



WWW.BEA.GOV

NEWS



EMBARGOED UNTIL RELEASE AT 8:30 A.M. EST, WEDNESDAY, MARCH 30, 2005

Virginia H. Mannering: (202) 606-5304 (GDP)
 Greg Key: (202) 606-9727 (Profits)
 Recorded message: (202) 606-5306

BEA 05-12

GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2004 (FINAL) CORPORATE PROFITS: FOURTH QUARTER 2004

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 3.8 percent in the fourth quarter of 2004, according to final estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.0 percent.

The GDP estimates released today are based on more complete source data than were available for the preliminary estimates issued last month. In the preliminary estimates, the increase in real GDP was also 3.8 percent (see "Revisions" on page 3).

The major contributors to the increase in real GDP in the fourth quarter were personal consumption expenditures (PCE), equipment and software, and private inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.

The small deceleration in real GDP growth in the fourth quarter primarily reflected an acceleration in imports of goods and decelerations in PCE for durable goods and in exports of goods that were partly offset by an upturn in private inventory investment.

Final sales of computers contributed 0.56 percentage point to the fourth-quarter change in real GDP after contributing 0.18 percentage point to the third-quarter change. Motor vehicle output contributed 0.86 percentage point to the fourth-quarter change in real GDP after contributing 0.34 percentage point to the third-quarter change.

NOTE.--Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and are annualized. "Real" estimates are in chained (2000) dollars. Price indexes are chain-type measures.

This news release is available on BEA's Web site at www.bea.gov/bea/rels.htm.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 2.9 percent in the fourth quarter, 0.1 percentage point more than the preliminary estimate; this index increased 1.9 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 2.0 percent in the fourth quarter, compared with an increase of 1.7 percent in the third.

Real personal consumption expenditures increased 4.2 percent in the fourth quarter, compared with an increase of 5.1 percent in the third. Real nonresidential fixed investment increased 14.5 percent, compared with an increase of 13.0 percent. Nonresidential structures increased 2.1 percent, in contrast to a decrease of 1.1 percent. Equipment and software increased 18.4 percent, compared with an increase of 17.5 percent. Real residential fixed investment increased 3.4 percent, compared with an increase of 1.6 percent.

Real exports of goods and services increased 3.2 percent in the fourth quarter, compared with an increase of 6.0 percent in the third. Real imports of goods and services increased 11.4 percent, compared with an increase of 4.6 percent.

Real federal government consumption expenditures and gross investment increased 1.2 percent in the fourth quarter, compared with an increase of 4.8 percent in the third. National defense decreased 0.6 percent, in contrast to an increase of 10.1 percent. Nondefense increased 5.3 percent, in contrast to a decrease of 5.3 percent. Real state and local government consumption expenditures and gross investment increased 0.6 percent, in contrast to a decrease of 1.7 percent.

The real change in private inventories added 0.46 percentage point to the fourth-quarter change in real GDP after subtracting 0.97 percentage point from the third-quarter change. Private businesses increased inventories \$47.2 billion in the fourth quarter, following increases of \$34.5 billion in the third quarter and \$61.1 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 3.4 percent in the fourth quarter, compared with an increase of 5.0 percent in the third.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 5.0 percent in the fourth quarter, compared with an increase of 3.9 percent in the third.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 3.5 percent in the fourth quarter, compared with an increase of 4.0 percent in the third. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which decreased \$9.7 billion in the fourth quarter after increasing \$1.6 billion in the third; in the fourth quarter, receipts increased \$41.4 billion, and payments increased \$51.1 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 6.2 percent, or \$179.9 billion, in the fourth quarter to a level of \$11,994.8 billion. In the third quarter, current-dollar GDP increased 5.5 percent, or \$157.4 billion.

Revisions

The final estimate of the fourth-quarter increase in real GDP is the same as the preliminary estimate. Small upward revisions to exports and to personal consumption expenditures for durable goods were offset by a downward revision to private inventory investment.

	<u>Advance</u>	<u>Preliminary</u>	<u>Final</u>
	(Percent change from preceding quarter)		
Real GDP.....	3.1	3.8	3.8
Current-dollar GDP.....	5.3	6.0	6.2
Gross domestic purchases price index.....	2.7	2.8	2.9

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$150.8 billion in the fourth quarter. In the third quarter, profits decreased \$55.9 billion; the third-quarter decrease reflected a reduction of \$79.7 billion from the effects of Hurricanes Charley, Frances, Ivan, and Jeanne. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- decreased \$37.7 billion in the fourth quarter, compared with a decrease of \$1.6 billion in the third.

Taxes on corporate income increased \$42.4 billion in the fourth quarter, in contrast to a decrease of \$17.9 billion in the third. Profits after tax with inventory valuation and capital consumption adjustments increased \$108.3 billion in the fourth quarter, in contrast to a decrease of \$38.0 billion in the third. Dividends increased \$110.7 billion, compared with an increase of \$10.8 billion; current-production undistributed profits decreased \$2.4 billion, compared with a decrease of \$48.8 billion.

Domestic profits of financial corporations increased \$84.1 billion in the fourth quarter, in contrast to a decrease of \$68.7 billion in the third.

Domestic profits of nonfinancial corporations increased \$66.7 billion in the fourth quarter, compared with an increase of \$9.4 billion in the third. In the fourth quarter, real gross corporate product increased, and profits per unit of real product increased. The increase in unit profits reflected an increase in unit prices and decreases in both the unit labor and nonlabor costs corporations incurred.

The rest-of-the-world component of profits was unchanged in the fourth quarter, in contrast to an increase of \$3.4 billion in the third. This measure is calculated as (1) receipts by U.S. residents of earnings from their foreign affiliates plus dividends received by U.S. residents from unaffiliated foreign corporations minus (2) payments by U.S. affiliates of earnings to their foreign parents plus dividends paid by U.S. corporations to unaffiliated foreign residents. Receipts and payments increased by the same amount.

Profits before tax with inventory valuation adjustment is the best available measure of industry profits because estimates of the capital consumption adjustment by industry do not exist. This measure reflects the inventory-accounting and depreciation-accounting practices used for federal income tax returns. According to this measure, domestic profits of both financial and nonfinancial corporations increased. For nonfinancial corporations, the largest increase was in manufacturing. Profits also increased in utilities, in retail trade, and in "other" nonfinancial. Profits decreased in information, in transportation and warehousing, and in wholesale trade.

Profits before tax increased \$125.1 billion in the fourth quarter, in contrast to a decrease of \$55.5 billion in the third. The before-tax measure of profits does not reflect, as does profits from current production, the capital consumption and inventory valuation adjustments. These adjustments convert depreciation of fixed assets and inventory withdrawals reported on a tax-return, historical-cost basis to the current-cost measures used in the national income and product accounts. The capital consumption adjustment increased \$37.0 billion in the fourth quarter (from \$223.0 billion to \$260.0 billion), in contrast to a decrease of \$10.3 billion in the third. The inventory valuation adjustment decreased \$11.3 billion (from -\$37.8 billion to -\$49.1 billion), in contrast to an increase of \$10.0 billion.

Corporate profits in 2004

Profits from current production increased 15.7 percent in 2004, compared with an increase of 16.8 percent in 2003. Domestic profits increased 17.2 percent, compared with an increase of 17.8 percent. The rest-of-the-world component of profits increased 8.5 percent, compared with an increase of 12.1 percent.

Profits tax liability increased 14.6 percent in 2004, compared with an increase of 27.8 percent in 2003. Profits after tax with inventory valuation and capital consumption adjustments increased 16.0 percent, compared with an increase of 13.8 percent. Dividends increased 12.3 percent, compared with an increase of 1.4 percent; current-production undistributed profits increased 19.9 percent, compared with an increase of 30.0 percent.

Profits before tax increased 12.7 percent in 2004, compared with an increase of 15.4 percent in 2003. In 2004, the difference between the increase in profits from current production and the increase in profits before tax was mainly due to the effects of the Job Creation and Worker Assistance Act of 2002 and the Jobs and Growth Tax Relief Reconciliation Act of 2003, which allowed accelerated depreciation and lowered before-tax profits. Profits from current production were not affected by the acts, because this measure does not depend on the depreciation-accounting practices used for federal income tax purposes.

BEA's national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

Summary BEA estimates are available on recorded messages at the time of public release at the following telephone numbers:

(202)	606-5306	Gross domestic product
(202)	606-5303	Personal income and outlays
(202)	606-5362	U.S. international transactions

* * *

Next release -- April 28, 2005, at 8:30 A.M. EDT for:
Gross Domestic Product: First Quarter 2005 (Advance)

Table 1.—Real Gross Domestic Product and Related Measures: Percent Change From Preceding Period

	2002	2003	2004 ^r	Seasonally adjusted at annual rates															
				2001				2002				2003				2004			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP)	1.9	3.0	4.4	-0.5	1.2	-1.4	1.6	3.4	2.4	2.6	0.7	1.9	4.1	7.4	4.2	4.5	3.3	4.0	3.8
Personal consumption expenditures	3.1	3.3	3.8	1.7	1.0	1.8	7.0	1.8	2.8	2.9	2.5	2.7	3.9	5.0	3.6	4.1	1.6	5.1	4.2
Durable goods	6.5	7.4	6.7	6.7	-3	3.1	37.4	-8.5	4.4	14.0	-2.4	-1	20.6	16.5	3.9	2.2	-3	17.2	3.9
Nondurable goods	2.6	3.7	4.6	.5	-1	2.4	4.9	3.8	.8	-6	5.3	5.0	1.6	6.9	5.1	6.7	.1	4.7	5.9
Services	2.6	2.2	2.8	1.1	1.8	1.2	2.3	3.3	3.5	2.4	2.2	2.1	1.8	1.9	2.8	3.3	2.7	3.0	3.4
Gross private domestic investment	-2.4	4.4	13.2	-13.6	-7.6	-10.5	-22.7	16.8	.3	4.1	-5	-8	3.5	22.4	13.9	12.3	19.0	2.4	13.3
Fixed investment	-4.9	5.1	10.3	-2.6	-8.7	-4.5	-10.6	-4.3	-3.5	2	-8	2.4	10.9	18.0	10.5	4.5	13.9	8.8	10.5
Nonresidential	-8.9	3.3	10.6	-4.2	-13.6	-6.8	-13.3	-9.7	-9.6	-1.1	-3.2	-1	11.8	15.7	11.0	4.2	12.5	13.0	14.5
Structures	-17.8	-5.6	1.4	-8.3	-4.0	6.0	-33.2	-18.5	-22.6	-16.0	-6.6	-13.0	14.5	-1.3	7.9	-7.6	6.9	-1.1	2.1
Equipment and software	-5.5	6.4	13.6	-2.8	-16.9	-11.4	-4.2	-6.3	-4.5	4.6	-2.0	4.5	11.0	21.7	12.0	8.0	14.2	17.5	18.4
Residential	4.8	8.8	9.7	2.2	5.6	1.8	-3.7	9.3	11.3	2.8	4.2	7.5	9.1	22.4	9.6	5.0	16.5	1.6	3.4
Change in private inventories																			
Net exports of goods and services																			
Exports	-2.3	1.9	8.6	-5.3	-12.7	-18.2	-10.8	4.7	11.0	3.1	-4.2	-1.5	-1.6	11.3	17.5	7.3	7.3	6.0	3.2
Goods	-4.1	2.2	8.8	-5.4	-17.1	-20.0	-8.8	-1.9	14.0	2.9	-10.2	4.0	-8	10.1	16.1	9.1	6.0	9.5	1.9
Services	1.8	1.4	8.0	-5.0	-7	-13.7	-15.3	21.7	4.5	3.5	10.5	-12.7	-3.4	14.1	20.6	3.4	10.2	-1.8	6.2
Imports	3.4	4.4	9.9	-3.7	-12.6	-10.3	-3.4	12.5	11.4	5.4	9.6	-2.0	2.5	2.8	17.1	10.6	12.6	4.6	11.4
Goods	3.7	4.7	10.8	-3.4	-16.9	-8.6	-2.0	10.1	15.3	5.9	8.2	-1.8	5.1	0	18.4	12.7	13.0	5.0	14.9
Services	1.9	3.1	5.8	-5.0	12.8	-18.3	-10.4	24.7	-5.8	2.8	16.6	-2.6	-9.4	17.9	11.1	1.2	10.6	2.8	-5.2
Government consumption expenditures and gross investment	4.4	2.8	1.9	5.3	7.9	-1.5	8.5	4.7	4.4	2.1	4.0	.2	7.2	.1	1.6	2.5	2.2	.7	.9
Federal	7.5	6.6	4.7	8.1	9.1	0	8.8	8.2	12.8	2.9	9.1	.3	22.1	-3.3	4.8	7.1	2.7	4.8	1.2
National defense	7.7	9.0	7.3	7.0	4.3	2.4	12.5	5.8	11.5	3.4	13.5	-2.7	38.4	-7.7	11.6	10.6	1.9	10.1	-6
Nondefense	7.1	2.4	-5	10.1	18.0	-3.9	2.3	12.6	15.0	1.9	1.6	6.2	-3.9	5.8	-7.5	.2	4.4	-5.3	5.3
State and local	2.8	.7	.4	4.0	7.2	-2.3	8.4	2.9	.3	1.7	1.4	.1	-4	2.2	-1	0	1.9	-1.7	.6
Addenda:																			
Final sales of domestic product	1.4	3.1	4.0	1.6	1.0	-.4	3.8	.3	1.8	2.0	.7	2.4	5.2	6.8	3.7	3.3	2.5	5.0	3.4
Gross domestic purchases	2.5	3.3	4.8	-.4	.7	-.8	2.2	4.4	2.8	2.9	2.4	1.7	4.4	6.4	4.7	5.0	4.2	3.9	5.0
Final sales to domestic purchasers	2.1	3.4	4.4	1.5	.5	.2	4.3	1.4	2.2	2.4	2.3	2.2	5.4	5.9	4.2	3.9	3.5	4.9	4.5
Gross national product (GNP)	1.7	3.3	4.3	-1.1	1.5	-2.5	3.9	1.4	2.1	3.0	1.4	1.7	4.4	7.6	5.5	3.9	1.9	4.0	3.5
Disposable personal income	3.1	2.3	3.5	1.3	-1.7	11.5	-5.6	10.8	2.7	-1.7	.2	1.8	4.3	8.2	1.4	2.4	2.8	2.9	8.3
Current-dollar measures:																			
GDP	3.5	4.9	6.6	2.8	4.4	.2	3.6	4.5	4.2	3.9	2.7	4.9	5.3	8.8	5.7	7.4	6.6	5.5	6.2
Final sales of domestic product	3.1	5.1	6.2	4.9	4.2	1.2	5.5	1.7	3.3	3.7	2.7	5.3	6.3	8.4	5.4	6.1	5.8	6.5	5.7
Gross domestic purchases	4.0	5.4	7.3	2.2	3.0	.2	3.1	5.3	5.6	4.4	4.3	5.7	4.8	8.1	5.9	8.6	7.9	5.9	8.1
Final sales to domestic purchasers	3.6	5.5	6.9	4.3	2.8	1.2	4.9	2.6	4.7	4.2	4.3	6.0	5.8	7.7	5.7	7.4	7.1	6.9	7.6
GNP	3.4	5.2	6.5	2.1	4.6	-.8	6.0	2.4	3.9	4.3	3.4	4.6	5.6	9.0	7.0	6.8	5.2	5.6	5.9
Disposable personal income	4.6	4.2	5.8	4.6	.8	12.1	-5.0	11.8	5.7	.2	1.5	5.1	5.0	9.9	2.6	5.8	6.0	4.2	11.2

^r Revised.

See "Explanatory Note" at the end of the tables.

Table 3.—Gross Domestic Product and Related Measures: Level and Change From Preceding Period

	Billions of current dollars						Billions of chained (2000) dollars						Change from preceding period					
	2004 ^r	Seasonally adjusted at annual rates					2004 ^r	Seasonally adjusted at annual rates								2004 ^r	2004	
		2003	2004					2003	2004					2004 ^r	III		IV ^r	
			IV	I	II	III			IV ^r	IV	I	II	III					IV ^r
Gross domestic product	11,735.0	11,270.9	11,472.6	11,657.5	11,814.9	11,994.8	10,841.9	10,580.7	10,697.5	10,784.7	10,891.0	10,994.3	460.6	106.3	103.3			
Personal consumption expenditures	8,229.9	7,914.9	8,060.2	8,153.8	8,282.5	8,423.3	7,632.5	7,466.8	7,543.0	7,572.4	7,667.8	7,747.0	276.9	95.4	79.2			
Durable goods	993.9	971.1	976.3	975.5	1,007.0	1,017.0	1,099.3	1,069.7	1,075.5	1,074.7	1,118.3	1,129.0	68.7	43.6	10.7			
Motor vehicles and parts	447.8	444.1	438.4	432.5	458.4	461.8	465.9	463.5	456.7	449.6	478.9	478.3	13.8	29.3	-6			
Furniture and household equipment	351.3	338.0	345.0	348.6	353.8	357.8	439.4	414.6	425.6	433.3	445.4	453.3	45.9	12.1	7.9			
Other	194.9	189.0	193.0	194.4	194.7	197.4	198.7	194.0	196.9	196.8	198.5	202.5	12.2	1.7	4.0			
Non-durable goods	2,377.0	2,250.1	2,316.6	2,354.6	2,387.2	2,449.7	2,208.5	2,152.0	2,187.3	2,188.0	2,213.2	2,245.3	96.1	25.2	32.1			
Food	1,150.3	1,091.8	1,120.3	1,137.5	1,157.0	1,186.3	1,043.3	1,008.6	1,028.4	1,034.3	1,045.4	1,065.0	48.2	11.1	19.6			
Clothing and shoes	326.5	314.4	325.0	322.9	325.2	332.9	352.4	338.2	351.2	346.5	351.6	360.2	22.2	5.1	8.6			
Gasoline, fuel oil, and other energy goods	244.9	210.7	229.7	243.2	245.4	261.4	197.3	203.3	202.1	195.0	196.3	195.8	0	1.3	-5			
Other	655.3	633.1	641.5	651.0	659.6	669.0	617.1	602.1	606.6	613.4	621.4	626.8	27.5	8.0	5.4			
Services	4,859.0	4,693.6	4,767.3	4,823.8	4,888.2	4,956.6	4,338.3	4,256.7	4,291.7	4,320.0	4,352.4	4,389.2	118.0	32.4	36.8			
Housing	1,239.0	1,202.8	1,215.4	1,232.7	1,247.3	1,260.5	1,094.9	1,080.3	1,086.0	1,091.5	1,097.9	1,104.1	18.8	6.4	6.2			
Household operation	452.0	438.1	445.6	447.6	453.5	461.2	410.6	406.0	409.3	408.4	409.7	415.1	10.4	1.3	5.4			
Electricity and gas	177.9	171.2	175.7	174.3	177.4	184.3	150.5	150.6	151.9	148.8	148.5	153.0	3.3	-3	4.5			
Other household operation	274.1	266.8	270.0	273.3	276.1	277.0	260.0	255.2	257.1	259.7	261.4	262.0	7.0	1.7	.6			
Transportation	301.7	296.5	297.8	300.5	302.6	305.9	280.9	276.7	278.1	280.1	281.3	284.1	3.2	1.2	2.8			
Medical care	1,391.7	1,334.0	1,356.8	1,379.1	1,404.4	1,426.7	1,228.5	1,198.3	1,207.9	1,221.0	1,236.1	1,249.1	44.2	15.1	13.0			
Recreation	335.1	323.4	330.8	333.0	337.4	339.1	299.3	294.1	298.3	298.5	300.6	299.6	9.0	2.1	-1.0			
Other	1,139.5	1,098.8	1,120.9	1,130.9	1,143.1	1,163.2	1,023.1	1,000.3	1,011.2	1,019.4	1,025.7	1,035.9	32.4	6.3	10.2			
Gross private domestic investment	1,927.3	1,758.8	1,819.7	1,920.7	1,947.0	2,021.9	1,843.5	1,714.1	1,764.5	1,842.9	1,853.9	1,912.6	214.7	11.0	58.7			
Fixed investment	1,884.0	1,755.2	1,783.5	1,861.7	1,915.4	1,975.3	1,794.4	1,702.7	1,721.4	1,778.3	1,816.1	1,861.9	167.1	37.8	45.8			
Nonresidential	1,220.5	1,146.3	1,158.8	1,198.5	1,238.5	1,286.3	1,228.6	1,161.0	1,173.0	1,207.9	1,245.3	1,288.3	117.8	37.4	43.0			
Structures	278.2	268.2	266.0	275.5	281.2	290.0	240.7	242.4	237.7	241.7	241.0	242.3	3.3	-7	1.3			
Equipment and software	942.4	878.1	892.8	923.1	957.3	996.3	998.6	925.6	943.7	975.5	1,015.6	1,059.5	119.4	40.1	43.9			
Information processing equipment and software	484.2	454.7	468.5	480.9	486.3	500.9	571.9	526.6	547.0	565.4	575.6	599.5	79.5	10.2	23.9			
Computers and peripheral equipment	111.0	104.5	104.4	108.8	111.1	119.8	.....	.....	.....	.....	.....	.....	.....	.....	.....
Software	182.4	170.5	176.8	180.0	182.9	190.0	192.4	178.5	185.6	189.5	192.7	201.9	21.2	3.2	9.2			
Other	190.7	179.7	187.4	192.2	192.2	191.1	204.8	190.4	200.2	206.2	206.8	205.9	25.4	.6	-9			
Industrial equipment	150.7	139.5	143.1	145.0	155.2	159.6	144.6	136.8	139.0	139.7	148.5	151.3	7.0	8.8	2.8			
Transportation equipment	149.6	140.0	134.5	143.2	153.0	167.5	136.8	127.8	122.7	130.0	141.0	153.5	15.2	11.0	12.5			
Other equipment	157.9	144.0	146.6	153.9	162.7	168.3	151.1	139.3	142.1	147.5	155.2	159.7	19.9	7.7	4.5			
Residential	663.4	609.0	624.6	663.2	677.0	688.9	560.7	535.9	542.5	563.6	565.9	570.6	49.5	2.3	4.7			
Change in private inventories	43.4	3.5	36.2	59.0	31.6	46.7	45.7	8.6	40.0	61.1	34.5	47.2	46.5	-26.6	12.7			
Farm	-1.1	-9	1.0	-2.4	-2	-2.6	3.4	3.5	5.1	3.0	3.8	1.7	3.1	.8	-2.1			
Nonfarm	44.4	4.5	35.2	61.4	31.8	49.3	42.4	4.6	34.5	58.8	30.4	45.9	43.5	-28.4	15.5			
Net exports of goods and services	-606.2	-502.8	-546.8	-591.3	-611.8	-674.8	-583.7	-528.3	-550.1	-580.3	-583.2	-621.1	-65.2	-2.9	-37.9			
Exports	1,175.5	1,099.2	1,134.3	1,167.6	1,189.5	1,210.4	1,120.3	1,076.2	1,095.4	1,114.8	1,131.1	1,140.0	88.5	16.3	8.9			
Goods	820.3	761.3	790.3	812.2	833.4	845.5	785.5	750.6	767.2	778.4	796.3	800.1	63.8	17.9	3.8			
Services	355.1	337.9	344.1	355.4	356.1	365.0	334.6	325.4	328.1	336.2	334.6	339.7	24.7	-1.6	5.1			
Imports	1,781.6	1,602.0	1,681.2	1,758.9	1,801.2	1,885.2	1,704.0	1,604.5	1,645.5	1,695.1	1,714.3	1,761.2	153.7	19.2	46.9			
Goods	1,490.8	1,326.4	1,399.2	1,470.1	1,506.9	1,587.2	1,448.2	1,353.2	1,394.1	1,437.4	1,454.9	1,506.3	140.9	17.5	51.4			
Services	290.8	275.6	282.0	288.8	294.4	298.1	257.3	251.7	252.4	258.9	260.7	257.3	14.0	1.8	-3.4			
Government consumption expenditures and gross investment	2,183.9	2,100.0	2,139.5	2,174.3	2,197.2	2,224.5	1,946.5	1,923.7	1,935.8	1,946.5	1,949.9	1,954.0	37.1	3.4	4.1			
Federal	809.9	767.5	793.3	804.4	817.4	824.6	721.7	701.2	713.3	718.1	726.6	728.8	32.1	8.5	2.2			
National defense	547.9	513.6	534.1	541.2	557.0	559.4	484.9	465.7	477.6	479.9	491.5	490.7	33.1	11.6	-8			
Consumption expenditures	477.5	450.2	465.2	473.6	487.1	484.0	415.0	401.4	408.5	412.5	422.1	417.0	24.7	9.6	-5.1			
Gross investment	70.4	63.4	69.0	67.6	69.8	75.3	70.6	64.6	69.9	67.7	69.8	74.9	9.0	2.1	5.1			
Nondefense	262.0	253.9	259.1	263.2	260.4	265.2	236.4	235.2	235.4	237.9	234.7	237.7	-1.2	-3.2	3.0			
Consumption expenditures	227.0	221.1	225.9	226.6	225.9	229.5	201.4	202.0	201.8	201.5	200.2	202.3	-2.6	-1.3	2.1			
Gross investment	35.0	32.8	33.2	36.5	34.5	35.7	35.2	33.2	33.6	36.8	34.6	35.6	1.7	-2.2	1.0			
State and local	1,373.9	1,332.6	1,346.3	1,369.9	1,379.8	1,399.9	1,224.8	1,222.5	1,224.4	1,228.3	1,223.2	1,225.1	5.0	-5.1	1.9			
Consumption expenditures	1,099.7	1,066.3	1,079.8	1,091.8	1,105.5	1,121.6	973.7	970.9	971.5	971.5	974.6	977.3	4.7	3.1	2.7			
Gross investment	274.3	266.2	266.4	278.0	274.3	278.3	251.1	251.6	251.0	257.1	248.6	247.8	.2	-8.5	-8			
Residual .....	.....	.....	.....	.....	.....	.....	-42.2	-26.7	-31.3	-35.6	-44.5	-57.1	.....	.....	.....
Addenda:																		
Final sales of domestic product	11,691.6	11,267.4	11,436.4	11,598.5	11,783.3	11,948.2	10,794.6	10,569.6	10,655.8	10,722.3	10,854.7	10,945.5	414.7	132.4	90.8			
Gross domestic purchases	12,341.1	11,773.7	12,019.4	12,248.8	12,426.6	12,669.7	11,418.8	11,104.3	11,241.9	11,358.1	11,467.4	11,607.6	523.1	109.3	140.2			
Final sales to domestic purchasers	12,297.8	11,770.1	12,189.2	12,189.8	12,395.1	12,623.0	11,371.3	11,093.2	11,200.1	11,295.5	11,430.9	11,558.6	477.1	135.4	127.7			
Gross domestic product	11,735.0	11,270.9	11,472.6	11,657.5	11,814.9	11,994.8	10,841.9											

Table 4.—Price Indexes for Gross Domestic Product and Related Measures: Percent Change From Preceding Period

	2002	2003	2004 ^r	Seasonally adjusted at annual rates															
				2001				2002				2003				2004			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP)	1.7	1.8	2.2	3.3	3.1	1.6	1.7	1.4	1.5	1.7	2.0	2.7	1.1	1.4	1.6	2.8	3.2	1.4	2.3
Personal consumption expenditures	1.4	1.9	2.2	3.3	2.6	.6	.6	.9	2.9	2.0	1.4	3.2	.7	1.6	1.2	3.3	3.1	1.3	2.7
Durable goods	-2.7	-3.4	-2.0	-1.4	-3.1	-2.8	-1.6	-3.8	-2.5	-2.1	-2.8	-3.7	-3.8	-4.4	-4.3	0	-1	-3.1	.1
Nondurable goods .....	.6	2.0	3.3	1.4	3.5	-.9	-4.0	0	5.4	1.3	1.2	5.1	-2.2	3.5	.5	5.3	6.6	.9	4.7
Services	2.7	3.0	2.5	5.3	3.4	2.0	3.3	2.3	2.8	3.2	2.4	3.8	3.1	2.0	2.7	3.0	2.1	2.3	2.2
Gross private domestic investment .....	.2	1.1	2.5	0	1.5	2.1	.2	-1.0	-.1	-.5	2.6	1.4	-.1	1.2	2.7	2.1	4.4	2.9	2.4
Fixed investment .....	.2	1.2	2.5	-.3	1.8	2.2	.1	-1.1	-.1	-.4	2.7	1.9	-.3	1.2	2.8	2.0	4.3	3.0	2.4
Nonresidential	-.8	-.4	.8	-2.3	.6	.3	-1.0	-1.3	-1.1	-1.3	.6	-.5	-1.3	.3	1.2	.3	1.7	.9	1.6
Structures	2.4	2.1	4.9	6.0	6.5	6.6	2.1	0	2.1	1.6	3.0	3.9	0	1.3	1.4	4.8	7.6	9.8	10.9
Equipment and software	-1.9	-1.2	-.4	-5.1	-1.5	-2.0	-2.2	-1.7	-2.2	-2.2	-.1	-1.9	0	1.2	-.1	1.2	-.1	-1.6	-.9
Residential	2.5	4.4	5.7	5.5	5.0	6.9	2.8	-.8	2.1	1.6	7.1	6.8	1.7	3.1	5.8	5.4	9.1	6.8	3.8
Change in private inventories																			
Net exports of goods and services																			
Exports	-4	2.1	3.5	.1	-1.3	-2.0	-3.5	-1.2	3.0	3.0	.4	4.1	1.0	.8	3.2	5.7	4.6	1.6	3.9
Goods	-7	2.0	3.8	-.1	-1.6	-2.6	-3.8	-1.4	2.2	3.3	.5	3.5	1.6	-.6	4.2	6.4	5.3	1.2	3.9
Services .....	.4	2.4	2.8	.6	-.7	-.6	-2.8	-.6	4.8	2.4	.3	5.4	-.6	4.0	.9	4.0	3.2	2.7	3.9
Imports	-1.2	3.4	4.9	-3.0	-5.9	-5.3	-10.0	-1.9	10.5	3.4	.5	11.3	-4.3	2.6	.9	9.6	6.4	5.1	7.7
Goods	-1.8	2.9	4.9	-3.8	-6.6	-6.5	-11.3	-2.0	10.8	2.6	.4	12.0	-6.7	2.4	.4	9.9	7.8	5.2	7.1
Services	1.7	5.9	4.9	1.5	-2.2	1.2	-3.3	-1.2	8.8	7.7	.9	7.9	8.4	3.6	3.5	8.3	-.5	5.0	10.9
Government consumption expenditures and gross investment	2.7	3.2	3.2	3.1	1.8	1.6	1.1	4.2	3.1	2.7	3.3	7.4	-.5	2.2	1.0	5.1	4.3	3.6	4.2
Federal	3.3	3.6	2.9	1.9	1.1	2.2	1.8	7.4	1.4	1.8	5.1	8.5	.3	1.1	1.0	6.6	3.0	1.7	2.3
National defense	3.4	4.2	2.8	3.5	.7	2.5	.8	7.1	1.6	2.9	7.7	8.6	-.3	1.1	1.3	5.7	3.5	1.9	2.4
Nondefense	3.1	2.6	3.0	-1.0	1.8	1.6	3.4	8.0	1.1	-.2	.5	8.2	1.4	1.0	.3	8.3	1.9	1.3	2.2
State and local	2.4	3.0	3.4	3.8	2.1	1.3	.8	2.5	4.0	3.2	2.4	6.8	-1.0	2.9	1.0	4.2	5.2	4.7	5.3
Addenda:																			
Final sales of domestic product	1.7	1.8	2.2	3.3	3.2	1.6	1.7	1.3	1.5	1.7	2.0	2.8	1.1	1.4	1.6	2.7	3.2	1.4	2.3
Gross domestic purchases	1.5	2.0	2.4	2.7	2.3	1.0	.6	1.2	2.5	1.8	1.9	3.7	.4	1.7	1.4	3.4	3.5	1.9	2.9
Final sales to domestic purchasers	1.5	2.0	2.4	2.7	2.3	1.0	.6	1.1	2.5	1.8	1.9	3.8	.3	1.7	1.4	3.4	3.5	1.9	2.9
Gross national product (GNP)	1.6	1.8	2.2	3.3	3.1	1.6	1.7	1.3	1.5	1.7	2.0	2.7	1.1	1.5	1.6	2.8	3.2	1.4	2.3
Implicit price deflators:																			
GDP	1.7	1.8	2.1	3.3	3.1	1.7	2.0	1.0	1.8	1.3	2.0	2.9	1.1	1.3	1.4	2.7	3.2	1.4	2.3
Gross domestic purchases	1.5	2.0	2.4	2.7	2.2	1.1	.9	.8	2.8	1.4	1.9	3.9	.4	1.6	1.2	3.4	3.5	2.0	2.9
GNP	1.6	1.8	2.1	3.2	3.1	1.7	2.0	1.0	1.8	1.3	2.0	2.9	1.1	1.3	1.4	2.7	3.2	1.5	2.3

^r Revised.
See "Explanatory Note" at the end of the tables.

Table 5.—Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

	2002	2003	2004 ^r	Seasonally adjusted				
				2003	2004			
					IV	I	II	III	IV^{r}
Gross domestic product	102.626	105.749	110.440	107.780	108.969	109.858	110.941	111.993
Personal consumption expenditures	105.698	109.143	113.253	110.794	111.925	112.360	113.776	114.951
Durable goods	111.150	119.378	127.338	123.902	124.572	124.482	129.529	130.768
Nondurable goods	104.630	108.481	113.417	110.517	112.331	112.367	113.659	115.310
Services	105.085	107.418	110.423	108.346	109.237	109.955	110.782	111.717
Gross private domestic investment	89.928	93.852	106.223	98.771	101.672	106.191	106.823	110.207
Fixed investment	92.253	96.924	106.877	101.412	102.529	105.913	108.170	110.897
Nonresidential	87.302	90.157	99.720	94.235	95.204	98.041	101.075	104.560
Structures	80.346	75.810	76.844	77.406	75.886	77.171	76.958	77.359
Equipment and software	89.947	95.679	108.670	100.735	102.699	106.157	110.524	115.299
Residential	105.178	114.392	125.457	119.916	121.400	126.122	126.628	127.680
Change in private inventories								
Exports of goods and services	92.343	94.116	102.195	98.170	99.924	101.690	103.176	103.991
Imports of goods and services	100.585	105.048	115.468	108.725	111.504	114.862	116.167	119.340
Government consumption expenditures and gross investment	107.918	110.906	113.066	111.738	112.443	113.062	113.259	113.500
Federal	111.725	119.140	124.695	121.154	123.249	124.068	125.539	125.922
State and local	105.999	106.739	107.171	106.968	106.965	107.482	107.033	107.202
Addenda:								
Final sales of domestic product	103.102	106.346	110.595	108.290	109.173	109.854	111.211	112.141
Gross domestic purchases	103.414	106.858	111.988	108.904	110.253	111.393	112.465	113.840
Final sales to domestic purchasers	103.876	107.438	112.143	109.401	110.455	111.396	112.731	113.991
Gross national product	102.494	105.865	110.421	108.192	109.241	109.769	110.863	111.812

^r Revised.

See "Explanatory Note" at the end of the tables.

Table 6.—Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

	2002	2003	2004 ^r	Seasonally adjusted				
				2003	2004			
					IV	I	II	III	IV^{r}
Gross domestic product	104.097	106.003	108.298	106.586	107.314	108.169	108.551	109.159
Personal consumption expenditures (PCE)	103.548	105.511	107.824	106.005	106.860	107.683	108.021	108.734
Durable goods	95.475	92.244	90.378	90.747	90.741	90.725	90.008	90.039
Nondurable goods	102.097	104.154	107.626	104.564	105.914	107.616	107.869	109.106
Services	106.083	109.237	111.999	110.266	111.085	111.667	112.314	112.932
Gross private domestic investment	101.221	102.304	104.898	102.968	103.514	104.644	105.405	106.029
Fixed investment	101.232	102.435	104.978	103.101	103.618	104.709	105.482	106.101
Nonresidential	98.909	98.546	99.328	98.729	98.793	99.220	99.449	99.850
Structures	107.908	110.176	115.578	110.633	111.926	113.984	116.677	119.726
Equipment and software	95.868	94.754	94.382	94.862	94.611	94.626	94.256	94.034
Residential	107.246	111.951	118.338	113.675	115.179	117.710	119.674	120.787
Change in private inventories								
Exports of goods and services	99.275	101.395	104.919	102.146	103.565	104.746	105.175	106.189
Imports of goods and services	96.326	99.615	104.508	99.837	102.163	103.760	105.066	107.042
Government consumption expenditures and gross investment	105.313	108.702	112.187	109.167	110.522	111.703	112.682	113.841
Federal	105.288	109.081	112.213	109.447	111.203	112.020	112.491	113.138
State and local	105.317	108.485	112.180	109.007	110.131	111.524	112.802	114.265
Addenda:								
PCE excluding food and energy	103.707	105.072	106.643	105.527	106.081	106.523	106.753	107.217
Market-based PCE ¹	103.113	105.040	107.427	105.496	106.334	107.292	107.674	108.406
Market-based PCE excluding food and energy ¹	103.186	104.388	105.905	104.790	105.261	105.798	106.060	106.500
Final sales of domestic product	104.100	106.025	108.310	106.608	107.332	108.178	108.561	109.168
Gross domestic purchases	103.489	105.571	108.131	106.086	106.980	107.913	108.429	109.203
Final sales to domestic purchasers	103.491	105.592	108.143	106.107	106.997	107.923	108.440	109.214
Gross national product	104.087	105.997	108.295	106.579	107.308	108.164	108.549	109.158
Implicit price deflators:								
Gross domestic product	104.092	105.998	108.237	106.523	107.246	108.093	108.482	109.100
Final sales of domestic product	104.100	106.025	108.310	106.601	107.325	108.172	108.555	109.161
Gross domestic purchases	103.484	105.566	108.077	106.028	106.916	107.842	108.364	109.149
Final sales to domestic purchasers	103.491	105.592	108.148	106.102	106.992	107.917	108.435	109.208
Gross national product	104.082	105.992	108.232	106.516	107.240	108.087	108.479	109.099

^r Revised.

¹ This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, the services furnished without payment by financial intermediaries) and the expenses of nonprofit institutions. Percentage changes for these series are included in the addenda to table 8 and appendix table A.

See "Explanatory Note" at the end of the tables.

Table 7.—Real Gross Domestic Product: Percent Change From Preceding Year

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^r
Gross domestic product (GDP)	3.5	1.9	-0.2	3.3	2.7	4.0	2.5	3.7	4.5	4.2	4.5	3.7	0.8	1.9	3.0	4.4
Personal consumption expenditures	2.8	2.0	.2	3.3	3.3	3.7	2.7	3.4	3.8	5.0	5.1	4.7	2.5	3.1	3.3	3.8
Durable goods	2.2	-3	-5.6	5.9	7.8	8.4	4.4	7.8	8.6	11.3	11.7	7.3	4.3	6.5	7.4	6.7
Nondurable goods	2.8	1.6	-2	2.0	2.7	3.5	2.2	2.6	2.7	4.0	4.6	3.8	2.0	2.6	3.7	4.6
Services	3.0	2.9	1.7	3.5	2.8	2.9	2.6	2.9	3.3	4.2	4.0	4.5	2.4	2.6	2.2	2.8
Gross private domestic investment	4.0	-3.4	-8.1	8.1	8.9	13.6	3.1	8.9	12.4	9.8	7.8	5.7	-7.9	-2.4	4.4	13.2
Fixed investment	3.0	-2.1	-6.5	5.9	8.6	9.3	6.5	9.0	9.2	10.2	8.3	6.5	-3.0	-4.9	5.1	10.3
Nonresidential	5.6	.5	-5.4	3.2	8.7	9.2	10.5	9.3	12.1	11.1	9.2	8.7	-4.2	-8.9	3.3	10.6
Structures	2.0	1.5	-11.1	-6.0	-7	1.8	6.4	5.6	7.3	5.1	-4	6.8	-2.3	-17.8	-5.6	1.4
Equipment and software	7.3	0	-2.6	7.3	12.5	11.9	12.0	10.6	13.8	13.3	12.7	9.4	-4.9	-5.5	6.4	13.6
Residential	-3.0	-8.6	-9.6	13.8	8.2	9.6	-3.2	8.0	1.9	7.6	6.0	.8	.4	4.8	8.8	9.7
Change in private inventories																
Net exports of goods and services																
Exports	11.5	9.0	6.6	6.9	3.2	8.7	10.1	8.4	11.9	2.4	4.3	8.7	-5.4	-2.3	1.9	8.6
Goods	11.9	8.4	6.9	7.5	3.3	9.7	11.7	8.8	14.3	2.2	3.8	11.2	-6.1	-4.1	2.2	8.8
Services	10.3	10.5	6.0	5.5	3.2	6.3	7.2	5.9	2.9	5.6	2.9	2.9	-3.7	1.8	1.4	8.0
Imports	4.4	3.6	-6	7.0	8.8	11.9	8.0	8.7	13.6	11.6	11.5	13.1	-2.7	3.4	4.4	9.9
Goods	4.3	3.0	-1	9.3	10.1	13.3	9.0	9.3	14.4	11.7	12.4	13.5	-3.2	3.7	4.7	10.8
Services	4.9	6.5	-2.6	-2.6	2.9	5.7	3.3	5.5	9.4	11.4	6.9	11.1	-3	1.9	3.1	5.8
Government consumption expenditures and gross investment	2.6	3.2	1.1	.5	-.9	0	.5	1.0	1.9	1.9	3.9	2.1	3.4	4.4	2.8	1.9
Federal	1.5	2.0	-2	-1.7	-4.2	-3.7	-2.7	-1.2	-1.0	-1.1	2.2	.9	3.9	7.5	6.6	4.7
National defense	-5	0	-1.1	-5.0	-5.6	-4.9	-3.8	-1.4	-2.8	-2.1	1.9	-5	3.9	7.7	9.0	7.3
Nondefense	8.3	8.3	2.4	6.9	-7	-1.2	-.4	-.7	2.6	.7	2.8	3.5	3.9	7.1	2.4	-5
State and local	3.4	4.1	2.1	2.2	1.4	2.6	2.6	2.3	3.6	3.6	4.7	2.7	3.2	2.8	.7	.4
Addenda:																
Final sales of domestic product	3.4	2.1	.1	3.0	2.6	3.4	3.0	3.7	4.0	4.2	4.5	3.8	1.6	1.4	3.1	4.0
Gross domestic purchases	3.0	1.4	-8	3.3	3.2	4.4	2.4	3.8	4.8	5.3	5.3	4.4	.9	2.5	3.3	4.8
Final sales to domestic purchasers	2.8	1.6	-6	3.1	3.2	3.8	2.8	3.8	4.3	5.3	5.4	4.5	1.8	2.1	3.4	4.4
Gross national product	3.5	2.0	-3	3.3	2.7	3.9	2.6	3.7	4.4	4.0	4.6	3.7	.8	1.7	3.3	4.3
Real disposable personal income	2.8	1.9	.5	3.4	1.0	2.7	2.8	3.0	3.5	5.8	3.0	4.8	1.9	3.1	2.3	3.5
Price indexes:																
Gross domestic purchases	3.8	4.1	3.3	2.3	2.2	2.1	2.1	1.8	1.4	.6	1.6	2.5	2.0	1.5	2.0	2.4
Gross domestic purchases excluding food and energy	3.6	3.7	3.5	2.6	2.3	2.2	2.2	1.5	1.3	1.0	1.4	1.9	1.9	1.8	1.6	1.9
GDP	3.8	3.9	3.5	2.3	2.3	2.1	2.0	1.9	1.7	1.1	1.4	2.2	2.4	1.7	1.8	2.2
GDP excluding food and energy	3.6	3.7	3.6	2.5	2.4	2.2	2.1	1.7	1.7	1.2	1.5	2.0	2.1	2.0	1.6	1.9
Personal consumption expenditures	4.4	4.6	3.6	2.9	2.3	2.1	2.1	2.2	1.7	.9	1.7	2.5	2.1	1.4	1.9	2.2

r Revised.

Table 8.—Real Gross Domestic Product: Percent Change From Quarter One Year Ago

	2001				2002				2003				2004			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP)	1.9	0.6	0.4	0.2	1.2	1.5	2.5	2.3	1.9	2.3	3.5	4.4	5.0	4.8	4.0	3.9
Personal consumption expenditures (PCE)	2.9	2.5	2.0	2.8	2.9	3.3	3.6	2.5	2.7	3.0	3.5	3.8	4.2	3.6	3.6	3.8
Durable goods .....	.8	3.2	2.5	10.8	6.6	7.8	10.6	1.5	3.8	7.6	8.2	9.9	10.5	5.4	5.5	5.5
Nondurable goods	3.0	1.6	1.6	1.9	2.7	3.0	2.2	2.3	2.6	2.8	4.7	4.6	5.1	4.7	4.1	4.3
Services	3.3	2.8	2.0	1.6	2.2	2.6	2.9	2.9	2.6	2.1	2.0	2.2	2.5	2.7	2.9	3.1
Gross private domestic investment	-5	-8.5	-8.6	-13.8	-7.1	-5.1	-1.5	5.0	.7	1.5	5.7	9.4	12.8	16.8	11.7	11.6
Fixed investment	1.6	-2.9	-3.8	-6.7	-7.1	-5.8	-4.6	-2.1	-.4	3.1	7.4	10.3	10.9	11.6	9.4	9.4
Nonresidential	3.2	-3.9	-6.1	-9.6	-10.9	-9.9	-8.5	-6.0	-3.6	1.7	5.8	9.4	10.6	10.8	10.1	11.0
Structures	4.6	-6	-1.4	-11.1	-13.7	-18.3	-22.9	-16.1	-14.8	-6.0	-2.1	1.5	3.0	1.3	1.3	-1
Equipment and software	2.7	-5.1	-7.8	-9.0	-9.8	-6.7	-2.7	-2.2	.5	4.4	8.4	12.1	13.1	13.9	12.9	14.5
Residential	-2.3	-1	2.5	1.4	3.1	4.5	4.7	6.9	6.4	5.9	10.6	12.0	11.3	13.2	8.0	6.5
Change in private inventories																
Net exports of goods and services																
Exports	3.4	-2.9	-9.9	-11.9	-9.6	-4.0	1.7	3.5	1.9	-1.1	.8	6.1	8.4	10.8	9.4	5.9
Goods	4.8	-3.2	-12.2	-13.0	-12.2	-5.0	1.2	.8	2.3	-1.2	.5	7.1	8.5	10.3	10.1	6.6
Services .....	.1	-2.0	-4.0	-8.9	-3.1	-1.8	2.7	9.8	1.0	-.9	1.5	3.8	8.3	11.9	7.8	4.4
Imports	5.9	-1.4	-7.2	-7.6	-3.9	2.1	6.3	9.7	6.0	3.8	3.2	4.9	8.1	10.7	11.1	9.8
Goods	6.3	-2.6	-7.8	-7.9	-4.8	3.3	7.1	9.8	6.7	4.3	2.8	5.1	8.8	10.8	12.1	11.3
Services	4.2	4.7	-3.7	-5.9	.7	-3.7	2.0	8.9	2.4	1.4	5.0	3.7	4.7	10.0	6.3	2.2
Government consumption expenditures and gross investment	2.5	3.0	3.2	5.0	4.8	4.0	4.9	3.8	2.7	3.3	2.8	2.2	2.8	1.6	1.8	1.6
Federal	3.6	1.7	4.0	6.4	6.4	7.3	8.1	8.2	6.1	8.3	6.6	5.5	7.3	2.7	4.8	3.9
National defense	4.2	1.3	3.8	6.5	6.2	8.0	8.2	8.5	6.2	12.1	9.0	8.5	12.1	3.8	8.5	5.4
Nondefense	2.5	2.6	4.2	6.3	6.9	6.2	7.8	7.6	6.1	1.4	2.4	0	-1.5	.6	-2.2	1.0
State and local	1.9	3.7	2.8	4.2	4.0	2.2	3.3	1.6	.9	.7	.8	.4	.4	1.0	0	.2
Addenda:																
Final sales of domestic product	2.2	1.6	1.2	1.5	1.2	1.4	2.0	1.2	1.7	2.6	3.8	4.5	4.7	4.1	3.6	3.6
Gross domestic purchases	2.3	.7	.4	.4	1.6	2.1	3.1	3.1	2.4	2.8	3.7	4.3	5.1	5.1	4.5	4.5
Final sales to domestic purchasers	2.6	1.7	1.2	1.6	1.6	2.0	2.6	2.1	2.3	3.1	3.9	4.4	4.9	4.4	4.1	4.2
Gross national product	1.9	.7	.2	1.4	1.0	1.2	2.6	2.0	2.0	2.6	3.7	4.8	5.3	4.7	3.8	3.3
Real disposable personal income	2.4	1.3	2.8	1.2	3.5	4.6	1.4	2.9	.7	1.1	3.5	3.9	4.0	3.7	2.4	4.1
Price indexes:																
Gross domestic purchases	2.1	2.3	1.9	1.6	1.3	1.3	1.5	1.8	2.5	1.9	1.9	1.8	1.7	2.5	2.6	2.9
Gross domestic purchases excluding food and energy	1.7	1.8	1.9	2.1	1.9	1.8	1.8	1.6	1.8	1.6	1.5	1.4	1.5	1.9	2.1	2.2
GDP	2.2	2.5	2.4	2.4	1.9	1.5	1.5	1.6	2.0	1.9	1.8	1.7	1.7	2.3	2.3	2.4
GDP excluding food and energy	1.8	2.0	2.1	2.3	2.2	2.0	1.9	1.7	1.9	1.6	1.5	1.4	1.4	1.9	2.1	2.2
PCE	2.2	2.4	2.0	1.7	1.1	1.2	1.6	1.8	2.4	1.8	1.7	1.7	1.7	2.3	2.2	2.6
PCE excluding food and energy	1.6	1.8	2.0	2.2	1.8	1.8	1.9	1.5	1.6	1.4	1.1	1.2	1.4	1.5	1.5	1.6
Market-based PCE ¹	2.2	2.3	1.9	1.3	.8	.9	1.2	1.7	2.3	1.8	1.8	1.6	1.7	2.4	2.3	2.8
Market-based PCE excluding food and energy ¹	1.5	1.7	1.8	1.8	1.5	1.6	1.5	1.4	1.4	1.2	1.1	1.0	1.3	1.5	1.4	1.6

Table 9.—Relation of Gross Domestic Product, Gross National Product, and National Income

[Billions of dollars]

	2002	2003	2004 ^r	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III	IV ^{r}
Gross domestic product	10,487.0	11,004.0	11,735.0	11,270.9	11,472.6	11,657.5	11,814.9	11,994.8
Plus: Income receipts from the rest of the world	301.8	329.0	405.8	371.8	373.8	388.0	406.8	454.7
Less: Income payments to the rest of the world	274.7	273.9	361.9	284.6	300.3	351.9	368.6	426.7
Equals: Gross national product	10,514.1	11,059.2	11,778.9	11,358.1	11,546.1	11,693.6	11,853.0	12,022.8
Less: Consumption of fixed capital	1,303.9	1,353.9	1,407.3	1,374.2	1,355.0	1,375.2	1,497.9	1,401.2
Less: Statistical discrepancy	-15.3	25.6	50.9	12.8	63.0	56.4	60.4	24.0
Equals: National income	9,225.4	9,679.6	10,320.6	9,971.1	10,128.1	10,262.0	10,294.7	10,597.6
Compensation of employees	6,069.5	6,289.0	6,632.0	6,406.7	6,489.4	6,578.5	6,687.4	6,772.5
Wage and salary accruals	4,976.3	5,103.6	5,355.7	5,188.9	5,240.7	5,311.4	5,403.0	5,467.8
Supplements to wages and salaries	1,093.2	1,185.5	1,276.3	1,217.8	1,248.8	1,267.2	1,284.4	1,304.7
Proprietors' income with inventory valuation and capital consumption adjustments	769.6	834.1	902.8	864.7	872.1	901.4	902.9	934.9
Rental income of persons with capital consumption adjustment	170.9	153.8	165.1	167.1	172.8	172.6	153.8	161.3
Corporate profits with inventory valuation and capital consumption adjustments	874.6	1,021.1	1,181.6	1,129.1	1,165.6	1,173.9	1,118.0	1,268.8
Net interest and miscellaneous payments	532.9	543.0	549.5	545.3	554.5	548.5	546.7	548.2
Taxes on production and imports less subsidies	724.4	751.3	800.6	769.4	782.9	796.3	803.5	819.9
Business current transfer payments	80.9	77.7	82.1	80.1	82.7	83.5	76.0	86.3
Current surplus of government enterprises	2.8	9.5	6.9	8.7	8.1	7.4	6.5	5.7
Addendum:								
Gross domestic income	10,502.3	10,978.5	11,684.0	11,258.1	11,409.6	11,601.1	11,754.5	11,970.9

^r Revised.

Table 10.—Personal Income and Its Disposition

[Billions of dollars]

	2002	2003	2004 ^r	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III	IV ^{r}
Personal income ¹	8,878.9	9,161.8	9,673.0	9,330.0	9,445.0	9,592.7	9,700.4	9,953.8
Compensation of employees, received	6,069.5	6,289.0	6,632.0	6,406.7	6,487.9	6,580.0	6,687.4	6,772.5
Wage and salary disbursements	4,976.3	5,103.6	5,355.7	5,188.9	5,239.2	5,312.8	5,403.0	5,467.8
Supplements to wages and salaries	1,093.2	1,185.5	1,276.3	1,217.8	1,248.8	1,267.2	1,284.4	1,304.7
Proprietors' income with inventory valuation and capital consumption adjustments	769.6	834.1	902.8	864.7	872.1	901.4	902.9	934.9
Farm	9.7	21.8	18.2	24.7	17.9	18.9	13.6	22.4
Nonfarm	759.9	812.3	884.6	840.0	854.2	882.5	889.3	912.5
Rental income of persons with capital consumption adjustment	170.9	153.8	165.1	167.1	172.8	172.6	153.8	161.3
Personal income receipts on assets	1,334.6	1,322.7	1,387.3	1,325.8	1,337.1	1,352.3	1,367.8	1,491.9
Personal interest income	946.7	929.9	946.2	932.0	936.2	941.7	946.5	960.5
Personal dividend income	387.9	392.8	441.1	393.8	400.9	410.6	421.3	531.4
Personal current transfer receipts	1,282.7	1,335.4	1,405.9	1,350.7	1,379.0	1,400.4	1,415.4	1,428.9
Less: Contributions for government social insurance	748.3	773.2	820.2	785.0	803.9	814.0	826.9	835.7
Less: Personal current taxes	1,051.2	1,001.9	1,038.9	1,009.4	1,006.6	1,030.6	1,048.9	1,069.5
Equals: Disposable personal income	7,827.7	8,159.9	8,634.0	8,320.5	8,438.4	8,562.1	8,651.5	8,884.2
Less: Personal outlays	7,668.5	8,049.3	8,531.9	8,209.4	8,351.6	8,448.7	8,588.1	8,739.3
Equals: Personal saving	159.2	110.6	102.1	111.1	86.8	113.4	63.4	145.0
Personal saving as a percentage of disposable personal income	2.0	1.4	1.2	1.3	1.0	1.3	.7	1.6
Addendum:								
Disposable personal income, billions of chained (2000) dollars ²	7,559.5	7,733.8	8,007.3	7,849.6	7,897.0	7,951.5	8,009.5	8,170.9

^r Revised.

1. Personal income is also equal to national income less corporate profits with inventory valuation and capital consumption adjustments, taxes on production and imports less subsidies, contributions for government social insurance, net interest and miscellaneous payments, business current transfer payments, current surplus of government enterprises, and wage accruals less disbursements, plus personal income receipts on assets, and personal current transfer receipts.

2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

Table 11.—Corporate Profits: Level and Percent Change

	Billions of dollars								Percent change from preceding period						
	2002	2003	2004	Seasonally adjusted at annual rates					2003	2004	Quarterly rates				Quarter one year ago
				2003	2004						2004				2004
					IV	I	II	III			IV	I	II	III	IV
Corporate profits with inventory valuation and capital consumption adjustments	874.6	1,021.1	1,181.6	1,129.1	1,165.6	1,173.9	1,118.0	1,268.8	16.8	15.7	3.2	0.7	-4.8	13.5	12.4
Less: Taxes on corporate income	183.8	234.9	269.2	252.3	256.5	271.2	253.3	295.7	27.8	14.6	1.6	5.7	-6.6	16.8	17.2
Equals: Profits after tax with inventory valuation and capital consumption adjustments	690.7	786.2	912.4	876.8	909.1	902.7	864.7	973.0	13.8	16.0	3.7	-7	-4.2	12.5	11.0
Net dividends	390.0	395.3	443.9	396.4	403.4	413.2	424.0	534.7	1.4	12.3	1.8	2.4	2.6	26.1	34.9
Undistributed profits with inventory valuation and capital consumption adjustments	300.7	390.9	468.5	480.4	505.7	489.5	440.7	438.3	30.0	19.9	5.3	-3.2	-10.0	-5	-8.8
Cash flow:															
Net cash flow with inventory valuation and capital consumption adjustments	1,058.5	1,173.4	1,264.6	1,273.2	1,279.1	1,273.4	1,271.8	1,234.1	10.9	7.8	.5	-4	-1	-3.0	-3.1
Undistributed profits with inventory valuation and capital consumption adjustments	300.7	390.9	468.5	480.4	505.7	489.5	440.7	438.3	30.0	19.9	5.3	-3.2	-10.0	-5	-8.8
Consumption of fixed capital	757.8	782.5	796.1	792.9	773.4	783.9	831.2	795.8	3.3	1.7	-2.5	1.4	6.0	-4.3	.4
Less: Inventory valuation adjustment	-1.2	-14.1	-42.9	-24.3	-37.0	-47.8	-37.8	-49.1							
Equals: Net cash flow	1,059.8	1,187.5	1,307.5	1,297.6	1,316.1	1,321.2	1,309.6	1,283.2	12.1	10.1	1.4	.4	-9	-2.0	-1.1
Addenda:															
Profits before tax (without inventory valuation and capital consumption adjustments)	758.0	874.5	985.3	966.2	962.4	988.3	932.8	1,057.9	15.4	12.7	-4	2.7	-5.6	13.4	9.5
Profits after tax (without inventory valuation and capital consumption adjustments)	574.2	639.6	716.2	713.9	705.9	717.1	679.5	762.1	11.4	12.0	-1.1	1.6	-5.3	12.2	6.8
Inventory valuation adjustment	-1.2	-14.1	-42.9	-24.3	-37.0	-47.8	-37.8	-49.1							
Capital consumption adjustment	117.8	160.8	239.1	187.2	240.2	233.3	223.0	260.0	36.5	48.7	28.3	-2.9	-4.4	16.6	38.9

Table 12.—Corporate Profits by Industry: Level and Change From Preceding Period

[Billions of dollars]

	Level								Change from preceding period						
	2002	2003	2004	Seasonally adjusted at annual rates					2003	2004	2004				
				2003	2004						I	II	III	IV	
					IV	I	II	III							IV
Corporate profits with inventory valuation and capital consumption adjustments	874.6	1,021.1	1,181.6	1,129.1	1,165.6	1,173.9	1,118.0	1,268.8	146.5	160.5	36.5	8.3	-55.9	150.8	
Domestic industries	716.8	844.2	989.6	913.3	960.3	988.6	929.3	1,080.1	127.4	145.4	47.0	28.3	-59.3	150.8	
Financial	298.4	327.8	336.4	335.9	355.7	347.8	279.1	363.2	29.4	8.6	19.8	-7.9	-68.7	84.1	
Nonfinancial	418.4	516.4	653.1	577.3	604.6	640.8	650.2	716.9	98.0	136.7	27.3	36.2	9.4	66.7	
Rest of the world	157.8	176.9	192.0	215.8	205.3	185.3	188.7	188.7	19.1	15.1	-10.5	-20.0	3.4	0	
Receipts from the rest of the world	206.0	250.7	315.4	293.4	299.0	305.6	313.1	343.9	44.7	64.7	5.6	6.6	7.5	30.8	
Less: Payments to the rest of the world	48.2	73.8	123.4	77.5	93.7	120.3	124.5	155.3	25.6	49.6	16.2	26.6	4.2	30.8	
Corporate profits with inventory valuation adjustment	756.8	860.4	942.4	941.9	925.4	940.6	895.0	1,008.8	103.6	82.0	-16.5	15.2	-45.6	113.8	
Domestic industries	599.0	683.4	750.4	726.1	720.0	755.2	706.3	820.1	84.4	67.0	-6.1	35.2	-48.9	113.8	
Financial	276.2	299.8	294.0	305.3	313.7	306.4	237.6	318.2	23.6	-5.8	8.4	-7.3	-68.8	80.6	
Federal Reserve banks	22.9	19.2	19.1	17.6	18.2	18.1	19.0	21.1	-3.7	-1	.6	-1	.9	2.1	
Other financial	253.3	280.6	274.9	287.8	295.5	288.3	218.6	297.1	27.3	-5.7	7.7	-7.2	-69.7	78.5	
Nonfinancial	322.8	383.6	456.4	420.7	406.4	448.8	468.7	501.9	60.8	72.8	-14.3	42.4	19.9	33.2	
Utilities	11.4	18.8	23.3	24.3	23.2	21.5	21.1	27.5	7.4	4.5	-1.1	-1.7	-4	6.4	
Manufacturing	50.7	67.3	105.9	93.4	81.5	94.8	105.0	142.4	16.6	38.6	-11.9	13.3	10.2	37.4	
Durable goods	-8.3	-3.5	23.9	9.3	2.8	14.9	29.8	48.1	4.8	27.4	-6.5	12.1	14.9	18.3	
Fabricated metal products	9.3	10.1	13.6	13.2	11.8	12.1	13.1	17.2	.8	3.5	-1.4	.3	1.0	4.1	
Machinery	1.6	-5	3.4	1.1	2.2	3.6	6.7	1.1	-2.1	3.9	1.1	1.4	3.1	-5.6	
Computer and electronic products	-32.9	-15.4	-13.8	-14.0	-17.2	-15.9	-10.5	-11.5	17.5	1.6	-3.2	1.3	5.4	-1.0	
Electrical equipment, appliances, and components	-2	-3.2	-2.7	-4.4	-8.1	-1.6	-5.5	4.4	-3.0	.5	-3.7	6.5	-3.9	9.9	
Motor vehicles, bodies and trailers, and parts	-6.0	-6.2	2.7	-5.0	-5	-1.2	5.0	7.4	-2	8.9	4.5	-7	6.2	2.4	
Other durable goods	19.8	11.8	20.8	18.4	14.6	18.0	21.2	29.6	-8.0	9.0	-3.8	3.4	3.2	8.4	
Nondurable goods	58.9	70.7	82.0	84.1	78.6	79.9	75.2	94.4	11.8	11.3	-5.5	1.3	-4.7	19.2	
Food and beverage and tobacco products	24.1	27.7	26.9	34.2	31.1	27.9	26.4	22.4	3.6	-8	-3.1	-3.2	-1.5	-4.0	
Petroleum and coal products	4.0	14.8	28.6	18.7	24.5	27.3	20.0	42.5	10.8	13.8	5.8	2.8	-7.3	22.5	
Chemical products	17.1	21.2	12.7	21.3	14.1	13.7	14.8	8.4	4.1	-8.5	-7.2	-4	1.1	-6.4	
Other nondurable goods	13.6	7.1	13.8	9.8	8.9	11.0	14.0	21.1	-6.5	6.7	-9	2.1	3.0	7.1	
Wholesale trade	51.0	47.9	54.6	50.1	46.0	52.2	61.1	59.0	-3.1	6.7	-4.1	6.2	8.9	-2.1	
Retail trade	78.1	77.7	72.2	74.7	80.0	73.1	64.7	70.8	-4	-5.5	5.3	-6.9	-8.4	6.1	
Transportation and warehousing	-1.3	10.5	9.7	12.4	11.7	15.5	7.3	4.5	11.8	-8	-7	3.8	-8.2	-2.8	
Information	-11.2	-7	9.5	-1.0	-6.6	16.5	21.6	6.6	10.5	10.2	-5.6	23.1	5.1	-15.0	
Other nonfinancial	144.2	162.1	181.2	166.8	170.7	175.1	187.9	191.2	17.9	19.1	3.9	4.4	12.8	3.3	
Rest of the world	157.8	176.9	192.0	215.8	205.3	185.3	188.7	188.7	19.1	15.1	-10.5	-20.0	3.4	0	

NOTE.—Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

Table 13.—Gross Value Added of Nonfinancial Domestic Corporate Business

	2002	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III ^r	IV
Billions of dollars								
Gross value added of nonfinancial corporate business	5,377.7	5,606.8	6,011.0	5,767.5	5,839.4	5,955.5	6,058.2	6,190.8
Consumption of fixed capital	655.7	676.4	692.6	684.3	671.8	680.9	726.8	691.0
Net value added	4,722.0	4,930.5	5,318.4	5,083.3	5,167.6	5,274.7	5,331.4	5,499.8
Compensation of employees	3,601.3	3,696.2	3,913.0	3,771.0	3,818.1	3,878.6	3,949.7	4,005.7
Wage and salary accruals	2,971.0	3,006.9	3,167.4	3,062.8	3,089.9	3,138.5	3,199.1	3,241.8
Supplements to wages and salaries	630.3	689.3	745.7	708.3	728.1	740.1	750.5	763.9
Taxes on production and imports less subsidies	465.1	483.4	511.4	495.0	501.1	508.4	511.7	524.4
Net operating surplus	655.5	750.8	893.9	817.2	848.5	887.6	870.0	969.7
Net interest and miscellaneous payments	181.7	170.8	177.5	172.1	174.8	177.2	177.3	180.5
Business current transfer payments	55.5	63.5	63.3	67.8	69.0	69.6	42.5	72.2
Corporate profits with inventory valuation and capital consumption adjustments	418.4	516.4	653.1	577.3	604.6	640.8	650.2	716.9
Taxes on corporate income	89.0	130.0	165.8	146.8	147.7	164.9	167.5	183.3
Profits after tax with inventory valuation and capital consumption adjustments	329.4	386.4	487.3	430.5	456.9	475.9	482.7	533.6
Net dividends	254.9	275.4	303.9	273.6	270.6	265.5	278.7	400.8
Undistributed profits with inventory valuation and capital consumption adjustments	74.5	111.0	183.4	156.9	186.2	210.5	204.0	132.9
Addenda:								
Profits before tax (without inventory valuation and capital consumption adjustments)	324.1	397.7	499.4	445.0	443.4	496.5	506.5	551.0
Profits after tax (without inventory valuation and capital consumption adjustments)	235.1	267.7	333.5	298.2	295.6	331.7	338.9	367.8
Inventory valuation adjustment	-1.2	-14.1	-42.9	-24.3	-37.0	-47.8	-37.8	-49.1
Capital consumption adjustment	95.6	132.9	196.7	156.6	198.3	192.0	181.5	215.0
Billions of chained (2000) dollars								
Gross value added of nonfinancial corporate business ¹	5,275.9	5,423.0	5,713.6	5,552.0	5,598.7	5,657.4	5,752.2	5,846.0
Consumption of fixed capital ²	628.0	647.2	668.3	655.1	654.1	657.2	697.3	664.7
Net value added ³	4,647.9	4,775.8	5,045.2	4,897.0	4,944.6	5,000.2	5,054.8	5,181.3
Dollars								
Price, costs, and profits per unit of real gross value added of nonfinancial corporate business:								
Price per unit of real gross value added of nonfinancial corporate business ⁴	1.019	1.034	1.052	1.039	1.043	1.053	1.053	1.059
Compensation of employees (unit labor cost) .....	.683	.682	.685	.679	.682	.686	.687	.685
Unit nonlabor cost .....	.257	.258	.253	.255	.253	.253	.253	.251
Consumption of fixed capital .....	.124	.125	.121	.123	.120	.120	.126	.118
Taxes on production and imports less subsidies plus business current transfer payments .....	.099	.101	.101	.101	.102	.102	.096	.102
Net interest and miscellaneous payments .....	.034	.032	.031	.031	.031	.031	.031	.031
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	.079	.095	.114	.104	.108	.113	.113	.123
Taxes on corporate income .....	.017	.024	.029	.026	.026	.029	.029	.031
Profits after tax with inventory valuation and capital consumption adjustments .....	.062	.071	.085	.078	.082	.084	.084	.091

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2004.

1. Effective December 22, 2004, chained-dollar gross value added of nonfinancial corporate business was revised beginning with 1929. The current-dollar gross value added is deflated by a revised chain-type price index calculated using the gross value added chain-type price index for nonfinancial industries from the comprehensive revision of the GDP-by-industry accounts.

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100.

3. Chained-dollar net value added of nonfinancial corporate business is the difference between the gross value added and the consumption of fixed capital.

4. The deflator for gross value added of nonfinancial corporate business divided by 100.

NOTE.—Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

Appendix Table A.—Real Gross Domestic Product and Related Aggregates and Price Indexes: Percent Change From Preceding Period

	2002	2003	2004 ^r	Seasonally adjusted at annual rates															
				2001				2002				2003				2004			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP) and related aggregates:																			
GDP	1.9	3.0	4.4	-0.5	1.2	-1.4	1.6	3.4	2.4	2.6	0.7	1.9	4.1	7.4	4.2	4.5	3.3	4.0	3.8
Goods	1.2	4.3	7.4	-4.5	-1.3	-5.5	2.6	4.1	.9	4.7	-3.2	4.3	4.1	17.7	5.8	8.2	2.5	8.3	6.1
Services	3.0	2.3	2.7	1.9	1.8	1.7	2.8	3.4	4.2	2.2	3.0	.9	3.6	1.1	3.1	3.0	2.3	2.8	3.0
Structures	-2.4	3.0	5.3	.4	7.0	-4.3	-8.5	.9	-3.3	-2.4	.9	0	7.3	13.9	5.4	.7	12.7	-2.5	1.4
Motor vehicle output	11.6	4.2	5.6	-18.5	36.3	-5.7	22.0	7.3	10.3	18.4	6.0	-12.4	3.0	26.3	2.9	8.8	-15.2	10.4	27.6
GDP excluding motor vehicle output	1.5	3.0	4.4	.2	.2	-1.2	.9	3.3	2.1	2.1	.5	2.5	4.1	6.8	4.2	4.3	4.0	3.8	3.1
Final sales of computers ¹	8.8	41.0	22.7	48.2	-11.2	-19.4	23.7	-3.7	12.2	46.0	30.9	35.1	37.8	93.7	29.0	.1	.1	20.7	74.6
GDP excluding final sales of computers	1.8	2.8	4.3	-9	1.4	-1.2	1.4	3.4	2.3	2.3	.5	1.7	3.8	6.8	4.0	4.5	3.3	3.9	3.3
Farm gross value added ²	6.5	4.0	-9.8	-1.3	-31.0	-20.4	94.2	-39.2	69.9	26.1	-19.5	-13.9	52.3	.5	-30.6	-31.3	-21.3	36.4	77.1
Nonfarm business gross value added ³	1.8	3.8	5.3	-1.1	1.2	-2.9	1.2	4.0	1.7	3.6	1.4	2.4	5.3	9.3	4.6	5.7	4.2	4.2	3.7
Price indexes:																			
GDP	1.7	1.8	2.2	3.3	3.1	1.6	1.7	1.4	1.5	1.7	2.0	2.7	1.1	1.4	1.6	2.8	3.2	1.4	2.3
GDP excluding food and energy	2.0	1.6	1.9	2.4	2.3	2.1	2.6	1.7	1.8	1.6	1.7	2.3	.8	1.1	1.5	2.3	2.7	1.8	2.1
GDP excluding final sales of computers	1.9	2.0	2.3	3.8	3.3	1.8	1.9	1.6	1.7	1.9	2.2	2.9	1.2	1.6	1.7	2.9	3.3	1.5	2.5
Gross domestic purchases	1.5	2.0	2.4	2.7	2.3	1.0	.6	1.2	2.5	1.8	1.9	3.7	.4	1.7	1.4	3.4	3.5	1.9	2.9
Gross domestic purchases excluding food and energy	1.8	1.6	1.9	2.3	2.0	1.8	2.3	1.5	1.7	1.6	1.6	2.2	1.0	1.2	1.5	2.5	2.5	1.7	2.0
Gross domestic purchases excluding final sales of computers to domestic purchasers	1.7	2.2	2.6	3.3	2.6	1.3	.9	1.4	2.6	2.0	2.1	4.0	.5	1.9	1.5	3.6	3.7	2.1	3.1
Personal consumption expenditures (PCE)	1.4	1.9	2.2	3.3	2.6	.6	.6	.9	2.9	2.0	1.4	3.2	.7	1.6	1.2	3.3	3.1	1.3	2.7
PCE excluding food and energy	1.8	1.3	1.5	2.8	2.1	1.4	2.6	1.2	2.0	2.0	.9	1.5	1.1	.9	1.3	2.1	1.7	.9	1.7
Market-based PCE ⁴	1.1	1.9	2.3	2.8	2.1	.8	-5	.6	2.9	1.8	1.5	3.0	.6	2.0	.8	3.2	3.7	1.4	2.7
Market-based PCE excluding food and energy ⁴	1.5	1.2	1.5	2.1	1.3	1.9	1.6	1.0	1.8	1.7	1.1	.9	1.1	1.3	.8	1.8	2.1	1.0	1.7

^r Revised.

1. For some components of final sales of computers, includes computer parts.

2. Farm output less intermediate goods and services purchased.

3. Consists of GDP less gross value added of farm, of households and institutions, and of general government.

4. This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, the services furnished without payment by financial intermediaries) and the expenses of nonprofit institutions.

See "Explanatory Note" at the end of the tables.

Explanatory Note: NIPA Measures of Quantities and Prices

Current-dollar GDP is a measure of the market value of goods, services, and structures produced in the economy in a particular period. Changes in current-dollar GDP can be decomposed into quantity and price components. Quantities, or “real” measures, and prices are expressed as index numbers with the reference year -- at present, the year 2000 -- equal to 100.

Annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Quarterly changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent quarters; quarterly indexes are adjusted for consistency to the annual indexes before percent changes are calculated.) For example, the 2002-03 annual percent change in real GDP uses prices for 2002 and 2003 as weights, and the 2002-03 annual percent change in GDP prices uses quantities for 2002 and 2003 as weights. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. Percent changes in Fisher indexes are not affected by the choice of reference year. (BEA also publishes a measure of the price level known as the implicit price deflator (IPD), which is calculated as the ratio of the current-dollar value to the corresponding chained-dollar value, multiplied by 100. The values of the IPD are very close to the values of the corresponding “chain-type” price index.)

Index numbers of quantity and price indexes for GDP and its major components are presented in this release in tables 5 and 6. Percent changes from the preceding period are presented in tables 1, 4, 7, and 8. Contributions by major components to changes in real GDP are presented in table 2.

Measures of real GDP and its major components are also presented in dollar-denominated form, designated “chained (2000) dollar estimates.” For most series, these estimates, which are presented in table 3, are computed by multiplying the current-dollar value in 2000 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2000 and if real output for this component increased 10 percent in 2001, then the chained (2000) dollar value of this component in 2001 would be \$110 (= \$100 x 110 / 100). Percent changes calculated from chained-dollar estimates and from chain-type quantity indexes are the same; any differences will be small and due to rounding.

Chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP (or to any intermediate aggregate). This is because the relative prices used as weights for any period other than the reference year differ from those of the reference year. A measure of the extent of such differences is provided by a “residual” line, which indicates the difference between GDP (or other major aggregate) and the sum of the most detailed components in the table. For periods close to the reference year, when there usually has not been much change in the relative prices that are used as weights, the residuals tend to be small, and the chained-dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. For periods further from the reference year, the residuals tend to be larger, and the chained-dollar estimates are less useful for analyses of contributions to growth. Thus, the contributions to percent change shown in table 2 provide a better measure of the composition of GDP growth. In particular, for components for which relative prices are changing rapidly, calculation of contributions using chained-dollar estimates may be misleading even just a few years from the reference year.

Reference: “Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes,” November 2003 *Survey*, pp. 8-16.