

## Taking Account...

### **BEA's residual seasonality plans move forward**

The Bureau of Economic Analysis (BEA) is moving ahead on the second phase of a three-pronged plan to refine its estimates of gross domestic product (GDP) by reducing potential sources of “residual” seasonality. That occurs when seasonal patterns remain in data even after they are adjusted for seasonal variations.

As part of the second phase, BEA has conducted a component-by-component review of data feeding into quarterly estimates of GDP and gross domestic income (GDI) to see if there is residual seasonality in the numbers and to identify causes. The results of that review are reported in a new BEA paper called [“Residual Seasonality in GDP and GDI: Findings and Next Steps.”](#)

The findings will be used to implement improvements to seasonal adjustment in the annual update to GDP and its major components in late July.

BEA will continue to work with the Census Bureau, the largest provider of data for the calculation of GDP, as well as other agencies that supply data for GDP to implement strategies for removing residual seasonality in source data.

In addition, BEA will review and modify its policies governing its annual update to GDP estimates. BEA will consider adopting a longer period (more than the current 3 years) in

which the numbers are subject to change. A longer period would allow BEA to better incorporate updated seasonal adjustments in its estimates.

In 2018, BEA will update its historical time series for GDP as far back as necessary to remove any remaining residual seasonality. That will occur as part of BEA’s “comprehensive” update to GDP and its major components, which happens roughly every 5 years.

As part of the third phase of BEA’s plan, the agency will develop methods for compiling estimates for GDP and GDI that are not seasonally adjusted. This would help data users identify changes in seasonal trends over time and better understand why GDP numbers may change during the update process. BEA plans to publish these unadjusted numbers alongside its adjusted GDP estimates beginning in July 2018.

### **State data on refundable tax credits available**

For years, BEA provided state-by-state information on people’s incomes, which includes refundable tax credits and rebates. But BEA did not break out refundable tax credit statistics. Now, for the first time, BEA is providing the amounts and types of federal refundable tax credits broken out for each state, giving policymakers, researchers, and academics a new tool for economic analysis.

The new data, available on

[BEA’s Web site](#), includes information on the earned income tax credit and the additional child tax credit. The data are available for all 50 states and the District of Columbia from 1976 through 2014. Policymakers can use the data to design and implement tax and economic policies. Researchers and academics can use the data for insights into the distribution of income in a state or across states. The data also can be used in analyzing poverty.

### **2016 Julius Shiskin Award winner announced**

[John M. Abowd](#), Edmund Ezra Day Professor at Cornell University and Associate Director for Research and Methodology and Chief Scientist at the Census Bureau, has been selected to receive the 2016 Julius Shiskin Memorial Award for Economic Statistics. The award recognizes important contributions in the development of economic statistics or in the use of statistics in interpreting the economy.

Professor Abowd is recognized for designing and implementing disclosure avoidance techniques that enable federal statistical agencies to greatly expand the availability of their data while preserving respondents’ confidentiality and for his leadership at Cornell providing access to these data over the Internet. He is also recognized for developing econometric and statistical techniques to conduct labor market analysis.