



Technical Note
Gross Domestic Product
Fourth Quarter of 2011 (Third Estimate)
March 29, 2012

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 fourth 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 ("GDP and the Economy").

Sources of Revision to Real GDP

Real GDP increased 3.0 percent (annual rate) in the fourth quarter, the same increase as last month's estimate. A downward revision to exports was offset by an upward revision to nonresidential fixed investment.

- The downward revision to exports was to both goods and services and reflected fourth-quarter data from the international transactions accounts.
- The upward revision to nonresidential fixed investment was primarily accounted for by an upward revision to equipment and software. Within equipment and software, the revision was mostly accounted for by an upward revision to software based on newly available fourth-quarter quarterly services survey (QSS) data from the Census Bureau.

The price index for gross domestic purchases—the prices paid by U.S. residents for goods and services wherever produced—increased 1.1 percent in the fourth quarter, the same increase as in last month's estimate.

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 4.4 percent in the fourth quarter. For a given quarter, the estimates of GDP and GDI may differ for a variety of reasons, including the incorporation of largely independent source data. However, over longer time spans, the estimates of GDP and GDI tend to follow similar patterns of change.

Profits from current production increased \$16.8 billion, or 0.9 percent (quarterly rate), in the fourth quarter. Domestic profits of financial corporations increased

\$29.9 billion, domestic profits of nonfinancial corporations increased \$28.4 billion, and rest-of-the-world profits decreased \$41.5 billion.

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