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Virginia H. Mannering: (202) 606-5304  
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### **GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2002 (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 1.4 percent in the fourth quarter of 2002, according to preliminary estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.0 percent.

The GDP estimates released today are based on more complete source data than were available for the advance estimates issued last month. In the advance estimates, the increase in real GDP was 0.7 percent (see "Revisions" on page 3).

The major contributors to the increase in real GDP in the fourth quarter were personal consumption expenditures (PCE), government spending, equipment and software, residential fixed investment, and private inventory investment. The contributions of these components were partly offset by negative contributions from exports and from nonresidential structures. Imports, which are a subtraction in the calculation of GDP, increased.

The deceleration in real GDP growth in the fourth quarter primarily reflected a deceleration in PCE, a downturn in exports, and a deceleration in private inventory investment that were partly offset by an acceleration in federal government spending, a smaller decrease in nonresidential structures, and an acceleration in residential fixed investment. Imports accelerated in the fourth quarter.

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NOTE.--Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and annualized. "Real" estimates are in chained (1996) dollars. Price indexes are chain-type measures.

This news release is available on BEA's Web site at <[www.bea.gov/bea/rels.htm](http://www.bea.gov/bea/rels.htm)>.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 1.6 percent in the fourth quarter, 0.2 percentage point less than the advance estimate; this index increased 1.2 percent in the third quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 1.3 percent in the fourth quarter, compared with an increase of 1.2 percent in the third.

Real personal consumption expenditures increased 1.5 percent in the fourth quarter, compared with an increase of 4.2 percent in the third. Real nonresidential fixed investment increased 2.5 percent, in contrast to a decrease of 0.8 percent. Nonresidential structures decreased 9.8 percent, compared with a decrease of 21.4 percent. Equipment and software increased 6.6 percent, compared with an increase of 6.7 percent. Real residential fixed investment increased 9.4 percent, compared with an increase of 1.1 percent.

Real exports of goods and services decreased 4.4 percent in the fourth quarter, in contrast to an increase of 4.6 percent in the third. Real imports of goods and services increased 7.2 percent, compared with an increase of 3.3 percent.

Real federal government consumption expenditures and gross investment increased 11.2 percent in the fourth quarter, compared with an increase of 4.3 percent in the third. National defense increased 11.4 percent, compared with an increase of 6.9 percent. Nondefense increased 10.8 percent, in contrast to a decrease of 0.3 percent. Real state and local government consumption expenditures and gross investment increased 1.6 percent, compared with an increase of 2.2 percent.

The real change in private inventories added 0.24 percentage point to the fourth-quarter change in real GDP, after adding 0.58 percentage point to the third-quarter change. Private businesses increased inventories \$24.7 billion in the fourth quarter, following increases of \$18.8 billion in the third quarter and \$4.9 billion in the second.

Real final sales of domestic product -- GDP less change in private inventories -- increased 1.2 percent in the fourth quarter, compared with an increase of 3.4 percent in the third.

### **Gross domestic purchases**

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 2.8 percent in the fourth quarter, compared with an increase of 3.9 percent in the third.

### **Current-dollar GDP**

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 3.1 percent, or \$80.1 billion, in the fourth quarter to a level of \$10,586.3 billion. In the third quarter, current-dollar GDP increased 5.1 percent, or \$129.3 billion.

## **Revisions**

The preliminary estimate of the fourth-quarter increase in real GDP is 0.7 percentage point, or \$16.3 billion, higher than the advance estimate issued last month. The upward revision to the percentage change in real GDP primarily reflected upward revisions to private inventory investment, to personal consumption expenditures (PCE) for nondurable goods, and to PCE for services that were partly offset by an upward revision to imports of goods and a downward revision to exports of goods.

	<u>Advance</u>	<u>Preliminary</u>
	(Percent change from preceding quarter)	
Real GDP.....	0.7	1.4
Current-dollar GDP.....	2.5	3.1
Gross domestic purchases price index...	1.8	1.6

## **2002 GDP**

Real GDP increased 2.4 percent in 2002 (that is, from the 2001 annual level to the 2002 annual level), compared with an increase of 0.3 percent in 2001.

The major contributors to the increase in real GDP in 2002 were personal consumption expenditures (PCE), government spending, and private inventory investment. The contributions of these components were partly offset by negative contributions from nonresidential fixed investment and from exports. Imports, which are a subtraction in the calculation of GDP, increased in 2002.

The acceleration in real GDP in 2002 primarily reflected an upturn in private inventory investment, an acceleration in PCE, and smaller decreases in equipment and software and in exports that were partly offset by a larger decrease in nonresidential structures. There was also an upturn in imports in 2002.

The price index for gross domestic purchases increased 1.1 percent in 2002, compared with an increase of 1.9 percent in 2001.

Current-dollar GDP increased 3.6 percent, or \$363.4 billion, in 2002. Current-dollar GDP increased 2.6 percent, or \$257.6 billion, in 2001.

During 2002 (that is, measured from the fourth quarter of 2001 to the fourth quarter of 2002), real GDP increased 2.9 percent. Real GDP increased 0.1 percent during 2001. The price index for gross domestic purchases increased 1.6 percent during 2002, compared with an increase of 1.3 percent during 2001.

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Next release -- March 27, 2003, at 8:30 A.M. EST for:  
Gross Domestic Product: Fourth Quarter 2002 (Final)  
Corporate Profits: Fourth Quarter 2002





Table 3.—Gross Domestic Product and Related Measures: Level and Change From Preceding Period—Continued

	Billions of current dollars						Billions of chained (1996) dollars								
	2002 <sup>r</sup>	Seasonally adjusted at annual rates					2002 <sup>r</sup>	Seasonally adjusted at annual rates					Change from preceding period		
		2001	2002					2001	2002				2002 <sup>r</sup>	2002	
			IV	I	II	III			IV <sup>r</sup>	IV	I	II		III	IV <sup>r</sup>
<b>Government consumption expenditures and gross investment</b> .....	<b>1,973.3</b>	<b>1,896.8</b>	<b>1,939.5</b>	<b>1,959.8</b>	<b>1,981.1</b>	<b>2,012.7</b>	<b>1,713.1</b>	<b>1,674.5</b>	<b>1,697.3</b>	<b>1,703.3</b>	<b>1,715.6</b>	<b>1,736.3</b>	<b>72.7</b>	<b>12.3</b>	<b>20.7</b>
<b>Federal</b> .....	<b>693.7</b>	<b>646.9</b>	<b>672.0</b>	<b>688.2</b>	<b>697.7</b>	<b>717.0</b>	<b>613.3</b>	<b>587.2</b>	<b>597.8</b>	<b>608.7</b>	<b>615.1</b>	<b>631.6</b>	<b>42.7</b>	<b>6.4</b>	<b>16.5</b>
National defense .....	447.5	412.8	431.7	442.1	451.2	464.8	400.1	378.0	388.5	395.8	402.5	413.5	34.1	6.7	11.0
Consumption expenditures .....	386.6	356.0	372.1	382.5	388.9	403.0	337.0	319.1	326.7	333.9	338.0	349.3	28.1	4.1	11.3
Gross investment .....	60.9	56.8	59.7	59.6	62.4	61.9	63.5	59.0	62.2	62.2	65.0	64.3	6.2	2.8	-7
Nondefense .....	246.2	234.1	240.3	246.1	246.5	252.2	213.3	209.1	209.3	212.9	212.7	218.2	8.9	-2	5.5
Consumption expenditures .....	199.9	187.5	194.2	198.6	200.9	205.8	167.8	163.7	164.3	166.5	167.9	172.6	6.7	1.4	4.7
Gross investment .....	46.4	46.6	46.1	47.5	45.5	46.3	45.8	45.9	45.4	47.0	45.1	45.9	2.2	-1.9	8
<b>State and local</b> .....	<b>1,279.5</b>	<b>1,249.8</b>	<b>1,267.5</b>	<b>1,271.6</b>	<b>1,283.3</b>	<b>1,295.7</b>	<b>1,099.9</b>	<b>1,087.1</b>	<b>1,099.3</b>	<b>1,094.7</b>	<b>1,100.6</b>	<b>1,105.1</b>	<b>30.5</b>	<b>5.9</b>	<b>4.5</b>
Consumption expenditures .....	1,034.5	1,008.2	1,017.7	1,030.6	1,039.6	1,050.1	881.1	870.7	875.9	879.4	883.0	886.1	24.3	3.6	3.1
Gross investment .....	245.1	241.7	249.7	241.1	243.8	245.6	218.9	216.5	223.7	215.3	217.6	219.0	6.1	2.3	1.4
<b>Residual</b> .....							<b>-87.5</b>	<b>-53.5</b>	<b>-71.2</b>	<b>-75.8</b>	<b>-102.5</b>	<b>-99.7</b>	<b>-44.6</b>	<b>-26.7</b>	<b>2.8</b>
<b>Addenda:</b>															
Final sales of domestic product .....	10,442.0	10,249.4	10,343.0	10,373.5	10,488.7	10,562.8	9,424.9	9,324.9	9,379.4	9,377.9	9,457.2	9,485.3	166.5	79.3	28.1
Gross domestic purchases .....	10,868.1	10,497.4	10,673.1	10,802.4	10,939.1	11,057.7	9,889.1	9,645.3	9,778.2	9,840.8	9,934.7	10,002.8	288.4	93.9	68.1
Final sales to domestic purchasers .....	10,864.5	10,593.9	10,703.1	10,799.0	10,921.5	11,034.2	9,873.7	9,722.3	9,794.4	9,826.0	9,906.1	9,968.3	228.8	80.1	62.2
<b>Gross domestic product</b> .....	<b>10,445.6</b>	<b>10,152.9</b>	<b>10,313.1</b>	<b>10,376.9</b>	<b>10,506.2</b>	<b>10,586.3</b>	<b>9,440.2</b>	<b>9,248.8</b>	<b>9,363.2</b>	<b>9,392.4</b>	<b>9,485.6</b>	<b>9,519.5</b>	<b>225.7</b>	<b>93.2</b>	<b>33.9</b>
Plus: Income receipts from the rest of the world .....		269.0	264.7	276.0	287.3			247.4	242.8	251.8	261.3			9.5	
Less: Income payments to the rest of the world .....		233.7	262.8	296.1	298.2			213.1	239.2	268.2	269.5			1.3	
<b>Equals: Gross national product</b> .....		<b>10,188.1</b>	<b>10,314.9</b>	<b>10,356.8</b>	<b>10,495.3</b>			<b>9,283.5</b>	<b>9,367.5</b>	<b>9,376.7</b>	<b>9,477.9</b>			<b>101.2</b>	
Net domestic product .....	9,052.3	8,814.3	8,949.6	8,987.0	9,101.0	9,171.5	8,056.1	7,926.7	8,017.7	8,017.0	8,085.5	8,104.3	150.7	68.5	18.8

<sup>r</sup> revised  
 NOTE.—Users are cautioned that particularly for components for which relative prices are changing rapidly, the use of chained-dollar estimates to calculate component shares or component contributions to real growth may be misleading even just a few years from the base year. For accurate estimates of the contributions to percent changes in real GDP, use table 2.  
 See "Explanatory Note" at the end of the tables.

Table 4.—Chain-Type Price Indexes for Gross Domestic Product and Related Measures: Percent Change From Preceding Period [Percent]

	2000	2001	2002 <sup>r</sup>	Seasonally adjusted at annual rates															
				1999				2000				2001				2002			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV <sup>r</sup>
<b>Gross domestic product (GDP)</b> .....	<b>2.1</b>	<b>2.4</b>	<b>1.1</b>	<b>1.8</b>	<b>1.5</b>	<b>1.2</b>	<b>1.7</b>	<b>3.1</b>	<b>2.3</b>	<b>1.6</b>	<b>2.1</b>	<b>3.7</b>	<b>2.5</b>	<b>2.2</b>	<b>-0.5</b>	<b>1.3</b>	<b>1.2</b>	<b>1.0</b>	<b>1.6</b>
<b>Personal consumption expenditures</b> .....	<b>2.5</b>	<b>2.0</b>	<b>1.4</b>	<b>1.2</b>	<b>2.3</b>	<b>2.2</b>	<b>2.4</b>	<b>3.4</b>	<b>2.3</b>	<b>2.1</b>	<b>2.2</b>	<b>3.3</b>	<b>1.8</b>	<b>-1</b>	<b>.8</b>	<b>1.1</b>	<b>2.7</b>	<b>1.7</b>	<b>1.6</b>
Durable goods .....	-1.7	-1.9	-2.8	-3.3	-1.9	-1.7	-2.0	-8	-2.2	-1.2	-1.2	-3.4	-2.7	-1.5	-4.2	-2.9	-1.9	-2.2	
Nondurable goods .....	3.8	1.5	4	1.8	4.6	3.4	3.7	5.3	3.0	2.8	1.8	2.9	-1.4	-3.5	2	4.6	.6	1.2	
Services .....	2.8	3.1	2.7	1.9	2.0	2.3	2.7	3.6	2.5	2.6	3.2	5.1	2.3	1.1	3.5	2.7	3.0	3.0	2.6
<b>Gross private domestic investment</b> .....	<b>1.0</b>	<b>1.2</b>	<b>-5</b>	<b>.2</b>	<b>-1</b>	<b>-5</b>	<b>.5</b>	<b>2.1</b>	<b>1.2</b>	<b>1.7</b>	<b>1.2</b>	<b>2.0</b>	<b>1.1</b>	<b>-4</b>	<b>-2</b>	<b>-1.5</b>	<b>-4</b>	<b>-1.1</b>	<b>1.5</b>
Fixed investment .....	1.1	1.2	-4	.3	0	-4	.5	2.3	1.3	1.8	1.3	1.7	1.2	-2	-1	-1.5	-2	-9	1.6
Nonresidential .....	.1	.2	-1.4	-1.0	-1.5	-1.6	-.5	.7	4	1.3	.5	4	.1	-1.1	-1.6	-2.0	-1.4	-1.3	.3
Structures .....	4.0	5.0	-7	1.3	1.8	2.2	3.2	5.3	4.0	4.6	5.3	10.5	4.2	-3	-1.6	-3.6	.7	4	2.3
Equipment and software .....	-1.2	-1.5	-1.6	-1.7	-2.5	-2.8	-1.6	-.7	-.8	2	-1.1	-2.9	-1.4	-1.5	-1.6	-1.5	-2.1	-1.9	-3
Residential .....	4.4	4.1	2.1	4.1	4.5	3.3	3.2	7.0	3.9	3.1	3.7	5.6	4.5	2.5	3.7	0	2.6	0	4.7
Change in private inventories .....																			
<b>Net exports of goods and services</b> .....																			
Exports .....	1.4	-.8	-2	-1.3	4	.7	1.7	2.0	2.0	.8	.1	-.8	-1.7	-1.9	-3.8	-.8	3.0	3.5	.8
Goods .....	1.2	-.7	-5	-1.4	-3	.7	2.2	1.3	1.6	.4	.4	-2	-1.5	-2.4	-3.7	-1.1	2.3	3.4	.9
Services .....	2.1	-1.0	.3	-1.0	2.1	.8	.5	3.9	3.0	2.0	-.4	-2.3	-2.1	-.6	-4.2	0	4.6	3.7	.5
Imports .....	4.5	-2.9	.3	-3.8	4.9	5.8	5.5	6.6	1.1	4.6	.9	-2.5	-5.9	-17.0	4.7	-1.6	11.1	4.4	.8
Goods .....	4.8	-2.9	-1.7	-2.5	5.2	6.3	6.3	6.8	1.2	4.5	.8	-3.7	-6.4	-6.6	-11.1	-2.1	10.9	2.7	.9
Services .....	3.3	-2.9	11.8	-10.0	3.7	3.7	1.7	5.9	.7	4.8	1.1	3.8	-3.2	-57.7	167.5	1.1	12.2	13.6	.5
<b>Government consumption expenditures and gross investment</b> .....	<b>3.9</b>	<b>2.4</b>	<b>1.7</b>	<b>3.3</b>	<b>3.6</b>	<b>3.2</b>	<b>3.1</b>	<b>6.4</b>	<b>3.0</b>	<b>2.9</b>	<b>2.7</b>	<b>4.2</b>	<b>1.8</b>	<b>-3</b>	<b>-3</b>	<b>3.6</b>	<b>2.8</b>	<b>1.4</b>	<b>1.5</b>
Federal .....	3.0	1.7	2.7	4.7	1.8	2.1	1.6	8.1	.7	1.6	.1	4.6	1.5	.5	-.4	8.4	2.3	1.3	.3
National defense .....	3.0	1.6	2.4	4.7	1.5	2.0	1.9	7.5	.7	2.0	.6	4.0	1.1	.6	-1.1	7.3	2.0	1.5	1.1
Nondefense .....	3.1	1.9	3.4	4.7	2.5	2.3	.9	9.3	.6	.9	-.7	5.6	2.2	.4	.7	10.4	2.9	1.0	-1.2
State and local .....	4.3	2.7	1.1	2.5	4.5	3.7	3.9	5.5	4.2	3.6	4.0	4.1	1.9	-.8	-.3	1.1	3.1	1.5	2.2
<b>Addenda:</b>																			
Final sales of domestic product .....	2.1	2.4	1.1	1.8	1.6	1.3	1.7	3.1	2.4	1.7	2.1	3.6	2.5	2.2	-.5	1.3	1.2	1.1	1.6
Gross domestic purchases .....	2.5	1.9	1.1	1.4	2.1	1.9	2.2	3.7	2.2	2.2	2.1	3.3	1.7	-.2	.4	1.2	2.3	1.2	1.6
Final sales to domestic purchasers .....	2.5	1.9	1.2	1.4	2.1	1.9	2.2	3.7	2.2	2.2	2.1	3.2	1.7	-.1	.5	1.1	2.3	1.3	1.6
Gross national product (GNP) .....	2.1	2.4		1.8	1.5	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-.5	1.3	1.2	1.0	
<b>Implicit price deflators:</b>																			
GDP .....	2.1	2.4	1.1	1.8	1.5	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-.5	1.3	1.2	1.0	1.6
Gross domestic purchases .....	2.5	1.9	1.2	1.4	2.1	1.9	2.2	3.7	2.2	2.2	2.2	3.2	1.7	-.1	.4	1.2	2.3	1.2	1.6
GNP .....	2.1	2.4		1.8	1.5	1.2	1.7	3.1	2.3	1.7	2.1	3.7	2.5	2.2	-.5	1.4	1.2	1.0	

<sup>r</sup> revised  
 See "Explanatory Note" at the end of the tables.

Table 5.—Quantity and Price Indexes for Gross Domestic Product

[Index numbers, 1996=100]

	2000	2001	2002 <sup>r</sup>	Seasonally adjusted					
				2001	2002				
					IV	I	II	III	IV <sup>r</sup>
<b>Gross domestic product:</b>									
Chain-type quantity index .....	117.64	117.94	120.82	118.37	119.84	120.21	121.41	121.84	
Chain-type price index .....	106.89	109.42	110.65	109.78	110.14	110.48	110.76	111.21	
Implicit price deflator .....	106.89	109.42	110.65	109.78	110.14	110.48	110.76	111.21	
<b>Personal consumption expenditures:</b>									
Chain-type quantity index .....	118.83	121.76	125.54	123.42	124.37	124.92	126.20	126.67	
Chain-type price index .....	107.39	109.56	111.05	109.84	110.14	110.89	111.36	111.81	
<b>Durable goods:</b>									
Chain-type quantity index .....	142.58	151.16	162.16	160.91	158.30	159.08	167.47	163.78	
Chain-type price index .....	91.46	89.70	87.19	88.95	88.00	87.36	86.94	86.46	
<b>Nondurable goods:</b>									
Chain-type quantity index .....	116.50	118.79	122.58	119.76	122.07	122.03	122.35	123.86	
Chain-type price index .....	107.59	109.17	109.61	108.45	108.52	109.75	109.92	110.25	
<b>Services:</b>									
Chain-type quantity index .....	115.67	117.98	120.61	118.69	119.54	120.32	121.01	121.57	
Chain-type price index .....	110.85	114.32	117.42	115.39	116.15	117.00	117.88	118.65	
<b>Private fixed investment:</b>									
Chain-type quantity index .....	139.52	134.20	130.08	130.16	129.99	129.68	129.60	131.04	
Chain-type price index .....	100.00	101.16	100.75	101.19	100.82	100.76	100.52	100.91	
<b>Nonresidential:</b>									
Chain-type quantity index .....	147.23	139.55	131.59	134.13	132.13	131.32	131.05	131.87	
Chain-type price index .....	95.59	95.73	94.43	95.31	94.82	94.48	94.17	94.23	
<b>Residential:</b>									
Chain-type quantity index .....	118.88	119.22	123.92	118.44	122.44	123.25	123.59	126.39	
Chain-type price index .....	114.40	119.09	121.54	120.60	120.61	121.40	121.38	122.78	
<b>Exports of goods and services:</b>									
Chain-type quantity index .....	130.09	123.10	121.24	116.89	117.89	121.89	123.28	121.89	
Chain-type price index .....	96.83	96.10	95.87	95.06	94.88	95.58	96.41	96.60	
<b>Imports of goods and services:</b>									
Chain-type quantity index .....	159.48	154.91	160.64	150.26	153.37	161.24	162.56	165.41	
Chain-type price index .....	95.49	92.70	92.98	90.97	90.61	93.03	94.05	94.24	
<b>Government consumption expenditures and gross investment:</b>									
Chain-type quantity index .....	111.29	115.36	120.48	117.76	119.37	119.79	120.65	122.11	
Chain-type price index .....	110.65	113.27	115.18	113.27	114.27	115.06	115.47	115.92	
<b>Federal:</b>									
Chain-type quantity index .....	102.42	107.33	115.38	110.46	112.46	114.50	115.71	118.82	
Chain-type price index .....	108.23	110.09	113.11	110.18	112.42	113.07	113.44	113.51	
<b>State and local:</b>									
Chain-type quantity index .....	116.52	120.11	123.54	122.09	123.47	122.95	123.62	124.12	
Chain-type price index .....	111.98	115.01	116.33	114.97	115.29	116.17	116.60	117.25	
<b>Addenda:</b>									
<b>Final sales of domestic product:</b>									
Chain-type quantity index .....	117.19	118.95	121.09	119.81	120.51	120.49	121.51	121.87	
Chain-type price index .....	107.02	109.55	110.79	109.91	110.28	110.62	110.91	111.36	
Implicit price deflator .....	107.02	109.55	110.79	109.91	110.27	110.62	110.91	111.36	
<b>Gross domestic purchases:</b>									
Chain-type quantity index .....	121.00	121.50	125.15	122.06	123.74	124.53	125.72	126.58	
Chain-type price index .....	106.58	108.65	109.89	108.84	109.15	109.77	110.11	110.55	
Implicit price deflator .....	106.58	108.65	109.90	108.83	109.15	109.77	110.11	110.55	
<b>Final sales to domestic purchasers:</b>									
Chain-type quantity index .....	120.56	122.52	125.43	123.50	124.42	124.82	125.84	126.63	
Chain-type price index .....	106.70	108.78	110.03	108.97	109.28	109.90	110.25	110.69	
Implicit price deflator .....	106.70	108.78	110.03	108.97	109.28	109.90	110.25	110.69	
<b>Gross national product:</b>									
Chain-type quantity index .....	117.69	117.96	.....	118.54	119.62	119.73	121.03	.....	
Chain-type price index .....	106.86	109.39	.....	109.75	110.11	110.45	110.73	.....	
Implicit price deflator .....	106.86	109.38	.....	109.74	110.11	110.45	110.73	.....	

<sup>r</sup> revised  
See "Explanatory Note" at the end of the tables.



**Table 6.—Real Gross Domestic Product: Historical Perspective**

[Percent change from preceding year]

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 <sup>r</sup>
<b>Gross domestic product (GDP)</b> .....	3.4	4.2	3.5	1.8	-0.5	3.0	2.7	4.0	2.7	3.6	4.4	4.3	4.1	3.8	0.3	2.4
<b>Personal consumption expenditures</b> .....	3.3	4.0	2.7	1.8	-2	2.9	3.4	3.8	3.0	3.2	3.6	4.8	4.9	4.4	2.5	3.1
Durable goods .....	1.7	5.8	2.1	-9	-6.6	5.3	8.2	7.6	4.6	5.6	6.6	10.5	11.8	8.2	6.0	7.3
Nondurable goods .....	2.4	3.2	2.7	1.4	-4	1.9	2.9	3.8	3.0	2.9	2.9	4.1	4.7	3.9	2.0	3.2
Services .....	4.3	4.1	2.8	2.8	1.4	2.9	2.7	3.0	2.7	2.8	3.3	4.0	3.7	3.8	2.0	2.2
<b>Gross private domestic investment</b> .....	2.5	2.7	3.7	-3.1	-8.6	8.5	8.7	13.2	3.0	9.0	12.1	11.8	6.6	6.2	-10.7	1.0
Fixed investment .....	0	3.6	2.7	-1.8	-6.9	6.5	8.1	9.1	6.0	9.3	9.6	11.4	7.8	6.1	-3.8	-3.1
Nonresidential .....	-1	5.4	5.5	.7	-4.9	3.4	8.4	8.9	9.8	10.0	12.2	12.5	8.1	7.8	-5.2	-5.7
Structures .....	-3.6	1.3	2.5	1.5	-11.0	-6.1	.8	.8	4.8	7.1	9.1	6.8	-1.3	6.5	-1.7	-16.4
Equipment and software .....	1.7	7.5	7.0	.4	-2.0	7.4	11.3	11.9	11.5	11.0	13.3	14.6	11.5	8.2	-6.4	-1.7
Residential .....	.2	-5	-4.1	-8.6	-12.8	16.3	7.3	9.7	-3.6	7.4	2.0	8.0	6.7	1.1	.3	3.9
Change in private inventories .....																
<b>Net exports of goods and services</b> .....																
Exports .....	11.2	16.1	11.8	8.7	6.5	6.2	3.3	8.9	10.3	8.2	12.3	2.1	3.4	9.7	-5.4	-1.5
Goods .....	11.1	18.8	12.6	8.2	7.1	6.8	3.0	9.7	11.9	8.7	14.5	2.1	3.8	11.3	-5.9	-3.6
Services .....	11.6	9.3	9.6	10.0	5.1	4.6	4.1	7.2	6.4	6.8	7.0	2.3	2.5	6.0	-4.0	3.5
Imports .....	6.1	3.8	3.9	3.8	-5	6.6	9.1	12.0	8.2	8.6	13.7	11.8	10.9	13.2	-2.9	3.7
Goods .....	4.6	4.1	4.2	3.0	-1	9.3	10.1	13.3	9.0	9.4	14.2	11.7	12.2	13.5	-3.3	3.9
Services .....	12.6	2.7	2.8	7.6	-2.3	-4.0	4.7	5.8	4.1	4.8	10.9	11.9	4.2	11.6	-5	2.1
<b>Government consumption expenditures and gross investment</b> .....	3.0	1.2	2.8	3.3	1.2	.5	-8	.1	.5	1.1	2.4	1.9	3.9	2.7	3.7	4.4
Federal .....	3.7	-1.8	1.3	2.0	-3	-1.6	-3.9	-3.6	-2.7	-9	-4	-8	2.3	1.3	4.8	7.5
National defense .....	4.7	-8	-8	0	-1.1	-4.9	-5.4	-4.8	-3.7	-1.3	-2.6	-1.8	2.1	-1	5.0	9.3
Nondefense .....	.5	-5.2	8.4	8.3	1.8	7.1	-3	-1.0	-5	0	4.2	1.1	2.7	3.6	4.5	4.3
State and local .....	2.3	3.7	3.9	4.2	2.3	2.0	1.4	2.6	2.5	2.3	4.0	3.4	4.7	3.5	3.1	2.9
<b>Addenda:</b>																
Final sales of domestic product .....	3.0	4.3	3.3	2.0	-2	2.8	2.6	3.4	3.1	3.6	4.0	4.2	4.3	3.7	1.5	1.8
Gross domestic purchases .....	3.1	3.2	2.9	1.4	-1.1	3.1	3.3	4.4	2.5	3.7	4.7	5.4	5.0	4.4	.4	3.0
Final sales to domestic purchasers .....	2.7	3.4	2.7	1.6	-9	2.8	3.2	3.8	3.0	3.7	4.3	5.3	5.2	4.3	1.6	2.4
Gross national product .....	3.3	4.2	3.5	1.9	-5	3.0	2.6	3.9	2.7	3.5	4.3	4.2	4.4	3.7	.2	
Real disposable personal income .....	2.1	4.4	2.6	2.2	.4	3.1	1.4	2.6	2.6	2.5	3.1	5.4	2.6	4.8	1.8	4.5
Gross domestic purchases price index .....	3.3	3.4	3.8	4.1	3.4	2.5	2.3	2.0	2.2	1.8	1.6	.8	1.5	2.5	1.9	1.1
GDP price index .....	3.0	3.4	3.8	3.9	3.6	2.4	2.4	2.1	2.2	1.9	1.9	1.2	1.4	2.1	2.4	1.1
Personal consumption expenditures price index .....	3.8	3.9	4.4	4.6	3.8	3.1	2.4	2.0	2.3	2.1	1.9	1.1	1.6	2.5	2.0	1.4

<sup>r</sup> revised

**Table 7.—Real Gross Domestic Product: Percent Change From Quarter One Year Ago**

	1999				2000				2001				2002			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV <sup>r</sup>
<b>Gross domestic product (GDP)</b> .....	4.0	3.9	4.2	4.3	4.2	4.9	3.7	2.3	1.5	-0.1	-0.4	0.1	1.4	2.2	3.3	2.9
<b>Personal consumption expenditures</b> .....	4.9	4.8	5.0	5.0	5.1	4.5	4.3	3.5	2.8	2.4	1.8	2.8	3.0	3.1	3.8	2.6
Durable goods .....	12.3	11.7	13.3	10.0	13.1	8.4	7.8	3.8	2.4	4.7	3.8	13.2	8.4	7.5	11.9	1.8
Nondurable goods .....	4.8	4.5	4.4	4.9	4.2	4.3	4.1	3.0	3.0	1.7	1.5	1.7	3.1	3.1	3.1	3.4
Services .....	3.6	3.6	3.7	4.0	4.0	3.8	3.6	3.8	2.8	2.3	1.6	1.3	1.8	2.1	2.5	2.4
<b>Gross private domestic investment</b> .....	6.3	6.8	6.6	6.6	5.3	11.0	6.4	2.2	-3.8	-11.9	-11.7	-15.1	-6.5	0	2.3	8.8
Fixed investment .....	9.0	7.9	8.4	5.9	7.3	7.1	5.7	4.3	.5	-4.0	-5.1	-6.7	-6.3	-3.7	-2.7	.7
Nonresidential .....	8.9	7.8	9.4	6.6	8.3	8.9	7.8	6.2	1.1	-5.1	-7.4	-9.3	-9.4	-6.3	-5.1	-1.7
Structures .....	2.6	-2.2	-3.1	-2.5	1.8	5.2	10.0	9.3	5.0	.8	-1.4	-10.6	-13.3	-15.6	-21.1	-15.9
Equipment and software .....	11.1	11.3	13.8	9.7	10.5	10.1	7.2	5.2	-2	-7.1	-9.5	-8.8	-8.0	-2.9	1.1	3.4
Residential .....	9.3	8.2	5.6	4.0	4.1	2.1	-6	-1.2	-1.2	-6	2.0	1.0	2.4	3.2	3.4	6.7
Change in private inventories .....																
<b>Net exports of goods and services</b> .....																
Exports .....	.4	2.5	5.7	4.9	8.8	11.4	11.6	7.3	3.7	-3.1	-10.1	-11.4	-9.3	-3.0	2.8	4.3
Goods .....	-2	3.2	6.4	5.6	9.9	12.8	14.3	8.3	4.9	-3.3	-12.1	-12.3	-11.7	-4.3	1.8	.9
Services .....	1.9	.8	4.2	3.2	6.1	8.1	5.3	4.8	.7	-2.6	-4.7	-9.2	-3.1	0	5.3	12.5
Imports .....	9.0	10.0	12.6	11.9	13.5	14.3	14.1	11.1	5.2	-1.0	-7.1	-8.0	-4.1	2.6	6.7	10.1
Goods .....	10.1	11.3	14.3	13.0	13.9	14.7	14.3	11.1	5.1	-2.1	-7.5	-7.9	-4.8	3.8	7.3	9.8
Services .....	3.4	3.5	4.1	5.9	10.9	11.6	13.0	10.9	5.9	5.7	-4.5	-8.6	-1.4	-3.9	3.4	11.4
<b>Government consumption expenditures and gross investment</b> .....	4.1	3.0	3.8	4.5	3.5	3.9	2.3	1.3	3.0	3.3	3.2	5.1	5.0	4.0	5.0	3.7
Federal .....	2.4	.1	2.9	4.0	1.2	4.4	.7	-1.2	4.7	2.4	4.6	7.5	6.9	7.3	8.1	7.6
National defense .....	2.8	-3	1.7	4.4	0	3.7	-1.3	-2.5	5.2	2.2	5.1	7.4	8.2	9.5	10.1	9.4
Nondefense .....	1.6	.8	5.2	3.4	3.4	5.7	4.2	1.1	3.9	2.6	3.9	7.6	4.7	3.5	4.7	4.4
State and local .....	5.0	4.5	4.3	4.8	4.6	3.6	3.2	2.6	2.2	3.7	2.5	3.9	4.1	2.3	3.4	1.7
<b>Addenda:</b>																
Final sales of domestic product .....	4.4	4.1	4.5	4.2	4.5	4.2	3.6	2.6	2.2	1.4	.9	1.6	1.5	1.6	2.5	1.7
Gross domestic purchases .....	5.0	4.8	5.1	5.2	4.9	5.5	4.3	2.9	1.7	.1	-3	.1	1.8	2.8	3.7	3.7
Final sales to domestic purchasers .....	5.5	5.0	5.4	5.1	5.2	4.8	4.2	3.3	2.5	1.5	.9	1.6	1.8	2.2	3.0	2.5
Gross national product .....	4.2	4.2	4.6	4.7	4.2	4.9	3.7	2.2	1.3	-1	-4	.1	1.4	1.7	3.0	
Real disposable personal income .....	3.7	2.4	1.9	2.4	3.8	4.9	5.6	4.8	2.7	1.3	2.8	.3	3.8	5.0	3.2	5.9
Gross domestic purchases price index .....	1.1	1.4	1.6	1.9	2.5	2.5	2.6	2.5	2.4	2.3	1.7	1.3	.8	.9	1.3	1.6
GDP price index .....	1.3	1.5	1.4	1.6	1.9	2.1	2.2	2.3	2.4	2.5	2.6	2.0	1.4	1.1	.8	1.3
Personal consumption expenditures price index .....	1.2	1.6	1.8	2.0	2.6	2.6	2.5	2.5	2.5	2.4	1.8	1.5	.9	1.1	1.6	1.8

<sup>r</sup> revised

**Table 8.—Relation of Gross Domestic Product, Gross National Product, and National Income**

[Billions of dollars]

	2000	2001	2002 <sup>r</sup>	Seasonally adjusted at annual rates				
				2001	2002			
					IV	I	II	III
<b>Gross domestic product</b> .....	<b>9,824.6</b>	<b>10,082.2</b>	<b>10,445.6</b>	<b>10,152.9</b>	<b>10,313.1</b>	<b>10,376.9</b>	<b>10,506.2</b>	<b>10,586.3</b>
Plus: Income receipts from the rest of the world .....	383.4	316.9	.....	269.0	264.7	276.0	287.3	.....
Less: Income payments to the rest of the world .....	360.0	295.0	.....	233.7	262.8	296.1	298.2	.....
<b>Equals: Gross national product</b> .....	<b>9,848.0</b>	<b>10,104.1</b>	.....	<b>10,188.1</b>	<b>10,314.9</b>	<b>10,356.8</b>	<b>10,495.3</b>	.....
Less: Consumption of fixed capital .....	1,228.9	1,329.3	1,393.3	1,338.6	1,363.5	1,389.8	1,405.3	1,414.9
Less: Indirect business tax and nontax liability .....	753.6	774.8	800.4	779.9	786.2	795.1	806.9	813.5
Less: Business transfer payments .....	43.7	42.5	44.2	42.8	43.8	43.9	44.4	44.5
Less: Statistical discrepancy .....	-128.5	-117.3	.....	-132.6	-110.0	-165.0	-120.3	.....
Plus: Subsidies less current surplus of government enterprises .....	34.1	47.3	32.5	37.5	37.0	35.1	29.1	28.9
<b>Equals: National income</b> .....	<b>7,984.4</b>	<b>8,122.0</b>	.....	<b>8,196.8</b>	<b>8,268.5</b>	<b>8,328.0</b>	<b>8,388.1</b>	.....
Compensation of employees .....	5,723.4	5,874.9	5,998.4	5,860.9	5,908.4	5,963.9	6,026.6	6,094.5
Wage and salary accruals .....	4,836.3	4,950.6	5,023.6	4,931.4	4,957.8	4,997.3	5,043.6	5,095.7
Supplements to wages and salaries .....	887.1	924.3	974.7	929.4	950.7	966.6	982.9	998.8
Proprietors' income with inventory valuation and capital consumption adjustments .....	714.8	727.9	756.5	731.3	748.4	747.5	758.7	771.6
Rental income of persons with capital consumption adjustment .....	146.6	137.9	142.8	139.3	141.3	153.5	144.1	132.4
Corporate profits with inventory valuation and capital consumption adjustments .....	788.1	731.6	.....	811.4	797.6	785.0	771.0	.....
Net interest .....	611.5	649.8	682.7	653.9	672.8	678.1	687.6	692.4
<b>Addendum:</b>								
Gross domestic income .....	9,953.1	10,199.4	.....	10,285.5	10,423.1	10,541.8	10,626.5	.....

<sup>r</sup> revised.

**Table 9.—Personal Income and Its Disposition**

[Billions of dollars]

	2000	2001	2002 <sup>r</sup>	Seasonally adjusted at annual rates				
				2001	2002			
					IV	I	II	III
<b>Personal income</b> <sup>1</sup> .....	<b>8,406.6</b>	<b>8,685.3</b>	<b>8,947.2</b>	<b>8,700.9</b>	<b>8,803.4</b>	<b>8,914.0</b>	<b>8,993.3</b>	<b>9,077.8</b>
Wage and salary disbursements .....	4,836.3	4,950.6	5,023.6	4,931.4	4,957.8	4,997.3	5,043.6	5,095.7
Other labor income .....	544.2	570.4	610.6	576.3	590.8	604.1	617.5	630.2
Proprietors' income with inventory valuation and capital consumption adjustments .....	714.8	727.9	756.5	731.3	748.4	747.5	758.7	771.6
Farm .....	22.6	19.0	12.9	19.2	21.7	7.5	10.7	11.7
Nonfarm .....	692.2	708.8	743.6	712.1	726.7	740.0	748.0	759.9
Rental income of persons with capital consumption adjustment .....	146.6	137.9	142.8	139.3	141.3	153.5	144.1	132.4
Personal dividend income .....	375.7	409.2	433.8	417.3	423.7	430.3	437.3	443.8
Personal interest income .....	1,077.0	1,091.3	1,077.2	1,072.9	1,069.9	1,082.3	1,080.7	1,076.1
Transfer payments to persons .....	1,070.3	1,170.4	1,288.0	1,205.0	1,252.0	1,282.6	1,298.4	1,318.9
Less: Personal contributions for social insurance .....	358.4	372.3	385.5	372.7	380.5	383.6	387.0	390.9
Less: Personal tax and nontax payments .....	1,286.4	1,292.1	1,118.1	1,309.7	1,136.8	1,121.8	1,107.3	1,106.4
<b>Equals: Disposable personal income</b> .....	<b>7,120.2</b>	<b>7,393.2</b>	<b>7,829.1</b>	<b>7,391.2</b>	<b>7,666.7</b>	<b>7,792.2</b>	<b>7,886.0</b>	<b>7,971.5</b>
Less: Personal outlays .....	6,918.6	7,223.5	7,522.8	7,329.6	7,396.3	7,477.9	7,583.0	7,633.9
<b>Equals: Personal saving</b> .....	<b>201.5</b>	<b>169.7</b>	<b>306.3</b>	<b>61.5</b>	<b>270.4</b>	<b>314.3</b>	<b>303.0</b>	<b>337.6</b>
<b>Addenda:</b>								
Disposable personal income, billions of chained (1996) dollars <sup>2</sup> .....	6,630.3	6,748.0	7,049.8	6,729.1	6,961.0	7,027.2	7,081.6	7,129.3
Personal saving as a percentage of disposable personal income .....	2.8	2.3	3.9	.8	3.5	4.0	3.8	4.2

<sup>r</sup> revised.

1. Personal income is also equal to national income less corporate profits with inventory valuation and capital consumption adjustments, net interest, contributions for social insurance, and wage accruals less disbursements, plus personal interest income, personal dividend income, government transfer payments to persons, and business transfer payments to persons.

2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

**Appendix Table A.—Real Gross Domestic Product and Related Aggregates and Price Indexes: Percent Change From Preceding Period**  
[Percent]

	2000	2001	2002 <sup>r</sup>	Seasonally adjusted at annual rates															
				1999				2000				2001				2002			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV <sup>r</sup>
<b>GDP and related aggregates:</b>																			
GDP .....	3.8	0.3	2.4	3.0	2.0	5.2	7.1	2.6	4.8	0.6	1.1	-0.6	-1.6	-0.3	2.7	5.0	1.3	4.0	1.4
Goods .....	4.7	-2.3	3.3	1.4	1.5	8.2	12.0	1.4	6.9	-5	-2.7	-4.4	-5.7	-1.5	4.3	8.3	4	9.0	-1.6
Services .....	3.3	2.1	2.8	3.7	2.9	4.3	3.9	2.0	5.0	1.6	3.7	.9	1.2	1.8	3.2	2.8	3.5	2.5	3.1
Structures .....	2.7	-1	-2.7	5.7	-1.5	-1.9	6.2	10.7	-3.6	-1.2	1.7	6.1	-1.3	-7.1	-5.6	6.1	-8.4	-5.5	3.2
Motor vehicle output .....	-2.7	-6.1	12.9	-11.1	-2.0	21.0	2.0	-1.6	-7.9	-16.4	-18.1	-19.1	19.4	10.7	16.3	9.9	8.1	37.1	-12.9
GDP less motor vehicle output .....	4.0	.5	2.1	3.6	2.1	4.6	7.3	2.7	5.4	1.2	1.8	0	-2.2	-6	2.3	4.9	1.0	3.0	2.0
Final sales of computers <sup>1</sup> .....	29.5	9.1	12.9	36.4	61.8	35.1	-3.9	56.9	45.2	9.6	10.2	30.0	-19.1	-5.3	28.9	-7.8	13.1	78.5	25.3
GDP less final sales of computers .....	3.5	.2	2.4	2.8	1.5	4.9	7.2	2.2	4.5	.5	1.0	-8	-1.4	-2	2.6	5.1	1.2	3.6	1.3
Farm product <sup>2</sup> .....	11.5	-5.1	.4	7.3	25.7	-7.3	8.7	35.1	4.7	15.3	-19.1	-10.6	-17.5	-4.3	74.0	-14.2	-26.7	7.9	9.5
Nonfarm business less housing product <sup>3</sup> .....	4.1	-1	2.8	3.2	1.8	6.0	8.5	2.1	5.6	.3	1.2	-9	-2.8	-8	3.0	6.3	.9	5.4	1.9
<b>Price indexes:</b>																			
GDP .....	2.1	2.4	1.1	1.8	1.5	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-5	1.3	1.2	1.0	1.6
GDP less food and energy .....	2.0	2.0	1.4	1.7	1.6	1.3	1.8	2.7	2.1	1.6	1.9	2.8	1.6	2.8	0	1.6	1.5	1.1	1.4
GDP less final sales of computers .....	2.3	2.6	1.3	2.2	1.8	1.5	1.9	3.3	2.5	1.8	2.2	4.1	2.7	2.4	-4	1.5	1.4	1.2	1.8
Gross domestic purchases .....	2.5	1.9	1.1	1.4	2.1	1.9	2.2	3.7	2.2	2.2	2.1	3.3	1.7	-2	.4	1.2	2.3	1.2	1.6
Gross domestic purchases less food and energy .....	1.9	1.8	1.4	1.5	1.4	1.2	1.7	2.7	1.9	1.5	1.7	2.9	1.3	.6	2.0	1.4	1.5	1.2	1.3
Gross domestic purchases less final sales of computers .....	2.8	2.2	1.3	1.8	2.4	2.2	2.4	3.9	2.4	2.4	2.3	3.8	2.0	.1	.7	1.4	2.4	1.4	1.8
Personal consumption expenditures .....	2.5	2.0	1.4	1.2	2.3	2.2	2.4	3.4	2.3	2.1	2.2	3.3	1.8	-1	.8	1.1	2.7	1.7	1.6
Personal consumption expenditures less food and energy .....	1.8	1.8	1.7	1.3	1.4	1.5	1.7	2.2	1.8	1.3	1.8	2.8	1.2	.7	2.7	1.4	1.9	1.8	1.3

<sup>r</sup> 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 product of farm, of housing, of households and institutions, and of general government.

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

## Explanatory Note: Measures of Output and Prices

This note describes the calculation of chain-type quantity and price indexes used in the NIPA's.

Changes in current-dollar GDP measure changes in the market value of goods, services, and structures produced in the economy in a particular period. These changes 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 1996--equal to 100.

The 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 2000-01 annual percent change in real GDP uses prices for 2000 and 2001 as weights, and the 2000-01 annual percent change in GDP prices uses quantities for 2000 and 2001 as weights. These annual changes are "chained" (multiplied) together to form time series of quantity and price indexes. The Fisher formula produces percent changes in quantities and prices that are not affected by the choice of reference years. In addition, because the changes in quantities and prices calculated in this way are symmetric, in general, the product of a quantity index and the corresponding price index equals the current-dollar index. (BEA also publishes a measure of the price level known as the "implicit price deflator (IPD)," which is calculated as the ratio of 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 for all periods.)

Chain-type quantity and price indexes for GDP and its major components are presented in this release as index numbers in table 5 and in the form of percentage changes from the preceding period in tables 1, 4, 6 and from the quarter one year ago in table 7. Contributions by major components to changes in real GDP are presented in table 2. BEA also prepares measures of real GDP and its components in a dollar-denominated form, designated "chained (1996) dollar estimates." For GDP and most other series, these estimates, which are presented in table 3, are computed by multiplying the 1996 current-dollar value by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 1996 and if real output for this component increased 10 percent in 1997, then the chained (1996) dollar value of this component in 1997 would be \$110 ( $\$100 \times 1.10$ ).

For analyses of changes over time in an aggregate or in a component, the percentage changes calculated from the chained-dollar estimates and from the chain-type quantity indexes are the same; any differences will be small and due to rounding. However, because the relative prices used as weights for any period other than the reference year differ from those used for the reference year, the chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP or to any intermediate aggregate. A measure of the extent of such differences is provided by a "residual" line, which indicates the difference between GDP (or another 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 for the chain-type index, the residuals tend to be small, and the chained (1996) dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. As one moves further from the reference year, the residual tends to become larger, and the chained-dollar estimates become 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.

References: "A Preview of the 1999 Comprehensive Revision of the NIPA's: Statistical Changes," October 1999 Survey, pp. 6-17; "A Guide to the NIPA's," March 1998 Survey, pp. 36-40; "BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth," May 1997 Survey, pp. 58-68.