



Technical Note
Gross Domestic Product
Fourth Quarter of 2008 (Preliminary)
February 27, 2009

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

Real GDP decreased 6.2 percent (annual rate) in the fourth quarter (that is, from the third quarter to the fourth). This estimate is a downward revision from the advance estimate that was released last month, which showed a decrease of 3.8 percent.

- Inventory investment was revised down, reflecting newly available Census inventory data for December and revised data for November. The revision was primarily to manufacturing and wholesale trade inventories.
- Exports were revised down, reflecting newly available Census goods data for December.
- Consumer spending was revised down, reflecting newly available Energy Information Administration data on gasoline sales and natural gas usage for November, revised Census data on retail sales for November and December, and revised Bureau of Labor Statistics seasonally adjusted consumer price indexes that were used for deflation.

The price index for gross domestic purchases decreased 4.1 percent in the fourth quarter, which was 0.5 percentage point less of a decrease than in the advance estimate. This revision reflected an upward revision to the price index for personal consumption expenditures, which in turn reflected the revised BLS consumer price indexes.

Revisions to Wages and Salaries and Disposable Personal Income

In addition to presenting preliminary 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 \$50.5 billion in the third quarter, an upward revision of \$11.7 billion. These estimates reflect newly available wage and salary tabulations for the third quarter from the Bureau of Labor Statistics 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--they include the pay of supervisors and irregular pay, such as bonuses and gains from the exercise of stock options.

Real disposable personal income is now estimated to have decreased 8.5 percent in the third quarter and to have increased 3.4 percent in the fourth. (By comparison, the estimates that were available last month showed a decrease of 8.8 percent in the third quarter and an increase of 3.3 percent in the fourth.) The large decrease in DPI in the third quarter reflected the rebate payments to individuals from the Economic Stimulus Act of 2008, which added \$311.6 billion (annual rate) to second quarter current-dollar DPI.

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Table A.--SOURCE DATA FOR THE ADVANCE AND PRELIMINARY ESTIMATES OF GDP FOR THE FOURTH QUARTER OF 2008

This table shows the actual data used for the preliminary estimate of GDP for the fourth quarter of 2008. For these key series, actual data for December were not available in time for inclusion in the advance GDP estimate released on January 30, 2009, 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.

	2008					
	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Private fixed investment:						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	417.0	416.1	426.9	423.1 {425.1}	419.7 {428.2}	417.9 {426.6}
Equipment and software:						
2 Manufacturers' shipments of complete aircraft.....	41.9	47.9	24.6	16.7	16.5 {14.3}	44.5 {39.6}
Residential structures:						
Value of new residential construction put in place:						
3 Single family.....	185.1	177.6	169.6	162.0 {161.9}	152.2 {151.2}	139.9 {138.5}
4 Multifamily.....	47.1	44.0	44.5	43.7 {44.4}	42.4 {43.5}	41.0 {39.9}
Change in private inventories:						
5 Change in inventories for nondurable manufacturing.....	4.6	10.4	-62.2	-57.0	-45.9 {-40.7}	-114.9 {-69.6}
5a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	91.3	20.5	-4.8	-66.7	-116.3 {-82.3}	-122.5 {-119.9}
Net exports:						
Exports of goods:						
6 U.S. exports of goods, international-transactions-accounts basis.....	1448.9	1413.6	1292.7	1256.5	1164.5 {1166.6}	1064.7 {1141.8}
6a Excluding gold.....	1426.7	1402.3	1273.0	1242.2	1151.2 {1153.3}	1052.2 {1131.0}
Imports of goods:						
7 U.S. imports of goods, international-transactions-accounts basis.....	2344.5	2272.5	2133.4	2091.3	1804.0 {1795.9}	1683.5 {1698.6}
7a Excluding gold.....	2331.0	2265.4	2115.7	2082.9	1797.3 {1789.2}	1678.7 {1694.1}
8 Net exports of goods.....	-895.6	-858.9	-840.6	-834.8	-639.5 {-629.3}	-618.8 {-556.8}
8a Excluding gold.....	-904.3	-863.2	-842.7	-840.7	-646.1 {-635.9}	-626.5 {-563.1}
Government:						
State and local:						
Structures:						
9 Value of new construction put in place.....	284.6	291.4	288.7	290.3 {292.3}	292.7 {295.2}	288.4 {293.7}