



**Technical Note**  
Gross Domestic Product  
Third Quarter of 2005 (Preliminary)  
November 30, 2005

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](http://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 ("The Business Situation").

### **Sources of Revision to Real GDP**

Real GDP growth in the third quarter was revised from 3.8 percent to 4.3 percent.

- C Investment in residential housing was revised up, reflecting newly available Census Bureau construction data for September and revised data for July and August.
- C Consumer spending for nondurable goods was revised up, reflecting revised Census retail sales data for August and September.
- C Investment in equipment and software was revised up, reflecting newly available Census aircraft shipments data for September and newly available motor vehicle registration data for September.
- C Investment in nonresidential structures was revised up, reflecting the newly available Census construction data for September and revised data for July and August.

These revisions were partly offset by an upward revision to imports, reflecting newly available Census goods data for September.

### **Revisions to Wages and Salaries and Related Series**

In addition to presenting preliminary estimates for the third quarter, today's news release also presents revised second-quarter estimates of wages and salaries, personal taxes, and contributions for government social insurance that are based on preliminary data from the Bureau of Labor Statistics quarterly census of employment and wages.

Wage and salary disbursements are now estimated to have increased \$42.4 billion in the second quarter, a downward revision of \$37.9 billion. Real disposable personal income is now estimated to have increased 0.2 percent in the second quarter and to have decreased 0.7 percent in the third. (By comparison, the estimates that were available last month showed an increase of 1.5 percent in the second quarter and a decrease of 0.9 percent in the third.)

## **Corporate Profits**

Profits from current production decreased \$45.5 billion, or 3.4 percent, in the third quarter, after increasing \$59.3 billion, or 4.6 percent, in the second.

Third-quarter profits from current production were reduced by \$151.2 billion (at an annual rate) because of Hurricanes Katrina and Rita, reflecting the net benefits paid by domestic insurance companies and the uninsured losses of corporate property. For further information on the treatment of the hurricanes in the national accounts, see the FAQs available on BEA's Web site, [www.bea.gov](http://www.bea.gov).

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**Table A.--SOURCE DATA FOR THE ADVANCE AND PRELIMINARY ESTIMATES OF GDP FOR THE THIRD QUARTER OF 2005**

This table shows the actual data used for the preliminary estimate of GDP for the third quarter of 2005. For these key series, actual data for September were not available in time for inclusion in the advance GDP estimate released on October 28, 2005, and BEA made assumptions for these source data. The numbers in brackets show the September values that had been assumed for the advance estimate. For most series, the data incorporated for August and, in some cases, for July, 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.

	2005					
	Apr.	May	Jun.	Jul.	Aug.	Sep.
<b>Private fixed investment:</b>						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	246.1	243.9	240.7	242.9 {241.8}	248.0 {243.8}	247.2 {242.8}
Equipment and software:						
2 Manufacturers' shipments of complete aircraft.....	39.8	25.5	27.7	29.6	40.2 {40.2}	14.4 {8.9}
Residential structures:						
Value of new residential construction put in place:						
3 Single family.....	404.8	410.1	416.5	421.7 {418.0}	425.2 {419.1}	431.2 {424.6}
4 Multifamily.....	44.4	45.5	45.8	46.3 {46.2}	46.3 {45.6}	46.7 {46.2}
<b>Change in private inventories:</b>						
5 Change in inventories for nondurable manufacturing.....	3.8	-11.6	16.3	5.0	-3.6 {0.4}	-1.1 {-9.4}
5a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	28.8	34.3	21.4	3.0	47.1 {48.8}	40.4 {16.6}
<b>Net exports:</b>						
Exports of goods:						
6 U.S. exports of goods, international-transactions-accounts basis.....	894.7	893.7	894.2	900.8	920.5 {920.1}	881.0 {885.2}
6a Excluding gold.....	889.3	888.2	888.5	895.8	915.2 {914.8}	875.2 {879.8}
Imports of goods:						
7 U.S. imports of goods, international-transactions-accounts basis.....	1642.4	1623.1	1660.1	1651.3	1689.2 {1686.1}	1734.5 {1709.5}
7a Excluding gold.....	1638.5	1618.9	1656.0	1647.6	1685.1 {1682.1}	1729.1 {1705.3}
8 Net exports of goods.....	-747.8	-729.4	-766.0	-750.5	-768.7 {-766.1}	-853.5 {-824.3}
8a Excluding gold.....	-749.3	-730.7	-767.5	-751.7	-769.9 {-767.3}	-853.9 {-825.5}
<b>Government:</b>						
State and local:						
Structures:						
9 Value of new construction put in place.....	226.4	230.6	229.8	229.7 {231.0}	231.1 {232.7}	231.9 {231.8}