



Technical Note
Gross Domestic Product
Second Quarter of 2012 (Second Estimate)
August 29, 2012

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 second 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 increased 1.7 percent (annual rate) in the second quarter, an upward revision of 0.2 percentage point from the advance estimate. The upward revision to real GDP primarily reflected a downward revision to imports and an upward revision to consumer spending that were partly offset by a downward revision to inventory investment.

- The downward revision to imports was primarily to goods and reflected newly available Census Bureau goods data for June and revised data for May.
- The upward revision to consumer spending reflected an upward revision to services. Within services, the largest contributor to the revision was an upward revision to electricity and gas, based on newly available usage and unit value data from the Energy Information Administration (EIA) for May and revised data for April.
- The downward revision to inventory investment primarily reflected downward revisions to wholesale trade inventories and to mining, utilities, and construction inventories that were partly offset by an upward revision to retail trade inventories. The revisions were based on newly available Census Bureau inventory data for June and revised data for May, Census Bureau Quarterly Financial Report data (for mining), and EIA data (for utilities).

The price index for gross domestic purchases increased 0.8 percent in the second quarter, an upward revision of 0.1 percentage point.

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 0.6 percent in the second quarter. For a given quarter, the estimates of GDP and GDI may differ for a variety of reasons, including the incorporation of largely independent source data. However, over longer time spans, the estimates of GDP and GDI tend to follow similar patterns of change.

Profits from current production before taxes increased \$10.4 billion, or 0.5 percent (quarterly rate), in the second quarter. Domestic profits of financial corporations decreased \$39.2 billion, domestic profits of nonfinancial corporations increased \$30.4 billion, and rest-of-the-world profits increased \$19.2 billion.

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

In addition to presenting revised estimates for the second quarter, today's release also presents revised estimates of first-quarter wages and salaries, personal taxes, and contributions for government social insurance. Wage and salary disbursements are now estimated to have increased \$133.5 billion in the first quarter of 2012, an upward revision of \$10.2 billion. These estimates reflect newly available wage and salary tabulations for the first quarter from the BLS quarterly census of employment and wages (QCEW). (Last month's estimate reflected BLS wage and salary tabulations for 19 states.) 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 now estimated to have increased 3.7 percent in the first quarter and 3.1 percent in the second. (By comparison, the estimates that were available last month showed an increase of 3.4 percent in the first quarter and an increase of 3.2 percent in the second.)

The revision to first-quarter wages and salaries also results in a revision to GDI. Real GDI is now estimated to have increased 3.8 percent in the first quarter, an upward revision of 0.3 percentage point.

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Table A.--SOURCE DATA FOR THE ADVANCE AND SECOND ESTIMATES OF GDP FOR THE SECOND QUARTER OF 2012

This table shows the actual data used for the second estimate of GDP for the second quarter of 2012. For these key series, actual data for June were not available in time for inclusion in the advance GDP estimate released on July 27, 2012, and BEA made assumptions for these source data. The numbers in brackets show the June values that had been assumed for the advance estimate. For most series, the data incorporated for May and, in some cases, for April 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					
	Jan.	Feb.	Mar.	Apr.	May	Jun.
Private fixed investment:						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	297.9	291.9	295.3	298.2 {298.0}	302.1 {299.1}	302.3 {298.5}
Residential structures:						
Value of new residential construction put in place:						
2 Single family.....	115.6	117.8	117.7	119.6 {119.1}	122.2 {121.3}	125.9 {125.5}
3 Multifamily.....	17.1	17.8	18.0	19.6 {19.3}	21.0 {20.5}	21.7 {21.2}
Change in private inventories:						
NOTE: Historical (Jan.-Apr.) data may reflect concurrent seasonal factors.						
4 Change in inventories for nondurable manufacturing.....	14.7 {15.0}	5.4 {6.1}	-6.1 {-5.8}	-20.1 {-20.9}	-29.9 {-29.1}	-20.1 {-18.8}
4a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	43.0 {43.7}	64.2 {66.5}	15.2 {15.2}	25.1 {25.0}	21.9 {31.7}	-0.6 {35.8}
Net exports:						
Exports of goods:						
5 U.S. exports of goods, international-transactions-accounts basis.....	1535.5	1541.1	1585.5	1568.4	1571.4 {1568.6}	1593.4 {1577.9}
5a Excluding gold.....	1492.6	1500.7	1544.9	1527.2	1540.6 {1538.0}	1555.4 {1536.6}
Imports of goods:						
6 U.S. imports of goods, international-transactions-accounts basis.....	2338.0	2261.8	2395.8	2350.4	2326.6 {2331.0}	2283.8 {2323.2}
6a Excluding gold.....	2321.7	2245.7	2381.2	2333.1	2308.7 {2313.0}	2266.8 {2306.8}
7 Net exports of goods.....	-802.5	-720.8	-810.3	-782.0	-755.2 {-762.4}	-690.4 {-745.3}
7a Excluding gold.....	-829.1	-745.0	-836.3	-805.8	-768.0 {-775.0}	-711.4 {-770.1}
Government:						
State and local:						
Structures:						
8 Value of new construction put in place.....	251.1	249.4	245.9	247.3 {245.1}	247.3 {242.6}	247.8 {243.8}