



# NEWS



WWW.BEA.GOV

UPDATED NOVEMBER 30, 2004. See the notice on page 6.

EMBARGOED UNTIL RELEASE AT 8:30 A.M. EST, TUESDAY, NOVEMBER 30, 2004

Virginia H. Mannering: (202) 606-5304 (GDP)  
 Kenneth A. Petrick: (202) 606-9738 (Profits)  
 Recorded message: (202) 606-5306

BEA 04-53

## **GROSS DOMESTIC PRODUCT: THIRD QUARTER 2004 (PRELIMINARY) CORPORATE PROFITS: THIRD QUARTER 2004 (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 3.9 percent in the third quarter of 2004, according to preliminary estimates released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 3.3 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 3.7 percent (see "Revisions" on page 3).

The major contributors to the increase in real GDP in the third quarter were personal consumption expenditures (PCE), equipment and software, exports, government spending, and residential fixed investment. The contributions of these components were partly offset by a negative contribution from private inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.

The acceleration in real GDP growth in the third quarter primarily reflected an acceleration in PCE and a deceleration in imports that were partly offset by a downturn in private inventory investment and a deceleration in residential fixed investment.

Final sales of computers contributed 0.18 percentage point to the third-quarter change in real GDP after contributing less than 0.01 percentage point to the second-quarter change. Motor vehicle output contributed 0.33 point to the third quarter change in real GDP after subtracting 0.58 percentage point from the second-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.

This news release is available on BEA's Web site at <[www.bea.gov/bea/rels.htm](http://www.bea.gov/bea/rels.htm)>.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 1.8 percent in the third quarter, the same as in the advance estimate; this index increased 3.5 percent in the second quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 1.6 percent in the third quarter, compared with an increase of 2.5 percent in the second.

Real personal consumption expenditures increased 5.1 percent in the third quarter, compared with an increase of 1.6 percent in the second. Real nonresidential fixed investment increased 12.9 percent, compared with an increase of 12.5 percent. Nonresidential structures decreased 0.3 percent, in contrast to an increase of 6.9 percent. Equipment and software increased 17.2 percent, compared with an increase of 14.2 percent. Real residential fixed investment increased 1.7 percent, compared with an increase of 16.5 percent.

Real exports of goods and services increased 6.3 percent in the third quarter, compared with an increase of 7.3 percent in the second. Real imports of goods and services increased 6.0 percent, compared with an increase of 12.6 percent.

Real federal government consumption expenditures and gross investment increased 4.7 percent in the third quarter, compared with an increase of 2.7 percent in the second. National defense increased 9.8 percent, compared with an increase of 1.9 percent. Nondefense decreased 5.2 percent, in contrast to an increase of 4.4 percent. Real state and local government consumption expenditures and gross investment decreased 0.8 percent, in contrast to an increase of 1.9 percent.

The real change in private inventories subtracted 0.91 percentage point from the third-quarter change in real GDP, after adding 0.78 percentage point to the second-quarter change. Private businesses increased inventories \$35.9 billion in the third quarter, following increases of \$61.1 billion in the second quarter and \$40.0 billion in the first.

Real final sales of domestic product -- GDP less change in private inventories -- increased 4.9 percent in the third quarter, compared with an increase of 2.5 percent in the second.

### **Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 4.0 percent in the third quarter, compared with an increase of 4.2 percent in the second.

### **Gross national product**

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 4.2 percent in the third quarter, compared with an increase of 1.9 percent in the second. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$6.4 billion in the third quarter after decreasing \$35.3 billion in the second; in the third quarter, receipts increased \$13.9 billion, and payments increased \$7.5 billion.

### **Current-dollar GDP**

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 5.3 percent, or \$152.5 billion, in the third quarter to a level of \$11,810.0 billion. In the second quarter, current-dollar GDP increased 6.6 percent, or \$184.9 billion.

### **Revisions**

The preliminary estimate of the third-quarter increase in real GDP is 0.2 percentage point, or \$6.3 billion, higher than the advance estimate issued last month. The upward revision to the percentage change in real GDP primarily reflected a downward revision to imports of goods and upward revisions to personal consumption expenditures for nondurable goods, to equipment and software, and to private farm inventory investment that were partly offset by a downward revision to private nonfarm inventory investment.

	<u>Advance</u>	<u>Preliminary</u>
	(Percent change from preceding quarter)	
Real GDP.....	3.7	3.9
Current-dollar GDP.....	5.1	5.3
Gross domestic purchases price index...	1.8	1.8

### **Corporate Profits**

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) decreased \$27.6 billion in the third quarter. In the second quarter, profits increased \$8.3 billion. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- increased \$20.4 billion in the third quarter, in contrast to a decrease of \$5.7 billion in the second.

Third-quarter profits from current production were reduced by \$79.7 billion dollars because of Hurricanes Charley, Frances, Ivan, and Jeanne. Benefits paid by insurance companies reduced profits by \$69.3 billion. In addition, corporate profits were reduced by \$10.4 billion for uninsured losses.

Taxes on corporate income decreased \$9.8 billion in the third quarter, in contrast to an increase of \$14.7 billion in the second. Profits after tax with inventory valuation and capital consumption adjustments decreased \$17.8 billion in the third quarter, after decreasing \$6.4 billion in the second. Dividends increased \$10.8 billion, compared with an increase of \$9.8 billion; current-production undistributed profits decreased \$28.6 billion, compared with a decrease of \$16.2 billion.

Domestic profits decreased \$36.5 billion in the third quarter, in contrast to an increase of \$28.3 billion in the second. Domestic profits of financial corporations decreased \$46.7 billion in the third quarter, compared with a decrease of \$7.9 billion in the second. Domestic profits of nonfinancial corporations increased \$10.2 billion in the third quarter, compared with an increase of \$36.2 billion in the second. In the third quarter, real gross value added increased, and profits per unit of real gross value added was unchanged; an increase in the prices corporations received was offset by an increase in unit nonlabor costs, while unit labor costs were unchanged.

The foreign component of profits (rest-of-the-world profits) increased \$8.8 billion in the third quarter, in contrast to a decrease of \$20.0 billion in the second. 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 third-quarter increase was accounted for by an increase in receipts and a decrease 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, domestic profits of financial corporations decreased, and domestic profits of nonfinancial corporations increased. The increases in profits of nonfinancial corporations was largest in "other" nonfinancial, in wholesale trade, in manufacturing, and in information. Profits decreased in retail trade, in transportation and warehousing, and in utilities.

Profits before tax decreased \$24.0 billion in the third quarter, in contrast to an increase of \$25.9 billion in the second. The before-tax measure of profits does not reflect, as does profits from current production, the capital consumption and inventory valuation adjustments. These adjustments convert depreciation of fixed assets and inventory withdrawals reported on a tax-return, historical-cost basis to the current-cost measures used in the national income and product accounts. The capital consumption adjustment decreased \$12.1 billion in the third quarter (from \$233.3 billion to \$221.2 billion), compared with a decrease of \$6.9 billion in the second. The inventory valuation adjustment increased \$8.5 billion (from -\$47.8 billion to -\$39.3 billion), in contrast to a decrease of \$10.8 billion.

BEA's major national, international, regional, and industry estimates; the Survey of Current Business; and BEA news releases are available without charge on BEA's Web site:

<[www.bea.gov](http://www.bea.gov)>

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

(202)	606-5306	Gross domestic product
(202)	606-5303	Personal income and outlays
(202)	606-5362	U.S. international transactions

Most of BEA's estimates and analyses are published in the Survey of Current Business, BEA's monthly journal. Subscriptions and single copies of the printed Survey are for sale by the Superintendent of Documents, U.S. Government Printing Office. Internet: <[bookstore.gpo.gov](http://bookstore.gpo.gov)>; phone: 202-512-1800; fax: 202-512-2250; mail: Stop SSOP, Washington, DC 20402-0001.

\* \* \*

Next release -- December 22, 2004, at 8:30 A.M. EST for:  
Gross Domestic Product: Third Quarter 2004 (Final)  
Corporate Profits: Third Quarter 2004 (Revised)

### **Release dates in 2005**

#### Gross domestic product

	<u>2004: IV and 2004 annual</u>	<u>2005:I</u>	<u>2005:II</u>	<u>2005:III</u>
Advance.....	January 28	April 28	July 29	October 28
Preliminary..	February 25	May 26	August 31	November 30
Final.....	March 30	June 29	September 29	December 21

#### Corporate Profits

Preliminary..	....	May 26	August 31	November 30
Final.....	March 30	June 29	September 29	December 21

**NOTICE**

This release was initially labeled "BEA 04-52." The correct number is "BEA 04-53."

This change does not affect any other content in this release.

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

	2001	2002	2003	Seasonally adjusted at annual rates																	
				2000	2001				2002				2003				2004				
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product (GDP)</b> .....	<b>0.8</b>	<b>1.9</b>	<b>3.0</b>	<b>2.1</b>	<b>-0.5</b>	<b>1.2</b>	<b>-1.4</b>	<b>1.6</b>	<b>3.4</b>	<b>2.4</b>	<b>2.6</b>	<b>0.7</b>	<b>1.9</b>	<b>4.1</b>	<b>7.4</b>	<b>4.2</b>	<b>4.5</b>	<b>3.3</b>	<b>3.9</b>		
<b>Personal consumption expenditures</b> .....	<b>2.5</b>	<b>3.1</b>	<b>3.3</b>	<b>3.4</b>	<b>1.7</b>	<b>1.0</b>	<b>1.8</b>	<b>7.0</b>	<b>1.8</b>	<b>2.8</b>	<b>2.9</b>	<b>2.5</b>	<b>2.7</b>	<b>3.9</b>	<b>5.0</b>	<b>3.6</b>	<b>4.1</b>	<b>1.6</b>	<b>5.1</b>		
Durable goods .....	4.3	6.5	7.4	.7	6.7	-3	3.1	37.4	-8.5	4.4	14.0	-2.4	-1	20.6	16.5	3.9	2.2	-3	17.2		
Nondurable goods .....	2.0	2.6	3.7	3.7	.5	-1	2.4	4.9	3.8	.8	-6	5.3	5.0	1.6	6.9	5.1	6.7	.1	4.8		
Services .....	2.4	2.6	2.2	3.9	1.1	1.8	1.2	2.3	3.3	3.5	2.4	2.2	2.1	1.8	1.9	2.8	3.3	2.7	2.9		
<b>Gross private domestic investment</b> .....	<b>-7.9</b>	<b>-2.4</b>	<b>4.4</b>	<b>-2.3</b>	<b>-13.6</b>	<b>-7.6</b>	<b>-10.5</b>	<b>-22.7</b>	<b>16.8</b>	<b>.3</b>	<b>4.1</b>	<b>-5</b>	<b>-8</b>	<b>3.5</b>	<b>22.4</b>	<b>13.9</b>	<b>12.3</b>	<b>19.0</b>	<b>2.8</b>		
Fixed investment .....	-3.0	-4.9	5.1	.7	-2.6	-8.7	-4.5	-10.6	-4.3	-3.5	.2	-8	2.4	10.9	18.0	10.5	4.5	13.9	8.8		
Nonresidential .....	-4.2	-8.9	3.3	.9	-4.2	-13.6	-6.8	-13.3	-9.7	-9.6	-1.1	-3.2	-1	11.8	15.7	11.0	4.2	12.5	12.9		
Structures .....	-2.3	-17.8	-5.6	1.2	-8.3	-4.0	6.0	-33.2	-18.5	-22.6	-16.0	-6.6	-13.0	14.5	-1.3	7.9	-7.6	6.9	-3		
Equipment and software .....	-4.9	-5.5	6.4	.8	-2.8	-16.9	-11.4	-4.2	-6.3	-4.5	4.6	-2.0	4.5	11.0	21.7	12.0	8.0	14.2	17.2		
Residential .....	.4	4.8	8.8	.4	2.2	5.6	1.8	-3.7	9.3	11.3	2.8	4.2	7.5	9.1	22.4	9.6	5.0	16.5	1.7		
Change in private inventories .....																					
<b>Net exports of goods and services</b> .....																					
Exports .....	-5.4	-2.3	1.9	-2.7	-5.3	-12.7	-18.2	-10.8	4.7	11.0	3.1	-4.2	-1.5	-1.6	11.3	17.5	7.3	7.3	6.3		
Goods .....	-6.1	-4.1	2.2	-5.4	-5.4	-17.1	-20.0	-8.8	-1.9	14.0	2.9	-10.2	4.0	-8	10.1	16.1	9.1	6.0	9.1		
Services .....	-3.7	1.8	1.4	4.4	-5.0	-7	-13.7	-15.3	21.7	4.5	3.5	10.5	-12.7	-3.4	14.1	20.6	3.4	10.2	.2		
Imports .....	-2.7	3.4	4.4	-1.6	-3.7	-12.6	-10.3	-3.4	12.5	11.4	5.4	9.6	-2.0	2.5	2.8	17.1	10.6	12.6	6.0		
Goods .....	-3.2	3.7	4.7	-1.6	-3.4	-16.9	-8.6	-2.0	10.1	15.3	5.9	8.2	-1.8	5.1	0	18.4	12.7	13.0	5.6		
Services .....	-3	1.9	3.1	-1.9	-5.0	12.8	-18.3	-10.4	24.7	-5.8	2.8	16.6	-2.6	-9.4	17.9	11.1	1.2	10.6	8.3		
<b>Government consumption expenditures and gross investment</b> .....	<b>3.4</b>	<b>4.4</b>	<b>2.8</b>	<b>1.3</b>	<b>5.3</b>	<b>7.9</b>	<b>-1.5</b>	<b>8.5</b>	<b>4.7</b>	<b>4.4</b>	<b>2.1</b>	<b>4.0</b>	<b>.2</b>	<b>7.2</b>	<b>.1</b>	<b>1.6</b>	<b>2.5</b>	<b>2.2</b>	<b>1.2</b>		
Federal .....	3.9	7.5	6.6	-1.0	8.1	9.1	0	8.8	8.2	12.8	2.9	9.1	.3	22.1	-3.3	4.8	7.1	2.7	4.7		
National defense .....	3.9	7.7	9.0	1.7	7.0	4.3	2.4	12.5	5.8	11.5	3.4	13.5	-2.7	38.4	-7.7	11.6	10.6	1.9	9.8		
Nondefense .....	3.9	7.1	2.4	-5.7	10.1	18.0	-3.9	2.3	12.6	15.0	1.9	1.6	6.2	-3.9	5.8	-7.5	.2	4.4	-5.2		
State and local .....	3.2	2.8	.7	2.5	4.0	7.2	-2.3	8.4	2.9	.3	1.7	1.4	.1	-4	2.2	-1	0	1.9	-8		
<b>Addenda:</b>																					
Final sales of domestic product .....	1.6	1.4	3.1	2.6	1.6	1.0	-4	3.8	.3	1.8	2.0	.7	2.4	5.2	6.8	3.7	3.3	2.5	4.9		
Gross domestic purchases .....	.9	2.5	3.3	2.1	-4	.7	-8	2.2	4.4	2.8	2.9	2.4	1.7	4.4	6.4	4.7	5.0	4.2	4.0		
Final sales to domestic purchasers .....	1.8	2.1	3.4	2.6	1.5	.5	.2	4.3	1.4	2.2	2.4	2.3	2.2	5.4	5.9	4.2	3.9	3.5	4.9		
Gross national product (GNP) .....	.8	1.7	3.3	3.0	-1.1	1.5	-2.5	3.9	1.4	2.1	3.0	1.4	1.7	4.4	7.6	5.5	3.9	1.9	4.2		
Disposable personal income .....	1.9	3.1	2.3	.6	1.3	-1.7	11.5	-5.6	10.8	2.7	-1.7	.2	1.8	4.3	8.2	1.4	2.4	2.8	2.0		
<b>Current-dollar measures:</b>																					
GDP .....	3.2	3.5	4.9	3.8	2.8	4.4	.2	3.6	4.5	4.2	3.9	2.7	4.9	5.3	8.8	5.7	7.4	6.6	5.3		
Final sales of domestic product .....	4.1	3.1	5.1	4.5	4.9	4.2	1.2	5.5	1.7	3.3	3.7	2.7	5.3	6.3	8.4	5.4	6.1	5.8	6.3		
Gross domestic purchases .....	2.9	4.0	5.4	3.7	2.2	3.0	.2	3.1	5.3	5.6	4.4	4.3	5.7	4.8	8.1	5.9	8.6	7.9	5.9		
Final sales to domestic purchasers .....	3.8	3.6	5.5	4.4	4.3	2.8	1.2	4.9	2.6	4.7	4.2	4.3	6.0	5.8	7.7	5.7	7.4	7.1	6.8		
GNP .....	3.2	3.4	5.2	4.7	2.1	4.6	-8	6.0	2.4	3.9	4.3	3.4	4.6	5.6	9.0	7.0	6.8	5.2	5.6		
Disposable personal income .....	4.1	4.6	4.2	2.4	4.6	.8	12.1	-5.0	11.8	5.7	.2	1.5	5.1	5.0	9.9	2.6	5.8	6.0	3.1		

<sup>r</sup> Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2004.

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

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

	2001	2002	2003	Seasonally adjusted at annual rates																	
				2000	2001				2002				2003				2004				
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Percent change at annual rate:</b>																					
Gross domestic product .....	0.8	1.9	3.0	2.1	-0.5	1.2	-1.4	1.6	3.4	2.4	2.6	0.7	1.9	4.1	7.4	4.2	4.5	3.3	3.9		
<b>Percentage points at annual rates:</b>																					
<b>Personal consumption expenditures</b> .....	1.74	2.14	2.29	2.29	1.07	.67	1.20	4.71	1.32	1.98	2.02	1.74	1.84	2.72	3.58	2.50	2.90	1.10	3.53		
<b>Durable goods</b> .....	.37	.56	.63	.06	.55	-.03	.26	2.81	-.79	.37	1.16	-.21	-.01	1.64	1.38	.33	.19	-.02	1.37		
Motor vehicles and parts .....	.20	.22	.22	.01	.36	-.17	.16	2.24	-1.34	.13	1.09	-.50	-.22	.86	.53	-.07	-.23	-.24	.97		
Furniture and household equipment .....	.19	.26	.27	.07	.23	.16	.15	.39	.41	.20	.04	.20	.07	.51	.62	.28	.32	.22	.33		
Other .....	-.01	.08	.15	-.02	-.03	-.03	-.06	.18	.14	.04	.03	.08	.14	.27	.23	.12	.10	0	.06		
<b>Nondurable goods</b> .....	.40	.51	.73	.72	.09	-.03	.47	.95	.76	.15	-.12	1.03	.97	.31	1.38	1.01	1.33	.03	.96		
Food .....	.15	.18	.37	.14	.24	.05	.09	.18	.26	.29	-.02	.31	.62	.26	.57	.25	.77	.22	.41		
Clothing and shoes .....	.06	.12	.12	.04	-.06	.05	.04	.27	.25	-.01	-.12	.30	-.02	.23	.27	.11	.43	-.15	.17		
Gasoline, fuel oil, and other energy goods .....	.02	.02	.01	.25	.05	-.33	.11	.24	0	-.14	-.01	.21	.01	-.29	.10	.33	-.04	-.29	.07		
Other .....	.17	.17	.23	.29	-.14	.21	.23	.27	.24	.01	.03	.21	.37	.12	.43	.32	.17	.25	.31		
<b>Services</b> .....	.97	1.08	.93	1.51	.43	.73	.47	.95	1.36	1.46	.98	.93	.87	.77	.83	1.15	1.39	1.10	1.21		
Housing .....	.28	.29	.15	.28	.31	.28	.21	.26	.42	.33	.19	.13	.12	.11	.16	.09	.23	.21	.25		
Household operation .....	.01	.03	.06	.41	-.25	-.35	.03	-.15	.09	.24	.01	.16	.01	-.11	.08	.29	.13	-.03	0		
Electricity and gas .....	-.03	.04	.03	.40	-.24	-.44	0	-.07	.11	.19	.04	.19	-.04	-.19	.01	.25	.05	-.13	-.05		
Other household operation .....	.03	-.01	.04	.01	-.02	.09	.02	-.08	-.02	.05	-.03	-.03	.05	.08	.07	.04	.07	.09	.05		
Transportation .....	-.03	-.08	-.02	.01	.05	-.06	-.22	-.17	.01	-.04	-.10	-.01	.05	-.07	-.02	-.01	.05	.08	.04		
Medical care .....	.50	.66	.46	.42	.45	.49	.70	.67	.74	.63	.59	.55	.39	.40	.40	.36	.38	.52	.59		
Recreation .....	.07	.07	.09	.04	.15	-.03	.02	.07	.13	.05	.04	.11	.08	.13	.07	.11	.17	.01	.08		
Other .....	.15	.11	.20	.34	-.28	.39	-.25	.28	-.03	.24	.25	-.02	.23	.31	.15	.31	.43	.32	.25		
<b>Gross private domestic investment</b> .....	-1.39	-.37	.66	-.36	-2.44	-1.28	-1.76	-3.95	2.34	.05	.61	-.06	-.10	.54	3.16	2.04	1.86	2.85	.46		
<b>Fixed investment</b> .....	-.50	-.80	.76	.13	-.43	-1.51	-.75	-1.81	-.71	-.55	.02	-.13	-.35	1.55	2.59	1.57	.69	2.07	1.37		
Nonresidential .....	-.52	-1.02	.33	.11	-.52	-1.76	-.83	-1.63	-1.13	-1.06	-.12	-.33	-.01	1.10	1.50	1.07	.42	1.21	1.27		
Structures .....	-.07	-.57	-.15	.04	-.29	-.14	.19	-1.27	-.59	-.70	-.45	-.17	-.33	.32	-.03	.18	-.19	.16	-.01		
Equipment and software .....	-.44	-.45	.48	.07	-.24	-1.62	-1.02	-.35	-.53	-.36	.33	-.16	.32	.78	1.53	.89	.61	1.05	1.28		
Information processing equipment and software .....	-.08	-.18	.45	.58	-.08	-.93	-.53	-.21	-.29	.04	.38	-.15	.59	.51	1.04	.61	.62	.55	.31		
Computers and peripheral equipment .....	.02	.09	.24	.06	.16	-.22	-.26	.19	.18	.03	.25	.08	.25	.30	.39	.25	.06	.22	.18		
Software .....	-.02	-.10	.07	.20	.01	-.30	-.07	-.19	-.14	-.03	.11	-.16	.12	.07	.28	.14	.24	.13	.11		
Other .....	-.08	-.16	.14	.32	-.25	-.42	-.20	-.21	-.33	.04	.02	-.08	.23	.14	.36	.22	.33	.20	.01		
Industrial equipment .....	-.14	-.08	0	-.12	.01	-.48	-.27	-.21	.24	-.21	.02	-.05	.09	-.02	.04	-.06	.08	.03	.31		
Transportation equipment .....	-.18	-.17	-.04	-.36	-.22	-.03	-.27	.26	-.39	-.38	-.09	0	-.31	.25	.14	.14	-.20	.28	.38		
Other equipment .....	-.04	-.02	.06	-.03	.05	-.19	.05	-.19	-.10	.18	.02	.04	-.06	.03	.31	.20	.10	.20	.28		
Residential .....	.02	.22	.43	.02	.10	.25	.08	-.18	.42	.51	.13	.20	.36	.44	1.09	.50	.27	.86	.10		
<b>Change in private inventories</b> .....	-.88	.42	-.10	-.49	-2.01	.23	-1.02	-2.14	3.05	.60	.59	.07	-.45	-1.01	.57	.47	1.17	.78	-.91		
Farm .....	.02	-.01	.02	.34	0	-.28	.09	-.23	.37	-.47	.24	.02	.06	-.07	.06	.19	.06	-.10	.07		
Nonfarm .....	-.90	.44	-.12	-.83	-2.01	.51	-1.11	-1.91	2.69	1.07	.36	.05	-.51	-.94	.52	.29	1.10	.88	-.99		
<b>Net exports of goods and services</b> .....	-.20	-.70	-.43	-.07	-.04	.49	-.56	-.66	-1.10	-.46	-.43	-1.69	.14	-.50	.64	-.66	-.76	-1.06	-.27		
<b>Exports</b> .....	-.60	-.24	.18	-.31	-.59	-1.45	-2.04	-1.11	.43	.99	.29	-.42	-.15	-.15	1.02	1.55	.70	.70	.62		
Goods .....	-.48	-.29	.14	-.45	-.43	-1.43	-1.60	-.63	-.13	.87	.19	-.72	.25	-.06	.64	1.00	.60	.41	.62		
Services .....	-.12	.05	.04	.14	-.16	-.02	-.44	-.48	.56	.13	.10	.30	-.40	-.10	.39	.56	.10	.30	.01		
<b>Imports</b> .....	.40	-.46	-.61	.24	.56	1.94	1.48	.45	-1.53	-1.45	-.72	-1.27	.29	-.34	-.39	-2.22	-1.46	-1.77	-.89		
Goods .....	.39	-.42	-.54	.19	.43	2.23	1.02	.21	-1.04	-1.59	-.65	-.91	.22	-.58	0	-1.96	-1.43	-1.52	-.69		
Services .....	.01	-.04	-.07	.04	.12	-.28	.47	.25	-.49	.14	-.06	-.36	.06	.24	-.39	-.26	-.03	-.25	-.20		
<b>Government consumption expenditures and gross investment</b> .....	.60	.79	.52	.22	.92	1.35	-.28	1.48	.85	.81	.40	.75	.05	1.35	.03	.31	.48	.41	.23		
<b>Federal</b> .....	.23	.46	.43	-.07	.46	.52	0	.51	.49	.78	.19	.58	.04	1.40	-.23	.33	.48	.18	.32		
National defense .....	.15	.30	.38	.06	.25	.16	.09	.46	.23	.45	.14	.54	-.11	1.49	-.36	.50	.47	.09	.44		
Consumption expenditures .....	.13	.25	.33	.11	.26	.06	.03	.45	.22	.29	.04	.63	-.16	1.39	-.40	.42	.29	.16	.38		
Gross investment .....	.02	.06	.05	-.05	-.01	.10	.06	.02	0	.16	.11	-.09	.05	.10	.03	.09	.19	-.08	.06		
<b>Nondefense</b> .....	.08	.16	.06	-.13	.20	.36	-.09	.05	.27	.33	.05	.04	.15	-.09	.13	-.18	0	.10	-.12		
Consumption expenditures .....	.08	.14	.05	-.06	.15	.26	.01	.04	.19	.23	.12	.07	.14	-.23	.23	-.18	-.01	-.01	-.04		
Gross investment .....	0	.02	.01	-.07	.05	.10	-.10	.01	.07	.10	-.07	-.03	0	.13	-.10	.01	.01	.11	-.08		
<b>State and local</b> .....	.37	.33	.09	.29	.46	.83	-.28	.97	.36	.03	.21	.17	.02	-.05	.26	-.02	0	.23	-.09		
Consumption expenditures .....	.24	.21	.07	.21	.24	.24	.39	.38	.10	.16	.11	.14	.02	.04	.01	.08	.02	0	.13		
Gross investment .....	.13	.12	.02	.08	.22	.59	-.67	.59	.26	-.13	.09	.02	0	-.09	.25	-.10	-.02	.23	-.22		
<b>Addenda:</b>																					
<b>Goods</b> .....	-.59	.41	1.41	1.10	-1.57	-.41	-1.89	.88	1.38	.31	1.54	-1.05	1.39	1.32	5.45	1.90	2.65	.82	2.60		
<b>Services</b> .....	1.30	1.69	1.35	1.95	1.04	.98	.93	1.58	1.94	2.39	1.29	1.71	.54	2.11	.67	1.77	1.76	1.30	1.48		
<b>Structures</b> .....	.04	-.24	.29	.03	.66	-.44	-.87	.09	-.32	-.23	.08	0	.67	1.29	.52	.07	1.19	-.13	-.13		
<b>Motor vehicle output</b> .....	-.17	.39	.19	-.47	-.69	1.03	-.20	.69	.25	.35	.62	.22	-.46	.11	.84	.11	.30	-.58	.33		
<b>Final sales of computers</b> .....	.14	.08	.31	.19	.42	-.13	-.21	.19	-.02	.10	.31	.23	.25	.28	.64	.26	0	0	.18		

r Revised.  
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								
	2003	Seasonally adjusted at annual rates					2003	Seasonally adjusted at annual rates					Change from preceding period		
		2003		2004				2003		2004			2003	2004	
		III	IV	I	II	III <sup>r</sup>		III	IV	I	II	III <sup>r</sup>		II	III <sup>r</sup>
<b>Gross domestic product</b> .....	<b>11,004.0</b>	<b>11,116.7</b>	<b>11,270.9</b>	<b>11,472.6</b>	<b>11,657.5</b>	<b>11,810.0</b>	<b>10,381.3</b>	<b>10,472.8</b>	<b>10,580.7</b>	<b>10,697.5</b>	<b>10,784.7</b>	<b>10,889.7</b>	<b>306.5</b>	<b>87.2</b>	<b>105.0</b>
<b>Personal consumption expenditures</b> .....	<b>7,760.9</b>	<b>7,822.5</b>	<b>7,914.9</b>	<b>8,060.2</b>	<b>8,153.8</b>	<b>8,278.3</b>	<b>7,355.6</b>	<b>7,401.7</b>	<b>7,466.8</b>	<b>7,543.0</b>	<b>7,572.4</b>	<b>7,666.8</b>	<b>232.2</b>	<b>29.4</b>	<b>94.4</b>
<b>Durable goods</b> .....	<b>950.7</b>	<b>972.7</b>	<b>971.1</b>	<b>976.3</b>	<b>975.5</b>	<b>1,007.0</b>	<b>1,030.6</b>	<b>1,059.6</b>	<b>1,069.7</b>	<b>1,075.5</b>	<b>1,074.7</b>	<b>1,118.2</b>	<b>71.0</b>	<b>-8</b>	<b>43.5</b>
Motor vehicles and parts .....	440.1	452.5	444.1	438.4	432.5	458.3	452.1	465.6	463.5	456.7	449.6	478.7	23.4	-7.1	29.1
Furniture and household equipment .....	328.0	333.3	338.0	345.0	348.6	353.8	393.5	405.0	414.6	425.6	433.3	445.3	32.8	7.7	12.0
Other .....	182.6	186.9	189.0	193.0	194.4	194.9	186.5	190.5	194.0	196.9	196.8	198.7	15.6	-1	1.9
<b>Non-durable goods</b> .....	<b>2,200.1</b>	<b>2,219.2</b>	<b>2,250.1</b>	<b>2,316.6</b>	<b>2,354.6</b>	<b>2,387.7</b>	<b>2,112.4</b>	<b>2,125.3</b>	<b>2,152.0</b>	<b>2,187.3</b>	<b>2,188.0</b>	<b>2,213.7</b>	<b>75.0</b>	<b>.7</b>	<b>25.7</b>
Food .....	1,064.5	1,074.6	1,091.8	1,120.3	1,137.5	1,156.6	995.1	1,002.2	1,008.6	1,028.4	1,034.3	1,045.0	36.7	5.9	10.7
Clothing and shoes .....	307.2	311.0	314.4	325.0	322.9	325.3	330.2	334.9	338.2	351.2	346.5	351.7	13.5	-4.7	5.2
Gasoline, fuel oil, and other energy goods .....	208.2	207.6	210.7	229.7	243.2	245.9	197.3	194.6	203.3	202.1	195.0	196.7	1.3	-7.1	1.7
Other .....	620.1	626.0	633.1	641.5	651.0	660.0	589.6	593.6	602.1	606.6	613.4	621.8	23.3	6.8	8.4
<b>Services</b> .....	<b>4,610.1</b>	<b>4,630.6</b>	<b>4,693.6</b>	<b>4,767.3</b>	<b>4,823.8</b>	<b>4,883.6</b>	<b>4,220.3</b>	<b>4,227.9</b>	<b>4,256.7</b>	<b>4,291.7</b>	<b>4,320.0</b>	<b>4,351.0</b>	<b>91.7</b>	<b>28.3</b>	<b>31.0</b>
Housing .....	1,188.4	1,193.4	1,202.8	1,215.4	1,232.7	1,247.3	1,076.1	1,078.1	1,080.3	1,086.0	1,091.5	1,097.9	14.1	5.5	6.4
Household operation .....	431.3	431.8	438.1	445.6	447.6	452.1	400.2	398.7	406.0	409.3	408.4	408.4	6.1	-9	0
Electricity and gas .....	167.3	166.7	171.2	175.7	174.3	176.5	147.2	144.7	150.6	151.9	148.8	147.7	2.5	-3.1	-1.1
Other household operation .....	264.0	265.0	266.8	270.0	273.3	275.6	253.0	254.2	255.2	257.1	259.7	260.9	3.6	2.6	1.2
Transportation .....	294.0	295.1	296.5	297.8	300.5	302.4	277.7	277.1	276.7	278.1	280.1	281.1	-2.2	2.0	1.0
Medical care .....	1,301.1	1,312.1	1,334.0	1,356.8	1,379.1	1,404.8	1,184.3	1,189.3	1,198.3	1,207.9	1,221.0	1,235.9	45.0	13.1	14.9
Recreation .....	317.2	319.0	323.4	330.8	333.0	337.5	291.2	291.2	298.3	298.3	298.5	300.6	8.8	.2	2.1
Other .....	1,078.1	1,079.1	1,098.8	1,120.9	1,130.9	1,139.5	990.7	992.5	1,000.3	1,011.2	1,019.4	1,025.8	19.6	8.2	6.4
<b>Gross private domestic investment</b> .....	<b>1,665.8</b>	<b>1,696.6</b>	<b>1,758.8</b>	<b>1,819.7</b>	<b>1,920.7</b>	<b>1,949.5</b>	<b>1,628.8</b>	<b>1,659.4</b>	<b>1,714.1</b>	<b>1,764.5</b>	<b>1,842.9</b>	<b>1,855.5</b>	<b>68.1</b>	<b>78.4</b>	<b>12.6</b>
<b>Fixed investment</b> .....	<b>1,667.0</b>	<b>1,700.2</b>	<b>1,755.2</b>	<b>1,783.5</b>	<b>1,861.7</b>	<b>1,916.1</b>	<b>1,627.3</b>	<b>1,660.6</b>	<b>1,702.7</b>	<b>1,721.4</b>	<b>1,778.3</b>	<b>1,816.3</b>	<b>78.4</b>	<b>56.9</b>	<b>38.0</b>
Nonresidential .....	1,094.7	1,113.3	1,146.3	1,158.8	1,198.5	1,238.7	1,110.8	1,131.1	1,161.0	1,173.0	1,207.9	1,245.3	35.2	34.9	37.4
Structures .....	261.6	262.3	268.2	266.0	275.5	281.8	237.4	237.9	242.4	237.7	241.7	241.5	-14.2	4.0	-2
Equipment and software .....	833.1	851.1	878.1	892.8	923.1	956.9	879.2	899.7	925.6	943.7	975.5	1,015.0	52.7	31.8	39.5
Information processing equipment and software .....	431.2	442.8	454.7	468.5	480.9	486.3	492.4	507.1	526.6	547.0	565.4	575.9	52.8	18.4	10.5
Computers and peripheral equipment .....	95.3	99.7	104.5	104.4	108.8	111.2	.....	.....	.....	.....	.....	.....	.....	.....	.....
Software .....	165.8	169.1	170.5	176.8	180.0	182.9	171.2	174.6	178.5	185.6	189.5	192.9	7.6	3.9	3.4
Other .....	170.0	174.0	179.7	187.4	192.2	192.2	179.4	183.9	190.4	200.2	206.2	206.7	15.1	6.0	.5
Industrial equipment .....	139.8	140.8	139.5	143.1	145.0	155.0	137.6	138.4	136.8	139.0	139.7	148.4	.2	.7	8.7
Transportation equipment .....	126.6	128.8	140.0	134.5	143.2	152.8	121.6	124.3	127.8	122.7	130.0	140.3	-4.0	7.3	10.3
Other equipment .....	135.5	138.7	144.0	146.6	153.9	162.8	131.2	134.0	139.3	142.1	147.5	155.3	6.7	5.4	7.8
Residential .....	572.3	586.9	609.0	624.6	663.2	677.4	511.2	523.8	535.9	542.5	563.6	566.1	41.2	21.1	2.5
<b>Change in private inventories</b> .....	<b>-1.2</b>	<b>-3.7</b>	<b>3.5</b>	<b>36.2</b>	<b>59.0</b>	<b>33.3</b>	<b>-8</b>	<b>-3.5</b>	<b>8.6</b>	<b>40.0</b>	<b>61.1</b>	<b>35.9</b>	<b>-12.5</b>	<b>21.1</b>	<b>-25.2</b>
Farm .....	.3	-9	-9	1.0	-2.4	0	.3	-7	3.5	5.1	3.0	3.9	1.9	-2.1	.9
Nonfarm .....	-1.5	-2.8	4.5	35.2	61.4	33.3	-1.1	-2.7	4.6	34.5	58.8	31.8	-14.6	24.3	-27.0
<b>Net exports of goods and services</b> .....	<b>-498.1</b>	<b>-488.8</b>	<b>-502.8</b>	<b>-546.8</b>	<b>-591.3</b>	<b>-616.7</b>	<b>-518.5</b>	<b>-508.7</b>	<b>-528.3</b>	<b>-550.1</b>	<b>-580.3</b>	<b>-588.0</b>	<b>-46.4</b>	<b>-30.2</b>	<b>-7.7</b>
<b>Exports</b> .....	<b>1,046.2</b>	<b>1,047.7</b>	<b>1,099.2</b>	<b>1,134.3</b>	<b>1,167.6</b>	<b>1,190.1</b>	<b>1,031.8</b>	<b>1,033.8</b>	<b>1,076.2</b>	<b>1,095.4</b>	<b>1,114.8</b>	<b>1,132.1</b>	<b>19.5</b>	<b>19.4</b>	<b>17.3</b>
Goods .....	726.4	725.9	761.3	790.3	812.2	832.6	721.7	723.1	750.6	767.2	778.4	795.6	15.3	11.2	17.2
Services .....	319.8	321.7	337.9	344.1	355.4	357.6	309.9	310.5	325.4	328.1	336.2	336.3	4.2	8.1	1
<b>Imports</b> .....	<b>1,544.3</b>	<b>1,536.4</b>	<b>1,602.0</b>	<b>1,681.2</b>	<b>1,758.9</b>	<b>1,806.8</b>	<b>1,550.3</b>	<b>1,542.5</b>	<b>1,604.5</b>	<b>1,645.5</b>	<b>1,695.1</b>	<b>1,720.1</b>	<b>65.9</b>	<b>49.6</b>	<b>25.0</b>
Goods .....	1,282.0	1,270.3	1,326.4	1,399.2	1,470.1	1,508.6	1,307.3	1,297.3	1,353.2	1,394.1	1,437.4	1,457.0	58.8	43.3	19.6
Services .....	262.3	266.1	275.6	282.0	288.8	298.2	243.3	245.2	251.7	252.4	258.9	264.1	7.4	6.5	5.2
<b>Government consumption expenditures and gross investment</b> .....	<b>2,075.5</b>	<b>2,086.4</b>	<b>2,100.0</b>	<b>2,139.5</b>	<b>2,174.3</b>	<b>2,199.0</b>	<b>1,909.4</b>	<b>1,916.0</b>	<b>1,923.7</b>	<b>1,935.8</b>	<b>1,946.5</b>	<b>1,952.4</b>	<b>51.5</b>	<b>10.7</b>	<b>5.9</b>
<b>Federal</b> .....	<b>752.2</b>	<b>756.7</b>	<b>767.5</b>	<b>793.3</b>	<b>804.4</b>	<b>816.9</b>	<b>689.6</b>	<b>693.1</b>	<b>701.2</b>	<b>713.3</b>	<b>718.1</b>	<b>726.4</b>	<b>43.0</b>	<b>4.8</b>	<b>8.3</b>
National defense .....	496.4	498.1	513.6	534.1	541.2	556.6	451.8	453.1	465.7	477.6	479.9	491.2	37.2	2.3	11.3
Consumption expenditures .....	436.1	437.1	450.2	465.2	473.6	487.1	390.3	391.1	401.4	408.5	412.5	422.2	32.1	4.0	9.7
Gross investment .....	60.4	61.0	63.4	69.0	67.6	69.5	61.6	62.1	64.6	69.9	67.7	69.4	5.0	-2.2	1.7
Nondefense .....	255.7	258.7	253.9	259.1	263.2	260.4	237.6	239.9	235.2	235.4	237.9	234.7	5.6	2.5	-3.2
Consumption expenditures .....	222.5	225.9	221.1	225.9	226.6	226.0	204.0	206.7	202.0	201.8	201.5	200.4	5.0	-3	-1.1
Gross investment .....	33.2	32.8	32.8	33.2	36.5	34.4	33.5	33.1	33.2	33.6	36.8	34.5	.6	3.2	-2.3
<b>State and local</b> .....	<b>1,323.3</b>	<b>1,329.7</b>	<b>1,332.6</b>	<b>1,346.3</b>	<b>1,369.9</b>	<b>1,382.1</b>	<b>1,219.8</b>	<b>1,222.9</b>	<b>1,222.5</b>	<b>1,222.4</b>	<b>1,228.3</b>	<b>1,225.9</b>	<b>8.4</b>	<b>5.9</b>	<b>-2.4</b>
Consumption expenditures .....	1,058.5	1,061.0	1,066.3	1,079.8	1,091.8	1,104.8	969.0	968.8	970.9	971.5	971.5	974.8	6.8	0	3.3
Gross investment .....	264.9	268.7	266.2	266.4	278.0	277.2	250.9	254.3	251.6	251.0	251.1	251.2	1.7	6.1	-5.9
Residual .....	.....	.....	.....	.....	.....	.....	-14.9	-23.5	-26.7	-31.3	-35.6	-44.4	.....	.....	.....
<b>Addenda:</b>															
Final sales of domestic product .....	11,005.3	11,120.4	11,267.4	11,436.4	11,598.5	11,776.7	10,379.9	10,473.9	10,569.6	10,655.8	10,722.3	10,852.0	316.7	66.5	129.7
Gross domestic purchases .....	11,502.2	11,605.5	11,773.7	12,019.4	12,248.8	12,426.7	10,895.7	10,978.3	11,104.3	11,241.9	11,358.1	11,470.6	351.1	116.2	112.5
Final sales to domestic purchasers .....	11,503.4	11,609.2	11,770.1	11,983.2	12,189.8	12,393.4	10,894.2	10,979.4	11,093.2	11,200.1	11,295.5	11,432.7	361.2	95.4	137.2
<b>Gross domestic product</b> .....	<b>11,004.0</b>	<b>11,116.7</b>	<b>11,270.9</b>	<b>11,472.6</b>	<b>11,657.5</b>	<b>11,810.0</b>	<b>10,381.3</b>	<b>10,472.8</b>	<b>10,580.7</b>	<b>10,697.5</b>	<b>10,784.7</b>	<b>10,889.7</b>			

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

	2001	2002	2003	Seasonally adjusted at annual rates																	
				2000	2001				2002				2003				2004				
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product (GDP)</b> .....	2.4	1.7	1.8	1.8	3.3	3.1	1.6	1.7	1.4	1.5	1.7	2.0	2.7	1.1	1.4	1.6	2.8	3.2	1.3		
<b>Personal consumption expenditures</b> .....	2.1	1.4	1.9	1.8	3.3	2.6	.6	.6	.9	2.9	2.0	1.4	3.2	.7	1.6	1.2	3.3	3.1	1.1		
Durable goods .....	-1.9	-2.7	-3.4	-1.0	-1.4	-3.1	-2.8	-1.6	-3.8	-2.5	-2.1	-2.8	-3.7	-3.8	-4.4	-4.3	0	-1	-3.1		
Nondurable goods .....	1.5	.6	2.0	1.4	1.4	3.5	-9	-4.0	0	5.4	1.3	1.2	5.1	-2.2	3.5	.5	5.3	6.6	.9		
Services .....	3.3	2.7	3.0	2.6	5.3	3.4	2.0	3.3	2.3	2.8	3.2	2.4	3.8	3.1	2.0	2.7	3.0	2.1	2.1		
<b>Gross private domestic investment</b> .....	1.0	.2	1.1	.8	0	1.5	2.1	.2	-1.0	-1	-5	2.6	1.4	-1	1.2	2.7	2.1	4.4	3.1		
Fixed investment .....	1.0	.2	1.2	.9	-3	1.8	2.2	.1	-1.1	-1	-4	2.7	1.9	-3	1.2	2.8	2.0	4.3	3.1		
Nonresidential .....	-.3	-.8	-.4	0	-2.3	.6	.3	-1.0	-1.3	-1.1	-1.3	.6	-.5	-1.3	.3	1.2	.3	1.7	1.0		
Structures .....	5.4	2.4	2.1	5.0	6.0	6.5	6.6	2.1	0	2.1	1.6	3.0	3.9	0	1.3	1.4	4.8	7.6	9.8		
Equipment and software .....	-2.3	-1.9	-1.2	-1.7	-5.1	-1.5	-2.0	-2.2	-1.7	-2.2	-2.2	-1	-1.9	-1.7	0	1.2	-1.1	.1	-1.5		
Residential .....	4.6	2.5	4.4	3.4	5.5	5.0	6.9	2.8	-8	2.1	1.6	7.1	6.8	1.7	3.1	5.8	5.4	9.1	7.0		
Change in private inventories .....																					
<b>Net exports of goods and services</b> .....																					
Exports .....	-.4	-.4	2.1	.4	.1	-1.3	-2.0	-3.5	-1.2	3.0	3.0	4	4.1	1.0	.8	3.2	5.7	4.6	1.5		
Goods .....	-.7	-.7	2.0	.4	-.1	-1.6	-2.6	-3.8	-1.4	2.2	3.3	5	3.5	1.6	-.6	4.2	6.4	5.3	1.2		
Services .....	.4	.4	2.4	.6	.6	-.7	-.6	-2.8	-.6	4.8	2.4	3	5.4	-.6	4.0	.9	4.0	3.2	2.3		
Imports .....	-2.5	-1.2	3.4	.7	-3.0	-5.9	-5.3	-10.0	-1.9	10.5	3.4	5	11.3	-4.3	2.6	.9	9.6	6.4	5.0		
Goods .....	-3.0	-1.8	2.9	.8	-3.8	-6.6	-6.5	-11.3	-2.0	10.8	2.6	4	12.0	-6.7	2.4	.4	9.9	7.8	5.0		
Services .....	.1	1.7	5.9	.3	1.5	-2.2	1.2	-3.3	-1.2	8.8	7.7	.9	7.9	8.4	3.6	3.5	8.3	-.5	4.9		
<b>Government consumption expenditures and gross investment</b> .....	2.5	2.7	3.2	2.7	3.1	1.8	1.6	1.1	4.2	3.1	2.7	3.3	7.4	-.5	2.2	1.0	5.1	4.3	3.4		
Federal .....	1.9	3.3	3.6	1.6	1.9	1.1	2.2	1.8	7.4	1.4	1.8	5.1	8.5	.3	1.1	1.0	6.6	3.0	1.6		
National defense .....	2.0	3.4	4.2	.9	3.5	.7	2.5	.8	7.1	1.6	2.9	7.7	8.6	-.3	1.1	1.3	5.7	3.5	1.8		
Nondefense .....	1.7	3.1	2.6	2.7	-1.0	1.8	1.6	3.4	8.0	1.1	-2	.5	8.2	1.4	1.0	.3	8.3	1.9	1.1		
State and local .....	2.9	2.4	3.0	3.2	3.8	2.1	1.3	.8	2.5	4.0	3.2	2.4	6.8	-1.0	2.9	1.0	4.2	5.2	4.4		
<b>Addenda:</b>																					
Final sales of domestic product .....	2.4	1.7	1.8	1.8	3.3	3.2	1.6	1.7	1.3	1.5	1.7	2.0	2.8	1.1	1.4	1.6	2.7	3.2	1.3		
Gross domestic purchases .....	2.0	1.5	2.0	1.8	2.7	2.3	1.0	.6	1.2	2.5	1.8	1.9	3.7	.4	1.7	1.4	3.4	3.5	1.8		
Final sales to domestic purchasers .....	2.0	1.5	2.0	1.8	2.7	2.3	1.0	.6	1.1	2.5	1.8	1.9	3.8	.3	1.7	1.4	3.4	3.5	1.8		
Gross national product (GNP) .....	2.4	1.6	1.8	1.8	3.3	3.1	1.6	1.7	1.3	1.5	1.7	2.0	2.7	1.1	1.5	1.6	2.8	3.2	1.3		
<b>Implicit price deflators:</b>																					
GDP .....	2.4	1.7	1.8	1.6	3.3	3.1	1.7	2.0	1.0	1.8	1.3	2.0	2.9	1.1	1.3	1.4	2.7	3.2	1.3		
Gross domestic purchases .....	2.0	1.5	2.0	1.6	2.7	2.2	1.1	.9	.8	2.8	1.4	1.9	3.9	.4	1.6	1.2	3.4	3.5	1.8		
GNP .....	2.4	1.6	1.8	1.6	3.2	3.1	1.7	2.0	1.0	1.8	1.3	2.0	2.9	1.1	1.3	1.4	2.7	3.2	1.4		

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	Seasonally adjusted				
				2003		2004		
				III	IV	I	II	III <sup>r</sup>
<b>Gross domestic product</b> .....	<b>100.751</b>	<b>102.626</b>	<b>105.749</b>	<b>106.681</b>	<b>107.780</b>	<b>108.969</b>	<b>109.858</b>	<b>110.927</b>
<b>Personal consumption expenditures</b> .....	<b>102.537</b>	<b>105.698</b>	<b>109.143</b>	<b>109.828</b>	<b>110.794</b>	<b>111.925</b>	<b>112.360</b>	<b>113.761</b>
Durable goods .....	104.327	111.150	119.378	122.733	123.902	124.572	124.482	129.526
Nondurable goods .....	102.027	104.630	108.481	109.145	110.517	112.331	112.367	113.684
Services .....	102.403	105.085	107.418	107.613	108.346	109.237	109.955	110.746
<b>Gross private domestic investment</b> .....	<b>92.103</b>	<b>89.928</b>	<b>93.852</b>	<b>95.616</b>	<b>98.771</b>	<b>101.672</b>	<b>106.191</b>	<b>106.917</b>
Fixed investment .....	97.047	92.253	96.924	98.904	101.412	102.529	105.913	108.177
Nonresidential .....	95.817	87.302	90.157	91.802	94.235	95.204	98.041	101.070
Structures .....	97.737	80.346	75.810	75.955	77.406	75.886	77.171	77.108
Equipment and software .....	95.136	89.947	95.679	97.917	100.735	102.699	106.157	110.455
Residential .....	100.357	105.178	114.392	117.201	119.916	121.400	126.122	126.666
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>94.565</b>	<b>92.343</b>	<b>94.116</b>	<b>94.300</b>	<b>98.170</b>	<b>99.924</b>	<b>101.690</b>	<b>103.264</b>
<b>Imports of goods and services</b> .....	<b>97.291</b>	<b>100.585</b>	<b>105.048</b>	<b>104.522</b>	<b>108.725</b>	<b>111.504</b>	<b>114.862</b>	<b>116.554</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>103.412</b>	<b>107.918</b>	<b>110.906</b>	<b>111.290</b>	<b>111.738</b>	<b>112.443</b>	<b>113.062</b>	<b>113.407</b>
Federal .....	103.908	111.725	119.140	119.751	121.154	123.249	124.068	125.505
State and local .....	103.162	105.999	106.739	107.006	106.968	106.965	107.482	107.273
<b>Addenda:</b>								
Final sales of domestic product .....	101.644	103.102	106.346	107.309	108.290	109.173	109.854	111.183
Gross domestic purchases .....	100.918	103.414	106.858	107.668	108.904	110.253	111.393	112.496
Final sales to domestic purchasers .....	101.781	103.876	107.438	108.279	109.401	110.455	111.396	112.749
Gross national product .....	100.788	102.494	105.865	106.755	108.192	109.241	109.769	110.898

<sup>r</sup> 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	Seasonally adjusted				
				2003		2004		
				III	IV	I	II	III <sup>r</sup>
<b>Gross domestic product</b> .....	<b>102.402</b>	<b>104.097</b>	<b>106.003</b>	<b>106.158</b>	<b>106.586</b>	<b>107.314</b>	<b>108.169</b>	<b>108.519</b>
<b>Personal consumption expenditures (PCE)</b> .....	<b>102.094</b>	<b>103.548</b>	<b>105.511</b>	<b>105.689</b>	<b>106.005</b>	<b>106.860</b>	<b>107.683</b>	<b>107.980</b>
Durable goods .....	98.114	95.475	92.244	91.757	90.747	90.741	90.725	90.008
Nondurable goods .....	101.531	102.097	104.154	104.423	104.564	105.914	107.616	107.868
Services .....	103.257	106.083	109.237	109.529	110.266	111.085	111.667	112.243
<b>Gross private domestic investment</b> .....	<b>101.013</b>	<b>101.221</b>	<b>102.304</b>	<b>102.276</b>	<b>102.968</b>	<b>103.514</b>	<b>104.644</b>	<b>105.435</b>
Fixed investment .....	101.023	101.232	102.435	102.401	103.101	103.618	104.709	105.513
Nonresidential .....	99.683	98.909	98.546	98.431	98.729	98.793	99.220	99.473
Structures .....	105.403	107.908	110.176	110.255	110.633	112.926	113.984	116.688
Equipment and software .....	97.708	95.868	94.754	94.588	94.862	94.611	94.626	94.281
Residential .....	104.633	107.246	111.951	112.097	113.675	115.179	117.710	119.722
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>99.624</b>	<b>99.275</b>	<b>101.395</b>	<b>101.355</b>	<b>102.146</b>	<b>103.565</b>	<b>104.746</b>	<b>105.144</b>
<b>Imports of goods and services</b> .....	<b>97.497</b>	<b>96.326</b>	<b>99.615</b>	<b>99.606</b>	<b>99.837</b>	<b>102.163</b>	<b>103.760</b>	<b>105.041</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>102.544</b>	<b>105.313</b>	<b>108.702</b>	<b>108.898</b>	<b>109.167</b>	<b>110.522</b>	<b>111.703</b>	<b>112.628</b>
Federal .....	101.907	105.288	109.081	109.181	109.447	111.203	112.020	112.459
State and local .....	102.868	105.317	108.485	108.736	109.007	110.131	111.524	112.735
<b>Addenda:</b>								
PCE excluding food and energy .....	101.904	103.707	105.072	105.174	105.527	106.081	106.523	106.704
Market-based PCE <sup>1</sup> .....	101.941	103.113	105.040	105.294	105.496	106.334	107.292	107.666
Market-based PCE excluding food and energy <sup>1</sup> .....	101.668	103.186	104.388	104.572	104.790	105.261	105.798	106.051
Final sales of domestic product .....	102.406	104.100	106.025	106.179	106.608	107.332	108.178	108.529
Gross domestic purchases .....	101.994	103.489	105.571	105.721	106.086	106.980	107.913	108.398
Final sales to domestic purchasers .....	101.998	103.491	105.592	105.741	106.107	106.997	107.923	108.408
Gross national product .....	102.399	104.087	105.997	106.156	106.579	107.308	108.164	108.519
<b>Implicit price deflators:</b>								
Gross domestic product .....	102.399	104.092	105.998	106.148	106.523	107.246	108.093	108.452
Final sales of domestic product .....	102.407	104.100	106.025	106.173	106.601	107.325	108.172	108.521
Gross domestic purchases .....	101.992	103.484	105.566	105.713	106.028	106.916	107.842	108.335
Final sales to domestic purchasers .....	101.998	103.491	105.592	105.735	106.102	106.992	107.917	108.403
Gross national product .....	102.396	104.082	105.992	106.146	106.516	107.240	108.087	108.451

<sup>r</sup> Revised.

<sup>1</sup> This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, the services furnished without payment by financial intermediaries) and the expenses of nonprofit institutions. Percentage changes for these series are included in the addenda to table 8 and appendix table A.

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

Table 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
<b>Gross domestic product (GDP)</b> .....	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	0.8	1.9	3.0
<b>Personal consumption expenditures</b> .....	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	3.1	3.3
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	4.3	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	2.0	2.6	3.7
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	2.6	2.2
<b>Gross private domestic investment</b> .....	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	-7.9	-2.4	4.4
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	-3.0	-4.9	5.1
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	-4.2	-8.9	3.3
Structures .....	.6	2.0	1.5	-11.1	-6.0	-7	1.8	6.4	5.6	7.3	5.1	-4	6.8	-2.3	-17.8	-5.6
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	-4.9	-5.5	6.4
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	4.8	8.8
Change in private inventories .....																
<b>Net exports of goods and services</b> .....																
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	-5.4	-2.3	1.9
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	-4.1	2.2
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	-3.7	1.8	1.4
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	-2.7	3.4	4.4
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	4.7
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	-3	1.9	3.1
<b>Government consumption expenditures and gross investment</b> .....	1.3	2.6	3.2	1.1	.5	-9	0	.5	1.0	1.9	1.9	3.9	2.1	3.4	4.4	2.8
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	3.9	7.5	6.6
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	7.7	9.0
Nondefense .....	-5.1	8.3	8.3	2.4	6.9	-7	-1.2	-4	-7	2.6	.7	2.8	3.5	3.9	7.1	2.4
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	3.2	2.8	.7
<b>Addenda:</b>																
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	1.6	1.4	3.1
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	.9	2.5	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	1.8	2.1	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	.8	1.7	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	1.9	3.1	2.3
<b>Price indexes:</b>																
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	1.5	2.0
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	1.8	1.6
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	1.7	1.8
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	2.0	1.6
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	2.1	1.4	1.9

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

	2000		2001				2002				2003				2004		
	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II <sup>r</sup>	III <sup>r</sup>	
<b>Gross domestic product (GDP)</b> .....	2.2	1.9	0.6	0.4	0.2	1.2	1.5	2.5	2.3	1.9	2.3	3.5	4.4	5.0	4.8	4.0	
<b>Personal consumption expenditures (PCE)</b> .....	4.1	2.9	2.5	2.0	2.8	2.9	3.3	3.6	2.5	2.7	3.0	3.5	3.8	4.2	3.6	3.6	
Durable goods .....	4.7	.8	3.2	2.5	10.8	6.6	7.8	10.6	1.5	3.8	7.6	8.2	9.9	10.5	5.4	5.5	
Nondurable goods .....	3.0	3.0	1.6	1.6	1.9	2.7	3.0	2.2	2.3	2.6	2.8	4.7	4.6	5.1	4.7	4.2	
Services .....	4.5	3.3	2.8	2.0	1.6	2.2	2.6	2.9	2.9	2.6	2.1	2.0	2.2	2.5	2.7	2.9	
<b>Gross private domestic investment</b> .....	1.4	-5	-8.5	-8.6	-13.8	-7.1	-5.1	-1.5	5.0	7	1.5	5.7	9.4	12.8	16.8	11.8	
Fixed investment .....	5.1	1.6	-2.9	-3.8	-6.7	-7.1	-5.8	-4.6	-2.1	-4	3.1	7.4	10.3	10.9	11.6	9.4	
Nonresidential .....	7.8	3.2	-3.9	-6.1	-9.6	-10.9	-9.9	-8.5	-6.0	-3.6	1.7	5.8	9.4	10.6	10.8	10.1	
Structures .....	8.8	4.6	-6	-1.4	-11.1	-13.7	-18.3	-22.9	-16.1	-14.8	-6.0	-2.1	1.5	3.0	1.3	1.5	
Equipment and software .....	7.5	2.7	-5.1	-7.8	-9.0	-9.8	-6.7	-2.7	-2.2	.5	4.4	8.4	12.1	13.1	13.9	12.8	
Residential .....	-1.9	-2.3	-1	2.5	1.4	3.1	4.5	4.7	6.9	6.4	5.9	10.6	12.0	11.3	13.2	8.1	
Change in private inventories .....																	
<b>Net exports of goods and services</b> .....																	
Exports .....	6.5	3.4	-2.9	-9.9	-11.9	-9.6	-4.0	1.7	3.5	1.9	-1.1	.8	6.1	8.4	10.8	9.5	
Goods .....	8.5	4.8	-3.2	-12.2	-13.0	-12.2	-5.0	1.2	.8	2.3	-1.2	.5	7.1	8.5	10.3	10.0	
Services .....	1.8	.1	-2.0	-4.0	-8.9	-3.1	-1.8	2.7	9.8	1.0	-.9	1.5	3.8	8.3	11.9	8.3	
Imports .....	11.2	5.9	-1.4	-7.2	-7.6	-3.9	2.1	6.3	9.7	6.0	3.8	3.2	4.9	8.1	10.7	11.5	
Goods .....	11.3	6.3	-2.6	-7.8	-7.9	-4.8	3.3	7.1	9.8	6.7	4.3	2.8	5.1	8.8	10.8	12.3	
Services .....	10.6	4.2	4.7	-3.7	-5.9	-7	-3.7	2.0	8.9	2.4	1.4	5.0	3.7	4.7	10.0	7.7	
<b>Government consumption expenditures and gross investment</b> .....	.4	2.5	3.0	3.2	5.0	4.8	4.0	4.9	3.8	2.7	3.3	2.8	2.2	2.8	1.6	1.9	
Federal .....	-2.2	3.6	1.7	4.0	6.4	6.4	7.3	8.1	8.2	6.1	8.3	6.6	5.5	7.3	2.7	4.8	
National defense .....	-3.5	4.2	1.3	3.8	6.5	6.2	8.0	8.2	8.5	6.2	12.1	9.0	8.5	12.1	3.8	8.4	
Nondefense .....	.3	2.5	2.6	4.2	6.3	6.9	6.2	7.8	7.6	6.1	1.4	2.4	0	-1.5	.6	-2.1	
State and local .....	1.7	1.9	3.7	2.8	4.2	4.0	2.2	3.3	1.6	.9	.7	.8	.4	1.0	.2	.2	
<b>Addenda:</b>																	
Final sales of domestic product .....	2.9	2.2	1.6	1.2	1.5	1.2	1.4	2.0	1.2	1.7	2.6	3.8	4.5	4.7	4.1	3.6	
Gross domestic purchases .....	3.0	2.3	.7	.4	.4	1.6	2.1	3.1	3.1	2.4	2.8	3.7	4.3	5.1	5.1	4.5	
Final sales to domestic purchasers .....	3.6	2.6	1.7	1.2	1.6	1.6	2.0	2.6	2.1	2.3	3.1	3.9	4.4	4.9	4.4	4.1	
Gross national product .....	2.4	1.9	.7	.2	.4	1.0	1.2	2.6	2.0	2.0	2.6	3.7	4.8	5.3	4.7	3.9	
Real disposable personal income .....	4.4	2.4	1.3	2.8	1.2	3.5	4.6	1.4	2.9	.7	1.1	3.5	3.9	4.0	3.7	2.1	
<b>Price indexes:</b>																	
Gross domestic purchases .....	2.4	2.1	2.3	1.9	1.6	1.3	1.3	1.5	1.8	2.5	1.9	1.9	1.8	1.7	2.5	2.5	
Gross domestic purchases excluding food and energy .....	1.8	1.7	1.8	1.9	2.1	1.9	1.8	1.8	1.6	1.8	1.6	1.5	1.4	1.5	1.9	2.0	
GDP .....	2.2	2.2	2.5	2.4	2.4	1.9	1.5	1.5	1.6	2.0	1.9	1.8	1.7	1.7	2.3	2.2	
GDP excluding food and energy .....	2.0	1.8	2.0	2.1	2.3	2.2	2.0	1.9	1.7	1.9	1.6	1.5	1.4	1.4	1.9	2.0	
PCE .....	2.3	2.2	2.4	2.0	1.7	1.1	1.2	1.6	1.8	2.4	1.8	1.7	1.7	1.7	2.3	2.2	
PCE excluding food and energy .....	1.5	1.6	1.8	2.0	2.2	1.8	1.8	1.9	1.5	1.6	1.4	1.1	1.2	1.4	1.5	1.5	
Market-based PCE <sup>1</sup> .....	2.4	2.2	2.3	1.9	1.3	.8	.9	1.2	1.7	2.3	1.8	1.8	1.6	1.7	2.4	2.3	
Market-based PCE excluding food and energy <sup>1</sup> .....	1.5	1.5	1.7	1.8	1.8	1.5	1.6	1.5	1.4	1.4	1.2	1.1	1.0	1.3	1.5	1.4	

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

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

[Billions of dollars]

	2001	2002	2003	Seasonally adjusted at annual rates				
				2003		2004		
				III	IV	I	II <sup>r</sup>	III <sup>r</sup>
<b>Gross domestic product</b> .....	<b>10,128.0</b>	<b>10,487.0</b>	<b>11,004.0</b>	<b>11,116.7</b>	<b>11,270.9</b>	<b>11,472.6</b>	<b>11,657.5</b>	<b>11,810.0</b>
Plus: Income receipts from the rest of the world .....	322.4	301.8	329.0	329.8	371.8	373.8	388.0	404.8
Less: Income payments to the rest of the world .....	278.8	274.7	273.9	278.2	284.6	300.3	351.9	361.2
<b>Equals: Gross national product</b> .....	<b>10,171.6</b>	<b>10,514.1</b>	<b>11,059.2</b>	<b>11,168.3</b>	<b>11,358.1</b>	<b>11,546.1</b>	<b>11,693.6</b>	<b>11,853.7</b>
Less: Consumption of fixed capital .....	1,281.5	1,303.9	1,353.9	1,360.6	1,374.2	1,355.0	1,375.2	1,500.5
Less: Statistical discrepancy .....	-89.6	-15.3	25.6	36.6	12.8	63.0	56.4	59.6
<b>Equals: National income</b> .....	<b>8,979.8</b>	<b>9,225.4</b>	<b>9,679.6</b>	<b>9,771.1</b>	<b>9,971.1</b>	<b>10,128.1</b>	<b>10,262.0</b>	<b>10,293.5</b>
Compensation of employees .....	5,942.1	6,069.5	6,289.0	6,324.7	6,406.7	6,489.4	6,578.5	6,657.6
Wage and salary accruals .....	4,942.8	4,976.3	5,103.6	5,128.6	5,188.9	5,240.7	5,311.4	5,375.4
Supplements to wages and salaries .....	999.3	1,093.2	1,185.5	1,196.1	1,217.8	1,248.8	1,267.2	1,282.1
Proprietors' income with inventory valuation and capital consumption adjustments .....	771.9	769.6	834.1	852.0	864.7	872.1	901.4	903.2
Rental income of persons with capital consumption adjustment .....	167.4	170.9	153.8	148.8	167.1	172.8	172.6	153.6
Corporate profits with inventory valuation and capital consumption adjustments .....	767.3	874.6	1,021.1	1,057.1	1,129.1	1,165.6	1,173.9	1,146.3
Net interest and miscellaneous payments .....	566.3	532.9	543.0	542.8	545.3	554.5	548.5	545.6
Taxes on production and imports less subsidies .....	673.3	724.4	751.3	757.4	769.4	782.9	796.3	804.4
Business current transfer payments .....	92.8	80.9	77.7	78.9	80.1	82.7	83.5	76.4
Current surplus of government enterprises .....	-1.4	2.8	9.5	9.3	8.7	8.1	7.4	6.5
<b>Addendum:</b>								
Gross domestic income .....	10,217.6	10,502.3	10,978.5	11,080.1	11,258.1	11,409.6	11,601.1	11,750.4

<sup>r</sup> Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2004.

**Table 10.—Personal Income and Its Disposition**

[Billions of dollars]

	2001	2002	2003	Seasonally adjusted at annual rates				
				2003		2004		
				III	IV	I	II <sup>r</sup>	III <sup>r</sup>
<b>Personal income</b> <sup>1</sup> .....	<b>8,724.1</b>	<b>8,878.9</b>	<b>9,161.8</b>	<b>9,209.3</b>	<b>9,330.0</b>	<b>9,445.0</b>	<b>9,592.7</b>	<b>9,671.7</b>
Compensation of employees, received .....	5,942.1	6,069.5	6,289.0	6,324.7	6,406.7	6,487.9	6,580.0	6,657.6
Wage and salary disbursements .....	4,942.8	4,976.3	5,103.6	5,128.6	5,188.9	5,239.2	5,312.8	5,375.5
Supplements to wages and salaries .....	999.3	1,093.2	1,185.5	1,196.1	1,217.8	1,248.8	1,267.2	1,282.1
Proprietors' income with inventory valuation and capital consumption adjustments .....	771.9	769.6	834.1	852.0	864.7	872.1	901.4	903.2
Farm .....	19.7	9.7	21.8	24.8	24.7	17.9	18.9	14.1
Nonfarm .....	752.2	759.9	812.3	827.2	840.0	854.2	882.5	889.1
Rental income of persons with capital consumption adjustment .....	167.4	170.9	153.8	148.8	167.1	172.8	172.6	153.6
Personal income receipts on assets .....	1,380.0	1,334.6	1,322.7	1,314.4	1,325.8	1,337.1	1,352.3	1,366.4
Personal interest income .....	1,011.0	946.7	929.9	922.8	932.0	936.2	941.7	945.0
Personal dividend income .....	369.0	387.9	392.8	391.6	393.8	400.9	410.6	421.3
Personal current transfer receipts .....	1,193.9	1,282.7	1,335.4	1,346.2	1,350.7	1,379.0	1,400.4	1,414.0
Less: Contributions for government social insurance .....	731.1	748.3	773.2	776.7	785.0	803.9	814.0	823.1
Less: Personal current taxes .....	1,237.3	1,051.2	1,001.9	941.7	1,009.4	1,006.6	1,030.6	1,044.3
<b>Equals: Disposable personal income</b> .....	<b>7,486.8</b>	<b>7,827.7</b>	<b>8,159.9</b>	<b>8,267.6</b>	<b>8,320.5</b>	<b>8,438.4</b>	<b>8,562.1</b>	<b>8,627.4</b>
Less: Personal outlays .....	7,354.5	7,668.5	8,049.3	8,107.8	8,209.4	8,351.6	8,448.7	8,582.4
<b>Equals: Personal saving</b> .....	<b>132.3</b>	<b>159.2</b>	<b>110.6</b>	<b>159.8</b>	<b>111.1</b>	<b>86.8</b>	<b>113.4</b>	<b>45.0</b>
Personal saving as a percentage of disposable personal income .....	1.8	2.0	1.4	1.9	1.3	1.0	1.3	.5
<b>Addendum:</b>								
Disposable personal income, billions of chained (2000) dollars <sup>2</sup> .....	7,333.3	7,559.5	7,733.8	7,822.9	7,849.6	7,897.0	7,951.5	7,990.1

<sup>r</sup> Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2004.

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
				2003		2004					2003	2004			
				III	IV	I	II	III				IV	I	II	III
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>767.3</b>	<b>874.6</b>	<b>1,021.1</b>	<b>1,057.1</b>	<b>1,129.1</b>	<b>1,165.6</b>	<b>1,173.9</b>	<b>1,146.3</b>	<b>14.0</b>	<b>16.8</b>	<b>6.8</b>	<b>3.2</b>	<b>0.7</b>	<b>-2.4</b>	<b>8.4</b>
Less: Taxes on corporate income .....	204.1	183.8	234.9	238.7	252.3	256.5	271.2	261.4	-9.9	27.8	5.7	1.6	5.7	-3.6	9.5
<b>Equals: Profits after tax with inventory valuation and capital consumption adjustments</b> .....	<b>563.2</b>	<b>690.7</b>	<b>786.2</b>	<b>818.4</b>	<b>876.8</b>	<b>909.1</b>	<b>902.7</b>	<b>884.9</b>	<b>22.6</b>	<b>13.8</b>	<b>7.1</b>	<b>3.7</b>	<b>-7</b>	<b>-2.0</b>	<b>8.1</b>
Net dividends .....	370.9	390.0	395.3	394.1	396.4	403.4	413.2	424.0	5.2	1.4	.6	1.8	2.4	2.6	7.6
Undistributed profits with inventory valuation and capital consumption adjustments .....	192.3	300.7	390.9	424.2	480.4	505.7	489.5	460.9	56.4	30.0	13.2	5.3	-3.2	-5.8	8.6
<b>Cash flow:</b>															
<b>Net cash flow with inventory valuation and capital consumption adjustments</b> .....	<b>944.8</b>	<b>1,058.5</b>	<b>1,173.4</b>	<b>1,210.0</b>	<b>1,273.2</b>	<b>1,279.1</b>	<b>1,273.4</b>	<b>1,293.8</b>	<b>12.0</b>	<b>10.9</b>	<b>5.2</b>	<b>.5</b>	<b>-4</b>	<b>1.6</b>	<b>6.9</b>
Undistributed profits with inventory valuation and capital consumption adjustments .....	192.3	300.7	390.9	424.2	480.4	505.7	489.5	460.9	56.4	30.0	13.2	5.3	-3.2	-5.8	8.6
Consumption of fixed capital .....	752.5	757.8	782.5	785.8	792.9	773.4	783.9	832.9	.7	3.3	.9	-2.5	1.4	6.2	6.0
Less: Inventory valuation adjustment .....	11.3	-1.2	-14.1	-3.8	-24.3	-37.0	-47.8	-39.3							
<b>Equals: Net cash flow</b> .....	<b>933.5</b>	<b>1,059.8</b>	<b>1,187.5</b>	<b>1,213.8</b>	<b>1,297.6</b>	<b>1,316.1</b>	<b>1,321.2</b>	<b>1,333.1</b>	<b>13.5</b>	<b>12.1</b>	<b>6.9</b>	<b>1.4</b>	<b>.4</b>	<b>.9</b>	<b>9.8</b>
<b>Addenda:</b>															
Profits before tax (without inventory valuation and capital consumption adjustments) .....	707.9	758.0	874.5	881.0	966.2	962.4	988.3	964.3	7.1	15.4	9.7	-4	2.7	-2.4	9.5
Profits after tax (without inventory valuation and capital consumption adjustments) .....	503.8	574.2	639.6	642.3	713.9	705.9	717.1	703.0	14.0	11.4	11.2	-1.1	1.6	-2.0	9.5
Inventory valuation adjustment .....	11.3	-1.2	-14.1	-3.8	-24.3	-37.0	-47.8	-39.3							
Capital consumption adjustment .....	48.1	117.8	160.8	179.9	187.2	240.2	233.3	221.2	144.9	36.5	4.1	28.3	-2.9	-5.2	23.0

**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	2004				
				2003		2004					IV	I	II	III	
				III	IV	I	II	III							
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>767.3</b>	<b>874.6</b>	<b>1,021.1</b>	<b>1,057.1</b>	<b>1,129.1</b>	<b>1,165.6</b>	<b>1,173.9</b>	<b>1,146.3</b>	<b>107.3</b>	<b>146.5</b>	<b>72.0</b>	<b>36.5</b>	<b>8.3</b>	<b>-27.6</b>	
<b>Domestic industries</b> .....	<b>597.6</b>	<b>716.8</b>	<b>844.2</b>	<b>883.7</b>	<b>913.3</b>	<b>960.3</b>	<b>988.6</b>	<b>952.1</b>	<b>119.2</b>	<b>127.4</b>	<b>29.6</b>	<b>47.0</b>	<b>28.3</b>	<b>-36.5</b>	
Financial .....	240.4	298.4	327.8	336.4	335.9	355.7	347.8	301.1	58.0	29.4	-5	19.8	-7.9	-46.7	
Nonfinancial .....	357.2	418.4	516.4	547.3	577.3	604.6	640.8	651.0	61.2	98.0	30.0	27.3	36.2	10.2	
<b>Rest of the world</b> .....	<b>169.7</b>	<b>157.8</b>	<b>176.9</b>	<b>173.4</b>	<b>215.8</b>	<b>205.3</b>	<b>185.3</b>	<b>194.1</b>	<b>-11.9</b>	<b>19.1</b>	<b>42.4</b>	<b>-10.5</b>	<b>-20.0</b>	<b>8.8</b>	
Receipts from the rest of the world .....	182.6	206.0	250.7	253.1	293.4	299.0	305.6	311.9	23.4	44.7	40.3	5.6	6.6	6.3	
Less: Payments to the rest of the world .....	12.9	48.2	73.8	79.7	77.5	93.7	120.3	117.8	35.3	25.6	-2.2	16.2	26.6	-2.5	
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>719.2</b>	<b>756.8</b>	<b>860.4</b>	<b>877.2</b>	<b>941.9</b>	<b>925.4</b>	<b>940.6</b>	<b>925.0</b>	<b>37.6</b>	<b>103.6</b>	<b>64.7</b>	<b>-16.5</b>	<b>15.2</b>	<b>-15.6</b>	
<b>Domestic industries</b> .....	<b>549.5</b>	<b>599.0</b>	<b>683.4</b>	<b>703.8</b>	<b>726.1</b>	<b>720.0</b>	<b>755.2</b>	<b>730.9</b>	<b>49.5</b>	<b>84.4</b>	<b>22.3</b>	<b>-6.1</b>	<b>35.2</b>	<b>-24.3</b>	
Financial .....	227.6	276.2	299.8	306.1	305.3	313.7	306.4	259.9	48.6	23.6	-8	8.4	-7.3	-46.5	
Federal Reserve banks .....	28.3	22.9	19.2	18.5	17.6	18.2	18.1	19.0	-5.4	-3.7	-9	.6	-1	.9	
Other financial .....	199.3	253.3	280.6	287.6	287.8	295.5	288.3	240.9	54.0	27.3	.2	7.7	-7.2	-47.4	
Nonfinancial .....	322.0	322.8	383.6	397.6	420.7	406.4	448.8	471.0	.8	60.8	23.1	-14.3	42.4	22.2	
Utilities .....	24.7	11.4	18.8	18.6	24.3	23.2	21.5		-13.3	7.4	5.7	-1.1	-1.7		
<b>Manufacturing</b> .....	<b>52.6</b>	<b>50.7</b>	<b>67.3</b>	<b>66.8</b>	<b>93.4</b>	<b>81.5</b>	<b>94.8</b>		<b>-1.9</b>	<b>16.6</b>	<b>26.6</b>	<b>-11.9</b>	<b>13.3</b>		
Durable goods .....	-25.4	-8.3	-3.5	-7.5	9.3	2.8	14.9		17.1	4.8	16.8	-6.5	12.1		
Fabricated metal products .....	9.9	9.3	10.1	10.1	13.2	11.8	12.1		-6	.8	3.1	-1.4	.3		
Machinery .....	2.7	1.6	-5	1.1	1.1	2.2	3.6		-1.1	-2.1	0	1.1	1.4		
Computer and electronic products .....	-48.5	-32.9	-15.4	-15.2	-14.0	-17.2	-15.9		15.6	17.5	1.2	-3.2	1.3		
Electrical equipment, appliances, and components .....	1.9	-2	-3.2	-4.3	-4.4	-8.1	-1.6		-2.1	-3.0	-1	-3.7	6.5		
Motor vehicles, bodies and trailers, and parts .....	-9.2	-6.0	-6.2	-11.4	-5.0	-5	-1.2		3.2	-2	6.4	4.5	-7		
Other durable goods .....	17.8	19.8	11.8	12.2	18.4	14.6	18.0		2.0	-8.0	6.2	-3.8	3.4		
Nondurable goods .....	78.0	58.9	70.7	74.2	84.1	78.6	79.9		-19.1	11.8	9.9	-5.5	1.3		
Food and beverage and tobacco products .....	28.0	24.1	27.7	28.6	34.2	31.1	27.9		-3.9	3.6	5.6	-3.1	-3.2		
Petroleum and coal products .....	29.6	4.0	14.8	12.6	18.7	24.5	27.3		-25.6	10.8	6.1	5.8	2.8		
Chemical products .....	12.6	17.1	21.2	24.5	21.3	14.1	13.7		4.5	4.1	-3.2	-7.2	-4		
Other nondurable goods .....	7.8	13.6	7.1	8.5	9.8	8.9	11.0		5.8	-6.5	1.3	-9	2.1		
Wholesale trade .....	52.1	51.0	47.9	53.1	50.1	46.0	52.2		-1.1	-3.1	-3.0	-4.1	6.2		
Retail trade .....	71.0	78.1	77.7	78.9	74.7	80.0	73.1		7.1	-4	-4.2	5.3	-6.9		
Transportation and warehousing .....	1.3	-1.3	10.5	11.9	12.4	11.7	15.5		-2.6	11.8	.5	-7	3.8		
Information .....	-25.6	-11.2	-7	6.7	-1.0	-6.6	16.5		14.4	10.5	-7.7	-5.6	23.1		
Other nonfinancial .....	145.9	144.2	162.1	161.7	166.8	170.7	175.1		-1.7	17.9	5.1	3.9	4.4		
<b>Rest of the world</b> .....	<b>169.7</b>	<b>157.8</b>	<b>176.9</b>	<b>173.4</b>	<b>215.8</b>	<b>205.3</b>	<b>185.3</b>	<b>194.1</b>	<b>-11.9</b>	<b>19.1</b>	<b>42.4</b>	<b>-10.5</b>	<b>-20.0</b>	<b>8.8</b>	

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

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

	2001	2002	2003	Seasonally adjusted at annual rates				
				2003		2004		
				III	IV	I	II <sup>r</sup>	III
Billions of dollars								
<b>Gross value added of nonfinancial corporate business</b> .....	<b>5,293.5</b>	<b>5,377.7</b>	<b>5,606.8</b>	<b>5,669.0</b>	<b>5,767.5</b>	<b>5,839.4</b>	<b>5,955.5</b>	<b>6,041.4</b>
Consumption of fixed capital .....	646.8	655.7	676.4	679.0	684.3	671.8	680.9	728.3
<b>Net value added</b> .....	<b>4,646.7</b>	<b>4,722.0</b>	<b>4,930.5</b>	<b>4,990.0</b>	<b>5,083.3</b>	<b>5,167.6</b>	<b>5,274.7</b>	<b>5,313.1</b>
Compensation of employees .....	3,595.9	3,601.3	3,696.2	3,717.9	3,771.0	3,818.1	3,878.6	3,929.3
Wage and salary accruals .....	3,016.5	2,971.0	3,006.9	3,022.4	3,062.8	3,089.9	3,138.5	3,179.7
Supplements to wages and salaries .....	579.3	630.3	689.3	695.4	708.3	728.1	740.1	749.6
Taxes on production and imports less subsidies .....	439.1	465.1	483.4	489.0	495.0	501.1	508.4	513.3
Net operating surplus .....	611.8	655.5	750.8	783.2	817.2	848.5	887.6	870.4
Net interest and miscellaneous payments .....	204.0	181.7	170.8	170.2	172.1	174.8	177.2	176.9
Business current transfer payments .....	50.6	55.5	63.5	65.7	67.8	69.0	69.6	42.5
Corporate profits with inventory valuation and capital consumption adjustments .....	357.2	418.4	516.4	547.3	577.3	604.6	640.8	651.0
Taxes on corporate income .....	111.7	89.0	130.0	132.2	146.8	147.7	164.9	168.7
Profits after tax with inventory valuation and capital consumption adjustments .....	245.5	329.4	386.4	415.1	430.5	456.9	475.9	482.3
Net dividends .....	245.4	254.9	275.4	265.6	273.6	270.6	265.5	277.6
Undistributed profits with inventory valuation and capital consumption adjustments .....	.1	74.5	111.0	149.5	156.9	186.2	210.5	204.7
<b>Addenda:</b>								
Profits before tax (without inventory valuation and capital consumption adjustments) .....	310.6	324.1	397.7	401.4	445.0	443.4	496.5	510.4
Profits after tax (without inventory valuation and capital consumption adjustments) .....	198.9	235.1	267.7	269.2	298.2	295.6	331.7	341.6
Inventory valuation adjustment .....	11.3	-1.2	-14.1	-3.8	-24.3	-37.0	-47.8	-39.3
Capital consumption adjustment .....	35.2	95.6	132.9	149.7	156.6	198.3	192.0	180.0
Billions of chained (2000) dollars								
<b>Gross value added of nonfinancial corporate business</b> <sup>1</sup> .....	<b>5,229.7</b>	<b>5,306.6</b>	<b>5,520.2</b>	<b>5,579.6</b>	<b>5,670.7</b>	<b>5,711.5</b>	<b>5,770.9</b>	<b>5,850.1</b>
Consumption of fixed capital <sup>2</sup> .....	615.8	628.0	647.2	649.5	655.1	654.1	657.2	697.2
Net value added <sup>3</sup> .....	4,613.8	4,678.6	4,873.0	4,930.1	5,015.6	5,057.4	5,113.6	5,152.9
Dollars								
<b>Price, costs, and profits per unit of real gross value added of nonfinancial corporate business:</b>								
<b>Price per unit of real gross value added of nonfinancial corporate business</b> <sup>4</sup> .....	<b>1.012</b>	<b>1.013</b>	<b>1.016</b>	<b>1.016</b>	<b>1.017</b>	<b>1.022</b>	<b>1.032</b>	<b>1.033</b>
Compensation of employees (unit labor cost) .....	.688	.679	.670	.666	.665	.668	.672	.672
Unit nonlabor cost .....	.257	.256	.253	.252	.250	.249	.249	.250
Consumption of fixed capital .....	.124	.124	.123	.122	.121	.118	.118	.125
Taxes on production and imports less subsidies plus business current transfer payments .....	.094	.098	.099	.099	.099	.100	.100	.095
Net interest and miscellaneous payments .....	.039	.034	.031	.031	.030	.031	.031	.030
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	.068	.079	.094	.098	.102	.106	.111	.111
Taxes on corporate income .....	.021	.017	.024	.024	.026	.026	.029	.029
Profits after tax with inventory valuation and capital consumption adjustments .....	.047	.062	.070	.074	.076	.080	.082	.082

<sup>r</sup> Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2004.

1. Effective with the estimates scheduled for release on December 22, 2004, chained-dollar gross value added of nonfinancial corporate business for 1929 to 2004 will be revised. The current-dollar value added will be deflated by a revised chain-type price index calculated using the gross value added chain-type price index for nonfinancial industries from the comprehensive revision of the GDP-by-industry accounts.

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).





## 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 2002-03 annual percent change in real GDP uses prices for 2002 and 2003 as weights, and the 2002-03 annual percent change in GDP prices uses quantities for 2002 and 2003 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.