

Comparisons of Revisions to GDP

Quarterly estimates of GDP are released on the following schedule: "Advance" estimates, based on source data that are incomplete or subject to further revision by the source agency, are released near the end of the first month after the end of the quarter; as more detailed and more comprehensive data become available, "second" and "third" estimates are released near the end of the second and third months, respectively. The "latest" estimates reflect the results of both annual and comprehensive revisions.

Annual revisions, which generally cover the quarters of the 3 most recent calendar years, are usually carried out each summer and incorporate newly available major annual source data. Comprehensive (or benchmark) revisions are carried out at about 5-year intervals and incorporate major periodic source data, as well as improvements in concepts and methods that update the accounts to portray more accurately the evolving U.S. economy.

The table below shows comparisons of the revisions between quarterly percent changes of current-dollar and real GDP for the different vintages of the estimates. From the advance estimate to the second estimate (one month later), the average revision to real GDP without regard to sign is 0.5 percentage point, while from the advance estimate to the third estimate (two months later), it is 0.6 percentage point. From the advance estimate to the latest estimate, the average revision without regard to sign is 1.3 percentage points. The average revision (with regard to sign) from the advance estimate to the latest estimate is 0.2 percentage point, which is larger than the average revisions from the advance estimate to the second or to the third estimates. The larger average revisions to the latest estimate reflect the fact that comprehensive revisions include major improvements, such as the incorporation of BEA's latest benchmark input-output accounts. The quarterly estimates correctly indicate the direction of change of real GDP 97 percent of the time, correctly indicate whether GDP is accelerating or decelerating 72 percent of the time, and correctly indicate whether real GDP growth is above, near, or below trend growth more than four-fifths of the time.

Revisions Between Quarterly Percent Changes of GDP: Vintage Comparisons [Annual rates]

Vintages compared	Average	Average without regard to sign	Standard deviation of revisions without regard to sign
<u>Current-dollar GDP</u>			
Advance to second....	0.2	0.6	0.4
Advance to third.....	.1	.7	.4
Second to third.....	.0	.3	.2
Advance to latest.....	.3	1.2	1.0
<u>Real GDP</u>			
Advance to second....	0.1	0.5	0.4
Advance to third.....	.1	.6	.5
Second to third.....	.0	.2	.2
Advance to latest.....	.2	1.3	1.0

NOTE. These comparisons are based on the period from 1983 through 2009.