



NEWS RELEASE



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GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2006 (PRELIMINARY)

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 2.2 percent in the fourth quarter of 2006, according to preliminary estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 2.0 percent.

The GDP estimates released today are based on more complete source data than were available for the advance estimates issued last month. In the advance estimates, the increase in real GDP was 3.5 percent (see "Revisions" on page 3).

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

The small acceleration in real GDP growth in the fourth quarter primarily reflected a downturn in imports and accelerations in PCE, in exports, and in federal government spending that were partly offset by downturns in private inventory investment, in equipment and software, and in nonresidential structures.

Final sales of computers contributed 0.23 percentage point to the fourth-quarter growth in real GDP after contributing 0.07 percentage point to the third-quarter growth. Motor vehicle output subtracted 1.24 percentage points from the fourth-quarter growth in real GDP after contributing 0.76 percentage point to the third-quarter growth.

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

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The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 0.2 percent in the fourth quarter, 0.1 percentage point more than in the advance estimate; this index increased 2.2 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 2.4 percent in the fourth quarter, compared with 2.2 percent in the third.

Real personal consumption expenditures increased 4.2 percent in the fourth quarter, compared with an increase of 2.8 percent in the third. Real nonresidential fixed investment decreased 2.4 percent, in contrast to an increase of 10.0 percent. Nonresidential structures decreased 0.8 percent, in contrast to an increase of 15.7 percent. Equipment and software decreased 3.2 percent, in contrast to an increase of 7.7 percent. Real residential fixed investment decreased 19.1 percent, compared with a decrease of 18.7 percent.

Real exports of goods and services increased 10.5 percent in the fourth quarter, compared with an increase of 6.8 percent in the third. Real imports of goods and services decreased 2.2 percent, in contrast to an increase of 5.6 percent.

Real federal government consumption expenditures and gross investment increased 4.4 percent in the fourth quarter, compared with an increase of 1.3 percent in the third. National defense increased 12.3 percent, in contrast to a decrease of 1.2 percent. Nondefense decreased 10.2 percent, in contrast to an increase of 6.5 percent. Real state and local government consumption expenditures and gross investment increased 2.6 percent, compared with an increase of 1.9 percent.

The real change in private inventories subtracted 1.35 percentage points from the fourth-quarter change in real GDP, after adding 0.06 percentage point to the third-quarter change. Private businesses increased inventories \$17.3 billion in the fourth quarter, following increases of \$55.4 billion in the third quarter and \$53.7 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 3.6 percent in the fourth quarter, compared with an increase of 1.9 percent in the third.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 0.7 percent in the fourth quarter, compared with an increase of 2.0 percent in the third.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 3.9 percent, or \$127.3 billion, in the fourth quarter to a level of \$13,449.9 billion. In the third quarter, current-dollar GDP increased 3.8 percent, or \$125.3 billion.

Revisions

The preliminary estimate of the fourth-quarter increase in real GDP is 1.3 percentage points, or \$35.1 billion, lower than the advance estimate issued last month. The downward revision to the percent change in real GDP primarily reflected downward revisions to private inventory investment and to personal consumption expenditures for goods, as well as an upward revision to imports of goods.

	<u>Advance</u>	<u>Preliminary</u>
	(Percent change from preceding quarter)	
Real GDP.....	3.5	2.2
Current-dollar GDP.....	5.0	3.9
Gross domestic purchases price index...	0.1	0.2

2006 GDP

Real GDP increased 3.3 percent in 2006 (that is, from the 2005 annual level to the 2006 annual level), compared with an increase of 3.2 percent in 2005.

The major contributors to the increase in real GDP in 2006 were personal consumption expenditures, exports, and equipment and software. Imports, which are a subtraction in the calculation of GDP, increased.

The acceleration in real GDP primarily reflected an upturn in private inventory investment and accelerations in exports, in nonresidential structures, and in state and local government spending that were partly offset by a downturn in residential fixed investment.

The price index for gross domestic purchases increased 3.1 percent in 2006, compared with an increase of 3.5 percent in 2005.

Current-dollar GDP increased 6.3 percent, or \$788.8 billion, in 2006. Current-dollar GDP increased 6.3 percent, or \$743.3 billion, in 2005.

During 2006 (that is, measured from the fourth quarter of 2005 to the fourth quarter of 2006), real GDP increased 3.1 percent, the same as during 2005. The price index for gross domestic purchases increased 2.3 percent during 2006, compared with an increase of 3.6 percent during 2005.

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Next release – March 29, 2007, at 8:30 A.M. EDT for:
Gross Domestic Product: Fourth Quarter 2006 (Final)
Corporate Profits: Fourth Quarter 2006

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

	2004	2005	2006 ^r	Seasonally adjusted at annual rates															
				2003				2004				2005				2006			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III ^r	IV ^r
Gross domestic product (GDP)	3.9	3.2	3.3	1.2	3.5	7.5	2.7	3.9	4.0	3.1	2.6	3.4	3.3	4.2	1.8	5.6	2.6	2.0	2.2
Personal consumption expenditures	3.9	3.5	3.2	2.1	3.6	5.8	2.3	4.7	2.9	3.9	4.3	2.7	4.2	3.9	.8	4.8	2.6	2.8	4.2
Durable goods	6.4	5.5	5.0	.4	16.8	16.7	.7	6.1	1.7	8.7	6.1	2.4	12.8	9.0	-12.3	19.8	-1	6.4	4.4
Nondurable goods	3.6	4.5	3.7	3.8	2.3	7.7	1.8	4.3	1.7	3.7	5.4	5.2	4.9	3.4	3.9	5.9	1.4	1.5	6.0
Services	3.5	2.6	2.6	1.5	1.8	2.9	2.8	4.6	3.8	3.1	3.4	1.6	2.3	3.2	2.0	1.6	3.7	2.8	3.2
Gross private domestic investment	9.8	5.4	4.2	-1.3	3.3	17.7	9.3	4.8	21.7	2.0	5.1	8.2	-3.6	5.2	16.2	7.8	1.0	-8	-15.6
Fixed investment	7.3	7.5	2.9	-4	10.6	13.6	5.5	2.2	11.7	7.6	4.9	7.8	10.5	6.3	2.8	8.2	-1.6	-1.2	-8.5
Nonresidential	5.9	6.8	7.3	-2.6	10.7	9.4	2.8	1.7	7.2	10.3	8.3	6.0	5.2	5.9	5.2	13.7	4.4	10.0	-2.4
Structures	2.2	1.1	8.8	-6.9	14.7	-8	-4.7	3.3	6.9	3.1	-2.0	5.3	-2.0	-7.0	12.0	8.7	20.3	15.7	-8
Equipment and software	7.3	8.9	6.6	-1.0	9.3	13.2	5.6	1.2	7.3	13.0	12.3	6.3	7.9	11.0	2.8	15.6	-1.4	7.7	-3.2
Residential	9.9	8.6	-4.2	4.1	10.5	22.2	10.6	3.1	19.8	3.2	-6	11.1	20.0	7.1	-9	-3	-11.1	-18.7	-19.1
Change in private inventories																			
Net exports of goods and services																			
Exports	9.2	6.8	8.9	-5.3	-1.7	11.4	20.8	7.2	6.2	4.8	9.9	4.7	9.4	3.2	9.6	14.0	6.2	6.8	10.5
Goods	9.0	7.5	10.5	2.0	-1.2	8.8	19.8	7.1	6.4	8.3	6.1	5.5	12.8	3.7	11.5	17.3	6.0	9.4	8.5
Services	9.7	5.1	5.4	-20.0	-2.8	17.5	23.1	7.5	5.6	-2.8	19.2	2.9	2.0	2.1	5.5	6.7	6.7	.8	15.5
Imports	10.8	6.1	5.8	-5.0	4.1	3.7	17.6	10.2	16.0	4.4	12.0	4.1	1.4	2.5	13.2	9.1	1.4	5.6	-2.2
Goods	10.9	6.7	5.9	-3.9	8.6	.6	17.2	10.1	17.7	4.7	12.6	4.9	2.0	2.7	14.1	9.4	-1	7.1	-3.8
Services	10.0	2.8	5.3	-10.6	-15.7	21.2	19.6	10.9	7.6	3.1	9.0	-2	-1.5	1.2	8.3	7.4	9.9	-2.6	7.1
Government consumption expenditures and gross investment	1.9	.9	2.1	-1.4	6.1	1.5	.7	2.9	2.2	1.3	-1.9	1.6	1.1	3.4	-1.1	4.9	.8	1.7	3.3
Federal	4.3	1.5	2.0	.1	19.7	.4	3.1	7.2	2.5	5.0	-5.2	3.4	.4	9.6	-4.6	8.8	-4.5	1.3	4.4
National defense	5.9	1.7	1.9	-4.4	36.3	-5.3	8.1	9.1	2.0	9.1	-9.1	4.5	2.9	11.2	-9.9	8.9	-2.0	-1.2	12.3
Nondefense	1.2	1.1	2.1	9.0	-6.4	12.4	-6.0	3.6	3.5	-2.9	3.4	1.2	-4.4	6.2	7.1	8.5	-9.3	6.5	-10.2
State and local .....	.5	.5	2.1	-2.2	-8	2.1	-6	.5	2.1	-9	.1	.6	1.5	-1	1.0	2.7	4.0	1.9	2.6
Addenda:																			
Final sales of domestic product	3.5	3.5	3.1	1.3	4.5	6.9	2.1	3.4	2.6	4.0	2.6	3.3	5.6	4.4	-3	5.6	2.1	1.9	3.6
Gross domestic purchases	4.4	3.3	3.1	.9	4.0	6.6	3.0	4.4	5.5	3.1	3.3	3.4	2.4	4.0	2.7	5.3	2.0	2.0	.7
Final sales to domestic purchasers	4.0	3.6	2.9	1.1	5.1	6.1	2.5	4.0	4.1	4.0	3.2	3.3	4.6	4.2	.7	5.4	1.6	2.0	2.0
Gross national product (GNP)	3.8	3.1	.....	.8	4.1	7.3	3.5	3.5	2.9	3.3	2.0	3.6	3.0	4.9	.5	6.1	2.3	1.8	.....
Disposable personal income	3.6	1.2	2.6	1.7	5.0	6.3	1.7	3.9	2.4	2.8	7.5	-4.0	.5	-6	5.5	4.6	-1.5	3.2	5.3
Current-dollar measures:																			
GDP	6.9	6.3	6.3	4.4	4.8	9.7	4.9	7.8	7.9	5.3	5.9	7.0	5.8	7.6	5.1	9.0	5.9	3.8	3.9
Final sales of domestic product	6.5	6.7	6.1	4.6	5.8	9.1	4.4	7.3	6.4	6.2	5.9	6.9	8.2	7.8	3.0	9.1	5.5	3.8	5.3
Gross domestic purchases	7.6	6.9	6.3	5.1	4.7	9.1	4.9	8.9	9.7	5.8	7.0	6.7	5.8	8.5	6.3	8.2	6.1	4.2	.8
Final sales to domestic purchasers	7.2	7.2	6.1	5.3	5.7	8.5	4.4	8.5	8.3	6.7	7.0	6.7	8.1	8.8	4.3	8.2	5.7	4.2	2.2
GNP	6.7	6.2	.....	4.0	5.4	9.6	5.8	7.4	6.7	5.4	5.3	7.2	5.6	8.4	3.8	9.6	5.7	3.7	.....
Disposable personal income	6.4	4.1	5.4	4.8	5.7	8.9	3.2	7.7	6.0	4.7	10.7	-1.8	3.6	3.5	8.6	6.8	2.5	5.7	4.4

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2006.

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

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

	2004	2005	2006 ^r	Seasonally adjusted at annual rates															
				2003				2004				2005				2006			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP)	2.8	3.0	2.9	3.1	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.3	3.3	3.3	1.9	1.7
Personal consumption expenditures	2.6	2.9	2.8	3.1	.7	2.4	1.5	3.7	3.6	1.9	3.0	2.3	3.1	4.1	2.9	2.0	4.0	2.4	-9
Durable goods	-1.6	-7	-1.3	-4.8	-4.2	-4.0	-3.5	0	.3	-2.3	.3	.3	-6	-2.9	-1.3	-1.0	-8	-1.1	-2.7
Nondurable goods	3.3	3.6	3.1	5.6	-2.9	3.9	.5	5.7	6.0	1.1	4.4	1.1	4.8	9.0	.6	1.1	8.3	2.3	-7.7
Services	3.2	3.2	3.4	3.6	3.5	3.0	3.0	3.5	3.2	3.1	3.0	3.2	3.1	3.2	5.0	3.1	2.9	3.0	3.0
Gross private domestic investment	3.3	3.4	3.2	2.8	-7	1.3	3.5	4.2	4.5	3.6	3.7	3.0	2.7	3.7	4.3	3.7	3.1	.6	3.2
Fixed investment	3.4	3.5	3.3	3.1	-8	1.3	3.5	4.3	4.6	3.6	3.7	3.1	2.7	4.0	4.6	3.8	3.0	.5	3.1
Nonresidential	1.2	2.6	2.8	.1	-1.3	.7	1.4	1.0	2.1	1.4	2.6	3.6	2.0	2.2	3.5	3.7	3.0	.9	2.6
Structures	6.2	11.3	11.4	4.8	-2	2.3	4.2	6.7	7.8	10.2	12.0	11.6	9.2	13.2	16.8	12.4	10.7	5.3	5.4
Equipment and software	-4	-4	-3	-1.5	-1.7	.1	.4	-9	2	-1.5	-5	.9	-4	-1.5	-1.0	.6	.1	-9	1.5
Residential	7.3	5.1	4.0	9.4	.2	2.6	7.7	10.5	9.0	7.4	5.6	2.3	3.8	6.9	6.3	3.8	2.9	-1	4.1
Change in private inventories																			
Net exports of goods and services																			
Exports	3.7	3.6	3.3	4.1	1.1	.9	3.0	6.1	5.0	1.8	4.0	4.6	3.6	2.6	2.8	2.3	6.1	4.5	-8
Goods	3.7	3.1	3.3	3.6	1.6	-7	4.1	6.5	5.2	1.1	3.6	4.4	3.0	1.3	2.3	2.8	6.2	5.3	0
Services	3.5	4.8	3.3	5.3	-2	4.7	.7	5.0	4.5	3.5	5.0	5.1	4.9	5.6	4.2	1.2	6.0	2.5	-3.0
Imports	5.0	6.3	4.3	11.3	-3.9	2.6	.4	9.7	7.3	5.5	6.7	2.6	9.2	10.2	4.3	-7	9.8	5.4	-8.6
Goods	5.0	6.5	4.5	11.9	-6.7	2.5	.5	10.1	7.9	5.4	6.8	1.8	10.1	11.3	5.1	-1.6	10.6	5.8	-10.1
Services	5.1	5.4	3.4	8.1	11.8	3.1	0	8.0	4.4	6.2	6.3	6.8	5.1	4.3	-1	4.5	5.5	3.2	-1
Government consumption expenditures and gross investment	4.4	5.6	4.4	9.2	1.3	2.5	2.2	6.8	5.3	4.6	5.7	7.0	4.6	5.9	4.7	4.4	4.8	2.8	1.6
Federal	4.7	4.8	3.4	11.3	1.5	1.0	1.1	11.5	5.3	2.2	2.9	11.3	2.2	3.3	.4	7.6	3.8	2.0	0
National defense	4.7	5.1	3.4	10.3	1.4	1.2	1.3	10.5	5.8	2.8	3.2	11.6	2.4	3.4	1.0	6.7	4.1	2.3	-3
Nondefense	4.7	4.1	3.5	12.9	1.6	.6	.6	13.7	4.3	.9	2.3	10.6	1.8	3.2	-7	9.5	3.2	1.4	.8
State and local	4.3	6.2	4.9	8.1	1.1	3.3	2.9	4.1	5.3	6.1	7.4	4.6	6.1	7.4	7.3	2.6	5.4	3.4	2.6
Addenda:																			
Final sales of domestic product	2.8	3.0	3.0	3.2	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.3	3.3	3.3	1.9	1.6
Gross domestic purchases	3.1	3.5	3.1	4.1	.6	2.2	1.9	4.3	4.1	2.6	3.6	3.2	3.3	4.4	3.5	2.7	4.0	2.2	.2
Final sales to domestic purchasers	3.1	3.5	3.1	4.2	.6	2.2	1.9	4.3	4.1	2.6	3.6	3.2	3.3	4.4	3.5	2.7	4.0	2.2	.2
Gross national product (GNP)	2.8	3.0		3.2	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.2	3.3	3.3	1.9	
Implicit price deflators:																			
GDP	2.8	3.0	2.9	3.2	1.3	2.1	2.2	3.8	3.7	2.1	3.2	3.4	2.5	3.3	3.3	3.3	3.3	1.9	1.6
Gross domestic purchases	3.1	3.5	3.1	4.1	.6	2.3	1.9	4.3	4.0	2.6	3.6	3.2	3.4	4.3	3.5	2.7	4.0	2.1	.2
GNP	2.8	3.0		3.1	1.3	2.1	2.2	3.8	3.7	2.1	3.2	3.4	2.5	3.3	3.3	3.3	3.3	1.9	

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

Table 5.—Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2000=100]

	2004	2005	2006 ^r	Seasonally adjusted				
				2005	2006			
					IV	I	II	III	IV^{r}
Gross domestic product	109.031	112.546	116.264	113.719	115.274	116.004	116.569	117.210
Personal consumption expenditures	112.430	116.349	120.057	117.373	118.761	119.521	120.355	121.590
Durable goods	125.753	132.666	139.328	131.799	137.893	137.868	140.019	141.530
Nondurable goods	111.913	116.924	121.308	118.608	120.313	120.742	121.204	122.974
Services	110.055	112.925	115.810	113.945	114.398	115.440	116.234	117.167
Gross private domestic investment	102.026	107.537	112.079	111.034	113.143	113.429	113.215	108.530
Fixed investment	102.080	109.708	112.901	111.811	114.033	113.570	113.240	110.760
Nonresidential	92.995	99.326	106.565	101.308	104.606	105.738	108.292	107.623
Structures	79.418	80.302	87.404	81.174	82.893	86.819	90.044	89.860
Equipment and software	98.400	107.180	114.241	109.653	113.704	113.313	115.434	114.514
Residential	125.281	136.050	130.344	138.495	138.391	134.368	127.601	121.015
Change in private inventories								
Exports of goods and services	102.201	109.105	118.831	112.054	115.783	117.536	119.495	122.510
Imports of goods and services	115.962	123.007	130.197	126.377	129.146	129.608	131.378	130.654
Government consumption expenditures and gross investment	112.720	113.731	116.072	114.048	115.423	115.657	116.136	117.073
Federal	123.813	125.701	128.174	126.053	128.728	127.262	127.669	129.037
State and local	107.094	107.660	109.930	107.954	108.682	109.762	110.277	111.000
Addenda:								
Final sales of domestic product	109.096	112.958	116.444	113.883	115.455	116.060	116.609	117.650
Gross domestic purchases	110.691	114.351	117.946	115.657	117.161	117.746	118.341	118.537
Final sales to domestic purchasers	110.761	114.755	118.128	115.825	117.345	117.810	118.390	118.967
Gross national product	109.039	112.399		113.390	115.085	115.753	116.260	

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

Table 6.—Price Indexes for Gross Domestic Product

[Index numbers, 2000=100]

	2004	2005	2006 ^r	Seasonally adjusted				
				2005	2006			
					IV	I	II	III	IV^{r}
Gross domestic product	109.429	112.744	116.061	114.048	114.967	115.905	116.446	116.924
Personal consumption expenditures (PCE)	108.373	111.493	114.563	112.873	113.445	114.573	115.241	114.991
Durable goods	90.845	90.198	88.981	89.606	89.385	89.206	88.967	88.366
Nondurable goods	107.617	111.530	114.959	113.177	113.484	115.769	116.442	114.141
Services	112.863	116.529	120.521	118.281	119.194	120.059	120.960	121.869
Gross private domestic investment	106.645	110.284	113.817	111.853	112.860	113.717	113.895	114.798
Fixed investment	106.811	110.542	114.161	112.194	113.238	114.074	114.224	115.109
Nonresidential	100.834	103.428	106.359	104.510	105.471	106.266	106.501	107.198
Structures	120.951	134.647	149.967	141.476	145.684	149.432	151.372	153.380
Equipment and software	94.503	94.134	93.889	93.754	93.887	93.920	93.704	94.046
Residential	120.618	126.714	131.774	129.536	130.765	131.696	131.655	132.981
Change in private inventories								
Exports of goods and services	105.151	108.949	112.540	110.108	110.737	112.400	113.631	113.390
Imports of goods and services	104.678	111.268	116.048	114.117	113.918	116.608	118.143	115.522
Government consumption expenditures and gross investment	114.718	121.183	126.468	123.444	124.791	126.262	127.150	127.671
Federal	115.249	120.726	124.891	121.479	123.721	124.871	125.482	125.490
State and local	114.417	121.463	127.411	124.620	125.434	127.095	128.147	128.969
Addenda:								
PCE excluding food and energy	107.314	109.559	111.982	110.418	110.983	111.738	112.337	112.868
Market-based PCE ¹	107.393	110.339	113.173	111.647	112.116	113.272	113.879	113.424
Market-based PCE excluding food and energy ¹	105.865	107.713	109.708	108.375	108.810	109.524	110.033	110.465
Final sales of domestic product	109.455	112.783	116.114	114.101	115.025	115.961	116.498	116.972
Gross domestic purchases	109.210	112.981	116.497	114.541	115.313	116.455	117.080	117.142
Final sales to domestic purchasers	109.235	113.021	116.551	114.594	115.371	116.510	117.133	117.189
Gross national product	109.419	112.733		114.038	114.958	115.897	116.440	
Implicit price deflators:								
Gross domestic product	109.426	112.737	116.042	114.034	114.951	115.887	116.420	116.890
Final sales of domestic product	109.455	112.783	116.110	114.092	115.017	115.952	116.490	116.964
Gross domestic purchases	109.207	112.975	116.476	114.526	115.296	116.435	117.053	117.107
Final sales to domestic purchasers	109.235	113.021	116.543	114.583	115.360	116.499	117.122	117.178
Gross national product	109.416	112.726		114.025	114.942	115.879	116.414	

^r Revised
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 9.—Relation of Gross Domestic Product, Gross National Product, and National Income

[Billions of dollars]

	2004	2005	2006 ^r	Seasonally adjusted at annual rates				
				2005	2006			
					IV	I	II	III ^r	IV^{r}
Gross domestic product	11,712.5	12,455.8	13,244.6	12,730.5	13,008.4	13,197.3	13,322.6	13,449.9
Plus: Income receipts from the rest of the world	410.2	513.3	.....	564.9	603.3	661.4	682.3	.....
Less: Income payments to the rest of the world	363.9	481.5	.....	552.4	574.3	638.6	665.7	.....
Equals: Gross national product	11,758.7	12,487.7	.....	12,743.0	13,037.4	13,220.1	13,339.2	.....
Less: Consumption of fixed capital	1,436.2	1,604.8	1,576.2	1,562.5	1,548.0	1,572.8	1,582.0	1,602.1
Less: Statistical discrepancy	66.7	71.0	.....	74.3	-61.9	35.8	23.5	.....
Equals: National income	10,255.9	10,811.8	.....	11,106.2	11,551.3	11,611.5	11,733.7	.....
Compensation of employees	6,650.3	7,030.3	7,489.4	7,184.4	7,400.3	7,425.5	7,489.3	7,642.4
Wage and salary accruals	5,377.1	5,664.8	6,035.1	5,787.0	5,970.1	5,980.9	6,027.6	6,161.8
Supplements to wages and salaries	1,273.2	1,365.5	1,454.3	1,397.4	1,430.3	1,444.5	1,461.6	1,480.6
Proprietors' income with inventory valuation and capital consumption adjustments	911.1	970.7	1,015.0	996.8	1,008.3	1,011.9	1,014.8	1,025.1
Rental income of persons with capital consumption adjustment	127.0	72.8	76.7	81.5	76.8	71.4	78.3	80.5
Corporate profits with inventory valuation and capital consumption adjustments	1,182.6	1,330.7	.....	1,393.5	1,569.1	1,591.8	1,653.3	.....
Net interest and miscellaneous payments	485.1	483.4	510.6	490.0	514.8	513.2	498.6	515.9
Taxes on production and imports less subsidies	819.4	865.1	912.2	874.2	897.4	914.0	916.8	920.8
Business current transfer payments	85.5	74.2	93.1	99.1	93.8	93.1	92.8	92.8
Current surplus of government enterprises	-5.0	-15.4	-9.9	-13.3	-9.2	-9.4	-10.2	-10.9
Addendum:								
Gross domestic income	11,645.8	12,384.8	.....	12,656.2	13,070.3	13,161.6	13,299.1	.....

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2006.

Table 10.—Personal Income and Its Disposition

[Billions of dollars]

	2004	2005	2006 ^r	Seasonally adjusted at annual rates				
				2005	2006			
					IV	I	II	III ^r
Personal income ¹	9,731.4	10,239.2	10,884.0	10,483.7	10,721.4	10,807.3	10,939.4	11,067.9
Compensation of employees, received	6,665.3	7,030.3	7,476.9	7,184.4	7,400.3	7,425.5	7,489.3	7,592.4
Wage and salary disbursements	5,392.1	5,664.8	6,022.6	5,787.0	5,970.1	5,980.9	6,027.6	6,111.8
Supplements to wages and salaries	1,273.2	1,365.5	1,454.3	1,397.4	1,430.3	1,444.5	1,461.6	1,480.6
Proprietors' income with inventory valuation and capital consumption adjustments	911.1	970.7	1,015.0	996.8	1,008.3	1,011.9	1,014.8	1,025.1
Farm	36.2	30.2	22.6	28.7	23.9	17.5	21.7	27.4
Nonfarm	874.9	940.4	992.4	968.1	984.4	994.3	993.2	997.8
Rental income of persons with capital consumption adjustment	127.0	72.8	76.7	81.5	76.8	71.4	78.3	80.5
Personal income receipts on assets	1,427.9	1,519.4	1,657.6	1,580.2	1,602.3	1,647.7	1,683.6	1,696.9
Personal interest income	890.8	945.0	1,018.1	981.7	989.1	1,019.2	1,035.8	1,028.1
Personal dividend income	537.1	574.4	639.6	598.5	613.2	628.5	647.8	668.8
Personal current transfer receipts	1,426.5	1,526.6	1,602.3	1,539.8	1,570.4	1,589.7	1,618.6	1,630.2
Less: Contributions for government social insurance	826.4	880.6	944.5	898.9	936.7	938.8	945.2	957.2
Less: Personal current taxes	1,049.8	1,203.1	1,360.9	1,247.6	1,332.6	1,361.0	1,362.5	1,387.4
Equals: Disposable personal income	8,681.6	9,036.1	9,523.1	9,236.1	9,388.8	9,446.2	9,577.0	9,680.5
Less: Personal outlays	8,507.2	9,070.9	9,625.2	9,264.5	9,418.5	9,577.0	9,710.0	9,795.3
Equals: Personal saving	174.3	-34.8	-102.1	-28.5	-29.7	-130.8	-133.0	-114.8
Personal saving as a percentage of disposable personal income	2.0	-4	-1.1	-3	-3	-1.4	-1.4	-1.2
Addendum:								
Disposable personal income, billions of chained (2000) dollars ²	8,010.8	8,104.6	8,312.9	8,183.3	8,276.8	8,245.4	8,311.0	8,419.1

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the third quarter of 2006.

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

	2004	2005	2006 ^r	Seasonally adjusted at annual rates															
				2003				2004				2005				2006			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV ^r
Gross domestic product (GDP) and related aggregates:																			
GDP	3.9	3.2	3.3	1.2	3.5	7.5	2.7	3.9	4.0	3.1	2.6	3.4	3.3	4.2	1.8	5.6	2.6	2.0	2.2
Goods	4.9	4.6	6.2	3.9	1.6	16.2	2.5	3.7	3.0	5.0	4.6	4.9	3.5	6.7	3.1	12.8	3.6	3.8	3.7
Services	3.2	2.3	2.3	.1	3.6	1.9	2.8	4.5	3.0	2.5	2.5	1.8	1.8	3.5	.8	2.4	2.4	2.8	3.8
Structures	5.2	4.6	.5	-1.0	9.2	14.1	2.2	.5	13.6	.6	-2.7	8.0	11.1	.7	3.1	2.9	.3	-7.4	-10.1
Motor vehicle output	3.5	5.9	-1.8	-11.8	10.9	8.9	-6.5	9.9	-7.1	16.6	1.9	12.0	-7	22.6	-19.1	3.8	-9.4	27.4	-33.4
GDP excluding motor vehicle output	3.9	3.1	3.5	1.7	3.2	7.4	3.0	3.6	4.5	2.7	2.6	3.1	3.4	3.6	2.6	5.6	3.0	1.2	3.6
Final sales of computers ¹	8.2	24.5	16.9	16.9	-2.5	90.4	20.0	-16.0	-17.4	23.0	42.8	24.3	31.5	11.6	33.8	9.5	6.7	11.7	43.0
GDP excluding final sales of computers	3.9	3.1	3.2	1.1	3.5	7.0	2.5	4.0	4.2	3.0	2.4	3.3	3.1	4.1	1.6	5.6	2.5	1.9	2.0
Farm gross value added ²	7.4	1.0	4.8	-16.1	26.6	-34.7	-36.1	120.0	-17.4	19.4	23.7	-2.0	-24.6	11.3	8.1	14.1	3.9	-2.0	-7
Nonfarm business gross value added ³	4.3	3.8	3.8	1.2	4.3	11.0	1.6	3.6	5.2	3.2	2.4	4.2	4.4	4.9	1.8	6.7	2.7	1.9	2.5
Price indexes:																			
GDP	2.8	3.0	2.9	3.1	1.3	2.1	2.2	3.7	3.7	2.1	3.2	3.5	2.4	3.3	3.3	3.3	3.3	1.9	1.7
GDP excluding food and energy	2.7	3.0	2.9	2.7	1.1	1.7	2.1	3.4	3.4	2.6	3.1	3.4	2.4	2.8	3.3	3.1	3.0	2.2	2.3
GDP excluding final sales of computers	2.9	3.2	3.1	3.3	1.4	2.2	2.3	3.8	3.7	2.2	3.4	3.7	2.6	3.4	3.4	3.4	3.5	2.0	1.8
Gross domestic purchases	3.1	3.5	3.1	4.1	.6	2.2	1.9	4.3	4.1	2.6	3.6	3.2	3.3	4.4	3.5	2.7	4.0	2.2	.2
Gross domestic purchases excluding food and energy	2.7	2.8	2.7	2.6	1.3	1.8	2.0	3.5	3.3	2.5	2.9	3.4	2.3	2.5	3.0	3.0	2.9	2.2	2.4
Gross domestic purchases excluding final sales of computers to domestic purchasers	3.2	3.7	3.3	4.4	.7	2.4	2.0	4.4	4.2	2.8	3.8	3.4	3.5	4.6	3.7	2.9	4.2	2.3	.3
Personal consumption expenditures (PCE)	2.6	2.9	2.8	3.1	.7	2.4	1.5	3.7	3.6	1.9	3.0	2.3	3.1	4.1	2.9	2.0	4.0	2.4	-.9
PCE excluding food and energy	2.0	2.1	2.2	1.1	1.3	1.8	1.6	2.5	2.5	1.7	2.3	2.4	1.9	1.6	2.5	2.1	2.7	2.2	1.9
Market-based PCE ⁴	2.3	2.7	2.6	3.1	.3	2.2	.9	3.3	3.4	1.5	2.9	2.1	3.1	4.3	2.5	1.7	4.2	2.2	-1.6
Market-based PCE excluding food and energy ⁴	1.5	1.7	1.9	.7	1.0	1.4	.9	1.7	1.9	1.2	1.8	2.2	1.7	1.2	1.9	1.6	2.7	1.9	1.6

^r Revised

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

2. Farm output less intermediate goods and services purchased.

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

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

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

Explanatory Note: NIPA Measures of Quantities and Prices

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

Annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Quarterly changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent quarters; quarterly indexes are adjusted for consistency to the annual indexes before percent changes are calculated.) For example, the 2004-05 annual percent change in real GDP uses prices for 2004 and 2005 as weights, and the 2004-05 annual percent change in GDP prices uses quantities for 2004 and 2005 as weights. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. Percent changes in Fisher indexes are not affected by the choice of reference year. (BEA also publishes a measure of the price level known as the implicit price deflator (IPD), which is calculated as the ratio of the current-dollar value to the corresponding chained-dollar value, multiplied by 100. The values of the IPD are very close to the values of the corresponding “chain-type” price index.)

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

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

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

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