



NEWS RELEASE



EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, WEDNESDAY, OCTOBER 31, 2007

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BEA 07-50

GROSS DOMESTIC PRODUCT: THIRD QUARTER 2007 (ADVANCE)

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 3.9 percent in the third quarter of 2007, according to advance estimates released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 3.8 percent.

The Bureau emphasized that the third-quarter "advance" estimates are based on source data that are incomplete or subject to further revision by the source agency (see the box on page 3). The third-quarter "preliminary" estimates, based on more comprehensive data, will be released on November 29, 2007.

The increase in real GDP in the third quarter reflected positive contributions from personal consumption expenditures (PCE), exports, federal government spending, equipment and software, nonresidential structures, private inventory investment, 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 slight acceleration in real GDP growth in the third quarter primarily reflected accelerations in PCE and in exports 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 0.29 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 0.33 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 are annualized. "Real" estimates are in chained (2000) dollars. Price indexes are chain-type measures.

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The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 1.6 percent in the third quarter, compared with an increase of 3.8 percent in the second. Excluding food and energy prices, the price index for gross domestic purchases increased 1.7 percent in the third quarter, compared with an increase of 1.5 percent in the second.

Real personal consumption expenditures increased 3.0 percent in the third quarter, compared with an increase of 1.4 percent in the second. Durable goods increased 4.4 percent, compared with an increase of 1.7 percent. Nondurable goods increased 2.7 percent, in contrast to a decrease of 0.5 percent. Services expenditures increased 2.9 percent, compared with an increase of 2.3 percent.

Real nonresidential fixed investment increased 7.9 percent in the third quarter, compared with an increase of 11.0 percent in the second. Nonresidential structures increased 12.3 percent, compared with an increase of 26.2 percent. Equipment and software increased 5.9 percent, compared with an increase of 4.7 percent. Real residential fixed investment decreased 20.1 percent, compared with a decrease of 11.8 percent.

Real exports of goods and services increased 16.2 percent in the third quarter, compared with an increase of 7.5 percent in the second. Real imports of goods and services increased 5.2 percent, in contrast to a decrease of 2.7 percent.

Real federal government consumption expenditures and gross investment increased 6.8 percent in the third quarter, compared with an increase of 6.0 percent in the second. National defense increased 9.7 percent, compared with an increase of 8.5 percent. Nondefense increased 0.9 percent, the same increase as in the second. Real state and local government consumption expenditures and gross investment increased 2.0 percent, compared with an increase of 3.0 percent.

The real change in private inventories added 0.36 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 \$15.7 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 3.5 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 2.8 percent in the third quarter, compared with an increase of 2.4 percent in the second.

Disposition of personal income

Current-dollar personal income increased \$165.2 billion (5.8 percent) in the third quarter, compared with an increase of \$150.0 billion (5.3 percent) in the second.

Personal current taxes increased \$14.0 billion in the third quarter, compared with an increase of \$30.9 billion in the second.

Disposable personal income increased \$151.2 billion (6.1 percent) in the third quarter, compared with an increase of \$119.1 billion (4.8 percent) in the second. Real disposable personal income increased 4.4 percent, compared with an increase of 0.6 percent.

Personal outlays increased \$129.1 billion (5.2 percent) in the third quarter, compared with an increase of \$151.7 billion (6.3 percent) in the second. Personal saving -- disposable personal income less personal outlays -- was \$86.5 billion in the third quarter, compared with \$64.4 billion in the second. The personal saving rate -- saving as a percentage of disposable personal income -- was 0.8 percent in the third quarter, compared with 0.6 percent in the second. Saving from current income may be near zero or negative when outlays are financed by borrowing (including borrowing financed through credit cards or home equity loans), by selling investments or other assets, or by using savings from previous periods. For more information, see the FAQs on "Personal Saving" on BEA's Web site. For a comparison of personal saving in BEA's national income and product accounts with personal saving in the Federal Reserve Board's flow of funds accounts, go to <http://www.bea.gov/bea/dn/nipaweb/Nipa-Frd.asp>.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 4.7 percent, or \$157.9 billion, in the third quarter to a level of \$13,926.7 billion. In the second quarter, current-dollar GDP increased 6.6 percent, or \$216.9 billion.

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

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Next release -- November 29, 2007, at 8:30 A.M. EST for:
Gross Domestic Product: Third Quarter 2007 (Preliminary)
Corporate Profits: Third Quarter 2007

Comparisons of Revisions to GDP

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

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

The table below shows comparisons of the revisions between quarterly percent changes of current-dollar and real GDP for the different vintages of the estimates. From the advance estimate to the preliminary estimate (one month later), the average revision to real GDP without regard to sign is 0.5 percentage point, while from the advance estimate to the final estimate (two months later), it is 0.6 percentage point. From the advance estimate to the latest estimate, the average revision without regard to sign is 1.2 percentage points. The average revision (with regard to sign) from the advance estimate to the latest estimate is 0.3 percentage point, which is larger than the average revisions from the advance estimate to the preliminary or to the final estimates. The larger average revisions to the latest estimate reflect the fact that comprehensive revisions include major improvements, such as the introduction of chain indexes and the capitalization of software. The quarterly estimates correctly indicate the direction of change of real GDP 98 percent of the time, correctly indicate whether GDP is accelerating or decelerating 74 percent of the time, and correctly indicate whether real GDP growth is above, near, or below trend growth more than three-fifths of the time.

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

Vintages compared	Average	Average without regard to sign	Standard deviation of revisions without regard to sign
<u>Current-dollar GDP</u>			
Advance to preliminary.....	0.2	0.5	0.4
Advance to final.....	.2	.7	.4
Preliminary to final.....	.0	.3	.2
Advance to latest.....	.4	1.1	.9
<u>Real GDP</u>			
Advance to preliminary.....	0.1	0.5	0.4
Advance to final.....	.1	.6	.4
Preliminary to final.....	.0	.3	.2
Advance to latest.....	.3	1.2	1.0

NOTE.--These comparisons are based on the period from 1983 through 2004.

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				IV	I				IV	I			IV	I			IV	I	
					II	III	IV	I		II	III	IV	I		II	III	IV		I	II	III			
Gross domestic product (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	3.9					
Personal consumption expenditures	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	3.0					
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	4.4					
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	2.7					
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	2.9					
Gross private domestic investment	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	.8					
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	-1.5					
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	7.9					
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	12.3					
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	5.9					
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	-20.1					
Change in private inventories																								
Net exports of goods and services																								
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	16.2					
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	23.0					
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	1.6					
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	5.2					
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	6.2					
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	4					
Government consumption expenditures and gross investment	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	3.7					
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	6.8					
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	9.7					
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	.9					
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	2.0					
Addenda:																								
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	3.5					
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	2.8					
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	.....				
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	.6	4.4					
Current-dollar measures:																								
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	4.7					
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	4.3					
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	4.4					
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	4.1					
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	.....				
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	4.8	6.1					

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

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

	Billions of current dollars						Billions of chained (2000) dollars						Change from preceding period			
	2006	Seasonally adjusted at annual rates					2006	Seasonally adjusted at annual rates								2006	2007
		2006		2007				2006		2007			2007	II	III	
		III	IV	I	II	III		III	IV	I	II	III				
Gross domestic product	13,194.7	13,266.9	13,392.3	13,551.9	13,768.8	13,926.7	11,319.4	11,336.7	11,395.5	11,412.6	11,520.1	11,630.7	316.0	107.5	110.6	
Personal consumption expenditures	9,224.5	9,305.7	9,373.7	9,540.5	9,674.0	9,785.6	8,044.1	8,063.8	8,141.2	8,215.7	8,244.3	8,305.3	240.5	28.6	61.0	
Durable goods	1,048.9	1,053.8	1,056.5	1,074.0	1,074.7	1,081.6	1,180.5	1,186.3	1,197.6	1,223.2	1,228.4	1,241.8	43.1	5.2	13.4	
Motor vehicles and parts	434.2	437.6	434.8	444.5	441.5	437.1	437.3	439.5	439.6	451.5	448.2	442.0	-14.0	-3.3	-6.2	
Furniture and household equipment	404.1	405.1	409.0	414.2	414.5	419.6	550.9	555.4	566.9	579.9	585.9	602.5	58.7	6.0	16.6	
Other	210.6	211.1	212.8	215.3	218.8	224.8	213.9	213.6	215.2	216.6	220.2	226.4	8.4	3.6	6.2	
Non-durable goods	2,688.0	2,732.4	2,705.4	2,759.4	2,822.7	2,849.8	2,337.7	2,343.9	2,368.8	2,386.6	2,383.8	2,399.8	82.3	-2.8	16.0	
Food	1,259.3	1,263.2	1,291.7	1,312.2	1,322.7	1,343.9	1,091.8	1,091.4	1,110.7	1,115.3	1,111.4	1,116.2	41.8	-3.9	4.8	
Clothing and shoes	357.2	359.6	363.2	371.1	368.4	373.6	391.1	393.3	397.0	405.1	407.5	415.1	18.5	2.4	7.6	
Gasoline, fuel oil, and other energy goods	340.1	373.1	306.3	320.9	373.6	366.2	198.6	199.9	197.0	198.2	195.9	195.8	-6	-2.3	-1	
Other	731.4	736.5	744.3	755.1	758.1	766.1	666.2	669.5	676.5	681.7	684.7	690.6	27.1	3.0	5.9	
Services	5,487.6	5,519.5	5,611.8	5,707.1	5,776.5	5,854.3	4,545.5	4,554.0	4,595.5	4,630.7	4,656.7	4,689.6	118.2	26.0	32.9	
Housing	1,381.3	1,392.5	1,413.9	1,435.1	1,455.4	1,474.9	1,148.3	1,151.0	1,156.6	1,163.7	1,171.6	1,178.9	30.0	7.9	7.3	
Household operation	501.6	503.3	509.7	520.0	526.2	529.3	412.9	415.4	419.1	420.1	421.6	424.6	-3.6	1.5	3.0	
Electricity and gas	209.8	211.3	212.7	220.6	223.5	222.4	148.5	150.9	152.5	153.1	153.6	155.1	-4.7	.5	1.5	
Other household operation	291.8	292.1	297.0	299.4	302.7	306.9	265.1	264.7	266.8	267.1	268.1	269.6	2.0	1.0	1.5	
Transportation	340.6	342.5	346.8	349.6	355.1	361.9	291.2	291.0	294.1	296.0	299.2	301.3	3.4	3.2	2.1	
Medical care	1,587.7	1,596.1	1,617.9	1,656.9	1,674.6	1,696.6	1,300.3	1,301.4	1,310.5	1,323.2	1,330.8	1,339.4	42.1	7.6	8.6	
Recreation	381.0	384.4	392.8	395.3	400.2	404.6	321.3	321.9	330.3	332.0	332.7	335.4	9.7	.7	2.7	
Other	1,295.3	1,300.5	1,330.7	1,350.1	1,365.0	1,387.0	1,069.9	1,071.6	1,083.5	1,094.1	1,099.3	1,108.3	36.2	5.2	9.0	
Gross private domestic investment	2,209.2	2,224.1	2,152.4	2,117.3	2,139.1	2,139.0	1,919.5	1,928.2	1,856.2	1,816.9	1,837.4	1,841.3	50.2	20.5	3.9	
Fixed investment	2,162.5	2,161.3	2,132.4	2,118.9	2,133.9	2,123.3	1,874.7	1,869.6	1,835.5	1,815.2	1,829.3	1,822.5	43.3	14.1	-6.8	
Nonresidential	1,397.7	1,415.2	1,417.1	1,431.4	1,469.1	1,494.9	1,306.8	1,319.4	1,314.8	1,321.7	1,356.6	1,382.7	81.0	34.9	26.1	
Structures	405.1	416.1	428.4	439.6	464.5	478.5	268.6	273.3	278.3	282.6	299.5	308.4	20.8	16.9	8.9	
Equipment and software	992.6	999.1	988.7	991.8	1,004.5	1,016.4	1,050.6	1,057.6	1,044.4	1,045.3	1,057.4	1,072.7	58.8	12.1	15.3	
Information processing equipment and software	480.9	484.9	480.5	497.6	507.7	511.4	595.9	602.0	599.6	623.3	638.5	647.1	41.6	15.2	8.6	
Computers and peripheral equipment	91.3	91.6	90.4	96.6	96.6	95.2	.....	.....	.....	.....	.....	.....	.....	.....	.....
Software	203.3	204.9	205.9	210.5	216.1	220.0	213.0	213.8	215.1	219.9	225.6	229.6	7.3	5.7	4.0	
Other	186.2	188.4	184.3	190.5	195.0	196.2	204.8	207.1	202.6	209.2	213.4	214.2	13.3	4.2	.8	
Industrial equipment	166.7	169.2	167.5	168.1	176.0	180.4	149.6	150.9	148.4	147.3	152.9	156.0	5.3	5.6	3.1	
Transportation equipment	171.9	172.4	168.0	162.9	153.3	154.0	155.2	156.3	150.9	144.8	135.3	136.9	10.1	-9.5	1.6	
Other equipment	173.2	172.6	172.7	163.2	167.5	170.5	156.2	155.2	153.7	144.8	148.0	150.1	4.3	3.2	2.1	
Residential	764.8	746.1	715.3	687.5	664.8	627.4	569.5	555.0	529.4	506.3	490.7	463.9	-27.6	-15.6	-26.8	
Change in private inventories	46.7	62.8	20.0	-1.6	5.1	16.7	40.3	53.9	17.4	.1	5.8	15.7	7.1	5.7	9.9	
Farm	-1.2	-3.7	4.7	5.5	4.0	2.0	-9	-2.9	3.8	5.0	3.6	2.9	-5	-1.4	-7	
Nonfarm	47.8	66.5	15.3	-7.0	1.1	14.8	41.7	57.6	13.6	-5.8	1.3	12.4	7.7	7.1	11.1	
Net exports of goods and services	-762.0	-799.1	-705.3	-714.2	-714.2	-712.8	-624.5	-633.8	-597.3	-612.1	-573.9	-546.2	-6.5	38.2	27.7	
Exports	1,467.6	1,484.5	1,531.9	1,549.9	1,598.7	1,676.0	1,304.1	1,306.6	1,350.9	1,354.7	1,379.5	1,432.2	100.7	24.8	52.7	
Goods	1,030.5	1,047.8	1,072.3	1,084.0	1,115.2	1,183.8	927.4	933.7	955.4	957.6	973.1	1,024.8	83.9	15.5	51.7	
Services	437.1	436.7	459.6	465.9	483.5	492.2	377.1	373.4	395.6	397.2	406.4	408.1	17.3	9.2	1.7	
Imports	2,229.6	2,283.6	2,237.2	2,264.0	2,312.9	2,388.8	1,928.6	1,940.4	1,948.2	1,966.8	1,953.4	1,978.4	107.1	-13.4	25.0	
Goods	1,880.4	1,933.3	1,879.9	1,902.7	1,947.2	2,016.8	1,646.9	1,661.0	1,658.7	1,675.6	1,663.4	1,688.4	93.3	-12.2	25.0	
Services	349.2	350.3	357.3	361.4	365.7	372.0	283.8	281.9	291.4	293.1	291.9	292.1	14.0	-1.2	.2	
Government consumption expenditures and gross investment	2,523.0	2,536.1	2,571.4	2,608.3	2,670.0	2,714.9	1,981.4	1,980.2	1,997.2	1,994.7	2,014.8	2,033.3	35.1	20.1	18.5	
Federal	932.5	932.0	949.7	946.6	969.5	989.2	742.3	739.2	752.3	740.2	751.0	763.5	15.8	10.8	12.5	
National defense	624.3	620.7	645.2	634.8	654.5	672.6	491.5	486.4	505.8	491.6	501.7	513.5	9.1	10.1	11.8	
Consumption expenditures	544.8	542.0	561.5	555.7	573.8	588.5	416.6	412.6	427.7	417.4	426.2	435.5	4.9	8.8	9.3	
Gross investment	79.5	78.7	83.7	79.1	80.7	84.2	76.6	75.5	80.1	75.6	77.0	79.8	4.9	1.4	2.8	
Nondefense	308.2	311.3	304.5	311.7	315.0	316.6	250.7	252.7	246.1	248.4	248.9	249.5	6.8	.5	.6	
Consumption expenditures	268.0	271.3	264.9	274.0	276.0	277.9	212.6	214.8	208.8	212.5	212.0	212.9	4.7	-5	.9	
Gross investment	40.2	40.0	39.6	37.7	39.1	38.7	38.5	38.3	37.8	35.9	37.2	36.9	2.3	1.3	-3	
State and local	1,590.5	1,604.1	1,621.7	1,661.7	1,700.5	1,725.6	1,239.0	1,240.9	1,244.9	1,254.2	1,263.5	1,269.8	19.4	9.3	6.3	
Consumption expenditures	1,276.5	1,287.7	1,300.8	1,326.7	1,355.9	1,373.9	990.9	992.7	997.5	1,002.5	1,007.4	1,011.0	13.2	4.9	3.6	
Gross investment	314.0	316.4	320.9	335.0	344.5	351.7	248.0	248.1	247.3	251.5	256.0	258.7	6.2	4.5	2.7	
Residual .....	.....	.....	.....	.....	.....	.....	-93.4	-99.3	-108.2	-130.7	-136.3	-150.2	.....	.....	.....
Addenda:																
Final sales of domestic product	13,148.0	13,204.1	13,372.3	13,553.5	13,763.6	13,909.9	11,275.9	11,279.7	11,375.8	11,411.6	11,512.8	11,612.9	309.0	101.2	100.1	
Gross domestic purchases	13,956.7	14,065.9	14,097.6	14,266.1	14,483.0	14,639.5	11,937.1	11,963.6	11,987.1	12,018.7	12,088.9	12,172.8	324.0	70.2	83.9	
Final sales to domestic purchasers	13,910.1	14,003.2	14,077.6	14,267.7	14,477.9	14,622.7	11,893.4	11,906.4	11,967.3	12,017.4	12,081.4	12,155.0	317.0	64.0	73.6	
Gross domestic product	13,194.7	13,266.9	13,392.3	13,551.9	13,768.8	13,926.7	11,319.4	11,336.7								

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
Gross domestic product (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	0.8	
Personal consumption expenditures	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	1.7	
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	3.2	3.0	3.8	2.6	2.6	
Gross private domestic investment	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	-7	
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	-7	
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	-7	
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	2	
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	-8	
Change in private inventories																				
Net exports of goods and services																				
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	4.0	
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	5.7	
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	8.1	
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	8.4	
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	6.7	
Government consumption expenditures and gross investment	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	3.0	
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	1.5	
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	1.7	
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	1.0	
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	4.0	
Addenda:																				
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	.8	
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	1.6	
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	1.6	
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	.....
Implicit price deflators:																				
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	.7	
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	1.5	
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	.....

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
Gross domestic product	108.748	112.086	115.304	115.481	116.080	116.254	117.349	118.475
Personal consumption expenditures	112.197	115.791	119.359	119.652	120.801	121.906	122.331	123.235
Durable goods	125.652	131.748	136.735	137.413	138.720	141.680	142.283	143.840
Nondurable goods	111.833	115.828	120.051	120.370	121.650	122.563	122.419	123.241
Services	109.726	112.687	115.696	115.911	116.969	117.865	118.527	119.363
Gross private domestic investment	102.003	107.709	110.607	111.106	106.955	104.690	105.875	106.096
Fixed investment	102.012	109.080	111.657	111.354	109.325	108.113	108.956	108.549
Nonresidential	92.873	99.490	106.062	107.090	106.711	107.277	110.109	112.227
Structures	78.760	79.127	85.770	87.270	88.849	90.241	95.639	98.463
Equipment and software	98.505	107.935	114.332	115.100	113.662	113.753	115.075	116.740
Residential	125.343	133.608	127.433	124.190	118.462	113.301	109.791	103.809
Change in private inventories								
Exports of goods and services	102.723	109.775	118.957	119.182	123.222	123.568	125.833	130.646
Imports of goods and services	116.546	123.425	130.683	131.483	132.014	133.272	132.363	134.061
Government consumption expenditures and gross investment	112.210	113.050	115.092	115.022	116.007	115.865	117.028	118.106
Federal	123.693	125.524	128.255	127.708	129.977	127.886	129.756	131.913
State and local	106.384	106.721	108.418	108.584	108.935	109.748	110.564	111.115
Addenda:								
Final sales of domestic product	108.804	112.360	115.526	115.565	116.550	116.916	117.953	118.979
Gross domestic purchases	110.444	113.894	117.071	117.331	117.562	117.871	118.560	119.383
Final sales to domestic purchasers	110.505	114.166	117.292	117.421	118.021	118.515	119.146	119.872
Gross national product	109.031	112.265	115.363	115.422	116.152	116.344	117.493	

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
Gross domestic product	109.462	113.005	116.568	117.030	117.527	118.750	119.527	119.756
Personal consumption expenditures (PCE)	108.392	111.588	114.675	115.406	115.143	116.129	117.345	117.828
Durable goods	90.696	90.018	88.857	88.827	88.213	87.799	87.488	87.090
Nondurable goods	107.626	111.561	114.989	116.576	114.210	115.620	118.413	118.750
Services	112.929	116.726	120.725	121.209	122.122	123.252	124.055	124.843
Gross private domestic investment	106.686	111.155	115.090	115.335	115.958	116.532	116.426	116.234
Fixed investment	106.845	111.404	115.352	115.592	116.162	116.718	116.636	116.435
Nonresidential	100.896	103.778	106.961	107.267	107.789	108.301	108.293	108.114
Structures	120.912	135.013	150.806	152.344	154.071	155.637	155.199	155.283
Equipment and software	94.600	94.527	94.485	94.470	94.667	94.892	95.002	94.749
Residential	120.587	128.653	134.288	134.390	135.076	135.736	135.459	135.200
Change in private inventories								
Exports of goods and services	104.997	108.803	112.537	113.641	113.424	114.433	115.912	117.041
Imports of goods and services	104.526	111.117	115.610	117.689	114.834	115.114	118.408	120.744
Government consumption expenditures and gross investment	114.754	121.435	127.334	128.076	128.757	130.765	132.527	133.525
Federal	115.322	120.914	125.622	126.097	126.244	127.886	129.098	129.572
State and local	114.431	121.758	128.370	129.271	130.272	132.499	134.586	135.899
Addenda:								
PCE excluding food and energy	107.338	109.670	112.130	112.519	113.052	113.730	114.116	114.627
Market-based PCE ¹	107.386	110.307	113.168	113.926	113.456	114.472	115.784	116.181
Market-based PCE excluding food and energy ¹	105.857	107.667	109.717	110.072	110.507	111.161	111.498	111.907
Final sales of domestic product	109.487	113.040	116.603	117.065	117.553	118.773	119.555	119.783
Gross domestic purchases	109.235	113.225	116.920	117.575	117.609	118.702	119.809	120.276
Final sales to domestic purchasers	109.259	113.261	116.956	117.612	117.636	118.727	119.838	120.304
Gross national product	109.456	112.999	116.558	117.022	117.515	118.740	119.518	
Implicit price deflators:								
Gross domestic product	109.462	113.000	116.567	117.026	117.522	118.745	119.519	119.741
Final sales of domestic product	109.487	113.040	116.603	117.061	117.550	118.770	119.551	119.780
Gross domestic purchases	109.234	113.221	116.919	117.573	117.606	118.700	119.804	120.264
Final sales to domestic purchasers	109.259	113.261	116.956	117.610	117.634	118.725	119.837	120.303
Gross national product	109.455	112.994	116.558	117.019	117.511	118.736	119.512	

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

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

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

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Gross domestic product (GDP)	-0.2	3.3	2.7	4.0	2.5	3.7	4.5	4.2	4.5	3.7	0.8	1.6	2.5	3.6	3.1	2.9
Personal consumption expenditures	2	3.3	3.3	3.7	2.7	3.4	3.8	5.0	5.1	4.7	2.5	2.7	2.8	3.6	3.2	3.1
Durable goods	-5.6	5.9	7.8	8.4	4.4	7.8	8.6	11.3	11.7	7.3	4.3	7.1	5.8	6.3	4.9	3.8
Nondurable goods	-2	2.0	2.7	3.5	2.2	2.6	2.7	4.0	4.6	3.8	2.0	2.5	3.2	3.5	3.6	3.6
Services	1.7	3.5	2.8	2.9	2.6	2.9	3.3	4.2	4.0	4.5	2.4	1.9	1.9	3.2	2.7	2.7
Gross private domestic investment	-8.1	8.1	8.9	13.6	3.1	8.9	12.4	9.8	7.8	5.7	-7.9	-2.6	3.6	9.7	5.6	2.7
Fixed investment	-6.5	5.9	8.6	9.3	6.5	9.0	9.2	10.2	8.3	6.5	-3.0	-5.2	3.4	7.3	6.9	2.4
Nonresidential	-5.4	3.2	8.7	9.2	10.5	9.3	12.1	11.1	9.2	8.7	-4.2	-9.2	1.0	5.8	7.1	6.6
Structures	-11.1	-6.0	-7	1.8	6.4	5.6	7.3	5.1	-4	6.8	-2.3	-17.1	-4.1	1.3	5	8.4
Equipment and software	-2.6	7.3	12.5	11.9	12.0	10.6	13.8	13.3	12.7	9.4	-4.9	-6.2	2.8	7.4	9.6	5.9
Residential	-9.6	13.8	8.2	9.6	-3.2	8.0	1.9	7.6	6.0	8	4	4.8	8.4	10.0	6.6	-4.6
Change in private inventories																
Net exports of goods and services																
Exports	6.6	6.9	3.2	8.7	10.1	8.4	11.9	2.4	4.3	8.7	-5.4	-2.3	1.3	9.7	6.9	8.4
Goods	6.9	7.5	3.3	9.7	11.7	8.8	14.3	2.2	3.8	11.2	-6.1	-4.0	1.8	9.0	7.5	9.9
Services	6.0	5.5	3.2	6.3	6.3	7.2	5.9	2.9	5.6	2.9	-3.7	1.9	0	11.5	5.4	4.8
Imports	-6	7.0	8.8	11.9	8.0	8.7	13.6	11.6	11.5	13.1	-2.7	3.4	4.1	11.3	5.9	5.9
Goods	-1	9.3	10.1	13.3	9.0	9.3	14.4	11.7	12.4	13.5	-3.2	3.7	4.9	11.3	6.6	6.0
Services	-2.6	-2.6	2.9	5.7	3.3	5.5	9.4	11.4	6.9	11.1	-3	2.1	0	11.5	2.3	5.2
Government consumption expenditures and gross investment	1.1	5	-9	0	5	1.0	1.9	1.9	3.9	2.1	3.4	4.4	2.5	1.4	7	1.8
Federal	-2	-1.7	-4.2	-3.7	-2.7	-1.2	-1.0	-1.1	2.2	9	3.9	7.0	6.8	4.2	1.5	2.2
National defense	-1.1	-5.0	-5.6	-4.9	-3.8	-1.4	-2.8	-2.1	1.9	-5	3.9	7.4	8.7	5.8	1.5	1.9
Nondefense	2.4	6.9	-7	-1.2	-4	-7	2.6	7	2.8	3.5	3.9	6.3	3.4	1.1	1.3	2.8
State and local	2.1	2.2	1.4	2.6	2.6	2.3	3.6	3.6	4.7	2.7	3.2	3.1	2	-2	3	1.6
Addenda:																
Final sales of domestic product .....	.1	3.0	2.6	3.4	3.0	3.7	4.0	4.2	4.5	3.8	1.6	1.2	2.5	3.3	3.3	2.8
Gross domestic purchases	-8	3.3	3.2	4.4	2.4	3.8	4.8	5.3	5.3	4.4	9	2.2	2.8	4.1	3.1	2.8
Final sales to domestic purchasers	-6	3.1	3.2	3.8	2.8	3.8	4.3	5.3	5.4	4.5	1.8	1.8	2.8	3.8	3.3	2.7
Gross national product	-3	3.3	2.7	3.9	2.6	3.7	4.4	4.0	4.6	3.7	8	1.5	2.7	3.8	3.0	2.8
Real disposable personal income .....	.5	3.4	1.0	2.7	2.8	3.0	3.5	5.8	3.0	4.8	1.9	3.1	2.2	3.6	1.7	3.1
Price indexes:																
Gross domestic purchases	3.3	2.3	2.2	2.1	2.1	1.8	1.4	.6	1.6	2.5	2.0	1.6	2.3	3.1	3.7	3.3
Gross domestic purchases excluding food and energy	3.5	2.6	2.3	2.2	2.2	1.5	1.3	1.0	1.4	1.9	1.9	1.9	1.9	2.7	3.1	2.9
GDP	3.5	2.3	2.3	2.1	2.0	1.9	1.7	1.1	1.4	2.2	2.4	1.7	2.1	2.9	3.2	3.2
GDP excluding food and energy	3.6	2.5	2.4	2.2	2.1	1.7	1.7	1.2	1.5	2.0	2.1	2.1	1.9	2.7	3.2	3.1
Personal consumption expenditures	3.6	2.9	2.3	2.1	2.1	2.2	1.7	.9	1.7	2.5	2.1	1.4	2.0	2.6	2.9	2.8

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

	2003		2004				2005				2006				2007		
	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
Gross domestic product (GDP)	3.7	4.1	4.1	3.2	3.1	3.2	3.0	3.2	2.9	3.3	3.2	2.4	2.6	1.5	1.9	2.6	
Personal consumption expenditures (PCE)	3.4	4.0	3.7	3.2	3.7	3.1	3.4	3.5	2.8	3.3	3.0	2.7	3.4	3.2	2.9	3.0	
Durable goods	8.3	9.8	6.1	4.0	5.6	4.7	7.0	6.6	1.2	4.6	2.1	2.0	6.6	4.7	5.0	4.7	
Nondurable goods	3.9	4.1	3.9	2.8	3.5	3.3	3.8	3.6	3.6	3.8	3.5	3.7	3.6	3.2	2.5	2.4	
Services	2.2	2.9	3.2	3.2	3.3	2.8	2.5	2.9	2.7	2.7	3.0	2.4	2.6	2.9	2.8	3.0	
Gross private domestic investment	7.0	7.9	12.2	9.8	9.1	9.9	3.8	3.6	5.3	5.0	6.2	3.4	-3.6	-6.6	-5.7	-4.5	
Fixed investment	7.2	7.3	7.8	6.8	7.2	8.3	7.1	6.8	5.5	6.5	4.0	.8	-1.6	-4.5	-3.3	-2.5	
Nonresidential	4.9	4.9	4.9	5.6	7.5	9.1	7.7	6.8	5.1	7.5	7.3	6.4	5.2	2.5	4.1	4.8	
Structures	2	2.0	0	1.1	2.3	2.9	1.0	-1.6	-3	2.7	7.1	11.6	12.3	10.2	12.4	12.8	
Equipment and software	6.6	6.0	6.7	7.3	9.4	11.4	10.1	9.9	7.1	9.4	7.4	4.6	2.5	-5	7	1.4	
Residential	11.7	11.6	13.2	8.8	6.7	7.0	6.2	6.9	6.4	4.8	-1.5	-8.5	-12.8	-16.5	-16.5	-16.4	
Change in private inventories																	
Net exports of goods and services																	
Exports	5.8	9.8	12.0	9.9	7.4	6.4	7.1	6.9	7.0	8.4	7.4	8.4	9.3	6.6	7.1	9.6	
Goods	7.1	8.4	10.7	10.0	7.0	6.6	8.1	7.0	8.3	10.7	9.0	10.4	9.7	6.1	6.1	9.8	
Services	3.0	13.0	15.3	9.8	8.3	6.0	4.9	6.6	4.1	3.2	3.9	3.8	8.3	7.9	9.4	9.3	
Imports	4.8	9.3	12.1	12.4	11.5	8.8	5.3	4.6	5.1	6.3	6.4	7.2	3.7	2.9	2.0	2.0	
Goods	5.3	9.3	11.3	12.6	11.9	9.8	5.9	5.2	5.8	6.6	6.7	7.6	3.2	2.7	1.7	1.7	
Services	2.2	9.2	16.4	11.5	9.3	4.3	1.9	1.5	1.4	4.7	4.8	5.2	6.1	4.3	3.9	3.6	
Government consumption expenditures and gross investment	1.7	2.5	1.3	1.3	.7	.6	.6	.9	.9	1.8	1.8	1.2	2.5	1.2	1.9	2.7	
Federal	5.5	7.1	3.0	4.4	2.4	1.6	1.2	1.8	1.3	2.7	2.1	.3	3.7	0	1.8	3.3	
National defense	7.5	10.8	3.1	7.2	2.5	1.7	1.8	1.6	1.1	1.6	1.5	-1.3	5.9	1.2	2.8	5.6	
Nondefense	1.9	3	2.8	-9	2.3	1.5	-1	2.1	1.9	5.0	3.4	3.4	-7	-2.5	0	-1.2	
State and local	-4	-1	.3	-5	-4	0	2	.5	.7	1.3	1.5	1.7	1.8	1.9	2.0	2.3	
Addenda:																	
Final sales of domestic product	3.7	4.0	3.5	2.7	2.8	2.9	3.5	3.7	2.9	3.5	2.8	1.9	3.0	1.9	2.3	3.0	
Gross domestic purchases	3.6	4.3	4.5	3.8	3.9	3.7	2.9	3.1	2.8	3.3	3.3	2.5	2.1	1.2	1.4	1.7	
Final sales to domestic purchasers	3.7	4.2	3.9	3.3	3.6	3.4	3.4	3.5	2.9	3.5	2.9	2.1	2.4	1.6	1.8	2.1	
Gross national product	3.9	4.6	4.2	3.4	2.9	2.9	2.9	3.2	2.8	3.2	3.2	2.0	2.7	1.5	1.9	.....
Real disposable personal income	3.7	4.2	3.5	2.7	4.1	2.3	2.3	1.3	1.1	3.1	2.6	3.3	3.2	3.4	3.4	4.1	
Price indexes:																	
Gross domestic purchases	2.2	2.2	3.1	3.3	3.7	3.5	3.4	3.8	3.8	3.6	3.8	3.3	2.4	2.6	2.5	2.3	
Gross domestic purchases excluding food and energy	1.9	2.1	2.7	2.9	3.1	3.2	3.0	3.0	3.1	2.9	3.1	3.0	2.8	2.8	2.3	2.1	
GDP	2.2	2.3	2.9	3.0	3.2	3.3	3.0	3.3	3.4	3.2	3.5	3.2	2.7	2.9	2.7	2.3	
GDP excluding food and energy	1.9	2.1	2.7	2.9	3.2	3.3	3.1	3.2	3.3	3.1	3.3	3.2	2.9	2.9	2.5	2.2	
PCE	1.9	2.0	2.8	2.7	3.1	2.8	2.6	3.2	3.2	3.1	3.3	2.9	1.9	2.3	2.3	2.1	
PCE excluding food and energy	1.4	1.8	2.1	2.1	2.2	2.3	2.1	2.1	2.2	2.0	2.2	2.4	2.3	2.4	2.0	1.9	
Market-based PCE ¹	1.6	1.6	2.4	2.3	2.8	2.4	2.4	3.1	3.0	2.9	3.2	2.7	1.6	2.2	2.2	2.0	
Market-based PCE excluding food and energy ¹	1.0	1.3	1.5	1.4	1.6	1.8	1.7	1.7	1.7	1.6	1.9	2.1	2.0	2.2	1.8	1.7	

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

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
Gross domestic product	11,685.9	12,433.9	13,194.7	13,266.9	13,392.3	13,551.9	13,768.8	13,926.7
Plus: Income receipts from the rest of the world	437.5	544.1	691.4	709.7	733.8	752.2	814.2	.....
Less: Income payments to the rest of the world	361.3	475.6	633.4	664.7	673.7	689.0	743.5	.....
Equals: Gross national product	11,762.1	12,502.4	13,252.7	13,311.9	13,452.4	13,615.1	13,839.4	.....
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	1,690.1
Less: Statistical discrepancy	19.1	5.4	-18.1	-2.5	-46.6	-66.3	-88.8	.....
Equals: National income	10,306.8	10,887.6	11,655.6	11,685.6	11,844.6	12,010.5	12,244.9	.....
Compensation of employees	6,656.4	7,029.6	7,448.3	7,442.5	7,649.9	7,764.9	7,874.9	7,972.9
Wage and salary accruals	5,379.5	5,672.9	6,025.7	6,015.8	6,203.0	6,294.4	6,388.7	6,470.1
Supplements to wages and salaries	1,276.9	1,356.8	1,422.6	1,426.7	1,446.9	1,470.5	1,486.2	1,502.9
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	1,045.7
Rental income of persons with capital consumption adjustment	118.4	42.9	54.5	52.9	50.9	53.2	62.1	67.6
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	.....
Net interest and miscellaneous payments	491.2	558.0	598.5	594.2	596.0	599.6	592.4	593.1
Taxes on production and imports less subsidies	819.2	863.1	917.6	922.9	931.1	943.8	956.8	971.8
Business current transfer payments	83.0	66.5	90.2	91.4	91.8	91.8	92.8	94.7
Current surplus of government enterprises	-4.2	-15.1	-13.9	-14.5	-16.0	-17.8	-15.0	-12.2
Addendum:								
Gross domestic income	11,666.8	12,428.6	13,212.8	13,269.4	13,438.9	13,618.2	13,857.6	.....

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
Personal income ¹	9,727.2	10,301.1	10,983.4	11,030.9	11,200.2	11,469.2	11,619.2	11,784.4
Compensation of employees, received	6,671.4	7,024.6	7,440.8	7,442.5	7,599.9	7,764.9	7,849.9	7,947.9
Wage and salary disbursements	5,394.5	5,667.9	6,018.2	6,015.8	6,153.0	6,294.4	6,363.7	6,445.1
Supplements to wages and salaries	1,276.9	1,356.8	1,422.6	1,426.7	1,446.9	1,470.5	1,486.2	1,502.9
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	1,045.7
Farm	37.3	30.8	19.4	18.1	23.9	29.1	33.1	38.4
Nonfarm	874.3	939.1	987.4	985.5	985.8	998.3	1,005.3	1,007.3
Rental income of persons with capital consumption adjustment	118.4	42.9	54.5	52.9	50.9	53.2	62.1	67.6
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	1,969.3
Personal interest income	895.1	1,018.9	1,100.2	1,119.7	1,102.8	1,126.1	1,148.4	1,164.3
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	978.4	988.4
Less: Personal current taxes	1,046.3	1,209.1	1,354.3	1,355.2	1,401.0	1,454.7	1,485.6	1,499.6
Equals: Disposable personal income	8,680.9	9,092.0	9,629.1	9,675.8	9,799.2	10,014.5	10,133.6	10,284.8
Less: Personal outlays	8,499.2	9,047.4	9,590.3	9,677.1	9,757.2	9,917.5	10,069.2	10,198.3
Equals: Personal saving	181.7	44.6	38.8	-1.4	42.0	97.0	64.4	86.5
Personal saving as a percentage of disposable personal income	2.1	.5	.4	0	.4	1.0	.6	.8
Addendum:								
Disposable personal income, billions of chained (2000) dollars ²	8,008.9	8,147.9	8,396.9	8,384.5	8,510.7	8,623.9	8,636.0	8,729.0

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

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

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

	Seasonally adjusted at annual rates																			
	2004	2005	2006	2003		2004				2005				2006				2007		
				IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
																				IV	I	II	III
Gross domestic product (GDP) and related aggregates:																				
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	3.9	
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	8.8	
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	3.0	
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	-5.1	
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	12.0	
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	3.7	
Final sales of computers ¹	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	51.1	
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	3.6	
Farm gross value added ²	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	3.0	
Nonfarm business gross value added ³	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	4.3	
Price indexes:																				
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	.8	
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	1.6	
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	1.0	
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	1.6	
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	1.7	
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	1.8	
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	1.7	
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	1.8	
Market-based PCE ⁴	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 ⁴	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	

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.