



NEWS RELEASE



EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, THURSDAY, SEPTEMBER 29, 2011

BEA 11-49

Lisa Mataloni: (202) 606-5304 (GDP) gdpniwd@bea.gov
Greg Key: (202) 606-5564 (Profits) cpniwd@bea.gov
Recorded message: (202) 606-5306

GROSS DOMESTIC PRODUCT: SECOND QUARTER 2011 (THIRD ESTIMATE) CORPORATE PROFITS: SECOND QUARTER 2011 (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 1.3 percent in the second quarter of 2011, (that is, from the first quarter to the second quarter), according to the "third" estimate released by the Bureau of Economic Analysis. In the first quarter, real GDP increased 0.4 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 1.0 percent (see "Revisions" on page 3).

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

The acceleration in real GDP in the second quarter primarily reflected a deceleration in imports, an upturn in federal government spending, and an acceleration in nonresidential fixed investment that were partly offset by a deceleration in PCE, a downturn in private inventory investment, and a deceleration in exports.

Final sales of computers added 0.07 percentage point to the second-quarter change in real GDP after adding 0.08 percentage point to the first-quarter change. Motor vehicle output subtracted 0.10 percentage point from the second-quarter change in real GDP after adding 1.08 percentage points to the first-quarter change.

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.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 3.3 percent in the second quarter, the same increase as in the second estimate; this index increased 4.0 percent in the first quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 2.7 percent in the second quarter, compared with an increase of 2.4 percent in the first.

Real personal consumption expenditures increased 0.7 percent in the second quarter, compared with an increase of 2.1 percent in the first. Durable goods decreased 5.3 percent, in contrast to an increase of 11.7 percent. Nondurable goods increased 0.2 percent, compared with an increase of 1.6 percent. Services increased 1.9 percent, compared with an increase of 0.8 in the first.

Real nonresidential fixed investment increased 10.3 percent, compared with an increase of 2.1 percent. Nonresidential structures increased 22.6 percent, in contrast to a decrease of 14.3 percent. Equipment and software increased 6.2 percent, compared with an increase of 8.7 percent. Real residential fixed investment increased 4.2 percent, in contrast to a decrease of 2.4 percent.

Real exports of goods and services increased 3.6 percent in the second quarter, compared with an increase of 7.9 percent in the first. Real imports of goods and services increased 1.4 percent, compared with an increase of 8.3 percent.

Real federal government consumption expenditures and gross investment increased 1.9 percent in the second quarter, in contrast to a decrease of 9.4 percent in the first. National defense increased 7.0 percent, in contrast to a decrease of 12.6 percent. Nondefense decreased 7.6 percent, compared with a decrease of 2.7 percent. Real state and local government consumption expenditures and gross investment decreased 2.8 percent, compared with a decrease of 3.4 percent.

The change in real private inventories subtracted 0.28 percentage point from the second-quarter change in real GDP, after adding 0.32 percentage point to the first-quarter change. Private businesses increased inventories \$39.1 billion in the second quarter, following increases of \$49.1 billion in the first quarter and \$38.3 billion in the fourth.

Real final sales of domestic product -- GDP less change in private inventories -- increased 1.6 percent in the second quarter, after increasing less than 0.1 percent.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 1.0 percent in the second quarter, compared with an increase of 0.7 percent in the first.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 2.2 percent in the second quarter, compared with an increase of 1.5 percent in the first. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which increased \$28.0 billion in the second quarter after increasing \$36.6 billion in the first; in the second quarter, receipts increased \$39.4 billion, and payments increased \$11.4 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 4.0 percent, or \$145.0 billion, in the second quarter to a level of \$15,012.8 billion. In the first quarter, current-dollar GDP increased 3.1 percent, or \$112.8 billion.

Revisions

The third estimate of the second-quarter increase in real GDP is 0.3 percentage point, or \$11.3 billion, higher than the second estimate issued last month, primarily reflecting an upward revision to personal consumption expenditures, a downward revision to imports, and an upward revision to exports.

	<u>Advance Estimate</u>	<u>Second Estimate</u>	<u>Third Estimate</u>
	(Percent change from preceding quarter)		
Real GDP.....	1.3	1.0	1.3
Current-dollar GDP.....	3.7	3.5	4.0
Gross domestic purchases price index...	3.2	3.3	3.3

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$61.2 billion in the second quarter, compared with an increase of \$19.0 billion in the first quarter. Current-production cash flow (net cash flow with inventory valuation adjustment) -- the internal funds available to corporations for investment -- increased \$86.2 billion in the second quarter, compared with an increase of \$21.1 billion in the first.

Taxes on corporate income decreased \$1.8 billion in the second quarter, in contrast to an increase of \$17.6 billion in the first. Profits after tax with inventory valuation and capital consumption adjustments increased \$63.0 billion in the second quarter, compared with an increase of \$1.4 billion in the first. Dividends increased \$13.6 billion, compared with an increase of \$19.0 billion; current-production undistributed profits increased \$49.3 billion, in contrast to a decrease of \$17.6 billion.

Domestic profits of financial corporations decreased \$54.2 billion in the second quarter, compared with a decrease of \$38.7 billion in the first. Domestic profits of nonfinancial corporations increased \$80.8 billion in the second quarter, compared with an increase of \$19.7 billion in the first. In the second quarter, real gross value added of nonfinancial corporations increased, and profits per unit of real value added increased. The increase in unit profits reflected an increase in unit prices and decreases in both the unit labor and nonlabor costs that corporations incurred.

The rest-of-the-world component of profits increased \$34.6 billion in the second quarter, compared with an increase of \$37.9 billion in the first. 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 second-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 financial corporations decreased while domestic profits of nonfinancial corporations increased. The increase in profits of nonfinancial corporations reflected increases in all the major subaggregates shown, except for retail trade. Within manufacturing, the largest increase in profits was for petroleum and coal products.

Profits before tax increased \$13.5 billion in the second quarter, compared with an increase of \$134.6 billion in the first. 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 decreased \$8.1 billion in the second quarter (from \$115.4 billion to \$107.3 billion), compared with a decrease of \$89.8 billion in the first. The inventory valuation adjustment increased \$55.6 billion (from -\$116.0 billion to -\$60.4 billion), in contrast to a decrease of \$25.7 billion.

* * *

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.

* * *

Next release -- October 27, 2011, at 8:30 A.M. EDT for:
Gross Domestic Product: Third Quarter 2011 (Advance Estimate)

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

	2008	2009	2010	Seasonally adjusted at annual rates															
				2007		2008				2009				2010				2011	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
Gross domestic product (GDP) ...	-0.3	-3.5	3.0	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
Personal consumption expenditures	-0.6	-1.9	2.0	1.8	1.2	-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
Goods	-2.5	-3.0	4.3	3.0	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
Durable goods	-4.9	-5.4	7.2	5.2	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
Nondurable goods	-1.2	-1.8	2.9	1.9	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
Services	0.4	-1.4	0.9	1.1	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
Gross private domestic investment	-10.2	-25.0	17.9	-3.0	-9.3	-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
Fixed investment	-7.1	-18.8	2.6	-1.4	-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
Nonresidential	-0.8	-17.8	4.4	9.1	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
Structures	6.4	-21.2	-15.8	24.3	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
Equipment and software	-4.3	-16.0	14.6	2.5	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
Residential	-23.9	-22.2	-4.3	-24.1	-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
Change in private inventories																			
Net exports of goods and services																			
Exports	6.1	-9.4	11.3	15.7	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
Goods	6.3	-12.0	14.4	12.7	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
Services	5.6	-3.5	5.0	23.0	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
Imports	-2.7	-13.6	12.5	1.0	-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
Goods	-3.8	-15.6	14.8	0.3	-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
Services	3.6	-3.5	2.9	4.4	-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
Government consumption expenditures and gross investment	2.6	1.7	0.7	3.5	1.2	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
Federal	7.2	6.0	4.5	9.6	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
National defense	7.5	5.8	3.3	10.2	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
Nondefense	6.5	6.5	7.1	8.2	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
State and local	0.0	-0.9	-1.8	0.2	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
Addenda:																			
Final sales of domestic product	0.2	-2.6	1.4	3.3	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
Gross domestic purchases	-1.5	-4.4	3.4	1.3	-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
Final sales to domestic purchasers	-1.0	-3.6	1.8	1.6	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
Gross national product (GNP)	0.0	-3.6	3.3	4.8	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	1.6	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
Current-dollar measures:																			
GDP	1.9	-2.5	4.2	4.3	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
Final sales of domestic product	2.4	-1.6	2.6	4.6	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
Gross domestic purchases	1.8	-4.5	5.0	3.4	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
Final sales to domestic purchasers	2.2	-3.7	3.3	3.6	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
GNP	2.2	-2.6	4.4	6.2	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	3.9	6.5	10.0	13.1	-4.9	-5.8	-5.4	2.2	-2.6	6.8	5.9	3.3	3.5	5.2	3.9	3.9

^r Revised
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

	Seasonally adjusted at annual rates																				
	2008	2009	2010	2007				2008				2009				2010				2011	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r		
Gross domestic product (GDP)	2.2	1.1	1.2	1.3	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		
Personal consumption expenditures	3.3	0.2	1.8	2.2	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		
Goods	3.1	-2.6	1.6	0.6	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		
Durable goods	-1.9	-1.8	-1.7	-2.5	-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		
Nondurable goods	5.7	-2.9	3.2	2.3	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		
Services	3.4	1.6	1.9	3.1	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		
Gross private domestic investment	1.1	-1.0	-1.6	-0.1	0.4	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		
Fixed investment	1.2	-1.2	-1.4	-0.1	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		
Nonresidential	2.0	-0.6	-1.6	-0.1	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		
Structures	4.9	-2.6	-1.1	3.3	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		
Equipment and software	0.5	0.5	-1.8	-1.6	-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		
Residential	-1.2	-3.4	-0.4	0.1	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		
Change in private inventories																					
Net exports of goods and services																					
Exports	4.7	-5.4	4.4	2.6	5.8	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		
Goods	5.0	-6.8	4.9	2.2	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		
Services	4.1	-2.2	3.2	3.7	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		
Imports	10.6	-10.6	6.1	6.8	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		
Goods	11.6	-12.4	6.8	6.9	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		
Services	5.8	-2.2	2.7	6.6	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		
Government consumption expenditures and gross investment	4.9	-0.3	2.2	2.9	4.7	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		
Federal	3.2	-0.2	2.4	0.4	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		
National defense	3.6	-0.7	2.4	0.9	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		
Nondefense	2.3	0.9	2.4	-0.6	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		
State and local	5.9	-0.4	2.1	4.4	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		
Addenda:																					
Final sales of domestic product	2.2	1.0	1.2	1.3	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		
Gross domestic purchases	3.2	-0.1	1.5	2.0	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		
Final sales to domestic purchasers	3.3	-0.1	1.5	2.0	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		
Gross national product (GNP)	2.2	1.1	1.1	1.3	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		
Implicit price deflators:																					
GDP	2.2	1.1	1.2	1.3	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		
Gross domestic purchases	3.3	-0.1	1.5	2.1	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		
GNP	2.2	1.0	1.1	1.3	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		

^r Revised
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	
				II	III	IV	I	II ^r
Gross domestic product	14,291.5	13,939.0	14,526.5	14,467.8	14,605.5	14,755.0	14,867.8	15,012.8
Plus: Income receipts from the rest of the world.....	856.1	639.8	702.9	699.0	708.9	729.4	752.1	803.2
Less: Income payments to the rest of the world.....	686.9	487.5	513.5	502.8	501.6	545.0	525.0	542.0
Equals: Gross national product	14,460.7	14,091.2	14,715.9	14,664.0	14,812.8	14,939.4	15,094.9	15,274.0
Less: Consumption of fixed capital.....	1,854.1	1,866.2	1,874.9	1,866.9	1,878.2	1,896.1	1,914.3	1,939.9
Less: Statistical discrepancy.....	-2.4	77.4	0.8	-6.6	-7.4	24.5	-52.0	-52.6
Equals: National income	12,609.1	12,147.6	12,840.1	12,803.7	12,942.1	13,018.8	13,232.6	13,386.8
Compensation of employees.....	8,068.3	7,806.4	7,971.4	7,960.0	8,022.2	8,050.8	8,172.5	8,262.4
Wage and salary accruals.....	6,545.9	6,275.3	6,408.2	6,399.8	6,454.5	6,477.0	6,578.2	6,656.9
Supplements to wages and salaries.....	1,522.5	1,531.1	1,563.1	1,560.2	1,567.7	1,573.7	1,594.4	1,605.5
Proprietors' income with inventory valuation and capital consumption adjustments.....	1,097.9	941.2	1,036.4	1,025.6	1,057.0	1,081.5	1,095.6	1,106.5
Rental income of persons with capital consumption adjustment.....	231.6	305.9	350.2	349.1	352.8	354.8	385.0	396.9
Corporate profits with inventory valuation and capital consumption adjustments.....	1,248.4	1,362.0	1,800.1	1,785.8	1,833.1	1,857.4	1,876.4	1,937.6
Net interest and miscellaneous payments.....	870.1	656.7	564.3	569.2	550.1	548.7	556.6	525.6
Taxes on production and imports less subsidies.....	985.7	958.2	996.7	993.8	1,002.0	1,006.4	1,027.3	1,038.5
Business current transfer payments (net).....	123.0	132.0	136.7	135.7	140.9	135.7	134.7	133.9
Current surplus of government enterprises.....	-16.0	-14.9	-15.7	-15.5	-16.0	-16.5	-15.6	-14.6
Addendum:								
Gross domestic income.....	14,294.0	13,861.5	14,525.7	14,474.4	14,612.9	14,730.5	14,919.8	15,065.4

r Revised

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

	2008	2009	2010	Seasonally adjusted at annual rates				
				2010			2011	
				II	III	IV	I	II ^r
Personal income ¹	12,460.2	11,930.2	12,373.5	12,325.6	12,453.2	12,577.6	12,846.9	12,992.6
Compensation of employees, received.....	8,073.3	7,801.4	7,971.4	7,960.0	8,022.2	8,050.8	8,172.5	8,262.4
Wage and salary disbursements.....	6,550.9	6,270.3	6,408.2	6,399.8	6,454.5	6,477.0	6,578.2	6,656.9
Supplements to wages and salaries.....	1,522.5	1,531.1	1,563.1	1,560.2	1,567.7	1,573.7	1,594.4	1,605.5
Proprietors' income with inventory valuation and capital consumption adjustments.....	1,097.9	941.2	1,036.4	1,025.6	1,057.0	1,081.5	1,095.6	1,106.5
Farm.....	51.8	39.2	52.2	45.8	58.3	60.1	66.1	67.3
Nonfarm.....	1,046.1	902.0	984.2	979.7	998.7	1,021.4	1,029.5	1,039.2
Rental income of persons with capital consumption adjustment.....	231.6	305.9	350.2	349.1	352.8	354.8	385.0	396.9
Personal income receipts on assets.....	2,165.4	1,707.7	1,721.2	1,724.5	1,723.4	1,743.5	1,777.2	1,802.3
Personal interest income.....	1,382.0	1,108.9	1,003.4	1,014.1	983.9	989.6	1,004.7	1,015.9
Personal dividend income.....	783.4	598.8	717.7	710.4	739.4	753.9	772.5	786.4
Personal current transfer receipts.....	1,879.2	2,138.1	2,281.2	2,252.1	2,289.4	2,341.2	2,328.1	2,347.3
Less: Contributions for government social insurance, domestic.....	987.3	964.1	986.8	985.7	991.5	994.1	911.5	922.8
Less: Personal current taxes.....	1,435.7	1,141.4	1,193.9	1,175.4	1,212.8	1,240.9	1,365.9	1,401.1
Equals: Disposable personal income	11,024.5	10,788.8	11,179.7	11,150.2	11,240.4	11,336.7	11,481.0	11,591.5
Less: Personal outlays.....	10,432.2	10,236.3	10,586.9	10,527.0	10,614.8	10,748.6	10,902.1	11,002.6
Equals: Personal saving	592.3	552.6	592.8	623.3	625.6	588.1	578.9	588.9
Personal saving as a percentage of disposable personal income.....	5.4	5.1	5.3	5.6	5.6	5.2	5.0	5.1
Addenda:								
Personal income excluding current transfer receipts, billions of chained (2005) dollars ²	9,712.3	8,969.7	9,083.0	9,086.5	9,145.7	9,166.7	9,329.8	9,365.7
Disposable personal income, billions of chained (2005) dollars ²	10,119.5	9,882.7	10,061.6	10,057.8	10,114.4	10,152.0	10,183.2	10,198.1

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, 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 13. Gross Value Added of Nonfinancial Domestic Corporate Business

	2008	2009	2010	Seasonally adjusted at annual rates				
				2010			2011	
				II	III	IV	I	II ^r
				Billions of dollars				
Gross value added of nonfinancial corporate business	6,991.4	6,592.0	6,902.0	6,876.6	6,953.9	6,966.5	7,078.3	7,235.3
Consumption of fixed capital	864.3	862.2	856.8	853.9	857.7	865.4	873.4	885.4
Net value added	6,127.1	5,729.8	6,045.2	6,022.6	6,096.2	6,101.1	6,205.0	6,349.9
Compensation of employees	4,441.2	4,178.2	4,263.0	4,247.5	4,299.8	4,315.9	4,386.5	4,445.1
Wage and salary accruals	3,681.4	3,436.4	3,513.4	3,499.0	3,548.2	3,562.4	3,621.5	3,674.8
Supplements to wages and salaries	759.8	741.7	749.6	748.5	751.6	753.4	765.0	770.3
Taxes on production and imports less subsidies	615.2	587.4	614.3	612.3	617.1	620.7	633.2	641.2
Net operating surplus	1,070.8	964.2	1,167.8	1,162.8	1,179.4	1,164.6	1,185.3	1,263.6
Net interest and miscellaneous payments	257.7	243.7	130.9	135.5	114.9	106.5	106.6	103.0
Business current transfer payments (net)	58.1	78.3	85.4	84.8	86.7	85.5	86.3	87.5
Corporate profits with inventory valuation and capital consumption adjustments	755.0	642.1	951.5	942.5	977.8	972.6	992.3	1,073.1
Taxes on corporate income	227.4	175.0	229.3	232.0	239.4	212.4	238.5	252.2
Profits after tax with inventory valuation and capital consumption adjustments	527.7	467.1	722.3	710.5	738.3	760.2	753.8	821.0
Net dividends	474.1	349.0	398.8	376.2	406.0	432.3	422.0	459.2
Undistributed profits with inventory valuation and capital consumption adjustments	53.5	118.1	323.5	334.3	332.3	327.9	331.8	361.7
Addenda:								
Profits before tax (without inventory valuation and capital consumption adjustments).....	831.2	693.5	942.8	984.3	961.5	848.9	974.8	1,006.3
Profits after tax (without inventory valuation and capital consumption adjustments).....	603.8	518.5	713.5	752.3	722.0	636.5	736.3	754.1
Inventory valuation adjustment	-44.5	0.6	-39.1	-5.6	-32.0	-90.3	-116.0	-60.4
Capital consumption adjustment	-31.7	-52.0	47.8	-36.2	48.3	214.1	133.6	127.2
	Billions of chained (2005) dollars							
Gross value added of nonfinancial corporate business ¹	6,521.2	6,110.9	6,442.7	6,441.6	6,477.8	6,455.9	6,526.7	6,642.0
Consumption of fixed capital ²	798.9	805.4	805.4	802.5	805.9	811.3	816.3	821.7
Net value added ³	5,722.3	5,305.5	5,637.3	5,639.1	5,671.9	5,644.6	5,710.4	5,820.2
	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	1.072	1.079	1.071	1.068	1.073	1.079	1.085	1.089
Compensation of employees (unit labor cost)	0.681	0.684	0.662	0.659	0.664	0.669	0.672	0.669
Unit nonlabor cost	0.276	0.290	0.262	0.262	0.259	0.259	0.260	0.259
Consumption of fixed capital	0.133	0.141	0.133	0.133	0.132	0.134	0.134	0.133
Taxes on production and imports less subsidies plus business current transfer payments (net)	0.103	0.109	0.109	0.108	0.109	0.109	0.110	0.110
Net interest and miscellaneous payments	0.040	0.040	0.020	0.021	0.018	0.016	0.016	0.016
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production).....	0.116	0.105	0.148	0.146	0.151	0.151	0.152	0.162
Taxes on corporate income	0.035	0.029	0.036	0.036	0.037	0.033	0.037	0.038
Profits after tax with inventory valuation and capital consumption adjustments	0.081	0.076	0.112	0.110	0.114	0.118	0.116	0.124

^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).

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	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
Gross domestic product (GDP) and related aggregates:																			
GDP.....	-0.3	-3.5	3.0	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
Goods.....	-0.8	-5.9	11.7	6.2	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
Services.....	1.0	-0.5	1.1	2.9	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
Structures.....	-7.7	-16.9	-8.8	-4.7	-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
Motor vehicle output.....	-18.6	-24.5	27.4	-2.0	-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
GDP excluding motor vehicle output.....	0.2	-3.0	2.6	3.1	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
Final sales of computers ¹	20.1	1.3	20.5	55.0	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
GDP excluding final sales of computers.....	-0.4	-3.5	2.9	2.7	1.5	-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
Farm gross value added ²	12.6	15.1	-0.5	-19.3	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
Nonfarm business gross value added ³	-1.5	-5.1	4.0	3.4	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
Gross domestic income ⁴	-0.4	-4.0	3.6	-1.3	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
Price indexes:																			
GDP.....	2.2	1.1	1.2	1.3	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
GDP excluding food and energy ⁵	2.4	0.8	1.4	1.7	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
GDP excluding final sales of computers.....	2.3	1.2	1.2	1.4	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
Gross domestic purchases.....	3.2	-0.1	1.5	2.0	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
Gross domestic purchases excluding food and energy ⁵	2.6	0.8	1.2	1.9	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
Gross domestic purchases excluding final sales of computers to domestic purchasers.....	3.4	0.0	1.6	2.1	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
Personal consumption expenditures (PCE).....	3.3	0.2	1.8	2.2	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
PCE excluding food and energy ⁵	2.3	1.6	1.4	2.1	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
Market-based PCE ⁶	3.4	0.3	1.5	1.9	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
Market-based PCE excluding food and energy ⁶	2.3	1.9	1.0	1.7	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

^r Revised

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.