



Technical Note
Gross Domestic Product
Fourth Quarter of 2013 (Second Estimate)
February 28, 2014

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 online 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 fourth quarter, a downward revision of 0.8 percentage point from the advance estimate. The revision reflected downward revisions to consumer spending, to private inventory investment, to exports, and to state and local government spending that were partly offset by an upward revision to nonresidential fixed investment.

- The downward revision to consumer spending reflected downward revisions to both goods and services. These revisions reflected revised Census Bureau retail sales data for November and December and revised Bureau of Labor Statistics (BLS) seasonally adjusted consumer price indexes used for deflation.
- The largest contributor to the downward revision in private inventory investment was a downward revision to wholesale trade inventories, which reflected the incorporation of newly available Census Bureau inventory data for December and revised data for October and November.
- The downward revision to exports was mainly to goods and was based on newly available Census goods data for December.
- The downward revision to state and local government spending reflected a downward revision to investment in structures, which was based on newly available Census Bureau construction spending data for December and revised data for October and November.
- The upward revision to nonresidential fixed investment primarily reflected upward revisions to equipment and to intellectual property products. The largest contributors to the revision in equipment were revisions to information processing equipment and transportation equipment, which were based on newly available Census export and import data for December. The revision to intellectual property products was mainly to software, based on newly available company revenue data for the fourth quarter.

The price index for gross domestic purchases increased 1.8 percent in the fourth quarter, an upward revision of 0.3 percentage point. This revision was mostly due to prices for personal consumption expenditures and reflected revised BLS seasonally adjusted consumer price indexes and the incorporation of newly available commercial bank call report data.

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

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. Wages and salaries are now estimated to have increased \$45.2 billion in the third quarter of 2013, a downward revision of \$0.9 billion. These estimates reflect newly available wage and salary tabulations for the third 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.

Real disposable personal income is estimated to have increased 3.0 percent (annual rate) in the third quarter and 0.7 percent in the fourth. By comparison, the estimates that were available last month showed an increase of 3.0 percent in the third quarter and an increase of 0.8 percent in the fourth. Real gross domestic income grew 1.8 percent in the third quarter, the same as the estimate that was available last month. The estimate of real gross domestic income for the fourth quarter will be available with the third GDP estimate on March 27.

Brent R. Moulton
Associate Director for National Economic Accounts
Bureau of Economic Analysis
(202) 606-9606

Table A.--SOURCE DATA FOR THE ADVANCE AND SECOND ESTIMATES OF GDP FOR THE FOURTH QUARTER OF 2013

This table shows the actual data used for the second estimate of GDP for the fourth quarter of 2013. For these key series, actual data for December were not available in time for inclusion in the advance GDP estimate released on January 30, 2014, 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 Census Bureau.

		2013					
		Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Private fixed investment:							
Nonresidential structures:							
1	Value of new nonresidential construction put in place.....	302.9	303.2	304.1	306.1 {305.7}	313.4 {313.9}	311.3 {309.8}
Residential structures:							
Value of new residential construction put in place:							
2	Single family.....	169.2	171.6	172.4	172.2 {171.7}	175.7 {174.8}	181.7 {178.0}
3	Multifamily.....	30.7	32.3	33.8	34.9 {34.9}	35.4 {35.2}	35.6 {35.9}
Change in private inventories:							
NOTE: Historical (Jul.–Oct.) data may reflect concurrent seasonal factors.							
4	Change in inventories for nondurable manufacturing.....	1.0 {1.3}	11.1 {11.5}	-14.8 {-14.2}	-8.8 {-8.6}	-7.0 {-7.3}	-0.8 {-0.6}
4a	Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	39.7 {40.5}	39.3 {39.8}	57.3 {60.6}	82.3 {75.6}	63.7 {62.6}	26.1 {44.4}
Net exports:							
Exports of goods:							
5	U.S. exports of goods, international-transactions-accounts basis.....	1596.0	1592.5	1589.9	1629.7	1644.6 {1644.8}	1593.1 {1628.8}
5a	Excluding gold.....	1555.8	1562.8	1568.3	1602.2	1626.9 {1626.8}	1574.9 {1606.0}
Imports of goods:							
6	U.S. imports of goods, international-transactions-accounts basis.....	2289.3	2287.6	2335.8	2332.6	2295.4 {2292.0}	2298.9 {2285.5}
6a	Excluding gold.....	2274.1	2270.8	2322.3	2315.3	2281.1 {2277.9}	2284.6 {2269.8}
7	Net exports of goods.....	-693.3	-695.1	-746.0	-702.9	-650.8 {-647.3}	-705.8 {-656.7}
7a	Excluding gold.....	-718.3	-707.9	-754.0	-713.1	-654.2 {-651.1}	-709.7 {-663.7}
Government:							
State and local:							
Structures:							
8	Value of new construction put in place.....	251.8	254.2	249.3	252.6 {256.2}	249.9 {251.9}	243.2 {254.0}