



NEWS RELEASE



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GROSS DOMESTIC PRODUCT: THIRD QUARTER 2006 (ADVANCE)

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 1.6 percent in the third quarter of 2006, according to advance estimates released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 2.6 percent.

The Bureau emphasized that the third-quarter "advance" estimates are based on source data that are incomplete or subject to further revision by the source agency (see the box on page 3). The third-quarter "preliminary" estimates, based on more comprehensive data, will be released on November 29, 2006.

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

The deceleration in real GDP growth in the third quarter primarily reflected an acceleration in imports, a downturn in private inventory investment, a larger decrease in residential fixed investment, and decelerations in PCE for services and in state and local government spending that were partly offset by upturns in PCE for durable goods, in equipment and software, and in federal government spending.

Final sales of computers contributed 0.10 percentage point to the third-quarter growth in real GDP after contributing 0.04 percentage point to the second-quarter growth. Motor vehicle output contributed 0.72 percentage point to the third-quarter growth in real GDP after subtracting 0.31 percentage point from the second-quarter growth.

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

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

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The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 2.0 percent in the third quarter, compared with an increase of 4.0 percent in the second. Excluding food and energy prices, the price index for gross domestic purchases increased 1.9 percent in the third quarter, compared with 2.9 percent in the second.

Real personal consumption expenditures increased 3.1 percent in the third quarter, compared with an increase of 2.6 percent in the second. Durable goods increased 8.4 percent, in contrast to a decrease of 0.1 percent. Nondurable goods increased 1.6 percent, compared with an increase of 1.4 percent. Services expenditures increased 2.8 percent, compared with an increase of 3.7 percent.

Real nonresidential fixed investment increased 8.6 percent in the third quarter, compared with an increase of 4.4 percent in the second. Nonresidential structures increased 14.0 percent, compared with an increase of 20.3 percent. Equipment and software increased 6.4 percent, in contrast to a decrease of 1.4 percent. Real residential fixed investment decreased 17.4 percent, compared with a decrease of 11.1 percent.

Real exports of goods and services increased 6.5 percent in the third quarter, compared with an increase of 6.2 percent in the second. Real imports of goods and services increased 7.8 percent, compared with an increase of 1.4 percent.

Real federal government consumption expenditures and gross investment increased 1.7 percent in the third quarter, in contrast to a decrease of 4.5 percent in the second. National defense decreased 0.7 percent, compared with a decrease of 2.0 percent. Nondefense increased 6.9 percent, in contrast to a decrease of 9.3 percent. Real state and local government consumption expenditures and gross investment increased 2.1 percent, compared with an increase of 4.0 percent.

The real change in private inventories subtracted 0.10 percentage point from the third-quarter change in real GDP after adding 0.44 percentage point to the second-quarter change. Private businesses increased inventories \$50.7 billion in the third quarter, following increases of \$53.7 billion in the second quarter and \$41.2 billion in the first.

Real final sales of domestic product -- GDP less change in private inventories -- increased 1.7 percent in the third quarter, compared with an increase of 2.1 percent in the second.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 2.1 percent in the third quarter, compared with an increase of 2.0 percent in the second.

Disposition of personal income

Current-dollar personal income increased \$151.5 billion (5.7 percent) in the third quarter, compared with an increase of \$179.6 billion (6.9 percent) in the second.

Personal current taxes increased \$5.5 billion in the third quarter, compared with an increase of \$46.0 billion in the second.

Disposable personal income increased \$146.1 billion (6.3 percent) in the third quarter, compared with an increase of \$133.6 billion (5.8 percent) in the second. Real disposable personal income increased 3.7 percent, compared with an increase of 1.7 percent.

Personal outlays increased \$138.2 billion (5.9 percent) in the third quarter, compared with an increase of \$158.5 billion (6.9 percent) in the second. Personal saving -- disposable personal income less personal outlays -- was a negative \$46.8 billion in the third quarter, compared with a negative \$54.6 billion in the second. The personal saving rate -- saving as a percentage of disposable personal income -- increased from a negative 0.6 percent in the second quarter to a negative 0.5 percent in the third. Saving from current income may be near zero or negative when outlays are financed by borrowing (including borrowing financed through credit cards or home equity loans), by selling investments or other assets, or by using savings from previous periods. For more information, see the FAQs on "Personal Saving" on BEA's Web site. For a comparison of personal saving in BEA's national income and product accounts with personal saving in the Federal Reserve Board's flow of funds accounts and data on changes in net worth (which help finance consumption), go to <http://www.bea.gov/bea/dn/nipaweb/Nipa-Frb.asp>.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 3.4 percent, or \$111.0 billion, in the third quarter to a level of \$13,308.3 billion. In the second quarter, current-dollar GDP increased 5.9 percent, or \$188.9 billion.

Information on the assumptions used for unavailable source data is provided in a technical note that is posted with the news release on BEA's Web site. Within a few days after the release, a detailed "Key Source Data and Assumptions" file is posted on the Web site. In the middle of each month, an analysis of the current quarterly estimates of GDP and related series is made available on the Web site; click on *Survey of Current Business*, "GDP and the Economy."

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Next release – November 29, 2006, at 8:30 A.M. EST for:
Gross Domestic Product: Third Quarter 2006 (Preliminary)
Corporate Profits: Third Quarter 2006

Comparisons of Revisions to GDP

Quarterly estimates of GDP are released on the following schedule: “Advance” estimates, based on source data that are incomplete or subject to further revision by the source agency, are released near the end of the first month after the end of the quarter; as more detailed and more comprehensive data become available, “preliminary” and “final” estimates are released near the end of the second and third months, respectively. The “latest” estimates reflect the results of both annual and comprehensive revisions.

Annual revisions, which cover the quarters of the 3 most recent calendar years, are usually carried out each summer and incorporate more comprehensive data including annual surveys. Comprehensive (or benchmark) revisions are carried out at about 5-year intervals and incorporate major periodic source data, as well as improvements in concepts and methods that update the accounts to portray more accurately the evolving U.S. economy.

The table below shows comparisons of the revisions between quarterly percent changes of current-dollar and real GDP for the different vintages of the estimates. From the advance estimate to the preliminary estimate (one month later), the average revision to real GDP without regard to sign is 0.5 percentage point, while from the advance estimate to the final estimate (two months later), it is 0.6 percentage point. From the advance estimate to the latest estimate, the average revision without regard to sign is 1.3 percentage points. The average revision (with regard to sign) from the advance estimate to the latest estimate is 0.4 percentage point, which is larger than the average revisions from the advance estimate to the preliminary or to the final estimates. The larger average revisions to the latest estimate reflect the fact that comprehensive revisions include major improvements such as the introduction of chain indexes and the capitalization of software. The quarterly estimates correctly indicate the direction of change of real GDP 98 percent of the time, correctly indicate whether it is accelerating or decelerating 74 percent of the time, and correctly indicate whether real GDP growth is above, near, or below trend growth more than three-fifths of the time.

Revisions Between Quarterly Percent Changes of GDP: Vintage Comparisons
[Annual rates]

Vintages Compared	Average	Average without regard to sign	Standard deviation of revision without regard to sign
<u>Current-dollar GDP</u>			
Advance to preliminary.....	0.2	0.5	0.4
Advance to final.....	.2	.7	.4
Preliminary to final.....	.0	.3	.2
Advance to latest.....	.4	1.2	.9
<u>Real GDP</u>			
Advance to preliminary.....	0.1	0.5	0.4
Advance to final.....	.1	.6	.4
Preliminary to final.....	.0	.3	.2
Advance to latest.....	.4	1.3	1.0

NOTE.--These comparisons are based on the period from 1983 through 2003.

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

	2003	2004	2005	Seasonally adjusted at annual rates																
				2002	2003				2004				2005				2006			
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Gross domestic product (GDP)	2.5	3.9	3.2	0.2	1.2	3.5	7.5	2.7	3.9	4.0	3.1	2.6	3.4	3.3	4.2	1.8	5.6	2.6	1.6	
Personal consumption expenditures	2.8	3.9	3.5	1.4	2.1	3.6	5.8	2.3	4.7	2.9	3.9	4.3	2.7	4.2	3.9	.8	4.8	2.6	3.1	
Durable goods	5.8	6.4	5.5	-5.2	.4	16.8	16.7	.7	6.1	1.7	8.7	6.1	-2.4	12.8	9.0	-12.3	19.8	-1	8.4	
Nondurable goods	3.2	3.6	4.5	3.6	3.8	2.3	7.7	1.8	4.3	1.7	3.7	5.4	5.2	4.9	3.4	3.9	5.9	1.4	1.6	
Services	1.9	3.5	2.6	1.8	1.5	1.8	2.9	2.8	4.6	3.8	3.1	3.4	1.6	2.3	3.2	2.0	1.6	3.7	2.8	
Gross private domestic investment	3.6	9.8	5.4	-1.0	-1.3	3.3	17.7	9.3	4.8	21.7	2.0	5.1	8.2	-3.6	5.2	16.2	7.8	1.0	-2.0	
Fixed investment	3.4	7.3	7.5	-1.4	-4	10.6	13.6	5.5	2.2	11.7	7.6	4.9	7.8	10.5	6.3	2.8	8.2	-1.6	-1.4	
Nonresidential	1.0	5.9	6.8	-5.0	-2.6	10.7	9.4	2.8	1.7	7.2	10.3	8.3	6.0	5.2	5.9	5.2	13.7	4.4	8.6	
Structures	-4.1	2.2	1.1	-5.3	-6.9	14.7	-8	-4.7	3.3	6.9	3.1	-2.0	5.3	-2.0	-7.0	12.0	8.7	20.3	14.0	
Equipment and software	2.8	7.3	8.9	-4.9	-1.0	9.3	13.2	5.6	1.2	7.3	13.0	12.3	6.3	7.9	11.0	2.8	15.6	-1.4	6.4	
Residential	8.4	9.9	8.6	6.4	4.1	10.5	22.2	10.6	3.1	19.8	3.2	-6	11.1	20.0	7.1	-9	-3	-11.1	-17.4	
Change in private inventories																				
Net exports of goods and services																				
Exports	1.3	9.2	6.8	-3.1	-5.3	-1.7	11.4	20.8	7.2	6.2	4.8	9.9	4.7	9.4	3.2	9.6	14.0	6.2	6.5	
Goods	1.8	9.0	7.5	-9.1	2.0	-1.2	8.8	19.8	7.1	6.4	8.3	6.1	5.5	12.8	3.7	11.5	17.3	6.0	10.0	
Services	0	9.7	5.1	11.7	-20.0	-2.8	17.5	23.1	7.5	5.6	-2.8	19.2	2.9	2.0	2.1	5.5	6.7	6.7	-1.5	
Imports	4.1	10.8	6.1	9.0	-5.0	4.1	3.7	17.6	10.2	16.0	4.4	12.0	4.1	1.4	2.5	13.2	9.1	1.4	7.8	
Goods	4.9	10.9	6.7	8.1	-3.9	8.6	.6	17.2	10.1	17.7	4.7	12.6	4.9	2.0	2.7	14.1	9.4	-1	9.5	
Services	0	10.0	2.8	14.0	-10.6	-15.7	21.2	19.6	10.9	7.6	3.1	9.0	-2	-1.5	1.2	8.3	7.4	9.9	-1.0	
Government consumption expenditures and gross investment	2.5	1.9	.9	4.8	-1.4	6.1	1.5	.7	2.9	2.2	1.3	-1.9	1.6	1.1	3.4	-1.1	4.9	.8	2.0	
Federal	6.8	4.3	1.5	10.2	.1	19.7	.4	3.1	7.2	2.5	5.0	-5.2	3.4	.4	9.6	-4.6	8.8	-4.5	1.7	
National defense	8.7	5.9	1.7	14.8	-4.4	36.3	-5.3	8.1	9.1	2.0	9.1	-9.1	4.5	2.9	11.2	-9.9	8.9	-2.0	-7	
Nondefense	3.4	1.2	1.1	2.1	9.0	-6.4	12.4	-6.0	3.6	3.5	-2.9	3.4	1.2	-4.4	6.2	7.1	8.5	-9.3	6.9	
State and local .....	.2	.5	.5	2.0	-2.2	-8	2.1	-6	.5	2.1	-9	.1	.6	1.5	-1	1.0	2.7	4.0	2.1
Addenda:																				
Final sales of domestic product	2.5	3.5	3.5	.1	1.3	4.5	6.9	2.1	3.4	2.6	4.0	2.6	3.3	5.6	4.4	-3	5.6	2.1	1.7	
Gross domestic purchases	2.8	4.4	3.3	1.7	.9	4.0	6.6	3.0	4.4	5.5	3.1	3.3	3.4	2.4	4.0	2.7	5.3	2.0	2.1	
Final sales to domestic purchasers	2.8	4.0	3.6	1.6	1.1	5.1	6.1	2.5	4.0	4.1	4.0	3.2	3.3	4.6	4.2	.7	5.4	1.6	2.2	
Gross national product (GNP)	2.7	3.8	3.1	1.0	.8	4.1	7.3	3.5	3.5	2.9	3.3	2.0	3.6	3.0	4.9	.5	6.1	2.3	.....
Disposable personal income	2.2	3.6	1.2	.2	1.7	5.0	6.3	1.7	3.9	2.4	2.8	7.5	-4.0	.5	-6	5.5	4.6	1.7	3.7	
Current-dollar measures:																				
GDP	4.7	6.9	6.3	2.4	4.4	4.8	9.7	4.9	7.8	7.9	5.3	5.9	7.0	5.8	7.6	5.1	9.0	5.9	3.4	
Final sales of domestic product	4.7	6.5	6.7	2.4	4.6	5.8	9.1	4.4	7.3	6.4	6.2	5.9	6.9	8.2	7.8	3.0	9.1	5.5	3.5	
Gross domestic purchases	5.2	7.6	6.9	3.9	5.1	4.7	9.1	4.9	8.9	9.7	5.8	7.0	6.7	5.8	8.5	6.3	8.2	6.1	4.0	
Final sales to domestic purchasers	5.2	7.2	7.2	3.8	5.3	5.7	8.5	4.4	8.5	8.3	6.7	7.0	6.7	8.1	8.8	4.3	8.2	5.7	4.2	
GNP	4.9	6.7	6.2	3.2	4.0	5.4	9.6	5.8	7.4	6.7	5.4	5.3	7.2	5.6	8.4	3.8	9.6	5.7	.....
Disposable personal income	4.2	6.4	4.1	1.9	4.8	5.7	8.9	3.2	7.7	6.0	4.7	10.7	-1.8	3.6	3.5	8.6	6.8	5.8	6.3	

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

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

	2003	2004	2005	Seasonally adjusted at annual rates																
				2002	2003					2004				2005				2006		
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Percent change at annual rate:																				
Gross domestic product	2.5	3.9	3.2	0.2	1.2	3.5	7.5	2.7	3.9	4.0	3.1	2.6	3.4	3.3	4.2	1.8	5.6	2.6	1.6	
Percentage points at annual rates:																				
Personal consumption expenditures																				
Durable goods	1.94	2.71	2.44	.97	1.41	2.53	4.13	1.59	3.30	2.07	2.74	2.97	1.94	2.94	2.76	.53	3.38	1.81	2.13	
Motor vehicles and parts .....	.50	.54	.45	-.47	.03	1.35	1.39	.06	.51	.14	.71	.50	.20	1.02	.74	-1.08	1.50	-.01	.66
Furniture and household equipment .....	.12	.07	.02	-.75	-.04	.65	.46	-.29	.09	-.14	.22	.17	-.29	.50	.38	-1.51	.60	-.04	.41
Other .....	.27	.35	.29	.21	.05	.49	.67	.27	.33	.28	.36	.21	.27	.28	.40	.33	.65	.10	.21
Nondurable goods .....	.10	.11	.14	.07	.02	.21	.26	.08	.10	.01	.13	.12	.21	.24	-.03	.10	.26	-.06	.03
Food .....	.64	.73	.90	.70	.75	.45	1.53	.36	.86	.34	.74	1.07	1.04	.98	.70	.79	1.20	.30	.33
Clothing and shoes .....	.23	.33	.51	.20	.39	.04	.61	.02	.54	.16	.28	.70	.53	.55	.61	.39	.64	.19	-.06
Gasoline, fuel oil, and other energy goods .....	.14	.14	.17	.31	-.02	.29	.31	-.02	.32	-.14	.18	.19	.17	.25	.08	.27	.23	-.10	.15
Other .....	.01	.02	-.01	-.04	-.02	-.02	.10	.06	0	0	-.04	.01	.12	-.10	-.15	-.06	-.03	.02	.11
Services .....	.26	.24	.23	.23	.39	.14	.52	.30	0	.32	.32	.16	.21	.28	.16	.19	.36	.19	.13
Housing .....	.80	1.45	1.09	.74	.63	.73	1.21	1.18	1.92	1.59	1.30	1.39	.70	.94	1.32	.83	.67	1.52	1.15
Household operation .....	.10	.40	.30	-.07	.11	.18	.35	.40	.49	.42	.37	.32	.29	.28	.24	.18	.24	.25	.27
Electricity and gas .....	.06	.10	.08	.19	0	0	.02	.17	.11	.10	.06	.25	.01	.04	.09	.01	-.58	.31	.18
Other household operation .....	.03	.02	.04	.23	0	-.08	-.03	.12	.06	-.06	-.07	.25	0	0	.03	.03	-.58	.23	.13
Transportation .....	.03	.08	.04	-.04	.05	.08	.05	.05	.16	.13	0	.01	.04	.06	-.02	0	.08	.05	.05
Medical care	0	.37	0	-.01	.07	-.03	.03	.02	.05	.06	0	.04	.02	-.03	-.04	0	.10	.04	.04	
Recreation .....	.45	.37	.43	.59	.47	.28	.28	.28	.33	.47	.53	.43	.32	.40	.53	.44	.52	.31	.34
Other .....	.10	.14	.08	.16	.02	.15	.13	.16	.18	.13	.09	.05	.13	.05	.05	.04	.09	.02	.09
Gross private domestic investment .....	.09	.41	.20	-.12	-.04	.16	.40	.15	.76	.42	.24	.30	-.07	.20	.44	.16	.31	.58	.23
Fixed investment .....	.54	1.49	.87	-.14	-.16	.51	2.56	1.39	.74	3.17	.32	.82	1.32	-.61	.84	2.51	1.31	.17	-.34
Nonresidential .....	.51	1.11	1.17	-.21	-.04	1.52	2.00	.83	.34	1.72	1.16	.77	1.22	1.62	1.02	.46	1.34	-.27	-.24
Structures .....	.10	.58	.67	-.52	-.24	1.01	.92	.29	.18	.69	.97	.81	.59	.51	.59	1.36	.45	.88	.88
Equipment and software	-.11	.06	.03	-.14	-.18	.35	-.02	-.12	.08	.17	.08	-.05	.14	-.06	-.20	.31	.25	.56	.41	
Information processing equipment and software .....	.22	.36	.30	-.38	.31	.13	.82	.70	.30	.05	.21	.33	.43	.29	.26	.25	.74	-.04	.27
Computers and peripheral equipment .....	.09	.10	.12	-.04	.12	0	.26	.21	-.03	-.03	.21	.17	.10	.10	.06	.16	.15	.03	.14
Software .....	.07	.15	.09	-.17	.06	.05	.32	.20	.17	.03	.12	.16	.03	.12	.07	.04	.18	.07	.08
Other .....	.05	.11	.10	-.17	.12	.08	.23	.29	.16	.05	-.12	0	.30	.06	.13	.04	.40	-.14	.04
Industrial equipment .....	.04	-.05	.10	.01	.17	.14	-.14	-.22	-.09	-.05	.19	.05	.16	-.07	.23	.19	-.05	.16	.04
Transportation equipment	-.12	.14	.15	-.02	-.57	.31	.01	-.13	-.08	.46	.39	.40	-.14	.11	.27	-.31	.31	-.32	.11	
Other equipment .....	.07	.07	.09	.02	.04	.08	.26	.07	-.04	.06	.10	.08	.01	.24	.03	.08	.11	.09	.05
Residential .....	.41	.53	.50	.30	.20	.51	1.08	.55	.16	1.03	.18	-.04	.63	1.11	.43	-.06	-.02	-.72	-1.12
Change in private inventories .....	.04	.38	-.30	.08	-.12	-1.01	.56	.56	4.0	1.44	-.84	.05	.09	-.2.23	-.18	2.05	-.03	.44	-.10
Farm .....	.03	.07	-.06	.03	.19	-.16	-.06	-.05	.27	.61	-.48	-.38	.16	-.26	.28	.14	-.01	-.09	-.01
Nonfarm	0	.31	-.24	.04	-.31	-.85	.62	.60	.13	.84	-.35	.43	-.06	-1.97	-.46	1.90	-.02	.54	-.09	
Net exports of goods and services	-.44	-.65	-.26	-1.52	.21	-.73	.51	-.47	-.73	-1.62	-.20	-.81	-.16	.72	-.06	-1.07	-.04	.42	-.58	
Exports .....	.12	.88	.68	-.31	-.53	-.16	1.02	1.81	.69	.60	.46	.96	.47	.94	.33	.97	1.41	.66	.70
Goods .....	.12	.60	.52	-.64	.13	-.08	.55	1.20	.47	.43	.55	.42	.38	.88	.27	.80	1.20	.45	.75
Services	0	.28	.16	.33	-.65	-.08	.47	.61	.22	.17	-.09	.54	.09	.06	.06	.17	.21	.21	-.05	
Imports	-.56	-1.53	-.94	-1.21	.74	-.57	-.51	-2.29	-1.42	-2.22	-.66	-1.77	-.63	-.22	-.39	-2.04	-1.46	-.24	-1.28	
Goods	-.56	-1.29	-.87	-.90	.47	-.97	-.07	-1.86	-1.17	-2.03	-.59	-1.55	-.64	-.26	-.36	-1.84	-1.27	.01	-1.31	
Services	0	-.24	-.07	-.31	.27	.40	-.44	-.43	-.25	-.18	-.08	-.22	.01	.04	-.03	-.20	-.19	-.25	.03	
Government consumption expenditures and gross investment .....	.47	.36	.17	.89	-.26	1.16	.29	.14	.55	.43	.24	-.37	.31	.21	.64	-.21	.94	.16	.37
Federal .....	.44	.30	.11	.64	.01	1.26	.03	.21	.49	.18	.34	-.38	.23	.03	.66	-.33	.61	-.32	.12
National defense .....	.37	.27	.08	.59	-.20	1.41	-.25	.35	.41	.09	.41	-.45	.21	.13	.52	-.49	.41	-.09	-.03
Consumption expenditures .....	.32	.22	.05	.67	-.22	1.30	-.32	.31	.40	0	.34	-.44	.25	.03	.45	-.47	.37	-.17	-.02
Gross investment .....	.05	.05	.03	-.08	.02	.12	.07	.05	.10	.08	-.01	-.04	.10	.07	-.02	.05	.08	-.01	.01
Nondefense .....	.08	.03	.03	.05	.21	-.16	.28	-.14	.09	.08	-.07	.08	-.03	-.11	.14	.16	.20	-.23	.15
Consumption expenditures .....	.07	.03	0	.07	.19	-.21	.27	-.12	.11	.03	-.06	.05	.01	-.09	.08	.05	.16	-.10	.15
Gross investment .....	.01	0	.02	-.02	.01	.06	.01	-.03	-.03	.05	-.01	.03	.01	-.02	.06	.11	.03	-.12	.01
State and local .....	.02	.06	.06	.25	-.27	-.10	.26	-.07	.06	.25	-.10	.01	.08	.18	-.01	.13	.33	.48	.25
Consumption expenditures	0	.10	.08	.15	-.19	-.07	-.04	.07	.19	.15	.08	.15	.02	.05	.14	.09	.17	.20	.25	
Gross investment .....	.02	-.04	-.02	.10	-.09	-.02	.30	-.15	-.13	.11	-.18	-.14	.06	.13	-.15	.03	.16	.28	0
Addenda:																				
Goods	1.00	1.56	1.43	-1.74	1.27	.56	5.00	.81	1.20	.99	1.56	1.43	1.51	1.09	2.07	.97	3.86	1.12	.81	
Services	1.20	1.84	1.31	1.65	.03	2.06	1.15	1.63	2.59	1.74	1.48	1.47	1.07	1.04	2.02	.46	1.39	1.40	1.50	
Structures .....	.31	.51	.49	.29	-.09	.85	1.33	.22	.05	1.31	.06	-.29	.82	1.13	.09	.33	.33	.04	-.73
Motor vehicle output .....	.05	.12	.20	.01	-.46	.36	.30	-.23	.33	-.24	.52	.06	.38	-.03	.70	-.71	.12	-.31	.72
Final sales of computers .....	.15	.06	.16	.11	.12	-.02	.50	.15	-.13	-.14	.15	.26	.16	.20	.08	.20	.07	.04	.10

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

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

	Billions of current dollars						Billions of chained (2000) dollars						Change from preceding period			
	2005	Seasonally adjusted at annual rates					2005	Seasonally adjusted at annual rates								2005	2006
		2005		2006				2005		2006			2006	II	III	
		III	IV	I	II	III		III	IV	I	II	III				
Gross domestic product	12,455.8	12,573.5	12,730.5	13,008.4	13,197.3	13,308.3	11,048.6	11,115.1	11,163.8	11,316.4	11,388.1	11,432.9	345.1	71.7	44.8	
Personal consumption expenditures	8,742.4	8,847.3	8,927.8	9,079.2	9,228.1	9,355.5	7,841.2	7,895.3	7,910.2	8,003.8	8,055.0	8,116.2	264.1	51.2	61.2	
Durable goods	1,033.1	1,057.3	1,019.6	1,064.1	1,061.8	1,080.6	1,145.3	1,175.9	1,137.9	1,190.5	1,190.3	1,214.5	59.6	-2	24.2	
Motor vehicles and parts	448.2	468.1	421.6	442.7	441.7	455.6	452.9	474.6	426.3	445.1	443.7	457.3	2.5	-1.4	13.6	
Furniture and household equipment	377.2	380.0	386.0	402.3	401.3	403.8	490.6	497.7	511.5	538.5	542.9	552.5	44.6	4.4	9.6	
Other	207.7	209.2	212.0	219.1	218.8	221.1	212.6	213.1	216.3	224.6	222.5	223.5	17.0	-2.1	1.0	
Non-durable goods	2,539.3	2,584.9	2,613.5	2,658.2	2,721.4	2,748.2	2,276.8	2,287.6	2,309.6	2,342.8	2,351.1	2,360.5	97.6	8.3	9.4	
Food	1,201.4	1,214.7	1,233.7	1,262.3	1,274.0	1,281.3	1,065.7	1,074.9	1,085.7	1,103.4	1,108.8	1,107.2	54.7	5.4	-1.6	
Clothing and shoes	341.8	341.3	349.1	355.4	355.1	358.8	372.7	373.9	383.1	391.1	387.4	392.7	21.8	-3.7	5.3	
Gasoline, fuel oil, and other energy goods	302.1	331.0	322.1	316.2	359.1	368.7	199.5	197.8	196.6	196.3	198.3	198.3	-1.0	.3	2.0	
Other	694.0	698.0	708.6	724.2	733.3	739.5	643.9	646.7	652.4	662.6	668.3	672.1	25.4	5.7	3.8	
Services	5,170.0	5,205.1	5,294.7	5,356.8	5,444.9	5,526.7	4,436.6	4,454.5	4,476.7	4,494.5	4,535.4	4,566.9	112.7	40.9	31.5	
Housing	1,304.1	1,311.7	1,326.6	1,345.4	1,370.1	1,394.2	1,122.6	1,126.4	1,131.2	1,137.6	1,144.5	1,151.8	31.0	6.9	7.3	
Household operation	483.0	484.3	506.1	494.8	499.1	506.7	418.0	419.4	419.8	404.3	412.5	417.4	8.7	8.2	4.9	
Electricity and gas	199.8	199.4	219.9	206.2	206.9	210.4	153.8	154.0	154.7	141.7	147.0	150.0	4.0	5.3	3.0	
Other household operation	283.2	285.0	286.2	288.6	292.2	296.3	264.1	265.4	264.9	264.8	267.0	268.6	4.6	2.2	1.6	
Transportation	320.4	322.3	325.9	330.4	335.9	339.7	284.4	283.6	283.5	286.3	287.5	288.6	.4	1.2	1.1	
Medical care	1,493.4	1,505.0	1,534.0	1,557.2	1,578.2	1,602.0	1,260.9	1,267.5	1,279.0	1,292.6	1,300.9	1,310.1	43.6	8.3	9.2	
Recreation	360.6	362.6	367.7	372.4	377.2	383.0	313.1	313.9	315.1	317.5	318.1	320.6	8.3	.6	2.5	
Other	1,208.4	1,219.1	1,234.4	1,256.5	1,284.3	1,301.2	1,036.2	1,042.2	1,046.5	1,054.9	1,070.6	1,076.9	20.2	15.7	6.3	
Gross private domestic investment	2,057.4	2,052.6	2,154.5	2,214.8	2,237.1	2,227.6	1,866.3	1,855.9	1,927.0	1,963.6	1,968.5	1,958.7	95.7	4.9	-9.8	
Fixed investment	2,036.2	2,067.9	2,105.8	2,167.7	2,174.8	2,169.1	1,842.0	1,864.2	1,877.3	1,914.6	1,906.8	1,899.9	128.1	-7.8	-6.9	
Nonresidential	1,265.7	1,276.7	1,304.3	1,359.2	1,384.3	1,416.2	1,223.8	1,232.4	1,248.2	1,288.8	1,302.8	1,330.0	78.0	14.0	27.2	
Structures	338.6	336.3	359.7	378.2	406.3	425.7	251.5	247.1	254.2	259.6	271.9	281.0	2.8	12.3	9.1	
Equipment and software	927.1	940.4	944.7	981.0	977.9	990.4	984.9	1,000.6	1,007.6	1,044.8	1,041.2	1,057.6	80.7	-3.6	16.4	
Information processing equipment and software	454.3	456.6	461.3	482.4	479.9	486.9	552.6	557.7	567.3	595.9	594.3	605.3	43.3	-1.6	11.0	
Computers and peripheral equipment	85.1	83.9	85.9	88.0	85.9	87.6	.....	.....	.....	.....	.....	.....	.....	.....	.....
Software	194.0	195.6	196.9	203.6	207.0	210.5	206.2	208.0	209.5	215.6	217.8	220.7	11.2	2.2	2.9	
Other	175.2	177.2	178.4	190.8	187.1	188.9	193.6	196.0	197.5	211.6	206.7	208.1	12.9	-4.9	1.4	
Industrial equipment	155.1	157.0	163.9	163.4	170.1	173.0	143.5	144.9	150.4	153.9	155.0	155.0	10.8	4.9	1.1	
Transportation equipment	158.3	165.0	154.6	165.7	155.9	155.6	145.4	152.3	143.2	152.2	142.7	146.1	16.6	-9.5	3.4	
Other equipment	159.4	161.8	164.9	169.4	172.1	174.9	147.3	148.8	151.2	154.3	157.1	158.5	9.7	2.8	1.4	
Residential	770.4	791.2	801.5	808.5	790.6	752.9	608.0	620.4	618.9	618.5	600.5	572.5	48.1	-18.0	-28.0	
Change in private inventories	21.3	-15.3	48.6	47.2	62.3	58.5	19.6	-12.7	43.5	41.2	53.7	50.7	-33.8	12.5	-3.0	
Farm .....	.3	1.3	5.8	5.4	2.3	1.6	.2	1.1	4.8	4.3	1.9	1.6	-5.9	-2.4	-3
Nonfarm	21.0	-16.6	42.8	41.8	59.9	57.0	19.6	-14.0	38.6	36.8	52.2	49.5	-27.4	15.4	-2.7	
Net exports of goods and services	-716.7	-728.8	-775.4	-765.2	-781.8	-810.0	-619.2	-607.6	-636.6	-636.6	-624.2	-639.9	-28.3	12.4	-15.7	
Exports	1,303.1	1,312.4	1,352.4	1,405.4	1,448.1	1,489.1	1,196.1	1,200.5	1,228.4	1,269.3	1,288.5	1,309.0	75.7	19.2	20.5	
Goods	907.5	913.9	944.3	989.3	1,019.1	1,057.3	843.2	847.5	870.8	906.2	919.5	941.7	58.8	13.3	22.2	
Services	395.6	398.5	408.1	416.0	429.0	431.9	352.9	353.0	357.8	363.6	369.5	368.1	17.0	5.9	-1.4	
Imports	2,019.9	2,041.2	2,127.8	2,170.6	2,229.8	2,299.1	1,815.3	1,808.1	1,865.0	1,905.9	1,912.7	1,948.9	104.0	6.8	36.2	
Goods	1,699.0	1,719.1	1,799.3	1,832.6	1,879.0	1,946.1	1,549.9	1,543.9	1,595.8	1,631.9	1,631.7	1,669.1	97.7	-2	37.4	
Services	320.9	322.1	328.5	338.1	350.8	353.0	267.5	266.3	271.7	276.6	283.2	282.4	7.2	6.6	-8	
Government consumption expenditures and gross investment	2,372.8	2,402.4	2,423.6	2,479.6	2,513.9	2,535.2	1,958.0	1,968.8	1,963.5	1,987.1	1,991.2	2,000.8	17.4	4.1	9.6	
Federal	878.3	895.8	886.2	921.7	919.7	926.8	727.5	738.2	729.6	745.1	736.6	739.8	10.9	-8.5	3.2	
National defense	589.3	605.0	590.9	613.5	616.5	618.0	483.6	494.1	481.4	491.8	489.3	488.5	8.2	-2.5	-8	
Consumption expenditures	516.9	530.9	516.9	537.7	537.7	539.0	413.3	421.9	410.0	419.0	414.7	414.1	5.0	-4.3	-6	
Gross investment	72.4	74.2	74.1	75.8	78.8	79.1	71.2	73.2	72.6	74.0	76.5	76.1	3.7	2.5	-4	
Nondefense	289.0	290.7	295.3	308.2	303.2	308.7	243.7	243.8	248.0	253.1	247.0	251.2	2.7	-6.1	4.2	
Consumption expenditures	251.7	253.4	254.2	265.9	264.6	269.9	207.3	207.5	208.7	212.8	210.1	214.0	.3	-2.7	3.9	
Gross investment	37.4	37.4	41.1	42.4	38.6	38.8	36.7	36.6	40.1	41.1	37.2	37.4	2.8	-3.9	.2	
State and local	1,494.4	1,506.6	1,537.4	1,557.9	1,594.2	1,608.4	1,230.4	1,230.5	1,233.7	1,242.0	1,254.4	1,260.8	6.5	12.4	6.4	
Consumption expenditures	1,207.2	1,217.8	1,243.4	1,256.2	1,280.7	1,293.2	988.0	989.5	991.9	996.1	1,001.2	1,007.6	8.4	5.1	6.4	
Gross investment	287.3	288.7	294.0	301.7	313.5	315.2	242.1	240.7	241.6	245.7	253.1	253.1	-2.0	7.4	0	
Residual .....	.....	.....	.....	.....	.....	.....	-42.6	-47.1	-53.7	-78.7	-77.6	-90.2	.....	.....	.....
Addenda:																
Final sales of domestic product	12,434.6	12,588.8	12,681.9	12,961.2	13,135.1	13,249.8	11,025.2	11,123.5	11,115.5	11,269.0	11,328.0	11,375.7	376.9	59.0	47.7	
Gross domestic purchases	13,172.5	13,302.3	13,505.9	13,773.6	13,979.1	14,118.3	11,659.7	11,714.6	11,792.9	11,946.3	12,005.9	12,067.0	373.2	59.6	61.1	
Final sales to domestic purchasers	13,151.3	13,317.6	13,457.3	13,726.4	13,916.8	14,059.8	11,636.1	11,722.8	11,744.6	11,898.7	11,945.9	12,009.8	405.0	47.2	63.9	
Gross domestic product	12,455.8	12,573.5	12,730.5	13,008.4	13,197.3	13,308.3	11,048.6	11,115.1	11,163.8							

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

	2003	2004	2005	Seasonally adjusted at annual rates																
				2002	2003				2004				2005				2006			
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Gross domestic product (GDP)	2.1	2.8	3.0	2.2	3.1	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.3	3.3	3.3	1.8	
Personal consumption expenditures	2.0	2.6	2.9	1.7	3.1	.7	2.4	1.5	3.7	3.6	1.9	3.0	2.3	3.1	4.1	2.9	2.0	4.0	2.5	
Durable goods	-3.6	-1.6	-7	-2.7	-4.8	-4.2	-4.0	-3.5	0	.3	-2.3	.3	.3	-6	-2.9	-1.3	-1.0	-8	-1.1	
Nondurable goods	2.0	3.3	3.6	1.2	5.6	-2.9	3.9	.5	5.7	6.0	1.1	4.4	1.1	4.8	9.0	.6	1.1	8.3	2.3	
Services	3.2	3.2	3.2	2.8	3.6	3.5	3.0	3.0	3.5	3.2	3.1	3.0	3.2	3.1	3.2	5.0	3.1	2.9	3.3	
Gross private domestic investment	1.5	3.3	3.4	2.9	2.8	-7	1.3	3.5	4.2	4.5	3.6	3.7	3.0	2.7	3.7	4.3	3.7	3.1	.5	
Fixed investment	1.6	3.4	3.5	3.0	3.1	-8	1.3	3.5	4.3	4.6	3.6	3.7	3.1	2.7	4.0	4.6	3.8	3.0	.4	
Nonresidential .....	.1	1.2	2.6	1.1	.1	-1.3	.7	1.4	1.0	2.1	1.4	2.6	3.6	2.0	2.2	3.5	3.7	3.0	.8
Structures	3.5	6.2	11.3	5.1	4.8	-2	2.3	4.2	6.7	7.8	10.2	12.0	11.6	9.2	13.2	16.8	12.4	10.7	5.7	
Equipment and software	-1.1	-4	-4	-3	-1.5	-1.7	.1	.4	-9	.2	-1.5	-5	.9	-4	-1.5	-1.0	.6	.1	-1.2	
Residential	4.8	7.3	5.1	7.0	9.4	.2	2.6	7.7	10.5	9.0	7.4	5.6	2.3	3.8	6.9	6.3	3.8	2.9	-4	
Change in private inventories																				
Net exports of goods and services																				
Exports	2.2	3.7	3.6	.6	4.1	1.1	.9	3.0	6.1	5.0	1.8	4.0	4.6	3.6	2.6	2.8	2.3	6.1	5.0	
Goods	2.0	3.7	3.1	.5	3.6	1.6	-7	4.1	6.5	5.2	1.1	3.6	4.4	3.0	1.3	2.3	2.8	6.2	5.3	
Services	2.6	3.5	4.8	.7	5.3	-2	4.7	.7	5.0	4.5	3.5	5.0	5.1	4.9	5.6	4.2	1.2	6.0	4.3	
Imports	3.5	5.0	6.3	.6	11.3	-3.9	2.6	.4	9.7	7.3	5.5	6.7	2.6	9.2	10.2	4.3	-7	9.8	4.9	
Goods	2.9	5.0	6.5	.4	11.9	-6.7	2.5	.5	10.1	7.9	5.4	6.8	1.8	10.1	11.3	5.1	-1.6	10.6	5.1	
Services	6.3	5.1	5.4	1.4	8.1	11.8	3.1	0	8.0	4.4	6.2	6.3	6.8	5.1	4.3	-1	4.5	5.5	3.6	
Government consumption expenditures and gross investment	4.1	4.4	5.6	3.6	9.2	1.3	2.5	2.2	6.8	5.3	4.6	5.7	7.0	4.6	5.9	4.7	4.4	4.8	1.4	
Federal	4.2	4.7	4.8	4.6	11.3	1.5	1.0	1.1	11.5	5.3	2.2	2.9	11.3	2.2	3.3	.4	7.6	3.8	1.3	
National defense	4.7	4.7	5.1	6.9	10.3	1.4	1.2	1.3	10.5	5.8	2.8	3.2	11.6	2.4	3.4	1.0	6.7	4.1	1.7	
Nondefense	3.4	4.7	4.1	.5	12.9	1.6	.6	.6	13.7	4.3	.9	2.3	10.6	1.8	3.2	-7	9.5	3.2	.6	
State and local	4.1	4.3	6.2	3.0	8.1	1.1	3.3	2.9	4.1	5.3	6.1	7.4	4.6	6.1	7.4	7.3	2.6	5.4	1.5	
Addenda:																				
Final sales of domestic product	2.1	2.8	3.0	2.3	3.2	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.3	3.3	3.3	1.8	
Gross domestic purchases	2.3	3.1	3.5	2.2	4.1	.6	2.2	1.9	4.3	4.1	2.6	3.6	3.2	3.3	4.4	3.5	2.7	4.0	2.0	
Final sales to domestic purchasers	2.3	3.1	3.5	2.2	4.2	.6	2.2	1.9	4.3	4.1	2.6	3.6	3.2	3.3	4.4	3.5	2.7	4.0	2.0	
Gross national product (GNP)	2.1	2.8	3.0	2.2	3.2	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.2	3.3	3.3	.....
Implicit price deflators:																				
GDP	2.1	2.8	3.0	2.2	3.2	1.3	2.1	2.2	3.8	3.7	2.1	3.2	3.4	2.5	3.3	3.3	3.3	3.3	1.8	
Gross domestic purchases	2.3	3.1	3.5	2.2	4.1	.6	2.3	1.9	4.3	4.0	2.6	3.6	3.2	3.4	4.3	3.5	2.7	4.0	2.0	
GNP	2.1	2.8	3.0	2.3	3.1	1.3	2.1	2.2	3.8	3.7	2.1	3.2	3.4	2.5	3.3	3.3	3.3	3.3	.....

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

Table 5.—Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

	2003	2004	2005	Seasonally adjusted				
				2005		2006		
				III	IV	I	II	III
Gross domestic product	104.931	109.031	112.546	113.223	113.719	115.274	116.004	116.461
Personal consumption expenditures	108.249	112.430	116.349	117.152	117.373	118.761	119.521	120.430
Durable goods	118.214	125.753	132.666	136.207	131.799	137.893	137.868	140.677
Nondurable goods	108.002	111.913	116.924	117.481	118.608	120.313	120.742	121.224
Services	106.363	110.055	112.925	113.379	113.945	114.398	115.440	116.240
Gross private domestic investment	92.949	102.026	107.537	106.938	111.034	113.143	113.429	112.861
Fixed investment	95.110	102.080	109.708	111.032	111.811	114.033	113.570	113.159
Nonresidential	87.804	92.995	99.326	100.025	101.308	104.606	105.738	107.952
Structures	77.735	79.418	80.302	78.903	81.174	82.893	86.819	89.715
Equipment and software	91.747	98.400	107.180	108.889	109.653	113.704	113.313	115.096
Residential	113.977	125.281	136.050	138.821	138.495	138.391	134.368	128.094
Change in private inventories								
Exports of goods and services	93.599	102.201	109.105	109.503	112.054	115.783	117.536	119.403
Imports of goods and services	104.693	115.962	123.007	122.520	126.377	129.146	129.608	132.060
Government consumption expenditures and gross investment	110.644	112.720	113.731	114.358	114.048	115.423	115.657	116.217
Federal	118.712	123.813	125.701	127.545	126.053	128.728	127.262	127.815
State and local	106.557	107.094	107.660	107.674	107.954	108.682	109.762	110.326
Addenda:								
Final sales of domestic product	105.375	109.096	112.958	113.965	113.883	115.455	116.060	116.549
Gross domestic purchases	106.071	110.691	114.351	114.889	115.657	117.161	117.746	118.345
Final sales to domestic purchasers	106.504	110.761	114.755	115.610	115.825	117.345	117.810	118.440
Gross national product	105.067	109.039	112.399	113.252	113.390	115.085	115.753	

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

Table 6.—Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

	2003	2004	2005	Seasonally adjusted				
				2005		2006		
				III	IV	I	II	III
Gross domestic product	106.409	109.429	112.744	113.139	114.048	114.967	115.905	116.431
Personal consumption expenditures (PCE)	105.597	108.373	111.493	112.067	112.873	113.445	114.573	115.278
Durable goods	92.366	90.845	90.198	89.908	89.606	89.385	89.206	88.968
Nondurable goods	104.145	107.617	111.530	113.016	113.177	113.484	115.769	116.443
Services	109.379	112.863	116.529	116.858	118.281	119.194	120.059	121.026
Gross private domestic investment	103.191	106.645	110.284	110.675	111.853	112.860	113.717	113.857
Fixed investment	103.313	106.811	110.542	110.946	112.194	113.238	114.074	114.187
Nonresidential	99.591	100.834	103.428	103.607	104.510	105.471	106.266	106.486
Structures	113.872	120.951	134.647	136.089	141.476	145.684	149.432	151.520
Equipment and software	94.912	94.503	94.134	93.983	93.754	93.887	93.920	93.646
Residential	112.372	120.618	126.714	127.573	129.536	130.765	131.696	131.569
Change in private inventories								
Exports of goods and services	101.429	105.151	108.949	109.341	110.108	110.737	112.400	113.780
Imports of goods and services	99.685	104.678	111.268	112.919	114.117	113.918	116.608	117.998
Government consumption expenditures and gross investment	109.849	114.718	121.183	122.029	123.444	124.791	126.262	126.715
Federal	110.094	115.249	120.726	121.353	121.479	123.721	124.871	125.282
State and local	109.712	114.417	121.463	122.438	124.620	125.434	127.095	127.574
Addenda:								
PCE excluding food and energy	105.175	107.314	109.559	109.732	110.418	110.983	111.738	112.381
Market-based PCE ¹	104.995	107.393	110.339	110.952	111.647	112.116	113.272	113.917
Market-based PCE excluding food and energy ¹	104.330	105.865	107.713	107.854	108.375	108.810	109.524	110.081
Final sales of domestic product	106.430	109.455	112.783	113.181	114.101	115.025	115.961	116.483
Gross domestic purchases	105.966	109.210	112.981	113.572	114.541	115.313	116.455	117.026
Final sales to domestic purchasers	105.986	109.235	113.021	113.614	114.594	115.371	116.510	117.080
Gross national product	106.401	109.419	112.733	113.131	114.038	114.958	115.897	
Implicit price deflators:								
Gross domestic product	106.404	109.426	112.737	113.121	114.034	114.951	115.887	116.403
Final sales of domestic product	106.430	109.455	112.783	113.173	114.092	115.017	115.952	116.474
Gross domestic purchases	105.961	109.207	112.975	113.553	114.526	115.296	116.435	116.999
Final sales to domestic purchasers	105.985	109.235	113.021	113.604	114.583	115.360	116.499	117.069
Gross national product	106.396	109.416	112.726	113.113	114.025	114.942	115.879	

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

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

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

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gross domestic product (GDP)	1.9	-0.2	3.3	2.7	4.0	2.5	3.7	4.5	4.2	4.5	3.7	0.8	1.6	2.5	3.9	3.2
Personal consumption expenditures	2.0	.2	3.3	3.3	3.7	2.7	3.4	3.8	5.0	5.1	4.7	2.5	2.7	2.8	3.9	3.5
Durable goods	-3	-5.6	5.9	7.8	8.4	4.4	7.8	8.6	11.3	11.7	7.3	4.3	7.1	5.8	6.4	5.5
Nondurable goods	1.6	-2	2.0	2.7	3.5	2.2	2.6	2.7	4.0	4.6	3.8	2.0	2.5	3.2	3.6	4.5
Services	2.9	1.7	3.5	2.8	2.9	2.6	2.9	3.3	4.2	4.0	4.5	2.4	1.9	1.9	3.5	2.6
Gross private domestic investment	-3.4	-8.1	8.1	8.9	13.6	3.1	8.9	12.4	9.8	7.8	5.7	-7.9	-2.6	3.6	9.8	5.4
Fixed investment	-2.1	-6.5	5.9	8.6	9.3	6.5	9.0	9.2	10.2	8.3	6.5	-3.0	-5.2	3.4	7.3	7.5
Nonresidential .....	.5	-5.4	3.2	8.7	9.2	10.5	9.3	12.1	11.1	9.2	8.7	-4.2	-9.2	1.0	5.9	6.8
Structures	1.5	-11.1	-6.0	-7	1.8	6.4	5.6	7.3	5.1	-4	6.8	-2.3	-17.1	-4.1	2.2	1.1
Equipment and software	0	-2.6	7.3	12.5	11.9	12.0	10.6	13.8	13.3	12.7	9.4	-4.9	-6.2	2.8	7.3	8.9
Residential	-8.6	-9.6	13.8	8.2	9.6	-3.2	8.0	1.9	7.6	6.0	.8	.4	4.8	8.4	9.9	8.6
Change in private inventories																
Net exports of goods and services																
Exports	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	1.3	9.2	6.8
Goods	8.4	6.9	7.5	3.3	9.7	11.7	8.8	14.3	2.2	3.8	11.2	-6.1	-4.0	1.8	9.0	7.5
Services	10.5	6.0	5.5	3.2	6.3	6.3	7.2	5.9	2.9	5.6	2.9	-3.7	1.9	0	9.7	5.1
Imports	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	4.1	10.8	6.1
Goods	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	4.9	10.9	6.7
Services	6.5	-2.6	-2.6	2.9	5.7	3.3	5.5	9.4	11.4	6.9	11.1	-3	2.1	0	10.0	2.8
Government consumption expenditures and gross investment	3.2	1.1	.5	-9	0	.5	1.0	1.9	1.9	3.9	2.1	3.4	4.4	2.5	1.9	.9
Federal	2.0	-2	-1.7	-4.2	-3.7	-2.7	-1.2	-1.0	-1.1	2.2	.9	3.9	7.0	6.8	4.3	1.5
National defense	0	-1.1	-5.0	-5.6	-4.9	-3.8	-1.4	-2.8	-2.1	1.9	-5	3.9	7.4	8.7	5.9	1.7
Nondefense	8.3	2.4	6.9	-7	-1.2	-4	-7	2.6	.7	2.8	3.5	3.9	6.3	3.4	1.2	1.1
State and local	4.1	2.1	2.2	1.4	2.6	2.6	2.3	3.6	3.6	4.7	2.7	3.2	3.1	.2	.5	.5
Addenda:																
Final sales of domestic product	2.1	.1	3.0	2.6	3.4	3.0	3.7	4.0	4.2	4.5	3.8	1.6	1.2	2.5	3.5	3.5
Gross domestic purchases	1.4	-8	3.3	3.2	4.4	2.4	3.8	4.8	5.3	5.3	4.4	.9	2.2	2.8	4.4	3.3
Final sales to domestic purchasers	1.6	-6	3.1	3.2	3.8	2.8	3.8	4.3	5.3	5.4	4.5	1.8	1.8	2.8	4.0	3.6
Gross national product	2.0	-3	3.3	2.7	3.9	2.6	3.7	4.4	4.0	4.6	3.7	.8	1.5	2.7	3.8	3.1
Real disposable personal income	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	2.2	3.6	1.2
Price indexes:																
Gross domestic purchases	4.1	3.3	2.3	2.2	2.1	2.1	1.8	1.4	.6	1.6	2.5	2.0	1.6	2.3	3.1	3.5
Gross domestic purchases excluding food and energy	3.7	3.5	2.6	2.3	2.2	2.2	1.5	1.3	1.0	1.4	1.9	1.9	1.9	1.9	2.7	2.8
GDP	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	2.1	2.8	3.0
GDP excluding food and energy	3.7	3.6	2.5	2.4	2.2	2.1	1.7	1.7	1.2	1.5	2.0	2.1	2.1	1.9	2.7	3.0
Personal consumption expenditures	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	2.0	2.6	2.9

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

	2002		2003				2004				2005				2006		
	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
Gross domestic product (GDP)	1.9	1.5	1.8	3.1	3.7	4.3	4.5	3.4	3.4	3.3	3.1	3.4	3.1	3.7	3.5	2.9	
Personal consumption expenditures (PCE)	1.9	2.0	2.3	3.2	3.4	4.1	3.9	3.5	4.0	3.5	3.8	3.8	2.9	3.4	3.0	2.8	
Durable goods	1.2	2.4	5.5	6.7	8.3	9.8	6.1	4.2	5.6	4.7	7.4	7.5	2.5	6.6	3.4	3.3	
Nondurable goods	2.1	2.3	2.5	4.3	3.9	4.0	3.8	2.9	3.8	4.0	4.8	4.7	4.4	4.5	3.6	3.2	
Services	1.9	1.8	1.6	2.0	2.2	3.0	3.5	3.6	3.7	3.0	2.6	2.6	2.3	2.3	2.6	2.5	
Gross private domestic investment	4.9	1.3	1.6	4.4	7.0	8.6	13.2	9.2	8.2	9.0	2.8	3.6	6.3	6.2	7.4	5.5	
Fixed investment	-2.5	-1.0	1.9	5.4	7.2	7.9	8.2	6.7	6.6	8.0	7.7	7.4	6.8	6.9	3.9	1.9	
Nonresidential	-6.5	-3.9	.1	2.9	4.9	6.1	5.2	5.5	6.9	8.0	7.4	6.3	5.6	7.4	7.2	7.9	
Structures	-14.9	-11.9	-3.9	.1	.2	2.9	1.1	2.0	2.7	3.2	1.0	-1.6	1.8	2.6	8.0	13.7	
Equipment and software	-3.4	-9	1.5	3.9	6.6	7.2	6.7	6.7	8.3	9.7	9.8	9.3	7.0	9.2	6.8	5.7	
Residential	7.0	5.5	5.7	10.6	11.7	11.4	13.7	9.0	6.1	8.1	8.1	9.1	9.0	6.1	-1.5	-7.7	
Change in private inventories																	
Net exports of goods and services																	
Exports	3.8	1.1	-1.9	.1	5.8	9.1	11.2	9.6	7.0	6.4	7.2	6.8	6.7	9.0	8.2	9.0	
Goods	1.1	2.0	-1.6	-1	7.1	8.4	10.4	10.3	7.0	6.6	8.1	7.0	8.3	11.2	9.5	11.1	
Services	10.2	-1.0	-2.4	.5	3.0	10.9	13.2	7.9	7.1	5.9	5.0	6.3	3.1	4.0	5.2	4.3	
Imports	9.7	5.3	3.3	2.8	4.8	8.8	11.7	11.9	10.6	9.0	5.4	4.9	5.2	6.4	6.4	7.8	
Goods	9.9	6.4	4.7	3.2	5.3	9.0	11.2	12.3	11.2	9.8	6.0	5.5	5.8	6.9	6.4	8.1	
Services	8.8	.1	-3.3	1.0	2.2	7.9	14.7	10.1	7.6	4.8	2.5	2.0	1.9	3.7	6.6	6.0	
Government consumption expenditures and gross investment	4.0	2.6	2.9	2.7	1.7	2.8	1.8	1.8	1.1	.8	.5	1.0	1.2	2.1	2.0	1.6	
Federal	7.8	6.3	8.0	7.3	5.5	7.4	3.3	4.4	2.3	1.3	.8	1.9	2.1	3.4	2.1	.2	
National defense	8.4	6.3	11.7	9.1	7.5	11.1	3.3	7.0	2.5	1.4	1.6	2.1	1.9	2.9	1.7	-1.1	
Nondefense	6.8	6.5	1.3	4.0	1.9	.6	3.2	-5	1.8	1.2	-7	1.5	2.4	4.2	2.9	3.0	
State and local	2.1	.7	.2	.3	-4	.3	1.0	.3	.4	.5	.3	.5	.8	1.3	1.9	2.5	
Addenda:																	
Final sales of domestic product .....	.8	1.1	1.8	3.2	3.7	4.2	3.7	3.0	3.1	3.1	3.9	4.0	3.2	3.8	2.9	2.3
Gross domestic purchases	2.7	2.0	2.3	3.3	3.6	4.5	4.9	4.0	4.1	3.8	3.0	3.3	3.1	3.6	3.5	3.0	
Final sales to domestic purchasers	1.6	1.7	2.4	3.4	3.7	4.4	4.2	3.6	3.8	3.6	3.8	3.8	3.2	3.7	3.0	2.4	
Gross national product	1.6	1.6	2.2	3.3	3.9	4.6	4.3	3.3	2.9	3.0	3.0	3.4	3.0	3.6	3.4	.....
Real disposable personal income	2.9	.6	1.3	3.3	3.7	4.2	3.6	2.7	4.1	2.1	1.6	.8	.3	2.5	2.8	3.9	
Price indexes:																	
Gross domestic purchases	1.9	2.6	2.1	2.3	2.2	2.2	3.1	3.2	3.7	3.4	3.2	3.6	3.6	3.5	3.6	3.0	
Gross domestic purchases excluding food and energy	1.7	1.9	1.8	1.9	1.9	2.1	2.6	2.8	3.0	3.0	2.8	2.8	2.8	2.7	2.9	2.7	
GDP	1.7	2.1	2.1	2.2	2.2	2.3	2.9	2.9	3.2	3.1	2.8	3.1	3.1	3.1	3.3	2.9	
GDP excluding food and energy	1.9	2.0	1.9	1.9	1.9	2.1	2.6	2.9	3.1	3.1	2.9	2.9	3.0	2.9	3.1	2.9	
PCE	1.8	2.3	1.8	1.9	1.9	2.0	2.8	2.7	3.0	2.7	2.6	3.1	3.1	3.0	3.3	2.9	
PCE excluding food and energy	1.6	1.5	1.4	1.3	1.4	1.8	2.1	2.1	2.2	2.2	2.0	2.0	2.1	2.0	2.2	2.4	
Market-based PCE ¹	1.7	2.3	1.7	1.8	1.6	1.7	2.4	2.3	2.7	2.5	2.4	3.1	3.0	2.9	3.2	2.7	
Market-based PCE excluding food and energy ¹	1.4	1.3	1.2	1.1	1.0	1.3	1.5	1.4	1.7	1.8	1.7	1.7	1.8	1.6	1.9	2.1	

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.

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

[Billions of dollars]

	2003	2004	2005	Seasonally adjusted at annual rates				
				2005		2006		
				III	IV	I	II	III
Gross domestic product	10,960.8	11,712.5	12,455.8	12,573.5	12,730.5	13,008.4	13,197.3	13,308.3
Plus: Income receipts from the rest of the world	336.8	410.2	513.3	527.2	564.9	603.3	661.4	.....
Less: Income payments to the rest of the world	280.0	363.9	481.5	475.0	552.4	574.3	638.6	.....
Equals: Gross national product	11,017.6	11,758.7	12,487.7	12,625.7	12,743.0	13,037.4	13,220.1	.....
Less: Consumption of fixed capital	1,336.5	1,436.2	1,604.8	1,898.0	1,562.5	1,548.0	1,572.8	1,580.1
Less: Statistical discrepancy	48.8	66.7	71.0	84.5	74.3	-61.9	-72.0	.....
Equals: National income	9,632.3	10,255.9	10,811.8	10,643.2	11,106.2	11,551.3	11,719.3	.....
Compensation of employees	6,325.4	6,650.3	7,030.3	7,093.6	7,184.4	7,400.3	7,533.2	7,623.7
Wage and salary accruals	5,127.7	5,377.1	5,664.8	5,715.2	5,787.0	5,970.1	6,081.2	6,152.7
Supplements to wages and salaries	1,197.7	1,273.2	1,365.5	1,378.4	1,397.4	1,430.3	1,452.0	1,471.0
Proprietors' income with inventory valuation and capital consumption adjustments	811.3	911.1	970.7	967.3	996.8	1,008.3	1,011.9	1,013.4
Rental income of persons with capital consumption adjustment	133.0	127.0	72.8	-11.5	81.5	76.8	71.4	74.5
Corporate profits with inventory valuation and capital consumption adjustments	993.1	1,182.6	1,330.7	1,266.3	1,393.5	1,569.1	1,591.8	.....
Net interest and miscellaneous payments	524.7	485.1	483.4	482.9	490.0	514.8	513.2	504.7
Taxes on production and imports less subsidies	759.3	819.4	865.1	872.1	874.2	897.4	914.0	923.4
Business current transfer payments	83.8	85.5	74.2	.2	99.1	93.8	93.1	93.4
Current surplus of government enterprises	1.7	-5.0	-15.4	-27.7	-13.3	-9.2	-9.4	-9.9
Addendum:								
Gross domestic income	10,912.0	11,645.8	12,384.8	12,489.0	12,656.2	13,070.3	13,269.3	.....

Table 10.—Personal Income and Its Disposition

[Billions of dollars]

	2003	2004	2005	Seasonally adjusted at annual rates				
				2005		2006		
				III	IV	I	II	III
Personal income ¹	9,163.6	9,731.4	10,239.2	10,262.7	10,483.7	10,721.4	10,901.0	11,052.5
Compensation of employees, received	6,310.4	6,665.3	7,030.3	7,093.6	7,184.4	7,400.3	7,533.2	7,623.7
Wage and salary disbursements	5,112.7	5,392.1	5,664.8	5,715.2	5,787.0	5,970.1	6,081.2	6,152.7
Supplements to wages and salaries	1,197.7	1,273.2	1,365.5	1,378.4	1,397.4	1,430.3	1,452.0	1,471.0
Proprietors' income with inventory valuation and capital consumption adjustments	811.3	911.1	970.7	967.3	996.8	1,008.3	1,011.9	1,013.4
Farm	29.2	36.2	30.2	29.7	28.7	23.9	17.5	19.6
Nonfarm	782.1	874.9	940.4	937.7	968.1	984.4	994.3	993.8
Rental income of persons with capital consumption adjustment	133.0	127.0	72.8	-11.5	81.5	76.8	71.4	74.5
Personal income receipts on assets	1,336.6	1,427.9	1,519.4	1,532.7	1,580.2	1,602.3	1,647.7	1,685.0
Personal interest income	914.1	890.8	945.0	951.2	981.7	989.1	1,019.2	1,037.2
Personal dividend income	422.6	537.1	574.4	581.5	598.5	613.2	628.5	647.8
Personal current transfer receipts	1,351.0	1,426.5	1,526.6	1,569.0	1,539.8	1,570.4	1,589.7	1,618.8
Less: Contributions for government social insurance	778.6	826.4	880.6	888.5	898.9	936.7	952.9	962.8
Less: Personal current taxes	1,001.1	1,049.8	1,203.1	1,215.0	1,247.6	1,332.6	1,378.6	1,384.1
Equals: Disposable personal income	8,162.5	8,681.6	9,036.1	9,047.7	9,236.1	9,388.8	9,522.4	9,668.5
Less: Personal outlays	7,987.7	8,507.2	9,070.9	9,180.3	9,264.5	9,418.5	9,577.0	9,715.2
Equals: Personal saving	174.9	174.3	-34.8	-132.6	-28.5	-29.7	-54.6	-46.8
Personal saving as a percentage of disposable personal income	2.1	2.0	-.4	-1.5	-.3	-.3	-.6	-.5
Addendum:								
Disposable personal income, billions of chained (2000) dollars ²	7,729.9	8,010.8	8,104.6	8,074.1	8,183.3	8,276.8	8,311.9	8,387.7

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

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

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

	2003	2004	2005	Seasonally adjusted at annual rates																
				2002	2003				2004				2005				2006			
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Gross domestic product (GDP) and related aggregates:																				
GDP	2.5	3.9	3.2	0.2	1.2	3.5	7.5	2.7	3.9	4.0	3.1	2.6	3.4	3.3	4.2	1.8	5.6	2.6	1.6	
Goods	3.1	4.9	4.6	-5.2	3.9	1.6	16.2	2.5	3.7	3.0	5.0	4.6	4.9	3.5	6.7	3.1	12.8	3.6	2.6	
Services	2.1	3.2	2.3	2.9	.1	3.6	1.9	2.8	4.5	3.0	2.5	2.5	1.8	1.8	3.5	.8	2.4	2.4	2.6	
Structures	3.3	5.2	4.6	3.1	-1.0	9.2	14.1	2.2	.5	13.6	.6	-2.7	8.0	11.1	.7	3.1	2.9	.3	-6.4	
Motor vehicle output	1.3	3.5	5.9	.5	-11.8	10.9	8.9	-6.5	9.9	-7.1	16.6	1.9	12.0	-.7	22.6	-19.1	3.8	-9.4	25.7	
GDP excluding motor vehicle output	2.6	3.9	3.1	.2	1.7	3.2	7.4	3.0	3.6	4.5	2.7	2.6	3.1	3.4	3.6	2.6	5.6	3.0	.9	
Final sales of computers ¹	20.8	8.2	24.5	15.3	16.9	-2.5	90.4	20.0	-16.0	-17.4	23.0	42.8	24.3	31.5	11.6	33.8	9.5	6.7	16.9	
GDP excluding final sales of computers	2.4	3.9	3.1	.1	1.1	3.5	7.0	2.5	4.0	4.2	3.0	2.4	3.3	3.1	4.1	1.6	5.6	2.5	1.5	
Farm gross value added ²	8.4	7.4	1.0	34.2	-16.1	26.6	-34.7	-36.1	120.0	-17.4	19.4	23.7	-2.0	-24.6	11.3	8.1	14.1	3.9	-12.3	
Nonfarm business gross value added ³	3.1	4.3	3.8	.1	1.2	4.3	11.0	1.6	3.6	5.2	3.2	2.4	4.2	4.4	4.9	1.8	6.7	2.7	1.6	
Price indexes:																				
GDP	2.1	2.8	3.0	2.2	3.1	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.3	3.3	3.3	1.8	
GDP excluding food and energy	1.9	2.7	3.0	2.0	2.7	1.1	1.7	2.1	3.4	3.4	2.6	3.1	3.4	2.4	2.8	3.3	3.1	3.0	2.0	
GDP excluding final sales of computers	2.3	2.9	3.2	2.4	3.3	1.4	2.2	2.3	3.8	3.7	2.2	3.4	3.7	2.6	3.4	3.4	3.4	3.5	2.0	
Gross domestic purchases	2.3	3.1	3.5	2.2	4.1	.6	2.2	1.9	4.3	4.1	2.6	3.6	3.2	3.3	4.4	3.5	2.7	4.0	2.0	
Gross domestic purchases excluding food and energy	1.9	2.7	2.8	1.8	2.6	1.3	1.8	2.0	3.5	3.3	2.5	2.9	3.4	2.3	2.5	3.0	3.0	2.9	1.9	
Gross domestic purchases excluding final sales of computers to domestic purchasers	2.5	3.2	3.7	2.4	4.4	.7	2.4	2.0	4.4	4.2	2.8	3.8	3.4	3.5	4.6	3.7	2.9	4.2	2.1	
Personal consumption expenditures (PCE)	2.0	2.6	2.9	1.7	3.1	.7	2.4	1.5	3.7	3.6	1.9	3.0	2.3	3.1	4.1	2.9	2.0	4.0	2.5	
PCE excluding food and energy	1.4	2.0	2.1	1.2	1.1	1.3	1.8	1.6	2.5	2.5	1.7	2.3	2.4	1.9	1.6	2.5	2.1	2.7	2.3	
Market-based PCE ⁴	1.9	2.3	2.7	1.7	3.1	.3	2.2	.9	3.3	3.4	1.5	2.9	2.1	3.1	4.3	2.5	1.7	4.2	2.3	
Market-based PCE excluding food and energy ⁴	1.1	1.5	1.7	1.2	.7	1.0	1.4	.9	1.7	1.9	1.2	1.8	2.2	1.7	1.2	1.9	1.6	2.7	2.0	

1. Some components of final sales of computers include computer parts.

2. Farm output less intermediate goods and services purchased.

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

4. This index is a supplemental measure that is based on household expenditures for which there are observable

price measures. It excludes most implicit prices (for example, the services furnished without payment by financial intermediaries) and the expenses of nonprofit institutions.

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

Explanatory Note: NIPA Measures of Quantities and Prices

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

Annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Quarterly changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent quarters; quarterly indexes are adjusted for consistency to the annual indexes before percent changes are calculated.) For example, the 2004-05 annual percent change in real GDP uses prices for 2004 and 2005 as weights, and the 2004-05 annual percent change in GDP prices uses quantities for 2004 and 2005 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.