



NEWS RELEASE



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GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2009 (SECOND ESTIMATE)

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 5.9 percent in the fourth quarter of 2009 (that is, from the third quarter to the fourth quarter) according to the "second" estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 2.2 percent.

The GDP estimates released today are based on more complete source data than were available for the "advance" estimate issued last month. In the advance estimate, the increase in real GDP was 5.7 percent (see "Revisions" on page 3).

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

The acceleration in real GDP in the fourth quarter primarily reflected an acceleration in private inventory investment, an upturn in nonresidential fixed investment, a deceleration in imports, and an acceleration in exports that were partly offset by decelerations in PCE and in federal government spending.

Motor vehicle output added 0.44 percentage point to the fourth-quarter change in real GDP after adding 1.45 percentage points to the third-quarter change. Final sales of computers subtracted 0.01 percentage point from the fourth-quarter change in real GDP after subtracting 0.08 percentage point from 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 (2005) 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 1.9 percent in the fourth quarter, 0.2 percentage point less than in the advance estimate; this index increased 1.3 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 1.3 percent in the fourth quarter, compared with an increase of 0.3 percent in the third.

Real personal consumption expenditures increased 1.7 percent in the fourth quarter, compared with an increase of 2.8 percent in the third. Real nonresidential fixed investment increased 6.5 percent, in contrast to a decrease of 5.9 percent. Nonresidential structures decreased 13.9 percent, compared with a decrease of 18.4 percent. Equipment and software increased 18.2 percent, compared with an increase of 1.5 percent. Real residential fixed investment increased 5.0 percent, compared with an increase of 18.9 percent.

Real exports of goods and services increased 22.4 percent in the fourth quarter, compared with an increase of 17.8 percent in the third. Real imports of goods and services increased 15.3 percent, compared with an increase of 21.3 percent.

Real federal government consumption expenditures and gross investment increased 0.1 percent in the fourth quarter, compared with an increase of 8.0 percent in the third. National defense decreased 3.5 percent, in contrast to an increase of 8.4 percent. Nondefense increased 8.3 percent, compared with an increase of 7.0 percent. Real state and local government consumption expenditures and gross investment decreased 2.0 percent, compared with a decrease of 0.6 percent.

The change in real private inventories added 3.88 percentage points to the fourth-quarter change in real GDP, after adding 0.69 percentage point to the third-quarter change. Private businesses decreased inventories \$16.9 billion in the fourth quarter, following decreases of \$139.2 billion in the third quarter and \$160.2 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 1.9 percent in the fourth quarter, compared with an increase of 1.5 percent in the third.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 5.5 percent in the fourth quarter, compared with an increase of 3.0 percent in the third.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 6.3 percent, or \$219.6 billion, in the fourth quarter to a level of \$14,461.7 billion. In the third quarter, current-dollar GDP increased 2.6 percent, or \$90.9 billion.

Revisions

The second estimate of the fourth-quarter increase in real GDP is 0.2 percentage point, or \$6.1 billion, higher than the advance estimate issued last month, primarily reflected upward revisions to private inventory investment, to exports, and to nonresidential fixed investment that were partly offset by an upward revision to imports and downward revisions to PCE and to state and local government spending.

	Advance	Second
	(Percent change from preceding quarter)	
Real GDP.....	5.7	5.9
Current-dollar GDP.....	6.4	6.3
Gross domestic purchases price index...	2.1	1.9

2009 GDP

Real GDP decreased 2.4 percent in 2009 (that is, from the 2008 annual level to the 2009 annual level), in contrast to an increase of 0.4 percent in 2008.

The decrease in real GDP in 2009 primarily reflected negative contributions from nonresidential fixed investment, exports, private inventory investment, residential fixed investment, and personal consumption expenditures (PCE), that were partly offset by a positive contribution from federal government spending. Imports, which are a subtraction in the calculation of GDP, decreased.

The downturn in real GDP primarily reflected downturns in nonresidential fixed investment and in exports and a larger decrease in private inventory investment that were partly offset by a larger decrease in imports and a smaller decrease in residential fixed investment.

The price index for gross domestic purchases was unchanged in 2009, compared with an increase of 3.2 percent in 2008.

Current-dollar GDP decreased 1.3 percent, or \$183.2 billion, in 2009. Current-dollar GDP increased 2.6 percent, or \$363.8 billion, in 2008.

During 2009 (that is, measured from the fourth quarter of 2008 to the fourth quarter 2009), real GDP increased 0.1 percent. Real GDP decreased 1.9 percent during 2008. The price index for gross domestic purchases increased 0.6 percent during 2009, compared with an increase of 1.9 percent during 2008.

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Next release – March 26, 2010, 8:30 A.M. EDT for:
Gross Domestic Product: Fourth Quarter 2009 (Third Estimate)
Corporate Profits: Fourth Quarter 2009

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

	2007	2008	2009 ^r	Seasonally adjusted at annual rates															
				2006				2007				2008				2009			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III ^r	IV ^r
Gross domestic product (GDP)	2.1	0.4	-2.4	5.4	1.4	0.1	3.0	1.2	3.2	3.6	2.1	-0.7	1.5	-2.7	-5.4	-6.4	-0.7	2.2	5.9
Personal consumption expenditures	2.6	-0.2	-0.6	4.5	2.2	2.5	4.1	3.7	1.1	1.9	1.2	-0.6	0.1	-3.5	-3.1	0.6	-0.9	2.8	1.7
Goods	3.1	-2.1	-1.9	7.5	0.7	3.3	5.9	3.9	0.2	3.1	3.0	-5.1	-0.5	-7.7	-10.0	2.5	-3.1	7.2	2.8
Durable goods	4.3	-4.5	-3.9	17.0	-1.0	4.5	5.6	5.5	2.1	5.2	5.5	-8.9	-5.7	-11.7	-20.3	3.9	-5.6	20.4	0.2
Nondurable goods	2.5	-0.8	-1.0	2.6	1.6	2.6	6.1	3.1	-0.8	2.1	1.8	-3.0	2.2	-5.6	-4.9	1.9	-1.9	1.5	4.1
Services	2.4	0.7	0.1	2.9	3.0	2.1	3.1	3.6	1.6	1.3	0.3	1.8	0.4	-1.3	0.5	-0.3	0.2	0.8	1.2
Gross private domestic investment	-3.8	-7.3	-23.1	6.0	-0.6	-5.5	-10.9	-6.0	5.7	0.8	-7.7	-7.4	-10.4	-6.9	-24.2	-50.5	-23.7	5.0	48.9
Fixed investment	-2.1	-5.1	-18.3	9.5	-1.9	-5.0	-5.3	-2.6	3.6	-0.4	-4.2	-6.3	-2.7	-8.3	-20.2	-39.0	-12.5	-1.3	6.2
Nonresidential	6.2	1.6	-17.7	18.0	7.3	4.4	2.3	4.2	11.4	9.6	6.7	1.9	1.4	-6.1	-19.5	-39.2	-9.6	-5.9	6.5
Structures	14.9	10.3	-19.6	18.9	22.4	10.3	1.5	15.6	22.7	26.6	11.2	6.8	14.5	-0.1	-7.2	-43.6	-17.3	-18.4	-13.9
Equipment and software	2.6	-2.6	-16.7	17.8	2.1	2.2	2.8	-0.5	6.5	2.2	4.5	-0.5	-5.0	-9.4	-25.9	-36.4	-4.9	1.5	18.2
Residential	-18.5	-22.9	-20.4	-4.2	-16.9	-21.2	-19.7	-16.2	-12.9	-22.4	-29.5	-28.2	-15.8	-15.9	-23.2	-38.2	-23.3	18.9	5.0
Change in private inventories																			
Net exports of goods and services																			
Exports	8.7	5.4	-9.6	16.5	6.9	0.6	17.8	3.5	5.2	18.5	14.5	-0.1	12.1	-3.6	-19.5	-29.9	-4.1	17.8	22.4
Goods	7.4	5.9	-12.2	17.8	7.4	0.2	13.1	3.0	6.3	14.8	12.4	4.2	14.1	-1.8	-25.5	-36.9	-6.3	24.6	34.2
Services	11.8	4.2	-4.1	13.6	5.6	1.5	29.1	4.7	2.8	27.2	19.2	-9.0	7.8	-7.7	-4.3	-13.6	0.1	5.6	1.4
Imports	2.0	-3.2	-13.9	7.8	4.5	4.9	-0.5	4.3	-0.5	3.7	-3.6	-2.5	-5.0	-2.2	-16.7	-36.4	-14.7	21.3	15.3
Goods	1.7	-3.9	-16.0	6.3	5.0	5.5	-2.3	5.0	-1.0	2.8	-3.8	-3.5	-4.6	-3.7	-19.6	-41.0	-16.5	25.1	20.2
Services	3.5	0.7	-3.7	16.1	1.8	1.3	10.0	0.4	2.1	8.6	-2.9	3.0	-7.1	6.1	-0.9	-11.5	-7.5	7.0	-3.9
Government consumption expenditures and gross investment	1.7	3.1	1.9	4.1	0.3	0.6	1.1	0.0	4.4	3.9	1.6	2.6	3.6	4.8	1.2	-2.6	6.7	2.6	-1.2
Federal	1.3	7.7	5.2	11.9	-3.4	-0.4	1.1	-5.1	7.4	9.3	2.7	8.1	7.8	13.2	6.5	-4.3	11.4	8.0	0.1
National defense	2.2	7.8	5.4	10.5	1.1	-1.9	8.5	-7.6	8.6	10.0	0.5	8.2	7.0	19.8	3.8	-5.1	14.0	8.4	-3.5
Nondefense	-0.6	7.3	4.8	14.7	-11.6	2.9	-12.7	0.3	5.0	7.9	7.6	8.1	9.6	0.1	12.7	-2.5	6.1	7.0	8.3
State and local	2.0	0.5	-0.2	-0.3	2.6	1.2	1.1	3.1	2.7	0.9	1.0	-0.5	1.2	0.1	-2.0	-1.5	3.9	-0.6	-2.0
Addenda:																			
Final sales of domestic product	2.5	0.8	-1.7	5.9	1.2	0.2	4.1	1.8	2.9	3.4	2.8	-0.5	2.7	-2.9	-4.7	-4.1	0.7	1.5	1.9
Gross domestic purchases	1.4	-0.7	-3.3	4.7	1.4	0.8	1.0	1.4	2.4	2.1	-0.2	-1.1	-0.9	-2.5	-5.5	-8.6	-2.3	3.0	5.5
Final sales to domestic purchasers	1.7	-0.4	-2.7	5.2	1.2	0.9	2.0	2.0	2.1	1.9	0.4	-0.9	0.3	-2.7	-4.9	-6.4	-0.9	2.3	1.6
Gross national product (GNP)	2.4	0.6	.....	5.4	1.3	-0.3	3.2	0.9	3.6	5.4	3.4	-1.1	0.2	-1.8	-6.7	-6.6	-1.0	3.0	.....
Disposable personal income	2.2	0.5	0.9	7.7	3.6	1.9	5.3	1.7	0.5	1.7	0.1	-2.4	9.8	-8.5	3.4	0.2	6.2	-3.6	1.9
Current-dollar measures:																			
GDP	5.1	2.6	-1.3	8.6	5.1	3.2	4.8	5.5	6.0	5.3	4.5	1.0	3.5	1.4	-5.4	-4.6	-0.8	2.6	6.3
Final sales of domestic product	5.4	3.0	-0.7	9.2	4.9	3.3	6.0	6.1	5.7	5.1	5.2	1.5	4.7	1.0	-5.2	-2.4	0.6	2.0	2.3
Gross domestic purchases	4.4	2.4	-3.3	7.6	5.0	3.7	1.9	5.7	5.5	4.3	4.4	2.1	3.2	1.8	-9.2	-9.8	-1.8	4.3	7.5
Final sales to domestic purchasers	4.7	2.8	-2.7	8.2	4.8	3.8	3.0	6.3	5.2	4.1	5.0	2.6	4.3	1.5	-9.0	-7.7	-0.5	3.7	3.6
GNP	5.4	2.7	.....	8.6	4.9	2.8	5.1	5.3	6.3	7.1	5.8	0.6	2.3	2.2	-6.7	-4.8	-1.0	3.4	.....
Disposable personal income	4.9	3.9	1.1	9.5	6.7	4.9	5.3	5.5	3.7	4.1	5.2	1.2	14.1	-4.2	-1.8	-1.2	7.7	-1.2	4.3

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the third quarter of 2009. 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

	2007	2008	2009 ^r	Seasonally adjusted at annual rates															
				2006				2007				2008				2009			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP)	2.9	2.1	1.2	3.0	3.6	3.1	1.8	4.2	2.7	1.6	2.3	1.9	1.8	4.0	0.1	1.9	0.0	0.4	0.4
Personal consumption expenditures	2.7	3.3	0.2	1.7	3.0	3.0	-0.1	3.7	3.2	2.3	5.1	3.7	3.9	4.7	-5.0	-1.5	1.4	2.6	2.3
Goods	1.3	3.3	-2.5	-0.3	2.6	2.2	-5.8	3.2	3.7	0.3	7.0	5.2	3.8	6.8	-16.1	-6.0	2.7	5.4	2.6
Durable goods	-1.8	-1.2	-1.6	-1.2	-1.6	-1.9	-2.0	-1.6	-1.4	-2.8	-1.4	0.0	-0.9	-1.2	-3.3	-1.7	0.3	-3.1	-0.1
Nondurable goods	2.9	5.6	-2.8	0.1	5.0	4.5	-7.7	5.9	6.6	1.9	11.5	7.8	6.1	10.8	-21.5	-7.9	3.8	9.6	3.9
Services	3.4	3.4	1.5	2.8	3.3	3.3	3.1	4.0	2.9	3.4	4.2	2.9	4.0	3.6	1.0	0.7	0.7	1.3	2.2
Gross private domestic investment	2.2	0.6	-0.8	4.7	3.5	2.5	3.8	2.8	0.6	0.8	1.0	-1.6	0.6	2.3	5.3	-1.8	-4.5	-5.7	-0.7
Fixed investment	2.2	0.8	-1.3	4.7	3.5	2.4	3.7	2.7	0.8	0.8	1.1	-0.7	1.1	2.5	1.3	-2.0	-4.4	-4.4	-0.4
Nonresidential	2.6	1.6	-0.3	3.5	3.3	3.0	3.9	3.2	1.6	0.9	1.3	-0.3	2.1	4.4	4.4	-1.3	-4.2	-4.9	-1.4
Structures	7.4	3.2	-1.9	11.8	11.4	8.0	11.5	9.2	3.7	3.3	3.4	0.6	2.7	6.7	7.9	-3.5	-10.2	-10.1	-1.6
Equipment and software	0.5	0.7	0.5	0.6	0.3	1.0	0.7	0.6	0.6	-0.2	0.2	-0.7	1.7	3.1	2.5	0.1	-0.6	-1.9	-1.3
Residential	1.3	-1.6	-4.8	7.1	4.1	1.3	3.4	1.5	-1.1	0.6	0.9	-1.5	-1.6	-3.8	-9.5	-4.9	-5.2	-2.7	3.1
Change in private inventories																			
Net exports of goods and services																			
Exports	3.5	4.9	-5.5	2.9	5.2	5.0	0.2	3.6	4.5	3.3	6.7	7.6	10.2	6.3	-21.4	-12.6	0.1	4.6	5.6
Goods	3.6	5.0	-6.6	2.7	5.5	5.5	0.9	3.1	4.2	3.0	6.8	8.3	12.1	5.6	-25.4	-14.8	1.9	4.6	5.7
Services	3.5	4.8	-2.9	3.4	4.4	3.9	-1.6	4.5	5.1	4.2	6.5	6.0	6.0	7.8	-11.9	-8.1	-3.3	4.5	5.4
Imports	3.7	10.7	-10.5	1.6	4.2	3.1	-4.6	3.2	6.3	6.2	20.5	15.5	21.4	7.1	-34.3	-28.3	4.2	11.4	16.5
Goods	3.7	11.4	-11.8	0.8	4.0	3.2	-5.4	3.4	6.2	6.1	22.9	17.2	22.4	7.1	-37.0	-31.6	5.5	12.9	18.2
Services	3.9	7.2	-4.1	6.2	5.5	2.7	-0.2	2.3	7.2	6.6	8.7	7.0	16.9	7.5	-19.1	-12.1	-0.7	5.5	9.6
Government consumption expenditures and gross investment	4.5	4.5	-0.2	5.3	5.6	3.1	2.4	7.1	4.7	2.7	5.5	6.3	6.3	4.2	-5.8	-1.1	0.4	0.9	1.9
Federal	3.5	3.0	0.5	9.8	4.3	1.2	0.5	8.6	3.5	0.6	2.5	5.6	4.4	1.9	-4.1	1.7	0.5	1.4	2.0
National defense	3.7	3.3	0.2	10.5	4.6	1.5	0.3	8.3	4.1	1.2	3.3	5.5	5.7	2.4	-6.0	0.9	0.3	1.9	2.5
Nondefense	3.1	2.1	1.3	8.4	3.7	0.7	0.9	9.0	2.3	-0.7	0.9	6.0	1.7	0.8	0.2	3.3	0.9	0.3	0.8
State and local	5.1	5.4	-0.6	2.8	6.4	4.2	3.4	6.3	5.3	3.9	7.3	6.6	7.4	5.6	-6.9	-2.8	0.4	0.6	1.8
Addenda:																			
Final sales of domestic product	2.9	2.1	1.0	3.0	3.6	3.1	1.8	4.2	2.7	1.6	2.3	2.0	1.9	4.0	-0.5	1.8	-0.1	0.5	0.4
Gross domestic purchases	2.9	3.2	0.0	2.8	3.6	2.9	1.0	4.2	3.1	2.2	4.6	3.4	3.9	4.3	-3.8	-1.4	0.5	1.3	1.9
Final sales to domestic purchasers	2.9	3.2	-0.1	2.8	3.6	2.9	1.0	4.2	3.1	2.2	4.6	3.5	4.0	4.3	-4.3	-1.5	0.5	1.4	1.9
Gross national product (GNP)	2.9	2.1	.....	3.0	3.6	3.1	1.8	4.3	2.7	1.6	2.3	1.9	1.8	4.0	0.0	1.8	0.0	0.4	.....
Implicit price deflators:																			
GDP	2.9	2.1	1.2	3.0	3.6	3.1	1.8	4.3	2.7	1.7	2.4	1.7	2.0	4.1	0.0	1.9	0.0	0.4	0.4
Gross domestic purchases	2.9	3.2	0.1	2.8	3.5	2.9	0.9	4.2	3.0	2.2	4.6	3.2	4.1	4.4	-3.9	-1.4	0.5	1.3	1.9
GNP	2.9	2.1	.....	3.0	3.6	3.1	1.8	4.3	2.7	1.7	2.4	1.8	2.0	4.2	-0.1	1.9	0.0	0.4	.....

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

Table 5. Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2005=100]

	2007	2008	2009 ^r	Seasonally adjusted				
				2008	2009			
					IV	I	II	III	IV^{r}
Gross domestic product	104.872	105.331	102.784	103.984	102.271	102.082	102.648	104.136
Personal consumption expenditures	105.612	105.351	104.724	104.267	104.425	104.196	104.917	105.360
Goods	106.499	104.296	102.285	101.186	101.817	101.023	102.789	103.510
Durable goods	108.543	103.692	99.618	97.401	98.345	96.947	101.561	101.616
Nondurable goods	105.405	104.513	103.486	102.929	103.405	102.911	103.295	104.332
Services	105.147	105.883	105.976	105.837	105.761	105.809	106.014	106.320
Gross private domestic investment	98.801	91.585	70.414	85.519	71.746	67.059	67.874	74.977
Fixed investment	100.189	95.106	77.715	89.964	79.514	76.895	76.647	77.804
Nonresidential	114.617	116.502	95.885	111.040	98.061	95.623	94.183	95.675
Structures	125.495	138.392	111.282	137.603	119.243	113.716	108.074	104.094
Equipment and software	110.184	107.332	89.424	99.808	89.143	88.036	88.370	92.147
Residential	75.490	58.213	46.323	53.549	47.478	44.436	46.403	46.973
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....
Exports of goods and services	118.472	124.842	112.799	120.149	109.922	108.766	113.315	119.193
Imports of goods and services	108.188	104.721	90.120	100.547	89.804	86.292	90.554	93.830
Government consumption expenditures and gross investment	103.090	106.252	108.225	107.346	106.639	108.386	109.097	108.779
Federal	103.434	111.362	117.162	114.946	113.693	116.801	119.057	119.098
State and local	102.886	103.355	103.184	103.061	102.660	103.640	103.479	102.958
Addenda:								
Final sales of domestic product	105.131	105.980	104.166	104.806	103.713	103.888	104.280	104.783
Gross domestic purchases	104.046	103.294	99.834	101.818	99.566	98.988	99.721	101.060
Final sales to domestic purchasers	104.288	103.896	101.124	102.583	100.913	100.678	101.247	101.658
Gross national product	104.925	105.552	.....	103.965	102.219	101.973	102.737	.....

^r Revised

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

Table 6. Price Indexes for Gross Domestic Product

[Index numbers, 2005=100]

	2007	2008	2009 ^r	Seasonally adjusted				
				2008	2009			
					IV	I	II	III	IV^{r}
Gross domestic product	106.221	108.481	109.736	109.155	109.661	109.656	109.763	109.865
Personal consumption expenditures (PCE)	105.502	109.031	109.229	108.855	108.449	108.814	109.510	110.141
Goods	102.789	106.150	103.540	103.784	102.186	102.864	104.216	104.894
Durable goods	96.714	95.537	94.009	94.743	94.326	94.407	93.660	93.642
Nondurable goods	106.250	112.188	108.997	108.971	106.739	107.736	110.227	111.289
Services	106.964	110.582	112.233	111.542	111.749	111.954	112.312	112.918
Gross private domestic investment	106.677	107.355	106.505	108.738	108.245	107.019	105.465	105.292
Fixed investment	106.718	107.551	106.136	108.217	107.668	106.463	105.265	105.147
Nonresidential	106.209	107.897	107.522	109.498	109.154	107.993	106.656	106.287
Structures	121.275	125.207	122.803	128.238	127.092	123.706	120.451	119.964
Equipment and software	100.715	101.455	102.009	102.415	102.450	102.304	101.802	101.480
Residential	107.513	105.779	100.741	103.198	101.915	100.554	99.863	100.633
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....
Exports of goods and services	107.103	112.389	106.239	108.871	105.265	105.284	106.473	107.934
Imports of goods and services	108.017	119.559	107.036	112.730	103.746	104.821	107.688	111.886
Government consumption expenditures and gross investment	109.552	114.502	114.282	114.233	113.924	114.051	114.312	114.841
Federal	107.754	110.938	111.513	110.628	111.084	111.214	111.601	112.151
State and local	110.615	116.642	115.898	116.396	115.587	115.713	115.889	116.403
Addenda:								
PCE excluding food and energy ¹	104.699	107.207	108.840	107.866	108.173	108.712	109.027	109.448
Market-based PCE ²	105.334	108.954	109.270	108.781	108.452	108.848	109.606	110.174
Market-based PCE excluding food and energy ²	104.368	106.811	108.826	107.616	108.133	108.737	109.060	109.373
Final sales of domestic product	106.226	108.507	109.646	109.078	109.566	109.550	109.681	109.787
Gross domestic purchases	106.408	109.765	109.809	109.790	109.395	109.533	109.895	110.414
Final sales to domestic purchasers	106.412	109.792	109.727	109.718	109.311	109.437	109.819	110.339
Gross national product	106.223	108.484	.....	109.149	109.647	109.648	109.760	.....
Implicit price deflators:								
Gross domestic product	106.214	108.483	109.761	109.172	109.691	109.686	109.783	109.882
Final sales of domestic product	106.226	108.507	109.651	109.083	109.571	109.555	109.686	109.792
Gross domestic purchases	106.400	109.767	109.833	109.805	109.422	109.560	109.911	110.428
Final sales to domestic purchasers	106.412	109.792	109.731	109.721	109.314	109.440	109.822	110.342
Gross national product	106.215	108.486	.....	109.167	109.678	109.679	109.780	.....

^r Revised

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

² This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households. Percentage changes for these series are included in the addenda to table 8 and appendix table A.

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

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

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 ^r
Gross domestic product (GDP)	4.1	2.5	3.7	4.5	4.4	4.8	4.1	1.1	1.8	2.5	3.6	3.1	2.7	2.1	0.4	-2.4
Personal consumption expenditures	3.8	2.7	3.5	3.7	5.2	5.5	5.1	2.7	2.7	2.8	3.5	3.4	2.9	2.6	-0.2	-0.6
Goods	5.3	3.0	4.5	4.8	6.8	8.0	5.3	3.1	4.1	4.6	4.4	4.0	3.3	3.1	-2.1	-1.9
Durable goods	8.0	3.9	7.5	8.2	12.2	13.0	8.8	5.4	7.6	6.0	6.6	5.2	4.1	4.3	-4.5	-3.9
Nondurable goods	3.9	2.5	2.9	2.9	3.8	5.1	3.2	1.8	2.0	3.7	3.2	3.4	2.8	2.5	-0.8	-1.0
Services	3.0	2.5	2.9	3.1	4.4	4.1	5.0	2.5	1.9	1.9	2.9	3.0	2.7	2.4	0.7	0.1
Gross private domestic investment	13.6	3.1	8.8	12.4	10.0	8.8	6.8	-7.0	-1.4	3.6	10.0	5.5	2.7	-3.8	-7.3	-23.1
Fixed investment	9.4	6.4	9.0	9.2	10.9	9.3	7.4	-1.9	-4.2	3.2	7.3	6.5	2.3	-2.1	-5.1	-18.3
Nonresidential	9.2	10.5	9.3	12.1	12.0	10.4	9.8	-2.8	-7.9	0.9	6.0	6.7	7.9	6.2	1.6	-17.7
Structures	1.8	6.4	5.7	7.3	5.1	0.1	7.8	-1.5	-17.7	-3.8	1.1	1.4	9.2	14.9	10.3	-19.6
Equipment and software	11.9	12.0	10.6	13.8	14.5	14.1	10.5	-3.2	-4.2	2.5	7.7	8.5	7.4	2.6	-2.6	-16.7
Residential	9.7	-3.3	8.0	1.9	7.7	6.3	1.0	0.6	5.2	8.2	9.8	6.2	-7.3	-18.5	-22.9	-20.4
Change in private inventories																
Net exports of goods and services																
Exports	8.7	10.1	8.3	11.9	2.3	4.4	8.6	-5.6	-2.0	1.6	9.5	6.7	9.0	8.7	5.4	-9.6
Goods	9.7	11.7	8.8	14.4	2.2	3.8	11.1	-6.2	-3.6	1.8	8.5	7.5	9.4	7.4	5.9	-12.2
Services	6.4	6.3	7.0	5.9	2.4	5.7	2.7	-4.1	1.9	1.2	11.9	5.0	7.9	11.8	4.2	-4.1
Imports	11.9	8.0	8.7	13.5	11.7	11.5	13.0	-2.8	3.4	4.4	11.0	6.1	6.1	2.0	-3.2	-13.9
Goods	13.4	9.0	9.4	14.4	11.8	12.5	13.4	-3.2	3.7	4.9	11.0	6.8	5.9	1.7	-3.9	-16.0
Services	5.3	3.0	5.2	8.7	10.9	6.8	11.0	-0.8	1.8	1.9	11.2	2.8	7.1	3.5	0.7	-3.7
Government consumption expenditures and gross investment	0.0	0.6	1.0	1.9	2.1	3.6	2.0	3.8	4.7	2.2	1.4	0.3	1.4	1.7	3.1	1.9
Federal	-3.8	-2.7	-1.2	-1.0	-1.1	1.9	0.5	4.1	7.3	6.6	4.1	1.3	2.1	1.3	7.7	5.2
National defense	-4.9	-3.7	-1.3	-2.8	-2.1	1.9	-0.5	3.8	7.4	8.7	5.7	1.5	1.6	2.2	7.8	5.4
Nondefense	-1.4	-0.4	-0.8	2.7	0.8	2.1	2.4	4.6	7.2	2.8	1.0	0.9	3.2	-0.6	7.3	4.8
State and local	2.6	2.7	2.3	3.6	3.9	4.5	2.8	3.7	3.3	-0.1	-0.2	-0.2	0.9	2.0	0.5	-0.2
Addenda:																
Final sales of domestic product	3.5	3.0	3.7	3.9	4.4	4.9	4.2	2.0	1.3	2.4	3.2	3.2	2.6	2.5	0.8	-1.7
Gross domestic purchases	4.5	2.4	3.8	4.7	5.5	5.7	4.8	1.2	2.4	2.8	4.0	3.2	2.6	1.4	-0.7	-3.3
Final sales to domestic purchasers	3.8	2.8	3.8	4.2	5.6	5.8	4.9	2.1	1.9	2.8	3.6	3.3	2.5	1.7	-0.4	-2.7
Gross national product	3.9	2.6	3.7	4.3	4.3	4.9	4.2	1.2	1.8	2.6	3.7	3.1	2.4	2.4	0.6	.....
Real disposable personal income	3.2	3.0	3.3	3.5	6.0	3.0	5.1	2.4	3.3	2.5	3.4	1.3	4.0	2.2	0.5	0.9
Price indexes:																
Gross domestic purchases	2.1	2.1	1.8	1.5	0.7	1.6	2.5	1.9	1.4	2.3	3.0	3.7	3.4	2.9	3.2	0.0
Gross domestic purchases excluding food and energy ¹	2.2	2.2	1.6	1.5	1.0	1.5	2.0	1.8	1.7	2.0	2.7	3.3	3.2	2.7	2.6	0.8
GDP	2.1	2.1	1.9	1.8	1.1	1.5	2.2	2.3	1.6	2.2	2.8	3.3	3.3	2.9	2.1	1.2
GDP excluding food and energy ¹	2.1	2.1	1.8	1.8	1.2	1.6	2.2	2.0	1.8	2.1	2.8	3.5	3.3	2.8	2.3	0.8
Personal consumption expenditures	2.1	2.2	2.2	1.9	1.0	1.6	2.5	1.9	1.4	2.0	2.6	3.0	2.7	2.7	3.3	0.2

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the third quarter of 2009.

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

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

	2006				2007				2008				2009			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III ^r	IV ^r
Gross domestic product (GDP)	3.0	3.0	2.2	2.4	1.4	1.9	2.7	2.5	2.0	1.6	0.0	-1.9	-3.3	-3.8	-2.6	0.1
Personal consumption expenditures (PCE)	3.1	2.6	2.5	3.3	3.1	2.8	2.7	2.0	0.9	0.6	-0.7	-1.8	-1.5	-1.7	-0.2	1.0
Goods	3.7	2.5	2.5	4.3	3.4	3.3	3.3	2.6	0.3	0.1	-2.7	-5.9	-4.1	-4.7	-1.1	2.3
Durable goods	5.4	2.3	2.3	6.3	3.6	4.4	4.6	4.6	0.8	-1.2	-5.4	-11.8	-8.9	-8.8	-1.5	4.3
Nondurable goods	2.8	2.6	2.7	3.2	3.3	2.7	2.6	1.5	0.0	0.7	-1.2	-2.9	-1.7	-2.7	-0.9	1.4
Services	2.7	2.7	2.6	2.8	2.9	2.6	2.4	1.7	1.3	0.9	0.3	0.3	-0.2	-0.2	0.3	0.5
Gross private domestic investment	4.4	6.1	3.5	-3.0	-5.8	-4.4	-2.8	-2.0	-2.3	-6.3	-8.1	-12.5	-25.2	-28.1	-25.9	-12.3
Fixed investment	5.8	3.5	0.9	-0.8	-3.7	-2.4	-1.2	-0.9	-1.9	-3.4	-5.4	-9.6	-18.8	-21.0	-19.5	-13.5
Nonresidential	7.8	8.2	7.8	7.8	4.5	5.5	6.8	7.9	7.3	4.8	0.9	-6.0	-17.4	-19.7	-19.6	-13.8
Structures	2.5	8.2	13.2	13.0	12.2	12.3	16.2	18.9	16.5	14.5	7.9	3.2	-12.0	-18.9	-22.9	-24.4
Equipment and software	9.8	8.1	5.9	6.0	1.6	2.7	2.7	3.2	3.1	0.2	-2.7	-10.7	-20.2	-20.2	-17.9	-7.7
Residential	2.3	-4.5	-11.0	-15.7	-18.5	-17.5	-17.8	-20.5	-23.5	-24.2	-22.6	-21.0	-23.9	-25.6	-18.9	-12.3
Change in private inventories																
Net exports of goods and services																
Exports	8.8	8.3	8.5	10.2	7.0	6.6	11.0	10.2	9.3	11.0	5.4	-3.4	-11.6	-15.0	-10.7	-0.8
Goods	10.4	8.8	9.1	9.4	5.8	5.5	9.2	9.0	9.3	11.3	7.0	-3.4	-14.8	-18.9	-13.9	-0.3
Services	5.4	7.3	6.9	12.0	9.7	9.0	15.3	13.0	9.1	10.4	1.9	-3.5	-4.8	-6.5	-3.3	-1.9
Imports	6.5	6.6	7.2	4.1	3.3	2.0	1.7	0.9	-0.8	-1.9	-3.3	-6.8	-16.2	-18.5	-14.0	-6.7
Goods	6.4	6.5	7.2	3.6	3.3	1.8	1.1	0.7	-1.4	-2.3	-3.9	-8.1	-18.8	-21.4	-16.1	-7.2
Services	7.2	7.0	7.0	7.1	3.3	3.4	5.2	2.0	2.6	0.2	-0.4	0.2	-3.6	-3.7	-3.5	-4.2
Government consumption expenditures and gross investment	1.6	1.6	0.8	1.5	0.5	1.5	2.3	2.5	3.1	2.9	3.2	3.0	1.7	2.5	1.9	1.3
Federal	3.6	2.6	0.2	2.2	-2.0	0.7	3.0	3.4	6.9	7.0	7.9	8.9	5.6	6.5	5.2	3.6
National defense	2.1	1.6	-1.6	4.4	-0.2	1.7	4.6	2.6	6.7	6.3	8.6	9.5	6.0	7.7	5.0	3.1
Nondefense	6.8	4.8	3.9	-2.3	-5.5	-1.4	-0.2	5.2	7.1	8.3	6.3	7.5	4.8	3.9	5.7	4.6
State and local	0.4	0.9	1.2	1.2	2.0	2.0	1.9	1.9	1.0	0.7	0.5	-0.3	-0.6	0.1	-0.1	-0.1
Addenda:																
Final sales of domestic product	3.3	2.5	1.8	2.8	1.8	2.2	3.0	2.7	2.1	2.1	0.5	-1.4	-2.3	-2.8	-1.7	0.0
Gross domestic purchases	3.0	3.0	2.4	1.9	1.1	1.4	1.7	1.4	0.8	0.0	-1.2	-2.5	-4.4	-4.8	-3.4	-0.7
Final sales to domestic purchasers	3.2	2.6	2.0	2.3	1.5	1.8	2.0	1.6	0.9	0.4	-0.7	-2.1	-3.5	-3.7	-2.5	-0.9
Gross national product	2.8	2.8	1.8	2.4	1.3	1.8	3.3	3.3	2.8	1.9	0.1	-2.4	-3.8	-4.0	-2.9	.....
Real disposable personal income	3.7	3.9	3.8	4.6	3.1	2.3	2.3	1.0	0.0	2.2	-0.5	0.3	1.0	0.2	1.5	1.1
Price indexes:																
Gross domestic purchases	3.8	3.9	3.4	2.6	2.9	2.8	2.6	3.5	3.3	3.5	4.0	1.9	0.7	-0.2	-0.9	0.6
Gross domestic purchases excluding food and energy ¹	3.2	3.4	3.2	2.9	3.0	2.6	2.6	2.8								

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

[Billions of dollars]

	2007	2008	2009 ^r	Seasonally adjusted at annual rates				
				2008	2009			
					IV	I	II	III ^r	IV^{r}
Gross domestic product	14,077.6	14,441.4	14,258.2	14,347.3	14,178.0	14,151.2	14,242.1	14,461.7
Plus: Income receipts from the rest of the world	861.8	809.2	.....	714.4	579.6	571.3	590.6	.....
Less: Income payments to the rest of the world	746.0	667.3	.....	607.4	479.7	478.6	469.1	.....
Equals: Gross national product	14,193.3	14,583.3	.....	14,454.3	14,277.9	14,243.8	14,363.7	.....
Less: Consumption of fixed capital	1,760.0	1,847.1	1,863.5	1,881.0	1,883.6	1,864.0	1,850.7	1,855.8
Less: Statistical discrepancy	-14.8	101.0	.....	139.4	185.4	161.7	253.3	.....
Equals: National income	12,448.2	12,635.2	.....	12,433.9	12,208.9	12,218.1	12,259.7	.....
Compensation of employees	7,856.5	8,037.4	7,791.8	8,030.3	7,825.8	7,815.9	7,751.5	7,774.0
Wage and salary accruals	6,402.6	6,540.8	6,289.4	6,523.5	6,327.8	6,313.1	6,249.2	6,267.3
Supplements to wages and salaries	1,453.8	1,496.6	1,502.5	1,506.8	1,498.0	1,502.8	1,502.3	1,506.7
Proprietors' income with inventory valuation and capital consumption adjustments	1,096.4	1,106.3	1,041.3	1,083.6	1,037.8	1,028.0	1,037.9	1,061.6
Rental income of persons with capital consumption adjustment	144.9	210.4	268.3	236.7	245.9	262.0	277.9	287.4
Corporate profits with inventory valuation and capital consumption adjustments	1,541.7	1,360.4	.....	1,123.6	1,182.7	1,226.5	1,358.9	.....
Net interest and miscellaneous payments	739.2	815.1	786.8	854.7	826.2	784.4	759.7	777.0
Taxes on production and imports less subsidies	974.0	993.8	963.5	982.1	963.2	964.6	955.4	970.6
Business current transfer payments (net)	102.2	118.8	134.0	131.8	137.9	145.4	124.8	128.1
Current surplus of government enterprises	-6.6	-6.9	-8.1	-8.9	-10.7	-8.8	-6.3	-6.5
Addendum:								
Gross domestic income	14,092.5	14,340.4	.....	14,207.9	13,992.5	13,989.5	13,988.9	.....

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the third quarter of 2009.

Table 10. Personal Income and Its Disposition

[Billions of dollars]

	2007	2008	2009 ^r	Seasonally adjusted at annual rates				
				2008	2009			
					IV	I	II	III ^r
Personal income ¹	11,894.1	12,238.8	12,030.3	12,233.5	11,952.7	12,048.8	12,005.2	12,114.3
Compensation of employees, received	7,862.7	8,042.4	7,786.8	8,050.3	7,805.8	7,815.9	7,751.4	7,774.0
Wage and salary disbursements	6,408.9	6,545.9	6,284.4	6,543.5	6,307.8	6,313.1	6,249.2	6,267.3
Supplements to wages and salaries	1,453.8	1,496.6	1,502.5	1,506.8	1,498.0	1,502.8	1,502.3	1,506.7
Proprietors' income with inventory valuation and capital consumption adjustments	1,096.4	1,106.3	1,041.3	1,083.6	1,037.8	1,028.0	1,037.9	1,061.6
Farm	39.4	48.7	29.4	39.0	27.3	28.9	25.8	35.3
Nonfarm	1,056.9	1,057.5	1,012.0	1,044.5	1,010.5	999.1	1,012.0	1,026.3
Rental income of persons with capital consumption adjustment	144.9	210.4	268.3	236.7	245.9	262.0	277.9	287.4
Personal income receipts on assets	2,031.5	1,994.4	1,792.0	1,958.1	1,845.5	1,773.4	1,763.1	1,785.9
Personal interest income	1,266.4	1,308.0	1,237.4	1,292.9	1,243.4	1,241.1	1,234.9	1,230.0
Personal dividend income	765.1	686.4	554.6	665.2	602.1	532.3	528.2	555.9
Personal current transfer receipts	1,718.0	1,875.9	2,108.8	1,898.0	1,987.3	2,140.3	2,137.5	2,170.1
Less: Contributions for government social insurance, domestic	959.3	990.6	967.0	993.3	969.7	970.9	962.5	964.7
Less: Personal current taxes	1,490.9	1,432.4	1,101.4	1,434.3	1,187.3	1,082.6	1,071.0	1,064.7
Equals: Disposable personal income	10,403.1	10,806.4	10,928.9	10,799.1	10,765.4	10,966.2	10,934.3	11,049.7
Less: Personal outlays	10,224.3	10,520.0	10,457.4	10,389.9	10,362.3	10,370.5	10,502.8	10,594.2
Equals: Personal saving	178.9	286.4	471.5	409.2	403.1	595.7	431.5	455.5
Personal saving as a percentage of disposable personal income	1.7	2.7	4.3	3.8	3.7	5.4	3.9	4.1
Addenda:								
Personal income excluding current transfer receipts, billions of chained (2005) dollars ²	9,645.4	9,504.6	9,082.7	9,494.4	9,188.7	9,105.5	9,010.5	9,028.4
Disposable personal income, billions of chained (2005) dollars ²	9,860.6	9,911.3	10,004.9	9,920.4	9,926.4	10,077.5	9,984.4	10,032.0

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the third quarter of 2009.

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

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

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

	2007	2008	2009 ^r	Seasonally adjusted at annual rates															
				2006				2007				2008				2009			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP) and related aggregates:																			
GDP	2.1	0.4	-2.4	5.4	1.4	0.1	3.0	1.2	3.2	3.6	2.1	-0.7	1.5	-2.7	-5.4	-6.4	-0.7	2.2	5.9
Goods	3.7	0.4	-4.8	11.8	1.8	0.0	7.2	-0.8	6.2	7.2	7.6	-1.8	1.5	-7.0	-16.4	-8.7	-3.2	6.3	23.9
Services	2.6	1.5	0.4	3.4	2.0	2.0	3.6	2.7	2.1	3.1	1.8	1.5	1.5	-0.4	0.7	-0.9	1.5	1.1	1.2
Structures	-4.4	-5.9	-14.9	0.9	-2.5	-9.8	-10.5	-2.2	2.3	-2.1	-9.4	-10.7	1.3	-5.5	-12.9	-34.0	-9.7	-0.8	-8.1
Motor vehicle output	-1.3	-18.4	-24.6	14.4	-7.6	4.0	-10.2	-0.8	6.2	3.5	-10.3	-21.6	-36.2	-6.6	-50.5	-64.5	13.3	131.8	25.0
GDP excluding motor vehicle output	2.2	1.0	-1.9	5.1	1.8	0.0	3.4	1.3	3.1	3.6	2.5	-0.1	2.6	-2.6	-4.1	-4.9	-0.9	0.8	5.6
Final sales of computers ¹	22.1	21.3	0.9	33.3	19.1	12.5	22.4	3.1	28.4	60.9	33.7	9.8	29.1	-3.6	2.9	11.2	-7.3	-13.9	-2.9
GDP excluding final sales of computers	2.0	0.3	-2.4	5.2	1.3	0.0	2.8	1.2	3.1	3.3	2.0	-0.8	1.3	-2.7	-5.4	-6.5	-0.7	2.3	6.0
Farm gross value added ²	-7.6	12.9	7.5	-26.6	71.6	-26.2	-13.2	-6.4	-14.5	-15.0	34.6	40.7	-15.8	24.4	27.9	-3.3	4.0	9.2	1.2
Nonfarm business gross value added ³	2.3	-0.1	-3.6	6.8	1.0	-0.1	4.2	0.9	3.7	3.9	1.8	-1.7	1.3	-4.0	-7.6	-8.8	-1.1	2.2	7.6
Price indexes:																			
GDP	2.9	2.1	1.2	3.0	3.6	3.1	1.8	4.2	2.7	1.6	2.3	1.9	1.8	4.0	0.1	1.9	0.0	0.4	0.4
GDP excluding food and energy ⁴	2.8	2.3	0.8	3.2	3.6	2.5	2.4	3.8	2.2	1.9	3.2	2.4	2.2	2.9	-0.8	0.5	0.8	0.5	1.3
GDP excluding final sales of computers	3.0	2.2	1.3	3.1	3.8	3.2	1.9	4.3	2.8	1.8	2.5	2.0	2.0	4.1	0.2	1.9	0.1	0.5	0.4
Gross domestic purchases	2.9	3.2	0.0	2.8	3.6	2.9	1.0	4.2	3.1	2.2	4.6	3.4	3.9	4.3	-3.8	-1.4	0.5	1.3	1.9
Gross domestic purchases excluding food and energy ⁴	2.7	2.6	0.8	3.1	3.5	2.5	2.4	3.6	2.2	2.1	3.3	2.7	3.0	2.9	-0.6	0.2	0.8	0.3	1.3
Gross domestic purchases excluding final sales of computers to domestic purchasers	3.1	3.3	0.1	3.0	3.8	3.0	1.1	4.3	3.2	2.3	4.7	3.5	4.0	4.4	-3.8	-1.4	0.6	1.5	2.0
Personal consumption expenditures (PCE)	2.7	3.3	0.2	1.7	3.0	3.0	-0.1	3.7	3.2	2.3	5.1	3.7	3.9	4.7	-5.0	-1.5	1.4	2.6	2.3
PCE excluding food and energy ⁴	2.4	2.4	1.5	2.0	2.9	2.3	2.1	2.8	1.8	2.3	3.1	2.4	2.4	2.6	0.8	1.1	2.0	1.2	1.6
Market-based PCE ⁵	2.5	3.4	0.3	1.8	3.0	3.1	-0.7	3.6	3.3	1.8	5.2	4.0	4.0	5.1	-5.3	-1.2	1.5	2.8	2.1
Market-based PCE excluding food and energy ⁵	2.1	2.3	1.9	2.1	2.9	2.3	1.6	2.5	1.6	1.6	2.8	2.6	2.3	2.7	1.5	1.9	2.3	1.2	1.2

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

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

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

Explanatory Note: NIPA Measures of Quantities and Prices

Current-dollar GDP is a measure of the market value of goods, services, and structures produced in the economy in a particular period. Changes in current-dollar GDP can be decomposed into quantity and price components. Quantities, or “real” measures, and prices are expressed as index numbers with the reference year -- at present, the year 2005 -- 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 2007-08 annual percent change in real GDP uses prices for 2007 and 2008 as weights, and the 2007-08 annual percent change in GDP prices uses quantities for 2007 and 2008 as weights. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. Percent changes in Fisher indexes are not affected by the choice of reference year. (BEA also publishes a measure of the price level known as the implicit price deflator (IPD), which is calculated as the ratio of the current-dollar value to the corresponding chained-dollar value, multiplied by 100. The values of the IPD are very close to the values of the corresponding “chain-type” price index.)

Index numbers of quantity and price indexes for GDP and its major components are presented in this release in tables 5 and 6. Percent changes from the preceding period are presented in tables 1, 4, 7, 8, and appendix table A. Contributions by major components to the percent change in real GDP are presented in table 2.

Measures of real GDP and its major components are also presented in dollar-denominated form, designated “chained (2005) dollar estimates.” For most series, these estimates, which are presented in table 3, are computed by multiplying the current-dollar value in 2005 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2005 and if real output for this component increased 10 percent in 2006, then the chained (2005) dollar value of this component in 2006 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.