

# Technical Note

## Gross Domestic Product Second Quarter of 2017 (Second Estimate)

August 30, 2017

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](http://www.bea.gov); a brief summary of "highlights" is also posted on the Web site. BEA's source data and assumptions for the "second" estimate are shown in a "[Key Source Data and Assumptions](#)" table on the BEA Web site. In a few weeks, the *Survey of Current Business*, BEA's online monthly journal, will publish a more detailed analysis of the estimates ("GDP and the Economy").

### Sources of Revision to Real GDP

Real GDP increased 3.0 percent (annual rate) in the second quarter of 2017, an upward revision of 0.4 percentage point from the "advance" estimate. The revision reflected upward revisions to consumer spending and to nonresidential fixed investment that were partly offset by a downward revision to state and local government spending.

- The upward revision to consumer spending was accounted for by goods and services, most notably, "other" services, motor vehicles and parts, and housing and utilities.
  - Within "other" services, the revision was accounted for by cellular telephone services reflecting newly available data from the Census Bureau Advance Quarterly Services Report.
  - The revision to motor vehicles and parts was to spending for used motor vehicles reflecting revised Census Bureau Monthly Retail Trade Survey data.
  - Within housing and utilities, the revision was accounted for by electricity and natural gas reflecting revised and newly available Energy Information Administration data.
- The upward revision to nonresidential fixed investment was primarily due to an upward revision in intellectual property products, specifically to software, based on newly available data from the Census Bureau Advance Quarterly Services Report.
- The downward revision to state and local government spending reflected a downward revision to gross investment in structures based on newly available and revised Census Bureau Value of Construction Put in Place data.

### **Gross Domestic Income and Corporate Profits**

Real gross domestic income (GDI), which measures output of the economy as the incomes earned and costs incurred in the production of goods and services (as measured by GDP), increased 2.9 percent in the second quarter. The average of real GDP and real GDI increased 3.0 percent.

Profits from current production increased \$26.8 billion, or 1.3 percent (quarterly rate), in the second quarter. Domestic profits of financial corporations decreased \$29.4 billion, domestic profits of nonfinancial corporations increased \$64.8 billion, and rest-of-the-world profits decreased \$8.6 billion.

### **Revisions to Wages and Salaries in the First Quarter**

In addition to presenting revised estimates for the second quarter, today's release presents revised estimates of first-quarter wages and salaries, personal taxes, and contributions for government social insurance. Wages and salaries are now estimated to have increased \$124.3 billion in the first quarter of 2017, an upward revision of \$2.1 billion. These estimates reflect revised wage and salary tabulations for the first quarter from the BLS Quarterly Census of Employment and Wages (QCEW). Real GDI is now estimated to have increased 2.7 percent in the first quarter, an upward revision of 0.1 percentage point.

### **Upcoming Publication Changes**

Beginning with the release of the advance estimate of GDP for the third quarter of 2017 (October 27, 2017), BEA will introduce several improvements to the publication of the National Income and Product Accounts. These changes include accelerating the release of underlying detail and improved formatting of data. Additional information, including a sample data file, will be posted to BEA's website in early September.

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