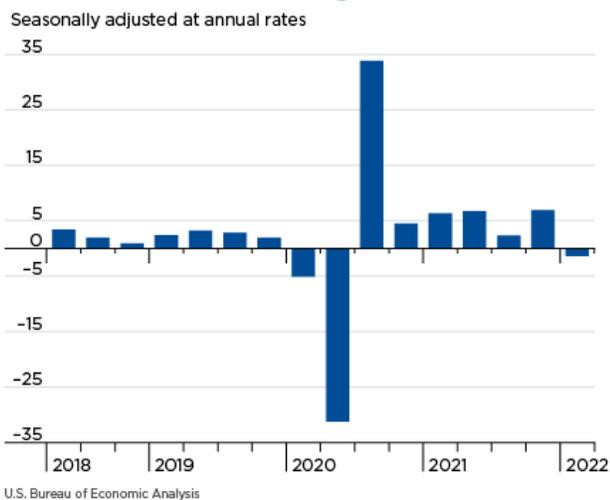


## GDP and the Economy

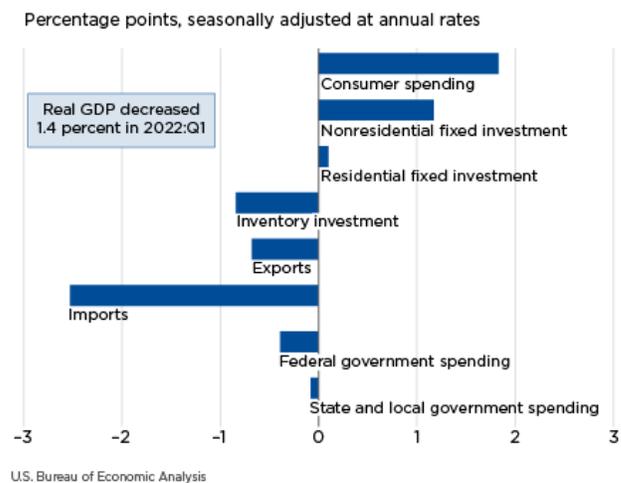
### Advance Estimates for the First Quarter of 2022

Real gross domestic product (GDP) decreased at an annual rate of 1.4 percent in the first quarter of 2022, according to the “advance” estimates of the National Income and Product Accounts (chart 1 and table 1).<sup>1</sup> 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. 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 2.8 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 1.4 percent (annual rate) in the first quarter of 2022, following an increase of 6.9 percent in the fourth quarter of 2021. The decrease in real GDP primarily reflected decreases in private inventory investment, exports, and federal government spending, while imports, which are a subtraction in the calculation of GDP, increased. Consumer spending, nonresidential fixed investment, and residential fixed investment increased (chart 2 and table 1).<sup>2</sup>

- The decrease in private inventory investment was led by decreases in wholesale trade (mainly motor vehicles) and retail trade (notably, other retailers and motor vehicle dealers).
- Within exports, a decrease in goods was partly offset by an increase in services. Within goods, the leading contributors to the decrease were nonfood and nonautomotive consumer goods as well as industrial supplies and materials. Within services, the increase was led by other business services (mainly financial services).
- The decrease in federal government spending was led by defense spending on intermediate goods and services, notably services.
- Within imports, the increase was led by an increase in goods, led by nonfood and nonautomotive consumer goods, nonautomotive capital goods, and automotive vehicles, engines, and parts.
- The increase in consumer spending reflected an increase in services that was partly offset by a decrease in goods.
  - Within services, increases were widespread; health care (both outpatient services and hospitals and nursing homes), financial services and insurance (mainly financial service charges, fees, and commissions), and housing and utilities (electricity and gas) were leading contributors.
  - Within goods, a decrease in nondurable goods, led by gasoline and other energy goods, was partly offset by an increase in durable goods, led by motor vehicles and parts (new light trucks) as well as recreational goods and vehicles.
- The increase in nonresidential fixed investment reflected increases in equipment and intellectual property products.
  - Within equipment, the leading contributors to the increase were information processing equipment (mainly computers and peripheral equipment) and industrial equipment (notably, special industry machinery).
  - The increase in intellectual property products reflected increases in software (notably, prepackaged software) and in research and development.

**Table 1. Real Gross Domestic Product (GDP) 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	Q1	Q2	Q3	Q1
1	<b>Gross domestic product<sup>1</sup></b>	<b>100.0</b>	<b>6.7</b>	<b>2.3</b>	<b>6.9</b>	<b>-1.4</b>	<b>6.7</b>	<b>2.3</b>	<b>6.9</b>	<b>-1.4</b>
2	<b>Personal consumption expenditures</b>	<b>68.5</b>	<b>12.0</b>	<b>2.0</b>	<b>2.5</b>	<b>2.7</b>	<b>7.92</b>	<b>1.35</b>	<b>1.76</b>	<b>1.83</b>
3	Goods	23.8	13.0	-8.8	1.1	-0.1	2.99	-2.21	0.28	-0.03
4	Durable goods	8.7	11.6	-24.6	2.5	4.1	1.01	-2.52	0.22	0.35
5	Nondurable goods	15.2	13.9	2.0	0.4	-2.5	1.98	0.30	0.06	-0.38
6	Services	44.7	11.5	8.2	3.3	4.3	4.93	3.57	1.48	1.86
7	<b>Gross private domestic investment</b>	<b>19.1</b>	<b>-3.9</b>	<b>12.4</b>	<b>36.7</b>	<b>2.3</b>	<b>-0.65</b>	<b>2.05</b>	<b>5.82</b>	<b>0.43</b>
8	Fixed investment	18.3	3.3	-0.9	2.7	7.3	0.61	-0.16	0.50	1.27
9	Nonresidential	13.4	9.2	1.7	2.9	9.2	1.21	0.22	0.40	1.17
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	15.3	0.66	-0.13	0.17	0.79
12	Intellectual property products	5.2	12.5	9.1	8.9	8.1	0.62	0.46	0.45	0.40
13	Residential	4.8	-11.7	-7.7	2.2	2.1	-0.60	-0.38	0.10	0.10
14	Change in private inventories	0.8	---	---	---	---	-1.26	2.20	5.32	-0.84
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>-3.20</b>
16	Exports	11.2	7.6	-5.3	22.4	-5.9	0.80	-0.59	2.24	-0.68
17	Goods	7.9	6.4	-5.0	23.4	-9.6	0.48	-0.39	1.64	-0.80
18	Services	3.3	10.4	-5.9	19.9	3.8	0.32	-0.19	0.59	0.12
19	Imports	16.0	7.1	4.7	17.9	17.7	-0.99	-0.68	-2.46	-2.53
20	Goods	13.5	4.3	-0.3	18.9	20.5	-0.51	0.04	-2.16	-2.43
21	Services	2.5	23.6	35.0	13.1	4.1	-0.48	-0.72	-0.31	-0.10
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>-2.7</b>	<b>-0.36</b>	<b>0.17</b>	<b>-0.46</b>	<b>-0.48</b>
23	Federal	6.4	-5.3	-5.1	-4.3	-5.9	-0.38	-0.35	-0.29	-0.39
24	National defense	3.7	-1.1	-1.7	-6.0	-8.5	-0.04	-0.07	-0.24	-0.33
25	Nondefense	2.7	-10.7	-9.5	-2.0	-2.2	-0.34	-0.29	-0.05	-0.06
26	State and local	10.8	0.2	4.9	-1.6	-0.8	0.02	0.52	-0.17	-0.08
<b>Addenda:</b>										
27	Gross domestic income (GDI) <sup>2</sup>	---	4.3	6.4	5.1	0.9	---	---	---	---
28	Average of GDP and GDI	---	5.5	4.3	6.0	-0.2	---	---	---	---
29	Final sales of domestic product	---	8.1	0.1	1.5	-0.6	---	---	---	---
30	Goods	31.9	9.8	0.1	19.0	-8.8	3.05	0.05	5.70	-2.93
31	Services	59.3	7.9	4.7	2.4	2.9	4.62	2.77	1.44	1.67
32	Structures	8.8	-10.0	-5.8	-2.9	-1.7	-0.94	-0.52	-0.25	-0.15

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.

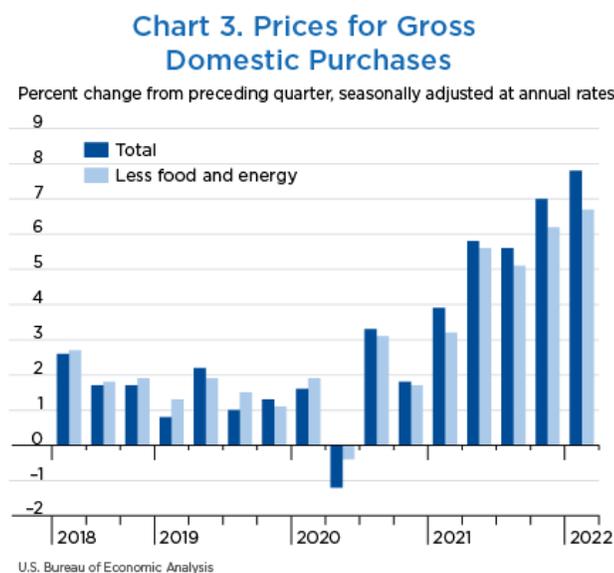
## Prices

The Bureau of Economic Analysis' 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 7.8 percent in the first quarter after increasing 7.0 percent in the fourth quarter (table 2 and chart 3). Price increases were widespread across all major expenditure categories and were led by increases in consumer goods and services.

- Within goods, the leading contributors to the price increase were gasoline and other energy goods, food and beverages purchased for off-premises consumption (groceries), other nondurable goods (notably prescription drugs and household supplies), and furnishings and durable household equipment.
- Within 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 42.5 percent after increasing 34.0 percent. Gross domestic purchases prices excluding food and energy increased 6.7 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.



**Table 2. 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>7.8</b>	<b>5.8</b>	<b>5.6</b>	<b>7.0</b>	<b>7.8</b>
2	<b>Personal consumption expenditures</b>	<b>6.5</b>	<b>5.3</b>	<b>6.4</b>	<b>7.0</b>	<b>4.23</b>	<b>3.54</b>	<b>4.19</b>	<b>4.60</b>
3	Goods	9.3	7.3	10.2	11.8	2.11	1.67	2.27	2.61
4	Durable goods	16.8	9.7	10.8	6.5	1.38	0.81	0.88	0.55
5	Nondurable goods	5.0	5.9	9.8	14.9	0.73	0.86	1.39	2.06
6	Services	4.9	4.3	4.4	4.6	2.12	1.87	1.92	1.99
7	<b>Gross private domestic investment</b>	<b>2.9</b>	<b>6.1</b>	<b>8.8</b>	<b>9.6</b>	<b>0.52</b>	<b>1.03</b>	<b>1.53</b>	<b>1.73</b>
8	Fixed investment	4.5	7.0	8.9	9.6	0.80	1.20	1.51	1.65
9	Nonresidential	0.9	4.3	7.8	6.8	0.13	0.56	0.99	0.88
10	Structures	8.9	11.1	24.4	18.5	0.21	0.26	0.54	0.43
11	Equipment	-3.2	4.6	6.9	6.7	-0.16	0.25	0.37	0.36
12	Intellectual property products	1.5	0.9	1.6	1.7	0.08	0.05	0.08	0.09
13	Residential	15.3	14.8	11.9	17.8	0.67	0.64	0.52	0.77
14	Change in private inventories	---	---	---	---	-0.28	-0.17	0.02	0.09
15	<b>Government consumption expenditures and gross investment</b>	<b>6.1</b>	<b>6.1</b>	<b>7.6</b>	<b>9.1</b>	<b>1.04</b>	<b>1.02</b>	<b>1.27</b>	<b>1.49</b>
16	Federal	4.1	5.0	5.7	7.0	0.28	0.33	0.36	0.44
17	National defense	4.3	4.9	5.5	7.8	0.17	0.18	0.21	0.28
18	Nondefense	3.9	5.2	5.8	5.9	0.11	0.14	0.16	0.16
19	State and local	7.3	6.7	8.9	10.3	0.76	0.70	0.91	1.05
<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	42.5	0.49	0.48	0.82	1.04
22	Excluding food and energy	5.6	5.1	6.2	6.7	5.20	4.72	5.72	6.22
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	42.6	---	---	---	---
25	Excluding food and energy	6.1	4.6	5.0	5.2	---	---	---	---
26	Gross domestic product	6.1	6.0	7.1	8.0	---	---	---	---
27	Exports of goods and services	19.4	9.7	6.4	17.7	---	---	---	---
28	Imports of goods and services	13.4	6.1	5.6	13.9	---	---	---	---

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 personal consumption expenditures (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. GDP, 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.

# Personal Income

Measured in current dollars, personal income increased \$268.0 billion in the first quarter, compared to an increase of \$123.9 billion in the fourth quarter (table 3). The increase in personal income primarily reflected an increase in compensation that was partly offset by a decrease in government social benefits. Within compensation, both private and government wages and salaries increased. Within government social benefits, a decrease in other benefits was partly offset by an increase in social security. The decrease in other benefits primarily reflected the pattern of payments for the expanded child tax credit authorized by the American Rescue Plan Act of 2021. The increase in social security primarily reflected a 5.9 percent cost-of-living adjustment that took effect in January.

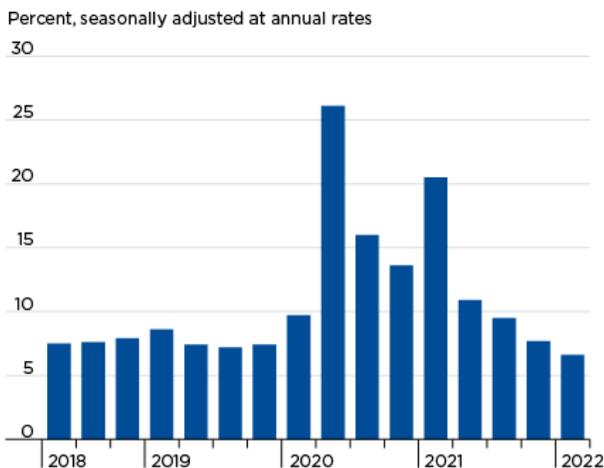
Personal current taxes increased \$51.4 billion in the first quarter after increasing \$103.8 billion in the fourth quarter. Both state and local taxes and federal taxes increased.

Disposable personal income (DPI) increased \$216.6 billion in the first quarter after increasing \$20.1 billion in the fourth quarter. Personal outlays increased \$398.5 billion after increasing \$352.2 billion in the fourth quarter.

The personal saving rate (chart 4)—personal saving as a percentage of DPI—was 6.6 percent in the first quarter; in the fourth quarter, the personal saving rate was 7.7 percent.

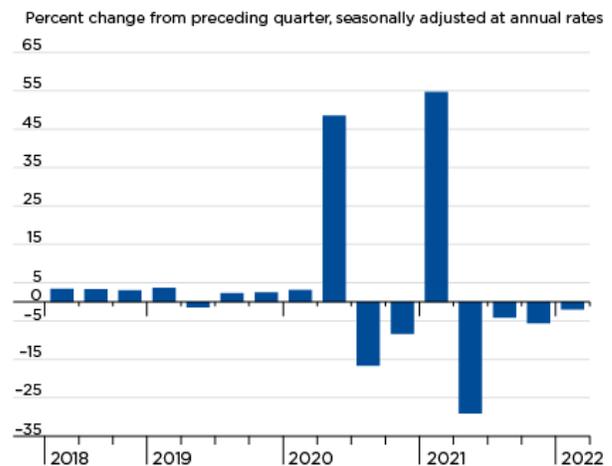
Real DPI (chart 5) decreased 2.0 percent in the first quarter after decreasing 5.6 percent in the fourth quarter. Current-dollar DPI increased 4.8 percent after increasing 0.4 percent. Current-dollar DPI is deflated by the implicit price deflator for consumer spending, which increased 7.0 percent in the first quarter.

**Chart 4. Personal Saving Rate**



Note. The personal saving rate is personal saving as a percentage of disposable personal income.  
U.S. Bureau of Economic Analysis

**Chart 5. Real Disposable Personal Income**



U.S. Bureau of Economic Analysis

### Table 3. Personal Income and Its Disposition

[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]

Line	Series	Level		Change from preceding period			
		2021	2022	2021		2022	
		Q4	Q1	Q2	Q3	Q4	Q1
1	<b>Personal income</b>	<b>20,947.7</b>	<b>21,215.6</b>	<b>-1,197.4</b>	<b>153.9</b>	<b>123.9</b>	<b>268.0</b>
2	Compensation of employees	13,061.4	13,325.8	327.7	339.9	304.9	264.4
3	Wages and salaries	10,761.6	10,992.8	301.2	306.8	274.4	231.1
4	Private industries	9,195.8	9,411.0	284.8	271.7	262.8	215.2
5	Goods-producing industries	1,700.9	1,739.4	36.0	42.9	36.1	38.5
6	Manufacturing	992.5	1,011.1	20.6	10.8	11.9	18.6
7	Services-producing industries	7,494.9	7,671.7	248.8	228.9	226.7	176.8
8	Trade, transportation, and utilities	1,670.7	1,709.8	56.7	44.9	43.8	39.2
9	Other services-producing industries	5,824.2	5,961.8	192.1	184.0	182.9	137.6
10	Government	1,565.8	1,581.7	16.4	35.1	11.6	15.9
11	Supplements to wages and salaries	2,299.8	2,333.1	26.5	33.1	30.5	33.3
12	Proprietors' income with IVA and CCAAdj	1,858.5	1,880.9	134.2	18.8	-8.5	22.5
13	Farm	88.0	110.4	46.4	-8.8	-22.7	22.4
14	Nonfarm	1,770.5	1,770.6	87.8	27.6	14.2	0.1
15	Rental income of persons with CCAAdj	743.6	756.2	-0.7	12.7	14.6	12.6
16	Personal income receipts on assets	2,989.2	3,015.0	33.3	13.1	44.0	25.8
17	Personal interest income	1,656.8	1,684.9	9.2	-3.0	20.4	28.1
18	Personal dividend income	1,332.4	1,330.1	24.1	16.1	23.5	-2.3
19	Personal current transfer receipts	3,942.2	3,924.4	-1,653.5	-191.5	-195.2	-17.8
20	Government social benefits to persons	3,875.5	3,856.7	-1,662.8	-188.2	-194.1	-18.8
21	Social security	1,126.9	1,197.9	3.3	7.5	9.7	71.0
22	Medicare	847.9	875.0	1.1	11.2	21.3	27.2
23	Medicaid	782.9	810.4	34.6	44.6	7.8	27.5
24	Unemployment insurance	37.7	25.1	-85.3	-208.1	-234.7	-12.5
25	Veterans' benefits	169.2	177.5	4.1	5.8	6.9	8.3
26	Other	911.0	770.8	-1,620.6	-49.2	-5.2	-140.2
27	Other current transfer receipts, from business (net)	66.7	67.7	9.3	-3.3	-1.2	1.0
28	Less: Contributions for government social insurance	1,647.2	1,686.7	38.4	39.1	35.9	39.5
29	Less: Personal current taxes	2,744.9	2,796.2	120.4	108.6	103.8	51.4
30	<i>Equals:</i> Disposable personal income (DPI)	18,202.8	18,419.4	-1,317.9	45.3	20.1	216.6
31	Less: Personal outlays	16,808.4	17,206.9	689.4	291.2	352.2	398.5
32	Personal consumption expenditures	16,314.2	16,705.1	676.3	283.2	349.3	390.9
33	Personal interest payments <sup>1</sup>	271.6	278.6	12.1	4.3	-0.1	7.1
34	Personal current transfer payments	222.6	223.2	1.1	3.7	3.0	0.5
35	<i>Equals:</i> Personal saving	1,394.4	1,212.5	-2,007.3	-245.9	-332.1	-181.9
36	Personal saving as a percentage of DPI	7.7	6.6	.....	.....	.....	.....
<b>Addenda:</b>							
<b>Percent change at annual rate</b>							
37	Current-dollar DPI	---	---	-24.5	1.0	0.4	4.8
38	Real DPI, chained (2012) dollars	---	---	-29.1	-4.1	-5.6	-2.0
<b>The effects of selected federal pandemic response programs on personal income (billions of dollars)</b>							
In farm proprietors' income with IVA and CCAAdj:							
39	Coronavirus Food Assistance Program <sup>2</sup>	1.2	0.6	13.4	-5.5	-7.5	-0.6
40	Paycheck Protection Program loans to businesses <sup>3</sup>	0.8	0.0	6.4	-4.3	-6.3	-0.8
In nonfarm proprietors' income with IVA and CCAAdj:							
41	Paycheck Protection Program loans to businesses <sup>3</sup>	11.9	0.0	100.9	-67.5	-98.3	-11.9

Line	Series	Level		Change from preceding period			
		2021	2022	2021		2022	
		Q4	Q1	Q2	Q3	Q4	Q1
	In government social benefits to persons, Medicare:						
42	Increase in Medicare reimbursement rates <sup>4</sup>	14.6	15.0	0.0	0.1	0.3	0.4
	In government social benefits to persons, Unemployment insurance <sup>5</sup> :						
43	Extended Unemployment Benefits	2.4	0.7	-19.2	-0.2	-3.3	-1.7
44	Pandemic Emergency Unemployment Compensation	3.3	1.0	6.8	-43.1	-58.1	-2.4
45	Pandemic Unemployment Assistance	2.4	0.9	-13.2	-32.0	-47.6	-1.6
46	Pandemic Unemployment Compensation Payments	0.0	0.0	-49.7	-124.0	-113.2	0.0
	In government social benefits to persons, other:						
47	Child tax credit <sup>6</sup>	223.2	105.6	0.0	184.5	4.2	-117.5
48	Economic impact payments <sup>7</sup>	14.2	0.0	-1,643.6	-251.2	-24.7	-14.2
49	Lost wages supplemental payments <sup>8</sup>	0.0	0.0	-1.0	-0.5	-0.1	0.0
50	Paycheck Protection Program loans to NPISH <sup>3</sup>	2.0	0.0	13.9	-10.7	-12.0	-2.0
51	Provider Relief Fund to NPISH <sup>9</sup>	64.4	53.7	-16.2	10.8	27.0	-10.7
	In personal outlays, personal interest payments:						
52	Student loan forbearance <sup>10</sup>	-37.8	-37.8	0.0	0.0	0.0	0.0

**CCAdj** Capital consumption adjustment

**IVA** Inventory valuation adjustment

1. Consists of nonmortgage interest paid by households. Note that mortgage interest paid by households is an expense item in the calculation of rental income of persons.
2. The Coronavirus Food Assistance Program, initially established by the Coronavirus Aid, Relief and Economic Security Act (CARES), provides direct support to farmers and ranchers where prices and market supply chains have been impacted by the COVID-19 pandemic.
3. The Paycheck Protection Program, initially established by the CARES Act, provides forgivable loans to help small businesses and nonprofit institutions make payroll and cover other expenses. It also provides funding to reimburse private lending institutions for the costs of administering these loans. For more information, see "[How does the Paycheck Protection Program impact the national income and product accounts \(NIPAs\)?](#)".
4. A 2 percent reduction in reimbursements paid to Medicare service providers that went into effect in 2013 was initially suspended by the CARES Act. The resulting increased reimbursement rates went into effect beginning on May 1, 2020.
5. Unemployment insurance benefits were expanded through several programs that were initially established through the CARES Act. For more information, see "[How will the expansion of unemployment benefits in response to the COVID-19 pandemic be recorded in the NIPAs?](#)".
6. The American Rescue Plan increased the Child Tax Credit to \$3,000 per child over the age of six and \$3,600 for children under the age of six, and raised the age limit from 16 to 17. It also authorized that up to half of these credits could be distributed through advance payments during the tax year, while the rest would be claimed when parents file tax returns the following year.
7. Economic impact payments, initially established by the CARES Act, provide direct payments to individuals. For more information, see "[How are the economic impact payments to support individuals during the COVID-19 pandemic recorded in the NIPAs?](#)".
8. The Federal Emergency Management Agency (FEMA) was authorized to make payments from the Disaster Relief Fund to supplement wages lost as a result of the COVID-19 pandemic.
9. The Department of Health and Human Services distributes money from the Provider Relief Fund to hospitals and health care providers on the front lines of the coronavirus response. This funding supports health care-related expenses or lost revenue attributable to COVID-19 and ensures uninsured Americans can get treatment for COVID-19. In the NIPAs, funds provided to nonprofit hospitals are recorded as social benefits.
10. Interest payments due on certain categories of federally-held student loans were initially suspended by the CARES Act. For more information, see "[How does the federal response to the COVID-19 affect BEA's estimate of personal interest payments?](#)".

Note. Dollar levels and percent changes are from NIPA tables 2.1 and 2.2B.

## 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.

## Preview of the 2022 Annual Update of the National Economic Accounts

The Bureau of Economic Analysis (BEA) plans to release the results of the annual update of the National Economic Accounts (NEAs), which include the National Income and Product Accounts (NIPAs) and the Industry Economic Accounts (IEAs), on September 29, 2022. As part of BEA's ongoing efforts to harmonize the production and publication of the NIPAs, the IEAs, and the Regional Economic Accounts (REAs), improvements incorporated as part of the NEA annual update will impact all three sets of accounts, and each account will reflect the same update period. The annual update of the REAs will be released on September 30.

This will be the first time BEA will produce and publish annual updates of the NIPAs, IEAs, and REAs concurrently. In the past, the publication of the annual updates of these statistics was spread over multiple months, beginning with July and ending in October. Following the synchronization of the quarterly NIPA, IEA, and REA statistics introduced in September 2020, coordinating the annual updates for these three major dimensions of gross domestic product (GDP) is an important next step to provide consistency across the accounts and give users a fuller and more timely view of the U.S. economy.<sup>1</sup>

The update of the NEAs will cover the first quarter of 2017 through the first quarter of 2022 and will result in revisions to GDP, GDP by industry, gross domestic income, and related components. The reference year for index numbers and chained-dollar estimates will remain 2012.

**Source data updates.** The annual update will incorporate source data that are more complete and more detailed than those previously available, including the following:

- Census Bureau annual surveys of manufacturers, merchant wholesale trade, retail trade, services, and state and local governments
- Federal government budget data
- Internal Revenue Service tabulations of tax returns for corporations, for sole proprietorships, and for partnerships
- Department of Agriculture farm income statistics
- National Science Foundation annual surveys

**Incorporation of International Transactions Accounts.** In addition to the source data listed above, the annual update will incorporate results from the 2022 annual update of BEA's International Transactions Accounts (ITAs), scheduled for release on June 23, 2022.<sup>2</sup>

### Methodology improvements

- BEA will modify the supply-use framework to reflect transactions related to ventilator production by auto manufacturers and ventilator purchases by the government in 2020 in response to the COVID-19 pandemic. This change will result in a modification of the composition of motor vehicle industry gross output and the composition of government investment in the second and third quarters of 2020 to account for the production and purchase of these ventilators.
- BEA will improve the classification of subsidies introduced as part of the response to the COVID-19 pandemic by distinguishing between “subsidies on products” and “other subsidies on production.” This change will better align BEA's supply-use tables with international standards and will primarily affect gross output valued at basic prices in the supply table and value added at basic prices in the use table.

- BEA will improve the annual and quarterly indicators for state and local government enterprise output in the IEAs. The new indicators, based on comparable consumer spending and private sector items, will better reflect the quarterly patterns for state and local government enterprise output and will bring related estimates of production and consumption into closer alignment.
- BEA will no longer include an item for military grants in the NIPA reconciliation for exports of services. This will better align the NIPAs with changes introduced in the 2020 ITA annual update.
- BEA will improve the deflator used for consumer spending and for private fixed investment for used auto and used light truck margin estimates. The consumer price index (CPI) for used autos and used light trucks will replace the current margin producer price index for used vehicles sold at new car dealers. This change will harmonize the deflation of net transactions and margins since the CPI encompasses both margins and net transactions and is currently used to deflate net transactions in the NIPA estimates of used autos and light trucks.

### Presentational and classification improvements

- Select column and row labels in the IEA supply-use tables will be updated to reflect the new treatment of “subsidies on products” and “other subsidies on production,” described above.

### Changes to Value-Added Section of Use Table

Current table	Proposed table
Compensation of employees	Compensation of employees
Other taxes on production	Other taxes on production
	<i>Less: Other subsidies on production</i>
Gross operating surplus	Gross operating surplus
Value added (basic prices)	Value added (basic prices)
<b>Total industry output (basic value)</b>	<b>Total industry output (basic value)</b>
Taxes on products and imports	Taxes on products and imports
<i>Less: Subsidies</i>	<i>Less: Subsidies on products</i>
<b>Value added (producer value)</b>	<b>Value added (producer value)</b>

1. For more information, refer to [“GDP and the Economy: Third Estimates for the Second Quarter of 2020,” Survey of Current Business 100](#) (October 2020).
2. For more information, refer to [“Preview of the 2022 Annual Update of the International Economic Accounts,” Survey 102](#) (April 2022).

1. “Real” estimates are in chained (2012) dollars, and price indexes are chain-type measures. Each GDP estimate for a quarter (advance, second, and third) incorporates increasingly comprehensive and improved source data; for more information, see [“The Revisions to GDP, GDI, and Their Major Components”](#) in the January 2021 *Survey of Current Business*. Quarterly estimates are expressed at seasonally adjusted annual rates, which reflect a rate of activity for a quarter as if it were maintained for a year.
2. In this article, “consumer spending” refers to “personal consumption expenditures,” “inventory investment” refers to “change in private inventories,” and “government spending” refers to “government consumption expenditures and gross investment.”