

## Measures of Economic Well-Being and Growth

These prototype measures present existing BEA and partner agency data that provide a deeper perspective on U.S. economic well-being and growth. Featured statistics range from traditional measures of economic well-being, such as GDP per capita, wealth, employment, and inflation to measures of production and income. The measures also highlight trends in economic growth, determinants of growth, and key factors that affect the rate and sustainability of economic growth.

Most of the data come from BEA's GDP and related international, industry, and regional accounts. Because the measures of economic well-being and growth are components of the accounts, they can be understood in the context of the powerful set of macroeconomic tools that have been developed and refined throughout the post-WWII era. These national accounts data tools, and the research based on the national accounts, are the mainstay of macroeconomic analysis. The national accounts framework and analytical tools are routinely taught in universities and are used in the United States and around the world to better understand, benchmark, and target economic growth.

These measures are presented in a consistent framework to make them more relevant and easier to understand:

- The measures are mainly shown relative to other indicators. For example, converting data to a per capita basis or presenting saving and growth rates rather than the total levels of saving or GDP helps users to see the underlying trends more clearly.
- The longest available time series are used, except where the scale needed for long-term comparisons would obscure important more recent developments.
- The business cycle dates used are based on turning points designated by the National Bureau of Economic Research.
- For consistency, growth rates are calculated from business cycle peak to peak or to the most recent period, except as noted. For example, the use of 1973 as the beginning of the productivity slowdown is consistent with the period used by the Bureau of Labor Statistics and BEA, the official statistical agencies that produce the data.

Finally, although measures like GDP and GDP per capita are used as proxies for economic growth and standards of living, they ignore the distribution of income and nonmarket goods and services that are inputs to economic welfare. The information presented in this collection of charts, as well as other work under BEA's GDP and Beyond initiative, begin to address these gaps.

## BEA's GDP and Beyond Initiative

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## BEA's GDP and Beyond Initiative

### Background

While the United States produces some of the most accurate, timely, and relevant sets of national economic accounts, in recent years, there has been a renewed interest in economic statistics that go beyond GDP in measuring well-being. This includes better tracking and highlighting economic activity that is included in GDP—a key driver of economic well-being—and capturing nonmarket goods and services that are not included in GDP but are also important determinants of economic well-being.

BEA embarked on the GDP and Beyond initiative to identify ways to use its data resources and statistical knowledge to inform the discussion of well-being. These efforts build on decades of research and statistical improvements aimed at developing better measures of GDP and leveraging extended, or what

are sometimes called "satellite," accounts to highlight specific sectors of the economy or to quantify activities that may not be captured in BEA's core set of statistics. Providing new perspectives on the economic well-being of everyday Americans will increase the public's understanding of economic trends and will improve the relevance of BEA's data for policy making.

## Bureau Plans

The first phase of BEA's GDP and Beyond initiative focuses on two main topics: 1) the distribution of economic growth across households, factors of production, industries, and geography and 2) trends in, and the sustainability of, economic growth within a national accounting framework.

In addition, BEA will continue to place high priority on updating and extending its existing supplemental accounts supported by, and in collaboration with, other agencies, including integrated productivity and wealth accounts and satellite accounts for health care, oceans, household production, outdoor recreation, and arts and culture.

Finally, BEA will evaluate its role in the broader discussion of well-being. Longer-term priorities where further research is required include aggregate measures of economic welfare, human capital, natural and environmental capital, energy, global value chain accounts, and the impact of "free" digital goods and services.

To lay groundwork for the GDP and Beyond initiative, [BEA's Advisory Committee](#) provided feedback on BEA's options and plans at its November 2018 and May 2019 meetings. In addition, BEA organized a distinguished panel of economists at the 2020 American Economic Association (AEA)-Allied Social Science Associations (ASSA) annual meeting to discuss the initiative. A summary of the panel's suggestions and remarks, along with an overview of BEA's plans and priorities for the [GDP and Beyond initiative](#), was published in the June 2020 *Survey of Current Business*.

## Why now?

Since the inception of the national accounts, questions have been raised about the scope of the accounts and the focus on market aggregates, such as national income and GDP. Simon Kuznets, one of the architects of the U.S. accounts, pointed to the limitations of emphasizing market transactions and excluding nonmarket activities and assets that have productive value or that enhance economic and social welfare. Over the last several decades, these concerns have been driven to the forefront by a wide range of issues. Recently, for example, questions have emerged regarding income inequality. Despite record low unemployment and steady economic growth, have all individuals, industries, and regions of the country benefited from the longest economic expansion on record? In addition, other questions have been raised about areas that are not well captured in the accounts, including the costs of and access to health care, the impact of the economy on the environment, and education. Much recent economic research also has focused on the role of "free" goods often provided via digital platforms.

## Distribution of Personal Income

BEA recently released updated estimates of the distribution of personal income for 2007–2018. These data measure how total personal income in the United States is distributed across households and show how everyday Americans are sharing in the U.S. economy's growth.

## Feedback

BEA would like input from the public to refine these prototype measures. Data users' evaluations and comments will be used to help review and update the information presented in this set of measures. Please email all comments to [WellBeing@bea.gov](mailto:WellBeing@bea.gov).

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