



**Technical Note**  
Gross Domestic Product  
Second Quarter of 2014 (Third Estimate)  
September 26, 2014

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. 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 4.6 percent (annual rate) in the second quarter, an upward revision of 0.4 percentage point from the second estimate. The revision to GDP primarily reflected upward revisions to nonresidential fixed investment and to exports.

- The upward revision to nonresidential fixed investment was mostly to structures, primarily manufacturing structures, and reflected revised Census Bureau construction spending data for May and June.
- The upward revision to exports mostly reflected an upward revision to travel services, based on second-quarter international transactions accounts data.
- Also of note were offsetting revisions within personal consumption expenditures. An upward revision to health care services was offset by downward revisions to "other" services and to recreational services. These revisions primarily reflected the incorporation of newly available Census Bureau quarterly services survey data for the second quarter.

The price index for gross domestic purchases—the prices paid by U.S. residents for goods and services wherever produced—increased 2.0 percent in the second quarter, revised up 0.1 percentage point from the second 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 5.2 percent in the second quarter, an upward revision of 0.5 percentage point from the previous estimate. 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 \$164.1 billion, or 8.4 percent (quarterly rate), in the second quarter. Profits of domestic financial corporations increased \$33.3 billion, profits of domestic nonfinancial corporations increased \$134.3 billion, and rest-of-the-world profits decreased \$3.6 billion.

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