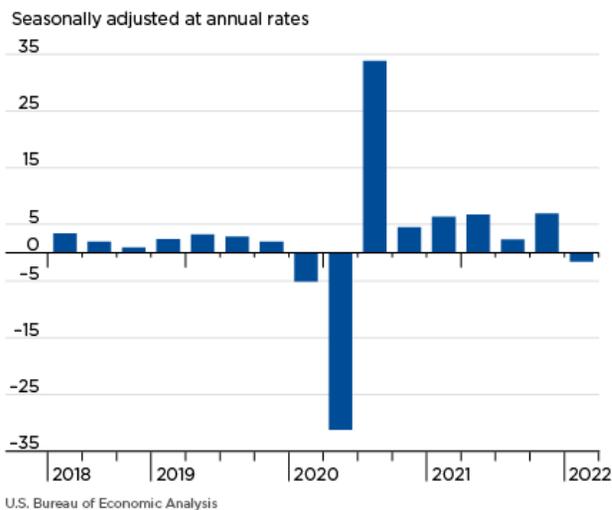


## GDP and the Economy

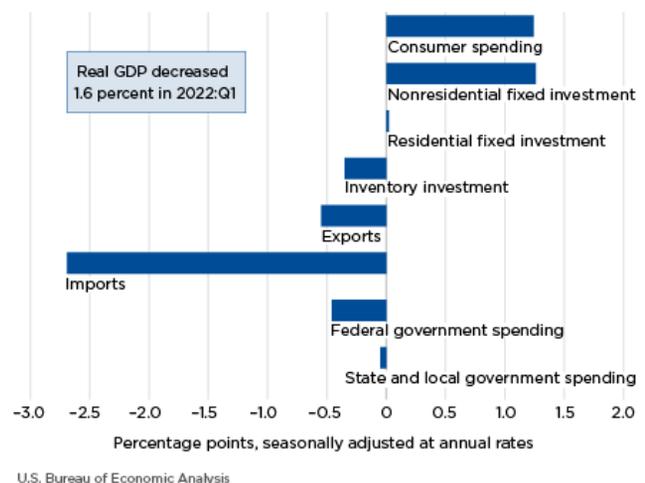
### Third Estimates for the First Quarter of 2022

Real gross domestic product (GDP) decreased at an annual rate of 1.6 percent in the first quarter of 2022, according to the third estimates of the National Income and Product Accounts (chart 1 and table 1).<sup>1</sup> With the third estimate, real GDP growth was revised down 0.1 percentage point from the second estimate issued last month. In the fourth quarter of 2021, real GDP increased 6.9 percent.

**Chart 1. Real GDP: Percent Change from Preceding Quarter**



**Chart 2. Real GDP: Contributions to the Percent Change in 2022:Q1**



The decline in real GDP in the first quarter of 2022 occurred amid a resurgence of COVID-19 cases from the Omicron variant and decreases in government pandemic assistance payments. Other economic conditions including supply-chain challenges, low unemployment, and widespread inflation continued in the first quarter. The full economic effects of the COVID-19 pandemic and other economic factors cannot be quantified in the GDP estimates, because the impacts are generally embedded in source data and cannot be separately identified. Real GDP for the first quarter of 2022 is 2.7 percent above the level of real GDP for the fourth quarter of 2019, the most recent quarter prior to the onset of the COVID-19 pandemic. For more information, refer to the [“Technical Note”](#) and [“Federal Recovery Programs and BEA Statistics.”](#)

## GDP by Expenditure

Real GDP decreased 1.6 percent (annual rate) in the first quarter, following an increase of 6.9 percent in the fourth quarter. The decrease in real GDP reflected decreases in exports, federal government spending, private inventory investment, and state and local government spending, while imports, which are a subtraction in the calculation of GDP, increased. Nonresidential fixed investment, consumer spending, and residential fixed investment increased (chart 2 and table 1).<sup>2</sup>

- Within exports, a decrease in goods was partly offset by an increase in services.
  - The decrease in goods was led by nonfood and nonautomotive consumer goods (mainly nondurable goods such as medicinal, dental, and pharmaceutical preparations), industrial supplies and materials (mainly petroleum and products), and foods, feeds, and beverages (mainly soybeans).
  - The increase in services largely reflected increases in government goods and services (not elsewhere classified) and in travel that were partly offset by charges for the use of intellectual property and other business services (led by financial services).
- The decrease in federal government spending was led by defense spending on intermediate goods and services, led by services.
- The decrease in private inventory investment mainly reflected decreases in wholesale trade (mainly motor vehicles) and in mining, utilities, and construction (more than accounted for by utilities) that were partly offset by an increase in manufacturing.
- The decrease in state and local government spending reflected a decrease in investment in structures that was partly offset by an increase in spending on intermediate goods and services.
- Within imports, the increase primarily reflected an increase in goods, led by nonfood and nonautomotive consumer goods, nonautomotive capital goods, and automotive vehicles, engines, and parts.
- The increase in nonresidential fixed investment reflected increases in equipment and intellectual property products that was partly offset by a decrease in structures.
  - Within equipment, the leading contributors to the increase were information processing equipment (led by computers and peripheral equipment and by communications equipment), other equipment (mainly furniture and fixtures), and industrial equipment (notably, special industry machinery).
  - The increase in intellectual property products primarily reflected increases in software (notably, prepackaged software) and in research and development.
- The increase in consumer spending reflected an increase in services that was partly offset by a decrease in spending on goods.
  - Within services, increases were widespread; housing and utilities (mainly electricity and gas) and other services (led by communication) were the leading contributors.
  - Within goods, a decrease in nondurable goods, led by gasoline and other energy goods and by food and beverages purchased for off-premises consumption (groceries), was partly offset by an increase in durable goods, led by motor vehicles and parts (mainly spending on new light trucks).
- The increase in residential fixed investment primarily reflected an increase in single-family structures that was partly offset by a decrease in brokers' commissions and other ownership transfer costs.

Real gross domestic income (GDI), the sum of incomes earned and costs incurred in the production of GDP, increased 1.8 percent in the first quarter, compared with an increase of 6.3 percent in the fourth quarter. The average of real GDP and real GDI, a supplemental measure of U.S. economic activity that equally weights GDP and GDI, increased 0.1 percent in the first quarter, compared with an increase of 6.6 percent in the fourth quarter.

**Table 1. Real Gross Domestic Product (GDP) by Expenditure and Related Measures**  
[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2022	2021			2022	2021			2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	<b>Gross domestic product (GDP)<sup>1</sup></b>	<b>100.0</b>	<b>6.7</b>	<b>2.3</b>	<b>6.9</b>	<b>-1.6</b>	<b>6.7</b>	<b>2.3</b>	<b>6.9</b>	<b>-1.6</b>
2	<b>Personal consumption expenditures</b>	<b>68.4</b>	<b>12.0</b>	<b>2.0</b>	<b>2.5</b>	<b>1.8</b>	<b>7.92</b>	<b>1.35</b>	<b>1.76</b>	<b>1.24</b>
3	Goods	23.8	13.0	-8.8	1.1	-0.3	2.99	-2.21	0.28	-0.07
4	Durable goods	8.7	11.6	-24.6	2.5	5.9	1.01	-2.52	0.22	0.49
5	Nondurable goods	15.1	13.9	2.0	0.4	-3.7	1.98	0.30	0.06	-0.56
6	Services	44.5	11.5	8.2	3.3	3.0	4.93	3.57	1.48	1.31
7	<b>Gross private domestic investment</b>	<b>19.3</b>	<b>-3.9</b>	<b>12.4</b>	<b>36.7</b>	<b>5.0</b>	<b>-0.65</b>	<b>2.05</b>	<b>5.82</b>	<b>0.93</b>
8	Fixed investment	18.3	3.3	-0.9	2.7	7.4	0.61	-0.16	0.50	1.28
9	Nonresidential	13.5	9.2	1.7	2.9	10.0	1.21	0.22	0.40	1.26
10	Structures	2.6	-3.0	-4.1	-8.3	-0.9	-0.08	-0.11	-0.22	-0.02
11	Equipment	5.6	12.1	-2.3	2.8	14.1	0.66	-0.13	0.17	0.73
12	Intellectual property products	5.3	12.5	9.1	8.9	11.2	0.62	0.46	0.45	0.56
13	Residential	4.8	-11.7	-7.7	2.2	0.4	-0.60	-0.38	0.10	0.02
14	Change in private inventories	1.0	---	---	---	---	-1.26	2.20	5.32	-0.35
15	<b>Net exports of goods and services</b>	<b>-4.8</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-0.18</b>	<b>-1.26</b>	<b>-0.23</b>	<b>-3.23</b>
16	Exports	11.2	7.6	-5.3	22.4	-4.8	0.80	-0.59	2.24	-0.55
17	Goods	7.9	6.4	-5.0	23.4	-7.6	0.48	-0.39	1.64	-0.63
18	Services	3.3	10.4	-5.9	19.9	2.4	0.32	-0.19	0.59	0.08
19	Imports	16.0	7.1	4.7	17.9	18.9	-0.99	-0.68	-2.46	-2.69
20	Goods	13.5	4.3	-0.3	18.9	20.2	-0.51	0.04	-2.16	-2.40
21	Services	2.6	23.6	35.0	13.1	12.1	-0.48	-0.72	-0.31	-0.29
22	<b>Government consumption expenditures and gross investment</b>	<b>17.2</b>	<b>-2.0</b>	<b>0.9</b>	<b>-2.6</b>	<b>-2.9</b>	<b>-0.36</b>	<b>0.17</b>	<b>-0.46</b>	<b>-0.51</b>
23	Federal	6.4	-5.3	-5.1	-4.3	-6.8	-0.38	-0.35	-0.29	-0.46
24	National defense	3.7	-1.1	-1.7	-6.0	-9.9	-0.04	-0.07	-0.24	-0.39
25	Nondefense	2.7	-10.7	-9.5	-2.0	-2.5	-0.34	-0.29	-0.05	-0.07
26	State and local	10.8	0.2	4.9	-1.6	-0.5	0.02	0.52	-0.17	-0.05
<b>Addenda:</b>										
27	Gross domestic income (GDI) <sup>2</sup>	---	4.3	6.4	6.3	1.8	---	---	---	---
28	Average of GDP and GDI	---	5.5	4.3	6.6	0.1	---	---	---	---
29	Final sales of domestic product	---	8.1	0.1	1.5	-1.2	---	---	---	---
30	Goods	32.1	9.8	0.1	19.0	-6.6	3.05	0.05	5.70	-2.18
31	Services	59.1	7.9	4.7	2.4	1.4	4.62	2.77	1.44	0.83
32	Structures	8.8	-10.0	-5.8	-2.9	-2.5	-0.94	-0.52	-0.25	-0.22

1. The GDP estimates under the contribution columns are also percent changes.

2. GDI is deflated by the implicit price deflator for GDP.

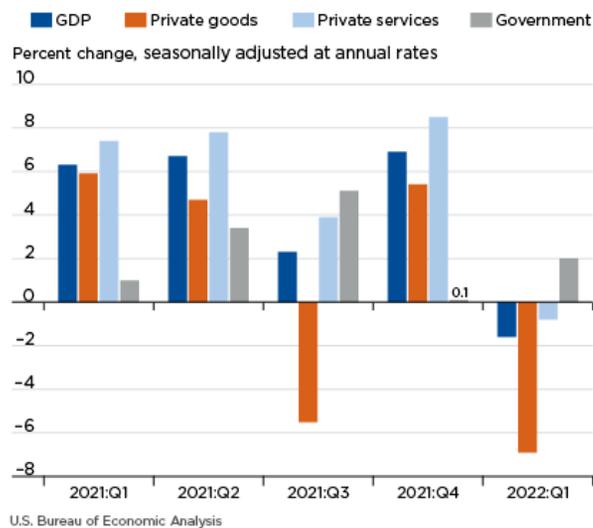
Note. Percent changes are from National Income and Product Account (NIPA) tables 1.1.1 and 1.2.1, contributions are from NIPA tables 1.1.2 and 1.2.2, and shares are from NIPA table 1.1.10 or are calculated from NIPA table 1.2.5.

## GDP by Industry

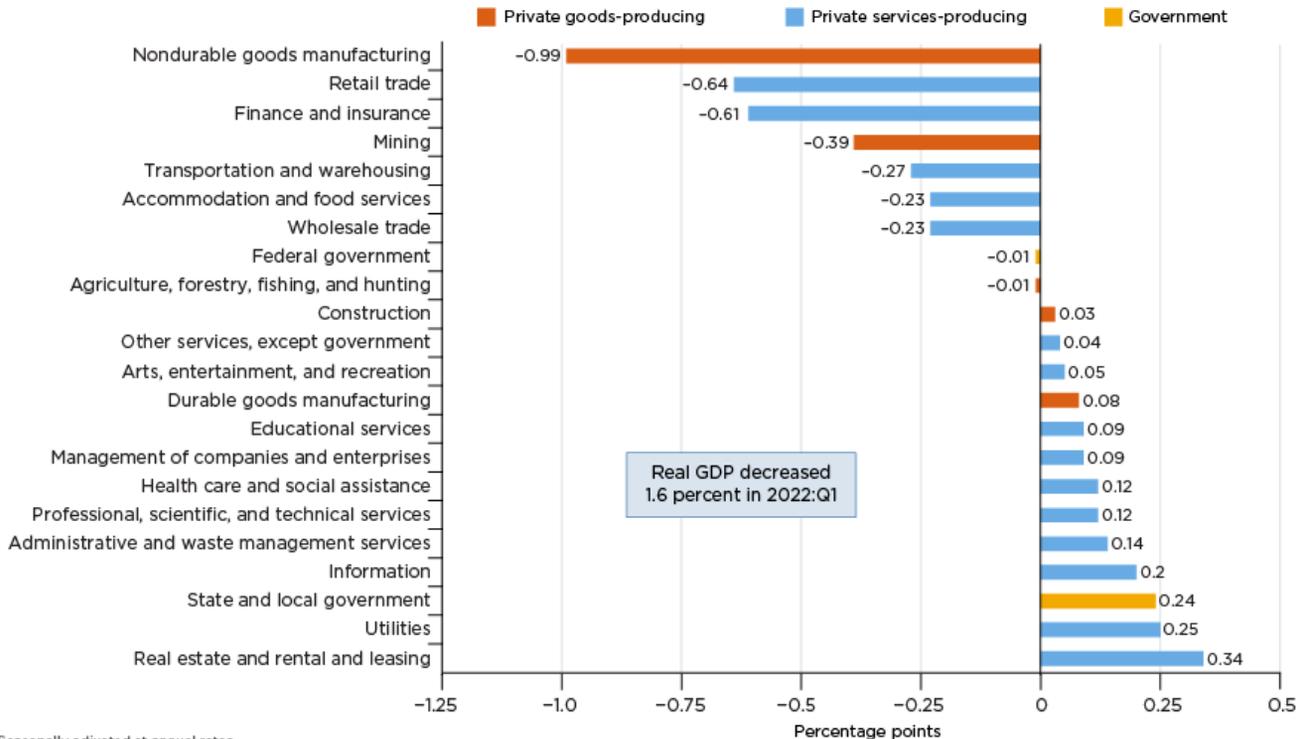
The third estimate of GDP includes estimates of **GDP by industry**, or value added—a measure of an industry’s contribution to GDP. In the first quarter, private goods-producing industries decreased 6.9 percent, private services-producing industries decreased 0.8 percent, and government increased 2.0 percent (chart 3 and table 2). Overall, 9 of 22 industry groups contributed to the first-quarter decline in real GDP (chart 4).

- Within private goods-producing industries, the leading contributors to the decrease were nondurable goods manufacturing (led by petroleum and coal products) and mining.
- Within private services-producing industries, the leading contributors to the decrease were retail trade and finance and insurance; these were partly offset by an increase in real estate and rental and leasing.
- The increase in government reflected an increase in state and local government that was partly offset by a decrease in federal government.

**Chart 3. Real GDP by Sector: Percent Change from Preceding Period**



**Chart 4. Contributions to Percent Change in Real GDP by Industry Group, 2022:Q1**



Seasonally adjusted at annual rates  
U.S. Bureau of Economic Analysis

**Table 2. Real Gross Domestic Product by Industry Group**

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2022	2021			2022	2021			2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	<b>Gross domestic product (GDP)<sup>1</sup></b>	<b>100.0</b>	<b>6.7</b>	<b>2.3</b>	<b>6.9</b>	<b>-1.6</b>	<b>6.7</b>	<b>2.3</b>	<b>6.9</b>	<b>-1.6</b>
2	<b>Private industries</b>	<b>88.2</b>	<b>7.1</b>	<b>1.9</b>	<b>7.9</b>	<b>-2.1</b>	<b>6.26</b>	<b>1.70</b>	<b>6.90</b>	<b>-1.83</b>
3	Agriculture, forestry, fishing, and hunting	1.2	-13.1	-9.0	2.4	-1.3	-0.14	-0.11	0.03	-0.01
4	Mining	1.5	7.3	-7.9	12.0	-23.9	0.08	-0.10	0.15	-0.39
5	Utilities	1.6	3.8	-16.1	-8.6	16.1	0.06	-0.29	-0.15	0.25
6	Construction	4.1	6.6	-13.9	-9.4	0.7	0.28	-0.62	-0.40	0.03
7	Manufacturing	11.4	5.5	-1.5	10.9	-7.7	0.63	-0.17	1.20	-0.91
8	Durable goods	6.0	4.3	-2.5	9.7	1.2	0.27	-0.15	0.58	0.08
9	Nondurable Goods	5.3	7.0	-0.4	12.2	-17.0	0.35	-0.02	0.62	-0.99
10	Wholesale trade	6.1	3.7	-8.1	9.4	-3.8	0.23	-0.51	0.55	-0.23
11	Retail trade	6.0	-14.7	-14.0	7.6	-10.2	-0.97	-0.91	0.46	-0.64
12	Transportation and warehousing	3.0	-9.7	12.2	8.8	-8.8	-0.27	0.32	0.25	-0.27
13	Information	5.6	25.2	8.0	20.1	3.6	1.30	0.44	1.06	0.20
14	Finance, insurance, real estate, rental, and leasing	20.7	4.3	4.4	5.9	-1.3	0.93	0.92	1.24	-0.27
15	Finance and insurance	8.1	3.4	7.8	4.1	-7.1	0.30	0.64	0.35	-0.61
16	Real estate and rental and leasing	12.6	4.9	2.2	7.1	2.7	0.63	0.28	0.89	0.34
17	Professional and business services	13.0	11.8	12.6	12.1	2.8	1.48	1.54	1.52	0.36
18	Professional, scientific, and technical services	7.8	15.3	12.3	12.3	1.6	1.13	0.90	0.92	0.12
19	Management of companies and enterprises	1.8	2.2	7.9	0.9	5.2	0.04	0.15	0.02	0.09
20	Administrative and waste management services	3.4	9.7	16.0	18.6	4.2	0.31	0.49	0.58	0.14
21	Educational services, health care, and social assistance	8.3	6.1	3.3	7.2	2.6	0.52	0.28	0.60	0.21
22	Educational services	1.1	9.2	8.4	4.4	8.7	0.10	0.09	0.05	0.09
23	Health care and social assistance	7.1	5.7	2.6	7.7	1.7	0.42	0.19	0.55	0.12
24	Arts, entertainment, recreation, accomodation, and food services	3.9	68.4	23.6	7.7	-4.7	1.83	0.79	0.29	-0.18
25	Arts, entertainment, and recreation	0.9	16.0	43.1	24.1	5.4	0.12	0.31	0.20	0.05
26	Accommodation and food services	2.9	88.7	18.4	3.1	-7.6	1.70	0.49	0.09	-0.23
27	Other services, except government	2.0	17.5	6.4	4.2	1.9	0.32	0.12	0.08	0.04
28	<b>Government</b>	<b>11.8</b>	<b>3.4</b>	<b>5.1</b>	<b>0.1</b>	<b>2.0</b>	<b>0.42</b>	<b>0.60</b>	<b>0.01</b>	<b>0.23</b>
29	Federal	3.7	0.5	0.3	-1.2	-0.3	0.02	0.01	-0.04	-0.01
30	State and local	8.1	4.8	7.4	0.7	3.0	0.40	0.59	0.06	0.24
<b>Addenda:</b>										
31	Private goods-producing industries <sup>2</sup>	18.2	4.7	-5.5	5.4	-6.9	0.84	-1.00	0.98	-1.29
32	Private services-producing industries <sup>3</sup>	70.0	7.8	3.9	8.5	-0.8	5.42	2.70	5.91	-0.54

1. The GDP estimates under the contribution columns are also percent changes.

2. Consists of agriculture, forestry, fishing and hunting; mining; construction; and manufacturing.

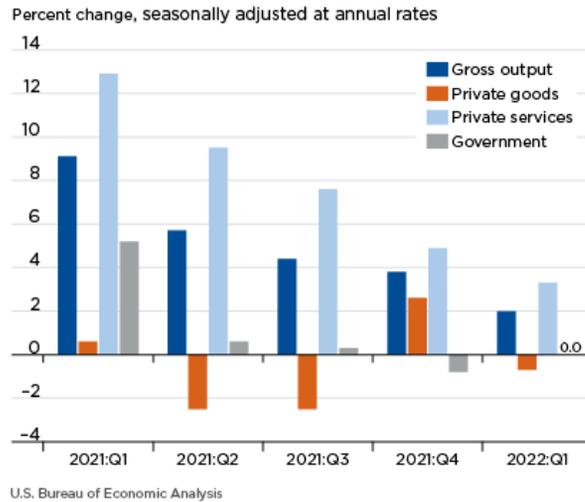
3. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Note. Percent changes are from these GDP by industry tables: "Value Added by Industry as a Percentage of Gross Domestic Product," "Percent Changes in Chain-Type Quantity Indexes for Value Added by Industry," and "Contributions to Percent Change in Real Gross Domestic Product by Industry."

## Gross Output by Industry

Real gross output—principally a measure of an industry's sales or receipts, which includes sales to final users in the economy (GDP) and sales to other industries (intermediate inputs)—increased 2.0 percent in the first quarter (chart 5 and table 3). Private services-producing industries increased 3.3 percent, private goods-producing industries decreased 0.7 percent, and government increased less than 0.1 percent. Overall, 15 of 22 industry groups contributed to the increase in real gross output.

**Chart 5. Real Gross Output by Sector: Percent Change from Preceding Period**



**Table 3. Real Gross Output by Industry Group**

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			
		2021			2022
		Q2	Q3	Q4	Q1
1	<b>All industries</b>	5.7	4.4	3.8	2.0
2	<b>Private industries</b>	6.3	4.9	4.3	2.2
3	Agriculture, forestry, fishing, and hunting	-4.1	-3.6	-1.1	-1.2
4	Mining	13.7	-0.1	6.6	4.8
5	Utilities	6.9	-0.9	-6.9	3.9
6	Construction	-8.3	-8.2	-6.5	-3.2
7	Manufacturing	-1.7	-0.9	5.4	-0.4
8	Durable goods	-2.1	-1.7	8.2	2.9
9	Nondurable goods	-1.3	-0.2	2.7	-3.6
10	Wholesale trade	9.7	0.2	8.7	13.1
11	Retail trade	-4.4	-11.5	2.5	0.0
12	Transportation and warehousing	4.3	19.7	15.1	-0.8
13	Information	19.4	12.6	9.4	11.2
14	Finance, insurance, real estate, rental, and leasing	1.5	6.7	2.5	0.6
15	Finance and insurance	-1.2	10.2	-0.4	-3.1
16	Real estate and rental and leasing	3.7	3.9	5.0	3.8
17	Professional and business services	9.2	13.1	7.4	6.1
18	Professional, scientific, and technical services	9.4	11.3	6.5	5.7
19	Management of companies and enterprises	-0.5	9.2	-4.2	4.2
20	Administrative and waste management services	14.3	19.0	15.6	8.0
21	Educational services, health care, and social assistance	9.9	4.1	3.9	1.2
22	Educational services	15.4	6.7	4.6	5.7
23	Health care and social assistance	9.2	3.8	3.8	0.6
24	Arts, entertainment, recreation, accommodation, and food services	81.4	36.9	0.8	-4.4
25	Arts, entertainment, and recreation	25.3	64.8	9.0	4.5
26	Accommodation and food services	99.8	30.6	-1.2	-6.6
27	Other services, except government	20.1	3.5	2.0	4.0
28	<b>Government</b>	<b>0.6</b>	<b>0.3</b>	<b>-0.8</b>	<b>0.0</b>
29	Federal	-6.4	-8.1	-3.5	-5.3
30	State and local	4.1	4.3	0.4	2.4
	<b>Addenda:</b>				
31	Private goods-producing industries <sup>1</sup>	-2.5	-2.5	2.6	-0.7
32	Private services-producing industries <sup>2</sup>	9.5	7.6	4.9	3.3

1. Consists of agriculture, forestry, fishing and hunting; mining; construction; and manufacturing.

2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Note. Percent changes are from the table [Percent Changes in Chain-Type Quantity Indexes for Gross Output by Industry](#) which is available through BEA's Interactive Data Application.

## Prices

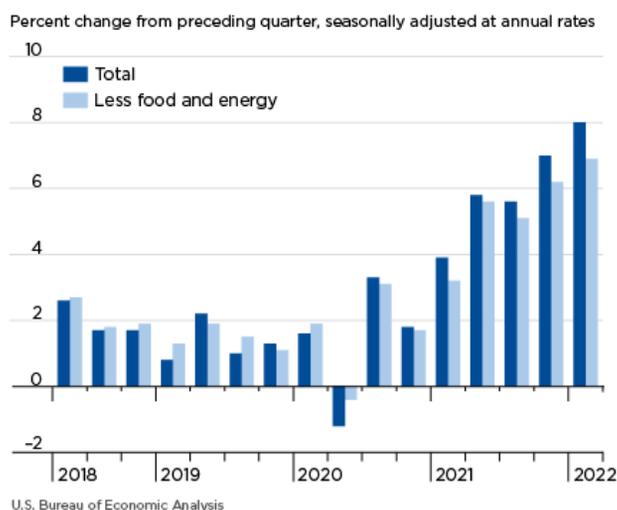
The Bureau of Economic Analysis' (BEA's) featured measure of inflation in the U.S. economy, the price index for gross domestic purchases (goods and services purchased by U.S. residents), increased 8.0 percent in the first quarter after increasing 7.0 percent in the fourth quarter (table 4 and chart 6). Price increases were widespread across all major expenditure categories and were led by increases in consumer goods and services:

- Within consumer goods, the leading contributors to the price increase were gasoline and other energy goods, groceries, other nondurable goods (led by prescription drugs and household supplies), and furnishings and durable household equipment.
- Within consumer services, the leading contributor was an increase in prices paid for housing and utilities (mainly reflecting imputed rental of owner-occupied nonfarm housing) and health care (notably, hospital services).

Food prices increased 11.2 percent in the first quarter after increasing 9.0 percent in the fourth quarter. Prices for energy goods and services increased 43.2 percent after increasing 34.0 percent. Gross domestic purchases prices excluding food and energy increased 6.9 percent after increasing 6.2 percent.

Consumer prices excluding food and energy, a measure of the “core” rate of inflation, increased 5.2 percent in the first quarter after increasing 5.0 percent in the fourth quarter.

**Chart 6. Prices for Gross Domestic Purchases**



**Table 4. Prices for Gross Domestic Purchases**

[Percent change at annual rates; based on seasonally adjusted index numbers (2012=100)]

Line	Series	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
		2021			2022	2021			2022
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	<b>Gross domestic purchases<sup>1</sup></b>	<b>5.8</b>	<b>5.6</b>	<b>7.0</b>	<b>8.0</b>	<b>5.8</b>	<b>5.6</b>	<b>7.0</b>	<b>8.0</b>
2	<b>Personal consumption expenditures</b>	<b>6.5</b>	<b>5.3</b>	<b>6.4</b>	<b>7.1</b>	<b>4.23</b>	<b>3.54</b>	<b>4.19</b>	<b>4.63</b>
3	Goods	9.3	7.3	10.2	11.8	2.11	1.67	2.27	2.62
4	Durable goods	16.8	9.7	10.8	6.5	1.38	0.81	0.88	0.54
5	Nondurable goods	5.0	5.9	9.8	15.0	0.73	0.86	1.39	2.07
6	Services	5.0	4.3	4.4	4.6	2.12	1.87	1.92	2.02
7	<b>Gross private domestic investment</b>	<b>2.9</b>	<b>6.1</b>	<b>8.8</b>	<b>9.9</b>	<b>0.52</b>	<b>1.03</b>	<b>1.53</b>	<b>1.78</b>
8	Fixed investment	4.5	7.0	8.9	9.8	0.80	1.20	1.51	1.68
9	Nonresidential	0.9	4.3	7.8	7.0	0.13	0.56	0.99	0.89
10	Structures	8.9	11.1	24.4	18.2	0.21	0.26	0.54	0.42
11	Equipment	-3.2	4.6	6.9	7.1	-0.16	0.25	0.37	0.38
12	Intellectual property products	1.5	0.9	1.6	1.8	0.08	0.05	0.08	0.09
13	Residential	15.3	14.8	11.9	18.2	0.67	0.64	0.52	0.78
14	Change in private inventories	---	---	---	---	-0.28	-0.17	0.02	0.10
15	<b>Government consumption expenditures and gross investment</b>	<b>6.1</b>	<b>6.1</b>	<b>7.6</b>	<b>9.8</b>	<b>1.04</b>	<b>1.02</b>	<b>1.27</b>	<b>1.60</b>
16	Federal	4.1	5.0	5.7	7.5	0.28	0.33	0.36	0.47
17	National defense	4.3	4.9	5.5	8.4	0.17	0.18	0.21	0.30
18	Nondefense	3.9	5.2	5.8	6.4	0.11	0.14	0.16	0.17
19	State and local	7.3	6.7	8.9	11.2	0.76	0.70	0.91	1.13
<b>Addenda:</b>									
Gross domestic purchases:									
20	Food	1.6	7.9	9.0	11.2	0.09	0.40	0.46	0.56
21	Energy goods and services	21.2	19.4	34.0	43.2	0.49	0.48	0.82	1.07
22	Excluding food and energy	5.6	5.1	6.2	6.9	5.20	4.72	5.72	6.38
Personal consumption expenditures:									
23	Food and beverages purchased for off-premises consumption	4.1	7.7	8.7	11.4	---	---	---	---
24	Energy goods and services	20.4	18.9	34.2	42.8	---	---	---	---
25	Excluding food and energy	6.1	4.6	5.0	5.2	---	---	---	---
26	Gross domestic product	6.1	6.0	7.1	8.2	---	---	---	---
27	Exports of goods and services	19.4	9.7	6.4	18.0	---	---	---	---
28	Imports of goods and services	13.4	6.1	5.6	13.8	---	---	---	---

1. The estimated prices for gross domestic purchases under the contribution columns are also percent changes.

Note. Most percent changes are from NIPA table 1.6.7; percent changes for PCE for food and energy goods and services and for PCE excluding food and energy are from NIPA table 2.3.7. Contributions are from NIPA table 1.6.8. Gross domestic product, export, and import prices are from NIPA table 1.1.7.

## Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services, regardless of whether those goods and services were produced domestically or imported. It is derived from the prices of personal consumption expenditures (PCE), private investment, and government consumption expenditures and gross investment.

The GDP price index measures the prices of goods and services produced in the United States, including the prices of goods and services produced for export. The difference between the gross domestic purchases price index and the GDP price index reflects the differences between imports prices (included in the gross domestic purchases index) and exports prices (included in the GDP price index). For other measures that are affected by import and export prices, see the FAQ "[How do the effects of dollar depreciation show up in the GDP accounts?](#)" on BEA's website.

BEA also produces price indexes for all the components of GDP. The PCE price index is a measure of the total cost of consumer goods and services, including durable goods, nondurable goods, and services. PCE prices for food, for energy goods and services, and for all items except food and energy are also estimated and reported.

Because prices for food and for energy can be volatile, the price measure that excludes food and energy is often used as a measure of underlying, or "core," inflation. The core PCE price index includes purchased meals and beverages, such as restaurant meals and pet food. (See "[What is the core PCE price index?](#)" on BEA's website.)

BEA also prepares a supplemental PCE price index, the "market-based" PCE price index, that is based on market transactions for which there are corresponding price measures. This index excludes many imputed expenditures, such as financial services furnished without payment, that are included in PCE and in the PCE price index. BEA also prepares a market-based measure that excludes food and energy.

## Updates

First-quarter real GDP was revised down 0.1 percentage point from the "second" estimate, primarily reflecting downward revisions to consumer spending and federal government spending that were mostly offset by upward revisions to private inventory investment, nonresidential fixed investment, and exports (table 5). Imports were revised up.

- Within consumer spending, both services and goods were revised down.
  - For services, revisions primarily reflected downward revisions to financial services and insurance (notably, banking and other financial services) and health care (notably, hospitals).
  - For goods, a downward revision to durable goods (led by recreational goods and vehicles) was partly offset by an upward revision to nondurable goods (more than accounted for by gasoline and other energy goods).
- The downward revision to federal government spending primarily reflected a downward revision to national defense equipment investment.
- The revision to private inventory investment reflected an upward revision to nonfarm inventories, led by retail trade (notably, general merchandise stores) and "other" industries (specifically, information).
- Within nonresidential fixed investment, the upward revision was led by structures (mainly commercial and health care).
- The upward revisions to both exports and imports were based primarily on revised U.S. Census Bureau goods data as well as the annual revision of BEA's International Transactions Accounts, which was incorporated on a best-change basis. Within exports, the leading contributor to the upward revision was goods (led by other goods and nonautomotive capital goods). Within imports, an upward revision to services (led by transport) was partly offset by a downward revision to goods (led by nonfood and nonautomotive consumer goods).

**Table 5. Second and Third Estimates for the First Quarter of 2022**

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			Contribution to percent change in real GDP (percentage points)		
		Second estimate	Third estimate	Third estimate minus second estimate	Second estimate	Third estimate	Third estimate minus second estimate
1	<b>Gross domestic product (GDP)<sup>1</sup></b>	-1.5	-1.6	-0.1	-1.5	-1.6	-0.1
2	<b>Personal consumption expenditures</b>	3.1	1.8	-1.3	2.09	1.24	-0.85
3	Goods	0.0	-0.3	-0.3	0.00	-0.07	-0.07
4	Durable goods	6.8	5.9	-0.9	0.57	0.49	-0.08
5	Nondurable goods	-3.7	-3.7	0.0	-0.57	-0.56	0.01
6	Services	4.8	3.0	-1.8	2.09	1.31	-0.78
7	<b>Gross private domestic investment</b>	0.5	5.0	4.5	0.10	0.93	0.83
8	Fixed investment	6.8	7.4	0.6	1.18	1.28	0.10
9	Nonresidential	9.2	10.0	0.8	1.16	1.26	0.10
10	Structures	-3.6	-0.9	2.7	-0.09	-0.02	0.07
11	Equipment	13.2	14.1	0.9	0.68	0.73	0.05
12	Intellectual property products	11.6	11.2	-0.4	0.57	0.56	-0.01
13	Residential	0.4	0.4	0.0	0.02	0.02	0.00
14	Change in private inventories	....	....	....	-1.09	-0.35	0.74
15	<b>Net exports of goods and services</b>	....	....	....	-3.23	-3.23	0.00
16	Exports	-5.4	-4.8	0.6	-0.62	-0.55	0.07
17	Goods	-8.9	-7.6	1.3	-0.73	-0.63	0.10
18	Services	3.6	2.4	-1.2	0.11	0.08	-0.03
19	Imports	18.3	18.9	0.6	-2.61	-2.69	-0.08
20	Goods	20.9	20.2	-0.7	-2.48	-2.40	0.08
21	Services	5.4	12.1	6.7	-0.13	-0.29	-0.16
22	<b>Government consumption expenditures and gross investment</b>	-2.7	-2.9	-0.2	-0.47	-0.51	-0.04
23	Federal	-6.1	-6.8	-0.7	-0.40	-0.46	-0.06
24	National defense	-8.5	-9.9	-1.4	-0.33	-0.39	-0.06
25	Nondefense	-2.6	-2.5	0.1	-0.07	-0.07	0.00
26	State and local	-0.6	-0.5	0.1	-0.07	-0.05	0.02
<b>Addenda:</b>							
27	Final sales of domestic product	-0.4	-1.2	-0.8	---	---	---
28	Gross domestic income (GDI) <sup>2</sup>	2.1	1.8	-0.3	---	---	---
29	Average of GDP and GDI	0.3	0.1	-0.2	---	---	---
30	Gross domestic purchases price index	8.0	8.0	0.0	---	---	---
31	GDP price index	8.1	8.2	0.1	---	---	---

1. The GDP estimates under the contribution columns are also percent changes.

2. GDI is deflated by the implicit price deflator for GDP.

## Information on Key Source Data, Assumptions, and Methodologies

A comprehensive table that presents the “[Key Source Data and Assumptions](#)” that are used to prepare each vintage of the estimate of GDP for the current quarter is available on BEA’s website. For the advance estimates that are released near the end of the month after the close of the quarter, the table shows the months of source data for the quarter that are available; for most components of GDP, 3 months of data are available. For the components for which only 2 months of source data are available, BEA’s assumptions for the third month are shown. Second estimates are released near the end of the second month after the close of the quarter, and third estimates are released near the end of the third month after the close of the quarter. With each vintage, the table is updated to add newly available and revised source data that have been incorporated into the estimates.

For additional details about the source data and the methodologies that are used to prepare the estimates, see “[Concepts and Methods of the U.S. National Income and Product Accounts](#)” on BEA’s website.

## Corporate Profits

Measured in current dollars, profits from current production (corporate profits with the inventory valuation adjustment (IVA) and the capital consumption adjustment (CCAdj)) decreased \$63.8 billion, or 2.2 percent at a quarterly rate, in the first quarter after increasing \$20.4 billion, or 0.7 percent, in the fourth quarter (table 6). Profits of domestic financial corporations decreased \$51.1 billion, profits of domestic nonfinancial corporations decreased \$4.8 billion, and rest-of-the-world profits decreased \$7.9 billion.

**Table 6. Corporate Profits**  
[Seasonally adjusted]

Line	Series	Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)			
		Level	Change from preceding quarter							
		2022	2021			2022	2021			2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	<b>Current production measures:</b>									
1	Corporate profits with IVA and CCAdj	2,872.7	267.8	96.9	20.4	-63.8	10.5	3.4	0.7	-2.2
2	Domestic industries	2,352.6	274.0	45.8	3.7	-55.9	13.1	1.9	0.2	-2.3
3	Financial	499.5	52.8	14.2	-1.3	-51.1	10.9	2.6	-0.2	-9.3
4	Nonfinancial	1,853.0	221.3	31.6	5.0	-4.8	13.8	1.7	0.3	-0.3
5	Rest of the world	520.1	-6.2	51.1	16.8	-7.9	-1.3	11.1	3.3	-1.5
6	Receipts from the rest of the world	988.2	27.4	65.2	12.6	17.7	3.2	7.3	1.3	1.8
7	Less: Payments to the rest of the world	468.1	33.6	14.1	-4.1	25.6	8.4	3.3	-0.9	5.8
9	Less: Taxes on corporate income	469.8	34.9	14.7	15.8	60.7	10.1	3.9	4.0	14.8
10	Equals: Profits after tax	2,402.9	232.9	82.1	4.7	-124.5	10.5	3.4	0.2	-4.9
11	Net dividends	1,476.5	51.4	27.7	26.4	11.4	3.8	2.0	1.8	0.8
12	Undistributed profits from current production	926.4	181.5	54.5	-21.8	-135.9	21.4	5.3	-2.0	-12.8
13	Net cash flow with IVA	3,158.5	224.7	56.5	95.3	-71.9	7.9	1.8	3.0	-2.2

**CCAdj** Capital consumption adjustment

**IVA** Inventory valuation adjustment

Note. Levels of these and other profits series are shown in National Income and Product Account tables [1.12](#) and [6.16D](#).

## Note on Measuring Corporate Profits

Corporate profits is a widely followed economic indicator used to gauge corporate health, assess investment conditions, and analyze the effect on corporations of economic policies and conditions. In addition, corporate profits is an important component in key measures of income.

BEA's measure of corporate profits aims to capture the income earned by corporations from current production in a manner that is fully consistent with the National Income and Product Accounts (NIPAs). The measure is defined as receipts arising from current production less associated expenses. Receipts exclude income in the form of dividends and capital gains, and expenses exclude bad debts, natural resource depletion, and capital losses.

Because direct estimates of NIPA-consistent corporate profits are unavailable, BEA derives these estimates in three steps.

First, BEA measures profits before taxes to reflect corporate income regardless of any redistributions of income through taxes. Estimates for the current quarter are based on corporate earnings reports from sources including the Census Bureau Quarterly Financial Report, Federal Deposit Insurance Corporation call reports, other regulatory reports, and tabulations from corporate financial reports. The estimates are benchmarked to Internal Revenue Service (IRS) data when these data are available for two reasons: the IRS data are based on well-specified accounting definitions, and they are comprehensive, covering all incorporated businesses—publicly traded and privately held—in all industries.

Second, to remove the effects of price changes on inventories valued at historical cost and of tax accounting for inventory withdrawals, BEA adds an inventory valuation adjustment that values inventories at current cost.

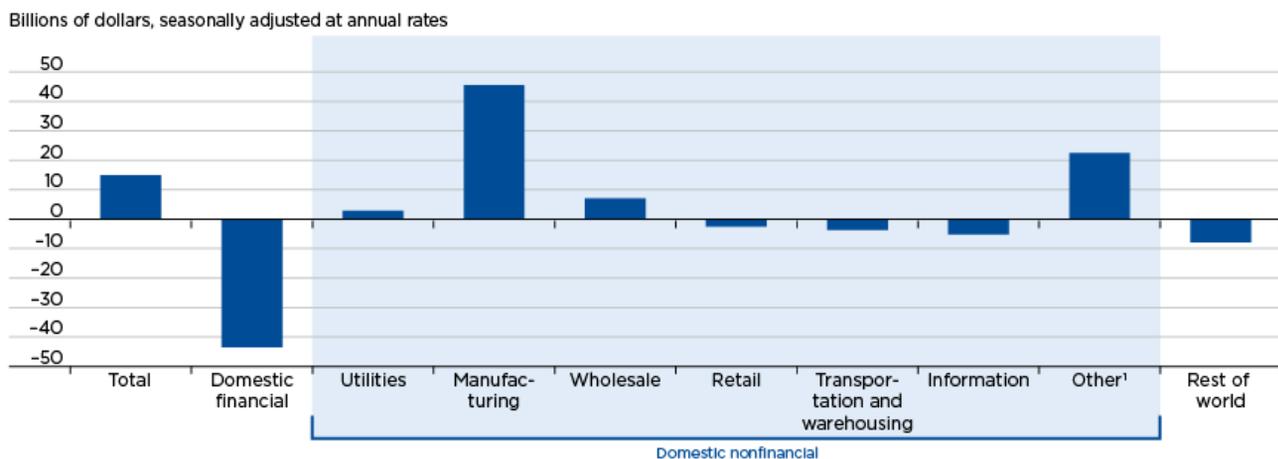
Third, to remove the effects of tax accounting on depreciation, BEA adds a capital consumption adjustment (CCAdj). CCAdj is defined as the difference between capital consumption allowances (tax return depreciation) and consumption of fixed capital (the decline in the value of the stock of assets due to wear and tear, obsolescence, accidental damage, and aging).

## Corporate Profits by Industry

Industry profits (corporate profits by industry with IVA) increased \$14.9 billion, or 0.5 percent at a quarterly rate, in the first quarter after increasing \$57.7 billion, or 0.9 percent, in the fourth quarter (table 7 and chart 7). Domestic profits increased \$22.8 billion in the first quarter and primarily reflected increases in manufacturing and “other” nonfinancial industries that were partly offset by a decrease in profits for financial industries.

Profits after tax (without IVA and CCAdj)—BEA's profits measure that is conceptually most like the profits for companies in the Standard & Poor's 500 Index—increased \$26.4 billion in the first quarter.

**Chart 7. Corporate Profits with Inventory Valuation Adjustment in 2022:Q1, Change from Preceding Quarter**



1. "Other" nonfinancial corporations includes the agriculture, mining, construction, and services industries.  
U.S. Bureau of Economic Analysis

**Table 7. Corporate Profits by Industry**

[Seasonally adjusted]

Line	Series	Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)			
		Level	Change from preceding quarter							
		2022	2021			2022	2021			2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	<b>Industry profits:</b>									
1	Corporate profits with IVA	2,946.5	285.9	126.1	57.7	14.9	11.6	4.6	2.0	0.5
2	Domestic industries	2,426.4	292.1	75.0	40.9	22.8	14.6	3.3	1.7	0.9
3	Financial	558.8	57.0	20.6	4.9	-43.5	11.0	3.6	0.8	-7.2
4	Nonfinancial	1,867.6	235.1	54.4	36.1	66.4	15.9	3.2	2.0	3.7
5	Utilities	22.8	-9.1	8.5	-0.5	2.9	-43.4	71.8	-2.2	14.3
6	Manufacturing	601.2	48.6	49.9	55.3	45.5	12.1	11.1	11.0	8.2
7	Wholesale trade	167.4	25.0	17.8	5.0	7.0	22.2	12.9	3.2	4.4
8	Retail trade	266.5	27.4	-37.4	-1.2	-2.5	9.8	-12.1	-0.4	-0.9
9	Transportation and warehousing	43.0	29.8	-17.0	-0.8	-3.6	86.4	-26.3	-1.6	-7.8
10	Information	167.2	14.5	1.3	-4.4	-5.2	9.0	0.7	-2.5	-3.0
11	Other nonfinancial	599.5	98.8	31.3	-17.4	22.4	21.3	5.6	-2.9	3.9
12	Rest of the world	520.1	-6.2	51.1	16.8	-7.9	-1.3	11.1	3.3	-1.5
	<b>Addenda:</b>									
13	Profits before tax (without IVA and CCAAdj)	3,196.5	357.7	45.9	-5.5	87.1	13.2	1.5	-0.2	2.8
14	Profits after tax (without IVA and CCAAdj)	2,726.7	322.8	31.2	-21.3	26.4	13.6	1.2	-0.8	1.0
15	IVA	-250.0	-71.8	80.2	63.2	-72.2	.....	.....	.....	.....
16	CCAAdj	-73.8	-18.1	-29.2	-37.2	-78.8	.....	.....	.....	.....

**CCAAdj** Capital consumption adjustment

**IVA** Inventory valuation adjustment

Note. Levels of these and other profits series are shown in National Income and Product Account tables 1.12, 1.14, 1.15, and 6.16D.

### Note on Corporate Profits by Industry

Industry profits are corporate profits by industry with inventory valuation adjustment (IVA). The IVA removes the effect of price changes on inventories. The IVA is the difference between the cost of inventory withdrawals at acquisition cost and replacement cost. Ideally, BEA would also add the capital consumption adjustment (CCAAdj) for each industry. However, estimates of the CCAAdj are only available for two broad categories: total financial industries and total nonfinancial industries. For more information about BEA's methodology, see "Corporate Profits" in [Concepts and Methods of the U.S. National Income and Product Accounts](#) on BEA's website.