



NEWS RELEASE



EMBARGOED UNTIL RELEASE AT 8:30 A.M. EST, THURSDAY, MARCH 30, 2006

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

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 1.7 percent in the fourth quarter of 2005, according to final estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.1 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 1.6 percent (see "Revisions" on page 3).

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

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

Final sales of computers contributed 0.33 percentage point to the fourth-quarter growth in real GDP after contributing 0.16 percentage point to the third-quarter growth. Motor vehicle output subtracted 0.64 percentage point from the fourth-quarter growth in real GDP after contributing 0.56 percentage point to the third-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 annualized. "Real" estimates are in chained (2000) dollars. Prices indexes are chain-type measures.

This new release is available on BEA's Web site at www.bea.gov/bea/rels.htm.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 3.7 percent in the fourth quarter, 0.1 percentage point more than the preliminary estimate; this index increased 4.2 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 3.2 percent in the fourth quarter, compared with an increase of 2.5 percent in the third.

Real personal consumption expenditures increased 0.9 percent in the fourth quarter, compared with an increase of 4.1 percent in the third. Real nonresidential fixed investment increased 4.5 percent, compared with an increase of 8.5 percent. Nonresidential structures increased 3.1 percent, compared with an increase of 2.2 percent. Equipment and software increased 5.0 percent, compared with an increase of 10.6 percent. Real residential fixed investment increased 2.8 percent, compared with an increase of 7.3 percent.

Real exports of goods and services increased 5.1 percent in the fourth quarter, compared with an increase of 2.5 percent in the third. Real imports of goods and services increased 12.1 percent, compared with an increase of 2.4 percent.

Real federal government consumption expenditures and gross investment decreased 2.6 percent in the fourth quarter, in contrast to an increase of 7.4 percent in the third. National defense decreased 8.9 percent, in contrast to an increase of 10.0 percent. Nondefense increased 11.7 percent, compared with an increase of 2.4 percent. Real state and local government consumption expenditures and gross investment increased 0.2 percent, the same as in the third quarter.

The real change in private inventories added 1.89 percentage points to the fourth-quarter change in real GDP, after subtracting 0.43 percentage point from the third-quarter change. Private businesses increased inventories \$37.9 billion in the fourth quarter, following decreases of \$13.3 billion in the third quarter and \$1.7 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- decreased 0.2 percent in the fourth quarter, in contrast to an increase of 4.6 percent in the third.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 2.9 percent in the fourth quarter, compared with an increase of 4.0 percent in the third.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 0.7 percent in the fourth quarter, compared with an increase of 4.4 percent in the third. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which decreased \$25.6 billion in the fourth quarter after increasing \$7.6 billion in the third; in the fourth quarter, receipts increased \$28.9 billion, and payments increased \$54.5 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 5.2 percent, or \$160.4 billion, in the fourth quarter to a level of \$12,766.1 billion. In the third quarter, current-dollar GDP increased 7.6 percent, or \$227.7 billion.

Revisions

The final estimate of the fourth-quarter increase in real GDP is 0.1 percentage point, or \$0.7 billion, higher than the preliminary estimate issued last month. The upward revision to the percentage change in real GDP primarily reflected an upward revision to inventory investment that was partly offset by a downward revision to personal consumption expenditures for services.

	<u>Advance</u>	<u>Preliminary</u>	<u>Final</u>
	(Percent change from preceding quarter)		
Real GDP.....	1.1	1.6	1.7
Current-dollar GDP.....	4.2	5.0	5.2
Gross domestic purchases price index...	3.3	3.6	3.7

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$185.8 billion in the fourth quarter, in contrast to a decrease of \$54.4 billion in the third. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- increased \$43.1 billion in the fourth quarter, compared with an increase of \$44.0 billion in the third.

Fourth-quarter profits from current production were reduced by \$22.9 billion because of Hurricane Wilma; third-quarter profits had been reduced by \$165.3 billion because of Hurricanes Katrina and Rita. These reductions reflected the net benefits paid by domestic insurance companies and the uninsured losses of corporate property.

Taxes on corporate income increased \$56.8 billion in the fourth quarter, in contrast to a decrease of \$12.2 billion in the third. Profits after tax with inventory valuation and capital consumption adjustments increased \$129.0 billion in the fourth quarter, in contrast to a decrease of \$42.2 billion in the third. Dividends increased \$15.3 billion, compared with an increase of \$13.8 billion; current-production undistributed profits increased \$113.8 billion, in contrast to a decrease of \$56.1 billion.

Domestic profits of financial corporations increased \$104.9 billion in the fourth quarter, in contrast to a decrease of \$71.9 billion in the third. Domestic profits of nonfinancial corporations increased \$95.5 billion in the fourth quarter, in contrast to a decrease of \$8.5 billion in the third. In the fourth quarter, real gross corporate product increased, and profits per unit of real product increased. The increase in unit profits reflected an increase in unit prices and decreases in both the unit labor and nonlabor costs incurred by corporations.

The rest-of-the-world component of profits decreased \$14.5 billion in the fourth quarter, in contrast to an increase of \$25.9 billion in the third. 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 fourth-quarter decrease was accounted for by a smaller 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 depreciation-accounting practices used for federal income tax returns. According to this measure, domestic profits of financial and nonfinancial corporations increased. The increase in financial corporations partly reflected a rebound from the third-quarter impacts of Hurricanes Katrina and Rita. The increase in nonfinancial corporations reflected increases in all major categories (except transportation and warehousing), led by utilities and by manufacturing. Within manufacturing, petroleum accounted for about half the increase.

Profits before tax increased \$177.5 billion in the fourth quarter, in contrast to a decrease of \$19.6 billion in the third. 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 \$21.4 billion in the fourth quarter (from -\$72.1 billion to -\$50.7 billion), in contrast to a decrease of \$26.3 billion in the third. The inventory valuation adjustment decreased \$12.9 billion (from -\$27.5 billion to -\$40.4 billion), compared with a decrease of \$8.6 billion.

Corporate profits in 2005

Profits from current production increased 16.4 percent in 2005, compared with an increase of 12.6 percent in 2004. Domestic profits increased 17.4 percent, compared with an increase of 14.1 percent. The rest-of-the-world component of profits increased 11.2 percent, compared with an increase of 5.1 percent.

Taxes on corporate income increased 39.5 percent in 2005, compared with an increase of 16.8 percent in 2004. Profits after tax with inventory valuation and capital consumption adjustments increased 9.4 percent, compared with an increase of 11.3 percent. Dividends increased 4.3 percent, compared with an increase of 16.5 percent; current-production undistributed profits increased 15.7 percent, compared with an increase of 5.5 percent.

Profits before tax increased 35.8 percent in 2005, compared with an increase of 13.0 percent in 2004. In 2005, the difference between the increase in profits from current production and the increase in profits before tax was mainly due to the effects of the Job Creation and Worker Assistance Act of 2002 and the Jobs and Growth Tax Relief Reconciliation Act of 2003, which allowed accelerated depreciation and raised before-tax profits. Profits from current production was not affected by the Acts, because this measure does not depend on the depreciation-accounting practices used for federal income tax purposes.

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Summary BEA estimates are available on recorded messages at the time of public release at the following telephone numbers:

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

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Next release – April 28, 2006, at 8:30 A.M. EDT for:
Gross Domestic Product: First Quarter 2006 (Advance)

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

	2003	2004	2005 ^r	Seasonally adjusted at annual rates															
				2002				2003				2004				2005			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP)	2.7	4.2	3.5	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	4.1	1.7
Personal consumption expenditures	2.9	3.9	3.5	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	4.1	.9
Durable goods	6.6	6.0	4.5	-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	9.3	-16.6
Nondurable goods	3.2	4.7	4.4	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	3.5	5.0
Services	2.0	3.0	2.9	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	3.3	2.6
Gross private domestic investment	3.9	11.9	6.1	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	5.3	16.1
Fixed investment	3.6	9.7	8.1	-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	8.0	3.9
Nonresidential	1.3	9.4	8.6	-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	8.5	4.5
Structures	-4.2	2.2	2.0	-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	2.2	3.1
Equipment and software	3.2	11.9	10.9	-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	10.6	5.0
Residential	8.4	10.3	7.1	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	7.3	2.8
Change in private inventories																			
Net exports of goods and services																			
Exports	1.8	8.4	6.9	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	2.5	5.1
Goods	1.8	8.9	7.3	-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	3.2	8.0
Services	1.7	7.4	6.0	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	1.0	-1.4
Imports	4.6	10.7	6.3	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	2.4	12.1
Goods	4.9	11.0	6.9	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	3.5	13.5
Services	3.0	9.6	3.6	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	-3.2	4.8
Government consumption expenditures and gross investment	2.8	2.2	1.8	4.3	4.8	2.3	4.8	-.3	7.2	.5	.5	3.3	2.3	1.8	.9	1.9	2.5	2.9	-.8
Federal	6.9	5.2	2.3	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	7.4	-2.6
National defense	8.8	7.0	2.6	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	10.0	-8.9
Nondefense	3.4	1.8	1.8	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	2.4	11.7
State and local .....	.6	.4	1.5	3.5	1.0	1.9	2.0	-.6	-.3	2.0	-.9	-.7	1.8	.8	1.8	1.6	2.6	.2	.2
Addenda:																			
Final sales of domestic product	2.7	3.9	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	4.6	-.2
Gross domestic purchases	3.0	4.7	3.6	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	4.0	2.9
Final sales to domestic purchasers	3.0	4.4	3.9	.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	4.5	1.1
Gross national product (GNP)	3.0	4.0	3.3	.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	4.4	.7
Disposable personal income	2.4	3.4	1.4	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	.2	-1.4	6.7
Current-dollar measures:																			
GDP	4.8	7.0	6.4	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	7.6	7.6	5.2
Final sales of domestic product	4.8	6.6	6.8	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	8.1	3.2
Gross domestic purchases	5.3	7.7	6.9	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	8.4	6.7
Final sales to domestic purchasers	5.3	7.4	7.2	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	8.9	4.8
GNP	5.1	6.8	6.2	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	7.8	4.2
Disposable personal income	4.3	6.1	4.3	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	3.5	2.3	9.8

^r Revised.

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

	2003	2004	2005 ^r	Seasonally adjusted at annual rates															
				2002				2003				2004				2005			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP)	2.0	2.6	2.8	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	3.3	3.5
Personal consumption expenditures	1.9	2.6	2.8	.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	3.7	2.9
Durable goods	-3.5	-1.9	-5	-3.2	-1.9	-1.8	-2.7	-4.3	-4.3	-4.4	-4.1	.1	-1	-2.4	.6	.9	-5	-3.0	-8
Nondurable goods	2.0	3.3	3.7	.2	5.4	.9	1.2	5.6	-2.4	3.1	.6	6.0	6.6	.1	4.5	1.3	5.7	7.9	.8
Services	3.0	3.2	3.1	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	3.1	4.6
Gross private domestic investment	1.6	3.1	3.1	-2	.5	.2	2.9	2.9	-5	1.7	3.7	3.4	4.6	3.2	2.3	2.6	2.7	3.7	5.2
Fixed investment	1.7	3.2	3.1	-3	.5	.2	3.0	3.1	-5	1.7	3.9	3.5	4.6	3.0	2.2	2.6	2.7	4.0	5.4
Nonresidential .....	.3	1.3	2.1	-1	-2	-4	1.1	.1	-1.0	1.2	1.9	1.2	1.8	.9	1.1	3.1	1.9	2.5	3.8
Structures	3.5	5.5	10.1	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	16.5	20.3
Equipment and software	-9	-1	-4	-1.5	-2.1	-2.0	-3	-1.2	-1.4	.6	1.0	-8	.2	-9	-4	.9	-7	-1.8	-1.3
Residential	4.8	6.7	4.8	-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	6.5	8.3
Change in private inventories																			
Net exports of goods and services																			
Exports	2.1	3.6	3.7	-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	2.9	2.7
Goods	2.0	3.7	3.1	-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	1.3	2.1
Services	2.5	3.1	5.0	-3	4.3	2.1	.7	5.2	-3	4.6	.1	4.4	3.7	3.2	5.6	4.7	5.4	6.7	4.0
Imports	3.4	5.0	6.1	-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	9.4	4.4
Goods	2.9	5.0	6.4	-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	10.6	4.8
Services	5.8	4.9	4.6	-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	3.4	2.2
Government consumption expenditures and gross investment	3.7	3.7	4.8	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	6.7	5.4
Federal	3.9	4.2	3.6	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	3.0	.9
National defense	4.4	4.0	3.6	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	3.5	.9
Nondefense	3.0	4.6	3.8	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	2.1	.9
State and local	3.7	3.4	5.4	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	9.0	8.2
Addenda:																			
Final sales of domestic product	2.0	2.6	2.8	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	3.3	3.5
Gross domestic purchases	2.2	2.9	3.2	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	4.2	3.7
Final sales to domestic purchasers	2.2	2.9	3.2	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	4.3	3.7
Gross national product (GNP)	2.0	2.6	2.8	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	3.3	3.5
Implicit price deflators:																			
GDP	2.0	2.6	2.8	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	3.3	3.5
Gross domestic purchases	2.2	2.9	3.2	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	4.2	3.7
GNP	2.0	2.6	2.8	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	3.3	3.5

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

Table 5.—Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

	2003	2004	2005 ^r	Seasonally adjusted				
				2004	2005			
					IV	I	II	III	IV^{r}
Gross domestic product	105.130	109.562	113.424	111.003	112.044	112.959	114.112	114.580
Personal consumption expenditures	108.416	112.601	116.582	114.236	115.217	116.176	117.338	117.598
Durable goods	119.134	126.245	131.864	129.166	129.999	132.499	135.492	129.468
Nondurable goods	107.938	113.000	118.008	114.857	116.351	117.392	118.413	119.875
Services	106.493	109.725	112.919	111.027	111.789	112.440	113.353	114.094
Gross private domestic investment	93.195	104.286	110.621	107.398	109.645	108.615	110.023	114.201
Fixed investment	95.297	104.534	112.900	107.880	109.722	112.252	114.443	115.544
Nonresidential	88.063	96.314	104.622	100.246	101.633	103.806	105.935	107.116
Structures	77.621	79.314	80.925	80.554	80.145	80.680	81.123	81.753
Equipment and software	92.154	103.126	114.355	108.201	110.376	113.274	116.170	117.600
Residential	113.989	125.714	134.678	127.772	130.695	134.100	136.484	137.434
Change in private inventories								
Exports of goods and services	94.064	101.970	109.028	104.398	106.295	109.037	109.710	111.070
Imports of goods and services	105.205	116.495	123.892	120.518	122.698	122.620	123.340	126.908
Government consumption expenditures and gross investment	111.009	113.398	115.420	114.008	114.537	115.248	116.063	115.830
Federal	118.839	125.038	127.945	125.704	126.446	127.188	129.491	128.657
State and local	107.042	107.487	109.058	108.069	108.489	109.183	109.246	109.313
Addenda:								
Final sales of domestic product	105.564	109.650	113.856	111.122	112.088	113.613	114.896	114.825
Gross domestic purchases	106.285	111.301	115.325	113.000	114.112	116.695	115.836	116.658
Final sales to domestic purchasers	106.708	111.394	115.750	113.124	114.164	115.332	116.598	116.905
Gross national product	105.370	109.637	113.296	110.916	111.977	112.851	114.076	114.282

^r Revised.

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

Table 6.—Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

	2003	2004	2005 ^r	Seasonally adjusted				
				2004	2005			
					IV	I	II	III	IV^{r}
Gross domestic product	106.310	109.102	112.176	110.111	110.950	111.655	112.567	113.532
Personal consumption expenditures (PCE)	105.520	108.246	111.313	109.326	109.936	110.832	111.846	112.637
Durable goods	92.372	90.631	90.168	90.449	90.648	90.527	89.839	89.659
Nondurable goods	104.151	107.634	111.596	108.982	109.327	110.854	112.985	113.218
Services	109.246	112.695	116.195	113.955	114.803	115.633	116.508	117.834
Gross private domestic investment	103.311	106.555	109.836	107.733	108.427	109.164	110.169	111.586
Fixed investment	103.432	106.697	109.970	107.831	108.522	109.254	110.318	111.787
Nonresidential	99.764	101.025	103.161	101.455	102.244	102.715	103.358	104.327
Structures	113.889	120.124	132.228	122.827	125.876	128.886	133.914	140.234
Equipment and software	95.133	95.022	94.661	94.854	95.067	94.910	94.491	94.174
Residential	112.379	119.935	125.661	122.574	123.062	124.359	126.335	128.889
Change in private inventories								
Exports of goods and services	101.398	104.999	108.867	106.366	107.559	108.534	109.323	110.052
Imports of goods and services	99.610	104.571	110.937	107.026	107.783	109.925	112.413	113.626
Government consumption expenditures and gross investment	109.460	113.505	118.915	115.148	116.747	117.820	119.751	121.343
Federal	109.740	114.354	118.525	115.575	117.550	118.168	119.056	119.327
State and local	109.303	113.022	119.170	114.914	116.291	117.635	120.186	122.568
Addenda:								
PCE excluding food and energy	105.082	107.156	109.311	107.980	108.617	109.083	109.450	110.095
Market-based PCE ¹	105.009	107.422	110.336	108.378	108.948	109.860	110.917	111.619
Market-based PCE excluding food and energy ¹	104.348	105.898	107.678	106.514	107.106	107.506	107.797	108.302
Final sales of domestic product	106.330	109.124	112.196	110.124	110.963	111.667	112.589	113.563
Gross domestic purchases	105.863	108.899	112.401	110.092	110.883	111.785	112.953	113.981
Final sales to domestic purchasers	105.883	108.921	112.421	110.106	110.898	111.798	112.976	114.013
Gross national product	106.304	109.094	112.158	110.100	110.933	111.638	112.550	113.514
Implicit price deflators:								
Gross domestic product	106.305	109.099	112.145	110.077	110.905	111.622	112.527	113.494
Final sales of domestic product	106.330	109.124	112.197	110.117	110.956	111.659	112.582	113.556
Gross domestic purchases	105.858	108.896	112.370	110.055	110.837	111.750	112.911	113.941
Final sales to domestic purchasers	105.883	108.920	112.421	110.095	110.886	111.787	112.965	114.001
Gross national product	106.299	109.091	112.129	110.064	110.890	111.607	112.512	113.477

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

[Billions of dollars]

	2003	2004	2005 ^r	Seasonally adjusted at annual rates				
				2004	2005			
					IV	I	II	III	IV ^{r}
Gross domestic product	10,971.2	11,734.3	12,487.1	11,995.2	12,198.8	12,378.0	12,605.7	12,766.1
Plus: Income receipts from the rest of the world	343.7	415.4	507.6	462.4	462.3	489.4	520.8	558.0
Less: Income payments to the rest of the world	275.6	361.7	474.0	425.6	422.9	453.9	476.6	542.6
Equals: Gross national product	11,039.3	11,788.0	12,520.8	12,032.0	12,238.2	12,413.5	12,650.0	12,781.6
Less: Consumption of fixed capital	1,331.3	1,435.3	1,574.1	1,442.0	1,448.4	1,457.2	1,863.8	1,526.9
Less: Statistical discrepancy	47.1	76.8	42.8	30.6	39.4	78.3	44.3	9.2
Equals: National income	9,660.9	10,275.9	10,903.9	10,559.3	10,750.4	10,878.0	10,741.9	11,245.5
Compensation of employees	6,321.1	6,687.6	7,125.3	6,895.8	7,001.7	7,060.2	7,177.6	7,261.7
Wage and salary accruals	5,111.1	5,389.4	5,723.7	5,562.9	5,629.9	5,672.3	5,762.3	5,830.1
Supplements to wages and salaries	1,210.0	1,298.1	1,401.6	1,332.9	1,371.8	1,387.9	1,415.3	1,431.6
Proprietors' income with inventory valuation and capital consumption adjustments	810.2	889.6	938.7	900.9	917.9	936.6	932.4	967.7
Rental income of persons with capital consumption adjustment	131.7	134.2	72.9	128.7	118.0	104.4	-11.1	80.3
Corporate profits with inventory valuation and capital consumption adjustments	1,031.8	1,161.5	1,351.9	1,219.5	1,288.2	1,347.5	1,293.1	1,478.9
Net interest and miscellaneous payments	528.5	505.5	498.3	492.7	498.3	488.7	497.6	508.5
Taxes on production and imports less subsidies	754.8	809.4	848.0	824.4	833.2	848.0	853.4	857.2
Business current transfer payments	81.6	91.1	80.2	102.6	99.0	99.6	21.8	100.3
Current surplus of government enterprises	1.3	-3.0	-11.3	-5.2	-6.1	-7.0	-22.8	-9.1
Addendum:								
Gross domestic income	10,924.2	11,657.5	12,444.4	11,964.6	12,159.4	12,299.7	12,561.4	12,757.0

^r Revised.

Table 10.—Personal Income and Its Disposition

[Billions of dollars]

	2003	2004	2005 ^r	Seasonally adjusted at annual rates				
				2004	2005			
					IV	I	II	III	IV ^{r}
Personal income ¹	9,169.1	9,713.3	10,248.3	10,024.8	10,073.4	10,185.7	10,250.4	10,483.7
Compensation of employees, received	6,321.1	6,687.6	7,125.3	6,895.8	7,001.7	7,060.2	7,177.6	7,261.7
Wage and salary disbursements	5,111.1	5,389.4	5,723.7	5,562.9	5,629.9	5,672.3	5,762.3	5,830.1
Supplements to wages and salaries	1,210.0	1,298.1	1,401.6	1,332.9	1,371.8	1,387.9	1,415.3	1,431.6
Proprietors' income with inventory valuation and capital consumption adjustments	810.2	889.6	938.7	900.9	917.9	936.6	932.4	967.7
Farm	27.7	35.8	20.8	24.6	24.7	19.6	18.0	21.0
Nonfarm	782.4	853.8	917.8	876.3	893.2	917.1	914.3	946.7
Rental income of persons with capital consumption adjustment	131.7	134.2	72.9	128.7	118.0	104.4	-11.1	80.3
Personal income receipts on assets	1,338.7	1,396.5	1,457.4	1,493.6	1,407.9	1,439.8	1,468.9	1,512.9
Personal interest income	917.6	905.9	945.7	907.4	915.4	936.0	951.2	980.1
Personal dividend income	421.1	490.6	511.7	586.2	492.5	503.8	517.6	532.9
Personal current transfer receipts	1,344.0	1,427.5	1,525.3	1,449.2	1,488.8	1,509.6	1,558.1	1,544.7
Less: Contributions for government social insurance	776.6	822.2	871.2	843.5	861.0	864.9	875.4	883.6
Less: Personal current taxes	999.9	1,049.1	1,209.7	1,094.3	1,171.4	1,206.0	1,220.4	1,241.0
Equals: Disposable personal income	8,169.2	8,664.2	9,038.6	8,930.4	8,902.0	8,979.7	9,030.0	9,242.7
Less: Personal outlays	7,996.3	8,512.5	9,072.1	8,725.0	8,854.6	9,001.2	9,173.9	9,258.5
Equals: Personal saving	172.8	151.8	-33.5	205.4	47.4	-21.5	-143.9	-15.8
Personal saving as a percentage of disposable personal income	2.1	1.8	-4	2.3	.5	-2	-1.6	-2
Addendum:								
Disposable personal income, billions of chained (2000) dollars ²	7,741.8	8,004.3	8,120.0	8,169.2	8,098.1	8,102.6	8,074.2	8,206.4

^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						
	2003	2004	2005	Seasonally adjusted at annual rates					2004	2005	Quarterly rates				Quarter one year ago
				2004	2005						2005				
					IV	I	II	III			IV	I	II	III	IV	2005
Corporate profits with inventory valuation and capital consumption adjustments	1,031.8	1,161.5	1,351.9	1,219.5	1,288.2	1,347.5	1,293.1	1,478.9	12.6	16.4	5.6	4.6	-4.0	14.4	21.3
Less: Taxes on corporate income	232.1	271.1	378.1	293.0	362.6	372.5	360.3	417.1	16.8	39.5	23.7	2.7	-3.3	15.8	42.3
Equals: Profits after tax with inventory valuation and capital consumption adjustments	799.7	890.3	973.8	926.4	925.6	975.0	932.8	1,061.8	11.3	9.4	-1	5.3	-4.3	13.8	14.6
Net dividends	423.2	493.0	514.2	589.3	494.9	506.3	520.1	535.4	16.5	4.3	-16.0	2.3	2.7	2.9	-9.1
Undistributed profits with inventory valuation and capital consumption adjustments	376.5	397.3	459.6	337.2	430.7	468.7	412.6	526.4	5.5	15.7	27.7	8.8	-12.0	27.6	56.1
Cash flow:															
Net cash flow with inventory valuation and capital consumption adjustments	1,130.8	1,196.9	1,303.3	1,143.8	1,239.2	1,280.9	1,324.9	1,368.0	5.8	8.9	8.3	3.4	3.4	3.3	19.6
Undistributed profits with inventory valuation and capital consumption adjustments	376.5	397.3	459.6	337.2	430.7	468.7	412.6	526.4	5.5	15.7	27.7	8.8	-12.0	27.6	56.1
Consumption of fixed capital	754.4	799.6	843.6	806.7	808.5	812.2	912.3	841.6	6.0	5.5	.2	.5	12.3	-7.7	4.3
Less: Inventory valuation adjustment	-13.3	-39.6	-31.5	-44.4	-39.1	-18.9	-27.5	-40.4							
Equals: Net cash flow	1,144.1	1,236.6	1,334.7	1,188.3	1,278.3	1,299.8	1,352.4	1,408.5	8.1	7.9	7.6	1.7	4.0	4.1	18.5
Addenda:															
Profits before tax (without inventory valuation and capital consumption adjustments)	937.2	1,059.3	1,438.3	1,124.1	1,378.3	1,412.2	1,392.6	1,570.1	13.0	35.8	22.6	2.5	-1.4	12.7	39.7
Profits after tax (without inventory valuation and capital consumption adjustments)	705.1	788.2	1,060.2	831.1	1,015.7	1,039.7	1,032.3	1,153.0	11.8	34.5	22.2	2.4	-7	11.7	38.7
Inventory valuation adjustment	-13.3	-39.6	-31.5	-44.4	-39.1	-18.9	-27.5	-40.4							
Capital consumption adjustment	107.9	141.8	-54.9	139.8	-51.0	-45.8	-72.1	-50.7	31.4	-138.7	-136.5	-10.1	57.3	-29.6	-136.3

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

[Billions of dollars]

	Level								Change from preceding period						
	2003	2004	2005	Seasonally adjusted at annual rates					2004	2005	2005				
				2004	2005						I	II	III	IV	
					IV	I	II	III							IV
Corporate profits with inventory valuation and capital consumption adjustments	1,031.8	1,161.5	1,351.9	1,219.5	1,288.2	1,347.5	1,293.1	1,478.9	12.6	16.4	5.6	4.6	-4.0	14.4	21.3
Domestic industries	855.8	976.6	1,146.3	1,040.9	1,094.8	1,150.3	1,069.9	1,270.3	12.0	16.7	5.3	55.5	-80.4	200.4	200.4
Financial	330.9	322.7	347.7	341.6	377.6	350.7	278.8	383.7	-8.2	25.0	36.0	-26.9	-71.9	104.9	104.9
Nonfinancial	524.9	653.9	798.6	699.3	717.1	799.6	791.1	886.6	129.0	144.7	17.8	82.5	-8.5	95.5	95.5
Rest of the world	176.0	184.9	205.6	178.6	193.5	197.2	223.1	208.6	8.9	20.7	14.9	3.7	25.9	-14.5	-14.5
Receipts from the rest of the world	255.7	309.5	334.2	332.6	313.5	328.2	338.3	356.6	53.8	24.7	-19.1	14.7	10.1	18.3	18.3
Less: Payments to the rest of the world	79.7	124.6	128.5	154.0	120.1	131.0	115.1	148.0	44.9	3.9	-33.9	10.9	-15.9	32.9	32.9
Corporate profits with inventory valuation adjustment	923.9	1,019.7	1,406.8	1,079.7	1,339.2	1,393.3	1,365.1	1,529.7	95.8	387.1	259.5	54.1	-28.2	164.6	164.6
Domestic industries	747.9	834.8	1,201.2	901.1	1,145.7	1,196.1	1,142.0	1,321.1	86.9	366.4	244.6	50.4	-54.1	179.1	179.1
Financial	313.0	300.6	347.0	319.4	377.2	349.5	278.7	382.7	-12.4	46.4	57.8	-27.7	-70.8	104.0	104.0
Federal Reserve banks	20.2	20.3	26.8	22.2	23.1	26.2	27.0	30.8	.1	6.5	.9	3.1	.8	3.8	3.8
Other financial	292.8	280.3	320.3	297.1	354.2	323.2	251.7	352.0	-12.5	40.0	57.1	-31.0	-71.5	100.3	100.3
Nonfinancial	434.9	534.2	854.2	581.7	768.5	846.6	863.3	938.3	99.3	320.0	186.8	78.1	16.7	75.0	75.0
Utilities	11.4	12.1	27.4	14.1	23.7	26.4	19.7	39.6	.7	15.3	9.6	2.7	-6.7	19.9	19.9
Manufacturing	80.7	118.9	207.9	154.7	170.2	204.7	218.6	238.3	38.2	89.0	15.5	34.5	13.9	19.7	19.7
Durable goods	-4.1	34.8	55.9	58.8	35.5	59.9	62.0	66.2	38.9	21.1	-23.3	24.4	2.1	4.2	4.2
Fabricated metal products	8.5	10.3	12.4	13.1	8.8	11.4	15.7	13.6	1.8	2.1	-4.3	2.6	4.3	-2.1	-2.1
Machinery	1.4	1.0	4.7	-2.6	.9	2.9	7.6	7.2	-4	3.7	3.5	2.0	4.7	-4	-4
Computer and electronic products	-16.1	-3.2	5.0	-2	.5	4.2	6.7	8.5	12.9	8.2	.7	3.7	2.5	1.8	1.8
Electrical equipment, appliances, and components	1.9	.3	4.5	6.8	-1.3	5.5	8.6	5.2	-1.6	4.2	-8.1	6.8	3.1	-3.4	-3.4
Motor vehicles, bodies and trailers, and parts	-11.6	-3.4	-22.2	1.3	-20.8	-15.7	-25.3	-27.0	8.2	-18.8	-22.1	5.1	-9.6	-1.7	-1.7
Other durable goods	11.9	29.9	51.6	40.5	47.3	51.6	48.8	58.7	18.0	21.7	6.8	4.3	-2.8	9.9	9.9
Nondurable goods	84.8	84.0	152.0	95.9	134.7	144.8	156.6	172.1	-8	68.0	38.8	10.1	11.8	15.5	15.5
Food and beverage and tobacco products	23.5	24.0	39.8	20.5	39.6	37.7	40.8	41.1	.5	15.8	19.1	-1.9	3.1	.3	.3
Petroleum and coal products	23.6	31.0	70.2	49.2	62.8	66.3	70.8	80.7	7.4	39.2	13.6	3.5	4.5	9.9	9.9
Chemical products	20.8	13.5	21.4	8.4	18.8	20.5	22.7	23.4	-7.3	7.9	10.4	1.7	2.2	.7	.7
Other nondurable goods	16.9	15.6	20.7	17.8	13.5	20.3	22.3	26.9	-1.3	5.1	-4.3	6.8	2.0	4.6	4.6
Wholesale trade	56.3	63.5	93.9	66.9	81.4	98.1	95.4	100.6	7.2	30.4	14.5	16.7	-2.7	5.2	5.2
Retail trade	87.7	90.0	115.2	87.7	104.6	109.1	116.9	130.4	2.3	25.2	16.9	4.5	7.8	13.5	13.5
Transportation and warehousing	8.1	8.4	28.2	1.7	22.9	27.9	32.9	29.1	.3	19.8	21.2	5.0	5.0	-3.8	-3.8
Information	-1.9	17.0	51.1	21.0	46.7	53.5	50.2	54.0	18.9	34.1	25.7	6.8	-3.3	3.8	3.8
Other nonfinancial	192.4	224.3	330.4	235.6	318.9	326.9	329.6	346.4	31.9	106.1	83.3	8.0	2.7	16.8	16.8
Rest of the world	176.0	184.9	205.6	178.6	193.5	197.2	223.1	208.6	8.9	20.7	14.9	3.7	25.9	-14.5	-14.5

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

	2003	2004	2005 ^r	Seasonally adjusted at annual rates				
				2004		2005		
				IV	I	II	III ^r	IV
Billions of dollars								
Gross value added of nonfinancial corporate business	5,595.7	5,995.4	6,474.0	6,198.9	6,282.8	6,414.0	6,528.0	6,671.4
Consumption of fixed capital	652.6	690.3	729.1	696.2	697.5	700.4	792.8	725.7
Net value added	4,943.1	5,305.1	5,744.9	5,502.8	5,585.3	5,713.6	5,735.2	5,945.7
Compensation of employees	3,703.2	3,906.8	4,182.0	4,042.0	4,105.4	4,140.5	4,214.7	4,267.4
Wage and salary accruals	3,007.8	3,168.6	3,383.4	3,284.5	3,323.6	3,349.9	3,408.6	3,451.6
Supplements to wages and salaries	695.4	738.3	798.6	757.5	781.8	790.6	806.1	815.9
Taxes on production and imports less subsidies	486.5	519.1	549.7	529.9	537.7	547.9	553.7	559.8
Net operating surplus	753.4	879.2	1,013.2	930.9	942.2	1,025.2	966.8	1,118.5
Net interest and miscellaneous payments	166.2	164.9	171.5	162.1	167.0	167.3	172.8	179.0
Business current transfer payments	62.4	60.4	43.1	69.5	58.0	58.4	2.9	52.9
Corporate profits with inventory valuation and capital consumption adjustments	524.9	653.9	798.6	699.3	717.1	799.6	791.1	886.6
Taxes on corporate income	126.5	165.9	254.7	180.8	231.9	248.6	258.0	280.3
Profits after tax with inventory valuation and capital consumption adjustments	398.3	487.9	543.9	518.5	485.2	550.9	533.1	606.3
Net dividends	295.5	361.2	252.5	465.0	306.7	297.6	181.7	224.0
Undistributed profits with inventory valuation and capital consumption adjustments	102.8	126.7	291.4	53.5	178.5	253.4	351.4	382.3
Addenda:								
Profits before tax (without inventory valuation and capital consumption adjustments)	448.1	573.9	885.7	626.1	807.6	865.5	890.8	978.8
Profits after tax (without inventory valuation and capital consumption adjustments)	321.6	407.9	630.9	445.3	575.6	616.9	632.8	698.5
Inventory valuation adjustment	-13.3	-39.6	-31.5	-44.4	-39.1	-18.9	-27.5	-40.4
Capital consumption adjustment	90.0	119.7	-55.6	117.6	-51.3	-47.0	-72.2	-51.7
Billions of chained (2000) dollars								
Gross value added of nonfinancial corporate business ¹	5,418.2	5,714.1	6,085.3	5,895.9	5,943.3	6,046.0	6,121.9	6,230.2
Consumption of fixed capital ²	629.4	656.5	686.9	657.3	660.2	663.6	745.2	678.6
Net value added ³	4,788.8	5,057.6	5,398.4	5,238.6	5,283.1	5,382.4	5,376.6	5,551.5
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	1.033	1.049	1.064	1.051	1.057	1.061	1.066	1.071
Compensation of employees (unit labor cost) .....	.683	.684	.687	.686	.691	.685	.688	.685
Unit nonlabor cost .....	.252	.251	.245	.247	.245	.244	.249	.243
Consumption of fixed capital .....	.120	.121	.120	.118	.117	.116	.130	.116
Taxes on production and imports less subsidies plus business current transfer payments .....	.101	.101	.097	.102	.100	.100	.091	.098
Net interest and miscellaneous payments .....	.031	.029	.028	.027	.028	.028	.028	.029
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	.097	.114	.131	.119	.121	.132	.129	.142
Taxes on corporate income .....	.023	.029	.042	.031	.039	.041	.042	.045
Profits after tax with inventory valuation and capital consumption adjustments .....	.074	.085	.089	.088	.082	.091	.087	.097

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2005.

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

	2003	2004	2005 ^r	Seasonally adjusted at annual rates															
				2002				2003				2004				2005			
				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	2.7	4.2	3.5	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	4.1	1.7
Goods	3.4	6.5	4.7	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	5.3	2.3
Services	2.2	2.7	2.7	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	3.6	1.1
Structures	3.2	5.7	4.8	-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	3.3	2.6
Motor vehicle output	3.8	4.6	3.4	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	17.6	-17.2
GDP excluding motor vehicle output	2.7	4.2	3.5	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	3.7	2.4
Final sales of computers ¹	20.2	20.4	39.6	-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	20.3	45.9
GDP excluding final sales of computers	2.6	4.1	3.3	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	4.0	1.3
Farm gross value added ²	8.4	0	-8.0	-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	20.9	36.7
Nonfarm business gross value added ³	3.3	4.8	4.2	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	4.7	1.5
Price indexes:																			
GDP	2.0	2.6	2.8	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	3.3	3.5
GDP excluding food and energy	1.8	2.5	2.7	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	2.8	3.4
GDP excluding final sales of computers	2.2	2.7	3.0	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	3.5	3.7
Gross domestic purchases	2.2	2.9	3.2	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	4.2	3.7
Gross domestic purchases excluding food and energy	1.8	2.4	2.5	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	2.5	3.2
Gross domestic purchases excluding final sales of computers to domestic purchasers	2.4	3.0	3.4	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	4.5	3.9
Personal consumption expenditures (PCE)	1.9	2.6	2.8	.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	3.7	2.9
PCE excluding food and energy	1.3	2.0	2.0	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	1.4	2.4
Market-based PCE ⁴	1.9	2.3	2.7	.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	3.9	2.6
Market-based PCE excluding food and energy ⁴	1.2	1.5	1.7	.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	1.1	1.9

^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.