



Technical Note
Gross Domestic Product
Second Quarter of 2011 (Second Estimate)
August 26, 2011

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 1.0 percent (annual rate) in the second quarter, a downward revision of 0.3 percentage point from the advance estimate. Downward revisions to inventory investment and to exports were partly offset by upward revisions to nonresidential fixed investment and to consumer spending.

- The downward revision to inventory investment reflected newly available and revised Census Bureau inventory data for June for manufacturing, wholesale trade, and retail trade industries.
- The downward revision to exports reflected newly available Census goods data for June and revised data for May.
- The upward revision to nonresidential fixed investment reflected upward revisions to nonresidential structures and to equipment and software. The revision to structures was based on newly available Census construction spending data for June and revised data for April and May. The revision to equipment and software was based on newly available software company revenue data for the second quarter, newly available Census imports and exports data for June, and revised Census manufacturing shipments data for June.
- The upward revision to consumer spending was to services and reflected upward revisions to financial services and insurance and to health care. The revision to financial services was based on newly available second-quarter and revised first-quarter Federal Reserve Board tabulations of *Call Report* data, and the revision to health care was based on revised BLS data on employment, hours, and earnings.

The price index for gross domestic purchases increased 3.3 percent in the second quarter, an upward revision of 0.1 percentage point. The upward revision to prices was primarily to personal consumption expenditures and reflected an upward revision to the price for financial services based on *Call Report* data.

Revisions to Wages and Salaries and Disposable Personal Income

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 \$101.2 billion in the first quarter of 2011, an upward revision of \$18.4 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 16 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 1.2 percent in the first quarter and 1.0 percent in the second. (By comparison, the estimates that were available last month showed increases of 0.7 percent in both the first and second quarters.)

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Table A.--SOURCE DATA FOR THE ADVANCE AND SECOND ESTIMATES OF GDP FOR THE SECOND QUARTER OF 2011

This table shows the actual data used for the second estimate of GDP for the second quarter of 2011. For these key series, actual data for June were not available in time for inclusion in the advance GDP estimate released on July 29, 2011, 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.

| | | 2011 | | | | | |
|--|---|----------------|----------------|------------------|------------------|--------------------|--------------------|
| | | Jan. | Feb. | Mar. | Apr. | May | Jun. |
| Private fixed investment: | | | | | | | |
| Nonresidential structures: | | | | | | | |
| 1 | Value of new nonresidential construction put in place..... | 244.5 | 245.3 | 249.9 | 250.1 {245.4} | 253.1 {248.3} | 257.7 {246.9} |
| Equipment and software: | | | | | | | |
| 2 | Manufacturers' shipments of complete aircraft..... | 31.6 | 34.4 | 28.4 | 36.6 | 31.8 {32.2} | 37.6 {36.4} |
| Residential structures: | | | | | | | |
| Value of new residential construction put in place: | | | | | | | |
| 3 | Single family..... | 108.0 | 107.0 | 105.9 | 105.6 {105.5} | 105.0 {105.2} | 105.3 {106.8} |
| 4 | Multifamily..... | 13.5 | 13.7 | 13.5 | 13.7 {13.5} | 13.6 {13.3} | 13.2 {13.5} |
| Change in private inventories: | | | | | | | |
| NOTE: Historical (January-April) data may reflect concurrent seasonal factors. | | | | | | | |
| 5 | Change in inventories for nondurable manufacturing..... | 51.2 {51.9} | 33.3 {33.6} | 21.8 {22.0} | 56.5 {56.1} | 0.0 {-0.9} | -2.6 {17.8} |
| 5a | Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment... | 74.1 {76.2} | 48.1 {47.9} | 104.3 {107.0} | 57.6 {60.9} | 90.5 {87.0} | 18.3 {62.2} |
| Net exports: | | | | | | | |
| Exports of goods: | | | | | | | |
| 6 | U.S. exports of goods, international-transactions-accounts basis..... | 1433.6 | 1408.8 | 1493.6 | 1518.5 | 1503.3 {1501.8} | 1454.5 {1493.6} |
| 6a | Excluding gold..... | 1411.0 | 1381.3 | 1461.4 | 1491.5 | 1475.1 {1473.7} | 1426.9 {1466.1} |
| Imports of goods: | | | | | | | |
| 7 | U.S. imports of goods, international-transactions-accounts basis..... | 2173.5 | 2125.3 | 2226.6 | 2216.4 | 2288.4 {2280.4} | 2265.4 {2264.2} |
| 7a | Excluding gold..... | 2161.9 | 2110.9 | 2208.6 | 2200.9 | 2273.0 {2265.6} | 2251.6 {2249.0} |
| 8 | Net exports of goods..... | -739.9 | -716.5 | -733.0 | -697.9 | -785.1 {-778.6} | -810.9 {-770.6} |
| 8a | Excluding gold..... | -750.9 | -729.7 | -747.3 | -709.4 | -797.9 {-791.9} | -824.6 {-783.0} |
| Government: | | | | | | | |
| State and local: | | | | | | | |
| Structures: | | | | | | | |
| 9 | Value of new construction put in place..... | 259.6 | 255.3 | 255.4 | 250.6 {249.6} | 250.9 {246.7} | 249.6 {248.1} |