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GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2003 (FINAL) CORPORATE PROFITS: FOURTH QUARTER 2003

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 4.1 percent in the fourth quarter of 2003, according to revised estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 8.2 percent.

The GDP estimates released today are based on more complete source data than were available for the preliminary estimates issued last month. In the preliminary estimates, the increase in real GDP was also 4.1 percent (see "Revisions" on page 3).

The major contributors to the increase in real GDP in the fourth quarter were personal consumption expenditures (PCE), exports, equipment and software, private inventory investment, and residential fixed investment. 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 deceleration in residential fixed investment, and a downturn in government spending that were partly offset by an acceleration in exports and an upturn in private inventory investment.

Final sales of computers contributed 0.29 percentage point to the fourth-quarter change in real GDP after contributing 0.65 percentage point to the third-quarter change. Motor vehicle output contributed 0.13 percentage point to the fourth-quarter change in real GDP after contributing 0.82 percentage point to the third-quarter change.

NOTE.--Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and 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 1.3 percent in the fourth quarter, 0.2 percentage point more than in the preliminary estimate; this index increased 1.8 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 1.5 percent in the fourth quarter, compared with an increase of 1.3 percent in the third.

Real personal consumption expenditures increased 3.2 percent in the fourth quarter, compared with an increase of 6.9 percent in the third. Real nonresidential fixed investment increased 10.9 percent, compared with an increase of 12.8 percent. Nonresidential structures decreased 1.4 percent, compared with a decrease of 1.8 percent. Equipment and software increased 14.9 percent, compared with an increase of 17.6 percent. Real residential fixed investment increased 7.9 percent, compared with an increase of 21.9 percent.

Real exports of goods and services increased 20.5 percent in the fourth quarter, compared with an increase of 9.9 percent in the third. Real imports of goods and services increased 16.4 percent, compared with an increase of 0.8 percent.

Real federal government consumption expenditures and gross investment increased 0.7 percent in the fourth quarter, compared with an increase of 1.2 percent in the third. National defense increased 3.0 percent, in contrast to a decrease of 1.3 percent. Nondefense decreased 3.7 percent, in contrast to an increase of 6.5 percent. Real state and local government consumption expenditures and gross investment decreased 0.5 percent, in contrast to an increase of 2.1 percent.

The real change in private inventories added 0.71 percentage point to the fourth-quarter change in real GDP, after subtracting 0.13 percentage point from the third-quarter change. Private businesses increased inventories \$9.0 billion in the fourth quarter, following decreases of \$9.1 billion in the third quarter and \$4.5 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 3.4 percent in the fourth quarter, compared with an increase of 8.3 percent in the third.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 4.3 percent in the fourth quarter, compared with an increase of 7.0 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 5.5 percent in the fourth quarter, compared with an increase of 8.3 percent in the third. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$36.4 billion in the fourth quarter after increasing \$3.6 billion in the third; in the fourth quarter, receipts increased \$45.3 billion, and payments increased \$8.9 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 5.7 percent, or \$155.0 billion, in the fourth quarter to a level of \$11,262.0 billion. In the third quarter, current-dollar GDP increased 10.0 percent, or \$260.3 billion.

Revisions

The final estimate of the fourth-quarter increase in real GDP is the same as the preliminary estimate. Upward revisions to personal consumption expenditures for services and to nonresidential structures were offset by downward revisions to private inventory investment and to state and local government spending.

	<u>Advance</u>	<u>Preliminary</u>	<u>Final</u>
	(Percent change from preceding quarter)		
Real GDP.....	4.0	4.1	4.1
Current-dollar GDP.....	5.1	5.3	5.7
Gross domestic purchases price index.....	1.0	1.1	1.3

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$81.4 billion in the fourth quarter, compared with an increase of \$101.4 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 \$70.6 billion in the fourth quarter, compared with an increase of \$77.2 billion in the third.

Taxes on corporate income increased \$13.1 billion in the fourth quarter, compared with an increase of \$19.2 billion in the third. Profits after tax with inventory valuation and capital consumption adjustments increased \$68.2 billion in the fourth quarter, after increasing \$82.4 billion in the third. Dividends increased \$7.5 billion, compared with an increase of \$6.8 billion; current-production undistributed profits increased \$60.9 billion, compared with an increase of \$75.5 billion.

Domestic profits of financial corporations increased \$5.2 billion in the fourth quarter, compared with an increase of \$19.6 billion in the third. Domestic profits of nonfinancial corporations increased \$28.7 billion in the fourth quarter, compared with an increase of \$72.6 billion in the third. In the fourth quarter, both real gross value added and profits per unit of real gross value added increased. The increase in unit profits reflected an increase in the prices corporations received and a decrease in the unit labor costs incurred by corporations; unit nonlabor costs were unchanged.

The foreign component of profits (rest-of-the-world profits) increased \$47.5 billion in the fourth quarter, compared with an increase of \$9.2 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 increase was accounted for by a larger increase in receipts than in payments.

Profits before tax with inventory valuation adjustment is the best available measure of industry profits because estimates of the capital consumption adjustment by industry do not exist. This measure reflects the depreciation-accounting practices used for federal income tax returns. According to this measure, both domestic profits of financial corporations and domestic profits of nonfinancial corporations increased. Profit increases of nonfinancial corporations primarily reflected increases in manufacturing, in "other" nonfinancial industries, and in utilities that were partially offset by decreases in information, in retail trade, and in wholesale trade.

Profits before tax increased \$92.2 billion in the fourth quarter, compared with an increase of \$73.4 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 \$9.1 billion in the fourth quarter (from \$260.1 billion to \$269.2 billion), compared with an increase of \$30.9 billion in the third. The inventory valuation adjustment decreased \$19.9 billion (from -\$1.8 billion to -\$21.7 billion), compared with a decrease of \$3.0 billion.

Corporate profits in 2003

Profits from current production increased 18.3 percent in 2003, compared with an increase of 17.4 percent in 2002. Domestic profits increased 20.6 percent, compared with an increase of 23.4 percent. The rest-of-the-world component of profits increased 7.6 percent, in contrast to a decrease of 5.0 percent.

Profits tax liability increased 15.3 percent in 2003, in contrast to a decrease of 3.0 percent in 2002. Profits after tax with inventory valuation and capital consumption adjustments increased 19.2 percent, compared with an increase of 24.6 percent. Dividends increased 8.2 percent, compared with an increase of 6.7 percent; current-production undistributed profits increased 33.2 percent, compared with an increase of 58.6 percent.

Profits before tax increased 15.0 percent in 2003, compared with an increase of 6.9 percent in 2002. In 2003, 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 lowered before-tax profits. Profits from current production were 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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Next release -- April 29, 2004, at 8:30 A.M. EDT for:
Gross Domestic Product: First Quarter 2004 (Advance)

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

	2001	2002	2003 ^r	Seasonally adjusted at annual rates															
				2000				2001				2002				2003			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III ^r	IV ^r
Gross domestic product (GDP)	0.5	2.2	3.1	1.0	6.4	-0.5	2.1	-0.2	-0.6	-1.3	2.0	4.7	1.9	3.4	1.3	2.0	3.1	8.2	4.1
Personal consumption expenditures	2.5	3.4	3.1	6.5	2.5	3.9	3.4	.5	2.3	1.9	6.2	4.1	2.6	2.0	2.2	2.5	3.3	6.9	3.2
Durable goods	4.1	6.5	7.4	24.4	-9.5	6.0	.7	1.7	9.8	.7	27.3	1.6	.5	5.0	.3	.5	17.7	28.0	.7
Nondurable goods	1.9	3.0	3.8	.3	5.7	2.3	3.7	.4	-1.1	2.9	4.7	6.1	.4	.2	4.6	5.7	1.2	7.3	5.4
Services	2.4	3.0	2.0	6.0	3.9	4.3	3.9	.3	2.4	1.6	2.8	3.8	4.1	2.2	1.5	1.5	1.7	2.8	2.8
Gross private domestic investment	-8.4	-1.2	4.2	-6.9	29.1	-9.9	-2.3	-11.1	-16.4	-8.5	-17.7	11.1	4.6	11.4	-6	-3.5	4.7	14.8	14.9
Fixed investment	-3.2	-3.7	4.4	11.5	9.5	-6	.7	-2.7	-9.2	-5.2	-10.8	-2.5	.6	.6	2.1	1.1	6.1	15.8	9.9
Nonresidential	-4.5	-7.2	3.0	14.3	14.8	2.2	.9	-4.5	-13.6	-8.4	-14.0	-7.0	-3.0	-1.1	-1	-6	7.0	12.8	10.9
Structures	-2.5	-18.4	-4.6	7.0	18.0	9.6	1.2	-5.9	-5.6	2.2	-35.3	-23.9	-14.5	-14.6	-5.6	-4.0	3.9	-1.8	-1.4
Equipment and software	-5.2	-2.8	5.5	16.9	13.7	-.2	.8	-4.0	-16.4	-12.2	-4.1	-.2	1.2	3.7	1.7	.5	8.0	17.6	14.9
Residential .....	.4	4.9	7.5	4.1	-3.5	-8.0	.4	2.6	3.7	3.1	-2.5	8.7	8.9	4.2	6.8	4.5	4.5	21.9	7.9
Change in private inventories																			
Net exports of goods and services																			
Exports	-5.2	-2.4	2.0	6.6	12.3	10.7	-2.7	-4.5	-13.4	-17.7	-9.8	4.4	8.7	4.3	-3.7	-2.0	-1.1	9.9	20.5
Goods	-6.1	-4.0	1.9	8.7	13.8	18.3	-5.4	-5.4	-18.1	-18.9	-7.6	-2.6	12.0	4.3	-9.1	1.9	-1.7	8.6	21.3
Services	-3.1	1.4	2.3	1.4	8.5	-6.6	4.4	-2.0	-6	-14.7	-15.0	22.8	1.6	4.5	9.4	-10.1	.2	12.7	18.9
Imports	-2.6	3.3	4.0	16.7	16.5	14.1	-1.6	-6.2	-8.6	-10.8	-3.8	8.4	17.1	4.1	8.2	-6.8	9.1	.8	16.4
Goods	-3.2	3.7	4.8	16.0	17.7	14.1	-1.6	-6.8	-12.2	-9.2	-3.2	6.3	21.9	4.8	7.4	-6.6	13.7	-1.5	18.3
Services .....	.4	1.4	-.1	20.8	10.7	14.1	-1.9	-3.1	12.5	-18.2	-6.9	19.2	-3.6	.7	12.2	-7.5	-10.9	13.4	7.5
Government consumption expenditures and gross investment	2.8	3.8	3.3	-3.0	5.5	-2.1	1.3	5.8	5.8	-4.1	7.4	4.6	4.0	2.5	7.1	-.4	7.4	1.8	-.1
Federal	3.7	7.9	8.7	-13.9	17.2	-8.2	-1.0	8.9	6.7	0	9.9	8.4	10.5	3.9	18.2	-.2	23.5	1.2	.7
National defense	3.9	8.9	10.6	-21.3	17.0	-7.4	1.7	7.7	2.6	2.4	14.2	8.2	9.5	4.5	22.1	-5.6	41.9	-1.3	3.0
Nondefense	3.5	6.2	5.3	1.2	17.6	-9.7	-5.7	11.2	14.4	-4.3	2.6	8.7	12.2	2.9	11.4	10.5	-5.0	6.5	-3.7
State and local	2.2	1.8	.5	3.2	.1	1.3	2.5	4.3	5.3	-6.1	6.1	2.7	.7	1.7	1.5	-.5	-.8	2.1	-.5
Addenda:																			
Final sales of domestic product	1.4	1.8	3.2	4.2	3.3	1.3	2.6	1.4	.7	-.7	3.2	2.6	1.3	1.8	1.7	2.7	3.3	8.3	3.4
Gross domestic purchases .....	.7	2.8	3.3	2.5	7.2	.4	2.1	-.7	-.4	-.8	2.4	5.2	3.1	3.4	2.7	1.1	4.3	7.0	4.3
Final sales to domestic purchasers	1.6	2.4	3.4	5.6	4.2	2.1	2.6	.9	.9	-.3	3.6	3.2	2.5	1.8	3.1	1.8	4.5	7.2	3.6
Gross national product (GNP) .....	.5	2.1	3.3	.8	6.6	-.7	3.0	-1.3	-.6	-1.9	4.6	2.6	1.3	3.8	2.0	1.5	3.3	8.3	5.5
Disposable personal income	1.8	3.8	2.6	9.2	2.7	5.2	.6	-.3	-1.4	12.2	-.4	10.6	4.1	-.9	.6	2.4	4.9	6.8	.5
Current-dollar measures:																			
GDP	2.9	3.8	4.8	4.7	8.3	1.6	3.8	2.9	2.6	.3	3.9	5.4	3.9	4.4	3.1	4.3	4.2	10.0	5.7
Final sales of domestic product	3.9	3.3	4.9	7.8	5.4	3.2	4.5	4.5	4.0	.9	4.8	3.8	2.8	3.3	3.5	5.1	4.4	10.1	5.0
Gross domestic purchases	2.7	4.2	5.3	6.6	8.9	2.9	3.7	1.9	1.9	.2	3.3	5.8	6.1	4.6	4.5	4.5	4.7	8.9	5.7
Final sales to domestic purchasers	3.6	3.8	5.4	9.7	6.1	4.5	4.4	3.5	3.3	.7	4.1	4.2	5.0	3.5	4.8	5.3	4.8	9.1	5.0
GNP	2.8	3.6	5.0	4.4	8.4	1.4	4.7	1.8	2.5	-.3	6.5	3.3	3.3	4.9	3.9	3.9	4.4	10.1	7.1
Disposable personal income	3.8	5.2	4.5	13.0	4.7	7.2	2.4	2.9	1.1	12.8	-.4	11.4	7.2	1.1	2.3	5.3	5.4	8.7	1.5

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2003.

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

Table 3.—Gross Domestic Product and Related Measures: Level and Change From Preceding Period

	Billions of current dollars						Billions of chained (2000) dollars						Change from preceding period		
	2003 ^r	Seasonally adjusted at annual rates					2003 ^r	Seasonally adjusted at annual rates								2003^{r}	2003
		2002	2003					2002	2003					III	IV ^r
	IV	I	II	III	IV ^r	IV	I	II	III	IV ^r	III	IV ^r			
Gross domestic product	10,987.9	10,623.7	10,735.8	10,846.7	11,107.0	11,262.0	10,398.0	10,160.8	10,210.4	10,288.3	10,493.1	10,600.1	315.0	204.8	107.0
Personal consumption expenditures	7,757.4	7,501.2	7,600.7	7,673.6	7,836.3	7,919.1	7,365.2	7,198.9	7,244.1	7,304.0	7,426.6	7,486.2	224.8	122.6	59.6
Durable goods	941.6	907.3	898.2	926.2	975.1	967.0	1,027.5	963.8	965.0	1,005.1	1,069.1	1,070.8	70.3	64.0	1.7
Motor vehicles and parts	424.0	410.4	402.1	414.5	447.2	432.2	441.9	419.0	414.5	429.5	466.9	456.7	18.6	37.4	-10.2
Furniture and household equipment	334.2	325.3	321.8	329.9	339.9	345.1	400.3	373.5	374.7	391.7	412.4	422.5	35.6	20.7	10.1
Other	183.4	171.6	174.3	181.8	188.0	189.7	187.3	173.0	177.6	185.9	191.4	194.5	17.1	5.5	3.1
Nondurable goods	2,209.7	2,119.2	2,175.7	2,170.8	2,230.0	2,262.2	2,121.0	2,061.8	2,090.5	2,096.9	2,134.3	2,162.4	77.4	37.4	28.1
Food	1,064.1	1,016.4	1,037.4	1,049.7	1,074.9	1,094.2	994.7	963.9	979.6	985.4	1,002.8	1,010.9	36.5	17.4	8.1
Clothing and shoes	311.2	306.4	304.8	307.5	315.1	317.3	334.4	323.4	325.7	331.9	339.5	340.6	15.3	7.6	1.1
Gasoline, fuel oil, and other energy goods	210.3	193.0	222.4	196.9	209.2	212.7	198.9	201.0	203.1	192.9	194.7	204.8	-4	1.8	10.1
Other	624.1	603.4	611.1	616.7	630.8	637.9	593.6	573.8	582.2	587.4	598.3	606.8	26.3	10.9	8.5
Services	4,606.2	4,474.7	4,526.8	4,576.6	4,631.2	4,689.9	4,225.7	4,175.4	4,190.7	4,208.4	4,237.2	4,266.4	83.9	28.8	29.2
Housing	1,198.5	1,167.7	1,181.5	1,191.4	1,204.9	1,216.4	1,085.6	1,071.7	1,078.0	1,082.8	1,088.7	1,092.8	23.7	5.9	4.1
Household operation	425.9	412.9	422.6	424.2	428.5	428.3	396.2	395.6	396.6	393.4	398.8	398.0	1.7	3.4	1.2
Electricity and gas	164.2	156.0	163.1	163.9	165.8	164.0	145.1	147.9	148.0	143.1	144.5	144.9	-1	1.4	.4
Other household operation	261.7	256.9	259.5	260.3	262.7	264.3	251.2	247.6	248.5	250.5	252.4	253.2	2.0	1.9	.8
Transportation	293.6	291.5	292.3	292.8	295.3	294.1	278.2	281.3	281.6	278.8	277.2	275.1	-6.6	-1.6	-2.1
Medical care	1,302.4	1,239.8	1,263.1	1,289.2	1,315.1	1,342.3	1,190.0	1,154.8	1,169.3	1,182.4	1,196.9	1,211.4	57.9	14.5	14.5
Recreation	319.2	309.7	312.6	317.2	321.3	325.7	291.1	287.5	287.5	290.1	291.9	294.8	6.3	1.8	2.9
Other	1,066.5	1,053.0	1,054.7	1,061.9	1,066.2	1,083.1	983.3	983.5	976.6	979.7	984.3	992.7	.1	4.6	8.4
Gross private domestic investment	1,670.6	1,614.7	1,605.3	1,624.3	1,689.1	1,763.5	1,638.0	1,595.8	1,581.6	1,599.9	1,656.1	1,714.6	66.0	56.2	58.5
Fixed investment	1,673.0	1,594.6	1,606.2	1,630.1	1,699.5	1,750.0	1,635.2	1,573.5	1,577.7	1,601.4	1,661.0	1,700.6	69.4	59.6	39.6
Nonresidential	1,110.6	1,074.3	1,071.8	1,086.9	1,124.4	1,159.2	1,125.5	1,088.9	1,087.3	1,105.8	1,139.5	1,169.4	32.9	33.7	29.9
Structures	259.2	256.3	256.1	259.2	259.8	261.9	237.5	239.0	236.5	238.8	237.7	236.9	-11.5	-1.1	-8
Equipment and software	851.3	817.9	815.8	827.7	864.6	897.3	893.5	853.9	855.0	871.6	907.7	939.7	46.8	36.1	32.0
Information processing equipment and software	463.8	424.1	436.2	451.2	477.0	490.7	522.7	468.2	487.2	506.4	537.7	559.5	63.4	31.3	21.8
Computers and peripheral equipment	97.2	84.9	86.8	93.5	101.8	106.8	.....	.....	.....	.....	.....	.....	.....	.....	.....
Software	181.1	169.8	173.4	177.6	185.1	188.4	182.4	169.7	174.4	178.6	185.0	191.5	14.9	6.4	6.5
Other	185.4	169.3	175.9	180.1	190.2	195.5	194.8	177.1	184.3	188.6	200.2	206.0	17.7	11.6	5.8
Industrial equipment	133.6	135.6	133.4	133.2	134.1	133.5	131.1	133.9	131.4	131.0	131.4	130.6	-5.0	.4	-8
Transportation equipment	121.3	128.8	119.8	115.3	117.8	132.2	116.6	127.2	117.4	115.1	113.7	120.1	-11.6	-1.4	6.4
Other equipment	132.7	129.4	126.3	128.1	135.7	140.9	128.5	126.1	122.6	123.9	131.1	136.3	4.2	7.2	5.2
Residential	562.4	520.3	534.4	543.2	575.1	596.9	505.3	481.0	486.4	491.7	516.7	526.6	35.0	25.0	9.9
Change in private inventories	-2.4	20.2	-9	-5.8	-10.5	7.5	-7	21.5	1.6	-4.5	-9.1	9.0	-6.4	-4.6	18.1
Farm	-2.3	-4.8	.2	-2.7	-4.3	-2.3	-1.1	-3.5	1.2	-2.0	-2.8	-7	2.2	-8	2.1
Nonfarm	-1	25.0	-1.2	-3.0	-6.2	9.8	.5	25.4	.3	-2.4	-5.9	10.0	-8.8	-3.5	15.9
Net exports of goods and services	-495.0	-476.1	-487.6	-505.5	-490.6	-496.2	-509.1	-511.5	-490.0	-526.0	-505.2	-515.2	-38.5	20.8	-10.0
Exports	1,048.9	1,017.2	1,021.0	1,020.2	1,048.5	1,105.8	1,034.7	1,017.5	1,012.4	1,009.6	1,033.7	1,083.1	20.5	24.1	49.4
Goods	725.5	698.3	707.6	707.7	722.1	764.5	720.5	703.2	706.5	703.5	718.2	753.7	13.3	14.7	35.5
Services	323.4	318.8	313.3	312.5	326.4	341.3	314.0	314.0	305.7	305.9	315.5	329.1	7.2	9.3	13.9
Imports	1,543.8	1,493.3	1,508.5	1,525.7	1,539.0	1,602.0	1,543.8	1,529.0	1,502.5	1,535.7	1,538.9	1,598.3	59.1	3.2	59.4
Goods	1,283.3	1,240.8	1,254.2	1,272.4	1,275.6	1,331.2	1,308.6	1,288.1	1,266.2	1,307.4	1,302.4	1,358.2	60.2	-5.0	55.8
Services	260.5	252.5	254.3	253.3	263.5	270.8	236.3	241.2	236.5	229.8	237.2	241.5	-1	7.4	4.3
Government consumption expenditures and gross investment	2,054.8	1,983.9	2,017.4	2,054.2	2,072.1	2,075.6	1,898.4	1,870.8	1,869.0	1,902.8	1,911.1	1,910.7	61.5	8.3	-4
Federal	757.2	710.0	723.0	764.7	769.6	771.5	704.3	675.8	675.5	712.0	714.3	715.5	56.3	2.3	1.2
National defense	497.3	461.1	463.3	507.3	507.2	511.5	463.0	439.5	433.2	472.8	471.2	474.7	44.2	-1.6	3.5
Consumption expenditures	437.3	404.6	408.6	447.5	443.7	449.5	401.9	382.0	377.3	411.8	406.9	411.7	39.7	-4.9	4.8
Gross investment	60.0	56.6	54.7	59.8	63.5	62.0	61.0	57.4	55.7	60.8	64.5	63.0	4.4	3.7	-1.5
Nondefense	259.9	248.9	259.7	257.4	262.4	260.0	241.4	236.4	242.4	239.3	243.1	240.8	12.2	3.8	-2.3
Consumption expenditures	225.6	216.1	227.3	221.4	228.5	225.2	207.1	203.6	209.9	203.4	209.3	206.0	10.8	5.9	-3.3
Gross investment	34.3	32.7	32.4	36.0	33.8	34.8	34.3	32.7	32.4	36.0	33.8	34.9	1.4	-2.2	1.1
State and local	1,297.6	1,273.9	1,294.5	1,289.6	1,302.5	1,304.0	1,194.6	1,195.3	1,193.8	1,191.4	1,197.4	1,195.9	5.5	6.0	-1.5
Consumption expenditures	1,045.6	1,024.2	1,045.8	1,040.9	1,046.3	1,049.5	956.9	956.4	957.8	956.6	956.0	957.1	6.4	-6	1.1
Gross investment	252.0	249.7	248.7	248.7	256.2	254.5	237.8	239.0	236.0	234.7	241.5	238.8	-8	6.8	-2.7
Residual .....	.....	.....	.....	.....	.....	.....	-18.6	-2.5	-4.5	-11.5	-27.4	-31.1	.....	.....	.....
Addenda:															
Final sales of domestic product	10,990.3	10,603.6	10,736.7	10,852.4	11,117.4	11,254.5	10,395.0	10,138.9	10,206.4	10,289.5	10,497.7	10,586.4	318.1	208.2	88.7
Gross domestic purchases	11,482.8	11,099.9	11,223.4	11,352.2	11,597.5	11,758.2	10,903.6	10,668.0	10,697.6	10,809.9	10,995.4	11,111.5	352.1	185.5	116.1
Final sales to domestic purchasers	11,485.2	11,079.7	11,224.3	11,357.9	11,608.0	11,750.7	10,900.6	10,646.1	10,693.5	10,811.1	11,000.1	11,097.8	355.2	189.0	97.7
Gross domestic product	10,987.9	10,623.7	10,735.8	10,846.7	11,107.0	11,262.0	10,398.0	10,160.8	10,210.4	10,288.3	10,493.1	10			

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

	2001	2002	2003 ^r	Seasonally adjusted at annual rates															
				2000				2001				2002				2003			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP)	2.4	1.5	1.7	3.4	2.0	1.9	1.8	3.2	3.2	1.6	1.6	1.1	1.5	1.5	1.7	2.3	1.1	1.6	1.5
Personal consumption expenditures	2.0	1.4	1.8	3.5	2.0	1.9	1.8	3.2	2.5	.5	.4	.7	2.9	2.0	1.7	2.8	.5	1.8	1.0
Durable goods	-1.9	-2.9	-3.7	-1.8	-.5	-2.5	-1.0	-1.3	-3.1	-2.8	-2.2	-3.5	-2.9	-3.0	-3.0	-4.4	-3.9	-4.0	-3.9
Nondurable goods	1.5	.5	2.1	5.2	3.7	3.4	1.4	1.3	3.7	-.9	-4.3	-.1	5.7	1.4	1.0	5.1	-2.1	3.8	.5
Services	3.2	2.7	2.9	3.9	1.7	2.1	2.6	5.1	3.2	1.8	3.3	2.0	2.8	3.4	3.1	3.2	2.7	2.0	2.3
Gross private domestic investment	1.1	0	.9	2.0	1.2	1.9	.8	.3	1.3	2.3	0	-.7	-.7	-1.0	1.6	1.3	0	2.0	3.6
Fixed investment	1.1	.1	1.1	2.3	1.2	1.9	.9	.1	1.6	2.4	0	-.8	-.7	-.7	1.7	1.9	0	2.1	3.7
Nonresidential	-.2	-.9	-.2	.6	.3	1.4	0	-1.8	.2	.6	-1.2	-1.3	-1.5	-1.5	.4	-.3	-1.2	1.6	1.8
Structures	5.5	1.4	2.1	4.8	3.6	4.5	5.0	6.5	6.9	6.3	1.2	-.9	.5	.3	1.1	3.8	1.1	2.7	4.7
Equipment and software	-2.2	-1.7	-.9	-.8	-.8	.4	-1.7	-4.7	-2.1	-1.6	-2.1	-1.4	-2.1	-2.1	.2	-1.6	-1.8	1.2	1.0
Residential	4.6	2.4	3.9	7.1	3.9	3.2	3.4	5.3	5.1	7.0	2.9	.3	1.1	.9	4.5	6.4	2.2	3.1	7.5
Change in private inventories																			
Net exports of goods and services																			
Exports	-4	-4	2.1	2.7	2.1	.9	.4	-.1	-1.2	-2.1	-3.6	-1.2	2.9	3.3	.6	3.6	.8	1.6	2.6
Goods	-7	-7	2.0	1.3	1.6	.3	.4	-.1	-1.6	-2.6	-3.8	-1.4	2.1	3.3	.6	3.5	1.7	-2	3.6
Services .....	.4	.3	2.2	6.2	3.5	2.5	.6	.6	-.3	-1.0	-3.0	-.9	4.6	3.2	.6	3.8	-1.3	5.7	.4
Imports	-2.5	-1.0	3.6	5.9	.7	4.2	.7	-2.8	-6.0	-5.3	-9.8	-1.6	10.5	3.7	.8	11.7	-4.1	2.7	.9
Goods	-3.0	-1.7	2.9	6.8	1.2	4.5	.8	-3.7	-6.6	-6.6	-11.1	-2.1	10.7	2.7	.5	11.8	-6.8	2.6	.3
Services .....	.2	2.5	7.4	1.3	-2.0	2.5	.3	2.1	-3.0	1.4	-2.9	.7	9.3	8.6	2.0	11.3	10.4	3.3	3.8
Government consumption expenditures and gross investment	2.6	2.6	2.9	6.6	1.7	4.5	2.7	2.7	2.2	2.0	1.4	3.6	3.3	2.2	1.8	7.3	.1	1.7	.7
Federal	2.1	2.7	2.5	7.2	-1.1	5.0	1.6	2.0	1.6	2.4	1.7	5.9	2.3	1.2	-.5	7.7	1.4	1.3	.3
National defense	2.2	2.5	2.6	8.2	-.2	3.6	.9	3.6	1.6	2.4	.8	5.2	2.3	1.8	-.6	8.0	1.2	1.3	.4
Nondefense	1.9	3.2	2.3	5.4	-2.6	7.5	2.7	-.7	1.8	2.3	3.6	7.3	2.1	.2	-.4	7.2	1.6	1.3	.1
State and local	2.9	2.5	3.1	6.3	3.2	4.2	3.2	3.0	2.5	1.8	1.3	2.4	3.8	2.7	3.0	7.1	-.7	2.0	1.0
Addenda:																			
Final sales of domestic product	2.4	1.5	1.7	3.4	2.0	1.9	1.8	3.1	3.2	1.6	1.6	1.1	1.4	1.5	1.8	2.4	1.1	1.6	1.5
Gross domestic purchases	2.0	1.4	1.9	3.8	1.8	2.3	1.8	2.6	2.3	1.0	.5	1.0	2.4	1.6	1.7	3.4	.4	1.8	1.3
Final sales to domestic purchasers	2.0	1.4	1.9	3.8	1.8	2.3	1.8	2.6	2.3	1.0	.5	.9	2.4	1.6	1.7	3.5	.4	1.8	1.4
Gross national product (GNP)	2.4	1.5	1.7	3.3	2.0	1.9	1.8	3.2	3.1	1.6	1.6	1.1	1.5	1.5	1.7	2.3	1.1	1.7	1.5
Implicit price deflators:																			
GDP	2.4	1.5	1.7	3.6	1.7	2.1	1.6	3.1	3.2	1.6	1.9	.7	1.9	1.0	1.8	2.3	1.1	1.6	1.5
Gross domestic purchases	2.0	1.4	1.9	4.1	1.6	2.5	1.6	2.6	2.3	1.0	.8	.6	2.9	1.2	1.8	3.4	.4	1.8	1.3
GNP	2.4	1.5	1.7	3.6	1.7	2.1	1.6	3.1	3.2	1.6	1.9	.7	2.0	1.0	1.8	2.3	1.1	1.6	1.5

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

Table 5.—Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

	2001	2002	2003 ^r	Seasonally adjusted				
				2002	2003			
					IV	I	II	III	IV ^{r}
Gross domestic product	100.506	102.710	105.918	103.502	104.008	104.801	106.887	107.977
Personal consumption expenditures	102.452	105.951	109.286	106.819	107.489	108.378	110.197	111.081
Durable goods	104.144	110.868	119.017	111.638	111.779	116.420	123.834	124.037
Nondurable goods	101.852	104.949	108.926	105.885	107.358	107.685	109.607	111.053
Services	102.382	105.420	107.555	106.276	106.664	107.115	107.849	108.591
Gross private domestic investment	91.650	90.580	94.386	91.953	91.135	92.186	95.424	98.800
Fixed investment	96.826	93.258	97.392	93.718	93.968	95.378	98.932	101.290
Nonresidential	95.517	88.683	91.349	88.378	88.248	89.751	92.485	94.913
Structures	97.465	79.492	75.828	76.304	75.523	76.244	75.906	75.638
Equipment and software	94.825	92.144	92.234	92.927	93.047	94.851	98.779	102.260
Residential	100.351	105.228	113.073	107.629	108.828	110.021	115.616	117.827
Change in private inventories								
Exports of goods and services	94.773	92.512	94.385	92.818	92.353	92.097	94.290	98.800
Imports of goods and services	97.377	100.609	104.612	103.610	101.810	104.059	104.277	108.302
Government consumption expenditures and gross investment	102.750	106.697	110.271	108.666	108.563	110.527	111.008	110.986
Federal	103.746	111.958	121.690	116.764	116.713	123.025	123.406	123.616
State and local	102.248	104.047	104.533	104.593	104.463	104.248	104.779	104.642
Addenda:								
Final sales of domestic product	101.441	103.242	106.501	103.877	104.569	105.420	107.553	108.462
Gross domestic purchases	100.672	103.482	106.935	104.625	104.915	106.016	107.836	108.974
Final sales to domestic purchasers	101.575	103.998	107.502	104.992	105.459	106.619	108.483	109.446
Gross national product	100.462	102.527	105.921	103.476	103.873	104.711	106.825	108.277

^r Revised.

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

Table 6.—Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

	2001	2002	2003 ^r	Seasonally adjusted				
				2002	2003			
					IV	I	II	III	IV ^{r}
Gross domestic product	102.376	103.949	105.686	104.571	105.163	105.440	105.870	106.270
Personal consumption expenditures	102.039	103.429	105.325	104.203	104.927	105.065	105.522	105.787
Durable goods	98.086	95.208	91.682	94.136	93.074	92.147	91.207	90.298
Nondurable goods	101.530	102.075	104.179	102.789	104.079	103.529	104.488	104.618
Services	103.168	105.946	109.007	107.174	108.028	108.758	109.306	109.935
Gross private domestic investment	101.070	101.119	102.064	101.259	101.586	101.589	102.093	102.988
Fixed investment	101.087	101.155	102.296	101.341	101.808	101.796	102.319	103.260
Nonresidential	99.770	98.859	98.669	98.658	98.579	98.293	98.678	99.124
Structures	105.518	106.974	109.168	107.274	108.268	108.559	109.288	110.556
Equipment and software	97.786	96.121	95.275	95.781	95.404	94.961	95.251	95.483
Residential	104.628	107.105	111.263	108.184	109.881	110.485	111.321	113.363
Change in private inventories								
Exports of goods and services	99.628	99.273	101.354	99.964	100.842	101.044	101.434	102.094
Imports of goods and services	97.537	96.519	100.031	97.694	100.435	99.381	100.042	100.265
Government consumption expenditures and gross investment	102.587	105.207	108.246	106.055	107.951	107.966	108.433	108.635
Federal	102.065	104.858	107.507	105.066	107.032	107.399	107.755	107.842
State and local	102.853	105.382	108.627	106.580	108.435	108.246	108.778	109.049
Addenda:								
Final sales of domestic product	102.381	103.955	105.723	104.585	105.198	105.474	105.906	106.313
Gross domestic purchases	101.974	103.374	105.327	104.065	104.934	105.031	105.496	105.847
Final sales to domestic purchasers	101.978	103.379	105.362	104.077	104.968	105.062	105.531	105.888
Gross national product	102.372	103.936	105.684	104.556	105.156	105.438	105.872	106.268
Implicit price deflators:								
Gross domestic product	102.373	103.945	105.673	104.556	105.146	105.427	105.851	106.244
Final sales of domestic product	102.381	103.955	105.726	104.583	105.196	105.471	105.904	106.311
Gross domestic purchases	101.971	103.370	105.312	104.048	104.915	105.017	105.476	105.820
Final sales to domestic purchasers	101.978	103.379	105.363	104.072	104.964	105.058	105.526	105.883
Gross national product	102.368	103.932	105.671	104.541	105.138	105.425	105.853	106.243

^r Revised.

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

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

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ^r
Gross domestic product (GDP)	4.1	3.5	1.9	-0.2	3.3	2.7	4.0	2.5	3.7	4.5	4.2	4.5	3.7	0.5	2.2	3.1
Personal consumption expenditures	4.1	2.8	2.0	.2	3.3	3.3	3.7	2.7	3.4	3.8	5.0	5.1	4.7	2.5	3.4	3.1
Durable goods	6.0	2.2	-3	-5.6	5.9	7.8	8.4	4.4	7.8	8.6	11.3	11.7	7.3	4.1	6.5	7.4
Nondurable goods	3.3	2.8	1.6	-2	2.0	2.7	3.5	2.2	2.6	2.7	4.0	4.6	3.8	1.9	3.0	3.8
Services	4.0	3.0	2.9	1.7	3.5	2.8	2.9	2.6	2.9	3.3	4.2	4.0	4.5	2.4	3.0	2.0
Gross private domestic investment	2.4	4.0	-3.4	-8.1	8.1	8.9	13.6	3.1	8.9	12.4	9.8	7.8	5.7	-8.4	-1.2	4.2
Fixed investment	3.3	3.0	-2.1	-6.5	5.9	8.6	9.3	6.5	9.0	9.2	10.2	8.3	6.5	-3.2	-3.7	4.4
Nonresidential	5.2	5.6	.5	-5.4	3.2	8.7	9.2	10.5	9.3	12.1	11.1	9.2	8.7	-4.5	-7.2	3.0
Structures .....	.6	2.0	1.5	-11.1	-6.0	-7	1.8	6.4	5.6	7.3	5.1	-4	6.8	-2.5	-18.4	-4.6
Equipment and software	7.5	7.3	0	-2.6	7.3	12.5	11.9	12.0	10.6	13.8	13.3	12.7	9.4	-5.2	-2.8	5.5
Residential	-1.0	-3.0	-8.6	-9.6	13.8	8.2	9.6	-3.2	8.0	1.9	7.6	6.0	.8	.4	4.9	7.5
Change in private inventories																
Net exports of goods and services																
Exports	16.0	11.5	9.0	6.6	6.9	3.2	8.7	10.1	8.4	11.9	2.4	4.3	8.7	-5.2	-2.4	2.0
Goods	18.8	11.9	8.4	6.9	7.5	3.3	9.7	11.7	8.8	14.3	2.2	3.8	11.2	-6.1	-4.0	1.9
Services	9.0	10.3	10.5	6.0	5.5	3.2	6.3	6.3	7.2	5.9	2.9	5.6	2.9	-3.1	1.4	2.3
Imports	3.9	4.4	3.6	-6	7.0	8.8	11.9	8.0	8.7	13.6	11.6	11.5	13.1	-2.6	3.3	4.0
Goods	4.0	4.3	3.0	-1	9.3	10.1	13.3	9.0	9.3	14.4	11.7	12.4	13.5	-3.2	3.7	4.8
Services	3.4	4.9	6.5	-2.6	-2.6	2.9	5.7	3.3	5.5	9.4	11.4	6.9	11.1	.4	1.4	-1
Government consumption expenditures and gross investment	1.3	2.6	3.2	1.1	.5	-9	0	.5	1.0	1.9	1.9	3.9	2.1	2.8	3.8	3.3
Federal	-1.6	1.5	2.0	-2	-1.7	-4.2	-3.7	-2.7	-1.2	-1.0	-1.1	2.2	.9	3.7	7.9	8.7
National defense	-5	-5	0	-1.1	-5.0	-5.6	-4.9	-3.8	-1.4	-2.8	-2.1	1.9	-5	3.9	8.9	10.6
Nondefense	-5.1	8.3	8.3	2.4	6.9	-7	-1.2	-4	-7	2.6	.7	2.8	3.5	3.5	6.2	5.3
State and local	3.7	3.4	4.1	2.1	2.2	1.4	2.6	2.6	2.3	3.6	3.6	4.7	2.7	2.2	1.8	.5
Addenda:																
Final sales of domestic product	4.3	3.4	2.1	.1	3.0	2.6	3.4	3.0	3.7	4.0	4.2	4.5	3.8	1.4	1.8	3.2
Gross domestic purchases	3.2	3.0	1.4	-8	3.3	3.2	4.4	2.4	3.8	4.8	5.3	5.3	4.4	.7	2.8	3.3
Final sales to domestic purchasers	3.4	2.8	1.6	-6	3.1	3.2	3.8	2.8	3.8	4.3	5.3	5.4	4.5	1.6	2.4	3.4
Gross national product	4.2	3.5	2.0	-3	3.3	2.7	3.9	2.6	3.7	4.4	4.0	4.6	3.7	.5	2.1	3.3
Real disposable personal income	4.3	2.8	1.9	.5	3.4	1.0	2.7	2.8	3.0	3.5	5.8	3.0	4.8	1.8	3.8	2.6
Price indexes:																
Gross domestic purchases	3.4	3.8	4.1	3.3	2.3	2.2	2.1	2.1	1.8	1.4	.6	1.6	2.5	2.0	1.4	1.9
Gross domestic purchases excluding food and energy	3.7	3.6	3.7	3.5	2.6	2.3	2.2	2.2	1.5	1.3	1.0	1.4	1.9	1.9	1.7	1.4
GDP	3.4	3.8	3.9	3.5	2.3	2.3	2.1	2.0	1.9	1.7	1.1	1.4	2.2	2.4	1.5	1.7
GDP excluding food and energy	3.4	3.6	3.7	3.6	2.5	2.4	2.2	2.1	1.7	1.7	1.2	1.5	2.0	2.1	1.8	1.4
Personal consumption expenditures	4.0	4.4	4.6	3.6	2.9	2.3	2.1	2.1	2.2	1.7	.9	1.7	2.5	2.0	1.4	1.8

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2003.

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

	2000				2001				2002				2003			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III ^r	IV ^r
Gross domestic product (GDP)	4.1	4.8	3.5	2.2	1.9	0.2	0	0	1.2	1.8	3.0	2.8	2.1	2.4	3.6	4.3
Personal consumption expenditures	5.5	4.6	4.5	4.1	2.6	2.5	2.0	2.7	3.6	3.7	3.7	2.7	2.3	2.5	3.7	4.0
Durable goods	13.7	5.9	5.2	4.7	-4	4.5	3.2	9.4	9.3	7.0	8.1	1.8	1.5	5.6	11.0	11.1
Nondurable goods	3.7	4.1	4.3	3.0	3.0	1.3	1.5	1.7	3.1	3.5	2.8	2.8	2.7	2.9	4.7	4.9
Services	4.7	4.5	4.4	4.5	3.1	2.7	2.0	1.8	2.6	3.1	3.2	2.9	2.3	1.7	1.9	2.2
Gross private domestic investment	4.4	11.2	5.8	1.4	.3	-10.1	-9.7	-13.5	-8.6	-3.3	1.6	6.5	2.8	2.8	3.6	7.4
Fixed investment	7.8	7.7	5.5	5.1	1.6	-3.0	-4.2	-7.0	-4.2	-7.0	-4.6	-3.1	.2	1.1	2.4	6.1
Nonresidential	9.4	9.9	7.9	7.8	3.1	-4.0	-6.5	-10.2	-10.8	-8.2	-6.4	-2.8	-1.2	1.3	4.6	7.4
Structures	2.7	6.3	9.6	8.8	5.3	-4	-2.1	-12.4	-17.0	-22.6	-14.9	-9.8	-5.3	-1.9	-9	
Equipment and software	11.7	11.1	7.3	7.5	2.4	-5.2	-8.2	-9.4	-8.5	-4.0	.1	1.6	1.8	3.4	6.7	
Residential	3.7	1.9	-7	-1.9	-2.2	-4	2.4	1.7	3.2	4.4	4.7	7.1	6.1	5.0	9.2	
Change in private inventories																
Net exports of goods and services																
Exports	8.2	10.2	10.1	6.5	3.7	-2.8	-9.8	-11.5	-9.5	-4.2	1.6	3.3	1.7	-7	.6	6.4
Goods	10.2	12.6	13.7	8.5	4.8	-3.5	-12.7	-12.7	-12.1	-4.9	1.2	.8	2.0	-1.3	-3	7.2
Services	3.6	4.5	1.6	1.8	.9	-1.3	-3.5	-8.3	-3.0	-2.5	2.6	9.3	1.1	.7	2.6	4.8
Imports	13.6	14.0	13.8	11.2	5.2	-9	-6.8	-7.4	-4.0	2.2	6.2	9.4	5.3	3.5	2.6	4.5
Goods	14.3	14.6	14.1	11.3	5.3	-2.1	-7.5	-7.9	-4.8	3.3	7.1	9.9	6.4	4.6	2.9	5.4
Services	10.1	11.1	12.4	10.6	4.7	5.1	-3.3	-4.5	.5	-3.3	1.9	6.7	.2	-1.8	1.2	.1
Government consumption expenditures and gross investment	2.7	3.5	1.7	.4	2.6	2.7	2.1	3.6	3.3	2.9	4.6	4.5	3.3	4.1	3.9	2.1
Federal .....	.9	4.6	.3	-2.2	3.8	1.4	3.6	6.3	6.2	7.1	8.2	10.1	7.9	10.9	10.2	5.9
National defense	-4	3.6	-1.6	-3.5	4.4	1.0	3.6	6.6	6.8	8.5	9.1	10.9	7.2	14.4	12.7	8.0
Nondefense	3.4	6.3	3.9	.3	2.7	2.0	3.5	5.7	5.1	4.6	6.5	8.7	9.2	4.7	5.6	1.9
State and local	3.6	2.9	2.4	1.7	2.0	3.3	1.4	2.3	1.9	.8	2.8	1.6	.8	.5	.5	0
Addenda:																
Final sales of domestic product	4.6	4.2	3.5	2.9	2.2	1.5	1.0	1.1	1.4	1.6	2.2	1.8	1.9	2.4	4.0	4.4
Gross domestic purchases	4.9	5.5	4.2	3.0	2.2	.3	0	.1	1.6	2.5	3.5	3.6	2.6	2.8	3.8	4.2
Final sales to domestic purchasers	5.4	4.9	4.2	3.6	2.4	1.6	1.0	1.3	1.8	2.2	2.8	2.7	2.3	2.8	4.1	4.2
Gross national product	4.1	4.8	3.5	2.4	1.8	.1	-2	.2	1.1	1.6	3.1	2.4	2.2	2.7	3.8	4.6
Real disposable personal income	4.4	4.9	5.7	4.4	2.0	1.0	2.6	1.3	4.0	5.4	2.2	3.5	1.6	1.7	3.7	3.6
Price indexes:																
Gross domestic purchases	2.6	2.5	2.5	2.4	2.1	2.3	1.9	1.6	1.2	1.2	1.4	1.7	2.3	1.8	1.8	1.7
Gross domestic purchases excluding food and energy	1.9	1.8	1.9	1.8	1.7	1.8	1.9	2.1	1.8	1.7	1.6	1.4	1.6	1.4	1.3	1.4
GDP	2.1	2.1	2.3	2.2	2.2	2.5	2.4	2.4	1.9	1.4	1.4	1.4	1.7	1.6	1.7	1.6
GDP excluding food and energy	2.1	2.0	2.1	2.0	1.8	2.0	2.1	2.3	2.1	1.9	1.8	1.5	1.6	1.4	1.3	1.3
Personal consumption expenditures	2.7	2.5	2.4	2.3	2.2	2.3	2.0	1.6	1.0	1.1	1.5	1.8	2.4	1.8	1.7	1.5

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2003.

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

[Billions of dollars]

	2001	2002	2003 ^r	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III ^r	IV ^{r}
Gross domestic product	10,100.8	10,480.8	10,987.9	10,623.7	10,735.8	10,846.7	11,107.0	11,262.0
Plus: Income receipts from the rest of the world	319.0	299.1	317.3	304.8	296.8	299.5	312.1	360.7
Less: Income payments to the rest of the world	283.8	277.6	273.6	266.9	269.0	266.2	274.3	284.8
Equals: Gross national product	10,135.9	10,502.3	11,031.6	10,661.6	10,763.7	10,880.0	11,144.8	11,337.9
Less: Consumption of fixed capital	1,266.9	1,288.6	1,310.9	1,300.4	1,305.7	1,303.4	1,309.1	1,325.3
Less: Statistical discrepancy	-112.2	-77.2	17.8	-15.7	23.2	-8.3	38.2	18.3
Equals: National income	8,981.2	9,290.8	9,702.8	9,376.9	9,434.8	9,584.9	9,797.5	9,994.2
Compensation of employees	5,940.4	6,019.1	6,198.1	6,058.0	6,115.8	6,164.8	6,229.4	6,282.4
Wage and salary accruals	4,942.9	4,974.6	5,095.6	4,999.1	5,034.6	5,070.8	5,118.8	5,158.3
Supplements to wages and salaries	997.6	1,044.5	1,102.4	1,058.8	1,081.2	1,093.9	1,110.6	1,124.0
Proprietors' income with inventory valuation and capital consumption adjustments	770.6	797.7	846.9	812.2	813.5	838.8	860.9	874.3
Rental income of persons with capital consumption adjustment	163.1	173.0	164.2	159.0	163.2	153.4	157.0	183.0
Corporate profits with inventory valuation and capital consumption adjustments	770.4	904.2	1,069.9	934.9	927.1	1,022.8	1,124.2	1,205.6
Net interest and miscellaneous payments	568.4	582.4	583.2	589.7	589.3	581.7	579.9	581.8
Taxes on production and imports less subsidies	674.5	721.8	740.4	732.8	729.4	725.2	745.2	761.8
Business current transfer payments	92.5	89.8	95.2	86.2	90.1	92.5	97.1	101.2
Current surplus of government enterprises	1.2	2.8	5.0	4.1	6.3	5.8	3.7	4.1
Addendum:								
Gross domestic income	10,213.0	10,558.0	10,970.0	10,639.4	10,712.7	10,855.0	11,068.8	11,243.6

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2003.

Table 10.—Personal Income and Its Disposition

[Billions of dollars]

	2001	2002	2003 ^r	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III ^r
Personal income ¹	8,713.1	8,910.3	9,203.7	8,981.3	9,048.7	9,145.9	9,256.3	9,363.9
Compensation of employees, received	5,940.4	6,019.1	6,198.1	6,058.0	6,114.4	6,166.2	6,229.4	6,282.4
Wage and salary disbursements	4,942.9	4,974.6	5,095.6	4,999.1	5,033.2	5,072.2	5,118.8	5,158.3
Supplements to wages and salaries	997.6	1,044.5	1,102.4	1,058.8	1,081.2	1,093.9	1,110.6	1,124.0
Proprietors' income with inventory valuation and capital consumption adjustments	770.6	797.7	846.9	812.2	813.5	838.8	860.9	874.3
Farm	25.0	14.3	19.5	16.3	13.0	20.0	21.5	23.3
Nonfarm	745.6	783.4	827.4	795.9	800.5	818.8	839.4	850.9
Rental income of persons with capital consumption adjustment	163.1	173.0	164.2	159.0	163.2	153.4	157.0	183.0
Personal income receipts on assets	1,374.9	1,378.5	1,393.3	1,392.0	1,388.6	1,390.2	1,389.2	1,405.2
Personal interest income	1,003.7	982.4	964.6	981.2	970.6	964.9	957.0	965.7
Personal dividend income	371.2	396.2	428.7	410.8	418.0	425.3	432.2	439.5
Personal current transfer receipts	1,192.6	1,292.2	1,377.5	1,315.6	1,337.6	1,369.7	1,398.7	1,403.8
Less: Contributions for government social insurance	728.5	750.3	776.2	755.5	768.7	772.3	779.0	784.7
Less: Personal current taxes	1,243.7	1,053.1	990.6	1,045.6	1,009.4	1,000.2	938.5	1,014.5
Equals: Disposable personal income	7,469.4	7,857.2	8,213.1	7,935.6	8,039.2	8,145.8	8,317.8	8,349.4
Less: Personal outlays	7,342.2	7,674.0	8,043.0	7,789.2	7,888.3	7,956.7	8,118.5	8,208.6
Equals: Personal saving	127.2	183.2	170.0	146.4	151.0	189.0	199.3	140.8
Personal saving as a percentage of disposable personal income	1.7	2.3	2.1	1.8	1.9	2.3	2.4	1.7
Addendum:								
Disposable personal income, billions of chained (2000) dollars ²	7,320.2	7,596.7	7,797.8	7,615.8	7,662.0	7,753.5	7,882.9	7,893.0

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2003.

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						
	2001	2002	2003	Seasonally adjusted at annual rates					2002	2003	Quarterly rates				Quarter one year ago
				2002	2003						2003				
					IV	I	II	III			IV	I	II	III	IV
Corporate profits with inventory valuation and capital consumption adjustments	770.4	904.2	1,069.9	934.9	927.1	1,022.8	1,124.2	1,205.6	17.4	18.3	-0.8	10.3	9.9	7.2	29.0
Less: Taxes on corporate income	201.1	195.0	224.9	202.9	213.9	211.4	230.6	243.7	-3.0	15.3	5.5	-1.2	9.0	5.7	20.1
Equals: Profits after tax with inventory valuation and capital consumption adjustments	569.3	709.1	845.0	732.0	713.2	811.3	893.7	961.9	24.6	19.2	-2.6	13.8	10.1	7.6	31.4
Net dividends	373.2	398.3	431.0	413.1	420.3	427.5	434.3	441.8	6.7	8.2	1.8	1.7	1.6	1.7	7.0
Undistributed profits with inventory valuation and capital consumption adjustments	196.0	310.8	414.1	318.9	292.9	383.8	459.3	520.2	58.6	33.2	-8.2	31.0	19.7	13.2	63.1
Cash flow:															
Net cash flow with inventory valuation and capital consumption adjustments	937.3	1,058.2	1,164.1	1,070.8	1,043.3	1,129.4	1,206.6	1,277.2	12.9	10.0	-2.6	8.3	6.8	5.9	19.3
Undistributed profits with inventory valuation and capital consumption adjustments	196.0	310.8	414.1	318.9	292.9	383.8	459.3	520.2	58.6	33.2	-8.2	31.0	19.7	13.2	63.1
Consumption of fixed capital	741.3	747.3	750.1	751.9	750.4	745.6	747.2	757.1	.8	.4	-2	-6	2	1.3	.7
Less: Inventory valuation adjustment	9.1	-2.2	-12.6	-10.8	-28.1	1.2	-1.8	-21.7							
Equals: Net cash flow	928.2	1,060.4	1,176.7	1,081.7	1,071.4	1,128.2	1,208.4	1,298.9	14.2	11.0	-1.0	5.3	7.1	7.5	20.1
Addenda:															
Profits before tax (without inventory valuation and capital consumption adjustments)	696.8	745.0	856.4	795.0	809.0	792.5	865.9	958.1	6.9	15.0	1.8	-2.0	9.3	10.6	20.5
Profits after tax (without inventory valuation and capital consumption adjustments)	495.6	549.9	631.5	592.1	595.0	581.0	635.4	714.5	11.0	14.8	.5	-2.4	9.4	12.4	20.7
Inventory valuation adjustment	9.1	-2.2	-12.6	-10.8	-28.1	1.2	-1.8	-21.7							
Capital consumption adjustment	64.5	161.5	226.2	150.7	146.3	229.2	260.1	269.2	150.3	40.1	-2.9	56.7	13.5	3.5	78.6

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

[Billions of dollars]

	Level								Change from preceding period						
	2001	2002	2003	Seasonally adjusted at annual rates					2002	2003	2003				
				2002	2003						I	II	III	IV	
					IV	I	II	III							IV
Corporate profits with inventory valuation and capital consumption adjustments	770.4	904.2	1,069.9	934.9	927.1	1,022.8	1,124.2	1,205.6	133.8	165.7	-7.8	95.7	101.4	81.4	
Domestic industries	608.9	750.8	904.9	767.9	778.4	874.3	966.5	1,000.4	141.9	154.1	10.5	95.9	92.2	33.9	
Financial	213.3	259.1	287.9	248.6	268.4	279.6	299.2	304.4	45.8	28.8	19.8	11.2	19.6	5.2	
Nonfinancial	395.6	491.7	617.0	519.3	510.0	594.7	667.3	696.0	96.1	125.3	-9.3	84.7	72.6	28.7	
Rest of the world	161.5	153.4	165.0	166.9	148.7	148.5	157.7	205.2	-8.1	11.6	-18.2	-2	9.2	47.5	
Receipts from the rest of the world	178.6	202.4	239.4	214.0	215.4	220.8	236.2	285.3	23.8	37.0	1.4	5.4	15.4	49.1	
Less: Payments to the rest of the world	17.1	49.1	74.4	47.0	66.6	72.3	78.4	80.1	32.0	25.3	19.6	5.7	6.1	1.7	
Corporate profits with inventory valuation adjustment	705.9	742.7	843.8	784.2	780.9	793.6	864.2	936.4	36.8	101.1	-3.3	12.7	70.6	72.2	
Domestic industries	544.4	589.4	678.7	617.2	632.1	645.1	706.4	731.2	45.0	89.3	14.9	13.0	61.3	24.8	
Financial	225.6	255.1	268.8	243.4	261.8	260.6	274.6	278.0	29.5	13.7	18.4	-1.2	14.0	3.4	
Federal Reserve banks	28.3	22.9	19.6	21.2	21.2	20.5	18.9	17.8	-5.4	-3.3	0	-7	-1.6	-1.1	
Other financial	197.3	232.2	249.2	222.1	240.7	240.1	255.7	260.3	34.9	17.0	18.6	-6	15.6	4.6	
Nonfinancial	318.8	334.3	410.0	373.9	370.3	384.5	431.8	453.2	15.5	75.7	-3.6	14.2	47.3	21.4	
Utilities	24.1	22.0	24.4	22.8	28.1	21.1	21.5	26.7	-2.1	2.4	5.3	-7.0	4	5.2	
Manufacturing	54.0	73.3	96.6	95.1	87.1	80.3	97.7	121.1	19.3	23.3	-8.0	-6.8	17.4	23.4	
Durable goods	-24.9	8.8	20.2	25.2	17.1	13.9	19.4	30.3	33.7	11.4	-8.1	-3.2	5.5	10.9	
Fabricated metal products	9.7	9.7	12.3	12.1	8.9	12.1	12.6	15.5	0	2.6	-3.2	3.2	5	2.9	
Machinery	3.2	1.5	-2.6	-1.3	-2.8	-2.7	-2.4	-2.5	-1.7	-4.1	-1.5	.1	.3	-1	
Computer and electronic products	-49.4	-18.4	-2.6	-1.2	-5.6	-1.8	-1.5	-1.7	31.0	15.8	-4.4	3.8	.3	-2	
Electrical equipment, appliances, and components	2.0	1.7	-1.7	.7	.7	-.9	-1.5	-5.1	-3	-3.4	0	-1.6	-6	-3.6	
Motor vehicles, bodies and trailers, and parts	-7.2	-1.0	1.1	-1.7	7.3	-1.9	-3.5	2.4	6.2	2.1	9.0	-9.2	-1.6	5.9	
Other durable goods	16.7	15.3	13.8	16.6	8.6	9.1	15.7	21.7	-1.4	-1.5	-8.0	.5	6.6	6.0	
Nondurable goods	78.9	64.6	76.4	69.9	70.0	66.4	78.4	90.8	-14.3	11.8	.1	-3.6	12.0	12.4	
Food and beverage and tobacco products	27.5	32.8	32.8	32.4	32.4	30.6	31.8	36.6	5.3	0	0	-1.8	1.2	4.8	
Petroleum and coal products	29.9	6.4	22.3	8.7	20.2	20.6	19.5	28.9	-23.5	15.9	11.5	4	-1.1	9.4	
Chemical products	13.8	17.5	18.7	19.4	18.9	15.8	23.7	16.6	3.7	1.2	-5	-3.1	7.9	-7.1	
Other nondurable goods	7.7	7.9	2.5	9.4	-1.5	-5	3.4	8.8	.2	-5.4	-10.9	1.0	3.9	5.4	
Wholesale trade	51.6	49.1	45.4	47.9	39.8	42.6	51.0	48.2	-2.5	-3.7	-8.1	2.8	8.4	-2.8	
Retail trade	71.1	76.7	80.1	73.9	72.9	85.0	84.3	78.2	5.6	3.4	-1.0	12.1	-7	-6.1	
Transportation and warehousing	-1	-2.3	11.9	2.4	5.6	12.9	14.7	14.5	-2.2	14.2	3.2	7.3	1.8	-2	
Information	-27.2	-20.2	-5.4	-12.6	-11.4	-8.0	2.3	-4.7	7.0	14.8	1.2	3.4	10.3	-7.0	
Other nonfinancial	145.3	135.5	157.0	144.4	148.1	150.7	160.2	169.1	-9.8	21.5	3.7	2.6	9.5	8.9	
Rest of the world	161.5	153.4	165.0	166.9	148.7	148.5	157.7	205.2	-8.1	11.6	-18.2	-2	9.2	47.5	

NOTE.—Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

Table 13.—Gross Value Added of Nonfinancial Corporate Business

	2001	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
				IV	I	II	III ^r	IV
Billions of dollars								
Gross value added of nonfinancial corporate business	5,299.3	5,410.6	5,646.8	5,479.3	5,479.2	5,581.7	5,720.2	5,806.0
Consumption of fixed capital	610.5	618.2	623.3	623.4	622.9	619.4	621.3	629.4
Net value added	4,688.9	4,792.4	5,023.5	4,856.0	4,856.3	4,962.3	5,098.9	5,176.6
Compensation of employees	3,597.0	3,570.1	3,663.9	3,596.8	3,612.6	3,640.5	3,683.1	3,719.3
Wage and salary accruals	3,016.7	2,971.8	3,032.0	2,982.1	2,992.7	3,013.7	3,047.0	3,074.6
Supplements to wages and salaries	580.4	598.3	631.9	614.7	619.9	626.8	636.1	644.7
Taxes on production and imports less subsidies	440.3	464.5	480.8	471.5	474.1	469.0	486.0	494.2
Net operating surplus	651.5	757.7	878.8	787.6	769.6	852.8	929.7	963.1
Net interest and miscellaneous payments	205.8	206.9	203.7	207.0	204.5	201.4	202.9	206.2
Business current transfer payments	50.0	59.1	58.1	61.4	55.1	56.7	59.6	60.9
Corporate profits with inventory valuation and capital consumption adjustments	395.6	491.7	617.0	519.3	510.0	594.7	667.3	696.0
Taxes on corporate income	108.7	101.6	129.4	114.5	119.8	117.7	133.6	146.6
Profits after tax with inventory valuation and capital consumption adjustments	286.9	390.2	487.6	404.8	390.2	477.0	533.7	549.4
Net dividends	248.2	257.2	271.8	265.7	265.8	274.8	270.8	275.7
Undistributed profits with inventory valuation and capital consumption adjustments	38.7	133.0	215.8	139.1	124.4	202.2	262.9	273.7
Addenda:								
Profits before tax (without inventory valuation and capital consumption adjustments)	309.6	336.5	422.6	384.7	398.4	383.4	433.6	474.9
Profits after tax (without inventory valuation and capital consumption adjustments)	200.9	234.9	293.1	270.3	278.6	265.7	299.9	328.3
Inventory valuation adjustment	9.1	-2.2	-12.6	-10.8	-28.1	1.2	-1.8	-21.7
Capital consumption adjustment	76.8	157.5	207.1	145.4	139.7	210.1	235.5	242.8
Billions of chained (2000) dollars								
Gross value added of nonfinancial corporate business ¹	5,235.4	5,339.0	5,561.4	5,405.7	5,412.1	5,505.2	5,629.6	5,698.8
Consumption of fixed capital ²	609.0	624.1	636.8	635.0	634.5	630.9	639.4	642.5
Net value added ³	4,626.4	4,714.9	4,924.6	4,770.8	4,777.6	4,874.2	4,990.2	5,056.3
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	1.012	1.013	1.015	1.014	1.012	1.014	1.016	1.019
Compensation of employees (unit labor cost) .....	.687	.669	.659	.665	.668	.661	.654	.653
Unit nonlabor cost .....	.250	.253	.246	.252	.251	.245	.243	.243
Consumption of fixed capital .....	.117	.116	.112	.115	.115	.113	.110	.110
Taxes on production and imports less subsidies plus business current transfer payments .....	.094	.098	.097	.099	.098	.095	.097	.097
Net interest and miscellaneous payments .....	.039	.039	.037	.038	.038	.037	.036	.036
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	.076	.092	.111	.096	.094	.108	.119	.122
Taxes on corporate income .....	.021	.019	.023	.021	.022	.021	.024	.026
Profits after tax with inventory valuation and capital consumption adjustments .....	.055	.073	.088	.075	.072	.087	.095	.096

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2003.

1. Effective December 10, 2003, the price index used to estimate chained-dollar gross value added of nonfinancial corporate business has been revised to reflect the 2000 reference year. Effective with the estimates scheduled for release in July 2004, the current-dollar value added will be deflated by a revised chain-type price index calculated using gross value added price indexes for each nonfinancial industry.

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

	2001	2002	2003 ^r	Seasonally adjusted at annual rates															
				2000				2001				2002				2003			
				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	0.5	2.2	3.1	1.0	6.4	-0.5	2.1	-0.2	-0.6	-1.3	2.0	4.7	1.9	3.4	1.3	2.0	3.1	8.2	4.1
Goods	-2.0	2.1	4.3	-2.4	10.5	-3.3	.2	-3.4	-6.0	-4.1	4.1	7.7	-1.1	6.5	-2.8	4.3	2.2	18.3	7.1
Services	2.3	3.1	2.6	2.5	4.8	1.5	3.6	1.6	1.9	1.4	2.9	3.9	4.2	2.4	3.5	1.0	3.6	2.1	2.8
Structures	-4	-3.0	2.4	5.9	1.6	-7	.4	1.0	4.0	-6.4	-9.6	-1.0	-1.1	-1.4	2.1	-3	2.8	13.9	2.4
Motor vehicle output	-4.8	11.4	2.7	5.2	-14.7	-18.1	-12.6	-14.6	19.1	1.5	30.2	11.3	5.5	10.8	-4.9	-6.4	2.1	26.6	3.7
GDP excluding motor vehicle output .....	.7	1.9	3.1	.9	7.4	.3	2.7	.3	-1.3	-1.4	1.1	4.5	1.8	3.1	1.5	2.3	3.1	7.6	4.2
Final sales of computers ¹	13.6	11.1	41.0	62.4	49.6	9.2	18.6	52.2	-17.1	-17.9	27.2	5.0	6.6	50.9	34.8	34.6	32.8	93.4	32.3
GDP excluding final sales of computers .....	.4	2.1	2.8	.5	6.0	-6	1.9	-7	-4	-1.1	1.8	4.7	1.8	3.0	1.0	1.7	2.8	7.6	3.9
Farm gross value added ²	-4.2	1.9	3.2	65.1	5.2	4.8	-18.2	-2.0	-15.8	-16.6	100.1	-64.2	94.9	50.5	-1.5	-39.5	59.0	-3.2	-16.6
Nonfarm business gross value added ³ .....	.1	2.3	3.7	-1	7.5	-8	2.2	-8	-1.0	-2.5	1.6	6.7	.8	4.0	1.6	2.4	3.8	10.4	4.2
Price indexes:																			
GDP	2.4	1.5	1.7	3.4	2.0	1.9	1.8	3.2	3.2	1.6	1.6	1.1	1.5	1.5	1.7	2.3	1.1	1.6	1.5
GDP excluding food and energy	2.1	1.8	1.4	3.0	1.6	1.7	1.7	2.3	2.3	2.1	2.6	1.4	1.6	1.5	1.6	1.7	.7	1.3	1.4
GDP excluding final sales of computers	2.7	1.8	1.8	3.6	2.2	2.1	1.9	3.7	3.4	1.8	1.8	1.4	1.6	1.7	1.9	2.5	1.2	1.8	1.6
Gross domestic purchases	2.0	1.4	1.9	3.8	1.8	2.3	1.8	2.6	2.3	1.0	.5	1.0	2.4	1.6	1.7	3.4	.4	1.8	1.3
Gross domestic purchases excluding food and energy	1.9	1.7	1.4	2.9	1.3	1.6	1.4	2.3	2.0	1.9	2.3	1.2	1.5	1.5	1.5	1.8	.9	1.3	1.5
Gross domestic purchases excluding final sales of computers to domestic purchasers	2.3	1.6	2.1	4.0	2.1	2.5	2.0	3.2	2.6	1.3	.8	1.2	2.6	1.8	2.0	3.6	.5	2.0	1.5
Personal consumption expenditures	2.0	1.4	1.8	3.5	2.0	1.9	1.8	3.2	2.5	.5	.4	.7	2.9	2.0	1.7	2.8	.5	1.8	1.0
Personal consumption expenditures excluding food and energy	1.9	1.7	1.2	2.4	1.3	.9	1.5	2.8	1.9	1.3	2.5	1.0	1.9	2.0	1.5	.9	.8	1.0	1.2

^r Revised.

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

2. Farm output less intermediate goods and services purchased.

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

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 2001-02 annual percent change in real GDP uses prices for 2001 and 2002 as weights, and the 2001-02 annual percent change in GDP prices uses quantities for 2001 and 2002 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.