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Virginia H. Mannering: (202) 606-5304
Recorded message: (202) 606-5306

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GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2007 (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 0.6 percent in the fourth quarter of 2007, according to preliminary estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.9 percent.

The GDP estimates released today are based on more complete source data than were available for the advance estimates issued last month. In the advance estimates, the increase in real GDP was also 0.6 percent (see "Revisions" on page 3).

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

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

Final sales of computers contributed 0.16 percentage point to the fourth-quarter growth in real GDP after contributing 0.28 percentage point to the third-quarter growth. Motor vehicle output subtracted 0.85 percentage point from the fourth-quarter growth in real GDP after contributing 0.36 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 are annualized. "Real" estimates are in chained (2000) dollars. Price indexes are chain-type measures.

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The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 3.9 percent in the fourth quarter, 0.1 percentage point more than in the advance estimate; this index increased 1.8 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 2.5 percent in the fourth quarter, compared with an increase of 1.9 percent in the third.

Real personal consumption expenditures increased 1.9 percent in the fourth quarter, compared with an increase of 2.8 percent in the third. Real nonresidential fixed investment increased 6.9 percent, compared with an increase of 9.3 percent. Nonresidential structures increased 14.7 percent, compared with an increase of 16.4 percent. Equipment and software increased 3.3 percent, compared with an increase of 6.2 percent. Real residential fixed investment decreased 25.2 percent, compared with a decrease of 20.5 percent.

Real exports of goods and services increased 4.8 percent in the fourth quarter, compared with an increase of 19.1 percent in the third. Real imports of goods and services decreased 1.9 percent, in contrast to an increase of 4.4 percent.

Real federal government consumption expenditures and gross investment increased 0.9 percent in the fourth quarter, compared with an increase of 7.1 percent in the third. National defense decreased 0.3 percent, in contrast to an increase of 10.1 percent. Nondefense increased 3.4 percent, compared with an increase of 1.1 percent. Real state and local government consumption expenditures and gross investment increased 3.0 percent, compared with an increase of 1.9 percent.

The real change in private inventories subtracted 1.49 percentage points from the fourth-quarter change in real GDP, after adding 0.89 percentage point to the third-quarter change. Private businesses decreased inventories \$10.1 billion in the fourth quarter, following increases of \$30.6 billion in the third quarter and \$5.8 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 2.1 percent in the fourth quarter, compared with an increase of 4.0 percent in the third.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- decreased 0.3 percent in the fourth quarter, in contrast to an increase of 3.3 percent in the third.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 3.3 percent, or \$113.6 billion, in the fourth quarter to a level of \$14,084.1 billion. In the third quarter, current-dollar GDP increased 6.0 percent, or \$201.7 billion.

Revisions

The preliminary estimate of the fourth-quarter increase in real GDP is the same as the advance estimate issued last month, primarily reflecting a downward revision to imports that was largely offset by a downward revision to private inventory investment.

	<u>Advance</u>	<u>Preliminary</u>
	(Percent change from preceding quarter)	
Real GDP.....	0.6	0.6
Current-dollar GDP.....	3.2	3.3
Gross domestic purchases price index...	3.8	3.9

2007 GDP

Real GDP increased 2.2 percent in 2007 (that is, from the 2006 annual level to the 2007 annual level), compared with an increase of 2.9 percent in 2006.

The major contributors to the increase in real GDP in 2007 were personal consumption expenditures (PCE), exports, nonresidential structures, and state and local government spending. These positive contributions were partly offset by decreases in residential fixed investment and in inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.

The deceleration in real GDP primarily reflected a larger decrease in residential fixed investment, a downturn in private inventory investment, and a deceleration in equipment and software that were partly offset by a deceleration in imports.

The price index for gross domestic purchases increased 2.7 percent in 2007, compared with an increase of 3.3 percent in 2006.

Current-dollar GDP increased 4.9 percent, or \$649.1 billion, in 2007. Current-dollar GDP increased 6.1 percent, or \$760.8 billion, in 2006.

During 2007 (that is, measured from the fourth quarter of 2006 to the fourth quarter of 2007), real GDP increased 2.5 percent. Real GDP increased 2.6 percent during 2006. The price index for gross domestic purchases increased 3.3 percent during 2007, compared with an increase of 2.4 percent during 2006.

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Next release -- March 27, 2008, at 8:30 A.M. EDT for:
Gross Domestic Product: Fourth Quarter 2007 (Final)
Corporate Profits: Fourth Quarter 2007

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

	2005	2006	2007 ^r	Seasonally adjusted at annual rates															
				2004				2005				2006				2007			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III ^r	IV ^r
Gross domestic product (GDP)	3.1	2.9	2.2	3.0	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9	0.6
Personal consumption expenditures	3.2	3.1	2.9	4.4	2.4	3.5	4.2	2.4	3.5	4.1	1.2	4.4	2.4	2.8	3.9	3.7	1.4	2.8	1.9
Durable goods	4.9	3.8	4.7	5.8	1.9	7.8	7.0	2.2	11.3	6.2	-13.0	16.6	.8	5.6	3.9	8.8	1.7	4.5	2.3
Nondurable goods	3.6	3.6	2.4	4.6	1.5	3.1	4.9	3.5	3.7	2.5	4.7	4.5	2.3	3.2	4.3	3.0	-5	2.2	1.4
Services	2.7	2.7	2.8	4.1	3.0	2.9	3.4	1.9	1.8	4.4	2.6	2.1	2.7	2.0	3.7	3.1	2.3	2.8	2.1
Gross private domestic investment	5.6	2.7	-4.8	2.1	20.7	8.0	6.4	5.3	-3.9	7.0	13.4	4.3	.6	-4.1	-14.1	-8.2	4.6	5.0	-12.5
Fixed investment	6.9	2.4	-2.9	-2	12.9	9.3	7.3	4.0	7.9	8.0	2.3	7.9	-1.9	-4.7	-7.1	-4.4	3.2	-7	-3.5
Nonresidential	7.1	6.6	4.8	-2.6	10.7	12.3	10.3	3.3	5.0	8.6	3.4	13.3	4.2	5.1	-1.4	2.1	11.0	9.3	6.9
Structures .....	.5	8.4	13.1	-3	6.1	3.6	-2	2.1	-1.6	-6.3	4.8	15.0	16.4	10.8	7.4	6.4	26.2	16.4	14.7
Equipment and software	9.6	5.9	1.3	-3.4	12.4	15.5	14.3	3.8	7.4	14.5	3.1	13.0	-1	2.9	-4.9	.3	4.7	6.2	3.3
Residential	6.6	-4.6	-17.0	4.0	16.7	4.2	2.4	5.3	13.1	6.9	.5	-7	-11.7	-20.4	-17.2	-16.3	-11.8	-20.5	-25.2
Change in private inventories																			
Net exports of goods and services																			
Exports	6.9	8.4	8.0	10.0	6.5	3.1	10.0	6.0	9.5	2.1	10.6	11.5	5.7	5.7	14.3	1.1	7.5	19.1	4.8
Goods	7.5	9.9	7.9	7.4	7.2	6.2	7.2	5.8	13.6	1.9	12.6	15.5	6.5	7.4	9.6	.9	6.6	26.2	4.0
Services	5.4	4.8	8.1	16.2	5.1	-3.4	16.8	6.5	.9	2.6	6.3	2.9	3.9	2.0	26.0	1.6	9.6	4.0	6.8
Imports	5.9	5.9	1.9	12.3	15.2	4.8	13.8	2.1	.8	2.1	16.2	6.9	.9	5.4	1.6	3.9	-2.7	4.4	-1.9
Goods	6.6	6.0	1.6	11.5	16.6	5.5	14.5	3.2	1.0	2.5	17.3	6.5	1.1	6.2	-6	4.2	-2.9	4.8	-2.1
Services	2.3	5.2	3.1	16.5	8.9	1.8	10.5	-3.5	-5	0	10.3	9.5	-1	1.3	14.2	2.3	-1.7	1.7	-3
Government consumption expenditures and gross investment .....	.7	1.8	2.0	1.5	1.3	1.6	-1.8	1.3	1.2	3.2	-1.9	4.9	1.0	.8	3.5	-5	4.1	3.8	2.2
Federal	1.5	2.2	1.7	6.1	2.4	6.2	-4.6	2.8	.7	8.6	-6.2	8.4	-1.6	.9	7.3	-6.3	6.0	7.1	.9
National defense	1.5	1.9	2.8	8.1	2.0	10.9	-9.7	4.6	2.6	10.0	-11.7	6.8	2.3	-1.5	16.9	-10.8	8.5	10.1	-3
Nondefense	1.3	2.8	-4	2.3	3.2	-2.7	6.5	-8	-3.0	5.8	5.8	11.9	-8.8	6.0	-10.0	3.8	.9	1.1	3.4
State and local .....	.3	1.6	2.2	-1.0	.7	-1.1	-1	.4	1.5	0	.7	2.9	2.5	.7	1.3	3.0	3.0	1.9	3.0
Addenda:																			
Final sales of domestic product	3.3	2.8	2.5	2.6	2.4	3.8	2.7	2.9	4.8	4.6	-5	5.4	2.0	1.0	3.5	1.3	3.6	4.0	2.1
Gross domestic purchases	3.1	2.8	1.5	3.6	4.8	3.8	3.4	2.6	1.9	4.3	2.5	4.5	1.9	1.3	.8	1.1	2.4	3.3	-3
Final sales to domestic purchasers	3.3	2.7	1.8	3.2	3.7	4.0	3.6	2.4	3.7	4.5	.8	5.0	1.5	1.2	2.1	1.7	2.1	2.5	1.2
Gross national product (GNP)	3.0	2.8		3.6	2.6	3.9	1.5	3.6	2.7	5.1	0	5.2	2.4	.5	2.6	.7	4.0	5.8	
Disposable personal income	1.7	3.1	3.0	3.7	2.4	2.9	7.5	-3.3	2.5	-1.2	6.6	4.9	.2	1.7	6.2	5.4	-8	4.0	-3
Current-dollar measures:																			
GDP	6.4	6.1	4.9	6.8	7.4	6.0	5.9	7.1	5.5	8.1	4.8	8.4	6.0	3.4	3.8	4.9	6.6	6.0	3.3
Final sales of domestic product	6.6	6.1	5.2	6.4	6.2	6.1	6.0	6.9	7.5	8.3	3.0	9.0	5.5	3.4	5.2	5.5	6.3	5.1	4.8
Gross domestic purchases	6.9	6.1	4.3	8.0	9.2	6.7	7.2	6.3	5.5	9.1	6.3	7.3	6.2	3.8	.9	4.9	6.2	5.1	3.6
Final sales to domestic purchasers	7.1	6.1	4.6	7.6	8.0	6.8	7.3	6.1	7.4	9.3	4.6	7.9	5.7	3.7	2.1	5.5	6.0	4.3	5.1
GNP	6.3	6.0		7.4	6.5	6.3	4.8	7.6	5.4	8.7	3.5	8.8	6.0	2.8	4.3	4.9	6.8	6.9	
Disposable personal income	4.7	5.9	5.7	7.3	6.3	4.9	10.8	-1.2	6.0	3.0	9.6	6.7	4.5	4.4	5.2	9.1	3.4	5.9	3.8

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the third quarter of 2007.

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

Table 2.—Contributions to Percent Change in Real Gross Domestic Product

	2005	2006	2007 ^r	Seasonally adjusted at annual rates															
				2004				2005				2006				2007			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Percent change at annual rate:																			
Gross domestic product	3.1	2.9	2.2	3.0	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9	0.6
Percentage points at annual rates:																			
Personal consumption expenditures	2.24	2.15	2.00	3.12	1.73	2.46	2.93	1.68	2.40	2.82	.84	3.00	1.63	1.88	2.68	2.56	1.00	2.01	1.32
Durable goods .....	.40	.31	.36	.49	.16	.64	.57	.18	.90	.51	-1.13	1.23	.07	.43	.30	.67	.14	.35	.18
Motor vehicles and parts	0	-.11	.07	.09	-.11	.17	.23	-.27	.48	.20	-1.57	.48	-.04	.16	0	.35	-.10	-.17	.09
Furniture and household equipment .....	.31	.35	.23	.29	.27	.36	.25	.31	.28	.39	.35	.54	.17	.24	.25	.28	.13	.31	.15
Other .....	.09	.07	.06	.11	0	.10	.09	.13	.14	-.08	.09	.22	-.06	.04	.05	.04	.11	.20	-.06
Nondurable goods .....	.72	.74	.48	.92	.31	.62	.97	.71	.74	.50	.93	.91	.47	.64	.86	.61	-.10	.46	.28
Food .....	.38	.38	.22	.59	.10	.21	.60	.31	.38	.49	.40	.47	.13	.24	.68	.16	-.14	.13	.40
Clothing and shoes .....	.17	.13	.12	.31	-.13	.15	.23	.18	.27	0	.29	.11	.05	.14	.10	.22	.06	.17	-.09
Gasoline, fuel oil, and other energy goods	-.02	-.01	-.03	0	.04	-.03	0	.05	-.11	-.11	.06	.02	.02	.05	-.15	.06	-.12	-.02	-.01
Other .....	.19	.23	.17	.03	.29	.29	.14	.17	.20	.13	.18	.31	.27	.20	.23	.17	.10	.18	-.01
Services	1.12	1.11	1.16	1.71	1.25	1.21	1.39	.79	.76	1.81	1.05	.86	1.10	.81	1.52	1.28	.96	1.20	.86
Housing .....	.33	.28	.25	.35	.25	.29	.31	.36	.36	.36	.30	.30	.23	.18	.20	.26	.29	.27	.34
Household operation .....	.08	-.03	.11	.13	.06	.06	.15	.04	-.02	.33	-.22	-.40	.17	.16	.13	.04	.05	.23	.07
Electricity and gas .....	.04	-.05	.08	.04	-.05	-.05	.15	.03	-.04	.29	-.21	-.42	.14	.17	.07	.03	.02	.21	.06
Other household operation .....	.03	.02	.03	.08	.11	.12	.01	.01	.02	.04	-.01	.02	.03	-.01	.07	.01	.03	.02	.01
Transportation .....	.03	.03	.08	.04	.08	.02	.06	.02	.01	.01	.03	.06	-.03	.06	.11	.07	.11	.09	.06
Medical care .....	.41	.40	.32	.33	.45	.52	.40	.27	.38	.53	.53	.49	.26	.12	.34	.47	.28	.27	.38
Recreation .....	.06	.09	.11	.21	.12	.09	.03	.09	.03	.06	.08	.07	.02	.19	.30	.06	.03	.10	-.02
Other .....	.21	.34	.29	.66	.29	.22	.44	0	0	.53	.32	.34	.45	.11	.44	.39	.19	.24	.03
Gross private domestic investment .....	.91	.45	-.79	.30	3.00	1.26	1.04	.89	-.64	1.15	2.13	.78	.13	-.70	-.250	-1.36	.71	.77	-2.02
Fixed investment	1.09	.39	-.48	-.07	1.88	1.41	1.14	.68	1.26	1.28	.38	1.27	-.32	-.80	-.119	-.70	.49	-.11	-.53
Nonresidential .....	.70	.68	.50	-.28	1.00	1.16	1.00	.36	1.51	.87	.35	1.31	.44	.53	-.15	.22	1.12	.96	.72
Structures .....	.01	.24	.40	-.01	.15	.09	0	.06	-.04	-.17	.12	.39	.45	.31	.23	.20	.78	.52	.48
Equipment and software .....	.69	.44	.10	-.27	.85	1.07	1.01	.30	.55	1.04	.23	.92	-.01	.21	-.38	.02	.34	.44	.24
Information processing equipment and software .....	.34	.27	.29	.04	.15	.24	.41	.46	.32	.32	.26	.48	.05	.24	-.06	.56	.36	.24	.49
Computers and peripheral equipment .....	.17	.12	.12	-.16	.04	.19	.24	.13	.19	.11	.23	.06	.11	.09	.03	.25	.08	.08	.20
Software .....	.10	.06	.10	.14	0	.11	.17	.07	.14	.02	.05	.08	.03	.05	.04	.14	.16	.07	.16
Other .....	.08	.10	.07	.05	.12	-.06	0	.26	-.01	.19	-.01	.34	-.09	.10	-.12	.18	.11	.09	.14
Industrial equipment .....	.09	.05	.02	-.14	.09	.19	.06	.15	-.12	.23	.11	-.08	.17	-.04	-.08	-.04	.19	.10	-.17
Transportation equipment .....	.13	.09	-.15	-.07	.52	.43	.40	-.34	.14	.40	-.21	.46	-.24	.10	-.18	-.20	-.32	.03	-.16
Other equipment .....	.12	.04	-.06	-.10	.09	.20	.13	.04	.21	.09	.07	.06	0	-.09	-.05	-.30	.11	.07	.08
Residential .....	.39	-.29	-.98	.21	.89	.24	.14	.32	.75	.42	.03	-.05	-.76	-1.33	-1.04	-.93	-.62	-1.08	-1.25
Change in private inventories	-.18	.06	-.31	.37	1.12	-.14	-.11	-.21	-1.90	-.14	1.74	-.49	.46	.10	-.131	-.65	.22	.89	-1.49
Farm	-.07	0	.04	.28	.37	-.32	-.14	-.25	.13	.12	.01	-.04	-.23	.10	.25	.04	-.05	.01	-.08
Nonfarm	-.11	.06	-.35	.08	.75	.18	.03	.46	-2.04	-.26	1.73	-.45	.69	.01	-1.56	-.69	.27	.87	-1.40
Net exports of goods and services	-.23	-.08	.58	-.75	-1.50	-.42	-1.07	.26	.83	-.10	-1.41	.13	.49	-.25	1.25	-.51	1.32	1.38	.90
Exports .....	.70	.88	.89	.95	.64	.31	.97	.60	.95	.22	1.07	1.19	.61	.62	1.51	.13	.85	2.10	.57
Goods .....	.53	.73	.62	.49	.48	.42	.49	.40	.92	.14	.87	1.10	.49	.56	.73	.07	.53	1.96	.34
Services .....	.17	.16	.27	.46	.16	-.11	.49	.20	.03	.08	.20	.10	.13	.07	.78	.05	.33	.14	.24
Imports	-.92	-.96	-.31	-1.70	-2.14	-.73	-2.04	-.34	-.12	-.32	-2.47	-1.07	-.12	-.88	-.26	-.63	.47	-.72	.32
Goods	-.86	-.83	-.23	-1.32	-1.92	-.69	-1.78	-.43	-.13	-.32	-2.22	-.83	-.12	-.84	.09	-.57	.42	-.67	.31
Services	-.06	-.13	-.08	-.37	-.21	-.05	-.26	.09	.01	0	-.26	-.24	0	-.03	-.35	-.06	.05	-.05	.01
Government consumption expenditures and gross investment .....	.14	.35	.39	.29	.25	.30	-.35	.25	.22	.60	-.37	.92	.18	.14	.66	-.09	.79	.74	.43
Federal .....	.11	.15	.12	.41	.17	.43	-.33	.19	.05	.59	-.46	.57	-.11	.06	.50	-.46	.41	.50	.06
National defense .....	.07	.09	.13	.36	.09	.49	-.48	.22	.12	.46	-.59	.31	.11	-.07	.74	-.54	.39	.47	-.01
Consumption expenditures .....	.04	.05	.13	.35	.03	.34	-.45	.26	.01	.41	-.57	.30	-.05	0	.60	-.40	.35	.39	.06
Gross investment .....	.03	.04	.01	.01	.06	.15	-.04	-.05	.11	.05	-.02	.01	.15	-.07	.15	-.14	.04	.08	-.07
Nondefense .....	.03	.06	-.01	.06	.08	-.06	.15	-.02	-.07	.13	.13	.27	-.22	.14	-.24	.08	.02	.03	.07
Consumption expenditures .....	.01	.05	0	.07	.03	-.04	.12	-.02	-.08	.07	.06	.23	-.15	.13	-.23	.14	-.02	.04	.04
Gross investment .....	.02	.02	-.01	-.02	.05	-.03	.03	0	.01	.06	.07	.04	-.07	.01	-.02	-.06	.04	-.01	.03
State and local .....	.04	.19	.27	-.12	.09	-.13	-.01	.05	.17	.01	.09	.35	.29	.08	.16	.36	.37	.24	.37
Consumption expenditures .....	.07	.13	.18	-.04	.02	.04	.11	.02	.09	.12	.09	.15	.11	.18	.19	.20	.19	.13	.21
Gross investment	-.03	.06	.09	-.08	.07	-.17	-.12	.03	.08	-.11	0	.20	.18	-.10	-.03	.17	.18	.11	.16
Addenda:																			
Goods	1.36	1.53	1.04	.68	1.10	2.06	1.18	1.32	1.23	1.83	.49	2.95	1.45	1.06	.36	.06	1.65	3.48	-.18
Services	1.36	1.36	1.66	2.17	1.27	1.40	1.41	1.34	1.82	2.50	.56	1.39	1.15	1.15	2.50	1.21	1.85	1.86	1.42
Structures .....	.35	-.01	-.50	.10	1.11	.14	-.03	.42	.76	.14	.14	.48	-.16	-1.14	-.77	-.68	.32	-.43	-.61
Motor vehicle output .....	.14	-.04	-.07	.29	-.21	.87	-.34	.18	.16	.92	-1.21	.51	-.37	.44	-.74	.18	.03	.36	-.85
Final sales of computers .....	.22	.13	.13	-.28	-.04	.13	.29	.24	.31	.15	.22	.05	.13	.03	.16	-.01	.21	.28	.16

^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

	2005	2006	2007 ^r	Seasonally adjusted at annual rates															
				2004				2005				2006				2007			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP)	3.2	3.2	2.7	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	2.7
Personal consumption expenditures	2.9	2.8	2.6	3.5	3.8	2.0	3.0	2.2	3.4	4.3	2.8	1.7	4.3	2.6	-9	3.5	4.3	1.8	4.1
Durable goods	-7	-1.3	-1.8	-5	.3	-2.5	.2	.1	-4	-2.8	-1.1	-1.0	-7	-1.3	-2.7	-1.9	-1.4	-1.8	-1.7
Nondurable goods	3.7	3.1	3.0	5.3	6.2	1.4	4.7	.3	5.0	9.5	.8	.3	8.6	2.8	-7.9	5.0	10.0	1.1	7.1
Services	3.4	3.4	3.2	3.5	3.4	3.1	2.8	3.6	3.4	3.3	4.6	3.0	3.2	3.2	3.0	3.8	2.6	2.8	3.7
Gross private domestic investment	4.2	3.5	1.2	4.1	4.7	3.9	3.9	5.2	2.8	4.0	5.8	4.0	2.5	1.6	2.2	2.0	-4	-3	1.1
Fixed investment	4.3	3.5	1.1	4.1	4.7	3.9	3.9	5.3	2.9	4.2	6.0	3.9	2.4	1.5	2.0	1.9	-3	-5	.9
Nonresidential	2.9	3.1	1.3	1.1	2.4	1.3	2.5	4.5	2.4	1.6	4.6	3.9	2.8	1.9	2.0	1.9	0	-6	1.2
Structures	11.7	11.7	3.3	6.8	7.6	10.1	12.0	12.8	8.7	13.8	17.6	13.0	10.7	5.6	4.6	4.1	-1.1	.5	3.8
Equipment and software	-1	0	.4	-8	.7	-1.7	-6	1.8	.3	-2.5	.2	.6	-2	.4	.8	1.0	.5	-1.1	0
Residential	6.7	4.4	.9	9.8	8.8	8.5	6.2	6.6	3.6	8.7	8.5	3.9	1.8	.8	2.1	2.0	-8	-3	2
Change in private inventories																			
Net exports of goods and services																			
Exports	3.6	3.4	3.5	5.5	4.8	1.9	4.2	4.6	3.6	2.5	3.0	2.7	6.0	4.6	-8	3.6	5.3	3.8	6.2
Goods	3.1	3.3	3.6	6.3	5.2	1.0	3.6	4.3	3.0	1.3	2.3	3.0	6.3	5.2	.1	3.5	5.1	3.2	6.3
Services	4.9	3.7	3.3	3.9	3.8	3.8	5.5	5.0	4.9	5.2	4.8	2.2	5.5	3.3	-2.7	3.9	5.8	5.1	5.8
Imports	6.3	4.0	3.5	9.2	7.3	5.3	6.9	2.2	9.7	10.3	4.3	-1.5	10.1	4.7	-9.4	1.0	11.9	7.5	13.0
Goods	6.5	4.2	3.6	10.0	7.9	5.0	7.0	2.0	10.1	10.9	4.9	-1.9	10.4	5.3	-10.1	.7	13.0	7.7	13.8
Services	5.6	3.1	2.8	4.9	4.7	6.7	6.0	3.5	7.7	7.5	1.3	.5	8.4	1.4	-5.3	2.3	6.7	6.5	8.6
Government consumption expenditures and gross investment	5.8	4.9	4.5	7.2	5.0	4.8	5.7	7.5	4.6	6.4	5.0	5.1	5.7	3.0	2.1	6.4	5.5	3.2	5.4
Federal	4.8	3.9	2.9	11.6	5.5	2.5	2.6	11.5	2.3	3.4	.8	9.1	4.0	1.3	.5	5.3	3.8	1.6	2.4
National defense	5.3	4.1	2.9	10.6	5.6	2.9	3.1	12.2	2.5	3.5	1.3	9.3	4.2	1.6	-1	5.0	4.1	1.9	3.0
Nondefense	4.0	3.5	2.9	13.8	5.2	1.4	1.7	10.1	1.8	3.2	-2	8.9	3.5	.7	1.7	5.9	3.3	1.1	1.3
State and local	6.4	5.4	5.4	4.6	4.7	6.2	7.6	5.2	6.1	8.1	7.6	2.7	6.7	4.0	3.1	7.0	6.5	4.2	7.2
Addenda:																			
Final sales of domestic product	3.2	3.2	2.7	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.3	1.7	4.2	2.7	1.0	2.7
Gross domestic purchases	3.7	3.3	2.7	4.3	4.2	2.8	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.8	3.9
Final sales to domestic purchasers	3.7	3.3	2.7	4.3	4.2	2.7	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.7	3.9
Gross national product (GNP)	3.2	3.1		3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	
Implicit price deflators:																			
GDP	3.2	3.2	2.7	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	2.7
Gross domestic purchases	3.6	3.3	2.7	4.3	4.2	2.7	3.7	3.6	3.6	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.7	3.9
GNP	3.2	3.2		3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	

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

Table 5.—Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

	2005	2006	2007 ^r	Seasonally adjusted				
				2006	2007			
					IV	I	II	III	IV ^{r}
Gross domestic product	112.086	115.304	117.828	116.080	116.254	117.349	118.763	118.948
Personal consumption expenditures	115.791	119.359	122.799	120.801	121.906	122.331	123.190	123.770
Durable goods	131.748	136.735	143.122	138.720	141.680	142.283	143.852	144.673
Nondurable goods	115.828	120.051	122.897	121.650	122.563	122.419	123.090	123.517
Services	112.687	115.696	118.931	116.969	117.865	118.527	119.360	119.974
Gross private domestic investment	107.709	110.607	105.350	106.955	104.690	105.875	107.172	103.665
Fixed investment	109.080	111.657	108.405	109.325	108.113	108.956	108.756	107.798
Nonresidential	99.490	106.062	111.117	106.711	107.277	110.109	112.597	114.485
Structures	79.127	85.770	97.000	88.849	90.241	95.639	99.330	102.788
Equipment and software	107.935	114.332	115.856	113.662	113.753	115.075	116.821	117.775
Residential	133.608	127.433	105.790	118.462	113.301	109.791	103.665	96.403
Change in private inventories								
Exports of goods and services	109.775	118.957	128.468	123.222	123.568	125.833	131.458	133.014
Imports of goods and services	123.425	130.683	133.143	132.014	133.272	132.363	133.780	133.155
Government consumption expenditures and gross investment	113.050	115.092	117.446	116.007	115.865	117.028	118.121	118.770
Federal	125.524	128.255	130.481	129.977	127.886	129.756	132.000	132.281
State and local	106.721	108.418	110.832	108.935	109.748	110.564	111.096	111.920
Addenda:								
Final sales of domestic product	112.360	115.526	118.434	116.550	116.916	117.953	119.117	119.748
Gross domestic purchases	113.894	117.071	118.856	117.562	117.871	118.560	119.535	119.457
Final sales to domestic purchasers	114.166	117.292	119.441	118.021	118.515	119.146	119.878	120.226
Gross national product	112.265	115.363		116.152	116.344	117.493	119.163	

^r Revised

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

Table 6.—Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

	2005	2006	2007 ^r	Seasonally adjusted				
				2006	2007			
					IV	I	II	III	IV ^{r}
Gross domestic product	113.005	116.568	119.686	117.527	118.750	119.527	119.837	120.630
Personal consumption expenditures (PCE)	111.588	114.675	117.601	115.143	116.129	117.345	117.873	119.058
Durable goods	90.018	88.857	87.276	88.213	87.799	87.488	87.091	86.725
Nondurable goods	111.561	114.989	118.399	114.210	115.620	118.413	118.751	120.813
Services	116.726	120.725	124.573	122.122	123.252	124.055	124.921	126.063
Gross private domestic investment	111.155	115.090	116.479	115.958	116.532	116.426	116.325	116.634
Fixed investment	111.404	115.352	116.656	116.162	116.718	116.636	116.498	116.773
Nonresidential	103.778	106.961	108.302	107.789	108.301	108.293	108.140	108.474
Structures	135.013	150.806	155.771	154.071	155.637	155.199	155.392	156.857
Equipment and software	94.527	94.485	94.850	94.667	94.892	95.002	94.751	94.754
Residential	128.653	134.288	135.501	135.076	135.736	135.459	135.367	135.442
Change in private inventories								
Exports of goods and services	108.803	112.537	116.522	113.424	114.433	115.912	116.992	118.752
Imports of goods and services	111.117	115.610	119.600	114.834	115.114	118.408	120.572	124.306
Government consumption expenditures and gross investment	121.435	127.334	133.061	128.757	130.765	132.527	133.588	135.365
Federal	120.914	125.622	129.253	126.244	127.886	129.098	129.622	130.406
State and local	121.758	128.370	135.349	130.272	132.499	134.586	135.969	138.342
Addenda:								
PCE excluding food and energy	109.670	112.130	114.494	113.052	113.730	114.116	114.682	115.448
Market-based PCE ¹	110.307	113.168	115.946	113.456	114.472	115.784	116.186	117.340
Market-based PCE excluding food and energy ¹	107.667	109.717	111.783	110.507	111.161	111.498	111.917	112.555
Final sales of domestic product	113.040	116.603	119.709	117.553	118.773	119.555	119.860	120.648
Gross domestic purchases	113.225	116.920	120.081	117.609	118.702	119.809	120.330	121.484
Final sales to domestic purchasers	113.261	116.956	120.106	117.636	118.727	119.838	120.355	121.504
Gross national product	112.999	116.558		117.515	118.740	119.518	119.824	
Implicit price deflators:								
Gross domestic product	113.000	116.567	119.682	117.522	118.745	119.519	119.826	120.613
Final sales of domestic product	113.040	116.603	119.711	117.550	118.770	119.551	119.857	120.644
Gross domestic purchases	113.221	116.919	120.079	117.606	118.700	119.804	120.321	121.469
Final sales to domestic purchasers	113.261	116.956	120.110	117.634	118.725	119.837	120.354	121.503
Gross national product	112.994	116.558		117.511	118.736	119.512	119.814	

^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 in 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]

	2005	2006	2007 ^r	Seasonally adjusted at annual rates				
				2006	2007			
					IV	I	II	III ^r	IV ^{r}
Gross domestic product	12,433.9	13,194.7	13,843.8	13,392.3	13,551.9	13,768.8	13,970.5	14,084.1
Plus: Income receipts from the rest of the world	544.1	691.4	.....	733.8	752.2	814.2	855.6	.....
Less: Income payments to the rest of the world	475.6	633.4	.....	673.7	689.0	743.5	754.4	.....
Equals: Gross national product	12,502.4	13,252.7	.....	13,452.4	13,615.1	13,839.4	14,071.6	.....
Less: Consumption of fixed capital	1,609.5	1,615.2	1,686.8	1,654.4	1,670.9	1,683.4	1,690.9	1,702.0
Less: Statistical discrepancy	5.4	-18.1	.....	-46.6	-66.3	-40.8	84.8	.....
Equals: National income	10,887.6	11,655.6	.....	11,844.6	12,010.5	12,196.8	12,296.0	.....
Compensation of employees	7,029.6	7,448.3	7,874.6	7,649.9	7,764.9	7,826.9	7,907.7	7,999.0
Wage and salary accruals	5,672.9	6,025.7	6,382.5	6,203.0	6,294.4	6,343.9	6,407.7	6,484.2
Supplements to wages and salaries	1,356.8	1,422.6	1,492.1	1,446.9	1,470.5	1,483.0	1,500.0	1,514.8
Proprietors' income with inventory valuation and capital consumption adjustments	969.9	1,006.7	1,042.3	1,009.8	1,027.4	1,038.4	1,048.7	1,054.9
Rental income of persons with capital consumption adjustment	42.9	54.5	64.6	50.9	53.2	62.1	68.4	74.7
Corporate profits with inventory valuation and capital consumption adjustments	1,372.8	1,553.7	.....	1,531.2	1,547.7	1,642.4	1,621.9	.....
Net interest and miscellaneous payments	558.0	598.5	603.2	596.0	599.6	592.4	599.3	621.3
Taxes on production and imports less subsidies	863.1	917.6	961.8	931.1	943.8	956.8	967.8	979.0
Business current transfer payments	66.5	90.2	94.2	91.8	91.8	92.8	94.4	97.6
Current surplus of government enterprises	-15.1	-13.9	-14.5	-16.0	-17.8	-15.0	-12.2	-13.1
Addendum:								
Gross domestic income	12,428.6	13,212.8	.....	13,438.9	13,618.2	13,809.5	13,885.7	.....

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the third quarter of 2007.

Table 10.—Personal Income and Its Disposition

[Billions of dollars]

	2005	2006	2007 ^r	Seasonally adjusted at annual rates				
				2006	2007			
					IV	I	II	III ^r
Personal income ¹	10,301.1	10,983.4	11,658.8	11,200.2	11,469.2	11,577.3	11,735.0	11,853.5
Compensation of employees, received	7,024.6	7,440.8	7,852.1	7,599.9	7,764.9	7,801.9	7,882.7	7,959.0
Wage and salary disbursements	5,667.9	6,018.2	6,360.0	6,153.0	6,294.4	6,318.9	6,382.7	6,444.2
Supplements to wages and salaries	1,356.8	1,422.6	1,492.1	1,446.9	1,470.5	1,483.0	1,500.0	1,514.8
Proprietors' income with inventory valuation and capital consumption adjustments	969.9	1,006.7	1,042.3	1,009.8	1,027.4	1,038.4	1,048.7	1,054.9
Farm	30.8	19.4	36.2	23.9	29.1	33.1	38.6	44.0
Nonfarm	939.1	987.4	1,006.1	985.8	998.3	1,005.3	1,010.0	1,010.9
Rental income of persons with capital consumption adjustment	42.9	54.5	64.6	50.9	53.2	62.1	68.4	74.7
Personal income receipts on assets	1,617.8	1,796.5	1,947.2	1,836.6	1,882.9	1,930.0	1,976.2	1,999.6
Personal interest income	1,018.9	1,100.2	1,154.7	1,102.8	1,126.1	1,148.4	1,171.1	1,173.0
Personal dividend income	598.9	696.3	792.5	733.8	756.8	781.6	805.0	826.6
Personal current transfer receipts	1,520.7	1,612.5	1,731.5	1,647.7	1,710.7	1,717.1	1,742.3	1,756.1
Less: Contributions for government social insurance	874.8	927.6	979.0	944.6	969.8	972.2	983.2	990.8
Less: Personal current taxes	1,209.1	1,354.3	1,483.6	1,401.0	1,454.7	1,477.6	1,489.8	1,512.2
Equals: Disposable personal income	9,092.0	9,629.1	10,175.2	9,799.2	10,014.5	10,099.7	10,245.2	10,341.3
Less: Personal outlays	9,047.4	9,590.3	10,132.4	9,757.2	9,917.5	10,069.2	10,200.9	10,342.2
Equals: Personal saving	44.6	38.8	42.7	42.0	97.0	30.5	44.4	-9
Personal saving as a percentage of disposable personal income .....	.5	.4	.4	.4	1.0	.3	.4	0
Addendum:								
Disposable personal income, billions of chained (2000) dollars ²	8,147.9	8,396.9	8,652.1	8,510.7	8,623.9	8,607.1	8,692.1	8,686.2

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the third quarter of 2007.

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

2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

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

	2005	2006	2007 ^r	Seasonally adjusted at annual rates															
				2004				2005				2006				2007			
				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	3.1	2.9	2.2	3.0	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9	0.6
Goods	4.3	5.0	3.3	2.1	3.4	6.6	3.7	4.2	3.9	5.8	1.5	9.6	4.6	3.4	1.1	.2	5.4	11.7	-6
Services	2.3	2.3	2.9	3.8	2.2	2.4	2.4	2.3	1.4	4.4	1.0	2.4	2.0	4.4	2.1	3.1	3.1	3.1	2.4
Structures	3.4	-1	-4.6	1.0	11.5	1.3	-3	4.0	7.3	1.2	1.2	4.3	-1.4	-9.9	-7.0	-6.2	3.0	-4.2	-5.9
Motor vehicle output	4.2	-1.3	-2.1	8.8	-6.1	29.0	-9.6	5.4	4.7	30.6	-30.5	17.0	-10.9	15.1	-21.6	6.2	1.0	13.1	-25.9
GDP excluding motor vehicle output	3.0	3.0	2.3	2.8	3.8	2.8	3.0	3.0	2.7	3.6	2.5	4.4	2.9	.6	2.9	.4	3.9	4.7	1.5
Final sales of computers ¹	35.1	19.4	20.4	-31.0	-6.6	19.8	50.1	39.5	51.7	21.8	34.2	7.3	20.7	5.1	27.0	-1.3	35.7	49.8	26.8
GDP excluding final sales of computers	2.9	2.8	2.1	3.3	3.6	3.5	2.3	2.8	2.5	4.3	1.0	4.8	2.3	1.0	1.9	.6	3.6	4.6	.5
Farm gross value added ²	5.9	.6	-3	149.5	-30.8	18.9	40.8	-10.9	14.0	-3.0	6.0	-8.9	17.5	-12.4	.8	-12.5	14.8	9.6	-2.6
Nonfarm business gross value added ³	3.6	3.2	2.3	2.6	5.0	3.8	2.6	3.9	3.2	5.6	.9	5.7	2.4	.8	2.6	.3	4.2	5.6	.3
Price indexes:																			
GDP	3.2	3.2	2.7	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	2.7
GDP excluding food and energy	3.2	3.1	2.5	3.5	3.4	2.8	3.1	4.1	2.6	2.9	3.5	3.4	3.2	2.6	2.4	3.3	1.6	1.7	2.4
GDP excluding final sales of computers	3.4	3.3	2.8	3.8	3.8	2.4	3.4	4.1	2.7	3.6	3.7	3.5	3.6	2.5	1.8	4.3	2.8	1.2	2.8
Gross domestic purchases	3.7	3.3	2.7	4.3	4.2	2.8	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.8	3.9
Gross domestic purchases excluding food and energy	3.1	2.9	2.4	3.5	3.4	2.6	2.8	4.0	2.6	2.7	3.2	3.2	3.2	2.5	2.3	3.1	1.5	1.9	2.5
Gross domestic purchases excluding final sales of computers to domestic purchasers	3.9	3.5	2.9	4.4	4.3	2.9	3.9	3.8	3.7	4.8	3.9	2.9	4.5	2.7	.2	3.9	4.0	1.9	4.1
Personal consumption expenditures (PCE)	2.9	2.8	2.6	3.5	3.8	2.0	3.0	2.2	3.4	4.3	2.8	1.7	4.3	2.6	-.9	3.5	4.3	1.8	4.1
PCE excluding food and energy	2.2	2.2	2.1	2.4	2.7	1.7	2.1	2.6	2.1	1.7	2.4	2.0	2.9	2.3	1.9	2.4	1.4	2.0	2.7
Market-based PCE ⁴	2.7	2.6	2.5	3.2	3.4	1.5	2.9	1.9	3.1	4.3	2.6	1.5	4.3	2.4	-1.6	3.6	4.7	1.4	4.0
Market-based PCE excluding food and energy ⁴	1.7	1.9	1.9	1.8	1.9	1.1	1.8	2.3	1.5	1.2	1.9	1.8	2.6	2.1	1.6	2.4	1.2	1.5	2.3

^r Revised

1. Some components of final sales of computers include 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 2005-06 annual percent change in real GDP uses prices for 2005 and 2006 as weights, and the 2005-06 annual percent change in GDP prices uses quantities for 2005 and 2006 as weights. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. Percent changes in Fisher indexes are not affected by the choice of reference year. (BEA also publishes a measure of the price level known as the implicit price deflator (IPD), which is calculated as the ratio of the current-dollar value to the corresponding chained-dollar value, multiplied by 100. The values of the IPD are very close to the values of the corresponding “chain-type” price index.)

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

Measures of real GDP and its major components are also presented in dollar-denominated form, designated “chained (2000) dollar estimates.” For most series, these estimates, which are presented in table 3, are computed by multiplying the current-dollar value in 2000 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2000 and if real output for this component increased 10 percent in 2001, then the chained (2000) dollar value of this component in 2001 would be \$110 (= \$100 x 110 / 100). Percent changes calculated from chained-dollar estimates and from chain-type quantity indexes are the same; any differences will be small and due to rounding.

Chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP (or to any intermediate aggregate). This is because the relative prices used as weights for any period other than the reference year differ from those of the reference year. A measure of the extent of such differences is provided by a “residual” line, which indicates the difference between GDP (or other major aggregate) and the sum of the most detailed components in the table. For periods close to the reference year, when there usually has not been much change in the relative prices that are used as weights, the residuals tend to be small, and the chained-dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. For periods further from the reference year, the residuals tend to be larger, and the chained-dollar estimates are less useful for analyses of contributions to growth. Thus, the contributions to percent change shown in table 2 provide a better measure of the composition of GDP growth. In particular, for components for which relative prices are changing rapidly, calculation of contributions using chained-dollar estimates may be misleading even just a few years from the reference year.

Reference: “Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes,” November 2003 *Survey*, pp. 8-16.