



## NEWS RELEASE



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BEA 08-03

### **GROSS DOMESTIC PRODUCT: FOURTH 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 0.6 percent in the fourth quarter of 2007, according to advance estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.9 percent.

The Bureau emphasized that the fourth-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 fourth-quarter "preliminary" estimates, based on more comprehensive data, will be released on February 28, 2008.

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

The deceleration in real GDP growth in the fourth quarter primarily reflected a downturn in inventory investment and decelerations in exports, in PCE, and in federal government spending that were partly offset by a deceleration in imports and an acceleration in state and local government spending.

Final sales of computers contributed 0.18 percentage point to the fourth-quarter growth in real GDP after contributing 0.28 percentage point to the third-quarter growth. Motor vehicle output subtracted 0.90 percentage point from the fourth-quarter growth in real GDP after contributing 0.36 percentage point to the third-quarter growth.

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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.

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

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The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 3.8 percent in the fourth quarter, compared with an increase of 1.8 percent in the third. Excluding food and energy prices, the price index for gross domestic purchases increased 2.5 percent in the fourth quarter, compared with an increase of 1.9 percent in the third.

Real personal consumption expenditures increased 2.0 percent in the fourth quarter, compared with an increase of 2.8 percent in the third. Durable goods increased 4.2 percent, compared with an increase of 4.5 percent. Nondurable goods increased 1.9 percent, compared with an increase of 2.2 percent. Services expenditures increased 1.6 percent, compared with an increase of 2.8 percent.

Real nonresidential fixed investment increased 7.5 percent in the fourth quarter, compared with an increase of 9.3 percent in the third. Nonresidential structures increased 15.8 percent, compared with an increase of 16.4 percent. Equipment and software increased 3.8 percent, compared with an increase of 6.2 percent. Real residential fixed investment decreased 23.9 percent, compared with a decrease of 20.5 percent.

Real exports of goods and services increased 3.9 percent in the fourth quarter, compared with an increase of 19.1 percent in the third. Real imports of goods and services increased 0.3 percent, compared with an increase of 4.4 percent.

Real federal government consumption expenditures and gross investment increased 0.3 percent in the fourth quarter, compared with an increase of 7.1 percent in the third. National defense decreased 0.6 percent, in contrast to an increase of 10.1 percent. Nondefense increased 2.2 percent, compared with an increase of 1.1 percent. Real state and local government consumption expenditures and gross investment increased 4.0 percent, compared with an increase of 1.9 percent.

The real change in private inventories subtracted 1.25 percentage points from the fourth-quarter change in real GDP after adding 0.89 percentage point to the third-quarter change. Private businesses decreased inventories \$3.4 billion in the fourth quarter, following increases of \$30.6 billion in the third and \$5.8 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 1.9 percent in the fourth quarter, compared with an increase of 4.0 percent in the third.

### **Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 0.2 percent in the fourth quarter, compared with an increase of 3.3 percent in the third.

### **Disposition of personal income**

Current-dollar personal income increased \$129.1 billion (4.5 percent) in the fourth quarter, compared with an increase of \$169.4 billion (6.0 percent) in the third.

Personal current taxes increased \$22.3 billion in the fourth quarter, compared with an increase of \$11.6 billion in the third.

Disposable personal income increased \$106.8 billion (4.2 percent) in the fourth quarter, compared with an increase of \$157.8 billion (6.4 percent) in the third. Real disposable personal income increased 0.3 percent, compared with an increase of 4.5 percent.

Personal outlays increased \$138.3 billion (5.5 percent) in the fourth quarter, compared with an increase of \$131.7 billion (5.3 percent) in the third. Personal saving -- disposable personal income less personal outlays -- was \$25.1 billion in the fourth quarter, compared with \$56.7 billion in the third. The personal saving rate -- saving as a percentage of disposable personal income -- was 0.2 percent in the fourth quarter, compared with 0.6 percent in the third. Saving from current income may be near zero or negative when outlays are financed by borrowing (including borrowing financed through credit cards or home equity loans), by selling investments or other assets, or by using savings from previous periods. For more information, see the FAQs on "Personal Saving" on BEA's Web site. For a comparison of personal saving in BEA's national income and product accounts with personal saving in the Federal Reserve Board's flow of funds accounts and data on changes in net worth (which helps finance negative saving), go to <http://www.bea.gov/bea/dn/nipaweb/Nipa-Frb.asp>.

### **Current-dollar GDP**

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 3.2 percent, or \$110.3 billion, in the fourth quarter to a level of \$14,080.8 billion. In the third quarter, current-dollar GDP increased 6.0 percent, or \$201.7 billion.

### **2007 GDP**

Real GDP increased 2.2 percent in 2007 (that is, from the 2006 annual level to the 2007 annual level), compared with an increase of 2.9 percent in 2006.

The major contributors to the increase in real GDP in 2007 were personal consumption expenditures (PCE), exports, nonresidential structures, and state and local government spending. These positive contributions were partly offset by decreases in residential fixed investment and in inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.

The deceleration in real GDP primarily reflected a larger decrease in residential fixed investment, a downturn in private inventory investment, and a deceleration in equipment and software that were partly offset by a deceleration in imports.

The price index for gross domestic purchases increased 2.7 percent in 2007, compared with an increase of 3.3 percent in 2006.

Current-dollar GDP increased 4.9 percent, or \$648.3 billion, in 2007. Current-dollar GDP increased 6.1 percent, or \$760.8 billion, in 2006.

During 2007 (that is, measured from the fourth quarter of 2006 to the fourth quarter of 2007), real GDP increased 2.5 percent. Real GDP increased 2.6 percent during 2006. The price index for gross domestic purchases increased 3.3 percent during 2007, compared with an increase of 2.4 percent during 2006.

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 – February 28, 2008, at 8:30 A.M. EST for:  
Gross Domestic Product: Fourth Quarter 2007 (Preliminary)

**Release dates in 2008**

Gross domestic product

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

Corporate Profits

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

**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
<b><u>Current-dollar GDP</u></b>			
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
<b><u>Real GDP</u></b>			
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

	2005	2006	2007	Seasonally adjusted at annual rates															
				2004				2005				2006				2007			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product (GDP)</b> .....	3.1	2.9	2.2	3.0	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9	0.6
<b>Personal consumption expenditures</b> .....	3.2	3.1	2.9	4.4	2.4	3.5	4.2	2.4	3.5	4.1	1.2	4.4	2.4	2.8	3.9	3.7	1.4	2.8	2.0
Durable goods .....	4.9	3.8	4.8	5.8	1.9	7.8	7.0	2.2	11.3	6.2	-13.0	16.6	.8	5.6	3.9	8.8	1.7	4.5	4.2
Nondurable goods .....	3.6	3.6	2.4	4.6	1.5	3.1	4.9	3.5	3.7	2.5	4.7	4.5	2.3	3.2	4.3	3.0	-5	2.2	1.9
Services .....	2.7	2.7	2.8	4.1	3.0	2.9	3.4	1.9	1.8	4.4	2.6	2.1	2.7	2.0	3.7	3.1	2.3	2.8	1.6
<b>Gross private domestic investment</b> .....	5.6	2.7	-4.6	2.1	20.7	8.0	6.4	5.3	-3.9	7.0	13.4	4.3	.6	-4.1	-14.1	-8.2	4.6	5.0	-10.2
Fixed investment .....	6.9	2.4	-2.9	-2	12.9	9.3	7.3	4.0	7.9	8.0	2.3	7.9	-1.9	-4.7	-7.1	-4.4	3.2	-7	-2.6
Nonresidential .....	7.1	6.6	4.8	-2.6	10.7	12.3	10.3	3.3	5.0	8.6	3.4	13.3	4.2	5.1	-1.4	2.1	11.0	9.3	7.5
Structures .....	.5	8.4	13.2	-3	6.1	3.6	-2	2.1	-1.6	-6.3	4.8	15.0	16.4	10.8	7.4	6.4	26.2	16.4	15.8
Equipment and software .....	9.6	5.9	1.4	-3.4	12.4	15.5	14.3	3.8	7.4	14.5	3.1	13.0	-1	2.9	-4.9	.3	4.7	6.2	3.8
Residential .....	6.6	-4.6	-16.9	4.0	16.7	4.2	2.4	5.3	13.1	6.9	.5	-7	-11.7	-20.4	-17.2	-16.3	-11.8	-20.5	-23.9
Change in private inventories .....																			
<b>Net exports of goods and services</b> .....																			
Exports .....	6.9	8.4	7.9	10.0	6.5	3.1	10.0	6.0	9.5	2.1	10.6	11.5	5.7	5.7	14.3	1.1	7.5	19.1	3.9
Goods .....	7.5	9.9	7.8	7.4	7.2	6.2	7.2	5.8	13.6	1.9	12.6	15.5	6.5	7.4	9.6	.9	6.6	26.2	2.4
Services .....	5.4	4.8	8.2	16.2	5.1	-3.4	16.8	6.5	.9	2.6	6.3	2.9	3.9	2.0	26.0	1.6	9.6	4.0	7.5
Imports .....	5.9	5.9	2.0	12.3	15.2	4.8	13.8	2.1	.8	2.1	16.2	6.9	.9	5.4	1.6	3.9	-2.7	4.4	.3
Goods .....	6.6	6.0	1.8	11.5	16.6	5.5	14.5	3.2	1.0	2.5	17.3	6.5	1.1	6.2	-6	4.2	-2.9	4.8	.3
Services .....	2.3	5.2	3.2	16.5	8.9	1.8	10.5	-3.5	-5	0	10.3	9.5	-1	1.3	14.2	2.3	-1.7	1.7	.5
<b>Government consumption expenditures and gross investment</b> .....	.7	1.8	2.1	1.5	1.3	1.6	-1.8	1.3	1.2	3.2	-1.9	4.9	1.0	.8	3.5	-5	4.1	3.8	2.6
Federal .....	1.5	2.2	1.7	6.1	2.4	6.2	-4.6	2.8	.7	8.6	-6.2	8.4	-1.6	.9	7.3	-6.3	6.0	7.1	.3
National defense .....	1.5	1.9	2.8	8.1	2.0	10.9	-9.7	4.6	2.6	10.0	-11.7	6.8	2.3	-1.5	16.9	-10.8	8.5	10.1	-6
Nondefense .....	1.3	2.8	-5	2.3	3.2	-2.7	6.5	-8	-3.0	5.8	5.8	11.9	-8.8	6.0	-10.0	3.8	.9	1.1	2.2
State and local .....	.3	1.6	2.3	-1.0	.7	-1.1	-1	.4	1.5	0	.7	2.9	2.5	.7	1.3	3.0	3.0	1.9	4.0
<b>Addenda:</b>																			
Final sales of domestic product .....	3.3	2.8	2.5	2.6	2.4	3.8	2.7	2.9	4.8	4.6	-5	5.4	2.0	1.0	3.5	1.3	3.6	4.0	1.9
Gross domestic purchases .....	3.1	2.8	1.6	3.6	4.8	3.8	3.4	2.6	1.9	4.3	2.5	4.5	1.9	1.3	.8	1.1	2.4	3.3	.2
Final sales to domestic purchasers .....	3.3	2.7	1.8	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	1.4
Gross national product (GNP) .....	3.0	2.8		3.6	2.6	3.9	1.5	3.6	2.7	5.1	0	5.2	2.4	.5	2.6	.7	4.0	5.8	
Disposable personal income .....	1.7	3.1	3.1	3.7	2.4	2.9	7.5	-3.3	2.5	-1.2	6.6	4.9	.2	1.7	6.2	5.4	-8	4.5	.3
<b>Current-dollar measures:</b>																			
GDP .....	6.4	6.1	4.9	6.8	7.4	6.0	5.9	7.1	5.5	8.1	4.8	8.4	6.0	3.4	3.8	4.9	6.6	6.0	3.2
Final sales of domestic product .....	6.6	6.1	5.2	6.4	6.2	6.1	6.0	6.9	7.5	8.3	3.0	9.0	5.5	3.4	5.2	5.5	6.3	5.1	4.5
Gross domestic purchases .....	6.9	6.1	4.3	8.0	9.2	6.7	7.2	6.3	5.5	9.1	6.3	7.3	6.2	3.8	.9	4.9	6.2	5.1	4.0
Final sales to domestic purchasers .....	7.1	6.1	4.6	7.6	8.0	6.8	7.3	6.1	7.4	9.3	4.6	7.9	5.7	3.7	2.1	5.5	6.0	4.3	5.2
GNP .....	6.3	6.0		7.4	6.5	6.3	4.8	7.6	5.4	8.7	3.5	8.8	6.0	2.8	4.3	4.9	6.8	6.9	
Disposable personal income .....	4.7	5.9	5.8	7.3	6.3	4.9	10.8	-1.2	6.0	3.0	9.6	6.7	4.5	4.4	5.2	9.1	3.4	6.4	4.2

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

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

	2005	2006	2007	Seasonally adjusted at annual rates															
				2004				2005				2006				2007			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Percent change at annual rate:</b>																			
Gross domestic product .....	3.1	2.9	2.2	3.0	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9	0.6
<b>Percentage points at annual rates:</b>																			
<b>Personal consumption expenditures</b> .....	2.24	2.15	2.01	3.12	1.73	2.46	2.93	1.68	2.40	2.82	.84	3.00	1.63	1.88	2.68	2.56	1.00	2.01	1.37
<b>Durable goods</b> .....	.40	.31	.37	.49	.16	.64	.57	.18	.90	.51	-1.13	1.23	.07	.43	.30	.67	.14	.35	.32
Motor vehicles and parts .....	0	-.11	.07	.09	-.11	.17	.23	-.27	.48	.20	-1.57	.48	-.04	.16	0	.35	-.10	-.17	.10
Furniture and household equipment .....	.31	.35	.24	.29	.27	.36	.25	.31	.28	.39	.35	.54	.17	.24	.25	.28	.13	.31	.23
Other .....	.09	.07	.06	.11	0	.10	.09	.13	.14	-.08	.09	.22	-.06	.04	.05	.04	.11	.20	-.01
<b>Nondurable goods</b> .....	.72	.74	.49	.92	.31	.62	.97	.71	.74	.50	.93	.91	.47	.64	.86	.61	-.10	.46	.38
Food .....	.38	.38	.22	.59	.10	.21	.60	.31	.38	.49	.40	.47	.13	.24	.68	.16	-.14	.13	.42
Clothing and shoes .....	.17	.13	.12	.31	-.13	.15	.23	.18	.27	0	.29	.11	.05	.14	.10	.22	.06	.17	-.06
Gasoline, fuel oil, and other energy goods .....	-.02	-.01	-.03	0	.04	-.03	0	.05	-.11	-.11	.06	.02	.02	.05	-.15	.06	-.12	-.02	-.01
Other .....	.19	.23	.17	.03	.29	.29	.14	.17	.20	.13	.18	.31	.27	.20	.23	.17	.10	.18	.02
<b>Services</b> .....	1.12	1.11	1.15	1.71	1.25	1.21	1.39	.79	.76	1.81	1.05	.86	1.10	.81	1.52	1.28	.96	1.20	.67
Housing .....	.33	.28	.25	.35	.25	.29	.31	.36	.36	.36	.30	.23	.18	.20	.26	.29	.27	.36	.26
Household operation .....	.08	-.03	.10	.13	.06	.06	.15	.04	-.02	.33	-.22	-.40	.17	.16	.13	.04	.05	.23	-.09
Electricity and gas .....	.04	-.05	.07	.04	-.05	-.05	.15	.03	-.04	.29	-.21	-.42	.14	.17	.07	.03	.02	.21	-.12
Other household operation .....	.03	.02	.03	.08	.11	.12	.01	.01	.02	.04	-.01	.02	.03	-.01	.07	.01	.03	.02	.04
Transportation .....	.03	.03	.08	.04	.08	.02	.06	.02	.01	.01	.03	.06	-.03	.06	.11	.07	.11	.09	.04
Medical care .....	.41	.40	.32	.33	.45	.52	.40	.27	.38	.53	.53	.49	.26	.12	.34	.47	.28	.27	.35
Recreation .....	.06	.09	.11	.21	.12	.09	.03	.09	.03	.06	.08	.07	.02	.19	.30	.06	.03	.10	-.06
Other .....	.21	.34	.29	.66	.29	.22	.44	0	0	.53	.32	.34	.45	.11	.44	.39	.19	.24	.07
<b>Gross private domestic investment</b> .....	.91	.45	-.77	.30	3.00	1.26	1.04	.89	-.64	1.15	2.13	.78	.13	-.70	-.250	-1.36	.71	.77	-1.64
<b>Fixed investment</b> .....	1.09	.39	-.47	-.07	1.88	1.41	1.14	.68	1.26	1.28	.38	1.27	-.32	-.80	-.119	-.70	.49	-.11	-.39
Nonresidential .....	.70	.68	.50	-.28	1.00	1.16	1.00	.36	.51	.87	.35	1.31	.44	.53	-.15	.22	1.12	.96	.79
Structures .....	.01	.24	.41	-.01	.15	.09	0	.06	-.04	-.17	.12	.39	.45	.31	.23	.20	.78	.52	.52
Equipment and software .....	.69	.44	.10	-.27	.85	1.07	1.01	.30	.55	1.04	.23	.92	-.01	.21	-.38	.02	.34	.44	.27
Information processing equipment and software .....	.34	.27	.29	.04	.15	.24	.41	.46	.32	.32	.26	.48	.05	.24	-.06	.56	.36	.24	.45
Computers and peripheral equipment .....	.17	.12	.12	-.16	.04	.19	.24	.13	.19	.11	.23	.06	.11	.09	.03	.25	.08	.08	.14
Software .....	.10	.06	.10	.14	0	.11	.17	.07	.14	.02	.05	.08	.03	.05	.04	.14	.16	.07	.14
Other .....	.08	.10	.07	.05	.12	-.06	0	.26	-.01	.19	-.01	.34	-.09	.10	-.12	.18	.11	.09	.18
Industrial equipment .....	.09	.05	.02	-.14	.09	.19	.06	.15	-.12	.23	.11	-.08	.17	-.04	-.08	-.04	.19	.10	-.18
Transportation equipment .....	.13	.09	-.15	-.07	.52	.43	.40	-.34	.14	.40	-.21	.46	-.24	.10	-.18	-.20	-.32	.03	-.13
Other equipment .....	.12	.04	-.06	-.10	.09	.20	.13	.04	.21	.09	.07	.06	0	-.09	-.05	-.30	.11	.07	.13
Residential .....	.39	-.29	-.97	.21	.89	.24	.14	.32	.75	.42	.03	-.05	-.76	-1.33	-1.04	-.93	-.62	-1.08	-1.18
<b>Change in private inventories</b> .....	-.18	.06	-.30	.37	1.12	-.14	-.11	-.21	-1.90	-.14	1.74	-.49	.46	.10	-.131	-.65	.22	.89	-1.25
Farm .....	-.07	0	.04	.28	.37	-.32	-.14	-.25	.13	.12	.01	-.04	-.23	.10	.25	.04	-.05	.01	-.08
Nonfarm .....	-.11	.06	-.34	.08	.75	.18	.03	.46	-2.04	-.26	1.73	-.45	.69	.01	-1.56	-.69	.27	.87	-1.17
<b>Net exports of goods and services</b> .....	-.23	-.08	.55	-.75	-1.50	-.42	-1.07	.26	.83	-.10	-1.41	.13	.49	-.25	1.25	-.51	1.32	1.38	.41
<b>Exports</b> .....	.70	.88	.89	.95	.64	.31	.97	.60	.95	.22	1.07	1.19	.61	.62	1.51	.13	.85	2.10	.46
Goods .....	.53	.73	.61	.49	.48	.42	.49	.40	.92	.14	.87	1.10	.49	.56	.73	.07	.53	1.96	.20
Services .....	.17	.16	.27	.46	.16	-.11	.49	.20	.03	.08	.20	.10	.13	.07	.78	.05	.33	.14	.26
<b>Imports</b> .....	-.92	-.96	-.33	-1.70	-2.14	-.73	-2.04	-.34	-.12	-.32	-2.47	-1.07	-.12	-.88	-.26	-.63	.47	-.72	-.06
Goods .....	-.86	-.83	-.25	-1.32	-1.92	-.69	-1.78	-.43	-.13	-.32	-2.22	-.83	-.12	-.84	.09	-.57	.42	-.67	-.04
Services .....	-.06	-.13	-.08	-.37	-.21	-.05	-.26	.09	.01	0	-.26	-.24	0	-.03	-.35	-.06	.05	-.05	-.01
<b>Government consumption expenditures and gross investment</b> .....	.14	.35	.40	.29	.25	.30	-.35	.25	.22	.60	-.37	.92	.18	.14	.66	-.09	.79	.74	.50
<b>Federal</b> .....	.11	.15	.12	.41	.17	.43	-.33	.19	.05	.59	-.46	.57	-.11	.06	.50	-.46	.41	.50	.02
National defense .....	.07	.09	.13	.36	.09	.49	-.48	.22	.12	.46	-.59	.31	.11	-.07	.74	-.54	.39	.47	-.03
Consumption expenditures .....	.04	.05	.13	.35	.03	.34	-.45	.26	.01	.41	-.57	.30	-.05	0	.60	-.40	.35	.39	.05
Gross investment .....	.03	.04	.01	.01	.06	.15	-.04	-.05	.11	.05	-.02	.01	.15	-.07	.15	-.14	.04	.08	-.08
<b>Nondefense</b> .....	.03	.06	-.01	.06	.08	-.06	.15	-.02	-.07	.13	.27	-.22	.14	-.24	.08	.02	.03	.05	.05
Consumption expenditures .....	.01	.05	0	.07	.03	-.04	.12	-.02	-.08	.07	.06	.23	-.15	.13	-.23	.14	-.02	.04	.04
Gross investment .....	.02	.02	-.01	-.02	.05	-.03	.03	0	.01	.06	.07	.04	-.07	.01	-.02	-.06	.04	-.01	.01
<b>State and local</b> .....	.04	.19	.28	-.12	.09	-.13	-.01	.05	.17	.01	.09	.35	.29	.08	.16	.36	.37	.24	.49
Consumption expenditures .....	.07	.13	.18	-.04	.02	.04	.11	.02	.09	.12	.09	.15	.11	.18	.19	.20	.19	.13	.25
Gross investment .....	-.03	.06	.10	-.08	.07	-.17	-.12	.03	.08	-.11	0	.20	.18	-.10	-.03	.17	.18	.11	.24
<b>Addenda:</b>																			
Goods .....	1.36	1.53	1.04	.68	1.10	2.06	1.18	1.32	1.23	1.83	.49	2.95	1.45	1.06	.36	.06	1.65	3.48	-.17
Services .....	1.36	1.36	1.65	2.17	1.27	1.40	1.41	1.34	1.82	2.50	.56	1.39	1.15	1.15	2.50	1.21	1.85	1.86	1.25
Structures .....	.35	-.01	-.49	.10	1.11	.14	-.03	.42	.76	.14	.14	.48	-.16	-.14	-.77	-.68	.32	-.43	-.44
Motor vehicle output .....	.14	-.04	-.07	.29	-.21	.87	-.34	.18	.16	.92	-1.21	.51	-.37	.44	-.74	.18	.03	.36	-.90
Final sales of computers .....	.22	.13	.13	-.28	-.04	.13	.29	.24	.31	.15	.22	.05	.13	.03	.16	-.01	.21	.28	.18

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





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

	2005	2006	2007	Seasonally adjusted at annual rates															
				2004				2005				2006				2007			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product (GDP)</b> .....	3.2	3.2	2.7	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	2.6
<b>Personal consumption expenditures</b> .....	2.9	2.8	2.5	3.5	3.8	2.0	3.0	2.2	3.4	4.3	2.8	1.7	4.3	2.6	-9	3.5	4.3	1.8	3.9
Durable goods .....	-7	-1.3	-1.8	-5	.3	-2.5	.2	.1	-4	-2.8	-1.1	-1.0	-7	-1.3	-2.7	-1.9	-1.4	-1.8	-1.8
Nondurable goods .....	3.7	3.1	2.9	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	6.3
Services .....	3.4	3.4	3.2	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	2.8	3.8
<b>Gross private domestic investment</b> .....	4.2	3.5	1.2	4.1	4.7	3.9	3.9	5.2	2.8	4.0	5.8	4.0	2.5	1.6	2.2	2.0	-4	-3	.9
Fixed investment .....	4.3	3.5	1.1	4.1	4.7	3.9	3.9	5.3	2.9	4.2	6.0	3.9	2.4	1.5	2.0	1.9	-3	-5	.9
Nonresidential .....	2.9	3.1	1.2	1.1	2.4	1.3	2.5	4.5	2.4	1.6	4.6	3.9	2.8	1.9	2.0	1.9	0	-6	1.2
Structures .....	11.7	11.7	3.3	6.8	7.6	10.1	12.0	12.8	8.7	13.8	17.6	13.0	10.7	5.6	4.6	4.1	-1.1	.5	3.8
Equipment and software .....	-1	0	.4	-8	.7	-1.7	-6	1.8	.3	-2.5	.2	.6	-2	.4	.8	1.0	.5	-1.1	-1
Residential .....	6.7	4.4	.9	9.8	8.8	8.5	6.2	6.6	3.6	8.7	8.5	3.9	1.8	.8	2.1	2.0	-8	-3	.2
Change in private inventories .....																			
<b>Net exports of goods and services</b> .....																			
Exports .....	3.6	3.4	3.5	5.5	4.8	1.9	4.2	4.6	3.6	2.5	3.0	2.7	6.0	4.6	-8	3.6	5.3	3.8	6.1
Goods .....	3.1	3.3	3.6	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	6.3
Services .....	4.9	3.7	3.3	3.9	3.8	3.8	5.5	5.0	4.9	5.2	4.8	2.2	5.5	3.3	-2.7	3.9	5.8	5.1	5.5
Imports .....	6.3	4.0	3.4	9.2	7.3	5.3	6.9	2.2	9.7	10.3	4.3	-1.5	10.1	4.7	-9.4	1.0	11.9	7.5	12.7
Goods .....	6.5	4.2	3.6	10.0	7.9	5.0	7.0	2.0	10.1	10.9	4.9	-1.9	10.4	5.3	-10.1	.7	13.0	7.7	13.4
Services .....	5.6	3.1	2.8	4.9	4.7	6.7	6.0	3.5	7.7	7.5	1.3	.5	8.4	1.4	-5.3	2.3	6.7	6.5	8.8
<b>Government consumption expenditures and gross investment</b> .....	5.8	4.9	4.5	7.2	5.0	4.8	5.7	7.5	4.6	6.4	5.0	5.1	5.7	3.0	2.1	6.4	5.5	3.2	5.5
Federal .....	4.8	3.9	2.9	11.6	5.5	2.5	2.6	11.5	2.3	3.4	.8	9.1	4.0	1.3	.5	5.3	3.8	1.6	2.5
National defense .....	5.3	4.1	2.9	10.6	5.6	2.9	3.1	12.2	2.5	3.5	1.3	9.3	4.2	1.6	-1	5.0	4.1	1.9	3.1
Nondefense .....	4.0	3.5	2.9	13.8	5.2	1.4	1.7	10.1	1.8	3.2	-2	8.9	3.5	.7	1.7	5.9	3.3	1.1	1.3
State and local .....	6.4	5.4	5.4	4.6	4.7	6.2	7.6	5.2	6.1	8.1	7.6	2.7	6.7	4.0	3.1	7.0	6.5	4.2	7.2
<b>Addenda:</b>																			
Final sales of domestic product .....	3.2	3.2	2.7	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.3	1.7	4.2	2.7	1.0	2.6
Gross domestic purchases .....	3.7	3.3	2.7	4.3	4.2	2.8	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.8	3.8
Final sales to domestic purchasers .....	3.7	3.3	2.7	4.3	4.2	2.7	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.7	3.7
Gross national product (GNP) .....	3.2	3.1		3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	
<b>Implicit price deflators:</b>																			
GDP .....	3.2	3.2	2.7	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	2.5
Gross domestic purchases .....	3.6	3.3	2.7	4.3	4.2	2.7	3.7	3.6	3.6	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.7	3.7
GNP .....	3.2	3.2		3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	

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

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

[Index numbers, 2000=100]

	2005	2006	2007	Seasonally adjusted				
				2006	2007			
					IV	I	II	III
<b>Gross domestic product</b> .....	<b>112.086</b>	<b>115.304</b>	<b>117.829</b>	<b>116.080</b>	<b>116.254</b>	<b>117.349</b>	<b>118.763</b>	<b>118.951</b>
<b>Personal consumption expenditures</b> .....	<b>115.791</b>	<b>119.359</b>	<b>122.804</b>	<b>120.801</b>	<b>121.906</b>	<b>122.331</b>	<b>123.190</b>	<b>123.790</b>
Durable goods .....	131.748	136.735	143.286	138.720	141.680	142.283	143.852	145.331
Nondurable goods .....	115.828	120.051	122.934	121.650	122.563	122.419	123.090	123.664
Services .....	112.687	115.696	118.897	116.969	117.865	118.527	119.360	119.836
<b>Gross private domestic investment</b> .....	<b>107.709</b>	<b>110.607</b>	<b>105.516</b>	<b>106.955</b>	<b>104.690</b>	<b>105.875</b>	<b>107.172</b>	<b>104.325</b>
Fixed investment .....	109.080	111.657	108.469	109.325	108.113	108.956	108.756	108.050
Nonresidential .....	99.490	106.062	111.161	106.711	107.277	110.109	112.597	114.660
Structures .....	79.127	85.770	97.060	88.849	90.241	95.639	99.330	103.030
Equipment and software .....	107.935	114.332	115.889	113.662	113.753	115.075	116.821	117.908
Residential .....	133.608	127.433	105.897	118.462	113.301	109.791	103.665	96.833
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>109.775</b>	<b>118.957</b>	<b>128.394</b>	<b>123.222</b>	<b>123.568</b>	<b>125.833</b>	<b>131.458</b>	<b>132.718</b>
<b>Imports of goods and services</b> .....	<b>123.425</b>	<b>130.683</b>	<b>133.327</b>	<b>132.014</b>	<b>133.272</b>	<b>132.363</b>	<b>133.780</b>	<b>133.892</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>113.050</b>	<b>115.092</b>	<b>117.474</b>	<b>116.007</b>	<b>115.865</b>	<b>117.028</b>	<b>118.121</b>	<b>118.883</b>
Federal .....	125.524	128.255	130.431	129.977	127.886	129.756	132.000	132.083
State and local .....	106.721	108.418	110.897	108.935	109.748	110.564	111.096	112.181
<b>Addenda:</b>								
Final sales of domestic product .....	112.360	115.526	118.417	116.550	116.916	117.953	119.117	119.680
Gross domestic purchases .....	113.894	117.071	118.891	117.562	118.871	118.560	119.535	119.599
Final sales to domestic purchasers .....	114.166	117.292	119.460	118.021	118.515	119.146	119.878	120.300
Gross national product .....	112.265	115.363		116.152	116.344	117.493	119.163	

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

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

[Index numbers, 2000=100]

	2005	2006	2007	Seasonally adjusted				
				2006	2007			
					IV	I	II	III
<b>Gross domestic product</b> .....	<b>113.005</b>	<b>116.568</b>	<b>119.678</b>	<b>117.527</b>	<b>118.750</b>	<b>119.527</b>	<b>119.837</b>	<b>120.597</b>
<b>Personal consumption expenditures (PCE)</b> .....	<b>111.588</b>	<b>114.675</b>	<b>117.588</b>	<b>115.143</b>	<b>116.129</b>	<b>117.345</b>	<b>117.873</b>	<b>119.006</b>
Durable goods .....	90.018	88.857	87.270	88.213	87.799	87.488	87.091	86.704
Nondurable goods .....	111.561	114.989	118.342	114.210	115.620	118.413	118.751	120.585
Services .....	116.726	120.725	124.580	122.122	123.252	124.055	124.921	126.094
<b>Gross private domestic investment</b> .....	<b>111.155</b>	<b>115.090</b>	<b>116.469</b>	<b>115.958</b>	<b>116.532</b>	<b>116.426</b>	<b>116.325</b>	<b>116.593</b>
Fixed investment .....	111.404	115.352	116.651	116.162	116.718	116.636	116.498	116.753
Nonresidential .....	103.778	106.961	108.298	107.789	108.301	108.293	108.140	108.456
Structures .....	135.013	150.806	155.771	154.071	155.637	155.199	155.392	156.857
Equipment and software .....	94.527	94.485	94.844	94.667	94.892	95.002	94.751	94.731
Residential .....	128.653	134.288	135.495	135.076	135.736	135.459	135.367	135.418
Change in private inventories .....								
<b>Exports of goods and services</b> .....	<b>108.803</b>	<b>112.537</b>	<b>116.515</b>	<b>113.424</b>	<b>114.433</b>	<b>115.912</b>	<b>116.992</b>	<b>118.723</b>
<b>Imports of goods and services</b> .....	<b>111.117</b>	<b>115.610</b>	<b>119.580</b>	<b>114.834</b>	<b>115.114</b>	<b>118.408</b>	<b>120.572</b>	<b>124.227</b>
<b>Government consumption expenditures and gross investment</b> .....	<b>121.435</b>	<b>127.334</b>	<b>133.064</b>	<b>128.757</b>	<b>130.765</b>	<b>132.527</b>	<b>133.588</b>	<b>135.377</b>
Federal .....	120.914	125.622	129.258	126.244	127.886	129.098	129.622	130.427
State and local .....	121.758	128.370	135.350	130.272	132.499	134.586	135.969	138.347
<b>Addenda:</b>								
PCE excluding food and energy .....	109.670	112.130	114.496	113.052	113.730	114.116	114.682	115.456
Market-based PCE <sup>1</sup> .....	110.307	113.168	115.932	113.456	114.472	115.784	116.186	117.285
Market-based PCE excluding food and energy <sup>1</sup> .....	107.667	109.717	111.787	110.507	111.161	111.498	111.917	112.571
Final sales of domestic product .....	113.040	116.603	119.701	117.553	118.773	119.555	119.860	120.618
Gross domestic purchases .....	113.225	116.920	120.071	117.609	118.702	119.809	120.330	121.444
Final sales to domestic purchasers .....	113.261	116.956	120.097	117.636	118.727	119.838	120.355	121.467
Gross national product .....	112.999	116.558		117.515	118.740	119.518	119.824	
<b>Implicit price deflators:</b>								
Gross domestic product .....	113.000	116.567	119.674	117.522	118.745	119.519	119.826	120.582
Final sales of domestic product .....	113.040	116.603	119.704	117.550	118.770	119.551	119.857	120.614
Gross domestic purchases .....	113.221	116.919	120.070	117.606	118.700	119.804	120.321	121.432
Final sales to domestic purchasers .....	113.261	116.956	120.101	117.634	118.725	119.837	120.354	121.466
Gross national product .....	112.994	116.558		117.511	118.736	119.512	119.814	

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

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Gross domestic product (GDP)</b> .....	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	2.2
<b>Personal consumption expenditures</b> .....	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	2.9
Durable goods .....	5.9	7.8	8.4	4.7	7.8	8.6	11.3	11.7	7.3	4.3	7.1	5.8	6.3	4.9	3.8	4.8
Nondurable goods .....	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	2.4
Services .....	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	2.8
<b>Gross private domestic investment</b> .....	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	-4.6
Fixed investment .....	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	-2.9
Nonresidential .....	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	4.8
Structures .....	-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	13.2
Equipment and software .....	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	1.4
Residential .....	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	-16.9
Change in private inventories .....																
<b>Net exports of goods and services</b> .....																
Exports .....	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	7.9
Goods .....	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	7.8
Services .....	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	8.2
Imports .....	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	2.0
Goods .....	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	1.8
Services .....	-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	3.2
<b>Government consumption expenditures and gross investment</b> .....	5	-9	0	5	1.0	1.9	3.9	2.1	3.4	4.4	2.5	1.4	7	1.8	2.1	
Federal .....	-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	1.7
National defense .....	-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	2.8
Nondefense .....	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	-5
State and local .....	2.2	1.4	2.6	2.6	2.3	3.6	4.7	2.7	3.2	3.1	2	2	1.2	3	1.6	2.3
<b>Addenda:</b>																
Final sales of domestic product .....	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	2.5
Gross domestic purchases .....	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	1.6
Final sales to domestic purchasers .....	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	1.8
Gross national product .....	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 .....	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	3.1
<b>Price indexes:</b>																
Gross domestic purchases .....	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	2.7
Gross domestic purchases excluding food and energy .....	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	2.4
GDP .....	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	2.7
GDP excluding food and energy .....	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	2.5
Personal consumption expenditures .....	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	2.5

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

	2004				2005				2006				2007			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product (GDP)</b> .....	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	2.8	2.5
<b>Personal consumption expenditures (PCE)</b> .....	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	2.5
Durable goods .....	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	4.8
Nondurable goods .....	4.1	3.9	2.8	3.5	3.3	3.8	3.6	3.8	3.5	3.7	3.6	3.2	2.5	2.3	1.7	1.7
Services .....	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	2.5
<b>Gross private domestic investment</b> .....	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	-3.5	-2.5
Fixed investment .....	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	-2.3	-1.2
Nonresidential .....	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	5.1	7.4
Structures .....	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	13.8	16.0
Equipment and software .....	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	1.5	3.7
Residential .....	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	-16.5	-18.3
Change in private inventories .....																
<b>Net exports of goods and services</b> .....																
Exports .....	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	10.3	7.7
Goods .....	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	10.5	8.6
Services .....	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	9.9	5.6
Imports .....	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	1.7	1.4
Goods .....	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	1.3	1.6
Services .....	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	4.0	7
<b>Government consumption expenditures and gross investment</b> .....	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	2.5
Federal .....	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	3.4	1.6
National defense .....	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	5.7	1.4
Nondefense .....	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	2.0
State and local .....	-1	3	-5	-4	0	2	5	7	1.3	1.5	1.7	1.8	1.9	2.0	2.3	3.0
<b>Addenda:</b>																
Final sales of domestic product .....	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	3.1	2.7
Gross domestic purchases .....	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	1.9	1.7
Final sales to domestic purchasers .....	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	1.9
Gross national product .....	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	3.2	
Real disposable personal income .....	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	3.1	3.8	2.3
<b>Price indexes:</b>																
Gross domestic purchases .....	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	3.3
Gross domestic purchases excluding food and energy .....	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	2.2	2.2
GDP .....	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	2.4	2.6
GDP excluding food and energy .....	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	2.3	2.3
PCE .....	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	3.4
PCE excluding food and energy .....	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	2.1
Market-based PCE <sup>1</sup> .....	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	3.4
Market-based PCE excluding food and energy <sup>1</sup> .....	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	1.9

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

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

[Billions of dollars]

	2005	2006	2007	Seasonally adjusted at annual rates				
				2006	2007			
					IV	I	II	III
<b>Gross domestic product</b> .....	<b>12,433.9</b>	<b>13,194.7</b>	<b>13,843.0</b>	<b>13,392.3</b>	<b>13,551.9</b>	<b>13,768.8</b>	<b>13,970.5</b>	<b>14,080.8</b>
Plus: Income receipts from the rest of the world .....	544.1	691.4	.....	733.8	752.2	814.2	855.6	.....
Less: Income payments to the rest of the world .....	475.6	633.4	.....	673.7	689.0	743.5	754.4	.....
<b>Equals: Gross national product</b> .....	<b>12,502.4</b>	<b>13,252.7</b>	.....	<b>13,452.4</b>	<b>13,615.1</b>	<b>13,839.4</b>	<b>14,071.6</b>	.....
Less: Consumption of fixed capital .....	1,609.5	1,615.2	1,686.3	1,654.4	1,670.9	1,683.4	1,690.9	1,700.2
Less: Statistical discrepancy .....	5.4	-18.1	.....	-46.6	-66.3	-40.8	74.8	.....
<b>Equals: National income</b> .....	<b>10,887.6</b>	<b>11,655.6</b>	.....	<b>11,844.6</b>	<b>12,010.5</b>	<b>12,196.8</b>	<b>12,306.0</b>	.....
Compensation of employees .....	7,029.6	7,448.3	7,878.0	7,649.9	7,764.9	7,826.9	7,917.7	8,002.5
Wage and salary accruals .....	5,672.9	6,025.7	6,386.2	6,203.0	6,294.4	6,343.9	6,418.5	6,488.0
Supplements to wages and salaries .....	1,356.8	1,422.6	1,491.8	1,446.9	1,470.5	1,483.0	1,499.2	1,514.5
Proprietors' income with inventory valuation and capital consumption adjustments .....	969.9	1,006.7	1,043.0	1,009.8	1,027.4	1,038.4	1,048.7	1,057.3
Rental income of persons with capital consumption adjustment .....	42.9	54.5	64.9	50.9	53.2	62.1	68.4	76.0
Corporate profits with inventory valuation and capital consumption adjustments .....	1,372.8	1,553.7	.....	1,531.2	1,547.7	1,642.4	1,621.9	.....
Net interest and miscellaneous payments .....	558.0	598.5	603.2	596.0	599.6	592.4	599.3	621.6
Taxes on production and imports less subsidies .....	863.1	917.6	962.1	931.1	943.8	956.8	967.8	980.0
Business current transfer payments .....	66.5	90.2	94.2	91.8	91.8	92.8	94.4	97.6
Current surplus of government enterprises .....	-15.1	-13.9	-14.5	-16.0	-17.8	-15.0	-12.2	-12.9
<b>Addendum:</b>								
Gross domestic income .....	12,428.6	13,212.8	.....	13,438.9	13,618.2	13,809.5	13,895.6	.....

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

[Billions of dollars]

	2005	2006	2007	Seasonally adjusted at annual rates				
				2006	2007			
					IV	I	II	III
<b>Personal income</b> <sup>1</sup> .....	<b>10,301.1</b>	<b>10,983.4</b>	<b>11,667.3</b>	<b>11,200.2</b>	<b>11,469.2</b>	<b>11,577.3</b>	<b>11,746.7</b>	<b>11,875.8</b>
Compensation of employees, received .....	7,024.6	7,440.8	7,859.2	7,599.9	7,764.9	7,801.9	7,892.7	7,977.5
Wage and salary disbursements .....	5,667.9	6,018.2	6,367.4	6,153.0	6,294.4	6,318.9	6,393.5	6,463.0
Supplements to wages and salaries .....	1,356.8	1,422.6	1,491.8	1,446.9	1,470.5	1,483.0	1,499.2	1,514.5
Proprietors' income with inventory valuation and capital consumption adjustments .....	969.9	1,006.7	1,043.0	1,009.8	1,027.4	1,038.4	1,048.7	1,057.3
Farm .....	30.8	19.4	36.5	23.9	29.1	33.1	38.6	45.2
Nonfarm .....	939.1	987.4	1,006.4	985.8	998.3	1,005.3	1,010.0	1,012.1
Rental income of persons with capital consumption adjustment .....	42.9	54.5	64.9	50.9	53.2	62.1	68.4	76.0
Personal income receipts on assets .....	1,617.8	1,796.5	1,947.2	1,836.6	1,882.9	1,930.0	1,976.2	1,999.6
Personal interest income .....	1,018.9	1,100.2	1,154.7	1,102.8	1,126.1	1,148.4	1,171.1	1,173.0
Personal dividend income .....	598.9	696.3	792.5	733.8	756.8	781.6	805.0	826.6
Personal current transfer receipts .....	1,520.7	1,612.5	1,731.4	1,647.7	1,710.7	1,717.1	1,742.3	1,755.5
Less: Contributions for government social insurance .....	874.8	927.6	978.4	944.6	969.8	972.2	981.5	990.1
Less: Personal current taxes .....	1,209.1	1,354.3	1,483.3	1,401.0	1,454.7	1,477.6	1,489.2	1,511.5
<b>Equals: Disposable personal income</b> .....	<b>9,092.0</b>	<b>9,629.1</b>	<b>10,184.0</b>	<b>9,799.2</b>	<b>10,014.5</b>	<b>10,099.7</b>	<b>10,257.5</b>	<b>10,364.3</b>
Less: Personal outlays .....	9,047.4	9,590.3	10,131.7	9,757.2	9,917.5	10,069.2	10,200.9	10,339.2
<b>Equals: Personal saving</b> .....	<b>44.6</b>	<b>38.8</b>	<b>52.3</b>	<b>42.0</b>	<b>97.0</b>	<b>30.5</b>	<b>56.7</b>	<b>25.1</b>
Personal saving as a percentage of disposable personal income .....	.5	.4	.5	.4	1.0	.3	.6	.2
<b>Addendum:</b>								
Disposable personal income, billions of chained (2000) dollars <sup>2</sup> .....	8,147.9	8,396.9	8,660.6	8,510.7	8,623.9	8,607.1	8,702.6	8,709.3

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**

	2005	2006	2007	Seasonally adjusted at annual rates															
				2004				2005				2006				2007			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product (GDP) and related aggregates:</b>																			
GDP .....	3.1	2.9	2.2	3.0	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9	0.6
Goods .....	4.3	5.0	3.3	2.1	3.4	6.6	3.7	4.2	3.9	5.8	1.5	9.6	4.6	3.4	1.1	.2	5.4	11.7	-6
Services .....	2.3	2.3	2.8	3.8	2.2	2.4	2.4	2.3	1.4	4.4	1.0	2.4	2.0	2.0	4.4	2.1	3.1	3.1	2.1
Structures .....	3.4	-1	-4.5	1.0	11.5	1.3	-3	4.0	7.3	1.2	1.2	4.3	-1.4	-9.9	-7.0	-6.2	3.0	-4.2	-4.2
Motor vehicle output .....	4.2	-1.3	-2.2	8.8	-6.1	29.0	-9.6	5.4	4.7	30.6	-30.5	17.0	-10.9	15.1	-21.6	6.2	1.0	13.1	-27.2
GDP excluding motor vehicle output .....	3.0	3.0	2.3	2.8	3.8	2.8	3.0	3.0	2.7	3.6	2.5	4.4	2.9	.6	2.9	.4	3.9	4.7	1.6
Final sales of computers <sup>1</sup> .....	35.1	19.4	20.6	-31.0	-6.6	19.8	50.1	39.5	51.7	21.8	34.2	7.3	20.7	5.1	27.0	-1.3	35.7	49.8	30.2
GDP excluding final sales of computers .....	2.9	2.8	2.1	3.3	3.6	3.5	2.3	2.8	2.5	4.3	1.0	4.8	2.3	1.0	1.9	.6	3.6	4.6	.5
Farm gross value added <sup>2</sup> .....	5.9	.6	-1.0	149.5	-30.8	18.9	40.8	-10.9	14.0	-3.0	6.0	-8.9	17.5	-12.4	.8	-12.5	14.8	9.6	-13.0
Nonfarm business gross value added <sup>3</sup> .....	3.6	3.2	2.3	2.6	5.0	3.8	2.6	3.9	3.2	5.6	.9	5.7	2.4	.8	2.6	.3	4.2	5.6	.4
<b>Price indexes:</b>																			
GDP .....	3.2	3.2	2.7	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5	2.4	1.7	4.2	2.6	1.0	2.6
GDP excluding food and energy .....	3.2	3.1	2.5	3.5	3.4	2.8	3.1	4.1	2.6	2.9	3.5	3.4	3.2	2.6	2.4	3.3	1.6	1.7	2.4
GDP excluding final sales of computers .....	3.4	3.3	2.8	3.8	3.8	2.4	3.4	4.1	2.7	3.6	3.7	3.5	3.6	2.5	1.8	4.3	2.8	1.2	2.7
Gross domestic purchases .....	3.7	3.3	2.7	4.3	4.2	2.8	3.6	3.6	3.5	4.6	3.7	2.7	4.2	2.5	.1	3.8	3.8	1.8	3.8
Gross domestic purchases excluding food and energy .....	3.1	2.9	2.4	3.5	3.4	2.6	2.8	4.0	2.6	2.7	3.2	3.2	3.2	2.5	2.3	3.1	1.5	1.9	2.5
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	3.9	3.5	2.8	4.4	4.3	2.9	3.9	3.8	3.7	4.8	3.9	2.9	4.5	2.7	.2	3.9	4.0	1.9	3.9
Personal consumption expenditures (PCE) .....	2.9	2.8	2.5	3.5	3.8	2.0	3.0	2.2	3.4	4.3	2.8	1.7	4.3	2.6	-.9	3.5	4.3	1.8	3.9
PCE excluding food and energy .....	2.2	2.2	2.1	2.4	2.7	1.7	2.1	2.6	2.1	1.7	2.4	2.0	2.9	2.3	1.9	2.4	1.4	2.0	2.7
Market-based PCE <sup>4</sup> .....	2.7	2.6	2.4	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	3.8
Market-based PCE excluding food and energy <sup>4</sup> .....	1.7	1.9	1.9	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	2.4

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.