



**Technical Note**  
Gross Domestic Product  
First Quarter of 2013 (Second Estimate)  
May 30, 2013

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 first quarter is available on BEA's Web site at [www.bea.gov](http://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**

Real GDP increased 2.4 percent (annual rate) in the first quarter, a downward revision of 0.1 percentage point from the advance estimate. The downward revision to the percent change in real GDP is smaller than the average revision from the advance to second estimate of 0.5 percentage point. The revision reflected downward revisions to private inventory investment, to exports, and to state and local government spending that were partly offset by a downward revision to imports and an upward revision to consumer spending.

- The downward revision to private inventory investment primarily reflected downward revisions to retail trade inventories and to "other" industry inventories. The revised estimates reflected newly available Census Bureau nondurable manufacturing and trade inventory data for March, revised data for February, and preliminary first-quarter Census quarterly financial report data for mining industries and for information industries. Benchmarked Census manufacturing inventories data were also incorporated on a best-change basis. (BEA applies the "best change" to the level of inventories.)
- The revisions to exports and imports were mainly based on newly available Census goods data for March and revised data for February.
- The downward revision to state and local government investment was more than accounted for by a downward revision to structures that was based on newly available Census construction spending for March and revised data for January and February.
- The upward revision to consumer spending reflected an upward revision to spending on motor vehicle fuels that was based on newly available February gasoline supply data from the Energy Information Administration.

The price index for gross domestic purchases increased 1.2 percent in the first quarter, an upward revision of 0.1 percentage point. The revision was mostly accounted for by an upward revision to PCE prices for financial services and reflected the incorporation of newly available commercial bank call report data.

### **Gross Domestic Income and Corporate Profits**

Real gross domestic income (GDI), which measures the output of the economy as the costs incurred and the incomes earned in the production of GDP, increased 2.5 percent in the first quarter. Real GDI increased 5.5 percent, and real GDP increased 0.4 percent, in the previous quarter. For a given quarter, the estimates of GDP and GDI may differ for a variety of reasons, mainly on their reliance on different and independent source data. However, over longer time spans, the estimates of GDP and GDI tend to follow similar patterns of change. For the year 2012, real GDP and real GDI both increased 2.2 percent.

Profits from current production decreased \$43.8 billion, or 2.2 percent (quarterly rate), in the first quarter. Domestic profits of financial corporations decreased \$2.0 billion, domestic profits of nonfinancial corporations decreased \$8.8 billion, and rest-of-the-world profits decreased \$33.0 billion.

### **Revisions to Wages and Salaries, Disposable Personal Income, and GDI**

In addition to presenting revised estimates for the first quarter, today's release also presents revised estimates of fourth-quarter wages and salaries, personal taxes, and contributions for government social insurance. Wage and salary disbursements are now estimated to have increased \$171.7 billion in the fourth quarter of 2012, an upward revision of \$100.9 billion. These estimates reflect newly available wage and salary tabulations for the fourth quarter from the BLS quarterly census of employment and wages (QCEW). 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, which were substantial for the fourth-quarter as some companies accelerated bonus payments and other types of irregular pay in anticipation of tax law changes.

Real disposable personal income is now estimated to have increased 8.9 percent (annual rate) in the fourth quarter and to have decreased 8.4 percent in the first. (By comparison, the estimates that were available last month showed an increase of 6.2 percent in the fourth quarter and a decrease of 5.3 percent in the first.)

The revision to fourth-quarter wages and salaries also resulted in a revision to GDI. Real GDI is now estimated to have increased 5.5 percent in the fourth quarter, an upward revision of 2.9 percentage points.

### **Comprehensive NIPA Revision Scheduled for July 31**

On July 31, 2013, BEA will present the results of its comprehensive revision of the national income and product accounts (NIPAs). A series of articles in the *Survey of Current Business* discusses the revision in detail; these articles and other information about the revision are available on the BEA Web site at [www.bea.gov/GDP-revisions](http://www.bea.gov/GDP-revisions).

As part of this comprehensive revision, BEA will:

- Incorporate the results of the 2007 Benchmark Input-Output Accounts;
- Recognize expenditures on research and development and on entertainment, literary, and artistic originals as fixed investment;
- Measure the transactions of defined benefit pension plans on an accrual accounting basis and recognize the cost of unfunded liabilities;
- Update the reference year for chain-type quantity and price indexes and chained-dollar estimates to 2009 from 2005.

Nicole M. Mayerhauser  
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**Table A.--SOURCE DATA FOR THE ADVANCE AND SECOND  
ESTIMATES OF GDP FOR THE FIRST QUARTER OF 2013**

This table shows the actual data used for the second estimate of GDP for the first quarter of 2013. For these key series, actual data for March were not available in time for inclusion in the advance GDP estimate released on April 26, 2013, and BEA made assumptions for these source data. The numbers in brackets show the March values that had been assumed for the advance estimate. For most series, the data incorporated for February and, in some cases, for January 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.

	2012			2013		
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<b>Private fixed investment:</b>						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	302.1	318.6	327.5	305.8 {308.3}	308.2 {309.6}	303.5 {309.0}
Residential structures:						
Value of new residential construction put in place:						
2 Single family.....	141.5	144.5	146.3	151.3 {151.6}	159.4 {158.1}	162.0 {162.4}
3 Multifamily.....	23.9	24.4	26.0	27.8 {27.6}	27.5 {27.0}	27.5 {27.7}
<b>Change in private inventories:</b>						
NOTE: Historical (Oct.–Jan.) data may reflect concurrent seasonal factors.						
4 Change in inventories for nondurable manufacturing.....	-27.4 {-16.7}	-14.0 {-8.8}	7.6 {5.1}	20.1 {31.1}	-0.9 {-5.0}	12.4 {6.2}
4a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	51.9 {52.2}	38.1 {40.3}	30.7 {30.8}	114.8 {116.2}	1.4 {2.6}	-9.9 {19.9}
<b>Net exports:</b>						
Exports of goods:						
5 U.S. exports of goods, international-transactions-accounts basis.....	1531.3	1553.0	1593.8	1570.2	1586.1 {1586.2}	1564.1 {1582.9}
5a Excluding gold.....	1504.0	1519.1	1544.8	1529.8	1542.3 {1542.5}	1514.7 {1544.2}
Imports of goods:						
6 U.S. imports of goods, international-transactions-accounts basis.....	2239.6	2338.9	2266.7	2310.6	2315.2 {2308.9}	2237.9 {2298.2}
6a Excluding gold.....	2221.6	2316.0	2247.9	2290.2	2301.0 {2294.9}	2222.2 {2279.3}
7 Net exports of goods.....	-708.3	-785.9	-672.9	-740.4	-729.1 {-722.7}	-673.7 {-715.3}
7a Excluding gold.....	-717.6	-796.9	-703.1	-760.4	-758.7 {-752.4}	-707.5 {-735.1}
<b>Government:</b>						
State and local:						
Structures:						
8 Value of new construction put in place.....	248.3	249.7	244.2	241.4 {245.3}	245.8 {248.1}	235.3 {246.7}