



Technical Note
Gross Domestic Product
First Quarter of 2009 (Final)
June 25, 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 first 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 5.5 percent (annual rate) in the first quarter (that is, from the fourth quarter to the first), which was 0.2 percentage point less of a decrease than the preliminary estimate. The revision reflected a downward revision to imports and an upward revision to inventory investment that were partly offset by downward revisions to exports and to personal consumption expenditures for services:

- The downward revisions to exports and imports were based on the incorporation of the annual revision of the international transactions accounts on a best-change basis.
- The upward revision to inventory investment reflected newly available data on mining inventories from the Census Bureau *Quarterly Financial Report*.
- The downward revision to consumer spending for services was primarily to electricity and gas services, reflecting newly available Energy Information Administration data on gas and electricity usage.

The price index for gross domestic purchases—the prices paid by U.S. residents for goods and services, wherever produced—decreased 1.0 percent in the first quarter, the same as in the preliminary estimate.

Corporate Profits

Profits from current production increased \$48.1 billion, or 3.8 percent (quarterly rate), in the first quarter. Domestic profits of financial corporations increased \$113.7 billion, domestic profits of nonfinancial corporations decreased \$49.0 billion, and rest-of-the-world profits decreased \$16.6 billion in the first quarter.

Comprehensive NIPA Revision Scheduled for July 31

On July 31, 2009, BEA plans to release the results of its latest comprehensive revision of the national income and product accounts. 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 <http://www.bea.gov/national/an1.htm>. The latest article in the series, taken from the May *Survey*, describes statistical changes that will improve the quality of the NIPA estimates by incorporating data from new sources and by introducing new estimation methods and techniques.

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