



## NEWS RELEASE



EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, THURSDAY, OCTOBER 27, 2011

BEA 11-52

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### **GROSS DOMESTIC PRODUCT: THIRD QUARTER 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 2.5 percent in the third quarter of 2011, (that is, from the second quarter to the third quarter), according to the "advance" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 1.3 percent.

The Bureau emphasized that the third-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 3). The "second" estimate for the third quarter, based on more complete data, will be released on November 22, 2011.

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

The acceleration in real GDP in the third quarter primarily reflected accelerations in PCE and in nonresidential fixed investment and a smaller decrease in state and local government spending that were partly offset by a larger decrease in private inventory investment.

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NOTE.--Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and are annualized. "Real" estimates are in chained (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 0.21 percentage point to the third-quarter change in real GDP after adding 0.07 percentage point to the second-quarter change. Motor vehicle output added 0.07 percentage point to the third-quarter change in real GDP after subtracting 0.10 percentage point from the second-quarter change.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 2.0 percent in the third quarter, compared with an increase of 3.3 percent in the second. Excluding food and energy prices, the price index for gross domestic purchases increased 1.8 percent in the third quarter, compared with an increase of 2.7 percent in the second.

Real personal consumption expenditures increased 2.4 percent in the third quarter, compared with an increase of 0.7 percent in the second. Durable goods increased 4.1 percent, in contrast to a decrease of 5.3 percent. Nondurable goods increased 0.2 percent, the same increase as in the second. Services increased 3.0 percent, compared with an increase of 1.9 percent.

Real nonresidential fixed investment increased 16.3 percent in the third quarter, compared with an increase of 10.3 percent in the second. Nonresidential structures increased 13.3 percent, compared with an increase of 22.6 percent. Equipment and software increased 17.4 percent, compared with an increase of 6.2 percent. Real residential fixed investment increased 2.4 percent, compared with an increase of 4.2 percent.

Real exports of goods and services increased 4.0 percent in the third quarter, compared with an increase of 3.6 percent in the second. Real imports of goods and services increased 1.9 percent, compared with an increase of 1.4 percent.

Real federal government consumption expenditures and gross investment increased 2.0 percent in the third quarter, compared with an increase of 1.9 percent in the second. National defense increased 4.8 percent, compared with an increase of 7.0 percent. Nondefense decreased 3.7 percent, compared with a decrease of 7.6 percent. Real state and local government consumption expenditures and gross investment decreased 1.3 percent, compared with a decrease of 2.8 percent.

The change in real private inventories subtracted 1.08 percentage points from the third-quarter change in real GDP after subtracting 0.28 percentage point from the second-quarter change. Private businesses increased inventories \$5.4 billion in the third quarter, following increases of \$39.1 billion in the second quarter and \$49.1 billion in the first.

Real final sales of domestic product -- GDP less change in private inventories -- increased 3.6 percent in the third quarter, compared with an increase of 1.6 percent in the second.

### **Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 2.2 percent in the third quarter, compared with an increase of 1.0 percent in the second.

### **Disposition of personal income**

Current-dollar personal income increased \$29.5 billion (0.9 percent) in the third quarter, compared with an increase of \$145.7 billion (4.6 percent) in the second.

Personal current taxes increased \$12.5 billion in the third quarter, compared with an increase of \$35.2 billion in the second.

Disposable personal income increased \$17.0 billion (0.6 percent) in the third quarter, compared with an increase of \$110.5 billion (3.9 percent) in the second. Real disposable personal income decreased 1.7 percent, in contrast to an increase of 0.6 percent.

Personal outlays increased \$133.1 billion (4.9 percent) in the third quarter, compared with an increase of \$100.5 billion (3.7 percent) in the second. Personal saving -- disposable personal income less personal outlays -- was \$472.7 billion in the third quarter, compared with \$588.9 billion in the second. The personal saving rate -- saving as a percentage of disposable personal income -- was 4.1 percent in the third quarter, compared with 5.1 percent in the second. 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](http://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 5.0 percent, or \$185.8 billion, in the third quarter to a level of \$15,198.6 billion. In the second quarter, current-dollar GDP increased 4.0 percent, or \$145.0 billion.

Information on the assumptions used for unavailable source data is provided in a technical note that is posted with the news release on BEA's Web site. Within a few days after the release, a detailed "Key Source Data and Assumptions" file is posted on the Web site. In the middle of each month, an analysis of the current quarterly 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](http://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 -- November 22, 2011, at 8:30 A.M. EST for:  
Gross Domestic Product: Third Quarter 2011 (Second Estimate)  
Corporate Profits: Third Quarter 2011 (Preliminary Estimate)

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**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 202

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

	Seasonally adjusted at annual rates																							
	2008	2009	2010	2007					2008					2009				2010				2011		
				IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	I	II	III		
																							IV	I
<b>Gross domestic product (GDP) ...</b>	<b>-0.3</b>	<b>-3.5</b>	<b>3.0</b>	<b>1.7</b>	<b>-1.8</b>	<b>1.3</b>	<b>-3.7</b>	<b>-8.9</b>	<b>-6.7</b>	<b>-0.7</b>	<b>1.7</b>	<b>3.8</b>	<b>3.9</b>	<b>3.8</b>	<b>2.5</b>	<b>2.3</b>	<b>0.4</b>	<b>1.3</b>	<b>2.5</b>					
<b>Personal consumption expenditures .....</b>	<b>-0.6</b>	<b>-1.9</b>	<b>2.0</b>	<b>1.2</b>	<b>-1.0</b>	<b>-0.1</b>	<b>-3.8</b>	<b>-5.1</b>	<b>-1.5</b>	<b>-1.9</b>	<b>2.3</b>	<b>0.4</b>	<b>2.7</b>	<b>2.9</b>	<b>2.6</b>	<b>3.6</b>	<b>2.1</b>	<b>0.7</b>	<b>2.4</b>					
Goods .....	-2.5	-3.0	4.3	1.0	-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					
Durable goods .....	-4.9	-5.4	7.2	2.3	-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	4.1					
Nondurable goods .....	-1.2	-1.8	2.9	0.4	-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	0.2					
Services .....	0.4	-1.4	0.9	1.3	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	3.0					
<b>Gross private domestic investment .....</b>	<b>-10.2</b>	<b>-25.0</b>	<b>17.9</b>	<b>-9.3</b>	<b>-12.2</b>	<b>-6.0</b>	<b>-16.5</b>	<b>-33.9</b>	<b>-46.7</b>	<b>-22.8</b>	<b>2.9</b>	<b>36.8</b>	<b>31.5</b>	<b>26.4</b>	<b>9.2</b>	<b>-7.1</b>	<b>3.8</b>	<b>6.4</b>	<b>4.1</b>					
Fixed investment .....	-7.1	-18.8	2.6	-4.9	-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	13.7					
Nonresidential .....	-0.8	-17.8	4.4	5.4	-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	16.3					
Structures .....	6.4	-21.2	-15.8	7.4	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	13.3					
Equipment and software .....	-4.3	-16.0	14.6	4.4	-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	17.4					
Residential .....	-23.9	-22.2	-4.3	-29.3	-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	2.4					
Change in private inventories .....																								
<b>Net exports of goods and services .....</b>																								
Exports .....	6.1	-9.4	11.3	11.6	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	4.0					
Goods .....	6.3	-12.0	14.4	9.9	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	4.7					
Services .....	5.6	-3.5	5.0	15.7	-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	2.4					
Imports .....	-2.7	-13.6	12.5	-5.2	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	1.9					
Goods .....	-3.8	-15.6	14.8	-5.5	-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	1.8					
Services .....	3.6	-3.5	2.9	-4.0	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	2.4					
<b>Government consumption expenditures and gross investment .....</b>	<b>2.6</b>	<b>1.7</b>	<b>0.7</b>	<b>1.2</b>	<b>3.1</b>	<b>1.7</b>	<b>4.3</b>	<b>1.6</b>	<b>-1.7</b>	<b>5.9</b>	<b>1.3</b>	<b>-0.9</b>	<b>-1.2</b>	<b>3.7</b>	<b>1.0</b>	<b>-2.8</b>	<b>-5.9</b>	<b>-0.9</b>	<b>0.0</b>					
Federal .....	7.2	6.0	4.5	1.1	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	2.0					
National defense .....	7.5	5.8	3.3	0.0	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	4.8					
Nondefense .....	6.5	6.5	7.1	3.4	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	-3.7					
State and local .....	0.0	-0.9	-1.8	1.3	-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	-1.3					
<b>Addenda:</b>																								
Final sales of domestic product .....	0.2	-2.6	1.4	2.5	-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	3.6					
Gross domestic purchases .....	-1.5	-4.4	3.4	-0.5	-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	2.2					
Final sales to domestic purchasers .....	-1.0	-3.6	1.8	0.2	-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	3.2					
Gross national product (GNP) .....	0.0	-3.6	3.3	3.2	-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	.....					
Disposable personal income .....	2.4	-2.3	1.8	2.2	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	0.6	-1.7					
<b>Current-dollar measures:</b>																								
GDP .....	1.9	-2.5	4.2	3.6	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	5.0					
Final sales of domestic product .....	2.4	-1.6	2.6	4.4	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	6.2					
Gross domestic purchases .....	1.8	-4.5	5.0	3.2	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	4.2					
Final sales to domestic purchasers .....	2.2	-3.7	3.3	4.0	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	5.3					
GNP .....	2.2	-2.6	4.4	5.2	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	.....					
Disposable personal income .....	5.8	-2.1	3.6	6.5	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	3.9	0.6					

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**

	2008	2009	2010	Seasonally adjusted at annual rates																
				2007	2008				2009				2010				2011			
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
<b>Gross domestic product (GDP) .....</b>	<b>2.2</b>	<b>1.1</b>	<b>1.2</b>	<b>1.9</b>	<b>2.5</b>	<b>2.5</b>	<b>3.1</b>	<b>0.5</b>	<b>1.7</b>	<b>-0.4</b>	<b>0.3</b>	<b>1.1</b>	<b>1.5</b>	<b>1.5</b>	<b>1.4</b>	<b>1.9</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	
<b>Personal consumption expenditures .....</b>	<b>3.3</b>	<b>0.2</b>	<b>1.8</b>	<b>4.2</b>	<b>3.9</b>	<b>4.5</b>	<b>4.3</b>	<b>-5.6</b>	<b>-1.7</b>	<b>1.9</b>	<b>3.0</b>	<b>2.8</b>	<b>1.9</b>	<b>0.3</b>	<b>1.0</b>	<b>1.9</b>	<b>3.9</b>	<b>3.3</b>	<b>2.4</b>	
Goods .....	3.1	-2.6	1.6	5.3	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	
Durable goods .....	-1.9	-1.8	-1.7	-1.5	-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	
Nondurable goods .....	5.7	-2.9	3.2	9.1	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	
Services .....	3.4	1.6	1.9	3.7	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	
<b>Gross private domestic investment .....</b>	<b>1.1</b>	<b>-1.0</b>	<b>-1.6</b>	<b>0.4</b>	<b>0.3</b>	<b>1.2</b>	<b>2.4</b>	<b>6.9</b>	<b>-2.2</b>	<b>-6.4</b>	<b>-5.8</b>	<b>-1.7</b>	<b>-1.2</b>	<b>0.0</b>	<b>0.9</b>	<b>1.7</b>	<b>2.1</b>	<b>2.2</b>	<b>0.8</b>	
Fixed investment .....	1.2	-1.2	-1.4	0.4	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	1.1	
Nonresidential .....	2.0	-0.6	-1.6	0.4	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	1.5	
Structures .....	4.9	-2.6	-1.1	4.8	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	4.8	
Equipment and software .....	0.5	0.5	-1.8	-1.8	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	
Residential .....	-1.2	-3.4	-0.4	0.7	-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	-0.7	
Change in private inventories .....																				
<b>Net exports of goods and services .....</b>	<b>4.7</b>	<b>-5.4</b>	<b>4.4</b>	<b>5.8</b>	<b>7.8</b>	<b>10.7</b>	<b>6.0</b>	<b>-22.0</b>	<b>-11.9</b>	<b>0.1</b>	<b>5.0</b>	<b>5.5</b>	<b>4.8</b>	<b>5.0</b>	<b>0.6</b>	<b>8.6</b>	<b>11.0</b>	<b>8.8</b>	<b>2.1</b>	
Exports .....	5.0	-6.8	4.9	6.1	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	1.7	
Goods .....	4.1	-2.2	3.2	5.1	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	3.1	
Services .....	10.6	-10.6	6.1	17.0	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	-0.8	
Imports .....	11.6	-12.4	6.8	19.3	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	-0.9	
Goods .....	5.8	-2.2	2.7	5.9	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	-0.2	
Services .....																				
<b>Government consumption expenditures and gross investment .....</b>	<b>4.9</b>	<b>-0.3</b>	<b>2.2</b>	<b>4.7</b>	<b>7.9</b>	<b>6.6</b>	<b>4.2</b>	<b>-5.4</b>	<b>-1.8</b>	<b>0.0</b>	<b>1.2</b>	<b>2.0</b>	<b>4.7</b>	<b>1.3</b>	<b>0.9</b>	<b>3.1</b>	<b>5.4</b>	<b>4.2</b>	<b>1.5</b>	
Federal .....	3.2	-0.2	2.4	2.3	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	
National defense .....	3.6	-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	1.6	
Nondefense .....	2.3	0.9	2.4	0.8	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	2.1	
State and local .....	5.9	-0.4	2.1	6.2	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	1.3	
<b>Addenda:</b>																				
Final sales of domestic product .....	2.2	1.0	1.2	1.9	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	
Gross domestic purchases .....	3.2	-0.1	1.5	3.7	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	
Final sales to domestic purchasers .....	3.3	-0.1	1.5	3.7	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	
Gross national product (GNP) .....	2.2	1.1	1.1	1.9	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	.....	
<b>Implicit price deflators:</b>																				
GDP .....	2.2	1.1	1.2	1.9	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	2.5	
Gross domestic purchases .....	3.3	-0.1	1.5	3.8	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	
GNP .....	2.2	1.0	1.1	1.9	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	.....	

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

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

	2008	2009	2010	Seasonally adjusted				
				2010		2011		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	<b>104.270</b>	<b>100.635</b>	<b>103.684</b>	<b>104.093</b>	<b>104.699</b>	<b>104.792</b>	<b>105.140</b>	<b>105.782</b>
<b>Personal consumption expenditures</b> .....	<b>104.637</b>	<b>102.657</b>	<b>104.741</b>	<b>105.038</b>	<b>105.962</b>	<b>106.511</b>	<b>106.693</b>	<b>107.338</b>
Goods.....	103.776	100.693	105.006	105.333	107.452	108.700	108.272	108.657
Durable goods.....	104.314	98.660	105.782	106.294	110.600	113.710	112.180	113.320
Nondurable goods.....	103.363	101.536	104.501	104.733	105.839	106.249	106.306	106.362
Services.....	105.067	103.644	104.628	104.912	105.250	105.453	105.941	106.716
<b>Gross private domestic investment</b> .....	<b>89.296</b>	<b>66.944</b>	<b>78.945</b>	<b>81.333</b>	<b>79.848</b>	<b>80.600</b>	<b>81.869</b>	<b>82.705</b>
Fixed investment.....	93.228	75.688	77.667	78.380	79.812	80.052	81.829	84.494
Nonresidential.....	114.125	93.755	97.913	99.725	101.822	102.342	104.889	108.923
Structures.....	132.595	104.426	87.883	88.169	90.399	86.974	91.511	94.409
Equipment and software.....	106.411	89.367	102.393	104.873	106.925	109.174	110.839	115.380
Residential.....	57.345	44.587	42.681	41.427	41.684	41.428	41.855	42.108
Change in private inventories.....								
<b>Exports of goods and services</b> .....	<b>126.376</b>	<b>114.479</b>	<b>127.444</b>	<b>129.101</b>	<b>131.551</b>	<b>134.061</b>	<b>135.240</b>	<b>136.575</b>
<b>Imports of goods and services</b> .....	<b>105.733</b>	<b>91.372</b>	<b>102.821</b>	<b>105.708</b>	<b>105.091</b>	<b>107.207</b>	<b>107.573</b>	<b>108.087</b>
<b>Government consumption expenditures and gross investment</b> ....	<b>105.381</b>	<b>107.161</b>	<b>107.886</b>	<b>108.457</b>	<b>107.691</b>	<b>106.076</b>	<b>105.837</b>	<b>105.838</b>
Federal.....	110.819	117.479	122.782	124.138	123.197	120.195	120.769	121.359
State and local.....	102.310	101.378	99.557	99.689	99.020	98.177	97.488	97.161
<b>Addenda:</b>								
Final sales of domestic product.....	104.991	102.224	103.626	103.762	104.841	104.850	105.275	106.206
Gross domestic purchases.....	102.303	97.796	101.160	101.828	102.064	102.237	102.504	103.055
Final sales to domestic purchasers.....	102.974	99.280	101.091	101.502	102.182	102.276	102.615	103.436
Gross national product.....	104.692	100.968	104.253	104.786	105.218	105.598	106.164	.....

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

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

	2008	2009	2010	Seasonally adjusted				
				2010		2011		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	<b>108.565</b>	<b>109.732</b>	<b>111.000</b>	<b>111.162</b>	<b>111.699</b>	<b>112.390</b>	<b>113.091</b>	<b>113.797</b>
<b>Personal consumption expenditures (PCE)</b> .....	<b>108.943</b>	<b>109.169</b>	<b>111.112</b>	<b>111.136</b>	<b>111.673</b>	<b>112.747</b>	<b>113.666</b>	<b>114.331</b>
Goods.....	105.912	103.209	104.837	104.497	105.367	107.412	108.752	109.533
Durable goods.....	94.628	92.901	91.348	91.058	90.507	90.362	90.745	90.626
Nondurable goods.....	112.567	109.301	112.748	112.379	114.092	117.463	119.383	120.710
Services.....	110.584	112.353	114.465	114.682	115.037	115.574	116.260	116.861
<b>Gross private domestic investment</b> .....	<b>107.501</b>	<b>106.401</b>	<b>104.743</b>	<b>104.755</b>	<b>105.199</b>	<b>105.755</b>	<b>106.342</b>	<b>106.550</b>
Fixed investment.....	107.587	106.305	104.843	104.826	105.035	105.412	106.039	106.338
Nonresidential.....	107.717	107.106	105.373	105.424	105.536	105.909	106.560	106.969
Structures.....	125.706	122.490	121.117	121.399	122.475	123.982	125.835	127.326
Equipment and software.....	101.000	101.496	99.634	99.595	99.406	99.446	99.743	99.834
Residential.....	106.296	102.637	102.214	101.941	102.563	102.958	103.479	103.290
Change in private inventories.....								
<b>Exports of goods and services</b> .....	<b>111.975</b>	<b>105.959</b>	<b>110.617</b>	<b>110.461</b>	<b>112.757</b>	<b>115.725</b>	<b>118.182</b>	<b>118.799</b>
<b>Imports of goods and services</b> .....	<b>119.237</b>	<b>106.571</b>	<b>113.032</b>	<b>111.994</b>	<b>114.271</b>	<b>119.370</b>	<b>122.949</b>	<b>122.697</b>
<b>Government consumption expenditures and gross investment</b> ....	<b>115.245</b>	<b>114.883</b>	<b>117.445</b>	<b>117.444</b>	<b>118.341</b>	<b>119.910</b>	<b>121.146</b>	<b>121.591</b>
Federal.....	111.225	111.000	113.653	113.759	114.331	115.827	116.902	117.422
State and local.....	117.666	117.214	119.704	119.627	120.757	122.372	123.721	124.108
<b>Addenda:</b>								
PCE excluding food and energy <sup>1</sup> .....	107.020	108.691	110.208	110.353	110.534	110.963	111.585	112.163
Market-based PCE <sup>2</sup> .....	108.909	109.201	110.857	110.894	111.394	112.498	113.478	114.209
Market-based PCE excluding food and energy <sup>2</sup> .....	106.666	108.647	109.763	109.943	110.025	110.391	111.038	111.679
Final sales of domestic product.....	108.576	109.703	110.981	111.140	111.647	112.315	113.021	113.740
Gross domestic purchases.....	109.858	109.803	111.438	111.456	112.048	113.147	114.081	114.647
Final sales to domestic purchasers.....	109.869	109.783	111.426	111.441	112.006	113.084	114.024	114.602
Gross national product.....	108.571	109.721	110.979	111.139	111.676	112.372	113.080	.....
<b>Implicit price deflators:</b>								
Gross domestic product.....	108.582	109.729	110.992	111.156	111.644	112.398	113.118	113.823
Final sales of domestic product.....	108.576	109.703	110.981	111.136	111.642	112.311	113.017	113.736
Gross domestic purchases.....	109.875	109.799	111.429	111.451	111.996	113.155	114.108	114.672
Final sales to domestic purchasers.....	109.869	109.783	111.426	111.438	112.003	113.080	114.021	114.598
Gross national product.....	108.589	109.717	110.971	111.133	111.623	112.379	113.106	.....

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

	2008	2009	2010	Seasonally adjusted at annual rates				
				2010		2011		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	<b>14,291.5</b>	<b>13,939.0</b>	<b>14,526.5</b>	<b>14,605.5</b>	<b>14,755.0</b>	<b>14,867.8</b>	<b>15,012.8</b>	<b>15,198.6</b>
Plus: Income receipts from the rest of the world.....	856.1	639.8	702.9	708.9	729.4	752.1	803.2	.....
Less: Income payments to the rest of the world.....	686.9	487.5	513.5	501.6	545.0	525.0	542.0	.....
<b>Equals: Gross national product</b> .....	<b>14,460.7</b>	<b>14,091.2</b>	<b>14,715.9</b>	<b>14,812.8</b>	<b>14,939.4</b>	<b>15,094.9</b>	<b>15,274.0</b>	.....
Less: Consumption of fixed capital.....	1,854.1	1,866.2	1,874.9	1,878.2	1,896.1	1,914.3	1,939.9	1,961.5
Less: Statistical discrepancy.....	-2.4	77.4	0.8	-7.4	24.5	-52.0	-52.6	.....
<b>Equals: National income</b> .....	<b>12,609.1</b>	<b>12,147.6</b>	<b>12,840.1</b>	<b>12,942.1</b>	<b>13,018.8</b>	<b>13,232.6</b>	<b>13,386.8</b>	.....
Compensation of employees.....	8,068.3	7,806.4	7,971.4	8,022.2	8,050.8	8,172.5	8,262.4	8,302.0
Wage and salary accruals.....	6,545.9	6,275.3	6,408.2	6,454.5	6,477.0	6,578.2	6,656.9	6,690.4
Supplements to wages and salaries.....	1,522.5	1,531.1	1,563.1	1,567.7	1,573.7	1,594.4	1,605.5	1,611.6
Proprietors' income with inventory valuation and capital consumption adjustments.....	1,097.9	941.2	1,036.4	1,057.0	1,081.5	1,095.6	1,106.5	1,117.1
Rental income of persons with capital consumption adjustment.....	231.6	305.9	350.2	352.8	354.8	385.0	396.9	406.8
Corporate profits with inventory valuation and capital consumption adjustments.....	1,248.4	1,362.0	1,800.1	1,833.1	1,857.4	1,876.4	1,937.6	.....
Net interest and miscellaneous payments.....	870.1	656.7	564.3	550.1	548.7	556.6	525.6	532.5
Taxes on production and imports less subsidies.....	985.7	958.2	996.7	1,002.0	1,006.4	1,027.3	1,038.5	1,032.2
Business current transfer payments (net).....	123.0	132.0	136.7	140.9	135.7	134.7	133.9	133.7
Current surplus of government enterprises.....	-16.0	-14.9	-15.7	-16.0	-16.5	-15.6	-14.6	-14.4
<b>Addendum:</b>								
Gross domestic income.....	14,294.0	13,861.5	14,525.7	14,612.9	14,730.5	14,919.8	15,065.4	.....

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

	2008	2009	2010	Seasonally adjusted at annual rates				
				2010		2011		
				III	IV	I	II	III
<b>Personal income</b> <sup>1</sup> .....	<b>12,460.2</b>	<b>11,930.2</b>	<b>12,373.5</b>	<b>12,453.2</b>	<b>12,577.6</b>	<b>12,846.9</b>	<b>12,992.6</b>	<b>13,022.1</b>
Compensation of employees, received.....	8,073.3	7,801.4	7,971.4	8,022.2	8,050.8	8,172.5	8,262.4	8,302.0
Wage and salary disbursements.....	6,550.9	6,270.3	6,408.2	6,454.5	6,477.0	6,578.2	6,656.9	6,690.4
Supplements to wages and salaries.....	1,522.5	1,531.1	1,563.1	1,567.7	1,573.7	1,594.4	1,605.5	1,611.6
Proprietors' income with inventory valuation and capital consumption adjustments.....	1,097.9	941.2	1,036.4	1,057.0	1,081.5	1,095.6	1,106.5	1,117.1
Farm.....	51.8	39.2	52.2	58.3	60.1	66.1	67.3	68.9
Nonfarm.....	1,046.1	902.0	984.2	998.7	1,021.4	1,029.5	1,039.2	1,048.2
Rental income of persons with capital consumption adjustment.....	231.6	305.9	350.2	352.8	354.8	385.0	396.9	406.8
Personal income receipts on assets.....	2,165.4	1,707.7	1,721.2	1,723.4	1,743.5	1,777.2	1,802.3	1,794.3
Personal interest income.....	1,382.0	1,108.9	1,003.4	983.9	989.6	1,004.7	1,015.9	993.8
Personal dividend income.....	783.4	598.8	717.7	739.4	753.9	772.5	786.4	800.5
Personal current transfer receipts.....	1,879.2	2,138.1	2,281.2	2,289.4	2,341.2	2,328.1	2,347.3	2,329.7
Less: Contributions for government social insurance, domestic.....	987.3	964.1	986.8	991.5	994.1	911.5	922.8	927.8
Less: Personal current taxes.....	1,435.7	1,141.4	1,193.9	1,212.8	1,240.9	1,365.9	1,401.1	1,413.6
<b>Equals: Disposable personal income</b> .....	<b>11,024.5</b>	<b>10,788.8</b>	<b>11,179.7</b>	<b>11,240.4</b>	<b>11,336.7</b>	<b>11,481.0</b>	<b>11,591.5</b>	<b>11,608.5</b>
Less: Personal outlays.....	10,432.2	10,236.3	10,586.9	10,614.8	10,748.6	10,902.1	11,002.6	11,135.7
<b>Equals: Personal saving</b> .....	<b>592.3</b>	<b>552.6</b>	<b>592.8</b>	<b>625.6</b>	<b>588.1</b>	<b>578.9</b>	<b>588.9</b>	<b>472.7</b>
Personal saving as a percentage of disposable personal income.....	5.4	5.1	5.3	5.6	5.2	5.0	5.1	4.1
<b>Addenda:</b>								
Personal income excluding current transfer receipts, billions of chained (2005) dollars <sup>2</sup> .....	9,712.3	8,969.7	9,083.0	9,145.7	9,166.7	9,329.8	9,365.7	9,352.4
Disposable personal income, billions of chained (2005) dollars <sup>2</sup> .....	10,119.5	9,882.7	10,061.6	10,114.4	10,152.0	10,183.2	10,198.1	10,153.7

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**

	2008	2009	2010	Seasonally adjusted at annual rates																				
				2007					2008					2009				2010				2011		
				IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
<b>Gross domestic product (GDP) and related aggregates:</b>																								
GDP .....	-0.3	-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	2.5					
Goods .....	-0.8	-5.9	11.7	5.5	-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	2.7					
Services .....	1.0	-0.5	1.1	2.3	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	1.9					
Structures .....	-7.7	-16.9	-8.8	-10.9	-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	6.7					
Motor vehicle output .....	-18.6	-24.5	27.4	-14.6	-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	2.7					
GDP excluding motor vehicle output .....	0.2	-3.0	2.6	2.2	-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	2.5					
Final sales of computers <sup>1</sup> .....	20.1	1.3	20.5	39.3	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	40.7					
GDP excluding final sales of computers .....	-0.4	-3.5	2.9	1.5	-1.8	1.2	-3.7	-8.9	-6.8	-0.6	1.8	3.8	3.7	3.7	2.2	2.1	0.3	1.3	2.3					
Farm gross value added <sup>2</sup> .....	12.6	15.1	-0.5	41.9	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	-7.4					
Nonfarm business gross value added <sup>3</sup> .....	-1.5	-5.1	4.0	0.9	-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	3.8					
Gross domestic income <sup>4</sup> .....	-0.4	-4.0	3.6	1.4	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	1.3	.....					
<b>Price indexes:</b>																								
GDP .....	2.2	1.1	1.2	1.9	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	2.5					
GDP excluding food and energy <sup>5</sup> .....	2.4	0.8	1.4	2.7	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					
GDP excluding final sales of computers .....	2.3	1.2	1.2	2.0	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	2.6					
Gross domestic purchases .....	3.2	-0.1	1.5	3.7	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					
Gross domestic purchases excluding food and energy <sup>5</sup> .....	2.6	0.8	1.2	2.8	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					
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	3.4	0.0	1.6	3.9	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					
Personal consumption expenditures (PCE) .....	3.3	0.2	1.8	4.2	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	2.4					
PCE excluding food and energy <sup>5</sup> .....	2.3	1.6	1.4	2.8	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					
Market-based PCE <sup>6</sup> .....	3.4	0.3	1.5	4.4	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					
Market-based PCE excluding food and energy <sup>6</sup> .....	2.3	1.9	1.0	2.8	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. 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 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.