

# Bureau of Economic Analysis

## Survey of Current Business

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March 1998

### Special in this issue

#### 17. Gross Product by Industry Price Measures, 1977–96

Price measures of gross product originating (GPO) by industry can be used to compare price changes across industries and to compute industry contributions to the change in GDP prices. For example, the largest contributors to the 2.3-percent increase (annual rate) in the GDP price index in 1992–96 were the services industry group and the finance, insurance, and real estate industry group (0.7 percentage point each). Unit-cost measures by industry can be used to identify the sources of GPO price change among the cost components of GPO. For example, the labor cost per unit of real GPO declined in 1992–96 for the mining and the durable goods manufacturing industries and was unchanged for the wholesale trade industry.

#### 26. A Guide to the NIPA's

BEA presents a compilation of information that will help users to better understand the NIPA's. This guide provides the definitions of the major aggregates and components; discusses the measures of real output and prices; explains how production is classified and how the NIPA's are presented; describes the statistical conventions that are used; and lists the principal source data and methods used to prepare the estimates of GDP.

### Regular features

#### 1. Business Situation

The “preliminary” estimate of real GDP indicates a 3.9-percent increase in the fourth quarter of 1997, 0.4 percentage point lower than the “advance” estimate; a large downward revision to net exports and smaller downward revisions to government spending and consumer spending were only partly offset by a large upward revision to business inventory investment. Despite these revisions, real GDP growth still shows an acceleration from a 3.1-percent increase in the third quarter. The price index for gross domestic purchases increased 1.4 percent, about the same pace as in the third quarter.

#### 8. Federal Budget Estimates, Fiscal Year 1999

Each year, BEA prepares a “translation” of the administration's budget that puts the budget's receipts and outlays on a basis that is consistent with the framework of the NIPA's. In the NIPA framework, the Federal current deficit would be \$9.9 billion in fiscal year 1999; the administration's budget shows a \$9.5 billion surplus. The difference primarily results from the difference in the treatment of government investment in fixed assets; the consumption of fixed capital that is included in the NIPA's is greater than the investment that is excluded.

### Reports and statistical presentations

#### D-1. BEA Current and Historical Data

# BUSINESS SITUATION

This article was prepared by Larry R. Moran, Daniel Larkins, Ralph W. Morris, and Deborah Y. Steff.

**R**EAL GROSS domestic product (GDP) increased 3.9 percent in the fourth quarter of 1997, according to the "preliminary" estimates of the national income and product accounts (NIPAs) (table 1 and chart 1); the "advance" estimate of real GDP, reported in the February "Business Situation," had shown a 4.3-percent increase.<sup>1</sup> The downward revision was more than accounted for by a large downward revision to net exports; government spending and consumer spending were also revised down, but by much less. These downward revisions were partly offset by a large upward revision to business inventory investment. Business fixed investment was re-

vised very little. (The sources of these revisions are discussed in the "Revisions" section.)

The picture of the economy presented by the preliminary estimates is somewhat changed from that presented by the advance estimates. As in the advance estimates, real GDP growth accelerated in the fourth quarter, and the acceleration was

1. Quarterly estimates in the NIPAs are expressed at seasonally adjusted annual rates unless otherwise specified. Quarter-to-quarter dollar changes are differences between published estimates. Quarter-to-quarter percent changes are annualized and are calculated from unrounded index numbers. Real estimates are expressed in chained (1992) dollars. Price indexes are chain-type measures.

**Table 1.—Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers**

[Seasonally adjusted at annual rates]

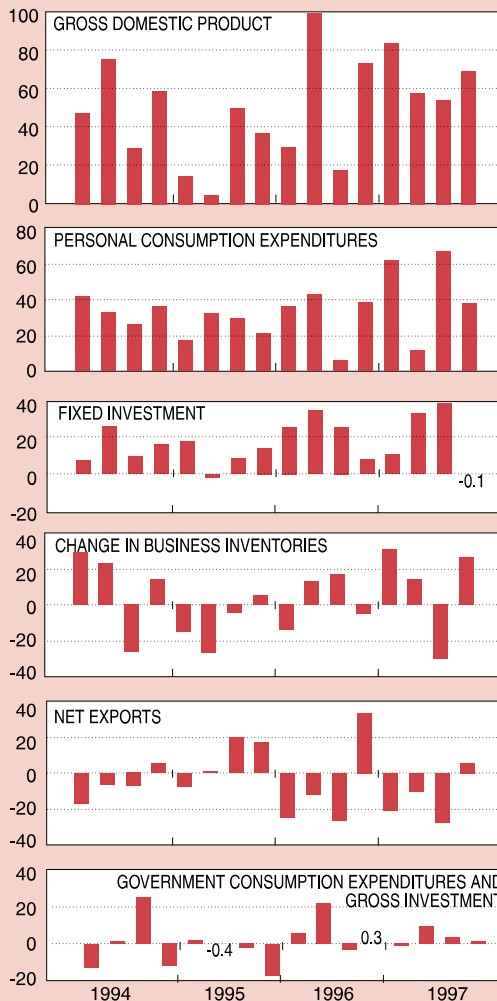
	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
		1997				I	II	III	IV
	IV	I	II	III	IV				
<b>Gross domestic product</b> .....	<b>7,283.3</b>	<b>84.2</b>	<b>58.0</b>	<b>54.4</b>	<b>69.3</b>	<b>4.9</b>	<b>3.3</b>	<b>3.1</b>	<b>3.9</b>
Less: Exports of goods and services .....	996.4	21.6	39.8	10.5	23.4	9.9	18.4	4.4	10.0
Plus: Imports of goods and services .....	1,154.9	42.3	50.2	38.0	17.8	17.9	20.5	14.6	6.4
<b>Equals: Gross domestic purchases</b> .....	<b>7,428.7</b>	<b>102.5</b>	<b>66.0</b>	<b>77.7</b>	<b>64.1</b>	<b>5.9</b>	<b>3.7</b>	<b>4.3</b>	<b>3.5</b>
Less: Change in business inventories .....	74.0	30.8	13.9	-30.1	26.5	.....	.....	.....	.....
<b>Equals: Final sales to domestic purchasers</b> .....	<b>7,349.7</b>	<b>70.4</b>	<b>51.6</b>	<b>106.2</b>	<b>38.8</b>	<b>4.0</b>	<b>2.9</b>	<b>6.0</b>	<b>2.1</b>
Personal consumption expenditures .....	4,933.5	61.7	11.3	66.8	37.3	5.3	.9	5.6	3.1
Nonresidential fixed investment .....	866.6	8.1	28.1	37.5	-7.9	4.1	14.6	19.2	-3.5
Residential investment .....	286.7	2.2	4.9	1.9	6.6	3.3	7.4	2.7	9.7
Government consumption expenditures and gross investment .....	1,274.7	-1.3	9.6	3.3	1.3	-4	3.1	1.1	.4
Federal .....	456.4	-6.8	7.3	-1.3	-2.4	-5.8	6.6	-1.1	-2.1
State and local .....	818.3	5.4	2.4	4.6	3.6	2.7	1.2	2.3	1.8
<b>Addendum: Final sales of domestic product</b> .....	<b>7,204.5</b>	<b>52.4</b>	<b>43.6</b>	<b>82.6</b>	<b>44.2</b>	<b>3.0</b>	<b>2.5</b>	<b>4.7</b>	<b>2.5</b>

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1992) dollar levels and residuals, which measure the extent of nonadditivity in each table, are found in NIPA tables 1.2, 1.4 and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are found in NIPA table 8.1. Contributions of the major components to the quarter-to-quarter percent change in real GDP are in table 8.2.

**CHART 1**

## Real Product: Change from Preceding Quarter

Billion chained (1992) \$



Based on Seasonally Adjusted Annual Rates  
U.S. Department of Commerce, Bureau of Economic Analysis

more than accounted for by upturns in business inventory investment and in net exports.<sup>2</sup> However, the “preliminary” estimates show a much sharper deceleration in real final sales of domestic product—GDP less the change in business inventories—than was shown by the advance estimates. According to the preliminary estimates, real final sales of domestic product increased 2.5 percent in the fourth quarter after increasing 4.7 percent in the third; the advance estimates had indicated a 3.6-percent increase in the fourth quarter.

Real gross domestic purchases—GDP less exports of goods and services plus imports of goods and services—increased 3.5 percent in the fourth quarter after increasing 4.3 percent in the third.<sup>3</sup> A downturn in business fixed investment and a deceleration in consumer spending more than offset a sharp upturn in business inventory investment.

The price index for gross domestic purchases increased 1.4 percent in the fourth quarter after increasing 1.3 percent in the third. The price index for GDP increased 1.4 percent in both the third and fourth quarters.

2. NIPA table 8.2 (on page D-25 in this issue) shows the contributions of the major components to the quarter-to-quarter percent change in real GDP.

3. Gross domestic purchases is a measure of purchases by U.S. residents regardless of where the purchased goods and services are produced.

### Personal consumption expenditures

Real personal consumption expenditures (PCE) increased 3.1 percent in the fourth quarter after increasing 5.6 percent in the third (table 2). Expenditures for durable goods slowed sharply, and expenditures for nondurable goods turned down; in contrast, expenditures for services increased somewhat more than in the third quarter.

Several of the factors usually considered in analyses of PCE showed strength in the fourth quarter (chart 2). The unemployment rate fell to 4.7 percent, its lowest rate in more than 25 years. Real disposable personal income accelerated to 4.5 percent from 2.6 percent. The Index of Consumer Sentiment (prepared by the University of Michigan’s Survey Research Center) slipped only slightly from its highest level in 45 years.

Expenditures for durable goods increased only 1.7 percent after jumping 18.4 percent. Motor vehicles and parts decreased after increasing sharply; the downturn mainly reflected a downturn in purchases of new autos and a deceleration in purchases of new trucks, but net purchases of used cars and purchases of parts also contributed. Furniture and household equipment and “other” durable goods expenditures both increased less than in the third quarter. In furniture and household equipment, most of the slowdown was accounted for by computers.

Expenditures for nondurable goods decreased 1.0 percent after increasing 4.3 percent. The

Table 2.—Real Personal Consumption Expenditures

[Seasonally adjusted at annual rates]

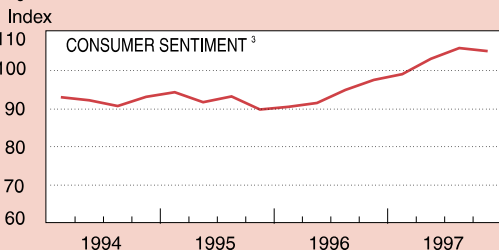
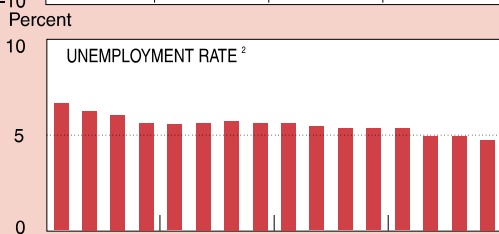
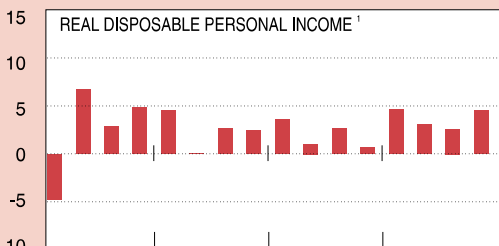
	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
	1997	1997							
	IV	I	II	III	IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	<b>4,933.5</b>	<b>61.7</b>	<b>11.3</b>	<b>66.8</b>	<b>37.3</b>	<b>5.3</b>	<b>0.9</b>	<b>5.6</b>	<b>3.1</b>
Durable goods .....	658.9	20.7	-8.8	27.1	2.8	14.1	-5.4	18.4	1.7
Motor vehicles and parts .....	237.4	5.4	-10.3	15.6	-1.3	9.9	-16.6	31.2	-2.2
Of which:									
New autos .....	79.4	2.6	-5.9	8.6	-2.9	13.8	-26.6	55.7	-13.2
New trucks .....	61.2	-8	-2.7	5.8	3.5	-5.6	-18.1	52.9	25.8
Furniture and household equipment .....	304.4	10.6	4.9	8.8	3.3	16.1	7.0	12.7	4.5
Other .....	122.9	5.1	-1.7	2.0	1.2	18.6	-5.3	6.7	4.3
Nondurable goods .....	1,461.9	16.6	-7.8	15.5	-3.6	4.7	-2.1	4.3	-1.0
Food .....	687.4	5.6	-6.4	1.3	-2.1	3.3	-3.6	.8	-1.2
Clothing and shoes .....	279.3	7.1	-3.3	7.5	-2.0	10.9	-4.7	11.5	-2.8
Gasoline and oil .....	117.0	-1	1.4	.1	.8	-5	5.3	.4	2.6
Fuel oil and coal .....	9.9	-9	.7	.3	-5	-31.3	32.5	13.4	-17.1
Other .....	370.2	5.4	-3	6.6	.2	6.2	-3	7.5	.2
Services .....	2,812.9	25.7	25.9	26.3	36.8	3.9	3.9	3.9	5.4
Housing .....	719.2	3.5	3.7	3.6	3.6	2.0	2.1	2.0	2.0
Household operation .....	302.7	-3.7	6.2	1.5	7.0	-5.0	8.9	2.1	9.7
Electricity and gas .....	119.5	-3.9	4.0	-2.1	3.8	-12.6	14.7	-6.9	13.9
Other household operation .....	182.9	.1	2.2	3.5	3.2	.3	5.3	8.2	7.2
Transportation .....	206.7	2.3	1.6	3.0	2.8	4.8	3.3	6.1	5.5
Medical care .....	720.5	7.3	4.4	5.4	6.3	4.2	2.5	3.1	3.6
Other .....	864.5	15.9	10.2	12.6	17.4	8.1	5.1	6.2	8.5

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are found in NIPA tables 2.3, 8.5 (autos), and 8.7 (trucks). Percent changes in major aggregates are in NIPA table 8.1.

CHART 2

**Selected Factors Affecting Consumer Spending**

Percent change



1. Disposable personal income in chained (1992) dollars; seasonally adjusted annual rates.  
 2. All civilian workers, seasonally adjusted.  
 Data: U.S. Department of Labor, Bureau of Labor Statistics  
 3. Data: University of Michigan's Survey Research Center.

U.S. Department of Commerce, Bureau of Economic Analysis

weakness was widespread but was most pronounced in clothing and shoes and in "other" nondurable goods.

Expenditures for services increased 5.4 percent after increasing 3.9 percent. Household operation accelerated, reflecting an upturn in electricity and gas. "Other" services increased more than in the third quarter; net foreign travel turned up, reflecting an increase in U.S. residents' travel abroad and a decrease in foreign residents' travel in the United States, and recreational services increased about twice as much in the fourth quarter as in the third.

**Nonresidential fixed investment**

Real private nonresidential fixed investment decreased 3.5 percent in the fourth quarter after jumping 19.2 percent in the third (table 3). Both structures and producers' durable equipment (PDE) turned down; however, the downturn in PDE was much more pronounced.

Factors that affect investment spending have been generally favorable over the past four quarters: Real final sales of domestic product increased 3.2 percent; the capacity utilization rate in manufacturing increased from 81.4 to 82.1; long-term interest rates decreased—for example, the yield on high-grade corporate bonds decreased from 7.52 percent to 6.79 percent; and domestic corporate profits increased at an annual rate of 18.6 percent through the first three quarters of

**Table 3.—Real Gross Private Domestic Fixed Investment**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
	1997	1997							
	IV	I	II	III	IV	I	II	III	IV
<b>Gross private domestic fixed investment</b> .....	<b>1,149.2</b>	<b>10.3</b>	<b>32.4</b>	<b>37.9</b>	<b>-0.1</b>	<b>3.9</b>	<b>12.6</b>	<b>14.4</b>	<b>0</b>
Nonresidential .....	866.6	8.1	28.1	37.5	-7.9	4.1	14.6	19.2	-3.5
Structures .....	194.5	-1.0	-2.4	3.2	-2.2	-2.1	-4.7	6.7	-4.3
Nonresidential buildings, including farm .....	145.8	1.7	-3.0	3.0	-4.3	4.4	-7.6	8.3	-10.8
Utilities .....	28.2	-2.0	1.2	-7	.2	-24.7	17.4	-8.2	2.1
Mining exploration, shafts, and wells .....	13.0	-2	-6	.4	-4	-4.1	-18.3	13.9	-11.5
Other .....	7.5	-5	.1	.4	2.4	-33.1	11.3	34.0	362.9
Producers' durable equipment .....	679.7	9.9	32.7	36.0	-5.6	6.7	23.0	24.1	-3.3
Information processing and related equipment .....	324.9	11.0	15.5	23.6	4.4	17.2	24.0	35.8	5.6
Computers and peripheral equipment .....	248.8	13.4	20.3	24.4	8.3	32.9	48.4	53.3	14.6
Other .....	131.5	2.2	2.9	7.1	0	7.6	9.9	24.9	0
Industrial equipment .....	126.6	-1	6.7	2.1	1.0	-3	24.8	7.2	3.2
Transportation and related equipment .....	139.5	-2.2	8.5	10.8	-7.3	-6.8	29.5	35.8	-18.4
Of which: Motor vehicles .....	120.1	3.9	-2.1	5.4	.1	14.6	-7.0	20.2	.3
Other .....	110.8	3.6	3.0	3.0	-1.3	12.5	12.1	11.4	-4.3
Residential .....	286.7	2.2	4.9	1.9	6.6	3.3	7.4	2.7	9.7
Single-family structures .....	138.9	0	.3	-8	3.2	0	.7	-2.3	9.8
Multifamily structures .....	21.0	1.6	.8	-8	1.4	41.1	17.6	-15.6	31.4
Other .....	127.5	.7	4.0	3.6	2.0	2.3	14.4	12.4	6.4

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are found in NIPA tables 5.5, 8.5 (autos), and 8.7 (trucks). Percent changes in major aggregates are in NIPA table 8.1.

1997 (profits data for the fourth quarter are not yet available).

PDE decreased 3.3 percent in the fourth quarter after jumping 24.1 percent in the third. All the major components contributed to the downturn. Information processing equipment, particularly computers and peripheral equipment, increased much less than in the third quarter. Transportation equipment turned down, reflecting a downturn in aircraft. "Other" equipment, particularly agricultural equipment and farm tractors, decreased after increasing. Industrial equipment increased less than in the third quarter.

Structures decreased 4.3 percent after increasing 6.7 percent. The downturn was more than accounted for by a downturn in investment in nonresidential buildings; industrial buildings, "other" buildings, commercial buildings, and hospital and institutional buildings each turned down. In addition, investment in mining exploration, shafts, and wells decreased after increasing. In contrast, investment in utilities changed little after decreasing, and investment in "other" structures increased more in the fourth quarter than in the third; the fourth-quarter increase in "other" structures was the result of the sale by the Federal Government to a private business of the Naval Petroleum Reserve at Elk Hills, California.<sup>4</sup>

### Residential investment

Real residential investment increased 9.7 percent in the fourth quarter after increasing 2.7 percent in the third (table 3). The acceleration was accounted for by single-family and multifamily structures, both of which increased after decreasing.

Single-family structures increased 9.8 percent after decreasing 2.3 percent, and multifamily construction increased 31.4 percent after decreasing 15.6 percent. "Other" residential investment increased 6.4 percent after increasing 12.4 percent.<sup>5</sup> A sharp slowdown in brokers' commissions more than offset an acceleration in home improvements. The slowdown in brokers' commissions

4. The structures at the Elk Hills Naval Petroleum Reserve were sold for \$0.8 billion, or \$3.2 billion at an annual rate. In the NIPAs, this transaction is recorded as offsetting entries in government gross investment and in private nonresidential structures. The remaining value of the sale, which consists of land and subsoil assets, is treated as the sale of nonproduced assets and is excluded from the NIPAs. Because GDP is measured on an accrual basis, the sale—which was closed in February 1998 but was made retroactive to October 1, 1997—was recorded in the fourth quarter in the NIPAs.

5. "Other" residential investment includes home improvements, new mobile home sales, brokers' commissions on home sales, residential equipment, and other residential structures (which consists primarily of dormitories, fraternity and sorority houses, and nurses' homes).

reflected a deceleration in home sales that occurred despite a decrease in the commitment rate on 30-year, fixed-rate mortgages from 7.47 percent to 7.20 percent (chart 3).

### Inventory investment

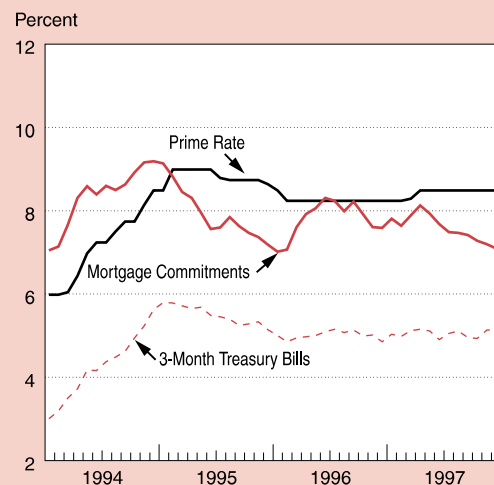
Real inventory investment—that is, the change in business inventories—increased \$26.5 billion in the fourth quarter, as inventory accumulation picked up to \$74.0 billion from \$47.5 billion (table 4). In contrast, inventory investment had decreased \$30.1 billion in the third quarter, as accumulation had slowed from \$77.6 billion in the second quarter.

Retail trade inventories increased \$16.5 billion in the fourth quarter after increasing \$2.8 billion in the third. Most of the step-up was accounted for by inventories of motor vehicle dealers, which increased substantially after four consecutive quarterly decreases. Inventories of other durable goods increased more than in the third quarter.

Manufacturing inventories increased \$22.3 billion after increasing \$14.8 billion. Most of the step-up was in nondurable goods industries, largely reflecting an upturn in petroleum products and accelerations in chemicals and in food. In the durable goods industries, step-ups in other transportation equipment and in "other" durable goods were partly offset by a downturn in motor vehicle inventories.

CHART 4

### Selected Interest Rates



Data: Federal Reserve Board

U.S. Department of Commerce, Bureau of Economic Analysis



Wholesale trade inventories increased \$19.8 billion after increasing \$14.9 billion. The step-up was mainly in nondurable goods and was more than accounted for by groceries, by apparel, and by farm products. In durable goods, a step-up in "other" durable goods was mostly offset by a downturn in motor vehicles.

"Other" nonfarm inventories increased about as much as in the third quarter.<sup>6</sup>

Farm inventories increased \$9.8 billion after increasing \$9.5 billion. As in the third quarter, an increase in crop inventories more than offset a small decrease in livestock inventories.

The ratio of real nonfarm inventories to real final sales of domestic businesses increased to 2.29 in the fourth quarter from 2.27 in the third. A different ratio, in which final sales are limited to goods and structures, increased to 4.15 from 4.10. For both measures, the fourth-quarter ratio is close to its average in recent years.

6. "Other" nonfarm inventories includes inventories held by the following industries: Mining; construction; public utilities; transportation; communication; finance, insurance, and real estate; and services.

**Exports and imports**

Real exports of goods and services increased 10.0 percent in the fourth quarter after increasing 4.4 percent in the third (table 5). Real imports of goods and services increased 6.4 percent after increasing 14.6 percent.

Real exports of goods increased 14.5 percent after increasing 3.4 percent; exports of both agricultural and nonagricultural goods increased more than in the third quarter. Much of the step-up in nonagricultural exports was accounted for by an acceleration in nonautomotive capital goods, which reflected an upturn in exports of civilian aircraft; in contrast, computers, peripherals, and parts turned down, and "other" nonautomotive and noncomputer goods increased less than in the third quarter.<sup>7</sup> The step-up in nonagricultural exports also reflected upturns in automotive vehicles, engines, and parts and in consumer goods except automotive and an acceleration in foods,

7. Exports and imports of nonautomotive capital goods include both parts and equipment. However, parts are not included either in the producers' durable equipment component of business fixed investment or in the equipment component of government investment.

**Table 4.—Real Change in Business Inventories**

[Billions of chained (1992) dollars; seasonally adjusted at annual rates]

	Level					Change from preceding quarter			
	1996	1997				1997			
	IV	I	II	III	IV	I	II	III	IV
<b>Change in business inventories</b> .....	<b>32.9</b>	<b>63.7</b>	<b>77.6</b>	<b>47.5</b>	<b>74.0</b>	<b>30.8</b>	<b>13.9</b>	<b>-30.1</b>	<b>26.5</b>
Farm .....	6.4	5.3	7.5	9.5	9.8	-1.1	2.2	2.0	3
Nonfarm .....	26.5	58.3	70.1	38.3	64.4	31.8	11.8	-31.8	26.1
Manufacturing .....	12.3	20.9	29.0	14.8	22.3	8.6	8.1	-14.2	7.5
Wholesale trade .....	9.4	22.9	24.6	14.9	19.8	13.5	1.7	-9.7	4.9
Retail trade .....	.9	.6	7.7	2.8	16.5	-.3	7.1	-4.9	13.7
Of which: Motor vehicle dealers .....	-4.7	-2.5	-3.7	-6	9.5	2.2	-1.2	3.1	10.1
Other .....	3.9	13.7	8.9	5.7	5.9	9.8	-4.8	-3.2	2

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA table 5.11.

**Table 5.—Real Exports and Imports of Goods and Services**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
	1997	1997							
	IV	I	II	III	IV	I	II	III	IV
<b>Exports of goods and services</b> .....	<b>996.4</b>	<b>21.6</b>	<b>39.8</b>	<b>10.5</b>	<b>23.4</b>	<b>9.9</b>	<b>18.4</b>	<b>4.4</b>	<b>10.0</b>
Goods .....	757.0	20.0	39.6	6.0	25.2	12.6	25.1	3.4	14.5
Agricultural goods .....	53.0	-4.0	-5	2.3	3.5	-27.6	-4.2	20.6	31.6
Nonagricultural goods .....	707.4	25.6	41.2	3.3	21.3	17.7	28.2	1.9	13.0
Services .....	244.5	2.1	1.9	4.2	-5	3.7	3.2	7.2	-8
<b>Imports of goods and services</b> .....	<b>1,154.9</b>	<b>42.3</b>	<b>50.2</b>	<b>38.0</b>	<b>17.8</b>	<b>17.9</b>	<b>20.5</b>	<b>14.6</b>	<b>6.4</b>
Goods .....	988.4	33.8	47.1	34.3	15.7	16.7	22.9	15.4	6.6
Petroleum and products .....	68.6	-1.8	5.9	1.1	-6	-10.8	44.5	6.3	-3.2
Nonpetroleum products .....	920.1	37.0	40.6	33.4	16.4	20.0	21.1	16.2	7.5
Services .....	168.0	8.4	3.4	4.0	2.2	24.2	8.9	10.1	5.4
<b>Addendum: Net exports of goods and services</b> .....	<b>-158.5</b>	<b>-20.7</b>	<b>-10.3</b>	<b>-27.5</b>	<b>5.6</b>	.....	.....	.....	.....

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are found in NIPA table 4.4. Percent changes in major aggregates are found in NIPA table 8.1.

feeds, and beverages. Exports of services decreased 0.8 percent after increasing 7.2 percent, primarily reflecting a downturn in travel and a slowdown in "other private services," which includes such services as educational, financial, and telecommunications.

Real imports of goods increased 6.6 percent after increasing 15.4 percent; imports of petroleum and products turned down, and imports of nonpetroleum goods slowed considerably. Much of the slowdown in nonpetroleum imports was accounted for by a slowdown in nonautomotive capital goods, particularly in computers and parts, and by a downturn in automotive vehicles, engines, and parts. Imports of services increased 5.4 percent after increasing 10.1 percent; the slowdown was primarily accounted for by downturns in "other private services," which includes such services as telecommunications and financial, and in direct defense expenditures.

### Government spending

Real government consumption expenditures and gross investment increased 0.4 percent in the fourth quarter after increasing 1.1 percent in the third (table 6). Federal Government spending decreased more in the fourth quarter than in the third, and State and local government spending increased less than in the third.

Federal nondefense spending decreased 8.6 percent after decreasing 5.7 percent. Consumption expenditures decreased more than in the third quarter, primarily reflecting a larger fourth-quarter decrease in employee compensation. Investment spending also decreased more than in the third quarter, reflecting a downturn in spend-

ing for structures. The fourth-quarter decrease was the result of the Elk Hills transaction (see footnote 4).

Federal defense spending increased 1.3 percent after increasing 1.2 percent. Consumption expenditures increased after decreasing; the upswing was mostly accounted for by expenditures for durable goods, largely aircraft parts. Investment spending increased less than in the third quarter; the slowdown was attributable to spending for equipment.

State and local government spending increased 1.8 percent after increasing 2.3 percent. Consumption expenditures increased less than in the third quarter, and investment spending decreased slightly after increasing, reflecting spending for structures, which decreased after no change, and spending on equipment, which decelerated.

### Revisions

As noted earlier, the preliminary estimate of a 3.9-percent increase in real GDP in the fourth quarter is 0.4 percentage point lower than the advance estimate (table 7); for 1976-97, the average revision, without regard to sign, was 0.5 percentage point from the advance estimate to the preliminary estimate. The downward revision to GDP in the fourth quarter reflected downward revisions to net exports of goods and services and to consumer spending. These revisions were partly offset by a large upward revision to inventory investment.

The downward revision to net exports reflected the incorporation of newly available Census Bureau data for exports and imports of goods for December. The December data for exports was

Table 6.—Real Government Consumption Expenditures and Real Gross Investment by Type

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
	1997	1997							
	IV	I	II	III	IV	I	II	III	IV
<b>Government consumption expenditures and gross investment .....</b>	<b>1,274.7</b>	<b>-1.3</b>	<b>9.6</b>	<b>3.3</b>	<b>1.3</b>	<b>-0.4</b>	<b>3.1</b>	<b>1.1</b>	<b>0.4</b>
Federal .....	456.4	-6.8	7.3	-1.3	-2.4	-5.8	6.6	-1.1	-2.1
National defense .....	311.3	-9.7	5.5	.9	1.0	-11.8	7.5	1.2	1.3
Consumption expenditures .....	274.2	-4.1	3.6	-3	.6	-5.8	5.4	-4	.9
Gross investment .....	37.1	-5.7	1.9	1.3	.4	-46.9	25.3	15.3	4.4
Nondefense .....	144.8	2.8	1.7	-2.2	-3.2	8.0	4.9	-5.7	-8.6
Consumption expenditures .....	126.6	2.6	.5	-4	-1.2	8.5	1.7	-1.5	-3.7
Gross investment .....	17.9	.2	1.4	-1.9	-2.4	4.0	29.8	-31.1	-39.7
State and local .....	818.3	5.4	2.4	4.6	3.6	2.7	1.2	2.3	1.8
Consumption expenditures .....	672.5	3.3	3.2	4.3	3.9	2.0	1.9	2.6	2.3
Gross investment .....	145.8	2.1	-8	.3	-3	6.0	-2.4	.9	-7

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are found in NIPA table 3.8B. Percent changes in major aggregates are in NIPA table 8.1.

in line with the assumption that was used for the advance estimates, but the increase in the December data for imports—the largest increase since March 1993—was much larger than BEA's assumption.

The downward revision to government spending largely reflected the Elk Hills transaction.


The downward revision to consumer spending was more than accounted for by goods and reflected the incorporation of revised retail sales data for November and December.

The upward revision to inventory investment mainly reflected the incorporation of revised and newly available Census Bureau inventory data. In addition, the upward revision also reflected two other revisions: A special adjustment to remove the effects of a large, one-time "write-down" in the inventories of an aircraft manufacturer, and a revision to the inventory valuation adjustment to reflect the incorporation of newly available data for November on the refiners' acquisition price of petroleum and the incorporation of revised producer price indexes for September and newly available indexes for January that are used in calculating yearend inventory values.

The small downward revision to private non-residential structures was accounted for by a downward revision to purchases of new structures that more than offset the upward revision due to the Elk Hills transaction. The downward revision to purchases of new structures reflected the incorporation of revised data for October and November and newly available data for December on the value of construction put in place.

The preliminary estimates of the increases in the price indexes for gross domestic purchases and for GDP were each 1.4 percent; each was 0.1 percentage point lower than the advance estimate.

The preliminary estimate of real disposable personal income increased 4.5 percent, 0.2 percentage point lower than the advance estimate; current-dollar personal income was revised down slightly, and personal tax and nontax payments were revised up. The preliminary estimate of

the personal saving rate—personal savings as a percentage of current-dollar disposable personal income—was 3.8 percent, 0.1 percentage point lower than the advance estimate. 

**Table 7.—Revisions to Real Gross Domestic Product and Prices,  
Fourth Quarter 1997**

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Preliminary estimate minus advance estimate	
	Advance estimate	Preliminary estimate	Percentage points	Billions of chained (1992) dollars
<b>Gross domestic product</b> .....	<b>4.3</b>	<b>3.9</b>	<b>-0.4</b>	<b>-7.0</b>
<i>Less:</i> Exports of goods and services .....	11.3	10.0	-1.3	-2.9
Goods .....	16.0	14.5	-1.5	-2.4
Services .....	.2	-.8	-1.0	-.6
<i>Plus:</i> Imports of goods and services .....	1.3	6.4	5.1	14.1
Goods .....	.5	6.6	6.1	14.5
Services .....	5.7	5.4	-.3	-.1
<b>Equals: Gross domestic purchases</b> .....	<b>3.1</b>	<b>3.5</b>	<b>.4</b>	<b>7.5</b>
Personal consumption expenditures .....	3.2	3.1	-.1	-1.5
Durable goods .....	2.6	1.7	-.9	-1.4
Nondurable goods .....	-.4	-1.0	-.6	-2.2
Services .....	5.1	5.4	.3	1.9
Fixed investment .....	.1	0	-.1	-.4
Nonresidential .....	-3.6	-3.5	.1	.1
Structures .....	-2.7	-4.3	-1.6	-.8
Producers' durable equipment .....	-3.9	-3.3	.6	1.2
Residential .....	10.4	9.7	-.7	-.4
Change in business inventories .....	.....	.....	.....	14.1
Nonfarm .....	.....	.....	.....	14.7
Farm .....	.....	.....	.....	-.7
Government consumption expenditures and gross investment .....	1.6	.4	-1.2	-3.8
Federal .....	.7	-2.1	-2.8	-3.1
National defense .....	2.9	1.3	-1.6	-1.3
Nondefense .....	-3.8	-8.6	-4.8	-1.8
State and local .....	2.1	1.8	-.3	-.7
<b>Addenda:</b>				
Final sales of domestic product .....	3.6	2.5	-1.1	-20.1
Gross domestic purchases price index <sup>1</sup> .....	1.5	1.4	-.1	.....
GDP price index <sup>1</sup> .....	1.5	1.4	-.1	.....

1. Based on chained-type annual (1992) weights.

NOTE.—The preliminary estimates for the fourth quarter of 1997 incorporate the following revised or additional major source data that were not available when the advance estimates were prepared.

*Personal consumption expenditures:* Revised retail sales for November and December, consumers' share of new-car purchases for December, revised average unit value for domestic new autos for October through December, consumers' share of new-truck purchases for December, and residential electricity usage for October.

*Nonresidential fixed investment:* Construction put in place for October and November (revised) and December, manufacturers' shipments of machinery and equipment for November and December (revised), and exports and imports of machinery and equipment for November (revised) and December.

*Residential fixed investment:* Construction put in place for October and November (revised) and December.

*Change in business inventories:* Manufacturing, retail trade, and wholesale trade inventories for November (revised) and December. *Exports and imports of goods and services:* Exports and imports of goods for November (revised) and December.

*Government consumption expenditures and gross investment:* Monthly Treasury Statement detailed data for December, Department of Defense detailed financial reports for the quarter, State and local government construction put in place for October and November (revised) and December.

*Wages and salaries:* Employment, average hourly earnings, and average weekly hours for November and December (revised).

*GDP prices:* Detailed merchandise export and import price indexes for October through December (revised), values and quantities of petroleum imports for November (revised) and December, and housing prices for the fourth quarter.



# BUSINESS SITUATION

This article was prepared by Larry R. Moran, Daniel Larkins, Ralph W. Morris, and Deborah Y. Steff.

**R**EAL GROSS domestic product (GDP) increased 3.9 percent in the fourth quarter of 1997, according to the "preliminary" estimates of the national income and product accounts (NIPAs) (table 1 and chart 1); the "advance" estimate of real GDP, reported in the February "Business Situation," had shown a 4.3-percent increase.<sup>1</sup> The downward revision was more than accounted for by a large downward revision to net exports; government spending and consumer spending were also revised down, but by much less. These downward revisions were partly offset by a large upward revision to business inventory investment. Business fixed investment was re-

vised very little. (The sources of these revisions are discussed in the "Revisions" section.)

The picture of the economy presented by the preliminary estimates is somewhat changed from that presented by the advance estimates. As in the advance estimates, real GDP growth accelerated in the fourth quarter, and the acceleration was

1. Quarterly estimates in the NIPAs are expressed at seasonally adjusted annual rates unless otherwise specified. Quarter-to-quarter dollar changes are differences between published estimates. Quarter-to-quarter percent changes are annualized and are calculated from unrounded index numbers. Real estimates are expressed in chained (1992) dollars. Price indexes are chain-type measures.

**Table 1.—Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers**

[Seasonally adjusted at annual rates]

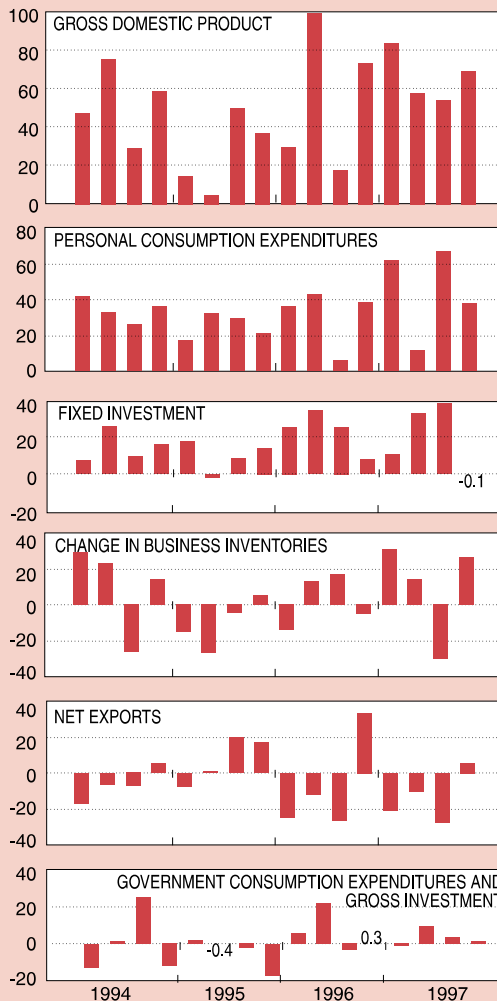
	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
		1997				I	II	III	IV
	IV	I	II	III	IV				
<b>Gross domestic product</b> .....	<b>7,283.3</b>	<b>84.2</b>	<b>58.0</b>	<b>54.4</b>	<b>69.3</b>	<b>4.9</b>	<b>3.3</b>	<b>3.1</b>	<b>3.9</b>
Less: Exports of goods and services .....	996.4	21.6	39.8	10.5	23.4	9.9	18.4	4.4	10.0
Plus: Imports of goods and services .....	1,154.9	42.3	50.2	38.0	17.8	17.9	20.5	14.6	6.4
<b>Equals: Gross domestic purchases</b> .....	<b>7,428.7</b>	<b>102.5</b>	<b>66.0</b>	<b>77.7</b>	<b>64.1</b>	<b>5.9</b>	<b>3.7</b>	<b>4.3</b>	<b>3.5</b>
Less: Change in business inventories .....	74.0	30.8	13.9	-30.1	26.5	.....	.....	.....	.....
<b>Equals: Final sales to domestic purchasers</b> .....	<b>7,349.7</b>	<b>70.4</b>	<b>51.6</b>	<b>106.2</b>	<b>38.8</b>	<b>4.0</b>	<b>2.9</b>	<b>6.0</b>	<b>2.1</b>
Personal consumption expenditures .....	4,933.5	61.7	11.3	66.8	37.3	5.3	.9	5.6	3.1
Nonresidential fixed investment .....	866.6	8.1	28.1	37.5	-7.9	4.1	14.6	19.2	-3.5
Residential investment .....	286.7	2.2	4.9	1.9	6.6	3.3	7.4	2.7	9.7
Government consumption expenditures and gross investment .....	1,274.7	-1.3	9.6	3.3	1.3	-4	3.1	1.1	.4
Federal .....	456.4	-6.8	7.3	-1.3	-2.4	-5.8	6.6	-1.1	-2.1
State and local .....	818.3	5.4	2.4	4.6	3.6	2.7	1.2	2.3	1.8
<b>Addendum: Final sales of domestic product</b> .....	<b>7,204.5</b>	<b>52.4</b>	<b>43.6</b>	<b>82.6</b>	<b>44.2</b>	<b>3.0</b>	<b>2.5</b>	<b>4.7</b>	<b>2.5</b>

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1992) dollar levels and residuals, which measure the extent of nonadditivity in each table, are found in NIPA tables 1.2, 1.4 and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are found in NIPA table 8.1. Contributions of the major components to the quarter-to-quarter percent change in real GDP are in table 8.2.

**CHART 1**

## Real Product: Change from Preceding Quarter

Billion chained (1992) \$



Based on Seasonally Adjusted Annual Rates  
U.S. Department of Commerce, Bureau of Economic Analysis

more than accounted for by upturns in business inventory investment and in net exports.<sup>2</sup> However, the “preliminary” estimates show a much sharper deceleration in real final sales of domestic product—GDP less the change in business inventories—than was shown by the advance estimates. According to the preliminary estimates, real final sales of domestic product increased 2.5 percent in the fourth quarter after increasing 4.7 percent in the third; the advance estimates had indicated a 3.6-percent increase in the fourth quarter.

Real gross domestic purchases—GDP less exports of goods and services plus imports of goods and services—increased 3.5 percent in the fourth quarter after increasing 4.3 percent in the third.<sup>3</sup> A downturn in business fixed investment and a deceleration in consumer spending more than offset a sharp upturn in business inventory investment.

The price index for gross domestic purchases increased 1.4 percent in the fourth quarter after increasing 1.3 percent in the third. The price index for GDP increased 1.4 percent in both the third and fourth quarters.

2. NIPA table 8.2 (on page D-25 in this issue) shows the contributions of the major components to the quarter-to-quarter percent change in real GDP.

3. Gross domestic purchases is a measure of purchases by U.S. residents regardless of where the purchased goods and services are produced.

### Personal consumption expenditures

Real personal consumption expenditures (PCE) increased 3.1 percent in the fourth quarter after increasing 5.6 percent in the third (table 2). Expenditures for durable goods slowed sharply, and expenditures for nondurable goods turned down; in contrast, expenditures for services increased somewhat more than in the third quarter.

Several of the factors usually considered in analyses of PCE showed strength in the fourth quarter (chart 2). The unemployment rate fell to 4.7 percent, its lowest rate in more than 25 years. Real disposable personal income accelerated to 4.5 percent from 2.6 percent. The Index of Consumer Sentiment (prepared by the University of Michigan's Survey Research Center) slipped only slightly from its highest level in 45 years.

Expenditures for durable goods increased only 1.7 percent after jumping 18.4 percent. Motor vehicles and parts decreased after increasing sharply; the downturn mainly reflected a downturn in purchases of new autos and a deceleration in purchases of new trucks, but net purchases of used cars and purchases of parts also contributed. Furniture and household equipment and “other” durable goods expenditures both increased less than in the third quarter. In furniture and household equipment, most of the slowdown was accounted for by computers.

Expenditures for nondurable goods decreased 1.0 percent after increasing 4.3 percent. The

Table 2.—Real Personal Consumption Expenditures

[Seasonally adjusted at annual rates]

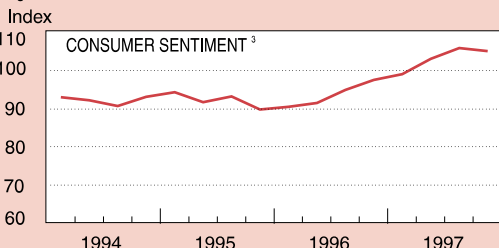
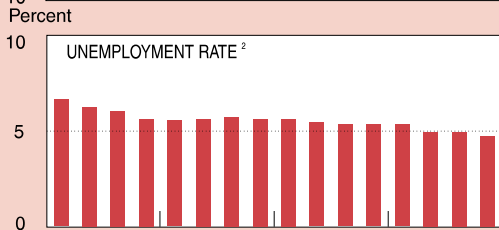
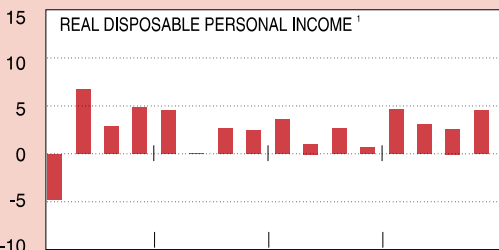
	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
	1997	1997							
	IV	I	II	III	IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	<b>4,933.5</b>	<b>61.7</b>	<b>11.3</b>	<b>66.8</b>	<b>37.3</b>	<b>5.3</b>	<b>0.9</b>	<b>5.6</b>	<b>3.1</b>
Durable goods .....	658.9	20.7	-8.8	27.1	2.8	14.1	-5.4	18.4	1.7
Motor vehicles and parts .....	237.4	5.4	-10.3	15.6	-1.3	9.9	-16.6	31.2	-2.2
Of which:									
New autos .....	79.4	2.6	-5.9	8.6	-2.9	13.8	-26.6	55.7	-13.2
New trucks .....	61.2	-8	-2.7	5.8	3.5	-5.6	-18.1	52.9	25.8
Furniture and household equipment .....	304.4	10.6	4.9	8.8	3.3	16.1	7.0	12.7	4.5
Other .....	122.9	5.1	-1.7	2.0	1.2	18.6	-5.3	6.7	4.3
Nondurable goods .....	1,461.9	16.6	-7.8	15.5	-3.6	4.7	-2.1	4.3	-1.0
Food .....	687.4	5.6	-6.4	1.3	-2.1	3.3	-3.6	.8	-1.2
Clothing and shoes .....	279.3	7.1	-3.3	7.5	-2.0	10.9	-4.7	11.5	-2.8
Gasoline and oil .....	117.0	-1	1.4	.1	.8	-5	5.3	.4	2.6
Fuel oil and coal .....	9.9	-9	.7	.3	-5	-31.3	32.5	13.4	-17.1
Other .....	370.2	5.4	-3	6.6	.2	6.2	-3	7.5	.2
Services .....	2,812.9	25.7	25.9	26.3	36.8	3.9	3.9	3.9	5.4
Housing .....	719.2	3.5	3.7	3.6	3.6	2.0	2.1	2.0	2.0
Household operation .....	302.7	-3.7	6.2	1.5	7.0	-5.0	8.9	2.1	9.7
Electricity and gas .....	119.5	-3.9	4.0	-2.1	3.8	-12.6	14.7	-6.9	13.9
Other household operation .....	182.9	.1	2.2	3.5	3.2	.3	5.3	8.2	7.2
Transportation .....	206.7	2.3	1.6	3.0	2.8	4.8	3.3	6.1	5.5
Medical care .....	720.5	7.3	4.4	5.4	6.3	4.2	2.5	3.1	3.6
Other .....	864.5	15.9	10.2	12.6	17.4	8.1	5.1	6.2	8.5

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are found in NIPA tables 2.3, 8.5 (autos), and 8.7 (trucks). Percent changes in major aggregates are in NIPA table 8.1.

CHART 2

**Selected Factors Affecting Consumer Spending**

Percent change



1. Disposable personal income in chained (1992) dollars; seasonally adjusted annual rates.  
 2. All civilian workers, seasonally adjusted.  
 Data: U.S. Department of Labor, Bureau of Labor Statistics  
 3. Data: University of Michigan's Survey Research Center.

U.S. Department of Commerce, Bureau of Economic Analysis

weakness was widespread but was most pronounced in clothing and shoes and in "other" nondurable goods.

Expenditures for services increased 5.4 percent after increasing 3.9 percent. Household operation accelerated, reflecting an upturn in electricity and gas. "Other" services increased more than in the third quarter; net foreign travel turned up, reflecting an increase in U.S. residents' travel abroad and a decrease in foreign residents' travel in the United States, and recreational services increased about twice as much in the fourth quarter as in the third.

**Nonresidential fixed investment**

Real private nonresidential fixed investment decreased 3.5 percent in the fourth quarter after jumping 19.2 percent in the third (table 3). Both structures and producers' durable equipment (PDE) turned down; however, the downturn in PDE was much more pronounced.

Factors that affect investment spending have been generally favorable over the past four quarters: Real final sales of domestic product increased 3.2 percent; the capacity utilization rate in manufacturing increased from 81.4 to 82.1; long-term interest rates decreased—for example, the yield on high-grade corporate bonds decreased from 7.52 percent to 6.79 percent; and domestic corporate profits increased at an annual rate of 18.6 percent through the first three quarters of

**Table 3.—Real Gross Private Domestic Fixed Investment**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
	1997	1997							
	IV	I	II	III	IV	I	II	III	IV
<b>Gross private domestic fixed investment</b> .....	<b>1,149.2</b>	<b>10.3</b>	<b>32.4</b>	<b>37.9</b>	<b>-0.1</b>	<b>3.9</b>	<b>12.6</b>	<b>14.4</b>	<b>0</b>
Nonresidential .....	866.6	8.1	28.1	37.5	-7.9	4.1	14.6	19.2	-3.5
Structures .....	194.5	-1.0	-2.4	3.2	-2.2	-2.1	-4.7	6.7	-4.3
Nonresidential buildings, including farm .....	145.8	1.7	-3.0	3.0	-4.3	4.4	-7.6	8.3	-10.8
Utilities .....	28.2	-2.0	1.2	-7	.2	-24.7	17.4	-8.2	2.1
Mining exploration, shafts, and wells .....	13.0	-2	-6	.4	-4	-4.1	-18.3	13.9	-11.5
Other .....	7.5	-5	.1	.4	2.4	-33.1	11.3	34.0	362.9
Producers' durable equipment .....	679.7	9.9	32.7	36.0	-5.6	6.7	23.0	24.1	-3.3
Information processing and related equipment .....	324.9	11.0	15.5	23.6	4.4	17.2	24.0	35.8	5.6
Computers and peripheral equipment .....	248.8	13.4	20.3	24.4	8.3	32.9	48.4	53.3	14.6
Other .....	131.5	2.2	2.9	7.1	0	7.6	9.9	24.9	0
Industrial equipment .....	126.6	-1	6.7	2.1	1.0	-3	24.8	7.2	3.2
Transportation and related equipment .....	139.5	-2.2	8.5	10.8	-7.3	-6.8	29.5	35.8	-18.4
Of which: Motor vehicles .....	120.1	3.9	-2.1	5.4	.1	14.6	-7.0	20.2	.3
Other .....	110.8	3.6	3.0	3.0	-1.3	12.5	12.1	11.4	-4.3
Residential .....	286.7	2.2	4.9	1.9	6.6	3.3	7.4	2.7	9.7
Single-family structures .....	138.9	0	.3	-8	3.2	0	.7	-2.3	9.8
Multifamily structures .....	21.0	1.6	.8	-8	1.4	41.1	17.6	-15.6	31.4
Other .....	127.5	.7	4.0	3.6	2.0	2.3	14.4	12.4	6.4

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are found in NIPA tables 5.5, 8.5 (autos), and 8.7 (trucks). Percent changes in major aggregates are in NIPA table 8.1.

1997 (profits data for the fourth quarter are not yet available).

PDE decreased 3.3 percent in the fourth quarter after jumping 24.1 percent in the third. All the major components contributed to the downturn. Information processing equipment, particularly computers and peripheral equipment, increased much less than in the third quarter. Transportation equipment turned down, reflecting a downturn in aircraft. "Other" equipment, particularly agricultural equipment and farm tractors, decreased after increasing. Industrial equipment increased less than in the third quarter.

Structures decreased 4.3 percent after increasing 6.7 percent. The downturn was more than accounted for by a downturn in investment in nonresidential buildings; industrial buildings, "other" buildings, commercial buildings, and hospital and institutional buildings each turned down. In addition, investment in mining exploration, shafts, and wells decreased after increasing. In contrast, investment in utilities changed little after decreasing, and investment in "other" structures increased more in the fourth quarter than in the third; the fourth-quarter increase in "other" structures was the result of the sale by the Federal Government to a private business of the Naval Petroleum Reserve at Elk Hills, California.<sup>4</sup>

### Residential investment

Real residential investment increased 9.7 percent in the fourth quarter after increasing 2.7 percent in the third (table 3). The acceleration was accounted for by single-family and multifamily structures, both of which increased after decreasing.

Single-family structures increased 9.8 percent after decreasing 2.3 percent, and multifamily construction increased 31.4 percent after decreasing 15.6 percent. "Other" residential investment increased 6.4 percent after increasing 12.4 percent.<sup>5</sup> A sharp slowdown in brokers' commissions more than offset an acceleration in home improvements. The slowdown in brokers' commissions

4. The structures at the Elk Hills Naval Petroleum Reserve were sold for \$0.8 billion, or \$3.2 billion at an annual rate. In the NIPAs, this transaction is recorded as offsetting entries in government gross investment and in private nonresidential structures. The remaining value of the sale, which consists of land and subsoil assets, is treated as the sale of nonproduced assets and is excluded from the NIPAs. Because GDP is measured on an accrual basis, the sale—which was closed in February 1998 but was made retroactive to October 1, 1997—was recorded in the fourth quarter in the NIPAs.

5. "Other" residential investment includes home improvements, new mobile home sales, brokers' commissions on home sales, residential equipment, and other residential structures (which consists primarily of dormitories, fraternity and sorority houses, and nurses' homes).

reflected a deceleration in home sales that occurred despite a decrease in the commitment rate on 30-year, fixed-rate mortgages from 7.47 percent to 7.20 percent (chart 3).

### Inventory investment

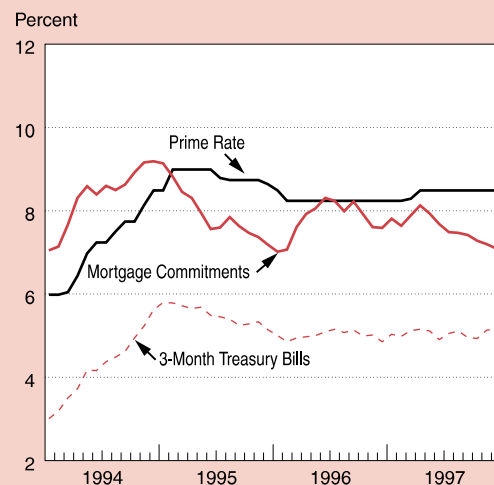
Real inventory investment—that is, the change in business inventories—increased \$26.5 billion in the fourth quarter, as inventory accumulation picked up to \$74.0 billion from \$47.5 billion (table 4). In contrast, inventory investment had decreased \$30.1 billion in the third quarter, as accumulation had slowed from \$77.6 billion in the second quarter.

Retail trade inventories increased \$16.5 billion in the fourth quarter after increasing \$2.8 billion in the third. Most of the step-up was accounted for by inventories of motor vehicle dealers, which increased substantially after four consecutive quarterly decreases. Inventories of other durable goods increased more than in the third quarter.

Manufacturing inventories increased \$22.3 billion after increasing \$14.8 billion. Most of the step-up was in nondurable goods industries, largely reflecting an upturn in petroleum products and accelerations in chemicals and in food. In the durable goods industries, step-ups in other transportation equipment and in "other" durable goods were partly offset by a downturn in motor vehicle inventories.

CHART 4

### Selected Interest Rates



Data: Federal Reserve Board

U.S. Department of Commerce, Bureau of Economic Analysis

Wholesale trade inventories increased \$19.8 billion after increasing \$14.9 billion. The step-up was mainly in nondurable goods and was more than accounted for by groceries, by apparel, and by farm products. In durable goods, a step-up in "other" durable goods was mostly offset by a downturn in motor vehicles.

"Other" nonfarm inventories increased about as much as in the third quarter.<sup>6</sup>

Farm inventories increased \$9.8 billion after increasing \$9.5 billion. As in the third quarter, an increase in crop inventories more than offset a small decrease in livestock inventories.

The ratio of real nonfarm inventories to real final sales of domestic businesses increased to 2.29 in the fourth quarter from 2.27 in the third. A different ratio, in which final sales are limited to goods and structures, increased to 4.15 from 4.10. For both measures, the fourth-quarter ratio is close to its average in recent years.

6. "Other" nonfarm inventories includes inventories held by the following industries: Mining; construction; public utilities; transportation; communication; finance, insurance, and real estate; and services.

**Exports and imports**

Real exports of goods and services increased 10.0 percent in the fourth quarter after increasing 4.4 percent in the third (table 5). Real imports of goods and services increased 6.4 percent after increasing 14.6 percent.

Real exports of goods increased 14.5 percent after increasing 3.4 percent; exports of both agricultural and nonagricultural goods increased more than in the third quarter. Much of the step-up in nonagricultural exports was accounted for by an acceleration in nonautomotive capital goods, which reflected an upturn in exports of civilian aircraft; in contrast, computers, peripherals, and parts turned down, and "other" nonautomotive and noncomputer goods increased less than in the third quarter.<sup>7</sup> The step-up in nonagricultural exports also reflected upturns in automotive vehicles, engines, and parts and in consumer goods except automotive and an acceleration in foods,

7. Exports and imports of nonautomotive capital goods include both parts and equipment. However, parts are not included either in the producers' durable equipment component of business fixed investment or in the equipment component of government investment.

**Table 4.—Real Change in Business Inventories**

[Billions of chained (1992) dollars; seasonally adjusted at annual rates]

	Level					Change from preceding quarter			
	1996	1997				1997			
	IV	I	II	III	IV	I	II	III	IV
<b>Change in business inventories</b> .....	<b>32.9</b>	<b>63.7</b>	<b>77.6</b>	<b>47.5</b>	<b>74.0</b>	<b>30.8</b>	<b>13.9</b>	<b>-30.1</b>	<b>26.5</b>
Farm .....	6.4	5.3	7.5	9.5	9.8	-1.1	2.2	2.0	3
Nonfarm .....	26.5	58.3	70.1	38.3	64.4	31.8	11.8	-31.8	26.1
Manufacturing .....	12.3	20.9	29.0	14.8	22.3	8.6	8.1	-14.2	7.5
Wholesale trade .....	9.4	22.9	24.6	14.9	19.8	13.5	1.7	-9.7	4.9
Retail trade .....	.9	.6	7.7	2.8	16.5	-.3	7.1	-4.9	13.7
Of which: Motor vehicle dealers .....	-4.7	-2.5	-3.7	-6	9.5	2.2	-1.2	3.1	10.1
Other .....	3.9	13.7	8.9	5.7	5.9	9.8	-4.8	-3.2	2

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA table 5.11.

**Table 5.—Real Exports and Imports of Goods and Services**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
	1997	1997							
	IV	I	II	III	IV	I	II	III	IV
<b>Exports of goods and services</b> .....	<b>996.4</b>	<b>21.6</b>	<b>39.8</b>	<b>10.5</b>	<b>23.4</b>	<b>9.9</b>	<b>18.4</b>	<b>4.4</b>	<b>10.0</b>
Goods .....	757.0	20.0	39.6	6.0	25.2	12.6	25.1	3.4	14.5
Agricultural goods .....	53.0	-4.0	-5	2.3	3.5	-27.6	-4.2	20.6	31.6
Nonagricultural goods .....	707.4	25.6	41.2	3.3	21.3	17.7	28.2	1.9	13.0
Services .....	244.5	2.1	1.9	4.2	-5	3.7	3.2	7.2	-8
<b>Imports of goods and services</b> .....	<b>1,154.9</b>	<b>42.3</b>	<b>50.2</b>	<b>38.0</b>	<b>17.8</b>	<b>17.9</b>	<b>20.5</b>	<b>14.6</b>	<b>6.4</b>
Goods .....	988.4	33.8	47.1	34.3	15.7	16.7	22.9	15.4	6.6
Petroleum and products .....	68.6	-1.8	5.9	1.1	-6	-10.8	44.5	6.3	-3.2
Nonpetroleum products .....	920.1	37.0	40.6	33.4	16.4	20.0	21.1	16.2	7.5
Services .....	168.0	8.4	3.4	4.0	2.2	24.2	8.9	10.1	5.4
<b>Addendum: Net exports of goods and services</b> .....	<b>-158.5</b>	<b>-20.7</b>	<b>-10.3</b>	<b>-27.5</b>	<b>5.6</b>	.....	.....	.....	.....

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are found in NIPA table 4.4. Percent changes in major aggregates are found in NIPA table 8.1.



feeds, and beverages. Exports of services decreased 0.8 percent after increasing 7.2 percent, primarily reflecting a downturn in travel and a slowdown in "other private services," which includes such services as educational, financial, and telecommunications.

Real imports of goods increased 6.6 percent after increasing 15.4 percent; imports of petroleum and products turned down, and imports of nonpetroleum goods slowed considerably. Much of the slowdown in nonpetroleum imports was accounted for by a slowdown in nonautomotive capital goods, particularly in computers and parts, and by a downturn in automotive vehicles, engines, and parts. Imports of services increased 5.4 percent after increasing 10.1 percent; the slowdown was primarily accounted for by downturns in "other private services," which includes such services as telecommunications and financial, and in direct defense expenditures.

### Government spending

Real government consumption expenditures and gross investment increased 0.4 percent in the fourth quarter after increasing 1.1 percent in the third (table 6). Federal Government spending decreased more in the fourth quarter than in the third, and State and local government spending increased less than in the third.

Federal nondefense spending decreased 8.6 percent after decreasing 5.7 percent. Consumption expenditures decreased more than in the third quarter, primarily reflecting a larger fourth-quarter decrease in employee compensation. Investment spending also decreased more than in the third quarter, reflecting a downturn in spend-

ing for structures. The fourth-quarter decrease was the result of the Elk Hills transaction (see footnote 4).

Federal defense spending increased 1.3 percent after increasing 1.2 percent. Consumption expenditures increased after decreasing; the upswing was mostly accounted for by expenditures for durable goods, largely aircraft parts. Investment spending increased less than in the third quarter; the slowdown was attributable to spending for equipment.

State and local government spending increased 1.8 percent after increasing 2.3 percent. Consumption expenditures increased less than in the third quarter, and investment spending decreased slightly after increasing, reflecting spending for structures, which decreased after no change, and spending on equipment, which decelerated.

### Revisions

As noted earlier, the preliminary estimate of a 3.9-percent increase in real GDP in the fourth quarter is 0.4 percentage point lower than the advance estimate (table 7); for 1976-97, the average revision, without regard to sign, was 0.5 percentage point from the advance estimate to the preliminary estimate. The downward revision to GDP in the fourth quarter reflected downward revisions to net exports of goods and services and to consumer spending. These revisions were partly offset by a large upward revision to inventory investment.

The downward revision to net exports reflected the incorporation of newly available Census Bureau data for exports and imports of goods for December. The December data for exports was

Table 6.—Real Government Consumption Expenditures and Real Gross Investment by Type

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
	1997	1997							
	IV	I	II	III	IV	I	II	III	IV
<b>Government consumption expenditures and gross investment .....</b>	<b>1,274.7</b>	<b>-1.3</b>	<b>9.6</b>	<b>3.3</b>	<b>1.3</b>	<b>-0.4</b>	<b>3.1</b>	<b>1.1</b>	<b>0.4</b>
Federal .....	456.4	-6.8	7.3	-1.3	-2.4	-5.8	6.6	-1.1	-2.1
National defense .....	311.3	-9.7	5.5	.9	1.0	-11.8	7.5	1.2	1.3
Consumption expenditures .....	274.2	-4.1	3.6	-3	.6	-5.8	5.4	-4	.9
Gross investment .....	37.1	-5.7	1.9	1.3	.4	-46.9	25.3	15.3	4.4
Nondefense .....	144.8	2.8	1.7	-2.2	-3.2	8.0	4.9	-5.7	-8.6
Consumption expenditures .....	126.6	2.6	.5	-4	-1.2	8.5	1.7	-1.5	-3.7
Gross investment .....	17.9	.2	1.4	-1.9	-2.4	4.0	29.8	-31.1	-39.7
State and local .....	818.3	5.4	2.4	4.6	3.6	2.7	1.2	2.3	1.8
Consumption expenditures .....	672.5	3.3	3.2	4.3	3.9	2.0	1.9	2.6	2.3
Gross investment .....	145.8	2.1	-8	.3	-3	6.0	-2.4	.9	-7

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are found in NIPA table 3.8B. Percent changes in major aggregates are in NIPA table 8.1.



in line with the assumption that was used for the advance estimates, but the increase in the December data for imports—the largest increase since March 1993—was much larger than BEA's assumption.

The downward revision to government spending largely reflected the Elk Hills transaction.


The downward revision to consumer spending was more than accounted for by goods and reflected the incorporation of revised retail sales data for November and December.

The upward revision to inventory investment mainly reflected the incorporation of revised and newly available Census Bureau inventory data. In addition, the upward revision also reflected two other revisions: A special adjustment to remove the effects of a large, one-time "write-down" in the inventories of an aircraft manufacturer, and a revision to the inventory valuation adjustment to reflect the incorporation of newly available data for November on the refiners' acquisition price of petroleum and the incorporation of revised producer price indexes for September and newly available indexes for January that are used in calculating yearend inventory values.

The small downward revision to private non-residential structures was accounted for by a downward revision to purchases of new structures that more than offset the upward revision due to the Elk Hills transaction. The downward revision to purchases of new structures reflected the incorporation of revised data for October and November and newly available data for December on the value of construction put in place.

The preliminary estimates of the increases in the price indexes for gross domestic purchases and for GDP were each 1.4 percent; each was 0.1 percentage point lower than the advance estimate.

The preliminary estimate of real disposable personal income increased 4.5 percent, 0.2 percentage point lower than the advance estimate; current-dollar personal income was revised down slightly, and personal tax and nontax payments were revised up. The preliminary estimate of

the personal saving rate—personal savings as a percentage of current-dollar disposable personal income—was 3.8 percent, 0.1 percentage point lower than the advance estimate. 

**Table 7.—Revisions to Real Gross Domestic Product and Prices, Fourth Quarter 1997**

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Preliminary estimate minus advance estimate	
	Advance estimate	Preliminary estimate	Percentage points	Billions of chained (1992) dollars
<b>Gross domestic product</b> .....	<b>4.3</b>	<b>3.9</b>	<b>-0.4</b>	<b>-7.0</b>
Less: Exports of goods and services .....	11.3	10.0	-1.3	-2.9
Goods .....	16.0	14.5	-1.5	-2.4
Services .....	.2	-.8	-1.0	-.6
Plus: Imports of goods and services .....	1.3	6.4	5.1	14.1
Goods .....	.5	6.6	6.1	14.5
Services .....	5.7	5.4	-.3	-.1
<b>Equals: Gross domestic purchases</b> .....	<b>3.1</b>	<b>3.5</b>	<b>.4</b>	<b>7.5</b>
Personal consumption expenditures .....	3.2	3.1	-.1	-1.5
Durable goods .....	2.6	1.7	-.9	-1.4
Nondurable goods .....	-.4	-1.0	-.6	-2.2
Services .....	5.1	5.4	.3	1.9
Fixed investment .....	.1	0	-.1	-.4
Nonresidential .....	-3.6	-3.5	.1	.1
Structures .....	-2.7	-4.3	-1.6	-.8
Producers' durable equipment .....	-3.9	-3.3	.6	1.2
Residential .....	10.4	9.7	-.7	-.4
Change in business inventories .....	.....	.....	.....	14.1
Nonfarm .....	.....	.....	.....	14.7
Farm .....	.....	.....	.....	-.7
Government consumption expenditures and gross investment .....	1.6	.4	-1.2	-3.8
Federal .....	.7	-2.1	-2.8	-3.1
National defense .....	2.9	1.3	-1.6	-1.3
Nondefense .....	-3.8	-8.6	-4.8	-1.8
State and local .....	2.1	1.8	-.3	-.7
<b>Addenda:</b>				
Final sales of domestic product .....	3.6	2.5	-1.1	-20.1
Gross domestic purchases price index <sup>1</sup> .....	1.5	1.4	-.1	.....
GDP price index <sup>1</sup> .....	1.5	1.4	-.1	.....

1. Based on chained-type annual (1992) weights.

NOTE.—The preliminary estimates for the fourth quarter of 1997 incorporate the following revised or additional major source data that were not available when the advance estimates were prepared.

*Personal consumption expenditures:* Revised retail sales for November and December, consumers' share of new-car purchases for December, revised average unit value for domestic new autos for October through December, consumers' share of new-truck purchases for December, and residential electricity usage for October.

*Nonresidential fixed investment:* Construction put in place for October and November (revised) and December, manufacturers' shipments of machinery and equipment for November and December (revised), and exports and imports of machinery and equipment for November (revised) and December.

*Residential fixed investment:* Construction put in place for October and November (revised) and December.

*Change in business inventories:* Manufacturing, retail trade, and wholesale trade inventories for November (revised) and December.

*Exports and imports of goods and services:* Exports and imports of goods for November (revised) and December.

*Government consumption expenditures and gross investment:* Monthly Treasury Statement detailed data for December, Department of Defense detailed financial reports for the quarter, State and local government construction put in place for October and November (revised) and December.

*Wages and salaries:* Employment, average hourly earnings, and average weekly hours for November and December (revised).

*GDP prices:* Detailed merchandise export and import price indexes for October through December (revised), values and quantities of petroleum imports for November (revised) and December, and housing prices for the fourth quarter.

# Federal Budget Estimates, Fiscal Year 1999

By Kurt S. Bersani and Ann M. Groszkiewicz

**T**HE FEDERAL *Budget of the United States Government* for fiscal year 1999 that was released by the President shows a \$9.5 billion surplus, a turnaround from a \$10.0 billion deficit in fiscal year 1998.<sup>1</sup> The fiscal year 1999 surplus reflects the administration's proposed legislation and program changes, the economic assumptions used in making the budget projections, and the laws that have already been enacted.<sup>2</sup>

This article summarizes the proposed legislation and program changes in the administration's budget and the budget estimates. It then presents the budget receipts and outlays in the framework of the national income and product accounts, which are designed to show the composition of production and the distribution of the incomes earned in production. This framework, which differs in concept and timing from the budget, provides a means of gauging the effects of the Federal budget on aggregate measures of U.S. economic activity.

## Proposed legislation and program changes

The fiscal year 1999 budget presents proposed legislation that increases receipts by \$12.9 billion (table 1). The largest proposal is a tobacco industry settlement that would add \$9.8 billion to receipts. Proposals to increase receipts both from insurance companies and from corporate-owned life insurance policy holders who borrow against their policies would total \$2.3 billion: A proposed modification of the existing tax rules for life insurance annuity contracts would amount to \$1.8 billion, and a proposal to repeal certain tax deductions of interest on corporate-owned life insurance policy loans would amount to \$0.4

1. Estimates of the *Budget of the United States Government* are presented on a fiscal year basis. See Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 1999* (Washington, DC: U.S. Government Printing Office, 1998).

2. Estimates of the administration's proposed legislation and program changes are derived by BEA as the difference between the "current-services" estimates included in the budget and the total budget. The current-services estimates, which are based on the economic assumptions underlying the budget, are designed to show what Federal receipts and outlays would be if no changes are made to the laws that are already enacted. In concept, these estimates are neither recommended amounts nor forecasts; they form a baseline with which administration or congressional proposals can be analyzed.

billion. A proposed extension of corporate environmental and excise taxes for the Hazardous Substance Superfund Trust Fund would add \$1.8 billion.

**Table 1.—Relation of Current-Services Estimates to the Budget**

[Billions of dollars]

	Fiscal year	
	1998	1999
<b>Receipts</b>		
Current-services estimates .....	1,657.9	1,729.8
<i>Plus:</i> Proposed legislation .....	-1	12.9
Research and experimentation tax credit .....	-4	-8
International trade provisions .....	0	-6
Energy efficiency and the environment .....	0	-4
Education incentives .....	0	-4
Child care .....	0	-3
Other .....	2	-7
Subtotal: Tax relief (including offsets) .....	-5	-3.2
Tobacco settlement legislation .....	0	9.8
Reserve rules for life insurance annuity contracts .....	0	1.8
Reinstate environmental tax imposed on corporate income .....	0	1.1
Reinstate Superfund excise taxes .....	.1	.7
Replace sales-source rules with activity-based rules ..	0	.6
Preclude premature claiming of losses from receivables .....	0	.4
Corporate-owned life insurance rules .....	.3	.4
Repeal lower-of-cost-or-market inventory accounting method .....	0	.4
Other .....	.1	.9
Subtotal: Other provisions that affect receipts .....	.4	16.2
<i>Equals:</i> The budget .....	1,657.9	1,742.7
<b>Outlays</b>		
Current-services estimates .....	1,667.8	1,732.4
<i>Plus:</i> Program changes .....	0	.8
National defense .....	0	-4.4
Income security .....	.1	1.3
Net interest .....	0	-3
Medicare .....	0	-2
Education, training, employment, and social services ..	-2	-2
Veterans benefits and services .....	0	-1.0
Transportation .....	0	-3
Administration of justice .....	0	.8
Natural resources and environment .....	0	-5
General government .....	0	3.6
Agriculture .....	0	-4
Commerce and housing credit .....	0	-4
Allowances <sup>1</sup> .....	0	3.3
Other .....	.1	-5
<i>Equals:</i> The budget .....	1,667.8	1,733.2
Current-services surplus or deficit (-) .....	-9.9	-2.6
Proposed changes, receipts less outlays .....	-1	12.1
Administration budget surplus or deficit (-) .....	-10.0	9.5

1. Allowances include funding for emergencies, such as natural disasters, for unforeseen defense and nondefense costs, and for unanticipated nonemergency expenses of the year 2000 conversion.

Source: *The Budget of the United States Government, Fiscal Year 1999*.

Proposed legislation that would reduce receipts consists of various tax credits and other tax changes. A proposal to extend a tax credit for certain research and experimentation expenditures through June 30, 1999, would reduce receipts by \$0.8 billion. A proposal to modify international trade provisions would reduce receipts by an additional \$0.6 billion. More than 90 percent of this reduction would come from extending to September 30, 2001, the provisions in the General System of Preferences (GSP) that eliminate duty on certain goods from eligible developing countries. In addition, the following proposals, none of which total more than \$0.4 billion, would reduce receipts: Tax credits to businesses for purchasing energy-efficient equipment, tax credits for certain education initiatives, and increased tax credits for child care.

The budget proposes program changes that would increase total outlays by a net \$0.8 billion in fiscal year 1999. Among the program changes that would increase outlays, the largest is for general government, which would be augmented by \$3.6 billion.<sup>3</sup> Much of this increase would fund Internal Revenue Service improvements in customer service, electronic data collection, and communication.

A proposed \$3.3 billion increase in allowances would be used for emergencies—such as natural disasters—for unexpected defense expenditures, and for any unanticipated nonemergency expenses caused by the year 2000 conversion. Income security would increase by \$1.3 billion, the largest portion of which is a \$0.5 billion proposal to restore food stamps to legal immigrants.

The budget proposes an \$0.8 billion increase for the administration of justice. Programs to reduce violent crime and to control and prevent juvenile crime would each receive \$0.3 billion in additional funding. Proposals to increase the number of border patrol agents and to improve wireless communication would increase funding for each by \$0.1 billion.

The largest proposed decreases in outlays are \$4.4 billion for national defense and \$1.0 billion for veterans benefits and services. The reduction in national defense spending would result primarily from the increased privatization and outsourcing of support functions, which would reduce the number of personnel associated with support activities and infrastructure. Most of the decrease in veterans benefits and services would

result from a proposal to reinstate restrictions on tobacco-related disability-compensation benefits. These benefits would be reduced by \$0.7 billion as a result of reinstating a policy that restricts benefits for veterans for tobacco-related disabilities that originated from tobacco use during military service. The remainder of the decrease in outlays is accounted for by other proposals, none of which amount to more than \$0.5 billion.

**The budget estimates**

In the budget, receipts in fiscal year 1999 are projected to increase \$84.9 billion, or 5.1 percent, to \$1,742.7 billion (table 2). Receipts in 1998 are projected to be \$1,657.9 billion, up 5.0 percent from 1997. The projected increase in 1999 is mostly accounted for by increases in social insurance taxes and contributions, individual income taxes, and excise taxes. Projected increases in receipts from social insurance taxes and contributions and from individual income taxes are based on administration assumptions that incomes will increase as a result of real economic growth and inflation. A projected increase in excise tax receipts is based on administration assumptions of increased economic activity in 1999 after a slowdown in 1998 and on higher aviation taxes as a result of the Tax Reform Act of 1997. Miscellaneous receipts are projected to increase \$13.2 billion, \$9.8 billion of which is accounted for by the proposed tobacco industry settlement.

Total budget outlays in fiscal year 1999 are projected to increase \$65.4 billion, or 3.9 percent, to \$1,733.2 billion (table 3). Outlays in 1998 are projected to be \$1,667.8 billion, up 4.2 percent from 1997. The projected increase in 1999 is mostly accounted for by increases in four areas:

- Social security—An increase of \$14.7 billion is accounted for by a \$14.7 billion increase from current-services outlays that mainly reflects the cost-of-living adjustments

**Table 2.—Budget Receipts by Source**  
(Billions of dollars)

	Level for fiscal year				Change from preceding fiscal year		
	1996	1997	1998	1999	1997	1998	1999
<b>Budget receipts</b> .....	<b>1,453.0</b>	<b>1,579.3</b>	<b>1,657.9</b>	<b>1,742.7</b>	<b>126.3</b>	<b>78.6</b>	<b>84.9</b>
Individual income taxes .....	656.4	737.5	767.8	791.5	81.1	30.3	23.7
Corporation income taxes .....	171.8	182.3	190.8	198.0	10.5	8.5	7.1
Social insurance taxes and contributions .....	509.4	539.4	571.4	595.9	30.0	32.0	24.5
Excise taxes .....	54.0	56.9	55.5	72.0	2.9	-1.4	16.5
Estate and gift taxes .....	17.2	19.8	20.4	20.5	2.6	.6	.1
Customs duties .....	18.7	17.9	18.4	18.2	-8	.4	-2
Miscellaneous receipts .....	25.5	25.5	33.5	46.7	0	8.1	13.2

Source: The Budget of the United States Government, Fiscal Year 1999.

3. General government includes such activities as tax collection; administration of the public debt; and personnel, general property, and administrative management.

and assumptions about inflation and about the number of beneficiaries in these programs. Most of the increase in social security is accounted for by old-age and survivors insurance benefits (\$12.1 billion).

- **Income security**—An increase of \$13.5 billion is accounted for by an increase of \$12.3 billion in current-services outlays and of \$1.3 billion in program changes. The increase is distributed over a variety of programs, including unemployment compensation, Federal employee retirement and disability, child care entitlement to States, and food stamps.
- **Health**—An increase of \$9.7 billion is accounted for by a \$9.8 billion increase in current-services outlays. Most of the increase is accounted for by an increase of \$6.9 billion for medicaid, reflecting assumptions about inflation and the number of beneficiaries in this program. The remaining increases are primarily accounted for by an increase in the Children's Health Insurance Program (\$1.5 billion) to provide insurance for currently uninsured children and by an increase for the National Institutes of Health (\$1.0 billion) for biomedical research.
- **Medicare**—An increase of \$9.1 billion is more than accounted for by a \$9.4 billion increase in current-services outlays. The increase is based on the assumptions about inflation and the about number of beneficiaries in this program.

**Table 3.—Budget Outlays by Function**  
[Billions of dollars]

	Level for fiscal year				Change from preceding fiscal year		
	1996	1997	1998	1999	1997	1998	1999
<b>Budget outlays</b> .....	<b>1,560.5</b>	<b>1,601.2</b>	<b>1,667.8</b>	<b>1,733.2</b>	<b>40.7</b>	<b>66.6</b>	<b>65.4</b>
Social security .....	349.7	365.3	381.5	396.2	15.6	16.2	14.7
National defense .....	265.7	270.5	264.1	265.5	4.7	-6.4	1.4
Income security .....	226.0	230.9	239.3	252.8	4.9	8.5	13.5
Net interest .....	241.1	244.0	242.7	241.8	2.9	-1.3	-9.1
Medicare .....	174.2	190.0	198.1	207.3	15.8	8.1	9.1
Health .....	119.4	123.8	131.8	141.5	4.5	7.9	9.7
Education, training, employment, and social services .....	52.0	53.0	55.1	59.5	1.0	2.1	4.4
Veterans benefits and services .....	37.0	39.3	43.1	43.3	2.3	3.8	.2
Transportation .....	39.6	40.8	41.5	42.3	1.2	.8	.7
Administration of justice .....	17.5	20.2	22.3	25.5	2.6	2.1	3.3
Natural resources and environment .....	21.6	21.4	23.8	23.2	-2	2.5	-6
General science, space, and technology .....	16.7	17.2	17.1	17.6	.5	-1	.5
General government .....	11.9	12.8	12.9	17.2	.9	.1	4.3
International affairs .....	13.5	15.2	14.5	14.5	1.7	-7	0
Agriculture .....	9.2	9.0	10.6	11.0	-1	1.5	.4
Community and regional development .....	10.7	11.0	11.8	10.9	.3	.8	-9
Commerce and housing credit .....	-10.6	-14.6	3.5	3.5	-4.0	18.1	0
Allowances .....				3.3			3.3
Energy .....	2.8	1.5	.4	-1.0	-1.4	-1.1	-1.4
Undistributed offsetting receipts .....	-37.6	-50.0	-46.4	-42.5	-12.4	3.6	3.9

Source: *The Budget of the United States Government, Fiscal Year 1999.*

**Relation between budget and NIPA estimates**

BEA prepares estimates of the Federal sector in the framework of the national income and product accounts (NIPA's), which may be used for such purposes as macroeconomic analyses of the impact of changes in Federal receipts and expenditures on gross domestic product and its components. BEA makes adjustments to the budget estimates to bring them into line with NIPA concepts and definitions.<sup>4</sup> One major conceptual difference is the treatment of government investment; in the NIPA's, the treatment of government investment in fixed assets and the cost of using these assets is symmetrical with the treatment of fixed investment in the private sector. Transfers of nonproduced assets, such as the sale of land, are excluded from the NIPA's because they do not affect current production. The NIPA's also exclude transactions with Puerto Rico

4. For a detailed discussion of the reconciliation, see *Government Transactions*, Methodology Paper No. 5 (November 1988). (This paper is available from the National Technical Information Service, accession no. PB 90-118480, and at BEA's Web site, <http://www.bea.doc.gov>.)

In addition, as part of the comprehensive NIPA revision released in January 1996, several changes were made to the definitions and classifications used to measure the Federal sector. For a discussion of these changes, see "Preview of the Comprehensive Revision of the National Income and Product Accounts: Recognition of Government Investment and Incorporation of a New Methodology for Calculating Depreciation," *SURVEY OF CURRENT BUSINESS* 75 (September 1995): 33-41; and "Improved Estimates of the National Income and Product Accounts for 1959-95: Results of the Comprehensive Revision," *SURVEY* 76 (January/February 1996): 1-31.

**Table 4.—Relation of Federal Government Receipts in the NIPA's to the Budget**  
[Billions of dollars]

	Fiscal year		
	1997	1998	1999
<b>Budget receipts</b> .....	<b>1,579.3</b>	<b>1,657.9</b>	<b>1,742.7</b>
Less: Coverage differences <sup>1</sup> .....	2.6	2.7	2.8
Plus: Netting and grossing differences:			
Contributions to government employee retirement funds .....	71.4	72.2	73.8
Taxes received from the rest of the world <sup>2</sup> .....	-2.7	-2.7	-2.8
Other <sup>3</sup> .....	36.5	32.5	33.1
Timing differences:			
Corporate income tax .....	9.1	6.7	4.2
Federal and State unemployment insurance taxes .....	-4	0	-3
Withheld personal income tax and social security contributions .....	6.9	-1.8	-1.4
Excise taxes .....	.5	6.1	-8.5
Other .....	0	0	0
Miscellaneous <sup>4</sup> .....	-2.6	-2.3	-4.2
<b>Equals: Federal Government receipts, NIPA's</b> .....	<b>1,695.5</b>	<b>1,765.9</b>	<b>1,833.9</b>

1. Consists largely of the Federal Communication Commission Universal Service Fund receipts and contributions for social insurance by residents of U.S. territories and Puerto Rico.

2. Taxes received from the rest of the world are included in the budget and netted against expenditures (transfer payments) in the NIPA's.

3. Consists largely of proprietary receipts that are netted against outlays in the budget and classified as receipts in the NIPA's.

4. Consists largely of Treasury receipts from sales of foreign currencies to Government agencies.

Sources: *The Budget of the United States Government, Fiscal Year 1999* and the Bureau of Economic Analysis.

NIPA National income and product accounts

and the U.S. Territories, whose residents by NIPA definition are not U.S. residents, and transactions of the Federal Communication Commission Universal Service Fund, which pass through a nonprofit institution that is regulated by the Federal Communication Commission.

NIPA receipts differ from budget receipts because of differences in coverage, in netting and grossing (which provide additional information on items that are recorded on a net basis in the budget), and in timing (table 4). For most years, the difference between NIPA receipts and budget receipts primarily reflects contributions to government employee retirement funds and proprietary receipts. In the budget, the contributions are included in outlays both as expenditures and as offsetting receipts and thus net to zero; in the NIPA's, they are recorded as receipts in

order to provide separate detail on government retirement funds. In the budget, some proprietary receipts are netted against outlays, but in the NIPA's, they are treated as receipts. For 1999, NIPA receipts would exceed budget receipts by \$91.2 billion; contributions to government employee retirement funds would be \$73.8 billion, and proprietary receipts would be \$33.1 billion.

NIPA current expenditures differ from budget outlays because of differences in coverage, in netting and grossing, and in timing. They also differ because of the NIPA treatment of government investment in fixed assets and because of the exclusion of financial transactions, such as loans, and the exclusion of sales of nonproduced assets (table 5).<sup>5</sup> For most years, the difference between the NIPA and budget estimates primarily reflects the netting and grossing differences and the treatment of government investment. NIPA current expenditures includes the consumption of fixed capital, which is not recognized in

**Table 5.—Relation of Federal Government Current Expenditures in the NIPA's to the Budget**

[Billions of dollars]

	Fiscal year		
	1997	1998	1999
<b>Budget outlays</b> .....	<b>1,601.2</b>	<b>1,667.8</b>	<b>1,733.2</b>
<i>Less: Coverage differences:</i>			
Geographic <sup>1</sup> .....	9.5	9.9	10.3
Financing disbursements from credit programs .....	-13.4	-18.3	-15.5
Other <sup>2</sup> .....	1.5	3.3	7.0
<i>Financial transactions:</i>			
Net lending .....	5.6	20.9	14.8
Deposit insurance .....	-10.4	-3.8	-3.4
Other .....	-5	-2.9	-1.3
<i>Net purchases of nonproduced assets:</i>			
Outer continental shelf .....	-4	-6	-3
Other .....	-9.9	-3.8	-2.3
<i>Plus: Netting and grossing differences:</i>			
Contributions to government employee retirement funds .....	71.4	72.2	73.8
Taxes received from the rest of the world <sup>3</sup> .....	-2.7	-2.7	-2.8
Other <sup>4</sup> .....	36.5	32.5	33.1
Consumption of fixed capital .....	71.4	71.8	72.3
<i>Timing differences:</i>			
National defense consumption expenditures .....	-3	-5	1.1
Other .....	1.8	.6	.7
Miscellaneous <sup>5</sup> .....	.1	.1	.1
<b>Equals: Federal Government current expenditures and gross investment, NIPA's</b> .....	<b>1,797.4</b>	<b>1,836.8</b>	<b>1,902.3</b>
<i>Less: Gross investment</i> <sup>6</sup> .....	61.2	58.3	58.5
<b>Equals: Federal Government current expenditures, NIPA's</b> .....	<b>1,736.2</b>	<b>1,778.5</b>	<b>1,843.8</b>

1. Consists largely of transfer payments, subsidies, and grants-in-aid to residents of U.S. territories and Puerto Rico.

2. Consists of agencies not in the budget and the Federal Communication Commission Universal Service Fund payments. Also includes net purchases of silver and minor coin metal.

3. Taxes received from the rest of the world are included in the budget and netted against expenditures (transfer payments) in the NIPA's.

4. Consists largely of proprietary receipts that are netted against outlays in the budget a classified as receipts in the NIPA's.

5. Consists largely of net expenditures of foreign currencies.

6. Gross investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in Federal Government consumption expenditures.

Sources: *The Budget of the United States Government, Fiscal 1999* and the Bureau of Economic Analysis.

NIPA National income and product accounts

5. Most of the proceeds of the sale of the naval petroleum reserve in Elk Hills, California, was classified as the sale of a nonproduced asset and was excluded from the NIPA's. For more information on this sale, see the "Business Situation" in this issue.

**Table 6.—Relation of National Defense Consumption Expenditures and Gross Investment in the NIPA's to National Defense Outlays in the Budget**

[Billions of dollars]

	Fiscal year		
	1997	1998	1999
<b>National defense outlays in the budget</b> .....	<b>270.5</b>	<b>264.1</b>	<b>265.5</b>
Department of Defense, military .....	258.3	251.4	252.7
Military personnel .....	69.7	69.7	70.5
Operation and maintenance .....	88.8	92.7	91.8
Procurement .....	47.7	43.7	45.5
Aircraft .....	14.7	13.6	14.4
Missiles .....	3.7	3.3	3.2
Ships .....	7.1	6.6	7.0
Weapons .....	3.5	3.0	2.8
Ammunition .....	1.2	1.1	1.2
Other .....	17.6	16.2	17.0
Research, development, test and evaluation .....	37.0	35.8	35.9
Other .....	15.1	9.5	8.9
Atomic energy and other defense-related activities .....	12.2	12.7	12.8
<i>Plus: Military assistance purchases</i> .....	.2	.2	.2
Additional payments to military and civilian retirement funds .....	21.6	21.4	22.1
Consumption of general government fixed capital .....	57.1	56.7	56.3
<i>Less: Grants-in-aid to State and local governments and net interest paid</i> .....	2.7	2.8	3.0
Timing difference .....	-3	-5	1.1
Other differences .....	-5	-9	-1.0
<b>Equals: National defense consumption expenditures and gross investment, NIPA's</b> .....	<b>347.4</b>	<b>341.1</b>	<b>341.1</b>
<i>Less: National defense gross investment</i> <sup>1</sup> .....	39.9	36.3	35.4
<b>Equals: National defense consumption expenditures, NIPA's</b> .....	<b>307.5</b>	<b>304.7</b>	<b>305.7</b>

1. Gross investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in Federal Government consumption expenditures.

Sources: *The Budget of the United States Government, Fiscal Year 1999* and the Bureau of Economic Analysis.



the budget, and it excludes government investment in fixed assets, which is included in budget outlays. For 1999, NIPA current expenditures would exceed budget outlays by \$110.6 billion; contributions to government employee retirement funds would be \$73.8 billion, proprietary receipts would be \$33.1 billion, and the consumption of fixed capital would exceed investment by \$14.3 billion.

In the NIPA framework, budget outlays for national defense are included in both consumption expenditures and gross investment. These outlays differ from the NIPA estimates for four principal reasons (table 6). First, some defense outlays, primarily disbursements for foreign military sales, are treated as exports in the NIPA's. Second, NIPA expenditures are recorded on a delivery basis, and budget outlays are recorded on a cash basis; thus, in the NIPA's, all work-in-progress except shipbuilding is included in the change-in-business-inventories component of gross domestic product. Third, in defense outlays, the cost of the military retirement program is measured as the cash payment from the military personnel appropriation account to the military retirement trust fund. In the NIPA's, a payment is added to amortize the unfunded liability for military retirement benefits earned by military personnel for service before 1985, and a payment is also added to amortize the unfunded liability for civilian retirement benefits; these payments are recorded in the budget as intergovernmental

transactions. Fourth, the NIPA measure includes general government consumption of fixed capital.

The differences between the budget and NIPA estimates of receipts, of outlays, and of the current surplus or deficit are summarized in table 7. Unlike the budget, which would record a surplus in 1999, the NIPA's would record a deficit primarily because of the difference in the treatment of government investment in fixed assets; the consumption of fixed capital that is included in the NIPA's is greater than the investment that is excluded.

### Fiscal year 1999 NIPA estimates

In the NIPA framework, the current deficit in fiscal year 1999 would decrease \$2.7 billion, to \$9.9 billion, after decreasing \$28.1 billion in fiscal year 1998 (chart 1). This slowdown is due to an acceleration in current expenditures and a deceleration in receipts. The acceleration in current expenditures is due to accelerations in grants-in-aid to State and local governments, transfer payments, and consumption expenditures. The deceleration in receipts is attributable to a deceleration in corporate profits tax accruals.

In the NIPA framework, Federal current expenditures would increase \$65.3 billion in fiscal year 1999 to \$1,843.8 billion (chart 2). Transfer payments would increase \$36.1 billion—\$14.5 billion for social security and \$10.0 billion for medicare (table 8). Grants-in-aid to State and local governments would increase \$23.4 billion—\$6.7 billion for medicaid, \$5.3 billion for health care, and \$6.9 for other grants programs. Nondefense

Table 7.—Relation of Administration Budget and NIPA Estimates of Federal Government Receipts and Current Expenditures

	Level for fiscal year			Change from preceding fiscal year	
	Actual	Estimates			
	1997	1998	1999	1998	1999
<b>Administration budget:</b>					
Receipts .....	1,579.3	1,657.9	1,742.7	78.6	84.8
Outlays .....	1,601.2	1,667.8	1,733.2	66.6	65.4
Surplus or deficit (-) .....	-21.9	-10.0	9.5	11.9	19.5
<b>NIPA's:</b>					
Receipts .....	1,695.5	1,765.9	1,833.9	70.4	68.0
Outlays .....	1,736.2	1,778.5	1,843.8	42.3	65.3
Surplus or deficit (-) <sup>1</sup> .....	-40.7	-12.6	-9.9	28.1	2.7
<b>Administration budget less NIPA's:</b>					
Receipts .....	-116.2	-108.0	-91.2	8.2	16.8
Outlays .....	-135.0	-110.7	-110.6	24.3	.1
Surplus or deficit (-) .....	18.8	2.6	19.4	-16.2	16.8

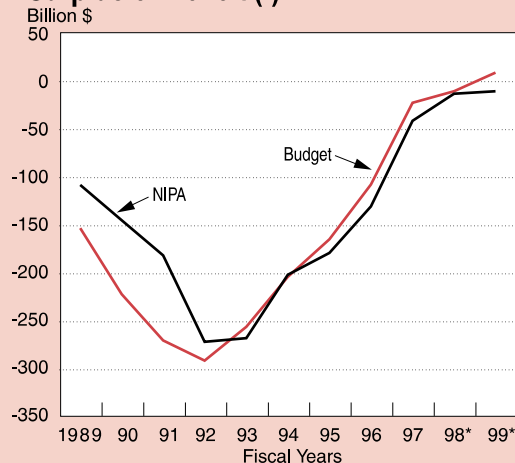
1. The NIPA current surplus or deficit reflects the treatment of government investment which was introduced in January 1996. Current expenditures now include (1) consumption of fixed capital or general government in consumption expenditures, and (2) consumption of fixed capital for government enterprises as an expense in the calculation of the current surplus of government enterprises. Gross investment in fixed assets by general government enterprises is no longer classified as a current-account expenditure in the year the asset is purchased but is classified, instead, as an expenditure over the service life of the asset.

Sources: *The Budget of the United States Government, Fiscal Year 1999* and the Bureau of Economic Analysis.

NIPA National income and product accounts

CHART 1

### Federal Fiscal Position, Surplus or Deficit (-)



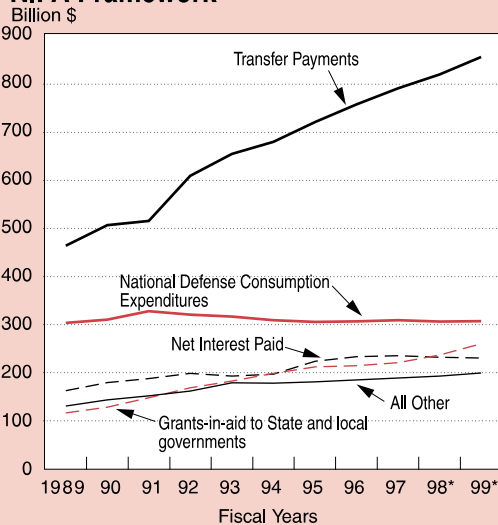
\*Estimates by OMB and BEA

U.S. Department of Commerce, Bureau of Economic Analysis



**CHART 2**

**Federal Government Current Expenditures, NIPA Framework**



\*Estimates by BEA  
U.S. Department of Commerce, Bureau of Economic Analysis

**Table 8.—Sources of Change in Federal Government Current Expenditures, NIPA Framework**  
[Billions of dollars]

	Change from preceding fiscal year		
	1997	1998	1999
<b>Total current expenditures</b> .....	<b>64.0</b>	<b>42.3</b>	<b>65.3</b>
Consumption expenditures .....	15.4	2.1	9.0
National defense .....	9.4	-2.8	1.0
Pay raise and locality pay <sup>1</sup> .....	.....	2.1	3.1
Other .....	9.4	-4.9	-2.1
Nondefense .....	6.0	4.9	8.0
Pay raise and locality pay <sup>1</sup> .....	.....	1.3	2.1
Other .....	6.0	3.6	5.9
Transfer payments .....	35.4	28.8	36.1
Social security .....	14.8	15.5	14.5
Medicare .....	16.4	7.9	10.0
Supplemental security income .....	1.4	.8	.4
Federal employee retirement .....	5.8	2.8	2.9
Earned income and child care credits .....	2.8	.4	2.7
Veterans benefits .....	1.2	.8	1.4
Unemployment benefits .....	-2.8	.4	2.7
Other .....	-4.2	.2	1.5
Grants-in-aid to State and local governments .....	4.7	15.6	23.4
Medicaid .....	3.6	5.4	6.7
Education .....	0	0	3.5
Highways .....	1.0	1.2	.6
Health Care .....	-1.5	1.5	5.3
Food and nutrition .....	.7	1.1	.4
Other .....	1.0	6.4	6.9
Net interest paid .....	8.0	-3.2	-1.7
Subsidies less current surplus of government enterprises .....	.5	-1.0	-1.5
Agriculture subsidies .....	-2.1	1.2	-.8
Housing subsidies .....	.6	0	-.4
Other subsidies .....	3.2	-.3	-.7
Less: Current surplus of government enterprises:			
Postal Service surplus .....	1.0	.7	-.3
Other surplus of government enterprises .....	.2	1.2	-.1

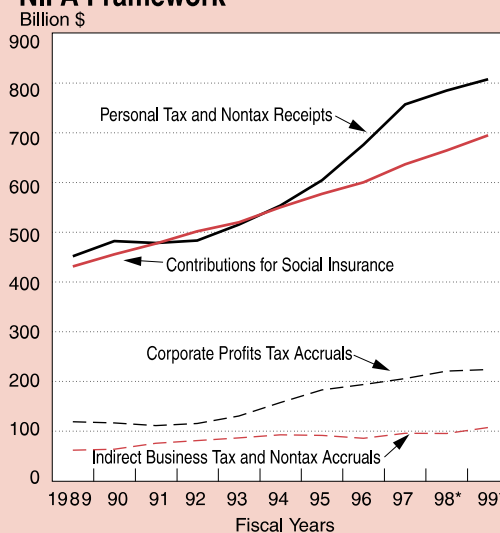
1. Consists of pay raises and locality pay beginning in January 1998.  
Source: Bureau of Economic Analysis.

consumption expenditures would increase \$8.0 billion.

In the NIPA framework, Federal receipts would increase \$68.0 billion in fiscal year 1999 to \$1,883.9 billion (chart 3): \$57.5 billion of the increase is due to a higher tax base, and \$10.5 billion is due to proposed legislation (table 9). The increase in total receipts reflects increases in contributions for social insurance (\$30.3 billion), personal taxes (\$22.7 billion), indirect business taxes (\$22.7 billion), indirect business taxes

**CHART 3**

**Federal Government Receipts, NIPA Framework**



\*Estimates by BEA  
U.S. Department of Commerce, Bureau of Economic Analysis

**Table 9.—Sources of Change in Federal Government Receipts, NIPA Framework**  
[Billions of dollars]

	Change from preceding fiscal year		
	1997	1998	1999
<b>Total receipts</b> .....	<b>143.6</b>	<b>70.4</b>	<b>68.0</b>
Due to tax bases .....	143.6	70.6	57.5
Due to proposed legislation .....	0	-.1	10.5
Personal tax and nontax receipts .....	88.8	27.8	22.7
Due to tax bases .....	88.8	27.9	23.9
Due to proposed legislation .....	0	-.1	-1.2
Corporate profits tax accruals .....	13.6	14.8	3.1
Due to tax bases .....	13.6	14.9	1.4
Due to proposed legislation .....	0	-.1	1.7
Indirect business tax and nontax accruals .....	4.6	-.1	11.9
Due to tax bases .....	4.6	-.2	1.9
Due to proposed legislation .....	0	.1	10.0
Contributions for social insurance .....	36.7	28.0	30.3
Due to tax bases .....	36.7	28.0	30.3
Due to proposed legislation .....	0	0	0

Sources: *The Budget of the United States Government, Fiscal Year 1999*, and the Bureau of Economic Analysis.

(\$11.9 billion), and corporate profits tax accruals (\$3.1 billion). The increase in contributions for social insurance reflects higher contributions for the old-age, survivors, disability, and hospital insurance programs. The increase in personal taxes reflects higher withheld income taxes, and the increase in indirect business taxes reflects the proposed tobacco settlement.

*Quarterly pattern.*—Seasonally adjusted quarterly estimates of NIPA receipts and current expenditures that are consistent with the budget estimates of receipts and outlays for the fiscal year are shown in [table 10](#). The NIPA estimates of receipts reflect the quarterly pattern that results from the enacted and proposed legislation and from the administration's projected quarterly pattern of wages and profits. The NIPA estimates of current expenditures reflect the quarterly pattern that results from the enacted and proposed legislation that would adjust pay for Federal Government

employees and provide cost-of-living increases in social security.

In the NIPA framework, the current deficit trends downward from the first quarter of 1997 through the fourth quarter of 1997 and then increases in the first quarter of 1998. The first-quarter 1998 increase reflects the following: Decreases in personal taxes, cost-of-living adjustments that increase social security (2.1 percent), and adjustments to Federal employee pay (2.8 percent).

The current deficit decreases from the second quarter of 1998 through the fourth quarter of 1998, increases in the first quarter of 1999, and then decreases slightly throughout the third quarter of 1999. The first-quarter increase reflects the following: Cost-of-living adjustments that increase social security (2.2 percent), adjustments to Federal employee pay (3.1 percent), and higher grants-in-aid to State and local governments.

*Table 10 follows.* 



**Table 10.—Federal Government Receipts and Expenditures, NIPA Framework—Continued**

[Billions of dollars; calendar year and quarters at seasonally adjusted annual rates]

Line		Fiscal year <sup>1</sup>			Calendar year		Quarter										
		1997	1998	1999	Pub- lished 1997 <sup>2</sup>	Esti- mated 1998	Published 1997 <sup>2</sup>				Estimated 1998				Estimated 1999		
							I	II	III	IV	I	II	III	IV	I	II	III
62	Grants-in-aid to State and local governments .....	220.0	235.6	259.0	224.2	242.8	219.6	222.5	224.2	230.6	232.8	241.4	245.9	251.2	259.9	266.8	272.8
63	Public assistance .....	112.7	120.4	127.5	112.8	119.8	111.2	111.8	110.2	117.8	115.7	119.4	120.5	123.4	126.8	128.7	130.5
64	Medicaid .....	95.4	100.8	107.5	97.4	101.3	94.7	96.4	96.1	102.2	98.7	100.7	101.4	104.2	107.1	108.5	109.9
65	Cash benefits (AFDC + TANF) .....	14.7	17.1	18.0	12.9	16.0	14.0	12.6	11.8	13.2	14.6	16.0	16.6	16.9	17.4	18.0	18.5
66	Social benefits .....	2.6	2.4	2.0	2.5	2.5	2.5	2.8	2.4	2.4	2.4	2.6	2.5	2.3	2.3	2.2	2.1
67	Highways .....	20.2	21.4	22.0	20.3	22.1	19.4	20.6	20.8	20.3	21.3	22.4	22.6	21.9	22.2	22.6	22.8
68	Education .....	17.1	17.1	20.6	17.0	18.0	15.7	16.6	18.1	17.5	16.5	17.7	18.5	19.4	20.9	21.4	22.4
69	Food and nutrition .....	14.7	15.8	16.2	15.3	16.6	14.9	15.1	15.4	15.7	16.3	16.6	16.8	16.6	16.5	16.8	16.7
70	Community development .....	6.3	7.5	7.8	6.5	7.9	6.4	6.5	6.4	6.5	8.0	8.1	7.9	7.4	7.8	8.1	8.2
71	Mass transit .....	2.3	2.0	1.9	4.0	2.6	4.1	3.5	4.2	4.0	3.2	2.9	2.1	2.1	2.1	2.1	2.0
72	Environmental protection .....	2.7	2.5	2.7	2.6	2.7	2.9	2.7	2.6	2.3	2.9	2.6	2.5	2.9	2.6	2.8	2.7
73	Health care .....	6.3	7.8	13.1	7.7	9.1	6.9	8.4	7.2	8.2	8.4	8.2	8.4	11.2	13.3	14.3	15.3
74	All other .....	37.8	41.1	47.1	38.3	44.2	38.1	37.4	39.4	38.3	40.6	43.6	46.3	46.2	47.5	49.8	52.1
75	Net interest paid .....	234.2	231.0	229.3	230.2	229.6	228.9	229.8	231.2	231.0	230.6	229.7	229.0	228.9	228.6	228.4	228.3
76	Subsidies less current surplus of government enterprises .....	38.2	37.2	35.7	38.4	39.3	38.4	38.1	37.9	39.0	39.9	40.3	38.4	38.8	38.3	38.1	37.8
77	Subsidies .....	35.5	36.4	34.5	34.2	34.3	33.8	34.3	34.3	34.5	34.8	34.7	34.1	33.4	33.1	32.8	32.6
78	Agricultural .....	7.3	8.5	7.7	7.6	8.1	7.4	7.5	7.5	8.0	8.3	8.4	8.1	7.7	7.5	7.3	7.2
79	Housing .....	24.9	24.9	24.5	25.6	25.5	25.2	25.7	25.9	25.7	25.6	25.5	25.4	25.3	25.2	25.2	25.1
80	Other .....	3.3	3.0	2.3	1.0	.6	1.1	1.1	1.0	.9	.8	.7	.6	.4	.4	.3	.3
81	Less: Current surplus of government enterprises .....	-2.7	-8	-1.1	-4.2	-5.1	-4.7	-3.9	-3.6	-4.5	-5.1	-5.6	-4.2	-5.4	-5.3	-5.3	-5.1
82	Postal Service .....	-7.8	-7.1	-7.4	-8.6	-9.5	-8.9	-8.2	-8.0	-9.2	-9.7	-10.0	-8.6	-9.8	-9.6	-9.6	-9.5
83	Federal Housing Administration .....	2.9	3.4	3.8	3.3	3.7	3.2	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.0
84	Tennessee Valley Authority .....	2.0	2.7	2.8	1.7	1.7	1.7	1.6	1.5	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.8
85	Other .....	.3	.3	-.3	-.5	-1.0	-.6	-.5	-.4	-.5	-.7	-.9	-1.1	-1.2	-1.3	-1.4	-1.4
86	Less: Wage accruals less disbursements .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
87	<b>Current surplus or deficit (-) <sup>5</sup></b> .....	<b>-40.7</b>	<b>-12.6</b>	<b>-9.9</b>	<b>-27.7</b>	<b>-13.2</b>	<b>-55.5</b>	<b>-36.8</b>	<b>-10.8</b>	<b>-7.6</b>	<b>-21.9</b>	<b>-16.1</b>	<b>-9.3</b>	<b>-5.6</b>	<b>-22.5</b>	<b>-20.1</b>	<b>-17.2</b>
<b>Addenda:</b>																	
88	Gross investment <sup>6</sup> .....	61.2	58.3	58.5	59.9	56.7	58.1	61.8	61.0	58.9	57.4	56.4	55.8	57.1	58.7	59.3	58.8
89	National defense .....	39.9	36.3	35.4	39.4	34.5	37.0	39.3	40.5	40.8	35.6	34.4	33.5	34.5	35.8	35.9	35.5
90	Nondefense .....	21.3	22.0	23.1	20.6	22.2	21.1	22.6	20.5	18.1	21.9	22.0	22.3	22.6	22.9	23.3	23.4
91	Consumption expenditures and gross investment .....	518.7	518.0	527.1	523.8	517.9	516.1	526.1	525.7	527.4	526.7	517.9	513.6	513.6	522.1	524.0	527.8
92	National defense .....	347.4	341.1	341.1	350.4	337.5	343.3	350.6	352.1	355.6	349.1	338.5	332.2	330.4	335.2	335.3	337.5
93	Nondefense .....	171.3	176.9	186.0	173.4	180.4	172.8	175.5	173.6	171.8	177.6	179.4	181.3	183.2	187.0	188.7	190.3

1. Fiscal year estimates are the sum of quarterly values not seasonally adjusted and are consistent with the budget proposals.

2. Published estimates, both calendar year and quarters, appear in the NIPA tables 3.2 and 3.7B elsewhere in this issue.

3. Estimates of personal tax and nontax receipts, contributions for social insurance, transfer payments (net), and grants-in-aid to State and local governments for the first quarter of 1998 through the third quarter of 1999 have been revised to incorporate information that has become available since the release of the budget. For each quarter, personal taxes have been revised up \$8.1 billion, and grants-in-aid have been revised up \$4.6 billion. To reflect data on wage and salary disbursements that were not available at the time of the translation, contributions have been revised as follows: 1998:I, \$3.6 billion; 1998:II, \$1.0 billion; 1998:III, -\$1.0 billion; 1998:IV, -\$3.4 billion; 1999:I, -\$2.9 billion; 1999:II, -\$1.4 billion; and 1999:III, \$1.0 billion. The revisions to transfer payments (net) in 1998 and 1999 result from a corrected quarterly pattern for medicare payments.

4. BEA's estimate of corporate profits tax accruals for the fourth quarter of 1997 will not be available until the release of the final estimates of gross domestic product on March 26, 1998. The value shown is derived from the budget.

5. See footnote 1 in table 7.

6. Gross investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in Federal Government consumption expenditures.

7. *The Budget of the United States Government, Analytical Perspectives, Fiscal Year 1999*, "National Income and Product Accounts," page 340 contains incorrect fiscal year estimates of indirect business tax and nontax accruals (IBT); the IBT estimates also carried through to the budget estimates for total receipts and the deficit. The

differences between the fiscal year estimates of IBT shown in the Budget and those shown in table 10 (above) are shown below:

	Billions of dollars		
	Fiscal year		
	1997	1998	1999
Indirect business tax and nontax accruals:			
Budget .....	92.1	92.1	105.7
Amount of correction .....	3.6	3.5	1.8

Sources: *The Budget of the United States Government, Fiscal Year 1998* and the Bureau of Economic Analysis.  
 AFDC Aid to families with dependent children  
 FICA Federal insurance contributions act  
 NIPA National income and product accounts  
 SECA Self-employment contributions act  
 TANF Temporary assistance for needy families

# Federal Budget Estimates, Fiscal Year 1999

By Kurt S. Bersani and Ann M. Groszkiewicz

**T**HE FEDERAL *Budget of the United States Government* for fiscal year 1999 that was released by the President shows a \$9.5 billion surplus, a turnaround from a \$10.0 billion deficit in fiscal year 1998.<sup>1</sup> The fiscal year 1999 surplus reflects the administration's proposed legislation and program changes, the economic assumptions used in making the budget projections, and the laws that have already been enacted.<sup>2</sup>

This article summarizes the proposed legislation and program changes in the administration's budget and the budget estimates. It then presents the budget receipts and outlays in the framework of the national income and product accounts, which are designed to show the composition of production and the distribution of the incomes earned in production. This framework, which differs in concept and timing from the budget, provides a means of gauging the effects of the Federal budget on aggregate measures of U.S. economic activity.

## Proposed legislation and program changes

The fiscal year 1999 budget presents proposed legislation that increases receipts by \$12.9 billion (table 1). The largest proposal is a tobacco industry settlement that would add \$9.8 billion to receipts. Proposals to increase receipts both from insurance companies and from corporate-owned life insurance policy holders who borrow against their policies would total \$2.3 billion: A proposed modification of the existing tax rules for life insurance annuity contracts would amount to \$1.8 billion, and a proposal to repeal certain tax deductions of interest on corporate-owned life insurance policy loans would amount to \$0.4

1. Estimates of the *Budget of the United States Government* are presented on a fiscal year basis. See Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 1999* (Washington, DC: U.S. Government Printing Office, 1998).

2. Estimates of the administration's proposed legislation and program changes are derived by BEA as the difference between the "current-services" estimates included in the budget and the total budget. The current-services estimates, which are based on the economic assumptions underlying the budget, are designed to show what Federal receipts and outlays would be if no changes are made to the laws that are already enacted. In concept, these estimates are neither recommended amounts nor forecasts; they form a baseline with which administration or congressional proposals can be analyzed.

billion. A proposed extension of corporate environmental and excise taxes for the Hazardous Substance Superfund Trust Fund would add \$1.8 billion.

**Table 1.—Relation of Current-Services Estimates to the Budget**

[Billions of dollars]

	Fiscal year	
	1998	1999
<b>Receipts</b>		
Current-services estimates .....	1,657.9	1,729.8
<i>Plus:</i> Proposed legislation .....	-1	12.9
Research and experimentation tax credit .....	-4	-8
International trade provisions .....	0	-6
Energy efficiency and the environment .....	0	-4
Education incentives .....	0	-4
Child care .....	0	-3
Other .....	2	-7
Subtotal: Tax relief (including offsets) .....	-5	-3.2
Tobacco settlement legislation .....	0	9.8
Reserve rules for life insurance annuity contracts .....	0	1.8
Reinstate environmental tax imposed on corporate income .....	0	1.1
Reinstate Superfund excise taxes .....	.1	.7
Replace sales-source rules with activity-based rules ..	0	.6
Preclude premature claiming of losses from receivables .....	0	.4
Corporate-owned life insurance rules .....	.3	.4
Repeal lower-of-cost-or-market inventory accounting method .....	0	.4
Other .....	.1	.9
Subtotal: Other provisions that affect receipts .....	.4	16.2
<i>Equals:</i> The budget .....	1,657.9	1,742.7
<b>Outlays</b>		
Current-services estimates .....	1,667.8	1,732.4
<i>Plus:</i> Program changes .....	0	.8
National defense .....	0	-4.4
Income security .....	.1	1.3
Net interest .....	0	-3
Medicare .....	0	-2
Education, training, employment, and social services ..	-2	-2
Veterans benefits and services .....	0	-1.0
Transportation .....	0	-3
Administration of justice .....	0	.8
Natural resources and environment .....	0	-5
General government .....	0	3.6
Agriculture .....	0	-4
Commerce and housing credit .....	0	-4
Allowances <sup>1</sup> .....	0	3.3
Other .....	.1	-5
<i>Equals:</i> The budget .....	1,667.8	1,733.2
Current-services surplus or deficit (-) .....	-9.9	-2.6
Proposed changes, receipts less outlays .....	-1	12.1
Administration budget surplus or deficit (-) .....	-10.0	9.5

1. Allowances include funding for emergencies, such as natural disasters, for unforeseen defense and nondefense costs, and for unanticipated nonemergency expenses of the year 2000 conversion.

Source: *The Budget of the United States Government, Fiscal Year 1999*.

Proposed legislation that would reduce receipts consists of various tax credits and other tax changes. A proposal to extend a tax credit for certain research and experimentation expenditures through June 30, 1999, would reduce receipts by \$0.8 billion. A proposal to modify international trade provisions would reduce receipts by an additional \$0.6 billion. More than 90 percent of this reduction would come from extending to September 30, 2001, the provisions in the General System of Preferences (GSP) that eliminate duty on certain goods from eligible developing countries. In addition, the following proposals, none of which total more than \$0.4 billion, would reduce receipts: Tax credits to businesses for purchasing energy-efficient equipment, tax credits for certain education initiatives, and increased tax credits for child care.

The budget proposes program changes that would increase total outlays by a net \$0.8 billion in fiscal year 1999. Among the program changes that would increase outlays, the largest is for general government, which would be augmented by \$3.6 billion.<sup>3</sup> Much of this increase would fund Internal Revenue Service improvements in customer service, electronic data collection, and communication.

A proposed \$3.3 billion increase in allowances would be used for emergencies—such as natural disasters—for unexpected defense expenditures, and for any unanticipated nonemergency expenses caused by the year 2000 conversion. Income security would increase by \$1.3 billion, the largest portion of which is a \$0.5 billion proposal to restore food stamps to legal immigrants.

The budget proposes an \$0.8 billion increase for the administration of justice. Programs to reduce violent crime and to control and prevent juvenile crime would each receive \$0.3 billion in additional funding. Proposals to increase the number of border patrol agents and to improve wireless communication would increase funding for each by \$0.1 billion.

The largest proposed decreases in outlays are \$4.4 billion for national defense and \$1.0 billion for veterans benefits and services. The reduction in national defense spending would result primarily from the increased privatization and outsourcing of support functions, which would reduce the number of personnel associated with support activities and infrastructure. Most of the decrease in veterans benefits and services would

result from a proposal to reinstate restrictions on tobacco-related disability-compensation benefits. These benefits would be reduced by \$0.7 billion as a result of reinstating a policy that restricts benefits for veterans for tobacco-related disabilities that originated from tobacco use during military service. The remainder of the decrease in outlays is accounted for by other proposals, none of which amount to more than \$0.5 billion.

**The budget estimates**

In the budget, receipts in fiscal year 1999 are projected to increase \$84.9 billion, or 5.1 percent, to \$1,742.7 billion (table 2). Receipts in 1998 are projected to be \$1,657.9 billion, up 5.0 percent from 1997. The projected increase in 1999 is mostly accounted for by increases in social insurance taxes and contributions, individual income taxes, and excise taxes. Projected increases in receipts from social insurance taxes and contributions and from individual income taxes are based on administration assumptions that incomes will increase as a result of real economic growth and inflation. A projected increase in excise tax receipts is based on administration assumptions of increased economic activity in 1999 after a slowdown in 1998 and on higher aviation taxes as a result of the Tax Reform Act of 1997. Miscellaneous receipts are projected to increase \$13.2 billion, \$9.8 billion of which is accounted for by the proposed tobacco industry settlement.

Total budget outlays in fiscal year 1999 are projected to increase \$65.4 billion, or 3.9 percent, to \$1,733.2 billion (table 3). Outlays in 1998 are projected to be \$1,667.8 billion, up 4.2 percent from 1997. The projected increase in 1999 is mostly accounted for by increases in four areas:

- Social security—An increase of \$14.7 billion is accounted for by a \$14.7 billion increase from current-services outlays that mainly reflects the cost-of-living adjustments

**Table 2.—Budget Receipts by Source**  
(Billions of dollars)

	Level for fiscal year				Change from preceding fiscal year		
	1996	1997	1998	1999	1997	1998	1999
<b>Budget receipts</b> .....	<b>1,453.0</b>	<b>1,579.3</b>	<b>1,657.9</b>	<b>1,742.7</b>	<b>126.3</b>	<b>78.6</b>	<b>84.9</b>
Individual income taxes .....	656.4	737.5	767.8	791.5	81.1	30.3	23.7
Corporation income taxes .....	171.8	182.3	190.8	198.0	10.5	8.5	7.1
Social insurance taxes and contributions .....	509.4	539.4	571.4	595.9	30.0	32.0	24.5
Excise taxes .....	54.0	56.9	55.5	72.0	2.9	-1.4	16.5
Estate and gift taxes .....	17.2	19.8	20.4	20.5	2.6	.6	.1
Customs duties .....	18.7	17.9	18.4	18.2	-8	.4	-2
Miscellaneous receipts .....	25.5	25.5	33.5	46.7	0	8.1	13.2

Source: The Budget of the United States Government, Fiscal Year 1999.

3. General government includes such activities as tax collection; administration of the public debt; and personnel, general property, and administrative management.



and assumptions about inflation and about the number of beneficiaries in these programs. Most of the increase in social security is accounted for by old-age and survivors insurance benefits (\$12.1 billion).

- **Income security**—An increase of \$13.5 billion is accounted for by an increase of \$12.3 billion in current-services outlays and of \$1.3 billion in program changes. The increase is distributed over a variety of programs, including unemployment compensation, Federal employee retirement and disability, child care entitlement to States, and food stamps.
- **Health**—An increase of \$9.7 billion is accounted for by a \$9.8 billion increase in current-services outlays. Most of the increase is accounted for by an increase of \$6.9 billion for medicaid, reflecting assumptions about inflation and the number of beneficiaries in this program. The remaining increases are primarily accounted for by an increase in the Children's Health Insurance Program (\$1.5 billion) to provide insurance for currently uninsured children and by an increase for the National Institutes of Health (\$1.0 billion) for biomedical research.
- **Medicare**—An increase of \$9.1 billion is more than accounted for by a \$9.4 billion increase in current-services outlays. The increase is based on the assumptions about inflation and the about number of beneficiaries in this program.

**Table 3.—Budget Outlays by Function**

[Billions of dollars]

	Level for fiscal year				Change from preceding fiscal year		
	1996	1997	1998	1999	1997	1998	1999
	<b>Budget outlays</b> .....	<b>1,560.5</b>	<b>1,601.2</b>	<b>1,667.8</b>	<b>1,733.2</b>	<b>40.7</b>	<b>66.6</b>
Social security .....	349.7	365.3	381.5	396.2	15.6	16.2	14.7
National defense .....	265.7	270.5	264.1	265.5	4.7	-6.4	1.4
Income security .....	226.0	230.9	239.3	252.8	4.9	8.5	13.5
Net interest .....	241.1	244.0	242.7	241.8	2.9	-1.3	-9
Medicare .....	174.2	190.0	198.1	207.3	15.8	8.1	9.1
Health .....	119.4	123.8	131.8	141.5	4.5	7.9	9.7
Education, training, employment, and social services .....	52.0	53.0	55.1	59.5	1.0	2.1	4.4
Veterans benefits and services .....	37.0	39.3	43.1	43.3	2.3	3.8	.2
Transportation .....	39.6	40.8	41.5	42.3	1.2	.8	.7
Administration of justice .....	17.5	20.2	22.3	25.5	2.6	2.1	3.3
Natural resources and environment .....	21.6	21.4	23.8	23.2	-2	2.5	-6
General science, space, and technology .....	16.7	17.2	17.1	17.6	.5	-1	.5
General government .....	11.9	12.8	12.9	17.2	.9	.1	4.3
International affairs .....	13.5	15.2	14.5	14.5	1.7	-7	0
Agriculture .....	9.2	9.0	10.6	11.0	-1	1.5	.4
Community and regional development .....	10.7	11.0	11.8	10.9	.3	.8	-9
Commerce and housing credit .....	-10.6	-14.6	3.5	3.5	-4.0	18.1	0
Allowances .....				3.3			3.3
Energy .....	2.8	1.5	.4	-1.0	-1.4	-1.1	-1.4
Undistributed offsetting receipts .....	-37.6	-50.0	-46.4	-42.5	-12.4	3.6	3.9

Source: *The Budget of the United States Government, Fiscal Year 1999*.

### Relation between budget and NIPA estimates

BEA prepares estimates of the Federal sector in the framework of the national income and product accounts (NIPA's), which may be used for such purposes as macroeconomic analyses of the impact of changes in Federal receipts and expenditures on gross domestic product and its components. BEA makes adjustments to the budget estimates to bring them into line with NIPA concepts and definitions.<sup>4</sup> One major conceptual difference is the treatment of government investment; in the NIPA's, the treatment of government investment in fixed assets and the cost of using these assets is symmetrical with the treatment of fixed investment in the private sector. Transfers of nonproduced assets, such as the sale of land, are excluded from the NIPA's because they do not affect current production. The NIPA's also exclude transactions with Puerto Rico

4. For a detailed discussion of the reconciliation, see *Government Transactions*, Methodology Paper No. 5 (November 1988). (This paper is available from the National Technical Information Service, accession no. PB 90-118480, and at BEA's Web site, <<http://www.bea.doc.gov>>.)

In addition, as part of the comprehensive NIPA revision released in January 1996, several changes were made to the definitions and classifications used to measure the Federal sector. For a discussion of these changes, see "Preview of the Comprehensive Revision of the National Income and Product Accounts: Recognition of Government Investment and Incorporation of a New Methodology for Calculating Depreciation," *SURVEY OF CURRENT BUSINESS* 75 (September 1995): 33-41; and "Improved Estimates of the National Income and Product Accounts for 1959-95: Results of the Comprehensive Revision," *SURVEY* 76 (January/February 1996): 1-31.

**Table 4.—Relation of Federal Government Receipts in the NIPA's to the Budget**

[Billions of dollars]

	Fiscal year		
	1997	1998	1999
<b>Budget receipts</b> .....	<b>1,579.3</b>	<b>1,657.9</b>	<b>1,742.7</b>
Less: Coverage differences <sup>1</sup> .....	2.6	2.7	2.8
Plus: Netting and grossing differences:			
Contributions to government employee retirement funds .....	71.4	72.2	73.8
Taxes received from the rest of the world <sup>2</sup> .....	-2.7	-2.7	-2.8
Other <sup>3</sup> .....	36.5	32.5	33.1
Timing differences:			
Corporate income tax .....	9.1	6.7	4.2
Federal and State unemployment insurance taxes .....	-4	0	-3
Withheld personal income tax and social security contributions .....	6.9	-1.8	-1.4
Excise taxes .....	.5	6.1	-8.5
Other .....	0	0	0
Miscellaneous <sup>4</sup> .....	-2.6	-2.3	-4.2
<b>Equals: Federal Government receipts, NIPA's</b> .....	<b>1,695.5</b>	<b>1,765.9</b>	<b>1,833.9</b>

1. Consists largely of the Federal Communication Commission Universal Service Fund receipts and contributions for social insurance by residents of U.S. territories and Puerto Rico.

2. Taxes received from the rest of the world are included in the budget and netted against expenditures (transfer payments) in the NIPA's.

3. Consists largely of proprietary receipts that are netted against outlays in the budget and classified as receipts in the NIPA's.

4. Consists largely of Treasury receipts from sales of foreign currencies to Government agencies.

Sources: *The Budget of the United States Government, Fiscal Year 1999* and the Bureau of Economic Analysis.

NIPA National income and product accounts

and the U.S. Territories, whose residents by NIPA definition are not U.S. residents, and transactions of the Federal Communication Commission Universal Service Fund, which pass through a nonprofit institution that is regulated by the Federal Communication Commission.

NIPA receipts differ from budget receipts because of differences in coverage, in netting and grossing (which provide additional information on items that are recorded on a net basis in the budget), and in timing (table 4). For most years, the difference between NIPA receipts and budget receipts primarily reflects contributions to government employee retirement funds and proprietary receipts. In the budget, the contributions are included in outlays both as expenditures and as offsetting receipts and thus net to zero; in the NIPA's, they are recorded as receipts in

order to provide separate detail on government retirement funds. In the budget, some proprietary receipts are netted against outlays, but in the NIPA's, they are treated as receipts. For 1999, NIPA receipts would exceed budget receipts by \$91.2 billion; contributions to government employee retirement funds would be \$73.8 billion, and proprietary receipts would be \$33.1 billion.

NIPA current expenditures differ from budget outlays because of differences in coverage, in netting and grossing, and in timing. They also differ because of the NIPA treatment of government investment in fixed assets and because of the exclusion of financial transactions, such as loans, and the exclusion of sales of nonproduced assets (table 5).<sup>5</sup> For most years, the difference between the NIPA and budget estimates primarily reflects the netting and grossing differences and the treatment of government investment. NIPA current expenditures includes the consumption of fixed capital, which is not recognized in

**Table 5.—Relation of Federal Government Current Expenditures in the NIPA's to the Budget**

[Billions of dollars]

	Fiscal year		
	1997	1998	1999
<b>Budget outlays</b> .....	<b>1,601.2</b>	<b>1,667.8</b>	<b>1,733.2</b>
<i>Less: Coverage differences:</i>			
Geographic <sup>1</sup> .....	9.5	9.9	10.3
Financing disbursements from credit programs .....	-13.4	-18.3	-15.5
Other <sup>2</sup> .....	1.5	3.3	7.0
<i>Financial transactions:</i>			
Net lending .....	5.6	20.9	14.8
Deposit insurance .....	-10.4	-3.8	-3.4
Other .....	-5	-2.9	-1.3
<i>Net purchases of nonproduced assets:</i>			
Outer continental shelf .....	-4	-6	-3
Other .....	-9.9	-3.8	-2.3
<i>Plus: Netting and grossing differences:</i>			
Contributions to government employee retirement funds .....	71.4	72.2	73.8
Taxes received from the rest of the world <sup>3</sup> .....	-2.7	-2.7	-2.8
Other <sup>4</sup> .....	36.5	32.5	33.1
Consumption of fixed capital .....	71.4	71.8	72.3
<i>Timing differences:</i>			
National defense consumption expenditures .....	-3	-5	1.1
Other .....	1.8	.6	.7
Miscellaneous <sup>5</sup> .....	.1	.1	.1
<b>Equals: Federal Government current expenditures and gross investment, NIPA's</b> .....	<b>1,797.4</b>	<b>1,836.8</b>	<b>1,902.3</b>
<i>Less: Gross investment</i> <sup>6</sup> .....	61.2	58.3	58.5
<b>Equals: Federal Government current expenditures, NIPA's</b> .....	<b>1,736.2</b>	<b>1,778.5</b>	<b>1,843.8</b>

1. Consists largely of transfer payments, subsidies, and grants-in-aid to residents of U.S. territories and Puerto Rico.

2. Consists of agencies not in the budget and the Federal Communication Commission Universal Service Fund payments. Also includes net purchases of silver and minor coin metal.

3. Taxes received from the rest of the world are included in the budget and netted against expenditures (transfer payments) in the NIPA's.

4. Consists largely of proprietary receipts that are netted against outlays in the budget a classified as receipts in the NIPA's.

5. Consists largely of net expenditures of foreign currencies.

6. Gross investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in Federal Government consumption expenditures.

Sources: *The Budget of the United States Government, Fiscal 1999* and the Bureau of Economic Analysis.

NIPA National income and product accounts

5. Most of the proceeds of the sale of the naval petroleum reserve in Elk Hills, California, was classified as the sale of a nonproduced asset and was excluded from the NIPA's. For more information on this sale, see the "Business Situation" in this issue.

**Table 6.—Relation of National Defense Consumption Expenditures and Gross Investment in the NIPA's to National Defense Outlays in the Budget**

[Billions of dollars]

	Fiscal year		
	1997	1998	1999
<b>National defense outlays in the budget</b> .....	<b>270.5</b>	<b>264.1</b>	<b>265.5</b>
Department of Defense, military .....	258.3	251.4	252.7
Military personnel .....	69.7	69.7	70.5
Operation and maintenance .....	88.8	92.7	91.8
Procurement .....	47.7	43.7	45.5
Aircraft .....	14.7	13.6	14.4
Missiles .....	3.7	3.3	3.2
Ships .....	7.1	6.6	7.0
Weapons .....	3.5	3.0	2.8
Ammunition .....	1.2	1.1	1.2
Other .....	17.6	16.2	17.0
Research, development, test and evaluation .....	37.0	35.8	35.9
Other .....	15.1	9.5	8.9
Atomic energy and other defense-related activities .....	12.2	12.7	12.8
<i>Plus: Military assistance purchases</i> .....	.2	.2	.2
Additional payments to military and civilian retirement funds .....	21.6	21.4	22.1
Consumption of general government fixed capital .....	57.1	56.7	56.3
<i>Less: Grants-in-aid to State and local governments and net interest paid</i> .....	2.7	2.8	3.0
Timing difference .....	-3	-5	1.1
Other differences .....	-5	-9	-1.0
<b>Equals: National defense consumption expenditures and gross investment, NIPA's</b> .....	<b>347.4</b>	<b>341.1</b>	<b>341.1</b>
<i>Less: National defense gross investment</i> <sup>1</sup> .....	39.9	36.3	35.4
<b>Equals: National defense consumption expenditures, NIPA's</b> .....	<b>307.5</b>	<b>304.7</b>	<b>305.7</b>

1. Gross investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in Federal Government consumption expenditures.

Sources: *The Budget of the United States Government, Fiscal Year 1999* and the Bureau of Economic Analysis.

the budget, and it excludes government investment in fixed assets, which is included in budget outlays. For 1999, NIPA current expenditures would exceed budget outlays by \$110.6 billion; contributions to government employee retirement funds would be \$73.8 billion, proprietary receipts would be \$33.1 billion, and the consumption of fixed capital would exceed investment by \$14.3 billion.

In the NIPA framework, budget outlays for national defense are included in both consumption expenditures and gross investment. These outlays differ from the NIPA estimates for four principal reasons (table 6). First, some defense outlays, primarily disbursements for foreign military sales, are treated as exports in the NIPA's. Second, NIPA expenditures are recorded on a delivery basis, and budget outlays are recorded on a cash basis; thus, in the NIPA's, all work-in-progress except shipbuilding is included in the change-in-business-inventories component of gross domestic product. Third, in defense outlays, the cost of the military retirement program is measured as the cash payment from the military personnel appropriation account to the military retirement trust fund. In the NIPA's, a payment is added to amortize the unfunded liability for military retirement benefits earned by military personnel for service before 1985, and a payment is also added to amortize the unfunded liability for civilian retirement benefits; these payments are recorded in the budget as intergovernmental

transactions. Fourth, the NIPA measure includes general government consumption of fixed capital.

The differences between the budget and NIPA estimates of receipts, of outlays, and of the current surplus or deficit are summarized in table 7. Unlike the budget, which would record a surplus in 1999, the NIPA's would record a deficit primarily because of the difference in the treatment of government investment in fixed assets; the consumption of fixed capital that is included in the NIPA's is greater than the investment that is excluded.

### Fiscal year 1999 NIPA estimates

In the NIPA framework, the current deficit in fiscal year 1999 would decrease \$2.7 billion, to \$9.9 billion, after decreasing \$28.1 billion in fiscal year 1998 (chart 1). This slowdown is due to an acceleration in current expenditures and a deceleration in receipts. The acceleration in current expenditures is due to accelerations in grants-in-aid to State and local governments, transfer payments, and consumption expenditures. The deceleration in receipts is attributable to a deceleration in corporate profits tax accruals.

In the NIPA framework, Federal current expenditures would increase \$65.3 billion in fiscal year 1999 to \$1,843.8 billion (chart 2). Transfer payments would increase \$36.1 billion—\$14.5 billion for social security and \$10.0 billion for medicare (table 8). Grants-in-aid to State and local governments would increase \$23.4 billion—\$6.7 billion for medicaid, \$5.3 billion for health care, and \$6.9 for other grants programs. Nondefense

Table 7.—Relation of Administration Budget and NIPA Estimates of Federal Government Receipts and Current Expenditures

	Level for fiscal year			Change from preceding fiscal year	
	Actual	Estimates		1998 1999	
	1997	1998	1999	1998	1999
<b>Administration budget:</b>					
Receipts .....	1,579.3	1,657.9	1,742.7	78.6	84.8
Outlays .....	1,601.2	1,667.8	1,733.2	66.6	65.4
Surplus or deficit (-) .....	-21.9	-10.0	9.5	11.9	19.5
<b>NIPA's:</b>					
Receipts .....	1,695.5	1,765.9	1,833.9	70.4	68.0
Outlays .....	1,736.2	1,778.5	1,843.8	42.3	65.3
Surplus or deficit (-) <sup>1</sup> .....	-40.7	-12.6	-9.9	28.1	2.7
<b>Administration budget less NIPA's:</b>					
Receipts .....	-116.2	-108.0	-91.2	8.2	16.8
Outlays .....	-135.0	-110.7	-110.6	24.3	.1
Surplus or deficit (-) .....	18.8	2.6	19.4	-16.2	16.8

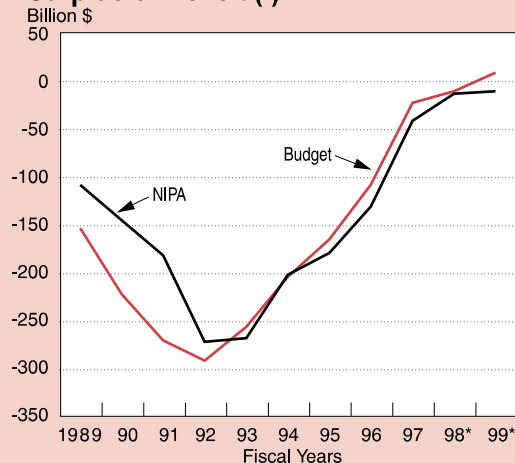
1. The NIPA current surplus or deficit reflects the treatment of government investment which was introduced in January 1996. Current expenditures now include (1) consumption of fixed capital or general government in consumption expenditures, and (2) consumption of fixed capital for government enterprises as an expense in the calculation of the current surplus of government enterprises. Gross investment in fixed assets by general government enterprises is no longer classified as a current-account expenditure in the year the asset is purchased but is classified, instead, as an expenditure over the service life of the asset.

Sources: *The Budget of the United States Government, Fiscal Year 1999* and the Bureau of Economic Analysis.

NIPA National income and product accounts

CHART 1

### Federal Fiscal Position, Surplus or Deficit (-)

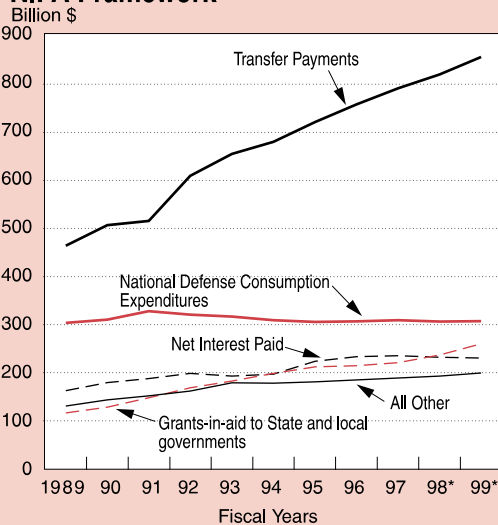


\*Estimates by OMB and BEA

U.S. Department of Commerce, Bureau of Economic Analysis

**CHART 2**

**Federal Government Current Expenditures, NIPA Framework**



\*Estimates by BEA  
U.S. Department of Commerce, Bureau of Economic Analysis

**Table 8.—Sources of Change in Federal Government Current Expenditures, NIPA Framework**  
[Billions of dollars]

	Change from preceding fiscal year		
	1997	1998	1999
<b>Total current expenditures</b> .....	<b>64.0</b>	<b>42.3</b>	<b>65.3</b>
Consumption expenditures .....	15.4	2.1	9.0
National defense .....	9.4	-2.8	1.0
Pay raise and locality pay <sup>1</sup> .....	.....	2.1	3.1
Other .....	9.4	-4.9	-2.1
Nondefense .....	6.0	4.9	8.0
Pay raise and locality pay <sup>1</sup> .....	.....	1.3	2.1
Other .....	6.0	3.6	5.9
Transfer payments .....	35.4	28.8	36.1
Social security .....	14.8	15.5	14.5
Medicare .....	16.4	7.9	10.0
Supplemental security income .....	1.4	.8	.4
Federal employee retirement .....	5.8	2.8	2.9
Earned income and child care credits .....	2.8	.4	2.7
Veterans benefits .....	1.2	.8	1.4
Unemployment benefits .....	-2.8	.4	2.7
Other .....	-4.2	.2	1.5
Grants-in-aid to State and local governments .....	4.7	15.6	23.4
Medicaid .....	3.6	5.4	6.7
Education .....	0	0	3.5
Highways .....	1.0	1.2	.6
Health Care .....	-1.5	1.5	5.3
Food and nutrition .....	.7	1.1	.4
Other .....	1.0	6.4	6.9
Net interest paid .....	8.0	-3.2	-1.7
Subsidies less current surplus of government enterprises .....	.5	-1.0	-1.5
Agriculture subsidies .....	-2.1	1.2	-.8
Housing subsidies .....	.6	0	-.4
Other subsidies .....	3.2	-.3	-.7
Less: Current surplus of government enterprises:			
Postal Service surplus .....	1.0	.7	-.3
Other surplus of government enterprises .....	.2	1.2	-.1

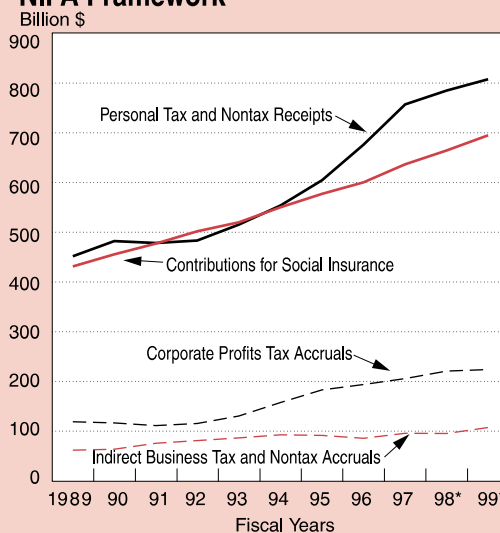
1. Consists of pay raises and locality pay beginning in January 1998.  
Source: Bureau of Economic Analysis.

consumption expenditures would increase \$8.0 billion.

In the NIPA framework, Federal receipts would increase \$68.0 billion in fiscal year 1999 to \$1,883.9 billion (chart 3): \$57.5 billion of the increase is due to a higher tax base, and \$10.5 billion is due to proposed legislation (table 9). The increase in total receipts reflects increases in contributions for social insurance (\$30.3 billion), personal taxes (\$22.7 billion), indirect business taxes (\$22.7 billion), indirect business taxes

**CHART 3**

**Federal Government Receipts, NIPA Framework**



\*Estimates by BEA  
U.S. Department of Commerce, Bureau of Economic Analysis

**Table 9.—Sources of Change in Federal Government Receipts, NIPA Framework**  
[Billions of dollars]

	Change from preceding fiscal year		
	1997	1998	1999
<b>Total receipts</b> .....	<b>143.6</b>	<b>70.4</b>	<b>68.0</b>
Due to tax bases .....	143.6	70.6	57.5
Due to proposed legislation .....	0	-1	10.5
Personal tax and nontax receipts .....	88.8	27.8	22.7
Due to tax bases .....	88.8	27.9	23.9
Due to proposed legislation .....	0	-1	-1.2
Corporate profits tax accruals .....	13.6	14.8	3.1
Due to tax bases .....	13.6	14.9	1.4
Due to proposed legislation .....	0	-1	1.7
Indirect business tax and nontax accruals .....	4.6	-.1	11.9
Due to tax bases .....	4.6	-.2	1.9
Due to proposed legislation .....	0	.1	10.0
Contributions for social insurance .....	36.7	28.0	30.3
Due to tax bases .....	36.7	28.0	30.3
Due to proposed legislation .....	0	0	0

Sources: The Budget of the United States Government, Fiscal Year 1999, and the Bureau of Economic Analysis.

(\$11.9 billion), and corporate profits tax accruals (\$3.1 billion). The increase in contributions for social insurance reflects higher contributions for the old-age, survivors, disability, and hospital insurance programs. The increase in personal taxes reflects higher withheld income taxes, and the increase in indirect business taxes reflects the proposed tobacco settlement.

*Quarterly pattern.*—Seasonally adjusted quarterly estimates of NIPA receipts and current expenditures that are consistent with the budget estimates of receipts and outlays for the fiscal year are shown in [table 10](#). The NIPA estimates of receipts reflect the quarterly pattern that results from the enacted and proposed legislation and from the administration's projected quarterly pattern of wages and profits. The NIPA estimates of current expenditures reflect the quarterly pattern that results from the enacted and proposed legislation that would adjust pay for Federal Government

employees and provide cost-of-living increases in social security.

In the NIPA framework, the current deficit trends downward from the first quarter of 1997 through the fourth quarter of 1997 and then increases in the first quarter of 1998. The first-quarter 1998 increase reflects the following: Decreases in personal taxes, cost-of-living adjustments that increase social security (2.1 percent), and adjustments to Federal employee pay (2.8 percent).

The current deficit decreases from the second quarter of 1998 through the fourth quarter of 1998, increases in the first quarter of 1999, and then decreases slightly throughout the third quarter of 1999. The first-quarter increase reflects the following: Cost-of-living adjustments that increase social security (2.2 percent), adjustments to Federal employee pay (3.1 percent), and higher grants-in-aid to State and local governments.

*Table 10 follows.* 

**Table 10.—Federal Government Receipts and Expenditures, NIPA Framework**

(Billions of dollars; calendar year and quarters at seasonally adjusted annual rates)

Line		Fiscal year <sup>1</sup>			Calendar year		Quarter										
		1997	1998	1999	Pub- lished 1997 <sup>2</sup>	Esti- mated 1998	Published 1997 <sup>2</sup>				Estimated 1998				Estimated 1999		
							I	II	III	IV	I	II	III	IV	I	II	III
1	<b>Receipts</b> .....	<b>1,695.5</b>	<b>1,765.9</b>	<b>1,833.9</b>	<b>1,724.6</b>	<b>1,787.3</b>	<b>1,675.3</b>	<b>1,709.3</b>	<b>1,741.8</b>	<b>1,771.8</b>	<b>1,768.0</b>	<b>1,779.6</b>	<b>1,790.4</b>	<b>1,811.0</b>	<b>1,821.9</b>	<b>1,837.4</b>	<b>1,855.3</b>
2	Personal tax and nontax receipts <sup>3</sup> .....	757.3	785.1	807.8	774.4	797.7	746.9	767.9	781.9	800.8	787.0	794.0	801.2	808.5	807.8	815.4	823.0
3	Proposed legislation .....		-1	-1.3		-1					-1	-1	-1	-1	-1.1	-1.2	-1.4
4	Other .....	757.3	785.2	809.1	774.4	797.8	746.9	767.9	781.9	800.8	787.1	794.1	801.3	808.6	808.9	816.6	824.4
5	Corporate profit tax accruals <sup>4</sup> .....	206.0	220.8	223.9	213.0	221.3	204.9	207.7	219.3	220.1	220.6	221.4	221.0	222.1	224.0	224.3	225.1
6	Federal Reserve Banks .....	21.0	23.4	24.1	21.4	24.0	20.9	21.2	21.7	21.8	23.9	24.0	23.9	24.1	24.0	24.1	24.2
7	Proposed legislation .....		0	.2		0					0	0	0	0	.3	.3	.3
8	Other .....	21.0	23.4	23.9	21.4	24.0	20.9	21.2	21.7	21.8	23.9	24.0	23.9	24.1	23.7	23.9	24.0
9	Other corporate profit tax accruals .....	185.0	197.3	199.7	191.6	197.3	184.0	186.5	197.7	198.2	196.7	197.4	197.0	198.1	200.0	200.1	200.8
10	Proposed legislation .....		-1	1.4		-1					-1	-1	-1	-1	1.9	1.9	1.9
11	Other .....	185.0	197.4	198.3	191.6	197.4	184.0	186.5	197.7	198.2	196.8	197.5	197.1	198.2	198.0	198.2	198.9
12	Indirect business tax and nontax accruals <sup>7</sup> .....	95.7	95.6	107.5	91.3	94.9	88.2	92.2	92.4	92.3	92.8	93.1	92.9	100.6	100.1	100.2	101.3
13	Proposed legislation .....		.1	10.1		2.6					0	0	.4	9.8	9.9	10.1	10.5
14	Other .....	95.7	95.5	97.4	91.3	92.3	88.2	92.2	92.4	92.3	92.8	93.1	92.5	90.8	90.3	90.1	90.8
15	Contributions for social insurance <sup>3</sup> .....	636.5	664.5	694.8	645.9	673.5	635.3	641.5	648.2	658.6	667.6	671.2	675.3	679.8	690.0	697.5	705.9
16	Tax on wages and salaries (FICA) .....	483.3	508.5	534.0	490.4	514.8	480.8	486.3	492.3	502.0	510.0	513.0	516.5	519.7	527.7	533.7	540.6
17	Proposed legislation .....		0	.1		0	0	0	0	0	0	0	0	0	0	0	.3
18	Base increases .....		.8	3.7		3.1					3.1	3.1	3.1	3.1	5.5	5.5	5.5
19	January 1998 .....		.8	3.1		3.1					3.1	3.1	3.1	3.1	3.1	3.1	3.1
20	January 1999 .....			.6		0									2.5	2.5	2.5
21	Other .....	483.3	507.7	530.2	490.4	511.8	480.8	486.3	492.3	502.0	507.0	510.0	513.5	516.7	522.2	528.2	534.7
22	Tax on self-employment earnings (SECA) .....	29.4	31.1	32.6	28.8	30.4	28.5	28.6	28.8	29.1	29.9	30.2	30.5	30.9	31.5	31.7	32.0
23	Base increases .....	.1	.4	.7	0	.4	0	0	0	0	.4	.4	.4	.4	.7	.7	.7
24	Other .....	29.4	30.7	31.9	28.8	30.0	28.5	28.6	28.8	29.1	29.5	29.8	30.2	30.5	30.8	31.1	31.4
25	Supplementary medical insurance .....	19.0	19.3	20.0	19.7	20.0	19.5	19.6	19.7	19.8	19.8	19.9	20.0	20.1	20.7	20.8	20.9
26	Unemployment insurance .....	28.1	29.2	30.6	29.7	30.5	29.4	29.5	29.6	30.1	30.1	30.3	30.5	30.9	31.6	32.2	32.8
27	Federal retirement .....	67.4	67.3	68.5	67.9	68.2	67.7	67.9	68.1	67.9	68.1	68.1	68.0	68.5	69.0	69.5	70.0
28	Other .....	9.2	9.2	9.1	9.6	9.6	9.5	9.6	9.6	9.7	9.6	9.6	9.6	9.6	9.6	9.6	9.6
29	<b>Current expenditures</b> .....	<b>1,736.2</b>	<b>1,778.5</b>	<b>1,843.8</b>	<b>1,752.2</b>	<b>1,800.5</b>	<b>1,730.8</b>	<b>1,746.0</b>	<b>1,752.6</b>	<b>1,779.4</b>	<b>1,789.9</b>	<b>1,795.7</b>	<b>1,799.7</b>	<b>1,816.6</b>	<b>1,844.4</b>	<b>1,857.5</b>	<b>1,872.4</b>
30	Consumption expenditures .....	457.5	459.7	468.6	463.9	461.3	458.0	464.2	464.7	468.5	469.3	461.4	457.8	456.5	463.4	464.7	469.0
31	National defense .....	307.5	304.7	305.7	311.0	303.0	306.4	311.3	311.6	314.8	313.5	304.1	298.7	295.9	299.4	299.3	302.1
32	Pay raises and locality pay .....		2.1	5.2		2.8					2.7	2.8	2.8	2.8	5.9	6.0	6.0
33	January 1998 .....		2.1	2.8		2.8					2.7	2.8	2.8	2.8	2.8	2.8	2.8
34	January 1999 .....			2.4											3.1	3.2	3.2
35	Other .....	307.5	302.7	300.5	311.0	300.3	306.4	311.3	311.6	314.8	310.8	301.3	295.9	293.1	293.5	293.3	296.1
36	Nondefense .....	150.0	154.9	162.9	152.9	158.2	151.7	152.9	153.1	153.7	155.8	157.3	159.1	160.6	164.1	165.4	166.9
37	Pay raises and locality pay .....		1.3	3.4		1.8					1.7	1.8	1.8	1.8	3.8	3.9	3.9
38	January 1998 .....		1.3	1.8		1.8					1.7	1.8	1.8	1.8	1.8	1.8	1.8
39	January 1999 .....			1.6											2.0	2.1	2.1
40	Other .....	150.0	153.6	159.6	152.9	156.4	151.7	152.9	153.1	153.7	154.1	155.5	157.3	158.8	160.3	161.5	163.0
41	Transfer payments (net) <sup>3</sup> .....	786.3	815.1	851.2	795.5	827.6	785.9	791.4	794.5	810.3	817.4	822.9	828.7	841.3	854.2	859.4	864.5
42	To persons .....	774.1	802.8	839.0	782.3	815.3	775.5	780.5	784.5	788.5	806.7	812.4	818.2	823.7	844.0	849.2	854.4
43	Social Security .....	353.0	368.5	383.0	356.7	372.5	354.2	356.0	357.5	359.0	369.1	371.6	374.1	375.2	384.6	385.7	386.8
44	Regular .....	353.0	362.8	369.1	356.7	364.9	354.2	356.0	357.5	359.0	361.6	364.0	366.4	367.5	368.5	369.6	370.6
45	Benefit increases .....		5.7	14.0		7.7					7.6	7.6	7.7	7.7	16.0	16.1	16.1
46	January 1998 .....		5.7	7.8		7.7					7.6	7.6	7.7	7.7	7.7	7.8	7.8
47	January 1999 .....			6.2											8.3	8.3	8.3
48	Medicare .....	206.1	214.0	224.0	210.0	220.3	204.7	208.3	211.9	215.2	217.2	219.2	221.2	223.7	226.2	228.7	231.2
49	Unemployment benefits .....	20.6	21.0	23.7	22.0	23.1	22.3	22.2	21.8	21.6	22.2	22.8	23.4	24.1	24.8	25.5	26.3
50	Federal employee retirement .....	73.4	76.2	79.1	73.2	76.7	73.0	73.5	73.1	73.2	76.1	76.5	77.0	77.2	79.8	80.1	80.3
51	Civilian .....	43.0	44.5	46.5	42.6	44.2	42.6	42.7	42.6	42.6	43.9	44.1	44.2	44.5	45.8	46.1	46.4
52	Military .....	30.4	31.6	32.6	30.6	32.5	30.4	30.8	30.5	30.7	32.2	32.5	32.7	32.7	34.0	34.0	34.0
53	Veterans benefits .....	21.9	22.7	24.1	22.1	22.9	22.1	22.1	22.2	22.1	22.7	22.8	22.9	23.2	23.7	24.2	24.8
54	Railroad retirement .....	8.5	8.7	8.4	8.2	8.5	8.2	8.2	8.2	8.2	8.4	8.5	8.5	8.4	8.2	8.1	7.7
55	Military medical insurance .....	2.0	1.9	1.8	2.1	1.9	2.1	2.1	2.0	2.0	2.0	1.9	1.8	1.8	1.8	1.8	1.8
56	Food stamps .....	19.6	18.5	19.7	18.7	18.7	19.8	19.0	18.2	17.7	18.6	18.5	18.4	19.1	19.5	19.7	20.0
57	Black lung benefits .....	1.1	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0
58	Supplemental security income .....	26.7	27.5	27.9	25.6	26.6	25.5	25.5	25.7	25.6	26.7	26.6	26.5	26.5	27.0	26.9	26.8
59	Earned income and child care credits .....	21.9	22.3	25.0	22.6	21.7	22.6	22.6	22.6	22.6	21.7	21.7	21.7	21.7	25.5	25.5	25.5
60	All other .....	19.3	20.4	21.2	20.1	21.4	19.9	20.0	20.2	20.3	21.0	21.3	21.6	21.7	21.9	22.0	22.1
61	To rest of the world (net) .....	12.2	12.3	12.2	13.3	12.3	10.5	10.8	10.0	21.8	10.6	10.4	10.5	17.6	10.2	10.2	10.1



Table 10.—Federal Government Receipts and Expenditures, NIPA Framework—Continued

(Billions of dollars; calendar year and quarters at seasonally adjusted annual rates)

Line		Fiscal year <sup>1</sup>			Calendar year		Quarter										
		1997	1998	1999	Pub- lished 1997 <sup>2</sup>	Esti- mated 1998	Published 1997 <sup>2</sup>				Estimated 1998				Estimated 1999		
							I	II	III	IV	I	II	III	IV	I	II	III
62	Grants-in-aid to State and local governments .....	220.0	235.6	259.0	224.2	242.8	219.6	222.5	224.2	230.6	232.8	241.4	245.9	251.2	259.9	266.8	272.8
63	Public assistance .....	112.7	120.4	127.5	112.8	119.8	111.2	111.8	110.2	117.8	115.7	119.4	120.5	123.4	126.8	128.7	130.5
64	Medicaid .....	95.4	100.8	107.5	97.4	101.3	94.7	96.4	96.1	102.2	98.7	100.7	101.4	104.2	107.1	108.5	109.9
65	Cash benefits (AFDC + TANF) .....	14.7	17.1	18.0	12.9	16.0	14.0	12.6	11.8	13.2	14.6	16.0	16.6	16.9	17.4	18.0	18.5
66	Social benefits .....	2.6	2.4	2.0	2.5	2.5	2.5	2.8	2.4	2.4	2.4	2.6	2.5	2.3	2.3	2.2	2.1
67	Highways .....	20.2	21.4	22.0	20.3	22.1	19.4	20.6	20.8	20.3	21.3	22.4	22.6	21.9	22.2	22.6	22.8
68	Education .....	17.1	17.1	20.6	17.0	18.0	15.7	16.6	18.1	17.5	16.5	17.7	18.5	19.4	20.9	21.4	22.4
69	Food and nutrition .....	14.7	15.8	16.2	15.3	16.6	14.9	15.1	15.4	15.7	16.3	16.6	16.8	16.6	16.5	16.8	16.7
70	Community development .....	6.3	7.5	7.8	6.5	7.9	6.4	6.5	6.4	6.5	8.0	8.1	7.9	7.4	7.8	8.1	8.2
71	Mass transit .....	2.3	2.0	1.9	4.0	2.6	4.1	3.5	4.2	4.0	3.2	2.9	2.1	2.1	2.1	2.1	2.0
72	Environmental protection .....	2.7	2.5	2.7	2.6	2.7	2.9	2.7	2.6	2.3	2.9	2.6	2.5	2.9	2.6	2.8	2.7
73	Health care .....	6.3	7.8	13.1	7.7	9.1	6.9	8.4	7.2	8.2	8.4	8.2	8.4	11.2	13.3	14.3	15.3
74	All other .....	37.8	41.1	47.1	38.3	44.2	38.1	37.4	39.4	38.3	40.6	43.6	46.3	46.2	47.5	49.8	52.1
75	Net interest paid .....	234.2	231.0	229.3	230.2	229.6	228.9	229.8	231.2	231.0	230.6	229.7	229.0	228.9	228.6	228.4	228.3
76	Subsidies less current surplus of government enterprises .....	38.2	37.2	35.7	38.4	39.3	38.4	38.1	37.9	39.0	39.9	40.3	38.4	38.8	38.3	38.1	37.8
77	Subsidies .....	35.5	36.4	34.5	34.2	34.3	33.8	34.3	34.3	34.5	34.8	34.7	34.1	33.4	33.1	32.8	32.6
78	Agricultural .....	7.3	8.5	7.7	7.6	8.1	7.4	7.5	7.5	8.0	8.3	8.4	8.1	7.7	7.5	7.3	7.2
79	Housing .....	24.9	24.9	24.5	25.6	25.5	25.2	25.7	25.9	25.7	25.6	25.5	25.4	25.3	25.2	25.2	25.1
80	Other .....	3.3	3.0	2.3	1.0	.6	1.1	1.1	1.0	.9	.8	.7	.6	.4	.4	.3	.3
81	Less: Current surplus of government enterprises .....	-2.7	-8	-1.1	-4.2	-5.1	-4.7	-3.9	-3.6	-4.5	-5.1	-5.6	-4.2	-5.4	-5.3	-5.3	-5.1
82	Postal Service .....	-7.8	-7.1	-7.4	-8.6	-9.5	-8.9	-8.2	-8.0	-9.2	-9.7	-10.0	-8.6	-9.8	-9.6	-9.6	-9.5
83	Federal Housing Administration .....	2.9	3.4	3.8	3.3	3.7	3.2	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.0
84	Tennessee Valley Authority .....	2.0	2.7	2.8	1.7	1.7	1.7	1.6	1.5	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.8
85	Other .....	.3	.3	-.3	-.5	-1.0	-.6	-.5	-.4	-.5	-.7	-.9	-1.1	-1.2	-1.3	-1.4	-1.4
86	Less: Wage accruals less disbursements .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
87	<b>Current surplus or deficit (-)<sup>5</sup></b> .....	<b>-40.7</b>	<b>-12.6</b>	<b>-9.9</b>	<b>-27.7</b>	<b>-13.2</b>	<b>-55.5</b>	<b>-36.8</b>	<b>-10.8</b>	<b>-7.6</b>	<b>-21.9</b>	<b>-16.1</b>	<b>-9.3</b>	<b>-5.6</b>	<b>-22.5</b>	<b>-20.1</b>	<b>-17.2</b>
88	<b>Addenda:</b>																
88	Gross investment <sup>6</sup> .....	61.2	58.3	58.5	59.9	56.7	58.1	61.8	61.0	58.9	57.4	56.4	55.8	57.1	58.7	59.3	58.8
89	National defense .....	39.9	36.3	35.4	39.4	34.5	37.0	39.3	40.5	40.8	35.6	34.4	33.5	34.5	35.8	35.9	35.5
90	Nondefense .....	21.3	22.0	23.1	20.6	22.2	21.1	22.6	20.5	18.1	21.9	22.0	22.3	22.6	22.9	23.3	23.4
91	Consumption expenditures and gross investment .....	518.7	518.0	527.1	523.8	517.9	516.1	526.1	525.7	527.4	526.7	517.9	513.6	513.6	522.1	524.0	527.8
92	National defense .....	347.4	341.1	341.1	350.4	337.5	343.3	350.6	352.1	355.6	349.1	338.5	332.2	330.4	335.2	335.3	337.5
93	Nondefense .....	171.3	176.9	186.0	173.4	180.4	172.8	175.5	173.6	171.8	177.6	179.4	181.3	183.2	187.0	188.7	190.3

1. Fiscal year estimates are the sum of quarterly values not seasonally adjusted and are consistent with the budget proposals.

2. Published estimates, both calendar year and quarters, appear in the NIPA tables 3.2 and 3.7B elsewhere in this issue.

3. Estimates of personal tax and nontax receipts, contributions for social insurance, transfer payments (net), and grants-in-aid to State and local governments for the first quarter of 1998 through the third quarter of 1999 have been revised to incorporate information that has become available since the release of the budget. For each quarter, personal taxes have been revised up \$8.1 billion, and grants-in-aid have been revised up \$4.6 billion. To reflect data on wage and salary disbursements that were not available at the time of the translation, contributions have been revised as follows: 1998:I, \$3.6 billion; 1998:II, \$1.0 billion; 1998:III, -\$1.0 billion; 1998:IV, -\$3.4 billion; 1999:I, -\$2.9 billion; 1999:II, -\$1.4 billion; and 1999:III, \$1.0 billion. The revisions to transfer payments (net) in 1998 and 1999 result from a corrected quarterly pattern for medicare payments.

4. BEA's estimate of corporate profits tax accruals for the fourth quarter of 1997 will not be available until the release of the final estimates of gross domestic product on March 26, 1998. The value shown is derived from the budget.

5. See footnote 1 in table 7.

6. Gross investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in Federal Government consumption expenditures.

7. *The Budget of the United States Government, Analytical Perspectives, Fiscal Year 1999*, "National Income and Product Accounts," page 340 contains incorrect fiscal year estimates of indirect business tax and nontax accruals (IBT); the IBT estimates also carried through to the budget estimates for total receipts and the deficit. The

differences between the fiscal year estimates of IBT shown in the Budget and those shown in table 10 (above) are shown below:

	Billions of dollars		
	Fiscal year		
	1997	1998	1999
Indirect business tax and nontax accruals:			
Budget .....	92.1	92.1	105.7
Amount of correction .....	3.6	3.5	1.8

Sources: *The Budget of the United States Government, Fiscal Year 1998* and the Bureau of Economic Analysis.

AFDC Aid to families with dependent children  
 FICA Federal insurance contributions act  
 NIPA National income and product accounts  
 SECA Self-employment contributions act  
 TANF Temporary assistance for needy families

# Gross Product by Industry Price Measures, 1977-96

By Robert E. Yuskavage

Brian C. Moyer, John Sporing, and Robert A. Sylvester assisted in the preparation of the estimates and the tables.

**T**HIS ARTICLE presents annual estimates of prices and unit costs by industry group for 1977-96. The price measures of gross product originating by industry (GPO) provide insight into the sources of change in the aggregate price level by industry. For example, the relative growth rates of prices among industries can be compared, and their contributions to the aggregate (economy-wide) rate of price change can be computed. The unit-cost measures by industry can be used to identify the sources of GPO price change among the cost components of GPO—compensation of employees, indirect business taxes, and property-type income.

These measures of GPO prices and unit costs have not previously been included in the articles

on gross product by industry in the SURVEY OF CURRENT BUSINESS, and providing them marks another step in continuing efforts by the Bureau of Economic Analysis (BEA) to make the industry accounts data more useful. Until last year, these articles dealt almost exclusively with current-dollar and real GPO. In November 1997, BEA presented and discussed annual estimates of gross output and intermediate inputs by industry for the first time.<sup>1</sup>

The first part of this article discusses the measurement and interpretation of GPO prices, including the relationship of GPO prices to gross

1. See Sherlene K.S. Lum and Robert E. Yuskavage, "Gross Product by Industry, 1947-96," SURVEY OF CURRENT BUSINESS 77 (November 1997): 20-34.

## Gross Product Originating: Definition and Relationship to Gross Domestic Product

Gross product, or gross product originating (GPO), by industry is the contribution of each private industry and of government to the Nation's output, or gross domestic product (GDP). An industry's GPO, often referred to as its "value added," is equal to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other industries or imported).

For the national income and product accounts (NIPA's), GDP is measured as the sum of expenditure components. Gross domestic income (GDI) is measured as the sum of costs incurred and incomes earned in the production of GDP. In concept, GDP and GDI should be the same; in practice, they differ because their components are estimated using largely independent and less-than-perfect source data. BEA views GDP as the more reliable measure of output because the source data underlying the estimates of expenditures are considered to be more accurate.<sup>1</sup> The difference between GDP and GDI is the "statistical discrepancy"; it is recorded in the NIPA's as an "income" component that reconciles GDI with GDP.

Current-dollar GPO by industry is measured as the sum of distributions by industry of the components of GDI. Consequently, the sum of the current-dollar GPO estimates also differs from current-dollar GDP by the statistical discrepancy. In presenting the GPO estimates, the statistical discrepancy is included in the GPO of private industries because of BEA's view that most of the measurement problems with

the components of GDI affect the GPO of private industries rather than the GPO of general government or government enterprises.<sup>2</sup>

Real GDP in the NIPA's is also measured as the sum of the expenditure components. Real GPO estimates for most industries are derived using separate estimates of gross output and intermediate inputs.<sup>3</sup> The sum of the real GPO estimates differs from real GDP by the real statistical discrepancy, which is shown as part of private-industry GPO, and by the category entitled "not allocated by industry," which is the difference between real GDP and the sum of real GPO for the detailed industries and of the statistical discrepancy. The value of the category "not allocated by industry" reflects the lack of additivity of detailed real GPO estimates that results from the formula used to calculate real output and from differences in the source data (both current dollars and prices) used to estimate industry GPO and the expenditures measure of real GDP. As with the current-dollar measures, BEA views the source data used to estimate the components of real GDP to be more reliable. In addition, the amount of detailed data available to calculate real GDP is greater than that for the gross output and intermediate inputs available to calculate real GPO. For some industries, no source data are available to measure gross output, and the resulting real GPO estimates are prepared using less reliable methodologies.

2. See "Note on Alternative Measures of Gross Product by Industry," SURVEY 77 (November 1997): 84.

3. For information about the computation of the real GPO estimates, see the box "Computation of the Chain-Type Quantity Indexes for Double-Deflated Industries" in Robert E. Yuskavage, "Improved Estimates of Gross Product by Industry, 1959-94," SURVEY 76 (August 1996): 142.

1. For additional information on the accuracy of the two measures, see the box "Statistical Discrepancy" in Robert P. Parker and Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," SURVEY OF CURRENT BUSINESS 77 (August 1997): 19.

output prices and intermediate inputs prices. The second part develops the concept of unit costs in the context of the GPO estimates, and it describes how these measures can be used to analyze changes in industry-cost structure and the return to capital. The third part discusses trends in GPO prices and unit costs by industry group for 1992–96. [Tables 4 and 5](#) at the end of the article present industry price and unit-cost measures by industry group for 1977–96.

### GPO Prices

The GPO price index for an industry or industry group represents the implicit price for gross output less intermediate inputs. For most industries and industry groups, the GPO price measures are chain-type Fisher price indexes computed from data on gross output and intermediate inputs. For some industries, the GPO price measures are implicit price deflators because data for gross output prices are not available.

GPO can be defined as either an output measure (gross output less intermediate inputs) or as an input measure (costs incurred and incomes earned); see the box “[Gross Product Originating](#).” The measurement of the GPO price index is based on GPO’s definition as an output measure. As an output measure, GPO is the difference between the industry’s gross output and its intermediate inputs. Real GPO and the GPO price index can be derived from these separate measures using the double-deflation method. In the double-deflation method, estimates of gross output and of intermediate inputs are used in the calculation of real GPO.<sup>2</sup> As an input measure, an industry’s GPO represents the value-added inputs (labor services and capital services) that are combined with the intermediate inputs (energy, materials, and purchased services) to produce the gross output of the industry. The GPO price index thus represents the implicit price paid by the industry for its value-added inputs. Changes in the GPO price index for the industries for which the double-deflation method is used primarily reflect (1) changes in the prices and quantities of the gross output of the industry, (2) changes in the prices and quantities of the intermediate inputs used by the industry, and (3) changes in the ratio of intermediate inputs to gross output.

### Gross output

Gross output prices represent the prices received by an industry for its products. The chain-type price index for gross output is computed from detailed data for the industry on product sales, shipments, and prices. Data on current-dollar product sales and shipments by industry are primarily from annual surveys by the Bureau of the Census. Detailed price indexes for manufacturing and wholesale trade are primarily producer price indexes (PPI’s) from the Bureau of Labor Statistics (BLS). Price indexes for farm products are from the U.S. Department of Agriculture, and price indexes for mineral products are mostly from the U.S. Department of Interior and the U.S. Department of Energy. Price indexes for selected products—including computers, semiconductors, digital telephone switching equipment, and selected equipment purchased by the U.S. Department of Defense—are from the national income and product accounts (NIPA’s). Price indexes for retail trade and for services are primarily BLS consumer price indexes (CPI’s), or they are derived from the NIPA’s.<sup>3</sup>

### Intermediate inputs

Intermediate inputs prices represent the prices paid by an industry for its inputs of raw materials, semifinished goods, energy, and services purchased from other industries. The chain-type price index for intermediate inputs is computed from detailed data on industry product purchases and prices. Data on the commodity (product) composition of current-dollar intermediate inputs by industry are obtained primarily from BEA’s input-output accounts.<sup>4</sup> Detailed price indexes for inputs of manufactured goods are from BLS: Primarily PPI’s for domestic goods and international price indexes for imports. These indexes are supplemented by selected price indexes from the NIPA’s. Detailed price indexes for inputs of services are primarily CPI’s, or gross output implicit price deflators.<sup>5</sup>

### Input-output ratio

An industry’s input-output (I-O) ratio is computed as its intermediate inputs divided by its

2. For more information on the double-deflation method, see Robert E. Yuskavage, “Improved Estimates of Gross Product by Industry, 1959–94,” *SURVEY* 76 (August 1996): 142–145.

3. For a list of the sources for current-dollar product detail and price indexes for gross output, see Yuskavage, “Improved Estimates,” table 8.

4. Ann M. Lawson, “Benchmark Input-Output Accounts for the U.S. Economy, 1992: Make, Use, and Supplementary Tables,” *SURVEY* 77 (November 1997): 36–82.

5. For a list of the sources for the price indexes for intermediate inputs, see Yuskavage, “Improved Estimates,” table 9.

gross output. For an industry with one product, changes in the I-O ratio from year to year reflect shifts in the mix between intermediate inputs and value-added inputs (labor services and capital services). Such shifts may be viewed as changes in production technology that result from changes in the optimal input mix. Examples include economies of scale that result from changes in the rate of output and the contracting out of services that were once performed in-house by employees. At the GPO industry level, which approximates the two-digit Standard Industrial Classification (SIC), changes in the I-O ratio may also reflect changes in the relative size of the detailed industries that the GPO industry comprises.

The GPO price index can be viewed as a weighted average of gross output prices less intermediate inputs prices; thus, changes in the I-O ratio affect the GPO price index by changing the relative weights associated with these prices. Normally, this effect is small in comparison with the effects of changes in gross output prices or of changes in intermediate inputs prices.<sup>6</sup>

### *Relationship to NIPA prices*

For the NIPA's, gross domestic product (GDP) is measured as the sum of final expenditures. GDP can also be measured as the sum of industry value added. In concept, the GDP price and quantity indexes computed from NIPA final expenditures are consistent with those computed from industry value added because both approaches exclude intermediate inputs. Consistency is maintained between the two approaches by the use of common source data for prices whenever possible. For example, the price indexes that are used for the producers' durable equipment component of NIPA final expenditures are also used for the gross output of durable goods manufacturing industries.

In practice, the results of the two approaches differ because of the lack of data for gross output prices for certain private services-producing industries and because of the lack of annual data for the commodity composition of intermediate inputs by industry. In addition, the two approaches differ in the treatment of trade margins and transport costs. In the NIPA's, final expenditures are valued in purchasers' prices which include the wholesale trade and retail trade margins and transport costs incurred as goods move

through the distribution system from producers (or importers) to final users. In the industry approach, value added is valued in producers' prices. Price measures associated with trade margins and transport costs are classified in the wholesale trade, retail trade, and transportation industries.<sup>7</sup>

As a result, price measures for specific GPO industries are not necessarily comparable to price measures for related NIPA expenditure components. For example, the NIPA chain-type price index for all durable goods products may differ from the GPO price index for durable goods manufacturing. GDP prices by type of expenditure reflect the prices of goods and services purchased for final use, whether domestically produced or imported; GPO prices by industry reflect the prices of the industry's gross output net of intermediate inputs. Gross output prices from the industry approach are more comparable to NIPA final expenditure prices, but gross output prices reflect sales by an industry to all of its customers, whereas NIPA price measures reflect sales to final purchasers, including sales of imports.

### **GPO Unit Costs**

GPO unit costs show the contribution of the cost components of GPO to the GPO price index. GPO measures of unit cost are computed by dividing current-dollar GPO and its components by real (chained-dollar) GPO.<sup>8</sup> The resulting quotients provide the GPO chain-type price index and the part of the price index associated with each component. If the unit cost for a component grows faster than the GPO price index, then the relative importance of that component in the cost structure has increased.

As an input measure, current-dollar GPO is measured as the sum of costs incurred and incomes earned in production; it is equal to gross domestic income, the components of which can be grouped into categories that approximate the shares of labor and capital. The labor share of production can be approximated using compensation of employees, which consists of wage and salary accruals, employer contributions for social insurance, and other labor income (primarily employer contributions to private pension

7. In the GPO estimates, the gross output of the wholesale trade and retail trade industries primarily consists of margin, which is defined as sales minus the cost of goods sold. Because price indexes for margin are not available, sales by detailed type of business are deflated, and the margin rate is assumed to be constant. Such assumptions are not required for the deflation of NIPA final expenditures.

8. Current-dollar cost per unit of real GPO equals the GPO price index divided by 100.

6. The direction and magnitude of the effect on the GPO price index depends on interactions among the gross output price index, the intermediate inputs price index, and the input-output ratio.

plans and health insurance). The capital share of production (property-type income) can be approximated using the remaining components of GPO except indirect business tax and nontax liability, which is excluded because it can be viewed as a part of the pretax return to capital that accrues to government rather than to business.<sup>9</sup>

GPO unit-cost measures for compensation of employees (unit labor costs) include wage and salary accruals, employer contributions for social insurance, and other labor income. Unit-cost measures for property-type income (income per unit of gross product) include both debt-financed and equity-financed capital, including capital consumption allowances. GPO unit-cost measures do not provide information on the separate contributions of labor and capital services or of labor and capital prices to the change in GPO prices, because GPO unit-cost measures attribute changes in GPO unit prices to the components of GPO in proportion to each component's share of current-dollar GPO. Thus, year-to-year changes in component shares of current-dollar GPO will result in changes in the contributions of the components to GPO prices, even if the prices do not change.

### GPO Prices and Unit Costs for 1992–96

This part of the article presents estimates of changes in GPO prices and unit costs by industry group for 1992–96. The first section discusses differences in GPO price changes among industries, including the effects of differences in changes in gross output prices and in intermediate inputs prices. The second section discusses the contributions of GPO components to changes in the GPO price index.

#### GPO price changes

The GDP chain-type price index increased at an average annual rate of 2.5 percent in 1992–96; private industries increased 2.2 percent, and government increased 3.3 percent (table 1). Among the private industry groups, the GPO price index for durable goods manufacturing declined 1.2 percent. The GPO price indexes for all the other industry groups increased; the increases ranged from 0.4 percent for electric, gas, and sanitary services to 3.8 percent for agriculture, forestry,

and fishing. Except for electric, gas, and sanitary services, the industry groups with GPO price changes that were less than the GDP price change (2.5 percent) were those associated with the pro-

Table 1.—Percent Changes in Chain-Type Price Indexes by Industry Group, 1993–96

	1993	1994	1995	1996	Average annual rate of change, 1992–96
<b>Gross domestic product</b> .....	<b>2.6</b>	<b>2.4</b>	<b>2.5</b>	<b>2.3</b>	<b>2.5</b>
<b>Private industries</b> <sup>1</sup> .....	<b>2.5</b>	<b>1.8</b>	<b>2.0</b>	<b>2.4</b>	<b>2.2</b>
Agriculture, forestry, and fishing:					
Gross output .....	2.6	–6	.9	10.3	3.2
Intermediate inputs .....	1.9	2.2	1.7	5.2	2.7
Gross product .....	3.7	–3.5	–4	16.6	3.8
Mining:					
Gross output .....	–5	–3.9	.4	17.1	3.0
Intermediate inputs .....	1.3	–1.2	1.8	10.8	3.1
Gross product .....	–1.9	–5.7	–5	21.0	2.7
Construction:					
Gross output .....	3.2	3.5	4.0	2.3	3.3
Intermediate inputs .....	3.0	3.0	3.2	1.8	2.7
Gross product .....	3.5	4.0	4.8	2.8	3.7
Manufacturing:					
Gross output .....	1.0	1.2	2.3	–2	1.1
Intermediate inputs .....	.8	1.7	4.2	–2	1.6
Gross product .....	1.4	.5	–9	–4	.2
Durable goods:					
Gross output .....	1.1	1.3	.1	–2.4	0
Intermediate inputs .....	1.1	2.1	2.2	–2.3	.8
Gross product .....	1.2	0	–3.1	–2.7	–1.2
Nondurable goods:					
Gross output .....	.9	1.2	4.9	2.4	2.3
Intermediate inputs .....	.5	1.2	6.5	2.2	2.6
Gross product .....	1.7	1.1	1.9	2.8	1.9
Transportation and public utilities <sup>1</sup> .....	1.8	.7	2.3	1.1	1.5
Transportation <sup>1</sup> .....	1.1	1.5	3.2	.6	1.6
Communications:					
Gross output .....	1.3	.6	.9	1.9	1.2
Intermediate inputs .....	–5	–2.2	–2.1	1.2	–9
Gross product .....	2.2	2.2	2.9	2.7	2.5
Electric, gas, and sanitary services:					
Gross output .....	2.6	–7	–2	2.6	1.1
Intermediate inputs .....	3.7	1.0	–2.6	10.0	2.9
Gross product .....	2.1	–1.5	.6	.3	.4
Wholesale trade:					
Gross output .....	1.8	2.7	2.2	0	1.7
Intermediate inputs .....	2.3	2.6	3.7	2.1	2.7
Gross product .....	1.6	2.7	1.5	–1.1	1.2
Retail trade:					
Gross output .....	1.5	1.6	1.1	1.3	1.4
Intermediate inputs .....	2.1	2.5	2.9	2.6	2.5
Gross product .....	1.2	1.1	.1	.5	.7
Finance, insurance, and real estate <sup>1</sup> .....	3.7	2.1	4.4	4.1	3.6
Services <sup>1</sup> .....	3.6	3.8	3.2	3.4	3.5
<b>Government</b> <sup>1</sup> .....	<b>3.1</b>	<b>3.1</b>	<b>3.4</b>	<b>3.7</b>	<b>3.3</b>
<b>Addenda:</b>					
Private goods-producing industries <sup>2</sup> :					
Gross output .....	1.5	1.2	2.4	1.2	1.6
Intermediate inputs .....	1.2	1.8	3.9	.5	1.8
Gross product .....	2.1	.4	0	2.3	1.2
Private services-producing industries <sup>1,3</sup> .....	2.6	2.4	2.9	2.5	2.6

1. Gross product price index.

2. Consists of agriculture, forestry, and fishing; mining; construction; and manufacturing.

3. Consists of transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.

NOTE.—Estimates for gross output and for intermediate inputs are shown only for industry groups for which the double-deflation method is used for each detailed industry in the group. See footnote 2 in the text.

9. For purposes of this analysis, property-type income is defined as the sum of corporate profits, proprietors' income, rental income of persons, net interest, capital consumption allowances, business transfer payments, and the current surplus of government enterprises less subsidies. However, a substantial portion of proprietors' income represents the labor share of production.



duction and distribution of manufactured goods (manufacturing, transportation, wholesale trade, and retail trade).

The GPO price changes for private services-producing industries (2.6 percent) exceeded the GDP price change, and the GPO price change for private goods-producing industries (1.2 percent) was less than the GDP price change. The slower growth in the GPO price index for private goods-producing industries, compared with the growth for private services-producing industries, continues a trend that started in 1982 and continued each year except for 1989 (chart 1). In 1989, the GPO price index for goods-producing industries was boosted by a relatively large increase in gross output prices for oil and gas extraction. Since 1977, GPO prices for private services-producing industries have increased faster than GDP prices; since 1992, a deceleration in GPO prices for private services-producing industries has contributed to a deceleration in GDP prices.

As mentioned earlier, the GPO price index can be viewed as a weighted average of gross output prices and intermediate inputs prices for industries for which the double-deflation method is used. Changes in GPO prices are positively correlated with changes in gross output prices and negatively correlated with changes in intermediate inputs prices. GPO prices increase faster than gross output prices when gross output prices increase faster than intermediate inputs

prices; conversely, GPO prices increase slower than gross output prices when gross output prices increase slower than intermediate inputs prices. In 1992–96, GPO prices increased faster than gross output prices in agriculture, forestry, and fishing, in construction, and in communications. GPO prices increased slower than gross output prices in all other industry groups.

In 1996, the GPO price index for private industries increased 2.4 percent, slightly more than the 2.3-percent increase in the GDP price index. The GPO price index for manufacturing declined for the second consecutive year, as an increase in nondurable goods was more than offset by a decline in durable goods. Three of the four other industry groups for which the GPO price index either increased less than the GDP price index or decreased are at least partly involved with the distribution of goods to consumers: Transportation (0.6 percent), electric, gas, and sanitary services (0.3 percent), wholesale trade (-1.1 percent), and retail trade (0.5 percent). Among the industry groups for which the GPO price index increased more than the GDP price index, the increases were large in agriculture, forestry, and fishing (16.6 percent) and mining (21.0 percent). The increases were smaller in finance, insurance, and real estate (4.1 percent) and services (3.4 percent). Government increased 3.7 percent.

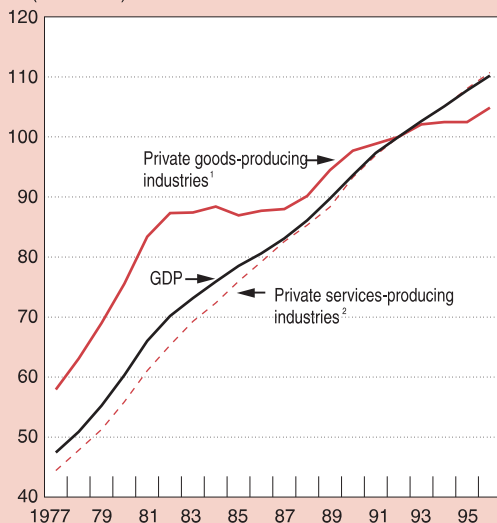
*Contributions to change.*—GPO prices can be used to assess an industry's contribution to the change in GDP prices. Because real GDP can be viewed as the combined result of aggregate inputs of labor services and capital services, the GDP price index can be viewed as the price index for aggregate inputs of labor services and capital services. Because GPO as an input measure represents the industry's value-added inputs of labor services and capital services, the GPO price index can be used to compute contributions to GDP price change.

The extent to which industries contribute to the change in the GDP price index depends on the industry's size relative to GDP as well as on the growth rates in GPO prices.<sup>10</sup> In 1992–96, the largest contributors to the change in the GDP price index were services and finance, insurance, and real estate (0.7 percentage point each) (table 2). Government contributed 0.5 per-

CHART 1

## Chain-Type Price Indexes

(1992=100)



1. Consists of agriculture, forestry, and fishing; mining; construction; and manufacturing.

2. Consists of transportation and public utilities; wholesale trade; retail trade; finance, insurance and real estate; and services.

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10. For a description of the calculation of these contributions, see "Note on Computing Alternative Chained Dollar Indexes and Contributions to Growth" in J. Steven Landefeld and Robert P. Parker, "BEA'S Chain Indexes, Time Series, and Measures of Long-Term Economic Growth," SURVEY 77 (May 1997): 63. The procedure described in the note was modified to replace the chain-type quantity index with the chain-type price index.



centage points.<sup>11</sup> In manufacturing, prices were unchanged, so the contribution of manufacturing prices to GDP price change was 0.0 percentage point; durable goods manufacturing contributed -0.1 percentage point. In 1995 and 1996, the contribution of durable goods manufacturing was -0.3 percentage point. Finance, insurance, and real estate made the largest positive contribution in each of those years (0.8 percentage point).

**Gross output prices.**—Gross output prices, which are the prices received by producers, can be viewed as a weighted average of the prices for intermediate inputs and for value-added inputs (labor services and capital services). In manufacturing, gross output prices increased only 1.1 percent in 1992–96. Gross output prices in durable goods manufacturing were unchanged, while gross output prices in nondurable goods manufacturing increased 2.3 percent. The slow growth in the prices of manufactured products, especially durable goods, together with the de-

celeration of prices for private services-producing industries, have contributed substantially to the low rate of GDP price change since 1992.

Within durable goods manufacturing, gross output prices in 1992–96 declined in electronic and other electric equipment (5.7 percent) and industrial machinery and equipment (2.8 percent). The declines were primarily for products deflated with BEA's quality-adjusted price indexes: Computers, semiconductors, and digital telephone switching equipment. Gross output price increases in the remaining industries ranged from 1.0 percent for instruments and related products to 4.4 percent for lumber and wood products.

### Unit costs

Because the GPO price index measures the change in the cost of the value-added inputs of labor services and capital services, it can be used in combination with the components of GPO to assess their contributions to the change in total value-added costs. When a component of GPO unit costs grows faster than the GPO price index, then that component's contribution to the growth in unit costs has increased.

The cost per unit of real GPO for private industries increased 2.2 percent in 1992–96 (table 3).

11. The GPO price index for government is an implicit price deflator computed as current-dollar GPO divided by real (chained-dollar) GPO. For general government, which comprises most of government, current-dollar GPO consists of compensation of employees and consumption of fixed capital. Real consumption of fixed capital is estimated by direct deflation using price indexes from the NIPAS. Real compensation of employees is estimated by extrapolating base-year current-dollar values by an indicator of labor input.

**Table 2.—Contributions to Percent Change in the Chain-Type Price Index for Gross Domestic Product, 1993–96**

	1993	1994	1995	1996	1992–96 <sup>1</sup>
<b>Percent change:</b>					
Gross domestic product .....	2.6	2.4	2.5	2.3	2.5
<b>Percentage points:</b>					
Private industries .....	2.2	1.5	1.7	2.1	1.9
Agriculture, forestry, and fishing ...	.1	-.1	0	.3	.1
Mining .....	0	-.1	0	.3	0
Construction .....	.1	.1	.2	.1	.1
Manufacturing .....	.2	.1	-.2	-.1	0
Durable goods .....	.1	0	-.3	-.3	-.1
Nondurable goods .....	.1	.1	.1	.2	.1
Transportation and public utilities	.1	.1	.2	.1	.1
Transportation .....	0	0	.1	0	0
Communications .....	.1	.1	.1	.1	.1
Electric, gas, and sanitary services .....	.1	0	0	0	0
Wholesale trade .....	.1	.2	.1	-.1	.1
Retail trade .....	.1	.1	0	0	.1
Finance, insurance, and real estate .....	.7	.4	.8	.8	.7
Services .....	.7	.7	.6	.7	.7
Statistical discrepancy <sup>2</sup> .....	0	0	0	0	0
Government .....	.4	.4	.5	.5	.5
Not allocated by Industry <sup>3</sup> .....	0	.4	.3	-.3	.1

1. Average annual rate.

2. Equals GDP measured as the sum of expenditures less gross domestic income.

3. Equals GDP less the statistical discrepancy and the sum of GPO of the detailed industries.

NOTE.—For information on the calculation of the contributions to percent change, see footnote 10 in the text.

### Data Availability

This article presents summary estimates of gross product by industry prices and unit costs. Price indexes and real GPO estimates for detailed industries for 1977–96 and current-dollar GPO estimates for 1947–96 are available on the Internet on BEA's home page at <<http://www.bea.doc.gov>>. They are also available online to subscribers to STAT-USA's Economic Bulletin Board (call 202-482-1986), or to STAT-USA's Internet site at <<http://www.stat-usa.gov>>.

In addition, the following estimates are available from BEA on diskettes:

- Gross Product by Industry, 1947–96, product number NDN-0174, price \$20.00.
- Gross Output by Detailed Industry, 1977–96, product number NDN-0175, price \$20.00.
- Manufacturing Industry Shipments, 1977–96, product number NDN-0176, price \$20.00.
- Manufacturing Product Shipments, 1977–95, product number NDN-0177, price \$20.00.

To order using Visa or MasterCard, call the BEA Order Desk at 1-800-704-0415 (outside the United States, call (202) 606-9666). To order by mail, send a check payable to "Bureau of Economic Analysis, BE-53," to BEA Order Desk, Bureau of Economic Analysis, BE-53, U.S. Department of Commerce, Washington, DC 20230.


Compensation of employees per unit of GPO (unit labor costs) increased 1.7 percent. Unit costs for indirect business tax and nontax liability increased 0.8 percent, and unit costs for property-type income increased 3.2 percent. The larger increase in the unit costs for property-type income indicates that capital costs became a larger part of GPO unit costs during the period or that the return to capital per unit of gross product increased.

In 1992–96, unit labor costs declined in two private industry groups: Mining and durable goods manufacturing. Unit labor costs increased in all other private industry groups except wholesale trade, which was unchanged. In agriculture, forestry, and fishing and in services, the increases in unit labor costs were larger than the increases in total unit costs.

As with GPO prices, declines and relatively small increases in unit labor costs were in industry groups involved with the production and distribution of goods. In manufacturing, unit labor costs declined at an average annual rate of 1.7 percent in 1992–96, compared with a 0.2-percent increase in total unit costs. Unit labor costs in durable goods manufacturing declined 3.5 percent, while total unit costs declined 1.2 percent. In wholesale trade, in retail trade, and in transportation and public utilities, the increases in unit labor costs were substantially smaller than the increases in total unit costs.

In 1996, unit labor costs increased 1.9 percent in all private industries, less than the increase in total unit costs (2.4 percent). Unit labor costs increased in all private industry groups except durable goods manufacturing and wholesale trade. Durable goods manufacturing fell 3.9 percent; this fall marked the fourth consecutive year that unit labor costs fell in this industry group. Unit labor costs in manufacturing fell 1.1 percent, the third consecutive annual decline, despite an increase in nondurable goods manufacturing.

In 1996, the increases in unit labor costs exceeded the increase in total unit costs in only three industries: Construction; finance, insurance, and real estate; and services. In construction, unit labor costs rose faster than total unit costs for the first time since 1992; unit property-type income increased only 0.6 percent. In finance, insurance, and real estate, unit labor costs increased considerably more than in the 2 preceding years. In services, the increase in unit labor costs was somewhat less than the increase in 1995.

Tables 4 and 5 follow. 

**Table 3.—Percent Changes in Current-Dollar Cost Per Unit of Real Gross Product Originating for Private Industry Groups, 1993–96**

	1993	1994	1995	1996	Average annual rate of change, 1992–96
<b>Total</b> .....	<b>2.5</b>	<b>1.8</b>	<b>2.0</b>	<b>2.4</b>	<b>2.2</b>
Compensation of employees .....	2.4	0.5	2.0	1.9	1.7
Indirect business tax and nontax liability .....	2.1	2.1	-1.0	0	.8
Property-type income .....	2.5	4.0	2.6	3.5	3.2
<b>Agriculture, forestry, and fishing</b> .....	<b>3.7</b>	<b>-3.5</b>	<b>-4</b>	<b>16.6</b>	<b>3.8</b>
Compensation of employees .....	17.6	-9.0	13.7	6.9	6.8
Indirect business tax and nontax liability .....	9.4	-6.9	14.8	1.6	4.4
Property-type income .....	-2.4	-5	-7.9	23.5	2.5
<b>Mining</b> .....	<b>-1.9</b>	<b>-5.7</b>	<b>-5</b>	<b>21.0</b>	<b>2.7</b>
Compensation of employees .....	-5.1	-5.1	-4.4	8.6	-1.7
Indirect business tax and nontax liability .....	-5.2	-7.3	-9.8	21.7	-9
Property-type income .....	.9	-5.8	4.2	27.8	6.1
<b>Construction</b> .....	<b>3.5</b>	<b>4.0</b>	<b>4.8</b>	<b>2.8</b>	<b>3.7</b>
Compensation of employees .....	2.0	3.4	4.5	3.9	3.5
Indirect business tax and nontax liability .....	4.5	0	0	4.3	2.2
Property-type income .....	7.0	5.5	5.2	.6	4.6
<b>Manufacturing</b> .....	<b>1.4</b>	<b>.5</b>	<b>-9</b>	<b>-4</b>	<b>.2</b>
Compensation of employees .....	.6	-2.9	-3.5	-1.1	-1.7
Indirect business tax and nontax liability .....	0	-4.8	-2.5	-2.6	-2.5
Property-type income .....	3.6	9.7	4.4	1.2	4.7
<b>Durable goods</b> .....	<b>1.2</b>	<b>0</b>	<b>-3.1</b>	<b>-2.7</b>	<b>-1.2</b>
Compensation of employees .....	-1.4	-4.0	-4.7	-3.9	-3.5
Indirect business tax and nontax liability .....	0	-7.7	0	-4.2	-3.0
Property-type income .....	11.1	13.4	1.1	.8	6.4
<b>Nondurable goods</b> .....	<b>1.7</b>	<b>1.1</b>	<b>1.9</b>	<b>2.8</b>	<b>1.9</b>
Compensation of employees .....	2.9	-2.0	-1.9	2.4	.3
Indirect business tax and nontax liability .....	3.3	-4.8	-1.7	3.4	0
Property-type income .....	-3	7.0	8.3	3.4	4.5
<b>Transportation and public utilities</b> .....	<b>1.8</b>	<b>.7</b>	<b>2.3</b>	<b>1.1</b>	<b>1.5</b>
Compensation of employees .....	.2	0	2.4	1.1	.9
Indirect business tax and nontax liability .....	0	3.0	0	-5.8	-8
Property-type income .....	3.8	1.1	2.4	2.5	2.4
<b>Wholesale trade</b> .....	<b>1.6</b>	<b>2.7</b>	<b>1.5</b>	<b>-1.1</b>	<b>1.2</b>
Compensation of employees .....	0	-1.5	4.3	-2.8	0
Indirect business tax and nontax liability .....	4.8	4.2	-2.4	-2.9	.9
Property-type income .....	3.2	13.1	-9	5.6	5.1
<b>Retail trade</b> .....	<b>1.2</b>	<b>1.1</b>	<b>.1</b>	<b>.5</b>	<b>.7</b>
Compensation of employees .....	-2	-2	1.2	.3	.3
Indirect business tax and nontax liability .....	1.6	.5	2.1	.5	1.2
Property-type income .....	4.4	5.1	-4.4	1.4	1.5
<b>Finance, insurance, and real estate</b> .....	<b>3.7</b>	<b>2.1</b>	<b>4.4</b>	<b>4.1</b>	<b>3.6</b>
Compensation of employees .....	5.8	1.2	1.9	5.3	3.5
Indirect business tax and nontax liability .....	2.8	1.4	-7	2.7	1.5
Property-type income .....	3.2	2.4	6.8	3.9	4.0
<b>Services</b> .....	<b>3.6</b>	<b>3.8</b>	<b>3.2</b>	<b>3.4</b>	<b>3.5</b>
Compensation of employees .....	4.6	3.2	4.8	3.5	4.0
Indirect business tax and nontax liability .....	8.0	3.7	3.6	0	3.8
Property-type income .....	.4	5.4	-1.1	3.0	1.9

Table 4.—Chain-Type Price Indexes for Gross Output, Intermediate Inputs, and Gross Product by Industry Group, 1977–96

[1992=100]

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
<b>Gross domestic product</b> .....	<b>47.42</b>	<b>50.88</b>	<b>55.22</b>	<b>60.34</b>	<b>66.01</b>	<b>70.18</b>	<b>73.16</b>	<b>75.92</b>	<b>78.53</b>	<b>80.58</b>	<b>83.06</b>	<b>86.10</b>	<b>89.72</b>	<b>93.64</b>	<b>97.32</b>	<b>100.00</b>	<b>102.64</b>	<b>105.09</b>	<b>107.76</b>	<b>110.22</b>
<b>Private industries</b> <sup>1</sup> .....	<b>48.25</b>	<b>52.71</b>	<b>56.93</b>	<b>61.99</b>	<b>67.98</b>	<b>72.12</b>	<b>74.60</b>	<b>77.36</b>	<b>79.31</b>	<b>81.77</b>	<b>84.41</b>	<b>86.90</b>	<b>90.35</b>	<b>94.38</b>	<b>97.67</b>	<b>100.00</b>	<b>102.50</b>	<b>104.34</b>	<b>106.42</b>	<b>108.95</b>
Agriculture, forestry, and fishing: Gross output .....	74.61	84.31	94.90	97.52	100.87	92.54	101.06	101.78	89.18	89.52	91.89	99.49	105.05	104.32	100.86	100.00	102.64	102.04	102.94	113.59
Intermediate inputs .....	62.77	71.86	77.48	80.25	85.63	89.68	89.73	94.90	85.87	83.42	89.26	94.88	99.28	99.69	100.11	100.00	101.88	104.12	105.92	111.43
Gross product .....	88.50	106.90	115.57	106.01	104.84	96.18	107.72	107.52	92.96	90.95	94.56	104.57	111.54	109.46	101.66	100.00	103.70	100.08	99.66	116.21
Mining: Gross output .....	62.14	68.15	85.82	114.64	148.19	151.99	143.11	138.48	131.96	97.22	97.46	93.46	100.46	110.85	102.45	100.00	99.46	95.55	95.94	112.36
Intermediate inputs .....	55.48	60.11	70.83	87.62	105.53	109.44	107.83	107.67	106.11	88.49	90.37	90.31	95.55	103.24	100.64	100.00	101.31	100.09	101.91	112.95
Gross product .....	65.71	72.71	96.80	137.46	186.43	189.80	173.13	163.70	152.44	103.32	102.26	95.67	103.74	115.93	103.70	100.00	98.14	92.52	92.09	111.46
Construction: Gross output .....	48.54	53.81	59.48	65.70	71.91	77.19	78.86	80.85	82.47	85.56	88.62	92.17	94.94	97.86	98.99	100.00	103.25	106.89	111.21	113.81
Intermediate inputs .....	53.05	57.44	63.98	71.32	77.24	79.14	80.88	83.00	85.13	84.08	86.35	90.24	93.50	96.40	97.94	100.00	103.02	106.10	109.45	111.43
Gross product .....	43.86	49.98	54.76	59.89	66.33	75.12	76.70	78.55	79.65	86.75	90.56	93.80	96.16	99.08	99.88	100.00	103.45	107.58	112.71	115.82
Manufacturing: Gross output .....	57.71	61.59	68.21	77.00	83.49	85.44	86.33	88.32	88.06	86.42	88.20	91.90	95.94	98.64	99.36	100.00	101.02	102.28	104.64	104.39
Intermediate inputs .....	57.51	61.47	69.77	80.62	88.01	88.66	89.87	91.99	91.63	86.75	90.02	94.53	98.51	101.06	100.17	100.00	100.79	102.48	106.81	106.62
Gross product .....	58.08	61.81	66.06	71.04	75.95	80.22	80.56	82.33	82.24	86.11	85.36	87.44	91.64	94.63	97.89	100.00	101.42	101.92	100.99	100.63
Durable goods: Gross output .....	60.02	64.44	70.35	76.61	82.29	85.67	87.40	89.14	89.24	89.69	90.56	93.53	96.76	98.07	99.22	100.00	101.12	102.42	102.55	100.05
Intermediate inputs .....	57.70	61.88	68.68	76.10	81.87	83.95	86.50	88.50	89.14	87.89	90.30	95.60	98.69	99.79	99.80	100.00	101.07	103.20	105.44	103.06
Gross product .....	63.82	68.64	73.00	77.28	82.81	88.21	88.64	89.98	89.24	92.35	90.85	90.37	93.79	95.41	98.30	100.00	101.21	101.17	98.03	95.36
Nondurable goods: Gross output .....	54.85	58.13	66.04	77.46	84.79	85.33	85.43	87.67	87.04	83.18	85.91	90.18	95.14	99.35	99.47	100.00	100.91	102.13	107.12	109.67
Intermediate inputs .....	57.17	60.91	70.67	84.85	93.76	93.11	93.15	95.38	94.03	85.61	89.72	93.46	98.31	102.26	100.52	100.00	100.51	101.75	108.37	110.72
Gross product .....	51.11	53.51	57.63	63.44	67.59	70.52	70.76	73.01	73.73	78.50	78.64	83.84	89.01	93.70	97.41	100.00	101.70	102.86	104.84	107.77
Transportation and public utilities <sup>1</sup> .....	51.65	55.73	57.83	62.88	70.63	77.20	80.99	84.77	88.85	93.37	92.64	94.70	97.13	98.06	99.78	100.00	101.76	102.49	104.80	105.97
Transportation <sup>1</sup> .....	54.30	59.34	63.03	68.93	77.25	77.48	76.83	80.85	84.45	87.49	90.09	96.92	98.29	99.82	100.16	100.00	101.12	102.60	105.87	106.46
Communications: Gross output .....	59.05	60.78	62.12	64.56	70.48	75.90	79.13	83.58	88.91	92.02	91.39	92.43	95.84	97.59	98.59	100.00	101.26	101.92	102.86	104.78
Intermediate inputs .....	52.32	55.68	59.96	66.22	71.50	75.12	78.35	81.07	84.31	86.53	88.13	90.43	94.42	96.70	98.77	100.00	99.50	97.32	95.32	96.45
Gross product .....	62.77	63.76	63.75	64.53	70.06	77.06	80.35	85.83	92.49	96.18	93.98	94.14	97.02	98.29	98.53	100.00	102.17	104.38	107.40	110.29
Electric, gas, and sanitary services: Gross output .....	43.70	47.94	53.71	64.48	75.07	88.05	95.91	97.52	97.64	96.08	92.62	91.45	94.39	96.50	99.38	100.00	102.65	101.92	101.69	104.37
Intermediate inputs .....	48.94	52.68	62.46	76.75	89.37	102.90	109.64	110.88	108.48	97.25	93.80	93.47	97.04	100.42	99.03	100.00	103.71	104.72	102.04	112.27
Gross product .....	40.05	44.84	46.49	53.72	62.55	75.52	84.89	86.90	89.34	95.79	92.27	90.52	93.07	94.44	99.55	100.00	102.11	100.57	101.19	101.45
Wholesale trade: Gross output .....	62.37	66.08	71.36	78.22	82.97	83.89	86.30	88.19	90.26	86.34	90.62	94.81	95.65	99.98	100.73	100.00	101.82	104.53	106.83	106.82
Intermediate inputs .....	48.81	52.07	57.14	64.10	70.50	73.92	76.95	80.27	82.44	82.67	85.34	88.70	92.24	96.05	98.36	100.00	102.25	104.94	108.81	111.11
Gross product .....	70.76	74.67	79.89	86.40	89.74	89.08	91.12	92.19	94.20	88.15	93.21	97.85	97.26	101.86	101.81	100.00	101.62	104.34	105.88	104.75
Retail trade: Gross output .....	50.49	53.76	58.70	64.62	69.74	73.83	76.08	78.72	80.59	80.52	85.78	86.72	90.18	93.86	97.71	100.00	101.55	103.19	104.35	105.71
Intermediate inputs .....	47.48	51.02	56.01	62.63	68.94	72.70	75.94	80.02	82.41	83.73	85.95	88.90	92.97	96.82	99.13	100.00	102.08	104.60	107.67	110.49
Gross product .....	52.19	55.30	60.20	65.66	70.01	74.28	76.16	77.89	79.51	78.84	85.59	85.44	88.57	92.15	96.88	100.00	101.24	102.36	102.43	102.99
Finance, insurance, and real estate <sup>1</sup> .....	38.16	41.73	44.61	48.48	53.63	57.54	62.80	66.20	71.33	78.47	81.69	83.36	87.07	92.35	97.82	100.00	103.73	105.91	110.57	115.10
Services <sup>1</sup> .....	35.85	38.78	42.33	46.54	51.36	56.30	60.45	64.12	67.55	71.45	75.35	79.87	84.00	89.65	94.33	100.00	103.55	107.47	110.90	114.64
<b>Government</b> <sup>1</sup> .....	<b>40.92</b>	<b>43.72</b>	<b>47.09</b>	<b>51.48</b>	<b>56.92</b>	<b>61.73</b>	<b>65.40</b>	<b>70.23</b>	<b>74.38</b>	<b>77.29</b>	<b>80.65</b>	<b>83.83</b>	<b>87.20</b>	<b>91.40</b>	<b>96.08</b>	<b>100.00</b>	<b>103.07</b>	<b>106.29</b>	<b>109.87</b>	<b>113.98</b>
<b>Addenda:</b> Private goods-producing industries <sup>2</sup> : Gross output .....	57.48	61.94	69.36	78.56	86.30	88.33	88.96	90.57	89.80	87.08	88.99	92.47	96.58	99.45	99.53	100.00	101.54	102.76	105.18	106.46
Intermediate inputs .....	57.22	61.42	69.77	80.54	87.95	89.06	89.92	91.80	91.41	86.49	89.68	94.05	98.02	100.64	99.98	100.00	101.20	102.97	107.03	107.56
Gross product .....	57.91	63.08	68.99	75.56	83.37	87.31	87.41	88.38	86.91	87.67	87.96	90.15	94.47	97.71	98.84	100.00	102.08	102.46	102.48	104.86
Private services-producing industries <sup>1,3</sup> .....	44.41	47.80	51.27	55.88	61.05	65.32	69.27	72.35	75.98	79.21	82.58	85.27	88.33	93.26	96.94	100.00	102.63	105.04	108.08	110.74

1. Gross product price index.

2. Consists of agriculture, forestry, and fishing; mining; construction; and manufacturing.

3. Consists of transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.

NOTES—Estimates for gross output and for intermediate inputs are shown only for industry groups for which the double-deflation method is used for each detailed industry in the group. See footnote 2 in the text.

Estimates for 1977–86 are shown on the basis of the 1972 Standard Industrial Classification (SIC). Estimates for 1987–96 are shown on the basis of the 1987 SIC.

Table 5.—Current-Dollar Cost Per Unit of Real Gross Product Originating by Private Industry Group, 1977–96

[Dollars]

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
<b>Total</b> .....	<b>0.483</b>	<b>0.527</b>	<b>0.569</b>	<b>0.620</b>	<b>0.680</b>	<b>0.721</b>	<b>0.746</b>	<b>0.774</b>	<b>0.793</b>	<b>0.818</b>	<b>0.844</b>	<b>0.869</b>	<b>0.904</b>	<b>0.944</b>	<b>0.977</b>	<b>1.000</b>	<b>1.025</b>	<b>1.043</b>	<b>1.064</b>	<b>1.090</b>
Compensation of employees .....	.262	.288	.315	.346	.372	.397	.405	.413	.425	.442	.458	.470	.486	.511	.528	.543	.556	.559	.570	.581
Indirect business tax and nontax liability .....	.047	.048	.049	.055	.063	.066	.070	.071	.073	.074	.076	.076	.080	.085	.092	.095	.097	.099	.098	.098
Property-type income .....	.174	.192	.205	.219	.245	.258	.270	.289	.296	.301	.310	.323	.338	.348	.357	.362	.371	.386	.396	.410
<b>Agriculture, forestry, and fishing</b> .....	<b>.885</b>	<b>1.069</b>	<b>1.156</b>	<b>1.060</b>	<b>1.048</b>	<b>.962</b>	<b>1.077</b>	<b>1.075</b>	<b>.930</b>	<b>.909</b>	<b>.946</b>	<b>1.046</b>	<b>1.115</b>	<b>1.095</b>	<b>1.017</b>	<b>1.000</b>	<b>1.037</b>	<b>1.001</b>	<b>.997</b>	<b>1.162</b>
Compensation of employees .....	.184	.212	.217	.241	.203	.213	.298	.237	.216	.222	.230	.286	.287	.304	.299	.273	.321	.292	.332	.355
Indirect business tax and nontax liability .....	.051	.053	.054	.055	.049	.044	.067	.049	.044	.045	.048	.055	.055	.056	.056	.053	.058	.054	.062	.063
Property-type income .....	.650	.804	.884	.764	.796	.704	.712	.789	.669	.642	.667	.704	.773	.735	.661	.674	.658	.655	.603	.745
<b>Mining</b> .....	<b>.657</b>	<b>.727</b>	<b>.968</b>	<b>1.375</b>	<b>1.864</b>	<b>1.898</b>	<b>1.731</b>	<b>1.637</b>	<b>1.524</b>	<b>1.033</b>	<b>1.023</b>	<b>.957</b>	<b>1.037</b>	<b>1.159</b>	<b>1.037</b>	<b>1.000</b>	<b>.981</b>	<b>.925</b>	<b>.921</b>	<b>1.115</b>
Compensation of employees .....	.206	.238	.327	.356	.447	.486	.463	.439	.406	.371	.343	.292	.324	.333	.340	.353	.335	.318	.304	.330
Indirect business tax and nontax liability .....	.057	.061	.086	.208	.430	.351	.287	.246	.193	.124	.109	.090	.107	.112	.114	.116	.110	.102	.092	.112
Property-type income .....	.394	.429	.555	.810	.987	1.061	.982	.952	.925	.538	.570	.574	.607	.715	.584	.531	.536	.505	.526	.672
<b>Construction</b> .....	<b>.439</b>	<b>.500</b>	<b>.548</b>	<b>.599</b>	<b>.663</b>	<b>.751</b>	<b>.767</b>	<b>.786</b>	<b>.797</b>	<b>.867</b>	<b>.906</b>	<b>.938</b>	<b>.962</b>	<b>.991</b>	<b>.999</b>	<b>1.000</b>	<b>1.035</b>	<b>1.076</b>	<b>1.127</b>	<b>1.158</b>
Compensation of employees .....	.303	.344	.386	.428	.489	.545	.543	.535	.538	.569	.604	.631	.652	.687	.698	.691	.705	.729	.762	.792
Indirect business tax and nontax liability .....	.009	.010	.010	.011	.011	.014	.017	.015	.014	.015	.016	.017	.018	.019	.020	.022	.023	.023	.023	.024
Property-type income .....	.127	.147	.152	.160	.163	.193	.207	.235	.245	.283	.285	.289	.291	.285	.281	.287	.307	.324	.341	.343
<b>Manufacturing</b> .....	<b>.581</b>	<b>.618</b>	<b>.661</b>	<b>.710</b>	<b>.759</b>	<b>.802</b>	<b>.806</b>	<b>.823</b>	<b>.822</b>	<b>.861</b>	<b>.854</b>	<b>.874</b>	<b>.916</b>	<b>.946</b>	<b>.979</b>	<b>1.000</b>	<b>1.014</b>	<b>1.019</b>	<b>1.010</b>	<b>1.006</b>
Compensation of employees .....	.407	.437	.473	.530	.555	.590	.578	.576	.586	.607	.585	.585	.609	.633	.663	.680	.684	.664	.641	.634
Indirect business tax and nontax liability .....	.024	.023	.023	.025	.027	.028	.031	.030	.030	.033	.030	.029	.031	.034	.040	.042	.042	.040	.039	.038
Property-type income .....	.149	.158	.165	.155	.177	.184	.196	.217	.206	.221	.239	.260	.277	.280	.276	.278	.288	.316	.330	.334
Durable goods .....	.638	.686	.730	.773	.828	.882	.886	.900	.892	.923	.909	.904	.938	.954	.983	1.000	1.012	1.012	.980	.954
Compensation of employees .....	.475	.510	.565	.624	.656	.705	.692	.667	.685	.708	.678	.666	.690	.712	.749	.766	.755	.725	.691	.664
Indirect business tax and nontax liability .....	.015	.014	.015	.016	.017	.019	.018	.017	.018	.019	.019	.018	.020	.022	.025	.026	.026	.024	.024	.023
Property-type income .....	.148	.163	.150	.134	.155	.158	.177	.216	.190	.196	.211	.220	.227	.220	.209	.208	.231	.262	.265	.267
Nondurable goods .....	.511	.535	.576	.634	.676	.705	.708	.730	.737	.785	.786	.838	.890	.937	.974	1.000	1.017	1.029	1.048	1.078
Compensation of employees .....	.325	.347	.361	.416	.433	.456	.448	.466	.466	.486	.473	.485	.508	.535	.561	.580	.597	.585	.574	.588
Indirect business tax and nontax liability .....	.035	.035	.033	.037	.038	.039	.045	.045	.045	.049	.043	.042	.045	.049	.058	.060	.062	.059	.058	.060
Property-type income .....	.151	.153	.182	.181	.204	.210	.214	.219	.226	.250	.271	.311	.338	.353	.355	.360	.359	.384	.416	.430
Transportation and public utilities .....	.516	.557	.578	.629	.706	.772	.810	.848	.888	.934	.926	.947	.971	.981	.998	1.000	1.018	1.025	1.048	1.060
Compensation of employees .....	.264	.286	.309	.334	.362	.396	.385	.395	.413	.431	.423	.427	.439	.451	.448	.454	.455	.455	.466	.471
Indirect business tax and nontax liability .....	.054	.054	.053	.056	.060	.067	.074	.077	.082	.086	.084	.087	.091	.095	.099	.101	.101	.104	.104	.098
Property-type income .....	.199	.218	.216	.239	.284	.308	.351	.376	.393	.417	.420	.433	.441	.435	.451	.445	.462	.467	.478	.490
<b>Wholesale trade</b> .....	<b>.708</b>	<b>.747</b>	<b>.799</b>	<b>.864</b>	<b>.897</b>	<b>.891</b>	<b>.911</b>	<b>.922</b>	<b>.942</b>	<b>.881</b>	<b>.932</b>	<b>.978</b>	<b>.973</b>	<b>1.019</b>	<b>1.018</b>	<b>1.000</b>	<b>1.016</b>	<b>1.043</b>	<b>1.059</b>	<b>1.047</b>
Compensation of employees .....	.378	.407	.440	.493	.514	.527	.535	.523	.538	.507	.561	.579	.582	.618	.597	.588	.588	.579	.604	.587
Indirect business tax and nontax liability .....	.160	.160	.156	.158	.159	.159	.185	.189	.192	.182	.203	.216	.210	.224	.232	.227	.238	.248	.242	.235
Property-type income .....	.170	.180	.203	.213	.224	.204	.191	.209	.212	.193	.167	.184	.180	.177	.189	.185	.191	.216	.214	.226
<b>Retail trade</b> .....	<b>.522</b>	<b>.553</b>	<b>.602</b>	<b>.657</b>	<b>.700</b>	<b>.743</b>	<b>.762</b>	<b>.779</b>	<b>.795</b>	<b>.788</b>	<b>.856</b>	<b>.854</b>	<b>.886</b>	<b>.922</b>	<b>.969</b>	<b>1.000</b>	<b>1.012</b>	<b>1.024</b>	<b>1.024</b>	<b>1.030</b>
Compensation of employees .....	.316	.336	.372	.417	.438	.457	.454	.457	.462	.466	.515	.523	.534	.564	.590	.610	.609	.608	.615	.617
Indirect business tax and nontax liability .....	.080	.087	.096	.106	.111	.119	.123	.129	.134	.135	.150	.147	.155	.166	.175	.185	.188	.189	.193	.194
Property-type income .....	.127	.130	.133	.134	.151	.166	.185	.192	.200	.187	.190	.184	.197	.192	.204	.206	.215	.226	.216	.219
<b>Finance, insurance, and real estate</b> .....	<b>.382</b>	<b>.417</b>	<b>.446</b>	<b>.485</b>	<b>.536</b>	<b>.575</b>	<b>.628</b>	<b>.662</b>	<b>.713</b>	<b>.785</b>	<b>.817</b>	<b>.834</b>	<b>.871</b>	<b>.923</b>	<b>.978</b>	<b>1.000</b>	<b>1.037</b>	<b>1.059</b>	<b>1.106</b>	<b>1.151</b>
Compensation of employees .....	.086	.093	.100	.110	.121	.134	.146	.154	.168	.191	.203	.209	.210	.221	.231	.242	.256	.259	.264	.278
Indirect business tax and nontax liability .....	.068	.067	.067	.072	.080	.089	.093	.098	.104	.112	.114	.112	.119	.127	.140	.142	.146	.148	.147	.151
Property-type income .....	.228	.257	.279	.302	.334	.352	.388	.410	.441	.482	.500	.513	.541	.575	.607	.616	.636	.651	.695	.722
<b>Services</b> .....	<b>.359</b>	<b>.388</b>	<b>.423</b>	<b>.465</b>	<b>.514</b>	<b>.563</b>	<b>.604</b>	<b>.641</b>	<b>.675</b>	<b>.714</b>	<b>.753</b>	<b>.799</b>	<b>.840</b>	<b>.896</b>	<b>.943</b>	<b>1.000</b>	<b>1.036</b>	<b>1.075</b>	<b>1.109</b>	<b>1.146</b>
Compensation of employees .....	.236	.258	.286	.319	.357	.393	.422	.444	.465	.492	.529	.558	.589	.636	.673	.716	.749	.773	.810	.838
Indirect business tax and nontax liability .....	.009	.010	.010	.011	.012	.013	.015	.016	.017	.019	.019	.020	.021	.022	.023	.025	.027	.028	.029	.029
Property-type income .....	.114	.120	.127	.135	.144	.157	.168	.181	.193	.204	.205	.221	.231	.239	.247	.259	.260	.274	.271	.279

NOTES.—Current-dollar cost per unit of real gross product originating (GPO) equals the GPO price index divided by 100.

Estimates for 1977–86 are shown on the basis of the 1972 Standard Industrial Classification (SIC). Estimates for 1987–96 are shown on the basis of the 1987 SIC.

# A Guide to the NIPA's

By Eugene P. Seskin and Robert P. Parker

**T**HIS GUIDE presents information on the structure, definitions, presentation, and methodologies that underlie the national income and product accounts (NIPA's). This information is from the forthcoming publication *National Income and Product Accounts of the United States, 1929-94* and includes the "Updated Summary NIPA Methodologies" that was published in the September 1997 issue of the SURVEY OF CURRENT BUSINESS. The information reflects the changes that were introduced in the most recent comprehensive and annual revisions of the NIPA's.

The NIPA's show the composition of production and the distribution of incomes earned in production. Thus, they represent a critical element of the U.S. economic accounts, which are designed to provide a consistent and comprehensive picture of the Nation's economy.

The first section of this article describes the definitions and classifications underlying the NIPA's. The second section discusses the presentation of the NIPA's, and the third section discusses the statistical conventions used for the NIPA estimates. An appendix lists the principal source data and methods used to prepare the estimates of gross domestic product (GDP).

## Definitions and Classifications Underlying the NIPA's

### NIPA entries

The major components of the NIPA's are presented and defined below within the context of the Summary National Income and Product Accounts (see [table A](#) on page 28). The five summary accounts show the composition of production and the distribution of the incomes earned in production. In these accounts, production consists of the goods, services, and structures that are produced in the current period. Production, or "current production," and its related incomes do not include gains or losses from the sale of nonproduced assets, such as land, or of financial assets, such as stocks and bonds. In

addition, production does not include gains or losses from holding goods in inventories.

The first summary account is the National Income and Product Account: The right side shows GDP as measured by the sum of goods and services produced in the United States and sold to final users, and the left side shows GDP as measured by the incomes earned in production (gross domestic income) and the "statistical discrepancy" between the two measures. Each of the components in this summary account can be mapped to one of the other summary accounts and can, in turn, be mapped to one or more of the 142 tables that make up the full set of NIPA tables. This system of integrated, double-entry accounts provides a comprehensive and unduplicated measure of economic activity within a consistently defined framework.<sup>1</sup> Thus, the NIPA's—together with the industry, wealth, and regional accounts—can be used to trace the principal economic flows among the major sectors of the economy.

Within the summary accounts, each entry has a counterentry, generally in another account. The parenthetical numbers that follow an entry in [table A](#) identify the counterentry by account and line number. Except for the major income and product aggregates, the entries are usually defined in the sequence in which they appear in the five-account summary.

The definition of a component is not repeated for the counterentry, but a cross-reference is made to the first appearance of the definition. After the components in the five-account-summary are defined, the following other definitions are presented: Final sales of domestic product, gross domestic purchases, final sales to domestic purchasers, population, personal saving as a percentage of disposable personal income, gross saving as a percentage of gross national

1. For more information on the concepts underlying the accounts, see Allan H. Young and Helen Stone Tice, *An Introduction to National Economic Accounting*, NIPA Methodology Paper No. 1 (1985); and Carol S. Carson, *GNP: An Overview of Source Data and Estimating Methods*, NIPA Methodology Paper No. 4 (1987). For information on the availability of these papers, see the box "Information About NIPA Methodology."

product, U.S. residents, foreign residents, and the rest of the world.

### Major aggregates

**Gross domestic product (GDP)**, the featured measure of U.S. output, is the market value of the goods and services *produced by labor and property located in the United States*. Because the labor and property are located in the United States, the suppliers (that is, the workers and, for property, the owners) may be either U.S. residents or residents of the rest of the world.

**Gross domestic income (GDI)** (1–34) measures output as the costs incurred and the incomes earned in the production of GDP. In theory, GDP should equal GDI, but in practice, they differ because their components are estimated using

largely independent and less-than-perfect source data. This difference is termed the “statistical discrepancy” (see [page 34](#)).

**Gross national product (GNP)** is the market value of the goods and services *produced by labor and property supplied by U.S. residents*. Because the labor and property are supplied by U.S. residents (see [page 36](#)), they may be located either in the United States or abroad. The difference between GDP and GNP is net receipts of factor income from the rest of the world. These net receipts represent income from the goods and services produced abroad using the labor and property supplied by U.S. residents less payments to the rest of the world for the goods and services

*Text continues on page 30.*

## Information About NIPA Methodology

As part of each comprehensive and annual revision of the NIPA's, BEA publishes a summary description of the principal source data and methods used to prepare the current-dollar and real estimates of gross domestic product. The most recent “Updated Summary NIPA Methodologies” was published in the September 1997 issue of the SURVEY OF CURRENT BUSINESS and is reprinted as an appendix in this article.

BEA has also prepared a series of papers that discuss the concepts that underlie the NIPA's and that present detailed descriptions of the methodologies used to prepare the NIPA estimates.<sup>1</sup> Note, however, that the methodologies described in these papers are subject to periodic improvements, usually as part of the annual and comprehensive revisions of the NIPA estimates. These improvements—which consist of changes in definitions and in source data, the incorporation of new source data, and the use of new estimating methods—are described in the SURVEY. For example, two major improvements were the shift to gross domestic product as the featured measure of U.S. production and the introduction of a new treatment of government investment.<sup>2</sup>

Copies of the following methodology papers are available from the National Technical Information Service (NTIS).

- *An Introduction to National Economic Accounting*, Methodology Paper No. 1 (1985)—NTIS accession no. PB85-247567, \$12.50

1. For information on the methodology used to prepare the national estimates of personal income, which provide the basis for the State estimates of personal income, see *State Personal Income, 1959–93* (Washington, DC: U.S. Government Printing Office, 1995).

2. See “Gross Domestic Product as a Measure of U.S. Production,” SURVEY 71 (August 1991): 8; and “Preview of the Comprehensive Revision of the National Income and Product Accounts: Recognition of Government Investment and Incorporation of a New Methodology for Calculating Depreciation,” SURVEY 75 (September 1995): 33–41.

- *Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends*, Methodology Paper No. 2 (1985)—NTIS accession no. PB85-245397, \$27.00
- *Foreign Transactions*, Methodology Paper No. 3 (1987)—NTIS accession no. PB88-100649, \$27.00
- *GNP: An Overview of Source Data and Estimating Methods*, Methodology Paper No. 4 (1987)—NTIS accession no. PB88-134838, \$24.50
- *Government Transactions*, Methodology Paper No. 5 (1988)—NTIS accession no. PB90-118480, \$31.50
- *Personal Consumption Expenditures*, Methodology Paper No. 6 (1990)—NTIS accession no. PB90-254244, \$27.00

The results of the most recent comprehensive and annual revisions are published in the following SURVEY articles.

- “Annual Revision of the National Income and Product Accounts: Annual Estimates, 1993–96, and Quarterly Estimates 1993:1–1997:1” (August 1997)
- “Preview of the Comprehensive Revision of the National Income and Product Accounts: BEA's New Featured Measures of Output and Prices” (July 1995)
- “Preview of the Comprehensive Revision of the National Income and Product Accounts: Recognition of Government Investment and Incorporation of a New Methodology for Calculating Depreciation” (September 1995)
- “Preview of the Comprehensive Revision of the National Income and Product Accounts: New and Redesign Tables” (October 1995)
- “Improved Estimates of the National Income and Product Accounts: Results of the Comprehensive Revision” (January/February 1996)
- “Completion of the Comprehensive Revision of the National Income and Product Accounts, 1929–96” (May 1997)

The methodological information on the NIPA's is also available on BEA's Web site at <<http://www.bea.doc.gov>>.



Table A.—Summary National Income and Product Accounts, 1996

[Billions of dollars]

Line		Line	
<b>Account 1.—National Income and Product Account</b>			
1	Compensation of employees .....	36	Personal consumption expenditures (2-3) .....
2	Wage and salary accruals .....	37	Durable goods .....
3	Disbursements (2-7) .....	38	Nondurable goods .....
4	Wage accruals less disbursements (3-8 and 5-5) .....	39	Services .....
5	Supplements to wages and salaries .....	40	Gross private domestic investment (5-1) .....
6	Employer contributions for social insurance (3-16) .....	41	Fixed investment .....
7	Other labor income (2-8) .....	42	Nonresidential .....
8	Proprietors' income with inventory valuation and capital consumption adjustments (2-9) .....	43	Structures .....
9	Rental income of persons with capital consumption adjustment (2-10) .....	44	Producers' durable equipment .....
10	Corporate profits with inventory valuation and capital consumption adjustments .....	45	Residential .....
11	Corporate profits with inventory valuation adjustment .....	46	Change in business inventories .....
12	Profits before tax .....	47	Net exports of goods and services .....
13	Profits tax liability (3-13) .....	48	Exports (4-1) .....
14	Profits after tax .....	49	Imports (4-4) .....
15	Dividends (2-12) .....	50	Government consumption expenditures and gross investment (3-1 and 5-2) .....
16	Undistributed profits .....	51	Federal .....
17	Inventory valuation adjustment .....	52	National defense .....
18	Capital consumption adjustment .....	53	Nondefense .....
19	Net interest (2-15) .....	54	State and local .....
20	<b>National income</b> .....		
21	Business transfer payments .....		
22	To persons (2-19) .....		
23	To the rest of the world (4-9) .....		
24	Indirect business tax and nontax liability (3-14) .....		
25	Less: Subsidies less current surplus of government enterprises (3-7) .....		
26	Consumption of fixed capital (5-7) .....		
27	Private (5-8) .....		
28	Government (5-9) .....		
29	General government (5-10) .....		
30	Government enterprises (5-11) .....		
31	<b>Gross national income</b> .....		
32	Less: Receipts of factor income from the rest of the world (4-2) .....		
33	Plus: Payments of factor income to the rest of the world (4-5) .....		
34	<b>Gross domestic income</b> .....		
35	Statistical discrepancy (5-14) .....		
	<b>GROSS DOMESTIC PRODUCT</b> .....		<b>GROSS DOMESTIC PRODUCT</b> .....
<b>Account 2.—Personal Income and Outlay Account</b>			
1	Personal tax and nontax payments (3-12) .....	7	Wage and salary disbursements (1-3) .....
2	Personal outlays .....	8	Other labor income (1-7) .....
3	Personal consumption expenditures (1-36) .....	9	Proprietors' income with inventory valuation and capital consumption adjustments (1-8) .....
4	Interest paid by persons (2-17) .....	10	Rental income of persons with capital consumption adjustment (1-9) .....
5	Personal transfer payments to the rest of the world (net) (4-7) .....	11	Personal dividend income .....
6	Personal saving (5-4) .....	12	Dividends (1-15) .....
		13	Less: Dividends received by government (3-6) .....
		14	Personal interest income .....
		15	Net interest (1-19) .....
		16	Net interest paid by government (3-5) .....
		17	Interest paid by persons (2-4) .....
		18	Transfer payments to persons .....
		19	From business (1-22) .....
		20	From government (3-3) .....
		21	Less: Personal contributions for social insurance (3-17) .....
	<b>PERSONAL TAXES, OUTLAYS, AND SAVING</b> .....		<b>PERSONAL INCOME</b> .....

See note at end of table.

Table A.—Summary National Income and Product Accounts, 1996—Continued

[Billions of dollars]

Line		Line	
<b>Account 3.—Government Receipts and Expenditures Account</b>			
1	Consumption expenditures (1-50) .....	12	Personal tax and nontax payments (2-1) .....
	1,182.4		886.9
2	Transfer payments .....	13	Corporate profits tax liability (1-13) .....
	1,058.3		229.0
3	To persons (2-20) .....	14	Indirect business tax and nontax liability (1-24) .....
	1,042.0		604.8
4	To the rest of the world (net) (4-8) .....	15	Contributions for social insurance .....
	16.3		692.0
5	Net interest paid (2-16) .....	16	Employer (1-6) .....
	165.4		385.7
6	Less: Dividends received by government (2-13) .....	17	Personal (2-21) .....
	13.6		306.3
7	Subsidies less current surplus of government enterprises (1-25) .....		
	25.4		
8	Less: Wage accruals less disbursements (1-4) .....		
	0		
9	Current surplus or deficit (-), national income and product accounts		
	(5-12) .....		
	-5.1		
10	Federal .....		
	-110.5		
11	State and local .....		
	105.3		
	<b>GOVERNMENT CURRENT EXPENDITURES AND SURPLUS .....</b>		<b>GOVERNMENT RECEIPTS .....</b>
	<b>2,412.7</b>		<b>2,412.7</b>
<b>Account 4.—Foreign Transactions Account</b>			
1	Exports of goods and services (1-48) .....	4	Imports of goods and services (1-49) .....
	870.9		965.7
2	Receipts of factor income (1-32) .....	5	Payments of factor income (1-33) .....
	234.3		232.6
3	Capital grants received by the United States (net) (5-13) .....	6	Transfer payments to the rest of the world (net) .....
	0		39.8
		7	From persons (net) (2-5) .....
			15.9
		8	From government (net) (3-4) .....
			16.3
		9	From business (1-23) .....
			7.6
		10	Net foreign investment (5-3) .....
			-132.9
	<b>RECEIPTS FROM THE REST OF THE WORLD .....</b>		<b>PAYMENTS TO THE REST OF THE WORLD .....</b>
	<b>1,105.1</b>		<b>1,105.1</b>
<b>Account 5.—Gross Saving and Investment Account</b>			
1	Gross private domestic investment (1-40) .....	4	Personal saving (2-6) .....
	1,116.5		239.6
2	Gross government investment (1-50) .....	5	Wage accruals less disbursements (private) (1-4) .....
	224.3		1.1
3	Net foreign investment (4-10) .....	6	Undistributed corporate profits with inventory valuation and capital
	-132.9		consumption adjustments.
		7	Consumption of fixed capital (1-26) .....
			830.1
		8	Private (1-27) .....
			682.7
		9	Government (1-28) .....
			147.4
		10	General government (1-29) .....
			125.1
		11	Government enterprises (1-30) .....
			22.3
		12	Government current surplus or deficit (-), national income and prod-
			uct accounts (3-9).
			-5.1
		13	Capital grants received by the United States (net) (4-3) .....
			0
		14	Statistical discrepancy (1-35) .....
			-59.9
	<b>GROSS INVESTMENT .....</b>		<b>GROSS SAVING AND STATISTICAL DISCREPANCY .....</b>
	<b>1,207.9</b>		<b>1,207.9</b>

NOTE.—Numbers in parentheses indicate accounts and items of counterentry in the accounts. For example, line 3 of account 1 is shown as "Disbursements (2-7)"; the counterentry is shown in account 2, line 7.

*Text continues from page 27.*

produced in the United States using the labor and property supplied by foreign residents. Factor incomes are measured as compensation of employees, corporate profits (dividends, earnings of unincorporated affiliates, and reinvested earnings of incorporated affiliates), and interest.

*Gross national income* (GNI) (1-31) is the costs incurred and the incomes earned in the production of GNP. GNI is the sum of (1) factor incomes—compensation of employees, proprietors' income, rental income of persons, corporate profits, and net interest; (2) three nonfactor charges—business transfer payments, indirect business taxes, and the current surplus of government enterprises less government subsidy payments; and (3) consumption of fixed capital (CFC), which is the fixed capital "used up" in the production process during the accounting period. GNI and GNP also differ by the statistical discrepancy.

*Net domestic product* (NDP) is the net market value of the goods and services attributable to labor and property located in the United States and is equal to GDP less CFC.

*Net national product* (NNP) is the net market value of goods and services attributable to the labor and property supplied by U.S. residents and is equal to GNP less CFC. The measure of CFC used for both NDP and NNP relates only to fixed capital located in the United States. Investment in the capital is measured by private fixed investment and government gross investment.

*National income* (1-20) is the sum of the factor incomes. It is a net factor-cost measure (net of CFC) equal to the income that originates in the production of goods and services from labor and property supplied by U.S. residents.

*Domestic income*, also a net factor-cost measure, is the income that originates in the production of goods and services attributable to labor and property located in the United States.

*Personal income* is the income received by persons from all sources—that is, from participation in production, from both government and business transfer payments, and from government interest (which is treated like a transfer payment). "Persons" consists of individuals, nonprofit institutions that primarily serve individuals, private noninsured welfare funds, and private trust funds. Personal income is calculated as the sum of wage and salary disbursements, other labor income, proprietors' income with

inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and transfer payments to persons, less personal contributions for social insurance.

*Disposable personal income* is personal income less personal tax and nontax payments. It is the income available to persons for spending or saving.

### *National income and product account*

GDP is measured as the sum of personal consumption expenditures, gross private domestic investment (including change in business inventories and before deduction of charges for CFC), net exports of goods and services (exports less imports), and government consumption expenditures and gross investment. GDP excludes intermediate purchases of goods and services by business.

*Personal consumption expenditures* (1-36) is goods and services purchased by persons resident in the United States. Personal consumption expenditures (PCE) consists mainly of purchases of new goods and of services by individuals from business. In addition, PCE includes purchases of new goods and of services by nonprofit institutions (including compensation of employees), net purchases of used goods by individuals and nonprofit institutions, and purchases abroad of goods and services by U.S. residents.<sup>2</sup> PCE also includes purchases for certain goods and services provided by government agencies—primarily tuition payments for higher education, charges for medical care, and charges for water and sanitary services. Finally, PCE includes imputed purchases that keep PCE invariant to changes in the way that certain activities are carried out—for example, whether housing is rented or owned, whether financial services are explicitly charged, or whether employees are paid in cash or in kind.

The following conventions are used to classify each PCE commodity: *Durable goods* (1-37) are commodities that can be stored or inventoried and that have an average life of at least 3 years; *nondurable goods* (1-38) are all other commodities that can be stored or inventoried; and *services* (1-39) are commodities that cannot be stored and that are consumed at the place and time of purchase.

2. Purchases of fixed assets, including residential structures by individuals and by nonprofit institutions that primarily serve individuals, are classified as gross private domestic investment.

*Gross private domestic investment* (1-40) consists of *fixed investment* (1-41) and *change in business inventories* (1-46). Fixed investment consists of both *nonresidential* (1-42) fixed investment and *residential* (1-45) fixed investment. It consists of purchases of fixed assets, which are commodities that will be used in a production process for more than 1 year, including replacements and additions to the capital stock, and it is measured before a deduction for consumption of fixed capital. It covers all investment by private businesses and by nonprofit institutions in the United States, regardless of whether the investment is owned by U.S. residents. (Purchases of the same types of equipment and structures by government agencies are included in government gross investment.) It excludes investment by U.S. residents in other countries. Nonresidential fixed investment consists of both *structures* (1-43) and *producers' durable equipment (PDE)* (1-44).

Nonresidential structures consists of new construction, brokers' commissions on sales of structures, and net purchases of used structures by private business and by nonprofit institutions from government agencies. New construction also includes hotels and motels and mining exploration, shafts, and wells.

Nonresidential PDE consists of private business purchases on capital account of new machinery, equipment such as furniture, and vehicles (except for personal-use portions of equipment purchased for both business and personal use, which are included in PCE), dealers' margins on sales of used equipment, and net purchases of used equipment from government agencies, from persons, and from the rest of the world.

Residential fixed investment consists of private structures and of residential PDE—equipment owned by landlords and rented to tenants. Investment in structures consists of new units, improvements to existing units, mobile homes, brokers' commissions on the sale of residential property, and net purchases of used structures from government agencies.

*Change in business inventories* (1-46) is the change in the physical volume of goods purchased by private business for use in the production of other commodities or for resale, valued in average prices of the period. It differs from the change in the book value of inventories reported by most business; the difference is the *inventory valuation adjustment* (described on the next page).

*Net exports of goods and services* (1-47) is exports (1-48) less imports (1-49) of goods and

services. Receipts and payments of factor income and transfer payments to the rest of the world (net) are excluded.

*Government consumption expenditures and gross investment* (1-50) consists of net purchases of goods, services, and structures from business and from the rest of the world by general government; payments by general government to households in the form of compensation of employees; the consumption of general government fixed capital, which represents the value of the current services of fixed assets of general government; net purchases of fixed assets by government enterprises; inventory change of government enterprises; and a deduction for general government sales—primarily tuition payments for higher education and charges for medical care. Of this total, gross investment is net purchases of new and used structures and equipment by general government and government enterprises; all other transactions are consumption expenditures. Government consumption expenditures and gross investment excludes purchases by government enterprises (except for fixed assets), transfer payments, interest paid or received by government, subsidies, and transactions in financial assets and in nonproduced assets, such as land.

*Compensation of employees* (1-1) is the income accruing to employees as remuneration for their work. It is the sum of wage and salary accruals and of supplements to wages and salaries.

*Wage and salary accruals* (1-2) consists of the monetary remuneration of employees, including the compensation of corporate officers; commissions, tips, and bonuses; voluntary employee contributions to certain deferred compensation plans, such as 401(k) plans; and receipts in kind that represent income. Wage and salary accruals consists of *disbursements* (1-3) and *wage accruals less disbursements* (1-4). Disbursements is wages and salaries as just defined except that retroactive wage payments are recorded when paid rather than when earned. Accruals less disbursements is the difference between wages earned, or accrued, and wages paid, or disbursed. In the NIPA's, wages accrued is the appropriate measure for national income, and wages disbursed is the appropriate measure for personal income.

*Supplements to wages and salaries* (1-5) consists of employer contributions for social insurance and other labor income. *Employer contributions for social insurance* (1-6) consists of employer payments under the following Federal and State and local government programs: Old-age,

survivors, and disability insurance (social security); hospital insurance; unemployment insurance; railroad retirement; government employee retirement; pension benefit guaranty; veterans life insurance; publicly administered workers' compensation; military medical insurance; and temporary disability insurance. *Other labor income* (1-7) consists of employer payments (including payments in kind) to private pension and profit-sharing plans, private group health and life insurance plans, privately administered workers' compensation plans, supplemental unemployment benefit plans, corporate directors' fees, and several minor categories of employee compensation, including judicial fees to jurors and witnesses, compensation of prison inmates, and marriage fees to justices of the peace.

*Proprietors' income with inventory valuation and capital consumption adjustments* (1-8) is the current-production income (including income in kind) of sole proprietorships and partnerships and of tax-exempt cooperatives. The imputed net rental income of owner-occupants of farm dwellings is included; the imputed net rental income of owner-occupants of nonfarm dwellings is included in rental income of persons (described below). Proprietors' income excludes dividends and monetary interest received by nonfinancial business and rental incomes received by persons not primarily engaged in the real estate business; these incomes are included in dividends, net interest, and rental income of persons. (See "inventory valuation adjustment" and "capital consumption adjustment.")

*Rental income of persons with capital consumption adjustment* (1-9) is the net current-production income of persons from the rental of real property except for the income of persons primarily engaged in the real estate business; the imputed net rental income of owner-occupants of nonfarm dwellings; and the royalties received by persons from patents, copyrights, and rights to natural resources. (See "capital consumption adjustment.")

*Corporate profits with inventory valuation and capital consumption adjustments* (1-10) is the net current-production income of organizations treated as corporations in the NIPA's. These organizations consist of all entities required to file Federal corporate tax returns, including mutual financial institutions and cooperatives subject to Federal income tax; private noninsured pension funds; nonprofit institutions that primarily serve business; Federal Reserve banks; and federally sponsored credit agencies. With several differ-

ences, this income is measured as receipts less expenses as defined in Federal tax law. Among these differences: Receipts exclude capital gains and dividends received, expenses exclude depletion and capital losses and losses resulting from bad debts, inventory withdrawals are valued at replacement cost, and depreciation is on a consistent accounting basis and is valued at replacement cost using depreciation profiles based on empirical evidence on used-asset prices that generally suggest a geometric pattern of price declines. Because national income is defined as the income of U.S. residents, its profits component includes income earned abroad by U.S. corporations and excludes income earned in the United States by the rest of the world. (See "inventory valuation adjustment" and "capital consumption adjustment.")

*Profits before tax* (1-12) is the income of organizations treated as corporations in the NIPA's except that it reflects the inventory- and depreciation-accounting practices used for Federal income tax returns. It consists of profits tax liability, dividends, and undistributed corporate profits.

*Profits tax liability* (1-13) is the sum of Federal, State, and local income taxes on all income subject to taxes; this income includes capital gains and other income excluded from profits before tax. The taxes are measured on an accrual basis, net of applicable tax credits.

*Profits after tax* (1-14) is profits before tax less profits tax liability. It consists of dividends and undistributed corporate profits. *Dividends* (1-15) is payments in cash or other assets, excluding the corporations' own stock, that are made by corporations located in the United States and abroad to stockholders who are U.S. residents. The payments are measured net of dividends received by U.S. corporations. Dividends paid to State and local government social insurance funds and general government are included. *Undistributed profits* (1-16) is corporate profits after tax less dividends.

*Inventory valuation adjustment* (IVA) (1-17) for corporations is the difference between the cost of inventory withdrawals as valued in the source data used to determine profits before tax and the cost of withdrawals valued at replacement cost. It is needed because inventories as reported in the source data are often charged to cost of sales (that is, withdrawn) at their acquisition (historical) cost rather than at their replacement cost (the concept underlying the NIPA's). As prices change, companies that value inventory with-

drawals at acquisition cost may realize profits or losses. Inventory profits, a capital-gains-like element in profits, result from an increase in inventory prices, and inventory losses, a capital-loss-like element in profits, result from a decrease in inventory prices. In the NIPA's, inventory profits or losses are shown as adjustments to business income (corporate profits and nonfarm proprietors' income); they are shown as the IVA with the sign reversed. No adjustment is needed to farm proprietors' income because farm inventories are measured on a current-market-cost basis.

*Net interest* (1-19) is the interest paid by private business less the interest received by private business, plus the interest received from the rest of the world less the interest paid to the rest of the world. Interest payments on mortgage and home improvement loans and on home equity loans are counted as interest paid by business because home ownership is treated as a business in the NIPA's. In addition to monetary interest, net interest includes imputed interest, which is paid by corporate financial business and is measured as the difference between the property income received on depositors' or policyholders' funds and the amount of property income paid out explicitly. The imputed interest paid by life insurance carriers and noninsured pension plans attributes their investment income to persons in the period it is earned. The imputed interest payments by financial intermediaries other than life insurance carriers and private noninsured pension plans to persons, governments, and to the rest of the world have imputed service charges as counterentries in GDP and in net receipts of factor income from the rest of the world; they are included in personal consumption expenditures, in government consumption expenditures and gross investment, and in exports of goods and services, respectively.

*Business transfer payments* (1-21) consists of payments to persons (1-22) and to the rest of the world (1-23) by private business for which no current services are performed. Business transfer payments to persons consists primarily of liability payments for personal injury and of corporate gifts to nonprofit institutions. Business transfer payments to the rest of the world is nonresident taxes—taxes paid by domestic corporations to foreign governments.

*Indirect business tax and nontax liability* (1-24) consists of (1) tax liabilities that are chargeable to business expense in the calculation of profit-type incomes and (2) certain other business liabilities to general government agencies that are treated

like taxes. Indirect business taxes includes taxes on sales, property, and production. Employer contributions for social insurance are not included. Taxes on corporate incomes are not included; these taxes cannot be calculated until profits are known, and in that sense, they are not a business expense. Nontaxes includes regulatory and inspection fees, special assessments, fines and forfeitures, rents and royalties, and donations. Nontaxes generally excludes business purchases from general government agencies of goods and services that are similar to those provided by the private sector. Government receipts from the sales of such products are netted against government consumption expenditures.

*Subsidies less current surplus of government enterprises* (1-25). *Subsidies* is the monetary grants paid by government agencies to private business and to government enterprises at another level of government. The *current surplus of government enterprises* is their current operating revenue and subsidies received from other levels of government less their current expenses. In the calculation of their current surplus, no deduction is made for net interest paid. The current surplus of government enterprises is not counted as a profit-type income, and therefore, it is not counted as a factor charge. Subsidies and current surplus are shown as a combined entry because deficits incurred by some government enterprises may result from selling goods to business at below-market prices in lieu of giving them subsidies.

*Consumption of fixed capital* (1-26) is a charge for the using up of private and government fixed capital located in the United States. It is based on studies of prices of used equipment and structures in resale markets. For general government and for nonprofit institutions that primarily serve individuals, it is recorded in government consumption expenditures and in personal consumption expenditures, respectively, as the value of the current services of the fixed capital assets owned and used by these entities. *Private capital consumption allowances* consists of tax-return-based depreciation charges for corporations and nonfarm proprietorships and of historical-cost depreciation (calculated by BEA using a geometric pattern of price declines) for farm proprietorships, rental income of persons, and nonprofit institutions. *Private capital consumption adjustment* is the difference between private capital consumption allowances and private consumption of fixed capital.



*Receipts of factor income from the rest of the world* (1-32) consists of receipts by U.S. residents of interest and dividends, of reinvested earnings of foreign affiliates of U.S. corporations, and of compensation paid to U.S. residents by foreigners.

*Payments of factor income to the rest of the world* (1-33) consists of payments to foreign residents of interest and dividends, of reinvested earnings of U.S. affiliates of foreign corporations, and of compensation paid to foreigners by U.S. residents.

*Statistical discrepancy* (1-35) is GDP less GDI or GNP less GNI. It is recorded in the NIPA's as an "income" component that reconciles the income and product sides of the accounts. As noted above, it arises because the two sides are estimated using independent and imperfect data.<sup>3</sup>

#### *Personal income and outlay account*

*Personal income* is the sum of wage and salary disbursements, other labor income, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and transfer payments to persons, less personal contributions for social insurance.

*Wage and salary disbursements* (see 1-3).

*Other labor income* (see 1-7).

*Proprietors' income with inventory valuation and capital consumption adjustments* (see 1-8).

*Rental income of persons with capital consumption adjustment* (see 1-9).

*Personal dividend income* (2-11) is the dividend income of persons from all sources. It equals net dividends paid by corporations (see 1-15) less *dividends received by government* (2-13). Dividends received by government consists of dividends received by State and local governments, primarily by their retirement systems.

*Personal interest income* (2-14) is the interest income (monetary and imputed) of persons from all sources. It equals net interest (see 1-19) plus *net interest paid by government* (2-16) plus *interest paid by persons* (2-17). The last item consists of all interest paid by individuals except mortgage interest, which is reflected in net rental income of persons.

*Transfer payments to persons* is income payments to persons for which no current services

are performed. It consists of business transfer payments to persons (see 1-22) and *government transfer payments* (2-20). Government transfer payments includes benefits from the following social insurance funds: Old-age, survivors, and disability insurance (social security); hospital insurance; supplementary medical insurance; unemployment insurance; government employee retirement; railroad retirement; pension benefit guaranty; veterans life insurance; workers' compensation; military medical insurance; and temporary disability insurance. Government transfer payments also includes benefits from certain other programs: Veterans benefits other than life insurance, food stamps, black lung, supplemental security income, public assistance (including medical care and family assistance), and educational assistance. Government payments to nonprofit institutions excluding payments for work under research and development contracts are also included.

*Personal contributions for social insurance* (2-21) includes payments by employees, self-employed, and other individuals who participate in the following government programs: Old-age, survivors, and disability insurance (social security); hospital insurance; supplementary medical insurance; unemployment insurance; government employee retirement; railroad retirement; veterans life insurance; and temporary disability insurance.

*Personal tax and nontax payments* (2-1) is tax payments (net of refunds) by U.S. residents that are not chargeable to business expense and certain other personal payments to government agencies (except government enterprises) that are treated like taxes. Personal taxes includes taxes on income, including realized net capital gains; on transfers of estates and gifts; and on personal property. Nontaxes includes donations and fees, fines, and forfeitures. Personal contributions for social insurance is not included. Taxes paid by U.S. residents to foreign governments and taxes paid by foreigners to the U.S. Government are both included in transfer payments.

*Personal outlays* (2-2) is the sum of personal consumption expenditures (see 1-36), interest paid by persons (see 2-17), and *personal transfer payments to the rest of the world (net)* (2-5). The last item is personal remittances in cash and in kind to the rest of the world less such remittances from the rest of the world.

*Personal saving* (2-6) is personal income less the sum of personal outlays and personal tax and nontax payments. It is the current saving of

3. For additional details, see the box "The Statistical Discrepancy," in Robert P. Parker and Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," SURVEY OF CURRENT BUSINESS 77 (August 1997): 19.

individuals (including proprietors and partnerships), nonprofit institutions that primarily serve individuals, life insurance carriers, private non-insured welfare funds, and private trust funds. Personal saving may also be viewed as the sum of the net acquisition of financial assets (such as cash and deposits, securities, and the change in the net equity of individuals in life insurance and in private noninsured pension plans) and the change in physical assets less the sum of net borrowing and of consumption of fixed capital.

#### *Government receipts and expenditures account*

*Personal tax and nontax payments* (see 2-1).

*Corporate profits tax liability* (see 1-13).

*Indirect business tax and nontax liability* (see 1-24).

*Contributions for social insurance* (see 1-6 and 2-21).

*Consumption expenditures* (see 1-50).

*Transfer payments* (3-2) is transfer payments to persons (see 2-20) and *transfer payments to the rest of the world (net)* (3-4). The latter consists of U.S. Government military and nonmilitary grants in cash and nonmilitary grants in kind to foreign governments and of U.S. Government transfers, mainly retirement benefits, to former residents of the United States.

*Net interest paid* (3-5). Net interest paid by government is interest paid by government to persons, to business, and to the rest of the world (that is, to foreign businesses, governments, and persons) less interest received by government from persons, from business, and from the rest of the world. Interest paid consists of monetary interest paid on public debt and other financial obligations. Interest received consists of monetary and imputed interest received on loans and investments, including on the balances of State and local government social insurance funds.

*Dividends received by government* (see 2-13).

*Subsidies less current surplus of government enterprises* (see 1-25).

*Wage accruals less disbursements* (see 1-4).

*Current surplus or deficit (-), national income and product accounts* (3-9) is the sum of government receipts (lines 12, 13, 14, and 15 of account 3) less the sum of government expenditures (lines 1, 2, 5, 6, 7, and 8 of account 3). It may also be viewed as the sum of net acquisition of financial assets by general government and government enterprises and net government purchases of land and of rights to government-owned land including oil resources, less net borrowing.

#### *Foreign transactions account*

*Imports of goods and services* (see 1-49).

*Payments of factor income* (see 1-33).

*Transfer payments to the rest of the world* (see 1-23, 2-5, and 3-4).

*Net foreign investment* (4-10) is U.S. exports of goods and services, receipts of factor income, and capital grants received by the United States (net) (see below), less imports of goods and services by the United States, payments of factor income, and transfer payments to the rest of the world (net). It may also be viewed as the acquisition of foreign assets by U.S. residents less the acquisition of U.S. assets by foreign residents. It includes the statistical discrepancy in the balance of payments accounts.

*Exports of goods and services* (see 1-48).

*Receipts of factor income* (see 1-32).

*Capital grants received by the United States (net)* (4-3) is mainly the allocation of Special Drawing Rights to the United States.

#### *Gross saving and investment account*

*Personal saving* (see 2-6).

*Wage accruals less disbursements* (see 1-4).

*Undistributed corporate profits with inventory valuation and capital consumption adjustments* (see 1-16, 1-17, and 1-18).

*Consumption of fixed capital* (see 1-26).

*Government current surplus or deficit (-), national income and product accounts* (see 3-9).

*Capital grants received by the United States (net)* (see 4-3).

*Statistical discrepancy* (see 1-35).

*Gross private domestic investment* (see 1-40).

*Gross government investment* (see 1-50).

*Net foreign investment* (see 4-10).

#### *Other definitions*

*Final sales of domestic product* is GDP minus change in business inventories; equivalently, it is the sum of personal consumption expenditures, gross private domestic *fixed* investment, government consumption expenditures and gross investment, and net exports of goods and services.

*Gross domestic purchases* is the market value of goods and services purchased by U.S. residents, regardless of where those goods and services were produced. It is GDP minus net exports of goods and services; equivalently, it is the sum of personal consumption expenditures, gross private domestic investment, and government consumption expenditures and gross investment.

*Final sales to domestic purchasers* is gross domestic purchases minus change in business inventories.

*Population* is the total population of the United States, including the Armed Forces overseas and the institutionalized population. The monthly estimate is the average of Census Bureau survey estimates for the first of the month and the first of the following month; the quarterly and annual estimates are the averages of the relevant monthly estimates.

*Personal saving as a percentage of disposable personal income (DPI)*, frequently referred to as “the personal saving rate,” is calculated on a monthly, quarterly, and annual basis as the ratio of personal saving to DPI.

*Gross saving as a percentage of gross national product (GNP)*, sometimes referred to as “the national saving rate,” is calculated on a quarterly and annual basis as the ratio of gross saving—the sum of gross private saving, gross government saving, and capital grants received by the United States (net)—to GNP.

*U.S. residents* are individuals, governments, business enterprises, trusts, associations, and similar institutions that have the center of their economic interest in the United States and that reside or expect to reside in the United States for 1 year or more. (For example, business enterprises resident in the United States include U.S. affiliates of foreign companies.) In addition, U.S. residents include all U.S. citizens who reside outside the United States for less than 1 year and U.S. citizens residing abroad for 1 year or more who meet one of the following criteria: Owners or employees of U.S. business enterprises who reside abroad to further the enterprises’ business and who intend to return within a reasonable period; U.S. Government civilian and military employees and members of their immediate families; and students who attend foreign educational institutions.

*Foreign residents* include international institutions located in the United States, foreign nationals employed by their home Governments in the United States, and foreign affiliates of U.S. companies.

*The rest of the world* consists of foreign residents who are transactors with U.S. residents.

### **Real output and related measures**

The chain-type quantity and price indexes, in combination with the current-dollar estimates, provide users with the basic data series from which all other analytical tables and presentations

of the NIPA’s are derived. The chained (1992) dollar estimates provide measures to calculate the percent changes for GDP and its components that are consistent with those calculated from the chain-type quantity indexes. These estimates also provide comparisons of levels over time and reasonable approximations of the relative importance, and the contributions to growth in GDP, of most components for the years close to 1992. The chained (1992) dollar estimates are also used to compute certain key aggregates, such as per capita GDP.

### **Quantity and price indexes**

Changes in current-dollar GDP measure changes in the market value of the goods and services produced in the economy in a particular period. For many purposes, it is necessary to decompose these changes into quantity changes and price changes.

The changes in quantities and prices in the NIPA’s are calculated using a Fisher formula that incorporates weights from two adjacent periods. For example, the 1992–93 change in real GDP uses prices for 1992 and 1993 as weights, and the 1992–93 change in prices uses quantities for 1992 and 1993 as weights.<sup>4</sup> These annual changes are “chained” (multiplied) together to form time series of quantity and price. (For more details, see the box “[Basic Formulas for Calculating Chain-Type Quantity and Price Indexes](#).”) Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias associated with the fixed-weighted formula previously used to calculate changes in quantities and prices.<sup>5</sup> The Fisher formula also produces results that are not affected by the choice of base periods.

4. Because the source data available for most components of GDP are measured in dollars rather than in units, the quantities of most of the detailed components used to calculate percent changes are obtained by deflation. For deflation, quantities are approximated by real values (expressed at present with 1992 as the base period) that are calculated by dividing the current-dollar value of the component by its price index, where the price index uses 1992 as the base period.

Two other methods, quantity extrapolation and direct base-year valuation, are also used to calculate the real values for a small number of the most detailed GDP components. For quantity extrapolation, the real values are obtained by extrapolating the base-year current-dollar estimates in both directions from the base period (1992) by quantity indicators; for example, the real values for mining exploration, shafts, and wells structures are extrapolated using oilwell footage drilled. For direct-base-year valuation, the real values are obtained by multiplying base-year prices by quantity data for each period; for example, the real values of natural gas inventories are calculated using quantities and prices of natural gas stocks.

5. For a discussion of the advantages of the Fisher index, see Jack E. Triplett, “Economic Theory and BEA’s Alternative Quantity and Price Indexes,” *SURVEY* 72 (April 1992): 49–52; and J. Steven Landefeld and Robert P. Parker, “BEA’s Chain Indexes, Time Series, and Measures of Long-Term Economic Growth,” *SURVEY* 77 (May 1997): 58–68.



In addition, because the changes in quantities and prices calculated in this way are symmetric, the product of a quantity index and the corresponding price index equals the current-dollar index.<sup>6</sup>

Chain-type quantity and price indexes that correspond to most of the current-dollar output, product, and expenditure measures are presented in tables 7.1–7.14 and 7.17–7.20.<sup>7</sup> Percentage changes from the preceding period for GDP and its major components and for other aggregates are presented in table 8.1. Contributions by major components to changes in real GDP are presented in table 8.2, which is discussed in more detail below.

### Chained-dollar measures

BEA also prepares measures of real GDP and its components in a dollar-denominated form, designated “*chained (1992) dollar estimates*.” For GDP and most other series, these estimates are computed by multiplying the 1992 current-dollar value by a corresponding quantity index number and then dividing by 100.<sup>8</sup> For example, if a current-dollar GDP component equaled \$100 in 1992 and if real output for this component increased 10 percent in 1993, then the chained (1992) dollar value of this component would be \$110 ( $\$100 \times 1.10$ ) in 1993.

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 base period differ from those used for the base period, the chained-dollar values for the detailed GDP components do 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 in most chained-dollar tables by a “residual” line, which indicates the difference between GDP (or an other major aggregate) and the sum of the most detailed components in the table.

For periods close to the base year, when there usually has not been much change in the relative prices that are used as the weights for the chain-type index, the residuals tend to be small, and the chained (1992) dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates.

As one moves further from the base year, the residual tends to become larger, and the chained-dollar estimates become less useful for analyses of contributions to growth. In general, the use of chained-dollar estimates to calculate component shares or component contributions to real growth may be misleading for periods away from the base year. In particular, for components for which relative prices are changing rapidly, these calculations may be misleading even just a few years from the base year.

To assist users in making valid comparisons across components for periods away from the base year, several changes have been made in the NIPA tables. Table 8.2 provides an accurate measure of the contributions of the major GDP components to the percentage change in real GDP for all periods. This table should be used for periods far from the base period, when the overall residual and the errors in contributions to growth become quite large. This table uses exact formulas for attributing growth to the components of GDP and of other aggregates, but the presentation is limited to the contributions to changes from the preceding year or quarter and to changes in the major components of GDP. (For details, see the box “*Calculation of Component Contributions to the Change in GDP*.”)

For some analytical purposes, it may be desirable to calculate contributions to growth for more than a single quarter or year, to calculate contributions to growth for aggregates other than GDP, or to work with real estimates that are denominated in dollars. Two articles in the SURVEY provide information on how to prepare chained-dollar series with different base periods that permit the calculation of close approximations of

6. For the annual estimates of NIPA aggregates that include the components “change in business inventories” and “change in Commodity Credit Corporation inventories,” this relationship does not hold exactly, because of the price-data conventions used to calculate those components. In addition, for the quarterly estimates, all quarterly chain-type quantities and prices are adjusted to average to the corresponding annual estimates. For details on quarterly calculations, see the box “*Basic Formulas for Calculating Chain-Type Quantity and Price Indexes*.”

7. Indexes are not presented for change in inventories, for net exports, and for most of the “net” series in tables 7.5, 7.7, 7.11, 7.13, and 7.20. Indexes for these series are not meaningful.

8. For change in business inventories (in tables 1.2, 1.4, 1.6, 5.3, 5.11, 8.5, 8.7, and 8.9), real values are calculated as the difference between end-of-period and beginning-of-period chain-weighted stocks of inventories.

The following “real” series are calculated as the current-dollar value of the series divided by an appropriate implicit price deflator: The chained-dollar values of gross national income and gross domestic income (in table 1.10), of command-basis exports of goods and services and receipts of factor income (in table 1.11), of gross and net domestic product of nonfinancial corporate business (in table 1.16), and of disposable personal income (in tables 2.1 and 2.9).

For the following series, real values are calculated as the sum of, or the difference between, chained-dollar series: Net exports (in tables 1.2, 8.5, and 8.7); command-basis gross national product (in table 1.11), foreign travel and other, net (in table 2.5); net foreign travel (in table 2.7); Federal consumption expenditures for durable goods, for nondurable goods, and for Commodity Credit Corporation inventory change (in table 3.8); net investment by major type (in table 5.3); and Federal defense and nondefense net purchases of used structures (in table 5.15).

## Basic Formulas for Calculating Chain-Type Quantity and Price Indexes

### Annual indexes

This box shows the basic calculations used to prepare annual and quarterly chain-type quantity and price indexes. The formula used to calculate the annual change in real GDP and other components of output and expenditures is a Fisher index ( $Q_t^F$ ) that uses weights for 2 adjacent years (years  $t - 1$  and  $t$ ).

The formula for real GDP in year  $t$  relative to its value in year  $t - 1$  is

$$Q_t^F = \sqrt{\frac{\sum p_{t-1}q_t}{\sum p_{t-1}q_{t-1}} \times \frac{\sum p_tq_t}{\sum p_tq_{t-1}}},$$

where the  $p$ 's and  $q$ 's represent prices and quantities of detailed components in the 2 years.

Because the first term in the Fisher formula is a Laspeyres quantity index ( $Q_t^L$ ), or

$$Q_t^L = \frac{\sum p_{t-1}q_t}{\sum p_{t-1}q_{t-1}},$$

and the second term is a Paasche quantity index ( $Q_t^P$ ), or

$$Q_t^P = \frac{\sum p_tq_t}{\sum p_tq_{t-1}},$$

the Fisher formula can also be expressed for year  $t$  as the geometric mean of these indexes as follows:

$$Q_t^F = \sqrt{Q_t^L \times Q_t^P}.$$

The percent change in real GDP (or in a GDP component) from year  $t - 1$  to year  $t$  is calculated as

$$100(Q_t^F - 1.0).$$

Similarly, price indexes are calculated using the Fisher formula

$$P_t^F = \sqrt{\frac{\sum p_tq_{t-1}}{\sum p_{t-1}q_{t-1}} \times \frac{\sum p_tq_t}{\sum p_{t-1}q_t}},$$

which is the geometric mean of a Laspeyres price index ( $P_t^L$ ) and a Paasche price index ( $P_t^P$ ), or

$$P_t^F = \sqrt{P_t^L \times P_t^P}.$$

The chain-type quantity index value for period  $t$  is

$$I_t^F = I_{t-1}^F \times Q_t^F,$$

and the chain-type price index is calculated analogously. Chain-type real output and price indexes are presented with the base year ( $b$ ) equal to 100; that is,  $I_b = 100$ .

The current-dollar change from year  $t - 1$  to year  $t$  expressed as a ratio is equal to the product of the Fisher price and quantity indexes:<sup>1</sup>

$$\frac{\sum p_tq_t}{\sum p_{t-1}q_{t-1}} = P_t^F \times Q_t^F.$$

### Quarterly indexes

The same formulas are used to calculate the quarterly indexes for the most recent quarters, called the "tail" period; quarterly data are substituted for annual data. The tail period begins in the third quarter of the most recent complete year that is included in an annual or comprehensive NIPA revision, so the specific quarters covered change annually. Modified formulas are used to calculate the indexes for the other quarters, called the "historical" period. Quarterly quantity data are used for the quantity indexes, and quarterly price data are used for the price indexes, but the weights—prices for a quantity index and quantities for a price index—are annual data.

The weights that are used for the indexes in the historical period depend on the quarter being estimated. For each quarter, the weights for the closest 2 years are used: For the first and second quarters of a year, the weights are from that year and the preceding year; while for the third and fourth quarters, the weights are from that year and the next year.

All quarterly chain-type indexes for completed years that have been included in an annual or comprehensive revision are adjusted so that the quarterly indexes average to the corresponding annual index. When an additional year is completed between annual revisions, the annual index is computed as the average of the quarterly indexes, so no adjustment is required to make the quarterly and annual indexes consistent. For example, until the 1998 annual revision is released, the chain-type indexes for the year 1997 are derived by averaging the four quarterly indexes for 1997.

### Chained-dollar estimates

The chained-dollar value ( $CD_t^F$ ) is calculated by multiplying the index value by the base-period current-dollar value ( $\sum p_bq_b$ ) and dividing by 100.<sup>2</sup> For period  $t$ ,

$$CD_t^F = \sum p_bq_b \times I_t^F / 100.$$

### Implicit price deflators

The implicit price deflator ( $IPD_t^F$ ) for period  $t$  is calculated as the ratio of the current-dollar value to the corresponding chained-dollar value, multiplied by 100, as follows:

$$IPD_t^F = \frac{\sum p_tq_t}{CD_t^F} \times 100.$$

1. See also footnote 6 in the text.

2. For exceptions to this procedure, see footnote 8 in the text.



contributions to real growth or of relative changes for any period.<sup>9</sup> These articles show how to calculate a chained-dollar series for any period by using the percent changes in the chain-type indexes to compute chained-dollar series indexed to the current dollars of whatever base period is appropriate for the analysis. In addition, these articles provide a number of chained-dollar series over frequently cited time periods, such as decades and business cycles. In computing these series, different base periods were used, depending upon the time period analyzed; for example, for decades and business cycles, the midpoints of the periods were used.

The presentation of detailed quantity indexes, which are accurate for all periods, has been greatly expanded in tables 7.3–7.20. The annual growth rates for major NIPA aggregates for all yearly intervals for 1970 to the present are shown each month under “Historical Tables” un-

der “National Data” in the section “BEA Current and Historical Data” in the SURVEY.

### Price indexes

BEA’s featured aggregate price measure is the price index for gross domestic purchases, which measures the prices paid for goods and services *purchased* by U.S. residents. This index is derived from the prices of personal consumption expenditures (PCE), gross private domestic investment, and government consumption expenditures and gross investment. In contrast, the GDP price index measures the prices paid for goods and services *produced* by the U.S. economy and is derived from the prices of PCE, gross private domestic investment, net exports, and government consumption expenditures and gross investment. Thus, the two indexes differ with respect to coverage of the prices of exported and imported goods and services. Price changes in goods and services produced abroad and sold in the United States are reflected in the gross domestic purchases measure but not in the GDP measure; price changes in goods and services produced by the U.S. economy and sold abroad

9. See Landefeld and Parker, “BEA’s Chain Indexes,” 63–66; and J. Steven Landefeld and Robert P. Parker, “Preview of the Comprehensive Revision of the National Income and Product Accounts: BEA’s New Featured Measures of Output and Prices,” SURVEY 75 (July 1995): 31–38.

## Calculation of Component Contributions to the Change in GDP

### Changes from preceding period

The contributions to the change in real GDP provide a measure of the composition of GDP growth that is not affected by the nonadditivity of the GDP components. Two formulas for the contributions of components to the percent change in real GDP are used—one for years following the base year, and the other for the base year and for years preceding the base year.

For years following the base year, the contribution to the percent change in real GDP in year  $t$  attributable to the quantity change in component  $i$  ( $C\%\Delta_{i,t}$ ) is

$$C\%\Delta_{i,t} = 100 \times \frac{(p_{i,t-1}P_t^P + p_{i,t}) \times (q_{i,t} - q_{i,t-1})}{2 \times IPD_t^F \times CD_{t-1}^F},$$

where  $CD_{t-1}^F$  is the chained-dollar GDP in year  $t - 1$ ;

$IPD_t^F$  is the implicit price deflator for GDP in year

$t$ ;

$p_{i,t}$  is the price of component  $i$  in year  $t$ ;

$P_t^P$  is the Paasche price index for GDP in year

$t$ ;

and

$q_{i,t}$  is the quantity of component  $i$  in year  $t$ .

For the base year and years preceding the base year,  $C\%\Delta_{i,t}$  is

$$C\%\Delta_{i,t} = 100 \times \frac{\left(\frac{p_{i,t}}{p_t^L} + p_{i,t-1}\right) \times (q_{i,t} - q_{i,t-1})}{2 \times IPD_{t-1}^F \times CD_{t-1}^F},$$

where  $P_t^L$  is the Laspeyres price index for GDP in year  $t$ .

Because these contributions to the percent change are additive, they can be used to calculate the contributions to subaggregates as well as the contributions of the detailed components.

The formula used for the contributions for years after the base period can also be used for the most recent quarters (the “tail” period), except the quarterly results are expressed at annual rates.<sup>1</sup>

### Changes over other periods

Users can also prepare close approximations of contributions to real GDP growth or to the growth of other aggregates using chain-type annual-weighted indexes. In effect, users compute a chained-dollar series for a particular period using the percent changes in the chain-type annual-weighted indexes to compute chained-dollar series indexed to the current dollars of the base period appropriate for the analysis. (For references to additional information on these calculations, see footnote 9 in the text.)

1. The formulas must be modified for other quarters and for the most recent year because for these periods, chained output is calculated in a slightly different manner.

are reflected in the GDP price measure but not in the gross domestic purchases price measure. For example, a change in the price of imported petroleum that is fully passed on to U.S. consumers would be fully reflected in the price index for gross domestic purchases but not in the GDP price index, because imports are subtracted in deriving GDP.

### *Implicit price deflators*

BEA also prepares another price index, 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 (see the box “Basic Formulas for Calculating Chain-Type Quantity and Price Indexes”). The values of the IPD are very close to the values of the corresponding chain-type price index for all periods.<sup>10</sup>

Implicit price deflators for GDP and its major components are presented as index numbers in table 7.1, and percentage changes from the preceding period for these measures are presented in table 8.1.

### *Command-basis GNP and terms of trade*

BEA also prepares a measure of “real” output—*command-basis GNP* (see table 1.11). Command-basis GNP is a measure of the goods and services produced by the U.S. economy in terms of their purchasing power. GNP and command-basis GNP differ in how their real values are prepared: In estimating real GNP, the current-dollar values of the detailed components of exports of goods and services are deflated by export prices, the current-dollar values of the detailed components of imports of goods and services are deflated by import prices, and the current-dollar value of most factor income is deflated by the implicit price deflator for final sales to domestic purchasers. In estimating command-basis GNP, the current-dollar value of the sum of exports of goods and services and of receipts of factor income is deflated by the implicit price deflator for the sum of imports of goods and services and of payments of factor income.

The *terms of trade* is a measure of the relationship between the prices that are received by U.S. producers for exports of goods and services and the prices that are paid by U.S. purchasers for imports of goods and services. It is measured by the following ratio, with the decimal point shifted

two places to the right: In the numerator, the IPD for the sum of exports of goods and services and of receipts of factor income; in the denominator, the IPD for the sum of imports of goods and services and of payments of factor income. Changes in the terms of trade reflect the interaction of several factors, including movements in exchange rates, changes in the composition of traded goods and services, and changes in producers’ profit margins. For example, if the U.S. dollar depreciates against a foreign currency, a foreign manufacturer may choose to absorb this cost by reducing the profit margin on the product it sells to the United States, or it may choose to raise the price of the product and risk a loss in market share.

### *Classifications of production*

In the NIPA’s, production is classified by the type of product, by the sector, by the legal form of organization, and by industry.

#### *Type of product*

Type of product classifications—goods (durable and nondurable), services, and structures—are presented for GDP and the components of final sales of domestic product. Goods are products that can be stored or inventoried, services are products that cannot be stored and are consumed at the place and time of their purchase, and structures are products that are usually constructed at the location where they will be used and that typically have long economic lives. If a product has characteristics of more than one of these classifications, it is classified on the basis of the dominant characteristic.

Accordingly, the following products are included in goods: Restaurant meals; expenditures abroad by U.S. residents except for travel; replacement parts whose installation cost is minimal; dealers’ margins on used equipment; and movable household appliances, such as refrigerators, even when they are included in the purchase price of a new home.

The following products are included in services: Food (that is included in airline transportation and hospital charges), natural gas and electricity (except in exports and imports of goods and services); office supplies (that are included in current operating expense of nonprofit institutions); foreign travel by U.S. residents; expenditures in the United States by foreigners; repair services, which include the cost of parts (except replacement parts whose installation cost

<sup>10</sup> The two measures of the price level differ only because of the factors cited in footnote 6.

is minimal); defense research and development; and exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government.<sup>11</sup>

The following products are included in structures: Mobile homes; certain types of installed equipment, such as elevators, heating, and air conditioning systems; brokers' commissions on sale of structures; architectural and engineering fees included in the value of structures; land development costs; and mining exploration, shafts, and wells.

In personal consumption expenditures, exports, imports, and government consumption expenditures and gross investment, durable goods have an average life of at least 3 years. In fixed investment, producers' durable equipment consists of goods that have an average life of at least 1 year. In change in business inventories, goods held by manufacturing and trade establishments are classified as durable goods or nondurable goods in accordance with the classification of the industry of the establishment holding the inventories. Inventories held by construction establishments are classified as durable goods; inventories held by all other establishments are classified as nondurable goods.

### Sector

In the NIPA's, a breakdown of GDP is also shown in terms of the three sectors of the economy—business, households and institutions, and general government.

**Business:** Production by all entities that produce goods and services for sale at a price intended at least to approximate the costs of production, corporate and noncorporate private entities organized for profit, and certain other entities that are treated as business in the NIPA's. These entities include mutual financial institutions, private noninsured pension funds, cooperatives, nonprofit organizations (that is, entities classified as nonprofit by the Internal Revenue Service (IRS) in determining income tax liability) that primarily serve business, Federal Reserve banks, federally sponsored credit agencies, and government enterprises.<sup>12</sup> Business production also includes the services of owner-occupied housing and of buildings and equipment owned and used by nonprofit institutions that primarily serve individuals. Gross

product of the business sector is measured as GDP less the gross product of households and institutions and of general government.<sup>13</sup>

**Households and institutions:** Production by households, consisting of families and unrelated individuals, and by nonprofit institutions that primarily serve individuals. Gross product of households and institutions is measured by the compensation paid to domestic workers and to the employees of these nonprofit institutions.

**General government:** Production of all Federal Government and State and local government agencies except government enterprises. Gross product of general government is measured as the sum of the compensation of the employees of these agencies and of the consumption of fixed capital.

### Legal form of organization

For the domestic business sector, income and its components are shown for four legal forms of organizations—corporate business, sole proprietorships and partnerships, other private business, and government enterprises (employee compensation only).

**Corporate business:** All entities required to file Federal corporate tax returns (IRS Form 1120 series). These entities include mutual financial institutions and cooperatives subject to Federal income tax, private noninsured pension funds, nonprofit institutions that primarily serve business, Federal Reserve banks, and Federally sponsored credit agencies.

**Sole proprietorships:** All entities that would be required to file IRS Schedule C (Profits or Loss from Business) or Schedule F (Farm Income and Expenses) if the proprietor met the filing requirements, together with owner-occupied farm housing.

**Partnerships:** All entities required to file Federal partnership income tax returns, IRS Form 1065 (U.S. Partnership Return of Income).

**Other private business:** All entities that would be required to report rental and royalty income on the individual income tax return in IRS Schedule E (Supplemental Income and Loss) if the individual met the filing requirements, tax-exempt cooperatives, owner-occupied nonfarm housing, and buildings and equipment owned and used by nonprofit institutions that primarily serve individuals.

11. These certain goods are classified as services only for exports and imports.

12. For more detail on government enterprises, see the section "Legal form of organization."

13. Gross product of financial and of nonfinancial corporations are also shown in the NIPA tables. They are calculated as the costs incurred and the incomes earned from production.

*Government enterprises:* Government agencies that cover a substantial proportion of their operating costs by selling goods and services to the public and that maintain their own separate accounts. A “mixed” treatment of government enterprises is used in the NIPA’s: Some types of transactions are recorded as if they were part of the business sector, and others are recorded as if they were part of the general government sector.

Government enterprises are treated like other businesses and included in the NIPA business sector: (1) Their sales to final users are recorded as sales by private businesses, (2) their purchases of materials and business services are considered intermediate, and (3) their compensation payments and consumption of fixed capital are deducted in calculating their income. Within the business sector, government enterprises are classified as noncorporate businesses.

Government enterprises are treated like other government agencies: (1) Their interest payments are combined with those of general government rather than those of business, (2) their investment in equipment and structures is combined with general government investment rather than with business investment in gross private domestic investment, and (3) their profit-like income, the current surplus of government enterprises (see the definition on page 33), accrues to general government.

### Industry

Industrial distributions are presented for national income and its components, capital consumption allowances, employment and hours, and the change in business inventories and the stock of business inventories.<sup>14</sup> The classification underlying the distributions of private activities is based on the Standard Industrial Classification (SIC).<sup>15</sup>

Industrial distributions of government activities are not provided; instead, they are combined into a single category. For most series, separate estimates are shown for the activities of the Federal Government, of State and local governments, and of government enterprises. Expenditures by

the Federal Government and by State and local governments are also shown by type and by function.

The industrial distributions for private activities are based on data collected from “establishments” or from “companies” (also called enterprises or firms). Establishments, as defined in the SIC, are economic units, generally at a single physical location, where business is conducted or where services or industrial operations are performed. Companies consist of one or more establishments owned by the same legal entity or group of affiliated entities. Establishments are classified into an SIC industry on the basis of their principal product or service, and companies are classified into an SIC industry on the basis of the principal SIC industry of all their establishments. Because large multiestablishment companies typically own establishments that are classified in different SIC industries, the industrial distribution of the same economic activity on an establishment basis can differ significantly from that on a company basis. For example, employment of steel-manufacturing companies differs from employment of steel-manufacturing establishments because the employment of these companies includes the employment of establishments that are not classified in steel manufacturing and because it excludes the employment of establishments that manufacture steel but are not owned by steel-manufacturing companies.

Industrial distributions on a consistent establishment or company basis are not available for all NIPA components. As a result, the industrial distribution of national income reflects a mix of establishment and company data. For the following series, the industrial distributions are based on establishment data: Compensation of employees, employment, hours, inventories, rental income of persons, farm proprietors’ income, farm net interest, and farm noncorporate capital consumption allowances. For nonfarm proprietors, industrial distributions of proprietors’ income, net interest, and capital consumption allowances are based on company data; these data are regarded as being substantially the same as if they were based on establishment data because nearly all unincorporated companies own only one establishment (and the few multiestablishment companies usually own establishments in the same SIC industry). For corporations, industrial distributions of profits, nonfarm net interest, and capital consumption allowances are based on company data.

14. An industrial distribution of fixed investment based on data collected from establishments is prepared as part of the procedure used to estimate capital stock.

Industrial distributions of gross product are also prepared; for further information, see Sherlene K.S. Lum and Robert E. Yuskavage, “Gross Product by Industry, 1947–96,” SURVEY 77 (November 1997): 20–34.

15. Office of Management and Budget, Statistical Policy Division, *Standard Industrial Classification Manual, 1987* (Washington, DC: U.S. Government Printing Office (GPO), 1988); Office of Management and Budget, Statistical Policy Division, *Standard Industrial Classification Manual, 1972* (Washington, DC: GPO, 1972); and Bureau of the Budget, *Standard Industrial Classification Manual, 1942* (Washington, DC: GPO, 1942).



In addition, individual industry series are not fully comparable over time. Historical comparability is affected primarily by two factors. First, the composition of industries may change because of changes in the SIC basis that is used for the estimates. This factor affects estimates based on establishment data and on company data.

Second, historical comparability is affected because the industrial classification of the same establishment or company may change over time. This factor affects company-based estimates much more than establishment-based estimates. The classification of a company may change as a result of the following: Shifts in the level of consolidation of entities for which company reports are filed; mergers and acquisitions; and other shifts in principal activities, especially for large diversified firms.

In addition to the SIC industrial distributions of private activities, some NIPA tables show the following special SIC groupings, the titles of which correspond to the 1987 SIC:

*Financial industries* consists of the following SIC industries: Depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment companies, small business investment companies, and real estate investment trusts.<sup>16</sup>

*Nonfinancial industries* consists of all other private industries.

*Goods-producing industries* consists of the following SIC divisions: Agriculture, forestry, and fishing; mining; construction; and manufacturing.

*Distributive industries* consists of the following SIC divisions: Transportation (excluding the U.S. Postal Service); communications; electric, gas, and sanitary services; wholesale trade; and retail trade.

*Service industries* consists of the rest-of-the-world sector and the following SIC divisions: Finance, insurance, and real estate; and services.

## Presentation of the NIPA's

This section describes the release schedule for the NIPA estimates, the publication of the NIPA tables, and additional presentations of NIPA and NIPA-related estimates.

### *Release schedule*

For gross domestic product (GDP) and most other NIPA series, quarterly estimates are released on the following schedule: "Advance" estimates are released near the end of the first month after the end of the quarter; as more detailed and more comprehensive data become available, "preliminary" and "final" estimates are released near the end of the second and third months, respectively.

For gross national product, gross domestic income, national income, corporate profits, and net interest, advance estimates are not prepared, because of a lag in the availability of source data. Except for the fourth-quarter estimates, the initial estimates for these series are released with the preliminary GDP estimates, and the revised estimates are released with the final GDP estimates. For the fourth-quarter, these estimates are released only with the final GDP estimates.

Monthly estimates of personal income and outlays are released near the end of the month following the reference month; estimates for the preceding 2 to 4 months are subject to revision at that time.

Annual revisions of the NIPA's are usually carried out each summer and cover the months and quarters of the most recent calendar year and of the 2 preceding years. These revisions are timed to incorporate newly available major annual source data.

Comprehensive revisions are carried out at about 5-year intervals and incorporate three major types of improvements: (1) Definitional and classificational changes that update the accounts to portray more accurately the evolving U.S. economy, (2) statistical changes that update the accounts to reflect the introduction of new and improved methodologies and the incorporation of newly available and revised source data, and (3) presentational changes that update the NIPA tables to reflect the definitional, classificational, and statistical changes and to make the tables more informative.

### *Publication of the NIPA tables*

Tables that present the NIPA estimates appear each month under "National Data" in the section "BEA Current and Historical Data" in the SURVEY OF CURRENT BUSINESS.<sup>17</sup> The full set of NIPA tables consists of 142 tables that present annual, quarterly, and monthly estimates. These tables are grouped into nine categories:

17. The NIPA estimates appear first in news releases, which are available to the general public in a variety of forms (see the box "Data Availability").

16. Regulated investment companies, small business investment companies, and real estate investment trusts are included in the SIC classification "holding and other investment offices" and are not shown separately in the NIPA tables.

1. National Product and Income
2. Personal Income and Outlays
3. Government Receipts, Current Expenditures, and Gross Investment
4. Foreign Transactions
5. Saving and Investment
6. Income and Employment by Industry
7. Quantity and Price Indexes
8. Supplemental Tables<sup>18</sup>
9. Seasonally Unadjusted Estimates

The NIPA tables are numbered as follows: The number preceding the period is the category number, and the number following the period indicates the specific table in that category; for example, table 2.2 is the second table in the second category "Personal Income and Outlays."

Most of the full set of NIPA tables are published in the issues of the SURVEY that describe the annual and comprehensive revisions (for example, see the August 1997 SURVEY); the remaining tables are published in subsequent months. In addition, a set of "Selected NIPA Tables" is published monthly in the SURVEY; this set presents the es-

18. In this category, the first table shows year-to-year and quarter-to-quarter percent changes in the major NIPA aggregates, and the second table shows contributions of the major expenditure components to the percent change in real GDP. The other tables show the following: Selected per capita series; auto and truck output, farm and housing sector accounts; detail on several components of gross national income (consumption of fixed capital, capital consumption adjustment, business transfer payments, supplements to wages and salaries, rental income of persons, dividends, and interest); NIPA imputations and the components affected; and reconciliations of several NIPA measures with the source data (for example, tax return tabulations) from which they are derived or to which they are closely related. The last table shows fixed (1992) weighted quantity indexes for selected series.

timates for the most recent six quarters and the most recent 2 years. The selected set comprises 57 tables from the first eight NIPA categories (seasonally unadjusted estimates in the ninth category are compiled only once a year and thus are not included in the selected set of tables). Because the numbering system used for the full set of tables is retained in the selected set, gaps occur in the numbering of the selected tables.

A note preceding the NIPA tables indicates information on the vintage of the estimates. In general, the NIPA tables in the SURVEY present estimates for the most recent 2–4 years. Historical annual and quarterly estimates for summary NIPA series are presented annually in the SURVEY and cover the following: Current- and chained-dollar GDP for most of the components in NIPA tables 1.1 and 1.2 and for final sales of domestic product and gross national product; NIPA price indexes and implicit price deflators; and most of the major components of national income and personal income in NIPA tables 1.14 and 2.1. For example, these estimates were published as "Summary National Income and Product Series, 1929–96" in the August 1997 SURVEY. In addition, historical annual and quarterly estimates for the major NIPA aggregates are published monthly in the SURVEY.

### *Additional presentations of NIPA and NIPA-related estimates*

The SURVEY also presents the following NIPA and NIPA-related estimates that do not fit neatly

## Data Availability

The estimates from the national income and product accounts (NIPA's) that are prepared by the Bureau of Economic Analysis (BEA) are available on three World Wide Web sites and in a variety of other media.

### **Web sites**

- The BEA Web site at <<http://www.doc.bea.gov>> presents summary NIPA estimates, selected articles from the SURVEY OF CURRENT BUSINESS, and the monthly news releases for gross domestic product (GDP) and for personal income and outlays.
- The Web site of the Department of Commerce's STAT-USA provides the monthly news releases on GDP and on personal income at the time of release, the underlying-detail NIPA tables, and the complete issues of the SURVEY; to subscribe, go to the Web site at <<http://www.stat-usa.gov>>. This information is also available on STAT-USA's Economic Bulletin Board; to subscribe, call 202-482-1986.
- The Federal Statistical Briefing Room at the White House Web site at <<http://www.whitehouse.gov/fsbr>>

provides summary estimates of GDP and of a few other major NIPA aggregates.

### **Other media**

The NIPA estimates are published monthly in the SURVEY; to subscribe, call the Superintendent of Documents of the U.S. Government Printing Office at 202-512-1800.

Summary information on the estimates of GDP and of personal income is available in a recorded telephone message at the time of release. For the GDP estimates, call 202-606-5306; for the estimates of personal income and outlays, call 202-606-5303.

The NIPA estimates are also available on diskettes or printouts from BEA. For a description of these products and for other information about BEA's programs and products, see the "User's Guide to BEA Information" on the BEA Web site. To order products from BEA using Visa or MasterCard, call the Order Desk at 1-800-704-0415 (outside the United States, 202-606-9666).



into the system or publication schedule for the standard NIPA presentation.

“Gross Domestic Product by Industry” presents current- and chained-dollar estimates of gross product, or gross product originating, by industry, which is the contribution of each industry—including government—to GDP. *Estimates for GDP by industry for 1947–96* were published in the November 1997 SURVEY.

“Reconciliation Tables” in [appendix A](#) of the “BEA Current and Historical Data” section presents tables that reconcile NIPA estimates with related series and that provide analytically useful extensions of the NIPA estimates. At present, tables in this section show the reconciliation of relevant NIPA series with related series in the balance of payments accounts and the reconciliation of BEA compensation with Bureau of Labor Statistics earnings.

“Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade”—in the January, April, July, and October issues of the SURVEY—shows quarterly and monthly estimates for these series. Also shown are quarterly and monthly inventories for manufacturing by stage of fabrication. Historical estimates for these series, quarterly for 1977 forward, were published in the [May 1996 SURVEY](#), and revised and new estimates for 1993–96 were published in the [October 1997 SURVEY](#). Estimates for 1959 forward are available electronically to subscribers to STAT-USA’s Economic Bulletin Board or Internet services (see the box “[Data Availability](#)”).

“Fixed Reproducible Tangible Wealth in the United States”—usually published in the September issue of the SURVEY—shows annual estimates of stocks for fixed private capital, government-owned fixed capital, and durable goods owned by consumers. Revised estimates for 1929–95 were published in the [May 1997 SURVEY](#) and were updated to 1996 in the [September 1997 SURVEY](#). (The publication *Fixed Reproducible Tangible Wealth in the United States, 1925–94* is forthcoming and will present the estimates described above and additional estimates by industry and by type of asset for net stocks, consumption of fixed capital, investment, and average age of net stocks.)

“[Selected Monthly Estimates](#)” for personal income by type of income and for the disposition of personal income, including personal consumption expenditures, appears under “National Data” in the “BEA Current and Historical Data” section of the SURVEY. These estimates are also published annually in NIPA tables 2.8–2.11, and the esti-

mates for the most recent months appear in the personal-income-and-outlays news release.

“Source Data and Assumptions” shows the source data and the BEA assumptions for missing key source data that are used to prepare the advance estimates of GDP. This information is available at the time of the news release and is included in the “[Business Situation](#)” article in the SURVEY that presents the advance estimates.<sup>19</sup>

### Statistical Conventions Used for NIPA Estimates

Most of the NIPA estimates are presented in current dollars. Changes in current-dollar estimates measure the changes in the market values of goods or services that are produced or sold in the economy. For many purposes, it is necessary to decompose these changes into price and quantity components. Prices are expressed as index numbers with the base period—at present, the year 1992—equal to 100. Quantities, or “real” measures, are expressed as index numbers with the base period (1992) equal to 100; for selected series, they are also expressed in chained (1992) dollars. (For further details, see the section “[Real output and related measures](#).”)

#### *Seasonal adjustment*

Quarterly and monthly NIPA estimates are seasonally adjusted at the detailed series level when statistically significant seasonal patterns are present. For most of the series that are seasonally adjusted by the source agency, BEA adopts the corresponding seasonal adjustment factors. Seasonal adjustment removes from the time series the average effect of variations that normally occur at about the same time and in about the same magnitude each year—for example, weather and holidays. After seasonal adjustment, cyclical and other short-term changes in the economy stand out more clearly.

#### *Annual rates*

Quarterly and monthly NIPA estimates in current and chained dollars are presented at annual rates, which show the value that would be registered if the rate of activity measured for a quarter or a month were maintained for a full year. Annual rates are used so that periods of different lengths—for example, quarters and years—may

<sup>19</sup> Additional information about source data and assumptions is also available online through STAT-USA’s Economic Bulletin Board and on the Internet (see the box “[Data Availability](#)”).

be easily compared. These annual rates are determined simply by multiplying the estimated rate of activity by 4 (for quarterly data) or by 12 (for monthly data).

$$r = \left[ \left( \frac{GDP_t}{GDP_0} \right)^{m/n} - 1 \right] \times 100,$$

Percent changes in the estimates are also expressed at annual rates. Calculating these changes requires a variant of the compound interest formula, where

$r$  is the percent change at an annual rate;

$GDP_t$  is the level of activity in the later period;

$GDP_0$  is the level of activity in the earlier period;

$m$  is the yearly periodicity of the data (for example, 1 for annual data, 4 for quarterly, or 12 for monthly); and

$n$  is the number of periods between the earlier and later periods (that is,  $t - 0$ ).

## Appendix Updated Summary NIPA Methodologies

This appendix presents summary descriptions of the principal source data and methods used to prepare the current-dollar estimates of gross domestic product (GDP) and the estimates of real GDP.<sup>20</sup> These descriptions have been updated to reflect the methodological improvements that were introduced in the annual revision of the national income and product accounts (NIPA's) that was released in July 1997.<sup>21</sup>

### *Current-dollar estimates*

**Table 1** lists the components of current-dollar GDP starting with the components on the product side and proceeding to those on the income side. The subcomponents, with their dollar values for 1996, are grouped according to the methodology used to prepare them.

The column for the annual estimates covers the revision cycle for those estimates and notes the major differences in methodology as the estimates move through the three annual revisions to a benchmark revision.<sup>22</sup> For example, for "most goods" in personal consumption expenditures (the first item on the product side), the

table indicates one methodology for benchmark years and another for all other years.

The column for the quarterly estimates covers only the advance estimate for the current quarter—that is, the estimate prepared about a month after the end of the quarter. That estimate, rather than the preliminary or final quarterly estimate, is described because more attention focuses on the "first look" at the quarter. In addition, the column lists only the source data and methods; it does not indicate how many months of source data are available or whether the data are subject to revision by the source agency. Information on the key monthly source data appears each month in the "Business Situation" in the SURVEY OF CURRENT BUSINESS. Additional information on the monthly source data used for the advance estimate is available online from the Department of Commerce's Economic Bulletin Board.<sup>23</sup>

The source data listed consist of a variety of economic measures, such as sales or receipts, wages and salaries, unit sales, housing stock, insurance premiums, expenses, interest rates, mortgage debt, and tax collections. For most components, the source data are "value data"; that is, they encompass both the quantity and price dimensions that are required for current-dollar estimates. In these cases, the methodology indicated in **table 1** covers only the adjustment of the value data to derive estimates consistent with NIPA definitions and coverage.

For those estimates not derived from value data, the table indicates the combination of data with separate quantity and price dimensions that is used to derive the required value estimate and the major adjustments needed to derive estimates consistent with NIPA definitions and coverage. On the product side, a "physical quantity times price" method is used for several components. For example, the estimate for new autos is calculated as unit sales times expenditure per auto (the average list price with options, adjusted for transportation charges, sales tax, dealer discounts, and rebates). On the income side, an "employment times earnings times hours" method and variations of a "stock of assets/liabilities times an effective interest rate" method are used for several components.

Some of the source data shown in **table 1** for the annual estimates are used as indicators to interpolate and extrapolate the levels established by source data that are more comprehensive, and all of the source data shown for the advance quar-

20. BEA has prepared a series of papers that provide detailed descriptions of NIPA concepts and methodologies. See the box "Information About NIPA Methodology."

21. See Parker and Seskin, "Annual Revision," 6–32.

22. For additional details on the release schedule for the NIPA estimates, see the section "Presentation of the NIPA's" in the text.

23. For additional information, see the box "Data Availability."

terly estimates are used to extrapolate the level of the preceding quarter. In addition, extrapolation and interpolation may be based on trends, as is the case when “judgmental trend” is listed in the table.<sup>24</sup>

**Estimating methods.**—Table 1 refers to four methods—commodity flow, retail control, perpetual inventory, and fiscal year analysis—used by BEA for estimating specific components.

The commodity-flow method is used to obtain the value of final users’ purchases of goods and services (that is, commodities) for BEA’s benchmark input-output accounts. These values serve as the benchmark for the NIPA estimates of personal consumption expenditures (PCE), of producers’ durable equipment (PDE), and of the commodity detail for State and local government consumption expenditures and gross investment.<sup>25</sup> This method is also used for PDE in nonbenchmark years, but it is implemented in an abbreviated form. An even more abbreviated commodity-flow method is used for current quarterly estimates of PDE.

The retail-control method is used to estimate over one-third of the value of PCE for periods other than benchmark years. This method provides the indicator series used in extrapolating and interpolating the total of “most goods” and the “control” total to which the PCE categories and residential PDE included in this group must sum. These PCE categories consist of all goods except autos and trucks, food furnished to employees, food and fuel produced and consumed on farms, standard clothing issued to military personnel, school lunches, and net foreign remittances.<sup>26</sup>

The perpetual-inventory method is used to derive estimates of fixed capital stock, which in turn form the basis for the estimates of consumption of fixed capital. This method is based on investment flows and a geometric depreciation formula; it is used instead of direct measurement of the capital stock because direct measurement is seldom statistically feasible on a comprehensive basis.<sup>27</sup>

The fiscal year-analysis method provides the framework for the annual and quarterly estimates of Federal Government consumption expenditures and gross investment. The estimates of expenditures are prepared by program—that is, by activity for a group of line items or for an individual line item in the Budget of the U.S. Government. For most programs, the fiscal year analysis begins by adjusting budget outlays for coverage and for netting and grossing differences between these outlays and NIPA expenditures. The expenditures total (as adjusted) for a program is then classified by type of NIPA expenditure—for example, transfer payments and interest paid—with nondefense consumption expenditures and gross investment determined residually. When a fiscal year analysis is completed, the detailed array of NIPA expenditures by program and by type of expenditure serves as a set of control totals for the quarterly estimates.<sup>28</sup>

**Balance of payments accounts.**—The source data for the foreign transactions reflected in most NIPA components—such as net exports of goods and services and rest-of-the-world corporate profits—are the balance of payments accounts (BPA’s), which are also prepared by BEA.<sup>29</sup> As noted in table 1, for some NIPA components, the BPA estimates are adjusted to conform to NIPA concepts and definitions.<sup>30</sup> Annual estimates of these adjustments and their definitions are shown in NIPA table 4.5, which was last published in the August 1997 SURVEY on page 82; summary quarterly estimates are shown in “Reconciliation Tables” in appendix A of the SURVEY.

**Other information.**—In preparing the annual estimates of several of the income-side components, BEA adjusts the source data for various coverage and conceptual differences. For each subcomponent listed below, an annual NIPA table reconciles the value published by the source agency with the

*produciblx Tangible Wealth in the United States, 1925–89* (Washington, DC: U.S. Government Printing Office, January 1993): M-2–M-15; and *GNP: An Overview*, 17–18. For additional information on the geometric depreciation formula, see “Improved Estimates of Fixed Reproducible Tangible Wealth, 1929–95,” SURVEY 77 (May 1997): 69–92.

28. For additional information and an illustration of the fiscal year-analysis method, see U.S. Department of Commerce, Bureau of Economic Analysis, *Government Transactions*, Methodology Paper Series MP-5 (Washington, DC: U.S. Government Printing Office, 1988): 19–20.

29. See U.S. Department of Commerce, Bureau of Economic Analysis, *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures*, (Washington, DC: U.S. Government Printing Office, 1990). (The methodologies described in this publication are subject to periodic improvements, which are typically introduced as part of the annual revision of the BPA’s; these improvements are described in the SURVEY articles that cover the annual BPA revisions, most recently in “U.S. International Transactions, Revised Estimates for 1974–96,” SURVEY 77 (July 1997): 43–55.)

30. These adjustments are described in U.S. Department of Commerce, Bureau of Economic Analysis, *Foreign Transactions*, Methodology Paper Series MP-3 (Washington, DC: U.S. Government Printing Office, 1987): 15–25.

24. For a few components, the final quarterly estimates are based on newly available source data that replace judgmental trends.

25. For additional information on the commodity-flow method, see U.S. Department of Commerce, Bureau of Economic Analysis, *Personal Consumption Expenditures*, Methodology Paper Series MP-6 (Washington, DC: U.S. Government Printing Office, 1990): 31–34; and U.S. Department of Commerce, Bureau of Economic Analysis, *GNP: An Overview of Source Data and Estimating Methods*, Methodology Paper Series MP-4 (Washington, DC: U.S. Government Printing Office, 1987): 16–17.

26. For additional information, see *Personal Consumption Expenditures*, 41–54; and *GNP: An Overview*, 17.

27. For additional information on the perpetual-inventory method, see U.S. Department of Commerce, Bureau of Economic Analysis, *Fixed Re-*

NIPA value published by BEA and identifies the BEA adjustments. The following is a list of the subcomponents and their corresponding reconciliation tables, which were last published in the September 1997 SURVEY beginning on page 34: Wages and salaries, table 8.25; farm proprietors' income, table 8.22; nonfarm proprietors' income, table 8.21; corporate profits, table 8.23; net interest, table 8.24; and consumption of fixed capital, table 8.20.

### *Real estimates*


Table 2 shows which one of three methods—deflation, quantity extrapolation, and direct base-year valuation—is used to prepare the quantity index for each detailed product-side component of real GDP and identifies the source data with which the method is implemented.<sup>31</sup> Deflation is used for most of the detailed components. In deflation, the quantity index is obtained by dividing the current-dollar index by an appropriate price

31. For additional information on the calculation of real GDP, see the section "Real output and related measures" in the text.

index that has the base year—currently 1992—equal to 100 and then by multiplying the result by 100.

The quantity-extrapolation and direct-base-year-valuation methods are similar in that they both use explicit quantity data. In quantity extrapolation, quantity indexes are obtained by using a quantity indicator to extrapolate from the base-year value of 100 in both directions. In direct-base-year valuation, quantity indexes are obtained by multiplying the base-year price by actual quantity data for the index period and then expressing the result as an index with the base year equal to 100.

The subcomponents in table 2 are the same as those shown in table 1, but the detail differs to highlight the alternative methodologies used for calculating the real estimates.<sup>32</sup>

Tables 1 and 2 follow. 

32. For the real estimates, the distinction between annual and quarterly methodologies is far less important than it is for the current-dollar estimates. For the relatively few cases in which the annual and quarterly source data differ, the major differences are noted in the entry.

**Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP**

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Product side (GDP of \$7,636.0 billion for 1996)</b>			
<b>Personal consumption expenditures</b> (\$5,207.6)	<b>Durable and nondurable goods:</b> (\$2,169.2) <sup>1</sup>		
	Most goods (except sub-components listed separately) (\$1,821.0)	Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years—Retail-control method, using retail trade sales from Census Bureau annual survey or, for most recent year, monthly survey of retail trade.	Same as annual for most recent year.
	New autos (\$86.1)	Physical quantity purchased times average retail price: Unit sales, information to allocate sales among consumers and other purchasers, and average list price with options, adjusted for transportation charges, sales tax, dealer discounts, and rebates, all from trade sources.	Same as annual.
	Net purchases of used autos (\$55.2)	Benchmark years—For net transactions, change in the consumer stock of autos from trade sources. For dealers' margin, retail sales from Census Bureau quinquennial census and margin rate from Census Bureau annual survey of retail trade. Other years except most recent—For net transactions, same as benchmark years. For dealers' margin, franchised dealers' unit sales times sales price, both from trade sources, times margin rate for independent dealers from Census Bureau annual survey; independent dealers' margin from Census Bureau annual survey. Most recent year—For net transactions, same as benchmark years. For dealers' margin, for franchised dealers, unit sales and sales price from trade sources; for independent dealers, sales from Census Bureau monthly survey of retail trade.	For net transactions, residual based on net sales by other sectors. For dealers' margin, unit sales of franchised dealers from trade source and sales price from Bureau of Labor Statistics consumer price index for used cars.
	New trucks (\$63.7)	Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years except most recent—Abbreviated commodity-flow method, starting with manufacturers' shipments from Census Bureau annual survey and including an adjustment for exports and imports from Census Bureau foreign trade data. Most recent year—Physical quantity purchased times average retail price: Unit sales and information to allocate sales among consumers and other purchasers from trade sources and average price based on Bureau of Labor Statistics consumer price index for new trucks.	Same as annual for most recent year.
Gasoline and oil <sup>2</sup> (\$122.6)	Benchmark years—Physical quantity purchased times average retail price: Gallons consumed from the Department of Transportation, information to allocate that total among consumers and other purchasers from Federal agencies and trade sources, and average retail price from Census Bureau quinquennial census. Other years except most recent—Same as benchmark years, except average retail price from the Energy Information Administration. Most recent year—Physical quantity purchased times average retail price: Gallons consumed and average price, both from the Energy Information Administration.	Same as annual for most recent year.	

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Product side (GDP of \$7,636.0 billion for 1996)—Continued</b>			
<b>Personal consumption expenditures—Continued</b>	<b>Durable and nondurable goods—Continued:</b>		
	Food furnished to employees (including military) (\$8.7)	Benchmark years—For commercial employees, number of employees of appropriate industries from Bureau of Labor Statistics tabulations times BEA estimate of per capita expenditures for food; for military personnel, outlays from the <i>Budget of the United States</i> prepared by the Office of Management and Budget. Other years—Same as benchmark years, except per capita expenditures for food based on Bureau of Labor Statistics consumer price index for food.	For commercial employees, same as annual for other years; for military personnel, judgmental trend.
	Expenditures abroad by U.S. residents (\$2.6) less personal remittances in kind to non-residents (\$1.2)	Estimated as part of the balance of payments accounts; see entry for "exports and imports of services, net," under net exports of goods and services.	Judgmental trend.
	<b>Services:</b> (\$3,038.4) Nonfarm dwellings—space rent for owner-occupied and rent for tenant-occupied (\$752.0)	Benchmark years—Based on data on housing stock and average annual rent from Census Bureau decennial census of housing and residential finance survey, adjusted for utilities billed with rent. Other years—Based on data on housing stock and average annual rent from Census Bureau biennial housing survey or on the number of households from Census Bureau monthly current population survey and Bureau of Labor Statistics consumer price index for rent.	Same as annual: For housing stock, judgmental trend; for average rent, Bureau of Labor Statistics consumer price index for rent.
	Rental value of farm dwellings (\$6.1)	Benchmark years—Based on data on housing stock and average annual rent from Census Bureau decennial census of housing and survey of residential finance. Other years—Based on data on net value of real farm housing stock from BEA capital stock series.	Judgmental trend.
Motor vehicle and other repair, other purchased intercity transportation, legal and funeral services, barbershops and beauty parlors, nursing homes, laundries, employment agency fees, accounting and tax return preparation services, recreation (except cable TV, casino gambling, parimutuel net receipts, and lotteries), hotels and motels, and other education and research (\$508.1)	Benchmark years—Receipts and expenses from Census Bureau quinquennial census adjusted for receipts from business and governments. Other years—Receipts for spectator sports from trade sources; for legitimate theaters and other education and research, tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics; for others in this group, Census Bureau service annual survey.	For nursing homes, other education and research, employment agency fees, and clubs and fraternal organizations, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours; for legitimate theaters and motion pictures, receipts from trade sources; for radio and TV repair, number of TV's based on stock and sales from trade source times Bureau of Labor Statistics consumer price index for appliance and furniture repair; for hotels and motels, rooms rented times average price per room from trade source; for others in this group, judgmental trend.	

See footnotes at end of table.



**Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued**

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other final or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Product side (GDP of \$7,636.0 billion for 1996)—Continued</b>			
<b>Personal consumption expenditures—Continued</b>	<b>Services—Continued:</b>		
	Physicians, dentists, and other professional medical services (\$357.6)	Benchmark years—For nonprofit professional services, expenses, and for others in this group, receipts, adjusted for government consumption, all from Census Bureau quinquennial census. Other years—Receipts and revenues, adjusted for government consumption, from Census Bureau service annual survey.	For physicians and dentists, judgmental trend; for other professional medical services, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours.
	Private nursery, elementary, and secondary schools, day care, welfare activities, and trade unions and professional associations (\$148.6)	Benchmark years—For religious-affiliated schools, enrollment from the Department of Education times BEA estimate of average expenditures per pupil; for nursery schools and day care, expenditures from Bureau of Labor Statistics consumer expenditure survey; for others in this group, receipts and expenses from Census Bureau quinquennial census. Other years except most recent—For nursery schools and day care, same as benchmark years; for others in this group, annual tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics. Most recent year—For nursery schools and day care, judgmental trend; for others in this group, tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics.	For political organizations and foundations, judgmental trend; for others in this group, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours.
	Financial services furnished without payment by banks, credit agencies, and investment companies <sup>3</sup> (\$169.9)	See entry for "imputed—banks, credit agencies, and investment companies" under net interest.	Judgmental trend.
	Brokerage charges and investment counseling, bank service charges, intercity transportation except other, and private higher education (\$148.7)	Years except most recent—For private higher education, expenses, and for others in this group, receipts, all from annual reports of government administrative agencies. Most recent year—For brokerage charges, bank service charges, and intercity transportation, receipts, from annual reports of government administrative agencies; for private higher education, enrollment from the Department of Education times price index for higher education from trade source.	For stock brokerage charges, stock exchange transactions from trade sources; for income from sales of investment company securities, sales of open-end investment company shares from trade source; for other brokerage charges and investment counseling and for bank service charges, judgmental trend; for intercity transportation, receipts from trade sources; for private higher education, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours.
Domestic services (\$12.5)	Benchmark years—For cleaning services, receipts from Census Bureau quinquennial census; for other domestic services, number of workers times weekly hours times earnings from the Bureau of Labor Statistics. Other years—Number of workers times weekly hours times earnings from the Bureau of Labor Statistics.	Judgmental trend.	

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Product side (GDP of \$7,636.0 billion for 1996)—Continued</b>			
<b>Personal consumption expenditures—Continued</b>	<b>Services—Continued:</b>		
	Public higher education and hospitals, water and other sanitary services, and lotteries (\$157.7)	Years except most recent—For lotteries, net receipts from Census Bureau quinquennial census and annual surveys of State and local governments, adjusted to a calendar year basis from a fiscal year basis; for others in this group, receipts from the same sources. Most recent year—Judgmental trend.	Same as annual for most recent year.
	Insurance, private hospitals, religious activities, cable TV, utilities, and local transport (\$720.1)	Years except most recent—For life insurance, expenses from trade sources; for medical and hospitalization insurance, premiums and benefits from the Health Care Financing Administration; for other insurance, premiums and benefits from trade sources; for private hospitals, receipts and expenses from Census Bureau quinquennial census (benchmark year), and expenses from trade sources (other years); for religious activities, expenses based on contributions and membership from trade sources; for cable TV and utilities, receipts from government agencies and trade sources; for local transport, receipts from trade source. Most recent year—For life insurance, tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics; for insurance other than life insurance, judgmental trend; for religious activities, expenses based on population from the Census Bureau and per capita disposable personal income from BEA; for local transport, passenger trips from trade source times Bureau of Labor Statistics consumer price index for intracity mass transit; for others in this group, same as other years.	For life insurance, hospitals, and religious activities, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours; for electricity and gas, projected quantities based on degree-day data from the National Oceanic and Atmospheric Administration times price based on Bureau of Labor Statistics consumer price indexes for utilities; for others in this group, judgmental trend.
	Foreign travel by U.S. residents (\$54.9) less expenditures in the United States by nonresidents (\$82.7)	Estimated as part of the balance of payments accounts; see entry for "exports and imports of services, net," under net exports of goods and services.	Same as annual.
	Other services: Casino gambling, and parimutuel net receipts; other housing except hotels and motels; bridge, etc., tolls; other household operation except repairs and insurance; travel and entertainment card fees; stenographic and reproduction services; and money orders and classified advertising (\$85.0)	Various source data.	For casino gambling, receipts from State agency; for others in this group, judgmental trend.

See footnotes at end of table.

**Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued**

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Product side (GDP of \$7,636.0 billion for 1996)—Continued</b>			
<b>Fixed investment</b> (\$1,090.7)	<b>Nonresidential structures:</b> (\$215.2) <sup>4</sup>		
	Utilities: Telecommunications (\$11.9)	Value put in place from Census Bureau monthly construction survey.	Same as annual.
	Utilities: Other (\$21.4)	Expenditures from Federal regulatory agencies and trade sources.	Judgmental trend.
	Mining exploration, shafts, and wells (\$16.1)	Benchmark years—Expenditures from Census Bureau quinquennial census. Other years—For petroleum and natural gas, physical quantity times average price: Footage drilled and cost per foot from trade sources; for other mining, expenditures from Census Bureau surveys on capital expenditures.	For petroleum and natural gas, same as annual for other years; for mining, judgmental trend.
	Industrial buildings (\$32.1)	Benchmark years, except 1992—Value put in place from Census Bureau monthly construction survey and improvements from Department of Energy commercial buildings energy consumption survey. For 1992, tabulations from Census Bureau annual capital expenditure survey, adjusted for undercoverage. Other years—Value put in place from Census Bureau monthly construction survey.	Same as annual for other years.
	Other nonfarm buildings and structures (\$129.7)	Benchmark years—Value put in place from Census Bureau monthly construction survey and improvements from Department of Energy commercial buildings energy consumption survey. Other years—Value put in place from Census Bureau monthly construction survey.	Same as annual for other years.
	Farm buildings (\$3.7)	Expenditures for new construction from Department of Agriculture surveys.	Value put in place from Census Bureau monthly construction survey.
	<b>Nonresidential producers' durable equipment:</b> (\$566.2)		
	Equipment, except autos (\$520.9)	Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years—Abbreviated commodity-flow method, starting with manufacturers' shipments from Census Bureau annual survey or, for most recent year (except aircraft and trucks), monthly survey of manufactures and including an adjustment for exports and imports from Census Bureau foreign trade data. For aircraft, manufacturers' shipments from Census Bureau current industrial report, adjusted for exports and imports. For trucks, domestic and North American imports, physical quantity purchased times average retail price: Unit sales and information to allocate sales among business and other purchasers from trade sources and average price based on Bureau of Labor Statistics producer price indexes; for truck trailers, shipments from Census Bureau current industrial report.	For trucks, see entry for "new trucks" under personal consumption expenditures; for others in this group, same as annual for other years but with less detail.
	New and used autos (\$45.3)	For new autos, see entry for "new autos" under personal consumption expenditures; for used autos, change in business stock of autos at least 1 year old from trade source.	For new autos, same as annual; for used autos, judgmental trend.

See footnotes at end of table.

**Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued**

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Product side (GDP of \$7,636.0 billion for 1996)—Continued</b>			
<b>Fixed investment—</b> Continued	<b>Residential investment:</b> (\$309.2) <sup>5</sup>		
	Permanent-site new single-family housing units (\$159.1)	Value put in place based on phased housing starts and average construction cost from Census Bureau monthly construction survey.	Same as annual.
	Permanent-site new multi-family housing units (\$20.3)	Value put in place from Census Bureau monthly construction survey.	Same as annual.
	Mobile homes (\$12.6)	Benchmark years—See entry for “equipment, except autos” under nonresidential producers’ durable equipment. Other years—Physical quantity shipped times price: Shipments from trade sources and average retail price from Census Bureau monthly survey.	Same as annual for other years.
	Improvements (\$74.4)	Expenditures by owner-occupants from Bureau of Labor Statistics quarterly consumer expenditure survey and by landlords from Census Bureau quarterly survey of landlords.	Judgmental trend.
	Brokers’ commissions (\$36.3)	Physical quantity times price times average commission rate: Number of single-family houses sold, mean sales price, and commission rates from Census Bureau monthly construction survey, Census Bureau biennial housing survey, and trade sources.	Same as annual.
	Producers’ durable equipment (\$7.5)	See entry for “most goods” under personal consumption expenditures.	Same as annual.
<b>Change in business inventories</b> (\$25.9)	Manufacturing and trade (\$18.0)	Benchmark years—Inventories from Census Bureau quinquennial censuses revalued to current replacement cost, using information on the proportions of inventories reported using different accounting methods, on the commodity composition of goods held in inventory, and on the turnover period, all from Census Bureau quinquennial censuses and surveys, combined with prices, largely based on Bureau of Labor Statistics producer price indexes. (The difference between Census Bureau change in inventories and BEA change in business inventories is the IVA.) Other years except most recent—Inventories from Census Bureau annual surveys, revalued as described above. Most recent year—For retail auto dealers, quantities times average prices from trade sources; for all other, inventories from Census Bureau monthly surveys, revalued as described above.	Same as annual for most recent year.
	Other nonfarm industries (\$5.0)	Inventories revalued to current replacement cost (except when noted as physical quantity times price) as described for manufacturing and trade: For years except most recent, Internal Revenue Service tabulations of business tax returns; for most recent year, Census Bureau quarterly survey of corporations for mining, monthly quantities from the Energy Information Administration combined with Bureau of Labor Statistics producer price indexes for electric utilities, and for all others, judgmental trend.	For electric utilities, same as annual for most recent year; for all others, judgmental trend.
	Farm (\$2.9)	Changes in physical quantities times current prices from Department of Agriculture surveys.	Judgmental projections by BEA and the Department of Agriculture.

See footnotes at end of table.

**Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued**

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Product side (GDP of \$7,636.0 billion for 1996)—Continued</b>			
<b>Net exports of goods and services</b> (-\$94.8)	Exports and imports of goods, net (-\$191.5)	Estimated as part of the balance of payments accounts: Export and import documents compiled monthly by the Census Bureau with adjustments by BEA for coverage and valuation to convert the data to a balance-of-payments basis. Adjusted for balance-of-payments coverage of U.S. territories and Puerto Rico with data from the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and the Census Bureau, and coverage of gold adjusted with data from the U.S. Geological Survey and trade sources.	For territorial adjustment and coverage of gold, judgmental trend; for all others, same as annual.
	Exports and imports of services, net (\$96.6)	Estimated as part of the balance of payments accounts: For government transactions, reports by Federal agencies on their purchases and sales abroad; for most others in this group (including travel, passenger fares, other transportation, and royalties and license fees), BEA quarterly or annual surveys (supplemented with data from other sources). Adjusted for balance-of-payments coverage of U.S. territories and Puerto Rico, see entry above; adjusted to include financial services furnished without payment, see entry for "imputed—banks, credit agencies, and investment companies" under net interest, and adjusted for NIPA treatment of military grants and labor income.	For territorial adjustment, judgmental trend; for all others, same as annual.
<b>Government consumption expenditures and gross investment</b> (\$1,406.7)	Federal national defense consumption of general government fixed capital (\$57.3)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
	Federal national defense, except consumption of general government fixed capital (\$295.4)	Within a control total established by fiscal year analysis: For compensation, military wages from the <i>Budget of the United States</i> prepared by the Office of Management and Budget, civilian wages and benefits from the Office of Personnel Management, and employer contributions for social insurance mainly from outlays from <i>Monthly Treasury Statement</i> ; for other than compensation, by type, based mainly on data from Department of Defense reports.	For components of compensation, employment from the Department of Defense (military) and the Bureau of Labor Statistics (civilian); for other than compensation, same as annual.
	Federal nondefense consumption of general government fixed capital (\$11.2)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Product side (GDP of \$7,636.0 billion for 1996)—Continued</b>			
<b>Government consumption expenditures and gross investment—</b> Continued	Federal nondefense, except consumption of general government fixed capital (\$156.1)	Within a control total established by fiscal year analysis: For Commodity Credit Corporation inventory change, book values of acquisitions and physical quantities of dispositions from agency reports times average market prices from the Department of Agriculture; for financial services furnished without payment, see entry for "imputed—banks, credit agencies, and investment companies" under net interest; for compensation, civilian wages and benefits from the Office of Personnel Management and employer contributions for social insurance mainly from outlays from <i>Monthly Treasury Statement</i> ; for petroleum sales (Naval Petroleum Reserve), distribution and price data from the Department of Energy; for research and development, obligations from the National Science Foundation and disbursements from the National Aeronautics and Space Administration; for construction, value put in place from Census Bureau monthly construction survey; for all other, outlays from <i>Monthly Treasury Statement</i> .	For components of compensation, employment from the Bureau of Labor Statistics; for other than compensation, same as annual.
	State and local compensation of general government employees, except force-account construction (\$547.2)	For wages and salaries, tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics; for employer contributions for social insurance, tabulations from the Social Security Administration, other agencies administering social insurance programs, and Census Bureau surveys of State and local government retirement funds, adjusted to a calendar year basis from a fiscal year basis; for other labor income, trade sources, Health Care Financing Administration, and Census Bureau surveys of State and local governments, adjusted to a calendar year basis from a fiscal year basis.	For wages and salaries, derived from Bureau of Labor Statistics monthly employment times earnings from Bureau of Labor Statistics employment cost index, if available; otherwise, judgmental trend. For other compensation, judgmental trend.
	State and local structures (\$128.5)	Value of construction put in place from Census Bureau monthly construction survey.	Same as annual.
	State and local brokerage charges and financial services furnished without payment (\$13.0)	See entries under personal consumption expenditures for services.	See entries under personal consumption expenditures for services.
	State and local consumption of general government fixed capital (\$56.6)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
State and local investment in equipment and consumption expenditures, except compensation, consumption of fixed capital, brokerage charges, and financial services furnished without payment. (\$141.4)	Years except most recent—Total expenditures from Census Bureau quinquennial censuses and annual surveys of State and local governments, selectively replaced with source data that are more appropriate for the NIPA's and adjusted as follows: For coverage; for netting and grossing differences; to a calendar year basis from a fiscal year basis; for other timing differences; to exclude interest, subsidies, net expenditures of government enterprises, and transfer payments; and to exclude compensation and structures. Most recent year—Judgmental trend.	Same as annual for most recent year.	

See footnotes at end of table.



**Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued**

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Income side</b> (Gross national income of \$7,697.6 billion for 1996)			
<b>Compensation of employees</b> <sup>6</sup> (\$4,426.9)	Wage and salary accruals: Private industries (\$2,991.0)	For most industries, annual tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics; for remainder, wages from a variety of sources (such as the Department of Agriculture for farms and the Railroad Retirement Board for railroad transportation), adjusted for understatement of income on tax returns and for several coverage differences.	For most industries, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours; for others, judgmental trend.
	Wage and salary accruals: Federal Government (\$177.2)	For civilians, wages from the Office of Personnel Management; for military personnel, wages from the <i>Budget of the United States</i> prepared by the Office of Management and Budget.	For civilians, employment from the Bureau of Labor Statistics and judgmental trend; for military personnel, employment from the Department of Defense and judgmental trend.
	Wage and salary accruals: State and local governments (\$465.4)	Mainly tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics.	Derived from Bureau of Labor Statistics monthly employment times earnings from Bureau of Labor Statistics employment cost index, if available, otherwise judgmental trend.
	Employer contributions for social insurance (\$385.7)	Years except most recent—Tabulations from the Social Security Administration and other agencies administering social insurance programs, and Census Bureau surveys of State and local government retirement funds, adjusted to a calendar year basis from a fiscal year basis. Most recent year—Census Bureau surveys of State retirement funds, adjusted to a calendar year basis from a fiscal year basis.	For Federal programs, BEA-derived wages and salaries of employees covered by the programs; for State and local government programs, judgmental trend.
	Other labor income: Group health insurance (\$262.7)	Years except 3 most recent—Total contributions from the Health Care Financing Administration less employee contributions from the Bureau of Labor Statistics consumer expenditure survey. Three most recent years—Employer costs for employee compensation from the Bureau of Labor Statistics.	Judgmental trend.
	Other labor income: Pension and profit-sharing (\$94.8)	Years except 2 most recent—Tabulations from the Department of Labor. Two most recent years—Employer costs for employee compensation from the Bureau of Labor Statistics or Internal Revenue Service tabulations of business tax returns.	Judgmental trend.
	Other labor income: Workers' compensation (\$37.0)	Years except most recent—Employer contributions from trade sources and contributions for self-insured plans from the Social Security Administration. Most recent year—Judgmental trend.	Judgmental trend.
	Other labor income: Group life insurance (\$7.4)	Years except most recent—Group premiums and estimates of employer share from trade sources. Most recent year—Judgmental trend.	Judgmental trend.

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Income side</b> (Gross national income of \$7,697.6 billion for 1996)—Continued			
<b>Proprietors' income with IVA and CCAj</b> (\$520.3)	Farm income with IVA (\$45.0)	Based on Department of Agriculture data on net income, obtained by deriving gross income (cash receipts from marketing, inventory change, government payments, other cash income, and nonmoney income) and subtracting production expenses, adjusted to exclude corporate income from Internal Revenue Service tabulations of business tax returns and adjusted to a NIPA basis.	For crops, BEA quarterly allocation of Department of Agriculture annual projections of crop output; for livestock, Department of Agriculture quarterly projections of cash receipts and inventories; for both crops and livestock, quarterly allocation of Department of Agriculture annual projections of government subsidy payments and production expenses.
	Farm CCAj (-\$7.8)	See entry for "CCAj" under consumption of fixed capital.	Same as annual for most recent year.
	Nonfarm income (\$455.3)	Years except most recent—Income from Internal Revenue Service tabulations of business tax returns, adjusted for understatement of income on tax returns and for several conceptual differences. Most recent year—For construction, trade, and services, indicators of activity (such as value of housing put in place); for most others, judgmental trend.	
	Nonfarm IVA (-\$0.2)	See entry for "IVA" under corporate profits with IVA and CCAj.	
	Nonfarm CCAj (\$28.0)	See entry for "CCAj" under consumption of fixed capital.	
<b>Rental income of persons with CCAj</b> (\$146.3)	Owner-occupied nonfarm housing (\$109.7)	Benchmark years—Derived as space rent (see entry for "nonfarm dwellings" under personal consumption expenditures) less related expenses, including maintenance and repair from Bureau of Labor Statistics quarterly consumer expenditure survey, mortgage interest, and property taxes from Census Bureau decennial survey of residential finance. Other years—Same as benchmark years, except mortgage interest, based on mortgage debt from the Federal Reserve Board times a BEA interest rate, and property taxes from Census Bureau quarterly surveys of State and local tax collections.	For owner-occupied space rent, same as annual; for depreciation, interest, and taxes, based on NIPA estimates of those components; for other expenses, judgmental trend.
	Tenant-occupied nonfarm housing (\$52.7)	Same as owner-occupied nonfarm housing, adjusted to cover only rental income accruing to persons not primarily engaged in the real estate business.	Same as annual.
	Farms owned by nonoperator landlords (\$6.8)	Prepared in conjunction with farm proprietors' income; see entry for "farm income with IVA" under proprietors' income with IVA and CCAj.	Judgmental trend.
	Nonfarm nonresidential properties (\$15.8)	Years through 1983—Rents paid and received by business and government, adjusted for expenses associated with property (mainly depreciation, taxes, interest, and repairs) from Internal Revenue Service tabulations of business tax returns, Census Bureau surveys, and the <i>Budget of the United States</i> prepared by the Office of Management and Budget. Other years—Judgmental trend.	Judgmental trend.
	Royalties (\$8.3)	Years except most recent—Internal Revenue Service tabulations of royalties reported on individual income tax returns. Most recent year—Judgmental trend.	Same as annual for most recent year.
	CCAj (-\$47.0)	See entry for "CCAj" under consumption of fixed capital.	

See footnotes at end of table.

**Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued**

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Income side</b> (Gross national income of \$7,697.6 billion for 1996)—Continued			
<b>Corporate profits with IVA and CCAadj</b> (\$735.9)	Domestic profits before tax (\$580.7)	Years except most recent—Receipts less deductions from Internal Revenue Service tabulations of business tax returns, adjusted for understatement of income on tax returns and for several conceptual differences. Most recent year—Profits from Census Bureau quarterly survey of corporate profits, regulatory agency reports, and compilations of publicly available corporate financial statements.	For some industries in transportation and some in finance, etc., judgmental trend; for others, same as annual for most recent year. (Released at time of preliminary estimate of GDP for the first, second, and third quarters and of final estimate for the fourth quarter.)
	Rest-of-the-world profits before tax (\$95.9)	Estimated as part of the balance of payments accounts: For direct investment income, BEA surveys; for portfolio income, Treasury Department surveys. Adjusted for NIPA coverage of U.S. territories and Puerto Rico—see entry for "exports and imports of goods, net," under net exports of goods and services.	Same as annual. (Released on same schedule as domestic profits before tax.)
	IVA (-\$2.5)	The IVA on the income side (for corporations and for nonfarm sole proprietorships and partnerships) and the IVA on the product side (described under the entry for change in business inventories) differ because the source data reflect different proportions of accounting methods (last-in, first-out (LIFO), etc.) underlying reported inventories. The income-side IVA is based on the product-side IVA, adjusted by the relationship between non-LIFO inventories from Internal Revenue Service tabulations of business tax returns and non-LIFO inventories from the Census Bureau.	Same as annual.
	CCAadj (\$61.8)	See entry for "CCAadj" under consumption of fixed capital.	
<b>Net interest</b> (\$425.1)	Domestic monetary, net (\$87.6)	Years except most recent—For farm interest paid, Department of Agriculture surveys; for residential mortgage interest paid, Census Bureau decennial residential finance survey and mortgage debt from the Federal Reserve Board times a BEA interest rate; for most other interest paid and received by business, Internal Revenue Service tabulations of business tax returns, adjusted for misreporting on tax returns and for several conceptual differences. Most recent year—For farm and mortgage interest paid, same as other years; for other interest, interest receipts and payments from regulatory agencies (such as the Federal Deposit Insurance Corporation), from trade sources, or obtained by applying BEA interest rates to interest-bearing assets/liabilities from Federal Reserve Board flow-of-funds accounts.	Derived by combining estimates of (1) interest received by persons, (2) government interest paid and received, and (3) interest paid by persons. For (1), judgmental trend; for (2), <i>Monthly Treasury Statement</i> for Federal and judgmental trend for State and local; for (3), consumer debt from the Federal Reserve Board times BEA estimates of interest rates. (Released on same schedule as domestic profits before tax.)
	Rest-of-the-world monetary, net (-\$76.4)	Estimated as part of the balance of payments accounts: For direct investment income, BEA surveys; for portfolio income, Treasury Department surveys. Adjusted for NIPA coverage of U.S. territories and Puerto Rico—see entry for "exports and imports of goods, net," under net exports of goods and services.	Same as annual. (Released on same schedule as domestic profits before tax.)

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Income side</b> (Gross national income of \$7,697.6 billion for 1996)—Continued			
<b>Net interest—</b> Continued	Imputed—banks, credit agencies, and investment companies (\$180.1)	Property income earned on investment of deposits and monetary interest paid to depositors (and for mutual depositories, profits from Internal Revenue Service tabulations of business tax returns) from annual reports of regulatory agencies and the Federal Reserve Board. Imputed interest (financial services furnished without payment) is allocated to persons, government, and the rest of the world on the basis of deposit liabilities from the same sources.	Judgmental trend.
	Imputed—life insurance carriers and private non-insured pension plans (\$233.7)	Property income earned (and for life insurance carriers, profits) from Internal Revenue Service tabulations of business tax returns, trade sources, and the Federal Reserve Board.	Judgmental trend. (Released on same schedule as domestic profits before tax.)
<b>Business transfer payments</b> (\$33.6)		Payments to persons: For charitable contributions, for years except most recent, Internal Revenue Service tabulations of business tax returns or, for most recent year, judgmental trend; for other components (such as liability payments for personal injury), for years except most recent, information from government agency reports and trade sources or, for most recent year, judgmental trend. Payments to the rest of the world: Estimated as part of the balance of payments accounts.	Judgmental trend.
<b>Indirect business tax and nontax liability</b> (\$604.8)	Federal Government (\$95.8)	For excise taxes, collections from the Bureau of Alcohol, Tobacco, and Firearms and the Internal Revenue Service; for customs duties, receipts from <i>Monthly Treasury Statement</i> ; and for nontaxes (such as fines), receipts from the <i>Budget of the United States</i> prepared by the Office of Management and Budget.	For customs duties, <i>Monthly Treasury Statement</i> ; for most excise taxes, derived from indicators of activity (such as gasoline production for gasoline tax); for others in this group, judgmental trend.
	State and local governments (\$508.9)	Receipts from Census Bureau quinquennial censuses and annual and quarterly surveys, adjusted to a calendar year basis from a fiscal year basis.	Judgmental trend.
<b>Subsidies less current surplus of government enterprises</b> (\$25.4)	Federal Government (\$37.7)	For subsidies, payments by the Commodity Credit Corporation from agency reports and, for most other agencies, outlays from <i>Monthly Treasury Statement</i> ; for current surplus, mainly reports of various agencies, such as the Postal Service, and consumption of fixed capital estimates derived with perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	For subsidies, Commodity Credit Corporation reports and judgmental trend; for current surplus, judgmental trend and consumption of fixed capital estimates derived with perpetual-inventory calculations at current cost, based on gross investment and on investment prices.
	State and local governments (–\$12.3)	For subsidies, limited to railroad, Census Bureau annual surveys of expenditures, adjusted to a calendar year basis from a fiscal year basis. For current surplus: For current operating receipts, mainly revenue data from Census Bureau annual surveys of State and local governments, adjusted to a calendar year basis from a fiscal year basis; for current operating expenditures, see entries (1) for “State and local investment in equipment and consumption expenditures, except compensation, consumption of fixed capital, brokerage charges, and financial services furnished without payment” and (2) for “State and local consumption of general government fixed capital” under Government consumption expenditures and gross investment.	Judgmental trend.

See footnotes at end of table.

**Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued**

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Income side</b> (Gross national income of \$7,697.6 billion for 1996)—Continued			
<b>Consumption of fixed capital</b> (\$830.1)	<b>Government:</b> (\$147.4)		
	General government (\$125.1)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
	Government enterprise (\$22.3)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
	<b>Private:</b> (\$682.7)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
	Capital consumption allowances (\$709.9)	Years except most recent—For depreciation of corporations and of nonfarm sole proprietorships and partnerships, Internal Revenue Service tabulations of business tax returns, adjusted for several conceptual differences; for other depreciation (including noncorporate farms, nonprofit institutions, and owner-occupied houses), perpetual-inventory calculations; for accidental damage to fixed capital, losses reported to insurance companies and government agencies. Most recent year—For depreciation of corporations and nonfarm sole proprietorships and partnerships, BEA estimates of tax-return-based depreciation; for other depreciation and accidental damage to fixed capital, same as other years.	Judgmental trend.
Less: CCA <sub>adj</sub> (\$27.1)	For corporations and nonfarm sole proprietorships and partnerships, the difference between tax-return-based calculations and perpetual-inventory calculations; for other (including noncorporate farms, nonprofit institutions, and owner-occupied houses), the difference between perpetual-inventory calculations at historical cost and current cost.	Judgmental trend.	

1. Includes \$10.6 billion for food produced and consumed on farms, standard clothing issued to military personnel, and used trucks.

2. The retail-control method cited under "personal consumption expenditures (PCE) for most goods" is based on retail trade sales data that include sales of gasoline service stations. Estimates of PCE for gasoline and oil are derived separately and are deducted from the retail-control totals (that include goods sold by gasoline service stations) to derive the estimates for "PCE for most goods."

3. Also referred to as "services furnished without payment by financial intermediaries, except life insurance carriers and private noninsured pension plans."

4. Includes \$0.5 billion for brokers' commissions on sale of structures and net purchases of used

structures.

5. Includes -\$1.0 billion for other structures (dormitories, fraternity and sorority houses, nurses' homes, etc.) and net purchases of used structures.

6. Includes -\$2.6 billion for wage and salary accruals: Rest of the world, net, and \$5.7 billion for other labor income: Supplemental unemployment, directors' fees, and judicial fees.

CCA<sub>adj</sub> Capital consumption adjustment

IVA Inventory valuation adjustment

NIPA National income and product account

Source: 1996 estimates—SURVEY OF CURRENT BUSINESS, August 1997.

Table 2.—Methodology Used in Preparing Estimates of Real GDP

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI)	Other	Extrapolation	Direct valuation
<b>Personal consumption expenditures</b>	<b>Durable and nondurable goods:</b>				
	Most goods (except sub-components listed separately).	Except as noted, CPI; military clothing, PPI.	Computers, BEA price index, Bureau of Labor Statistics import price indexes, and PPI.		
	New autos .....	CPI			Used autos, in two parts: (1) Margin, unit sales from trade sources with dealer margins from Census Bureau and trade sources; (2) net transactions, net change in unit stock of autos held by consumers by year of original sale, valued by depreciated original value in base-year dollars.
	Net purchases of used autos.	.....	.....	.....	
	New trucks .....	CPI			
	Gasoline and oil .....	CPI			
	Food furnished to employees (including military).	CPI			
	Expenditures abroad by U.S. residents less personal remittances in kind to nonresidents.	.....	Foreign consumer price indexes (exchange-rate adjusted).		
	<b>Services:</b>				
	Nonfarm dwellings—space rent for owner-occupied and rent for tenant-occupied.	CPI			
Rental value of farm dwellings.	.....	.....	Net value of farm housing stock from BEA capital stock series.		

See footnotes at end of table.



**Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued**

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI)	Other	Extrapolation	Direct valuation
<b>Personal consumption expenditures—Continued</b>	<b>Services—Continued:</b>				
	Motor vehicle and other repair, other purchased intercity transportation, legal and funeral services, barbershops and beauty parlors, nursing homes, laundries, employment agency fees, accounting and tax return preparation services, recreation (except cable TV, casino gambling, parimutuel net receipts, and lotteries), hotels and motels, and other education and research.	Except as noted, CPI; private for-profit nursing homes, PPI.	Private nonprofit nursing homes, composite index of input prices from the Health Care Financing Administration; clubs and fraternal organizations, and other education and research, BEA composite index of input prices.		
	Physicians, dentists, and other professional medical services.	Except as noted, CPI; physicians, PPI.			
	Private nursery, elementary, and secondary schools, day care, welfare activities, and trade unions and professional associations.	.....	BEA composite indexes of input prices.		
	Public education and hospitals, water and other sanitary services, and lotteries.	Except as noted, CPI; public hospitals, PPI.			
	Financial services furnished without payment by banks, credit agencies, and investment companies. <sup>1</sup>	.....	.....	Paid employee hours of relevant financial institutions.	
	Brokerage charges and investment counseling, bank service charges, intercity transportation except other, and private higher education.	Except as noted, CPI.	Airline transportation, BEA index based on revenue per passenger mile from the Department of Transportation and trade source, and CPI for airline fares; private higher education, BEA composite index of input prices.	Stock brokerage charges, BEA orders, derived from volume data from the Securities and Exchange Commission and trade sources.	
Domestic services .....	CPI				

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI)	Other	Extrapolation	Direct valuation
<b>Personal consumption expenditures—</b> Continued	<b>Services—Continued:</b>				
	Insurance, private hospitals, religious activities, cable TV, utilities, and local transport.	Except as noted, CPI; private for-profit hospitals, PPI.	Life insurance and religious activities, BEA composite indexes of input prices; private nonprofit hospitals, composite index of input prices from the Health Care Financing Administration.	Auto insurance, premiums deflated by CPI; health insurance, benefits deflated by CPI.	
	Foreign travel by U.S. residents less expenditures in the United States by nonresidents.	Expenditures in the United States, CPI.	Foreign travel, BEA composite index of foreign consumer price indexes (exchange-rate adjusted).		
	Other services: Casino gambling, and parimutuel net receipts; other housing except hotels and motels; bridge, etc., tolls; other household operation except repairs and insurance; travel and entertainment card fees; stenographic and reproduction services; and money orders and classified advertising.	Except as noted, CPI.	.....	Parimutuel net receipts, gross winnings deflated by CPI.	
<b>Fixed investment</b>	<b>Nonresidential structures:</b>				
	Utilities .....	Gas and petroleum pipelines, PPI.	Telecommunications, cost index from trade source; railroads, BEA price index; other, cost indexes from government agencies and trade sources.		
	Mining exploration, shafts, and wells.	Casing, PPI .....	Exploration, cost index from trade source; mines, implicit price deflator for nonfarm nonresidential buildings.	Drilling, footage by geographic area from trade source.	
	Nonfarm buildings and structures.	.....	Buildings, BEA index based on cost index from trade source and on Census Bureau price deflator for single-family houses under construction; structures, cost indexes from government agencies.		
	Farm buildings .....	.....	Implicit price deflator for nonfarm nonresidential buildings.		

See footnotes at end of table.

**Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued**

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI)	Other	Extrapolation	Direct valuation
<b>Fixed investment—</b> Continued	<b>Nonresidential producers' durable equipment:</b>				
	Equipment, except autos, telephone and telegraph installation, and telephone switching equipment.	Domestic components, except as noted, PPI; imported transportation equipment, PPI.	Imported components, except computers and transportation equipment, Bureau of Labor Statistics import price indexes; domestic and imported computers, BEA price index, Bureau of Labor Statistics import price indexes, and PPI.		
	New and used autos .....	New autos, CPI.	.....	.....	Used autos, in two parts: (1) Margin, unit sales from trade sources with dealer margins from Census Bureau and trade sources; (2) net transactions, net change in unit stock of autos held by business by year of original sale, valued by depreciated original value in base-year dollars.
	Telephone and telegraph installation.	.....	BEA cost index.		
	Telephone switching equipment.	.....	BEA price index.		
	<b>Residential investment:</b>				
	Permanent-site new single-family housing units.	.....	Census Bureau price deflator for single-family houses under construction.		
	Permanent-site new multi-family housing units.	.....	BEA price index.		
	Mobile homes .....	PPI			
	Improvements .....	Major replacements, CPI.	Additions and alterations, BEA index based on Census Bureau price deflator for single-family houses under construction and CPI component.		
Brokers' commissions .....	.....	.....	Numbers of new and used houses sold from Census Bureau and trade sources.		
Producers' durable equipment.	CPI				

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI)	Other	Extrapolation	Direct valuation
<b>Change in business inventories</b>	Nonfarm: Purchased goods, all industries.	Except as noted, PPI.	Crude petroleum, index from the Energy Information Administration; computers, BEA price index, Bureau of Labor Statistics import price indexes, and PPI; imported goods purchased by trade industries, Bureau of Labor Statistics import price indexes.	.....	Quantities and prices of stocks of coal, petroleum, and natural gas for utilities from the Energy Information Administration.
	Nonfarm: Work-in-process and finished goods, manufacturing.	Except as noted, PPI; some overhead cost items, CPI.	BEA indexes of unit labor cost.		
	Farm .....	.....	Department of Agriculture average market prices..		
<b>Net exports of goods and services</b> <sup>2</sup>	Exports and imports of goods. <sup>2</sup>	Gold; transportation equipment; selected agricultural foods, feeds, and beverages; and selected imports of refined petroleum, PPI.	Bureau of Labor Statistics export and import price indexes; electric energy exports and imports, and petroleum imports, unit-value indexes based on Census Bureau values and quantities; computer and semiconductor exports, BEA price indexes and PPI; computer and semiconductor imports, BEA price indexes and Bureau of Labor Statistics import price indexes.		
	Exports and imports of services. <sup>2</sup>	Travel receipts, medical receipts, and students' expenditures, CPI; freight and port expenditures and telecommunications, PPI.	Military transfers and direct defense expenditures abroad, selected deflators for Federal national defense, except consumption of fixed capital (see below); passenger fares, Bureau of Labor Statistics export and import price indexes; travel payments and U.S. Government payments for miscellaneous services, BEA composite index of foreign consumer price indexes (exchange-rate adjusted); royalties and fees, and other private services, implicit price deflator for final sales to domestic purchasers.	Exports of financial services furnished without payment, <sup>1</sup> paid employee hours of relevant financial institutions.	

See footnotes at end of table.

**Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued**

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI)	Other	Extrapolation	Direct valuation
<b>Government consumption expenditures and gross investment</b>	Federal national defense consumption of general government fixed capital.	.....	.....	.....	Perpetual-inventory calculations, based on gross investment.
	Federal national defense, except consumption of general government fixed capital.	Selected goods, PPI; utilities and communications, CPI and PPI.	Some goods, some services, and most military structures, BEA indexes based on Department of Defense prices paid; some services, Bureau of Labor Statistics monthly earnings; computers, BEA price index, Bureau of Labor Statistics import price indexes, and PPI; non-military structures, cost indexes from trade sources and government agencies.	Military compensation, full-time equivalent employment by rank and length of service; civilian compensation, full-time equivalent employment by grade, adjusted for change from base year in hours worked.	Many goods, some services, and a few military structures, quantities and prices from Department of Defense reports; electricity and natural gas quantities from the Department of Energy.
	Federal nondefense consumption of general government fixed capital.	.....	.....	.....	Perpetual-inventory calculations, based on gross investment.
	Federal nondefense, except consumption of general government fixed capital.	Most goods, PPI; rent, utilities, and communications, CPI.	Structures, cost indexes from trade sources and government agencies; computers, BEA price index, Bureau of Labor Statistics import price indexes, and PPI; most services, Bureau of Labor Statistics monthly earnings.	Compensation, full-time equivalent employment by grade, adjusted for change from base year in hours worked; financial services furnished without payment, <sup>1</sup> paid employee hours of relevant financial institutions.	Net purchases of agricultural commodities by the Commodity Credit Corporation, quantities by crop from agency reports with Department of Agriculture prices; selected petroleum transactions, quantities and prices from the Department of Energy.
	State and local compensation of general government employees.	.....	.....	Employees in education, full-time equivalent employment by education and experience, adjusted for change from base year in hours worked; other employees, full-time equivalent employment, adjusted for change from base year in hours worked.	
	State and local structures.	.....	Cost indexes from trade sources and government agencies.		

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI)	Other	Extrapolation	Direct valuation
<b>Government consumption expenditures and gross investment—</b> Continued	State and local brokerage charges and financial services furnished without payment.	.....	See entries under personal consumption expenditures for services.		
	State and local consumption of general government fixed capital.	.....	.....	.....	Perpetual-inventory calculations, based on gross investment.
	State and local investment in equipment and consumption expenditures, except compensation, consumption of fixed capital, brokerage charges, and financial services furnished without payment.	Services, except as noted, and goods used in maintenance and repair, CPI; goods, except as noted, and electricity, PPI.	Transportation, books, and postal services, BEA indexes based on Department of Defense prices paid; computers, BEA price index, Bureau of Labor Statistics import price indexes, and PPI.		

1. Also referred to as "services furnished without payment by financial intermediaries, except life insurance carriers and private noninsured pension plans."

2. Estimates of real exports and imports of goods and services are prepared separately. Real receipts and payments of factor income from the rest of the world—the difference between GDP

and GNP—are prepared by deflation using the implicit price deflator for final sales to domestic purchasers except for imputed interest paid to nonresidents, which is prepared by extrapolation using paid employee hours of relevant institutions.



# National Data

## A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components; these estimates were released on February 27, 1998 and include the "preliminary" estimates for the fourth quarter of 1997 and for the year 1997.

The selected set of NIPA tables shown in this section presents quarterly estimates, which are updated monthly. In most tables, the annual estimates are also shown. Most of the "annual only" NIPA tables were presented in the August 1997 SURVEY OF CURRENT BUSINESS; tables 8.20–8.26 were presented in the September 1997 SURVEY; and the remaining "annual only" tables—tables 3.15–3.20 and 9.1–9.6—were presented in the October 1997 SURVEY.

The selected NIPA tables are available on printouts or diskettes from BEA. To order NIPA subscription products using Visa or MasterCard, call the BEA Order Desk at 1-800-704-0415 (outside the United States, 202-606-9666).

The news release on gross domestic product (GDP) is available at the time of release, and the selected NIPA tables are available later that day, on STAT-USA's Economic Bulletin Board and Internet services; for information, call STAT-USA ON 202-482-1986. In addition, the GDP news release is available the afternoon of the day of the release, and the selected NIPA tables are available about 2 weeks later (when the SURVEY is sent to the printer), on BEA's Internet site <<http://www.bea.doc.gov>>.

### 1. National Product and Income

**Table 1.1.—Gross Domestic Product**

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Gross domestic product</b>	<b>7,636.0</b>	<b>8,081.0</b>	<b>7,676.0</b>	<b>7,792.9</b>	<b>7,933.6</b>	<b>8,034.3</b>	<b>8,124.3</b>	<b>8,231.8</b>
<b>Personal consumption expenditures</b>	<b>5,207.6</b>	<b>5,488.1</b>	<b>5,227.4</b>	<b>5,308.1</b>	<b>5,405.7</b>	<b>5,432.1</b>	<b>5,527.4</b>	<b>5,587.2</b>
Durable goods	634.5	659.1	634.5	638.2	658.4	644.5	667.3	666.2
Nondurable goods	1,534.7	1,592.1	1,538.3	1,560.1	1,587.4	1,578.9	1,600.8	1,601.4
Services	3,038.4	3,236.9	3,054.6	3,109.8	3,159.9	3,208.7	3,259.3	3,319.6
<b>Gross private domestic investment</b>	<b>1,116.5</b>	<b>1,240.9</b>	<b>1,149.2</b>	<b>1,151.1</b>	<b>1,193.6</b>	<b>1,242.0</b>	<b>1,250.2</b>	<b>1,277.8</b>
Fixed investment	1,090.7	1,172.6	1,112.0	1,119.2	1,127.5	1,160.8	1,201.3	1,200.8
Nonresidential	781.4	845.4	798.6	807.2	811.3	836.3	872.0	861.9
Structures	215.2	229.9	217.7	227.0	227.4	226.8	232.9	232.5
Producers' durable equipment	566.2	615.5	580.9	580.2	583.9	609.5	639.1	629.4
Residential	309.2	327.2	313.5	312.0	316.2	324.6	329.3	338.9
Change in business inventories	25.9	68.3	37.1	31.9	66.1	81.1	48.9	77.0
<b>Net exports of goods and services</b>	<b>-94.8</b>	<b>-100.8</b>	<b>-114.0</b>	<b>-88.6</b>	<b>-98.8</b>	<b>-88.7</b>	<b>-111.3</b>	<b>-104.2</b>
Exports	870.9	958.0	863.7	904.6	922.2	960.3	965.8	983.8
Goods	617.5	686.5	609.7	640.5	656.2	690.0	691.1	708.7
Services	253.3	271.5	254.0	264.2	266.0	270.3	274.8	275.1
Imports	965.7	1,058.8	977.6	993.2	1,021.0	1,049.0	1,077.1	1,088.0
Goods	809.0	888.7	820.2	834.6	855.8	880.1	905.6	913.5
Services	156.7	170.0	157.5	158.6	165.2	168.9	171.6	174.5
<b>Government consumption expenditures and gross investment</b>	<b>1,406.7</b>	<b>1,452.7</b>	<b>1,413.5</b>	<b>1,422.3</b>	<b>1,433.1</b>	<b>1,449.0</b>	<b>1,457.9</b>	<b>1,470.9</b>
Federal	520.0	523.8	521.6	517.6	516.1	526.1	525.7	527.4
National defense	352.8	350.4	354.8	350.6	343.3	350.6	352.1	355.6
Nondefense	167.3	173.4	166.8	167.0	172.8	175.5	173.6	171.8
State and local	886.7	928.9	891.9	904.7	917.0	923.0	932.3	943.5

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.2.—Real Gross Domestic Product**

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Gross domestic product</b>	<b>6,928.4</b>	<b>7,189.6</b>	<b>6,943.8</b>	<b>7,017.4</b>	<b>7,101.6</b>	<b>7,159.6</b>	<b>7,214.0</b>	<b>7,283.3</b>
<b>Personal consumption expenditures</b>	<b>4,714.1</b>	<b>4,869.3</b>	<b>4,718.2</b>	<b>4,756.4</b>	<b>4,818.1</b>	<b>4,829.4</b>	<b>4,896.2</b>	<b>4,933.5</b>
Durable goods	611.1	645.5	611.9	617.1	637.8	629.0	656.1	658.9
Nondurable goods	1,432.3	1,458.8	1,433.9	1,441.2	1,457.8	1,450.0	1,465.5	1,461.9
Services	2,671.0	2,765.7	2,672.8	2,698.2	2,723.9	2,749.8	2,776.1	2,812.9
<b>Gross private domestic investment</b>	<b>1,069.1</b>	<b>1,195.7</b>	<b>1,100.3</b>	<b>1,104.8</b>	<b>1,149.2</b>	<b>1,197.1</b>	<b>1,204.6</b>	<b>1,231.8</b>
Fixed investment	1,041.7	1,122.2	1,060.9	1,068.7	1,079.0	1,111.4	1,149.3	1,149.2
Nonresidential	771.7	846.8	789.3	800.8	808.9	837.0	874.5	866.6
Structures	188.7	195.2	190.0	196.9	195.9	193.5	196.7	194.5
Producers' durable equipment	586.0	657.7	602.9	606.7	616.6	649.3	685.3	679.7
Residential	272.1	279.6	274.1	271.1	273.3	278.2	280.1	286.7
Change in business inventories	25.0	65.7	37.9	32.9	63.7	77.6	47.5	74.0
<b>Net exports of goods and services</b>	<b>-114.4</b>	<b>-146.4</b>	<b>-138.9</b>	<b>-105.6</b>	<b>-126.3</b>	<b>-136.6</b>	<b>-164.1</b>	<b>-158.5</b>
Exports	857.0	963.6	851.4	901.1	922.7	962.5	973.0	996.4
Goods	628.4	725.2	623.0	666.2	686.2	725.8	731.8	757.0
Services	229.9	242.3	229.4	236.8	238.9	240.8	245.0	244.5
Imports	971.5	1,110.0	990.2	1,006.6	1,048.9	1,099.1	1,137.1	1,154.9
Goods	823.1	947.7	841.7	857.5	891.3	938.4	972.7	988.4
Services	149.0	163.5	149.3	150.0	158.4	161.8	165.8	168.0
<b>Government consumption expenditures and gross investment</b>	<b>1,257.9</b>	<b>1,269.7</b>	<b>1,261.5</b>	<b>1,261.8</b>	<b>1,260.5</b>	<b>1,270.1</b>	<b>1,273.4</b>	<b>1,274.7</b>
Federal	464.2	457.0	465.7	459.6	452.8	460.1	458.8	456.4
National defense	317.8	308.7	319.4	313.6	303.9	309.4	310.3	311.3
Nondefense	146.1	147.9	146.0	145.7	148.5	150.2	148.0	144.8
State and local	793.7	812.7	795.9	802.3	807.7	810.1	814.7	818.3
Residual	-1.6	-4.2	-2.4	-3.8	-2.9	-3.9	-4.6	-4.8

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Percent changes from preceding period for selected items in this table are shown in table 8.1; contributions to the percent change in real gross domestic product are shown in table 8.2.

**Table 1.3.—Gross Domestic Product by Major Type of Product**

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Gross domestic product</b>	<b>7,636.0</b>	<b>8,081.0</b>	<b>7,676.0</b>	<b>7,792.9</b>	<b>7,933.6</b>	<b>8,034.3</b>	<b>8,124.3</b>	<b>8,231.8</b>
Final sales of domestic product	7,610.2	8,012.7	7,638.9	7,761.0	7,867.4	7,953.2	8,075.3	8,154.7
Change in business inventories	25.9	68.3	37.1	31.9	66.1	81.1	48.9	77.0
<b>Goods</b>	<b>2,785.2</b>	<b>2,943.7</b>	<b>2,797.8</b>	<b>2,826.9</b>	<b>2,904.6</b>	<b>2,936.0</b>	<b>2,952.1</b>	<b>2,982.3</b>
Final sales	2,759.3	2,875.4	2,760.7	2,795.0	2,838.4	2,854.9	2,903.2	2,905.2
Change in business inventories	25.9	68.3	37.1	31.9	66.1	81.1	48.9	77.0
Durable goods	1,228.9	1,315.4	1,249.5	1,232.4	1,279.8	1,322.1	1,323.9	1,335.9
Final sales	1,212.0	1,283.0	1,216.3	1,233.5	1,248.0	1,275.3	1,305.3	1,303.5
Change in business inventories	16.9	32.4	33.3	-1.1	31.8	46.8	18.6	32.5
Nondurable goods	1,556.3	1,628.3	1,548.3	1,594.5	1,624.7	1,613.9	1,628.2	1,646.3
Final sales	1,547.3	1,592.4	1,544.4	1,561.5	1,590.4	1,579.6	1,597.9	1,601.7
Change in business inventories	9.0	35.9	3.9	33.0	34.3	34.4	30.3	44.6
<b>Services</b>	<b>4,187.3</b>	<b>4,433.1</b>	<b>4,208.1</b>	<b>4,282.7</b>	<b>4,338.2</b>	<b>4,400.1</b>	<b>4,462.3</b>	<b>4,531.9</b>
<b>Structures</b>	<b>663.6</b>	<b>704.1</b>	<b>670.1</b>	<b>683.3</b>	<b>690.8</b>	<b>698.2</b>	<b>709.8</b>	<b>717.6</b>
<b>Addenda:</b>								
Motor vehicle output	271.4	284.3	278.7	267.2	281.4	270.4	287.4	298.1
Gross domestic product less motor vehicle output	7,364.7	7,796.7	7,397.3	7,525.8	7,652.2	7,764.0	7,836.9	7,933.7

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.4.—Real Gross Domestic Product by Major Type of Product**

(Billions of chained (1992) dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Gross domestic product</b>	<b>6,928.4</b>	<b>7,189.6</b>	<b>6,943.8</b>	<b>7,017.4</b>	<b>7,101.6</b>	<b>7,159.6</b>	<b>7,214.0</b>	<b>7,283.3</b>
Final sales of domestic product	6,901.0	7,119.2	6,905.0	6,981.7	7,034.1	7,077.7	7,160.3	7,204.5
Change in business inventories	25.0	65.7	37.9	32.9	63.7	77.6	47.5	74.0
Residual	2.4	4.7	.9	2.8	3.8	4.3	6.2	4.8
<b>Goods</b>	<b>2,662.6</b>	<b>2,807.2</b>	<b>2,673.1</b>	<b>2,704.1</b>	<b>2,769.3</b>	<b>2,796.7</b>	<b>2,815.4</b>	<b>2,847.6</b>
Final sales	2,635.5	2,734.5	2,634.0	2,668.4	2,699.6	2,711.8	2,760.7	2,766.0
Change in business inventories	25.0	65.7	37.9	32.9	63.7	77.6	47.5	74.0
Durable goods	1,222.1	1,324.9	1,244.0	1,228.5	1,277.0	1,327.5	1,338.4	1,356.8
Final sales	1,205.8	1,293.1	1,211.4	1,230.1	1,245.8	1,281.4	1,320.4	1,324.7
Change in business inventories	15.9	30.4	31.3	-9	29.9	43.8	17.5	30.7
Nondurable goods	1,443.7	1,488.8	1,433.5	1,477.9	1,496.1	1,476.2	1,484.3	1,498.5
Final sales	1,433.2	1,448.7	1,426.5	1,442.6	1,458.3	1,437.5	1,449.0	1,450.2
Change in business inventories	9.1	35.2	6.6	33.8	33.8	33.8	30.1	43.3
<b>Services</b>	<b>3,686.6</b>	<b>3,791.0</b>	<b>3,689.0</b>	<b>3,723.9</b>	<b>3,743.9</b>	<b>3,774.4</b>	<b>3,804.8</b>	<b>3,840.8</b>
<b>Structures</b>	<b>582.2</b>	<b>598.5</b>	<b>585.0</b>	<b>592.9</b>	<b>595.1</b>	<b>595.7</b>	<b>600.7</b>	<b>602.5</b>
Residual	-4.4	-7.3	-6.0	-5.0	-5.2	-7.0	-8.5	-8.9
<b>Addenda:</b>								
Motor vehicle output	241.3	252.1	246.8	236.5	247.5	240.6	254.0	266.1
Gross domestic product less motor vehicle output	6,687.1	6,937.7	6,696.8	6,781.0	6,854.1	6,919.1	6,960.1	7,017.3

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line following change in business inventories is the difference between gross domestic product and the sum of final sales of domestic product and of change in business inventories; the residual line following structures is the difference between gross domestic product and the sum of the detailed lines of goods, of services, and of structures.

Percent changes from preceding period for selected items in this table are shown in table 8.1

**Table 1.5.—Relation of Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers**

(Billions of dollars)

<b>Gross domestic product</b>	<b>7,636.0</b>	<b>8,081.0</b>	<b>7,676.0</b>	<b>7,792.9</b>	<b>7,933.6</b>	<b>8,034.3</b>	<b>8,124.3</b>	<b>8,231.8</b>
Less: Exports of goods and services	870.9	958.0	863.7	904.6	922.2	960.3	965.8	983.8
Plus: Imports of goods and services	965.7	1,058.8	977.6	993.2	1,021.0	1,049.0	1,077.1	1,088.0
<b>Equals: Gross domestic purchases</b>	<b>7,730.9</b>	<b>8,181.8</b>	<b>7,790.0</b>	<b>7,881.5</b>	<b>8,032.4</b>	<b>8,123.1</b>	<b>8,235.6</b>	<b>8,335.9</b>
Less: Change in business inventories	25.9	68.3	37.1	31.9	66.1	81.1	48.9	77.0
<b>Equals: Final sales to domestic purchasers</b>	<b>7,705.0</b>	<b>8,113.4</b>	<b>7,752.8</b>	<b>7,849.6</b>	<b>7,966.3</b>	<b>8,042.0</b>	<b>8,186.6</b>	<b>8,258.9</b>

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.6.—Relation of Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers**

(Billions of chained (1992) dollars)

<b>Gross domestic product</b>	<b>6,928.4</b>	<b>7,189.6</b>	<b>6,943.8</b>	<b>7,017.4</b>	<b>7,101.6</b>	<b>7,159.6</b>	<b>7,214.0</b>	<b>7,283.3</b>
Less: Exports of goods and services	857.0	963.6	851.4	901.1	922.7	962.5	973.0	996.4
Plus: Imports of goods and services	971.5	1,110.0	990.2	1,006.6	1,048.9	1,099.1	1,137.1	1,154.9
<b>Equals: Gross domestic purchases</b>	<b>7,037.7</b>	<b>7,325.3</b>	<b>7,075.3</b>	<b>7,118.4</b>	<b>7,220.9</b>	<b>7,286.9</b>	<b>7,364.6</b>	<b>7,428.7</b>
Less: Change in business inventories	25.0	65.7	37.9	32.9	63.7	77.6	47.5	74.0
<b>Equals: Final sales to domestic purchasers</b>	<b>7,010.2</b>	<b>7,254.6</b>	<b>7,036.4</b>	<b>7,082.7</b>	<b>7,153.1</b>	<b>7,204.7</b>	<b>7,310.9</b>	<b>7,349.7</b>

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.7.—Gross Domestic Product by Sector**

(Billions of dollars)

<b>Gross domestic product</b>	<b>7,636.0</b>	<b>8,081.0</b>	<b>7,676.0</b>	<b>7,792.9</b>	<b>7,933.6</b>	<b>8,034.3</b>	<b>8,124.3</b>	<b>8,231.8</b>
<b>Business</b> <sup>1</sup>	<b>6,401.0</b>	<b>6,795.1</b>	<b>6,434.2</b>	<b>6,543.1</b>	<b>6,666.5</b>	<b>6,755.0</b>	<b>6,831.8</b>	<b>6,927.0</b>
Nonfarm <sup>1</sup>	6,311.6	6,700.5	6,341.7	6,450.0	6,573.1	6,657.9	6,736.8	6,834.1
Nonfarm less housing	5,652.8	6,011.2	5,677.3	5,777.1	5,892.5	5,971.0	6,044.2	6,137.1
Housing	658.8	689.3	664.4	673.0	680.6	686.8	692.7	697.0
Farm	89.4	94.6	92.5	93.0	93.4	97.1	95.0	92.9
<b>Households and institutions</b>	<b>346.0</b>	<b>366.3</b>	<b>347.9</b>	<b>352.0</b>	<b>357.7</b>	<b>363.6</b>	<b>369.3</b>	<b>374.8</b>
Private households	11.5	11.4	11.4	11.1	11.1	11.3	11.4	11.6
Nonprofit institutions	334.6	355.0	336.6	341.0	346.6	352.3	357.9	363.2
<b>General government</b> <sup>2</sup>	<b>889.0</b>	<b>919.6</b>	<b>893.9</b>	<b>897.8</b>	<b>909.4</b>	<b>915.8</b>	<b>923.2</b>	<b>929.9</b>
Federal	281.4	285.8	282.1	281.1	286.2	286.2	286.1	285.0
State and local	607.6	633.7	611.8	616.7	623.3	629.6	637.1	645.0

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Nonfarm product equals gross domestic business product less gross farm product.  
2. Equals compensation of general government employees plus general government consumption of fixed capital as shown in table 3.7.

**Table 1.8.—Real Gross Domestic Product by Sector**

(Billions of chained (1992) dollars)

<b>Gross domestic product</b>	<b>6,928.4</b>	<b>7,189.6</b>	<b>6,943.8</b>	<b>7,017.4</b>	<b>7,101.6</b>	<b>7,159.6</b>	<b>7,214.0</b>	<b>7,283.3</b>
<b>Business</b> <sup>1</sup>	<b>5,842.9</b>	<b>6,092.8</b>	<b>5,854.9</b>	<b>5,928.5</b>	<b>6,009.6</b>	<b>6,064.4</b>	<b>6,114.4</b>	<b>6,183.0</b>
Nonfarm <sup>1</sup>	5,766.8	6,012.5	5,779.8	5,853.3	5,929.7	5,983.2	6,034.0	6,103.2
Nonfarm less housing	5,181.4	5,418.1	5,191.3	5,261.3	5,335.3	5,388.2	5,439.2	5,509.6
Housing	585.7	595.3	588.7	592.3	594.9	595.6	595.7	594.8
Farm	75.5	79.5	74.6	74.7	79.0	80.4	79.6	79.1
<b>Households and institutions</b>	<b>311.2</b>	<b>320.5</b>	<b>312.5</b>	<b>314.4</b>	<b>316.9</b>	<b>319.2</b>	<b>321.7</b>	<b>324.3</b>
Private households	10.1	9.6	10.0	9.6	9.6	9.6	9.7	9.7
Nonprofit institutions	301.1	310.9	302.5	304.8	307.4	309.6	312.1	314.6
<b>General government</b> <sup>2</sup>	<b>775.9</b>	<b>779.3</b>	<b>778.1</b>	<b>776.6</b>	<b>777.7</b>	<b>778.8</b>	<b>781.1</b>	<b>779.7</b>
Federal	240.9	236.0	241.3	238.9	238.2	237.1	236.3	232.5
State and local	535.2	543.7	537.0	537.9	539.9	542.1	545.2	547.8
Residual	-1.5	-3.5	-1.6	-2.1	-2.7	-3.0	-3.8	-4.8

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Nonfarm product equals gross domestic business product less gross farm product.  
2. Equals compensation of general government employees plus general government consumption of fixed capital as shown in table 3.8.  
NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 1.9.—Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>7,636.0</b>	<b>8,081.0</b>	<b>7,676.0</b>	<b>7,792.9</b>	<b>7,933.6</b>	<b>8,034.3</b>	<b>8,124.3</b>	<b>8,231.8</b>
Plus: Receipts of factor income from the rest of the world .....	234.3	.....	235.4	248.8	248.2	261.6	269.4	.....
Less: Payments of factor income to the rest of the world .....	232.6	.....	242.3	245.6	262.5	282.3	290.1	.....
<b>Equals: Gross national product</b> .....	<b>7,637.7</b>	.....	<b>7,669.1</b>	<b>7,796.1</b>	<b>7,919.2</b>	<b>8,013.6</b>	<b>8,103.5</b>	.....
Less: Consumption of fixed capital .....	830.1	867.9	835.4	845.6	855.0	863.0	871.6	881.8
Private .....	682.7	716.8	687.7	697.2	705.4	712.3	720.3	729.2
Capital consumption allowances .....	709.9	750.4	715.4	725.3	736.6	745.9	754.3	764.8
Less: Capital consumption adjustment .....	27.1	33.6	27.8	28.1	31.2	33.6	34.0	35.7
Government .....	147.4	151.1	147.8	148.4	149.6	150.6	151.3	152.6
General government .....	125.1	127.8	125.4	125.8	126.8	127.4	128.0	129.0
Government enterprises .....	22.3	23.3	22.4	22.6	22.9	23.3	23.4	23.6
<b>Equals: Net national product</b> .....	<b>6,807.6</b>	.....	<b>6,833.6</b>	<b>6,950.4</b>	<b>7,064.2</b>	<b>7,150.7</b>	<b>7,231.9</b>	.....
Less: Indirect business tax and nontax liability .....	604.8	619.4	600.9	625.3	610.2	616.2	625.4	625.8
Business transfer payments .....	33.6	35.4	33.8	34.2	34.4	35.0	35.9	36.2
Statistical discrepancy .....	-59.9	.....	-79.5	-59.5	-64.3	-73.5	-103.2	.....
Plus: Subsidies less current surplus of government enterprises .....	25.4	26.1	24.9	26.0	26.1	26.0	25.8	26.7
<b>Equals: National income</b> .....	<b>6,254.5</b>	.....	<b>6,303.3</b>	<b>6,376.5</b>	<b>6,510.0</b>	<b>6,599.0</b>	<b>6,699.6</b>	.....
Less: Corporate profits with inventory valuation and capital consumption adjustments .....	735.9	.....	739.6	747.8	779.6	795.1	827.3	.....
Net interest .....	425.1	.....	430.9	430.6	440.5	448.1	451.8	.....
Contributions for social insurance .....	692.0	732.1	696.8	705.1	719.5	726.9	735.0	746.9
Wage accruals less disbursements .....	1.1	1.2	1.1	1.1	1.2	1.2	1.2	1.2
Plus: Personal interest income .....	735.7	768.8	742.7	749.8	757.2	766.1	772.6	779.3
Personal dividend income .....	291.2	321.5	292.0	295.2	312.5	318.3	324.5	330.7
Government transfer payments to persons .....	1,042.0	1,094.0	1,046.3	1,055.1	1,080.5	1,090.0	1,098.4	1,107.2
Business transfer payments to persons .....	26.0	27.1	26.1	26.4	26.7	26.9	27.2	27.5
<b>Equals: Personal income</b> .....	<b>6,495.2</b>	<b>6,874.2</b>	<b>6,541.9</b>	<b>6,618.4</b>	<b>6,746.2</b>	<b>6,829.1</b>	<b>6,906.9</b>	<b>7,014.6</b>
<b>Addenda:</b>								
Gross domestic income .....	7,695.9	.....	7,755.5	7,852.4	7,997.9	8,107.9	8,227.4	.....
Gross national income .....	7,697.6	.....	7,748.5	7,855.5	7,983.6	8,087.2	8,206.7	.....
Net domestic product .....	6,805.9	7,213.1	6,840.6	6,947.3	7,078.5	7,171.4	7,252.6	7,350.0

Table 1.10.—Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>6,928.4</b>	<b>7,189.6</b>	<b>6,943.8</b>	<b>7,017.4</b>	<b>7,101.6</b>	<b>7,159.6</b>	<b>7,214.0</b>	<b>7,283.3</b>
Plus: Receipts of factor income from the rest of the world .....	214.2	.....	214.8	226.0	224.6	236.3	242.5	.....
Less: Payments of factor income to the rest of the world .....	210.2	.....	218.1	219.8	234.0	250.8	256.9	.....
<b>Equals: Gross national product</b> .....	<b>6,932.0</b>	.....	<b>6,940.2</b>	<b>7,023.1</b>	<b>7,091.8</b>	<b>7,144.4</b>	<b>7,198.8</b>	.....
Less: Consumption of fixed capital .....	776.4	807.3	779.8	786.7	797.3	806.5	816.0	809.5
Private .....	642.4	672.2	645.7	652.2	662.6	671.5	680.8	674.0
Government .....	134.2	135.4	134.3	134.6	135.0	135.3	135.6	135.8
General government .....	114.1	114.9	114.2	114.4	114.6	114.8	115.0	115.1
Government enterprises .....	20.0	20.5	20.1	20.2	20.3	20.4	20.6	20.7
<b>Equals: Net national product</b> .....	<b>6,155.6</b>	.....	<b>6,160.4</b>	<b>6,236.4</b>	<b>6,294.5</b>	<b>6,338.2</b>	<b>6,383.3</b>	.....
<b>Addenda:</b>								
Gross domestic income <sup>1</sup> .....	6,982.7	.....	7,015.7	7,070.9	7,159.2	7,225.2	7,305.6	.....
Gross national income <sup>2</sup> .....	6,986.3	.....	7,012.1	7,076.7	7,149.4	7,210.0	7,290.5	.....
Net domestic product .....	6,151.9	6,382.4	6,164.0	6,230.7	6,304.4	6,353.3	6,398.3	6,473.5

1. Gross domestic income deflated by the implicit price deflator for gross domestic product.

2. Gross national income deflated by the implicit price deflator for gross national product.

NOTE.—Except as noted in footnotes 1 and 2, chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Table 1.11.—Command-Basis Real Gross National Product

[Billions of chained (1992) dollars]

<b>Gross national product</b> .....	<b>6,932.0</b>	.....	<b>6,940.2</b>	<b>7,023.1</b>	<b>7,091.8</b>	<b>7,144.4</b>	<b>7,198.8</b>	.....
Less: Exports of goods and services and receipts of factor income from the rest of the world .....	1,071.7	.....	1,066.8	1,127.6	1,147.3	1,198.9	1,216.0	.....
Plus: Command-basis exports of goods and services and receipts of factor income <sup>1</sup> .....	1,091.1	.....	1,090.2	1,143.4	1,171.9	1,241.7	1,261.9	.....
<b>Equals: Command-basis gross national product</b> .....	<b>6,951.4</b>	.....	<b>6,963.6</b>	<b>7,038.9</b>	<b>7,116.4</b>	<b>7,187.2</b>	<b>7,244.8</b>	.....
<b>Addendum:</b>								
Terms of trade <sup>2</sup> .....	101.8	.....	102.2	101.4	102.1	103.6	103.8	.....

1. Exports of goods and services and receipts of factor income deflated by the implicit price deflator for imports of goods and services and payments of factor income.

2. Ratio of the implicit price deflator for exports of goods and services and receipts of factor income to the corresponding implicit price deflator for imports with the decimal point shifted two places to the right.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 1.14.—National Income by Type of Income

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>National income</b> .....	<b>6,254.5</b>		<b>6,303.3</b>	<b>6,376.5</b>	<b>6,510.0</b>	<b>6,599.0</b>	<b>6,699.6</b>	
<b>Compensation of employees</b> ...	<b>4,426.9</b>	<b>4,703.5</b>	<b>4,461.0</b>	<b>4,520.7</b>	<b>4,606.3</b>	<b>4,663.4</b>	<b>4,725.2</b>	<b>4,819.2</b>
Wage and salary accruals .....	3,633.6	3,878.5	3,664.0	3,718.0	3,792.7	3,842.7	3,897.3	3,981.2
Government .....	642.6	665.3	645.5	648.9	657.8	662.0	667.7	673.8
Other .....	2,991.0	3,213.2	3,018.4	3,069.0	3,134.9	3,180.8	3,229.6	3,307.4
Supplements to wages and salaries .....	793.3	825.0	797.0	802.7	813.6	820.7	827.9	837.9
Employer contributions for social insurance .....	385.7	408.4	388.6	393.6	401.3	405.6	410.2	416.6
Other labor income .....	407.6	416.6	408.4	409.1	412.3	415.1	417.7	421.4
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	<b>520.3</b>	<b>544.5</b>	<b>523.8</b>	<b>528.3</b>	<b>534.6</b>	<b>543.6</b>	<b>547.2</b>	<b>552.5</b>
Farm .....	37.2	40.7	40.1	40.4	40.2	43.6	40.9	38.2
Proprietors' income with inventory valuation adjustment .....	45.0	48.3	47.9	48.1	47.9	51.2	48.5	45.7
Capital consumption adjustment .....	-7.8	-7.6	-7.8	-7.8	-7.7	-7.6	-7.5	-7.5
Nonfarm .....	483.1	503.7	483.7	487.9	494.4	500.0	506.3	514.2
Proprietors' income .....	455.3	474.5	456.1	460.0	466.3	470.8	477.0	483.9
Inventory valuation adjustment .....	-2	.3	-1	.3	-1	.6	.2	.5
Capital consumption adjustment .....	28.0	28.9	27.8	27.5	28.1	28.7	29.1	29.8
<b>Rental income of persons with capital consumption adjustment</b> .....	<b>146.3</b>	<b>148.0</b>	<b>148.0</b>	<b>149.2</b>	<b>149.0</b>	<b>148.7</b>	<b>148.0</b>	<b>146.4</b>
Rental income of persons .....	193.3	197.5	195.5	197.3	197.9	197.6	197.7	196.6
Capital consumption adjustment .....	-47.0	-49.4	-47.5	-48.1	-48.9	-48.9	-49.7	-50.1
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>735.9</b>		<b>739.6</b>	<b>747.8</b>	<b>779.6</b>	<b>795.1</b>	<b>827.3</b>	
Corporate profits with inventory valuation adjustment .....	674.1		676.4	683.4	711.9	725.7	757.1	
Profits before tax .....	676.6		679.1	680.0	708.4	719.8	753.4	
Profits tax liability .....	229.0		231.6	226.0	241.2	244.5	258.2	
Profits after tax .....	447.6		447.5	454.0	467.2	475.3	495.2	
Dividends .....	304.8	336.1	305.7	309.1	326.8	333.0	339.1	345.6
Undistributed profits .....	142.8		141.8	144.9	140.3	142.3	156.1	
Inventory valuation adjustment .....	-2.5	5.7	-2.7	3.3	3.5	5.9	3.6	9.6
Capital consumption adjustment .....	61.8	69.8	63.2	64.4	67.7	69.4	70.3	71.6
<b>Net interest</b> .....	<b>425.1</b>		<b>430.9</b>	<b>430.6</b>	<b>440.5</b>	<b>448.1</b>	<b>451.8</b>	
<b>Addenda:</b>								
Corporate profits after tax with inventory valuation and capital consumption adjustments .....	506.9		508.0	521.8	538.4	550.6	569.1	
Net cash flow with inventory valuation and capital consumption adjustments .....	654.3		657.8	674.6	678.9	690.2	707.9	
Undistributed profits with inventory valuation and capital consumption adjustments .....	202.1		202.3	212.6	211.5	217.6	230.0	
Consumption of fixed capital .....	452.3	475.6	455.5	462.0	467.4	472.6	478.0	484.5
Less: Inventory valuation adjustment .....	-2.5	5.7	-2.7	3.3	3.5	5.9	3.6	9.6
<b>Equals: Net cash flow</b> .....	<b>656.8</b>		<b>660.5</b>	<b>671.3</b>	<b>675.5</b>	<b>684.4</b>	<b>704.3</b>	

Table 1.16.—Gross Domestic Product of Corporate Business in Current Dollars and Gross Domestic Product of Nonfinancial Corporate Business in Current and Chained Dollars

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
Billions of dollars								
<b>Gross domestic product of corporate business</b> .....	<b>4,624.9</b>		<b>4,661.0</b>	<b>4,733.2</b>	<b>4,824.8</b>	<b>4,897.2</b>	<b>4,989.2</b>	
Consumption of fixed capital .....	452.3	475.6	455.5	462.0	467.4	472.6	478.0	484.5
Net domestic product .....	4,172.6		4,205.5	4,271.2	4,357.4	4,424.6	4,511.3	
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	463.9	476.6	460.9	485.0	465.9	474.4	483.1	483.0
Domestic income .....	3,708.7		3,744.6	3,786.2	3,891.5	3,950.2	4,028.2	
Compensation of employees .....	2,926.7	3,127.2	2,951.4	2,997.9	3,056.5	3,098.2	3,142.3	3,211.9
Wage and salary accruals .....	2,433.5	2,614.3	2,456.3	2,500.7	2,550.7	2,588.0	2,627.6	2,691.0
Supplements to wages and salaries .....	493.2	512.9	495.1	497.3	505.8	510.2	514.7	520.9
Corporate profits with inventory valuation and capital consumption adjustments .....	640.0		647.8	640.3	682.2	694.4	727.5	
Profits before tax .....	580.7		587.4	572.5	611.0	619.1	653.5	
Profits tax liability .....	229.0		231.6	226.0	241.2	244.5	258.2	
Profits after tax .....	351.6		355.7	346.5	369.8	374.5	395.3	
Dividends .....	270.8		265.6	281.6	292.7	293.6	292.0	
Undistributed profits .....	80.8		90.1	64.9	77.1	80.9	103.3	
Inventory valuation adjustment .....	-2.5	5.7	-2.7	3.3	3.5	5.9	3.6	9.6
Capital consumption adjustment .....	61.8	69.8	63.2	64.4	67.7	69.4	70.3	71.6
Net interest .....	142.1		145.4	148.0	152.8	157.6	158.4	
<b>Gross domestic product of financial corporate business</b> .....	<b>492.5</b>		<b>495.2</b>	<b>513.2</b>	<b>525.1</b>	<b>536.1</b>	<b>543.0</b>	
<b>Gross domestic product of nonfinancial corporate business</b> .....	<b>4,132.4</b>		<b>4,165.8</b>	<b>4,220.1</b>	<b>4,299.7</b>	<b>4,361.1</b>	<b>4,446.3</b>	
Consumption of fixed capital .....	393.4	413.3	396.2	401.8	406.3	410.7	415.3	420.8
Net domestic product .....	3,739.0		3,769.7	3,818.3	3,893.4	3,950.4	4,031.0	
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	421.8	439.9	423.7	430.0	432.2	437.0	445.3	444.9
Domestic income .....	3,317.2		3,345.9	3,388.3	3,461.2	3,513.3	3,585.7	
Compensation of employees .....	2,682.9	2,866.7	2,704.7	2,745.3	2,801.9	2,840.1	2,880.6	2,944.3
Wage and salary accruals .....	2,228.6	2,394.1	2,248.7	2,287.5	2,335.8	2,370.0	2,406.3	2,464.3
Supplements to wages and salaries .....	454.4	472.6	456.0	457.8	466.0	470.1	474.2	480.0
Corporate profits with inventory valuation and capital consumption adjustments .....	545.8		553.3	561.7	575.4	586.7	618.2	
Profits before tax .....	477.2		483.4	484.4	494.5	501.5	534.2	
Profits tax liability .....	154.8		156.8	159.0	159.4	161.8	174.1	
Profits after tax .....	322.4		326.6	325.5	335.1	339.8	360.1	
Dividends .....	196.4		191.8	199.4	207.0	208.1	207.7	
Undistributed profits .....	126.0		134.8	126.1	128.2	131.7	152.4	
Inventory valuation adjustment .....	-2.5	5.7	-2.7	3.3	3.5	5.9	3.6	9.6
Capital consumption adjustment .....	71.1	79.7	72.6	74.0	77.4	79.3	80.4	81.8
Net interest .....	88.5		88.0	81.3	83.9	86.6	87.0	
Billions of chained (1992) dollars								
<b>Gross domestic product of nonfinancial corporate business</b> <sup>1</sup> .....	<b>3,887.8</b>		<b>3,913.7</b>	<b>3,963.5</b>	<b>4,022.2</b>	<b>4,068.9</b>	<b>4,146.5</b>	
Consumption of fixed capital <sup>2</sup> .....	374.4	402.7	376.6	381.7	396.0	402.2	408.2	404.2
Net domestic product <sup>3</sup> .....	3,513.5		3,537.1	3,581.8	3,626.2	3,666.7	3,738.3	

1. Chained-dollar gross domestic product of nonfinancial corporate business equals the current-dollar product deflated by the implicit price deflator for goods and structures in gross domestic product.  
 2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100.  
 3. Chained-dollar net domestic product of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.

## 2. Personal Income and Outlays

Table 2.1.—Personal Income and Its Disposition

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Personal income</b> .....	<b>6,495.2</b>	<b>6,874.2</b>	<b>6,541.9</b>	<b>6,618.4</b>	<b>6,746.2</b>	<b>6,829.1</b>	<b>6,906.9</b>	<b>7,014.6</b>
<b>Wage and salary disbursements</b> .....	<b>3,632.5</b>	<b>3,877.3</b>	<b>3,662.8</b>	<b>3,716.9</b>	<b>3,791.5</b>	<b>3,841.6</b>	<b>3,896.1</b>	<b>3,980.1</b>
Private industries .....	2,989.9	3,212.0	3,017.3	3,067.9	3,133.7	3,179.6	3,228.4	3,306.3
Goods-producing industries .....	909.1	960.2	917.2	927.8	942.9	952.8	961.4	983.9
Manufacturing .....	674.7	705.9	680.1	685.6	694.1	700.3	706.0	723.4
Distributive industries .....	823.3	876.2	829.0	840.6	856.8	867.0	880.8	900.4
Service industries .....	1,257.5	1,375.5	1,271.1	1,299.5	1,334.1	1,359.8	1,386.3	1,421.9
Government .....	642.6	665.3	645.5	648.9	657.8	662.0	667.7	673.8
<b>Other labor income</b> .....	<b>407.6</b>	<b>416.6</b>	<b>408.4</b>	<b>409.1</b>	<b>412.3</b>	<b>415.1</b>	<b>417.7</b>	<b>421.4</b>
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	<b>520.3</b>	<b>544.5</b>	<b>523.8</b>	<b>528.3</b>	<b>534.6</b>	<b>543.6</b>	<b>547.2</b>	<b>552.5</b>
Farm .....	37.2	40.7	40.1	40.4	40.2	43.6	40.9	38.2
Nonfarm .....	483.1	503.7	483.7	487.9	494.4	500.0	506.3	514.2
<b>Rental income of persons with capital consumption adjustment</b> .....	<b>146.3</b>	<b>148.0</b>	<b>148.0</b>	<b>149.2</b>	<b>149.0</b>	<b>148.7</b>	<b>148.0</b>	<b>146.4</b>
<b>Personal dividend income</b> .....	<b>291.2</b>	<b>321.5</b>	<b>292.0</b>	<b>295.2</b>	<b>312.5</b>	<b>318.3</b>	<b>324.5</b>	<b>330.7</b>
<b>Personal interest income</b> .....	<b>735.7</b>	<b>768.8</b>	<b>742.7</b>	<b>749.8</b>	<b>757.2</b>	<b>766.1</b>	<b>772.6</b>	<b>779.3</b>
<b>Transfer payments to persons</b> .....	<b>1,068.0</b>	<b>1,121.1</b>	<b>1,072.4</b>	<b>1,081.5</b>	<b>1,107.2</b>	<b>1,117.0</b>	<b>1,125.7</b>	<b>1,134.7</b>
Old-age, survivors, disability, and health insurance benefits .....	537.6	566.7	540.0	545.6	558.9	564.4	569.4	574.1
Government unemployment insurance benefits .....	22.0	21.7	21.3	21.6	22.1	21.9	21.6	21.4
Veterans benefits .....	21.6	22.4	21.7	21.4	22.4	22.4	22.5	22.3
Government employees retirement benefits .....	142.5	153.4	143.7	145.9	150.4	152.7	154.2	156.3
Other transfer payments .....	344.2	356.9	345.7	347.0	353.5	355.6	358.0	360.5
Family assistance <sup>1</sup> .....	21.7	18.8	21.6	20.7	19.7	19.0	18.2	18.1
Other .....	322.5	338.1	324.2	326.2	333.8	336.6	339.8	342.4
<b>Less: Personal contributions for social insurance</b> .....	<b>306.3</b>	<b>323.7</b>	<b>308.2</b>	<b>311.5</b>	<b>318.2</b>	<b>321.3</b>	<b>324.8</b>	<b>330.4</b>
<b>Less: Personal tax and nontax payments</b> .....	<b>886.9</b>	<b>988.7</b>	<b>897.3</b>	<b>922.6</b>	<b>955.7</b>	<b>979.2</b>	<b>998.0</b>	<b>1,021.8</b>
<b>Equals: Disposable personal income</b> .....	<b>5,608.3</b>	<b>5,885.5</b>	<b>5,644.6</b>	<b>5,695.8</b>	<b>5,790.5</b>	<b>5,849.9</b>	<b>5,908.9</b>	<b>5,992.8</b>
<b>Less: Personal outlays</b> .....	<b>5,368.8</b>	<b>5,660.8</b>	<b>5,390.6</b>	<b>5,475.4</b>	<b>5,574.6</b>	<b>5,602.8</b>	<b>5,700.8</b>	<b>5,764.9</b>
Personal consumption expenditures .....	5,207.6	5,488.1	5,227.4	5,308.1	5,405.7	5,432.1	5,527.4	5,587.2
Interest paid by persons .....	145.2	154.8	147.4	150.5	151.9	153.1	155.1	159.2
Personal transfer payments to the rest of the world (net) .....	15.9	17.9	15.9	16.7	17.0	17.6	18.2	18.5
<b>Equals: Personal saving</b> .....	<b>239.6</b>	<b>224.7</b>	<b>254.0</b>	<b>220.4</b>	<b>215.9</b>	<b>247.0</b>	<b>208.2</b>	<b>227.8</b>
<b>Addenda:</b>								
Disposable personal income: Total, billions of chained (1992) dollars <sup>2</sup> .....	5,076.9	5,221.9	5,094.8	5,103.8	5,161.1	5,200.9	5,234.1	5,291.6
Per capita:								
Current dollars .....	21,117	21,972	21,229	21,373	21,689	21,865	22,034	22,297
Chained (1992) dollars .....	19,116	19,494	19,161	19,152	19,331	19,439	19,518	19,688
Population (mid-period, millions) .....	265.6	267.9	265.9	266.5	267.0	267.5	268.2	268.8
<b>Personal saving as a percentage of disposable personal income</b> .....	<b>4.3</b>	<b>3.8</b>	<b>4.5</b>	<b>3.9</b>	<b>3.7</b>	<b>4.2</b>	<b>3.5</b>	<b>3.8</b>

Table 2.2.—Personal Consumption Expenditures by Major Type of Product

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	<b>5,207.6</b>	<b>5,488.1</b>	<b>5,227.4</b>	<b>5,308.1</b>	<b>5,405.7</b>	<b>5,432.1</b>	<b>5,527.4</b>	<b>5,587.2</b>
<b>Durable goods</b> .....	<b>634.5</b>	<b>659.1</b>	<b>634.5</b>	<b>638.2</b>	<b>658.4</b>	<b>644.5</b>	<b>667.3</b>	<b>666.2</b>
Motor vehicles and parts .....	261.3	263.3	260.0	258.9	265.7	252.7	268.7	266.1
Furniture and household equipment .....	252.6	267.3	254.2	255.9	263.8	265.4	269.9	270.3
Other .....	120.6	128.5	120.3	123.4	128.9	126.5	128.8	129.8
<b>Nondurable goods</b> .....	<b>1,534.7</b>	<b>1,592.1</b>	<b>1,538.3</b>	<b>1,560.1</b>	<b>1,587.4</b>	<b>1,578.9</b>	<b>1,600.8</b>	<b>1,601.4</b>
Food .....	756.1	776.5	757.4	766.6	775.5	771.4	779.3	779.6
Clothing and shoes .....	264.3	277.2	265.7	266.2	275.2	274.8	280.5	278.5
Gasoline and oil .....	122.6	124.7	121.4	126.0	128.5	121.6	123.5	124.9
Fuel oil and coal .....	11.6	10.8	11.2	12.0	11.0	11.0	10.9	10.5
Other .....	380.1	402.9	382.7	389.3	397.1	400.0	406.5	408.0
<b>Services</b> .....	<b>3,038.4</b>	<b>3,236.9</b>	<b>3,054.6</b>	<b>3,109.8</b>	<b>3,159.9</b>	<b>3,208.7</b>	<b>3,259.3</b>	<b>3,319.6</b>
Housing .....	787.2	826.5	791.8	800.7	810.5	821.2	831.9	842.2
Household operation .....	315.9	328.6	313.4	321.8	320.8	326.7	328.8	338.1
Electricity and gas .....	125.3	127.0	122.8	126.8	124.9	127.2	125.2	130.7
Other household operation .....	190.6	201.6	190.6	195.0	195.9	199.5	203.6	207.4
Transportation .....	218.4	236.3	219.7	224.8	228.9	233.4	238.5	244.4
Medical care .....	808.1	855.1	811.9	826.9	841.0	849.6	859.7	870.1
Other .....	908.9	990.5	917.8	935.6	958.8	977.9	1,000.4	1,024.7

Table 2.3.—Real Personal Consumption Expenditures by Major Type of Product

(Billions of chained (1992) dollars)

	1996	1997	1998	1999	2000	2001	2002	2003
<b>Personal consumption expenditures</b> .....	<b>4,714.1</b>	<b>4,869.3</b>	<b>4,718.2</b>	<b>4,756.4</b>	<b>4,818.1</b>	<b>4,829.4</b>	<b>4,896.2</b>	<b>4,933.5</b>
<b>Durable goods</b> .....	<b>611.1</b>	<b>645.5</b>	<b>611.9</b>	<b>617.1</b>	<b>637.8</b>	<b>629.0</b>	<b>656.1</b>	<b>658.9</b>
Motor vehicles and parts .....	231.3	233.1	229.7	228.0	233.4	223.1	238.7	237.4
Furniture and household equipment .....	269.5	296.3	272.3	276.8	287.4	292.3	301.1	304.4
Other .....	113.3	121.4	113.2	116.3	121.4	119.7	121.7	122.9
<b>Nondurable goods</b> .....	<b>1,432.3</b>	<b>1,458.8</b>	<b>1,433.9</b>	<b>1,441.2</b>	<b>1,457.8</b>	<b>1,450.0</b>	<b>1,465.5</b>	<b>1,461.9</b>
Food .....	689.7	689.9	687.3	689.0	694.6	688.2	689.5	687.4
Clothing and shoes .....	267.7	277.9	270.8	270.0	277.1	273.8	281.3	279.3
Gasoline and oil .....	114.1	116.0	114.1	114.8	114.7	116.1	116.2	117.0
Fuel oil and coal .....	10.6	10.0	10.6	10.3	9.4	10.1	10.4	9.9
Other .....	351.2	366.8	352.5	358.3	363.7	363.4	370.0	370.2
<b>Services</b> .....	<b>2,671.0</b>	<b>2,765.7</b>	<b>2,672.8</b>	<b>2,698.2</b>	<b>2,723.9</b>	<b>2,749.8</b>	<b>2,776.1</b>	<b>2,812.9</b>
Housing .....	700.2	713.8	701.7	704.8	708.3	712.0	715.6	719.2
Household operation .....	289.6	295.1	285.8	291.7	288.0	294.2	295.7	302.7
Electricity and gas .....	117.8	116.7	114.8	117.7	113.8	117.8	115.7	119.5
Other household operation .....	171.7	178.2	170.9	173.9	174.0	176.2	179.7	182.9
Transportation .....	194.6	202.7	195.4	197.0	199.3	200.9	203.9	206.7
Medical care .....	688.1	712.0	689.8	697.1	704.4	708.8	714.2	720.5
Other .....	799.4	842.6	800.8	808.4	824.3	834.5	847.1	864.5
Residual .....	-5.1	-8.1	-5.7	-6.0	-7.7	-7.5	-8.9	-8.3

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

1. Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

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

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

## 3. Government Receipts, Current Expenditures, and Gross Investment

Table 3.1.—Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Receipts</b> .....	<b>2,412.7</b>		<b>2,426.7</b>	<b>2,479.0</b>	<b>2,526.6</b>	<b>2,566.8</b>	<b>2,616.7</b>	.....
Personal tax and nontax receipts .....	886.9	988.7	897.3	922.6	955.7	979.2	998.0	1,021.8
Corporate profits tax accruals .....	229.0		231.6	226.0	241.2	244.5	258.2	.....
Indirect business tax and nontax accruals .....	604.8	619.4	600.9	625.3	610.2	616.2	625.4	625.8
Contributions for social insurance .....	692.0	732.1	696.8	705.1	719.5	726.9	735.0	746.9
<b>Current expenditures</b> .....	<b>2,417.8</b>	<b>2,510.6</b>	<b>2,423.6</b>	<b>2,455.8</b>	<b>2,477.4</b>	<b>2,498.7</b>	<b>2,516.1</b>	<b>2,550.3</b>
Consumption expenditures .....	1,182.4	1,226.8	1,189.8	1,197.0	1,209.7	1,221.6	1,230.8	1,244.9
Transfer payments (net) .....	1,058.3	1,107.3	1,058.2	1,078.0	1,091.0	1,100.8	1,108.5	1,129.0
To persons .....	1,042.0	1,094.0	1,046.3	1,055.1	1,080.5	1,090.0	1,098.4	1,107.2
To the rest of the world (net) .....	16.3	13.3	11.9	22.9	10.5	10.8	10.0	21.8
Net interest paid .....	165.4	165.0	164.4	168.8	164.9	164.9	165.6	164.7
Interest paid .....	317.7	319.2	318.1	320.7	317.9	319.1	319.7	320.0
To persons and business .....	246.4		244.1	241.3	233.3	227.9	225.9	.....
To the rest of the world .....	71.3		74.0	79.4	84.6	91.2	93.9	.....
Less: Interest received by government .....	152.3	154.1	153.7	152.0	153.0	154.1	154.1	155.3
Less: Dividends received by government .....	13.6	14.6	13.7	14.0	14.3	14.7	14.7	14.9
Subsidies less current surplus of government enterprises .....	25.4	26.1	24.9	26.0	26.1	26.0	25.8	26.7
Subsidies .....	33.5	34.6	33.5	33.7	34.1	34.6	34.7	34.9
Less: Current surplus of government enterprises .....	8.1	8.4	8.5	7.7	8.0	8.6	8.8	8.2
Less: Wage accruals less disbursements .....	0	0	0	0	0	0	0	0
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>-5.1</b>		<b>3.1</b>	<b>23.2</b>	<b>49.2</b>	<b>68.1</b>	<b>100.6</b>	.....
Social insurance funds .....	126.6	135.1	129.7	132.0	129.9	132.0	135.8	142.9
Other .....	-131.7		-126.6	-108.8	-80.7	-63.9	-35.1	.....



Table 3.2.—Federal Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Receipts</b> .....	<b>1,587.6</b>		<b>1,598.6</b>	<b>1,641.6</b>	<b>1,675.3</b>	<b>1,709.3</b>	<b>1,741.8</b>	
Personal tax and nontax receipts	686.7	774.4	695.7	717.5	746.9	767.9	781.9	800.8
Income taxes	666.8	751.1	674.8	697.2	725.0	744.1	758.5	776.7
Estate and gift taxes	17.5	20.6	18.4	17.7	19.3	21.1	20.7	21.4
Nontaxes	2.5	2.7	2.5	2.6	2.6	2.6	2.7	2.7
Corporate profits tax accruals	194.5		196.7	192.0	204.9	207.7	219.3	
Federal Reserve banks	20.1		20.1	20.4	20.9	21.2	21.7	
Other	174.4		176.6	171.7	184.0	186.5	197.7	
Indirect business tax and nontax accruals	95.8	91.3	91.5	110.2	88.2	92.2	92.4	92.3
Excise taxes	56.4	58.7	55.7	59.6	56.5	59.0	59.0	60.4
Customs duties	19.2	19.7	20.2	16.8	18.6	20.5	20.9	19.0
Nontaxes	20.2	12.9	15.5	33.7	13.2	12.7	12.6	13.0
Contributions for social insurance	610.5	645.9	614.8	622.0	635.3	641.5	648.2	658.6
<b>Current expenditures</b> .....	<b>1,698.1</b>	<b>1,752.2</b>	<b>1,698.2</b>	<b>1,718.8</b>	<b>1,730.8</b>	<b>1,746.0</b>	<b>1,752.6</b>	<b>1,779.4</b>
Consumption expenditures	451.5	463.9	454.0	453.6	458.0	464.2	464.7	468.5
Transfer payments (net)	763.5	795.5	761.5	777.3	785.9	791.4	794.5	810.3
To persons	747.2	782.2	749.7	754.4	775.5	780.5	784.5	788.5
To the rest of the world (net)	16.3	13.3	11.9	22.9	10.5	10.8	10.0	21.8
Grants-in-aid to State and local governments	218.3	224.2	218.7	217.5	219.6	222.5	224.2	230.6
Net interest paid	227.1	230.2	226.6	231.8	228.9	229.8	231.2	231.0
Interest paid	253.1	254.5	253.4	256.1	253.2	254.4	255.1	255.4
To persons and business	181.8		179.5	176.7	168.7	163.3	161.2	
To the rest of the world	71.3		74.0	79.4	84.6	91.2	93.9	
Less: Interest received by government	26.0	24.3	26.9	24.3	24.4	24.6	23.9	24.3
Subsidies less current surplus of government enterprises	37.7	38.4	37.4	38.5	38.4	38.1	37.9	39.0
Subsidies	33.1	34.2	33.1	33.4	33.8	34.3	34.3	34.5
Less: Current surplus of government enterprises	-4.6	-4.1	-4.2	-5.1	-4.7	-3.9	-3.6	-4.5
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>-110.5</b>		<b>-99.5</b>	<b>-77.1</b>	<b>-55.5</b>	<b>-36.8</b>	<b>-10.8</b>	
Social insurance funds	55.3	63.7	58.2	60.6	58.7	60.4	64.4	71.3
Other	-165.8		-157.8	-137.7	-114.2	-97.2	-75.2	

Table 3.3.—State and Local Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Receipts</b> .....	<b>1,043.4</b>		<b>1,046.7</b>	<b>1,054.9</b>	<b>1,070.9</b>	<b>1,080.0</b>	<b>1,099.1</b>	
Personal tax and nontax receipts	200.2	214.3	201.7	205.1	208.7	211.3	216.1	221.0
Income taxes	149.1	159.8	150.3	153.1	155.7	157.4	161.2	165.1
Nontaxes	28.8	31.0	29.1	29.6	30.1	30.7	31.3	31.8
Other	22.3	23.5	22.3	22.5	22.9	23.3	23.7	24.0
Corporate profits tax accruals	34.5		34.9	34.0	36.4	36.8	38.9	
Indirect business tax and nontax accruals	508.9	528.1	509.4	515.1	522.0	524.0	533.0	533.4
Sales taxes	249.8	257.4	249.6	251.9	256.2	255.6	258.4	259.2
Property taxes	202.3	208.7	203.0	204.7	206.2	207.8	209.4	211.5
Other	56.8	62.0	56.8	58.5	59.6	60.6	65.2	62.7
Contributions for social insurance	81.4	86.2	82.0	83.1	84.2	85.4	86.8	88.4
Federal grants-in-aid	218.3	224.2	218.7	217.5	219.6	222.5	224.2	230.6
<b>Current expenditures</b> .....	<b>938.0</b>	<b>982.6</b>	<b>944.2</b>	<b>954.5</b>	<b>966.1</b>	<b>975.1</b>	<b>987.7</b>	<b>1,001.4</b>
Consumption expenditures	730.9	762.9	735.9	743.3	751.7	757.4	766.1	776.3
Transfer payments to persons	294.8	311.8	296.6	300.6	305.1	309.5	314.0	318.7
Net interest paid	-61.7	-65.2	-62.2	-63.0	-64.0	-64.9	-65.6	-66.4
Interest paid	64.6	64.6	64.6	64.7	64.6	64.6	64.6	64.7
Less: Interest received by government	126.3	129.9	126.8	127.7	128.6	129.5	130.3	131.0
Less: Dividends received by government	13.6	14.6	13.7	14.0	14.3	14.7	14.7	14.9
Subsidies less current surplus of government enterprises	-12.3	-12.2	-12.4	-12.5	-12.3	-12.2	-12.1	-12.4
Subsidies	.3	.3	.3	.3	.3	.3	.3	.3
Less: Current surplus of government enterprises	12.7	12.6	12.8	12.8	12.7	12.5	12.4	12.7
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>105.3</b>		<b>102.6</b>	<b>100.4</b>	<b>104.7</b>	<b>104.9</b>	<b>111.4</b>	
Social insurance funds	71.3	71.4	71.5	71.4	71.3	71.6	71.4	71.5
Other	34.1		31.1	28.9	33.5	33.3	40.0	

**Table 3.7.—Government Consumption Expenditures and Gross Investment by Type**

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Government consumption expenditures and gross investment<sup>1</sup></b> .....	<b>1,406.7</b>	<b>1,452.7</b>	<b>1,413.5</b>	<b>1,422.3</b>	<b>1,433.1</b>	<b>1,449.0</b>	<b>1,457.9</b>	<b>1,470.9</b>
<b>Federal</b> .....	<b>520.0</b>	<b>523.8</b>	<b>521.6</b>	<b>517.6</b>	<b>516.1</b>	<b>526.1</b>	<b>525.7</b>	<b>527.4</b>
<b>National defense</b> .....	<b>352.8</b>	<b>350.4</b>	<b>354.8</b>	<b>350.6</b>	<b>343.3</b>	<b>350.6</b>	<b>352.1</b>	<b>355.6</b>
Consumption expenditures	305.7	311.0	309.3	307.6	306.4	311.3	311.6	314.8
Durable goods <sup>2</sup> .....	22.3	21.0	24.7	20.6	20.6	21.9	20.5	21.1
Nondurable goods .....	7.9	7.2	8.5	7.2	7.6	6.8	7.2	7.1
Services .....	275.6	282.9	276.1	279.8	278.2	282.7	283.9	286.6
Compensation of general government employees, except force-account construction <sup>3</sup> .....	135.2	135.9	135.9	134.7	136.8	136.1	135.8	134.8
Consumption of general government fixed capital <sup>4</sup> .....	57.3	57.0	57.2	57.1	57.1	57.0	56.9	57.0
Other services .....	83.0	90.0	83.0	87.9	84.3	89.6	91.2	94.8
Gross investment .....	47.0	39.4	45.5	42.9	37.0	39.3	40.5	40.8
Structures .....	6.8	6.2	6.6	6.6	6.3	6.2	6.2	6.3
Equipment .....	40.2	33.1	38.8	36.3	30.7	33.1	34.3	34.5
<b>Nondefense</b> .....	<b>167.3</b>	<b>173.4</b>	<b>166.8</b>	<b>167.0</b>	<b>172.8</b>	<b>175.5</b>	<b>173.6</b>	<b>171.8</b>
Consumption expenditures	145.7	152.8	144.6	146.0	151.7	152.9	153.1	153.7
Durable goods <sup>2</sup> .....	.9	.7	.7	.5	.9	.8	.6	.6
Nondurable goods .....	5.7	6.8	5.2	5.6	6.6	6.7	6.6	7.2
Commodity Credit Corporation inventory change ...	-.4	-.1	-.5	-.3	0	-.2	-.2	-.2
Other nondurables .....	6.1	6.9	5.8	5.9	6.6	6.8	6.8	7.4
Services .....	139.2	145.4	138.7	139.9	144.2	145.5	145.9	145.9
Compensation of general government employees, except force-account construction <sup>3</sup> .....	77.5	81.1	77.6	77.8	80.6	81.4	81.4	81.2
Consumption of general government fixed capital <sup>4</sup> .....	11.2	11.8	11.3	11.4	11.5	11.7	11.8	12.0
Other services .....	50.4	52.5	49.8	50.7	52.0	52.5	52.7	52.7
Gross investment .....	21.5	20.6	22.1	21.0	21.1	22.6	20.5	18.1
Structures .....	11.3	10.2	11.3	11.4	11.2	10.5	10.9	8.2
Equipment .....	10.2	10.3	10.9	9.6	9.9	12.0	9.6	9.8
<b>State and local</b> .....	<b>886.7</b>	<b>928.9</b>	<b>891.9</b>	<b>904.7</b>	<b>917.0</b>	<b>923.0</b>	<b>932.3</b>	<b>943.5</b>
Consumption expenditures .....	730.9	762.9	735.9	743.3	751.7	757.4	766.1	776.3
Durable goods <sup>2</sup> .....	15.3	15.8	15.4	15.5	15.6	15.7	15.9	16.1
Nondurable goods .....	78.2	80.5	78.3	80.3	81.0	79.9	80.3	81.0
Services .....	637.5	666.5	642.2	647.6	655.1	661.8	669.9	679.3
Compensation of general government employees, except force-account construction <sup>3</sup> .....	547.2	570.6	551.1	555.4	561.1	566.7	573.7	580.8
Consumption of general government fixed capital <sup>4</sup> .....	56.6	59.0	56.8	57.3	58.1	58.7	59.2	60.0
Other services .....	33.7	37.0	34.3	34.9	36.0	36.3	37.0	38.5
Gross investment .....	155.7	166.0	156.0	161.4	165.2	165.6	166.2	167.2
Structures .....	128.5	138.4	128.6	133.9	137.7	138.0	138.5	139.5
Equipment .....	27.3	27.6	27.4	27.4	27.5	27.6	27.7	27.7
<b>Addenda:</b>								
Compensation of general government employees <sup>3</sup> .....	763.9	791.8	768.5	772.0	782.7	788.4	795.2	801.0
Federal .....	212.8	217.1	213.5	212.6	217.5	217.5	217.3	216.0
State and local .....	551.0	574.7	555.0	559.4	565.2	570.9	577.9	585.0

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.  
 2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.  
 3. Compensation of government employees engaged in new force-account construction and related expenditures for goods and services are classified as investment in structures. The compensation of all general government employees is shown in the addenda.  
 4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

**Table 3.8.—Real Government Consumption Expenditures and Real Gross Investment by Type**

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Government consumption expenditures and gross investment<sup>1</sup></b> .....	<b>1,257.9</b>	<b>1,269.7</b>	<b>1,261.5</b>	<b>1,261.8</b>	<b>1,260.5</b>	<b>1,270.1</b>	<b>1,273.4</b>	<b>1,274.7</b>
<b>Federal</b> .....	<b>464.2</b>	<b>457.0</b>	<b>465.7</b>	<b>459.6</b>	<b>452.8</b>	<b>460.1</b>	<b>458.8</b>	<b>456.4</b>
<b>National defense</b> .....	<b>317.8</b>	<b>308.7</b>	<b>319.4</b>	<b>313.6</b>	<b>303.9</b>	<b>309.4</b>	<b>310.3</b>	<b>311.3</b>
Consumption expenditures	275.5	273.0	278.1	274.4	270.3	273.9	273.6	274.2
Durable goods <sup>2</sup> .....	21.8	20.4	24.1	20.2	20.0	21.2	19.9	20.6
Nondurable goods .....	7.2	6.6	7.8	6.2	6.6	6.3	6.9	6.6
Services .....	246.5	245.8	246.3	247.8	243.5	246.3	246.6	246.9
Compensation of general government employees, except force-account construction <sup>3</sup> .....	117.2	112.9	117.2	115.4	114.5	113.3	113.0	111.0
Consumption of general government fixed capital <sup>4</sup> .....	51.4	50.4	51.3	51.0	50.8	50.5	50.3	50.0
Other services .....	78.0	83.0	77.9	81.6	78.4	83.0	83.9	86.6
Gross investment .....	42.3	35.7	41.4	39.2	33.5	35.4	36.7	37.1
Structures .....	5.6	5.0	5.4	5.4	5.0	4.9	4.9	5.0
Equipment .....	36.5	30.6	35.8	33.7	28.2	30.3	31.7	32.0
<b>Nondefense</b> .....	<b>146.1</b>	<b>147.9</b>	<b>146.0</b>	<b>145.7</b>	<b>148.5</b>	<b>150.2</b>	<b>148.0</b>	<b>144.8</b>
Consumption expenditures	125.3	127.6	124.6	125.1	127.7	128.2	127.8	126.6
Durable goods <sup>2</sup> .....	1.1	1.1	1.1	.9	1.2	1.2	1.0	1.1
Nondurable goods .....	5.1	6.1	4.7	5.1	6.0	6.0	5.9	6.4
Commodity Credit Corporation inventory change ...	-.2	-.1	-.4	-.2	0	-.2	-.2	-.2
Other nondurables .....	5.4	6.2	5.1	5.3	6.0	6.1	6.1	6.6
Services .....	119.1	120.5	118.9	119.1	120.6	121.1	120.9	119.2
Compensation of general government employees, except force-account construction <sup>3</sup> .....	61.3	61.2	61.7	61.4	61.6	61.9	61.5	60.0
Consumption of general government fixed capital <sup>4</sup> .....	10.8	11.3	10.8	11.0	11.1	11.2	11.3	11.5
Other services .....	47.4	48.5	46.7	47.2	48.3	48.6	48.7	48.5
Gross investment .....	21.0	20.3	21.6	20.6	20.8	22.2	20.3	17.9
Structures .....	10.0	8.8	10.0	10.0	9.8	9.1	9.3	6.9
Equipment .....	11.1	11.9	11.9	10.7	11.3	13.8	11.2	11.6
<b>State and local</b> .....	<b>793.7</b>	<b>812.7</b>	<b>795.9</b>	<b>802.3</b>	<b>807.7</b>	<b>810.1</b>	<b>814.7</b>	<b>818.3</b>
Consumption expenditures .....	653.6	666.6	655.7	657.8	661.1	664.3	668.6	672.5
Durable goods <sup>2</sup> .....	14.4	14.8	14.5	14.6	14.7	14.8	14.9	15.0
Nondurable goods .....	71.5	74.1	71.8	72.5	73.2	73.8	74.4	75.1
Services .....	567.9	577.9	569.6	570.9	573.5	576.0	579.5	582.7
Compensation of general government employees, except force-account construction <sup>3</sup> .....	479.9	486.9	481.5	482.0	483.5	485.4	488.2	490.5
Consumption of general government fixed capital <sup>4</sup> .....	52.0	53.4	52.2	52.6	52.9	53.2	53.5	53.8
Other services .....	37.4	39.4	37.3	37.9	38.8	39.0	39.6	40.2
Gross investment .....	140.1	146.1	140.1	144.5	146.6	145.8	146.1	145.8
Structures .....	112.8	117.4	112.6	116.6	118.4	117.2	117.2	116.8
Equipment .....	27.4	28.8	27.6	28.0	28.3	28.6	29.1	29.3
<b>Residual</b> .....	<b>-2.1</b>	<b>-2.9</b>	<b>-2.4</b>	<b>-2.2</b>	<b>-2.1</b>	<b>-3.1</b>	<b>-3.0</b>	<b>-3.8</b>
<b>Addenda:</b>								
Compensation of general government employees <sup>3</sup> .....	661.9	664.6	664.0	662.3	663.2	664.1	666.2	664.7
Federal .....	178.9	174.6	179.4	177.2	176.5	175.6	175.0	171.4
State and local .....	483.2	490.5	484.9	485.4	487.1	489.0	491.7	494.0

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

See footnotes to table 3.7.

Table 3.10.—National Defense Consumption Expenditures and Gross Investment

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment<sup>1</sup></b> .....	<b>352.8</b>	<b>350.4</b>	<b>354.8</b>	<b>350.6</b>	<b>343.3</b>	<b>350.6</b>	<b>352.1</b>	<b>355.6</b>
<b>Consumption expenditures</b> .....	<b>305.7</b>	<b>311.0</b>	<b>309.3</b>	<b>307.6</b>	<b>306.4</b>	<b>311.3</b>	<b>311.6</b>	<b>314.8</b>
<b>Durable goods<sup>2</sup></b> .....	<b>22.3</b>	<b>21.0</b>	<b>24.7</b>	<b>20.6</b>	<b>20.6</b>	<b>21.9</b>	<b>20.5</b>	<b>21.1</b>
Aircraft .....	9.7	9.6	10.6	9.2	9.2	10.1	9.2	10.0
Missiles .....	3.2	3.0	3.8	2.8	2.8	3.1	3.2	3.0
Ships .....	.9	.7	1.3	.6	.7	.7	.7	.6
Vehicles .....	1.0	.9	1.1	.9	1.2	.9	.8	.7
Electronics .....	2.6	2.5	2.9	2.3	2.5	2.6	2.6	2.4
Other durable goods .....	5.0	4.2	5.0	4.8	4.1	4.4	4.0	4.4
<b>Nondurable goods</b> .....	<b>7.9</b>	<b>7.2</b>	<b>8.5</b>	<b>7.2</b>	<b>7.6</b>	<b>6.8</b>	<b>7.2</b>	<b>7.1</b>
Petroleum products .....	3.4	2.9	4.1	3.0	3.1	3.0	3.0	2.5
Ammunition .....	1.1	1.3	1.1	.7	1.5	1.1	1.1	1.5
Other nondurable goods .....	3.4	3.0	3.3	3.6	3.0	2.7	3.2	3.1
<b>Services</b> .....	<b>275.6</b>	<b>282.9</b>	<b>276.1</b>	<b>279.8</b>	<b>278.2</b>	<b>282.7</b>	<b>283.9</b>	<b>286.6</b>
Compensation of general government employees, except force-account construction <sup>3</sup> .....	135.2	135.9	135.9	134.7	136.8	136.1	135.8	134.8
Military .....	85.8	86.7	86.3	86.2	87.1	86.7	86.8	86.3
Civilian .....	49.4	49.1	49.5	48.5	49.7	49.4	49.0	48.5
Consumption of general government fixed capital <sup>4</sup> .....	57.3	57.0	57.2	57.1	57.1	57.0	56.9	57.0
Other services .....	83.0	90.0	83.0	87.9	84.3	89.6	91.2	94.8
Research and development .....	23.5	27.5	24.2	26.2	25.8	27.5	25.9	30.7
Installation support .....	27.4	26.8	28.3	26.4	25.9	26.7	27.9	26.7
Weapons support .....	6.3	6.8	5.4	8.0	5.9	6.9	7.7	6.7
Personnel support .....	19.0	22.4	18.8	20.5	20.2	22.4	23.3	23.5
Transportation of material .....	4.7	4.4	4.7	4.7	4.5	4.2	4.1	4.6
Travel of persons .....	4.3	3.8	4.2	4.1	3.9	3.9	3.7	3.7
Other .....	-2.1	-1.6	-2.6	-1.9	-1.8	-2.0	-1.5	-1.1
<b>Gross investment</b> .....	<b>47.0</b>	<b>39.4</b>	<b>45.5</b>	<b>42.9</b>	<b>37.0</b>	<b>39.3</b>	<b>40.5</b>	<b>40.8</b>
<b>Structures</b> .....	<b>6.8</b>	<b>6.2</b>	<b>6.6</b>	<b>6.6</b>	<b>6.3</b>	<b>6.2</b>	<b>6.2</b>	<b>6.3</b>
<b>Equipment</b> .....	<b>40.2</b>	<b>33.1</b>	<b>38.8</b>	<b>36.3</b>	<b>30.7</b>	<b>33.1</b>	<b>34.3</b>	<b>34.5</b>
Aircraft .....	9.3	5.8	7.6	5.9	4.7	4.0	6.8	7.5
Missiles .....	4.1	3.0	4.3	3.7	2.9	3.4	2.9	2.9
Ships .....	6.8	6.1	6.6	6.3	5.6	6.7	6.4	5.8
Vehicles .....	.9	1.2	.9	.8	1.0	1.3	1.3	1.2
Electronics .....	3.6	3.3	4.0	3.2	3.3	3.4	3.3	3.1
Other equipment .....	15.5	13.7	15.5	16.3	13.2	14.3	13.5	14.0
<b>Addendum:</b>								
Compensation of general government employees <sup>3</sup> .....	135.2	135.9	135.9	134.7	136.8	136.1	135.8	134.8

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries.

3. Compensation of government employees engaged in new force-account construction and related expenditures for goods and services are classified as investment in structures. The compensation of all general government employees is shown in the addendum.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

Table 3.11.—Real National Defense Consumption Expenditures and Real Gross Investment

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment<sup>1</sup></b> .....	<b>317.8</b>	<b>308.7</b>	<b>319.4</b>	<b>313.6</b>	<b>303.9</b>	<b>309.4</b>	<b>310.3</b>	<b>311.3</b>
<b>Consumption expenditures</b> .....	<b>275.5</b>	<b>273.0</b>	<b>278.1</b>	<b>274.4</b>	<b>270.3</b>	<b>273.9</b>	<b>273.6</b>	<b>274.2</b>
<b>Durable goods<sup>2</sup></b> .....	<b>21.8</b>	<b>20.4</b>	<b>24.1</b>	<b>20.2</b>	<b>20.0</b>	<b>21.2</b>	<b>19.9</b>	<b>20.6</b>
Aircraft .....	9.3	9.4	10.2	8.9	8.9	9.8	8.9	9.8
Missiles .....	3.4	3.1	4.0	3.1	2.9	3.1	3.2	3.0
Ships .....	.8	.7	1.2	.5	.7	.7	.7	.6
Vehicles .....	.9	.9	1.1	.9	1.2	.9	.7	.6
Electronics .....	2.7	2.7	3.0	2.4	2.6	2.8	2.8	2.5
Other durable goods .....	4.6	3.9	4.6	4.4	3.8	4.0	3.7	4.0
<b>Nondurable goods</b> .....	<b>7.2</b>	<b>6.6</b>	<b>7.8</b>	<b>6.2</b>	<b>6.6</b>	<b>6.3</b>	<b>6.9</b>	<b>6.6</b>
Petroleum products .....	3.1	2.8	3.7	2.4	2.6	2.9	3.1	2.5
Ammunition .....	1.0	1.1	1.0	.6	1.3	.9	.9	1.3
Other nondurable goods .....	3.2	2.8	3.1	3.4	2.8	2.6	3.0	2.9
<b>Services</b> .....	<b>246.5</b>	<b>245.8</b>	<b>246.3</b>	<b>247.8</b>	<b>243.5</b>	<b>246.3</b>	<b>246.6</b>	<b>246.9</b>
Compensation of general government employees, except force-account construction <sup>3</sup> .....	117.2	112.9	117.2	115.4	114.5	113.3	113.0	111.0
Military .....	76.9	74.9	76.7	76.1	75.5	74.8	74.9	74.4
Civilian .....	40.4	38.2	40.6	39.4	39.0	38.6	38.2	36.9
Consumption of general government fixed capital <sup>4</sup> .....	51.4	50.4	51.3	51.0	50.8	50.5	50.3	50.0
Other services .....	78.0	83.0	77.9	81.6	78.4	83.0	83.9	86.6
Research and development .....	23.5	27.0	24.3	26.0	25.7	27.1	25.4	29.9
Installation support .....	24.9	24.2	25.6	23.8	23.5	24.2	25.2	23.9
Weapons support .....	5.7	6.0	4.9	7.1	5.2	6.1	6.7	5.8
Personnel support .....	17.2	19.6	17.0	18.1	17.7	19.8	20.5	20.3
Transportation of material .....	4.7	4.3	4.6	4.6	4.4	4.1	4.0	4.6
Travel of persons .....	4.1	3.5	4.0	3.8	3.6	3.6	3.4	3.4
Other .....	-1.9	-1.4	-2.3	-1.6	-1.6	-1.7	-1.3	-1.0
<b>Gross investment</b> .....	<b>42.3</b>	<b>35.7</b>	<b>41.4</b>	<b>39.2</b>	<b>33.5</b>	<b>35.4</b>	<b>36.7</b>	<b>37.1</b>
<b>Structures</b> .....	<b>5.6</b>	<b>5.0</b>	<b>5.4</b>	<b>5.4</b>	<b>5.0</b>	<b>4.9</b>	<b>4.9</b>	<b>5.0</b>
<b>Equipment</b> .....	<b>36.5</b>	<b>30.6</b>	<b>35.8</b>	<b>33.7</b>	<b>28.2</b>	<b>30.3</b>	<b>31.7</b>	<b>32.0</b>
Aircraft .....	7.1	4.9	6.4	5.0	4.0	3.3	5.9	6.5
Missiles .....	4.4	3.0	4.5	4.0	2.9	3.4	2.9	2.8
Ships .....	6.1	5.4	5.9	5.6	4.9	5.9	5.6	5.1
Vehicles .....	.8	1.0	.7	.7	.9	1.1	1.1	1.0
Electronics .....	4.4	4.5	5.0	4.2	4.3	4.6	4.5	4.4
Other equipment .....	14.1	12.3	13.9	14.7	11.8	12.7	12.0	12.5
Residual .....	-6	-1.5	-1.0	-9	-5	-1.3	-9	-1.4
<b>Addendum:</b>								
Compensation of general government employees <sup>3</sup> .....	117.2	112.9	117.2	115.4	114.5	113.3	113.0	111.0

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the line in the addendum.

See footnotes to table 3.10.

## 4. Foreign Transactions

Table 4.1.—Foreign Transactions in the National Income and Product Accounts

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Receipts from the rest of the world</b> .....	<b>1,105.1</b>		<b>1,099.0</b>	<b>1,153.4</b>	<b>1,170.4</b>	<b>1,221.9</b>	<b>1,235.2</b>	
Exports of goods and services ...	870.9	958.0	863.7	904.6	922.2	960.3	965.8	983.8
Goods <sup>1</sup> .....	617.5	686.5	609.7	640.5	656.2	690.0	691.1	708.7
Durable .....	421.2	481.7	415.8	438.8	455.9	486.3	485.6	499.0
Nondurable .....	196.3	204.8	193.9	201.6	200.3	203.7	205.4	209.7
Services <sup>1</sup> .....	253.3	271.5	254.0	264.2	266.0	270.3	274.8	275.1
Receipts of factor income .....	234.3		235.4	248.8	248.2	261.6	269.4	
Capital grants received by the United States (net) .....	0	0	0	0	0	0	0	0
<b>Payments to the rest of the world</b> .....	<b>1,105.1</b>		<b>1,099.0</b>	<b>1,153.4</b>	<b>1,170.4</b>	<b>1,221.9</b>	<b>1,235.2</b>	
Imports of goods and services ...	965.7	1,058.8	977.6	993.2	1,021.0	1,049.0	1,077.1	1,088.0
Goods <sup>1</sup> .....	809.0	888.7	820.2	834.6	855.8	880.1	905.6	913.5
Durable .....	533.6	589.8	540.3	541.3	563.4	583.8	603.2	608.8
Nondurable .....	275.5	299.0	279.8	293.3	292.5	296.3	302.4	304.7
Services <sup>1</sup> .....	156.7	170.0	157.5	158.6	165.2	168.9	171.6	174.5
Payments of factor income .....	232.6		242.3	245.6	262.5	282.3	290.1	
Transfer payments (net) .....	39.8	39.4	35.4	47.4	35.2	36.5	36.9	49.0
From persons (net) .....	15.9	17.9	15.9	16.7	17.0	17.6	18.2	18.5
From government (net) .....	16.3	13.3	11.9	22.9	10.5	10.8	10.0	21.8
From business .....	7.6	8.3	7.7	7.8	7.7	8.1	8.7	8.7
Net foreign investment .....	-132.9		-156.4	-132.9	-148.4	-146.0	-168.9	

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment were reclassified from goods to services.

Table 4.2.—Real Exports and Imports of Goods and Services and Receipts and Payments of Factor Income

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Exports of goods and services</b> .....	<b>857.0</b>	<b>963.6</b>	<b>851.4</b>	<b>901.1</b>	<b>922.7</b>	<b>962.5</b>	<b>973.0</b>	<b>996.4</b>
Goods <sup>1</sup> .....	628.4	725.2	623.0	666.2	666.2	725.8	731.8	757.0
Durable .....	463.3	553.4	460.8	494.0	517.0	555.8	559.8	580.8
Nondurable .....	169.1	180.6	166.4	177.0	176.0	179.2	181.1	186.1
Services <sup>1</sup> .....	229.9	242.3	229.4	236.8	238.9	240.8	245.0	244.5
<b>Receipts of factor income</b> .....	<b>214.2</b>		<b>214.8</b>	<b>226.0</b>	<b>224.6</b>	<b>236.3</b>	<b>242.5</b>	
<b>Imports of goods and services</b> .....	<b>971.5</b>	<b>1,110.0</b>	<b>990.2</b>	<b>1,006.6</b>	<b>1,048.9</b>	<b>1,099.1</b>	<b>1,137.1</b>	<b>1,154.9</b>
Goods <sup>1</sup> .....	823.1	947.7	841.7	857.5	891.3	938.4	972.7	988.4
Durable .....	569.9	670.9	582.6	596.6	630.8	660.7	688.5	703.6
Nondurable .....	253.5	279.8	259.4	261.6	263.3	280.1	287.2	288.6
Services <sup>1</sup> .....	149.0	163.5	149.3	150.0	158.4	161.8	165.8	168.0
<b>Payments of factor income</b> .....	<b>210.2</b>		<b>218.1</b>	<b>219.8</b>	<b>234.0</b>	<b>250.8</b>	<b>256.9</b>	

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

**Table 4.3.—Exports and Imports of Goods and Services by Type of Product**  
[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Exports of goods and services</b> .....	<b>870.9</b>	<b>958.0</b>	<b>863.7</b>	<b>904.6</b>	<b>922.2</b>	<b>960.3</b>	<b>965.8</b>	<b>983.8</b>
<b>Exports of goods</b> <sup>1</sup> .....	<b>617.5</b>	<b>686.5</b>	<b>609.7</b>	<b>640.5</b>	<b>656.2</b>	<b>690.0</b>	<b>691.1</b>	<b>708.7</b>
Foods, feeds, and beverages .....	55.5	51.0	55.1	55.8	51.1	48.6	49.6	54.9
Industrial supplies and materials .....	141.0	152.7	139.5	145.9	147.4	154.0	155.3	154.2
Durable goods .....	51.0	55.1	51.0	51.9	53.2	55.7	55.5	55.9
Nondurable goods .....	90.1	97.7	88.5	94.0	94.3	98.3	99.8	98.3
Capital goods, except automotive .....	253.1	294.5	246.8	265.3	275.9	296.9	298.4	306.7
Civilian aircraft, engines, and parts .....	30.8	41.4	26.8	36.7	39.6	45.5	36.3	44.2
Computers, peripherals, and parts .....	43.7	49.5	43.5	43.3	46.3	50.1	52.6	48.9
Other .....	178.6	203.6	176.5	185.2	190.0	201.3	209.5	213.6
Automotive vehicles, engines, and parts .....	65.0	73.7	66.2	67.0	70.9	73.4	73.1	77.1
Consumer goods, except automotive .....	70.1	77.5	69.4	72.9	75.3	78.9	77.0	78.9
Durable goods .....	35.8	40.0	35.5	37.8	38.1	41.2	39.8	40.8
Nondurable goods .....	34.3	37.5	33.9	35.1	37.2	37.7	37.2	38.1
Other .....	32.7	37.1	32.7	33.5	35.6	38.2	37.7	36.9
Durable goods .....	16.3	18.5	16.3	16.8	17.8	19.1	18.8	18.4
Nondurable goods .....	16.3	18.5	16.3	16.8	17.8	19.1	18.8	18.4
<b>Exports of services</b> <sup>1</sup> .....	<b>253.3</b>	<b>271.5</b>	<b>254.0</b>	<b>264.2</b>	<b>266.0</b>	<b>270.3</b>	<b>274.8</b>	<b>275.1</b>
Transfers under U.S. military agency sales contracts .....	13.5	13.6	12.8	14.9	12.3	14.0	14.2	14.0
Travel .....	69.9	73.6	70.6	72.7	74.5	72.6	74.1	73.1
Passenger fares .....	20.6	21.3	20.9	21.1	21.3	21.2	21.5	21.1
Other transportation .....	27.2	29.0	26.9	28.6	28.2	28.8	29.2	29.7
Royalties and license fees .....	30.0	31.6	30.0	30.8	30.9	31.9	31.8	31.8
Other private services .....	72.2	81.0	72.4	75.2	77.7	80.2	82.5	83.5
Other .....	19.9	21.5	20.4	20.8	21.0	21.5	21.6	21.8
<b>Imports of goods and services</b> .....	<b>965.7</b>	<b>1,058.8</b>	<b>977.6</b>	<b>993.2</b>	<b>1,021.0</b>	<b>1,049.0</b>	<b>1,077.1</b>	<b>1,088.0</b>
<b>Imports of goods</b> <sup>1</sup> .....	<b>809.0</b>	<b>888.7</b>	<b>820.2</b>	<b>834.6</b>	<b>855.8</b>	<b>880.1</b>	<b>905.6</b>	<b>913.5</b>
Foods, feeds, and beverages .....	35.7	39.7	35.8	36.7	38.0	40.0	40.5	40.1
Industrial supplies and materials, except petroleum and products .....	125.2	135.1	127.1	128.7	130.7	134.3	137.6	137.8
Durable goods .....	63.1	69.2	64.7	64.9	65.7	69.4	70.3	71.2
Nondurable goods .....	62.1	65.9	62.4	63.8	65.0	64.9	67.3	66.6
Petroleum and products .....	72.7	72.1	76.2	82.2	76.7	71.0	70.4	70.4
Capital goods, except automotive .....	229.0	254.1	227.4	231.4	237.3	251.7	262.5	264.9
Civilian aircraft, engines, and parts .....	12.7	16.7	13.0	14.0	13.6	15.5	19.0	18.5
Computers, peripherals, and parts .....	61.5	70.1	61.7	62.8	65.5	70.5	73.6	70.8
Other .....	154.9	167.3	152.7	154.6	158.2	165.6	169.9	175.6
Automotive vehicles, engines, and parts .....	128.9	141.3	133.7	128.9	142.2	138.3	143.7	141.1
Consumer goods, except automotive .....	171.0	192.9	173.2	179.4	181.2	192.0	195.1	203.1
Durable goods .....	89.3	98.4	91.2	92.4	93.2	98.0	98.8	103.6
Nondurable goods .....	81.7	94.5	82.0	87.0	88.0	94.1	96.3	99.6
Other .....	46.4	53.5	46.7	47.2	49.6	52.8	55.8	56.0
Durable goods .....	23.2	26.8	23.4	23.6	24.8	26.4	27.9	28.0
Nondurable goods .....	23.2	26.8	23.4	23.6	24.8	26.4	27.9	28.0
<b>Imports of services</b> <sup>1</sup> .....	<b>156.7</b>	<b>170.0</b>	<b>157.5</b>	<b>158.6</b>	<b>165.2</b>	<b>168.9</b>	<b>171.6</b>	<b>174.5</b>
Direct defense expenditures .....	10.9	11.4	11.1	10.9	11.2	11.4	11.5	11.5
Travel .....	48.7	53.3	47.7	49.0	52.3	52.6	53.0	55.3
Passenger fares .....	15.8	17.5	15.7	16.2	17.1	17.2	17.6	18.2
Other transportation .....	28.5	29.8	28.9	28.7	29.3	30.0	29.9	30.1
Royalties and license fees .....	7.3	8.5	8.6	7.1	7.6	8.4	8.8	9.1
Other private services .....	38.9	42.7	38.9	40.0	40.9	42.4	43.9	43.5
Other .....	6.6	6.9	6.7	6.8	6.8	6.8	6.9	6.9
<b>Addenda:</b>								
Exports of agricultural goods <sup>2</sup> .....	61.5	58.3	60.4	61.8	57.3	56.4	58.1	61.3
Exports of nonagricultural goods .....	556.0	628.2	549.3	578.7	598.9	633.5	632.9	647.3
Imports of nonpetroleum goods .....	736.3	816.6	743.9	752.4	779.1	809.1	835.2	843.1

**Table 4.4.—Real Exports and Imports of Goods and Services by Type of Product**  
[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Exports of goods and services</b> .....	<b>857.0</b>	<b>963.6</b>	<b>851.4</b>	<b>901.1</b>	<b>922.7</b>	<b>962.5</b>	<b>973.0</b>	<b>996.4</b>
<b>Exports of goods</b> <sup>1</sup> .....	<b>628.4</b>	<b>725.2</b>	<b>623.0</b>	<b>666.2</b>	<b>686.2</b>	<b>725.8</b>	<b>731.8</b>	<b>757.0</b>
Foods, feeds, and beverages .....	44.0	43.8	42.8	47.2	43.2	40.9	42.7	48.3
Industrial supplies and materials .....	121.9	132.5	121.3	126.6	127.6	133.5	134.3	134.4
Durable goods .....	44.8	48.8	45.4	46.3	46.9	49.1	48.9	50.3
Nondurable goods .....	77.1	83.7	76.0	80.4	80.8	84.5	85.4	84.2
Capital goods, except automotive .....	310.4	388.2	305.8	337.2	356.1	388.7	396.0	412.1
Civilian aircraft, engines, and parts .....	27.0	35.0	23.3	31.8	33.7	38.7	30.6	37.2
Computers, peripherals, and parts .....	97.2	145.9	100.3	106.8	122.3	142.5	160.7	158.2
Other .....	203.3	242.0	202.4	217.2	224.7	238.7	249.4	255.3
Automotive vehicles, engines, and parts .....	62.4	70.1	63.5	64.1	67.6	69.8	69.5	73.3
Consumer goods, except automotive .....	67.3	73.8	66.5	69.8	71.8	75.2	73.2	74.9
Durable goods .....	34.9	38.5	34.5	36.8	36.8	39.7	38.4	39.2
Nondurable goods .....	32.4	35.3	32.0	33.0	35.0	35.5	34.8	35.7
Other .....	31.5	36.8	31.6	33.0	35.1	37.8	37.5	36.7
Durable goods .....	15.8	18.4	15.8	16.5	17.6	18.9	18.7	18.4
Nondurable goods .....	15.8	18.4	15.8	16.5	17.6	18.9	18.7	18.4
<b>Exports of services</b> <sup>1</sup> .....	<b>229.9</b>	<b>242.3</b>	<b>229.4</b>	<b>236.8</b>	<b>238.9</b>	<b>240.8</b>	<b>245.0</b>	<b>244.5</b>
Transfers under U.S. military agency sales contracts .....	12.2	12.3	11.6	13.5	11.1	12.6	12.8	12.7
Travel .....	62.6	64.0	62.9	64.4	65.3	63.4	64.6	62.8
Passenger fares .....	18.7	20.0	19.1	18.8	20.7	19.4	19.9	20.2
Other transportation .....	25.8	27.5	25.4	26.7	26.5	27.2	27.8	28.3
Royalties and license fees .....	27.4	28.5	27.3	28.0	28.0	28.8	28.6	28.5
Other private services .....	67.0	74.1	67.0	69.3	71.4	73.5	75.4	76.0
Other .....	16.3	16.4	16.2	16.2	16.3	16.3	16.4	16.5
Residual .....	-27.7	-59.1	-29.9	-32.4	-42.8	-55.9	-70.3	-67.1
<b>Imports of goods and services</b> .....	<b>971.5</b>	<b>1,110.0</b>	<b>990.2</b>	<b>1,006.6</b>	<b>1,049.8</b>	<b>1,099.8</b>	<b>1,137.1</b>	<b>1,150.0</b>
<b>Imports of goods</b> <sup>1</sup> .....	<b>823.1</b>	<b>947.7</b>	<b>841.7</b>	<b>857.5</b>	<b>891.3</b>	<b>938.4</b>	<b>972.7</b>	<b>988.4</b>
Foods, feeds, and beverages .....	32.3	35.5	32.5	33.2	34.2	35.3	36.2	36.1
Industrial supplies and materials, except petroleum and products .....	114.2	123.3	116.9	117.7	118.3	123.3	125.5	126.0
Durable goods .....	57.3	61.7	58.8	59.1	59.1	61.7	62.2	63.9
Nondurable goods .....	56.8	61.5	58.1	58.5	59.2	61.6	63.2	61.9
Petroleum and products .....	63.8	67.0	67.5	64.0	62.2	68.1	69.2	68.6
Capital goods, except automotive .....	294.5	377.5	298.6	319.6	340.3	369.4	393.4	406.8
Civilian aircraft, engines, and parts .....	11.2	14.1	11.4	12.2	11.7	13.2	16.1	15.5
Computers, peripherals, and parts .....	118.3	170.3	121.5	130.2	144.4	165.2	183.7	187.9
Other .....	177.6	217.5	179.1	191.8	202.8	214.5	221.2	231.4
Automotive vehicles, engines, and parts .....	118.8	129.9	123.1	118.7	131.0	127.6	132.0	129.1
Consumer goods, except automotive .....	165.3	188.6	167.6	173.9	176.5	187.6	191.0	199.4
Durable goods .....	86.6	97.6	88.6	90.0	91.5	97.9	98.2	103.6
Nondurable goods .....	78.7	91.0	78.9	83.9	84.9	90.5	92.7	95.8
Other .....	43.2	50.3	43.6	44.0	46.4	49.6	52.4	52.8
Durable goods .....	21.6	25.1	21.8	22.0	23.2	24.8	26.2	26.4
Nondurable goods .....	21.6	25.1	21.8	22.0	23.2	24.8	26.2	26.4
<b>Imports of services</b> <sup>1</sup> .....	<b>149.0</b>	<b>163.5</b>	<b>149.3</b>	<b>150.0</b>	<b>158.4</b>	<b>161.8</b>	<b>165.8</b>	<b>168.0</b>
Direct defense expenditures .....	10.1	11.4	10.3	10.0	11.0	11.2	11.7	11.5
Travel .....	44.6	50.5	43.0	44.7	49.1	49.9	50.6	52.3
Passenger fares .....	14.9	15.7	15.0	15.1	15.7	15.3	15.6	16.1
Other transportation .....	27.6	28.9	28.0	27.4	28.1	28.9	29.1	29.5
Royalties and license fees .....	6.7	7.6	7.8	6.4	6.9	7.6	7.9	8.1
Other private services .....	39.2	43.3	39.3	40.3	41.4	42.9	44.7	44.1
Other .....	6.0	6.3	6.1	6.2	6.3	6.3	6.3	6.3
Residual .....	-22.2	-50.0	-22.4	-29.1	-37.0	-47.3	-55.9	-59.6
<b>Addenda:</b>								
Exports of agricultural goods <sup>2</sup> .....	48.6	49.3	46.8	51.7	47.7	47.2	49.5	53.0
Exports of nonagricultural goods .....	581.3	679.5	578.1	616.0	641.6	682.8	686.1	707.4
Imports of nonpetroleum goods .....	757.8	880.9	772.3	792.7	829.7	870.3	903.7	920.1

5. Saving and Investment

Table 5.1.—Gross Saving and Investment

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Gross saving</b> .....	<b>1,267.8</b>		<b>1,295.9</b>	<b>1,303.0</b>	<b>1,332.9</b>	<b>1,396.9</b>	<b>1,411.6</b>	
<b>Gross private saving</b> .....	<b>1,125.5</b>		<b>1,145.1</b>	<b>1,131.4</b>	<b>1,134.0</b>	<b>1,178.1</b>	<b>1,159.6</b>	
Personal saving .....	239.6	224.7	254.0	220.4	215.9	247.0	208.2	227.8
Undistributed corporate profits with inventory valuation and capital consumption adjustments .....	202.1		202.3	212.6	211.5	217.6	230.0	
Undistributed profits .....	142.8		141.8	144.9	140.3	142.3	156.1	
Inventory valuation adjustment .....	-2.5	5.7	-2.7	3.3	3.5	5.9	3.6	9.6
Capital consumption adjustment .....	61.8	69.8	63.2	64.4	67.7	69.4	70.3	71.6
Corporate consumption of fixed capital .....	452.3	475.6	455.5	462.0	467.4	472.6	478.0	484.5
Noncorporate consumption of fixed capital .....	230.5	241.2	232.2	235.2	238.0	239.7	242.4	244.7
Wage accruals less disbursements .....	1.1	1.2	1.1	1.1	1.2	1.2	1.2	1.2
<b>Gross government saving</b> .....	<b>142.3</b>		<b>150.8</b>	<b>171.6</b>	<b>198.9</b>	<b>218.8</b>	<b>251.9</b>	
Federal .....	-39.2		-28.3	-5.9	15.9	34.7	60.8	
Consumption of fixed capital .....	71.2	71.6	71.2	71.3	71.4	71.5	71.6	71.8
Current surplus or deficit (-), national income and product accounts .....	-110.5		-99.5	-77.1	-55.5	-36.8	-10.8	
State and local .....	181.5		179.1	177.5	182.9	184.1	191.1	
Consumption of fixed capital .....	76.2	79.5	76.5	77.2	78.2	79.2	79.7	80.8
Current surplus or deficit (-), national income and product accounts .....	105.3		102.6	100.4	104.7	104.9	111.4	
<b>Capital grants received by the United States (net)</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross investment</b> .....	<b>1,207.9</b>		<b>1,216.4</b>	<b>1,243.5</b>	<b>1,268.6</b>	<b>1,323.4</b>	<b>1,308.4</b>	
Gross private domestic investment .....	1,116.5	1,240.9	1,149.2	1,151.1	1,193.6	1,242.0	1,250.2	1,277.8
Gross government investment .....	224.3	226.0	223.6	225.3	223.3	227.4	227.1	226.0
Net foreign investment .....	-132.9		-156.4	-132.9	-148.4	-146.0	-168.9	
<b>Statistical discrepancy</b> .....	<b>-59.9</b>		<b>-79.5</b>	<b>-59.5</b>	<b>-64.3</b>	<b>-73.5</b>	<b>-103.2</b>	
<b>Addendum:</b>								
Gross saving as a percentage of gross national product .....	16.6		16.9	16.7	16.8	17.4	17.4	

Table 5.4.—Private Fixed Investment by Type

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Private fixed investment</b> .....	<b>1,090.7</b>	<b>1,172.6</b>	<b>1,112.0</b>	<b>1,119.2</b>	<b>1,127.5</b>	<b>1,160.8</b>	<b>1,201.3</b>	<b>1,200.8</b>
<b>Nonresidential</b> .....	<b>781.4</b>	<b>845.4</b>	<b>798.6</b>	<b>807.2</b>	<b>811.3</b>	<b>836.3</b>	<b>872.0</b>	<b>861.9</b>
<b>Structures</b> .....	<b>215.2</b>	<b>229.9</b>	<b>217.7</b>	<b>227.0</b>	<b>227.4</b>	<b>226.8</b>	<b>232.9</b>	<b>232.5</b>
Nonresidential buildings, including farm .....	159.8	174.4	162.5	171.2	174.0	172.1	177.5	174.2
Utilities .....	33.3	33.1	32.7	34.1	32.0	33.7	33.2	33.6
Mining exploration, shafts, and wells .....	16.1	16.0	16.5	16.0	16.1	15.6	16.2	16.0
Other structures .....	6.2	6.4	6.0	5.8	5.3	5.5	5.9	8.8
<b>Producers' durable equipment</b> .....	<b>566.2</b>	<b>615.5</b>	<b>580.9</b>	<b>580.2</b>	<b>583.9</b>	<b>609.5</b>	<b>639.1</b>	<b>629.4</b>
Information processing and related equipment .....	195.1	212.2	201.1	200.3	202.8	208.4	219.5	218.0
Computers and peripheral equipment <sup>1</sup> .....	78.7	85.3	80.9	81.0	81.8	84.5	88.1	86.8
Other .....	116.3	126.9	120.3	119.3	121.0	123.9	131.3	131.2
Industrial equipment .....	127.5	134.8	128.2	127.9	127.7	134.9	137.5	138.9
Transportation and related equipment .....	134.5	149.1	140.0	140.1	137.7	147.1	159.9	151.5
Other .....	109.1	119.5	111.5	111.9	115.7	119.1	122.2	121.0
<b>Residential</b> .....	<b>309.2</b>	<b>327.2</b>	<b>313.5</b>	<b>312.0</b>	<b>316.2</b>	<b>324.6</b>	<b>329.3</b>	<b>338.9</b>
<b>Structures</b> .....	<b>301.7</b>	<b>319.3</b>	<b>305.9</b>	<b>304.4</b>	<b>308.3</b>	<b>316.7</b>	<b>321.4</b>	<b>331.0</b>
Single family .....	159.1	163.7	162.2	160.6	161.0	162.5	163.1	168.1
Multifamily .....	20.3	22.8	19.2	20.1	21.9	23.0	22.3	24.0
Other structures .....	122.3	132.8	124.5	123.7	125.3	131.2	135.9	138.8
<b>Producers' durable equipment</b> .....	<b>7.5</b>	<b>7.9</b>	<b>7.5</b>	<b>7.6</b>	<b>7.9</b>	<b>7.9</b>	<b>8.0</b>	<b>7.9</b>

1. Includes new computers and peripheral equipment only.

Table 5.5.—Real Private Fixed Investment by Type

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Private fixed investment</b> .....	<b>1,041.7</b>	<b>1,122.2</b>	<b>1,060.9</b>	<b>1,068.7</b>	<b>1,079.0</b>	<b>1,111.4</b>	<b>1,149.3</b>	<b>1,149.2</b>
<b>Nonresidential</b> .....	<b>771.7</b>	<b>846.8</b>	<b>789.3</b>	<b>800.8</b>	<b>808.9</b>	<b>837.0</b>	<b>874.5</b>	<b>866.6</b>
<b>Structures</b> .....	<b>188.7</b>	<b>195.2</b>	<b>190.0</b>	<b>196.9</b>	<b>195.9</b>	<b>193.5</b>	<b>196.7</b>	<b>194.5</b>
Nonresidential buildings, including farm .....	140.0	148.3	141.7	148.4	150.1	147.1	150.1	145.8
Utilities .....	29.3	28.1	28.7	29.5	27.5	28.7	28.0	28.2
Mining exploration, shafts, and wells .....	13.9	13.2	14.1	13.8	13.6	13.0	13.4	13.0
Other structures .....	5.5	5.5	5.4	5.1	4.6	4.7	5.1	7.5
<b>Producers' durable equipment</b> .....	<b>586.0</b>	<b>657.7</b>	<b>602.9</b>	<b>606.7</b>	<b>616.6</b>	<b>649.3</b>	<b>685.3</b>	<b>679.7</b>
Information processing and related equipment .....	253.1	305.9	264.3	270.4	281.4	296.9	320.5	324.9
Computers and peripheral equipment <sup>1</sup> .....	160.8	225.3	170.0	182.4	195.8	216.1	240.5	248.8
Other .....	116.3	127.2	120.3	119.3	121.5	124.4	131.5	131.5
Industrial equipment .....	117.0	123.1	117.6	116.9	116.8	123.5	125.6	126.6
Transportation and related equipment .....	125.0	137.4	129.5	129.7	127.5	136.0	146.8	139.5
Other .....	100.8	109.5	102.8	102.5	106.1	109.1	112.1	110.8
<b>Residential</b> .....	<b>272.1</b>	<b>279.6</b>	<b>274.1</b>	<b>271.1</b>	<b>273.3</b>	<b>278.2</b>	<b>280.1</b>	<b>286.7</b>
<b>Structures</b> .....	<b>265.0</b>	<b>272.1</b>	<b>266.9</b>	<b>263.9</b>	<b>265.9</b>	<b>270.8</b>	<b>272.6</b>	<b>279.1</b>
Single family .....	136.6	136.8	138.3	136.2	136.2	136.5	135.7	138.9
Multifamily .....	18.6	20.2	17.5	18.0	19.6	20.4	19.6	21.0
Other structures .....	110.2	115.7	111.5	110.0	110.5	114.4	117.9	119.9
<b>Producers' durable equipment</b> .....	<b>7.1</b>	<b>7.5</b>	<b>7.2</b>	<b>7.2</b>	<b>7.4</b>	<b>7.5</b>	<b>7.6</b>	<b>7.5</b>
<b>Residual</b> .....	<b>-39.4</b>	<b>-75.6</b>	<b>-43.7</b>	<b>-50.3</b>	<b>-58.2</b>	<b>-70.0</b>	<b>-84.6</b>	<b>-89.8</b>

1. Includes new computers and peripheral equipment only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.



Table 5.10.—Change in Business Inventories by Industry

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Change in business inventories .....</b>	<b>25.9</b>	<b>68.3</b>	<b>37.1</b>	<b>31.9</b>	<b>66.1</b>	<b>81.1</b>	<b>48.9</b>	<b>77.0</b>
Farm .....	2.9	6.6	5.8	3.2	3.9	6.2	8.1	8.5
Nonfarm .....	23.0	61.7	31.3	28.7	62.2	74.9	40.9	68.6
Change in book value .....	28.2	50.4	33.8	32.6	44.5	57.5	38.2	61.4
Inventory valuation adjustment .....	-5.1	11.2	-2.4	-3.9	17.7	17.4	2.6	7.2
Manufacturing .....	10.6	23.1	15.3	13.3	22.3	30.9	15.8	23.5
Durable goods .....	10.2	13.4	14.4	6.8	12.9	19.1	10.3	11.3
Nondurable goods .....	.4	9.7	.9	6.4	9.3	11.8	5.5	12.3
Wholesale trade .....	3.3	21.8	-7.7	10.1	24.3	26.0	15.8	21.0
Durable goods .....	2.5	11.8	4.7	-5.5	15.4	23.5	4.0	4.1
Nondurable goods .....	.8	10.0	-12.4	15.6	8.9	2.4	11.8	16.9
Merchant wholesalers .....	2.4	18.1	-8.0	11.7	18.9	18.4	15.1	19.9
Durable goods .....	1.9	10.0	4.2	-3.2	12.3	18.6	4.3	4.8
Nondurable goods .....	.5	8.1	-12.1	14.8	6.6	-2	10.9	15.1
Nonmerchant wholesalers .....	.9	3.7	.3	-1.6	5.4	7.6	.7	1.1
Durable goods .....	.6	1.8	.6	-2.3	3.1	4.9	-3	-7
Nondurable goods .....	.3	1.9	-.3	.8	2.3	2.7	1.0	1.8
Retail trade .....	4.1	7.3	21.2	1.1	.6	8.3	3.0	17.5
Durable goods .....	1.9	5.4	14.6	-3.3	1.4	2.4	1.7	16.1
Motor vehicle dealers .....	-1.6	.8	11.9	-5.3	-2.9	-4.0	-6	10.6
Other .....	3.5	4.6	2.7	2.0	4.2	6.4	2.3	5.5
Nondurable goods .....	2.3	2.0	6.6	4.4	-8	5.9	1.3	1.5
Other .....	5.0	9.4	2.5	4.3	15.2	9.8	6.3	6.5
Durable goods .....	2.3	1.9	-5	.8	2.1	1.8	2.6	1.0
Nondurable goods .....	2.6	7.5	2.9	3.4	13.0	8.0	3.7	5.5

NOTE.—Estimates for nonfarm industries other than manufacturing and trade for 1986 and earlier periods are based on the 1972 Standard Industrial Classification (SIC). Manufacturing estimates for 1981 and earlier periods and trade estimates for 1966 and earlier periods are based on the 1972 SIC; later estimates for these industries are based on the 1987 SIC. The resulting discontinuities are small.

Table 5.11.—Real Change in Business Inventories by Industry

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Change in business inventories ....</b>	<b>25.0</b>	<b>65.7</b>	<b>37.9</b>	<b>32.9</b>	<b>63.7</b>	<b>77.6</b>	<b>47.5</b>	<b>74.0</b>
Farm .....	2.6	8.0	6.5	6.4	5.3	7.5	9.5	9.8
Nonfarm .....	22.5	57.8	31.6	26.5	58.3	70.1	38.3	64.4
Manufacturing .....	9.9	21.7	14.3	12.3	20.9	29.0	14.8	22.3
Durable goods .....	9.7	12.8	13.8	6.6	12.3	18.2	9.9	10.8
Nondurable goods .....	.4	8.9	.8	5.7	8.5	10.8	5.0	11.3
Wholesale trade .....	4.0	20.6	-5.0	9.4	22.9	24.6	14.9	19.8
Durable goods .....	2.4	11.3	4.5	-5.2	14.8	22.7	3.8	4.0
Nondurable goods .....	1.6	9.1	-9.0	13.9	8.1	2.3	10.8	15.3
Merchant wholesalers .....	3.2	17.1	-5.2	10.9	17.8	17.5	14.3	18.7
Durable goods .....	1.8	9.6	3.9	-3.0	11.8	17.9	4.1	4.7
Nondurable goods .....	1.3	7.4	-8.7	13.3	6.0	-1	9.9	13.6
Nonmerchant wholesalers .....	.8	3.5	.3	-1.5	5.1	7.2	.6	1.1
Durable goods .....	.6	1.7	.5	-2.3	3.0	4.8	-3	-7
Nondurable goods .....	.3	1.8	-.2	.6	2.1	2.5	.9	1.7
Retail trade .....	4.0	6.9	20.0	.9	.6	7.7	2.8	16.5
Durable goods .....	1.7	4.9	13.3	-3.0	1.2	2.0	1.5	14.7
Motor vehicle dealers .....	-1.4	.7	10.6	-4.7	-2.5	-3.7	-6	9.5
Other .....	3.3	4.3	2.5	1.8	3.9	5.9	2.1	5.1
Nondurable goods .....	2.3	1.9	6.5	4.1	-7	5.8	1.3	1.4
Other .....	4.5	8.6	2.3	3.9	13.7	8.9	5.7	5.9
Durable goods .....	2.1	1.6	-4	.7	1.8	1.5	2.3	.9
Nondurable goods .....	2.4	7.0	2.8	3.2	12.0	7.5	3.4	5.2
Residual .....	-4	0	-7	.5	.2	-1.0	0	.7

NOTE.—Chained (1992) dollar series for real change in business inventories are calculated as the period-to-period change in chained-dollar end-of-period inventories. Quarterly changes in end-of-period inventories are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines. See note to table 5.10.

**Table 5.12.—Inventories and Domestic Final Sales of Business by Industry**

[Billions of dollars]

	Seasonally adjusted quarterly totals					
	1996		1997			
	III	IV	I	II	III	IV
<b>Inventories</b> <sup>1</sup> .....	<b>1,287.1</b>	<b>1,294.5</b>	<b>1,306.1</b>	<b>1,318.1</b>	<b>1,334.1</b>	<b>1,342.1</b>
Farm .....	106.0	102.6	107.2	107.7	109.1	108.1
Nonfarm .....	1,181.2	1,191.9	1,198.9	1,210.4	1,225.0	1,234.0
Durable goods .....	675.6	675.2	684.4	693.2	697.0	702.8
Nondurable goods .....	505.5	516.7	514.5	517.2	528.0	531.2
Manufacturing .....	436.3	440.3	443.3	448.0	453.5	456.8
Durable goods .....	271.4	273.7	277.0	280.7	283.2	285.5
Nondurable goods .....	164.9	166.6	166.3	167.3	170.3	171.4
Wholesale trade .....	300.3	300.8	306.2	310.8	316.1	318.6
Durable goods .....	186.6	184.9	188.7	194.4	195.0	195.1
Nondurable goods .....	113.6	116.0	117.5	116.4	121.2	123.6
Merchant wholesalers .....	257.9	258.6	263.4	266.6	271.4	274.3
Durable goods .....	161.9	160.7	163.9	168.4	169.0	169.4
Nondurable goods .....	96.0	97.9	99.5	98.2	102.4	104.8
Nonmerchant wholesalers .....	42.4	42.3	42.8	44.2	44.7	44.4
Durable goods .....	24.8	24.1	24.9	26.1	25.9	25.6
Nondurable goods .....	17.6	18.1	17.9	18.2	18.8	18.8
Retail trade .....	312.5	313.0	313.3	313.2	314.7	318.0
Durable goods .....	168.8	167.7	168.7	167.7	168.0	171.3
Motor vehicle dealers .....	85.5	83.9	83.6	80.9	80.7	82.9
Other .....	83.3	83.9	85.1	86.7	87.3	88.4
Nondurable goods .....	143.6	145.3	144.6	145.6	146.7	146.7
Other .....	132.1	137.7	136.1	138.3	140.7	140.5
Durable goods .....	48.7	48.9	50.0	50.5	50.8	50.9
Nondurable goods .....	83.4	88.8	86.2	87.9	89.9	89.6
<b>Final sales of domestic business</b> <sup>2</sup> .....	<b>533.1</b>	<b>542.6</b>	<b>550.0</b>	<b>556.2</b>	<b>565.2</b>	<b>570.8</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>285.9</b>	<b>289.9</b>	<b>294.1</b>	<b>296.1</b>	<b>301.1</b>	<b>301.9</b>
<b>Ratio of inventories to final sales of domestic business</b>						
Inventories to final sales .....	2.41	2.39	2.37	2.37	2.36	2.35
Nonfarm inventories to final sales .....	2.22	2.20	2.18	2.18	2.17	2.16
Nonfarm inventories to final sales of goods and structures .....	4.13	4.11	4.08	4.09	4.07	4.09

1. Inventories are as of the end of the quarter. The quarter-to-quarter change in inventories calculated from current-dollar inventories in this table is not the current-dollar change in business inventories (CBI) component of GDP. The former is the difference between two inventory stocks, each valued at their respective end-of-quarter prices. The latter is the change in the physical volume of inventories valued at average prices of the quarter. In addition, changes calculated from this table are at quarterly rates; whereas, CBI is stated at annual rates.

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government and includes a small amount of final sales by farm.

**Table 5.13.—Real Inventories and Real Domestic Final Sales of Business by Industry**

[Billions of chained (1992) dollars]

	Seasonally adjusted quarterly totals					
	1996		1997			
	III	IV	I	II	III	IV
<b>Inventories</b> <sup>1</sup> .....	<b>1,200.7</b>	<b>1,208.9</b>	<b>1,224.8</b>	<b>1,244.2</b>	<b>1,256.1</b>	<b>1,274.6</b>
Farm .....	100.9	102.5	103.8	105.7	108.0	110.5
Nonfarm .....	1,099.3	1,105.9	1,120.5	1,138.0	1,147.6	1,163.7
Durable goods .....	634.3	634.0	641.5	652.5	656.8	664.5
Nondurable goods .....	464.9	471.7	478.8	485.4	490.6	499.0
Manufacturing .....	406.6	409.7	414.9	422.1	425.8	431.4
Durable goods .....	259.3	260.9	264.0	268.6	271.0	273.7
Nondurable goods .....	147.5	148.9	151.1	153.8	155.0	157.8
Wholesale trade .....	280.1	282.4	288.1	294.3	298.0	303.0
Durable goods .....	179.2	177.9	181.6	187.3	188.3	189.3
Nondurable goods .....	101.1	104.6	106.6	107.2	109.9	113.7
Merchant wholesalers .....	240.1	242.8	247.3	251.7	255.2	259.9
Durable goods .....	155.1	154.3	157.3	161.8	162.8	164.0
Nondurable goods .....	85.3	88.6	90.1	90.1	92.6	96.0
Nonmerchant wholesalers .....	39.9	39.5	40.8	42.6	42.8	43.0
Durable goods .....	24.2	23.6	24.3	25.5	25.5	25.3
Nondurable goods .....	15.8	16.0	16.5	17.1	17.3	17.7
Retail trade .....	292.4	292.7	292.8	294.7	295.4	299.5
Durable goods .....	153.2	152.4	152.7	153.2	153.6	157.3
Motor vehicle dealers .....	75.7	74.5	73.9	73.0	72.8	75.2
Other .....	77.5	78.0	79.0	80.4	81.0	82.3
Nondurable goods .....	138.9	140.0	139.8	141.2	141.5	141.9
Other .....	120.1	121.1	124.5	126.7	128.2	129.7
Durable goods .....	42.3	42.5	42.9	43.3	43.9	44.1
Nondurable goods .....	77.7	78.4	81.4	83.3	84.2	85.5
Residual .....	.5	.7	.7	.4	.5	.6
<b>Final sales of domestic business</b> <sup>2</sup> .....	<b>484.7</b>	<b>491.1</b>	<b>495.1</b>	<b>498.5</b>	<b>505.0</b>	<b>508.7</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>268.2</b>	<b>271.8</b>	<b>274.5</b>	<b>275.6</b>	<b>280.0</b>	<b>280.6</b>
<b>Ratio of inventories to final sales of domestic business</b>						
Inventories to final sales .....	2.48	2.46	2.47	2.50	2.49	2.51
Nonfarm inventories to final sales .....	2.27	2.25	2.26	2.28	2.27	2.29
Nonfarm inventories to final sales of goods and structures .....	4.10	4.07	4.08	4.13	4.10	4.15

1. Inventories are as of the end of the quarter. Quarter-to-quarter changes calculated from this table are at quarterly rates, whereas, the change in the business inventories component of GDP is stated at annual rates.

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government and includes a small amount of final sales by farm.

NOTE.—Chained (1992) dollar inventory series are calculated as the product of the chain-type quantity index and the average of the end-of-year fixed-weighted inventories for 1991 and 1992, divided by 100. Chained (1992) dollar final sales series are calculated as the product of the chain-type index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

## 6. Income and Employment by Industry

Table 6.1C.—National Income Without Capital Consumption Adjustment by Industry

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>National income without capital consumption adjustment</b> .....	<b>6,219.6</b>		<b>6,267.7</b>	<b>6,340.4</b>	<b>6,470.8</b>	<b>6,557.3</b>	<b>6,657.5</b>	
<b>Domestic industries</b> .....	<b>6,217.9</b>		<b>6,274.7</b>	<b>6,337.3</b>	<b>6,485.1</b>	<b>6,578.0</b>	<b>6,678.2</b>	
<b>Private industries</b> .....	<b>5,362.6</b>		<b>5,415.0</b>	<b>5,472.0</b>	<b>5,608.9</b>	<b>5,696.1</b>	<b>5,788.8</b>	
Agriculture, forestry, and fishing .....	105.6		109.0	109.6	110.8	115.5	114.1	
Mining .....	46.9		46.9	45.0	48.2	49.2	48.0	
Construction .....	285.2		286.9	291.4	298.2	302.2	307.4	
Manufacturing .....	1,110.1		1,120.8	1,122.1	1,134.6	1,160.5	1,187.8	
Durable goods .....	634.5		642.7	639.4	651.0	669.7	691.2	
Nondurable goods .....	475.6		478.1	482.8	483.6	490.8	496.6	
Transportation and public utilities .....	456.7		459.3	457.3	467.1	471.5	477.2	
Transportation .....	191.0		194.6	192.3	199.6	203.0	207.6	
Communications .....	135.0		137.0	133.1	135.5	135.2	139.0	
Electric, gas, and sanitary services .....	130.8		127.7	131.9	132.0	133.3	130.6	
Wholesale trade .....	349.1		350.6	364.8	372.4	379.3	388.7	
Retail trade .....	503.7		506.8	512.3	527.7	533.0	542.6	
Finance, insurance, and real estate .....	1,095.3		1,111.5	1,116.5	1,168.9	1,185.0	1,199.2	
Services .....	1,410.1		1,423.2	1,452.9	1,481.1	1,500.1	1,523.7	
<b>Government</b> .....	<b>855.3</b>		<b>859.7</b>	<b>865.2</b>	<b>876.2</b>	<b>881.9</b>	<b>889.4</b>	
<b>Rest of the world</b> .....	<b>1.7</b>		<b>-7.0</b>	<b>3.1</b>	<b>-14.3</b>	<b>-20.7</b>	<b>-20.7</b>	

Table 6.16C.—Corporate Profits by Industry

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>735.9</b>		<b>739.6</b>	<b>747.8</b>	<b>779.6</b>	<b>795.1</b>	<b>827.3</b>	
<b>Domestic industries</b> .....	<b>640.0</b>		<b>647.8</b>	<b>640.3</b>	<b>682.2</b>	<b>694.4</b>	<b>727.5</b>	
Financial .....	94.2		94.6	78.5	106.8	107.7	109.3	
Nonfinancial .....	545.8		553.3	561.7	575.4	586.7	618.2	
<b>Rest of the world</b> .....	<b>95.9</b>		<b>91.8</b>	<b>107.5</b>	<b>97.4</b>	<b>100.8</b>	<b>99.9</b>	
Receipts from the rest of the world .....	132.7		133.4	142.6	139.9	148.3	150.5	
Less: Payments to the rest of the world .....	36.7		41.6	35.0	42.5	47.5	50.6	
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>674.1</b>		<b>676.4</b>	<b>683.4</b>	<b>711.9</b>	<b>725.7</b>	<b>757.1</b>	
<b>Domestic industries</b> .....	<b>578.2</b>		<b>584.6</b>	<b>575.8</b>	<b>614.5</b>	<b>624.9</b>	<b>657.2</b>	
Financial .....	103.5		104.0	88.1	116.5	117.5	119.4	
Federal Reserve banks .....	22.0		22.0	22.3	22.8	23.2	23.7	
Other .....	81.5		82.0	65.8	93.7	94.3	95.7	
Nonfinancial .....	474.7		480.7	487.8	498.0	507.4	537.8	
Manufacturing .....	205.5		210.5	209.7	208.2	221.0	240.4	
Durable goods .....	99.0		102.9	99.7	101.3	111.8	128.1	
Primary metal industries .....	5.6		7.0	5.1	3.9	5.6	7.6	
Fabricated metal products .....	17.1		18.0	18.1	17.4	18.4	20.8	
Industrial machinery and equipment .....	25.8		25.6	24.6	24.0	27.8	32.5	
Electronic and other electric equipment .....	23.9		25.2	29.6	31.4	33.3	36.7	
Motor vehicles and equipment .....	-3.2		-1.5	-8.3	-1.3	-3.5	.4	
Other .....	29.8		28.6	30.6	25.9	30.2	30.0	
Nondurable goods .....	106.5		107.7	109.9	106.9	109.2	112.3	
Food and kindred products .....	28.5		28.8	34.2	28.0	28.2	29.1	
Chemicals and allied products .....	31.2		31.5	28.9	28.8	29.9	30.0	
Petroleum and coal products .....	10.0		10.0	11.9	12.4	10.3	12.4	
Other .....	36.8		37.3	34.9	37.7	40.8	40.9	
Transportation and public utilities .....	91.7		91.2	90.5	91.5	89.6	90.0	
Transportation .....	11.7		13.0	11.4	14.9	16.4	16.9	
Communications .....	36.0		37.6	34.8	33.8	30.8	33.4	
Electric, gas, and sanitary services .....	44.0		40.6	44.3	42.8	42.4	39.8	
Wholesale trade .....	38.3		37.7	47.4	49.0	49.5	54.1	
Retail trade .....	48.9		50.6	48.3	55.1	54.9	57.9	
Other .....	90.3		90.6	91.9	94.2	92.4	95.3	
<b>Rest of the world</b> .....	<b>95.9</b>		<b>91.8</b>	<b>107.5</b>	<b>97.4</b>	<b>100.8</b>	<b>99.9</b>	

NOTE.— Estimates in this table are based on the 1987 Standard Industrial Classification.



Table 7.2.—Quantity and Price Indexes for Gross Domestic Product, Final Sales, and Purchases

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted						
			1996		1997				
			III	IV	I	II	III	IV	
<b>Gross domestic product:</b>									
Current dollars .....	122.29	129.41	122.93	124.80	127.05	128.66	130.10	131.83	
Chain-type quantity index .....	110.95	115.14	111.20	112.38	113.73	114.66	115.53	116.64	
Chain-type price index .....	110.22	112.45	110.59	111.10	111.78	112.27	112.67	113.08	
Implicit price deflator .....	110.21	112.40	110.54	111.05	111.71	112.22	112.62	113.02	
<b>Final sales of domestic product:</b>									
Current dollars .....	122.01	128.46	122.47	124.43	126.13	127.51	129.47	130.74	
Chain-type quantity index .....	110.64	114.14	110.70	111.93	112.77	113.47	114.80	115.50	
Chain-type price index .....	110.28	112.55	110.65	111.17	111.85	112.37	112.78	113.19	
Implicit price deflator .....	110.28	112.55	110.63	111.16	111.85	112.37	112.78	113.19	
<b>Gross domestic purchases:</b>									
Current dollars .....	123.22	130.41	124.16	125.62	128.03	129.47	131.27	132.87	
Chain-type quantity index .....	112.17	116.76	112.77	113.46	115.09	116.14	117.38	118.41	
Chain-type price index .....	109.86	111.77	110.15	110.79	111.32	111.55	111.90	112.29	
Implicit price deflator .....	109.85	111.69	110.10	110.72	111.24	111.48	111.83	112.21	
<b>Final sales to domestic purchasers:</b>									
Current dollars .....	122.95	129.46	123.71	125.25	127.11	128.32	130.63	131.78	
Chain-type quantity index .....	111.86	115.76	112.28	113.02	114.14	114.96	116.66	117.28	
Chain-type price index .....	109.91	111.86	110.20	110.85	111.39	111.65	112.00	112.40	
Implicit price deflator .....	109.91	111.84	110.18	110.83	111.37	111.62	111.98	112.37	
<b>Addenda:</b>									
Chain-type price indexes for gross domestic purchases:									
Food .....	109.42	112.21	109.98	111.02	111.35	111.79	112.67	113.03	
Energy .....	107.01	107.46	106.72	109.23	110.89	105.91	106.16	106.86	
Gross domestic purchases less food and energy .....	110.06	111.94	110.34	110.86	111.36	111.81	112.10	112.48	

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 7.4.—Chain-Type Quantity and Price Indexes for Personal Consumption Expenditures by Major Type of Product

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted						
			1996		1997				
			III	IV	I	II	III	IV	
<b>Chain-type quantity indexes</b>									
<b>Personal consumption expenditures</b> .....	<b>111.71</b>	<b>115.39</b>	<b>111.81</b>	<b>112.72</b>	<b>114.18</b>	<b>114.45</b>	<b>116.03</b>	<b>116.91</b>	
<b>Durable goods</b> .....	<b>125.09</b>	<b>132.12</b>	<b>125.25</b>	<b>126.32</b>	<b>130.55</b>	<b>128.75</b>	<b>134.31</b>	<b>134.88</b>	
Motor vehicles and parts .....	111.82	112.70	111.06	110.19	112.83	107.82	115.39	114.75	
Furniture and household equipment .....	142.35	156.47	143.80	146.18	151.75	154.35	159.01	160.77	
Other .....	122.72	131.55	122.66	125.98	131.48	129.70	131.81	133.20	
<b>Nondurable goods</b> .....	<b>108.36</b>	<b>110.36</b>	<b>108.48</b>	<b>109.03</b>	<b>110.29</b>	<b>109.70</b>	<b>110.87</b>	<b>110.59</b>	
Food .....	104.51	104.54	104.14	104.39	105.25	104.28	104.48	104.16	
Clothing and shoes .....	118.70	123.21	120.09	119.73	122.88	121.39	124.74	123.85	
Gasoline and oil .....	107.02	108.83	107.01	107.69	107.56	108.95	109.05	109.74	
Fuel oil and coal .....	97.19	91.34	96.86	94.75	86.25	92.53	95.48	91.09	
Other .....	110.16	115.06	110.55	112.37	114.07	113.98	116.06	116.12	
<b>Services</b> .....	<b>110.86</b>	<b>114.79</b>	<b>110.93</b>	<b>111.99</b>	<b>113.05</b>	<b>114.13</b>	<b>115.22</b>	<b>116.75</b>	
Housing .....	108.25	110.36	108.48	108.97	109.52	110.09	110.64	111.20	
Household operation .....	116.65	118.90	115.15	117.51	116.02	118.51	119.14	121.93	
Electricity and gas .....	110.55	109.54	107.74	110.47	106.82	110.55	108.60	112.18	
Other household operation .....	121.17	125.78	120.61	122.71	122.79	124.38	126.86	129.09	
Transportation .....	123.11	128.25	123.64	124.64	126.10	127.14	129.02	130.75	
Medical care .....	106.42	110.10	106.67	107.81	108.93	109.61	110.45	111.43	
Other .....	112.64	118.73	112.84	113.91	116.15	117.59	119.36	121.81	
<b>Chain-type price indexes</b>									
<b>Personal consumption expenditures</b> .....	<b>110.47</b>	<b>112.72</b>	<b>110.80</b>	<b>111.61</b>	<b>112.21</b>	<b>112.49</b>	<b>112.91</b>	<b>113.26</b>	
<b>Durable goods</b> .....	<b>103.83</b>	<b>102.16</b>	<b>103.72</b>	<b>103.45</b>	<b>103.27</b>	<b>102.50</b>	<b>101.74</b>	<b>101.14</b>	
Motor vehicles and parts .....	112.95	112.94	113.15	113.55	113.84	113.26	112.55	112.11	
Furniture and household equipment .....	93.71	90.29	93.38	92.50	91.84	90.84	89.67	88.82	
Other .....	106.48	105.83	106.26	106.14	106.22	105.64	105.85	105.60	
<b>Nondurable goods</b> .....	<b>107.15</b>	<b>109.15</b>	<b>107.29</b>	<b>108.26</b>	<b>108.90</b>	<b>108.89</b>	<b>109.24</b>	<b>109.56</b>	
Food .....	109.63	112.54	110.20	111.27	111.65	112.09	113.02	113.41	
Clothing and shoes .....	98.75	99.76	98.08	98.56	99.29	100.37	99.68	99.69	
Gasoline and oil .....	107.44	107.50	106.47	109.83	112.13	104.77	106.31	106.80	
Fuel oil and coal .....	108.92	108.72	105.69	116.17	116.49	108.78	104.55	105.07	
Other .....	108.22	109.84	108.57	108.67	109.21	110.08	109.87	110.21	
<b>Services</b> .....	<b>113.76</b>	<b>117.04</b>	<b>114.29</b>	<b>115.26</b>	<b>116.02</b>	<b>116.70</b>	<b>117.42</b>	<b>118.02</b>	
Housing .....	112.43	115.78	112.85	113.60	114.42	115.34	116.25	117.11	
Household operation .....	109.08	111.32	109.63	110.32	111.37	111.05	111.17	111.70	
Electricity and gas .....	106.35	108.77	106.92	107.73	109.66	107.98	108.16	109.30	
Other household operation .....	111.01	113.14	111.55	112.16	112.63	113.21	113.28	113.42	
Transportation .....	112.22	116.56	112.43	114.15	114.88	116.14	116.98	118.26	
Medical care .....	117.43	120.11	117.72	118.62	119.41	119.88	120.38	120.77	
Other .....	113.69	117.55	114.63	115.76	116.33	117.20	118.12	118.56	
<b>Addenda:</b>									
Price indexes for personal consumption expenditures:									
Food .....	109.63	112.54	110.20	111.27	111.65	112.09	113.02	113.41	
Energy <sup>1</sup> .....	106.96	108.15	106.63	109.07	111.11	106.47	107.11	107.92	
Personal consumption expenditures less food and energy .....	110.88	113.07	111.21	111.87	112.41	112.97	113.28	113.61	

1. Consists of prices for gasoline and oil, fuel oil and coal, and electricity and gas.

Table 7.3.—Quantity and Price Indexes for Gross National Product and Command-Basis Gross National Product

[Index numbers, 1992=100]

<b>Gross national product:</b>								
Current dollars .....	122.10	122.60	124.63	126.60	128.10	129.54		
Chain-type quantity index .....	110.81	110.95	112.27	113.37	114.21	115.08		
Chain-type price index .....	110.19	110.55	111.06	111.73	112.22	112.62		
Implicit price deflator .....	110.18	110.50	111.01	111.67	112.17	112.57		
<b>Less: Exports of goods and services and receipts of factor income:</b>								
Chain-type quantity index	137.88	137.24	145.06	147.60	154.24	156.43		
<b>Plus: Command-basis exports of goods and services and receipts of factor income:</b>								
Chain-type quantity index	140.35	140.23	147.07	150.74	159.72	162.32		
<b>Equals: Command-basis gross national product:</b>								
Chain-type quantity index	111.12	111.32	112.52	113.76	114.89	115.81		

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 7.6.—Chain-Type Quantity and Price Indexes for Private Fixed Investment by Type

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted						
			1996		1997				
			III	IV	I	II	III	IV	
<b>Chain-type quantity indexes</b>									
<b>Private fixed investment</b>	<b>132.97</b>	<b>143.25</b>	<b>135.42</b>	<b>136.41</b>	<b>137.73</b>	<b>141.86</b>	<b>146.70</b>	<b>146.69</b>	
<b>Nonresidential</b>	<b>138.33</b>	<b>151.79</b>	<b>141.48</b>	<b>143.54</b>	<b>145.00</b>	<b>150.03</b>	<b>156.75</b>	<b>155.35</b>	
<b>Structures</b>	<b>111.51</b>	<b>115.36</b>	<b>112.32</b>	<b>116.40</b>	<b>115.79</b>	<b>114.39</b>	<b>116.26</b>	<b>114.98</b>	
Nonresidential buildings, including farm	123.67	131.01	125.22	131.15	132.58	129.98	132.61	128.86	
Utilities	84.83	81.48	83.23	85.66	79.80	83.07	81.32	81.75	
Mining exploration, shafts, and wells	104.18	99.52	106.20	103.54	102.45	97.40	100.62	97.59	
Other structures	66.68	66.52	65.30	61.90	55.98	57.50	61.86	90.74	
<b>Producers' durable equipment</b>	<b>150.77</b>	<b>169.22</b>	<b>155.10</b>	<b>156.09</b>	<b>158.63</b>	<b>167.05</b>	<b>176.32</b>	<b>174.87</b>	
Information processing and related equipment	188.61	228.01	196.97	201.54	209.70	221.31	238.88	242.16	
Computers and peripheral equipment <sup>1</sup>	365.81	512.64	386.78	414.95	445.54	491.73	547.14	566.15	
Other	128.90	141.01	133.29	132.21	134.66	137.85	145.77	145.76	
Industrial equipment	131.01	137.88	131.64	130.91	130.81	138.25	140.67	141.79	
Transportation and related equipment	145.10	159.48	150.25	150.54	147.92	157.79	170.32	161.90	
Other	127.58	138.59	130.11	129.66	134.23	138.07	141.85	140.21	
<b>Residential</b>	<b>120.64</b>	<b>123.95</b>	<b>121.51</b>	<b>120.18</b>	<b>121.17</b>	<b>123.36</b>	<b>124.19</b>	<b>127.10</b>	
<b>Structures</b>	<b>120.71</b>	<b>123.95</b>	<b>121.59</b>	<b>120.21</b>	<b>121.13</b>	<b>123.35</b>	<b>124.17</b>	<b>127.16</b>	
Single family	117.22	117.43	118.73	116.95	116.95	117.14	116.45	119.20	
Multifamily	142.27	153.89	133.41	137.49	149.84	156.03	149.56	160.12	
Other structures	122.54	128.66	123.96	122.33	122.86	127.25	131.15	133.37	
<b>Producers' durable equipment</b>	<b>118.12</b>	<b>124.23</b>	<b>118.83</b>	<b>119.28</b>	<b>122.83</b>	<b>123.91</b>	<b>125.40</b>	<b>124.77</b>	
<b>Chain-type price indexes</b>									
<b>Private fixed investment</b>	<b>104.70</b>	<b>104.51</b>	<b>104.85</b>	<b>104.75</b>	<b>104.52</b>	<b>104.47</b>	<b>104.55</b>	<b>104.51</b>	
<b>Nonresidential</b>	<b>101.26</b>	<b>99.86</b>	<b>101.21</b>	<b>100.82</b>	<b>100.31</b>	<b>99.93</b>	<b>99.73</b>	<b>99.47</b>	
<b>Structures</b>	<b>114.09</b>	<b>117.84</b>	<b>114.58</b>	<b>115.30</b>	<b>116.11</b>	<b>117.23</b>	<b>118.44</b>	<b>119.58</b>	
Nonresidential buildings, including farm	114.14	117.71	114.72	115.38	116.02	117.03	118.33	119.48	
Utilities	113.70	117.77	113.75	115.29	116.17	117.45	118.42	119.05	
Mining exploration, shafts, and wells	115.89	120.84	116.56	116.21	118.47	120.25	121.28	123.34	
Other structures	112.33	116.64	112.46	113.43	114.82	116.51	116.93	118.31	
<b>Producers' durable equipment</b>	<b>96.62</b>	<b>93.62</b>	<b>96.38</b>	<b>95.65</b>	<b>94.72</b>	<b>93.88</b>	<b>93.27</b>	<b>92.61</b>	
Information processing and related equipment	77.09	69.43	76.06	74.05	72.06	70.16	68.46	67.06	
Computers and peripheral equipment <sup>1</sup>	48.98	37.84	47.21	44.10	41.47	38.81	36.41	34.65	
Other	100.04	99.74	100.02	100.07	99.65	99.67	99.89	99.75	
Industrial equipment	108.96	109.42	109.06	109.41	109.34	109.23	109.47	109.65	
Transportation and related equipment	107.56	108.48	108.18	108.03	108.09	108.22	108.97	108.65	
Other	108.24	109.11	108.46	109.20	109.05	109.16	108.99	109.25	
<b>Residential</b>	<b>113.64</b>	<b>117.03</b>	<b>114.37</b>	<b>115.10</b>	<b>115.68</b>	<b>116.65</b>	<b>117.57</b>	<b>118.21</b>	
<b>Structures</b>	<b>113.88</b>	<b>117.35</b>	<b>114.62</b>	<b>115.36</b>	<b>115.94</b>	<b>116.96</b>	<b>117.91</b>	<b>118.58</b>	
Single family	116.50	119.63	117.27	117.84	118.15	119.05	120.26	121.06	
Multifamily	109.10	113.27	110.17	111.69	111.87	112.73	113.87	114.63	
Other structures	111.02	114.80	111.68	112.50	113.47	114.66	115.29	115.78	
<b>Producers' durable equipment</b>	<b>104.84</b>	<b>105.23</b>	<b>104.94</b>	<b>105.59</b>	<b>106.27</b>	<b>105.27</b>	<b>104.89</b>	<b>104.49</b>	

1. Includes new computers and peripheral equipment only.

Table 7.9.—Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services and for Receipts and Payments of Factor Income

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted						
			1996		1997				
			III	IV	I	II	III	IV	
<b>Chain-type quantity indexes</b>									
<b>Exports of goods and services</b>	<b>134.03</b>	<b>150.71</b>	<b>133.15</b>	<b>140.92</b>	<b>144.30</b>	<b>150.53</b>	<b>152.17</b>	<b>155.83</b>	
Goods <sup>1</sup>	140.05	161.63	138.85	148.48	152.94	161.76	163.11	168.73	
Durable	153.97	183.91	153.17	164.19	171.81	184.74	186.07	193.04	
Nondurable	114.40	122.21	112.57	119.77	119.12	121.23	122.57	125.92	
Services <sup>1</sup>	120.51	127.04	120.28	124.14	125.27	126.25	128.46	128.20	
<b>Receipts of factor income</b>	<b>155.36</b>	<b>155.79</b>	<b>163.87</b>	<b>162.90</b>	<b>171.33</b>	<b>175.83</b>			
<b>Imports of goods and services</b>	<b>145.22</b>	<b>165.93</b>	<b>148.03</b>	<b>150.48</b>	<b>156.80</b>	<b>164.30</b>	<b>169.98</b>	<b>172.64</b>	
Goods <sup>1</sup>	151.06	173.94	154.49	157.37	163.58	172.24	178.53	181.40	
Durable	164.50	193.66	168.17	172.22	182.08	190.72	198.74	203.09	
Nondurable	127.78	141.01	130.74	131.83	132.70	141.15	144.77	145.44	
Services <sup>1</sup>	120.06	131.75	120.29	120.90	127.64	130.41	133.58	135.35	
<b>Payments of factor income</b>	<b>165.78</b>	<b>171.97</b>	<b>173.34</b>	<b>184.53</b>	<b>197.73</b>	<b>202.54</b>			
<b>Chain-type price indexes</b>									
<b>Exports of goods and services</b>	<b>101.61</b>	<b>99.38</b>	<b>101.47</b>	<b>100.35</b>	<b>99.90</b>	<b>99.72</b>	<b>99.21</b>	<b>98.69</b>	
Goods <sup>1</sup>	98.27	94.61	97.89	96.06	95.55	94.99	94.35	93.54	
Durable	90.93	87.03	90.21	88.77	88.13	87.43	86.69	85.86	
Nondurable	116.09	113.26	116.61	113.78	113.67	113.55	113.28	112.55	
Services <sup>1</sup>	110.21	112.04	110.70	111.55	111.29	112.23	112.12	112.49	
<b>Receipts of factor income</b>	<b>109.36</b>	<b>109.56</b>	<b>110.08</b>	<b>110.49</b>	<b>110.73</b>	<b>111.10</b>			
<b>Imports of goods and services</b>	<b>99.41</b>	<b>95.51</b>	<b>98.76</b>	<b>98.75</b>	<b>97.42</b>	<b>95.52</b>	<b>94.81</b>	<b>94.29</b>	
Goods <sup>1</sup>	98.30	93.92	97.47	97.42	96.11	93.87	93.18	92.51	
Durable	93.63	87.95	92.74	90.73	89.31	88.36	87.61	86.53	
Nondurable	108.65	107.12	107.94	112.34	111.27	105.99	105.47	105.77	
Services <sup>1</sup>	105.13	104.02	105.50	105.69	104.31	104.37	103.49	103.90	
<b>Payments of factor income</b>	<b>110.63</b>	<b>111.14</b>	<b>111.81</b>	<b>112.24</b>	<b>112.65</b>	<b>113.00</b>			

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.



Table 7.10.—Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services by Major Type of Product

[Index numbers, 1992=100]

	Seasonally adjusted									Seasonally adjusted							
	1996	1997	1996		1997					1996	1997	1996		1997			
			III	IV	I	II	III	IV				III	IV	I	II	III	IV
<b>Chain-type quantity indexes</b>									<b>Chain-type price indexes</b>								
<b>Exports of goods and services</b>	<b>134.03</b>	<b>150.71</b>	<b>133.15</b>	<b>140.92</b>	<b>144.30</b>	<b>150.53</b>	<b>152.17</b>	<b>155.83</b>	<b>Exports of goods and services</b>	<b>101.61</b>	<b>99.38</b>	<b>101.47</b>	<b>100.35</b>	<b>99.90</b>	<b>99.72</b>	<b>99.21</b>	<b>98.69</b>
<b>Exports of goods <sup>1</sup></b>	<b>140.05</b>	<b>161.63</b>	<b>138.85</b>	<b>148.48</b>	<b>152.94</b>	<b>161.76</b>	<b>163.11</b>	<b>168.73</b>	<b>Exports of goods <sup>1</sup></b>	<b>98.27</b>	<b>94.61</b>	<b>97.89</b>	<b>96.06</b>	<b>95.55</b>	<b>94.99</b>	<b>94.35</b>	<b>93.54</b>
Foods, feeds, and beverages	109.04	108.50	106.22	117.01	107.05	101.39	105.81	119.75	Foods, feeds, and beverages	126.27	115.98	128.50	117.48	117.60	117.98	115.48	112.85
Industrial supplies and materials	116.02	126.09	115.44	120.53	121.51	127.10	127.82	127.92	Industrial supplies and materials	115.72	115.34	115.05	115.29	115.52	115.36	115.71	114.78
Durable goods	121.61	132.52	123.20	125.69	127.44	133.28	132.87	136.47	Durable goods	113.74	112.74	112.30	112.12	113.19	113.30	113.32	111.17
Nondurable goods	113.07	122.71	111.36	117.81	118.39	123.86	125.15	123.44	Nondurable goods	116.78	116.78	116.58	117.06	116.81	116.48	117.03	116.80
Capital goods, except automotive	176.29	220.49	173.67	191.52	202.24	220.74	224.90	234.06	Capital goods, except automotive	81.56	75.84	80.68	78.60	77.42	76.31	75.28	74.36
Civilian aircraft, engines, and parts	71.59	92.88	61.81	84.26	89.29	102.57	81.03	98.62	Civilian aircraft, engines, and parts	114.01	118.34	114.97	115.70	117.81	117.63	118.82	119.09
Computers, peripherals, and parts	337.98	507.42	348.56	371.25	425.35	495.59	558.72	550.01	Computers, peripherals, and parts	44.97	34.07	43.23	40.46	37.77	35.06	32.64	30.81
Other	185.57	220.87	184.71	198.17	205.08	217.82	227.57	232.99	Other	87.85	84.09	87.16	85.25	84.49	84.28	83.96	83.61
Automotive vehicles, engines, and parts	132.62	149.01	135.07	136.33	143.80	148.52	147.80	155.91	Automotive vehicles, engines, and parts	104.25	105.12	104.24	104.53	104.92	105.15	105.21	105.21
Consumer goods, except automotive	130.81	143.50	129.26	135.65	139.66	146.32	142.33	145.67	Consumer goods, except automotive	104.27	105.05	104.39	104.53	104.80	104.86	105.18	105.35
Durable goods	131.21	145.07	129.81	138.38	138.59	149.53	144.41	147.74	Durable goods	102.71	103.70	102.86	102.92	103.38	103.75	103.77	103.90
Nondurable goods	130.37	141.83	128.68	132.80	140.75	142.95	140.13	143.49	Nondurable goods	105.95	106.50	106.05	106.27	106.32	106.05	106.72	106.91
Other	109.60	127.88	109.92	114.59	122.19	131.33	130.36	127.64	Other	103.61	100.76	103.38	101.61	101.12	101.12	100.38	100.44
Durable goods	109.60	127.88	109.92	114.60	122.20	131.33	130.36	127.64	Durable goods	103.61	100.81	103.42	101.65	101.16	101.17	100.42	100.48
Nondurable goods	109.60	127.88	109.92	114.59	122.19	131.33	130.35	127.64	Nondurable goods	103.61	100.81	103.42	101.65	101.16	101.17	100.42	100.48
<b>Exports of services <sup>1</sup></b>	<b>120.51</b>	<b>127.04</b>	<b>120.28</b>	<b>124.14</b>	<b>125.27</b>	<b>126.25</b>	<b>128.46</b>	<b>128.20</b>	<b>Exports of services <sup>1</sup></b>	<b>110.21</b>	<b>112.04</b>	<b>110.70</b>	<b>111.55</b>	<b>111.29</b>	<b>112.23</b>	<b>112.12</b>	<b>112.49</b>
Transfers under U.S. military agency sales contracts	111.75	112.96	106.13	124.35	101.68	115.54	117.72	116.89	Transfers under U.S. military agency sales contracts	111.29	110.18	109.83	109.65	110.56	110.84	109.69	109.63
Travel	114.43	116.94	114.82	117.69	119.26	115.75	117.95	114.79	Travel	111.60	114.97	112.38	112.89	114.09	114.62	114.78	116.41
Passenger fares	112.61	120.54	114.88	113.35	124.53	116.59	119.52	121.51	Passenger fares	109.86	106.25	109.73	112.16	102.75	109.52	108.05	104.67
Other transportation	108.78	115.85	107.32	112.55	111.72	114.98	117.26	119.46	Other transportation	105.61	105.63	105.69	107.16	106.69	105.73	105.06	105.05
Royalties and license fees	136.87	142.17	136.63	139.76	139.78	143.74	142.94	142.23	Royalties and license fees	109.41	111.02	109.62	110.14	110.55	110.79	111.15	111.57
Other private services	134.38	148.59	134.48	139.03	143.25	147.40	151.24	152.49	Other private services	107.81	109.27	107.95	108.43	108.78	109.16	109.36	109.78
Other	109.14	109.74	108.48	108.73	109.21	109.45	109.87	110.43	Other	122.10	131.28	126.05	128.28	129.06	131.79	131.76	132.49
<b>Imports of goods and services</b>	<b>145.22</b>	<b>165.93</b>	<b>148.03</b>	<b>150.48</b>	<b>156.80</b>	<b>164.30</b>	<b>169.98</b>	<b>172.64</b>	<b>Imports of goods and services</b>	<b>99.41</b>	<b>95.51</b>	<b>98.76</b>	<b>98.75</b>	<b>97.42</b>	<b>95.52</b>	<b>94.81</b>	<b>94.29</b>
<b>Imports of goods <sup>1</sup></b>	<b>151.06</b>	<b>173.94</b>	<b>154.49</b>	<b>157.37</b>	<b>163.58</b>	<b>172.24</b>	<b>178.53</b>	<b>181.40</b>	<b>Imports of goods <sup>1</sup></b>	<b>98.30</b>	<b>93.92</b>	<b>97.47</b>	<b>97.42</b>	<b>96.11</b>	<b>93.87</b>	<b>93.18</b>	<b>92.51</b>
Foods, feeds, and beverages	116.82	128.46	117.84	120.16	123.78	127.97	131.19	130.89	Foods, feeds, and beverages	110.72	111.93	110.06	110.71	111.37	113.17	112.05	111.15
Industrial supplies and materials, except petroleum and products	138.73	149.74	142.02	142.95	143.73	149.80	152.42	153.02	Industrial supplies and materials, except petroleum and products	109.62	109.60	108.70	109.35	110.46	108.90	109.65	109.38
Durable goods	146.42	157.64	150.17	150.97	150.80	157.53	158.96	163.29	Durable goods	110.07	112.06	109.99	109.86	111.36	112.51	112.95	111.42
Nondurable goods	131.63	142.43	134.50	135.54	137.18	142.64	146.42	143.46	Nondurable goods	109.26	107.25	107.49	108.95	109.66	105.41	106.47	107.46
Petroleum and products	123.72	129.97	130.93	123.98	120.50	132.12	134.16	133.09	Petroleum and products	113.99	107.97	112.85	128.60	123.38	104.18	101.73	102.58
Capital goods, except automotive	219.36	281.17	222.42	238.05	253.47	275.14	293.05	303.02	Capital goods, except automotive	77.78	67.34	76.05	72.32	69.65	68.05	66.63	65.04
Civilian aircraft, engines, and parts	88.71	112.22	90.58	96.77	92.67	105.06	127.72	123.44	Civilian aircraft, engines, and parts	113.54	118.16	114.47	114.99	117.21	117.65	118.63	119.13
Computers, peripherals, and parts	373.29	537.40	383.34	410.89	455.71	521.20	579.68	593.02	Computers, peripherals, and parts	52.01	41.39	50.65	48.16	45.26	42.64	40.00	37.64
Other	197.41	241.67	199.06	213.17	225.32	238.34	245.82	257.20	Other	87.18	76.98	85.15	80.62	78.03	77.23	76.79	75.88
Automotive vehicles, engines, and parts	129.38	141.54	134.07	129.32	142.67	138.97	143.84	140.69	Automotive vehicles, engines, and parts	108.57	108.84	108.64	108.67	108.67	108.50	108.90	109.29
Consumer goods, except automotive	134.78	153.76	136.62	141.81	143.88	152.92	155.69	162.54	Consumer goods, except automotive	103.45	102.27	103.37	103.14	102.67	102.38	102.14	101.89
Durable goods	135.52	152.66	138.66	140.82	143.19	151.76	153.68	162.00	Durable goods	103.06	100.85	102.90	102.61	101.84	101.00	100.57	100.00
Nondurable goods	133.96	154.93	134.41	142.86	144.62	154.15	157.83	163.14	Nondurable goods	103.87	103.81	103.89	103.72	103.57	103.89	103.84	103.94
Other	124.65	145.19	125.92	127.07	133.79	143.13	151.38	152.46	Other	107.43	106.44	107.08	107.24	107.05	106.36	106.34	105.99
Durable goods	124.65	145.19	125.92	127.07	133.79	143.13	151.38	152.46	Durable goods	107.43	106.44	107.08	107.24	107.05	106.36	106.34	105.99
Nondurable goods	124.65	145.19	125.92	127.07	133.79	143.13	151.38	152.46	Nondurable goods	107.43	106.44	107.08	107.24	107.05	106.36	106.34	105.99
<b>Imports of services <sup>1</sup></b>	<b>120.06</b>	<b>131.75</b>	<b>120.29</b>	<b>120.90</b>	<b>127.64</b>	<b>130.41</b>	<b>133.58</b>	<b>135.35</b>	<b>Imports of services <sup>1</sup></b>	<b>105.13</b>	<b>104.02</b>	<b>105.50</b>	<b>105.69</b>	<b>104.31</b>	<b>104.37</b>	<b>103.49</b>	<b>103.90</b>
Direct defense expenditures	72.71	82.04	74.42	72.34	79.33	81.05	84.47	83.30	Direct defense expenditures	107.97	100.30	107.94	108.89	101.94	101.45	98.05	99.75
Travel	115.75	130.89	111.42	115.97	127.31	129.34	131.36	135.56	Travel	109.23	105.69	110.96	109.53	106.66	105.58	104.74	105.76
Passenger fares	141.57	148.48	142.09	143.35	149.12	144.58	147.33	152.88	Passenger fares	105.58	111.73	104.56	107.13	108.68	112.91	112.86	112.48
Other transportation	108.20	113.45	109.77	107.70	110.16	113.41	114.41	115.82	Other transportation	103.29	103.23	103.32	104.57	104.33	103.88	102.65	102.05
Royalties and license fees	131.88	150.42	154.18	126.69	135.99	149.43	156.31	159.97	Royalties and license fees	109.42	111.02	109.62	110.14	110.55	110.79	111.15	111.57
Other private services	156.64	172.95	157.00	161.19	165.61	171.31	178.47	176.43	Other private services	99.25	98.63	98.93	99.08	98.61	98.98	98.34	98.59
Other	107.59	112.49	108.64	109.99	111.87	117.06	113.05	112.99	Other	109.36	108.92	110.20	109.96	109.04	108.74	108.61	109.27
<b>Addenda:</b>									<b>Addenda:</b>								
Exports of agricultural goods <sup>2</sup>	110.25	111.98	106.20	117.38	108.28	107.13	112.27	120.24	Exports of agricultural goods <sup>2</sup>	126.61	117.53	128.81	118.80	119.38	118.84	116.80	115.11
Exports of																	

Table 7.11.—Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted								1996	1997	Seasonally adjusted												
			1996		1997				1996				1997												
			III	IV	I	II	III	IV	III	IV			I	II	III	IV									
<b>Chain-type quantity indexes</b>													<b>Chain-type price indexes</b>												
<b>Government consumption expenditures and gross investment<sup>1</sup></b>													<b>Government consumption expenditures and gross investment<sup>1</sup></b>												
Federal	87.92	86.56	88.21	87.04	85.76	87.14	86.89	86.44					112.03	114.73	112.05	112.74	114.10	114.46	114.71	115.67					
National defense	84.56	82.15	85.00	83.44	80.86	82.33	82.58	82.84					111.02	113.65	111.16	111.94	113.14	113.46	113.62	114.37					
Consumption expenditures	86.20	85.41	86.99	85.84	84.57	85.69	85.60	85.79					110.96	113.97	111.26	112.16	113.39	113.70	113.95	114.85					
Durable goods <sup>2</sup>	72.27	67.81	79.98	67.04	66.37	70.43	66.16	68.29					102.41	102.98	102.60	102.17	102.89	103.22	103.01	102.81					
Nondurable goods	76.05	69.90	82.30	66.02	70.26	66.46	72.52	70.34					109.95	108.32	109.14	116.27	114.14	107.47	105.14	106.55					
Services	88.01	87.76	87.94	88.45	86.93	87.94	88.05	88.13					111.78	115.11	112.12	112.96	114.31	114.81	115.17	116.15					
Compensation of general government employees, except force-account construction <sup>3</sup>	81.89	78.91	81.93	80.64	79.99	79.14	78.93	77.58					115.40	120.33	115.87	116.76	119.51	120.16	120.26	121.39					
Consumption of general government fixed capital <sup>4</sup>	94.82	92.92	94.57	94.12	93.62	93.17	92.70	92.19					111.40	113.15	111.61	111.91	112.50	112.78	113.26	114.05					
Other services	94.25	100.28	94.08	98.60	94.74	100.30	101.42	104.65					106.45	108.50	106.69	107.82	107.65	108.07	108.71	109.58					
Gross investment	75.34	63.58	73.76	69.89	59.66	63.13	65.42	66.13					111.22	111.19	110.39	110.29	111.26	111.65	111.10	110.76					
Structures	107.11	95.13	103.75	102.80	96.54	94.56	93.91	95.52					121.50	125.43	122.21	123.57	124.09	125.35	126.15	126.13					
Equipment	71.80	60.05	70.43	66.21	55.49	59.61	62.26	62.86					110.07	109.41	109.00	108.67	109.72	109.95	109.19	108.79					
<b>Nondefense</b>	<b>96.01</b>	<b>97.16</b>	<b>95.93</b>	<b>95.69</b>	<b>97.54</b>	<b>98.71</b>	<b>97.27</b>	<b>95.11</b>					<b>114.47</b>	<b>117.33</b>	<b>114.25</b>	<b>114.72</b>	<b>116.44</b>	<b>116.87</b>	<b>117.30</b>	<b>118.70</b>					
Consumption expenditures	95.37	97.09	94.84	95.21	97.18	97.60	97.24	96.33					116.32	119.86	116.10	116.74	118.80	119.30	119.87	121.47					
Durable goods <sup>2</sup>																									
Nondurable goods																									
Commodity Credit Corporation inventory change																									
Other nondurables	75.08	86.83	70.86	74.38	83.75	85.82	85.41	92.34					112.73	111.30	113.82	109.98	110.07	111.40	111.61	112.12					
Services	95.57	96.67	95.43	95.61	96.75	97.23	97.03	95.69					116.89	120.73	116.64	117.48	119.65	120.14	120.73	122.38					
Compensation of general government employees, except force-account construction <sup>3</sup>	90.66	90.52	91.20	90.70	91.10	91.42	90.91	88.67					126.39	132.60	125.72	126.91	130.91	131.68	132.41	135.40					
Consumption of general government fixed capital <sup>4</sup>	115.70	121.31	116.42	117.80	119.30	120.73	122.01	123.19					104.51	104.24	104.40	104.15	104.08	103.77	104.43	104.69					
Other services	99.49	101.89	98.03	99.16	101.47	102.05	102.13	101.89					106.39	108.10	106.65	107.29	107.60	107.92	108.29	108.58					
Gross investment	100.61	97.48	103.75	99.08	100.06	106.81	97.31	85.73					102.76	101.46	102.53	101.99	101.63	101.67	101.24	101.31					
Structures	97.44	85.32	96.76	97.41	94.95	88.29	90.52	67.54					113.14	116.63	113.30	113.92	114.63	116.18	117.11	118.61					
Equipment	104.93	113.27	112.70	101.49	106.77	130.76	105.85	109.70					92.16	86.89	91.56	90.00	88.66	87.56	86.12	85.20					
<b>State and local</b>	<b>107.88</b>	<b>110.46</b>	<b>108.17</b>	<b>109.04</b>	<b>109.78</b>	<b>110.10</b>	<b>110.73</b>	<b>111.22</b>					<b>111.71</b>	<b>114.31</b>	<b>112.07</b>	<b>112.77</b>	<b>113.54</b>	<b>113.95</b>	<b>114.44</b>	<b>115.32</b>					
Consumption expenditures	108.28	110.44	108.63	108.98	109.53	110.06	110.77	111.41					111.84	114.44	112.23	113.01	113.71	114.02	114.58	115.45					
Durable goods <sup>2</sup>	115.98	119.47	116.49	117.32	118.18	119.04	119.90	120.76					106.39	106.80	106.32	106.45	106.42	106.45	107.01	107.32					
Nondurable goods	117.38	121.71	117.92	119.06	120.12	121.18	122.24	123.30					109.36	108.70	109.07	110.70	110.77	108.30	107.82	107.89					
Services	107.08	108.98	107.41	107.66	108.15	108.61	109.28	109.87					112.25	115.33	112.75	113.43	114.23	114.90	115.60	116.58					
Compensation of general government employees, except force-account construction <sup>3</sup>	105.08	106.62	105.44	105.54	105.87	106.30	106.90	107.41					114.02	117.18	114.45	115.24	116.04	116.75	117.52	118.41					
Consumption of general government fixed capital <sup>4</sup>	111.57	114.41	111.94	112.66	113.37	114.07	114.76	115.43					108.74	110.56	108.85	108.95	109.84	110.41	110.57	111.40					
Other services	138.73	146.07	138.20	140.65	143.86	144.66	146.73	149.02					90.09	93.80	91.97	92.13	92.76	93.05	93.55	95.86					
Gross investment	106.03	110.52	106.03	109.35	110.95	110.28	110.52	110.34					111.14	113.71	111.34	111.69	112.73	113.64	113.78	114.69					
Structures	104.30	108.58	104.15	107.84	109.49	108.43	108.39	108.03					113.93	117.95	114.25	114.90	116.36	117.75	118.20	119.49					
Equipment	114.13	119.80	114.91	116.33	117.57	119.08	120.88	121.68					99.35	95.95	99.09	98.20	97.49	96.39	95.28	94.65					
<b>Addenda:</b>													<b>Addenda:</b>												
Compensation of general government employees <sup>3</sup>	98.66	99.07	98.98	98.72	98.87	99.00	99.31	99.09					115.42	119.16	115.75	116.59	118.03	118.73	119.38	120.51					
Federal	84.83	82.82	85.07	84.02	83.73	83.27	82.98	81.30					119.00	124.38	119.08	120.08	123.26	123.94	124.26	126.05					
State and local	105.06	106.63	105.42	105.54	105.89	106.31	106.91	107.41					114.03	117.18	114.46	115.24	116.04	116.75	117.53	118.41					

NOTE.—See footnotes to table 3.7.

Table 7.14.—Chain-Type Quantity and Price Indexes for Gross Domestic Product by Sector

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted						
			1996		1997				
			III	IV	I	II	III	IV	
<b>Chain-type quantity indexes</b>									
<b>Gross domestic product</b>	<b>110.95</b>	<b>115.14</b>	<b>111.20</b>	<b>112.38</b>	<b>113.73</b>	<b>114.66</b>	<b>115.53</b>	<b>116.64</b>	
<b>Business</b> <sup>1</sup>	<b>112.70</b>	<b>117.52</b>	<b>112.93</b>	<b>114.35</b>	<b>115.92</b>	<b>116.98</b>	<b>117.94</b>	<b>119.26</b>	
Nonfarm <sup>1</sup>	112.99	117.81	113.25	114.69	116.18	117.23	118.23	119.58	
Nonfarm less housing	113.61	118.80	113.83	115.36	116.99	118.15	119.27	120.81	
Housing	107.83	109.59	108.37	109.05	109.53	109.66	109.67	109.51	
Farm	93.75	98.71	92.56	92.75	98.07	99.75	98.78	98.23	
<b>Households and institutions</b>	<b>111.52</b>	<b>114.86</b>	<b>111.96</b>	<b>112.66</b>	<b>113.55</b>	<b>114.40</b>	<b>115.28</b>	<b>116.21</b>	
Private households	100.06	95.64	98.67	95.09	94.77	95.54	95.97	96.28	
Nonprofit institutions	111.96	115.59	112.47	113.33	114.27	115.11	116.02	116.97	
<b>General government</b> <sup>2</sup>	<b>99.34</b>	<b>99.79</b>	<b>99.63</b>	<b>99.43</b>	<b>99.58</b>	<b>99.72</b>	<b>100.01</b>	<b>99.84</b>	
Federal	87.79	86.02	87.94	87.08	86.80	86.40	86.12	84.74	
State and local	105.65	107.33	106.00	106.18	106.56	107.00	107.61	108.13	
<b>Chain-type price indexes</b>									
<b>Gross domestic product</b>	<b>110.22</b>	<b>112.45</b>	<b>110.59</b>	<b>111.10</b>	<b>111.78</b>	<b>112.27</b>	<b>112.67</b>	<b>113.08</b>	
<b>Business</b> <sup>1</sup>	<b>109.56</b>	<b>111.59</b>	<b>109.95</b>	<b>110.43</b>	<b>111.00</b>	<b>111.45</b>	<b>111.80</b>	<b>112.10</b>	
Nonfarm <sup>1</sup>	109.46	111.46	109.76	110.21	110.88	111.29	111.67	112.00	
Nonfarm less housing	109.11	110.96	109.40	109.82	110.47	110.83	111.14	111.41	
Housing	112.48	115.80	112.88	113.63	114.42	115.32	116.29	117.19	
Farm	118.34	122.39	125.11	128.16	121.56	124.35	122.82	120.83	
<b>Households and institutions</b>	<b>111.19</b>	<b>114.29</b>	<b>111.36</b>	<b>111.98</b>	<b>112.87</b>	<b>113.90</b>	<b>114.79</b>	<b>115.59</b>	
Private households	113.51	117.66	114.29	115.40	115.86	116.84	118.22	119.72	
Nonprofit institutions	111.10	114.17	111.25	111.86	112.77	113.79	114.68	115.44	
<b>General government</b> <sup>2</sup>	<b>114.58</b>	<b>118.01</b>	<b>114.89</b>	<b>115.62</b>	<b>116.95</b>	<b>117.60</b>	<b>118.21</b>	<b>119.28</b>	
Federal	116.82	121.16	116.92	117.71	120.19	120.74	121.11	122.61	
State and local	113.53	116.55	113.93	114.64	115.46	116.15	116.86	117.74	

NOTE.—See footnotes to table 1.7.

Table 7.15.—Current-Dollar Cost and Profit Per Unit of Real Gross Domestic Product of Nonfinancial Corporate Business

[Dollars]

<b>Current-dollar cost and profit per unit of real gross domestic product</b> <sup>1</sup>	<b>1.063</b>		<b>1.064</b>	<b>1.065</b>	<b>1.069</b>	<b>1.072</b>	<b>1.072</b>	
Consumption of fixed capital	.101		.101	.101	.101	.101	.100	
Net domestic product	.962		.963	.963	.968	.971	.972	
Indirect business tax and nontax liability plus business transfer payments less subsidies	.108		.108	.108	.107	.107	.107	
Domestic income	.853		.855	.855	.861	.863	.865	
Compensation of employees	.690		.691	.693	.697	.698	.695	
Corporate profits with inventory valuation and capital consumption adjustments	.140		.141	.142	.143	.144	.149	
Profits tax liability	.040		.040	.040	.040	.040	.042	
Profits after tax with inventory valuation and capital consumption adjustments	.101		.101	.102	.103	.104	.107	
Net interest	.023		.022	.021	.021	.021	.021	

1. Equals the deflator for gross domestic product of nonfinancial corporate business with the decimal point shifted two places to the left.

Table 7.16.—Implicit Price Deflators for Inventories of Business by Industry

[Index numbers, 1992=100]

	Seasonally adjusted					
	1996		1997			
	III	IV	I	II	III	IV
<b>Inventories</b> <sup>1</sup>	<b>107.20</b>	<b>107.08</b>	<b>106.63</b>	<b>105.93</b>	<b>106.21</b>	<b>105.29</b>
Farm	105.03	100.15	103.26	101.90	101.00	97.86
Nonfarm	107.45	107.77	107.00	106.36	106.74	106.04
Durable goods	106.52	106.49	106.69	106.25	106.12	105.76
Nondurable goods	108.74	109.53	107.45	106.54	107.62	106.45
Manufacturing	107.32	107.47	106.84	106.13	106.49	105.89
Durable goods	104.68	104.89	104.92	104.52	104.50	104.28
Nondurable goods	111.79	111.85	110.06	108.80	109.84	108.57
Wholesale	107.22	106.53	106.26	105.62	106.08	105.17
Durable goods	104.14	103.90	103.91	103.80	103.56	103.06
Nondurable goods	112.38	110.90	110.16	108.61	110.27	108.66
Merchant wholesalers	107.39	106.48	106.50	105.93	106.35	105.52
Durable goods	104.39	104.14	104.17	104.06	103.83	103.32
Nondurable goods	112.55	110.43	110.44	109.05	110.61	109.23
Nonmerchant wholesalers	106.18	106.86	104.87	103.79	104.50	103.09
Durable goods	102.54	102.26	102.24	102.07	101.79	101.32
Nondurable goods	111.59	113.64	108.77	106.34	108.52	105.72
Retail trade	106.85	106.96	107.01	106.28	106.53	106.16
Durable goods	110.22	110.06	110.48	109.42	109.38	108.93
Motor vehicle dealers	112.94	112.57	113.16	110.90	110.89	110.26
Other	107.50	107.52	107.79	107.83	107.76	107.47
Nondurable goods	103.39	103.80	103.44	103.08	103.64	103.36
Other	109.96	113.73	109.34	109.15	109.74	108.39
Durable goods	115.20	115.15	116.40	116.50	115.80	115.50
Nondurable goods	107.36	113.22	105.81	105.46	106.73	104.83

1. Implicit price deflators are as of the end of the quarter and are consistent with the inventory stocks shown in tables 5.12 and 5.13.

**Table 7.17.—Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product**

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1996		1997			
			III	IV	I	II	III	IV
<b>Gross domestic product</b>	<b>110.95</b>	<b>115.14</b>	<b>111.20</b>	<b>112.38</b>	<b>113.73</b>	<b>114.66</b>	<b>115.53</b>	<b>116.64</b>
Final sales of domestic product	110.64	114.14	110.70	111.93	112.77	113.47	114.80	115.50
Change in business inventories								
<b>Goods</b>	<b>114.72</b>	<b>120.95</b>	<b>115.17</b>	<b>116.51</b>	<b>119.31</b>	<b>120.49</b>	<b>121.30</b>	<b>122.69</b>
Final sales	113.89	118.17	113.83	115.32	116.66	117.19	119.31	119.53
Change in business inventories								
Durable goods	127.97	138.73	130.25	128.64	133.71	139.00	140.14	142.07
Final sales	124.84	133.87	125.41	127.35	128.97	132.66	136.70	137.14
Change in business inventories								
Nondurable goods	105.69	108.99	104.94	108.19	109.52	108.07	108.66	109.70
Final sales	106.32	107.47	105.82	107.01	108.17	106.63	107.49	107.58
Change in business inventories								
<b>Services</b>	<b>108.08</b>	<b>111.14</b>	<b>108.15</b>	<b>109.17</b>	<b>109.76</b>	<b>110.65</b>	<b>111.54</b>	<b>112.60</b>
<b>Structures</b>	<b>113.63</b>	<b>116.82</b>	<b>114.19</b>	<b>115.73</b>	<b>116.16</b>	<b>116.27</b>	<b>117.26</b>	<b>117.60</b>
<b>Addenda:</b>								
Motor vehicle output	117.55	122.79	120.25	115.23	120.59	117.22	123.72	129.63
Gross domestic product less motor vehicle output	110.73	114.88	110.89	112.28	113.50	114.57	115.25	116.20

**Table 7.18.—Chain-Type Quantity Indexes for Auto Output**

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1996		1997			
			III	IV	I	II	III	IV
<b>Auto output</b>	<b>98.69</b>	<b>98.63</b>	<b>105.25</b>	<b>93.58</b>	<b>98.45</b>	<b>96.09</b>	<b>100.49</b>	<b>99.48</b>
<b>Final sales</b>	<b>101.94</b>	<b>98.05</b>	<b>101.44</b>	<b>99.35</b>	<b>99.31</b>	<b>94.84</b>	<b>100.39</b>	<b>97.68</b>
Personal consumption expenditures	103.07	103.25	102.94	100.38	105.11	99.69	106.36	101.84
Net purchases of used autos	95.25	95.88	93.43	93.83	96.91	89.70	100.20	96.70
Producers' durable equipment	128.03	132.76	133.95	127.22	136.19	130.82	136.50	127.53
New autos	126.10	126.85	133.00	121.72	130.80	126.22	129.36	121.04
Net purchases of used autos								
Net exports								
Exports	112.16	110.85	112.99	110.84	109.44	119.00	106.05	108.89
Imports	126.62	140.08	131.31	125.96	143.81	139.60	143.34	133.59
Gross government investment	102.75	98.22	89.32	115.71	103.02	82.28	100.78	106.80
<b>Change in business inventories of new and used autos</b>								
New								
Used								
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup>	110.93	110.20	120.25	103.63	109.88	108.14	114.28	108.49
Sales of imported new autos <sup>2</sup>	98.06	107.16	97.64	99.15	108.82	102.63	109.56	107.62

1. Consists of final sales and change in business inventories of new autos assembled in the United States.  
 2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

**Table 7.19.—Chain-Type Quantity Indexes for Truck Output**

[Index numbers, 1992=100]

<b>Truck output<sup>1</sup></b>	<b>144.61</b>	<b>157.53</b>	<b>141.72</b>	<b>146.38</b>	<b>152.43</b>	<b>147.62</b>	<b>157.14</b>	<b>172.92</b>
<b>Final sales</b>	<b>147.62</b>	<b>156.55</b>	<b>144.35</b>	<b>152.03</b>	<b>150.72</b>	<b>147.96</b>	<b>158.65</b>	<b>168.87</b>
Personal consumption expenditures	121.78	123.02	118.29	120.90	119.17	113.36	126.05	133.49
Producers' durable equipment	181.34	199.57	184.46	190.80	193.20	192.36	202.08	210.64
Net exports								
Exports	156.23	185.47	147.53	177.17	175.57	169.89	176.36	220.08
Imports	116.45	135.13	125.33	113.92	133.14	130.75	145.62	131.04
Gross government investment	91.90	105.16	79.52	82.80	97.68	109.59	120.72	92.66
<b>Change in business inventories</b>								

1. Includes new trucks only.



**Table 8.2.—Contributions to Percent Change in Real Gross Domestic Product**

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
Gross domestic product .....	2.8	3.8	1.0	4.3	4.9	3.3	3.1	3.9
<b>Percentage points at annual rates:</b>								
<b>Personal consumption expenditures</b>	1.8	2.2	.4	2.2	3.6	.6	3.8	2.1
Durable goods .....	.4	.4	-.2	.3	1.1	-.5	1.4	.1
Nondurable goods .....	.3	.4	.1	.4	.9	-.4	.8	-.2
Services .....	1.1	1.4	.4	1.5	1.5	1.5	1.5	2.1
<b>Gross private domestic investment ...</b>	1.1	1.6	2.3	.2	2.4	2.5	.4	1.4
Fixed investment .....	1.1	1.0	1.4	.4	.6	1.7	2.0	0
Nonresidential .....	.9	.9	1.6	.6	.4	1.4	1.9	-.4
Structures .....	.1	.1	.3	.4	-.1	-.1	.2	-.1
Producers' durable equipment .....	.8	.8	1.3	.2	.5	1.6	1.7	-.3
Residential .....	.2	.1	-.2	-.2	.1	.3	.1	.4
Change in business inventories .....	0	.6	.8	-.2	1.8	.8	-1.6	1.4
<b>Net exports of goods and services ...</b>	-.2	-.3	-1.4	1.8	-1.0	-.4	-1.3	.3
Exports .....	.9	1.3	.2	2.7	1.1	2.0	.5	1.1
Goods .....	.7	1.2	.2	2.2	1.0	1.9	.3	1.2
Services .....	.2	.2	0	.4	.1	.1	.2	0
Imports .....	-1.1	-1.4	-1.6	-.8	-2.1	-2.5	-1.7	-.8
Goods .....	-1.0	-1.2	-1.6	-.8	-1.7	-2.3	-1.6	-.7
Services .....	-.1	-.2	0	0	-.5	-.2	-.1	-.1
<b>Government consumption expenditures and gross investment .....</b>	.1	.2	-.2	0	-.1	.6	.2	.1
Federal .....	-.1	-.1	-.3	-.4	-.4	.4	-.1	-.1
National defense .....	-.1	-.1	-.2	-.3	-.6	.3	.1	.1
Nondefense .....	0	0	-.1	0	.2	.1	-.1	-.2
State and local .....	.2	.3	.1	.4	.3	.1	.3	.2

**Table 8.3.—Selected Per Capita Product and Income Series in Current and Chained Dollars**

	[Dollars]							
	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
III			IV	I	II	III	IV	
<b>Current dollars:</b>								
Gross domestic product .....	28,752	30,168	28,869	29,243	29,715	30,030	30,295	30,628
Gross national product .....	28,759	.....	28,843	29,254	29,662	29,952	30,218	.....
Personal income .....	24,457	25,663	24,604	24,835	25,268	25,525	25,756	26,099
Disposable personal income .....	21,117	21,972	21,229	21,373	21,689	21,865	22,034	22,297
Personal consumption expenditures .....	19,608	20,488	19,660	19,919	20,247	20,303	20,612	20,788
Durable goods .....	2,389	2,461	2,386	2,395	2,466	2,409	2,488	2,479
Nondurable goods .....	5,779	5,944	5,786	5,854	5,945	5,901	5,969	5,958
Services .....	11,441	12,084	11,488	11,669	11,836	11,993	12,154	12,351
<b>Chained (1992) dollars:</b>								
Gross domestic product .....	26,088	26,840	26,116	26,333	26,599	26,760	26,901	27,099
Gross national product .....	26,101	.....	26,102	26,354	26,562	26,704	26,844	.....
Disposable personal income .....	19,116	19,494	19,161	19,152	19,331	19,439	19,518	19,688
Personal consumption expenditures .....	17,750	18,178	17,745	17,848	18,046	18,051	18,258	18,356
Durable goods .....	2,301	2,410	2,301	2,316	2,389	2,351	2,447	2,452
Nondurable goods .....	5,393	5,446	5,393	5,408	5,460	5,420	5,465	5,439
Services .....	10,057	10,325	10,052	10,125	10,202	10,278	10,352	10,466
Population (mid-period, thousands) .....	265,579	267,868	265,887	266,491	266,987	267,545	268,171	268,770

Table 8.4.—Auto Output

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Auto output</b> .....	<b>134.6</b>	<b>134.9</b>	<b>144.5</b>	<b>128.7</b>	<b>136.4</b>	<b>130.2</b>	<b>138.1</b>	<b>134.9</b>
<b>Final sales</b> .....	<b>140.0</b>	<b>134.8</b>	<b>140.2</b>	<b>138.0</b>	<b>137.9</b>	<b>131.1</b>	<b>137.4</b>	<b>132.7</b>
Personal consumption expenditures .....	141.3	140.8	141.5	138.4	145.2	136.7	144.0	137.2
New autos .....	86.1	86.8	84.8	85.3	87.9	81.3	90.7	87.2
Net purchases of used autos .....	55.3	54.0	56.7	53.2	57.3	55.4	53.3	50.1
Producers' durable equipment .....	45.3	48.4	48.0	45.9	48.8	47.4	50.4	47.1
New autos .....	79.2	79.8	84.0	76.9	82.5	79.5	81.4	75.9
Net purchases of used autos .....	-33.9	-31.4	-35.9	-31.1	-33.7	-32.1	-31.0	-28.8
Net exports .....	-48.9	-56.7	-51.3	-48.8	-58.4	-54.9	-59.4	-54.0
Exports .....	17.0	16.9	17.1	16.8	16.6	18.1	16.2	16.6
Imports .....	65.9	73.5	68.3	65.7	75.0	73.0	75.5	70.7
Gross government investment .....	2.3	2.2	2.0	2.6	2.3	1.9	2.3	2.5
<b>Change in business inventories of new and used autos</b> .....	<b>-5.4</b>	<b>.1</b>	<b>4.3</b>	<b>-9.3</b>	<b>-1.5</b>	<b>-9</b>	<b>.7</b>	<b>2.1</b>
New .....	-5.6	.7	3.7	-9.0	-.8	.3	1.1	2.3
Used .....	.2	-6	.6	-4	-6	-1.2	-4	-2
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup> .....	121.1	120.7	131.6	113.5	120.8	116.8	126.3	118.8
Sales of imported new autos <sup>2</sup> .....	58.2	63.7	58.2	59.2	64.8	61.1	65.1	63.7

1. Consists of final sales and change in business inventories of new autos assembled in the United States.

2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

Table 8.5.—Real Auto Output

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1996		1997			
			III	IV	I	II	III	IV
<b>Auto output</b> .....	<b>119.9</b>	<b>119.9</b>	<b>127.9</b>	<b>113.7</b>	<b>119.7</b>	<b>116.8</b>	<b>122.1</b>	<b>120.9</b>
<b>Final sales</b> .....	<b>124.4</b>	<b>119.7</b>	<b>123.8</b>	<b>121.3</b>	<b>121.2</b>	<b>115.8</b>	<b>122.6</b>	<b>119.2</b>
Personal consumption expenditures .....	121.2	121.4	121.0	118.0	123.6	117.2	125.0	119.7
New autos .....	78.2	78.7	76.7	77.0	79.6	73.7	82.3	79.4
Net purchases of used autos .....	42.1	41.8	43.2	40.2	43.1	42.4	42.0	39.7
Producers' durable equipment .....	45.1	46.8	47.2	44.9	48.0	46.1	48.1	45.0
New autos .....	72.0	72.4	75.9	69.5	74.7	72.1	73.9	69.1
Net purchases of used autos .....	-26.6	-25.6	-28.4	-24.6	-26.6	-25.9	-25.8	-24.2
Net exports .....	-43.6	-50.1	-45.6	-43.4	-52.0	-48.7	-52.3	-47.3
Exports .....	16.0	15.8	16.1	15.8	15.6	17.0	15.1	15.5
Imports .....	59.6	65.9	61.8	59.2	67.6	65.7	67.4	62.8
Gross government investment .....	2.1	2.0	1.8	2.3	2.1	1.7	2.0	2.2
<b>Change in business inventories of new and used autos</b> .....	<b>-4.7</b>	<b>0</b>	<b>4.0</b>	<b>-7.9</b>	<b>-1.8</b>	<b>.9</b>	<b>-6</b>	<b>1.5</b>
New .....	-5.2	.8	3.6	-8	-1.0	2.3	0	1.9
Used .....	.3	-7	.5	0	-7	-1.2	-5	-3
Residual .....	.6	.6	.3	.8	.5	.4	.5	.4
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup> .....	110.9	110.1	120.2	103.6	109.8	108.1	114.2	108.4
Sales of imported new autos <sup>2</sup> .....	52.9	57.8	52.6	53.5	58.7	55.3	59.1	58.0

1. Consists of final sales and change in business inventories of new autos assembled in the United States.

2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

Table 8.6.—Truck Output

[Billions of dollars]

Truck output <sup>1</sup> .....	136.7	149.4	134.2	138.5	145.0	140.2	149.3	163.2
<b>Final sales</b> .....	<b>137.4</b>	<b>146.2</b>	<b>134.6</b>	<b>141.6</b>	<b>141.1</b>	<b>138.3</b>	<b>148.3</b>	<b>157.2</b>
Personal consumption expenditures .....	63.7	65.2	62.1	63.9	63.2	60.1	66.8	70.6
Producers' durable equipment .....	71.6	78.3	72.9	74.9	76.1	75.5	79.3	82.2
Net exports .....	-4.7	-5.0	-6.3	-3.2	-5.4	-5.4	-6.7	-2.4
Exports .....	9.0	10.9	8.5	10.2	10.2	10.0	10.4	13.1
Imports .....	13.7	15.9	14.8	13.4	15.7	15.3	17.1	15.5
Gross government investment .....	6.8	7.8	5.9	6.1	7.2	8.1	8.9	6.8
<b>Change in business inventories</b> .....	<b>-7</b>	<b>3.2</b>	<b>-4</b>	<b>-3.1</b>	<b>3.8</b>	<b>1.8</b>	<b>1.0</b>	<b>6.1</b>

1. Includes new trucks only.

Table 8.7.—Real Truck Output

[Billions of chained (1992) dollars]

Truck output <sup>1</sup> .....	121.1	131.9	118.7	122.6	127.6	123.6	131.6	144.8
<b>Final sales</b> .....	<b>121.7</b>	<b>129.0</b>	<b>119.0</b>	<b>125.3</b>	<b>124.2</b>	<b>121.9</b>	<b>130.7</b>	<b>139.2</b>
Personal consumption expenditures .....	55.8	56.4	54.2	55.4	54.6	51.9	57.7	61.2
Producers' durable equipment .....	63.7	70.1	64.7	67.0	67.8	67.5	70.9	73.9
Net exports .....	-3.7	-4.1	-5.1	-2.3	-4.4	-4.5	-5.7	-1.7
Exports .....	8.7	10.3	8.2	9.8	9.8	9.4	9.8	12.2
Imports .....	12.4	14.4	13.4	12.1	14.2	13.9	15.5	14.0
Gross government investment .....	6.1	6.9	5.2	5.5	6.4	7.2	8.0	6.1
<b>Change in business inventories</b> .....	<b>-6</b>	<b>3.0</b>	<b>-3</b>	<b>-2.9</b>	<b>3.6</b>	<b>1.7</b>	<b>.9</b>	<b>5.7</b>
Residual .....	-2	-4	.1	-1	-4	-2	-2	-3

1. Includes new trucks only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.



**B. Other NIPA and NIPA-Related Tables****Monthly Estimates:**

Tables B.1 and B.2 include the most recent estimates of personal income and its components; these estimates were released on March 2, 1998 and include "preliminary" estimates for January 1998 and "revised" estimates for October–December.

**Table B.1.—Personal Income**

[Billions of dollars; monthly estimates seasonally adjusted at annual rates]

	1996	1997	1996												1998	
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. <sup>p</sup>	Nov. <sup>r</sup>		Dec. <sup>r</sup>
<b>Personal income</b> .....	<b>6,495.2</b>	<b>6,874.2</b>	<b>6,664.4</b>	<b>6,700.1</b>	<b>6,750.3</b>	<b>6,788.2</b>	<b>6,800.9</b>	<b>6,822.8</b>	<b>6,863.5</b>	<b>6,873.1</b>	<b>6,912.2</b>	<b>6,935.5</b>	<b>6,970.7</b>	<b>7,021.5</b>	<b>7,051.6</b>	<b>7,092.8</b>
Wage and salary disbursements .....	3,632.5	3,877.3	3,753.7	3,754.1	3,799.1	3,821.3	3,822.1	3,835.1	3,867.6	3,870.0	3,902.3	3,916.1	3,943.6	3,990.0	4,006.7	4,033.3
Private industries .....	2,989.9	3,212.0	3,104.0	3,098.7	3,140.9	3,161.7	3,161.2	3,173.1	3,204.6	3,204.6	3,234.5	3,246.2	3,271.7	3,316.0	3,331.2	3,353.4
Commodity-producing industries .....	909.1	960.2	935.2	936.3	943.4	948.8	950.3	953.7	954.5	955.5	962.0	966.6	975.4	984.9	991.4	994.7
Manufacturing .....	674.7	705.9	690.4	690.5	693.4	698.4	699.5	700.3	701.2	701.5	706.5	710.0	717.8	724.4	727.9	728.0
Distributive industries .....	823.3	876.2	848.9	847.7	857.9	864.8	863.1	865.0	872.9	872.2	883.7	886.4	893.1	904.1	904.0	913.3
Service industries .....	1,257.5	1,375.5	1,319.9	1,314.6	1,339.6	1,348.1	1,347.7	1,354.5	1,377.1	1,376.8	1,388.9	1,393.3	1,403.1	1,427.0	1,435.7	1,445.4
Government .....	642.6	665.3	649.7	655.5	658.2	659.7	660.9	661.9	663.1	665.4	667.8	669.8	671.9	673.9	675.5	679.8
Other labor income .....	407.6	416.6	411.4	410.5	412.5	413.9	414.4	415.3	415.6	416.6	417.6	418.9	420.1	421.4	422.6	423.9
Proprietors' income with IVA and CCAAdj .....	520.3	544.5	529.8	532.2	534.5	537.2	540.9	543.6	546.5	546.8	546.1	548.7	551.5	551.9	553.9	558.1
Farm .....	37.2	40.7	39.9	39.4	39.9	41.4	43.0	43.8	44.0	43.0	40.8	39.0	38.5	38.1	38.1	38.1
Nonfarm .....	483.1	503.7	490.0	492.8	494.6	495.8	497.9	499.8	502.4	503.9	505.3	509.6	513.0	513.8	515.8	520.0
Rental income of persons with CCAAdj .....	146.3	148.0	149.1	148.5	149.3	149.2	149.3	148.9	147.8	147.4	148.5	148.2	148.6	146.3	146.2	145.6
Personal dividend income .....	291.2	321.5	296.9	310.7	312.5	314.4	316.3	318.3	320.3	322.4	324.5	326.6	328.6	330.7	332.8	334.9
Personal interest income .....	735.7	768.8	751.8	754.3	757.0	760.4	763.4	766.0	768.9	771.0	772.5	774.3	776.6	779.3	781.9	784.5
Transfer payments to persons .....	1,068.0	1,121.1	1,085.5	1,055.5	1,104.1	1,111.9	1,114.6	1,116.6	1,119.7	1,122.1	1,125.9	1,129.0	1,131.4	1,132.8	1,139.8	1,148.7
Old-age, survivors, disability, and health insurance benefits .....	537.6	566.7	548.2	519.5	555.6	561.5	562.4	564.8	565.9	567.3	570.4	570.4	571.9	572.7	577.8	582.6
Government unemployment insurance benefits .....	22.0	21.7	22.3	22.1	22.0	22.0	22.0	21.9	21.9	21.7	21.4	21.6	21.4	21.4	21.5	21.5
Other .....	508.4	532.7	515.0	523.9	526.5	528.4	530.2	529.9	531.9	533.1	534.1	537.0	538.0	538.8	540.5	544.6
Less: Personal contributions for social insurance .....	306.3	323.7	313.8	315.8	318.7	320.1	320.1	320.9	323.0	323.1	325.2	326.1	327.9	331.0	332.1	336.1

<sup>p</sup> Preliminary.  
<sup>r</sup> Revised.

CCAAdj Capital consumption adjustment  
IVA Inventory valuation adjustment  
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

**Table B.2.—The Disposition of Personal Income**

[Monthly estimates seasonally adjusted at annual rates]

	1996	1997	1996												1998	
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. <sup>p</sup>	Nov. <sup>r</sup>		Dec. <sup>r</sup>
Billions of dollars, unless otherwise indicated																
<b>Personal income</b> .....	<b>6,495.2</b>	<b>6,874.2</b>	<b>6,664.4</b>	<b>6,700.1</b>	<b>6,750.3</b>	<b>6,788.2</b>	<b>6,800.9</b>	<b>6,822.8</b>	<b>6,863.5</b>	<b>6,873.1</b>	<b>6,912.2</b>	<b>6,935.5</b>	<b>6,970.7</b>	<b>7,021.5</b>	<b>7,051.6</b>	<b>7,092.8</b>
Less: Personal tax and nontax payments .....	886.9	988.7	936.8	942.3	957.7	967.0	970.4	978.3	988.9	991.2	999.3	1,003.5	1,012.1	1,024.3	1,029.2	1,022.7
<b>Equals: Disposable personal income</b> .....	<b>5,608.3</b>	<b>5,885.5</b>	<b>5,727.6</b>	<b>5,757.8</b>	<b>5,792.7</b>	<b>5,821.2</b>	<b>5,830.5</b>	<b>5,844.5</b>	<b>5,874.5</b>	<b>5,881.9</b>	<b>5,913.0</b>	<b>5,932.0</b>	<b>5,958.6</b>	<b>5,997.2</b>	<b>6,022.5</b>	<b>6,070.1</b>
Less: Personal outlays .....	5,368.8	5,660.8	5,505.9	5,565.9	5,578.5	5,579.5	5,592.3	5,592.7	5,623.5	5,690.4	5,699.3	5,712.6	5,740.0	5,764.6	5,790.2	5,812.6
Personal consumption expenditures .....	5,207.6	5,488.1	5,336.4	5,396.7	5,409.7	5,410.8	5,422.0	5,422.4	5,451.9	5,518.7	5,525.8	5,537.8	5,563.6	5,587.7	5,610.4	5,631.4
Durable goods .....	634.5	659.1	637.4	661.0	659.8	654.4	642.9	643.5	647.0	670.8	670.5	660.7	655.3	669.9	673.6	676.8
Nondurable goods .....	1,534.7	1,592.1	1,564.6	1,584.5	1,589.0	1,588.6	1,577.0	1,577.1	1,582.6	1,597.6	1,599.8	1,604.9	1,604.5	1,601.0	1,598.8	1,604.9
Services .....	3,038.4	3,236.9	3,134.5	3,151.1	3,160.9	3,167.8	3,202.1	3,222.3	3,250.3	3,255.5	3,272.2	3,303.9	3,316.8	3,338.0	3,349.7	
Interest paid by persons .....	145.2	154.8	152.8	152.2	151.7	151.6	152.7	152.7	154.0	153.5	155.2	156.6	157.8	158.4	161.3	162.6
Personal transfer payments to rest of world .....	15.9	17.9	16.7	17.0	17.0	17.0	17.6	17.6	17.6	18.2	18.2	18.2	18.5	18.5	18.5	
<b>Equals: Personal savings</b> .....	<b>239.6</b>	<b>224.7</b>	<b>221.7</b>	<b>191.9</b>	<b>214.2</b>	<b>241.7</b>	<b>238.2</b>	<b>251.8</b>	<b>251.0</b>	<b>191.4</b>	<b>213.7</b>	<b>219.4</b>	<b>218.7</b>	<b>232.6</b>	<b>232.3</b>	<b>257.5</b>
<b>Addenda:</b>																
Disposable personal income:																
Billions of chained (1992) dollars <sup>1</sup> .....	5,076.9	5,221.9	5,123.0	5,142.3	5,159.4	5,181.4	5,185.5	5,198.7	5,218.3	5,214.8	5,239.8	5,247.8	5,265.9	5,293.7	5,315.2	5,353.8
Per capita:																
Current dollars .....	21,117	21,972	21,478	21,579	21,697	21,789	21,808	21,845	21,941	21,951	22,049	22,102	22,185	22,313	22,393	22,557
Chained (1992) dollars .....	19,116	19,494	19,211	19,272	19,326	19,394	19,396	19,431	19,490	19,462	19,539	19,553	19,606	19,696	19,763	19,896
Population (thousands) .....	265,579	267,869	266,672	266,826	266,975	267,161	267,354	267,541	267,741	267,952	268,171	268,391	268,594	268,775	268,942	269,086
Personal consumption expenditures:																
Billions of chained (1992) dollars .....	4,714.1	4,869.3	4,773.1	4,819.8	4,818.3	4,816.1	4,822.2	4,823.2	4,842.9	4,892.8	4,896.8	4,899.0	4,916.9	4,932.3	4,951.5	4,967.0
Durable goods .....	611.1	645.5	618.2	641.2	638.4	633.8	625.9	628.1	633.0	657.7	659.9	650.9	647.2	663.0	666.6	671.0
Nondurable goods .....	1,432.3	1,458.8	1,440.7	1,456.0	1,458.1	1,459.2	1,446.3	1,449.1	1,454.7	1,466.0	1,464.8	1,465.6	1,464.3	1,461.5	1,459.7	1,467.0
Services .....	2,671.0	2,765.7	2,714.0	2,724.2	2,723.2	2,749.1	2,749.1	2,745.5	2,755.0	2,771.0	2,774.1	2,783.2	2,804.7	2,808.5	2,825.5	2,829.9
Implicit price deflator, 1992=100 .....	110.47	112.71	111.80	111.97	112.27	112.35	112.44	112.42	112.58	112.79	112.85	113.04	113.15	113.29	113.31	113.38
Personal saving as percentage of disposable personal income <sup>2</sup> .....	4.3	3.8	3.9	3.3	3.7	4.2	4.1	4.3	4.3	3.3	3.6	3.7	3.7	3.9	3.9	4.2
Percent change from preceding period																
<b>Personal income, current dollars</b> .....	<b>5.6</b>	<b>5.8</b>	<b>0.7</b>	<b>0.5</b>	<b>0.7</b>	<b>0.6</b>	<b>0.2</b>	<b>0.3</b>	<b>0.6</b>	<b>0.1</b>	<b>0.6</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>	<b>0.4</b>	<b>0.6</b>
Disposable personal income:																
Current dollars .....	4.7	4.9	.6	.5	.6	.5	.2	.2	.5	.1	.5	.3	.4	.6	.4	.8
Chained (1992) dollars .....	2.3	2.9	.4	.4	.3	.4	.1	.3	.4	-.1	.5	.2	.3	.5	.4	.7
Personal consumption expenditures:																
Current dollars .....	5.0	5.4	.6	1.1	-.2	0	.2	0	.5	1.2	.1	.2	.5	.4	.4	.4
Chained (1992) dollars .....	2.6	3.3	.5	1.0	0	0	.1	0	.4	1.0	.1	0	.4	.3	.4	.3

1. Disposable personal income in chained (1992) dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.

2. Monthly estimates equal personal saving for the month as a percentage of disposable personal income for that month.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

**Annual Estimates:**

Except as noted, these tables are derived from the NIPA tables published in the August 1997 SURVEY OF CURRENT BUSINESS; they are consistent with the most recent comprehensive and annual revisions.

**Table B.3.—Gross Domestic Product by Industry, Current-Dollar and Real Estimates for 1994–96**

	Billions of dollars			Billions of chained (1992) dollars				Billions of dollars			Billions of chained (1992) dollars		
	1994	1995	1996	1994	1995	1996		1994	1995	1996	1994	1995	1996
<b>Gross domestic product</b> .....	<b>6,947.0</b>	<b>7,265.4</b>	<b>7,636.0</b>	<b>6,610.7</b>	<b>6,742.1</b>	<b>6,928.4</b>							
<b>Private industries</b> .....	<b>6,013.5</b>	<b>6,301.3</b>	<b>6,639.8</b>	<b>5,763.6</b>	<b>5,921.4</b>	<b>6,094.1</b>							
<b>Agriculture, forestry and fishing</b> .....	<b>119.2</b>	<b>111.0</b>	<b>129.8</b>	<b>119.1</b>	<b>111.4</b>	<b>111.7</b>							
Farms .....	83.5	73.5	89.4	84.9	74.2	75.5							
Agricultural services, forestry and fishing .....	35.7	37.5	40.5	34.9	37.0	37.6							
<b>Mining</b> .....	<b>94.9</b>	<b>99.8</b>	<b>113.6</b>	<b>102.5</b>	<b>108.4</b>	<b>101.9</b>							
Metal mining .....	5.9	6.8	6.8	5.7	5.5	6.3							
Coal mining .....	13.1	12.3	12.3	15.5	15.7	16.6							
Oil and gas extraction .....	66.7	71.0	84.4	72.2	77.7	69.4							
Nonmetallic minerals, except fuels .....	9.2	9.6	10.2	9.2	9.5	10.1							
<b>Construction</b> .....	<b>268.7</b>	<b>286.4</b>	<b>306.1</b>	<b>249.8</b>	<b>254.1</b>	<b>264.3</b>							
<b>Manufacturing</b> .....	<b>1,216.1</b>	<b>1,286.3</b>	<b>1,332.1</b>	<b>1,193.2</b>	<b>1,273.7</b>	<b>1,323.7</b>							
Durable goods .....	679.2	716.8	749.0	671.3	731.2	785.5							
Lumber and wood products .....	38.4	40.7	41.4	29.8	31.6	33.6							
Furniture and fixtures .....	18.5	19.4	20.5	18.0	18.7	18.8							
Stone, clay, and glass products .....	28.8	30.7	32.7	27.0	27.7	29.1							
Primary metal industries .....	46.3	52.0	50.6	45.0	44.4	46.8							
Fabricated metal products .....	84.2	89.5	98.2	84.5	89.7	94.0							
Industrial machinery and equipment .....	122.3	142.4	150.2	131.5	164.5	186.1							
Electronic and other electric equipment .....	132.9	134.0	143.8	145.8	175.6	217.4							
Motor vehicles and equipment .....	87.4	87.3	85.1	78.0	79.3	76.1							
Other transportation equipment .....	49.5	46.9	49.7	47.6	43.8	44.5							
Instruments and related products .....	48.7	49.7	52.3	45.1	42.6	38.3							
Miscellaneous manufacturing industries .....	22.2	24.3	24.6	21.5	22.8	23.3							
Nondurable goods .....	536.9	569.5	583.1	522.0	543.2	541.0							
Food and kindred products .....	109.6	118.7	122.6	106.5	120.9	112.9							
Tobacco products .....	16.3	17.6	18.1	22.3	24.3	23.9							
Textile mill products .....	25.4	23.6	25.5	27.3	25.4	26.6							
Apparel and other textile products .....	28.2	27.3	26.6	28.3	28.5	26.9							
Paper and allied products .....	51.3	59.9	57.1	52.1	45.4	47.3							
Printing and publishing .....	86.0	85.0	90.4	78.0	77.5	74.3							
Chemicals and allied products .....	140.6	155.9	157.8	131.2	138.9	142.2							
Petroleum and coal products .....	30.4	30.2	30.1	27.6	32.2	33.8							
Rubber and miscellaneous plastics .....	44.4	46.1	49.7	45.4	48.2	50.9							
Leather and leather products .....	4.7	5.1	5.2	4.5	4.7	4.8							
<b>Transportation and public utilities</b> .....	<b>598.7</b>	<b>622.4</b>	<b>645.3</b>	<b>584.1</b>	<b>593.8</b>	<b>608.9</b>							
Transportation .....	219.9	228.7	235.1	214.3	216.0	220.8							
Railroad transportation .....	24.2	24.5	25.3	25.9	27.7	31.0							
Local and interurban passenger transit .....	11.4	12.4	13.6	11.0	12.0	12.2							
Trucking and warehousing .....	95.0	97.5	92.2	88.7	87.4	80.3							
Water transportation .....	10.9	10.8	11.2	10.8	11.0	10.7							
Transportation by air .....	51.7	54.9	63.2	51.4	49.8	59.0							
Pipelines, except natural gas .....	4.6	5.7	5.5	4.8	5.4	5.0							
Public utilities .....													
Electric, gas, and sanitary services .....													
Telephone and telegraph .....													
Radio and television .....													
Wholesale trade .....													
Retail trade .....													
Finance, insurance, and real estate .....													
Depository institutions .....													
Nondepository institutions .....													
Security and commodity brokers .....													
Insurance carriers .....													
Insurance agents, brokers, and services .....													
Real estate .....													
Nonfarm housing services .....													
Other real estate .....													
Holding and other investment offices .....													
Services .....													
Hotels and other lodging places .....													
Personal services .....													
Business services .....													
Auto repair, services, and parking .....													
Miscellaneous repair services .....													
Motion pictures .....													
Amusement and recreation services .....													
Health services .....													
Legal services .....													
Educational services .....													
Social services .....													
Membership organizations .....													
Other services .....													
Private households .....													
Statistical discrepancy .....													
<b>Government</b> .....	<b>933.5</b>	<b>964.1</b>	<b>996.3</b>	<b>878.3</b>	<b>877.4</b>	<b>874.1</b>							
<b>Federal</b> .....	<b>324.9</b>	<b>326.2</b>	<b>331.5</b>	<b>306.9</b>	<b>297.1</b>	<b>290.6</b>							
General government .....	275.2	275.5	281.4	258.4	248.1	240.9							
Government enterprises .....	49.7	50.7	50.2	48.6	49.0	49.7							
<b>State and local</b> .....	<b>608.6</b>	<b>637.9</b>	<b>664.7</b>	<b>571.3</b>	<b>580.3</b>	<b>583.4</b>							
General government .....	557.5	583.4	607.6	524.2	532.2	535.2							
Government enterprises .....	51.1	54.5	57.1	47.1	48.0	48.2							
<b>Not allocated by industry</b> <sup>2</sup> .....				<b>-60.4</b>	<b>-87.9</b>	<b>-101.1</b>							

1. The current-dollar statistical discrepancy equals gross domestic product (GDP) measured as the sum of expenditures less gross domestic income—that is, GDP measured as the costs incurred and profits earned in domestic production. The chained (1992) dollar statistical discrepancy equals the current-dollar discrepancy deflated by the implicit price deflator for gross domestic product.

2. Equals GDP in chained (1992) dollars less the statistical discrepancy and the sum of GPO of the detailed industries.

NOTE—Estimates are based on the 1987 Standard Industrial Classification. The table is derived from tables 7 and 10 in "Gross Product by Industry, 1947–96" in the November 1997 SURVEY OF CURRENT BUSINESS.

Table B.4.—Personal Consumption Expenditures by Type of Expenditure

	Billions of dollars			Billions of chained (1992) dollars				Billions of dollars			Billions of chained (1992) dollars		
	1994	1995	1996	1994	1995	1996		1994	1995	1996	1994	1995	1996
<b>Personal consumption expenditures</b>	<b>4,717.0</b>	<b>4,957.7</b>	<b>5,207.6</b>	<b>4,486.0</b>	<b>4,595.3</b>	<b>4,714.1</b>	<b>Personal business</b>	<b>370.4</b>	<b>389.1</b>	<b>421.1</b>	<b>352.1</b>	<b>350.7</b>	<b>363.6</b>
<b>Food and tobacco</b>	<b>761.7</b>	<b>783.8</b>	<b>805.7</b>	<b>735.0</b>	<b>737.9</b>	<b>736.5</b>	Brokerage charges and investment counseling (s.)	36.2	38.8	47.2	37.8	41.8	50.0
Food purchased for off-premise consumption (n.d.)	451.6	462.2	478.4	434.5	433.4	434.7	Bank service charges, trust services, and safe deposit box rental (s.)	31.6	33.9	37.3	27.5	27.8	28.9
Purchased meals and beverages <sup>1</sup> (n.d.)	254.3	264.1	268.7	245.1	248.7	246.6	Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans (s.)	151.5	159.8	169.9	146.5	141.9	143.9
Food furnished to employees (including military) (n.d.)	8.1	8.4	8.7	7.8	7.9	8.0	Expense of handling life insurance <sup>17</sup> (s.)	72.6	75.4	79.9	68.1	67.9	68.5
Food produced and consumed on farms (n.d.)	5	4	4	5	5	4	Legal services (s.)	48.8	49.1	52.2	45.3	44.0	45.2
Tobacco products (n.d.)	47.3	48.7	49.6	47.2	47.4	46.8	Funeral and burial expenses (s.)	11.1	12.2	12.8	10.1	10.5	10.4
Addenda: Food excluding alcoholic beverages (n.d.)	633.6	652.0	669.9	608.7	610.2	608.7	Other <sup>18</sup> (s.)	18.5	19.9	21.8	17.1	17.6	18.7
Alcoholic beverages purchased for off-premise consumption (n.d.)	53.9	54.9	57.3	53.7	54.5	55.5	<b>Transportation</b>	<b>542.2</b>	<b>572.3</b>	<b>602.2</b>	<b>515.3</b>	<b>528.0</b>	<b>540.3</b>
Other alcoholic beverages (n.d.)	27.0	28.2	28.9	25.6	25.9	25.7	User-operated transportation	502.6	530.1	557.7	476.6	487.8	497.7
<b>Clothing, accessories, and jewelry</b>	<b>312.7</b>	<b>323.4</b>	<b>336.3</b>	<b>308.5</b>	<b>321.8</b>	<b>335.3</b>	New autos (d.)	91.2	87.1	86.1	86.2	80.6	78.2
Shoes (n.d.)	36.0	36.8	38.1	35.7	36.6	37.6	Net purchases of used autos (d.)	44.1	52.4	55.3	37.5	40.8	42.1
Clothing and accessories except shoes <sup>2</sup>	211.6	217.7	226.0	211.2	220.6	229.9	Other motor vehicles (d.)	76.8	79.4	82.1	71.4	71.7	72.5
Women's and children's (n.d.)	137.5	141.3	145.8	137.0	144.2	150.7	Tires, tubes, accessories, and other parts (d.)	34.5	35.8	37.9	35.1	36.2	38.3
Men's and boys' (n.d.)	74.1	76.4	80.2	74.1	76.4	79.2	Repair, greasing, washing, parking, storage, rental, and leasing (s.)	116.4	128.7	140.1	108.5	116.5	123.3
Standard clothing issued to military personnel (n.d.)	3	3	3	3	3	3	Gasoline and oil (n.d.)	109.4	114.4	122.6	109.8	113.1	114.1
Cleaning, storage, and repair of clothing and shoes (s.)	11.6	12.3	12.3	11.0	11.5	11.3	Bridge, tunnel, ferry, and road tolls (s.)	2.6	2.8	2.9	2.4	2.4	2.5
Jewelry and watches (d.)	37.7	39.3	41.6	35.6	36.8	39.7	Insurance <sup>19</sup> (s.)	27.5	29.4	30.9	25.6	26.0	26.2
Other <sup>3</sup> (s.)	15.6	17.1	18.1	14.7	16.0	16.6	Purchased local transportation	8.9	9.2	10.1	8.6	8.5	8.5
<b>Personal care</b>	<b>68.4</b>	<b>71.9</b>	<b>75.7</b>	<b>65.5</b>	<b>67.9</b>	<b>70.1</b>	Mass transit systems (s.)	5.9	6.0	6.6	5.7	5.5	5.6
Toilet articles and preparations (n.d.)	45.3	47.2	49.9	43.7	45.0	47.0	Taxicab (s.)	3.0	3.2	3.5	2.9	3.0	3.0
Barbershops, beauty parlors, and health clubs (s.)	23.0	24.7	25.7	21.8	22.9	23.0	Purchased intercity transportation	30.7	33.0	34.4	30.1	31.7	34.2
<b>Housing</b>	<b>712.7</b>	<b>750.3</b>	<b>787.2</b>	<b>674.3</b>	<b>688.2</b>	<b>700.2</b>	Railway (s.)	7	8	8	7	7	7
Owner-occupied nonfarm dwellings space rent <sup>4</sup> (s.)	507.0	532.2	558.3	479.6	487.2	495.3	Bus (s.)	1.1	1.3	1.3	1.1	1.4	1.4
Tenant-occupied nonfarm dwellings rent <sup>5</sup> (s.)	174.0	184.6	193.6	165.2	171.1	174.9	Airline (s.)	25.8	27.7	28.2	25.5	26.8	28.8
Rental value of farm dwellings (s.)	5.8	5.9	6.1	5.2	5.2	5.1	Other <sup>20</sup> (s.)	3.2	3.3	4.0	2.8	2.8	3.3
Other <sup>6</sup> (s.)	26.0	27.5	29.1	24.3	24.8	25.0	<b>Recreation</b>	<b>370.2</b>	<b>402.5</b>	<b>431.1</b>	<b>365.2</b>	<b>395.7</b>	<b>424.4</b>
<b>Household operation</b>	<b>535.0</b>	<b>562.8</b>	<b>591.9</b>	<b>514.5</b>	<b>533.6</b>	<b>548.4</b>	Books and maps (d.)	20.6	22.1	23.2	19.6	20.6	20.8
Furniture, including mattresses and bedspreads (d.)	45.9	48.0	49.6	43.2	44.2	44.6	Magazines, newspapers, and sheet music (n.d.)	24.5	25.5	26.5	22.9	22.9	22.7
Kitchen and other household appliances <sup>7</sup> (d.)	25.6	27.2	27.8	25.0	26.6	27.1	Nondurable toys and sport supplies (n.d.)	39.7	42.2	45.4	38.9	41.4	43.9
China, glassware, tableware, and utensils (d.)	24.0	25.3	27.4	23.5	25.0	26.9	Wheel goods, sports and photographic equipment, boats, and pleasure aircraft (d.)	35.6	39.1	42.0	34.8	37.7	40.3
Other durable house furnishings <sup>8</sup> (d.)	52.3	54.5	58.2	51.4	53.1	56.1	Video and audio products, computing equipment, and musical instruments (d.)	78.5	85.2	89.7	87.4	101.8	119.5
Semidurable house furnishings <sup>9</sup> (n.d.)	27.2	28.9	30.1	25.7	26.9	28.2	Radio and television repair (s.)	4.5	4.9	5.1	4.2	4.5	4.5
Cleaning and polishing preparations, and miscellaneous household supplies and paper products (n.d.)	50.8	52.3	54.5	50.2	50.0	50.6	Flowers, seeds, and potted plants (n.d.)	13.4	13.9	14.9	13.4	13.2	14.4
Stationery and writing supplies (n.d.)	15.1	15.8	17.0	14.4	14.4	14.8	Admissions to specified spectator amusements	19.0	20.2	22.1	17.8	18.2	18.9
Household utilities	163.8	168.5	177.9	156.3	159.4	163.1	Motion picture theaters (s.)	5.6	6.0	6.3	5.2	5.4	5.4
Electricity (s.)	84.2	88.0	90.3	82.6	84.3	85.2	Legitimate theaters and opera, and entertainments of nonprofit institutions (except athletics) (s.)	8.2	8.7	9.3	7.7	7.9	8.0
Gas (s.)	32.4	31.5	34.9	30.0	30.7	32.7	Spectator sports <sup>21</sup> (s.)	5.2	5.5	6.4	4.9	5.0	5.5
Water and other sanitary services (s.)	36.6	38.8	41.1	33.0	33.8	34.6	Clubs and fraternal organizations <sup>22</sup> (s.)	11.8	12.7	13.0	11.2	11.5	11.8
Fuel oil and coal (n.d.)	10.5	10.2	11.6	10.7	10.5	10.6	Commercial participant amusements <sup>23</sup> (s.)	36.2	41.5	46.2	34.1	38.0	41.1
Telephone and telegraph (s.)	82.6	90.2	96.9	79.6	86.6	91.1	Pari-mutuel net receipts (s.)	3.3	3.3	3.5	3.1	3.1	3.1
Domestic service (s.)	11.9	12.8	12.5	11.2	11.7	11.0	Other <sup>24</sup> (s.)	83.1	91.9	99.6	79.1	85.5	89.3
Other <sup>10</sup> (s.)	35.8	39.4	40.1	34.2	35.9	35.3	<b>Education and research</b>	<b>104.7</b>	<b>112.2</b>	<b>119.6</b>	<b>96.8</b>	<b>99.4</b>	<b>102.7</b>
<b>Medical care</b>	<b>826.1</b>	<b>871.6</b>	<b>912.8</b>	<b>751.0</b>	<b>766.2</b>	<b>782.4</b>	Higher education <sup>25</sup> (s.)	59.0	62.2	65.2	53.1	53.7	54.0
Drug preparations and sundries <sup>11</sup> (n.d.)	81.6	85.7	90.9	76.7	79.1	81.7	Nursery, elementary, and secondary schools <sup>26</sup> (s.)	21.4	22.8	24.0	20.4	20.8	21.7
Ophthalmic products and orthopedic appliances (d.)	12.9	13.1	13.9	12.3	12.2	12.6	Other <sup>27</sup> (s.)	24.4	27.2	30.3	23.4	25.0	27.2
Physicians (s.)	180.0	191.4	196.5	162.4	166.1	169.3	<b>Religious and welfare activities</b> <sup>28</sup> (s.)	<b>131.2</b>	<b>139.8</b>	<b>150.5</b>	<b>125.6</b>	<b>128.6</b>	<b>136.6</b>
Dentists (s.)	43.9	47.6	50.9	39.8	41.1	42.0	<b>Foreign travel and other, net</b>	<b>-18.3</b>	<b>-22.1</b>	<b>-26.5</b>	<b>-16.2</b>	<b>-19.5</b>	<b>-21.5</b>
Other professional services <sup>12</sup> (s.)	95.7	104.4	110.2	89.2	95.6	99.1	Foreign travel by U. S. residents (s.)	50.1	51.9	54.9	48.8	48.9	50.8
Hospitals and nursing homes <sup>13</sup>	357.0	375.9	394.2	331.5	336.6	343.1	Expenditures abroad by U. S. residents (n.d.)	2.7	2.6	2.6	2.8	2.4	2.4
Hospitals	298.1	310.6	325.1	276.9	278.5	284.4	Less: Expenditures in the United States by nonresidents (s.)	69.7	75.2	82.7	66.4	69.5	73.5
Nonprofit (s.)	200.2	207.9	217.3	187.8	188.2	191.8	Less: Personal remittances in kind to nonresidents (n.d.)	1.4	1.4	1.2	1.3	1.3	1.1
Proprietary (s.)	32.1	34.5	37.1	29.2	30.3	31.9	<b>Residual</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>-5.7</b>	<b>-10.6</b>	<b>-17.8</b>
Government (s.)	68.8	68.2	70.7	59.9	60.0	60.7							
Nursing homes (s.)	58.9	65.2	69.1	54.6	58.1	58.7							
Health insurance	55.0	53.6	56.3	40.0	37.5	36.9							
Medical care and hospitalization <sup>14</sup> (s.)	42.9	40.7	41.8	36.6	35.2	34.7							
Income loss <sup>15</sup> (s.)	27.7	2.9	3.2	2.4	2.5	2.6							
Workers' compensation <sup>16</sup> (s.)	9.4	10.0	11.3	2.3	1.8	1.8							

1. Consists of purchases (including tips) of meals and beverages from retail, service, and amusement establishments, hotels, dining and buffet cars, schools, school fraternities, institutions, clubs, and industrial lunchrooms. Includes meals and beverages consumed both on-and off-premise.

2. Includes luggage.

3. Consists of watch, clock, and jewelry repairs, costume and dress suit rental, and miscellaneous personal services.

4. Consists of rent for space and for heating and plumbing facilities, water heaters, lighting fixtures, kitchen cabinets, linoleum, storm windows and doors, window screens, and screen doors, but excludes rent for appliances and furniture and purchases of fuel and electricity.

5. Consists of space rent (see footnote 4) and rent for appliances, furnishings, and furniture.

6. Consists of transient hotels, motels, clubs, schools, and other group housing.

7. Consists of refrigerators and freezers, cooking ranges, dishwashers, laundry equipment, stoves, room air conditioners, sewing machines, vacuum cleaners, and other appliances.

8. Includes such house furnishings as floor coverings, comforters, quilts, blankets, pillows, picture frames, mirrors, art products, portable lamps, and clocks. Also includes writing equipment and hand, power, and garden tools.

9. Consists largely of textile house furnishings, including piece goods allocated to house furnishing use. Also includes lamp shades, brooms, and brushes.

10. Consists of maintenance services for appliances and house furnishings, moving and warehouse expenses, postage and express charges, premiums for fire and theft insurance on personal property less benefits and dividends, and miscellaneous household operation services.

11. Excludes drug preparations and related products dispensed by physicians, hospitals, and other medical services.

12. Consists of osteopathic physicians, chiropractors, private duty nurses, chiropodists, podiatrists, and others providing health and allied services, not elsewhere classified.

13. Consists of (1) current expenditures (including consumption of fixed capital) of nonprofit hospitals and nursing homes, and (2) payments by patients to proprietary and government hospitals and nursing homes.

14. Consists of (1) premiums, less benefits and dividends, for health, hospitalization, and accidental death and dismemberment insurance provided by commercial insurance carriers, and (2) administrative expenses (including consumption of fixed capital) of Blue Cross and Blue Shield plans and of other independent prepaid and self-insured health plans.

15. Consists of premiums, less benefits and dividends, for income loss insurance.

16. Consists of premiums, less benefits and dividends, for privately administered workers' compensation.

17. Consists of (1) operating expenses of life insurance carriers and private noninsured pension plans, and (2) premiums, less benefits and dividends, of fraternal benefit societies. Excludes expenses allocated by commercial carriers to accident and health insurance.

18. Consists of current expenditures (including consumption of fixed capital) of trade unions and professional associations, employment agency fees, money order fees, spending for classified advertisements, tax return preparation services, and other personal business services.

19. Consists of premiums, less benefits and dividends, for motor vehicle insurance.

20. Consists of baggage charges, coastal and inland waterway fares, travel agents' fees, and airport bus fares.

21. Consists of admissions to professional and amateur athletic events and to racetracks.

22. Consists of dues and fees excluding insurance premiums.

23. Consists of billiard parlors; bowling alleys; dancing, riding, shooting, skating, and swimming places; amusement devices and parks; golf courses; sightseeing buses and guides; private flying operations; casino gambling; and other commercial participant amusements.

24. Consists of net receipts of lotteries and expenditures for purchases of pets and pet care services, cable TV, film processing, photographic studios, sporting and recreation camps, video cassette rentals, and recreational services, not elsewhere classified.

25. For private institutions, equals current expenditures (including consumption of fixed capital) less receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures, and less expenditures for research and development financed under contracts or grants. For government institutions, equals student payments of tuition.

26. For private institutions, equals current expenditures (including consumption of fixed capital) less receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures. For government institutions, equals student payments of tuition. Excludes child day care services, which are included in religious and welfare activities.

27. Consists of (1) fees paid to commercial, business, trade, and correspondence schools and for educational services, not elsewhere classified, and (2) current expenditures (including consumption of fixed capital) by research organizations and foundations for education and research.

28. For nonprofit institutions, equals current expenditures (including consumption of fixed capital) of religious, social welfare, foreign relief, and political organizations, museums, libraries, and foundations. The expenditures are net of receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures, and excludes relief payments within the United States and expenditures by foundations for education and research. For proprietary and government institutions, equals receipts from users.

NOTES.—Consumer durable goods are designated (d.), nondurable goods (n.d.), and services (s.).

Estimates of foreign travel by U. S. residents (line 108) expenditures were \$0.3 billion in 1981. Beginning with 1984, estimates of foreign travel by U. S. residents include substantially improved estimates of U. S. residents' foreign travel and passenger fare expenditures. Estimates of expenditures in the United States by nonresidents (line 110) include, beginning with 1981, nonresidents' student and medical care expenditures in the United States. Student expenditures were \$2.2 billion, and medical expenditures were \$0.4 billion in 1981. Beginning with 1984, estimates of expenditures in the United States by nonresidents include substantially improved estimates of nonresidents' travel expenditures. Expenditures in the United States by nonresidents are subtracted from total personal consumption expenditures (line 110) because they are included in detailed type of expenditure estimates elsewhere in personal consumption expenditure series.

Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table B.5.—Private Purchases of Structures by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1994	1995	1996	1994	1995	1996
<b>Private purchases of structures</b> .....	<b>463.6</b>	<b>478.4</b>	<b>517.0</b>	<b>432.8</b>	<b>430.0</b>	<b>453.7</b>
<b>Nonresidential</b> .....	<b>184.5</b>	<b>200.6</b>	<b>215.2</b>	<b>172.5</b>	<b>179.9</b>	<b>188.7</b>
New .....	184.3	200.2	214.7	172.2	179.5	188.2
Nonresidential buildings, excluding farm	125.5	140.8	156.1	116.9	126.1	136.7
Industrial .....	28.9	32.5	32.1	27.0	29.1	28.1
Commercial .....	61.9	70.8	77.6	57.7	63.4	68.0
Office buildings <sup>1</sup> .....	25.8	29.8	32.1	24.1	26.7	28.2
Other <sup>2</sup> .....	36.1	41.0	45.5	33.6	36.7	39.8
Religious .....	3.8	4.2	4.4	3.5	3.8	3.9
Educational .....	5.6	6.2	7.5	5.2	5.6	6.6
Hospital and institutional .....	13.7	12.5	13.4	12.7	11.2	11.7
Other <sup>3</sup> .....	11.6	14.5	21.1	10.8	13.0	18.5
Utilities .....	32.0	33.2	33.3	29.9	30.0	29.3
Railroads .....	3.3	3.5	4.6	3.0	3.1	3.9
Telecommunications .....	10.1	11.0	11.9	9.6	10.1	10.4
Electric light and power .....	13.0	12.3	11.0	12.1	11.0	9.8
Gas .....	4.6	5.5	4.7	4.2	5.0	4.2
Petroleum pipelines .....	1.0	.9	1.0	.9	.8	.9
Farm .....	3.2	3.0	3.7	3.0	2.7	3.2
Mining exploration, shafts, and wells .....	16.7	16.3	16.1	15.8	14.3	13.9
Petroleum and natural gas .....	14.7	14.8	14.8	14.0	13.0	12.7
Other .....	1.9	1.5	1.3	1.8	1.3	1.1
Other <sup>4</sup> .....	6.9	6.9	5.7	6.6	6.3	5.0
Brokers' commissions on sale of structures .....	1.5	1.6	1.8	1.4	1.5	1.6
Net purchases of used structures .....	-1.2	-1.3	-1.3	-1.2	-1.1	-1.2
<b>Residential</b> .....	<b>279.1</b>	<b>277.8</b>	<b>301.7</b>	<b>260.3</b>	<b>250.0</b>	<b>265.0</b>
New .....	248.5	246.9	267.0	230.8	220.8	233.6
New housing units .....	177.2	174.4	192.1	162.0	153.1	165.2
Permanent site .....	167.9	163.1	179.4	153.7	143.5	154.8
Single-family structures .....	153.8	145.2	159.1	140.1	126.9	136.6
Multifamily structures .....	14.1	17.9	20.3	13.6	16.9	18.6
Mobile homes .....	9.3	11.3	12.6	8.3	9.5	10.3
Improvements .....	71.0	72.0	74.4	68.4	67.3	67.7
Other <sup>5</sup> .....	.3	.5	.6	.3	.4	.5
Brokers' commissions on sale of structures .....	31.6	32.1	36.3	30.4	30.3	32.7
Net purchases of used structures .....	-1.0	-1.1	-1.6	-0.9	-1.0	-1.4
Residual .....				.3	-1	.3

1. Consists of office buildings, except those constructed at industrial sites and those constructed by utilities for their own use.

2. Consists of stores, restaurants, garages, service stations, warehouses, mobile structures, and other buildings used for commercial purposes.

3. Consists of hotels and motels, buildings used primarily for social and recreational activities, and buildings not elsewhere classified, such as passenger terminals, greenhouses, and animal hospitals.

4. Consists primarily of streets, dams and reservoirs, sewer and water facilities, parks, and airfields.

5. Consists primarily of dormitories, fraternity and sorority houses, and nurses' homes.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table B.6.—Private Purchases of Producers' Durable Equipment by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1994	1995	1996	1994	1995	1996
<b>Private purchases of producers' durable equipment</b> .....	<b>483.0</b>	<b>529.6</b>	<b>573.7</b>	<b>483.5</b>	<b>535.2</b>	<b>593.1</b>
<b>Nonresidential equipment</b> .....	<b>476.1</b>	<b>522.4</b>	<b>566.2</b>	<b>476.8</b>	<b>528.3</b>	<b>586.6</b>
Information processing and related equipment .....	152.1	172.8	195.1	165.1	201.8	253.1
Office, computing, and accounting machinery .....	59.3	73.5	88.1	73.9	108.1	164.2
Computers and peripheral equipment <sup>1</sup> .....	51.8	65.6	78.7	67.2	102.8	160.8
Other .....	7.5	7.9	9.3	7.3	7.5	9.0
Communication equipment .....	52.8	59.4	65.9	53.7	62.0	69.9
Instruments .....	22.1	22.4	23.4	21.2	21.2	21.8
Photocopy and related equipment .....	17.9	17.6	17.7	17.3	16.6	16.4
Industrial equipment .....	109.3	121.5	127.5	105.5	113.4	117.0
Fabricated metal products .....	10.5	11.1	11.7	10.4	10.6	11.0
Engines and turbines .....	4.8	4.2	4.0	4.6	4.0	3.7
Metalworking machinery .....	24.4	28.2	29.6	23.3	26.0	26.6
Special industry machinery, n.e.c. .....	26.9	31.2	32.8	25.9	29.0	29.9
General industrial, including materials handling, equipment .....	23.6	25.8	28.5	22.6	24.0	26.0
Electrical transmission, distribution, and industrial apparatus .....	19.0	20.9	20.9	18.6	19.8	19.7
Transportation and related equipment .....	118.6	125.7	134.5	113.2	118.9	125.0
Trucks, buses, and truck trailers .....	55.0	63.3	68.9	50.6	56.7	61.3
Autos .....	48.0	42.3	45.3	47.8	43.4	45.1
Aircraft .....	8.9	12.8	13.4	8.4	11.6	11.8
Ships and boats .....	1.5	1.5	1.6	1.5	1.4	1.4
Railroad equipment .....	5.1	5.7	5.3	4.9	5.2	4.6
Other equipment .....	99.9	106.9	113.7	96.0	100.3	104.6
Furniture and fixtures .....	25.6	28.1	30.2	24.5	26.2	27.4
Tractors .....	9.9	10.4	10.9	9.5	9.8	10.2
Agricultural machinery, except tractors .....	9.7	10.4	10.9	9.2	9.6	9.9
Construction machinery, except tractors .....	12.0	13.5	14.4	11.4	12.4	13.0
Mining and oilfield machinery .....	1.5	1.8	2.3	1.5	1.7	2.1
Service industry machinery .....	13.4	14.4	15.2	13.0	13.5	14.0
Electrical equipment, n.e.c. .....	10.7	10.8	11.1	10.6	10.4	10.8
Other .....	16.9	17.5	18.6	16.3	16.5	17.2
Less: Sale of equipment scrap, excluding autos .....	3.7	4.5	4.6	3.1	3.4	3.8
<b>Residential equipment</b> .....	<b>6.9</b>	<b>7.2</b>	<b>7.5</b>	<b>6.7</b>	<b>7.0</b>	<b>7.1</b>
Residual .....				-1.4	-10.3	-33.8
<b>Addenda:</b>						
Private purchases of producers' durable equipment .....	483.0	529.6	573.7			
Less: Dealers' margin on used equipment .....	4.9	5.3	5.8			
Net purchases of used equipment from government .....	1.0	1.1	1.2			
Plus: Net sales of used equipment .....	31.3	37.6	39.7			
Net exports of used equipment .....	1.5	.6	.7			
Sale of equipment scrap .....	3.8	4.6	4.6			
Equals: Private purchases of new equipment .....	513.7	566.0	611.8			

1. Includes new computers and peripheral equipment only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

n.e.c. Not elsewhere classified.



Table B.8.—Employment by Industry

[Thousands]

	Full-time and part-time employment			Persons engaged in production <sup>1</sup>				Full-time and part-time employment			Persons engaged in production <sup>1</sup>		
	1994	1995	1996	1994	1995	1996		1994	1995	1996	1994	1995	1996
<b>Total</b> .....	<b>121,695</b>	<b>124,602</b>	<b>126,992</b>	<b>118,560</b>	<b>121,370</b>	<b>123,666</b>							
<b>Domestic industries</b> .....	<b>122,258</b>	<b>125,171</b>	<b>127,543</b>	<b>119,042</b>	<b>121,858</b>	<b>124,151</b>							
<b>Private industries</b> .....	<b>100,326</b>	<b>103,195</b>	<b>105,596</b>	<b>100,750</b>	<b>103,531</b>	<b>105,947</b>							
<b>Agriculture, forestry, and fishing</b> .....	<b>1,936</b>	<b>2,004</b>	<b>2,069</b>	<b>3,148</b>	<b>3,199</b>	<b>3,300</b>							
Farms .....	840	868	860	1,791	1,810	1,818							
Agricultural services, forestry, and fishing .....	1,096	1,136	1,209	1,357	1,389	1,482							
<b>Mining</b> .....	<b>606</b>	<b>587</b>	<b>583</b>	<b>607</b>	<b>590</b>	<b>586</b>							
Metal mining .....	49	52	54	49	52	54							
Coal mining .....	113	106	99	110	103	97							
Oil and gas extraction .....	339	321	321	345	327	327							
Nonmetallic minerals, except fuels .....	105	108	109	103	108	108							
<b>Construction</b> .....	<b>5,197</b>	<b>5,383</b>	<b>5,669</b>	<b>6,406</b>	<b>6,654</b>	<b>6,954</b>							
<b>Manufacturing</b> .....	<b>18,428</b>	<b>18,592</b>	<b>18,574</b>	<b>18,445</b>	<b>18,613</b>	<b>18,577</b>							
Durable goods .....	10,507	10,722	10,834	10,584	10,802	10,911							
Lumber and wood products .....	776	790	801	835	857	858							
Furniture and fixtures .....	505	512	506	515	525	521							
Stone, clay, and glass products .....	535	542	547	544	550	558							
Primary metal industries .....	697	708	709	693	701	707							
Fabricated metal products .....	1,396	1,443	1,452	1,390	1,441	1,446							
Industrial machinery and equipment .....	2,000	2,069	2,115	1,996	2,083	2,100							
Electronic and other electric equipment .....	1,582	1,626	1,658	1,573	1,616	1,653							
Motor vehicles and equipment .....	900	969	967	895	952	960							
Other transportation equipment .....	852	817	820	850	816	819							
Instruments and related products .....	860	841	855	853	834	850							
Miscellaneous manufacturing industries .....	404	405	404	440	427	439							
Nondurable goods .....	7,921	7,870	7,740	7,861	7,811	7,666							
Food and kindred products .....	1,683	1,688	1,697	1,654	1,659	1,664							
Tobacco products .....	43	42	42	43	42	42							
Textile mill products .....	681	664	629	676	661	631							
Apparel and other textile products .....	982	946	874	998	952	881							
Paper and allied products .....	693	692	682	686	686	677							
Printing and publishing .....	1,566	1,570	1,565	1,551	1,560	1,536							
Chemicals and allied products .....	1,056	1,039	1,032	1,039	1,032	1,024							
Petroleum and coal products .....	147	143	139	145	142	138							
Rubber and miscellaneous plastics products .....	954	978	981	951	967	971							
Leather and leather products .....	116	108	99	118	110	102							
<b>Transportation and public utilities</b> .....	<b>6,060</b>	<b>6,175</b>	<b>6,292</b>	<b>6,045</b>	<b>6,176</b>	<b>6,318</b>							
Transportation .....	3,834	3,962	4,063	3,922	4,048	4,182							
Railroad transportation .....	233	232	224	220	220	212							
Local and interurban passenger transit .....	407	420	440	437	431	444							
Trucking and warehousing .....	1,843	1,916	1,658	1,977	2,054	1,854							
Water transportation .....	179	178	177	175	178	174							
Transportation by air .....	750	778	1,119	704	731	1,050							
Pipelines, except natural gas .....	17	15	14	17	15	14							
Transportation services .....	405	423	431	392	419	434							
Communications .....	1,293	1,307	1,347	1,192	1,219	1,258							
Telephone and telegraph .....	916	915	936	844	851	873							
Radio and television .....	377	392	411	348	368	385							
Electric, gas, and sanitary services .....	933	906	882	931	909	878							
<b>Wholesale trade</b> .....	<b>6,235</b>	<b>6,475</b>	<b>6,558</b>	<b>6,324</b>	<b>6,559</b>	<b>6,589</b>							
<b>Retail trade</b> .....	<b>21,159</b>	<b>21,867</b>	<b>22,256</b>	<b>18,897</b>	<b>19,476</b>	<b>19,866</b>							
<b>Finance, insurance, and real estate</b> .....	<b>7,021</b>	<b>6,926</b>	<b>7,051</b>	<b>7,251</b>	<b>7,216</b>	<b>7,315</b>							
Depository institutions .....	2,068	2,023	2,018	1,973	1,937	1,923							
Nondepository institutions .....	488	463	513	485	466	506							
Security and commodity brokers .....	543	554	582	592	622	648							
Insurance carriers .....	1,522	1,497	1,503	1,468	1,449	1,447							
Insurance agents, brokers, and service .....	723	732	746	853	856	873							
Real estate .....	1,422	1,410	1,441	1,635	1,648	1,680							
Holding and other investment offices .....	255	247	248	245	238	238							
<b>Services</b> .....	<b>33,684</b>	<b>35,186</b>	<b>36,544</b>	<b>33,627</b>	<b>35,048</b>	<b>36,442</b>							
Hotels and other lodging places .....	1,712	1,754	1,791	1,549	1,587	1,625							
Personal services .....	1,276	1,300	1,317	1,725	1,776	1,805							
Business services .....	6,352	6,935	7,484	6,538	7,109	7,664							
Auto repair, services, and parking .....	1,075	1,132	1,205	1,338	1,362	1,480							
Miscellaneous repair services .....	350	374	389	568	591	573							
Motion pictures .....	458	506	553	498	543	583							
Amusement and recreation services .....	1,421	1,519	1,593	1,264	1,327	1,420							
Health services .....	9,318	9,568	9,809	8,677	8,903	9,168							
Legal services .....	1,059	1,056	1,063	1,184	1,173	1,147							
Educational services .....	2,024	2,075	2,141	1,860	1,915	1,986							
Social services and membership organizations .....	4,478	4,637	4,760	4,351	4,504	4,623							
Social services .....	2,328	2,454	2,534	2,563	2,689	2,772							
Membership organizations .....	2,150	2,183	2,226	1,788	1,815	1,851							
Other services <sup>2</sup> .....	2,877	3,049	3,193	3,254	3,439	3,572							
Private households .....	1,284	1,281	1,246	821	819	796							
<b>Government</b> .....	<b>21,932</b>	<b>21,976</b>	<b>21,947</b>	<b>18,292</b>	<b>18,327</b>	<b>18,204</b>							
Federal .....	5,720	5,560	5,357	4,661	4,530	4,368							
General government .....	4,748	4,573	4,366	3,867	3,725	3,562							
Civilian .....	2,100	2,026	1,952	2,052	1,984	1,912							
Military <sup>3</sup> .....	2,648	2,547	2,414	1,815	1,741	1,650							
Government enterprises .....	972	987	991	794	805	806							
State and local .....	16,212	16,416	16,590	13,631	13,797	13,836							
General government .....	15,295	15,485	15,655	12,754	12,910	12,945							
Education .....	8,220	8,389	8,542	6,635	6,770	6,791							
Other .....	7,075	7,096	7,113	6,119	6,140	6,154							
Government enterprises .....	917	931	935	877	887	891							
<b>Rest of the world</b> <sup>4</sup> .....	<b>-563</b>	<b>-569</b>	<b>-551</b>	<b>-482</b>	<b>-488</b>	<b>-485</b>							

1. Equals the number of full-time equivalent employees (table 6.5) plus the number of self-employed persons (table 6.7). Unpaid family workers are not included.

2. Consists of museums, botanical, zoological gardens; engineering and management services; and services, not elsewhere classified.

3. Includes Coast Guard.

4. Beginning with 1993, includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

NOTE.—Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).

**Table B.9.—Wage and Salary Accruals Per Full-Time Equivalent Employee and Full-Time Equivalent Employees by Industry**

	Dollars			Thousands				Dollars			Thousands		
	Wages and salaries per full-time equivalent			Full-time equivalent employees				Wages and salaries per full-time equivalent			Full-time equivalent employees		
	1994	1995	1996	1994	1995	1996		1994	1995	1996	1994	1995	1996
<b>Total</b> <sup>1</sup>	<b>30,131</b>	<b>31,032</b>	<b>32,121</b>	<b>107,996</b>	<b>110,935</b>	<b>113,125</b>							
<b>Domestic industries</b>	<b>30,020</b>	<b>30,919</b>	<b>32,006</b>	<b>108,478</b>	<b>111,423</b>	<b>113,610</b>							
<b>Private industries</b>	<b>29,432</b>	<b>30,314</b>	<b>31,378</b>	<b>90,186</b>	<b>93,096</b>	<b>95,406</b>							
<b>Agriculture, forestry, and fishing</b>	<b>17,833</b>	<b>18,331</b>	<b>18,870</b>	<b>1,674</b>	<b>1,741</b>	<b>1,827</b>							
Farms	17,118	17,888	18,709	720	744	757							
Agricultural services, forestry, and fishing	18,372	18,662	18,984	954	997	1,070							
<b>Mining</b>	<b>44,482</b>	<b>46,683</b>	<b>48,329</b>	<b>593</b>	<b>575</b>	<b>572</b>							
Metal mining	44,633	48,423	50,130	49	52	54							
Coal mining	45,391	47,417	48,856	110	103	97							
Oil and gas extraction	47,006	49,613	51,556	332	315	315							
Nonmetallic minerals, except fuels	35,216	36,314	37,340	102	105	106							
<b>Construction</b>	<b>30,191</b>	<b>30,453</b>	<b>31,649</b>	<b>4,883</b>	<b>5,178</b>	<b>5,442</b>							
<b>Manufacturing</b>	<b>34,725</b>	<b>35,852</b>	<b>37,165</b>	<b>18,013</b>	<b>18,179</b>	<b>18,164</b>							
Durable goods	36,724	37,751	39,030	10,337	10,550	10,680							
Lumber and wood products	24,400	25,131	26,162	758	772	782							
Furniture and fixtures	24,312	25,068	26,085	493	502	497							
Stone, clay, and glass products	32,299	33,345	34,799	528	531	533							
Primary metal industries	38,788	40,100	41,003	692	698	704							
Fabricated metal products	32,455	32,954	34,072	1,371	1,420	1,425							
Industrial machinery and equipment	39,063	40,093	41,761	1,964	2,050	2,072							
Electronic and other electric equipment	37,277	39,005	40,279	1,564	1,607	1,643							
Motor vehicles and equipment	47,516	47,248	48,410	892	950	958							
Other transportation equipment	43,674	44,712	45,683	844	809	814							
Instruments and related products	42,506	44,810	46,451	846	826	843							
Miscellaneous manufacturing industries	27,317	28,192	28,902	385	385	389							
Nondurable goods	32,032	33,226	34,516	7,676	7,629	7,504							
Food and kindred products	29,157	30,163	30,681	1,633	1,642	1,654							
Tobacco products	47,953	52,738	54,000	43	42	42							
Textile mill products	23,642	24,002	24,950	670	654	623							
Apparel and other textile products	18,169	18,828	19,877	960	920	846							
Paper and allied products	38,292	39,558	40,935	685	684	676							
Printing and publishing	33,259	34,543	35,791	1,449	1,450	1,445							
Chemicals and allied products	48,932	51,200	53,344	1,037	1,027	1,020							
Petroleum and coal products	53,766	55,190	56,457	145	142	138							
Rubber and miscellaneous plastics products	29,253	29,921	30,884	941	962	965							
Leather and leather products	21,531	22,349	23,547	113	106	95							
<b>Transportation and public utilities</b>	<b>37,401</b>	<b>38,369</b>	<b>39,278</b>	<b>5,664</b>	<b>5,780</b>	<b>5,883</b>							
Transportation	31,882	32,279	32,994	3,564	3,690	3,783							
Railroad transportation	51,132	51,232	53,877	220	220	212							
Local and interurban passenger transit	19,655	20,133	20,848	371	384	402							
Trucking and warehousing	28,924	29,366	30,348	1,720	1,791	1,550							
Water transportation	37,353	37,862	38,729	167	167	166							
Transportation by air	38,953	39,088	36,644	698	725	1,043							
Pipelines, except natural gas	54,647	57,933	59,214	17	15	14							
Public utilities													
<b>Transportation services</b>	<b>29,593</b>	<b>30,884</b>	<b>31,551</b>	<b>371</b>	<b>388</b>	<b>396</b>							
Communications	46,802	49,316	50,716	1,182	1,195	1,228							
Telephone and telegraph	50,736	52,945	54,287	838	837	854							
Radio and television	37,218	40,832	42,561	344	358	374							
Electric, gas, and sanitary services	46,725	48,857	50,433	918	895	872							
<b>Wholesale trade</b>	<b>36,504</b>	<b>37,817</b>	<b>39,256</b>	<b>5,971</b>	<b>6,200</b>	<b>6,278</b>							
<b>Retail trade</b>	<b>18,130</b>	<b>18,300</b>	<b>18,821</b>	<b>17,307</b>	<b>18,029</b>	<b>18,383</b>							
<b>Finance, insurance, and real estate</b>	<b>39,282</b>	<b>41,698</b>	<b>44,629</b>	<b>6,620</b>	<b>6,550</b>	<b>6,635</b>							
Depository institutions	31,921	33,935	35,926	1,972	1,935	1,921							
Nondepository institutions	38,647	41,070	43,224	468	446	491							
Security and commodity brokers	89,937	97,499	108,760	521	533	558							
Insurance carriers	39,610	41,494	43,593	1,468	1,449	1,447							
Insurance agents, brokers, and services	36,447	37,854	39,648	687	697	707							
Real estate	27,456	28,308	29,780	1,259	1,252	1,273							
Holding and other investment offices	58,767	63,971	67,933	245	238	238							
<b>Services</b>	<b>27,886</b>	<b>28,987</b>	<b>29,935</b>	<b>29,461</b>	<b>30,864</b>	<b>32,222</b>							
Hotels and other lodging places	19,585	20,117	20,733	1,479	1,519	1,559							
Personal services	17,337	17,915	18,518	1,118	1,139	1,162							
Business services	24,554	25,942	27,713	5,795	6,372	6,875							
Auto repair, services, and parking	21,943	22,454	23,074	1,005	1,061	1,136							
Miscellaneous repair services	27,216	28,134	29,204	320	343	358							
Motion pictures	34,434	36,639	37,706	355	393	432							
Amusement and recreation services	22,904	23,680	24,509	1,143	1,231	1,296							
Health services	32,780	34,098	34,624	8,288	8,492	8,774							
Legal services	51,497	53,107	54,984	940	937	944							
Educational services	23,637	24,263	24,895	1,747	1,801	1,868							
Social services and membership organizations	19,266	19,834	20,346	3,808	3,950	4,067							
Social services	17,381	17,931	18,396	2,020	2,135	2,216							
Membership organizations	21,395	22,074	22,681	1,788	1,815	1,851							
Other services <sup>2</sup>	43,984	45,754	47,146	2,642	2,807	2,955							
Private households	13,143	14,118	14,079	821	819	796							
<b>Government</b>	<b>32,921</b>	<b>33,992</b>	<b>35,300</b>	<b>18,292</b>	<b>18,327</b>	<b>18,204</b>							
Federal	37,205	38,641	40,574	4,661	4,530	4,368							
General government	36,138	37,774	39,876	3,867	3,725	3,562							
Civilian	41,357	42,611	44,739	2,052	1,984	1,912							
Military <sup>3</sup>	40,237	42,262	34,241	1,815	1,741	1,650							
Government enterprises	42,404	42,655	43,660	794	805	806							
State and local	31,456	32,466	33,634	13,631	13,797	13,836							
General government	31,323	32,330	33,514	12,754	12,910	12,945							
Education	31,269	32,195	33,611	6,635	6,770	6,791							
Other	31,380	32,479	33,408	6,119	6,140	6,154							
Government enterprises	33,396	34,446	35,377	877	887	891							
<b>Rest of the world</b> <sup>4</sup>				<b>-482</b>	<b>-488</b>	<b>-485</b>							

1. Full-time equivalent employees equals the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis. The number of full-time equivalent employees in each industry is the product of the total number of employees and the ratio of average weekly hours per employee for all employees to average weekly hours per employee on full-time schedules.

2. Consists of museums, botanical, zoological gardens; engineering and management services; and services, not elsewhere classified.

3. Includes Coast Guard.

4. Beginning with 1993, includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

NOTE.—Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).



Table B.10.—Farm Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1992) dollars		
	1994	1995	1996	1994	1995	1996
<b>Farm output</b> .....	<b>202.9</b>	<b>197.9</b>	<b>219.9</b>	<b>199.4</b>	<b>192.0</b>	<b>193.1</b>
Cash receipts from farm marketings .....	180.9	193.9	204.2	178.2	188.5	179.0
Crops .....	92.8	106.9	111.4	88.4	96.9	88.9
Livestock .....	88.1	87.0	92.9	89.9	91.3	90.5
Farm housing .....	5.8	5.9	6.1	5.2	5.2	5.1
Farm products consumed on farms .....	.5	.5	.4	.5	.5	.4
Other farm income .....	4.9	5.6	6.3	4.8	5.2	5.3
Change in farm inventories .....	10.8	-7.9	2.9	11.7	-9.2	2.6
Crops .....	9.7	-8.2	4.1	9.2	-7.7	3.0
Livestock .....	1.1	.2	-1.3	1.2	.3	-1.5
<b>Less: Intermediate goods and services purchased</b> .....	<b>119.4</b>	<b>124.4</b>	<b>130.6</b>	<b>114.7</b>	<b>117.6</b>	<b>117.3</b>
Intermediate goods and services, other than rent .....	105.3	110.0	113.7	100.7	103.4	101.2
Rent paid to nonoperator landlords .....	14.1	14.3	16.8	14.0	14.2	16.2
<b>Equals: Gross farm product</b> .....	<b>83.5</b>	<b>73.5</b>	<b>89.4</b>	<b>85.0</b>	<b>74.2</b>	<b>75.5</b>
<b>Less: Consumption of fixed capital</b> .....	<b>23.7</b>	<b>24.7</b>	<b>25.6</b>	<b>22.4</b>	<b>22.8</b>	<b>23.2</b>
<b>Equals: Net farm product</b> .....	<b>59.8</b>	<b>48.8</b>	<b>63.8</b>	<b>62.9</b>	<b>51.3</b>	<b>52.2</b>
<b>Less: Indirect business tax and nontax liability</b> .....	<b>4.8</b>	<b>5.1</b>	<b>5.1</b>			
<b>Plus: Subsidies to operators</b> .....	<b>6.6</b>	<b>6.1</b>	<b>6.1</b>			
<b>Equals: Farm national income</b> .....	<b>61.5</b>	<b>49.7</b>	<b>64.9</b>			
Compensation of employees .....	14.6	15.7	16.5			
Wage and salary accruals .....	12.3	13.3	14.2			
Supplements to wages and salaries .....	2.2	2.4	2.3			
Proprietors' income and corporate profits with IVA and CCAAdj .....	37.8	24.7	38.6			
Proprietors' income .....	36.9	23.4	37.2			
Corporate profits .....	.9	1.2	1.4			
Net interest .....	9.1	9.4	9.8			

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.  
 CCAAdj Capital consumption adjustment  
 IVA Inventory valuation adjustment

Table B.11.—Housing Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1992) dollars		
	1994	1995	1996	1994	1995	1996
<b>Housing output</b> <sup>1</sup> .....	<b>686.7</b>	<b>722.7</b>	<b>758.1</b>	<b>649.9</b>	<b>663.4</b>	<b>675.2</b>
Nonfarm housing .....	680.9	716.8	752.0	644.8	658.3	670.2
Owner-occupied .....	507.0	532.2	558.3	479.6	487.2	495.3
Tenant-occupied .....	174.0	184.6	193.6	165.2	171.1	174.9
Farm housing .....	5.8	5.9	6.1	5.2	5.2	5.1
<b>Less: Intermediate goods and services consumed</b> .....	<b>87.6</b>	<b>88.5</b>	<b>94.1</b>	<b>83.1</b>	<b>82.1</b>	<b>85.3</b>
<b>Equals: Gross housing product</b> .....	<b>599.1</b>	<b>634.2</b>	<b>664.0</b>	<b>566.8</b>	<b>581.3</b>	<b>589.9</b>
Nonfarm housing .....	594.4	629.2	658.8	562.7	577.0	585.7
Owner-occupied .....	439.5	462.8	484.0	415.6	423.1	428.3
Tenant-occupied .....	155.0	166.4	174.9	147.1	153.9	157.5
Farm housing .....	4.7	5.0	5.1	4.2	4.3	4.2
<b>Less: Consumption of fixed capital</b> .....	<b>120.5</b>	<b>114.8</b>	<b>118.2</b>	<b>112.2</b>	<b>103.6</b>	<b>104.6</b>
Capital consumption allowances .....	60.9	59.6	62.8			
Less: CCAAdj .....	-59.6	-55.1	-55.4			
<b>Equals: Net housing product</b> .....	<b>478.6</b>	<b>519.4</b>	<b>545.8</b>	<b>454.5</b>	<b>477.8</b>	<b>485.5</b>
<b>Less: Indirect business tax and nontax liability plus business transfer payments</b> ...	<b>112.9</b>	<b>116.2</b>	<b>119.5</b>			
<b>Plus: Subsidies less current surplus of government enterprises</b> .....	<b>20.6</b>	<b>20.8</b>	<b>22.6</b>			
<b>Equals: Housing national income</b> .....	<b>386.4</b>	<b>424.0</b>	<b>448.9</b>			
Compensation of employees .....	7.7	8.1	8.5			
Proprietors' income with IVA and CCAAdj ...	17.6	25.2	27.1			
Rental income of persons with CCAAdj .....	96.7	104.3	115.8			
Corporate profits with IVA and CCAAdj .....	4.2	5.1	5.6			
Net interest .....	260.2	281.3	292.0			

1. Equals personal consumption expenditures for housing less expenditures for other housing as shown in table B.4.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.  
 CCAAdj Capital consumption adjustment  
 IVA Inventory valuation adjustment

Table B.12.—Net Stock of Fixed Private Capital, by Type

[Yearend estimates]

	Current-cost valuation (billions of dollars)						Chain-type quantity indexes (1992=100)					
	1991	1992	1993	1994	1995	1996	1991	1992	1993	1994	1995	1996
<b>Fixed private capital</b> .....	<b>12,955.2</b>	<b>13,484.1</b>	<b>14,198.8</b>	<b>15,064.5</b>	<b>15,738.6</b>	<b>16,503.4</b>	<b>98.49</b>	<b>100.00</b>	<b>101.94</b>	<b>104.15</b>	<b>106.67</b>	<b>109.58</b>
<b>Private producers' durable equipment</b> .....	<b>2,570.3</b>	<b>2,642.7</b>	<b>2,742.1</b>	<b>2,881.7</b>	<b>3,050.3</b>	<b>3,232.9</b>	<b>98.37</b>	<b>100.00</b>	<b>102.74</b>	<b>106.62</b>	<b>111.68</b>	<b>117.63</b>
<b>Nonresidential equipment</b> .....	<b>2,519.5</b>	<b>2,590.0</b>	<b>2,686.7</b>	<b>2,823.1</b>	<b>2,989.3</b>	<b>3,168.9</b>	<b>98.39</b>	<b>100.00</b>	<b>102.72</b>	<b>106.61</b>	<b>111.70</b>	<b>117.69</b>
Information processing and related equipment .....	603.2	629.0	650.4	673.8	704.0	785.4	94.86	100.00	106.40	113.96	125.25	140.31
Office, computing, and accounting machinery .....	119.0	120.7	128.3	138.5	151.2	175.7	87.31	100.00	120.18	144.51	189.31	264.83
Computers and peripheral equipment .....	99.5	101.0	107.9	118.0	130.4	153.9	85.14	100.00	124.20	154.49	211.49	308.42
Other office equipment .....	19.5	19.7	20.4	20.6	20.9	21.8	99.35	100.00	101.27	101.08	101.82	108.04
Communication equipment .....	318.9	330.8	333.0	335.3	342.7	391.5	97.21	100.00	102.41	106.50	112.84	120.39
Instruments .....	101.4	109.9	117.9	124.1	130.6	136.2	95.09	100.00	105.34	109.32	112.73	116.19
Photocopy and related equipment .....	64.0	67.5	71.2	75.8	79.4	82.0	97.52	100.00	104.27	109.02	112.00	113.98
Industrial equipment .....	898.3	916.8	945.7	991.4	1,050.3	1,083.6	99.38	100.00	101.38	103.55	106.34	108.92
Fabricated metal products .....	87.7	86.7	87.0	90.3	93.5	95.7	100.79	100.00	100.07	100.95	101.72	102.72
Engines and turbines .....	50.8	51.8	53.2	56.8	58.4	59.7	97.84	100.00	102.12	104.56	105.58	105.86
Steam engines .....	46.0	47.1	48.2	51.5	52.5	53.5	97.48	100.00	102.13	104.33	104.68	104.57
Internal combustion engines .....	4.8	4.7	5.0	5.4	5.9	6.3	101.47	100.00	102.06	106.76	114.34	118.43
Metalworking machinery .....	167.1	168.8	174.4	183.0	197.0	205.8	100.38	100.00	100.48	102.74	106.16	109.54
Special industry machinery, n.e.c. ....	193.4	199.4	207.5	218.2	232.1	240.0	99.14	100.00	101.85	104.03	107.46	109.64
General industrial, including materials handling, equipment .....	185.7	189.0	194.9	202.5	212.5	220.8	100.53	100.00	100.70	102.25	104.37	107.35
Electrical transmission, distribution, and industrial apparatus .....	213.6	221.0	228.7	240.5	256.7	261.6	97.65	100.00	102.57	105.65	109.13	112.29
Transportation and related equipment .....	491.2	510.0	538.9	581.2	627.2	660.5	98.93	100.00	102.30	106.91	111.87	116.89
Trucks, buses, and truck trailers .....	160.6	169.1	185.5	210.1	236.8	259.6	98.99	100.00	105.33	115.39	127.18	139.25
Autos .....	102.5	107.6	111.7	124.6	131.1	138.0	97.44	100.00	100.93	109.20	113.03	117.20
Aircraft .....	114.4	121.2	127.1	129.2	136.2	140.3	97.17	100.00	102.25	100.57	101.80	103.08
Ships and boats .....	45.5	45.1	45.6	44.7	44.3	44.4	103.69	100.00	98.25	95.33	92.42	89.79
Railroad equipment .....	68.2	67.1	69.0	72.7	78.8	78.3	101.16	100.00	99.65	100.79	102.22	102.81
Other equipment .....	526.8	534.2	551.8	576.6	607.7	639.4	100.42	100.00	101.19	103.29	106.07	109.92
Furniture and fixtures .....	140.0	146.1	153.8	163.0	175.0	186.2	96.81	100.00	103.04	105.84	110.10	115.18
Household furniture .....	9.0	9.1	9.4	9.7	10.1	10.5	100.22	100.00	100.43	101.74	103.22	105.88
Other furniture .....	131.0	137.0	144.4	153.3	164.9	175.7	96.59	100.00	103.21	106.12	110.55	115.79
Tractors .....	54.1	54.1	55.1	57.2	59.1	60.9	102.77	100.00	99.71	101.34	103.25	105.60
Farm tractors .....	42.3	42.4	43.2	45.1	46.8	48.2	102.43	100.00	100.28	102.61	105.11	107.84
Construction tractors .....	11.8	11.7	11.9	12.1	12.3	12.7	103.99	100.00	97.68	96.85	96.65	97.69
Agricultural machinery, except tractors .....	65.4	64.9	65.6	67.1	69.9	72.2	103.85	100.00	98.79	99.07	99.89	101.40
Construction machinery, except tractors .....	66.7	66.0	66.8	69.6	73.2	77.1	104.46	100.00	99.09	100.51	103.15	106.11
Mining and oilfield machinery .....	16.7	15.3	14.6	14.0	13.8	13.3	110.04	100.00	93.67	87.79	83.85	78.91
Service industry machinery .....	61.0	60.3	61.0	64.5	69.2	76.7	103.27	100.00	99.38	103.02	107.46	117.36
Electrical equipment, n.e.c. ....	41.5	44.6	47.2	48.9	50.3	50.9	94.43	100.00	104.87	107.43	109.26	111.42
Household appliances .....	4.5	4.6	4.7	4.9	5.1	5.2	99.31	100.00	101.98	104.43	107.35	110.74
Other .....	37.0	40.1	42.5	44.0	45.2	45.7	93.87	100.00	105.20	107.77	109.47	111.49
Other nonresidential equipment .....	81.2	83.0	87.7	92.4	97.2	102.1	98.81	100.00	103.18	106.40	109.34	112.59
<b>Residential equipment</b> .....	<b>50.8</b>	<b>52.6</b>	<b>55.4</b>	<b>58.6</b>	<b>61.0</b>	<b>64.1</b>	<b>97.03</b>	<b>100.00</b>	<b>103.36</b>	<b>107.18</b>	<b>111.01</b>	<b>114.80</b>
<b>Private structures</b> .....	<b>10,384.9</b>	<b>10,841.4</b>	<b>11,456.7</b>	<b>12,182.8</b>	<b>12,688.3</b>	<b>13,270.4</b>	<b>98.52</b>	<b>100.00</b>	<b>101.75</b>	<b>103.57</b>	<b>105.50</b>	<b>107.74</b>
<b>Nonresidential structures</b> .....	<b>4,177.2</b>	<b>4,302.7</b>	<b>4,528.9</b>	<b>4,775.6</b>	<b>4,970.8</b>	<b>5,163.3</b>	<b>98.92</b>	<b>100.00</b>	<b>101.16</b>	<b>102.20</b>	<b>103.61</b>	<b>105.43</b>
Nonresidential buildings, excluding farm .....	2,593.9	2,686.1	2,834.9	3,011.3	3,144.1	3,299.0	98.44	100.00	101.38	102.97	105.02	107.92
Industrial buildings .....	589.7	613.0	636.2	673.6	700.7	725.9	98.36	100.00	100.17	101.44	103.03	104.54
Office buildings <sup>1</sup> .....	611.2	625.4	670.1	707.8	736.5	767.1	98.72	100.00	101.51	102.54	104.24	106.37
Commercial buildings .....	653.7	678.7	717.2	765.0	803.8	855.8	98.46	100.00	101.96	103.93	106.63	111.20
Mobile structures .....	6.4	6.6	7.2	7.9	8.3	8.7	98.26	100.00	101.54	103.27	105.36	107.95
Other commercial <sup>2</sup> .....	647.4	672.1	710.1	757.1	795.5	847.1	98.47	100.00	101.97	103.94	106.64	111.24
Religious buildings .....	119.7	123.5	129.4	136.6	141.4	146.2	99.10	100.00	101.10	102.06	103.23	104.47
Educational buildings .....	102.6	108.0	114.7	123.5	130.2	138.0	97.05	100.00	102.47	105.40	108.64	112.77
Hospital and institutional buildings .....	246.2	259.8	276.7	297.9	311.6	325.6	96.87	100.00	102.72	105.71	108.08	110.59
Other .....	270.8	277.6	290.6	307.0	319.9	340.5	99.67	100.00	100.79	101.88	103.76	108.01
Hotels and motels .....	135.6	139.2	145.9	153.7	161.0	173.3	99.51	100.00	101.03	101.79	104.25	109.82
Amusement and recreational buildings .....	67.8	70.2	73.7	78.6	83.2	88.7	98.63	100.00	101.25	103.20	106.83	111.45
Other nonfarm buildings <sup>3</sup> .....	67.4	68.2	71.0	74.7	75.7	78.5	101.07	100.00	99.84	100.73	99.60	100.81
Utilities .....	1,032.3	1,062.0	1,120.2	1,159.7	1,199.7	1,236.4	99.44	100.00	100.59	100.76	101.29	101.73
Railroad .....	266.7	272.4	290.1	294.0	300.3	311.1	100.93	100.00	99.08	98.22	97.42	96.92
Telecommunications .....	181.1	185.3	194.0	204.8	218.3	229.9	98.21	100.00	101.66	103.71	106.33	109.22
Electric light and power .....	410.9	423.8	443.4	459.6	476.5	481.8	99.61	100.00	100.86	100.77	101.20	101.28
Gas .....	136.8	143.1	153.0	160.0	163.1	170.4	97.56	100.00	101.42	101.99	102.88	103.23
Petroleum pipelines .....	36.8	37.5	39.6	41.2	41.5	43.2	100.12	100.00	100.18	100.25	100.00	99.92
Farm related buildings and structures .....	182.0	183.5	194.3	201.6	204.6	206.1	101.36	100.00	102.10	101.29	100.48	99.14
Mining exploration, shafts, and wells .....	263.8	259.0	260.1	274.5	283.7	278.5	101.90	100.00	99.14	98.31	97.36	95.89
Petroleum and natural gas .....	234.7	229.3	229.2	241.6	250.0	244.5	102.17	100.00	98.97	97.82	96.76	95.21
Other mining .....	29.0	29.7	31.0	32.9	33.7	34.1	99.81	100.00	100.48	101.99	101.92	101.14
Other nonfarm structures <sup>4</sup> .....	105.2	112.1	119.4	128.4	138.7	143.3	94.60	100.00	104.32	107.95	111.30	113.37
<b>Residential structures</b> .....	<b>6,207.7</b>	<b>6,538.7</b>	<b>6,927.8</b>	<b>7,407.2</b>	<b>7,717.5</b>	<b>8,107.1</b>	<b>98.25</b>	<b>100.00</b>	<b>102.14</b>	<b>104.47</b>	<b>106.75</b>	<b>109.25</b>
Housing units .....	5,057.2	5,327.0	5,667.3	6,078.4	6,322.4	6,639.3	98.37	100.00	102.00	104.20	106.43	108.99
Permanent site .....	4,959.6	5,226.1	5,557.9	5,956.2	6,190.1	6,497.7	98.36	100.00	102.00	104.17	106.36	108.86
1-to-4-unit .....	4,226.4	4,465.3	4,796.1	5,182.3	5,398.5	5,662.9	98.09	100.00	102.37	105.01	107.45	110.22
5-or-more-unit .....	733.2	760.7	761.9	773.8	791.5	834.8	99.97	100.00	99.78	99.05	99.64	100.27
Mobile homes .....	97.6	100.9	109.4	122.2	132.3	141.5	99.10	100.00	102.02	105.56	110.07	115.21
Improvements .....	1,124.7	1,185.1	1,232.6	1,299.8	1,365.8	1,438.0	97.64	100.00	102.83	105.87	108.42	110.75
Other residential <sup>5</sup> .....	25.9	26.6	27.8	29.0	29.3	29.9	100.98	100.00	99.67	98.53	97.95	97.69

C. Historical Tables

The tables in this section are derived from the "Summary National Income and Product Series" tables that were published in the August 1997 issue of the SURVEY OF CURRENT BUSINESS and from the "Selected NIPA Tables" that are published in this issue. (Changes in prices are calculated from indexes expressed to three decimal places.)

**Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases**  
 [Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959	2,210.2	2,206.9	2,222.0	7.4	6.5	22.95	22.44	22.95	22.96	1.0	1.0	1.0	1.0
1960	2,262.9	2,264.2	2,276.0	2.4	2.6	23.27	22.75	23.27	23.28	1.4	1.4	1.4	1.4
1961	2,314.3	2,318.0	2,329.1	2.3	2.4	23.54	23.00	23.54	23.55	1.2	1.1	1.2	1.2
1962	2,454.8	2,445.4	2,471.5	6.1	5.5	23.84	23.28	23.84	23.85	1.3	1.2	1.3	1.3
1963	2,559.4	2,552.4	2,577.3	4.3	4.4	24.12	23.58	24.12	24.13	1.2	1.3	1.2	1.2
1964	2,708.4	2,705.1	2,727.8	5.8	6.0	24.48	23.94	24.48	24.49	1.5	1.6	1.5	1.5
1965	2,881.1	2,860.4	2,901.4	6.4	5.7	24.95	24.39	24.96	24.97	1.9	1.9	2.0	2.0
1966	3,069.2	3,033.5	3,087.8	6.5	6.1	25.66	25.07	25.67	25.68	2.8	2.8	2.8	2.8
1967	3,147.2	3,125.1	3,166.4	2.5	3.0	26.48	25.83	26.49	26.50	3.2	3.0	3.2	3.2
1968	3,293.9	3,278.0	3,314.5	4.7	4.9	27.64	26.95	27.64	27.66	4.4	4.3	4.4	4.4
1969	3,393.6	3,377.2	3,413.3	3.0	3.0	28.94	28.21	28.94	28.96	4.7	4.7	4.7	4.7
1970	3,397.6	3,406.5	3,417.1	.1	.9	30.48	29.73	30.48	30.50	5.3	5.4	5.3	5.3
1971	3,510.0	3,499.8	3,532.1	3.3	2.7	32.05	31.32	32.06	32.08	5.2	5.3	5.2	5.2
1972	3,702.3	3,689.5	3,726.3	5.5	5.4	33.42	32.71	33.42	33.44	4.2	4.5	4.2	4.2
1973	3,916.3	3,883.9	3,950.1	5.8	5.3	35.30	34.64	35.30	35.32	5.6	5.9	5.6	5.6
1974	3,891.2	3,873.4	3,930.2	-6	-3	38.46	38.17	38.47	38.49	8.9	10.2	9.0	8.9
1975	3,873.9	3,906.4	3,903.3	-4	.9	42.09	41.72	42.09	42.11	9.4	9.3	9.4	9.4
1976	4,082.9	4,061.7	4,118.8	5.4	4.0	44.55	44.15	44.55	44.58	5.8	5.8	5.8	5.9
1977	4,273.6	4,240.8	4,314.5	4.7	4.4	47.42	47.18	47.43	47.46	6.5	6.9	6.5	6.5
1978	4,503.0	4,464.4	4,543.7	5.4	5.3	50.88	50.65	50.89	50.92	7.3	7.4	7.3	7.3
1979	4,630.6	4,614.4	4,687.4	2.8	3.4	55.22	55.22	55.23	55.26	8.5	9.0	8.5	8.5
1980	4,615.0	4,641.9	4,670.8	-3	.6	60.34	61.10	60.33	60.36	9.3	10.7	9.2	9.2
1981	4,720.7	4,691.6	4,769.9	2.3	1.1	66.01	66.72	66.01	66.05	9.4	9.2	9.4	9.4
1982	4,620.3	4,651.2	4,662.0	-2.1	-9	70.18	70.64	70.17	70.21	6.3	5.9	6.3	6.3
1983	4,803.7	4,821.2	4,844.8	4.0	3.7	73.16	73.31	73.16	73.20	4.3	3.8	4.3	4.3
1984	5,140.1	5,061.6	5,178.0	7.0	5.0	75.92	75.90	75.92	75.97	3.8	3.5	3.8	3.8
1985	5,323.5	5,296.9	5,346.7	3.6	4.6	78.53	78.34	78.53	78.57	3.4	3.2	3.4	3.4
1986	5,487.7	5,480.9	5,501.2	3.1	3.5	80.58	80.40	80.58	80.62	2.6	2.6	2.6	2.6
1987	5,649.5	5,626.0	5,658.2	2.9	2.6	83.06	83.11	83.06	83.09	3.1	3.4	3.1	3.1
1988	5,865.2	5,855.1	5,878.5	3.8	4.1	86.10	86.13	86.09	86.12	3.7	3.6	3.7	3.7
1989	6,062.0	6,028.7	6,075.7	3.4	3.0	89.72	89.78	89.72	89.75	4.2	4.2	4.2	4.2
1990	6,136.3	6,126.7	6,157.0	1.2	1.6	93.64	93.83	93.60	93.63	4.4	4.5	4.3	4.3
1991	6,079.4	6,082.6	6,094.9	-9	-7	97.32	97.30	97.32	97.33	3.9	3.7	4.0	4.0
1992	6,244.4	6,237.4	6,255.5	2.7	2.5	100.00	100.00	100.00	100.00	2.8	2.8	2.8	2.8
1993	6,389.6	6,368.9	6,408.0	2.3	2.1	102.64	102.48	102.64	102.63	2.6	2.5	2.6	2.6
1994	6,610.7	6,551.2	6,619.1	3.5	2.9	105.09	104.85	105.09	105.08	2.4	2.3	2.4	2.4
1995	6,742.1	6,712.7	6,748.7	2.0	2.5	107.76	107.52	107.76	107.73	2.5	2.5	2.5	2.5
1996	6,928.4	6,901.0	6,932.0	2.8	2.8	110.22	109.86	110.21	110.18	2.3	2.2	2.3	2.3
1997	7,189.6	7,119.2	.....	3.8	3.2	112.45	111.77	.....	.....	2.0	1.7	2.0	.....
1959: I	2,165.0	2,165.5	2,176.2	8.6	9.2	22.86	22.35	22.92	22.93	.8	1.1	.8	.8
1959: II	2,223.3	2,204.2	2,234.5	11.2	7.3	22.92	22.41	22.91	22.91	1.1	1.1	-3	-3
1959: III	2,221.4	2,232.6	2,233.5	-3	5.3	22.96	22.45	22.94	22.95	.7	.7	.6	.6
1959: IV	2,231.0	2,225.3	2,243.9	1.7	-1.3	23.05	22.53	23.03	23.04	1.5	1.5	1.6	1.6
1960: I	2,279.2	2,248.5	2,291.6	8.9	4.2	23.10	22.57	23.13	23.14	.9	.8	1.8	1.9
1960: II	2,265.5	2,268.4	2,278.2	-2.4	3.6	23.21	22.69	23.22	23.23	2.0	2.1	1.5	1.5
1960: III	2,268.3	2,265.1	2,281.6	.5	-6	23.32	22.80	23.32	23.33	2.0	2.0	1.7	1.7
1960: IV	2,238.6	2,274.7	2,252.7	-5.1	1.7	23.44	22.92	23.40	23.41	2.1	2.1	1.4	1.4
1961: I	2,251.7	2,277.7	2,266.8	2.4	.5	23.48	22.96	23.45	23.46	.7	.6	.9	.9
1961: II	2,292.0	2,301.1	2,306.3	7.4	4.2	23.51	22.97	23.51	23.52	.5	.2	1.0	1.0
1961: III	2,332.6	2,320.4	2,347.1	7.3	3.4	23.55	23.01	23.56	23.57	.7	.7	.8	.8
1961: IV	2,381.0	2,372.8	2,395.9	8.6	9.3	23.61	23.06	23.63	23.64	1.1	.9	1.2	1.2
1962: I	2,422.6	2,400.3	2,437.4	7.2	4.7	23.73	23.17	23.75	23.76	2.0	1.9	2.0	2.0
1962: II	2,448.0	2,440.7	2,464.4	4.3	6.9	23.80	23.24	23.81	23.81	1.1	1.4	1.0	1.0
1962: III	2,471.9	2,462.0	2,488.4	4.0	3.5	23.86	23.31	23.87	23.87	1.1	1.1	1.0	1.0
1962: IV	2,476.7	2,478.7	2,495.9	.8	2.7	23.96	23.41	23.94	23.95	1.7	1.8	1.2	1.2
1963: I	2,508.7	2,492.4	2,526.9	5.3	2.2	24.03	23.48	24.00	24.01	1.2	1.3	1.1	1.1
1963: II	2,538.1	2,533.8	2,555.5	4.8	6.8	24.07	23.53	24.07	24.08	.6	.8	1.1	1.1
1963: III	2,586.3	2,578.0	2,604.0	7.8	7.2	24.11	23.58	24.12	24.13	.7	.9	.8	.8
1963: IV	2,604.6	2,605.3	2,622.9	2.9	4.3	24.26	23.72	24.29	24.30	2.4	2.5	3.0	3.0
1964: I	2,666.7	2,663.1	2,686.8	9.9	9.2	24.33	23.80	24.35	24.36	1.2	1.3	.9	.9
1964: II	2,697.5	2,695.0	2,716.8	4.9	4.9	24.41	23.89	24.41	24.42	1.3	1.5	.9	.9
1964: III	2,729.6	2,727.6	2,749.5	4.8	4.9	24.53	23.99	24.52	24.53	1.9	1.8	1.8	1.8
1964: IV	2,739.7	2,734.5	2,758.1	1.5	1.0	24.64	24.09	24.64	24.65	1.8	1.6	2.1	2.1
1965: I	2,808.9	2,777.2	2,830.0	10.5	6.4	24.76	24.19	24.77	24.78	2.0	1.6	2.0	2.0
1965: II	2,846.3	2,826.7	2,868.2	5.4	7.3	24.88	24.31	24.88	24.89	2.0	2.0	1.9	1.9
1965: III	2,898.8	2,879.8	2,918.9	7.6	7.7	25.01	24.44	25.01	25.02	2.1	2.2	2.1	2.1
1965: IV	2,970.5	2,957.8	2,988.6	10.3	11.3	25.16	24.61	25.17	25.18	2.5	2.8	2.6	2.6
1966: I	3,042.4	3,008.8	3,061.1	10.0	7.1	25.30	24.73	25.32	25.34	2.2	1.9	2.5	2.5
1966: II	3,055.5	3,023.1	3,074.2	1.7	1.9	25.50	24.93	25.53	25.54	3.2	3.2	3.2	3.3
1966: III	3,078.5	3,047.2	3,094.7	2.8	3.2	25.82	25.22	25.79	25.81	5.1	4.8	4.2	4.2
1966: IV	3,102.4	3,054.8	3,121.4	3.4	1.0	26.03	25.41	26.02	26.03	3.4	3.1	3.5	3.5
1967: I	3,127.2	3,085.6	3,145.9	3.2	4.1	26.16	25.52	26.14	26.15	2.0	1.6	1.9	2.0
1967: II	3,129.5	3,119.0	3,147.7	.3	4.4	26.32	25.67	26.31	26.32	2.5	2.5	2.5	2.5
1967: III	3,154.2	3,134.2	3,174.4	3.2	2.0	26.57	25.92	26.60	26.61	3.9	3.9	4.5	4.5
1967: IV	3,178.0	3,161.5	3,197.5	3.1	3.5	26.87	26.21	26.90	26.91	4.6	4.5	4.6	4.6

**Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases—Continued**  
 [Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1968: I	3,236.2	3,225.3	3,256.2	7.5	8.3	27.19	26.52	27.21	27.22	4.8	4.9	4.7	4.8
1968: II	3,292.1	3,258.0	3,312.5	7.1	4.1	27.50	26.80	27.49	27.50	4.5	4.2	4.1	4.1
1968: III	3,316.1	3,303.9	3,337.3	3.0	5.8	27.75	27.06	27.75	27.76	3.7	4.0	3.8	3.8
1968: IV	3,331.2	3,325.1	3,352.2	1.8	2.6	28.12	27.43	28.12	28.13	5.5	5.5	5.5	5.5
1969: I	3,381.9	3,357.5	3,402.8	6.2	4.0	28.38	27.66	28.39	28.40	3.7	3.5	3.8	3.9
1969: II	3,390.2	3,373.0	3,410.3	1.0	1.9	28.74	28.02	28.73	28.75	5.2	5.3	5.0	5.0
1969: III	3,409.7	3,389.6	3,428.5	2.3	2.0	29.14	28.40	29.14	29.16	5.7	5.6	5.8	5.8
1969: IV	3,392.6	3,388.9	3,411.4	-2.0	-1	29.51	28.77	29.51	29.52	5.2	5.2	5.1	5.1
1970: I	3,386.5	3,397.6	3,406.0	-7	1.0	29.92	29.18	29.94	29.95	5.7	5.9	6.0	6.0
1970: II	3,391.6	3,391.9	3,411.9	6	-7	30.36	29.59	30.36	30.37	6.0	5.8	5.7	5.7
1970: III	3,423.0	3,421.9	3,442.9	3.7	3.6	30.60	29.87	30.61	30.63	3.2	3.8	3.4	3.4
1970: IV	3,389.4	3,414.8	3,407.4	-3.9	-8	31.02	30.29	31.02	31.03	5.6	5.7	5.4	5.4
1971: I	3,481.4	3,458.9	3,503.3	11.3	5.3	31.50	30.75	31.50	31.52	6.3	6.2	6.4	6.4
1971: II	3,500.9	3,481.2	3,524.3	2.3	2.6	31.93	31.18	31.93	31.94	5.7	5.7	5.5	5.5
1971: III	3,523.8	3,509.4	3,544.7	2.6	3.3	32.25	31.52	32.27	32.29	4.1	4.5	4.4	4.4
1971: IV	3,533.8	3,549.5	3,556.0	1.1	4.7	32.53	31.81	32.54	32.55	3.5	3.7	3.3	3.3
1972: I	3,604.7	3,608.0	3,627.9	8.3	6.8	33.01	32.28	33.02	33.03	6.0	6.0	6.0	6.1
1972: II	3,687.9	3,665.7	3,710.7	9.6	6.5	33.23	32.53	33.20	33.22	2.6	3.1	2.2	2.2
1972: III	3,726.2	3,700.0	3,751.2	4.2	3.8	33.50	32.82	33.49	33.51	3.3	3.6	3.5	3.5
1972: IV	3,790.4	3,784.3	3,815.3	7.1	9.4	33.93	33.23	33.95	33.97	5.2	5.1	5.6	5.6
1973: I	3,892.2	3,867.5	3,921.5	11.2	9.0	34.38	33.69	34.36	34.38	5.5	5.6	5.0	5.0
1973: II	3,919.0	3,884.5	3,950.4	2.8	1.8	34.96	34.33	34.94	34.96	6.9	7.8	6.9	6.9
1973: III	3,907.1	3,890.9	3,944.1	-1.2	7	35.63	34.95	35.61	35.63	7.8	7.5	7.9	7.9
1973: IV	3,947.1	3,893.1	3,984.4	4.2	2	36.24	35.60	36.29	36.31	7.0	7.6	7.8	7.8
1974: I	3,908.1	3,889.1	3,952.4	-3.9	-4	36.98	36.55	37.01	37.03	8.4	11.1	8.2	8.2
1974: II	3,922.6	3,899.7	3,964.3	1.5	1.1	37.79	37.59	37.79	37.81	9.0	11.9	8.7	8.7
1974: III	3,880.0	3,882.5	3,917.6	-4.3	-1.8	38.93	38.71	38.96	38.98	12.7	12.5	12.9	12.9
1974: IV	3,854.1	3,822.2	3,886.1	-2.6	-6.1	40.14	39.84	40.13	40.15	13.0	12.2	12.6	12.5
1975: I	3,800.9	3,848.3	3,827.3	-5.4	2.8	41.04	40.69	41.05	41.07	9.2	8.8	9.5	9.5
1975: II	3,835.2	3,887.9	3,861.8	3.7	4.2	41.67	41.34	41.66	41.68	6.3	6.5	6.1	6.1
1975: III	3,907.0	3,922.7	3,936.1	7.7	3.6	42.44	42.05	42.41	42.44	7.6	7.0	7.4	7.4
1975: IV	3,952.5	3,966.7	3,987.9	4.7	4.6	43.21	42.79	43.19	43.22	7.4	7.2	7.6	7.6
1976: I	4,044.6	4,027.0	4,078.8	9.7	6.2	43.68	43.26	43.69	43.72	4.4	4.5	4.7	4.7
1976: II	4,072.2	4,039.1	4,107.9	2.8	1.2	44.17	43.76	44.15	44.18	4.6	4.7	4.2	4.2
1976: III	4,086.5	4,061.7	4,124.8	1.6	2.3	44.78	44.42	44.77	44.80	5.7	6.1	5.7	5.7
1976: IV	4,126.4	4,119.0	4,163.7	3.8	5.8	45.56	45.16	45.57	45.60	7.2	6.9	7.3	7.3
1977: I	4,176.3	4,161.4	4,219.4	4.9	4.2	46.31	45.99	46.32	46.34	6.7	7.6	6.8	6.7
1977: II	4,260.1	4,228.4	4,302.2	8.3	6.6	47.08	46.81	47.07	47.10	6.8	7.3	6.6	6.7
1977: III	4,329.5	4,270.0	4,371.2	6.7	4.0	47.74	47.55	47.66	47.69	5.7	6.4	5.1	5.1
1977: IV	4,328.3	4,303.3	4,365.0	-1	3.2	48.55	48.36	48.63	48.66	7.0	7.1	8.4	8.4
1978: I	4,345.5	4,306.0	4,388.6	1.6	.3	49.39	49.19	49.42	49.45	7.1	7.0	6.7	6.7
1978: II	4,510.7	4,474.6	4,546.1	16.1	16.6	50.43	50.22	50.41	50.44	8.6	8.6	8.2	8.2
1978: III	4,552.1	4,511.6	4,591.1	3.7	3.4	51.32	51.11	51.27	51.30	7.3	7.3	7.1	7.1
1978: IV	4,603.7	4,565.4	4,649.0	4.6	4.9	52.37	52.08	52.35	52.39	8.4	7.9	8.7	8.7
1979: I	4,605.7	4,579.0	4,652.6	2	1.2	53.46	53.21	53.51	53.54	8.6	9.0	9.1	9.1
1979: II	4,615.6	4,577.0	4,668.7	9	-2	54.70	54.52	54.65	54.68	9.6	10.2	8.8	8.8
1979: III	4,644.9	4,639.2	4,708.8	2.6	5.5	55.82	55.89	55.82	55.85	8.5	10.4	8.9	8.9
1979: IV	4,656.2	4,662.5	4,719.5	1.0	2.0	56.92	57.25	56.92	56.95	8.1	10.2	8.1	8.1
1980: I	4,679.0	4,675.3	4,743.0	2.0	1.1	58.25	58.89	58.18	58.22	9.7	12.0	9.2	9.2
1980: II	4,566.6	4,579.0	4,625.6	-9.3	-8.0	59.59	60.41	59.55	59.58	9.6	10.7	9.7	9.7
1980: III	4,562.3	4,637.1	4,617.8	-4	5.2	60.93	61.77	61.01	61.05	9.3	9.3	10.2	10.2
1980: IV	4,651.9	4,676.1	4,696.6	8.1	3.4	62.57	63.33	62.59	62.64	11.2	10.5	10.8	10.8
1981: I	4,739.2	4,692.9	4,787.7	7.7	1.4	64.19	64.96	64.15	64.20	10.7	10.7	10.3	10.4
1981: II	4,696.8	4,699.0	4,742.6	-3.5	.5	65.35	66.15	65.37	65.42	7.4	7.5	7.8	7.8
1981: III	4,753.0	4,702.5	4,801.4	4.9	3	66.65	67.27	66.65	66.69	8.2	7.0	8.0	8.0
1981: IV	4,693.8	4,672.0	4,747.9	-4.9	-2.6	67.85	68.48	67.87	67.91	7.4	7.3	7.5	7.5
1982: I	4,615.9	4,655.4	4,658.5	-6.5	-1.4	68.85	69.42	68.86	68.91	6.0	5.6	6.0	6.0
1982: II	4,634.9	4,651.2	4,682.9	1.7	-4	69.71	70.17	69.72	69.77	5.1	4.4	5.1	5.1
1982: III	4,612.1	4,616.9	4,651.1	-2.0	-2.9	70.69	71.10	70.66	70.70	5.7	5.4	5.5	5.5
1982: IV	4,618.3	4,681.3	4,655.6	5	5.7	71.46	71.85	71.44	71.47	4.5	4.3	4.4	4.4
1983: I	4,663.0	4,719.4	4,700.1	3.9	3.3	72.12	72.33	72.08	72.12	3.7	2.7	3.7	3.7
1983: II	4,763.6	4,785.3	4,804.4	8.9	5.7	72.84	73.03	72.83	72.87	4.1	3.9	4.2	4.2
1983: III	4,849.0	4,860.7	4,891.3	7.4	6.4	73.50	73.65	73.48	73.52	3.7	3.4	3.7	3.7
1983: IV	4,939.2	4,919.5	4,983.5	7.7	4.9	74.19	74.24	74.19	74.24	3.8	3.2	3.9	3.9
1984: I	5,053.6	4,961.0	5,092.6	9.6	3.4	75.00	75.04	75.02	75.06	4.4	4.4	4.5	4.5
1984: II	5,132.9	5,050.0	5,172.4	6.4	7.4	75.62	75.65	75.58	75.63	3.3	3.3	3.1	3.1
1984: III	5,170.3	5,085.6	5,209.5	3.0	2.9	76.25	76.19	76.25	76.29	3.4	2.9	3.5	3.5
1984: IV	5,203.7	5,149.9	5,237.5	2.6	5.2	76.82	76.71	76.81	76.85	3.0	2.7	3.0	2.9
1985: I	5,257.3	5,231.7	5,280.3	4.2	6.5	77.64	77.38	77.63	77.67	4.3	3.6	4.4	4.3
1985: II	5,283.7	5,261.0	5,310.8	2.0	2.3	78.25	78.02	78.25	78.29	3.2	3.3	3.3	3.2
1985: III	5,359.6	5,336.9	5,378.4	5.9	5.9	78.80	78.58	78.76	78.80	2.8	2.9	2.6	2.6
1985: IV	5,393.6	5,358.0	5,417.5	2.6	1.6	79.44	79.37	79.45	79.49	3.3	4.1	3.5	3.5
1986: I	5,460.8	5,410.5	5,481.1	5.1	4.0	79.81	79.77	79.81	79.85	1.9	2.0	1.8	1.8
1986: II	5,466.9	5,448.4	5,480.1	-4	2.8	80.26	79.97	80.22	80.26	2.2	1.0	2.1	2.1
1986: III	5,496.3	5,518.2	5,510.4	2.2	5.2	80.81	80.60	80.84	80.88	2.8	3.2	3.1	3.1
1986: IV	5,526.8	5,546.6	5,533.1	2.2	2.1	81.44	81.25	81.45	81.49	3.2	3.3	3.1	3.0
1987: I	5,561.8	5,535.8	5,568.7	2.6	-8	82.11	82.07	82.09	82.12	3.3	4.1	3.2	3.2
1987: II	5,618.0	5,608.4	5,628.7	4.1	5.4	82.68	82.74	82.68	82.71	2.8	3.3	2.9	2.9
1987: III	5,667.4	5,671.5	5,676.0	3.6	4.6	83.35	83.44	83.33	83.36	3.3	3.4	3.2	3.2
1987: IV	5,750.6	5,688.3	5,759.6	6.0	1.2	84.08	84.19	84.09	84.12	3.6	3.6	3.7	3.7
1988: I	5,785.3	5,774.2	5,802.3	2.4	6.2	84.69	84.81	84.67	84.69	2.9	3.0	2.7	2.8
1988: II	5,844.0	5,840.1	5,857.5	4.1	4.6	85.56	85.68	85.56	85.59	4.2	4.2	4.3	4.3
1988: III	5,878.7	5,869.2	5,889.4	2.4	2.0	86.67	86.58	86.66	86.69	5.3	4.3	5.	

Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases—Continued

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1989: I .....	6,011.0	5,970.0	6,023.1	4.0	2.2	88.44	88.47	88.45	88.48	4.5	4.8	4.7	4.7
II .....	6,055.6	6,010.9	6,065.5	3.0	2.8	89.40	89.52	89.39	89.42	4.4	4.8	4.3	4.3
III .....	6,088.0	6,063.1	6,101.8	2.2	3.5	90.13	90.14	90.13	90.16	3.3	2.8	3.3	3.3
IV .....	6,093.5	6,070.8	6,112.3	.4	.5	90.91	90.98	90.88	90.91	3.5	3.8	3.4	3.4
1990: I .....	6,152.6	6,144.6	6,172.8	3.9	5.0	92.01	92.17	92.00	92.04	4.9	5.4	5.0	5.1
II .....	6,171.6	6,127.5	6,188.0	1.2	-1.1	93.20	93.14	93.18	93.21	5.2	4.2	5.2	5.2
III .....	6,142.1	6,126.6	6,155.7	-1.9	-1	94.19	94.32	94.14	94.17	4.3	5.2	4.2	4.2
IV .....	6,079.0	6,108.1	6,111.3	-4.0	-1.2	95.14	95.68	95.11	95.13	4.1	5.9	4.2	4.2
1991: I .....	6,047.5	6,065.4	6,074.3	-2.1	-2.8	96.26	96.42	96.27	96.29	4.8	3.1	5.0	4.9
II .....	6,074.7	6,095.9	6,086.4	1.8	2.0	97.02	96.95	97.00	97.01	3.2	2.2	3.1	3.1
III .....	6,090.1	6,085.4	6,099.2	1.0	-7	97.70	97.58	97.70	97.71	2.8	2.6	2.9	2.9
IV .....	6,105.3	6,083.8	6,119.5	1.0	-1	98.30	98.27	98.31	98.32	2.5	2.9	2.5	2.5
1992: I .....	6,175.7	6,175.8	6,192.0	4.7	6.2	99.14	99.04	99.13	99.13	3.4	3.2	3.4	3.4
II .....	6,214.2	6,203.8	6,225.2	2.5	1.8	99.81	99.76	99.79	99.79	2.8	2.9	2.7	2.7
III .....	6,260.7	6,249.5	6,270.3	3.0	3.0	100.17	100.28	100.17	100.17	1.4	2.1	1.5	1.5
IV .....	6,327.1	6,320.7	6,334.6	4.3	4.6	100.88	100.92	100.88	100.88	2.8	2.6	2.9	2.9
1993: I .....	6,327.9	6,297.3	6,351.3	.1	-1.5	101.85	101.71	101.84	101.84	3.9	3.2	3.9	3.8
II .....	6,359.9	6,344.9	6,375.9	2.0	3.1	102.38	102.28	102.35	102.34	2.1	2.3	2.0	2.0
III .....	6,393.5	6,379.3	6,415.3	2.1	2.2	102.83	102.64	102.83	102.83	1.8	1.4	1.9	1.9
IV .....	6,476.9	6,453.8	6,489.7	5.3	4.8	103.52	103.28	103.51	103.50	2.7	2.5	2.7	2.6
1994: I .....	6,524.5	6,473.0	6,540.5	3.0	1.2	104.16	103.80	104.13	104.14	2.5	2.0	2.4	2.5
II .....	6,600.3	6,526.7	6,609.3	4.7	3.4	104.74	104.46	104.71	104.71	2.2	2.6	2.2	2.2
III .....	6,629.5	6,580.4	6,635.6	1.8	3.3	105.39	105.24	105.39	105.38	2.5	3.0	2.6	2.6
IV .....	6,688.6	6,624.8	6,691.2	3.6	2.7	106.07	105.88	106.09	106.06	2.6	2.5	2.7	2.6
1995: I .....	6,703.7	6,654.3	6,711.3	.9	1.8	106.93	106.66	106.94	106.91	3.3	3.0	3.3	3.2
II .....	6,708.8	6,685.3	6,721.0	.3	1.9	107.49	107.33	107.46	107.43	2.1	2.5	2.0	2.0
III .....	6,759.2	6,739.3	6,758.3	3.0	3.3	108.03	107.79	108.02	107.99	2.0	1.7	2.1	2.1
IV .....	6,796.5	6,771.9	6,804.2	2.2	2.0	108.60	108.29	108.61	108.59	2.1	1.9	2.2	2.2
1996: I .....	6,826.4	6,815.0	6,834.7	1.8	2.6	109.35	109.01	109.39	109.37	2.8	2.7	2.9	2.9
II .....	6,926.0	6,902.3	6,930.1	6.0	5.2	109.86	109.50	109.84	109.82	1.9	1.8	1.7	1.6
III .....	6,943.8	6,905.0	6,940.2	1.0	.2	110.59	110.15	110.54	110.50	2.7	2.4	2.6	2.5
IV .....	7,017.4	6,981.7	7,023.1	4.3	4.5	111.10	110.79	111.05	111.01	1.9	2.4	1.9	1.8
1997: I .....	7,101.6	7,034.1	7,091.8	4.9	3.0	111.78	111.32	111.71	111.67	2.4	1.9	2.4	2.4
II .....	7,159.6	7,077.7	7,144.4	3.3	2.5	112.27	111.55	112.22	112.17	1.8	.8	1.8	1.8
III .....	7,214.0	7,160.3	7,198.8	3.1	4.7	112.67	111.90	112.62	112.57	1.4	1.3	1.4	1.4
IV .....	7,283.3	7,204.5	.....	3.9	2.5	113.08	112.29	113.02	.....	1.4	1.4	1.4	.....

Table C.2.—Real Gross Domestic Product

[Average annual percent change, based on chained (1992) dollar estimates]

Terminal year	Initial year																									
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
1997	2.8	2.7	2.6	2.7	2.9	2.7	2.6	2.5	2.5	2.6	2.7	3.0	2.9	2.6	2.5	2.5	2.4	2.3	2.2	2.3	2.8	2.9	3.0	2.8	3.3	3.8
1996	2.8	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.4	2.6	2.6	2.9	2.9	2.5	2.4	2.4	2.3	2.1	1.9	2.0	2.6	2.6	2.7	2.4	2.8	
1995	2.8	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.4	2.6	2.6	2.9	2.9	2.5	2.4	2.3	2.2	2.0	1.8	1.9	2.6	2.6	2.7	2.4	2.8	
1994	2.8	2.7	2.5	2.7	2.9	2.7	2.6	2.4	2.4	2.6	2.6	3.0	2.9	2.5	2.4	2.3	2.2	2.0	1.7	1.9	2.8	2.9	3.5	2.0		
1993	2.8	2.6	2.5	2.6	2.8	2.7	2.5	2.4	2.3	2.5	2.6	3.0	2.9	2.4	2.3	2.2	2.1	1.7	1.3	1.4	2.5	2.3	3.5	2.0		
1992	2.8	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.3	2.6	2.6	3.1	3.0	2.5	2.3	2.2	2.0	1.6	1.0	1.0	2.7	2.3				
1991	3.0	2.8	2.7	2.9	3.1	3.0	2.8	2.6	2.6	2.9	3.0	3.6	3.6	3.0	2.9	2.8	2.8	2.3	1.2	-0.9						
1990	3.1	2.9	2.8	3.0	3.3	3.1	3.0	2.7	2.7	3.1	3.2	4.0	4.0	3.4	3.3	3.4	3.6	3.4								
1989	3.1	2.9	2.7	3.0	3.2	3.1	2.9	2.7	2.7	3.0	3.1	4.1	4.1	3.4	3.3	3.4	3.8									
1988	3.0	2.9	2.7	2.9	3.2	3.0	2.8	2.6	2.5	2.9	3.0	4.1	4.1	3.2	3.0	2.9										
1987	3.0	2.9	2.6	2.9	3.2	3.0	2.8	2.5	2.5	2.9	3.1	4.4	4.5	3.3	3.1											
1986	3.0	2.8	2.6	2.9	3.2	3.0	2.8	2.4	2.4	2.9	3.1	4.8	5.3	3.6												
1985	3.0	2.8	2.5	2.8	3.2	2.9	2.7	2.2	2.1	2.7	2.9	5.5	7.0													
1984	2.6	2.4	2.1	2.4	2.7	2.3	2.0	1.3	1.3	1.3	1.3	4.0														
1983	2.5	2.2	1.9	2.2	2.5	2.1	1.6	1.6	1.6	1.6	1.6	1.6														
1982	2.5	2.2	1.9	2.2	2.5	2.1	1.6	1.6	1.6	1.6	1.6	1.6														
1981	3.0	2.7	2.4	2.8	3.3	2.9	2.5	1.6	1.0	2.3																
1980	3.1	2.8	2.4	2.9	3.6	3.1	2.6	1.2	1.2																	
1979	3.5	3.2	2.8	3.5	4.6	4.3	4.1	2.8																		
1978	3.6	3.5	2.8	3.7	5.1	5.0	5.0																			
1977	3.3	2.9	2.2	3.2	5.0	4.7																				
1976	3.1	2.5	1.4	2.4	5.4																					
1975	2.5	1.5	-0.5	-0.4																						
1974	3.5	2.5	-0.6																							
1973	5.6																									
1972	5.5	5.8																								

Table C.3.—Chain-Type Price Index for Gross Domestic Product

[Average annual percent change]

Terminal year	Initial year																									
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
1997	4.9	5.0	4.9	4.8	4.6	4.5	4.4	4.3	4.0	3.7	3.4	3.2	3.1	3.1	3.0	3.1	3.1	3.0	2.9	2.7	2.4	2.4	2.3	2.3	2.2	2.0
1996	5.1	5.1	5.1	4.9	4.7	4.6	4.5	4.4	4.1	3.8	3.5	3.3	3.2	3.2	3.1	3.2	3.2	3.1	3.0	2.8	2.5	2.5	2.4	2.4	2.3	2.3
1995	5.2	5.2	5.2	5.0	4.8	4.8	4.7	4.5	4.3	3.9	3.6	3.4	3.3	3.2	3.2	3.3	3.3	3.3	3.1	2.9	2.6	2.5	2.5	2.5	2.5	2.5
1994	5.3	5.3	5.3	5.2	4.9	4.9	4.8	4.6	4.4	4.0	3.6	3.4	3.3	3.3	3.3	3.4	3.4	3.4	3.2	2.9	2.6	2.5	2.5	2.4	2.4	2.4
1993	5.4	5.5	5.5	5.3	5.1	5.0	4.9	4.8	4.5	4.2	3.7	3.5	3.4	3.4	3.4	3.5	3.6	3.6	3.4	3.1	2.7	2.6	2.6	2.4	2.4	2.4
1992	5.6	5.6	5.6	5.5	5.2	5.2	5.1	4.9	4.7	4.3	3.8	3.6	3.5	3.5	3.5	3.7	3.8	3.8	3.7	3.3	2.8	2.8	2.8	2.8	2.8	2.8
1991	5.7	5.8	5.8	5.6	5.4	5.3	5.3	5.1	4.8	4.4	4.0	3.7	3.6	3.6	3.6	3.8	4.0	4.2	4.1	3.9						
1990	5.8	5.9	5.9	5.7	5.5	5.4	5.4	5.2	4.9	4.5	4.0	3.7	3.6	3.6	3.6	3.8	4.1	4.3	4.4							
1989	5.9	6.0	6.0	5.8	5.6	5.5	5.5	5.3	5.0	4.5	3.9	3.6	3.5	3.4	3.4	3.6	3.9	4.2								
1988	6.0	6.1	6.1	5.9	5.7	5.6	5.6	5.4	5.1	4.5	3.9	3.5	3.3	3.2	3.1	3.4	3.7									
1987	6.1	6.3	6.3	6.1	5.8	5.8	5.8	5.6	5.2	4.7	3.9	3.4	3.2	3.0	2.8	3.1	3.7									
1986	6.3	6.5	6.6	6.4	6.1	6.1	6.1	5.9	5.5	4.9	4.1	3.5	3.3	3.0	2.6											
1985	6.6	6.8	6.9	6.7	6.4	6.5	6.5	6.4	6.0	5.4	4.4	3.8	3.6	3.4												
1984	6.9	7.1	7.2	7.0	6.8	6.9	7.0	6.9	6.6	5.9	4.8	4.0	3.8													
1983	7.1	7.4	7.6	7.4	7.2	7.3	7.5	7.5	7.3	6.6	5.3	4.3														
1982	7.4	7.7	7.9	7.8	7.6	7.9	8.2	8.4	8.3	7.8	6.3															
1981	7.5	7.9	8.1	8.0	7.8	8.2	8.6	9.1	9.3	9.4																
1980	7.3	7.7	8.0	7.8	7.5	7.9	8.4	8.9	9.3																	
1979	7.0	7.4	7.7	7.5	7.0	7.4	7.9	8.5																		
1978	6.8	7.3	7.6	7.2	6.5	6.9	7.3																			
1977	6.7	7.3	7.7	7.2	6.1	6.5																				
1976	6.8	7.5	8.1	7.6	5.8																					
1975	7.0	8.0	9.2																							
1974	6.3	7.3	8.9																							
1973	4.9	5.6																								
1972	4.2																									

Table C.4.—Real Gross Domestic Purchases

[Average annual percent change, based on chained (1992) dollar estimates]

Terminal year	Initial year																									
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
1997	2.8	2.7	2.6	2.7	2.9	2.8	2.6	2.5	2.5	2.8	2.8	3.1	3.0	2.6	2.4	2.4	2.3	2.3	2.2	2.4	3.1	3.1	3.2	3.0	3.5	4.1
1996	2.7	2.6	2.5	2.7	2.9	2.7	2.6	2.4	2.4	2.7	2.7	3.1	2.9	2.4	2.3	2.2	2.1	2.0	1.9	2.1	2.9	2.9	2.9	2.4	2.9	
1995	2.7	2.6	2.5	2.7	2.9	2.7	2.5	2.4	2.4	2.7	2.7	3.1	2.9	2.4	2.2	2.1	2.0	1.9	1.8	2.0	2.9	2.9	2.9	1.9	2.9	
1994	2.7	2.6	2.5	2.7	2.9	2.7	2.6	2.4	2.4	2.8	2.8	3.2	3.0	2.4	2.3	2.1	2.1	1.9	1.8	2.0	3.2	3.4	3.9			
1993	2.7	2.6	2.4	2.7	2.9	2.7	2.5	2.3	2.3	2.7	2.7	3.1	2.9	2.3	2.1	1.9	1.8	1.5	1.2	1.4	2.9	2.9				
1992	2.7	2.5	2.4	2.6	2.9	2.7	2.5	2.3	2.3	2.7	2.7	3.1	2.9	2.2	1.9	1.7	1.5	1.2	1.2	1.4	2.8					
1991	2.7	2.5	2.4	2.6	2.9	2.6	2.5	2.2	2.2	2.6	2.7	3.1	2.9	2.1	1.8	1.5	1.2	1.0	1.0	1.4						
1990	2.9	2.7	2.6	2.9	3.2	3.0	2.8	2.6	2.6	3.1	3.1	3.7	3.5	2.7	2.5	2.3	2.1	1.8	1.8	2.5						
1989	3.0	2.9	2.7	3.0	3.4	3.1	2.9	2.7	2.8	3.3	3.4	4.2	4.0	3.1	2.9	2.8	2.8	2.7								
1988	3.0	2.9	2.7	3.1	3.4	3.2	3.0	2.7	2.8	3.4	3.5	4.4	4.2	3.2	3.0	2.8	2.9									
1987	3.0	2.9	2.7	3.1	3.4	3.2	3.0	2.7	2.8	3.5	3.6	4.7	4.6	3.3	3.0	2.7		</								





# D. Domestic Perspectives

This table presents data collected from other government agencies and private organizations, as noted. Quarterly data are shown in the middle month of the quarter.

**Table D.1.—Domestic Perspectives**

	1996	1997	1997													1998
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Consumer and producer prices, (seasonally adjusted) <sup>1</sup>																
Consumer price index for all urban consumers, 1982=100:																
All items .....	156.9	160.5	159.2	159.4	159.7	159.8	160.0	160.1	160.4	160.6	160.9	161.3	161.6	161.8	161.9	161.9
Less food and energy .....	165.6	169.5	167.7	168.0	168.3	168.6	169.2	169.4	169.7	170.0	170.1	170.4	170.8	171.0	171.4	171.7
Services .....	174.1	179.4	176.7	177.2	177.6	178.1	178.5	178.8	179.3	179.8	180.0	180.4	181.0	181.4	181.7	181.9
Producer price index, 1982=100:																
Finished goods .....	131.3	131.8	133.0	133.0	132.6	132.4	131.9	131.7	131.4	131.1	131.3	131.8	131.9	131.7	131.4	130.5
Less food and energy .....	142.0	142.5	142.4	142.4	142.4	142.6	142.6	142.3	142.3	142.1	142.2	142.7	142.7	142.6	142.5	142.3
Finished consumer goods .....	129.5	130.2	131.6	131.6	131.1	131.0	130.2	130.0	129.6	129.3	129.5	130.1	130.3	130.1	129.8	128.7
Capital equipment .....	138.3	138.3	138.5	138.6	138.5	138.5	138.4	138.2	138.2	138.1	138.1	138.4	138.2	138.1	137.8	137.7
Intermediate materials .....	125.7	125.6	126.3	126.5	126.4	126.0	125.6	125.5	125.4	125.2	125.3	125.5	125.4	125.7	125.3	124.5
Crude materials .....	113.8	110.9	122.5	127.1	116.4	107.4	107.9	109.9	106.9	106.4	106.8	108.2	112.1	114.1	108.2	103.3
Money, interest rates, and stock prices																
Money stock (seasonally adjusted): <sup>2</sup>																
Percent change:																
M1 .....			0.13	-0.19	-0.19	-0.36	-0.63	-0.38	0.10	0.01	0.51	-0.71	-0.16	0.68	0.63	-0.26
M2 .....			.56	.38	.32	.40	.54	.06	.39	.35	.79	.52	.48	.60	.56	.60
Ratio:																
Gross domestic product to M1 .....	6.904	7.553			7.358			7.537			7.616			7.701		
Personal income to M2 .....	1.734	1.750	1.742	1.745	1.752	1.755	1.748	1.753	1.756	1.752	1.749	1.745	1.746	1.748	1.745	1.745
Interest rates (percent, not seasonally adjusted): <sup>2</sup>																
Federal funds rate .....	5.30	5.46	5.29	5.25	5.19	5.39	5.51	5.50	5.56	5.52	5.54	5.54	5.50	5.52	5.50	5.56
Discount rate on new 91-day Treasury bills .....	5.02	5.07	4.87	5.05	5.00	5.14	5.17	5.13	4.92	5.07	5.13	4.97	4.95	5.15	5.16	5.09
Yield on new high-grade corporate bonds .....	7.62	7.40	7.45	7.63	7.54	7.85	8.04	7.90	7.71	7.44	7.30	7.04	6.90	6.79	6.88	6.82
10-Year U.S. Treasury bonds .....	6.44	6.35	6.30	6.58	6.42	6.69	6.89	6.71	6.49	6.22	6.30	6.21	6.03	5.88	5.81	5.54
Yield on municipal bonds, 20-bond average .....	5.76	5.52	5.64	5.72	5.63	5.76	5.88	5.70	5.53	5.35	5.41	5.39	5.38	5.33	5.19	5.06
Mortgage commitment rate .....	7.80	7.60	7.60	7.82	7.65	7.90	8.14	7.94	7.69	7.50	7.48	7.43	7.29	7.21	7.10	6.99
Average prime rate charged by banks .....	8.27	8.44	8.25	8.25	8.25	8.30	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Index of stock prices (not seasonally adjusted): <sup>3</sup>																
500 common stocks, 1941=100 .....	670.83	872.72	743.25	766.22	798.39	792.16	763.93	833.09	876.29	925.29	927.74	937.02	951.16	938.92	962.37	963.36
Labor markets (thousands, seasonally adjusted, unless otherwise noted) <sup>1</sup>																
Civilian labor force .....	133,943	136,297	135,060	135,729	135,689	136,115	136,043	136,060	136,206	136,294	136,404	136,439	136,406	136,864	137,169	137,493
Labor force participation rates (percent):																
Males 20 and over .....	76.8	77.0	76.8	77.1	76.9	77.1	77.1	76.9	77.0	77.0	76.9	76.8	76.8	77.0	77.0	77.1
Females 20 and over .....	59.9	60.5	60.3	60.3	60.3	60.5	60.4	60.5	60.5	60.5	60.6	60.6	60.5	60.4	60.7	60.6
16-19 years of age .....	52.3	51.6	52.2	51.9	52.6	52.4	52.0	51.9	51.2	51.4	51.0	51.0	50.9	51.8	51.6	53.1
Civilian employment .....	126,708	129,558	127,899	128,541	128,515	129,035	129,275	129,494	129,392	129,661	129,747	129,761	129,910	130,575	130,777	131,083
Ratio, civilian employment to working-age population (percent) .....	63.2	63.8	63.4	63.5	63.5	63.7	63.8	63.8	63.7	63.8	63.8	63.7	63.8	64.0	64.1	64.2
Persons engaged in nonagricultural activities .....	123,264	126,159	124,476	125,088	125,175	125,648	125,813	126,076	126,209	126,209	126,368	126,339	126,583	127,191	127,392	127,764
Employees on nonagricultural payrolls .....	119,523	122,257	120,659	120,909	121,162	121,344	121,671	121,834	122,056	122,440	122,492	122,792	123,083	123,512	123,867	124,225
Goods-producing industries .....	24,431	24,738	24,540	24,581	24,653	24,670	24,667	24,702	24,714	24,713	24,765	24,771	24,814	24,888	24,988	25,123
Services-producing industries .....	95,092	97,519	96,119	96,328	96,509	96,674	97,004	97,132	97,342	97,727	97,727	98,021	98,269	98,624	98,879	99,102
Average weekly hours, manufacturing (hours) .....	41.6	42.0	42.0	41.8	41.9	42.1	42.1	42.0	41.8	41.8	41.8	41.9	42.0	42.1	42.2	42.1
Average weekly overtime hours, manufacturing (hours) .....	4.5	4.8	4.7	4.7	4.7	4.9	4.9	4.8	4.6	4.7	4.7	4.7	4.8	4.9	4.9	4.9
Number of persons unemployed .....	7,236	6,739	7,161	7,188	7,174	7,080	6,768	6,566	6,814	6,633	6,657	6,678	6,496	6,289	6,392	6,409
Unemployment rates (percent):																
Total .....	5.4	4.9	5.3	5.3	5.3	5.2	5.0	4.8	5.0	4.9	4.9	4.9	4.8	4.6	4.7	4.7
15 weeks and over .....	1.7	1.5	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.6	1.5	1.5	1.5	1.4	1.4	1.3
Average duration of unemployment (weeks) .....	16.7	15.8	15.8	15.9	15.9	15.4	15.4	15.3	15.3	16.5	15.8	15.9	16.3	15.6	16.3	15.6
Nonfarm business sector, 1992=100:																
Output per hour of all persons .....	102.6	104.4			103.4			104.0			104.9			105.4		
Unit labor costs .....	108.0	110.2			109.8			110.0			110.1			110.9		
Hourly compensation .....	110.8	115.0			113.5			114.4			115.5			116.9		

See footnotes at the end of the table.

Table D.1.—Domestic Perspectives—Continued

	1996	1997	1996	1997												1998
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Construction (seasonally adjusted at annual rates) <sup>4</sup>																
Total new private construction put in place (billions of dollars) .....	437.1	462.1	447.0	444.4	452.0	452.7	457.6	459.9	456.9	464.3	465.2	468.8	469.6	470.3	474.7	480.1
Residential .....	247.2	260.1	247.9	246.7	251.4	254.0	259.9	259.7	257.3	258.8	260.0	263.8	265.7	267.5	271.0	273.8
Nonresidential .....	149.4	161.5	157.4	161.0	163.7	160.5	156.5	160.0	159.2	164.5	163.4	163.3	162.0	161.4	161.7	163.3
Housing starts (thousands of units):																
Total .....	1,477	1,474	1,384	1,394	1,547	1,477	1,480	1,404	1,502	1,461	1,383	1,501	1,529	1,523	1,538	1,534
1-unit structures .....	1,161	1,133	1,065	1,138	1,231	1,139	1,134	1,095	1,132	1,144	1,076	1,174	1,124	1,167	1,118	1,196
New 1-family houses sold (thousands of units) .....	757	800	794	822	826	825	765	764	802	812	798	816	785	857	777	.....
Manufacturing and trade, inventories and sales (millions of dollars, seasonally adjusted) <sup>4</sup>																
Inventories:																
Total manufacturing and trade .....	1,004,708	1,048,088	1,004,708	1,007,618	1,011,899	1,013,376	1,017,150	1,019,025	1,026,255	1,027,787	1,030,243	1,037,172	1,040,265	1,043,460	1,048,088	.....
Manufacturing .....	434,434	453,738	434,434	435,743	437,873	438,560	441,508	443,460	444,823	446,602	448,447	449,152	452,139	454,182	453,738	.....
Merchant wholesalers .....	256,178	272,487	256,178	257,895	258,088	259,389	258,046	259,029	264,154	262,314	264,899	268,112	268,183	270,004	272,487	.....
Retail trade .....	314,096	321,863	314,096	313,980	315,938	315,427	317,596	316,536	317,278	318,871	316,897	319,908	319,943	319,274	321,863	.....
Sales:																
Total manufacturing and trade .....	8,601,158	9,022,064	727,929	737,464	747,790	745,460	746,769	742,945	750,027	757,485	752,886	762,543	759,880	757,708	764,499	.....
Manufacturing .....	3,735,183	3,948,483	316,306	319,725	322,967	322,923	326,909	323,567	328,315	332,895	330,178	335,366	334,064	332,955	337,386	.....
Merchant wholesalers .....	2,420,679	2,527,294	204,951	207,506	211,801	210,195	209,926	210,008	210,772	211,041	208,336	213,372	212,299	210,919	212,531	.....
Retail trade .....	2,445,296	2,546,287	206,672	210,233	213,022	212,342	209,934	209,370	210,940	213,549	214,372	213,805	213,517	213,834	214,582	.....
Industrial production indexes and capacity utilization rates (seasonally adjusted) <sup>2</sup>																
Industrial production indexes, 1992=100:																
Total .....	118.5	124.5	120.9	121.3	122.1	122.5	123.1	123.3	123.5	124.5	125.2	125.6	126.5	127.4	127.9	127.9
By industry:																
Durable manufactures .....	131.7	142.3	135.3	136.1	137.8	138.7	139.5	140.1	141.2	142.4	144.3	144.4	145.5	147.6	148.3	148.8
Nondurable manufactures .....	108.0	111.2	110.3	110.2	110.4	110.5	110.8	110.7	110.5	110.9	111.0	111.3	112.2	112.6	113.0	113.3
By market category:																
Consumer goods .....	111.8	114.4	113.6	113.2	113.1	113.4	113.4	113.9	113.5	113.9	114.6	114.5	115.9	116.6	116.5	116.4
Capacity utilization rates (percent):																
Total industry .....	82.4	82.7	82.5	82.4	82.6	82.5	82.6	82.4	82.3	82.6	82.8	82.7	83.0	83.2	83.3	83.0
Manufacturing .....	81.4	81.7	81.5	81.4	81.7	81.6	81.6	81.4	81.3	81.5	81.8	81.6	81.9	82.3	82.3	82.1
Credit market borrowing (billions of dollars, seasonally adjusted at annual rates) <sup>2</sup>																
All sectors, by instrument:																
Total .....	1,321.0	.....	.....	.....	1,041.4	.....	.....	1,284.9	.....	.....	1,255.0	.....	.....	.....	.....	.....
Open market paper .....	102.6	.....	.....	.....	199.2	.....	.....	109.5	.....	.....	172.0	.....	.....	.....	.....	.....
U.S. government securities .....	376.5	.....	.....	.....	186.9	.....	.....	189.1	.....	.....	201.9	.....	.....	.....	.....	.....
Municipal securities .....	1.3	.....	.....	.....	23.2	.....	.....	76.5	.....	.....	40.4	.....	.....	.....	.....	.....
Corporate and foreign bonds .....	278.4	.....	.....	.....	129.3	.....	.....	335.4	.....	.....	341.9	.....	.....	.....	.....	.....
Bank loans, n.e.c. ....	92.6	.....	.....	.....	153.8	.....	.....	126.7	.....	.....	48.7	.....	.....	.....	.....	.....
Other loans and advances .....	50.2	.....	.....	.....	-4.1	.....	.....	67.2	.....	.....	85.9	.....	.....	.....	.....	.....
Mortgages .....	330.6	.....	.....	.....	283.5	.....	.....	322.7	.....	.....	321.4	.....	.....	.....	.....	.....
Consumer credit .....	88.8	.....	.....	.....	69.6	.....	.....	57.8	.....	.....	42.7	.....	.....	.....	.....	.....

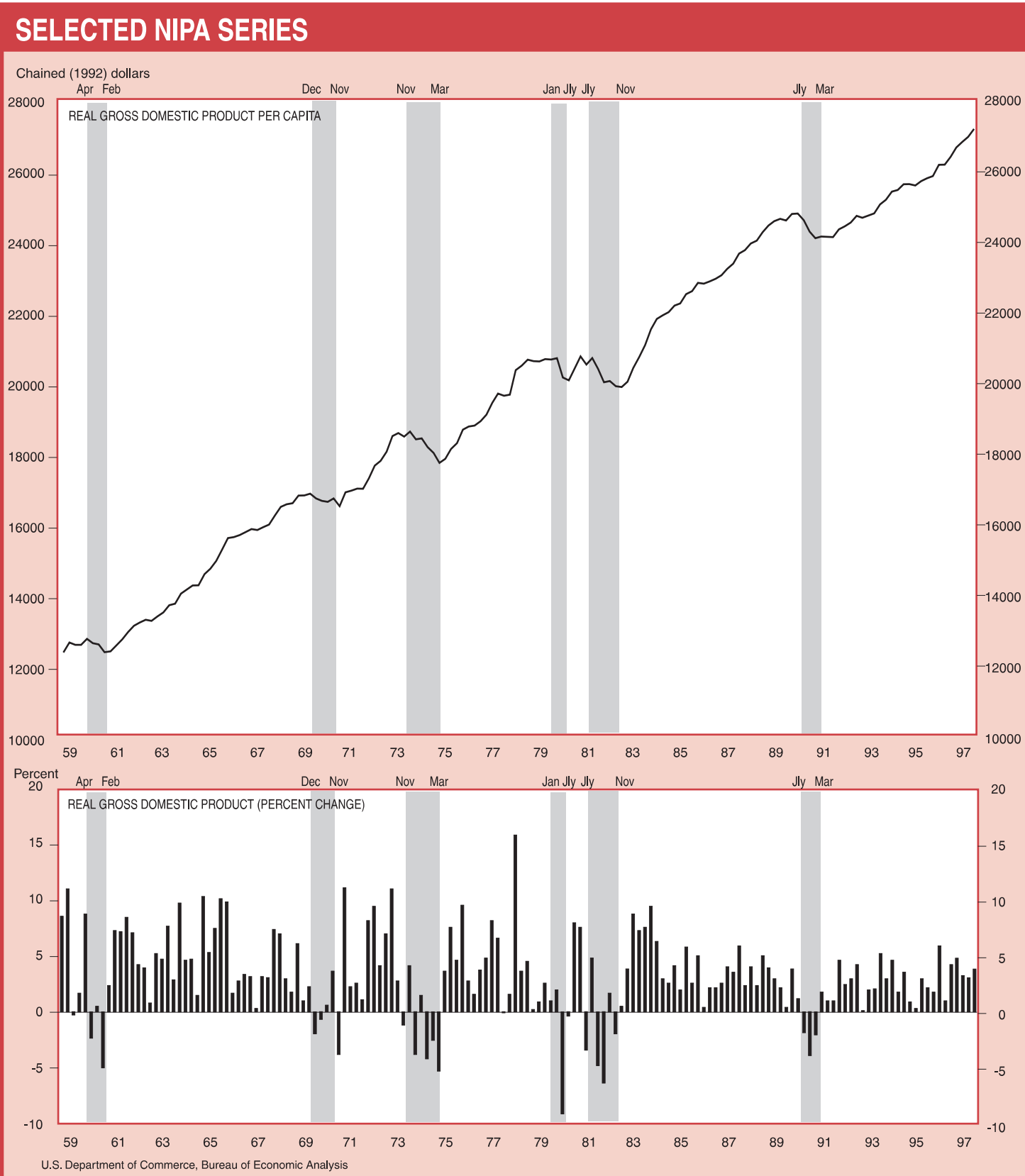
## Sources:

1. Bureau of Labor Statistics.  
2. Federal Reserve Board.

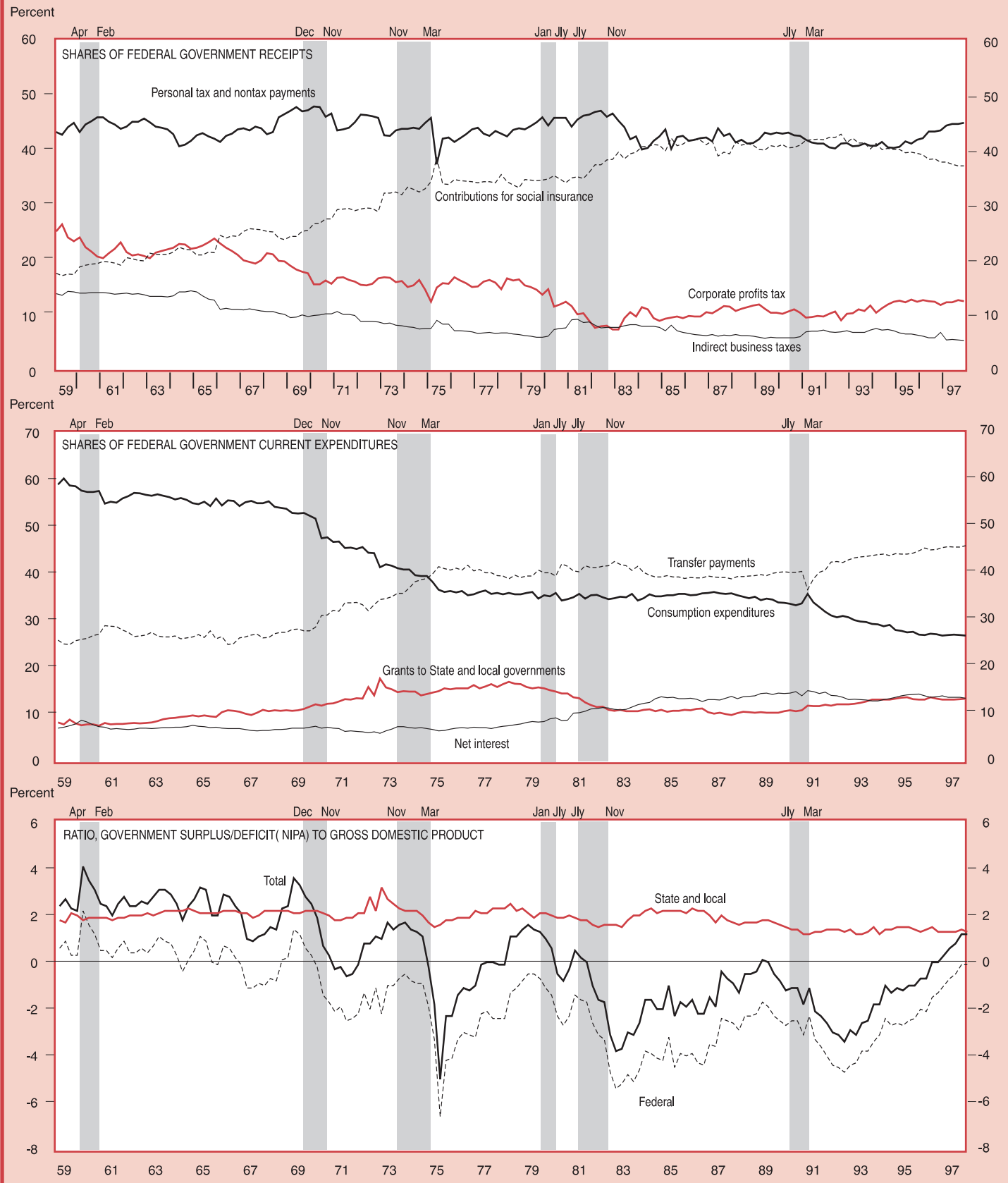
3. Standard and Poor's, Inc.  
4. Bureau of the Census.  
n.e.c. Not elsewhere classified.

# E. Charts

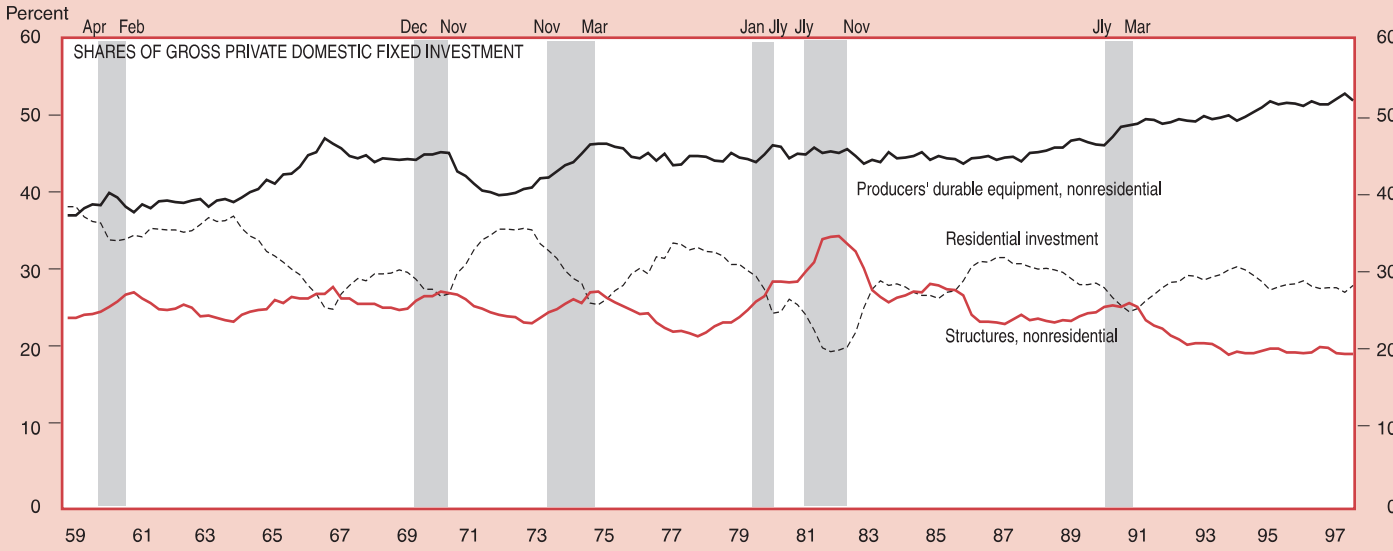
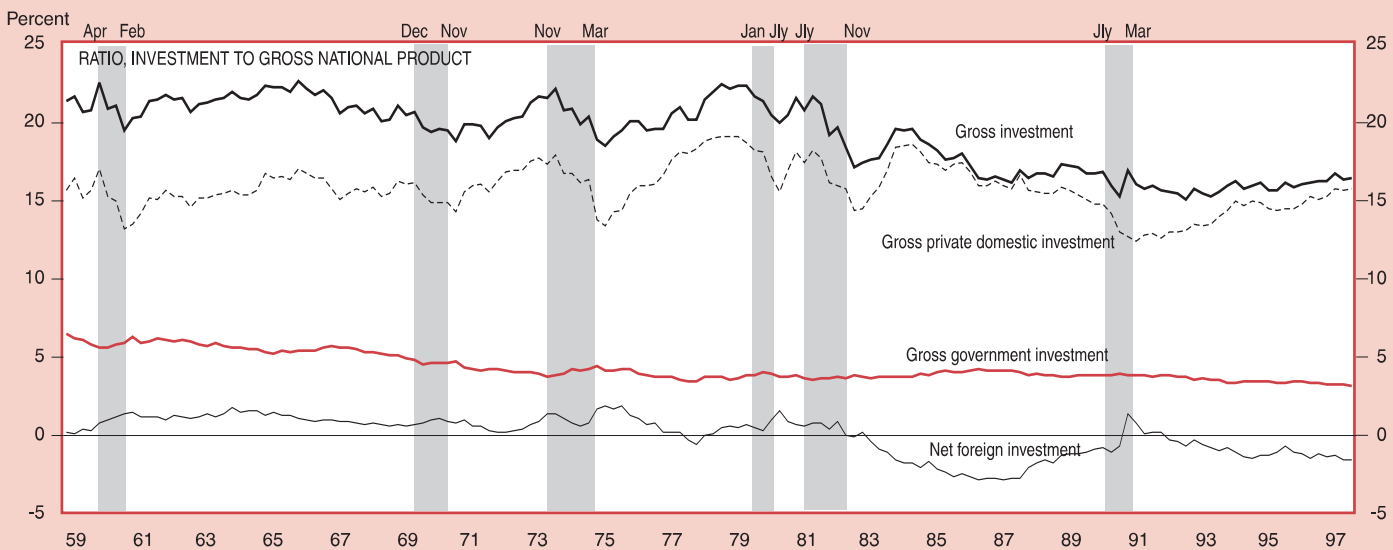
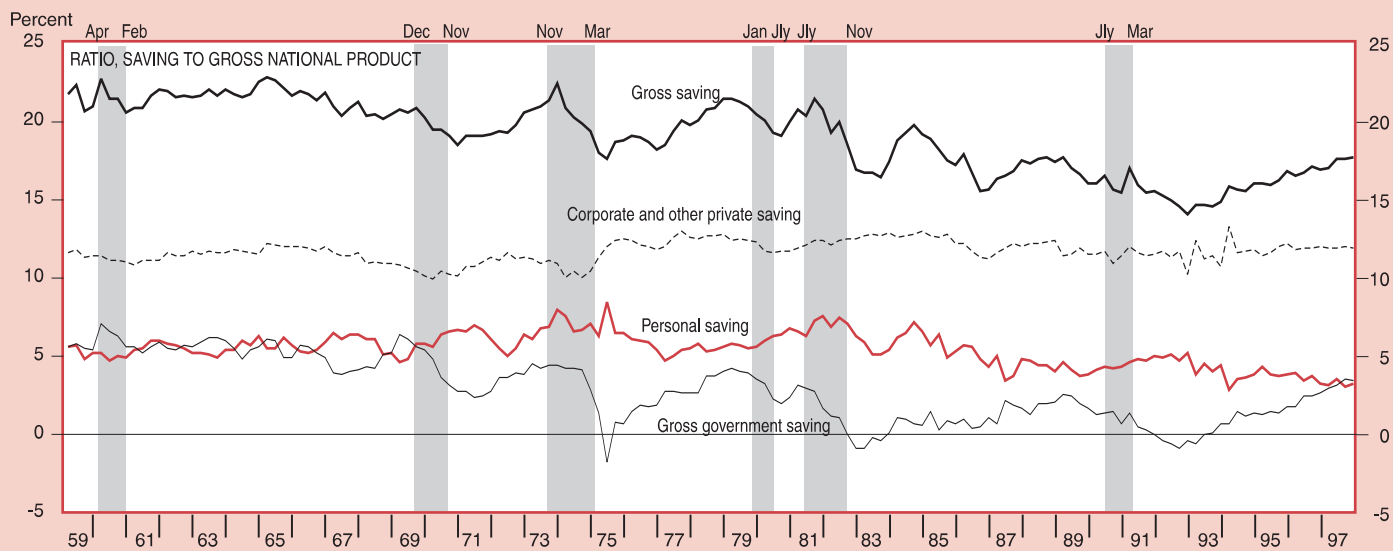
Percent changes shown in this section are based on quarter-to-quarter changes and are expressed at seasonally adjusted annual rates; likewise, levels of series are expressed at seasonally adjusted annual rates as appropriate.



# SELECTED NIPA SERIES

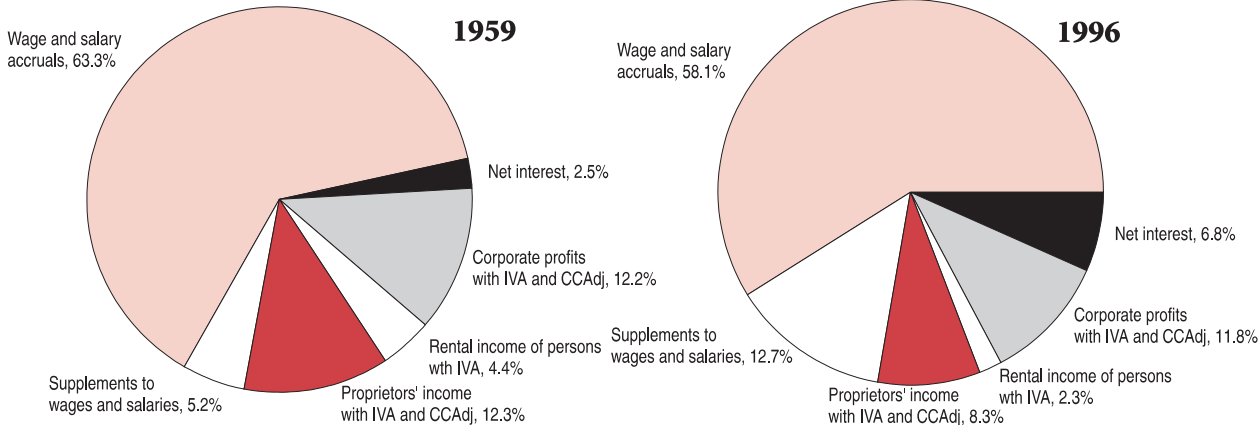


# SELECTED NIPA SERIES

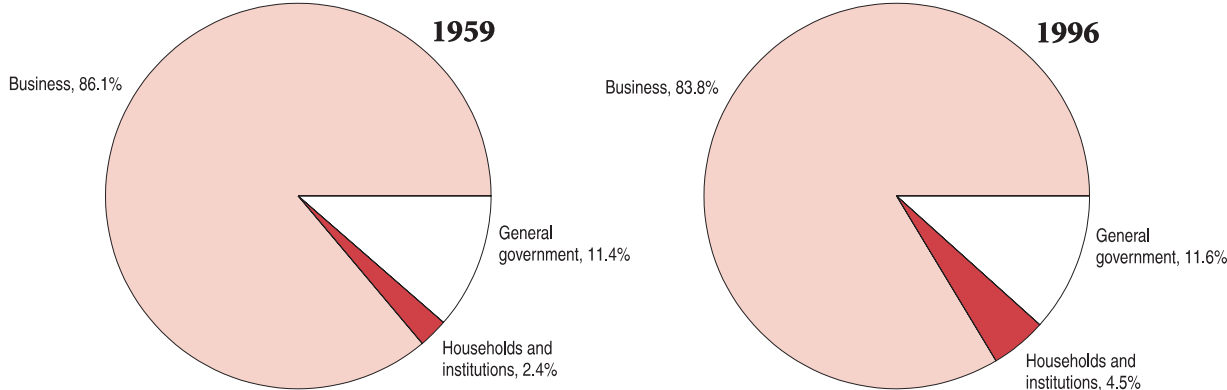


# SELECTED NIPA SERIES

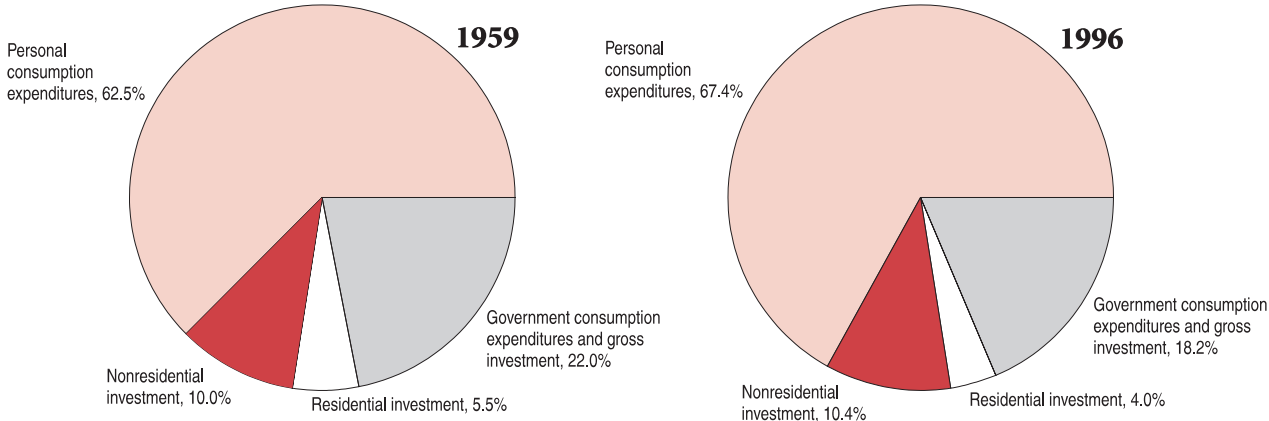
SHARES OF NATIONAL INCOME



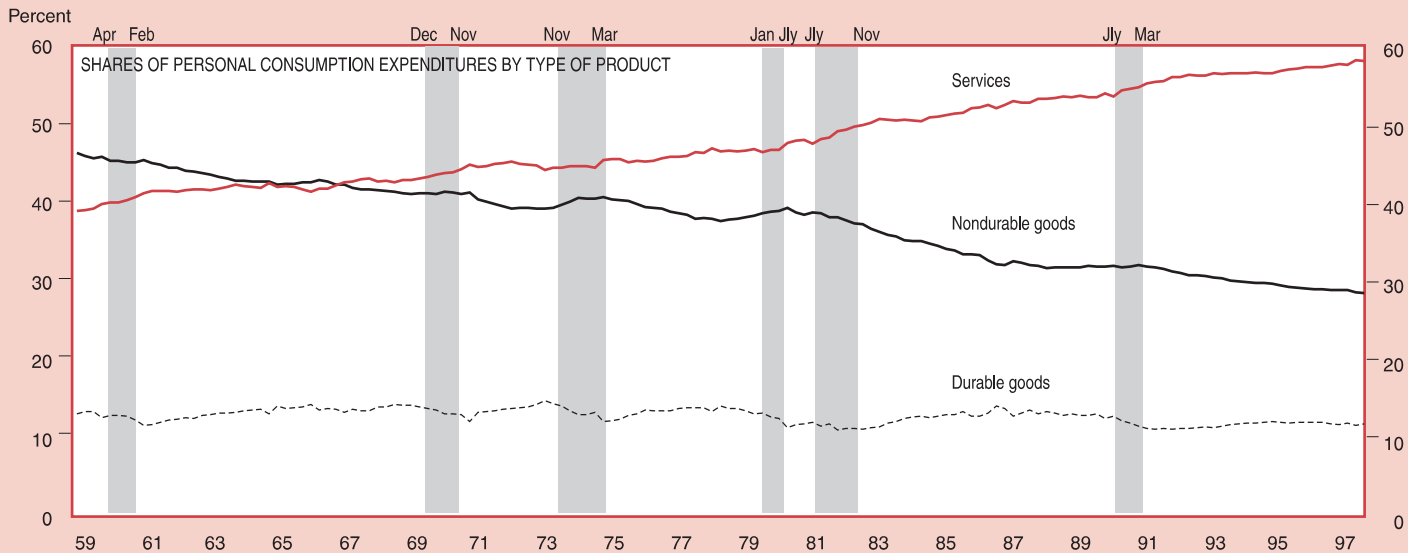
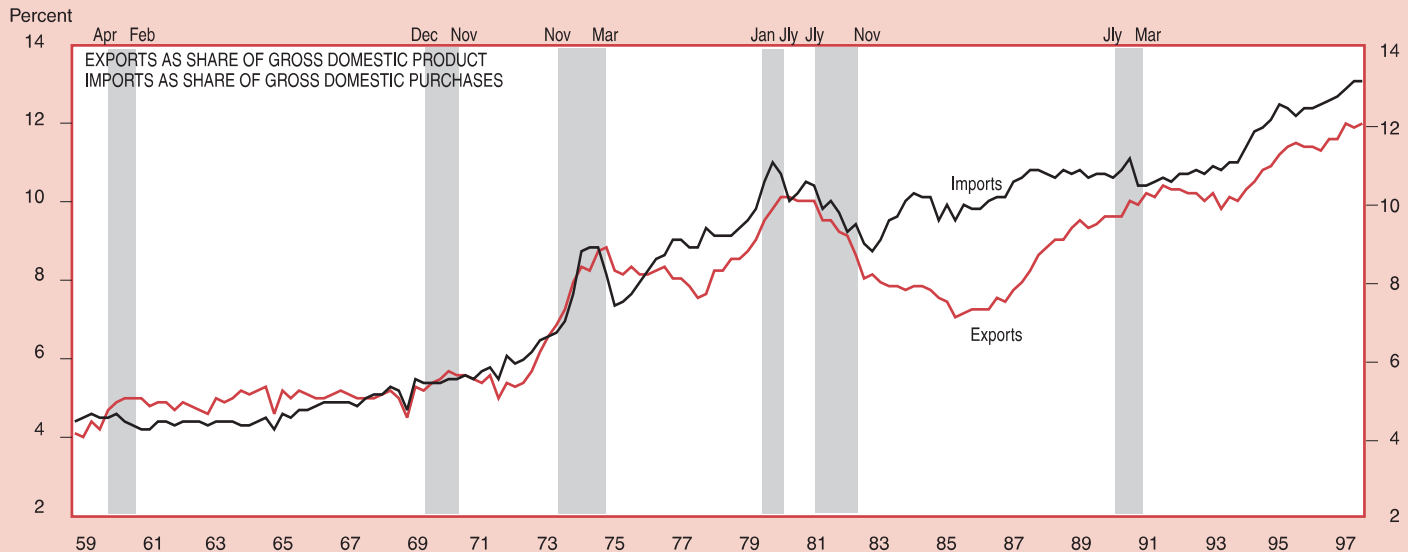
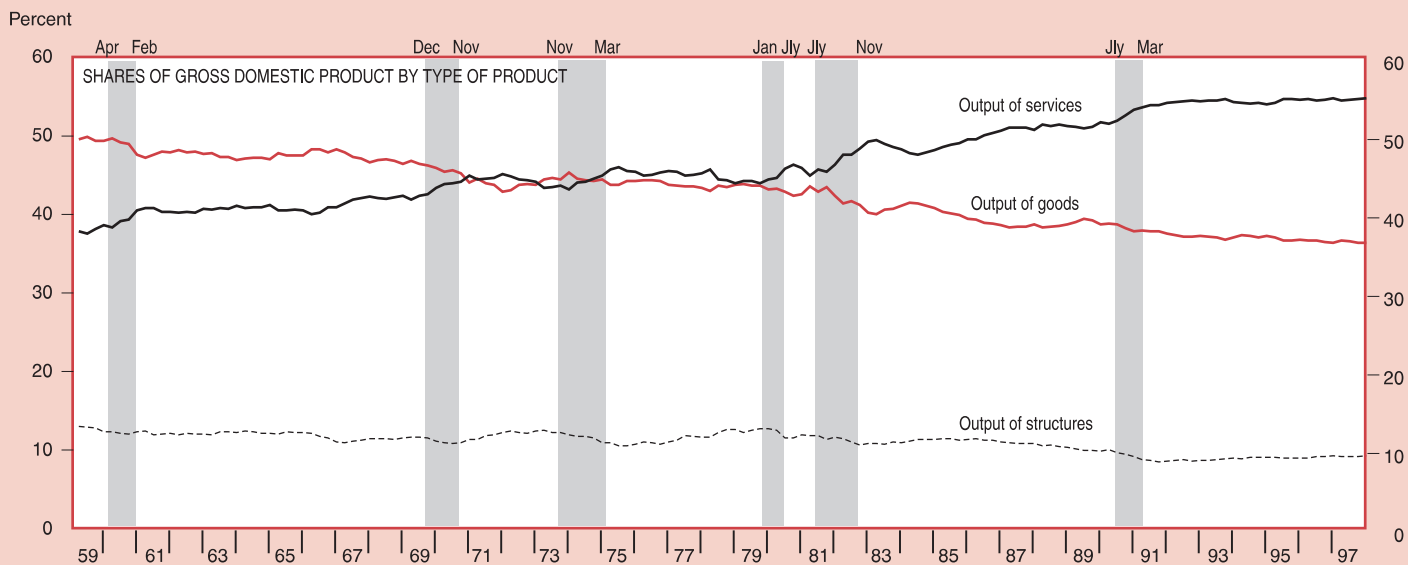
SHARES OF GROSS DOMESTIC PRODUCT BY SECTOR



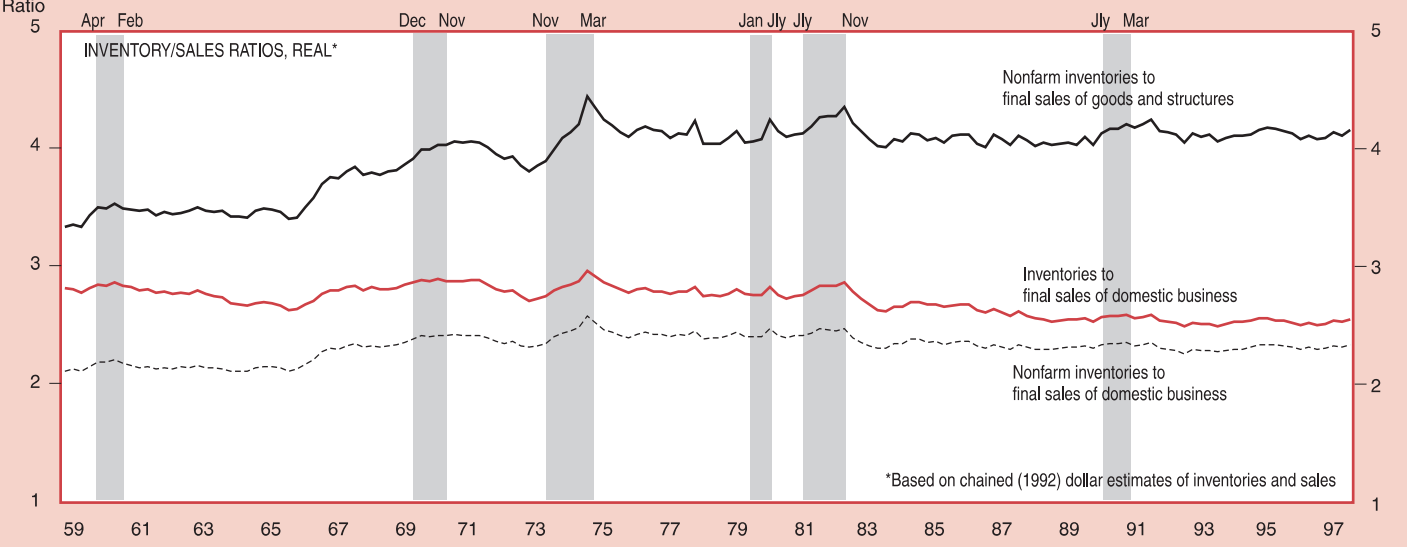
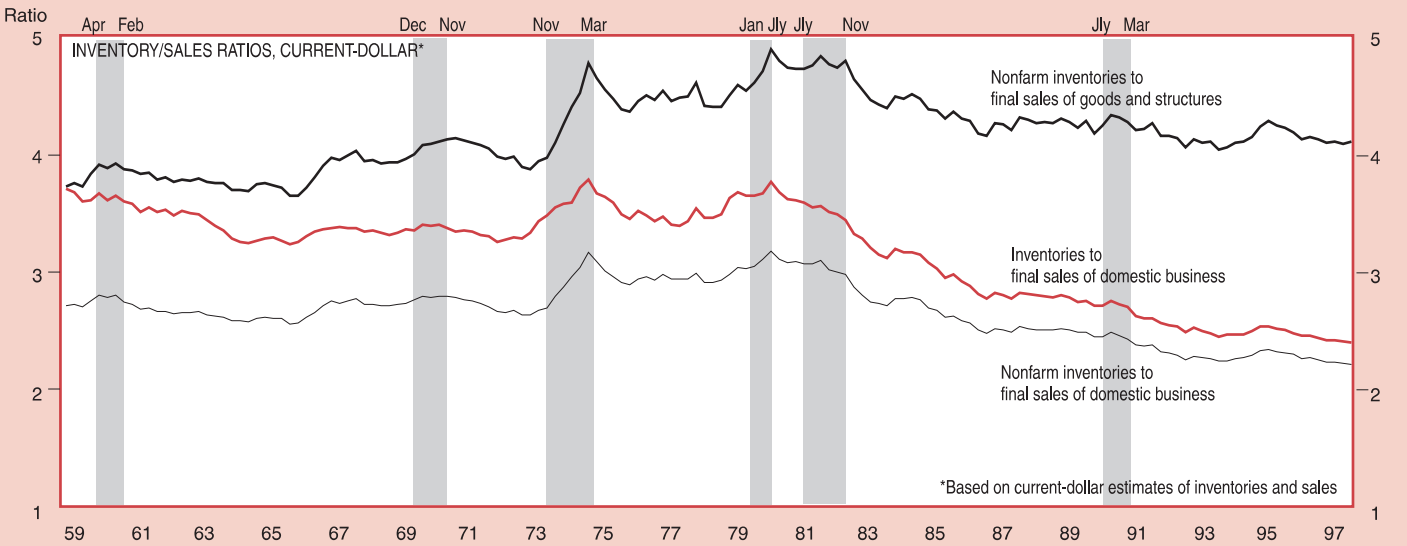
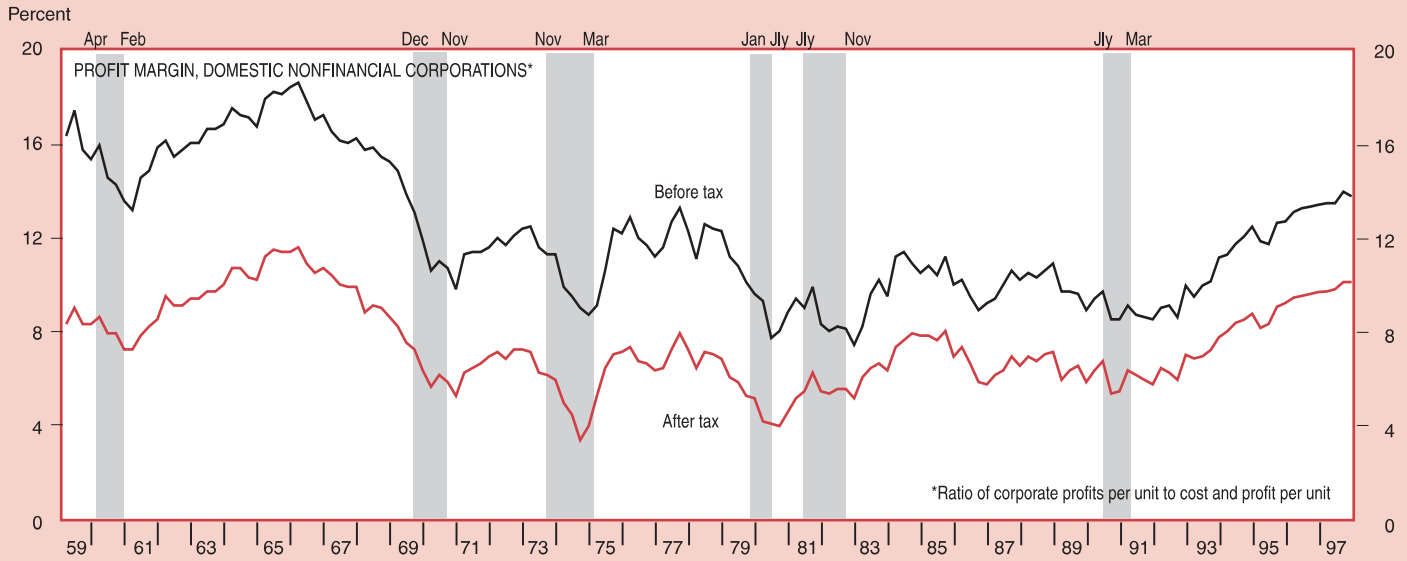
SHARES OF GROSS DOMESTIC PURCHASES



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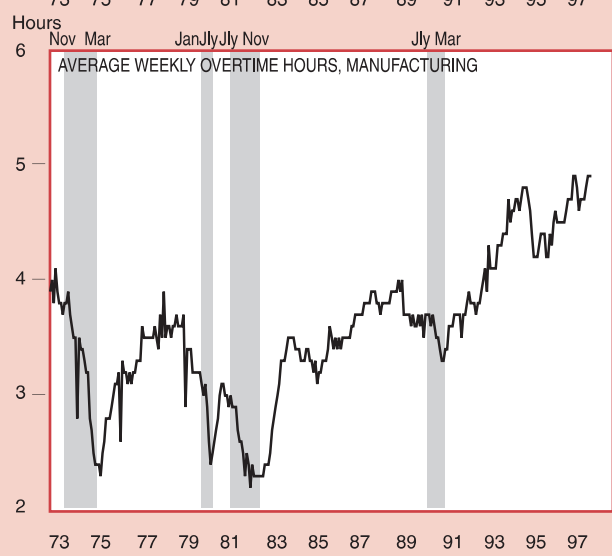
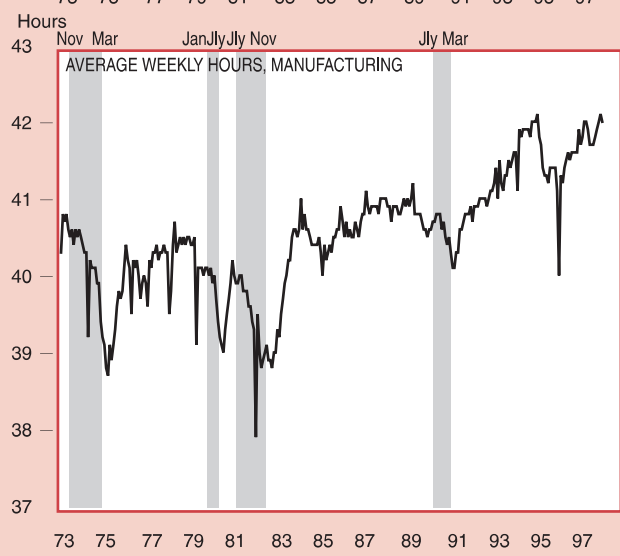
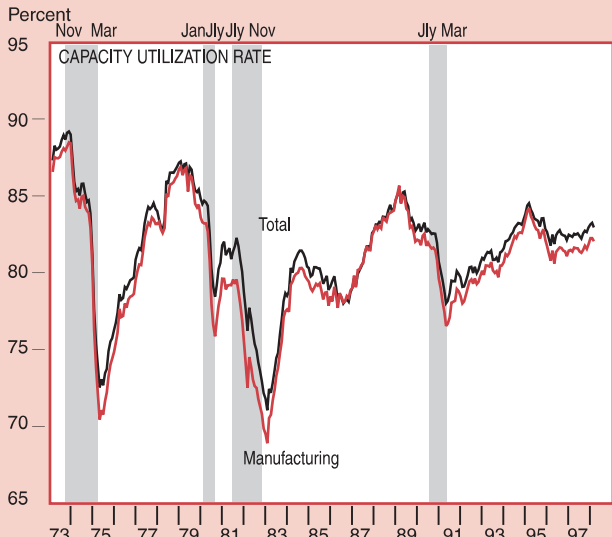
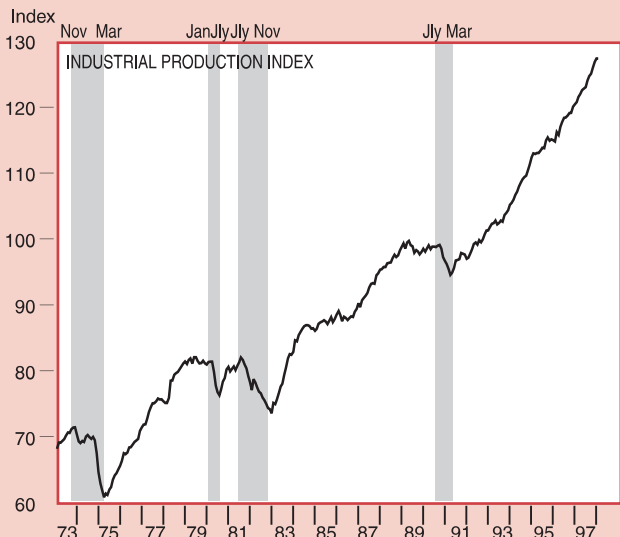
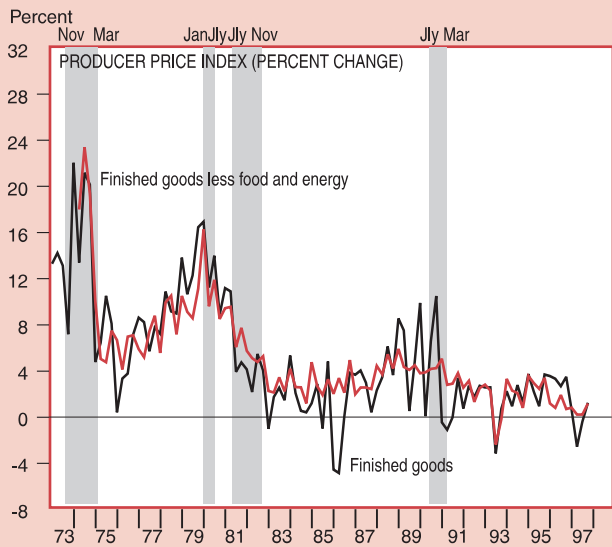
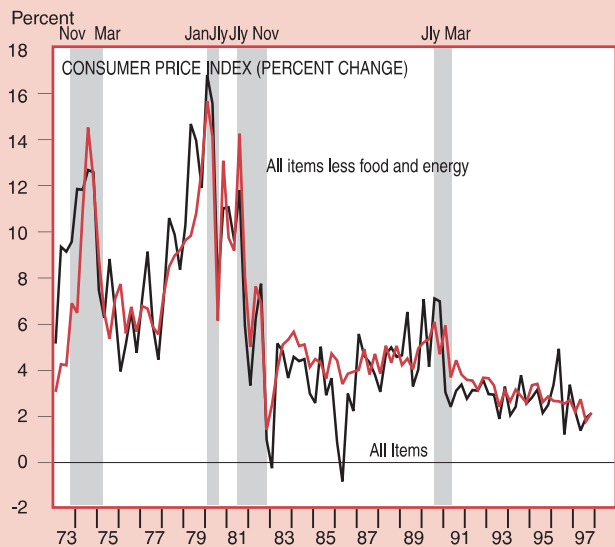


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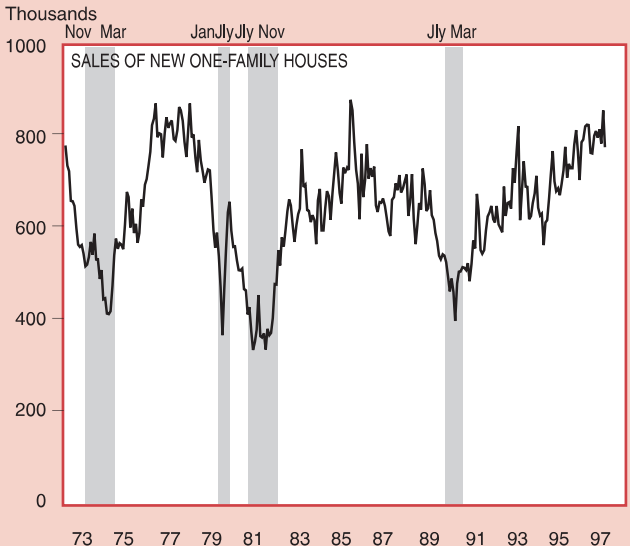
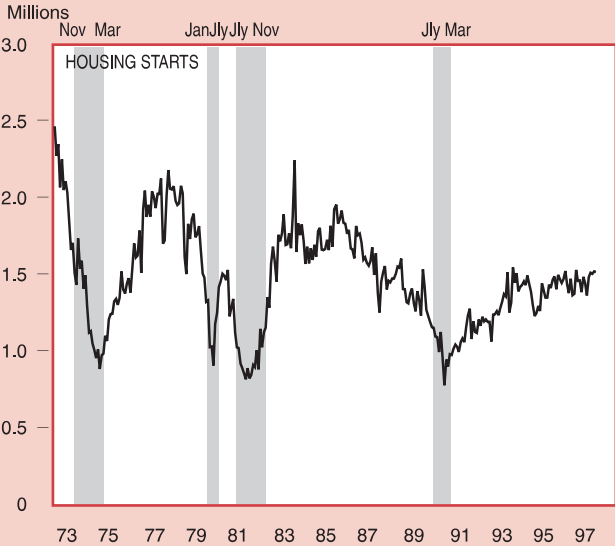
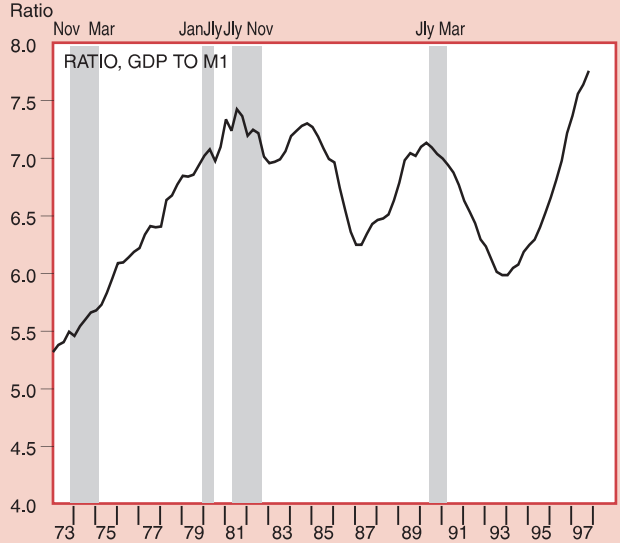
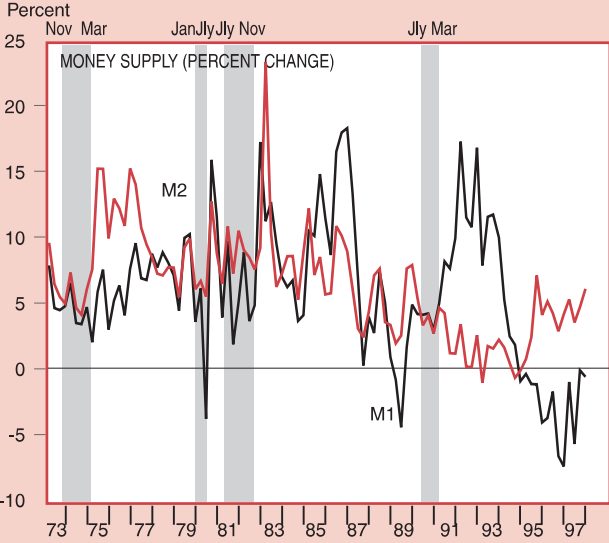
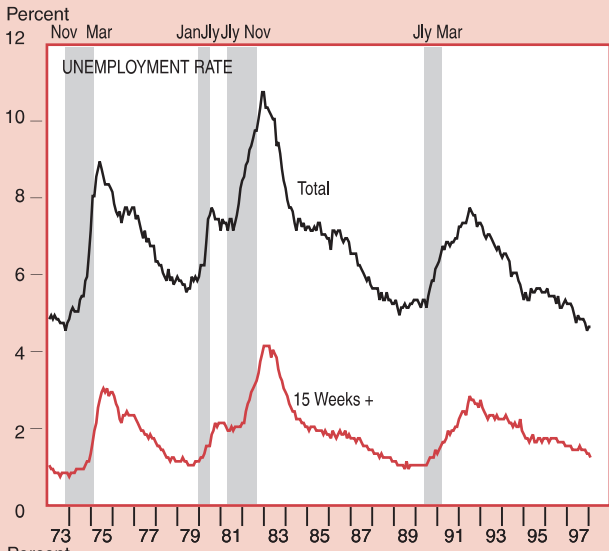




# OTHER INDICATORS OF THE DOMESTIC ECONOMY



# OTHER INDICATORS OF THE DOMESTIC ECONOMY



# International Data

## F. Transactions Tables

Table F.1 includes the most recent estimates of U.S. international trade in goods and services; the estimates were released on February 19, 1998 and include "preliminary" estimates for December 1997 and "revised" estimates for November. The sources for the other tables in this section are as noted.

**Table F.1.—U.S. International Transactions in Goods and Services**

[Millions of dollars; monthly estimates seasonally adjusted]

	1995	1996	1996		1997											
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. <sup>r</sup>	Dec. <sup>p</sup>
<b>Exports of goods and services</b>	<b>794,610</b>	<b>848,833</b>	<b>73,969</b>	<b>72,444</b>	<b>71,848</b>	<b>74,282</b>	<b>78,124</b>	<b>78,385</b>	<b>77,989</b>	<b>78,365</b>	<b>77,845</b>	<b>78,890</b>	<b>78,116</b>	<b>80,230</b>	<b>78,971</b>	<b>80,019</b>
<b>Goods</b>	<b>575,871</b>	<b>612,069</b>	<b>53,209</b>	<b>52,133</b>	<b>51,686</b>	<b>53,687</b>	<b>57,155</b>	<b>57,162</b>	<b>56,871</b>	<b>57,378</b>	<b>56,745</b>	<b>57,326</b>	<b>56,370</b>	<b>58,450</b>	<b>57,586</b>	<b>58,674</b>
Foods, feeds, and beverages	50,473	55,534	5,012	4,398	4,327	4,272	4,181	4,162	4,052	3,929	3,832	4,234	4,337	4,681	4,612	4,426
Industrial supplies and materials	146,247	147,652	12,252	12,463	12,091	12,706	13,731	13,507	13,999	13,885	13,169	13,373	13,133	13,229	13,095	13,071
Capital goods, except automotive	233,046	252,895	22,211	22,052	21,555	22,715	24,713	24,971	24,760	24,482	24,898	24,913	24,778	25,350	24,448	26,873
Automotive vehicles, engines, and parts	61,828	65,021	5,878	5,465	5,600	5,907	6,228	6,171	5,935	6,251	6,261	6,174	5,844	6,458	6,902	5,923
Consumer goods (nonfood), except automotive	64,425	70,138	6,070	6,015	6,068	6,264	6,481	6,339	6,663	6,720	6,397	6,448	6,400	6,752	6,569	6,406
Other goods	28,723	33,836	3,064	3,056	2,595	2,493	2,808	2,709	3,057	2,968	3,218	3,228	3,010	3,021	2,623	2,855
Adjustments <sup>1</sup>	-8,871	-13,006	-1,279	-1,316	-551	-671	-988	-697	-995	-857	-1,031	-1,044	-1,133	-1,040	-663	-880
<b>Services</b>	<b>218,739</b>	<b>236,764</b>	<b>20,760</b>	<b>20,311</b>	<b>20,162</b>	<b>20,595</b>	<b>20,969</b>	<b>21,223</b>	<b>21,118</b>	<b>20,987</b>	<b>21,100</b>	<b>21,564</b>	<b>21,746</b>	<b>21,780</b>	<b>21,385</b>	<b>21,345</b>
Travel	63,395	69,908	6,215	5,823	5,947	6,243	6,366	6,389	6,189	6,027	6,098	6,342	6,537	6,418	6,184	6,134
Passenger fares	19,125	20,557	1,801	1,690	1,711	1,797	1,811	1,880	1,830	1,801	1,805	1,846	1,920	1,877	1,819	1,794
Other transportation	27,412	27,216	2,393	2,349	2,291	2,321	2,387	2,379	2,365	2,299	2,289	2,423	2,428	2,459	2,401	2,416
Royalties and license fees	27,383	29,974	2,570	2,574	2,561	2,563	2,575	2,550	2,540	2,532	2,541	2,535	2,528	2,531	2,533	2,530
Other private services	66,850	73,569	6,370	6,426	6,510	6,588	6,662	6,756	6,878	6,995	7,059	7,108	7,022	7,168	7,125	7,147
Transfers under U.S. military agency sales contracts <sup>2</sup>	13,756	14,647	1,342	1,381	1,074	1,015	1,101	1,205	1,252	1,270	1,245	1,247	1,248	1,261	1,258	1,259
U.S. Government miscellaneous services	818	893	69	68	68	68	67	64	64	63	63	63	63	66	65	65
<b>Imports of goods and services</b>	<b>896,467</b>	<b>959,873</b>	<b>81,634</b>	<b>83,045</b>	<b>83,458</b>	<b>84,138</b>	<b>85,955</b>	<b>86,504</b>	<b>87,178</b>	<b>86,702</b>	<b>87,589</b>	<b>87,945</b>	<b>89,344</b>	<b>89,321</b>	<b>87,647</b>	<b>90,804</b>
<b>Goods</b>	<b>749,431</b>	<b>803,239</b>	<b>68,385</b>	<b>69,828</b>	<b>69,834</b>	<b>70,448</b>	<b>72,032</b>	<b>72,689</b>	<b>73,234</b>	<b>72,622</b>	<b>73,593</b>	<b>73,885</b>	<b>74,908</b>	<b>74,929</b>	<b>73,308</b>	<b>76,317</b>
Foods, feeds, and beverages	33,176	35,710	2,976	3,189	3,074	3,105	3,328	3,358	3,378	3,251	3,395	3,347	3,395	3,304	3,213	3,516
Industrial supplies and materials	181,849	204,482	17,562	18,698	17,944	17,641	17,969	17,575	17,905	17,565	17,456	17,878	18,288	18,363	17,520	17,764
Capital goods, except automotive	221,431	229,050	19,330	19,581	19,466	19,439	20,422	20,686	20,988	21,250	21,574	22,060	21,984	22,386	21,385	22,461
Automotive vehicles, engines, and parts	123,795	128,938	11,234	10,846	11,763	12,113	11,685	11,366	11,625	11,594	12,291	11,817	11,821	11,252	11,806	12,210
Consumer goods (nonfood), except automotive	159,905	171,007	14,749	15,149	15,117	15,256	14,927	16,214	16,079	15,716	16,100	16,009	16,856	16,645	16,746	17,396
Other goods	23,387	26,102	2,245	2,130	2,224	2,465	2,244	2,472	2,361	2,355	2,549	2,531	2,505	2,738	2,405	2,552
Adjustments <sup>1</sup>	5,888	7,950	289	235	247	429	1,456	1,019	897	891	227	242	259	242	234	417
<b>Services</b>	<b>147,036</b>	<b>156,634</b>	<b>13,249</b>	<b>13,217</b>	<b>13,624</b>	<b>13,690</b>	<b>13,923</b>	<b>13,815</b>	<b>13,944</b>	<b>14,080</b>	<b>13,996</b>	<b>14,060</b>	<b>14,436</b>	<b>14,392</b>	<b>14,339</b>	<b>14,487</b>
Travel	46,053	48,739	4,156	4,061	4,295	4,312	4,411	4,275	4,340	4,388	4,288	4,289	4,524	4,471	4,545	4,642
Passenger fares	14,433	15,776	1,367	1,342	1,411	1,425	1,447	1,397	1,392	1,412	1,398	1,399	1,484	1,458	1,469	1,504
Other transportation	28,249	28,453	2,323	2,366	2,448	2,439	2,491	2,518	2,546	2,478	2,420	2,523	2,575	2,588	2,476	2,502
Royalties and license fees	6,503	7,322	589	604	588	598	613	609	615	623	659	641	651	660	671	680
Other private services	39,285	42,796	3,680	3,707	3,739	3,770	3,811	3,893	3,933	4,062	4,104	4,081	4,074	4,069	4,055	4,038
Direct defense expenditures <sup>2</sup>	9,890	10,861	907	911	914	917	922	896	892	891	899	900	901	919	896	894
U.S. Government miscellaneous services	2,623	2,687	227	226	229	229	228	227	226	226	228	227	227	227	227	227
<b>Memoranda:</b>																
Balance on goods	-173,560	-191,170	-15,176	-17,695	-18,149	-16,761	-14,877	-15,528	-16,363	-15,244	-16,849	-16,559	-18,538	-16,479	-15,723	-17,643
Balance on services	71,703	80,130	7,511	7,094	6,538	6,905	7,046	7,408	7,174	6,907	7,104	7,504	7,310	7,388	7,046	6,858
Balance on goods and services	-101,857	-111,040	-7,665	-10,601	-11,611	-9,856	-7,831	-8,120	-9,189	-8,337	-9,745	-9,055	-11,228	-9,091	-8,677	-10,785

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

1. Reflects adjustments necessary to bring the Census Bureau's component data in line with the concepts and definitions used to prepare BEA's international and national accounts.

2. Contains goods that cannot be separately identified.

Source: U.S. Department of Commerce, Bureau of Economic Analysis and Bureau of the Census

Table F.2.—U.S. International Transactions

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	1996	Not seasonally adjusted						Seasonally adjusted					
			1996			1997			1996			1997		
			II	III	IV	I	II <sup>r</sup>	III <sup>p</sup>	II	III	IV	I	II <sup>r</sup>	III <sup>p</sup>
1	<b>Exports of goods, services, and income</b> .....	<b>1,055,233</b>	<b>261,665</b>	<b>260,424</b>	<b>276,672</b>	<b>278,315</b>	<b>293,478</b>	<b>294,545</b>	<b>262,335</b>	<b>261,979</b>	<b>274,545</b>	<b>279,521</b>	<b>293,868</b>	<b>295,597</b>
2	Goods, adjusted, excluding military <sup>2</sup> .....	612,069	154,198	145,670	160,759	162,812	172,548	165,691	153,411	150,764	157,846	162,527	171,411	170,579
3	Services <sup>3</sup> .....	236,764	57,121	63,564	60,669	59,841	61,652	69,075	58,736	59,322	61,656	61,725	63,328	64,410
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	14,647	3,961	3,572	4,022	3,190	3,727	3,740	3,961	3,572	4,022	3,190	3,727	3,740
5	Travel .....	69,908	17,165	21,041	16,898	16,421	18,428	22,696	17,356	17,659	18,183	18,556	18,605	18,977
6	Passenger fares .....	20,557	4,769	6,104	4,916	4,976	5,302	6,513	4,952	5,237	5,282	5,319	5,511	5,571
7	Other transportation .....	27,216	6,788	6,763	7,229	6,873	7,029	7,193	6,805	6,716	7,142	6,999	7,043	7,140
8	Royalties and license fees <sup>5</sup> .....	29,974	7,170	7,410	8,273	7,389	7,445	7,527	7,345	7,495	7,703	7,699	7,622	7,604
9	Other private services <sup>5</sup> .....	73,569	17,082	18,464	19,124	20,789	19,530	21,217	18,130	18,433	19,117	19,759	20,629	21,189
10	U.S. Government miscellaneous services .....	893	187	210	207	203	191	189	187	210	207	203	191	189
11	Income receipts on U.S. assets abroad .....	206,400	50,346	51,190	55,243	55,663	59,278	59,779	50,188	51,893	55,043	55,269	59,129	60,608
12	Direct investment receipts .....	98,890	24,318	23,837	27,123	26,164	28,380	27,138	23,929	24,675	26,898	25,872	27,970	28,088
13	Other private receipts .....	102,866	25,053	25,938	27,323	28,544	30,151	31,643	25,053	25,938	27,323	28,544	30,151	31,643
14	U.S. Government receipts .....	4,644	975	1,415	888	955	747	998	1,206	1,280	913	853	1,008	877
15	<b>Imports of goods, services, and income</b> .....	<b>-1,163,450</b>	<b>-289,195</b>	<b>-301,489</b>	<b>-302,337</b>	<b>-300,017</b>	<b>-322,999</b>	<b>-335,255</b>	<b>-289,231</b>	<b>-295,865</b>	<b>-299,493</b>	<b>-310,811</b>	<b>-322,760</b>	<b>-328,549</b>
16	Goods, adjusted, excluding military <sup>2</sup> .....	-803,239	-199,450	-205,518	-210,542	-204,876	-217,230	-225,289	-200,973	-203,257	-206,036	-212,314	-218,545	-222,128
17	Services <sup>3</sup> .....	-156,634	-40,128	-42,415	-38,253	-38,247	-43,073	-45,746	-38,953	-39,345	-39,664	-41,238	-41,839	-42,492
18	Direct defense expenditures .....	-10,861	-2,747	-2,780	-2,757	-2,753	-2,679	-2,700	-2,747	-2,780	-2,727	-2,753	-2,679	-2,700
19	Travel .....	-48,739	-13,236	-14,321	-10,690	-10,935	-14,205	-15,664	-12,099	-11,915	-12,241	-13,018	-13,003	-13,101
20	Passenger fares .....	-15,776	-4,188	-4,406	-3,637	-3,947	-4,445	-4,789	-3,943	-3,920	-4,053	-4,283	-4,201	-4,281
21	Other transportation .....	-28,453	-7,222	-7,380	-7,203	-7,191	-7,514	-7,686	-7,253	-7,218	-7,166	-7,378	-7,542	-7,518
22	Royalties and license fees <sup>5</sup> .....	-7,322	-1,606	-2,154	-1,865	-1,772	-1,758	-1,963	-1,684	-2,144	-1,770	-1,799	-1,847	-1,951
23	Other private services <sup>5</sup> .....	-42,796	-10,473	-10,682	-11,451	-10,962	-11,793	-12,262	-10,570	-10,676	-11,027	-11,321	-11,888	-12,259
24	U.S. Government miscellaneous services .....	-2,687	-657	-692	-680	-686	-679	-682	-657	-692	-680	-686	-679	-682
25	Income payments on foreign assets in the United States .....	-203,577	-49,616	-53,556	-53,542	-56,895	-62,966	-64,220	-49,305	-53,263	-53,793	-57,259	-62,376	-63,929
26	Direct investment payments .....	-32,132	-8,184	-9,905	-7,554	-8,175	-10,561	-10,992	-7,873	-9,612	-7,805	-8,539	-10,241	-10,701
27	Other private payments .....	-100,103	-24,600	-25,158	-26,135	-27,581	-29,341	-29,759	-24,600	-25,158	-26,135	-27,581	-29,341	-29,759
28	U.S. Government payments .....	-71,342	-16,832	-18,493	-21,139	-21,139	-22,794	-23,469	-16,832	-18,493	-19,853	-21,139	-22,794	-23,469
29	<b>Unilateral transfers, net</b> .....	<b>-39,968</b>	<b>-8,122</b>	<b>-9,103</b>	<b>-12,305</b>	<b>-8,604</b>	<b>-8,623</b>	<b>-9,061</b>	<b>-8,689</b>	<b>-8,947</b>	<b>-11,926</b>	<b>-8,682</b>	<b>-8,960</b>	<b>-9,204</b>
30	U.S. Government grants <sup>4</sup> .....	-14,933	-2,423	-2,690	-5,499	-2,109	-2,245	-2,252	-2,423	-2,690	-5,499	-2,109	-2,245	-2,252
31	U.S. Government pensions and other transfers .....	-4,331	-781	-1,188	-1,407	-795	-1,057	-936	-1,081	-1,064	-1,050	-1,083	-1,128	-1,099
32	Private remittances and other transfers <sup>6</sup> .....	-20,704	-4,918	-5,225	-5,399	-5,700	-5,321	-5,873	-5,185	-5,193	-5,377	-5,490	-5,587	-5,853
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-352,444</b>	<b>-51,161</b>	<b>-78,638</b>	<b>-149,829</b>	<b>-130,316</b>	<b>-92,849</b>	<b>-103,146</b>	<b>-49,698</b>	<b>-77,542</b>	<b>-154,436</b>	<b>-127,969</b>	<b>-90,935</b>	<b>-101,564</b>
34	U.S. official reserve assets, net <sup>7</sup> .....	6,668	-523	7,489	-315	4,480	-236	-730	-523	7,489	-315	4,480	-236	-730
35	Gold .....	370	-133	848	-146	72	-133	-139	-133	848	-146	72	-133	-139
36	Special drawing rights .....	-1,280	-220	-183	-28	1,055	64	-463	-220	-183	-28	1,055	64	-463
37	Reserve position in the International Monetary Fund .....	7,578	-170	6,824	-141	3,353	-157	-128	-170	6,824	-141	3,353	-157	-128
38	Foreign currencies .....	-690	-358	162	-284	-21	-268	482	-358	162	-284	-21	-268	482
39	U.S. Government assets, other than official reserve assets, net .....	-4,930	-1,489	-1,127	-1,238	-1,107	-1,613	-1,382	-1,489	-1,127	-1,238	-1,107	-1,613	-1,382
40	U.S. credits and other long-term assets .....	4,134	870	1,206	1,045	1,111	1,358	1,872	870	1,206	1,045	1,111	1,358	1,872
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	106	261	83	-91	-25	-13	-8	261	83	-91	-25	-13	-8
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	-358,422	-50,280	-86,289	-149,230	-134,775	-92,345	-102,898	-48,817	-85,193	-153,837	-132,428	-90,431	-101,316
43	U.S. private assets, net .....	-87,813	-25,097	-12,200	-26,258	-28,773	-38,573	-26,243	-23,634	-11,104	-30,865	-26,426	-36,659	-24,661
44	Direct investment .....	-108,189	-20,328	-23,206	-30,200	-14,510	-21,841	-37,995	-20,328	-23,206	-30,200	-14,510	-21,841	-37,995
45	Foreign securities .....	-64,234	-5,047	-17,294	-26,115	-29,466	-3,984	-15,900	-5,047	-17,294	-26,115	-29,466	-3,984	-15,900
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-98,186	192	-33,589	-66,657	-62,026	-27,947	-22,760	192	-33,589	-66,657	-62,026	-27,947	-22,760
47	U.S. claims reported by U.S. banks, not included elsewhere .....	547,555	106,568	159,231	193,738	181,978	143,508	170,177	106,114	158,629	194,579	182,238	143,015	169,540
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>547,555</b>	<b>106,568</b>	<b>159,231</b>	<b>193,738</b>	<b>181,978</b>	<b>143,508</b>	<b>170,177</b>	<b>106,114</b>	<b>158,629</b>	<b>194,579</b>	<b>182,238</b>	<b>143,015</b>	<b>169,540</b>
49	Foreign official assets in the United States, net .....	122,354	13,154	24,089	33,097	28,891	-5,374	22,498	13,154	24,089	33,097	28,891	-5,374	22,498
50	U.S. Government securities .....	115,634	-2,125	26,689	35,418	23,940	-11,464	9,148	-2,125	26,689	35,418	23,940	-11,464	9,148
51	U.S. Treasury securities <sup>9</sup> .....	111,253	-3,383	25,472	33,564	23,289	-12,108	6,485	-3,383	25,472	33,564	23,289	-12,108	6,485
52	Other <sup>10</sup> .....	4,381	1,258	1,217	1,854	651	644	2,663	1,258	1,217	1,854	651	644	2,663
53	Other U.S. Government liabilities <sup>11</sup> .....	720	-204	907	160	478	654	16	-204	907	160	478	654	16
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	4,722	14,198	-1,922	-4,270	7,698	4,536	12,705	14,198	-1,922	-4,270	7,698	4,536	12,705
55	Other foreign official assets <sup>12</sup> .....	1,278	1,285	-1,585	1,789	-3,225	900	629	1,285	-1,585	1,789	-3,225	900	629
56	Other foreign assets in the United States, net .....	425,201	93,414	135,142	160,641	153,087	148,882	147,679	92,960	134,540	161,482	153,347	148,389	147,042
57	Direct investment .....	76,955	17,894	26,579	16,820	30,381	27,101	21,713	17,440	25,977	17,661	30,641	26,608	21,076
58	U.S. Treasury securities and U.S. currency flows .....	172,878	36,152	50,798	75,326	51,289	49,915	43,494	36,152	50,798	75,326	51,289	49,915	43,494
59	U.S. securities other than U.S. Treasury securities .....	133,798	29,761	35,115	32,447	38,820	51,682	60,770	29,761	35,115	32,447	38,820	51,682	60,770
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	31,786	7,288	20,610	-2,912	15,210	-7,916	7,600	7,288	20,610	-2,912	15,210	-7,916	7,600
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	9,784	2,319	2,040	38,960	17,387	28,100	14,102	2,319	2,040	38,960	17,387	28,100	14,102
62	<b>Allocations of special drawing rights</b> .....													
63	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>-46,927</b>	<b>-19,755</b>	<b>-30,424</b>	<b>-9,938</b>	<b>-21,356</b>	<b>-12,515</b>	<b>-17,260</b>	<b>-20,831</b>	<b>-38,254</b>	<b>-3,269</b>	<b>-14,297</b>	<b>-14,228</b>	<b>-25,820</b>
63a	Of which seasonal adjustment discrepancy .....								-1,076	-7,830	2,669	7,059	-1,713	-8,560
	<b>Memoranda:</b>													
64	Balance on goods (lines 2 and 16) .....	-191,170	-45,252	-59,848	-49,783	-42,064	-44,682	-59,598	-47,562	-52,493	-48,190	-49,787	-47,134	-51,549
65	Balance on services (lines 3 and 17) .....	8												

Table F.3.—Selected U.S. International Transactions, by Area  
[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Western Europe			European Union <sup>14</sup>			United Kingdom			European Union (6) <sup>15</sup>		
		1997			1997			1997			1997		
		I	II <sup>r</sup>	III <sup>p</sup>	I	II <sup>r</sup>	III <sup>p</sup>	I	II <sup>r</sup>	III <sup>p</sup>	I	II <sup>r</sup>	III <sup>p</sup>
1	<b>Exports of goods, services, and income</b>	<b>82,285</b>	<b>85,940</b>	<b>84,666</b>	<b>74,107</b>	<b>76,451</b>	<b>76,476</b>	<b>23,784</b>	<b>24,050</b>	<b>23,597</b>	<b>38,711</b>	<b>40,599</b>	<b>41,155</b>
2	Goods, adjusted, excluding military <sup>2</sup>	38,645	39,866	35,404	35,089	35,147	32,449	9,554	9,327	8,149	20,391	20,776	19,722
3	Services <sup>3</sup>	19,651	21,070	24,110	17,350	18,686	21,434	5,347	5,673	6,393	8,859	9,613	11,386
4	Transfers under U.S. military agency sales contracts <sup>4</sup>	934	879	928	566	487	533	213	108	105	150	109	181
5	Travel	4,678	5,896	7,689	4,247	5,388	7,031	1,602	2,023	2,379	1,937	2,536	3,620
6	Passenger fares	1,448	1,728	2,448	1,375	1,639	2,329	358	379	566	821	1,008	1,421
7	Other transportation	1,942	2,002	2,107	1,557	1,593	1,684	458	423	434	687	715	757
8	Royalties and license fees <sup>5</sup>	3,711	3,540	3,594	3,542	3,355	3,405	625	630	706	2,162	2,014	2,087
9	Other private services <sup>5</sup>	6,896	6,990	7,303	6,026	6,194	6,417	2,079	2,099	2,191	3,086	3,217	3,303
10	U.S. Government miscellaneous services	42	35	41	37	30	35	12	11	12	15	14	17
11	Income receipts on U.S. assets abroad	23,990	25,004	25,152	21,668	22,618	22,593	8,883	9,050	9,055	9,462	10,210	10,047
12	Direct investment receipts	12,013	12,442	11,931	10,583	10,967	10,328	3,795	3,537	3,163	5,184	5,783	5,557
13	Other private receipts	11,695	12,392	12,946	10,843	11,506	12,034	5,088	5,513	5,892	4,137	4,295	4,354
14	U.S. Government receipts	282	170	275	242	145	231				141	132	136
15	<b>Imports of goods, services, and income</b>	<b>-83,405</b>	<b>-94,876</b>	<b>-94,109</b>	<b>-75,539</b>	<b>-86,504</b>	<b>-85,845</b>	<b>-28,874</b>	<b>-31,843</b>	<b>-31,997</b>	<b>-36,556</b>	<b>-42,988</b>	<b>-41,993</b>
16	Goods, adjusted, excluding military <sup>2</sup>	-40,901	-45,115	-42,971	-37,268	-41,220	-39,192	-7,578	-7,949	-8,100	-23,637	-26,620	-24,612
17	Services <sup>3</sup>	-14,442	-17,876	-18,784	-12,697	-15,744	-16,739	-4,671	-5,438	-5,836	-6,567	-7,937	-8,337
18	Direct defense expenditures	-1,780	-1,594	-1,700	-1,415	-1,263	-1,350	-136	-132	-100	-1,168	-1,044	-1,100
19	Travel	-3,057	-5,609	-5,911	-2,871	-5,133	-5,529	-1,020	-1,450	-1,575	-1,554	-2,738	-2,959
20	Passenger fares	-1,752	-2,338	-2,529	-1,593	-2,102	-2,287	-631	-899	-925	-679	-828	-920
21	Other transportation	-2,456	-2,683	-2,741	-1,932	-2,062	-2,136	-565	-514	-578	-967	-1,002	-1,026
22	Royalties and license fees <sup>5</sup>	-1,213	-1,196	-1,289	-1,035	-995	-1,108	-511	-474	-544	-465	-454	-467
23	Other private services <sup>5</sup>	-3,890	-4,168	-4,324	-3,599	-3,942	-4,080	-1,785	-1,946	-2,091	-1,547	-1,687	-1,679
24	U.S. Government miscellaneous services	-293	-288	-290	-252	-247	-249	-23	-23	-23	-186	-184	-186
25	Income payments on foreign assets in the United States	-28,063	-31,885	-32,354	-25,574	-29,540	-29,914	-16,626	-18,456	-18,061	-6,652	-8,431	-9,044
26	Direct investment payments	-6,311	-8,578	-8,056	-5,521	-7,951	-7,311	-2,666	-3,247	-2,422	-2,344	-3,964	-4,060
27	Other private payments	-13,688	-14,475	-14,827	-12,762	-13,523	-13,861	-9,776	-10,345	-10,477	-2,429	-2,570	-2,791
28	U.S. Government payments	-8,064	-8,832	-9,471	-7,291	-8,066	-8,742	-4,184	-4,864	-5,162	-1,879	-1,897	-2,193
29	<b>Unilateral transfers, net</b>	<b>45</b>	<b>63</b>	<b>-50</b>	<b>243</b>	<b>288</b>	<b>268</b>	<b>350</b>	<b>374</b>	<b>390</b>	<b>87</b>	<b>110</b>	<b>67</b>
30	U.S. Government grants <sup>4</sup>	-102	-134	-201	-17	-11							
31	U.S. Government pensions and other transfers	-281	-330	-306	-249	-282	-267	-44	-48	-44	-144	-157	-152
32	Private remittances and other transfers <sup>6</sup>	428	527	457	509	581	535	394	422	434	231	267	219
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	<b>-83,486</b>	<b>-21,851</b>	<b>-41,951</b>	<b>-75,870</b>	<b>-20,810</b>	<b>-28,853</b>	<b>-34,277</b>	<b>-14,108</b>	<b>-11,745</b>	<b>-31,031</b>	<b>-3,431</b>	<b>-16,139</b>
34	U.S. official reserve assets, net <sup>7</sup>	-196	-139	-142	12	-227	189				12	-227	189
35	Gold												
36	Special drawing rights												
37	Reserve position in the International Monetary Fund												
38	Foreign currencies	-196	-139	-142	12	-227	189				12	-227	189
39	U.S. Government assets, other than official reserve assets, net	157	-17	198	141	-62	170	-5	4		-8	-17	1
40	U.S. credits and other long-term assets	-86	-112	-71	-35	-51	-35						
41	Repayments on U.S. credits and other long-term assets <sup>8</sup>	255	109	274	188	4	204						
42	U.S. foreign currency holdings and U.S. short-term assets, net	-12	-14	-5	-12	-15	1	-5	4			-17	1
43	U.S. private assets, net	-83,447	-21,695	-42,007	-76,023	-20,521	-29,212	-34,272	-14,112	-11,745	-31,035	-3,187	-16,329
44	Direct investment	-12,590	-22,885	-10,479	-11,023	-21,951	-6,504	-2,446	-14,312	2,019	-6,631	-6,722	-7,457
45	Foreign securities	-3,366	4,773	-19,674	-2,135	4,397	-20,218	-2,013	1,663	19,868	1,504	1,111	-796
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-16,678	-5,269		-16,590	-5,152		-8,552	-5,037		-7,145	1,708	
47	U.S. claims reported by U.S. banks, not included elsewhere	-50,813	1,686	-11,854	-46,275	2,185	-2,490	-21,261	3,574	6,104	-18,763	716	-8,076
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	<b>111,398</b>	<b>85,754</b>	<b>110,212</b>	<b>103,122</b>	<b>84,121</b>	<b>103,883</b>	<b>80,358</b>	<b>40,075</b>	<b>57,025</b>	<b>11,978</b>	<b>42,247</b>	<b>37,090</b>
49	Foreign official assets in the United States, net	11,034	1,172	396	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities <sup>9</sup>	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
52	Other <sup>10</sup>	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
53	U.S. Government liabilities <sup>11</sup>	73	209	284	94	157	337	-77	-32	6	76	106	80
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets <sup>12</sup>	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net	100,364	84,582	109,816	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment	26,390	14,755	12,979	24,223	12,349	5,920	13,684	1,488	1,420	10,138	11,037	3,122
58	U.S. Treasury securities and U.S. currency flows	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. securities other than U.S. Treasury securities	30,948	32,525	38,295	29,431	30,234	38,335	21,470	21,027	24,361	6,003	7,631	12,307
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	12,825	-368		12,560	-386		11,576	412		713	-914	
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	18 36,814	18 41,767	18 59,291	18 33,705	18 17,180	18 31,238	18 4,952	18 24,387	18 21,581
62	<b>Allocations of special drawing rights</b>												
63	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b>	<b>-26,837</b>	<b>-55,030</b>	<b>-58,768</b>	<b>-26,062</b>	<b>-53,546</b>	<b>-65,929</b>	<b>-41,341</b>	<b>-18,548</b>	<b>-37,270</b>	<b>17,111</b>	<b>-36,537</b>	<b>-20,180</b>
64	<b>Memoranda:</b>												
65	Balance on goods (lines 2 and 16)	-2,256	-5,249	-7,567	-2,179	-6,073	-6,743	1,976	1,378	49	-3,246	-5,844	-4,890
66	Balance on services (lines 3 and 17)	5,209	3,194	5,326	4,653	2,942	4,695	677	235	557	2,292	1,676	3,049
67	Balance on goods and services (lines 64 and 65)	2,953	-2,055	-2,241	2,474	-3,131	-2,048	2,653	1,613	606	-954	-4,168	-1,841
68	Balance on investment income (lines 11 and 25)	-4,073	-6,881	-7,202	-3,906	-6,922	-7,321	-7,743	-9,406	-9,006	2,809	-1,779	1,003
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) <sup>13</sup>	-1,120	-8,936	-9,443	-1,433	-10,053	-9,369	-5,090	-7,793	-8,400	1,855	-2,389	-838
70	Unilateral transfers, net (line 29)	45	63	-50	243	288	268	350	374	390	87	110	67
71	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) <sup>13</sup>	-1,075	-8,873	-9,493	-1,190	-9,765	-9,101	-4,740	-7,419	-8,010	1,942	-2,279	-771

<sup>r</sup> Preliminary.  
<sup>r</sup> Revised.  
 1. Credits, +; Exports of goods, services, and income; unilateral transfers to United States; capital inflows (increase in foreign assets (U.S. liabilities) or decrease in U.S. assets); decrease in U.S. official reserve assets; increase in foreign official assets in the United States.  
 Debts, -. Imports of goods, services, and income; unilateral transfers to foreigners; capital outflows (decrease in foreign assets (U.S. liabilities) or increase in U.S. assets); increase in U.S. official reserve assets; decrease in foreign official assets in the United States.  
 2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2 in "U.S. International Transactions, Third Quarter 1997" in the January 1998 issue of the SURVEY.  
 3. Includes some goods: Mainly military equipment in line 4; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 18; and fuels purchased by airline and steamship operators in lines 7 and 21.  
 4. Includes transfers of goods and services under U.S. military grant programs.  
 5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.  
 6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.  
 7. For all areas, amounts outstanding September 30, 1997, were as follows in millions of dollars: Line 34, 67,148; line 35, 11,050; line 36, 9,997; line 37, 14,042; line 38, 32,059. Data are preliminary.

8. Includes transfers of goods and services under U.S. military grant programs.  
 9. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.  
 10. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.  
 11. For all areas, amounts outstanding September 30, 1997, were as follows in millions of dollars: Line 34, 67,148; line 35, 11,050; line 36, 9,997; line 37, 14,042; line 38, 32,059. Data are preliminary.

Table F.3.—Selected U.S. International Transactions, by Area  
[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Eastern Europe			Canada			Latin America and Other Western Hemisphere			Japan		
		1997			1997			1997			1997		
		I	II <sup>r</sup>	III <sup>p</sup>	I	II <sup>r</sup>	III <sup>p</sup>	I	II <sup>r</sup>	III <sup>p</sup>	I	II <sup>r</sup>	III <sup>p</sup>
1	<b>Exports of goods, services, and income</b> .....	<b>3,108</b>	<b>3,403</b>	<b>3,205</b>	<b>47,188</b>	<b>49,685</b>	<b>47,024</b>	<b>51,153</b>	<b>55,830</b>	<b>60,431</b>	<b>28,710</b>	<b>28,385</b>	<b>28,675</b>
2	Goods, adjusted, excluding military <sup>2</sup> .....	1,811	2,110	1,749	36,823	39,042	36,795	29,516	32,425	34,444	16,448	16,557	15,702
3	Services <sup>3</sup> .....	881	846	943	5,448	5,392	5,011	8,905	9,046	10,671	9,753	9,266	10,689
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	96	80	61	24	22	23	114	95	110	156	98	130
5	Travel .....	173	227	293	1,954	1,907	1,601	3,543	3,551	4,527	3,486	3,243	4,157
6	Passenger fares .....	20	22	30	327	307	226	979	993	1,226	1,743	1,627	1,829
7	Other transportation .....	99	97	94	726	768	754	849	930	981	774	796	806
8	Royalties and license fees <sup>5</sup> .....	42	36	33	343	329	351	362	390	408	1,445	1,573	1,552
9	Other private services <sup>5</sup> .....	442	374	422	2,056	2,043	2,052	3,019	3,050	3,381	2,135	1,919	2,204
10	U.S. Government miscellaneous services .....	9	10	10	17	16	4	39	37	38	14	10	11
11	Income receipts on U.S. assets abroad .....	416	447	513	4,917	5,251	5,218	12,732	14,359	15,316	2,509	2,562	2,284
12	Direct investment receipts .....	247	302	262	2,581	2,793	2,747	4,192	5,450	5,634	1,103	1,148	904
13	Other private receipts .....	100	109	133	2,336	2,458	2,471	8,401	8,841	9,562	1,399	1,392	1,381
14	U.S. Government receipts .....	69	36	118	.....	.....	.....	139	68	120	7	22	-1
15	<b>Imports of goods, services, and income</b> .....	<b>-2,792</b>	<b>-3,108</b>	<b>-3,600</b>	<b>-47,506</b>	<b>-50,077</b>	<b>-48,781</b>	<b>-51,733</b>	<b>-54,841</b>	<b>-56,425</b>	<b>-41,415</b>	<b>-41,837</b>	<b>-44,334</b>
16	Goods, adjusted, excluding military <sup>2</sup> .....	-1,864	-2,009	-2,323	-42,004	-43,383	-41,319	-32,831	-34,925	-36,046	-30,096	-29,317	-30,803
17	Services <sup>3</sup> .....	-580	-722	-845	-3,009	-3,781	-4,659	-8,081	-8,362	-8,723	-3,548	-3,754	-3,948
18	Direct defense expenditures .....	-79	-51	-100	-18	-14	-15	-85	-83	-85	-257	-293	-275
19	Travel .....	-212	-338	-420	-619	-1,270	-1,216	-3,713	-3,708	-3,737	-790	-865	-907
20	Passenger fares .....	-52	-66	-96	-82	-121	-145	-742	-617	-689	-190	-182	-189
21	Other transportation .....	-80	-70	-66	-925	-965	-935	-589	-672	-659	-982	-1,018	-1,128
22	Royalties and license fees <sup>5</sup> .....	-2	-1	-2	-59	-70	-76	-28	-37	-38	-326	-323	-374
23	Other private services <sup>5</sup> .....	-142	-151	-146	-1,275	-1,308	-1,329	-2,815	-3,134	-3,404	-978	-1,049	-1,051
24	U.S. Government miscellaneous services .....	-14	-15	-15	-32	-33	-33	-110	-111	-111	-24	-24	-24
25	Income payments on foreign assets in the United States .....	-348	-377	-432	-2,493	-2,913	-2,803	-10,821	-11,554	-11,656	-7,771	-8,766	-9,583
26	Direct investment payments .....	-3	5	8	-685	-983	-961	-351	-477	-454	-1,016	-1,408	-2,077
27	Other private payments .....	-99	-99	-119	-1,279	-1,380	-1,277	-7,668	-8,240	-8,491	-1,610	-1,758	-1,680
28	U.S. Government payments .....	-246	-283	-321	-529	-550	-565	-2,802	-2,837	-2,711	-5,145	-5,600	-5,826
29	<b>Unilateral transfers, net</b> .....	<b>-653</b>	<b>-687</b>	<b>-771</b>	<b>-102</b>	<b>-74</b>	<b>-102</b>	<b>-2,627</b>	<b>-2,700</b>	<b>-2,785</b>	<b>-66</b>	<b>-25</b>	<b>-11</b>
30	U.S. Government grants <sup>4</sup> .....	-292	-359	-433	.....	.....	.....	-276	-342	-302	.....	.....	.....
31	U.S. Government pensions and other transfers .....	-9	-10	-8	-101	-102	-111	-140	-161	-144	-22	-23	-21
32	Private remittances and other transfers <sup>6</sup> .....	-352	-318	-330	-1	-2	9	-2,211	-2,197	-2,339	-44	-2	10
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-3,738</b>	<b>1,044</b>	<b>-2,607</b>	<b>-12,332</b>	<b>-5,131</b>	<b>7,117</b>	<b>-13,440</b>	<b>-40,996</b>	<b>-58,458</b>	<b>-2,623</b>	<b>-11,820</b>	<b>3,547</b>
34	U.S. official reserve assets, net <sup>7</sup> .....	.....	.....	.....	.....	.....	.....	3,500	.....	.....	49	-18	14
35	Gold .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
37	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
38	Foreign currencies .....	.....	.....	.....	.....	.....	.....	3,500	.....	.....	49	-18	14
39	U.S. Government assets, other than official reserve assets, net .....	11	-13	5	-1	1	.....	106	228	48	8	3	-1
40	U.S. credits and other long-term assets .....	-28	-328	-220	.....	.....	.....	-270	-219	-344	.....	.....	.....
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	27	315	225	.....	.....	.....	386	437	391	.....	.....	.....
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	12	.....	.....	-1	1	.....	-10	10	1	8	3	-1
43	U.S. private assets, net .....	-3,749	1,057	-2,612	-12,331	-5,132	7,117	-17,046	-41,224	-58,506	-2,680	-11,805	3,534
44	Direct investment .....	-748	-578	-368	-2,563	-2,914	-2,835	-4,657	-7,024	-6,771	-1,045	-514	-1,533
45	Foreign securities .....	-85	-577	-577	2,300	-2,428	-4,509	-6,992	-11,098	-1,635	-3,258	-10,150	-2,410
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	38	-31	.....	681	2,762	.....	-13,884	-1,576	-15,900	155	67	.....
47	U.S. claims reported by U.S. banks, not included elsewhere .....	-2,954	2,243	-1,667	-12,749	-2,552	14,461	8,487	-21,526	-34,200	1,468	-1,208	7,477
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>1,180</b>	<b>3,708</b>	<b>1,690</b>	<b>3,906</b>	<b>7,813</b>	<b>-7,503</b>	<b>7,023</b>	<b>27,322</b>	<b>29,406</b>	<b>26,740</b>	<b>20,656</b>	<b>9,005</b>
49	Foreign official assets in the United States, net .....	(18)	(18)	(18)	682	-1,430	546	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities <sup>9</sup> .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
52	Other <sup>10</sup> .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities <sup>11</sup> .....	-22	1	32	28	-10	-7	58	11	-22	-154	429	221
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets <sup>12</sup> .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net .....	(18)	(18)	(18)	3,224	9,243	-8,049	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment .....	-217	75	155	2,034	3,509	459	443	3,832	1,109	1,219	1,670	3,537
58	U.S. Treasury securities and U.S. currency flows .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. securities other than U.S. Treasury securities .....	-33	73	189	2,924	977	255	192	8,725	13,636	999	7,402	5,451
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	33	-47	.....	-1,038	-256	.....	2,469	-6,935	7,600	-111	-293	.....
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	18,149	18,306	18,134	(17)	(17)	(17)	18,361	18,216,89	18,708,3	18,24,787	18,11,448	18,-204
62	<b>Allocations of special drawing rights</b> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
63	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b> .....	<b>2,896</b>	<b>-4,360</b>	<b>2,083</b>	<b>8,847</b>	<b>-2,216</b>	<b>2,245</b>	<b>9,623</b>	<b>15,385</b>	<b>27,831</b>	<b>-11,346</b>	<b>4,641</b>	<b>3,118</b>
64	<b>Memoranda:</b>												
64	Balance on goods (lines 2 and 16) .....	-53	101	-574	-5,181	-4,341	-4,524	-3,315	-2,500	-1,602	-13,648	-12,760	-15,101
65	Balance on services (lines 3 and 17) .....	301	124	98	2,439	1,611	352	824	1,948	6,206	5,512	6,741	6,741
66	Balance on goods and services (lines 64 and 65) .....	248	225	-476	-2,742	-2,730	-4,172	-2,491	-1,816	346	-7,442	-7,248	-8,360
67	Balance on investment income (lines 11 and 25) .....	68	70	81	2,424	2,338	2,415	1,911	2,805	3,660	-5,262	-6,204	-7,299
68	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) <sup>13</sup> .....	315	295	-395	-319	-392	-1,757	-580	989	4,006	-12,705	-13,452	-15,659
69	Unilateral transfers, net (line 29) .....	-653	-687	-771	-102	-74	-102	-2,627	-2,700	-2,785	-66	-25	-11
70	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) <sup>13</sup> .....	-338	-392	-1,166	-421	-466	-1,859	-3,207	-1,711	1,221	-12,771	-13,477	-15,670

8. Includes sales of foreign obligations to foreigners.  
9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.  
10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.  
11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 4 in "U.S. International Transactions, Third Quarter 1997" in the January 1998 issue of the SURVEY.  
12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.

13. Conceptually, the sum of lines 70 and 62 is equal to "net foreign investment" in the national income and product accounts (NIPA's). However, the foreign transactions account in the NIPA's (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in Appendix A of this section of the SURVEY OF CURRENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables (published annually in the August issue of the SURVEY).

Table F.3.—Selected U.S. International Transactions, by Area

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Australia			Other countries in Asia and Africa			International organizations and unallocated <sup>16</sup>		
		1997			1997			1997		
		I	II <sup>r</sup>	III <sup>p</sup>	I	II <sup>r</sup>	III <sup>p</sup>	I	II <sup>r</sup>	III <sup>p</sup>
1	<b>Exports of goods, services, and income</b>	<b>5,319</b>	<b>6,174</b>	<b>6,107</b>	<b>56,128</b>	<b>59,659</b>	<b>59,787</b>	<b>4,424</b>	<b>4,402</b>	<b>4,650</b>
2	Goods, adjusted, excluding military <sup>2</sup>	2,823	3,095	3,080	36,746	39,453	38,517			
3	Services <sup>3</sup>	1,122	1,293	1,455	12,623	13,380	14,786	1,458	1,359	1,410
4	Transfers under U.S. military agency sales contracts <sup>4</sup>	35	46	56	1,831	2,507	2,432			
5	Travel	392	480	620	2,195	3,124	3,809			
6	Passenger fares	100	133	147	359	492	607			
7	Other transportation	72	79	85	2,230	2,250	2,232	181	107	134
8	Royalties and license fees <sup>5</sup>	141	159	162	962	1,033	1,036	382	385	391
9	Other private services <sup>5</sup>	379	393	382	4,967	3,894	4,588	895	867	885
10	U.S. Government miscellaneous services	3	3	3	79	80	82			
11	Income receipts on U.S. assets abroad	1,374	1,786	1,572	6,760	6,826	6,484	2,966	3,043	3,240
12	Direct investment receipts	777	1,169	944	4,087	3,912	3,471	1,165	1,164	1,245
13	Other private receipts	597	617	628	2,357	2,597	2,657	1,659	1,745	1,865
14	U.S. Government receipts				316	317	356	142	134	130
15	<b>Imports of goods, services, and income</b>	<b>-2,074</b>	<b>-1,658</b>	<b>-1,929</b>	<b>-70,072</b>	<b>-75,688</b>	<b>-85,129</b>	<b>-1,019</b>	<b>-914</b>	<b>-948</b>
16	Goods, adjusted, excluding military <sup>2</sup>	-1,159	-1,169	-1,290	-56,021	-61,312	-70,537			
17	Services <sup>3</sup>	-743	-567	-659	-7,146	-7,439	-7,537	-697	-572	-591
18	Direct defense expenditures	-21	-12	-20	-513	-632	-505			
19	Travel	-325	-175	-203	-2,219	-2,240	-2,360			
20	Passenger fares	-157	-114	-130	-972	-977	-1,011			
21	Other transportation	-61	-60	-56	-1,741	-1,811	-1,854	-357	-235	-247
22	Royalties and license fees <sup>5</sup>	-8	-8	-54	-22	-19	-14	-115	-104	-116
23	Other private services <sup>5</sup>	-155	-187	-185	-1,483	-1,563	-1,595	-225	-233	-228
24	U.S. Government miscellaneous services	-17	-11	-11	-196	-197	-198			
25	Income payments on foreign assets in the United States	-172	78	20	-6,905	-6,937	-7,055	-322	-342	-357
26	Direct investment payments	-65	213	175	-176	238	-49	432	429	422
27	Other private payments	-88	-115	-135	-2,423	-2,530	-2,495	-726	-744	-735
28	U.S. Government payments	-19	-20	-20	-4,306	-4,645	-4,511	-28	-27	-44
29	<b>Unilateral transfers, net<sup>4</sup></b>	<b>-25</b>	<b>-22</b>	<b>-19</b>	<b>-3,061</b>	<b>-2,818</b>	<b>-3,028</b>	<b>-2,115</b>	<b>-2,360</b>	<b>-2,295</b>
30	U.S. Government grants <sup>4</sup>				-1,213	-1,203	-1,205	-226	-207	-111
31	U.S. Government pensions and other transfers	-9	-9	-7	-121	-125	-121	-112	-297	-218
32	Private remittances and other transfers <sup>6</sup>	-16	-13	-12	-1,727	-1,490	-1,702	-1,777	-1,856	-1,966
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	<b>-595</b>	<b>-2,026</b>	<b>-104</b>	<b>-16,737</b>	<b>-10,535</b>	<b>-9,454</b>	<b>2,636</b>	<b>-1,534</b>	<b>-1,236</b>
34	U.S. official reserve assets, net <sup>7</sup>							1,127	-79	-602
35	Gold									
36	Special drawing rights							72	-133	-139
37	Reserve position in the International Monetary Fund							1,055	54	-463
38	Foreign currencies									
39	U.S. Government assets, other than official reserve assets, net	-1	-1		32	-129	525	-333	-340	-293
40	U.S. credits and other long-term assets				-390	-614	-454	-333	-340	-293
41	Repayments on U.S. credits and other long-term assets <sup>8</sup>				443	497	982			
42	U.S. foreign currency holdings and U.S. short-term assets, net	-1	-1		-21	-12	-3			
43	U.S. private assets, net	-594	-2,025	-104	-16,769	-10,406	-9,979	1,842	-1,115	-341
44	Direct investment	-797	-632	317	-5,445	-3,198	-3,743	-927	-828	-831
45	Foreign securities	-1,092	-197	-922	-3,665	-2,297	-8,789	1,648	133	521
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	142	-57		24	123		56	-3	
47	U.S. claims reported by U.S. banks, not included elsewhere	1,153	-1,139	501	-7,683	-5,034	2,553	1,065	-417	-31
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	<b>-921</b>	<b>2,560</b>	<b>1,874</b>	<b>31,640</b>	<b>-11,650</b>	<b>21,167</b>	<b>1,012</b>	<b>7,345</b>	<b>4,326</b>
49	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)			
50	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)			
51	U.S. Treasury securities <sup>9</sup>	(18)	(18)	(18)	(18)	(18)	(18)			
52	Other <sup>10</sup>	(18)	(18)	(18)	(18)	(18)	(18)			
53	Other U.S. Government liabilities <sup>11</sup>	23	2	4	472	12	-496			
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)			
55	Other foreign official assets <sup>12</sup>	(18)	(18)	(18)	(18)	(18)	(18)			
56	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	1,012	7,345	4,326
57	Direct investment	469	213	2,209	514	3,520	1,741	-471	-473	-476
58	U.S. Treasury securities and U.S. currency flows	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. securities other than U.S. Treasury securities	272	325	361	3,509	1,680	2,656	9	-25	-73
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	128	-153		880	79		24	57	
61	U.S. liabilities reported by U.S. banks, not included elsewhere	18-1,813	18-2,173	18-700	18-26,265	18-16,941	18-17,286	18-1,450	18-7,786	18-4,875
62	<b>Allocations of special drawing rights</b>									
63	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b>	<b>-1,703</b>	<b>-5,028</b>	<b>-5,929</b>	<b>2,102</b>	<b>41,032</b>	<b>16,657</b>	<b>-4,938</b>	<b>-6,939</b>	<b>-4,497</b>
64	<b>Memoranda:</b>									
65	Balance on goods (lines 2 and 16)	1,664	1,926	1,790	-19,275	-21,859	-32,020			
66	Balance on services (lines 3 and 17)	378	726	796	5,477	5,941	7,249	761	787	819
67	Balance on goods and services (lines 64 and 65)	2,042	2,652	2,586	-13,798	-15,918	-24,771	761	787	819
68	Balance on investment income (lines 11 and 25)	1,202	1,864	1,592	-145	-111	-571	2,644	2,701	2,883
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) <sup>13</sup>	3,244	4,516	4,178	-13,944	-16,029	-25,342	3,406	3,488	3,702
68	Unilateral transfers, net (line 29)	-25	-22	-19	-3,061	-2,818	-3,028	-2,115	-2,360	-2,295
70	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) <sup>13</sup>	3,219	4,494	4,159	-17,005	-18,847	-28,370	1,291	1,128	1,407

14. The "European Union" includes the "European Union (6)," United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal. Beginning with the first quarter of 1995, the "European Union" also includes Austria, Finland, and Sweden.

15. The "European Union (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank.

16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also

includes taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; small transactions in business services that are not reported by country; and net U.S. currency flows, for which geographic source data are not available.

17. Details not shown separately; see totals in lines 49 and 56.

18. Details not shown separately are included in line 61.

NOTE.—The data in tables F.2 and F.3 are from tables 1 and 10 in "U.S. International Transactions, Third Quarter 1997" in the January 1998 issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.

Table F.4.—Private Service Transactions

[Millions of dollars]

Line		1995	1996	Seasonally adjusted					
				1996			1997		
				II	III	IV	I	II <sup>r</sup>	III <sup>p</sup>
1	<b>Exports of private services</b> .....	<b>204,165</b>	<b>221,224</b>	<b>54,588</b>	<b>55,540</b>	<b>57,427</b>	<b>58,332</b>	<b>59,410</b>	<b>60,481</b>
2	Travel (table F.2, line 5) .....	63,395	69,908	17,356	17,659	18,183	18,556	18,605	18,977
3	Passenger fares (table F.2, line 6) .....	19,125	20,557	4,952	5,237	5,282	5,319	5,511	5,571
4	Other transportation (table F.2, line 7) .....	27,412	27,216	6,805	6,716	7,142	6,999	7,043	7,140
5	Freight .....	11,420	11,161	2,823	2,747	2,941	2,909	2,919	2,909
6	Port services .....	14,810	14,691	3,639	3,625	3,861	3,720	3,747	3,857
7	Other .....	1,184	1,364	342	343	339	370	377	374
8	Royalties and license fees (table F.2, line 8) .....	27,383	29,974	7,345	7,495	7,703	7,699	7,622	7,604
9	Affiliated, .....	21,670	23,760	5,814	5,929	6,091	6,033	5,915	5,869
10	U.S. parents' receipts .....	20,210	21,916	5,436	5,505	5,445	5,761	5,460	5,383
11	U.S. affiliates' receipts .....	1,460	1,844	378	424	646	272	455	486
12	Unaffiliated .....	5,713	6,214	1,531	1,566	1,612	1,666	1,707	1,735
13	Industrial processes <sup>1</sup> .....	3,583	3,979	978	1,006	1,040	1,080	1,109	1,129
14	Other <sup>2</sup> .....	2,131	2,235	554	560	573	587	598	607
15	Other private services (table F.2, line 9) .....	66,850	73,569	18,130	18,433	19,117	19,759	20,629	21,189
16	Affiliated services, .....	20,272	22,810	5,571	5,777	5,840	6,103	6,426	6,670
17	U.S. parents' receipts .....	12,795	13,763	3,429	3,410	3,431	3,622	3,802	3,839
18	U.S. affiliates' receipts .....	7,477	9,047	2,142	2,367	2,409	2,481	2,624	2,831
19	Unaffiliated services .....	46,578	50,759	12,559	12,656	13,277	13,656	14,203	14,519
20	Education .....	7,512	7,807	1,938	1,998	1,955	1,992	2,009	2,080
21	Financial services .....	7,029	8,034	1,938	1,925	2,325	2,259	2,492	2,561
22	Insurance, net .....	1,390	2,121	513	561	597	620	637	648
23	Premiums received .....	5,524	6,179	1,524	1,567	1,609	1,650	1,681	1,702
24	Losses paid .....	4,133	4,058	1,011	1,006	1,012	1,030	1,044	1,054
25	Telecommunications .....	3,183	3,405	854	850	850	845	895	913
26	Business, professional, and technical services .....	17,765	19,247	4,734	4,847	4,985	5,287	5,543	5,640
27	Other unaffiliated services <sup>3</sup> .....	9,699	10,145	2,583	2,486	2,565	2,654	2,627	2,677
28	<b>Imports of private services</b> .....	<b>134,523</b>	<b>143,086</b>	<b>35,549</b>	<b>35,873</b>	<b>36,257</b>	<b>37,800</b>	<b>38,481</b>	<b>39,110</b>
29	Travel (table F.2, line 19) .....	46,053	48,739	12,099	11,915	12,241	13,018	13,003	13,101
30	Passenger fares (table F.2, line 20) .....	14,433	15,776	3,943	3,920	4,053	4,283	4,201	4,281
31	Other transportation (table F.2, line 21) .....	28,249	28,453	7,253	7,218	7,166	7,378	7,542	7,518
32	Freight .....	16,759	16,879	4,414	4,312	4,130	4,318	4,636	4,570
33	Port services .....	10,579	10,792	2,647	2,709	2,838	2,845	2,706	2,749
34	Other .....	911	783	193	198	199	214	200	199
35	Royalties and license fees (table F.2, line 22) .....	6,503	7,322	1,684	2,144	1,770	1,799	1,847	1,951
36	Affiliated, .....	5,128	5,301	1,304	1,264	1,376	1,403	1,462	1,537
37	U.S. parents' payments .....	448	554	137	136	164	155	172	157
38	U.S. affiliates' payments .....	4,680	4,748	1,167	1,128	1,212	1,248	1,290	1,380
39	Unaffiliated .....	1,373	2,021	380	880	394	396	385	414
40	Industrial processes <sup>1</sup> .....	962	1,126	279	288	292	291	290	289
41	Other <sup>2</sup> .....	411	895	101	592	103	106	95	125
42	Other private services (table F.2, line 23) .....	39,285	42,796	10,570	10,676	11,027	11,321	11,888	12,259
43	Affiliated services, .....	13,597	16,026	3,945	4,073	4,130	4,222	4,364	4,573
44	U.S. parents' payments .....	6,820	7,505	1,788	1,935	1,867	1,973	2,139	2,214
45	U.S. affiliates' payments .....	6,777	8,521	2,157	2,138	2,263	2,249	2,225	2,359
46	Unaffiliated services .....	25,689	26,770	6,625	6,603	6,897	7,099	7,524	7,686
47	Education .....	949	1,041	256	262	269	275	278	285
48	Financial services .....	2,472	3,184	781	769	859	888	1,106	1,147
49	Insurance, net .....	5,383	4,387	1,089	1,047	1,064	1,139	1,195	1,232
50	Premiums paid .....	15,187	15,473	3,833	3,877	3,947	4,046	4,119	4,168
51	Losses recovered .....	9,804	11,086	2,745	2,830	2,884	2,907	2,924	2,936
52	Telecommunications .....	7,773	8,385	2,103	2,066	2,089	2,076	2,137	2,157
53	Business, professional, and technical services .....	4,691	5,253	1,278	1,335	1,406	1,540	1,612	1,648
54	Other unaffiliated services <sup>3</sup> .....	4,420	4,520	1,119	1,122	1,210	1,180	1,196	1,217
55	<b>Memoranda:</b> Balance on goods (table F.2, line 64) .....	-173,560	-191,170	-47,562	-52,493	-48,190	-49,787	-47,134	-51,549
56	Balance on private services (line 1 minus line 28) .....	69,642	78,138	19,039	19,667	21,170	20,532	20,929	21,371
57	Balance on goods and private services (lines 55 and 56) .....	-103,918	-113,032	-28,523	-32,826	-27,020	-29,255	-26,205	-30,178

<sup>p</sup> Preliminary.<sup>r</sup> Revised.

1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.

2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign govern-

ments and international organizations in the United States. Payments (imports) include mainly wages of foreign residents temporarily employed in the United States and Canadian and Mexican commuters in U.S. border areas.

NOTE.—The data in this table are from table 3 in "U.S. International Transactions, Third Quarter 1997" in the January 1998 issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.



## G. Investment Tables

Table G.1.—International Investment Position of the United States at Yearend, 1995 and 1996

[Millions of dollars]

Line	Type of investment	Position 1995 <sup>r</sup>	Changes in position in 1996 (decrease (-))					Position 1996 <sup>r</sup>
			Attributable to:				Total (a+b+c+d)	
			Capital flows	Valuation adjustments				
				Price changes	Exchange rate changes <sup>1</sup>	Other changes <sup>2</sup>		
		(a)	(b)	(c)	(d)			
<b>Net international investment position of the United States:</b>								
1	With direct investment positions at current cost (line 3 less line 24) ...	-687,702	-195,111	32,038	-22,195	2,446	-182,822	-870,524
2	With direct investment positions at market value (line 4 less line 25) ...	-637,480	-195,111	39,063	-46,339	8,564	-193,823	-831,303
<b>U.S. assets abroad:</b>								
3	With direct investment positions at current cost (lines 5+10+15) .....	3,272,731	352,444	121,367	-21,849	-3,964	447,998	3,720,729
4	With direct investment positions at market value (lines 5+10+16) .....	3,700,432	352,444	267,858	-45,567	9,373	584,108	4,284,540
<b>U.S. official reserve assets</b>								
5	Gold .....	176,061	-6,668	-4,581	-4,073		-15,322	160,739
6	Special drawing rights .....	101,279		<sup>3</sup> -4,581		-4,581	96,698	
7	Reserve position in the International Monetary Fund .....	11,037	-370		-355		-725	10,312
8	Foreign currencies .....	14,649	1,280		-494		786	15,435
9	U.S. Government assets, other than official reserve assets .....	49,096	-7,578		-3,224		-10,802	38,294
10	U.S. credits and other long-term assets <sup>4</sup> .....	81,897	690		-34	1	657	82,554
11	Repayable in dollars .....	79,958	796		-1	1	796	80,754
12	Other <sup>5</sup> .....	79,178	846			-12	834	80,012
13	U.S. foreign currency holdings and U.S. short-term assets .....	780	-50		-1	13	-38	742
14	U.S. private assets:	1,939	-106		-33		-139	1,800
15	With direct investment at current cost (lines 17+19+22+23) .....	3,014,773	358,422	125,948	-17,742	-3,965	462,663	3,477,436
16	With direct investment at market value (lines 18+19+22+23) .....	3,442,474	358,422	272,439	-41,460	9,372	598,773	4,041,247
<b>Direct investment abroad:</b>								
17	At current cost .....	884,290	87,813	7,375	-4,726	-3,954	86,508	970,798
18	At market value .....	1,311,991	87,813	153,866	-28,444	9,383	222,618	1,534,609
19	Foreign securities .....	1,054,352	108,189	118,573	-7,675		219,087	1,273,439
20	Bonds .....	355,284	49,403	806	-7,521		42,688	397,972
21	Corporate stocks .....	699,068	58,786	117,767	-154		176,399	875,467
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	307,982	64,234		-3,161		61,073	369,055
23	U.S. claims reported by U.S. banks, not included elsewhere .....	768,149	98,186		-2,180	-11	95,995	864,144
<b>Foreign assets in the United States:</b>								
24	With direct investment at current cost (lines 26+33) .....	3,960,433	547,555	89,329	346	-6,410	630,820	4,591,253
25	With direct investment at market value (lines 26+34) .....	4,337,912	547,555	228,795	772	809	777,931	5,115,843
26	Foreign official assets in the United States .....	678,451	122,354	4,345		-1	126,698	805,149
27	U.S. Government securities .....	498,906	115,634	-4,333			111,301	610,207
28	U.S. Treasury securities .....	471,508	111,253	-3,802			107,451	578,959
29	Other .....	27,398	4,381	-531			3,850	31,248
30	Other U.S. Government liabilities <sup>7</sup> .....	25,225	720			-1	719	25,944
31	U.S. liabilities reported by U.S. banks, not included elsewhere .....	107,394	4,722				4,722	112,116
32	Other foreign official assets .....	46,926	1,278	8,678			9,956	56,882
<b>Other foreign assets:</b>								
33	With direct investment at current cost (lines 35+37+38+39+42+43) .....	3,281,982	425,201	84,984	346	-6,409	504,122	3,786,104
34	With direct investment at market value (lines 36+37+38+39+42+43) .....	3,659,461	425,201	224,450	772	810	651,233	4,310,694
<b>Direct investment in the United States:</b>								
35	At current cost .....	654,502	76,955	5,356	-426	-7,335	74,550	729,052
36	At market value .....	1,031,981	76,955	144,822		-116	221,661	1,253,642
37	U.S. Treasury securities .....	389,383	155,578	-14,411			141,167	530,550
38	U.S. currency .....	192,300	17,300				17,300	209,600
39	U.S. securities other than U.S. Treasury securities .....	999,537	133,798	94,039	-1,887		225,950	1,225,487
40	Corporate and other bonds .....	534,116	121,194	721	-1,887		120,028	654,144
41	Corporate stocks .....	465,421	12,604	93,318			105,922	571,343
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	232,891	31,786		5,932	926	38,644	271,535
43	U.S. liabilities reported by U.S. banks, not included elsewhere .....	813,369	9,784		-3,273		6,511	819,880

<sup>r</sup> Preliminary.<sup>r</sup> Revised.

1. Represents gains or losses on foreign-currency-denominated assets due to their revaluation at current exchange rates.

2. Includes changes in coverage, statistical discrepancies, and other adjustments to the value of assets.

3. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

4. Also includes paid-in capital subscriptions to international financial institutions and outstanding

amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. Government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

5. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

6. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies.

NOTE.—The data in this table are from table 1 in "International Investment Position of the United States in 1996" in the July 1997 issue of the SURVEY OF CURRENT BUSINESS.

Table G.2.—U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1994–96

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1994	1995	1996	1994	1995	1996	1994	1995	1996
<b>All countries, all industries</b> .....	<b>640,320</b>	<b>717,554</b>	<b>796,494</b>	<b>68,272</b>	<b>85,115</b>	<b>85,560</b>	<b>68,597</b>	<b>87,448</b>	<b>95,067</b>
<b>By country</b>									
Canada .....	78,018	85,441	91,587	6,760	8,435	6,875	5,873	8,812	8,642
Europe .....	320,135	360,994	399,632	28,785	45,292	45,274	30,468	41,320	46,183
<i>Of which:</i>									
France .....	28,204	32,950	34,000	2,586	5,726	5,221	1,296	2,728	3,322
Germany .....	38,467	44,226	44,259	2,217	4,373	955	3,107	4,783	4,286
Netherlands .....	29,558	39,344	44,667	6,331	8,420	7,140	5,081	6,890	7,991
United Kingdom .....	121,321	122,767	142,560	7,177	4,515	18,310	8,082	11,384	13,862
Latin America and Other Western Hemisphere .....	115,093	128,252	144,209	19,010	14,753	14,299	16,299	15,221	17,404
<i>Of which:</i>									
Brazil .....	18,400	23,706	26,166	3,517	4,899	3,064	4,756	3,515	3,879
Mexico .....	16,169	15,980	18,747	3,674	2,955	2,747	2,497	1,369	2,931
Africa .....	5,606	6,383	7,568	332	873	1,221	1,395	1,861	1,963
Middle East .....	6,741	7,669	8,743	242	905	1,044	964	1,393	1,458
Asia and Pacific .....	111,373	125,834	140,402	13,121	15,241	14,752	13,474	18,542	18,937
<i>Of which:</i>									
Australia .....	20,217	25,003	28,769	32	6,450	3,789	2,392	3,402	2,979
Japan .....	36,524	38,406	39,593	2,384	1,079	1,817	2,379	4,117	3,950
International .....	3,355	2,981	4,352	22	-384	2,096	124	300	480
<b>By industry</b>									
Petroleum .....	67,104	70,229	75,479	1,690	2,437	6,144	7,177	9,730	11,960
Manufacturing .....	211,431	250,253	272,564	23,953	42,531	28,530	26,699	35,065	34,975
Food and kindred products .....	29,588	32,439	36,179	3,764	2,871	3,280	4,690	4,728	4,684
Chemicals and allied products .....	49,128	62,151	69,430	4,992	18,477	7,835	6,839	8,877	10,001
Primary and fabricated metals .....	10,017	12,032	13,603	819	1,935	5,009	896	1,365	1,004
Industrial machinery and equipment .....	26,781	33,716	35,020	2,010	5,286	2,016	2,177	4,373	4,579
Electronic and other electric equipment .....	19,925	25,242	29,519	2,867	4,995	4,513	3,234	4,494	4,374
Transportation equipment .....	29,420	33,972	33,543	5,993	4,636	714	3,539	3,952	3,429
Other manufacturing .....	46,572	50,701	55,270	3,508	4,330	5,163	5,324	7,277	6,903
Wholesale trade .....	62,608	67,222	72,462	6,325	8,511	7,048	7,753	9,191	9,272
Banking .....	26,693	28,123	32,504	1,786	714	1,329	3,785	2,889	3,767
Finance (except banking), insurance, and real estate .....	213,175	228,744	257,213	22,982	12,109	28,985	18,302	23,757	27,797
Services .....	26,734	32,769	36,673	5,613	7,702	3,644	2,796	3,815	3,997
Other industries .....	32,575	40,213	49,600	5,924	11,113	9,880	2,085	3,002	3,299

NOTE.—In this table, unlike in the international transactions accounts, income and capital outflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 17 and 18 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 1996" in the September 1997 SURVEY OF CURRENT BUSINESS.

**Table G.3.—Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies, by Country and by Industry of Affiliate, 1995**

	Number of affiliates	Millions of dollars			Number of employees (thousands)
		Total assets	Sales	Net income	
<b>All countries, all industries</b> .....	<b>21,318</b>	<b>2,815,141</b>	<b>2,140,438</b>	<b>124,675</b>	<b>7,377.0</b>
<b>By country</b>					
Canada .....	2,023	246,242	231,081	8,313	918.1
Europe .....	10,435	1,567,904	1,176,126	63,083	3,014.5
<i>Of which:</i>					
France .....	1,226	135,906	124,457	4,303	413.9
Germany .....	1,358	219,538	234,169	6,467	596.3
Italy .....	757	59,468	68,550	2,315	198.7
Netherlands .....	999	139,078	112,182	11,492	138.8
Switzerland .....	505	132,464	60,128	7,203	50.6
United Kingdom .....	2,393	641,348	363,372	14,338	928.8
Latin America and Other Western Hemisphere .....	3,256	316,495	191,340	23,419	1,485.2
<i>Of which:</i>					
Brazil .....	400	48,477	44,536	5,073	299.9
Mexico .....	823	59,115	61,122	4,732	743.6
Africa .....	502	22,604	20,587	1,845	126.5
Middle East .....	338	30,231	21,703	2,899	73.4
Asia and Pacific .....	4,665	614,555	492,181	24,464	1,747.6
<i>Of which:</i>					
Australia .....	855	81,055	63,056	2,944	258.7
Japan .....	1,006	280,164	211,821	4,979	414.9
International .....	99	17,110	7,421	653	11.8
<b>By industry</b>					
Petroleum .....	1,520	272,087	428,030	13,981	230.9
Manufacturing .....	8,023	779,339	984,868	53,795	4,376.6
Food and kindred products .....	764	99,571	113,166	7,064	554.4
Chemicals and allied products .....	1,942	180,964	189,096	15,695	591.9
Primary and fabricated metals .....	722	35,266	36,862	1,227	195.7
Industrial machinery and equipment .....	1,033	112,921	159,205	7,611	529.4
Electronic and other electric equipment .....	855	71,483	95,395	6,443	846.0
Transportation equipment .....	469	124,721	218,333	4,406	697.6
Other manufacturing .....	2,238	154,413	172,811	11,348	961.5
Wholesale trade .....	4,878	206,015	367,515	15,124	538.3
Finance (except banking), insurance, and real estate .....	2,742	1,229,643	108,441	30,507	191.0
Services .....	2,671	114,995	100,035	4,050	779.8
Other industries .....	1,484	213,062	151,548	7,219	1,260.4

NOTE.—The data in this table are from "U.S. Multinational Companies: Operations in 1995" in the October 1997 SURVEY OF CURRENT BUSINESS.

**Table G.4.—Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of Affiliate, 1994–96**

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1994	1995	1996	1994	1995	1996	1994	1995	1996
<b>All countries, all industries</b> .....	<b>496,539</b>	<b>560,850</b>	<b>630,045</b>	<b>46,995</b>	<b>69,414</b>	<b>78,828</b>	<b>21,286</b>	<b>32,029</b>	<b>33,759</b>
<b>By country</b>									
Canada .....	41,959	48,258	53,845	4,960	7,080	5,670	2,996	3,911	3,285
Europe .....	303,649	357,193	410,425	28,002	55,300	59,809	16,059	22,975	25,806
<i>Of which:</i>									
France .....	33,603	38,480	49,307	3,881	4,500	10,928	-63	1,722	2,654
Germany .....	40,345	49,269	62,242	7,144	10,229	16,283	2,256	1,908	2,097
Netherlands .....	67,210	65,806	73,803	-3,174	-1,789	8,225	4,120	5,212	6,294
United Kingdom .....	104,867	126,177	142,607	8,076	20,446	18,929	7,232	11,006	9,220
Latin America and Other Western Hemisphere .....	26,070	25,240	24,627	4,767	-1,121	131	1,391	1,349	1,557
<i>Of which:</i>									
Brazil .....	629	751	591	-8	97	-99	88	91	34
Mexico .....	2,412	1,980	1,078	1,248	-470	-447	2	81	-8
Africa .....	1,230	1,164	717	44	-66	-440	-19	54	-113
Middle East .....	6,674	6,008	6,177	161	-298	555	54	209	141
Asia and Pacific .....	116,956	122,986	134,255	9,061	8,519	13,104	805	3,531	3,084
<i>Of which:</i>									
Australia .....	8,080	7,833	9,747	1,101	504	2,129	-268	112	-31
Japan .....	102,999	107,933	118,116	6,238	6,591	11,930	985	3,405	3,106
<b>By industry</b>									
Petroleum .....	32,290	33,888	42,343	1,665	3,152	8,113	1,902	2,970	4,190
Manufacturing .....	189,459	213,026	234,323	19,673	27,849	29,112	10,788	15,886	17,262
Food and kindred products .....	21,411	26,898	28,089	-1,375	5,596	2,439	2,134	1,709	1,780
Chemicals and allied products .....	66,028	71,367	74,810	10,820	11,306	6,880	4,643	6,202	6,247
Primary and fabricated metals .....	14,320	14,085	18,727	1,982	312	5,280	-216	1,273	1,060
Machinery .....	35,196	37,638	37,093	3,826	3,986	-35	1,165	2,316	1,739
Other manufacturing .....	52,504	63,037	75,604	4,419	6,648	14,548	3,063	4,386	6,436
Wholesale trade .....	63,792	66,393	77,937	5,785	6,453	9,799	2,611	3,863	3,548
Retail trade .....	11,857	12,743	15,008	1,532	1,207	2,140	399	544	496
Depository institutions .....	27,139	34,076	31,903	3,800	6,566	562	2,837	4,725	2,626
Finance, except depository institutions .....	41,000	62,369	70,185	3,652	16,681	7,775	831	697	714
Insurance .....	38,833	50,975	59,566	2,759	4,114	7,739	2,237	1,913	3,048
Real estate .....	31,613	29,704	30,118	259	-880	388	-680	-623	62
Services .....	37,045	32,887	38,945	2,303	1,946	8,618	-345	212	396
Other industries .....	23,511	24,788	29,716	5,570	2,326	4,583	705	1,841	1,418

NOTE.—In this table, unlike in the international transactions accounts, income and capital inflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 1996" in the September 1997 SURVEY OF CURRENT BUSINESS.

**Table G.5.—Selected Financial and Operating Data of Nonbank U.S. Affiliates of Foreign Companies, by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 1995**

	Number of affiliates	Millions of dollars				Thousands of employees	Millions of dollars	
		Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
<b>All countries, all industries</b> .....	<b>12,497</b>	<b>2,383,612</b>	<b>1,561,879</b>	<b>15,608</b>	<b>326,955</b>	<b>4,928.3</b>	<b>136,702</b>	<b>254,895</b>
<b>By country</b>								
Canada .....	1,285	267,378	141,292	2,446	36,532	703.7	5,402	13,565
Europe .....	5,363	1,327,437	832,286	14,273	202,361	2,991.0	59,344	86,349
<i>Of which:</i>								
France .....	668	232,662	111,966	1,053	24,178	348.2	14,882	11,255
Germany .....	1,291	210,408	161,099	1,331	37,182	580.6	12,308	27,753
Netherlands .....	394	154,877	98,084	2,790	28,013	334.2	5,357	8,730
Switzerland .....	603	229,335	92,343	-137	18,624	308.3	6,398	7,847
United Kingdom .....	1,205	381,241	264,355	8,101	71,049	986.5	11,728	14,367
Latin America and Other Western Hemisphere .....	1,078	53,830	52,067	917	13,345	166.6	6,193	10,126
<i>Of which:</i>								
Brazil .....	75	8,661	3,903	89	213	4.3	866	1,310
Mexico .....	265	9,593	8,540	-20	1,798	35.6	661	2,182
Africa .....	68	( <sup>D</sup> )	10,495	345	2,393	20.8	551	723
Middle East .....	414	25,516	18,121	-198	4,861	46.6	641	4,628
Asia and Pacific .....	4,212	598,404	489,928	-5,027	62,558	954.6	63,933	138,425
<i>Of which:</i>								
Australia .....	172	37,003	22,209	-577	4,211	73.6	877	1,110
Japan .....	3,241	519,577	418,656	-3,621	52,000	758.2	55,519	119,942
United States .....	77	( <sup>D</sup> )	17,690	2,851	4,904	44.9	638	1,079
<b>By industry</b>								
Petroleum .....	240	104,358	131,889	2,419	30,525	105.7	9,956	19,522
Manufacturing .....	2,896	587,049	562,151	9,824	156,991	2,276.8	55,561	81,790
Food and kindred products .....	252	57,195	50,879	632	12,229	228.6	2,790	3,238
Chemicals and allied products .....	331	191,614	131,892	3,903	39,768	407.1	13,778	13,582
Primary and fabricated metals .....	396	55,979	70,086	1,547	17,804	246.9	3,988	8,018
Machinery .....	739	96,130	123,167	176	32,163	541.6	18,861	29,219
Other manufacturing .....	1,178	186,132	186,128	3,566	55,028	852.6	16,144	27,734
Wholesale trade .....	2,228	222,616	466,192	174	39,135	455.5	65,500	148,735
Retail trade .....	353	47,982	93,624	759	23,951	759.1	1,793	3,742
Finance, except depository institutions .....	874	568,216	45,074	1,392	2,910	45.3	18	25
Insurance .....	167	514,601	88,149	3,570	8,557	148.2	0	0
Real estate .....	3,494	96,852	14,184	-2,283	5,574	24.9	9	1
Services .....	1,250	110,674	59,264	-1,975	23,753	633.0	492	690
Other industries .....	995	131,264	101,352	1,729	35,561	479.9	3,372	389

<sup>D</sup> Suppressed to avoid disclosure of data of individual companies.

NOTE.—The data in this table are from tables A1 and A2 in *Foreign Direct Investment in the United States: Operations of U.S. Affiliates of Foreign Companies, Preliminary 1995 Estimates*.

## H. International Perspectives

Quarterly data in this table are shown in the middle month of the quarter.

Table H.1.—International Perspectives

	1996	1997	1997		1998											
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Exchange rates per U.S. dollar (not seasonally adjusted)																
Canada (Can./US\$) .....	1.3725	1.3638	1.3381	1.3622	1.3494	1.3556	1.3725	1.3942	1.3804	1.3843	1.3775	1.3872	1.3872	1.3869	1.4128	1.4271
France (FFr/US\$) .....	4.9864	5.1158	5.1156	5.2427	5.4145	5.6536	5.7154	5.7672	5.7482	5.8293	6.0511	6.2010	6.0031	5.8954	5.8001	5.9542
Germany (DM/US\$) .....	1.4321	1.5049	1.5118	1.5525	1.6047	1.6747	1.6946	1.7119	1.7048	1.7277	1.7939	1.8400	1.7862	1.7575	1.7323	1.7788
Italy (L/US\$) .....	16.2945	15.4276	15.1366	15.2844	15.6791	16.5500	16.9121	16.9452	16.8433	16.9454	17.4591	17.9712	17.4322	17.2109	16.9708	17.4386
Japan (¥/US\$) .....	.9396	1.0878	1.1230	1.1398	1.1791	1.2296	1.2277	1.2564	1.1919	1.1429	1.1538	1.1793	1.2089	1.2106	1.2538	1.2973
Mexico (Peso/US\$) .....	6.4467	7.6004	7.9119	7.8769	7.8289	7.8023	7.9562	7.9059	7.9037	7.9498	7.8679	7.7818	7.7809	7.8708	8.2716	8.1271
United Kingdom (US\$/£) .....	1.5785	1.5607	1.6623	1.6639	1.6585	1.6285	1.6096	1.6293	1.6322	1.6449	1.6694	1.6035	1.6013	1.6330	1.6889	1.6597
Addendum: Exchange value of the U.S. dollar <sup>1</sup> .....	84.25	87.34	86.98	88.71	91.01	94.52	95.60	96.39	95.29	95.42	97.48	99.96	98.29	97.07	96.37	98.82
Unemployment rates (percent, seasonally adjusted)																
Canada .....	9.6	9.7	10.0	9.7	9.7	9.7	9.3	9.6	9.5	9.1	9.0	9.0	9.0	9.1	9.0	8.6
France .....	11.6	12.3	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.6	12.5	12.5	12.5	12.5	12.4	12.2
Germany .....	9.4	10.4	10.8	10.9	11.2	11.2	11.2	11.2	11.4	11.4	11.5	11.6	11.7	11.8	11.8	11.8
Italy .....	12.0	12.1	12.0	.....	.....	12.2	.....	12.4	.....	.....	12.1	.....	.....	.....	12.2	.....
Japan .....	3.1	3.4	3.3	3.3	3.3	3.3	3.2	3.3	3.6	3.5	3.4	3.4	3.4	3.5	3.5	3.4
Mexico .....	6.3	5.5	5.0	5.0	4.5	4.2	4.2	4.2	4.0	3.9	3.8	3.4	3.3	3.2	3.3	3.2
United Kingdom .....	8.2	7.5	6.9	6.7	6.5	6.2	6.1	5.9	5.8	5.7	5.5	5.3	5.2	5.2	5.1	5.0
Addendum: United States .....	5.6	5.4	5.4	5.3	5.3	5.3	5.2	5.0	4.8	5.0	4.9	4.9	4.9	4.8	4.6	4.7
Consumer prices (seasonally adjusted, 1990=100)																
Canada .....	111.8	113.5	114.5	114.5	114.8	114.9	115.2	115.2	115.3	115.5	115.5	115.7	115.6	115.7	115.5	115.3
France .....	111.6	113.8	114.2	114.4	114.7	114.9	115.0	115.0	115.2	115.2	115.0	115.3	115.5	115.5	115.7	115.7
Germany (1991=100) .....	114.8	116.5	116.7	117.0	117.6	118.1	117.9	117.9	118.4	118.6	119.2	119.3	119.0	118.9	118.9	119.1
Italy .....	128.1	133.2	134.4	134.4	134.9	135.1	135.4	135.6	136.0	136.0	136.0	136.1	136.2	.....	.....	.....
Japan .....	107.0	107.1	107.3	107.5	107.5	107.5	107.4	109.1	109.2	109.6	109.5	109.3	109.7	109.9	109.7	109.6
Mexico .....	224.5	301.7	323.0	333.3	341.9	347.6	352.0	355.8	359.0	362.2	365.3	368.6	373.2	376.2	380.4	385.7
United Kingdom .....	118.2	121.1	122.0	122.4	122.4	122.9	123.2	123.9	124.4	124.9	124.9	125.7	126.3	126.5	126.5	126.9
Addendum: United States .....	116.6	120.0	121.5	121.8	122.0	122.3	122.4	122.5	122.5	122.7	122.9	123.1	123.5	123.7	123.8	123.9
Real gross domestic product (percent change from preceding quarter, seasonally adjusted at annual rates)																
Canada .....	2.2	1.2	2.4	.....	.....	4.1	.....	.....	5.4	.....	.....	4.1	.....	.....	.....	.....
France .....	2.1	1.5	1.3	.....	.....	1.4	.....	.....	4.6	.....	.....	3.5	.....	.....	.....	.....
Germany .....	1.9	1.4	.9	.....	.....	1.2	.....	.....	4.1	.....	.....	3.2	.....	.....	.....	.....
Italy .....	3.0	.6	0	.....	.....	-9	.....	.....	7.7	.....	.....	1.7	.....	.....	.....	.....
Japan .....	1.5	3.9	4.3	.....	.....	8.3	.....	.....	-10.6	.....	.....	3.1	.....	.....	.....	.....
Mexico .....	-6.2	5.1	6.0	.....	.....	3.3	.....	.....	19.4	.....	.....	4.7	.....	.....	.....	.....
United Kingdom .....	2.7	2.3	4.2	.....	.....	4.6	.....	.....	3.4	.....	.....	3.8	.....	.....	.....	.....
Addendum: United States .....	2.0	2.8	4.3	.....	.....	4.9	.....	.....	3.3	.....	.....	3.1	.....	.....	3.9	.....

See footnotes at the end of the table.

Table H.1.—International Perspectives—Continued

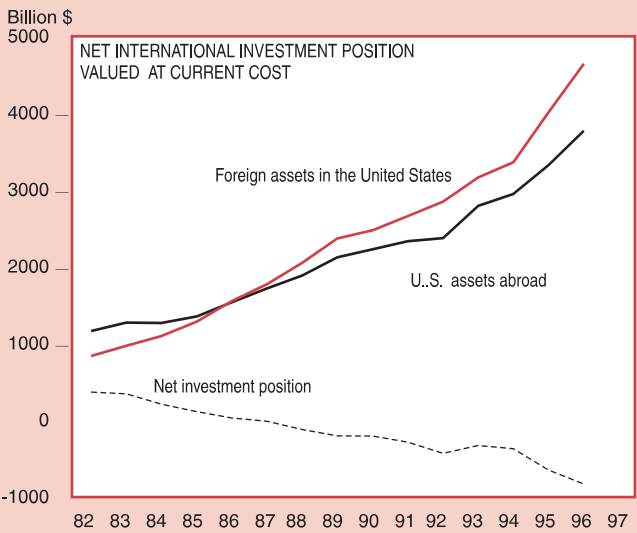
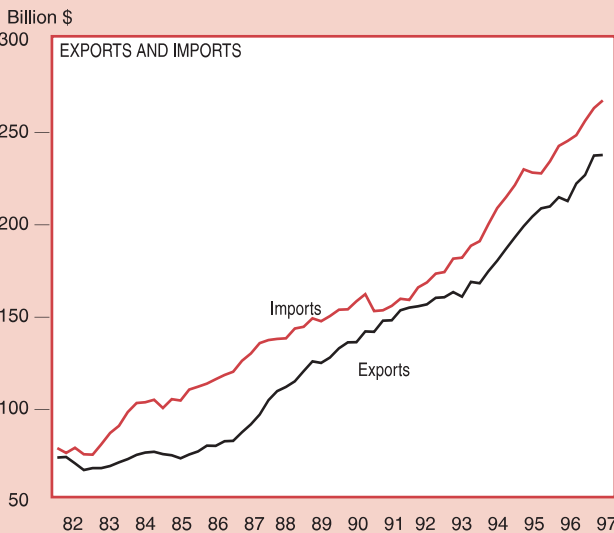
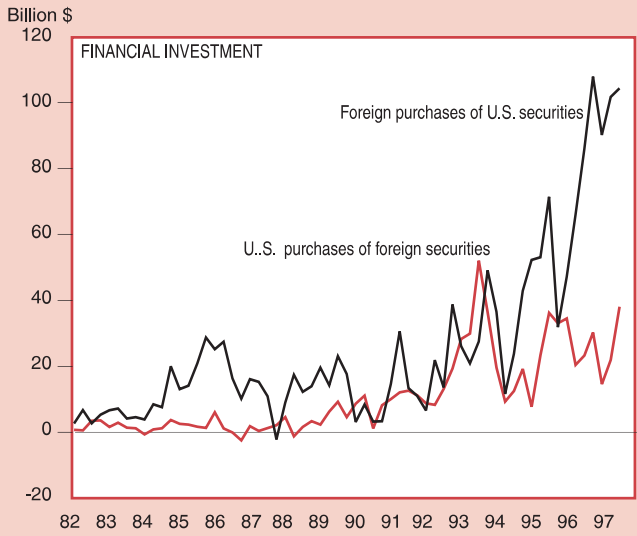
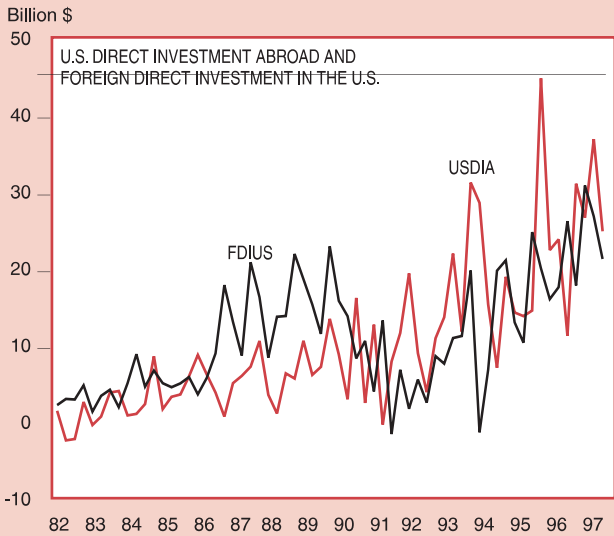
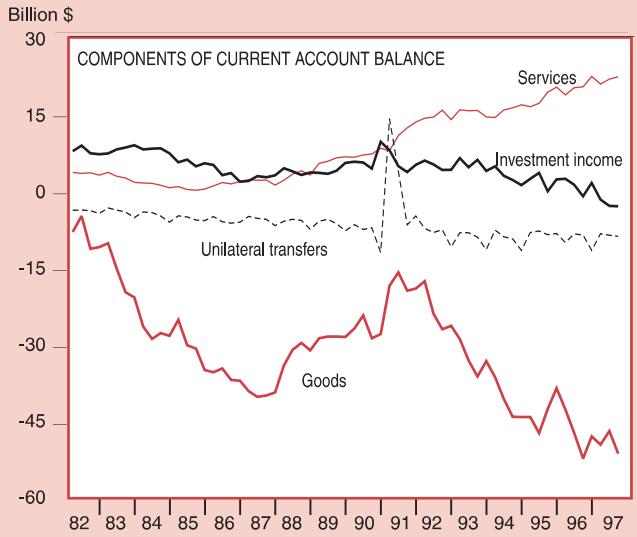
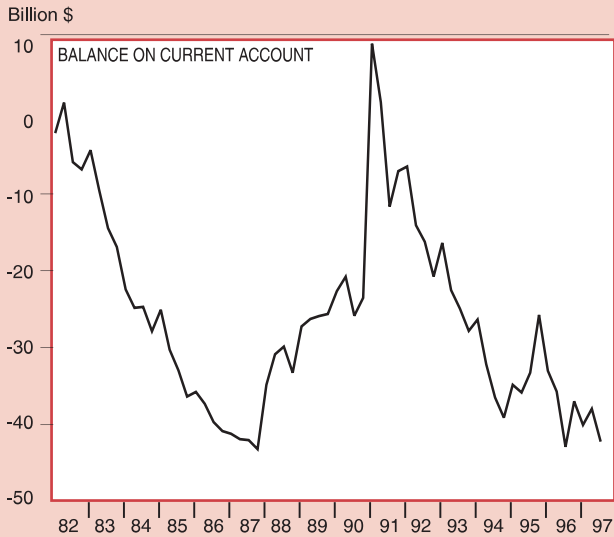
	1996	1997	1997		1998											
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Short-term, 3-month, interest rates (percent, not seasonally adjusted)																
Canada .....	7.07	4.43	3.00	3.08	3.11	3.10	3.20	3.41	3.29	3.22	3.51	3.63	3.60	3.76	3.99	4.58
France .....	6.58	3.94	3.47	3.44	3.35	3.33	3.36	3.40	3.48	3.43	3.39	3.43	3.41	3.59	3.69	3.69
Germany .....	4.53	3.31	3.19	3.23	3.14	3.19	3.26	3.23	3.17	3.14	3.14	3.26	3.31	3.58	3.74	3.74
Italy .....	10.46	8.82	7.41	7.25	7.23	7.36	7.43	7.13	6.83	6.88	6.89	6.87	6.67	6.65	6.49	6.08
Japan .....	1.23	.59	.52	.52	.53	.55	.56	.56	.58	.61	.67	.59	.56	.53	.55	.....
Mexico .....	48.24	32.91	28.94	26.51	24.60	21.96	22.32	22.37	20.59	21.40	19.40	20.15	20.51	19.91	22.01	19.88
United Kingdom .....	6.68	6.02	6.29	6.34	6.32	6.19	6.20	6.37	6.45	6.66	6.95	7.15	7.20	7.25	7.54	7.62
Addendum:																
United States .....	5.51	5.02	5.03	4.87	5.05	5.00	5.14	5.17	5.13	4.92	5.07	5.13	4.97	4.95	5.15	5.16
Long-term interest rates, government bond yields (percent, not seasonally adjusted)																
Canada .....	8.36	7.54	6.48	6.81	6.99	6.74	6.92	7.09	6.90	6.63	6.30	6.30	6.19	5.94	5.76	5.85
France .....	7.66	6.51	5.79	5.82	5.69	5.39	5.80	5.93	5.96	5.67	5.50	5.65	5.55	5.80	5.66	5.45
Germany .....	6.80	6.10	5.80	5.70	5.70	5.40	5.60	5.70	5.60	5.60	5.40	5.50	5.50	5.50	5.50	5.30
Italy .....	11.79	8.85	7.15	6.95	6.76	6.93	7.55	7.37	7.02	6.82	6.38	6.53	6.10	5.90	5.81	5.44
Japan .....	3.21	2.98	2.44	2.57	2.38	2.40	2.27	2.36	2.55	2.37	2.12	2.01	1.88	1.62	1.73	.....
Mexico .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
United Kingdom .....	8.24	7.82	7.61	7.55	7.54	7.20	7.46	7.65	7.16	7.13	7.04	7.08	6.80	6.50	6.61	6.36
Addendum:																
United States .....	6.57	6.44	6.20	6.30	6.58	6.42	6.69	6.89	6.71	6.49	6.22	6.30	6.21	6.03	5.88	5.81
Share price indices (not seasonally adjusted, 1990=100)																
Canada .....	130.0	154.0	176.0	173.0	179.0	180.0	171.0	175.0	187.0	188.0	201.0	193.0	206.0	200.0	190.0	196.0
France .....	103.0	118.0	125.0	128.0	135.0	145.0	148.0	145.0	149.0	151.0	161.0	161.0	160.0	159.0	151.0	157.0
Germany .....	102.4	115.6	121.9	124.9	130.0	138.9	145.8	145.7	154.4	160.2	174.8	176.4	170.2	171.5	161.5	171.2
Italy .....	95.0	96.0	99.0	100.0	114.0	119.0	114.0	116.0	119.0	123.0	138.0	139.0	145.0	149.0	145.0	154.0
Japan .....	63.0	74.0	72.0	69.0	63.0	64.0	63.0	63.0	68.0	70.0	70.0	68.0	65.0	62.0	57.0	.....
Mexico .....	389.3	554.8	577.3	589.5	639.7	673.7	657.4	658.9	696.1	781.9	888.9	815.3	933.4	815.2	872.5	917.2
United Kingdom .....	147.0	167.0	170.0	171.0	176.0	179.0	182.0	179.0	185.0	186.0	190.0	194.0	198.0	203.0	194.0	200.0
Addendum:																
United States .....	159.0	195.0	212.0	213.0	220.0	228.0	227.0	219.0	236.0	249.0	262.0	262.0	267.0	272.0	268.0	275.0

1. Index of weighted average exchange value of U.S. dollar against currencies of other G-10 countries. March 1973=100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see: "Index of the weighted-average exchange value of the U.S. dollar: Revision" on page 700 of the August 1978 *Federal Reserve Bulletin*.

NOTE.—All exchange rates are from the Board of Governors of the Federal Reserve System. U.S. interest rates, unemployment rates, and GDP growth rates are from the Federal Reserve, the Bureau of Labor Statistics, and BEA, respectively. All other data (including U.S. consumer prices and U.S. share prices, both of which have been rebased to 1990 to facilitate comparison) are © OECD, February 1998, *OECD Main Economic Indicators* and are reproduced with permission of the OECD.

I. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY





# Regional Data

## J. State and Regional Tables

The tables in this section include the most recent estimates of State personal income and gross state product. The sources of these estimates are noted.

The quarterly and annual State personal income estimates and the gross state product estimates are available on diskettes or CD-ROM. For information on personal income, e-mail [reis.remd@bea.doc.gov](mailto:reis.remd@bea.doc.gov); write to the Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5360. For information on gross state product, e-mail [gsprod@bea.doc.gov](mailto:gsprod@bea.doc.gov); write to the Regional Economic Analysis Division, BE-61, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5340.

Table J.1.—Quarterly Personal Income for States and Regions

Area name	Millions of dollars												Percent change <sup>1</sup>			
	1995				1996				1997				1996:III–1996:IV	1996:IV–1997:I	1997:I–1997:II	1997:II–1997:III
	I	II	III	IV	I	II	III	IV	I	II	III					
<b>United States</b> .....	<b>6,040,235</b>	<b>6,102,138</b>	<b>6,166,454</b>	<b>6,242,674</b>	<b>6,344,946</b>	<b>6,446,004</b>	<b>6,526,017</b>	<b>6,602,689</b>	<b>6,730,234</b>	<b>6,813,111</b>	<b>6,890,952</b>	1.2	1.9	1.2	1.1	
<b>New England</b> .....	<b>361,426</b>	<b>366,632</b>	<b>370,349</b>	<b>375,186</b>	<b>379,607</b>	<b>385,048</b>	<b>388,521</b>	<b>394,993</b>	<b>403,164</b>	<b>407,102</b>	<b>412,469</b>	1.7	2.1	1.0	1.3	
Connecticut .....	104,157	105,263	106,209	107,485	109,083	110,491	111,178	112,912	116,058	117,258	119,092	1.6	2.8	1.0	1.6	
Maine .....	24,630	24,975	24,979	25,282	25,590	25,984	26,251	26,669	27,068	27,371	27,668	1.6	1.5	1.1	1.1	
Massachusetts .....	168,247	170,826	173,256	175,702	177,592	180,415	182,334	185,678	189,306	190,836	193,262	1.8	2.0	.8	1.3	
New Hampshire .....	28,839	29,559	29,592	30,050	30,336	30,727	31,109	31,584	31,984	32,533	32,896	1.5	1.3	1.7	1.1	
Rhode Island .....	23,121	23,507	23,684	23,853	23,971	24,270	24,341	24,743	25,105	25,330	25,600	1.7	1.5	.9	1.1	
Vermont .....	12,433	12,502	12,630	12,815	13,034	13,160	13,307	13,407	13,643	13,773	13,952	.7	1.8	1.0	1.3	
<b>Mideast</b> .....	<b>1,186,541</b>	<b>1,194,849</b>	<b>1,203,961</b>	<b>1,216,140</b>	<b>1,237,524</b>	<b>1,251,871</b>	<b>1,264,426</b>	<b>1,280,913</b>	<b>1,304,447</b>	<b>1,311,683</b>	<b>1,325,982</b>	1.3	1.8	.6	1.1	
Delaware .....	18,424	18,573	18,823	19,208	19,552	19,842	20,252	20,735	20,806	20,858	21,170	2.4	.3	.2	1.5	
District of Columbia .....	17,979	17,999	18,011	18,097	18,444	18,299	18,629	18,787	19,046	18,980	19,128	.8	1.4	0	.8	
Maryland .....	132,435	133,396	134,073	135,171	137,621	139,245	140,748	142,657	145,585	146,772	148,279	1.4	2.1	.8	1.0	
New Jersey .....	235,873	238,211	239,921	242,202	245,984	249,308	251,460	254,430	259,568	260,234	263,035	1.2	2.0	.3	1.1	
New York .....	500,818	502,971	507,122	512,336	522,825	527,239	532,396	540,159	550,752	552,885	559,445	1.5	2.0	.4	1.2	
Pennsylvania .....	281,013	283,700	286,012	289,126	293,099	297,938	300,941	304,145	308,691	311,954	314,925	1.1	1.5	1.1	1.0	
<b>Great Lakes</b> .....	<b>1,011,205</b>	<b>1,016,414</b>	<b>1,025,335</b>	<b>1,037,991</b>	<b>1,050,678</b>	<b>1,067,473</b>	<b>1,080,212</b>	<b>1,088,807</b>	<b>1,107,241</b>	<b>1,118,858</b>	<b>1,128,709</b>	.8	1.7	1.0	.9	
Illinois .....	297,953	299,874	302,507	306,538	311,898	316,298	320,221	323,827	329,728	334,795	338,706	1.1	1.8	1.5	1.2	
Indiana .....	125,000	125,260	125,840	127,120	128,813	131,434	133,113	134,643	136,273	137,946	139,130	1.1	1.2	1.2	.9	
Michigan .....	228,072	227,361	229,862	232,862	235,014	238,849	241,129	242,326	246,604	246,771	247,980	.5	1.8	1.1	.5	
Ohio .....	247,297	249,836	252,041	254,992	257,084	261,194	264,418	265,610	270,378	273,296	275,415	.5	1.8	.1	.8	
Wisconsin .....	112,884	114,063	115,086	116,480	117,869	119,697	121,331	122,402	124,257	126,050	127,478	.9	1.5	1.4	1.1	
<b>Plains</b> .....	<b>396,928</b>	<b>401,414</b>	<b>405,940</b>	<b>411,894</b>	<b>422,854</b>	<b>430,289</b>	<b>436,027</b>	<b>440,502</b>	<b>447,509</b>	<b>454,004</b>	<b>458,272</b>	1.0	1.6	1.5	.9	
Iowa .....	58,230	58,654	59,339	60,349	62,444	63,330	64,071	64,608	65,808	66,547	66,789	.8	1.5	1.4	.4	
Kansas .....	55,452	55,957	56,483	56,978	58,546	59,253	59,992	60,546	61,519	62,694	63,322	.9	1.6	1.9	1.0	
Minnesota .....	108,996	110,264	111,360	113,501	116,196	118,885	120,959	122,079	123,362	125,624	127,214	.9	1.1	1.8	1.3	
Missouri .....	114,669	116,225	117,492	118,622	121,011	122,784	124,035	125,633	128,408	129,378	130,487	1.3	2.2	.8	.9	
Nebraska .....	34,259	34,631	35,324	36,008	36,963	37,686	38,117	38,681	39,335	39,833	40,287	1.5	1.7	1.3	1.1	
North Dakota .....	11,619	11,828	11,871	12,141	12,842	13,111	13,347	13,338	13,507	13,758	13,933	0	1.3	1.9	1.3	
South Dakota .....	13,702	13,854	14,072	14,295	14,853	15,239	15,505	15,617	15,769	16,170	16,240	.7	1.0	2.5	.4	
<b>Southeast</b> .....	<b>1,315,532</b>	<b>1,330,900</b>	<b>1,346,689</b>	<b>1,366,123</b>	<b>1,384,840</b>	<b>1,409,188</b>	<b>1,427,939</b>	<b>1,443,187</b>	<b>1,472,789</b>	<b>1,490,004</b>	<b>1,506,729</b>	1.1	2.1	1.2	1.1	
Alabama .....	80,849	81,643	82,531	83,247	84,122	85,655	86,740	87,568	88,998	89,800	90,587	1.0	1.6	.9	.9	
Arkansas .....	44,006	44,711	45,284	46,153	46,329	47,567	48,005	48,436	48,995	50,187	50,252	.9	1.2	2.4	.1	
Florida .....	322,062	325,801	330,072	334,334	342,159	346,800	351,320	355,118	362,557	366,848	371,544	1.1	2.1	1.2	1.3	
Georgia .....	154,451	156,103	158,784	162,162	164,063	168,023	170,891	172,657	176,818	178,647	181,433	1.2	2.3	1.0	1.6	
Kentucky .....	71,560	72,417	72,972	74,008	75,075	76,255	77,707	78,235	79,899	80,934	81,762	.7	2.1	1.3	1.0	
Louisiana .....	81,220	81,823	82,912	83,053	83,917	85,273	86,111	86,892	88,374	89,748	90,871	.9	1.7	1.6	1.3	
Mississippi .....	44,325	44,797	45,387	46,079	46,721	47,627	48,188	48,402	49,263	50,109	50,571	.4	1.8	1.7	.9	
North Carolina .....	148,917	151,505	153,258	156,724	158,014	161,859	163,920	166,616	170,544	172,999	174,230	1.6	2.4	1.4	.7	
South Carolina .....	69,009	69,827	70,483	71,511	72,080	73,495	74,607	75,377	76,809	77,802	78,662	1.0	1.9	1.0	1.4	
Tennessee .....	109,635	111,021	112,222	113,817	114,441	116,169	117,626	118,806	121,368	122,635	123,994	1.1	2.2	1.0	1.1	
Virginia .....	157,790	159,368	160,784	162,642	165,259	167,219	169,444	171,277	175,302	176,238	178,236	1.1	2.3	.5	1.1	
West Virginia .....	31,708	31,885	32,021	32,392	32,659	32,976	33,381	33,603	33,864	34,258	34,585	.7	.8	1.2	1.0	
<b>Southwest</b> .....	<b>568,008</b>	<b>576,315</b>	<b>584,361</b>	<b>592,619</b>	<b>603,099</b>	<b>613,576</b>	<b>623,327</b>	<b>630,151</b>	<b>645,366</b>	<b>656,488</b>	<b>665,435</b>	1.1	2.4	1.7	1.4	
Arizona .....	85,300	86,460	88,345	89,968	92,200	93,851	95,623	96,709	99,123	100,860	102,407	1.1	2.5	1.8	1.5	
New Mexico .....	30,231	30,580	31,009	31,304	31,823	32,152	32,367	32,526	33,301	33,837	34,154	.5	2.4	1.6	.9	
Oklahoma .....	60,341	61,041	61,604	62,385	63,239	64,273	65,003	65,541	67,017	67,547	68,659	.8	2.3	.8	1.6	
Texas .....	392,135	398,234	403,402	408,962	415,838	423,301	430,334	435,376	445,924	454,244	460,215	1.2	2.4	1.9	1.3	
<b>Rocky Mountain</b> .....	<b>172,902</b>	<b>174,647</b>	<b>177,649</b>	<b>180,764</b>	<b>183,459</b>	<b>187,084</b>	<b>190,154</b>	<b>192,566</b>	<b>196,311</b>	<b>199,637</b>	<b>202,462</b>	1.3	1.9	1.7	1.4	
Colorado .....	89,985	90,804	92,494	93,779	95,749	97,514	99,191	100,578	102,455	104,393	105,785	1.4	1.9	1.9	1.3	
Idaho .....	21,944	22,135	22,446	22,945	23,112	23,581	23,795	23,877	24,354	24,760	25,169	.3	2.0	1.7	1.7	
Montana .....	15,891	16,029	16,250	16,456	16,566	16,788	17,017	17,213	17,294	17,536	17,660	1.2	.5	1.4	.7	
Utah .....	35,196	35,701	36,388	37,378	37,856	38,484	39,697	40,397	41,520	42,153	42,921	1.8	2.8	1.5	1.8	
Wyoming .....	9,885	9,977	10,072	10,205	10,177	10,354	10,453	10,501	10,687	10,795	10,926	.5	1.8	1.0	1.2	
<b>Far West</b> .....	<b>1,027,694</b>	<b>1,040,967</b>	<b>1,052,169</b>	<b>1,061,958</b>	<b>1,082,884</b>	<b>1,101,474</b>	<b>1,115,412</b>	<b>1,131,570</b>	<b>1,153,406</b>	<b>1,175,334</b>	<b>1,190,893</b>	1.4	1.9	1.9	1.3	
Alaska .....	14,500	14,548	14,590	14,615	14,731	14,789	14,826	14,894	15,055	15,384	15,574	.5	1.1	2.2	1.2	
California .....	752,421	761,340	768,728	775,160	790,291	803,573	812,716	825,321	840,004	855,514	866,436	1.6	1.8	1.8	1.3	
Hawaii .....	29,352	29,669	29,633	29,716	29,902	30,067	30,150	30,169	30,549	30,837	31,095	.1	1.3	.9	.8	
Nevada .....	36,893	37,503	38,351	39,055	40,255	41,286	42,207	43,050	44,032	44,799	45,490	2.0	2.3	1.7	1.5	
Oregon .....	67,167	68,155	69,323	70,580	71,934	73,336	74,683	75,735	77,505	79,0						

Table J.2.—Annual Personal Income and Disposable Personal Income for States and Regions

Area name	Personal income					Disposable personal income				
	Millions of dollars			Percent change <sup>1</sup>		Millions of dollars			Percent change <sup>1</sup>	
	1994	1995	1996	1994-95	1995-96	1994	1995	1996	1994-95	1995-96
<b>United States</b> .....	<b>5,774,806</b>	<b>6,137,875</b>	<b>6,479,914</b>	<b>6.3</b>	<b>5.6</b>	<b>5,036,648</b>	<b>5,343,656</b>	<b>5,593,988</b>	<b>6.1</b>	<b>4.7</b>
<b>New England</b> .....	<b>345,430</b>	<b>368,398</b>	<b>387,042</b>	<b>6.6</b>	<b>5.1</b>	<b>295,605</b>	<b>313,755</b>	<b>325,596</b>	<b>6.1</b>	<b>3.8</b>
Connecticut .....	99,703	105,778	110,916	6.1	4.9	84,190	88,514	91,395	5.1	3.3
Maine .....	23,865	24,966	26,124	4.6	4.6	21,091	22,099	22,963	4.8	3.9
Massachusetts .....	160,247	172,008	181,505	7.3	5.5	135,860	145,105	151,149	6.8	4.2
New Hampshire .....	27,532	29,510	30,939	7.2	4.8	24,522	26,221	27,221	6.9	3.8
Rhode Island .....	22,296	23,541	24,331	5.6	3.4	19,562	20,683	21,247	5.7	2.7
Vermont .....	11,787	12,595	13,227	6.9	5.0	10,381	11,132	11,622	7.2	4.4
<b>Mideast</b> .....	<b>1,138,137</b>	<b>1,200,373</b>	<b>1,258,684</b>	<b>5.5</b>	<b>4.9</b>	<b>977,624</b>	<b>1,029,807</b>	<b>1,070,910</b>	<b>5.3</b>	<b>4.0</b>
Delaware .....	17,517	18,757	20,095	7.1	7.1	15,016	16,074	17,069	7.0	6.2
District of Columbia .....	17,795	18,021	18,539	1.3	2.9	15,167	15,405	15,859	1.6	2.9
Maryland .....	127,014	133,769	140,068	5.3	4.7	108,911	114,640	119,139	5.3	3.9
New Jersey .....	225,686	239,052	250,295	5.9	4.7	193,487	205,302	212,443	6.1	3.5
New York .....	479,156	505,812	530,655	5.6	4.9	407,831	429,520	447,031	5.3	4.1
Pennsylvania .....	270,969	284,963	299,031	5.2	4.9	237,212	248,867	259,369	4.9	4.2
<b>Great Lakes</b> .....	<b>964,118</b>	<b>1,022,736</b>	<b>1,071,792</b>	<b>6.1</b>	<b>4.8</b>	<b>834,810</b>	<b>884,726</b>	<b>919,565</b>	<b>6.0</b>	<b>3.9</b>
Illinois .....	284,319	301,718	318,061	6.1	5.4	245,498	260,030	271,612	5.9	4.5
Indiana .....	119,665	125,805	132,001	5.1	4.9	103,684	109,145	113,693	5.3	4.2
Michigan .....	215,266	229,544	239,330	6.6	4.3	186,873	199,127	206,030	6.6	3.5
Ohio .....	237,118	251,041	262,077	5.9	4.4	206,164	217,936	225,788	5.7	3.6
Wisconsin .....	107,749	114,628	120,325	6.4	5.0	92,591	98,488	102,442	6.4	4.0
<b>Plains</b> .....	<b>382,697</b>	<b>404,044</b>	<b>432,418</b>	<b>5.6</b>	<b>7.0</b>	<b>333,873</b>	<b>351,357</b>	<b>373,267</b>	<b>5.2</b>	<b>6.2</b>
Iowa .....	56,787	59,143	63,613	4.1	7.6	49,894	51,960	55,617	4.1	7.0
Kansas .....	53,088	56,218	59,585	5.9	6.0	46,463	49,000	51,481	5.5	5.1
Minnesota .....	104,727	111,031	119,530	6.0	7.7	89,182	94,081	100,058	5.5	6.4
Missouri .....	109,613	116,752	123,366	6.5	5.7	96,242	102,314	107,573	6.3	5.1
Nebraska .....	33,218	35,055	37,862	5.5	8.0	29,308	30,756	32,985	4.9	7.2
North Dakota .....	11,661	11,865	13,159	1.7	10.9	10,437	10,602	11,748	1.6	10.8
South Dakota .....	13,602	13,981	15,303	2.8	9.5	12,348	12,643	13,805	2.4	9.2
<b>Southeast</b> .....	<b>1,255,475</b>	<b>1,339,811</b>	<b>1,416,289</b>	<b>6.7</b>	<b>5.7</b>	<b>1,109,304</b>	<b>1,181,959</b>	<b>1,240,754</b>	<b>6.5</b>	<b>5.0</b>
Alabama .....	77,344	82,067	86,021	6.1	4.8	68,892	73,043	76,151	6.0	4.3
Arkansas .....	42,079	45,039	47,584	7.0	5.7	37,597	40,142	42,344	6.8	5.5
Florida .....	306,657	328,067	348,849	7.0	6.3	271,419	289,716	305,142	6.7	5.3
Georgia .....	146,103	157,875	168,959	8.1	7.0	127,646	137,701	145,978	7.9	6.0
Kentucky .....	68,670	72,739	76,885	5.9	5.7	60,451	63,930	67,208	5.8	5.1
Louisiana .....	78,219	82,252	85,548	5.2	4.0	70,548	74,106	76,592	5.0	3.4
Mississippi .....	42,507	45,147	47,735	6.2	5.7	38,700	41,143	43,420	6.3	5.5
North Carolina .....	141,426	152,601	162,602	7.9	6.6	123,333	133,009	141,008	7.8	6.0
South Carolina .....	66,019	70,208	73,890	6.3	5.2	58,661	62,097	65,038	5.9	4.7
Tennessee .....	103,989	111,674	116,760	7.4	4.6	93,528	100,278	104,146	7.2	3.9
Virginia .....	151,487	160,141	168,300	5.7	5.1	130,741	138,126	144,189	5.6	4.4
West Virginia .....	30,973	32,001	33,155	3.3	3.6	27,788	28,667	29,539	3.2	3.0
<b>Southwest</b> .....	<b>541,429</b>	<b>580,326</b>	<b>617,538</b>	<b>7.2</b>	<b>6.4</b>	<b>483,571</b>	<b>518,174</b>	<b>547,021</b>	<b>7.2</b>	<b>5.6</b>
Arizona .....	79,868	87,518	94,596	9.6	8.1	70,242	76,887	82,509	9.5	7.3
New Mexico .....	28,518	30,781	32,217	7.9	4.7	25,388	27,508	28,661	8.4	4.2
Oklahoma .....	58,691	61,343	64,514	4.5	5.2	52,010	54,409	56,831	4.6	4.5
Texas .....	374,353	400,683	426,212	7.0	6.4	335,932	359,370	379,020	7.0	5.5
<b>Rocky Mountain</b> .....	<b>163,203</b>	<b>176,490</b>	<b>188,316</b>	<b>8.1</b>	<b>6.7</b>	<b>141,204</b>	<b>152,796</b>	<b>161,621</b>	<b>8.2</b>	<b>5.8</b>
Colorado .....	84,643	91,766	98,258	8.4	7.1	72,629	78,826	83,523	8.5	6.0
Idaho .....	20,732	22,368	23,591	7.9	5.5	18,136	19,588	20,545	8.0	4.9
Montana .....	15,137	16,157	16,896	6.7	4.6	13,275	14,258	14,792	7.4	3.7
Utah .....	33,171	36,166	39,199	9.0	8.4	28,761	31,239	33,633	8.6	7.7
Wyoming .....	9,522	10,035	10,371	5.4	3.4	8,403	8,885	9,128	5.7	2.7
<b>Far West</b> .....	<b>984,317</b>	<b>1,045,697</b>	<b>1,107,835</b>	<b>6.2</b>	<b>5.9</b>	<b>860,656</b>	<b>911,081</b>	<b>955,254</b>	<b>5.9</b>	<b>4.8</b>
Alaska .....	14,125	14,563	14,810	3.1	1.7	12,247	12,655	12,778	3.3	1.0
California .....	722,002	764,435	807,975	5.9	5.7	632,206	665,609	695,767	5.3	4.5
Hawaii .....	28,469	29,593	30,072	3.9	1.6	24,640	25,916	26,119	5.2	.8
Nevada .....	34,292	37,951	41,699	10.7	9.9	29,699	32,870	35,718	10.7	8.7
Oregon .....	63,667	68,806	73,922	8.1	7.4	54,244	58,879	62,833	8.5	6.7
Washington .....	121,762	130,350	139,356	7.1	6.9	107,621	115,154	122,040	7.0	6.0

1. Percent changes are calculated from unrounded data.

NOTE.—The personal income level shown for the United States is derived as the sum of the State estimates. It differs from the national income and product accounts (NIPA) estimate of personal income because, by definition, it omits the earnings of Federal civilian and military personnel

stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms. It can also differ from the NIPA estimate because of different data sources and revision schedules.

Source: Tables 1 and 3 in "State Personal Income, Revised Estimates for 1958-96" in the October 1997 SURVEY OF CURRENT BUSINESS.

**Table J.3.—Per Capita Personal Income and Per Capita Disposable Personal Income for States and Regions, 1994-96**

Area name	Per capita personal income <sup>1</sup>				Per capita disposable personal income <sup>1</sup>			
	Dollars			Rank in U.S.	Dollars			Rank in U.S.
	1994	1995	1996	1996	1994	1995	1996	1996
<b>United States</b> .....	<b>22,180</b>	<b>23,348</b>	<b>24,426</b>	.....	<b>19,345</b>	<b>20,327</b>	<b>21,087</b>	.....
<b>New England</b> .....	<b>26,040</b>	<b>27,688</b>	<b>28,989</b>	.....	<b>22,284</b>	<b>23,582</b>	<b>24,387</b>	.....
Connecticut .....	30,462	32,341	33,875	1	25,722	27,063	27,913	1
Maine .....	19,277	20,157	21,011	36	17,036	17,842	18,469	37
Massachusetts .....	26,522	28,332	29,792	3	22,486	23,901	24,810	3
New Hampshire .....	24,250	25,700	26,615	8	21,599	22,836	23,416	7
Rhode Island .....	22,383	23,738	24,572	18	19,638	20,856	21,457	18
Vermont .....	20,299	21,538	22,470	29	17,878	19,036	19,743	28
<b>Midwest</b> .....	<b>25,613</b>	<b>26,968</b>	<b>28,242</b>	.....	<b>22,000</b>	<b>23,136</b>	<b>24,028</b>	.....
Delaware .....	24,748	26,159	27,724	5	21,215	22,417	23,549	5
District of Columbia .....	31,327	32,499	34,129	.....	26,702	27,780	29,195	.....
Maryland .....	25,405	26,547	27,618	6	21,784	22,751	23,491	6
New Jersey .....	28,547	30,071	31,334	2	24,474	25,826	26,595	2
New York .....	26,332	27,806	29,181	4	22,412	23,612	24,583	4
Pennsylvania .....	22,471	23,628	24,803	17	19,672	20,635	21,514	15
<b>Great Lakes</b> .....	<b>22,342</b>	<b>23,575</b>	<b>24,575</b>	.....	<b>19,346</b>	<b>20,394</b>	<b>21,084</b>	.....
Illinois .....	24,230	25,590	26,848	7	20,922	22,054	22,928	8
Indiana .....	20,811	21,702	22,601	28	18,032	18,828	19,466	32
Michigan .....	22,692	24,066	24,945	16	19,699	20,877	21,474	17
Ohio .....	21,368	22,547	23,457	21	18,579	19,574	20,209	21
Wisconsin .....	21,192	22,379	23,320	22	18,211	19,228	19,854	25
<b>Plains</b> .....	<b>21,005</b>	<b>22,018</b>	<b>23,414</b>	.....	<b>18,325</b>	<b>19,147</b>	<b>20,211</b>	.....
Iowa .....	20,049	20,802	22,306	30	17,616	18,276	19,503	31
Kansas .....	20,819	21,929	23,165	23	18,221	19,114	20,015	23
Minnesota .....	22,904	24,061	25,663	11	19,504	20,388	21,482	16
Missouri .....	20,779	21,949	23,022	25	18,244	19,234	20,075	22
Nebraska .....	20,435	21,385	22,917	27	18,030	18,763	19,966	24
North Dakota .....	18,229	18,495	20,448	38	16,315	16,526	18,255	38
South Dakota .....	18,783	19,165	20,895	37	17,051	17,331	18,849	35
<b>Southeast</b> .....	<b>20,003</b>	<b>21,076</b>	<b>22,016</b>	.....	<b>17,674</b>	<b>18,593</b>	<b>19,288</b>	.....
Alabama .....	18,349	19,327	20,131	39	16,344	17,202	17,821	39
Arkansas .....	17,142	18,126	18,959	47	15,316	16,155	16,872	45
Florida .....	21,959	23,129	24,226	20	19,436	20,425	21,190	19
Georgia .....	20,686	21,901	22,977	26	18,072	19,102	19,852	26
Kentucky .....	17,949	18,860	19,797	42	15,801	16,576	17,305	42
Louisiana .....	18,135	18,960	19,664	43	16,356	17,083	17,605	40
Mississippi .....	15,931	16,745	17,575	50	14,504	15,260	15,986	50
North Carolina .....	19,979	21,188	22,205	32	17,423	18,467	19,256	33
South Carolina .....	18,138	19,146	19,977	40	16,116	16,934	17,584	41
Tennessee .....	20,120	21,284	21,949	33	18,096	19,113	19,577	30
Virginia .....	23,129	24,208	25,212	14	19,961	20,880	21,600	14
West Virginia .....	16,998	17,532	18,160	49	15,250	15,706	16,179	49
<b>Southwest</b> .....	<b>19,739</b>	<b>20,673</b>	<b>21,614</b>	.....	<b>17,630</b>	<b>18,459</b>	<b>19,146</b>	.....
Arizona .....	19,562	20,329	21,363	35	17,205	17,860	18,633	36
New Mexico .....	17,187	18,215	18,803	48	15,301	16,278	16,727	48
Oklahoma .....	18,039	18,731	19,544	45	15,985	16,614	17,217	44
Texas .....	20,308	21,311	22,282	31	18,224	19,114	19,815	27
<b>Rocky Mountain</b> .....	<b>20,286</b>	<b>21,467</b>	<b>22,490</b>	.....	<b>17,552</b>	<b>18,585</b>	<b>19,302</b>	.....
Colorado .....	23,109	24,487	25,704	10	19,829	21,034	21,849	12
Idaho .....	18,243	19,181	19,837	41	15,959	16,798	17,276	43
Montana .....	17,672	18,563	19,214	46	15,499	16,382	16,821	46
Utah .....	17,334	18,468	19,595	44	15,029	15,952	16,812	47
Wyoming .....	20,013	20,941	21,544	34	17,661	18,542	18,961	34
<b>Far West</b> .....	<b>22,867</b>	<b>24,052</b>	<b>25,173</b>	.....	<b>19,994</b>	<b>20,955</b>	<b>21,706</b>	.....
Alaska .....	23,487	24,170	24,398	19	20,364	21,002	21,050	20
California .....	23,022	24,217	25,346	13	20,158	21,087	21,826	13
Hawaii .....	24,278	25,095	25,404	12	21,012	21,978	22,065	10
Nevada .....	23,422	24,748	26,011	9	20,285	21,435	22,280	9
Oregon .....	20,575	21,851	23,074	24	17,530	18,698	19,612	29
Washington .....	22,755	23,927	25,187	15	20,112	21,138	22,057	11

1. Per capita personal income and per capita disposable personal income are computed using midyear population estimates of the Bureau of the Census.

NOTE.—The personal income level shown for the United States is derived as the sum of the State estimates. It differs from the national income and product accounts (NIPA) estimate of per-

sonal income because, by definition, it omits the earnings of Federal civilian and military personnel stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms. It can also differ from the NIPA estimate because of different data sources and revision schedules.

Source: Tables 2 and 4 in "State Personal Income, Revised Estimates for 1958-96" in the October 1997 SURVEY OF CURRENT BUSINESS.

**Table J.4.—Gross State Product for States and Regions by Industry, 1994**

[Millions of dollars]

State and region	Rank of total gross state product	Total gross state product	Farms	Agricultural services, forestry, and fishing	Mining	Construction	Manufacturing			Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Federal civilian government	Federal military government	State and local government
							Total	Durable goods	Nondurable goods								
<b>United States</b>		<b>6,835,641</b>	<b>82,197</b>	<b>35,651</b>	<b>90,058</b>	<b>269,232</b>	<b>1,197,098</b>	<b>673,139</b>	<b>523,959</b>	<b>606,354</b>	<b>461,863</b>	<b>609,908</b>	<b>1,273,678</b>	<b>1,342,720</b>	<b>182,651</b>	<b>79,948</b>	<b>604,284</b>
<b>New England</b>		<b>389,259</b>	<b>1,182</b>	<b>1,915</b>	<b>237</b>	<b>13,158</b>	<b>66,134</b>	<b>43,392</b>	<b>22,743</b>	<b>27,786</b>	<b>25,962</b>	<b>33,195</b>	<b>92,056</b>	<b>88,578</b>	<b>6,712</b>	<b>2,084</b>	<b>30,258</b>
Connecticut	21	110,449	280	504	38	3,646	18,612	12,231	6,381	7,744	7,328	8,813	30,138	22,939	1,510	579	9,319
Maine	42	26,069	221	267	12	1,142	4,639	2,200	2,439	1,864	1,510	3,159	4,742	4,816	827	342	2,528
Massachusetts	10	186,199	296	777	113	5,943	30,387	20,245	10,142	12,883	13,237	14,784	42,919	47,245	3,134	678	13,804
New Hampshire	40	29,393	94	138	29	1,031	6,053	4,336	1,718	2,327	1,742	2,913	6,502	5,723	448	67	2,326
Rhode Island	44	23,867	56	147	14	822	4,148	2,776	1,372	1,739	1,274	2,204	5,456	5,151	477	354	2,026
Vermont	50	13,282	234	82	31	574	2,296	1,605	691	1,229	872	1,323	2,299	2,704	317	65	1,256
<b>Midwest</b>		<b>1,327,798</b>	<b>4,504</b>	<b>4,012</b>	<b>2,355</b>	<b>45,626</b>	<b>183,235</b>	<b>85,106</b>	<b>98,129</b>	<b>114,721</b>	<b>86,894</b>	<b>100,291</b>	<b>321,733</b>	<b>294,563</b>	<b>46,598</b>	<b>7,278</b>	<b>115,987</b>
Delaware	41	26,697	221	75	4	889	5,397	1,486	3,911	1,354	1,046	1,513	10,414	3,419	358	273	1,733
District of Columbia		48,028	0	13	7	428	1,267	153	1,114	2,596	577	1,367	6,988	15,636	16,102	1,166	1,981
Maryland	16	132,703	601	610	111	6,536	11,442	5,676	5,766	11,144	8,199	11,787	29,253	29,531	9,956	2,117	11,416
New Jersey	8	254,945	479	864	152	9,261	36,841	12,144	24,698	25,750	23,374	19,096	57,125	54,124	4,186	832	22,862
New York	2	570,994	1,399	1,221	428	16,661	70,346	35,556	34,790	46,605	35,683	40,005	164,061	129,468	8,443	1,804	54,850
Pennsylvania	6	294,431	1,805	1,229	1,653	11,852	57,941	30,091	27,850	27,272	18,014	26,253	53,972	62,385	7,553	1,087	23,145
<b>Great Lakes</b>		<b>1,111,598</b>	<b>11,265</b>	<b>4,418</b>	<b>4,459</b>	<b>45,155</b>	<b>284,542</b>	<b>188,314</b>	<b>96,229</b>	<b>90,978</b>	<b>77,674</b>	<b>97,284</b>	<b>179,209</b>	<b>198,663</b>	<b>19,212</b>	<b>4,025</b>	<b>94,713</b>
Illinois	4	332,853	3,515	1,321	1,273	14,086	62,441	35,277	27,164	31,940	26,639	27,549	63,253	66,853	6,357	1,666	25,938
Indiana	15	138,190	1,839	531	753	6,493	41,843	29,115	12,728	11,407	8,382	12,334	18,448	21,325	2,725	479	11,229
Michigan	9	240,390	1,486	887	938	8,584	71,415	54,414	17,001	16,156	16,373	19,958	36,385	42,298	2,814	527	22,580
Ohio	7	274,844	2,121	1,039	1,238	10,583	73,887	48,605	25,282	22,582	18,534	25,922	41,404	47,899	5,225	1,032	23,366
Wisconsin	19	125,321	2,302	640	258	5,409	34,956	20,903	14,053	8,882	7,745	11,120	19,719	20,298	2,091	300	11,600
<b>Plains</b>		<b>455,013</b>	<b>17,428</b>	<b>2,562</b>	<b>2,466</b>	<b>19,202</b>	<b>88,359</b>	<b>49,443</b>	<b>38,916</b>	<b>43,306</b>	<b>34,207</b>	<b>41,979</b>	<b>69,161</b>	<b>79,879</b>	<b>10,786</b>	<b>4,102</b>	<b>41,575</b>
Iowa	29	68,298	4,238	553	156	2,700	16,699	9,775	6,924	5,388	4,718	5,966	9,632	10,090	1,263	191	6,706
Kansas	31	61,758	2,529	348	815	2,402	10,727	5,638	5,090	7,444	4,545	5,956	7,831	10,003	1,584	1,347	6,227
Minnesota	20	124,641	8,222	534	507	5,318	24,950	14,510	10,440	9,564	10,061	11,134	21,869	23,882	2,361	306	11,334
Missouri	17	128,216	1,751	563	356	5,823	27,017	14,477	12,540	13,476	9,406	12,493	18,734	24,172	3,549	892	9,985
Nebraska	36	41,357	3,180	308	98	1,714	6,031	3,088	2,944	4,559	3,147	3,488	5,937	6,724	1,104	587	4,500
North Dakota	49	13,494	1,286	84	349	588	979	534	445	1,496	1,255	1,291	1,673	2,302	358	494	1,341
South Dakota	46	17,250	1,642	173	185	657	1,956	1,422	534	1,378	1,076	1,652	3,487	2,706	567	288	1,483
<b>Southeast</b>		<b>1,478,627</b>	<b>20,175</b>	<b>7,841</b>	<b>21,509</b>	<b>60,747</b>	<b>282,972</b>	<b>126,435</b>	<b>156,537</b>	<b>143,740</b>	<b>97,808</b>	<b>144,130</b>	<b>226,278</b>	<b>263,453</b>	<b>45,781</b>	<b>31,101</b>	<b>133,092</b>
Alabama	25	88,661	1,512	460	1,184	3,496	19,398	9,593	9,805	8,821	5,515	6,926	10,860	14,045	4,173	1,411	8,861
Arkansas	33	50,575	2,035	315	382	1,846	12,578	6,757	5,820	6,196	3,077	5,193	5,637	7,272	1,179	411	4,555
Florida	5	317,829	3,399	2,735	711	14,592	26,612	15,079	11,533	29,914	22,644	35,783	68,123	72,639	6,669	4,573	29,435
Georgia	11	183,042	2,491	768	752	6,707	32,576	13,383	19,322	21,865	16,355	16,714	28,663	31,980	5,667	3,519	15,085
Kentucky	26	86,485	1,867	442	2,941	3,429	23,221	12,545	10,676	8,305	4,770	7,651	9,514	12,471	2,683	1,803	7,387
Louisiana	22	101,101	882	369	9,995	4,476	17,417	4,311	13,107	11,059	5,784	8,717	13,260	16,738	1,841	1,320	9,241
Mississippi	32	50,587	1,256	287	356	1,855	11,854	7,015	4,839	6,228	2,840	5,008	5,680	7,597	1,522	1,064	5,039
North Carolina	12	181,521	3,420	786	229	7,078	53,629	19,739	33,890	14,315	11,692	16,338	23,465	26,345	3,146	4,882	16,194
South Carolina	27	79,925	724	363	158	3,473	21,787	8,403	13,384	6,399	4,367	6,043	10,297	11,632	1,864	2,273	8,545
Tennessee	18	126,539	1,242	476	347	4,677	30,611	16,049	14,562	10,646	9,232	13,881	16,217	23,663	4,450	694	10,403
Virginia	13	177,708	1,147	737	1,074	7,443	27,435	11,047	16,389	15,425	9,694	14,820	30,823	33,594	11,646	9,009	14,860
West Virginia	39	34,654	200	101	3,380	1,675	5,854	2,514	3,341	4,567	1,836	3,057	3,838	5,477	939	142	3,587
<b>Southwest</b>		<b>677,888</b>	<b>8,347</b>	<b>3,541</b>	<b>39,652</b>	<b>28,989</b>	<b>105,712</b>	<b>61,747</b>	<b>43,964</b>	<b>72,514</b>	<b>46,743</b>	<b>62,877</b>	<b>98,977</b>	<b>120,958</b>	<b>17,331</b>	<b>9,967</b>	<b>62,281</b>
Arizona	24	94,093	810	673	1,114	5,116	13,973	11,155	2,817	9,345	5,677	10,034	17,115	18,155	2,538	1,200	9,343
New Mexico	37	37,832	564	178	2,702	1,781	5,117	4,422	695	3,672	1,645	5,130	6,595	1,791	834	4,272	4,272
Oklahoma	30	66,189	1,591	311	3,281	2,069	11,060	6,615	4,445	7,281	4,051	6,663	8,203	10,788	2,500	1,476	6,915
Texas	3	479,774	5,381	2,379	32,555	20,024	75,562	39,555	36,007	53,216	35,369	42,630	68,529	85,419	10,502	6,456	41,750
<b>Rocky Mountain</b>		<b>198,132</b>	<b>3,989</b>	<b>1,120</b>	<b>8,816</b>	<b>10,271</b>	<b>24,790</b>	<b>15,011</b>	<b>9,779</b>	<b>22,017</b>	<b>11,869</b>	<b>19,563</b>	<b>29,743</b>	<b>37,142</b>	<b>7,215</b>	<b>3,034</b>	<b>18,564</b>
Colorado	23	99,767	1,180	506	1,660	5,234	12,299	7,197	5,102	11,014	6,341	10,039	16,825	20,626	3,424	1,885	8,736
Idaho	43	24,185	1,260	276	169	1,536	4,612	3,030	1,583	2,181	1,456	2,502	3,092	3,771	760	268	2,301
Montana	47	16,862	835	135	837	758	1,317	763	555	2,152	1,049	2,261	2,261	3,061	742	266	1,734
Utah	35	41,657	418	123	1,484	2,151	5,891	3,806	2,086	4,008	2,532	4,268	5,905	6,221	1,901	412	4,346
Wyoming	48	15,660	297	79	4,666	591	670	215	455	2,662	492	1,040	1,661	1,464	388	202	1,447
<b>Far West</b>		<b>1,197,326</b>	<b>15,306</b>	<b>10,241</b>	<b>10,563</b>	<b>46,084</b>	<b>161,354</b>	<b>103,692</b>	<b>57,662</b>	<b>91,293</b>	<b>80,707</b>	<b>110,589</b>	<b>256,519</b>	<b>259,485</b>	<b>29,015</b>	<b>18,357</b>	<b>107,814</b>
Alaska	45	22,720	18	356	4,238	1,038	1,149	317	833	3,835	672	1,539	2,480	2,653	1,113	1,094	2,535
California	1	875,697	11,171	7,189	4,459	29,222	121,842	76,608	45,234	63,122	59,860	79,662	199,078	193,314	18,900	11,187	26,691
Hawaii	38	36,718	282														

**K. Local Area Table**

**Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1993–95**

Area name	Personal income			Percent change <sup>2</sup>	Per capita personal income <sup>3</sup>			Rank in U.S.
	Millions of dollars				Dollars			
	1993	1994	1995		1993	1994	1995	
<b>United States<sup>1</sup></b>	<b>5,471,129</b>	<b>5,739,851</b>	<b>6,097,977</b>	<b>6.2</b>	<b>21,223</b>	<b>22,044</b>	<b>23,196</b>	
<b>Metropolitan portion</b>	<b>4,627,255</b>	<b>4,850,244</b>	<b>5,162,277</b>	<b>6.4</b>	<b>22,481</b>	<b>23,327</b>	<b>24,594</b>	
<b>Nonmetropolitan portion</b>	<b>843,874</b>	<b>889,607</b>	<b>935,700</b>	<b>5.2</b>	<b>16,239</b>	<b>16,959</b>	<b>17,658</b>	
<b>Consolidated Metropolitan Statistical Areas</b>								
Chicago-Gary-Kenosha, IL-IN-WI	210,079	220,224	234,889	6.7	24,869	25,906	27,481	
Cincinnati-Hamilton, OH-KY-IN	40,549	42,522	45,310	6.6	21,559	22,436	23,752	
Cleveland-Akron, OH	64,737	67,627	72,102	6.3	22,388	23,350	24,792	
Dallas-Fort Worth, TX	98,736	105,222	113,633	8.0	23,006	24,034	25,418	
Denver-Boulder-Greeley, CO	51,988	54,925	59,361	6.1	24,211	25,084	26,581	
Detroit-Ann Arbor-Flint, MI	121,251	131,581	140,169	6.5	23,139	25,117	26,646	
Houston-Galveston-Brazoria, TX	93,005	97,330	104,073	6.9	23,048	23,993	24,910	
Los Angeles-Riverside-Orange County, CA	331,389	337,711	357,571	5.9	21,822	22,122	23,290	
Miami-Fort Lauderdale, FL	71,826	74,618	80,095	7.3	21,514	21,965	23,155	
Milwaukee-Racine, WI	37,629	39,592	42,025	6.1	23,036	24,182	25,636	
New York-No. New Jersey-Long Island, NY-NJ-CT-PA	564,130	585,058	619,024	5.8	28,691	29,654	31,280	
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	147,099	151,972	160,677	5.7	24,743	25,497	26,921	
Portland-Salem, OR-WA	41,382	44,382	48,170	8.5	21,236	22,308	23,719	
Sacramento-Yolo, CA	33,416	35,017	37,534	7.2	21,212	22,052	23,332	
San Francisco-Oakland-San Jose, CA	181,386	187,916	201,544	7.3	28,055	28,901	30,302	
Seattle-Tacoma-Bremerton, WA	77,103	80,757	85,826	6.3	24,214	25,062	26,231	
Washington-Baltimore, DC-MD-VA-WV	185,306	194,456	204,023	4.9	26,550	27,584	28,706	
<b>Metropolitan Statistical Areas<sup>4</sup></b>								
Abilene, TX	2,117	2,153	2,299	6.8	17,407	17,720	18,708	254
Akron, OH <sup>5</sup>	13,869	14,691	15,620	6.3	20,663	21,828	23,103	92
Albany, GA	1,915	2,063	2,199	6.6	16,507	17,711	18,849	246
Albany-Schenectady-Troy, NY	19,396	20,365	21,004	3.1	22,194	23,082	23,837	73
Albuquerque, NM	12,071	13,056	14,188	8.7	19,145	20,175	21,452	142
Alexandria, LA	2,177	2,332	2,456	5.3	17,399	18,492	19,352	224
Allentown-Bethlehem-Easton, PA	13,250	13,794	14,580	5.7	21,754	22,554	23,801	74
Altoona, PA	2,287	2,379	2,495	4.9	17,338	17,963	18,891	244
Amarillo, TX	3,673	3,916	4,188	7.0	18,801	19,664	20,464	177
Anchorage, AK	6,616	6,921	7,015	1.4	26,465	27,484	27,914	22
Ann Arbor, MI <sup>6</sup>	12,251	13,472	14,508	7.7	24,101	26,255	27,829	24
Arbiton, AL	1,846	1,916	2,024	5.6	15,859	16,989	17,840	289
Appleton-Oshkosh-Neenah, WI	6,735	7,178	7,672	6.9	20,497	21,596	22,810	102
Asheville, NC	3,920	4,095	4,391	7.2	19,491	20,050	21,181	154
Athens, GA	2,276	2,416	2,606	7.8	17,390	18,094	19,320	228
Atlanta, GA	75,166	80,871	87,956	8.8	23,260	24,229	25,563	42
Atlantic-Cape May, NJ <sup>7</sup>	8,192	8,502	8,964	5.4	24,973	25,768	27,020	29
Augusta-Aiken, GA-SC	8,114	8,429	8,809	4.5	18,297	18,790	19,451	222
Austin-San Marcos, TX	18,373	20,331	22,338	9.9	20,048	20,977	22,185	123
Bakersfield, CA	10,073	10,218	10,860	6.3	16,798	16,711	17,625	291
Baltimore, MD <sup>8</sup>	56,912	59,799	62,556	4.6	23,282	24,326	25,347	44
Bangor, ME (NECMA)	2,518	2,601	2,728	4.9	17,228	17,777	18,747	252
Barnstable-Yarmouth, MA (NECMA)	4,870	5,106	5,492	7.6	25,286	26,090	27,568	25
Baton Rouge, LA	10,492	11,233	11,919	6.1	18,962	20,114	21,159	156
Beaumont-Port Arthur, TX	6,711	6,951	7,348	5.7	17,973	18,567	19,541	221
Bellingham, WA	2,593	2,789	2,953	5.9	18,198	19,097	19,775	210
Benton Harbor, MI	3,073	3,257	3,442	5.7	19,018	20,193	21,284	150
Bergen-Passaic, NJ <sup>9</sup>	40,789	42,024	44,345	5.5	31,489	32,291	33,931	4
Billings, MT	2,361	2,515	2,662	5.8	19,543	20,472	21,345	146
Biloxi-Gulfport-Pascagoula, MS	5,374	5,852	6,104	4.3	16,315	17,339	17,856	288
Birmingham, NY	5,071	5,172	5,269	1.9	19,165	19,727	20,446	178
Birmingham, AL	17,846	18,960	20,283	7.0	20,644	21,547	22,830	99
Bismarck, ND	1,627	1,697	1,814	6.9	18,634	19,255	20,342	182
Bloomington, IN	1,939	2,029	2,147	5.8	17,196	17,844	18,603	261
Bloomington-Normal, IL	2,797	3,056	3,213	5.1	20,722	22,417	23,229	90
Boise City, ID	6,932	7,629	8,330	9.2	20,711	21,885	23,052	94
Boston-Worcester-Lawrence-Lowell-Brockton, MA-NH (NECMA)	146,890	153,749	164,718	7.1	25,773	26,832	28,564	17
Boulder-Longmont, CO <sup>10</sup>	6,221	6,632	7,114	7.3	25,451	26,555	27,978	20
Brazoria, TX	3,775	3,970	4,240	6.8	18,112	18,662	19,595	218
Bremerton, WA <sup>11</sup>	4,108	4,293	4,529	5.5	19,292	19,802	20,004	197
Brownsville-Harlingen-San Benito, TX	3,259	3,476	3,682	5.9	11,246	11,610	11,960	313
Bryan-College Station, TX	1,877	1,985	2,086	5.1	14,524	15,187	15,872	306
Buffalo-Niagara Falls, NY	24,140	25,509	26,766	4.9	20,254	21,475	22,645	109
Burlington, VT (NECMA)	3,864	4,018	4,280	6.5	21,053	21,518	22,687	105
Campton-Hills, OH	7,625	8,052	8,535	6.0	19,014	20,054	21,222	152
Casper, WY	1,414	1,469	1,550	5.5	22,476	22,978	24,448	65
Cedar Rapids, IA	3,835	4,094	4,363	6.6	21,928	23,184	24,248	61
Champaign-Urbana, IL	3,125	3,235	3,390	4.8	18,442	19,518	20,376	181
Charleston-North Charleston, SC	8,879	9,168	9,447	3.0	16,919	17,769	18,840	247
Charleston, WV	5,201	5,434	5,744	5.7	20,465	21,352	22,562	112
Charlotte-Gastonia-Rock Hill, NC-SC	26,536	28,472	30,989	8.8	21,505	22,580	24,022	71
Charlottesville, VA	3,172	3,318	3,512	5.8	22,926	23,622	24,630	56
Chattanooga, TN-GA	8,461	8,887	9,453	6.4	19,450	20,230	21,330	147
Cheyenne, WY	1,570	1,597	1,664	4.2	20,420	20,458	21,201	153
Chicago, IL <sup>12</sup>	193,676	202,969	216,553	6.7	25,501	26,553	28,177	19
Chico-Paradise, CA	3,225	3,317	3,482	5.0	16,881	17,249	18,400	280
Cincinnati, OH-KY-IN <sup>13</sup>	34,473	36,084	38,428	6.5	21,928	22,848	24,199	66
Clarksburg-Hopkinsville, TN-KY	2,694	2,854	3,053	7.0	22,943	24,505	26,333	298
Cleveland-Lorain-Elyria, OH <sup>14</sup>	5,889	53,136	56,482	6.3	19,910	20,809	21,803	46
Colorado Springs, CO	8,301	8,931	9,660	8.2	19,104	19,684	20,770	166
Columbia, MO	2,290	2,443	2,608	6.7	19,212	20,178	21,137	157
Columbia, SC	9,298	9,818	10,464	6.6	19,362	20,702	21,733	131
Columbus, GA-AL	4,612	4,798	5,060	5.4	17,023	17,549	18,616	259
Columbus, OH	30,328	32,441	34,614	6.7	21,525	22,825	24,132	68
Corpus Christi, TX	6,128	6,469	6,833	5.6	16,594	17,190	17,984	285
Cumberland, MD-WV	1,610	1,682	1,765	5.0	15,894	16,627	17,460	293
Dallas, TX <sup>15</sup>	68,719	73,638	79,737	8.3	24,084	25,298	26,803	32
Danville, VA	1,793	1,865	1,965	5.3	16,395	16,972	17,930	286
Davenport-Moline-Rock Island, IA-IL	7,016	7,337	7,722	5.3	19,646	20,534	21,588	137
Dayton-Springfield, OH	19,884	20,823	22,132	6.3	20,734	21,834	23,067	89
Daytona Beach, FL	7,417	7,867	8,464	7.6	17,120	17,742	18,794	249
Decatur, AL	2,466	2,623	2,772	5.7	17,912	19,069	19,955	200
Decatur, IL	2,360	2,434	2,517	3.4	20,106	20,851	21,640	134
Denver, CO <sup>16</sup>	43,300	45,764	49,546	8.3	24,570	25,494	27,069	28
Des Moines, IA	9,387	10,014	10,709	6.9	22,747	23,987	25,331	45
Detroit, MI <sup>17</sup>	100,582	108,703	115,754	6.5	23,395	25,320	26,889	31
Dothan, AL	2,264	2,372	2,506	5.7	16,919	17,819	18,777	250
Dover, DE	2,069	2,177	2,344	7.7	17,494	18,233	19,333	226
Dubuque, IA	1,669	1,771	1,865	5.3	19,011	20,113	21,160	155
Duluth-Superior, MN-WI	4,338	4,540	4,782	5.3	17,959	18,834	19,959	199
Dutchess County, NY <sup>18</sup>	6,092	6,132	6,302	2.8	23,177	23,474	24,098	69
Eau Claire, WI	2,440	2,584	2,754	6.5	17,292	18,218	19,335	225
El Paso, TX	8,391	8,809	9,299	5.6	12,964	13,211	13,702	312
Elkhart-Goshen, IN	3,317	3,564	3,780	6.1	20,485	21,719	22,660	107
Elmira, NY	1,686	1,773	1,863	5.0	17,745	18,766	19,617	206
Enid, OK	1,031	1,063	1,099	3.3	18,246	18,719	19,180	235
Erie, PA	5,278	5,510	5,811	5.5	18,879	19,630	20,704	168
Evangeline-Springdale, OR	5,327	5,667	6,043	6.6	18,036	18,932	19,917	202
Evangeline-Henderson, IN-KY	5,853	6,071	6,360	4.8	20,505	21,184	22,124	124
Fargo-Moorhead, ND-MN	2,95							

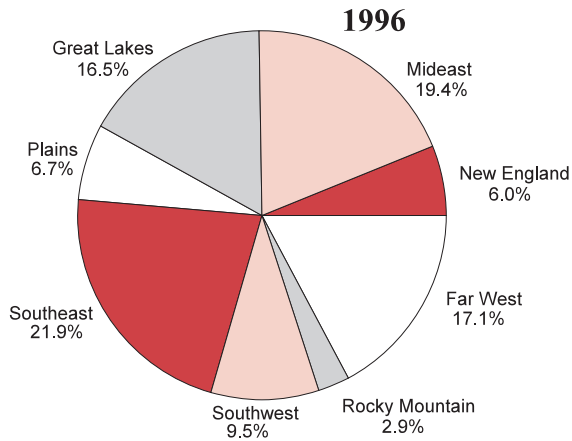
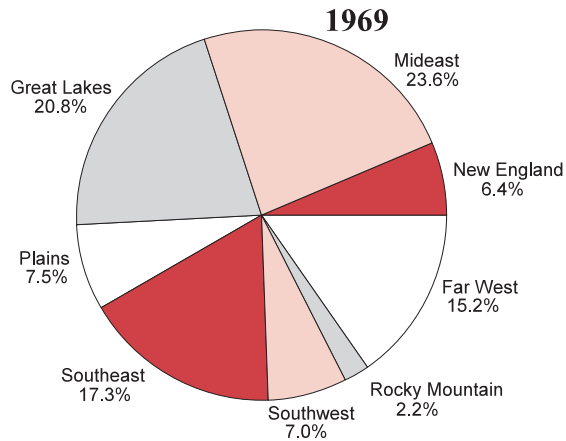
Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1993–95—Continued

Area name	Personal income				Per capita personal income <sup>3</sup>				Area name	Personal income				Per capita personal income <sup>3</sup>			
	Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.		Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.
	1993	1994	1995		1993	1994	1995			1993	1994	1995		1993	1994	1995	
Jonesboro, AR .....	1,154	1,226	1,335	8.9	15,905	16,704	17,826	290	Raleigh-Durham-Chapel Hill, NC ...	21,293	22,694	24,596	8.4	22,661	23,448	24,675	54
Joplin, MO .....	2,357	2,543	2,739	7.7	16,857	17,960	19,088	241	Rapid City, SD .....	1,564	1,645	1,760	7.0	18,181	18,991	20,176	189
Kalamazoo-Battle Creek, MI .....	8,737	9,229	9,821	6.4	19,895	20,964	22,203	122	Reading, PA .....	7,698	8,202	8,455	5.4	22,268	23,008	24,139	67
Kankakee, IL .....	1,808	1,892	2,020	6.7	18,003	18,699	19,901	204	Redding, CA .....	2,909	3,007	3,146	4.6	18,319	18,785	19,558	219
Kansas City, MO-KS .....	36,359	38,533	41,123	6.7	22,290	23,244	24,576	58	Reno, NV .....	6,933	7,506	8,110	8.0	25,189	26,448	27,866	23
Kenosha, WI .....	2,597	2,751	2,948	7.2	19,092	19,990	21,117	158	Richland-Kennewick-Pasco, WA ....	3,388	3,605	3,699	2.6	20,220	20,691	20,618	171
Killeen-Temple, TX .....	4,202	4,530	4,828	6.6	15,600	15,682	16,508	303	Richmond-Petersburg, VA .....	21,378	22,540	23,940	6.2	23,600	24,587	25,851	41
Knoxville, TN .....	12,153	12,964	13,814	6.6	20,827	20,566	21,558	138	Riverside-San Bernardino, CA* .....	50,578	52,250	55,477	6.2	17,584	17,892	18,685	255
Kokomo, IN .....	2,071	2,203	2,368	7.5	19,648	22,130	23,715	77	Roanoke, VA .....	5,017	5,207	5,575	7.1	22,045	22,753	24,378	62
La Crosse, WI-MN .....	2,314	2,430	2,550	4.9	19,385	20,210	21,088	159	Rochester, MN .....	2,608	2,667	2,784	4.4	23,141	23,574	24,720	52
Lafayette, LA .....	5,720	6,161	6,527	5.9	15,999	17,060	17,867	287	Rochester, NY .....	24,339	25,451	26,703	4.9	22,372	23,386	24,566	59
Lafayette, IN .....	2,994	3,164	3,353	6.0	18,070	18,806	19,734	215	Rockford, IL .....	6,837	7,381	7,888	6.9	19,923	21,330	22,602	111
Lake Charles, LA .....	2,957	3,176	3,394	6.9	17,188	18,258	19,262	230	Rocky Mount, NC .....	2,375	2,481	2,656	7.1	17,147	17,631	18,615	260
Lakeland-Winter Haven, FL .....	7,175	7,709	8,344	8.2	16,972	17,930	19,126	238	Sacramento, CA .....	30,464	31,962	34,258	7.2	21,306	22,173	23,459	84
Lancaster, PA .....	9,537	9,785	10,321	5.5	21,745	22,084	23,056	93	Saginaw-Bay City-Midland, MI .....	7,973	8,478	8,996	6.1	19,787	20,047	22,342	118
Lansing-East Lansing, MI .....	8,531	9,168	9,686	5.7	19,553	20,614	21,717	132	St. Joseph, MO .....	2,609	2,777	2,902	4.5	16,825	17,408	18,278	272
Laredo, TX .....	1,730	1,885	1,966	4.3	10,998	11,430	11,402	314	St. Louis, MO-IL .....	1,697	1,781	1,872	5.1	17,251	18,214	19,222	233
Las Cruces, NM .....	2,059	2,160	2,343	8.5	13,487	13,752	14,643	311	St. Louis, MO-IL .....	56,970	59,826	63,929	6.9	22,529	23,634	25,170	48
Las Vegas, NV-AZ .....	21,342	23,786	26,198	10.1	21,054	21,974	22,927	97	Salem, OR .....	5,300	5,624	6,010	6.9	17,612	18,278	19,154	236
Lawrence, KS .....	1,417	1,505	1,608	6.8	16,483	17,266	18,191	274	Salinas, CA .....	7,946	7,922	8,452	6.7	22,577	23,804	25,270	47
Lawton, OK .....	1,778	1,803	1,880	4.3	15,041	15,866	16,870	297	Salt Lake City-Ogden, UT .....	2,043	22,030	23,739	7.8	17,674	18,703	19,825	205
Lawton-Atsugi, ME (NECMA) .....	1,849	1,918	2,019	5.3	17,808	18,558	19,626	217	San Angelo, TX .....	1,754	1,845	1,958	6.1	17,553	18,247	19,231	232
Lexington, KY .....	8,680	9,080	9,743	7.3	20,331	21,060	22,394	116	San Antonio, TX .....	25,644	27,298	29,313	7.4	18,214	19,055	20,034	196
Lima, OH .....	2,795	2,988	3,117	4.3	17,897	19,168	20,042	195	San Diego, CA .....	56,001	57,820	61,106	5.6	21,484	22,114	23,263	88
Lincoln, NE .....	4,541	4,831	5,156	6.7	20,275	21,325	22,446	114	San Francisco, CA* .....	55,375	56,964	60,853	6.8	33,891	34,745	36,989	1
Little Rock-North Little Rock, AR ...	10,489	11,105	11,916	7.3	19,880	20,652	21,954	126	San Jose, CA .....	43,786	45,784	49,548	8.2	23,362	23,439	31,487	10
Longview-Marshall, TX .....	3,507	3,660	3,905	6.7	17,531	18,166	19,132	237	San Luis Obispo-Atascadero-Paso Robles, CA .....	4,216	4,361	4,645	6.5	18,970	19,444	20,490	176
Los Angeles-Long Beach, CA* .....	199,770	201,754	213,337	5.7	21,984	22,218	23,501	82	Santa Barbara-Santa Maria-Lompoc, CA .....	9,193	9,378	9,929	5.9	24,216	24,435	25,860	40
Louisville, KY-IN .....	20,804	21,834	23,232	6.4	21,363	22,267	23,552	81	Santa Cruz-Watsonville, CA* .....	5,618	5,788	6,193	7.0	20,049	24,587	26,202	36
Lubbock, TX .....	4,100	4,330	4,590	6.0	18,027	18,776	19,783	209	Santa Fe, NM .....	2,913	3,087	3,350	8.5	22,812	24,641	26,991	53
Lynchburg, VA .....	3,723	3,922	4,127	5.2	18,550	19,314	20,199	188	Santa Rosa, CA* .....	9,703	10,103	10,779	6.7	23,799	24,563	25,888	39
Macon, GA .....	5,490	5,740	6,085	6.0	18,129	18,686	19,674	216	Sarasota-Bradenton, FL .....	13,489	14,375	15,557	8.2	26,406	27,704	29,641	13
Madison, WI .....	9,206	9,765	10,391	6.4	23,822	25,032	26,449	33	Savannah, GA .....	5,292	5,612	5,971	6.4	19,473	20,319	21,351	145
Mansfield, OH .....	3,039	3,201	3,373	5.4	17,343	18,265	19,243	231	Soranton-Wilkes-Barre-Hazleton, PA .....	11,963	12,316	12,927	5.0	18,695	19,363	20,442	179
McAllen-Edinburg-Mission, TX .....	4,521	4,893	5,248	7.3	10,170	10,525	10,878	315	Seattle-Bellevue-Everett, WA* .....	57,079	59,763	63,422	6.1	26,458	27,422	28,773	15
Medford-Ashdan, OR .....	2,859	3,070	3,272	6.6	18,080	18,913	19,746	213	Sharon, PA .....	2,042	2,141	2,259	5.5	16,702	17,545	18,498	263
Melbourne-Titusville-Palm Bay, FL .....	8,564	8,938	9,341	4.5	19,663	20,161	20,747	167	Sheboygan, WI .....	2,188	2,314	2,456	6.2	20,589	21,526	22,560	113
Memphis, TN-AR-MS .....	21,862	23,432	25,222	7.6	20,988	22,215	23,640	79	Sherman-Denison, TX .....	1,677	1,751	1,879	7.3	17,420	17,963	19,090	240
Merced, CA .....	3,025	3,043	3,017	-9	15,735	15,494	15,653	307	Shreveport-Bossier City, LA .....	6,963	7,296	7,672	5.2	18,495	19,321	20,228	187
Miami, FL .....	39,110	40,344	43,087	6.8	19,699	20,056	21,058	160	Sioux City, IA-NE .....	2,196	2,336	2,517	7.7	18,493	19,544	20,871	165
Middlesex-Somerset-Hunterdon, NJ* .....	31,640	33,117	35,087	5.9	29,967	30,997	32,507	7	Sioux Falls, SD .....	3,208	3,504	3,747	6.9	21,573	23,045	24,320	63
Milwaukee-Waukesha, WI* .....	33,779	35,519	37,698	6.1	23,263	24,422	25,906	38	South Bend, IN .....	5,126	5,399	5,741	6.3	20,215	21,150	22,350	117
Minneapolis-St. Paul, MN-WI .....	66,474	70,555	74,901	6.2	25,026	26,197	27,436	26	Spokane, WA .....	7,409	7,849	8,271	5.4	18,932	19,788	20,575	173
Mobile, AL .....	8,495	8,967	9,469	5.6	16,811	17,614	18,429	266	Springfield, IL .....	4,145	4,381	4,554	3.9	21,311	21,657	22,426	115
Modesto, CA .....	6,992	7,139	7,449	4.3	17,379	17,537	18,122	278	Springfield, MO .....	5,243	5,640	6,053	7.3	18,562	19,556	20,616	172
Monmouth-Ocean, NJ* .....	27,308	28,058	29,635	5.6	26,720	27,089	28,187	18	Springfield, MA (NECMA) .....	12,124	12,566	13,264	5.6	20,321	21,080	22,342	118
Monroe, LA .....	2,390	2,528	2,708	7.1	16,395	17,304	18,444	264	State College, PA .....	2,247	2,333	2,475	6.1	17,403	17,977	18,957	242
Montgomery, AL .....	5,840	6,178	6,558	6.1	18,996	19,964	21,000	162	Steubenville-Weirton, OH-WV .....	2,326	2,420	2,521	4.2	16,519	17,278	18,079	279
Muncie, IN .....	2,180	2,287	2,384	4.2	18,185	19,204	20,044	193	Stockton-Lodi, CA .....	9,115	9,385	9,924	5.7	17,826	18,085	18,874	245
Myrtle Beach, SC .....	2,544	2,771	3,034	9.5	17,143	18,177	19,220	234	Sumter, SC .....	1,463	1,549	1,645	6.2	13,811	14,557	15,387	308
Naples, FL .....	5,343	5,601	6,015	7.4	31,084	31,447	32,878	5	Syracuse, NY .....	14,898	15,544	16,171	4.0	19,745	20,676	21,592	136
Nashville, TN .....	23,385	25,394	27,453	8.1	22,367	23,716	25,077	9	Tacoma, WA* .....	12,125	12,706	13,586	6.9	19,231	19,899	20,945	163
Nassau-Suffolk, NY* .....	77,581	80,864	85,250	5.4	29,733	30,620	32,108	9	Tallahassee, FL .....	4,504	4,784	5,083	6.3	18,014	18,760	19,753	212
New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT .....	52,715	54,255	57,566	6.1	32,372	33,352	35,400	3	Tampa-St. Petersburg-Clearwater, FL .....	43,934	45,864	49,391	7.7	20,567	21,246	22,646	108
New London-Norwich, CT (NECMA) .....	5,907	6,264	6,615	5.6	23,761	25,157	26,436	34	Terre Haute, IN .....	2,574	2,654	2,789	5.1	17,160	17,757	18,640	258
New Orleans, LA .....	25,439	26,568	28,089	5.7	19,497	20,277	21,374	144	Texarkana, TX-Texarkana, AR .....	1,975	2,080	2,215	6.5	16,184	16,939	17,998	284
New York, NY* .....	242,044	251,831	266,669	5.9	28,163	29,227	30,896	11	Toledo, OH .....	12,883	13,292	14,038	5.6	20,521			

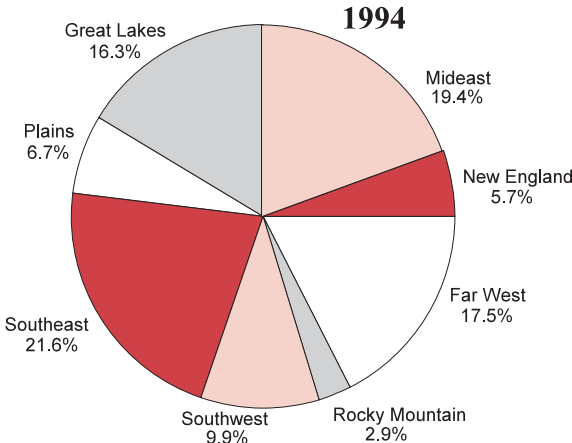
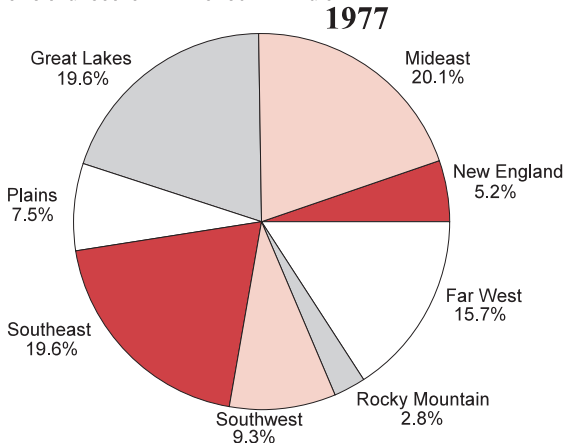
L. Charts

SELECTED REGIONAL ESTIMATES

SHARES OF U.S. PERSONAL INCOME BY REGION



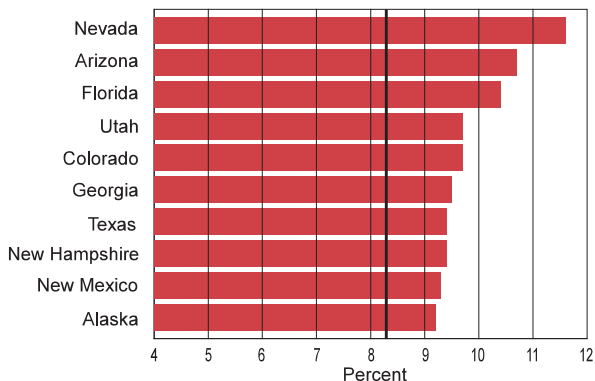
SHARES OF U.S. GROSS STATE PRODUCT BY REGION



AVERAGE ANNUAL GROWTH RATE OF PERSONAL INCOME, 1969-96

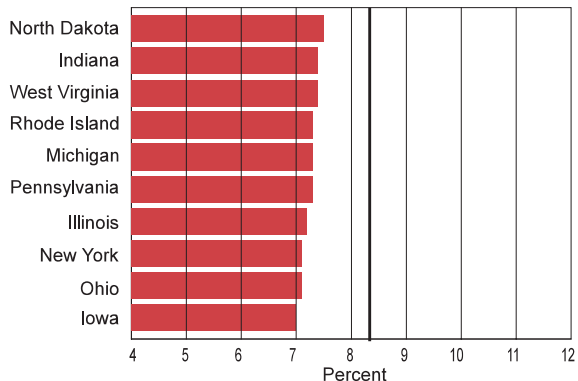
STATES WITH FASTEST GROWTH

U.S. average  
8.2 %



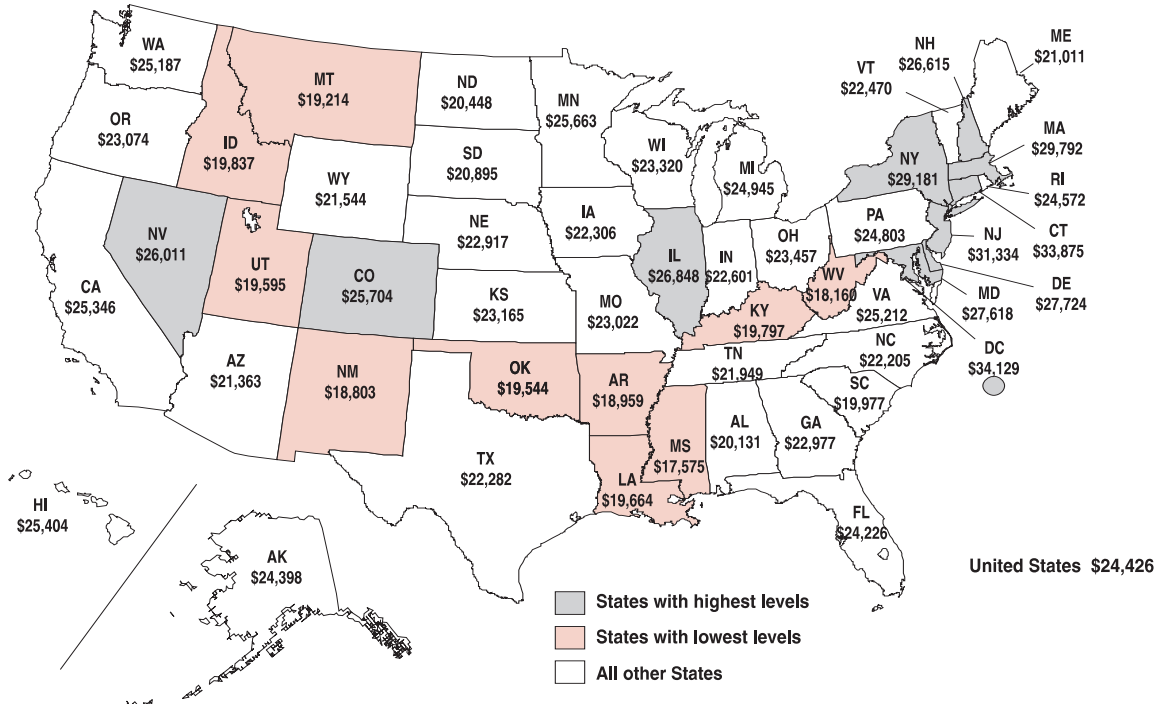
STATES WITH SLOWEST GROWTH

U.S. average  
8.2 %

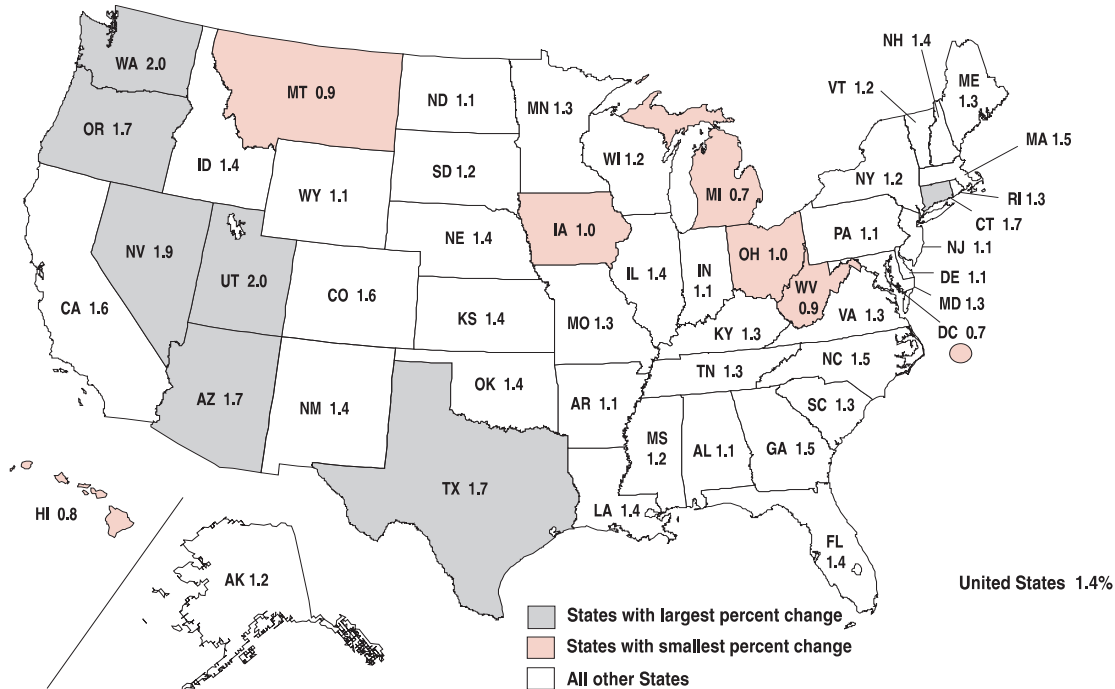


# SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 1996



PERSONAL INCOME GROWTH: AVERAGE QUARTERLY PERCENT CHANGE, 1996:III-1997:III





## Appendix A

### Additional Information About BEA's NIPA Estimates

#### Statistical Conventions

Changes in current-dollar GDP measure changes in the market value of goods and services produced in the economy in a particular period. For many purposes, it is necessary to decompose these changes into quantity and price components. To compute the quantity indexes, changes in the quantities of individual goods and services are weighted by their prices. (Quantity changes for GDP are often referred to as changes in "real GDP.") For the price indexes, changes in the prices for individual goods and services are weighted by quantities produced. (In practice, the current-dollar value and price indexes for most GDP components are determined largely using data from Federal Government surveys, and the real values of these components are calculated by deflation at the most detailed level for which all the required data are available.)

Except for the most recent period, the annual and quarterly changes in real GDP and prices are "chain-type" measures that are both based on the "Fisher Ideal" formula that incorporates weights from two adjacent years. For example, the 1992–93 percent change in real GDP uses prices for 1992 and 1993 as weights, and the 1992–93 percent change in price uses quantities for 1992 and 1993 as weights. Because the quantity and price index numbers calculated in this way are symmetric, the product of the index of real GDP and the index of prices equals the index of current-dollar GDP.

In the most recent period, a variant of the formula is used because only 1 year's information is available for computing the index number weights. Accordingly, BEA uses the prices and quantities from the two adjacent quarters as weights to calculate Fisher chain-type measures for those estimates. For example, the 1996:II–1996:III percent change in real GDP uses prices for 1996:II and 1996:III as weights, and the 1996:II–1996:III percent change in the GDP price index uses quantities for 1996:II and 1996:III as weights.

BEA also presents another measure, known as the "implicit price deflator," in the NIPA tables. The implicit price deflator is calculated as the ratio of current-dollar value to the corresponding chained-dollar value multiplied by 100.

In addition, BEA prepares measures of real GDP and its components in a dollar-denominated form, designated "*chained (1992) dollar estimates*." These estimates are computed by multiplying the 1992 current-dollar value of GDP, or of a GDP component, by the corresponding quantity index number. For example, if a current-dollar GDP component equaled \$100 in

1992 and if real output for this component increased by 10 percent in 1993, then the "chained (1992) dollar" value of this component in 1993 would be \$110 ( $\$100 \times 1.10$ ). Note that percentage changes in the chained (1992) dollar estimates and the percentage changes calculated from the quantity indexes are identical, except for small differences due to rounding.

Because of the formula used for calculating real GDP, the chained (1992) dollar estimates for detailed GDP components *do not add* to the chained-dollar value of GDP or to any intermediate aggregates. A "*residual*" line is shown as the difference between GDP and the sum of the most detailed components shown in each table. The residual generally is small close to the base period but tends to become larger as one moves further from it. In cases where the residual is large, the table of contributions of the major components to the change in real GDP provides a better basis for determining the composition of GDP growth than the chained-dollar estimates.

For quarters and months, the estimates are presented at annual rates, which show the value that would be registered if the rate of activity measured for a quarter or a month were maintained for a full year. Annual rates are used so that time periods of different lengths—for example, quarters and years—may be compared easily. These annual rates are determined simply by multiplying the estimated rate of activity by 4 (for quarterly data) or 12 (for monthly data).

*Percent changes* in the estimates are also expressed at annual rates. Calculating these *changes* requires a variant of the compound interest formula:

$$r = \left[ \left( \frac{X_t}{X_o} \right)^{m/n} - 1 \right] \times 100,$$

where  $r$  is the percent change at an annual rate;  
 $X_t$  is the level of activity in the later period;  
 $X_o$  is the level of activity in the earlier period;  
 $m$  is the yearly periodicity of the data (for example, 1 for annual data, 4 for quarterly, or 12 for monthly); and  
 $n$  is the number of periods between the earlier and later periods (that is,  $t - o$ ).

Quarterly and monthly NIPA estimates are seasonally adjusted, if necessary. Seasonal adjustment removes from the time series the average impact of variations that normally occur at about the same time and in about the same magnitude each year—for example, weather, holidays, and tax payment dates. After seasonal adjustment, cyclical and other short-term changes in the economy stand out more clearly.

## Reconciliation Tables

Table 1.—Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings

[Percent change from preceding period]

	1995	1996	1997 <sup>P</sup>	Seasonally adjusted at annual rates				
				1996	1997			
				IV	I	II	III	IV <sup>P</sup>
<b>BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing)</b> .....	<b>2.5</b>	<b>3.8</b>	<b>3.8</b>	<b>3.4</b>	<b>4.3</b>	<b>3.2</b>	<b>3.8</b>	<b>5.2</b>
Less: Contribution of supplements to wages and salaries per hour .....	-6	-6	-4	-7	-6	-1	-1	-4
Plus: Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions .....	0	-1	-1	0	-4	.3	-2	-2
Less: Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed .....	.2	.1	.1	.1	-2	.3	.3	.1
<b>Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector</b> .....	<b>2.8</b>	<b>4.3</b>	<b>4.1</b>	<b>4.0</b>	<b>4.6</b>	<b>3.3</b>	<b>3.5</b>	<b>5.4</b>
Less: Contribution of wages and salaries per hour of nonproduction workers in manufacturing .....	.1	-2	-2	-8	-1	-3	-1	-1
Less: Other differences <sup>1</sup> .....	-1	1.2	.5	.9	.6	.5	-2	.5
<b>Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls</b> .....	<b>2.9</b>	<b>3.3</b>	<b>3.8</b>	<b>3.9</b>	<b>4.2</b>	<b>3.0</b>	<b>3.8</b>	<b>5.0</b>
<b>Addendum:</b> BLS estimates of compensation per hour in the nonfarm business sector <sup>2</sup> .....	2.5	3.8	3.8	3.4	4.3	3.2	3.8	5.1

<sup>P</sup> Preliminary.

1. Includes BEA use of non-BLS data and differences in detailed weighting. Annual estimates also include differences in BEA and BLS benchmark procedures; quarterly estimates also include differences in seasonal adjustment procedures.

2. These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing.

NOTE.—The table incorporates BLS revisions to reflect the 1996 Hours at Work Survey. BLS Bureau of Labor Statistics

Table 2.—Relation of Net Exports of Goods and Services and Net Receipts of Factor Income in the National Income and Product Accounts (NIPA's) to Balance on Goods, Services, and Income in the Balance of Payments Accounts (BPA's)

[Billions of dollars]

	Line	1995	1996	Seasonally adjusted at annual rates					
				1996			1997		
				II	III	IV	I	II	III
<b>Exports of goods, services, and income, BPA's</b> .....	<b>1</b>	<b>991.5</b>	<b>1,055.2</b>	<b>1,049.3</b>	<b>1,047.9</b>	<b>1,098.2</b>	<b>1,118.1</b>	<b>1,175.5</b>	<b>1,182.4</b>
Less: Gold, BPA's .....	2	5.1	6.9	12.5	5.2	3.7	6.7	9.3	3.4
Statistical differences <sup>1</sup> .....	3	0	0	0	0	0	.6	5.6	6.1
Other items .....	4	.9	1.1	1.0	1.5	1.1	.8	.7	.6
Plus: Adjustment for grossing of parent/affiliate interest payments .....	5	8.0	8.7	7.3	8.4	8.9	8.6	8.4	9.9
Adjustment for U.S. territories and Puerto Rico .....	6	33.3	34.0	34.1	33.6	34.9	35.4	36.5	36.0
Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans .....	7	14.5	15.3	14.8	15.9	16.3	16.5	17.0	17.1
<b>Equals: Exports of goods and services and receipts of factor income, NIPA's</b> .....	<b>8</b>	<b>1,041.2</b>	<b>1,105.1</b>	<b>1,092.0</b>	<b>1,099.0</b>	<b>1,153.4</b>	<b>1,170.4</b>	<b>1,221.9</b>	<b>1,235.2</b>
<b>Imports of goods, services, and income, BPA's</b> .....	<b>9</b>	<b>1,086.5</b>	<b>1,163.4</b>	<b>1,156.9</b>	<b>1,183.5</b>	<b>1,198.0</b>	<b>1,243.2</b>	<b>1,291.0</b>	<b>1,314.2</b>
Less: Gold, BPA's .....	10	5.3	7.7	14.6	6.2	3.4	8.7	11.0	3.0
Statistical differences <sup>1</sup> .....	11	0	0	0	0	0	-3.4	-3.6	-4.7
Other items .....	12	0	0	0	0	0	0	0	0
Plus: Gold, NIPA's .....	13	-3.6	-3.8	-3.6	-4.0	-4.2	-3.6	-3.9	-3.6
Adjustment for grossing of parent/affiliate interest payments .....	14	8.0	8.7	7.3	8.4	8.9	8.6	8.4	9.9
Adjustment for U.S. territories and Puerto Rico .....	15	21.9	22.4	22.3	22.4	23.4	24.1	26.1	27.9
Imputed interest paid to rest of world .....	16	14.5	15.3	14.8	15.9	16.3	16.5	17.0	17.1
<b>Equals: Imports of goods and services and payments of factor income, NIPA's</b> .....	<b>17</b>	<b>1,122.0</b>	<b>1,198.3</b>	<b>1,183.0</b>	<b>1,219.9</b>	<b>1,238.8</b>	<b>1,283.5</b>	<b>1,331.3</b>	<b>1,367.2</b>
<b>Balance on goods, services, and income, BPA's (1-9)</b> .....	<b>18</b>	<b>-95.0</b>	<b>-108.2</b>	<b>-107.6</b>	<b>-135.6</b>	<b>-99.8</b>	<b>-125.1</b>	<b>-115.5</b>	<b>-131.8</b>
Less: Gold (2-10+13) .....	19	-3.8	-4.6	-5.7	-5.0	-3.9	-5.6	-5.6	-3.2
Statistical differences (3-11) <sup>1</sup> .....	20	0	0	0	0	0	4.0	9.2	10.8
Other items (4-12) .....	21	.9	1.1	1.0	1.5	1.1	.8	.7	.6
Plus: Adjustment for U.S. territories and Puerto Rico (6-15) .....	22	11.4	11.6	11.8	11.2	11.5	11.3	10.4	8.1
<b>Equals: Net exports of goods and services and net receipts of factor income, NIPA's (8-17)</b> .....	<b>23</b>	<b>-80.8</b>	<b>-93.2</b>	<b>-91.0</b>	<b>-120.9</b>	<b>-85.4</b>	<b>-113.1</b>	<b>-109.4</b>	<b>-132.0</b>

1. Consists of statistical revisions in the NIPA's that have not yet been incorporated into the BPA's (1997:III) and statistical revisions in the BPA's that have not yet been incorporated in the NIPA's (1997:I-1997:III).

## Appendix B

### Suggested Reading

#### Mid-Decade Strategic Plan

BEA has published the following articles in the SURVEY OF CURRENT BUSINESS on the development and implementation of its strategic plan for improving the accuracy, reliability, and relevance of the national, regional, and international accounts.

“Mid-Decade Strategic Review of BEA’s Economic Accounts: Maintaining and Improving Their Performance” (February 1995)\*

“Mid-Decade Strategic Review of BEA’s Economic Accounts: An Update” (April 1995)\*

“BEA’s Mid-Decade Strategic Plan: A Progress Report” (June 1996)\*

*Mid-Decade Strategic Review of BEA’s Economic Accounts: Background Papers* (1995) presents seven background papers that evaluate the state of the U.S. economic accounts and that identify the problems and the prospects for improving the accounts.

#### Methodology

BEA has published a wealth of information about the methodology used to prepare its national, regional, and international estimates.

##### *National*

*National income and product accounts (NIPA’s)*

*NIPA Methodology Papers*: This series documents the conceptual framework of the NIPA’s and the methodology used to prepare the estimates.

*An Introduction to National Economic Accounting* (NIPA Methodology Paper No. 1, 1985) [Also appeared in the March 1985 issue of the SURVEY]

*Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends* (NIPA Methodology Paper No. 2, 1985)

*Foreign Transactions* (NIPA Methodology Paper No. 3, 1987)

*GNP: An Overview of Source Data and Estimating Methods* (NIPA Methodology Paper No. 4, 1987) [Also appeared in the July 1987 issue of the SURVEY]

*Government Transactions* (NIPA Methodology Paper No. 5, 1988)\*

*Personal Consumption Expenditures* (NIPA Methodology Paper No. 6, 1990)

The methodologies described in these papers are subject to periodic improvements that are typically introduced as part of the annual and comprehensive revisions of the NIPA’s; these improvements are described in the SURVEY articles that cover these revisions.

“Annual Revision of the U.S. National Income and Product Accounts”: This series of SURVEY articles, the latest of which was published in the August 1997 issue,\* describes the annual NIPA revisions and the improvements in methodology.

The most recent comprehensive revision of the NIPA’s is described in the following series of SURVEY articles.

“Preview of the Comprehensive Revision of the National Income and Product Accounts: BEA’s New Featured Measures of Output and Prices” (July 1995)\*

“Preview of the Comprehensive Revision of the National Income and Product Accounts: Recognition of Government Investment and Incorporation of a New Methodology for Calculating Depreciation” (September 1995)\*

“Preview of the Comprehensive Revision of the National Income and Product Accounts: New and Redesigned Tables” (October 1995)\*

“Improved Estimates of the National Income and Product Accounts for 1959–95: Results of the Comprehensive Revision” (January/February 1996)\*

“Completion of the Comprehensive Revision of the National Income and Product Accounts, 1929–96” (May 1997)\*

“Updated Summary NIPA Methodologies” (September 1997 SURVEY)\* identifies the principal source data and estimating methods that are used to prepare the estimates of gross domestic product (GDP).

#### Availability

For the availability of some of these publications, see the *inside back cover* of this issue. See also the *User’s Guide to BEA Information*: To request a copy, write to the Public Information Office, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington DC 20230, call 202-606-9900, or visit BEA’s Internet site at <<http://www.bea.doc.gov>>.

\* Items with an asterisk can be found on BEA’s Internet site at <<http://www.bea.doc.gov>>.

Information on the sources and methods used to prepare the national estimates of personal income, which provide the basis for the State estimates of personal income, can be found in *State Personal Income, 1929–93* (1995).\*

“Gross Domestic Product as a Measure of U.S. Production” (August 1991 SURVEY)\* briefly explains the difference between GDP and gross national product.

The conceptual basis for the chain-type measures of real output and prices used in the NIPA’s is described in the following SURVEY articles.

“Alternative Measures of Change in Real Output and Prices” (April 1992)\*

“Economic Theory and BEA’s Alternative Quantity and Price Indexes” (April 1992)\*

“Alternative Measures of Change in Real Output and Prices, Quarterly Estimates for 1959–92” (March 1993)\*

“Preview of the Comprehensive Revision of the National Income and Product Accounts: BEA’s New Featured Measures of Output and Prices” (July 1995)\*

“BEA’s Chain Indexes, Time Series, and Measures of Long-Term Economic Growth” (May 1997)\*

“Reliability and Accuracy of the Quarterly Estimates of GDP” (October 1993 SURVEY)\* evaluates GDP estimates by examining the record of revisions in the quarterly estimates.

“A Look at How BEA Presents the NIPA’s” (May 1996 SURVEY)\* explains how to locate the NIPA estimates and some of the conventions used in their presentation.

### *Wealth and related estimates*

“Improved Estimates of Fixed Reproducible Tangible Wealth, 1929–95” (May 1997 SURVEY)\* describes the most recent comprehensive revision of the estimates of fixed reproducible tangible wealth.

### *Gross product by industry*

“Improved Estimates of Gross Product by Industry, 1959–94” (August 1996 SURVEY)\* describes the most recent comprehensive revision of the estimates of gross product by industry.

“Gross Product by Industry, 1947–96” (November 1997 SURVEY)\* presents the most recent revision to the estimates of gross product by industry and briefly describes changes in methodology.

### *Input-output accounts*

“Benchmark Input-Output Accounts for the U.S. Economy, 1992” (November 1997 SURVEY)\* describes the preparation of the 1992 input-output accounts and the concepts and methods underlying the U.S. input-output accounts.

## **International**

### *Balance of payments accounts (BPA’s)*

*The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (1990)\* describes the methodologies used in preparing the estimates in the BPA’s and of the international investment position of the United States. These methodologies are subject to periodic improvements that are typically introduced as part of the annual revisions of the BPA’s.

“U.S. International Transactions, Revised Estimates”: This series of SURVEY articles, the latest of which was published in the July 1997 issue,\* describes the annual BPA revisions and the improvements in methodology.

### *Direct investment*

The coverage, concepts, definitions, and classifications used in the benchmark surveys of U.S. direct investment abroad and of foreign direct investment in the United States are presented in the publications of the final results of the following benchmark surveys.

*U.S. Direct Investment Abroad: 1989 Benchmark Survey, Final Results* (1992)\*

*Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results* (1995)\*

The types of data on direct investment that are collected and published by BEA and the clarifications of the differences between the data sets are presented in the following SURVEY articles.

“A Guide to BEA Statistics on U.S. Multinational Companies” (March 1995)\*

“A Guide to BEA Statistics on Foreign Direct Investment in the United States” (February 1990)\*

## **Regional**

### *Personal income*

*State Personal Income, 1929–93* (1995)\* includes a description of the methodology used to prepare the estimates of State personal income. [Also available on the CD-ROM “State Personal Income, 1958–96”]

*Local Area Personal Income, 1969–92* (1994)\* includes a description of the methodology used to prepare the estimates of local area personal income. [Also available on the CD-ROM “Regional Economic Information System, 1969–95”]

### *Gross state product*

“Comprehensive Revision of Gross State Product by Industry, 1977–94” (June 1997 SURVEY)\* summarizes the sources and methods for BEA’s estimates of gross state product. 