



Technical Note
Gross Domestic Product
Third Quarter of 2013 (Advance)
November 7, 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 third 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").

Real GDP

Real GDP increased 2.8 percent (annual rate) in the third quarter of 2013, following an increase of 2.5 percent in the second quarter. The acceleration in real GDP growth in the third quarter reflected a deceleration in imports and accelerations in private inventory investment and in state and local government spending that were partly offset by decelerations in exports, in nonresidential fixed investment, and in consumer spending.

Source Data for the Advance Estimate

Because of the partial federal government shutdown that took place from October 1 through 16, the release dates for the advance estimate of GDP and for many of the source data series that are used in the compilation of GDP were delayed. Nevertheless, in preparing this advance estimate of GDP, BEA was able to incorporate all of the major source data that would normally be available. The second estimate of GDP for the third quarter will be released on December 5, 2013.

The advance GDP estimate for the third quarter of 2013 is based on source data that are incomplete and subject to revision. Three months of source data were available for consumer spending on goods; shipments of capital equipment; motor vehicle sales and inventories; durable and nondurable manufacturing inventories; federal government outlays; and consumer, producer, and international prices. Only two months of data were available for most other key data sources; BEA's assumptions for the third month are shown in table A. Among those assumptions are the following:

- a decrease in non-motor-vehicle merchant wholesale and retail inventories,
- an increase in exports of goods, excluding gold, and
- an increase in imports of goods, excluding gold.

Federal Government Furloughs

The estimates of federal government spending in the third quarter reflect the effects of administrative furloughs associated with sequestration. For example, approximately 640,000 of the Department of Defense's civilian workers were furloughed for six days in July and August. The furloughs reduced federal government spending by about \$5.5 billion (annual rate) in the third quarter.

Prices

The price index for gross domestic purchases—the prices paid by U.S. residents for goods and services wherever produced—increased 1.8 percent in the third quarter after increasing 0.2 percent in the second. Excluding food and energy prices, the price index for gross domestic purchases increased 1.5 percent after increasing 0.8 percent.

Disposable Personal Income

Real disposable personal income increased 2.5 percent in the third quarter, following an increase of 3.5 percent in the second. The personal saving rate was 4.7 percent in the third quarter, compared with 4.5 percent in the second.

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**Table A. KEY ASSUMPTIONS FOR THE ADVANCE ESTIMATE OF GDP
FOR THE THIRD QUARTER OF 2013**

For many of the key series used to prepare the advance estimate of GDP, including retail sales, unit automobile and truck sales and inventories, manufacturers' shipments of nondefense capital goods, manufacturers' inventories of durable and nondurable goods, federal defense spending, and consumer, producer, and international price indexes, actual data are available for all months of the quarter.

For the key series shown in this table, actual data for the third month of the quarter usually are not available in time for inclusion in the advance GDP estimate. BEA makes assumptions for the source data that are not yet available; assumptions for September 2013 are shown in the last column of the table. For most series shown, the data for August are preliminary and subject to further revision. Occasionally, the data for earlier months are also subject to revision.

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

	2013					
	Apr.	May	Jun.	Jul.	Aug.	Sep.*
Private fixed investment:						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	291.6	295.7	289.2	299.9	300.3	300.1
Residential structures:						
Value of new residential construction put in place:						
2 Single family.....	165.6	167.4	168.2	169.0	171.8	175.3
3 Multifamily.....	30.8	31.6	31.6	31.3	32.2	32.9
Change in private inventories:						
NOTE: Historical (Apr.–Jul.) data may reflect concurrent seasonal factors.						
4 Change in inventories for nondurable manufacturing.....	-1.1	-2.9	7.6	3.6	14.7	-5.2**
4a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	5.8	-22.5	-6.7	38.3	32.1	-7.6
Net exports:						
Exports of goods:						
5 U.S. exports of goods, international-transactions-accounts basis.....	1570.9	1560.3	1605.7	1592.3	1589.2	1611.6
5a Excluding gold.....	1525.9	1529.0	1570.4	1552.1	1559.6	1576.7
Imports of goods:						
6 U.S. imports of goods, international-transactions-accounts basis.....	2273.2	2317.2	2254.4	2289.5	2287.9	2317.0
6a Excluding gold.....	2257.0	2298.6	2237.3	2274.3	2271.0	2301.0
7 Net exports of goods.....	-702.3	-756.8	-648.7	-697.2	-698.6	-705.4
7a Excluding gold.....	-731.1	-769.7	-666.9	-722.2	-711.5	-724.3
Government:						
State and local:						
Structures:						
8 Value of new construction put in place.....	240.1	245.3	249.0	249.6	251.6	250.6

*Assumption unless otherwise noted.

**Not an assumption; reflects data from the Census Bureau.