

Technical Note
Gross Domestic Product
Fourth Quarter of 2004 (Preliminary)
February 25, 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 fourth quarter is available on BEA's Web site 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 Real GDP

Real GDP growth in the fourth quarter was revised from 3.1 percent to 3.8 percent. Upward revisions to exports, to business investment in plant, equipment, and software, and to inventory investment were partly offset by a downward revision to consumer spending and an upward revision to imports.

- Both exports and imports were revised up, mainly reflecting newly available Census Bureau data on goods for December and revised data for November.
- Nonresidential fixed investment was revised up, reflecting newly available Census Bureau data on value of construction put in place for December and revised data for October and November, newly available trade source data on truck registration for December and revised data for October and November, and newly available Census Bureau data on aircraft shipments for December.
- Inventory investment was revised up, primarily reflecting newly available Census Bureau data on inventories for December and revised data for November.
- The downward revision to personal consumption expenditures was mostly to motor vehicles, primarily reflecting the newly available and revised truck registration data.

The Microsoft Special Dividend

During the fourth quarter the Microsoft Corporation paid its shareholders a special dividend of \$3.00 per share. Personal income was boosted by \$99.4 billion (annual rate) in the fourth quarter; GDP was not affected. For further information, see the FAQs on the Microsoft special dividend on BEA's Web site: www.bea.gov.

Revisions to Wages and Salaries and Related Series

In addition to presenting preliminary estimates for the fourth quarter, today's news release also presents revised third-quarter estimates of wages and salaries, personal taxes, and contributions for government social insurance that incorporate Bureau of Labor Statistics tabulations of preliminary data from the quarterly census of employment and wages.

Wage and salary disbursements are now estimated to have increased \$90.2 billion in the third quarter, an upward revision of \$28.0 billion. Real disposable personal income is now estimated to have increased 2.9 percent in the third quarter, revised up from 2.0 percent, and to have increased 8.1 percent in the fourth quarter, revised down from 8.4 percent.

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Table A.--SOURCE DATA FOR THE ADVANCE AND PRELIMINARY
ESTIMATES OF GDP FOR THE FOURTH QUARTER OF 2004

This table shows the actual data used for the preliminary estimate of GDP for the fourth quarter of 2004. For these key series, actual data for December were not available in time for inclusion in the advance GDP estimate released on January 28, 2005, and BEA made assumptions for these source data. The numbers in brackets show the December values that had been assumed for the advance estimate. For most series, the data incorporated for November and, in some cases, for October, were preliminary, and the numbers shown in brackets are the values used last month.

All series shown in the table are in billions of dollars, seasonally adjusted at annual rates, and are published by the Bureau of the Census.

	Jul.	Aug.	2004 Sep.	Oct.	Nov.	Dec.
Private fixed investment:						
Nonresidential structures:						
1 Value of new total private construction put in place less residential (inc. improvements)...	223.8	224.3	224.9	228.0 {225.0}	226.5 {222.3}	229.2 {223.6}
Equipment and software:						
2 Manufacturers' shipments of complete aircraft.....	22.2	28.9	27.4	29.9	20.6 {20.6}	30.7 {23.3}
Residential structures:						
Value of new residential construction put in place:						
3 Single family.....	371.9	380.3	378.9	380.3 {378.9}	378.9 {376.1}	380.2 {380.0}
4 Multifamily.....	39.8	39.2	39.1	39.0 {38.8}	39.5 {38.9}	40.7 {39.3}
Change in private inventories:						
5 Change in inventories for nondurable manufacturing.....	16.6	12.1	-5.9	23.1	23.9 {14.8}	-0.3 {12.0}
5a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment..	49.6	50.9	30.4	67.0	85.6 {74.6}	56.1 {37.2}

Net exports:

Exports of goods:

6	U.S. exports of goods, international-transactions- accounts basis.....	811.2	817.7	831.3	831.8	817.3 {798.6}	853.3 {813.1}
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6a	Excluding gold.....	806.5	813.8	825.0	826.6	812.7 {794.0}	848.3 {809.0}
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Imports of goods:

7	U.S. imports of goods, international-transactions- accounts basis.....	1469.4	1502.7	1492.2	1554.3	1579.0 {1568.1}	1580.0 {1558.6}
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7a	Excluding gold.....	1465.1	1499.3	1488.0	1549.4	1575.0 {1564.0}	1574.5 {1554.5}
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8	Net exports of goods.....	-658.3	-684.9	-661.0	-722.5	-761.7 {-769.5}	-726.7 {-745.5}
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8a	Excluding gold.....	-658.6	-685.5	-663.0	-722.7	-762.2 {-770.0}	-726.2 {-745.5}
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State and local government structures:

9	Value of new construction put in place.....	220.3	213.1	214.1	215.9 {218.2}	220.2 {218.7}	223.4 {218.5}
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