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GROSS DOMESTIC PRODUCT: SECOND QUARTER 2003 (FINAL) CORPORATE PROFITS: SECOND QUARTER 2003 (REVISED)

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 3.3 percent in the second quarter of 2003, according to revised estimates released by the Bureau of Economic Analysis. In the first quarter, real GDP increased 1.4 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 3.1 percent (see "Revisions" on page 3).

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

The Bureau of Economic Analysis plans to release the results of its 12th comprehensive (or benchmark) revision of the national income and product accounts (NIPAs) on December 10, 2003. The annual revision of the NIPAs that would normally have taken place this summer will instead be combined with the upcoming comprehensive revision. An article in the June 2003 issue of the Survey of Current Business discussed the changes in definitions and concepts that will be implemented in the revision; an article in the August 2003 issue described changes in presentation, including new and redesigned tables; and an article in the September 2003 issue described changes in statistical methods.

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 (1996) dollars. Price indexes are chain-type measures.

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The acceleration in real GDP growth in the second quarter primarily reflected an upturn in federal defense spending, an acceleration in PCE, and an upturn in nonresidential fixed investment that were partly offset by an upturn in imports.

Final sales of computers contributed 0.18 percentage point to the second-quarter change in real GDP after contributing 0.18 percentage point to the first-quarter change. Motor vehicle output decreased in both the first and second quarters. Motor vehicle output subtracted 0.11 percentage point from the second-quarter change in real GDP after subtracting 0.06 percentage point from the first-quarter change.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 0.4 percent in the second quarter, 0.2 percentage point more than in the preliminary estimate; this index increased 3.4 percent in the first quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 0.8 percent in the second quarter, compared with an increase of 1.8 percent in the first.

Real personal consumption expenditures increased 3.8 percent in the second quarter, compared with an increase of 2.0 percent in the first. Real nonresidential fixed investment increased 7.3 percent, in contrast to a decrease of 4.4 percent. Nonresidential structures increased 4.2 percent, in contrast to a decrease of 2.9 percent. Equipment and software increased 8.3 percent, in contrast to a decrease of 4.8 percent. Real residential fixed investment increased 6.6 percent, compared with an increase of 10.1 percent.

Real exports of goods and services decreased 1.0 percent in the second quarter, compared with a decrease of 1.3 percent in the first. Real imports of goods and services increased 8.8 percent, in contrast to a decrease of 6.2 percent.

Real federal government consumption expenditures and gross investment increased 25.5 percent in the second quarter, compared with an increase of 0.7 percent in the first. National defense increased 45.8 percent, in contrast to a decrease of 3.3 percent. Nondefense decreased 5.4 percent, in contrast to an increase of 8.4 percent. Real state and local government consumption expenditures and gross investment decreased 0.2 percent, in contrast to an increase of 0.2 percent.

The real change in private inventories subtracted 0.74 percentage point from the second-quarter change in real GDP after subtracting 0.82 percentage point from the first-quarter change. Private businesses reduced inventories \$17.6 billion in the second quarter, following an increase of \$4.8 billion in the first quarter and an increase of \$25.8 billion in the fourth.

Real final sales of domestic product -- GDP less change in private inventories -- increased 4.0 percent in the second quarter, compared with an increase of 2.3 percent in the first.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 4.4 percent in the second quarter, compared with an increase of 0.6 percent in the first.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 3.5 percent in the second quarter, compared with an increase of 1.4 percent in the first. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$5.9 billion in the second quarter after decreasing \$1.2 billion in the first; in the second quarter, receipts increased \$0.9 billion, and payments decreased \$5.0 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 4.3 percent, or \$114.3 billion, in the second quarter to a level of \$10,802.7 billion. In the first quarter, current-dollar GDP increased 3.8 percent, or \$99.6 billion.

Revisions

The final estimate of the second-quarter increase in real GDP is 0.2 percentage point, or \$3.9 billion, higher than the preliminary estimate issued last month. The upward revision to the percentage change in real GDP primarily reflected upward revisions to private inventory investment and to residential fixed investment that were partly offset by an upward revision to imports.

	<u>Advance</u>	<u>Preliminary</u>	<u>Final</u>
	(Percent change from preceding quarter)		
Real GDP.....	2.4	3.1	3.3
Current-dollar GDP.....	3.4	4.0	4.3
Gross domestic purchases price index....	0.3	0.2	0.4

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$80.6 billion in the second quarter, according to revised estimates. In the first quarter, profits increased \$20.4 billion. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- increased \$70.8 billion in the second quarter, in contrast to a decrease of \$4.0 billion in the first.

Domestic profits of financial corporations increased \$8.4 billion in the second quarter, compared with an increase of \$15.9 billion in the first.

Domestic profits of nonfinancial corporations increased \$70.5 billion in the second quarter, compared with an increase of \$12.1 billion in the first. In the second quarter, both real gross corporate product and profits per unit of real product increased. The increase in unit profits reflected larger decreases in the unit labor and nonlabor costs incurred by corporations than in the prices corporations received.

The rest-of-the-world component of profits increased \$1.7 billion in the second quarter, in contrast to a decrease of \$7.6 billion in the first. 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 second-quarter increase was accounted for by a larger increase in receipts than in payments.

The revised estimate of second-quarter corporate profits from current production is \$7.7 billion lower than the preliminary estimate issued last month. The foreign component of profits (rest-of-the-world profits) was revised down \$7.9 billion. Domestic profits of nonfinancial and financial corporations were revised up \$5.9 billion and down \$5.8 billion, respectively.

Profits before tax with inventory valuation adjustment is the best available measure of industry profits because estimates of the capital consumption adjustment by industry do not exist. This measure reflects the depreciation-accounting practices used for federal income tax returns. According to this measure, both domestic profits of financial corporations and domestic profits of nonfinancial corporations decreased.

Profits before tax decreased \$27.9 billion in the second quarter, in contrast to an increase of \$33.2 billion in the first. 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. In the second quarter, the decrease in the before-tax measure of profits, in contrast to the increase in profits from current production, reflected the additional depreciation expenses used for federal income tax purposes as provided for by the Jobs and Growth Tax Reconciliation Act of 2003. As discussed below, profits from current production are not affected by the tax code changes.

Profits tax liability decreased \$3.5 billion in the second quarter, in contrast to an increase of \$15.4 billion in the first. Profits after tax decreased \$24.3 billion, in contrast to an increase of \$17.7 billion. Dividends increased \$7.9 billion, compared with an increase of \$7.3 billion; undistributed profits decreased \$32.2 billion, in contrast to an increase of \$10.4 billion.

Provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003

The Jobs and Growth Tax Relief Reconciliation Act of 2003 provided for an additional first-year bonus depreciation writeoff, increasing the immediate depreciation writeoff from 30 percent (provided for in the Job Creation and Worker Assistance Act of 2002) to 50 percent for property acquired after May 5, 2003, and placed in service before January 1, 2005.

The additional depreciation provided for by the 2003 act is estimated to have increased depreciation expenses in the second quarter by \$75.2 billion at an annual rate (\$18.8 billion at a quarterly rate) and reduced profits before tax, which is based on earnings reported on tax returns, by the same amount. The capital consumption adjustment is the difference between the depreciation specified in the tax code and the depreciation underlying profits from current production; because the act raised tax depreciation by \$75.2 billion, the capital consumption adjustment increased by the same amount. Profits from current production are not affected, because they do not depend on the depreciation-accounting practices used for federal income tax returns; rather, they are based on depreciation of fixed assets valued at current cost and using consistent depreciation profiles based on used-asset prices. The adjustments reduced second-quarter profits tax liability by \$18.8 billion at an annual rate (\$4.7 billion at a quarterly rate) and profits after tax by \$56.4 billion (see the Technical Note).

As with corporate profits from current production, the effects of the provisions of the act on nonfarm proprietors' income with capital consumption and inventory valuation adjustments (tables 8 and 9) were offsetting; nonfarm proprietors' income without these adjustments was reduced, and the related capital consumption adjustment was increased, by the same amount. The other major national income and product account components and aggregates shown in this release were not affected.

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Next release -- October 30, 2003, at 8:30 A.M. EST for:
Gross Domestic Product: Third Quarter 2003 (Advance)

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

[Percent]

	2000	2001	2002	Seasonally adjusted at annual rates															
				1999		2000				2001				2002				2003	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I ^r	II ^r
Gross domestic product (GDP)	3.8	0.3	2.4	5.2	7.1	2.6	4.8	0.6	1.1	-0.6	-1.6	-0.3	2.7	5.0	1.3	4.0	1.4	1.4	3.3
Personal consumption expenditures	4.4	2.5	3.1	4.6	5.0	5.3	3.0	3.8	2.1	2.4	1.4	1.5	6.0	3.1	1.8	4.2	1.7	2.0	3.8
Durable goods	8.2	6.0	7.3	10.3	10.1	17.8	-3.7	8.1	-5.3	11.5	5.3	4.6	33.6	-6.3	2.0	22.8	-8.2	-2.0	24.3
Nondurable goods	3.9	2.0	3.2	2.5	7.5	2.2	4.9	2.0	2.7	2.3	-3	1.3	3.6	7.9	-1	1.0	5.1	6.1	1.4
Services	3.8	2.0	2.2	4.5	2.8	4.4	3.6	3.9	3.3	.6	1.5	.9	2.1	2.9	2.7	2.3	2.2	.9	1.4
Gross private domestic investment	6.2	-10.7	1.0	11.0	13.7	2.3	17.3	-6.0	-3.4	-19.7	-17.6	-5.2	-17.3	18.2	7.9	3.6	6.3	-5.3	2.0
Fixed investment	6.1	-3.8	-3.1	5.9	2.9	13.3	6.7	.2	-2.4	-2.2	-11.1	-4.3	-8.9	-5	-1.0	-3	4.4	-1	7.1
Nonresidential	7.8	-5.2	-5.7	7.7	3.0	15.0	10.2	3.5	-3.2	-5.4	-14.5	-6.0	-10.9	-5.8	-2.4	-8	2.3	-4.4	7.3
Structures	6.5	-1.7	-16.4	-6.3	6.1	13.8	8.2	12.1	3.6	-3.1	-8.4	2.9	-30.1	-14.2	-17.6	-21.4	-9.9	-2.9	4.2
Equipment and software	8.2	-6.4	-1.7	12.5	2.1	15.5	10.9	.9	-5.4	-6.3	-16.7	-9.2	-2.5	-2.7	3.3	6.7	6.2	-4.8	8.3
Residential	1.1	.3	3.9	.9	2.7	8.3	-3.0	-9.3	0	8.2	-5	4	-3.5	14.2	2.7	1.1	9.4	10.1	6.6
Change in private inventories																			
Net exports of goods and services																			
Exports	9.7	-5.4	-1.6	10.6	12.6	7.7	14.6	11.6	-4.0	-6.0	-12.4	-17.3	-9.6	3.5	14.3	4.6	-5.8	-1.3	-1.0
Goods	11.3	-5.9	-3.6	13.2	15.3	6.7	16.1	19.5	-7.1	-6.1	-16.1	-18.6	-7.9	-3.4	15.9	4.1	-11.5	1.9	-1.6
Services	6.0	-4.0	3.2	4.7	6.4	10.2	11.2	-5.9	4.4	-6.0	-2.5	-13.9	-13.8	21.7	10.7	5.9	8.0	-8.0	.5
Imports	13.2	-2.9	3.7	14.5	9.4	14.7	18.6	13.8	-1.6	-7.9	-6.8	-11.8	-5.3	8.5	22.2	3.3	7.4	-6.2	8.8
Goods	13.5	-3.3	3.9	15.4	9.8	13.7	20.3	13.6	-1.8	-9.2	-9.4	-9.6	-3.3	3.7	27.9	3.4	6.2	-6.7	13.5
Services	11.6	-5	2.1	9.7	7.1	20.6	9.6	15.1	-5	.3	8.5	-23.2	-16.5	35.7	-2.1	3.1	13.0	-4.0	-11.4
Government consumption expenditures and gross investment	2.7	3.7	4.4	5.3	7.1	-1.2	4.6	-1.0	2.9	5.7	5.6	-1.1	10.5	5.6	1.4	2.9	4.6	.4	8.5
Federal	1.3	4.8	7.5	7.4	9.9	-13.2	16.0	-7.2	2.0	9.5	6.0	1.2	13.5	7.4	7.5	4.3	11.0	.7	25.5
National defense	-1	5.0	9.3	14.0	10.0	-19.9	15.0	-6.1	4.7	8.3	2.7	4.6	14.3	11.6	7.8	6.9	11.0	-3.3	45.8
Nondefense	3.6	4.5	4.3	-3.6	9.7	.3	17.9	-9.2	-2.6	11.8	12.0	-4.5	12.1	.4	6.9	-3	11.1	8.4	-5.4
State and local	3.5	3.1	2.8	4.2	5.6	5.6	-8	2.4	3.3	3.8	5.4	-2.3	8.9	4.6	-1.7	2.2	1.2	.2	-2
Addenda:																			
Final sales of domestic product	3.7	1.5	1.8	4.3	5.2	4.4	3.1	1.7	1.3	2.8	-4	-2	4.2	2.4	-1	3.4	1.1	2.3	4.0
Gross domestic purchases	4.4	.4	3.0	5.8	6.8	3.6	5.7	1.2	1.3	-1.1	-1.1	-1	2.9	5.6	2.6	3.9	2.9	.6	4.4
Final sales to domestic purchasers	4.3	1.6	2.4	4.9	5.0	5.4	3.9	2.4	1.4	2.2	0	.1	4.3	3.0	1.3	3.3	2.6	1.4	5.1
Gross national product (GNP)	3.7	-2	2.1	4.8	7.6	2.2	5.1	.2	1.6	-1.4	-8	-1.1	3.7	3.7	.4	4.4	1.4	1.4	3.5
Disposable personal income	4.8	1.8	4.2	1.5	4.8	8.4	4.8	4.3	1.8	-1	-6	10.5	-7.6	14.5	3.9	1.8	1.4	1.6	2.6
Current-dollar measures:																			
GDP	5.9	2.6	3.6	6.5	8.9	5.7	7.3	2.2	3.2	3.0	.9	1.9	2.2	6.5	2.5	5.1	3.2	3.8	4.3
Final sales of domestic product	5.9	3.9	3.0	5.6	7.0	7.6	5.5	3.4	3.4	6.6	2.1	2.0	3.6	3.7	1.2	4.5	2.9	4.8	5.1
Gross domestic purchases	7.0	2.4	4.2	7.8	9.1	7.4	8.0	3.4	3.4	2.1	.6	-2	3.4	6.9	4.9	5.2	4.7	4.1	4.8
Final sales to domestic purchasers	7.0	3.6	3.6	6.9	7.3	9.3	6.2	4.6	3.6	5.5	1.7	-1	4.8	4.2	3.6	4.6	4.4	5.0	5.5
GNP	5.9	2.6	3.3	6.1	9.4	5.3	7.5	1.9	3.7	2.2	1.7	1.1	3.2	5.1	1.6	5.5	3.3	3.8	4.6
Disposable personal income	7.4	3.8	5.6	3.7	7.3	12.2	7.2	6.4	4.0	3.2	1.2	10.4	-6.9	15.8	6.7	3.5	3.2	4.3	3.4

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the first quarter of 2003. See "Explanatory Note" at the end of the tables.

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

	2000	2001	2002	Seasonally adjusted at annual rates															
				1999		2000				2001				2002				2003	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
Percent change at annual rate:																			
Gross domestic product	3.8	0.3	2.4	5.2	7.1	2.6	4.8	0.6	1.1	-0.6	-1.6	-0.3	2.7	5.0	1.3	4.0	1.4	1.4	3.3
Percentage points at annual rates:																			
Personal consumption expenditures	2.94	1.67	2.15	3.14	3.45	3.54	2.11	2.54	1.37	1.53	.92	.97	4.05	2.22	1.22	2.93	1.19	1.40	2.68
Durable goods .....	.65	.48	.59	.81	.81	1.36	-.30	.63	-.44	.87	.42	.36	2.45	-.55	.16	1.74	-.72	-.17	1.79
Nondurable goods .....	.77	.39	.64	.51	1.48	.45	.99	.40	.52	.45	-.07	.25	.73	1.57	-.02	.22	1.01	1.21	.28
Services	1.51	.80	.92	1.81	1.16	1.73	1.43	1.51	1.29	.21	.57	.35	.87	1.20	1.08	.97	.90	.36	.60
Gross private domestic investment	1.08	-1.90	.15	1.85	2.32	.39	2.92	-1.09	-.55	-3.65	-3.09	-.81	-2.88	2.53	1.16	.55	.93	-.83	.30
Fixed investment	1.03	-.65	-.50	1.01	.53	2.15	1.15	.04	-.41	-.38	-1.95	-.72	-1.49	-.07	-.15	-.03	.65	-.02	1.05
Nonresidential .....	.98	-.66	-.68	.97	.41	1.80	1.28	.46	-.41	-.71	-1.93	-.73	-1.33	-.66	-.27	-.08	.24	-.47	.74
Structures .....	.20	-.05	-.52	-.20	.18	.40	.25	.37	-.12	-.10	-.29	.10	-1.12	-.44	-.53	-.62	-.25	-.07	.10
Equipment and software .....	.78	-.61	-.15	1.17	.22	1.41	1.03	.09	-.53	-.61	-1.64	-.83	-.21	-.22	.26	.53	.49	-.40	.64
Residential .....	.05	.01	.18	.04	.12	.35	-.13	-.42	0	.34	-.02	.02	-.16	.60	.12	.05	.41	.45	.31
Change in private inventories .....	.06	-1.24	.65	.84	1.80	-1.77	1.77	-1.12	-.14	-3.27	-1.14	-.09	-1.39	2.60	1.31	.58	.28	-.82	-.74
Net exports of goods and services	-.75	-.18	-.67	-.75	.04	-1.17	-1.00	-.72	-.23	.53	-.42	-.24	-.28	-.75	-1.40	-.01	-1.59	.78	-1.29
Exports	1.04	-.59	-.17	1.08	1.31	.82	1.53	1.25	-.46	-.69	-1.42	-1.94	-.99	.33	1.29	.45	-.59	-.13	-.09
Goods .....	.85	-.47	-.26	.94	1.11	.51	1.18	1.44	-.60	-.49	-1.34	-1.49	-.56	-.23	.99	.28	-.82	-.13	-.10
Services .....	.19	-.13	.09	.14	.20	.31	.35	-.19	.14	-.20	-.08	-.45	-.42	.56	.30	.17	.23	-.25	.02
Imports	-1.79	.42	-.50	-1.83	-1.27	-1.99	-2.54	-1.97	.23	1.22	1.00	1.70	.70	-1.08	-2.69	-.47	-1.00	.91	-1.21
Goods	-1.54	.40	-.43	-1.64	-1.12	-1.56	-2.32	-1.64	.22	1.21	1.18	1.17	.37	-.40	-2.74	-.40	-.71	.81	-1.50
Services	-.24	.01	-.07	-.19	-.15	-.43	-.21	-.32	.01	.01	-.18	.53	.33	-.68	.05	-.07	-.30	.10	.30
Government consumption expenditures and gross investment .....	.49	.65	.81	.93	1.26	-.20	.83	-.18	.51	.99	1.00	-.21	1.85	1.04	.27	.56	.85	.08	1.59
Federal .....	.08	.29	.47	.44	.60	-.85	.91	-.45	.12	.54	.36	.07	.80	.47	.47	.29	.70	.05	1.61</

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

	Billions of current dollars						Billions of chained (1996) dollars						Change from preceding period			
	2002	Seasonally adjusted at annual rates					2002	Seasonally adjusted at annual rates					2002	2003		
		2002			2003			2002			2003			2002	2003	
		II	III	IV	I	II ^r		II	III	IV	I	II ^r			I	II ^r
Gross domestic product (GDP)	10,446.2	10,376.9	10,506.2	10,588.8	10,688.4	10,802.7	9,439.9	9,392.4	9,485.6	9,518.2	9,552.0	9,629.4	225.4	33.8	77.4	
Personal consumption expenditures	7,303.7	7,254.7	7,360.7	7,425.4	7,512.5	7,598.6	6,576.0	6,542.4	6,609.9	6,637.9	6,670.9	6,733.9	198.8	33.0	63.0	
Durable goods	871.9	856.9	897.8	873.9	861.2	900.5	999.9	980.7	1,032.4	1,010.6	1,005.4	1,061.5	68.0	-5.2	56.1	
Motor vehicles and parts	376.1	362.1	400.7	375.9	366.5	392.2	382.4	369.1	407.6	382.8	374.9	403.0	20.5	-7.9	28.1	
Furniture and household equipment	318.7	319.1	319.2	319.4	314.9	321.8	438.1	435.2	441.4	447.5	447.8	466.6	40.1	.3	18.8	
Other	177.1	175.8	177.9	178.6	179.8	186.5	185.8	184.1	187.0	188.1	191.3	199.1	10.5	3.2	7.8	
Nondurable goods	2,115.0	2,108.2	2,116.9	2,150.0	2,206.8	2,203.3	1,929.5	1,920.9	1,925.8	1,950.0	1,978.9	1,985.6	59.7	28.9	6.7	
Food	1,029.4	1,023.9	1,024.8	1,043.9	1,070.1	1,078.4	902.3	899.2	897.9	910.7	929.7	931.4	15.3	19.0	1.7	
Clothing and shoes	324.3	323.9	321.0	326.6	324.5	326.1	357.0	355.1	355.3	361.8	364.0	369.3	19.3	2.2	5.3	
Gasoline, fuel oil, and other energy goods	173.5	174.7	178.2	184.7	211.1	193.8	157.5	156.5	157.5	158.9	159.2	156.9	6.3	.3	-2.3	
Gasoline and oil	158.5	160.7	163.5	167.4	191.4	176.8	145.1	144.7	145.4	145.1	146.2	145.2	6.3	1.1	-1.0	
Fuel oil and coal	15.0	14.0	14.7	17.3	19.7	17.0	12.7	12.1	12.4	14.0	13.3	12.1	.1	-.7	-1.2	
Other	587.8	585.6	592.9	594.8	601.1	605.1	515.8	513.1	518.0	521.9	528.9	532.2	20.3	7.0	3.3	
Services	4,316.8	4,289.5	4,346.0	4,401.5	4,444.6	4,494.8	3,675.6	3,666.2	3,687.0	3,707.0	3,714.9	3,728.0	80.7	7.9	13.1	
Housing	1,071.5	1,066.0	1,078.0	1,090.1	1,101.9	1,110.9	880.1	878.5	882.1	885.8	889.9	893.8	14.1	4.1	3.9	
Household operation	405.2	400.9	406.3	414.2	422.4	422.3	384.7	382.9	384.7	389.9	388.5	384.0	2.1	-1.4	-4.5	
Electricity and gas	148.2	144.9	147.4	156.5	162.1	161.1	136.4	133.6	135.7	142.8	140.7	134.2	1.9	-2.1	-6.5	
Other household operation	257.0	256.1	258.9	257.7	260.4	261.2	248.4	249.5	249.1	247.0	247.8	250.5	.2	.8	2.7	
Transportation	275.8	275.6	276.1	278.3	278.0	277.8	250.3	250.3	249.8	250.1	250.1	248.0	-.8	0	-2.1	
Medical care	1,148.5	1,139.3	1,158.8	1,176.9	1,192.0	1,213.8	978.6	974.7	984.4	992.0	1,002.1	1,012.7	40.3	10.1	10.6	
Recreation	285.1	283.8	285.9	291.8	292.7	297.2	237.5	237.1	237.1	240.3	238.8	240.9	4.3	-1.5	2.1	
Other	1,130.7	1,123.8	1,140.9	1,150.2	1,157.5	1,172.8	942.7	941.0	947.0	947.5	943.8	946.3	20.0	-3.7	2.5	
Gross private domestic investment	1,593.2	1,588.0	1,597.3	1,628.1	1,611.2	1,616.5	1,589.6	1,583.9	1,598.0	1,622.4	1,600.4	1,608.3	15.0	-22.0	7.9	
Fixed investment	1,589.3	1,584.6	1,579.7	1,603.6	1,610.7	1,635.0	1,577.3	1,572.6	1,571.6	1,588.5	1,587.9	1,615.3	-50.1	-6	27.4	
Nonresidential	1,117.4	1,115.8	1,109.8	1,117.1	1,103.4	1,119.0	1,183.4	1,181.1	1,178.7	1,185.3	1,172.1	1,193.0	-71.7	-13.2	20.9	
Structures	269.3	275.2	259.4	254.2	254.9	257.3	226.4	231.7	218.2	212.6	211.0	213.2	-44.5	-1.6	2.2	
Nonresidential buildings, including farm	179.2	182.3	171.1	170.9	171.3	172.2	145.6	148.2	139.1	137.8	136.5	137.2	-33.1	-1.3	.7	
Utilities	53.1	53.9	51.5	50.6	49.4	46.7	47.3	48.4	45.6	44.6	43.2	40.5	-3.0	-1.4	-2.7	
Mining exploration, shafts, and wells	30.6	31.7	31.0	27.3	29.2	33.1	29.2	30.3	29.9	26.5	28.4	32.7	-4.8	1.9	4.3	
Other structures	6.4	7.3	5.8	5.4	4.9	5.3	5.5	6.3	5.0	4.6	4.2	4.5	-3.8	-.4	.3	
Equipment and software	848.1	840.7	850.4	863.0	848.6	861.7	971.1	961.4	977.2	992.1	979.9	999.5	-17.1	-12.2	19.6	
Information processing equipment and software	399.7	397.1	406.9	406.3	411.8	426.9	563.1	557.0	575.2	579.7	594.5	620.7	14.6	14.8	26.2	
Computers and peripheral equipment	74.2	72.8	76.8	75.4	76.3	82.4	283.7	271.6	297.6	303.2	319.1	354.9	43.8	15.9	35.8	
Software	182.8	181.0	186.3	186.7	187.0	191.0	185.7	184.3	189.4	190.3	192.5	196.8	3.7	2.2	4.3	
Other	142.7	143.3	143.8	144.2	148.5	153.6	158.2	158.5	159.7	160.7	165.3	171.6	-5.7	4.6	6.3	
Industrial equipment	152.2	150.5	153.3	151.5	149.8	149.7	146.9	145.6	147.9	145.9	143.9	143.6	-6.9	-2.0	-3	
Transportation equipment	148.9	145.2	141.7	154.5	138.5	134.9	147.0	143.4	141.7	151.4	135.8	133.7	-16.6	-15.6	-2.1	
Other	147.4	148.0	148.5	150.8	148.4	150.1	139.3	140.1	140.3	142.3	139.6	140.8	-1.4	-2.7	1.2	
Residential	471.9	468.7	469.9	486.5	507.3	516.0	388.2	386.1	387.1	395.9	405.5	412.0	14.7	9.6	6.5	
Structures	462.4	459.2	460.4	476.9	497.7	506.1	378.5	376.4	377.4	386.1	395.6	401.7	14.5	9.5	6.1	
Single family	247.0	244.3	245.3	257.4	273.8	275.2	200.5	198.4	199.8	206.5	214.7	216.2	7.9	8.2	1.5	
Multifamily	33.6	34.2	33.4	32.4	35.7	35.4	26.3	26.8	26.2	25.1	27.0	26.8	1.9	1.9	-2	
Other	181.8	180.7	181.7	187.1	188.2	195.5	151.6	151.0	151.3	154.4	153.5	158.6	4.7	-9	5.1	
Equipment	9.6	9.6	9.5	9.6	9.6	9.9	9.7	9.7	9.7	9.8	9.9	10.4	.2	.1	.5	
Change in private inventories	3.9	3.4	17.6	24.5	4	-18.5	5.2	4.9	18.8	25.8	4.8	-17.6	66.6	-21.0	-22.4	
Farm .....	.5	.4	-2.3	-1.5	.5	-.6	1.1	.8	-2.2	-.8	1.0	-.4	-.9	1.8	-1.4
Construction, mining, and utilities	-.9	-1.1	-2.5	-1.7	-14.2	-4.6	-7	-1.0	-2.3	-1.1	-9.9	-3.6	-7.1	-8.8	6.3	
Manufacturing	-11.3	-14.2	-2.7	2.8	-6.1	-14.5	-11.5	-14.1	-2.6	2.8	-6.1	-14.3	24.7	-8.9	-8.2	
Wholesale trade	-3.7	-9.0	7.1	6.6	-3.1	-7.6	-3.4	-8.7	7.9	7.0	-2.2	-7.4	13.1	-9.2	-5.2	
Retail trade	16.8	22.2	15.6	15.7	21.9	6.1	16.6	22.0	15.5	15.2	21.8	6.1	36.9	6.6	-15.7	
Other industries	2.5	5.1	2.3	2.5	1.4	2.6	2.5	5.0	2.3	2.5	1.4	2.6	-.1	-1.1	1.2	
Net exports of goods and services	-423.6	-425.6	-432.9	-476.0	-487.2	-504.6	-488.5	-487.4	-488.0	-532.2	-510.3	-546.1	-72.6	21.9	-35.8	
Exports	1,014.9	1,018.1	1,038.6	1,025.4	1,031.8	1,031.5	1,058.8	1,065.5	1,077.7	1,061.6	1,058.1	1,055.5	-17.3	-3.5	-2.6	
Goods	703.6	709.4	722.6	702.6	711.9	711.9	756.9	765.8	773.5	750.3	753.9	750.8	-28.3	3.6	-3.1	
Foods, feeds, and beverages	49.5	48.6	49.5	50.3	52.3	52.0	60.9	61.3	59.4	59.6	61.7	59.7	-1.4	2.1	-2.0	
Industrial supplies and materials	153.7	155.6	156.3	158.0	166.5	166.6	162.8	165.8	163.1	163.9	167.0	165.5	.6	3.1	-1.5	
Capital goods, except automotive	291.3	294.1	301.7	285.0	282.7	281.6	324.8	327.7	336.8	318.6	316.7	315.8	-31.0	-1.9	-9	
Automotive vehicles, engines, and parts	78.5	80.4	82.5	77.4	78.7	78.7	76.1	78.1	79.9	74.7	75.8	75.8	2.7	1.1	0	
Consumer goods, except automotive	84.5	84.2	86.0	85.6	86.9	88.5	84.6	84.5	86.0	85.6	86.7	88.3	-3.3	1.1	1.6	
Other	46.0	46.4	46.7	46.1	44.7	44.4	47.3	47.9	47.7	47.0	45.1	44.6	2.8	-1.9	-5	
Services	311.3	308.8	316.0	322.8	319.9	319.6	301.5	299.7	304.0	310.0	303.5	303.9	9.5	-6.5	.4	
Imports	1,438.5	1,443.7	1,471.5	1,501.4	1,519.0	1,536.1	1,547.4	1,552.9	1,565.7	1,593.8	1,568.4					

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

	Billions of current dollars						Billions of chained (1996) dollars								
	2002	Seasonally adjusted at annual rates					2002	Seasonally adjusted at annual rates					Change from preceding period		
		2002			2003			2002			2003		2002	2003	
		II	III	IV	I	II ^r		II	III	IV	I	II ^r		I	II ^r
Government consumption expenditures and gross investment	1,972.9	1,959.8	1,981.1	2,011.3	2,052.0	2,092.2	1,712.8	1,703.3	1,715.6	1,735.0	1,736.7	1,772.6	72.4	1.7	35.9
Federal	693.7	688.2	697.7	716.9	735.2	779.8	613.3	608.7	615.1	631.4	632.5	669.5	42.7	1.1	37.0
National defense	447.4	442.1	451.2	464.7	471.1	518.6	400.0	395.8	402.5	413.2	409.7	450.2	34.0	-3.5	40.5
Consumption expenditures	386.6	382.5	388.9	403.2	408.7	451.7	337.0	333.9	338.0	349.4	345.4	380.9	28.1	-4.0	35.5
Gross investment	60.8	59.6	62.4	61.5	62.4	67.0	63.3	62.2	65.0	63.9	64.7	69.4	6.0	.8	4.7
Nondefense	246.3	246.1	246.5	252.2	264.1	261.1	213.3	212.9	212.7	218.3	222.8	219.7	8.9	4.5	-3.1
Consumption expenditures	199.9	198.6	200.9	205.8	217.9	212.6	167.8	166.5	167.9	172.5	177.1	172.3	6.7	4.6	-4.8
Gross investment	46.4	47.5	45.5	46.5	46.2	48.5	45.9	47.0	45.1	46.0	45.7	48.0	2.3	-3	2.3
State and local	1,279.2	1,271.6	1,283.3	1,294.4	1,316.8	1,312.5	1,099.7	1,094.7	1,100.6	1,104.0	1,104.6	1,104.1	30.3	.6	-5
Consumption expenditures	1,034.5	1,030.6	1,039.6	1,050.1	1,071.8	1,068.0	881.1	879.4	883.0	886.3	887.9	888.1	24.3	1.6	.2
Gross investment	244.7	241.1	243.8	244.2	245.0	244.5	218.6	215.3	217.6	217.7	216.6	215.9	5.8	-1.1	-7
Residual							-87.2	-75.8	-102.5	-100.0	-110.5	-143.6	-44.3	-10.5	-33.1
Addenda:															
Final sales of domestic product	10,442.4	10,373.5	10,488.7	10,564.3	10,688.0	10,821.2	9,424.4	9,377.9	9,457.2	9,483.1	9,536.2	9,631.1	166.0	53.1	94.9
Gross domestic purchases	10,869.9	10,802.4	10,939.1	11,064.8	11,175.6	11,307.3	9,889.8	9,840.8	9,934.7	10,005.5	10,020.7	10,129.4	289.1	15.2	108.7
Final sales to domestic purchasers	10,866.0	10,799.0	10,921.5	11,040.3	11,175.2	11,325.8	9,874.1	9,826.0	9,906.1	9,970.1	10,004.7	10,131.0	229.2	34.6	126.3
Gross domestic product	10,446.2	10,376.9	10,506.2	10,588.8	10,688.4	10,802.7	9,439.9	9,392.4	9,485.6	9,518.2	9,552.0	9,629.4	225.4	33.8	77.4
Plus: Income receipts from the rest of the world	278.0	276.0	287.3	284.2	281.3	282.4	253.3	251.8	261.3	257.5	252.5	253.4	-38.7	-5.0	.9
Less: Income payments to the rest of the world	287.6	296.1	298.2	293.4	291.5	286.0	260.3	268.2	269.5	264.2	260.4	255.4	-8.9	-3.8	-5.0
Equals: Gross national product	10,436.7	10,356.8	10,495.3	10,579.7	10,678.2	10,799.1	9,433.5	9,376.7	9,477.9	9,512.1	9,544.7	9,628.0	196.2	32.6	83.3
Net domestic product	9,052.8	8,987.0	9,101.0	9,173.4	9,267.0	9,384.3	8,055.8	8,017.0	8,085.5	8,103.0	8,123.2	8,185.3	150.4	20.2	62.1

^r Revised.
 NOTE.—Users are cautioned that particularly for components that exhibit rapid change in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series. For accurate estimates of the contributions to percent changes in real GDP, use table 2.
 See "Explanatory Note" at the end of the tables.

Table 4.—Chain-Type Price Indexes for Gross Domestic Product and Related Measures: Percent Change From Preceding Period [Percent]

	2000	2001	2002	Seasonally adjusted at annual rates																	
				1999				2000				2001				2002				2003	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r		
Gross domestic product (GDP)	2.1	2.4	1.1	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-0.5	1.3	1.2	1.0	1.8	2.4	1.0		
Personal consumption expenditures	2.5	2.0	1.4	2.2	2.4	3.4	2.3	2.1	2.2	3.3	1.8	-1	.8	1.1	2.7	1.7	1.8	2.7	.8		
Durable goods	-1.7	-1.9	-2.8	-1.7	-2.0	-2.0	-8	-2.2	-1.2	-1.2	-3.4	-2.7	-1.5	-4.2	-2.9	-1.9	-2.2	-3.7	-3.8		
Nondurable goods	3.8	1.5	.4	3.4	3.7	5.3	3.0	2.8	1.8	2.9	-1.4	-3.5	.2	4.6	.6	1.2	4.6	-1.9	-1.9		
Services	2.8	3.1	2.7	2.3	2.7	3.6	2.5	2.6	3.2	5.1	2.3	1.1	3.5	2.7	3.0	3.0	3.0	3.1	3.1		
Gross private domestic investment	1.0	1.2	-5	-5	.5	2.1	1.2	1.7	1.2	2.0	1.1	-4	-2	-1.5	-4	-1.1	1.7	1.3	-8		
Fixed investment	1.1	1.2	-4	-4	.5	2.3	1.3	1.8	1.3	1.7	1.2	-2	-1	-1.5	-2	-9	1.8	1.9	-9		
Nonresidential .....	.1	.2	-1.4	-1.6	-5	.7	.4	1.3	.5	.4	.1	-1.1	-1.6	-2.0	-1.4	-1.3	.4	-4	-1.5	
Structures	4.0	5.0	-7	2.2	3.2	5.3	4.0	4.6	5.3	10.5	4.2	-3	-1.6	-3.6	.7	.4	2.3	4.1	-4		
Equipment and software	-1.2	-1.5	-1.6	-2.8	-1.6	-7	-8	.2	-1.1	-2.9	-1.4	-1.5	-1.6	-1.5	-2.1	-1.9	-2	-1.8	-1.8		
Residential	4.4	4.1	2.1	3.3	3.2	7.0	3.9	3.1	3.7	5.6	4.5	2.5	3.7	0	2.6	0	5.0	7.4	4		
Change in private inventories																					
Net exports of goods and services																					
Exports	1.4	-8	-2	.7	1.7	2.0	2.0	.8	.1	-8	-1.7	-1.9	-3.8	-8	3.0	3.5	9	3.9	.8		
Goods	1.2	-7	-5	.7	2.2	1.3	1.6	.4	.4	-2	-1.5	-2.4	-3.7	-1.1	2.3	3.4	9	3.4	1.6		
Services	2.1	-1.0	.3	.8	.5	3.9	3.0	2.0	-4	-2.3	-2.1	-6	-4.2	0	4.6	3.7	8	4.9	-9		
Imports	4.5	-2.9	.3	5.8	5.5	6.6	1.1	4.6	.9	-2.5	-5.9	-17.0	4.7	-1.6	11.1	4.4	9	11.7	-3.9		
Goods	4.8	-2.9	-1.7	6.3	6.3	6.8	1.2	4.5	.8	-3.7	-6.4	-6.6	-11.1	-2.1	10.9	2.7	9	12.0	-6.7		
Services	3.3	-2.9	11.8	3.7	1.7	5.9	.7	4.8	1.1	3.8	-3.2	-57.7	167.5	1.1	12.2	13.6	9	10.7	11.2		
Government consumption expenditures and gross investment	3.9	2.4	1.7	3.2	3.1	6.4	3.0	2.9	2.7	4.2	1.8	-3	-3	3.6	2.8	1.4	1.6	7.9	-4		
Federal	3.0	1.7	2.7	2.1	1.6	8.1	.7	1.6	.1	4.6	1.5	.5	-4	8.4	2.3	1.3	.3	9.8	.9		
National defense	3.0	1.6	2.4	2.0	1.9	7.5	.7	2.0	.6	4.0	1.1	.6	-1.1	7.3	2.0	1.5	1.2	9.3	.8		
Nondefense	3.1	1.9	3.4	2.3	.9	9.3	.6	.9	-7	5.6	2.2	.4	.7	10.4	2.9	1.0	-1.2	10.9	1.0		
State and local	4.3	2.7	1.1	3.7	3.9	5.5	4.2	3.6	4.0	4.1	1.9	-8	-3	1.1	3.1	1.5	2.2	6.9	-1.1		
Addenda:																					
Final sales of domestic product	2.1	2.4	1.1	1.3	1.7	3.1	2.4	1.7	2.1	3.6	2.5	2.2	-5	1.3	1.2	1.1	1.8	2.5	1.0		
Gross domestic purchases	2.5	1.9	1.2	1.9	2.2	3.7	2.2	2.2	2.1	3.3	1.7	-2	.4	1.2	2.3	1.2	1.8	3.4	.4		
Final sales to domestic purchasers	2.5	1.9	1.2	1.9	2.2	3.7	2.2	2.2	2.1	3.2	1.7	-1	.5	1.1	2.3	1.3	1.8	3.5	.3		
Gross national product (GNP)	2.1	2.4	1.1	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-5	1.3	1.2	1.0	1.8	2.4	1.0		
Implicit price deflators:																					
GDP	2.1	2.4	1.1	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-5	1.3	1.2	1.0	1.8	2.4	1.0		
Gross domestic purchases	2.5	1.9	1.2	1.9	2.2	3.7	2.2	2.2	2.2	3.2	1.7	-1	.4	1.2	2.3	1.2	1.7	3.4	.4		
GNP	2.1	2.4	1.1	1.2	1.7	3.1	2.3	1.7	2.1	3.7	2.5	2.2	-5	1.4	1.2	1.0	1.8	2.4	1.0		

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

Table 5.—Quantity and Price Indexes for Gross Domestic Product

[Index numbers, 1996=100]

	2000	2001	2002	Seasonally adjusted				
				2002			2003	
				II	III	IV	I	II ^r
Gross domestic product:								
Chain-type quantity index	117.64	117.94	120.82	120.21	121.41	121.82	122.26	123.25
Chain-type price index	106.89	109.42	110.66	110.48	110.76	111.25	111.90	112.18
Implicit price deflator	106.89	109.42	110.66	110.48	110.76	111.25	111.90	112.18
Personal consumption expenditures:								
Chain-type quantity index	118.83	121.76	125.56	124.92	126.20	126.74	127.37	128.57
Chain-type price index	107.39	109.56	111.06	110.89	111.36	111.87	112.62	112.84
Durable goods:								
Chain-type quantity index	142.58	151.16	162.19	159.08	167.47	163.92	163.08	172.19
Chain-type price index	91.46	89.70	87.19	87.36	86.94	86.46	85.64	84.82
Nondurable goods:								
Chain-type quantity index	116.50	118.79	122.58	122.03	122.35	123.88	125.72	126.14
Chain-type price index	107.59	109.17	109.61	109.75	109.92	110.25	111.51	110.96
Services:								
Chain-type quantity index	115.67	117.98	120.63	120.32	121.01	121.66	121.92	122.35
Chain-type price index	110.85	114.32	117.44	117.00	117.88	118.74	119.64	120.57
Private fixed investment:								
Chain-type quantity index	139.52	134.20	130.06	129.68	129.60	130.99	130.94	133.20
Chain-type price index	100.00	101.16	100.76	100.76	100.52	100.95	101.44	101.21
Nonresidential:								
Chain-type quantity index	147.23	139.55	131.57	131.32	131.05	131.79	130.32	132.64
Chain-type price index	95.59	95.73	94.43	94.48	94.17	94.25	94.15	93.80
Residential:								
Chain-type quantity index	118.88	119.22	123.92	123.25	123.59	126.39	129.45	131.53
Chain-type price index	114.40	119.09	121.57	121.40	121.38	122.88	125.10	125.23
Exports of goods and services:								
Chain-type quantity index	130.09	123.10	121.13	121.89	123.28	121.44	121.04	120.75
Chain-type price index	96.83	96.10	95.87	95.58	96.41	96.62	97.55	97.75
Imports of goods and services:								
Chain-type quantity index	159.48	154.91	160.66	161.24	162.56	165.48	162.84	166.30
Chain-type price index	95.49	92.70	92.99	93.03	94.05	94.27	96.92	95.97
Government consumption expenditures and gross investment:								
Chain-type quantity index	111.29	115.36	120.46	119.79	120.65	122.02	122.14	124.66
Chain-type price index	110.65	113.27	115.18	115.06	115.47	115.92	118.15	118.04
Federal:								
Chain-type quantity index	102.42	107.33	115.37	114.50	115.71	118.79	118.99	125.94
Chain-type price index	108.23	110.09	113.11	113.07	113.44	113.53	116.23	116.48
State and local:								
Chain-type quantity index	116.52	120.11	123.51	122.95	123.62	123.99	124.06	124.00
Chain-type price index	111.98	115.01	116.33	116.17	116.60	117.24	119.21	118.88
Addenda:								
Final sales of domestic product:								
Chain-type quantity index	117.19	118.95	121.09	120.49	121.51	121.84	122.52	123.74
Chain-type price index	107.02	109.55	110.80	110.62	110.91	111.40	112.08	112.36
Implicit price deflator	107.02	109.55	110.80	110.62	110.91	111.40	112.08	112.36
Gross domestic purchases:								
Chain-type quantity index	121.00	121.50	125.15	124.53	125.72	126.62	126.81	128.19
Chain-type price index	106.58	108.65	109.90	109.77	110.11	110.59	111.53	111.62
Implicit price deflator	106.58	108.65	109.91	109.77	110.11	110.59	111.53	111.63
Final sales to domestic purchasers:								
Chain-type quantity index	120.56	122.52	125.43	124.82	125.84	126.65	127.09	128.69
Chain-type price index	106.70	108.78	110.04	109.90	110.25	110.73	111.70	111.79
Implicit price deflator	106.70	108.78	110.04	109.90	110.25	110.73	111.70	111.79
Gross national product:								
Chain-type quantity index	117.69	117.96	120.46	119.73	121.03	121.46	121.88	122.94
Chain-type price index	106.86	109.39	110.63	110.45	110.73	111.22	111.88	112.16
Implicit price deflator	106.86	109.38	110.63	110.45	110.73	111.22	111.88	112.16

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

Table 6.—Real Gross Domestic Product: Historical Perspective

[Percent change from preceding year]

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Gross domestic product (GDP)	3.4	4.2	3.5	1.8	-0.5	3.0	2.7	4.0	2.7	3.6	4.4	4.3	4.1	3.8	0.3	2.4
Personal consumption expenditures	3.3	4.0	2.7	1.8	-2	2.9	3.4	3.8	3.0	3.2	3.6	4.8	4.9	4.4	2.5	3.1
Durable goods	1.7	5.8	2.1	-9	-6.6	5.3	8.2	7.6	4.6	5.6	6.6	10.5	11.8	8.2	6.0	7.3
Nondurable goods	2.4	3.2	2.7	1.4	-4	1.9	2.9	3.8	3.0	2.9	2.9	4.1	4.7	3.9	2.0	3.2
Services	4.3	4.1	2.8	2.8	1.4	2.9	2.7	3.0	2.7	2.8	3.3	4.0	3.7	3.8	2.0	2.2
Gross private domestic investment	2.5	2.7	3.7	-3.1	-8.6	8.5	8.7	13.2	3.0	9.0	12.1	11.8	6.6	6.2	-10.7	1.0
Fixed investment	0	3.6	2.7	-1.8	-6.9	6.5	8.1	9.1	6.0	9.3	9.6	11.4	7.8	6.1	-3.8	-3.1
Nonresidential	-1	5.4	5.5	.7	-4.9	3.4	8.4	8.9	9.8	10.0	12.2	12.5	8.1	7.8	-5.2	-5.7
Structures	-3.6	1.3	2.5	1.5	-11.0	-6.1	.8	.8	4.8	7.1	9.1	6.8	-1.3	6.5	-1.7	-16.4
Equipment and software	1.7	7.5	7.0	.4	-2.0	7.4	11.3	11.9	11.5	11.0	13.3	14.6	11.5	8.2	-6.4	-1.7
Residential .....	.2	-5	-4.1	-8.6	-12.8	16.3	7.3	9.7	-3.6	7.4	2.0	8.0	6.7	1.1	.3	3.9
Change in private inventories																
Net exports of goods and services																
Exports	11.2	16.1	11.8	8.7	6.5	6.2	3.3	8.9	10.3	8.2	12.3	2.1	3.4	9.7	-5.4	-1.6
Goods	11.1	18.8	12.6	8.2	7.1	6.8	3.0	9.7	11.9	8.7	14.5	2.1	3.8	11.3	-5.9	-3.6
Services	11.6	9.3	9.6	10.0	5.1	4.6	4.1	7.2	6.4	6.8	7.0	2.3	2.5	6.0	-4.0	3.2
Imports	6.1	3.8	3.9	3.8	-5	6.6	9.1	12.0	8.2	8.6	13.7	11.8	10.9	13.2	-2.9	3.7
Goods	4.6	4.1	4.2	3.0	-1	9.3	10.1	13.3	9.0	9.4	14.2	11.7	12.2	13.5	-3.3	3.9
Services	12.6	2.7	2.8	7.6	-2.3	-4.0	4.7	5.8	4.1	4.8	10.9	11.9	4.2	11.6	-5	2.1
Government consumption expenditures and gross investment	3.0	1.2	2.8	3.3	1.2	.5	-8	.1	5	1.1	2.4	1.9	3.9	2.7	3.7	4.4
Federal	3.7	-1.8	1.3	2.0	-3	-1.6	-3.9	-3.6	-2.7	-9	-4	-8	2.3	1.3	4.8	7.5
National defense	4.7	-8	-8	0	-1.1	-4.9	-5.4	-4.8	-3.7	-1.3	-2.6	-1.8	2.1	-1	5.0	9.3
Nondefense .....	.5	-5.2	8.4	8.3	1.8	7.1	-3	-1.0	-5	0	4.2	1.1	2.7	3.6	4.5	4.3
State and local	2.3	3.7	3.9	4.2	2.3	2.0	1.4	2.6	2.5	2.3	4.0	3.4	4.7	3.5	3.1	2.8
Addenda:																
Final sales of domestic product	3.0	4.3	3.3	2.0	-2	2.8	2.6	3.4	3.1	3.6	4.0	4.2	4.3	3.7	1.5	1.8
Gross domestic purchases	3.1	3.2	2.9	1.4	-1.1	3.1	3.3	4.4	2.5	3.7	4.7	5.4	5.0	4.4	.4	3.0
Final sales to domestic purchasers	2.7	3.4	2.7	1.6	-9	2.8	3.2	3.8	3.0	3.7	4.3	5.3	5.2	4.3	1.6	2.4
Gross national product	3.3	4.2	3.5	1.9	-5	3.0	2.6	3.9	2.7	3.5	4.3	4.2	4.4	3.7	.2	2.1
Real disposable personal income	2.1	4.4	2.6	2.2	.4	3.1	1.4	2.6	2.6	2.5	3.1	5.4	2.6	4.8	1.8	4.2
Gross domestic purchases price index	3.3	3.4	3.8	4.1	3.4	2.5	2.3	2.0	2.2	1.8	1.6	.8	1.5	2.5	1.9	1.2
GDP price index	3.0	3.4	3.8	3.9	3.6	2.4	2.4	2.1	2.2	1.9	1.9	1.2	1.4	2.1	2.4	1.1
Personal consumption expenditures price index	3.8	3.9	4.4	4.6	3.8	3.1	2.4	2.0	2.3	2.1	1.9	1.1	1.6	2.5	2.0	1.4

Table 7.—Real Gross Domestic Product: Percent Change From Quarter One Year Ago

	1999		2000				2001				2002				2003	
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I ^r	II ^r
Gross domestic product (GDP)	4.2	4.3	4.2	4.9	3.7	2.3	1.5	-0.1	-0.4	0.1	1.4	2.2	3.3	2.9	2.0	2.5
Personal consumption expenditures	5.0	5.0	5.1	4.5	4.3	3.5	2.8	2.4	1.8	2.8	3.0	3.1	3.8	2.7	2.4	2.9
Durable goods	13.3	10.0	13.1	8.4	7.8	3.8	2.4	4.7	3.8	13.2	8.4	7.5	11.9	1.9	3.0	8.2
Nondurable goods	4.4	4.9	4.2	4.3	4.1	3.0	3.0	1.7	1.5	1.7	3.1	3.1	3.1	3.4	3.0	3.4
Services	3.7	4.0	4.0	3.8	3.6	3.8	2.8	2.3	1.6	1.3	1.8	2.1	2.5	2.5	2.0	1.7
Gross private domestic investment	6.6	6.6	5.3	11.0	6.4	2.2	-3.8	-11.9	-11.7	-15.1	-6.5	0	2.3	8.9	3.0	1.5
Fixed investment	8.4	5.9	7.3	7.1	5.7	4.3	.5	-4.0	-5.1	-6.7	-6.3	-3.7	-2.7	.6	.7	2.7
Nonresidential	9.4	6.6	8.3	8.9	7.8	6.2	1.1	-5.1	-7.4	-9.3	-9.4	-6.3	-5.1	-1.7	-1.4	1.0
Structures	-3.1	-2.5	1.8	5.2	10.0	9.3	5.0	.8	-1.4	-10.6	-13.3	-15.6	-21.1	-15.9	-13.2	-8.0
Equipment and software	13.8	9.7	10.5	10.1	7.2	5.2	-2	-7.1	-9.5	-8.8	-8.0	-2.9	1.1	3.3	2.7	4.0
Residential	5.6	4.0	4.1	2.1	-6	-1.2	-1.2	-6	2.0	1.0	2.4	3.2	3.4	6.7	5.7	6.7
Change in private inventories																
Net exports of goods and services																
Exports	5.7	4.9	8.8	11.4	11.6	7.3	3.7	-3.1	-10.1	-11.4	-9.3	-3.0	2.8	3.9	2.7	-9
Goods	6.4	5.6	9.9	12.8	14.3	8.3	4.9	-3.3	-12.1	-12.3	-11.7	-4.3	1.8	.8	2.1	-2.0
Services	4.2	3.2	6.1	8.1	5.3	4.8	.7	-2.6	-4.7	-9.2	-3.1	0	5.3	11.4	3.9	1.4
Imports	12.6	11.9	13.5	14.3	14.1	11.1	5.2	-1.0	-7.1	-8.0	-4.1	2.6	6.7	10.1	6.2	3.1
Goods	14.3	13.0	13.9	14.7	14.3	11.1	5.1	-2.1	-7.5	-7.9	-4.8	3.8	7.3	9.9	7.0	3.9
Services	4.1	5.9	10.9	11.6	13.0	10.9	5.9	5.7	-4.5	-8.6	-1.4	-3.9	3.4	11.5	2.3	-2
Government consumption expenditures and gross investment	3.8	4.5	3.5	3.9	2.3	1.3	3.0	3.3	3.2	5.1	5.0	4.0	5.0	3.6	2.3	4.1
Federal	2.9	4.0	1.2	4.4	.7	-1.2	4.7	2.4	4.6	7.5	6.9	7.3	8.1	7.5	5.8	10.0
National defense	1.7	4.4	0	3.7	-1.3	-2.5	5.2	2.2	5.1	7.4	8.2	9.5	10.1	9.3	5.5	13.7
Nondefense	5.2	3.4	3.4	5.7	4.2	1.1	3.9	2.6	3.9	7.6	4.7	3.5	4.7	4.4	6.4	3.2
State and local	4.3	4.8	4.6	3.6	3.2	2.6	2.2	3.7	2.5	3.9	4.1	2.3	3.4	1.6	.5	.9
Addenda:																
Final sales of domestic product	4.5	4.2	4.5	4.2	3.6	2.6	2.2	1.4	.9	1.6	1.5	1.6	2.5	1.7	1.7	2.7
Gross domestic purchases	5.1	5.2	4.9	5.5	4.3	2.9	1.7	.1	-3	.1	1.8	2.8	3.7	3.7	2.5	2.9
Final sales to domestic purchasers	5.4	5.1	5.2	4.8	4.2	3.3	2.5	1.5	.9	1.6	1.8	2.2	3.0	2.5	2.1	3.1
Gross national product	4.6	4.7	4.2	4.9	3.7	2.2	1.3	-1	-4	.1	1.4	1.7	3.0	2.5	1.9	2.7
Real disposable personal income	1.9	2.4	3.8	4.9	5.6	4.8	2.7	1.3	2.8	.3	3.8	5.0	2.8	5.2	2.1	1.8
Gross domestic purchases price index	1.6	1.9	2.5	2.5	2.6	2.5	2.4	2.3	1.7	1.3	.8	.9	1.3	1.6	2.2	1.7
GDP price index	1.4	1.6	1.9	2.1	2.2	2.3	2.4	2.5	2.6	2.0	1.4	1.1	.8	1.3	1.6	1.5
Personal consumption expenditures price index	1.8	2.0	2.6	2.6	2.5	2.5	2.5	2.4	1.8	1.5	.9	1.1	1.6	1.8	2.3	1.8

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

Table 8.—Relation of Gross Domestic Product, Gross National Product, and National Income

[Billions of dollars]

	2000	2001	2002	Seasonally adjusted at annual rates				
				2002			2003	
				II	III	IV	I ^r	II ^r
Gross domestic product	9,824.6	10,082.2	10,446.2	10,376.9	10,506.2	10,588.8	10,688.4	10,802.7
Plus: Income receipts from the rest of the world	383.4	316.9	278.0	276.0	287.3	284.2	281.3	282.4
Less: Income payments to the rest of the world	360.0	295.0	287.6	296.1	298.2	293.4	291.5	286.0
Equals: Gross national product	9,848.0	10,104.1	10,436.7	10,356.8	10,495.3	10,579.7	10,678.2	10,799.1
Less: Consumption of fixed capital	1,228.9	1,329.3	1,393.5	1,389.8	1,405.3	1,415.4	1,421.4	1,418.4
Less: Indirect business tax and nontax liability	753.6	774.8	800.4	795.1	806.9	813.3	821.7	833.6
Less: Business transfer payments	43.7	42.5	44.1	43.9	44.4	44.3	44.9	44.8
Less: Statistical discrepancy	-128.5	-117.3	-108.8	-165.0	-82.1	-78.2	-74.6	-69.8
Plus: Subsidies less current surplus of government enterprises	34.1	47.3	32.5	35.1	29.1	29.0	30.7	45.9
Equals: National income	7,984.4	8,122.0	8,340.1	8,328.0	8,349.9	8,413.9	8,495.5	8,618.0
Compensation of employees	5,723.4	5,874.9	5,969.5	5,963.9	5,988.4	6,017.4	6,064.5	6,094.5
Wage and salary accruals	4,836.3	4,950.6	4,996.4	4,997.3	5,007.4	5,023.1	5,055.2	5,077.8
Supplements to wages and salaries	887.1	924.3	973.1	966.6	981.0	994.3	1,009.2	1,016.8
Proprietors' income with inventory valuation and capital consumption adjustments	714.8	727.9	756.5	747.5	758.7	771.6	784.4	804.5
Rental income of persons with capital consumption adjustment	146.6	137.9	142.4	153.5	144.1	130.6	126.9	115.3
Corporate profits with inventory valuation and capital consumption adjustments	788.1	731.6	787.4	785.0	771.0	796.1	816.5	897.1
Net interest	611.5	649.8	684.2	678.1	687.6	698.3	703.3	706.6
Addendum:								
Gross domestic income	9,953.1	10,199.4	10,555.1	10,541.8	10,588.3	10,667.0	10,763.0	10,872.5

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

Table 9.—Personal Income and Its Disposition

[Billions of dollars]

	2000	2001	2002	Seasonally adjusted at annual rates				
				2002			2003	
				II	III	IV	I ^r	II ^r
Personal income ¹	8,406.6	8,685.3	8,922.2	8,914.0	8,958.9	9,012.5	9,080.2	9,156.0
Wage and salary disbursements	4,836.3	4,950.6	4,996.4	4,997.3	5,007.4	5,023.1	5,053.8	5,079.2
Other labor income	544.2	570.4	610.6	604.1	617.5	630.2	639.2	645.0
Proprietors' income with inventory valuation and capital consumption adjustments	714.8	727.9	756.5	747.5	758.7	771.6	784.4	804.5
Farm	22.6	19.0	12.9	7.5	10.7	11.7	14.2	15.4
Nonfarm	692.2	708.8	743.7	740.0	748.0	759.9	770.2	789.1
Rental income of persons with capital consumption adjustment	146.6	137.9	142.4	153.5	144.1	130.6	126.9	115.3
Personal dividend income	375.7	409.2	433.8	430.3	437.3	443.8	451.2	459.0
Personal interest income	1,077.0	1,091.3	1,078.5	1,082.3	1,080.7	1,080.9	1,075.8	1,081.5
Transfer payments to persons	1,070.3	1,170.4	1,288.0	1,282.6	1,298.4	1,319.1	1,340.8	1,365.6
Less: Personal contributions for social insurance	358.4	372.3	384.0	383.6	385.3	386.8	391.9	394.0
Less: Personal tax and nontax payments	1,286.4	1,292.1	1,111.9	1,121.8	1,099.0	1,090.1	1,073.6	1,082.6
Equals: Disposable personal income	7,120.2	7,393.2	7,810.3	7,792.2	7,859.9	7,922.5	8,006.6	8,073.4
Less: Personal outlays	6,918.6	7,223.5	7,524.5	7,477.9	7,583.0	7,640.7	7,727.6	7,813.7
Equals: Personal saving	201.5	169.7	285.8	314.3	276.9	281.8	278.9	259.7
Addenda:								
Disposable personal income, billions of chained (1996) dollars ²	6,630.3	6,748.0	7,032.2	7,027.2	7,058.1	7,082.3	7,109.6	7,154.7
Personal saving as a percentage of disposable personal income	2.8	2.3	3.7	4.0	3.5	3.6	3.5	3.2

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

¹ Personal income is also equal to national income less corporate profits with inventory valuation and capital consumption adjustments, net interest, contributions for social insurance, and wage accruals less disbursements, plus personal interest income, personal dividend income, government transfer payments to persons, and business transfer payments to persons.

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

Table 10.—Corporate Profits: Level and Percent Change

	Billions of dollars								Percent change from preceding period						
	2000	2001	2002	Seasonally adjusted at annual rates					2001	2002	Quarterly rates				Quarter one year ago
				2002			2003				2002		2003		
				II	III	IV	I	II ^r			III	IV	I	II ^r	
Corporate profits with inventory valuation and capital consumption adjustments	788.1	731.6	787.4	785.0	771.0	796.1	816.5	897.1	-7.2	7.6	-1.8	3.2	2.6	9.9	14.3
Profits before tax	782.3	670.2	665.2	657.9	668.5	694.9	728.1	700.2	-14.3	-7	1.6	3.9	4.8	-3.8	6.4
Profits tax liability	259.4	199.3	213.3	213.7	214.7	222.4	237.8	234.3	-23.2	7.0	.5	3.6	6.9	-1.5	9.7
Profits after tax	522.9	470.9	451.9	444.3	453.8	472.5	490.2	465.9	-10.0	-4.0	2.1	4.1	3.8	-5.0	4.9
Dividends	376.1	409.6	434.3	430.8	437.7	444.3	451.6	459.5	8.9	6.0	1.6	1.5	1.6	1.7	6.7
Undistributed profits	146.8	61.2	17.6	13.5	16.1	28.2	38.6	6.4	-58.3	-71.2	19.4	75.4	37.0	-83.5	-52.6
Inventory valuation adjustment	-15.0	5.0	-6.9	-5.7	-15.1	-8.5	-26.9	-2.2							
Capital consumption adjustment	20.8	56.5	129.1	132.8	117.6	109.7	115.3	199.0	172.1	128.5	-11.4	-6.7	5.1	72.6	49.9
Addenda:															
Corporate profits after tax with inventory valuation and capital consumption adjustments	528.7	532.3	574.1	571.3	556.3	573.7	578.6	662.7	.7	7.9	-2.6	3.1	.9	14.5	16.0
Net cash flow with inventory valuation and capital consumption adjustments	873.7	911.8	967.3	966.7	954.7	968.7	964.7	1,035.5	4.4	6.1	-1.2	1.5	-4	7.3	7.1
Undistributed profits with inventory valuation and capital consumption adjustments	152.6	122.7	139.9	140.5	118.6	129.4	127.0	203.2	-19.6	14.0	-15.6	9.1	-1.8	60.0	44.6
Consumption of fixed capital	721.1	789.1	827.5	826.1	836.1	839.3	837.6	832.2	9.4	4.9	1.2	.4	-2	-6	.7
Less: Inventory valuation adjustment	-15.0	5.0	-6.9	-5.7	-15.1	-8.5	-26.9	-2.2							
Equals: Net cash flow	888.7	906.8	974.2	972.4	969.8	977.2	991.5	1,037.6	2.0	7.4	-3	.8	1.5	4.6	6.7

^r Revised.

Table 11.—Corporate Profits by Industry: Level and Change From Preceding Period

[Billions of dollars]

	Level								Change from preceding period						
	2000	2001	2002	Seasonally adjusted at annual rates					2001	2002	2002		2003		
				2002			2003				III	IV	I	II ^r	
				II	III	IV	I	II ^r							
Corporate profits with inventory valuation and capital consumption adjustments	788.1	731.6	787.4	785.0	771.0	796.1	816.5	897.1	-56.5	55.8	-14.0	25.1	20.4	80.6	
Domestic industries	644.8	580.9	668.1	669.9	654.9	682.0	710.0	788.9	-63.9	87.2	-15.0	27.1	28.0	78.9	
Financial	183.0	173.5	209.7	210.7	207.3	207.6	223.5	231.9	-9.5	36.2	-3.4	.3	15.9	8.4	
Nonfinancial	461.8	407.4	458.4	459.3	447.6	474.4	486.5	557.0	-54.4	51.0	-11.7	26.8	12.1	70.5	
Rest of the world	143.3	150.8	119.3	115.1	116.1	114.1	106.5	108.2	7.5	-31.5	1.0	-2.0	-7.6	1.7	
Receipts from the rest of the world	203.8	172.4	177.0	173.4	185.9	187.3	193.0	196.6	-31.4	4.6	12.5	1.4	5.7	3.6	
Less: Payments to the rest of the world	60.5	21.6	57.7	58.3	69.7	73.3	86.6	88.4	-38.9	36.1	11.4	3.6	13.3	1.8	
Corporate profits with inventory valuation adjustment	767.3	675.1	658.3	652.2	653.4	686.4	701.2	698.1	-92.2	-16.8	1.2	33.0	14.8	-3.1	
Domestic industries	624.0	524.4	539.0	537.1	537.3	572.3	594.7	589.9	-99.6	14.6	.2	35.0	22.4	-4.8	
Financial	201.0	190.6	217.3	218.5	216.1	216.5	230.3	226.6	-10.4	26.7	-2.4	.4	13.8	-3.7	
Federal Reserve banks	30.0	27.9	22.8	23.9	22.9	21.2	20.9	20.7	-2.1	-5.1	-1.0	-1.7	-3	-2	
Other	171.0	162.8	194.5	194.6	193.2	195.2	209.4	205.9	-8.2	31.7	-1.4	2.0	14.2	-3.5	
Nonfinancial	423.0	333.7	321.7	318.6	321.2	355.8	364.4	363.3	-89.3	-12.0	2.6	34.6	8.6	-1.1	
Manufacturing	159.8	83.4	92.6	91.9	100.5	108.9	122.0	106.9	-76.4	9.2	8.6	8.4	13.1	-15.1	
Durable goods	61.5	9.9	17.0	17.8	22.8	24.6	28.0	21.0	-51.6	7.1	5.0	1.8	3.4	-7.0	
Primary metal industries	1.0	-1.6	1.2	.3	1.3	2.6	2.6	-1.7	-2.6	2.8	1.0	1.3	0	-4.3	
Fabricated metal products	15.4	9.0	5.8	5.8	4.7	7.3	6.0	7.6	-6.4	-3.2	-1.1	2.6	-1.3	1.6	
Industrial machinery and equipment	14.2	-.6	-2.5	-2.9	-.1	-2.2	-.6	-3.3	-14.8	-1.9	2.8	-2.1	1.6	-2.7	
Electronic and other electric equipment	5.5	-3.2	.7	-.9	4.0	6.1	8.8	11.7	-8.7	3.9	4.9	2.1	2.7	2.9	
Motor vehicles and equipment	-2.2	-9.4	-7.6	-4.4	-6.6	-7.7	3.3	-3.7	-7.2	1.8	-2.2	-1.1	11.0	-7.0	
Other	27.6	15.7	19.4	20.0	19.5	18.5	7.8	10.3	-11.9	3.7	-5	-1.0	-10.7	2.5	
Nondurable goods	98.3	73.5	75.6	74.1	77.6	84.3	94.0	85.9	-24.8	2.1	3.5	6.7	9.7	-8.1	
Food and kindred products	25.8	16.6	20.1	19.2	21.0	21.1	22.8	21.0	-9.2	3.5	1.8	.1	1.7	-1.8	
Chemicals and allied products	17.2	15.2	16.9	16.7	17.0	18.9	20.9	14.8	-2.0	1.7	.3	1.9	2.0	-6.1	
Petroleum and coal products	26.1	25.7	16.9	15.4	17.4	20.7	36.5	33.1	-4	-8.8	2.0	3.3	15.8	-3.4	
Other	29.1	16.0	21.8	22.8	23.7	13.9	17.0	-13.1	5.8	-5	1.4	-9.8	3.1		
Transportation and public utilities	36.6	27.7	16.7	17.1	13.2	21.5	20.1	33.8	-8.9	-11.0	-3.9	8.3	-1.4	13.7	
Transportation	12.8	1.2	.3	-1.7	-.3	3.6	-1.5	11.5	-11.6	-.9	1.4	3.9	-5.1	13.0	
Communications	-5.5	-5.8	-11.7	-12.7	-13.1	-11.8	-11.3	-8.7	-3	-5.9	-.4	1.3	.5	2.6	
Electric, gas, and sanitary services	29.4	32.2	28.1	31.4	26.5	29.6	33.0	31.1	2.8	-4.1	-4.9	3.1	3.4	-1.9	
Wholesale trade	62.1	44.8	47.3	44.8	44.5	58.9	51.4	57.3	-17.3	2.5	-3	14.4	-7.5	5.9	
Retail trade	73.4	79.1	81.2	86.0	82.5	75.1	74.8	85.9	5.7	2.1	-3.5	-7.4	-.3	11.1	
Other	91.0	98.8	83.9	78.9	80.6	91.5	96.1	79.3	7.8	-14.9	1.7	10.9	4.6	-16.8	
Rest of the world	143.3	150.8	119.3	115.1	116.1	114.1	106.5	108.2	7.5	-31.5	1.0	-2.0	-7.6	1.7	

^r Revised.

Table 12.—Gross Domestic Product of Nonfinancial Corporate Business

	2000	2001	2002	Seasonally adjusted at annual rates				
				2002			2003	
				II	III	IV	I ^r	II ^r
Billions of dollars								
Gross product of nonfinancial corporate business	5,295.0	5,354.2	5,493.1	5,489.0	5,504.8	5,554.7	5,590.4	5,668.7
Consumption of fixed capital	599.4	652.8	686.6	685.1	693.7	696.7	696.2	692.3
Net product	4,695.6	4,701.4	4,806.5	4,803.8	4,811.1	4,858.0	4,894.2	4,976.4
Indirect business tax and nontax liability plus business transfer payments less subsidies	508.9	523.7	549.1	545.6	554.2	557.2	561.3	557.7
Domestic income	4,186.6	4,177.7	4,257.5	4,258.2	4,256.9	4,300.8	4,333.0	4,418.7
Compensation of employees	3,542.1	3,573.5	3,605.0	3,604.4	3,615.0	3,630.5	3,650.9	3,666.6
Wage and salary accruals	3,040.1	3,056.4	3,059.5	3,063.5	3,064.3	3,070.1	3,081.3	3,092.9
Supplements to wages and salaries	502.0	517.1	545.5	540.8	550.7	560.4	569.7	573.7
Corporate profits with inventory valuation and capital consumption adjustments	461.8	407.4	458.4	459.3	447.6	474.4	486.5	557.0
Profits before tax	437.9	328.8	328.6	324.4	336.3	364.4	391.3	365.5
Profits tax liability	172.4	123.5	131.5	130.8	133.4	142.2	153.4	150.6
Profits after tax	265.5	205.3	197.0	193.6	202.9	222.1	237.9	214.9
Dividends	259.6	278.5	285.8	280.2	275.9	294.2	300.1	304.9
Undistributed profits	5.9	-73.2	-88.8	-86.6	-73.0	-72.1	-62.2	-90.0
Inventory valuation adjustment	-15.0	5.0	-6.9	-5.7	-15.1	-8.5	-26.9	-2.2
Capital consumption adjustment	38.8	73.6	136.7	140.6	126.4	118.6	122.1	193.7
Net interest	182.7	196.8	194.1	194.6	194.3	195.9	195.5	195.2
Billions of chained (1996) dollars								
Gross product of nonfinancial corporate business ¹	5,148.3	5,141.8	5,301.9	5,298.7	5,320.7	5,357.1	5,382.1	5,464.9
Consumption of fixed capital ²	616.7	671.9	720.8	715.4	731.4	741.1	749.9	759.7
Net product ³	4,531.5	4,469.9	4,581.2	4,583.3	4,589.4	4,615.9	4,632.2	4,705.2
Dollars								
Price, costs, and profits per unit of real gross product of nonfinancial corporate business:								
Price per unit of real gross product of nonfinancial corporate business ⁴	1.029	1.041	1.036	1.036	1.035	1.037	1.039	1.037
Compensation of employees (unit labor cost) .....	.688	.695	.680	.680	.679	.678	.678	.671
Unit nonlabor cost .....	.250	.267	.270	.269	.271	.271	.269	.265
Consumption of fixed capital .....	.116	.127	.129	.129	.130	.130	.129	.127
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	.099	.102	.104	.103	.104	.104	.104	.102
Net interest .....	.035	.038	.037	.037	.037	.037	.036	.036
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	.090	.079	.086	.087	.084	.089	.090	.102
Profits tax liability .....	.033	.024	.025	.025	.025	.027	.028	.028
Profits after tax with inventory valuation and capital consumption adjustments .....	.056	.055	.062	.062	.059	.062	.062	.074

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

1. Effective November 26, 2002, the estimates of chained-dollar gross product of nonfinancial corporate business beginning with 1999 have been revised to reflect the 2002 revision to the gross product price indexes for non-financial industries.

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100.

3. Chained-dollar net product of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.

4. The deflator for gross product of nonfinancial corporate business divided by 100.

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

	2000	2001	2002	Seasonally adjusted at annual rates															
				1999		2000				2001				2002				2003	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
GDP and related aggregates:																			
GDP	3.8	0.3	2.4	5.2	7.1	2.6	4.8	0.6	1.1	-0.6	-1.6	-0.3	2.7	5.0	1.3	4.0	1.4	1.4	3.3
Goods	4.7	-2.3	3.3	8.2	12.0	1.4	6.9	-5	-2.7	-4.4	-5.7	-1.5	4.3	8.3	4	9.0	-1.6	2.2	2.5
Services	3.3	2.1	2.8	4.3	3.9	2.0	5.0	1.6	3.7	9	1.2	1.8	3.2	2.8	3.5	2.5	3.1	.6	3.6
Structures	2.7	-1	-2.8	-1.9	6.2	10.7	-3.6	-1.2	1.7	6.1	-1.3	-7.1	-5.6	6.1	-8.4	-5.5	2.5	3.6	4.3
Motor vehicle output	-2.7	-6.1	12.8	21.0	2.0	-1.6	-7.9	-16.4	-18.1	-19.1	19.4	10.7	16.3	9.9	8.1	37.1	-13.4	-1.8	-3.3
GDP less motor vehicle output	4.0	.5	2.1	4.6	7.3	2.7	5.4	1.2	1.8	0	-2.2	-6	2.3	4.9	1.0	3.0	1.9	1.5	3.5
Final sales of computers ¹	29.5	9.1	13.0	35.1	-3.9	56.9	45.2	9.6	10.2	30.0	-19.1	-5.3	28.9	-7.8	13.1	78.5	26.7	28.2	27.8
GDP less final sales of computers	3.5	.2	2.4	4.9	7.2	2.2	4.5	.5	1.0	-8	-1.4	-2	2.6	5.1	1.2	3.6	1.2	1.3	3.1
Farm product ²	11.5	-5.1	.4	-7.3	8.7	35.1	4.7	15.3	-19.1	-10.6	-17.5	-4.3	74.0	-14.2	-26.7	7.9	9.5	2.4	-10.4
Nonfarm business less housing product ³	4.1	-1	2.8	6.0	8.5	2.1	5.6	.3	1.2	-9	-2.8	-8	3.0	6.3	.9	5.4	1.8	1.5	4.9
Price indexes:																			
GDP	2.1	2.4	1.1	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-.5	1.3	1.2	1.0	1.8	2.4	1.0
GDP less food and energy	2.0	2.0	1.4	1.3	1.8	2.7	2.1	1.6	1.9	2.8	1.6	2.8	0	1.6	1.5	1.1	1.6	1.8	.6
GDP less final sales of computers	2.3	2.6	1.3	1.5	1.9	3.3	2.5	1.8	2.2	4.1	2.7	2.4	-4	1.5	1.4	1.2	1.9	2.5	1.1
Gross domestic purchases	2.5	1.9	1.2	1.9	2.2	3.7	2.2	2.2	2.1	3.3	1.7	-2	.4	1.2	2.3	1.2	1.8	3.4	4
Gross domestic purchases less food and energy	1.9	1.8	1.4	1.2	1.7	2.7	1.9	1.5	1.7	2.9	1.3	.6	2.0	1.4	1.5	1.2	1.5	1.8	.8
Gross domestic purchases less final sales of computers	2.8	2.2	1.4	2.2	2.4	3.9	2.4	2.4	2.3	3.8	2.0	.1	.7	1.4	2.4	1.4	2.0	3.6	.5
Personal consumption expenditures	2.5	2.0	1.4	2.2	2.4	3.4	2.3	2.1	2.2	3.3	1.8	-1	.8	1.1	2.7	1.7	1.8	2.7	.8
Personal consumption expenditures less food and energy	1.8	1.8	1.7	1.5	1.7	2.2	1.8	1.3	1.8	2.8	1.2	.7	2.7	1.4	1.9	1.8	1.5	.8	1.1

^r Revised.

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

2. Farm output less intermediate goods and services purchased.

3. Consists of GDP less gross product of farm, of housing, of households and institutions, and of general government.

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

Explanatory Note: Measures of Output and Prices

This note describes the calculation of chain-type quantity and price indexes used in the NIPA's.

Changes in current-dollar GDP measure changes in the market value of goods, services, and structures produced in the economy in a particular period. These changes 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 1996--equal to 100.

The 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 2000-01 annual percent change in real GDP uses prices for 2000 and 2001 as weights, and the 2000-01 annual percent change in GDP prices uses quantities for 2000 and 2001 as weights. These annual changes are "chained" (multiplied) together to form time series of quantity and price indexes. The Fisher formula produces percent changes in quantities and prices that are not affected by the choice of reference years. In addition, because the changes in quantities and prices calculated in this way are symmetric, in general, the product of a quantity index and the corresponding price index equals the current-dollar index. (BEA also publishes a measure of the price level known as the "implicit price deflator (IPD)," which is calculated as the ratio of 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 for all periods.)

Chain-type quantity and price indexes for GDP and its major components are presented in this release as index numbers in table 5 and in the form of percentage changes from the preceding period in tables 1, 4, 6 and from the quarter one year ago in table 7. Contributions by major components to changes in real GDP are presented in table 2. BEA also prepares measures of real GDP and its components in a dollar-denominated form, designated "chained (1996) dollar estimates." For GDP and most other series, these estimates, which are presented in table 3, are computed by multiplying the 1996 current-dollar value by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 1996 and if real output for this component increased 10 percent in 1997, then the chained (1996) dollar value of this component in 1997 would be \$110 ($\100×1.10).

For analyses of changes over time in an aggregate or in a component, the percentage changes calculated from the chained-dollar estimates and from the chain-type quantity indexes are the same; any differences will be small and due to rounding. However, because the relative prices used as weights for any period other than the reference year differ from those used for the reference year, the chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP or to any intermediate aggregate. A measure of the extent of such differences is provided by a "residual" line, which indicates the difference between GDP (or another 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 for the chain-type index, the residuals tend to be small, and the chained (1996) dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. As one moves further from the reference year, the residual tends to become larger, and the chained-dollar estimates become 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.

References: "A Preview of the 1999 Comprehensive Revision of the NIPA's: Statistical Changes," October 1999 Survey, pp. 6-17; "A Guide to the NIPA's," March 1998 Survey, pp. 36-40; "BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth," May 1997 Survey, pp. 58-68.