



**Technical Note**  
Gross Domestic Product  
First Quarter of 2011 (Third Estimate)  
June 24, 2011

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 first 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 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 1.9 percent (annual rate) in the first quarter, which was 0.1 percentage point more than last month's estimate. The upward revision to GDP reflected a downward revision to imports and an upward revision to inventory investment that were largely offset by downward revisions to exports, to nonresidential fixed investment, and to state and local government spending.

- The downward revisions to both imports and exports reflected the incorporation of revised Census Bureau goods data for March and of the annual revision of the international transaction accounts on a best-change basis.
- The upward revision to inventory investment reflected upward revisions to wholesale trade inventories and to manufacturing inventories based on revised Census inventory data for March.
- The downward revision to nonresidential fixed investment reflected a downward revision to software based on newly available Census quarterly services survey data.
- The downward revision to state and local government spending was primarily to gross investment in structures based on revised Census value put in place data for February and March.

The price index for gross domestic purchases—the prices paid by U.S. residents for goods and services wherever produced—increased 3.9 percent in the first quarter, 0.1 percentage point more than last month's estimate. The upward revision to prices was primarily to personal consumption expenditures and reflected an upward revision to the price for banking services based on *Call Report* data.

## **Corporate Profits**

Profits from current production increased \$48.7 billion, or 2.9 percent (quarterly rate), in the first quarter. Domestic profits of financial corporations decreased \$66.3 billion, domestic profits of nonfinancial corporations increased \$60.7 billion, and rest-of-the-world profits increased \$54.4 billion.

## **Annual Revision Scheduled for July 29**

The annual revision of the national income and product accounts (NIPAs) will be released along with the “advance” estimate of GDP for the second quarter of 2011 on July 29. In addition to the regular revision of estimates for the most recent 3 years and the first quarter of 2011, GDP and some components will be revised back to the first quarter of 2003 (see “Preview of the Upcoming Annual NIPA Revision” in the May *Survey of Current Business*). The August *Survey* will contain an article that describes the annual revision in detail.

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