

Technical Note
Gross Domestic Product
Second Quarter of 2005 (Preliminary)
August 31, 2005

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 ("The Business Situation").

Sources of Revision to Real GDP

Real GDP growth in the second quarter was revised from 3.4 percent to 3.3 percent.

Imports, which are a subtraction in the calculation of GDP, were revised up, reflecting newly available Census Bureau data on goods for June.

- C Personal consumption expenditures were revised down, reflecting newly available data on electricity and gas usage from the Energy Information Administration.
- C Inventory investment was revised up, reflecting newly available Census inventory data for June and revised data for May.

Revisions to Wages and Salaries and Related Series

In addition to presenting preliminary estimates for the second quarter, today's news release also presents revised first-quarter estimates of wages and salaries, personal taxes, and contributions for government social insurance that are based on preliminary data from the Bureau of Labor Statistics quarterly census of employment and wages.

Wage and salary disbursements are now estimated to have increased \$67.0 billion in the first quarter, a downward revision of \$16.9 billion. Real disposable personal income is now estimated to have decreased 3.4 percent in the first quarter and to have increased 2.0 percent in the second. (By comparison, the estimates that were available last month showed a decrease of 2.9 percent in the first quarter and an increase of 1.4 percent in the second.)

Corporate Profits

Profits from current production increased \$79.2 billion, or 6.1 percent in the second quarter, compared with \$68.7 billion, or 5.6 percent, in the first.

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Table A.--SOURCE DATA FOR THE ADVANCE AND PRELIMINARY ESTIMATES OF GDP FOR THE SECOND QUARTER OF 2005

This table shows the actual data used for the preliminary estimate of GDP for the second quarter of 2005. For these key series, actual data for June were not available in time for inclusion in the advance GDP estimate released on July 29, 2005, 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.

	2005					
	Jan.	Feb.	Mar.	Apr.	May	Jun.
Private fixed investment:						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	243.3	242.1	244.3	246.1 {245.8}	240.9 {241.9}	241.4 {243.9}
Equipment and software:						
2 Manufacturers' shipments of complete aircraft.....	27.2	19.2	24.6	39.8	25.5 {25.5}	27.7 {26.7}
Residential structures:						
Value of new residential construction put in place:						
3 Single family.....	396.2	402.1	404.5	404.8 {404.7}	407.0 {406.9}	407.7 {409.6}
4 Multifamily.....	44.5	44.5	43.5	44.4 {44.1}	44.7 {43.7}	45.2 {44.0}
Change in private inventories:						
5 Change in inventories for nondurable manufacturing.....	31.0	8.8	13.6	3.8	-11.6 {-8.6}	13.5 {3.5}
5a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	58.8	48.4	40.9	28.8	34.3 {24.6}	39.1 {36.3}
Net exports:						
Exports of goods:						
6 U.S. exports of goods, international-transactions-accounts basis.....	859.1	848.6	858.4	894.7	893.7 {894.0}	893.5 {884.9}
6a Excluding gold.....	853.3	844.4	851.9	889.3	888.2 {888.6}	887.9 {879.4}
Imports of goods:						
7 U.S. imports of goods, international-transactions-accounts basis.....	1611.5	1625.5	1565.1	1642.4	1623.1 {1623.1}	1662.0 {1635.8}
7a Excluding gold.....	1607.9	1621.6	1561.0	1638.5	1618.9 {1618.9}	1657.9 {1631.6}
8 Net exports of goods.....	-752.4	-776.9	-706.7	-747.8	-729.4 {-729.1}	-768.5 {-750.9}
8a Excluding gold.....	-754.6	-777.2	-709.1	-749.3	-730.7 {-730.4}	-770.0 {-752.2}
Government:						
State and local:						
Structures:						
9 Value of new construction put in place.....	212.9	222.6	224.9	226.4 {226.6}	234.3 {230.4}	232.3 {228.5}