



Technical Note
Gross Domestic Product
Fourth Quarter of 2010 (Second Estimate)
February 25, 2011

This technical note provides background information about the source data and estimating methods used to produce the estimates presented in the GDP news release. The complete set of estimates for the fourth quarter is available on BEA's Web site at www.bea.gov; a brief summary of "highlights" is also posted on the Web site. In a few weeks, the estimates will be published in BEA's monthly journal, the *Survey of Current Business*, along with a more detailed analysis of the estimates ("GDP and the Economy").

Sources of Revision to Real GDP

The real GDP growth rate in the fourth quarter was revised from 3.2 percent to 2.8 percent (annual rate). An upward revision to imports and downward revisions to state and local government spending and to consumer spending were partly offset by an upward revision to exports.

- The upward revision to imports primarily reflected newly available Census Bureau data on U.S. trade with Puerto Rico and the U.S. territories for December. (The national income and product accounts treat transactions with Puerto Rico and the U.S. territories as exports and imports, whereas the international transactions accounts treat them as domestic transactions. A "territorial adjustment" accounts for this difference in treatment.)
- The downward revision to state and local government spending was primarily to gross investment and reflected newly available Census construction spending data for December and revised data for October and November.
- Consumer spending was revised down, reflecting revised Census retail sales data for November and December and newly available and revised natural gas usage data from the Energy Information Administration.
- Exports were revised up, primarily based on newly available Census goods data for December.

The price index for gross domestic purchases increased 2.1 percent in the fourth quarter, the same increase as in the advance estimate.

Revisions to Wages and Salaries and Disposable Personal Income

In addition to presenting revised estimates for the fourth quarter, today's release also presents revised estimates of third-quarter wages and salaries, personal taxes, and contributions for government social insurance. Wage and salary disbursements are now estimated to have increased \$54.9 billion in the third quarter, an upward revision of \$2.9 billion. These estimates reflect newly

available wage and salary tabulations for the third quarter from the BLS quarterly census of employment and wages. These data are more comprehensive than the monthly employment and earnings data that were used for the earlier estimates—the QCEW data include irregular pay, such as bonuses and gains from the exercise of stock options.

Real disposable personal income is now estimated to have increased 1.0 percent in the third quarter and 1.4 percent in the fourth. (By comparison, the estimates that were available last month showed increases of 0.9 percent in the third quarter and 1.7 percent in the fourth.)

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Table A.--SOURCE DATA FOR THE ADVANCE AND SECOND ESTIMATES OF GDP FOR THE FOURTH QUARTER OF 2010

This table shows the actual data used for the second estimate of GDP for the fourth quarter of 2010. For these key series, actual data for December were not available in time for inclusion in the advance GDP estimate released on January 28, 2011, and BEA made assumptions for these source data. The numbers in brackets show the December values that had been assumed for the advance estimate. For most series, the data incorporated for November and, in some cases, for October, were preliminary, and the numbers shown in brackets are the values used last month.

All series shown in the table are in billions of dollars, seasonally adjusted at annual rates, and are published by the Bureau of the Census.

	2010					
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Private fixed investment:						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	252.3	253.3	258.3	260.0 {256.3}	261.9 {256.1}	260.5 {256.2}
Equipment and software:						
2 Manufacturers' shipments of complete aircraft.....	47.9	40.0	32.3	34.9	31.3 {31.3}	34.6 {32.0}
Residential structures:						
Value of new residential construction put in place:						
3 Single family.....	115.1	110.2	107.2	106.5 {106.4}	106.8 {107.1}	107.4 {106.1}
4 Multifamily.....	13.8	13.1	13.8	13.5 {13.6}	14.1 {14.0}	13.4 {13.9}
Change in private inventories:						
NOTE: Historical (July-October) data may reflect concurrent seasonal factors.						
5 Change in inventories for nondurable manufacturing.....	46.3 {46.8}	-5.2 {-5.0}	43.2 {43.5}	41.7 {41.2}	25.5 {25.8}	45.3 {36.1}
5a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	71.1 {69.9}	60.3 {55.7}	93.6 {92.1}	96.1 {95.0}	-6.3 {-8.9}	72.0 {90.0}
Net exports:						
Exports of goods:						
6 U.S. exports of goods, international-transactions-accounts basis.....	1294.4	1293.0	1295.5	1348.1	1364.8 {1361.9}	1398.7 {1373.1}
6a Excluding gold.....	1277.3	1267.6	1278.0	1328.2	1349.8 {1346.9}	1380.8 {1357.8}
Imports of goods:						
7 U.S. imports of goods, international-transactions-accounts basis.....	1953.0	1999.9	1978.9	1959.2	1980.3 {1976.0}	2041.5 {2040.9}
7a Excluding gold.....	1942.9	1990.3	1967.6	1946.0	1963.2 {1959.5}	2016.1 {2024.0}
8 Net exports of goods.....	-658.5	-706.9	-683.4	-611.0	-615.5 {-614.1}	-642.8 {-667.8}
8a Excluding gold.....	-665.6	-722.7	-689.6	-617.8	-613.4 {-612.6}	-635.3 {-666.3}
Government:						
State and local:						
Structures:						
9 Value of new construction put in place.....	278.9	285.0	285.0	281.6 {283.5}	277.4 {283.1}	272.4 {283.3}