



NEWS RELEASE



EMBARGOED UNTIL RELEASE AT 8:30 A.M. EST, TUESDAY, DECEMBER 22, 2009

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BEA 09-57

GROSS DOMESTIC PRODUCT: THIRD QUARTER 2009 (THIRD ESTIMATE) CORPORATE PROFITS: THIRD QUARTER 2009 (REVISED ESTIMATE)

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 third quarter of 2009, (that is, from the second quarter to the third quarter), according to the "third" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP decreased 0.7 percent.

The GDP estimate released today is based on more complete source data than were available for the "second" estimate issued last month. In the second estimate, the increase in real GDP was 2.8 percent (see "Revisions" on page 3).

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

The upturn in real GDP in the third quarter primarily reflected upturns in PCE, in exports, in private inventory investment, and in residential fixed investment and a smaller decrease in nonresidential fixed investment that were partly offset by an upturn in imports, a downturn in state and local government spending, and a deceleration in federal government spending.

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 (2005) dollars. Price indexes are chain-type measures.

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Motor vehicle output added 1.45 percentage points to the third-quarter change in real GDP after adding 0.19 percentage point to the second-quarter change. Final sales of computers subtracted 0.08 percentage point from the third-quarter change in real GDP after subtracting 0.04 percentage point from the second-quarter change.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 1.3 percent in the third quarter, 0.1 percentage point less than the second estimate; this index increased 0.5 percent in the second quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 0.3 percent in the third quarter, compared with an increase of 0.8 percent in the second.

Real personal consumption expenditures increased 2.8 percent in the third quarter, in contrast to a decrease of 0.9 percent in the second. Real nonresidential fixed investment decreased 5.9 percent, compared with a decrease of 9.6 percent. Nonresidential structures decreased 18.4 percent, compared with a decrease of 17.3 percent. Equipment and software increased 1.5 percent, in contrast to a decrease of 4.9 percent. Real residential fixed investment increased 18.9 percent, in contrast to a decrease of 23.3 percent.

Real exports of goods and services increased 17.8 percent in the third quarter, in contrast to a decrease of 4.1 percent in the second. Real imports of goods and services increased 21.3 percent, in contrast to a decrease of 14.7 percent.

Real federal government consumption expenditures and gross investment increased 8.0 percent in the third quarter, compared with an increase of 11.4 percent in the second. National defense increased 8.4 percent, compared with an increase of 14.0 percent. Nondefense increased 7.0 percent, compared with an increase of 6.1 percent. Real state and local government consumption expenditures and gross investment decreased 0.6 percent, in contrast to an increase of 3.9 percent.

The change in real private inventories added 0.69 percentage point to the third-quarter change in real GDP, after subtracting 1.42 percentage points from the second-quarter change. Private businesses decreased inventories \$139.2 billion in the third quarter, following decreases of \$160.2 billion in the second quarter and \$113.9 billion in the first.

Real final sales of domestic product -- GDP less change in private inventories -- increased 1.5 percent in the third quarter, compared with an increase of 0.7 percent in the second.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 3.0 percent in the third quarter, in contrast to a decrease of 2.3 percent in the second.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 3.0 percent in the third quarter, in contrast to a decrease of 1.0 percent in the second. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$25.7 billion in the third quarter after decreasing \$7.4 billion in the second; in the third quarter, receipts increased \$15.7 billion, and payments decreased \$10.0 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 2.6 percent, or \$90.9 billion, in the third quarter to a level of \$14,242.1 billion. In the second quarter, current-dollar GDP decreased 0.8 percent, or \$26.8 billion.

Revisions

The "third" estimate of the third-quarter increase in real GDP is 0.6 percentage point, or \$17.3 billion, lower than the second estimate issued last month, primarily reflecting downward revisions to nonresidential fixed investment, to private inventory investment, and to personal consumption expenditures.

	<u>Advance Estimate</u>	<u>Second Estimate</u>	<u>Third Estimate</u>
	(Percent change from preceding quarter)		
Real GDP.....	3.5	2.8	2.2
Current-dollar GDP.....	4.3	3.3	2.6
Gross domestic purchases price index...	1.6	1.4	1.3

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$132.4 billion in the third quarter, compared with an increase of \$43.8 billion in the second quarter. Current-production cash flow (net cash flow with inventory valuation adjustment) -- the internal funds available to corporations for investment -- increased \$28.4 billion in the third quarter, in contrast to a decrease of \$30.5 billion in the second.

Taxes on corporate income increased \$15.1 billion in the third quarter, compared with an increase of \$35.6 billion in the second. Profits after tax with inventory valuation and capital consumption adjustments increased \$117.3 billion in the third quarter, compared with an increase of \$8.2 billion in

the second. Dividends decreased \$6.1 billion, compared with a decrease of \$62.1 billion; current-production undistributed profits increased \$123.5 billion, compared with an increase of \$70.3 billion.

Domestic profits of financial corporations increased \$82.8 billion in the third quarter, compared with an increase of \$28.5 billion in the second. Domestic profits of nonfinancial corporations increased \$27.6 billion in the third quarter, compared with an increase of \$29.8 billion in the second. In the third quarter, real gross value added of nonfinancial corporations increased, and profits per unit of real value added increased. The increase in unit profits reflected decreases in both unit nonlabor and labor costs that more than offset a decrease in unit prices.

The rest-of-the-world component of profits increased \$22.0 billion in the third quarter, in contrast to a decrease of \$14.6 billion in the second. This measure is calculated as (1) receipts by U.S. residents of earnings from their foreign affiliates plus dividends received by U.S. residents from unaffiliated foreign corporations minus (2) payments by U.S. affiliates of earnings to their foreign parents plus dividends paid by U.S. corporations to unaffiliated foreign residents. The third-quarter increase was accounted for by a larger increase in receipts than in payments.

Profits before tax with inventory valuation adjustment is the best available measure of industry profits because estimates of the capital consumption adjustment by industry do not exist. This measure reflects depreciation-accounting practices used for federal income tax returns. According to this measure, domestic profits of both financial and nonfinancial corporations increased in the third quarter. The increase in nonfinancial corporations reflected increases in utilities, information, "other" nonfinancial, retail trade, and transportation and warehousing that were partly offset by decreases in wholesale trade and manufacturing. Within manufacturing, the largest decrease was in "other" durable goods, and the largest increase was in motor vehicles.

Profits before tax increased \$157.9 billion in the third quarter, compared with an increase of \$90.6 billion in the second. The before-tax measure of profits does not reflect, as does profits from current production, the capital consumption and inventory valuation adjustments. These adjustments convert depreciation of fixed assets and inventory withdrawals reported on a tax-return, historical-cost basis to the current-cost measures used in the national income and product accounts. The capital consumption adjustment increased \$9.7 billion in the third quarter (from -\$128.6 billion to -\$118.9 billion), compared with an increase of \$16.3 billion in the second. The inventory valuation adjustment decreased \$35.2 billion (from \$18.1 billion to -\$17.1 billion), compared with a decrease of \$63.0 billion.

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Next release -- January 29, 2010, at 8:30 A.M. EST for:
Gross Domestic Product: Fourth Quarter 2009 (Advance Estimate)

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Release dates in 2010

Gross Domestic Product

	<u>2009: IV and 2009 annual</u>	<u>2010: I</u>	<u>2010: II</u>	<u>2010: III</u>
Advance.....	January 29	April 30	July 30	October 29
Second.....	February 26	May 27	August 27	November 23
Third.....	March 26	June 25	September 30	December 22

Corporate Profits

Preliminary...	.....	May 27	August 27	November 23
Revised.....	March 26	June 25	September 30	December 22

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

	2006	2007	2008	Seasonally adjusted at annual rates																
				2005	2006				2007				2008				2009			
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Gross domestic product (GDP)	2.7	2.1	0.4	2.1	5.4	1.4	0.1	3.0	1.2	3.2	3.6	2.1	-0.7	1.5	-2.7	-5.4	-6.4	-0.7	2.2	
Personal consumption expenditures	2.9	2.6	-0.2	1.0	4.5	2.2	2.5	4.1	3.7	1.1	1.9	1.2	-0.6	0.1	-3.5	-3.1	0.6	-0.9	2.8	
Goods	3.3	3.1	-2.1	-1.1	7.5	0.7	3.3	5.9	3.9	0.2	3.1	3.0	-5.1	-0.5	-7.7	-10.0	2.5	-3.1	7.2	
Durable goods	4.1	4.3	-4.5	-9.7	17.0	-1.0	4.5	5.6	5.5	2.1	5.2	5.5	-8.9	-5.7	-11.7	-20.3	3.9	-5.6	20.4	
Nondurable goods	2.8	2.5	-0.8	3.9	2.6	1.6	2.6	6.1	3.1	-0.8	2.1	1.8	-3.0	2.2	-5.6	-4.9	1.9	-1.9	1.5	
Services	2.7	2.4	0.7	2.2	2.9	3.0	2.1	3.1	3.6	1.6	1.3	0.3	1.8	0.4	-1.3	0.5	-0.3	0.2	0.8	
Gross private domestic investment	2.7	-3.8	-7.3	15.1	6.0	-0.6	-5.5	-10.9	-6.0	5.7	0.8	-7.7	-7.4	-10.4	-6.9	-24.2	-50.5	-23.7	5.0	
Fixed investment	2.3	-2.1	-5.1	1.5	9.5	-1.9	-5.0	-5.3	-2.6	3.6	-0.4	-4.2	-6.3	-2.7	-8.3	-20.2	-39.0	-12.5	-1.3	
Nonresidential	7.9	6.2	1.6	2.2	18.0	7.3	4.4	2.3	4.2	11.4	9.6	6.7	1.9	1.4	-6.1	-19.5	-39.2	-9.6	-5.9	
Structures	9.2	14.9	10.3	2.5	18.9	22.4	10.3	1.5	15.6	22.7	26.6	11.2	6.8	14.5	-0.1	-7.2	-43.6	-17.3	-18.4	
Equipment and software	7.4	2.6	-2.6	2.3	17.8	2.1	2.2	2.8	-0.5	6.5	2.2	4.5	-0.5	-5.0	-9.4	-25.9	-36.4	-4.9	1.5	
Residential	-7.3	-18.5	-22.9	0.1	-4.2	-16.9	-21.2	-19.7	-16.2	-12.9	-22.4	-29.5	-28.2	-15.8	-15.9	-23.2	-38.2	-23.3	18.9	
Change in private inventories																				
Net exports of goods and services																				
Exports	9.0	8.7	5.4	10.5	16.5	6.9	0.6	17.8	3.5	5.2	18.5	14.5	-0.1	12.1	-3.6	-19.5	-29.9	-4.1	17.8	
Goods	9.4	7.4	5.9	11.8	17.8	7.4	0.2	13.1	3.0	6.3	14.8	12.4	4.2	14.1	-1.8	-25.5	-36.9	-6.3	24.6	
Services	7.9	11.8	4.2	7.4	13.6	5.6	1.5	29.1	4.7	2.8	27.2	19.2	-9.0	7.8	-7.7	-4.3	-13.6	0.1	5.6	
Imports	6.1	2.0	-3.2	11.7	7.8	4.5	4.9	-0.5	4.3	-0.5	3.7	-3.6	-2.5	-5.0	-2.2	-16.7	-36.4	-14.7	21.3	
Goods	5.9	1.7	-3.9	12.1	6.3	5.0	5.5	-2.3	5.0	-1.0	2.8	-3.8	-3.5	-4.6	-3.7	-19.6	-41.0	-16.5	25.1	
Services	7.1	3.5	0.7	9.5	16.1	1.8	1.3	10.0	0.4	2.1	8.6	-2.9	3.0	-7.1	6.1	-0.9	-11.5	-7.5	7.0	
Government consumption expenditures and gross investment	1.4	1.7	3.1	-1.8	4.1	0.3	0.6	1.1	0.0	4.4	3.9	1.6	2.6	3.6	4.8	1.2	-2.6	6.7	2.6	
Federal	2.1	1.3	7.7	-6.5	11.9	-3.4	-0.4	1.1	-5.1	7.4	9.3	2.7	8.1	7.8	13.2	6.5	-4.3	11.4	8.0	
National defense	1.6	2.2	7.8	-14.3	10.5	1.1	-1.9	8.5	-7.6	8.6	10.0	0.5	8.2	7.0	19.8	3.8	-5.1	14.0	8.4	
Nondefense	3.2	-0.6	7.3	11.7	14.7	-11.6	2.9	-12.7	0.3	5.0	7.9	7.6	8.1	9.6	0.1	12.7	-2.5	6.1	7.0	
State and local	0.9	2.0	0.5	1.1	-0.3	2.6	1.2	1.1	3.1	2.7	0.9	1.0	-0.5	1.2	0.1	-2.0	-1.5	3.9	-0.6	
Addenda:																				
Final sales of domestic product	2.6	2.5	0.8	-0.1	5.9	1.2	0.2	4.1	1.8	2.9	3.4	2.8	-0.5	2.7	-2.9	-4.7	-4.1	0.7	1.5	
Gross domestic purchases	2.6	1.4	-0.7	2.7	4.7	1.4	0.8	1.0	1.4	2.4	2.1	-0.2	-1.1	-0.9	-2.5	-5.5	-8.6	-2.3	3.0	
Final sales to domestic purchasers	2.5	1.7	-0.4	0.6	5.2	1.2	0.9	2.0	2.0	2.1	1.9	0.4	-0.9	0.3	-2.7	-4.9	-6.4	-0.9	2.3	
Gross national product (GNP)	2.4	2.4	0.6	1.1	5.4	1.3	-0.3	3.2	0.9	3.6	5.4	3.4	-1.1	0.2	-1.8	-6.7	-6.6	-1.0	3.0	
Disposable personal income	4.0	2.2	0.5	2.2	7.7	3.6	1.9	5.3	1.7	0.5	1.7	0.1	-2.4	9.8	-8.5	3.4	0.2	6.2	-1.4	
Current-dollar measures:																				
GDP	6.0	5.1	2.6	5.6	8.6	5.1	3.2	4.8	5.5	6.0	5.3	4.5	1.0	3.5	1.4	-5.4	-4.6	-0.8	2.6	
Final sales of domestic product	6.0	5.4	3.0	3.3	9.2	4.9	3.3	6.0	6.1	5.7	5.1	5.2	1.5	4.7	1.0	-5.2	-2.4	0.6	2.0	
Gross domestic purchases	6.0	4.4	2.4	7.0	7.6	5.0	3.7	1.9	5.7	5.5	4.3	4.4	2.1	3.2	1.8	-9.2	-9.8	-1.8	4.3	
Final sales to domestic purchasers	6.0	4.7	2.8	4.8	8.2	4.8	3.8	3.0	6.3	5.2	4.1	5.0	2.6	4.3	1.5	-9.0	-7.7	-0.5	3.7	
GNP	5.8	5.4	2.7	4.6	8.6	4.9	2.8	5.1	5.3	6.3	7.1	5.8	0.6	2.3	2.2	-6.7	-4.8	-1.0	3.4	
Disposable personal income	6.9	4.9	3.9	5.8	9.5	6.7	4.9	5.3	5.5	3.7	4.1	5.2	1.2	14.1	-4.2	-1.8	-1.2	7.7	1.2	

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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

	2006	2007	2008	Seasonally adjusted at annual rates															
				2005	2006				2007				2008				2009		
				IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III ^r
Gross domestic product (GDP)	3.3	2.9	2.1	3.4	3.0	3.6	3.1	1.8	4.2	2.7	1.6	2.3	1.9	1.8	4.0	0.1	1.9	0.0	0.4
Personal consumption expenditures	2.7	2.7	3.3	3.6	1.7	3.0	3.0	-0.1	3.7	3.2	2.3	5.1	3.7	3.9	4.7	-5.0	-1.5	1.4	2.6
Goods	1.5	1.3	3.3	1.4	-0.3	2.6	2.2	-5.8	3.2	3.7	0.3	7.0	5.2	3.8	6.8	-16.1	-6.0	2.7	5.4
Durable goods	-1.5	-1.8	-1.2	-0.7	-1.2	-1.6	-1.9	-2.0	-1.6	-1.4	-2.8	-1.4	0.0	-0.9	-1.2	-3.3	-1.7	0.3	-3.1
Nondurable goods	3.2	2.9	5.6	2.6	0.1	5.0	4.5	-7.7	5.9	6.6	1.9	11.5	7.8	6.1	10.8	-21.5	-7.9	3.8	9.6
Services	3.4	3.4	3.4	4.7	2.8	3.3	3.3	3.1	4.0	2.9	3.4	4.2	2.9	4.0	3.6	1.0	0.7	0.7	1.3
Gross private domestic investment	4.4	2.2	0.6	5.7	4.7	3.5	2.5	3.8	2.8	0.6	0.8	1.0	-1.6	0.6	2.3	5.3	-1.8	-4.5	-5.7
Fixed investment	4.4	2.2	0.8	5.7	4.7	3.5	2.4	3.7	2.7	0.8	0.8	1.1	-0.7	1.1	2.5	1.3	-2.0	-4.4	-4.4
Nonresidential	3.5	2.6	1.6	4.7	3.5	3.3	3.0	3.9	3.2	1.6	0.9	1.3	-0.3	2.1	4.4	4.4	-1.3	-4.2	-4.9
Structures	12.9	7.4	3.2	18.5	11.8	11.4	8.0	11.5	9.2	3.7	3.3	3.4	0.6	2.7	6.7	7.9	-3.5	-10.2	-10.1
Equipment and software	0.2	0.5	0.7	0.1	0.6	0.3	1.0	0.7	0.6	0.6	-0.2	0.2	-0.7	1.7	3.1	2.5	0.1	-0.6	-1.9
Residential	6.1	1.3	-1.6	7.7	7.1	4.1	1.3	3.4	1.5	-1.1	0.6	0.9	-1.5	-1.6	-3.8	-9.5	-4.9	-5.2	-2.7
Change in private inventories																			
Net exports of goods and services																			
Exports	3.4	3.5	4.9	3.1	2.9	5.2	5.0	0.2	3.6	4.5	3.3	6.7	7.6	10.2	6.3	-21.4	-12.6	0.1	4.6
Goods	3.3	3.6	5.0	2.7	2.7	5.5	5.5	0.9	3.1	4.2	3.0	6.8	8.3	12.1	5.6	-25.4	-14.8	1.9	4.6
Services	3.7	3.5	4.8	3.8	3.4	4.4	3.9	-1.6	4.5	5.1	4.2	6.5	6.0	6.0	7.8	-11.9	-8.1	-3.3	4.5
Imports	4.1	3.7	10.7	8.1	1.6	4.2	3.1	-4.6	3.2	6.3	6.2	20.5	15.5	21.4	7.1	-34.3	-28.3	4.2	11.4
Goods	4.2	3.7	11.4	9.7	0.8	4.0	3.2	-5.4	3.4	6.2	6.1	22.9	17.2	22.4	7.1	-37.0	-31.6	5.5	12.9
Services	3.8	3.9	7.2	-0.4	6.2	5.5	2.7	-0.2	2.3	7.2	6.6	8.7	7.0	16.9	7.5	-19.1	-12.1	-0.7	5.5
Government consumption expenditures and gross investment	4.8	4.5	4.5	4.9	5.3	5.6	3.1	2.4	7.1	4.7	2.7	5.5	6.3	6.3	4.2	-5.8	-1.1	0.4	0.9
Federal	4.1	3.5	3.0	1.2	9.8	4.3	1.2	0.5	8.6	3.5	0.6	2.5	5.6	4.4	1.9	-4.1	1.7	0.5	1.4
National defense	4.4	3.7	3.3	1.6	10.5	4.6	1.5	0.3	8.3	4.1	1.2	3.3	5.5	5.7	2.4	-6.0	0.9	0.3	1.9
Nondefense	3.5	3.1	2.1	0.4	8.4	3.7	0.7	0.9	9.0	2.3	-0.7	0.9	6.0	1.7	0.8	0.2	3.3	0.9	0.3
State and local	5.3	5.1	5.4	7.1	2.8	6.4	4.2	3.4	6.3	5.3	3.9	7.3	6.6	7.4	5.6	-6.9	-2.8	0.4	0.6
Addenda:																			
Final sales of domestic product	3.3	2.9	2.1	3.4	3.0	3.6	3.1	1.8	4.2	2.7	1.6	2.3	2.0	1.9	4.0	-0.5	1.8	-0.1	0.5
Gross domestic purchases	3.4	2.9	3.2	4.1	2.8	3.6	2.9	1.0	4.2	3.1	2.2	4.6	3.4	3.9	4.3	-3.8	-1.4	0.5	1.3
Final sales to domestic purchasers	3.4	2.9	3.2	4.1	2.8	3.6	2.9	1.0	4.2	3.1	2.2	4.6	3.5	4.0	4.3	-4.3	-1.5	0.5	1.4
Gross national product (GNP)	3.3	2.9	2.1	3.4	3.0	3.6	3.1	1.8	4.3	2.7	1.6	2.3	1.9	1.8	4.0	0.0	1.8	0.0	0.4
Implicit price deflators:																			
GDP	3.3	2.9	2.1	3.4	3.0	3.6	3.1	1.8	4.3	2.7	1.7	2.4	1.7	2.0	4.1	0.0	1.9	0.0	0.4
Gross domestic purchases	3.4	2.9	3.2	4.2	2.8	3.5	2.9	0.9	4.2	3.0	2.2	4.6	3.2	4.1	4.4	-3.9	-1.4	0.5	1.3
GNP	3.3	2.9	2.1	3.4	3.0	3.6	3.1	1.8	4.3	2.7	1.7	2.4	1.8	2.0	4.2	-0.1	1.9	0.0	0.4

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

Table 5. Real Gross Domestic Product, Quantity Indexes

[Index numbers, 2005=100]

	2006	2007	2008	Seasonally adjusted				
				2008		2009		
				III	IV	I	II	III ^r
Gross domestic product	102.673	104.872	105.331	105.430	103.984	102.271	102.082	102.648
Personal consumption expenditures	102.886	105.612	105.351	105.088	104.267	104.425	104.196	104.917
Goods	103.251	106.499	104.296	103.895	101.186	101.817	101.023	102.789
Durable goods	104.064	108.543	103.692	103.083	97.401	98.345	96.947	101.561
Nondurable goods	102.805	105.405	104.513	104.219	102.929	103.405	102.911	103.295
Services	102.692	105.147	105.883	105.697	105.837	105.761	105.809	106.014
Gross private domestic investment	102.678	98.801	91.585	91.643	85.519	71.746	67.059	67.874
Fixed investment	102.309	100.189	95.106	95.199	89.964	79.514	76.895	76.647
Nonresidential	107.913	114.617	116.502	117.210	111.040	98.061	95.623	94.183
Structures	109.180	125.495	138.392	140.191	137.603	119.243	113.716	108.074
Equipment and software	107.434	110.184	107.332	107.577	99.808	89.143	88.036	88.370
Residential	92.679	75.490	58.213	57.208	53.549	47.478	44.436	46.403
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....
Exports of goods and services	108.962	118.472	124.842	126.828	120.149	109.922	108.766	113.315
Imports of goods and services	106.086	108.188	104.721	105.259	100.547	89.804	86.292	90.554
Government consumption expenditures and gross investment	101.359	103.090	106.252	107.036	107.346	106.639	108.386	109.097
Federal	102.127	103.434	111.362	113.152	114.946	113.693	116.801	119.057
State and local	100.910	102.886	103.355	103.576	103.061	102.660	103.640	103.479
Addenda:								
Final sales of domestic product	102.611	105.131	105.980	106.084	104.806	103.713	103.888	104.280
Gross domestic purchases	102.579	104.046	103.294	103.276	101.818	99.566	98.988	99.721
Final sales to domestic purchasers	102.520	104.288	103.896	103.883	102.583	100.913	100.678	101.247
Gross national product	102.438	104.925	105.552	105.773	103.965	102.219	101.973	102.737

^r Revised

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

Table 6. Price Indexes for Gross Domestic Product

[Index numbers, 2005=100]

	2006	2007	2008	Seasonally adjusted				
				2008		2009		
				III	IV	I	II	III ^r
Gross domestic product	103.263	106.221	108.481	109.130	109.155	109.661	109.656	109.763
Personal consumption expenditures (PCE)	102.746	105.502	109.031	110.273	108.855	108.449	108.814	109.510
Goods	101.508	102.789	106.150	108.451	103.784	102.186	102.864	104.216
Durable goods	98.488	96.714	95.537	95.537	94.743	94.326	94.407	93.660
Nondurable goods	103.215	106.250	112.188	115.759	108.971	106.739	107.736	110.227
Services	103.411	106.964	110.582	111.275	111.542	111.749	111.954	112.312
Gross private domestic investment	104.371	106.677	107.355	107.350	108.738	108.245	107.019	105.465
Fixed investment	104.419	106.718	107.551	107.866	108.217	107.668	106.463	105.265
Nonresidential	103.534	106.209	107.897	108.314	109.498	109.154	107.993	106.656
Structures	112.922	121.275	125.207	125.814	128.238	127.092	123.706	120.451
Equipment and software	100.194	100.715	101.455	101.797	102.415	102.450	102.304	101.802
Residential	106.081	107.513	105.779	105.807	103.198	101.915	100.554	99.863
Change in private inventories .....	.....	.....	.....	.....	.....	.....	.....	.....
Exports of goods and services	103.447	107.103	112.389	115.638	108.871	105.265	105.284	106.473
Imports of goods and services	104.144	108.017	119.559	125.203	112.730	103.746	104.821	107.688
Government consumption expenditures and gross investment	104.842	109.552	114.502	115.963	114.233	113.924	114.051	114.312
Federal	104.107	107.754	110.938	111.784	110.628	111.084	111.214	111.601
State and local	105.276	110.615	116.642	118.493	116.396	115.587	115.713	115.889
Addenda:								
PCE excluding food and energy ¹	102.292	104.699	107.207	107.652	107.866	108.173	108.712	109.027
Market-based PCE ²	102.762	105.334	108.954	110.280	108.781	108.452	108.848	109.606
Market-based PCE excluding food and energy ²	102.234	104.368	106.811	107.219	107.616	108.133	108.737	109.060
Final sales of domestic product	103.266	106.226	108.507	109.202	109.078	109.566	109.550	109.681
Gross domestic purchases	103.380	106.408	109.765	110.871	109.790	109.395	109.533	109.895
Final sales to domestic purchasers	103.384	106.412	109.792	110.940	109.718	109.311	109.437	109.819
Gross national product	103.265	106.223	108.484	109.138	109.149	109.647	109.648	109.760
Implicit price deflators:								
Gross domestic product	103.257	106.214	108.483	109.172	109.172	109.691	109.686	109.783
Final sales of domestic product	103.266	106.226	108.507	109.206	109.083	109.571	109.555	109.686
Gross domestic purchases	103.375	106.400	109.767	110.910	109.805	109.422	109.560	109.911
Final sales to domestic purchasers	103.384	106.412	109.792	110.942	109.721	109.314	109.440	109.822
Gross national product	103.260	106.215	108.486	109.181	109.167	109.678	109.679	109.780

^r Revised

¹ Food excludes personal consumption expenditures for purchased meals and beverages, which are classified in food services.

² 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, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households. Percentage changes for these series are included in the addenda to table 8 and appendix table A.

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

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

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Gross domestic product (GDP)	2.9	4.1	2.5	3.7	4.5	4.4	4.8	4.1	1.1	1.8	2.5	3.6	3.1	2.7	2.1	0.4
Personal consumption expenditures	3.6	3.8	2.7	3.5	3.7	5.2	5.5	5.1	2.7	2.7	2.8	3.5	3.4	2.9	2.6	-0.2
Goods	4.2	5.3	3.0	4.5	4.8	6.8	8.0	5.3	3.1	4.1	4.6	4.4	4.0	3.3	3.1	-2.1
Durable goods	7.5	8.0	3.9	7.5	8.2	12.2	13.0	8.8	5.4	7.6	6.0	6.6	5.2	4.1	4.3	-4.5
Nondurable goods	2.5	3.9	2.5	2.9	2.9	3.8	5.1	3.2	1.8	2.0	3.7	3.2	3.4	2.8	2.5	-0.8
Services	3.2	3.0	2.5	2.9	3.1	4.4	4.1	5.0	2.5	1.9	1.9	2.9	3.0	2.7	2.4	0.7
Gross private domestic investment	8.9	13.6	3.1	8.8	12.4	10.0	8.8	6.8	-7.0	-1.4	3.6	10.0	5.5	2.7	-3.8	-7.3
Fixed investment	8.6	9.4	6.4	9.0	9.2	10.9	9.3	7.4	-1.9	-4.2	3.2	7.3	6.5	2.3	-2.1	-5.1
Nonresidential	8.7	9.2	10.5	9.3	12.1	12.0	10.4	9.8	-2.8	-7.9	0.9	6.0	6.7	7.9	6.2	1.6
Structures	-0.6	1.8	6.4	5.7	7.3	5.1	0.1	7.8	-1.5	-17.7	-3.8	1.1	1.4	9.2	14.9	10.3
Equipment and software	12.5	11.9	12.0	10.6	13.8	14.5	14.1	10.5	-3.2	-4.2	2.5	7.7	8.5	7.4	2.6	-2.6
Residential	8.2	9.7	-3.3	8.0	1.9	7.7	6.3	1.0	0.6	5.2	8.2	9.8	6.2	-7.3	-18.5	-22.9
Change in private inventories																
Net exports of goods and services																
Exports	3.3	8.7	10.1	8.3	11.9	2.3	4.4	8.6	-5.6	-2.0	1.6	9.5	6.7	9.0	8.7	5.4
Goods	3.3	9.7	11.7	8.8	14.4	2.2	3.8	11.1	-6.2	-3.6	1.8	8.5	7.5	9.4	7.4	5.9
Services	3.3	6.4	6.3	7.0	5.9	2.4	5.7	2.7	-4.1	1.9	1.2	11.9	5.0	7.9	11.8	4.2
Imports	8.6	11.9	8.0	8.7	13.5	11.7	11.5	13.0	-2.8	3.4	4.4	11.0	6.1	6.1	2.0	-3.2
Goods	10.0	13.4	9.0	9.4	14.4	11.8	12.5	13.4	-3.2	3.7	4.9	11.0	6.8	5.9	1.7	-3.9
Services	2.7	5.3	3.0	5.2	8.7	10.9	6.8	11.0	-0.8	1.8	1.9	11.2	2.8	7.1	3.5	0.7
Government consumption expenditures and gross investment	-0.8	0.0	0.6	1.0	1.9	2.1	3.6	2.0	3.8	4.7	2.2	1.4	0.3	1.4	1.7	3.1
Federal	-3.9	-3.8	-2.7	-1.2	-1.0	-1.1	1.9	0.5	4.1	7.3	6.6	4.1	1.3	2.1	1.3	7.7
National defense	-5.3	-4.9	-3.7	-1.3	-2.8	-2.1	1.9	-0.5	3.8	7.4	8.7	5.7	1.5	1.6	2.2	7.8
Nondefense	-0.7	-1.4	-0.4	-0.8	2.7	0.8	2.1	2.4	4.6	7.2	2.8	1.0	0.9	3.2	-0.6	7.3
State and local	1.5	2.6	2.7	2.3	3.6	3.9	4.5	2.8	3.7	3.3	-0.1	-0.2	-0.2	0.9	2.0	0.5
Addenda:																
Final sales of domestic product	2.8	3.5	3.0	3.7	3.9	4.4	4.9	4.2	2.0	1.3	2.4	3.2	3.2	2.6	2.5	0.8
Gross domestic purchases	3.4	4.5	2.4	3.8	4.7	5.5	5.7	4.8	1.2	2.4	2.8	4.0	3.2	2.6	1.4	-0.7
Final sales to domestic purchasers	3.3	3.8	2.8	3.8	4.2	5.6	5.8	4.9	2.1	1.9	2.8	3.6	3.3	2.5	1.7	-0.4
Gross national product	2.8	3.9	2.6	3.7	4.3	4.3	4.9	4.2	1.2	1.8	2.6	3.7	3.1	2.4	2.4	0.6
Real disposable personal income	1.7	3.2	3.0	3.3	3.5	6.0	3.0	5.1	2.4	3.3	2.5	3.4	1.3	4.0	2.2	0.5
Price indexes:																
Gross domestic purchases	2.1	2.1	2.1	1.8	1.5	0.7	1.6	2.5	1.9	1.4	2.3	3.0	3.7	3.4	2.9	3.2
Gross domestic purchases excluding food and energy ¹	2.2	2.2	2.2	1.6	1.5	1.0	1.5	2.0	1.8	1.7	2.0	2.7	3.3	3.2	2.7	2.6
GDP	2.2	2.1	2.1	1.9	1.8	1.1	1.5	2.2	2.3	1.6	2.2	2.8	3.3	3.3	2.9	2.1
GDP excluding food and energy ¹	2.2	2.1	2.1	1.8	1.8	1.2	1.6	2.2	2.0	1.8	2.1	2.8	3.5	3.3	2.8	2.3
Personal consumption expenditures	2.2	2.1	2.2	2.2	1.9	1.0	1.6	2.5	1.9	1.4	2.0	2.6	3.0	2.7	2.7	3.3

1. Food excludes personal consumption expenditures for purchased meals and beverages, which are classified in food services.

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

	2005				2006				2007				2008				2009		
	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	r		
Gross domestic product (GDP)	2.7	3.0	3.0	2.2	2.4	1.4	1.9	2.7	2.5	2.0	1.6	0.0	-1.9	-3.3	-3.8	-2.6			
Personal consumption expenditures (PCE)	2.7	3.1	2.6	2.5	3.3	3.1	2.8	2.7	2.0	0.9	0.6	-0.7	-1.8	-1.5	-1.7	-0.2			
Goods	2.9	3.7	2.5	2.5	4.3	3.4	3.3	3.3	2.6	0.3	0.1	-2.7	-5.9	-4.1	-4.7	-1.1			
Durable goods	2.1	5.4	2.3	2.3	6.3	3.6	4.4	4.6	4.6	0.8	-1.2	-5.4	-11.8	-8.9	-8.8	-1.5			
Nondurable goods	3.3	2.8	2.6	2.7	3.2	3.3	2.7	2.6	1.5	0.0	0.7	-1.2	-2.9	-1.7	-2.7	-0.9			
Services	2.6	2.7	2.7	2.6	2.8	2.9	2.6	2.4	1.7	1.3	0.9	0.3	0.3	-0.2	-0.2	0.3			
Gross private domestic investment	5.0	4.4	6.1	3.5	-3.0	-5.8	-4.4	-2.8	-2.0	-2.3	-6.3	-8.1	-12.5	-25.2	-28.1	-25.9			
Fixed investment	4.7	5.8	3.5	0.9	-0.8	-3.7	-2.4	-1.2	-0.9	-1.9	-3.4	-5.4	-9.6	-18.8	-21.0	-19.5			
Nonresidential	4.4	7.8	8.2	7.8	7.8	4.5	5.5	6.8	7.9	7.3	4.8	0.9	-6.0	-17.4	-19.7	-19.6			
Structures	-0.1	2.5	8.2	13.2	13.0	12.2	12.3	16.2	18.9	16.5	14.5	7.9	3.2	-12.0	-18.9	-22.9			
Equipment and software	6.1	9.8	8.1	5.9	6.0	1.6	2.7	2.7	3.2	3.1	0.2	-2.7	-10.7	-20.2	-20.2	-17.9			
Residential	5.3	2.3	-4.5	-11.0	-15.7	-18.5	-17.5	-17.8	-20.5	-23.5	-24.2	-22.6	-21.0	-23.9	-25.6	-18.9			
Change in private inventories																			
Net exports of goods and services																			
Exports	6.7	8.8	8.3	8.5	10.2	7.0	6.6	11.0	10.2	9.3	11.0	5.4	-3.4	-11.6	-15.0	-10.7			
Goods	8.1	10.4	8.8	9.1	9.4	5.8	5.5	9.2	9.0	9.3	11.3	7.0	-3.4	-14.8	-18.9	-13.9			
Services	3.6	5.4	7.3	6.9	12.0	9.7	9.0	15.3	13.0	9.1	10.4	1.9	-3.5	-4.8	-6.5	-3.3			
Imports	5.2	6.5	6.6	7.2	4.1	3.3	2.0	1.7	0.9	-0.8	-1.9	-3.3	-6.8	-16.2	-18.5	-14.0			
Goods	5.7	6.4	6.5	7.2	3.6	3.3	1.8	1.1	0.7	-1.4	-2.3	-3.9	-8.1	-18.8	-21.4	-16.1			
Services	2.3	7.2	7.0	7.0	7.1	3.3	3.4	5.2	2.0	2.6	0.2	-0.4	0.2	-3.6	-3.7	-3.5			
Government consumption expenditures and gross investment	0.7	1.6	1.6	0.8	1.5	0.5	1.5	2.3	2.5	3.1	2.9	3.2	3.0	1.7	2.5	1.9			
Federal	1.2	3.6	2.6	0.2	2.2	-2.0	0.7	3.0	3.4	6.9	7.0	7.9	8.9	5.6	6.5	5.2			
National defense	0.4	2.1	1.6	-1.6	4.4	-0.2	1.7	4.6	2.6	6.7	6.3	8.6	9.5	6.0	7.7	5.0			
Nondefense	2.6	6.8	4.8	3.9	-2.3	-5.5	-1.4	-0.2	5.2	7.1	8.3	6.3	7.5	4.8	3.9	5.7			
State and local	0.4	0.4	0.9	1.2	1.2	2.0	2.0	1.9	1.9	1.0	0.7	0.5	-0.3	-0.6	0.1	-0.1			
Addenda:																			
Final sales of domestic product	2.7	3.3	2.5	1.8	2.8	1.8	2.2	3.0	2.7	2.1	2.1	0.5	-1.4	-2.3	-2.8	-1.7			
Gross domestic purchases	2.7	3.0	3.0	2.4	1.9	1.1	1.4	1.7	1.4	0.8	0.0	-1.2	-2.5	-4.4	-4.8	-3.4			
Final sales to domestic purchasers	2.7	3.2	2.6	2.0	2.3	1.5	1.8	2.0	1.6	0.9	0.4	-0.7	-2.1	-3.5	-3.7	-2.5			
Gross national product	2.7	2.8	2.8	1.8	2.4	1.3	1.8	3.3	3.3	2.8	1.9	0.1	-2.4	-3.8	-4.0	-2.9			
Real disposable personal income	0.6	3.7	3.9	3.8	4.6	3.1	2.3	2.3	1.0	0.0	2.2	-0.5	0.3	1.0	0.2	2.1			
Price indexes:																			
Gross domestic purchases	4.0	3.8	3.9	3.4	2.6	2.9	2.8	2.6	3.5	3.3	3.5	4.0	1.9	0.7	-0.2	-0.9			
Gross domestic																			

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

[Billions of dollars]

	2006	2007	2008	Seasonally adjusted at annual rates				
				2008		2009		
				III	IV	I	II	III ^r
Gross domestic product	13,398.9	14,077.6	14,441.4	14,546.7	14,347.3	14,178.0	14,151.2	14,242.1
Plus: Income receipts from the rest of the world	721.1	861.8	809.2	825.6	714.4	579.6	571.3	590.6
Less: Income payments to the rest of the world	648.6	746.0	667.3	664.8	607.4	479.7	478.6	469.1
Equals: Gross national product	13,471.3	14,193.3	14,583.3	14,707.5	14,454.3	14,277.9	14,243.8	14,363.7
Less: Consumption of fixed capital	1,660.7	1,760.0	1,847.1	1,858.2	1,881.0	1,883.6	1,864.0	1,850.7
Less: Statistical discrepancy	-220.6	-14.8	101.0	68.3	139.4	185.4	161.7	163.2
Equals: National income	12,031.2	12,448.2	12,635.2	12,781.0	12,433.9	12,208.9	12,218.1	12,349.7
Compensation of employees	7,477.0	7,856.5	8,037.4	8,069.1	8,030.3	7,825.8	7,815.9	7,841.5
Wage and salary accruals	6,070.1	6,402.6	6,540.8	6,567.7	6,523.5	6,327.8	6,313.1	6,333.2
Supplements to wages and salaries	1,406.9	1,453.8	1,496.6	1,501.4	1,506.8	1,498.0	1,502.8	1,508.3
Proprietors' income with inventory valuation and capital consumption adjustments	1,133.0	1,096.4	1,106.3	1,114.4	1,083.6	1,037.8	1,028.0	1,037.9
Rental income of persons with capital consumption adjustment	146.5	144.9	210.4	222.2	236.7	245.9	262.0	277.9
Corporate profits with inventory valuation and capital consumption adjustments	1,608.3	1,541.7	1,360.4	1,454.6	1,123.6	1,182.7	1,226.5	1,358.9
Net interest and miscellaneous payments	652.2	739.2	815.1	806.1	854.7	826.2	784.4	759.7
Taxes on production and imports less subsidies	935.5	974.0	993.8	1,005.7	982.1	963.2	964.6	955.4
Business current transfer payments (net)	83.0	102.2	118.8	116.0	131.8	137.9	145.4	124.8
Current surplus of government enterprises	-4.2	-6.6	-6.9	-6.9	-8.9	-10.7	-8.8	-6.3
Addendum:								
Gross domestic income	13,619.5	14,092.5	14,340.4	14,478.4	14,207.9	13,992.5	13,989.5	14,078.9

^r Revised

Table 10. Personal Income and Its Disposition

[Billions of dollars]

	2006	2007	2008	Seasonally adjusted at annual rates				
				2008		2009		
				III	IV	I	II	III ^r
Personal income ¹	11,268.1	11,894.1	12,238.8	12,286.6	12,233.5	11,952.7	12,048.8	12,083.9
Compensation of employees, received	7,475.7	7,862.7	8,042.4	8,069.1	8,050.3	7,805.8	7,815.9	7,841.5
Wage and salary disbursements	6,068.9	6,408.9	6,545.9	6,567.7	6,543.5	6,307.8	6,313.1	6,333.2
Supplements to wages and salaries	1,406.9	1,453.8	1,496.6	1,501.4	1,506.8	1,498.0	1,502.8	1,508.3
Proprietors' income with inventory valuation and capital consumption adjustments	1,133.0	1,096.4	1,106.3	1,114.4	1,083.6	1,037.8	1,028.0	1,037.9
Farm	29.3	39.4	48.7	49.3	39.0	27.3	28.9	25.8
Nonfarm	1,103.6	1,056.9	1,057.5	1,065.1	1,044.5	1,010.5	999.1	1,012.0
Rental income of persons with capital consumption adjustment	146.5	144.9	210.4	222.2	236.7	245.9	262.0	277.9
Personal income receipts on assets	1,829.7	2,031.5	1,994.4	2,001.4	1,958.1	1,845.5	1,773.4	1,763.1
Personal interest income	1,127.5	1,266.4	1,308.0	1,327.8	1,292.9	1,243.4	1,241.1	1,234.9
Personal dividend income	702.2	765.1	686.4	673.7	665.2	602.1	532.3	528.2
Personal current transfer receipts	1,605.0	1,718.0	1,875.9	1,874.3	1,898.0	1,987.3	2,140.3	2,137.5
Less: Contributions for government social insurance, domestic	921.8	959.3	990.6	994.9	993.3	969.7	970.9	974.0
Less: Personal current taxes	1,352.4	1,490.9	1,432.4	1,437.3	1,434.3	1,187.3	1,082.6	1,086.1
Equals: Disposable personal income	9,915.7	10,403.1	10,806.4	10,849.3	10,799.1	10,765.4	10,966.2	10,997.8
Less: Personal outlays	9,680.7	10,224.3	10,520.0	10,613.6	10,389.9	10,362.3	10,370.5	10,502.8
Equals: Personal saving	235.0	178.9	286.4	235.7	409.2	403.1	595.7	495.0
Personal saving as a percentage of disposable personal income	2.4	1.7	2.7	2.2	3.8	3.7	5.4	4.5
Addenda:								
Personal income excluding current transfer receipts, billions of chained (2005) dollars ²	9,404.8	9,645.4	9,504.6	9,442.0	9,494.4	9,188.7	9,105.5	9,082.3
Disposable personal income, billions of chained (2005) dollars ²	9,650.7	9,860.6	9,911.3	9,838.3	9,920.4	9,926.4	10,077.5	10,042.3

^r Revised

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

² The current-dollar measure is deflated by the implicit price deflator for personal consumption expenditures.

Table 11. Corporate Profits: Level and Percent Change

	Billions of dollars								Percent change from preceding period						
	2006	2007	2008	Seasonally adjusted at annual rates					2007	2008	Quarterly rates				Quarter one year ago
				2008		2009					2008	2009			2009
				III	IV	I	II	III ^r				IV	I	II		III^{r}	III^{r}
Corporate profits with inventory valuation and capital consumption adjustments	1,608.3	1,541.7	1,360.4	1,454.6	1,123.6	1,182.7	1,226.5	1,358.9	-4.1	-11.8	-22.8	5.3	3.7	10.8	-6.6
Less: Taxes on corporate income	473.3	451.5	292.2	304.8	223.3	270.3	305.9	321.0	-4.6	-35.3	-26.7	21.1	13.2	4.9	5.3
Equals: Profits after tax with inventory valuation and capital consumption adjustments	1,135.0	1,090.2	1,068.2	1,149.8	900.4	912.4	920.6	1,037.9	-4.0	-2.0	-21.7	1.3	0.9	12.7	-9.7
Net dividends	704.8	767.8	689.9	676.6	669.9	618.1	556.0	549.9	8.9	-10.1	-1.0	-7.7	-10.0	-1.1	-18.7
Undistributed profits with inventory valuation and capital consumption adjustments	430.3	322.4	378.3	473.2	230.5	294.2	364.5	488.0	-25.1	17.4	-51.3	27.7	23.9	33.9	3.1
Addenda for corporate cash flow:															
Net cash flow with inventory valuation adjustment	1,356.1	1,303.4	1,478.4	1,499.4	1,559.2	1,575.4	1,544.9	1,573.3	-3.9	13.4	4.0	1.0	-1.9	1.8	4.9
Undistributed profits with inventory valuation and capital consumption adjustments	430.3	322.4	378.3	473.2	230.5	294.2	364.5	488.0	-25.1	17.4	-51.3	27.7	23.9	33.9	3.1
Consumption of fixed capital	925.9	981.0	1,036.8	1,043.9	1,058.1	1,058.2	1,043.0	1,032.5	6.0	5.7	1.4	0.0	-1.4	-1.0	-1.1
Less: Capital transfers paid (net)	0.0	0.0	-63.3	17.7	-270.7	-223.0	-137.3	-52.9							
Addenda:															
Profits before tax (without inventory valuation and capital consumption adjustments)	1,822.7	1,774.4	1,462.7	1,576.6	1,060.1	1,246.5	1,337.1	1,495.0	-2.7	-17.6	-32.8	17.6	7.3	11.8	-5.2
Profits after tax (without inventory valuation and capital consumption adjustments)	1,349.5	1,322.8	1,170.6	1,271.9	836.8	976.1	1,031.1	1,173.9	-2.0	-11.5	-34.2	16.6	5.6	13.8	-7.7
Inventory valuation adjustment	-38.0	-44.0	-38.2	-54.5	139.2	81.1	18.1	-17.1							
Capital consumption adjustment	-176.4	-188.7	-64.1	-67.6	-75.6	-144.9	-128.6	-118.9							

r Revised

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

[Billions of dollars]

	Level								Change from preceding period						
	2006	2007	2008	Seasonally adjusted at annual rates					2007	2008	2008		2009		
				2008		2009					IV	I	II	III ^r	
				III	IV	I	II	III ^r							
Corporate profits with inventory valuation and capital consumption adjustments	1,608.3	1,541.7	1,360.4	1,454.6	1,123.6	1,182.7	1,226.5	1,358.9	-66.6	-181.3	-331.0	59.1	43.8	132.4	
Domestic industries	1,351.5	1,193.9	983.2	1,057.4	791.3	867.0	925.3	1,035.7	-157.6	-210.7	-266.1	75.7	58.3	110.4	
Financial	427.6	347.0	271.6	289.8	121.9	237.8	266.3	349.1	-80.6	-75.4	-167.9	115.9	28.5	82.8	
Nonfinancial	923.9	846.9	711.6	767.6	669.4	629.2	659.0	686.6	-77.0	-135.3	-98.2	-40.2	29.8	27.6	
Rest of the world	256.8	347.8	377.2	397.2	332.4	315.8	301.2	323.2	91.0	29.4	-64.8	-16.6	-14.6	22.0	
Receipts from the rest of the world	434.4	504.5	544.2	558.5	479.1	402.2	409.9	440.8	70.1	39.7	-79.4	-76.9	7.7	30.9	
Less: Payments to the rest of the world	177.6	156.8	167.0	161.3	146.8	86.4	108.7	117.6	-20.8	10.2	-14.5	-60.4	22.3	8.9	
Corporate profits with inventory valuation adjustment	1,784.7	1,730.4	1,424.5	1,522.2	1,199.3	1,327.6	1,355.1	1,477.8	-54.3	-305.9	-322.9	128.3	27.5	122.7	
Domestic industries	1,527.8	1,382.6	1,047.3	1,125.0	866.9	1,011.9	1,053.9	1,154.6	-145.2	-335.3	-258.1	145.0	42.0	100.7	
Financial	448.0	367.8	278.9	297.5	130.3	253.9	280.7	362.4	-80.2	-88.9	-167.2	123.6	26.8	81.7	
Federal Reserve banks	33.8	37.7	35.7	34.6	41.1	28.8	46.1	57.6	3.9	-2.0	6.5	-12.3	17.3	11.5	
Other financial	414.1	330.1	243.2	262.9	89.2	225.1	234.6	304.8	-84.0	-86.9	-173.7	135.9	9.5	70.2	
Nonfinancial	1,079.9	1,014.9	768.4	827.5	736.6	758.0	773.3	792.2	-65.0	-246.5	-90.9	21.4	15.3	18.9	
Utilities	54.4	49.1	40.1	43.5	40.8	53.6	53.4	61.5	-5.3	-9.0	-2.7	12.8	-0.2	8.1	
Manufacturing	304.5	278.6	175.5	205.7	148.6	121.6	132.3	129.7	-25.9	-103.1	-57.1	-27.0	10.7	-2.6	
Durable goods	118.9	96.1	30.7	40.5	1.5	8.0	11.9	6.7	-22.8	-65.4	-39.0	6.5	3.9	-5.2	
Fabricated metal products	18.7	21.3	17.6	17.7	19.2	19.3	13.7	10.9	2.6	-3.7	1.5	0.1	-5.6	-2.8	
Machinery	19.2	19.8	16.1	14.6	19.6	12.8	10.4	8.1	0.6	-3.7	5.0	-6.8	-2.4	-2.3	
Computer and electronic products	17.4	11.2	4.7	0.1	2.2	3.2	3.9	3.1	-6.2	-6.5	2.1	1.0	0.7	-0.8	
Electrical equipment, appliances, and components	11.5	-1.1	-4.1	-2.6	-8.4	-6.3	-9.1	-9.6	-12.6	-3.0	-5.8	2.1	-2.8	-0.5	
Motor vehicles, bodies and trailers, and parts	-6.8	-16.4	-47.5	-45.4	-53.4	-54.8	-38.5	-16.6	-9.6	-31.1	-8.0	-1.4	16.3	21.9	
Other durable goods	58.9	61.3	43.9	56.2	22.3	33.9	31.5	10.8	2.4	-17.4	-33.9	11.6	-2.4	-20.7	
Nondurable goods	185.7	182.6	144.9	165.2	147.1	113.6	120.4	122.9	-3.1	-37.7	-18.1	-33.5	6.8	2.5	
Food and beverage and tobacco products	32.5	30.2	33.7	37.3	31.3	34.7	33.1	35.1	-2.3	3.5	-6.0	3.4	-1.6	2.0	
Petroleum and coal products	76.6	77.8	66.5	79.3	79.7	29.4	15.2	15.8	1.2	-11.3	0.4	-50.3	-14.2	0.6	
Chemical products	52.5	51.9	31.3	39.1	21.7	29.6	39.4	37.4	-0.6	-20.6	-17.4	7.9	9.8	-2.0	
Other nondurable goods	24.0	22.7	13.3	9.5	14.4	19.8	32.8	34.5	-1.3	-9.4	4.9	5.4	13.0	1.7	
Wholesale trade	103.7	102.2	75.1	85.8	111.5	94.0	87.5	80.6	-1.5	-27.1	25.7	-17.5	-6.5	-6.9	
Retail trade	133.2	121.6	78.2	77.1	79.7	83.1	95.1	98.8	-11.6	-43.4	2.6	3.4	12.0	3.7	
Transportation and warehousing	42.1	30.0	11.4	9.2	11.5	6.7	1.3	4.8	-12.1	-18.6	2.3	-4.8	-5.4	3.5	
Information	92.4	90.3	84.7	81.9	63.6	95.4	99.4	107.0	-2.1	-5.6	-18.3	31.8	4.0	7.6	
Other nonfinancial	349.6	343.0	303.4	324.4	280.8	303.6	304.2	309.9	-6.6	-39.6	-43.6	22.8	0.6	5.7	
Rest of the world	256.8	347.8	377.2	397.2	332.4	315.8	301.2	323.2	91.0	29.4	-64.8	-16.6	-14.6	22.0	

r Revised

NOTE: Estimates in this table are based on the 2002 North American Industry Classification System (NAICS).

Table 13. Gross Value Added of Nonfinancial Domestic Corporate Business

	2006	2007	2008	Seasonally adjusted at annual rates				
				2008		2009		
				III	IV	I	II	III ^r
Billions of dollars								
Gross value added of nonfinancial corporate business	6,740.3	6,970.1	6,971.5	7,042.4	6,934.1	6,703.8	6,671.9	6,665.2
Consumption of fixed capital.....	800.9	849.4	898.4	904.6	917.1	916.7	903.0	894.0
Net value added	5,939.4	6,120.6	6,073.0	6,137.8	6,017.0	5,787.1	5,768.9	5,771.2
Compensation of employees.....	4,182.3	4,364.2	4,427.9	4,440.4	4,410.1	4,238.5	4,194.4	4,198.3
Wage and salary accruals.....	3,462.3	3,627.3	3,677.2	3,687.5	3,656.8	3,494.7	3,450.0	3,452.4
Supplements to wages and salaries.....	720.0	736.9	750.7	752.9	753.3	743.8	744.3	745.8
Taxes on production and imports less subsidies.....	593.3	612.8	621.0	627.8	614.2	602.7	603.1	593.9
Net operating surplus.....	1,163.7	1,143.7	1,024.1	1,069.6	992.7	945.8	971.4	979.0
Net interest and miscellaneous payments.....	164.0	228.1	242.1	233.3	246.8	237.4	229.2	219.2
Business current transfer payments (net).....	75.8	68.6	70.4	68.7	76.5	79.2	83.2	73.1
Corporate profits with inventory valuation and capital consumption adjustments....	923.9	846.9	711.6	767.6	669.4	629.2	659.0	686.6
Taxes on corporate income.....	307.6	299.3	237.8	254.5	177.7	197.9	217.0	227.0
Profits after tax with inventory valuation and capital consumption adjustments....	616.2	547.6	473.8	513.1	491.6	431.3	442.1	459.6
Net dividends.....	471.1	465.2	409.3	383.3	449.9	373.1	362.7	332.7
Undistributed profits with inventory valuation and capital consumption adjustments.....	145.1	82.4	64.5	129.7	41.7	58.1	79.3	126.9
Addenda:								
Profits before tax (without inventory valuation and capital consumption adjustments)	1,117.9	1,058.9	806.7	882.0	597.4	676.9	755.2	809.4
Profits after tax (without inventory valuation and capital consumption adjustments)...	810.3	759.5	568.8	627.5	419.7	478.9	538.2	582.4
Inventory valuation adjustment.....	-38.0	-44.0	-38.2	-54.5	139.2	81.1	18.1	-17.1
Capital consumption adjustment.....	-156.0	-167.9	-56.8	-60.0	-67.2	-128.7	-114.2	-105.7
Billions of chained (2005) dollars								
Gross value added of nonfinancial corporate business ¹	6,536.5	6,649.4	6,675.5	6,722.6	6,579.3	6,278.8	6,269.8	6,291.5
Consumption of fixed capital ²	773.7	808.3	837.3	840.5	842.6	844.0	842.6	841.6
Net value added ³	5,762.9	5,841.2	5,838.2	5,882.1	5,736.7	5,434.8	5,427.1	5,449.9
Dollars; quarters seasonally adjusted								
Price, costs, and profits per unit of real gross value added of nonfinancial corporate business:								
Price per unit of real gross value added of nonfinancial corporate business ⁴	1.031	1.048	1.044	1.048	1.054	1.068	1.064	1.059
Compensation of employees (unit labor cost).....	0.640	0.656	0.663	0.661	0.670	0.675	0.669	0.667
Unit nonlabor cost.....	0.250	0.264	0.275	0.274	0.282	0.293	0.290	0.283
Consumption of fixed capital.....	0.123	0.128	0.135	0.135	0.139	0.146	0.144	0.142
Taxes on production and imports less subsidies plus business current transfer payments (net).....	0.102	0.102	0.104	0.104	0.105	0.109	0.109	0.106
Net interest and miscellaneous payments.....	0.025	0.034	0.036	0.035	0.038	0.038	0.037	0.035
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production).....	0.141	0.127	0.107	0.114	0.102	0.100	0.105	0.109
Taxes on corporate income.....	0.047	0.045	0.036	0.038	0.027	0.032	0.035	0.036
Profits after tax with inventory valuation and capital consumption adjustments.....	0.094	0.082	0.071	0.076	0.075	0.069	0.071	0.073

^r Revised

1. The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial industries from the GDP-by-industry accounts. For periods when this price index is not available, the chain-type price index for GDP goods and structures is used.

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 2005 current-dollar value of the corresponding series, divided by 100.

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

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

NOTE: Estimates in this table are based on the 2002 North American Industry Classification System (NAICS).

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 2005 -- 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 2007-08 annual percent change in real GDP uses prices for 2007 and 2008 as weights, and the 2007-08 annual percent change in GDP prices uses quantities for 2007 and 2008 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 the percent change 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 (2005) dollar estimates.” For most series, these estimates, which are presented in table 3, are computed by multiplying the current-dollar value in 2005 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2005 and if real output for this component increased 10 percent in 2006, then the chained (2005) dollar value of this component in 2006 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.