



NEWS RELEASE



EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, THURSDAY, MARCH 27, 2008

Virginia H. Mannering: (202) 606-5304 (GDP)
Andrew Hodge: (202) 606-5564 (Profits)
Recorded message: (202) 606-5306

BEA 08-12

GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2007 (FINAL) CORPORATE PROFITS: FOURTH QUARTER 2007

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 0.6 percent in the fourth quarter of 2007, according to final estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.9 percent.

The GDP estimates released today are based on more complete source data than were available for the preliminary estimates issued last month. In the preliminary estimates, the increase in real GDP was also 0.6 percent (see "Revisions" on page 3).

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

The deceleration in real GDP growth in the fourth quarter primarily reflected a downturn in inventory investment and decelerations in exports, in federal government spending, and in PCE that were partly offset by a downturn in imports.

Final sales of computers contributed 0.16 percentage point to the fourth-quarter growth in real GDP after contributing 0.28 percentage point to the third-quarter growth. Motor vehicle output subtracted 0.86 percentage point from the fourth-quarter growth in real GDP after contributing 0.36 percentage point to the third-quarter growth.

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

This news release is available on [BEA's Web site](#) along with the [Technical Note](#) and [Highlights](#) related to this release.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 3.7 percent in the fourth quarter, 0.2 percentage point less than the preliminary estimate; this index increased 1.8 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 2.3 percent in the fourth quarter, compared with an increase of 1.9 percent in the third.

Real personal consumption expenditures increased 2.3 percent in the fourth quarter, compared with an increase of 2.8 percent in the third. Real nonresidential fixed investment increased 6.0 percent, compared with an increase of 9.3 percent. Nonresidential structures increased 12.4 percent, compared with an increase of 16.4 percent. Equipment and software increased 3.1 percent, compared with an increase of 6.2 percent. Real residential fixed investment decreased 25.2 percent, compared with a decrease of 20.5 percent.

Real exports of goods and services increased 6.5 percent in the fourth quarter, compared with an increase of 19.1 percent in the third. Real imports of goods and services decreased 1.4 percent, in contrast to an increase of 4.4 percent.

Real federal government consumption expenditures and gross investment increased 0.5 percent in the fourth quarter, compared with an increase of 7.1 percent in the third. National defense decreased 0.5 percent, in contrast to an increase of 10.1 percent. Nondefense increased 2.8 percent, compared with an increase of 1.1 percent. Real state and local government consumption expenditures and gross investment increased 2.8 percent, compared with an increase of 1.9 percent.

The real change in private inventories subtracted 1.79 percentage points from the fourth-quarter change in real GDP, after adding 0.89 percentage point to the third-quarter change. Private businesses decreased inventories \$18.3 billion in the fourth quarter, following increases of \$30.6 billion in the third quarter and \$5.8 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 2.4 percent in the fourth quarter, compared with an increase of 4.0 percent in the third.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- decreased 0.4 percent in the fourth quarter, in contrast to an increase of 3.3 percent in the third.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 1.9 percent in the fourth quarter, compared with an increase of 5.8 percent in the third. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$37.6 billion in the fourth quarter after increasing \$25.9 billion in the third; in the fourth quarter, receipts decreased \$12.9 billion, and payments decreased \$50.5 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 3.0 percent, or \$103.7 billion, in the fourth quarter to a level of \$14,074.2 billion. In the third quarter, current-dollar GDP increased 6.0 percent, or \$201.7 billion.

Revisions

The final estimate of the fourth-quarter increase in real GDP is the same as the preliminary estimate issued last month, primarily reflecting a downward revision to inventory investment and smaller downward revisions to several other GDP components that were largely offset by upward revisions to personal consumption expenditures and to exports.

| | <u>Advance</u> | <u>Preliminary</u> | <u>Final</u> |
|---|---|--------------------|--------------|
| | (Percent change from preceding quarter) | | |
| Real GDP..... | 0.6 | 0.6 | 0.6 |
| Current-dollar GDP..... | 3.2 | 3.3 | 3.0 |
| Gross domestic purchases price index... | 3.8 | 3.9 | 3.7 |

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) decreased \$52.9 billion in the fourth quarter, compared with a decrease of \$20.5 billion in the third quarter. The fourth-quarter profits estimates reflect large adjustments that raised profits in the national income and product accounts (NIPAs) relative to profits as reported in corporate financial source data in order to account for differences in the treatment of asset write-downs and loan-loss provisions, which are not expensed in current-production profits in the NIPAs (see Technical Note).

Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- decreased \$55.7 billion in the fourth quarter, compared with a decrease of \$21.1 billion in the third.

Taxes on corporate income decreased \$15.0 billion in the fourth quarter, compared with a decrease of \$20.7 billion in the third. Profits after tax with inventory valuation and capital consumption adjustments decreased \$37.9 billion in the fourth quarter, in contrast to an increase of \$0.3 billion in the third. Dividends increased \$21.7 billion, compared with an increase of \$23.5 billion; current-production undistributed profits decreased \$59.5 billion, compared with a decrease of \$23.3 billion.

Domestic profits of financial corporations decreased \$74.4 billion in the fourth quarter, compared with a decrease of \$32.5 billion in the third. Domestic profits of nonfinancial corporations decreased \$34.3 billion in the fourth quarter, compared with a decrease of \$14.4 billion in the third. In the fourth quarter, real gross value added of nonfinancial corporations increased, and profits per unit of real product decreased. The decrease in unit profits reflected increases in both the unit labor and nonlabor costs corporations incurred that were partly offset by an increase in unit prices.

The rest-of-the-world component of profits increased \$55.8 billion in the fourth quarter, compared with an increase of \$26.4 billion in the third. This measure is calculated as (1) receipts by U.S. residents of earnings from their foreign affiliates plus dividends received by U.S. residents from unaffiliated foreign corporations minus (2) payments by U.S. affiliates of earnings to their foreign parents plus dividends paid by U.S. corporations to unaffiliated foreign residents. The fourth-quarter increase was accounted for by an increase in receipts and a decrease in payments.

Profits before tax with inventory valuation adjustment is the best available measure of industry profits because estimates of the capital consumption adjustment by industry do not exist. This measure reflects depreciation-accounting practices used for federal income tax returns. According to this measure, domestic profits of financial and nonfinancial corporations decreased in the fourth quarter. The decrease in nonfinancial corporations reflected decreases in wholesale trade, in manufacturing, and in transportation and warehousing that were partly offset by increases in information and in utilities. Within manufacturing, the decrease was more than accounted for by petroleum.

Profits before tax increased \$0.2 billion in the fourth quarter, in contrast to a decrease of \$51.8 billion in the third. The before-tax measure of profits does not reflect, as does profits from current production, the capital consumption and inventory valuation adjustments. These adjustments convert depreciation of fixed assets and inventory withdrawals reported on a tax-return, historical-cost basis to the current-cost measures used in the national income and product accounts. The capital consumption adjustment decreased \$4.1 billion in the fourth quarter (from -\$237.4 billion to -\$241.5 billion), compared with a decrease of \$3.0 billion in the third. The inventory valuation adjustment decreased \$49.1 billion (from -\$20.3 billion to -\$69.4 billion), in contrast to an increase of \$34.4 billion.

Effective with this release, chained-dollar gross value added of nonfinancial corporate business was revised beginning with 2004. The current-dollar gross value added is deflated by a revised chain-type price index calculated using the gross value added chain-type index for nonfinancial industries from the annual revision of the GDP-by-industry accounts that were released in January 2008.

Corporate profits in 2007

Profits from current production increased 2.7 percent in 2007, compared with an increase of 13.2 percent in 2006. Domestic profits decreased 3.0 percent, in contrast to an increase of 12.3 percent. The rest-of-the-world component of profits increased 31.2 percent, compared with an increase of 17.9 percent.

Taxes on corporate income increased 2.8 percent in 2007, compared with an increase of 15.5 percent in 2006. Profits after tax with inventory valuation and capital consumption adjustments increased 2.6 percent, compared with an increase of 12.2 percent. Dividends increased 13.8 percent, compared with an increase of 16.2 percent; current-production undistributed profits decreased 16.8 percent, in contrast to an increase of 5.9 percent.

According to the measure of profits before tax with inventory valuation adjustment, domestic profits of financial and nonfinancial corporations decreased in 2007. The decrease in nonfinancial corporations reflected a decrease in "other" nonfinancial that was partly offset by increases in information, in retail trade, in manufacturing, in utilities, in transportation and warehousing, and in wholesale trade. Within manufacturing, increases in most industries shown were partly offset by a decrease in petroleum.

* * *

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 at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

* * *

Next release -- April 30, 2008 at 8:30 A.M. EDT for:
Gross Domestic Product: First Quarter 2008 (Advance)

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

| | 2005 | 2006 | 2007 ^r | Seasonally adjusted at annual rates | | | | | | | | | | | | | | | |
|---|------|------|-------------------|-------------------------------------|------|------|------|------|------|------|-------|------|-------|-------|-------|-------|-------|-------|-----------------|
| | | | | 2004 | | | | 2005 | | | | 2006 | | | | 2007 | | | |
| | | | | I | II | III | IV | I | II | III | IV | I | II | III | IV | I | II | III | IV ^r |
| | | | | | | | | | | | | | | | | | | | |
| Gross domestic product (GDP) | 3.1 | 2.9 | 2.2 | 3.0 | 3.5 | 3.6 | 2.5 | 3.1 | 2.8 | 4.5 | 1.2 | 4.8 | 2.4 | 1.1 | 2.1 | 0.6 | 3.8 | 4.9 | 0.6 |
| Personal consumption expenditures | 3.2 | 3.1 | 2.9 | 4.4 | 2.4 | 3.5 | 4.2 | 2.4 | 3.5 | 4.1 | 1.2 | 4.4 | 2.4 | 2.8 | 3.9 | 3.7 | 1.4 | 2.8 | 2.3 |
| Durable goods | 4.9 | 3.8 | 4.7 | 5.8 | 1.9 | 7.8 | 7.0 | 2.2 | 11.3 | 6.2 | -13.0 | 16.6 | .8 | 5.6 | 3.9 | 8.8 | 1.7 | 4.5 | 2.0 |
| Nondurable goods | 3.6 | 3.6 | 2.4 | 4.6 | 1.5 | 3.1 | 4.9 | 3.5 | 3.7 | 2.5 | 4.7 | 4.5 | 2.3 | 3.2 | 4.3 | 3.0 | -5 | 2.2 | 1.2 |
| Services | 2.7 | 2.7 | 2.8 | 4.1 | 3.0 | 2.9 | 3.4 | 1.9 | 1.8 | 4.4 | 2.6 | 2.1 | 2.7 | 2.0 | 3.7 | 3.1 | 2.3 | 2.8 | 2.8 |
| Gross private domestic investment | 5.6 | 2.7 | -4.9 | 2.1 | 20.7 | 8.0 | 6.4 | 5.3 | -3.9 | 7.0 | 13.4 | 4.3 | .6 | -4.1 | -14.1 | -8.2 | 4.6 | 5.0 | -14.6 |
| Fixed investment | 6.9 | 2.4 | -2.9 | -2 | 12.9 | 9.3 | 7.3 | 4.0 | 7.9 | 8.0 | 2.3 | 7.9 | -1.9 | -4.7 | -7.1 | -4.4 | 3.2 | -7 | -4.0 |
| Nonresidential | 7.1 | 6.6 | 4.7 | -2.6 | 10.7 | 12.3 | 10.3 | 3.3 | 5.0 | 8.6 | 3.4 | 13.3 | 4.2 | 5.1 | -1.4 | 2.1 | 11.0 | 9.3 | 6.0 |
| Structures | .5 | 8.4 | 12.9 | -3 | 6.1 | 3.6 | -2 | 2.1 | -1.6 | -6.3 | 4.8 | 15.0 | 16.4 | 10.8 | 7.4 | 6.4 | 26.2 | 16.4 | 12.4 |
| Equipment and software | 9.6 | 5.9 | 1.3 | -3.4 | 12.4 | 15.5 | 14.3 | 3.8 | 7.4 | 14.5 | 3.1 | 13.0 | -1 | 2.9 | -4.9 | .3 | 4.7 | 6.2 | 3.1 |
| Residential | 6.6 | -4.6 | -17.0 | 4.0 | 16.7 | 4.2 | 2.4 | 5.3 | 13.1 | 6.9 | .5 | -7 | -11.7 | -20.4 | -17.2 | -16.3 | -11.8 | -20.5 | -25.2 |
| Change in private inventories | | | | | | | | | | | | | | | | | | | |
| Net exports of goods and services | | | | | | | | | | | | | | | | | | | |
| Exports | 6.9 | 8.4 | 8.1 | 10.0 | 6.5 | 3.1 | 10.0 | 6.0 | 9.5 | 2.1 | 10.6 | 11.5 | 5.7 | 5.7 | 14.3 | 1.1 | 7.5 | 19.1 | 6.5 |
| Goods | 7.5 | 9.9 | 7.9 | 7.4 | 7.2 | 6.2 | 7.2 | 5.8 | 13.6 | 1.9 | 12.6 | 15.5 | 6.5 | 7.4 | 9.6 | .9 | 6.6 | 26.2 | 3.9 |
| Services | 5.4 | 4.8 | 8.5 | 16.2 | 5.1 | -3.4 | 16.8 | 6.5 | .9 | 2.6 | 6.3 | 2.9 | 3.9 | 2.0 | 26.0 | 1.6 | 9.6 | 4.0 | 13.2 |
| Imports | 5.9 | 5.9 | 1.9 | 12.3 | 15.2 | 4.8 | 13.8 | 2.1 | .8 | 2.1 | 16.2 | 6.9 | .9 | 5.4 | 1.6 | 3.9 | -2.7 | 4.4 | -1.4 |
| Goods | 6.6 | 6.0 | 1.6 | 11.5 | 16.6 | 5.5 | 14.5 | 3.2 | 1.0 | 2.5 | 17.3 | 6.5 | 1.1 | 6.2 | -6 | 4.2 | -2.9 | 4.8 | -2.6 |
| Services | 2.3 | 5.2 | 3.5 | 16.5 | 8.9 | 1.8 | 10.5 | -3.5 | -5 | 0 | 10.3 | 9.5 | -1 | 1.3 | 14.2 | 2.3 | -1.7 | 1.7 | 5.5 |
| Government consumption expenditures and gross investment | .7 | 1.8 | 2.0 | 1.5 | 1.3 | 1.6 | -1.8 | 1.3 | 1.2 | 3.2 | -1.9 | 4.9 | 1.0 | .8 | 3.5 | -5 | 4.1 | 3.8 | 2.0 |
| Federal | 1.5 | 2.2 | 1.7 | 6.1 | 2.4 | 6.2 | -4.6 | 2.8 | .7 | 8.6 | -6.2 | 8.4 | -1.6 | .9 | 7.3 | -6.3 | 6.0 | 7.1 | .5 |
| National defense | 1.5 | 1.9 | 2.8 | 8.1 | 2.0 | 10.9 | -9.7 | 4.6 | 2.6 | 10.0 | -11.7 | 6.8 | 2.3 | -1.5 | 16.9 | -10.8 | 8.5 | 10.1 | -5 |
| Nondefense | 1.3 | 2.8 | -4 | 2.3 | 3.2 | -2.7 | 6.5 | -8 | -3.0 | 5.8 | 5.8 | 11.9 | -8.8 | 6.0 | -10.0 | 3.8 | .9 | 1.1 | 2.8 |
| State and local | .3 | 1.6 | 2.2 | -1.0 | .7 | -1.1 | -1 | .4 | 1.5 | 0 | .7 | 2.9 | 2.5 | .7 | 1.3 | 3.0 | 3.0 | 1.9 | 2.8 |
| Addenda: | | | | | | | | | | | | | | | | | | | |
| Final sales of domestic product | 3.3 | 2.8 | 2.5 | 2.6 | 2.4 | 3.8 | 2.7 | 2.9 | 4.8 | 4.6 | -5 | 5.4 | 2.0 | 1.0 | 3.5 | 1.3 | 3.6 | 4.0 | 2.4 |
| Gross domestic purchases | 3.1 | 2.8 | 1.5 | 3.6 | 4.8 | 3.8 | 3.4 | 2.6 | 1.9 | 4.3 | 2.5 | 4.5 | 1.9 | 1.3 | .8 | 1.1 | 2.4 | 3.3 | -4 |
| Final sales to domestic purchasers | 3.3 | 2.7 | 1.8 | 3.2 | 3.7 | 4.0 | 3.6 | 2.4 | 3.7 | 4.5 | .8 | 5.0 | 1.5 | 1.2 | 2.1 | 1.7 | 2.1 | 2.5 | 1.3 |
| Gross national product (GNP) | 3.0 | 2.8 | 2.4 | 3.6 | 2.6 | 3.9 | 1.5 | 3.6 | 2.7 | 5.1 | 0 | 5.2 | 2.4 | .5 | 2.6 | .7 | 4.0 | 5.8 | 1.9 |
| Disposable personal income | 1.7 | 3.1 | 3.1 | 3.7 | 2.4 | 2.9 | 7.5 | -3.3 | 2.5 | -1.2 | 6.6 | 4.9 | .2 | 1.7 | 6.2 | 5.4 | -8 | 4.0 | .1 |
| Current-dollar measures: | | | | | | | | | | | | | | | | | | | |
| GDP | 6.4 | 6.1 | 4.9 | 6.8 | 7.4 | 6.0 | 5.9 | 7.1 | 5.5 | 8.1 | 4.8 | 8.4 | 6.0 | 3.4 | 3.8 | 4.9 | 6.6 | 6.0 | 3.0 |
| Final sales of domestic product | 6.6 | 6.1 | 5.3 | 6.4 | 6.2 | 6.1 | 6.0 | 6.9 | 7.5 | 8.3 | 3.0 | 9.0 | 5.5 | 3.4 | 5.2 | 5.5 | 6.3 | 5.1 | 4.9 |
| Gross domestic purchases | 6.9 | 6.1 | 4.2 | 8.0 | 9.2 | 6.7 | 7.2 | 6.3 | 5.5 | 9.1 | 6.3 | 7.3 | 6.2 | 3.8 | .9 | 4.9 | 6.2 | 5.1 | 3.3 |
| Final sales to domestic purchasers | 7.1 | 6.1 | 4.6 | 7.6 | 8.0 | 6.8 | 7.3 | 6.1 | 7.4 | 9.3 | 4.6 | 7.9 | 5.7 | 3.7 | 2.1 | 5.5 | 6.0 | 4.3 | 5.0 |
| GNP | 6.3 | 6.0 | 5.2 | 7.4 | 6.5 | 6.3 | 4.8 | 7.6 | 5.4 | 8.7 | 3.5 | 8.8 | 6.0 | 2.8 | 4.3 | 4.9 | 6.8 | 6.9 | 4.3 |
| Disposable personal income | 4.7 | 5.9 | 5.7 | 7.3 | 6.3 | 4.9 | 10.8 | -1.2 | 6.0 | 3.0 | 9.6 | 6.7 | 4.5 | 4.4 | 5.2 | 9.1 | 3.4 | 5.9 | 4.1 |

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

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

| | 2005 | 2006 | 2007 ^r | Seasonally adjusted at annual rates | | | | | | | | | | | | | | | |
|---|------|------|-------------------|-------------------------------------|-------|------|-------|------|-------|------|-------|-------|------|-------|-------|-------|------|-------|-----------------|
| | | | | 2004 | | | | 2005 | | | | 2006 | | | | 2007 | | | |
| | | | | I | II | III | IV | I | II | III | IV | I | II | III | IV | I | II | III | IV ^r |
| Percent change at annual rate: | | | | | | | | | | | | | | | | | | | |
| Gross domestic product | 3.1 | 2.9 | 2.2 | 3.0 | 3.5 | 3.6 | 2.5 | 3.1 | 2.8 | 4.5 | 1.2 | 4.8 | 2.4 | 1.1 | 2.1 | 0.6 | 3.8 | 4.9 | 0.6 |
| Percentage points at annual rates: | | | | | | | | | | | | | | | | | | | |
| Personal consumption expenditures | 2.24 | 2.15 | 2.02 | 3.12 | 1.73 | 2.46 | 2.93 | 1.68 | 2.40 | 2.82 | .84 | 3.00 | 1.63 | 1.88 | 2.68 | 2.56 | 1.00 | 2.01 | 1.58 |
| Durable goods | .40 | .31 | .36 | .49 | .16 | .64 | .57 | .18 | .90 | .51 | -1.13 | 1.23 | .07 | .43 | .30 | .67 | .14 | .35 | .15 |
| Motor vehicles and parts | 0 | -.11 | .07 | .09 | -.11 | .17 | .23 | -.27 | .48 | .20 | -1.57 | .48 | -.04 | .16 | 0 | .35 | -.10 | -.17 | .09 |
| Furniture and household equipment | .31 | .35 | .23 | .29 | .27 | .36 | .25 | .31 | .28 | .39 | .35 | .54 | .17 | .24 | .25 | .28 | .13 | .31 | .13 |
| Other | .09 | .07 | .06 | .11 | 0 | .10 | .09 | .13 | .14 | -.08 | .09 | .22 | -.06 | .04 | .05 | .04 | .11 | .20 | -.06 |
| Nondurable goods | .72 | .74 | .48 | .92 | .31 | .62 | .97 | .71 | .74 | .50 | .93 | .91 | .47 | .64 | .86 | .61 | -.10 | .46 | .25 |
| Food | .38 | .38 | .22 | .59 | .10 | .21 | .60 | .31 | .38 | .49 | .40 | .47 | .13 | .24 | .68 | .16 | -.14 | .13 | .39 |
| Clothing and shoes | .17 | .13 | .12 | .31 | -.13 | .15 | .23 | .18 | .27 | 0 | .29 | .11 | .05 | .14 | .10 | .22 | .06 | .17 | -.10 |
| Gasoline, fuel oil, and other energy goods | -.02 | -.01 | -.03 | 0 | .04 | -.03 | 0 | .05 | -.11 | -.11 | .06 | .02 | .02 | .05 | -.15 | .06 | -.12 | -.02 | -.04 |
| Other | .19 | .23 | .17 | .03 | .29 | .29 | .14 | .17 | .20 | .13 | .18 | .31 | .27 | .20 | .23 | .17 | .10 | .18 | -.01 |
| Services | 1.12 | 1.11 | 1.18 | 1.71 | 1.25 | 1.21 | 1.39 | .79 | .76 | 1.81 | 1.05 | .86 | 1.10 | .81 | 1.52 | 1.28 | .96 | 1.20 | 1.18 |
| Housing | .33 | .28 | .25 | .35 | .25 | .29 | .31 | .36 | .36 | .36 | .30 | .23 | .18 | .20 | .26 | .29 | .27 | .34 | .27 |
| Household operation | .08 | -.03 | .12 | .13 | .06 | .06 | .15 | .04 | -.02 | .33 | -.22 | -.40 | .17 | .16 | .13 | .04 | .05 | .23 | .22 |
| Electricity and gas | .04 | -.05 | .09 | .04 | -.05 | -.05 | .15 | .03 | -.04 | .29 | -.21 | -.42 | .14 | .17 | .07 | .03 | .02 | .21 | .19 |
| Other household operation | .03 | .02 | .03 | .08 | .11 | .12 | .01 | .01 | .02 | .04 | -.01 | .02 | .03 | -.01 | .07 | .01 | .03 | .02 | .03 |
| Transportation | .03 | .03 | .08 | .04 | .08 | .02 | .06 | .02 | .01 | .01 | .03 | .06 | -.03 | .06 | .11 | .07 | .11 | .09 | .07 |
| Medical care | .41 | .40 | .33 | .33 | .45 | .52 | .40 | .27 | .38 | .53 | .53 | .49 | .26 | .12 | .34 | .47 | .28 | .27 | .51 |
| Recreation | .06 | .09 | .11 | .21 | .12 | .09 | .03 | .09 | .03 | .06 | .08 | .07 | .02 | .19 | .30 | .06 | .03 | .10 | 0 |
| Other | .21 | .34 | .29 | .66 | .29 | .22 | .44 | 0 | 0 | .53 | .32 | .34 | .45 | .11 | .44 | .39 | .19 | .24 | .03 |
| Gross private domestic investment | .91 | .45 | -.82 | .30 | 3.00 | 1.26 | 1.04 | .89 | -.64 | 1.15 | 2.13 | .78 | .13 | -.70 | -.250 | -1.36 | .71 | .77 | -2.40 |
| Fixed investment | 1.09 | .39 | -.48 | -.07 | 1.88 | 1.41 | 1.14 | .68 | 1.26 | 1.28 | .38 | 1.27 | -.32 | -.80 | -.119 | -.70 | .49 | -.11 | -.62 |
| Nonresidential | .70 | .68 | .49 | -.28 | 1.00 | 1.16 | 1.00 | .36 | 1.51 | .87 | .35 | 1.31 | .44 | .53 | -.15 | .22 | 1.12 | .96 | .63 |
| Structures | .01 | .24 | .40 | -.01 | .15 | .09 | 0 | .06 | -.04 | -.17 | .12 | .39 | .45 | .31 | .23 | .20 | .78 | .52 | .41 |
| Equipment and software | .69 | .44 | .10 | -.27 | .85 | 1.07 | 1.01 | .30 | .55 | 1.04 | .23 | .92 | -.01 | .21 | -.38 | .02 | .34 | .44 | .22 |
| Information processing equipment and software | .34 | .27 | .29 | .04 | .15 | .24 | .41 | .46 | .32 | .32 | .26 | .48 | .05 | .24 | -.06 | .56 | .36 | .24 | .51 |
| Computers and peripheral equipment | .17 | .12 | .12 | -.16 | .04 | .19 | .24 | .13 | .19 | .11 | .23 | .06 | .11 | .09 | .03 | .25 | .08 | .08 | .20 |
| Software | .10 | .06 | .10 | .14 | 0 | .11 | .17 | .07 | .14 | .02 | .05 | .08 | .03 | .05 | .04 | .14 | .16 | .07 | .18 |
| Other | .08 | .10 | .07 | .05 | .12 | -.06 | 0 | .26 | -.01 | .19 | -.01 | .34 | -.09 | .10 | -.12 | .18 | .11 | .09 | .13 |
| Industrial equipment | .09 | .05 | .02 | -.14 | .09 | .19 | .06 | .15 | -.12 | .23 | .11 | -.08 | .17 | -.04 | -.08 | -.04 | .19 | .10 | -.18 |
| Transportation equipment | .13 | .09 | -.15 | -.07 | .52 | .43 | .40 | -.34 | .14 | .40 | -.21 | .46 | -.24 | .10 | -.18 | -.20 | -.32 | .03 | -.19 |
| Other equipment | .12 | .04 | -.06 | -.10 | .09 | .20 | .13 | .04 | .21 | .09 | .07 | .06 | 0 | -.09 | -.05 | -.30 | .11 | .07 | .08 |
| Residential | .39 | -.29 | -.98 | .21 | .89 | .24 | .14 | .32 | .75 | .42 | .03 | -.05 | -.76 | -1.33 | -1.04 | -.93 | -.62 | -1.08 | -1.25 |
| Change in private inventories | -.18 | .06 | -.33 | .37 | 1.12 | -.14 | -.11 | .21 | -1.90 | -.14 | 1.74 | -.49 | .46 | .10 | -.131 | -.65 | .22 | .89 | -1.79 |
| Farm | -.07 | 0 | .04 | .28 | .37 | -.32 | -.14 | -.25 | .13 | .12 | .01 | -.04 | -.23 | .10 | .25 | .04 | -.05 | .01 | -.09 |
| Nonfarm | -.11 | .06 | -.37 | .08 | .75 | .18 | .03 | .46 | -2.04 | -.26 | 1.73 | -.45 | .69 | .01 | -1.56 | -.69 | .27 | .87 | -1.69 |
| Net exports of goods and services | -.23 | -.08 | .59 | -.75 | -1.50 | -.42 | -1.07 | .26 | .83 | -.10 | -1.41 | .13 | .49 | -.25 | 1.25 | -.51 | 1.32 | 1.38 | 1.02 |
| Exports | .70 | .88 | .91 | .95 | .64 | .31 | .97 | .60 | .95 | .22 | 1.07 | 1.19 | .61 | .62 | 1.51 | .13 | .85 | 2.10 | .77 |
| Goods | .53 | .73 | .62 | .49 | .48 | .42 | .49 | .40 | .92 | .14 | .87 | 1.10 | .49 | .56 | .73 | .07 | .53 | 1.96 | .33 |
| Services | .17 | .16 | .28 | .46 | .16 | -.11 | .49 | .20 | .03 | .08 | .20 | .10 | .13 | .07 | .78 | .05 | .33 | .14 | .45 |
| Imports | -.92 | -.96 | -.32 | -1.70 | -2.14 | -.73 | -2.04 | -.34 | -.12 | -.32 | -2.47 | -1.07 | -.12 | -.88 | -.26 | -.63 | .47 | -.72 | .24 |
| Goods | -.86 | -.83 | -.22 | -1.32 | -1.92 | -.69 | -1.78 | -.43 | -.13 | -.32 | -2.22 | -.83 | -.12 | -.84 | .09 | -.57 | .42 | -.67 | .39 |
| Services | -.06 | -.13 | -.09 | -.37 | -.21 | -.05 | -.26 | .09 | .01 | 0 | -.26 | -.24 | 0 | -.03 | -.35 | -.06 | .05 | -.05 | -.15 |
| Government consumption expenditures and gross investment | .14 | .35 | .39 | .29 | .25 | .30 | -.35 | .25 | .22 | .60 | -.37 | .92 | .18 | .14 | .66 | -.09 | .79 | .74 | .38 |
| Federal | .11 | .15 | .12 | .41 | .17 | .43 | -.33 | .19 | .05 | .59 | -.46 | .57 | -.11 | .06 | .50 | -.46 | .41 | .50 | .04 |
| National defense | .07 | .09 | .13 | .36 | .09 | .49 | -.48 | .22 | .12 | .46 | -.59 | .31 | .11 | -.07 | .74 | -.54 | .39 | .47 | -.03 |
| Consumption expenditures | .04 | .05 | .13 | .35 | .03 | .34 | -.45 | .26 | .01 | .41 | -.57 | .30 | -.05 | 0 | .60 | -.40 | .35 | .39 | .05 |
| Gross investment | .03 | .04 | .01 | .01 | .06 | .15 | -.04 | -.05 | .11 | .05 | -.02 | .01 | .15 | -.07 | .15 | -.14 | .04 | .08 | -.08 |
| Nondefense | .03 | .06 | -.01 | .06 | .08 | -.06 | .15 | -.02 | -.07 | .13 | .13 | .27 | -.22 | .14 | -.24 | .08 | .02 | .03 | .06 |
| Consumption expenditures | .01 | .05 | 0 | .07 | .03 | -.04 | .12 | -.02 | -.08 | .07 | .06 | .23 | -.15 | .13 | -.23 | .14 | -.02 | .04 | .04 |
| Gross investment | .02 | .02 | -.01 | -.02 | .05 | -.03 | .03 | 0 | .01 | .06 | .07 | .04 | -.07 | .01 | -.02 | -.06 | .04 | -.01 | .02 |
| State and local | .04 | .19 | .27 | -.12 | .09 | -.13 | -.01 | .05 | .17 | .01 | .09 | .35 | .29 | .08 | .16 | .36 | .37 | .24 | .34 |
| Consumption expenditures | .07 | .13 | .18 | -.04 | .02 | .04 | .11 | .02 | .09 | .12 | .09 | .15 | .11 | .18 | .19 | .20 | .19 | .13 | .22 |
| Gross investment | -.03 | .06 | .09 | -.08 | .07 | -.17 | -.12 | .03 | .08 | -.11 | 0 | .20 | .18 | -.10 | -.03 | .17 | .18 | .11 | .12 |
| Addenda: | | | | | | | | | | | | | | | | | | | |
| Goods | 1.36 | 1.53 | 1.02 | .68 | 1.10 | 2.06 | 1.18 | 1.32 | 1.23 | 1.83 | .49 | 2.95 | 1.45 | 1.06 | .36 | .06 | 1.65 | 3.48 | -.49 |
| Services | 1.36 | 1.36 | 1.68 | 2.17 | 1.27 | 1.40 | 1.41 | 1.34 | 1.82 | 2.50 | .56 | 1.39 | 1.15 | 1.15 | 2.50 | 1.21 | 1.85 | 1.86 | 1.80 |
| Structures | .35 | -.01 | -.51 | .10 | 1.11 | .14 | -.03 | .42 | .76 | .14 | .14 | .48 | -.16 | -1.14 | -.77 | -.68 | .32 | -.43 | -.73 |
| Motor vehicle output | .14 | -.04 | -.07 | .29 | -.21 | .87 | -.34 | .18 | .16 | .92 | -1.21 | .51 | -.37 | .44 | -.74 | .18 | .03 | .36 | -.86 |
| Final sales of computers | .22 | .13 | .13 | -.28 | -.04 | .13 | .29 | .24 | .31 | .15 | .22 | .05 | .13 | .03 | .16 | -.01 | .21 | .28 | .16 |

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

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

| | Billions of current dollars | | | | | | Billions of chained (2000) dollars | | | | | | Change from preceding period | | | | | |
|---|-----------------------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------------------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------------------|-------------------|--------------|-------------------|-----------------|-----------------|
| | 2007 ^r | Seasonally adjusted at annual rates | | | | | 2007 ^r | Seasonally adjusted at annual rates | | | | | | | | 2007 ^r | 2007 | |
| | | 2006 | 2007 | | | | | 2006 | 2007 | | | | | 2007 ^r | III | | IV ^r | |
| | | | IV | I | II | III | | | IV ^r | IV | I | II | III | | | | | IV ^r |
| Gross domestic product | 13,841.3 | 13,392.3 | 13,551.9 | 13,768.8 | 13,970.5 | 14,074.2 | 11,566.8 | 11,395.5 | 11,412.6 | 11,520.1 | 11,658.9 | 11,675.7 | 247.4 | 138.8 | 16.8 | | | |
| Personal consumption expenditures | 9,734.2 | 9,373.7 | 9,540.5 | 9,674.0 | 9,785.7 | 9,936.6 | 8,277.8 | 8,141.2 | 8,215.7 | 8,244.3 | 8,302.2 | 8,349.1 | 233.7 | 57.9 | 46.9 | | | |
| Durable goods | 1,078.2 | 1,056.5 | 1,074.0 | 1,074.7 | 1,081.6 | 1,082.5 | 1,235.4 | 1,197.6 | 1,223.2 | 1,228.4 | 1,241.9 | 1,248.1 | 54.9 | 13.5 | 6.2 | | | |
| Motor vehicles and parts | 441.2 | 434.8 | 444.5 | 441.5 | 437.5 | 441.3 | 446.9 | 439.6 | 451.5 | 448.2 | 442.3 | 445.4 | 9.6 | -5.9 | 3.1 | | | |
| Furniture and household equipment | 416.1 | 409.0 | 414.2 | 414.5 | 418.6 | 417.1 | 593.6 | 566.9 | 579.9 | 585.9 | 601.0 | 607.7 | 42.7 | 15.1 | 6.7 | | | |
| Other | 221.0 | 212.8 | 215.3 | 218.8 | 225.6 | 224.1 | 222.2 | 215.2 | 216.6 | 220.2 | 227.2 | 224.9 | 8.3 | 7.0 | -2.3 | | | |
| Non-durable goods | 2,833.2 | 2,705.4 | 2,759.4 | 2,822.7 | 2,846.3 | 2,904.5 | 2,392.8 | 2,368.8 | 2,386.6 | 2,383.8 | 2,396.8 | 2,404.2 | 55.1 | 13.0 | 7.4 | | | |
| Food | 1,336.4 | 1,291.7 | 1,312.2 | 1,322.7 | 1,342.4 | 1,368.2 | 1,117.0 | 1,110.7 | 1,115.3 | 1,111.4 | 1,115.0 | 1,126.4 | 25.2 | 3.6 | 11.4 | | | |
| Clothing and shoes | 370.5 | 363.2 | 371.1 | 368.4 | 372.4 | 370.0 | 409.1 | 397.0 | 405.1 | 407.5 | 413.7 | 409.9 | 18.0 | 6.2 | -3.8 | | | |
| Gasoline, fuel oil, and other energy goods | 364.2 | 306.3 | 320.9 | 373.6 | 365.9 | 396.4 | 196.2 | 197.0 | 198.2 | 195.9 | 195.6 | 194.9 | -2.4 | -3 | -7 | | | |
| Other | 762.2 | 744.3 | 755.1 | 758.1 | 765.6 | 769.9 | 686.6 | 676.5 | 681.7 | 684.7 | 690.2 | 689.9 | 20.4 | 5.5 | -3 | | | |
| Services | 5,822.8 | 5,611.8 | 5,707.1 | 5,776.5 | 5,857.8 | 5,949.7 | 4,674.8 | 4,595.5 | 4,630.7 | 4,656.7 | 4,689.5 | 4,722.4 | 129.3 | 32.8 | 32.9 | | | |
| Housing | 1,465.9 | 1,413.9 | 1,435.1 | 1,455.4 | 1,474.9 | 1,498.3 | 1,175.6 | 1,156.6 | 1,163.7 | 1,171.6 | 1,178.9 | 1,188.3 | 27.3 | 7.3 | 9.4 | | | |
| Household operation | 531.1 | 509.7 | 520.0 | 526.2 | 533.3 | 544.8 | 426.0 | 419.1 | 420.1 | 421.6 | 427.9 | 434.2 | 13.1 | 6.3 | 6.3 | | | |
| Electricity and gas | 226.9 | 212.7 | 220.6 | 223.5 | 227.3 | 236.1 | 157.1 | 152.5 | 153.1 | 153.6 | 158.5 | 163.1 | 8.6 | 4.9 | 4.6 | | | |
| Other household operation | 304.2 | 297.0 | 299.4 | 302.7 | 305.9 | 308.7 | 268.5 | 266.8 | 267.1 | 268.1 | 268.8 | 269.9 | 3.4 | .7 | 1.1 | | | |
| Transportation | 358.4 | 346.8 | 349.6 | 355.1 | 362.5 | 366.6 | 300.2 | 294.1 | 296.0 | 299.2 | 301.7 | 303.8 | 9.0 | 2.5 | 2.1 | | | |
| Medical care | 1,689.3 | 1,617.9 | 1,656.9 | 1,674.6 | 1,695.0 | 1,730.7 | 1,336.0 | 1,310.5 | 1,323.2 | 1,330.8 | 1,338.0 | 1,352.1 | 35.7 | 7.2 | 14.1 | | | |
| Recreation | 402.2 | 392.8 | 395.3 | 400.2 | 404.6 | 408.6 | 334.0 | 330.3 | 332.0 | 332.7 | 335.6 | 335.5 | 12.7 | 2.9 | -1 | | | |
| Other | 1,375.8 | 1,330.7 | 1,350.1 | 1,365.0 | 1,387.5 | 1,400.6 | 1,101.5 | 1,083.5 | 1,094.1 | 1,099.3 | 1,105.8 | 1,106.8 | 31.6 | 6.5 | 1.0 | | | |
| Gross private domestic investment | 2,125.4 | 2,152.4 | 2,117.3 | 2,139.1 | 2,162.9 | 2,082.1 | 1,825.5 | 1,856.2 | 1,816.9 | 1,837.4 | 1,859.9 | 1,787.7 | -94.0 | 22.5 | -72.2 | | | |
| Fixed investment | 2,122.4 | 2,132.4 | 2,118.9 | 2,133.9 | 2,127.5 | 2,109.5 | 1,819.5 | 1,835.5 | 1,815.2 | 1,829.3 | 1,826.0 | 1,807.5 | -55.2 | -3.3 | -18.5 | | | |
| Nonresidential | 1,481.8 | 1,417.1 | 1,431.4 | 1,469.1 | 1,500.1 | 1,526.5 | 1,368.4 | 1,314.8 | 1,321.7 | 1,356.6 | 1,387.3 | 1,407.8 | 61.6 | 30.7 | 20.5 | | | |
| Structures | 472.1 | 428.4 | 439.6 | 464.5 | 483.1 | 501.3 | 303.4 | 278.3 | 282.6 | 299.5 | 311.1 | 320.3 | 34.8 | 11.6 | 9.2 | | | |
| Equipment and software | 1,009.7 | 988.7 | 991.8 | 1,004.5 | 1,017.1 | 1,025.3 | 1,064.5 | 1,044.4 | 1,045.3 | 1,057.4 | 1,073.5 | 1,081.7 | 13.9 | 16.1 | 8.2 | | | |
| Information processing equipment and software | 511.7 | 480.5 | 497.6 | 507.7 | 512.6 | 529.0 | 645.5 | 599.6 | 623.3 | 638.5 | 648.7 | 671.3 | 49.6 | 10.2 | 22.6 | | | |
| Computers and peripheral equipment | 97.3 | 90.4 | 96.6 | 96.6 | 95.7 | 100.2 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |  |  |  |
| Software | 217.7 | 205.9 | 210.5 | 216.1 | 218.5 | 225.5 | 227.0 | 215.1 | 219.9 | 225.6 | 228.0 | 234.5 | 14.0 | 2.4 | 6.5 | | | |
| Other | 196.8 | 184.3 | 190.5 | 195.0 | 198.4 | 203.4 | 215.3 | 202.6 | 209.2 | 213.4 | 216.8 | 221.9 | 10.5 | 3.4 | 5.1 | | | |
| Industrial equipment | 175.1 | 167.5 | 168.1 | 176.0 | 180.6 | 175.7 | 151.7 | 148.4 | 147.3 | 152.9 | 156.0 | 150.6 | 2.1 | 3.1 | -5.4 | | | |
| Transportation equipment | 154.0 | 168.0 | 162.9 | 153.3 | 153.3 | 146.6 | 136.7 | 150.9 | 144.8 | 135.3 | 136.3 | 130.3 | -18.5 | 1.0 | -6.0 | | | |
| Other equipment | 168.8 | 172.7 | 163.2 | 167.5 | 170.5 | 173.9 | 148.9 | 153.7 | 144.8 | 148.0 | 150.2 | 152.7 | -7.3 | 2.2 | 2.5 | | | |
| Residential | 640.7 | 715.3 | 687.5 | 664.8 | 627.3 | 582.9 | 472.8 | 529.4 | 506.3 | 490.7 | 463.3 | 430.9 | -96.7 | -27.4 | -32.4 | | | |
| Change in private inventories | 2.9 | 20.0 | -1.6 | 5.1 | 35.4 | -27.4 | 4.5 | 17.4 | .1 | 5.8 | 30.6 | -18.3 | -35.8 | 24.8 | -48.9 | | | |
| Farm | 3.4 | 4.7 | 5.5 | 4.0 | 3.8 | .3 | 3.7 | 3.8 | 5.0 | 3.6 | 4.1 | 2.2 | 4.6 | .5 | -1.9 | | | |
| Nonfarm | -5 | 15.3 | -7.0 | 1.1 | 31.6 | -27.7 | 0 | 13.6 | -5.8 | 1.3 | 26.0 | -21.7 | -41.7 | 24.7 | -47.7 | | | |
| Net exports of goods and services | -708.0 | -705.3 | -714.2 | -714.2 | -694.7 | -708.9 | -555.6 | -597.3 | -612.1 | -573.9 | -533.1 | -503.2 | 68.9 | 40.8 | 29.9 | | | |
| Exports | 1,643.0 | 1,531.9 | 1,549.9 | 1,598.7 | 1,685.7 | 1,737.7 | 1,409.9 | 1,350.9 | 1,354.7 | 1,379.5 | 1,441.2 | 1,464.1 | 105.8 | 61.7 | 22.9 | | | |
| Goods | 1,152.9 | 1,072.3 | 1,084.0 | 1,115.2 | 1,191.3 | 1,221.1 | 1,000.8 | 955.4 | 957.6 | 973.1 | 1,031.4 | 1,041.2 | 73.4 | 58.3 | 9.8 | | | |
| Services | 490.1 | 459.6 | 465.9 | 483.5 | 494.4 | 516.5 | 409.4 | 395.6 | 397.2 | 406.4 | 410.4 | 423.4 | 32.3 | 4.0 | 13.0 | | | |
| Imports | 2,351.0 | 2,237.2 | 2,264.0 | 2,312.9 | 2,380.4 | 2,446.6 | 1,965.4 | 1,948.2 | 1,966.8 | 1,953.4 | 1,974.3 | 1,967.3 | 36.8 | 20.9 | -7.0 | | | |
| Goods | 1,979.4 | 1,879.9 | 1,902.7 | 1,947.2 | 2,007.3 | 2,060.5 | 1,673.5 | 1,658.7 | 1,675.6 | 1,663.4 | 1,683.2 | 1,671.9 | 26.6 | 19.8 | -11.3 | | | |
| Services | 371.6 | 357.3 | 361.4 | 365.7 | 373.2 | 386.0 | 293.8 | 291.4 | 293.1 | 291.9 | 293.1 | 297.1 | 10.0 | 1.2 | 4.0 | | | |
| Government consumption expenditures and gross investment | 2,689.8 | 2,571.4 | 2,608.3 | 2,670.0 | 2,716.5 | 2,764.4 | 2,021.6 | 1,997.2 | 1,994.7 | 2,014.8 | 2,033.6 | 2,043.4 | 40.2 | 18.8 | 9.8 | | | |
| Federal | 976.0 | 949.7 | 946.6 | 969.5 | 990.3 | 997.7 | 755.0 | 752.3 | 740.2 | 751.0 | 764.0 | 765.0 | 12.7 | 13.0 | 1.0 | | | |
| National defense | 660.1 | 645.2 | 634.8 | 654.5 | 673.5 | 677.7 | 505.1 | 505.8 | 491.6 | 501.7 | 513.9 | 513.2 | 13.6 | 12.2 | -7 | | | |
| Consumption expenditures | 578.9 | 561.5 | 555.7 | 573.8 | 589.6 | 596.4 | 429.3 | 427.7 | 417.4 | 426.2 | 436.0 | 437.4 | 12.7 | 9.8 | 1.4 | | | |
| Gross investment | 81.2 | 83.7 | 79.1 | 80.7 | 83.9 | 81.3 | 77.3 | 80.1 | 75.6 | 77.0 | 79.6 | 76.9 | .7 | 2.6 | -2.7 | | | |
| Nondefense | 315.9 | 304.5 | 311.7 | 315.0 | 316.8 | 320.0 | 249.6 | 246.1 | 248.4 | 248.9 | 249.6 | 251.4 | -1.1 | .7 | 1.8 | | | |
| Consumption expenditures | 277.2 | 264.9 | 274.0 | 276.0 | 278.1 | 280.5 | 213.0 | 208.8 | 212.5 | 212.0 | 213.1 | 214.2 | .4 | 1.1 | 1.1 | | | |
| Gross investment | 38.7 | 39.6 | 37.7 | 39.1 | 38.6 | 39.5 | 36.8 | 37.8 | 35.9 | 37.2 | 36.8 | 37.4 | -1.7 | -4 | .6 | | | |
| State and local | 1,713.8 | 1,621.7 | 1,661.7 | 1,700.5 | 1,726.2 | 1,766.7 | 1,266.4 | 1,244.9 | 1,254.2 | 1,263.5 | 1,269.6 | 1,278.3 | 27.4 | 6.1 | 8.7 | | | |
| Consumption expenditures | 1,365.9 | 1,300.8 | 1,326.7 | 1,355.9 | 1,374.3 | 1,406.4 | 1,009.2 | 997.5 | 1,002.5 | 1,007.4 | 1,010.7 | 1,016.3 | 18.3 | 3.3 | 5.6 | | | |
| Gross investment | 347.9 | 320.9 | 335.0 | 344.5 | 351.9 | 360.3 | 257.0 | 247.3 | 251.5 | 256.0 | 258.8 | 261.9 | 9.0 | 2.8 | 3.1 | | | |
| Residual ..... | ..... | ..... | ..... | ..... | ..... | ..... | -145.8 | -108.2 | -130.7 | -136.3 | -149.4 | -165.9 | ..... | ..... | ..... |  |  |  |
| Addenda: | | | | | | | | | | | | | | | | | | |
| Final sales of domestic product | 13,838.4 | 13,372.3 | 13,553.5 | 13,763.6 | 13,935.0 | 14,101.6 | 11,561.5 | 11,375.8 | 11,411.6 | 11,512.8 | 11,626.4 | 11,695.2 | 285.6 | 113.6 | 68.8 | | | |
| Gross domestic purchases | 14,549.3 | 14,097.6 | 14,266.1 | 14,483.0 | 14,665.1 | 14,783.1 | 12,117.8 | 11,987.1 | 12,018.7 | 12,088.9 | 12,188.3 | 12,175.5 | 180.7 | 99.4 | -12.8 | | | |
| Final sales to domestic purchasers | 14,546.4 | 14,077.6 | 14,267.7 | 14,477.9 | 14,629.7 | 14,810.5 | 12,112.2 | 11,967.3 | 12,017.4 | 12,081.4 | 12,155.6 | 12,194.6 | 218.8 | 74.2 | 39.0 | | | |
| Gross domestic product | 13,841.3 | 13,392.3 | 13,551.9 | 13,768.8 | 13,970.5 | | | | | | | | | | | | | |

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

| | 2005 | 2006 | 2007 ^r | Seasonally adjusted at annual rates | | | | | | | | | | | | | | | |
|---|------|------|-------------------|-------------------------------------|-----|------|------|------|------|------|------|------|------|------|-------|------|------|------|-----------------|
| | | | | 2004 | | | | 2005 | | | | 2006 | | | | 2007 | | | |
| | | | | I | II | III | IV | I | II | III | IV | I | II | III | IV | I | II | III | IV ^r |
| | | | | | | | | | | | | | | | | | | | |
| Gross domestic product (GDP) | 3.2 | 3.2 | 2.7 | 3.7 | 3.8 | 2.3 | 3.2 | 3.9 | 2.6 | 3.5 | 3.5 | 3.4 | 3.5 | 2.4 | 1.7 | 4.2 | 2.6 | 1.0 | 2.4 |
| Personal consumption expenditures | 2.9 | 2.8 | 2.5 | 3.5 | 3.8 | 2.0 | 3.0 | 2.2 | 3.4 | 4.3 | 2.8 | 1.7 | 4.3 | 2.6 | -9 | 3.5 | 4.3 | 1.8 | 3.9 |
| Durable goods | -7 | -1.3 | -1.8 | -5 | .3 | -2.5 | .2 | .1 | -4 | -2.8 | -1.1 | -1.0 | -7 | -1.3 | -2.7 | -1.9 | -1.4 | -1.8 | -1.7 |
| Nondurable goods | 3.7 | 3.1 | 3.0 | 5.3 | 6.2 | 1.4 | 4.7 | .3 | 5.0 | 9.5 | .8 | .3 | 8.6 | 2.8 | -7.9 | 5.0 | 10.0 | 1.1 | 7.1 |
| Services | 3.4 | 3.4 | 3.2 | 3.5 | 3.4 | 3.1 | 2.8 | 3.6 | 3.4 | 3.3 | 4.6 | 3.0 | 3.2 | 3.2 | 3.0 | 3.8 | 2.6 | 2.8 | 3.5 |
| Gross private domestic investment | 4.2 | 3.5 | 1.2 | 4.1 | 4.7 | 3.9 | 3.9 | 5.2 | 2.8 | 4.0 | 5.8 | 4.0 | 2.5 | 1.6 | 2.2 | 2.0 | -4 | -3 | .8 |
| Fixed investment | 4.3 | 3.5 | 1.1 | 4.1 | 4.7 | 3.9 | 3.9 | 5.3 | 2.9 | 4.2 | 6.0 | 3.9 | 2.4 | 1.5 | 2.0 | 1.9 | -3 | -5 | .7 |
| Nonresidential | 2.9 | 3.1 | 1.2 | 1.1 | 2.4 | 1.3 | 2.5 | 4.5 | 2.4 | 1.6 | 4.6 | 3.9 | 2.8 | 1.9 | 2.0 | 1.9 | 0 | -6 | 1.1 |
| Structures | 11.7 | 11.7 | 3.3 | 6.8 | 7.6 | 10.1 | 12.0 | 12.8 | 8.7 | 13.8 | 17.6 | 13.0 | 10.7 | 5.6 | 4.6 | 4.1 | -1.1 | .5 | 3.2 |
| Equipment and software | -1 | 0 | .4 | -8 | .7 | -1.7 | -6 | 1.8 | .3 | -2.5 | .2 | .6 | -2 | .4 | .8 | 1.0 | .5 | -1.1 | .1 |
| Residential | 6.7 | 4.4 | .9 | 9.8 | 8.8 | 8.5 | 6.2 | 6.6 | 3.6 | 8.7 | 8.5 | 3.9 | 1.8 | .8 | 2.1 | 2.0 | -8 | -3 | -4 |
| Change in private inventories | | | | | | | | | | | | | | | | | | | |
| Net exports of goods and services | | | | | | | | | | | | | | | | | | | |
| Exports | 3.6 | 3.4 | 3.5 | 5.5 | 4.8 | 1.9 | 4.2 | 4.6 | 3.6 | 2.5 | 3.0 | 2.7 | 6.0 | 4.6 | -8 | 3.6 | 5.3 | 3.8 | 6.0 |
| Goods | 3.1 | 3.3 | 3.6 | 6.3 | 5.2 | 1.0 | 3.6 | 4.3 | 3.0 | 1.3 | 2.3 | 3.0 | 6.3 | 5.2 | .1 | 3.5 | 5.1 | 3.2 | 6.3 |
| Services | 4.9 | 3.7 | 3.3 | 3.9 | 3.8 | 3.8 | 5.5 | 5.0 | 4.9 | 5.2 | 4.8 | 2.2 | 5.5 | 3.3 | -2.7 | 3.9 | 5.8 | 5.1 | 5.3 |
| Imports | 6.3 | 4.0 | 3.5 | 9.2 | 7.3 | 5.3 | 6.9 | 2.2 | 9.7 | 10.3 | 4.3 | -1.5 | 10.1 | 4.7 | -9.4 | 1.0 | 11.9 | 7.5 | 13.2 |
| Goods | 6.5 | 4.2 | 3.6 | 10.0 | 7.9 | 5.0 | 7.0 | 2.0 | 10.1 | 10.9 | 4.9 | -1.9 | 10.4 | 5.3 | -10.1 | .7 | 13.0 | 7.7 | 14.1 |
| Services | 5.6 | 3.1 | 2.8 | 4.9 | 4.7 | 6.7 | 6.0 | 3.5 | 7.7 | 7.5 | 1.3 | .5 | 8.4 | 1.4 | -5.3 | 2.3 | 6.7 | 6.5 | 8.6 |
| Government consumption expenditures and gross investment | 5.8 | 4.9 | 4.5 | 7.2 | 5.0 | 4.8 | 5.7 | 7.5 | 4.6 | 6.4 | 5.0 | 5.1 | 5.7 | 3.0 | 2.1 | 6.4 | 5.5 | 3.2 | 5.2 |
| Federal | 4.8 | 3.9 | 2.9 | 11.6 | 5.5 | 2.5 | 2.6 | 11.5 | 2.3 | 3.4 | .8 | 9.1 | 4.0 | 1.3 | .5 | 5.3 | 3.8 | 1.6 | 2.5 |
| National defense | 5.3 | 4.1 | 2.9 | 10.6 | 5.6 | 2.9 | 3.1 | 12.2 | 2.5 | 3.5 | 1.3 | 9.3 | 4.2 | 1.6 | -1 | 5.0 | 4.1 | 1.9 | 3.0 |
| Nondefense | 4.0 | 3.5 | 2.9 | 13.8 | 5.2 | 1.4 | 1.7 | 10.1 | 1.8 | 3.2 | -2 | 8.9 | 3.5 | .7 | 1.7 | 5.9 | 3.3 | 1.1 | 1.3 |
| State and local | 6.4 | 5.4 | 5.4 | 4.6 | 4.7 | 6.2 | 7.6 | 5.2 | 6.1 | 8.1 | 7.6 | 2.7 | 6.7 | 4.0 | 3.1 | 7.0 | 6.5 | 4.2 | 6.8 |
| Addenda: | | | | | | | | | | | | | | | | | | | |
| Final sales of domestic product | 3.2 | 3.2 | 2.6 | 3.7 | 3.8 | 2.3 | 3.2 | 3.9 | 2.6 | 3.5 | 3.5 | 3.4 | 3.5 | 2.3 | 1.7 | 4.2 | 2.7 | 1.0 | 2.4 |
| Gross domestic purchases | 3.7 | 3.3 | 2.7 | 4.3 | 4.2 | 2.8 | 3.6 | 3.6 | 3.5 | 4.6 | 3.7 | 2.7 | 4.2 | 2.5 | .1 | 3.8 | 3.8 | 1.8 | 3.7 |
| Final sales to domestic purchasers | 3.7 | 3.3 | 2.7 | 4.3 | 4.2 | 2.7 | 3.6 | 3.6 | 3.5 | 4.6 | 3.7 | 2.7 | 4.2 | 2.5 | .1 | 3.8 | 3.8 | 1.7 | 3.7 |
| Gross national product (GNP) | 3.2 | 3.1 | 2.7 | 3.7 | 3.8 | 2.3 | 3.2 | 3.9 | 2.6 | 3.5 | 3.5 | 3.4 | 3.5 | 2.4 | 1.7 | 4.2 | 2.6 | 1.0 | 2.5 |
| Implicit price deflators: | | | | | | | | | | | | | | | | | | | |
| GDP | 3.2 | 3.2 | 2.7 | 3.7 | 3.8 | 2.3 | 3.2 | 3.9 | 2.6 | 3.5 | 3.5 | 3.4 | 3.5 | 2.4 | 1.7 | 4.2 | 2.6 | 1.0 | 2.4 |
| Gross domestic purchases | 3.6 | 3.3 | 2.7 | 4.3 | 4.2 | 2.7 | 3.7 | 3.6 | 3.6 | 4.6 | 3.7 | 2.7 | 4.2 | 2.5 | .1 | 3.8 | 3.8 | 1.7 | 3.7 |
| GNP | 3.2 | 3.2 | 2.7 | 3.7 | 3.8 | 2.3 | 3.2 | 3.9 | 2.6 | 3.5 | 3.5 | 3.4 | 3.5 | 2.4 | 1.7 | 4.2 | 2.6 | 1.0 | 2.4 |

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

Table 5.—Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

| | 2005 | 2006 | 2007 ^r | Seasonally adjusted | | | | |
|---|----------------|----------------|-------------------|---------------------|----------------|----------------|----------------|----------------|
| | | | | 2006 | 2007 | | | |
| | | | | | IV | I | II | III | IV^{r} |
| Gross domestic product | 112.086 | 115.304 | 117.825 | 116.080 | 116.254 | 117.349 | 118.763 | 118.934 |
| Personal consumption expenditures | 115.791 | 119.359 | 122.828 | 120.801 | 121.906 | 122.331 | 123.190 | 123.885 |
| Durable goods | 131.748 | 136.735 | 143.096 | 138.720 | 141.680 | 142.283 | 143.852 | 144.572 |
| Nondurable goods | 115.828 | 120.051 | 122.884 | 121.650 | 122.563 | 122.419 | 123.090 | 123.466 |
| Services | 112.687 | 115.696 | 118.987 | 116.969 | 117.865 | 118.527 | 119.360 | 120.198 |
| Gross private domestic investment | 107.709 | 110.607 | 105.187 | 106.955 | 104.690 | 105.875 | 107.172 | 103.011 |
| Fixed investment | 109.080 | 111.657 | 108.369 | 109.325 | 108.113 | 108.956 | 108.756 | 107.652 |
| Nonresidential | 99.490 | 106.062 | 111.061 | 106.711 | 107.277 | 110.109 | 112.597 | 114.261 |
| Structures | 79.127 | 85.770 | 96.871 | 88.849 | 90.241 | 95.639 | 99.330 | 102.274 |
| Equipment and software | 107.935 | 114.332 | 115.842 | 113.662 | 113.753 | 115.075 | 116.821 | 117.720 |
| Residential | 133.608 | 127.433 | 105.795 | 118.462 | 113.301 | 109.791 | 103.665 | 96.422 |
| Change in private inventories | | | | | | | | |
| Exports of goods and services | 109.775 | 118.957 | 128.603 | 123.222 | 123.568 | 125.833 | 131.458 | 133.555 |
| Imports of goods and services | 123.425 | 130.683 | 133.181 | 132.014 | 133.272 | 132.363 | 133.780 | 133.309 |
| Government consumption expenditures and gross investment | 113.050 | 115.092 | 117.427 | 116.007 | 115.865 | 117.028 | 118.121 | 118.693 |
| Federal | 125.524 | 128.255 | 130.454 | 129.977 | 127.886 | 129.756 | 132.000 | 132.175 |
| State and local | 106.721 | 108.418 | 110.816 | 108.935 | 109.748 | 110.564 | 111.096 | 111.857 |
| Addenda: | | | | | | | | |
| Final sales of domestic product | 112.360 | 115.526 | 118.452 | 116.550 | 116.916 | 117.953 | 119.117 | 119.822 |
| Gross domestic purchases | 113.894 | 117.071 | 118.844 | 117.562 | 118.871 | 118.560 | 119.535 | 119.409 |
| Final sales to domestic purchasers | 114.166 | 117.292 | 119.450 | 118.021 | 118.515 | 119.146 | 119.878 | 120.263 |
| Gross national product | 112.265 | 115.363 | 118.179 | 116.152 | 116.344 | 117.493 | 119.163 | 119.716 |

^r Revised

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

Table 6.—Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

| | 2005 | 2006 | 2007 ^r | Seasonally adjusted | | | | |
|---|----------------|----------------|-------------------|---------------------|----------------|----------------|----------------|----------------|
| | | | | 2006 | 2007 | | | |
| | | | | | IV | I | II | III | IV^{r} |
| Gross domestic product | 113.005 | 116.568 | 119.668 | 117.527 | 118.750 | 119.527 | 119.837 | 120.560 |
| Personal consumption expenditures (PCE) | 111.588 | 114.675 | 117.591 | 115.143 | 116.129 | 117.345 | 117.873 | 119.019 |
| Durable goods | 90.018 | 88.857 | 87.276 | 88.213 | 87.799 | 87.488 | 87.091 | 86.726 |
| Nondurable goods | 111.561 | 114.989 | 118.398 | 114.210 | 115.620 | 118.413 | 118.751 | 120.810 |
| Services | 116.726 | 120.725 | 124.556 | 122.122 | 123.252 | 124.055 | 124.921 | 125.996 |
| Gross private domestic investment | 111.155 | 115.090 | 116.458 | 115.958 | 116.532 | 116.426 | 116.325 | 116.549 |
| Fixed investment | 111.404 | 115.352 | 116.637 | 116.162 | 116.718 | 116.636 | 116.498 | 116.696 |
| Nonresidential | 103.778 | 106.961 | 108.293 | 107.789 | 108.301 | 108.293 | 108.140 | 108.440 |
| Structures | 135.013 | 150.806 | 155.709 | 154.071 | 155.637 | 155.199 | 155.392 | 156.609 |
| Equipment and software | 94.527 | 94.485 | 94.857 | 94.667 | 94.892 | 95.002 | 94.751 | 94.783 |
| Residential | 128.653 | 134.288 | 135.450 | 135.076 | 135.736 | 135.459 | 135.367 | 135.238 |
| Change in private inventories | | | | | | | | |
| Exports of goods and services | 108.803 | 112.537 | 116.510 | 113.424 | 114.433 | 115.912 | 116.992 | 118.704 |
| Imports of goods and services | 111.117 | 115.610 | 119.613 | 114.834 | 115.114 | 118.408 | 120.572 | 124.360 |
| Government consumption expenditures and gross investment | 121.435 | 127.334 | 133.042 | 128.757 | 130.765 | 132.527 | 133.588 | 135.286 |
| Federal | 120.914 | 125.622 | 129.256 | 126.244 | 127.886 | 129.098 | 129.622 | 130.416 |
| State and local | 121.758 | 128.370 | 135.316 | 130.272 | 132.499 | 134.586 | 135.969 | 138.209 |
| Addenda: | | | | | | | | |
| PCE excluding food and energy | 109.670 | 112.130 | 114.483 | 113.052 | 113.730 | 114.116 | 114.682 | 115.403 |
| Market-based PCE ¹ | 110.307 | 113.168 | 115.945 | 113.456 | 114.472 | 115.784 | 116.186 | 117.339 |
| Market-based PCE excluding food and energy ¹ | 107.667 | 109.717 | 111.783 | 110.507 | 111.161 | 111.498 | 111.917 | 112.557 |
| Final sales of domestic product | 113.040 | 116.603 | 119.692 | 117.553 | 118.773 | 119.555 | 119.860 | 120.579 |
| Gross domestic purchases | 113.225 | 116.920 | 120.068 | 117.609 | 118.702 | 119.809 | 120.330 | 121.432 |
| Final sales to domestic purchasers | 113.261 | 116.956 | 120.093 | 117.636 | 118.727 | 119.838 | 120.355 | 121.452 |
| Gross national product | 112.999 | 116.558 | 119.659 | 117.515 | 118.740 | 119.518 | 119.824 | 120.552 |
| Implicit price deflators: | | | | | | | | |
| Gross domestic product | 113.000 | 116.567 | 119.664 | 117.522 | 118.745 | 119.519 | 119.826 | 120.542 |
| Final sales of domestic product | 113.040 | 116.603 | 119.694 | 117.550 | 118.770 | 119.551 | 119.857 | 120.576 |
| Gross domestic purchases | 113.221 | 116.919 | 120.065 | 117.606 | 118.700 | 119.804 | 120.321 | 121.417 |
| Final sales to domestic purchasers | 113.261 | 116.956 | 120.097 | 117.634 | 118.725 | 119.837 | 120.354 | 121.451 |
| Gross national product | 112.994 | 116.558 | 119.656 | 117.511 | 118.736 | 119.512 | 119.814 | 120.535 |

^r Revised

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

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

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

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 ^r |
|---|------|------|------|------|------|------|------|------|------|------|-------|------|------|------|------|-------------------|
| Gross domestic product (GDP) | 3.3 | 2.7 | 4.0 | 2.5 | 3.7 | 4.5 | 4.2 | 4.5 | 3.7 | 0.8 | 1.6 | 2.5 | 3.6 | 3.1 | 2.9 | 2.2 |
| Personal consumption expenditures | 3.3 | 3.3 | 3.7 | 2.7 | 3.4 | 3.8 | 5.0 | 5.1 | 4.7 | 2.5 | 2.7 | 2.8 | 3.6 | 3.2 | 3.1 | 2.9 |
| Durable goods | 5.9 | 7.8 | 8.4 | 4.4 | 7.8 | 8.6 | 11.3 | 11.7 | 7.3 | 4.3 | 7.1 | 5.8 | 6.3 | 4.9 | 3.8 | 4.7 |
| Nondurable goods | 2.0 | 2.7 | 3.5 | 2.2 | 2.6 | 2.7 | 4.0 | 4.6 | 3.8 | 2.0 | 2.5 | 3.2 | 3.5 | 3.6 | 3.6 | 2.4 |
| Services | 3.5 | 2.8 | 2.9 | 2.6 | 2.9 | 3.3 | 4.2 | 4.0 | 4.5 | 2.4 | 1.9 | 1.9 | 3.2 | 2.7 | 2.7 | 2.8 |
| Gross private domestic investment | 8.1 | 8.9 | 13.6 | 3.1 | 8.9 | 12.4 | 9.8 | 7.8 | 5.7 | -7.9 | -2.6 | 3.6 | 9.7 | 5.6 | 2.7 | -4.9 |
| Fixed investment | 5.9 | 8.6 | 9.3 | 6.5 | 9.0 | 9.2 | 10.2 | 8.3 | 6.5 | -3.0 | -5.2 | 3.4 | 7.3 | 6.9 | 2.4 | -2.9 |
| Nonresidential | 3.2 | 8.7 | 9.2 | 10.5 | 9.3 | 12.1 | 11.1 | 9.2 | 8.7 | -4.2 | -9.2 | 1.0 | 5.8 | 7.1 | 6.6 | 4.7 |
| Structures | -6.0 | -7 | 1.8 | 6.4 | 5.6 | 7.3 | 5.1 | -4 | 6.8 | -2.3 | -17.1 | -4.1 | 1.3 | 5 | 8.4 | 12.9 |
| Equipment and software | 7.3 | 12.5 | 11.9 | 12.0 | 10.6 | 13.8 | 13.3 | 12.7 | 9.4 | -4.9 | -6.2 | 2.8 | 7.4 | 9.6 | 5.9 | 1.3 |
| Residential | 13.8 | 8.2 | 9.6 | -3.2 | 8.0 | 1.9 | 7.6 | 6.0 | 8 | 4 | 4.8 | 8.4 | 10.0 | 6.6 | -4.6 | -17.0 |
| Change in private inventories | | | | | | | | | | | | | | | | |
| Net exports of goods and services | | | | | | | | | | | | | | | | |
| Exports | 6.9 | 3.2 | 8.7 | 10.1 | 8.4 | 11.9 | 2.4 | 4.3 | 8.7 | -5.4 | -2.3 | 1.3 | 9.7 | 6.9 | 8.4 | 8.1 |
| Goods | 7.5 | 3.3 | 9.7 | 11.7 | 8.8 | 14.3 | 2.2 | 3.8 | 11.2 | -6.1 | -4.0 | 1.8 | 9.0 | 7.5 | 9.9 | 7.9 |
| Services | 5.5 | 3.2 | 6.3 | 6.3 | 7.2 | 5.9 | 2.9 | 5.6 | 2.9 | -3.7 | 1.9 | 0 | 11.5 | 5.4 | 4.8 | 8.5 |
| Imports | 7.0 | 8.8 | 11.9 | 8.0 | 8.7 | 13.6 | 11.6 | 11.5 | 13.1 | -2.7 | 3.4 | 4.1 | 11.3 | 5.9 | 5.9 | 1.9 |
| Goods | 9.3 | 10.1 | 13.3 | 9.0 | 9.3 | 14.4 | 11.7 | 12.4 | 13.5 | -3.2 | 3.7 | 4.9 | 11.3 | 6.6 | 6.0 | 1.6 |
| Services | -2.6 | 2.9 | 5.7 | 3.3 | 5.5 | 9.4 | 11.4 | 6.9 | 11.1 | -3 | 2.1 | 0 | 11.5 | 2.3 | 5.2 | 3.5 |
| Government consumption expenditures and gross investment | .5 | -9 | 0 | .5 | 1.0 | 1.9 | 1.9 | 3.9 | 2.1 | 3.4 | 4.4 | 2.5 | 1.4 | 7 | 1.8 | 2.0 |
| Federal | -1.7 | -4.2 | -3.7 | -2.7 | -1.2 | -1.0 | -1.1 | 2.2 | .9 | 3.9 | 7.0 | 6.8 | 4.2 | 1.5 | 2.2 | 1.7 |
| National defense | -5.0 | -5.6 | -4.9 | -3.8 | -1.4 | -2.8 | -2.1 | 1.9 | -5 | 3.9 | 7.4 | 8.7 | 5.8 | 1.5 | 1.9 | 2.8 |
| Nondefense | 6.9 | -7 | -1.2 | -.4 | -.7 | 2.6 | .7 | 2.8 | 3.5 | 3.9 | 6.3 | 3.4 | 1.1 | 1.3 | 2.8 | -.4 |
| State and local | 2.2 | 1.4 | 2.6 | 2.6 | 2.3 | 3.6 | 3.6 | 4.7 | 2.7 | 3.2 | 3.1 | 2 | -2 | .3 | 1.6 | 2.2 |
| Addenda: | | | | | | | | | | | | | | | | |
| Final sales of domestic product | 3.0 | 2.6 | 3.4 | 3.0 | 3.7 | 4.0 | 4.2 | 4.5 | 3.8 | 1.6 | 1.2 | 2.5 | 3.3 | 3.3 | 2.8 | 2.5 |
| Gross domestic purchases | 3.3 | 3.2 | 4.4 | 2.4 | 3.8 | 4.8 | 5.3 | 5.3 | 4.4 | .9 | 2.2 | 2.8 | 4.1 | 3.1 | 2.8 | 1.5 |
| Final sales to domestic purchasers | 3.1 | 3.2 | 3.8 | 2.8 | 3.8 | 4.3 | 5.3 | 5.4 | 4.5 | 1.8 | 1.8 | 2.8 | 3.8 | 3.3 | 2.7 | 1.8 |
| Gross national product | 3.3 | 2.7 | 3.9 | 2.6 | 3.7 | 4.4 | 4.0 | 4.6 | 3.7 | .8 | 1.5 | 2.7 | 3.8 | 3.0 | 2.8 | 2.4 |
| Real disposable personal income | 3.4 | 1.0 | 2.7 | 2.8 | 3.0 | 3.5 | 5.8 | 3.0 | 4.8 | 1.9 | 3.1 | 2.2 | 3.6 | 1.7 | 3.1 | 3.1 |
| Price indexes: | | | | | | | | | | | | | | | | |
| Gross domestic purchases | 2.3 | 2.2 | 2.1 | 2.1 | 1.8 | 1.4 | .6 | 1.6 | 2.5 | 2.0 | 1.6 | 2.3 | 3.1 | 3.7 | 3.3 | 2.7 |
| Gross domestic purchases excluding food and energy | 2.6 | 2.3 | 2.2 | 2.2 | 1.5 | 1.3 | 1.0 | 1.4 | 1.9 | 1.9 | 1.9 | 1.9 | 2.7 | 3.1 | 2.9 | 2.4 |
| GDP | 2.3 | 2.3 | 2.1 | 2.0 | 1.9 | 1.7 | 1.1 | 1.4 | 2.2 | 2.4 | 1.7 | 2.1 | 2.9 | 3.2 | 3.2 | 2.7 |
| GDP excluding food and energy | 2.5 | 2.4 | 2.2 | 2.1 | 1.7 | 1.7 | 1.2 | 1.5 | 2.0 | 2.1 | 2.1 | 1.9 | 2.7 | 3.2 | 3.1 | 2.4 |
| Personal consumption expenditures | 2.9 | 2.3 | 2.1 | 2.1 | 2.2 | 1.7 | .9 | 1.7 | 2.5 | 2.1 | 1.4 | 2.0 | 2.6 | 2.9 | 2.8 | 2.5 |

r Revised

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

| | 2004 | | | | 2005 | | | | 2006 | | | | 2007 | | | |
|---|------|------|------|------|------|------|------|-----|------|------|------|-------|-------|-------|-------|-----------------|
| | I | II | III | IV | I | II | III | IV | I | II | III | IV | I | II | III | IV ^r |
| Gross domestic product (GDP) | 4.1 | 4.1 | 3.2 | 3.1 | 3.2 | 3.0 | 3.2 | 2.9 | 3.3 | 3.2 | 2.4 | 2.6 | 1.5 | 1.9 | 2.8 | 2.5 |
| Personal consumption expenditures (PCE) | 4.0 | 3.7 | 3.2 | 3.7 | 3.1 | 3.4 | 3.5 | 2.8 | 3.3 | 3.0 | 2.7 | 3.4 | 3.2 | 2.9 | 3.0 | 2.6 |
| Durable goods | 9.8 | 6.1 | 4.0 | 5.6 | 4.7 | 7.0 | 6.6 | 1.2 | 4.6 | 2.1 | 2.0 | 6.6 | 4.7 | 5.0 | 4.7 | 4.2 |
| Nondurable goods | 4.1 | 3.9 | 2.8 | 3.5 | 3.3 | 3.8 | 3.6 | 3.8 | 3.5 | 3.7 | 3.6 | 3.2 | 3.2 | 2.5 | 2.3 | 1.5 |
| Services | 2.9 | 3.2 | 3.2 | 3.3 | 2.8 | 2.5 | 2.9 | 2.7 | 2.7 | 3.0 | 2.4 | 2.6 | 2.9 | 2.8 | 3.0 | 2.8 |
| Gross private domestic investment | 7.9 | 12.2 | 9.8 | 9.1 | 9.9 | 3.8 | 3.6 | 5.3 | 5.0 | 6.2 | 3.4 | -3.6 | -6.6 | -5.7 | -3.5 | -3.7 |
| Fixed investment | 7.3 | 7.8 | 6.8 | 7.2 | 8.3 | 7.1 | 6.8 | 5.5 | 6.5 | 4.0 | .8 | -1.6 | -4.5 | -3.3 | -2.3 | -1.5 |
| Nonresidential | 4.9 | 4.9 | 5.6 | 7.5 | 9.1 | 7.7 | 6.8 | 5.1 | 7.5 | 7.3 | 6.4 | 5.2 | 2.5 | 4.1 | 5.1 | 7.1 |
| Structures | 2.0 | 0 | 1.1 | 2.3 | 2.9 | 1.0 | -1.6 | -3 | 2.7 | 7.1 | 11.6 | 12.3 | 10.2 | 12.4 | 13.8 | 15.1 |
| Equipment and software | 6.0 | 6.7 | 7.3 | 9.4 | 11.4 | 10.1 | 9.9 | 7.1 | 9.4 | 7.4 | 4.6 | 2.5 | -.5 | .7 | 1.5 | 3.6 |
| Residential | 11.6 | 13.2 | 8.8 | 6.7 | 7.0 | 6.2 | 6.9 | 6.4 | 4.8 | -1.5 | -8.5 | -12.8 | -16.5 | -16.5 | -16.5 | -18.6 |
| Change in private inventories | | | | | | | | | | | | | | | | |
| Net exports of goods and services | | | | | | | | | | | | | | | | |
| Exports | 9.8 | 12.0 | 9.9 | 7.4 | 6.4 | 7.1 | 6.9 | 7.0 | 8.4 | 7.4 | 8.4 | 9.3 | 6.6 | 7.1 | 10.3 | 8.4 |
| Goods | 8.4 | 10.7 | 10.0 | 7.0 | 6.6 | 8.1 | 7.0 | 8.3 | 10.7 | 9.0 | 10.4 | 9.7 | 6.1 | 6.1 | 10.5 | 9.0 |
| Services | 13.0 | 15.3 | 9.8 | 8.3 | 6.0 | 4.9 | 6.6 | 4.1 | 3.2 | 3.9 | 3.8 | 8.3 | 7.9 | 9.4 | 9.9 | 7.0 |
| Imports | 9.3 | 12.1 | 12.4 | 11.5 | 8.8 | 5.3 | 4.6 | 5.1 | 6.3 | 6.4 | 7.2 | 3.7 | 2.9 | 2.0 | 1.7 | 1.0 |
| Goods | 9.3 | 11.3 | 12.6 | 11.9 | 9.8 | 5.9 | 5.2 | 5.8 | 6.6 | 6.7 | 7.6 | 3.2 | 2.7 | 1.7 | 1.3 | .8 |
| Services | 9.2 | 16.4 | 11.5 | 9.3 | 4.3 | 1.9 | 1.5 | 1.4 | 4.7 | 4.8 | 5.2 | 6.1 | 4.3 | 3.9 | 4.0 | 2.0 |
| Government consumption expenditures and gross investment | 2.5 | 1.3 | 1.3 | .7 | .6 | .6 | .9 | .9 | 1.8 | 1.8 | 1.2 | 2.5 | 1.2 | 1.9 | 2.7 | 2.3 |
| Federal | 7.1 | 3.0 | 4.4 | 2.4 | 1.6 | 1.2 | 1.8 | 1.3 | 2.7 | 2.1 | .3 | 3.7 | 0 | 1.8 | 3.4 | 1.7 |
| National defense | 10.8 | 3.1 | 7.2 | 2.5 | 1.7 | 1.8 | 1.6 | 1.1 | 1.6 | 1.5 | -1.3 | 5.9 | 1.2 | 2.8 | 5.7 | 1.5 |
| Nondefense | .3 | 2.8 | -.9 | 2.3 | 1.5 | -.1 | 2.1 | 1.9 | 5.0 | 3.4 | 3.4 | -.7 | -2.5 | 0 | -1.2 | 2.1 |
| State and local | -1 | .3 | -.5 | -.4 | 0 | .2 | .5 | .7 | 1.3 | 1.5 | 1.7 | 1.8 | 1.9 | 2.0 | 2.3 | 2.7 |
| Addenda: | | | | | | | | | | | | | | | | |
| Final sales of domestic product | 4.0 | 3.5 | 2.7 | 2.8 | 2.9 | 3.5 | 3.7 | 2.9 | 3.5 | 2.8 | 1.9 | 3.0 | 1.9 | 2.3 | 3.1 | 2.8 |
| Gross domestic purchases | 4.3 | 4.5 | 3.8 | 3.9 | 3.7 | 2.9 | 3.1 | 2.8 | 3.3 | 3.3 | 2.5 | 2.1 | 1.2 | 1.4 | 1.9 | 1.6 |
| Final sales to domestic purchasers | 4.2 | 3.9 | 3.3 | 3.6 | 3.4 | 3.4 | 3.5 | 2.9 | 3.5 | 2.9 | 2.1 | 2.4 | 1.6 | 1.8 | 2.1 | 1.9 |
| Gross national product | 4.6 | 4.2 | 3.4 | 2.9 | 2.9 | 2.9 | 3.2 | 2.8 | 3.2 | 3.2 | 2.0 | 2.7 | 1.5 | 1.9 | 3.2 | 3.1 |
| Real disposable personal income | 4.2 | 3.5 | 2.7 | 4.1 | 2.3 | 2.3 | 1.3 | 1.1 | 3.1 | 2.6 | 3.3 | 3.2 | 3.4 | 3.1 | 3.7 | 2.2 |
| Price indexes: | | | | | | | | | | | | | | | | |
| Gross domestic purchases | 2.2 | 3.1 | 3.3 | 3.7 | 3.5 | 3.4 | 3.8 | 3.8 | 3.6 | 3.8 | 3.3 | 2.4 | 2.6 | 2.5 | 2.3 | 3.3 |
| Gross domestic purchases excluding food and energy | 2.1 | 2.7 | 2.9 | 3.1 | 3.2 | 3.0 | 3.0 | 3.1 | 2.9 | 3.1 | 3.0 | 2.8 | 2.8 | 2.3 | 2.2 | 2.2 |
| GDP | 2.3 | 2.9 | 3.0 | 3.2 | 3.3 | 3.0 | 3.3 | 3.4 | 3.2 | 3.5 | 3.2 | 2.7 | 2.9 | 2.7 | 2.4 | 2.6 |
| GDP excluding food and energy | 2.1 | 2.7 | 2.9 | 3.2 | 3.3 | 3.1 | 3.2 | 3.3 | 3.1 | 3.3 | 3.2 | 2.9 | 2.9 | 2.5 | 2.3 | 2.2 |
| PCE | 2.0 | 2.8 | 2.7 | 3.1 | 2.8 | 2.6 | 3.2 | 3.2 | 3.1 | 3.3 | 2.9 | 1.9 | 2.3 | 2.3 | 2.1 | 3.4 |
| PCE excluding food and energy | 1.8 | 2.1 | 2.1 | 2.2 | 2.3 | 2.1 | 2.1 | 2.2 | 2.0 | 2.2 | 2.4 | 2.3 | 2.4 | 2.0 | 1.9 | 2.1 |
| Market-based PCE ¹ | 1.6 | 2.4 | 2.3 | 2.8 | 2.4 | 2.4 | 3.1 | 3.0 | 2.9 | 3.2 | 2.7 | 1.6 | 2.2 | 2.2 | 2.0 | 3.4 |
| Market-based PCE excluding food and energy ¹ | 1.3 | 1.5 | 1.4 | 1.6 | 1.8 | 1.7 | 1.7 | 1.7 | 1.6 | 1.9 | 2.1 | 2.0 | 2.2 | 1.8 | 1.7 | 1.9 |

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

[Billions of dollars]

| | 2005 | 2006 | 2007 ^r | Seasonally adjusted at annual rates | | | | |
|--|-----------------|-----------------|-------------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | | | | 2006 | 2007 | | | |
| | | | | | IV | I | II | III | IV ^{r} |
| Gross domestic product | 12,433.9 | 13,194.7 | 13,841.3 | 13,392.3 | 13,551.9 | 13,768.8 | 13,970.5 | 14,074.2 |
| Plus: Income receipts from the rest of the world | 544.1 | 691.4 | 817.5 | 733.8 | 752.2 | 814.2 | 855.6 | 848.1 |
| Less: Income payments to the rest of the world | 475.6 | 633.4 | 721.8 | 673.7 | 689.0 | 743.5 | 754.4 | 700.2 |
| Equals: Gross national product | 12,502.4 | 13,252.7 | 13,937.1 | 13,452.4 | 13,615.1 | 13,839.4 | 14,071.6 | 14,222.1 |
| Less: Consumption of fixed capital | 1,609.5 | 1,615.2 | 1,686.6 | 1,654.4 | 1,670.9 | 1,683.4 | 1,690.9 | 1,701.1 |
| Less: Statistical discrepancy | 5.4 | -18.1 | 29.4 | -46.6 | -66.3 | -40.8 | 84.8 | 139.9 |
| Equals: National income | 10,887.6 | 11,655.6 | 12,221.1 | 11,844.6 | 12,010.5 | 12,196.8 | 12,296.0 | 12,381.0 |
| Compensation of employees | 7,029.6 | 7,448.3 | 7,874.2 | 7,649.9 | 7,764.9 | 7,826.9 | 7,907.7 | 7,997.2 |
| Wage and salary accruals | 5,672.9 | 6,025.7 | 6,382.1 | 6,203.0 | 6,294.4 | 6,343.9 | 6,407.7 | 6,482.4 |
| Supplements to wages and salaries | 1,356.8 | 1,422.6 | 1,492.1 | 1,446.9 | 1,470.5 | 1,483.0 | 1,500.0 | 1,514.8 |
| Proprietors' income with inventory valuation and capital consumption adjustments | 969.9 | 1,006.7 | 1,042.6 | 1,009.8 | 1,027.4 | 1,038.4 | 1,048.7 | 1,055.9 |
| Rental income of persons with capital consumption adjustment | 42.9 | 54.5 | 65.4 | 50.9 | 53.2 | 62.1 | 68.4 | 77.8 |
| Corporate profits with inventory valuation and capital consumption adjustments | 1,372.8 | 1,553.7 | 1,595.2 | 1,531.2 | 1,547.7 | 1,642.4 | 1,621.9 | 1,569.0 |
| Net interest and miscellaneous payments | 558.0 | 598.5 | 602.6 | 596.0 | 599.6 | 592.4 | 599.3 | 619.0 |
| Taxes on production and imports less subsidies | 863.1 | 917.6 | 961.4 | 931.1 | 943.8 | 956.8 | 967.8 | 977.3 |
| Business current transfer payments | 66.5 | 90.2 | 94.2 | 91.8 | 91.8 | 92.8 | 94.4 | 97.9 |
| Current surplus of government enterprises | -15.1 | -13.9 | -14.5 | -16.0 | -17.8 | -15.0 | -12.2 | -13.1 |
| Addendum: | | | | | | | | |
| Gross domestic income | 12,428.6 | 13,212.8 | 13,811.9 | 13,438.9 | 13,618.2 | 13,809.5 | 13,885.7 | 13,934.3 |

^r Revised

Table 10.—Personal Income and Its Disposition

[Billions of dollars]

| | 2005 | 2006 | 2007 ^r | Seasonally adjusted at annual rates | | | | |
|--|-----------------|-----------------|-------------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | | | | 2006 | 2007 | | | |
| | | | | | IV | I | II | III | IV ^{r} |
| Personal income ¹ | 10,301.1 | 10,983.4 | 11,659.5 | 11,200.2 | 11,469.2 | 11,577.3 | 11,735.0 | 11,856.6 |
| Compensation of employees, received | 7,024.6 | 7,440.8 | 7,851.7 | 7,599.9 | 7,764.9 | 7,801.9 | 7,882.7 | 7,957.2 |
| Wage and salary disbursements | 5,667.9 | 6,018.2 | 6,359.6 | 6,153.0 | 6,294.4 | 6,318.9 | 6,382.7 | 6,442.4 |
| Supplements to wages and salaries | 1,356.8 | 1,422.6 | 1,492.1 | 1,446.9 | 1,470.5 | 1,483.0 | 1,500.0 | 1,514.8 |
| Proprietors' income with inventory valuation and capital consumption adjustments | 969.9 | 1,006.7 | 1,042.6 | 1,009.8 | 1,027.4 | 1,038.4 | 1,048.7 | 1,055.9 |
| Farm | 30.8 | 19.4 | 36.2 | 23.9 | 29.1 | 33.1 | 38.6 | 43.8 |
| Nonfarm | 939.1 | 987.4 | 1,006.4 | 985.8 | 998.3 | 1,005.3 | 1,010.0 | 1,012.1 |
| Rental income of persons with capital consumption adjustment | 42.9 | 54.5 | 65.4 | 50.9 | 53.2 | 62.1 | 68.4 | 77.8 |
| Personal income receipts on assets | 1,617.8 | 1,796.5 | 1,947.2 | 1,836.6 | 1,882.9 | 1,930.0 | 1,976.2 | 1,999.8 |
| Personal interest income | 1,018.9 | 1,100.2 | 1,154.7 | 1,102.8 | 1,126.1 | 1,148.4 | 1,171.1 | 1,173.2 |
| Personal dividend income | 598.9 | 696.3 | 792.5 | 733.8 | 756.8 | 781.6 | 805.0 | 826.6 |
| Personal current transfer receipts | 1,520.7 | 1,612.5 | 1,731.7 | 1,647.7 | 1,710.7 | 1,717.1 | 1,742.3 | 1,756.5 |
| Less: Contributions for government social insurance | 874.8 | 927.6 | 979.0 | 944.6 | 969.8 | 972.2 | 983.2 | 990.6 |
| Less: Personal current taxes | 1,209.1 | 1,354.3 | 1,482.5 | 1,401.0 | 1,454.7 | 1,477.6 | 1,489.8 | 1,508.0 |
| Equals: Disposable personal income | 9,092.0 | 9,629.1 | 10,177.0 | 9,799.2 | 10,014.5 | 10,099.7 | 10,245.2 | 10,348.6 |
| Less: Personal outlays | 9,047.4 | 9,590.3 | 10,134.1 | 9,757.2 | 9,917.5 | 10,069.2 | 10,200.9 | 10,348.9 |
| Equals: Personal saving | 44.6 | 38.8 | 42.9 | 42.0 | 97.0 | 30.5 | 44.4 | -3 |
| Personal saving as a percentage of disposable personal income | .5 | .4 | .4 | .4 | 1.0 | .3 | .4 | 0 |
| Addendum: | | | | | | | | |
| Disposable personal income, billions of chained (2000) dollars ² | 8,147.9 | 8,396.9 | 8,654.4 | 8,510.7 | 8,623.9 | 8,607.1 | 8,692.1 | 8,695.2 |

^r Revised

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

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

Table 11.—Corporate Profits: Level and Percent Change

| | Billions of dollars | | | | | | | | Percent change from preceding period | | | | | | | |
|---|---------------------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|--------------------------------------|-------------|-----------------|------------|-------------|-------------|----------------------|------|
| | 2005 | 2006 | 2007 | Seasonally adjusted at annual rates | | | | | 2006 | 2007 | Quarterly rates | | | | Quarter one year ago | |
| | | | | 2006 | 2007 | | | | | | 2007 | 2007 | | | | 2007 |
| | | | | | IV | I | II | III | | | | IV | I | II | III | IV |
| Corporate profits with inventory valuation and capital consumption adjustments | 1,372.8 | 1,553.7 | 1,595.2 | 1,531.2 | 1,547.7 | 1,642.4 | 1,621.9 | 1,569.0 | 13.2 | 2.7 | 1.1 | 6.1 | -1.2 | -3.3 | 2.5 | |
| Less: Taxes on corporate income | 392.9 | 453.9 | 466.6 | 452.4 | 452.5 | 490.1 | 469.4 | 454.4 | 15.5 | 2.8 | 0 | 8.3 | -4.2 | -3.2 | .4 | |
| Equals: Profits after tax with inventory valuation and capital consumption adjustments | 979.9 | 1,099.8 | 1,128.6 | 1,078.8 | 1,095.2 | 1,152.2 | 1,152.5 | 1,114.6 | 12.2 | 2.6 | 1.5 | 5.2 | 0 | -3.3 | 3.3 | |
| Net dividends | 601.4 | 698.9 | 795.2 | 736.4 | 759.4 | 784.2 | 807.7 | 829.4 | 16.2 | 13.8 | 3.1 | 3.3 | 3.0 | 2.7 | 12.6 | |
| Undistributed profits with inventory valuation and capital consumption adjustments | 378.6 | 400.9 | 333.5 | 342.4 | 335.8 | 368.0 | 344.7 | 285.2 | 5.9 | -16.8 | -1.9 | 9.6 | -6.3 | -17.3 | -16.7 | |
| Cash flow: | | | | | | | | | | | | | | | | |
| Net cash flow with inventory valuation and capital consumption adjustments | 1,235.4 | 1,290.9 | 1,255.1 | 1,251.3 | 1,251.5 | 1,288.9 | 1,267.8 | 1,212.1 | 4.5 | -2.8 | 0 | 3.0 | -1.6 | -4.4 | -3.1 | |
| Undistributed profits with inventory valuation and capital consumption adjustments | 378.6 | 400.9 | 333.5 | 342.4 | 335.8 | 368.0 | 344.7 | 285.2 | 5.9 | -16.8 | -1.9 | 9.6 | -6.3 | -17.3 | -16.7 | |
| Consumption of fixed capital | 856.8 | 890.0 | 921.6 | 908.9 | 915.7 | 920.8 | 923.1 | 926.9 | 3.9 | 3.5 | .7 | .6 | .2 | .4 | 2.0 | |
| Less: Inventory valuation adjustment | -36.2 | -36.3 | -46.2 | -21.0 | -40.2 | -54.7 | -20.3 | -69.4 | | | | | | | | |
| Equals: Net cash flow | 1,271.6 | 1,327.2 | 1,301.2 | 1,272.2 | 1,291.7 | 1,343.6 | 1,288.1 | 1,281.5 | 4.4 | -2.0 | 1.5 | 4.0 | -4.1 | -5 | .7 | |
| Addenda: | | | | | | | | | | | | | | | | |
| Profits before tax (without inventory valuation and capital consumption adjustments) | 1,579.6 | 1,805.8 | 1,876.7 | 1,789.2 | 1,815.8 | 1,931.5 | 1,879.7 | 1,879.9 | 14.3 | 3.9 | 1.5 | 6.4 | -2.7 | 0 | 5.1 | |
| Profits after tax (without inventory valuation and capital consumption adjustments) | 1,186.7 | 1,351.9 | 1,410.1 | 1,336.8 | 1,363.3 | 1,441.4 | 1,410.2 | 1,425.5 | 13.9 | 4.3 | 2.0 | 5.7 | -2.2 | 1.1 | 6.6 | |
| Inventory valuation adjustment | -36.2 | -36.3 | -46.2 | -21.0 | -40.2 | -54.7 | -20.3 | -69.4 | | | | | | | | |
| Capital consumption adjustment | -170.6 | -215.8 | -235.3 | -237.0 | -227.9 | -234.4 | -237.4 | -241.5 | | | | | | | | |

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

[Billions of dollars]

| | Level | | | | | | | | Change from preceding period | | | | | | |
|---|----------------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|------------------------------|--------------|--------------|--------------|--------------|---------------|----|
| | 2005 | 2006 | 2007 | Seasonally adjusted at annual rates | | | | | 2006 | 2007 | 2007 | | | | |
| | | | | 2006 | 2007 | | | | | | I | II | III | IV | |
| | | | | | IV | I | II | III | | | | | | | IV |
| Corporate profits with inventory valuation and capital consumption adjustments | 1,372.8 | 1,553.7 | 1,595.2 | 1,531.2 | 1,547.7 | 1,642.4 | 1,621.9 | 1,569.0 | 180.9 | 41.5 | 16.5 | 94.7 | -20.5 | -52.9 | |
| Domestic industries | 1,154.6 | 1,296.4 | 1,257.7 | 1,253.5 | 1,249.8 | 1,327.8 | 1,280.9 | 1,172.2 | 141.8 | -38.7 | -3.7 | 78.0 | -46.9 | -108.7 | |
| Financial | 405.5 | 482.2 | 473.4 | 495.6 | 468.7 | 521.4 | 488.9 | 414.5 | 76.7 | -8.8 | -26.9 | 52.7 | -32.5 | -74.4 | |
| Nonfinancial | 749.1 | 814.3 | 784.3 | 757.9 | 781.1 | 806.4 | 792.0 | 757.7 | 65.2 | -30.0 | 23.2 | 25.3 | -14.4 | -34.3 | |
| Rest of the world | 218.2 | 257.3 | 337.6 | 277.8 | 297.9 | 314.6 | 341.0 | 396.8 | 39.1 | 80.3 | 20.1 | 16.7 | 26.4 | 55.8 | |
| Receipts from the rest of the world | 358.7 | 419.8 | 491.0 | 438.7 | 448.7 | 482.6 | 510.2 | 522.5 | 61.1 | 71.2 | 10.0 | 33.9 | 27.6 | 12.3 | |
| Less: Payments to the rest of the world | 140.6 | 162.5 | 153.4 | 160.9 | 150.8 | 168.0 | 169.1 | 125.7 | 21.9 | -9.1 | -10.1 | 17.2 | 1.1 | -43.4 | |
| Corporate profits with inventory valuation adjustment | 1,543.4 | 1,769.5 | 1,830.5 | 1,768.2 | 1,775.6 | 1,876.8 | 1,859.4 | 1,810.5 | 226.1 | 61.0 | 7.4 | 101.2 | -17.4 | -48.9 | |
| Domestic industries | 1,325.2 | 1,512.2 | 1,493.0 | 1,490.4 | 1,477.7 | 1,562.1 | 1,518.3 | 1,413.7 | 187.0 | -19.2 | -12.7 | 84.4 | -43.8 | -104.6 | |
| Financial | 423.6 | 505.3 | 498.5 | 521.0 | 493.0 | 546.4 | 514.2 | 440.3 | 81.7 | -6.8 | -28.0 | 53.4 | -32.2 | -73.9 | |
| Federal Reserve banks | 26.6 | 33.8 | 38.4 | 34.8 | 38.5 | 39.2 | 38.4 | 37.6 | 7.2 | 4.6 | 3.7 | .7 | -8 | -8 | |
| Other financial | 397.1 | 471.4 | 460.1 | 486.2 | 454.5 | 507.2 | 475.8 | 402.7 | 74.3 | -11.3 | -31.7 | 52.7 | -31.4 | -73.1 | |
| Nonfinancial | 901.6 | 1,006.9 | 994.5 | 969.5 | 984.7 | 1,015.7 | 1,004.1 | 973.4 | 105.3 | -12.4 | 15.2 | 31.0 | -11.6 | -30.7 | |
| Utilities | 28.4 | 35.7 | 44.4 | 37.8 | 36.4 | 41.2 | 46.4 | 53.7 | 7.3 | 8.7 | -1.4 | 4.8 | 5.2 | 7.3 | |
| Manufacturing | 251.2 | 293.4 | 305.7 | 280.2 | 298.9 | 347.0 | 296.8 | 280.3 | 42.2 | 12.3 | 18.7 | 48.1 | -50.2 | -16.5 | |
| Durable goods | 85.1 | 95.9 | 121.9 | 107.2 | 113.0 | 117.2 | 128.5 | 129.2 | 10.8 | 26.0 | 5.8 | 4.2 | 11.3 | .7 | |
| Fabricated metal products | 17.3 | 20.3 | 25.2 | 22.5 | 23.3 | 22.2 | 26.5 | 28.8 | 3.0 | 4.9 | .8 | -1.1 | 4.3 | 2.3 | |
| Machinery | 16.0 | 19.3 | 21.8 | 18.7 | 21.8 | 22.5 | 22.3 | 20.4 | 3.3 | 2.5 | 3.1 | .7 | -2 | -1.9 | |
| Computer and electronic products | 10.1 | 7.7 | 8.0 | 6.2 | 9.0 | 7.7 | 8.5 | 7.0 | -2.4 | .3 | 2.8 | -1.3 | .8 | -1.5 | |
| Electrical equipment, appliances, and components | -3.7 | -1.9 | 2.0 | .2 | 1.3 | .7 | 2.4 | 3.6 | 1.8 | 3.9 | 1.1 | -6 | 1.7 | 1.2 | |
| Motor vehicles, bodies and trailers, and parts | .1 | -1.1 | 9.4 | 1.3 | 4.6 | 12.3 | 12.1 | 8.7 | -1.2 | 10.5 | 3.3 | 7.7 | -2 | -3.4 | |
| Other durable goods | 45.3 | 51.7 | 55.5 | 58.3 | 52.9 | 51.8 | 56.7 | 60.7 | 6.4 | 3.8 | -5.4 | -1.1 | 4.9 | 4.0 | |
| Nondurable goods | 166.0 | 197.5 | 183.8 | 173.0 | 185.9 | 229.8 | 168.3 | 151.1 | 31.5 | -13.7 | 12.9 | 43.9 | -61.5 | -17.2 | |
| Food and beverage and tobacco products | 27.8 | 29.2 | 33.4 | 31.8 | 30.1 | 35.4 | 34.3 | 33.7 | 1.4 | 4.2 | -1.7 | 5.3 | -1.1 | -6 | |
| Petroleum and coal products | 89.8 | 110.4 | 86.5 | 85.2 | 94.9 | 136.5 | 70.6 | 44.0 | 20.6 | -23.9 | 9.7 | 41.6 | -65.9 | -26.6 | |
| Chemical products | 29.7 | 37.6 | 43.9 | 31.7 | 41.0 | 41.8 | 43.4 | 49.2 | 7.9 | 6.3 | 9.3 | .8 | 1.6 | 5.8 | |
| Other nondurable goods | 18.7 | 20.3 | 20.0 | 24.3 | 20.0 | 16.1 | 20.0 | 24.1 | 1.6 | -3 | -4.3 | -3.9 | 3.9 | 4.1 | |
| Wholesale trade | 95.2 | 97.0 | 98.7 | 91.1 | 97.8 | 104.9 | 109.8 | 82.2 | 1.8 | 1.7 | 6.7 | 7.1 | 4.9 | -27.6 | |
| Retail trade | 114.4 | 124.5 | 137.5 | 132.1 | 134.3 | 134.4 | 140.2 | 141.3 | 10.1 | 13.0 | 2.2 | .1 | 5.8 | 1.1 | |
| Transportation and warehousing | 28.2 | 41.9 | 47.1 | 40.0 | 39.1 | 45.8 | 55.4 | 48.3 | 13.7 | 5.2 | -9 | 6.7 | 9.6 | -7.1 | |
| Information | 74.8 | 85.4 | 103.4 | 91.5 | 109.5 | 92.9 | 100.8 | 110.4 | 10.6 | 18.0 | 18.0 | -16.6 | 7.9 | 9.6 | |
| Other nonfinancial | 309.5 | 329.0 | 257.5 | 296.7 | 268.7 | 249.5 | 254.7 | 257.2 | 19.5 | -71.5 | -28.0 | -19.2 | 5.2 | 2.5 | |
| Rest of the world | 218.2 | 257.3 | 337.6 | 277.8 | 297.9 | 314.6 | 341.0 | 396.8 | 39.1 | 80.3 | 20.1 | 16.7 | 26.4 | 55.8 | |

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

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

| | 2005 | 2006 | 2007 | Seasonally adjusted at annual rates | | | | |
|---|----------------|----------------|----------------|-------------------------------------|----------------|----------------|------------------|----------------|
| | | | | 2006 | | 2007 | | |
| | | | | IV | I | II | III ^r | IV |
| Billions of dollars | | | | | | | | |
| Gross value added of nonfinancial corporate business | 6,319.4 | 6,689.4 | 6,942.5 | 6,784.5 | 6,865.0 | 6,938.0 | 6,973.5 | 6,993.4 |
| Consumption of fixed capital | 742.3 | 772.8 | 800.7 | 789.8 | 795.7 | 800.1 | 802.0 | 805.2 |
| Net value added | 5,577.1 | 5,916.6 | 6,141.8 | 5,994.7 | 6,069.3 | 6,138.0 | 6,171.6 | 6,188.2 |
| Compensation of employees | 4,078.5 | 4,316.7 | 4,549.6 | 4,442.1 | 4,494.1 | 4,528.3 | 4,568.5 | 4,607.5 |
| Wage and salary accruals | 3,334.8 | 3,543.8 | 3,742.8 | 3,657.5 | 3,695.5 | 3,726.5 | 3,758.5 | 3,790.6 |
| Supplements to wages and salaries | 743.6 | 772.9 | 806.9 | 784.6 | 798.6 | 801.8 | 810.1 | 816.9 |
| Taxes on production and imports less subsidies | 558.7 | 584.9 | 610.5 | 592.1 | 599.7 | 607.8 | 614.2 | 620.3 |
| Net operating surplus | 940.0 | 1,015.0 | 981.6 | 960.5 | 975.6 | 1,001.8 | 988.8 | 960.3 |
| Net interest and miscellaneous payments | 132.5 | 133.2 | 137.7 | 133.6 | 136.0 | 136.2 | 136.9 | 141.5 |
| Business current transfer payments | 58.3 | 67.6 | 59.7 | 68.9 | 58.5 | 59.2 | 60.0 | 61.1 |
| Corporate profits with inventory valuation and capital consumption adjustments | 749.1 | 814.3 | 784.3 | 757.9 | 781.1 | 806.4 | 792.0 | 757.7 |
| Taxes on corporate income | 263.4 | 288.2 | 311.3 | 285.2 | 298.6 | 321.6 | 310.0 | 315.1 |
| Profits after tax with inventory valuation and capital consumption adjustments | 485.7 | 526.0 | 473.0 | 472.7 | 482.5 | 484.7 | 482.0 | 442.6 |
| Net dividends | 199.2 | 448.6 | 490.2 | 532.2 | 483.7 | 491.1 | 478.0 | 508.0 |
| Undistributed profits with inventory valuation and capital consumption adjustments | 286.5 | 77.4 | -17.2 | -59.5 | -1.2 | -6.4 | 4.0 | -65.4 |
| Addenda: | | | | | | | | |
| Profits before tax (without inventory valuation and capital consumption adjustments) | 937.8 | 1,043.2 | 1,040.6 | 990.4 | 1,024.9 | 1,070.5 | 1,024.5 | 1,042.8 |
| Profits after tax (without inventory valuation and capital consumption adjustments) | 674.4 | 755.0 | 729.3 | 705.3 | 726.3 | 748.8 | 714.5 | 727.7 |
| Inventory valuation adjustment | -36.2 | -36.3 | -46.2 | -21.0 | -40.2 | -54.7 | -20.3 | -69.4 |
| Capital consumption adjustment | -152.5 | -192.7 | -210.2 | -211.6 | -203.6 | -209.4 | -212.1 | -215.6 |
| Billions of chained (2000) dollars | | | | | | | | |
| Gross value added of nonfinancial corporate business ¹ | 5,836.9 | 6,011.3 | 6,139.4 | 6,062.2 | 6,075.5 | 6,119.2 | 6,174.9 | 6,188.0 |
| Consumption of fixed capital ² | 682.4 | 686.9 | 706.7 | 698.1 | 701.7 | 705.1 | 708.5 | 711.7 |
| Net value added ³ | 5,154.5 | 5,324.5 | 5,432.7 | 5,364.1 | 5,373.8 | 5,414.1 | 5,466.4 | 5,476.3 |
| Dollars; quarters seasonally adjusted | | | | | | | | |
| Price, costs, and profits per unit of real gross value added of nonfinancial corporate business: | | | | | | | | |
| Price per unit of real gross value added of nonfinancial corporate business ⁴ | 1.083 | 1.113 | 1.131 | 1.119 | 1.130 | 1.134 | 1.129 | 1.130 |
| Compensation of employees (unit labor cost) | .699 | .718 | .741 | .733 | .740 | .740 | .740 | .745 |
| Unit nonlabor cost | .256 | .260 | .261 | .261 | .261 | .262 | .261 | .263 |
| Consumption of fixed capital | .127 | .129 | .130 | .130 | .131 | .131 | .130 | .130 |
| Taxes on production and imports less subsidies plus business current transfer payments | .106 | .109 | .109 | .109 | .108 | .109 | .109 | .110 |
| Net interest and miscellaneous payments | .023 | .022 | .022 | .022 | .022 | .022 | .022 | .023 |
| Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) | .128 | .135 | .128 | .125 | .129 | .132 | .128 | .122 |
| Taxes on corporate income | .045 | .048 | .051 | .047 | .049 | .053 | .050 | .051 |
| Profits after tax with inventory valuation and capital consumption adjustments | .083 | .088 | .077 | .078 | .079 | .079 | .078 | .072 |

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the third quarter of 2007.

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

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of

the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100.

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

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

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

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

| | 2005 | 2006 | 2007 ^r | Seasonally adjusted at annual rates | | | | | | | | | | | | | | | |
|--|------|------|-------------------|-------------------------------------|-------|------|------|-------|------|------|-------|------|-------|-------|-------|-------|------|------|-----------------|
| | | | | 2004 | | | | 2005 | | | | 2006 | | | | 2007 | | | |
| | | | | I | II | III | IV | I | II | III | IV | I | II | III | IV | I | II | III | IV ^r |
| | | | | | | | | | | | | | | | | | | | |
| Gross domestic product (GDP) and related aggregates: | | | | | | | | | | | | | | | | | | | |
| GDP | 3.1 | 2.9 | 2.2 | 3.0 | 3.5 | 3.6 | 2.5 | 3.1 | 2.8 | 4.5 | 1.2 | 4.8 | 2.4 | 1.1 | 2.1 | 0.6 | 3.8 | 4.9 | 0.6 |
| Goods | 4.3 | 5.0 | 3.3 | 2.1 | 3.4 | 6.6 | 3.7 | 4.2 | 3.9 | 5.8 | 1.5 | 9.6 | 4.6 | 3.4 | 1.1 | .2 | 5.4 | 11.7 | -1.6 |
| Services | 2.3 | 2.3 | 2.9 | 3.8 | 2.2 | 2.4 | 2.4 | 2.3 | 1.4 | 4.4 | 1.0 | 2.4 | 2.0 | 2.0 | 4.4 | 2.1 | 3.1 | 3.1 | 3.1 |
| Structures | 3.4 | -1 | -4.7 | 1.0 | 11.5 | 1.3 | -3 | 4.0 | 7.3 | 1.2 | 1.2 | 4.3 | -1.4 | -9.9 | -7.0 | -6.2 | 3.0 | -4.2 | -7.0 |
| Motor vehicle output | 4.2 | -1.3 | -2.1 | 8.8 | -6.1 | 29.0 | -9.6 | 5.4 | 4.7 | 30.6 | -30.5 | 17.0 | -10.9 | 15.1 | -21.6 | 6.2 | 1.0 | 13.1 | -26.0 |
| GDP excluding motor vehicle output | 3.0 | 3.0 | 2.3 | 2.8 | 3.8 | 2.8 | 3.0 | 3.0 | 2.7 | 3.6 | 2.5 | 4.4 | 2.9 | .6 | 2.9 | .4 | 3.9 | 4.7 | 1.5 |
| Final sales of computers ¹ | 35.1 | 19.4 | 20.3 | -31.0 | -6.6 | 19.8 | 50.1 | 39.5 | 51.7 | 21.8 | 34.2 | 7.3 | 20.7 | 5.1 | 27.0 | -1.3 | 35.7 | 49.8 | 26.6 |
| GDP excluding final sales of computers | 2.9 | 2.8 | 2.1 | 3.3 | 3.6 | 3.5 | 2.3 | 2.8 | 2.5 | 4.3 | 1.0 | 4.8 | 2.3 | 1.0 | 1.9 | .6 | 3.6 | 4.6 | .4 |
| Farm gross value added ² | 5.9 | .6 | -3 | 149.5 | -30.8 | 18.9 | 40.8 | -10.9 | 14.0 | -3.0 | 6.0 | -8.9 | 17.5 | -12.4 | .8 | -12.5 | 14.8 | 9.6 | -3.3 |
| Nonfarm business gross value added ³ | 3.6 | 3.2 | 2.3 | 2.6 | 5.0 | 3.8 | 2.6 | 3.9 | 3.2 | 5.6 | .9 | 5.7 | 2.4 | .8 | 2.6 | .3 | 4.2 | 5.6 | .2 |
| Price indexes: | | | | | | | | | | | | | | | | | | | |
| GDP | 3.2 | 3.2 | 2.7 | 3.7 | 3.8 | 2.3 | 3.2 | 3.9 | 2.6 | 3.5 | 3.5 | 3.4 | 3.5 | 2.4 | 1.7 | 4.2 | 2.6 | 1.0 | 2.4 |
| GDP excluding food and energy | 3.2 | 3.1 | 2.4 | 3.5 | 3.4 | 2.8 | 3.1 | 4.1 | 2.6 | 2.9 | 3.5 | 3.4 | 3.2 | 2.6 | 2.4 | 3.3 | 1.6 | 1.7 | 2.1 |
| GDP excluding final sales of computers | 3.4 | 3.3 | 2.8 | 3.8 | 3.8 | 2.4 | 3.4 | 4.1 | 2.7 | 3.6 | 3.7 | 3.5 | 3.6 | 2.5 | 1.8 | 4.3 | 2.8 | 1.2 | 2.6 |
| Gross domestic purchases | 3.7 | 3.3 | 2.7 | 4.3 | 4.2 | 2.8 | 3.6 | 3.6 | 3.5 | 4.6 | 3.7 | 2.7 | 4.2 | 2.5 | .1 | 3.8 | 3.8 | 1.8 | 3.7 |
| Gross domestic purchases excluding food and energy | 3.1 | 2.9 | 2.4 | 3.5 | 3.4 | 2.6 | 2.8 | 4.0 | 2.6 | 2.7 | 3.2 | 3.2 | 3.2 | 2.5 | 2.3 | 3.1 | 1.5 | 1.9 | 2.3 |
| Gross domestic purchases excluding final sales of computers to domestic purchasers | 3.9 | 3.5 | 2.8 | 4.4 | 4.3 | 2.9 | 3.9 | 3.8 | 3.7 | 4.8 | 3.9 | 2.9 | 4.5 | 2.7 | .2 | 3.9 | 4.0 | 1.9 | 3.9 |
| Personal consumption expenditures (PCE) | 2.9 | 2.8 | 2.5 | 3.5 | 3.8 | 2.0 | 3.0 | 2.2 | 3.4 | 4.3 | 2.8 | 1.7 | 4.3 | 2.6 | -.9 | 3.5 | 4.3 | 1.8 | 3.9 |
| PCE excluding food and energy | 2.2 | 2.2 | 2.1 | 2.4 | 2.7 | 1.7 | 2.1 | 2.6 | 2.1 | 1.7 | 2.4 | 2.0 | 2.9 | 2.3 | 1.9 | 2.4 | 1.4 | 2.0 | 2.5 |
| Market-based PCE ⁴ | 2.7 | 2.6 | 2.5 | 3.2 | 3.4 | 1.5 | 2.9 | 1.9 | 3.1 | 4.3 | 2.6 | 1.5 | 4.3 | 2.4 | -1.6 | 3.6 | 4.7 | 1.4 | 4.0 |
| Market-based PCE excluding food and energy ⁴ | 1.7 | 1.9 | 1.9 | 1.8 | 1.9 | 1.1 | 1.8 | 2.3 | 1.5 | 1.2 | 1.9 | 1.8 | 2.6 | 2.1 | 1.6 | 2.4 | 1.2 | 1.5 | 2.3 |

^r Revised

1. Some components of final sales of computers include computer parts.

2. Farm output less intermediate goods and services purchased.

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

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

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

Explanatory Note: NIPA Measures of Quantities and Prices

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

Annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Quarterly changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent quarters; quarterly indexes are adjusted for consistency to the annual indexes before percent changes are calculated.) For example, the 2005-06 annual percent change in real GDP uses prices for 2005 and 2006 as weights, and the 2005-06 annual percent change in GDP prices uses quantities for 2005 and 2006 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 changes in real GDP are presented in table 2.

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

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

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