

Technical Note

Gross Domestic Product Second Quarter of 2017 (Third Estimate)

September 28, 2017

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 and a brief summary of "highlights" are available on BEA's Web site at www.bea.gov. The source data and assumptions for the "third" estimate are shown in a "[Key Source Data and Assumptions](#)" table. 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

With the third estimate, real GDP increased 3.1 percent (annual rate) in the second quarter of 2017, an upward revision of 0.1 percentage point from the second estimate. The upward revision to the percent change in real GDP primarily reflected upward revisions to inventory investment and to consumer spending on services that were partly offset by a downward revision to consumer spending on goods.

- The revision to inventory investment reflected an upward revision to farm inventories reflecting newly available data from the Department of Agriculture's Economic Research Service farm income forecast.
- The revision to consumer spending on services primarily reflected newly available and revised Quarterly Services Report data from the Census Bureau and newly available airline passenger revenue data from the Department of Transportation.
- The revision to consumer spending on goods primarily reflected revised retail sales data from the Census Bureau.

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 2.9 percent in the second quarter, the same increase as in the previous estimate.

Profits from current production increased \$14.4 billion, or 0.7 percent (quarterly rate), in the second quarter, a downward revision of \$12.4 billion, reflecting revised Census Bureau Quarterly Financial Report data and newly available compilations of publicly available corporate financial statements. Domestic profits of financial corporations decreased \$33.8 billion, domestic profits of nonfinancial corporations increased \$59.1 billion, and rest-of-the-world profits decreased \$10.8 billion.

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