

Measuring economic outcomes for all U.S. workers and their families will hold policymakers accountable to creating broad-based growth

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By Austin Clemens

U.S. Gross Domestic Product is one of the most-cited economic statistics and is regularly regarded as shorthand for measuring the economic outcomes of the entire nation. Although it once represented cutting-edge economic analysis, U.S. GDP is completely inadequate for understanding our modern economy or the well-being of U.S. workers and their families. It cannot tell economists or policymakers anything about the informal work sector, inequality in the economy, sustainability, and myriad other issues that are essential for policymaking in the 21st century.

The problems with the GDP measure are emblematic of the work by the Washington Center for Equitable Growth to improve economic measurements. We know from research that changes in GDP have a huge impact on [the tenor of economic narratives in the United States](#). But we also know that GDP is [increasingly disconnected](#) from the experience of most U.S. workers and their families, most of whom generally see increases in their own incomes that are well below headline GDP figures.

Fortunately, U.S. policymakers increasingly want to know not simply whether the economy is growing and by how much but also where and for whom the economy is growing. They want to know what geographic regions are being left behind, whether persistent systemic race and gender divides are narrowing, how the economy is performing for old and young alike, and much more. Data disaggregation is the next frontier to guide responsive policymaking.



Our federal statistical agencies are world leaders and are poised to help answer these questions, but we must identify priorities and fund the necessary data infrastructure. By addressing racial and ethnic equity in the collection and reporting of data, by reporting on economic inequality, and by modernizing data infrastructure to make these goals possible, federal statisticians can give policymakers the tools they need to craft policy for equitable growth, and give the public the tools they need to hold their elected representatives accountable to creating an economy that works for all of us.

Equitable Growth Resources

GDP 2.0

[“GDP 2.0: Measuring who prospers when the U.S. economy grows”](#)

U.S. GDP growth is no longer sufficient as a marker of economic progress. A first step is to report on growth along the income distribution, so that policymakers can see how the economy is performing for working- and middle-class families. This brief shows that growth has increasingly been tilted toward very high-income Americans, leading directly to decreased economic mobility for those in the middle and at the bottom.

“Disaggregating growth”

This comprehensive report outlines a plan for replacing U.S. GDP with measures of growth that will better represent most U.S. workers and their families.

“Gross Domestic Product sets the tone of the U.S. economic debate while leaving working- and middle-class families behind”

This Equitable Growth working paper looks at decades of media economic coverage and finds that the tone of economic news does not correspond to the fortunes of the bottom 99 percent of income earners. This is directly attributable to the outsized importance of GDP growth as a metric for economic success, even though it no longer accurately represents progress for those outside the very top of the income distribution.

Racial gaps and equity in measurement

“Structural racism and the coronavirus recession highlight why more and better U.S. data need to be widely disaggregated by race and ethnicity”

In this Equitable Growth issue brief, Austin Clemens and Michael Garvey look at two major surveys, the Current Population Survey and the Survey of Consumer Finances, to show that these surveys cannot give accurate estimates of sub-populations of marginalized groups. This prevents researchers from, for example, being able to accurately estimate homeownership rates among generational cohorts of African Americans. Oversampling these populations could make these surveys more useful for policymakers who want to understand racial divides in employment, income, and wealth.

“Congress needs distribution analyses to make informed, equitable policy choices, and the CBO FAIR Scoring Act would deliver it”

Analyses of congressional legislation prepared by the non-partisan Congressional Budget Office do not give policymakers enough information to assess the effects of legislation on different populations. The CBO Fiscal Analysis by Income and Race, or FAIR Scoring Act would require distributional analyses, including by race, that would help policymakers better craft legislation to address income and racial inequality and thus spur strong, stable, and broad-based growth.

“Executive action to improve U.S. economic measurements”

This “Executive Action Agenda” factsheet highlights the two ways the federal statistical agencies can contribute to advancing economic research into racial economic disparities, which ultimately can help ensure more equitable economic treatment.

“Racial equity in U.S. data collection improves the accuracy of research, policy evaluation, and subsequent policymaking”

This column from associate professor Randall Akee at the University of California, Los Angeles highlights some of the many benefits of having more diverse representation in the economic profession and suggests some ways our data infrastructure could be improved to provide more data on marginalized communities.

“Diversity in economics and data disaggregation can improve our understanding of the U.S. economy”

Marie Mora, provost at the University of Missouri-St. Louis, has been a leader in academic economics in trying to increase diversity and doing research that provides insight into economic outcomes for racial groups that go beyond lumping all Hispanic and Latinx Americans together. She writes here about why these are important projects to pursue.

Top Experts

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