



Technical Note
Gross Domestic Product
Second Quarter of 2013 (Second Estimate)
August 29, 2013

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 2.5 percent (annual rate) in the second quarter, an upward revision of 0.8 percentage point from the advance estimate. The revision reflected an upward revision to exports, a downward revision to imports, and an upward revision to private inventory investment that were partly offset by a downward revision to state and local government spending.

- Both the upward revision to exports and the downward revision to imports were mainly based on newly available Census goods data for June and revised data for May.
- The upward revision to private inventory investment primarily reflected an upward revision to retail trade industries and reflected newly available Census Bureau inventory data for June.
- The downward revision to state and local government spending primarily reflected a downward revision to investment in structures, based on newly available Census Bureau construction spending data for June and revised data for April and May.

The price index for gross domestic purchases increased 0.3 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 2.5 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.

Profits from current production increased \$78.3 billion, or 3.9 percent (quarterly rate), in the second quarter. Domestic profits of financial corporations increased \$14.3 billion, domestic profits of nonfinancial corporations increased \$50.4 billion, and rest-of-the-world profits increased \$13.6 billion.

Dividends paid by corporations increased \$273.8 billion in the second quarter, in contrast to a decrease of \$103.8 billion in the first. The large second-quarter increase primarily reflected dividends paid by Fannie Mae to the federal government.

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

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. Wages and salaries are now estimated to have decreased \$46.2 billion in the first quarter of 2013, an upward revision of \$10.7 billion. These estimates reflect newly available wage and salary tabulations for the first quarter from the BLS quarterly census of employment and wages (QCEW). 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 decreased 7.9 percent (annual rate) in the first quarter and to have increased 3.2 percent in the second. (By comparison, the estimates that were available last month showed a decrease of 8.2 percent in the first quarter and an increase of 3.4 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 2.4 percent in the first quarter, an upward revision of 0.2 percentage point.

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Table A.--SOURCE DATA FOR THE ADVANCE AND SECOND ESTIMATES OF GDP FOR THE SECOND QUARTER OF 2013

This table shows the actual data used for the second estimate of GDP for the second quarter of 2013. For these key series, actual data for June were not available in time for inclusion in the advance GDP estimate released on July 31, 2013, 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 Census Bureau.

	2013					
	Jan.	Feb.	Mar.	Apr.	May	Jun.
Private fixed investment:						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	283.4	284.2	285.3	291.6 {287.1}	293.3 {283.1}	290.8 {285.1}
Residential structures:						
Value of new residential construction put in place:						
2 Single family.....	153.7	161.3	164.0	165.6 {165.7}	166.2 {166.3}	164.8 {166.2}
3 Multifamily.....	28.3	28.9	29.5	30.8 {31.0}	32.0 {31.8}	31.0 {31.8}
Change in private inventories:						
NOTE: Historical (Jan.–Apr.) data may reflect concurrent seasonal factors.						
4 Change in inventories for nondurable manufacturing.....	18.3 {19.2}	-5.6 {-5.4}	13.5 {13.6}	-1.9 {-1.9}	-3.2 {-2.0}	4.9 {-2.8}
4a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	112.7 {115.0}	-17.2 {-14.9}	-14.2 {-15.0}	5.3 {6.3}	-19.2 {-17.7}	-4.5 {-3.9}
Net exports:						
Exports of goods:						
5 U.S. exports of goods, international-transactions-accounts basis.....	1567.6	1573.0	1551.1	1573.5	1563.2 {1563.1}	1611.1 {1571.9}
5a Excluding gold.....	1527.2	1529.2	1501.7	1528.6	1531.8 {1531.7}	1575.9 {1529.9}
Imports of goods:						
6 U.S. imports of goods, international-transactions-accounts basis.....	2304.8	2320.6	2215.9	2274.4	2317.8 {2324.4}	2249.1 {2299.8}
6a Excluding gold.....	2284.5	2306.3	2200.2	2258.1	2299.3 {2305.9}	2232.0 {2280.2}
7 Net exports of goods.....	-737.3	-747.6	-664.8	-700.9	-754.6 {-761.3}	-637.9 {-727.9}
7a Excluding gold.....	-757.3	-777.1	-698.5	-729.6	-767.5 {-774.2}	-656.1 {-750.2}
Government:						
State and local:						
Structures:						
8 Value of new construction put in place.....	241.4	244.7	241.6	240.1 {241.1}	240.1 {245.7}	237.6 {243.4}