



## NEWS RELEASE



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Virginia H. Mannering: (202) 606-5304  
Recorded message: (202) 606-5306

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### **GROSS DOMESTIC PRODUCT: FIRST QUARTER 2008 (ADVANCE)**

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 0.6 percent in the first quarter of 2008, according to advance estimates released by the Bureau of Economic Analysis. In the fourth quarter, real GDP also increased 0.6 percent.

The Bureau emphasized that the first-quarter "advance" estimates are based on source data that are incomplete or subject to further revision by the source agency (see the box on page 3). The first-quarter "preliminary" estimates, based on more comprehensive data, will be released on May 29, 2008.

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

The increase in real GDP is the same as in the fourth quarter, reflecting an upturn in inventory investment that was offset by an upturn in imports, and downturns in nonresidential structures, in PCE for durable goods, and in PCE for nondurable goods.

Final sales of computers contributed 0.12 percentage point to the first-quarter growth in real GDP after contributing 0.16 percentage point to the fourth-quarter growth. Motor vehicle output subtracted 0.30 percentage point from the first-quarter growth in real GDP after subtracting 0.86 percentage point from the fourth-quarter growth.

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

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The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 3.5 percent in the first quarter, compared with an increase of 3.7 percent in the fourth. Excluding food and energy prices, the price index for gross domestic purchases increased 2.2 percent in the first quarter, compared with an increase of 2.3 percent in the fourth. About 0.3 percentage point of the first-quarter increase in the index was accounted for by the pay raise for federal civilian and military personnel, which is treated as an increase in the prices of employee services purchased by the federal government.

Real personal consumption expenditures increased 1.0 percent in the first quarter, compared with an increase of 2.3 percent in the fourth. Durable goods decreased 6.1 percent, in contrast to an increase of 2.0 percent. Nondurable goods decreased 1.3 percent, in contrast to an increase of 1.2 percent. Services increased 3.4 percent, compared with an increase of 2.8 percent.

Real nonresidential fixed investment decreased 2.5 percent in the first quarter, in contrast to an increase of 6.0 percent in the fourth. Nonresidential structures decreased 6.2 percent, in contrast to an increase of 12.4 percent. Equipment and software decreased 0.7 percent, in contrast to an increase of 3.1 percent. Real residential fixed investment decreased 26.7 percent, compared with a decrease of 25.2 percent.

Real exports of goods and services increased 5.5 percent in the first quarter, compared with an increase of 6.5 percent in the fourth. Real imports of goods and services increased 2.5 percent, in contrast to a decrease of 1.4 percent.

Real federal government consumption expenditures and gross investment increased 4.6 percent in the first quarter, compared with an increase of 0.5 percent in the fourth. National defense increased 6.0 percent, in contrast to a decrease of 0.5 percent. Nondefense increased 1.8 percent, compared with an increase of 2.8 percent. Real state and local government consumption expenditures and gross investment increased 0.5 percent, compared with an increase of 2.8 percent.

The real change in private inventories added 0.81 percentage point to the first-quarter change in real GDP after subtracting 1.79 percentage points from the fourth-quarter change. Private businesses increased inventories \$1.8 billion in the first quarter, following a decrease of \$18.3 billion in the fourth and an increase of \$30.6 billion in the third.

Real final sales of domestic product -- GDP less change in private inventories -- decreased 0.2 percent in the first quarter, in contrast to an increase of 2.4 percent in the fourth.

### **Gross domestic purchases**

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

### **Disposition of personal income**

Current-dollar personal income increased \$129.6 billion (4.4 percent) in the first quarter, compared with an increase of \$121.6 billion (4.2 percent) in the fourth.

Personal current taxes increased \$2.3 billion in the first quarter, compared with an increase of \$18.2 billion in the fourth.

Disposable personal income increased \$127.3 billion (5.0 percent) in the first quarter, compared with an increase of \$103.4 billion (4.1 percent) in the fourth. Real disposable personal income increased 1.4 percent, compared with an increase of 0.1 percent.

Personal outlays increased \$106.8 billion (4.2 percent) in the first quarter, compared with an increase of \$148.0 billion (5.9 percent) in the fourth. Personal saving -- disposable personal income less personal outlays -- was \$20.2 billion in the first quarter, in contrast to a negative \$0.3 billion in the fourth. The personal saving rate -- saving as a percentage of disposable personal income -- was 0.2 percent in the first quarter; in the fourth quarter, the personal saving rate was 0.0 percent. Saving from current income may be near zero or negative when outlays are financed by borrowing (including borrowing financed through credit cards or home equity loans), by selling investments or other assets, or by using savings from previous periods. For more information, see the FAQs on "Personal Saving" on BEA's Web site. For a comparison of personal saving in BEA's national income and product accounts with personal saving in the Federal Reserve Board's flow of funds accounts and data on changes in net worth (which helps finance negative saving), go to <http://www.bea.gov/bea/dn/nipaweb/Nipa-Frb.asp>.

### **Current-dollar GDP**

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 3.2 percent, or \$111.0 billion, in the first quarter to a level of \$14,185.2 billion. In the fourth quarter, current-dollar GDP increased 3.0 percent, or \$103.7 billion.

Information on the assumptions used for unavailable source data is provided in a technical note that is posted with the news release on BEA's Web site. Within a few days after the release, a detailed "Key Source Data and Assumptions" file is posted on the Web site. In the middle of each month, an analysis of the current quarterly estimates of GDP and related series is made available on the Web site; click on *Survey of Current Business*, "GDP and the Economy."

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Next release -- May 29, 2008, at 8:30 A.M. EDT for:  
Gross Domestic Product: First Quarter 2008 (Preliminary)  
Corporate Profits: First Quarter 2008

**Comparisons of Revisions to GDP**

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

Annual revisions, which cover the quarters of the 3 most recent calendar years, are usually carried out each summer and incorporate newly available major annual source data. Comprehensive (or benchmark) revisions are carried out at about 5-year intervals and incorporate major periodic source data, as well as improvements in concepts and methods that update the accounts to portray more accurately the evolving U.S. economy.

The table below shows comparisons of the revisions between quarterly percent changes of current-dollar and real GDP for the different vintages of the estimates. From the advance estimate to the preliminary estimate (one month later), the average revision to real GDP without regard to sign is 0.5 percentage point, while from the advance estimate to the final estimate (two months later), it is 0.6 percentage point. From the advance estimate to the latest estimate, the average revision without regard to sign is 1.2 percentage points. The average revision (with regard to sign) from the advance estimate to the latest estimate is 0.3 percentage point, which is larger than the average revisions from the advance estimate to the preliminary or to the final estimates. The larger average revisions to the latest estimate reflect the fact that comprehensive revisions include major improvements, such as the introduction of chain indexes and the capitalization of software. The quarterly estimates correctly indicate the direction of change of real GDP 98 percent of the time, correctly indicate whether GDP is accelerating or decelerating 74 percent of the time, and correctly indicate whether real GDP growth is above, near, or below trend growth more than three-fifths of the time.

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

Vintages compared	Average	Average without regard to sign	Standard deviation of revisions without regard to sign
<b><u>Current-dollar GDP</u></b>			
Advance to preliminary.....	0.2	0.5	0.4
Advance to final.....	.2	.7	.4
Preliminary to final.....	.0	.3	.2
Advance to latest.....	.4	1.1	.9
<b><u>Real GDP</u></b>			
Advance to preliminary.....	0.1	0.5	0.4
Advance to final.....	.1	.6	.4
Preliminary to final.....	.0	.3	.2
Advance to latest.....	.3	1.2	1.0

NOTE.--These comparisons are based on the period from 1983 through 2004.

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

	2005	2006	2007	Seasonally adjusted at annual rates															
				2004			2005				2006				2007				2008
				II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I
<b>Gross domestic product (GDP)</b> .....	3.1	2.9	2.2	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	0.6
<b>Personal consumption expenditures</b> .....	3.2	3.1	2.9	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	1.0
Durable goods .....	4.9	3.8	4.7	1.9	7.8	7.0	2.2	11.3	6.2	-13.0	16.6	0.8	5.6	3.9	8.8	1.7	4.5	2.0	-6.1
Nondurable goods .....	3.6	3.6	2.4	1.5	3.1	4.9	3.5	3.7	2.5	4.7	4.5	2.3	3.2	4.3	3.0	-0.5	2.2	1.2	-1.3
Services .....	2.7	2.7	2.8	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	3.4
<b>Gross private domestic investment</b> .....	5.6	2.7	-4.9	20.7	8.0	6.4	5.3	-3.9	7.0	13.4	4.3	0.6	-4.1	-14.1	-8.2	4.6	5.0	-14.6	-4.7
Fixed investment .....	6.9	2.4	-2.9	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	-0.7	-4.0	-9.7
Nonresidential .....	7.1	6.6	4.7	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	-2.5
Structures.....	0.5	8.4	12.9	6.1	3.6	-0.2	2.1	-1.6	-6.3	4.8	15.0	16.4	10.8	7.4	6.4	26.2	16.4	12.4	-6.2
Equipment and software .....	9.6	5.9	1.3	12.4	15.5	14.3	3.8	7.4	14.5	3.1	13.0	-0.1	2.9	-4.9	0.3	4.7	6.2	3.1	-0.7
Residential .....	6.6	-4.6	-17.0	16.7	4.2	2.4	5.3	13.1	6.9	0.5	-0.7	-11.7	-20.4	-17.2	-16.3	-11.8	-20.5	-25.2	-26.7
Change in private inventories .....																			
<b>Net exports of goods and services</b> .....																			
Exports .....	6.9	8.4	8.1	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	5.5
Goods .....	7.5	9.9	7.9	7.2	6.2	7.2	5.8	13.6	1.9	12.6	15.5	6.5	7.4	9.6	0.9	6.6	26.2	3.9	5.2
Services .....	5.4	4.8	8.5	5.1	-3.4	16.8	6.5	0.9	2.6	6.3	2.9	3.9	2.0	26.0	1.6	9.6	4.0	13.2	6.1
Imports.....	5.9	5.9	1.9	15.2	4.8	13.8	2.1	0.8	2.1	16.2	6.9	0.9	5.4	1.6	3.9	-2.7	4.4	-1.4	2.5
Goods .....	6.6	6.0	1.6	16.6	5.5	14.5	3.2	1.0	2.5	17.3	6.5	1.1	6.2	-0.6	4.2	-2.9	4.8	-2.6	2.4
Services .....	2.3	5.2	3.5	8.9	1.8	10.5	-3.5	-0.5	0.0	10.3	9.5	-0.1	1.3	14.2	2.3	-1.7	1.7	5.5	3.5
<b>Government consumption expenditures and gross investment</b> .....	0.7	1.8	2.0	1.3	1.6	-1.8	1.3	1.2	3.2	-1.9	4.9	1.0	0.8	3.5	-0.5	4.1	3.8	2.0	2.0
Federal.....	1.5	2.2	1.7	2.4	6.2	-4.6	2.8	0.7	8.6	-6.2	8.4	-1.6	0.9	7.3	-6.3	6.0	7.1	0.5	4.6
National defense .....	1.5	1.9	2.8	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	-0.5	6.0
Nondefense.....	1.3	2.8	-0.4	3.2	-2.7	6.5	-0.8	-3.0	5.8	5.8	11.9	-8.8	6.0	-10.0	3.8	0.9	1.1	2.8	1.8
State and local.....	0.3	1.6	2.2	0.7	-1.1	-0.1	0.4	1.5	0.0	0.7	2.9	2.5	0.7	1.3	3.0	3.0	1.9	2.8	0.5
<b>Addenda:</b>																			
Final sales of domestic product .....	3.3	2.8	2.5	2.4	3.8	2.7	2.9	4.8	4.6	-0.5	5.4	2.0	1.0	3.5	1.3	3.6	4.0	2.4	-0.2
Gross domestic purchases .....	3.1	2.8	1.5	4.8	3.8	3.4	2.6	1.9	4.3	2.5	4.5	1.9	1.3	0.8	1.1	2.4	3.3	-0.4	0.4
Final sales to domestic purchasers .....	3.3	2.7	1.8	3.7	4.0	3.6	2.4	3.7	4.5	0.8	5.0	1.5	1.2	2.1	1.7	2.1	2.5	1.3	-0.4
Gross national product (GNP) .....	3.0	2.8	2.4	2.6	3.9	1.5	3.6	2.7	5.1	0.0	5.2	2.4	0.5	2.6	0.7	4.0	5.8	1.9	.....
Disposable personal income.....	1.7	3.1	3.1	2.4	2.9	7.5	-3.3	2.5	-1.2	6.6	4.9	0.2	1.7	6.2	5.4	-0.8	4.0	0.1	1.4
<b>Current-dollar measures:</b>																			
GDP .....	6.4	6.1	4.9	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	3.2
Final sales of domestic product .....	6.6	6.1	5.3	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	2.4
Gross domestic purchases .....	6.9	6.1	4.2	9.2	6.7	7.2	6.3	5.5	9.1	6.3	7.3	6.2	3.8	0.9	4.9	6.2	5.1	3.3	3.8
Final sales to domestic purchasers .....	7.1	6.1	4.6	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	3.1
GNP .....	6.3	6.0	5.2	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	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	5.0

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**

	2005	2006	2007	Seasonally adjusted at annual rates															
				2004			2005				2006				2007				2008
				II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I
<b>Gross domestic product (GDP)</b> .....	3.2	3.2	2.7	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	2.6
<b>Personal consumption expenditures</b> .....	2.9	2.8	2.5	3.8	2.0	3.0	2.2	3.4	4.3	2.8	1.7	4.3	2.6	-0.9	3.5	4.3	1.8	3.9	3.5
Durable goods .....	-0.7	-1.3	-1.8	0.3	-2.5	0.2	0.1	-0.4	-2.8	-1.1	-1.0	-0.7	-1.3	-2.7	-1.9	-1.4	-1.8	-1.7	-0.2
Nondurable goods .....	3.7	3.1	3.0	6.2	1.4	4.7	0.3	5.0	9.5	0.8	0.3	8.6	2.8	-7.9	5.0	10.0	1.1	7.1	6.6
Services .....	3.4	3.4	3.2	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	2.7
<b>Gross private domestic investment</b> .....	4.2	3.5	1.2	4.7	3.9	3.9	5.2	2.8	4.0	5.8	4.0	2.5	1.6	2.2	2.0	-0.4	-0.3	0.8	-1.1
Fixed investment .....	4.3	3.5	1.1	4.7	3.9	3.9	5.3	2.9	4.2	6.0	3.9	2.4	1.5	2.0	1.9	-0.3	-0.5	0.7	-0.7
Nonresidential .....	2.9	3.1	1.2	2.4	1.3	2.5	4.5	2.4	1.6	4.6	3.9	2.8	1.9	2.0	1.9	0.0	-0.6	1.1	-0.1
Structures .....	11.7	11.7	3.3	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	0.5	3.2	1.4
Equipment and software .....	-0.1	0.0	0.4	0.7	-1.7	-0.6	1.8	0.3	-2.5	0.2	0.6	-0.2	0.4	0.8	1.0	0.5	-1.1	0.1	-0.9
Residential .....	6.7	4.4	0.9	8.8	8.5	6.2	6.6	3.6	8.7	8.5	3.9	1.8	0.8	2.1	2.0	-0.8	-0.3	-0.4	-2.3
Change in private inventories .....																			
<b>Net exports of goods and services</b> .....																			
Exports .....	3.6	3.4	3.5	4.8	1.9	4.2	4.6	3.6	2.5	3.0	2.7	6.0	4.6	-0.8	3.6	5.3	3.8	6.0	9.0
Goods .....	3.1	3.3	3.6	5.2	1.0	3.6	4.3	3.0	1.3	2.3	3.0	6.3	5.2	0.1	3.5	5.1	3.2	6.3	10.3
Services .....	4.9	3.7	3.3	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	5.9
Imports .....	6.3	4.0	3.5	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	12.7
Goods .....	6.5	4.2	3.6	7.9	5.0	7.0	2.0	10.1	10.9	4.9	-1.9	10.4	5.3	-10.1	0.7	13.0	7.7	14.1	13.8
Services .....	5.6	3.1	2.8	4.7	6.7	6.0	3.5	7.7	7.5	1.3	0.5	8.4	1.4	-5.3	2.3	6.7	6.5	8.6	7.0
<b>Government consumption expenditures and gross investment</b> .....	5.8	4.9	4.5	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	6.9
Federal .....	4.8	3.9	2.9	5.5	2.5	2.6	11.5	2.3	3.4	0.8	9.1	4.0	1.3	0.5	5.3	3.8	1.6	2.5	6.0
National defense .....	5.3	4.1	2.9	5.6	2.9	3.1	12.2	2.5	3.5	1.3	9.3	4.2	1.6	-0.1	5.0	4.1	1.9	3.0	5.8
Nondefense .....	4.0	3.5	2.9	5.2	1.4	1.7	10.1	1.8	3.2	-0.2	8.9	3.5	0.7	1.7	5.9	3.3	1.1	1.3	6.4
State and local .....	6.4	5.4	5.4	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	7.4
<b>Addenda:</b>																			
Final sales of domestic product .....	3.2	3.2	2.6	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	2.7
Gross domestic purchases .....	3.7	3.3	2.7	4.2	2.8	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	0.1	3.8	3.8	1.8	3.7	3.5
Final sales to domestic purchasers .....	3.7	3.3	2.7	4.2	2.7	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	0.1	3.8	3.8	1.7	3.7	3.5
Gross national product (GNP) .....	3.2	3.1	2.7	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	.....
<b>Implicit price deflators:</b>																			
GDP .....	3.2	3.2	2.7	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	2.6
Gross domestic purchases .....	3.6	3.3	2.7	4.2	2.7	3.7	3.6	3.6	4.6	3.7	2.7	4.2	2.5	0.1	3.8	3.8	1.7	3.7	3.5
GNP .....	3.2	3.2	2.7	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	.....

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



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

[Index numbers, 2000=100]

	2005	2006	2007	Seasonally adjusted				
				2007				2008
				I	II	III	IV	I
<b>Gross domestic product</b> .....	<b>112.086</b>	<b>115.304</b>	<b>117.825</b>	<b>116.254</b>	<b>117.349</b>	<b>118.763</b>	<b>118.934</b>	<b>119.111</b>
<b>Personal consumption expenditures</b> .....	<b>115.791</b>	<b>119.359</b>	<b>122.828</b>	<b>121.906</b>	<b>122.331</b>	<b>123.190</b>	<b>123.885</b>	<b>124.182</b>
Durable goods .....	131.748	136.735	143.096	141.680	142.283	143.852	144.572	142.322
Nondurable goods .....	115.828	120.051	122.884	122.563	122.419	123.090	123.466	123.064
Services .....	112.687	115.696	118.987	117.865	118.527	119.360	120.198	121.212
<b>Gross private domestic investment</b> .....	<b>107.709</b>	<b>110.607</b>	<b>105.187</b>	<b>104.690</b>	<b>105.875</b>	<b>107.172</b>	<b>103.011</b>	<b>101.792</b>
Fixed investment .....	109.080	111.657	108.369	108.113	108.956	108.756	107.652	104.941
Nonresidential .....	99.490	106.062	111.061	107.277	110.109	112.597	114.261	113.532
Structures .....	79.127	85.770	96.871	90.241	95.639	99.330	102.274	100.655
Equipment and software .....	107.935	114.332	115.842	113.753	115.075	116.821	117.720	117.515
Residential .....	133.608	127.433	105.795	113.301	109.791	103.665	96.422	89.231
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>109.775</b>	<b>118.957</b>	<b>128.603</b>	<b>123.568</b>	<b>125.833</b>	<b>131.458</b>	<b>133.555</b>	<b>135.348</b>
<b>Imports of goods and services</b> .....	<b>123.425</b>	<b>130.683</b>	<b>133.181</b>	<b>133.272</b>	<b>132.363</b>	<b>133.780</b>	<b>133.309</b>	<b>134.148</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>113.050</b>	<b>115.092</b>	<b>117.427</b>	<b>115.865</b>	<b>117.028</b>	<b>118.121</b>	<b>118.693</b>	<b>119.281</b>
Federal .....	125.524	128.255	130.454	127.886	129.756	132.000	132.175	133.674
State and local .....	106.721	108.418	110.816	109.748	110.564	111.096	111.857	112.008
<b>Addenda:</b>								
Final sales of domestic product .....	112.360	115.526	118.452	116.916	117.953	119.117	119.822	119.760
Gross domestic purchases .....	113.894	117.071	118.844	117.871	118.560	119.535	119.409	119.514
Final sales to domestic purchasers .....	114.166	117.292	119.450	118.515	119.146	119.878	120.263	120.139
Gross national product .....	112.265	115.363	118.179	116.344	117.493	119.163	119.716	

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

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

[Index numbers, 2000=100]

	2005	2006	2007	Seasonally adjusted				
				2007				2008
				I	II	III	IV	I
<b>Gross domestic product</b> .....	<b>113.005</b>	<b>116.568</b>	<b>119.668</b>	<b>118.750</b>	<b>119.527</b>	<b>119.837</b>	<b>120.560</b>	<b>121.337</b>
<b>Personal consumption expenditures (PCE)</b> .....	<b>111.588</b>	<b>114.675</b>	<b>117.591</b>	<b>116.129</b>	<b>117.345</b>	<b>117.873</b>	<b>119.019</b>	<b>120.052</b>
Durable goods .....	90.018	88.857	87.276	87.799	87.488	87.091	86.726	86.677
Nondurable goods .....	111.561	114.989	118.398	115.620	118.413	118.751	120.810	122.756
Services .....	116.726	120.725	124.556	123.252	124.055	124.921	125.996	126.845
<b>Gross private domestic investment</b> .....	<b>111.155</b>	<b>115.090</b>	<b>116.458</b>	<b>116.532</b>	<b>116.426</b>	<b>116.325</b>	<b>116.549</b>	<b>116.215</b>
Fixed investment .....	111.404	115.352	116.637	116.718	116.636	116.498	116.696	116.484
Nonresidential .....	103.778	106.961	108.293	108.301	108.293	108.140	108.440	108.401
Structures .....	135.013	150.806	155.709	155.637	155.199	155.392	156.609	157.145
Equipment and software .....	94.527	94.485	94.857	94.892	95.002	94.751	94.783	94.575
Residential .....	128.653	134.288	135.450	135.736	135.459	135.367	135.238	134.459
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>108.803</b>	<b>112.537</b>	<b>116.510</b>	<b>114.433</b>	<b>115.912</b>	<b>116.992</b>	<b>118.704</b>	<b>121.282</b>
<b>Imports of goods and services</b> .....	<b>111.117</b>	<b>115.610</b>	<b>119.613</b>	<b>115.114</b>	<b>118.408</b>	<b>120.572</b>	<b>124.360</b>	<b>128.125</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>121.435</b>	<b>127.334</b>	<b>133.042</b>	<b>130.765</b>	<b>132.527</b>	<b>133.588</b>	<b>135.286</b>	<b>137.560</b>
Federal .....	120.914	125.622	129.256	127.886	129.098	129.622	130.416	132.326
State and local .....	121.758	128.370	135.316	132.499	134.586	135.969	138.209	140.702
<b>Addenda:</b>								
PCE excluding food and energy .....	109.670	112.130	114.483	113.730	114.116	114.682	115.403	116.019
Market-based PCE <sup>1</sup> .....	110.307	113.168	115.945	114.472	115.784	116.186	117.339	118.379
Market-based PCE excluding food and energy <sup>1</sup> .....	107.667	109.717	111.783	111.161	111.498	111.917	112.557	113.096
Final sales of domestic product .....	113.040	116.603	119.692	118.773	119.555	119.860	120.579	121.373
Gross domestic purchases .....	113.225	116.920	120.068	118.702	119.809	120.330	121.432	122.474
Final sales to domestic purchasers .....	113.261	116.956	120.093	118.727	119.838	120.355	121.452	122.512
Gross national product .....	112.999	116.558	119.659	118.740	119.518	119.824	120.552	
<b>Implicit price deflators:</b>								
Gross domestic product .....	113.000	116.567	119.664	118.745	119.519	119.826	120.542	121.313
Final sales of domestic product .....	113.040	116.603	119.694	118.770	119.551	119.857	120.576	121.369
Gross domestic purchases .....	113.221	116.919	120.065	118.700	119.804	120.321	121.417	122.454
Final sales to domestic purchasers .....	113.261	116.956	120.097	118.725	119.837	120.354	121.451	122.511
Gross national product .....	112.994	116.558	119.656	118.736	119.512	119.814	120.535	

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



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

[Billions of dollars]

	2005	2006	2007	Seasonally adjusted at annual rates				
				2007				2008
				I	II	III	IV	I
<b>Gross domestic product</b> .....	<b>12,433.9</b>	<b>13,194.7</b>	<b>13,841.3</b>	<b>13,551.9</b>	<b>13,768.8</b>	<b>13,970.5</b>	<b>14,074.2</b>	<b>14,185.2</b>
Plus: Income receipts from the rest of the world.....	544.1	691.4	817.5	752.2	814.2	855.6	848.1	.....
Less: Income payments to the rest of the world .....	475.6	633.4	721.8	689.0	743.5	754.4	700.2	.....
<b>Equals: Gross national product</b> .....	<b>12,502.4</b>	<b>13,252.7</b>	<b>13,937.1</b>	<b>13,615.1</b>	<b>13,839.4</b>	<b>14,071.6</b>	<b>14,222.1</b>	.....
Less: Consumption of fixed capital .....	1,609.5	1,615.2	1,686.6	1,670.9	1,683.4	1,690.9	1,701.1	1,709.4
Less: Statistical discrepancy.....	5.4	-18.1	29.4	-66.3	-40.8	84.8	139.9	.....
<b>Equals: National income</b> .....	<b>10,887.6</b>	<b>11,655.6</b>	<b>12,221.1</b>	<b>12,010.5</b>	<b>12,196.8</b>	<b>12,296.0</b>	<b>12,381.0</b>	.....
Compensation of employees.....	7,029.6	7,448.3	7,874.2	7,764.9	7,826.9	7,907.7	7,997.2	8,074.9
Wage and salary accruals.....	5,672.9	6,025.7	6,382.1	6,294.4	6,343.9	6,407.7	6,482.4	6,536.8
Supplements to wages and salaries .....	1,356.8	1,422.6	1,492.1	1,470.5	1,483.0	1,500.0	1,514.8	1,538.1
Proprietors' income with inventory valuation and capital consumption adjustments .....	969.9	1,006.7	1,042.6	1,027.4	1,038.4	1,048.7	1,055.9	1,056.6
Rental income of persons with capital consumption adjustment .....	42.9	54.5	65.4	53.2	62.1	68.4	77.8	79.3
Corporate profits with inventory valuation and capital consumption adjustments.....	1,372.8	1,553.7	1,595.2	1,547.7	1,642.4	1,621.9	1,569.0	.....
Net interest and miscellaneous payments .....	558.0	598.5	602.6	599.6	592.4	599.3	619.0	601.3
Taxes on production and imports less subsidies.....	863.1	917.6	961.4	943.8	956.8	967.8	977.3	988.0
Business current transfer payments.....	66.5	90.2	94.2	91.8	92.8	94.4	97.9	101.1
Current surplus of government enterprises .....	-15.1	-13.9	-14.5	-17.8	-15.0	-12.2	-13.1	-14.4
<b>Addendum:</b>								
Gross domestic income .....	12,428.6	13,212.8	13,811.9	13,618.2	13,809.5	13,885.7	13,934.3	.....

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

[Billions of dollars]

	2005	2006	2007	Seasonally adjusted at annual rates				
				2007				2008
				I	II	III	IV	I
<b>Personal income</b> <sup>1</sup> .....	<b>10,301.1</b>	<b>10,983.4</b>	<b>11,659.5</b>	<b>11,469.2</b>	<b>11,577.3</b>	<b>11,735.0</b>	<b>11,856.6</b>	<b>11,986.2</b>
Compensation of employees, received .....	7,024.6	7,440.8	7,851.7	7,764.9	7,801.9	7,882.7	7,957.2	8,064.9
Wage and salary disbursements.....	5,667.9	6,018.2	6,359.6	6,294.4	6,318.9	6,382.7	6,442.4	6,526.8
Supplements to wages and salaries .....	1,356.8	1,422.6	1,492.1	1,470.5	1,483.0	1,500.0	1,514.8	1,538.1
Proprietors' income with inventory valuation and capital consumption adjustments .....	969.9	1,006.7	1,042.6	1,027.4	1,038.4	1,048.7	1,055.9	1,056.6
Farm .....	30.8	19.4	36.2	29.1	33.1	38.6	43.8	39.1
Nonfarm .....	939.1	987.4	1,006.4	998.3	1,005.3	1,010.0	1,012.1	1,017.5
Rental income of persons with capital consumption adjustment .....	42.9	54.5	65.4	53.2	62.1	68.4	77.8	79.3
Personal income receipts on assets .....	1,617.8	1,796.5	1,947.2	1,882.9	1,930.0	1,976.2	1,999.8	2,012.6
Personal interest income.....	1,018.9	1,100.2	1,154.7	1,126.1	1,148.4	1,171.1	1,173.2	1,169.3
Personal dividend income .....	598.9	696.3	792.5	756.8	781.6	805.0	826.6	843.3
Personal current transfer receipts .....	1,520.7	1,612.5	1,731.7	1,710.7	1,717.1	1,742.3	1,756.5	1,784.2
Less: Contributions for government social insurance .....	874.8	927.6	979.0	969.8	972.2	983.2	990.6	1,011.4
Less: Personal current taxes .....	1,209.1	1,354.3	1,482.5	1,454.7	1,477.6	1,489.8	1,508.0	1,510.3
<b>Equals: Disposable personal income</b> .....	<b>9,092.0</b>	<b>9,629.1</b>	<b>10,177.0</b>	<b>10,014.5</b>	<b>10,099.7</b>	<b>10,245.2</b>	<b>10,348.6</b>	<b>10,475.9</b>
Less: Personal outlays.....	9,047.4	9,590.3	10,134.1	9,917.5	10,069.2	10,200.9	10,348.9	10,455.7
<b>Equals: Personal saving</b> .....	<b>44.6</b>	<b>38.8</b>	<b>42.9</b>	<b>97.0</b>	<b>30.5</b>	<b>44.4</b>	<b>-0.3</b>	<b>20.2</b>
Personal saving as a percentage of disposable personal income .....	0.5	0.4	0.4	1.0	0.3	0.4	0.0	0.2
<b>Addendum:</b>								
Disposable personal income, billions of chained (2000) dollars <sup>2</sup> .....	8,147.9	8,396.9	8,654.4	8,623.9	8,607.1	8,692.1	8,695.2	8,726.4

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.

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

	2005	2006	2007	Seasonally adjusted at annual rates																
				2004			2005				2006				2007				2008	
				II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	
<b>Gross domestic product (GDP) and related aggregates:</b>																				
GDP .....	3.1	2.9	2.2	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	0.6	
Goods .....	4.3	5.0	3.3	3.4	6.6	3.7	4.2	3.9	5.8	1.5	9.6	4.6	3.4	1.1	0.2	5.4	11.7	-1.6	0.6	
Services .....	2.3	2.3	2.9	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	3.5	
Structures .....	3.4	-0.1	-4.7	11.5	1.3	-0.3	4.0	7.3	1.2	1.2	4.3	-1.4	-9.9	-7.0	-6.2	3.0	-4.2	-7.0	-15.7	
Motor vehicle output .....	4.2	-1.3	-2.1	-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	-10.8	
GDP excluding motor vehicle output .....	3.0	3.0	2.3	3.8	2.8	3.0	3.0	2.7	3.6	2.5	4.4	2.9	0.6	2.9	0.4	3.9	4.7	1.5	0.9	
Final sales of computers <sup>1</sup> .....	35.1	19.4	20.3	-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	18.4	
GDP excluding final sales of computers .....	2.9	2.8	2.1	3.6	3.5	2.3	2.8	2.5	4.3	1.0	4.8	2.3	1.0	1.9	0.6	3.6	4.6	0.4	0.5	
Farm gross value added <sup>2</sup> .....	5.9	0.6	-0.3	-30.8	18.9	40.8	-10.9	14.0	-3.0	6.0	-8.9	17.5	-12.4	0.8	-12.5	14.8	9.6	-3.3	-10.2	
Nonfarm business gross value added <sup>3</sup> .....	3.6	3.2	2.3	5.0	3.8	2.6	3.9	3.2	5.6	0.9	5.7	2.4	0.8	2.6	0.3	4.2	5.6	0.2	0.4	
<b>Price indexes:</b>																				
GDP .....	3.2	3.2	2.7	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	2.6	
GDP excluding food and energy .....	3.2	3.1	2.4	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	2.0	
GDP excluding final sales of computers .....	3.4	3.3	2.8	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	2.7	
Gross domestic purchases .....	3.7	3.3	2.7	4.2	2.8	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	0.1	3.8	3.8	1.8	3.7	3.5	
Gross domestic purchases excluding food and energy .....	3.1	2.9	2.4	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	2.2	
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	3.9	3.5	2.8	4.3	2.9	3.9	3.8	3.7	4.8	3.9	2.9	4.5	2.7	0.2	3.9	4.0	1.9	3.9	3.6	
Personal consumption expenditures (PCE) .....	2.9	2.8	2.5	3.8	2.0	3.0	2.2	3.4	4.3	2.8	1.7	4.3	2.6	-0.9	3.5	4.3	1.8	3.9	3.5	
PCE excluding food and energy .....	2.2	2.2	2.1	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	2.2	
Market-based PCE <sup>4</sup> .....	2.7	2.6	2.5	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	3.6	
Market-based PCE excluding food and energy <sup>4</sup> .....	1.7	1.9	1.9	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	1.9	

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

2. Farm output less intermediate goods and services purchased.

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

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

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

## Explanatory Note: NIPA Measures of Quantities and Prices

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

Annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Quarterly changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent quarters; quarterly indexes are adjusted for consistency to the annual indexes before percent changes are calculated.) For example, the 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.