



# NEWS RELEASE



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## **GROSS DOMESTIC PRODUCT: SECOND QUARTER 2010 (SECOND ESTIMATE) CORPORATE PROFITS: SECOND QUARTER 2010 (PRELIMINARY)**

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 1.6 percent in the second quarter of 2010, (that is, from the first quarter to the second quarter), according to the "second" estimate released by the Bureau of Economic Analysis. In the first quarter, real GDP increased 3.7 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 2.4 percent (see "Revisions" on page 3).

The increase in real GDP in the second quarter primarily reflected positive contributions from nonresidential fixed investment, personal consumption expenditures, exports, federal government spending, private inventory investment, and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

The deceleration in real GDP in the second quarter primarily reflected a sharp acceleration in imports and a sharp deceleration in private inventory investment that were partly offset by an upturn in residential fixed investment, an acceleration in nonresidential fixed investment, an upturn in state and local government spending, and an acceleration in federal government spending.

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NOTE.--Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and are annualized. "Real" estimates are in chained (2005) dollars. Price indexes are chain-type measures.

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Final sales of computers added 0.03 percentage point to the second-quarter change in real GDP after adding 0.10 percentage point to the first-quarter change. Motor vehicle output subtracted 0.08 percentage point from the second-quarter change in real GDP after adding 0.74 percentage point to the first-quarter change.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 0.1 percent in the second quarter, the same increase as in the advance estimate; this index increased 2.1 percent in the first quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 0.8 percent in the second quarter, compared with an increase of 1.6 percent in the first.

Real personal consumption expenditures increased 2.0 percent in the second quarter, compared with an increase of 1.9 percent in the first. Real nonresidential fixed investment increased 17.6 percent, compared with an increase of 7.8 percent. Nonresidential structures increased 0.4 percent, in contrast to a decrease of 17.8 percent. Equipment and software increased 24.9 percent, compared with an increase of 20.4 percent. Real residential fixed investment increased 27.2 percent, in contrast to a decrease of 12.3 percent.

Real exports of goods and services increased 9.1 percent in the second quarter, compared with an increase of 11.4 percent in the first. Real imports of goods and services increased 32.4 percent, compared with an increase of 11.2 percent.

Real federal government consumption expenditures and gross investment increased 9.1 percent in the second quarter, compared with an increase of 1.8 percent in the first. National defense increased 7.3 percent, compared with an increase of 0.4 percent. Nondefense increased 12.9 percent, compared with an increase of 5.0 percent. Real state and local government consumption expenditures and gross investment increased 1.2 percent, in contrast to a decrease of 3.8 percent.

The change in real private inventories added 0.63 percentage point to the second-quarter change in real GDP, after adding 2.64 percentage points to the first-quarter change. Private businesses increased inventories \$63.2 billion in the second quarter, following an increase of \$44.1 billion in the first quarter and a decrease of \$36.7 billion in the fourth.

Real final sales of domestic product -- GDP less change in private inventories -- increased 1.0 percent in the second quarter, compared with an increase of 1.1 percent in the first.

### **Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 4.9 percent in the second quarter, compared with an increase of 3.9 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 1.7 percent in the second quarter, compared with an increase of 4.4 percent in the first. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$2.1 billion in the second quarter after increasing \$22.9 billion in the first; in the second quarter, receipts increased \$13.7 billion, and payments increased \$11.6 billion.

### **Current-dollar GDP**

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 3.6 percent, or \$128.6 billion, in the second quarter to a level of \$14,575.0 billion. In the first quarter, current-dollar GDP increased 4.8 percent, or \$169.1 billion.

### **Revisions**

The "second" estimate of the second-quarter increase in real GDP is 0.8 percentage point, or \$25.0 billion, lower than the advance estimate issued last month, primarily reflecting an upward revision to imports and downward revisions to private inventory investment and to exports that were partly offset by an upward revision to personal consumption expenditures.

	<u>Advance</u>	<u>Second</u>
	(Percent change from preceding quarter)	
Real GDP.....	2.4	1.6
Current-dollar GDP.....	4.3	3.6
Gross domestic purchases price index...	0.1	0.1

### **Corporate Profits**

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$72.7 billion in the second quarter, compared with an increase of \$148.4 billion in the first quarter. Current-production cash flow (net cash flow with inventory valuation adjustment) -- the internal funds available to corporations for investment -- increased \$53.7 billion in the second quarter, compared with an increase of \$33.3 billion in the first.

Taxes on corporate income increased \$39.0 billion in the second quarter, compared with an increase of \$84.1 billion in the first. Profits after tax with inventory valuation and capital consumption adjustments increased \$33.8 billion in the second quarter, compared with an increase of \$64.1 billion in the first. Dividends increased \$4.5 billion compared with an increase of \$11.8 billion; current-production undistributed profits increased \$29.2 billion, compared with an increase of \$52.4 billion.

Domestic profits of financial corporations decreased \$0.4 billion in the second quarter, in contrast to an increase of \$5.2 billion in the first. Domestic profits of nonfinancial corporations increased \$67.9 billion in the second quarter, compared with an increase of \$117.2 billion in the first. In the second quarter, real gross value added of nonfinancial corporations increased, and profits per unit of real value added increased. The increase in unit profits reflected an increase in unit prices and decreases in both the unit labor and nonlabor costs corporations incurred.

The rest-of-the-world component of profits increased \$5.3 billion in the second quarter, compared with an increase of \$25.9 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 increased \$41.0 billion in the second quarter, compared with an increase of \$224.5 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 decreased \$1.2 billion in the second quarter (from -\$169.9 billion to -\$171.1 billion), compared with a decrease of \$106.9 billion in the first. The inventory valuation adjustment increased \$32.9 billion (from -\$36.4 billion to -\$3.5 billion), compared with an increase of \$30.8 billion.

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Next release -- September 30, 2010, at 8:30 A.M. EDT for:  
Gross Domestic Product: Second Quarter 2010 (Third Estimate)  
Corporate Profits: Second Quarter 2010 (Revised Estimate)

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

	2007	2008	2009	Seasonally adjusted at annual rates															
				2006		2007				2008				2009				2010	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>
<b>Gross domestic product (GDP) ...</b>	<b>1.9</b>	<b>0.0</b>	<b>-2.6</b>	<b>0.1</b>	<b>3.0</b>	<b>0.9</b>	<b>3.2</b>	<b>2.3</b>	<b>2.9</b>	<b>-0.7</b>	<b>0.6</b>	<b>-4.0</b>	<b>-6.8</b>	<b>-4.9</b>	<b>-0.7</b>	<b>1.6</b>	<b>5.0</b>	<b>3.7</b>	<b>1.6</b>
<b>Personal consumption expenditures .....</b>	<b>2.4</b>	<b>-0.3</b>	<b>-1.2</b>	<b>2.5</b>	<b>4.1</b>	<b>2.4</b>	<b>1.5</b>	<b>1.7</b>	<b>1.4</b>	<b>-0.8</b>	<b>0.1</b>	<b>-3.5</b>	<b>-3.3</b>	<b>-0.5</b>	<b>-1.6</b>	<b>2.0</b>	<b>0.9</b>	<b>1.9</b>	<b>2.0</b>
Goods .....	2.8	-2.5	-2.0	3.3	5.9	2.3	1.4	2.4	1.1	-5.8	0.3	-7.7	-10.8	1.8	-1.5	7.2	1.7	5.7	3.6
Durable goods .....	4.2	-5.2	-3.7	4.5	5.6	4.6	4.6	3.8	2.4	-10.8	-2.9	-12.0	-22.3	4.8	-3.1	20.1	-1.1	8.8	6.9
Nondurable goods .....	2.0	-1.1	-1.2	2.6	6.1	1.1	-0.2	1.7	0.5	-3.0	2.0	-5.5	-4.9	0.4	-0.7	1.7	3.1	4.2	2.1
Services .....	2.2	0.9	-0.8	2.1	3.1	2.4	1.6	1.4	1.5	1.9	0.0	-1.3	0.6	-1.6	-1.7	-0.5	0.5	0.1	1.2
<b>Gross private domestic investment .....</b>	<b>-3.1</b>	<b>-9.5</b>	<b>-22.6</b>	<b>-5.5</b>	<b>-10.9</b>	<b>-3.6</b>	<b>9.5</b>	<b>-2.9</b>	<b>-9.4</b>	<b>-9.4</b>	<b>-7.6</b>	<b>-12.5</b>	<b>-36.8</b>	<b>-42.2</b>	<b>-18.5</b>	<b>11.8</b>	<b>26.7</b>	<b>29.1</b>	<b>25.0</b>
Fixed investment .....	-1.8	-6.4	-18.3	-5.0	-5.3	-1.0	3.7	-1.2	-4.8	-6.2	-4.6	-11.9	-24.9	-35.4	-10.1	0.7	-1.3	3.3	19.5
Nonresidential .....	6.7	0.3	-17.1	4.4	2.3	6.8	11.1	9.4	5.7	2.0	-1.6	-8.6	-22.7	-35.2	-7.5	-1.7	-1.4	7.8	17.6
Structures .....	14.1	5.9	-20.4	10.3	1.5	10.7	28.0	24.3	7.4	-0.1	7.5	-3.6	-8.9	-41.0	-20.2	-12.4	-29.2	-17.8	0.4
Equipment and software .....	3.7	-2.4	-15.3	2.2	2.8	5.1	4.3	2.9	4.8	3.0	-6.0	-11.1	-29.5	-31.6	0.2	4.2	14.6	20.4	24.9
Residential .....	-18.7	-24.0	-22.9	-21.2	-19.7	-16.4	-12.0	-24.1	-29.3	-27.9	-14.0	-22.6	-32.6	-36.2	-19.7	10.6	-0.8	-12.3	27.2
Change in private inventories .....																			
<b>Net exports of goods and services .....</b>																			
Exports .....	9.3	6.0	-9.5	0.6	17.8	6.4	6.8	15.8	11.6	5.7	13.2	-5.0	-21.9	-27.8	-1.0	12.2	24.4	11.4	9.1
Goods .....	9.8	6.3	-12.0	0.2	13.1	12.9	7.6	12.8	9.9	9.6	14.5	-4.3	-26.6	-34.1	-3.7	18.7	31.7	14.0	12.2
Services .....	8.3	5.3	-3.9	1.5	29.1	-6.9	4.9	23.0	15.7	-2.8	10.2	-6.6	-9.8	-12.3	4.7	0.1	10.2	5.8	2.5
Imports .....	2.7	-2.6	-13.8	4.9	-0.5	4.6	4.6	5.0	-10.6	-1.4	2.9	-0.1	-22.9	-35.3	-10.6	21.9	4.9	11.2	32.4
Goods .....	2.9	-3.5	-15.8	5.5	-2.3	6.8	4.8	5.1	-11.8	-3.3	4.6	-1.0	-28.3	-38.9	-10.6	27.4	6.2	12.0	39.3
Services .....	1.4	2.4	-4.2	1.3	10.0	-6.3	3.6	4.4	-4.0	9.4	-6.0	5.0	11.7	-16.8	-10.9	1.5	-0.5	7.8	4.2
<b>Government consumption expenditures and gross investment .....</b>	<b>1.3</b>	<b>2.8</b>	<b>1.6</b>	<b>0.6</b>	<b>1.1</b>	<b>-0.5</b>	<b>3.4</b>	<b>3.5</b>	<b>1.2</b>	<b>2.3</b>	<b>3.3</b>	<b>5.3</b>	<b>1.5</b>	<b>-3.0</b>	<b>6.1</b>	<b>1.6</b>	<b>-1.4</b>	<b>-1.6</b>	<b>4.3</b>
Federal .....	1.2	7.3	5.7	-0.4	1.1	-4.8	7.1	9.6	1.1	6.9	7.8	14.2	8.1	-5.0	14.9	5.7	0.0	1.8	9.1
National defense .....	2.2	7.5	5.4	-1.9	8.5	-7.2	8.3	10.2	0.0	6.8	6.9	19.7	5.2	-8.4	16.8	9.0	-2.5	0.4	7.3
Nondefense .....	-0.8	6.7	6.5	2.9	-12.7	0.5	4.7	8.2	3.4	6.9	9.6	3.0	14.8	2.6	10.9	-0.9	5.6	5.0	12.9
State and local .....	1.4	0.3	-0.9	1.2	1.1	2.1	1.3	0.2	1.3	-0.3	0.8	0.3	-2.4	-1.7	1.0	-1.0	-2.3	-3.8	1.2
<b>Addenda:</b>																			
Final sales of domestic product .....	2.2	0.5	-2.1	0.2	4.1	1.3	2.3	2.6	3.7	-0.2	1.1	-3.9	-4.6	-3.9	0.2	0.4	2.1	1.1	1.0
Gross domestic purchases .....	1.3	-1.1	-3.6	0.8	1.0	0.9	3.1	1.3	-0.4	-1.6	-0.5	-3.2	-7.7	-7.2	-2.1	3.0	3.0	3.9	4.9
Final sales to domestic purchasers .....	1.5	-0.6	-3.1	0.9	2.0	1.3	2.2	1.6	0.4	-1.1	0.0	-3.1	-5.7	-6.3	-1.2	1.8	0.2	1.3	4.3
Gross national product (GNP) .....	2.3	0.3	-2.8	-0.3	3.2	0.8	3.5	4.1	4.4	-0.9	0.1	-3.2	-8.6	-4.9	-0.5	2.6	4.9	4.4	1.7
Disposable personal income .....	2.3	1.7	0.6	1.9	5.3	1.8	0.6	1.5	2.2	1.4	9.2	-8.4	2.7	0.4	5.9	-4.4	0.0	1.3	4.4
<b>Current-dollar measures:</b>																			
GDP .....	4.9	2.2	-1.7	3.2	4.8	5.3	6.5	4.4	3.8	1.0	4.1	0.4	-7.9	-3.9	-0.4	2.3	4.7	4.8	3.6
Final sales of domestic product .....	5.2	2.7	-1.1	3.3	6.0	5.8	5.6	4.6	4.6	1.8	4.3	0.5	-6.1	-2.7	0.6	1.2	1.8	2.1	2.9
Gross domestic purchases .....	4.3	2.1	-3.8	3.7	1.9	5.4	6.3	3.4	3.4	2.1	4.2	0.6	-11.7	-9.2	-1.5	4.3	5.1	6.2	5.0
Final sales to domestic purchasers .....	4.5	2.5	-3.2	3.8	3.0	5.8	5.5	3.6	4.1	2.9	4.5	0.8	-10.1	-8.1	-0.5	3.3	2.2	3.5	4.4
GNP .....	5.3	2.5	-1.9	2.8	5.1	5.3	6.7	6.3	5.3	0.9	3.5	1.1	-9.8	-4.0	-0.2	3.4	4.6	5.5	3.6
Disposable personal income .....	5.1	5.1	0.7	4.9	5.3	5.8	4.1	3.9	6.5	5.4	14.3	-4.4	-3.3	-1.2	8.0	-1.6	2.7	3.4	4.3

r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the first quarter of 2010. 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	Seasonally adjusted at annual rates															
				2006		2007				2008				2009				2010	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II <sup>r</sup>
<b>Gross domestic product (GDP) .....</b>	<b>2.9</b>	<b>2.2</b>	<b>0.9</b>	<b>3.1</b>	<b>1.8</b>	<b>4.4</b>	<b>3.2</b>	<b>2.0</b>	<b>0.9</b>	<b>1.9</b>	<b>3.2</b>	<b>4.5</b>	<b>-1.2</b>	<b>1.1</b>	<b>0.3</b>	<b>0.7</b>	<b>-0.2</b>	<b>1.0</b>	<b>1.9</b>
<b>Personal consumption expenditures .....</b>	<b>2.7</b>	<b>3.3</b>	<b>0.2</b>	<b>3.0</b>	<b>-0.1</b>	<b>4.0</b>	<b>3.5</b>	<b>2.3</b>	<b>4.2</b>	<b>3.9</b>	<b>4.6</b>	<b>4.4</b>	<b>-5.8</b>	<b>-1.6</b>	<b>1.9</b>	<b>2.9</b>	<b>2.7</b>	<b>2.1</b>	<b>0.0</b>
Goods .....	1.4	3.2	-2.5	2.2	-5.8	3.2	4.7	0.8	5.4	5.1	4.9	7.2	-17.7	-6.0	3.7	5.7	2.8	2.6	-3.6
Durable goods .....	-1.8	-1.4	-1.6	-1.9	-2.0	-1.8	-1.4	-2.1	-1.4	-0.7	-2.0	-0.7	-3.4	-2.1	0.1	-2.5	0.7	-2.0	-1.6
Nondurable goods .....	3.2	5.6	-2.9	4.5	-7.7	6.1	8.1	2.3	9.1	8.1	8.3	11.0	-23.5	-7.9	5.4	9.7	3.8	4.7	-4.6
Services .....	3.4	3.4	1.5	3.3	3.1	4.4	2.9	3.1	3.7	3.3	4.5	3.0	0.7	0.5	1.1	1.7	2.7	1.8	1.8
<b>Gross private domestic investment .....</b>	<b>1.8</b>	<b>0.7</b>	<b>-2.0</b>	<b>2.5</b>	<b>3.8</b>	<b>2.1</b>	<b>0.1</b>	<b>-0.2</b>	<b>0.4</b>	<b>-0.2</b>	<b>1.0</b>	<b>1.9</b>	<b>4.8</b>	<b>-4.1</b>	<b>-6.7</b>	<b>-6.0</b>	<b>-0.7</b>	<b>-2.0</b>	<b>-0.5</b>
Fixed investment .....	1.8	0.8	-1.7	2.4	3.7	2.1	0.2	-0.2	0.2	0.0	1.3	2.8	2.2	-3.0	-5.7	-4.8	-1.0	-1.4	-0.6
Nonresidential .....	1.9	1.4	-1.2	3.0	3.9	2.0	0.7	-0.3	0.2	0.6	2.1	4.5	4.3	-3.1	-5.7	-5.1	-2.4	-1.9	0.2
Structures .....	6.1	4.7	-2.6	8.0	11.5	5.0	1.8	3.3	4.8	3.5	4.9	8.1	8.1	-5.6	-12.2	-10.5	-2.1	0.9	2.6
Equipment and software .....	0.1	-0.2	-0.5	1.0	0.7	0.7	0.3	-2.0	-2.1	-0.9	0.8	2.6	2.2	-1.6	-2.0	-2.4	-2.5	-3.1	-0.7
Residential .....	1.4	-1.2	-3.4	1.3	3.4	2.2	-1.2	0.1	0.7	-1.4	-1.1	-2.8	-5.2	-2.9	-6.0	-3.3	4.3	0.6	-3.4
Change in private inventories .....																			
<b>Net exports of goods and services .....</b>																			
Exports .....	3.3	4.7	-5.4	5.0	0.2	3.4	4.4	2.6	5.8	7.8	10.6	5.7	-22.3	-11.5	0.7	4.6	4.6	5.1	4.8
Goods .....	3.4	4.8	-6.8	5.5	0.9	2.7	4.5	2.2	6.1	8.6	13.2	5.4	-27.5	-13.8	2.7	4.8	4.6	5.8	5.2
Services .....	3.3	4.2	-2.2	3.9	-1.6	5.1	4.2	3.7	5.1	5.8	4.8	6.4	-9.0	-6.6	-3.2	4.0	4.7	3.7	3.8
Imports .....	3.3	10.4	-10.7	3.1	-4.6	3.9	4.0	2.8	24.3	19.4	16.6	2.2	-32.1	-27.3	2.3	8.6	21.8	12.4	-7.6
Goods .....	3.1	11.3	-12.3	3.2	-5.4	4.1	3.5	2.1	28.0	22.0	17.3	1.7	-34.6	-30.7	2.0	9.2	24.8	14.6	-9.5
Services .....	3.8	5.7	-2.8	2.7	-0.2	2.8	6.8	6.6	5.9	6.2	13.4	4.8	-17.2	-10.2	3.8	6.2	9.2	2.5	2.0
<b>Government consumption expenditures and gross investment .....</b>	<b>4.8</b>	<b>4.7</b>	<b>-0.3</b>	<b>3.1</b>	<b>2.4</b>	<b>8.4</b>	<b>4.6</b>	<b>2.9</b>	<b>4.7</b>	<b>7.3</b>	<b>6.5</b>	<b>3.9</b>	<b>-5.2</b>	<b>-1.7</b>	<b>0.6</b>	<b>0.4</b>	<b>1.5</b>	<b>4.6</b>	<b>0.8</b>
Federal .....	3.5	3.1	-0.2	1.2	0.5	8.7	3.5	0.4	2.3	6.5	4.7	1.6	-4.2	0.7	-0.8	-0.1	1.5	4.5	0.9
National defense .....	3.7	3.6	-0.7	1.5	0.3	8.4	4.1	0.9	3.1	6.4	6.3	2.0	-5.9	0.1	-1.8	0.3	1.6	5.3	1.2
Nondefense .....	3.2	2.2	0.8	0.7	0.9	9.3	2.3	-0.6	0.8	6.6	1.6	0.6	-0.4	2.2	1.1	-1.0	1.5	2.8	0.2
State and local .....	5.5	5.6	-0.4	4.2	3.4	8.3	5.3	4.4	6.2	7.7	7.5	5.3	-5.8	-3.2	1.5	0.8	1.5	4.6	0.8
<b>Addenda:</b>																			
Final sales of domestic product .....	2.9	2.2	1.0	3.1	1.8	4.4	3.2	2.0	0.8	2.0	3.2	4.6	-1.5	1.3	0.4	0.8	-0.3	1.0	1.9
Gross domestic purchases .....	2.9	3.2	-0.2	2.9	1.0	4.4	3.2	2.0	3.8	4.0	4.5	3.9	-4.4	-2.0	0.6	1.4	2.1	2.1	0.1
Final sales to domestic purchasers .....	3.0	3.2	-0.2	2.9	1.0	4.5	3.2	2.0	3.7	4.0	4.5	4.1	-4.6	-1.9	0.7	1.5	2.0	2.2	0.1
Gross national product (GNP) .....	2.9	2.2	0.9	3.1	1.8	4.4	3.1	2.0	0.9	2.0	3.2	4.5	-1.3	1.1	0.3	0.8	-0.2	1.0	1.9
<b>Implicit price deflators:</b>																			
GDP .....	2.9	2.2	0.9	3.1	1.8	4.4	3.2	2.0	0.9	1.8	3.4	4.5	-1.2	1.0	0.3	0.7	-0.3	1.1	2.0
Gross domestic purchases .....	2.9	3.2	-0.2	2.9	0.9	4.4	3.1	2.1	3.8	3.8	4.7	4.0	-4.3	-2.2	0.5	1.3	2.0	2.2	0.1
GNP .....	2.9	2.2	0.9	3.1	1.8	4.4	3.1	2.0	0.9	1.8	3.4	4.5	-1.2	1.0	0.3	0.7	-0.3	1.0	1.9

<sup>r</sup> 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	Seasonally adjusted				
				2009			2010	
				II	III	IV	I	II <sup>r</sup>
<b>Gross domestic product</b> .....	<b>104.672</b>	<b>104.672</b>	<b>101.917</b>	<b>101.358</b>	<b>101.760</b>	<b>103.012</b>	<b>103.960</b>	<b>104.376</b>
<b>Personal consumption expenditures</b> .....	<b>105.335</b>	<b>105.057</b>	<b>103.797</b>	<b>103.379</b>	<b>103.885</b>	<b>104.126</b>	<b>104.608</b>	<b>105.117</b>
Goods.....	106.105	103.462	101.416	100.328	102.092	102.533	103.952	104.867
Durable goods.....	108.418	102.798	99.011	96.629	101.159	100.870	103.025	104.749
Nondurable goods.....	104.872	103.698	102.487	102.025	102.460	103.247	104.321	104.861
Services.....	104.929	105.870	105.006	104.919	104.797	104.936	104.952	105.260
<b>Gross private domestic investment</b> .....	<b>99.509</b>	<b>90.105</b>	<b>69.778</b>	<b>66.901</b>	<b>68.800</b>	<b>73.000</b>	<b>77.811</b>	<b>82.268</b>
Fixed investment.....	100.490	94.096	76.835	76.316	76.447	76.198	76.826	80.322
Nonresidential.....	115.193	115.532	95.804	95.618	95.216	94.879	96.677	100.679
Structures.....	124.578	131.976	105.064	107.399	103.911	95.310	90.761	90.861
Equipment and software.....	111.389	108.681	92.035	90.786	91.716	94.895	99.408	105.100
Residential.....	75.380	57.324	44.220	43.089	44.185	44.092	42.670	45.312
Change in private inventories.....								
<b>Exports of goods and services</b> .....	<b>119.106</b>	<b>126.255</b>	<b>114.228</b>	<b>110.941</b>	<b>114.174</b>	<b>120.569</b>	<b>123.858</b>	<b>126.597</b>
<b>Imports of goods and services</b> .....	<b>108.951</b>	<b>106.113</b>	<b>91.418</b>	<b>88.266</b>	<b>92.752</b>	<b>93.874</b>	<b>96.401</b>	<b>103.414</b>
<b>Government consumption expenditures and gross investment</b> ....	<b>102.713</b>	<b>105.605</b>	<b>107.287</b>	<b>107.569</b>	<b>107.991</b>	<b>107.613</b>	<b>107.185</b>	<b>108.308</b>
Federal.....	103.399	110.900	117.266	117.447	119.085	119.091	119.634	122.258
State and local.....	102.311	102.611	101.688	102.024	101.770	101.179	100.213	100.501
<b>Addenda:</b>								
Final sales of domestic product.....	104.858	105.399	103.212	103.042	103.146	103.676	103.948	104.204
Gross domestic purchases.....	103.913	102.756	99.045	98.373	99.092	99.829	100.797	102.014
Final sales to domestic purchasers.....	104.086	103.433	100.254	99.948	100.386	100.441	100.775	101.843
Gross national product.....	104.781	105.129	102.192	101.523	102.185	103.413	104.534	104.964

<sup>r</sup> 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	Seasonally adjusted				
				2009			2010	
				II	III	IV	I	II <sup>r</sup>
<b>Gross domestic product</b> .....	<b>106.301</b>	<b>108.598</b>	<b>109.618</b>	<b>109.555</b>	<b>109.759</b>	<b>109.693</b>	<b>109.959</b>	<b>110.481</b>
<b>Personal consumption expenditures (PCE)</b> .....	<b>105.564</b>	<b>109.061</b>	<b>109.258</b>	<b>108.810</b>	<b>109.598</b>	<b>110.333</b>	<b>110.901</b>	<b>110.890</b>
Goods.....	102.946	106.262	103.634	102.974	104.403	105.120	105.784	104.809
Durable goods.....	96.736	95.340	93.782	94.046	93.450	93.603	93.121	92.755
Nondurable goods.....	106.487	112.484	109.262	108.097	110.624	111.651	112.949	111.632
Services.....	106.973	110.566	112.233	111.894	112.355	113.102	113.620	114.121
<b>Gross private domestic investment</b> .....	<b>106.211</b>	<b>106.977</b>	<b>104.873</b>	<b>105.259</b>	<b>103.656</b>	<b>103.466</b>	<b>102.952</b>	<b>102.817</b>
Fixed investment.....	106.256	107.053	105.260	105.575	104.294	104.030	103.661	103.517
Nonresidential.....	105.505	106.984	105.700	106.162	104.768	104.144	103.639	103.687
Structures.....	119.780	125.460	122.187	123.006	119.654	119.017	119.291	120.061
Equipment and software.....	100.326	100.083	99.620	99.953	99.344	98.721	97.954	97.777
Residential.....	107.613	106.361	102.736	102.503	101.637	102.712	102.869	101.974
Change in private inventories.....								
<b>Exports of goods and services</b> .....	<b>106.902</b>	<b>111.874</b>	<b>105.877</b>	<b>105.031</b>	<b>106.212</b>	<b>107.424</b>	<b>108.771</b>	<b>110.043</b>
<b>Imports of goods and services</b> .....	<b>107.531</b>	<b>118.685</b>	<b>105.987</b>	<b>103.719</b>	<b>105.879</b>	<b>111.222</b>	<b>114.514</b>	<b>112.280</b>
<b>Government consumption expenditures and gross investment</b> ....	<b>109.863</b>	<b>115.009</b>	<b>114.644</b>	<b>114.516</b>	<b>114.635</b>	<b>115.067</b>	<b>116.358</b>	<b>116.592</b>
Federal.....	107.753	111.119	110.895	110.743	110.716	111.141	112.375	112.614
State and local.....	111.112	117.349	116.892	116.779	116.998	117.434	118.760	118.990
<b>Addenda:</b>								
PCE excluding food and energy <sup>1</sup> .....	104.696	107.151	108.774	108.583	108.990	109.551	109.887	110.175
Market-based PCE <sup>2</sup> .....	105.405	109.016	109.372	108.951	109.752	110.356	110.824	110.772
Market-based PCE excluding food and energy <sup>2</sup> .....	104.365	106.778	108.826	108.708	109.066	109.445	109.626	109.915
Final sales of domestic product.....	106.308	108.608	109.647	109.579	108.809	109.736	110.020	110.544
Gross domestic purchases.....	106.428	109.813	109.614	109.326	109.702	110.265	110.838	110.858
Final sales to domestic purchasers.....	106.435	109.823	109.649	109.357	109.757	110.309	110.900	110.919
Gross national product.....	106.304	108.605	109.612	109.547	109.753	109.691	109.957	110.474
<b>Implicit price deflators:</b>								
Gross domestic product.....	106.296	108.619	109.615	109.558	109.750	109.665	109.952	110.488
Final sales of domestic product.....	106.308	108.608	109.647	109.579	109.808	109.734	110.018	110.542
Gross domestic purchases.....	106.424	109.834	109.611	109.327	109.693	110.238	110.831	110.863
Final sales to domestic purchasers.....	106.435	109.823	109.649	109.357	109.756	110.308	110.899	110.918
Gross national product.....	106.300	108.626	109.609	109.550	109.744	109.664	109.950	110.480

<sup>r</sup> 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 9. Relation of Gross Domestic Product, Gross National Product, and National Income**  
[Billions of dollars]

	2007	2008	2009	Seasonally adjusted at annual rates				
				2009			2010	
				II	III	IV	I <sup>r</sup>	II <sup>r</sup>
<b>Gross domestic product</b> .....	<b>14,061.8</b>	<b>14,369.1</b>	<b>14,119.0</b>	<b>14,034.5</b>	<b>14,114.7</b>	<b>14,277.3</b>	<b>14,446.4</b>	<b>14,575.0</b>
Plus: Income receipts from the rest of the world.....	871.0	839.2	629.8	611.7	627.4	664.7	693.7	709.2
Less: Income payments to the rest of the world.....	747.7	664.7	483.6	482.0	460.1	499.1	502.6	515.5
<b>Equals: Gross national product</b> .....	<b>14,185.1</b>	<b>14,543.6</b>	<b>14,265.3</b>	<b>14,164.2</b>	<b>14,281.9</b>	<b>14,442.8</b>	<b>14,637.6</b>	<b>14,768.6</b>
Less: Consumption of fixed capital.....	1,767.5	1,849.2	1,861.1	1,862.3	1,848.3	1,852.2	1,852.4	1,860.7
Less: Statistical discrepancy.....	21.1	136.6	179.1	172.2	228.9	175.2	164.2	141.1
<b>Equals: National income</b> .....	<b>12,396.4</b>	<b>12,557.8</b>	<b>12,225.0</b>	<b>12,129.7</b>	<b>12,204.8</b>	<b>12,415.5</b>	<b>12,621.0</b>	<b>12,766.8</b>
Compensation of employees.....	7,855.9	8,060.8	7,811.7	7,819.0	7,798.7	7,831.4	7,858.1	7,918.6
Wage and salary accruals.....	6,415.5	6,554.0	6,279.1	6,287.7	6,263.9	6,284.9	6,291.4	6,340.9
Supplements to wages and salaries.....	1,440.4	1,506.8	1,532.6	1,531.4	1,534.8	1,546.5	1,566.7	1,577.7
Proprietors' income with inventory valuation and capital consumption adjustments.....	1,090.4	1,102.0	1,011.9	1,000.5	1,006.4	1,022.1	1,030.7	1,048.4
Rental income of persons with capital consumption adjustment.....	143.7	222.0	274.0	269.4	279.1	282.8	292.7	300.7
Corporate profits with inventory valuation and capital consumption adjustments.....	1,510.6	1,262.8	1,258.0	1,178.0	1,297.5	1,418.2	1,566.6	1,639.3
Net interest and miscellaneous payments.....	731.6	812.8	784.3	773.4	750.7	765.6	765.9	743.3
Taxes on production and imports less subsidies.....	992.3	992.3	964.4	961.6	959.2	976.8	988.5	998.6
Business current transfer payments (net).....	103.3	121.7	134.0	141.8	124.9	129.8	130.5	131.1
Current surplus of government enterprises.....	-11.8	-16.7	-13.2	-14.2	-11.7	-11.3	-12.1	-13.1
<b>Addendum:</b>								
Gross domestic income.....	14,040.7	14,232.5	13,939.9	13,862.3	13,885.8	14,102.1	14,282.2	14,433.8

<sup>r</sup> Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the first quarter of 2010.

**Table 10. Personal Income and Its Disposition**  
[Billions of dollars]

	2007	2008	2009	Seasonally adjusted at annual rates				
				2009			2010	
				II	III	IV	I <sup>r</sup>	II <sup>r</sup>
<b>Personal income</b> <sup>1</sup> .....	<b>11,912.3</b>	<b>12,391.1</b>	<b>12,174.9</b>	<b>12,203.4</b>	<b>12,164.0</b>	<b>12,239.0</b>	<b>12,350.3</b>	<b>12,471.2</b>
Compensation of employees, received.....	7,862.2	8,065.8	7,806.7	7,819.0	7,798.7	7,831.4	7,858.1	7,918.6
Wage and salary disbursements.....	6,421.7	6,559.0	6,274.1	6,287.7	6,263.9	6,284.9	6,291.4	6,340.9
Supplements to wages and salaries.....	1,440.4	1,506.8	1,532.6	1,531.4	1,534.8	1,546.5	1,566.7	1,577.7
Proprietors' income with inventory valuation and capital consumption adjustments.....	1,090.4	1,102.0	1,011.9	1,000.5	1,006.4	1,022.1	1,030.7	1,048.4
Farm.....	37.8	50.8	30.5	28.0	28.0	36.2	36.8	35.7
Nonfarm.....	1,052.6	1,051.2	981.5	972.5	978.4	985.9	994.0	1,012.7
Rental income of persons with capital consumption adjustment.....	143.7	222.0	274.0	269.4	279.1	282.8	292.7	300.7
Personal income receipts on assets.....	2,057.0	2,109.3	1,919.7	1,925.9	1,891.1	1,889.2	1,911.1	1,909.2
Personal interest income.....	1,265.1	1,314.7	1,222.3	1,229.5	1,213.3	1,205.8	1,208.7	1,204.1
Personal dividend income.....	791.9	794.6	697.4	696.4	677.8	683.4	702.4	705.1
Personal current transfer receipts.....	1,718.5	1,879.2	2,132.8	2,160.2	2,159.3	2,188.2	2,245.5	2,289.7
Less: Contributions for government social insurance, domestic.....	959.5	987.2	970.3	971.6	970.6	974.8	987.8	995.3
Less: Personal current taxes.....	1,488.7	1,438.2	1,140.0	1,112.5	1,117.0	1,117.2	1,134.7	1,136.2
<b>Equals: Disposable personal income</b> .....	<b>10,423.6</b>	<b>10,952.9</b>	<b>11,034.9</b>	<b>11,090.9</b>	<b>11,047.0</b>	<b>11,121.7</b>	<b>11,215.6</b>	<b>11,335.1</b>
Less: Personal outlays.....	10,208.9	10,505.0	10,379.6	10,297.4	10,423.6	10,505.7	10,603.9	10,648.1
<b>Equals: Personal saving</b> .....	<b>214.7</b>	<b>447.9</b>	<b>655.3</b>	<b>793.5</b>	<b>623.4</b>	<b>616.0</b>	<b>611.8</b>	<b>686.9</b>
Personal saving as a percentage of disposable personal income.....	2.1	4.1	5.9	7.2	5.6	5.5	5.5	6.1
<b>Addenda:</b>								
Personal income excluding current transfer receipts, billions of chained (2005) dollars <sup>2</sup> .....	9,656.5	9,638.5	9,191.1	9,230.2	9,128.7	9,109.7	9,111.7	9,181.8
Disposable personal income, billions of chained (2005) dollars <sup>2</sup> .....	9,874.2	10,042.9	10,099.8	10,193.0	10,079.7	10,080.4	10,113.3	10,222.1

<sup>r</sup> Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the first quarter of 2010.

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. The current-dollar measure is 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						
	2007	2008	2009	Seasonally adjusted at annual rates					2008	2009	Quarterly rates				Quarter one year ago
				2009			2010				2009		2010		2010
				II	III	IV	I	II			III	IV	I	II	II
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>1,510.6</b>	<b>1,262.8</b>	<b>1,258.0</b>	<b>1,178.0</b>	<b>1,297.5</b>	<b>1,418.2</b>	<b>1,566.6</b>	<b>1,639.3</b>	<b>-16.4</b>	<b>-0.4</b>	<b>10.1</b>	<b>9.3</b>	<b>10.5</b>	<b>4.6</b>	<b>39.2</b>
Less: Taxes on corporate income .....	445.5	308.4	254.9	222.8	255.7	319.1	403.2	442.2	-30.8	-17.3	14.8	24.8	26.4	9.7	98.5
<b>Equals: Profits after tax with inventory valuation and capital consumption adjustments</b> .....	<b>1,065.2</b>	<b>954.4</b>	<b>1,003.1</b>	<b>955.3</b>	<b>1,041.8</b>	<b>1,099.2</b>	<b>1,163.3</b>	<b>1,197.1</b>	<b>-10.4</b>	<b>5.1</b>	<b>9.1</b>	<b>5.5</b>	<b>5.8</b>	<b>2.9</b>	<b>25.3</b>
Net dividends .....	794.5	797.7	718.9	719.7	699.6	708.5	720.3	724.8	0.4	-9.9	-2.8	1.3	1.7	0.6	0.7
Undistributed profits with inventory valuation and capital consumption adjustments .....	270.7	156.7	284.2	235.5	342.2	390.6	443.0	472.2	-42.1	81.3	45.3	14.2	13.4	6.6	100.5
<b>Addenda for corporate cash flow:</b>															
<b>Net cash flow with inventory valuation adjustment</b> .....	<b>1,244.1</b>	<b>1,239.4</b>	<b>1,427.9</b>	<b>1,394.1</b>	<b>1,405.6</b>	<b>1,484.0</b>	<b>1,517.3</b>	<b>1,571.0</b>	<b>-0.4</b>	<b>15.2</b>	<b>0.8</b>	<b>5.6</b>	<b>2.2</b>	<b>3.5</b>	<b>12.7</b>
Undistributed profits with inventory valuation and capital consumption adjustments .....	270.7	156.7	284.2	235.5	342.2	390.6	443.0	472.2	-42.1	81.3	45.3	14.2	13.4	6.6	100.5
Consumption of fixed capital .....	973.4	1,018.5	1,019.8	1,021.2	1,010.6	1,010.8	1,008.0	1,014.2	4.6	0.1	-1.0	0.0	-0.3	0.6	-0.7
Less: Capital transfers paid (net) .....	0.0	-64.1	-123.9	-137.3	-52.8	-82.6	-66.3	-84.6							
<b>Addenda:</b>															
Profits before tax (without inventory valuation and capital consumption adjustments) .....	1,738.4	1,333.2	1,316.7	1,219.2	1,369.2	1,548.4	1,772.9	1,813.9	-23.3	-1.2	12.3	13.1	14.5	2.3	48.8
Profits after tax (without inventory valuation and capital consumption adjustments) .....	1,292.9	1,024.8	1,061.8	996.5	1,113.5	1,229.3	1,369.7	1,371.7	-20.7	3.6	11.7	10.4	11.4	0.1	37.7
Inventory valuation adjustment .....	-47.2	-44.1	11.9	30.6	-8.7	-67.2	-36.4	-3.5							
Capital consumption adjustment .....	-180.5	-26.3	-70.6	-71.8	-63.0	-63.0	-169.9	-171.1							

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

[Billions of dollars]

	Level								Change from preceding period					
	2007	2008	2009	Seasonally adjusted at annual rates					2008	2009	2009		2010	
				2009			2010				III	IV	I	II
				II	III	IV	I	II						
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>1,510.6</b>	<b>1,262.8</b>	<b>1,258.0</b>	<b>1,178.0</b>	<b>1,297.5</b>	<b>1,418.2</b>	<b>1,566.6</b>	<b>1,639.3</b>	<b>-247.8</b>	<b>-4.8</b>	<b>119.5</b>	<b>120.7</b>	<b>148.4</b>	<b>72.7</b>
<b>Domestic industries</b> .....	<b>1,159.8</b>	<b>851.5</b>	<b>905.7</b>	<b>844.8</b>	<b>933.2</b>	<b>1,055.7</b>	<b>1,178.1</b>	<b>1,245.5</b>	<b>-308.3</b>	<b>54.2</b>	<b>88.4</b>	<b>122.5</b>	<b>122.4</b>	<b>67.4</b>
Financial .....	323.8	128.0	242.4	227.4	286.1	332.4	337.6	337.2	-195.8	114.4	58.7	46.3	5.2	-0.4
Nonfinancial .....	835.9	723.5	663.3	617.4	647.1	723.2	840.4	908.3	-112.4	-60.2	29.7	76.1	117.2	67.9
<b>Rest of the world</b> .....	<b>350.9</b>	<b>411.3</b>	<b>352.3</b>	<b>333.2</b>	<b>364.2</b>	<b>362.6</b>	<b>388.5</b>	<b>393.8</b>	<b>60.4</b>	<b>-59.0</b>	<b>31.0</b>	<b>-1.6</b>	<b>25.9</b>	<b>5.3</b>
Receipts from the rest of the world .....	510.6	571.8	480.6	457.7	487.8	529.1	561.4	571.4	61.2	-91.2	30.1	41.3	32.3	10.0
Less: Payments to the rest of the world .....	159.7	160.5	128.3	124.4	123.6	166.5	172.9	177.7	0.8	-32.2	-0.8	42.9	6.4	4.8
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>1,691.1</b>	<b>1,289.1</b>	<b>1,328.6</b>	<b>1,249.8</b>	<b>1,360.5</b>	<b>1,481.2</b>	<b>1,736.5</b>	<b>1,810.4</b>	<b>-402.0</b>	<b>39.5</b>	<b>110.7</b>	<b>120.7</b>	<b>255.3</b>	<b>73.9</b>
<b>Domestic industries</b> .....	<b>1,340.2</b>	<b>877.8</b>	<b>976.3</b>	<b>916.6</b>	<b>996.2</b>	<b>1,118.6</b>	<b>1,348.0</b>	<b>1,416.6</b>	<b>-462.4</b>	<b>98.5</b>	<b>79.6</b>	<b>122.4</b>	<b>229.4</b>	<b>68.6</b>
Financial .....	345.5	139.9	258.0	243.4	300.2	346.7	362.7	362.4	-205.6	118.1	56.8	46.5	16.0	-0.3
Federal Reserve banks .....	36.0	35.1	47.3	47.0	49.2	49.6	56.9	60.3	-0.9	12.2	2.2	0.4	7.3	3.4
Other financial .....	309.5	104.9	210.6	196.4	251.0	297.1	305.8	302.1	-204.6	105.7	54.6	46.1	8.7	-3.7
Nonfinancial .....	994.7	737.9	718.4	673.2	696.0	771.9	985.3	1,054.2	-256.8	-19.5	22.8	75.9	213.4	68.9
Utilities .....	50.3	28.3	30.0	33.4	22.4	26.4	41.5		-22.0	1.7	-11.0	4.0	15.1	
Manufacturing .....	271.3	183.7	150.9	139.7	151.8	170.9	250.4		-87.6	-32.8	12.1	19.1	79.5	
Durable goods .....	96.1	51.4	53.3	43.6	55.0	83.9	140.1		-44.7	1.9	11.4	28.9	56.2	
Fabricated metal products .....	20.5	16.6	16.4	17.6	14.4	12.0	17.4		-3.9	-0.2	-3.2	-2.4	5.4	
Machinery .....	22.1	15.6	12.4	11.1	11.4	14.3	19.9		-6.5	-3.2	0.3	2.9	5.6	
Computer and electronic products .....	11.0	8.9	13.4	11.4	12.9	24.1	44.8		-2.1	4.5	1.5	11.2	20.7	
Electrical equipment, appliances, and components .....	-1.2	3.6	6.1	5.6	5.6	6.3	9.2		4.8	2.5	0.0	0.7	2.9	
Motor vehicles, bodies and trailers, and parts .....	-16.4	-34.6	-23.5	-30.5	-11.9	-4.6	5.7		-18.2	11.1	18.6	7.3	10.3	
Other durable goods .....	60.2	41.3	28.5	28.4	22.5	31.8	43.2		-18.9	-12.8	-5.9	9.3	11.4	
Non-durable goods .....	175.2	132.3	97.5	96.1	96.7	87.0	110.3		-42.9	-34.8	0.6	-9.7	23.3	
Food and beverage and tobacco products .....	30.7	28.4	35.4	36.7	38.1	31.5	36.6		-2.3	7.0	1.4	-6.6	5.1	
Petroleum and coal products .....	73.5	78.2	15.7	6.4	8.1	9.7	33.5		4.7	-62.5	1.7	1.6	23.8	
Chemical products .....	48.3	22.2	36.4	42.2	38.8	35.1	28.7		-26.1	14.2	-3.4	-3.7	-6.4	
Other non-durable goods .....	22.7	3.4	10.1	10.9	11.7	10.7	11.6		-19.3	6.7	0.8	-1.0	0.9	
Wholesale trade .....	99.9	84.0	80.4	73.8	70.8	73.0	91.5		-15.9	-3.6	-3.0	2.2	18.5	
Retail trade .....	117.8	75.0	99.0	99.7	101.3	97.1	129.1		-42.8	24.0	1.6	-4.2	32.0	
Transportation and warehousing .....	27.7	28.1	24.7	20.3	22.0	29.5	39.4		0.4	-3.4	1.7	7.5	9.9	
Information .....	93.6	75.2	83.5	74.0	81.3	109.0	112.9		-18.4	8.3	7.3	27.7	3.9	
Other nonfinancial .....	334.2	263.6	250.0	232.1	246.6	266.0	320.4		-70.6	-13.6	14.5	19.4	54.4	
<b>Rest of the world</b> .....	<b>350.9</b>	<b>411.3</b>	<b>352.3</b>	<b>333.2</b>	<b>364.2</b>	<b>362.6</b>	<b>388.5</b>	<b>393.8</b>	<b>60.4</b>	<b>-59.0</b>	<b>31.0</b>	<b>-1.6</b>	<b>25.9</b>	<b>5.3</b>

NOTE: Estimates in this table are based on the 2002 North American Industry Classification System (NAICS).

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

	2007	2008	2009	Seasonally adjusted at annual rates				
				2009			2010	
				II	III	IV	I <sup>r</sup>	II
				Billions of dollars				
<b>Gross value added of nonfinancial corporate business</b> .....	<b>6,946.0</b>	<b>6,990.5</b>	<b>6,625.2</b>	<b>6,580.4</b>	<b>6,558.4</b>	<b>6,667.8</b>	<b>6,804.4</b>	<b>6,916.2</b>
Consumption of fixed capital .....	840.1	878.8	879.0	880.1	871.0	870.7	868.2	873.4
<b>Net value added</b> .....	<b>6,106.0</b>	<b>6,111.7</b>	<b>5,746.3</b>	<b>5,700.3</b>	<b>5,687.4</b>	<b>5,797.1</b>	<b>5,936.2</b>	<b>6,042.8</b>
Compensation of employees .....	4,361.0	4,435.3	4,193.6	4,189.6	4,175.0	4,192.4	4,205.1	4,241.0
Wage and salary accruals .....	3,636.2	3,684.9	3,441.0	3,438.3	3,421.8	3,434.6	3,437.6	3,467.8
Supplements to wages and salaries .....	724.8	750.5	752.5	751.3	753.2	757.9	767.6	773.2
Taxes on production and imports less subsidies .....	607.7	615.3	590.2	589.4	584.5	598.3	604.8	610.5
Net operating surplus .....	1,137.4	1,061.1	962.5	921.3	927.9	1,006.4	1,126.3	1,191.3
Net interest and miscellaneous payments .....	232.3	271.3	220.1	219.0	205.5	205.3	208.3	204.7
Business current transfer payments (net) .....	69.1	66.2	79.1	84.9	75.2	77.8	77.5	78.3
Corporate profits with inventory valuation and capital consumption adjustments .....	835.9	723.5	663.3	617.4	647.1	723.2	840.4	908.3
Taxes on corporate income .....	293.8	226.4	170.3	155.1	163.7	201.8	265.2	299.4
Profits after tax with inventory valuation and capital consumption adjustments .....	542.2	497.1	492.9	462.3	483.5	521.4	575.3	609.0
Net dividends .....	484.6	482.8	511.4	532.5	468.8	497.3	515.5	509.5
Undistributed profits with inventory valuation and capital consumption adjustments .....	57.6	14.4	-18.5	-70.3	13.6	24.1	59.7	99.5
<b>Addenda:</b>								
Profits before tax (without inventory valuation and capital consumption adjustments).....	1,042.0	782.0	706.4	642.6	704.8	839.1	1,021.8	1,057.8
Profits after tax (without inventory valuation and capital consumption adjustments).....	748.2	555.6	536.1	487.5	541.1	637.3	756.6	758.4
Inventory valuation adjustment .....	-47.2	-44.1	11.9	30.6	-8.7	-67.2	-36.4	-3.5
Capital consumption adjustment .....	-158.8	-14.4	-55.1	-55.9	-48.9	-48.7	-144.9	-145.9
	Billions of chained (2005) dollars							
<b>Gross value added of nonfinancial corporate business</b> <sup>1</sup> .....	<b>6,626.5</b>	<b>6,686.4</b>	<b>6,284.3</b>	<b>6,216.4</b>	<b>6,210.3</b>	<b>6,401.0</b>	<b>6,567.6</b>	<b>6,631.8</b>
Consumption of fixed capital <sup>2</sup> .....	794.1	819.9	830.5	830.5	829.8	830.3	833.6	838.4
Net value added <sup>3</sup> .....	5,832.4	5,866.5	5,453.8	5,385.9	5,380.5	5,570.7	5,734.0	5,793.4
	Dollars; quarters seasonally adjusted							
<b>Price, costs, and profits per unit of real gross value added of nonfinancial corporate business:</b>								
<b>Price per unit of real gross value added of nonfinancial corporate business</b> <sup>4</sup> .....	<b>1.048</b>	<b>1.045</b>	<b>1.054</b>	<b>1.059</b>	<b>1.056</b>	<b>1.042</b>	<b>1.036</b>	<b>1.043</b>
Compensation of employees (unit labor cost) .....	0.658	0.663	0.667	0.674	0.672	0.655	0.640	0.639
Unit nonlabor cost .....	0.264	0.274	0.282	0.285	0.279	0.274	0.268	0.267
Consumption of fixed capital .....	0.127	0.131	0.140	0.142	0.140	0.136	0.132	0.132
Taxes on production and imports less subsidies plus business current transfer payments (net) .....	0.102	0.102	0.107	0.108	0.106	0.106	0.104	0.104
Net interest and miscellaneous payments .....	0.035	0.041	0.035	0.035	0.033	0.032	0.032	0.031
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production).....	0.126	0.108	0.106	0.099	0.104	0.113	0.128	0.137
Taxes on corporate income .....	0.044	0.034	0.027	0.025	0.026	0.032	0.040	0.045
Profits after tax with inventory valuation and capital consumption adjustments .....	0.082	0.074	0.078	0.074	0.078	0.081	0.088	0.092

<sup>r</sup> Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the first quarter of 2010.

1. The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial 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 2005 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 2002 North American Industry Classification System (NAICS).

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

	2007	2008	2009	Seasonally adjusted at annual rates															
				2006		2007				2008				2009				2010	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II <sup>r</sup>
<b>Gross domestic product (GDP) and related aggregates:</b>																			
GDP.....	1.9	0.0	-2.6	0.1	3.0	0.9	3.2	2.3	2.9	-0.7	0.6	-4.0	-6.8	-4.9	-0.7	1.6	5.0	3.7	1.6
Goods.....	4.1	-0.5	-3.8	0.0	7.2	2.0	6.3	3.3	9.6	-1.2	-0.1	-10.8	-18.6	-2.4	-0.4	6.8	23.9	19.5	-0.7
Services.....	2.3	1.5	-0.2	2.0	3.6	1.5	2.0	3.0	2.5	1.5	1.1	-0.2	0.0	-1.5	0.8	-0.2	0.8	0.0	1.5
Structures.....	-5.5	-7.9	-16.6	-9.8	-10.5	-5.5	3.1	-4.7	-10.9	-12.3	-0.2	-9.4	-16.9	-31.9	-13.4	-0.1	-15.9	-15.2	12.7
Motor vehicle output.....	0.0	-18.6	-24.7	4.0	-10.2	10.2	4.4	-2.0	-14.6	-8.4	-35.1	-20.7	-58.0	-51.1	-2.0	145.5	13.7	42.3	-3.8
GDP excluding motor vehicle output.....	2.0	0.5	-2.1	0.0	3.4	0.6	3.2	2.4	3.5	-0.5	1.7	-3.6	-5.2	-3.8	-0.7	0.0	4.8	3.0	1.7
Final sales of computers <sup>1</sup> .....	18.4	26.5	5.0	12.5	22.4	2.1	12.2	56.0	37.2	19.6	36.0	5.5	12.0	7.8	-10.5	-4.0	17.3	19.2	5.3
GDP excluding final sales of computers.....	1.9	-0.1	-2.7	0.0	2.8	0.9	3.2	2.0	2.7	-0.8	0.4	-4.1	-6.9	-4.9	-0.6	1.6	5.0	3.7	1.6
Farm gross value added <sup>2</sup> .....	-8.9	13.3	6.1	-26.2	-13.2	-9.4	-15.6	-19.3	41.9	55.4	-14.5	6.7	13.8	16.3	-7.3	19.3	-13.9	-0.8	6.0
Nonfarm business gross value added <sup>3</sup> .....	2.1	-1.1	-3.8	-0.1	4.2	0.3	4.2	2.5	2.5	-2.5	-0.3	-6.2	-9.5	-6.4	-0.2	1.4	6.7	5.0	1.6
Gross domestic income <sup>4</sup> .....	0.1	-0.8	-2.9	1.9	2.6	-2.3	0.2	-2.0	2.5	0.8	-2.5	-2.6	-6.9	-4.9	-1.6	0.0	6.7	4.1	2.3
<b>Price indexes:</b>																			
GDP.....	2.9	2.2	0.9	3.1	1.8	4.4	3.2	2.0	0.9	1.9	3.2	4.5	-1.2	1.1	0.3	0.7	-0.2	1.0	1.9
GDP excluding food and energy <sup>5</sup> .....	2.8	2.3	0.8	2.5	2.4	4.1	2.0	1.7	2.7	2.9	2.5	2.7	-0.6	0.3	0.8	0.6	1.5	1.7	1.0
GDP excluding final sales of computers.....	3.1	2.3	1.0	3.2	1.9	4.5	3.3	2.1	1.0	2.0	3.3	4.6	-1.1	1.2	0.4	0.9	-0.2	1.0	2.0
Gross domestic purchases.....	2.9	3.2	-0.2	2.9	1.0	4.4	3.2	2.0	3.8	4.0	4.5	3.9	-4.4	-2.0	0.6	1.4	2.1	2.1	0.1
Gross domestic purchases excluding food and energy <sup>5</sup> .....	2.7	2.6	0.7	2.5	2.4	3.8	2.0	1.9	2.8	3.1	3.2	2.6	-0.4	-0.2	0.8	0.4	1.5	1.6	0.8
Gross domestic purchases excluding final sales of computers to domestic purchasers.....	3.1	3.3	-0.1	3.0	1.1	4.6	3.3	2.2	3.9	4.1	4.6	4.1	-4.3	-1.9	0.7	1.5	2.1	2.2	0.1
Personal consumption expenditures (PCE).....	2.7	3.3	0.2	3.0	-0.1	4.0	3.5	2.3	4.2	3.9	4.6	4.4	-5.8	-1.6	1.9	2.9	2.7	2.1	0.0
PCE excluding food and energy <sup>5</sup> .....	2.4	2.3	1.5	2.3	2.1	2.9	1.7	2.2	2.8	2.6	2.6	2.2	0.6	0.9	2.3	1.5	2.1	1.2	1.1
Market-based PCE <sup>6</sup> .....	2.6	3.4	0.3	3.1	-0.7	3.7	3.7	2.0	4.5	4.1	4.5	5.2	-6.0	-1.1	1.9	3.0	2.2	1.7	-0.2
Market-based PCE excluding food and energy <sup>6</sup> .....	2.1	2.3	1.9	2.3	1.6	2.5	1.6	1.7	2.9	2.5	2.1	2.8	1.5	1.9	2.3	1.3	1.4	0.7	1.1

<sup>r</sup> 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. Gross domestic income deflated by the implicit price deflator for gross domestic product. Includes changes due to the incorporation of revised wage and salary estimates for the first quarter of 2010.

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

6. 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.