



Technical Note
Gross Domestic Product
Second Quarter of 2015 (Second Estimate)
August 27, 2015

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 *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 3.7 percent (annual rate) in the second quarter, an upward revision of 1.4 percentage points from the advance estimate. The revision reflected upward revisions to nonresidential fixed investment, to private inventory investment, to state and local government spending, and to consumer spending and a downward revision to imports.

- The upward revision to nonresidential fixed investment reflected upward revisions to equipment, to structures, and to intellectual property products. Within equipment, the revision was primarily to communications equipment and was based on revised Census Bureau imports, exports, and shipments data for May and June. The revision to structures was primarily based on newly available Census construction spending data for June and revised data for April and May. The revision to intellectual property products was primarily to research and development and was based on newly available R&D expense data from company financial reports.
- The upward revision to inventory investment was primarily to retail trade industries and reflected newly available June and revised May Census inventory data.
- The upward revision to state and local government spending was primarily to investment in structures and was based on newly available Census construction data for June and revised data for April and May.
- The upward revision to consumer spending was primarily to goods and reflected revised Census retail sales data for May and June.
- The downward revision to imports was primarily to goods and reflected revised May and June Census goods data.

The price index for personal consumption expenditures increased 2.2 percent in the second quarter, the same increase as in the advance estimate.

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. The average of real GDP and real GDI increased 2.1 percent.

Profits from current production increased \$47.5 billion, or 2.4 percent (quarterly rate), in the second quarter. Domestic profits of financial corporations increased \$33.9 billion, domestic profits of nonfinancial corporations increased \$16.5 billion, and rest-of-the-world profits decreased \$2.9 billion.

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

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 \$49.8 billion in the first quarter of 2015, an upward revision of \$5.6 billion. These estimates reflect the most recently available wage and salary tabulations for the first quarter from the BLS quarterly census of employment and wages.

Real disposable personal income is now estimated to have increased 3.9 percent (annual rate) in the first quarter and increased 1.3 percent in the second. (By comparison, the estimates that were available last month showed an increase of 3.8 percent in the first quarter and an increase of 1.5 percent in the second.)

The revision to first-quarter wages and salaries also resulted in a revision to GDI. Real GDI is now estimated to have increased 0.4 percent in the first quarter, an upward revision of 0.1 percentage point.

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Table A. SOURCE DATA FOR THE ADVANCE AND SECOND ESTIMATES OF GDP FOR THE SECOND QUARTER OF 2015

This table shows the actual data used for the second estimate of GDP for the second quarter of 2015. For these key series, actual data for June were not available in time for inclusion in the advance GDP estimate released on July 30, 2015, and BEA made assumptions for these source data. The revisions for June are calculated from the values that had been assumed for the advance estimate. Other revisions are based on the source data that had been incorporated in the advance estimate.

All series shown in the table are in billions of dollars, seasonally adjusted at annual rates, and are published by the Census Bureau.

		2015					
		Jan.	Feb.	Mar.	Apr.	May	Jun.
Private fixed investment:							
Nonresidential structures:							
1	Value of new nonresidential construction put in place.....	357.2	360.2	372.2	390.4	400.0	394.8
	Revision.....	0.0	0.0	0.0	3.2	7.1	4.8
Residential structures:							
Value of new residential construction put in place:							
2	Single family.....	215.8	212.5	208.3	210.4	211.5	210.9
	Revision.....	0.0	0.0	0.0	1.1	2.1	-0.7
3	Multifamily.....	45.8	48.2	47.9	49.5	50.1	51.5
	Revision.....	0.0	0.0	0.0	0.8	1.4	2.3
Change in private inventories:							
NOTE: Historical (Jan.–Apr.) data reflect concurrent seasonal factors.							
4	Change in inventories for nondurable manufacturing.....	-69.9	-0.2	-9.9	2.9	15.0	10.2
	Revision.....	0.2	-0.2	0.2	0.5	4.0	10.2
5	Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment.....	13.3	27.2	15.9	36.2	41.6	81.7
	Revision.....	-1.2	0.7	2.4	3.8	-13.4	28.6
Government:							
State and local:							
Structures:							
6	Value of new construction put in place.....	252.6	249.2	254.1	265.6	270.2	276.0
	Revision.....	0.0	0.0	0.0	6.1	10.1	16.2

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