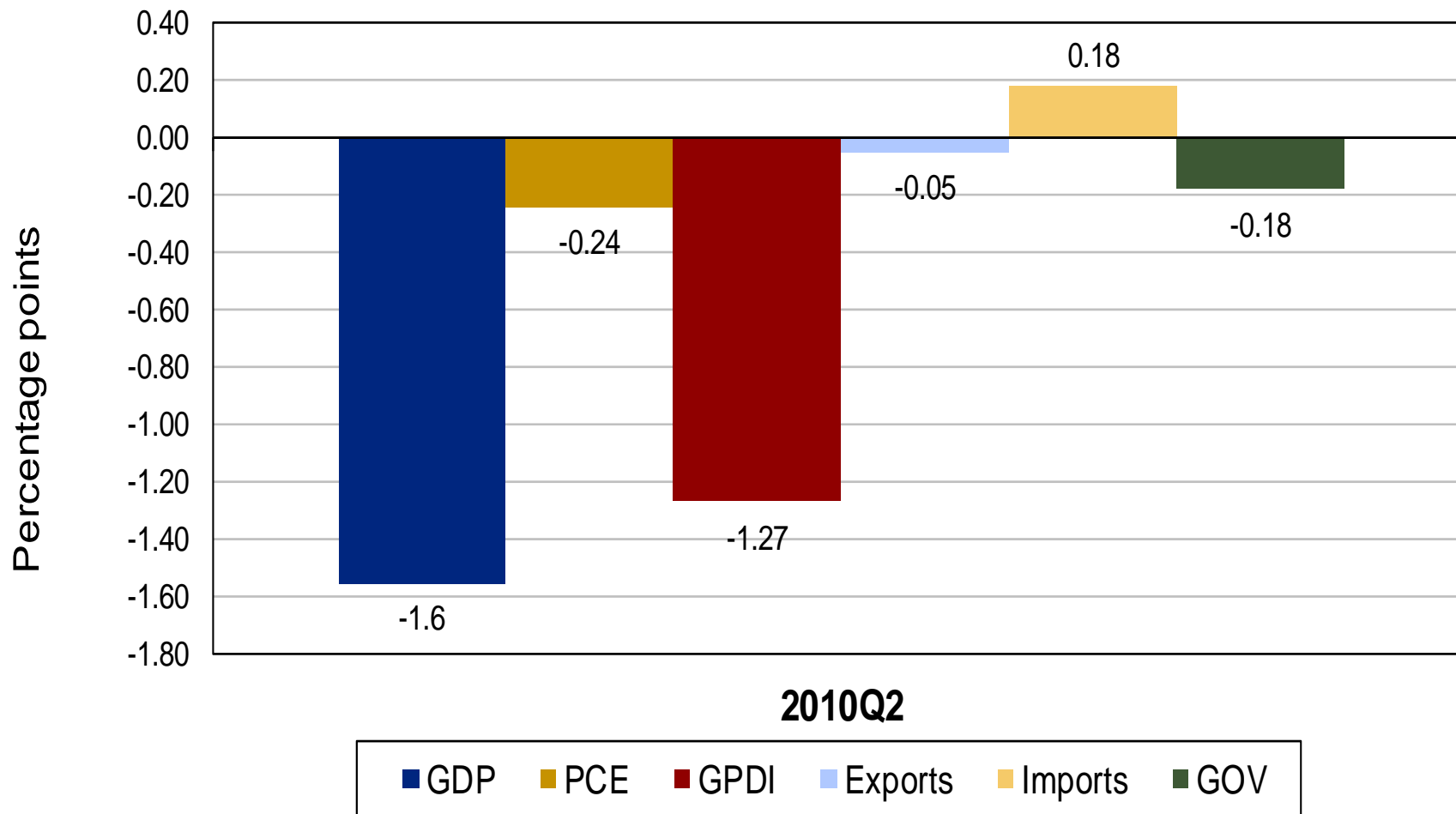
Revisions to percent change in real GDP and to contributions to percent change – 2009Q1



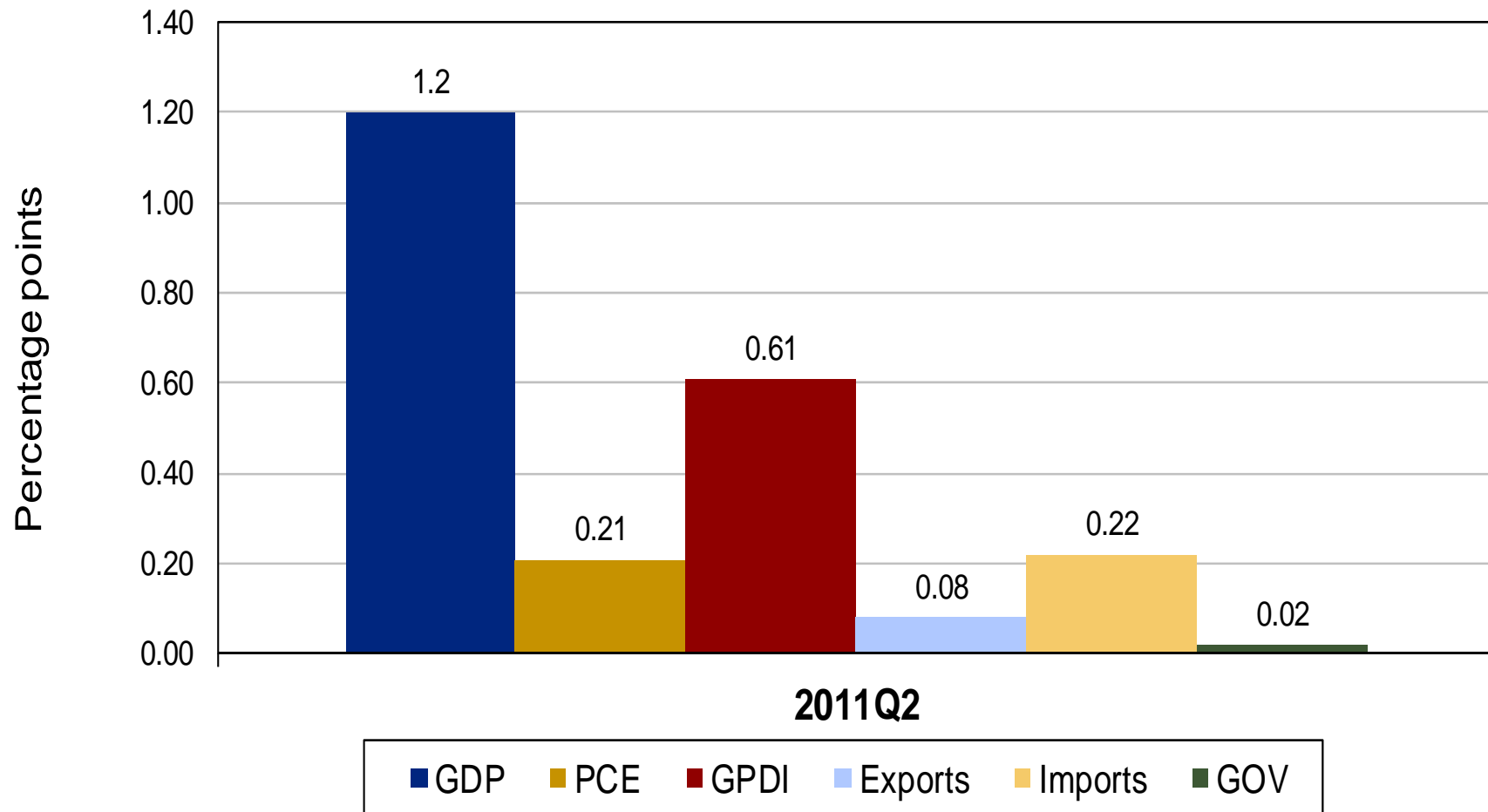
Revisions to percent change in real GDP and to contributions to percent change – 2010Q1



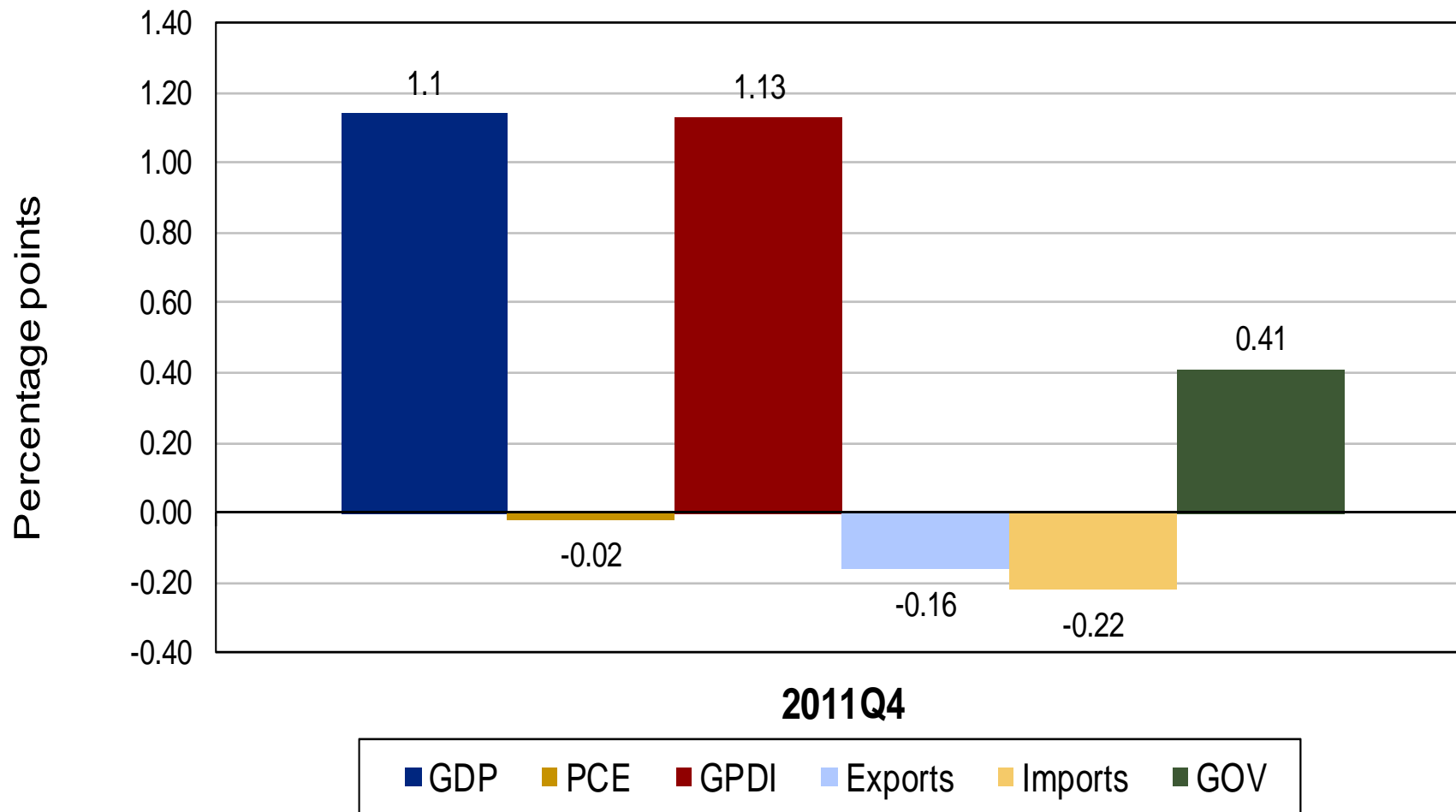
Revisions to percent change in real GDP and to contributions to percent change – 2010Q2



Revisions to percent change in real GDP and to contributions to percent change – 2011Q2

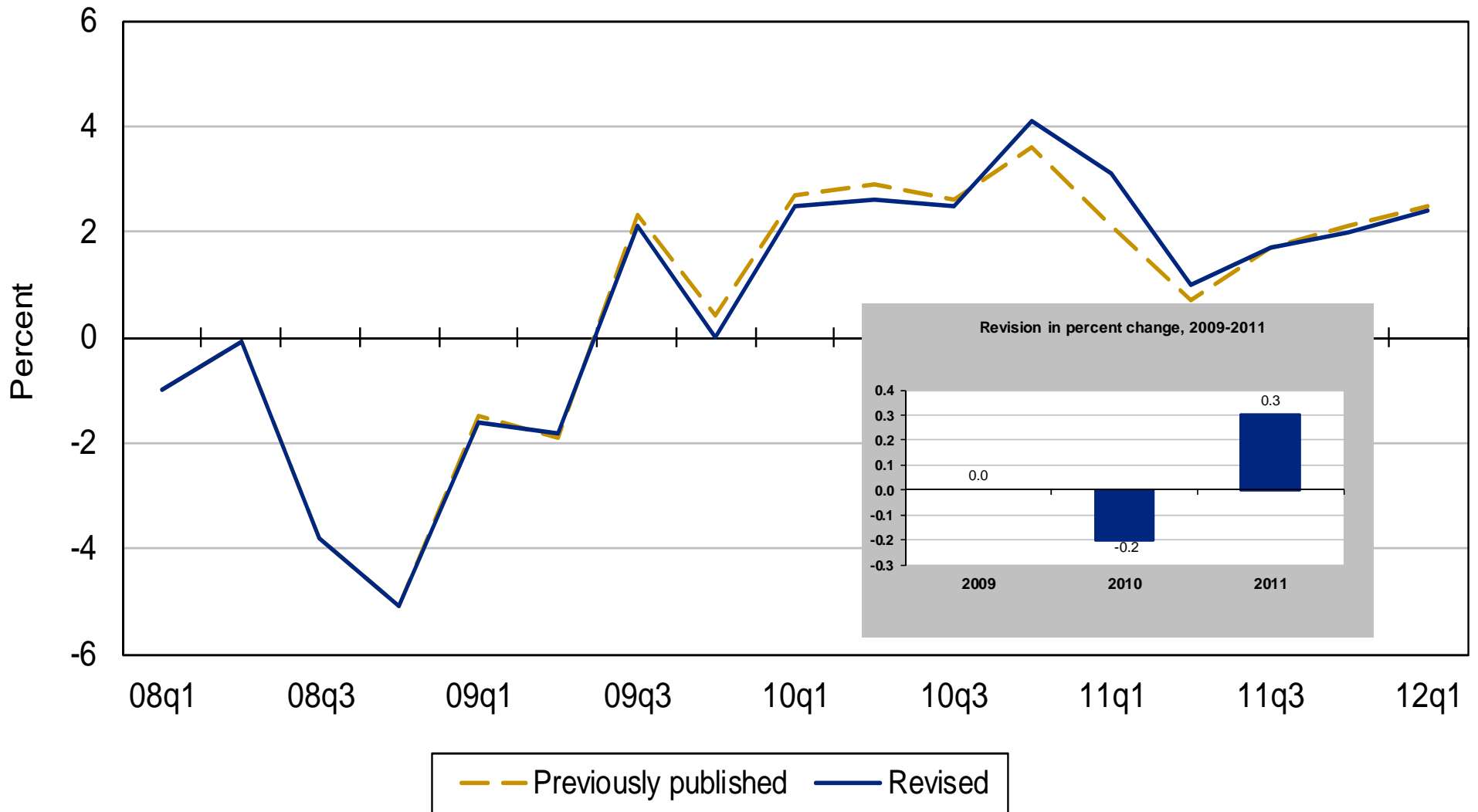


Revisions to percent change in real GDP and to contributions to percent change – 2011Q4



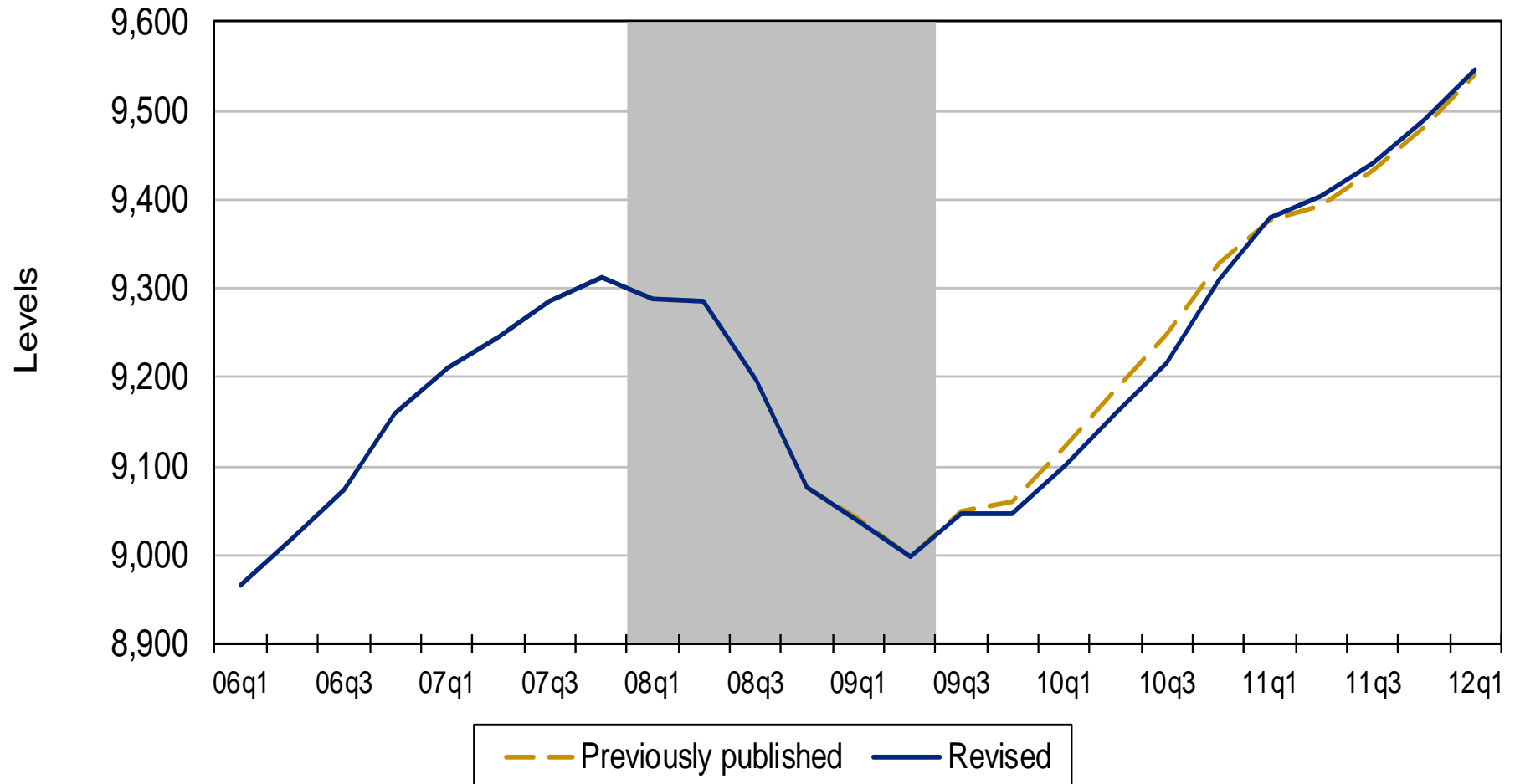
Real personal consumption expenditures

[Percent change from preceding period, SAAR]



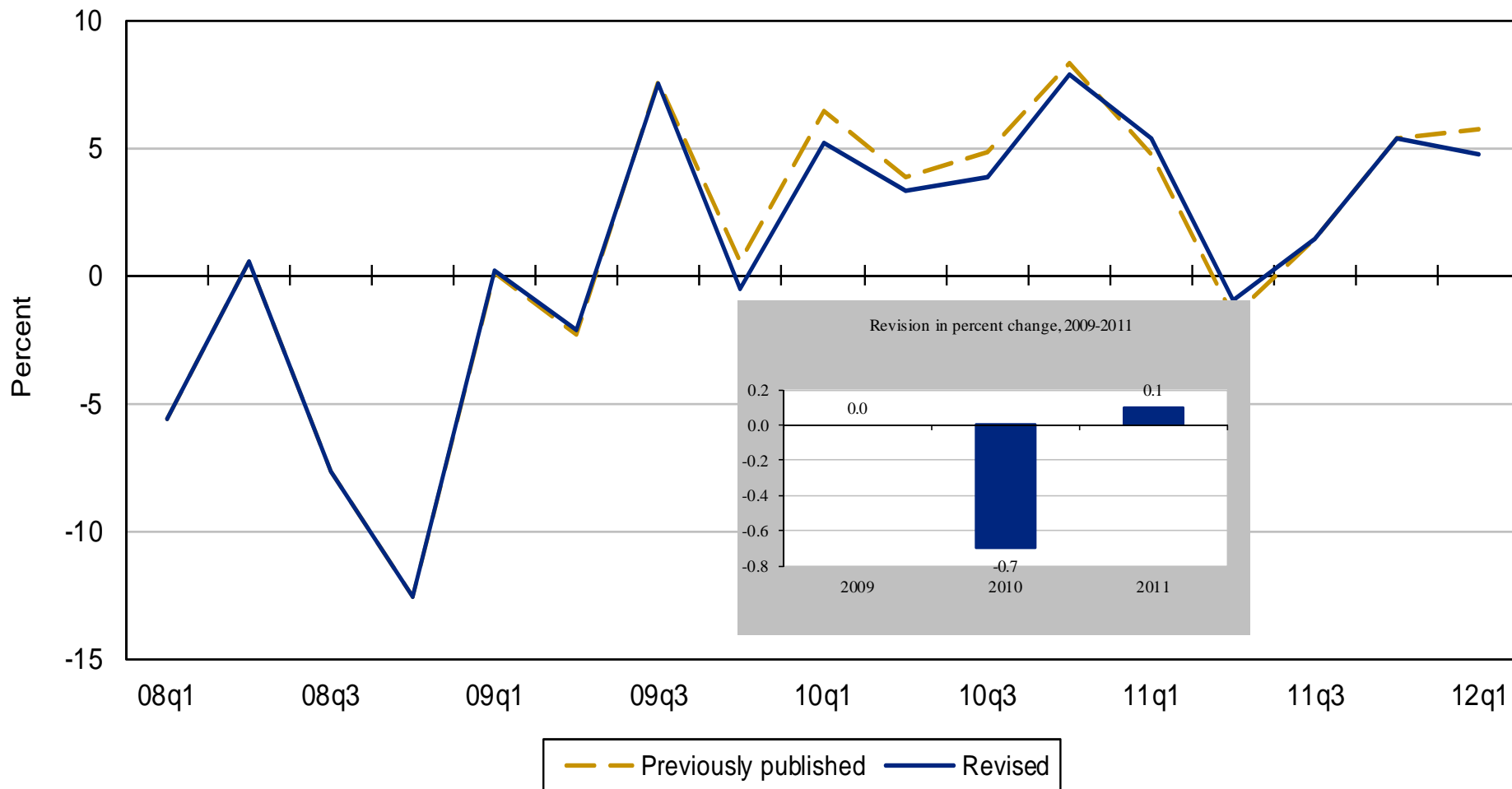
Real personal consumption expenditures

[Billions of chained (2005) dollars, SAAR]



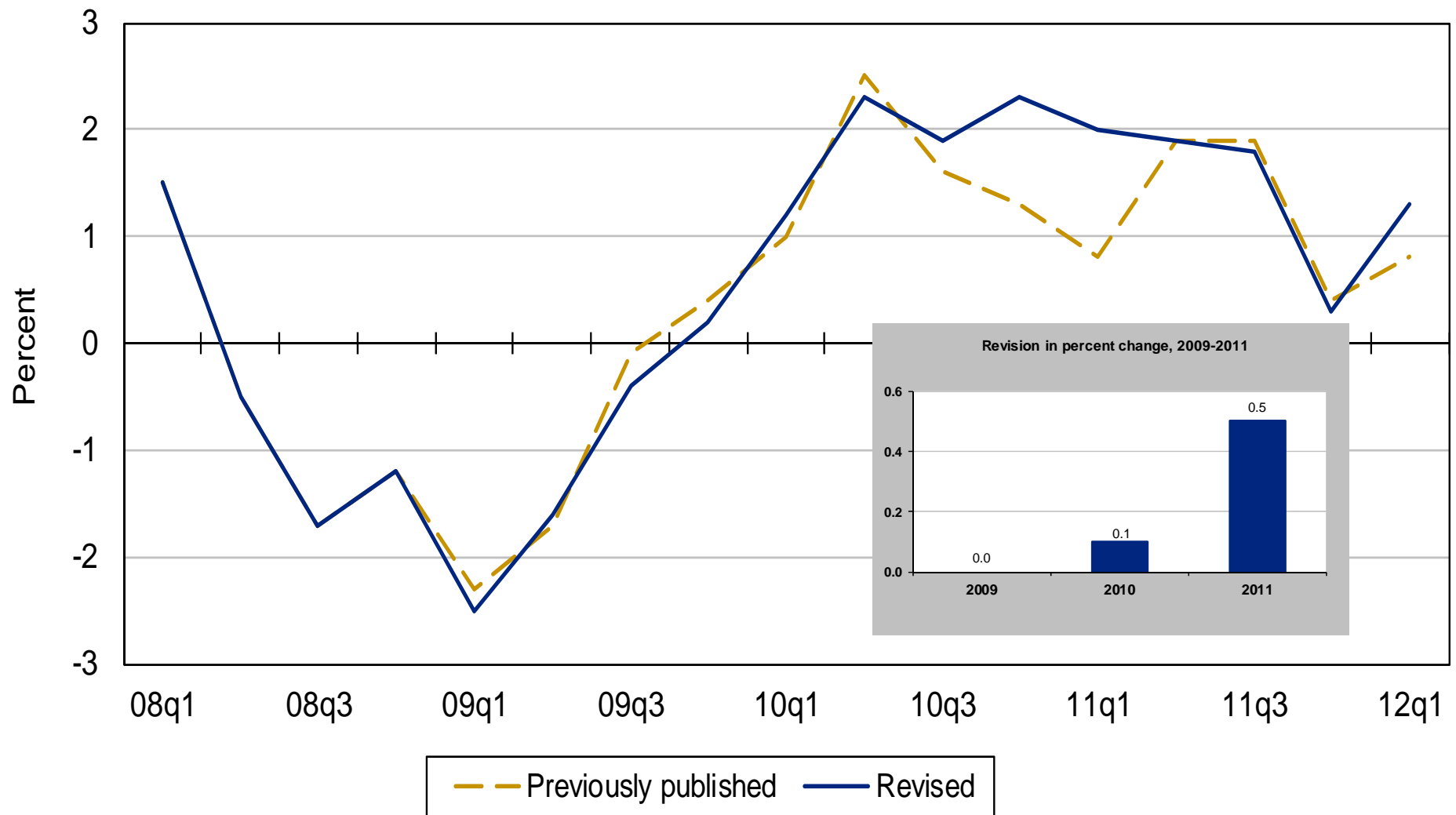
Real PCE for goods

[Percent change from preceding period, SAAR]



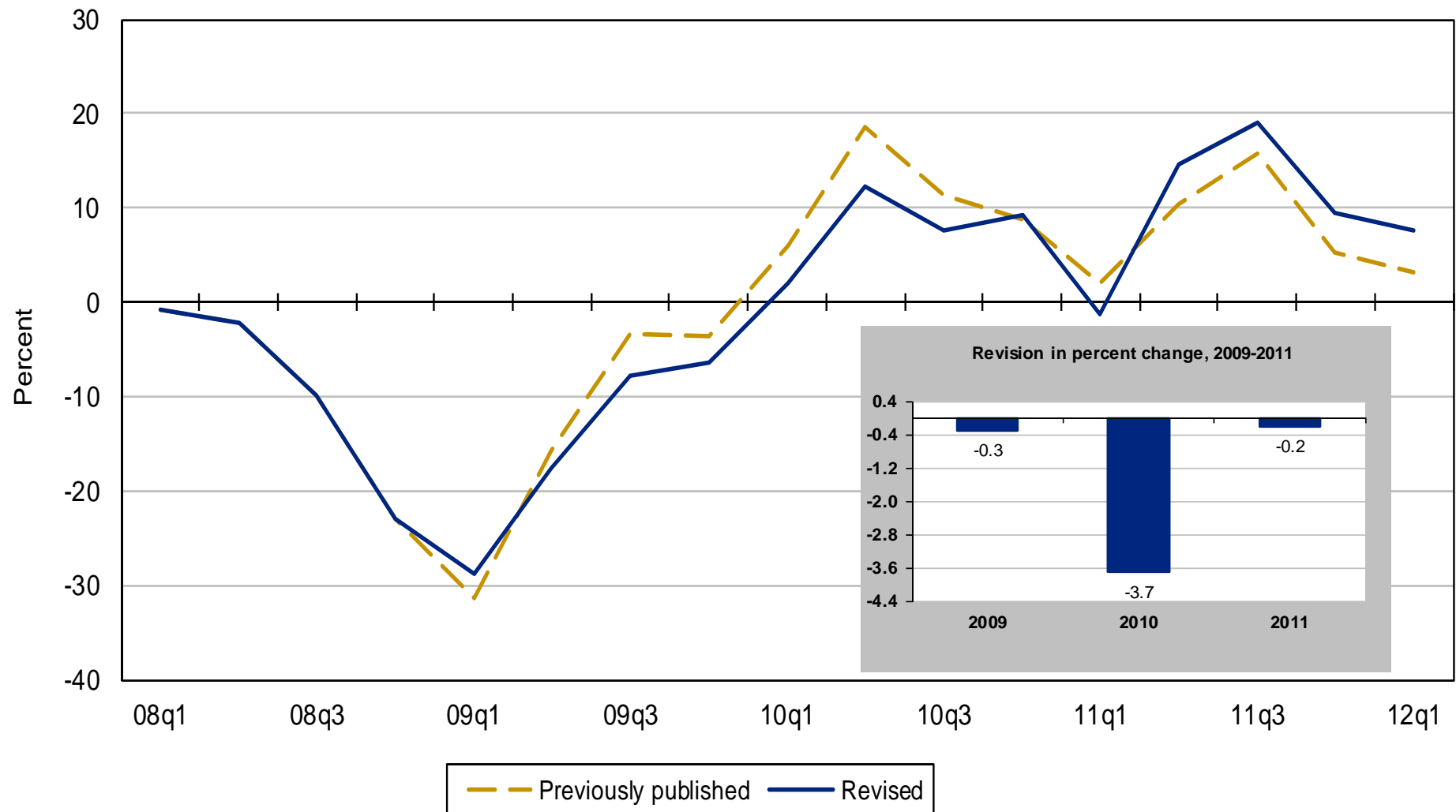
Real PCE for services

[Percent change from preceding period, SAAR]



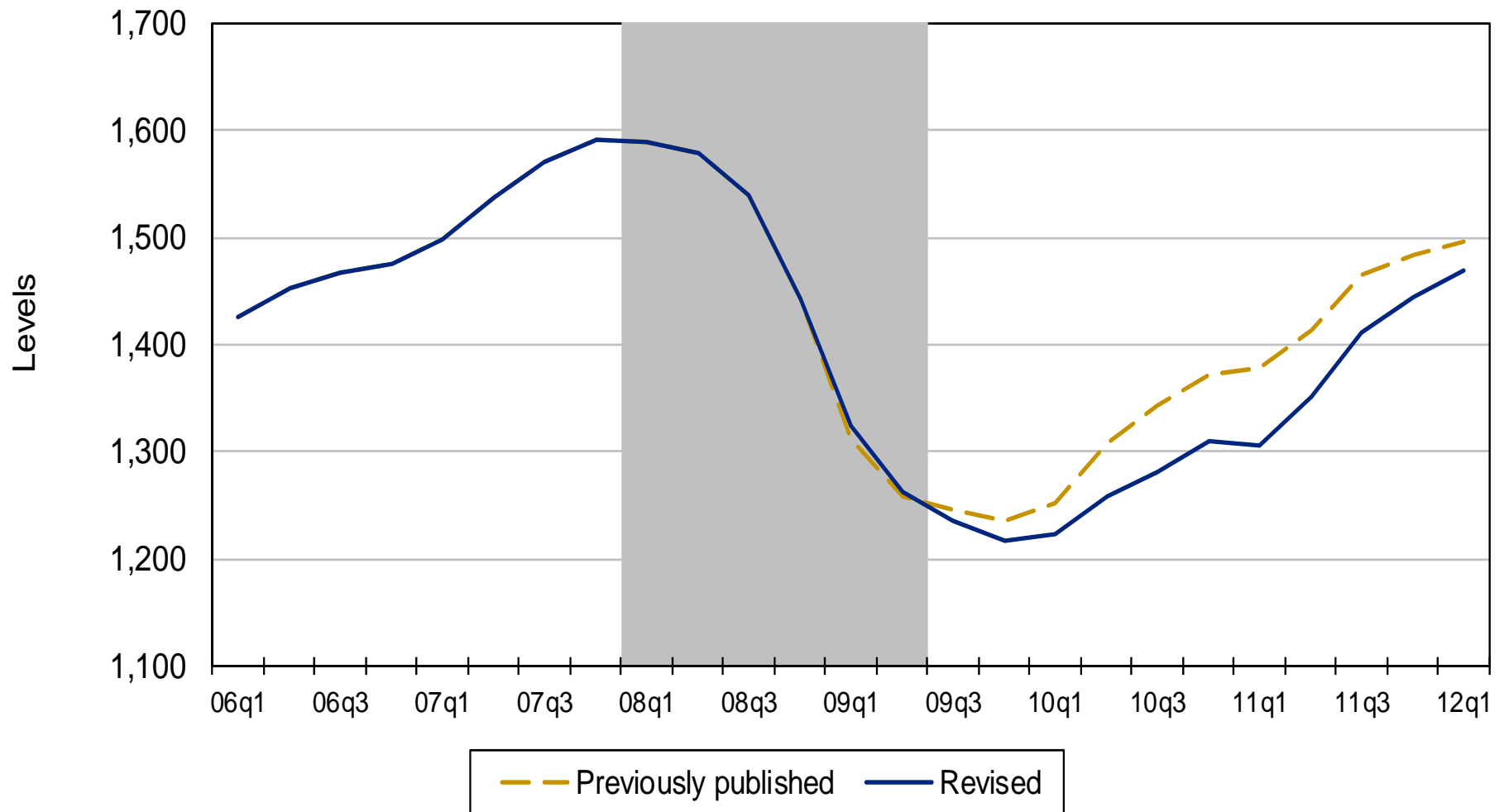
Real nonresidential fixed investment

[Percent change from preceding period, SAAR]



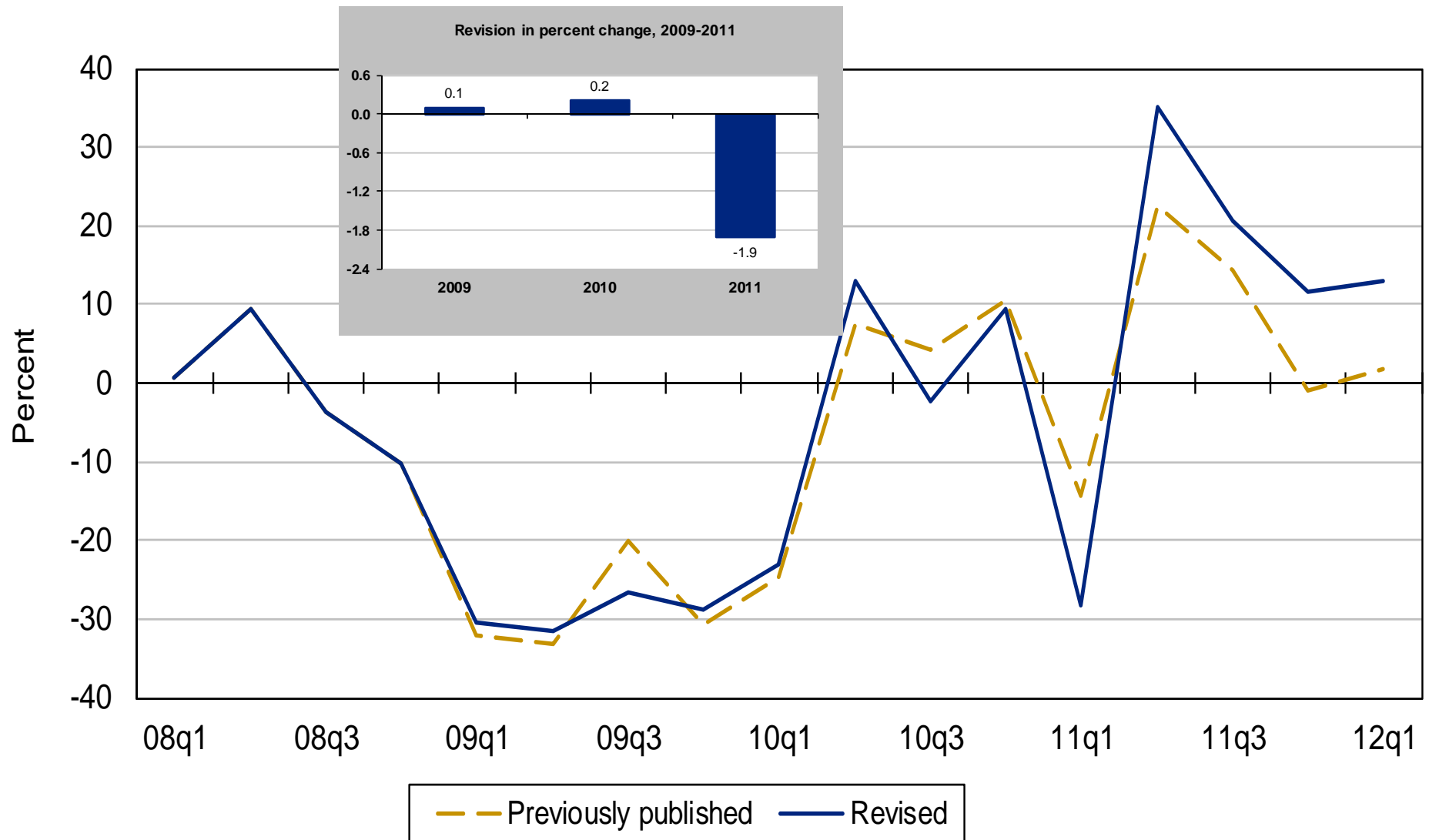
Real nonresidential fixed investment

[Billions of chained (2005) dollars, SAAR]



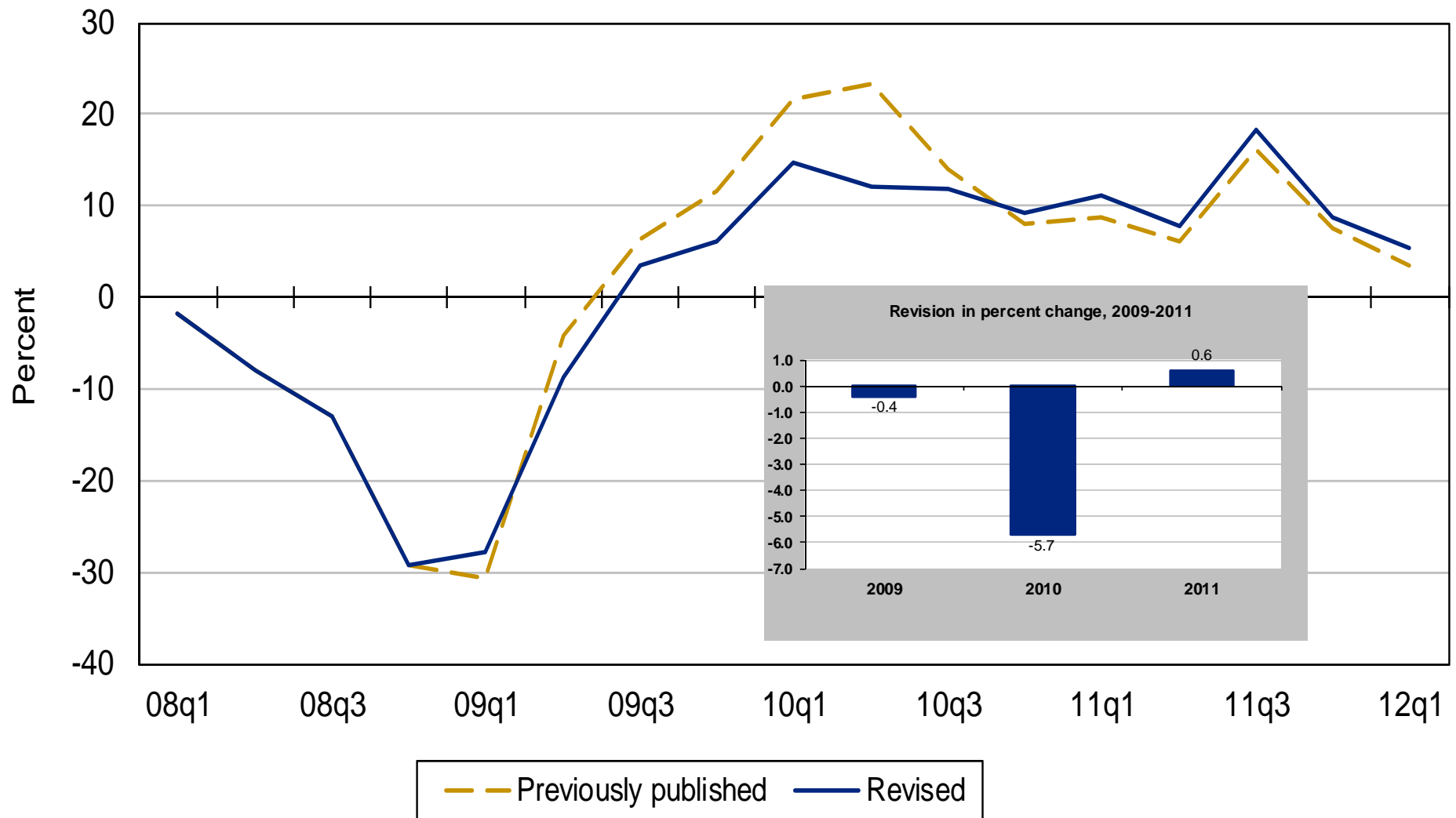
Real nonresidential structures

[Percent change from preceding period, SAAR]



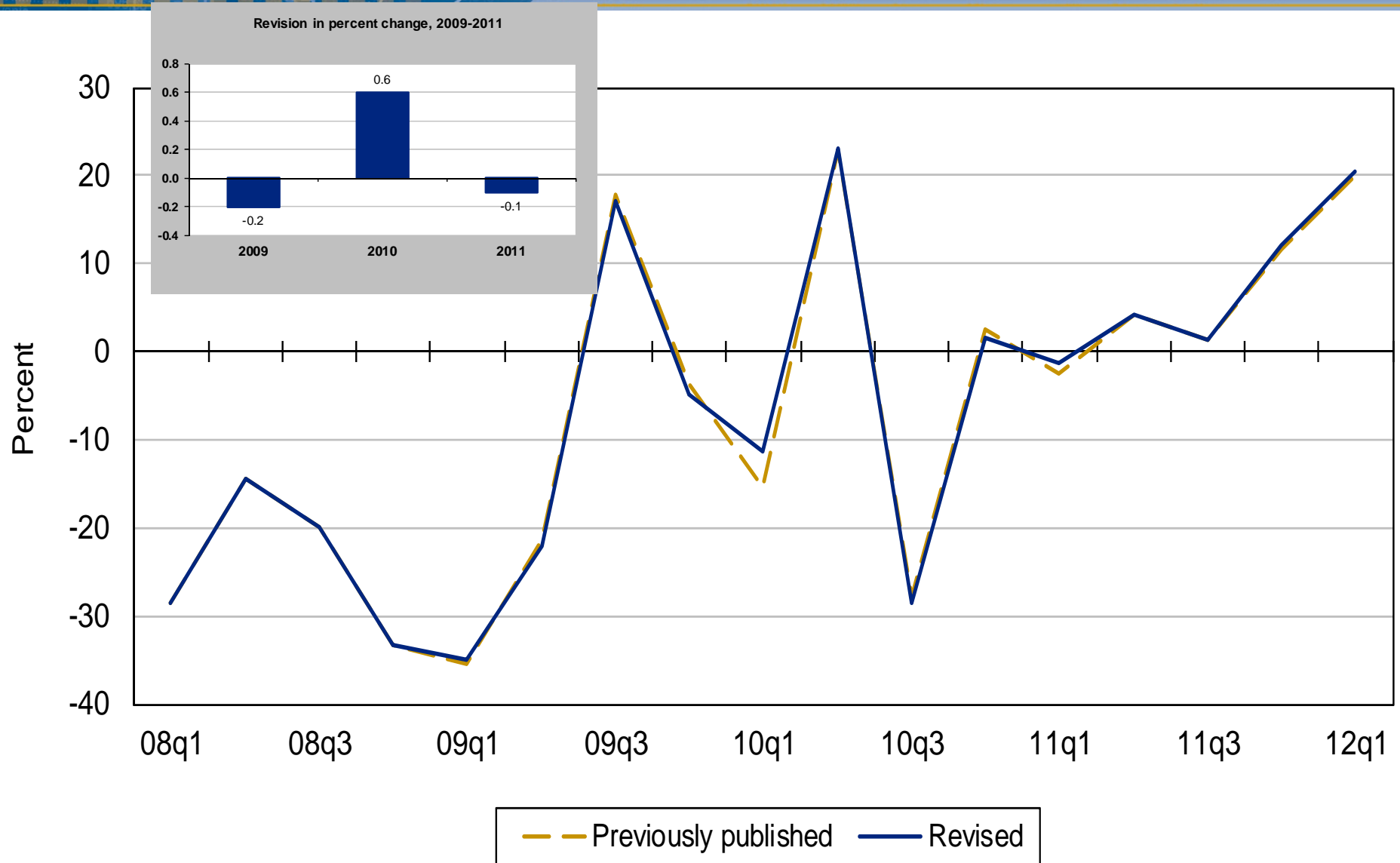
Real nonresidential equip. & software

[Percent change from preceding period, SAAR]



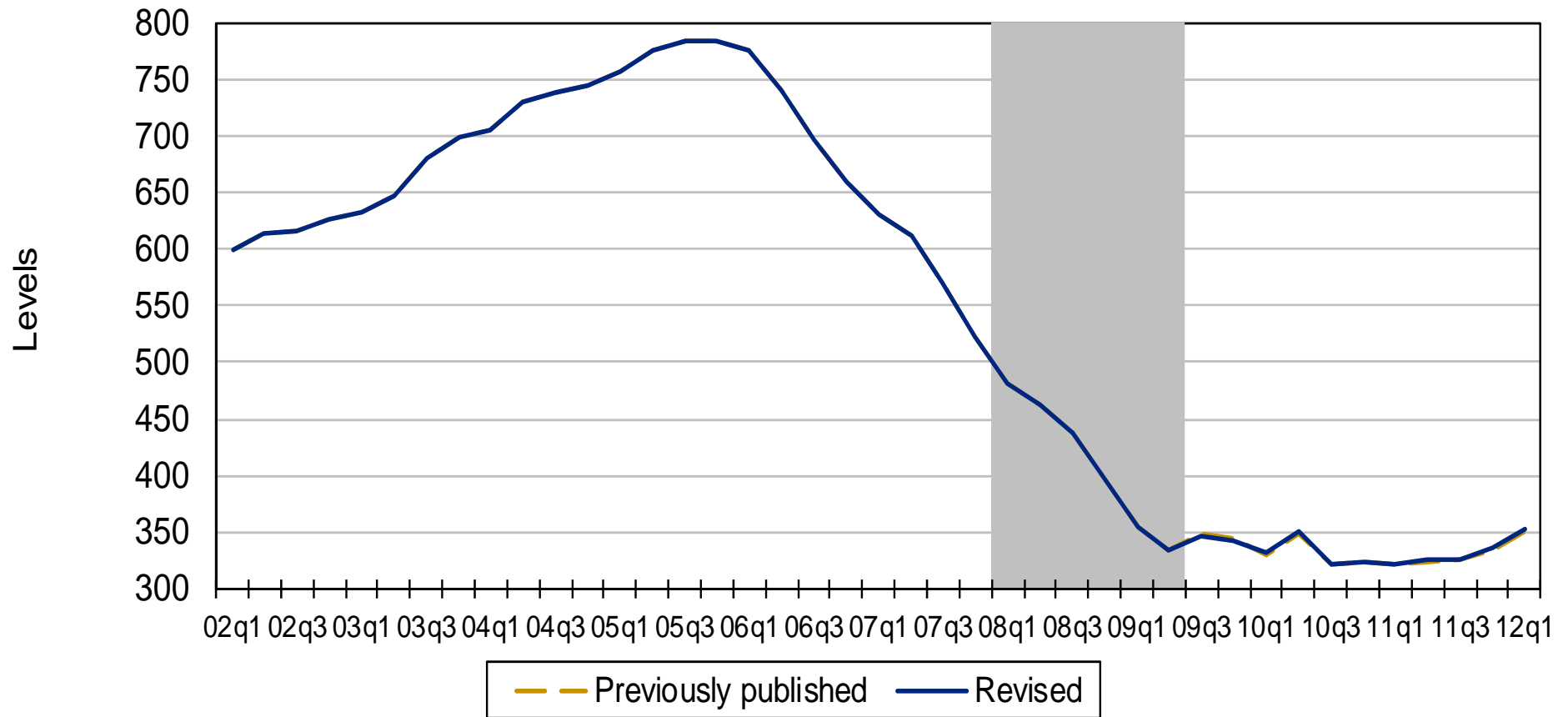
Real residential fixed investment

[Percent change from preceding period, SAAR]



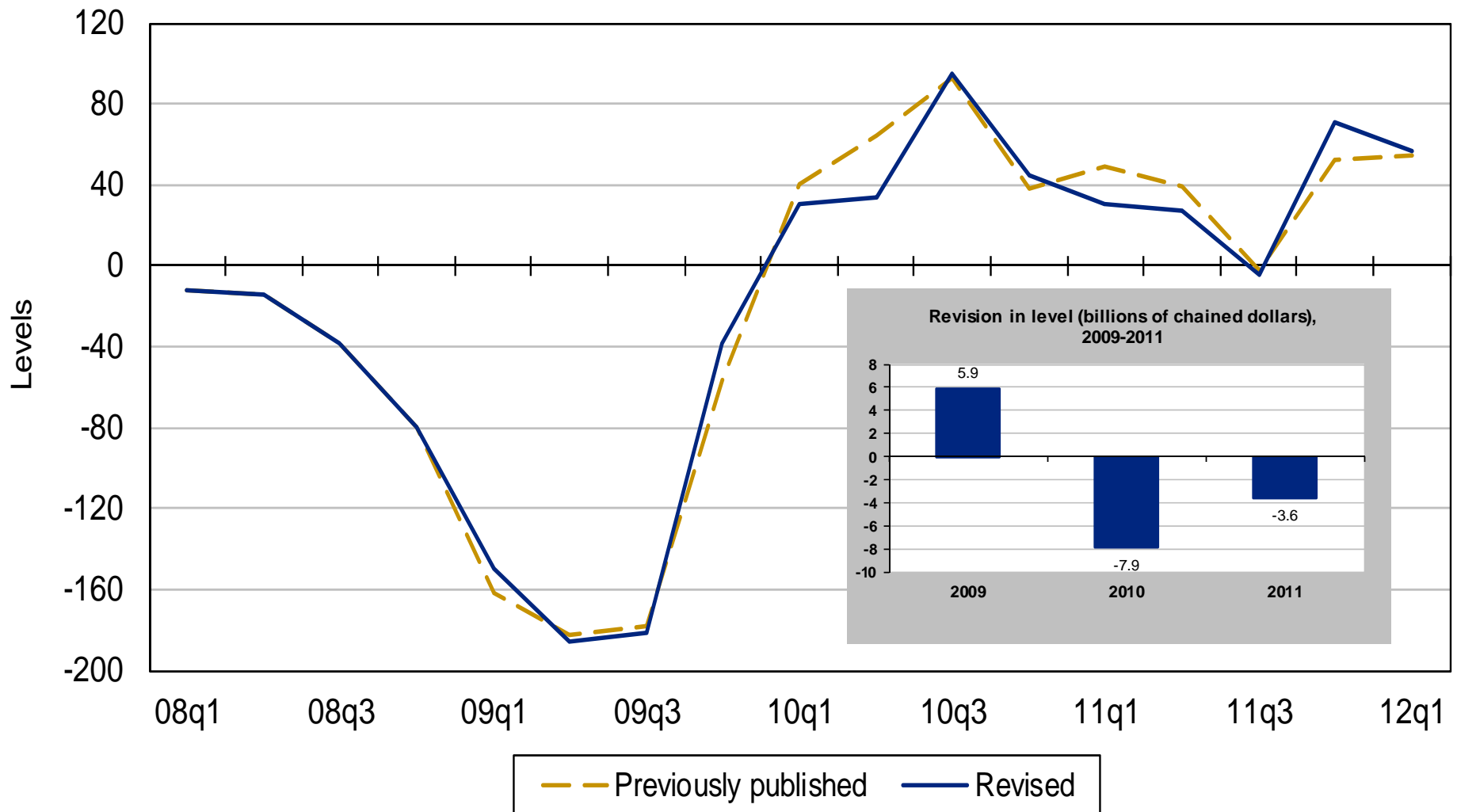
Real residential fixed investment

[Billions of chained (2005) dollars, SAAR]



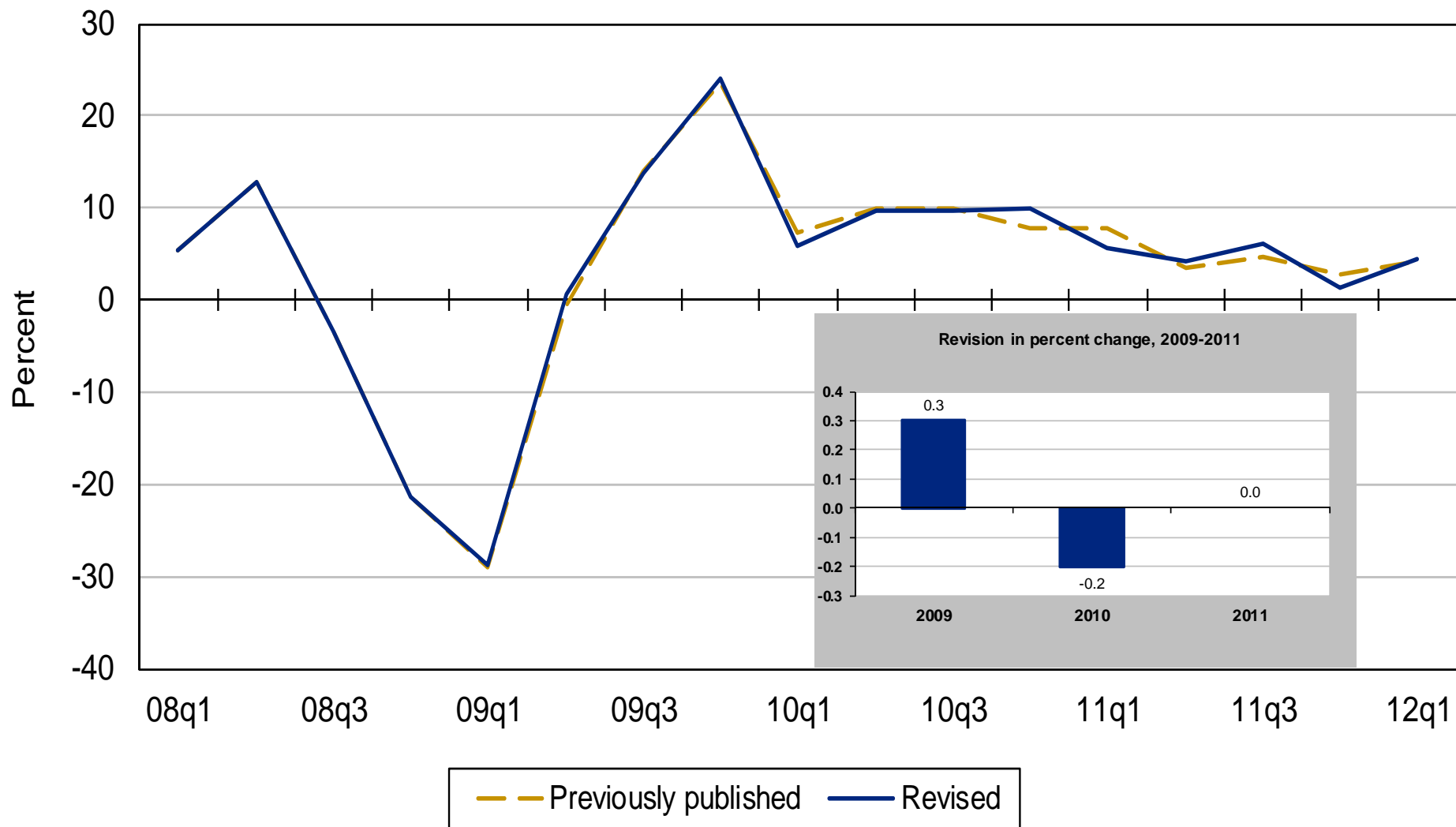
Real change in private inventories

[Billions of chained (2005) dollars, SAAR]



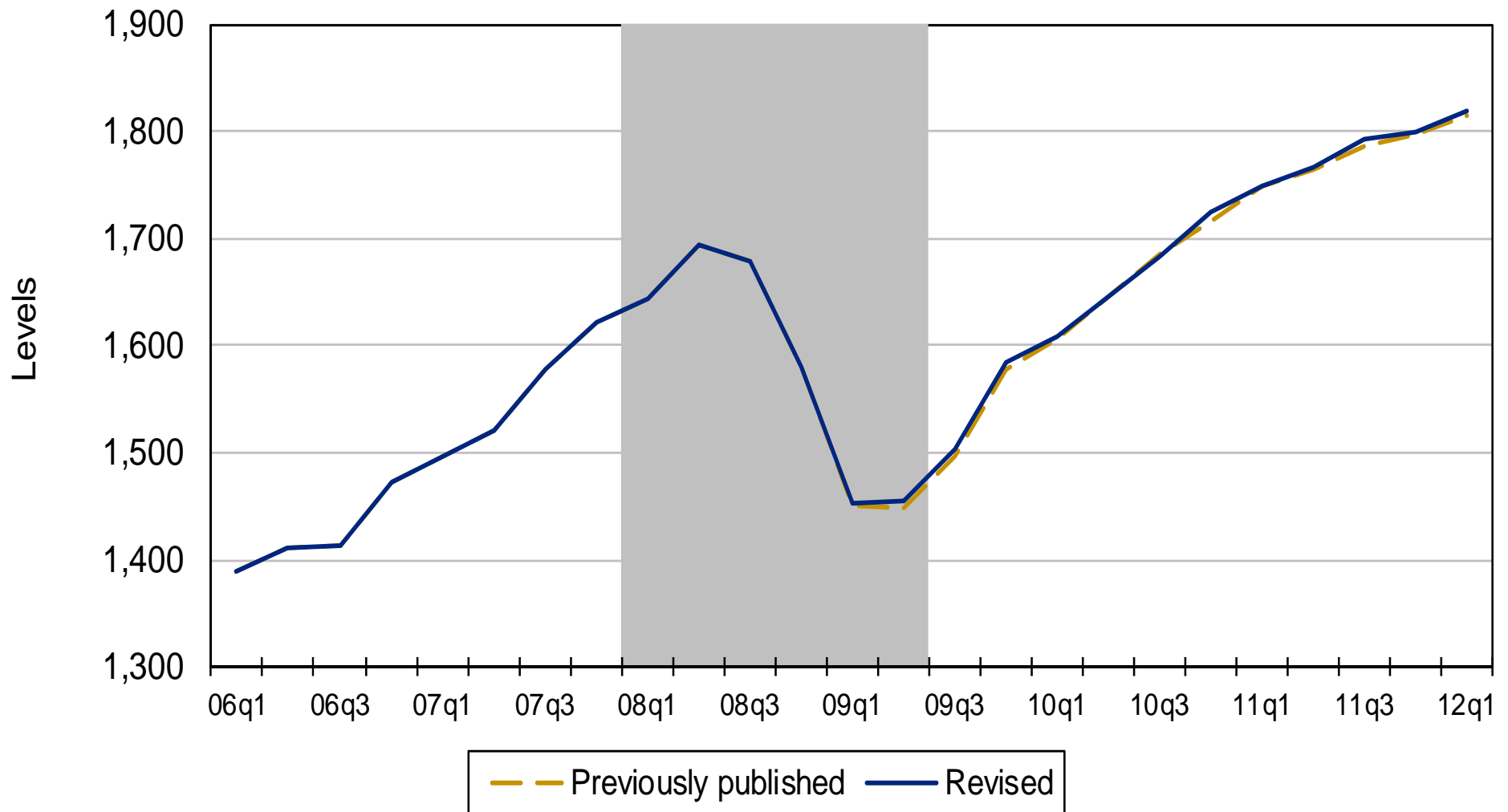
Real exports of goods and services

[Percent change from preceding period, SAAR]



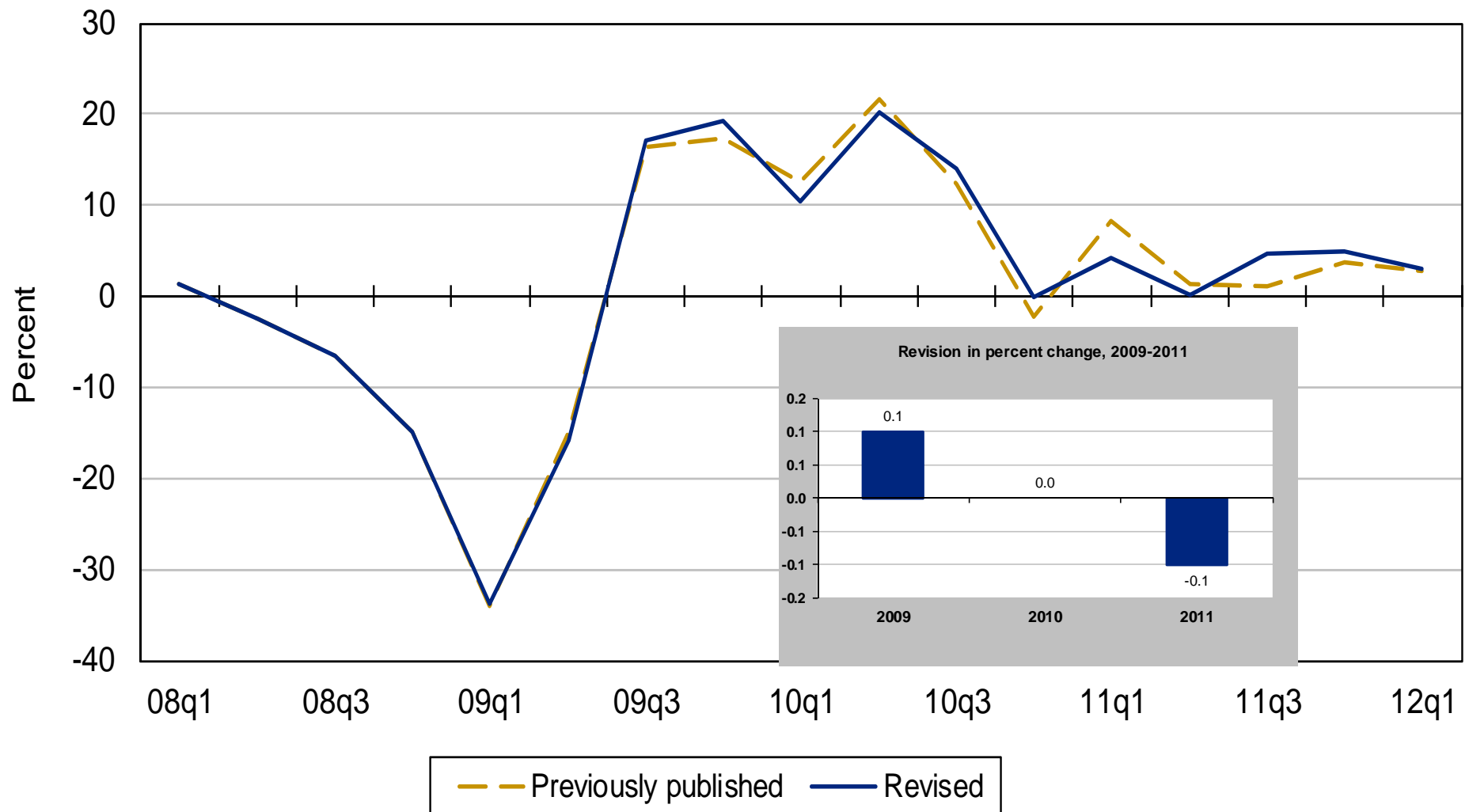
Real exports of goods and services

[Billions of chained (2005) dollars, SAAR]



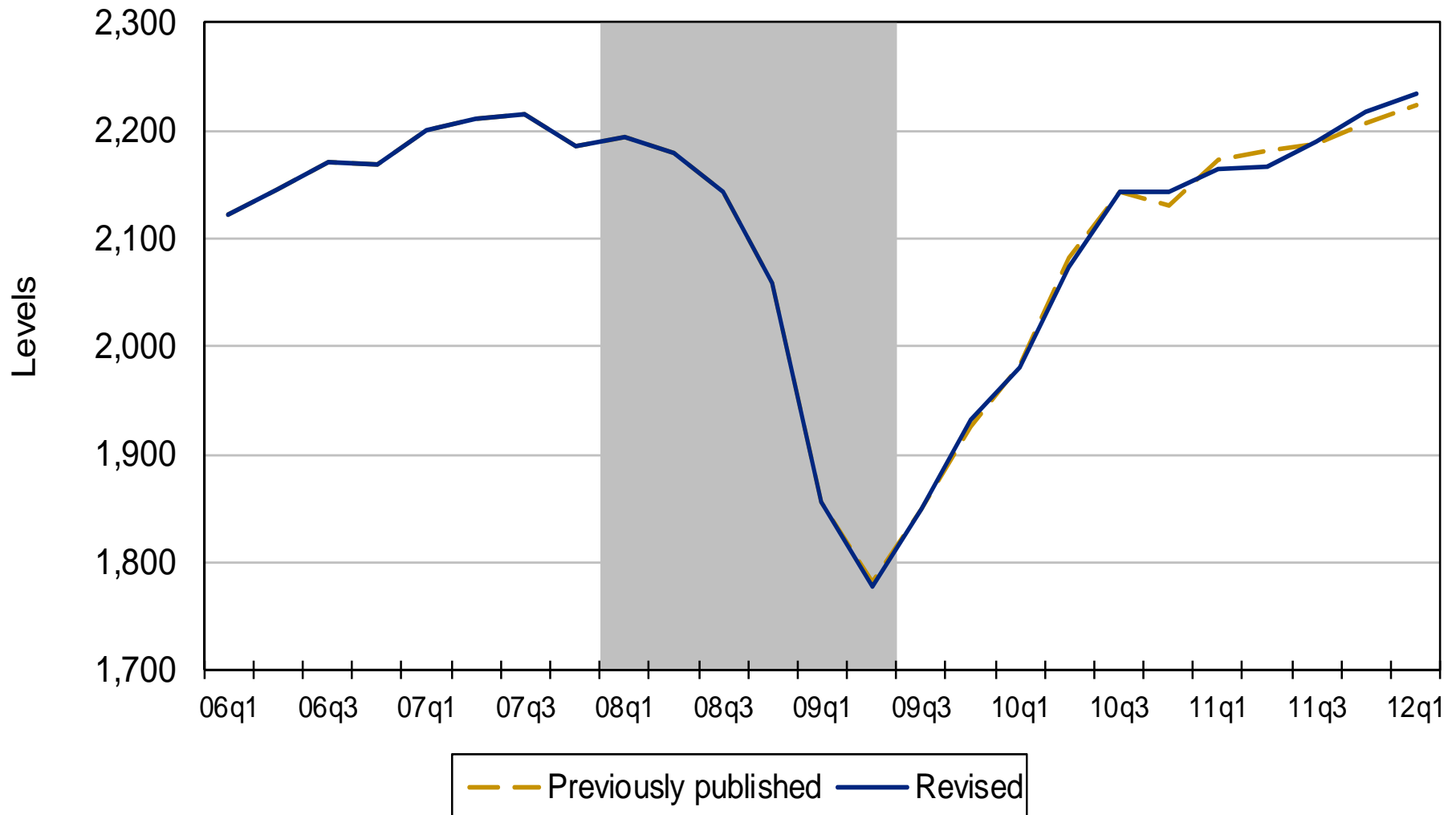
Real imports of goods and services

[Percent change from preceding period, SAAR]



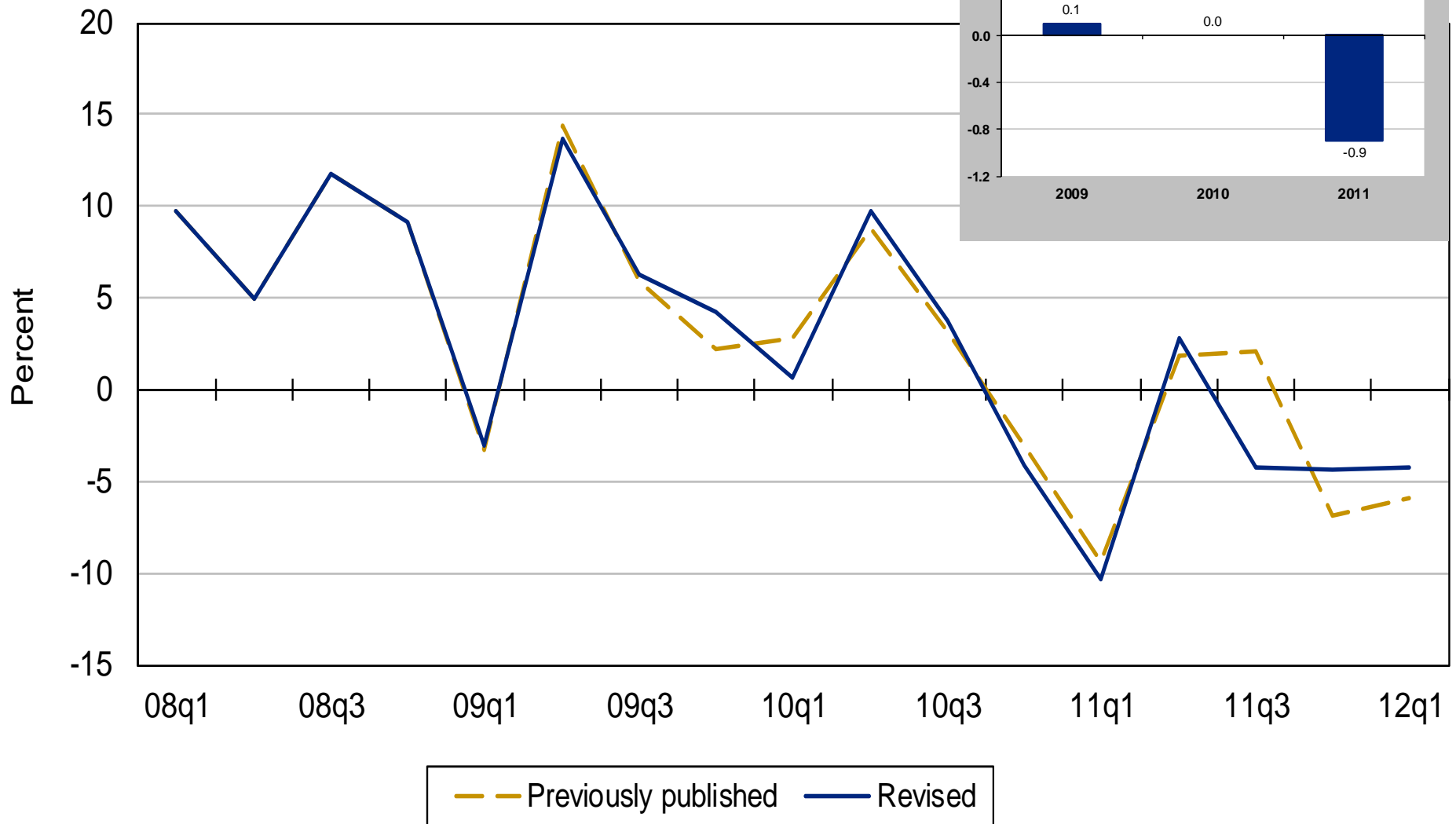
Real imports of goods and services

[Billions of chained (2005) dollars, SAAR]



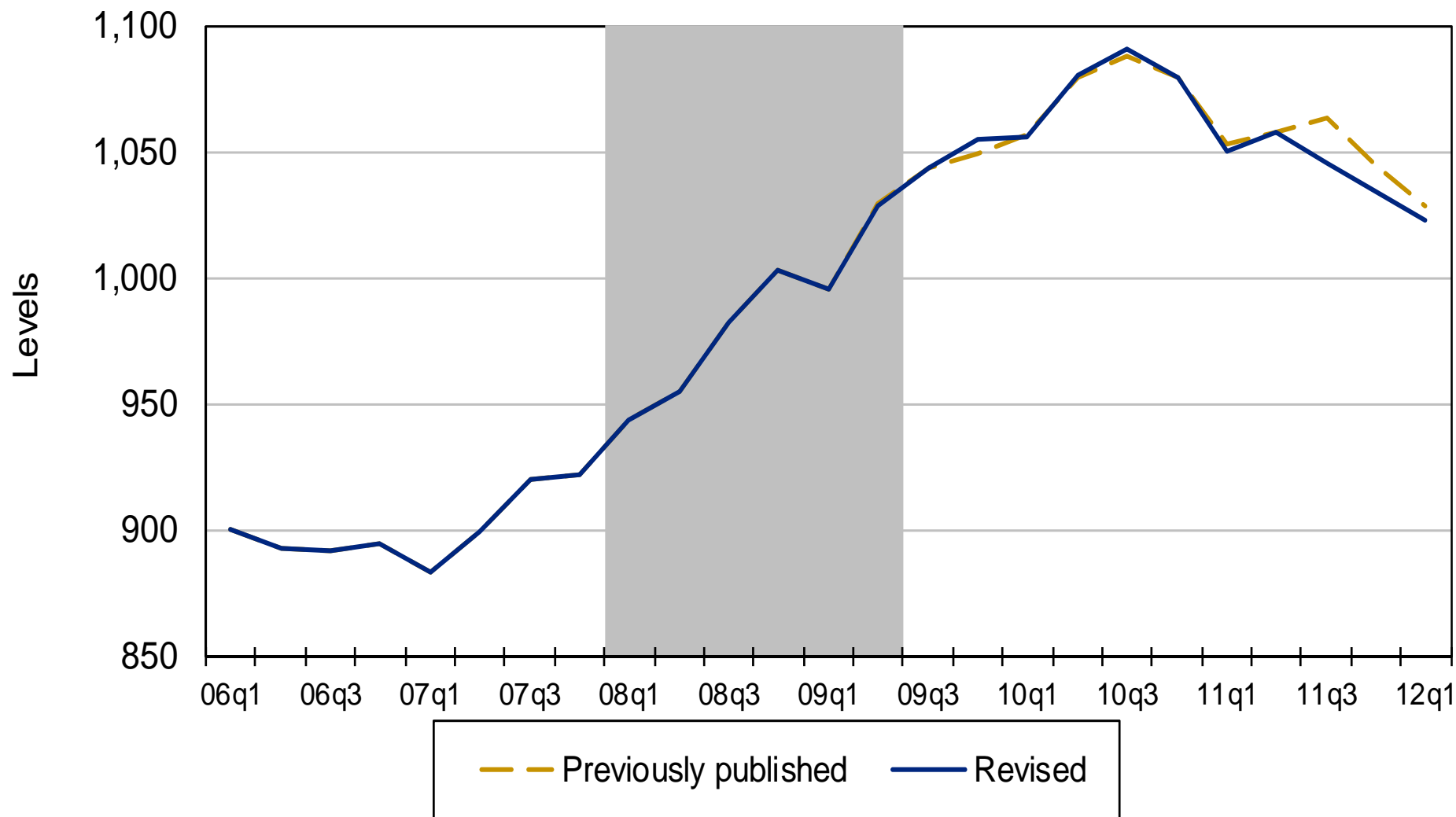
Real federal government spending

[Percent change from preceding period, SAAR]



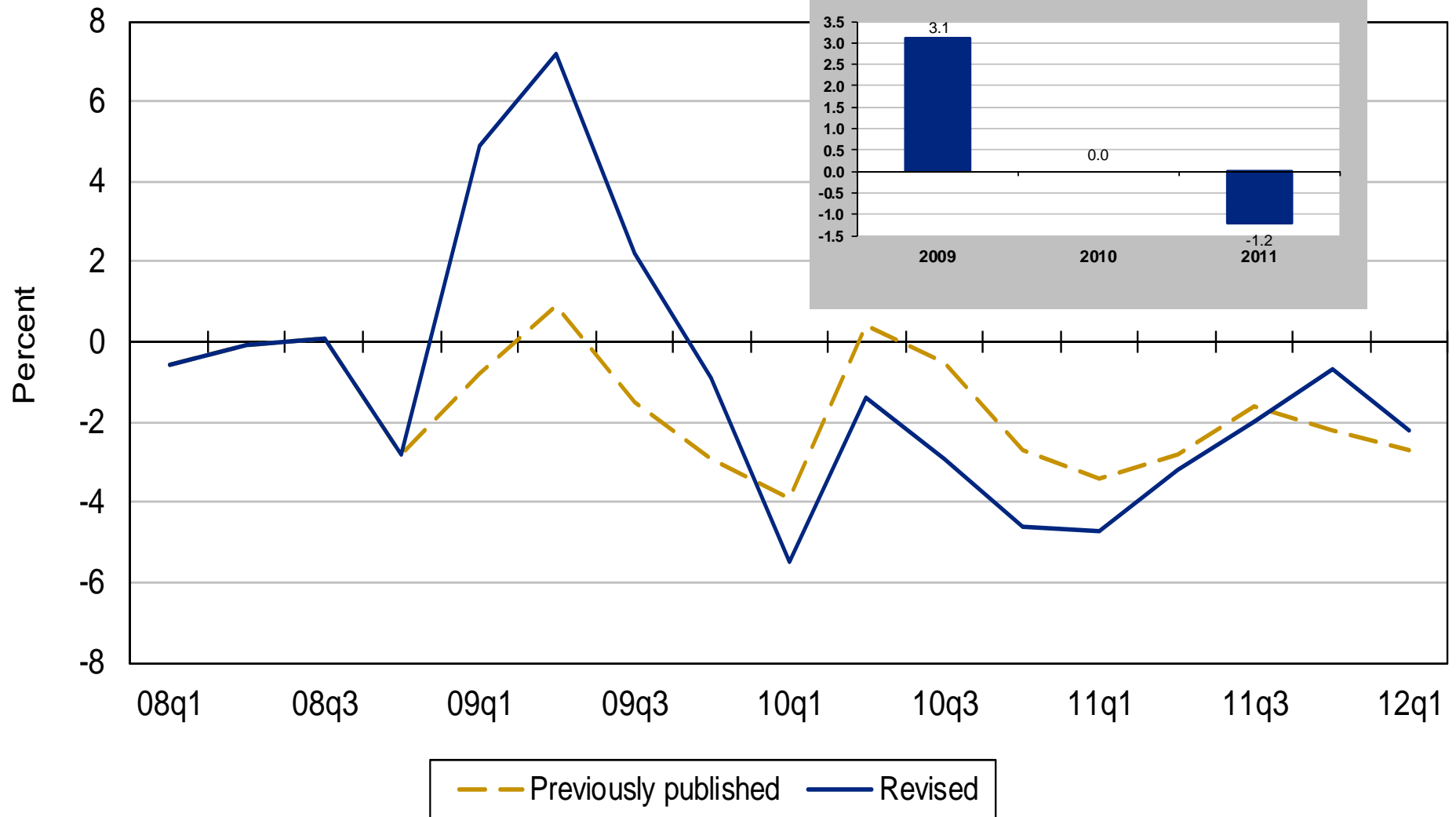
Real federal government spending

[Billions of chained (2005) dollars, SAAR]



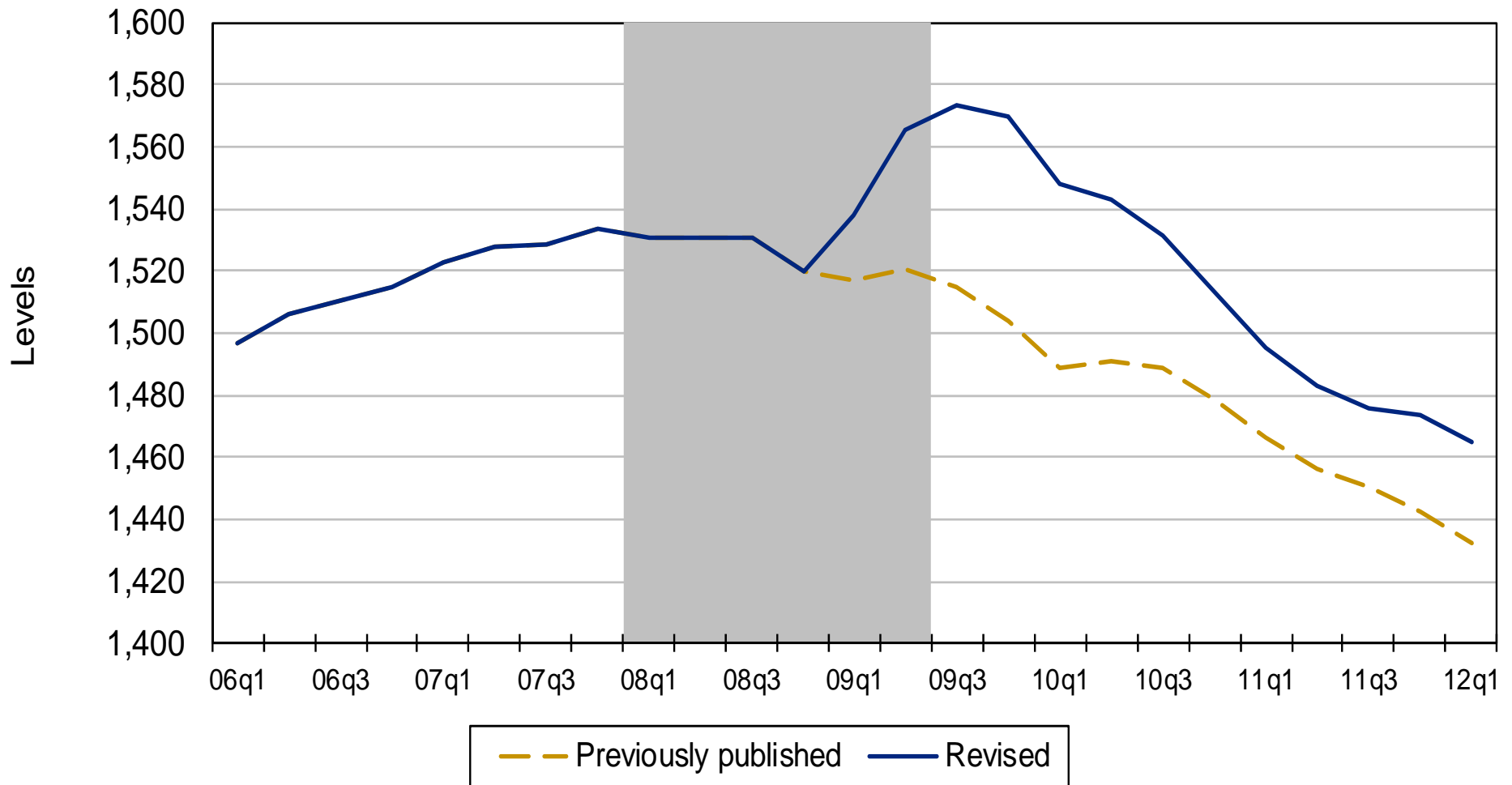
Real state and local government spending

[Percent change from preceding period, SAAR]

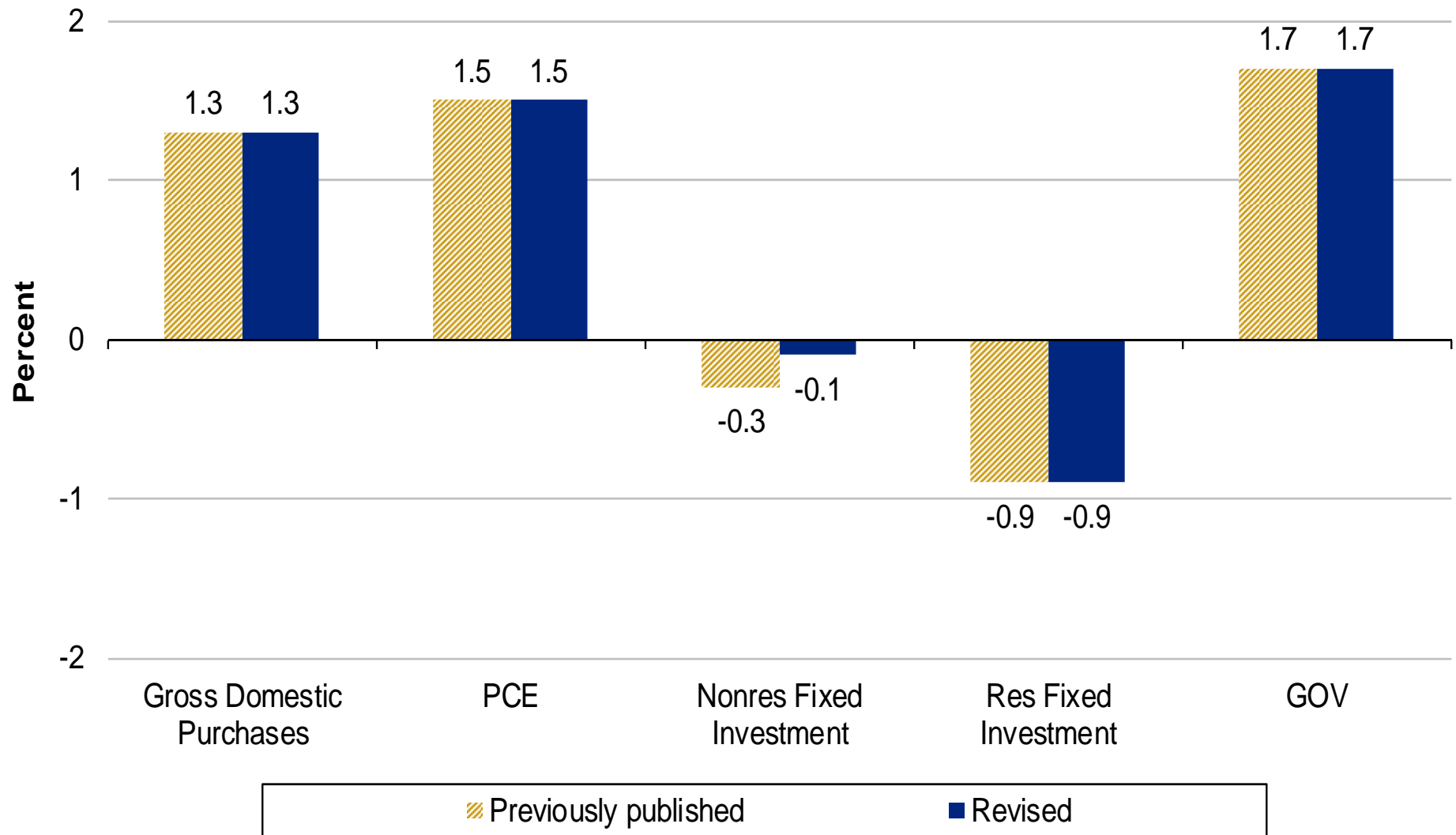


Real state and local government spending

[Billions of chained (2005) dollars, SAAR]

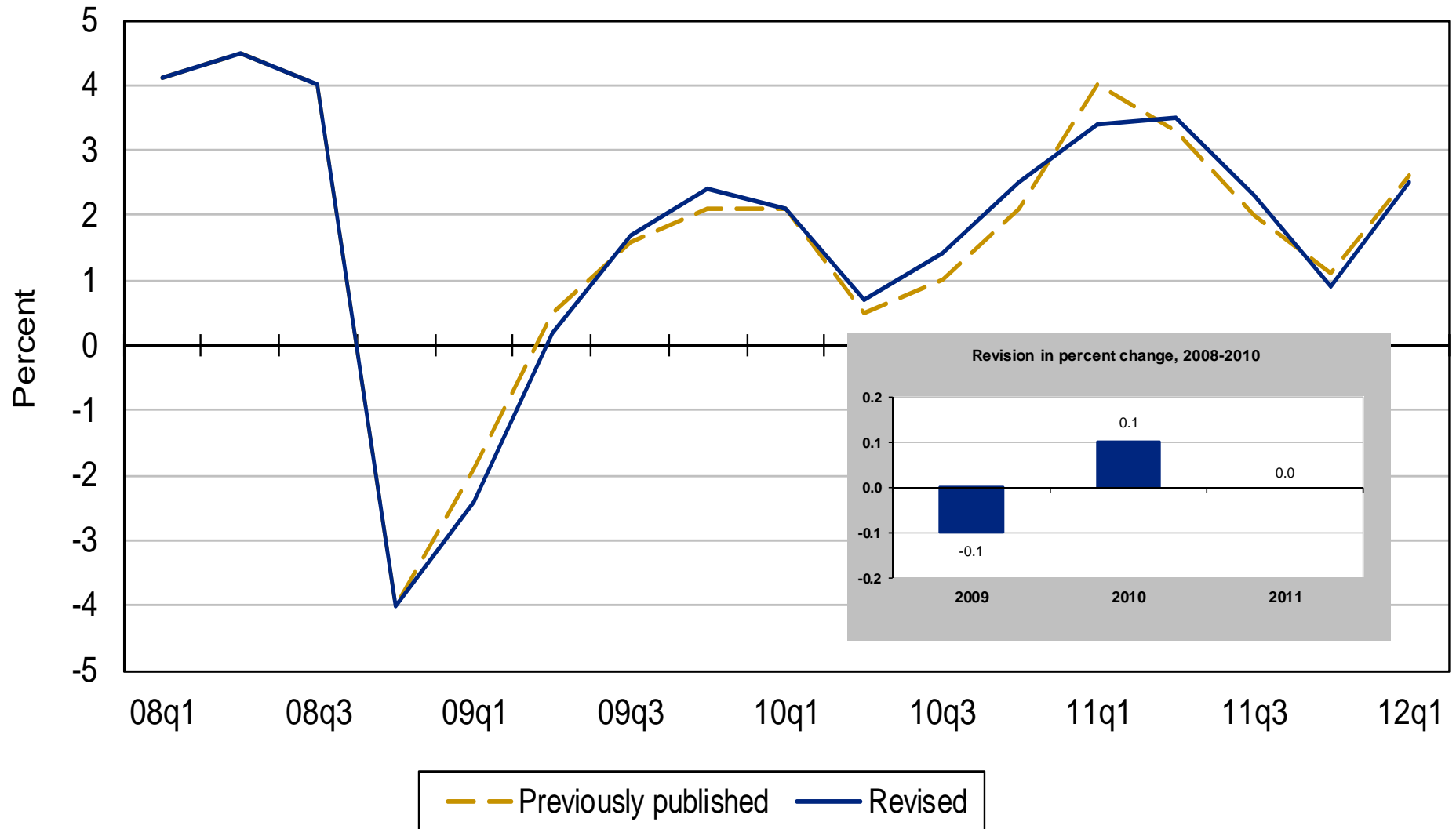


Average annual rates of change in the gross domestic purchases price index and its components, 2008 to 2011



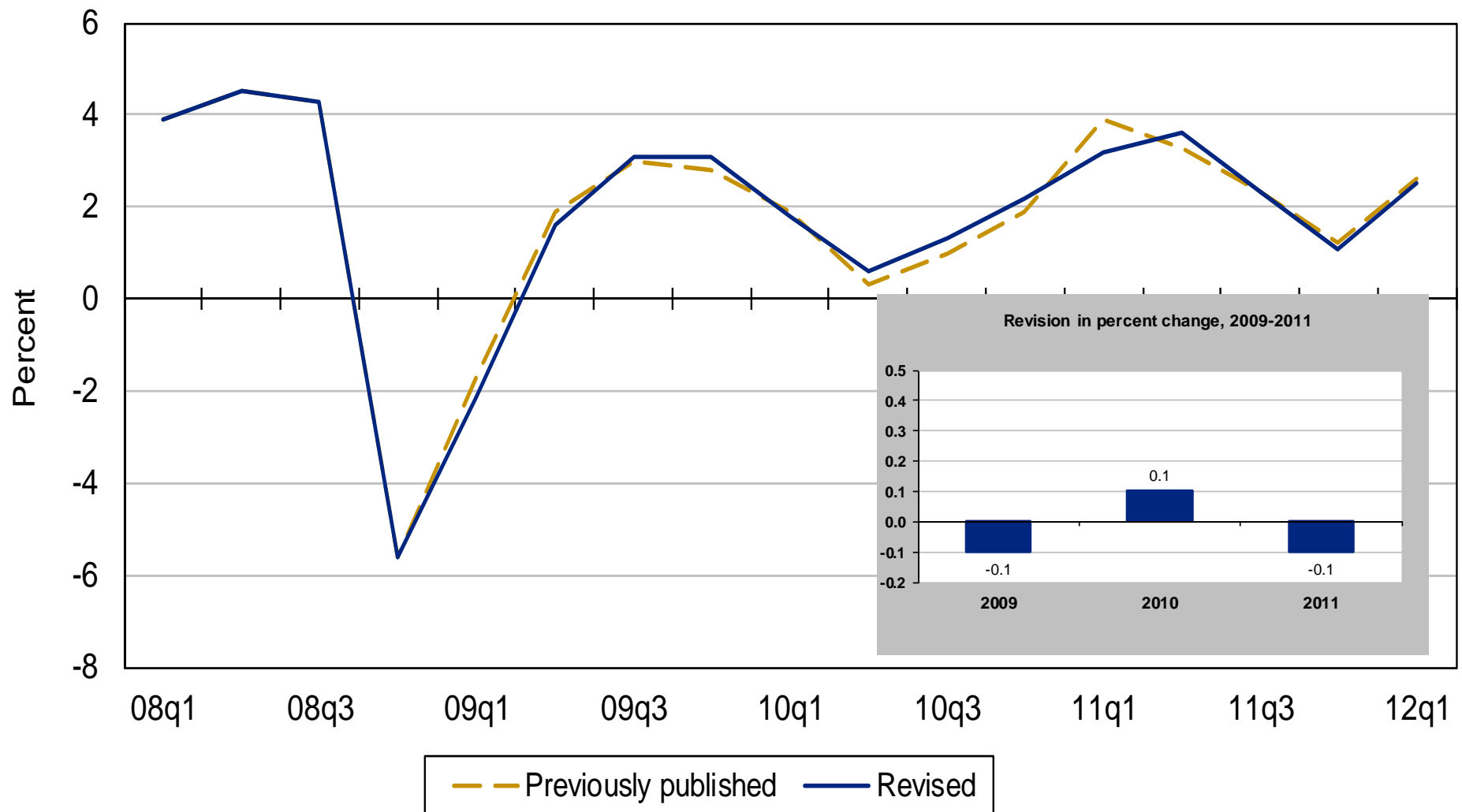
Price index for gross domestic purchases

[Percent change from preceding period, SAAR]



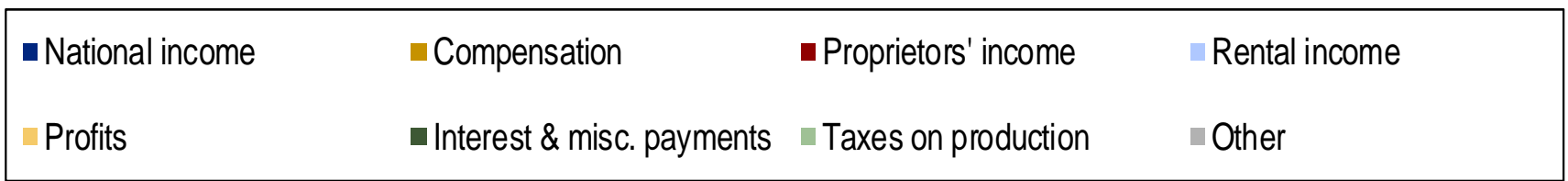
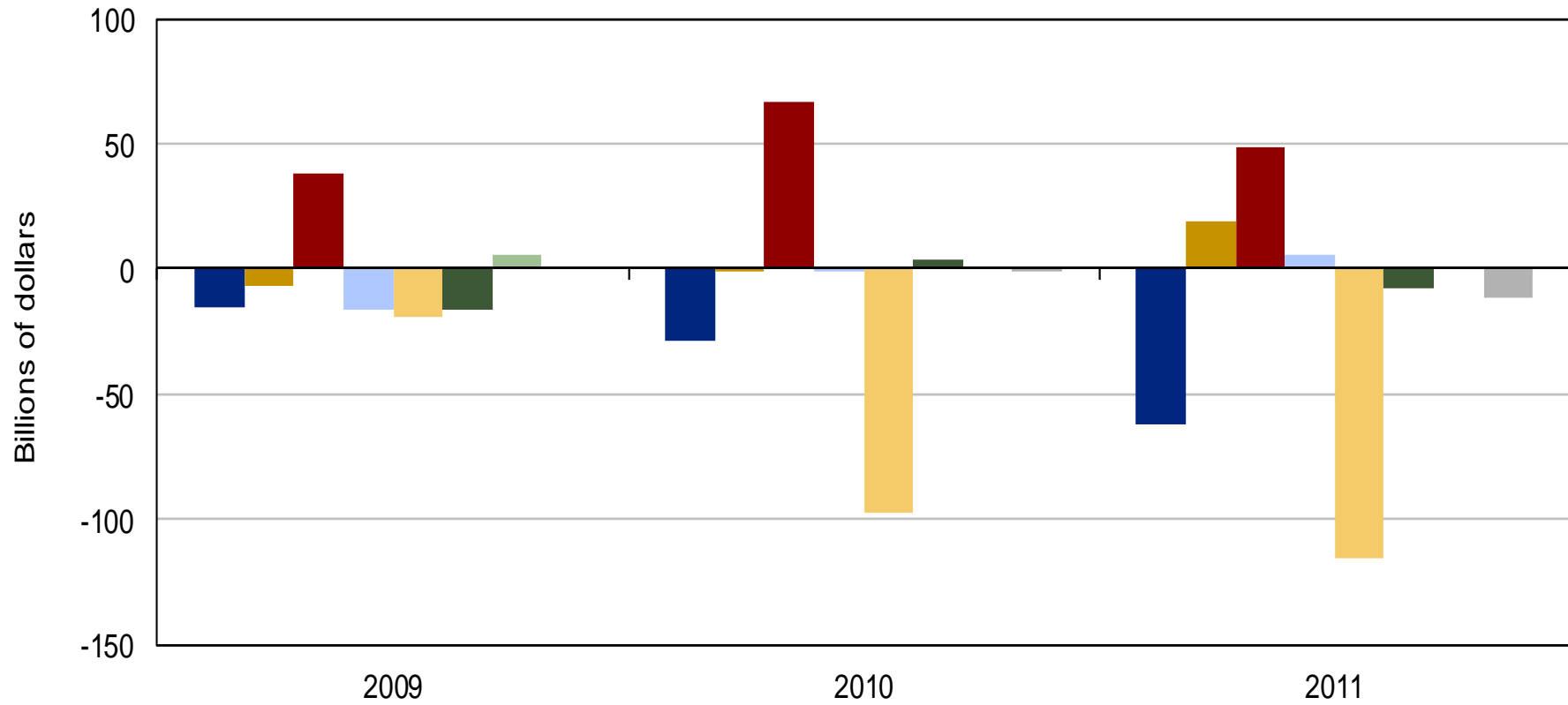
Price index for PCE

[Percent change from preceding period, SAAR]



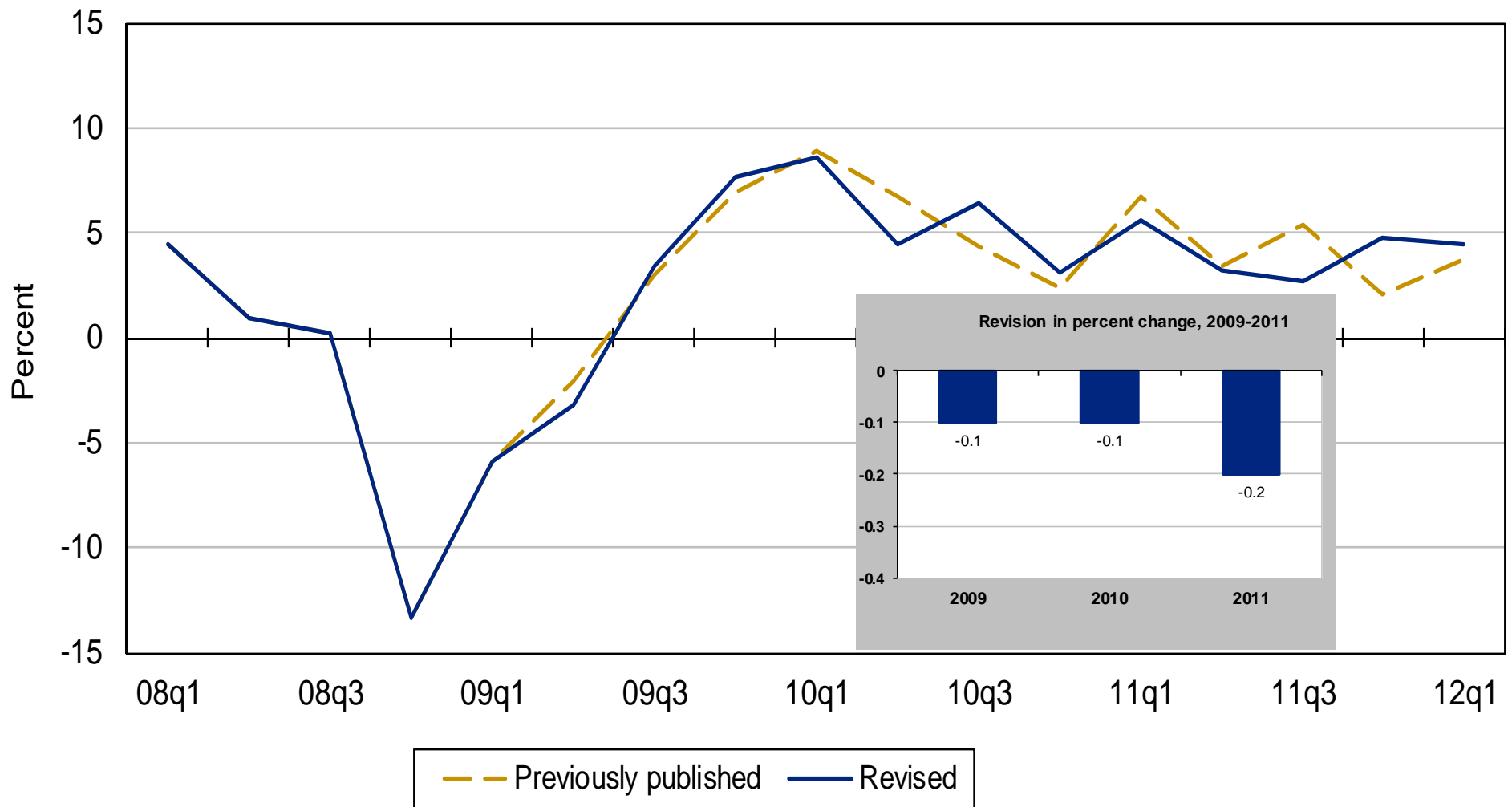
National income

[Revision in level]



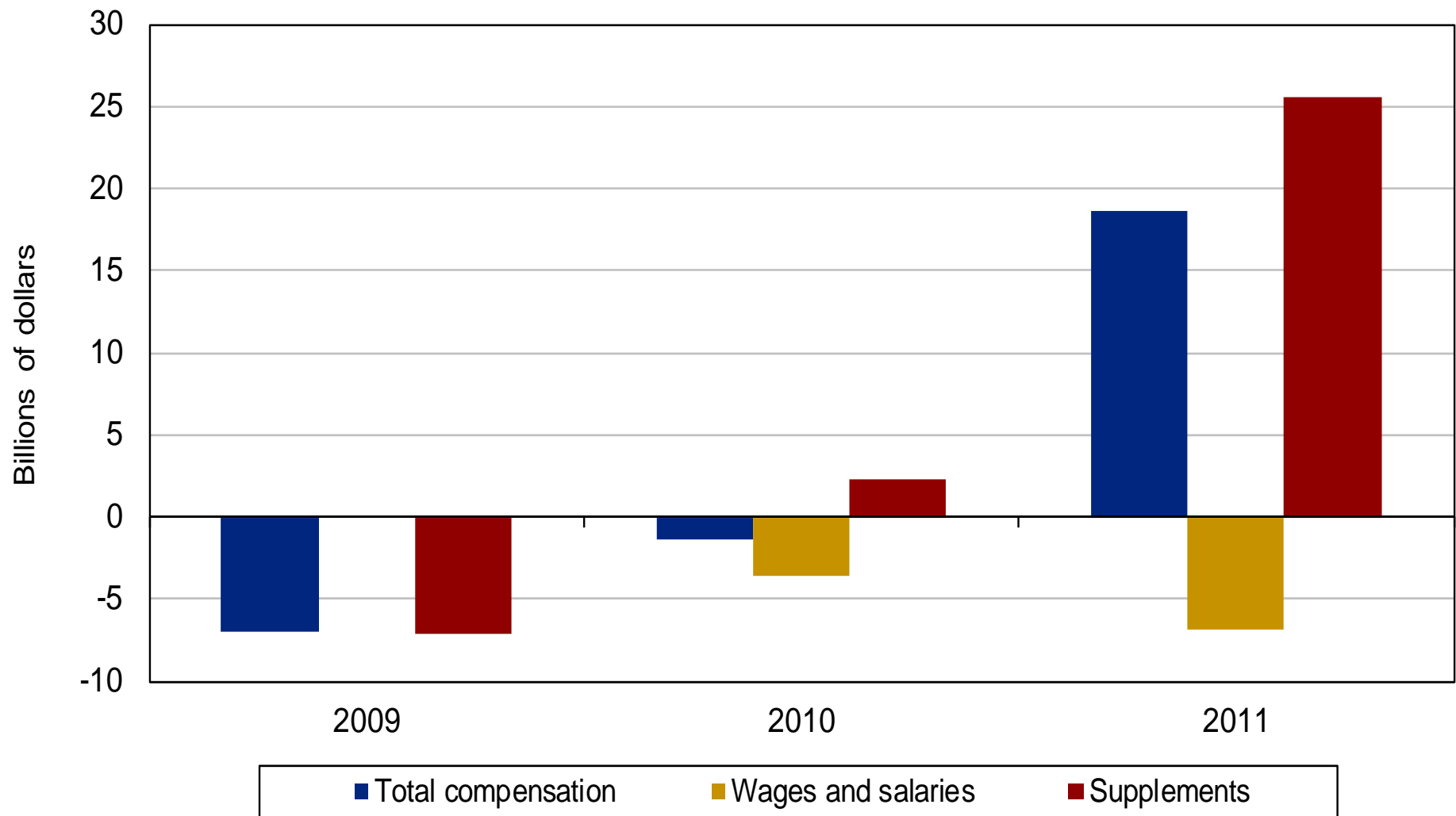
National income

[Percent change from preceding period, SAAR]



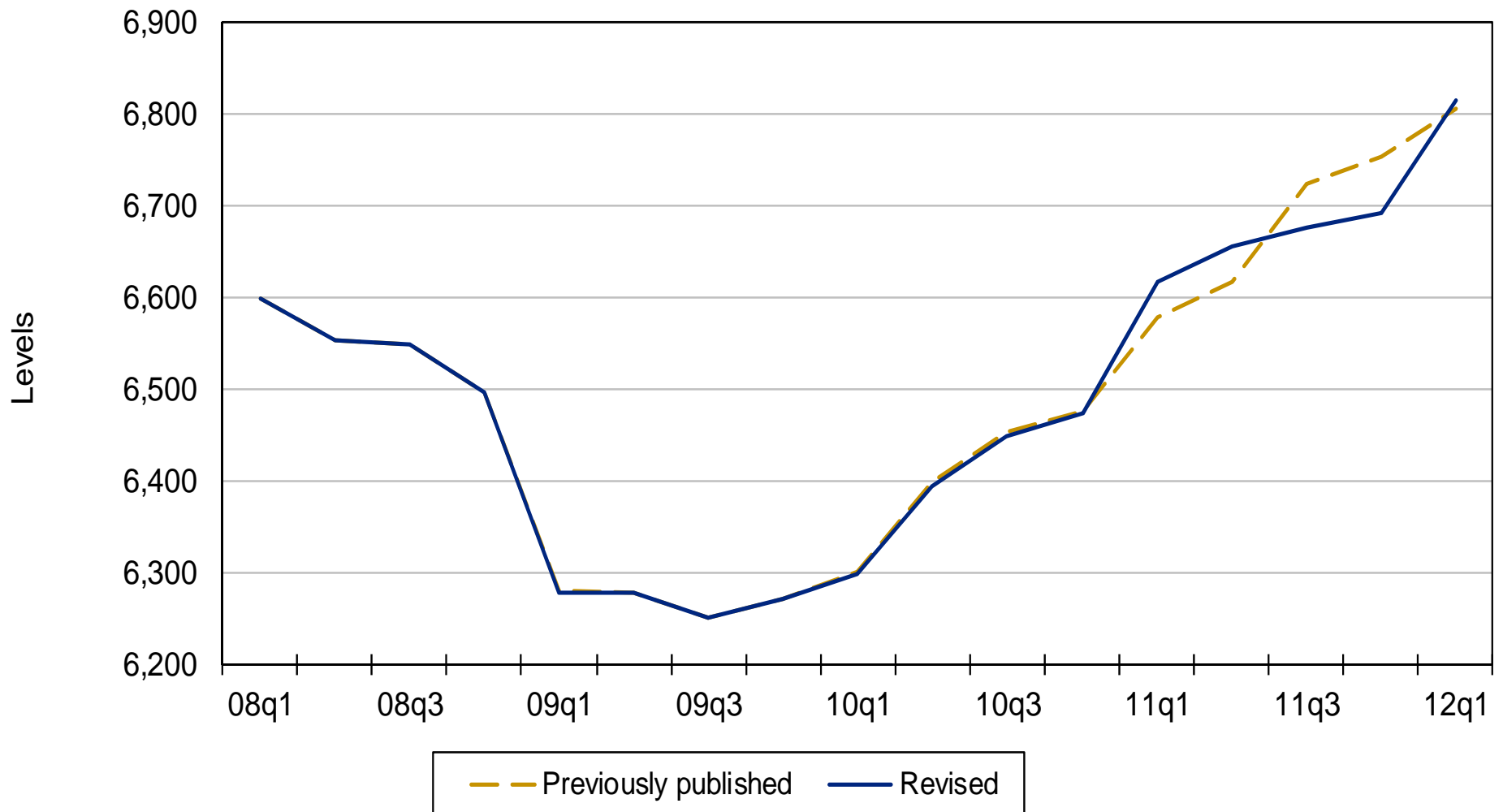
Compensation of employees

[Revision in level]



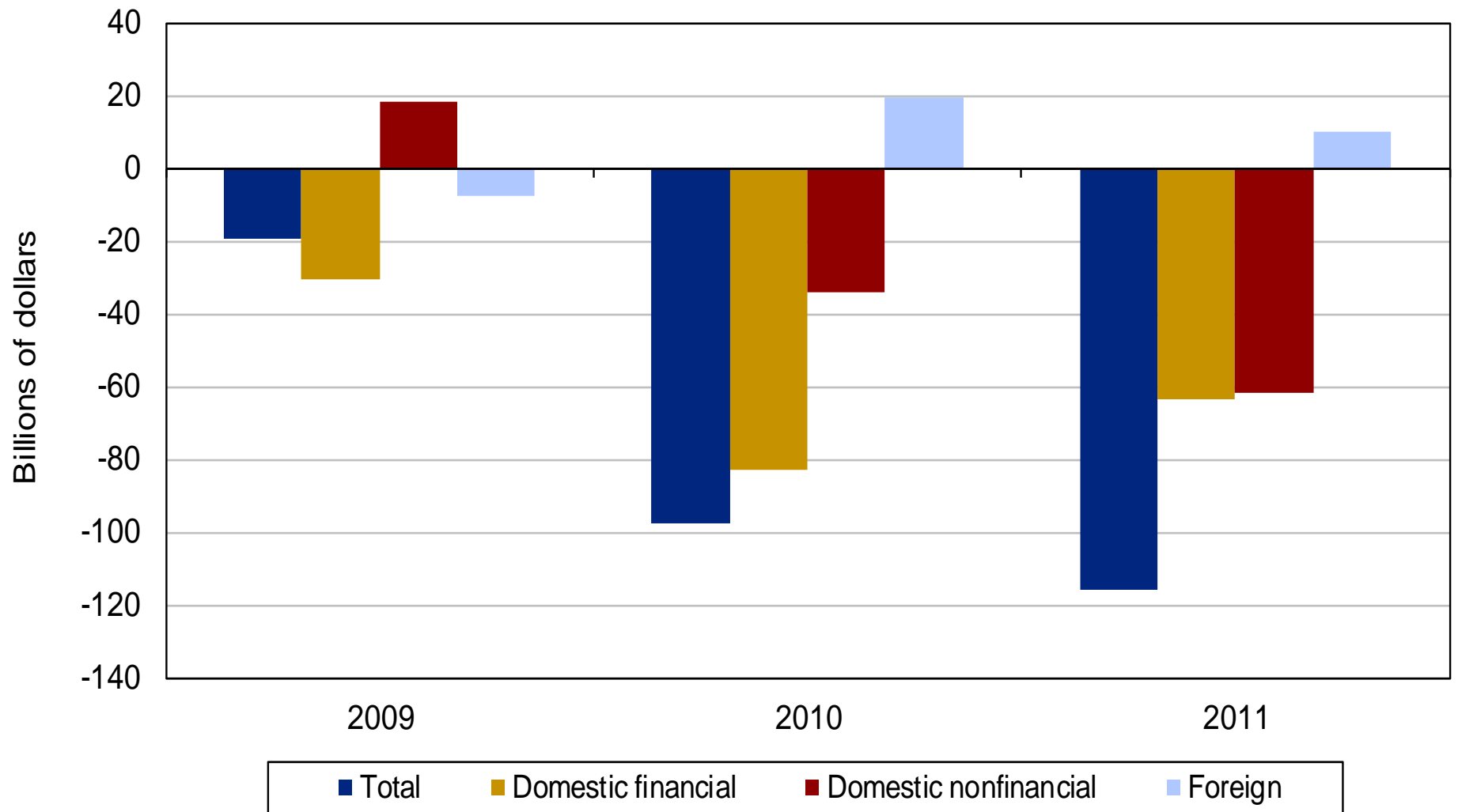
Wage and salary disbursements

[Billions of dollars, SAAR]



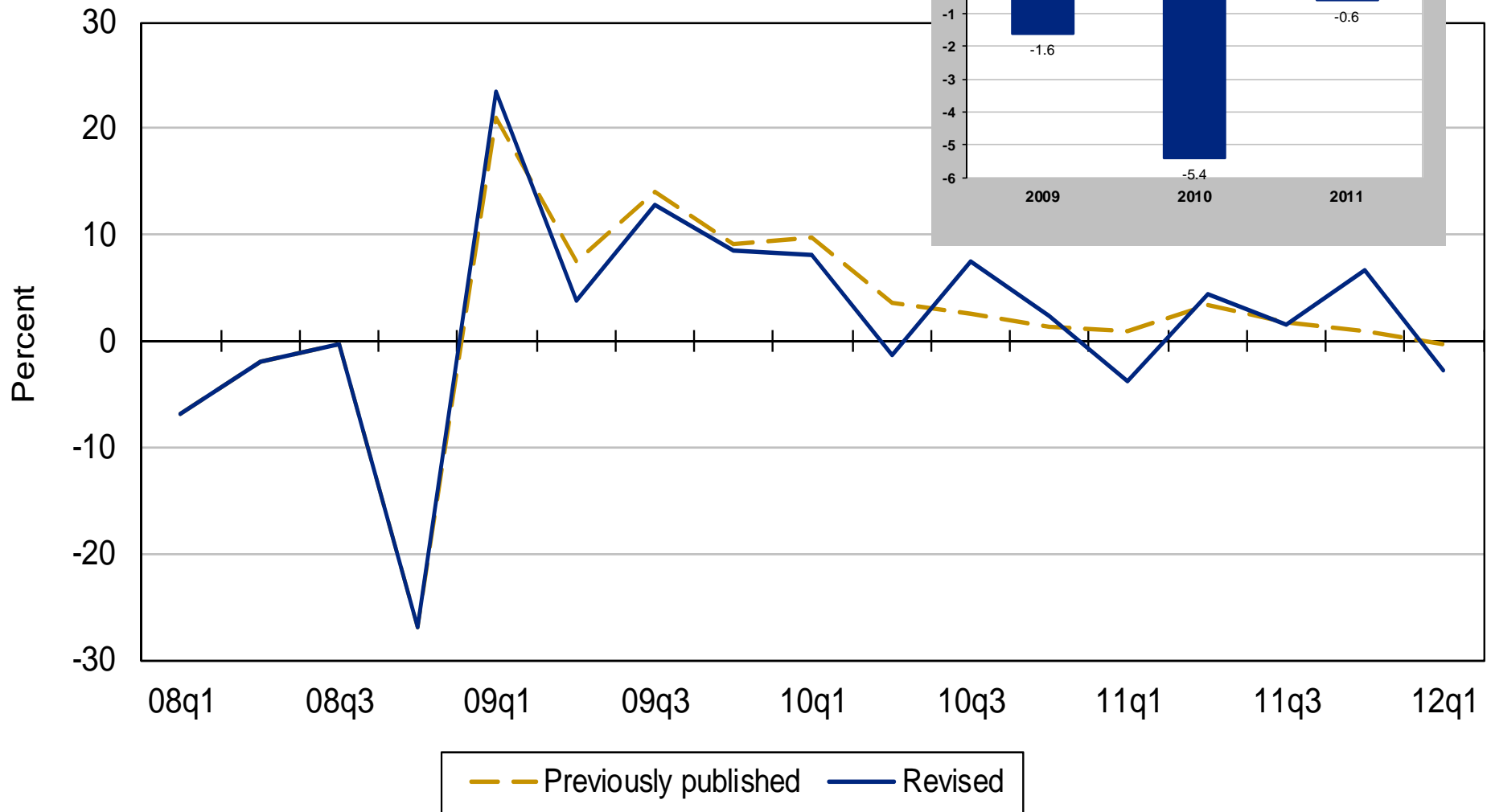
Corporate profits from current production

[Revision in level]



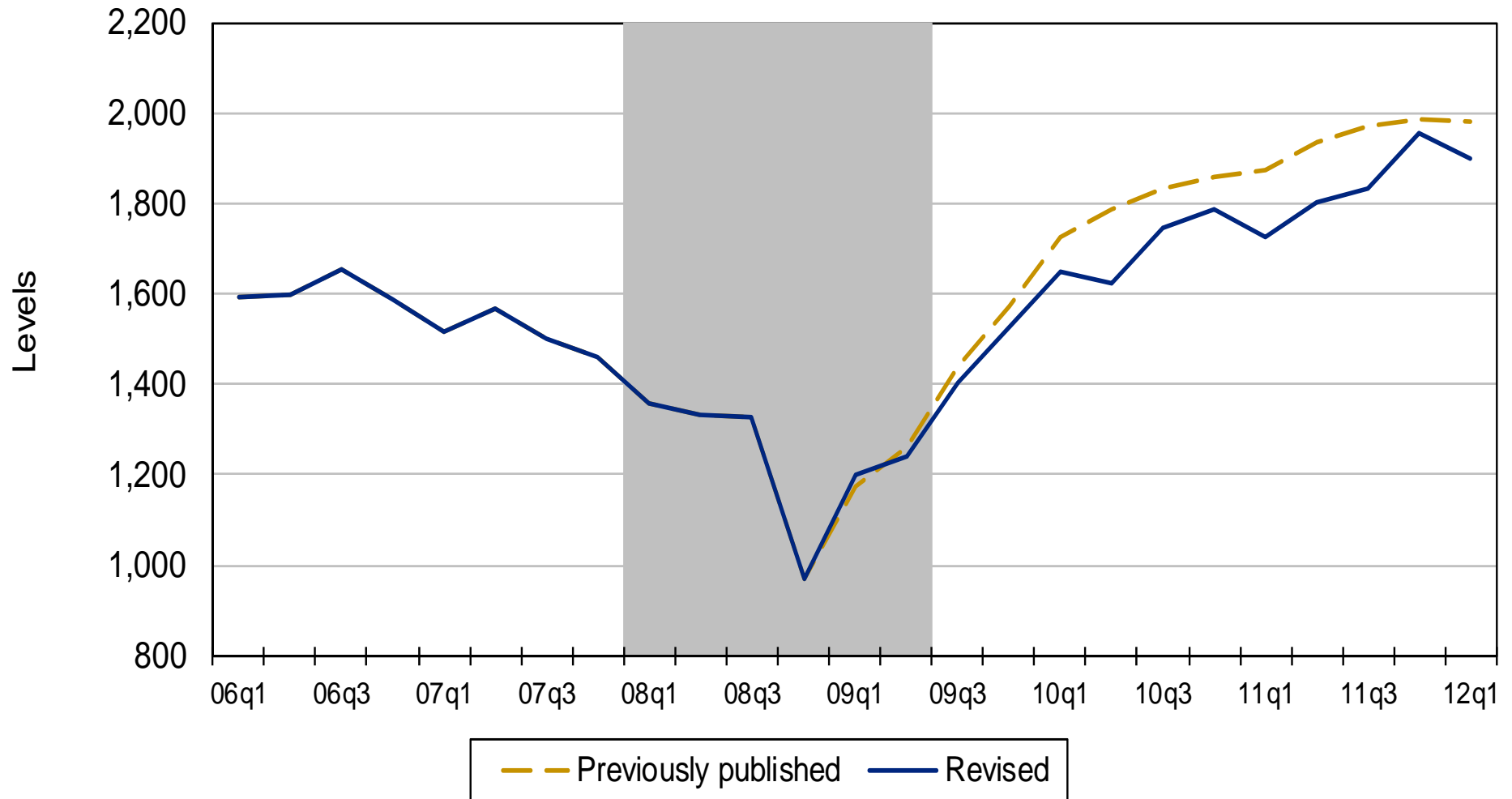
Corporate profits from current production

[Percent change from preceding period, quarterly rate]



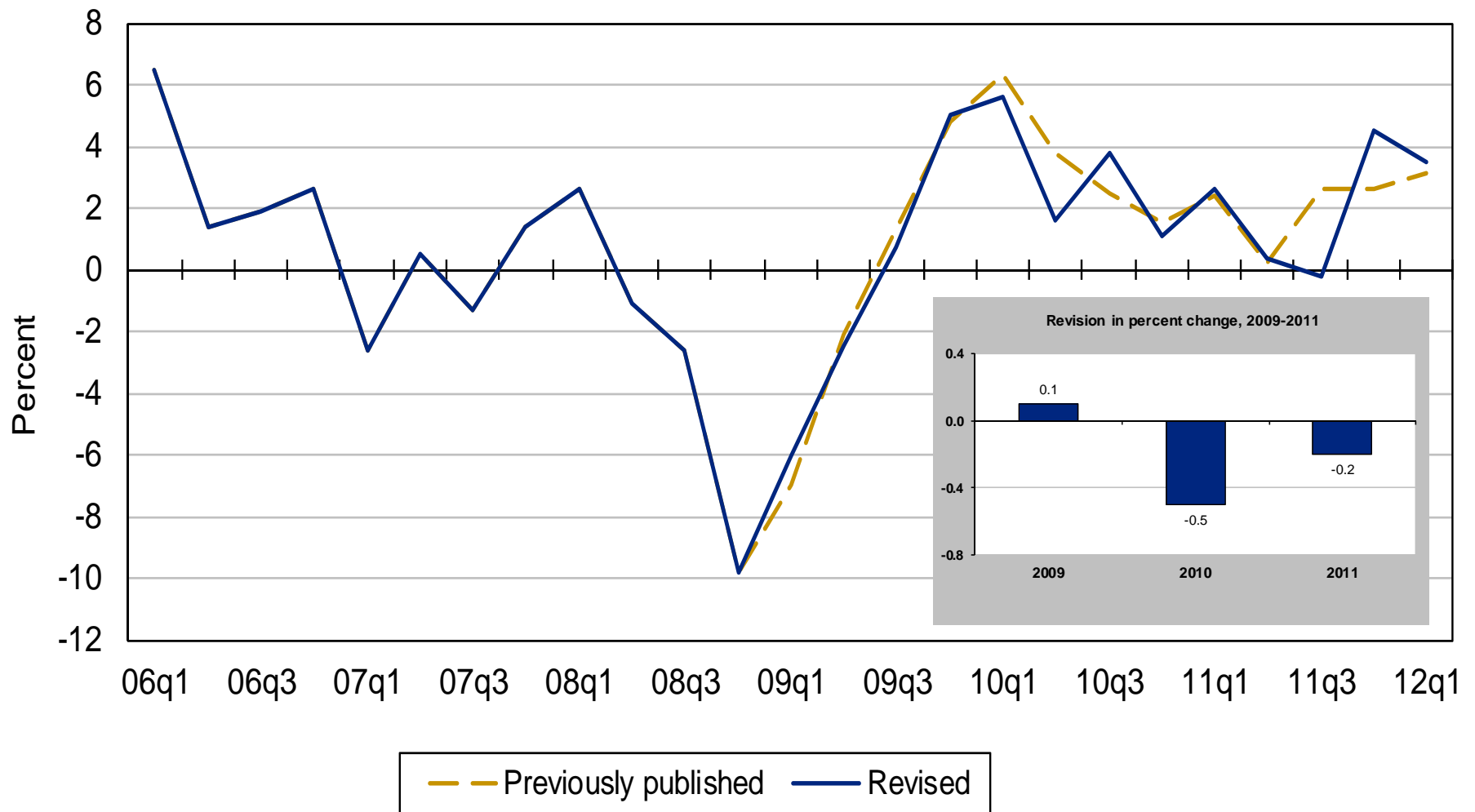
Corporate profits from current production

[Billions of dollars, SAAR]



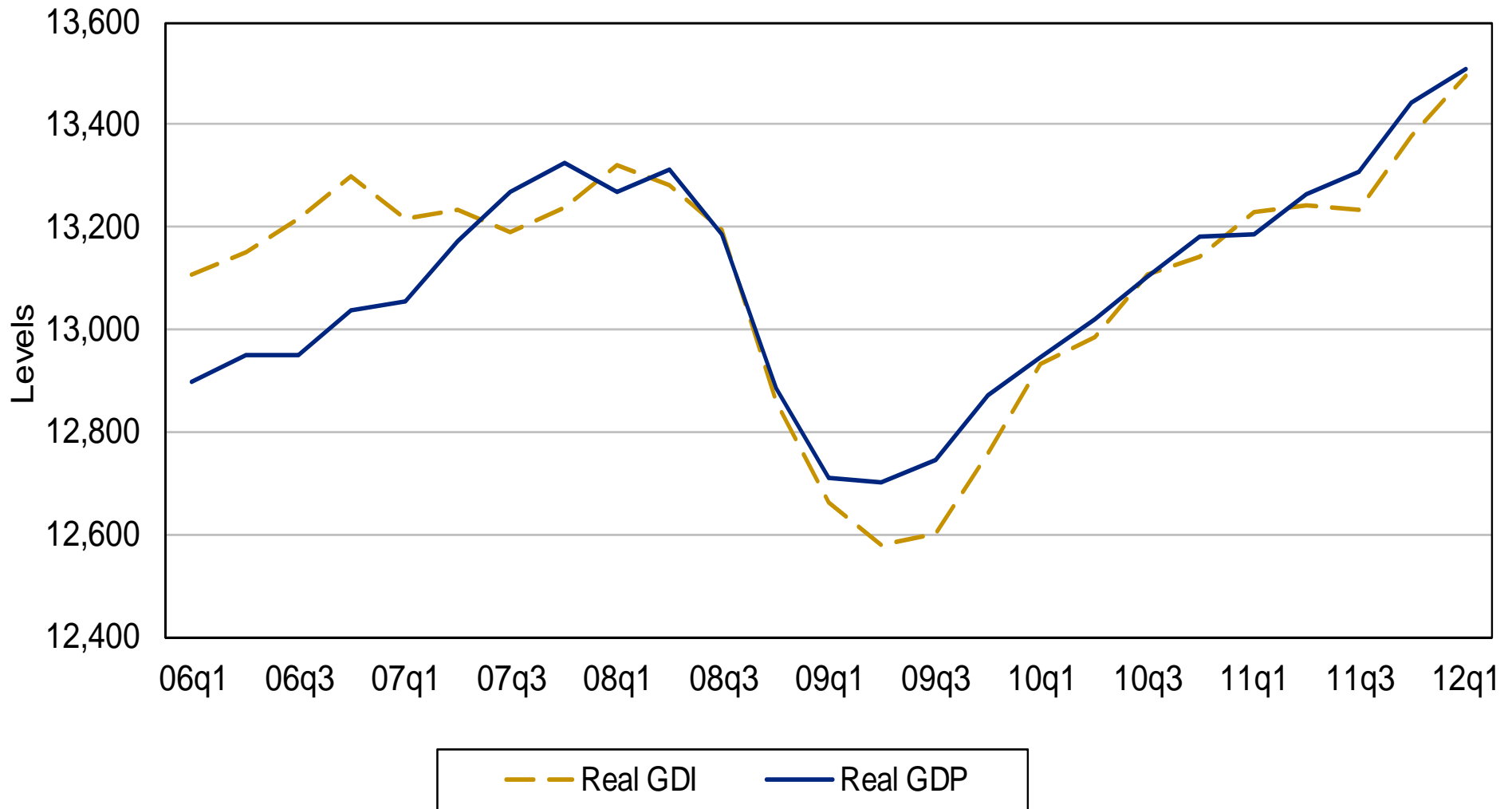
Real gross domestic income

[Percent change from preceding period, SAAR]

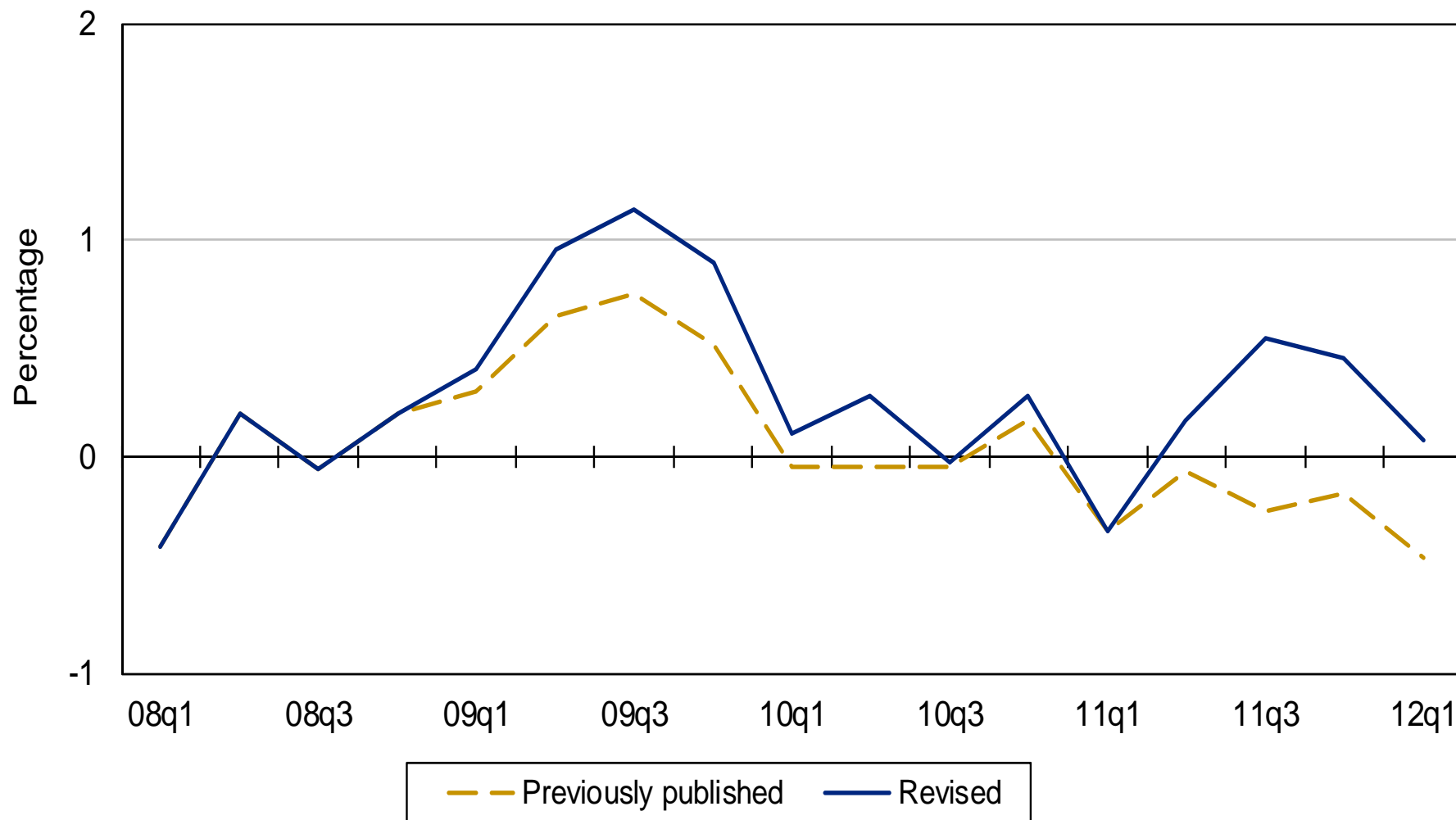


Real GDI and Real GDP

[Billions of chained (2005) dollars, SAAR]

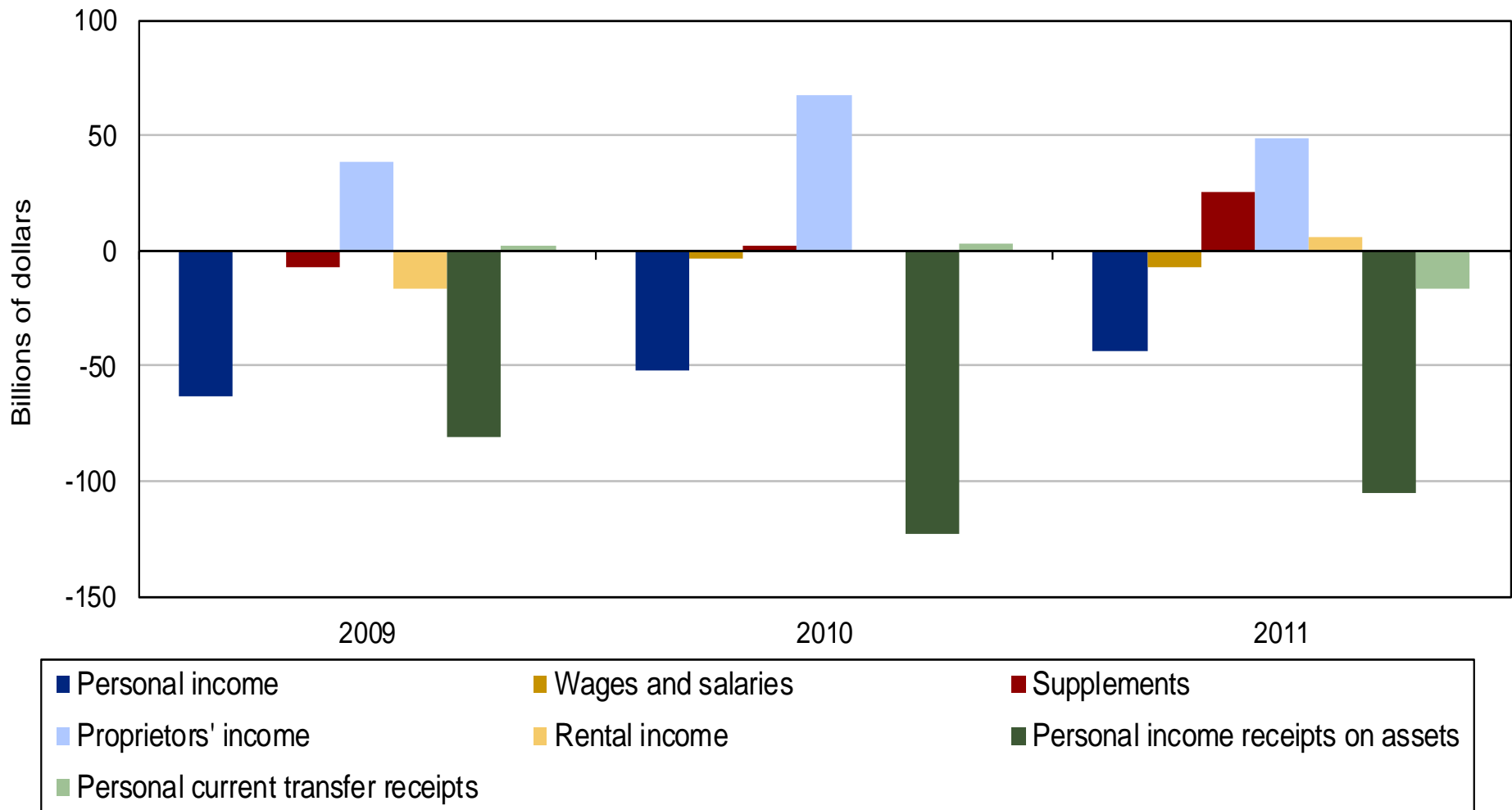


Statistical discrepancy as % of GDP



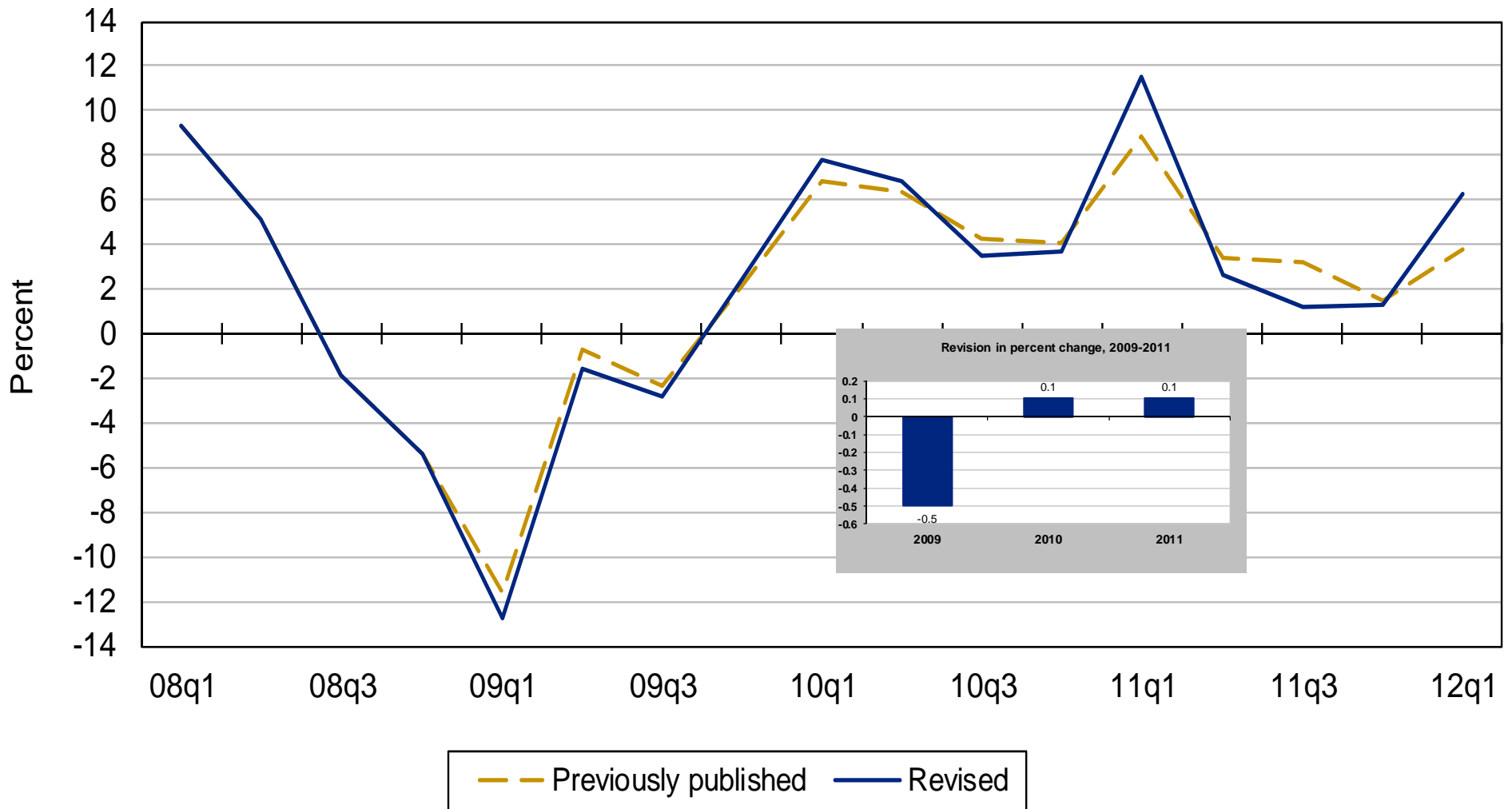
Personal income and its components

[Revision in level]



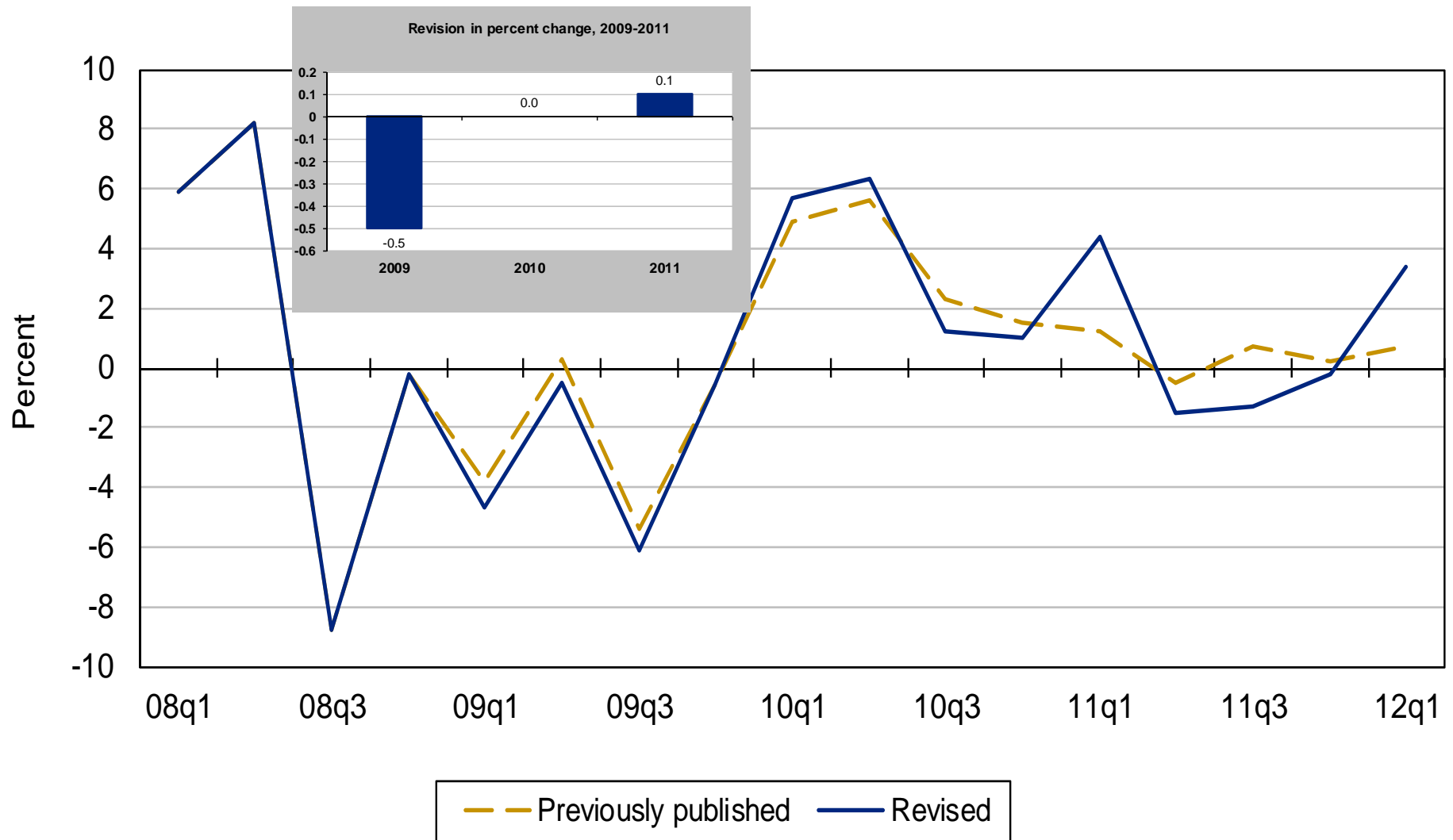
Personal income

[Percent change from preceding period, SAAR]



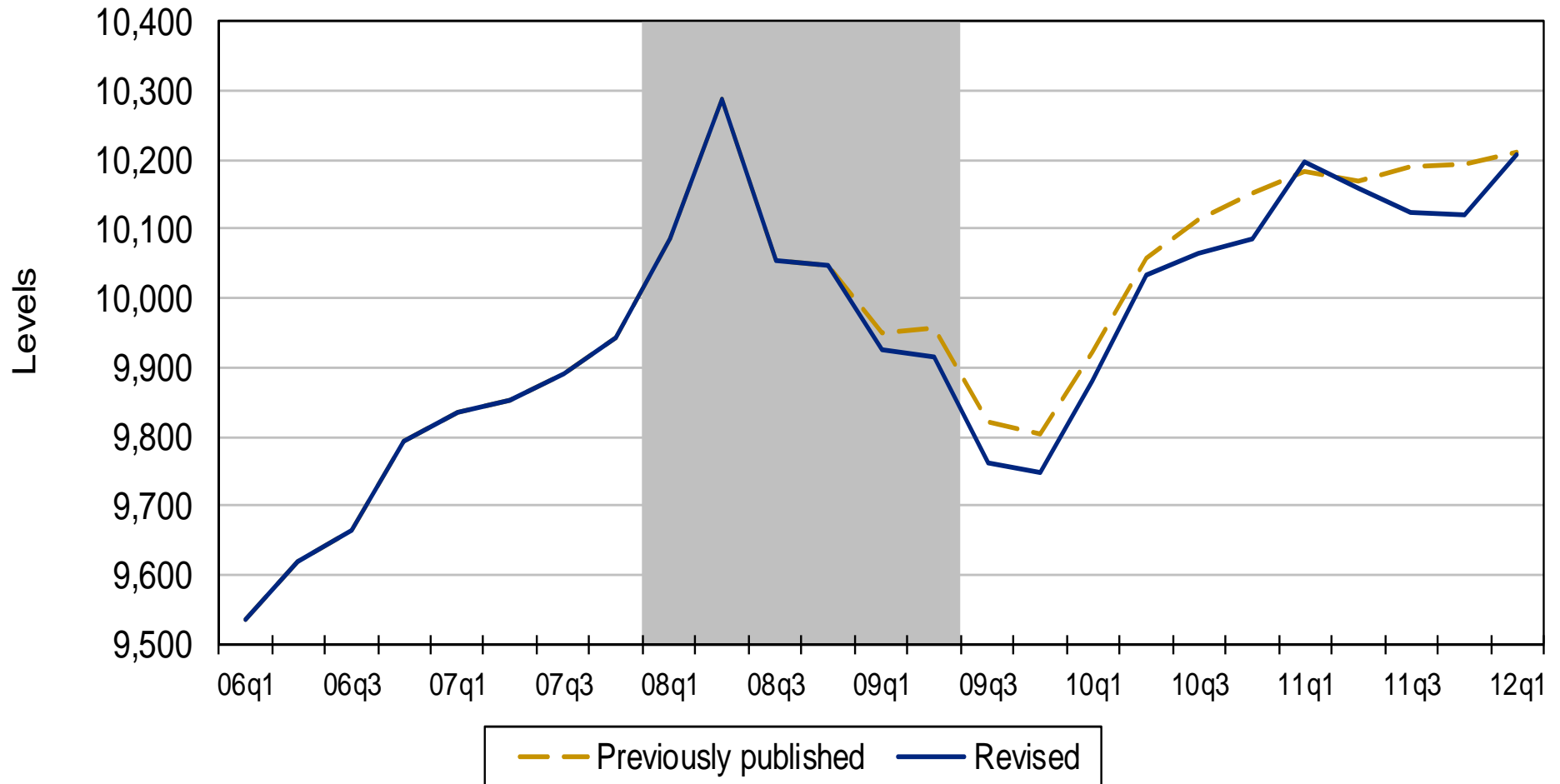
Real disposable personal income (DPI)

[Percent change from preceding period, SAAR]

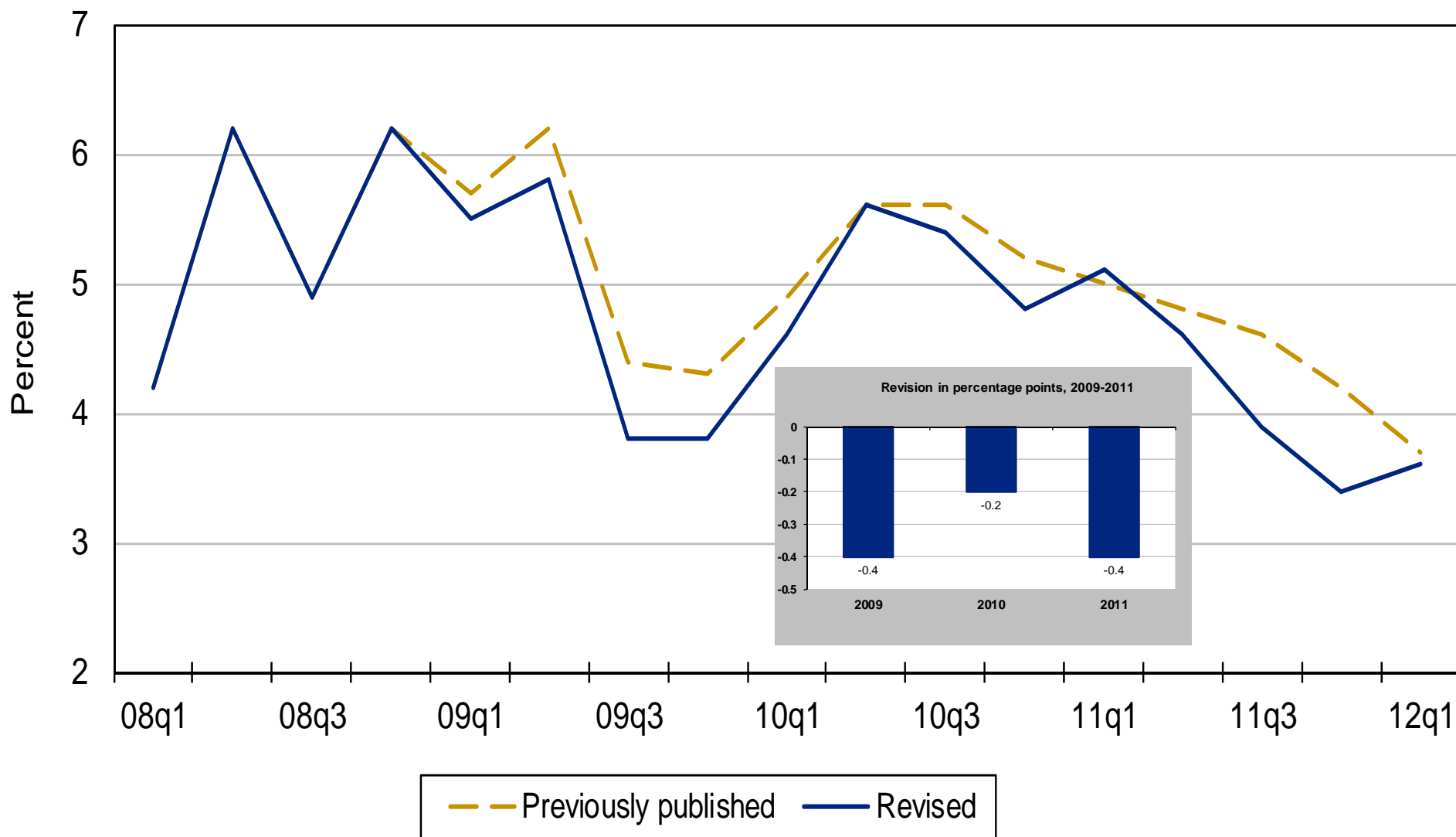


Real disposable personal income (DPI)

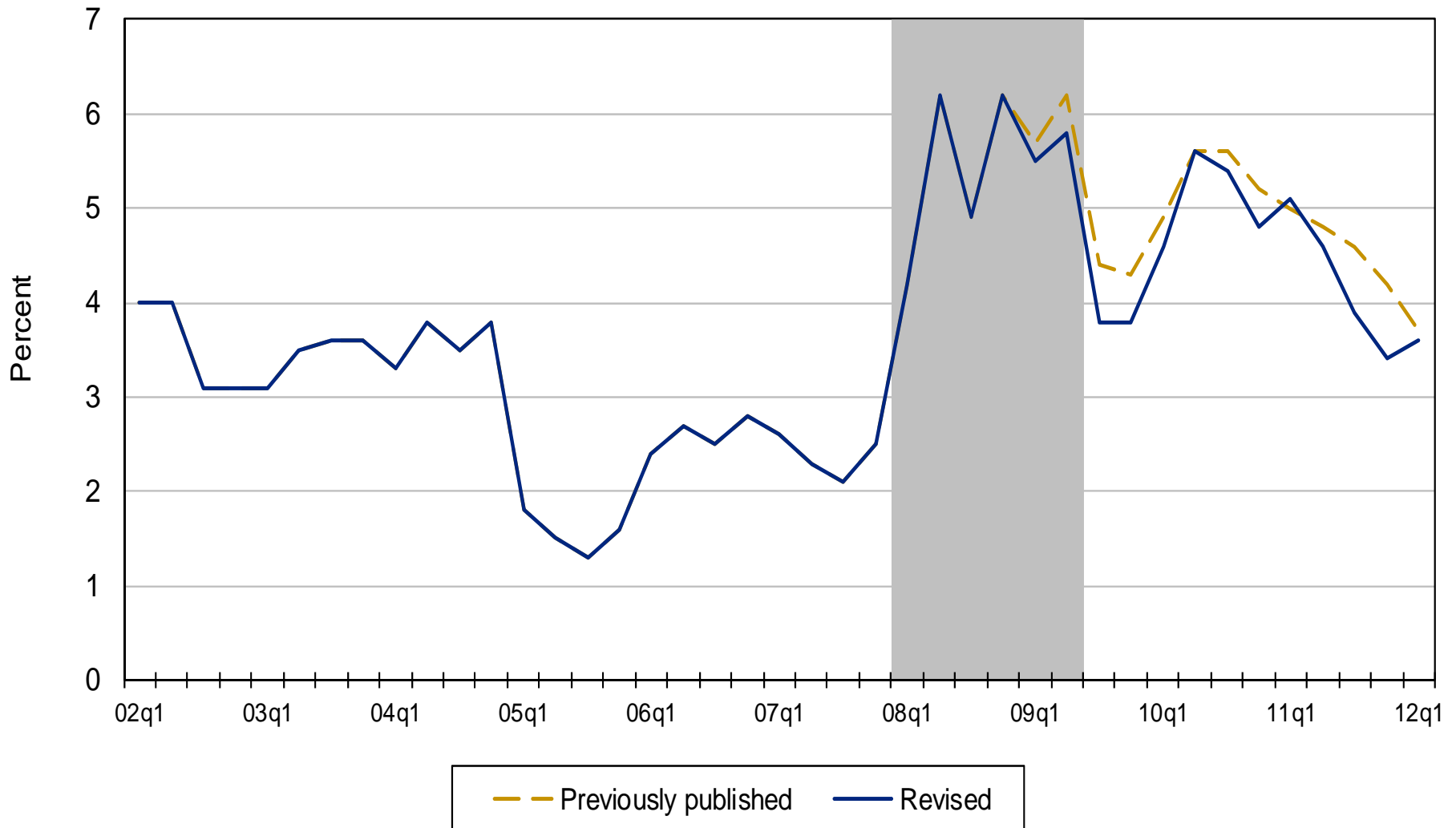
[Billions of chained (2005) dollars, SAAR]



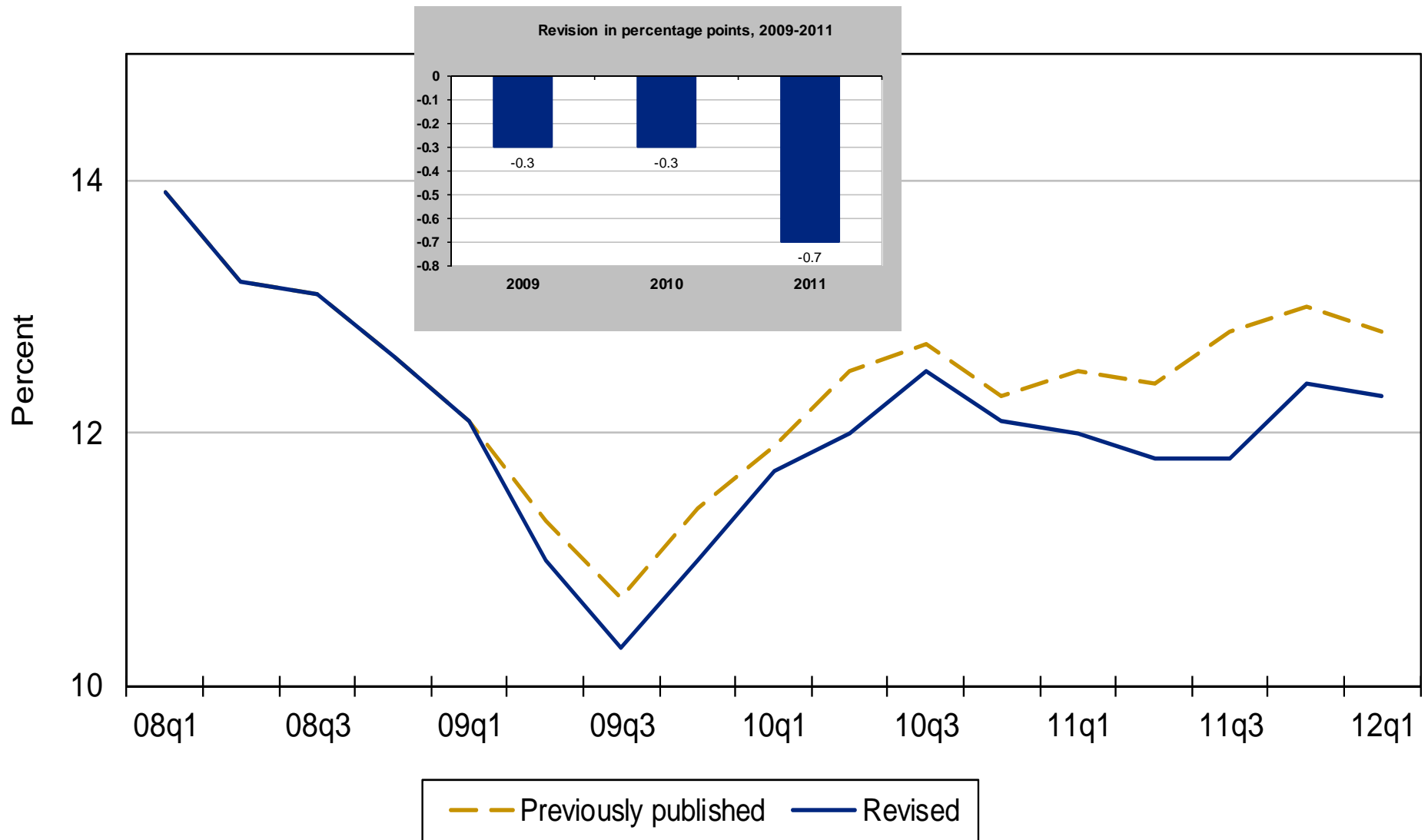
Personal saving as a percentage of DPI



Personal saving as a percentage of DPI



Gross (national) saving as a percentage of gross national income



Selected components of national saving

[Revision in level]

