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EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, Thursday, June 29, 2017

* See the navigation bar at the right side of the news release text for links to data tables, contact personnel and their telephone numbers, and supplementary materials.

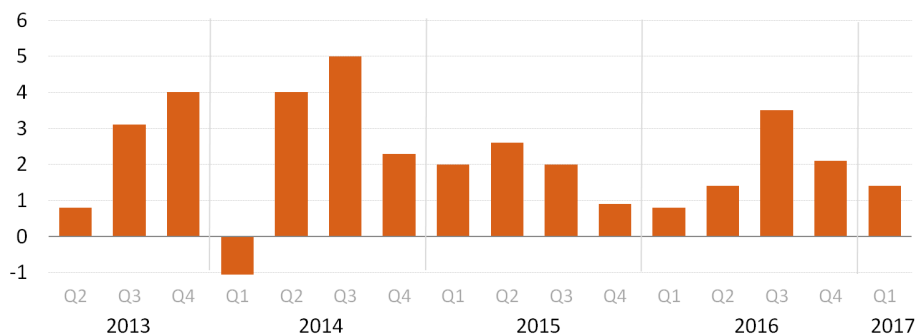
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National Income and Product Accounts Gross Domestic Product: First Quarter 2017 (Third Estimate) Corporate Profits: First Quarter 2017 (Revised Estimate)

Real gross domestic product (GDP) increased at an annual rate of 1.4 percent in the first quarter of 2017 (table 1), according to the "third" estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2016, real GDP increased 2.1 percent.

The GDP estimate released today is based on more complete source data than were available for the "second" estimate issued last month. In the second estimate, the increase in real GDP was 1.2 percent. With the third estimate for the first quarter, personal consumption expenditures (PCE) and exports increased more than previously estimated, but the general picture of economic growth remains the same (see "Updates to GDP" on page 2).

Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

[\(/newsreleases/national/gdp/2017/_images/gdp1q17_3rd_chart.png\)](#)

Real gross domestic income (GDI) increased 1.0 percent in the first quarter, in contrast to a decrease of 1.4 percent in the fourth. The average of real GDP and real GDI, a supplemental measure of U.S. economic activity that equally weights GDP and GDI, increased 1.2 percent in the first quarter, compared with an increase of 0.3 percent in the fourth quarter (table 1).

Upcoming Annual Update of the National Income and Product Accounts

The annual update of the national income and product accounts, covering the first quarter of 2014 through the first quarter of 2017, will be released along with the "advance" estimate of GDP for the second quarter of 2017 on July 28. For more information, see "Preview of the 2017 NIPA Annual Update" included in the May Survey of Current Business article on "GDP and the Economy (/scb/pdf/2017/05%20May/0517_gdp_and_the_economy).

The increase in real GDP in the first quarter primarily reflected positive contributions from nonresidential fixed investment, exports, PCE, and residential fixed investment that were partly offset by negative contributions from private inventory investment, federal government spending, and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased.

The deceleration in real GDP in the first quarter reflected a downturn in private inventory investment, a deceleration in PCE, and a downturn in state and local government spending that were partly offset by an upturn in exports, an acceleration in nonresidential fixed investment, and a deceleration in imports.

Current-dollar GDP increased 3.4 percent, or \$157.7 billion, in the first quarter to a level of \$19,027.1 billion. In the fourth quarter, current-dollar GDP increased 4.2 percent, or \$194.1 billion (table 1 and table 3).

The price index for gross domestic purchases increased 2.5 percent in the first quarter, compared with an increase of 2.0 percent in the fourth quarter (table 4). The PCE price index increased 2.4 percent, compared with an increase of 2.0 percent. Excluding food and energy prices, the PCE price index increased 2.0 percent, compared with an increase of 1.3 percent (appendix table A).

Updates to GDP

The upward revision to the percent change in real GDP primarily reflected upward revisions to PCE and to exports which were partly offset by a downward revision to nonresidential fixed investment. For more information, see the Technical Note (/newsreleases/national/gdp/2017/tech1q17_3rd.htm). For information on updates to GDP, see the "Information" section that follows.

	Advance Estimate	Second Estimate	Third Estimate
	(Percent change from preceding quarter)		
Real GDP	0.7	1.2	1.4
Current-dollar GDP	3.0	3.4	3.4
Real GDI	---	0.9	1.0
Average of Real GDP and Real GDI	---	1.0	1.2
Gross domestic purchases price index	2.6	2.6	2.5
PCE price index	2.4	2.4	2.4

Corporate Profits (table 12)

Profits from current production (corporate profits with inventory valuation adjustment and capital consumption adjustment) decreased \$48.4 billion in the first quarter, in contrast to an increase of \$11.2 billion in the fourth quarter.

Profits of domestic financial corporations decreased \$27.9 billion in the first quarter, in contrast to an increase of \$26.5 billion in the fourth. Profits of domestic nonfinancial corporations decreased \$11.1 billion, compared with a decrease of \$60.4 billion. The rest-of-the-world component of profits decreased \$9.4 billion, in contrast to an increase of \$45.1 billion. This measure is calculated as the difference between receipts from the rest of the world and payments to the rest of the world. In the first quarter, receipts increased \$5.3 billion, and payments increased \$14.7 billion.

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Next release: July 28, 2017 at 8:30 A.M. EDT
 Gross Domestic Product: Second Quarter 2017 (Advance Estimate)
 2017 NIPA Annual Update: 2014 through First Quarter 2017

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Additional Information

Resources

Additional resources available at www.bea.gov (/):

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- Historical time series for these estimates can be accessed in BEA's interactive data application ([/itable/](#)).
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- For more on BEA's statistics, see our monthly online journal, the Survey of Current Business ([/scb/index.htm](#)).
- BEA's news release schedule ([/newsreleases/news_release_schedule.htm](#))
- NIPA Handbook ([/national/pdf/all-chapters.pdf](#)): Concepts and Methods of the U.S. National Income and Product Accounts

Definitions

Gross domestic product (GDP) is the value of the goods and services produced by the nation's economy less the value of the goods and services used up in production. GDP is also equal to the sum of personal consumption expenditures, gross private domestic investment, net exports of goods and services, and government consumption expenditures and gross investment.

Gross domestic income (GDI) is the sum of incomes earned and costs incurred in the production of GDP. In national economic accounting, GDP and GDI are conceptually equal. In practice, GDP and GDI differ because they are constructed using largely independent source data. Real GDI is calculated by deflating gross domestic income using the GDP price index as the deflator, and is therefore conceptually equivalent to real GDP.

Current-dollar estimates are valued in the prices of the period when the transactions occurred—that is, at “market value.” Also referred to as “nominal estimates” or as “current-price estimates.” Real values are inflation-adjusted estimates—that is, estimates that exclude the effects of price changes. The gross domestic purchases price index measures the prices of final goods and services purchased by U.S. residents.

The personal consumption expenditure price index measures the prices paid for the goods and services purchased by, or on the behalf of, “persons.”

Profits from current production, referred to as corporate profits with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj) in the NIPAs, is a measure of the net income of corporations before deducting income taxes that is consistent with the value of goods and services measured in GDP. The IVA and CCAdj are adjustments that convert inventory withdrawals and depreciation of fixed assets reported on a tax-return, historical-cost basis to the current-cost economic measures used in the national income and product accounts.

For more definitions, see the Glossary: National Income and Product Accounts ([/national/pdf/glossary.pdf](#)).

Statistical conventions

Annual rates. Quarterly values are expressed at seasonally-adjusted annual rates (SAAR), unless otherwise specified. Dollar changes are calculated as the difference between these SAAR values. For detail, see the FAQ “Why does BEA publish estimates at annual rates?” ([/faq/index.cfm?faq_id=121](#))”

Percent changes in quarterly series are calculated from unrounded data and are displayed at annual rates, unless otherwise specified. For details, see the FAQ “How is average annual growth calculated?” ([/faq/index.cfm?faq_id=463](#))”

Quantities and prices. Quantities, or “real” volume measures, and prices are expressed as index numbers with a specified reference year equal to 100 (currently 2009). Quantity and price indexes are calculated using a Fisher-chained weighted formula that incorporates weights from two adjacent periods (quarters for quarterly data and annuals for annual data). “Real” dollar series are calculated by multiplying the published quantity index by the current dollar value in the reference year (2009) and then dividing by 100. Percent changes calculated from real quantity indexes and chained-dollar levels are conceptually the same; any differences are due to rounding.

Chained-dollar values are not additive because the relative weights for a given period differ from those of the reference year. In tables that display chained-dollar values, a “residual” line shows the difference between the sum of detailed chained-dollar series and its corresponding aggregate.

Updates to GDP

BEA releases three vintages of the current quarterly estimate for GDP: “Advance” estimates are released near the end of the first month following the end of the quarter and are based on source data that are incomplete or subject to further revision by the source agency; “second” and “third” estimates are released near the end of the second and third months, respectively, and are based on more detailed and more comprehensive data as they become available.

Annual and comprehensive updates are typically released in late July. Annual updates generally cover at least the 3 most recent calendar years (and their associated quarters) and incorporate newly available major annual source data as well as some changes in methods and definitions to improve the accounts. Comprehensive (or benchmark) updates are carried out at about 5-year intervals and incorporate major periodic source data, as well as major conceptual improvements.

The table below shows the average revisions to the quarterly percent changes in real GDP between different estimate vintages, without regard to sign.

Vintage	Average Revision Without Regard to Sign (percentage points, annual rates)
Advance to second	0.5
Advance to third	0.6
Second to third	0.2
Advance to latest	1.1

Note - Based on estimates from 1993 through 2015. For more information on GDP updates, see Revision Information (/newsreleases/national/gdp/revision_information.htm) on the BEA Web site.

The larger average revision from the advance to the latest estimate reflects the fact that periodic comprehensive updates include major statistical and methodological improvements.

Unlike GDP, an advance current quarterly estimate of GDI is not released because data on domestic profits and on net interest of domestic industries are not available. For fourth quarter estimates, these data are not available until the third estimate.

Updated: 29-Jun-17

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