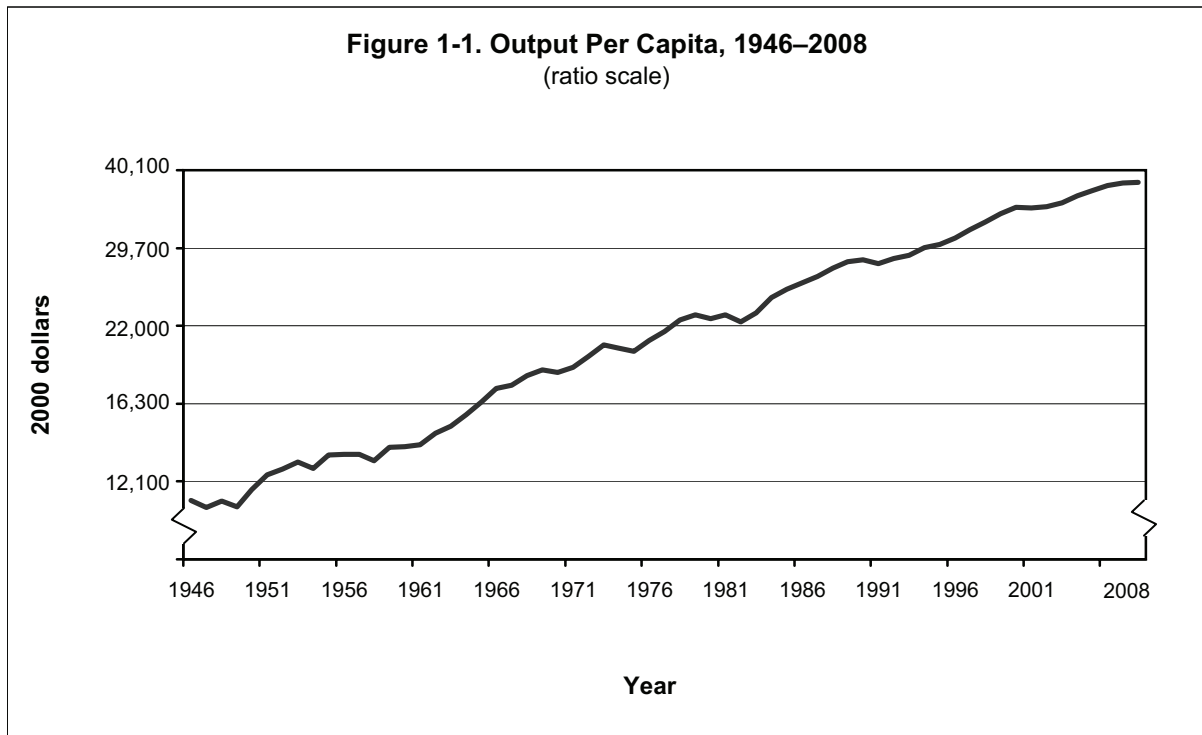


# CHAPTER 1: NATIONAL INCOME AND PRODUCT

## Section 1a: Gross Domestic Product: Values, Quantities, and Prices



- Total output of goods and services in the United States (real gross domestic product, or GDP), expressed in constant 2000-value dollars to remove the effect of inflation, rose from \$1.64 trillion in 1948 to \$11.65 trillion in 2008. (Tables 1-2 and 19-2) This was a seven-fold increase in real value over the 60-year period, with an annual average growth rate of 3.3 percent per year.
- Real GDP per capita—the constant-dollar average value of production for each man, woman, and child in the population—rose from \$11,206 (2000 dollars) in 1948 to \$38,262 in 2008, a growth rate of 2.1 percent per year. (Tables 1-7 and 19-7) This value is charted in Figure 1-1. It is graphed on a “ratio scale,” with equal vertical distances signifying equal percent changes.
- The figure indicates that growth is not always smooth or uninterrupted. There are times when output levels off or declines, marking the periods identified as recessions in economic activity. According to the National Bureau of Economic Research, the 11th recession of the post-World-War-II period began in December 2007; it is not clearly apparent in the annual average data shown above, but on a quarterly basis, real GDP peaked in the second quarter of 2008 and declined 3.3 percent over the next three quarters. (See article at the front of this book, “Business Statistics in Turbulent Times.”)
- Measured in current dollars, the value of GDP has increased even faster, reflecting increases in the average price level. Current-dollar GDP rose from \$269 billion in 1948 to over \$14 trillion in 2008. (Tables 1-1 and 19-1) The price level in 2008 was more than 7 times that in 1948, reflecting an average inflation rate of 3.4 percent per year. (Tables 1-5 and 19-4) Annual rates of increase in the chain-type price index for GDP ranged from 9 percent or more in 1947, 1974–1975, and 1980–1981 to changes of no more than 1.2 percent in 1949–1950, 1954, 1959, 1961, 1963, and 1998. Over the last 10 years, inflation averaged 2.4 percent per year. (Table 1-5)

Table 1-1. Gross Domestic Product

(Billions of dollars, quarterly data are at seasonally adjusted annual rates.)

NIPA Tables 1.1.5, 5.6.5A, 5.6.5B

Year and quarter	Gross domestic product	Personal consumption expenditures	Gross private domestic investment					Exports and imports of goods and services			Government consumption expenditures and gross investment		
			Total	Fixed investment		Change in private inventories		Net exports	Exports	Imports	Total	Federal	State and local
				Nonresidential	Residential	Farm	Nonfarm						
1950	293.8	192.2	54.1	27.8	20.5	-0.1	5.9	0.7	12.4	11.6	46.8	26.0	20.7
1951	339.3	208.5	60.2	31.8	18.4	1.0	8.9	2.5	17.1	14.6	68.1	45.1	23.0
1952	358.3	219.5	54.0	31.9	18.6	1.4	2.1	1.2	16.5	15.3	83.6	59.2	24.4
1953	379.4	233.1	56.4	35.1	19.4	0.7	1.2	-0.7	15.3	16.0	90.6	64.4	26.1
1954	380.4	240.0	53.8	34.7	21.1	0.2	-2.1	0.4	15.8	15.4	86.2	57.3	28.9
1955	414.8	258.8	69.0	39.0	25.0	-0.6	5.6	0.5	17.7	17.2	86.5	54.9	31.6
1956	437.5	271.7	72.0	44.5	23.6	-1.0	4.9	2.4	21.3	18.9	91.4	56.7	34.7
1957	461.1	286.9	70.5	47.5	22.2	0.1	0.7	4.1	24.0	19.9	99.7	61.3	38.3
1958	467.2	296.2	64.5	42.5	22.3	2.0	-2.3	0.5	20.6	20.0	106.0	63.8	42.2
1959	506.6	317.6	78.5	46.5	28.1	-1.6	5.5	0.4	22.7	22.3	110.0	65.4	44.7
1960	526.4	331.7	78.9	49.4	26.3	0.6	2.7	4.2	27.0	22.8	111.6	64.1	47.5
1961	544.7	342.1	78.2	48.8	26.4	0.9	2.1	4.9	27.6	22.7	119.5	67.9	51.6
1962	585.6	363.3	88.1	53.1	29.0	0.6	5.5	4.1	29.1	25.0	130.1	75.3	54.9
1963	617.7	382.7	93.8	56.0	32.1	0.5	5.1	4.9	31.1	26.1	136.4	76.9	59.5
1964	663.6	411.4	102.1	63.0	34.3	-1.2	6.0	6.9	35.0	28.1	143.2	78.5	64.8
1965	719.1	443.8	118.2	74.8	34.2	0.8	8.4	5.6	37.1	31.5	151.5	80.4	71.0
1966	787.8	480.9	131.3	85.4	32.3	-0.5	14.1	3.9	40.9	37.1	171.8	92.5	79.2
1967	832.6	507.8	128.6	86.4	32.4	0.9	9.0	3.6	43.5	39.9	192.7	104.8	87.9
1968	910.0	558.0	141.2	93.4	38.7	1.4	7.7	1.4	47.9	46.6	209.4	111.4	98.0
1969	984.6	605.2	156.4	104.7	42.6	0.0	9.2	1.4	51.9	50.5	221.5	113.4	108.2
1970	1 038.5	648.5	152.4	109.0	41.4	-0.8	2.8	4.0	59.7	55.8	233.8	113.5	120.3
1971	1 127.1	701.9	178.2	114.1	55.8	1.7	6.6	0.6	63.0	62.3	246.5	113.7	132.8
1972	1 238.3	770.6	207.6	128.8	69.7	0.3	8.8	-3.4	70.8	74.2	263.5	119.7	143.8
1973	1 382.7	852.4	244.5	153.3	75.3	1.5	14.4	4.1	95.3	91.2	281.7	122.5	159.2
1974	1 500.0	933.4	249.4	169.5	66.0	-2.8	16.8	-0.8	126.7	127.5	317.9	134.6	183.4
1975	1 638.3	1 034.4	230.2	173.7	62.7	3.4	-9.6	16.0	138.7	122.7	357.7	149.1	208.7
1976	1 825.3	1 151.9	292.0	192.4	82.5	-0.8	18.0	-1.6	149.5	151.1	383.0	159.7	223.3
1977	2 030.9	1 278.6	361.3	228.7	110.3	4.5	17.8	-23.1	159.4	182.4	414.1	175.4	238.7
1978	2 294.7	1 428.5	438.0	280.6	131.6	1.4	24.4	-25.4	186.9	212.3	453.6	190.9	262.6
1979	2 563.3	1 592.2	492.9	333.9	141.0	3.6	14.4	-22.5	230.1	252.7	500.8	210.6	290.2
1980	2 789.5	1 757.1	479.3	362.4	123.2	-6.1	-0.2	-13.1	280.8	293.8	566.2	243.8	322.4
1981	3 128.4	1 941.1	572.4	420.0	122.6	8.8	21.0	-12.5	305.2	317.8	627.5	280.2	347.3
1982	3 255.0	2 077.3	517.2	426.5	105.7	5.8	-20.7	-20.0	283.2	303.2	680.5	310.8	369.7
1983	3 536.7	2 290.6	564.3	417.2	152.9	-15.4	9.6	-51.7	277.0	328.6	733.5	342.9	390.5
1984	3 933.2	2 503.3	735.6	489.6	180.6	5.7	59.7	-102.7	302.4	405.1	797.0	374.4	422.6
1985	4 220.3	2 720.3	736.2	526.2	188.2	5.8	16.1	-115.2	302.0	417.2	879.0	412.8	466.2
1986	4 462.8	2 899.7	746.5	519.8	220.1	-1.5	8.0	-132.7	320.5	453.3	949.3	438.6	510.7
1987	4 739.5	3 100.2	785.0	524.1	233.7	-6.4	33.6	-145.2	363.9	509.1	999.5	460.1	539.4
1988	5 103.8	3 353.6	821.6	563.8	239.3	-11.9	30.4	-110.4	444.1	554.5	1 039.0	462.3	576.7
1989	5 484.4	3 598.5	874.9	607.7	239.5	0.0	27.7	-88.2	503.3	591.5	1 099.1	482.2	616.9
1990	5 803.1	3 839.9	861.0	622.4	224.0	2.4	12.2	-78.0	552.4	630.3	1 180.2	508.3	671.9
1991	5 995.9	3 986.1	802.9	598.2	205.1	-1.3	0.9	-27.5	596.8	624.3	1 234.4	527.7	706.7
1992	6 337.7	4 235.3	864.8	612.1	236.3	6.2	10.1	-33.2	635.3	668.6	1 271.0	533.9	737.0
1993	6 657.4	4 477.9	953.4	666.6	266.0	-6.2	27.0	-65.0	655.8	720.9	1 291.2	525.2	766.0
1994	7 072.2	4 743.3	1 097.1	731.4	301.9	12.1	51.8	-93.6	720.9	814.5	1 325.5	519.1	806.3
1995	7 397.7	4 975.8	1 144.0	810.0	302.8	-11.1	42.2	-91.4	812.2	903.6	1 369.2	519.2	850.0
1996	7 816.9	5 256.8	1 240.3	875.4	334.1	8.6	22.1	-96.2	868.6	964.8	1 416.0	527.4	888.6
1997	8 304.3	5 547.4	1 389.8	968.7	349.1	3.2	68.8	-101.6	955.3	1 056.9	1 468.7	530.9	937.8
1998	8 747.0	5 879.5	1 509.1	1 052.6	385.8	1.4	69.4	-159.9	955.9	1 115.9	1 518.3	530.4	987.9
1999	9 268.4	6 282.5	1 625.7	1 133.9	424.9	-2.7	69.6	-260.5	991.2	1 251.7	1 620.8	555.8	1 065.0
2000	9 817.0	6 739.4	1 735.5	1 232.1	446.9	-1.3	57.8	-379.5	1 096.3	1 475.8	1 721.6	578.8	1 142.8
2001	10 128.0	7 055.0	1 614.3	1 176.8	469.3	0.0	-31.7	-367.0	1 032.8	1 399.8	1 825.6	612.9	1 212.8
2002	10 469.6	7 350.7	1 582.1	1 066.3	503.9	-2.5	14.4	-424.4	1 005.9	1 430.3	1 961.1	679.7	1 281.5
2003	10 960.8	7 703.6	1 664.1	1 077.4	572.4	0.4	13.9	-499.4	1 040.8	1 540.2	2 092.5	756.4	1 330.0
2004	11 685.9	8 195.9	1 888.6	1 154.5	675.5	8.0	50.5	-615.4	1 182.4	1 797.8	2 216.8	825.6	1 391.2
2005	12 421.9	8 694.1	2 086.1	1 273.1	769.6	0.3	43.0	-713.6	1 311.5	2 025.1	2 355.3	875.5	1 479.8
2006	13 178.4	9 207.2	2 220.4	1 414.1	757.0	-3.9	53.3	-757.3	1 480.8	2 238.1	2 508.1	932.2	1 575.9
2007	13 807.5	9 710.2	2 130.4	1 503.8	630.2	1.6	-5.2	-707.8	1 662.4	2 370.2	2 674.8	979.3	1 695.5
2008	14 264.6	10 057.9	1 993.5	1 552.8	487.7	-2.4	-44.6	-669.2	1 859.4	2 528.6	2 882.4	1 071.9	1 810.4
2006													
1st quarter	12 959.6	9 026.3	2 236.7	1 375.5	808.1	1.0	52.1	-761.7	1 423.2	2 184.9	2 458.4	922.8	1 535.5
2nd quarter	13 134.1	9 161.9	2 253.7	1 408.3	779.6	-6.9	72.8	-777.2	1 462.8	2 240.0	2 495.7	928.5	1 567.2
3rd quarter	13 249.6	9 283.7	2 231.7	1 433.0	736.2	-6.7	69.3	-792.7	1 492.5	2 285.2	2 526.9	935.5	1 591.4
4th quarter	13 370.1	9 357.0	2 159.5	1 439.6	704.0	-3.0	18.8	-697.7	1 544.5	2 242.2	2 551.4	941.7	1 609.7
2007													
1st quarter	13 510.9	9 524.9	2 117.8	1 456.4	677.0	-2.1	-13.5	-728.8	1 560.5	2 289.4	2 597.0	950.3	1 646.8
2nd quarter	13 737.5	9 657.5	2 147.2	1 493.7	654.4	2.9	-3.8	-723.1	1 614.4	2 337.5	2 655.9	974.6	1 681.3
3rd quarter	13 950.6	9 765.6	2 164.0	1 522.9	618.1	-0.2	23.2	-682.6	1 714.9	2 397.5	2 703.5	994.0	1 709.5
4th quarter	14 031.2	9 892.7	2 092.3	1 542.1	571.3	5.7	-26.7	-696.7	1 759.7	2 456.5	2 742.9	998.3	1 744.6
2008													
1st quarter	14 150.8	10 002.3	2 056.1	1 553.6	528.1	0.2	-25.8	-705.7	1 820.8	2 526.5	2 798.1	1 026.5	1 771.6
2nd quarter	14 294.5	10 138.0	2 000.9	1 571.9	505.0	-4.1	-71.9	-718.2	1 923.2	2 641.4	2 873.7	1 056.1	1 817.6
3rd quarter	14 412.8	10 163.5	2 010.9	1 581.2	479.4	-4.2	-45.5	-707.7	1 968.9	2 676.6	2 946.1	1 098.0	1 848.1
4th quarter	14 200.3	9 927.9	1 906.1	1 504.3	438.4	-1.5	-35.0	-545.1	1 724.7	2 269.7	2 911.4	1 107.0	1 804.4

**Table 1-2. Real Gross Domestic Product**

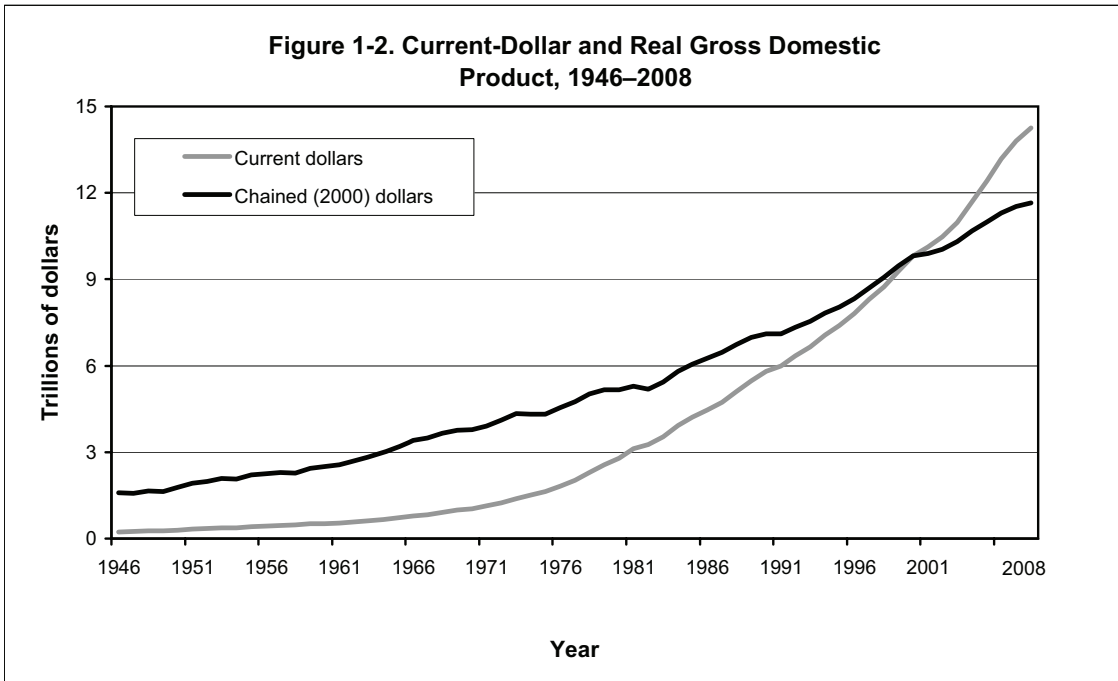
(Billions of chained [2000] dollars, quarterly data are at seasonally adjusted annual rates.)

NIPA Tables 1.1.6, 5.6.6A, 5.6.6B

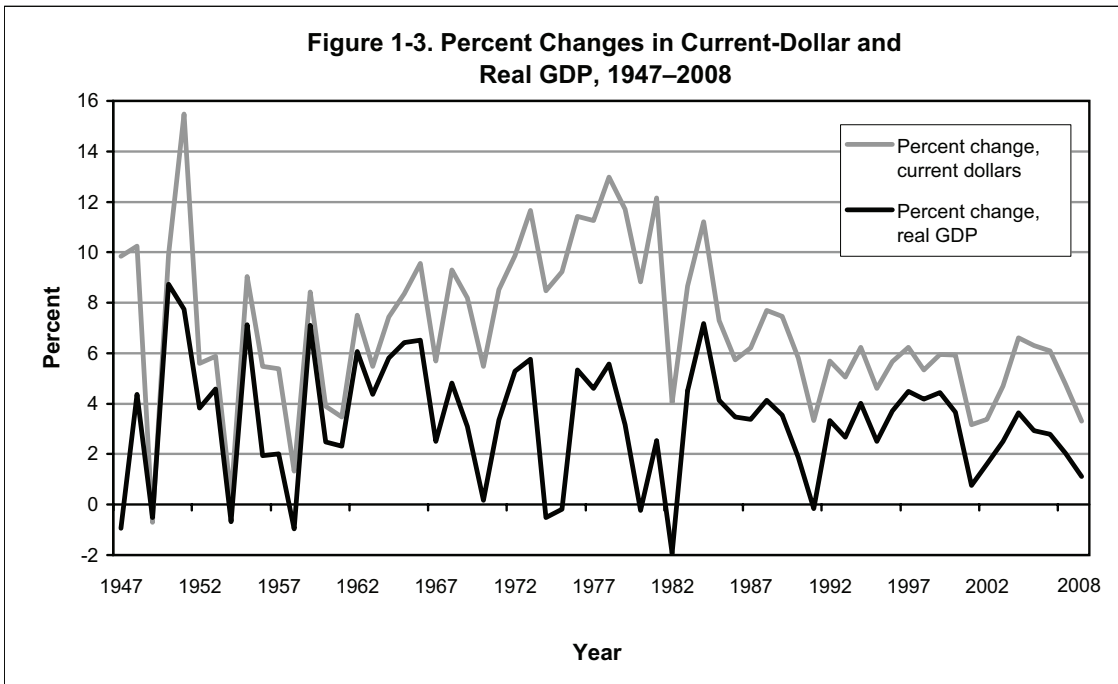
Year and quarter	Gross domestic product	Personal consumption expenditures	Gross private domestic investment					Exports and imports of goods and services			Government consumption expenditures and gross investment			Residual
			Total	Fixed investment		Change in private inventories		Net exports	Exports	Imports	Total	Federal	State and local	
				Nonresidential	Residential	Farm	Nonfarm							
1950	1 777.3	1 152.8	227.7	...	...	-0.3	20.8	...	50.3	59.3	405.3	...	...	0.5
1951	1 915.0	1 171.2	228.3	...	...	1.7	25.8	...	61.7	61.7	553.5	...	...	-38.0
1952	1 988.3	1 208.2	206.5	...	...	2.5	6.7	...	59.0	67.1	666.3	...	...	-84.6
1953	2 079.5	1 265.7	216.2	...	...	1.6	4.1	...	55.1	73.4	713.9	...	...	-98.0
1954	2 065.4	1 291.4	206.1	...	...	0.4	-6.8	...	57.7	69.8	665.1	...	...	-85.1
1955	2 212.8	1 385.5	256.2	...	...	-1.5	17.0	...	63.9	78.2	640.7	...	...	-55.3
1956	2 255.8	1 425.4	252.7	...	...	-2.6	14.2	...	74.4	84.5	641.0	...	...	-53.2
1957	2 301.1	1 460.7	241.7	...	...	0.4	2.2	...	80.9	88.1	669.5	...	...	-63.6
1958	2 279.2	1 472.3	221.7	...	...	4.7	-7.0	...	70.0	92.3	690.9	...	...	-83.4
1959	2 441.3	1 554.6	266.7	...	...	-3.8	17.9	...	77.2	101.9	714.3	...	...	-69.6
1960	2 501.8	1 597.4	266.6	...	...	1.4	8.8	...	90.6	103.3	715.4	...	...	-64.9
1961	2 560.0	1 630.3	264.9	...	...	2.1	7.0	...	91.1	102.6	751.3	...	...	-75.0
1962	2 715.2	1 711.1	298.4	...	...	1.4	18.3	...	95.7	114.3	797.6	...	...	-73.3
1963	2 834.0	1 781.6	318.5	...	...	1.2	17.0	...	102.5	117.3	818.1	...	...	-69.4
1964	2 998.6	1 888.4	344.7	...	...	-3.1	19.7	...	114.6	123.6	836.1	...	...	-61.6
1965	3 191.1	2 007.7	393.1	...	...	2.0	27.4	...	117.8	136.7	861.3	...	...	-52.1
1966	3 399.1	2 121.8	427.7	...	...	-1.1	45.2	...	126.0	157.1	937.1	...	...	-56.4
1967	3 484.6	2 185.0	408.1	...	...	2.1	28.4	...	128.9	168.5	1 008.9	...	...	-77.8
1968	3 652.7	2 310.5	431.9	...	...	3.3	23.7	...	139.0	193.6	1 040.5	...	...	-75.6
1969	3 765.4	2 396.4	457.1	...	...	0.0	27.8	...	145.7	204.6	1 038.0	...	...	-67.2
1970	3 771.9	2 451.9	427.1	...	...	-1.9	7.8	...	161.4	213.4	1 012.9	...	...	-68.0
1971	3 898.6	2 545.5	475.7	...	...	3.3	18.5	...	164.1	224.7	990.8	...	...	-52.8
1972	4 105.0	2 701.3	532.1	...	...	0.3	24.2	...	176.5	250.0	983.5	...	...	-38.4
1973	4 341.5	2 833.8	594.4	...	...	1.5	36.6	...	209.7	261.6	980.0	...	...	-14.8
1974	4 319.6	2 812.3	550.6	...	...	-3.6	35.1	...	226.3	255.7	1 004.7	...	...	-18.6
1975	4 311.2	2 876.9	453.1	...	...	4.7	-19.2	...	224.9	227.3	1 027.4	...	...	-43.8
1976	4 540.9	3 035.5	544.7	...	...	-1.3	34.0	...	234.7	271.7	1 031.9	...	...	-34.2
1977	4 750.5	3 164.1	627.0	...	...	5.9	32.1	...	240.3	301.4	1 043.3	...	...	-22.8
1978	5 015.0	3 303.1	702.6	...	...	1.7	40.9	...	265.7	327.6	1 074.0	...	...	-2.8
1979	5 173.4	3 383.4	725.0	...	...	3.5	21.5	...	292.0	333.0	1 094.1	...	...	11.9
1980	5 161.7	3 374.1	645.3	...	...	-5.8	0.0	...	323.5	310.9	1 115.4	...	...	14.3
1981	5 291.7	3 422.2	704.9	...	...	8.2	25.5	...	327.4	319.1	1 125.6	...	...	30.7
1982	5 189.3	3 470.3	606.0	...	...	6.1	-24.6	...	302.4	315.0	1 145.4	...	...	-19.8
1983	5 423.8	3 668.6	662.5	...	...	-14.2	10.2	...	294.6	354.8	1 187.3	...	...	-34.4
1984	5 813.6	3 863.3	857.7	...	...	5.1	66.5	...	318.7	441.1	1 227.0	...	...	-12.0
1985	6 053.7	4 064.0	849.7	...	...	5.7	17.5	...	328.3	469.8	1 312.5	...	...	-31.0
1986	6 263.6	4 228.9	843.9	...	...	-1.8	10.1	...	353.7	510.0	1 392.5	...	...	-45.4
1987	6 475.1	4 369.8	870.0	...	...	-7.4	37.7	...	391.8	540.2	1 426.7	...	...	-43.0
1988	6 742.7	4 546.9	890.5	...	...	-10.7	32.7	...	454.6	561.4	1 445.1	...	...	-33.0
1989	6 981.4	4 675.0	926.2	...	...	0.0	28.8	...	506.8	586.0	1 482.5	...	...	-23.1
1990	7 112.5	4 770.3	895.1	595.1	298.9	2.1	13.2	-54.7	552.5	607.1	1 530.0	659.1	868.4	-91.1
1991	7 100.5	4 778.4	822.2	563.2	270.2	-1.5	1.0	-14.6	589.1	603.7	1 547.2	658.0	886.8	-96.0
1992	7 336.6	4 934.8	889.0	581.3	307.6	5.8	10.3	-15.9	629.7	645.6	1 555.3	646.6	906.5	-89.1
1993	7 532.7	5 099.8	968.3	631.9	332.7	-6.1	27.7	-52.1	650.0	702.1	1 541.1	619.6	919.5	-78.6
1994	7 835.5	5 290.7	1 099.6	689.9	364.8	11.2	52.0	-79.4	706.5	785.9	1 541.3	596.4	943.3	-63.7
1995	8 031.7	5 433.5	1 134.0	762.5	353.1	-10.6	41.3	-71.0	778.2	849.1	1 549.7	580.3	968.3	-51.1
1996	8 328.9	5 619.4	1 234.3	833.6	381.3	6.8	21.7	-79.6	843.4	923.0	1 564.9	573.5	990.5	-38.5
1997	8 703.5	5 831.8	1 387.7	934.2	388.6	2.9	68.5	-104.6	943.7	1 048.3	1 594.0	567.6	1 025.9	-23.8
1998	9 066.9	6 125.8	1 524.1	1 037.8	418.3	1.4	71.2	-203.7	966.5	1 170.3	1 624.4	561.2	1 063.0	-14.6
1999	9 470.3	6 438.6	1 642.6	1 133.3	443.6	-3.0	71.5	-296.2	1 008.2	1 304.4	1 686.9	573.7	1 113.2	-5.8
2000	9 817.0	6 739.4	1 735.5	1 232.1	446.9	-1.3	57.8	-379.5	1 096.3	1 475.8	1 721.6	578.8	1 142.8	0.2
2001	9 890.7	6 910.4	1 598.4	1 180.5	448.5	0.0	-31.8	-399.1	1 036.7	1 435.8	1 780.3	601.4	1 179.0	1.6
2002	10 048.8	7 099.3	1 557.1	1 071.5	469.9	-2.5	15.2	-471.3	1 013.3	1 484.6	1 858.8	643.4	1 215.4	3.0
2003	10 301.0	7 295.3	1 613.1	1 081.8	509.4	0.4	14.0	-518.9	1 026.1	1 545.0	1 904.8	687.1	1 217.8	3.4
2004	10 675.8	7 561.4	1 770.2	1 144.3	560.2	5.9	48.2	-593.8	1 126.1	1 719.9	1 931.8	715.9	1 215.8	-0.3
2005	10 989.5	7 791.7	1 873.5	1 226.2	595.4	0.2	39.1	-616.6	1 205.3	1 821.9	1 939.0	724.5	1 214.3	-11.8
2006	11 294.8	8 029.0	1 912.5	1 318.2	552.9	-3.2	46.3	-615.7	1 314.8	1 930.5	1 971.2	741.0	1 230.2	-35.3
2007	11 523.9	8 252.8	1 809.7	1 382.9	453.8	1.0	-3.7	-546.5	1 425.9	1 972.4	2 012.1	752.9	1 259.0	-55.1
2008	11 652.0	8 272.1	1 689.1	1 405.4	359.5	3.6	-34.3	-390.2	1 514.1	1 904.3	2 070.2	798.2	1 273.0	-24.7
2006														
1st quarter	11 217.3	7 947.4	1 946.3	1 295.2	596.5	1.0	45.4	-636.0	1 284.3	1 920.2	1 960.5	740.6	1 219.9	-29.2
2nd quarter	11 291.7	8 002.1	1 944.3	1 315.4	570.1	-5.6	63.3	-619.4	1 301.4	1 920.9	1 966.6	737.7	1 228.8	-32.2
3rd quarter	11 314.1	8 046.3	1 917.8	1 332.7	536.7	-5.6	59.9	-623.0	1 312.6	1 935.7	1 974.9	741.1	1 233.7	-37.0
4th quarter	11 356.4	8 119.9	1 841.6	1 329.3	508.4	-2.7	16.4	-584.3	1 361.1	1 945.3	1 982.7	744.4	1 238.2	-42.4
2007														
1st quarter	11 357.8	8 197.2	1 795.9	1 340.4	486.4	-3.9	-10.7	-618.6	1 363.2	1 981.8	1 987.1	737.5	1 249.3	-49.8
2nd quarter	11 491.4	8 237.3	1 822.9	1 373.8	471.7	-0.1	-2.6	-571.2	1 392.2	1 963.4	2 006.4	749.6	1 256.6	-53.5
3rd quarter	11 625.7	8 278.5	1 838.7	1 402.9	445.3	-2.5	19.2	-511.8	1 466.2	1 978.0	2 025.3	762.7	1 262.6	-55.3
4th quarter	11 620.7	8 298.2	1 781.3	1 414.7	411.6	10.5	-20.6	-484.5	1 482.1	1 966.5	2 029.4	761.7	1 267.5	-62.1
2008														
1st quarter	11 646.0	8 316.1	1 754.7	1 423.1	383.0	6.0	-17.9	-462.0	1 500.6	1 962.6	2 039.1	772.6	1 266.7	-56.3
2nd quarter	11 727.4	8 341.3	1 702.0	1 431.8	369.6	2.4	-55.1	-381.3	1 544.7	1 926.0	2 058.9	785.0	1 274.4	-44.3
3rd quarter	11 712.4	8 260.6	1 703.7	1 425.7	353.7	2.2	-33.3	-353.1	1 556.1	1 909.1	2 088.1	810.8	1 278.7	-16.4
4th quarter	11 522.1	8 170.5	1 596.0	1 341.1	331.6	3.7	-31.1	-364.5	1 454.9	1 819.4	2 094.7	824.5	1 272.3	19.3

Note: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights from more than one period, the corresponding chained-dollar estimates are usually not additive. The residual column is the difference between the total and the sum of the most detailed components shown in the Bureau of Economic Analysis (BEA) published data.

... = Not available.



- Figure 1-2 shows the value of GDP in both current dollars and real terms (chained 2000 dollars). Since real GDP is expressed in dollar values from the year 2000, the two are the same in that year. As prices increase in nearly every year, the current-dollar measure grows faster than the measure of real, or constant-dollar, GDP. (Tables 1-1, 19-1, 1-2, and 19-2)



- The arithmetic scale used in Figure 1-2 seems to suggest ever-accelerating growth in GDP, but users should not interpret it in this way. (See “Business Statistics in Turbulent Times” in the introductory material to this book.) Figure 1-3 depicts the same data in the form of year-to-year percent changes. The annual changes in real GDP, though quite variable, fluctuate around their average value of 3.3 percent. The changes in nominal GDP, which are roughly the sum of the real change and the inflation rate, are more volatile. During years of low inflation, they are quite similar to (though somewhat higher than) the changes in real GDP. In years of high inflation, they are far above the changes in real GDP. Some years of high nominal change, notably 1947, 1974, and 1975, have seen the real GDP actually decline. (Tables 1-1, 19-1, 13, and 19-3)

## NOTES AND DEFINITIONS

### TABLES 1-1 THROUGH 1-15 AND 19-1 THROUGH 19-11 NATIONAL INCOME AND PRODUCT

SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS (BEA)

All data in these tables are from the national income and product accounts (NIPAs). The data are as published in the 2003 comprehensive NIPA revisions, updated and revised in each annual revision through August 2008, and continued through the fourth quarter of 2008 in the estimates released on March 26, 2009.

#### Upcoming NIPA Revision

In July 2009 the Bureau of Economic Analysis will release a comprehensive, or benchmark, revision of the NIPAs.

Current-dollar estimates will be revised—especially for the most recent four years—because of data updating and classification and statistical changes. Users of the constant-dollar estimates and the quantity and price indexes will also, and immediately, notice a change in the reference year for the chain-type quantity and price indexes and the chained-dollar estimates, from 2000 (as used in the data in this volume) to 2005.

The change in the reference year will cause conspicuous differences in the *levels* of the constant-dollar measures and the price and quantity indexes, but this does not of itself affect the *rates of change*—the growth and inflation rates calculated from these data—which are based on chain-weighted indexes whatever the reference base year is. Significant changes are not expected in historical growth and inflation trends from those that can be derived from the data in this volume, other than the revisions occasioned by new data for the most recent several years.

BEA also plans changes in the treatment of disasters and a new classification system for personal consumption expenditures.

These and all of the other planned changes are described in “Preview of the 2009 Comprehensive Revision of the NIPAs: Changes in Definitions and Presentations,” *Survey of Current Business*, March 2009, available at <<http://www.bea.gov>>.

#### Definitions and notes on the data:

##### Basic concepts of total output and income (Tables 1-10 through 1-12)

The NIPAs depict the U.S. economy in several different dimensions. The basic concept, and the measure that is now most frequently cited, is gross domestic product (GDP), which is the market value of all goods and services produced by labor and property located in the United States.

In principle, GDP can be measured by summing the values created by each industry in the economy. However, it can more readily be measured by summing all the final demands for the economy’s output. This final-demand approach also has the advantage of depicting the origins of demand for economic production, whether from consumers, businesses, or government.

Since production for the market necessarily generates incomes equal to its value, there is also an income total that corresponds to the production value total. This income can be measured and its distribution among labor, capital, and other income recipients can be depicted.

The structure and relationships of several of these major concepts are illustrated in Table 1-10. The definitions of these concepts are as follows:

*Gross domestic product (GDP)*, the featured measure of the value of U.S. output, is the market value of the goods and services produced by labor and property located in the United States. Market values represent output valued at the prices paid by the final customer, and therefore include taxes on production and imports, such as sales taxes, customs duties, and taxes on property.

The term “gross” in gross domestic product is used to indicate that capital consumption allowances (economic depreciation) have not been deducted.

GDP is primarily measured by summing the values of all of the final demands in the economy: personal consumption expenditures (PCE), gross private domestic investment (including change in private inventories and before deduction of charges for consumption of fixed capital), net exports of goods and services, and government consumption expenditures and gross investment. GDP measured in this way excludes duplication involving “intermediate” purchases of goods and services (goods and services purchased by industries and used in production), the value of which is already included in the value of the final products. Production of any intermediate goods unused in production in the current period is captured in the measurement of inventory change.