



**Technical Note**  
Gross Domestic Product  
First Quarter of 2009 (Preliminary)  
May 29, 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](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 ("GDP and the Economy").

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

Real GDP decreased 5.7 percent (annual rate) in the first quarter (that is, from the fourth quarter to the first). This estimate is an upward revision from the advance estimate that was released last month, which showed a decrease of 6.1 percent.

- Inventory investment was revised up, reflecting newly available Census Bureau inventory data for March and revised data for January and February.
- Exports were revised up, reflecting Census goods data and BEA services data, which were newly available for March and revised for February, and revised BLS export price indexes.
- Consumer spending was revised down, reflecting revised Census retail sales data for February and March and the incorporation of the 2007 Annual Retail Trade Survey on a best-change basis.

The price index for gross domestic purchases decreased 1.0 percent in the first quarter, the same as the advance estimate.

### **Corporate Profits**

Profits from current production increased \$42.6 billion, or 3.4 percent (quarterly rate), in the first quarter, after decreasing \$250.3 billion, or 16.5 percent, in the fourth.

### **Revisions to Wages and Salaries and Disposable Personal Income**

In addition to presenting preliminary estimates for the first quarter, today's release also presents revised estimates of fourth-quarter wages and salaries, personal taxes, and contributions for government social insurance. Wage and salary disbursements are now estimated to have decreased \$21.0 billion in the fourth quarter, a downward revision of \$8.6 billion. These estimates reflect newly available wage and salary tabulations for the fourth 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 increased 2.9 percent in the fourth quarter and to have increased 6.5 percent in the first. (By comparison, the

estimates that were available last month showed an increase of 2.7 percent in the fourth quarter and an increase of 6.2 percent in the first.)

### **Comprehensive NIPA Revision Scheduled for July 31**

On July 31, 2009, BEA will present the results of its comprehensive revision of the national income and product accounts (NIPAs). 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 comprehensive revision will incorporate the results of the 2002 Benchmark Input-Output Accounts, as well as other improvements to the definitions, classifications, and methodologies used in the accounts.

For the upcoming comprehensive revision, BEA is planning a number of major improvements, including the following:

- A new classification system will be introduced for personal consumption expenditures (PCE). It will provide more information on consumer spending for major categories such as financial services and recreation and will separately identify spending by households and by nonprofit institutions.
- BEA will change its treatment of disasters, such as hurricanes and earthquakes, to better distinguish current spending from transactions that are primarily used for capital investment, such as rebuilding activities.
- The estimates of PCE for consumer electronics will be improved by using retail point-of-sale scanner data to track the composition of spending.
- The estimates of wages and salaries will incorporate new information on employee contributions to "cafeteria plans," which allow employees to use a portion of their salaries on a pretax basis to pay for health insurance, medical care, or dependent care.
- The estimates of proprietors' income will incorporate improved adjustments for misreporting using the results of the IRS National Research Program.

The reference year for chain-type quantity and price indexes and chained-dollar estimates will be updated from 2000 to 2005.

Brent R. Moulton  
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**Table A.--SOURCE DATA FOR THE ADVANCE AND PRELIMINARY ESTIMATES OF GDP FOR THE FIRST QUARTER OF 2009**

This table shows the actual data used for the preliminary estimate of GDP for the first quarter of 2009. For these key series, actual data for March were not available in time for inclusion in the advance GDP estimate released on April 29, 2009, and BEA made assumptions for these source data. The numbers in brackets show the March values that had been assumed for the advance estimate. For most series, the data incorporated for February and, in some cases, for January, 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.

	<b>Oct.</b>	<b>2008 Nov.</b>	<b>Dec.</b>	<b>Jan.</b>	<b>2009 Feb.</b>	<b>Mar.</b>
<b>Private fixed investment:</b>						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	423.1	413.9	406.9	389.3 {389.5}	392.0 {390.7}	402.6 {390.1}
Equipment and software:						
2 Manufacturers' shipments of complete aircraft.....	16.7	16.5	44.9	50.6	32.8 {32.8}	37.0 {37.9}
Residential structures:						
Value of new residential construction put in place:						
3 Single family.....	162.0	151.8	138.7	126.3 {125.9}	112.4 {112.1}	102.8 {103.5}
4 Multifamily.....	43.7	41.9	40.1	38.9 {39.8}	38.4 {39.0}	38.0 {36.0}
<b>Change in private inventories:</b>						
5 Change in inventories for nondurable manufacturing.....	-57.0	-45.9	-137.7	-28.8	-28.3 {-30.8}	-0.8 {-33.6}
5a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	-52.7 {-53.2}	-101.8 {-106.2}	-117.5 {-122.8}	-50.4 {-53.5}	-67.0 {-54.3}	-66.8 {-109.0}
<b>Net exports:</b>						
Exports of goods:						
6 U.S. exports of goods, international-transactions-accounts basis.....	1256.5	1164.5	1065.1	986.9	1013.6 {1016.3}	983.5 {975.0}
6a Excluding gold.....	1242.2	1151.2	1052.5	971.3	1001.6 {1004.3}	969.5 {961.8}
Imports of goods:						
7 U.S. imports of goods, international-transactions-accounts basis.....	2091.3	1804.0	1680.2	1550.0	1459.0 {1458.6}	1443.7 {1460.1}
7a Excluding gold.....	2082.8	1797.3	1675.5	1544.4	1451.6 {1451.4}	1434.7 {1451.7}
8 Net exports of goods.....	-834.8	-639.6	-615.1	-563.1	-445.3 {-442.3}	-460.2 {-485.1}
8a Excluding gold.....	-840.6	-646.1	-623.0	-573.1	-449.9 {-447.0}	-465.2 {-489.9}
<b>Government:</b>						
State and local:						
Structures:						
9 Value of new construction put in place.....	290.3	290.1	279.1	276.0 {273.6}	279.3 {275.9}	283.0 {274.7}