

GDP and the Economy

Second Estimates for the First Quarter of 2011

REAL GROSS domestic product (GDP) increased at an annual rate of 1.8 percent in the first quarter of 2011, according to the second estimates of the national income and product accounts (NIPAs) (chart 1 and table 1).¹ The second estimate of real GDP growth was the same as the advance estimate (see page 9). In the fourth quarter of 2010, real GDP increased 3.1 percent.

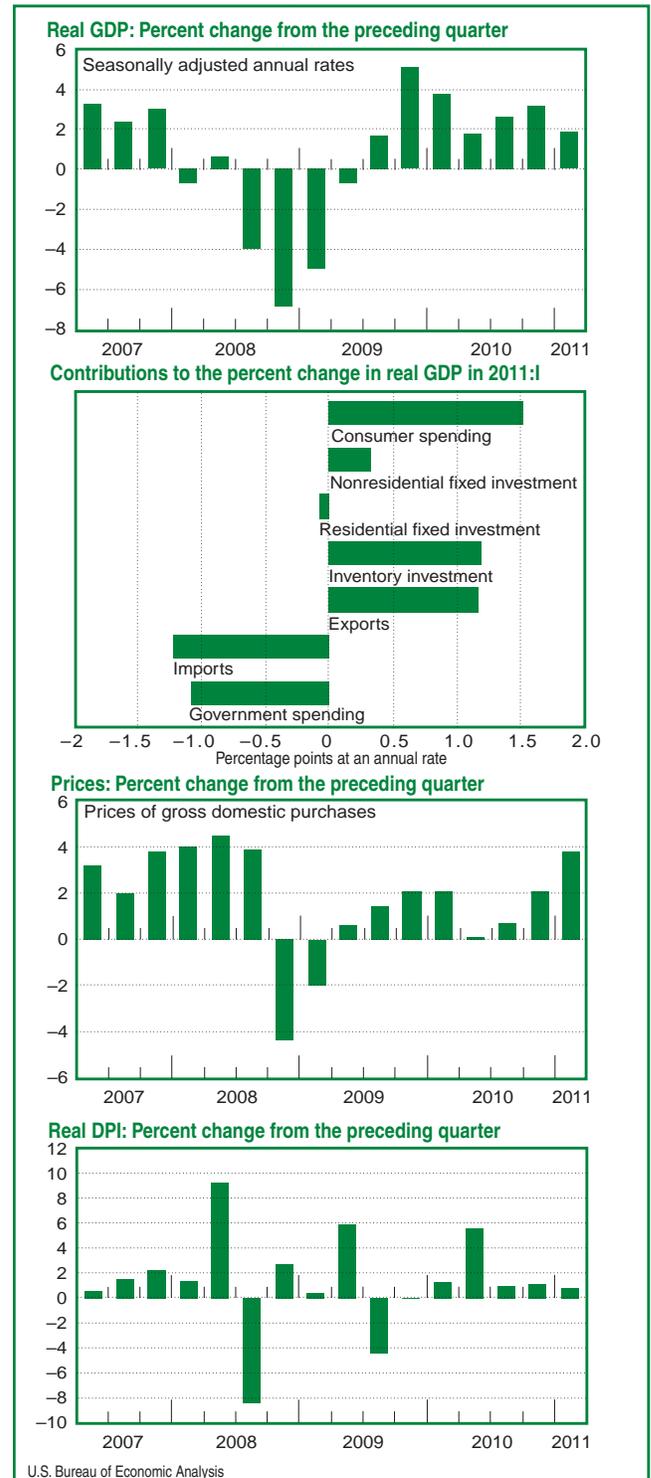
The deceleration in real GDP in the first quarter primarily reflected a sharp upturn in imports, a deceleration in consumer spending, a larger decrease in federal government spending, and a deceleration in nonresidential fixed investment that were partly offset by a sharp upturn in inventory investment.²

- Prices of goods and services purchased by U.S. residents increased 3.8 percent in the first quarter after increasing 2.1 percent (see page 8). Energy prices and food prices both accelerated. Excluding food and energy, gross domestic purchases prices increased 2.2 percent after increasing 1.1 percent. The federal pay raise for military personnel added about 0.1 percentage point to the first-quarter increase in the gross domestic purchases price index.
- Real disposable income (DPI) increased 0.8 percent in the first quarter, 2.1 percentage points less than in the advance estimate; in the fourth quarter, real DPI increased 1.1 percent (revised). The downward revision to real DPI reflected a downward revision to first-quarter current-dollar DPI, which in turn reflected an upward revision to personal current taxes and a downward revision to personal income.
- Profits from current production increased \$21.9 billion in the first quarter after increasing \$38.2 billion.
- The personal saving rate, personal saving as a percentage of current-dollar DPI, was 5.1 percent in the first quarter, 0.6 percentage point less than in the advance estimate; in the fourth quarter, the rate was 5.4 percent (revised).

1. “Real” estimates are in chained (2005) dollars, and price indexes are chain-type measures. Each GDP estimate for a quarter (advance, second, and third) incorporates increasingly comprehensive and improved source data. More information can be found at www.bea.gov/about/infoqual.htm and www.bea.gov/faq/national/gdp_accuracy.htm. Quarterly estimates are expressed at seasonally adjusted annual rates, which assumes that a rate of activity for a quarter is maintained for a year.

2. In this article, “consumer spending” refers to “personal consumption expenditures (PCE),” “inventory investment” refers to “change in private inventories,” and “government spending” refers to “government consumption expenditures and gross investment.”

Chart 1. GDP, Prices, Disposable Personal Income (DPI)



Christopher Swann prepared this article.

Real GDP Overview

Table 1. Real Gross Domestic Product and Components

[Seasonally adjusted at annual rates]

| | Share of current-dollar GDP (percent) | | | | Change from preceding period (percent) | | | | Contribution to percent change in real GDP (percentage points) | | | |
|--|---------------------------------------|-------------|-------------|--------------|--|--------------|--------------|--------------|--|--|--|--|
| | 2011 | | 2010 | | 2011 | | 2010 | | 2011 | | | |
| | I | II | III | IV | I | II | III | IV | I | | | |
| Gross domestic product¹..... | 100.0 | 1.7 | 2.6 | 3.1 | 1.8 | 1.7 | 2.6 | 3.1 | 1.8 | | | |
| Personal consumption expenditures..... | 71.1 | 2.2 | 2.4 | 4.0 | 2.2 | 1.54 | 1.67 | 2.79 | 1.53 | | | |
| Goods..... | 24.2 | 3.4 | 4.1 | 9.3 | 3.5 | 0.79 | 0.94 | 2.10 | 0.83 | | | |
| Durable goods..... | 7.7 | 6.8 | 7.6 | 21.1 | 8.9 | 0.49 | 0.54 | 1.45 | 0.66 | | | |
| Nondurable goods..... | 16.4 | 1.9 | 2.5 | 4.1 | 1.1 | 0.31 | 0.39 | 0.65 | 0.17 | | | |
| Services..... | 46.9 | 1.6 | 1.6 | 1.5 | 1.5 | 0.75 | 0.74 | 0.70 | 0.69 | | | |
| Gross private domestic investment..... | 12.5 | 26.2 | 15.0 | -18.7 | 12.3 | 2.88 | 1.80 | -2.61 | 1.45 | | | |
| Fixed investment..... | 12.1 | 18.9 | 1.5 | 6.8 | 2.1 | 2.06 | 0.18 | 0.80 | 0.26 | | | |
| Nonresidential..... | 9.9 | 17.2 | 10.0 | 7.7 | 3.4 | 1.51 | 0.93 | 0.73 | 0.33 | | | |
| Structures..... | 2.5 | -0.5 | -3.5 | 7.6 | -16.8 | -0.01 | -0.09 | 0.19 | -0.48 | | | |
| Equipment and software..... | 7.4 | 24.8 | 15.4 | 7.7 | 11.6 | 1.52 | 1.02 | 0.54 | 0.81 | | | |
| Residential..... | 2.2 | 25.7 | -27.3 | 3.3 | -3.3 | 0.55 | -0.75 | 0.07 | -0.07 | | | |
| Change in private inventories..... | 0.4 | ..... | ..... | ..... | ..... | 0.82 | 1.61 | -3.42 | 1.19 | | | |
| Net exports of goods and services..... | -3.8 | ..... | ..... | ..... | ..... | -3.50 | -1.70 | 3.27 | -0.06 | | | |
| Exports..... | 13.5 | 9.1 | 6.8 | 8.6 | 9.2 | 1.08 | 0.82 | 1.06 | 1.16 | | | |
| Goods..... | 9.6 | 11.5 | 5.8 | 11.1 | 13.2 | 0.93 | 0.49 | 0.94 | 1.16 | | | |
| Services..... | 3.9 | 3.9 | 8.9 | 3.0 | 0.0 | 0.15 | 0.33 | 0.12 | 0.00 | | | |
| Imports..... | 17.3 | 33.5 | 16.8 | -12.6 | 7.5 | -4.58 | -2.53 | 2.21 | -1.22 | | | |
| Goods..... | 14.5 | 40.5 | 17.4 | -14.2 | 9.5 | -4.46 | -2.16 | 2.10 | -1.27 | | | |
| Services..... | 2.8 | 4.3 | 14.2 | -4.1 | -1.8 | -0.12 | -0.37 | 0.12 | 0.05 | | | |
| Government consumption expenditures and gross investment..... | 20.2 | 3.9 | 3.9 | -1.7 | -5.1 | 0.80 | 0.79 | -0.34 | -1.07 | | | |
| Federal..... | 8.2 | 9.1 | 8.8 | -0.3 | -7.9 | 0.72 | 0.71 | -0.02 | -0.68 | | | |
| National defense..... | 5.4 | 7.4 | 8.5 | -2.2 | -11.7 | 0.40 | 0.46 | -0.12 | -0.68 | | | |
| Nondefense..... | 2.7 | 12.8 | 9.5 | 3.7 | 0.1 | 0.32 | 0.25 | 0.10 | 0.00 | | | |
| State and local..... | 12.0 | 0.6 | 0.7 | -2.6 | -3.2 | 0.08 | 0.09 | -0.31 | -0.39 | | | |

1. The estimates under the contribution columns are also percent changes.

NOTE. Percent changes are from NIPA table 1.1.1, contributions are from NIPA table 1.1.2, and shares are from NIPA table 1.1.10.

Consumer spending increased 2.2 percent in the first quarter of 2011 after increasing 4.0 percent and added 1.53 percentage points to real GDP growth. The slowdown reflected a slowdown in spending for goods. Spending for services increased at the same rate as in the fourth quarter.

Nonresidential fixed investment slowed, increasing 3.4 percent after increasing 7.7 percent, reflecting a downturn in structures that was partly offset by a pickup in equipment and software.

Residential investment turned down, decreasing 3.3 percent after increasing 3.3 percent.

Inventory investment turned up, adding 1.19 percentage points to real GDP growth after subtracting 3.42 percentage points.

Exports picked up slightly, adding 1.16 percentage points to real GDP growth after adding 1.06 percentage points; the pickup reflected a pickup in exports of goods. Exports of services was unchanged.

Imports turned up, subtracting 1.22 percentage points from real GDP growth after adding 2.21 percentage points; the upturn reflected an upturn in goods imports and a smaller decrease in services imports.

Federal government spending decreased 7.9 percent after decreasing 0.3 percent, primarily reflecting a larger decrease in spending for national defense.

State and local government spending decreased 3.2 percent after decreasing 2.6 percent, mainly reflecting a larger decrease in gross investment in structures.

Table 2. Real Gross Domestic Product (GDP) by Type of Product

[Seasonally adjusted at annual rates]

| | Share of current-dollar GDP (percent) | | | | Change from preceding period (percent) | | | | Contribution to percent change in real GDP (percentage points) | | | |
|--|---------------------------------------|------------|------------|------------|--|-------------|-------------|-------------|--|--|--|--|
| | 2011 | | 2010 | | 2011 | | 2010 | | 2011 | | | |
| | I | II | III | IV | I | II | III | IV | I | | | |
| Gross domestic product¹..... | 100.0 | 1.7 | 2.6 | 3.1 | 1.8 | 1.7 | 2.6 | 3.1 | 1.8 | | | |
| Final sales of domestic product | 99.6 | 0.9 | 0.9 | 6.7 | 0.6 | 0.90 | 0.95 | 6.53 | 0.65 | | | |
| Change in private inventories..... | 0.4 | ..... | ..... | ..... | ..... | 0.82 | 1.61 | -3.42 | 1.19 | | | |
| Goods..... | 28.4 | -0.8 | 7.4 | 9.1 | 9.2 | -0.20 | 1.99 | 2.47 | 2.50 | | | |
| Services..... | 64.9 | 1.9 | 1.8 | 0.8 | 0.5 | 1.21 | 1.15 | 0.56 | 0.34 | | | |
| Structures..... | 6.7 | 10.6 | -7.9 | 1.2 | -13.7 | 0.71 | -0.58 | 0.09 | -1.00 | | | |
| Addenda: | | | | | | | | | | | | |
| Motor vehicle output..... | 2.5 | -2.7 | 25.0 | -11.6 | 73.2 | -0.06 | 0.49 | -0.27 | 1.28 | | | |
| GDP excluding motor vehicle output..... | 97.5 | 1.8 | 2.1 | 3.5 | 0.6 | 1.78 | 2.07 | 3.39 | 0.57 | | | |
| Final sales of computers..... | 0.7 | 5.3 | 65.1 | 72.8 | 10.1 | 0.03 | 0.29 | 0.35 | 0.06 | | | |
| GDP excluding final sales of computers..... | 99.3 | 1.7 | 2.3 | 2.8 | 1.8 | 1.69 | 2.27 | 2.76 | 1.78 | | | |

1. The estimates under the contribution columns are also percent changes.

NOTE. Percent changes are from NIPA table 1.2.1, contributions are from NIPA table 1.2.2, and shares are calculated from NIPA table 1.2.5.

Real final sales of domestic product, real GDP less inventory investment, increased 0.6 percent in the first quarter after increasing 6.7 percent.

Motor vehicle output turned up, increasing 73.2 percent, the largest percent increase since the third quarter of 2009 (during the "Cash for Clunkers" program). In the fourth quarter, motor vehicle output decreased 11.6 percent. The first-quarter upturn added 1.28 percentage points to real GDP growth after subtracting 0.27 percentage point.

Final sales of computers slowed, increasing 10.1 percent after increasing 72.8 percent.

Consumer Spending

Table 3. Real Personal Consumption Expenditures (PCE)

[Seasonally adjusted at annual rates]

| | Share of current-dollar PCE (percent) | Change from preceding period (percent) | | | | Contribution to percent change in real PCE (percentage points) | | | | |
|--|---------------------------------------|--|------------|------------|------------|--|-------------|-------------|-------------|---|
| | 2011 | 2010 | | | | 2011 | | | | |
| | | I | II | III | IV | I | II | III | IV | I |
| PCE ¹ | 100.0 | 2.2 | 2.4 | 4.0 | 2.2 | 2.2 | 2.4 | 4.0 | 2.2 | |
| Goods | 34.0 | 3.4 | 4.1 | 9.3 | 3.5 | 1.13 | 1.34 | 3.00 | 1.18 | |
| Durable goods | 10.9 | 6.8 | 7.6 | 21.1 | 8.9 | 0.69 | 0.77 | 2.07 | 0.93 | |
| Motor vehicles and parts | 3.6 | 6.9 | 5.2 | 49.1 | 9.7 | 0.22 | 0.17 | 1.40 | 0.34 | |
| Furnishings and durable household equipment | 2.5 | 9.0 | 5.6 | 9.8 | 3.7 | 0.22 | 0.14 | 0.23 | 0.09 | |
| Recreational goods and vehicles | 3.2 | 9.3 | 12.2 | 12.3 | 12.9 | 0.29 | 0.37 | 0.38 | 0.40 | |
| Other durable goods | 1.5 | -2.2 | 6.6 | 3.9 | 7.8 | -0.03 | 0.09 | 0.06 | 0.11 | |
| Nondurable goods | 23.1 | 1.9 | 2.5 | 4.1 | 1.1 | 0.44 | 0.56 | 0.93 | 0.25 | |
| Food and beverages for off-premises consumption.... | 7.8 | -2.9 | 3.2 | 4.9 | 1.6 | -0.23 | 0.24 | 0.38 | 0.13 | |
| Clothing and footwear..... | 3.3 | 6.4 | -1.1 | 12.2 | 3.1 | 0.20 | -0.04 | 0.38 | 0.10 | |
| Gasoline and other energy goods | 4.0 | 3.0 | 0.1 | -6.0 | -6.0 | 0.10 | 0.00 | -0.22 | -0.23 | |
| Other nondurable goods..... | 8.1 | 4.5 | 4.4 | 4.9 | 3.1 | 0.36 | 0.35 | 0.39 | 0.25 | |
| Services | 66.0 | 1.6 | 1.6 | 1.5 | 1.5 | 1.07 | 1.05 | 1.01 | 0.99 | |
| Household consumption expenditures | 63.5 | 1.5 | 1.6 | 1.8 | 1.7 | 0.98 | 1.03 | 1.18 | 1.09 | |
| Housing and utilities | 17.9 | 1.1 | 3.4 | -0.3 | -1.6 | 0.20 | 0.62 | -0.05 | -0.28 | |
| Health care | 16.2 | 3.1 | 1.2 | 4.6 | 2.4 | 0.49 | 0.19 | 0.74 | 0.39 | |
| Transportation services | 2.9 | 4.1 | 3.9 | 0.3 | -2.8 | 0.12 | 0.11 | 0.01 | -0.08 | |
| Recreation services..... | 3.6 | -0.3 | 4.3 | -1.9 | 0.6 | -0.01 | 0.16 | -0.07 | 0.02 | |
| Food services and accommodations..... | 6.1 | 2.5 | 2.8 | 2.8 | 6.2 | 0.15 | 0.17 | 0.17 | 0.37 | |
| Financial services and insurance | 7.8 | 1.1 | -4.7 | 2.9 | 6.1 | 0.10 | -0.38 | 0.23 | 0.46 | |
| Other services | 9.0 | -0.8 | 1.7 | 1.7 | 2.3 | -0.07 | 0.16 | 0.16 | 0.21 | |
| Final consumption expenditures of NPISHs ² | 2.5 | 3.4 | 1.0 | -6.6 | -3.9 | 0.09 | 0.03 | -0.17 | -0.10 | |
| Gross output of NPISHs ³ | 10.5 | 3.3 | 1.2 | 3.4 | 1.2 | 0.35 | 0.12 | 0.36 | 0.13 | |
| Less: Receipts from sales of goods and services by NPISHs ⁴ | 8.0 | 3.3 | 1.2 | 6.8 | 2.9 | 0.26 | 0.10 | 0.53 | 0.23 | |

Consumer spending slowed in the first quarter of 2011, mainly reflecting slowdowns in spending for durable goods and for nondurable goods.

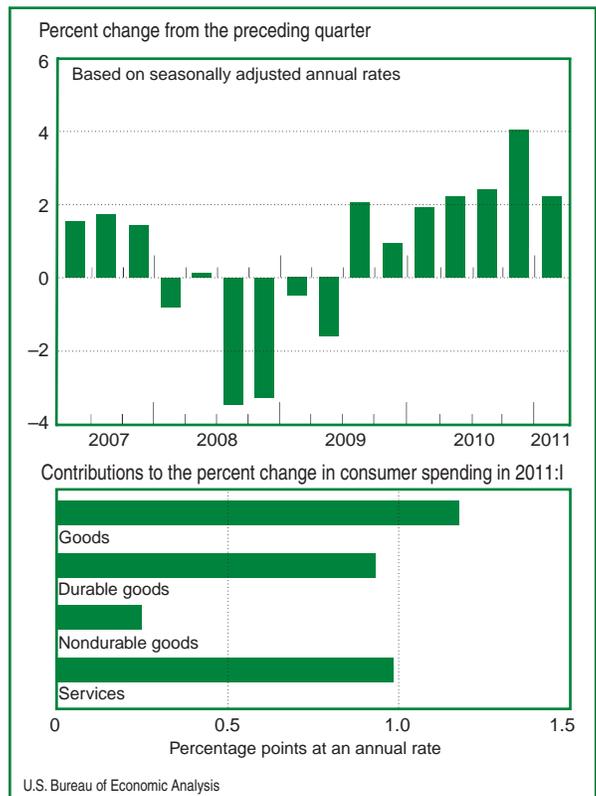
The slowdown in spending for durable goods primarily reflected a deceleration in spending for motor vehicles and parts. Spending for furnishings and durable household equipment also slowed.

The slowdown in spending for nondurable goods mainly reflected decelerations in clothing and footwear and in food and beverages purchased for off-premises consumption.

Spending for services increased at the same rate as in the fourth quarter. In the first quarter, spending for housing and utilities decreased more than in the fourth quarter. In contrast, first-quarter spending for financial services and insurance and for food services and accommodations picked up.

1. The estimates under the contribution columns are also percent changes.
 2. Net of expenses, or gross operating expenses less primary sales to households.
 3. Net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).
 4. Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.
 NOTE: Percent changes are from NIPA table 2.3.1, and contributions, from NIPA table 2.3.2; shares are calculated from NIPA table 2.3.5.
 NPISHs Nonprofit institutions serving households

Chart 2. Real Personal Consumption Expenditures



Private Fixed Investment

Table 4. Real Private Fixed Investment (PFI)

[Seasonally adjusted at annual rates]

| | Share of current-dollar PFI (percent) | Change from preceding period (percent) | | | | Contribution to percent change in real PFI (percentage points) | | | | |
|---|---------------------------------------|--|--------------|------------|--------------|--|--------------|-------------|--------------|---|
| | | 2010 | | | | 2011 | | | | |
| | | I | II | III | IV | I | II | III | IV | I |
| Private fixed investment¹ | 100.0 | 18.9 | 1.5 | 6.8 | 2.1 | 18.9 | 1.5 | 6.8 | 2.1 | |
| Nonresidential | 81.7 | 17.2 | 10.0 | 7.7 | 3.4 | 13.92 | 7.70 | 6.21 | 2.74 | |
| Structures | 20.8 | -0.5 | -3.5 | 7.6 | -16.8 | 0.14 | -0.77 | 1.63 | -3.92 | |
| Commercial and health care | 4.7 | -18.0 | -11.4 | -5.1 | -18.5 | -1.07 | -0.63 | -0.26 | -0.99 | |
| Manufacturing | 1.9 | -18.3 | -39.4 | -32.9 | -20.8 | -0.53 | -1.20 | -0.84 | -0.45 | |
| Power and communication | 4.5 | -7.1 | -26.6 | 87.8 | -39.4 | -0.35 | -1.41 | 3.04 | -2.41 | |
| Mining exploration, shafts, and wells | 6.9 | 58.2 | 64.4 | 5.6 | 10.1 | 2.67 | 3.04 | 0.36 | 0.65 | |
| Other structures ² | 2.9 | -16.0 | -15.4 | -19.0 | -21.7 | -0.59 | -0.56 | -0.66 | -0.72 | |
| Equipment and software | 60.9 | 24.8 | 15.4 | 7.7 | 11.6 | 13.79 | 8.46 | 4.58 | 6.66 | |
| Information processing equipment and software | 34.1 | 15.3 | 8.8 | 14.5 | 6.0 | 5.10 | 2.82 | 4.67 | 2.00 | |
| Computers and peripheral equipment | 5.5 | 45.2 | 1.3 | 25.9 | -5.1 | 2.17 | 0.07 | 1.32 | -0.29 | |
| Software ³ | 16.6 | 8.1 | 9.8 | 11.2 | 13.5 | 1.34 | 1.50 | 1.75 | 2.09 | |
| Other ⁴ | 12.0 | 13.0 | 11.1 | 14.0 | 1.7 | 1.59 | 1.25 | 1.60 | 0.20 | |
| Industrial equipment | 9.8 | 44.2 | 6.9 | 10.5 | 14.4 | 3.48 | 0.62 | 0.96 | 1.30 | |
| Transportation equipment | 7.2 | 74.8 | 64.4 | -21.4 | 42.9 | 3.62 | 3.33 | -1.62 | 2.47 | |
| Other equipment ⁵ | 9.8 | 16.2 | 19.4 | 5.9 | 9.6 | 1.58 | 1.70 | 0.58 | 0.89 | |
| Residential | 18.3 | 25.7 | -27.3 | 3.3 | -3.3 | 4.95 | -6.21 | 0.62 | -0.62 | |
| Structures | 17.8 | 26.2 | -28.0 | 3.1 | -3.5 | 4.90 | -6.22 | 0.58 | -0.64 | |
| Permanent site | 6.6 | 13.5 | -23.6 | -14.5 | -2.6 | 1.06 | -1.96 | -1.07 | -0.17 | |
| Single family | 5.9 | 22.4 | -26.3 | -16.6 | 1.1 | 1.45 | -1.99 | -1.10 | 0.06 | |
| Multifamily | 0.7 | -38.2 | 4.2 | 4.0 | -27.6 | -0.39 | 0.03 | 0.03 | -0.24 | |
| Other structures ⁶ | 11.3 | 34.8 | -30.5 | 15.5 | -4.0 | 3.84 | -4.26 | 1.65 | -0.46 | |
| Equipment | 0.5 | 8.3 | 2.4 | 8.2 | 4.7 | 0.04 | 0.01 | 0.04 | 0.02 | |

1. The estimates under the contribution columns are also percent changes.
 2. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
 3. Excludes software "embedded," or bundled, in computers and other equipment.
 4. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
 5. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
 6. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
 Note: Percent changes are from NIPA table 5.3.1, contributions are from NIPA table 5.3.2, and shares are calculated from NIPA table 5.3.5.

Private fixed investment decelerated, reflecting a deceleration in nonresidential fixed investment and a downturn in residential fixed investment.

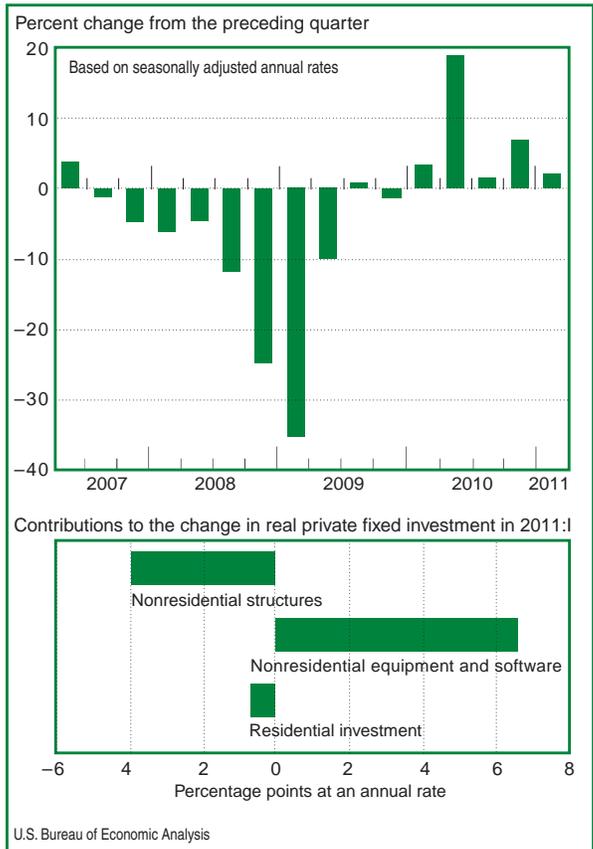
The deceleration in nonresidential fixed investment reflected a downturn in structures that was partly offset by a pickup in equipment and software.

The downturn in structures mainly reflected a downturn in power and communication structures. A larger decrease in commercial and health care structures also contributed to the downturn.

The pickup in equipment and software primarily reflected an upturn in transportation equipment (mainly passenger cars and heavy trucks) that was partly offset by a slowdown in information processing equipment and software. The main contributors to the slowdown were a downturn in computers and peripheral equipment and a slowdown in "other" information processing equipment and software.

The downturn in residential fixed investment reflected downturns in "other" structures (especially brokers' commissions and improvements) and in multifamily structures that were partly offset by an upturn in single-family structures.

Chart 3. Real Private Fixed Investment



Inventory Investment

Table 5. Change in Real Private Inventories by Industry
 [Billions of chained (2005) dollars; seasonally adjusted at annual rates]

| | Level | | | | Change from preceding quarter | | | | |
|--|-------------|-------------|--------------|-------------|-------------------------------|-------------|-------------|---------------|-------------|
| | 2011 | | 2010 | | 2011 | | 2010 | | |
| | I | II | III | IV | I | II | III | IV | I |
| Change in private inventories¹ | 44.1 | 68.8 | 121.4 | 16.2 | 52.2 | 24.7 | 52.6 | -105.2 | 36.0 |
| Farm | 7.6 | 7.8 | 5.1 | 1.2 | -1.3 | 0.2 | -2.7 | -3.9 | -2.5 |
| Mining, utilities, and construction | -10.4 | 4.3 | -2.6 | -0.9 | -2.0 | 14.7 | -6.9 | 1.7 | -1.1 |
| Manufacturing | 21.0 | -3.4 | 29.6 | 25.2 | 36.1 | -24.4 | 33.0 | -4.4 | 10.9 |
| Durable-goods industries | 8.9 | 22.1 | 18.5 | 15.6 | 29.7 | 13.2 | -3.6 | -2.9 | 14.1 |
| Nondurable-goods industries | 11.9 | -24.4 | 11.1 | 9.7 | 7.5 | -36.3 | 35.5 | -1.4 | -2.2 |
| Wholesale trade | 13.2 | 31.2 | 57.3 | 12.5 | 18.7 | 18.0 | 26.1 | -44.8 | 6.2 |
| Durable-goods industries | 8.3 | 11.4 | 28.3 | 22.0 | 13.6 | 3.1 | 16.9 | -6.3 | -8.4 |
| Nondurable-goods industries | 4.9 | 19.0 | 28.3 | -6.9 | 5.7 | 14.1 | 9.3 | -35.2 | 12.6 |
| Retail trade | 12.6 | 24.9 | 28.7 | -25.1 | 2.7 | 12.3 | 3.8 | -53.8 | 27.8 |
| Motor vehicle and parts dealers | 11.9 | 16.6 | 23.7 | -29.1 | -2.6 | 4.7 | 7.1 | -52.8 | 26.5 |
| Food and beverage stores | 1.1 | -0.9 | 0.3 | -1.2 | -0.8 | -2.0 | 1.2 | -1.5 | 0.4 |
| General merchandise stores | -0.2 | 4.4 | 2.1 | 4.0 | 2.3 | 4.6 | -2.3 | 1.9 | -1.7 |
| Other retail stores | 0.3 | 5.6 | 3.5 | -0.3 | 3.6 | 5.3 | -2.1 | -3.8 | 3.9 |
| Other industries | -0.2 | 3.9 | 2.1 | 1.1 | -2.6 | 4.1 | -1.8 | -1.0 | -3.7 |
| Residual ² | 0.0 | -1.0 | 1.0 | 1.0 | -0.9 | ..... | ..... | ..... | ..... |
| Addenda: Ratios of private inventories to final sales of domestic business:³ | | | | | | | | | |
| Private inventories to final sales | 2.3 | 2.4 | 2.4 | 2.3 | 2.4 | ..... | ..... | ..... | ..... |
| Nonfarm inventories to final sales | 2.1 | 2.1 | 2.2 | 2.1 | 2.1 | ..... | ..... | ..... | ..... |
| Nonfarm inventories to final sales of goods and structures | 3.9 | 4.0 | 4.0 | 3s.9 | 3.9 | ..... | ..... | ..... | ..... |

1. The levels are from NIPA table 5.6.6B.
 2. The residual is the difference between the first line and the sum of the most detailed lines.
 3. The ratios are from NIPA table 5.7.6B.
 NOTE: The chained-dollar series are calculated as the period-to-period change in end-of-period inventories. Quarterly changes are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, chained-dollar estimates are usually not additive.

Real inventory investment increased \$36.0 billion in the first quarter of 2011, reflecting a larger accumulation in the first quarter than in the fourth quarter of 2010.

Inventory investment in manufacturing industries increased \$10.9 billion. The increase reflected a larger accumulation in durable-goods industries that was slightly offset by a smaller accumulation in nondurable-goods industries.

Inventory investment in wholesale trade industries increased \$6.2 billion. In nondurable-goods industries, inventories accumulated in the first quarter after a fourth-quarter drawdown. In durable-goods industries, inventory accumulation was smaller than in the fourth quarter.

Inventory investment in retail trade industries increased \$27.8 billion. The increase reflected a much smaller drawdown by motor vehicle and parts dealers in the first quarter than in the fourth quarter.

Inventory Investment

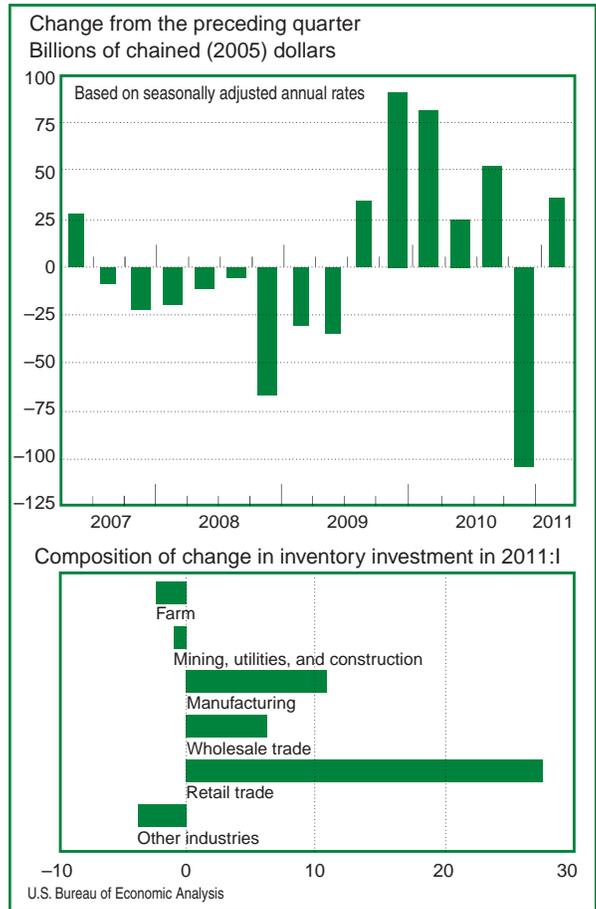
The change in real private inventories, often called real private inventory investment, represents the change in the physical stock of goods held by businesses. It includes finished goods, goods at various stages of production, and raw materials.

The change in private inventories is a key component of gross domestic product (GDP), which aims to measure output derived from current production. To include the value of currently produced goods that are not yet sold and to exclude the value of goods produced in previous periods, change in private inventories must be included in the GDP calculation.

Thus, GDP can also be seen as the sum of final sales of domestic product and the change in private inventories (table 2).

For most industries, the estimates of change in private inventories are prepared by revaluing book-value estimates of inventories from the Census Bureau to a replacement-cost basis and calculating the change over a quarter or a year. BEA does not always have complete data for every industry.

Chart 4. Real Private Inventory Investment



Exports and Imports

Table 6. Real Exports and Imports of Goods and Services

[Seasonally adjusted at annual rates]

| | Share of current-dollar exports and imports (percent) | Change from preceding period (percent) | | | | Contribution to percent change in real exports and imports (percentage points) | | | | |
|--|---|--|-------------|--------------|-------------|--|--------------|---------------|--------------|---|
| | | 2010 | | | | 2011 | | | | |
| | | I | II | III | IV | I | II | III | IV | I |
| Exports of goods and services¹ | 100.0 | 9.1 | 6.8 | 8.6 | 9.2 | 9.1 | 6.8 | 8.6 | 9.2 | |
| Exports of goods² | 71.2 | 11.5 | 5.8 | 11.1 | 13.2 | 7.91 | 4.09 | 7.66 | 9.15 | |
| Foods, feeds, and beverages | 6.3 | -32.2 | 24.1 | 48.1 | -14.6 | -2.12 | 1.18 | 2.41 | -0.97 | |
| Industrial supplies and materials | 23.4 | 17.3 | -3.0 | 15.1 | 18.4 | 3.45 | -0.62 | 3.10 | 3.94 | |
| Capital goods, except automotive | 23.4 | 19.1 | 13.5 | 10.0 | 10.2 | 4.34 | 3.17 | 2.40 | 2.40 | |
| Automotive vehicles, engines, and parts | 6.4 | 19.5 | -6.4 | 7.3 | 67.3 | 1.14 | -0.40 | 0.44 | 3.25 | |
| Consumer goods, except automotive | 8.4 | -4.6 | 7.2 | 18.7 | -7.1 | -0.40 | 0.63 | 1.58 | -0.61 | |
| Other | 3.1 | 53.9 | 3.6 | -50.8 | 44.5 | 1.49 | 0.13 | -2.26 | 1.14 | |
| Exports of services² | 28.8 | 3.9 | 8.9 | 3.0 | 0.0 | 1.21 | 2.67 | 0.94 | 0.01 | |
| Imports of goods and services¹ | 100.0 | 33.5 | 16.8 | -12.6 | 7.5 | 33.5 | 16.8 | -12.6 | 7.5 | |
| Imports of goods² | 84.0 | 40.5 | 17.4 | -14.2 | 9.5 | 32.50 | 14.41 | -11.92 | 7.84 | |
| Foods, feeds, and beverages | 4.0 | 5.4 | -0.6 | -14.8 | 15.7 | 0.32 | 0.01 | -0.59 | 0.59 | |
| Industrial supplies and materials, except petroleum and products | 10.9 | 31.5 | 0.6 | -18.6 | 30.5 | 3.46 | 0.16 | -2.03 | 2.88 | |
| Petroleum and products | 17.5 | 78.6 | 43.6 | -55.4 | 5.0 | 10.32 | 5.70 | -11.40 | 0.80 | |
| Capital goods, except automotive | 18.9 | 49.0 | 16.4 | 8.7 | 13.0 | 8.49 | 3.22 | 1.68 | 2.41 | |
| Automotive vehicles, engines, and parts | 9.7 | 69.9 | 15.6 | -17.8 | 41.0 | 5.66 | 1.52 | -1.83 | 3.35 | |
| Consumer goods, except automotive | 19.8 | 25.3 | 18.1 | -2.1 | 8.9 | 5.27 | 3.69 | -0.37 | 1.78 | |
| Other | 3.1 | -24.2 | 1.9 | 92.3 | -65.9 | -1.01 | 0.11 | 2.62 | -3.98 | |
| Imports of services² | 16.0 | 4.3 | 14.2 | -4.1 | -1.8 | 0.95 | 2.41 | -0.67 | -0.29 | |
| Addenda: | | | | | | | | | | |
| Exports of agricultural goods ³ | 7.5 | -32.4 | 14.1 | 45.1 | 2.8 | ..... | ..... | ..... | ..... |  |
| Exports of nonagricultural goods | 63.7 | 17.1 | 5.1 | 8.1 | 14.5 | ..... | ..... | ..... | ..... |  |
| Imports of nonpetroleum goods | 66.5 | 32.9 | 12.3 | -1.3 | 10.6 | ..... | ..... | ..... | ..... |  |

1. The estimates under the contribution columns are also percent changes.

2. Exports and imports of certain goods, primarily military equipment purchased and sold by the federal government, are included in services.

3. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

NOTE: Percent changes are from NIPA table 4.2.1, contributions are from NIPA table 4.2.2, and shares are calculated from NIPA table 4.2.5.

Exports of goods and services picked up somewhat in the first quarter. Exports of goods increased 13.2 percent after increasing 11.1 percent. Exports of services was unchanged after increasing 3.0 percent.

The pickup in exports of goods reflected an upturn in "other" exports of goods and accelerations in automotive vehicles, engines, and parts and in industrial supplies and materials that were partly offset by downturns in foods, feeds, and beverages and in non-automotive consumer goods.

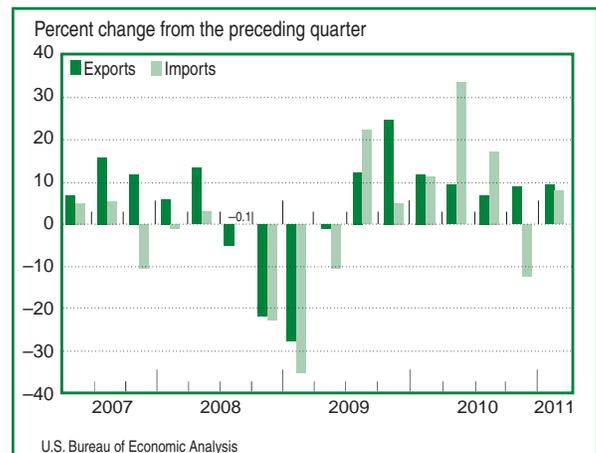
The slowdown in exports of services mainly reflected a downturn in travel, a slowdown in "other" private services, and a downturn in passenger fares.

Imports of goods and services turned up, increasing 7.5 percent after decreasing 12.6 percent; the upturn reflected an upturn in imports of goods and a smaller decrease in imports of services.

The upturn in imports of goods reflected upturns in petroleum and products, in automotive vehicles, engines, and parts, in nonpetroleum industrial supplies and materials, in nonautomotive consumer goods, and in foods, feeds, and beverages and a pickup in nonautomotive capital goods. In contrast, "other" imports turned down.

The smaller decrease in imports of services mainly reflected an upturn in "other" transportation and a smaller decrease in direct defense expenditures that were partly offset by a slowdown in "other" private services.

Chart 5. Real Exports and Imports of Goods and Services



Government Spending

Table 7. Real Government Consumption Expenditures and Gross Investment (CEGI)
[Seasonally adjusted at annual rates]

| | Share of current-dollar CEGI (percent) | Change from preceding period (percent) | | | | Contribution to percent change in real CEGI (percentage points) | | | | |
|---|--|--|------------|-------------|--------------|---|-------------|--------------|--------------|--|
| | 2011 | 2010 | | | | 2011 | | | | |
| | I | II | III | IV | I | II | III | IV | I | |
| Government consumption expenditures and gross investment¹ | 100.0 | 3.9 | 3.9 | -1.7 | -5.1 | 3.9 | 3.9 | -1.7 | -5.1 | |
| Consumption expenditures..... | 83.5 | 2.5 | 2.7 | -2.2 | -2.4 | 2.13 | 2.23 | -1.81 | -1.91 | |
| Gross investment..... | 16.5 | 11.3 | 10.2 | 0.9 | -17.7 | 1.82 | 1.68 | 0.15 | -3.22 | |
| Federal | 40.4 | 9.1 | 8.8 | -0.3 | -7.9 | 3.56 | 3.48 | -0.13 | -3.26 | |
| National defense | 26.8 | 7.4 | 8.5 | -2.2 | -11.7 | 1.96 | 2.26 | -0.61 | -3.29 | |
| Consumption expenditures..... | 23.0 | 5.4 | 8.8 | -6.8 | -7.7 | 1.23 | 2.01 | -1.62 | -1.81 | |
| Gross investment..... | 3.9 | 20.4 | 6.3 | 28.2 | -31.2 | 0.73 | 0.25 | 1.02 | -1.48 | |
| Nondefense | 13.5 | 12.8 | 9.5 | 3.7 | 0.1 | 1.60 | 1.22 | 0.48 | 0.03 | |
| Consumption expenditures..... | 11.8 | 12.2 | 8.1 | 2.6 | 0.3 | 1.33 | 0.91 | 0.30 | 0.05 | |
| Gross investment..... | 1.8 | 17.2 | 19.4 | 10.6 | -1.0 | 0.27 | 0.31 | 0.18 | -0.02 | |
| State and local | 59.6 | 0.6 | 0.7 | -2.6 | -3.2 | 0.39 | 0.43 | -1.53 | -1.87 | |
| Consumption expenditures..... | 48.8 | -0.9 | -1.4 | -1.0 | -0.3 | -0.44 | -0.69 | -0.49 | -0.15 | |
| Gross investment..... | 10.9 | 7.5 | 10.2 | -8.8 | -14.7 | 0.83 | 1.12 | -1.04 | -1.72 | |

1. The estimates under the contribution columns are also percent changes.
NOTE. Percent changes are from NIPA table 3.9.1, contributions from NIPA table 3.9.2, and shares are calculated from NIPA table 3.9.5.

Government spending decreased 5.1 percent in the first quarter after decreasing 1.7 percent in the fourth quarter, primarily reflecting a larger first-quarter decrease in federal government spending.

The larger decrease in federal government spending reflected a larger decrease in national defense spending and a slowdown in nondefense spending. The larger decrease in national defense spending was due to downturns in gross investment in equipment and software and in structures. The slowdown in nondefense spending reflected a slowdown in consumption expenditures and a downturn in gross investment in structures.

State and local government spending also decreased more in the first quarter than in the fourth quarter, mainly reflecting a larger decrease in gross investment in structures.

Government Spending

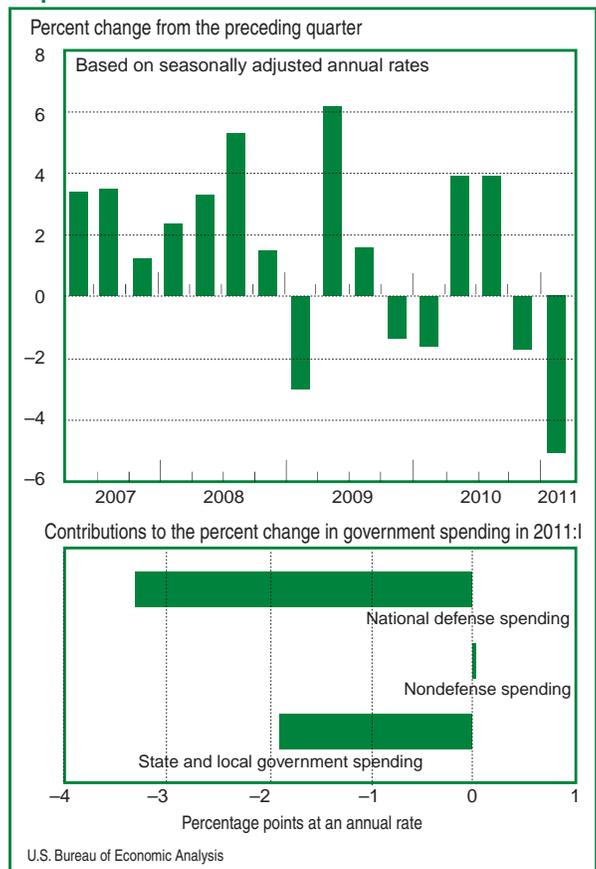
“Government consumption expenditures and gross investment,” or “government spending,” consists of two components: (1) consumption expenditures by federal government and by state and local governments and (2) gross investment by government and government-owned enterprises.

Government consumption expenditures consists of the goods and services that are produced by general government (less any sales to other sectors and investment goods produced by government itself). Governments generally provide services to the general public without charge. The value of government production—that is, government’s gross output—is measured as spending for labor and for intermediate goods and services and a charge for consumption of fixed capital (which represents a partial measure of the services provided by government-owned fixed capital).

Gross investment consists of new and used structures (such as highways and dams) and of equipment and software purchased or produced by government and government-owned enterprises.

Government consumption expenditures and gross investment excludes current transactions of government-owned enterprises, current transfer payments, interest payments, subsidies, and transactions in financial assets and nonproduced assets, such as land.

Chart 6. Real Government Consumption Expenditures and Gross Investment



Prices

Table 8. Prices for Gross Domestic Purchases

[Percent change at annual rates; based on seasonally adjusted index numbers (2005=100)]

| | Change from preceding period (percent) | | | | Contribution to percent change in gross domestic purchases prices (percentage points) | | | |
|---|--|------------|------------|------------|---|-------------|-------------|-------------|
| | 2010 | | | 2011 | 2010 | | | 2011 |
| | II | III | IV | I | II | III | IV | I |
| Gross domestic purchases¹ | 0.1 | 0.7 | 2.1 | 3.8 | 0.1 | 0.7 | 2.1 | 3.8 |
| Personal consumption expenditures | 0.0 | 0.8 | 1.7 | 3.8 | -0.03 | 0.53 | 1.18 | 2.57 |
| Goods | -3.6 | 0.9 | 3.4 | 8.0 | -0.83 | 0.21 | 0.76 | 1.81 |
| Durable goods | -1.6 | -2.2 | -2.2 | -0.4 | -0.11 | -0.16 | -0.16 | -0.03 |
| Nondurable goods | -4.6 | 2.4 | 6.1 | 12.2 | -0.72 | 0.37 | 0.92 | 1.84 |
| Services | 1.8 | 0.7 | 0.9 | 1.7 | 0.80 | 0.32 | 0.42 | 0.77 |
| Gross private domestic investment | -0.7 | 0.5 | 2.6 | 1.4 | -0.09 | 0.06 | 0.32 | 0.18 |
| Fixed investment | -0.7 | 0.1 | 1.2 | 1.2 | -0.08 | 0.02 | 0.14 | 0.15 |
| Nonresidential | 0.0 | 0.2 | 0.9 | 1.1 | 0.00 | 0.02 | 0.08 | 0.11 |
| Structures | 2.0 | 2.9 | 4.0 | 4.2 | 0.05 | 0.07 | 0.10 | 0.10 |
| Equipment and software | -0.8 | -0.8 | -0.2 | 0.1 | -0.05 | -0.05 | -0.02 | 0.01 |
| Residential | -3.2 | -0.1 | 2.7 | 1.6 | -0.08 | 0.00 | 0.06 | 0.04 |
| Change in private inventories ..... | ..... | ..... | ..... | ..... | -0.01 | 0.05 | 0.18 | 0.03 |
| Government consumption expenditures and gross investment | 0.9 | 0.3 | 3.1 | 5.2 | 0.17 | 0.07 | 0.60 | 1.01 |
| Federal | 0.9 | 0.5 | 1.8 | 3.5 | 0.07 | 0.04 | 0.14 | 0.28 |
| National defense | 1.2 | 0.5 | 2.2 | 4.1 | 0.06 | 0.03 | 0.12 | 0.22 |
| Nondefense | 0.2 | 0.4 | 1.0 | 2.4 | 0.01 | 0.01 | 0.03 | 0.06 |
| State and local | 0.9 | 0.2 | 4.0 | 6.4 | 0.10 | 0.03 | 0.46 | 0.73 |
| Addenda: | | | | | | | | |
| Gross domestic purchases: | | | | | | | | |
| Food | 1.3 | 1.2 | 2.9 | 5.9 | 0.07 | 0.06 | 0.15 | 0.31 |
| Energy goods and services | -17.4 | 5.2 | 26.5 | 41.2 | -0.73 | 0.19 | 0.94 | 1.42 |
| Excluding food and energy | 0.8 | 0.4 | 1.1 | 2.2 | 0.72 | 0.40 | 1.01 | 2.04 |
| Personal consumption expenditures (PCE): | | | | | | | | |
| Food and beverages for off-premises consumption | 1.6 | 0.3 | 1.4 | 6.3 | ..... | ..... | ..... | ..... |
| Energy goods and services | -17.5 | 5.4 | 24.3 | 40.5 | ..... | ..... | ..... | ..... |
| Excluding food and energy | 1.0 | 0.5 | 0.4 | 1.4 | ..... | ..... | ..... | ..... |
| Gross domestic product (GDP) | 1.9 | 2.1 | 0.4 | 1.9 | ..... | ..... | ..... | ..... |
| Exports | 4.8 | 0.2 | 8.4 | 10.9 | ..... | ..... | ..... | ..... |
| Imports | -7.7 | -8.1 | 18.7 | 21.8 | ..... | ..... | ..... | ..... |

1. The estimates under the contribution columns are also percent changes

NOTE: Most percent changes are from NIPA table 1.6.7; percent changes for PCE for food and energy goods and services and for PCE excluding food and energy are calculated from index numbers in NIPA table 2.3.4. Contributions are from NIPA table 1.6.8. GDP, export, and import prices are from NIPA table 1.1.7.

The gross domestic purchases price index increased 3.8 percent in the first quarter after increasing 2.1 percent in the fourth quarter. The federal pay raise for military personnel added about 0.1 percentage point to the first-quarter percent change in the index. The pay raise is treated as an increase in the price of employee services purchased by the federal government.

Consumer prices increased 3.8 percent in the first quarter after increasing 1.7 percent. The largest contributors to the acceleration were pickups in gasoline and other energy goods, in food and beverages purchased for off-premises consumption (groceries), and housing and utilities and an upturn in financial services and insurance.

Prices paid for nonresidential fixed investment picked up slightly, primarily reflecting an upturn in prices paid for equipment and software.

Prices paid for residential fixed investment slowed, increasing 1.6 percent after increasing 2.7 percent.

Prices paid by government accelerated, reflecting accelerations in prices paid by state and local governments and by the federal government, which included the military pay raise.

Consumer prices excluding food and energy, a measure of the "core" rate of inflation, picked up, increasing 1.4 percent after increasing 0.4 percent.

The GDP price index increased 1.9 percent, 1.9 percentage points less than the percent increase in the price index for gross domestic purchases, reflecting a larger increase in import prices (21.8 percent) than in export prices (10.9 percent).

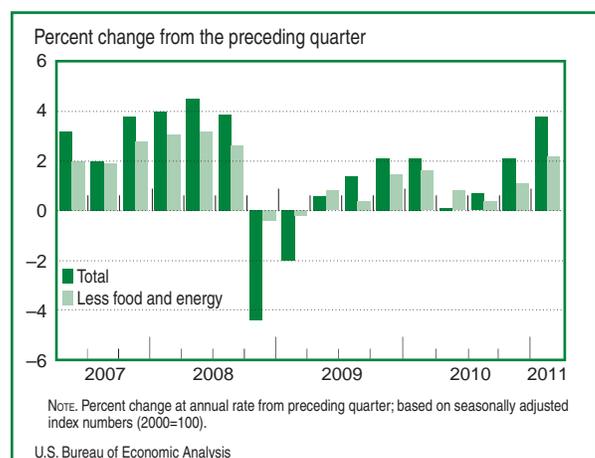
Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services, regardless of whether those goods and services were produced domestically or imported. It is derived from prices of consumer spending, private investment, and government spending.

The GDP price index measures the prices of goods and services produced in the United States, including the prices of goods and services produced for export.

The difference between the gross domestic purchases price index and the GDP price index reflects the differences between imports prices (included in the gross domestic purchases index) and exports prices (included in the GDP price index). For other measures that are affected by import and export prices, see the dollar depreciation [FAQ Answer ID 498](#) on BEA's Web site.

Chart 7. Gross Domestic Purchases Prices



Revisions

Table 9. Advance and Second Estimates for the First Quarter of 2011

[Seasonally adjusted at annual rates]

| | Change from preceding quarter (percent) | | | Contribution to percent change in real GDP (percentage points) | | |
|---|---|-------------|----------------------|--|--------------|----------------------|
| | Advance | Second | Second minus advance | Advance | Second | Second minus advance |
| Gross domestic product (GDP) ¹ | 1.8 | 1.8 | 0.0 | 1.8 | 1.8 | 0.0 |
| Personal consumption expenditures | 2.7 | 2.2 | -0.5 | 1.91 | 1.53 | -0.38 |
| Goods | 4.8 | 3.5 | -1.3 | 1.12 | 0.83 | -0.29 |
| Durable goods | 10.6 | 8.9 | -1.7 | 0.78 | 0.66 | -0.12 |
| Nondurable goods | 2.1 | 1.1 | -1.0 | 0.34 | 0.17 | -0.17 |
| Services | 1.7 | 1.5 | -0.2 | 0.80 | 0.69 | -0.11 |
| Gross private domestic investment | 8.5 | 12.3 | 3.8 | 1.01 | 1.45 | 0.44 |
| Fixed investment | 0.7 | 2.1 | 1.4 | 0.09 | 0.26 | 0.17 |
| Nonresidential | 1.8 | 3.4 | 1.6 | 0.18 | 0.33 | 0.15 |
| Structures | -21.7 | -16.8 | 4.9 | -0.63 | -0.48 | 0.15 |
| Equipment and software | 11.6 | 11.6 | 0.0 | 0.80 | 0.81 | 0.01 |
| Residential | -4.1 | -3.3 | 0.8 | -0.09 | -0.07 | 0.02 |
| Change in private inventories ..... | ..... | ..... | ..... | 0.93 | 1.19 | 0.26 |
| Net exports of goods and services ..... | ..... | ..... | ..... | -0.08 | -0.06 | 0.02 |
| Exports | 4.9 | 9.2 | 4.3 | 0.64 | 1.16 | 0.52 |
| Goods | 7.8 | 13.2 | 5.4 | 0.70 | 1.16 | 0.46 |
| Services | -1.7 | 0.0 | 1.7 | -0.07 | 0.00 | 0.07 |
| Imports | 4.4 | 7.5 | 3.1 | -0.72 | -1.22 | -0.50 |
| Goods | 5.9 | 9.5 | 3.6 | -0.79 | -1.27 | -0.48 |
| Services | -2.7 | -1.8 | 0.9 | 0.08 | 0.05 | -0.03 |
| Government consumption expenditures and gross investment | -5.2 | -5.1 | 0.1 | -1.09 | -1.07 | 0.02 |
| Federal | -7.9 | -7.9 | 0.0 | -0.68 | -0.68 | 0.00 |
| National defense | -11.7 | -11.7 | 0.0 | -0.69 | -0.68 | 0.01 |
| Nondefense | 0.1 | 0.1 | 0.0 | 0.00 | 0.00 | 0.00 |
| State and local | -3.3 | -3.2 | 0.1 | -0.41 | -0.39 | 0.02 |
| Addenda: | | | | | | |
| Final sales of domestic product | 0.8 | 0.6 | -0.2 | 0.82 | 0.65 | -0.17 |
| Gross domestic purchases price index | 3.8 | 3.8 | 0.0 | ..... | ..... | ..... |
| GDP price index | 1.9 | 1.9 | 0.0 | ..... | ..... | ..... |

1. The estimates under the contribution columns are also percent changes.

The percent change in real GDP was the same in the second estimate as in the advance estimate, reflecting upward revisions to exports, to inventory investment, and to nonresidential fixed investment that were offset by an upward revision to imports and a downward revision to consumer spending. The average revision (without regard to sign) between the advance estimate and the second estimate is 0.5 percentage point.

The downward revision to consumer spending was to both goods and services. Within goods, the largest contributors to the revision were motor vehicle fuels, lubricants, and fluids and net purchases of used motor vehicles. Within services, the revision was more than accounted for by electricity and gas services.

The upward revision to nonresidential fixed investment primarily reflected an upward revision to nonresidential structures.

The upward revision to inventory investment primarily reflected upward revisions to wholesale trade inventories, to retail trade inventories, and to manufacturing inventories.

The upward revision to exports was primarily to exports of goods. Within goods, the largest contributors were "other" nonautomotive capital goods; automotive vehicles, engines and parts; and industrial supplies and materials.

The upward revision to imports was primarily to goods and was widespread. The largest contributor to the revision was automotive vehicles, engines, and parts. In contrast, nonautomotive consumer goods was revised down.

Source Data for the Second Estimates

Personal consumption expenditures: retail sales for January, February, and March (revised) and 2009 Annual Retail Trade Survey on a best-change basis. Motor vehicle registrations for March (new). Retail electricity sales and unit value data for February (revised) and March (new), gasoline data for February (revised), and natural gas sales and unit value data for February (revised) and March (new) from the Energy Information Administration.

Nonresidential fixed investment: construction spending (value put in place) for January and February (revised) and March (new). Manufacturers' shipments (M3) of machinery and equipment for February and March (revised) and benchmarked M3 on a best-change basis. Exports and imports for January and February (revised) and March (new).

Residential fixed investment: construction spending for January and February (revised) and March (new).

Change in private inventories: manufacturers' inventories for January, February, and March (revised) and trade inventories for January and February (revised) and March (new).

Exports and imports of goods and services: transactions for January and February (revised) and March (new). Price indexes for January, February, and March (revised).

Government consumption expenditures and gross investment: state and local construction spending for January and February (revised) and March (new).

Personal Income for the Fourth Quarter of 2010

With the release of the second estimates of GDP, BEA also releases revised estimates of various income-related measures for the previous quarter. This revision reflects the incorporation of newly available fourth-quarter tabulations from the Quarterly Census of Employment and Wages from the Bureau of Labor Statistics.

Wage and salary disbursements increased \$27.9 billion, a downward revision of \$24.6 billion. Personal current taxes increased \$25.0 billion, a downward revision of \$1.9 billion. Contributions for government social insurance, which is subtracted in calculating personal income, increased \$4.0 billion, a downward revision of \$3.4 billion.

As a result of these revisions,

- Personal income increased \$105.4 billion, a downward revision of \$23.1 billion.
- Disposable personal income increased \$80.5 billion, a downward revision of \$21.1 billion.
- Personal saving decreased \$62.1 billion, a downward revision of \$21.1 billion.
- The personal saving rate was 5.4 percent, a downward revision of 0.2 percentage point.

