



# NEWS RELEASE



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Lisa Mataloni: (202) 606-5304 (GDP)  
Greg Key: (202) 606-5564 (Profits)  
Recorded message: (202) 606-5306

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## **GROSS DOMESTIC PRODUCT: FIRST QUARTER 2009 (FINAL) CORPORATE PROFITS: FIRST QUARTER 2009 (REVISED)**

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- decreased at an annual rate of 5.5 percent in the first quarter of 2009, (that is, from the fourth quarter to the first quarter), according to final estimates released by the Bureau of Economic Analysis. In the fourth quarter, real GDP decreased 6.3 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 decrease in real GDP was 5.7 percent (see "Revisions" on page 3).

The decrease in real GDP in the first quarter primarily reflected negative contributions from exports, equipment and software, private inventory investment, nonresidential structures, and residential fixed investment that were partly offset by a positive contribution from personal consumption expenditures (PCE). Imports, which are a subtraction in the calculation of GDP, decreased.

### Comprehensive Revision of the National Income and Product Accounts

BEA plans to release the results of the 13<sup>th</sup> comprehensive (or benchmark) revision of the national income and product accounts (NIPAs), as part of the annual revision on July 31, 2009. More information on the revision is available on BEA's Web site at [www.bea.gov/national/an1.htm](http://www.bea.gov/national/an1.htm), including a link to an article in the March 2009 issue of the *Survey of Current Business* that discussed the changes in definitions and presentation that will be implemented in the revision and a link to an article in the May *Survey* that described the changes in statistical methods. The September *Survey* will contain an article that describes the results of the revision in detail. The Web site also contains links to redesigned PCE table stubs and other revised NIPA table stubs.

NOTE.--Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and are annualized. "Real" estimates are in chained (2000) dollars. Price indexes are chain-type measures.

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The smaller decrease in real GDP in the first quarter than in the fourth primarily reflected an upturn in PCE and a larger decrease in imports that were partly offset by larger decreases in private inventory investment and in nonresidential structures.

Motor vehicle output subtracted 1.26 percentage points from the first-quarter change in real GDP after subtracting 2.01 percentage points from the fourth-quarter change. Final sales of computers added 0.09 percentage point to the first-quarter change in real GDP after subtracting 0.02 percentage point from the fourth-quarter change.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, decreased 1.0 percent in the first quarter, the same as in the preliminary estimate; this index decreased 3.9 percent in the fourth quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 1.4 percent in the first quarter, also the same as in the preliminary. The federal pay raise for civilian and military personnel added 0.3 percentage point to the change in the first-quarter gross domestic purchases price index, which is treated as an increase in the prices of employee services purchased by the federal government.

Real personal consumption expenditures increased 1.4 percent in the first quarter, in contrast to a decrease of 4.3 percent in the fourth. Real nonresidential fixed investment decreased 37.3 percent, compared with a decrease of 21.7 percent. Nonresidential structures decreased 42.9 percent, compared with a decrease of 9.4 percent. Equipment and software decreased 33.7 percent, compared with a decrease of 28.1 percent. Real residential fixed investment decreased 38.8 percent, compared with a decrease of 22.8 percent.

Real exports of goods and services decreased 30.6 percent in the first quarter, compared with a decrease of 23.6 percent in the fourth. Real imports of goods and services decreased 36.4 percent, compared with a decrease of 17.5 percent.

Real federal government consumption expenditures and gross investment decreased 4.5 percent in the first quarter, in contrast to an increase of 7.0 percent in the fourth. National defense decreased 6.8 percent, in contrast to an increase of 3.4 percent. Nondefense increased 0.6 percent, compared with an increase of 15.3 percent. Real state and local government consumption expenditures and gross investment decreased 2.2 percent, compared with a decrease of 2.0 percent.

The real change in private inventories subtracted 2.20 percentage points from the first-quarter change in real GDP, after subtracting 0.11 percentage point from the fourth-quarter change. Private businesses decreased inventories \$87.1 billion in the first quarter, following a decrease of \$25.8 billion in the fourth quarter and a decrease of \$29.6 billion in the third.

Real final sales of domestic product -- GDP less change in private inventories -- decreased 3.3 percent in the first quarter, compared with a decrease of 6.2 percent in the fourth.

**Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- decreased 7.5 percent in the first quarter, compared with a decrease of 5.9 percent in the fourth.

**Gross national product**

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- decreased 5.6 percent in the first quarter, the same as in the fourth. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which decreased \$5.8 billion in the first quarter after increasing \$21.3 billion in the fourth; in the first quarter, receipts decreased \$107.9 billion, and payments decreased \$102.0 billion.

**Current-dollar GDP**

Current-dollar GDP -- the market value of the nation's output of goods and services -- decreased 2.9 percent, or \$103.1 billion, in the first quarter to a level of \$14,097.2 billion. In the fourth quarter, current-dollar GDP decreased 5.8 percent, or \$212.5 billion.

**Revisions**

The final estimate of the first-quarter change in real GDP is 0.2 percentage point, or \$6.8 billion, less of a decrease than the preliminary estimate issued last month. The upward revision to the percent change in real GDP primarily reflected a downward revision to imports and an upward revision to private nonfarm inventory investment that were partly offset by downward revisions to exports and to personal consumption expenditures for services.

|   | <u>Advance</u>                          | <u>Preliminary</u> | <u>Final</u> |
|---|---|--------------------|--------------|
|   | (Percent change from preceding quarter) |                    |              |
| Real GDP.....                           | -6.1                                    | -5.7               | -5.5         |
| Current-dollar GDP.....                 | -3.5                                    | -3.1               | -2.9         |
| Gross domestic purchases price index... | -1.0                                    | -1.0               | -1.0         |

### **Corporate Profits**

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$48.1 billion in the first quarter, in contrast to a decrease of \$250.3 billion in the fourth quarter. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- increased \$60.4 billion in the first quarter, in contrast to a decrease of \$97.0 billion in the fourth.

Taxes on corporate income increased \$34.4 billion in the first quarter, in contrast to a decrease of \$130.3 billion in the fourth. Profits after tax with inventory valuation and capital consumption adjustments increased \$13.8 billion in the first quarter, in contrast to a decrease of \$120.1 billion in the fourth. Dividends decreased \$42.0 billion compared with a decrease of \$32.8 billion; current-production undistributed profits increased \$55.8 billion, in contrast to a decrease of \$87.4 billion.

Domestic profits of financial corporations increased \$113.7 billion in the first quarter, in contrast to a decrease of \$178.7 billion in the fourth. Domestic profits of nonfinancial corporations decreased \$49.0 billion in the first quarter, compared with a decrease of \$89.1 billion in the fourth. In the first quarter, real gross value added of nonfinancial corporate business decreased, and profits per unit of real value added decreased. The decrease in unit profits reflected increases in unit prices that were more than offset by increases in both unit labor and nonlabor costs that corporations incurred.

The rest-of-the-world component of profits decreased \$16.6 billion in the first quarter, in contrast to an increase of \$17.5 billion in the fourth. 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 first-quarter decrease was accounted for by a larger decrease in receipts than in payments.

Profits before tax with inventory valuation adjustment is the best available measure of industry profits because estimates of the capital consumption adjustment by industry do not exist. This measure reflects depreciation-accounting practices used for federal income tax returns. According to this measure, domestic profits of both financial and nonfinancial corporations increased. The small increase in nonfinancial corporations reflected increases in information, in "other" nonfinancial, in retail trade, and in utilities that were mostly offset by decreases in wholesale trade, in manufacturing, and in transportation and warehousing. Within manufacturing, the largest decrease was in petroleum and coal products.

Profits before tax increased \$157.2 billion in the first quarter, in contrast to a decrease of \$499.2 billion in the fourth. 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 \$55.6 billion in the first quarter (from -\$88.1 billion to -\$143.7 billion), compared with a decrease of \$0.1 billion in the fourth. The inventory valuation adjustment decreased \$53.5 billion (from \$158.1 billion to \$104.6 billion), in contrast to an increase of \$249.0 billion.

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Next release – July 31, 2009, at 8:30 A.M. EDT for:  
Gross Domestic Product: Second Quarter 2009 (Advance) and  
Comprehensive Revision of the National Income and Product Accounts  
(1929 through First Quarter 2009)

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

|   | 2006 | 2007  | 2008  | Seasonally adjusted at annual rates |      |       |      |       |       |       |       |       |       |       |       |       |       |       |                |
|---|------|-------|-------|-------------------------------------|------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
|   |      |       |       | 2005                                |      |       | 2006 |       |       |       | 2007  |       |       |       | 2008  |       |       |       | 2009           |
|   |      |       |       | II                                  | III  | IV    | I    | II    | III   | IV    | I     | II    | III   | IV    | I     | II    | III   | IV    | I <sup>r</sup> |
|   |      |       |       |                                     |      |       |      |       |       |       |       |       |       |       |       |       |       |       |                |
| <b>Gross domestic product (GDP)</b> .....                             | 2.8  | 2.0   | 1.1   | 2.6                                 | 3.8  | 1.3   | 4.8  | 2.7   | 0.8   | 1.5   | 0.1   | 4.8   | 4.8   | -0.2  | 0.9   | 2.8   | -0.5  | -6.3  | -5.5           |
| <b>Personal consumption expenditures</b> .....                        | 3.0  | 2.8   | 0.2   | 3.6                                 | 3.7  | 1.4   | 4.3  | 2.8   | 2.2   | 3.7   | 3.9   | 2.0   | 2.0   | 1.0   | 0.9   | 1.2   | -3.8  | -4.3  | 1.4            |
| Durable goods .....   | 4.5  | 4.8   | -4.3  | 12.1                                | 5.4  | -11.7 | 18.9 | 1.8   | 3.5   | 4.2   | 9.2   | 5.0   | 2.3   | 0.4   | -4.3  | -2.8  | -14.8 | -22.1 | 9.5            |
| Nondurable goods .....  | 3.7  | 2.5   | -0.6  | 4.2                                 | 3.0  | 4.7   | 4.4  | 3.1   | 2.3   | 3.1   | 3.5   | 1.9   | 1.2   | 0.3   | -0.4  | 3.9   | -7.1  | -9.4  | -0.4           |
| Services .....  | 2.5  | 2.6   | 1.5   | 1.7                                 | 3.8  | 2.5   | 1.6  | 2.8   | 2.0   | 3.9   | 3.1   | 1.4   | 2.4   | 1.4   | 2.4   | 0.7   | -0.1  | 1.5   | 0.9            |
| <b>Gross private domestic investment</b> .....                        | 2.1  | -5.4  | -6.7  | -5.1                                | 4.0  | 12.2  | 6.2  | -0.4  | -5.3  | -15.0 | -9.6  | 6.2   | 3.5   | -11.9 | -5.8  | -11.5 | 0.4   | -23.0 | -48.9          |
| Fixed investment .....  | 1.9  | -3.1  | -5.0  | 7.6                                 | 5.3  | 2.3   | 8.3  | -2.5  | -4.8  | -7.6  | -3.4  | 3.0   | -0.9  | -6.2  | -5.6  | -1.7  | -5.3  | -22.0 | -37.6          |
| Nonresidential .....  | 7.5  | 4.9   | 1.6   | 6.3                                 | 6.1  | 3.7   | 15.9 | 6.4   | 5.3   | -1.0  | 3.4   | 10.3  | 8.7   | 3.4   | 2.4   | 2.5   | -1.7  | -21.7 | -37.3          |
| Structures.....   | 8.2  | 12.7  | 11.2  | -1.3                                | -9.2 | 1.9   | 15.6 | 19.7  | 14.3  | 2.5   | 11.2  | 18.3  | 20.5  | 8.5   | 8.6   | 18.5  | 9.7   | -9.4  | -42.9          |
| Equipment and software .....  | 7.2  | 1.7   | -3.0  | 9.2                                 | 12.2 | 4.4   | 16.3 | 1.7   | 2.0   | -2.4  | 0.0   | 6.9   | 3.6   | 1.0   | -0.6  | -5.0  | -7.5  | -28.1 | -33.7          |
| Residential .....   | -7.1 | -17.9 | -20.8 | 9.7                                 | 4.0  | 0.2   | -3.6 | -16.6 | -21.4 | -19.5 | -16.2 | -11.5 | -20.6 | -27.0 | -25.1 | -13.3 | -16.0 | -22.8 | -38.8          |
| Change in private inventories .....                                   |      |       |       |                                     |      |       |      |       |       |       |       |       |       |       |       |       |       |       |                |
| <b>Net exports of goods and services</b> .....                        |      |       |       |                                     |      |       |      |       |       |       |       |       |       |       |       |       |       |       |                |
| Exports .....   | 9.1  | 8.4   | 6.2   | 8.8                                 | 0.4  | 10.9  | 16.7 | 5.5   | 3.5   | 15.6  | 0.6   | 8.8   | 23.0  | 4.4   | 5.1   | 12.3  | 3.0   | -23.6 | -30.6          |
| Goods .....   | 9.9  | 7.5   | 6.0   | 14.5                                | -0.8 | 13.2  | 18.1 | 6.7   | 3.6   | 10.4  | 2.1   | 6.9   | 21.8  | 5.1   | 4.5   | 16.3  | 3.7   | -32.0 | -38.8          |
| Services .....  | 7.2  | 10.5  | 6.6   | -2.8                                | 3.2  | 5.7   | 13.4 | 2.7   | 3.2   | 28.6  | -2.7  | 13.3  | 25.9  | 2.7   | 6.4   | 3.8   | 1.4   | -1.5  | -11.5          |
| Imports.....  | 6.0  | 2.2   | -3.5  | 0.6                                 | 0.8  | 15.3  | 10.3 | 0.1   | 3.1   | 2.0   | 7.7   | -3.7  | 3.0   | -2.3  | -0.8  | -7.3  | -3.5  | -17.5 | -36.4          |
| Goods .....   | 6.0  | 1.7   | -4.1  | 0.7                                 | 1.1  | 17.0  | 9.0  | 0.5   | 3.8   | -0.8  | 8.4   | -4.0  | 2.4   | -2.6  | -2.0  | -7.1  | -4.7  | -19.6 | -41.4          |
| Services .....  | 6.0  | 4.4   | 0.2   | 0.0                                 | -1.0 | 6.8   | 17.7 | -2.0  | -0.3  | 18.4  | 4.2   | -2.0  | 6.3   | -0.9  | 5.5   | -8.0  | 3.3   | -6.7  | -10.2          |
| <b>Government consumption expenditures and gross investment</b> ..... | 1.7  | 2.1   | 2.9   | 0.9                                 | 3.4  | -1.7  | 3.9  | 1.2   | 1.7   | 1.6   | 0.9   | 3.9   | 3.8   | 0.8   | 1.9   | 3.9   | 5.8   | 1.3   | -3.1           |
| Federal.....  | 2.3  | 1.6   | 6.0   | 1.1                                 | 9.7  | -7.2  | 10.0 | -1.5  | 1.9   | 1.8   | -3.6  | 6.7   | 7.2   | -0.5  | 5.8   | 6.6   | 13.8  | 7.0   | -4.5           |
| National defense .....  | 1.6  | 2.5   | 7.2   | 4.0                                 | 12.3 | -14.2 | 8.8  | 1.9   | -0.9  | 7.0   | -5.9  | 8.5   | 10.2  | -0.9  | 7.3   | 7.3   | 18.0  | 3.4   | -6.8           |
| Nondefense.....   | 3.6  | -0.2  | 3.6   | -4.5                                | 4.4  | 8.9   | 12.4 | -8.1  | 7.7   | -8.1  | 1.2   | 3.1   | 1.2   | 0.4   | 2.9   | 5.0   | 5.1   | 15.3  | 0.6            |
| State and local.....  | 1.3  | 2.3   | 1.1   | 0.8                                 | -0.1 | 1.6   | 0.5  | 2.9   | 1.6   | 1.5   | 3.6   | 2.4   | 1.9   | 1.6   | -0.3  | 2.5   | 1.3   | -2.0  | -2.2           |
| <b>Addenda:</b>   |      |       |       |                                     |      |       |      |       |       |       |       |       |       |       |       |       |       |       |                |
| Final sales of domestic product .....                                 | 2.8  | 2.4   | 1.4   | 4.8                                 | 4.1  | -0.3  | 5.1  | 2.3   | 0.9   | 2.9   | 1.1   | 4.3   | 4.0   | 0.8   | 0.9   | 4.4   | -1.3  | -6.2  | -3.3           |
| Gross domestic purchases .....  | 2.6  | 1.4   | -0.3  | 1.7                                 | 3.7  | 2.5   | 4.5  | 2.0   | 0.9   | 0.2   | 1.2   | 2.9   | 2.6   | -1.0  | 0.1   | -0.1  | -1.5  | -5.9  | -7.5           |
| Final sales to domestic purchasers .....                              | 2.6  | 1.8   | 0.0   | 3.7                                 | 3.9  | 1.0   | 4.8  | 1.6   | 1.0   | 1.5   | 2.2   | 2.5   | 1.9   | -0.1  | 0.1   | 1.3   | -2.3  | -5.8  | -5.4           |
| Gross national product (GNP) .....                                    | 2.6  | 2.2   | 1.3   | 2.2                                 | 4.1  | 0.4   | 4.9  | 2.8   | 0.2   | 2.0   | -0.3  | 4.4   | 6.3   | 1.3   | 0.1   | 2.1   | -0.2  | -5.6  | -5.6           |
| Disposable personal income.....                                       | 3.5  | 2.8   | 1.3   | 2.5                                 | -1.3 | 7.5   | 5.1  | 1.3   | 2.3   | 5.8   | 4.4   | -0.6  | 3.1   | 0.6   | -0.7  | 10.7  | -8.5  | 2.9   | 6.0            |
| <b>Current-dollar measures:</b>                                       |      |       |       |                                     |      |       |      |       |       |       |       |       |       |       |       |       |       |       |                |
| GDP .....   | 6.1  | 4.8   | 3.3   | 4.8                                 | 8.1  | 5.1   | 8.6  | 5.5   | 3.6   | 3.7   | 4.3   | 6.9   | 6.3   | 2.3   | 3.5   | 4.1   | 3.4   | -5.8  | -2.9           |
| Final sales of domestic product .....                                 | 6.1  | 5.2   | 3.6   | 7.0                                 | 8.4  | 3.5   | 8.8  | 5.1   | 3.7   | 5.2   | 5.3   | 6.4   | 5.6   | 3.6   | 3.6   | 5.6   | 2.6   | -6.1  | -0.7           |
| Gross domestic purchases .....  | 6.1  | 4.2   | 2.9   | 4.8                                 | 9.1  | 6.5   | 7.5  | 5.7   | 3.8   | 0.7   | 5.0   | 6.4   | 4.9   | 2.6   | 3.5   | 4.3   | 2.9   | -9.6  | -8.4           |
| Final sales to domestic purchasers.....                               | 6.1  | 4.6   | 3.2   | 6.9                                 | 9.4  | 5.0   | 7.8  | 5.3   | 3.9   | 2.1   | 5.9   | 5.9   | 4.2   | 3.9   | 3.7   | 5.7   | 2.2   | -9.9  | -6.4           |
| GNP.....  | 5.9  | 4.9   | 3.5   | 4.4                                 | 8.4  | 4.2   | 8.7  | 5.6   | 3.0   | 4.1   | 4.0   | 6.4   | 7.9   | 3.9   | 2.6   | 3.4   | 3.7   | -5.0  | -3.0           |
| Disposable personal income .....                                      | 6.4  | 5.5   | 4.6   | 5.1                                 | 3.4  | 11.1  | 6.9  | 4.6   | 5.4   | 5.3   | 7.9   | 3.0   | 5.7   | 4.9   | 2.9   | 15.4  | -3.9  | -2.1  | 5.0            |

<sup>r</sup> Revised  
See "Explanatory Note" at the end of the tables.







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

|   | 2006  | 2007  | 2008  | Seasonally adjusted at annual rates |       |       |       |       |       |       |       |       |       |       |       |       |       |       |                |
|---|-------|-------|-------|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
|   |       |       |       | 2005                                |       |       | 2006  |       |       |       | 2007  |       |       |       | 2008  |       |       |       | 2009           |
|   |       |       |       | II                                  | III   | IV    | I     | II    | III   | IV    | I     | II    | III   | IV    | I     | II    | III   | IV    | I <sup>r</sup> |
| <b>Gross domestic product (GDP)</b> .....                             | 3.2   | 2.7   | 2.2   | 2.1                                 | 4.1   | 3.7   | 3.5   | 2.7   | 2.8   | 2.2   | 4.1   | 2.0   | 1.5   | 2.8   | 2.6   | 1.1   | 3.9   | 0.5   | 2.8            |
| <b>Personal consumption expenditures</b> .....                        | 2.8   | 2.6   | 3.3   | 2.5                                 | 4.7   | 3.3   | 1.8   | 3.3   | 3.1   | -0.5  | 3.4   | 3.6   | 2.5   | 4.3   | 3.6   | 4.3   | 5.0   | -4.9  | -0.9           |
| Durable goods .....   | -1.3  | -1.8  | -1.2  | -0.9                                | -3.1  | -0.9  | -0.9  | -0.8  | -1.3  | -2.7  | -1.8  | -1.6  | -1.9  | -1.6  | -0.1  | -1.6  | -0.6  | -3.5  | -1.7           |
| Nondurable goods .....  | 3.0   | 3.0   | 5.3   | 2.0                                 | 11.2  | 2.3   | 0.3   | 4.9   | 4.4   | -6.2  | 5.1   | 6.4   | 2.9   | 8.4   | 6.7   | 6.5   | 10.3  | -16.6 | -5.2           |
| Services.....   | 3.5   | 3.3   | 3.2   | 3.5                                 | 3.3   | 4.7   | 3.0   | 3.3   | 3.3   | 2.8   | 3.6   | 3.3   | 3.1   | 3.5   | 2.8   | 4.2   | 3.4   | 1.1   | 1.2            |
| <b>Gross private domestic investment</b> .....                        | 4.2   | 1.4   | 0.7   | 4.0                                 | 5.0   | 5.4   | 5.2   | 3.5   | 1.6   | 3.3   | 1.6   | -0.3  | -0.3  | 1.3   | -0.5  | 0.4   | 2.0   | 4.4   | -2.2           |
| Fixed investment.....   | 4.2   | 1.4   | 0.6   | 4.2                                 | 5.3   | 5.7   | 5.0   | 3.4   | 1.5   | 3.2   | 1.6   | -0.2  | -0.4  | 1.2   | -0.2  | 0.8   | 2.3   | 1.2   | -2.3           |
| Nonresidential.....   | 3.3   | 1.4   | 1.6   | 2.7                                 | 2.0   | 4.4   | 4.3   | 3.3   | 1.7   | 2.9   | 1.3   | 0.3   | -0.6  | 1.7   | 0.6   | 2.3   | 4.2   | 4.6   | -1.5           |
| Structures.....   | 12.3  | 3.8   | 3.6   | 10.1                                | 14.8  | 17.0  | 14.1  | 12.0  | 4.6   | 6.7   | 3.4   | 0.7   | 0.5   | 4.5   | 2.7   | 3.3   | 7.1   | 7.4   | -4.4           |
| Equipment and software .....  | 0.1   | 0.3   | 0.6   | 0.1                                 | -2.3  | 0.2   | 0.7   | -0.1  | 0.5   | 1.2   | 0.4   | 0.1   | -1.2  | 0.4   | -0.4  | 1.7   | 2.6   | 3.0   | 0.2            |
| Residential.....  | 5.9   | 1.5   | -2.4  | 6.8                                 | 11.0  | 7.8   | 6.4   | 3.7   | 1.2   | 3.9   | 2.2   | -1.3  | 0.3   | 0.0   | -2.6  | -3.5  | -3.3  | -9.4  | -4.9           |
| Change in private inventories .....                                   | ..... | ..... | ..... | .....                               | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | .....          |
| <b>Net exports of goods and services</b> .....                        | ..... | ..... | ..... | .....                               | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | .....          |
| Exports .....   | 3.5   | 3.5   | 5.3   | 3.5                                 | 2.5   | 3.2   | 2.9   | 5.8   | 4.7   | -0.8  | 3.6   | 5.3   | 3.5   | 6.2   | 9.1   | 10.8  | 6.7   | -23.0 | -10.8          |
| Goods .....   | 3.3   | 3.5   | 5.3   | 3.0                                 | 1.3   | 2.2   | 3.0   | 6.2   | 5.2   | 0.0   | 3.3   | 5.1   | 2.8   | 6.0   | 10.0  | 12.3  | 5.6   | -26.0 | -11.6          |
| Services.....   | 3.8   | 3.5   | 5.4   | 4.6                                 | 5.3   | 5.5   | 2.7   | 4.9   | 3.7   | -2.6  | 4.3   | 5.9   | 5.2   | 6.6   | 6.9   | 7.5   | 9.3   | -16.1 | -9.3           |
| Imports .....   | 4.3   | 3.7   | 10.4  | 9.7                                 | 10.3  | 4.5   | -1.1  | 10.3  | 5.0   | -9.1  | 0.9   | 12.8  | 7.4   | 12.8  | 12.8  | 28.8  | 9.2   | -37.3 | -29.6          |
| Goods.....  | 4.2   | 3.6   | 11.1  | 10.0                                | 10.8  | 5.0   | -2.0  | 10.4  | 5.4   | -10.1 | 0.8   | 13.0  | 7.7   | 14.5  | 13.8  | 31.2  | 9.8   | -41.3 | -32.9          |
| Services.....   | 4.8   | 3.7   | 7.1   | 7.9                                 | 7.8   | 2.0   | 4.1   | 9.9   | 3.2   | -3.8  | 1.1   | 11.7  | 6.1   | 4.5   | 7.8   | 16.8  | 6.2   | -13.3 | -13.4          |
| <b>Government consumption expenditures and gross investment</b> ..... | 4.7   | 4.5   | 4.7   | 4.1                                 | 7.0   | 4.8   | 4.9   | 4.9   | 3.3   | 2.3   | 6.4   | 5.2   | 3.4   | 5.1   | 6.2   | 7.0   | 4.4   | -5.8  | -0.4           |
| Federal .....   | 4.1   | 3.4   | 3.2   | 1.7                                 | 3.1   | 0.8   | 10.2  | 4.1   | 1.2   | 0.9   | 7.6   | 3.7   | 0.9   | 2.3   | 5.6   | 5.1   | 2.7   | -3.4  | 2.7            |
| National defense .....  | 4.5   | 3.5   | 3.6   | 1.8                                 | 3.2   | 1.3   | 10.9  | 4.4   | 1.5   | 0.7   | 7.0   | 4.3   | 1.6   | 3.1   | 5.1   | 6.3   | 3.1   | -4.5  | 2.7            |
| Nondefense .....  | 3.4   | 3.1   | 2.6   | 1.6                                 | 3.0   | -0.1  | 8.9   | 3.5   | 0.5   | 1.2   | 8.8   | 2.6   | -0.5  | 0.5   | 6.8   | 2.8   | 1.9   | -0.9  | 2.6            |
| State and local.....  | 5.1   | 5.1   | 5.6   | 5.6                                 | 9.4   | 7.3   | 2.0   | 5.4   | 4.6   | 3.2   | 5.7   | 6.1   | 4.9   | 6.8   | 6.6   | 8.1   | 5.5   | -7.3  | -2.3           |
| <b>Addenda:</b>   |       |       |       |                                     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |                |
| Final sales of domestic product.....                                  | 3.2   | 2.7   | 2.2   | 2.1                                 | 4.1   | 3.8   | 3.5   | 2.7   | 2.7   | 2.2   | 4.1   | 2.0   | 1.5   | 2.8   | 2.7   | 1.2   | 4.0   | 0.1   | 2.8            |
| Gross domestic purchases .....  | 3.4   | 2.8   | 3.2   | 3.1                                 | 5.2   | 3.9   | 2.9   | 3.6   | 2.9   | 0.6   | 3.6   | 3.3   | 2.2   | 4.0   | 3.5   | 4.2   | 4.5   | -3.9  | -1.0           |
| Final sales to domestic purchasers .....                              | 3.4   | 2.8   | 3.2   | 3.1                                 | 5.2   | 4.0   | 2.8   | 3.6   | 2.9   | 0.6   | 3.7   | 3.3   | 2.2   | 4.0   | 3.5   | 4.3   | 4.5   | -4.3  | -1.0           |
| Gross national product (GNP) .....                                    | 3.2   | 2.7   | 2.2   | 2.1                                 | 4.1   | 3.7   | 3.5   | 2.7   | 2.8   | 2.2   | 4.1   | 2.0   | 1.5   | 2.8   | 2.6   | 1.1   | 3.9   | 0.6   | 2.8            |
| <b>Implicit price deflators:</b>                                      |       |       |       |                                     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |                |
| GDP .....   | 3.2   | 2.7   | 2.2   | 2.1                                 | 4.1   | 3.8   | 3.6   | 2.7   | 2.7   | 2.2   | 4.2   | 2.0   | 1.5   | 2.5   | 2.6   | 1.3   | 3.9   | 0.6   | 2.8            |
| Gross domestic purchases .....  | 3.4   | 2.8   | 3.2   | 3.1                                 | 5.2   | 4.0   | 2.9   | 3.6   | 2.9   | 0.6   | 3.7   | 3.3   | 2.2   | 3.7   | 3.4   | 4.4   | 4.4   | -3.8  | -1.0           |
| GNP .....   | 3.2   | 2.7   | 2.2   | 2.1                                 | 4.1   | 3.8   | 3.6   | 2.7   | 2.8   | 2.1   | 4.2   | 2.0   | 1.5   | 2.5   | 2.5   | 1.3   | 3.9   | 0.6   | 2.7            |

<sup>r</sup> Revised  
See "Explanatory Note" at the end of the tables.

**Table 5. Real Gross Domestic Product, Quantity Indexes**

[Index numbers, 2000=100]

|   | 2006           | 2007           | 2008           | Seasonally adjusted |                |                |                |                |
|---|----------------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|   |                |                |                | 2008                |                |                |                | 2009           |
|   |                |                |                | I                   | II             | III            | IV             | I <sup>r</sup> |
| <b>Gross domestic product</b> .....                                   | <b>115.054</b> | <b>117.388</b> | <b>118.692</b> | <b>118.631</b>      | <b>119.460</b> | <b>119.308</b> | <b>117.369</b> | <b>115.723</b> |
| <b>Personal consumption expenditures</b> .....                        | <b>119.135</b> | <b>122.456</b> | <b>122.743</b> | <b>123.395</b>      | <b>123.770</b> | <b>122.572</b> | <b>121.235</b> | <b>121.644</b> |
| Durable goods.....  | 137.274        | 143.908        | 137.666        | 143.284             | 142.273        | 136.695        | 128.413        | 131.366        |
| Nondurable goods.....   | 119.930        | 122.872        | 122.143        | 123.147             | 124.317        | 122.035        | 119.071        | 118.958        |
| Services .....  | 115.298        | 118.259        | 119.992        | 119.739             | 119.937        | 119.916        | 120.376        | 120.658        |
| <b>Gross private domestic investment</b> .....                        | <b>110.200</b> | <b>104.278</b> | <b>97.328</b>  | <b>101.110</b>      | <b>98.071</b>  | <b>98.169</b>  | <b>91.961</b>  | <b>77.740</b>  |
| Fixed investment .....  | 111.109        | 107.717        | 102.375        | 104.969             | 104.522        | 103.102        | 96.907         | 86.116         |
| Nonresidential .....  | 106.987        | 112.244        | 114.069        | 115.504             | 116.212        | 115.714        | 108.847        | 96.862         |
| Structures .....  | 86.318         | 97.264         | 108.180        | 104.206             | 108.716        | 111.257        | 108.543        | 94.360         |
| Equipment and software.....   | 115.467        | 117.412        | 113.939        | 118.470             | 116.961        | 114.709        | 105.616        | 95.296         |
| Residential .....   | 123.728        | 101.534        | 80.436         | 85.698              | 82.692         | 79.154         | 74.201         | 65.622         |
| Change in private inventories.....                                    |                |                |                |                     |                |                |                |                |
| <b>Exports of goods and services</b> .....                            | <b>119.937</b> | <b>130.068</b> | <b>138.111</b> | <b>136.880</b>      | <b>140.908</b> | <b>141.943</b> | <b>132.713</b> | <b>121.113</b> |
| <b>Imports of goods and services</b> .....                            | <b>130.815</b> | <b>133.654</b> | <b>129.038</b> | <b>132.991</b>      | <b>130.509</b> | <b>129.367</b> | <b>123.283</b> | <b>110.084</b> |
| <b>Government consumption expenditures and gross investment</b> ..... | <b>114.497</b> | <b>116.871</b> | <b>120.250</b> | <b>118.443</b>      | <b>119.594</b> | <b>121.288</b> | <b>121.674</b> | <b>120.724</b> |
| Federal.....  | 128.019        | 130.078        | 137.913        | 133.488             | 135.628        | 140.080        | 142.457        | 140.840        |
| State and local .....   | 107.642        | 110.167        | 111.394        | 110.844             | 111.517        | 111.891        | 111.326        | 110.700        |
| <b>Addenda:</b>   |                |                |                |                     |                |                |                |                |
| Final sales of domestic product .....                                 | 115.254        | 118.062        | 119.677        | 119.397             | 120.679        | 120.273        | 118.357        | 117.357        |
| Gross domestic purchases .....  | 116.748        | 118.343        | 118.033        | 118.726             | 118.694        | 118.255        | 116.457        | 114.210        |
| Final sales to domestic purchasers.....                               | 116.948        | 118.995        | 118.971        | 119.461             | 119.853        | 119.173        | 117.397        | 115.767        |
| Gross national product.....   | 115.284        | 117.795        | 119.342        | 119.329             | 119.950        | 119.901        | 118.190        | 116.494        |

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

**Table 6. Price Indexes for Gross Domestic Product**

[Index numbers, 2000=100]

|   | 2006           | 2007           | 2008           | Seasonally adjusted |                |                |                |                |
|---|----------------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|   |                |                |                | 2008                |                |                |                | 2009           |
|   |                |                |                | I                   | II             | III            | IV             | I <sup>r</sup> |
| <b>Gross domestic product</b> .....                                   | <b>116.676</b> | <b>119.819</b> | <b>122.500</b> | <b>121.613</b>      | <b>121.951</b> | <b>123.134</b> | <b>123.302</b> | <b>124.160</b> |
| <b>Personal consumption expenditures (PCE)</b> .....                  | <b>114.675</b> | <b>117.659</b> | <b>121.596</b> | <b>120.283</b>      | <b>121.544</b> | <b>123.041</b> | <b>121.514</b> | <b>121.235</b> |
| Durable goods.....  | 88.772         | 87.154         | 86.071         | 86.581              | 86.237         | 86.110         | 85.357         | 85.000         |
| Nondurable goods.....   | 114.984        | 118.407        | 124.666        | 123.059             | 125.021        | 128.129        | 122.455        | 120.832        |
| Services .....  | 120.752        | 124.712        | 128.752        | 127.133             | 128.450        | 129.538        | 129.885        | 130.282        |
| <b>Gross private domestic investment</b> .....                        | <b>116.102</b> | <b>117.735</b> | <b>118.509</b> | <b>117.815</b>      | <b>117.926</b> | <b>118.510</b> | <b>119.786</b> | <b>119.107</b> |
| Fixed investment .....  | 116.380        | 117.995        | 118.727        | 118.117             | 118.353        | 119.037        | 119.400        | 118.712        |
| Nonresidential .....  | 107.277        | 108.739        | 110.513        | 109.177             | 109.788        | 110.913        | 112.174        | 111.751        |
| Structures .....  | 151.822        | 157.662        | 163.298        | 160.182             | 161.496        | 164.285        | 167.229        | 165.374        |
| Equipment and software.....   | 94.594         | 94.870         | 95.485         | 94.700              | 95.101         | 95.710         | 96.431         | 96.489         |
| Residential .....   | 136.897        | 138.884        | 135.587        | 137.900             | 136.687        | 135.535        | 132.226        | 130.561        |
| Change in private inventories.....                                    |                |                |                |                     |                |                |                |                |
| <b>Exports of goods and services</b> .....                            | <b>112.618</b> | <b>116.586</b> | <b>122.788</b> | <b>121.397</b>      | <b>124.560</b> | <b>126.592</b> | <b>118.601</b> | <b>115.250</b> |
| <b>Imports of goods and services</b> .....                            | <b>115.932</b> | <b>120.168</b> | <b>132.698</b> | <b>128.722</b>      | <b>137.136</b> | <b>140.189</b> | <b>124.747</b> | <b>114.281</b> |
| <b>Government consumption expenditures and gross investment</b> ..... | <b>127.239</b> | <b>132.941</b> | <b>139.234</b> | <b>137.237</b>      | <b>139.588</b> | <b>141.107</b> | <b>139.002</b> | <b>138.862</b> |
| Federal.....  | 125.806        | 130.076        | 134.289        | 132.879             | 134.553        | 135.447        | 134.277        | 135.169        |
| State and local .....   | 128.109        | 134.671        | 142.219        | 139.866             | 142.632        | 144.540        | 141.838        | 141.032        |
| <b>Addenda:</b>   |                |                |                |                     |                |                |                |                |
| PCE excluding food and energy .....                                   | 112.129        | 114.548        | 117.043        | 116.158             | 116.782        | 117.481        | 117.749        | 118.227        |
| Market-based PCE <sup>1</sup> .....                                   | 113.167        | 115.893        | 119.760        | 118.452             | 119.719        | 121.348        | 119.523        | 119.113        |
| Market-based PCE excluding food and energy <sup>1</sup> .....         | 109.715        | 111.700        | 113.818        | 113.021             | 113.522        | 114.228        | 114.502        | 114.978        |
| Final sales of domestic product .....                                 | 116.710        | 119.853        | 122.528        | 121.653             | 122.008        | 123.204        | 123.245        | 124.091        |
| Gross domestic purchases .....  | 117.066        | 120.294        | 124.158        | 122.821             | 124.103        | 125.475        | 124.232        | 123.931        |
| Final sales to domestic purchasers.....                               | 117.101        | 120.329        | 124.187        | 122.863             | 124.160        | 125.543        | 124.181        | 123.873        |
| Gross national product.....   | 116.673        | 119.815        | 122.485        | 121.601             | 121.938        | 123.117        | 123.286        | 124.129        |
| <b>Implicit price deflators:</b>                                      |                |                |                |                     |                |                |                |                |
| Gross domestic product .....  | 116.676        | 119.816        | 122.422        | 121.508             | 121.890        | 123.056        | 123.244        | 124.090        |
| Final sales of domestic product.....                                  | 116.709        | 119.853        | 122.520        | 121.647             | 122.002        | 123.198        | 123.239        | 124.085        |
| Gross domestic purchases.....   | 117.066        | 120.292        | 124.084        | 122.722             | 124.045        | 125.400        | 124.177        | 123.864        |
| Final sales to domestic purchasers.....                               | 117.101        | 120.329        | 124.181        | 122.858             | 124.156        | 125.538        | 124.176        | 123.869        |
| Gross national product.....   | 116.672        | 119.813        | 122.407        | 121.495             | 121.876        | 123.037        | 123.226        | 124.057        |

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

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



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

[Billions of dollars]

|  | 2006            | 2007            | 2008            | Seasonally adjusted at annual rates |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
|  |                 |                 |                 | 2008                                |                 |                 |                 | 2009            |
|  |                 |                 |                 | I                                   | II              | III             | IV              | I <sup>r</sup>  |
| <b>Gross domestic product</b> .....  | <b>13,178.4</b> | <b>13,807.5</b> | <b>14,264.6</b> | <b>14,150.8</b>                     | <b>14,294.5</b> | <b>14,412.8</b> | <b>14,200.3</b> | <b>14,097.2</b> |
| Plus: Income receipts from the rest of the world.....                                  | 725.4           | 861.7           | 798.3           | 843.2                               | 822.8           | 815.6           | 711.6           | 576.8           |
| Less: Income payments to the rest of the world .....                                   | 647.1           | 759.3           | 665.1           | 705.1                               | 708.9           | 688.7           | 557.7           | 430.4           |
| <b>Equals: Gross national product</b> .....  | <b>13,256.6</b> | <b>13,910.0</b> | <b>14,397.8</b> | <b>14,289.0</b>                     | <b>14,408.3</b> | <b>14,539.6</b> | <b>14,354.3</b> | <b>14,243.6</b> |
| Less: Consumption of fixed capital .....   | 1,623.9         | 1,720.5         | 1,832.3         | 1,778.0                             | 1,803.1         | 1,898.1         | 1,850.1         | 1,857.5         |
| Less: Statistical discrepancy.....   | -163.0          | -81.4           | 138.1           | 63.4                                | 136.6           | 150.2           | 202.2           | 157.5           |
| <b>Equals: National income</b> .....   | <b>11,795.7</b> | <b>12,270.9</b> | <b>12,427.4</b> | <b>12,447.6</b>                     | <b>12,468.6</b> | <b>12,491.4</b> | <b>12,302.0</b> | <b>12,228.5</b> |
| Compensation of employees.....   | 7,433.8         | 7,812.3         | 8,052.8         | 8,009.7                             | 8,033.5         | 8,092.9         | 8,074.9         | 8,024.1         |
| Wage and salary accruals.....  | 6,028.5         | 6,355.7         | 6,548.0         | 6,518.0                             | 6,531.3         | 6,581.8         | 6,560.8         | 6,495.0         |
| Supplements to wages and salaries .....  | 1,405.3         | 1,456.6         | 1,504.8         | 1,491.7                             | 1,502.2         | 1,511.1         | 1,514.0         | 1,529.1         |
| Proprietors' income with inventory valuation and capital consumption adjustments ..... | 1,014.7         | 1,056.2         | 1,072.4         | 1,071.7                             | 1,076.9         | 1,080.5         | 1,060.6         | 1,036.6         |
| Rental income of persons with capital consumption adjustment .....                     | 44.3            | 40.0            | 64.4            | 39.1                                | 58.6            | 68.5            | 91.4            | 90.0            |
| Corporate profits with inventory valuation and capital consumption adjustments.....    | 1,668.5         | 1,642.4         | 1,476.5         | 1,593.5                             | 1,533.3         | 1,514.8         | 1,264.5         | 1,312.6         |
| Net interest and miscellaneous payments .....  | 631.2           | 664.4           | 682.7           | 662.3                               | 683.4           | 656.6           | 728.6           | 702.8           |
| Taxes on production and imports less subsidies.....                                    | 926.4           | 963.2           | 983.1           | 975.1                               | 988.5           | 993.8           | 974.9           | 953.3           |
| Business current transfer payments.....  | 85.4            | 100.2           | 103.6           | 103.2                               | 102.1           | 92.1            | 116.8           | 120.8           |
| Current surplus of government enterprises .....  | -8.6            | -7.9            | -8.1            | -7.1                                | -7.7            | -8.0            | -9.6            | -11.6           |
| <b>Addendum:</b>   |                 |                 |                 |                                     |                 |                 |                 |                 |
| Gross domestic income .....  | 13,341.4        | 13,889.0        | 14,126.5        | 14,087.4                            | 14,157.8        | 14,262.6        | 13,998.1        | 13,939.7        |

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

[Billions of dollars]

|  | 2006            | 2007            | 2008            | Seasonally adjusted at annual rates |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
|  |                 |                 |                 | 2008                                |                 |                 |                 | 2009            |
|  |                 |                 |                 | I                                   | II              | III             | IV              | I <sup>r</sup>  |
| <b>Personal income</b> <sup>1</sup> .....  | <b>10,993.9</b> | <b>11,663.2</b> | <b>12,100.6</b> | <b>11,960.5</b>                     | <b>12,152.2</b> | <b>12,170.4</b> | <b>12,119.5</b> | <b>12,048.8</b> |
| Compensation of employees, received .....  | 7,432.6         | 7,818.6         | 8,052.8         | 8,009.7                             | 8,033.5         | 8,092.9         | 8,074.9         | 8,024.1         |
| Wage and salary disbursements.....   | 6,027.2         | 6,362.0         | 6,548.0         | 6,518.0                             | 6,531.3         | 6,581.8         | 6,560.8         | 6,495.0         |
| Supplements to wages and salaries .....  | 1,405.3         | 1,456.6         | 1,504.8         | 1,491.7                             | 1,502.2         | 1,511.1         | 1,514.0         | 1,529.1         |
| Proprietors' income with inventory valuation and capital consumption adjustments ..... | 1,014.7         | 1,056.2         | 1,072.4         | 1,071.7                             | 1,076.9         | 1,080.5         | 1,060.6         | 1,036.6         |
| Farm .....   | 16.2            | 44.0            | 34.6            | 41.6                                | 38.0            | 32.4            | 26.3            | 24.2            |
| Nonfarm .....  | 998.6           | 1,012.2         | 1,037.9         | 1,030.1                             | 1,039.0         | 1,048.2         | 1,034.2         | 1,012.4         |
| Rental income of persons with capital consumption adjustment .....                     | 44.3            | 40.0            | 64.4            | 39.1                                | 58.6            | 68.5            | 91.4            | 90.0            |
| Personal income receipts on assets .....   | 1,824.8         | 2,000.1         | 2,037.7         | 2,054.1                             | 2,052.3         | 2,055.7         | 1,988.5         | 1,904.6         |
| Personal interest income .....   | 1,125.4         | 1,214.3         | 1,208.5         | 1,224.6                             | 1,208.7         | 1,217.4         | 1,183.4         | 1,141.6         |
| Personal dividend income .....   | 699.4           | 785.8           | 829.1           | 829.5                               | 843.6           | 838.3           | 805.1           | 762.9           |
| Personal current transfer receipts .....   | 1,603.0         | 1,713.3         | 1,869.1         | 1,778.1                             | 1,926.3         | 1,872.7         | 1,899.3         | 1,987.5         |
| Less: Contributions for government social insurance .....                              | 925.5           | 965.1           | 995.7           | 992.2                               | 995.4           | 1,000.0         | 995.2           | 993.9           |
| Less: Personal current taxes .....   | 1,353.2         | 1,492.8         | 1,457.3         | 1,535.0                             | 1,346.1         | 1,470.7         | 1,477.4         | 1,275.2         |
| <b>Equals: Disposable personal income</b> .....  | <b>9,640.7</b>  | <b>10,170.5</b> | <b>10,643.3</b> | <b>10,425.5</b>                     | <b>10,806.0</b> | <b>10,699.7</b> | <b>10,642.0</b> | <b>10,773.7</b> |
| Less: Personal outlays.....  | 9,570.0         | 10,113.1        | 10,450.7        | 10,404.9                            | 10,538.2        | 10,559.9        | 10,299.7        | 10,309.5        |
| <b>Equals: Personal saving</b> .....   | <b>70.7</b>     | <b>57.4</b>     | <b>192.7</b>    | <b>20.6</b>                         | <b>267.9</b>    | <b>139.8</b>    | <b>342.3</b>    | <b>464.2</b>    |
| Personal saving as a percentage of disposable personal income .....                    | 0.7             | 0.6             | 1.8             | 0.2                                 | 2.5             | 1.3             | 3.2             | 4.3             |
| <b>Addendum:</b>   |                 |                 |                 |                                     |                 |                 |                 |                 |
| Disposable personal income, billions of chained (2000) dollars <sup>2</sup> .....      | 8,407.0         | 8,644.0         | 8,753.6         | 8,667.9                             | 8,891.0         | 8,696.4         | 8,758.2         | 8,887.0         |

r Revised

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

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



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

|  | 2006           | 2007           | 2008           | Seasonally adjusted at annual rates |                |                |                |                |
|--|----------------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|  |                |                |                | 2008                                |                |                |                | 2009           |
|  |                |                |                | I                                   | II             | III            | IV             | I <sup>r</sup> |
| Billions of dollars  |                |                |                |                                     |                |                |                |                |
| <b>Gross value added of nonfinancial corporate business</b> .....  | <b>6,863.4</b> | <b>7,075.1</b> | <b>7,168.5</b> | <b>7,119.3</b>                      | <b>7,153.1</b> | <b>7,260.7</b> | <b>7,140.9</b> | <b>7,021.0</b> |
| Consumption of fixed capital.....  | 775.2          | 822.3          | 882.4          | 852.6                               | 868.5          | 909.8          | 898.7          | 903.1          |
| <b>Net value added</b> .....   | <b>6,088.3</b> | <b>6,252.8</b> | <b>6,286.1</b> | <b>6,266.7</b>                      | <b>6,284.6</b> | <b>6,350.9</b> | <b>6,242.2</b> | <b>6,117.9</b> |
| Compensation of employees.....   | 4,316.8        | 4,525.3        | 4,632.6        | 4,623.0                             | 4,630.8        | 4,653.6        | 4,623.2        | 4,566.9        |
| Wage and salary accruals.....  | 3,548.2        | 3,734.2        | 3,820.7        | 3,814.8                             | 3,819.1        | 3,838.8        | 3,810.0        | 3,750.5        |
| Supplements to wages and salaries.....   | 768.6          | 791.1          | 812.0          | 808.2                               | 811.7          | 814.7          | 813.2          | 816.4          |
| Taxes on production and imports less subsidies.....  | 591.1          | 611.9          | 622.5          | 617.9                               | 625.6          | 628.6          | 617.9          | 603.9          |
| Net operating surplus.....   | 1,180.3        | 1,115.5        | 1,031.0        | 1,025.8                             | 1,028.2        | 1,068.8        | 1,001.2        | 947.1          |
| Net interest and miscellaneous payments.....   | 169.6          | 179.4          | 185.4          | 180.5                               | 186.7          | 180.9          | 193.5          | 186.8          |
| Business current transfer payments.....  | 71.8           | 68.1           | 57.6           | 57.9                                | 58.2           | 52.6           | 61.5           | 63.1           |
| Corporate profits with inventory valuation and capital consumption adjustments.....  | 939.0          | 868.1          | 788.0          | 787.4                               | 783.2          | 835.3          | 746.2          | 697.2          |
| Taxes on corporate income.....   | 309.3          | 321.1          | 270.7          | 279.8                               | 294.0          | 303.7          | 205.3          | 218.9          |
| Profits after tax with inventory valuation and capital consumption adjustments.....  | 629.7          | 547.0          | 517.3          | 507.6                               | 489.2          | 531.6          | 540.9          | 478.3          |
| Net dividends.....   | 474.4          | 503.4          | 508.6          | 494.0                               | 514.2          | 498.4          | 527.7          | 495.3          |
| Undistributed profits with inventory valuation and capital consumption adjustments.....                                    | 155.3          | 43.5           | 8.7            | 13.6                                | -25.0          | 33.2           | 13.2           | -17.0          |
| <b>Addenda:</b>  |                |                |                |                                     |                |                |                |                |
| Profits before tax (without inventory valuation and capital consumption adjustments)....                                   | 1,127.4        | 1,091.7        | 901.8          | 939.6                               | 993.3          | 1,006.5        | 667.7          | 722.8          |
| Profits after tax (without inventory valuation and capital consumption adjustments).....                                   | 818.1          | 770.7          | 631.0          | 659.8                               | 699.3          | 702.7          | 462.4          | 503.9          |
| Inventory valuation adjustment.....  | -39.5          | -51.2          | -49.0          | -109.4                              | -154.0         | -90.9          | 158.1          | 104.6          |
| Capital consumption adjustment.....  | -149.0         | -172.5         | -64.7          | -42.8                               | -56.1          | -80.3          | -79.6          | -130.1         |
| Billions of chained (2000) dollars   |                |                |                |                                     |                |                |                |                |
| <b>Gross value added of nonfinancial corporate business</b> <sup>1</sup> .....   | <b>6,156.4</b> | <b>6,243.1</b> | <b>6,324.3</b> | <b>6,283.0</b>                      | <b>6,375.1</b> | <b>6,410.9</b> | <b>6,228.3</b> | <b>6,031.1</b> |
| Consumption of fixed capital <sup>2</sup> .....  | 686.7          | 716.9          | 766.7          | 744.8                               | 757.5          | 789.3          | 775.4          | 777.7          |
| Net value added <sup>3</sup> .....   | 5,469.7        | 5,526.2        | 5,557.6        | 5,538.3                             | 5,617.7        | 5,621.6        | 5,452.9        | 5,253.4        |
| Dollars; quarters seasonally adjusted  |                |                |                |                                     |                |                |                |                |
| <b>Price, costs, and profits per unit of real gross value added of nonfinancial corporate business:</b>                    |                |                |                |                                     |                |                |                |                |
| <b>Price per unit of real gross value added of nonfinancial corporate business</b> <sup>4</sup> .....                      | <b>1.115</b>   | <b>1.133</b>   | <b>1.133</b>   | <b>1.133</b>                        | <b>1.122</b>   | <b>1.133</b>   | <b>1.147</b>   | <b>1.164</b>   |
| Compensation of employees (unit labor cost).....   | 0.701          | 0.725          | 0.733          | 0.736                               | 0.726          | 0.726          | 0.742          | 0.757          |
| Unit nonlabor cost.....  | 0.262          | 0.270          | 0.277          | 0.273                               | 0.272          | 0.276          | 0.284          | 0.292          |
| Consumption of fixed capital.....  | 0.126          | 0.132          | 0.140          | 0.136                               | 0.136          | 0.142          | 0.144          | 0.150          |
| Taxes on production and imports less subsidies plus business current transfer payments.....                                | 0.108          | 0.109          | 0.108          | 0.108                               | 0.107          | 0.106          | 0.109          | 0.111          |
| Net interest and miscellaneous payments.....   | 0.028          | 0.029          | 0.029          | 0.029                               | 0.029          | 0.028          | 0.031          | 0.031          |
| Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production)..... | 0.153          | 0.139          | 0.125          | 0.125                               | 0.123          | 0.130          | 0.120          | 0.116          |
| Taxes on corporate income.....   | 0.050          | 0.051          | 0.043          | 0.045                               | 0.046          | 0.047          | 0.033          | 0.036          |
| Profits after tax with inventory valuation and capital consumption adjustments.....  | 0.102          | 0.088          | 0.082          | 0.081                               | 0.077          | 0.083          | 0.087          | 0.079          |

<sup>r</sup> Revised

1. The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial industries from the GDP-by-industry accounts. For periods when this price index is not available, the chain-type price index for GDP goods and structures is used.

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 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**

|  | 2006 | 2007 | 2008  | Seasonally adjusted at annual rates |      |       |       |       |      |       |      |      |      |       |       |       |      |       |                |
|--|------|------|-------|-------------------------------------|------|-------|-------|-------|------|-------|------|------|------|-------|-------|-------|------|-------|----------------|
|  |      |      |       | 2005                                |      |       | 2006  |       |      |       | 2007 |      |      |       | 2008  |       |      |       | 2009           |
|  |      |      |       | II                                  | III  | IV    | I     | II    | III  | IV    | I    | II   | III  | IV    | I     | II    | III  | IV    | I <sup>r</sup> |
| <b>Gross domestic product (GDP) and related aggregates:</b>                              |      |      |       |                                     |      |       |       |       |      |       |      |      |      |       |       |       |      |       |                |
| GDP .....  | 2.8  | 2.0  | 1.1   | 2.6                                 | 3.8  | 1.3   | 4.8   | 2.7   | 0.8  | 1.5   | 0.1  | 4.8  | 4.8  | -0.2  | 0.9   | 2.8   | -0.5 | -6.3  | -5.5           |
| Goods .....  | 5.4  | 3.1  | 1.0   | 4.7                                 | 5.3  | 2.0   | 11.1  | 5.9   | 1.5  | 1.3   | -2.5 | 10.3 | 9.0  | 0.0   | 0.9   | 4.9   | -4.2 | -19.2 | -6.4           |
| Services .....   | 2.3  | 2.8  | 2.2   | 1.0                                 | 3.9  | 0.9   | 2.6   | 2.3   | 2.3  | 3.8   | 2.1  | 2.7  | 4.0  | 1.3   | 2.7   | 1.7   | 1.5  | 1.9   | 0.0            |
| Structures .....   | -2.2 | -5.0 | -5.1  | 5.1                                 | -0.6 | 1.3   | -0.8  | -3.8  | -8.8 | -9.8  | -3.9 | 0.8  | -2.9 | -9.3  | -10.1 | 3.3   | -1.0 | -13.8 | -34.2          |
| Motor vehicle output .....   | -0.9 | -1.1 | -17.7 | 7.1                                 | 24.6 | -31.0 | 20.2  | -10.1 | 13.7 | -19.0 | 3.8  | 4.6  | 17.3 | -25.7 | -14.2 | -33.8 | 7.3  | -62.8 | -53.4          |
| GDP excluding motor vehicle output .....   | 2.9  | 2.1  | 1.7   | 2.5                                 | 3.2  | 2.6   | 4.3   | 3.1   | 0.4  | 2.2   | -0.1 | 4.8  | 4.4  | 0.7   | 1.3   | 4.0   | -0.7 | -4.5  | -4.4           |
| Final sales of computers <sup>1</sup> .....  | 25.0 | 21.3 | 18.5  | 38.5                                | 11.5 | 37.2  | 27.8  | 25.2  | 7.0  | 34.2  | -5.0 | 37.2 | 52.6 | 23.7  | 8.2   | 28.4  | -1.7 | -4.8  | 16.2           |
| GDP excluding final sales of computers .....   | 2.6  | 1.9  | 1.0   | 2.4                                 | 3.8  | 1.1   | 4.7   | 2.5   | 0.8  | 1.3   | 0.1  | 4.6  | 4.5  | -0.3  | 0.8   | 2.7   | -0.5 | -6.4  | -5.6           |
| Farm gross value added <sup>2</sup> .....  | -6.9 | 9.7  | -1.9  | 27.7                                | 3.1  | -26.8 | -22.3 | 3.1   | 6.9  | 30.4  | 12.5 | -6.1 | 8.6  | 8.2   | -15.5 | -10.7 | 7.1  | 26.1  | 36.4           |
| Nonfarm business gross value added <sup>3</sup> .....                                    | 3.2  | 2.0  | 0.8   | 2.9                                 | 4.8  | 1.3   | 6.0   | 2.9   | 0.3  | 1.4   | -0.9 | 5.8  | 5.5  | -0.7  | 0.9   | 2.8   | -1.9 | -8.8  | -7.3           |
| <b>Price indexes:</b>  |      |      |       |                                     |      |       |       |       |      |       |      |      |      |       |       |       |      |       |                |
| GDP .....  | 3.2  | 2.7  | 2.2   | 2.1                                 | 4.1  | 3.7   | 3.5   | 2.7   | 2.8  | 2.2   | 4.1  | 2.0  | 1.5  | 2.8   | 2.6   | 1.1   | 3.9  | 0.5   | 2.8            |
| GDP excluding food and energy .....  | 3.2  | 2.5  | 2.0   | 2.7                                 | 3.2  | 3.5   | 3.6   | 3.2   | 2.6  | 2.6   | 3.2  | 1.7  | 1.8  | 2.4   | 2.0   | 1.5   | 3.0  | 0.4   | 2.0            |
| GDP excluding final sales of computers .....   | 3.4  | 2.8  | 2.4   | 2.3                                 | 4.2  | 3.9   | 3.7   | 2.9   | 2.9  | 2.3   | 4.2  | 2.1  | 1.7  | 3.0   | 2.7   | 1.2   | 4.1  | 0.6   | 2.9            |
| Gross domestic purchases .....   | 3.4  | 2.8  | 3.2   | 3.1                                 | 5.2  | 3.9   | 2.9   | 3.6   | 2.9  | 0.6   | 3.6  | 3.3  | 2.2  | 4.0   | 3.5   | 4.2   | 4.5  | -3.9  | -1.0           |
| Gross domestic purchases excluding food and energy .....                                 | 3.1  | 2.4  | 2.2   | 2.7                                 | 2.9  | 3.2   | 3.4   | 3.2   | 2.5  | 2.5   | 2.9  | 1.8  | 1.9  | 2.4   | 2.2   | 2.2   | 2.8  | 1.2   | 1.4            |
| Gross domestic purchases excluding final sales of computers to domestic purchasers ..... | 3.6  | 2.9  | 3.4   | 3.3                                 | 5.4  | 4.1   | 3.0   | 3.8   | 3.1  | 0.7   | 3.8  | 3.5  | 2.4  | 4.2   | 3.7   | 4.4   | 4.7  | -3.8  | -0.9           |
| Personal consumption expenditures (PCE) .....  | 2.8  | 2.6  | 3.3   | 2.5                                 | 4.7  | 3.3   | 1.8   | 3.3   | 3.1  | -0.5  | 3.4  | 3.6  | 2.5  | 4.3   | 3.6   | 4.3   | 5.0  | -4.9  | -0.9           |
| PCE excluding food and energy .....  | 2.3  | 2.2  | 2.2   | 2.1                                 | 1.6  | 2.4   | 2.1   | 3.0   | 2.3  | 1.8   | 2.4  | 1.8  | 2.1  | 2.5   | 2.3   | 2.2   | 2.4  | 0.9   | 1.6            |
| Market-based PCE <sup>4</sup> .....  | 2.6  | 2.4  | 3.3   | 2.2                                 | 4.9  | 3.2   | 1.4   | 3.1   | 3.1  | -1.1  | 3.5  | 3.5  | 2.0  | 4.4   | 3.7   | 4.3   | 5.6  | -5.9  | -1.4           |
| Market-based PCE excluding food and energy <sup>4</sup> .....                            | 1.9  | 1.8  | 1.9   | 1.6                                 | 1.2  | 2.0   | 1.8   | 2.6   | 2.1  | 1.5   | 2.3  | 1.2  | 1.4  | 2.2   | 2.1   | 1.8   | 2.5  | 1.0   | 1.7            |

<sup>r</sup> Revised

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

2. Farm output less intermediate goods and services purchased.

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

4. This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, the services furnished without payment by financial intermediaries) and the expenses of nonprofit institutions.

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

## Explanatory Note: NIPA Measures of Quantities and Prices

Current-dollar GDP is a measure of the market value of goods, services, and structures produced in the economy in a particular period. Changes in current-dollar GDP can be decomposed into quantity and price components. Quantities, or “real” measures, and prices are expressed as index numbers with the reference year -- at present, the year 2000 -- equal to 100.

Annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Quarterly changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent quarters; quarterly indexes are adjusted for consistency to the annual indexes before percent changes are calculated.) For example, the 2006-07 annual percent change in real GDP uses prices for 2006 and 2007 as weights, and the 2006-07 annual percent change in GDP prices uses quantities for 2006 and 2007 as weights. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. Percent changes in Fisher indexes are not affected by the choice of reference year. (BEA also publishes a measure of the price level known as the implicit price deflator (IPD), which is calculated as the ratio of the current-dollar value to the corresponding chained-dollar value, multiplied by 100. The values of the IPD are very close to the values of the corresponding “chain-type” price index.)

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

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

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

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