



NEWS RELEASE



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GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2008 (ADVANCE)

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- decreased at an annual rate of 3.8 percent in the fourth quarter of 2008, (that is, from the third quarter to the fourth quarter), according to advance estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP decreased 0.5 percent.

The Bureau emphasized that the fourth-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 4). The fourth-quarter "preliminary" estimates, based on more comprehensive data, will be released on February 27, 2009.

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

Most of the major components contributed to the much larger decrease in real GDP in the fourth quarter than in the third. The largest contributors were a downturn in exports and a much larger decrease in equipment and software. The most notable offset was a much larger decrease in imports.

Final sales of computers subtracted less than 0.01 percentage point from the change in real GDP after subtracting 0.01 percentage point from the third-quarter change. Motor vehicle output subtracted 2.04 percentage points from the fourth-quarter change in real GDP after contributing 0.16 percentage point to the third-quarter change.

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, decreased 4.6 percent in the fourth quarter, in contrast to an increase of 4.5 percent in the third. Excluding food and energy prices, the price index for gross domestic purchases increased 1.2 percent in the fourth quarter, compared with an increase of 2.8 percent in the third.

Real personal consumption expenditures decreased 3.5 percent in the fourth quarter, compared with a decrease of 3.8 percent in the third. Durable goods decreased 22.4 percent, compared with a decrease of 14.8 percent. Nondurable goods decreased 7.1 percent, the same as in the third. Services expenditures increased 1.7 percent, in contrast to a decrease of 0.1 percent.

Real nonresidential fixed investment decreased 19.1 percent in the fourth quarter, compared with a decrease of 1.7 percent in the third. Nonresidential structures decreased 1.8 percent, in contrast to an increase of 9.7 percent. Equipment and software decreased 27.8 percent, compared with a decrease of 7.5 percent. Real residential fixed investment decreased 23.6 percent, compared with a decrease of 16.0 percent.

Real exports of goods and services decreased 19.7 percent in the fourth quarter, in contrast to an increase of 3.0 percent in the third. Real imports of goods and services decreased 15.7 percent, compared with a decrease of 3.5 percent.

Real federal government consumption expenditures and gross investment increased 5.8 percent in the fourth quarter, compared with an increase of 13.8 percent in the third. National defense increased 2.1 percent, compared with an increase of 18.0 percent. Nondefense increased 14.5 percent, compared with an increase of 5.1 percent. Real state and local government consumption expenditures and gross investment decreased 0.5 percent, in contrast to an increase of 1.3 percent.

The real change in private inventories added 1.32 percentage points to the fourth-quarter change in real GDP after adding 0.84 percentage point to the third-quarter change. Private businesses increased inventories \$6.2 billion in the fourth quarter, following a decrease of \$29.6 billion in the third quarter and a decrease of \$50.6 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- decreased 5.1 percent in the fourth quarter, compared with a decrease of 1.3 percent in the third.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- decreased 3.7 percent in the fourth quarter, compared with a decrease of 1.5 percent in the third.

Disposition of personal income

Current-dollar personal income decreased \$35.3 billion (1.2 percent) in the fourth quarter, in contrast to an increase of \$7.2 billion (0.2 percent) in the third.

Personal current taxes increased \$29.6 billion in the fourth quarter, compared with an increase of \$122.5 billion in the third. The sharp deceleration reflected the pattern of rebates to individuals with tax liabilities (which are treated as an offset to taxes) from the Economic Stimulus Act of 2008.

Disposable personal income (DPI) decreased \$64.8 billion (2.4 percent) in the fourth quarter, compared with a decrease of \$115.3 billion (4.2 percent) in the third. Real DPI increased 3.3 percent, in contrast to a decrease of 8.8 percent. The increase in real DPI, in contrast to the decrease in current-dollar DPI, reflected the sharp downturn in the personal consumption expenditures implicit price deflator (IPD) that is used to deflate DPI; the IPD decreased 5.5 percent in the fourth quarter, following an increase of 5.0 percent in the third.

Personal outlays decreased \$244.2 billion (8.9 percent) in the fourth quarter, in contrast to an increase of \$21.7 billion (0.8 percent) in the third. Personal saving -- disposable personal income less personal outlays -- was \$310.3 billion in the fourth quarter, compared with \$130.8 billion in the third. The personal saving rate -- saving as a percentage of disposable personal income -- was 2.9 percent in the fourth quarter, compared with 1.2 percent in the third. 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, go to <http://www.bea.gov/national/nipaweb/Nipa-Frb.asp>.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- decreased 4.1 percent, or \$148.2 billion, in the fourth quarter to a level of \$14,264.6 billion. In the third quarter, current-dollar GDP increased 3.4 percent, or \$118.3 billion.

2008 GDP

Real GDP increased 1.3 percent in 2008 (that is, from the 2007 annual level to the 2008 annual level), compared with an increase of 2.0 percent in 2007.

The major contributors to the increase in real GDP in 2008 were exports, personal consumption expenditures (PCE) for services, federal government spending, nonresidential structures, and state and local government spending. These were partly offset by residential fixed investment, PCE for goods, equipment and software, and private inventory investment. Imports, which are a subtraction in the calculation of GDP, decreased.

The deceleration in real GDP primarily reflected a sharp deceleration in PCE, a downturn in equipment and software, and decelerations in exports and in state and local government spending that were partly offset by a sharp downturn in imports, an acceleration in federal government spending, and a smaller decrease in private inventory investment.

The price index for gross domestic purchases increased 3.2 percent in 2008, compared with an increase of 2.8 percent in 2007.

Current-dollar GDP increased 3.4 percent, or \$473.1 billion, in 2008. Current-dollar GDP increased 4.8 percent, or \$629.2 billion, in 2007.

During 2008 (that is, measured from the fourth quarter of 2007 to the fourth quarter 2008), real GDP decreased 0.2 percent. Real GDP increased 2.3 percent during 2007. The price index for gross domestic purchases increased 1.8 percent during 2008, compared with an increase of 3.3 percent during 2007.

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 -- February 27, 2009, at 8:30 A.M. EST for:
Gross Domestic Product: Fourth Quarter 2008 (Preliminary)

Release dates in 2009

Gross Domestic Product

	<u>2008: IV and 2008 annual</u>	<u>2009: I</u>	<u>2009: II</u>	<u>2009: III</u>
Advance.....	January 30	April 29	July 31	October 29
Preliminary...	February 27	May 29	August 27	November 24
Final.....	March 26	June 25	September 30	December 22

Corporate Profits

Preliminary.....	.....	May 29	August 27	November 24
Final.....	March 26	June 25	September 30	December 22

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
<u>Current-dollar GDP</u>			
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
<u>Real GDP</u>			
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 2005.

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

	2006	2007	2008	Seasonally adjusted at annual rates															
				2005				2006				2007				2008			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Gross domestic product (GDP)	2.8	2.0	1.3	3.0	2.6	3.8	1.3	4.8	2.7	0.8	1.5	0.1	4.8	4.8	-0.2	0.9	2.8	-0.5	-3.8
Personal consumption expenditures	3.0	2.8	0.3	1.7	3.6	3.7	1.4	4.3	2.8	2.2	3.7	3.9	2.0	2.0	1.0	0.9	1.2	-3.8	-3.5
Durable goods	4.5	4.8	-4.4	0.6	12.1	5.4	-11.7	18.9	1.8	3.5	4.2	9.2	5.0	2.3	0.4	-4.3	-2.8	-14.8	-22.4
Nondurable goods	3.7	2.5	-0.4	2.4	4.2	3.0	4.7	4.4	3.1	2.3	3.1	3.5	1.9	1.2	0.3	-0.4	3.9	-7.1	-7.1
Services	2.5	2.6	1.5	1.7	1.7	3.8	2.5	1.6	2.8	2.0	3.9	3.1	1.4	2.4	1.4	2.4	0.7	-0.1	1.7
Gross private domestic investment	2.1	-5.4	-5.9	9.1	-5.1	4.0	12.2	6.2	-0.4	-5.3	-15.0	-9.6	6.2	3.5	-11.9	-5.8	-11.5	0.4	-12.3
Fixed investment	1.9	-3.1	-4.8	5.3	7.6	5.3	2.3	8.3	-2.5	-4.8	-7.6	-3.4	3.0	-0.9	-6.2	-5.6	-1.7	-5.3	-20.1
Nonresidential	7.5	4.9	1.8	3.7	6.3	6.1	3.7	15.9	6.4	5.3	-1.0	3.4	10.3	8.7	3.4	2.4	2.5	-1.7	-19.1
Structures.....	8.2	12.7	11.8	7.5	-1.3	-9.2	1.9	15.6	19.7	14.3	2.5	11.2	18.3	20.5	8.5	8.6	18.5	9.7	-1.8
Equipment and software	7.2	1.7	-2.9	2.3	9.2	12.2	4.4	16.3	1.7	2.0	-2.4	0.0	6.9	3.6	1.0	-0.6	-5.0	-7.5	-27.8
Residential	-7.1	-17.9	-20.8	8.1	9.7	4.0	0.2	-3.6	-16.6	-21.4	-19.5	-16.2	-11.5	-20.6	-27.0	-25.1	-13.3	-16.0	-23.6
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports	9.1	8.4	6.5	8.1	8.8	0.4	10.9	16.7	5.5	3.5	15.6	0.6	8.8	23.0	4.4	5.1	12.3	3.0	-19.7
Goods	9.9	7.5	6.4	7.1	14.5	-0.8	13.2	18.1	6.7	3.6	10.4	2.1	6.9	21.8	5.1	4.5	16.3	3.7	-27.7
Services	7.2	10.5	6.8	10.2	-2.8	3.2	5.7	13.4	2.7	3.2	28.6	-2.7	13.3	25.9	2.7	6.4	3.8	1.4	0.6
Imports.....	6.0	2.2	-3.3	3.2	0.6	0.8	15.3	10.3	0.1	3.1	2.0	7.7	-3.7	3.0	-2.3	-0.8	-7.3	-3.5	-15.7
Goods	6.0	1.7	-4.1	5.0	0.7	1.1	17.0	9.0	0.5	3.8	-0.8	8.4	-4.0	2.4	-2.6	-2.0	-7.1	-4.7	-18.8
Services	6.0	4.4	0.7	-5.7	0.0	-1.0	6.8	17.7	-2.0	-0.3	18.4	4.2	-2.0	6.3	-0.9	5.5	-8.0	3.3	0.9
Government consumption expenditures and gross investment	1.7	2.1	2.9	-0.2	0.9	3.4	-1.7	3.9	1.2	1.7	1.6	0.9	3.9	3.8	0.8	1.9	3.9	5.8	1.9
Federal.....	2.3	1.6	6.0	1.1	1.1	9.7	-7.2	10.0	-1.5	1.9	1.8	-3.6	6.7	7.2	-0.5	5.8	6.6	13.8	5.8
National defense	1.6	2.5	7.1	3.1	4.0	12.3	-14.2	8.8	1.9	-0.9	7.0	-5.9	8.5	10.2	-0.9	7.3	7.3	18.0	2.1
Nondefense.....	3.6	-0.2	3.6	-2.7	-4.5	4.4	8.9	12.4	-8.1	7.7	-8.1	1.2	3.1	1.2	0.4	2.9	5.0	5.1	14.5
State and local.....	1.3	2.3	1.2	-1.0	0.8	-0.1	1.6	0.5	2.9	1.6	1.5	3.6	2.4	1.9	1.6	-0.3	2.5	1.3	-0.5
Addenda:																			
Final sales of domestic product	2.8	2.4	1.4	2.3	4.8	4.1	-0.3	5.1	2.3	0.9	2.9	1.1	4.3	4.0	0.8	0.9	4.4	-1.3	-5.1
Gross domestic purchases	2.6	1.4	-0.1	2.5	1.7	3.7	2.5	4.5	2.0	0.9	0.2	1.2	2.9	2.6	-1.0	0.1	-0.1	-1.5	-3.7
Final sales to domestic purchasers	2.6	1.8	0.0	1.9	3.7	3.9	1.0	4.8	1.6	1.0	1.5	2.2	2.5	1.9	-0.1	0.1	1.3	-2.3	-4.9
Gross national product (GNP)	2.6	2.2	.....	4.7	2.2	4.1	0.4	4.9	2.8	0.2	2.0	-0.3	4.4	6.3	1.3	0.1	2.1	-0.2	.....
Disposable personal income.....	3.5	2.8	1.3	-4.7	2.5	-1.3	7.5	5.1	1.3	2.3	5.8	4.4	-0.6	3.1	0.6	-0.7	10.7	-8.8	3.3
Current-dollar measures:																			
GDP	6.1	4.8	3.4	7.1	4.8	8.1	5.1	8.6	5.5	3.6	3.7	4.3	6.9	6.3	2.3	3.5	4.1	3.4	-4.1
Final sales of domestic product	6.1	5.2	3.7	6.5	7.0	8.4	3.5	8.8	5.1	3.7	5.2	5.3	6.4	5.6	3.6	3.6	5.6	2.6	-5.1
Gross domestic purchases	6.1	4.2	3.0	6.3	4.8	9.1	6.5	7.5	5.7	3.8	0.7	5.0	6.4	4.9	2.6	3.5	4.3	2.9	-8.4
Final sales to domestic purchasers.....	6.1	4.6	3.2	5.7	6.9	9.4	5.0	7.8	5.3	3.9	2.1	5.9	5.9	4.2	3.9	3.7	5.7	2.2	-9.4
GNP	5.9	4.9	.....	8.8	4.4	8.4	4.2	8.7	5.6	3.0	4.1	4.0	6.4	7.9	3.9	2.6	3.4	3.7	.....
Disposable personal income	6.4	5.5	4.6	-2.4	5.1	3.4	11.1	6.9	4.6	5.4	5.3	7.9	3.0	5.7	4.9	2.9	15.4	-4.2	-2.4

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

	2006	2007	2008	Seasonally adjusted at annual rates															
				2005				2006				2007				2008			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Gross domestic product (GDP)	3.2	2.7	2.2	4.0	2.1	4.1	3.7	3.5	2.7	2.8	2.2	4.1	2.0	1.5	2.8	2.6	1.1	3.9	-0.1
Personal consumption expenditures	2.8	2.6	3.3	2.5	2.5	4.7	3.3	1.8	3.3	3.1	-0.5	3.4	3.6	2.5	4.3	3.6	4.3	5.0	-5.5
Durable goods	-1.3	-1.8	-1.3	0.4	-0.9	-3.1	-0.9	-0.9	-0.8	-1.3	-2.7	-1.8	-1.6	-1.9	-1.6	-0.1	-1.6	-0.6	-3.9
Nondurable goods	3.0	3.0	5.2	1.5	2.0	11.2	2.3	0.3	4.9	4.4	-6.2	5.1	6.4	2.9	8.4	6.7	6.5	10.3	-17.8
Services	3.5	3.3	3.2	3.3	3.5	3.3	4.7	3.0	3.3	3.3	2.8	3.6	3.3	3.1	3.5	2.8	4.2	3.4	0.7
Gross private domestic investment	4.2	1.4	0.5	4.7	4.0	5.0	5.4	5.2	3.5	1.6	3.3	1.6	-0.3	-0.3	1.3	-0.5	0.4	2.0	2.0
Fixed investment	4.2	1.4	0.7	4.7	4.2	5.3	5.7	5.0	3.4	1.5	3.2	1.6	-0.2	-0.4	1.2	-0.2	0.8	2.3	1.8
Nonresidential	3.3	1.4	1.7	4.4	2.7	2.0	4.4	4.3	3.3	1.7	2.9	1.3	0.3	-0.6	1.7	0.6	2.3	4.2	5.0
Structures	12.3	3.8	3.6	11.9	10.1	14.8	17.0	14.1	12.0	4.6	6.7	3.4	0.7	0.5	4.5	2.7	3.3	7.1	7.7
Equipment and software	0.1	0.3	0.7	1.8	0.1	-2.3	0.2	0.7	-0.1	0.5	1.2	0.4	0.1	-1.2	0.4	-0.4	1.7	2.6	3.4
Residential	5.9	1.5	-2.3	5.2	6.8	11.0	7.8	6.4	3.7	1.2	3.9	2.2	-1.3	0.3	0.0	-2.6	-3.5	-3.3	-8.2
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports	3.5	3.5	5.5	4.6	3.5	2.5	3.2	2.9	5.8	4.7	-0.8	3.6	5.3	3.5	6.2	9.1	10.8	6.7	-20.7
Goods	3.3	3.5	5.5	4.3	3.0	1.3	2.2	3.0	6.2	5.2	0.0	3.3	5.1	2.8	6.0	10.0	12.3	5.6	-23.9
Services	3.8	3.5	5.6	5.2	4.6	5.3	5.5	2.7	4.9	3.7	-2.6	4.3	5.9	5.2	6.6	6.9	7.5	9.3	-13.3
Imports	4.3	3.7	10.5	2.3	9.7	10.3	4.5	-1.1	10.3	5.0	-9.1	0.9	12.8	7.4	12.8	12.8	28.8	9.2	-36.7
Goods	4.2	3.6	11.1	2.1	10.0	10.8	5.0	-2.0	10.4	5.4	-10.1	0.8	13.0	7.7	14.5	13.8	31.2	9.8	-40.9
Services	4.8	3.7	7.3	3.5	7.9	7.8	2.0	4.1	9.9	3.2	-3.8	1.1	11.7	6.1	4.5	7.8	16.8	6.2	-11.4
Government consumption expenditures and gross investment	4.7	4.5	4.7	7.7	4.1	7.0	4.8	4.9	4.9	3.3	2.3	6.4	5.2	3.4	5.1	6.2	7.0	4.4	-5.9
Federal	4.1	3.4	3.2	11.8	1.7	3.1	0.8	10.2	4.1	1.2	0.9	7.6	3.7	0.9	2.3	5.6	5.1	2.7	-3.5
National defense	4.5	3.5	3.6	12.6	1.8	3.2	1.3	10.9	4.4	1.5	0.7	7.0	4.3	1.6	3.1	5.1	6.3	3.1	-4.7
Nondefense	3.4	3.1	2.6	10.2	1.6	3.0	-0.1	8.9	3.5	0.5	1.2	8.8	2.6	-0.5	0.5	6.8	2.8	1.9	-0.7
State and local	5.1	5.1	5.6	5.3	5.6	9.4	7.3	2.0	5.4	4.6	3.2	5.7	6.1	4.9	6.8	6.6	8.1	5.5	-7.4
Addenda:																			
Final sales of domestic product	3.2	2.7	2.2	4.0	2.1	4.1	3.8	3.5	2.7	2.7	2.2	4.1	2.0	1.5	2.8	2.7	1.2	4.0	-0.1
Gross domestic purchases	3.4	2.8	3.2	3.7	3.1	5.2	3.9	2.9	3.6	2.9	0.6	3.6	3.3	2.2	4.0	3.5	4.2	4.5	-4.6
Final sales to domestic purchasers	3.4	2.8	3.2	3.7	3.1	5.2	4.0	2.8	3.6	2.9	0.6	3.7	3.3	2.2	4.0	3.5	4.3	4.5	-4.7
Gross national product (GNP)	3.2	2.7	.....	4.0	2.1	4.1	3.7	3.5	2.7	2.8	2.2	4.1	2.0	1.5	2.8	2.6	1.1	3.9	.....
Implicit price deflators:																			
GDP	3.2	2.7	2.1	4.0	2.1	4.1	3.8	3.6	2.7	2.7	2.2	4.2	2.0	1.5	2.5	2.6	1.3	3.9	-0.3
Gross domestic purchases	3.4	2.8	3.1	3.7	3.1	5.2	4.0	2.9	3.6	2.9	0.6	3.7	3.3	2.2	3.7	3.4	4.4	4.4	-4.8
GNP	3.2	2.7	.....	4.0	2.1	4.1	3.8	3.6	2.7	2.8	2.1	4.2	2.0	1.5	2.5	2.5	1.3	3.9	.....

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

Table 5. Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

	2006	2007	2008	Seasonally adjusted				
				2007	2008			
					IV	I	II	III	IV
Gross domestic product	115.054	117.388	118.889	118.374	118.631	119.460	119.308	118.157
Personal consumption expenditures	119.135	122.456	122.804	123.130	123.395	123.770	122.572	121.478
Durable goods.....	137.274	143.908	137.639	144.856	143.284	142.273	136.695	128.302
Nondurable goods.....	119.930	122.872	122.325	123.261	123.147	124.317	122.035	119.802
Services	115.298	118.259	120.006	119.020	119.739	119.937	119.916	120.433
Gross private domestic investment	110.200	104.278	98.085	102.639	101.110	98.071	98.169	94.989
Fixed investment	111.109	107.717	102.515	106.503	104.969	104.522	103.102	97.466
Nonresidential	106.987	112.244	114.295	114.819	115.504	116.212	115.714	109.751
Structures	86.318	97.264	108.734	102.076	104.206	108.716	111.257	110.756
Equipment and software.....	115.467	117.412	113.965	118.636	118.470	116.961	114.709	105.721
Residential	123.728	101.534	80.385	92.110	85.698	82.692	79.154	73.997
Change in private inventories.....								
Exports of goods and services	119.937	130.068	138.520	135.189	136.880	140.908	141.943	134.347
Imports of goods and services	130.815	133.654	129.205	133.254	132.991	130.509	129.367	123.951
Government consumption expenditures and gross investment	114.497	116.871	120.293	117.879	118.443	119.594	121.288	121.847
Federal.....	128.019	130.078	137.819	131.610	133.488	135.628	140.080	142.080
State and local	107.642	110.167	111.503	110.914	110.844	111.517	111.891	111.760
Addenda:								
Final sales of domestic product	115.254	118.062	119.768	119.133	119.397	120.679	120.273	118.724
Gross domestic purchases	116.748	118.343	118.203	118.700	118.726	118.694	118.255	117.136
Final sales to domestic purchasers.....	116.948	118.995	119.041	119.427	119.461	119.853	119.173	117.676
Gross national product.....	115.284	117.795		119.302	119.329	119.950	119.901	

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

Table 6. Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

	2006	2007	2008	Seasonally adjusted				
				2007	2008			
					IV	I	II	III	IV
Gross domestic product	116.676	119.819	122.453	120.826	121.613	121.951	123.134	123.113
Personal consumption expenditures (PCE)	114.675	117.659	121.542	119.221	120.283	121.544	123.041	121.300
Durable goods.....	88.772	87.154	86.046	86.598	86.581	86.237	86.110	85.256
Nondurable goods.....	114.984	118.407	124.554	121.092	123.059	125.021	128.129	122.007
Services	120.752	124.712	128.722	126.253	127.133	128.450	129.538	129.767
Gross private domestic investment	116.102	117.735	118.335	117.960	117.815	117.926	118.510	119.090
Fixed investment	116.380	117.995	118.770	118.189	118.117	118.353	119.037	119.573
Nonresidential	107.277	108.739	110.537	109.015	109.177	109.788	110.913	112.268
Structures	151.822	157.662	163.326	159.138	160.182	161.496	164.285	167.341
Equipment and software.....	94.594	94.870	95.507	94.798	94.700	95.101	95.710	96.519
Residential	136.897	138.884	135.699	138.803	137.900	136.687	135.535	132.672
Change in private inventories.....								
Exports of goods and services	112.618	116.586	123.001	118.794	121.397	124.560	126.592	119.452
Imports of goods and services	115.932	120.168	132.771	124.907	128.722	137.136	140.189	125.039
Government consumption expenditures and gross investment	127.239	132.941	139.227	135.174	137.237	139.588	141.107	138.973
Federal.....	125.806	130.076	134.283	131.070	132.879	134.553	135.447	134.255
State and local	128.109	134.671	142.211	137.649	139.866	142.632	144.540	141.807
Addenda:								
PCE excluding food and energy	112.129	114.548	117.016	115.512	116.158	116.782	117.481	117.643
Market-based PCE ¹	113.167	115.893	119.714	117.371	118.452	119.719	121.348	119.337
Market-based PCE excluding food and energy ¹	109.715	111.700	113.806	112.439	113.021	113.522	114.228	114.452
Final sales of domestic product	116.710	119.853	122.510	120.856	121.653	122.008	123.204	123.176
Gross domestic purchases	117.066	120.294	124.097	121.766	122.821	124.103	125.475	123.991
Final sales to domestic purchasers.....	117.101	120.329	124.155	121.798	122.863	124.160	125.543	124.054
Gross national product.....	116.673	119.815		120.822	121.601	121.938	123.117	
Implicit price deflators:								
Gross domestic product	116.676	119.816	122.357	120.743	121.508	121.890	123.056	122.976
Final sales of domestic product.....	116.709	119.853	122.503	120.849	121.647	122.002	123.198	123.169
Gross domestic purchases.....	117.066	120.292	124.006	121.687	122.722	124.045	125.400	123.860
Final sales to domestic purchasers.....	117.101	120.329	124.150	121.794	122.858	124.156	125.538	124.049
Gross national product.....	116.672	119.813		120.737	121.495	121.876	123.037	

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]

	2006	2007	2008	Seasonally adjusted at annual rates				
				2007	2008			
					IV	I	II	III	IV
Gross domestic product	13,178.4	13,807.5	14,280.7	14,031.2	14,150.8	14,294.5	14,412.8	14,264.6
Plus: Income receipts from the rest of the world	725.4	861.7	.....	907.4	843.2	822.8	815.6	.....
Less: Income payments to the rest of the world	647.1	759.3	.....	742.0	705.1	708.9	688.7	.....
Equals: Gross national product	13,256.6	13,910.0	14,196.6	14,196.6	14,289.0	14,408.3	14,539.6	14,539.6
Less: Consumption of fixed capital	1,623.9	1,720.5	1,833.1	1,758.6	1,778.0	1,803.1	1,898.1	1,853.3
Less: Statistical discrepancy	-163.0	-81.4	.....	13.9	63.4	136.6	162.8	.....
Equals: National income	11,795.7	12,270.9	12,424.1	12,424.1	12,447.6	12,468.6	12,478.8	12,478.8
Compensation of employees	7,433.8	7,812.3	8,047.6	7,941.0	8,009.7	8,033.5	8,080.4	8,066.9
Wage and salary accruals	6,028.5	6,355.7	6,543.2	6,465.5	6,518.0	6,531.3	6,570.1	6,553.3
Supplements to wages and salaries	1,405.3	1,456.6	1,504.4	1,475.5	1,491.7	1,502.2	1,510.3	1,513.6
Proprietors' income with inventory valuation and capital consumption adjustments	1,014.7	1,056.2	1,072.4	1,073.8	1,071.7	1,076.9	1,080.5	1,060.5
Rental income of persons with capital consumption adjustment	44.3	40.0	63.9	38.6	39.1	58.6	68.5	89.6
Corporate profits with inventory valuation and capital consumption adjustments	1,668.5	1,642.4	.....	1,611.1	1,593.5	1,533.3	1,514.8	.....
Net interest and miscellaneous payments	631.2	664.4	677.3	688.1	662.3	683.4	656.6	706.8
Taxes on production and imports less subsidies	926.4	963.2	986.0	975.3	975.1	988.5	993.8	986.5
Business current transfer payments	85.4	100.2	103.4	103.1	103.2	102.1	92.1	116.2
Current surplus of government enterprises	-8.6	-7.9	-8.1	-6.7	-7.1	-7.7	-8.0	-9.5
Addendum:								
Gross domestic income	13,341.4	13,889.0	.....	14,017.4	14,087.4	14,157.8	14,250.0	.....

Table 10. Personal Income and Its Disposition

[Billions of dollars]

	2006	2007	2008	Seasonally adjusted at annual rates				
				2007	2008			
					IV	I	II	III	IV
Personal income ¹	10,993.9	11,663.2	12,099.0	11,872.1	11,960.5	12,152.2	12,159.4	12,124.1
Compensation of employees, received	7,432.6	7,818.6	8,047.6	7,941.0	8,009.7	8,033.5	8,080.4	8,066.9
Wage and salary disbursements	6,027.2	6,362.0	6,543.2	6,465.5	6,518.0	6,531.3	6,570.1	6,553.3
Supplements to wages and salaries	1,405.3	1,456.6	1,504.4	1,475.5	1,491.7	1,502.2	1,510.3	1,513.6
Proprietors' income with inventory valuation and capital consumption adjustments	1,014.7	1,056.2	1,072.4	1,073.8	1,071.7	1,076.9	1,080.5	1,060.5
Farm	16.2	44.0	34.5	47.1	41.6	38.0	32.4	25.9
Nonfarm	998.6	1,012.2	1,037.9	1,026.7	1,030.1	1,039.0	1,048.2	1,034.6
Rental income of persons with capital consumption adjustment	44.3	40.0	63.9	38.6	39.1	58.6	68.5	89.6
Personal income receipts on assets	1,824.8	2,000.1	2,040.4	2,056.2	2,054.1	2,052.3	2,055.7	1,999.6
Personal interest income	1,125.4	1,214.3	1,206.3	1,242.7	1,224.6	1,208.7	1,217.4	1,174.5
Personal dividend income	699.4	785.8	834.1	813.5	829.5	843.6	838.3	825.1
Personal current transfer receipts	1,603.0	1,713.3	1,869.8	1,737.8	1,778.1	1,926.3	1,872.7	1,902.3
Less: Contributions for government social insurance	925.5	965.1	995.2	975.3	992.2	995.4	998.4	994.8
Less: Personal current taxes	1,353.2	1,492.8	1,462.0	1,520.5	1,535.0	1,346.1	1,468.6	1,498.2
Equals: Disposable personal income	9,640.7	10,170.5	10,637.0	10,351.5	10,425.5	10,806.0	10,690.7	10,625.9
Less: Personal outlays	9,570.0	10,113.1	10,454.6	10,309.2	10,404.9	10,538.2	10,559.9	10,315.7
Equals: Personal saving	70.7	57.4	182.4	42.4	20.6	267.9	130.8	310.3
Personal saving as a percentage of disposable personal income	0.7	0.6	1.7	0.4	0.2	2.5	1.2	2.9
Addendum:								
Disposable personal income, billions of chained (2000) dollars ²	8,407.0	8,644.0	8,752.3	8,683.1	8,667.9	8,891.0	8,689.1	8,760.4

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

	2006	2007	2008	Seasonally adjusted at annual rates															
				2005				2006				2007				2008			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Gross domestic product (GDP) and related aggregates:																			
GDP	2.8	2.0	1.3	3.0	2.6	3.8	1.3	4.8	2.7	0.8	1.5	0.1	4.8	4.8	-0.2	0.9	2.8	-0.5	-3.8
Goods	5.4	3.1	1.5	3.6	4.7	5.3	2.0	11.1	5.9	1.5	1.3	-2.5	10.3	9.0	0.0	0.9	4.9	-4.2	-12.4
Services	2.3	2.8	2.2	2.1	1.0	3.9	0.9	2.6	2.3	2.3	3.8	2.1	2.7	4.0	1.3	2.7	1.7	1.5	1.7
Structures	-2.2	-5.0	-4.8	6.0	5.1	-0.6	1.3	-0.8	-3.8	-8.8	-9.8	-3.9	0.8	-2.9	-9.3	-10.1	3.3	-1.0	-9.5
Motor vehicle output	-0.9	-1.1	-17.7	4.6	7.1	24.6	-31.0	20.2	-10.1	13.7	-19.0	3.8	4.6	17.3	-25.7	-14.2	-33.8	7.3	-63.4
GDP excluding motor vehicle output	2.9	2.1	1.8	2.9	2.5	3.2	2.6	4.3	3.1	0.4	2.2	-0.1	4.8	4.4	0.7	1.3	4.0	-0.7	-1.8
Final sales of computers ¹	25.0	21.3	18.9	8.5	38.5	11.5	37.2	27.8	25.2	7.0	34.2	-5.0	37.2	52.6	23.7	8.2	28.4	-1.7	-0.4
GDP excluding final sales of computers	2.6	1.9	1.2	2.9	2.4	3.8	1.1	4.7	2.5	0.8	1.3	0.1	4.6	4.5	-0.3	0.8	2.7	-0.5	-3.8
Farm gross value added ²	-6.9	9.7	-2.0	-1.9	27.7	3.1	-26.8	-22.3	3.1	6.9	30.4	12.5	-6.1	8.6	8.2	-15.5	-10.7	7.1	24.2
Nonfarm business gross value added ³	3.2	2.0	1.0	3.7	2.9	4.8	1.3	6.0	2.9	0.3	1.4	-0.9	5.8	5.5	-0.7	0.9	2.8	-1.9	-5.5
Price indexes:																			
GDP	3.2	2.7	2.2	4.0	2.1	4.1	3.7	3.5	2.7	2.8	2.2	4.1	2.0	1.5	2.8	2.6	1.1	3.9	-0.1
GDP excluding food and energy	3.2	2.5	2.0	3.9	2.7	3.2	3.5	3.6	3.2	2.6	2.6	3.2	1.7	1.8	2.4	2.0	1.5	3.0	0.7
GDP excluding final sales of computers	3.4	2.8	2.3	4.2	2.3	4.2	3.9	3.7	2.9	2.9	2.3	4.2	2.1	1.7	3.0	2.7	1.2	4.1	0.0
Gross domestic purchases	3.4	2.8	3.2	3.7	3.1	5.2	3.9	2.9	3.6	2.9	0.6	3.6	3.3	2.2	4.0	3.5	4.2	4.5	-4.6
Gross domestic purchases excluding food and energy	3.1	2.4	2.2	3.9	2.7	2.9	3.2	3.4	3.2	2.5	2.5	2.9	1.8	1.9	2.4	2.2	2.2	2.8	1.2
Gross domestic purchases excluding final sales of computers to domestic purchasers	3.6	2.9	3.3	3.9	3.3	5.4	4.1	3.0	3.8	3.1	0.7	3.8	3.5	2.4	4.2	3.7	4.4	4.7	-4.6
Personal consumption expenditures (PCE)	2.8	2.6	3.3	2.5	2.5	4.7	3.3	1.8	3.3	3.1	-0.5	3.4	3.6	2.5	4.3	3.6	4.3	5.0	-5.5
PCE excluding food and energy	2.3	2.2	2.2	2.5	2.1	1.6	2.4	2.1	3.0	2.3	1.8	2.4	1.8	2.1	2.5	2.3	2.2	2.4	0.6
Market-based PCE ⁴	2.6	2.4	3.3	2.2	2.2	4.9	3.2	1.4	3.1	3.1	-1.1	3.5	3.5	2.0	4.4	3.7	4.3	5.6	-6.5
Market-based PCE excluding food and energy ⁴	1.9	1.8	1.9	2.2	1.6	1.2	2.0	1.8	2.6	2.1	1.5	2.3	1.2	1.4	2.2	2.1	1.8	2.5	0.8

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 2006-07 annual percent change in real GDP uses prices for 2006 and 2007 as weights, and the 2006-07 annual percent change in GDP prices uses quantities for 2006 and 2007 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.