



# NEWS RELEASE



EMBARGOED UNTIL RELEASE AT 8:30 A.M. EST, THURSDAY, DECEMBER 20, 2007

Virginia H. Mannering: (202) 606-5304 (GDP)  
Andrew Hodge: (202) 606-5564 (Profits)  
Recorded message: (202) 606-5306

BEA 07-59

## **GROSS DOMESTIC PRODUCT: THIRD QUARTER 2007 (FINAL) CORPORATE PROFITS: THIRD QUARTER 2007 (FINAL)**

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 4.9 percent in the third quarter of 2007, according to final estimates released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 3.8 percent.

The GDP estimates released today are based on more complete source data than were available for the preliminary estimates issued last month. In the preliminary estimates, the increase in real GDP was also 4.9 percent (see "Revisions" on page 3).

The increase in real GDP in the third quarter primarily reflected positive contributions from exports, personal consumption expenditures (PCE), private inventory investment, nonresidential structures, federal government spending, equipment and software, 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 acceleration in real GDP growth in the third quarter primarily reflected accelerations in exports, in PCE, and in private inventory investment that were partly offset by an upturn in imports, a larger decrease in residential fixed investment, and a deceleration in nonresidential structures.

Final sales of computers contributed 0.28 percentage point to the third-quarter growth in real GDP after contributing 0.21 percentage point to the second-quarter growth. Motor vehicle output contributed 0.36 percentage point to the third-quarter growth in real GDP after contributing 0.03 percentage point to 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 annualized. "Real" estimates are in chained (2000) dollars. Price indexes are chain-type measures.

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

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 1.8 percent in the third quarter, 0.2 percentage point more than the preliminary estimate; this index increased 3.8 percent in the second quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 1.9 percent in the third quarter, compared with an increase of 1.5 percent in the second.

Real personal consumption expenditures increased 2.8 percent in the third quarter, compared with an increase of 1.4 percent in the second. Real nonresidential fixed investment increased 9.3 percent, compared with an increase of 11.0 percent. Nonresidential structures increased 16.4 percent, compared with an increase of 26.2 percent. Equipment and software increased 6.2 percent, compared with an increase of 4.7 percent. Real residential fixed investment decreased 20.5 percent, compared with a decrease of 11.8 percent.

Real exports of goods and services increased 19.1 percent in the third quarter, compared with an increase of 7.5 percent in the second. Real imports of goods and services increased 4.4 percent, in contrast to a decrease of 2.7 percent.

Real federal government consumption expenditures and gross investment increased 7.1 percent in the third quarter, compared with an increase of 6.0 percent in the second. National defense increased 10.1 percent, compared with an increase of 8.5 percent. Nondefense increased 1.1 percent, compared with an increase of 0.9 percent. Real state and local government consumption expenditures and gross investment increased 1.9 percent, compared with an increase of 3.0 percent.

The real change in private inventories added 0.89 percentage point to the third-quarter change in real GDP, after adding 0.22 percentage point to the second-quarter change. Private businesses increased inventories \$30.6 billion in the third quarter, following increases of \$5.8 billion in the second quarter and \$0.1 billion in the first.

Real final sales of domestic product -- GDP less change in private inventories -- increased 4.0 percent in the third quarter, compared with an increase of 3.6 percent in the second.

### **Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 3.3 percent in the third quarter, compared with an increase of 2.4 percent in the second.

### **Gross national product**

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 5.8 percent in the third quarter, compared with an increase of 4.0 percent in the second. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$25.9 billion in the third quarter after increasing \$5.8 billion in the second; in the third quarter, receipts increased \$32.0 billion, and payments increased \$6.1 billion.

## **Current-dollar GDP**

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 6.0 percent, or \$201.7 billion, in the third quarter to a level of \$13,970.5 billion. In the second quarter, current-dollar GDP increased 6.6 percent, or \$216.9 billion.

## **Revisions**

The final estimate of the third-quarter increase in real GDP is the same as the preliminary estimate, primarily reflecting a small upward revision to personal consumption expenditures that was offset by a small downward revision to private nonfarm inventory investment.

	<u>Advance</u>	<u>Preliminary</u>	<u>Final</u>
	(Percent change from preceding quarter)		
Real GDP.....	3.9	4.9	4.9
Current-dollar GDP.....	4.7	5.9	6.0
Gross domestic purchases price index...	1.6	1.6	1.8

## **Corporate Profits**

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) decreased \$20.5 billion in the third quarter, in contrast to an increase of \$94.7 billion in the second quarter. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- decreased \$21.1 billion in the third quarter, in contrast to an increase of \$37.4 billion in the second.

Taxes on corporate income decreased \$20.7 billion in the third quarter, in contrast to an increase of \$37.6 billion in the second. Profits after tax with inventory valuation and capital consumption adjustments increased \$0.3 billion in the third quarter, compared with an increase of \$57.0 billion in the second. Dividends increased \$23.5 billion, compared with an increase of \$24.8 billion; current-production undistributed profits decreased \$23.3 billion, in contrast to an increase of \$32.2 billion.

Domestic profits of financial corporations decreased \$32.5 billion in the third quarter, in contrast to an increase of \$52.7 billion in the second. Domestic profits of nonfinancial corporations decreased \$14.4 billion in the third quarter, in contrast to an increase of \$25.3 billion in the second. In the third quarter, real gross value added of nonfinancial corporations increased, and profits per unit of real product decreased. The decrease in unit profits reflected a decrease in unit prices and an increase in unit labor costs that were partly offset by a decrease in unit nonlabor costs.

The rest-of-the-world component of profits increased \$26.4 billion in the third quarter, compared with an increase of \$16.7 billion in the second. This measure is calculated as (1) receipts by U.S. residents of earnings from their foreign affiliates plus dividends received by U.S. residents from unaffiliated foreign corporations minus (2) payments by U.S. affiliates of earnings to their foreign parents plus dividends paid by U.S. corporations to unaffiliated foreign residents. The third-quarter increase was accounted for by a larger increase in receipts than in payments.

Profits before tax with inventory valuation adjustment is the best available measure of industry profits because estimates of the capital consumption adjustment by industry do not exist. This measure reflects depreciation-accounting practices used for federal income tax returns. According to this measure, domestic profits of financial and nonfinancial corporations decreased in the third quarter. The decrease in nonfinancial corporations reflected a decrease in manufacturing that was partly offset by increases in all the other industries shown. Within manufacturing, the decrease was more than accounted for by petroleum.

Profits before tax decreased \$51.8 billion in the third quarter, in contrast to an increase of \$115.7 billion in the second. The before-tax measure of profits does not reflect, as does profits from current production, the capital consumption and inventory valuation adjustments. These adjustments convert depreciation of fixed assets and inventory withdrawals reported on a tax-return, historical-cost basis to the current-cost measures used in the national income and product accounts. The capital consumption adjustment decreased \$3.0 billion in the third quarter (from -\$234.4 billion to -\$237.4 billion), compared with a decrease of \$6.5 billion in the second. The inventory valuation adjustment increased \$34.4 billion (from -\$54.7 billion to -\$20.3 billion), in contrast to a decrease of \$14.5 billion.

\* \* \*

BEA's national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at [www.bea.gov](http://www.bea.gov). By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

\* \* \*

Next release -- January 30, 2008 at 8:30 A.M. EST for:  
Gross Domestic Product: Fourth Quarter 2007 (Advance)

### **Release dates in 2008**

#### Gross domestic product

	<u>2007: IV and 2007 annual</u>	<u>2008: I</u>	<u>2008: II</u>	<u>2008: III</u>
Advance.....	January 30	April 30	July 31	October 30
Preliminary..	February 28	May 29	August 28	November 25
Final.....	March 27	June 26	September 26	December 23

#### Corporate Profits

Preliminary..	....	May 29	August 28	November 25
Final.....	March 27	June 26	September 26	December 23

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

	Seasonally adjusted at annual rates																							
	2004	2005	2006	2003					2004				2005				2006				2007			
				IV	I				I	II			I	II			I	II			I	II		III <sup>r</sup>
					II	III	IV	III		IV	III	IV		III	IV	III		IV	III	IV				
<b>Gross domestic product (GDP)</b> .....	3.6	3.1	2.9	2.7	3.0	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9					
<b>Personal consumption expenditures</b> .....	3.6	3.2	3.1	2.3	4.4	2.4	3.5	4.2	2.4	3.5	4.1	1.2	4.4	2.4	2.8	3.9	3.7	1.4	2.8					
Durable goods .....	6.3	4.9	3.8	.7	5.8	1.9	7.8	7.0	2.2	11.3	6.2	-13.0	16.6	.8	5.6	3.9	8.8	1.7	4.5					
Nondurable goods .....	3.5	3.6	3.6	1.8	4.6	1.5	3.1	4.9	3.5	3.7	2.5	4.7	4.5	2.3	3.2	4.3	3.0	-5	2.2					
Services .....	3.2	2.7	2.7	2.8	4.1	3.0	2.9	3.4	1.9	1.8	4.4	2.6	2.1	2.7	2.0	3.7	3.1	2.3	2.8					
<b>Gross private domestic investment</b> .....	9.7	5.6	2.7	9.3	2.1	20.7	8.0	6.4	5.3	-3.9	7.0	13.4	4.3	.6	-4.1	-14.1	-8.2	4.6	5.0					
Fixed investment .....	7.3	6.9	2.4	5.5	-2	12.9	9.3	7.3	4.0	7.9	8.0	2.3	7.9	-1.9	-4.7	-7.1	-4.4	3.2	-7					
Nonresidential .....	5.8	7.1	6.6	2.8	-2.6	10.7	12.3	10.3	3.3	5.0	8.6	3.4	13.3	4.2	5.1	-1.4	2.1	11.0	9.3					
Structures .....	1.3	.5	8.4	-4.7	-3	6.1	3.6	-2	2.1	-1.6	-6.3	4.8	15.0	16.4	10.8	7.4	6.4	26.2	16.4					
Equipment and software .....	7.4	9.6	5.9	5.6	-3.4	12.4	15.5	14.3	3.8	7.4	14.5	3.1	13.0	-1	2.9	-4.9	.3	4.7	6.2					
Residential .....	10.0	6.6	-4.6	10.6	4.0	16.7	4.2	2.4	5.3	13.1	6.9	.5	-7	-11.7	-20.4	-17.2	-16.3	-11.8	-20.5					
Change in private inventories .....																								
<b>Net exports of goods and services</b> .....																								
Exports .....	9.7	6.9	8.4	20.8	10.0	6.5	3.1	10.0	6.0	9.5	2.1	10.6	11.5	5.7	5.7	14.3	1.1	7.5	19.1					
Goods .....	9.0	7.5	9.9	19.8	7.4	7.2	6.2	7.2	5.8	13.6	1.9	12.6	15.5	6.5	7.4	9.6	.9	6.6	26.2					
Services .....	11.5	5.4	4.8	23.1	16.2	5.1	-3.4	16.8	6.5	.9	2.6	6.3	2.9	3.9	2.0	26.0	1.6	9.6	4.0					
Imports .....	11.3	5.9	5.9	17.6	12.3	15.2	4.8	13.8	2.1	.8	2.1	16.2	6.9	.9	5.4	1.6	3.9	-2.7	4.4					
Goods .....	11.3	6.6	6.0	17.2	11.5	16.6	5.5	14.5	3.2	1.0	2.5	17.3	6.5	1.1	6.2	-6	4.2	-2.9	4.8					
Services .....	11.5	2.3	5.2	19.6	16.5	8.9	1.8	10.5	-3.5	-5	0	10.3	9.5	-1	1.3	14.2	2.3	-1.7	1.7					
<b>Government consumption expenditures and gross investment</b> .....	1.4	.7	1.8	.7	1.5	1.3	1.6	-1.8	1.3	1.2	3.2	-1.9	4.9	1.0	.8	3.5	-5	4.1	3.8					
Federal .....	4.2	1.5	2.2	3.1	6.1	2.4	6.2	-4.6	2.8	.7	8.6	-6.2	8.4	-1.6	.9	7.3	-6.3	6.0	7.1					
National defense .....	5.8	1.5	1.9	8.1	8.1	2.0	10.9	-9.7	4.6	2.6	10.0	-11.7	6.8	2.3	-1.5	16.9	-10.8	8.5	10.1					
Nondefense .....	1.1	1.3	2.8	-6.0	2.3	3.2	-2.7	6.5	-8	-3.0	5.8	5.8	11.9	-8.8	6.0	-10.0	3.8	.9	1.1					
State and local .....	-2	.3	1.6	-6	-1.0	.7	-1.1	-1	.4	1.5	0	.7	2.9	2.5	.7	1.3	3.0	3.0	1.9					
<b>Addenda:</b>																								
Final sales of domestic product .....	3.3	3.3	2.8	2.1	2.6	2.4	3.8	2.7	2.9	4.8	4.6	-5	5.4	2.0	1.0	3.5	1.3	3.6	4.0					
Gross domestic purchases .....	4.1	3.1	2.8	3.0	3.6	4.8	3.8	3.4	2.6	1.9	4.3	2.5	4.5	1.9	1.3	.8	1.1	2.4	3.3					
Final sales to domestic purchasers .....	3.8	3.3	2.7	2.5	3.2	3.7	4.0	3.6	2.4	3.7	4.5	.8	5.0	1.5	1.2	2.1	1.7	2.1	2.5					
Gross national product (GNP) .....	3.8	3.0	2.8	3.5	3.6	2.6	3.9	1.5	3.6	2.7	5.1	0	5.2	2.4	.5	2.6	.7	4.0	5.8					
Disposable personal income .....	3.6	1.7	3.1	1.7	3.7	2.4	2.9	7.5	-3.3	2.5	-1.2	6.6	4.9	.2	1.7	6.2	5.4	-8	4.5					
<b>Current-dollar measures:</b>																								
GDP .....	6.6	6.4	6.1	4.9	6.8	7.4	6.0	5.9	7.1	5.5	8.1	4.8	8.4	6.0	3.4	3.8	4.9	6.6	6.0					
Final sales of domestic product .....	6.2	6.6	6.1	4.4	6.4	6.2	6.1	6.0	6.9	7.5	8.3	3.0	9.0	5.5	3.4	5.2	5.5	6.3	5.1					
Gross domestic purchases .....	7.3	6.9	6.1	4.9	8.0	9.2	6.7	7.2	6.3	5.5	9.1	6.3	7.3	6.2	3.8	.9	4.9	6.2	5.1					
Final sales to domestic purchasers .....	7.0	7.1	6.1	4.4	7.6	8.0	6.8	7.3	6.1	7.4	9.3	4.6	7.9	5.7	3.7	2.1	5.5	6.0	4.3					
GNP .....	6.8	6.3	6.0	5.8	7.4	6.5	6.3	4.8	7.6	5.4	8.7	3.5	8.8	6.0	2.8	4.3	4.9	6.8	6.9					
Disposable personal income .....	6.4	4.7	5.9	3.2	7.3	6.3	4.9	10.8	-1.2	6.0	3.0	9.6	6.7	4.5	4.4	5.2	9.1	3.4	6.4					

<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

	2004	2005	2006	Seasonally adjusted at annual rates																
				2003	2004				2005				2006				2007			
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III <sup>r</sup>
<b>Gross domestic product (GDP)</b> .....	2.9	3.2	3.2	2.2	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	
<b>Personal consumption expenditures</b> .....	2.6	2.9	2.8	1.5	3.5	3.8	2.0	3.0	2.2	3.4	4.3	2.8	1.7	4.3	2.6	-9	3.5	4.3	1.8	
Durable goods .....	-1.8	-7	-1.3	-3.5	-5	.3	-2.5	.2	.1	-4	-2.8	-1.1	-1.0	-7	-1.3	-2.7	-1.9	-1.4	-1.8	
Nondurable goods .....	3.3	3.7	3.1	.5	5.3	6.2	1.4	4.7	.3	5.0	9.5	.8	.3	8.6	2.8	-7.9	5.0	10.0	1.1	
Services .....	3.2	3.4	3.4	3.0	3.5	3.4	3.1	2.8	3.6	3.4	3.3	4.6	3.0	3.2	3.0	3.8	2.6	2.8		
<b>Gross private domestic investment</b> .....	3.4	4.2	3.5	3.5	4.1	4.7	3.9	3.9	5.2	2.8	4.0	5.8	4.0	2.5	1.6	2.2	2.0	-4	-3	
Fixed investment .....	3.4	4.3	3.5	3.5	4.1	4.7	3.9	3.9	5.3	2.9	4.2	6.0	3.9	2.4	1.5	2.0	1.9	-3	-5	
Nonresidential .....	1.3	2.9	3.1	1.4	1.1	2.4	1.3	2.5	4.5	2.4	1.6	4.6	3.9	2.8	1.9	2.0	1.9	0	-6	
Structures .....	6.2	11.7	11.7	4.2	6.8	7.6	10.1	12.0	12.8	8.7	13.8	17.6	13.0	10.7	5.6	4.6	4.1	-1.1	.5	
Equipment and software .....	-3	-1	0	.4	-8	.7	-1.7	-6	1.8	.3	-2.5	.2	.6	-2	.4	.8	1.0	.5	-1.1	
Residential .....	7.3	6.7	4.4	7.7	9.8	8.8	8.5	6.2	6.6	3.6	8.7	8.5	3.9	1.8	.8	2.1	2.0	-8	-3	
Change in private inventories .....																				
<b>Net exports of goods and services</b> .....																				
Exports .....	3.5	3.6	3.4	3.0	5.5	4.8	1.9	4.2	4.6	3.6	2.5	3.0	2.7	6.0	4.6	-8	3.6	5.3	3.8	
Goods .....	3.7	3.1	3.3	4.1	6.3	5.2	1.0	3.6	4.3	3.0	1.3	2.3	3.0	6.3	5.2	.1	3.5	5.1	3.2	
Services .....	3.2	4.9	3.7	.7	3.9	3.8	3.8	5.5	5.0	4.9	5.2	4.8	2.2	5.5	3.3	-2.7	3.9	5.8	5.1	
Imports .....	4.9	6.3	4.0	.4	9.2	7.3	5.3	6.9	2.2	9.7	10.3	4.3	-1.5	10.1	4.7	-9.4	1.0	11.9	7.5	
Goods .....	4.9	6.5	4.2	.5	10.0	7.9	5.0	7.0	2.0	10.1	10.9	4.9	-1.9	10.4	5.3	-10.1	.7	13.0	7.7	
Services .....	4.4	5.6	3.1	0	4.9	4.7	6.7	6.0	3.5	7.7	7.5	1.3	.5	8.4	1.4	-5.3	2.3	6.7	6.5	
<b>Government consumption expenditures and gross investment</b> .....	4.5	5.8	4.9	2.2	7.2	5.0	4.8	5.7	7.5	4.6	6.4	5.0	5.1	5.7	3.0	2.1	6.4	5.5	3.2	
Federal .....	4.7	4.8	3.9	1.1	11.6	5.5	2.5	2.6	11.5	2.3	3.4	.8	9.1	4.0	1.3	.5	5.3	3.8	1.6	
National defense .....	4.7	5.3	4.1	1.3	10.6	5.6	2.9	3.1	12.2	2.5	3.5	1.3	9.3	4.2	1.6	-1	5.0	4.1	1.9	
Nondefense .....	4.9	4.0	3.5	.6	13.8	5.2	1.4	1.7	10.1	1.8	3.2	-2	8.9	3.5	.7	1.7	5.9	3.3	1.1	
State and local .....	4.3	6.4	5.4	2.9	4.6	4.7	6.2	7.6	5.2	6.1	8.1	7.6	2.7	6.7	4.0	3.1	7.0	6.5	4.2	
<b>Addenda:</b>																				
Final sales of domestic product .....	2.9	3.2	3.2	2.2	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.3	1.7	4.2	2.7	1.0	
Gross domestic purchases .....	3.1	3.7	3.3	1.9	4.3	4.2	2.8	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.8	
Final sales to domestic purchasers .....	3.1	3.7	3.3	1.9	4.3	4.2	2.7	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	-1	3.8	3.8	1.7	
Gross national product (GNP) .....	2.9	3.2	3.1	2.2	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	
<b>Implicit price deflators:</b>																				
GDP .....	2.9	3.2	3.2	2.2	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	
Gross domestic purchases .....	3.1	3.6	3.3	1.9	4.3	4.2	2.7	3.7	3.6	3.6	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.7	
GNP .....	2.9	3.2	3.2	2.2	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	

<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]

	2004	2005	2006	Seasonally adjusted				
				2006		2007		
				III	IV	I	II	III <sup>r</sup>
<b>Gross domestic product</b> .....	<b>108.748</b>	<b>112.086</b>	<b>115.304</b>	<b>115.481</b>	<b>116.080</b>	<b>116.254</b>	<b>117.349</b>	<b>118.763</b>
<b>Personal consumption expenditures</b> .....	<b>112.197</b>	<b>115.791</b>	<b>119.359</b>	<b>119.652</b>	<b>120.801</b>	<b>121.906</b>	<b>122.331</b>	<b>123.190</b>
Durable goods .....	125.652	131.748	136.735	137.413	138.720	141.680	142.283	143.852
Nondurable goods .....	111.833	115.828	120.051	120.370	121.650	122.563	122.419	123.090
Services .....	109.726	112.687	115.696	115.911	116.969	117.865	118.527	119.360
<b>Gross private domestic investment</b> .....	<b>102.003</b>	<b>107.709</b>	<b>110.607</b>	<b>111.106</b>	<b>106.955</b>	<b>104.690</b>	<b>105.875</b>	<b>107.172</b>
Fixed investment .....	102.012	109.080	111.657	111.354	109.325	108.113	108.956	108.756
Nonresidential .....	92.873	99.490	106.062	107.090	106.711	107.277	110.109	112.597
Structures .....	78.760	79.127	85.770	87.270	88.849	90.241	95.639	99.330
Equipment and software .....	98.505	107.935	114.332	115.100	113.662	113.753	115.075	116.821
Residential .....	125.343	133.608	127.433	124.190	118.462	113.301	109.791	103.665
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>102.723</b>	<b>109.775</b>	<b>118.957</b>	<b>119.182</b>	<b>123.222</b>	<b>123.568</b>	<b>125.833</b>	<b>131.458</b>
<b>Imports of goods and services</b> .....	<b>116.546</b>	<b>123.425</b>	<b>130.683</b>	<b>131.483</b>	<b>132.014</b>	<b>133.272</b>	<b>132.363</b>	<b>133.780</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>112.210</b>	<b>113.050</b>	<b>115.092</b>	<b>115.022</b>	<b>116.007</b>	<b>115.865</b>	<b>117.028</b>	<b>118.121</b>
Federal .....	123.693	125.524	128.255	127.708	129.977	127.886	129.756	132.000
State and local .....	106.384	106.721	108.418	108.584	108.935	109.748	110.564	111.096
<b>Addenda:</b>								
Final sales of domestic product .....	108.804	112.360	115.526	115.565	116.550	116.916	117.953	119.117
Gross domestic purchases .....	110.444	113.894	117.071	117.331	117.562	117.871	118.560	119.535
Final sales to domestic purchasers .....	110.505	114.166	117.292	117.421	118.021	118.515	119.146	119.878
Gross national product .....	109.031	112.265	115.363	115.422	116.152	116.344	117.493	119.163

<sup>r</sup> Revised

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

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

[Index numbers, 2000=100]

	2004	2005	2006	Seasonally adjusted				
				2006		2007		
				III	IV	I	II	III <sup>r</sup>
<b>Gross domestic product</b> .....	<b>109.462</b>	<b>113.005</b>	<b>116.568</b>	<b>117.030</b>	<b>117.527</b>	<b>118.750</b>	<b>119.527</b>	<b>119.837</b>
<b>Personal consumption expenditures (PCE)</b> .....	<b>108.392</b>	<b>111.588</b>	<b>114.675</b>	<b>115.406</b>	<b>115.143</b>	<b>116.129</b>	<b>117.345</b>	<b>117.873</b>
Durable goods .....	90.696	90.018	88.857	88.827	88.213	87.799	87.488	87.091
Nondurable goods .....	107.626	111.561	114.989	116.576	114.210	115.620	118.413	118.751
Services .....	112.929	116.726	120.725	121.209	122.122	123.252	124.055	124.921
<b>Gross private domestic investment</b> .....	<b>106.686</b>	<b>111.155</b>	<b>115.090</b>	<b>115.335</b>	<b>115.958</b>	<b>116.532</b>	<b>116.426</b>	<b>116.325</b>
Fixed investment .....	106.845	111.404	115.352	115.592	116.162	116.718	116.636	116.498
Nonresidential .....	100.896	103.778	106.961	107.267	107.789	108.301	108.293	108.140
Structures .....	120.912	135.013	150.806	152.344	154.071	155.637	155.199	155.392
Equipment and software .....	94.600	94.527	94.485	94.470	94.667	94.892	95.002	94.751
Residential .....	120.587	128.653	134.288	134.390	135.076	135.736	135.459	135.367
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>104.997</b>	<b>108.803</b>	<b>112.537</b>	<b>113.641</b>	<b>113.424</b>	<b>114.433</b>	<b>115.912</b>	<b>116.992</b>
<b>Imports of goods and services</b> .....	<b>104.526</b>	<b>111.117</b>	<b>115.610</b>	<b>117.689</b>	<b>114.834</b>	<b>115.114</b>	<b>118.408</b>	<b>120.572</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>114.754</b>	<b>121.435</b>	<b>127.334</b>	<b>128.076</b>	<b>128.757</b>	<b>130.765</b>	<b>132.527</b>	<b>133.588</b>
Federal .....	115.322	120.914	125.622	126.097	126.244	127.886	129.098	129.622
State and local .....	114.431	121.758	128.370	129.271	130.272	132.499	134.586	135.969
<b>Addenda:</b>								
PCE excluding food and energy .....	107.338	109.670	112.130	112.519	113.052	113.730	114.116	114.682
Market-based PCE <sup>1</sup> .....	107.386	110.307	113.168	113.926	113.456	114.472	115.784	116.186
Market-based PCE excluding food and energy <sup>1</sup> .....	105.857	107.667	109.717	110.072	110.507	111.161	111.498	111.917
Final sales of domestic product .....	109.487	113.040	116.603	117.065	117.553	118.773	119.555	119.860
Gross domestic purchases .....	109.235	113.225	116.920	117.575	117.609	118.702	119.809	120.330
Final sales to domestic purchasers .....	109.259	113.261	116.956	117.612	117.636	118.727	119.838	120.355
Gross national product .....	109.456	112.999	116.558	117.022	117.515	118.740	119.518	119.824
<b>Implicit price deflators:</b>								
Gross domestic product .....	109.462	113.000	116.567	117.026	117.522	118.745	119.519	119.826
Final sales of domestic product .....	109.487	113.040	116.603	117.061	117.550	118.770	119.551	119.857
Gross domestic purchases .....	109.234	113.221	116.919	117.573	117.606	118.700	119.804	120.321
Final sales to domestic purchasers .....	109.259	113.261	116.956	117.610	117.634	118.725	119.837	120.354
Gross national product .....	109.455	112.994	116.558	117.019	117.511	118.736	119.512	119.814

<sup>r</sup> Revised

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

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



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

[Billions of dollars]

	2004	2005	2006	Seasonally adjusted at annual rates				
				2006		2007		
				III	IV	I	II	III <sup>r</sup>
<b>Gross domestic product</b> .....	<b>11,685.9</b>	<b>12,433.9</b>	<b>13,194.7</b>	<b>13,266.9</b>	<b>13,392.3</b>	<b>13,551.9</b>	<b>13,768.8</b>	<b>13,970.5</b>
Plus: Income receipts from the rest of the world .....	437.5	544.1	691.4	709.7	733.8	752.2	814.2	855.6
Less: Income payments to the rest of the world .....	361.3	475.6	633.4	664.7	673.7	689.0	743.5	754.4
<b>Equals: Gross national product</b> .....	<b>11,762.1</b>	<b>12,502.4</b>	<b>13,252.7</b>	<b>13,311.9</b>	<b>13,452.4</b>	<b>13,615.1</b>	<b>13,839.4</b>	<b>14,071.6</b>
Less: Consumption of fixed capital .....	1,436.1	1,609.5	1,615.2	1,628.8	1,654.4	1,670.9	1,683.4	1,690.9
Less: Statistical discrepancy .....	19.1	5.4	-18.1	-2.5	-46.6	-66.3	-40.8	74.8
<b>Equals: National income</b> .....	<b>10,306.8</b>	<b>10,887.6</b>	<b>11,655.6</b>	<b>11,685.6</b>	<b>11,844.6</b>	<b>12,010.5</b>	<b>12,196.8</b>	<b>12,306.0</b>
Compensation of employees .....	6,656.4	7,029.6	7,448.3	7,442.5	7,649.9	7,764.9	7,826.9	7,917.7
Wage and salary accruals .....	5,379.5	5,672.9	6,025.7	6,015.8	6,203.0	6,294.4	6,343.9	6,418.5
Supplements to wages and salaries .....	1,276.9	1,356.8	1,422.6	1,426.7	1,446.9	1,470.5	1,483.0	1,499.2
Proprietors' income with inventory valuation and capital consumption adjustments .....	911.6	969.9	1,006.7	1,003.6	1,009.8	1,027.4	1,038.4	1,048.7
Rental income of persons with capital consumption adjustment .....	118.4	42.9	54.5	52.9	50.9	53.2	62.1	68.4
Corporate profits with inventory valuation and capital consumption adjustments .....	1,231.2	1,372.8	1,553.7	1,592.5	1,531.2	1,547.7	1,642.4	1,621.9
Net interest and miscellaneous payments .....	491.2	558.0	598.5	594.2	596.0	599.6	592.4	599.3
Taxes on production and imports less subsidies .....	819.2	863.1	917.6	922.9	931.1	943.8	956.8	967.8
Business current transfer payments .....	83.0	66.5	90.2	91.4	91.8	91.8	92.8	94.4
Current surplus of government enterprises .....	-4.2	-15.1	-13.9	-14.5	-16.0	-17.8	-15.0	-12.2
<b>Addendum:</b>								
Gross domestic income .....	11,666.8	12,428.6	13,212.8	13,269.4	13,438.9	13,618.2	13,809.5	13,895.6

<sup>r</sup> Revised

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

[Billions of dollars]

	2004	2005	2006	Seasonally adjusted at annual rates				
				2006		2007		
				III	IV	I	II	III <sup>r</sup>
<b>Personal income</b> <sup>1</sup> .....	<b>9,727.2</b>	<b>10,301.1</b>	<b>10,983.4</b>	<b>11,030.9</b>	<b>11,200.2</b>	<b>11,469.2</b>	<b>11,577.3</b>	<b>11,746.7</b>
Compensation of employees, received .....	6,671.4	7,024.6	7,440.8	7,442.5	7,599.9	7,764.9	7,801.9	7,892.7
Wage and salary disbursements .....	5,394.5	5,667.9	6,018.2	6,015.8	6,153.0	6,294.4	6,318.9	6,393.5
Supplements to wages and salaries .....	1,276.9	1,356.8	1,422.6	1,426.7	1,446.9	1,470.5	1,483.0	1,499.2
Proprietors' income with inventory valuation and capital consumption adjustments .....	911.6	969.9	1,006.7	1,003.6	1,009.8	1,027.4	1,038.4	1,048.7
Farm .....	37.3	30.8	19.4	18.1	23.9	29.1	33.1	38.6
Nonfarm .....	874.3	939.1	987.4	985.5	985.8	998.3	1,005.3	1,010.0
Rental income of persons with capital consumption adjustment .....	118.4	42.9	54.5	52.9	50.9	53.2	62.1	68.4
Personal income receipts on assets .....	1,432.1	1,617.8	1,796.5	1,828.1	1,836.6	1,882.9	1,930.0	1,976.2
Personal interest income .....	895.1	1,018.9	1,100.2	1,119.7	1,102.8	1,126.1	1,148.4	1,171.1
Personal dividend income .....	537.0	598.9	696.3	708.4	733.8	756.8	781.6	805.0
Personal current transfer receipts .....	1,422.5	1,520.7	1,612.5	1,630.6	1,647.7	1,710.7	1,717.1	1,742.3
Less: Contributions for government social insurance .....	828.8	874.8	927.6	926.8	944.6	969.8	972.2	981.5
Less: Personal current taxes .....	1,046.3	1,209.1	1,354.3	1,355.2	1,401.0	1,454.7	1,477.6	1,489.2
<b>Equals: Disposable personal income</b> .....	<b>8,680.9</b>	<b>9,092.0</b>	<b>9,629.1</b>	<b>9,675.8</b>	<b>9,799.2</b>	<b>10,014.5</b>	<b>10,099.7</b>	<b>10,257.5</b>
Less: Personal outlays .....	8,499.2	9,047.4	9,590.3	9,677.1	9,757.2	9,917.5	10,069.2	10,200.9
<b>Equals: Personal saving</b> .....	<b>181.7</b>	<b>44.6</b>	<b>38.8</b>	<b>-1.4</b>	<b>42.0</b>	<b>97.0</b>	<b>30.5</b>	<b>56.7</b>
Personal saving as a percentage of disposable personal income .....	2.1	.5	.4	0	.4	1.0	.3	.6
<b>Addendum:</b>								
Disposable personal income, billions of chained (2000) dollars <sup>2</sup> .....	8,008.9	8,147.9	8,396.9	8,384.5	8,510.7	8,623.9	8,607.1	8,702.6

<sup>r</sup> 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 11.—Corporate Profits: Level and Percent Change**

	Billions of dollars								Percent change from preceding period							
	2004	2005	2006	Seasonally adjusted at annual rates					2005	2006	Quarterly rates				Quarter one year ago	
				2006		2007					2006	2007				2007
				III	IV	I	II	III <sup>r</sup>				IV	I	II		
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>1,231.2</b>	<b>1,372.8</b>	<b>1,553.7</b>	<b>1,592.5</b>	<b>1,531.2</b>	<b>1,547.7</b>	<b>1,642.4</b>	<b>1,621.9</b>	<b>11.5</b>	<b>13.2</b>	<b>-3.8</b>	<b>1.1</b>	<b>6.1</b>	<b>-1.2</b>	<b>1.8</b>	
Less: Taxes on corporate income .....	307.4	392.9	453.9	470.4	452.4	452.5	490.1	469.4	27.8	15.5	-3.8	0	8.3	-4.2	-2	
<b>Equals: Profits after tax with inventory valuation and capital consumption adjustments</b> .....	<b>923.9</b>	<b>979.9</b>	<b>1,099.8</b>	<b>1,122.1</b>	<b>1,078.8</b>	<b>1,095.2</b>	<b>1,152.2</b>	<b>1,152.5</b>	<b>6.1</b>	<b>12.2</b>	<b>-3.9</b>	<b>1.5</b>	<b>5.2</b>	<b>0</b>	<b>2.7</b>	
Net dividends .....	539.5	601.4	698.9	711.1	736.4	759.4	784.2	807.7	11.5	16.2	3.6	3.1	3.3	3.0	13.6	
Undistributed profits with inventory valuation and capital consumption adjustments .....	384.4	378.6	400.9	411.1	342.4	335.8	368.0	344.7	-1.5	5.9	-16.7	-1.9	9.6	-6.3	-16.1	
<b>Cash flow:</b>																
<b>Net cash flow with inventory valuation and capital consumption adjustments</b> .....	<b>1,181.5</b>	<b>1,235.4</b>	<b>1,290.9</b>	<b>1,308.3</b>	<b>1,251.3</b>	<b>1,251.5</b>	<b>1,288.9</b>	<b>1,267.8</b>	<b>4.6</b>	<b>4.5</b>	<b>-4.4</b>	<b>0</b>	<b>3.0</b>	<b>-1.6</b>	<b>-3.1</b>	
Undistributed profits with inventory valuation and capital consumption adjustments .....	384.4	378.6	400.9	411.1	342.4	335.8	368.0	344.7	-1.5	5.9	-16.7	-1.9	9.6	-6.3	-16.1	
Consumption of fixed capital .....	797.1	856.8	890.0	897.3	908.9	915.7	920.8	923.1	7.5	3.9	1.3	.7	.6	.2	2.9	
Less: Inventory valuation adjustment .....	-43.1	-36.2	-36.3	-35.2	-21.0	-40.2	-54.7	-20.3								
<b>Equals: Net cash flow</b> .....	<b>1,224.6</b>	<b>1,271.6</b>	<b>1,327.2</b>	<b>1,343.6</b>	<b>1,272.2</b>	<b>1,291.7</b>	<b>1,343.6</b>	<b>1,288.1</b>	<b>3.8</b>	<b>4.4</b>	<b>-5.3</b>	<b>1.5</b>	<b>4.0</b>	<b>-4.1</b>	<b>-4.1</b>	
<b>Addenda:</b>																
Profits before tax (without inventory valuation and capital consumption adjustments) .....	1,204.7	1,579.6	1,805.8	1,851.4	1,789.2	1,815.8	1,931.5	1,879.7	31.1	14.3	-3.4	1.5	6.4	-2.7	1.5	
Profits after tax (without inventory valuation and capital consumption adjustments) .....	897.3	1,186.7	1,351.9	1,381.0	1,336.8	1,363.3	1,441.4	1,410.2	32.2	13.9	-3.2	2.0	5.7	-2.2	2.1	
Inventory valuation adjustment .....	-43.1	-36.2	-36.3	-35.2	-21.0	-40.2	-54.7	-20.3								
Capital consumption adjustment .....	69.7	-170.6	-215.8	-223.7	-237.0	-227.9	-234.4	-237.4								

<sup>r</sup> Revised

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

(Billions of dollars)

	Level								Change from preceding period						
	2004	2005	2006	Seasonally adjusted at annual rates					2005	2006	2006				2007
				2006		2007					2006	2007	2007	2007	
				III	IV	I	II	III <sup>r</sup>							
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>1,231.2</b>	<b>1,372.8</b>	<b>1,553.7</b>	<b>1,592.5</b>	<b>1,531.2</b>	<b>1,547.7</b>	<b>1,642.4</b>	<b>1,621.9</b>	<b>141.6</b>	<b>180.9</b>	<b>-61.3</b>	<b>16.5</b>	<b>94.7</b>	<b>-20.5</b>	
<b>Domestic industries</b> .....	<b>1,037.8</b>	<b>1,154.6</b>	<b>1,296.4</b>	<b>1,342.8</b>	<b>1,253.5</b>	<b>1,249.8</b>	<b>1,327.8</b>	<b>1,280.9</b>	<b>116.8</b>	<b>141.8</b>	<b>-89.3</b>	<b>-3.7</b>	<b>78.0</b>	<b>-46.9</b>	
Financial .....	356.2	405.5	482.2	476.3	495.6	468.7	521.4	488.9	49.3	76.7	19.3	-26.9	52.7	-32.5	
Nonfinancial .....	681.6	749.1	814.3	866.4	757.9	781.1	806.4	792.0	67.5	65.2	-108.5	23.2	25.3	-14.4	
<b>Rest of the world</b> .....	<b>193.4</b>	<b>218.2</b>	<b>257.3</b>	<b>249.8</b>	<b>277.8</b>	<b>297.9</b>	<b>314.6</b>	<b>341.0</b>	<b>24.8</b>	<b>39.1</b>	<b>28.0</b>	<b>20.1</b>	<b>16.7</b>	<b>26.4</b>	
Receipts from the rest of the world .....	316.4	358.7	419.8	425.9	438.7	448.7	482.6	510.2	42.3	61.1	12.8	10.0	33.9	27.6	
Less: Payments to the rest of the world .....	123.0	140.6	162.5	176.1	160.9	150.8	168.0	169.1	17.6	21.9	-15.2	-10.1	17.2	1.1	
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>1,161.6</b>	<b>1,543.4</b>	<b>1,769.5</b>	<b>1,816.2</b>	<b>1,768.2</b>	<b>1,775.6</b>	<b>1,876.8</b>	<b>1,859.4</b>	<b>381.8</b>	<b>226.1</b>	<b>-48.0</b>	<b>7.4</b>	<b>101.2</b>	<b>-17.4</b>	
<b>Domestic industries</b> .....	<b>968.2</b>	<b>1,325.2</b>	<b>1,512.2</b>	<b>1,566.4</b>	<b>1,490.4</b>	<b>1,477.7</b>	<b>1,562.1</b>	<b>1,518.3</b>	<b>357.0</b>	<b>187.0</b>	<b>-76.0</b>	<b>-12.7</b>	<b>84.4</b>	<b>-43.8</b>	
Financial .....	348.9	423.6	505.3	500.3	521.0	493.0	546.4	514.2	74.7	81.7	20.7	-28.0	53.4	-32.2	
Federal Reserve banks .....	20.0	26.6	33.8	35.9	34.8	38.5	39.2	38.4	6.6	7.2	-1.1	3.7	.7	-8	
Other financial .....	328.9	397.1	471.4	464.4	486.2	454.5	507.2	475.8	68.2	74.3	21.8	-31.7	52.7	-31.4	
Nonfinancial .....	619.3	901.6	1,006.9	1,066.1	969.5	984.7	1,015.7	1,004.1	282.3	105.3	-96.6	15.2	31.0	-11.6	
Utilities .....	18.6	28.4	35.7	37.8	37.8	36.4	41.2	46.4	9.8	7.3	0	-1.4	4.8	5.2	
Manufacturing .....	152.7	251.2	293.4	319.5	280.2	298.9	347.0	296.8	98.5	42.2	-39.3	18.7	48.1	-50.2	
Durable goods .....	38.3	85.1	95.9	101.8	107.2	113.0	117.2	128.5	46.8	10.8	5.4	5.8	4.2	11.3	
Fabricated metal products .....	11.9	17.3	20.3	19.3	22.5	23.3	22.2	26.5	5.4	3.0	3.2	.8	-1.1	4.3	
Machinery .....	7.2	16.0	19.3	18.3	18.7	21.8	22.5	22.3	8.8	3.3	.4	3.1	.7	-2	
Computer and electronic products .....	-4.9	10.1	7.7	7.1	6.2	9.0	7.7	8.5	15.0	-2.4	-9	2.8	-1.3	.8	
Electrical equipment, appliances, and components .....	.3	-3.7	-1.9	-1.6	.2	1.3	.7	2.4	-4.0	1.8	1.8	1.1	-6	1.7	
Motor vehicles, bodies and trailers, and parts .....	-7.6	.1	-1.1	-1.4	1.3	4.6	12.3	12.1	7.7	-1.2	2.7	3.3	7.7	-2	
Other durable goods .....	31.3	45.3	51.7	60.1	58.3	52.9	51.8	56.7	14.0	6.4	-1.8	-5.4	-1.1	4.9	
Non-durable goods .....	114.5	166.0	197.5	217.6	173.0	185.9	229.8	168.3	51.5	31.5	-44.6	12.9	43.9	-61.5	
Food and beverage and tobacco products .....	24.2	27.8	29.2	30.4	31.8	30.1	35.4	34.3	3.6	1.4	1.4	-1.7	5.3	-1.1	
Petroleum and coal products .....	48.9	89.8	110.4	128.7	85.2	94.9	136.5	70.6	40.9	20.6	-43.5	9.7	41.6	-65.9	
Chemical products .....	25.4	29.7	37.6	40.6	31.7	41.0	41.8	43.4	4.3	7.9	-8.9	9.3	.8	1.6	
Other non-durable goods .....	16.0	18.7	20.3	17.9	24.3	20.0	16.1	20.0	2.7	1.6	6.4	-4.3	-3.9	3.9	
Wholesale trade .....	79.2	95.2	97.0	118.1	91.1	97.8	104.9	109.8	16.0	1.8	-27.0	6.7	7.1	4.9	
Retail trade .....	91.1	114.4	124.5	126.9	132.1	134.3	134.4	140.2	23.3	10.1	5.2	2.2	.1	5.8	
Transportation and warehousing .....	14.1	28.2	41.9	47.7	40.0	39.1	45.8	55.4	14.1	13.7	-7.7	-9	6.7	9.6	
Information .....	43.9	74.8	85.4	81.5	91.5	109.5	92.9	100.8	30.9	10.6	10.0	18.0	-16.6	7.9	
Other nonfinancial .....	219.7	309.5	329.0	334.5	296.7	268.7	249.5	254.7	89.8	19.5	-37.8	-28.0	-19.2	5.2	
<b>Rest of the world</b> .....	<b>193.4</b>	<b>218.2</b>	<b>257.3</b>	<b>249.8</b>	<b>277.8</b>	<b>297.9</b>	<b>314.6</b>	<b>341.0</b>	<b>24.8</b>	<b>39.1</b>	<b>28.0</b>	<b>20.1</b>	<b>16.7</b>	<b>26.4</b>	

<sup>r</sup> Revised

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

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

	2004	2005	2006	Seasonally adjusted at annual rates				
				2006		2007		
				III	IV	I	II	III <sup>r</sup>
Billions of dollars								
<b>Gross value added of nonfinancial corporate business</b> .....	<b>5,956.4</b>	<b>6,319.4</b>	<b>6,689.4</b>	<b>6,739.1</b>	<b>6,784.5</b>	<b>6,865.0</b>	<b>6,938.0</b>	<b>6,988.4</b>
Consumption of fixed capital .....	687.4	742.3	772.8	779.5	789.8	795.7	800.1	802.0
<b>Net value added</b> .....	<b>5,269.0</b>	<b>5,577.1</b>	<b>5,916.6</b>	<b>5,959.6</b>	<b>5,994.7</b>	<b>6,069.3</b>	<b>6,138.0</b>	<b>6,186.4</b>
Compensation of employees .....	3,865.2	4,078.5	4,316.7	4,306.4	4,442.1	4,494.1	4,528.3	4,583.3
Wage and salary accruals .....	3,159.7	3,334.8	3,543.8	3,532.3	3,657.5	3,695.5	3,726.5	3,773.9
Supplements to wages and salaries .....	705.5	743.6	772.9	774.1	784.6	798.6	801.8	809.5
Taxes on production and imports less subsidies .....	523.9	558.7	584.9	587.3	592.1	599.7	607.8	614.2
Net operating surplus .....	879.9	940.0	1,015.0	1,065.9	960.5	975.6	1,001.8	988.8
Net interest and miscellaneous payments .....	138.9	132.5	133.2	132.3	133.6	136.0	136.2	136.9
Business current transfer payments .....	59.3	58.3	67.6	67.2	68.9	58.5	59.2	60.0
Corporate profits with inventory valuation and capital consumption adjustments .....	681.6	749.1	814.3	866.4	757.9	781.1	806.4	792.0
Taxes on corporate income .....	191.0	263.4	288.2	300.6	285.2	298.6	321.6	310.0
Profits after tax with inventory valuation and capital consumption adjustments .....	490.7	485.7	526.0	565.8	472.7	482.5	484.7	482.0
Net dividends .....	367.0	199.2	448.6	463.2	532.2	483.7	491.1	478.0
Undistributed profits with inventory valuation and capital consumption adjustments .....	123.7	286.5	77.4	102.6	-59.5	-1.2	-6.4	4.0
<b>Addenda:</b>								
Profits before tax (without inventory valuation and capital consumption adjustments) .....	662.4	937.8	1,043.2	1,101.4	990.4	1,024.9	1,070.5	1,024.5
Profits after tax (without inventory valuation and capital consumption adjustments) .....	471.4	674.4	755.0	800.7	705.3	726.3	748.8	714.5
Inventory valuation adjustment .....	-43.1	-36.2	-36.3	-35.2	-21.0	-40.2	-54.7	-20.3
Capital consumption adjustment .....	62.4	-152.5	-192.7	-199.7	-211.6	-203.6	-209.4	-212.1
Billions of chained (2000) dollars								
<b>Gross value added of nonfinancial corporate business</b> <sup>1</sup> .....	<b>5,652.3</b>	<b>5,806.6</b>	<b>6,012.1</b>	<b>6,039.7</b>	<b>6,076.2</b>	<b>6,089.6</b>	<b>6,133.4</b>	<b>6,202.3</b>
Consumption of fixed capital <sup>2</sup> .....	651.4	682.4	686.9	690.4	698.1	701.7	705.1	708.5
Net value added <sup>3</sup> .....	5,001.0	5,124.2	5,325.3	5,349.2	5,378.1	5,387.9	5,428.3	5,493.8
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>1.054</b>	<b>1.088</b>	<b>1.113</b>	<b>1.116</b>	<b>1.117</b>	<b>1.127</b>	<b>1.131</b>	<b>1.127</b>
Compensation of employees (unit labor cost) .....	.684	.702	.718	.713	.731	.738	.738	.739
Unit nonlabor cost .....	.250	.257	.260	.259	.261	.261	.261	.260
Consumption of fixed capital .....	.122	.128	.129	.129	.130	.131	.130	.129
Taxes on production and imports less subsidies plus business current transfer payments .....	.103	.106	.109	.108	.109	.108	.109	.109
Net interest and miscellaneous payments .....	.025	.023	.022	.022	.022	.022	.022	.022
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	.121	.129	.135	.143	.125	.128	.131	.128
Taxes on corporate income .....	.034	.045	.048	.050	.047	.049	.052	.050
Profits after tax with inventory valuation and capital consumption adjustments .....	.087	.084	.087	.094	.078	.079	.079	.078

r Revised

1. The current-dollar gross value added is deflated using the gross value added chain-type price index for non-financial 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

	2004	2005	2006	Seasonally adjusted at annual rates																
				2003	2004				2005				2006				2007			
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III <sup>r</sup>
<b>Gross domestic product (GDP) and related aggregates:</b>																				
GDP .....	3.6	3.1	2.9	2.7	3.0	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9	
Goods .....	4.7	4.3	5.0	2.5	2.1	3.4	6.6	3.7	4.2	3.9	5.8	1.5	9.6	4.6	3.4	1.1	.2	5.4	11.7	
Services .....	2.8	2.3	2.3	2.8	3.8	2.2	2.4	2.4	2.3	1.4	4.4	1.0	2.4	2.0	2.0	4.4	2.1	3.1	3.1	
Structures .....	5.2	3.4	-1	2.2	1.0	11.5	1.3	-3	4.0	7.3	1.2	1.2	4.3	-1.4	-9.9	-7.0	-6.2	3.0	-4.2	
Motor vehicle output .....	4.0	4.2	-1.3	-6.5	8.8	-6.1	29.0	-9.6	5.4	4.7	30.6	-30.5	17.0	-10.9	15.1	-21.6	6.2	1.0	13.1	
GDP excluding motor vehicle output .....	3.6	3.0	3.0	3.0	2.8	3.8	2.8	3.0	3.0	2.7	3.6	2.5	4.4	2.9	.6	2.9	.4	3.9	4.7	
Final sales of computers <sup>1</sup> .....	5.4	35.1	19.4	20.0	-31.0	-6.6	19.8	50.1	39.5	51.7	21.8	34.2	7.3	20.7	5.1	27.0	-1.3	35.7	49.8	
GDP excluding final sales of computers .....	3.6	2.9	2.8	2.5	3.3	3.6	3.5	2.3	2.8	2.5	4.3	1.0	4.8	2.3	1.0	1.9	.6	3.6	4.6	
Farm gross value added <sup>2</sup> .....	8.1	5.9	.6	-36.1	149.5	-30.8	18.9	40.8	-10.9	14.0	-3.0	6.0	-8.9	17.5	-12.4	.8	-12.5	14.8	9.6	
Nonfarm business gross value added <sup>3</sup> .....	4.1	3.6	3.2	1.6	2.6	5.0	3.8	2.6	3.9	3.2	5.6	.9	5.7	2.4	.8	2.6	.3	4.2	5.6	
<b>Price indexes:</b>																				
GDP .....	2.9	3.2	3.2	2.2	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	
GDP excluding food and energy .....	2.7	3.2	3.1	2.1	3.5	3.4	2.8	3.1	4.1	2.6	2.9	3.5	3.4	3.2	2.6	2.4	3.3	1.6	1.7	
GDP excluding final sales of computers .....	3.0	3.4	3.3	2.3	3.8	3.8	2.4	3.4	4.1	2.7	3.6	3.7	3.5	3.6	2.5	1.8	4.3	2.8	1.2	
Gross domestic purchases .....	3.1	3.7	3.3	1.9	4.3	4.2	2.8	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.8	
Gross domestic purchases excluding food and energy .....	2.7	3.1	2.9	2.0	3.5	3.4	2.6	2.8	4.0	2.6	2.7	3.2	3.2	3.2	2.5	2.3	3.1	1.5	1.9	
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	3.2	3.9	3.5	2.0	4.4	4.3	2.9	3.9	3.8	3.7	4.8	3.9	2.9	4.5	2.7	.2	3.9	4.0	1.9	
Personal consumption expenditures (PCE) .....	2.6	2.9	2.8	1.5	3.5	3.8	2.0	3.0	2.2	3.4	4.3	2.8	1.7	4.3	2.6	-9	3.5	4.3	1.8	
PCE excluding food and energy .....	2.1	2.2	2.2	1.6	2.4	2.7	1.7	2.1	2.6	2.1	1.7	2.4	2.0	2.9	2.3	1.9	2.4	1.4	2.0	
Market-based PCE <sup>4</sup> .....	2.3	2.7	2.6	.9	3.2	3.4	1.5	2.9	1.9	3.1	4.3	2.6	1.5	4.3	2.4	-1.6	3.6	4.7	1.4	
Market-based PCE excluding food and energy <sup>4</sup> .....	1.5	1.7	1.9	.9	1.8	1.9	1.1	1.8	2.3	1.5	1.2	1.9	1.8	2.6	2.1	1.6	2.4	1.2	1.5	

r Revised

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

2. Farm output less intermediate goods and services purchased.

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

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

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

## Explanatory Note: NIPA Measures of Quantities and Prices

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

Annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Quarterly changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent quarters; quarterly indexes are adjusted for consistency to the annual indexes before percent changes are calculated.) For example, the 2005-06 annual percent change in real GDP uses prices for 2005 and 2006 as weights, and the 2005-06 annual percent change in GDP prices uses quantities for 2005 and 2006 as weights. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. Percent changes in Fisher indexes are not affected by the choice of reference year. (BEA also publishes a measure of the price level known as the implicit price deflator (IPD), which is calculated as the ratio of the current-dollar value to the corresponding chained-dollar value, multiplied by 100. The values of the IPD are very close to the values of the corresponding “chain-type” price index.)

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

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

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

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