

115TH CONGRESS
2D SESSION

S. 3440

To require the Bureau of Economic Analysis of the Department of Commerce to provide estimates relating to the distribution of aggregate economic growth across specific percentile groups of income.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2018

Mr. SCHUMER (for himself, Mr. HEINRICH, Ms. BALDWIN, Mr. BENNET, Mr. BLUMENTHAL, Mr. BOOKER, Mr. BROWN, Mr. COONS, Ms. CORTEZ MASTO, Mrs. FEINSTEIN, Mrs. GILLIBRAND, Ms. HARRIS, Ms. HIRONO, Mr. JONES, Ms. KLOBUCHAR, Mr. REED, Mr. SANDERS, Mr. VAN HOLLEN, Ms. WARREN, Mr. WHITEHOUSE, Mr. WYDEN, and Ms. HASSAN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To require the Bureau of Economic Analysis of the Department of Commerce to provide estimates relating to the distribution of aggregate economic growth across specific percentile groups of income.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Measuring Real In-
5 come Growth Act of 2018”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Economic inequality in the United States
4 has increased dramatically during the 4 decades pre-
5 ceding the date of enactment of this Act, with fewer
6 households taking home a larger share of the na-
7 tional income.

8 (2) While growth was once distributed relatively
9 evenly across all individuals in the United States, re-
10 search shows that economic gains are increasingly
11 enjoyed by the most affluent. By contrast, the ma-
12 jority of individuals in the United States have seen
13 income and wage growth significantly below what is
14 suggested by national measures of output and in-
15 come.

16 (3) The Bureau of Economic Analysis of the
17 Department of Commerce (referred to in this section
18 as “BEA”) reports annual and quarterly estimates
19 of gross domestic product (referred to in this section
20 as “GDP”) in the United States. These estimates
21 are important measures of the overall size and
22 health of the economy of the United States but do
23 not describe how economic gains are distributed
24 across the population of the United States.

25 (4) In a country of 325,000,000 individuals,
26 top-line GDP numbers do not capture the full range

1 of household economic experiences and may be mis-
2 leading. The real GDP grew more than 3 percent
3 annually between 2003 and 2005, but the average
4 income for $\frac{1}{2}$ of all individuals in the United States
5 fell during that period.

6 (5) Disaggregating economic growth by income
7 groups will provide a more complete picture of how
8 families in the United States are faring across all
9 rungs of the economic ladder and whether economic
10 growth is benefiting all individuals in the United
11 States.

12 (6) Recent academic estimates of distributional
13 growth show how much of the economic gains during
14 the 40 years preceding the date of enactment of this
15 Act have accrued to the top of the income distribu-
16 tion. Between 1980 and 2014, the average income of
17 the top 1 percent of the income distribution grew 5
18 times as much as the average income of the bottom
19 90 percent of the income distribution and more than
20 9 times as much as the average income of the bot-
21 tom $\frac{1}{2}$.

22 (7) Official and timely estimates of distribu-
23 tional growth from BEA, reported alongside top-line
24 GDP numbers, would enable Congress to better

1 evaluate economic policies that impact every indi-
2 vidual in the United States.

3 (8) Efforts to address slow wage growth, stag-
4 nant incomes, and growing economic inequality re-
5 quire broadening the focus beyond GDP and obtain-
6 ing metrics that better correspond to the experiences
7 of all families in the United States.

8 **SEC. 3. ESTIMATES OF AGGREGATE ECONOMIC GROWTH**
9 **ACROSS INCOME GROUPS.**

10 (a) DEFINITIONS.—In this section:

11 (1) BUREAU.—The term “Bureau” means the
12 Bureau of Economic Analysis of the Department of
13 Commerce.

14 (2) GROSS DOMESTIC PRODUCT ANALYSIS.—
15 The term “gross domestic product analysis”—

16 (A) means a quarterly or annual analysis
17 conducted by the Bureau with respect to the
18 gross domestic product of the United States;
19 and

20 (B) includes a revision prepared by the
21 Bureau of an analysis described in subpara-
22 graph (A).

23 (3) RECENT ESTIMATE.—The term “recent es-
24 timate” means the most recent estimate described in
25 subsection (b) that is available on the date on which

1 the gross domestic product analysis with which the
2 estimate is to be included is conducted.

3 (b) INCLUSION IN REPORTS.—Beginning in 2020, in
4 each gross domestic product analysis conducted by the Bu-
5 reau, the Bureau shall include a recent estimate of, with
6 respect to specific percentile groups of income, the total
7 amount that was added to the economy of the United
8 States during the period to which the recent estimate per-
9 tains, including in—

10 (1) each of the 10 deciles of income; and

11 (2) the highest 1 percent of income.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to the Secretary of Com-
14 merce such sums as are necessary to carry out this sec-
15 tion.

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