



NEWS RELEASE



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BEA 10-54

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GROSS DOMESTIC PRODUCT: THIRD QUARTER 2010 (SECOND ESTIMATE) CORPORATE PROFITS: THIRD QUARTER 2010 (PRELIMINARY)

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 2.5 percent in the third quarter of 2010, (that is, from the second quarter to the third quarter), according to the "second" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 1.7 percent.

The GDP estimates released today are based on more complete source data than were available for the advance estimate issued last month. In the advance estimate, the increase in real GDP was 2.0 percent (see "Revisions" on page 3).

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

The acceleration in real GDP in the third quarter primarily reflected a sharp deceleration in imports and accelerations in private inventory investment and in PCE that were partly offset by a downturn in residential fixed investment and decelerations in nonresidential fixed investment and in exports.

NOTE.--Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and are annualized. "Real" estimates are in chained (2005) dollars. Price indexes are chain-type measures.

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Motor vehicle output added 0.56 percentage point to the third-quarter change in real GDP after subtracting 0.06 percentage point from the second-quarter change. Final sales of computers added 0.27 percentage point to the third-quarter change in real GDP after adding 0.03 percentage point to the second-quarter change.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 0.8 percent in the third quarter, the same increase as in the advance estimate; this index increased 0.1 percent in the second quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 0.6 percent in the third quarter, compared with an increase of 0.8 percent in the second.

Real personal consumption expenditures increased 2.8 percent in the third quarter, compared with an increase of 2.2 percent in the second. Real nonresidential fixed investment increased 10.3 percent, compared with an increase of 17.2 percent. Nonresidential structures decreased 5.7 percent, compared with a decrease of 0.5 percent. Equipment and software increased 16.8 percent, compared with an increase of 24.8 percent. Real residential fixed investment decreased 27.5 percent, in contrast to an increase of 25.7 percent.

Real exports of goods and services increased 6.3 percent in the third quarter, compared with an increase of 9.1 percent in the second. Real imports of goods and services increased 16.8 percent, compared with an increase of 33.5 percent.

Real federal government consumption expenditures and gross investment increased 8.9 percent in the third quarter, compared with an increase of 9.1 percent in the second. National defense increased 8.5 percent, compared with an increase of 7.4 percent. Nondefense increased 9.5 percent, compared with an increase of 12.8 percent. Real state and local government consumption expenditures and gross investment increased 0.8 percent, compared with an increase of 0.6 percent.

The change in real private inventories added 1.30 percentage points to the third-quarter change in real GDP, after adding 0.82 percentage point to the second-quarter change. Private businesses increased inventories \$111.5 billion in the third quarter, following increases of \$68.8 billion in the second quarter and of \$44.1 billion in the first.

Real final sales of domestic product -- GDP less change in private inventories -- increased 1.2 percent in the third quarter, compared with an increase of 0.9 percent in the second.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 4.2 percent in the third quarter, compared with an increase of 5.1 percent in the second.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 2.3 percent in the third quarter, compared with an increase of 1.8 percent in the second. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which decreased \$5.4 billion in the third quarter after increasing \$3.7 billion in the second; in the third quarter, receipts increased \$7.7 billion, and payments increased \$13.1 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 4.8 percent, or \$171.5 billion, in the third quarter to a level of \$14,750.2 billion. In the second quarter, current-dollar GDP increased 3.7 percent, or \$132.3 billion.

Revisions

The "second" estimate of the third-quarter increase in real GDP is 0.5 percentage point, or \$16.7 billion, higher than the advance estimate issued last month, primarily reflecting upward revisions to personal consumption expenditures, to exports, and to state and local government spending that were partly offset by a downward revision to private inventory investment.

	<u>Advance Estimate</u>	<u>Second Estimate</u>
	(Percent change from preceding quarter)	
Real GDP.....	2.0	2.5
Current-dollar GDP.....	4.2	4.8
Gross domestic purchases price index...	0.8	0.8

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$44.4 billion in the third quarter, compared with an increase of \$47.5 billion in the second quarter. Current-production cash flow (net cash flow with inventory valuation adjustment) -- the internal funds available to corporations for investment -- decreased \$57.8 billion in the third quarter, in contrast to an increase of \$61.1 billion in the second.

Taxes on corporate income increased \$31.8 billion in the third quarter, compared with an increase of \$2.4 billion in the second. Profits after tax with inventory valuation and capital consumption adjustments increased \$12.6 billion in the third quarter, compared with an increase of \$45.2 billion in the second. Dividends increased \$8.2 billion compared with an increase of \$8.1 billion; current-production undistributed profits increased \$4.4 billion, compared with an increase of \$37.1 billion.

Domestic profits of financial corporations increased \$33.3 billion in the third quarter, in contrast to a decrease of \$3.4 billion in the second. Domestic profits of nonfinancial corporations increased \$18.6 billion in the third quarter, compared with an increase of \$48.2 billion in the second. In the third quarter, real gross value added of nonfinancial corporations decreased, and profits per unit of real value added increased. The increase in unit profits reflected a larger increase in unit prices than in the unit labor costs and the unit nonlabor costs corporations incurred.

The rest-of-the-world component of profits decreased \$7.5 billion in the third quarter, in contrast to an increase of \$2.8 billion in the second. This measure is calculated as (1) receipts by U.S. residents of earnings from their foreign affiliates plus dividends received by U.S. residents from unaffiliated foreign corporations minus (2) payments by U.S. affiliates of earnings to their foreign parents plus dividends paid by U.S. corporations to unaffiliated foreign residents. The third-quarter decrease was accounted for by a larger increase in payments than in receipts.

Profits before tax increased \$76.3 billion in the third quarter, compared with an increase of \$15.3 billion in the second. The before-tax measure of profits does not reflect, as does profits from current production, the capital consumption and inventory valuation adjustments. These adjustments convert depreciation of fixed assets and inventory withdrawals reported on a tax-return, historical-cost basis to the current-cost measures used in the national income and product accounts. The capital consumption adjustment increased \$1.4 billion in the third quarter (from -\$170.7 billion to -\$169.3 billion), in contrast to a decrease of \$0.8 billion in the second. The inventory valuation adjustment decreased \$33.2 billion (from -\$3.5 billion to -\$36.7 billion), in contrast to an increase of \$32.9 billion.

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Next release – December 22, 2010, at 8:30 A.M. EST for:
Gross Domestic Product: Third Quarter 2010 (Third Estimate)
Corporate Profits: Third Quarter (Revised)

Release dates in 2011

Gross Domestic Product

	<u>2010: IV and 2010 annual</u>	<u>2011: I</u>	<u>2011: II</u>	<u>2011: III</u>
Advance.....	January 28	April 28	July 29	October 27
Second.....	February 25	May 26	August 26	November 22
Third.....	March 25	June 24	September 29	December 22

Corporate Profits

Preliminary...	May 26	August 26	November 22
Revised.....	March 25	June 24	September 29	December 22

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

	2007	2008	2009	Seasonally adjusted at annual rates															
				2006	2007				2008				2009				2010		
				IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r	III ^r
Gross domestic product (GDP) ...	1.9	0.0	-2.6	3.0	0.9	3.2	2.3	2.9	-0.7	0.6	-4.0	-6.8	-4.9	-0.7	1.6	5.0	3.7	1.7	2.5
Personal consumption expenditures	2.4	-0.3	-1.2	4.1	2.4	1.5	1.7	1.4	-0.8	0.1	-3.5	-3.3	-0.5	-1.6	2.0	0.9	1.9	2.2	2.8
Goods	2.8	-2.5	-2.0	5.9	2.3	1.4	2.4	1.1	-5.8	0.3	-7.7	-10.8	1.8	-1.5	7.2	1.7	5.7	3.4	3.5
Durable goods	4.2	-5.2	-3.7	5.6	4.6	4.6	3.8	2.4	-10.8	-2.9	-12.0	-22.3	4.8	-3.1	20.1	-1.1	8.8	6.8	7.4
Nondurable goods	2.0	-1.1	-1.2	6.1	1.1	-0.2	1.7	0.5	-3.0	2.0	-5.5	-4.9	0.4	-0.7	1.7	3.1	4.2	1.9	1.8
Services	2.2	0.9	-0.8	3.1	2.4	1.6	1.4	1.5	1.9	0.0	-1.3	0.6	-1.6	-1.7	-0.5	0.5	0.1	1.6	2.5
Gross private domestic investment	-3.1	-9.5	-22.6	-10.9	-3.6	9.5	-2.9	-9.4	-9.4	-7.6	-12.5	-36.8	-42.2	-18.5	11.8	26.7	29.1	26.2	12.4
Fixed investment	-1.8	-6.4	-18.3	-5.3	-1.0	3.7	-1.2	-4.8	-6.2	-4.6	-11.9	-24.9	-35.4	-10.1	0.7	-1.3	3.3	18.9	1.7
Nonresidential	6.7	0.3	-17.1	2.3	6.8	11.1	9.4	5.7	2.0	-1.6	-8.6	-22.7	-35.2	-7.5	-1.7	-1.4	7.8	17.2	10.3
Structures	14.1	5.9	-20.4	1.5	10.7	28.0	24.3	7.4	-0.1	7.5	-3.6	-8.9	-41.0	-20.2	-12.4	-29.2	-17.8	-0.5	-5.7
Equipment and software	3.7	-2.4	-15.3	2.8	5.1	4.3	2.9	4.8	3.0	-6.0	-11.1	-29.5	-31.6	0.2	4.2	14.6	20.4	24.8	16.8
Residential	-18.7	-24.0	-22.9	-19.7	-16.4	-12.0	-24.1	-29.3	-27.9	-14.0	-22.6	-32.6	-36.2	-19.7	10.6	-0.8	-12.3	25.7	-27.5
Change in private inventories																			
Net exports of goods and services																			
Exports	9.3	6.0	-9.5	17.8	6.4	6.8	15.8	11.6	5.7	13.2	-5.0	-21.9	-27.8	-1.0	12.2	24.4	11.4	9.1	6.3
Goods	9.8	6.3	-12.0	13.1	12.9	7.6	12.8	9.9	9.6	14.5	-4.3	-26.6	-34.1	-3.7	18.7	31.7	14.0	11.5	5.5
Services	8.3	5.3	-3.9	29.1	-6.9	4.9	23.0	15.7	-2.8	10.2	-6.6	-9.8	-12.3	4.7	0.1	10.2	5.8	3.9	8.1
Imports	2.7	-2.6	-13.8	-0.5	4.6	4.6	5.0	-10.6	-1.4	2.9	-0.1	-22.9	-35.3	-10.6	21.9	4.9	11.2	33.5	16.8
Goods	2.9	-3.5	-15.8	-2.3	6.8	4.8	5.1	-11.8	-3.3	4.6	-1.0	-28.3	-38.9	-10.6	27.4	6.2	12.0	40.5	17.5
Services	1.4	2.4	-4.2	10.0	-6.3	3.6	4.4	-4.0	9.4	-6.0	5.0	11.7	-16.8	-10.9	1.5	-0.5	7.8	4.3	13.7
Government consumption expenditures and gross investment	1.3	2.8	1.6	1.1	-0.5	3.4	3.5	1.2	2.3	3.3	5.3	1.5	-3.0	6.1	1.6	-1.4	-1.6	3.9	4.0
Federal	1.2	7.3	5.7	1.1	-4.8	7.1	9.6	1.1	6.9	7.8	14.2	8.1	-5.0	14.9	5.7	0.0	1.8	9.1	8.9
National defense	2.2	7.5	5.4	8.5	-7.2	8.3	10.2	0.0	6.8	6.9	19.7	5.2	-8.4	16.8	9.0	-2.5	0.4	7.4	8.5
Nondefense	-0.8	6.7	6.5	-12.7	0.5	4.7	8.2	3.4	6.9	9.6	3.0	14.8	2.6	10.9	-0.9	5.6	5.0	12.8	9.5
State and local	1.4	0.3	-0.9	1.1	2.1	1.3	0.2	1.3	-0.3	0.8	0.3	-2.4	-1.7	1.0	-1.0	-2.3	-3.8	0.6	0.8
Addenda:																			
Final sales of domestic product	2.2	0.5	-2.1	4.1	1.3	2.3	2.6	3.7	-0.2	1.1	-3.9	-4.6	-3.9	0.2	0.4	2.1	1.1	0.9	1.2
Gross domestic purchases	1.3	-1.1	-3.6	1.0	0.9	3.1	1.3	-0.4	-1.6	-0.5	-3.2	-7.7	-7.2	-2.1	3.0	3.0	3.9	5.1	4.2
Final sales to domestic purchasers	1.5	-0.6	-3.1	2.0	1.3	2.2	1.6	0.4	-1.1	0.0	-3.1	-5.7	-6.3	-1.2	1.8	0.2	1.3	4.3	2.9
Gross national product (GNP)	2.3	0.3	-2.8	3.2	0.8	3.5	4.1	4.4	-0.9	0.1	-3.2	-8.6	-4.9	-0.5	2.6	4.9	4.4	1.8	2.3
Disposable personal income	2.3	1.7	0.6	5.3	1.8	0.6	1.5	2.2	1.4	9.2	-8.4	2.7	0.4	5.9	-4.4	0.0	1.3	5.6	0.9
Current-dollar measures:																			
GDP	4.9	2.2	-1.7	4.8	5.3	6.5	4.4	3.8	1.0	4.1	0.4	-7.9	-3.9	-0.4	2.3	4.7	4.8	3.7	4.8
Final sales of domestic product	5.2	2.7	-1.1	6.0	5.8	5.6	4.6	4.6	1.8	4.3	0.5	-6.1	-2.7	0.6	1.2	1.8	2.1	2.9	3.5
Gross domestic purchases	4.3	2.1	-3.8	1.9	5.4	6.3	3.4	3.4	2.1	4.2	0.6	-11.7	-9.2	-1.5	4.3	5.1	6.2	5.2	5.0
Final sales to domestic purchasers	4.5	2.5	-3.2	3.0	5.8	5.5	3.6	4.1	2.9	4.5	0.8	-10.1	-8.1	-0.5	3.3	2.2	3.5	4.4	3.7
GNP	5.3	2.5	-1.9	5.1	5.3	6.7	6.3	5.3	0.9	3.5	1.1	-9.8	-4.0	-0.2	3.4	4.6	5.5	3.8	4.6
Disposable personal income	5.1	5.1	0.7	5.3	5.8	4.1	3.9	6.5	5.4	14.3	-4.4	-3.3	-1.2	8.0	-1.6	2.7	3.4	5.5	1.9

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the second quarter of 2010. See "Explanatory Note" at the end of the tables.

Table 2. Contributions to Percent Change in Real Gross Domestic Product

	Seasonally adjusted at annual rates																						
	2007	2008	2009	2006					2007				2008				2009				2010		
				IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV			
Percent change at annual rate:																							
Gross domestic product	1.9	0.0	-2.6	3.0	0.9	3.2	2.3	2.9	-0.7	0.6	-4.0	-6.8	-4.9	-0.7	1.6	5.0	3.7	1.7	2.5				
Percentage points at annual rates:																							
Personal consumption expenditures	1.65	-0.18	-0.84	2.79	1.64	1.08	1.20	0.98	-0.54	0.08	-2.46	-2.26	-0.34	-1.12	1.41	0.69	1.33	1.54	1.97				
Goods	0.66	-0.60	-0.46	1.39	0.56	0.34	0.57	0.27	-1.42	0.08	-1.86	-2.57	0.41	-0.32	1.62	0.42	1.29	0.79	0.81				
Durable goods	0.35	-0.42	-0.27	0.46	0.38	0.38	0.31	0.20	-0.92	-0.23	-0.95	-1.79	0.35	-0.21	1.35	-0.07	0.62	0.49	0.53				
Motor vehicles and parts.....	0.05	-0.39	-0.17	-0.02	0.06	0.17	-0.08	-0.07	-0.53	-0.57	-0.60	-0.85	0.26	-0.10	0.83	-0.56	-0.06	0.15	0.13				
Furnishings and durable household equipment	0.03	-0.07	-0.12	0.04	0.10	-0.07	0.04	0.02	-0.18	0.09	-0.20	-0.33	-0.15	-0.12	0.12	0.16	0.23	0.15	0.09				
Recreational goods and vehicles	0.26	0.08	0.03	0.44	0.21	0.20	0.32	0.23	-0.13	0.28	-0.09	-0.39	0.19	-0.05	0.36	0.34	0.28	0.20	0.25				
Other durable goods	0.01	-0.04	-0.02	0.01	0.01	0.07	0.03	0.01	-0.09	-0.02	-0.06	-0.22	0.06	0.05	0.05	-0.01	0.18	-0.02	0.05				
Non-durable goods	0.31	-0.18	-0.18	0.93	0.17	-0.03	0.27	0.07	-0.50	0.31	-0.91	-0.78	0.06	-0.11	0.27	0.49	0.67	0.31	0.28				
Food and beverages purchased for off-premises consumption	0.09	-0.04	-0.05	0.33	-0.01	-0.11	0.09	0.19	-0.07	-0.01	-0.26	-0.50	0.01	0.20	0.22	0.28	0.20	-0.16	0.15				
Clothing and footwear	0.09	-0.01	-0.10	0.17	0.12	0.04	0.08	-0.02	-0.05	0.23	-0.27	-0.28	-0.07	-0.10	0.01	0.13	0.26	0.14	-0.03				
Gasoline and other energy goods.....	-0.02	-0.13	0.03	0.00	-0.05	-0.07	-0.01	-0.12	-0.22	-0.13	-0.41	0.30	0.14	-0.01	-0.04	-0.05	0.02	0.07	-0.07				
Other nondurable goods	0.16	0.01	-0.06	0.43	0.11	0.11	0.11	0.02	-0.15	0.22	0.03	-0.29	-0.02	-0.20	0.08	0.14	0.18	0.25	0.23				
Services	0.99	0.41	-0.38	1.40	1.08	0.74	0.62	0.71	0.88	0.00	-0.59	0.30	-0.75	-0.79	-0.21	0.27	0.03	0.75	1.16				
Household consumption expenditures (for services)	0.92	0.25	-0.30	1.38	1.16	0.84	0.36	0.42	0.74	-0.04	-0.79	0.08	-0.29	-0.46	-0.37	0.12	0.01	0.69	1.09				
Housing and utilities.....	0.08	0.09	0.14	-0.16	0.10	-0.03	0.12	-0.07	0.31	0.04	-0.20	0.60	0.01	0.06	0.24	0.23	-0.06	0.14	0.43				
Health care	0.24	0.29	0.23	0.37	0.47	0.16	0.14	0.29	0.58	0.29	-0.02	0.23	0.40	0.38	-0.01	0.21	-0.04	0.35	0.32				
Transportation services.....	0.02	-0.12	-0.18	0.09	0.05	0.00	-0.04	-0.06	-0.11	-0.15	-0.18	-0.31	-0.23	-0.10	-0.07	-0.02	0.07	0.08	0.08				
Recreation services	0.11	-0.01	-0.06	0.22	0.05	0.10	0.11	0.00	-0.01	-0.03	-0.12	-0.09	0.02	-0.08	-0.12	-0.03	0.00	-0.01	0.10				
Food services and accommodations	0.07	-0.03	-0.16	0.18	-0.01	0.15	0.12	0.16	-0.23	0.06	-0.15	-0.30	-0.19	-0.16	-0.06	0.02	0.29	0.11	0.11				
Financial services and insurance	0.24	0.03	-0.21	0.40	0.21	0.30	0.13	0.14	0.02	-0.08	0.03	-0.26	-0.30	-0.23	-0.21	-0.21	-0.16	0.07	-0.13				
Other services.....	0.16	-0.02	-0.07	0.28	0.28	0.15	-0.22	-0.04	0.18	-0.16	-0.14	0.22	0.00	-0.34	-0.14	-0.08	-0.08	-0.05	0.19				
Final consumption expenditures of nonprofit institutions serving households	0.08	0.16	-0.08	0.01	-0.08	-0.10	0.27	0.29	0.14	0.04	0.20	0.22	-0.46	-0.34	0.16	0.15	0.02	0.06	0.07				
Gross output of nonprofit institutions	0.17	0.18	0.04	0.19	0.29	0.00	0.07	0.27	0.30	0.11	0.08	0.32	-0.11	-0.05	-0.02	0.12	-0.07	0.25	0.28				
Less: Receipts from sales of goods and services by nonprofit institutions	0.09	0.02	0.12	0.18	0.37	0.10	-0.20	-0.02	0.17	0.07	-0.11	0.10	0.34	0.28	-0.18	-0.03	-0.09	0.18	0.21				
Gross private domestic investment	-0.53	-1.53	-3.24	-1.99	-0.65	1.51	-0.46	-1.53	-1.47	-1.17	-1.95	-6.32	-6.80	-2.30	1.22	2.70	3.04	2.88	1.51				
Fixed investment	-0.30	-1.02	-2.69	-0.91	-0.15	0.62	-0.18	-0.76	-0.98	-0.69	-1.83	-4.01	-5.71	-1.26	0.12	-0.12	0.39	2.06	0.20				
Nonresidential	0.75	0.03	-1.96	0.27	0.75	1.23	1.06	0.67	0.25	-0.16	-1.00	-2.84	-4.49	-0.72	-0.13	-0.10	0.71	1.51	0.96				
Structures.....	0.46	0.22	-0.81	0.05	0.35	0.88	0.82	0.28	0.00	0.30	-0.14	-0.36	-1.99	-0.76	-0.41	-1.01	-0.53	-0.01	-0.15				
Equipment and software	0.29	-0.19	-1.15	0.22	0.40	0.35	0.24	0.39	0.25	-0.46	-0.86	-2.47	-2.50	0.04	0.28	0.91	1.24	1.52	1.11				
Information processing equipment and software	0.33	0.23	0.01	0.11	0.64	0.11	0.32	0.61	0.38	0.25	-0.19	-0.52	-0.25	0.36	0.52	0.79	0.32	0.57	0.42				
Computers and peripheral equipment	0.08	0.08	-0.01	0.01	0.15	-0.03	0.11	0.15	0.19	0.11	-0.12	-0.19	-0.07	0.09	0.12	0.36	0.03	0.24	-0.02				
Software.....	0.10	0.10	0.03	0.13	0.18	0.01	0.06	0.09	0.26	0.04	0.04	-0.04	-0.12	0.16	0.13	0.25	0.17	0.15	0.28				
Other.....	0.14	0.05	-0.02	-0.03	0.30	0.13	0.15	0.38	-0.07	0.10	-0.11	-0.30	-0.07	0.12	0.27	0.18	0.12	0.17	0.16				
Industrial equipment.....	0.05	-0.06	-0.31	0.03	-0.09	0.38	0.01	-0.27	0.04	-0.04	-0.11	-0.30	-0.78	-0.17	-0.11	-0.03	0.00	0.39	0.08				
Transportation equipment.....	-0.08	-0.31	-0.54	0.05	-0.01	-0.32	-0.08	0.04	-0.02	-0.67	-0.59	-1.16	-0.92	0.22	-0.05	0.20	0.62	0.40	0.40				
Other equipment.....	-0.01	-0.05	-0.30	0.03	-0.13	0.18	-0.01	0.00	-0.14	0.01	0.04	-0.50	-0.55	-0.38	-0.07	-0.05	0.30	0.17	0.20				
Residential	-1.05	-1.05	-0.74	-1.18	-0.91	-0.62	-1.24	-1.43	-1.23	-0.53	-0.84	-1.18	-1.22	-0.54	0.25	-0.02	-0.32	0.55	-0.75				
Change in private inventories	-0.23	-0.51	-0.55	-1.08	-0.49	0.90	-0.28	-0.77	-0.49	-0.48	-0.12	-2.31	-1.09	-1.03	1.10	2.83	2.64	0.82	1.30				
Farm	0.03	0.01	0.02	0.08	0.25	-0.31	0.08	0.06	-0.19	0.37	-0.08	0.13	-0.11	0.12	-0.19	0.21	0.07	0.02	-0.08				
Nonfarm	-0.26	-0.53	-0.57	-1.15	-0.74	1.21	-0.36	-0.82	-0.30	-0.85	-0.04	-2.44	-0.97	-1.15	1.29	2.62	2.57	0.80	1.38				
Net exports of goods and services	0.57	1.18	1.13	1.94	-0.02	0.01	0.87	3.21	0.84	1.04	-0.63	1.50	2.88	1.47	-1.37	1.90	-0.31	-3.50	-1.76				
Exports	1.02	0.72	-1.18	1.84	0.71	0.76	1.71	1.32	0.67	1.61	-0.66	-3.03	-3.61	-0.08	1.30	2.56	1.30	1.08	0.77				
Goods	0.75	0.53	-1.04	0.96	0.95	0.58	0.98	0.78	0.78	1.24	-0.41	-2.65	-3.14	-0.26	1.29	2.19	1.09	0.93	0.47				
Services	0.28	0.19	-0.15	0.87	-0.24	0.17	0.74	0.54	-0.11	0.37	-0.25	-0.38	-0.47	0.18	0.01	0.37	0.21	0.15	0.30				
Imports	-0.45	0.46	2.32	0.10	-0.73	-0.75	-0.84	1.89	0.18	-0.57	0.03	4.53	6.48	1.55	-2.67	-0.66	-1.61	-4.58	-2.52				
Goods	-0.42	0.52	2.20	0.35	-0.89	-0.65	-0.72	1.78	0.42	-0.75	0.15	4.82	5.95	1.23	-2.64	-0.68	-1.41	-4.46	-2.17				
Services	-0.04	-0.07	0.12	-0.25	0.16	-0.10	-0.12	0.11	-0.24	0.18	-0.12	-0.29	0.53	0.33	-0.03	0.02	-0.20	-0.12	-0.36				
Government consumption expenditures and gross investment	0.25	0.54	0.32	0.21	-0.09	0.64	0.66	0.24	0.44	0.65	1.04	0.31	-0.61	1.24	0.33	-0.28	-0.32	0.80	0.81				
Federal	0.09	0.51	0.43	0.08	-0.33	0.48	0.64	0.08	0.47	0.55	1.00	0.61	-0.40	1.11	0.45	0.01	0.15	0.72	0.71				
National defense	0.10	0.36	0.27	0.38	-0.34	0.38	0.47	0.01	0.32	0.34	0.93	0.28	-0.45	0.85	0.48	-0.13	0.02	0.40	0.46				
Consumption expenditures.....	0.07	0.27	0.23	0.24	-0.27	0.20	0.45	0.01	0.31	0.02	0.81	0.26	-0.29	0.67	0.37	-0.17	0.02	0.25	0.41				
Gross investment	0.03	0.09	0.04	0.14	-0.08	0.17	0.01	0.00	0.01	0.32	0.12	0.02	-0.17	0.17	0.12	0.04	0.01	0.15	0.05				
Nondefense.....	-0.02	0.15	0.16	-0.30	0.01	0.10	0.18	0.07	0.15	0.21	0.07	0.33	0.06	0.26	-0.03	0.14	0.13	0.32	0.25				
Consumption expenditures.....	-0.02	0.13	0.14	-0.30	0.02	0.08	0.15	0.08	0.13	0.17	0.04	0.30	0.09	0.25	-0.07	0.12	0.07	0.27	0.19				
Gross investment	0.00	0.02	0.01	0.00	-0.01	0.03	0.02	-0.01	0.02	0.04	0.03	0.03	-0.03	0.01	0.04	0.02	0.06	0.05	0.06				
State and local	0.17	0.04	-0.11	0.14	0.25	0.16	0.02	0.16	-0.04	0.10	0.04	-0.30	-0.21	0.13	-0.12	-0.29	-0.48	0.08	0.10				

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

	2007	2008	2009	Seasonally adjusted at annual rates															
				2006	2007				2008				2009				2010		
				IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III ^r
Gross domestic product (GDP)	2.9	2.2	0.9	1.8	4.4	3.2	2.0	0.9	1.9	3.2	4.5	-1.2	1.1	0.3	0.7	-0.2	1.0	1.9	2.3
Personal consumption expenditures	2.7	3.3	0.2	-0.1	4.0	3.5	2.3	4.2	3.9	4.6	4.4	-5.8	-1.6	1.9	2.9	2.7	2.1	0.0	1.0
Goods	1.4	3.2	-2.5	-5.8	3.2	4.7	0.8	5.4	5.1	4.9	7.2	-17.7	-6.0	3.7	5.7	2.8	2.6	-3.6	0.9
Durable goods	-1.8	-1.4	-1.6	-2.0	-1.8	-1.4	-2.1	-1.4	-0.7	-2.0	-0.7	-3.4	-2.1	0.1	-2.5	0.7	-2.0	-1.6	-2.2
Nondurable goods	3.2	5.6	-2.9	-7.7	6.1	8.1	2.3	9.1	8.1	8.3	11.0	-23.5	-7.9	5.4	9.7	3.8	4.7	-4.6	2.4
Services	3.4	3.4	1.5	3.1	4.4	2.9	3.1	3.7	3.3	4.5	3.0	0.7	0.5	1.1	1.7	2.7	1.8	1.8	1.1
Gross private domestic investment	1.8	0.7	-2.0	3.8	2.1	0.1	-0.2	0.4	-0.2	1.0	1.9	4.8	-4.1	-6.7	-6.0	-0.7	-2.0	-0.7	0.3
Fixed investment	1.8	0.8	-1.7	3.7	2.1	0.2	-0.2	0.2	0.0	1.3	2.8	2.2	-3.0	-5.7	-4.8	-1.0	-1.4	-0.7	0.0
Nonresidential	1.9	1.4	-1.2	3.9	2.0	0.7	-0.3	0.2	0.6	2.1	4.5	4.3	-3.1	-5.7	-5.1	-2.4	-1.9	0.0	0.1
Structures	6.1	4.7	-2.6	11.5	5.0	1.8	3.3	4.8	3.5	4.9	8.1	8.1	-5.6	-12.2	-10.5	-2.1	0.9	2.0	2.5
Equipment and software	0.1	-0.2	-0.5	0.7	0.7	0.3	-2.0	-2.1	-0.9	0.8	2.6	2.2	-1.6	-2.0	-2.4	-2.5	-3.1	-0.8	-0.8
Residential	1.4	-1.2	-3.4	3.4	2.2	-1.2	0.1	0.7	-1.4	-1.1	-2.8	-5.2	-2.9	-6.0	-3.3	4.3	0.6	-3.2	-0.4
Change in private inventories																			
Net exports of goods and services	3.3	4.7	-5.4	0.2	3.4	4.4	2.6	5.8	7.8	10.6	5.7	-22.3	-11.5	0.7	4.6	4.6	5.1	4.8	0.2
Exports	3.4	4.8	-6.8	0.9	2.7	4.5	2.2	6.1	8.6	13.2	5.4	-27.5	-13.8	2.7	4.8	4.6	5.8	5.3	0.4
Goods	3.3	4.2	-2.2	-1.6	5.1	4.2	3.7	5.1	5.8	4.8	6.4	-9.0	-6.6	-3.2	4.0	4.7	3.7	3.7	-0.1
Services	3.3	10.4	-10.7	-4.6	3.9	4.0	2.8	24.3	19.4	16.6	2.2	-32.1	-27.3	2.3	8.6	21.8	12.4	-7.7	-8.1
Imports	3.1	11.3	-12.3	-5.4	4.1	3.5	2.1	28.0	22.0	17.3	1.7	-34.6	-30.7	2.0	9.2	24.8	14.6	-9.6	-9.2
Goods	3.8	5.7	-2.8	-0.2	2.8	6.8	6.6	5.9	6.2	13.4	4.8	-17.2	-10.2	3.8	6.2	9.2	2.5	1.6	-2.5
Services																			
Government consumption expenditures and gross investment	4.8	4.7	-0.3	2.4	8.4	4.6	2.9	4.7	7.3	6.5	3.9	-5.2	-1.7	0.6	0.4	1.5	4.6	0.9	0.4
Federal	3.5	3.1	-0.2	0.5	8.7	3.5	0.4	2.3	6.5	4.7	1.6	-4.2	0.7	-0.8	-0.1	1.5	4.5	0.9	0.4
National defense	3.7	3.6	-0.7	0.3	8.4	4.1	0.9	3.1	6.4	6.3	2.0	-5.9	0.1	-1.8	0.3	1.6	5.3	1.2	0.5
Nondefense	3.2	2.2	0.8	0.9	9.3	2.3	-0.6	0.8	6.6	1.6	0.6	-0.4	2.2	1.1	-1.0	1.5	2.8	0.2	0.4
State and local	5.5	5.6	-0.4	3.4	8.3	5.3	4.4	6.2	7.7	7.5	5.3	-5.8	-3.2	1.5	0.8	1.5	4.6	0.9	0.4
Addenda:																			
Final sales of domestic product	2.9	2.2	1.0	1.8	4.4	3.2	2.0	0.8	2.0	3.2	4.6	-1.5	1.3	0.4	0.8	-0.3	1.0	1.9	2.3
Gross domestic purchases	2.9	3.2	-0.2	1.0	4.4	3.2	2.0	3.8	4.0	4.5	3.9	-4.4	-2.0	0.6	1.4	2.1	2.1	0.1	0.8
Final sales to domestic purchasers	3.0	3.2	-0.2	1.0	4.5	3.2	2.0	3.7	4.0	4.5	4.1	-4.6	-1.9	0.7	1.5	2.0	2.2	0.1	0.8
Gross national product (GNP)	2.9	2.2	0.9	1.8	4.4	3.1	2.0	0.9	2.0	3.2	4.5	-1.3	1.1	0.3	0.8	-0.2	1.0	1.9	2.3
Implicit price deflators:																			
GDP	2.9	2.2	0.9	1.8	4.4	3.2	2.0	0.9	1.8	3.4	4.5	-1.2	1.0	0.3	0.7	-0.3	1.1	2.0	2.2
Gross domestic purchases	2.9	3.2	-0.2	0.9	4.4	3.1	2.1	3.8	3.8	4.7	4.0	-4.3	-2.2	0.5	1.3	2.0	2.2	0.1	0.8
GNP	2.9	2.2	0.9	1.8	4.4	3.1	2.0	0.9	1.8	3.4	4.5	-1.2	1.0	0.3	0.7	-0.3	1.0	1.9	2.2

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

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

	2007	2008	2009	Seasonally adjusted				
				2009		2010		
				III	IV	I	II	III ^r
Gross domestic product	104.672	104.672	101.917	101.760	103.012	103.960	104.403	105.056
Personal consumption expenditures	105.335	105.057	103.797	103.885	104.126	104.608	105.178	105.911
Goods.....	106.105	103.462	101.416	102.092	102.533	103.952	104.837	105.748
Durable goods.....	108.418	102.798	99.011	101.159	100.870	103.025	104.735	106.614
Nondurable goods.....	104.872	103.698	102.487	102.460	103.247	104.321	104.823	105.283
Services.....	104.929	105.870	105.006	104.797	104.936	104.952	105.366	106.012
Gross private domestic investment	99.509	90.105	69.778	68.800	73.000	77.811	82.474	84.923
Fixed investment.....	100.490	94.096	76.835	76.447	76.198	76.826	80.219	80.549
Nonresidential.....	115.193	115.532	95.804	95.216	94.879	96.677	100.592	103.084
Structures.....	124.578	131.976	105.064	103.911	95.310	90.761	90.649	89.327
Equipment and software.....	111.389	108.681	92.035	91.716	94.895	99.408	105.067	109.217
Residential.....	75.380	57.324	44.220	44.185	44.092	42.670	45.177	41.692
Change in private inventories.....								
Exports of goods and services	119.106	126.255	114.228	114.174	120.569	123.858	126.592	128.541
Imports of goods and services	108.951	106.113	91.418	92.752	93.874	96.401	103.613	107.715
Government consumption expenditures and gross investment	102.713	105.605	107.287	107.991	107.613	107.185	108.228	109.292
Federal.....	103.399	110.900	117.266	119.085	119.091	119.634	122.276	124.896
State and local.....	102.311	102.611	101.688	101.770	101.179	100.213	100.367	100.566
Addenda:								
Final sales of domestic product.....	104.858	105.399	103.212	103.146	103.676	103.948	104.181	104.497
Gross domestic purchases.....	103.913	102.756	99.045	99.092	99.829	100.797	102.070	103.122
Final sales to domestic purchasers.....	104.086	103.433	100.254	100.386	100.441	100.775	101.852	102.586
Gross national product.....	104.781	105.129	102.192	102.185	103.413	104.534	105.003	105.609

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

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

	2007	2008	2009	Seasonally adjusted				
				2009		2010		
				III	IV	I	II	III ^r
Gross domestic product	106.301	108.598	109.618	109.759	109.693	109.959	110.485	111.111
Personal consumption expenditures (PCE)	105.564	109.061	109.258	109.598	110.333	110.901	110.888	111.172
Goods.....	102.946	106.262	103.634	104.403	105.120	105.784	104.812	105.055
Durable goods.....	96.736	95.340	93.782	93.450	93.603	93.121	92.755	92.235
Nondurable goods.....	106.487	112.484	109.262	110.624	111.651	112.949	111.638	112.311
Services.....	106.973	110.566	112.233	112.355	113.102	113.620	114.116	114.423
Gross private domestic investment	106.211	106.977	104.873	103.656	103.466	102.952	102.765	102.853
Fixed investment.....	106.256	107.053	105.260	104.294	104.030	103.661	103.487	103.486
Nonresidential.....	105.505	106.984	105.700	104.768	104.144	103.639	103.636	103.662
Structures.....	119.780	125.460	122.187	119.654	119.017	119.291	119.887	120.627
Equipment and software.....	100.326	100.083	99.620	99.344	98.721	97.954	97.764	97.578
Residential.....	107.613	106.361	102.736	101.637	102.712	102.869	102.030	101.919
Change in private inventories.....								
Exports of goods and services	106.902	111.874	105.877	106.212	107.424	108.771	110.060	110.127
Imports of goods and services	107.531	118.685	105.987	105.879	111.222	114.514	112.234	109.882
Government consumption expenditures and gross investment	109.863	115.009	114.644	114.635	115.067	116.358	116.606	116.734
Federal.....	107.753	111.119	110.895	110.716	111.141	112.375	112.615	112.740
State and local.....	111.112	117.349	116.892	116.998	117.434	118.760	119.014	119.143
Addenda:								
PCE excluding food and energy ¹	104.696	107.151	108.774	108.990	109.551	109.887	110.171	110.399
Market-based PCE ²	105.405	109.016	109.372	109.752	110.356	110.824	110.763	111.124
Market-based PCE excluding food and energy ²	104.365	106.778	108.826	109.066	109.445	109.626	109.903	110.212
Final sales of domestic product.....	106.308	108.608	109.647	109.809	109.736	110.020	110.552	111.170
Gross domestic purchases.....	106.428	109.813	109.614	109.702	110.265	110.838	110.852	111.081
Final sales to domestic purchasers.....	106.435	109.823	109.649	109.757	110.309	110.900	110.917	111.135
Gross national product.....	106.304	108.605	109.612	109.753	109.691	109.957	110.478	111.099
Implicit price deflators:								
Gross domestic product.....	106.296	108.619	109.615	109.750	109.665	109.952	110.488	111.092
Final sales of domestic product.....	106.308	108.608	109.647	109.808	109.734	110.018	110.550	111.168
Gross domestic purchases.....	106.424	109.834	109.611	109.693	110.238	110.831	110.854	111.062
Final sales to domestic purchasers.....	106.435	109.823	109.649	109.756	110.308	110.899	110.915	111.134
Gross national product.....	106.300	108.626	109.609	109.744	109.664	109.950	110.479	111.080

^r Revised

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

2. This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households. Percentage changes for these series are included in the addenda to table 8 and appendix table A.

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

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

	2007	2008	2009	Seasonally adjusted at annual rates				
				2009		2010		
				III	IV	I	II ^r	III ^r
Gross domestic product	14,061.8	14,369.1	14,119.0	14,114.7	14,277.3	14,446.4	14,578.7	14,750.2
Plus: Income receipts from the rest of the world.....	871.0	839.2	629.8	627.4	664.7	693.7	696.1	706.0
Less: Income payments to the rest of the world.....	747.7	664.7	483.6	460.1	499.1	502.6	500.8	516.1
Equals: Gross national product	14,185.1	14,543.6	14,265.3	14,281.9	14,442.8	14,637.6	14,774.0	14,940.0
Less: Consumption of fixed capital.....	1,767.5	1,849.2	1,861.1	1,848.3	1,852.2	1,852.4	1,860.4	1,872.1
Less: Statistical discrepancy.....	21.1	136.6	179.1	228.9	175.2	164.2	131.1	165.4
Equals: National income	12,396.4	12,557.8	12,225.0	12,204.8	12,415.5	12,621.0	12,782.6	12,902.6
Compensation of employees.....	7,855.9	8,060.8	7,811.7	7,798.7	7,831.4	7,858.1	7,969.9	8,032.4
Wage and salary accruals.....	6,415.5	6,554.0	6,279.1	6,263.9	6,284.9	6,291.4	6,388.8	6,440.2
Supplements to wages and salaries.....	1,440.4	1,506.8	1,532.6	1,534.8	1,546.5	1,566.7	1,581.1	1,592.2
Proprietors' income with inventory valuation and capital consumption adjustments.....	1,090.4	1,102.0	1,011.9	1,006.4	1,022.1	1,030.7	1,049.7	1,057.6
Rental income of persons with capital consumption adjustment.....	143.7	222.0	274.0	279.1	282.8	292.7	298.8	304.7
Corporate profits with inventory valuation and capital consumption adjustments.....	1,510.6	1,262.8	1,258.0	1,297.5	1,418.2	1,566.6	1,614.1	1,658.5
Net interest and miscellaneous payments.....	731.6	812.8	784.3	750.7	765.6	765.9	736.2	728.4
Taxes on production and imports less subsidies.....	992.6	992.3	964.4	959.2	976.8	988.5	996.1	1,002.1
Business current transfer payments (net).....	103.3	121.7	134.0	124.9	129.8	130.5	130.8	133.1
Current surplus of government enterprises.....	-11.8	-16.7	-13.2	-11.7	-11.3	-12.1	-13.1	-14.1
Addendum:								
Gross domestic income.....	14,040.7	14,232.5	13,939.9	13,885.8	14,102.1	14,282.2	14,447.6	14,584.8

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the second quarter of 2010.

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

	2007	2008	2009	Seasonally adjusted at annual rates				
				2009		2010		
				III	IV	I	II ^r	III ^r
Personal income ¹	11,912.3	12,391.1	12,174.9	12,164.0	12,239.0	12,350.3	12,517.1	12,600.4
Compensation of employees, received.....	7,862.2	8,065.8	7,806.7	7,798.7	7,831.4	7,858.1	7,969.9	8,032.4
Wage and salary disbursements.....	6,421.7	6,559.0	6,274.1	6,263.9	6,284.9	6,291.4	6,388.8	6,440.2
Supplements to wages and salaries.....	1,440.4	1,506.8	1,532.6	1,534.8	1,546.5	1,566.7	1,581.1	1,592.2
Proprietors' income with inventory valuation and capital consumption adjustments.....	1,090.4	1,102.0	1,011.9	1,006.4	1,022.1	1,030.7	1,049.7	1,057.6
Farm.....	37.8	50.8	30.5	28.0	36.2	36.8	38.9	47.4
Nonfarm.....	1,052.6	1,051.2	981.5	978.4	985.9	994.0	1,010.8	1,010.2
Rental income of persons with capital consumption adjustment.....	143.7	222.0	274.0	279.1	282.8	292.7	298.8	304.7
Personal income receipts on assets.....	2,057.0	2,109.3	1,919.7	1,891.1	1,889.2	1,911.1	1,914.4	1,899.4
Personal interest income.....	1,265.1	1,314.7	1,222.3	1,213.3	1,205.8	1,208.7	1,205.3	1,184.1
Personal dividend income.....	791.9	794.6	697.4	677.8	683.4	702.4	709.2	715.3
Personal current transfer receipts.....	1,718.5	1,879.2	2,132.8	2,159.3	2,188.2	2,245.5	2,286.1	2,316.0
Less: Contributions for government social insurance, domestic.....	959.5	987.2	970.3	970.6	974.8	987.8	1,001.9	1,009.7
Less: Personal current taxes.....	1,488.7	1,438.2	1,140.0	1,117.0	1,117.2	1,134.7	1,149.1	1,178.6
Equals: Disposable personal income	10,423.6	10,952.9	11,034.9	11,047.0	11,121.7	11,215.6	11,368.0	11,421.8
Less: Personal outlays.....	10,208.9	10,505.0	10,379.6	10,423.6	10,505.7	10,603.9	10,663.7	10,755.5
Equals: Personal saving	214.7	447.9	655.3	623.4	616.0	611.8	704.3	666.3
Personal saving as a percentage of disposable personal income.....	2.1	4.1	5.9	5.6	5.5	5.5	6.2	5.8
Addenda:								
Personal income excluding current transfer receipts, billions of chained (2005) dollars ²	9,656.5	9,638.5	9,191.1	9,128.7	9,109.7	9,111.7	9,226.6	9,251.0
Disposable personal income, billions of chained (2005) dollars ²	9,874.2	10,042.9	10,099.8	10,079.7	10,080.4	10,113.3	10,251.9	10,274.2

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the second quarter of 2010.

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 11. Corporate Profits: Level and Percent Change

	Billions of dollars								Percent change from preceding period						
	2007	2008	2009	Seasonally adjusted at annual rates					2008	2009	Quarterly rates				Quarter one year ago
				2009		2010					2009	2010			2010
				III	IV	I	II	III				IV	I	II	III
Corporate profits with inventory valuation and capital consumption adjustments	1,510.6	1,262.8	1,258.0	1,297.5	1,418.2	1,566.6	1,614.1	1,658.5	-16.4	-0.4	9.3	10.5	3.0	2.8	27.8
Less: Taxes on corporate income	445.5	308.4	254.9	255.7	319.1	403.2	405.6	437.4	-30.8	-17.3	24.8	26.4	0.6	7.8	71.1
Equals: Profits after tax with inventory valuation and capital consumption adjustments	1,065.2	954.4	1,003.1	1,041.8	1,099.2	1,163.3	1,208.5	1,221.1	-10.4	5.1	5.5	5.8	3.9	1.0	17.2
Net dividends	794.5	797.7	718.9	699.6	708.5	720.3	728.4	736.6	0.4	-9.9	1.3	1.7	1.1	1.1	5.3
Undistributed profits with inventory valuation and capital consumption adjustments	270.7	156.7	284.2	342.2	390.6	443.0	480.1	484.5	-42.1	81.3	14.2	13.4	8.4	0.9	41.6
Addenda for corporate cash flow:															
Net cash flow with inventory valuation adjustment	1,244.1	1,239.4	1,427.9	1,405.6	1,484.0	1,517.3	1,578.4	1,520.6	-0.4	15.2	5.6	2.2	4.0	-3.7	8.2
Undistributed profits with inventory valuation and capital consumption adjustments	270.7	156.7	284.2	342.2	390.6	443.0	480.1	484.5	-42.1	81.3	14.2	13.4	8.4	0.9	41.6
Consumption of fixed capital	973.4	1,018.5	1,019.8	1,010.6	1,010.8	1,008.0	1,013.7	1,019.3	4.6	0.1	0.0	-0.3	0.6	0.5	0.9
Less: Capital transfers paid (net)	0.0	-64.1	-123.9	-52.8	-82.6	-66.3	-84.6	-16.8							
Addenda:															
Profits before tax (without inventory valuation and capital consumption adjustments)	1,738.4	1,333.2	1,316.7	1,369.2	1,548.4	1,772.9	1,788.2	1,864.5	-23.3	-1.2	13.1	14.5	0.9	4.3	36.2
Profits after tax (without inventory valuation and capital consumption adjustments)	1,292.9	1,024.8	1,061.8	1,113.5	1,229.3	1,369.7	1,382.6	1,427.1	-20.7	3.6	10.4	11.4	0.9	3.2	28.2
Inventory valuation adjustment	-47.2	-44.1	11.9	-8.7	-67.2	-36.4	-3.5	-36.7							
Capital consumption adjustment	-180.5	-26.3	-70.6	-63.0	-63.0	-169.9	-170.7	-169.3							

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

[Billions of dollars]

	Level								Change from preceding period					
	2007	2008	2009	Seasonally adjusted at annual rates					2008	2009	2009	2010		
				2009		2010						2009	I	II
				III	IV	I	II	III			IV			
Corporate profits with inventory valuation and capital consumption adjustments	1,510.6	1,262.8	1,258.0	1,297.5	1,418.2	1,566.6	1,614.1	1,658.5	-247.8	-4.8	120.7	148.4	47.5	44.4
Domestic industries	1,159.8	851.5	905.7	933.2	1,055.7	1,178.1	1,222.7	1,274.7	-308.3	54.2	122.5	122.4	44.6	52.0
Financial	323.8	128.0	242.4	286.1	332.4	337.6	334.2	367.5	-195.8	114.4	46.3	5.2	-3.4	33.3
Nonfinancial	835.9	723.5	663.3	647.1	723.2	840.4	888.6	907.2	-112.4	-60.2	76.1	117.2	48.2	18.6
Rest of the world	350.9	411.3	352.3	364.2	362.6	388.5	391.3	383.8	60.4	-59.0	-1.6	25.9	2.8	-7.5
Receipts from the rest of the world	510.6	571.8	480.6	487.8	529.1	561.4	557.5	567.8	61.2	-91.2	41.3	32.3	-3.9	10.7
Less: Payments to the rest of the world	159.7	160.5	128.3	123.6	166.5	172.9	166.1	184.1	0.8	-32.2	42.9	6.4	-6.8	18.0
Corporate profits with inventory valuation adjustment	1,691.1	1,289.1	1,328.6	1,360.5	1,481.2	1,736.5	1,784.7	1,827.8	-402.0	39.5	120.7	255.3	48.2	43.1
Domestic industries	1,340.2	877.8	976.3	996.2	1,118.6	1,348.0	1,393.4	1,444.1	-462.4	98.5	122.4	229.4	45.4	50.7
Financial	345.5	139.9	258.0	300.2	346.7	362.7	359.4	392.5	-205.6	118.1	46.5	16.0	-3.3	33.1
Federal Reserve banks	36.0	35.1	47.3	49.2	49.6	56.9	60.3	62.4	-0.9	12.2	0.4	7.3	3.4	2.1
Other financial	309.5	104.9	210.6	251.0	297.1	305.8	299.1	330.1	-204.6	105.7	46.1	8.7	-6.7	31.0
Nonfinancial	994.7	737.9	718.4	696.0	771.9	985.3	1,034.0	1,051.6	-256.8	-19.5	75.9	213.4	48.7	17.6
Utilities	50.3	28.3	30.0	22.4	26.4	41.5	32.8		-22.0	1.7	4.0	15.1	-8.7	
Manufacturing	271.3	183.7	150.9	151.8	170.9	250.4	277.1		-87.6	-32.8	19.1	79.5	26.7	
Durable goods	96.1	51.4	53.3	55.0	83.9	140.1	147.0		-44.7	1.9	28.9	56.2	6.9	
Fabricated metal products	20.5	16.6	16.4	14.4	12.0	17.4	17.0		-3.9	-0.2	-2.4	5.4	-0.4	
Machinery	22.1	15.6	12.4	11.4	14.3	19.9	23.3		-6.5	-3.2	2.9	5.6	3.4	
Computer and electronic products	11.0	8.9	13.4	12.9	24.1	44.8	51.2		-2.1	4.5	11.2	20.7	6.4	
Electrical equipment, appliances, and components	-1.2	3.6	6.1	5.6	6.3	9.2	9.6		4.8	2.5	0.7	2.9	0.4	
Motor vehicles, bodies and trailers, and parts	-16.4	-34.6	-23.5	-11.9	-4.6	5.7	8.4		-18.2	11.1	7.3	10.3	2.7	
Other durable goods	60.2	41.3	28.5	22.5	31.8	43.2	37.6		-18.9	-12.8	9.3	11.4	-5.6	
Non-durable goods	175.2	132.3	97.5	96.7	87.0	110.3	130.1		-42.9	-34.8	-9.7	23.3	19.8	
Food and beverage and tobacco products	30.7	28.4	35.4	38.1	31.5	36.6	35.1		-2.3	7.0	-6.6	5.1	-1.5	
Petroleum and coal products	73.5	78.2	15.7	8.1	9.7	33.5	55.2		4.7	-62.5	1.6	23.8	21.7	
Chemical products	48.3	22.2	36.4	38.8	35.1	28.7	30.6		-26.1	14.2	-3.7	-6.4	1.9	
Other non-durable goods	22.7	3.4	10.1	11.7	10.7	11.6	9.2		-19.3	6.7	-1.0	0.9	-2.4	
Wholesale trade	99.9	84.0	80.4	70.8	73.0	91.5	107.7		-15.9	-3.6	2.2	18.5	16.2	
Retail trade	117.8	75.0	99.0	101.3	97.1	129.1	126.7		-42.8	24.0	-4.2	32.0	-2.4	
Transportation and warehousing	27.7	28.1	24.7	22.0	29.5	39.4	52.4		0.4	-3.4	7.5	9.9	13.0	
Information	93.6	75.2	83.5	81.3	109.0	112.9	104.9		-18.4	8.3	27.7	3.9	-8.0	
Other nonfinancial	334.2	263.6	250.0	246.6	250.0	320.4	332.5		-70.6	-13.6	19.4	54.4	12.1	
Rest of the world	350.9	411.3	352.3	364.2	362.6	388.5	391.3	383.8	60.4	-59.0	-1.6	25.9	2.8	-7.5

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

Table 13. Gross Value Added of Nonfinancial Domestic Corporate Business

	2007	2008	2009	Seasonally adjusted at annual rates				
				2009		2010		
				III	IV	I	II ^r	III
Billions of dollars								
Gross value added of nonfinancial corporate business	6,946.0	6,990.5	6,625.2	6,558.4	6,667.8	6,804.4	6,923.0	6,998.5
Consumption of fixed capital	840.1	878.8	879.0	871.0	870.7	868.2	872.9	877.6
Net value added	6,106.0	6,111.7	5,746.3	5,687.4	5,797.1	5,936.2	6,050.0	6,120.9
Compensation of employees	4,361.0	4,435.3	4,193.6	4,175.0	4,192.4	4,205.1	4,271.7	4,319.5
Wage and salary accruals	3,636.2	3,684.9	3,441.0	3,421.8	3,434.6	3,437.6	3,496.1	3,537.9
Supplements to wages and salaries	724.8	750.5	752.5	753.2	757.9	767.6	775.6	781.6
Taxes on production and imports less subsidies	607.7	615.3	590.2	584.5	598.3	604.8	609.0	613.3
Net operating surplus	1,137.4	1,061.1	962.5	927.9	1,006.4	1,126.3	1,169.3	1,188.0
Net interest and miscellaneous payments	232.3	271.3	220.1	205.5	205.3	208.3	202.3	201.0
Business current transfer payments (net)	69.1	66.2	79.1	75.2	77.8	77.5	78.3	79.8
Corporate profits with inventory valuation and capital consumption adjustments	835.9	723.5	663.3	647.1	723.2	840.4	888.6	907.2
Taxes on corporate income	293.8	226.4	170.3	163.7	201.8	265.2	287.4	301.2
Profits after tax with inventory valuation and capital consumption adjustments	542.2	497.1	492.9	483.5	521.4	575.3	601.1	606.0
Net dividends	484.6	482.8	511.4	469.8	497.3	515.5	499.1	533.0
Undistributed profits with inventory valuation and capital consumption adjustments	57.6	14.4	-18.5	13.6	24.1	59.7	102.0	72.9
Addenda:								
Profits before tax (without inventory valuation and capital consumption adjustments).....	1,042.0	782.0	706.4	704.8	839.1	1,021.8	1,037.5	1,088.2
Profits after tax (without inventory valuation and capital consumption adjustments).....	748.2	555.6	536.1	541.1	637.3	756.6	750.1	787.0
Inventory valuation adjustment	-47.2	-44.1	11.9	-8.7	-67.2	-36.4	-3.5	-36.7
Capital consumption adjustment	-158.8	-14.4	-55.1	-48.9	-48.7	-144.9	-145.4	-144.4
Billions of chained (2005) dollars								
Gross value added of nonfinancial corporate business ¹	6,626.5	6,686.4	6,284.3	6,210.3	6,401.0	6,567.6	6,639.4	6,636.7
Consumption of fixed capital ²	794.1	819.9	830.5	829.8	830.3	833.6	838.4	845.0
Net value added ³	5,832.4	5,866.5	5,453.8	5,380.5	5,570.7	5,734.0	5,800.9	5,791.7
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	1.048	1.045	1.054	1.056	1.042	1.036	1.043	1.055
Compensation of employees (unit labor cost)	0.658	0.663	0.667	0.672	0.655	0.640	0.643	0.651
Unit nonlabor cost	0.264	0.274	0.282	0.279	0.274	0.268	0.265	0.266
Consumption of fixed capital	0.127	0.131	0.140	0.140	0.136	0.132	0.131	0.132
Taxes on production and imports less subsidies plus business current transfer payments (net)	0.102	0.102	0.107	0.106	0.106	0.104	0.104	0.104
Net interest and miscellaneous payments	0.035	0.041	0.035	0.033	0.032	0.032	0.030	0.030
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production).....	0.126	0.108	0.106	0.104	0.113	0.128	0.134	0.137
Taxes on corporate income	0.044	0.034	0.027	0.026	0.032	0.040	0.043	0.045
Profits after tax with inventory valuation and capital consumption adjustments	0.082	0.074	0.078	0.078	0.081	0.088	0.091	0.091

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the second quarter of 2010.

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

	2007	2008	2009	Seasonally adjusted at annual rates															
				2006	2007				2008				2009				2010		
					IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
Gross domestic product (GDP) and related aggregates:																			
GDP.....	1.9	0.0	-2.6	3.0	0.9	3.2	2.3	2.9	-0.7	0.6	-4.0	-6.8	-4.9	-0.7	1.6	5.0	3.7	1.7	2.5
Goods.....	4.1	-0.5	-3.8	7.2	2.0	6.3	3.3	9.6	-1.2	-0.1	-10.8	-18.6	-2.4	-0.4	6.8	23.9	19.5	-0.8	5.9
Services.....	2.3	1.5	-0.2	3.6	1.5	2.0	3.0	2.5	1.1	-0.2	0.0	-1.5	0.8	-0.2	0.8	0.0	0.0	1.9	2.4
Structures.....	-5.5	-7.9	-16.6	-10.5	-5.5	3.1	-4.7	-10.9	-12.3	-0.2	-9.4	-16.9	-31.9	-13.4	-0.1	-15.9	-15.2	10.6	-8.7
Motor vehicle output.....	0.0	-18.6	-24.7	-10.2	10.2	4.4	-2.0	-14.6	-8.4	-35.1	-20.7	-58.0	-51.1	-2.0	145.5	13.7	42.3	-2.7	28.7
GDP excluding motor vehicle output.....	2.0	0.5	-2.1	3.4	0.6	3.2	2.4	3.5	-0.5	1.7	-3.6	-5.2	-3.8	-0.7	0.0	4.8	3.0	1.8	2.0
Final sales of computers ¹	18.4	26.5	5.0	22.4	2.1	12.2	56.0	37.2	19.6	36.0	5.5	12.0	7.8	-10.5	-4.0	17.3	19.2	5.3	59.3
GDP excluding final sales of computers.....	1.9	-0.1	-2.7	2.8	0.9	3.2	2.0	2.7	-0.8	0.4	-4.1	-6.9	-4.9	-0.6	1.6	5.0	3.7	1.7	2.3
Farm gross value added ²	-8.9	13.3	6.1	-13.2	-9.4	-15.6	-19.3	41.9	55.4	-14.5	6.7	13.8	16.3	-7.3	19.3	-13.9	-0.8	24.6	0.3
Nonfarm business gross value added ³	2.1	-1.1	-3.8	4.2	0.3	4.2	2.5	2.5	-2.5	-0.3	-6.2	-9.5	-6.4	-0.2	1.4	6.7	5.0	1.6	3.7
Gross domestic income ⁴	0.1	-0.8	-2.9	2.6	-2.3	0.2	-2.0	2.5	0.8	-2.5	-2.6	-6.9	-4.9	-1.6	0.0	6.7	4.1	2.7	1.6
Price indexes:																			
GDP.....	2.9	2.2	0.9	1.8	4.4	3.2	2.0	0.9	1.9	3.2	4.5	-1.2	1.1	0.3	0.7	-0.2	1.0	1.9	2.3
GDP excluding food and energy ⁵	2.8	2.3	0.8	2.4	4.1	2.0	1.7	2.7	2.9	2.5	2.7	-0.6	0.3	0.8	0.6	1.5	1.7	1.0	0.8
GDP excluding final sales of computers.....	3.1	2.3	1.0	1.9	4.5	3.3	2.1	1.0	2.0	3.3	4.6	-1.1	1.2	0.4	0.9	-0.2	1.0	2.0	2.4
Gross domestic purchases.....	2.9	3.2	-0.2	1.0	4.4	3.2	2.0	3.8	4.0	4.5	3.9	-4.4	-2.0	0.6	1.4	2.1	2.1	0.1	0.8
Gross domestic purchases excluding food and energy ⁵	2.7	2.6	0.7	2.4	3.8	2.0	1.9	2.8	3.1	3.2	2.6	-0.4	-0.2	0.8	0.4	1.5	1.6	0.8	0.6
Gross domestic purchases excluding final sales of computers to domestic purchasers.....	3.1	3.3	-0.1	1.1	4.6	3.3	2.2	3.9	4.1	4.6	4.1	-4.3	-1.9	0.7	1.5	2.1	2.2	0.1	0.9
Personal consumption expenditures (PCE).....	2.7	3.3	0.2	-0.1	4.0	3.5	2.3	4.2	3.9	4.6	4.4	-5.8	-1.6	1.9	2.9	2.7	2.1	0.0	1.0
PCE excluding food and energy ⁵	2.4	2.3	1.5	2.1	2.9	1.7	2.2	2.8	2.6	2.6	2.2	0.6	0.9	2.3	1.5	2.1	1.2	1.0	0.8
Market-based PCE ⁶	2.6	3.4	0.3	-0.7	3.7	3.7	2.0	4.5	4.1	4.5	5.2	-6.0	-1.1	1.9	3.0	2.2	1.7	-0.2	1.3
Market-based PCE excluding food and energy ⁶	2.1	2.3	1.9	1.6	2.5	1.6	1.7	2.9	2.5	2.1	2.8	1.5	1.9	2.3	1.3	1.4	0.7	1.0	1.1

^r Revised. Revisions include changes to series affected by the incorporation of revised wage and salary estimates for the second quarter of 2010.

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. Includes changes due to the incorporation of revised wage and salary estimates for the second quarter of 2010.

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.