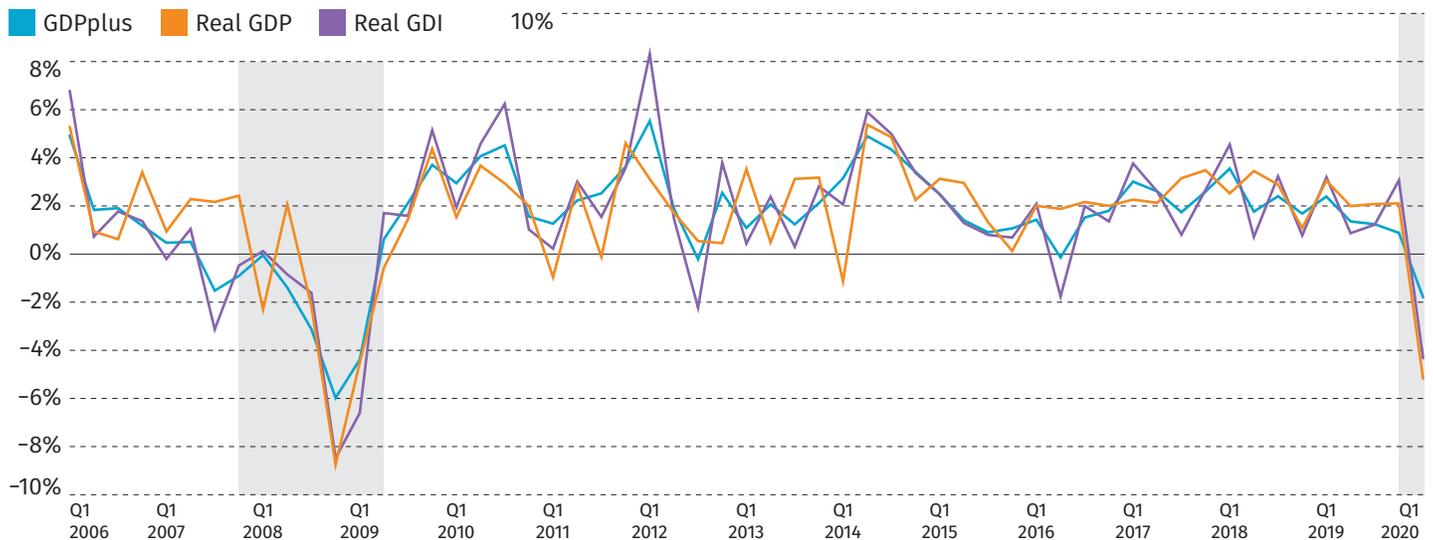


Data in Focus

GDPplus

The Philadelphia Fed collects, analyzes, and shares useful data about the Third District and beyond. Here's one example.



Note: Shaded areas indicate NBER recessions. The data measure the quarter-over-quarter growth rate in continuously compounded annualized percentage points.

Sources: Bureau of Economic Analysis (BEA) and NBER via Haver Analytics. Federal Reserve Bank of Philadelphia.

Economists often talk about total expenditures on goods and services produced in the U.S. economy, also known as real gross domestic product (GDP). But there's another way to measure the economy. Real gross domestic income (GDI)—which, like GDP, is calculated by the Bureau of Economic Analysis (BEA)—measures payments such as salaries to the workers who produce the goods and services. From an accounting perspective, GDP should always equal GDI, but the BEA computes each measure using different survey information. That means GDP almost never equals GDI. Both measures are useful (even though they often disagree), but sometimes we want one

estimate of the underlying and unobserved U.S. economic activity driving the BEA's official measures. In 2013, the Philadelphia Fed's Real-Time Data Research Center launched just such a measure. GDPplus combines GDP with GDI to produce one, easy-to-read measure of aggregate economic activity. GDPplus is designed to complement but not replace the BEA's measures. As Assistant Director and Assistant Vice President Tom Stark explains, "We think analysts and policymakers will use GDPplus as well as the BEA's estimates of GDP and GDI to improve their understanding of the dynamics of the U.S. economy."

Learn More

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