

Reading the BEA Real GDP press release of January 27, 2012.

Attached to this sheet is the BEA first-run GDP release of January 27, 2012.

It shows that real GDP grew at an annualized rate of 2.8% in the fourth quarter of 2011 and 1.7% for the entire year.

The data confirms what, from our lectures, we expected to be sources of strength.

You don't need to read the summary at the front. Skip over the text and go straight to **Table 1**.

Look at the **consumption** category. Compare durable goods to services. Where is the growth coming from in 2011 IV? Look at all of the quarterly data going back to 2008. Where is all of the volatility coming from? Where is the stability coming from?

Look at the **investment** category. Same questions - where is the growth coming from, where has recent volatility been found.

Look at the **government** category. You are looking at our slight version of the European problem - austerity programs and cutbacks do have an immediate short-run impact upon the business cycle.

Go to **Table 2**. That table weights the components to show what really contributed to the 2.8% aggregate growth. For example, look at **Motor vehicles and parts**. For 2011 IV that category alone contributed 1.07% of the 2.8% total despite its small weight.

Look at the effect of National defense. What does that imply about decisions to cut this category of government spending in the effort to balance our national budget?

There is one serious negative in this report. **1.94%** of the 2.8% total growth, more than half, is due to the residual and error-prone category labeled **Change in Private inventories**, and that number shows a growth in those inventories. If that is *planned* growth (businesses *intentionally* increasing inventories in anticipation of stronger sales, then it is nothing to worry about. On the other hand, if it is *unplanned* growth, which would imply that businesses are producing more than they are able to sell (think of autos as an example) then that would amount to a serious warning that this GDP growth will disappear in 2012 Q1.

Generally, though, what we expected to see from the lectures is there.

The stock market reaction as of 8:17 AM PST is tepid.

Prof E



NEWS RELEASE



EMBARGOED UNTIL RELEASE AT 8:30 A.M. EST, FRIDAY, JANUARY 27, 2012

BEA 12-02

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GROSS DOMESTIC PRODUCT: FOURTH QUARTER AND ANNUAL 2011 (ADVANCE 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 2.8 percent in the fourth quarter of 2011 (that is, from the third quarter to the fourth quarter), according to the "advance" estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 1.8 percent.

The Bureau emphasized that the fourth-quarter advance estimate released today is based on source data that are incomplete or subject to further revision by the source agency (see the box on page 4). The "second" estimate for the fourth quarter, based on more complete data, will be released on February 29, 2012.

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

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

This news release is available on [BEA's Web site](#) along with the [Technical Note](#) and [Highlights](#) related to this release.

Final sales of computers added 0.18 percentage point to the fourth-quarter change in real GDP after adding 0.22 percentage point to the third-quarter change. Motor vehicle output added 0.30 percentage point to the fourth-quarter change in real GDP after adding 0.12 percentage point to the third-quarter change.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 0.8 percent in the fourth quarter, compared with an increase of 2.0 percent in the third. Excluding food and energy prices, the price index for gross domestic purchases increased 1.0 percent in the fourth quarter, compared with an increase of 1.8 percent in the third.

Real personal consumption expenditures increased 2.0 percent in the fourth quarter, compared with an increase of 1.7 percent in the third. Durable goods increased 14.8 percent, compared with an increase of 5.7 percent. Nondurable goods increased 1.7 percent, in contrast to a decrease of 0.5 percent. Services increased 0.2 percent, compared with an increase of 1.9 percent.

Real nonresidential fixed investment increased 1.7 percent in the fourth quarter, compared with an increase of 15.7 percent in the third. Nonresidential structures decreased 7.2 percent, in contrast to an increase of 14.4 percent. Equipment and software increased 5.2 percent, compared with an increase of 16.2 percent. Real residential fixed investment increased 10.9 percent, compared with an increase of 1.3 percent.

Real exports of goods and services increased 4.7 percent in the fourth quarter, the same increase as in the third. Real imports of goods and services increased 4.4 percent in the fourth quarter, compared with an increase of 1.2 percent in the third.

Real federal government consumption expenditures and gross investment decreased 7.3 percent in the fourth quarter, in contrast to an increase of 2.1 percent in the third. National defense decreased 12.5 percent, in contrast to an increase of 5.0 percent. Nondefense increased 4.2 percent, in contrast to a decrease of 3.8 percent. Real state and local government consumption expenditures and gross investment decreased 2.6 percent, compared with a decrease of 1.6 percent.

The change in real private inventories added 1.94 percentage points to the fourth-quarter change in real GDP after subtracting 1.35 percentage points from the third-quarter change. Private businesses increased inventories \$56.0 billion in the fourth quarter, following a decrease of \$2.0 billion in the third quarter and an increase of \$39.1 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 0.8 percent in the fourth quarter, compared with an increase of 3.2 percent in the third.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 2.8 percent in the fourth quarter, compared with an increase of 1.3 percent in the third.

Disposition of personal income

Current-dollar personal income increased \$82.6 billion (2.6 percent) in the fourth quarter, compared with an increase of \$24.3 billion (0.8 percent) in the third.

Personal current taxes increased \$40.0 billion in the fourth quarter, compared with an increase of \$12.3 billion in the third.

Disposable personal income increased \$42.7 billion (1.5 percent) in the fourth quarter, compared with an increase of \$11.9 billion (0.4 percent) in the third. Real disposable personal income increased 0.8 percent, in contrast to a decrease of 1.9 percent.

Personal outlays increased \$69.9 billion (2.5 percent) in the fourth quarter, compared with an increase of \$112.0 billion (4.1 percent) in the third. Personal saving -- disposable personal income less personal outlays -- was \$429.3 billion in the fourth quarter, compared with \$456.5 billion in the third. The personal saving rate -- saving as a percentage of disposable personal income -- was 3.7 percent in the fourth quarter, compared with 3.9 percent in the third. 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, go to www.bea.gov/national/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 \$118.2 billion, in the fourth quarter to a level of \$15,294.3 billion. In the third quarter, current-dollar GDP increased 4.4 percent, or \$163.3 billion.

2011 GDP

Real GDP increased 1.7 percent in 2011 (that is, from the 2010 annual level to the 2011 annual level), compared with an increase of 3.0 percent in 2010.

The increase in real GDP in 2011 primarily reflected positive contributions from personal consumption expenditures (PCE), exports, and nonresidential fixed investment that were partly offset by negative contributions from state and local government spending, private inventory investment, and federal government spending. Imports, which are a subtraction in the calculation of GDP, increased.

The deceleration in real GDP in 2011 primarily reflected downturns in private inventory investment and in federal government spending and a deceleration in exports that were partly offset by a deceleration in imports and an acceleration in nonresidential fixed investment.

The price index for gross domestic purchases increased 2.5 percent in 2011, compared with an increase of 1.5 percent in 2010.

Current-dollar GDP increased 3.9 percent, or \$561.2 billion, in 2011, compared with an increase of 4.2 percent, or \$587.5 billion, in 2010.

During 2011 (that is, measured from the fourth quarter of 2010 to the fourth quarter of 2011), real GDP increased 1.6 percent. Real GDP increased 3.1 percent during 2010. The price index for gross domestic purchases increased 2.5 percent during 2011, compared with an increase of 1.4 percent during 2010.

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 estimate of GDP and related series is made available on the Web site; click on *Survey of Current Business*, "GDP and the Economy."

BEA's national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

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Next release -- February 29, 2012, at 8:30 A.M. EST for:
Gross Domestic Product: Fourth Quarter and Annual 2011 (Second Estimate)

Release dates in 2012

Gross Domestic Product

	<u>2011: IV and 2011 annual</u>	<u>2012: I</u>	<u>2012: II</u>	<u>2012: III</u>
Advance.....	January 27	April 27	July 27	October 26
Second.....	February 29	May 31	August 29	November 29
Third.....	March 29	June 28	September 27	December 20

Corporate Profits

Preliminary...	.....	May 31	August 29	November 29
Revised.....	March 29	June 28	September 27	December 20

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, "second" and "third" 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 generally 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 second 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 third 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 1.3 percentage points. The average revision (with regard to sign) from the advance estimate to the latest estimate is 0.2 percentage point, which is larger than the average revisions from the advance estimate to the second or to the third estimates. The larger average revisions to the latest estimate reflect the fact that comprehensive revisions include major improvements, such as the incorporation of BEA's latest benchmark input-output accounts. The quarterly estimates correctly indicate the direction of change of real GDP 97 percent of the time, correctly indicate whether GDP is accelerating or decelerating 72 percent of the time, and correctly indicate whether real GDP growth is above, near, or below trend growth more than four-fifths of the time.

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

Vintages compared	Average	Average without regard to sign	Standard deviation of revisions without regard to sign
<u>Current-dollar GDP</u>			
Advance to second....	0.2	0.6	0.4
Advance to third.....	.2	.7	.4
Second to third.....	.0	.3	.2
Advance to latest.....	.3	1.2	1.0
<u>Real GDP</u>			
Advance to second.....	0.1	0.5	0.4
Advance to third.....	.1	.6	.5
Second to third.....	.0	.2	.2
Advance to latest.....	.2	1.3	1.0

NOTE. These comparisons are based on the period from 1983 through 2008.

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

	2009	2010	2011	Seasonally adjusted at annual rates															
				2008				2009				2010				2011			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Gross domestic product (GDP) ...	-3.5	3.0	1.7	-1.8	1.3	-3.7	-8.9	-6.7	-0.7	1.7	3.8	3.9	3.8	2.5	2.3	0.4	1.3	1.8	2.8
Personal consumption expenditures	-1.9	2.0	2.2	-1.0	-0.1	-3.8	-5.1	-1.5	-1.9	2.3	0.4	2.7	2.9	2.6	3.6	2.1	0.7	1.7	2.0
Goods	-3.0	4.3	3.8	-5.6	0.5	-7.7	-12.6	0.1	-2.3	7.6	0.5	6.4	3.8	4.8	8.3	4.7	-1.6	1.4	5.7
Durable goods	-5.4	7.2	8.1	-9.6	-2.9	-12.3	-25.4	2.4	-4.0	20.3	-4.8	9.9	7.8	8.8	17.2	11.7	-5.3	5.7	14.8
Nondurable goods	-1.8	2.9	1.7	-3.3	2.3	-5.4	-5.8	-1.0	-1.5	2.0	3.1	4.8	1.9	3.0	4.3	1.6	0.2	-0.5	1.7
Services	-1.4	0.9	1.4	1.5	-0.5	-1.7	-1.2	-2.3	-1.7	-0.1	0.4	1.0	2.5	1.6	1.3	0.8	1.9	1.9	0.2
Gross private domestic investment	-25.0	17.9	4.7	-12.2	-6.0	-16.5	-33.9	-46.7	-22.8	2.9	36.8	31.5	26.4	9.2	-7.1	3.8	6.4	1.3	20.0
Fixed investment	-18.8	2.6	6.6	-8.3	-5.2	-12.3	-25.2	-32.2	-17.0	0.7	-3.8	1.2	19.5	2.3	7.5	1.2	9.2	13.0	3.3
Nonresidential	-17.8	4.4	8.6	-0.8	-2.3	-9.9	-22.9	-31.3	-15.8	-3.3	-3.7	6.0	18.6	11.3	8.7	2.1	10.3	15.7	1.7
Structures	-21.2	-15.8	4.1	0.8	9.4	-3.7	-10.2	-32.1	-33.3	-20.1	-30.8	-24.7	7.5	4.2	10.5	-14.3	22.6	14.4	-7.2
Equipment and software	-16.0	14.6	10.3	-1.7	-7.9	-13.1	-29.3	-30.8	-4.2	6.4	11.7	21.7	23.2	14.1	8.1	8.7	6.2	16.2	5.2
Residential	-22.2	-4.3	-1.4	-28.5	-14.5	-20.0	-33.2	-35.4	-21.3	17.8	-3.8	-15.3	22.8	-27.7	2.5	-2.4	4.2	1.3	10.9
Change in private inventories																			
Net exports of goods and services	-9.4	11.3	6.8	5.5	12.7	-3.5	-21.4	-29.0	-0.5	13.9	23.5	7.2	10.0	10.0	7.8	7.9	3.6	4.7	4.7
Exports	-12.0	14.4	7.5	9.3	14.1	-2.4	-27.4	-34.9	-2.9	21.3	28.4	12.1	11.8	8.9	9.2	10.6	2.5	5.0	5.0
Goods	-3.5	5.0	5.1	-2.7	9.5	-6.2	-5.6	-14.7	4.7	0.1	13.7	-2.7	6.1	12.6	4.7	1.7	6.2	4.0	3.9
Services	-13.6	12.5	5.0	1.4	-2.5	-6.6	-14.9	-34.0	-15.0	16.3	17.4	12.5	21.6	12.3	-2.3	8.3	1.4	1.2	4.4
Imports	-15.6	14.8	5.8	-0.6	-2.2	-9.1	-18.5	-37.1	-17.9	19.6	21.8	14.4	26.0	12.4	-0.5	9.5	1.6	0.5	4.1
Goods	-3.5	2.9	1.1	13.0	-4.2	8.2	5.6	-19.3	-2.5	4.2	0.4	4.6	3.3	11.6	-10.4	2.2	0.4	4.8	5.6
Services																			
Government consumption expenditures and gross investment	1.7	0.7	-2.1	3.1	1.7	4.3	1.6	-1.7	5.9	1.3	-0.9	-1.2	3.7	1.0	-2.8	-5.9	-0.9	-0.1	-4.6
Federal	6.0	4.5	-2.0	9.7	4.9	11.7	9.1	-3.3	14.4	5.9	2.2	2.8	8.8	3.2	-3.0	-9.4	1.9	2.1	-7.3
National defense	5.8	3.3	-2.4	8.2	5.4	17.6	8.3	-7.5	16.3	8.2	-1.3	0.5	6.0	5.7	-5.9	-12.6	7.0	5.0	-12.5
Nondefense	6.5	7.1	-1.2	13.0	3.9	-0.1	10.9	6.5	10.4	1.0	9.9	7.8	14.7	-1.8	3.1	-2.7	-7.6	-3.8	4.2
State and local	-0.9	-1.8	-2.3	-0.6	-0.1	0.1	-2.8	-0.8	0.9	-1.5	-2.9	-3.9	0.4	-0.5	-2.7	-3.4	-2.8	-1.6	-2.6
Addenda:																			
Final sales of domestic product	-2.6	1.4	1.9	-1.1	1.5	-3.0	-7.4	-4.2	-0.2	1.4	-0.2	0.8	3.0	1.7	4.2	0.0	1.6	3.2	0.8
Gross domestic purchases	-4.4	3.4	1.6	-2.1	-0.7	-4.2	-8.3	-8.6	-2.8	2.2	3.5	4.8	5.6	3.1	0.9	0.7	1.0	1.3	2.8
Final sales to domestic purchasers	-3.6	1.8	1.8	-1.4	-0.5	-3.6	-6.9	-6.2	-2.3	1.9	-0.3	1.7	4.9	2.3	2.7	0.4	1.3	2.7	0.9
Gross national product (GNP)	-3.6	3.3		-2.3	1.3	-3.2	-10.8	-6.2	-0.5	2.3	4.0	3.8	4.5	2.8	1.7	1.5	2.2	1.9	
Disposable personal income	-2.3	1.8	0.9	5.9	8.2	-8.8	-0.2	-3.8	0.3	-5.4	-0.6	4.9	5.6	2.3	1.5	1.2	-0.5	-1.9	0.8
Current-dollar measures:																			
GDP	-2.5	4.2	3.9	0.6	4.0	-0.6	-8.4	-5.2	-1.1	1.9	4.9	5.5	5.4	3.9	4.2	3.1	4.0	4.4	3.2
Final sales of domestic product	-1.6	2.6	4.0	1.5	4.0	0.2	-7.4	-2.5	-0.5	1.8	1.0	2.3	4.5	3.1	6.1	2.5	4.2	5.9	1.2
Gross domestic purchases	-4.5	5.0	4.1	1.9	3.9	-0.3	-12.0	-10.4	-2.4	3.9	5.6	7.0	6.2	4.0	2.9	4.9	4.5	3.3	3.6
Final sales to domestic purchasers	-3.7	3.3	4.3	2.7	3.9	0.4	-11.0	-7.9	-1.8	3.7	1.9	3.8	5.3	3.2	4.8	4.3	4.7	4.7	1.7
GNP	-2.6	4.4		0.0	4.1	-0.1	-10.4	-4.8	-0.9	2.6	5.1	5.4	6.1	4.1	3.5	4.2	4.8	4.5	
Disposable personal income	-2.1	3.6	3.4	10.0	13.1	-4.9	-5.8	-5.4	2.2	-2.6	2.2	6.8	5.9	3.3	3.5	5.2	2.8	0.4	1.5

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

	2009	2010	2011	Seasonally adjusted at annual rates															
				2008				2009				2010				2011			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Gross domestic product (GDP)	1.1	1.2	2.1	2.5	2.5	3.1	0.5	1.7	-0.4	0.3	1.1	1.5	1.5	1.4	1.9	2.5	2.5	2.6	0.4
Personal consumption expenditures	0.2	1.8	2.4	3.9	4.5	4.3	-5.6	-1.7	1.9	3.0	2.8	1.9	0.3	1.0	1.9	3.9	3.3	2.3	0.7
Goods	-2.6	1.6	3.7	4.8	4.8	7.0	-17.8	-6.3	4.1	5.6	2.5	2.1	-3.4	0.8	3.4	8.0	5.1	2.9	-0.8
Durable goods	-1.8	-1.7	-1.0	-1.3	-2.7	-1.1	-3.5	-2.1	-0.1	-2.7	0.5	-2.1	-2.4	-2.5	-2.4	-0.6	1.7	-0.5	-2.7
Nondurable goods	-2.9	3.2	6.0	8.1	8.8	11.1	-23.8	-8.3	6.1	9.8	3.5	4.1	-3.9	2.4	6.2	12.4	6.7	4.5	0.1
Services	1.6	1.9	1.8	3.4	4.4	3.0	1.2	0.6	0.9	1.8	2.9	1.7	2.2	1.1	1.2	1.9	2.4	2.1	1.5
Gross private domestic investment	-1.0	-1.6	1.6	0.3	1.2	2.4	6.9	-2.2	-6.4	-5.8	-1.7	-1.2	0.0	0.9	1.7	2.1	2.2	1.1	1.3
Fixed investment	-1.2	-1.4	1.3	0.9	1.4	3.3	2.9	-2.3	-5.3	-4.4	-1.0	-1.3	-0.5	0.5	0.8	1.4	2.4	1.5	1.2
Nonresidential	-0.6	-1.6	1.3	1.9	2.2	5.1	5.3	-2.2	-5.2	-4.7	-2.0	-1.7	0.2	0.5	0.4	1.4	2.5	1.8	1.6
Structures	-2.6	-1.1	4.5	5.2	3.9	7.7	8.2	-5.6	-12.0	-10.0	-1.5	1.3	2.4	2.5	3.6	5.0	6.1	5.6	4.6
Equipment and software	0.5	-1.8	0.1	0.2	1.3	3.7	3.6	-0.2	-1.3	-2.2	-2.5	-3.1	-0.7	-0.3	-0.8	0.2	1.2	0.4	0.5
Residential	-3.4	-0.4	1.1	-1.6	-1.1	-2.8	-5.2	-2.9	-5.9	-3.1	3.1	0.5	-3.0	0.6	2.5	1.5	2.0	0.3	-0.3
Change in private inventories																			
Net exports of goods and services																			
Exports	-5.4	4.4	6.3	7.8	10.7	6.0	-22.0	-11.9	0.1	5.0	5.5	4.8	5.0	0.6	8.6	11.0	8.8	1.9	-4.0
Goods	-6.8	4.9	7.3	8.9	13.3	5.7	-27.1	-14.4	2.1	5.1	5.3	5.5	5.5	0.6	11.5	12.9	9.7	1.4	-4.8
Services	-2.2	3.2	3.8	5.4	4.7	6.7	-8.9	-6.7	-3.8	4.6	5.8	3.5	3.9	0.6	2.2	6.5	6.5	3.2	-2.2
Imports	-10.6	6.1	7.7	16.8	21.0	10.6	-36.7	-29.2	6.6	14.4	11.5	8.3	-2.2	-2.2	8.4	19.1	12.5	-1.3	-1.0
Goods	-12.4	6.8	8.7	19.2	22.7	11.6	-40.8	-33.4	8.5	17.1	12.5	9.9	-2.9	-3.0	8.9	22.3	14.0	-1.5	-0.4
Services	-2.2	2.7	3.0	5.1	12.6	5.5	-11.6	-7.9	-0.8	4.0	7.1	1.0	0.8	1.6	5.8	4.2	5.2	-0.4	-4.1
Government consumption expenditures and gross investment	-0.3	2.2	3.1	7.9	6.6	4.2	-5.4	-1.8	0.0	1.2	2.0	4.7	1.3	0.9	3.1	5.4	4.2	1.3	0.9
Federal	-0.2	2.4	2.8	7.5	4.1	1.7	-4.7	1.2	-2.0	1.4	2.3	5.6	1.3	1.1	2.0	5.3	3.8	1.8	-0.1
National defense	-0.7	2.4	3.1	7.5	5.3	2.0	-5.8	0.2	-2.5	1.1	2.5	5.7	1.3	0.9	2.5	6.3	3.8	1.5	-0.4
Nondefense	0.9	2.4	2.3	7.6	1.5	1.1	-2.3	3.5	-1.0	2.2	1.9	5.5	1.2	1.5	1.1	3.4	3.7	2.3	0.4
State and local	-0.4	2.1	3.3	8.2	8.1	5.7	-5.7	-3.6	1.3	1.0	1.7	4.1	1.3	0.7	3.8	5.5	4.5	0.9	1.6
Addenda:																			
Final sales of domestic product	1.0	1.2	2.0	2.6	2.5	3.2	0.0	1.7	-0.3	0.4	1.2	1.4	1.4	1.4	1.8	2.4	2.5	2.6	0.4
Gross domestic purchases	-0.1	1.5	2.5	4.1	4.5	4.0	-4.0	-1.9	0.5	1.6	2.1	2.1	0.5	1.0	2.1	4.0	3.3	2.0	0.8
Final sales to domestic purchasers	-0.1	1.5	2.4	4.2	4.5	4.1	-4.4	-1.8	0.6	1.7	2.2	2.1	0.4	0.9	2.0	3.9	3.4	2.0	0.8
Gross national product (GNP)	1.1	1.1		2.5	2.5	3.1	0.4	1.7	-0.4	0.3	1.1	1.5	1.4	1.4	1.9	2.5	2.5	2.6	
Implicit price deflators:																			
GDP	1.1	1.2	2.1	2.4	2.7	3.2	0.5	1.5	-0.4	0.2	1.0	1.5	1.6	1.3	1.8	2.7	2.6	2.6	0.4
Gross domestic purchases	-0.1	1.5	2.5	4.0	4.6	4.1	-4.0	-2.0	0.5	1.6	2.0	2.1	0.6	0.9	2.0	4.2	3.4	2.0	0.8
GNP	1.0	1.1		2.4	2.7	3.2	0.4	1.5	-0.4	0.2	1.0	1.5	1.5	1.3	1.8	2.7	2.6	2.6	

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

Table 5. Real Gross Domestic Product, Quantity Indexes
[Index numbers, 2005=100]

	2009	2010	2011	Seasonally adjusted				
				2010	2011			
				IV	I	II	III	IV
Gross domestic product	100.635	103.684	105.470	104.699	104.792	105.140	105.614	106.334
Personal consumption expenditures	102.657	104.741	107.015	105.962	106.511	106.693	107.156	107.699
Goods.....	100.693	105.006	108.944	107.452	108.700	108.272	108.646	110.157
Durable goods.....	98.660	105.782	114.345	110.600	113.710	112.180	113.747	117.746
Nondurable goods.....	101.536	104.501	106.328	105.839	106.249	106.306	106.160	106.596
Services.....	103.644	104.628	106.087	105.250	105.453	105.941	106.449	106.506
Gross private domestic investment	66.944	78.945	82.642	79.848	80.600	81.869	82.135	85.964
Fixed investment.....	75.688	77.667	82.822	79.812	80.052	81.829	84.362	85.046
Nonresidential.....	93.755	97.913	106.314	101.822	102.342	104.889	108.782	109.244
Structures.....	104.426	87.883	91.497	90.399	86.974	91.511	94.631	92.874
Equipment and software.....	89.367	102.393	112.909	106.925	109.174	110.839	115.077	116.546
Residential.....	44.587	42.681	42.091	41.684	41.428	41.855	41.991	43.090
Change in private inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports of goods and services	114.479	127.444	136.112	131.551	134.061	135.240	136.789	138.358
Imports of goods and services	91.372	102.821	107.934	105.091	107.207	107.573	107.897	109.058
Government consumption expenditures and gross investment	107.161	107.886	105.577	107.691	106.076	105.837	105.812	104.582
Federal.....	117.479	122.782	120.363	123.197	120.195	120.769	121.385	119.101
State and local.....	101.378	99.557	97.308	99.020	98.177	97.488	97.107	96.461
Addenda:								
Final sales of domestic product.....	102.224	103.626	105.638	104.841	104.850	105.275	106.108	106.318
Gross domestic purchases.....	97.796	101.160	102.784	102.064	102.237	102.504	102.844	103.550
Final sales to domestic purchasers.....	99.280	101.091	102.926	102.182	102.276	102.615	103.292	103.520
Gross national product.....	100.968	104.253	.....	105.218	105.598	106.164	106.665	.....

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

Table 6. Price Indexes for Gross Domestic Product
[Index numbers, 2005=100]

	2009	2010	2011	Seasonally adjusted				
				2010	2011			
				IV	I	II	III	IV
Gross domestic product	109.732	111.000	113.307	111.699	112.390	113.091	113.811	113.935
Personal consumption expenditures (PCE)	109.169	111.112	113.815	111.673	112.747	113.666	114.324	114.524
Goods.....	103.209	104.837	108.750	105.367	107.412	108.752	109.530	109.304
Durable goods.....	92.901	91.348	90.437	90.507	90.362	90.745	90.628	90.015
Nondurable goods.....	109.301	112.748	119.569	114.092	117.463	119.383	120.707	120.723
Services.....	112.353	114.465	116.493	115.037	115.574	116.260	116.852	117.286
Gross private domestic investment	106.401	104.743	106.432	105.199	105.755	106.342	106.646	106.983
Fixed investment.....	106.305	104.843	106.161	105.035	105.412	106.039	106.433	106.759
Nonresidential.....	107.106	105.373	106.734	105.536	105.909	106.560	107.027	107.442
Structures.....	122.490	121.117	126.597	122.475	123.982	125.835	127.565	129.008
Equipment and software.....	101.496	99.634	99.745	99.406	99.446	99.743	99.838	99.953
Residential.....	102.637	102.214	103.367	102.563	102.958	103.479	103.551	103.482
Change in private inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports of goods and services	105.959	110.617	117.546	112.757	115.725	118.182	118.747	117.529
Imports of goods and services	106.571	113.032	121.774	114.271	119.370	122.949	122.543	122.236
Government consumption expenditures and gross investment	114.883	117.445	121.093	118.341	119.910	121.146	121.523	121.794
Federal.....	111.000	113.653	116.878	114.331	115.827	116.902	117.413	117.372
State and local.....	117.214	119.704	123.646	120.757	122.372	123.721	123.997	124.494
Addenda:								
PCE excluding food and energy ¹	108.691	110.208	111.790	110.534	110.963	111.585	112.156	112.454
Market-based PCE ²	109.201	110.857	113.646	111.394	112.498	113.478	114.200	114.408
Market-based PCE excluding food and energy ²	108.647	109.763	111.273	110.025	110.391	111.038	111.670	111.993
Final sales of domestic product.....	109.703	110.981	113.242	111.647	112.315	113.021	113.754	113.876
Gross domestic purchases.....	109.803	111.438	114.186	112.048	113.147	114.081	114.642	114.873
Final sales to domestic purchasers.....	109.783	111.426	114.132	112.006	113.084	114.024	114.597	114.826
Gross national product.....	109.721	110.979	.....	111.676	112.372	113.080	113.799	.....
Implicit price deflators:								
Gross domestic product.....	109.729	110.992	113.327	111.644	112.398	113.118	113.836	113.946
Final sales of domestic product.....	109.703	110.981	113.241	111.642	112.311	113.017	113.750	113.872
Gross domestic purchases.....	109.799	111.429	114.206	111.996	113.155	114.108	114.667	114.884
Final sales to domestic purchasers.....	109.783	111.426	114.132	112.003	113.080	114.021	114.593	114.822
Gross national product.....	109.717	110.971	.....	111.623	112.379	113.106	113.823	.....

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross domestic product (GDP)	3.7	4.5	4.4	4.8	4.1	1.1	1.8	2.5	3.5	3.1	2.7	1.9	-0.3	-3.5	3.0	1.7
Personal consumption expenditures	3.5	3.7	5.2	5.5	5.1	2.7	2.7	2.8	3.3	3.4	2.9	2.3	-0.6	-1.9	2.0	2.2
Goods	4.5	4.8	6.8	8.0	5.3	3.1	4.1	4.6	4.5	4.2	3.3	3.0	-2.5	-3.0	4.3	3.8
Durable goods	7.5	8.2	12.2	13.0	8.8	5.4	7.6	6.6	7.3	5.9	4.5	5.0	-4.9	-5.4	7.2	8.1
Nondurable goods	2.9	2.9	3.8	5.1	3.2	1.8	2.0	3.4	2.8	3.2	2.6	1.9	-1.2	-1.8	2.9	1.7
Services	2.9	3.1	4.4	4.1	5.0	2.5	1.9	1.9	2.7	3.0	2.6	1.9	0.4	-1.4	0.9	1.4
Gross private domestic investment	8.8	12.4	10.0	8.8	6.8	-7.0	-1.4	3.9	10.1	5.5	2.7	-3.2	-10.2	-25.0	17.9	4.7
Fixed investment	9.0	9.2	10.9	9.3	7.4	-1.9	-4.2	3.5	7.4	6.5	2.4	-1.9	-7.1	-18.8	2.6	6.6
Nonresidential	9.3	12.1	12.0	10.4	9.8	-2.8	-7.9	1.4	6.2	6.7	8.0	6.5	-0.8	-17.8	4.4	8.6
Structures	5.7	7.3	5.1	0.1	7.8	-1.5	-17.7	-3.8	1.1	1.4	9.2	14.1	6.4	-21.2	-15.8	4.1
Equipment and software	10.6	13.8	14.5	14.1	10.5	-3.2	-4.2	3.1	7.9	8.5	7.6	3.3	-4.3	-16.0	14.6	10.3
Residential	8.0	1.9	7.7	6.3	1.0	0.6	5.2	8.2	9.8	6.2	-7.3	-18.7	-23.9	-22.2	-4.3	-1.4
Change in private inventories																
Net exports of goods and services																
Exports	8.3	11.9	2.3	4.4	8.6	-5.6	-2.0	1.6	9.5	6.7	9.0	9.3	6.1	-9.4	11.3	6.8
Goods	8.8	14.4	2.2	3.8	11.1	-6.2	-3.6	1.8	8.5	7.5	9.4	9.7	6.3	-12.0	14.4	7.5
Services	7.0	5.9	2.4	5.7	2.7	-4.1	1.9	1.2	11.9	5.0	7.9	8.3	5.6	-3.5	5.0	5.1
Imports	8.7	13.5	11.7	11.5	13.0	-2.8	3.4	4.4	11.1	6.1	6.1	2.4	-2.7	-13.6	12.5	5.0
Goods	9.4	14.4	11.8	12.5	13.4	-3.2	3.7	4.9	11.1	6.8	5.9	2.6	-3.8	-15.6	14.8	5.8
Services	5.2	8.7	10.9	6.8	11.0	-0.8	1.8	1.9	11.2	2.8	7.1	1.4	3.6	-3.5	2.9	1.1
Government consumption expenditures and gross investment	1.0	1.9	2.1	3.6	2.0	3.8	4.7	2.2	1.4	0.3	1.4	1.3	2.6	1.7	0.7	-2.1
Federal	-1.2	-1.0	-1.1	1.9	0.5	4.1	7.3	6.6	4.1	1.3	2.1	1.2	7.2	6.0	4.5	-2.0
National defense	-1.3	-2.8	-2.1	1.9	-0.5	3.8	7.4	8.7	5.7	1.5	1.6	2.2	7.5	5.8	3.3	-2.4
Nondefense	-0.8	2.7	0.8	2.1	2.4	4.6	7.2	2.8	1.0	0.9	3.2	-0.8	6.5	6.5	7.1	-1.2
State and local	2.3	3.6	3.9	4.5	2.8	3.7	3.3	-0.1	-0.2	-0.2	0.9	1.4	0.0	-0.9	-1.8	-2.3
Addenda:																
Final sales of domestic product	3.7	3.9	4.4	4.9	4.2	2.0	1.3	2.5	3.1	3.2	2.6	2.2	0.2	-2.6	1.4	1.9
Gross domestic purchases	3.8	4.7	5.5	5.7	4.8	1.2	2.4	2.9	3.9	3.2	2.6	1.2	-1.5	-4.4	3.4	1.6
Final sales to domestic purchasers	3.8	4.2	5.6	5.8	4.9	2.1	1.9	2.8	3.5	3.3	2.5	1.4	-1.0	-3.6	1.8	1.8
Gross national product	3.7	4.3	4.3	4.9	4.2	1.2	1.8	2.7	3.6	3.1	2.4	2.3	0.0	-3.6	3.3	.....
Real disposable personal income	3.3	3.5	6.0	3.0	5.1	2.4	3.3	2.5	3.4	1.4	4.0	2.4	2.4	-2.3	1.8	0.9
Price indexes:																
Gross domestic purchases	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	-0.1	1.5	2.5
Gross domestic purchases excluding food and energy ¹	1.6	1.5	1.0	1.5	2.0	1.8	1.7	2.0	2.7	3.3	3.1	2.7	2.6	0.8	1.2	1.8
GDP	1.9	1.8	1.1	1.5	2.2	2.3	1.6	2.1	2.8	3.3	3.2	2.9	2.2	1.1	1.2	2.1
GDP excluding food and energy ¹	1.8	1.8	1.2	1.6	2.2	2.0	1.8	2.0	2.8	3.5	3.3	2.8	2.4	0.8	1.4	1.8
Personal consumption expenditures	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	0.2	1.8	2.4

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

	2008				2009				2010				2011			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Gross domestic product (GDP)	1.6	1.0	-0.6	-3.3	-4.5	-5.0	-3.7	-0.5	2.2	3.3	3.5	3.1	2.2	1.6	1.5	1.6
Personal consumption expenditures (PCE)	0.9	0.4	-1.0	-2.5	-2.7	-3.1	-1.6	-0.2	0.9	2.1	2.2	3.0	2.8	2.2	2.0	1.6
Goods	0.0	-0.3	-3.0	-6.5	-5.1	-5.8	-2.1	1.4	2.9	4.5	3.8	5.8	5.4	4.0	3.1	2.5
Durable goods	0.7	-1.4	-5.8	-13.0	-10.2	-10.4	-3.1	3.0	4.8	7.9	5.2	10.9	11.3	7.8	7.0	6.5
Nondurable goods	-0.3	0.3	-1.5	-3.1	-2.5	-3.5	-1.6	0.6	2.1	2.9	3.2	3.5	2.7	2.3	1.4	0.7
Services	1.3	0.8	0.1	-0.5	-1.4	-1.7	-1.3	-0.9	-0.1	0.9	1.4	1.6	1.5	1.4	1.5	1.2
Gross private domestic investment	-4.2	-7.7	-11.1	-17.8	-27.5	-31.0	-27.3	-12.8	9.4	23.7	25.5	14.0	7.4	2.9	1.0	7.7
Fixed investment	-2.9	-5.0	-7.7	-13.1	-19.4	-22.0	-19.3	-14.1	-5.0	4.0	4.4	7.4	7.4	5.0	7.6	6.6
Nonresidential	6.0	2.8	-2.1	-9.4	-17.4	-20.4	-19.0	-14.4	-4.5	4.0	7.7	11.1	10.0	8.0	9.1	7.3
Structures	14.6	10.2	3.4	-1.2	-10.5	-20.9	-24.5	-29.3	-27.4	-18.2	-12.6	-1.8	1.5	4.9	7.3	2.7
Equipment and software	2.3	-0.8	-4.8	-13.6	-20.9	-20.1	-16.0	-5.8	8.5	15.5	17.6	16.6	13.4	9.2	9.7	9.0
Residential	-23.8	-24.3	-23.3	-24.4	-26.3	-27.8	-20.5	-12.9	-6.8	4.2	-7.8	-6.3	-2.9	-6.9	1.4	3.4
Change in private inventories																
Net exports of goods and services																
Exports	9.8	11.3	6.4	-2.5	-11.7	-14.4	-10.8	-0.1	10.7	13.5	12.5	8.8	8.9	7.3	6.0	5.2
Goods	9.9	11.5	7.5	-3.0	-14.8	-18.2	-13.6	-0.4	14.1	18.2	15.1	10.5	10.1	7.7	6.7	5.7
Services	9.8	11.0	3.7	-1.4	-4.6	-5.7	-4.1	0.4	3.8	4.1	7.2	5.0	6.2	6.2	4.1	3.9
Imports	-0.3	-1.4	-3.3	-5.9	-15.4	-18.3	-13.7	-6.5	6.9	16.9	15.9	10.7	9.6	4.7	2.1	3.8
Goods	-1.1	-2.0	-4.4	-7.9	-17.8	-21.4	-15.8	-6.9	8.1	20.4	18.5	12.7	11.5	5.6	2.7	3.9
Services	4.1	2.1	3.0	5.5	-3.0	-2.6	-3.5	-4.7	1.7	3.1	4.9	1.9	1.4	0.6	-0.9	3.2
Government consumption expenditures and gross investment	2.8	2.4	2.6	2.7	1.4	2.5	1.7	1.1	1.2	0.7	0.6	0.1	-1.1	-2.2	-2.4	-2.9
Federal	6.8	6.3	6.8	8.8	5.4	7.8	6.3	4.6	6.2	4.9	4.2	2.9	-0.3	-2.0	-2.2	-3.3
National defense	6.6	5.9	7.6	9.8	5.5	8.2	5.9	3.5	5.7	3.3	2.7	1.5	-2.0	-1.8	-1.9	-3.7
Nondefense	7.3	7.0	4.9	6.8	5.2	6.8	7.1	6.9	7.2	8.2	7.5	5.7	3.1	-2.4	-2.8	-2.6
State and local	0.5	0.2	0.2	-0.9	-0.9	-0.6	-1.0	-1.1	-1.8	-2.0	-1.7	-1.7	-1.5	-2.3	-2.6	-2.6
Addenda:																
Final sales of domestic product	1.8	1.5	0.0	-2.6	-3.3	-3.7	-2.6	-0.8	0.5	1.3	1.3	2.4	2.2	1.9	2.3	1.4
Gross domestic purchases	0.4	-0.5	-1.9	-3.9	-5.5	-6.0	-4.5	-1.5	1.9	4.0	4.2	3.6	2.6	1.4	1.0	1.5
Final sales to domestic purchasers	0.6	0.0	-1.3	-3.1	-4.3	-4.8	-3.4	-1.8	0.3	2.0	2.1	2.9	2.5	1.7	1.8	1.3
Gross national product	2.4	1.7	-0.3	-3.8	-4.8	-5.2	-3.9	-0.2	2.4	3.7	3.8	3.2	2.6	2.0	1.8	.....
Real disposable personal income	2.6	4.4	1.7	1.0	-1.4	-3.2	-2.3	-2.4	-0.3	1.0	3.0	3.5	2.6	1.1	0.1	-0.1
Price indexes:																
Gross domestic purchases	3.3	3.6	4.1	2.1	0.6	-0.4	-1.0	0.6	1.6	1.6	1.4	1.4	1.9	2.6	2.9	2.5
Gross domestic purchases excluding food and energy ¹	2.5	2.8	3.0	2.2	1.4	0.8	0.3	0.7	1.1	1.2	1.3	1.2	1.4	1.8	2.0	2.0
GDP	2.1	2.0	2.5	2.1	1.9	1.2	0.5	0.7	0.6	1.1	1.4	1.6	1.8	2.1	2.4	2.0
GDP excluding food and energy ¹	2.4	2.5	2.8	2.0	1.2	0.8	0.3	0.9	1.3	1.4	1.4	1.3	1.5	1.8	2.1	2.0
PCE	3.4	3.7	4.2	1.7	0.3	-0.3	-0.6	1.5	2.4	2.0	1.5	1.3	1.8	2.5	2.9	2.6
PCE excluding food and energy																

Table 9. Relation of Gross Domestic Product, Gross National Product, and National Income
[Billions of dollars]

	2009	2010	2011	Seasonally adjusted at annual rates				
				2010	2011			
				IV	I	II	III	IV
Gross domestic product	13,939.0	14,526.5	15,087.7	14,755.0	14,867.8	15,012.8	15,176.1	15,294.3
Plus: Income receipts from the rest of the world	639.8	702.9	.....	729.4	752.1	803.2	792.2	.....
Less: Income payments to the rest of the world	487.5	513.5	.....	545.0	525.0	542.0	524.9	.....
Equals: Gross national product	14,091.2	14,715.9	.....	14,939.4	15,094.9	15,274.0	15,443.4	.....
Less: Consumption of fixed capital.....	1,866.2	1,874.9	1,950.0	1,896.1	1,914.3	1,939.9	1,962.8	1,983.0
Less: Statistical discrepancy	77.4	0.8	.....	24.5	-52.0	-10.0	49.6	.....
Equals: National income	12,147.6	12,840.1	.....	13,018.8	13,232.6	13,344.1	13,430.9	.....
Compensation of employees	7,806.4	7,971.4	8,242.4	8,050.8	8,172.5	8,219.7	8,250.0	8,327.4
Wage and salary accruals	6,275.3	6,408.2	6,636.3	6,477.0	6,578.2	6,617.1	6,641.9	6,708.0
Supplements to wages and salaries	1,531.1	1,563.1	1,606.1	1,573.7	1,594.4	1,602.7	1,608.1	1,619.4
Proprietors' income with inventory valuation and capital consumption adjustments	941.2	1,036.4	1,107.8	1,081.5	1,095.6	1,106.5	1,113.7	1,115.5
Rental income of persons with capital consumption adjustment.....	305.9	350.2	404.2	354.8	385.0	396.9	406.3	428.6
Corporate profits with inventory valuation and capital consumption adjustments	1,362.0	1,800.1	.....	1,857.4	1,876.4	1,937.6	1,970.1	.....
Net interest and miscellaneous payments.....	656.7	564.3	535.8	548.7	556.6	525.6	535.7	525.1
Taxes on production and imports less subsidies	958.2	996.7	1,035.2	1,006.4	1,027.3	1,038.5	1,035.8	1,039.0
Business current transfer payments (net)	132.0	136.7	134.4	135.7	134.7	133.9	133.7	135.4
Current surplus of government enterprises	-14.9	-15.7	-14.6	-16.5	-15.6	-14.6	-14.5	-13.9
Addendum:								
Gross domestic income	13,861.5	14,525.7	.....	14,730.5	14,919.8	15,022.7	15,126.5	.....

Table 10. Personal Income and Its Disposition
[Billions of dollars]

	2009	2010	2011	Seasonally adjusted at annual rates				
				2010	2011			
				IV	I	II	III	IV
Personal income ¹	11,930.2	12,373.5	12,961.0	12,577.6	12,846.9	12,955.3	12,979.6	13,062.2
Compensation of employees, received.....	7,801.4	7,971.4	8,242.4	8,050.8	8,172.5	8,219.7	8,250.0	8,327.4
Wage and salary disbursements.....	6,270.3	6,408.2	6,636.3	6,477.0	6,578.2	6,617.1	6,641.9	6,708.0
Supplements to wages and salaries	1,531.1	1,563.1	1,606.1	1,573.7	1,594.4	1,602.7	1,608.1	1,619.4
Proprietors' income with inventory valuation and capital consumption adjustments	941.2	1,036.4	1,107.8	1,081.5	1,095.6	1,106.5	1,113.7	1,115.5
Farm	39.2	52.2	64.9	60.1	66.1	67.3	67.5	58.7
Nonfarm	902.0	984.2	1,042.9	1,021.4	1,029.5	1,039.2	1,046.2	1,056.8
Rental income of persons with capital consumption adjustment.....	305.9	350.2	404.2	354.8	385.0	396.9	406.3	428.6
Personal income receipts on assets	1,707.7	1,721.2	1,790.7	1,743.5	1,777.2	1,802.3	1,794.2	1,789.1
Personal interest income	1,108.9	1,003.4	997.8	989.6	1,004.7	1,015.9	994.8	975.7
Personal dividend income	598.8	717.7	792.9	753.9	772.5	786.4	799.4	813.4
Personal current transfer receipts.....	2,138.1	2,281.2	2,336.0	2,341.2	2,328.1	2,347.3	2,336.6	2,331.9
Less: Contributions for government social insurance, domestic.....	964.1	986.8	920.1	994.1	911.5	917.4	921.2	930.2
Less: Personal current taxes	1,141.4	1,193.9	1,404.8	1,240.9	1,365.9	1,396.2	1,408.5	1,448.5
Equals: Disposable personal income	10,788.8	11,179.7	11,556.2	11,336.7	11,481.0	11,559.2	11,571.1	11,613.8
Less: Personal outlays	10,236.3	10,586.9	11,050.9	10,748.6	10,902.1	11,002.6	11,114.6	11,184.5
Equals: Personal saving	552.6	592.8	505.3	588.1	578.9	556.5	456.5	429.3
Personal saving as a percentage of disposable personal income	5.1	5.3	4.4	5.2	5.0	4.8	3.9	3.7
Addenda:								
Personal income excluding current transfer receipts, billions of chained (2005) dollars ²	8,969.7	9,083.0	9,335.4	9,166.7	9,329.8	9,332.9	9,309.7	9,369.8
Disposable personal income, billions of chained (2005) dollars ²	9,882.7	10,061.6	10,153.5	10,152.0	10,183.2	10,169.7	10,121.6	10,141.2

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. The current-dollar measure is 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

	2009	2010	2011	Seasonally adjusted at annual rates															
				2008				2009				2010				2011			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Gross domestic product (GDP) and related aggregates:																			
GDP.....	-3.5	3.0	1.7	-1.8	1.3	-3.7	-8.9	-6.7	-0.7	1.7	3.8	3.9	3.8	2.5	2.3	0.4	1.3	1.8	2.8
Goods.....	-5.9	11.7	4.5	-4.4	4.5	-8.2	-23.9	-10.6	3.7	7.9	18.3	20.9	4.0	7.9	5.9	4.9	-0.6	2.2	12.9
Services.....	-0.5	1.1	0.9	1.1	0.2	-0.9	-0.7	-1.8	0.5	0.0	1.2	0.3	2.6	1.5	1.0	-0.1	1.8	1.2	-0.9
Structures.....	-16.9	-8.8	-2.0	-12.0	0.1	-8.3	-17.4	-27.1	-20.6	-3.9	-17.8	-18.6	15.0	-8.0	1.0	-13.1	5.0	5.8	-1.8
Motor vehicle output.....	-24.5	27.4	11.9	-14.1	-25.4	-26.0	-58.1	-55.3	18.8	128.2	10.1	40.1	15.7	14.9	-17.4	59.2	-4.1	5.1	12.8
GDP excluding motor vehicle output.....	-3.0	2.6	1.5	-1.4	2.1	-3.0	-7.4	-5.5	-1.0	0.2	3.7	3.3	3.5	2.2	2.9	-0.7	1.5	1.7	2.5
Final sales of computers ¹	1.3	20.5	32.8	7.3	30.0	-2.8	1.1	17.1	-13.8	-11.7	2.5	37.0	12.7	72.7	64.2	14.7	13.0	42.1	32.1
GDP excluding final sales of computers.....	-3.5	2.9	1.6	-1.8	1.2	-3.7	-8.9	-6.8	-0.6	1.8	3.8	3.8	3.7	2.2	2.1	0.3	1.3	1.6	2.6
Farm gross value added ²	15.1	-0.5	-14.7	48.4	-11.5	-16.5	79.6	15.1	5.9	41.8	-36.7	0.3	17.7	21.4	-29.8	-31.8	-9.7	-6.3	-5.9
Nonfarm business gross value added ³	-5.1	4.0	2.6	-3.6	0.4	-5.2	-12.7	-8.7	-1.1	1.4	5.6	5.2	4.6	3.5	3.8	0.9	1.8	2.8	3.6
Gross domestic income ⁴	-4.0	3.6	.....	2.6	-1.1	-2.6	-9.8	-7.0	-2.1	1.3	4.8	6.3	3.8	2.5	1.5	2.4	0.2	0.2	.....
Price indexes:																			
GDP.....	1.1	1.2	2.1	2.5	2.5	3.1	0.5	1.7	-0.4	0.3	1.1	1.5	1.5	1.4	1.9	2.5	2.5	2.6	0.4
GDP excluding food and energy ⁵	0.8	1.4	1.8	3.2	2.4	2.7	-0.5	0.3	0.6	0.9	1.8	1.8	1.3	0.8	1.3	2.5	2.7	1.8	0.9
GDP excluding final sales of computers.....	1.2	1.2	2.2	2.6	2.6	3.2	0.6	1.8	-0.3	0.4	1.2	1.5	1.5	1.5	2.0	2.6	2.6	2.7	0.5
Gross domestic purchases.....	-0.1	1.5	2.5	4.1	4.5	4.0	-4.0	-1.9	0.5	1.6	2.1	2.1	0.5	1.0	2.1	4.0	3.3	2.0	0.8
Gross domestic purchases excluding food and energy ⁵	0.8	1.2	1.8	3.4	3.1	2.7	-0.1	0.0	0.6	0.6	1.7	1.6	1.1	0.8	1.2	2.4	2.7	1.8	1.0
Gross domestic purchases excluding final sales of computers to domestic purchasers.....	0.0	1.6	2.6	4.3	4.6	4.2	-3.9	-1.8	0.6	1.7	2.2	2.1	0.5	1.0	2.2	4.1	3.5	2.1	0.9
Personal consumption expenditures (PCE).....	0.2	1.8	2.4	3.9	4.5	4.3	-5.6	-1.7	1.9	3.0	2.8	1.9	0.3	1.0	1.9	3.9	3.3	2.3	0.7
PCE excluding food and energy ⁵	1.6	1.4	1.4	2.5	2.4	2.0	1.0	1.0	2.1	1.5	2.2	1.1	1.3	0.8	0.7	1.6	2.3	2.1	1.1
Market-based PCE ⁶	0.3	1.5	2.5	4.3	4.2	5.0	-5.9	-1.3	2.0	2.9	2.2	1.5	-0.1	1.2	1.8	4.0	3.5	2.6	0.7
Market-based PCE excluding food and energy ⁶	1.9	1.0	1.4	2.8	1.7	2.4	1.7	1.9	2.2	1.2	1.4	0.6	0.9	1.0	0.3	1.3	2.4	2.3	1.2

1. For some components of final sales of computers, includes computer parts.
 2. Farm output less intermediate goods and services purchased.
 3. Consists of GDP less gross value added of farm, of households and institutions, and of general government.
 4. Gross domestic income deflated by the implicit price deflator for gross domestic product.
 5. Food excludes personal consumption expenditures for purchased meals and beverages, which are classified in food services.
 6. 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.
 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 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 ($= \$100 \times 110 / 100$). 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.