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GROSS DOMESTIC PRODUCT: SECOND QUARTER 2005 (FINAL)
CORPORATE PROFITS: SECOND QUARTER 2005 (FINAL)

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 3.3 percent in the second quarter of 2005, according to final estimates released by the Bureau of Economic Analysis. In the first quarter, real GDP increased 3.8 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 3.3 percent (see "Revisions" on page 3).

The major contributors to the increase in real GDP in the second quarter were personal consumption expenditures, exports, equipment and software, residential fixed investment, and government spending. The contributions of these components were partly offset by a negative contribution from private inventory investment. Imports, which are a subtraction in the calculation of GDP, decreased.

The deceleration in real GDP growth in the second quarter primarily reflected a downturn in private inventory investment that was partly offset by a downturn in imports and an acceleration in exports.

Final sales of computers contributed 0.32 percentage point to the second-quarter growth in real GDP after contributing 0.37 percentage point to the first-quarter growth. Motor vehicle output subtracted 0.01 percentage point from the second-quarter growth in real GDP after contributing 0.15 percentage point to the first-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.

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The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 3.3 percent in the second quarter, 0.2 percentage point more than the preliminary estimate; this index increased 2.9 percent in the first quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 2.1 percent in the second quarter, compared with an increase of 3.0 percent in the first.

Real personal consumption expenditures increased 3.4 percent in the second quarter, compared with an increase of 3.5 percent in the first. Real nonresidential fixed investment increased 8.8 percent, compared with an increase of 5.7 percent. Nonresidential structures increased 2.7 percent, in contrast to a decrease of 2.0 percent. Equipment and software increased 10.9 percent, compared with an increase of 8.3 percent. Real residential fixed investment increased 10.8 percent, compared with an increase of 9.5 percent.

Real exports of goods and services increased 10.7 percent in the second quarter, compared with an increase of 7.5 percent in the first. Real imports of goods and services decreased 0.3 percent, in contrast to an increase of 7.4 percent.

Real federal government consumption expenditures and gross investment increased 2.4 percent in the second quarter, the same as in the first quarter. National defense increased 3.7 percent, compared with an increase of 3.0 percent. Nondefense decreased 0.2 percent, in contrast to an increase of 1.1 percent. Real state and local government consumption expenditures and gross investment increased 2.6 percent, compared with an increase of 1.6 percent.

The real change in private inventories subtracted 2.14 percentage points from the second-quarter change in real GDP after adding 0.29 percentage point to the first-quarter change. Private businesses reduced inventories \$1.7 billion in the second quarter, following increases of \$58.2 billion in the first quarter and \$50.1 billion in the fourth.

Real final sales of domestic product -- GDP less change in private inventories -- increased 5.6 percent in the second quarter, compared with an increase of 3.5 percent in the first.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 2.1 percent in the second quarter, compared with an increase of 4.0 percent in the first.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 3.2 percent in the second quarter, compared with an increase of 3.9 percent in the first. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which decreased \$3.6 billion in the second quarter after increasing \$2.4 billion in the first; in the second quarter, receipts increased \$21.3 billion, and payments increased \$24.9 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 6.0 percent, or \$179.2 billion, in the second quarter to a level of \$12,378.0 billion. In the first quarter, current-dollar GDP increased 7.0 percent, or \$203.6 billion.

Revisions

The final estimate of the second-quarter real GDP growth rate is the same as the preliminary estimate issued last month. A small upward revision to personal consumption expenditures for services and a small downward revision to imports of services were offset by small downward revisions to exports of services and to inventory investment.

	<u>Advance</u>	<u>Preliminary</u>	<u>Final</u>
	(Percent change from preceding quarter)		
Real GDP.....	3.4	3.3	3.3
Current-dollar GDP.....	5.9	5.8	6.0
Gross domestic purchases price index.....	3.2	3.1	3.3

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$59.3 billion in the second quarter. In the first quarter, profits increased \$68.7 billion. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- increased \$41.7 billion in the second quarter, compared with an increase of \$95.4 billion in the first.

Taxes on corporate income increased \$9.9 billion in the second quarter, compared with an increase of \$69.6 billion in the first. Profits after tax with inventory valuation and capital consumption adjustments increased \$49.4 billion in the second quarter, in contrast to a decrease of \$0.8 billion in the first. Dividends increased \$11.4 billion, in contrast to a decrease of \$94.4 billion; current-production undistributed profits increased \$38.0 billion, compared with an increase of \$93.5 billion.

Domestic profits of financial corporations decreased \$26.9 billion in the second quarter, in contrast to an increase of \$36.0 billion in the first. Domestic profits of nonfinancial corporations increased \$82.5 billion in the second quarter, compared with an increase of \$17.8 billion in the first. In the second quarter, real gross value added of nonfinancial corporations increased, and profits per unit of real product increased. The increase in unit profits reflected an increase in unit prices and decreases in both unit labor and nonlabor costs corporations incurred.

The rest-of-the-world component of profits increased \$3.7 billion in the second quarter, compared with an increase of \$14.9 billion in the first. 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 second-quarter increase was accounted for by a larger increase in receipts than 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 the depreciation-accounting practices used for federal income tax returns. According to this measure, domestic profits of nonfinancial corporations increased while domestic profits of financial corporations decreased. The increase in the profits of nonfinancial corporations was widespread; the largest increases were in manufacturing and in wholesale trade.

Profits before tax increased \$33.9 billion in the second quarter, compared with an increase of \$254.2 billion in the first. 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 increased \$5.2 billion in the second quarter (from -\$51.0 billion to -\$45.8 billion), in contrast to a decrease of \$190.8 billion in the first. The large increase in first-quarter profits before tax and the large decrease in the first-quarter capital consumption adjustment reflect the expiration of the "bonus" depreciation provisions of both the Job Creation and Worker Assistance Act of 2002 and the Jobs and Growth Tax Relief Reconciliation Act of 2003. The inventory valuation adjustment increased \$20.2 billion (from -\$39.1 billion to -\$18.9 billion), compared with an increase of \$5.3 billion.

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(202) 606-5306	Gross domestic product
(202) 606-5303	Personal income and outlays

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Next release -- October 28, 2005, at 8:30 A.M. EDT for:
Gross Domestic Product: Third Quarter 2005 (Advance)

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

	Seasonally adjusted at annual rates																		
	2002	2003	2004	2001		2002				2003				2004				2005	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
Gross domestic product (GDP)	1.6	2.7	4.2	-1.4	1.6	2.7	2.2	2.4	0.2	1.7	3.7	7.2	3.6	4.3	3.5	4.0	3.3	3.8	3.3
Personal consumption expenditures	2.7	2.9	3.9	1.8	7.0	1.4	2.4	2.3	1.4	2.5	3.6	5.8	3.1	4.7	1.9	4.4	4.3	3.5	3.4
Durable goods	7.1	6.6	6.0	3.1	37.4	-4.2	3.6	11.5	-5.2	3.6	15.1	19.8	-3	4.4	.4	10.8	5.5	2.6	7.9
Nondurable goods	2.5	3.2	4.7	2.4	4.9	3.3	1.3	.3	3.6	3.2	1.9	8.3	3.1	6.6	2.6	3.9	5.5	5.3	3.6
Services	1.9	2.0	3.0	1.2	2.3	1.8	2.6	1.3	1.8	1.9	2.3	2.0	3.8	3.8	1.8	3.4	3.6	2.8	2.3
Gross private domestic investment	-2.6	3.9	11.9	-10.5	-22.7	13.6	1.9	5.8	-1.0	-4	2.7	17.5	12.0	10.1	20.9	4.6	6.8	8.6	-3.7
Fixed investment	-5.2	3.6	9.7	-4.5	-10.6	-6.3	-1.4	-.7	-1.4	.8	8.8	14.8	6.9	6.9	15.1	8.4	7.2	7.0	9.5
Nonresidential	-9.2	1.3	9.4	-6.8	-13.3	-12.8	-6.1	-2.0	-5.0	-1.1	8.4	11.2	4.4	7.9	13.5	11.8	10.4	5.7	8.8
Structures	-17.1	-4.2	2.2	6.0	-33.2	-19.0	-19.0	-15.5	-5.3	-8.4	13.3	-.1	1.3	-3.5	8.8	1.4	4.7	-2.0	2.7
Equipment and software	-6.2	3.2	11.9	-11.4	-4.2	-10.4	-.9	3.3	-4.9	1.6	6.7	15.4	5.5	12.0	15.2	15.5	12.4	8.3	10.9
Residential	4.8	8.4	10.3	1.8	-3.7	10.4	9.5	2.0	6.4	4.7	9.6	21.9	11.5	5.2	17.8	2.6	1.6	9.5	10.8
Change in private inventories																			
Net exports of goods and services																			
Exports	-2.3	1.8	8.4	-18.2	-10.8	5.2	10.6	2.9	-3.1	-2.9	-2.1	11.5	19.1	5.0	6.9	5.5	7.1	7.5	10.7
Goods	-4.0	1.8	8.9	-20.0	-8.8	-1.6	14.2	2.2	-9.1	1.5	0	9.1	17.2	7.5	7.9	8.2	3.7	5.3	16.0
Services	1.9	1.7	7.4	-13.7	-15.3	22.9	2.7	4.6	11.7	-11.9	-6.6	17.2	23.7	-4	4.8	-6	15.5	12.5	-4
Imports	3.4	4.6	10.7	-10.3	-3.4	11.7	12.5	5.7	9.0	-2.5	3.3	4.1	16.5	12.0	14.5	4.7	11.3	7.4	-3
Goods	3.7	4.9	11.0	-8.6	-2.0	9.2	16.0	6.5	8.1	-2.6	6.3	.9	17.7	12.4	14.7	4.7	13.0	8.2	-1.1
Services	2.1	3.0	9.6	-18.3	-10.4	24.7	-3.0	1.7	14.0	-2.2	-10.2	21.4	10.7	10.0	13.7	4.6	3.1	3.7	4.4
Government consumption expenditures and gross investment	4.4	2.8	2.2	-1.5	8.5	4.3	4.8	2.3	4.8	-3	7.2	.5	.5	3.3	2.3	1.8	.9	1.9	2.5
Federal	7.0	6.9	5.2	0	8.8	5.9	12.5	3.0	10.2	.3	22.1	-2.0	3.1	10.7	3.2	3.6	-.6	2.4	2.4
National defense	7.4	8.8	7.0	2.4	12.5	3.7	11.5	4.1	14.8	-3.6	37.4	-6.5	7.9	13.8	.8	9.0	-3.3	3.0	3.7
Nondefense	6.3	3.4	1.8	-3.9	2.3	10.2	14.1	1.2	2.1	8.0	-2.4	7.2	-5.8	4.9	8.1	-6.4	5.2	1.1	-2
State and local	3.1	.6	.4	-2.3	8.4	3.5	1.0	1.9	2.0	-6	-3	2.0	-9	-7	1.8	.8	1.8	1.6	2.6
Addenda:																			
Final sales of domestic product	1.2	2.7	3.9	-.4	3.8	-.2	1.7	1.4	.1	1.9	4.6	6.9	2.8	3.8	2.6	4.6	3.3	3.5	5.6
Gross domestic purchases	2.2	3.0	4.7	-.8	2.2	3.6	2.7	2.8	1.7	1.5	4.2	6.5	3.9	5.2	4.7	3.9	4.1	4.0	2.1
Final sales to domestic purchasers	1.8	3.0	4.4	-.2	4.3	.7	2.2	1.8	1.6	1.7	5.0	6.1	3.2	4.8	3.8	4.5	4.1	3.7	4.2
Gross national product (GNP)	1.5	3.0	4.0	-2.5	3.9	.8	1.8	2.9	1.0	1.5	4.5	7.2	4.5	3.8	2.2	4.0	2.9	3.9	3.2
Disposable personal income	3.1	2.4	3.4	11.5	-5.6	11.6	1.9	-1.6	.2	2.5	4.5	7.2	1.0	3.6	1.2	2.8	9.1	-3.4	1.5
Current-dollar measures:																			
GDP	3.4	4.8	7.0	.2	3.6	4.3	3.7	3.9	2.4	4.8	4.8	9.3	5.5	8.1	7.5	5.3	6.1	7.0	6.0
Final sales of domestic product	2.9	4.8	6.6	1.2	5.5	1.4	3.2	3.0	2.4	5.1	5.7	8.8	4.8	7.5	6.6	6.1	6.2	6.7	8.3
Gross domestic purchases	3.8	5.3	7.7	.2	3.1	4.9	5.2	4.4	3.9	5.7	4.6	8.6	5.6	9.7	9.0	5.9	7.4	7.0	5.5
Final sales to domestic purchasers	3.4	5.3	7.4	1.2	4.9	2.2	4.8	3.6	3.8	5.9	5.4	8.2	4.9	9.2	8.1	6.6	7.4	6.7	7.6
GNP	3.2	5.1	6.8	-.8	6.0	2.3	3.3	4.4	3.2	4.6	5.7	9.2	6.4	7.7	6.1	5.4	5.7	7.0	5.9
Disposable personal income	4.6	4.3	6.1	12.1	-5.0	12.6	4.7	.2	1.9	5.6	5.2	9.4	2.3	7.6	5.1	4.3	12.5	-1.3	4.9

^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			
	2004	Seasonally adjusted at annual rates					2004	Seasonally adjusted at annual rates								2004	2005
		2004			2005			2004			2005		2005	I	II ^r	
		II	III	IV	I	II ^r		II	III	IV	I	II ^r				
Gross domestic product	11,734.3	11,666.1	11,818.8	11,995.2	12,198.8	12,378.0	10,755.7	10,704.1	10,808.9	10,897.1	10,999.3	11,089.2	435.1	102.2	89.9	
Personal consumption expenditures	8,214.3	8,145.6	8,263.2	8,416.1	8,535.8	8,677.0	7,588.6	7,536.6	7,617.5	7,698.8	7,764.9	7,829.5	282.0	66.1	64.6	
Durable goods	987.8	974.6	993.8	1,008.6	1,017.3	1,035.5	1,089.9	1,072.5	1,100.4	1,115.1	1,122.3	1,143.9	61.4	7.2	21.6	
Motor vehicles and parts	441.8	432.4	444.9	452.8	449.6	458.5	457.0	448.1	461.4	464.6	455.0	463.3	7.3	-9.6	8.3	
Furniture and household equipment	354.1	351.7	356.9	360.6	366.9	370.0	442.9	437.1	449.2	456.8	469.2	475.9	46.6	12.4	6.7	
Other	191.9	190.5	192.0	195.2	200.8	207.0	195.8	193.1	196.0	200.2	206.5	212.9	11.3	6.3	6.4	
Non-durable goods	2,368.3	2,355.2	2,378.4	2,437.1	2,476.6	2,533.7	2,200.4	2,186.1	2,206.9	2,236.5	2,265.6	2,285.9	98.6	29.1	20.3	
Food	1,134.7	1,124.8	1,141.0	1,166.4	1,184.2	1,207.1	1,029.1	1,022.5	1,030.9	1,047.4	1,060.9	1,072.2	49.0	13.5	11.3	
Clothing and shoes	329.0	325.7	328.3	335.2	340.5	344.9	355.0	349.7	354.9	363.0	367.9	374.4	20.9	4.9	6.5	
Gasoline, fuel oil, and other energy goods	249.9	253.1	249.3	267.9	275.2	296.4	201.4	201.0	201.3	203.0	207.7	205.2	2.7	4.7	-2.5	
Other	654.8	651.5	659.9	667.6	676.8	685.3	616.7	614.1	621.7	625.5	631.2	637.7	27.1	5.7	6.5	
Services	4,858.2	4,815.9	4,891.0	4,970.4	5,041.8	5,107.8	4,310.9	4,288.6	4,324.0	4,362.1	4,392.0	4,417.6	127.0	29.9	25.6	
Housing	1,221.1	1,213.9	1,230.0	1,244.7	1,260.6	1,275.3	1,078.4	1,074.6	1,081.9	1,089.5	1,095.6	1,101.4	30.0	6.1	5.8	
Household operation	446.2	440.7	445.9	457.9	465.3	471.4	405.6	402.3	403.5	412.4	414.3	413.8	7.4	1.9	-5	
Electricity and gas	175.9	171.8	173.2	185.9	189.5	192.4	149.2	146.9	145.6	154.7	155.2	153.2	2.4	.5	-2.0	
Other household operation	270.2	269.0	272.8	272.1	275.8	279.0	256.3	255.5	258.2	257.3	258.8	260.5	5.0	1.5	1.7	
Transportation	306.9	305.6	308.0	309.2	312.3	318.5	283.4	283.5	283.4	283.0	284.6	286.3	3.3	1.6	1.7	
Medical care	1,401.1	1,387.1	1,415.4	1,441.6	1,470.5	1,492.6	1,233.5	1,225.5	1,241.6	1,255.4	1,269.1	1,282.3	48.6	13.7	13.2	
Recreation	338.8	336.1	341.0	344.3	350.3	353.1	302.4	301.1	303.6	304.1	307.7	308.3	11.3	3.6	6	
Other	1,144.1	1,132.4	1,150.7	1,172.6	1,182.8	1,196.8	1,006.7	1,000.7	1,009.0	1,016.6	1,019.5	1,024.3	26.0	2.9	4.8	
Gross private domestic investment	1,928.1	1,928.5	1,961.2	2,004.5	2,058.5	2,054.4	1,809.8	1,813.0	1,833.4	1,863.9	1,902.9	1,885.0	192.4	39.0	-17.9	
Fixed investment	1,872.6	1,856.6	1,908.7	1,952.6	1,998.7	2,058.5	1,755.1	1,744.5	1,780.2	1,811.3	1,842.2	1,884.7	155.1	30.9	42.5	
Nonresidential	1,198.8	1,182.7	1,219.0	1,252.9	1,280.1	1,313.5	1,186.7	1,171.6	1,204.8	1,235.1	1,252.2	1,279.0	101.7	17.1	26.8	
Structures	298.4	296.3	302.1	309.8	315.9	325.6	248.4	248.5	249.4	252.3	251.0	252.7	5.3	-1.3	1.7	
Equipment and software	900.4	886.5	916.9	943.1	964.3	987.9	947.6	931.4	965.6	994.2	1,014.2	1,040.9	100.8	20.0	26.7	
Information processing equipment and software	447.0	444.3	450.9	456.3	474.6	486.6	522.4	517.4	527.9	539.7	565.1	584.6	62.7	25.4	19.5	
Computers and peripheral equipment	91.6	90.0	92.3	97.5	102.7	105.6	.....	.....	.....	.....	.....	.....	.....	.....	.....
Software	178.5	176.9	179.9	181.1	188.3	197.3	188.8	186.9	190.0	192.8	199.8	209.1	13.1	7.0	9.3	
Other	176.9	177.4	178.6	177.8	183.6	183.6	188.9	189.5	191.1	190.3	196.3	196.5	22.7	6.0	2	
Industrial equipment	145.3	139.5	149.3	152.6	161.3	154.9	139.4	134.4	142.8	144.5	150.9	143.2	4.5	6.4	-7.7	
Transportation equipment	151.9	150.3	155.6	168.4	163.8	172.8	138.7	136.7	142.8	153.3	148.8	158.1	15.6	-4.5	9.3	
Other equipment	156.2	152.4	161.0	165.8	164.6	173.7	150.0	146.4	154.3	158.0	153.9	160.6	19.3	-4.1	6.7	
Residential	673.8	673.9	689.7	699.7	718.5	745.0	561.8	565.1	568.8	571.0	584.1	599.3	52.4	13.1	15.2	
Change in private inventories	55.4	71.9	52.5	51.9	59.9	-4.2	52.0	65.6	50.4	50.1	58.2	-1.7	36.5	8.1	-59.9	
Farm	3.2	11.2	7.0	-3.0	-6.5	-8.5	2.3	6.7	6.3	-2	-2.3	-4.2	2.1	-2.1	-1.9	
Nonfarm	52.2	60.7	45.4	54.8	66.4	4.3	49.9	58.5	43.7	50.8	61.8	3.4	34.4	11.0	-58.4	
Net exports of goods and services	-624.0	-613.1	-638.0	-685.4	-697.5	-691.0	-601.3	-601.7	-606.5	-634.1	-645.4	-614.2	-79.9	-11.3	31.2	
Exports	1,173.8	1,163.3	1,183.8	1,217.1	1,253.2	1,297.1	1,117.9	1,110.2	1,125.0	1,144.5	1,165.3	1,195.4	86.7	20.8	30.1	
Goods	818.1	811.5	829.7	845.0	865.4	904.7	783.6	777.7	793.1	800.3	810.7	841.3	63.9	10.4	30.6	
Services	355.7	351.8	354.1	372.1	387.7	392.5	334.1	332.3	331.8	344.0	354.3	353.9	22.9	10.3	-4	
Imports	1,797.8	1,776.4	1,821.8	1,902.5	1,950.6	1,988.1	1,719.2	1,711.9	1,731.5	1,778.6	1,810.7	1,809.6	166.6	32.1	-1.1	
Goods	1,495.9	1,478.3	1,515.0	1,588.4	1,627.6	1,661.8	1,452.7	1,445.2	1,461.9	1,507.3	1,537.3	1,532.9	143.5	30.0	-4.4	
Services	301.9	298.1	306.8	314.1	323.0	326.3	267.1	267.2	270.2	272.3	274.8	277.7	23.4	2.5	2.9	
Government consumption expenditures and gross investment	2,215.9	2,205.0	2,232.5	2,260.0	2,302.0	2,337.6	1,952.3	1,949.5	1,958.4	1,962.8	1,971.9	1,984.1	41.2	9.1	12.2	
Federal	827.6	824.6	836.5	840.8	860.2	869.8	723.7	722.2	728.6	727.6	731.8	736.1	35.9	4.2	4.3	
National defense	552.7	547.2	562.9	562.0	575.3	582.5	481.3	477.4	487.7	483.7	487.3	491.7	31.6	3.6	4.4	
Consumption expenditures	484.2	479.6	494.6	490.1	508.9	512.3	413.3	410.1	419.8	413.4	421.9	422.9	24.8	8.5	1.0	
Gross investment	68.5	67.6	68.3	71.9	66.4	70.2	68.5	67.7	68.2	71.2	65.3	69.2	7.2	-5.9	3.9	
Nondefense	274.9	277.4	273.6	278.8	285.0	287.3	242.2	244.6	240.6	243.6	244.3	244.2	4.2	.7	-1	
Consumption expenditures	241.4	241.5	241.1	245.1	250.7	250.5	208.6	208.8	207.9	209.9	210.4	208.2	3.8	.5	-2.2	
Gross investment	33.4	35.9	32.5	33.8	34.3	36.8	33.4	36.0	32.5	33.6	33.8	36.3	.3	.2	2.5	
State and local	1,388.3	1,380.4	1,395.9	1,419.1	1,441.7	1,467.7	1,228.4	1,227.1	1,229.6	1,235.0	1,239.8	1,247.8	5.1	4.8	8.0	
Consumption expenditures	1,117.7	1,108.9	1,123.9	1,143.1	1,159.0	1,175.7	979.5	977.2	980.7	984.8	986.8	988.8	4.3	2.0	2.0	
Gross investment	270.6	271.5	272.1	276.1	282.7	292.0	248.9	250.1	249.0	250.3	253.2	259.4	.7	2.9	6.2	
Residual .....	.....	.....	.....	.....	.....	.....	-26.8	-20.5	-28.8	-37.5	-48.0	-60.1	.....	.....	.....
Addenda:																
Final sales of domestic product	11,678.9	11,594.2	11,766.3	11,943.3	12,138.9	12,382.1	10,702.4	10,637.4	10,757.1	10,846.0	10,940.3	11,089.2	398.8	94.3	148.9	
Gross domestic purchases	12,358.3	12,279.1	12,456.8	12,680.6	12,896.3	13,069.0	11,348.7	11,297.4	11,407.0	11,522.0	11,635.4	11,694.8	511.4	113.4	59.4	
Final sales to domestic purchasers	12,302.9	12,207.3	12,404.4	12,628.7	12,836.4	13,073.1	11,295.3	11,230.4	11,354.9	11,470.7	11,576.2	11,694.6	475.2	105.5	118.4	
Gross domestic product	11,734.3	11,666.1	11,818.8	11,995.2	12,198.8	12,378.0	10,755.7	10,704.1								

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

	2002	2003	2004	Seasonally adjusted at annual rates															
				2001		2002				2003				2004				2005	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
Gross domestic product (GDP)	1.7	2.0	2.6	1.6	1.7	1.7	1.5	1.6	2.2	3.1	1.1	1.8	1.9	3.6	3.9	1.5	2.7	3.1	2.6
Personal consumption expenditures	1.4	1.9	2.6	.6	.6	.9	2.8	1.8	1.7	3.0	.6	2.0	1.3	3.9	3.8	1.5	3.1	2.3	3.3
Durable goods	-2.4	-3.5	-1.9	-2.8	-1.6	-3.2	-1.9	-1.8	-2.7	-4.3	-4.3	-4.4	-4.1	.1	-.1	-2.4	.6	.9	-5
Nondurable goods .....	.5	2.0	3.3	-.9	-4.0	.2	5.4	.9	1.2	5.6	-2.4	3.1	.6	6.0	6.6	.1	4.5	1.3	5.7
Services	2.7	3.0	3.2	2.0	3.3	2.2	2.6	3.0	2.8	3.4	3.2	2.8	2.8	3.6	3.3	2.9	3.0	3.0	2.9
Gross private domestic investment .....	.6	1.6	3.1	2.1	.2	-.2	.5	.2	2.9	2.9	-.5	1.7	3.7	3.4	4.6	3.2	2.3	2.6	2.7
Fixed investment .....	.6	1.7	3.2	2.2	.1	-.3	.5	.2	3.0	3.1	-.5	1.7	3.9	3.5	4.6	3.0	2.2	2.6	2.7
Nonresidential	-.2	.3	1.3	.3	-1.0	-.1	-.2	-.4	1.1	.1	-1.0	1.2	1.9	1.2	1.8	.9	1.1	3.1	1.9
Structures	4.4	3.5	5.5	6.6	2.1	3.8	5.2	4.3	5.1	4.0	.3	2.9	4.6	7.1	6.8	6.6	5.6	10.3	9.9
Equipment and software	-1.8	-.9	-.1	-2.0	-2.2	-1.5	-2.1	-2.0	-.3	-1.2	-1.4	.6	1.0	-.8	.2	-.9	-.4	.9	-.7
Residential	2.5	4.8	6.7	6.9	2.8	-.8	2.2	1.5	7.0	9.3	.3	2.7	7.6	8.0	9.7	6.9	4.2	1.6	4.3
Change in private inventories																			
Net exports of goods and services																			
Exports	-4	2.1	3.6	-2.0	-3.5	-1.1	2.8	3.0	.6	4.1	1.0	.9	2.9	5.9	4.8	1.7	4.3	4.6	3.7
Goods	-7	2.0	3.7	-2.6	-3.8	-1.4	2.2	3.3	.5	3.6	1.6	-.7	4.1	6.5	5.3	1.0	3.8	4.5	2.9
Services .....	.4	2.5	3.1	-.6	-2.8	-.3	4.3	2.1	.7	5.2	-.3	4.6	.1	4.4	3.7	3.2	5.6	4.7	5.4
Imports	-1.2	3.4	5.0	-5.3	-10.0	-1.7	10.3	3.5	.6	11.2	-4.4	2.6	1.1	9.6	6.6	5.7	6.8	2.9	8.2
Goods	-1.8	2.9	5.0	-6.5	-11.3	-2.0	10.8	2.6	.4	11.9	-6.7	2.5	.5	10.1	7.9	5.4	6.9	1.9	9.9
Services	1.7	5.8	4.9	1.2	-3.3	-.3	7.6	8.1	1.4	8.0	7.5	3.2	4.2	7.5	.3	7.4	6.5	7.9	-.2
Government consumption expenditures and gross investment	2.9	3.7	3.7	1.6	1.1	5.2	2.9	2.6	3.6	8.9	0	2.5	1.4	6.2	5.0	3.2	4.1	5.7	3.7
Federal	3.7	3.9	4.2	2.2	1.8	10.1	.5	1.0	4.6	9.9	1.3	1.2	1.2	9.7	4.9	2.2	2.6	7.0	2.1
National defense	3.7	4.4	4.0	2.5	.8	9.1	1.3	2.4	6.9	9.3	1.1	1.3	1.5	7.8	5.6	2.8	2.7	6.6	1.4
Nondefense	3.5	3.0	4.6	1.6	3.4	12.0	-.8	-1.4	.5	11.0	1.6	1.0	.7	13.7	3.6	1.2	2.5	7.9	3.6
State and local	2.5	3.7	3.4	1.3	.8	2.7	4.2	3.4	3.0	8.4	-.7	3.2	1.6	4.2	5.0	3.7	4.9	4.9	4.7
Addenda:																			
Final sales of domestic product	1.7	2.0	2.6	1.6	1.7	1.7	1.5	1.6	2.3	3.1	1.1	1.8	1.9	3.6	3.8	1.4	2.7	3.1	2.6
Gross domestic purchases	1.6	2.2	2.9	1.0	.6	1.5	2.5	1.7	2.2	4.1	.4	2.0	1.7	4.2	4.1	2.0	3.2	2.9	3.3
Final sales to domestic purchasers	1.6	2.2	2.9	1.0	.6	1.5	2.5	1.7	2.2	4.1	.4	2.0	1.7	4.2	4.1	2.0	3.2	2.9	3.3
Gross national product (GNP)	1.7	2.0	2.6	1.6	1.7	1.7	1.5	1.6	2.2	3.1	1.1	1.8	1.9	3.6	3.8	1.5	2.7	3.1	2.6
Implicit price deflators:																			
GDP	1.7	2.0	2.6	1.7	2.0	1.5	1.4	1.5	2.2	3.1	1.1	1.9	1.8	3.7	3.9	1.3	2.7	3.0	2.6
Gross domestic purchases	1.6	2.2	2.9	1.1	.9	1.3	2.4	1.6	2.2	4.1	.4	2.1	1.6	4.3	4.1	1.9	3.2	2.9	3.3
GNP	1.7	2.0	2.6	1.7	2.0	1.4	1.5	1.5	2.3	3.1	1.1	1.9	1.8	3.7	3.8	1.3	2.7	3.0	2.6

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

Table 5.—Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

	2002	2003	2004	Seasonally adjusted				
				2004			2005	
				II	III	IV	I	II ^r
Gross domestic product	102.362	105.130	109.562	109.037	110.104	111.003	112.044	112.959
Personal consumption expenditures	105.340	108.416	112.601	111.829	113.030	114.236	115.217	116.176
Durable goods	111.752	119.134	126.245	124.231	127.463	129.166	129.999	132.499
Nondurable goods	104.614	107.938	113.000	112.267	113.337	114.857	116.351	117.392
Services	104.366	106.493	109.725	109.156	110.059	111.027	111.789	112.440
Gross private domestic investment	89.724	93.195	104.286	104.469	105.644	107.398	109.645	108.615
Fixed investment	91.997	95.297	104.534	103.905	106.027	107.880	109.722	112.252
Nonresidential	86.969	88.063	96.314	95.095	97.790	100.246	101.633	103.806
Structures	81.029	77.621	79.314	79.361	79.635	80.554	80.145	80.680
Equipment and software	89.265	92.154	103.126	101.364	105.087	108.201	110.376	113.274
Residential	105.149	113.989	125.714	126.441	127.267	127.772	130.695	134.100
Change in private inventories								
Exports of goods and services	92.430	94.064	101.970	101.269	102.622	104.398	106.295	109.037
Imports of goods and services	100.601	105.205	116.495	115.999	117.328	120.518	122.698	122.620
Government consumption expenditures and gross investment	107.969	111.009	113.398	113.236	113.753	114.008	114.537	115.248
Federal	111.169	118.839	125.038	124.774	125.881	125.704	126.446	127.188
State and local	106.354	107.042	107.487	107.377	107.592	108.069	108.489	109.183
Addenda:								
Final sales of domestic product	102.828	105.564	109.650	108.984	110.211	111.122	112.088	113.613
Gross domestic purchases	103.151	106.285	111.301	110.797	111.872	113.000	114.112	114.695
Final sales to domestic purchasers	103.603	106.708	111.394	110.754	111.982	113.124	114.164	115.332
Gross national product	102.264	105.370	109.637	109.048	110.128	110.916	111.977	112.851

^r Revised.

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

Table 6.—Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

	2002	2003	2004	Seasonally adjusted				
				2004			2005	
				II	III	IV	I	II ^r
Gross domestic product	104.193	106.310	109.102	108.976	109.371	110.111	110.950	111.655
Personal consumption expenditures (PCE)	103.542	105.520	108.246	108.089	108.484	109.326	109.936	110.832
Durable goods	95.766	92.372	90.631	90.866	90.310	90.449	90.648	90.527
Nondurable goods	102.089	104.151	107.634	107.744	107.781	108.982	109.327	110.854
Services	106.018	109.246	112.695	112.303	113.120	113.955	114.803	115.633
Gross private domestic investment	101.640	103.311	106.555	106.280	107.120	107.733	108.427	109.164
Fixed investment	101.660	103.432	106.697	106.448	107.248	107.831	108.522	109.254
Nonresidential	99.513	99.764	101.025	100.958	101.185	101.455	102.244	102.715
Structures	110.030	113.889	120.124	119.230	121.159	122.872	125.876	128.886
Equipment and software	95.956	95.133	95.022	95.168	94.945	94.854	95.067	94.910
Residential	107.240	112.379	119.935	119.294	121.312	122.574	123.062	124.359
Change in private inventories								
Exports of goods and services	99.273	101.398	104.999	104.803	105.242	106.366	107.559	108.534
Imports of goods and services	96.341	99.610	104.571	103.812	105.269	107.026	107.783	109.925
Government consumption expenditures and gross investment	105.507	109.460	113.505	113.114	114.003	115.148	116.747	117.820
Federal	105.631	109.740	114.354	114.191	114.825	115.575	117.550	118.168
State and local	105.435	109.303	113.022	112.496	113.536	114.914	116.291	117.635
Addenda:								
PCE excluding food and energy	103.705	105.082	107.156	106.966	107.358	107.980	108.617	109.083
Market-based PCE ¹	103.082	105.009	107.422	107.321	107.627	108.378	108.948	109.860
Market-based PCE excluding food and energy ¹	103.153	104.348	105.898	105.772	106.050	106.514	107.106	107.506
Final sales of domestic product	104.197	106.330	109.124	109.003	109.389	110.124	110.963	111.667
Gross domestic purchases	103.583	105.863	108.899	108.683	109.235	110.092	110.883	111.785
Final sales to domestic purchasers	103.586	105.883	108.921	108.709	109.253	110.106	110.898	111.798
Gross national product	104.184	106.304	109.094	108.968	109.362	110.100	110.933	111.638
Implicit price deflators:								
Gross domestic product	104.187	106.305	109.099	108.987	109.343	110.077	110.905	111.622
Final sales of domestic product	104.197	106.330	109.124	108.995	109.382	110.117	110.956	111.659
Gross domestic purchases	103.577	105.858	108.896	108.690	109.204	110.055	110.837	111.750
Final sales to domestic purchasers	103.587	105.883	108.920	108.698	109.242	110.095	110.886	111.787
Gross national product	104.179	106.299	109.091	108.980	109.334	110.064	110.890	111.607

^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 appendix table A.

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

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

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Gross domestic product (GDP)	3.5	1.9	-0.2	3.3	2.7	4.0	2.5	3.7	4.5	4.2	4.5	3.7	0.8	1.6	2.7	4.2
Personal consumption expenditures	2.8	2.0	.2	3.3	3.3	3.7	2.7	3.4	3.8	5.0	5.1	4.7	2.5	2.7	2.9	3.9
Durable goods	2.2	-3	-5.6	5.9	7.8	8.4	4.4	7.8	8.6	11.3	11.7	7.3	4.3	7.1	6.6	6.0
Nondurable goods	2.8	1.6	-2	2.0	2.7	3.5	2.2	2.6	2.7	4.0	4.6	3.8	2.0	2.5	3.2	4.7
Services	3.0	2.9	1.7	3.5	2.8	2.9	2.6	2.9	3.3	4.2	4.0	4.5	2.4	1.9	2.0	3.0
Gross private domestic investment	4.0	-3.4	-8.1	8.1	8.9	13.6	3.1	8.9	12.4	9.8	7.8	5.7	-7.9	-2.6	3.9	11.9
Fixed investment	3.0	-2.1	-6.5	5.9	8.6	9.3	6.5	9.0	9.2	10.2	8.3	6.5	-3.0	-5.2	3.6	9.7
Nonresidential	5.6	.5	-5.4	3.2	8.7	9.2	10.5	9.3	12.1	11.1	9.2	8.7	-4.2	-9.2	1.3	9.4
Structures	2.0	1.5	-11.1	-6.0	-7	1.8	6.4	5.6	7.3	5.1	-4	6.8	-2.3	-17.1	-4.2	2.2
Equipment and software	7.3	0	-2.6	7.3	12.5	11.9	12.0	10.6	13.8	13.3	12.7	9.4	-4.9	-6.2	3.2	11.9
Residential	-3.0	-8.6	-9.6	13.8	8.2	9.6	-3.2	8.0	1.9	7.6	6.0	.8	.4	4.8	8.4	10.3
Change in private inventories																
Net exports of goods and services																
Exports	11.5	9.0	6.6	6.9	3.2	8.7	10.1	8.4	11.9	2.4	4.3	8.7	-5.4	-2.3	1.8	8.4
Goods	11.9	8.4	6.9	7.5	3.3	9.7	11.7	8.8	14.3	2.2	3.8	11.2	-6.1	-4.0	1.8	8.9
Services	10.3	10.5	6.0	5.5	3.2	6.3	7.2	5.9	2.9	5.6	2.9	5.6	-3.7	1.9	1.7	7.4
Imports	4.4	3.6	-6	7.0	8.8	11.9	8.0	8.7	13.6	11.6	11.5	13.1	-2.7	3.4	4.6	10.7
Goods	4.3	3.0	-1	9.3	10.1	13.3	9.0	9.3	14.4	11.7	12.4	13.5	-3.2	3.7	4.9	11.0
Services	4.9	6.5	-2.6	-2.6	2.9	5.7	3.3	5.5	9.4	11.4	6.9	11.1	-3	2.1	3.0	9.6
Government consumption expenditures and gross investment	2.6	3.2	1.1	.5	-9	0	5	1.0	1.9	1.9	3.9	2.1	3.4	4.4	2.8	2.2
Federal	1.5	2.0	-2	-1.7	-4.2	-3.7	-2.7	-1.2	-1.0	-1.1	2.2	.9	3.9	7.0	6.9	5.2
National defense	-5	0	-1.1	-5.0	-5.6	-4.9	-3.8	-1.4	-2.8	-2.1	1.9	-5	3.9	7.4	8.8	7.0
Nondefense	8.3	8.3	2.4	6.9	-7	-1.2	-4	-7	2.6	.7	2.8	3.5	3.9	6.3	3.4	1.8
State and local	3.4	4.1	2.1	2.2	1.4	2.6	2.6	2.3	3.6	3.6	4.7	2.7	3.2	3.1	.6	.4
Addenda:																
Final sales of domestic product	3.4	2.1	.1	3.0	2.6	3.4	3.0	3.7	4.0	4.2	4.5	3.8	1.6	1.2	2.7	3.9
Gross domestic purchases	3.0	1.4	-8	3.3	3.2	4.4	2.4	3.8	4.8	5.3	5.3	4.4	.9	2.2	3.0	4.7
Final sales to domestic purchasers	2.8	1.6	-6	3.1	3.2	3.8	2.8	3.8	4.3	5.3	5.4	4.5	1.8	1.8	3.0	4.4
Gross national product	3.5	2.0	-3	3.3	2.7	3.9	2.6	3.7	4.4	4.0	4.6	3.7	.8	1.5	3.0	4.0
Real disposable personal income	2.8	1.9	.5	3.4	1.0	2.7	2.8	3.0	3.5	5.8	3.0	4.8	1.9	3.1	2.4	3.4
Price indexes:																
Gross domestic purchases	3.8	4.1	3.3	2.3	2.2	2.1	2.1	1.8	1.4	.6	1.6	2.5	2.0	1.6	2.2	2.9
Gross domestic purchases excluding food and energy	3.6	3.7	3.5	2.6	2.3	2.2	2.2	1.5	1.3	1.0	1.4	1.9	1.9	1.9	1.8	2.4
GDP	3.8	3.9	3.5	2.3	2.3	2.1	2.0	1.9	1.7	1.1	1.4	2.2	2.4	1.7	2.0	2.6
GDP excluding food and energy	3.6	3.7	3.6	2.5	2.4	2.2	2.1	1.7	1.7	1.2	1.5	2.0	2.1	2.1	1.8	2.5
Personal consumption expenditures	4.4	4.6	3.6	2.9	2.3	2.1	2.1	2.2	1.7	.9	1.7	2.5	2.1	1.4	1.9	2.6

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

	2001		2002				2003				2004				2005	
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
Gross domestic product (GDP)	0.4	0.2	1.0	1.3	2.2	1.9	1.6	2.0	3.2	4.0	4.7	4.6	3.8	3.8	3.6	3.6
Personal consumption expenditures (PCE)	2.0	2.8	2.8	3.1	3.2	1.9	2.1	2.4	3.3	3.8	4.3	3.9	3.5	3.8	3.5	3.9
Durable goods	2.5	10.8	7.8	8.9	11.0	1.2	3.2	6.0	7.9	9.2	9.4	5.8	3.7	5.2	4.7	6.7
Nondurable goods	1.6	1.9	2.6	3.0	2.4	2.1	2.1	2.2	4.2	4.1	4.9	5.1	4.0	4.6	4.3	4.6
Services	2.0	1.6	1.8	2.0	2.0	1.9	1.9	1.8	2.0	2.5	3.0	2.9	3.2	3.1	2.9	3.0
Gross private domestic investment	-8.6	-13.8	-7.7	-5.4	-1.4	4.9	1.5	1.7	4.4	7.7	10.5	15.1	11.8	10.4	10.1	4.0
Fixed investment	-3.8	-6.7	-7.6	-5.8	-4.9	-2.5	-7	1.8	5.6	7.7	9.3	10.9	9.3	9.4	9.4	8.0
Nonresidential	-6.1	-9.6	-11.7	-9.8	-8.7	-6.5	-3.5	0	3.2	5.6	7.9	9.2	9.4	10.9	10.3	9.2
Structures	-1.4	-11.1	-13.9	-17.4	-22.0	-14.9	-12.2	-4.5	-5	1.2	2.6	1.5	1.9	2.7	3.1	1.7
Equipment and software	-7.8	-9.0	-10.9	-6.8	-3.2	-3.4	-3	1.6	4.4	7.2	9.8	11.9	12.0	13.8	12.8	11.7
Residential	2.5	1.4	3.4	4.3	4.4	7.0	5.6	5.6	10.5	11.8	11.9	13.9	9.1	6.6	7.7	6.1
Change in private inventories																
Net exports of goods and services																
Exports	-9.9	-11.9	-9.5	-4.0	1.6	3.8	1.7	-1.3	.7	6.0	8.1	10.5	9.0	6.1	6.7	7.7
Goods	-12.2	-13.0	-12.2	-4.9	1.1	1.1	1.9	-1.5	2	6.7	8.3	10.4	10.1	6.8	6.2	8.2
Services	-4.0	-8.9	-2.8	-2.0	2.8	10.2	1.4	-1.0	1.9	4.5	7.8	10.9	6.4	4.6	7.9	6.5
Imports	-7.2	-7.6	-4.1	2.1	6.4	9.7	6.0	3.8	3.4	5.1	8.8	11.7	11.8	10.6	9.4	5.7
Goods	-7.8	-7.9	-5.0	3.2	7.2	9.9	6.8	4.5	3.1	5.3	9.2	11.2	12.3	11.1	10.1	6.1
Services	-3.7	-5.9	.7	-3.0	2.4	8.8	2.4	.5	5.0	4.2	7.3	13.8	9.7	7.7	6.2	3.9
Government consumption expenditures and gross investment	3.2	5.0	4.7	4.0	4.9	4.0	2.9	3.5	3.0	1.9	2.9	1.7	2.0	2.1	1.7	1.8
Federal	4.0	6.4	5.9	6.7	7.5	7.8	6.4	8.6	7.2	5.5	8.1	3.6	5.1	4.2	2.1	1.9
National defense	3.8	6.5	5.6	7.4	7.9	8.4	6.5	12.2	9.2	7.5	12.1	3.7	7.8	4.9	2.3	3.0
Nondefense	4.2	6.3	6.3	5.5	6.8	6.8	6.2	2.1	3.6	1.6	.8	3.5	0	2.8	1.8	-2
State and local	2.8	4.2	4.1	2.6	3.6	2.1	1.1	.7	.8	0	0	.5	.2	.9	1.5	1.7
Addenda:																
Final sales of domestic product	1.2	1.5	1.0	1.2	1.7	.8	1.3	2.0	3.3	4.0	4.5	4.0	3.4	3.6	3.5	4.2
Gross domestic purchases .....	.4	.4	1.4	1.9	2.8	2.7	2.2	2.5	3.4	4.0	4.9	5.1	4.4	4.5	4.2	3.5
Final sales to domestic purchasers	1.2	1.6	1.4	1.9	2.3	1.6	1.9	2.5	3.6	4.0	4.7	4.5	4.1	4.3	4.1	4.1
Gross national product .....	.2	.4	.9	1.0	2.3	1.6	1.8	2.4	3.5	4.4	5.0	4.4	3.6	3.2	3.2	3.5
Real disposable personal income	2.8	1.2	3.7	4.6	1.4	2.9	.7	1.4	3.6	3.8	4.1	3.2	2.1	4.1	2.3	2.4
Price indexes:																
Gross domestic purchases	1.9	1.6	1.3	1.4	1.6	1.9	2.6	2.1	2.1	2.0	2.1	3.0	3.0	3.4	3.1	2.9
Gross domestic purchases excluding food and energy	1.9	2.1	2.0	1.9	1.9	1.7	1.9	1.7	1.7	1.7	1.9	2.5	2.6	2.7	2.6	2.4
GDP	2.4	2.4	2.0	1.6	1.6	1.7	2.1	2.0	2.1	2.0	2.1	2.8	2.7	2.9	2.8	2.5
GDP excluding food and energy	2.1	2.3	2.3	2.1	2.0	1.9	2.0	1.8	1.8	1.7	1.9	2.5	2.6	2.8	2.7	2.5
PCE	2.0	1.7	1.2	1.2	1.5	1.8	2.3	1.8	1.8	1.7	1.9	2.7	2.6	3.1	2.7	2.5
PCE excluding food and energy	2.0	2.2	1.8	1.8	1.9	1.6	1.5	1.3	1.2	1.3	1.7	2.0	2.0	2.2	2.2	2.0
Market-based PCE ¹	1.9	1.3	.7	.9	1.1	1.7	2.3	1.7	1.8	1.6	1.7	2.5	2.3	2.8	2.4	2.4
Market-based PCE excluding food and energy ¹	1.8	1.8	1.5	1.5	1.5	1.4	1.3	1.2	1.1	1.0	1.3	1.5	1.5	1.7	1.8	1.6

^r Revised.

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

[Billions of dollars]

	2002	2003	2004	Seasonally adjusted at annual rates				
				2004			2005	
				II	III	IV	I	II ^r
Gross domestic product	10,469.6	10,971.2	11,734.3	11,666.1	11,818.8	11,995.2	12,198.8	12,378.0
Plus: Income receipts from the rest of the world	305.7	343.7	415.4	401.2	418.1	462.4	462.3	489.4
Less: Income payments to the rest of the world	275.0	275.6	361.7	354.5	369.6	425.6	422.9	453.9
Equals: Gross national product	10,500.2	11,039.3	11,788.0	11,712.8	11,867.3	12,032.0	12,238.2	12,413.5
Less: Consumption of fixed capital	1,292.0	1,331.3	1,435.3	1,393.8	1,534.1	1,442.0	1,448.4	1,457.2
Less: Statistical discrepancy	-21.0	47.1	76.8	108.1	90.8	30.6	39.4	37.6
Equals: National income	9,229.3	9,660.9	10,275.9	10,210.9	10,242.4	10,559.3	10,750.4	10,918.7
Compensation of employees	6,091.2	6,321.1	6,687.6	6,602.1	6,724.2	6,895.8	7,001.7	7,100.9
Wage and salary accruals	4,980.9	5,111.1	5,389.4	5,316.6	5,422.0	5,562.9	5,629.9	5,710.2
Supplements to wages and salaries	1,110.3	1,210.0	1,298.1	1,285.5	1,302.3	1,332.9	1,371.8	1,390.6
Proprietors' income with inventory valuation and capital consumption adjustments	768.4	810.2	889.6	898.4	889.1	900.9	917.9	936.6
Rental income of persons with capital consumption adjustment	152.9	131.7	134.2	141.8	122.1	128.7	118.0	104.4
Corporate profits with inventory valuation and capital consumption adjustments	886.3	1,031.8	1,161.5	1,162.0	1,117.2	1,219.5	1,288.2	1,347.5
Net interest and miscellaneous payments	520.9	528.5	505.5	512.2	497.5	492.7	498.3	488.7
Taxes on production and imports less subsidies	724.4	754.8	809.4	806.0	812.3	824.4	833.2	848.0
Business current transfer payments	84.3	81.6	91.1	90.7	83.0	102.6	99.0	99.6
Current surplus of government enterprises .....	.9	1.3	-3.0	-2.2	-3.0	-5.2	-6.1	-7.0
Addendum:								
Gross domestic income	10,490.6	10,924.2	11,657.5	11,558.0	11,728.0	11,964.6	12,159.4	12,340.4

^r Revised.

Table 10.—Personal Income and Its Disposition

[Billions of dollars]

	2002	2003	2004	Seasonally adjusted at annual rates				
				2004			2005	
				II	III	IV	I	II ^r
Personal income ¹	8,881.9	9,169.1	9,713.3	9,614.3	9,729.2	10,024.8	10,073.4	10,221.2
Compensation of employees, received	6,091.2	6,321.1	6,687.6	6,603.6	6,724.2	6,895.8	7,001.7	7,100.9
Wage and salary disbursements	4,980.9	5,111.1	5,389.4	5,318.1	5,422.0	5,562.9	5,629.9	5,710.2
Supplements to wages and salaries	1,110.3	1,210.0	1,298.1	1,285.5	1,302.3	1,332.9	1,371.8	1,390.6
Proprietors' income with inventory valuation and capital consumption adjustments	768.4	810.2	889.6	898.4	889.1	900.9	917.9	936.6
Farm	10.6	27.7	35.8	44.1	29.7	24.6	24.7	19.6
Nonfarm	757.8	782.4	853.8	854.2	859.4	876.3	893.2	917.1
Rental income of persons with capital consumption adjustment	152.9	131.7	134.2	141.8	122.1	128.7	118.0	104.4
Personal income receipts on assets	1,333.2	1,338.7	1,396.5	1,363.9	1,378.2	1,493.6	1,407.9	1,439.8
Personal interest income	936.1	917.6	905.9	905.1	904.7	907.4	915.4	936.0
Personal dividend income	397.2	421.1	490.6	458.8	473.5	586.2	492.5	503.8
Personal current transfer receipts	1,286.2	1,344.0	1,427.5	1,419.8	1,441.5	1,449.2	1,488.8	1,509.6
Less: Contributions for government social insurance	750.0	776.6	822.2	813.0	825.9	843.5	861.0	870.1
Less: Personal current taxes	1,051.8	999.9	1,049.1	1,034.0	1,058.4	1,094.3	1,171.4	1,212.6
Equals: Disposable personal income	7,830.1	8,169.2	8,664.2	8,580.3	8,670.9	8,930.4	8,902.0	9,008.6
Less: Personal outlays	7,645.3	7,996.3	8,512.5	8,439.1	8,566.3	8,725.0	8,854.6	9,001.2
Equals: Personal saving	184.7	172.8	151.8	141.2	104.6	205.4	47.4	7.4
Personal saving as a percentage of disposable personal income	2.4	2.1	1.8	1.6	1.2	2.3	.5	.1
Addendum:								
Disposable personal income, billions of chained (2000) dollars ²	7,562.2	7,741.8	8,004.3	7,938.8	7,993.3	8,169.2	8,098.1	8,128.7

^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						
	2002	2003	2004	Seasonally adjusted at annual rates					2003	2004	Quarterly rates				Quarter one year ago
				2004			2005				2004		2005		
				II	III	IV	I	II ^r			III	IV	I	II ^r	2005
Corporate profits with inventory valuation and capital consumption adjustments	886.3	1,031.8	1,161.5	1,162.0	1,117.2	1,219.5	1,288.2	1,347.5	16.4	12.6	-3.9	9.2	5.6	4.6	16.0
Less: Taxes on corporate income	192.6	232.1	271.1	274.7	259.0	293.0	362.6	372.5	20.5	16.8	-5.7	13.1	23.7	2.7	35.6
Equals: Profits after tax with inventory valuation and capital consumption adjustments	693.7	799.7	890.3	887.3	858.2	926.4	925.6	975.0	15.3	11.3	-3.3	8.0	-1	5.3	9.9
Net dividends	399.2	423.2	493.0	460.9	475.9	589.3	494.9	506.3	6.0	16.5	3.2	23.8	-16.0	2.3	9.8
Undistributed profits with inventory valuation and capital consumption adjustments	294.5	376.5	397.3	426.4	382.3	337.2	430.7	468.7	27.8	5.5	-10.3	-11.8	27.7	8.8	9.9
Cash flow:															
Net cash flow with inventory valuation and capital consumption adjustments	1,036.6	1,130.8	1,196.9	1,208.9	1,219.1	1,143.8	1,239.2	1,280.9	9.1	5.8	.8	-6.2	8.3	3.4	6.0
Undistributed profits with inventory valuation and capital consumption adjustments	294.5	376.5	397.3	426.4	382.3	337.2	430.7	468.7	27.8	5.5	-10.3	-11.8	27.7	8.8	9.9
Consumption of fixed capital	742.1	754.4	799.6	782.5	836.8	806.7	808.5	812.2	1.7	6.0	6.9	-3.6	.2	.5	3.8
Less: Inventory valuation adjustment	-2.2	-13.3	-39.6	-48.3	-36.9	-44.4	-39.1	-18.9							
Equals: Net cash flow	1,038.9	1,144.1	1,236.6	1,257.2	1,256.0	1,188.3	1,278.3	1,299.8	10.1	8.1	-1	-5.4	7.6	1.7	3.4
Addenda:															
Profits before tax (without inventory valuation and capital consumption adjustments)	768.4	937.2	1,059.3	1,064.9	1,018.2	1,124.1	1,378.3	1,412.2	22.0	13.0	-4.4	10.4	22.6	2.5	32.6
Profits after tax (without inventory valuation and capital consumption adjustments)	575.8	705.1	788.2	790.2	759.2	831.1	1,015.7	1,039.7	22.4	11.8	-3.9	9.5	22.2	2.4	31.6
Inventory valuation adjustment	-2.2	-13.3	-39.6	-48.3	-36.9	-44.4	-39.1	-18.9							
Capital consumption adjustment	120.1	107.9	141.8	145.4	135.8	139.8	-51.0	-45.8	-10.2	31.4	-6.6	2.9	-136.5	-10.1	-131.5

^r Revised.

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

[Billions of dollars]

	Level								Change from preceding period							
	2002	2003	2004	Seasonally adjusted at annual rates					2003	2004	2004				2005	
				2004			2005				III	IV	I	II ^r		
				II	III	IV	I	II ^r								
Corporate profits with inventory valuation and capital consumption adjustments	886.3	1,031.8	1,161.5	1,162.0	1,117.2	1,219.5	1,288.2	1,347.5	145.5	129.7	-44.8	102.3	68.7	59.3		
Domestic industries	730.5	855.8	976.6	985.1	931.3	1,040.9	1,094.8	1,150.3	125.3	120.8	-53.8	109.6	53.9	55.5		
Financial	301.1	330.9	322.7	338.5	264.4	341.6	377.6	350.7	29.8	-8.2	-74.1	77.2	36.0	-26.9		
Nonfinancial	429.4	524.9	653.9	646.6	666.9	699.3	717.1	799.6	95.5	129.0	20.3	32.4	17.8	82.5		
Rest of the world	155.8	176.0	184.9	176.9	185.9	178.6	193.5	197.2	20.2	8.9	9.0	-7.3	14.9	3.7		
Receipts from the rest of the world	204.4	255.7	309.5	303.0	309.4	332.6	313.5	328.2	51.3	53.8	6.4	23.2	-19.1	14.7		
Less: Payments to the rest of the world	48.6	79.7	124.6	126.1	123.6	154.0	120.1	131.0	31.1	44.9	-2.5	30.4	-33.9	10.9		
Corporate profits with inventory valuation adjustment	766.2	923.9	1,019.7	1,016.5	981.3	1,079.7	1,339.2	1,393.3	157.7	95.8	-35.2	98.4	259.5	54.1		
Domestic industries	610.4	747.9	834.8	839.7	795.5	901.1	1,145.7	1,196.1	137.5	86.9	-44.2	105.6	244.6	50.4		
Financial	276.4	313.0	300.6	316.1	242.8	319.4	377.2	349.5	36.6	-12.4	-73.3	76.6	57.8	-27.7		
Federal Reserve banks	23.7	20.2	20.3	19.3	20.2	22.2	23.1	26.2	-3.5	.1	.9	2.0	.9	3.1		
Other financial	252.7	292.8	280.3	296.8	222.7	297.1	354.2	323.2	40.1	-12.5	-74.1	74.4	57.1	-31.0		
Nonfinancial	334.0	434.9	534.2	523.6	552.7	581.7	768.5	846.6	100.9	99.3	29.1	29.0	186.8	78.1		
Utilities	10.6	11.4	12.1	11.7	11.4	14.1	23.7	26.4	.8	.7	-3	2.7	9.6	2.7		
Manufacturing	48.2	80.7	118.9	107.3	116.2	154.7	170.2	204.7	32.5	38.2	8.9	38.5	15.5	34.5		
Durable goods	-9.9	-4.1	34.8	27.1	42.2	58.8	35.5	59.9	5.8	38.9	15.1	16.6	-23.3	24.4		
Fabricated metal products	8.9	8.5	10.3	9.1	9.8	13.1	8.8	11.4	-4	1.8	.7	3.3	-4.3	2.6		
Machinery	1.7	1.4	1.0	1.4	3.4	-2.6	.9	2.9	-3	-4	2.0	-6.0	3.5	2.0		
Computer and electronic products	-35.3	-16.1	-3.2	-5.8	1.3	-2	.5	4.2	19.2	12.9	7.1	-1.5	.7	3.7		
Electrical equipment, appliances, and components	-1	1.9	.3	2.0	-3.0	6.8	-1.3	5.5	2.0	-1.6	-5.0	9.8	-8.1	6.8		
Motor vehicles, bodies and trailers, and parts	-5.0	-11.6	-3.4	-7.7	-7	1.3	-20.8	-15.7	-6.6	8.2	7.0	2.0	-22.1	5.1		
Other durable goods	20.0	11.9	29.9	28.1	31.4	40.5	47.3	51.6	-8.1	18.0	3.3	9.1	6.8	4.3		
Nondurable goods	58.1	84.8	84.0	80.3	73.9	95.9	134.7	144.8	26.7	-8	-6.4	22.0	38.8	10.1		
Food and beverage and tobacco products	24.9	23.5	24.0	23.7	23.4	20.5	39.6	37.7	-1.4	.5	-3	-2.9	19.1	-1.9		
Petroleum and coal products	1.6	23.6	31.0	27.6	19.5	49.2	62.8	66.3	22.0	7.4	-8.1	29.7	13.6	3.5		
Chemical products	18.4	20.8	13.5	14.4	16.3	8.4	18.8	20.5	2.4	-7.3	1.9	-7.9	10.4	1.7		
Other nondurable goods	13.2	16.9	15.6	14.6	14.7	17.8	13.5	20.3	3.7	-1.3	.1	3.1	-4.3	6.8		
Wholesale trade	49.3	56.3	63.5	61.3	69.1	66.9	81.4	98.1	7.0	7.2	7.8	-2.2	14.5	16.7		
Retail trade	79.4	87.7	90.0	92.9	81.9	87.7	104.6	109.1	8.3	2.3	-11.0	5.8	16.9	4.5		
Transportation and warehousing	-9	8.1	8.4	15.0	6.1	1.7	22.9	27.9	9.0	.3	-8.9	-4.4	21.2	5.0		
Information	-8.5	-1.9	17.0	20.3	33.0	21.0	46.7	53.5	6.6	18.9	12.7	-12.0	25.7	6.8		
Other nonfinancial	155.8	192.4	224.3	215.1	235.0	235.6	318.9	326.9	36.6	31.9	19.9	.6	83.3	8.0		
Rest of the world	155.8	176.0	184.9	176.9	185.9	178.6	193.5	197.2	20.2	8.9	9.0	-7.3	14.9	3.7		

^r Revised.

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

	2002	2003	2004	Seasonally adjusted at annual rates				
				2004			2005	
				II	III	IV	I	II ^r
Billions of dollars								
Gross value added of nonfinancial corporate business	5,371.7	5,595.7	5,995.4	5,922.8	6,038.0	6,198.9	6,282.8	6,443.0
Consumption of fixed capital	643.6	652.6	690.3	675.7	722.0	696.2	697.5	700.4
Net value added	4,728.2	4,943.1	5,305.1	5,247.1	5,316.1	5,502.8	5,585.3	5,742.6
Compensation of employees	3,611.9	3,703.2	3,906.8	3,850.5	3,928.5	4,042.0	4,105.4	4,169.5
Wage and salary accruals	2,969.9	3,007.8	3,168.6	3,119.2	3,189.3	3,284.5	3,323.6	3,376.8
Supplements to wages and salaries	642.0	695.4	738.3	731.4	739.2	757.5	781.8	792.7
Taxes on production and imports less subsidies	465.5	486.5	519.1	516.2	520.6	529.9	537.7	547.9
Net operating surplus	650.8	753.4	879.2	880.4	866.9	930.9	942.2	1,025.2
Net interest and miscellaneous payments	167.4	166.2	164.9	166.2	162.1	162.1	167.0	167.3
Business current transfer payments	54.0	62.4	60.4	67.6	37.9	69.5	58.0	58.4
Corporate profits with inventory valuation and capital consumption adjustments	429.4	524.9	653.9	646.6	666.9	699.3	717.1	799.6
Taxes on corporate income	97.0	126.5	165.9	165.2	171.8	180.8	231.9	248.6
Profits after tax with inventory valuation and capital consumption adjustments	332.3	398.3	487.9	481.4	495.1	518.5	485.2	550.9
Net dividends	254.8	295.5	361.2	323.6	327.3	465.0	306.7	297.6
Undistributed profits with inventory valuation and capital consumption adjustments	77.5	102.8	126.7	157.8	167.8	53.5	178.5	253.4
Addenda:								
Profits before tax (without inventory valuation and capital consumption adjustments)	336.3	448.1	573.9	571.9	589.5	626.1	807.6	865.5
Profits after tax (without inventory valuation and capital consumption adjustments)	239.2	321.6	407.9	406.7	417.7	445.3	575.6	616.9
Inventory valuation adjustment	-2.2	-13.3	-39.6	-48.3	-36.9	-44.4	-39.1	-18.9
Capital consumption adjustment	95.3	90.0	119.7	123.0	114.2	117.6	-51.3	-47.0
Billions of chained (2000) dollars								
Gross value added of nonfinancial corporate business ¹	5,270.2	5,412.5	5,700.9	5,613.9	5,742.0	5,879.5	5,926.8	6,056.5
Consumption of fixed capital ²	618.2	629.4	656.5	644.4	685.2	657.3	660.2	663.6
Net value added ³	4,651.9	4,783.1	5,044.4	4,969.6	5,056.9	5,222.2	5,266.5	5,392.9
Dollars								
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	1.019	1.034	1.052	1.055	1.052	1.054	1.060	1.064
Compensation of employees (unit labor cost) .....	.685	.684	.685	.686	.684	.687	.693	.688
Unit nonlabor cost .....	.253	.253	.252	.254	.251	.248	.247	.244
Consumption of fixed capital .....	.122	.121	.121	.120	.126	.118	.118	.116
Taxes on production and imports less subsidies plus business current transfer payments .....	.099	.101	.102	.104	.097	.102	.101	.100
Net interest and miscellaneous payments .....	.032	.031	.029	.030	.028	.028	.028	.028
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	.081	.097	.115	.115	.116	.119	.121	.132
Taxes on corporate income .....	.018	.023	.029	.029	.030	.031	.039	.041
Profits after tax with inventory valuation and capital consumption adjustments .....	.063	.074	.086	.086	.086	.088	.082	.091

r Revised.

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

	2002	2003	2004	Seasonally adjusted at annual rates															
				2001		2002				2003				2004				2005	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
Gross domestic product (GDP) and related aggregates:																			
GDP	1.6	2.7	4.2	-1.4	1.6	2.7	2.2	2.4	0.2	1.7	3.7	7.2	3.6	4.3	3.5	4.0	3.3	3.8	3.3
Goods	1.2	3.4	6.5	-5.5	2.6	3.9	1.5	5.2	-5.2	4.3	2.3	16.8	2.9	7.2	4.7	6.6	3.9	4.4	5.0
Services	2.5	2.2	2.7	1.7	2.8	2.5	3.4	1.7	2.9	.7	3.7	1.3	3.8	3.3	1.2	3.0	3.2	3.2	1.5
Structures	-2.5	3.2	5.7	-4.3	-8.5	-1	-2.7	-3.0	3.1	-9	8.2	13.6	4.1	.6	13.1	1.2	2.2	5.2	8.4
Motor vehicle output	11.5	3.8	4.6	-5.7	22.0	15.5	5.7	11.6	.5	.3	-2.5	22.6	-3.6	14.4	-7.3	3.0	8.8	4.3	-3
GDP excluding motor vehicle output	1.3	2.7	4.2	-1.2	.9	2.3	2.1	2.0	.2	1.8	3.9	6.7	3.8	3.9	3.9	4.0	3.1	3.8	3.4
Final sales of computers ¹	2.9	20.2	20.4	-19.4	23.7	-7.6	.7	29.3	15.3	7.1	14.4	78.0	11.9	10.2	10.3	13.3	56.5	54.9	45.4
GDP excluding final sales of computers	1.6	2.6	4.1	-1.2	1.4	2.8	2.2	2.2	.1	1.7	3.6	6.8	3.5	4.2	3.4	3.9	3.0	3.5	3.0
Farm gross value added ²	6.8	8.4	0	-20.4	94.2	-64.0	133.6	63.9	34.2	-22.3	27.0	-34.1	-13.1	89.8	-31.5	-11.3	-17.1	7.3	-31.1
Nonfarm business gross value added ³	1.5	3.3	4.8	-2.9	1.2	3.5	1.4	3.1	.1	2.0	4.7	10.4	2.8	4.2	4.6	4.6	3.9	4.3	4.4
Price indexes:																			
GDP	1.7	2.0	2.6	1.6	1.7	1.7	1.5	1.6	2.2	3.1	1.1	1.8	1.9	3.6	3.9	1.5	2.7	3.1	2.6
GDP excluding food and energy	2.1	1.8	2.5	2.1	2.6	2.1	1.8	1.6	2.0	2.6	.9	1.6	1.7	3.3	3.4	2.0	2.6	2.9	2.4
GDP excluding final sales of computers	2.0	2.2	2.7	1.8	1.9	1.9	1.7	1.7	2.4	3.2	1.2	2.0	1.9	3.7	3.9	1.6	2.9	3.3	2.8
Gross domestic purchases	1.6	2.2	2.9	1.0	.6	1.5	2.5	1.7	2.2	4.1	.4	2.0	1.7	4.2	4.1	2.0	3.2	2.9	3.3
Gross domestic purchases excluding food and energy	1.9	1.8	2.4	1.8	2.3	1.8	1.7	1.6	1.8	2.5	1.0	1.7	1.8	3.4	3.2	2.0	2.4	3.0	2.1
Gross domestic purchases excluding final sales of computers to domestic purchasers	1.8	2.4	3.0	1.3	.9	1.7	2.6	1.9	2.4	4.3	.5	2.2	1.8	4.3	4.3	2.2	3.4	3.1	3.5
Personal consumption expenditures (PCE)	1.4	1.9	2.6	.6	.6	.9	2.8	1.8	1.7	3.0	.6	2.0	1.3	3.9	3.8	1.5	3.1	2.3	3.3
PCE excluding food and energy	1.8	1.3	2.0	1.4	2.6	1.3	1.8	1.9	1.2	1.1	1.0	1.5	1.4	2.7	2.5	1.5	2.3	2.4	1.7
Market-based PCE ⁴	1.1	1.9	2.3	.8	-5	.6	2.8	1.7	1.7	3.1	.5	1.9	.9	3.4	3.7	1.1	2.8	2.1	3.4
Market-based PCE excluding food and energy ⁴	1.5	1.2	1.5	1.9	1.6	.9	1.6	1.7	1.2	.8	1.0	1.4	.9	1.9	2.0	1.1	1.8	2.2	1.5

^r Revised.

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

2. Farm output less intermediate goods and services purchased.

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

4. 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 2003-04 annual percent change in real GDP uses prices for 2003 and 2004 as weights, and the 2003-04 annual percent change in GDP prices uses quantities for 2003 and 2004 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, and 8. 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.