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BEA 99-23

#### GROSS DOMESTIC PRODUCT: SECOND QUARTER 1999 (ADVANCE)

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 2.3 percent in the second quarter of 1999, according to advance estimates released by the Commerce Department's Bureau of Economic Analysis. In the first quarter, real GDP increased 4.3 percent. Real GDP increased \$44.0 billion in the second quarter, following an increase of \$81.9 billion in the first.

The Bureau emphasized that the second-quarter "advance" estimates are based on source data that are incomplete or subject to further revision by the source agency (see the box on page 3). The second-quarter "preliminary" estimates, based on more comprehensive data, will be released on August 26, 1999.

As announced in the February issue of the Survey of Current Business, the Bureau of Economic Analysis plans to release the initial results of its 11th comprehensive, or benchmark, revision of the national income and product accounts (NIPA's) on October 28, 1999, along with the release of the advance estimates for the third quarter of 1999. The annual revision of the NIPA's that would normally take place this summer will be included as part of the comprehensive revision. An overview of the major improvements that will be introduced in the comprehensive revision is provided in a "technical note" that is posted on BEA's and STAT-USA's Web sites. Beginning with the August 1999 issue of the Survey, a series of articles will be presented that discuss the comprehensive revision.

The major contributors to the increase in real GDP in the second quarter were: Personal consumption expenditures (PCE), nonresidential fixed investment, and exports. The contributions of these components were partially offset by the effects of an increase in imports and of a decrease in inventory investment.

The deceleration in real GDP in the second quarter primarily reflected a deceleration in PCE and a downturn in government spending that more than offset an upturn in exports.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 2.1 percent in the second quarter, compared with an increase of 1.2 percent in the first. Excluding food and energy prices, which are normally more volatile than many other prices, the price index increased 1.4 percent in the second quarter, compared with an increase of 1.3 percent in the first.

Real personal consumption expenditures increased 4.0 percent in the second quarter, compared with an increase of 6.7 percent in the first. Durable goods purchases increased 5.6 percent, compared with an increase of 12.9 percent. Nondurable goods increased 3.0 percent, compared with an increase of 9.5 percent. Services expenditures increased 4.2 percent, compared with an increase of 4.1 percent.

Real nonresidential fixed investment increased 10.8 percent in the second quarter, compared with an increase of 8.5 percent in the first. Nonresidential structures decreased 1.2 percent, in contrast to an increase of 5.7 percent. Producers' durable equipment increased 15.3 percent, compared with an increase of 9.5 percent. Real residential fixed investment increased 5.1 percent, compared with an increase of 15.4 percent.

Real exports of goods and services increased 4.5 percent in the second quarter, in contrast to a decrease of 5.1 percent in the first. Real imports of goods and services increased 9.7 percent, compared with an increase of 13.5 percent.

Real federal government consumption expenditures and gross investment decreased 3.2 percent in the second quarter, compared with a decrease of 1.9 percent in the first. National defense decreased 3.2 percent, compared with a decrease of 6.6 percent. Nondefense decreased 3.1 percent, in contrast to an increase of 7.4 percent. Real state and local government consumption expenditures and gross investment decreased 0.1 percent, in contrast to an increase of 7.7 percent.

The real change in business inventories subtracted 0.86 percentage point from the second-quarter change in real GDP, after subtracting 0.27 percentage point from the first-quarter change. Businesses increased inventories \$19.4 billion in the second quarter, following increases of \$38.7 billion in the first quarter and \$44.2 billion in the fourth.

Real final sales of domestic product -- GDP less change in business inventories -- increased 3.2 percent in the second quarter, compared with an increase of 4.6 percent in the first.

#### Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 3.0 percent in the second quarter, compared with an increase of 6.6 percent in the first.

#### Disposition of personal income

Current-dollar personal income increased \$93.2 billion in the second quarter, compared with an increase of \$91.4 billion in the first. Personal tax and nontax payments increased \$18.0 billion, compared with an increase of \$19.2 billion.

Disposable personal income increased \$75.2 billion in the second quarter, compared with an increase of \$72.1 billion in the first. Real disposable personal income increased 2.4 percent, compared with an increase of 3.5 percent.

Personal outlays increased \$100.4 billion in the second quarter, compared with an increase of \$117.1 billion in the first. Personal saving -- disposable personal income less personal outlays -- was a negative \$70.7 billion in the second quarter, compared with a negative \$45.5 billion in the first. The personal saving rate -- saving as a percentage of disposable personal income -- decreased from a negative 0.7 percent in the first quarter to a negative 1.1 percent in the second.

## Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 3.9 percent, or \$84.6 billion, in the second quarter. In the first quarter, current-dollar GDP increased 6.0 percent, or \$127.5 billion.

Information on the assumptions used for unavailable source data is provided in a technical note that is posted with the news release on BEA's and STAT-USA's Web sites. Within a few days after the release, a detailed "Key Source Data and Assumptions" file is also posted on the STAT-USA site. In the middle of each month, an analysis of the current quarterly estimates of GDP and related series is made available on both Web sites; click on Survey of Current Business, "Business Situation." (For more information, see below.)

BEA's major national, international, regional, and industry estimates; the Survey of Current Business; and BEA news releases are available without charge on BEA's Web site:

<[www.bea.doc.gov](http://www.bea.doc.gov)>

STAT-USA maintains an electronic bulletin board (EBB) and an Internet site that contain BEA estimates, the Survey of Current Business, and BEA news releases. The information available through STAT-USA is often more detailed and more timely than that available from other sources. For information about STAT-USA, go to <[www.stat-usa.gov](http://www.stat-usa.gov)>, or call (202) 482-1986. Subscriptions for single-user unlimited access to STAT-USA's Internet information are \$50.00 for 3 months or \$150.00 for 1 year.

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  
606-5303 Personal income and outlays  
606-5362 U.S. international transactions

Most of BEA's estimates and analyses appear in the Survey of Current Business, BEA's monthly journal. The printed Survey of Current Business is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. First class mail: Annual subscription \$104.00 domestic. Second class mail: Annual subscription \$42.00 domestic, \$52.50 foreign; single issue \$15.00 domestic, \$18.75 foreign.

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Next release -- August 26, 1999, at 8:30 A.M. EDT for:  
Gross Domestic Product: Second Quarter 1999 (Preliminary)  
Corporate Profits: Second Quarter 1999



## Comparisons of Revisions to GDP

Quarterly estimates of GDP are released on the following schedule: "Advance" estimates, based on source data that are incomplete or subject to further revision by the source agency, are released near the end of the first month after the end of the quarter; as more detailed and more comprehensive data become available, "preliminary" and "final" estimates are released near the end of the second and third months, respectively. The "latest" estimates reflect the results of both annual and comprehensive revisions.

Annual revisions are usually carried out each summer and cover the quarters of the most recent calendar year and of the 2 preceding years. Comprehensive (or benchmark) revisions are carried out at about 5-year intervals and incorporate definitional and classificational changes that update the accounts to portray more accurately the evolving U.S. economy and statistical changes that update the accounts to reflect the introduction of new and improved methodologies and the incorporation of newly available and revised source data.

The table below shows comparisons of the revisions between quarterly percent changes of GDP for the different vintages of the estimates. These comparisons can be used to assess the likely size of future revisions. For example, two-thirds of the revisions between the quarterly change in the advance estimate of real GDP and that in the final estimate were within a range of -0.6 to +0.9 percentage point. Thus, based on past history, the second-quarter change in real GDP now estimated at 2.3 percent at an annual rate, is not likely to be revised below 1.7 percent or above 3.2 percent in the next two releases.

### Revisions Between Quarterly Percent Changes of GDP: Vintage Comparisons [Annual rates]

Vintages compared	Average without regard to sign	Range	
		Two-thirds of revisions	Nine-tenths of revisions
Current-dollar GDP			
Advance to preliminary.....	0.6	-0.5 to 0.8	-1.1 to 1.4
Advance to final.....	.7	-.6 to 1.0	-1.0 to 1.6
Preliminary to final.....	.3	-.3 to .4	-.6 to .7
Advance to latest.....	1.3	-.8 to 2.1	-1.6 to 3.3
Preliminary to latest.....	1.2	-1.1 to 2.1	-1.7 to 2.9
Final to latest.....	1.2	-.9 to 2.0	-1.9 to 2.8
Real GDP			
Advance to preliminary.....	0.5	-0.5 to 0.7	-0.9 to 1.4
Advance to final.....	.6	-.6 to .9	-1.0 to 1.3
Preliminary to final.....	.3	-.4 to .4	-.5 to .7
Advance to latest.....	1.4	-1.3 to 1.7	-1.9 to 3.0
Preliminary to latest.....	1.4	-1.2 to 1.6	-2.3 to 3.0
Final to latest.....	1.4	-1.5 to 1.9	-2.2 to 3.0

NOTE.--These comparisons are based on the period from 1978 through 1997 for the first three comparisons in each group and on the period from 1978 through 1995 for the last three comparisons in

each group.

Table 1.--Real Gross Domestic Product and Related Measures: Percent Change From Preceding Period  
[Percent; quarters seasonally adjusted at annual rates]

	1996	1997	1998	III 95	IV 95	I 96	II 96	III 96	IV 96	I 97	II 97	III 97	IV 97	I 98	II 98	III 98	IV 98	I 99	II 99
Gross domestic product (GDP).....	3.4	3.9	3.9	3.3	2.8	3.3	6.1	2.1	4.2	4.2	4.0	4.2	3.0	5.5	1.8	3.7	6.0	4.3	2.3
Personal consumption expenditures... ..	3.2	3.4	4.9	2.6	2.3	3.7	4.7	1.8	2.9	4.3	1.6	6.2	2.8	6.1	6.1	4.1	5.0	6.7	4.0
Durable goods.....	6.3	6.8	10.2	8.3	4.8	5.8	12.7	-1.9	7.2	12.3	-1.5	16.8	3.1	15.8	11.2	2.4	24.5	12.9	5.6
Nondurable goods.....	2.4	2.4	3.9	.7	2.0	2.2	4.8	1.2	2.9	3.6	-.2	5.1	-.4	7.4	5.3	2.1	4.2	9.5	3.0
Services.....	3.0	3.2	4.3	2.4	1.9	4.0	3.0	3.0	2.0	3.1	3.2	4.7	4.3	3.5	5.4	5.4	1.7	4.1	4.2
Gross private domestic investment... ..	8.8	11.3	10.3	.6	9.3	9.8	18.0	18.0	-.7	15.3	20.3	1.5	8.9	28.3	-4.5	7.9	9.0	8.5	3.2
Fixed investment.....	8.8	8.3	11.4	3.4	7.3	12.0	13.3	9.3	5.1	5.9	11.8	12.0	3.6	20.4	13.4	2.2	13.2	10.5	9.1
Nonresidential.....	9.3	10.7	11.8	.9	6.1	13.1	11.0	14.2	8.8	7.0	14.0	17.0	1.8	22.2	12.8	-.7	14.6	8.5	10.8
Structures.....	5.0	7.1	-.1	-.4	-3.8	6.4	7.4	8.9	24.5	3.9	-6.2	12.4	.9	-4.9	-2.3	.2	6.0	5.7	-1.2
Producers' durable equipment..	10.9	12.1	16.5	1.4	10.1	15.7	12.3	16.2	3.2	8.3	22.8	18.8	2.2	34.3	18.8	-1.0	17.8	9.5	15.3
Residential.....	7.4	2.5	10.4	10.1	10.6	9.3	19.5	-1.7	-3.9	3.1	6.1	-.4	8.2	15.6	15.0	9.9	10.0	15.4	5.1
Change in business inventories (CBI).....																			
Net exports of goods and services... ..																			
Exports.....	8.5	12.8	1.5	17.8	10.2	3.7	5.8	2.1	32.0	8.3	15.5	10.6	4.4	-2.8	-7.7	-2.8	19.7	-5.1	4.5
Goods.....	9.7	15.4	2.2	16.1	11.8	6.9	4.0	7.6	28.9	15.2	17.1	12.5	7.9	-3.4	-11.3	.6	24.6	-8.7	4.8
Services.....	5.6	6.6	-.2	21.7	6.4	-4.0	10.3	-9.9	39.8	-6.7	11.8	5.9	-4.0	-1.2	1.7	-10.4	8.3	4.3	4.0
Imports.....	9.2	13.9	10.6	2.0	3.5	13.1	13.5	13.6	7.0	18.6	17.9	13.5	6.3	15.7	9.3	2.3	12.0	13.5	9.7
Goods.....	10.0	14.7	11.5	1.8	3.1	13.8	15.4	14.3	8.7	18.8	19.4	13.1	6.4	17.0	11.4	2.9	14.1	13.8	11.4
Services.....	5.4	9.9	5.8	3.1	5.5	9.2	4.3	9.9	-1.1	17.8	10.6	15.8	5.8	9.3	-.6	-.6	2.0	11.8	1.3
Government consumption expenditures and gross investment.....	1.1	1.3	.9	-.8	-4.1	3.2	7.1	-1.6	.0	2.1	2.1	1.4	.1	-1.9	3.7	1.5	3.3	4.2	-1.2
Federal.....	-1.1	-1.6	-1.0	-2.6	-14.7	8.0	8.1	-4.7	-6.3	-2.7	3.6	-1.2	-2.1	-8.8	7.3	-1.4	7.3	-1.9	-3.2
National defense.....	-1.3	-3.2	-2.7	-5.4	-12.5	7.2	8.1	-6.3	-8.3	-9.9	9.1	-1.8	-2.0	-18.5	9.9	4.3	1.3	-6.6	-3.2
Nondefense.....	-.5	1.7	2.4	3.3	-19.2	9.9	8.1	-1.3	-2.0	13.3	-6.4	-.1	-2.3	13.1	2.6	-11.5	19.8	7.4	-3.1
State and local.....	2.4	3.1	2.0	.4	2.8	.5	6.5	.3	3.8	4.9	1.3	2.9	1.3	2.1	1.8	3.1	1.3	7.7	-.1
Addenda:																			
Final sales of domestic product (GDP less CBI).....	3.4	3.5	4.0	3.7	2.5	3.6	5.4	.9	5.1	2.9	2.7	5.8	2.1	4.3	4.6	2.8	6.6	4.6	3.2
Gross domestic purchases.....	3.6	4.2	5.0	1.7	2.0	4.5	7.0	3.4	1.8	5.5	4.4	4.6	3.2	7.8	3.9	4.2	5.4	6.6	3.0
Final sales to domestic purchasers.....	3.6	3.7	5.1	2.1	1.8	4.7	6.3	2.2	2.7	4.1	3.1	6.2	2.4	6.6	6.7	3.3	6.0	6.8	3.9
Gross national product (GNP).....	3.4	3.7	3.7	2.6	3.5	3.3	5.7	1.6	4.5	3.6	4.1	3.8	2.4	5.8	1.7	3.3	6.3	4.4	.....
Disposable personal income.....	2.8	2.8	3.2	2.7	3.9	2.9	2.1	4.4	1.3	3.3	2.9	2.4	2.9	4.0	2.6	3.2	4.3	3.5	2.4
Current-dollar measures:																			
GDP.....	5.4	5.9	4.9	5.3	4.9	5.7	7.3	3.9	6.1	7.2	5.6	5.4	4.2	6.4	2.7	4.7	6.9	6.0	3.9
Final sales of domestic product (GDP less CBI).....	5.4	5.4	5.1	5.8	4.6	6.0	6.7	2.8	7.0	5.8	4.4	7.0	3.3	5.3	5.5	3.8	7.5	6.3	4.9
Gross domestic purchases.....	5.4	5.8	5.6	3.3	3.9	6.6	8.3	5.1	4.1	7.8	5.2	5.8	4.3	7.6	4.4	4.9	6.3	7.8	5.1
Final sales to domestic purchasers.....	5.4	5.4	5.7	3.8	3.7	7.0	7.6	3.9	5.0	6.5	4.0	7.3	3.5	6.5	7.2	4.1	6.9	8.2	6.1
GNP.....	5.3	5.6	4.8	4.5	5.5	5.6	7.0	3.5	6.4	6.5	5.6	5.0	3.6	6.7	2.5	4.3	7.2	6.1	.....
Disposable personal income.....	4.9	4.7	4.0	4.7	5.6	5.2	4.6	6.0	3.8	5.9	4.0	3.8	4.0	4.0	3.5	4.3	5.4	4.8	4.9

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

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

	1996	1997	1998	III 95	IV 95	I 96	II 96	III 96	IV 96	I 97	II 97	III 97	IV 97	I 98	II 98	III 98	IV 98	I 99	II 99
Percent change at annual rate:																			
Gross domestic product.....	3.4	3.9	3.9	3.3	2.8	3.3	6.1	2.1	4.2	4.2	4.0	4.2	3.0	5.5	1.8	3.7	6.0	4.3	2.3
Percentage points at annual rates:																			
Personal consumption expenditures.	2.17	2.31	3.32	1.77	1.57	2.50	3.21	1.26	1.97	2.91	1.08	4.19	1.88	4.09	4.09	2.78	3.48	4.56	2.73
Durable goods.....	.52	.56	.82	.66	.39	.48	1.03	-.16	.58	.98	-.13	1.30	.26	1.23	.91	.20	1.90	1.09	.48
Nondurable goods.....	.48	.49	.77	.15	.41	.45	.96	.24	.57	.71	-.04	1.00	-.08	1.41	1.01	.42	.84	1.77	.59
Services.....	1.18	1.26	1.73	.95	.77	1.57	1.20	1.18	.81	1.20	1.26	1.85	1.70	1.40	2.14	2.15	.74	1.70	1.67
Gross private domestic investment.	1.26	1.65	1.51	.09	1.26	1.33	2.45	2.48	-.12	2.17	2.92	.23	1.34	4.07	-.75	1.22	1.42	1.31	.52
Fixed investment.....	1.21	1.18	1.58	.47	1.00	1.65	1.83	1.29	.72	.83	1.63	1.66	.48	2.82	1.95	.33	1.95	1.58	1.38
Nonresidential.....	.92	1.08	1.15	.10	.61	1.29	1.09	1.37	.88	.71	1.39	1.67	.16	2.21	1.35	-.08	1.52	.91	1.15
Structures.....	.14	.20	.00	-.01	-.11	.17	.20	.24	.64	.11	-.19	.35	.03	-.15	-.07	.01	.17	.15	-.03
Producers' durable equipment	.78	.88	1.15	.11	.71	1.12	.89	1.12	.24	.59	1.58	1.32	.13	2.36	1.42	-.09	1.35	.76	1.18
Residential.....	.29	.10	.43	.37	.40	.36	.73	-.07	-.16	.12	.24	-.02	.32	.60	.60	.41	.43	.66	.23
Change in business inventories..	.04	.47	-.06	-.39	.25	-.32	.61	1.17	-.83	1.33	1.27	-1.41	.85	1.22	-2.66	.89	-.53	-.27	-.86
Net exports of goods and services.	-.19	-.27	-1.13	1.60	.70	-1.10	-.94	-1.33	2.35	-1.24	-.45	-.47	-.30	-2.24	-2.08	-.62	.52	-2.23	-.75
Exports.....	.95	1.43	.19	1.81	1.10	.43	.65	.23	3.22	.95	1.76	1.22	.53	-.33	-.92	-.32	2.02	-.58	.49
Goods.....	.76	1.21	.19	1.16	.89	.57	.33	.57	2.06	1.19	1.37	1.02	.67	-.29	-.98	.04	1.76	-.68	.36
Services.....	.18	.22	-.01	.64	.21	-.14	.33	-.34	1.14	-.24	.38	.20	-.14	-.04	.06	-.36	.26	.10	.13
Imports.....	-1.13	-1.71	-1.32	-.20	-.40	-1.54	-1.60	-1.58	-.85	-2.21	-2.21	-1.69	-.83	-1.94	-1.18	-.30	-1.50	-1.65	-1.24
Goods.....	-1.02	-1.51	-1.20	-.14	-.29	-1.36	-1.52	-1.38	-.88	-1.87	-1.99	-1.38	-.71	-1.75	-1.19	-.32	-1.46	-1.42	-1.22
Services.....	-.11	-.20	-.12	-.06	-.11	-.18	-.09	-.19	.02	-.34	-.21	-.31	-.12	-.19	.01	.01	-.04	-.23	-.03
Government consumption expenditures and gross investment	.20	.24	.18	-.15	-.78	.59	1.28	-.30	.00	.37	.38	.25	.02	-.34	.64	.27	.60	.70	-.21
Federal.....	-.08	-.11	-.06	-.19	-1.10	.53	.54	-.33	-.44	-.18	.23	-.08	-.14	-.57	.44	-.09	.44	-.08	-.19
National defense.....	-.06	-.15	-.10	-.27	-.63	.32	.37	-.30	-.39	-.46	.38	-.08	-.09	-.84	.38	.17	.06	-.23	-.13
Nondefense.....	-.01	.04	.04	.08	-.48	.20	.17	-.03	-.05	.27	-.15	.00	-.05	.26	.06	-.26	.38	.14	-.07
State and local.....	.28	.35	.24	.05	.33	.06	.74	.04	.44	.55	.15	.33	.15	.24	.20	.35	.16	.78	-.01

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 (1992) dollars						Change from preceding period		
	Seasonally adjusted at annual rates						Seasonally adjusted at annual rates								
	1998	II 98	III 98	IV 98	I 99	II 99	1998	II 98	III 98	IV 98	I 99	II 99	1998	I 99	II 99
Gross domestic product (GDP).....	8,511.0	8,440.6	8,537.9	8,681.2	8,808.7	8,893.3	7,551.9	7,498.6	7,566.5	7,677.7	7,759.6	7,803.6	282.1	81.9	44.0
Personal consumption expenditures.....	5,807.9	5,773.7	5,846.7	5,934.8	6,050.6	6,148.3	5,153.3	5,130.2	5,181.8	5,246.0	5,331.9	5,384.7	239.8	85.9	52.8
Durable goods.....	724.7	720.1	718.9	754.5	771.2	777.6	737.1	729.4	733.7	775.0	798.9	809.8	68.5	23.9	10.9
Motor vehicles and parts.....	290.5	288.8	282.6	313.6	311.0	312.9	259.6	258.9	252.6	279.3	278.9	280.3	20.3	-4	1.4
Furniture and household equipment.....	292.2	288.9	294.1	297.3	309.6	312.3	347.3	339.3	352.0	362.1	381.6	391.0	39.6	19.5	9.4
Other.....	141.9	142.3	142.2	143.6	150.6	152.4	138.5	138.6	139.1	141.0	148.7	150.1	10.8	7.7	1.4
Nondurable goods.....	1,662.4	1,655.2	1,670.0	1,691.3	1,736.0	1,771.3	1,544.1	1,540.9	1,549.1	1,565.1	1,600.9	1,612.7	57.8	35.8	11.8
Food.....	877.9	871.9	883.8	896.7	908.1	919.9	735.0	732.7	737.1	741.5	746.8	750.9	17.6	5.3	4.1
Clothing and shoes.....	293.8	295.3	293.7	295.1	308.1	313.0	310.3	311.4	309.8	312.5	333.1	335.2	21.9	20.6	2.1
Gasoline and oil.....	112.1	111.6	111.7	109.0	107.6	123.1	119.9	118.4	121.1	121.5	121.4	121.9	2.0	-1	.5
Fuel oil and coal.....	9.6	9.8	9.8	9.0	10.0	11.0	9.6	9.7	9.9	9.5	10.7	11.4	-7	1.2	.7
Other.....	431.6	428.3	436.2	442.7	466.2	472.7	390.3	389.2	393.4	395.2	407.3	411.6	17.3	12.1	4.3
Services.....	3,420.8	3,398.4	3,457.7	3,488.9	3,543.4	3,599.4	2,879.5	2,866.8	2,904.8	2,917.2	2,946.8	2,977.2	118.0	29.6	30.4
Housing.....	877.9	871.9	883.8	896.7	908.1	919.9	735.0	732.7	737.1	741.5	746.8	750.9	17.6	5.3	4.1
Household operation.....	338.6	339.2	348.4	339.0	346.6	352.7	316.8	316.5	326.3	318.2	325.6	332.8	15.5	7.4	7.2
Electricity and gas.....	122.1	124.1	129.8	117.6	121.8	124.7	116.2	117.4	123.8	112.9	116.9	119.7	.2	4.0	2.8
Other household operation.....	216.5	215.1	218.5	221.5	224.9	228.0	200.5	198.9	202.4	205.0	208.4	212.7	15.4	3.4	4.3
Transportation.....	252.7	253.2	253.4	254.8	257.8	261.5	220.4	221.4	220.5	221.8	223.6	225.0	8.2	1.8	1.4
Medical care.....	888.2	884.2	893.0	904.0	915.3	927.1	723.2	721.6	725.3	730.8	734.5	739.9	21.5	3.7	5.4
Other.....	1,063.5	1,049.8	1,079.1	1,094.4	1,115.6	1,138.1	886.0	876.7	898.2	906.3	918.4	931.2	55.5	12.1	12.8
Gross private domestic investment.....	1,367.1	1,345.0	1,364.4	1,392.4	1,417.4	1,426.7	1,330.1	1,306.5	1,331.6	1,360.6	1,388.5	1,399.5	123.7	27.9	11.0
Fixed investment.....	1,307.8	1,305.8	1,307.5	1,346.7	1,377.9	1,407.1	1,267.8	1,264.1	1,270.9	1,311.0	1,344.0	1,373.6	129.8	33.0	29.6
Nonresidential.....	938.2	941.9	931.6	957.9	972.6	994.0	960.7	960.4	958.7	991.9	1,012.2	1,038.5	101.3	20.3	26.3
Structures.....	246.9	245.4	246.2	250.9	255.0	255.7	203.0	201.9	202.0	205.0	207.8	207.2	-.2	2.8	-6
Nonresidential buildings, including farm.....	184.1	181.8	183.7	190.1	195.9	194.7	150.9	149.8	150.1	153.8	157.8	155.7	.4	4.0	-2.1
Utilities.....	34.7	34.7	35.0	35.1	35.5	36.5	29.5	29.5	29.7	29.7	30.2	31.1	.8	.5	.9
Mining exploration, shafts, and wells.....	21.3	22.4	20.7	18.7	16.6	15.9	16.7	17.0	16.4	15.3	13.7	13.3	-1.2	-1.6	-.4
Other structures.....	6.8	6.5	6.8	7.1	7.0	8.6	5.7	5.5	5.8	6.0	5.9	7.2	-.1	-.1	1.3
Producers' durable equipment.....	691.3	696.6	685.4	706.9	717.6	738.3	770.2	771.3	769.3	801.5	819.8	849.6	109.3	18.3	29.8
Information processing and related equipment.....	233.3	231.6	235.2	239.9	247.4	260.6	388.1	376.8	399.6	422.5	448.2	482.4	90.1	25.7	34.2
Computers and peripheral equipment.....	95.1	94.8	95.6	98.0	100.3	104.0	351.8	331.5	370.5	413.0	452.9	494.0	137.0	39.9	41.1
Other.....	138.3	136.8	139.5	142.0	147.1	156.6	141.2	139.7	142.8	145.6	151.0	161.0	14.6	5.4	10.0
Industrial equipment.....	147.0	146.8	147.4	148.3	146.0	146.6	132.7	132.5	133.1	133.5	131.2	131.9	6.8	-2.3	.7
Transportation and related equipment.....	175.1	181.2	164.0	182.8	181.0	189.4	162.0	167.9	151.7	168.7	166.2	173.7	21.7	-2.5	7.5
Other.....	135.9	137.0	138.8	135.9	143.2	141.7	123.3	124.6	125.8	122.5	128.9	127.4	10.3	6.4	-1.5

See note at the end of the table.

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

	Billions of current dollars						Billions of chained (1992) dollars						Change from preceding period		
	Seasonally adjusted at annual rates						Seasonally adjusted at annual rates								
	1998	II 98	III 98	IV 98	I 99	II 99	1998	II 98	III 98	IV 98	I 99	II 99	1998	I 99	II 99
Residential.....	369.6	363.8	375.8	388.9	405.3	413.1	312.0	309.1	316.5	324.1	335.9	340.1	29.2	11.8	4.2
Structures.....	361.1	355.4	367.3	380.3	396.4	404.1	303.9	300.9	308.3	315.7	327.3	331.3	28.8	11.6	4.0
Single family.....	187.3	183.8	190.9	198.7	209.0	208.9	153.0	151.3	155.6	159.7	167.0	165.8	15.8	7.3	-1.2
Multi family.....	24.4	23.5	23.9	25.3	27.6	27.5	21.3	20.7	20.8	21.7	23.6	23.3	1.1	1.9	-.3
Other.....	149.4	148.1	152.6	156.3	159.8	167.8	130.2	129.6	132.6	135.0	137.3	143.0	11.7	2.3	5.7
Producers' durable equipment.....	8.5	8.5	8.5	8.6	8.9	9.0	8.2	8.2	8.2	8.3	8.6	8.8	.5	.3	.2
Change in business inventories (CBI).....	59.3	39.2	57.0	45.7	39.5	19.6	57.4	38.2	55.7	44.2	38.7	19.4	-5.8	-5.5	-19.3
Farm.....	6.7	7.7	7.7	6.3	3.1	3.2	7.6	8.7	9.1	7.2	3.6	3.8	3.3	-3.6	.2
Nonfarm.....	52.7	31.5	49.3	39.3	36.4	16.3	50.1	29.9	47.0	37.5	35.1	15.8	-8.7	-2.4	-19.3
Manufacturing.....	20.9	25.1	20.1	6.5	-3.3	-2.9	19.9	23.9	19.2	6.2	-3.3	-2.7	-.2	-9.5	.6
Wholesale trade.....	20.1	7.9	30.5	14.1	9.7	9.3	19.5	7.6	29.6	13.7	9.4	9.1	-2.5	-4.3	-.3
Retail trade.....	3.0	-12.7	-5.5	11.7	1.1	1.1	2.8	-11.9	-5.3	10.9	16.1	1.1	-4.0	5.2	-15.0
Other.....	8.7	11.2	4.3	7.0	12.9	8.8	8.1	10.4	4.0	6.6	12.3	8.2	-1.8	5.7	-4.1
Net exports of goods and services.....	-151.2	-159.3	-165.5	-156.2	-196.9	-225.7	-238.2	-245.2	-259.0	-250.0	-303.6	-323.0	-102.1	-53.6	-19.4
Exports.....	959.0	949.6	936.2	976.8	962.7	972.9	984.7	972.1	965.3	1,009.6	996.5	1,007.6	14.7	-13.1	11.1
Goods.....	680.8	668.8	663.3	696.6	677.7	683.1	742.6	726.3	727.3	768.4	751.2	760.0	16.1	-17.2	8.8
Foods, feeds, and beverages.....	46.1	44.9	42.4	47.5	43.2	45.0	43.1	41.7	39.9	45.4	41.7	43.8	-.8	-3.7	2.1
Industrial supplies and materials.....	142.5	144.2	138.1	139.3	133.2	136.7	130.6	130.7	127.9	131.1	126.6	129.2	-1.8	-4.5	2.6
Capital goods, except automotive.....	301.2	288.4	299.2	315.0	307.5	306.5	408.4	389.7	407.6	430.6	421.5	423.7	19.8	-9.1	2.2
Automotive vehicles, engines, and parts.....	72.3	72.2	65.3	73.9	70.7	73.0	68.7	68.7	62.1	70.0	66.8	69.0	-1.7	-3.2	2.2

Consumer goods, except automotive.....	79.6	80.1	80.3	79.7	80.1	80.1	75.8	76.3	76.6	76.1	76.6	76.6	2.1	.5	.0
Other.....	39.1	39.1	37.9	41.1	43.1	41.9	39.7	39.5	38.7	42.3	44.9	44.1	2.5	2.6	-.8
Services.....	278.2	280.8	272.9	280.2	285.0	289.8	246.4	248.8	242.1	247.0	249.6	252.0	-.6	2.6	2.4
Imports.....	1,110.2	1,108.9	1,101.7	1,133.0	1,159.6	1,198.6	1,222.9	1,217.3	1,224.3	1,259.6	1,300.1	1,330.6	116.8	40.5	30.5
Goods.....	932.4	931.8	924.7	952.2	975.2	1,009.6	1,054.4	1,048.8	1,056.3	1,091.7	1,127.6	1,158.4	108.7	35.9	30.8
Foods, feeds, and beverages....	41.3	41.8	40.5	41.1	41.2	42.9	38.1	38.3	37.8	38.2	39.0	40.7	2.6	.8	1.7
Industrial supplies and materials, except petroleum and products.....	142.7	144.4	144.8	140.2	140.1	144.0	137.0	137.3	140.3	137.6	137.9	141.1	13.3	.3	3.2
Petroleum and products.....	51.2	53.9	49.2	46.6	43.2	62.6	71.8	74.5	73.4	70.8	72.0	75.6	5.1	1.2	3.6
Capital goods, except automotive.....	270.4	270.5	267.0	275.1	280.0	288.0	426.7	424.7	426.2	442.3	455.8	483.2	53.4	13.5	27.4
Automotive vehicles, engines, and parts.....	150.3	146.0	143.5	163.7	174.1	174.2	138.0	133.9	132.2	150.3	159.2	158.9	8.6	8.9	-.3
Consumer goods, except automotive.....	215.6	217.5	217.2	218.3	226.5	227.5	213.7	215.5	216.1	216.8	225.0	227.2	24.9	8.2	2.2
Other.....	61.0	57.7	62.6	67.1	70.0	70.4	57.3	53.9	58.8	62.9	65.6	66.2	7.4	2.7	.6
Services.....	177.8	177.1	177.0	180.8	184.5	189.0	171.2	171.0	170.8	171.6	176.5	177.0	9.4	4.9	.5

See note at the end of the table.

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

	Billions of current dollars						Billions of chained (1992) dollars						Change from preceding period		
	Seasonally adjusted at annual rates			Seasonally adjusted at annual rates			Seasonally adjusted at annual rates			Change from preceding period					
	1998	II 98	III 98	IV 98	I 99	II 99	1998	II 98	III 98	IV 98	I 99	II 99	1998	I 99	II 99
Government consumption expenditures and gross investment.....	1,487.1	1,481.2	1,492.3	1,510.2	1,537.5	1,544.1	1,296.9	1,294.8	1,299.6	1,310.3	1,323.9	1,320.0	11.9	13.6	-3.9
Federal.....	520.6	520.7	519.4	530.7	536.6	533.3	453.3	454.1	452.5	460.6	458.4	454.7	-4.7	-2.2	-3.7
National defense.....	340.4	339.8	343.7	346.4	345.5	343.5	300.4	300.3	303.5	304.6	299.4	296.9	-8.5	-5.2	-2.5
Consumption expenditures.....	301.5	303.0	302.9	306.7	303.7	300.0	264.1	266.1	265.1	267.3	261.1	256.9	-8.3	-6.2	-4.2
Gross investment.....	38.9	36.8	40.9	39.7	41.8	43.5	36.3	34.1	38.5	37.2	38.5	40.3	-.2	1.3	1.8
Nondefense.....	180.2	180.9	175.7	184.3	191.1	189.8	152.1	152.9	148.4	155.2	158.0	156.8	3.5	2.8	-1.2
Consumption expenditures.....	159.6	160.9	155.8	164.0	168.0	169.8	131.5	132.9	128.4	134.6	135.1	136.3	2.8	.5	1.2
Gross investment.....	20.7	20.0	19.9	20.4	23.1	20.0	20.7	19.9	19.9	20.5	23.3	20.3	.9	2.8	-3.0
State and local.....	966.5	960.4	972.9	979.5	1,000.9	1,010.8	843.8	840.9	847.3	850.0	865.8	865.5	16.7	15.8	-.3
Consumption expenditures.....	789.1	784.7	793.9	801.2	810.2	822.9	689.3	687.3	691.6	695.6	700.8	704.2	17.0	5.2	3.4
Gross investment.....	177.4	175.7	179.0	178.3	190.7	187.8	154.4	153.5	155.6	154.3	165.0	161.2	-.4	10.7	-3.8
Residual.....							-162.5	-138.5	-175.7	-210.7	-237.9	-259.2	-87.0	-27.2	-21.3
Addenda:															
Final sales of domestic product (GDP less CBI).....	8,451.6	8,401.3	8,480.9	8,635.5	8,769.1	8,873.8	7,491.3	7,456.4	7,507.6	7,628.9	7,715.4	7,776.0	287.6	86.5	60.6
Gross domestic purchases.....	8,662.2	8,599.9	8,703.4	8,837.4	9,005.6	9,119.0	7,765.9	7,718.6	7,798.8	7,901.3	8,027.8	8,087.0	369.4	126.5	59.2
Final sales to domestic purchasers.....	8,602.8	8,560.6	8,646.4	8,791.7	8,966.0	9,099.5	7,705.2	7,676.4	7,739.8	7,852.5	7,983.6	8,059.7	375.0	131.1	76.1
Gross domestic product.....	8,511.0	8,440.6	8,537.9	8,681.2	8,808.7	8,893.3	7,551.9	7,498.6	7,566.5	7,677.7	7,759.6	7,803.6	282.1	81.9	44.0
Plus: Receipts of factor income from the rest of the world.....	269.2	270.6	265.0	270.7	274.3	.....	239.5	241.0	235.7	240.4	242.8	.....	1.5	2.4	.....
Less: Payments of factor income to the rest of the world.....	289.6	289.3	292.1	291.9	294.6	.....	252.7	252.8	254.6	253.9	255.3	.....	12.0	1.4	.....
Equals: Gross national product.....	8,490.5	8,421.8	8,510.9	8,660.0	8,788.4	.....	7,537.8	7,485.9	7,546.7	7,663.3	7,746.3	.....	271.6	83.0	.....

Note.--Users are cautioned that particularly for components for which relative prices are changing rapidly, the use of chained-dollar estimates to calculate component shares or component contributions to real growth may be misleading even just a few years from the base year. For accurate estimates of the contributions to percent changes in real GDP, use table 2.

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

Table 4.--Chain-Type Price Indexes for Gross Domestic Product and Related Measures: Percent Change From Preceding Period  
[Percent; quarters seasonally adjusted at annual rates]

	1996	1997	1998	III 95	IV 95	I 96	II 96	III 96	IV 96	I 97	II 97	III 97	IV 97	I 98	II 98	III 98	IV 98	I 99	II 99
Gross domestic product (GDP).....	1.9	1.9	1.0	1.9	2.0	2.2	1.4	1.8	1.6	2.8	1.7	1.2	1.1	.9	.9	1.0	.8	1.6	1.6



Chain-type quantity index.....	112.02	116.42	120.94	120.09	121.17	122.95	124.26	124.97
Chain-type price index.....	109.54	111.57	112.71	112.57	112.85	113.08	113.53	113.98
Implicit price deflator.....	109.53	111.57	112.70	112.56	112.84	113.07	113.52	113.97
<b>Personal consumption expenditures:</b>								
Chain-type quantity index.....	112.62	116.44	122.12	121.58	122.80	124.32	126.36	127.61
Chain-type price index.....	109.75	111.81	112.70	112.55	112.84	113.14	113.48	114.19
<b>Durable goods:</b>								
Chain-type quantity index.....	128.16	136.86	150.87	149.30	150.18	158.64	163.53	165.77
Chain-type price index.....	102.75	100.66	98.33	98.72	97.98	97.35	96.53	96.01
<b>Nondurable goods:</b>								
Chain-type quantity index.....	109.77	112.44	116.81	116.57	117.19	118.41	121.12	122.01
Chain-type price index.....	106.08	107.69	107.66	107.41	107.80	108.06	108.43	109.83
<b>Services:</b>								
Chain-type quantity index.....	111.09	114.61	119.51	118.98	120.56	121.07	122.30	123.56
Chain-type price index.....	113.32	116.61	118.80	118.55	119.05	119.61	120.26	120.91
<b>Gross private domestic fixed investment:</b>								
Chain-type quantity index.....	134.10	145.25	161.82	161.36	162.23	167.35	171.56	175.33
Chain-type price index.....	104.68	104.45	103.20	103.33	102.91	102.76	102.56	102.48
<b>Nonresidential:</b>								
Chain-type quantity index.....	139.21	154.04	172.21	172.15	171.84	177.79	181.44	186.15
Chain-type price index.....	101.46	100.15	97.71	98.12	97.21	96.61	96.12	95.75
<b>Residential:</b>								
Chain-type quantity index.....	122.32	125.36	138.34	137.05	140.31	143.68	148.93	150.79
Chain-type price index.....	113.03	115.96	118.42	117.71	118.77	120.00	120.66	121.48
<b>Exports of goods and services:</b>								
Chain-type quantity index.....	134.50	151.70	154.00	152.03	150.96	157.89	155.85	157.59
Chain-type price index.....	101.60	99.53	97.39	97.68	96.98	96.75	96.61	96.55
<b>Imports of goods and services:</b>								
Chain-type quantity index.....	145.19	165.35	182.81	181.97	183.02	188.30	194.35	198.91
Chain-type price index.....	99.36	95.72	90.69	90.98	89.87	89.84	89.09	89.97
<b>Government consumption expenditures and gross investment:</b>								
Chain-type quantity index.....	100.35	101.68	102.63	102.45	102.84	103.69	104.76	104.45
Chain-type price index.....	110.80	113.20	114.66	114.39	114.82	115.25	116.13	116.98
<b>Federal:</b>								
Chain-type quantity index.....	88.19	86.75	85.86	86.00	85.71	87.24	86.81	86.12
Chain-type price index.....	111.35	113.58	114.83	114.66	114.77	115.21	117.05	117.28
<b>State and local:</b>								
Chain-type quantity index.....	109.09	112.42	114.68	114.28	115.16	115.52	117.67	117.64
Chain-type price index.....	110.48	112.96	114.55	114.23	114.83	115.25	115.61	116.79
<b>Addenda:</b>								
<b>Final sales of domestic product:</b>								
Chain-type quantity index.....	111.61	115.49	120.10	119.54	120.36	122.31	123.70	124.67
Chain-type price index.....	109.59	111.66	112.84	112.69	112.99	113.22	113.68	114.14
Implicit price deflator.....	109.59	111.66	112.82	112.67	112.97	113.20	113.66	114.12
<b>Gross domestic purchases:</b>								
Chain-type quantity index.....	113.18	117.89	123.78	123.03	124.30	125.94	127.95	128.90
Chain-type price index.....	109.18	110.92	111.54	111.42	111.60	111.84	112.18	112.76
Implicit price deflator.....	109.18	110.92	111.54	111.42	111.60	111.85	112.18	112.76
<b>Final sales to domestic purchasers:</b>								
Chain-type quantity index.....	112.78	116.97	122.95	122.49	123.50	125.30	127.39	128.61
Chain-type price index.....	109.24	111.00	111.66	111.53	111.72	111.97	112.31	112.91
Implicit price deflator.....	109.23	111.00	111.65	111.52	111.71	111.96	112.30	112.90
<b>Gross national product:</b>								
Chain-type quantity index.....	112.04	116.16	120.50	119.67	120.64	122.51	123.83	.....
Chain-type price index.....	109.51	111.51	112.65	112.51	112.79	113.01	113.46	.....
Implicit price deflator.....	109.50	111.52	112.64	112.50	112.78	113.01	113.45	.....

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

Table 6.--Real Gross Domestic Product: Historical Perspective  
[Percent change from preceding year]

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Gross domestic product (GDP)....	4.0	7.0	3.6	3.1	2.9	3.8	3.4	1.2	- .9	2.7	2.3	3.5	2.3	3.4	3.9	3.9
Personal consumption expenditures.....	5.2	5.2	4.7	4.0	3.1	3.9	2.3	1.7	- .6	2.8	2.9	3.3	2.7	3.2	3.4	4.9
Durable goods.....	14.7	14.5	9.7	9.0	1.5	6.3	2.6	- .6	-6.4	5.8	7.2	7.1	5.0	6.3	6.8	10.2
Nondurable goods.....	2.9	3.5	2.3	3.2	1.9	2.8	2.3	1.0	-1.0	1.5	2.2	2.9	2.0	2.4	2.4	3.9



the rest of the world.....	223.1	273.5	289.6	289.3	292.1	291.9	294.6	.....
Equals: Gross national product.....	7,674.0	8,102.9	8,490.5	8,421.8	8,510.9	8,660.0	8,788.4	.....
Less: Consumption of fixed capital.....	832.0	871.8	908.0	902.3	912.3	923.0	931.9	942.5
Less: Indirect business tax and nontax liability.....	606.4	627.2	655.3	647.7	656.5	675.1	673.6	682.3
Less: Business transfer payments.....	33.8	35.1	36.1	36.0	36.3	36.4	36.4	36.8
Less: Statistical discrepancy.....	-32.2	-55.8	-76.5	-85.7	-102.0	-64.2	-93.1	.....
Plus: Subsidies less current surplus of government enterprises.....	22.0	21.9	27.1	23.9	24.6	36.3	25.5	31.5
Equals: National income.....	6,256.0	6,646.5	6,994.7	6,945.5	7,032.3	7,126.0	7,265.2	.....
Compensation of employees.....	4,409.0	4,687.2	4,981.0	4,945.2	5,011.6	5,084.3	5,166.5	5,235.9
Wage and salary accruals.....	3,640.4	3,893.6	4,153.9	4,121.6	4,181.1	4,246.8	4,317.0	4,377.2
Supplements to wages and salaries.....	768.6	793.7	827.1	823.5	830.5	837.5	849.6	858.6
Proprietors' income with inventory valuation and capital consumption adjustments.....	527.7	551.2	577.2	571.7	576.1	596.9	598.3	609.9
Rental income of persons with capital consumption adjustment.....	150.2	158.2	162.6	161.0	163.6	167.5	167.7	171.0
Corporate profits with inventory valuation and capital consumption adjustments.....	750.4	817.9	824.6	820.6	827.0	821.7	868.8	.....
Net interest.....	418.6	432.0	449.3	447.1	454.0	455.6	463.9	.....
Addendum								
Gross domestic income.....	7,693.8	8,166.7	8,587.5	8,526.3	8,639.9	8,745.4	8,901.8	.....

Table 9.--Personal Income and Its Disposition  
[Billions of dollars]

	1996	1997	1998	Seasonally adjusted at annual rates				
				II 98	III 98	IV 98	I 99	II 99
Personal income\1\.....	6,425.2	6,784.0	7,126.1	7,081.9	7,160.8	7,257.9	7,349.3	7,442.5
Wage and salary disbursements.....	3,631.1	3,889.8	4,149.9	4,117.6	4,177.1	4,242.8	4,317.0	4,377.2
Other labor income.....	387.0	392.9	406.9	405.7	408.4	411.0	414.7	419.6
Proprietors' income with inventory valuation and capital consumption adjustments.....	527.7	551.2	577.2	571.7	576.1	596.9	598.3	609.9
Farm.....	38.9	35.5	28.7	27.7	25.2	34.7	22.5	24.0
Nonfarm.....	488.8	515.8	548.5	544.0	550.9	562.2	575.8	585.9
Rental income of persons with capital consumption adjustment.....	150.2	158.2	162.6	161.0	163.6	167.5	167.7	171.0
Personal dividend income.....	248.2	260.3	263.1	262.1	263.0	265.7	268.8	272.7
Personal interest income.....	719.4	747.3	764.8	763.0	769.2	769.9	771.0	777.8
Transfer payments to persons.....	1,068.0	1,110.4	1,149.0	1,145.8	1,152.9	1,158.3	1,175.2	1,182.0
Less: Personal contributions for social insurance.....	306.3	326.2	347.4	345.1	349.5	354.1	363.4	367.7
Less: Personal tax and nontax payments.....	890.5	989.0	1,098.3	1,092.9	1,108.4	1,124.9	1,144.1	1,162.1
Equals: Disposable personal income.....	5,534.7	5,795.1	6,027.9	5,988.9	6,052.4	6,133.1	6,205.2	6,280.4
Less: Personal outlays.....	5,376.2	5,674.1	6,000.2	5,963.3	6,039.8	6,133.6	6,250.7	6,351.1
Equals: Personal saving.....	158.5	121.0	27.7	25.6	12.6	-.6	-45.5	-70.7
Addenda:								
Disposable personal income, billions of chained (1992) dollars\2\.....	5,043.0	5,183.1	5,348.5	5,321.5	5,364.1	5,421.2	5,468.2	5,500.4
Personal saving as a percentage of disposable personal income.....	2.9	2.1	.5	.4	.2	.0	-.7	-1.1

1. Personal income is also equal to national income less corporate profits with inventory valuation and capital consumption adjustments, net interest, contributions for social insurance, and wage accruals less disbursements, plus personal interest income, personal dividend income, government transfer payments to persons, and business transfer payments to persons.

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

Appendix Table A.--Real Gross Domestic Product and Related Aggregates and Price Indexes: Percent Change From Preceding Period  
[Percent; quarters seasonally adjusted at annual rates]

	1996	1997	1998	III 95	IV 95	I 96	II 96	III 96	IV 96	I 97	II 97	III 97	IV 97	I 98	II 98	III 98	IV 98	I 99	II 99
GDP and related aggregates:																			
GDP.....	3.4	3.9	3.9	3.3	2.8	3.3	6.1	2.1	4.2	4.2	4.0	4.2	3.0	5.5	1.8	3.7	6.0	4.3	2.3
Goods.....	4.5	5.9	5.0	4.9	5.9	3.7	7.1	4.3	3.8	8.7	6.0	5.4	3.8	12.0	-4.1	3.4	12.0	4.0	2.0
Services.....	2.4	2.6	3.1	2.4	.5	2.5	4.2	.9	3.9	1.1	3.5	3.4	2.6	1.4	5.6	3.4	2.4	2.8	3.0
Structures.....	5.6	4.1	4.0	3.0	3.9	7.1	13.4	.5	8.1	5.5	-1.6	4.5	1.7	5.3	4.5	6.2	4.8	15.4	-1.0
Motor vehicle output.....	-.4	5.9	3.4	-9.3	27.4	-31.6	54.8	-7.7	-9.1	13.2	-6.3	27.2	15.2	-8.6	-11.2	-11.2	87.7	-18.7	8.9

GDP less motor vehicle output.....	3.6	3.9	3.9	3.8	1.9	5.0	4.6	2.5	4.8	3.9	4.4	3.4	2.5	6.1	2.3	4.2	3.8	5.3	2.0
Final sales of computers\1\.....	63.1	55.3	62.5	61.2	82.2	71.6	44.7	73.9	34.0	43.1	85.9	74.4	27.7	68.3	65.3	91.3	46.6	24.2	27.9
GDP less final sales of computers.	2.9	3.4	3.3	2.9	2.1	2.7	5.6	1.5	3.9	3.8	3.2	3.6	2.7	5.0	1.2	2.9	5.6	4.1	2.0
Farm product\2\.....	9.1	14.9	2.4	-27.0	21.6	30.7	10.8	1.9	14.9	36.4	13.6	13.6	-19.1	10.8	1.0	10.1	.5	-.4	10.2
Nonfarm business less housing product\3\.....	4.1	4.5	4.7	5.2	3.2	4.2	6.6	2.2	5.0	4.5	4.5	4.9	4.1	7.1	1.7	4.0	7.5	5.0	2.4
Price indexes:																			
GDP.....	1.9	1.9	1.0	1.9	2.0	2.2	1.4	1.8	1.6	2.8	1.7	1.2	1.1	.9	.9	1.0	.8	1.6	1.6
GDP less food and energy.....	1.7	1.9	1.1	1.5	2.1	2.0	.8	1.9	2.0	2.7	1.8	1.0	1.2	1.2	.9	1.0	1.0	1.5	1.6
Gross domestic purchases.....	1.8	1.6	.6	1.6	1.8	2.1	1.4	1.5	2.1	2.2	.9	1.1	1.0	-.2	.4	.7	.9	1.2	2.1
Gross domestic purchases less food and energy.....	1.5	1.6	.9	1.7	1.9	1.7	.6	1.5	1.6	2.2	1.7	.9	1.0	.7	.7	.7	1.1	1.3	1.4
Gross domestic purchases less computers.....	2.2	2.0	1.1	2.0	2.2	2.6	1.8	1.9	2.5	2.7	1.3	1.5	1.4	.4	1.0	1.3	1.4	1.7	2.5
Personal consumption expenditures.	2.0	1.9	.8	1.8	1.6	2.2	2.5	1.5	2.5	2.5	1.1	1.3	1.1	.0	.9	1.0	1.1	1.2	2.5
Personal consumption expenditures less food and energy.....	1.8	1.8	1.2	2.0	1.8	1.6	1.7	1.3	1.9	2.4	2.2	1.0	1.0	1.1	1.3	1.1	1.3	1.3	1.6

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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 product of farm of housing, of households and institutions, and of general government.
- See "Explanatory Note" at the end of the tables.

### Explanatory Note: Measures of Output and Prices

This note describes the chain-type quantity and price indexes that, in combination with the current-dollar estimates, provide users with the basic data series from which all other analytical tables and presentations of GDP are derived.

Changes in current-dollar GDP measure changes in the market value of goods, services, and structures produced in the economy in a particular period. For many purposes, it is necessary to decompose these changes into quantity and

price components. Prices are expressed as index numbers with the base period at present, the year 1992--equal to 100. Quantities, or "real" measures, are expressed as index numbers with the base period (1992) equal to 100. (The current-dollar values and price indexes for most GDP components are determined largely using data from federal government surveys. The real values (expressed with 1992 as the base period) of these components are calculated by deflation at the most detailed level for which all the required data are available by dividing the current-dollar value of the component by its price index, where the price index uses 1992 as the base period.)

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Similar formulas are used to calculate the quarterly indexes for the most recent quarters, called the "tail" period and for the indexes for the other quarters, called the "historical period.") For example, the 1996-97 annual percent change in real GDP uses prices for 1996 and 1997 as weights, and the 1996-97 annual percent change in price uses quantities for 1996 and 1997 as weights. These annual changes are "chained" (multiplied) together to form time series of quantity and price. Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias associated with changes in quantities and prices calculated using a fixed-weighted formula. The Fisher formula also produces changes in quantities and prices that are not affected by the choice of base periods. In addition, because the changes in quantities and prices calculated in this way are symmetric, in general, the product of a quantity index and the corresponding price index equals the current-dollar index. (BEA also publishes a measure of the price level, known as the "implicit price deflator (IPD)," which is calculated as the ratio of 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 for all periods.)

Chain-type quantity and price indexes for GDP and its major components are presented in this release as index numbers in table 5 and in the form of percentage changes from the preceding period in tables 1, 4, 6A, and 6B. Contributions by major components to changes in real GDP are presented in table 2. BEA also prepares measures of real GDP and its components in a dollar-denominated form, designated "chained (1992) dollar estimates." For GDP and most other series, these estimates, which are presented in table 3, are computed by multiplying the 1992 current-dollar value by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 1992 and if real output for this component increased 10 percent in 1993, then the chained (1992) dollar value of this component in 1993 would be \$110 ( $\$100 \times 1.10$ ).

For analyses of changes over time in an aggregate or in a component, the percentage changes calculated from the chained-dollar estimates and from the chain-type quantity indexes are the same; any differences will be small and due to rounding. However, because the relative prices used as weights for any period other than the base period differ from those used for the base period, the chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP or to any intermediate aggregate. A measure of the extent of such differences is provided by a "residual" line, which indicates the difference between GDP (or an other major aggregate) and the sum of the most detailed components in the table. For periods close to the base year, when there usually has not been much change in the relative prices that are used as weights for the chain-type index, the residuals tend to be small, and the chained (1992) dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. As one moves further from the base period, the residual tends to become larger, and the chained-dollar estimates become less useful for analyses of contributions to growth. In particular, for components for which relative prices are changing rapidly, these calculations may be misleading even just a few years from the base year. In such cases, table 2 on contributions provides a better basis for determining the composition of GDP growth than the chained-dollar estimates.

References: "A Guide to the NIPA's," March 1998 Survey of Current Business (SCB) pp. 36-40.

"BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth," May 1997 SCB, pp. 58-68.