



# NEWS RELEASE



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## **GROSS DOMESTIC PRODUCT: SECOND QUARTER 2014 (THIRD ESTIMATE) CORPORATE PROFITS: SECOND QUARTER 2014 (REVISED ESTIMATE)**

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 4.6 percent in the second quarter of 2014, according to the "third" estimate released by the Bureau of Economic Analysis. In the first quarter, real GDP decreased 2.1 percent.

The GDP estimate released today is based on more complete source data than were available for the "second" estimate issued last month. In the second estimate, the increase in real GDP was 4.2 percent. With the third estimate for the second quarter, the general picture of economic growth remains the same; increases in nonresidential fixed investment and in exports were larger than previously estimated (for more information, see "Revisions" on page 3).

The increase in real GDP in the second quarter primarily reflected positive contributions from personal consumption expenditures (PCE), exports, private inventory investment, nonresidential fixed investment, state and local government spending, and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

Real GDP increased 4.6 percent in the second quarter, after decreasing 2.1 percent in the first. This upturn in the percent change in real GDP primarily reflected upturns in exports and in private inventory investment, accelerations in nonresidential fixed investment and in PCE, and upturns in state and local government spending and in residential fixed investment that were partly offset by an acceleration in imports.

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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 (2009) dollars. Price indexes are chain-type measures.

This news release is available on [BEA's Web site](#) along with the [Technical Note](#) and [Highlights](#) related to this release. For information on revisions, see "[The Revisions to GDP, GDI, and Their Major Components](#)."

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 2.0 percent in the second quarter, 0.1 percentage point more than in the second estimate; this index increased 1.4 percent in the first quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 1.7 percent, compared with an increase of 1.3 percent.

Real personal consumption expenditures increased 2.5 percent in the second quarter, compared with an increase of 1.2 percent in the first. Durable goods increased 14.1 percent, compared with an increase of 3.2 percent. Nondurable goods increased 2.2 percent; it was unchanged in the first quarter. Services increased 0.9 percent, compared with an increase of 1.3 percent.

Real nonresidential fixed investment increased 9.7 percent in the second quarter, compared with an increase of 1.6 percent in the first. Investment in nonresidential structures increased 12.6 percent, compared with an increase of 2.9 percent. Investment in equipment increased 11.2 percent, in contrast to a decrease of 1.0 percent. Investment in intellectual property products increased 5.5 percent, compared with an increase of 4.6 percent. Real residential fixed investment increased 8.8 percent, in contrast to a decrease of 5.3 percent.

Real exports of goods and services increased 11.1 percent in the second quarter, in contrast to a decrease of 9.2 percent in the first. Real imports of goods and services increased 11.3 percent, compared with an increase of 2.2 percent.

Real federal government consumption expenditures and gross investment decreased 0.9 percent in the second quarter, compared with a decrease of 0.1 percent in the first. National defense increased 0.9 percent, in contrast to a decrease of 4.0 percent. Nondefense decreased 3.8 percent, in contrast to an increase of 6.6 percent. Real state and local government consumption expenditures and gross investment increased 3.4 percent, in contrast to a decrease of 1.3 percent.

The change in real private inventories added 1.42 percentage points to the second-quarter change in real GDP after subtracting 1.16 percentage points from the first-quarter change. Private businesses increased inventories \$84.8 billion in the second quarter, following increases of \$35.2 billion in the first quarter and \$81.8 billion in the fourth.

Real final sales of domestic product -- GDP less change in private inventories -- increased 3.2 percent in the second quarter, in contrast to a decrease of 1.0 percent in the first.

### **Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 4.8 percent in the second quarter, in contrast to a decrease of 0.4 percent in the first.

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## Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 4.6 percent in the second quarter, in contrast to a decrease of 2.8 percent in the first. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$1.4 billion in the second quarter, in contrast to a decrease of \$27.4 billion in the first; in the second quarter, receipts increased \$1.7 billion, and payments increased \$0.4 billion.

## Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 6.8 percent, or \$284.2 billion, in the second quarter to a level of \$17,328.2 billion. In the first quarter, current-dollar GDP decreased 0.8 percent, or \$34.3 billion.

## Gross domestic income

Real gross domestic income (GDI), which measures the output of the economy as the costs incurred and the incomes earned in the production of GDP, increased 5.2 percent in the second quarter, in contrast to a decrease of 0.8 percent in the first. For a given quarter, the estimates of GDP and GDI may differ for a variety of reasons, including the incorporation of largely independent source data. However, over longer time spans, the estimates of GDP and GDI tend to follow similar patterns of change.

## Revisions

The upward revision to the percent change in real GDP primarily reflected upward revisions to nonresidential fixed investment and to exports.

	<u>Advance Estimate</u>	<u>Second Estimate</u>	<u>Third Estimate</u>
	(Percent change from preceding quarter)		
Real GDP.....	4.0	4.2	4.6
Current-dollar GDP.....	6.0	6.4	6.8
Real GDI.....	...	4.7	5.2
Gross domestic purchases price index...	1.9	1.9	2.0

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## **Corporate Profits**

### **Profits from current production**

Profits from current production (corporate profits with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj)) increased \$164.1 billion in the second quarter, in contrast to a decrease of \$201.7 billion in the first.

Profits of domestic financial corporations increased \$33.3 billion in the second quarter, in contrast to a decrease of \$86.2 billion in the first. Profits of domestic nonfinancial corporations increased \$134.3 billion, in contrast to a decrease of \$89.6 billion. The rest-of-the-world component of profits decreased \$3.6 billion in the second quarter, compared with a decrease of \$26.0 billion in the first. This measure is calculated as the difference between receipts from the rest of the world and payments to the rest of the world. In the second quarter, receipts increased \$2.7 billion and payments increased \$6.3 billion.

Taxes on corporate income increased \$45.7 billion in the second quarter, compared with an increase of \$66.9 billion in the first. Profits after tax with IVA and CCAdj increased \$118.4 billion, in contrast to a decrease of \$268.6 billion.

Dividends decreased \$0.5 billion in the second quarter, compared with a decrease of \$89.5 billion in the first. Undistributed profits increased \$118.8 billion, in contrast to a decrease of \$178.9 billion. Net cash flow with IVA -- the internal funds available to corporations for investment -- increased \$133.4 billion, in contrast to a decrease of \$163.0 billion.

The IVA and CCAdj are adjustments that convert inventory withdrawals and depreciation of fixed assets reported on a tax-return, historical-cost basis to the current-cost economic measures used in the national income and product accounts. IVA increased \$11.9 billion in the second quarter, in contrast to a decrease of \$21.6 billion. CCAdj decreased \$0.8 billion in the second quarter, compared with a decrease of \$195.7 billion.

### **Corporate profits with IVA**

Profits of domestic financial corporations increased \$33.7 billion in the second quarter, in contrast to a decrease of \$68.6 billion in the first. Profits of domestic nonfinancial corporations increased \$134.7 billion, compared with an increase of \$88.5 billion. The increase in profits of financial corporations reflected increases in "other" financial industries and in Federal Reserve banks. The increase in profits of nonfinancial corporations was widespread; the largest industry contributors were manufacturing, information, and "other" nonfinancial. Within manufacturing, the largest increases were in nondurable goods industries.

### **Gross value added of nonfinancial domestic corporate business**

In the second quarter, real gross value added of nonfinancial corporations increased, and profits per unit of real value added increased. The increase in unit profits reflected decreases in unit nonlabor and labor costs incurred by corporations and an increase in unit prices.

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Next release -- October 30, 2014 at 8:30 A.M. EDT for:  
Gross Domestic Product: Third Quarter 2014 (Advance Estimate)

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

Line		2011	2012	2013	Seasonally adjusted at annual rates																Line
					2010		2011				2012				2013				2014		
					III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II <sup>r</sup>	
1	<b>Gross domestic product (GDP) .....</b>	1.6	2.3	2.2	2.7	2.5	-1.5	2.9	0.8	4.6	2.3	1.6	2.5	0.1	2.7	1.8	4.5	3.5	-2.1	4.6	1
2	<b>Personal consumption expenditures .....</b>	2.3	1.8	2.4	2.6	4.2	2.0	0.8	1.8	1.4	2.8	1.3	1.9	1.9	3.6	1.8	2.0	3.7	1.2	2.5	2
3	Goods .....	3.1	2.8	3.4	3.8	7.6	2.9	-0.8	0.9	3.9	4.7	1.3	3.2	2.9	5.9	1.3	3.5	3.7	1.0	5.9	3
4	Durable goods .....	6.1	7.3	6.7	6.7	12.9	5.2	-2.6	5.2	12.0	10.7	2.3	8.0	9.1	8.5	4.5	4.9	5.7	3.2	14.1	4
5	Nondurable goods .....	1.8	0.7	1.9	2.5	5.2	1.9	0.1	-1.0	0.5	2.0	0.8	1.1	0.1	4.8	-0.2	2.8	2.7	0.0	2.2	5
6	Services .....	1.8	1.3	1.9	2.0	2.5	1.6	1.6	2.2	0.1	1.8	1.3	1.3	1.4	2.4	2.0	1.3	3.7	1.3	0.9	6
7	<b>Gross private domestic investment .....</b>	5.2	9.2	4.9	13.7	-3.5	-7.2	16.4	1.1	32.1	6.9	5.8	1.6	-5.3	7.6	6.9	16.8	3.8	-6.9	19.1	7
8	Fixed investment .....	6.3	8.3	4.7	-0.4	8.5	-0.9	8.2	17.3	9.9	9.1	4.4	3.1	6.6	2.7	4.9	6.6	6.3	0.2	9.5	8
9	Nonresidential .....	7.7	7.2	3.0	8.3	8.6	-0.9	8.8	19.4	9.5	5.8	4.4	0.8	3.6	1.5	1.6	5.5	10.4	1.6	9.7	9
10	Structures .....	2.3	13.1	-0.5	-5.8	7.7	-27.1	30.6	25.6	13.8	18.7	10.5	-1.4	-6.7	-11.5	7.3	11.2	12.8	2.9	12.6	10
11	Equipment .....	13.6	6.8	4.6	18.0	11.8	12.1	4.4	27.7	9.4	3.6	1.0	0.7	8.1	4.8	1.5	4.7	14.1	-1.0	11.2	11
12	Intellectual property products .....	3.6	3.9	3.4	6.1	5.0	1.4	3.2	5.1	6.8	0.7	5.1	2.6	5.1	6.5	-2.0	2.8	3.6	4.6	5.5	12
13	Residential .....	0.5	13.5	11.9	-30.7	7.9	-0.8	5.4	8.1	11.7	25.5	4.3	14.1	20.4	7.8	19.0	11.2	-8.5	-5.3	8.8	13
14	Change in private inventories .....																				14
15	<b>Net exports of goods and services .....</b>																				15
16	Exports .....	6.9	3.3	3.0	11.8	12.8	2.1	6.2	4.3	4.1	1.3	4.8	2.1	1.5	-0.8	6.3	5.1	10.0	-9.2	11.1	16
17	Goods .....	6.5	3.7	2.8	8.9	12.0	2.8	5.0	3.4	8.1	1.5	5.3	2.0	-3.1	-0.9	8.3	5.7	13.6	-11.9	14.3	17
18	Services .....	7.6	2.4	3.6	18.6	14.7	0.6	9.3	6.2	-4.7	0.9	3.7	2.3	12.7	-0.8	2.0	3.6	2.3	-2.8	4.0	18
19	Imports .....	5.5	2.3	1.1	14.9	2.6	3.1	3.0	3.3	4.5	1.7	4.0	-0.6	-3.5	-0.3	8.5	0.6	1.3	2.2	11.3	19
20	Goods .....	5.8	2.1	0.9	15.4	2.7	5.3	0.8	2.2	5.5	2.0	4.0	-1.1	-4.8	0.5	8.5	0.1	0.9	2.5	12.5	20
21	Services .....	4.0	3.4	2.2	12.3	1.9	-7.4	15.3	8.7	0.0	0.8	4.0	2.4	3.4	-4.1	8.5	2.8	3.5	1.0	5.6	21
22	<b>Government consumption expenditures and gross investment .....</b>	-3.0	-1.4	-2.0	-0.3	-4.1	-7.5	-0.4	-2.5	-1.6	-2.7	-0.4	2.7	-6.0	-3.9	0.2	0.2	-3.8	-0.8	1.7	22
23	Federal .....	-2.7	-1.8	-5.7	3.7	-2.7	-10.6	1.6	-4.0	-2.6	-3.0	-0.9	7.5	-13.0	-9.9	-3.5	-1.2	-10.4	-0.1	-0.9	23
24	National defense .....	-2.3	-3.3	-6.6	7.6	-3.5	-14.0	6.7	1.9	-9.5	-7.4	-1.3	11.9	-20.1	-10.9	-2.1	0.4	-11.4	-4.0	0.9	24
25	Nondefense .....	-3.4	1.0	-4.1	-2.8	-1.2	-4.3	-6.9	-14.0	11.4	5.3	-0.4	0.4	0.6	-8.2	-5.8	-3.9	-8.6	6.6	-3.8	25
26	State and local .....	-3.3	-1.2	0.5	-3.1	-5.0	-5.3	-1.8	-1.4	-0.8	-2.6	0.0	-0.6	-0.8	0.3	2.7	1.1	0.6	-1.3	3.4	26
<b>Addenda:</b>																					
27	Final sales of domestic product .....	1.7	2.2	2.2	0.8	4.2	-0.6	1.9	3.0	1.8	2.5	1.4	2.7	1.9	2.0	1.5	3.0	3.9	-1.0	3.2	27
28	Gross domestic purchases .....	1.6	2.2	1.9	3.4	1.4	-1.2	2.5	0.8	4.6	2.3	1.6	2.0	-0.7	2.7	2.2	3.8	2.3	-0.4	4.8	28
29	Final sales to domestic purchasers .....	1.7	2.1	1.9	1.6	3.0	-0.4	1.5	2.9	1.9	2.5	1.4	2.2	1.0	2.0	1.9	2.3	2.7	0.7	3.4	29
30	Gross domestic income (GDI) <sup>1</sup> .....	2.2	3.4	2.2	5.3	1.8	0.5	1.9	2.6	3.3	7.2	0.6	1.3	4.2	1.4	2.7	1.9	1.8	-0.8	5.2	30
31	Gross national product (GNP) .....	1.8	2.1	2.2	2.5	2.9	-1.2	2.9	1.4	4.9	1.3	1.4	2.1	0.3	2.3	1.9	4.8	3.7	-2.8	4.6	31
32	Disposable personal income .....	2.5	3.0	-0.2	2.0	2.8	5.0	-0.6	2.1	0.2	6.8	2.3	-0.4	11.8	-12.6	3.8	2.0	0.2	3.4	4.4	32
<b>Current-dollar measures:</b>																					
33	GDP .....	3.7	4.2	3.7	4.6	4.7	0.2	6.0	3.3	5.2	4.4	3.5	4.4	1.6	4.2	2.9	6.2	5.0	-0.8	6.8	33
34	Final sales of domestic product .....	3.8	4.0	3.7	2.7	6.4	1.2	5.0	5.4	2.3	4.7	3.2	4.9	3.2	3.4	2.7	4.7	5.5	0.4	5.4	34
35	Gross domestic purchases .....	4.0	3.9	3.3	4.8	3.7	1.7	6.4	2.8	5.7	4.7	2.7	3.1	1.2	4.1	2.9	5.5	3.7	0.9	6.9	35
36	Final sales to domestic purchasers .....	4.2	3.8	3.2	2.9	5.3	2.7	5.4	4.8	2.9	5.0	2.5	3.5	2.8	3.3	2.7	4.1	4.2	2.1	5.5	36
37	GDI .....	4.3	5.2	3.7	7.3	3.9	2.3	4.9	5.1	3.9	9.5	2.5	3.2	5.7	2.9	3.8	3.6	3.3	0.6	7.5	37
38	GNP .....	3.9	4.0	3.7	4.4	5.0	0.5	6.0	3.9	5.5	3.5	3.2	4.0	1.8	3.8	3.0	6.5	5.2	-1.5	6.8	38
39	Disposable personal income .....	5.0	4.9	1.0	3.2	5.0	8.2	3.5	4.3	1.6	9.1	3.7	0.9	13.8	-11.7	4.3	3.7	1.2	4.8	6.8	39

<sup>r</sup> Revised

1. Gross domestic income deflated by the implicit price deflator for gross domestic product. See "Explanatory Note" at the end of the tables.







**Table 3. Gross Domestic Product: Level and Change From Preceding Period—Table Ends**

Line		Billions of dollars						Billions of chained (2009) dollars									Line
		2013	Seasonally adjusted at annual rates					2013	Seasonally adjusted at annual rates					Change from preceding period			
			2013			2014			2013			2014		2013	2014		
			II	III	IV	I	II <sup>r</sup>		II	III	IV	I	II <sup>r</sup>		I	II <sup>r</sup>	
52	<b>Government consumption expenditures and gross investment .....</b>	<b>3,143.9</b>	<b>3,142.4</b>	<b>3,154.7</b>	<b>3,142.7</b>	<b>3,139.1</b>	<b>3,163.1</b>	<b>2,894.5</b>	<b>2,901.2</b>	<b>2,902.4</b>	<b>2,874.5</b>	<b>2,868.5</b>	<b>2,880.6</b>	<b>-59.4</b>	<b>-6.0</b>	<b>12.1</b>	52
53	<b>Federal .....</b>	<b>1,231.5</b>	<b>1,234.1</b>	<b>1,233.9</b>	<b>1,216.2</b>	<b>1,208.1</b>	<b>1,210.5</b>	<b>1,145.3</b>	<b>1,152.2</b>	<b>1,148.7</b>	<b>1,117.8</b>	<b>1,117.4</b>	<b>1,114.9</b>	<b>-69.1</b>	<b>-0.4</b>	<b>-2.5</b>	53
54	National defense .....	769.9	772.2	774.9	757.5	749.9	754.6	717.7	721.8	722.6	701.0	693.9	695.4	-51.0	-7.1	1.5	54
55	Consumption expenditures.....	616.4	618.8	621.1	605.5	610.5	610.4	571.8	575.6	576.4	557.4	562.3	559.5	-36.8	4.9	-2.8	55
56	Gross investment .....	153.5	153.4	153.8	152.0	139.4	144.2	145.7	145.9	145.9	143.4	131.1	135.5	-14.3	-12.3	4.4	56
57	Nondefense.....	461.6	461.9	459.0	458.7	458.2	455.9	427.5	430.4	426.1	416.7	423.4	419.4	-18.2	6.7	-4.0	57
58	Consumption expenditures.....	346.6	346.4	344.6	345.6	346.7	345.1	318.2	320.4	317.4	309.7	317.7	314.7	-12.1	8.0	-3.0	58
59	Gross investment .....	115.0	115.5	114.4	113.1	111.6	110.8	109.3	110.0	108.7	107.0	105.5	104.5	-6.0	-1.5	-1.0	59
60	<b>State and local .....</b>	<b>1,912.4</b>	<b>1,908.3</b>	<b>1,920.7</b>	<b>1,926.5</b>	<b>1,931.0</b>	<b>1,952.6</b>	<b>1,748.4</b>	<b>1,748.3</b>	<b>1,753.0</b>	<b>1,755.7</b>	<b>1,750.2</b>	<b>1,764.7</b>	<b>8.9</b>	<b>-5.5</b>	<b>14.5</b>	60
61	Consumption expenditures .....	1,584.5	1,579.7	1,590.2	1,594.9	1,607.4	1,616.6	1,444.7	1,443.0	1,447.6	1,451.1	1,454.1	1,458.4	17.7	3.0	4.3	61
62	Gross investment .....	327.8	328.5	330.5	331.6	323.6	336.1	302.8	304.5	304.6	303.7	295.2	305.4	-9.0	-8.5	10.2	62
63	Residual.....							-44.0	-46.8	-42.4	-43.3	-45.6	-50.7				63
	<b>Addenda:</b>																
64	Final sales of domestic product .....	16,694.0	16,568.4	16,761.6	16,987.8	17,003.9	17,228.0	15,636.7	15,555.5	15,671.0	15,820.7	15,782.6	15,905.9	332.4	-38.1	123.3	64
65	Gross domestic purchases .....	17,276.2	17,151.2	17,382.2	17,541.2	17,582.0	17,877.5	16,131.0	16,054.5	16,205.0	16,298.6	16,280.4	16,473.2	306.4	-18.2	192.8	65
66	Final sales to domestic purchasers .....	17,202.2	17,100.4	17,271.5	17,450.6	17,541.8	17,777.2	16,057.9	16,003.8	16,096.7	16,203.6	16,231.7	16,369.1	297.8	28.1	137.4	66
67	<b>Gross domestic product .....</b>	<b>16,768.1</b>	<b>16,619.2</b>	<b>16,872.3</b>	<b>17,078.3</b>	<b>17,044.0</b>	<b>17,328.2</b>	<b>15,710.3</b>	<b>15,606.6</b>	<b>15,779.9</b>	<b>15,916.2</b>	<b>15,831.7</b>	<b>16,010.4</b>	<b>341.1</b>	<b>-84.5</b>	<b>178.7</b>	67
68	Plus: Income receipts from the rest of the world.....	810.4	804.4	814.2	831.8	822.6	828.5	690.0	687.0	692.2	704.4	694.2	695.9	5.8	-10.2	1.7	68
69	Less: Income payments to the rest of the world .....	586.1	589.5	583.4	588.9	611.6	615.0	498.9	503.4	495.9	498.5	515.6	516.0	10.9	17.1	0.4	69
70	<b>Equals: Gross national product .....</b>	<b>16,992.4</b>	<b>16,834.0</b>	<b>17,103.1</b>	<b>17,321.2</b>	<b>17,255.0</b>	<b>17,541.7</b>	<b>15,902.4</b>	<b>15,790.6</b>	<b>15,977.6</b>	<b>16,124.3</b>	<b>16,009.8</b>	<b>16,189.8</b>	<b>335.1</b>	<b>-114.5</b>	<b>180.0</b>	70
71	Net domestic product.....	14,140.8	14,006.4	14,232.1	14,407.8	14,345.3	14,606.0	13,203.2	13,106.3	13,266.3	13,389.0	13,291.4	13,456.2	290.9	-97.6	164.8	71
72	Gross domestic income <sup>1</sup> .....	16,980.0	16,909.3	17,060.0	17,197.8	17,221.5	17,535.9	15,908.8	15,879.1	15,955.4	16,027.6	15,996.4	16,202.3	340.7	-31.2	205.9	72

<sup>r</sup> Revised

1. Real gross domestic income is gross domestic income deflated by the implicit price deflator for gross domestic product.

Note. Users are cautioned that particularly for components that exhibit rapid change in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series. For accurate estimates of the contributions to percent changes in real gross domestic product, use table 2.

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**

Line		2011	2012	2013	Seasonally adjusted at annual rates																Line
					2010		2011				2012				2013				2014		
					III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II'	
1	<b>Gross domestic product (GDP)</b>	2.1	1.8	1.5	1.8	2.1	1.8	3.0	2.3	0.6	2.1	1.8	2.1	1.3	1.3	1.2	1.7	1.5	1.3	2.1	1
2	<b>Personal consumption expenditures ...</b>	2.5	1.8	1.2	1.2	2.1	3.0	4.1	2.1	1.4	2.1	1.3	1.3	1.8	1.0	0.5	1.7	1.0	1.4	2.3	2
3	Goods.....	3.7	1.2	-0.5	0.6	4.0	5.9	7.1	2.0	0.3	1.8	-0.4	0.5	1.0	-1.2	-2.4	1.2	-1.4	-0.6	1.8	3
4	Durable goods .....	-0.9	-1.3	-1.8	-2.5	-1.9	-0.5	1.6	-0.9	-2.1	-0.8	-1.5	-2.3	-1.8	-1.0	-1.9	-2.5	-2.6	-2.8	-1.9	4
5	Nondurable goods .....	5.9	2.4	0.2	2.2	6.9	9.1	9.6	3.3	1.4	3.1	0.1	1.9	2.4	-1.3	-2.7	3.0	-0.9	0.6	3.6	5
6	Services .....	1.8	2.1	2.1	1.5	1.2	1.6	2.6	2.2	1.9	2.3	2.2	1.7	2.2	2.2	2.0	1.9	2.3	2.3	2.6	6
7	<b>Gross private domestic investment ....</b>	1.4	1.4	1.8	0.7	2.1	1.3	1.8	1.1	0.9	1.7	1.3	1.5	1.2	1.8	2.3	2.1	2.2	2.4	1.0	7
8	Fixed investment .....	1.4	1.4	1.8	0.5	1.8	1.5	2.0	1.1	1.0	1.9	1.3	1.5	1.2	1.9	2.4	2.0	2.6	2.8	1.1	8
9	Nonresidential.....	1.5	1.5	1.1	0.6	1.6	1.7	2.2	1.3	1.2	2.5	1.2	1.1	0.5	0.9	1.7	1.2	1.3	1.4	1.2	9
10	Structures .....	3.0	3.5	2.8	2.1	2.5	1.6	5.1	4.2	4.7	3.5	3.9	1.1	1.4	2.8	5.1	2.2	3.9	2.3	1.4	10
11	Equipment.....	0.9	1.0	0.4	1.0	0.8	1.4	0.4	0.9	1.6	0.0	1.2	1.6	-0.3	0.1	0.4	-0.2	0.8	1.1	1.1	11
12	Intellectual property products .....	1.3	1.0	0.8	-1.0	1.9	2.9	1.4	0.6	-0.7	2.9	1.0	1.0	-1.5	1.2	1.7	1.6	1.7	1.7	1.2	12
13	Residential.....	0.8	0.9	5.0	0.0	2.3	0.9	1.4	0.0	0.1	-0.6	1.5	3.5	4.1	6.5	5.1	5.5	7.6	8.6	0.7	13
14	Change in private inventories .....																				14
15	<b>Net exports of goods and services .....</b>																				15
16	Exports.....	6.4	0.9	0.1	1.0	9.6	10.6	8.8	2.3	-4.2	2.7	0.8	-0.2	1.3	1.0	-3.0	0.7	0.3	2.8	-0.2	16
17	Goods.....	7.6	0.4	-0.5	1.4	12.6	12.5	9.9	2.1	-5.5	2.3	0.3	0.0	0.7	0.6	-4.0	0.2	-0.6	3.1	-1.4	17
18	Services.....	3.7	1.9	1.3	0.0	3.2	6.3	6.1	2.9	-1.4	3.7	2.2	-0.5	2.6	1.9	-0.8	1.9	2.2	2.2	2.6	18
19	Imports.....	7.7	0.5	-0.8	-2.5	9.5	17.2	12.8	-0.3	-0.9	3.8	-3.3	-4.6	3.8	0.4	-5.0	0.8	0.0	2.8	-0.8	19
20	Goods.....	8.8	0.6	-1.1	-3.0	10.5	20.3	14.6	-0.1	-0.5	4.4	-4.1	-5.4	4.2	0.4	-5.6	1.0	-0.7	3.0	-0.9	20
21	Services.....	2.2	-0.1	0.3	0.1	5.1	3.3	4.5	-1.1	-3.2	0.9	0.4	-0.3	2.2	0.1	-1.7	0.2	3.4	1.9	0.1	21
22	<b>Government consumption expenditures and gross investment</b>	3.0	1.5	1.2	2.0	2.9	4.0	4.3	1.7	-0.5	3.6	0.0	0.8	1.9	1.3	0.6	1.4	2.4	0.4	1.4	22
23	Federal .....	2.7	0.9	1.1	1.6	2.3	4.5	3.6	1.4	-0.8	1.9	0.5	0.2	0.2	1.5	1.0	1.2	5.3	-2.5	1.7	23
24	National defense.....	2.8	1.1	0.8	0.8	2.2	5.5	3.9	1.2	-1.2	3.1	0.5	0.3	0.2	1.2	0.6	1.0	3.1	0.1	1.7	24
25	Nondefense .....	2.5	0.5	1.6	2.9	2.3	2.8	3.2	1.7	0.0	-0.1	0.5	0.1	0.3	2.0	1.7	1.5	9.0	-6.5	1.8	25
26	State and local.....	3.1	1.9	1.3	2.3	3.3	3.7	4.8	1.9	-0.3	4.7	-0.3	1.2	3.1	1.2	0.4	1.5	0.6	2.2	1.2	26
	<b>Addenda:</b>																				
27	Final sales of domestic product.....	2.1	1.8	1.5	1.8	2.0	1.8	3.0	2.3	0.6	2.2	1.8	2.1	1.3	1.3	1.2	1.7	1.6	1.4	2.1	27
28	Gross domestic purchases.....	2.4	1.7	1.3	1.3	2.3	3.0	3.8	1.9	0.9	2.3	1.1	1.2	1.7	1.2	0.8	1.7	1.4	1.4	2.0	28
29	Final sales to domestic purchasers.....	2.4	1.7	1.3	1.3	2.2	3.0	3.9	1.9	1.0	2.4	1.1	1.2	1.7	1.2	0.8	1.7	1.5	1.4	2.0	29
30	Gross national product (GNP).....	2.1	1.8	1.5	1.8	2.1	1.8	3.0	2.3	0.6	2.1	1.8	2.1	1.3	1.3	1.2	1.7	1.5	1.3	2.1	30
	<b>Implicit price deflators:</b>																				
31	GDP.....	2.1	1.8	1.5	1.8	2.1	1.8	2.9	2.4	0.6	2.1	1.9	1.9	1.5	1.4	1.1	1.6	1.4	1.3	2.1	31
32	Gross domestic purchases.....	2.4	1.7	1.3	1.3	2.3	3.0	3.8	2.0	1.0	2.3	1.1	1.0	1.9	1.3	0.6	1.6	1.3	1.4	2.0	32
33	GNP.....	2.1	1.8	1.5	1.8	2.1	1.8	3.0	2.4	0.6	2.1	1.8	1.9	1.5	1.4	1.1	1.6	1.4	1.3	2.1	33

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

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

[Index numbers, 2009=100]

Line		2011	2012	2013	Seasonally adjusted					Line
					2013			2014		
					II	III	IV	I	II <sup>r</sup>	
1	<b>Gross domestic product</b> .....	<b>104.174</b>	<b>106.592</b>	<b>108.957</b>	<b>108.238</b>	<b>109.440</b>	<b>110.386</b>	<b>109.799</b>	<b>111.039</b>	1
2	<b>Personal consumption expenditures</b> .....	<b>104.230</b>	<b>106.121</b>	<b>108.660</b>	<b>108.261</b>	<b>108.798</b>	<b>109.795</b>	<b>110.128</b>	<b>110.822</b>	2
3	Goods .....	106.670	109.632	113.367	112.716	113.684	114.711	115.004	116.670	3
4	Durable goods .....	112.529	120.756	128.896	128.014	129.565	131.387	132.412	136.847	4
5	Nondurable goods .....	104.049	104.828	106.780	106.223	106.955	107.664	107.669	108.252	5
6	Services .....	103.051	104.420	106.385	106.106	106.439	107.421	107.774	108.014	6
7	<b>Gross private domestic investment</b> .....	<b>118.758</b>	<b>129.700</b>	<b>136.102</b>	<b>133.681</b>	<b>138.983</b>	<b>140.284</b>	<b>137.809</b>	<b>143.960</b>	7
8	Fixed investment .....	107.947	116.899	122.387	121.290	123.257	125.141	125.198	128.079	8
9	Nonresidential .....	110.335	118.263	121.865	120.410	122.028	125.090	125.591	128.538	9
10	Structures .....	85.509	96.703	96.227	94.628	97.167	100.134	100.840	103.880	10
11	Equipment .....	131.601	140.558	147.015	145.087	146.757	151.674	151.298	155.374	11
12	Intellectual property products .....	105.506	109.587	113.278	112.494	113.275	114.289	115.595	117.153	12
13	Residential .....	98.032	111.276	124.521	124.870	128.238	125.412	123.725	126.348	13
14	Change in private inventories .....									14
15	<b>Exports of goods and services</b> .....	<b>119.561</b>	<b>123.453</b>	<b>127.213</b>	<b>126.139</b>	<b>127.709</b>	<b>130.784</b>	<b>127.660</b>	<b>131.050</b>	15
16	<b>Imports of goods and services</b> .....	<b>118.883</b>	<b>121.653</b>	<b>123.048</b>	<b>123.478</b>	<b>123.657</b>	<b>124.067</b>	<b>124.756</b>	<b>128.135</b>	16
17	<b>Government consumption expenditures and gross investment</b> .....	<b>97.031</b>	<b>95.625</b>	<b>93.699</b>	<b>93.917</b>	<b>93.957</b>	<b>93.052</b>	<b>92.860</b>	<b>93.252</b>	17
18	Federal .....	101.538	99.729	94.055	94.624	94.337	91.794	91.765	91.556	18
19	State and local .....	94.100	92.953	93.429	93.420	93.671	93.818	93.522	94.297	19
	<b>Addenda:</b>									
20	Final sales of domestic product .....	102.833	105.067	107.349	106.791	107.584	108.612	108.350	109.196	20
21	Gross domestic purchases .....	104.521	106.821	108.889	108.373	109.389	110.020	109.898	111.199	21
22	Final sales to domestic purchasers .....	103.213	105.336	107.326	106.965	107.585	108.300	108.488	109.407	22
23	Gross national product .....	104.607	106.846	109.147	108.379	109.663	110.669	109.883	111.119	23

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

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

[Index numbers, 2009=100]

Line		2011	2012	2013	Seasonally adjusted					Line
					2013			2014		
					II	III	IV	I	II'	
1	<b>Gross domestic product</b> .....	103.315	105.174	106.739	106.495	106.943	107.347	107.694	108.261	1
2	<b>Personal consumption expenditures (PCE)</b> .....	104.149	106.062	107.333	107.074	107.520	107.789	108.156	108.782	2
3	Goods .....	105.413	106.712	106.211	105.986	106.301	105.917	105.769	106.240	3
4	Durable goods .....	97.725	96.466	94.712	95.060	94.450	93.820	93.148	92.711	4
5	Nondurable goods .....	109.188	111.828	112.025	111.477	112.316	112.075	112.230	113.229	5
6	Services .....	103.524	105.745	107.919	107.641	108.154	108.759	109.390	110.097	6
7	<b>Gross private domestic investment</b> .....	100.453	101.825	103.632	103.370	103.897	104.465	105.094	105.350	7
8	Fixed investment .....	100.524	101.955	103.822	103.545	104.071	104.734	105.461	105.752	8
9	Nonresidential .....	100.545	102.082	103.186	103.058	103.364	103.701	104.059	104.370	9
10	Structures .....	101.851	105.464	108.416	108.194	108.778	109.829	110.452	110.843	10
11	Equipment .....	98.858	99.828	100.263	100.231	100.339	100.287	100.477	100.754	11
12	Intellectual property products .....	101.883	102.857	103.693	103.487	103.901	104.339	104.770	105.076	12
13	Residential .....	100.395	101.342	106.448	105.571	106.982	108.968	111.244	111.450	13
14	Change in private inventories .....									14
15	<b>Exports of goods and services</b> .....	110.960	111.940	112.001	111.663	111.868	111.945	112.716	112.665	15
16	<b>Imports of goods and services</b> .....	113.942	114.501	113.529	113.048	113.287	113.286	114.082	113.862	16
17	<b>Government consumption expenditures and gross investment</b> .....	105.717	107.286	108.618	108.312	108.690	109.330	109.431	109.805	17
18	Federal .....	105.422	106.341	107.530	107.093	107.406	108.791	108.105	108.563	18
19	State and local .....	105.923	107.947	109.377	109.154	109.572	109.729	110.332	110.653	19
	<b>Addenda:</b>									
20	PCE excluding food and energy <sup>1</sup> .....	102.800	104.678	106.084	105.875	106.252	106.603	106.922	107.447	20
21	Market-based PCE <sup>2</sup> .....	104.034	105.918	107.043	106.779	107.226	107.420	107.754	108.353	21
22	Market-based PCE excluding food and energy <sup>2</sup> .....	102.462	104.300	105.557	105.350	105.720	105.995	106.269	106.747	22
23	Final sales of domestic product .....	103.319	105.188	106.762	106.515	106.963	107.380	107.742	108.316	23
24	Gross domestic purchases .....	103.970	105.738	107.105	106.837	107.284	107.667	108.030	108.553	24
25	Final sales to domestic purchasers .....	103.974	105.752	107.126	106.855	107.301	107.699	108.075	108.605	25
26	Gross national product .....	103.439	105.296	106.860	106.615	107.065	107.468	107.815	108.380	26
	<b>Implicit price deflators:</b>									
27	Gross domestic product .....	103.311	105.166	106.733	106.488	106.923	107.301	107.658	108.231	27
28	Final sales of domestic product .....	103.319	105.188	106.762	106.511	106.959	107.377	107.738	108.312	28
29	Gross domestic purchases .....	103.966	105.730	107.099	106.831	107.264	107.624	107.995	108.525	29
30	Final sales to domestic purchasers .....	103.974	105.752	107.126	106.852	107.298	107.696	108.072	108.602	30
31	Gross national product .....	103.435	105.288	106.854	106.608	107.044	107.423	107.778	108.350	31

r Revised

1. Food excludes personal consumption expenditures for purchased meals and beverages, which are classified in food services.

2. 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, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households. Percentage changes for these series are included in the addenda to table 8 and appendix table A.

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

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

Line	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Line
1	<b>Gross domestic product (GDP)</b>																1
2	<b>Personal consumption expenditures</b>																2
3	6.7	7.9	5.2	3.0	3.9	4.8	5.1	4.1	3.6	2.7	-2.5	-3.0	3.4	3.1	2.8	3.4	3
4	Durable goods																4
5	Nondurable goods																5
6	Services																6
7	<b>Gross private domestic investment</b>																7
8	Fixed investment																8
9	Nonresidential																9
10	Structures																10
11	Equipment																11
12	Intellectual property products																12
13	Residential																13
14	Change in private inventories																14
15	<b>Net exports of goods and services</b>																15
16	Exports																16
17	Goods																17
18	Services																18
19	Imports																19
20	Goods																20
21	Services																21
22	<b>Government consumption expenditures and gross investment</b>																22
23	Federal																23
24	National defense																24
25	Nondefense																25
26	State and local																26
<b>Addenda:</b>																	
27	Final sales of domestic product																27
28	Gross domestic purchases																28
29	Final sales to domestic purchasers																29
30	Gross domestic income <sup>1</sup>																30
31	Gross national product																31
32	Real disposable personal income																32
<b>Price indexes:</b>																	
33	Gross domestic purchases																33
34	Gross domestic purchases excluding food and energy <sup>2</sup>																34
35	GDP																35
36	GDP excluding food and energy <sup>2</sup>																36
37	Personal consumption expenditures																37

1. Gross domestic income deflated by the implicit price deflator for gross domestic product.

2. Food excludes personal consumption expenditures for purchased meals and beverages, which are classified in food services.

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

Line	2010		2011				2012				2013				2014		Line
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II <sup>r</sup>	
1	<b>Gross domestic product (GDP)</b> .....																1
2	<b>Personal consumption expenditures (PCE)</b> .....																2
3	Goods .....																3
4	Durable goods .....																4
5	Nondurable goods .....																5
6	Services .....																6
7	<b>Gross private domestic investment</b> .....																7
8	Fixed investment .....																8
9	Nonresidential .....																9
10	Structures .....																10
11	Equipment .....																11
12	Intellectual property products .....																12
13	Residential .....																13
14	Change in private inventories .....																14
15	<b>Net exports of goods and services</b> .....																15
16	Exports .....																16
17	Goods .....																17
18	Services .....																18
19	Imports .....																19
20	Goods .....																20
21	Services .....																21
22	<b>Government consumption expenditures and gross investment</b> .....																22
23	Federal .....																23
24	National defense .....																24
25	Nondefense .....																25
26	State and local .....																26
<b>Addenda:</b>																	
27	Final sales of domestic product .....																27
28	Gross domestic purchases .....																28
29	Final sales to domestic purchasers .....																29
30	Gross domestic income <sup>1</sup> .....																30
31	Gross national product .....																31
32	Real disposable personal income .....																32
<b>Price indexes:</b>																	
33	Gross domestic purchases .....																33
34	Gross domestic purchases excluding food and energy <sup>2</sup> .....																34
35	GDP .....																35
36	GDP excluding food and energy <sup>2</sup> .....																36
37	PCE .....																37
38	PCE excluding food and energy <sup>2</sup> .....																38
39	Market-based PCE <sup>3</sup> .....																39
40	Market-based PCE excluding food and energy <sup>3</sup> .....																40

<sup>r</sup> Revised

1. Gross domestic income deflated by the implicit price deflator for gross domestic product.

2. Food excludes personal consumption expenditures for purchased meals and beverages, which are classified in food services.

3. 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, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.

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

[Billions of dollars]

Line		2011	2012	2013	Seasonally adjusted at annual rates					Line
					2013			2014		
					II	III	IV	I	II <sup>r</sup>	
1	<b>Gross domestic product</b> .....	15,517.9	16,163.2	16,768.1	16,619.2	16,872.3	17,078.3	17,044.0	17,328.2	1
2	Plus: Income receipts from the rest of the world .....	792.6	793.8	810.4	804.4	814.2	831.8	822.6	828.5	2
3	Less: Income payments to the rest of the world .....	546.0	566.5	586.1	589.5	583.4	588.9	611.6	615.0	3
4	<b>Equals: Gross national product</b> .....	15,764.6	16,390.5	16,992.4	16,834.0	17,103.1	17,321.2	17,255.0	17,541.7	4
5	Less: Consumption of fixed capital .....	2,450.6	2,530.2	2,627.2	2,612.7	2,640.2	2,670.5	2,698.7	2,722.3	5
6	Less: Statistical discrepancy .....	-38.3	-209.2	-211.9	-290.2	-187.6	-119.5	-177.5	-207.7	6
7	<b>Equals: National income</b> .....	13,352.3	14,069.5	14,577.1	14,511.5	14,650.5	14,770.2	14,733.7	15,027.1	7
8	Compensation of employees .....	8,269.0	8,606.5	8,844.8	8,826.3	8,871.6	8,946.8	9,096.2	9,213.7	8
9	Wages and salaries .....	6,633.2	6,932.1	7,124.7	7,110.9	7,145.3	7,208.5	7,339.8	7,442.3	9
10	Supplements to wages and salaries .....	1,635.9	1,674.4	1,720.1	1,715.4	1,726.2	1,738.3	1,756.4	1,771.4	10
11	Proprietors' income with inventory valuation and capital consumption adjustments .....	1,143.7	1,260.2	1,336.6	1,330.0	1,345.9	1,342.7	1,351.0	1,381.0	11
12	Rental income of persons with capital consumption adjustment .....	485.3	533.0	595.8	590.8	604.2	613.3	622.9	635.4	12
13	Corporate profits with inventory valuation and capital consumption adjustments .....	1,816.6	2,022.8	2,106.9	2,103.6	2,140.7	2,143.8	1,942.1	2,106.2	13
14	Net interest and miscellaneous payments .....	488.1	491.7	499.8	477.1	493.3	511.2	506.5	461.0	14
15	Taxes on production and imports less subsidies .....	1,042.6	1,074.0	1,102.3	1,091.1	1,106.5	1,116.8	1,126.8	1,140.5	15
16	Business current transfer payments (net) .....	131.5	106.7	120.6	122.3	118.4	126.6	119.2	123.0	16
17	Current surplus of government enterprises .....	-24.5	-25.3	-29.6	-29.6	-30.1	-31.0	-31.1	-33.6	17
	<b>Addendum:</b>									
18	Gross domestic income .....	15,556.3	16,372.3	16,980.0	16,909.3	17,060.0	17,197.8	17,221.5	17,535.9	18

<sup>r</sup> Revised

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

[Billions of dollars]

Line		2011	2012	2013	Seasonally adjusted at annual rates					Line
					2013			2014		
					II	III	IV	I	II <sup>r</sup>	
1	<b>Personal income</b> <sup>1</sup> .....	13,202.0	13,887.7	14,166.9	14,131.3	14,247.4	14,311.7	14,484.7	14,707.7	1
2	Compensation of employees .....	8,269.0	8,606.5	8,844.8	8,826.3	8,871.6	8,946.8	9,096.2	9,213.7	2
3	Wages and salaries .....	6,633.2	6,932.1	7,124.7	7,110.9	7,145.3	7,208.5	7,339.8	7,442.3	3
4	Supplements to wages and salaries .....	1,635.9	1,674.4	1,720.1	1,715.4	1,726.2	1,738.3	1,756.4	1,771.4	4
5	Proprietors' income with inventory valuation and capital consumption adjustments .....	1,143.7	1,260.2	1,336.6	1,330.0	1,345.9	1,342.7	1,351.0	1,381.0	5
6	Farm .....	75.5	72.3	83.2	83.6	86.8	70.1	58.1	73.4	6
7	Nonfarm .....	1,068.1	1,187.9	1,253.5	1,246.5	1,259.2	1,272.6	1,292.9	1,307.6	7
8	Rental income of persons with capital consumption adjustment .....	485.3	533.0	595.8	590.8	604.2	613.3	622.9	635.4	8
9	Personal income receipts on assets .....	1,913.9	2,088.6	2,079.7	2,081.9	2,106.9	2,094.2	2,090.4	2,127.0	9
10	Personal interest income .....	1,231.6	1,255.9	1,255.2	1,253.5	1,258.5	1,263.2	1,262.4	1,270.0	10
11	Personal dividend income .....	682.2	832.7	824.5	828.4	848.4	831.0	828.0	857.0	11
12	Personal current transfer receipts .....	2,307.9	2,350.7	2,414.5	2,404.5	2,426.6	2,432.3	2,470.9	2,511.8	12
13	Less: Contributions for government social insurance, domestic .....	917.8	951.2	1,104.5	1,102.1	1,107.8	1,117.5	1,146.6	1,161.1	13
14	Less: Personal current taxes .....	1,400.6	1,503.7	1,661.8	1,660.6	1,661.5	1,688.1	1,711.8	1,723.0	14
15	<b>Equals: Disposable personal income</b> .....	11,801.4	12,384.0	12,505.1	12,470.7	12,585.8	12,623.7	12,772.9	12,984.7	15
16	Less: Personal outlays .....	11,090.2	11,487.9	11,897.1	11,823.9	11,933.1	12,070.8	12,146.9	12,289.6	16
17	<b>Equals: Personal saving</b> .....	711.1	896.2	608.1	646.9	652.8	552.9	626.1	695.1	17
18	Personal saving as a percentage of disposable personal income .....	6.0	7.2	4.9	5.2	5.2	4.4	4.9	5.4	18
	<b>Addenda:</b>									
19	Personal income excluding current transfer receipts, billions of chained (2009) dollars <sup>2</sup> .....	10,460.1	10,877.6	10,949.5	10,952.3	10,994.3	11,021.2	11,108.2	11,211.5	19
20	Disposable personal income, billions of chained (2009) dollars <sup>2</sup> .....	11,331.2	11,676.2	11,650.8	11,647.0	11,705.9	11,711.7	11,810.1	11,936.7	20

<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 (net), and current surplus of government enterprises, plus personal income receipts on assets, and personal current transfer receipts.

2. The current-dollar measure is deflated by the implicit price deflator for personal consumption expenditures.

**Table 11. Corporate Profits: Level and Percent Change**

Line		Billions of dollars								Percent change from preceding period							Line	
		2011	2012	2013	Seasonally adjusted at annual rates					2012	2013	Quarterly rates				Quarter one year ago		
					2013			2014				2013		2014				2014
					II	III	IV	I	II <sup>r</sup>			III	IV	I	II <sup>r</sup>			II <sup>r</sup>
1	<b>Corporate profits with inventory valuation and capital consumption adjustments</b>	1,816.6	2,022.8	2,106.9	2,103.6	2,140.7	2,143.8	1,942.1	2,106.2	11.3	4.2	1.8	0.1	-9.4	8.4	0.1	1	
2	Less: Taxes on corporate income	379.1	454.8	474.3	459.2	467.5	495.4	562.3	608.0	20.0	4.3	1.8	6.0	13.5	8.1	32.4	2	
3	<b>Equals: Profits after tax with inventory valuation and capital consumption adjustments</b>	1,437.5	1,568.0	1,632.6	1,644.4	1,673.1	1,648.4	1,379.8	1,498.2	9.1	4.1	1.7	-1.5	-16.3	8.6	-8.9	3	
4	Net dividends	703.7	857.1	959.6	1,098.7	911.7	992.3	902.8	902.3	21.8	12.0	-17.0	8.8	-9.0	-0.1	-17.9	4	
5	Undistributed profits with inventory valuation and capital consumption adjustments	733.9	710.9	673.0	545.7	761.5	656.0	477.1	595.9	-3.1	-5.3	39.5	-13.8	-27.3	24.9	9.2	5	
	<b>Addenda for corporate cash flow:</b>																	
6	<b>Net cash flow with inventory valuation adjustment</b>	2,071.5	2,066.5	2,080.8	1,946.8	2,174.8	2,082.5	1,919.5	2,052.9	-0.2	0.7	11.7	-4.2	-7.8	6.9	5.5	6	
7	Undistributed profits with inventory valuation and capital consumption adjustments	733.9	710.9	673.0	545.7	761.5	656.0	477.1	595.9	-3.1	-5.3	39.5	-13.8	-27.3	24.9	9.2	7	
8	Consumption of fixed capital	1,298.8	1,348.5	1,402.1	1,395.5	1,408.8	1,423.6	1,435.1	1,450.5	3.8	4.0	1.0	1.0	0.8	1.1	3.9	8	
9	Less: Capital transfers paid (net)	-38.8	-7.1	-5.7	-5.7	-4.5	-2.8	-7.4	-6.6								9	
	<b>Addenda:</b>																	
10	Profits before tax (without inventory valuation and capital consumption adjustments)	1,806.8	2,136.1	2,235.3	2,219.8	2,270.9	2,281.6	2,297.2	2,450.1	18.2	4.6	2.3	0.5	0.7	6.7	10.4	10	
11	Profits after tax (without inventory valuation and capital consumption adjustments)	1,427.7	1,681.3	1,761.1	1,760.7	1,803.4	1,786.1	1,734.9	1,842.2	17.8	4.7	2.4	-1.0	-2.9	6.2	4.6	11	
12	Inventory valuation adjustment	-68.3	-9.5	3.3	15.2	2.8	-3.0	-24.6	-12.7								12	
13	Capital consumption adjustment	78.1	-103.8	-131.8	-131.4	-133.1	-134.8	-330.5	-331.3								13	

<sup>r</sup> Revised

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

[Billions of dollars]

Line		Level								Change from preceding period							Line
		2011	2012	2013	Seasonally adjusted at annual rates					2012	2013	2013		2014			
					2013			2014				III	IV	I	II <sup>r</sup>		
					II	III	IV	I	II <sup>r</sup>								
1	<b>Corporate profits with inventory valuation and capital consumption adjustments</b>	1,816.6	2,022.8	2,106.9	2,103.6	2,140.7	2,143.8	1,942.1	2,106.2	206.2	84.1	37.1	3.1	-201.7	164.1	1	
2	<b>Domestic industries</b>	1,394.7	1,621.0	1,703.8	1,710.5	1,731.1	1,720.3	1,544.6	1,712.2	226.3	82.8	20.6	-10.8	-175.7	167.6	2	
3	Financial	355.7	451.5	490.0	482.2	510.0	504.9	418.7	452.0	95.8	38.5	27.8	-5.1	-86.2	33.3	3	
4	Nonfinancial	1,039.0	1,169.4	1,213.8	1,228.3	1,221.1	1,215.5	1,125.9	1,260.2	130.4	44.4	-7.2	-5.6	-89.6	134.3	4	
5	<b>Rest of the world</b>	421.9	401.8	403.1	393.1	409.6	423.5	397.5	393.9	-20.1	1.3	16.5	13.9	-26.0	-3.6	5	
6	Receipts from the rest of the world	644.3	644.3	657.1	649.6	662.9	677.6	668.7	671.4	0.0	12.8	13.3	14.7	-8.9	2.7	6	
7	Less: Payments to the rest of the world	222.4	242.5	254.0	256.6	253.4	254.1	271.2	277.5	20.1	11.5	-3.2	0.7	17.1	6.3	7	
8	<b>Corporate profits with inventory valuation adjustment</b>	1,738.5	2,126.6	2,238.7	2,235.0	2,273.7	2,278.6	2,272.6	2,437.4	388.1	112.1	38.7	4.9	-6.0	164.8	8	
9	<b>Domestic industries</b>	1,316.6	1,724.8	1,835.6	1,841.9	1,864.2	1,855.1	1,875.1	2,043.5	408.2	110.8	22.3	-9.1	20.0	168.4	9	
10	Financial	375.9	488.9	533.5	525.5	554.1	549.4	480.8	514.5	113.0	44.6	28.6	-4.7	-68.6	33.7	10	
11	Federal Reserve banks	75.9	71.7	79.6	75.2	82.3	89.6	88.7	93.1	-4.2	7.9	7.1	7.3	-0.9	4.4	11	
12	Other financial	300.0	417.2	453.9	450.2	471.8	459.8	392.2	421.4	117.2	36.7	21.6	-12.0	-67.6	29.2	12	
13	Nonfinancial	940.7	1,235.9	1,302.1	1,316.4	1,310.1	1,305.7	1,394.2	1,528.9	295.2	66.2	-6.3	-4.4	88.5	134.7	13	
14	Utilities	9.8	12.9	20.9	31.1	30.0	15.8	42.3	50.4	3.1	8.0	-1.1	-14.2	26.5	8.1	14	
15	Manufacturing	298.1	404.2	402.4	383.7	392.3	445.4	432.5	504.4	106.1	-1.8	8.6	53.1	-12.9	71.9	15	
16	Durable goods	132.5	204.1	206.3	202.4	216.7	212.7	234.8	257.4	71.6	2.2	14.3	-4.0	22.1	22.6	16	
17	Fabricated metal products	16.1	23.8	23.3	23.6	23.2	22.8	24.9	25.6	7.7	-0.5	-0.4	-0.4	2.1	0.7	17	
18	Machinery	24.3	32.5	33.2	35.2	34.4	34.5	34.6	37.8	8.2	0.7	-0.8	0.1	0.1	3.2	18	
19	Computer and electronic products	32.7	45.7	43.7	41.8	44.2	47.3	51.7	55.4	13.0	-2.0	2.4	3.1	4.4	3.7	19	
20	Electrical equipment, appliances, and components	4.8	11.8	13.1	10.7	14.9	15.3	18.8	19.9	7.0	1.3	4.2	0.4	3.5	1.1	20	
21	Motor vehicles, bodies and trailers, and parts	-0.3	22.1	22.7	23.7	24.5	24.8	27.1	33.4	22.4	0.6	0.8	0.3	2.3	6.3	21	
22	Other durable goods	54.8	68.2	70.2	67.4	75.5	68.0	77.8	85.3	13.4	2.0	8.1	-7.5	9.8	7.5	22	
23	Nondurable goods	165.6	200.1	196.1	181.2	175.6	232.6	197.7	247.0	34.5	-4.0	-5.6	57.0	-34.9	49.3	23	
24	Food and beverage and tobacco products	40.6	45.5	54.2	50.1	58.7	64.0	46.7	58.9	4.9	8.7	8.6	5.3	-17.3	12.2	24	
25	Petroleum and coal products	45.8	54.3	42.9	27.8	26.5	64.0	51.7	62.0	8.5	-11.4	-1.3	37.5	-12.3	10.3	25	
26	Chemical products	58.2	68.9	66.3	70.3	58.0	70.1	68.7	82.9	10.7	-2.6	-12.3	12.1	-1.4	14.2	26	
27	Other nondurable goods	20.9	31.4	32.8	33.0	32.4	34.5	30.6	43.3	10.5	1.4	-0.6	2.1	-3.9	12.7	27	
28	Wholesale trade	94.4	136.6	154.5	157.1	154.8	147.9	152.0	157.6	42.2	17.9	-2.3	-6.9	4.1	5.6	28	
29	Retail trade	114.3	157.2	171.2	179.1	175.4	164.2	168.1	176.7	42.9	14.0	-3.7	-11.2	3.9	8.6	29	
30	Transportation and warehousing	30.4	51.9	62.6	61.5	62.8	65.7	73.6	83.5	21.5	10.7	1.3	2.9	7.9	9.9	30	
31	Information	83.8	101.1	108.3	114.6	103.2	105.6	123.0	142.9	17.3	7.2	-11.4	2.4	17.4	19.9	31	
32	Other nonfinancial	309.9	372.0	382.2	389.3	391.7	361.1	402.6	413.4	62.1	10.2	2.4	-30.6	41.5	10.8	32	
33	<b>Rest of the world</b>	421.9	401.8	403.1	393.1	409.6	423.5	397.5	393.9	-20.1	1.3	16.5	13.9	-26.0	-3.6	33	

<sup>r</sup> Revised

NOTE: Estimates in this table are based on the 2002 North American Industry Classification System (NAICS).



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

Line		2011	2012	2013	Seasonally adjusted at annual rates					Line
					2013			2014		
					II	III	IV	I	II <sup>r</sup>	
<b>Billions of dollars</b>										
1	<b>Gross value added of nonfinancial corporate business .....</b>	<b>7,592.3</b>	<b>8,030.3</b>	<b>8,287.0</b>	<b>8,283.2</b>	<b>8,314.2</b>	<b>8,360.1</b>	<b>8,385.6</b>	<b>8,596.7</b>	1
2	Consumption of fixed capital.....	1,139.2	1,183.8	1,229.8	1,223.7	1,235.6	1,248.9	1,263.1	1,276.1	2
3	<b>Net value added .....</b>	<b>6,453.1</b>	<b>6,846.5</b>	<b>7,057.2</b>	<b>7,059.5</b>	<b>7,078.6</b>	<b>7,111.2</b>	<b>7,122.6</b>	<b>7,320.6</b>	3
4	Compensation of employees .....	4,363.4	4,592.9	4,749.4	4,740.5	4,763.2	4,798.1	4,895.6	4,972.3	4
5	Wages and salaries.....	3,622.9	3,826.5	3,956.0	3,948.7	3,967.4	3,996.2	4,083.9	4,152.5	5
6	Supplements to wages and salaries .....	740.4	766.4	793.3	791.8	795.8	801.9	811.7	819.8	6
7	Taxes on production and imports less subsidies.....	670.6	692.2	715.2	708.6	718.1	723.9	725.4	733.6	7
8	Net operating surplus.....	1,419.1	1,561.3	1,592.6	1,610.5	1,597.3	1,589.2	1,501.6	1,614.6	8
9	Net interest and miscellaneous payments .....	289.7	299.5	293.8	293.8	293.2	292.2	292.9	271.6	9
10	Business current transfer payments (net) .....	90.4	92.4	85.0	88.3	83.0	81.5	82.8	82.8	10
11	Corporate profits with inventory valuation and capital consumption adjustments .....	1,039.0	1,169.4	1,213.8	1,228.3	1,221.1	1,215.5	1,125.9	1,260.2	11
12	Taxes on corporate income .....	228.8	271.4	329.3	326.0	319.3	341.8	366.2	394.8	12
13	Profits after tax with inventory valuation and capital consumption adjustments .....	810.2	898.1	884.5	902.3	901.8	873.6	759.7	865.5	13
14	Net dividends.....	441.0	520.6	536.9	515.9	597.8	516.5	575.0	554.3	14
15	Undistributed profits with inventory valuation and capital consumption adjustments.....	369.2	377.5	347.6	386.4	304.0	357.1	184.7	311.2	15
<b>Addenda:</b>										
16	Profits before tax (without inventory valuation and capital consumption adjustments) .....	1,009.0	1,245.4	1,298.8	1,301.2	1,307.3	1,308.7	1,418.8	1,541.6	16
17	Profits after tax (without inventory valuation and capital consumption adjustments) .....	780.2	974.1	969.5	975.2	988.0	966.9	1,052.6	1,146.9	17
18	Inventory valuation adjustment .....	-68.3	-9.5	3.3	15.2	2.8	-3.0	-24.6	-12.7	18
19	Capital consumption adjustment.....	98.3	-66.5	-88.3	-88.1	-89.1	-90.3	-268.4	-268.7	19
<b>Billions of chained (2009) dollars</b>										
20	<b>Gross value added of nonfinancial corporate business <sup>1</sup> .....</b>	<b>7,421.5</b>	<b>7,742.6</b>	<b>7,922.1</b>	<b>7,929.7</b>	<b>7,936.8</b>	<b>7,979.7</b>	<b>7,993.3</b>	<b>8,160.6</b>	20
21	Consumption of fixed capital <sup>2</sup> .....	1,117.1	1,143.3	1,173.7	1,169.7	1,177.6	1,186.2	1,194.6	1,203.5	21
22	Net value added <sup>3</sup> .....	6,304.5	6,599.3	6,748.4	6,760.0	6,759.2	6,793.6	6,798.7	6,957.1	22
<b>Dollars; quarters seasonally adjusted</b>										
<b>Price, costs, and profits per unit of real gross value added of nonfinancial corporate business:</b>										
23	<b>Price per unit of real gross value added of nonfinancial corporate business <sup>4</sup> .....</b>	<b>1.023</b>	<b>1.037</b>	<b>1.046</b>	<b>1.045</b>	<b>1.048</b>	<b>1.048</b>	<b>1.049</b>	<b>1.053</b>	23
24	Compensation of employees (unit labor cost).....	0.588	0.593	0.600	0.598	0.600	0.601	0.612	0.609	24
25	Unit nonlabor cost.....	0.296	0.293	0.293	0.291	0.294	0.295	0.296	0.289	25
26	Consumption of fixed capital.....	0.154	0.153	0.155	0.154	0.156	0.157	0.158	0.156	26
27	Taxes on production and imports less subsidies plus business current transfer payments (net) .....	0.103	0.101	0.101	0.100	0.101	0.101	0.101	0.100	27
28	Net interest and miscellaneous payments .....	0.039	0.039	0.037	0.037	0.037	0.037	0.037	0.033	28
29	Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	0.140	0.151	0.153	0.155	0.154	0.152	0.141	0.154	29
30	Taxes on corporate income.....	0.031	0.035	0.042	0.041	0.040	0.043	0.046	0.048	30
31	Profits after tax with inventory valuation and capital consumption adjustments.....	0.109	0.116	0.112	0.114	0.114	0.109	0.095	0.106	31

<sup>r</sup> Revised

1. The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial 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 2009 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 2002 North American Industry Classification System (NAICS).

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

Line		2011	2012	2013	Seasonally adjusted at annual rates																Line
					2010		2011				2012				2013				2014		
					III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II <sup>r</sup>	
<b>Percent change from preceding period</b>																					
<b>Gross domestic product (GDP) and related aggregates:</b>																					
1	GDP .....	1.6	2.3	2.2	2.7	2.5	-1.5	2.9	0.8	4.6	2.3	1.6	2.5	0.1	2.7	1.8	4.5	3.5	-2.1	4.6	1
2	Goods.....	3.8	4.5	4.2	9.4	5.2	-1.7	5.7	-1.4	15.7	2.4	2.7	3.4	-0.9	7.6	0.6	10.8	8.1	-8.5	11.4	2
3	Services .....	0.9	0.8	1.2	1.7	1.5	-0.1	1.1	1.0	-0.7	1.2	0.8	2.2	0.3	1.3	1.2	1.1	1.8	1.4	0.6	3
4	Structures.....	-1.2	7.0	2.9	-13.8	0.5	-13.6	9.1	9.2	7.5	11.5	4.2	1.2	2.2	-4.4	12.2	8.3	-0.4	-3.8	11.7	4
5	Motor vehicle output.....	10.0	12.9	4.8	24.1	-13.2	32.8	-7.1	12.0	23.1	28.4	6.1	2.6	-6.2	17.9	7.6	-10.6	18.5	3.3	21.3	5
6	GDP excluding motor vehicle output.....	1.4	2.1	2.1	2.3	2.9	-2.2	3.2	0.6	4.1	1.6	1.5	2.5	0.2	2.4	1.6	5.0	3.1	-2.3	4.1	6
7	Final sales of computers <sup>1</sup> .....	9.0	11.9	12.9	-8.0	34.6	9.0	8.2	10.2	22.4	15.0	-10.9	21.9	35.5	8.7	16.1	-4.0	6.2	17.8	14.6	7
8	GDP excluding final sales of computers .....	1.6	2.3	2.2	2.8	2.4	-1.6	2.9	0.8	4.5	2.2	1.7	2.4	-0.1	2.7	1.7	4.6	3.5	-2.2	4.6	8
9	Research and development .....	0.2	0.9	0.9	5.7	2.2	-3.0	-1.6	-0.1	3.2	-1.1	1.9	1.0	3.8	1.2	0.2	-2.9	-0.8	2.9	3.4	9
10	GDP excluding research and development.....	1.6	2.4	2.3	2.6	2.6	-1.5	3.1	0.9	4.6	2.3	1.6	2.5	0.0	2.8	1.8	4.7	3.6	-2.2	4.6	10
11	Farm gross value added <sup>2</sup> .....	-5.2	-5.7	14.3	-1.2	-25.6	19.1	-31.5	-0.1	26.7	-11.0	0.1	-28.3	-14.1	82.6	14.1	28.3	-3.2	-49.9	24.2	11
12	Nonfarm business gross value added <sup>3</sup> .....	2.2	3.2	2.6	4.1	3.8	-2.5	4.5	1.1	5.8	3.3	2.3	3.7	0.1	2.4	2.0	5.6	4.7	-2.4	5.5	12
<b>Price indexes:</b>																					
13	GDP .....	2.1	1.8	1.5	1.8	2.1	1.8	3.0	2.3	0.6	2.1	1.8	2.1	1.3	1.3	1.2	1.7	1.5	1.3	2.1	13
14	GDP excluding food and energy <sup>4</sup> .....	1.9	1.7	1.6	1.3	1.7	2.1	2.8	1.9	0.9	2.6	1.4	1.3	1.6	1.7	1.3	1.9	1.8	1.2	1.8	14
15	GDP excluding final sales of computers .....	2.1	1.8	1.5	1.9	2.1	1.8	3.0	2.4	0.6	2.1	1.9	2.1	1.4	1.4	1.3	1.7	1.5	1.3	2.1	15
16	Gross domestic purchases.....	2.4	1.7	1.3	1.3	2.3	3.0	3.8	1.9	0.9	2.3	1.1	1.2	1.7	1.2	0.8	1.7	1.4	1.4	2.0	16
17	Gross domestic purchases excluding food and energy <sup>4</sup> .....	1.8	1.7	1.4	1.1	1.4	2.0	2.8	1.8	1.0	2.4	1.4	1.2	1.5	1.5	1.2	1.5	1.7	1.3	1.7	17
18	Gross domestic purchases excluding final sales of computers to domestic purchasers .....	2.5	1.8	1.3	1.3	2.3	3.1	3.9	2.0	1.0	2.4	1.1	1.3	1.8	1.3	0.8	1.7	1.5	1.4	2.0	18
19	Personal consumption expenditures (PCE) .....	2.5	1.8	1.2	1.2	2.1	3.0	4.1	2.1	1.4	2.1	1.3	1.3	1.8	1.0	0.5	1.7	1.0	1.4	2.3	19
20	PCE excluding food and energy <sup>4</sup> .....	1.5	1.8	1.3	1.0	0.8	1.4	2.5	2.0	1.6	2.1	1.9	1.2	1.4	1.4	1.0	1.4	1.3	1.2	2.0	20
21	Market-based PCE <sup>5</sup> .....	2.5	1.8	1.1	1.1	2.1	3.2	4.2	2.2	1.4	2.1	1.2	1.3	1.5	1.0	0.1	1.7	0.7	1.2	2.2	21
22	Market-based PCE excluding food and energy <sup>5</sup> .....	1.4	1.8	1.2	0.8	0.6	1.3	2.4	2.1	1.6	2.1	1.8	1.3	1.0	1.5	0.7	1.4	1.0	1.0	1.8	22
<b>Contributions to percent change in real gross domestic product</b>																					
<b>Percent change at annual rate:</b>																					
23	<b>Gross domestic product.....</b>	<b>1.6</b>	<b>2.3</b>	<b>2.2</b>	<b>2.7</b>	<b>2.5</b>	<b>-1.5</b>	<b>2.9</b>	<b>0.8</b>	<b>4.6</b>	<b>2.3</b>	<b>1.6</b>	<b>2.5</b>	<b>0.1</b>	<b>2.7</b>	<b>1.8</b>	<b>4.5</b>	<b>3.5</b>	<b>-2.1</b>	<b>4.6</b>	23
<b>Percentage points at annual rates:</b>																					
24	Goods .....	1.11	1.33	1.27	2.67	1.52	-0.53	1.65	-0.42	4.47	0.76	0.84	1.03	-0.28	2.23	0.16	3.18	2.43	-2.69	3.34	24
25	Services .....	0.57	0.51	0.74	1.11	0.98	-0.03	0.71	0.66	-0.40	0.73	0.49	1.37	0.18	0.83	0.76	0.74	1.10	0.86	0.40	25
26	Structures .....	-0.08	0.48	0.21	-1.05	0.04	-0.98	0.59	0.60	0.51	0.77	0.29	0.09	0.15	-0.32	0.84	0.60	-0.03	-0.29	0.85	26
27	Motor vehicle output.....	0.22	0.31	0.13	0.50	-0.32	0.65	-0.18	0.27	0.52	0.66	0.16	0.07	-0.17	0.45	0.20	-0.31	0.47	0.09	0.55	27
28	Final sales of computers.....	0.04	0.05	0.05	-0.03	0.12	0.04	0.04	0.04	0.08	0.06	-0.05	0.08	0.12	0.04	0.06	-0.02	0.03	0.07	0.06	28
29	Research and development .....	0.00	0.02	0.02	0.14	0.06	-0.07	-0.04	0.00	0.08	-0.03	0.05	0.03	0.10	0.03	0.01	-0.08	-0.02	0.07	0.09	29

<sup>r</sup> Revised

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

2. Farm output less intermediate goods and services purchased.

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

4. Food excludes personal consumption expenditures for purchased meals and beverages, which are classified in food services.

5. 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, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.

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 2009 -- 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 2008-09 annual percent change in real GDP uses prices for 2008 and 2009 as weights, and the 2008-09 annual percent change in GDP prices uses quantities for 2008 and 2009 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, 8, and appendix table A. Contributions by major components to the percent change 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 (2009) dollar estimates." For most series, these estimates, which are presented in table 3, are computed by multiplying the current-dollar value in 2009 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2009 and if real output for this component increased 10 percent in 2010, then the chained (2009) dollar value of this component in 2010 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.