



# NEWS RELEASE



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## **GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2006 (FINAL) CORPORATE PROFITS: FOURTH QUARTER 2006**

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 2.5 percent in the fourth quarter of 2006, according to final estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 2.0 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 2.2 percent (see "Revisions" on page 3).

The increase in real GDP in the fourth quarter primarily reflected positive contributions from personal consumption expenditures (PCE), exports, state and local government spending, and federal government spending that were partly offset by negative contributions from residential fixed investment and private inventory investment. Imports, which are a subtraction in the calculation of GDP, decreased.

The small acceleration in real GDP growth in the fourth quarter primarily reflected a downturn in imports and accelerations in PCE, in exports, and in federal government spending that were partly offset by downturns in private inventory investment and in equipment and software and a deceleration in nonresidential structures.

Final sales of computers contributed 0.22 percentage point to the fourth-quarter growth in real GDP after contributing 0.07 percentage point to the third-quarter growth. Motor vehicle output subtracted 1.18 percentage points from the fourth-quarter growth in real GDP after contributing 0.76 percentage point to the third-quarter growth.

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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. Prices indexes are chain-type measures.

This news release is available on BEA's Web site at [www.bea.gov/bea/rels.htm](http://www.bea.gov/bea/rels.htm).

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 0.2 percent in the fourth quarter, the same as in the preliminary estimate; this index increased 2.2 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 2.4 percent in the fourth quarter, compared with an increase of 2.2 percent in the third.

Real personal consumption expenditures increased 4.2 percent in the fourth quarter, compared with an increase of 2.8 percent in the third. Real nonresidential fixed investment decreased 3.1 percent, in contrast to an increase of 10.0 percent. Nonresidential structures increased 0.8 percent, compared with an increase of 15.7 percent. Equipment and software decreased 4.8 percent, in contrast to an increase of 7.7 percent. Real residential fixed investment decreased 19.8 percent, compared with a decrease of 18.7 percent.

Real exports of goods and services increased 10.6 percent in the fourth quarter, compared with an increase of 6.8 percent in the third. Real imports of goods and services decreased 2.6 percent, in contrast to an increase of 5.6 percent.

Real federal government consumption expenditures and gross investment increased 4.6 percent in the fourth quarter, compared with an increase of 1.3 percent in the third. National defense increased 12.3 percent, in contrast to a decrease of 1.2 percent. Nondefense decreased 9.6 percent, in contrast to an increase of 6.5 percent. Real state and local government consumption expenditures and gross investment increased 2.7 percent, compared with an increase of 1.9 percent.

The real change in private inventories subtracted 1.16 percentage points from the fourth-quarter change in real GDP, after adding 0.06 percentage point to the third-quarter change. Private businesses increased inventories \$22.4 billion in the fourth quarter, following increases of \$55.4 billion in the third quarter and \$53.7 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 3.7 percent in the fourth quarter, compared with an increase of 1.9 percent in the third.

### **Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 0.8 percent in the fourth quarter, compared with an increase of 2.0 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 1.8 percent in the third. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$29.4 billion in the fourth quarter after decreasing \$5.5 billion in the third; in the fourth quarter, receipts increased \$28.2 billion, and payments decreased \$1.2 billion.

### **Current-dollar GDP**

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 4.1 percent, or \$135.6 billion, in the fourth quarter to a level of \$13,458.2 billion. In the third quarter, current-dollar GDP increased 3.8 percent, or \$125.3 billion.

### **Revisions**

The final estimate of the fourth-quarter increase in real GDP is 0.3 percentage point, or \$6.5 billion, higher than the preliminary estimate issued last month. The upward revision to the percent change in real GDP primarily reflected an upward revision to private inventory investment that was partly offset by a downward revision to equipment and software investment.

	<u>Advance</u>	<u>Preliminary</u>	<u>Final</u>
	(Percent change from preceding quarter)		
Real GDP.....	3.5	2.2	2.5
Current-dollar GDP.....	5.0	3.9	4.1
Gross domestic purchases price index...	0.1	0.2	0.2

### **Corporate Profits**

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) decreased \$4.9 billion in the fourth quarter, in contrast to an increase of \$61.5 billion in the third quarter. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- decreased \$1.1 billion in the fourth quarter, in contrast to an increase of \$30.2 billion in the third.

Taxes on corporate income decreased \$14.4 billion in the fourth quarter, in contrast to an increase of \$14.5 billion in the third. Profits after tax with inventory valuation and capital consumption adjustments increased \$9.6 billion, compared with an increase of \$47.0 billion. Dividends increased \$21.0 billion, compared with an increase of \$19.3 billion; current-production undistributed profits decreased \$11.5 billion, in contrast to an increase of \$27.8 billion.

Domestic profits of financial corporations increased \$20.5 billion in the fourth quarter, in contrast to a decrease of \$9.1 billion in the third. Domestic profits of nonfinancial corporations decreased \$62.6 billion in the fourth quarter, in contrast to an increase of \$75.8 billion in the third. In the fourth quarter, real gross value added of nonfinancial corporations increased, and profits per unit of real value added decreased. The decrease in unit profits reflected a small increase in unit prices that was more than offset by increases in both the unit labor and nonlabor costs corporations incurred.

The rest-of-the-world component of profits increased \$37.3 billion in the fourth quarter, in contrast to a decrease of \$5.3 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. The fourth-quarter increase was accounted for by an increase in receipts and a decrease in payments.

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 depreciation-accounting practices used for federal income tax returns. According to this measure, domestic profits of financial corporations increased, while domestic profits of nonfinancial corporations decreased. The decrease in nonfinancial corporations reflected decreases in "other" nonfinancial industries, in wholesale trade, in manufacturing, and in transportation and warehousing that were partly offset by increases in retail trade, in information, and in utilities. Within manufacturing, the decrease reflected a decrease in nondurable goods -- especially petroleum and coal products -- that was partly offset by an increase in durable goods.

Profits before tax decreased \$16.4 billion in the fourth quarter, in contrast to an increase of \$42.5 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 decreased \$9.3 billion in the fourth quarter (from -\$162.4 billion to -\$171.7 billion), compared with a decrease of \$1.6 billion in the third. The inventory valuation adjustment increased \$20.7 billion (from -\$38.2 billion to -\$17.5 billion), compared with an increase of \$20.7 billion.

### **Corporate profits in 2006**

Profits from current production increased 21.4 percent in 2006, compared with an increase of 12.5 percent in 2005. Domestic profits increased 21.1 percent, compared with an increase of 12.7 percent. The rest-of-the-world component of profits increased 23.4 percent, compared with an increase of 11.7 percent.

Taxes on corporate income increased 18.9 percent in 2006, compared with an increase of 33.1 percent in 2005. Profits after tax with inventory valuation and capital consumption adjustments increased 22.5 percent, compared with an increase of 5.5 percent. Dividends increased 11.3 percent, compared with an increase of 6.9 percent; current-production undistributed profits increased 40.6 percent, compared with an increase of 3.4 percent.

According to the measure of profits before tax with inventory valuation adjustment, domestic profits of financial and nonfinancial corporations increased in 2006. The increase in nonfinancial corporations reflected increases in all industries shown except motor vehicles; the largest increase was in manufacturing. Within manufacturing, the largest increase was in petroleum and coal products.

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Next release – April 27, 2007, at 8:30 A.M. EDT for:  
Gross Domestic Product: First Quarter 2007 (Advance)

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

	2004	2005	2006 <sup>r</sup>	Seasonally adjusted at annual rates															
				2003				2004				2005				2006			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV <sup>r</sup>
<b>Gross domestic product (GDP)</b> .....	3.9	3.2	3.3	1.2	3.5	7.5	2.7	3.9	4.0	3.1	2.6	3.4	3.3	4.2	1.8	5.6	2.6	2.0	2.5
<b>Personal consumption expenditures</b> .....	3.9	3.5	3.2	2.1	3.6	5.8	2.3	4.7	2.9	3.9	4.3	2.7	4.2	3.9	.8	4.8	2.6	2.8	4.2
Durable goods .....	6.4	5.5	5.0	.4	16.8	16.7	.7	6.1	1.7	8.7	6.1	2.4	12.8	9.0	-12.3	19.8	-1	6.4	4.4
Nondurable goods .....	3.6	4.5	3.7	3.8	2.3	7.7	1.8	4.3	1.7	3.7	5.4	5.2	4.9	3.4	3.9	5.9	1.4	1.5	5.9
Services .....	3.5	2.6	2.6	1.5	1.8	2.9	2.8	4.6	3.8	3.1	3.4	1.6	2.3	3.2	2.0	1.6	3.7	2.8	3.4
<b>Gross private domestic investment</b> .....	9.8	5.4	4.3	-1.3	3.3	17.7	9.3	4.8	21.7	2.0	5.1	8.2	-3.6	5.2	16.2	7.8	1.0	-8	-15.2
Fixed investment .....	7.3	7.5	2.9	-4	10.6	13.6	5.5	2.2	11.7	7.6	4.9	7.8	10.5	6.3	2.8	8.2	-1.6	-1.2	-9.1
Nonresidential .....	5.9	6.8	7.2	-2.6	10.7	9.4	2.8	1.7	7.2	10.3	8.3	6.0	5.2	5.9	5.2	13.7	4.4	10.0	-3.1
Structures .....	2.2	1.1	9.0	-6.9	14.7	-8	-4.7	3.3	6.9	3.1	-2.0	5.3	-2.0	-7.0	12.0	8.7	20.3	15.7	.8
Equipment and software .....	7.3	8.9	6.5	-1.0	9.3	13.2	5.6	1.2	7.3	13.0	12.3	6.3	7.9	11.0	2.8	15.6	-1.4	7.7	-4.8
Residential .....	9.9	8.6	-4.2	4.1	10.5	22.2	10.6	3.1	19.8	3.2	-6	11.1	20.0	7.1	-9	-3	-11.1	-18.7	-19.8
Change in private inventories .....																			
<b>Net exports of goods and services</b> .....																			
Exports .....	9.2	6.8	8.9	-5.3	-1.7	11.4	20.8	7.2	6.2	4.8	9.9	4.7	9.4	3.2	9.6	14.0	6.2	6.8	10.6
Goods .....	9.0	7.5	10.5	2.0	-1.2	8.8	19.8	7.1	6.4	8.3	6.1	5.5	12.8	3.7	11.5	17.3	6.0	9.4	8.4
Services .....	9.7	5.1	5.4	-20.0	-2.8	17.5	23.1	7.5	5.6	-2.8	19.2	2.9	2.0	2.1	5.5	6.7	6.7	.8	16.3
Imports .....	10.8	6.1	5.8	-5.0	4.1	3.7	17.6	10.2	16.0	4.4	12.0	4.1	1.4	2.5	13.2	9.1	1.4	5.6	-2.6
Goods .....	10.9	6.7	5.9	-3.9	8.6	.6	17.2	10.1	17.7	4.7	12.6	4.9	2.0	2.7	14.1	9.4	-1	7.1	-4.1
Services .....	10.0	2.8	5.3	-10.6	-15.7	21.2	19.6	10.9	7.6	3.1	9.0	-2	-1.5	1.2	8.3	7.4	9.9	-2.6	6.2
<b>Government consumption expenditures and gross investment</b> .....	1.9	.9	2.1	-1.4	6.1	1.5	.7	2.9	2.2	1.3	-1.9	1.6	1.1	3.4	-1.1	4.9	.8	1.7	3.4
Federal .....	4.3	1.5	2.0	.1	19.7	.4	3.1	7.2	2.5	5.0	-5.2	3.4	.4	9.6	-4.6	8.8	-4.5	1.3	4.6
National defense .....	5.9	1.7	1.9	-4.4	36.3	-5.3	8.1	9.1	2.0	9.1	-9.1	4.5	2.9	11.2	-9.9	8.9	-2.0	-1.2	12.3
Nondefense .....	1.2	1.1	2.1	9.0	-6.4	12.4	-6.0	3.6	3.5	-2.9	3.4	1.2	-4.4	6.2	7.1	8.5	-9.3	6.5	-9.6
State and local .....	.5	.5	2.1	-2.2	-8	2.1	-6	.5	2.1	-9	.1	.6	1.5	-1	1.0	2.7	4.0	1.9	2.7
<b>Addenda:</b>																			
Final sales of domestic product .....	3.5	3.5	3.1	1.3	4.5	6.9	2.1	3.4	2.6	4.0	2.6	3.3	5.6	4.4	-3	5.6	2.1	1.9	3.7
Gross domestic purchases .....	4.4	3.3	3.2	.9	4.0	6.6	3.0	4.4	5.5	3.1	3.3	3.4	2.4	4.0	2.7	5.3	2.0	2.0	.8
Final sales to domestic purchasers .....	4.0	3.6	2.9	1.1	5.1	6.1	2.5	4.0	4.1	4.0	3.2	3.3	4.6	4.2	.7	5.4	1.6	2.0	1.9
Gross national product (GNP) .....	3.8	3.1	3.3	.8	4.1	7.3	3.5	3.5	2.9	3.3	2.0	3.6	3.0	4.9	.5	6.1	2.3	1.8	3.5
Disposable personal income .....	3.6	1.2	2.6	1.7	5.0	6.3	1.7	3.9	2.4	2.8	7.5	-4.0	.5	-6	5.5	4.6	-1.5	3.2	5.3
<b>Current-dollar measures:</b>																			
GDP .....	6.9	6.3	6.3	4.4	4.8	9.7	4.9	7.8	7.9	5.3	5.9	7.0	5.8	7.6	5.1	9.0	5.9	3.8	4.1
Final sales of domestic product .....	6.5	6.7	6.1	4.6	5.8	9.1	4.4	7.3	6.4	6.2	5.9	6.9	8.2	7.8	3.0	9.1	5.5	3.8	5.4
Gross domestic purchases .....	7.6	6.9	6.4	5.1	4.7	9.1	4.9	8.9	9.7	5.8	7.0	6.7	5.8	8.5	6.3	8.2	6.1	4.2	1.0
Final sales to domestic purchasers .....	7.2	7.2	6.1	5.3	5.7	8.5	4.4	8.5	8.3	6.7	7.0	6.7	8.1	8.8	4.3	8.2	5.7	4.2	2.1
GNP .....	6.7	6.2	6.3	4.0	5.4	9.6	5.8	7.4	6.7	5.4	5.3	7.2	5.6	8.4	3.8	9.6	5.7	3.7	5.2
Disposable personal income .....	6.4	4.1	5.4	4.8	5.7	8.9	3.2	7.7	6.0	4.7	10.7	-1.8	3.6	3.5	8.6	6.8	2.5	5.7	4.3

<sup>r</sup> Revised  
See "Explanatory Note" at the end of the tables.

Table 2.—Contributions to Percent Change in Real Gross Domestic Product

	2004	2005	2006 <sup>r</sup>	Seasonally adjusted at annual rates															
				2003				2004				2005				2006			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV <sup>r</sup>
<b>Percent change at annual rate:</b>																			
Gross domestic product .....	3.9	3.2	3.3	1.2	3.5	7.5	2.7	3.9	4.0	3.1	2.6	3.4	3.3	4.2	1.8	5.6	2.6	2.0	2.5
<b>Percentage points at annual rates:</b>																			
<b>Personal consumption expenditures .....</b>																			
Durable goods .....	2.71	2.44	2.24	1.41	2.53	4.13	1.59	3.30	2.07	2.74	2.97	1.94	2.94	2.76	.53	3.38	1.81	1.96	2.93
Motor vehicles and parts .....	.54	.45	.41	.03	1.35	1.39	.06	.51	.14	.71	.50	.20	1.02	.74	-1.08	1.50	-.01	.50	.35
Furniture and household equipment .....	.07	.02	-.04	-.04	.65	.46	-.29	.09	-.14	.22	.17	-.29	.50	.38	-1.51	.60	-.04	.28	-.15
Other .....	.35	.29	.36	.05	.49	.67	.27	.33	.28	.36	.21	.27	.28	.40	.33	.65	.10	.20	.38
Other .....	.11	.14	.09	.02	.21	.26	.08	.10	.01	.13	.12	.21	.24	-.03	.10	.26	-.06	.03	.12
Nondurable goods .....	.73	.90	.76	.75	.45	1.53	.36	.86	.34	.74	1.07	1.04	.98	.70	.79	1.20	.30	.32	1.18
Food .....	.33	.51	.41	.39	.04	.61	.02	.54	.16	.28	.70	.53	.55	.61	.39	.64	.19	-.07	.62
Clothing and shoes .....	.14	.17	.14	-.02	.29	.31	-.02	.32	-.14	.18	.19	.17	.25	.08	.27	.23	-.10	.15	.18
Gasoline, fuel oil, and other energy goods .....	.02	-.01	-.02	-.02	-.02	.10	.06	0	0	-.04	.01	.12	-.10	-.15	-.06	-.03	.02	.14	.03
Other .....	.24	.23	.23	.39	.14	.52	.30	0	.32	.32	.16	.21	.28	.16	.19	.36	.19	.11	.35
Services .....	1.45	1.09	1.07	.63	.73	1.21	1.18	1.92	1.59	1.30	1.39	.70	.94	1.32	.83	.67	1.52	1.14	1.41
Housing .....	.40	.30	.24	.11	.18	.35	.40	.49	.42	.37	.32	.29	.28	.24	.18	.24	.25	.27	.33
Household operation .....	.10	.08	-.02	0	0	.02	.17	.11	.10	.06	.25	.01	.04	.09	.01	-.58	.31	.35	.13
Electricity and gas .....	.02	.04	-.05	-.05	-.08	-.03	.12	.06	-.10	-.07	.25	0	0	.03	.03	-.58	.23	.32	.08
Other household operation .....	.08	.04	.03	.05	.08	.05	.05	.16	.13	0	.01	.04	.06	-.02	0	.08	.04	.05	.05
Transportation .....	.03	0	.04	.07	-.03	.03	.02	.05	.06	0	.04	.02	-.03	-.04	0	.10	.04	.03	.10
Medical care .....	.37	.43	.42	.47	.28	.28	.28	.33	.47	.53	.43	.32	.40	.53	.44	.52	.31	.25	.42
Recreation .....	.14	.08	.06	.02	.15	.13	.16	.18	.13	.09	.05	.13	.05	.04	.09	.02	.08	.09	.09
Other .....	.41	.20	.33	-.04	.16	.40	.15	.76	.42	.24	.30	-.07	.20	.44	.16	.31	.58	.15	.33
<b>Gross private domestic investment .....</b>																			
Fixed investment .....	1.11	1.17	.47	-.04	1.52	2.00	.83	.34	1.72	1.16	.77	1.22	1.62	1.02	.46	1.34	-.27	-.19	-1.54
Nonresidential .....	.58	.67	.73	-.24	1.01	.92	.29	.18	.69	.97	.81	.59	.51	.59	.52	1.36	.45	1.01	-.34
Structures .....	.06	.03	.26	-.18	.35	-.02	-.12	.08	.17	.08	-.05	.14	-.06	-.20	.31	.25	.56	.46	.03
Equipment and software .....	.52	.64	.47	-.06	.66	.95	.41	.10	.52	.90	.86	.45	.56	.78	.21	1.11	-.10	.55	-.36
Information processing equipment and software .....	.36	.30	.31	.31	.13	.82	.70	.30	.05	.21	.33	.43	.29	.26	.25	.74	.04	.35	-.07
Computers and peripheral equipment .....	.10	.12	.10	.12	0	.26	.21	-.03	-.03	.21	.17	.10	.10	.06	.16	.15	.03	.13	0
Software .....	.15	.09	.10	.06	.05	.32	.20	.17	.03	.12	.16	.03	.12	.07	.04	.18	.07	.09	.05
Other .....	.11	.10	.11	.12	.08	.23	.29	.16	.05	-.12	0	.30	.06	.13	.04	.40	-.14	.13	-.11
Industrial equipment .....	-.05	.10	.07	.17	.14	-.14	-.22	-.09	-.05	.19	.05	.16	-.07	.23	.19	-.05	.16	0	-.07
Transportation equipment .....	.14	.15	0	-.57	.31	.01	-.13	-.08	.46	.39	.40	-.14	.11	.27	-.31	.31	-.32	.15	-.22
Other equipment .....	.07	.09	.08	.04	.08	.26	.07	-.04	.06	.10	.08	.01	.24	.03	.08	.11	.09	.05	-.01
Residential .....	.53	.50	-.27	.20	.51	1.08	.55	.16	1.03	.18	-.04	.63	1.11	.43	-.06	-.02	-.72	-.120	-.121
<b>Change in private inventories .....</b>																			
Farm .....	.38	-.30	.23	-.12	-1.01	.56	.56	.40	1.44	-.84	.05	.09	-2.23	-.18	2.05	-.03	.44	.06	-.16
Nonfarm .....	.07	-.06	.03	.19	-.16	-.06	-.05	.27	.61	-.48	-.38	.16	-.26	.28	.14	-.01	-.09	.02	-.01
Net exports of goods and services .....	.31	-.24	.21	-.31	-.85	.62	.60	.13	.84	-.35	.43	-.06	-1.97	-.46	1.90	-.02	.54	.05	-1.15
<b>Net exports of goods and services .....</b>																			
Exports .....	-.65	-.26	-.02	.21	-.73	.51	-.47	-.73	-1.62	-.20	-.81	-.16	.72	-.06	-1.07	-.04	.42	-.19	1.59
Goods .....	.88	.68	.93	-.53	-.16	1.02	1.81	.69	.60	.46	.96	.47	.94	.33	.97	1.41	.66	.73	1.14
Services .....	.60	.52	.76	.13	-.08	.55	1.20	.47	.43	.55	.42	.38	.88	.27	.80	1.20	.45	.71	.65
Imports .....	.28	.16	.17	-.65	-.08	.47	.61	.22	.17	-.09	.54	.09	.06	.17	.21	.21	.03	.50	.50
Goods .....	-1.53	-.94	-.95	.74	-.57	-.51	-2.29	-1.42	-2.22	-.66	-1.77	-.63	-.22	-.39	-2.04	-1.46	-.24	-.93	.45
Services .....	-1.29	-.87	-.82	.47	-.97	-.07	-1.86	-1.17	-2.03	-.59	-1.55	-.64	-.26	-.36	-1.84	-1.27	.01	-1.00	.61
Services .....	-.24	-.07	-.14	.27	.40	-.44	-.43	-.25	-.18	-.08	-.22	.01	.04	-.03	-.20	-.19	-.25	.07	-.16
<b>Government consumption expenditures and gross investment .....</b>																			
Federal .....	.36	.17	.40	-.26	1.16	.29	.14	.55	.43	.24	-.37	.31	.21	.64	-.21	.94	.16	.32	.64
National defense .....	.30	.11	.14	.01	1.26	.03	.21	.49	.18	.34	-.38	.23	.03	.66	-.33	.61	-.32	.09	.31
Consumption expenditures .....	.27	.08	.09	-.20	1.41	-.25	.35	.41	.09	.41	-.45	.21	.13	.52	-.49	.41	-.09	-.06	.55
Gross investment .....	.22	.05	.05	-.22	1.30	-.32	.31	.40	0	.34	-.44	.25	.03	.45	-.47	.37	-.17	-.04	.43
Nondefense .....	.05	.03	.04	.02	.12	.07	.05	0	.10	.08	-.01	-.04	.10	.07	-.02	.05	.08	-.02	.11
Consumption expenditures .....	.03	.03	.05	.21	-.16	.28	-.14	.09	.08	-.07	.08	.03	-.11	.14	.16	.20	-.23	.15	-.23
Gross investment .....	.03	0	.04	.19	-.21	.27	-.12	.11	.03	-.06	.05	.01	-.09	.08	.05	.16	-.10	.13	-.19
State and local .....	0	.02	.01	.01	.06	.01	-.03	-.03	.05	-.01	.03	.01	-.02	.06	.11	.03	-.12	.02	-.04
Consumption expenditures .....	.06	.06	.26	-.27	-.10	.26	-.07	.06	.25	-.10	.01	.08	.18	-.01	.13	.33	.48	.23	.33
Gross investment .....	.10	.08	.18	-.19	-.07	-.04	.07	.19	.15	.08	.15	.02	.05	.14	.09	.17	.20	.30	.33
Gross investment .....	-.04	-.02	.08	-.09	-.02	.30	-.15	-.13	.11	-.18	-.14	.06	.13	-.15	.03	.16	.28	-.08	0
<b>Addenda:</b>																			
Goods .....	1.56	1.43	1.90	1.27	.56	5.00	.81	1.20	.99	1.56	1.43	1.51	1.09	2.07	.97	3.86	1.12	1.17	1.25
Services .....	1.84	1.31	1.37	.03	2.06	1.15	1.63	2.59	1.74	1.48	1.47	1.07	1.04	2.02	.46	1.39	1.40	1.63	2.32
Structures .....	.51	.49	.05	-.09	.85	1.33	.22	.05	1.31	.06	-.29	.82	1.13	.09	.33	.33	.04	-.84	-1.11
Motor vehicle output .....	.12	.20	-.06	-.46	.36	.30	-.23	.33	-.24	.52	.06	.38	-.03	.70	-.71	.12	-.31	.76	-1.18
Final sales of computers .....	.06	.16	.11	.12	-.02	.50	.15	-.13	-.14	.15	.26	.16	.20	.08	.20	.07	.04	.07	.22

<sup>r</sup> Revised  
 See "Explanatory Note" at the end of the tables.





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

	2004	2005	2006 <sup>r</sup>	Seasonally adjusted at annual rates															
				2003				2004				2005				2006			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV <sup>r</sup>
<b>Gross domestic product (GDP)</b> .....	2.8	3.0	2.9	3.1	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.3	3.3	3.3	1.9	1.7
<b>Personal consumption expenditures</b> .....	2.6	2.9	2.7	3.1	.7	2.4	1.5	3.7	3.6	1.9	3.0	2.3	3.1	4.1	2.9	2.0	4.0	2.4	-1.0
Durable goods .....	-1.6	-.7	-1.3	-4.8	-4.2	-4.0	-3.5	0	.3	-2.3	.3	.3	-6	-2.9	-1.3	-1.0	-.8	-1.1	-2.7
Nondurable goods .....	3.3	3.6	3.1	5.6	-2.9	3.9	.5	5.7	6.0	1.1	4.4	1.1	4.8	9.0	.6	1.1	8.3	2.3	-7.7
Services .....	3.2	3.2	3.4	3.6	3.5	3.0	3.0	3.5	3.2	3.1	3.0	3.2	3.1	3.2	5.0	3.1	2.9	3.0	2.9
<b>Gross private domestic investment</b> .....	3.3	3.4	3.2	2.8	-.7	1.3	3.5	4.2	4.5	3.6	3.7	3.0	2.7	3.7	4.3	3.7	3.1	.6	3.4
Fixed investment .....	3.4	3.5	3.3	3.1	-.8	1.3	3.5	4.3	4.6	3.6	3.7	3.1	2.7	4.0	4.6	3.8	3.0	.5	3.4
Nonresidential .....	1.2	2.6	2.9	.1	-1.3	.7	1.4	1.0	2.1	1.4	2.6	3.6	2.0	2.2	3.5	3.7	3.0	.9	3.1
Structures .....	6.2	11.3	11.4	4.8	-.2	2.3	4.2	6.7	7.8	10.2	12.0	11.6	9.2	13.2	16.8	12.4	10.7	5.3	5.5
Equipment and software .....	-.4	-.4	-.2	-1.5	-1.7	.1	.4	-.9	-.2	-1.5	-.5	.9	-.4	-1.5	-1.0	.6	.1	-.9	2.1
Residential .....	7.3	5.1	4.0	9.4	.2	2.6	7.7	10.5	9.0	7.4	5.6	2.3	3.8	6.9	6.3	3.8	2.9	-.1	3.9
Change in private inventories .....																			
<b>Net exports of goods and services</b> .....																			
Exports .....	3.7	3.6	3.3	4.1	1.1	.9	3.0	6.1	5.0	1.8	4.0	4.6	3.6	2.6	2.8	2.3	6.1	4.5	-.9
Goods .....	3.7	3.1	3.3	3.6	1.6	-.7	4.1	6.5	5.2	1.1	3.6	4.4	3.0	1.3	2.3	2.8	6.2	5.3	0
Services .....	3.5	4.8	3.3	5.3	-.2	4.7	.7	5.0	4.5	3.5	5.0	5.1	4.9	5.6	4.2	1.2	6.0	2.5	-3.1
Imports .....	5.0	6.3	4.3	11.3	-3.9	2.6	.4	9.7	7.3	5.5	6.7	2.6	9.2	10.2	4.3	-.7	9.8	5.4	-8.6
Goods .....	5.0	6.5	4.5	11.9	-6.7	2.5	.5	10.1	7.9	5.4	6.8	1.8	10.1	11.3	5.1	-1.6	10.6	5.8	-10.2
Services .....	5.1	5.4	3.4	8.1	11.8	3.1	0	8.0	4.4	6.2	6.3	6.8	5.1	4.3	-.1	4.5	5.5	3.2	.1
<b>Government consumption expenditures and gross investment</b> .....	4.4	5.6	4.4	9.2	1.3	2.5	2.2	6.8	5.3	4.6	5.7	7.0	4.6	5.9	4.7	4.4	4.8	2.8	1.8
Federal .....	4.7	4.8	3.5	11.3	1.5	1.0	1.1	11.5	5.3	2.2	2.9	11.3	2.2	3.3	.4	7.6	3.8	2.0	0
National defense .....	4.7	5.1	3.4	10.3	1.4	1.2	1.3	10.5	5.8	2.8	3.2	11.6	2.4	3.4	1.0	6.7	4.1	2.3	-.3
Nondefense .....	4.7	4.1	3.5	12.9	1.6	.6	.6	13.7	4.3	.9	2.3	10.6	1.8	3.2	-.7	9.5	3.2	1.4	.8
State and local .....	4.3	6.2	4.9	8.1	1.1	3.3	2.9	4.1	5.3	6.1	7.4	4.6	6.1	7.4	7.3	2.6	5.4	3.4	2.9
<b>Addenda:</b>																			
Final sales of domestic product .....	2.8	3.0	3.0	3.2	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.3	3.3	3.3	1.9	1.7
Gross domestic purchases .....	3.1	3.5	3.1	4.1	.6	2.2	1.9	4.3	4.1	2.6	3.6	3.2	3.3	4.4	3.5	2.7	4.0	2.2	.2
Final sales to domestic purchasers .....	3.1	3.5	3.1	4.2	.6	2.2	1.9	4.3	4.1	2.6	3.6	3.2	3.3	4.4	3.5	2.7	4.0	2.2	.2
Gross national product (GNP) .....	2.8	3.0	2.9	3.2	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.2	3.3	3.3	1.9	1.7
<b>Implicit price deflators:</b>																			
GDP .....	2.8	3.0	2.9	3.2	1.3	2.1	2.2	3.8	3.7	2.1	3.2	3.4	2.5	3.3	3.3	3.3	3.3	1.9	1.6
Gross domestic purchases .....	3.1	3.5	3.1	4.1	.6	2.3	1.9	4.3	4.0	2.6	3.6	3.2	3.4	4.3	3.5	2.7	4.0	2.1	.2
GNP .....	2.8	3.0	2.9	3.1	1.3	2.1	2.2	3.8	3.7	2.1	3.2	3.4	2.5	3.3	3.3	3.3	3.3	1.9	1.6

<sup>r</sup> Revised  
See "Explanatory Note" at the end of the tables.

**Table 5.—Real Gross Domestic Product, Quantity Indexes**

[Index numbers, 2000=100]

	2004	2005	2006 <sup>r</sup>	Seasonally adjusted				
				2005	2006			
					IV	I	II	III
<b>Gross domestic product</b> .....	<b>109.031</b>	<b>112.546</b>	<b>116.281</b>	<b>113.719</b>	<b>115.274</b>	<b>116.004</b>	<b>116.569</b>	<b>117.277</b>
<b>Personal consumption expenditures</b> .....	<b>112.430</b>	<b>116.349</b>	<b>120.062</b>	<b>117.373</b>	<b>118.761</b>	<b>119.521</b>	<b>120.355</b>	<b>121.612</b>
Durable goods .....	125.753	132.666	139.329	131.799	137.893	137.868	140.019	141.534
Nondurable goods .....	111.913	116.924	121.301	118.608	120.313	120.742	121.204	122.947
Services .....	110.055	112.925	115.822	113.945	114.398	115.440	116.234	117.215
<b>Gross private domestic investment</b> .....	<b>102.026</b>	<b>107.537</b>	<b>112.109</b>	<b>111.034</b>	<b>113.143</b>	<b>113.429</b>	<b>113.215</b>	<b>108.649</b>
Fixed investment .....	102.080	109.708	112.851	111.811	114.033	113.570	113.240	110.561
Nonresidential .....	92.995	99.326	106.519	101.308	104.606	105.738	108.292	107.440
Structures .....	79.418	80.302	87.496	81.174	82.893	86.819	90.044	90.228
Equipment and software .....	98.400	107.180	114.121	109.653	113.704	113.313	115.434	114.032
Residential .....	125.281	136.050	130.283	138.495	138.391	134.368	127.601	120.770
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>102.201</b>	<b>109.105</b>	<b>118.841</b>	<b>112.054</b>	<b>115.783</b>	<b>117.536</b>	<b>119.495</b>	<b>122.549</b>
<b>Imports of goods and services</b> .....	<b>115.962</b>	<b>123.007</b>	<b>130.162</b>	<b>126.377</b>	<b>129.146</b>	<b>129.608</b>	<b>131.378</b>	<b>130.516</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>112.720</b>	<b>113.731</b>	<b>116.081</b>	<b>114.048</b>	<b>115.423</b>	<b>115.657</b>	<b>116.136</b>	<b>117.107</b>
Federal .....	123.813	125.701	128.191	126.053	128.728	127.262	127.669	129.106
State and local .....	107.094	107.660	109.934	107.954	108.682	109.762	110.277	111.016
<b>Addenda:</b>								
Final sales of domestic product .....	109.096	112.958	116.447	113.883	115.455	116.060	116.609	117.663
Gross domestic purchases .....	110.691	114.351	117.956	115.657	117.161	117.746	118.341	118.577
Final sales to domestic purchasers .....	110.761	114.755	118.125	115.825	117.345	117.810	118.390	118.955
Gross national product .....	109.039	112.399	116.090	113.390	115.085	115.753	116.260	117.263

<sup>r</sup> Revised  
See "Explanatory Note" at the end of the tables.

**Table 6.—Price Indexes for Gross Domestic Product**

[Index numbers, 2000=100]

	2004	2005	2006 <sup>r</sup>	Seasonally adjusted				
				2005	2006			
					IV	I	II	III
<b>Gross domestic product</b> .....	<b>109.429</b>	<b>112.744</b>	<b>116.062</b>	<b>114.048</b>	<b>114.967</b>	<b>115.905</b>	<b>116.446</b>	<b>116.930</b>
<b>Personal consumption expenditures (PCE)</b> .....	<b>108.373</b>	<b>111.493</b>	<b>114.556</b>	<b>112.873</b>	<b>113.445</b>	<b>114.573</b>	<b>115.241</b>	<b>114.966</b>
Durable goods .....	90.845	90.198	88.981	89.606	89.385	89.206	88.967	88.366
Nondurable goods .....	107.617	111.530	114.959	113.177	113.484	115.769	116.442	114.141
Services .....	112.863	116.529	120.509	118.281	119.194	120.059	120.960	121.824
<b>Gross private domestic investment</b> .....	<b>106.645</b>	<b>110.284</b>	<b>113.834</b>	<b>111.853</b>	<b>112.860</b>	<b>113.717</b>	<b>113.895</b>	<b>114.864</b>
Fixed investment .....	106.811	110.542	114.178	112.194	113.238	114.074	114.224	115.175
Nonresidential .....	100.834	103.428	106.390	104.510	105.471	106.266	106.501	107.321
Structures .....	120.951	134.647	149.972	141.476	145.684	149.432	151.372	153.402
Equipment and software .....	94.503	94.134	93.926	93.754	93.887	93.920	93.704	94.194
Residential .....	120.618	126.714	131.757	129.536	130.765	131.696	131.655	132.911
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>105.151</b>	<b>108.949</b>	<b>112.537</b>	<b>110.108</b>	<b>110.737</b>	<b>112.400</b>	<b>113.631</b>	<b>113.379</b>
<b>Imports of goods and services</b> .....	<b>104.678</b>	<b>111.268</b>	<b>116.043</b>	<b>114.117</b>	<b>113.918</b>	<b>116.608</b>	<b>118.143</b>	<b>115.503</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>114.718</b>	<b>121.183</b>	<b>126.484</b>	<b>123.444</b>	<b>124.791</b>	<b>126.262</b>	<b>127.150</b>	<b>127.731</b>
Federal .....	115.249	120.726	124.892	121.479	123.721	124.871	125.482	125.495
State and local .....	114.417	121.463	127.434	124.620	125.434	127.095	128.147	129.061
<b>Addenda:</b>								
PCE excluding food and energy .....	107.314	109.559	111.974	110.418	110.983	111.738	112.337	112.838
Market-based PCE <sup>1</sup> .....	107.393	110.339	113.171	111.647	112.116	113.272	113.879	113.417
Market-based PCE excluding food and energy <sup>1</sup> .....	105.865	107.713	109.706	108.375	108.810	109.524	110.033	110.457
Final sales of domestic product .....	109.455	112.783	116.115	114.101	115.025	115.961	116.498	116.978
Gross domestic purchases .....	109.210	112.981	116.498	114.541	115.313	116.455	117.080	117.145
Final sales to domestic purchasers .....	109.235	113.021	116.552	114.594	115.371	116.510	117.133	117.192
Gross national product .....	109.419	112.733	116.055	114.038	114.958	115.897	116.440	116.924
<b>Implicit price deflators:</b>								
Gross domestic product .....	109.426	112.737	116.043	114.034	114.951	115.887	116.420	116.895
Final sales of domestic product .....	109.455	112.783	116.112	114.092	115.017	115.952	116.490	116.969
Gross domestic purchases .....	109.207	112.975	116.477	114.526	115.296	116.435	117.053	117.110
Final sales to domestic purchasers .....	109.235	113.021	116.544	114.583	115.360	116.499	117.122	117.182
Gross national product .....	109.416	112.726	116.036	114.025	114.942	115.879	116.414	116.889

<sup>r</sup> Revised  
<sup>1</sup> 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 in appendix table A.  
See "Explanatory Note" at the end of the tables.

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

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 <sup>r</sup>
<b>Gross domestic product (GDP)</b> .....	-0.2	3.3	2.7	4.0	2.5	3.7	4.5	4.2	4.5	3.7	0.8	1.6	2.5	3.9	3.2	3.3
<b>Personal consumption expenditures</b> .....	.2	3.3	3.3	3.7	2.7	3.4	3.8	5.0	5.1	4.7	2.5	2.7	2.8	3.9	3.5	3.2
Durable goods .....	-5.6	5.9	7.8	8.4	4.4	7.8	8.6	11.3	11.7	7.3	4.3	7.1	5.8	6.4	5.5	5.0
Nondurable goods .....	-2	2.0	2.7	3.5	2.2	2.6	2.7	4.0	4.6	3.8	2.0	2.5	3.2	3.6	4.5	3.7
Services .....	1.7	3.5	2.8	2.9	2.6	2.9	3.3	4.2	4.0	4.5	2.4	1.9	1.9	3.5	2.6	2.6
<b>Gross private domestic investment</b> .....	-8.1	8.1	8.9	13.6	3.1	8.9	12.4	9.8	7.8	5.7	-7.9	-2.6	3.6	9.8	5.4	4.3
Fixed investment .....	-6.5	5.9	8.6	9.3	6.5	9.0	9.2	10.2	8.3	6.5	-3.0	-5.2	3.4	7.3	7.5	2.9
Nonresidential .....	-5.4	3.2	8.7	9.2	10.5	9.3	12.1	11.1	9.2	8.7	-4.2	-9.2	1.0	5.9	6.8	7.2
Structures .....	-11.1	-6.0	-7	1.8	6.4	5.6	7.3	5.1	-4	6.8	-2.3	-17.1	-4.1	2.2	1.1	9.0
Equipment and software .....	-2.6	7.3	12.5	11.9	12.0	10.6	13.8	13.3	12.7	9.4	-4.9	-6.2	2.8	7.3	8.9	6.5
Residential .....	-9.6	13.8	8.2	9.6	-3.2	8.0	1.9	7.6	6.0	.8	.4	4.8	8.4	9.9	8.6	-4.2
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Net exports of goods and services</b> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports .....	6.6	6.9	3.2	8.7	10.1	8.4	11.9	2.4	4.3	8.7	-5.4	-2.3	1.3	9.2	6.8	8.9
Goods .....	6.9	7.5	3.3	9.7	11.7	8.8	14.3	2.2	3.8	11.2	-6.1	-4.0	1.8	9.0	7.5	10.5
Services .....	6.0	5.5	3.2	6.3	6.3	7.2	5.9	2.9	5.6	2.9	-3.7	1.9	0	9.7	5.1	5.4
Imports .....	-6	7.0	8.8	11.9	8.0	8.7	13.6	11.6	11.5	13.1	-2.7	3.4	4.1	10.8	6.1	5.8
Goods .....	-1	9.3	10.1	13.3	9.0	9.3	14.4	11.7	12.4	13.5	-3.2	3.7	4.9	10.9	6.7	5.9
Services .....	-2.6	-2.6	2.9	5.7	3.3	5.5	9.4	11.4	6.9	11.1	-3	2.1	0	10.0	2.8	5.3
<b>Government consumption expenditures and gross investment</b> .....	1.1	.5	-9	0	5	1.0	1.9	1.9	3.9	2.1	3.4	4.4	2.5	1.9	.9	2.1
Federal .....	-2	-1.7	-4.2	-3.7	-2.7	-1.2	-1.0	-1.1	2.2	.9	3.9	7.0	6.8	4.3	1.5	2.0
National defense .....	-1.1	-5.0	-5.6	-4.9	-3.8	-1.4	-2.8	-2.1	1.9	-5	3.9	7.4	8.7	5.9	1.7	1.9
Nondefense .....	2.4	6.9	-7	-1.2	-4	-7	2.6	.7	2.8	3.5	3.9	6.3	3.4	1.2	1.1	2.1
State and local .....	2.1	2.2	1.4	2.6	2.6	2.3	3.6	3.6	4.7	2.7	3.2	3.1	2	.5	.5	2.1
<b>Addenda:</b>																
Final sales of domestic product .....	.1	3.0	2.6	3.4	3.0	3.7	4.0	4.2	4.5	3.8	1.6	1.2	2.5	3.5	3.5	3.1
Gross domestic purchases .....	-8	3.3	3.2	4.4	2.4	3.8	4.8	5.3	5.3	4.4	.9	2.2	2.8	4.4	3.3	3.2
Final sales to domestic purchasers .....	-6	3.1	3.2	3.8	2.8	3.8	4.3	5.3	5.4	4.5	1.8	1.8	2.8	4.0	3.6	2.9
Gross national product .....	-3	3.3	2.7	3.9	2.6	3.7	4.4	4.0	4.6	3.7	.8	1.5	2.7	3.8	3.1	3.3
Real disposable personal income .....	.5	3.4	1.0	2.7	2.8	3.0	3.5	5.8	3.0	4.8	1.9	3.1	2.2	3.6	1.2	2.6
<b>Price indexes:</b>																
Gross domestic purchases .....	3.3	2.3	2.2	2.1	2.1	1.8	1.4	.6	1.6	2.5	2.0	1.6	2.3	3.1	3.5	3.1
Gross domestic purchases excluding food and energy .....	3.5	2.6	2.3	2.2	2.2	1.5	1.3	1.0	1.4	1.9	1.9	1.9	1.9	2.7	2.8	2.7
GDP .....	3.5	2.3	2.3	2.1	2.0	1.9	1.7	1.1	1.4	2.2	2.4	1.7	2.1	2.8	3.0	2.9
GDP excluding food and energy .....	3.6	2.5	2.4	2.2	2.1	1.7	1.7	1.2	1.5	2.0	2.1	2.1	1.9	2.7	3.0	2.9
Personal consumption expenditures .....	3.6	2.9	2.3	2.1	2.1	2.2	1.7	.9	1.7	2.5	2.1	1.4	2.0	2.6	2.9	2.7

r Revised

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

	2003				2004				2005				2006			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV <sup>r</sup>
<b>Gross domestic product (GDP)</b> .....	1.5	1.8	3.1	3.7	4.3	4.5	3.4	3.4	3.3	3.1	3.4	3.1	3.7	3.5	3.0	3.1
<b>Personal consumption expenditures (PCE)</b> .....	2.0	2.3	3.2	3.4	4.1	3.9	3.5	4.0	3.5	3.8	3.8	2.9	3.4	3.0	2.7	3.6
Durable goods .....	2.4	5.5	6.7	8.3	9.8	6.1	4.2	5.6	4.7	7.4	7.5	2.5	6.6	3.4	2.8	7.4
Nondurable goods .....	2.3	2.5	4.3	3.9	4.0	3.8	2.9	3.8	4.0	4.8	4.7	4.4	4.5	3.6	3.2	3.7
Services .....	1.8	1.6	2.0	2.2	3.0	3.5	3.6	3.7	3.0	2.6	2.6	2.3	2.3	2.6	2.5	2.9
<b>Gross private domestic investment</b> .....	1.3	1.6	4.4	7.0	8.6	13.2	9.2	8.2	9.0	2.8	3.6	6.3	6.2	7.4	5.9	-2.1
Fixed investment .....	-1.0	1.9	5.4	7.2	7.9	8.2	6.7	6.6	8.0	7.7	7.4	6.8	6.9	3.9	2.0	-1.1
Nonresidential .....	-3.9	.1	2.9	4.9	6.1	5.2	5.5	6.9	8.0	7.4	6.3	5.6	7.4	7.2	8.3	6.1
Structures .....	-11.9	-3.9	.1	.2	2.9	1.1	2.0	2.7	3.2	1.0	-1.6	1.8	2.6	8.0	14.1	11.2
Equipment and software .....	-9	1.5	3.9	6.6	7.2	6.7	8.3	9.7	9.8	9.3	7.0	9.2	6.8	6.0	4.0	4.0
Residential .....	5.5	5.7	10.6	11.7	11.4	13.7	9.0	6.1	8.1	8.1	9.1	9.0	6.1	-1.5	-8.1	-12.8
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Net exports of goods and services</b> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports .....	1.1	-1.9	.1	5.8	9.1	11.2	9.6	7.0	6.4	7.2	6.8	6.7	9.0	8.2	9.1	9.4
Goods .....	2.0	-1.6	-1	7.1	8.4	10.4	10.3	7.0	6.6	8.1	7.0	8.3	11.2	9.5	11.0	10.2
Services .....	-1.0	-2.4	.5	3.0	10.9	13.2	7.9	7.1	5.9	5.0	6.3	3.1	4.0	5.2	4.9	7.5
Imports .....	5.3	3.3	2.8	4.8	8.8	11.7	11.9	10.6	9.0	5.4	4.9	5.2	6.4	6.4	7.2	3.3
Goods .....	6.4	4.7	3.2	5.3	9.0	11.2	12.3	11.2	9.8	6.0	5.5	5.8	6.9	6.4	7.5	2.9
Services .....	.1	-3.3	1.0	2.2	7.9	14.7	10.1	7.6	4.8	2.5	2.0	1.9	3.7	6.6	5.6	5.1
<b>Government consumption expenditures and gross investment</b> .....	2.6	2.9	2.7	1.7	2.8	1.8	1.8	1.1	.8	.5	1.0	1.2	2.1	2.0	1.6	2.7
Federal .....	6.3	8.0	7.3	5.5	7.4	3.3	4.4	2.3	1.3	.8	1.9	2.1	3.4	2.1	.1	2.4
National defense .....	6.3	11.7	9.1	7.5	11.1	3.3	7.0	2.5	1.4	1.6	2.1	1.9	2.9	1.7	-1.3	4.3
Nondefense .....	6.5	1.3	4.0	1.9	.6	3.2	-5	1.8	1.2	-7	1.5	2.4	4.2	2.9	2.9	-1.4
State and local .....	.7	.2	.3	-4	.3	1.0	.3	.4	.5	.3	.5	.8	1.3	1.9	2.4	2.8
<b>Addenda:</b>																
Final sales of domestic product .....	1.1	1.8	3.2	3.7	4.2	3.7	3.0	3.1	3.1	3.9	4.0	3.2	3.8	2.9	2.3	3.3
Gross domestic purchases .....	2.0	2.3	3.3	3.6	4.5	4.9	4.0	4.1	3.8	3.0	3.3	3.1	3.6	3.5	3.0	2.5
Final sales to domestic purchasers .....	1.7	2.4	3.4	3.7	4.4	4.2	3.6	3.8	3.6	3.8	3.8	3.2	3.7	3.0	2.4	2.7
Gross national product .....	1.6	2.2	3.3	3.9	4.6	4.3	3.3	2.9	3.0	3.0	3.4	3.0	3.6	3.4	2.7	3.4
Real disposable personal income .....	.6	1.3	3.3	3.7	4.2	3.6	2.7	4.1	2.1	1.6	.8	.3	2.5	2.0	2.9	2.9
<b>Price indexes:</b>																
Gross domestic purchases .....	2.6	2.1	2.3	2.2	2.2	3.1	3.2	3.7	3.4	3.2	3.6	3.6	3.5	3.6	3.1	2.3
Gross domestic purchases excluding food and energy .....	1.9	1.8	1.9	1.9	2.1	2.6	2.8	3.0	3.0	2.8	2.8	2.8	2.7	2.9	2.8	2.6
GDP .....	2.1	2.1	2.2	2.2	2.3	2.9	2.9	3.2	3.1	2.8	3.1	3.1	3.1	3.3	2.9	2.5
GDP excluding food and energy .....	2.0	1.9	1.9	1.9	2.1	2.6	2.9	3.1	3.1	2.9	2.9	3.0	2.9	3.1	2.9	2.7
PCE .....	2.3	1.8	1.9	1.9	2.0	2.8	2.7	3.0	2.7	2.6	3.1	3.1	3.0	3.3	2.8	1.9
PCE excluding food and energy .....	1.5	1.4	1.3	1.4	1.8	2.1	2.1	2.2	2.2	2.0	2.0	2.1	2.0	2.2	2.4	2.2
Market-based PCE <sup>1</sup> .....	2.3	1.7	1.8	1.6	1.7	2.4	2.3	2.7	2.5	2.4	3.1	3.0	2.9	3.2	2.6	1.6
Market-based PCE excluding food and energy <sup>1</sup> .....	1.3	1.2	1.1	1.0	1.3	1.5	1.4	1.7	1.8	1.7						

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

[Billions of dollars]

	2004	2005	2006 <sup>r</sup>	Seasonally adjusted at annual rates				
				2005	2006			
					IV	I	II	III
<b>Gross domestic product</b> .....	<b>11,712.5</b>	<b>12,455.8</b>	<b>13,246.6</b>	<b>12,730.5</b>	<b>13,008.4</b>	<b>13,197.3</b>	<b>13,322.6</b>	<b>13,458.2</b>
Plus: Income receipts from the rest of the world .....	410.2	513.3	665.6	564.9	603.3	661.4	682.3	715.5
Less: Income payments to the rest of the world .....	363.9	481.5	635.7	552.4	574.3	638.6	665.7	664.4
<b>Equals: Gross national product</b> .....	<b>11,758.7</b>	<b>12,487.7</b>	<b>13,276.5</b>	<b>12,743.0</b>	<b>13,037.4</b>	<b>13,220.1</b>	<b>13,339.2</b>	<b>13,509.3</b>
Less: Consumption of fixed capital .....	1,436.2	1,604.8	1,576.9	1,562.5	1,548.0	1,572.8	1,582.0	1,604.6
Less: Statistical discrepancy .....	66.7	71.0	-2.5	74.3	-61.9	35.8	23.5	-7.2
<b>Equals: National income</b> .....	<b>10,255.9</b>	<b>10,811.8</b>	<b>11,702.1</b>	<b>11,106.2</b>	<b>11,551.3</b>	<b>11,611.5</b>	<b>11,733.7</b>	<b>11,911.9</b>
Compensation of employees .....	6,650.3	7,030.3	7,489.5	7,184.4	7,400.3	7,425.5	7,489.3	7,642.9
Wage and salary accruals .....	5,377.1	5,664.8	6,035.2	5,787.0	5,970.1	5,980.9	6,027.6	6,162.3
Supplements to wages and salaries .....	1,273.2	1,365.5	1,454.3	1,397.4	1,430.3	1,444.5	1,461.6	1,480.6
Proprietors' income with inventory valuation and capital consumption adjustments .....	911.1	970.7	1,015.1	996.8	1,008.3	1,011.9	1,014.8	1,025.3
Rental income of persons with capital consumption adjustment .....	127.0	72.8	77.4	81.5	76.8	71.4	78.3	83.1
Corporate profits with inventory valuation and capital consumption adjustments .....	1,182.6	1,330.7	1,615.7	1,393.5	1,569.1	1,591.8	1,653.3	1,648.4
Net interest and miscellaneous payments .....	485.1	483.4	509.3	490.0	514.8	513.2	498.6	510.4
Taxes on production and imports less subsidies .....	819.4	865.1	912.5	874.2	897.4	914.0	916.8	921.9
Business current transfer payments .....	85.5	74.2	92.6	99.1	93.8	93.1	92.8	90.8
Current surplus of government enterprises .....	-5.0	-15.4	-9.9	-13.3	-9.2	-9.4	-10.2	-10.9
<b>Addendum:</b>								
Gross domestic income .....	11,645.8	12,384.8	13,249.1	12,656.2	13,070.3	13,161.6	13,299.1	13,465.4

<sup>r</sup> Revised

**Table 10.—Personal Income and Its Disposition**

[Billions of dollars]

	2004	2005	2006 <sup>r</sup>	Seasonally adjusted at annual rates				
				2005	2006			
					IV	I	II	III
<b>Personal income</b> <sup>1</sup> .....	<b>9,731.4</b>	<b>10,239.2</b>	<b>10,883.4</b>	<b>10,483.7</b>	<b>10,721.4</b>	<b>10,807.3</b>	<b>10,939.4</b>	<b>11,065.5</b>
Compensation of employees, received .....	6,665.3	7,030.3	7,477.0	7,184.4	7,400.3	7,425.5	7,489.3	7,592.9
Wage and salary disbursements .....	5,392.1	5,664.8	6,022.7	5,787.0	5,970.1	5,980.9	6,027.6	6,112.3
Supplements to wages and salaries .....	1,273.2	1,365.5	1,454.3	1,397.4	1,430.3	1,444.5	1,461.6	1,480.6
Proprietors' income with inventory valuation and capital consumption adjustments .....	911.1	970.7	1,015.1	996.8	1,008.3	1,011.9	1,014.8	1,025.3
Farm .....	36.2	30.2	22.6	28.7	23.9	17.5	21.7	27.3
Nonfarm .....	874.9	940.4	992.5	968.1	984.4	994.3	993.2	998.0
Rental income of persons with capital consumption adjustment .....	127.0	72.8	77.4	81.5	76.8	71.4	78.3	83.1
Personal income receipts on assets .....	1,427.9	1,519.4	1,656.3	1,580.2	1,602.3	1,647.7	1,683.6	1,691.6
Personal interest income .....	890.8	945.0	1,016.7	981.7	989.1	1,019.2	1,035.8	1,022.8
Personal dividend income .....	537.1	574.4	639.6	598.5	613.2	628.5	647.8	668.8
Personal current transfer receipts .....	1,426.5	1,526.6	1,602.2	1,539.8	1,570.4	1,589.7	1,618.6	1,629.9
Less: Contributions for government social insurance .....	826.4	880.6	944.5	898.9	936.7	938.8	945.2	957.2
Less: Personal current taxes .....	1,049.8	1,203.1	1,360.6	1,247.6	1,332.6	1,361.0	1,362.5	1,386.5
<b>Equals: Disposable personal income</b> .....	<b>8,681.6</b>	<b>9,036.1</b>	<b>9,522.8</b>	<b>9,236.1</b>	<b>9,388.8</b>	<b>9,446.2</b>	<b>9,577.0</b>	<b>9,679.0</b>
Less: Personal outlays .....	8,507.2	9,070.9	9,625.5	9,264.5	9,418.5	9,577.0	9,710.0	9,796.5
<b>Equals: Personal saving</b> .....	<b>174.3</b>	<b>-34.8</b>	<b>-102.8</b>	<b>-28.5</b>	<b>-29.7</b>	<b>-130.8</b>	<b>-133.0</b>	<b>-117.5</b>
Personal saving as a percentage of disposable personal income .....	2.0	-4	-1.1	-3	-3	-1.4	-1.4	-1.2
<b>Addendum:</b>								
Disposable personal income, billions of chained (2000) dollars <sup>2</sup> .....	8,010.8	8,104.6	8,313.0	8,183.3	8,276.8	8,245.4	8,311.0	8,419.7

<sup>r</sup> 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						
	2004	2005	2006	Seasonally adjusted at annual rates					2005	2006	Quarterly rates				Quarter one year ago
				2005	2006						2006				2006
					IV	I	II	III			IV	I	II	III	IV
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>1,182.6</b>	<b>1,330.7</b>	<b>1,615.7</b>	<b>1,393.5</b>	<b>1,569.1</b>	<b>1,591.8</b>	<b>1,653.3</b>	<b>1,648.4</b>	<b>12.5</b>	<b>21.4</b>	<b>12.6</b>	<b>1.4</b>	<b>3.9</b>	<b>-0.3</b>	<b>18.3</b>
Less: Taxes on corporate income .....	300.1	399.3	474.9	424.6	456.9	476.1	490.6	476.2	33.1	18.9	7.6	4.2	3.0	-2.9	12.1
<b>Equals: Profits after tax with inventory valuation and capital consumption adjustments</b> .....	<b>882.5</b>	<b>931.4</b>	<b>1,140.7</b>	<b>968.9</b>	<b>1,112.1</b>	<b>1,115.7</b>	<b>1,162.7</b>	<b>1,172.3</b>	<b>5.5</b>	<b>22.5</b>	<b>14.8</b>	<b>.3</b>	<b>4.2</b>	<b>.8</b>	<b>21.0</b>
Net dividends .....	539.5	576.9	642.2	601.0	615.7	631.1	650.4	671.4	6.9	11.3	2.5	2.5	3.1	3.2	11.7
Undistributed profits with inventory valuation and capital consumption adjustments .....	343.0	354.5	498.6	367.9	496.4	484.6	512.4	500.9	3.4	40.6	34.9	-2.4	5.7	-2.2	36.1
<b>Cash flow:</b>															
<b>Net cash flow with inventory valuation and capital consumption adjustments</b> .....	<b>1,139.2</b>	<b>1,211.3</b>	<b>1,364.9</b>	<b>1,223.9</b>	<b>1,349.2</b>	<b>1,350.3</b>	<b>1,380.5</b>	<b>1,379.4</b>	<b>6.3</b>	<b>12.7</b>	<b>10.2</b>	<b>.1</b>	<b>2.2</b>	<b>-1</b>	<b>12.7</b>
Undistributed profits with inventory valuation and capital consumption adjustments .....	343.0	354.5	498.6	367.9	496.4	484.6	512.4	500.9	3.4	40.6	34.9	-2.4	5.7	-2.2	36.1
Consumption of fixed capital .....	796.2	856.8	866.3	856.0	852.8	865.6	868.2	878.5	7.6	1.1	-4	1.5	.3	1.2	2.6
Less: Inventory valuation adjustment .....	-39.8	-32.6	-34.4	-39.2	-22.9	-58.9	-38.2	-17.5							
<b>Equals: Net cash flow</b> .....	<b>1,178.9</b>	<b>1,243.9</b>	<b>1,399.2</b>	<b>1,263.2</b>	<b>1,372.1</b>	<b>1,409.2</b>	<b>1,418.8</b>	<b>1,396.9</b>	<b>5.5</b>	<b>12.5</b>	<b>8.6</b>	<b>2.7</b>	<b>.7</b>	<b>-1.5</b>	<b>10.6</b>
<b>Addenda:</b>															
Profits before tax (without inventory valuation and capital consumption adjustments) .....	1,144.3	1,518.7	1,810.9	1,598.3	1,740.6	1,811.5	1,854.0	1,837.6	32.7	19.2	8.9	4.1	2.3	-9	15.0
Profits after tax (without inventory valuation and capital consumption adjustments) .....	844.2	1,119.4	1,336.0	1,173.7	1,283.7	1,335.4	1,363.4	1,361.5	32.6	19.4	9.4	4.0	2.1	-1	16.0
Inventory valuation adjustment .....	-39.8	-32.6	-34.4	-39.2	-22.9	-58.9	-38.2	-17.5							
Capital consumption adjustment .....	78.1	-155.5	-160.9	-165.6	-148.6	-160.8	-162.4	-171.7							

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

(Billions of dollars)

	Level								Change from preceding period						
	2004	2005	2006	Seasonally adjusted at annual rates					2005	2006	2006				
				2005	2006						I	II	III	IV	
					IV	I	II	III							IV
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>1,182.6</b>	<b>1,330.7</b>	<b>1,615.7</b>	<b>1,393.5</b>	<b>1,569.1</b>	<b>1,591.8</b>	<b>1,653.3</b>	<b>1,648.4</b>	<b>148.1</b>	<b>285.0</b>	<b>175.6</b>	<b>22.7</b>	<b>61.5</b>	<b>-4.9</b>	
<b>Domestic industries</b> .....	<b>1,006.3</b>	<b>1,133.7</b>	<b>1,372.6</b>	<b>1,197.2</b>	<b>1,343.0</b>	<b>1,351.9</b>	<b>1,418.7</b>	<b>1,376.6</b>	<b>127.4</b>	<b>238.9</b>	<b>145.8</b>	<b>8.9</b>	<b>66.8</b>	<b>-42.1</b>	
Financial .....	353.7	369.4	474.0	390.8	442.2	483.9	474.8	495.3	15.7	104.6	51.4	41.7	-9.1	20.5	
Nonfinancial .....	652.6	764.2	898.5	806.4	900.9	868.1	943.9	881.3	111.6	134.3	94.5	-32.8	75.8	-62.6	
<b>Rest of the world</b> .....	<b>176.3</b>	<b>197.0</b>	<b>243.1</b>	<b>196.3</b>	<b>226.1</b>	<b>239.9</b>	<b>234.6</b>	<b>271.9</b>	<b>20.7</b>	<b>46.1</b>	<b>29.8</b>	<b>13.8</b>	<b>-5.3</b>	<b>37.3</b>	
Receipts from the rest of the world .....	302.0	338.0	403.8	360.6	376.3	402.0	408.9	428.1	36.0	65.8	15.7	25.7	6.9	19.2	
Less: Payments to the rest of the world .....	125.8	141.0	160.7	164.2	150.2	162.1	174.2	156.2	15.2	19.7	-14.0	11.9	12.1	-18.0	
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>1,104.5</b>	<b>1,486.1</b>	<b>1,776.6</b>	<b>1,559.1</b>	<b>1,717.7</b>	<b>1,752.6</b>	<b>1,815.8</b>	<b>1,820.2</b>	<b>381.6</b>	<b>290.5</b>	<b>158.6</b>	<b>34.9</b>	<b>63.2</b>	<b>4.4</b>	
<b>Domestic industries</b> .....	<b>928.2</b>	<b>1,289.1</b>	<b>1,533.4</b>	<b>1,362.8</b>	<b>1,491.6</b>	<b>1,512.7</b>	<b>1,581.1</b>	<b>1,548.3</b>	<b>360.9</b>	<b>244.3</b>	<b>128.8</b>	<b>21.1</b>	<b>68.4</b>	<b>-32.8</b>	
Financial .....	344.2	389.0	498.7	413.3	463.9	508.2	500.1	522.7	44.8	109.7	50.6	44.3	-8.1	22.6	
Federal Reserve banks .....	20.0	26.6	33.8	30.4	30.9	33.7	35.8	34.7	6.6	7.2	.5	2.8	2.1	-1.1	
Other financial .....	324.1	362.5	464.9	382.9	433.0	474.4	464.3	488.0	38.4	102.4	50.1	41.4	-10.1	23.7	
Nonfinancial .....	584.0	900.1	1,034.7	949.4	1,027.7	1,004.5	1,081.0	1,025.6	316.1	134.6	78.3	-23.2	76.5	-55.4	
Utilities .....	16.2	30.3	48.6	38.3	39.7	46.8	52.8	54.9	14.1	18.3	1.4	7.1	6.0	2.1	
<b>Manufacturing</b> .....	<b>150.2</b>	<b>254.8</b>	<b>311.7</b>	<b>258.9</b>	<b>300.7</b>	<b>289.9</b>	<b>331.9</b>	<b>324.5</b>	<b>104.6</b>	<b>56.9</b>	<b>41.8</b>	<b>-10.8</b>	<b>42.0</b>	<b>-7.4</b>	
Durable goods .....	31.3	73.8	108.0	72.9	102.2	78.7	115.9	135.2	42.5	34.2	29.3	-23.5	37.2	19.3	
Fabricated metal products .....	12.3	20.6	26.2	21.2	25.7	24.1	24.8	30.1	8.3	5.6	4.5	-1.6	.7	5.3	
Machinery .....	7.0	13.8	19.2	15.0	19.1	18.3	18.5	21.1	6.8	5.4	4.1	-8	.2	2.6	
Computer and electronic products .....	-6.7	3.9	13.4	8.0	12.3	13.1	13.2	15.1	10.6	9.5	4.3	.8	.1	1.9	
Electrical equipment, appliances, and components .....	.2	5.7	10.0	5.6	8.4	6.8	10.3	14.6	5.5	4.3	2.8	-1.6	3.5	4.3	
Motor vehicles, bodies and trailers, and parts .....	-11.2	-17.9	-17.9	-25.3	-18.2	-25.4	-16.6	-11.3	-6.7	0	7.1	-7.2	8.8	5.3	
Other durable goods .....	29.7	47.7	57.0	48.5	54.9	41.9	65.7	65.6	18.0	9.3	6.4	-13.0	23.8	-1	
Nondurable goods .....	118.9	181.0	203.7	186.0	198.5	211.2	216.0	189.3	62.1	22.7	12.5	12.7	4.8	-26.7	
Food and beverage and tobacco products .....	22.4	28.5	31.9	28.6	29.6	29.5	34.4	33.9	6.1	3.4	1.0	-1	4.9	-5	
Petroleum and coal products .....	49.3	70.4	84.3	76.0	74.5	92.4	101.1	69.4	21.1	13.9	-1.5	17.9	8.7	-31.7	
Chemical products .....	23.8	45.3	49.1	44.4	54.1	53.6	46.6	41.9	21.5	3.8	9.7	-5	-7.0	-4.7	
Other nondurable goods .....	23.4	36.8	38.5	37.0	40.1	35.7	33.9	44.2	13.4	1.7	3.1	-4.4	-1.8	10.3	
Wholesale trade .....	69.9	97.6	106.0	105.9	107.2	98.3	125.1	93.7	27.7	8.4	1.3	-8.9	26.8	-31.4	
Retail trade .....	89.3	113.7	130.1	129.1	123.0	121.2	131.3	145.0	24.4	16.4	-6.1	-1.8	10.1	13.7	
Transportation and warehousing .....	11.8	21.0	34.7	19.0	27.3	38.6	39.6	33.3	9.2	13.7	8.3	11.3	1.0	-6.3	
Information .....	37.7	77.5	87.7	83.6	89.8	85.9	83.3	91.9	39.8	10.2	6.2	-3.9	-2.6	8.6	
Other nonfinancial .....	208.8	305.2	315.8	314.6	340.1	323.9	317.1	282.2	96.4	10.6	25.5	-16.2	-6.8	-34.9	
<b>Rest of the world</b> .....	<b>176.3</b>	<b>197.0</b>	<b>243.1</b>	<b>196.3</b>	<b>226.1</b>	<b>239.9</b>	<b>234.6</b>	<b>271.9</b>	<b>20.7</b>	<b>46.1</b>	<b>29.8</b>	<b>13.8</b>	<b>-5.3</b>	<b>37.3</b>	

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

	2004	2005	2006	Seasonally adjusted at annual rates				
				2005		2006		
				IV	I	II	III <sup>r</sup>	IV
Billions of dollars								
<b>Gross value added of nonfinancial corporate business</b> .....	<b>5,932.9</b>	<b>6,369.7</b>	<b>6,857.2</b>	<b>6,534.8</b>	<b>6,788.2</b>	<b>6,790.0</b>	<b>6,898.9</b>	<b>6,951.6</b>
Consumption of fixed capital .....	686.2	739.7	744.8	737.2	733.7	744.4	746.3	754.9
<b>Net value added</b> .....	<b>5,246.7</b>	<b>5,630.1</b>	<b>6,112.4</b>	<b>5,797.6</b>	<b>6,054.5</b>	<b>6,045.7</b>	<b>6,152.6</b>	<b>6,196.7</b>
Compensation of employees .....	3,873.4	4,099.7	4,389.1	4,198.0	4,341.0	4,350.6	4,382.5	4,482.2
Wage and salary accruals .....	3,158.4	3,335.1	3,572.6	3,414.5	3,537.5	3,539.7	3,562.5	3,650.8
Supplements to wages and salaries .....	714.9	764.6	816.5	783.5	803.5	811.0	820.0	831.4
Taxes on production and imports less subsidies .....	522.9	558.1	584.4	567.2	576.7	585.3	586.5	589.3
Net operating surplus .....	850.4	972.2	1,138.8	1,032.4	1,136.8	1,109.7	1,183.7	1,125.2
Net interest and miscellaneous payments .....	137.8	156.6	178.3	165.1	175.1	180.0	177.2	180.7
Business current transfer payments .....	60.0	51.4	62.1	60.9	60.9	61.7	62.5	63.2
Corporate profits with inventory valuation and capital consumption adjustments .....	652.6	764.2	898.5	806.4	900.9	868.1	943.9	881.3
Taxes on corporate income .....	185.3	251.4	285.4	266.4	280.9	283.3	299.6	277.8
Profits after tax with inventory valuation and capital consumption adjustments .....	467.4	512.9	613.1	540.0	620.0	584.8	644.3	603.4
Net dividends .....	366.9	228.5	411.3	120.1	377.7	392.8	407.5	467.3
Undistributed profits with inventory valuation and capital consumption adjustments .....	100.5	284.4	201.8	419.9	242.3	192.0	236.8	136.1
<b>Addenda:</b>								
Profits before tax (without inventory valuation and capital consumption adjustments) .....	623.8	932.6	1,069.1	988.7	1,050.6	1,063.5	1,119.2	1,043.0
Profits after tax (without inventory valuation and capital consumption adjustments) .....	438.6	681.3	783.7	722.3	769.7	780.2	819.6	765.2
Inventory valuation adjustment .....	-39.8	-32.6	-34.4	-39.2	-22.9	-58.9	-38.2	-17.5
Capital consumption adjustment .....	68.6	-135.8	-136.2	-143.0	-126.8	-136.5	-137.1	-144.3
Billions of chained (2000) dollars								
<b>Gross value added of nonfinancial corporate business</b> <sup>1</sup> .....	<b>5,630.0</b>	<b>5,852.9</b>	<b>6,132.6</b>	<b>5,927.8</b>	<b>6,111.2</b>	<b>6,069.0</b>	<b>6,158.9</b>	<b>6,191.3</b>
Consumption of fixed capital <sup>2</sup> .....	650.9	681.6	670.5	670.5	666.1	669.2	672.0	674.6
Net value added <sup>3</sup> .....	4,979.2	5,171.2	5,462.1	5,257.3	5,445.0	5,399.8	5,486.9	5,516.7
Dollars; quarters seasonally adjusted								
<b>Price, costs, and profits per unit of real gross value added of nonfinancial corporate business:</b>								
<b>Price per unit of real gross value added of nonfinancial corporate business</b> <sup>4</sup> .....	<b>1.054</b>	<b>1.088</b>	<b>1.118</b>	<b>1.102</b>	<b>1.111</b>	<b>1.119</b>	<b>1.120</b>	<b>1.123</b>
Compensation of employees (unit labor cost) .....	.688	.700	.716	.708	.710	.717	.712	.724
Unit nonlabor cost .....	.250	.257	.255	.258	.253	.260	.255	.256
Consumption of fixed capital .....	.122	.126	.121	.124	.120	.123	.121	.122
Taxes on production and imports less subsidies plus business current transfer payments .....	.104	.104	.105	.106	.104	.107	.105	.105
Net interest and miscellaneous payments .....	.024	.027	.029	.028	.029	.030	.029	.029
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	.116	.131	.147	.136	.147	.143	.153	.142
Taxes on corporate income .....	.033	.043	.047	.045	.046	.047	.049	.045
Profits after tax with inventory valuation and capital consumption adjustments .....	.083	.088	.100	.091	.101	.096	.105	.097

<sup>r</sup> Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2006.

1. The current-dollar gross value added is deflated using the gross value added chain-type price index for non-financial industries from the GDP-by-industry accounts. For periods when this price index is not available, the chain-type price index for GDP goods and structures is used.

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**

	2004	2005	2006 <sup>r</sup>	Seasonally adjusted at annual rates															
				2003				2004				2005				2006			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV <sup>r</sup>
<b>Gross domestic product (GDP) and related aggregates:</b>																			
GDP .....	3.9	3.2	3.3	1.2	3.5	7.5	2.7	3.9	4.0	3.1	2.6	3.4	3.3	4.2	1.8	5.6	2.6	2.0	2.5
Goods .....	4.9	4.6	6.2	3.9	1.6	16.2	2.5	3.7	3.0	5.0	4.6	4.9	3.5	6.7	3.1	12.8	3.6	3.8	4.0
Services .....	3.2	2.3	2.3	.1	3.6	1.9	2.8	4.5	3.0	2.5	2.5	1.8	1.8	3.5	.8	2.4	2.4	2.8	4.1
Structures .....	5.2	4.6	.5	-1.0	9.2	14.1	2.2	.5	13.6	.6	-2.7	8.0	11.1	.7	3.1	2.9	.3	-7.4	-9.9
Motor vehicle output .....	3.5	5.9	-1.7	-11.8	10.9	8.9	-6.5	9.9	-7.1	16.6	1.9	12.0	-7	22.6	-19.1	3.8	-9.4	27.4	-32.0
GDP excluding motor vehicle output .....	3.9	3.1	3.5	1.7	3.2	7.4	3.0	3.6	4.5	2.7	2.6	3.1	3.4	3.6	2.6	5.6	3.0	1.2	3.8
Final sales of computers <sup>1</sup> .....	8.2	24.5	16.8	16.9	-2.5	90.4	20.0	-16.0	-17.4	23.0	42.8	24.3	31.5	11.6	33.8	9.5	6.7	11.7	40.9
GDP excluding final sales of computers .....	3.9	3.1	3.2	1.1	3.5	7.0	2.5	4.0	4.2	3.0	2.4	3.3	3.1	4.1	1.6	5.6	2.5	1.9	2.2
Farm gross value added <sup>2</sup> .....	7.4	1.0	4.8	-16.1	26.6	-34.7	-36.1	120.0	-17.4	19.4	23.7	-2.0	-24.6	11.3	8.1	14.1	3.9	-2.0	-9
Nonfarm business gross value added <sup>3</sup> .....	4.3	3.8	3.8	1.2	4.3	11.0	1.6	3.6	5.2	3.2	2.4	4.2	4.4	4.9	1.8	6.7	2.7	1.9	2.9
<b>Price indexes:</b>																			
GDP .....	2.8	3.0	2.9	3.1	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.3	3.3	3.3	1.9	1.7
GDP excluding food and energy .....	2.7	3.0	2.9	2.7	1.1	1.7	2.1	3.4	3.4	2.6	3.1	3.4	2.4	2.8	3.3	3.1	3.0	2.2	2.3
GDP excluding final sales of computers .....	2.9	3.2	3.1	3.3	1.4	2.2	2.3	3.8	3.7	2.2	3.4	3.7	2.6	3.4	3.4	3.4	3.5	2.0	1.8
Gross domestic purchases .....	3.1	3.5	3.1	4.1	.6	2.2	1.9	4.3	4.1	2.6	3.6	3.2	3.3	4.4	3.5	2.7	4.0	2.2	.2
Gross domestic purchases excluding food and energy .....	2.7	2.8	2.7	2.6	1.3	1.8	2.0	3.5	3.3	2.5	2.9	3.4	2.3	2.5	3.0	3.0	2.9	2.2	2.4
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	3.2	3.7	3.3	4.4	.7	2.4	2.0	4.4	4.2	2.8	3.8	3.4	3.5	4.6	3.7	2.9	4.2	2.3	.3
Personal consumption expenditures (PCE) .....	2.6	2.9	2.7	3.1	.7	2.4	1.5	3.7	3.6	1.9	3.0	2.3	3.1	4.1	2.9	2.0	4.0	2.4	-1.0
PCE excluding food and energy .....	2.0	2.1	2.2	1.1	1.3	1.8	1.6	2.5	2.5	1.7	2.3	2.4	1.9	1.6	2.5	2.1	2.7	2.2	1.8
Market-based PCE <sup>4</sup> .....	2.3	2.7	2.6	3.1	.3	2.2	.9	3.3	3.4	1.5	2.9	2.1	3.1	4.3	2.5	1.7	4.2	2.2	-1.6
Market-based PCE excluding food and energy <sup>4</sup> .....	1.5	1.7	1.9	.7	1.0	1.4	.9	1.7	1.9	1.2	1.8	2.2	1.7	1.2	1.9	1.6	2.7	1.9	1.6

<sup>r</sup> Revised

1. Some components of final sales of computers include 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 2004-05 annual percent change in real GDP uses prices for 2004 and 2005 as weights, and the 2004-05 annual percent change in GDP prices uses quantities for 2004 and 2005 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.