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GDP and the Economy

Second Estimates for the First Quarter of 2022

Real gross domestic product (GDP) decreased at an annual rate of 1.5 percent in the first quarter of 2022, according to the "second" estimates of the National Income and Product Accounts (chart 1 and table 1).[1] In the fourth quarter of 2021, real GDP increased 6.9 percent. With the second estimate, real GDP growth was revised down 0.1 percentage point from the advance estimate issued last month.

Chart 1. Real GDP: Percent Change from Preceding Quarter

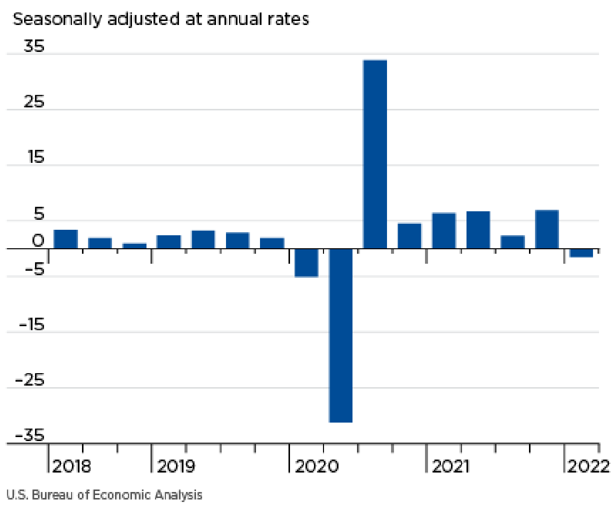
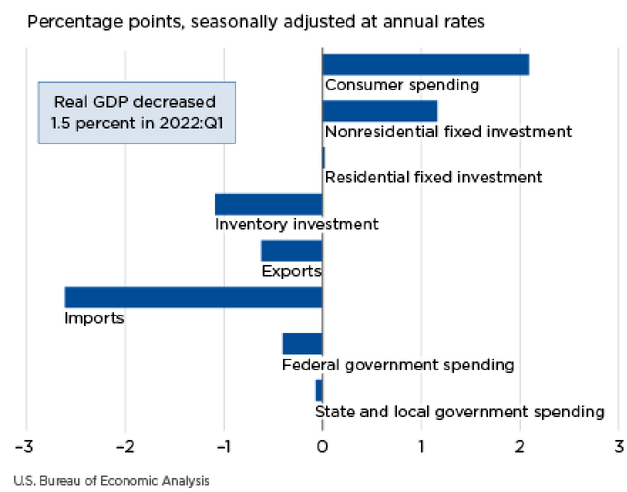


Chart 2. Real GDP: Contributions to the Percent Change in 2022:Q1



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 1.5 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 reflected decreases in private inventory investment, exports, federal government spending, and state and local 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).[2]

- The decrease in private inventory investment was led by decreases in wholesale trade (mainly motor vehicles) as well as in mining, utilities, and construction (notably, utilities).
- 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, industrial supplies and materials, and foods, feeds, and beverages.
  - The increase in services largely reflected an increase in other business services (mainly financial services) that was partly offset by a decrease in transport services.
- The decrease in federal government spending was led by defense spending on intermediate goods and services, notably services.
- 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 consumer spending primarily reflected an increase in services; spending on goods increased less than 0.1 percent.
  - Within services, increases were widespread; housing and utilities (mainly electricity and gas) was the leading contributor.
  - Within goods, a decrease in nondurable goods (led by gasoline and other energy goods) was offset by an increase in durable goods (led by motor vehicles and parts, which was more than accounted for by spending on new light trucks).
- 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 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 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 2.1 percent in the first quarter, compared with an increase of 6.3 percent (revised) 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 0.3 percent in the first quarter, compared with an increase of 6.6 percent (revised) in the fourth quarter.

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	**Gross domestic product (GDP)[1]**	**100.0**	**6.7**	**2.3**	**6.9**	**−1.5**	**6.7**	**2.3**	**6.9**	**−1.5**
2	**Personal consumption expenditures**	**68.6**	**12.0**	**2.0**	**2.5**	**3.1**	**7.92**	**1.35**	**1.76**	**2.09**
3	Goods	23.8	13.0	−8.8	1.1	0.0	2.99	−2.21	0.28	0.00
4	Durable goods	8.7	11.6	−24.6	2.5	6.8	1.01	−2.52	0.22	0.57
5	Nondurable goods	15.1	13.9	2.0	0.4	−3.7	1.98	0.30	0.06	−0.57
6	Services	44.7	11.5	8.2	3.3	4.8	4.93	3.57	1.48	2.09
7	**Gross private domestic investment**	**19.1**	**−3.9**	**12.4**	**36.7**	**0.5**	**−0.65**	**2.05**	**5.82**	**0.10**
8	Fixed investment	18.3	3.3	−0.9	2.7	6.8	0.61	−0.16	0.50	1.18
9	Nonresidential	13.5	9.2	1.7	2.9	9.2	1.21	0.22	0.40	1.16
10	Structures	2.5	−3.0	−4.1	−8.3	−3.6	−0.08	−0.11	−0.22	−0.09
11	Equipment	5.6	12.1	−2.3	2.8	13.2	0.66	−0.13	0.17	0.68
12	Intellectual property products	5.3	12.5	9.1	8.9	11.6	0.62	0.46	0.45	0.57
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	0.8	---	---	---	---	−1.26	2.20	5.32	−1.09
15	**Net exports of goods and services**	**−4.9**	**---**	**---**	**---**	**---**	**−0.18**	**−1.26**	**−0.23**	**−3.23**
16	Exports	11.2	7.6	−5.3	22.4	−5.4	0.80	−0.59	2.24	−0.62
17	Goods	7.9	6.4	−5.0	23.4	−8.9	0.48	−0.39	1.64	−0.73
18	Services	3.3	10.4	−5.9	19.9	3.6	0.32	−0.19	0.59	0.11
19	Imports	16.0	7.1	4.7	17.9	18.3	−0.99	−0.68	−2.46	−2.61
20	Goods	13.5	4.3	−0.3	18.9	20.9	−0.51	0.04	−2.16	−2.48
21	Services	2.5	23.6	35.0	13.1	5.4	−0.48	−0.72	−0.31	−0.13
22	**Government consumption expenditures and gross investment**	**17.2**	**−2.0**	**0.9**	**−2.6**	**−2.7**	**−0.36**	**0.17**	**−0.46**	**−0.47**
23	Federal	6.4	−5.3	−5.1	−4.3	−6.1	−0.38	−0.35	−0.29	−0.40
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	−2.6	−0.34	−0.29	−0.05	−0.07
26	State and local	10.8	0.2	4.9	−1.6	−0.6	0.02	0.52	−0.17	−0.07
	Addenda:									
27	Gross domestic income (GDI)[2]	---	4.3	6.4	6.3	2.1	---	---	---	---
28	Average of GDP and GDI	---	5.5	4.3	6.6	0.3	---	---	---	---
29	Final sales of domestic product	---	8.1	0.1	1.5	−0.4	---	---	---	---
30	Goods	31.9	9.8	0.1	19.0	−9.0	3.05	0.05	5.70	−3.00
31	Services	59.3	7.9	4.7	2.4	3.1	4.62	2.77	1.44	1.79
32	Structures	8.8	−10.0	−5.8	−2.9	−3.4	−0.94	−0.52	−0.25	−0.30

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 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 8.0 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 42.7 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 5.1 percent in the first quarter after increasing 5.0 percent in the fourth quarter.

Chart 3. Prices for Gross Domestic Purchases

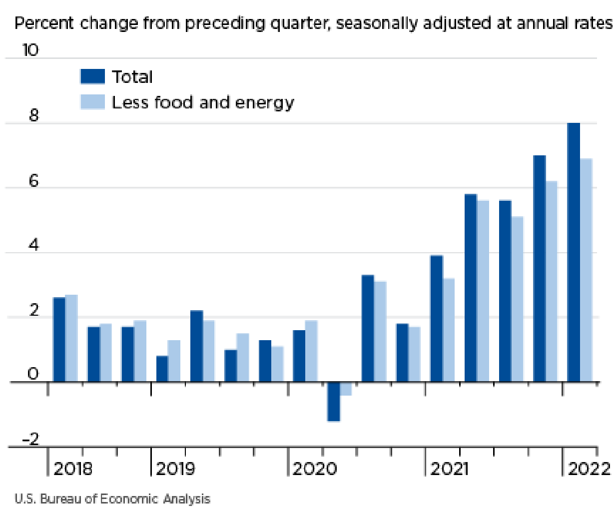


Table 2. Prices for Gross Domestic Purchases

[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	Q1	Q2	Q3	Q1
1	**Gross domestic purchases[1]**	**5.8**	**5.6**	**7.0**	**8.0**	**5.8**	**5.6**	**7.0**	**8.0**
2	**Personal consumption expenditures**	**6.5**	**5.3**	**6.4**	**7.0**	**4.23**	**3.54**	**4.19**	**4.59**
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	6.6	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	2.07
6	Services	5.0	4.3	4.4	4.5	2.12	1.87	1.92	1.97
7	**Gross private domestic investment**	**2.9**	**6.1**	**8.8**	**10.0**	**0.52**	**1.03**	**1.53**	**1.80**
8	Fixed investment	4.5	7.0	8.9	10.0	0.80	1.20	1.51	1.71
9	Nonresidential	0.9	4.3	7.8	7.2	0.13	0.56	0.99	0.93
10	Structures	8.9	11.1	24.4	18.6	0.21	0.26	0.54	0.43
11	Equipment	−3.2	4.6	6.9	7.6	−0.16	0.25	0.37	0.41
12	Intellectual property products	1.5	0.9	1.6	1.8	0.08	0.05	0.08	0.10
13	Residential	15.3	14.8	11.9	18.1	0.67	0.64	0.52	0.78
14	Change in private inventories	...	...	...	...	−0.28	−0.17	0.02	0.08
15	**Government consumption expenditures and gross investment**	**6.1**	**6.1**	**7.6**	**9.7**	**1.04**	**1.02**	**1.27**	**1.59**
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	8.2	0.17	0.18	0.21	0.30
18	Nondefense	3.9	5.2	5.8	6.5	0.11	0.14	0.16	0.17
19	State and local	7.3	6.7	8.9	11.1	0.76	0.70	0.91	1.12
	Addenda:								
	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	42.7	0.49	0.48	0.82	1.05
22	Excluding food and energy	5.6	5.1	6.2	6.9	5.20	4.72	5.72	6.36
	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	5.1	...	...	...	...
26	Gross domestic product	6.1	6.0	7.1	8.1	...	...	...	...
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	14.3	...	...	...	...

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. 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 $248.3 billion in the first quarter, compared to an increase of $186.3 billion (revised) in the fourth quarter (table 3). The increase primarily reflected an increase in compensation that was partly offset by a decrease in government social benefits. In the first quarter, government assistance payments in the form of social benefits to households decreased as provisions of several federal programs expired or continued to taper off.

- Within compensation, both private and government wages and salaries increased.
- Within government social benefits to persons, "other" social benefits and unemployment insurance decreased, reflecting decreased economic impact payments to households established by the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act. The addenda lines in table 3 include detail on the effects of selected federal pandemic response programs on personal income.

Personal current taxes increased $255.7 billion in the first quarter after increasing $113.8 billion (revised) in the fourth quarter.

Disposable personal income (DPI) decreased $7.5 billion in the first quarter after increasing $72.4 billion in the fourth quarter (revised). Personal outlays increased $411.5 billion after increasing $352.2 billion.

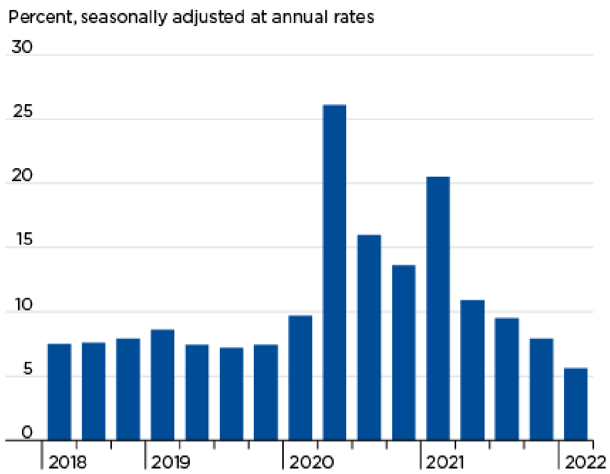
The personal saving rate (chart 4)—personal saving as a percentage of DPI—was 5.6 percent in the first quarter, compared with 7.9 percent in the fourth quarter (revised).

Real DPI (chart 5) decreased 6.7 percent in the first quarter after decreasing 4.5 percent in the fourth quarter (revised). DPI is deflated by the implicit price deflator for consumer spending, which increased 7.0 percent in the first quarter. Current-dollar DPI decreased 0.2 percent after increasing 1.6 percent (revised).

In addition to presenting updated estimates for the first quarter, this estimate presents revised estimates of fourth-quarter wages and salaries, personal taxes, and contributions for government social insurance, based on updated data from the Bureau of Labor Statistics Quarterly Census of Employment and Wages program.

Wages and salaries are now estimated to have increased $341.0 billion in the fourth quarter, an upward revision of $66.6 billion. Personal current taxes are now estimated to have increased $113.8 billion, an upward revision of $10.0 billion. Contributions for government social insurance are now estimated to have increased $44.8 billion, an upward revision of $8.9 billion. With the incorporation of these new data, real gross domestic income is now estimated to have increased 6.3 percent in the fourth quarter, an upward revision of 1.2 percentage points from the previously published estimate.

Chart 4. Personal Saving Rate



Note. The personal saving rate is personal saving as a percentage of disposable personal income.
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Chart 5. Real Disposable Personal Income

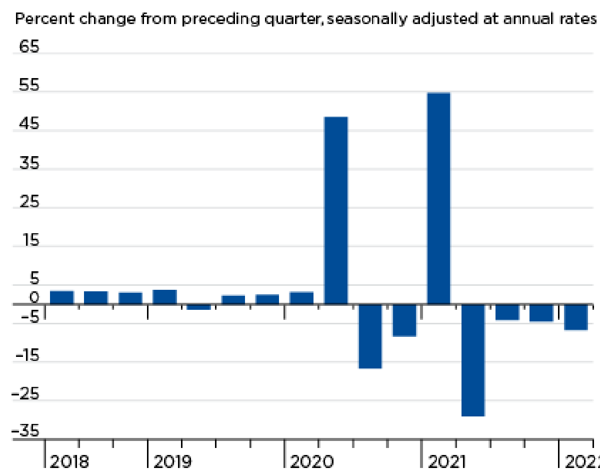

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Table 3. Personal Income and Its Disposition

[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	**Personal income**	**21,010.0**	**21,258.3**	**−1,197.4**	**153.9**	**186.3**	**248.3**
2	Compensation of employees	13,132.6	13,426.3	327.7	339.9	376.2	293.7
3	Wages and salaries	10,828.3	11,086.1	301.2	306.8	341.0	257.8
4	Private industries	9,262.4	9,500.4	284.8	271.7	329.4	238.0
5	Goods-producing industries	1,728.0	1,778.1	36.0	42.9	63.2	50.1
6	Manufacturing	1,017.2	1,045.0	20.6	10.8	36.6	27.8
7	Services-producing industries	7,534.4	7,722.3	248.8	228.9	266.2	187.9
8	Trade, transportation, and utilities	1,684.0	1,727.6	56.7	44.9	57.1	43.6
9	Other services-producing industries	5,850.4	5,994.8	192.1	184.0	209.1	144.3
10	Government	1,565.8	1,585.7	16.4	35.1	11.6	19.8
11	Supplements to wages and salaries	2,304.4	2,340.3	26.5	33.1	35.1	35.9
12	Proprietors' income with IVA and CCAdj	1,858.5	1,877.0	134.2	18.8	−8.5	18.5
13	Farm	88.0	108.7	46.4	−8.8	−22.7	20.8
14	Nonfarm	1,770.5	1,768.3	87.8	27.6	14.2	−2.3
15	Rental income of persons with CCAdj	743.6	748.4	−0.7	12.7	14.6	4.8
16	Personal income receipts on assets	2,989.2	3,008.6	33.3	13.1	44.0	19.5
17	Personal interest income	1,656.8	1,684.1	9.2	−3.0	20.4	27.4
18	Personal dividend income	1,332.4	1,324.5	24.1	16.1	23.5	−7.9
19	Personal current transfer receipts	3,942.2	3,897.0	−1,653.5	−191.5	−195.2	−45.3
20	Government social benefits to persons	3,875.5	3,829.2	−1,662.8	−188.2	−194.1	−46.3
21	Social security	1,126.9	1,199.0	3.3	7.5	9.7	72.2
22	Medicare	847.9	862.1	1.1	11.2	21.3	14.2
23	Medicaid	782.9	791.3	34.6	44.6	7.8	8.4
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	774.2	−1,620.6	−49.2	−5.2	−136.8
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	1,656.1	1,699.1	38.4	39.1	44.8	43.0
29	*Less:* Personal current taxes	2,754.9	3,010.7	120.4	108.6	113.8	255.7
30	*Equals:* Disposable personal income (DPI)	18,255.1	18,247.6	−1,317.9	45.3	72.4	−7.5
31	*Less:* Personal outlays	16,808.4	17,219.9	689.4	291.2	352.2	411.5
32	Personal consumption expenditures	16,314.2	16,719.7	676.3	283.2	349.3	405.5
33	Personal interest payments[1]	271.6	276.9	12.1	4.3	−0.1	5.3
34	Personal current transfer payments	222.6	223.2	1.1	3.7	3.0	0.6
35	*Equals:* Personal saving	1,446.7	1,027.8	−2,007.3	−245.9	−279.8	−418.9
36	Personal saving as a percentage of DPI	7.9	5.6	...	...	...	...
	Addenda:						
	Percent change at annual rate						
37	Current-dollar DPI	...	...	−24.5	1.0	1.6	−0.2
38	Real DPI, chained (2012) dollars	...	...	−29.1	−4.1	−4.5	−6.7
	The effects of selected federal pandemic response programs on personal income (billions of dollars)						
	In farm proprietors' income with IVA and CCAdj:						
39	Coronovirus Food Assistance Program[2]	1.2	0.6	13.4	−5.5	−7.5	−0.6
40	Paycheck Protecton Program loans to businesses[3]	0.8	0.0	6.4	−4.3	−6.3	−0.8
	In nonfarm proprietors' income with IVA and CCAdj:						
41	Paycheck Protecton Program loans to businesses[3]	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 rembursement rates[4]	14.6	14.8	0.0	0.1	0.3	0.2
	In government social benefits to persons, Unemployment insurance:[5]						
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	−1.5
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[6]	223.2	105.6	0.0	184.5	4.2	−117.5
48	Economic impact payments[7]	14.2	0.0	−1,643.6	−251.2	−24.7	−14.2
49	Lost wages supplemental payments[8]	0.0	0.0	−1.0	−0.5	−0.1	0.0
50	Paycheck Protecton Program loans to NPISH[3]	2.0	0.0	13.9	−10.7	−12.0	−2.0
51	Provider Relief Fund to NPISH[9]	64.4	53.7	−16.2	10.8	27.0	−10.7
	In personal outlays, personal interest payments:						
52	Student loan forbearance[10]	−37.8	−37.8	0.0	0.0	0.0	0.0

CCAdj Capital consumption adjustment

IVA Inventory valuation adjustment

NPISH Nonprofit institutions serving households

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 federal economic impact payments to support individuals during the COVID–19 pandemic recorded in the NIPAs?"
8. The Federal Emergency Mangement 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.

Updates

The decrease in first-quarter real GDP was revised down 0.1 percentage point from the "advance" estimate, primarily reflecting downward revisions to private inventory investment and residential fixed investment that were mostly offset by upward revisions to consumer spending and exports. Imports were revised up (table 4).

- The revision to private inventory investment was led by downward revisions to manufacturing (notably, nondurable goods) and to "other" industries (notably, information).
- Within residential fixed investment, the leading contributor to the downward revision was improvements.
- Within consumer spending, both services and goods were revised up.
  - Upward revisions to services provided by nonprofit institutions serving households (notably, hospital services) and "other" services (led by legal and telecommunications services) were partly offset by a downward revision to health care.
  - Within goods, an upward revision to motor vehicles and parts (notably, new and used light trucks) was largely offset by a downward revision to food and beverages purchased for off-premises consumption (groceries).
- For both exports and imports, the revisions reflected upward revisions to goods (led by industrial supplies and materials).

Table 4. Advance and Second 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)		
		Advance estimate	Second estimate	Second estimate minus advance estimate	Advance estimate	Second estimate	Second estimate minus advance estimate
1	**Gross domestic product (GDP)**[1]	**−1.4**	**−1.5**	**−0.1**	**−1.4**	**−1.5**	**−0.1**
2	**Personal consumption expenditures**	**2.7**	**3.1**	**0.4**	**1.83**	**2.09**	**0.26**
3	Goods	−0.1	0.0	0.1	−0.03	0.00	0.03
4	Durable goods	4.1	6.8	2.7	0.35	0.57	0.22
5	Nondurable goods	−2.5	−3.7	−1.2	−0.38	−0.57	−0.19
6	Services	4.3	4.8	0.5	1.86	2.09	0.23
7	**Gross private domestic investment**	**2.3**	**0.5**	**−1.8**	**0.43**	**0.10**	**−0.33**
8	Fixed investment	7.3	6.8	−0.5	1.27	1.18	−0.09
9	Nonresidential	9.2	9.2	0.0	1.17	1.16	−0.01
10	Structures	−0.9	−3.6	−2.7	−0.02	−0.09	−0.07
11	Equipment	15.3	13.2	−2.1	0.79	0.68	−0.11
12	Intellectual property products	8.1	11.6	3.5	0.40	0.57	0.17
13	Residential	2.1	0.4	−1.7	0.10	0.02	−0.08
14	Change in private inventories	....	....	......	−0.84	−1.09	−0.25
15	**Net exports of goods and services**	**....**	**....**	**......**	**−3.20**	**−3.23**	**−0.03**
16	Exports	−5.9	−5.4	0.5	−0.68	−0.62	0.06
17	Goods	−9.6	−8.9	0.7	−0.80	−0.73	0.07
18	Services	3.8	3.6	−0.2	0.12	0.11	−0.01
19	Imports	17.7	18.3	0.6	−2.53	−2.61	−0.08
20	Goods	20.5	20.9	0.4	−2.43	−2.48	−0.05
21	Services	4.1	5.4	1.3	−0.10	−0.13	−0.03
22	**Government consumption expenditures and gross investment**	**−2.7**	**−2.7**	**0.0**	**−0.48**	**−0.47**	**0.01**
23	Federal	−5.9	−6.1	−0.2	−0.39	−0.40	−0.01
24	National defense	−8.5	−8.5	0.0	−0.33	−0.33	0.00
25	Nondefense	−2.2	−2.6	−0.4	−0.06	−0.07	−0.01
26	State and local	−0.8	−0.6	0.2	−0.08	−0.07	0.01
	Addenda:						
27	Final sales of domestic product	−0.6	−0.4	0.2	......	......	......
28	Gross domestic purchases price index	7.8	8.0	0.2	......	......	......
29	GDP price index	8.1	8.1	0.0	......	......	......

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

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 and the capital consumption adjustment decreased $66.4 billion, or 2.3 percent at a quarterly rate, in the first quarter after increasing $20.4 billion in the fourth quarter (table 5). Profits of domestic financial corporations decreased $28.6 billion, profits of domestic nonfinancial corporations decreased $21.1 billion, and rest-of-the-world profits decreased $16.7 billion.

Table 5. 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
	Current production measures:									
1	Corporate profits with IVA and CCAdj	2,870.1	267.8	96.9	20.4	−66.4	10.5	3.4	0.7	−2.3
2	Domestic industries	2,358.8	274.0	45.8	3.7	−49.7	13.1	1.9	0.2	−2.1
3	Financial	522.0	52.8	14.2	−1.3	−28.6	10.9	2.6	−0.2	−5.2
4	Nonfinancial	1,836.8	221.3	31.6	5.0	−21.1	13.8	1.7	0.3	−1.1
5	Rest of the world	511.3	−6.2	51.1	16.8	−16.7	−1.3	11.1	3.3	−3.2
6	Receipts from the rest of the world	991.8	27.4	65.2	12.6	21.3	3.2	7.3	1.3	2.2
7	*Less:* Payments to the rest of the world	480.5	33.6	14.1	−4.1	38.0	8.4	3.3	−0.9	8.6
8	*Less:* Taxes on corporate income	452.4	34.9	14.7	15.8	43.3	10.1	3.9	4.0	10.6
9	*Equals:* Profits after tax	2,417.7	232.9	82.1	4.7	−109.7	10.5	3.4	0.2	−4.3
10	Net dividends	1,472.3	51.4	27.7	26.4	7.2	3.8	2.0	1.8	0.5
11	Undistributed profits from current production	945.4	181.5	54.5	−21.8	−116.9	21.4	5.3	−2.0	−11.0
12	Net cash flow with IVA	3,178.2	224.7	56.5	95.3	−52.2	7.9	1.8	3.0	−1.6

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).

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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.”