



PRESS RELEASE

Bank Introduces New Measure of GDP

04 Nov '13

For immediate release

Contact: Katherine Q. Dibling, Public Affairs Specialist, 215-574-4119

Philadelphia, Pa. — The Federal Reserve Bank of Philadelphia's Real-Time Data Research Center has launched **GDPplus**, a new quarterly economic indicator that is extracted from the U.S. Bureau of Economic Analysis's (BEA) estimates of gross domestic product (GDP) and gross domestic income (GDI) in order to produce a new, alternative measure of real GDP. Today's vintage of GDPplus uses the BEA's underlying estimates of GDP and GDI from its September 26 report on the national income and product accounts for the second quarter of 2013.

"GDPplus offers an alternative perspective on the economic health of the country," said Tom Stark of the Real-Time Data Research Center. "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."

GDPplus is a measure of the quarter-over-quarter growth rate of real GDP in annualized percentage points. It is extracted in a statistically optimal way from the BEA's expenditure-side estimates (GDP) and the underused income-side estimates (GDI). GDPplus is intended as an estimate of the underlying, but unobserved, U.S. economic activity that drives the BEA's official measures of GDP and GDI.

The new measure was proposed by economic researchers in their work **"Improving GDP Measurement: A Measurement-Error Perspective."** In the paper, the authors encourage the use of GDPplus in addition to GDP and GDI estimates because they value the ability to separately analyze the income and expenditure sides. In addition, the authors recommend that GDPplus be used as the benchmark GDP estimate.

The Real-Time Data Research Center is part of the Federal Reserve Bank of Philadelphia's Research Department. The center is a source of knowledge and expertise about real-time macroeconomic data, surveys of macroeconomic forecasts, and macroeconomic modeling. The center produces macroeconometric analyses and collects and maintains a variety of data sets of value to macroeconomists and monetary policymakers, including the **real-time data set for macroeconomists**, the **Livingston Survey**, the **Survey of Professional Forecasters**, the **Greenbook data sets**, and the **Aruoba-Diebold-Scotti business conditions index**.

The Federal Reserve Bank of Philadelphia helps formulate and implement monetary policy, supervises banks and bank and savings and loan holding companies, and provides financial services to depository institutions and the federal government. It is one of the 12 regional Reserve Banks that, together with the Board of Governors in Washington, D.C., make up the Federal Reserve System. The Philadelphia Federal Reserve Bank serves eastern Pennsylvania, southern New Jersey, and Delaware.

CONTACT US

**Ten Independence Mall
Philadelphia, PA 19106**

(215) 574-6000

[PRIVACY NOTICE](#)[NEWSROOM](#)[SUBSCRIBE](#)[CONTACT](#)

Copyright 2023. All rights reserved. Federal Reserve Bank of Philadelphia