



Technical Note
Gross Domestic Product
Second Quarter of 2005 (Final)
September 29, 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 Components of Real GDP

Real GDP growth in the second quarter was 3.3 percent, the same as in the preliminary estimate. The final estimate of real GDP reflected offsetting revisions to several components:

- Personal consumption spending for services was revised up, reflecting newly available Energy Information Administration data on electricity usage for June and newly available Census Bureau data on telephone revenue for the second quarter.
- Both exports of services and imports of services were revised down, reflecting revised estimates from BEA's international transactions accounts.
- Inventory investment was revised down, reflecting revised Census inventory data for June.

The price index for gross domestic purchases increased 3.3 percent in the third quarter, 0.2 percentage point more than in the preliminary estimate. The price index for bank services was revised up, based on newly available FDIC Call Report data. The price index for residential investment was revised up, reflecting a revision to the Census price index of new one-family houses under construction.

Corporate Profits

Profits from current production increased \$59.3 billion, or 4.6 percent, in the second quarter, compared with \$68.7 billion, or 5.6 percent, in the first.

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