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## Articles

**1. GDP and the Economy: Preliminary Estimates for the Fourth Quarter of 2006**

Real GDP increased 2.2 percent after increasing 2.0 percent, reflecting a downturn in imports and accelerations in consumer spending, in exports, and in Federal, state, and local government spending. Real disposable personal income increased 5.3 percent after increasing 3.2 percent.

**10. Federal Budget Estimates for Fiscal Year 2008**

Each year, BEA prepares estimates of Federal Government current receipts and expenditures that are based on the proposed Budget of the U.S. Government. The analysis of these translated estimates can be used to gauge the effects of the Federal budget on U.S. economic activity.

**20. New Transactions in the NIPA Federal Sector (box)**

**22. Research and Development Activities of U.S. Multinational Companies: Preliminary Results From the 2004 Benchmark Survey**

In 1999–2004, R&D expenditures of U.S. multinational companies grew at a 4-percent average annual rate after growing at a 7-percent rate in 1994–99. The R&D employment of these companies was 998,000 in 2004, up from 770,000 in 1999.

**42. Research Spotlight: The Internal Markets of Multinational Firms**

The authors summarized their recent studies of the internal markets of multinational corporations. Their research was based on BEA's firm-level international data, available through a program that allows researchers to work at BEA as special sworn employees.

### Upcoming in the Survey...

***Per Capita State Personal Income for 2006.*** These estimates, together with the estimates of state personal income for the fourth quarter, will be published in the April Survey.

***U.S. International Transactions for 2006.*** The estimates of these transactions in the current account, the capital account, and the financial account will also be published in the April Survey.

## Director's Message

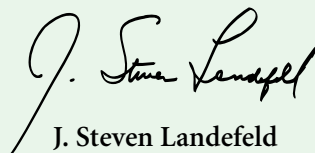
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Providing improved data about research and development (R&D) is a high priority at BEA. And I am pleased to note an article in this month's *SURVEY OF CURRENT BUSINESS* that details R&D activity by U.S. multinational companies and their affiliates. This effort complements other initiatives at BEA, notably our R&D satellite account, the preliminary results of which were summarized in the December issue. I'd like to note also that the 2008 budget proposal, submitted by the President to Congress in February, includes a \$2.1 million request for an initiative to incorporate our measures of R&D into the national income and product accounts (NIPAs).

Speaking of the budget, another article translates the President's proposal into a government spending account that is consistent with the NIPAs. Economists and researchers often find this translation, published once a year, a useful tool for analyzing the economic consequences of the budget proposal.

This issue also includes a Research Spotlight on internal market activity at U.S. multinational companies. The article summarizes an impressive body of research by three professors—Mihir A. Desai, C. Fritz Foley, and James R. Hines Jr.—on a wide range of topical issues. The research was based largely on BEA's firm-level international data, which was made available through a program allowing researchers to work as unpaid special sworn employees of BEA. These special employees are granted access, for research purposes, to the rich store of microdata that BEA collects under the International Investment and Trade in Services Survey Act. We started publishing Research Spotlights a few years ago and are always on the lookout for outside research based on BEA data that can be similarly presented.

As always, the first article presents the most recent estimates of gross domestic product in an easy-to-view format.



J. Steven Landefeld  
Director, Bureau of Economic Analysis

## Taking Account...

### **BEA Contributes to New SNA Guidelines**

The System of National Accounts (SNA) is a set of international guidelines for national accounts that was last updated in 1993. Since then, the Bureau of Economic Analysis (BEA) has used the SNA as a guide to improving its economic accounts.

Several major improvements to the national accounts that were outlined in the 1993 SNA include chain-type price and quantity indexes, capitalization of software, and the recognition of the implicit services provided by commercial banks.

Since 1993, however, the economy has changed significantly. Transactions that were not discussed in the 1993 SNA, such as employee stock options, have become more important. The world economy has become more interdependent. The importance of intangible assets, such as research and development, has become better understood. And national accounts users have asked for better information on pension funding and liabilities.

In 2003, the United Nations Statistical Commission called for an update to the SNA. BEA has actively participated in that process, helping to develop a set of final recommendations on 44 is-

issues. These recommendations were adopted by the U.N. Statistical Commission at its meeting in February–March 2007. BEA has already done considerable work on implementing key proposals and will do more. Recommendations to better account for the fast-changing economy include the following:

- Research and development (R&D) in principle should be treated as fixed investment. BEA has recently released a satellite R&D account and intends to treat R&D as investment in its core accounts by 2013.
- Employee stock options should be valued as compensation during the period between granting and vesting, and their valuation should be based on fair value. This treatment is similar to the latest standards adopted by the Financial Accounting Standards Board.
- For defined-benefit pension plans, the value of compensation should be based on the increase in the net present value of the employee's pension entitlement.
- Estimates of capital services should be part of the measurement of multifactor productivity. A new discussion of capital services and the user

cost formula will be included. Countries are encouraged to compile estimates of capital services and multifactor productivity.

- The updated SNA will include two recommendations that have already been adopted in BEA's accounts: A measure of insurance services that avoids large swings due to disasters, and the capitalization of military assets.
- The issue of whether to include a net return for the services of capital owned and used by government or non-profit institutions was placed on the research agenda.

Work will continue on the updated SNA, and BEA will continue to participate. The updated SNA will be released in two volumes, with the first volume containing the core of the system and integrating the 44 newly adopted proposals that are scheduled to be presented to the U.N. Statistical Commission for final approval in 2008.

### **BEA to Hold National Accounts User Meeting**

The Bureau of Economic Analysis will host a meeting for users of the national income and product accounts at BEA's office in Washington, DC, on April 13, 2007.

# GDP and the Economy

## Preliminary Estimates for the Fourth Quarter of 2006

REAL gross domestic product (GDP) increased 2.2 percent after increasing 2.0 percent in the third quarter, according to the “preliminary” estimates of the national income and product accounts (NIPAs) (chart 1 and table 1).<sup>1</sup> The fourth-quarter growth rate was revised down 1.3 percentage points, an unusually large revision, from the “advance” estimate released in January (see “Revisions”).<sup>2</sup>

The small acceleration in real GDP growth in the fourth quarter primarily reflected a downturn in imports (subtracted in the derivation of GDP) and accelerations in consumer spending, in exports, and in Federal Government spending that were partly offset by downturns in inventory investment, in equipment and software investment, and in nonresidential structures investment.<sup>3</sup>

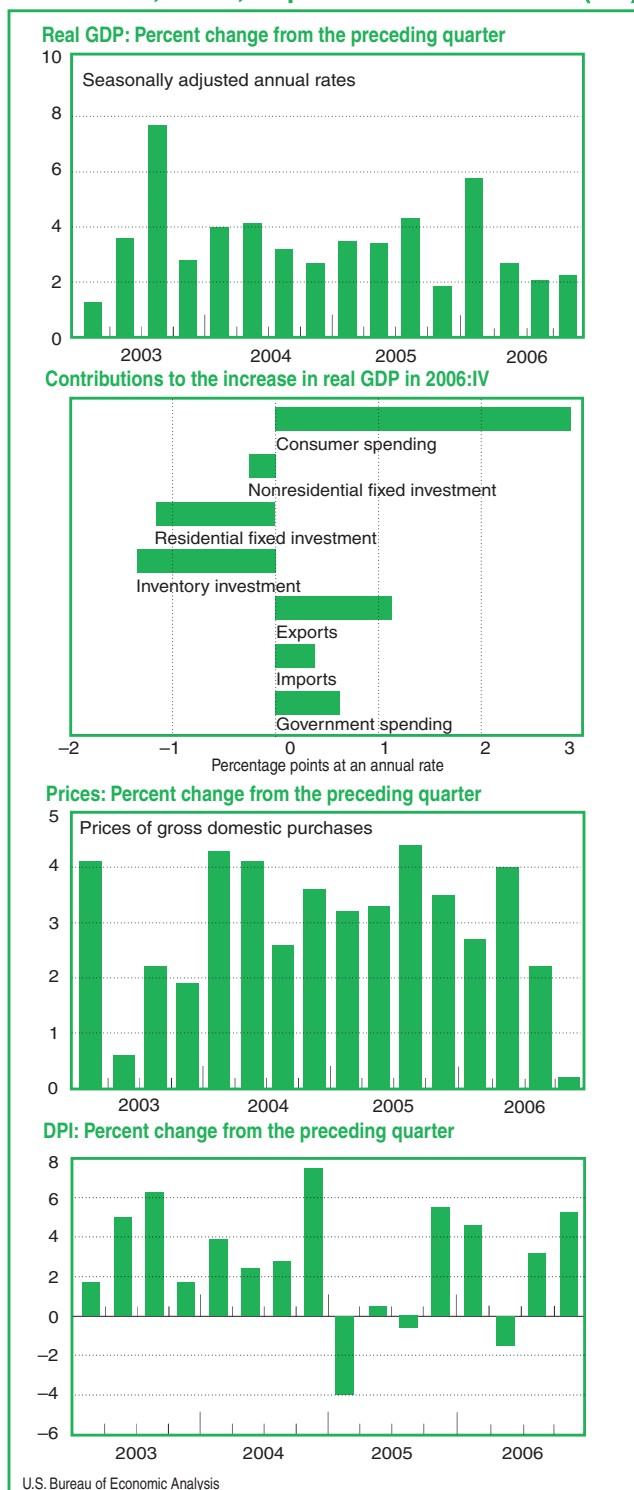
- Prices of goods and services purchased by U.S. residents increased 0.2 percent, following a 2.2-percent increase. Energy prices turned down sharply, and food prices decelerated.
- Real disposable personal income (DPI) increased 5.3 percent after increasing 3.2 percent (revised) in the third quarter. The acceleration reflected a downturn in the implicit price deflator used to adjust current-dollar DPI, which decelerated.
- The personal saving rate, personal saving as a percentage of current-dollar DPI, was -1.2 percent in the fourth quarter; in the third quarter, it was -1.4 percent (revised).

1. “Real” estimates are in chained (2000) dollars, and price indexes are chain-type measures.

2. Each GDP estimate for a quarter (advance, preliminary, and final) incorporates increasingly comprehensive and improved source data. More information can be found at <[www.bea.gov/bea/about/infoqual.htm](http://www.bea.gov/bea/about/infoqual.htm)> and at <[www.bea.gov/bea/faq/national/gdp\\_accuracy.htm](http://www.bea.gov/bea/faq/national/gdp_accuracy.htm)>. Quarterly estimates are expressed at seasonally adjusted annual rates, which show the value of an activity if the quarterly rate were maintained for a year.

3. In this article, “consumer spending” refers to the NIPA series “personal consumption expenditures,” “inventory investment” refers to “change in private inventories,” “Federal Government spending” refers to “Federal Government consumption expenditures and gross investment,” and “state and local government spending” refers to “state and local government consumption expenditures and investment.”

Chart 1. GDP, Prices, Disposable Personal Income (DPI)



Christopher Swann prepared this article.



## Real GDP Overview

Table 1. Real Gross Domestic Product and Components

[Seasonally adjusted at annual rates]

|  | Share of current-dollar GDP (percent) | Change from preceding period (percent) |            |             |              |              | Contribution to percent change in real GDP (percentage points) |              |              |  |
|--|---------------------------------------|--|------------|-------------|--------------|--------------|--|--------------|--------------|--|
|  | 2006                                  | 2006                                   |            |             |              |              | 2006   |              |              |  |
|  | IV                                    | I                                      | II         | III         | IV           | I            | II   | III          | IV           |  |
| <b>Gross domestic product<sup>1</sup>.....</b>                       | <b>100.0</b>                          | <b>5.6</b>                             | <b>2.6</b> | <b>2.0</b>  | <b>2.2</b>   | <b>5.6</b>   | <b>2.6</b>   | <b>2.0</b>   | <b>2.2</b>   |  |
| <b>Personal consumption expenditures.....</b>                        | <b>70.1</b>                           | <b>4.8</b>                             | <b>2.6</b> | <b>2.8</b>  | <b>4.2</b>   | <b>3.38</b>  | <b>1.81</b>  | <b>1.96</b>  | <b>2.88</b>  |  |
| Durable goods.....   | 8.0                                   | 19.8                                   | -0.1       | 6.4         | 4.4          | 1.50         | -0.01  | 0.50         | 0.35         |  |
| Nondurable goods.....  | 20.3                                  | 5.9                                    | 1.4        | 1.5         | 6.0          | 1.20         | 0.30   | 0.32         | 1.19         |  |
| Services.....  | 41.7                                  | 1.6                                    | 3.7        | 2.8         | 3.2          | 0.67         | 1.52   | 1.14         | 1.34         |  |
| <b>Gross private domestic investment.....</b>                        | <b>16.1</b>                           | <b>7.8</b>                             | <b>1.0</b> | <b>-0.8</b> | <b>-15.6</b> | <b>1.31</b>  | <b>0.17</b>  | <b>-0.13</b> | <b>-2.78</b> |  |
| Fixed investment.....  | 15.9                                  | 8.2                                    | -1.6       | -1.2        | -8.5         | 1.34         | -0.27  | -0.19        | -1.43        |  |
| Nonresidential.....  | 10.6                                  | 13.7                                   | 4.4        | 10.0        | -2.4         | 1.36         | 0.45   | 1.01         | -0.26        |  |
| Structures.....  | 3.2                                   | 8.7                                    | 20.3       | 15.7        | -0.8         | 0.25         | 0.56   | 0.46         | -0.03        |  |
| Equipment and software.....  | 7.4                                   | 15.6                                   | -1.4       | 7.7         | -3.2         | 1.11         | -0.10  | 0.55         | -0.24        |  |
| Residential.....   | 5.3                                   | -0.3                                   | -11.1      | -18.7       | -19.1        | -0.02        | -0.72  | -1.20        | -1.16        |  |
| Change in private inventories.....                                   | 0.1                                   | .....                                  | .....      | .....       | .....        | -0.03        | 0.44   | 0.06         | -1.35        |  |
| <b>Net exports of goods and services.....</b>                        | <b>-5.2</b>                           | .....                                  | .....      | .....       | .....        | <b>-0.04</b> | <b>0.42</b>  | <b>-0.19</b> | <b>1.50</b>  |  |
| Exports.....   | 11.3                                  | 14.0                                   | 6.2        | 6.8         | 10.5         | 1.41         | 0.66   | 0.73         | 1.13         |  |
| Goods.....   | 8.0                                   | 17.3                                   | 6.0        | 9.4         | 8.5          | 1.20         | 0.45   | 0.71         | 0.65         |  |
| Services.....  | 3.3                                   | 6.7                                    | 6.7        | 0.8         | 15.5         | 0.21         | 0.21   | 0.03         | 0.48         |  |
| Imports.....   | 16.6                                  | 9.1                                    | 1.4        | 5.6         | -2.2         | -1.46        | -0.24  | -0.93        | 0.38         |  |
| Goods.....   | 13.9                                  | 9.4                                    | -0.1       | 7.1         | -3.8         | -1.27        | 0.01   | -1.00        | 0.56         |  |
| Services.....  | 2.7                                   | 7.4                                    | 9.9        | -2.6        | 7.1          | -0.19        | -0.25  | 0.07         | -0.18        |  |
| <b>Government consumption expenditures and gross investment.....</b> | <b>19.1</b>                           | <b>4.9</b>                             | <b>0.8</b> | <b>1.7</b>  | <b>3.3</b>   | <b>0.94</b>  | <b>0.16</b>  | <b>0.32</b>  | <b>0.62</b>  |  |
| Federal.....   | 7.0                                   | 8.8                                    | -4.5       | 1.3         | 4.4          | 0.61         | -0.32  | 0.09         | 0.30         |  |
| National defense.....  | 4.7                                   | 8.9                                    | -2.0       | -1.2        | 12.3         | 0.41         | -0.09  | -0.06        | 0.54         |  |
| Nondefense.....  | 2.2                                   | 8.5                                    | -9.3       | 6.5         | -10.2        | 0.20         | -0.23  | 0.15         | -0.24        |  |
| State and local.....   | 12.2                                  | 2.7                                    | 4.0        | 1.9         | 2.6          | 0.33         | 0.48   | 0.23         | 0.32         |  |

1. The estimates of GDP under the contribution columns are also percent changes.

NOTE: Percent changes are from NIPA table 1.1.1, contributions are from NIPA table 1.1.2, and shares are from NIPA table 1.1.10.

Table 2. Real Gross Domestic Product (GDP) by Type of Product

[Seasonally adjusted at annual rates]

|  | Share of current-dollar GDP (percent) | Change from preceding period (percent) |            |            |            |            | Contribution to percent change in real GDP (percentage points) |            |            |  |
|--|---------------------------------------|--|------------|------------|------------|------------|--|------------|------------|--|
|  | 2006                                  | 2006                                   |            |            |            |            | 2006   |            |            |  |
|  | IV                                    | I                                      | II         | III        | IV         | I          | II   | III        | IV         |  |
| <b>Gross domestic product<sup>1</sup>.....</b> | <b>100.0</b>                          | <b>5.6</b>                             | <b>2.6</b> | <b>2.0</b> | <b>2.2</b> | <b>5.6</b> | <b>2.6</b>   | <b>2.0</b> | <b>2.2</b> |  |
| Final sales of domestic product.....           | 99.9                                  | 5.6                                    | 2.1        | 1.9        | 3.6        | 5.61       | 2.11   | 1.90       | 3.57       |  |
| Change in private inventories.....             | 0.1                                   | .....                                  | .....      | .....      | .....      | -0.03      | 0.44   | 0.06       | -1.35      |  |
| Goods.....                                     | 31.2                                  | 12.8                                   | 3.6        | 3.8        | 3.7        | 3.86       | 1.12   | 1.17       | 1.16       |  |
| Services.....                                  | 58.2                                  | 2.4                                    | 2.4        | 2.8        | 3.8        | 1.39       | 1.40   | 1.63       | 2.19       |  |
| Structures.....                                | 10.6                                  | 2.9                                    | 0.3        | -7.4       | -10.1      | 0.33       | 0.04   | -0.84      | -1.14      |  |
| <b>Addenda:</b>                                |                                       |  |            |            |            |            |  |            |            |  |
| Motor vehicle output.....                      | 2.9                                   | 3.8                                    | -9.4       | 27.4       | -33.4      | 0.12       | -0.31  | 0.76       | -1.24      |  |
| GDP excluding motor vehicle output.....        | 97.1                                  | 5.6                                    | 3.0        | 1.2        | 3.6        | 5.46       | 2.87   | 1.20       | 3.46       |  |
| Final sales of computers.....                  | 0.7                                   | 9.5                                    | 6.7        | 11.7       | 43.0       | 0.07       | 0.04   | 0.07       | 0.23       |  |
| GDP excluding final sales of computers.....    | 99.4                                  | 5.6                                    | 2.5        | 1.9        | 2.0        | 5.52       | 2.51   | 1.89       | 1.99       |  |

1. The estimates of GDP under the contribution columns are also percent changes.

NOTE: Percent changes are from NIPA table 1.2.1, contributions are from NIPA table 1.2.2, and shares are calculated from NIPA table 1.2.5.

Consumer spending accelerated and contributed 2.88 percentage points to real GDP growth in the fourth quarter after adding 1.96 percentage points in the third quarter. Nondurable goods and services accelerated, while durable goods decelerated.

Nonresidential fixed investment turned down and subtracted 0.26 percentage point from real GDP growth after adding 1.01 percentage points. The downturn reflected downturns both in equipment and software and in structures.

Residential investment decreased about the same in the fourth quarter as in the third and subtracted 1.16 percentage points from real GDP growth after subtracting 1.20 percentage points.

Inventory investment turned down and subtracted 1.35 percentage points from real GDP growth after adding slightly to third-quarter growth.

Exports accelerated and contributed 1.13 percentage points to real GDP growth after adding 0.73 percentage point. A strong acceleration in services more than offset a slight deceleration in goods.

Imports turned down, reflecting a downturn in goods that more than offset an upturn in services, and added 0.38 percentage point to real GDP growth after subtracting 0.93 percentage point.

Federal Government spending picked up, reflecting an upturn in national defense spending that added 0.54 percentage point to real GDP growth. Nondefense spending turned down, reducing real GDP growth by 0.24 percentage point.

State and local government spending accelerated, primarily reflecting an upturn in investment.

Real final sales of domestic product, real GDP less inventory investment, accelerated, increasing 3.6 percent after increasing 1.9 percent.

Motor vehicle output turned down sharply, primarily reflecting downturns in both truck and auto output, and subtracted 1.24 percentage points from real GDP growth after adding 0.76 percentage point.

Final sales of computers accelerated, increasing 43.0 percent after increasing 11.7 percent.

## Consumer Spending

**Table 3. Real Personal Consumption Expenditures (PCE)**

[Seasonally adjusted at annual rates]

|  | Share of current-dollar PCE (percent) | Change from preceding period (percent) |             |            |            |             | Contribution to percent change in real PCE (percentage points) |             |             |    |
|--|---------------------------------------|--|-------------|------------|------------|-------------|--|-------------|-------------|----|
|  |                                       | 2006                                   |             |            |            |             | 2006   |             |             |    |
|  |                                       | IV                                     | I           | II         | III        | IV          | I  | II          | III         | IV |
| <b>PCE</b> <sup>1</sup> .....                    | <b>100.0</b>                          | <b>4.8</b>                             | <b>2.6</b>  | <b>2.8</b> | <b>4.2</b> | <b>4.8</b>  | <b>2.6</b>   | <b>2.8</b>  | <b>4.2</b>  |    |
| <b>Durable goods</b> .....                       | <b>11.5</b>                           | <b>19.8</b>                            | <b>-0.1</b> | <b>6.4</b> | <b>4.4</b> | <b>2.14</b> | <b>-0.01</b>   | <b>0.72</b> | <b>0.50</b> |    |
| Motor vehicles and parts .....                   | 4.7                                   | 18.9                                   | -1.2        | 8.6        | -4.4       | 0.85        | -0.06  | 0.40        | -0.21       |    |
| Furniture and household equipment .....          | 4.4                                   | 22.8                                   | 3.3         | 6.7        | 13.3       | 0.92        | 0.14   | 0.28        | 0.55        |    |
| Other <sup>2</sup> .....                         | 2.4                                   | 16.3                                   | -3.7        | 1.6        | 7.2        | 0.37        | -0.09  | 0.04        | 0.17        |    |
| <b>Nondurable goods</b> .....                    | <b>29.0</b>                           | <b>5.9</b>                             | <b>1.4</b>  | <b>1.5</b> | <b>6.0</b> | <b>1.71</b> | <b>0.42</b>  | <b>0.46</b> | <b>1.73</b> |    |
| Food .....                                       | 13.9                                  | 6.7                                    | 2.0         | -0.7       | 6.6        | 0.92        | 0.27   | -0.10       | 0.90        |    |
| Clothing and shoes .....                         | 3.9                                   | 8.6                                    | -3.8        | 5.5        | 6.7        | 0.33        | -0.15  | 0.21        | 0.26        |    |
| Gasoline, fuel oil, and other energy goods ..... | 3.3                                   | -1.3                                   | 0.7         | 5.0        | 1.0        | -0.05       | 0.03   | 0.19        | 0.04        |    |
| Other <sup>3</sup> .....                         | 8.0                                   | 6.4                                    | 3.4         | 2.0        | 6.9        | 0.51        | 0.27   | 0.15        | 0.54        |    |
| <b>Services</b> .....                            | <b>59.5</b>                           | <b>1.6</b>                             | <b>3.7</b>  | <b>2.8</b> | <b>3.2</b> | <b>0.96</b> | <b>2.17</b>  | <b>1.64</b> | <b>1.94</b> |    |
| Housing .....                                    | 15.1                                  | 2.3                                    | 2.4         | 2.6        | 3.2        | 0.34        | 0.36   | 0.38        | 0.48        |    |
| Household operation .....                        | 5.5                                   | -14.0                                  | 8.4         | 9.7        | 3.9        | -0.84       | 0.44   | 0.51        | 0.22        |    |
| Electricity and gas .....                        | 2.3                                   | -29.7                                  | 15.8        | 21.9       | 8.5        | -0.83       | 0.34   | 0.46        | 0.19        |    |
| Other household operation .....                  | 3.2                                   | -0.1                                   | 3.4         | 1.6        | 0.7        | 0.00        | 0.11   | 0.05        | 0.02        |    |
| Transportation .....                             | 3.6                                   | 4.0                                    | 1.7         | 1.3        | 3.5        | 0.15        | 0.06   | 0.05        | 0.13        |    |
| Medical care .....                               | 17.2                                  | 4.3                                    | 2.6         | 2.1        | 3.1        | 0.74        | 0.44   | 0.36        | 0.53        |    |
| Recreation .....                                 | 4.1                                   | 3.1                                    | 0.8         | 3.0        | 2.6        | 0.13        | 0.03   | 0.12        | 0.11        |    |
| Other <sup>4</sup> .....                         | 14.0                                  | 3.2                                    | 6.1         | 1.6        | 3.4        | 0.45        | 0.83   | 0.22        | 0.48        |    |

1. The estimates under the contribution columns are also percent changes.

2. Includes jewelry and watches, ophthalmic products and orthopedic equipment, books and maps, bicycles and motorcycles, guns and sporting equipment, photographic equipment, boats, and pleasure aircraft.

3. Includes tobacco, toilet articles, drug preparations and sundries, stationery and writing supplies, toys, film, flowers, cleaning preparations and paper products, semidurable house furnishings, and magazines and newspapers.

4. Includes personal care, personal business, education and research, religious and welfare activities, and net foreign travel.

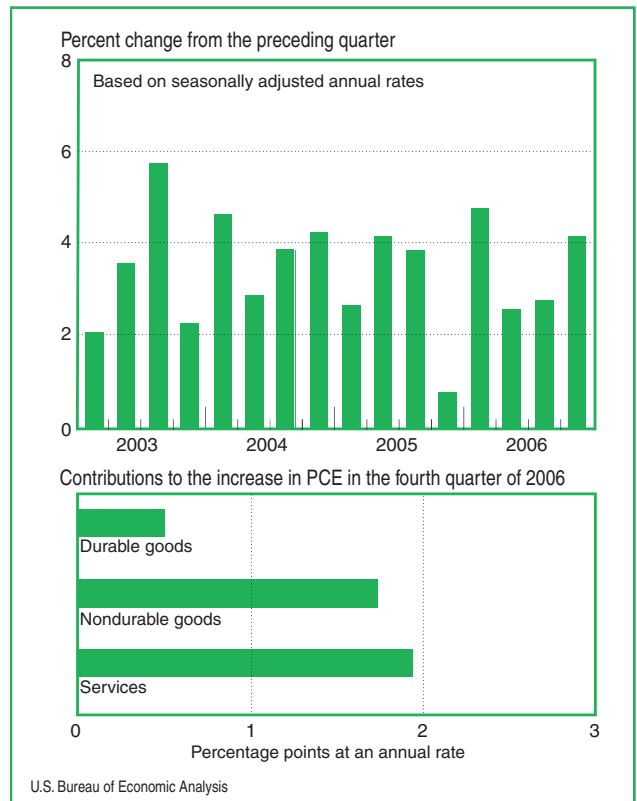
NOTE: Percent changes are from NIPA table 2.3.1, and contributions, from NIPA table 2.3.2; shares are calculated from NIPA table 2.3.5.

Spending for durable goods slowed in the fourth quarter, reflecting a downturn in motor vehicles and parts that was partly offset by accelerations in furniture and household equipment and in "other" durable goods.

Spending for nondurable goods accelerated and contributed 1.73 percentage points to the growth in real consumer spending. The acceleration mainly reflected an upturn in spending for food. Spending for "other" nondurable goods accelerated.

Spending for services accelerated and contributed 1.94 percentage points to the growth in real consumer spending. Accelerations in "other" services, in medical care, and in housing were the main contributors to the growth in real consumer spending for services. Spending for electricity and gas decelerated.

**Chart 2. Real Personal Consumption Expenditures**



## Private Fixed Investment

**Table 4. Real Private Fixed Investment (PFI)**

[Seasonally adjusted at annual rates]

|  | Share of current-dollar PFI (percent) | Change from preceding period (percent) |              |              |              |              | Contribution to percent change in real PFI (percentage points) |              |              |    |
|--|---------------------------------------|--|--------------|--------------|--------------|--------------|--|--------------|--------------|----|
|  |                                       | 2006                                   |              |              |              |              | 2006   |              |              |    |
|  |                                       | IV                                     | I            | II           | III          | IV           | I  | II           | III          | IV |
| <b>Private fixed investment<sup>1</sup> ...</b>    | <b>100.0</b>                          | <b>8.2</b>                             | <b>-1.6</b>  | <b>-1.2</b>  | <b>-8.5</b>  | <b>8.2</b>   | <b>-1.6</b>  | <b>-1.2</b>  | <b>-8.5</b>  |    |
| <b>Nonresidential .....</b>                        | <b>66.4</b>                           | <b>13.7</b>                            | <b>4.4</b>   | <b>10.0</b>  | <b>-2.4</b>  | <b>8.30</b>  | <b>2.72</b>  | <b>6.16</b>  | <b>-1.56</b> |    |
| <b>Structures .....</b>                            | <b>20.2</b>                           | <b>8.7</b>                             | <b>20.3</b>  | <b>15.7</b>  | <b>-0.8</b>  | <b>1.50</b>  | <b>3.34</b>  | <b>2.79</b>  | <b>-0.16</b> |    |
| Commercial and health care                         | 7.5                                   | 7.1                                    | 11.7         | 25.6         | -2.1         | 0.46         | 0.74   | 1.61         | -0.15        |    |
| Manufacturing.....                                 | 1.4                                   | -1.7                                   | 28.0         | 11.3         | -9.7         | -0.02        | 0.32   | 0.15         | -0.14        |    |
| Power and communication ...                        | 2.1                                   | 14.3                                   | 4.9          | 16.0         | -11.5        | 0.27         | 0.10   | 0.31         | -0.25        |    |
| Mining exploration, shafts, and wells.....         | 5.3                                   | 2.0                                    | 28.0         | 10.0         | 3.7          | 0.09         | 1.16   | 0.48         | 0.19         |    |
| Other structures <sup>2</sup> .....                | 3.8                                   | 23.6                                   | 35.1         | 7.3          | 5.5          | 0.71         | 1.03   | 0.25         | 0.20         |    |
| <b>Equipment and software .....</b>                | <b>46.2</b>                           | <b>15.6</b>                            | <b>-1.4</b>  | <b>7.7</b>   | <b>-3.2</b>  | <b>6.80</b>  | <b>-0.62</b>   | <b>3.36</b>  | <b>-1.41</b> |    |
| Information processing equipment and software .... | 22.8                                  | 21.8                                   | -1.1         | 10.0         | 0.6          | 4.52         | -0.24  | 2.13         | 0.13         |    |
| Computers and peripheral equipment.....            | 4.0                                   | 24.9                                   | 4.7          | 22.0         | 1.5          | 0.94         | 0.18   | 0.79         | 0.06         |    |
| Software <sup>3</sup> .....                        | 10.0                                  | 12.2                                   | 4.2          | 6.0          | 8.3          | 1.12         | 0.39   | 0.56         | 0.78         |    |
| Other <sup>4</sup> .....                           | 8.8                                   | 31.6                                   | -9.0         | 9.3          | -7.8         | 2.46         | -0.82  | 0.78         | -0.71        |    |
| Industrial equipment.....                          | 8.0                                   | -3.6                                   | 13.6         | 0.2          | -5.4         | -0.28        | 0.98   | 0.02         | -0.42        |    |
| Transportation equipment.....                      | 7.2                                   | 27.7                                   | -22.8        | 13.6         | -14.0        | 1.90         | -1.91  | 0.92         | -1.05        |    |
| Other equipment <sup>5</sup> .....                 | 8.2                                   | 8.5                                    | 7.4          | 3.8          | -0.9         | 0.66         | 0.56   | 0.30         | -0.07        |    |
| <b>Residential.....</b>                            | <b>33.6</b>                           | <b>-0.3</b>                            | <b>-11.1</b> | <b>-18.7</b> | <b>-19.1</b> | <b>-0.11</b> | <b>-4.33</b>   | <b>-7.31</b> | <b>-6.91</b> |    |
| <b>Structures .....</b>                            | <b>33.1</b>                           | <b>-0.5</b>                            | <b>-11.2</b> | <b>-18.9</b> | <b>-19.3</b> | <b>-0.17</b> | <b>-4.32</b>   | <b>-7.30</b> | <b>-6.91</b> |    |
| Permanent site.....                                | 19.9                                  | 0.8                                    | -17.6        | -25.0        | -29.7        | 0.19         | -4.46  | -6.28        | -6.91        |    |
| Single family .....                                | 17.1                                  | -1.8                                   | -19.2        | -28.6        | -34.5        | -0.39        | -4.39  | -6.47        | -7.23        |    |
| Multifamily.....                                   | 2.8                                   | 25.7                                   | -2.6         | 7.8          | 12.3         | 0.58         | -0.07  | 0.19         | 0.32         |    |
| Other structures <sup>6</sup> .....                | 13.3                                  | -2.7                                   | 1.1          | -7.5         | 0.0          | -0.36        | 0.14   | -1.02        | 0.00         |    |
| <b>Equipment .....</b>                             | <b>0.5</b>                            | <b>13.6</b>                            | <b>-2.9</b>  | <b>-2.2</b>  | <b>-1.3</b>  | <b>0.06</b>  | <b>-0.01</b>   | <b>-0.01</b> | <b>-0.01</b> |    |

1. The estimates of fixed investment under the contribution columns are also percent changes  
 2. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.  
 3. Excludes software "embedded," or bundled, in computers and other equipment.  
 4. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.  
 5. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.  
 6. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.  
 NOTE: Percent changes are from NIPA table 5.3.1, contributions are from NIPA table 5.3.2, and shares are calculated from NIPA table 5.3.5.

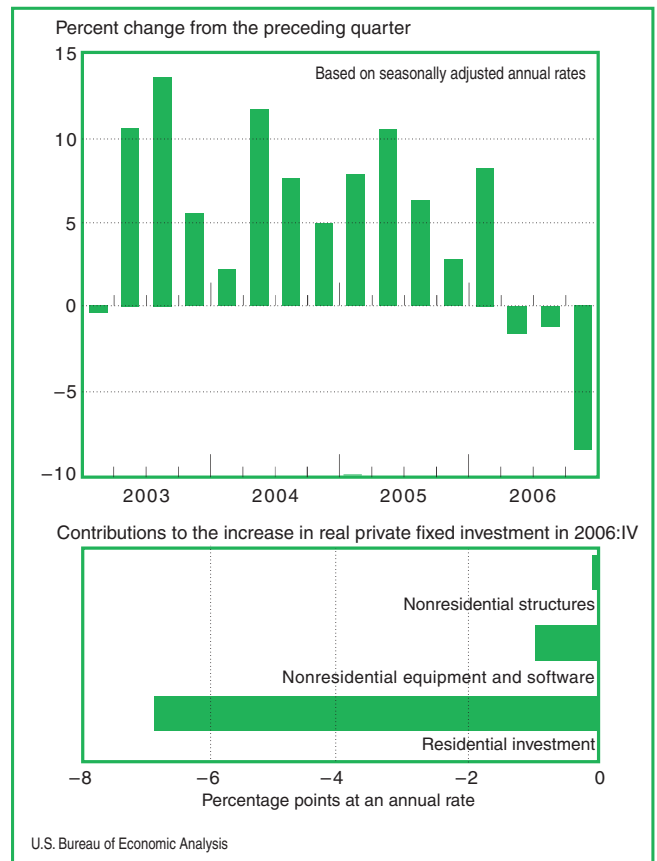
Real private fixed nonresidential investment turned down, reflecting downturns in business investment in equipment and software and in structures.

Investment in nonresidential structures turned down, mainly reflecting downturns in commercial and health care structures, power and communication structures, and manufacturing structures.

Investment in equipment and software turned down; a deceleration in information processing equipment and software and a downturn in transportation equipment were the main contributors.

Residential investment decreased about the same in the fourth quarter as in the third quarter. A larger decrease in single-family structures was offset by a upturn in "other" structures, notably brokers' commissions.

**Chart 3. Real Private Fixed Investment**



## Inventory Investment

**Table 5. Real Change in Private Inventories by Industry**  
 [Billions of chained (2000) dollars; seasonally adjusted at annual rates]

|  | Level       |             |             |             |             | Change from preceding quarter |             |            |              |  |
|--|-------------|-------------|-------------|-------------|-------------|-------------------------------|-------------|------------|--------------|--|
|  | 2005        | 2006        |             |             |             | 2006                          |             |            |              |  |
|  | IV          | I           | II          | III         | IV          | I                             | II          | III        | IV           |  |
| <b>Change in private inventories<sup>1</sup> ..</b>  | <b>43.5</b> | <b>41.2</b> | <b>53.7</b> | <b>55.4</b> | <b>17.3</b> | <b>-2.3</b>                   | <b>12.5</b> | <b>1.7</b> | <b>-38.1</b> |  |
| Farm .....   | 4.8         | 4.3         | 1.9         | 2.5         | 2.4         | -0.5                          | -2.4        | 0.6        | -0.1         |  |
| Mining, utilities, and construction .....  | -0.5        | -2.0        | 5.4         | 1.6         | 1.0         | -1.5                          | 7.4         | -3.8       | -0.6         |  |
| Manufacturing .....  | 0.5         | 7.6         | 11.1        | 10.1        | 8.5         | 7.1                           | 3.5         | -1.0       | -1.6         |  |
| Durable-goods industries .....   | -1.3        | -0.1        | 5.7         | 9.4         | 14.3        | 1.2                           | 5.8         | 3.7        | 4.9          |  |
| Nondurable-goods industries .....  | 1.5         | 7.1         | 5.2         | 1.1         | -4.8        | 5.6                           | -1.9        | -4.1       | -5.9         |  |
| Wholesale trade .....  | 13.3        | 15.0        | 19.3        | 33.7        | 8.1         | 1.7                           | 4.3         | 14.4       | -25.6        |  |
| Durable-goods industries .....   | 17.8        | 6.4         | 15.3        | 27.7        | 4.8         | -11.4                         | 8.9         | 12.4       | -22.9        |  |
| Nondurable-goods industries .....  | -3.3        | 8.2         | 4.5         | 6.9         | 3.2         | 11.5                          | -3.7        | 2.4        | -3.7         |  |
| Retail trade .....   | 26.4        | 12.8        | 7.8         | 2.2         | -7.9        | -13.6                         | -5.0        | -5.6       | -10.1        |  |
| Motor vehicle and parts dealers .....  | 19.8        | 5.5         | 1.0         | -7.2        | -17.6       | -14.3                         | -4.5        | -8.2       | -10.4        |  |
| Food and beverage stores .....   | 1.3         | 1.0         | 1.0         | 0.2         | -0.2        | -0.3                          | 0.0         | -0.8       | -0.4         |  |
| General merchandise stores .....   | 1.1         | -4.7        | -0.5        | 4.8         | 4.7         | -5.8                          | 4.2         | 5.3        | -0.1         |  |
| Other retail stores .....  | 5.1         | 10.8        | 6.1         | 3.6         | 3.5         | 5.7                           | -4.7        | -2.5       | -0.1         |  |
| Other industries .....   | 0.8         | 5.2         | 7.4         | 5.1         | 3.6         | 4.4                           | 2.2         | -2.3       | -1.5         |  |
| Residual <sup>2</sup> .....  | -3.6        | -0.5        | 0.7         | -0.3        | 2.4         | 3.1                           | 1.2         | -1.0       | 2.7          |  |
| <b>Addenda: Ratios of private inventories to final sales of domestic business:<sup>3</sup></b> |             |             |             |             |             |                               |             |            |              |  |
| Private inventories to final sales .....   | 2.42        | 2.40        | 2.40        | 2.41        | 2.39        |                               |             |            |              |  |
| Nonfarm inventories to final sales .....   | 2.22        | 2.20        | 2.20        | 2.21        | 2.20        |                               |             |            |              |  |
| Nonfarm inventories to final sales of goods and structures .....                               | 3.55        | 3.48        | 3.50        | 3.52        | 3.50        |                               |             |            |              |  |

1. The levels are from NIPA table 5.6.6B.  
 2. The residual is the difference between the first line and the sum of the most detailed lines. It reflects that chained-dollar estimates are usually not additive, because they are based on quantity indexes that use weights of more than one period.  
 3. The ratios are from NIPA table 5.7.6B.

### Inventory Investment

The real change in private inventories, often called real private inventory investment, represents the change in the physical stock of goods held by businesses. It includes finished goods, goods at various stages of production, and raw materials.

The change in private inventories is a key component of gross domestic product (GDP), which aims to measure output derived from current production. To include the value of currently produced goods that are not yet sold and to exclude the value of goods produced in previous periods, change in private inventories must be included in the GDP calculation.

Thus, GDP can also be seen as the sum of final sales of domestic product and the change in private inventories (table 2).

For most industries, the estimates of change in private inventories are prepared by revaluing book-value estimates of inventories from the Census Bureau to a replacement-cost basis and calculating the change over a quarter or year. BEA does not always have complete data for every industry.

Real inventory investment turned down, decreasing \$38.1 billion; in contrast, in the third quarter, it increased \$1.7 billion.

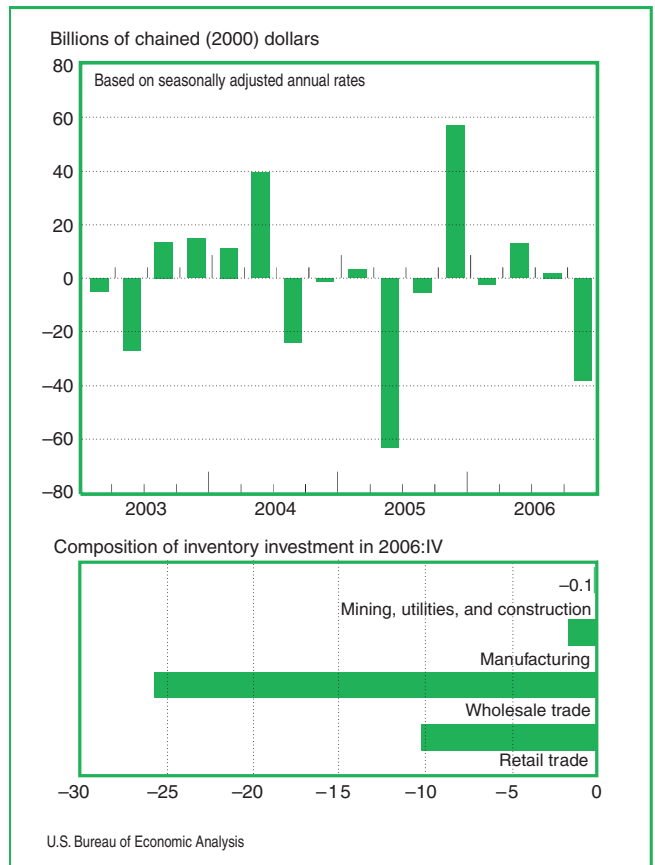
Inventory investment in the mining, utilities, and construction industries decreased \$0.6 billion after decreasing \$3.8 billion.

Inventory investment in manufacturing decreased \$1.6 billion in the fourth quarter after decreasing \$1.0 billion, reflecting a larger decrease in nondurable-goods industries that more than offset a step-up in durable-goods industries.

Inventory investment in wholesale trade turned down sharply. The downturn was widespread across both durable-goods and nondurable-goods industries.

Inventory investment in retail trade decreased more than in the third quarter, primarily reflecting a larger decrease in investment by retail motor vehicle and parts dealers.

**Chart 4. Real Private Inventory Investment**



## Exports and Imports

**Table 6. Real Exports and Imports of Goods and Services**

[Seasonally adjusted at annual rates]

|  | Share of current-dollar exports and imports (percent) | Change from preceding period (percent) |             |             |             |              | Contribution to percent change in real exports and imports (percentage points) |              |              |              |
|--|---|--|-------------|-------------|-------------|--------------|--|--------------|--------------|--------------|
|  |   | 2006                                   |             |             |             |              | 2006   |              |              |              |
|  | 2006  | IV                                     | I           | II          | III         | IV           | I  | II           | III          | IV           |
| <b>Exports of goods and services<sup>1</sup></b> .....                 | <b>100.0</b>  | <b>14.0</b>                            | <b>6.2</b>  | <b>6.8</b>  | <b>10.5</b> | <b>14.0</b>  | <b>6.2</b>   | <b>6.8</b>   | <b>10.5</b>  | <b>10.5</b>  |
| <b>Exports of goods<sup>2</sup></b> .....                              | <b>70.8</b>   | <b>17.3</b>                            | <b>6.0</b>  | <b>9.4</b>  | <b>8.5</b>  | <b>11.92</b> | <b>4.22</b>  | <b>6.58</b>  | <b>6.05</b>  | <b>6.05</b>  |
| Foods, feeds, and beverages ..   | 4.5   | 15.8                                   | 20.7        | 13.2        | -18.3       | 0.69         | 0.86   | 0.59         | -0.93        | -0.93        |
| Industrial supplies and materials .....                                | 18.3  | 26.5                                   | 14.4        | 3.1         | 9.5         | 4.36         | 2.48   | 0.58         | 1.73         | 1.73         |
| Capital goods, except automotive .....                                 | 28.5  | 16.3                                   | 6.6         | 5.6         | 15.0        | 4.59         | 1.85   | 1.58         | 4.11         | 4.11         |
| Automotive vehicles, engines, and parts .....                          | 7.2   | 2.7                                    | -4.6        | 26.9        | -7.8        | 0.22         | -0.35  | 1.81         | -0.59        | -0.59        |
| Consumer goods, except automotive .....                                | 9.0   | 15.7                                   | 1.1         | 15.2        | 14.9        | 1.39         | 0.10   | 1.29         | 1.28         | 1.28         |
| Other .....  | 3.4   | 20.5                                   | -19.7       | 24.0        | 13.8        | 0.68         | -0.72  | 0.73         | 0.45         | 0.45         |
| <b>Exports of services<sup>2</sup></b> .....                           | <b>29.2</b>   | <b>6.7</b>                             | <b>6.7</b>  | <b>0.8</b>  | <b>15.5</b> | <b>2.07</b>  | <b>1.97</b>  | <b>0.25</b>  | <b>4.43</b>  | <b>4.43</b>  |
| <b>Imports of goods and services<sup>1</sup></b> .....                 | <b>100.0</b>  | <b>9.1</b>                             | <b>1.4</b>  | <b>5.6</b>  | <b>-2.2</b> | <b>9.1</b>   | <b>1.4</b>   | <b>5.6</b>   | <b>-2.2</b>  | <b>-2.2</b>  |
| <b>Imports of goods<sup>2</sup></b> .....                              | <b>84.0</b>   | <b>9.4</b>                             | <b>-0.1</b> | <b>7.1</b>  | <b>-3.8</b> | <b>7.90</b>  | <b>-0.05</b>   | <b>5.98</b>  | <b>-3.26</b> | <b>-3.26</b> |
| Foods, feeds, and beverages ..   | 3.5   | 16.5                                   | -4.8        | 10.4        | -1.2        | 0.54         | -0.16  | 0.33         | -0.04        | -0.04        |
| Industrial supplies and materials, except petroleum and products ..... | 13.0  | 1.9                                    | -1.2        | 14.2        | -19.6       | 0.27         | -0.15  | 1.77         | -2.84        | -2.84        |
| Petroleum and products .....   | 11.9  | -4.8                                   | -18.3       | 7.1         | -20.4       | -0.67        | -2.78  | 1.01         | -3.01        | -3.01        |
| Capital goods, except automotive .....                                 | 19.2  | 16.1                                   | 11.6        | 13.5        | -2.7        | 2.88         | 2.05   | 2.41         | -0.51        | -0.51        |
| Automotive vehicles, engines, and parts .....                          | 11.6  | 14.3                                   | -1.3        | -8.3        | 7.3         | 1.65         | -0.15  | -0.97        | 0.80         | 0.80         |
| Consumer goods, except automotive .....                                | 21.1  | 8.4                                    | 5.7         | 15.2        | 18.2        | 1.64         | 1.07   | 2.80         | 3.39         | 3.39         |
| Other .....  | 3.8   | 44.1                                   | 1.9         | -28.6       | -23.9       | 1.61         | 0.08   | -1.38        | -1.04        | -1.04        |
| <b>Imports of services<sup>2</sup></b> .....                           | <b>16.0</b>   | <b>7.4</b>                             | <b>9.9</b>  | <b>-2.6</b> | <b>7.1</b>  | <b>1.15</b>  | <b>1.49</b>  | <b>-0.40</b> | <b>1.07</b>  | <b>1.07</b>  |
| <b>Addenda:</b>  |   |  |             |             |             |              |  |              |              |              |
| Exports of agricultural goods <sup>3</sup> ..                          | 4.9   | 23.8                                   | 19.1        | 2.1         | -17.9       | .....        | .....  | .....        | .....        | .....        |
| Exports of nonagricultural goods .....                                 | 65.8  | 16.8                                   | 5.1         | 10.0        | 10.8        | .....        | .....  | .....        | .....        | .....        |
| Imports of nonpetroleum goods .....                                    | 72.1  | 12.3                                   | 3.9         | 7.2         | -0.4        | .....        | .....  | .....        | .....        | .....        |

Real export growth accelerated, reflecting an acceleration in exports of services that more than offset a small deceleration in exports of goods.

The deceleration in exports of goods reflected downturns in automotive vehicles, engines, and parts and in foods, feeds, and beverages. The downturns were partly offset by step-ups in nonautomotive capital goods and in industrial supplies and materials.

Exports of services accelerated, primarily reflecting an upturn in travel and an acceleration in "other" private services.

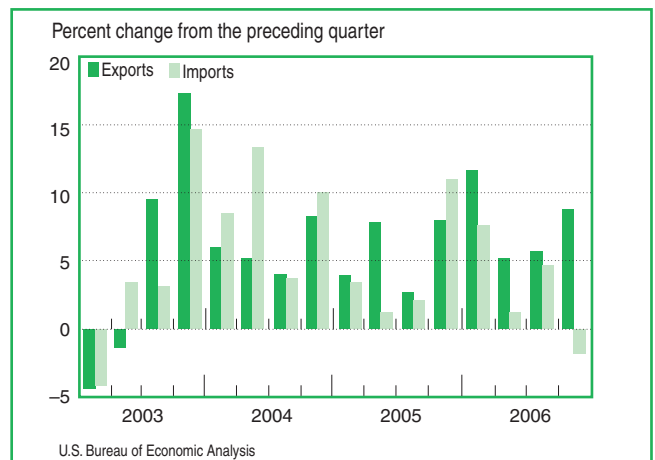
Real imports turned down, reflecting a downturn in imports of goods.

The downturn in imports of goods primarily reflected downturns in nonpetroleum industrial supplies and materials, in petroleum and products, and in nonautomotive capital goods.

Imports of services turned up, primarily reflecting an upturn in travel by U.S. citizens abroad and an acceleration in "other" private services.

1. The estimates under the contribution columns are also percent changes.  
 2. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services.  
 3. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.  
 NOTE: Percent changes are from NIPA table 4.2.1, contributions are from NIPA table 4.2.2, and shares are calculated from NIPA table 4.2.5.

**Chart 5. Real Exports and Imports of Goods and Services**



## Government Spending

**Table 7. Real Government Consumption Expenditures and Gross Investment (CEGI)**

[Seasonally adjusted at annual rates]

|  | Share of current-dollar CEGI (percent) | Change from preceding period (percent) |             |             |              | Contribution to percent change in real CEGI (percentage points) |              |              |              |
|--|--|--|-------------|-------------|--------------|---|--------------|--------------|--------------|
|  |  | 2006                                   |             |             |              | 2006  |              |              |              |
|  | IV                                     | I                                      | II          | III         | IV           | I   | II           | III          | IV           |
| <b>Government consumption expenditures and gross investment<sup>1</sup>.....</b> | <b>100.0</b>                           | <b>4.9</b>                             | <b>0.8</b>  | <b>1.7</b>  | <b>3.3</b>   | <b>4.9</b>  | <b>0.8</b>   | <b>1.7</b>   | <b>3.3</b>   |
| Consumption expenditures.....  | 82.9                                   | 4.4                                    | -0.5        | 2.5         | 3.6          | 3.65  | -0.41        | 2.06         | 2.98         |
| Gross investment.....  | 17.1                                   | 7.6                                    | 7.4         | -2.3        | 1.6          | 1.26  | 1.22         | -0.39        | 0.28         |
| <b>Federal.....</b>  | <b>36.4</b>                            | <b>8.8</b>                             | <b>-4.5</b> | <b>1.3</b>  | <b>4.4</b>   | <b>3.17</b>   | <b>-1.69</b> | <b>0.47</b>  | <b>1.58</b>  |
| <b>National defense.....</b>   | <b>24.7</b>                            | <b>8.9</b>                             | <b>-2.0</b> | <b>-1.2</b> | <b>12.3</b>  | <b>2.15</b>   | <b>-0.50</b> | <b>-0.30</b> | <b>2.86</b>  |
| Consumption expenditures.....  | 21.5                                   | 9.1                                    | -4.1        | -0.9        | 11.3         | 1.91  | -0.91        | -0.20        | 2.31         |
| Gross investment.....  | 3.2                                    | 7.9                                    | 14.1        | -3.1        | 19.0         | 0.24  | 0.41         | -0.10        | 0.55         |
| <b>Nondefense.....</b>   | <b>11.7</b>                            | <b>8.5</b>                             | <b>-9.3</b> | <b>6.5</b>  | <b>-10.2</b> | <b>1.02</b>   | <b>-1.19</b> | <b>0.77</b>  | <b>-1.28</b> |
| Consumption expenditures.....  | 10.3                                   | 8.1                                    | -5.0        | 6.5         | -9.1         | 0.85  | -0.55        | 0.67         | -0.99        |
| Gross investment.....  | 1.5                                    | 10.8                                   | -32.9       | 6.7         | -17.3        | 0.18  | -0.65        | 0.10         | -0.28        |
| <b>State and local.....</b>  | <b>63.6</b>                            | <b>2.7</b>                             | <b>4.0</b>  | <b>1.9</b>  | <b>2.6</b>   | <b>1.74</b>   | <b>2.50</b>  | <b>1.20</b>  | <b>1.69</b>  |
| Consumption expenditures.....  | 51.1                                   | 1.7                                    | 2.1         | 3.1         | 3.3          | 0.89  | 1.05         | 1.59         | 1.67         |
| Gross investment.....  | 12.5                                   | 7.0                                    | 12.5        | -3.1        | 0.1          | 0.85  | 1.46         | -0.39        | 0.01         |

1. The estimates under the contribution columns are also percent changes.  
 Note. Percent changes are from NIPA table 3.9.1, contributions from NIPA table 3.9.2, and shares are calculated from NIPA table 3.9.5.

Real government spending picked up, reflecting an acceleration in consumption expenditures and an upturn in gross investment that was due to an upturn in investment in structures.

Federal Government spending accelerated, reflecting an upturn in national defense spending that more than offset a downturn in nondefense spending.

State and local government spending accelerated, reflecting an upturn in gross investment that primarily reflected a smaller decrease in structures than in the third quarter; consumption expenditures accelerated.

### Government Spending

“Government consumption expenditures and gross investment,” or “government spending,” consists of two main components: (1) Consumption expenditures by Federal and by state and local governments and (2) gross investment by government and government-owned enterprises.

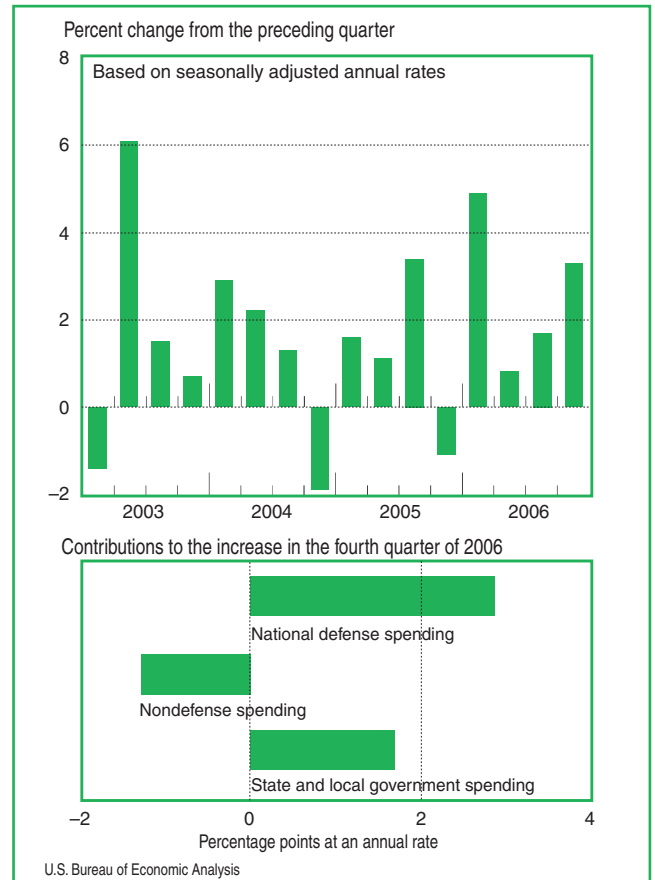
Government consumption expenditures consists of the goods and services that are produced by general government (less any sales to other sectors and investment goods produced by government itself). Governments generally provide services to the general public without charge. The value of government production—that is, government’s gross output—is measured as spending for labor and capital services and for intermediate goods and services.<sup>1</sup>

Gross investment consists of new and used structures (such as highways and dams) and equipment and software purchased or produced by government and government-owned enterprises.

Government consumption and gross investment excludes current transactions of government-owned enterprises, current transfer payments, interest payments, subsidies, and transactions in financial assets and nonproduced assets, such as land.

1. Capital services is also known as consumption of fixed capital (depreciation) and represents a partial measure of the services provided by government-owned fixed capital.

**Chart 6. Real Government Consumption Expenditures and Gross Investment**





## Prices

Table 8. Prices for Gross Domestic Purchases

(Percent change at annual rates; based on seasonally adjusted index numbers (2000=100))

|   | Change from preceding period (percent) |            |            |             | Contribution to percent change in gross domestic purchases prices (percentage points) |             |             |              |
|---|--|------------|------------|-------------|---|-------------|-------------|--------------|
|   | 2006                                   |            |            |             | 2006  |             |             |              |
|   | I                                      | II         | III        | IV          | I   | II          | III         | IV           |
| <b>Gross domestic purchases<sup>1</sup></b> .....                     | <b>2.7</b>                             | <b>4.0</b> | <b>2.2</b> | <b>0.2</b>  | <b>2.7</b>  | <b>4.0</b>  | <b>2.2</b>  | <b>0.2</b>   |
| <b>Personal consumption expenditures</b> .....                        | <b>2.0</b>                             | <b>4.0</b> | <b>2.4</b> | <b>-0.9</b> | <b>1.35</b>   | <b>2.66</b> | <b>1.55</b> | <b>-0.58</b> |
| Durable goods .....   | -1.0                                   | -0.8       | -1.1       | -2.7        | -0.07   | -0.06       | -0.08       | -0.21        |
| Nondurable goods .....  | 1.1                                    | 8.3        | 2.3        | -7.7        | 0.21  | 1.58        | 0.46        | -1.55        |
| Services .....  | 3.1                                    | 2.9        | 3.0        | 3.0         | 1.22  | 1.15        | 1.18        | 1.18         |
| <b>Gross private domestic investment</b> .....                        | <b>3.7</b>                             | <b>3.1</b> | <b>0.6</b> | <b>3.2</b>  | <b>0.58</b>   | <b>0.50</b> | <b>0.10</b> | <b>0.49</b>  |
| Fixed investment .....  | 3.8                                    | 3.0        | 0.5        | 3.1         | 0.59  | 0.47        | 0.08        | 0.47         |
| Nonresidential .....  | 3.7                                    | 3.0        | 0.9        | 2.6         | 0.36  | 0.30        | 0.09        | 0.26         |
| Structures .....  | 12.4                                   | 10.7       | 5.3        | 5.4         | 0.32  | 0.29        | 0.15        | 0.16         |
| Equipment and software .....  | 0.6                                    | 0.1        | -0.9       | 1.5         | 0.04  | 0.01        | -0.06       | 0.10         |
| Residential .....   | 3.8                                    | 2.9        | -0.1       | 4.1         | 0.23  | 0.17        | -0.01       | 0.21         |
| Change in private inventories .....                                   |  |            |            |             | -0.01   | 0.03        | 0.02        | 0.02         |
| <b>Government consumption expenditures and gross investment</b> ..... | <b>4.4</b>                             | <b>4.8</b> | <b>2.8</b> | <b>1.6</b>  | <b>0.79</b>   | <b>0.86</b> | <b>0.51</b> | <b>0.30</b>  |
| Federal .....   | 7.6                                    | 3.8        | 2.0        | 0.0         | 0.49  | 0.25        | 0.13        | 0.00         |
| National defense .....  | 6.7                                    | 4.1        | 2.3        | -0.3        | 0.29  | 0.18        | 0.10        | -0.02        |
| Nondefense .....  | 9.5                                    | 3.2        | 1.4        | 0.8         | 0.20  | 0.07        | 0.03        | 0.02         |
| State and local .....   | 2.6                                    | 5.4        | 3.4        | 2.6         | 0.30  | 0.61        | 0.38        | 0.29         |
| <b>Addenda:</b>   |  |            |            |             |   |             |             |              |
| Gross domestic purchases:   |  |            |            |             |   |             |             |              |
| Food .....  | 2.6                                    | 1.7        | 3.0        | 2.3         | 0.24  | 0.16        | 0.28        | 0.21         |
| Energy goods and services .....                                       | -2.4                                   | 30.6       | 0.6        | -33.8       | -0.11   | 1.37        | 0.03        | -2.03        |
| Excluding food and energy .....                                       | 3.0                                    | 2.9        | 2.2        | 2.4         | 2.59  | 2.49        | 1.85        | 2.03         |
| Personal consumption expenditures (PCE):                              |  |            |            |             |   |             |             |              |
| Food .....  | 2.8                                    | 1.7        | 2.9        | 1.9         |   |             |             |              |
| Energy goods and services .....                                       | 0.1                                    | 29.7       | 3.7        | -36.0       |   |             |             |              |
| Excluding food and energy .....                                       | 2.1                                    | 2.7        | 2.2        | 1.9         |   |             |             |              |
| "Market-based" PCE .....  | 1.7                                    | 4.2        | 2.2        | -1.6        |   |             |             |              |
| Excluding food and energy .....                                       | 1.6                                    | 2.7        | 1.9        | 1.6         |   |             |             |              |
| Gross domestic product .....  | 3.3                                    | 3.3        | 1.9        | 1.7         |   |             |             |              |

1. The estimates under the contribution columns are also percent changes.

NOTE: All the percent changes except those for PCE for food and energy goods and services and for PCE excluding food and energy are from NIPA table 1.6.7; the changes for PCE are calculated from index numbers in NIPA table 2.3.4. The contributions are from NIPA table 1.6.8.

Inflation, as measured by the price index for gross domestic purchases, was 0.2 percent, compared with 2.2 percent in the third quarter. It was the slowest rate of inflation since the first quarter of 1998. Energy prices turned down sharply, decreasing 33.8 percent. Food prices decelerated. Excluding food and energy, inflation was 2.4 percent, compared with 2.2 percent in the third quarter.

Consumer prices, as measured by the PCE price index, turned down, reflecting a sharp downturn in energy prices and a deceleration in food prices.

Prices paid for nonresidential fixed investment accelerated, primarily reflecting an upturn in prices paid for transportation equipment.

Prices paid for residential investment turned up, increasing 4.1 percent after decreasing 0.1 percent.

Prices paid by government slowed. Prices paid by the Federal Government were unchanged after increasing 2.0 percent, and prices paid by state and local governments decelerated.

Consumer prices excluding food and energy, a measure of the "core" rate of inflation, slowed, increasing 1.9 percent after increasing 2.2 percent.

The "market-based" PCE price index decreased 1.6 percent; excluding food and energy, it increased 1.6 percent.

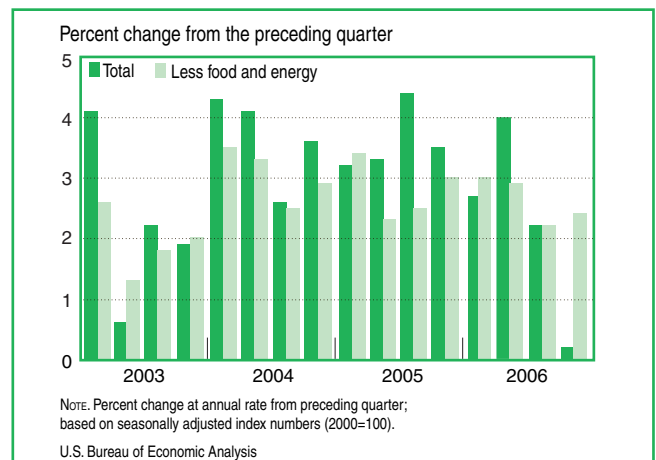
## Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services purchased in the United States. It is derived from prices of consumer spending, private investment, government spending, and prices paid for imports.

The GDP price index measures the prices paid for all the goods and services produced in the United States, and it includes the prices of goods and services that are exported.

The difference between the gross domestic purchases price index and the GDP price index reflects the differences between the imports prices (included in the gross domestic purchases index) and the exports prices (included in the GDP price index).

Chart 7. Gross Domestic Purchases Prices





**Revisions**

**Table 9. Advance and Preliminary Estimates for the Fourth Quarter of 2006**  
[Seasonally adjusted at annual rates]

|   | Change from preceding quarter (percent) |              |                           | Contribution to percent change in real GDP (percentage points) |              |                           |
|---|---|--------------|---------------------------|--|--------------|---------------------------|
|   | Advance                                 | Preliminary  | Preliminary minus advance | Advance  | Preliminary  | Preliminary minus advance |
| <b>Gross domestic product (GDP) <sup>1</sup></b> .....                | <b>3.5</b>                              | <b>2.2</b>   | <b>-1.3</b>               | <b>3.5</b>   | <b>2.2</b>   | <b>-1.3</b>               |
| <b>Personal consumption expenditures</b> .....                        | <b>4.4</b>                              | <b>4.2</b>   | <b>-0.2</b>               | <b>2.13</b>  | <b>2.88</b>  | <b>0.75</b>               |
| Durable goods .....   | 6.0                                     | 4.4          | -1.6                      | 0.66   | 0.35         | -0.31                     |
| Nondurable goods .....  | 6.9                                     | 6.0          | -0.9                      | 0.33   | 1.19         | 0.86                      |
| Services .....  | 2.9                                     | 3.2          | 0.3                       | 1.15   | 1.34         | 0.19                      |
| <b>Gross private domestic investment</b> .....                        | <b>-11.0</b>                            | <b>-15.6</b> | <b>-4.6</b>               | <b>-0.34</b>   | <b>-2.78</b> | <b>-2.44</b>              |
| Fixed investment .....  | -7.3                                    | -8.5         | -1.2                      | -0.24  | -1.43        | -1.19                     |
| Nonresidential .....  | -0.4                                    | -2.4         | -2.0                      | 0.88   | -0.26        | -1.14                     |
| Structures .....  | 2.8                                     | -0.8         | -3.6                      | 0.41   | -0.03        | -0.44                     |
| Equipment and software .....  | -1.8                                    | -3.2         | -1.4                      | 0.46   | -0.24        | -0.70                     |
| Residential .....   | -19.2                                   | -19.1        | 0.1                       | -1.12  | -1.16        | -0.04                     |
| Change in private inventories .....                                   |   |              |                           | -0.10  | -1.35        | -1.25                     |
| <b>Net exports of goods and services</b> .....                        |   |              |                           | <b>-0.58</b>   | <b>1.50</b>  | <b>2.08</b>               |
| Exports .....   | 10.0                                    | 10.5         | 0.5                       | 0.70   | 1.13         | 0.43                      |
| Goods .....   | 8.8                                     | 8.5          | -0.3                      | 0.75   | 0.65         | -0.10                     |
| Services .....  | 13.0                                    | 15.5         | 2.5                       | -0.05  | 0.48         | 0.53                      |
| Imports .....   | -3.2                                    | -2.2         | 1.0                       | -1.28  | 0.38         | 1.66                      |
| Goods .....   | -5.0                                    | -3.8         | 1.2                       | -1.31  | 0.56         | 1.87                      |
| Services .....  | 6.7                                     | 7.1          | 0.4                       | 0.03   | -0.18        | -0.21                     |
| <b>Government consumption expenditures and gross investment</b> ..... | <b>3.7</b>                              | <b>3.3</b>   | <b>-0.4</b>               | <b>0.37</b>  | <b>0.62</b>  | <b>0.25</b>               |
| Federal .....   | 4.5                                     | 4.4          | -0.1                      | 0.12   | 0.30         | 0.18                      |
| National defense .....  | 11.9                                    | 12.3         | 0.4                       | -0.03  | 0.54         | 0.57                      |
| Nondefense .....  | -9.3                                    | -10.2        | -0.9                      | 0.15   | -0.24        | -0.39                     |
| State and local .....   | 3.3                                     | 2.6          | -0.7                      | 0.25   | 0.32         | 0.07                      |
| <b>Addenda:</b>   |   |              |                           |  |              |                           |
| Final sales of domestic product .....                                 | 4.2                                     | 3.6          | -0.6                      | 1.68   | 3.57         | 1.89                      |
| Gross domestic purchases price index .....                            | 0.1                                     | 0.2          | 0.1                       |  |              |                           |
| GDP price index .....   | 1.5                                     | 1.7          | 0.2                       |  |              |                           |

1. The estimates for GDP under the contribution columns are also percent changes.

The 2.2-percent preliminary estimate of real GDP growth is 1.3 percentage points less than the advance estimate. The average revision (without regard to sign) between the “advance” and “preliminary” estimates is 0.5 percentage point; only seven times in 30 years has the revision been 1.3 percentage points or more. The downward revision to the percent change in real GDP primarily reflected downward revisions to inventory investment and to consumer spending and an upward revision to imports of goods.

The downward revision to consumer spending reflected new Census Bureau retail data and new vehicle registration data. Downward revisions to nondurable goods and durable goods were widespread.

The downward revision to inventory investment reflected new Census Bureau data; a downward revision to wholesale trade inventories was partly offset by an upward revision to retail trade industries.

The upward revision to imports of goods reflected new Census Bureau goods data. Automotive vehicles, engines, and parts were revised up.

**Source Data for the Preliminary Estimates**

*Personal consumption expenditures:* Retail sales for November and December (revised). Motor vehicle registrations for October and November (revised) and December (new). Retail electricity sales for November (new) and natural gas sales for October (revised) and November (new).

*Nonresidential fixed investment:* Construction put in place for October and November (revised) and December (new). Manufacturers’ shipments of machinery and equipment for October–December (revised).

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

*Change in private inventories:* Manufacturers’ inventories for November and December (revised) and trade inventories for November (revised) and December (new).

*Exports and imports of goods and services:* International transactions for October and November (revised) and December (new).

*Government consumption expenditures and gross investment:* State and local construction put in place for October and November (revised) and December (new).

**Personal Income for the Third Quarter**

With the release of the preliminary estimates of GDP, BEA also releases revised estimates of various income-related series for the previous quarter. This revision reflects the incorporation of newly available, third-quarter tabulations from the quarterly census of employment and wages from the Bureau of Labor Statistics.

Wages and salaries increased \$46.7 billion in the third quarter, a downward revision of \$26.9 billion. Personal current taxes increased \$1.5 billion, a downward revision of \$3.7 billion. Contributions for government social insurance—a subtraction in calculating personal income—increased \$6.4 billion, a downward revision of \$3.7 billion. As a result of these revisions

- Personal income increased \$132.1 billion, a downward revision of \$25.1 billion.
- Disposable personal income increased \$130.8 billion, a downward revision of \$21.3 billion.
- Personal saving decreased \$2.2 billion, a downward revision of \$21.3 billion.
- The personal saving rate was -1.4 percent, a downward revision of 0.2 percentage point.

# Federal Budget Estimates for Fiscal Year 2008

By Mary L. Roy and Andrew P. Cairns

ON February 5, 2007, the President submitted the *Federal Budget of the United States Government, Fiscal Year 2008* to Congress.<sup>1</sup> For fiscal year 2008, the Federal budget projects a \$239.4 billion deficit, a \$4.8 billion decrease from the \$244.2 billion deficit that is projected for fiscal year 2007. Fiscal year 2006 ended with a \$248.2 billion deficit.<sup>2</sup>

The budget is presented on a “unified budget” basis, in effect, on a cash basis. It is a financial plan for the Federal Government. Based on this proposed budget, the Bureau of Economic Analysis annually prepares estimates of Federal Government current receipts and expenditures. These translated estimates are consistent with the national income and product accounts (NIPAs), which are designed to broadly measure output and income from production (see the box “NIPA Estimates of the Federal Sector and the Federal Budget Estimates”). Because the estimates of receipts and expenditures are based on the budget estimates, they embody the same assumptions about unemployment, inflation, long-term interest rates, and other variables.<sup>3</sup>

This analysis thus provides a way to gauge the effects of the Federal budget on various aggregate measures of U.S. economic activity, such as the Federal Government’s impact on national saving. The results of the analysis include the following:

- NIPA net Federal Government saving for fiscal year 2008 is projected to be  $-\$238.3$  billion, a \$4.9 billion decrease from net Federal Government saving of  $-\$233.4$  billion that is projected for fiscal year 2007.
- Proposed legislative and program changes would add \$201.2 billion to the Federal budget deficit in fiscal year 2008; the increase mainly reflects a proposed appropriation to continue funding for the

global war on terror and a proposed extension of the alternative minimum tax relief for individuals.

The rest of this article is divided into four sections. First, the budget estimates are summarized, and the effects of the major legislative proposals and program changes on the budget are reviewed. Second, the budget projections and the NIPA estimates are compared. Third, annual and quarterly NIPA estimates for fiscal years 2007 and 2008 that are based on the budget are presented. Fourth, the methodology used to translate the budget projections into the NIPA framework is explained.

## The Budget Estimates

Federal budget receipts in fiscal year 2008 are projected to increase \$122.4 billion, to \$2,662.5 billion, according to the President’s budget proposal (table 1). Federal budget receipts in fiscal year 2007 are estimated to be \$2,540.1 billion, a \$132.8 billion increase. The deceleration is more than accounted for by a deceleration in individual income taxes, which would increase \$77.8 billion in 2008 after increasing \$124.9 billion in 2007, and a continued decline in corporation income taxes, which would decrease \$27.1 billion after decreasing \$11.9 billion in 2007. The deceleration in budget receipts in 2008 is tempered by an acceleration in social insurance taxes and contributions, which would increase \$53.8 billion after increasing \$35.6 billion, and by an upturn in excise taxes, which would increase \$11.0 billion after decreasing \$16.9 billion.

**Table 1. Budget Receipts by Source**

[Billions of dollars]

|   | Level for fiscal year |                |                |                | Change from preceding year |              |              |
|---|-----------------------|----------------|----------------|----------------|----------------------------|--------------|--------------|
|   | 2005                  | 2006           | 2007           | 2008           | 2006                       | 2007         | 2008         |
| <b>Budget receipts</b> .....                  | <b>2,153.9</b>        | <b>2,407.3</b> | <b>2,540.1</b> | <b>2,662.5</b> | <b>253.4</b>               | <b>132.8</b> | <b>122.4</b> |
| Individual income taxes.....                  | 927.2                 | 1,043.9        | 1,168.8        | 1,246.6        | 116.7                      | 124.9        | 77.8         |
| Corporation income taxes.....                 | 278.3                 | 353.9          | 342.1          | 314.9          | 75.6                       | -11.9        | -27.1        |
| Social insurance taxes and contributions..... | 794.1                 | 837.8          | 873.4          | 927.2          | 43.7                       | 35.6         | 53.8         |
| Excise taxes.....                             | 73.1                  | 74.0           | 57.1           | 68.1           | 0.9                        | -16.9        | 11.0         |
| Estate and gift taxes.....                    | 24.8                  | 27.9           | 25.3           | 25.7           | 3.1                        | -2.6         | 0.4          |
| Customs duties.....                           | 23.4                  | 24.8           | 26.8           | 29.2           | 1.4                        | 2.0          | 2.5          |
| Miscellaneous receipts.....                   | 33.0                  | 45.0           | 46.7           | 50.7           | 12.0                       | 1.7          | 4.0          |

Source: *Budget of the United States Government, Fiscal Year 2008*.

1. Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2008* (Washington, DC: U.S. Government Printing Office, 2007); <[www.whitehouse.gov/omb/budget/fy2008/budget.html](http://www.whitehouse.gov/omb/budget/fy2008/budget.html)>.

2. These estimates of the Federal budget are derived from all Federal transactions; they are the difference between the unified budget receipts and the unified budget outlays. Other measures of the Federal budget that differ from these measures may present off-budget and on-budget transactions and trust funds surplus and Federal funds deficit.

3. See “Economic Assumptions,” in *Analytical Perspectives: Budget of the United States Government, Fiscal Year 2008*, 165–174.

### NIPA Estimates of the Federal Sector and the Federal Budget Estimates

The Bureau of Economic Analysis (BEA) prepares estimates of the Federal sector in the framework of the national income and product accounts (NIPAs). Unlike the Federal budget, which is a financial plan of the Government, the NIPA Federal estimates are designed to facilitate macroeconomic analyses of the effects of Federal Government activity on national and personal income and on national saving.<sup>1</sup>

Unlike the Federal budget estimates, the NIPAs distinguish current transactions from capital transactions. Current transactions for production, for income, and for consumption are presented in the summary NIPA accounts 1–5, and capital transactions for the acquisition and disposal of nonfinancial assets are presented in summary NIPA accounts 6 and 7.<sup>2</sup> Because of this organization, the following types of transactions are not included in NIPA Federal Government current receipts and current expenditures but are shown in account 6 and as addenda items in NIPA table 3.2:

- **Government investment in fixed assets.** In the NIPAs, government consumption expenditures exclude investment in fixed assets and include consumption of fixed capital, a depreciation charge on fixed assets that are used in production.
- **Transfers involving the acquisition or disposal of assets.** In the NIPAs, these transactions are classified as capital transfer receipts and payments and are presented in the domestic capital account.<sup>3</sup> Capital transfers include certain investment grants-in-aid to state and local governments, investment subsidies to businesses, lump-sum payments to amortize the unfunded liability of the Uniformed Services Retiree Health Care Fund, and estate and gift taxes.
- **Transactions involving nonproduced assets.** In the NIPAs, purchases and sales of nonproduced assets, such as land and the radio spectrum, are reflected in “capital account transactions (net)” in the domestic capital account.

The NIPA estimates also differ from the budget estimates because of the scope and coverage of the Federal Government sector. Examples include the following:

- **Retirement plans.** Government employee contributions to retirement plans are included in budget receipts, but they are

excluded from NIPA current receipts because they are included in personal income as part of the income of employees. Similarly, Federal employee retirement benefits are included in budget outlays, but they are excluded from NIPA current expenditures because the benefits are paid from assets that represent equity belonging to the personal sector.

- **Other differences.** The NIPA Federal Government sector excludes certain transactions with the residents of Puerto Rico and the U.S. Territories and with the Federal Communication Commission Universal Service Fund.

#### Receipts

NIPA Federal Government current receipts differ from Federal budget receipts because of differences in coverage, netting and grossing, and timing.<sup>4</sup> For most years, the differences between NIPA current receipts and budget receipts primarily reflect capital transfers received, supplementary medical insurance premiums, and personal and business current transfer receipts. (Personal and business current transfer receipts are classified as receipts in the NIPAs, but some are netted against outlays in the budget.)

#### Expenditures

NIPA Federal Government current expenditures differ from Federal budget outlays because of differences in coverage, netting and grossing, and timing. For most years, the differences between the two measures primarily reflect capital transfers paid, Federal employee retirement plan transactions, personal and business current transfer receipts, and net investment.

In the NIPAs, budget outlays for national defense and non-defense are reflected in both consumption expenditures and gross investment. For national defense, the budget outlays differ from the NIPA estimates for several reasons:

- The NIPA measure includes general government consumption of fixed capital.
- In the NIPAs, cash payments to amortize the unfunded liability for military and civilian retirement benefits are included as defense consumption expenditures; the budget records these payments as intergovernmental transactions.
- NIPA expenditures are recorded on a delivery (accrual) basis, and budget outlays are recorded on a cash basis; thus, in the NIPAs, all work in progress except ships and structures are included as part of change in private inventories.

1. For a comparison, see tables 4 and 5 and NIPA table 3.18B. See also “National Income and Product Accounts” in *Analytical Perspectives: Budget of the U.S. Government*, 203–208.

2. Current transactions are presented in the “Domestic Income and Product Account,” “Private Enterprise Income Account,” “Personal Income and Outlay Account,” “Government Receipts and Expenditures Account,” and “Foreign Transactions Current Account.” Capital transactions are presented in the “Domestic Capital Account” and the “Foreign Transactions Capital Account.” See “Summary National Income and Product Accounts,” *SURVEY OF CURRENT BUSINESS* 86 (August 2006): 38–39. The Federal Government components of the domestic capital account are often shown as addenda in tables presenting Federal Government current receipts and expenditures.

3. The flow of funds accounts of the Federal Reserve Board present detailed information on the acquisition and disposal of financial assets and liabilities by U.S. economic sectors, including the Federal Government.

4. The differences in coverage arise because certain transactions that are excluded from the NIPAs are included in the budget (and vice versa). The differences in netting and grossing arise because certain transactions are recorded as offsets to outlays in the budget, but they are recorded as receipts in the NIPAs (and vice versa). The differences in timing arise because in the budget, most receipts and outlays are recorded on a cash basis, and in the NIPAs, some transactions are recorded on an accrual basis.

Federal budget outlays in fiscal year 2008 are projected to increase \$117.6 billion, to \$2,901.9 billion (table 2). Federal budget outlays in fiscal year 2007 are estimated to be \$2,784.3 billion, a \$128.8 billion increase. The deceleration is accounted for by decelerations in outlays for the following functions: Medicare, national defense, social security, international affairs, health, and administration of justice. Downturns in outlays for natural resources and the environment and energy also contributed to the deceleration. The deceleration in budget outlays is moderated by smaller decreases in outlays for the following functions: Community and regional development; education, training, employment, and social services; agriculture; and commerce and housing credit. Outlays for net interest, veterans benefits and services, and income security would accelerate, and “undistributed offsetting receipts” would decrease less.

For Medicare, budget outlays would increase \$19.4 billion in 2008 after increasing \$42.4 billion in 2007. For national defense, budget outlays would increase \$34.7 billion after increasing \$50.0 billion. For social security, budget outlays would increase \$26.0 billion after increasing \$38.0 billion. For international affairs, budget outlays would increase \$1.1 billion after increasing \$5.5 billion. For natural resources and the environment, budget outlays would decrease \$2.3 billion after increasing \$2.1 billion.

For community and regional development, budget outlays would decrease \$8.0 billion in 2008 after de-

creasing \$21.9 billion in 2007. For education, training, employment, and social services, budget outlays would decrease \$11.2 billion after decreasing \$24.6 billion. For agriculture, budget outlays would decrease \$0.2 billion after decreasing \$5.9 billion. For commerce and housing credit, budget outlays would decrease \$2.3 billion after decreasing \$6.0 billion.

For net interest, budget outlays would increase \$22.1 billion after increasing \$12.6 billion. “Undistributed offsetting receipts” (negative outlays) would increase \$4.4 billion after increasing \$13.6 billion. For veterans benefits and services, budget outlays would increase \$11.0 billion after increasing \$2.6 billion. For income security, budget outlays would increase \$15.4 billion after increasing \$12.9 billion.

### Proposed legislative and program changes

The budget for fiscal year 2008 proposes changes in legislation and in programs that would increase the Federal deficit \$58.9 billion in fiscal year 2007 and \$201.2 billion in fiscal year 2008 (table 3).<sup>4</sup>

**Receipts.** If proposed legislation is enacted, receipts would decrease \$9.6 billion in fiscal year 2007 and \$51.5 billion in fiscal year 2008, relative to the current-services baseline.

- A proposal to extend the amount of the alternative minimum tax (AMT) exemption and the use of nonrefundable personal tax credits to offset both the regular tax and the AMT would reduce receipts \$9.1 billion in fiscal year 2007 and \$47.9 billion in fiscal year 2008.
- A proposal to permanently extend the 20-percent tax credit for qualified research and experimentation expenses that are above specified amounts would reduce receipts \$3.2 billion in 2008.
- A proposal to provide enhanced expense-related tax benefits for small businesses would reduce receipts \$1.6 billion in 2008.
- A proposal to repeal the excise tax for local telephone service would reduce receipts \$0.6 billion in 2007 and \$0.5 billion in 2008. (See the box “New Transactions in the NIPA Federal Sector” on page 20.)
- A proposal to extend the unemployment insurance surtax that requires employers to continue to pay at a 0.8-percent tax rate for 5 more years before dropping back to a 0.6-percent rate would increase receipts \$1.1 billion in 2008.

**Table 2. Budget Outlays by Function**

[Billions of dollars]

|  | Level for fiscal year |                |                |                | Change from preceding year |              |              |
|--|-----------------------|----------------|----------------|----------------|----------------------------|--------------|--------------|
|  | 2005                  | 2006           | 2007           | 2008           | 2006                       | 2007         | 2008         |
| <b>Budget outlays</b> .....                                | <b>2,472.2</b>        | <b>2,655.4</b> | <b>2,784.3</b> | <b>2,901.9</b> | <b>183.2</b>               | <b>128.8</b> | <b>117.6</b> |
| National defense .....                                     | 495.3                 | 521.8          | 571.9          | 606.5          | 26.5                       | 50.0         | 34.7         |
| International affairs.....                                 | 34.6                  | 29.5           | 35.1           | 36.1           | -5.0                       | 5.5          | 1.1          |
| General science, space, and technology .....               | 23.6                  | 23.6           | 24.9           | 26.6           | 0.0                        | 1.2          | 1.8          |
| Energy .....   | 0.4                   | 0.8            | 1.8            | 1.4            | 0.4                        | 1.1          | -0.4         |
| Natural resources and environment.....                     | 28.0                  | 33.1           | 35.2           | 32.9           | 5.0                        | 2.1          | -2.3         |
| Agriculture .....  | 26.6                  | 26.0           | 20.1           | 19.9           | -0.6                       | -5.9         | -0.2         |
| Commerce and housing credit .....                          | 7.6                   | 6.2            | 0.2            | -2.0           | -1.4                       | -6.0         | -2.3         |
| Transportation .....                                       | 67.9                  | 70.2           | 74.6           | 79.3           | 2.3                        | 4.4          | 4.7          |
| Community and regional development .....                   | 26.3                  | 54.5           | 32.6           | 24.7           | 28.3                       | -21.9        | -8.0         |
| Education, training, employment, and social services ..... | 97.6                  | 118.6          | 94.0           | 82.7           | 21.0                       | -24.6        | -11.2        |
| Health .....   | 250.6                 | 252.8          | 268.5          | 280.6          | 2.2                        | 15.8         | 12.1         |
| Medicare .....   | 298.6                 | 329.9          | 372.3          | 391.6          | 31.2                       | 42.4         | 19.4         |
| Income security .....                                      | 345.8                 | 352.5          | 365.4          | 380.8          | 6.6                        | 12.9         | 15.4         |
| Social security .....                                      | 523.3                 | 548.5          | 586.5          | 612.5          | 25.2                       | 38.0         | 26.0         |
| Veterans benefits and services .....                       | 70.2                  | 69.8           | 72.4           | 83.4           | -0.3                       | 2.6          | 11.0         |
| Administration of justice .....                            | 40.0                  | 41.0           | 45.3           | 47.0           | 1.0                        | 4.3          | 1.7          |
| General government.....                                    | 17.0                  | 18.2           | 18.8           | 20.7           | 1.2                        | 0.5          | 2.0          |
| Net interest.....  | 184.0                 | 226.6          | 239.2          | 261.3          | 42.6                       | 12.6         | 22.1         |
| Allowances <sup>1</sup> .....                              |                       |                | 7.4            | 2.1            |                            |              | -5.4         |
| Undistributed offsetting receipts <sup>2</sup> .....       | -65.2                 | -68.3          | -81.8          | -86.3          | -3.0                       | -13.6        | -4.4         |

1. Allowances are included in budget totals to cover certain budgetary transactions that are expected to increase or decrease outlays, receipts, or budget authority but that are not reflected in the program details.

2. Undistributed offsetting receipts are two categories of collections that are governmental in nature and that are not credited to expenditure accounts: Receipts from performing business-like activities, such as proceeds from selling Federal assets or leases; and shifts from one account to another, such as agency payments to retirement funds.

Source: *Budget of the United States Government, Fiscal Year 2008*.

4. The estimates of the proposed changes are the differences between the current-services estimates and the actual budget. The current-services estimates in the 2008 budget reflect certain proposed adjustments to the requirements for estimating the current-services baseline under the Budget Enforcement Act.

- A proposal to expand tax-free savings by replacing Individual Retirement Accounts (IRAs) with Lifetime Savings Accounts (LSAs) and Retirement Savings Accounts (RSAs) would increase receipts \$1.5 billion in 2008.<sup>5</sup>

Receipts proposals that are included in the current-services baseline would increase receipts \$0.2 billion in fiscal year 2007 and would decrease receipts \$0.7 billion in fiscal year 2008 (table 3).

5. Under this proposal, individuals, regardless of age or income, could make annual nondeductible contributions to each of these accounts. For tax purposes, LSA distributions would be excluded from income, and RSA distributions would be excluded from income after the account holder is age 58 or in the event of disability or death.

**Table 3. Proposed Legislative and Program Changes in the Budget**

[Billions of dollars]

|   | Fiscal year    |                |
|---|----------------|----------------|
|   | 2007           | 2008           |
| <b>Receipts</b>   |                |                |
| Current-services estimates <sup>1</sup> .....   | 2,549.7        | 2,714.0        |
| Plus: Proposed legislation excluding proposals assumed in the baseline <sup>2</sup> ..... | -9.6           | -51.5          |
| Extend alternative minimum tax relief for individuals .....                               | -9.1           | -47.9          |
| Extend research and experimentation tax credit .....                                      | 0.0            | -3.2           |
| Increase expensing for small business .....   | 0.0            | -1.6           |
| Repeal excise tax on local telephone service .....  | -0.6           | -0.5           |
| Improve unemployment insurance .....  | 0.0            | 1.1            |
| Expand tax-free savings opportunities .....   | 0.0            | 1.5            |
| Other .....   | 0.1            | -0.9           |
| <b>Equals: The budget</b> .....   | <b>2,540.1</b> | <b>2,662.5</b> |
| <b>Outlays</b>  |                |                |
| Current-services estimates <sup>1</sup> .....   | 2,735.0        | 2,752.1        |
| Plus: Program changes excluding proposals assumed in the baseline <sup>2</sup> .....      | 49.3           | 149.7          |
| National defense .....  | 36.8           | 137.2          |
| Net interest .....  | 1.5            | 7.7            |
| International affairs .....   | 2.3            | 4.1            |
| Veterans benefits and services .....  | 0.0            | 3.9            |
| Administration of justice .....   | 0.0            | 2.3            |
| Allowances <sup>3</sup> .....   | 7.4            | 2.1            |
| Transportation .....  | 0.0            | 1.1            |
| General science, space, and technology .....  | 0.0            | 1.0            |
| Community and regional development .....  | 1.2            | 0.9            |
| Income security .....   | 0.0            | 0.4            |
| Agriculture .....   | 0.0            | 0.1            |
| Commerce and housing credit .....   | 0.0            | -0.1           |
| Energy .....  | 0.0            | -0.1           |
| Natural resources and environment .....   | 0.1            | -0.2           |
| Undistributed offsetting receipts <sup>4</sup> .....                                      | -0.1           | -0.5           |
| Education, training, employment, and social services .....                                | 0.0            | -1.1           |
| Health .....  | 0.0            | -1.1           |
| Medicare .....  | 0.0            | -4.0           |
| Other .....   | 0.1            | -4.0           |
| <b>Equals: The budget</b> .....   | <b>2,784.3</b> | <b>2,901.9</b> |
| Current-services surplus or deficit (-) .....   | -185.3         | -38.2          |
| Proposed changes, receipts less outlays .....   | -58.9          | -201.2         |
| Administration budget surplus or deficit (-) .....  | -244.2         | -239.4         |
| <b>Addenda:</b>   |                |                |
| Net effect of adjustments to the Budget Enforcement Act current-services baseline .....   | 0.2            | 43.0           |
| Effect on receipts of proposals assumed in the baseline .....                             | 0.2            | -0.7           |
| Make permanent certain provisions of the tax cuts enacted in 2001 and 2003:               |                |                |
| Repeal of estate and generation-skipping transfer taxes .....                             | -0.2           | -1.4           |
| Extend dividends tax rate structure .....   | 0.3            | 0.7            |
| Adjustments to the baseline for outlays .....   | 0.0            | -43.7          |
| Adjustment for redefinition of emergencies .....  |                | -40.3          |
| Adjustment for cost of pay raises .....   |                | -2.1           |
| Other adjustments .....   | 0.0            | -1.2           |

1. These current-services estimates reflect proposed adjustments to the Budget Enforcement Act current-services baseline. For information on these adjustments, see "Budget Reform Proposals" in the *Analytical Perspectives*.

2. Consistent with the budget, the proposed legislation excludes budget reform proposals that are included in the baseline.

3. Allowances are included in budget totals to cover certain budgetary transactions that are expected to increase or decrease outlays, receipts or budget authority but are not reflected in the program details.

4. Undistributed offsetting receipts are two categories of collections that are governmental in nature and that are not credited to expenditure accounts: Receipts from performing business-like activities, such as proceeds from selling Federal assets or leases; and shifts from one account to another, such as agency payments to retirement funds.

Source: *Budget of the United States Government, Fiscal Year 2008*.

- A proposal to permanently extend the repeal of estate taxes and generation-skipping transfer taxes would reduce receipts \$0.2 billion in 2007 and \$1.4 billion in 2008.

- A proposal to permanently extend the reduced tax rate on dividends would increase receipts \$0.3 billion in 2007 and \$0.7 billion in 2008.<sup>6</sup>

**Outlays.** The budget for fiscal year 2008 would increase total outlays \$49.3 billion in fiscal year 2007 and \$149.7 billion in 2008, relative to the current-services baseline.<sup>7</sup> The increase in outlays in 2008 is accounted for by the following items:

- Outlays for national defense would increase \$137.2 billion, reflecting a \$48.3 billion increase in anticipated supplemental funding for the global war on terror. Proposed changes in discretionary spending on military operations and maintenance, on military personnel, and on procurement would also contribute to the increase in national defense outlays.

- Outlays for net interest would increase \$7.7 billion as a result of the increasing cost of financing the deficit.

- Outlays for international affairs would increase \$4.1 billion, reflecting an increase in outlays for AIDS relief and an increase in outlays for reconstruction and economic support in Iraq and Afghanistan.

- Outlays for veterans benefits and services would increase \$3.9 billion, reflecting the increasing health care costs associated with the global war on terror and the aging veterans population.

The increase in outlays is partly offset by proposed decreases in outlays for Medicare, for education, training, employment, and social services, for health care, and for several other functions.

The adjustments to the baseline requirements of the Budget Enforcement Act would reduce current-services-baseline outlays \$43.7 billion in fiscal year 2008 (table 3).

- Outlays for national defense, for international aid, and for disaster assistance would decrease \$40.3 billion in order to exclude emergency funding from the baseline for years after the year of enactment.

- Outlays would decrease \$2.1 billion in order to correct the overstatement of the cost related to Federal pay raises in the baseline.<sup>8</sup>

6. The rate would be 15 percent for taxpayers in individual tax brackets that are above 15 percent and 5 percent for lower income taxpayers through 2007; the rate for lower income taxpayers would fall to zero in 2008.

7. Outlays for homeland security are spread throughout selected budget functions, including national defense, health, transportation, and the administration of justice.

8. As required by the Budget Enforcement Act, the baseline uses October as the effective date for Federal pay raises; the current-services estimates are based on the assumption that Federal pay raises are effective in January.



## The Budget Estimates and the NIPA Estimates

The Bureau of Economic Analysis (BEA) adjusts the Federal budget's estimates of receipts and outlays in order to prepare estimates of Federal Government current receipts and current expenditures that are consistent with NIPA concepts and methods.

### Receipts

For fiscal year 2008, NIPA current receipts would exceed budget receipts by \$104.9 billion as a result of netting and grossing, coverage, and timing adjustments (table 4).<sup>9</sup> Netting and grossing adjustments would add \$133.7 billion to the budget estimates. "Other" netting and grossing adjustments—which include adjustments for Federal Government payments to the Old-Age, Survivors, and Disability Trust Funds—would add \$64.7 billion, and adjustments for payments for supplementary medical insurance premiums would add \$60.4 billion. Timing adjustments would add \$14.4 billion, which is accounted for by timing on taxes on corporate income. Coverage adjustments would subtract \$43.3 billion. Coverage adjust-

9. Netting and grossing adjustments arise because certain transactions are recorded as offsets to outlays in the budget, but they are recorded as receipts in the NIPAs (and vice versa).

**Table 4. Relation of NIPA Federal Government Current Receipts to Budget Receipts**  
(Billions of dollars)

|  | Fiscal year    |                |                |
|--|----------------|----------------|----------------|
|  | 2006           | 2007           | 2008           |
| <b>Budget receipts</b> .....   | <b>2,407.3</b> | <b>2,540.1</b> | <b>2,662.5</b> |
| Less: Coverage differences.....  | 44.3           | 42.2           | 43.3           |
| Geographic <sup>1</sup> .....  | 4.6            | 4.9            | 5.1            |
| Contributions received by Federal employee retirement plans <sup>2</sup> ..... | 4.4            | 4.7            | 4.7            |
| Capital transfers received <sup>3</sup> .....                                  | 27.7           | 25.0           | 25.5           |
| Financial transactions.....  | 0.0            | 0.0            | 0.0            |
| Other <sup>4</sup> .....   | 7.6            | 7.5            | 8.0            |
| Netting and grossing differences.....  | -112.7         | -121.7         | -133.7         |
| Supplementary medical insurance premiums.....                                  | -48.3          | -56.0          | -60.4          |
| Income receipts on assets.....   | -10.7          | -10.3          | -10.2          |
| Current surplus of government enterprises.....                                 | 3.6            | 2.0            | 1.6            |
| Other <sup>5</sup> .....   | -57.4          | -57.4          | -64.7          |
| Plus: Timing differences.....  | -2.0           | 21.2           | 14.4           |
| Taxes on corporate income.....   | 3.0            | 4.7            | 15.9           |
| Federal and state unemployment insurance taxes.....                            | -0.2           | 0.0            | -0.5           |
| Withheld personal current tax and social security contributions.....           | -5.8           | 5.2            | -4.9           |
| Excise taxes.....  | 4.0            | 14.6           | 7.1            |
| Other.....   | -3.1           | -3.2           | -3.1           |
| <b>Equals: NIPA Federal Government current receipts</b> .....                  | <b>2,473.6</b> | <b>2,640.9</b> | <b>2,767.4</b> |

1. Primarily consists of contributions for social insurance by residents of U.S. territories and Puerto Rico.
2. These transactions are included in the NIPA personal sector.
3. Consists of estate and gift taxes.
4. Primarily consists of Treasury receipts from sales of foreign currencies to Government agencies.
5. Includes proprietary receipts that are netted against outlays in the budget and that are classified as receipts in the NIPAs and some transactions that are not reflected in the budget but that are added to both NIPA receipts and expenditures.

Sources: *Budget of the United States Government, Fiscal Year 2008* and the Bureau of Economic Analysis.

ments for capital transfers received, which consists of estate and gift taxes, would subtract \$25.5 billion.

### Expenditures and outlays

For fiscal year 2008, the NIPA estimate of Federal Government current expenditures would exceed the Federal budget estimate of outlays by \$103.7 billion (table 5). Netting and grossing adjustments would add \$133.7 billion to the budget estimates, timing adjustments would add \$0.7 billion, and coverage adjustments would subtract \$30.7 billion. Coverage adjustments for capital transfers paid, which includes capital grants to state and local governments and to businesses, would subtract \$55.8 billion, and adjustments for Federal employee retirement plan transactions would add \$47.4 billion.

**Table 5. Relation of NIPA Federal Government Current Expenditures to Budget Outlays**  
(Billions of dollars)

|   | Fiscal year    |                |                |
|---|----------------|----------------|----------------|
|   | 2006           | 2007           | 2008           |
| <b>Budget outlays</b> .....                                       | <b>2,655.4</b> | <b>2,784.3</b> | <b>2,901.9</b> |
| Less: Coverage differences.....                                   | 66.6           | 40.6           | 30.7           |
| Geographic <sup>1</sup> .....                                     | 15.2           | 16.4           | 16.9           |
| Federal employee retirement plan transactions <sup>2</sup> .....  | -42.4          | -44.4          | -47.4          |
| Interest received.....  | -54.0          | -56.4          | -60.0          |
| Contributions received (employer).....                            | -97.4          | -103.7         | -108.8         |
| Benefits paid.....  | 108.7          | 115.6          | 121.2          |
| Administrative expenses.....                                      | 0.2            | 0.2            | 0.2            |
| Financing disbursements from credit programs <sup>3</sup> .....   | 16.3           | -16.9          | -23.2          |
| Other differences in funds covered <sup>4</sup> .....             | 6.6            | 8.0            | 7.5            |
| Net investment <sup>5</sup> .....                                 | 10.1           | 17.6           | 8.5            |
| Capital transfers paid <sup>6</sup> .....                         | 51.2           | 53.9           | 55.8           |
| Financial transactions.....                                       | 9.6            | 19.7           | 25.8           |
| Loan disbursements less loan repayments and sales.....            | 21.1           | 24.9           | 28.8           |
| Deposit insurance.....  | 1.2            | 0.7            | 1.2            |
| Net purchases of foreign currency.....                            | 0.0            | 0.0            | 0.0            |
| Other.....  | -12.7          | -5.8           | -4.2           |
| Net purchases of nonproduced assets.....                          | 0.0            | -13.7          | -13.3          |
| Outer Continental Shelf.....                                      | -0.1           | 0.0            | -1.1           |
| Land and other <sup>7</sup> .....                                 | 0.1            | -13.7          | -12.2          |
| Other <sup>8</sup> .....  | 0.0            | 0.0            | 0.0            |
| Netting and grossing differences.....                             | -112.7         | -121.7         | -133.7         |
| Supplementary medical insurance premiums.....                     | -48.3          | -56.0          | -60.4          |
| Interest receipts.....  | -10.7          | -10.3          | -10.2          |
| Current surplus of government enterprises.....                    | 3.6            | 2.0            | 1.6            |
| Other <sup>9</sup> .....  | -57.4          | -57.4          | -64.7          |
| Plus: Timing differences.....                                     | -14.0          | 8.9            | 0.7            |
| Purchases (increase in payables net of advances).....             | 1.1            | 3.7            | -3.3           |
| Interest.....   | 0.5            | 0.5            | 0.5            |
| Current transfer payments.....                                    | -0.8           | 5.8            | 0.3            |
| Other timing.....   | -14.8          | -1.2           | 3.3            |
| <b>Equals: NIPA Federal Government current expenditures</b> ..... | <b>2,687.5</b> | <b>2,874.3</b> | <b>3,005.6</b> |

1. Consists largely of government social benefits, subsidies, and grants-in-aid to residents of U.S. territories and Puerto Rico.

2. These transactions are included in the NIPA personal sector.

3. Consists of transactions not included in the budget totals that record all cash flows from post-1991 direct loan obligations and loan guarantee commitments. Many of these flows are for new loans or loan repayments; consequently related entries are included in "Loan disbursements less loan repayments and sales."

4. Consists largely of agencies or accounts, such as the Postal Service and the Federal Financing Bank, that were not included in the budget in some periods.

5. Net investment is gross investment less consumption of fixed capital for general government and government enterprises.

6. Consists of investment grants to state and local governments and maritime construction subsidies. Does not include the forgiveness of debts owed by foreign governments to the United States, which are excluded from both budget outlays and NIPA current expenditures.

7. Consists of net sales of land other than the Outer Continental Shelf and, beginning in 1995, the auction of the radio spectrum.

8. Consists largely of net expenditures of foreign currencies.

9. Includes proprietary receipts that are netted against outlays in the budget and that are classified as receipts in the NIPAs. Also includes some transactions that are not reflected in the budget data but that are added to both receipts and expenditures in the NIPAs.

Sources: *Budget of the United States Government, Fiscal Year 2008* and the Bureau of Economic Analysis.

For fiscal year 2008, the NIPA estimate of national defense consumption expenditures would exceed the budget estimate of national defense outlays by \$10.7 billion (table 6). The estimates differ mainly because of the NIPA treatment of retirement funds for military and civilian employees and the addition of consumption of fixed capital.

**Table 6. Relation of NIPA National Defense Consumption Expenditures and Gross Investment to National Defense Outlays**  
[Billions of dollars]

|  | Fiscal year  |              |              |
|--|--------------|--------------|--------------|
|  | 2006         | 2007         | 2008         |
| <b>Budget outlays for national defense</b> .....   | <b>521.8</b> | <b>571.9</b> | <b>606.5</b> |
| Department of Defense, military .....  | 499.4        | 548.9        | 583.3        |
| Military personnel .....   | 127.5        | 128.8        | 135.7        |
| Operation and maintenance .....  | 203.8        | 224.8        | 248.6        |
| Procurement .....  | 89.8         | 104.3        | 110.8        |
| Aircraft .....   | 23.2         | 27.5         | 27.3         |
| Missiles .....   | 5.7          | 5.8          | 5.3          |
| Ships .....  | 10.3         | 11.2         | 9.8          |
| Weapons .....  | 5.9          | 7.0          | 8.4          |
| Ammunition .....   | 2.0          | 2.3          | 2.5          |
| Other <sup>1</sup> .....   | 42.7         | 50.6         | 57.6         |
| Research, development, test, and evaluation .....  | 68.6         | 71.1         | 69.6         |
| Other .....  | 9.6          | 20.0         | 18.5         |
| Atomic energy and other defense-related activities .....                                 | 22.5         | 23.0         | 23.3         |
| Plus: Consumption of general government fixed capital .....                              | 70.8         | 74.2         | 77.2         |
| Additional payments to military and civilian retirement funds .....                      | 31.1         | 35.2         | 36.5         |
| Timing difference .....  | 1.4          | 1.6          | -1.9         |
| Less: Grants-in-aid to state and local governments and net interest paid .....           | 3.6          | 3.6          | 3.4          |
| Other differences .....  | 11.9         | 13.5         | 18.6         |
| <b>Equals: NIPA National defense consumption expenditures and gross investment</b> ..... | <b>609.6</b> | <b>665.8</b> | <b>696.4</b> |
| Less: National defense gross investment <sup>2</sup> .....                               | 76.9         | 86.7         | 79.1         |
| <b>Equals: NIPA National defense consumption expenditures</b> .....                      | <b>532.8</b> | <b>579.1</b> | <b>617.2</b> |

1. Other military outlays include outlays for military construction, family housing, and anticipated funding for the global war on terror.  
2. Gross investment consists of general government expenditures for fixed assets; inventory investment is included in Federal Government consumption expenditures.  
Sources: *Budget of the United States Government, Fiscal Year 2008* and the Bureau of Economic Analysis.

**Net saving and the budget deficit**

For fiscal year 2008, the NIPA estimate of net Federal Government saving is -\$238.3 billion; the comparable Federal budget estimate is -\$239.4 billion (table 7). The difference reflects coverage and timing adjustments. The coverage adjustments reduce both NIPA current receipts and NIPA current expenditures; the timing adjustments raise both NIPA current receipts and NIPA current expenditures. Netting and grossing adjustments affect NIPA current receipts and NIPA current expenditures equally, so these adjustments do not affect net Federal Government saving.

**Annual and Quarterly NIPA Estimates**

**Fiscal year NIPA estimates**

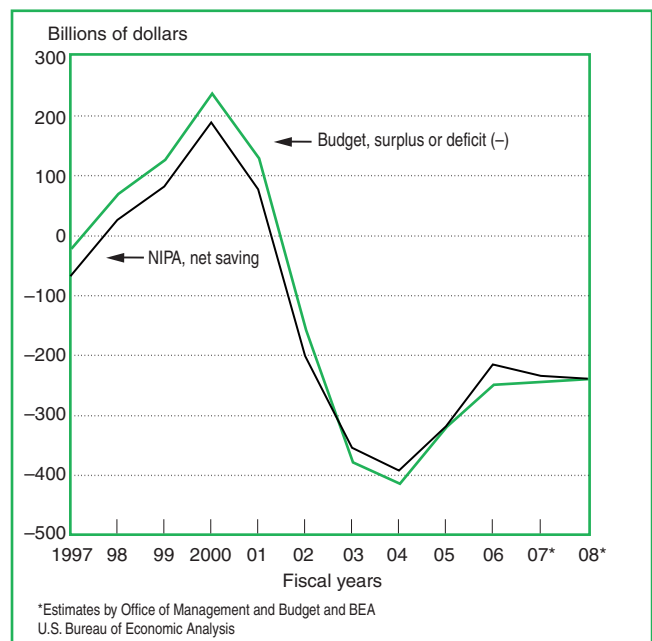
On a NIPA basis, net Federal Government saving would decrease \$4.9 billion in fiscal year 2008 after decreasing \$19.5 billion in fiscal year 2007 (table 7 and chart 1). The smaller decrease results from a larger de-

celeration in Federal Government current expenditures than in Federal Government current receipts.

**Receipts.** Total NIPA Federal Government current receipts would increase \$126.4 billion after increasing \$167.3 billion (table 8 and chart 2). The deceleration results from proposed legislation that would decrease receipts \$43.9 billion and from a deceleration in the tax base that would increase receipts \$163.8 billion. (The estimates of the tax base are based on the administration's economic assumptions and do not include the effects of proposed legislation.)

In current tax receipts, personal current taxes would decelerate, increasing \$80.0 billion after increasing

**Chart 1. Federal Fiscal Position**



**Table 7. Budget Receipts and Outlays and NIPA Federal Government Current Receipts and Expenditures**  
[Billions of dollars]

|  | Level for fiscal year |           |         | Change from preceding fiscal year |       |
|--|-----------------------|-----------|---------|-----------------------------------|-------|
|  | Actual                | Estimates |         | 2007                              | 2008  |
|  | 2006                  | 2007      | 2008    |                                   |       |
| <b>Budget:</b>   |                       |           |         |                                   |       |
| Receipts .....   | 2,407.3               | 2,540.1   | 2,662.5 | 132.8                             | 122.4 |
| Outlays .....  | 2,655.4               | 2,784.3   | 2,901.9 | 128.9                             | 117.6 |
| Surplus or deficit (-) .....                                 | -248.2                | -244.2    | -239.4  | 4.0                               | 4.8   |
| <b>NIPAs:</b>  |                       |           |         |                                   |       |
| Current receipts .....                                       | 2,473.6               | 2,640.9   | 2,767.4 | 167.3                             | 126.4 |
| Current expenditures .....                                   | 2,687.5               | 2,874.3   | 3,005.6 | 186.8                             | 131.3 |
| Net Federal Government saving .....                          | -213.9                | -233.4    | -238.3  | -19.5                             | -4.9  |
|  | Differences           |           |         |                                   |       |
| Budget receipts less NIPA current receipts .....             | -66.3                 | -100.8    | -104.9  | -34.5                             | -4.1  |
| Budget outlays less NIPA current expenditures .....          | -32.1                 | -90.0     | -103.7  | -57.9                             | -13.7 |
| Budget deficit less NIPA net Federal Government saving ..... | -34.2                 | -10.8     | -1.1    | 23.5                              | 9.7   |

Sources: *Budget of the United States, Fiscal Year 2008* and the Bureau of Economic Analysis.



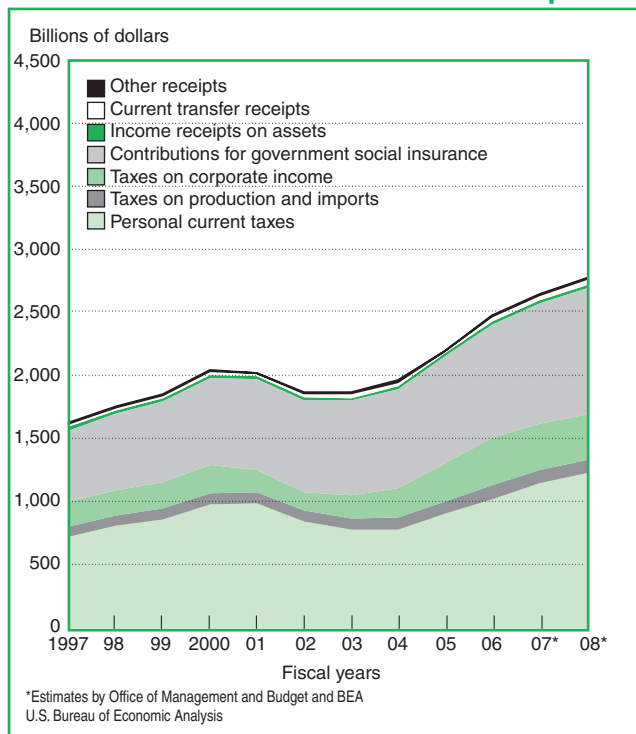
\$122.9 billion, reflecting proposed legislation and a deceleration in the tax base. Taxes on production and imports would turn up, increasing \$5.6 billion after decreasing \$3.5 billion. Taxes on corporate income would decrease \$16.7 billion after decreasing \$7.1 billion, reflecting a decrease in the tax base. Contribu-

**Table 8. Sources of Change in NIPA Federal Government Current Receipts**  
[Billions of dollars]

|  | Change from preceding fiscal year |              |              |
|--|-----------------------------------|--------------|--------------|
|  | 2006                              | 2007         | 2008         |
| <b>Total current receipts</b> .....                | <b>275.0</b>                      | <b>167.3</b> | <b>126.4</b> |
| Due to tax bases.....                              | 243.5                             | 176.1        | 163.8        |
| Due to proposed legislation.....                   | 0.0                               | -9.3         | -43.9        |
| Current tax receipts.....                          | 203.3                             | 112.6        | 68.9         |
| Personal current taxes.....                        | 119.6                             | 122.9        | 80.0         |
| Due to tax bases.....                              | 119.6                             | 131.8        | 119.2        |
| Due to proposed legislation.....                   | 0.0                               | -8.9         | -39.2        |
| Taxes on production and imports.....               | 6.4                               | -3.5         | 5.6          |
| Due to tax bases.....                              | 6.4                               | -2.8         | 6.1          |
| Due to proposed legislation.....                   | 0.0                               | -0.7         | -0.5         |
| Taxes on corporate income.....                     | 77.3                              | -7.1         | -16.7        |
| Due to tax bases.....                              | 77.3                              | -7.4         | -12.5        |
| Due to proposed legislation.....                   | 0.0                               | 0.3          | -4.2         |
| Taxes from the rest of the world.....              | 0.0                               | 0.3          | 0.0          |
| Contributions for government social insurance..... | 40.2                              | 54.5         | 51.0         |
| Due to tax bases.....                              | 40.2                              | 54.5         | 51.0         |
| Due to proposed legislation.....                   | 0.0                               | 0.0          | 0.0          |
| Income receipts on assets.....                     | 1.1                               | 0.2          | 1.2          |
| Current transfer receipts.....                     | 28.6                              | -1.8         | 4.9          |
| Current surplus of government enterprises.....     | 1.7                               | 1.7          | 0.4          |

Sources: *Budget of the United States Government, Fiscal Year 2008* and the Bureau of Economic Analysis.

**Chart 2. Federal Government Current Receipts**



tions for government social insurance would increase \$51.0 billion after increasing \$54.5 billion, reflecting a deceleration in the tax base. Current transfer receipts would turn up, increasing \$4.9 billion after decreasing \$1.8 billion. The current surplus of government enterprises would increase \$0.4 billion after increasing \$1.7 billion.

**Expenditures.** Total NIPA Federal Government current expenditures would increase \$131.3 billion in fiscal year 2008 after increasing \$186.8 billion in fiscal year 2007 (table 9 and chart 3). The deceleration results from a deceleration in consumption expenditures, which would increase \$43.4 billion after increasing \$62.4 billion.

National defense consumption expenditures would decelerate, increasing \$38.2 billion after increasing \$46.3 billion. Nondefense consumption expenditures would decelerate, increasing \$5.2 billion after increasing \$16.1 billion. Current transfer payments would decelerate, increasing \$63.3 billion after increasing \$112.0 billion.

**Table 9. Sources of Change in NIPA Federal Government Current Expenditures**  
[Billions of dollars]

|   | Change from preceding fiscal year |              |              |
|---|-----------------------------------|--------------|--------------|
|   | 2006                              | 2007         | 2008         |
| <b>Total current expenditures</b> .....                       | <b>171.2</b>                      | <b>186.8</b> | <b>131.3</b> |
| Consumption expenditures.....                                 | 45.3                              | 62.4         | 43.4         |
| National defense.....   | 24.0                              | 46.3         | 38.2         |
| Pay raise and locality pay <sup>1</sup> .....                 | 0.0                               | 4.1          | 6.4          |
| Other.....  | 24.0                              | 42.2         | 31.8         |
| Nondefense.....   | 21.3                              | 16.1         | 5.2          |
| Pay raise and locality pay <sup>1</sup> .....                 | 0.0                               | 1.7          | 2.8          |
| Other.....  | 21.3                              | 14.4         | 2.4          |
| Current transfer payments.....                                | 86.8                              | 112.0        | 63.3         |
| Government social benefits to persons.....                    | 84.9                              | 93.4         | 58.4         |
| Social security.....  | 30.3                              | 31.7         | 25.3         |
| Medicare.....   | 40.3                              | 54.9         | 23.6         |
| Supplemental security income.....                             | 2.3                               | 2.8          | 1.6          |
| Earned income and other tax credits.....                      | 2.6                               | -0.2         | 0.5          |
| Veterans benefits.....  | 1.2                               | 4.6          | 2.3          |
| Unemployment benefits.....                                    | -0.1                              | 0.7          | 2.2          |
| Food Stamps.....  | 1.7                               | 0.3          | 1.5          |
| Other.....  | 6.8                               | -1.3         | 1.4          |
| Government social benefits to the rest of the world.....      | 0.1                               | 0.1          | 0.1          |
| Grants-in-aid to state and local governments.....             | 1.9                               | 12.5         | 3.4          |
| Health and hospitals.....                                     | 2.3                               | 0.5          | 0.0          |
| Income support, social security, and welfare.....             | -2.4                              | 9.3          | 6.6          |
| Medical care.....   | -4.7                              | 6.8          | 10.2         |
| Welfare and social services.....                              | 0.9                               | 2.5          | -1.5         |
| Other income support.....                                     | 1.4                               | 0.0          | -2.0         |
| Education.....  | 1.7                               | 0.7          | -2.9         |
| Housing and community services.....                           | -0.3                              | 2.8          | 0.2          |
| Central executive, legislative, and judicial activities.....  | -0.9                              | 0.2          | -0.1         |
| Labor training and services.....                              | 1.0                               | 0.3          | -0.5         |
| Other.....  | 0.3                               | -1.3         | 0.0          |
| Other current transfer payments to the rest of the world..... | -0.1                              | 6.0          | 1.4          |
| Federal interest paid.....                                    | 44.4                              | 19.5         | 25.7         |
| Subsidies.....  | 3.3                               | -7.1         | -1.0         |
| Agriculture subsidies.....                                    | 2.5                               | -6.8         | -1.5         |
| Housing subsidies.....  | 0.3                               | 0.7          | 0.9          |
| Other subsidies.....  | 0.5                               | -1.0         | -0.4         |

1. Consists of pay raises and locality pay beginning in January 2007 and 2008.  
Source: Bureau of Economic Analysis.

Government social benefits to persons would increase \$58.4 billion after increasing \$93.4 billion; the deceleration is mostly attributable to decelerations in Medicare and social security. Grants-in-aid to state and local governments would increase \$3.4 billion after increasing \$12.5 billion; the deceleration is mostly attributable to downturns in grants for welfare and social services and for education.

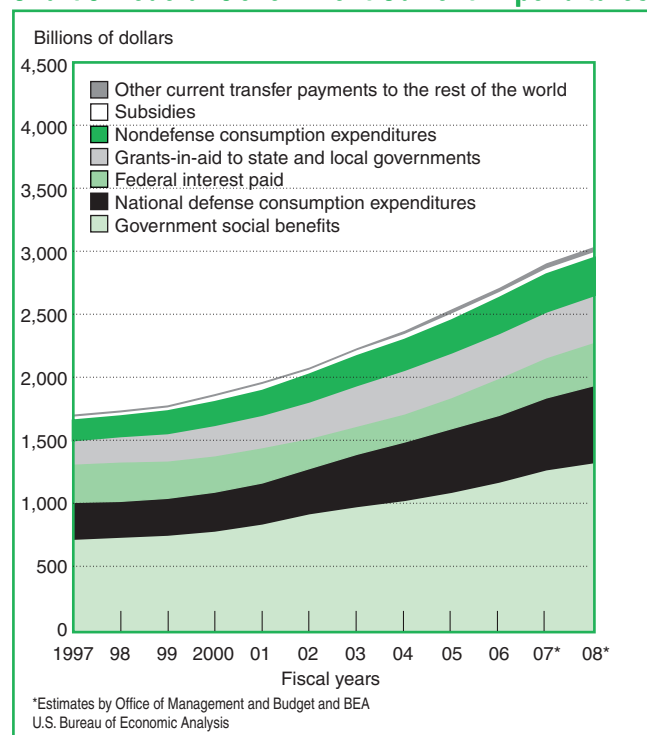
“Other current transfer payments to the rest of the world” would decelerate, increasing \$1.4 billion after increasing \$6.0 billion. Federal interest payments would accelerate, increasing \$25.7 billion after increasing \$19.5 billion. Subsidies would decrease \$1.0 billion after decreasing \$7.1 billion; the smaller decrease is attributable to agricultural subsidies.

**Investment.** Total Federal Government gross investment would turn down, decreasing \$4.9 billion after increasing \$10.8 billion (table 10). This downturn is mostly accounted for by a downturn in gross investment for national defense.

**Other items.** Capital transfer receipts would turn up and capital transfer payments would turn down. Net borrowing would turn down, decreasing \$4.5 billion after increasing \$24.2 billion.<sup>10</sup>

10. “Net lending or net borrowing (-),” the financing requirement of the government sector, is an alternative measure of the government fiscal position and is derived as net government saving plus the consumption of fixed capital and “capital transfers received (net)” less gross investment and net purchases of nonproduced assets.

**Chart 3. Federal Government Current Expenditures**



**Quarterly pattern**

BEA prepares seasonally adjusted quarterly NIPA estimates of Federal Government current receipts and current expenditures that are consistent with the Federal budget (table 10).

The quarterly estimates presented here are extrapolated from the preliminary estimates for the fourth quarter of 2006, which were released on February 28, 2007. In general, because of the limited information available to estimate quarterly patterns, the estimates should be viewed as approximations that will be superseded by more reliable quarterly estimates that will be published in NIPA table 3.2.<sup>11</sup>

**Receipts.** The NIPA estimates of current receipts reflect the quarterly pattern of estimates that would result from enacted and proposed legislation, based on the administration’s projected pattern of wages. The NIPA estimates also reflect BEA’s methodology for deriving quarterly estimates of income tax payments and of “final settlements less refunds.”<sup>12</sup>

**Expenditures.** The quarterly NIPA estimates of Federal Government current expenditures reflect the quarterly pattern that would result from enacted and proposed legislation that would adjust pay for Federal Government employees and that would provide cost-of-living increases in social security and other programs.

**Net saving.** Net Federal government saving decreased from -\$147.0 billion in the first quarter of 2006 to -\$147.9 billion in the fourth quarter. In the first three quarters of 2007, net saving is projected to decrease, reflecting a projected increase in current expenditures that would exceed the increase in current receipts. The increase in current expenditures stems from projected increases in government social benefits and in defense and nondefense consumption expenditures and from a step-up in current transfer payments to the rest of the world and in grants-in-aid to state and local governments.

In the fourth quarter of 2007, net saving is projected to increase as a result of a projected increase in current receipts that would exceed the increase in current expenditures. National defense consumption expenditures are projected to decelerate. Grants for income support, social security, and welfare are projected to turn down, and grants to the rest of the world are projected to show a larger decline.

In the first quarter of 2008, net Federal Government

11. The average of the fiscal year quarters may not be equal to the fiscal year value.

12. For details about the methodology, see Eugene P. Seskin, “Annual Revision of the National Income and Product Accounts,” SURVEY OF CURRENT BUSINESS 78 (August 1998): 29–31.

saving is projected to decrease as a result of an increase in current expenditures that more than offsets an increase in current receipts. The projected increase in current expenditures is attributable to increases in social security as a result of cost-of-living adjustments

and upturns in current transfer payments to the rest of the world and in grants for income support, social security, and welfare.

In the second and third quarters of 2008, net saving is projected to increase, reflecting increases in current

Table 10. NIPA Federal Government Current

(Billions of dollars; calendar years and

|   | Fiscal year estimates <sup>1</sup> |         |         | Calendar year          |           | Quarter                |         |         |         |           |         |         |         |         |         |         |
|---|------------------------------------|---------|---------|------------------------|-----------|------------------------|---------|---------|---------|-----------|---------|---------|---------|---------|---------|---------|
|   |                                    |         |         | Published <sup>2</sup> | Estimated | Published <sup>2</sup> |         |         |         | Estimated |         |         |         |         |         |         |
|   | 2006                               | 2007    | 2008    |                        |           | 2006                   | 2007    | 2006    |         |           |         | 2007    |         |         |         | 2008    |
|   |                                    |         |         |                        |           |                        | I       | II      | III     | IV        | I       | II      | III     | IV      | I       | II      |
| <b>Current receipts</b> .....                               | 2,473.6                            | 2,640.9 | 2,767.4 | 2,534.4                | 2,652.2   | 2,490.9                | 2,523.2 | 2,557.2 | 2,566.5 | 2,604.7   | 2,629.8 | 2,664.5 | 2,709.7 | 2,735.5 | 2,772.9 | 2,812.8 |
| Current tax receipts.....                                   | 1,527.2                            | 1,639.9 | 1,708.9 | 1,558.3                | 1,621.2   | 1,524.9                | 1,553.2 | 1,579.2 | 1,575.9 | 1,594.9   | 1,605.3 | 1,627.7 | 1,657.0 | 1,661.2 | 1,688.3 | 1,717.1 |
| Personal current taxes.....                                 | 1,028.6                            | 1,151.6 | 1,231.6 | 1,059.8                | 1,165.6   | 1,039.2                | 1,049.9 | 1,064.7 | 1,085.5 | 1,128.9   | 1,147.8 | 1,176.7 | 1,208.8 | 1,205.1 | 1,230.3 | 1,255.9 |
| Withheld income taxes.....                                  | 845.3                              | 932.7   | 1,013.6 | 862.6                  | 939.0     | 854.4                  | 855.8   | 863.1   | 877.0   | 903.7     | 927.6   | 949.7   | 975.1   | 985.4   | 1,005.1 | 1,026.3 |
| Declarations and final settlements less refunds.....        | 183.3                              | 218.9   | 218.0   | 197.3                  | 226.5     | 184.7                  | 194.1   | 201.6   | 208.5   | 225.2     | 220.3   | 227.1   | 233.6   | 219.8   | 225.2   | 229.7   |
| Proposed legislation.....                                   | -8.9                               | -48.0   | -48.0   | -8.9                   | -8.9      | -8.9                   | -8.9    | -8.9    | -8.9    | 0.0       | -11.8   | -11.8   | -11.8   | -48.0   | -48.0   | -48.0   |
| Other.....  | 183.3                              | 227.7   | 266.0   | 197.3                  | 235.4     | 184.7                  | 194.1   | 201.6   | 208.5   | 225.2     | 232.1   | 238.9   | 245.5   | 267.8   | 273.2   | 277.7   |
| Taxes on production and imports.....                        | 106.0                              | 102.5   | 108.1   | 100.9                  | 99.7      | 101.1                  | 103.0   | 101.3   | 98.2    | 97.9      | 99.1    | 100.3   | 101.6   | 103.8   | 105.2   | 106.4   |
| Proposed legislation.....                                   | -0.7                               | -1.1    | -1.1    | 0.0                    | -1.1      | 0.0                    | 0.0     | 0.0     | 0.0     | 0.0       | -1.3    | -1.3    | -1.8    | -0.9    | -0.9    | -0.9    |
| Other.....  | 106.0                              | 103.2   | 109.3   | 100.9                  | 100.8     | 101.1                  | 103.0   | 101.3   | 98.2    | 97.9      | 100.4   | 101.7   | 103.4   | 104.7   | 106.1   | 107.3   |
| Taxes on corporate income <sup>3</sup> .....                | 381.6                              | 374.5   | 357.8   | 386.4                  | 343.7     | 374.3                  | 389.4   | 401.8   | 380.1   | 355.8     | 346.2   | 338.3   | 334.3   | 340.1   | 340.5   | 342.5   |
| Federal Reserve banks.....                                  | 29.9                               | 32.6    | 36.1    | 27.5                   | 30.7      | 25.0                   | 27.3    | 29.0    | 29.0    | 29.5      | 30.1    | 30.9    | 32.3    | 33.1    | 33.7    | 34.2    |
| Proposed legislation.....                                   | 0.0                                | 0.0     | 0.0     | 0.0                    | 0.0       | 0.0                    | 0.0     | 0.0     | 0.0     | 0.0       | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Other.....  | 29.9                               | 32.6    | 36.1    | 27.5                   | 30.7      | 25.0                   | 27.3    | 29.0    | 29.0    | 29.5      | 30.1    | 30.9    | 32.3    | 33.1    | 33.7    | 34.2    |
| Other corporate profit tax accruals.....                    | 351.7                              | 341.9   | 321.7   | 358.8                  | 313.0     | 349.3                  | 362.1   | 372.8   | 351.1   | 326.4     | 316.1   | 307.5   | 302.0   | 307.0   | 306.8   | 308.3   |
| Proposed legislation.....                                   | 0.3                                | -4.0    | -4.0    | 0.4                    | 0.4       | 0.4                    | 0.4     | 0.4     | 0.4     | 0.0       | 0.5     | 0.5     | 0.5     | -5.4    | -5.4    | -5.4    |
| Other.....  | 351.7                              | 341.7   | 325.7   | 358.8                  | 312.6     | 349.3                  | 362.1   | 372.8   | 351.1   | 326.4     | 315.6   | 307.0   | 301.5   | 312.4   | 312.2   | 313.7   |
| Taxes from the rest of the world.....                       | 11.0                               | 11.3    | 11.3    | 11.2                   | 12.2      | 10.4                   | 10.9    | 11.3    | 12.2    | 12.2      | 12.2    | 12.2    | 12.2    | 12.2    | 12.2    | 12.2    |
| Contributions for social insurance.....                     | 890.1                              | 944.6   | 995.6   | 919.7                  | 974.5     | 911.9                  | 914.1   | 920.5   | 932.4   | 955.8     | 968.1   | 980.7   | 993.4   | 1,012.2 | 1,020.8 | 1,029.6 |
| Old age, survivors, disability, and hospital insurance..... | 793.2                              | 838.1   | 885.1   | 816.4                  | 862.1     | 809.3                  | 810.9   | 817.1   | 828.3   | 844.0     | 855.9   | 868.1   | 880.3   | 896.0   | 904.9   | 914.0   |
| Tax on wages and salaries (FICA, gross).....                | 747.0                              | 789.7   | 834.2   | 769.3                  | 812.8     | 763.9                  | 764.4   | 769.5   | 779.6   | 795.0     | 806.6   | 818.7   | 830.8   | 845.7   | 854.1   | 862.7   |
| Proposed legislation.....                                   | 0.0                                | 0.0     | 0.0     | 0.0                    | 0.0       | 0.0                    | 0.0     | 0.0     | 0.0     | 0.0       | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Base increases.....   | 0.9                                | 5.3     | 5.3     | 3.8                    | 3.8       | 3.8                    | 3.8     | 3.8     | 3.8     | 3.8       | 3.8     | 3.8     | 3.8     | 3.8     | 3.8     | 3.8     |
| January 2007.....   | 0.9                                | 3.8     | 3.8     | 3.8                    | 3.8       | 3.8                    | 3.8     | 3.8     | 3.8     | 3.8       | 3.8     | 3.8     | 3.8     | 3.8     | 3.8     | 3.8     |
| January 2008.....   | 1.5                                | 1.5     | 1.5     | 1.5                    | 1.5       | 1.5                    | 1.5     | 1.5     | 1.5     | 1.5       | 1.5     | 1.5     | 1.5     | 1.5     | 1.5     | 1.5     |
| Other.....  | 747.0                              | 788.7   | 828.9   | 769.3                  | 809.0     | 763.9                  | 764.4   | 769.5   | 779.6   | 791.2     | 802.9   | 814.9   | 827.0   | 835.9   | 844.3   | 852.9   |
| FICA Refunds.....   | -2.2                               | -2.2    | -2.4    | -2.1                   | -2.1      | -2.1                   | -2.1    | -2.1    | -2.1    | -2.1      | -2.1    | -2.1    | -2.1    | -2.2    | -2.2    | -2.2    |
| Voluntary hospital insurance.....                           | 2.6                                | 2.8     | 2.9     | 2.6                    | 2.8       | 2.6                    | 2.6     | 2.6     | 2.7     | 2.7       | 2.8     | 2.8     | 2.8     | 2.8     | 2.9     | 2.9     |
| Tax on self-employment earnings (SECA).....                 | 45.8                               | 47.9    | 50.4    | 46.5                   | 48.6      | 44.9                   | 45.9    | 47.0    | 48.0    | 48.4      | 48.5    | 48.7    | 48.8    | 49.7    | 50.2    | 50.7    |
| Base increases.....   | 0.3                                | 0.5     | 0.9     | 0.3                    | 0.5       | 0.3                    | 0.3     | 0.3     | 0.3     | 0.5       | 0.5     | 0.5     | 0.5     | 0.9     | 0.9     | 0.9     |
| Other.....  | 45.5                               | 47.4    | 49.6    | 46.1                   | 48.1      | 44.6                   | 45.6    | 46.6    | 47.7    | 47.9      | 48.0    | 48.2    | 48.3    | 48.8    | 49.3    | 49.8    |
| Supplementary medical insurance.....                        | 42.2                               | 49.6    | 53.9    | 44.2                   | 51.6      | 43.3                   | 44.2    | 44.4    | 44.8    | 51.2      | 51.5    | 51.8    | 52.1    | 54.3    | 54.7    | 55.1    |
| Unemployment insurance.....                                 | 43.6                               | 45.4    | 45.1    | 47.3                   | 48.8      | 47.6                   | 47.2    | 47.0    | 47.2    | 48.5      | 48.7    | 48.9    | 49.0    | 49.9    | 49.1    | 48.4    |
| Other.....  | 11.1                               | 11.5    | 11.6    | 11.9                   | 12.1      | 11.6                   | 11.8    | 12.0    | 12.2    | 12.1      | 12.1    | 12.0    | 12.0    | 12.1    | 12.1    | 12.1    |
| Income receipts on assets.....                              | 24.8                               | 25.0    | 26.2    | 24.9                   | 23.4      | 23.3                   | 24.2    | 25.4    | 26.7    | 24.7      | 23.1    | 22.6    | 23.4    | 25.1    | 25.9    | 27.5    |
| Interest receipts.....                                      | 17.6                               | 18.2    | 18.1    | 16.0                   | 17.4      | 15.0                   | 15.3    | 16.1    | 17.5    | 17.5      | 17.5    | 17.4    | 17.2    | 17.3    | 17.4    | 17.6    |
| Rents and royalties.....                                    | 7.2                                | 6.8     | 8.1     | 8.9                    | 6.0       | 8.3                    | 8.9     | 9.3     | 9.3     | 7.2       | 5.6     | 5.2     | 6.2     | 7.9     | 8.5     | 9.9     |
| Current transfer receipts.....                              | 35.1                               | 33.3    | 38.2    | 32.9                   | 33.5      | 32.2                   | 32.8    | 33.6    | 33.0    | 32.5      | 32.5    | 33.2    | 36.0    | 37.3    | 38.4    | 39.4    |
| From business.....  | 19.3                               | 18.2    | 21.9    | 17.6                   | 18.6      | 17.5                   | 17.7    | 18.0    | 17.5    | 17.3      | 17.7    | 18.4    | 20.8    | 21.4    | 21.8    | 21.9    |
| From persons.....   | 15.8                               | 15.1    | 16.3    | 15.3                   | 15.0      | 14.7                   | 15.2    | 15.6    | 15.5    | 15.2      | 14.8    | 14.7    | 15.2    | 15.9    | 16.6    | 17.5    |
| Current surplus of government enterprises.....              | -3.6                               | -2.0    | -1.6    | -1.4                   | -0.6      | -1.4                   | -1.1    | -1.5    | -1.6    | -3.2      | 0.8     | 0.3     | -0.1    | -0.4    | -0.5    | -0.7    |
| Postal Service.....   | -5.8                               | -4.0    | -4.2    | -3.2                   | -2.2      | -2.6                   | -2.8    | -3.5    | -3.8    | -4.9      | -0.9    | -1.3    | -1.8    | -2.3    | -2.6    | -2.8    |
| Federal Housing Administration.....                         | 2.1                                | 2.1     | 3.1     | 2.1                    | 2.3       | 2.0                    | 2.1     | 2.1     | 2.2     | 2.1       | 2.2     | 2.3     | 2.5     | 2.9     | 3.0     | 3.1     |
| Tennessee Valley Authority.....                             | 2.2                                | 2.4     | 2.6     | 1.9                    | 2.0       | 1.8                    | 1.8     | 1.8     | 1.9     | 1.9       | 2.0     | 2.0     | 2.1     | 2.1     | 2.2     | 2.2     |
| Other.....  | -2.1                               | -2.5    | -3.2    | -2.1                   | -2.6      | -2.6                   | -2.2    | -1.9    | -1.9    | -2.3      | -2.5    | -2.7    | -2.9    | -3.0    | -3.1    | -3.2    |
| <b>Current expenditures</b> .....                           | 2,687.5                            | 2,874.3 | 3,005.6 | 2,692.2                | 2,882.5   | 2,637.9                | 2,686.2 | 2,730.2 | 2,714.4 | 2,820.0   | 2,873.3 | 2,910.8 | 2,925.8 | 2,964.6 | 2,971.5 | 2,982.6 |
| Consumption expenditures.....                               | 803.3                              | 865.7   | 909.1   | 808.0                  | 880.2     | 803.6                  | 802.3   | 809.1   | 817.1   | 852.9     | 877.1   | 894.0   | 896.6   | 901.1   | 907.1   | 910.1   |
| National defense.....                                       | 532.8                              | 579.1   | 617.2   | 542.0                  | 592.2     | 537.7                  | 537.7   | 539.3   | 553.2   | 573.2     | 587.8   | 602.0   | 605.7   | 612.6   | 622.8   | 627.8   |
| Pay raises and locality pay.....                            | 4.1                                | 10.5    | 10.5    | 5.5                    | 5.5       | 5.5                    | 5.5     | 5.5     | 5.5     | 5.5       | 5.5     | 5.5     | 5.5     | 12.2    | 12.2    |         |
| January 2007.....   | 4.1                                | 5.5     | 5.5     | 5.5                    | 5.5       | 5.5                    | 5.5     | 5.5     | 5.5     | 5.5       | 5.5     | 5.5     | 5.5     | 5.5     | 5.5     |         |
| January 2008.....   | 5.0                                | 5.0     | 5.0     | 5.0                    | 5.0       | 5.0                    | 5.0     | 5.0     | 5.0     | 5.0       | 5.0     | 5.0     | 5.0     | 6.7     | 6.7     |         |
| Other.....  | 532.8                              | 574.9   | 606.7   | 542.0                  | 586.7     | 537.7                  | 537.7   | 539.3   | 553.2   | 567.7     | 582.3   | 596.5   | 600.2   | 600.4   | 610.6   |         |
| Nondefense.....   | 270.5                              | 286.6   | 291.8   | 266.0                  | 288.0     | 265.9                  | 264.6   | 269.8   | 263.9   | 279.7     | 289.3   | 291.0   | 291.0   | 288.5   | 284.2   |         |
| Pay raises and locality pay.....                            | 1.7                                | 4.5     | 4.5     | 2.3                    | 2.3       | 2.3                    | 2.3     | 2.3     | 2.3     | 2.2       | 2.3     | 2.3     | 2.3     | 2.3     | 2.3     |         |
| January 2007.....   | 1.7                                | 2.3     | 2.3     | 2.3                    | 2.3       | 2.3                    | 2.3     | 2.3     | 2.3     | 2.2       | 2.3     | 2.3     | 2.3     | 2.3     | 2.3     |         |
| January 2008.....   | 2.2                                | 2.2     | 2.2     | 2.2                    | 2.2       | 2.2                    | 2.2     | 2.2     | 2.2     | 2.2       | 2.2     | 2.2     | 2.2     | 2.9     | 3.0     |         |
| Other.....  | 270.5                              | 284.9   | 287.3   | 266.0                  | 285.7     | 265.9                  | 264.6   | 269.8   | 263.9   | 277.5     | 287.0   | 289.6   | 288.7   | 283.3   | 278.9   |         |
| Current transfer payments.....                              | 1,543.2                            | 1,655.1 | 1,718.4 | 1,551.6                | 1,663.8   | 1,522.0                | 1,546.6 | 1,564.8 | 1,572.9 | 1,636.8   | 1,661.4 | 1,676.4 | 1,680.6 | 1,708.8 | 1,704.3 | 1,707.7 |
| Government social benefits.....                             | 1,151.4                            | 1,244.9 | 1,303.3 | 1,170.5                | 1,247.9   | 1,148.8                | 1,166.4 | 1,175.2 | 1,191.8 | 1,225.1   | 1,242.1 | 1,255.9 | 1,268.6 | 1,287.5 | 1,294.5 | 1,298.9 |
| To persons.....   | 1,148.2                            | 1,241.5 | 1,299.9 | 1,167.3                | 1,244.5   | 1,145.5                | 1,163.1 | 1,172.1 | 1,188.7 | 1,221.9   | 1,238.7 | 1,252.4 | 1,265.1 | 1,284.1 | 1,291.1 | 1,295.5 |
| Social Security.....  | 536.1                              | 567.7   | 593.0   | 543.8                  | 578.4     | 537.8                  | 543.5   | 545.9   | 548.1   | 571.6     | 576.4   | 580.8   | 584.8   | 596.1   | 598.1   | 599.1   |

1. The fiscal year estimates are the sum of quarterly estimates that are not seasonally adjusted and that are consistent with the budget proposals.

2. These estimates are published in the NIPA tables 3.2 and 3.9.5 in this issue.

3. The NIPA estimate of corporate profits tax accruals for the fourth quarter of 2006 will not be available until the release of the final estimate of gross domestic product on March 29, 2007. The value shown is derived from the budget.

4. Most transportation grants-in-aid to state and local governments are classified as capital transfers paid (see addenda), but water and railroad transportation grants are still classified as current-account transactions.

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

receipts that more than offset the increases in current expenditures. The increases in current receipts are accounted for by increases in personal current taxes and contributions for government social insurance.

**Investment.** Gross government investment in-

creased from \$118.2 billion in the first quarter of 2006 to \$120.1 billion in the fourth quarter, driven mostly by increases in national defense gross investment. In 2007, gross government investment is projected to increase in the first and second quarters and then to

**Receipts and Expenditures**

quarters at seasonally adjusted annual rates]

|   | Fiscal year estimates <sup>1</sup> |               |               | Calendar year          |               | Quarter                |               |               |               |               |               |               |               |               |               |               |
|---|------------------------------------|---------------|---------------|------------------------|---------------|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   |                                    |               |               | Published <sup>2</sup> | Estimated     | Published <sup>2</sup> |               |               |               | Estimated     |               |               |               |               |               |               |
|   | 2006                               | 2007          | 2008          |                        |               | 2006                   |               | 2007          |               |               |               | 2008          |               |               |               |               |
|   |                                    |               |               | I                      | II            | III                    | IV            | I             | II            | III           | IV            | I             | II            | III           |               |               |
| Regular.....  | 536.1                              | 554.0         | 568.6         | 543.8                  | 560.1         | 537.8                  | 543.5         | 545.9         | 548.1         | 553.3         | 558.1         | 562.6         | 566.5         | 569.6         | 571.6         | 572.6         |
| Benefit increases.....  | 0.0                                | 13.7          | 24.4          | 0.0                    | 18.3          | 0.0                    | 0.0           | 0.0           | 0.0           | 18.3          | 18.3          | 18.3          | 18.3          | 26.5          | 26.5          | 26.5          |
| January 2007.....   | 0.0                                | 13.7          | 18.3          | 0.0                    | 18.3          | 0.0                    | 0.0           | 0.0           | 0.0           | 18.3          | 18.3          | 18.3          | 18.3          | 18.3          | 18.3          | 18.3          |
| January 2008.....   | 0.0                                | 0.0           | 6.2           | 0.0                    | 0.0           | 0.0                    | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 8.2           | 8.2           | 8.2           |
| Medicare.....   | 372.3                              | 427.2         | 450.8         | 387.5                  | 419.4         | 372.1                  | 384.6         | 390.8         | 402.6         | 406.5         | 416.7         | 424.2         | 430.1         | 434.5         | 438.5         | 441.4         |
| Unemployment benefits.....                                    | 31.1                               | 31.7          | 33.9          | 27.8                   | 28.6          | 28.2                   | 27.5          | 27.8          | 27.5          | 27.7          | 28.2          | 28.8          | 29.5          | 30.1          | 30.6          | 30.8          |
| Veterans benefits.....  | 37.4                               | 42.0          | 44.3          | 39.5                   | 43.3          | 38.6                   | 39.3          | 39.7          | 40.4          | 42.5          | 43.2          | 43.6          | 44.0          | 44.8          | 45.0          | 44.9          |
| Railroad retirement.....                                      | 9.4                                | 9.7           | 10.0          | 9.5                    | 10.0          | 9.5                    | 9.4           | 9.5           | 9.6           | 10.0          | 10.0          | 10.0          | 10.0          | 10.2          | 10.2          | 10.2          |
| Military medical insurance.....                               | 6.8                                | 6.8           | 7.3           | 6.8                    | 7.2           | 6.6                    | 6.7           | 6.9           | 7.0           | 7.0           | 7.1           | 7.2           | 7.4           | 7.5           | 7.6           | 7.6           |
| Food stamps.....  | 30.2                               | 30.5          | 32.0          | 30.0                   | 32.2          | 29.4                   | 29.6          | 29.8          | 31.2          | 31.8          | 31.8          | 31.8          | 33.2          | 33.3          | 33.3          | 33.4          |
| Black lung benefits.....                                      | 0.6                                | 0.6           | 0.5           | 0.6                    | 0.6           | 0.6                    | 0.6           | 0.6           | 0.6           | 0.6           | 0.6           | 0.6           | 0.5           | 0.5           | 0.5           | 0.5           |
| Supplemental security income.....                             | 35.5                               | 38.2          | 39.9          | 35.2                   | 37.5          | 35.2                   | 35.2          | 35.1          | 35.3          | 37.0          | 37.5          | 37.8          | 37.9          | 38.6          | 38.7          | 38.8          |
| Earned income and other tax credits.....                      | 51.7                               | 51.5          | 52.0          | 51.8                   | 51.5          | 51.8                   | 51.8          | 51.8          | 51.8          | 51.5          | 51.5          | 51.5          | 51.5          | 52.0          | 52.0          | 52.0          |
| All other.....  | 37.2                               | 35.5          | 36.3          | 34.8                   | 35.8          | 35.9                   | 34.7          | 34.2          | 34.5          | 35.6          | 35.7          | 36.0          | 36.0          | 36.4          | 36.6          | 36.7          |
| To rest of the world.....                                     | 3.2                                | 3.3           | 3.4           | 3.2                    | 3.4           | 3.2                    | 3.3           | 3.1           | 3.1           | 3.2           | 3.4           | 3.5           | 3.4           | 3.4           | 3.4           | 3.4           |
| Grants-in-aid to state and local governments.....             | 361.4                              | 373.9         | 377.2         | 358.0                  | 376.3         | 351.3                  | 357.0         | 365.6         | 358.2         | 368.7         | 379.4         | 380.9         | 376.3         | 376.4         | 375.2         | 372.8         |
| Central executive, legislative, and judicial activities.....  | 2.2                                | 2.4           | 2.2           | 2.0                    | 2.1           | 2.0                    | 1.9           | 2.1           | 2.0           | 2.1           | 2.1           | 2.3           | 2.1           | 2.0           | 2.0           | 1.9           |
| Space.....  | 0.6                                | 0.6           | 0.6           | 0.5                    | 0.6           | 0.5                    | 0.5           | 0.6           | 0.5           | 0.6           | 0.6           | 0.7           | 0.6           | 0.6           | 0.6           | 0.6           |
| National defense.....   | 3.7                                | 3.7           | 3.5           | 3.8                    | 3.6           | 3.9                    | 3.7           | 3.8           | 3.6           | 3.7           | 3.8           | 3.5           | 3.6           | 3.5           | 3.5           | 3.5           |
| Civilian safety.....  | 5.9                                | 5.0           | 4.8           | 6.0                    | 4.8           | 5.7                    | 6.4           | 6.0           | 5.9           | 5.2           | 4.8           | 4.5           | 4.7           | 4.9           | 5.0           | 5.2           |
| Education.....  | 41.9                               | 42.6          | 39.7          | 42.2                   | 42.6          | 38.5                   | 43.1          | 44.6          | 42.5          | 43.0          | 43.1          | 42.5          | 41.7          | 40.8          | 39.3          | 37.8          |
| Health and hospitals.....                                     | 27.6                               | 28.1          | 28.1          | 28.0                   | 26.9          | 25.8                   | 29.7          | 27.4          | 29.2          | 27.6          | 26.9          | 26.0          | 26.9          | 27.2          | 27.5          | 28.0          |
| Income support, social security and welfare.....              | 252.1                              | 261.4         | 268.1         | 248.1                  | 265.6         | 248.1                  | 243.7         | 255.7         | 245.1         | 257.1         | 268.5         | 271.0         | 266.1         | 267.5         | 267.7         | 266.2         |
| Disability.....   | 2.0                                | 2.0           | 2.1           | 1.9                    | 1.9           | 1.9                    | 1.9           | 2.0           | 1.8           | 1.9           | 1.9           | 2.0           | 2.0           | 1.9           | 2.0           | 2.1           |
| Unemployment insurance.....                                   | 3.4                                | 3.7           | 3.5           | 3.4                    | 3.7           | 3.5                    | 3.3           | 3.6           | 3.3           | 3.7           | 3.7           | 3.9           | 3.7           | 3.6           | 3.5           | 3.4           |
| Medical care (Medicaid).....                                  | 176.7                              | 183.6         | 193.7         | 173.9                  | 186.3         | 173.9                  | 166.7         | 181.5         | 173.4         | 180.1         | 187.7         | 189.8         | 187.7         | 192.0         | 195.1         | 196.3         |
| Welfare and social services.....                              | 63.6                               | 66.1          | 64.5          | 63.1                   | 67.3          | 63.0                   | 64.7          | 63.0          | 61.6          | 65.2          | 68.2          | 68.8          | 67.1          | 65.5          | 63.4          | 61.6          |
| Other income support.....                                     | 6.4                                | 6.1           | 4.2           | 5.8                    | 6.3           | 5.8                    | 7.0           | 5.6           | 4.9           | 6.2           | 6.9           | 6.5           | 5.7           | 4.5           | 3.6           | 2.9           |
| Veterans benefits and services.....                           | 0.7                                | 0.7           | 0.8           | 0.7                    | 0.7           | 0.6                    | 0.7           | 0.6           | 0.7           | 0.7           | 0.7           | 0.7           | 0.7           | 0.7           | 0.8           | 0.8           |
| Housing and community services.....                           | 13.9                               | 16.7          | 17.0          | 15.0                   | 16.8          | 13.9                   | 14.1          | 14.2          | 17.9          | 17.0          | 16.2          | 16.6          | 17.2          | 17.1          | 17.1          | 17.3          |
| Recreational and cultural activities.....                     | 0.5                                | 0.5           | 0.4           | 0.5                    | 0.5           | 0.3                    | 0.8           | 0.6           | 0.4           | 0.5           | 0.5           | 0.5           | 0.5           | 0.4           | 0.4           | 0.4           |
| Energy.....   | 1.3                                | 1.5           | 1.4           | 1.3                    | 1.5           | 1.4                    | 1.4           | 1.2           | 1.2           | 1.5           | 1.6           | 1.6           | 1.5           | 1.4           | 1.4           | 1.3           |
| Agriculture.....  | 1.0                                | 1.0           | 1.6           | 0.9                    | 1.1           | 0.9                    | 0.9           | 0.9           | 0.8           | 0.9           | 1.1           | 1.2           | 1.3           | 1.4           | 1.5           | 1.9           |
| Natural resources.....  | 4.8                                | 4.3           | 4.1           | 4.3                    | 4.1           | 4.6                    | 4.8           | 3.8           | 3.8           | 3.9           | 4.1           | 4.2           | 4.2           | 4.1           | 3.9           | 3.8           |
| Transportation.....   | 0.0                                | 0.0           | 0.0           | 0.0                    | 0.0           | 0.0                    | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Economic development, regulation and services.....            | 0.4                                | 0.4           | 0.4           | 0.4                    | 0.4           | 0.4                    | 0.4           | 0.3           | 0.3           | 0.4           | 0.4           | 0.5           | 0.4           | 0.4           | 0.4           | 0.3           |
| Labor training and services.....                              | 4.8                                | 5.1           | 4.6           | 4.3                    | 4.9           | 4.6                    | 4.8           | 3.8           | 4.1           | 4.6           | 5.1           | 5.2           | 4.8           | 4.2           | 4.1           | 3.9           |
| Other current transfer payments to the rest of the world..... | 30.4                               | 36.4          | 37.8          | 23.0                   | 39.6          | 22.0                   | 23.2          | 24.0          | 22.9          | 43.0          | 39.9          | 39.6          | 35.8          | 44.9          | 34.6          | 36.0          |
| Federal interest paid.....                                    | 286.7                              | 306.2         | 331.9         | 280.4                  | 287.7         | 257.5                  | 285.4         | 304.9         | 273.9         | 278.5         | 283.8         | 289.8         | 298.7         | 304.9         | 310.3         | 314.9         |
| Subsidies.....  | 54.4                               | 47.3          | 46.3          | 52.1                   | 50.8          | 54.7                   | 51.9          | 51.4          | 50.6          | 51.7          | 51.0          | 50.6          | 49.9          | 49.8          | 49.9          | 49.9          |
| Agricultural.....   | 20.4                               | 13.6          | 12.1          | 18.9                   | 14.8          | 21.1                   | 19.2          | 18.2          | 17.2          | 15.9          | 14.9          | 14.3          | 14.0          | 13.9          | 14.0          | 14.3          |
| Housing.....  | 28.3                               | 29.0          | 29.9          | 28.9                   | 30.3          | 28.4                   | 28.9          | 29.1          | 29.2          | 29.7          | 30.2          | 30.6          | 30.9          | 31.0          | 30.9          | 30.6          |
| Other.....  | 5.8                                | 4.8           | 4.4           | 4.3                    | 5.7           | 5.2                    | 3.8           | 4.2           | 4.1           | 6.1           | 5.9           | 5.7           | 5.0           | 5.0           | 5.0           | 5.0           |
| Less: Wage accruals less disbursements.....                   | 0.0                                | 0.0           | 0.0           | 0.0                    | 0.0           | 0.0                    | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Net Federal Government saving.....</b>                     | <b>-213.9</b>                      | <b>-233.4</b> | <b>-238.3</b> | <b>-157.7</b>          | <b>-230.3</b> | <b>-147.0</b>          | <b>-163.1</b> | <b>-173.0</b> | <b>-147.9</b> | <b>-215.3</b> | <b>-243.5</b> | <b>-246.4</b> | <b>-216.2</b> | <b>-229.1</b> | <b>-198.6</b> | <b>-169.8</b> |
| <b>Addenda:</b>   |                                    |               |               |                        |               |                        |               |               |               |               |               |               |               |               |               |               |
| Gross investment <sup>5</sup> .....                           | 113.9                              | 124.7         | 119.8         | 118.4                  | 128.2         | 118.2                  | 117.4         | 118.1         | 120.1         | 125.2         | 130.9         | 130.1         | 126.8         | 124.6         | 117.6         | 117.5         |
| National defense.....   | 76.9                               | 86.7          | 79.1          | 79.0                   | 87.0          | 75.8                   | 78.8          | 78.8          | 82.5          | 85.5          | 90.0          | 88.8          | 83.7          | 81.9          | 75.4          | 75.6          |
| Nondefense.....   | 37.0                               | 38.0          | 40.7          | 39.4                   | 41.2          | 42.4                   | 38.6          | 39.3          | 37.5          | 39.6          | 40.9          | 41.3          | 43.1          | 42.8          | 42.2          | 41.9          |
| Consumption expenditures and gross investment.....            | 917.1                              | 990.4         | 1,028.9       | 926.4                  | 1,008.4       | 921.7                  | 919.7         | 927.2         | 937.2         | 978.1         | 1,008.0       | 1,024.1       | 1,023.4       | 1,025.7       | 1,024.6       | 1,027.6       |
| National defense.....   | 609.6                              | 665.8         | 696.4         | 621.0                  | 679.2         | 613.5                  | 616.5         | 618.1         | 635.7         | 658.8         | 677.8         | 690.9         | 689.4         | 694.5         | 698.2         | 703.4         |
| Nondefense.....   | 307.5                              | 324.6         | 332.5         | 305.5                  | 329.2         | 308.2                  | 303.2         | 309.0         | 301.5         | 319.4         | 330.2         | 333.2         | 334.0         | 331.2         | 326.4         | 324.1         |
| Total receipts.....   | 2,501.3                            | 2,666.0       | 2,792.8       | 2,561.9                | 2,678.7       | 2,519.7                | 2,550.9       | 2,583.7       | 2,593.6       | 2,631.3       | 2,656.3       | 2,691.1       | 2,736.3       | 2,762.4       | 2,800.2       | 2,840.5       |
| Current receipts.....   | 2,473.6                            | 2,640.9       | 2,767.4       | 2,534.4                | 2,652.2       | 2,490.9                | 2,523.2       | 2,557.2       | 2,566.5       | 2,604.7       | 2,629.8       | 2,664.5       | 2,709.7       | 2,735.5       | 2,772.9       | 2,812.8       |
| Capital transfer receipts.....                                | 27.7                               | 25.0          | 25.5          | 27.5                   | 26.6          | 28.8                   | 27.7          | 26.5          | 27.1          | 26.6          | 26.5          | 26.6          | 26.6          | 26.9          | 27.3          | 27.7          |
| Total expenditures.....                                       | 2,767.1                            | 2,956.0       | 3,078.3       | 2,763.1                | 2,972.3       | 2,725.8                | 2,766.9       | 2,814.1       | 2,745.7       | 2,910.4       | 2,969.4       | 3,005.8       | 3,003.7       | 3,040.7       | 3,041.1       | 3,051.0       |
| Current expenditures.....                                     | 2,687.5                            | 2,874.3       | 3,005.6       | 2,692.2                | 2,882.5       | 2,637.9                | 2,686.2       | 2,730.2       | 2,714.4       | 2,820.0       | 2,873.3       | 2,910.8       | 2,925.8       | 2,964.6       | 2,971.5       | 2,982.6       |
| Gross government investment.....                              | 113.9                              | 124.7         | 119.8         | 118.4                  | 128.2         | 118.2                  | 117.4         | 118.1         | 120.1         | 125.2         | 130.9         | 130.1         | 126.8         | 124.6         | 117.6         | 117.5         |
| Capital transfer payments.....                                | 69.4                               | 77.8          | 77.4          | 70.1                   | 74.1          | 72.0                   | 69.2          | 70.1          | 69.2          | 73.1          | 74.3          | 75.3          | 73.7          | 75.4          | 77.3          | 77.6          |
| Net purchases of nonproduced assets.....                      | 0.0                                | -13.7         | -13.3         | -13.3                  | -3.7          | 0.2                    | -2.3          | 0.8           | -52.1         | -0.9          | -0.9          | -0.9          | -12.2         | -12.2         | -12.2         | -12.2         |
| Less: Consumption of fixed capital.....                       | 103.7                              | 107.2         | 111.3         | 104.3                  | 108.8         | 102.4                  | 103.7         | 105.1         | 106.0         | 106.9         | 108.2         | 109.5         | 110.5         | 111.8         | 113.1         | 114.5         |
| Net lending or net borrowing (-).....                         | -265.8                             | -290.0        | -285.5        | -201.2                 | -293.6        | -206.1                 | -216.0        | -230.4        | -152.1        | -279.2        | -313.2        | -314.7        | -267.4        | -278.2        | -240.9        | -210.5        |

Note: Fiscal year estimates differ from the estimates in Budget of the United States Government, Analytical Perspectives: Fiscal Year 2008 because of additional data received after the budget was released.  
Sources: Budget of the United States Government, Fiscal Year 2008 and the Bureau of Economic Analysis.

FICA Federal Insurance Contributions Act  
NIPA National income and product accounts  
SECA Self-Employment Contributions Act

### New Transactions in the NIPA Federal Sector

As a result of legislation enacted and litigation settled in 2006, new transactions are included in the national income and product accounts (NIPAs). These transactions affect capital transfers from the government sector to the household sector, personal current taxes, and taxes on corporate income.

**Postal service retiree health benefits fund.** As a result of the Postal Accountability and Enhancement Act, enacted on December 20, 2006, the Postal Service Retiree Health Benefits Fund was created. This new fund will be established with a transfer of \$23.0 billion from the Civil Service Retirement and Disability Fund and with \$3.0 billion from the Postal Service from the required escrow account that was abolished as a result of the act.

In the NIPAs, the new fund will be considered an asset of the household sector, and the \$23 billion payment from the Civil Service Retirement and Disability Fund will be considered an intrasectoral transfer because this fund is already treated as an asset in the household sector. The \$3.0 billion payment (and subsequent payments from 2007 to 2017) from the Postal Service will be treated as capital transfers from the government sector to the household sector.

**Telephone excise tax refunds.** According to statute, a 3-percent tax could be charged on calls for which the toll was based on the distance and the elapsed time of each call. However, the Internal Revenue Service (IRS) had contended that the tax could be charged on calls for which the toll was based on either the distance or the elapsed time. In 2004, corporations began to sue the Department of the Treasury, claiming that the tax was illegal because many individuals and businesses are now charged a flat fee rather than a rate based on distance or elapsed time. In May 2006, after a string of losses in circuit and appeals courts throughout the country, the Treasury Department declared that it would no longer collect the tax on toll calls and that it would refund about \$15 billion to taxpayers. The refunds are being paid through the Federal income tax system.

In the NIPAs, these refunds, like other income tax refunds, will be recorded as either refunds of personal current taxes or as refunds of taxes on corporate income. The total amount of the annual telephone tax refunds will be recorded in the first quarter of 2007, and the monthly and quarterly estimates will be held at that level for the rest of the year.

decrease in the third and fourth quarters; in 2008, it is projected to decrease in all the quarters. The quarterly pattern for investment primarily reflects the pattern of defense investment.

**Capital transfer receipts and payments.** Capital transfer receipts decreased from \$28.8 billion in the first quarter of 2006 to \$27.1 billion in the fourth quarter. In 2007, capital transfer receipts are projected to decrease in the first and second quarters and then to remain relatively unchanged in the third and fourth quarters. In 2008, capital transfer receipts are projected to increase in all the quarters.

Capital transfer payments decreased from \$72.0 billion in the first quarter of 2006 to \$69.2 billion in the fourth quarter. In 2007, capital transfer payments are projected to increase in the first three quarters and then to decrease in the fourth quarter. (For more information on NIPA capital transfers see the box “New Transactions in the NIPA Federal Sector.”)

**Net borrowing.** This measure decreased from -\$206.1 billion in the first quarter of 2006 to -\$152.1 billion in the fourth quarter. In 2007, net borrowing is projected to increase in the first, second, and third quarters and then to decrease in the fourth quarter. In

2008, net borrowing is projected to increase in the first quarter and then to decrease in the last three quarters.

### Translation of Budget Data into a NIPA Framework

BEA uses a detailed analytical process to translate Federal budget receipts and outlays into a NIPA framework.

#### Receipts

Fiscal year budget data for receipts are supplemented by information on the effects of budget proposals from the Department of the Treasury’s Office of Tax Analysis and information included in the budget’s *Appendix*.<sup>13</sup> These data are analyzed for their effects on the following major components of the NIPA Federal Government current receipts: Current tax receipts, contributions for government social insurance, income receipts on assets, current transfer receipts, and current surplus of government enterprises. Quarterly projections are based on the economic assumptions

13. See *Appendix: Budget of the United States Government, Fiscal Year 2008*.

from the Federal budget. When monthly and quarterly NIPA estimates are released by BEA, these initial quarterly projections of receipts are reevaluated and revised to incorporate newly available data from the Department of the Treasury.

### Outlays

Fiscal year budget outlays are organized by appropriation in the Federal budget's *Appendix*. These data and supplemental data from the Office of Management and Budget are used to allocate Federal budget outlays to the following NIPA categories: Current transfer payments, interest payments, subsidies, and consumption expenditures and gross investment.<sup>14</sup> The quarterly projections are mainly derived by interpolation from fiscal year projections.

When BEA releases its quarterly NIPA estimates, the fiscal year relationships derived from the budget data are used to allocate the spending that is detailed in the *Monthly Treasury Statement of Receipts and Outlays of the United States Government*.<sup>15</sup> Supplemental data are

14. Outlays by program are first adjusted for coverage (for example, for geographical adjustments) and for netting and grossing (for example, supplemental medical insurance premiums).

15. Department of the Treasury, Financial Management Service, *Monthly Treasury Statement* (Washington, DC: U.S. Government Printing Office) <[www.fms.treas.gov/mts](http://www.fms.treas.gov/mts)>.

also used. A detailed reconciliation of defense consumption expenditures and gross investment with outlays is prepared, using extensive financial, delivery, and other information from the Department of Defense. In order to prepare seasonally adjusted estimates of non-defense consumption expenditures and gross investment, data from the budget are used to extrapolate portions of nondefense expenditures (for durable goods, for "other nondurable goods," for "other services," and for equipment) for which there are no quarterly source data. These extrapolated estimates of expenditures incorporate quarterly data for certain expenditures, such as those for construction from the Census Bureau and for compensation from the Office of Personnel Management and the Bureau of Labor Statistics.

### Updated estimates

BEA's initial quarterly projections of Federal Government receipts and expenditures will likely differ from later estimates. The initial estimates are prepared from budget data, which are based on various economic assumptions about the budget year. These estimates are then updated during the year as new laws are enacted, as actual spending occurs, as economic conditions change, and as more source data become available.

# Research and Development Activities of U.S. Multinational Companies

## Preliminary Results From the 2004 Benchmark Survey

By Daniel R. Yorgason

THE Bureau of Economic Analysis (BEA) has embarked on a long-term effort to provide more extensive economic data and analysis about research and development activity and its effects on the economy. In keeping with this goal, this article on the research and development (R&D) activities of U.S. multinational companies (MNCs) has been prepared to supplement an earlier article summarizing other general results from BEA's 2004 benchmark survey of U.S. direct investment abroad.<sup>1</sup> The benchmark survey is more comprehensive than BEA's annual surveys in its coverage of companies and in the information gathered on R&D activities.

The information presented here complements other BEA research on the effects of R&D activity on economic growth. Last September, BEA released a new R&D satellite account developed in conjunction with the National Science Foundation.<sup>2</sup> The satellite account recognizes that R&D is actually a form of investment—investment that produces an intangible asset, knowledge. In order to measure the effect of R&D activity on investment, saving, and the gross domestic product (GDP), the satellite account modifies the accounting conventions used in GDP accounts and treats R&D spending as investment rather than as an expense. The MNC R&D data, and related BEA research on R&D and other innovation-related activities of

MNCs, will assist in the further development of the R&D satellite account. Two goals for this work are to determine how to introduce an international dimension into the satellite account and to assess the extent to which R&D data from U.S. MNCs can be used in improving the estimates of domestic R&D (see the box "Multinational Companies and R&D: Other Issues").

In furtherance of these goals, BEA, the National Science Foundation (NSF), and the Census Bureau (which conducts an R&D survey on behalf of NSF) are currently engaged in a project linking data from their surveys to provide a more complete picture of R&D associated with U.S. and foreign MNCs. Results from this project are scheduled to be published later this year.<sup>3</sup> The data link will provide information on the types of R&D conducted by MNCs (basic research, applied research, and development) and the location, by state, of their R&D conducted in the United States.

In addition to the international aspects, work on the R&D satellite account will continue in several other areas, including improving output measures and input deflators, better identifying the owners and location of use of R&D assets, and estimating capital services for R&D.<sup>4</sup> Work on the satellite account also will examine ways to incorporate aspects of BEA's industry and regional accounts.

### Highlights

In 1999–2004, current-dollar R&D expenditures of U.S. MNCs grew at an average annual rate of 4 percent, to \$179.9 billion in 2004 (table A, chart 1).<sup>5</sup> This rate of growth for MNCs was about the same as the rate of growth for MNC value added. The roughly equal growth rates reflects the offsetting effects of (1) an increase in the share of MNC R&D expenditures

1. A MNC comprises a U.S. parent company and its foreign affiliates. This analysis of R&D activities of U.S. MNCs focuses exclusively on data for majority-owned foreign affiliates (MOFAs) rather than on data for all foreign affiliates because the data items necessary for this analysis are only collected for MOFAs. Conceptually, many data users prefer the data for majority-owned affiliates because such affiliates are unambiguously under U.S. control; foreign affiliates that are minority owned by a U.S. resident could also be under the influence or control of foreign investors. In addition, most foreign affiliates are majority owned. For example, in 2004, MOFAs accounted for 86 percent of the employment by all nonbank foreign affiliates.

Raymond J. Mataloni Jr. and Daniel R. Yorgason, "Operations of U.S. Multinational Companies: Preliminary Results From the 2004 Benchmark Survey," *SURVEY OF CURRENT BUSINESS* 86 (November 2006): 37–68. For more information on the benchmark survey, see the appendix to that article.

2. The full release is accessible on BEA's Web site at <[www.bea.gov/bea/newsrelarchive/2006/rdspend06.htm](http://www.bea.gov/bea/newsrelarchive/2006/rdspend06.htm)>. An article 3 months later discusses the same topic: Sumiye Okubo, Carol A. Robbins, Carol E. Moylan, Brian K. Sliker, Laura I. Schultz, and Lisa S. Mataloni, "BEA's 2006 Research and Development Satellite Account: Preliminary Estimates of R&D for 1959–2002 and Effect on GDP and Other Measures," *SURVEY* 86 (December 2006): 14–44.

3. A report examining the feasibility of this data link project is available on BEA's Web site at <[www.bea.gov/bea/di/FinalReportpublic.pdf](http://www.bea.gov/bea/di/FinalReportpublic.pdf)>.

4. Okubo, et al., 22–23.

5. Data on R&D expenditures are collected on both a performer basis and funder basis in the benchmark survey. In the annual surveys, expenditure data are only collected on a performer basis. Unless otherwise noted, in this article, "R&D expenditures" are the expenditures for R&D that is performed by the MNC rather than for the R&D that is funded by the MNC. This treatment is consistent with the performance-based estimates published by NSF and with the data from BEA's annual surveys.



accounted for by foreign affiliates, whose R&D was lower in relation to value added than that of their parents, and (2) more rapid growth of R&D expenditures than of value added for both U.S. parents and their foreign affiliates.

Of the \$179.9 billion in R&D expenditures of U.S. MNCs in 2004, 85 percent was accounted for by U.S. parents and 15 percent was accounted for by their foreign affiliates. The parents' 85-percent share was higher than their 73-percent share of MNC value

added. The large R&D share of U.S. parents partly reflects the relative abundance of U.S. scientific and technical resources, including highly educated workers, in the United States. It may also reflect U.S. companies' efforts to limit the diffusion of their strategic technologies in order to preserve their competitive position among international companies. Also, because of scale economies in R&D and because information generated by R&D in one location can often be shared with far-flung operating units at low or zero marginal cost,

**Table A. R&D Expenditures of Nonbank U.S. Multinational Companies for 1994, 1999, and 2004**

|  | R&D performed by U.S. MNCs |                |               | Addenda   |  |
|--|----------------------------|----------------|---------------|---|--|
|  | MNC total                  | U.S. parents   | MOFAs         | Ratio of U.S.-parent R&D expenditures to R&D expenditures of all U.S. businesses (percent) <sup>1</sup> | MOFAs as a percentage of MNC total ((column 3/column 1) x 100) |
|  | (1)                        | (2)            | (3)           | (4)   | (5)  |
|  | Millions of dollars        |                |               | Percent   |  |
| <b>1994</b>  |                            |                |               |   |  |
| <b>Total</b> .....                                       | <b>103,451</b>             | <b>91,574</b>  | <b>11,877</b> | <b>76.6</b>   | <b>11.5</b>  |
| Type:  |                            |                |               |   |  |
| For themselves.....                                      | 84,574                     | 75,673         | 8,901         | n.a.  | 10.5   |
| For others <sup>2</sup> .....                            | 18,876                     | 15,900         | 2,976         | n.a.  | 15.8   |
| Of which:  |                            |                |               |   |  |
| For the Federal Government .....                         | n.a.                       | 13,267         | n.a.          | 59.1  | n.a.   |
| Addendum: Performed by others on behalf of the MNC ..... | 7,105                      | 5,561          | 1,544         | n.a.  | 21.7   |
| <b>1999</b>  |                            |                |               |   |  |
| <b>Total</b> .....                                       | <b>144,435</b>             | <b>126,291</b> | <b>18,144</b> | <b>69.1</b>   | <b>12.6</b>  |
| Type:  |                            |                |               |   |  |
| For themselves.....                                      | 124,252                    | 111,008        | 13,244        | n.a.  | 10.7   |
| For others <sup>2</sup> .....                            | 20,183                     | 15,283         | 4,900         | n.a.  | 24.3   |
| Of which:  |                            |                |               |   |  |
| For the Federal Government .....                         | n.a.                       | 7,810          | n.a.          | 34.7  | n.a.   |
| Addendum: Performed by others on behalf of the MNC ..... | 11,726                     | 10,344         | 1,382         | n.a.  | 11.8   |
| <b>2004</b>  |                            |                |               |   |  |
| <b>Total</b> .....                                       | <b>179,914</b>             | <b>152,384</b> | <b>27,529</b> | <b>73.2</b>   | <b>15.3</b>  |
| Type:  |                            |                |               |   |  |
| For themselves.....                                      | 166,330                    | 141,877        | 24,453        | n.a.  | 14.7   |
| For affiliated businesses <sup>3</sup> .....             | 4,313                      | 1,835          | 2,479         | n.a.  | 57.5   |
| For unaffiliated entities.....                           | 9,270                      | 8,673          | 597           |   | 6.4  |
| Of which:  |                            |                |               |   |  |
| For the Federal Government .....                         | n.a.                       | 6,049          | n.a.          | 29.9  | n.a.   |
| Addendum: Performed by others on behalf of the MNC ..... | 7,794                      | 6,338          | 1,456         | n.a.  | 18.7   |
| <b>Addenda</b>   |                            |                |               |   |  |
| Percent  |                            |                |               |   |  |
| <b>1994</b>  |                            |                |               |   |  |
| <b>Total</b> .....                                       | <b>100.0</b>               | <b>100.0</b>   | <b>100.0</b>  |   |  |
| Type:  |                            |                |               |   |  |
| For themselves.....                                      | 81.8                       | 82.6           | 74.9          |   |  |
| For others <sup>2</sup> .....                            | 18.2                       | 17.4           | 25.1          |   |  |
| Of which:  |                            |                |               |   |  |
| For Federal Government .....                             | n.a.                       | 14.5           | n.a.          |   |  |
| <b>1999</b>  |                            |                |               |   |  |
| <b>Total</b> .....                                       | <b>100.0</b>               | <b>100.0</b>   | <b>100.0</b>  |   |  |
| Type:  |                            |                |               |   |  |
| For themselves.....                                      | 86.0                       | 87.9           | 73.0          |   |  |
| For others <sup>2</sup> .....                            | 14.0                       | 12.1           | 27.0          |   |  |
| Of which:  |                            |                |               |   |  |
| For the Federal Government .....                         | n.a.                       | 6.2            | n.a.          |   |  |
| <b>2004</b>  |                            |                |               |   |  |
| <b>Total</b> .....                                       | <b>100.0</b>               | <b>100.0</b>   | <b>100.0</b>  |   |  |
| Type:  |                            |                |               |   |  |
| For themselves.....                                      | 92.4                       | 93.1           | 88.8          |   |  |
| For affiliated businesses <sup>3</sup> .....             | 2.4                        | 1.2            | 9.0           |   |  |
| For unaffiliated entities.....                           | 5.2                        | 5.7            | 2.2           |   |  |
| Of which:  |                            |                |               |   |  |
| For the Federal Government .....                         | n.a.                       | 4.0            | n.a.          |   |  |

n.a. Not available

1. These estimates are computed using data from the National Science Foundation's Web site at <http://www.nsf.gov/statistics/inbrief/nsf07304/>.

2. Information of the portion of R&D performed by the MNC for affiliated and for unaffiliated entities was separately collected in 2004, but this split was not collected in 1994 and 1999.

3. In the case of U.S. parents, affiliated businesses consist of their foreign affiliates. In the case of

MOFAs, affiliated businesses consist of the U.S. parent and all other foreign affiliates belonging to the same U.S. parent.

MNC Multinational company

MOFA Majority-owned foreign affiliate

R&D Research and development

it may be easier and more efficient for MNCs to concentrate R&D activities in the United States rather than some other activities, such as production or distribution.

The 15-percent share of R&D expenditures accounted for by foreign affiliates was 2 percentage points higher than in 1999 and 3 percentage points higher than in 1994. The rise coincided with a general rise in the importance of foreign affiliates in U.S.-MNC operations; the share of MNC value added accounted for by foreign affiliates rose to 27 percent in 2004 from 23 percent in 1999. R&D also became more broadly diffused among affiliates in 1999–2004. The number of affiliates participating in R&D as a share of

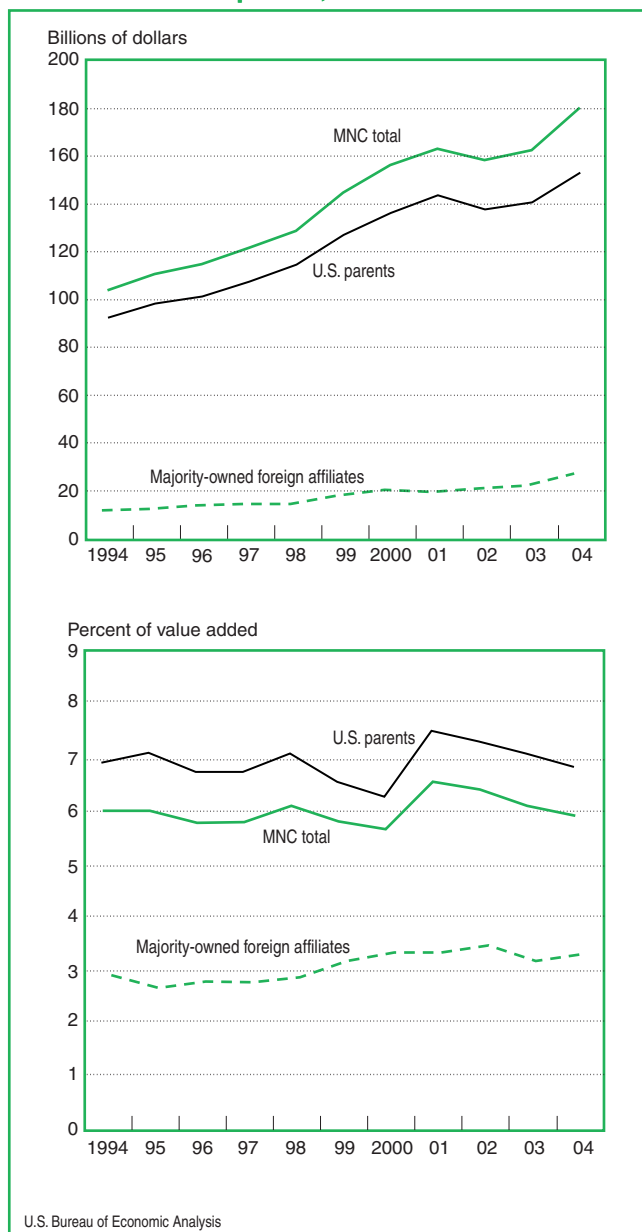
all affiliates increased by more than a third, and the number of countries hosting R&D-performing affiliates increased from 66 to 73 (for more information on which entities perform R&D, see the appendix “R&D: What Is It and Who Conducts It?”).

Other key results of the R&D activities of U.S. multinational companies from the 2004 benchmark survey include the following:

- The 4-percent average annual growth rate of R&D expenditures in 1999–2004 was down from a 7-percent rate in 1994–99; the slower growth coincided with lower value-added growth (4-percent average annual growth in 1999–2004, compared with 8-percent growth in 1994–99).
- R&D employment of MNCs was 998,000 in 2004, up from 770,000 in 1999.<sup>6</sup> The average annual rate of R&D employment growth was 5 percent. U.S. parents, with R&D employment of 819,000, accounted for 82 percent of the total in 2004, compared with 84 percent in 1999.
- R&D by MNCs was performed primarily, and increasingly, for themselves. In 2004, 92 percent of R&D expenditures reflected work performed by the parent or by the affiliate for themselves (“own-account” spending), up from 86 percent in 1999 and 82 percent in 1994.
- The share of R&D performed under contract for affiliated businesses—2 percent—was relatively small. Foreign affiliates performed more R&D under contract for affiliated businesses than did U.S. parents.
- U.S. parents accounted for 73 percent of R&D expenditures by all U.S. businesses in 2004, an increase from the 69-percent share in 1999 but less than the 77-percent share in 1994.
- R&D expenditures by foreign affiliates were highest in the United Kingdom, Germany, and Canada. Expenditures by foreign affiliates in these three countries totaled \$12.9 billion or 47 percent of all R&D spending by all affiliates. This share fell from 50 percent in 1999, reflecting an increase in the geographic dispersion of affiliates’ R&D.

The remainder of this article is composed of two sections and an appendix. The first section focuses on the R&D expenditures and R&D employment of U.S. parents in 2004. The second section examines the R&D expenditures and R&D employment of their majority-owned foreign affiliates. The appendix provides additional detail on the types of activities included in R&D, and compares selected characteristics of MNCs that conduct R&D with those of MNCs that do not.

**Chart 1. R&D Expenditures of Nonbank U.S. Multinational Companies, 1994–2004**



6. In the text, employment data are rounded to the nearest thousand. In the tables, they are rounded to the nearest hundred.

## R&D by U.S. Parents

In 2004, R&D expenditures by U.S. parents were \$152.4 billion, up from \$126.3 billion in 1999. Of the 2004 total, \$141.9 billion, or 93 percent, was own-account spending, \$6.0 billion, or 4 percent, was for projects funded by the Federal Government, \$2.6 billion, or 2 percent, was for projects funded by other unaffiliated entities, and \$1.8 billion, or 1 percent, was spending for projects funded by the parents' foreign affiliates. The 93-percent share of own-account spending was 5 percentage points higher than in 1999 and 10 percentage points higher than in 1994. The declines in non-own-account spending largely reflect declines in the share of federally funded R&D; the 4-percent share was down from 6 percent in 1999 and 15 percent

in 1994.

Just as U.S. parents performed some R&D *for* others, they also had some R&D performed for them *by* others. R&D performed for parents by others totaled \$6.3 billion. Of total R&D funded by MNCs, the share performed by others was 4 percent, only half the share in 1999.<sup>7</sup> R&D performed by others typically supplemented rather than replaced R&D performed by parents for themselves; only 11 out of 2,267 parents had

7. The estimates of R&D expenditures of U.S. MNCs on a funder basis follow financial accounting standards and are typically treated as an expense on firms' income statements. If a change were to be made to follow the definitions underlying the R&D satellite account, R&D expenditures on this basis would be capitalized, and the depreciation of the R&D stock would be treated as an expense. This alternative treatment would raise the estimates of value added by MNCs.

## Multinational Companies and R&D: Other Issues

The benchmark and annual surveys of U.S. direct investment abroad are the primary resources for assessing the size and scope of research and development (R&D) activities of U.S. multinational companies (MNCs). The main text of this article addresses several basic issues related to MNCs and R&D, such as the division of performance between U.S. parents and foreign affiliates, parents' performance relative to that of all U.S. businesses, the geographic (for foreign affiliates) and industry distributions of R&D performers, and the extent to which MNCs perform R&D for others or fund R&D by others. However, it leaves several other issues unaddressed.<sup>1</sup> Some of these other issues might be addressed by more detailed or technical analyses of data collected in the benchmark and annual surveys, and others might require data from other sources or data that are not currently available. Several issues of particular interest are grouped below according to whether they relate to firm-level behavior and performance, measurement of R&D, or the effect of R&D on national economic performance:

### R&D and the firm

- What factors lead an MNC to conduct R&D?
- Does R&D lead a company to grow more quickly than it otherwise would? How does R&D affect other measures of parent and affiliate performance, such as productivity and profitability?
- Does R&D by a company's competitors put it at a relative disadvantage?
- How does an MNC determine whether to conduct its R&D in the United States or abroad? If abroad, what determines

1. However, these other issues may have been (or may be currently being) addressed by other research, but most of the questions listed continue to be largely unresolved. For recent examples of research touching on some of these issues, see United Nations Conference on Trade and Development, *World Investment Report 2005: Transnational Corporations and the Internationalization of R&D* (New York and Geneva: United Nations, 2005), or Jerry Thursby and Marie Thursby, National Academy of Sciences, National Academy of Engineering, and Institute of Medicine, *Here or There? A Survey of Factors in Multinational R&D Location* (Washington DC: The National Academies Press, 2006).

the particular location? To what extent do factors such as taxes or protection of intellectual property rights affect MNC decisions on where within the MNC to locate the ownership of R&D results?

- To what extent can U.S.-parent R&D spending complement, or be substituted for, foreign-affiliate R&D spending?
- How does R&D by parents affect the productivity and other measures of foreign-affiliate performance?
- To what extent are R&D findings shared with the various entities of an MNC? Are the findings of parents more readily shared than those of affiliates? Does the location of an affiliate determine whether it receives R&D output from the parent or other affiliates or how much it receives?

### Measurement of R&D

- How are R&D results valued by MNCs, and how should they be valued by statistical agencies (for example, for use in satellite accounts)? Are market values available, or are cost-based estimates the only option?
- To what extent, if any, should R&D capital be viewed as accruing to R&D performers rather than, or in addition to, R&D funders?
- To what extent should the lags and risks associated with R&D affect the measurement of R&D capital?
- How quickly does R&D capital depreciate, and are there important differences in depreciation rates over industries and countries?

### R&D and national performance

- What role does R&D by MNCs play in generating spillovers (externalities) in the United States, in the host countries of R&D-performing affiliates, or in the host countries of R&D-using affiliates?
- Does the increasing share of R&D performed by foreign affiliates imply that the United States is losing its comparative advantage in R&D?
- What factors promote the selection of affiliates located in low-wage host countries to perform R&D?

R&D performed for them but were not themselves also R&D performers.

U.S. parents constitute a major portion of all R&D performance in the United States; in 2004, they accounted for 73 percent of the R&D performed by all U.S. businesses. The importance of parents in R&D is attributable partly to their industry distribution; for example, parents account for a particularly large share of U.S. economic activity in manufacturing, an industry sector with relatively high levels of R&D. Size may also contribute; companies with overseas operations tend to be larger than other U.S. businesses. The share of U.S.-business R&D accounted for by parents rose from that in 1999 but was still smaller in 2004 than in 1994. MNCs' share of R&D performed for the Federal Government was much smaller—30 percent of all federally funded R&D—and was smaller than it was in 1999 and 1994.

### R&D expenditures: Industry distribution and intensity

R&D by U.S. parents tends to be highly concentrated in specific industries. This concentration partly results from the definition of R&D; R&D only includes certain activities within the set of all innovative or knowledge-generating activities (see the appendix “R&D: What is It and Who Conducts It?”). Industry characteristics

such as type of product or industry maturity may also be factors.

R&D expenditures in three industry sectors—manufacturing (\$120.9 billion), information (\$14.0 billion), and professional, scientific, and technical services (\$12.8 billion)—accounted for 97 percent of all R&D expenditures by U.S. parents in 2004 (tables B and 1, chart 2). Manufacturing accounted for 79 percent of all R&D expenditures. Within the three sectors, R&D expenditures were unevenly distributed. In manufacturing, three industries—chemicals, computers and electronic products, and transportation equipment—accounted for 84 percent of R&D expenditures, well above their 48-percent share of value added (chart 3). In information, R&D expenditures were concentrated in publishing industries, mostly because of the software publishing subindustry. In professional, scientific, and technical services, they were concentrated in computer systems design and related services.

The concentration of U.S.-parent R&D expenditures in the three major R&D-performing sectors closely matched the concentration of R&D of all U.S. businesses (95 percent).<sup>8</sup> However, the distribution of parent R&D expenditures among these three sectors

8. The similarity of industry concentration is not surprising given U.S. parents' 73-percent share of R&D expenditures by all U.S. businesses.

**Table B. R&D Expenditures of Nonbank U.S. Multinational Companies and All U.S. Businesses by Selected Industry of U.S. Parent, 2004<sup>1</sup>**

|   | R&D expenditures<br>(millions of dollars) |                |               | MOFA share of<br>total MNC<br>(percent) | R&D expenditures<br>of all U.S. R&D<br>businesses<br>(millions of dollars) <sup>2</sup> | Ratio of U.S.-parent<br>R&D expenditures to<br>R&D expenditures of<br>all U.S. businesses<br>(percent) |
|---|---|----------------|---------------|---|---|--|
|   | MNC total                                 | U.S. parents   | MOFAs         |   |   |  |
| <b>All industries<sup>3</sup></b> .....                       | <b>179,913</b>                            | <b>152,384</b> | <b>27,529</b> | <b>15.3</b>                             | <b>208,301</b>  | <b>73.2</b>  |
| <b>Manufacturing</b> .....                                    | <b>145,122</b>                            | <b>120,851</b> | <b>24,271</b> | <b>16.7</b>                             | <b>147,288</b>  | <b>82.1</b>  |
| <i>Of which:</i>  |   |                |               |   |   |  |
| Petroleum and coal products .....                             | 1,326                                     | 1,251          | 75            | 5.7                                     | 1,603   | 78.0   |
| Chemicals .....   | 47,274                                    | 40,270         | 7,004         | 14.8                                    | (D)   | (D)  |
| <i>Of which:</i>  |   |                |               |   |   |  |
| Basic chemicals .....   | 2,075                                     | 1,881          | 194           | 9.4                                     | 2,393   | 78.6   |
| Resins and synthetic rubber, fibers, and filaments .....      | 2,681                                     | 2,392          | 289           | 10.8                                    | 2,096   | 114.1  |
| Pharmaceuticals and medicines .....                           | 37,000                                    | 31,046         | 5,954         | 16.1                                    | 31,477  | 98.6   |
| Machinery .....   | 6,656                                     | 5,780          | 876           | 13.2                                    | 6,579   | 87.9   |
| Computers and electronic products .....                       | 41,468                                    | 35,810         | 5,658         | 13.6                                    | 48,296  | 74.1   |
| <i>Of which:</i>  |   |                |               |   |   |  |
| Computers and peripheral equipment .....                      | 7,562                                     | 7,371          | 191           | 2.5                                     | 5,734   | 128.6  |
| Electrical equipment, appliances, and components .....        | 1,476                                     | 1,266          | 210           | 14.2                                    | 2,664   | 47.5   |
| Transportation equipment .....                                | 33,862                                    | 25,795         | 8,067         | 23.8                                    | (D)   | (D)  |
| <i>Of which:</i>  |   |                |               |   |   |  |
| Motor vehicles, bodies and trailers, and parts .....          | 21,954                                    | 14,662         | 7,292         | 33.2                                    | 15,677  | 93.5   |
| Miscellaneous manufacturing .....                             | 4,975                                     | 4,397          | 578           | 11.6                                    | 4,388   | 100.2  |
| <b>Information</b> .....                                      | <b>15,193</b>                             | <b>14,003</b>  | <b>1,190</b>  | <b>7.8</b>                              | <b>22,593</b>   | <b>62.0</b>  |
| <b>Professional, scientific, and technical services</b> ..... | <b>14,438</b>                             | <b>12,787</b>  | <b>1,651</b>  | <b>11.4</b>                             | <b>28,709</b>   | <b>44.5</b>  |
| <i>Of which:</i>  |   |                |               |   |   |  |
| Architectural, engineering, and related services .....        | (D)                                       | 91             | (D)           | (D)                                     | 4,265   | 2.1  |
| Computer systems design and related services .....            | 10,087                                    | 8,689          | 1,398         | 13.9                                    | 11,575  | 75.1   |
| <b>Other<sup>4</sup></b> .....                                | <b>5,160</b>                              | <b>4,743</b>   | <b>417</b>    | <b>8.1</b>                              | <b>9,711</b>  | <b>48.8</b>  |
| <i>Of which:</i>  |   |                |               |   |   |  |
| Construction .....  | 3   | 3              | 0             | 0                                       | 1,481   | 0.2  |
| Retail trade .....  | 57  | 53             | 4             | 7.0                                     | 1,596   | 3.3  |

D Suppressed to avoid disclosure of data of individual companies.

1. In this table, MOFA's R&D expenditures are classified by the industry of their U.S. parent. In table 2, MOFA's R&D expenditures are classified by their own industry.

2. Data are from the National Science Foundation's Web site at <<http://www.nsf.gov/statistics/infbrief/nsf07304/>>.

3. "All industries" includes agricultural industries in the benchmark survey of U.S. direct investment abroad. In NSF's survey of all U.S. businesses, agricultural industries are excluded.

4. "Other" in this table is a catch-all category and does not correspond to the "other industries" category used in other tables in this article or in other reports on the results from BEA's surveys of MNCs by industry. "Other" also includes agricultural industries for the survey of U.S. direct investment abroad but not for the survey of all U.S. businesses. See footnote 3.

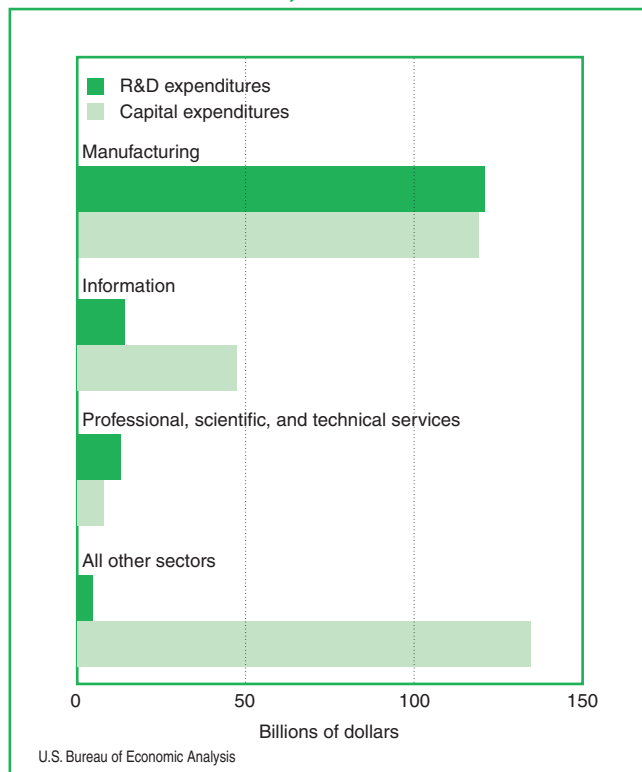
MNC Multinational company  
MOFA Majority-owned foreign affiliate  
R&D Research and development

differed somewhat from that of R&D expenditures by all U.S. businesses. U.S.-parent R&D expenditures were more concentrated in manufacturing (parents' 82 percent of all-U.S.-business R&D in manufacturing was significantly higher than their 73-percent share at the all-industries level) and were less concentrated in information (62 percent of all-U.S.-business R&D) and in professional, scientific, and technical services (45 percent).

Among other industries, the proportion of all-U.S.-business R&D accounted for by U.S. parents varied widely, ranging from close to zero (for example, in construction) to over 100 percent (for example, in construction) to over 100 percent (for example, in computers and peripheral equipment).<sup>9</sup> Parents' R&D spending was particularly notable, both in absolute and relative terms, in pharmaceuticals and medicines in chemicals manufacturing and in "motor vehicles, bodies and trailers, and parts" in transportation equipment manufacturing. In pharmaceuticals and medicines, R&D expenditures accounted for 99 percent of the all-U.S.-business total, and in "motor vehicles, bodies and trailers, and parts," parents' spending accounted for 94 percent of the all-U.S.-business total.

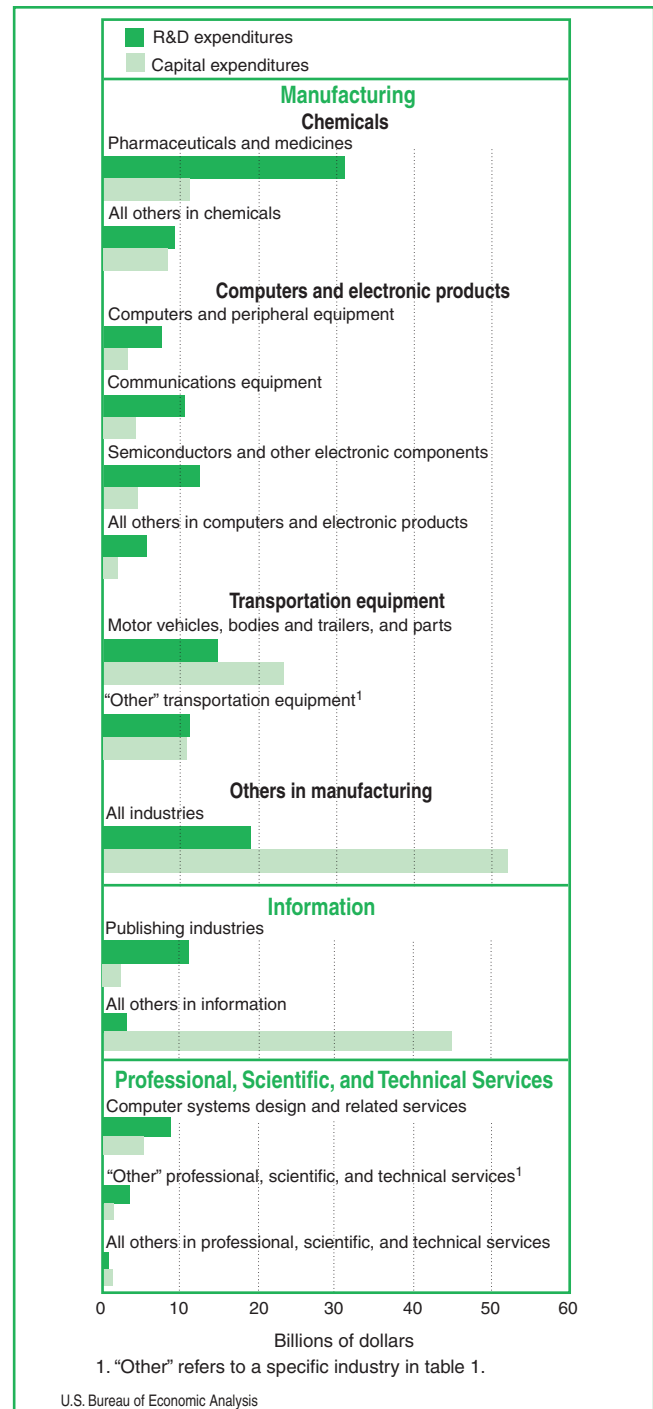
9. Differences in industry classification and geographic coverage of the BEA data for MNCs and the NSF data for all U.S. businesses may partly explain instances in which the proportion exceeds 100 percent. For instance, Puerto Rico is excluded in NSF's surveys of R&D, but it is included in BEA's surveys of direct investment.

**Chart 2. R&D Expenditures and Capital Expenditures of Nonbank U.S. Parents, 2004**



R&D expenditures relate to the accumulation of intangible assets; charts 2 and 3 also show data on parents' capital expenditures—that is, expenditures for property, plant and equipment—which relate to the accumulation of tangible assets. The R&D expenditures of U.S. parents were approximately half those of their capital expenditures (\$308.7 billion), but the size of R&D expenditures relative to capital expenditures

**Chart 3. R&D Expenditures and Capital Expenditures of Nonbank U.S. Parents, Selected Industries, 2004**





varied markedly across sectors. In both manufacturing and professional, scientific, and technical services, U.S. parents' R&D expenditures exceeded their capital expenditures. In most other industries, however, R&D expenditures were markedly smaller than capital expenditures.

Table 1 not only documents the industry concentration of parents' R&D expenditures discussed above, but it also provides information on the "intensity" of those expenditures—measured as the ratio of the level of R&D expenditures to the level of value added.<sup>10</sup> This measure allows the propensities of firms in different industries that conduct R&D to be examined, abstracting from differences in industry size (see also chart 4). By this measure, the intensity of U.S.-parent R&D expenditures was 7 percent.<sup>11</sup>

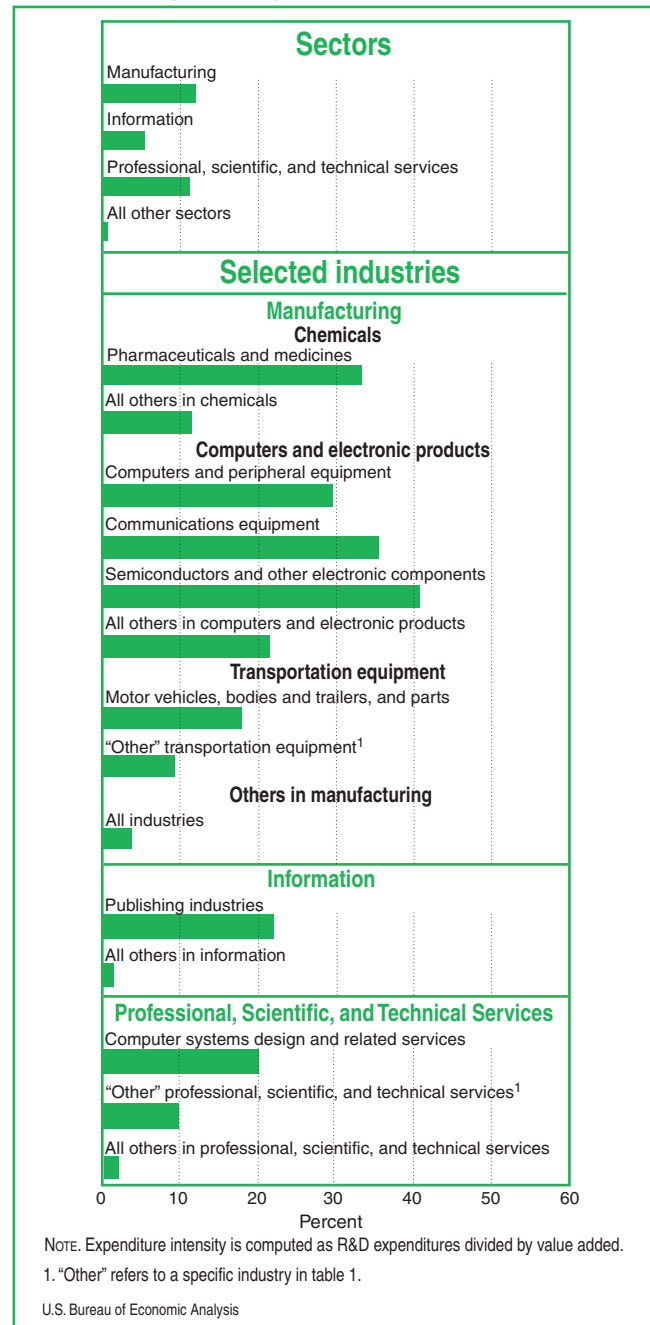
For the three major R&D-performing industry sectors—manufacturing; information; and professional, scientific, and technical services—parents' R&D intensities were 12 percent, 5 percent, and 11 percent, respectively. Within manufacturing, intensities were particularly high in semiconductors and other electronic components (41 percent), communications equipment (36 percent), pharmaceuticals and medicines (33 percent), computers and peripheral equipment (30 percent), and motor vehicles, bodies and trailers, and parts (18 percent). In information, the intensity was particularly high in publishing industries (22 percent, mostly due to the software publishing subindustry). In professional, scientific, and technical services, the intensity was particularly high in computer systems design and related services (20 percent).

Industry patterns of U.S.-parent R&D expenditures have changed since the 1999 survey. The share of the information sector in U.S.-parent R&D expenditures

rose to 9 percent in 2004 from 5 percent in 1999, primarily because of sharply higher spending by parents in publishing industries. The share of professional, scientific, and technical services rose to 8 percent from 7 percent. The share of manufacturing fell to 79 percent from 83 percent, primarily because of a decrease in spending by parents in transportation equipment (and despite an increase in pharmaceuticals).

Overall, the R&D expenditure intensity for U.S. parents increased only slightly from 1999 to 2004—from

**Chart 4. R&D Expenditure Intensities of Nonbank U.S. Parents by Industry, 2004**



10. This measure is also used by the NSF in many of its studies of R&D and allows analysts to focus on the output originating in firms in a specific industrial sector by subtracting the cost of services and materials purchased from other firms in that sector or in other sectors. Nonetheless, other measures of R&D intensity are also useful in the analysis of R&D, including the ratio of R&D expenditures to sales, the ratio of R&D employment to total employment, or either of these intensity measures computed just for R&D-performing firms. Other measures may relate more closely to the results of R&D, such as the number of patent applications or the number of patents granted. In some cases, the conclusions reached may differ, depending on the particular measure used.

11. An alternative measure of R&D expenditure intensity is shown in table 1—the ratio of R&D expenditures to the value added of R&D-performing parents. Because a minority of parents (and affiliates) had R&D expenditures, the ratio of expenditures to value added was substantially different, at both the all-industry level and at the detailed-industry level, depending on which of these two measures is used. Thus, this alternative is useful in showing the impact of nonperformers on detailed industry and higher level ratios. In the aggregate, this measure is nearly twice as high as the measure discussed in the text (13 percent versus 7 percent), but for individual industries, its size relative to that of the measure discussed in the text varies substantially. For example, it is only slightly higher in manufacturing (13 percent versus 12 percent), but it is much higher in information (21 percent versus 5 percent), reflecting particularly high R&D intensity by a number of software publishers.

6.6 percent to 6.9 percent. However, there were sizable changes in intensity in several industries. In semiconductors and other electronic components manufacturing and in publishing industries, the intensity nearly doubled. In “other” chemicals, in contrast, the intensity fell sharply.

### R&D employment: Industry distribution and intensity

R&D employment is one aspect of MNC R&D activity for which data are collected only in the benchmark survey. U.S. parents employed 819,000 R&D workers in 2004 (table 1). In conjunction with total R&D expenditures, this R&D employment total implies that R&D spending per R&D employee was approximately \$186,000 (table C). In the industries with high intensity of R&D expenditures, R&D spending per R&D employee was particularly high in chemicals (approximately \$251,000), and it was particularly low in professional, scientific, and technical services (approximately \$153,000).<sup>12</sup>

Industry distributions of R&D employment were similar to those of R&D expenditures. Together, the three major R&D-performing industry sectors—manufacturing (633,000 R&D employees), professional, scientific, and technical services (84,000), and information (67,000)—accounted for about the same share of R&D employment (96 percent) as the share of R&D expenditures (97 percent).

In 2004, 4 percent of U.S. parents’ employees worked in R&D (this share can also be viewed as an “intensity” as shown for 2004 in the right column of table 1). The share of employees employed in R&D was

12. For several industries with low intensities, spending per R&D employee was below \$153,000.

**Table C. R&D Expenditures Per R&D Employee by Selected Industry, 2004**

[Dollars]

|   | U.S. parents   | MOFAs          |
|---|----------------|----------------|
| <b>All industries</b> .....                           | <b>186,129</b> | <b>153,518</b> |
| Manufacturing.....                                    | 191,080        | 154,455        |
| Chemicals.....  | 251,243        | 233,019        |
| <i>Of which:</i>                                      |                |                |
| Pharmaceuticals and medicines.....                    | 258,232        | 284,518        |
| Computers and electronic products.....                | 179,786        | 132,707        |
| <i>Of which:</i>                                      |                |                |
| Computers and peripheral equipment.....               | 149,879        | 205,329        |
| Communications equipment.....                         | 159,839        | 128,908        |
| Semiconductors and other electronic components.....   | 199,694        | 132,591        |
| Transportation equipment.....                         | 168,656        | 137,359        |
| Motor vehicles, bodies and trailers, and parts.....   | 170,432        | 138,303        |
| Other.....  | 166,372        | 126,674        |
| Information.....                                      | 208,806        | 179,300        |
| <i>Of which:</i>                                      |                |                |
| Publishing industries.....                            | 239,160        | 188,570        |
| Professional, scientific, and technical services..... | 152,700        | 139,396        |
| <i>Of which:</i>                                      |                |                |
| Computer systems design and related services.....     | 160,678        | 130,763        |
| Other.....  | 179,036        | 155,812        |

MOFAs Majority-owned foreign affiliates  
R&D Research and development

relatively high in manufacturing (8 percent) and professional, scientific, and technical services (9 percent).

The combined share of R&D employment by parents in the three major industry sectors increased, rising 2 percentage points from 1999 to 2004. The share of parents in manufacturing rose to 77 percent in 2004 from 75 percent in 1999, and the share in information edged up to just over 8 percent from just under 8 percent. However, the share of parents in professional, scientific, and technical services edged down to 10 percent from 11 percent.

### R&D by Foreign Affiliates

In 2004, R&D expenditures by the foreign affiliates of U.S. parents was \$27.5 billion, or 15 percent of R&D expenditures by MNCs. In 1999, affiliate spending was \$18.1 billion, or 13 percent of MNC expenditures. In 2004, the intensity of R&D expenditures by foreign affiliates, at 3 percent, was less than the 7-percent intensity of their parents. R&D expenditures of foreign affiliates were also small relative to their capital expenditures. The value of the R&D expenditures of foreign affiliates was less than a fourth of the value of their capital expenditures (\$123.1 billion); for parents, the value of R&D expenditures was half of that of their capital expenditures.

Of all the affiliate R&D performed in 2004, \$24.5 billion, or 89 percent, was own-account R&D, \$2.5 billion, or 9 percent, was for affiliated businesses, and \$0.6 billion, or 2 percent, was for unaffiliated entities. The affiliate share of own-account R&D was a little lower than the parent share (93 percent). It increased 16 percentage points from 1999 to 2004. The 9-percent share of R&D for affiliated businesses—consisting of the U.S. parent and other foreign affiliates of the U.S. parent—was substantially larger than the 1-percent share of parent R&D conducted for their foreign affiliates. However, foreign affiliates may often benefit, directly or indirectly, from the R&D conducted by their parents, even if they are not funding or directing that R&D work. In dollar terms, the \$2.5 billion in R&D expenditures by foreign affiliates for affiliated businesses exceeded the spending by U.S. parents (\$1.8 billion) for their foreign affiliates.<sup>13</sup> R&D expenditures for affiliated businesses were particularly high for foreign affiliates in the publishing industry and in the computers and electronics products manufacturing industry, especially in computers and peripheral equipment and in semiconductors and other electronic components.

As with U.S. parents, the 2004 R&D performed for foreign affiliates by others (\$1.5 billion) was less than

13. Information on R&D expenditures for affiliated businesses was collected for the first time on the 2004 benchmark survey, so no comparison can be made with data for earlier years.



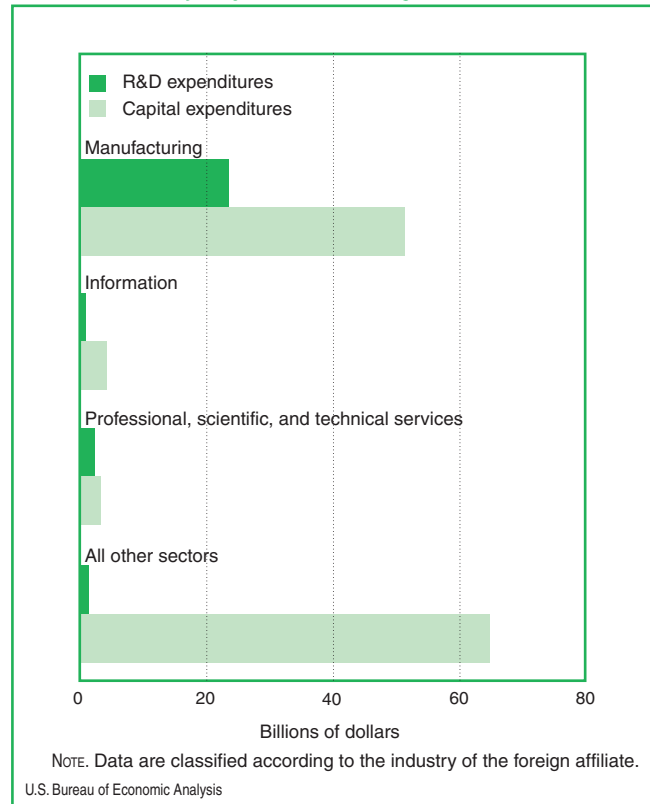
the R&D performed for others by the affiliates (\$2.1 billion). Of the total R&D funded by foreign affiliates, 6 percent was performed by others, compared with the 4-percent share of parent-funded R&D performed by others.

### R&D expenditures: Industry distribution and intensity

By industry of U.S. parent, foreign affiliates' share of MNC R&D expenditures was slightly higher in manufacturing (17 percent) than the 15-percent share of all industries (table B). Within manufacturing, the foreign-affiliate share of MNC R&D expenditures was particularly high in transportation equipment—especially in motor vehicles, bodies and trailers, and parts—where the \$7.3 billion of expenditures represented a third of the MNC total.

By industry of foreign affiliate, the three sectors—manufacturing; professional, scientific, and technical services; and information—that accounted for nearly all (97 percent) of R&D expenditures by U.S. parents accounted for 95 percent of R&D expenditures by foreign affiliates (table 2, chart 5). Affiliates' expenditures were highest in manufacturing (\$23.3 billion), followed by professional, scientific, and technical services (\$2.1 billion), and information (\$0.8 billion).

**Chart 5. R&D Expenditures and Capital Expenditures of Nonbank Majority-Owned Foreign Affiliates, 2004**



### Key Terms

The following key terms are used to describe U.S. multinational companies (MNCs).<sup>1</sup>

**U.S. multinational company (U.S. MNC).** The U.S. parent and its foreign affiliates. (In this article, an MNC is defined as the U.S. parent and its majority-owned foreign affiliates.)

**U.S. parent.** A person, resident in the United States, that owns or controls 10 percent or more of the voting securities, or the equivalent, of a foreign business enterprise. "Person" is broadly defined to include any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any state), or any government entity. If incorporated, the U.S. parent is the fully consolidated U.S. enterprise consisting of (1) the U.S. corporation whose voting securities are not owned more than 50 percent by another U.S. corporation and (2) proceeding down each ownership chain from that

U.S. corporation, any U.S. corporation whose voting securities are more than 50 percent owned by the U.S. corporation above it. A U.S. parent comprises the domestic operations of a U.S. MNC, covering operations in the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and all other U.S. areas.

**U.S. direct investment abroad.** The ownership or control, directly or indirectly, by one U.S. person of 10 percent or more of the voting securities of an incorporated foreign business enterprise or the equivalent interest in an unincorporated business enterprise.

**Foreign affiliate.** A foreign business enterprise in which there is U.S. direct investment, that is, in which a U.S. person owns or controls (directly or indirectly) 10 percent or more of the voting securities or the equivalent. Foreign affiliates comprise the foreign operations of a U.S. MNC over which the parent is presumed to have a degree of managerial influence.

This article focuses on the operations of **majority-owned foreign affiliates** of U.S. parents; for these affiliates, the combined ownership of all U.S. parents exceeds 50 percent. In 2004, these affiliates accounted for 86 percent of the employment of all foreign affiliates of U.S. MNCs, up from 84 percent in 1999.

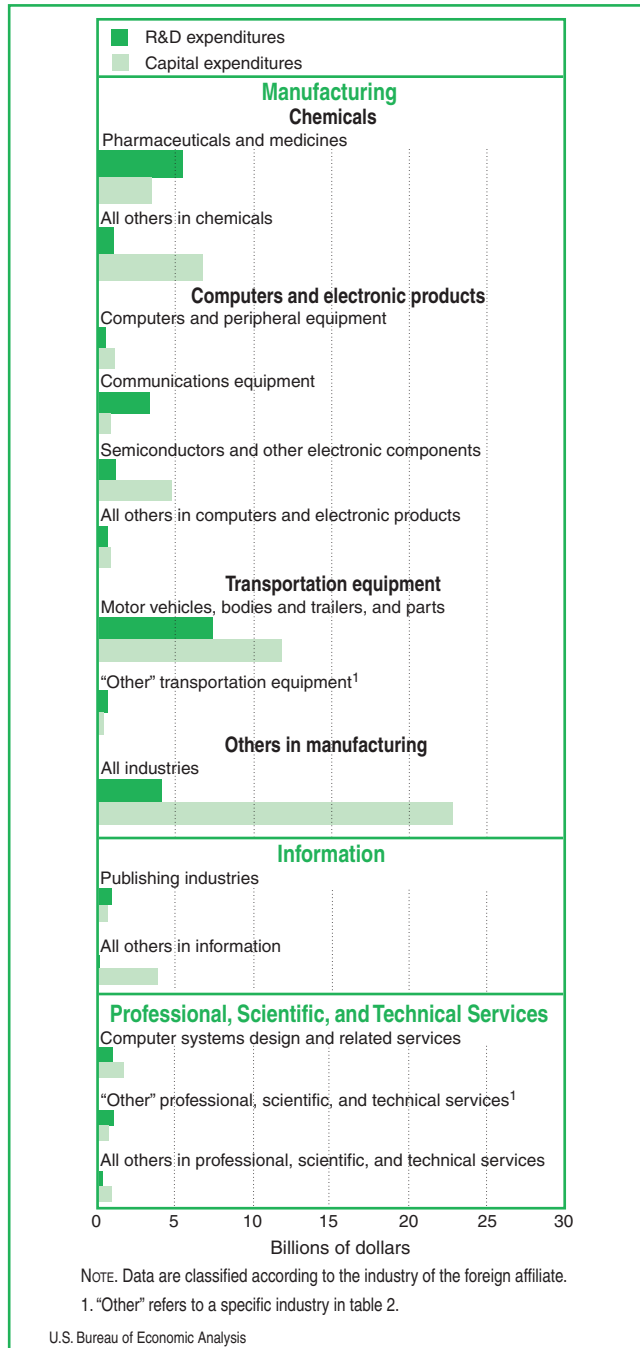
1. For a more comprehensive discussion of the terms and the concepts used to describe U.S. MNCs and their operations, see Raymond J. Matoloni Jr., "A Guide to BEA Statistics on U.S. Multinational Companies," SURVEY 75 (March 1995): 38–55. Data on the operations of U.S. MNCs cover the survey respondent's fiscal year ending in the reference year of the data.

Manufacturing alone accounted for 85 percent of total foreign affiliate R&D expenditures. At a more detailed level, affiliates in one subindustry in manufacturing—motor vehicles, bodies and trailers, and parts—had R&D expenditures of \$7.2 billion, or 30 percent of the all-industry total (chart 6).

In contrast to the parents' R&D expenditures, affiliates' R&D expenditures in wholesale trade (\$1.2 billion) were larger than those in information, mainly

because wholesale trade is a more important industry for foreign affiliates than for their parents; this industry accounted for 15 percent of foreign affiliates' value

**Chart 6. R&D Expenditures and Capital Expenditures of Nonbank Majority-Owned Foreign Affiliates, Selected Industries, 2004**



**Availability of Data on U.S. Direct Investment Abroad**

BEA collects two broad sets of data on U.S. direct investment abroad: (1) Financial and operating data of U.S. multinational companies (MNCs) and (2) international transactions and direct investment position data. The first data set provides a picture of the overall activities of foreign affiliates and U.S. parent companies, using a variety of indicators of their financial structure and operations. The second data set covers a foreign affiliate's transactions with its U.S. parent(s), focusing on the U.S. parent's share, or interest, in its affiliate rather than on the affiliate's size or level of operations.<sup>1</sup>

The preliminary estimates of the worldwide research and development (R&D) activities of MNCs for 2004—one aspect collected among many in the financial and operating data set—are presented in this article. Preliminary estimates related to other aspects of the operations of MNCs for 2004 and final estimates for 2003 were published in November 2006.<sup>2</sup> These estimates, along with more detailed estimates of MNC R&D activities, are available on BEA's Web site. The estimates are based on the 2003 Annual Survey of U.S. Direct Investment Abroad and the 2004 Benchmark Survey of U.S. Direct Investment Abroad.

The final estimates of U.S. MNC operations for 1977 and for 1982–2003, along with international transactions and direct investment position data, are available in publications or in files that can be downloaded for free from BEA's Web site at <[www.bea.gov](http://www.bea.gov)>. For more information on these products and how to obtain them, go to <[www.bea.gov/bea/ai/iidguide.htm](http://www.bea.gov/bea/ai/iidguide.htm)>.

BEA has also recently launched a free service on its Web site that allows users to access interactively detailed data on the operations of U.S. multinational companies, on the operations of foreign-owned companies in the United States, and on other aspects of U.S. direct investment abroad and foreign direct investment in the United States. For an introductory guide to this service, see Ned G. Howenstine, "Primer: Accessing BEA Direct Investment Data Interactively," SURVEY 86 (May 2006): 61–64.

1. Jennifer L. Koncz and Daniel R. Yorgason, "Direct Investment Positions for 2005: Country and Industry Detail," SURVEY 86 (July 2006); and Jeffrey H. Lowe, "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 2003–2005," SURVEY 86 (September 2006): 87–129.

2. Raymond J. Mataloni Jr. and Daniel R. Yorgason, "Operations of U.S. Multinational Companies: Preliminary Results From the 2004 Benchmark Survey," SURVEY 86 (November 2006): 37–68.

added, compared with only 5 percent of the parents' value added. The R&D expenditures by wholesale trade affiliates may also reflect secondary activities of these affiliates in industries, such as manufacturing, that are more typically associated with R&D activity.

The concentration of R&D expenditures is also evident in the intensity of R&D expenditures. Affiliates' R&D intensity in manufacturing (6 percent) and in professional, scientific, and technical services (5 percent) exceeded the 3-percent intensity at the all-industry level (chart 7). In all the other sectors, including information (with the next largest intensity of 2 percent), intensities were less than 3 percent.

As noted, the 3-percent affiliate intensity at the all-industry level was less than the 7-percent parent intensity. Affiliate intensities were also generally lower at more detailed industry levels. For example, in the computers and electronic products manufacturing industry, affiliate intensities for all but one subindustry were less than 9 percent, but parent intensities for all the subindustries shown in chart 4 were at least 21 percent.<sup>14</sup>

The industry pattern of affiliate R&D expenditures has changed since the 1999 benchmark survey. The share of these expenditures accounted for by manufacturing declined in 1999–2004, to 85 percent from 90 percent. The shares rose for wholesale trade; information; and professional, scientific, and technical services. In information, shares roughly tripled (though from a small base), rising to 3 percent in 2004 from 1 percent in 1999. In wholesale trade, shares were up by over half.

The average intensity of R&D expenditures of foreign affiliates increased only minimally (0.1 percentage point) in 1999–2004. In information, however, the intensity increased 1.5 percentage points. At a more disaggregated level, in computers and electronic products manufacturing, the intensity was up, particularly because of an increase in communications equipment. Despite the small increase at the aggregate level, intensities for all of the large R&D-performing sectors increased. The small increase in intensity at the aggregate level may have partly reflected a shift in the sectoral composition of value added away from manufacturing, which had the highest intensity in both 1999 and 2004, and toward other sectors in which R&D was less significant.<sup>15</sup>

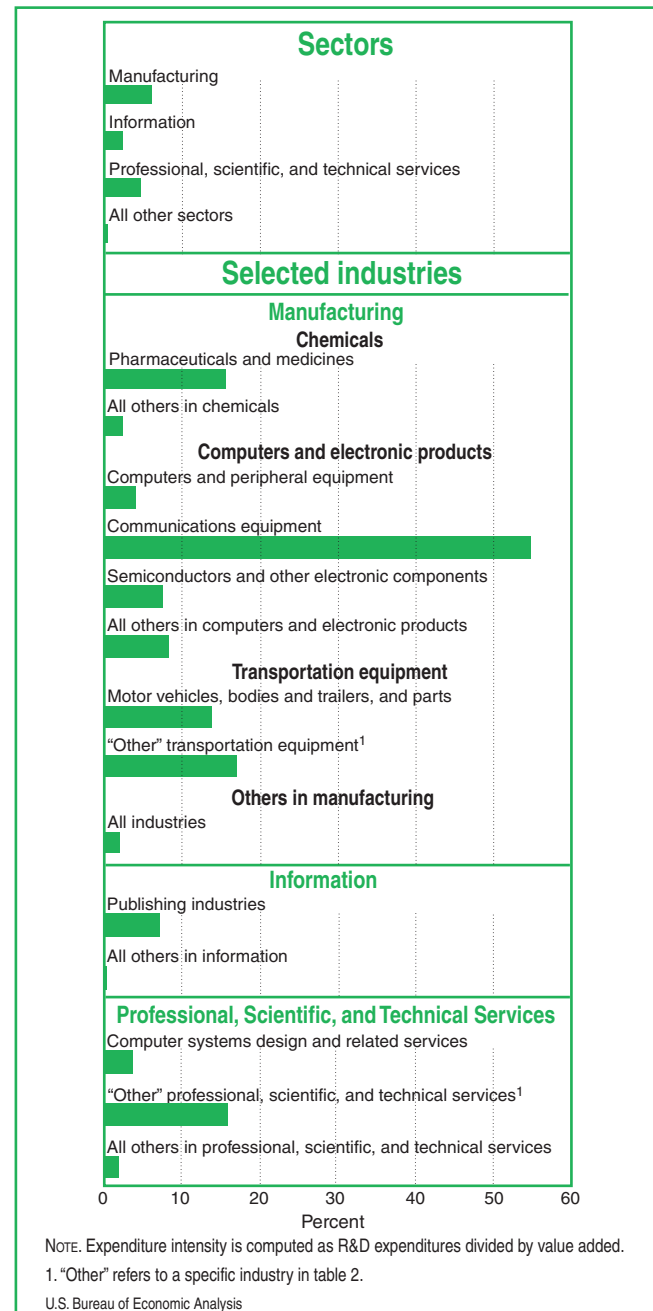
14. The one exception, communications equipment, had an affiliate intensity of 55 percent. Very high intensities such as this can result from situations where value added—the denominator in the intensity calculation—is unusually low, which might occur when startups constitute a large segment of a particular industry. In such situations, the share of employees in R&D may be a more informative intensity measure for many purposes.

15. Affiliates in manufacturing were responsible for 56 percent of foreign affiliates' value added in 1999 but for only 47 percent in 2004.

As foreign affiliates' share of MNC value added increased from 1999 to 2004 (rising to 27 percent from 23 percent), so did their share of the R&D activities of MNCs in several industries.<sup>16</sup> In particular, in both information and wholesale trade, foreign affiliates' shares of MNC R&D expenditures were up strongly. In

16. Note that these shares differ from those shown in table B, because affiliates are classified by their own industry, but, in table B, they are classified by the industry of their U.S. parent.

**Chart 7. R&D Expenditure Intensities of Nonbank Majority-Owned Foreign Affiliates by Industry of Affiliate, 2004**



information, affiliates' share of R&D expenditures more than doubled, growing to 5.7 percent from 2.3 percent.

**R&D employment: Industry distribution and intensity**

In 2004, foreign affiliates had 179,000 R&D employees, or 2 percent of total employment by foreign affiliates. These workers represent 18 percent of all R&D workers employed by MNCs. By industry of affiliate, affiliates' shares of MNC R&D employment were particularly high in wholesale trade (32 percent) and were particularly low in information (7 percent). R&D expenditures per R&D employee was approximately \$154,000, roughly \$32,000 less than the \$186,000 per employee for parents (table C).<sup>17</sup> R&D spending per R&D employee was particularly high in pharmaceuticals (\$285,000) and was particularly low in communications equipment (\$129,000).

Manufacturing affiliates employed 151,000 R&D workers, or 84 percent of all affiliate R&D workers. Within manufacturing, transportation equipment accounted for the most of the employees—56,000, or nearly a third of all R&D workers of foreign affiliates.

The share of R&D employment of affiliates in manufacturing declined in 1999–2004, to 84 percent from 88 percent in 1999, similar to the drop in these affiliates' share of R&D expenditures. Like their shares of R&D expenditures, affiliates' employment shares rose in wholesale trade, information, and professional, scientific, and technical services.

At the aggregate level, R&D employment intensity increased to 2.1 percent from 1.6 percent. That increase was larger than the increase in expenditure intensity. In manufacturing, R&D employment intensity rose to 3.6 percent from 2.5 percent.

**R&D expenditures: Geographic distribution and intensity**

Of the foreign affiliates' \$27.5 billion in R&D expenditures in 2004, \$18.1 billion (66 percent) was by affiliates in Europe, \$4.9 billion (18 percent) was by affiliates in Asia and Pacific, and \$2.7 billion (10 percent) was by affiliates in Canada (table 3). Europe's leading position reflected both its relative importance in production by foreign affiliates and its relatively high R&D expenditure intensity (4 percent); among major regions, only the Middle East (11 percent) had a higher intensity, reflecting R&D in Israel.

By country, the largest affiliate R&D expenditures

were in the United Kingdom (\$5.5 billion), Germany (\$4.7 billion), and Canada (\$2.7 billion) (chart 8). Expenditures also exceeded \$1.0 billion in France, Japan, and Sweden. R&D expenditure intensities in all of these countries except Canada were greater than the

**Chart 8. R&D Expenditures and Capital Expenditures of Nonbank Majority-Owned Foreign Affiliates, Selected Countries, 2004**



17. By comparison, average employee compensation for each worker was \$20,000 less for affiliates than for parents (\$38,000 versus \$58,000).

3-percent worldwide intensity (chart 9). Germany's intensity was 6 percent, and Sweden's was 14 percent. Among the other countries shown in chart 8, intensities were particularly high in Israel (35 percent) and in Singapore, Switzerland, and China (5 percent in each). In Israel, much of the R&D expenditures were in computers and electronic products manufacturing—particularly in computer and peripheral equipment and communications equipment—and in professional, scientific, and technical services.

The shares of R&D expenditures accounted for by affiliates in Europe fell 1 percentage point to 66 percent in 2004, and their share of R&D employment fell 3 percentage points to 64 percent. Balancing the fall in the European share, R&D expenditure shares of Can-

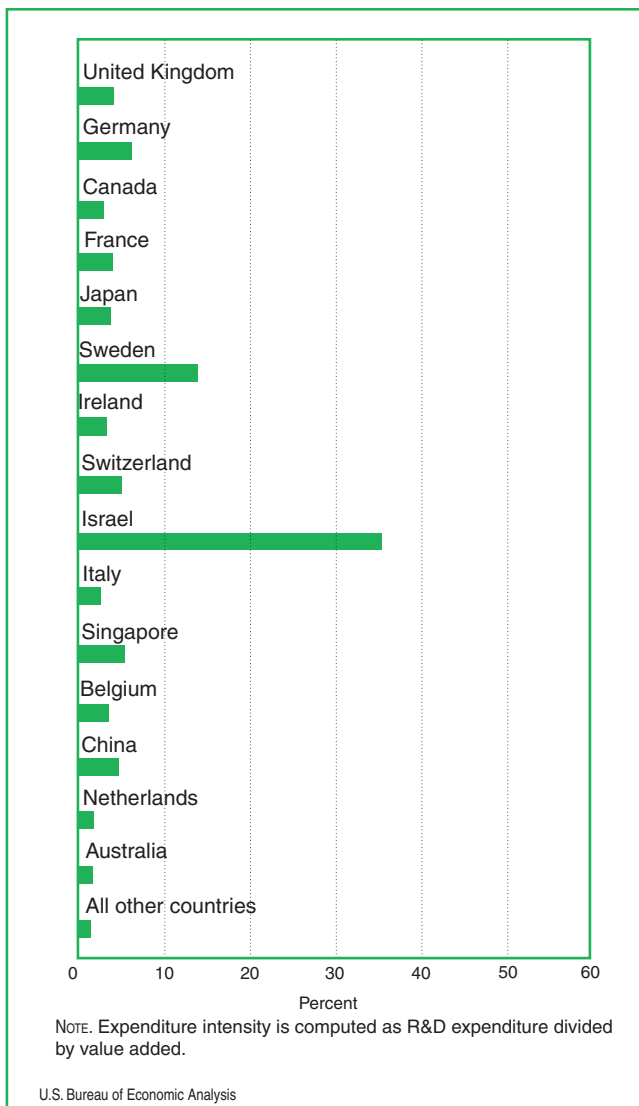
ada and the Middle East both rose slightly, to 10 percent and 3 percent, respectively.

The share of R&D expenditures accounted for by affiliates in the United Kingdom, the top R&D-performing country, fell 2 percentage points in 1999–2004, to 20 percent. Shares of affiliates in Germany, France, and Japan also fell. R&D activities became somewhat more broadly dispersed during this period, as the combined R&D expenditure share of the top six R&D-performing countries—using the 2004 rankings—fell 7 percentage points to 65 percent.

### R&D employment: Geographic distribution and intensity

For R&D employment, the 2004 ranking of the top six countries—the United Kingdom, Germany, Canada, France, Japan, and Sweden—was the same as the ranking by R&D expenditures. However, Israel, with over 6,000 R&D employees, was seventh, ahead of Ireland and Switzerland. Israel also had the highest R&D employment intensity (R&D employment as a share of total employment), 18 percent. Sweden's employment intensity (9 percent) was also relatively high.

**Chart 9. R&D Expenditure Intensities of Nonbank Majority-Owned Foreign Affiliates, Selected Countries, 2004**



## Appendix

### R&D: What Is It and Who Conducts It?

R&D, as generally defined and as used in this article covers many, but not all, innovative activities. This appendix compares several popular definitions of R&D with a particular emphasis on the definition used in this article. It then discusses the characteristics of U.S. MNCs that conduct R&D.

#### R&D: What is it?

The *Frascati Manual*, one of two international standards for R&D statistics, provides the following basic definition of R&D:

Research and experimental development (R&D) comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications.<sup>18</sup>

The *Frascati Manual* provides additional specific guidance in identifying which activities constitute R&D and which do not, and it includes the requirement that R&D activities be classified as basic research, applied research, or development. The other international standard is the *System of National Accounts 1993*

18. Organisation for Economic Co-operation and Development (OECD), *Frascati Manual 2002: Proposed Standard Practice for Surveys on Research and Experimental Development* (Paris: OECD Publications, 2002): 30.



(SNA).<sup>19</sup> Broadly, this standard differs from that in the *Frascati Manual* by placing less emphasis on novelty or the resolution of scientific or technological uncertainty and more emphasis on activities that result in products being brought to market. The SNA definition of R&D includes some activities excluded by the *Frascati* definition (for example, market research and quality control) and excludes others included by the *Frascati* definition (for example, activities that increase knowledge without affecting economic activity).

The National Science Foundation (NSF) is primarily responsible for data collection on U.S. domestic R&D, and in its surveys, it closely follows the *Frascati* definition of R&D.<sup>20</sup> BEA has adopted the NSF definition for its surveys of MNCs. In practice, the definitions used in the NSF and BEA surveys are somewhat more restrictive than the *Frascati* definition, focusing on work in the natural sciences and engineering and excluding work in the social sciences and humanities.

The three types of R&D activities are described in the instructions for BEA's benchmark survey of U.S. direct investment abroad as follows:

**Basic research** is the pursuit of new scientific knowledge or understanding that does not have specific immediate commercial objectives, although it may be in fields of present or potential commercial interest.

**Applied research** applies the findings of basic research or other existing knowledge toward discovering new scientific knowledge that has specific commercial objectives with respect to new products, services, processes, or methods.

**Development** is the systematic use of the knowledge or understanding gained from research or practical experience directed toward the production or significant improvement of useful products, services, processes, or methods, including the design and development of prototypes, materials, devices, and systems.<sup>21</sup>

## R&D: Who conducts it?

R&D is performed by a subset of U.S. parents and foreign affiliates. However, these firms tend to be among the largest in the MNC data set. Additionally, R&D performance tends to be persistent (that is, individual firms tend to maintain their status as R&D performers or as nonperformers). The following details are based on data from the 2004 benchmark survey of U.S. direct investment abroad and changes since the 1999 benchmark survey.

**Incidence of R&D performance.** Only about a third of U.S. parents, and an even smaller share of foreign affiliates, performed R&D in 2004.

- In 2004, 34 percent of parents and 9 percent of affiliates performed R&D.
- Parents and affiliates both performed R&D in 17 percent of MNCs, only parents performed R&D in 17 percent of MNCs, and only affiliates performed R&D in 3 percent of MNCs.
- In manufacturing, 52 percent of U.S. parents and 21 percent of foreign affiliates performed R&D. Parents and affiliates both performed R&D in 29 percent of the manufacturing MNCs, only parents performed R&D in 23 percent, and only affiliates performed R&D in 4 percent.

**Size of R&D performers.** R&D activity tends to be concentrated among the larger firms. However, among R&D-performing firms, a relation between R&D intensity and firm size is more difficult to confirm; the differences in size among firms grouped by their R&D intensities are small and may be positive or negative, depending on the indicator used for size.

- The average value added of R&D-performing parents was 232 percent of the average value added of nonperforming parents.
- Of R&D-performing parents, the average value added of the half with the highest R&D employment intensities was 124 percent of the average value added of R&D-performing parents with the lowest intensities.<sup>22</sup> However, most of this difference is attributable to the largest parents tending to be high-intensity R&D performers; the difference between the average value added of low-intensity performers and high-intensity performers substantially narrows when the top 1 percent of value-added-generating parents are excluded

19. Commission of the European Communities—Eurostat, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, and World Bank, *System of National Accounts 1993* (Brussels/Luxembourg, New York, Paris, Washington, DC, 1993). The revised SNA, due out in 2008, will likely recommend the capitalization of R&D in satellite accounts, as noted in United Nations, “Report of the Intersecretariat Working Group on National Accounts” (E/CN.3/2007/7, distributed December 19, 2006). BEA recently released several different estimates of the capitalized value of domestic expenditures on R&D, and demonstrated the effect of these estimates on GDP, in its R&D satellite account (Okubo, et al.).

20. As noted, the Census Bureau collects the data on behalf of NSF.

21. The survey is available on BEA's Web site at <[www.bea.gov/surveys/diasurv.htm](http://www.bea.gov/surveys/diasurv.htm)>. Data on the three types of R&D are not collected separately in BEA's surveys, but a breakout will be available for U.S. parents in the forthcoming project linking BEA's and NSF's R&D data. For more information on the linking project, see the introduction to this article and footnote 3.

22. R&D employment intensity is defined as R&D employment as a share of total employment. R&D employment intensities are used here rather than R&D expenditure intensities because the expenditure intensity calculation uses value added in its denominator. Because value added—particularly at the firm level—can be very small (or negative) relative to R&D expenditures, generating meaningful firm-level intensity comparisons is difficult. Nonetheless, if expenditure intensities are used, the results are similar.

from the analysis.<sup>23</sup>

- Using a different indicator of size—ranking by average value-added percentile rather than average amount of value added—the results change somewhat.<sup>24</sup> By this alternative measure, R&D performers ranked substantially above nonperformers, but high-intensity performers were similar to low-intensity performers. Parents with no R&D were, on average, in the 44<sup>th</sup> percentile of value added. R&D performing parents were ranked much higher on average; high-intensity parents were in the 67<sup>th</sup> percentile, and low-intensity parents were in the 69<sup>th</sup>.<sup>25</sup>
- The average value added of R&D-performing affiliates was 436 percent of the average value added of nonperforming affiliates.
  - The average value added of R&D-performing affiliates with high-intensity performance was 116 percent of that of R&D-performing affiliates with

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23. “High-intensity group” (or variants of this term) refers to the half of R&D performers with the highest R&D employment intensities, and “low-intensity group” refers to the half of R&D performers with the lowest R&D employment intensities.

24. There are multiple similar, but not identical, definitions of percentile. The value-added percentiles used here are constructed by ranking the parents according to their value added and dividing the set of parents into 100 groups, each with equal numbers of parents. The group consisting of the parents with the highest levels of value added are in the 100<sup>th</sup> percentile and the group consisting of the parents with the lowest levels of value added are in the 1<sup>st</sup> percentile.

25. Slightly more sophisticated calculations that excluded parents or affiliates in industries with little R&D or that adjusted for parent or affiliate industry (or that did both) did not considerably change the results.

low-intensity performance. Like the parents, the difference between the two groups is largely driven by the top 1 percent of value-added-generating affiliates.

- The average ranking by value-added percentile of affiliates with no R&D employment was 25 points less than that of both affiliates with high R&D employment intensities and affiliates with low intensities.

**Persistence of R&D performance.** MNCs that perform R&D tend to continue performing; firms that do not perform tend to continue not performing.<sup>26</sup>

- Of the MNCs that reported in both the 1999 and 2004 benchmark surveys, 33 percent performed R&D in both years, 55 percent performed no R&D in either year, 6 percent performed R&D only in 1999, and 7 percent performed R&D only in 2004.
- Of the U.S. parents that reported in both the 1999 and 2004 benchmark surveys, 31 percent performed R&D in both years, 57 percent performed no R&D in either year, 7 percent performed R&D only in 1999, and 5 percent performed R&D only in 2004.

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26. The unit of observation is the MNC or the U.S. parent. Foreign affiliates are not considered as units of observation because verifying the continuity of a given affiliate from one benchmark survey to the next is more problematic for an individual foreign affiliate than it is for an individual parent or for a group of all affiliates of the same parent.

*Tables 1–3 follow.*



**Table 1. R&D Expenditures, Employment, and Intensities of Nonbank U.S. Parents by Industry, 1999 and 2004**

|   | R&D expenditures<br>(millions of dollars) |                | R&D employment<br>(thousands of employees) |              | R&D intensity<br>(percent)                     |             |  |             |   |            |
|---|---|----------------|--|--------------|--|-------------|--|-------------|---|------------|
|   | 1999                                      | 2004           | 1999                                       | 2004         | Ratio of R&D<br>expenditures<br>to value added |             | Ratio of R&D expenditures<br>to value added of R&D-<br>performing U.S. parents |             | Ratio of R&D<br>employment to<br>total employment |            |
|   |   |                |  |              | 1999   | 2004        | 1999   | 2004        | 1999  | 2004       |
| <b>All industries</b> .....   | <b>126,291</b>                            | <b>152,384</b> | <b>646.8</b>                               | <b>818.7</b> | <b>6.6</b>                                     | <b>6.9</b>  | <b>10.8</b>  | <b>12.8</b> | <b>2.8</b>  | <b>3.8</b> |
| <b>Mining</b> .....   | <b>212</b>                                | <b>(D)</b>     | <b>3.1</b>                                 | <b>3.2</b>   | <b>1.1</b>                                     | <b>(D)</b>  | <b>1.8</b>   | <b>(D)</b>  | <b>2.8</b>  | <b>1.7</b> |
| Oil and gas extraction.....   | 53  | (D)            | 0.3  | 0.1          | 0.6  | (D)         | 1.2  | (D)         | 1.6   | 0.5        |
| Other .....   | 159                                       | 447            | 2.8  | 3.1          | 1.6  | 2.5         | 2.1  | 4.9         | 3.1   | 1.9        |
| <b>Utilities</b> .....  | <b>81</b>                                 | <b>18</b>      | <b>1.6</b>                                 | <b>0.2</b>   | <b>0.1</b>                                     | <b>(*)</b>  | <b>0.2</b>   | <b>0.1</b>  | <b>0.4</b>  | <b>0.1</b> |
| <b>Manufacturing</b> .....  | <b>104,842</b>                            | <b>120,851</b> | <b>485.9</b>                               | <b>632.5</b> | <b>11.3</b>                                    | <b>12.0</b> | <b>12.2</b>  | <b>13.1</b> | <b>5.4</b>  | <b>8.0</b> |
| Food .....  | 934                                       | 1,400          | 21.7                                       | 9.2          | 1.9  | 1.9         | 2.0  | 2.1         | 3.4   | 1.3        |
| Beverage and tobacco products.....                                      | 501                                       | 452            | 2.4  | 2.6          | 1.1  | 0.8         | 1.2  | 1.0         | 0.9   | 1.1        |
| Textiles, apparel, and leather products.....                            | 275                                       | 102            | 2.7  | 1.2          | 1.5  | 0.9         | 2.8  | 2.1         | 0.7   | 0.7        |
| Wood products .....   | 31  | 105            | 0.2  | 0.9          | 0.9  | 1.1         | 1.4  | 1.1         | 0.5   | 1.2        |
| Paper.....  | 1,478                                     | 1,336          | 9.2  | 8.6          | 3.2  | 3.7         | 3.3  | 5.1         | 2.1   | 2.8        |
| Printing and related support activities.....                            | 129                                       | 220            | 1.3  | 2.0          | 1.2  | 1.8         | 2.0  | 2.6         | 0.8   | 1.1        |
| Petroleum and coal products.....  | 990                                       | 1,251          | 8.1  | 7.2          | 1.2  | 1.0         | 1.3  | 1.2         | 2.9   | 3.4        |
| Chemicals .....   | 28,198                                    | 40,270         | 112.9                                      | 160.3        | 21.0   | 22.9        | 21.7   | 23.4        | 11.5  | 17.3       |
| Basic chemicals .....   | 1,627                                     | 1,881          | 12.7                                       | 9.5          | 8.6  | 10.4        | 9.3  | 10.6        | 8.7   | 7.9        |
| Resins and synthetic rubber, fibers, and filaments....                  | 2,784                                     | 2,392          | 13.6                                       | 14.9         | 14.6   | 13.2        | 14.7   | 13.2        | 10.7  | 15.8       |
| Pharmaceuticals and medicines .....                                     | 18,382                                    | 31,046         | 61.2                                       | 120.2        | 32.8   | 33.0        | 32.9   | 33.2        | 17.7  | 28.2       |
| Soap, cleaning compounds, and toilet preparations                       | 1,957                                     | 2,584          | 9.9  | 7.4          | 10.8   | 12.2        | 11.5   | 12.5        | 6.8   | 6.6        |
| Other .....   | 3,449                                     | 2,368          | 15.4                                       | 8.3          | 15.9   | 9.8         | 16.6   | 10.7        | 6.9   | 4.9        |
| Plastics and rubber products.....                                       | 1,031                                     | 925            | 8.2  | 6.8          | 4.4  | 4.0         | 4.7  | 4.4         | 2.7   | 2.6        |
| Nonmetallic mineral products.....                                       | 371                                       | 426            | 3.2  | 2.2          | 2.7  | 3.0         | 3.2  | 3.8         | 2.1   | 1.5        |
| Primary and fabricated metals .....                                     | 1,320                                     | 1,211          | 9.7  | 13.6         | 2.9  | 2.2         | 3.4  | 2.7         | 1.6   | 2.6        |
| Primary metals .....  | 760                                       | 472            | 3.8  | 8.2          | 3.3  | 1.6         | 3.8  | 1.9         | 1.3   | 3.0        |
| Fabricated metal products.....  | 560                                       | 739            | 5.9  | 5.4          | 2.4  | 2.9         | 2.9  | 3.8         | 1.8   | 2.1        |
| Machinery .....   | 5,252                                     | 5,780          | 34.9                                       | 32.2         | 10.3   | 11.0        | 11.4   | 11.7        | 5.2   | 5.4        |
| Agriculture, construction, and mining machinery .....                   | 1,340                                     | 1,722          | 7.4  | 8.3          | 10.6   | 12.4        | 11.3   | 12.7        | 4.8   | 6.4        |
| Industrial machinery.....   | 1,250                                     | 1,652          | 8.7  | 5.0          | 17.8   | 24.8        | 20.3   | 28.4        | 11.2  | 6.4        |
| Other .....   | 2,662                                     | 2,405          | 18.9                                       | 19.0         | 8.5  | 7.6         | 9.6  | 8.1         | 4.3   | 4.9        |
| Computers and electronic products .....                                 | 30,298                                    | 35,810         | 132.7                                      | 199.2        | 28.6   | 32.3        | 29.5   | 33.3        | 13.2  | 21.1       |
| Computers and peripheral equipment.....                                 | 5,659                                     | 7,371          | 24.5                                       | 49.2         | 29.0   | 29.5        | 29.6   | 29.6        | 12.9  | 23.3       |
| Communications equipment.....   | 13,276                                    | 10,473         | 68.7                                       | 65.5         | 38.4   | 35.5        | 38.6   | 37.8        | 20.8  | 29.7       |
| Audio and video equipment.....  | 407                                       | 433            | 2.1  | 2.6          | 7.4  | 18.4        | 7.5  | 19.1        | 3.7   | 10.4       |
| Semiconductors and other electronic components....                      | 8,997                                     | 12,369         | 25.9                                       | 61.9         | 23.0   | 40.7        | 24.2   | 41.7        | 7.8   | 27.0       |
| Navigational, measuring, and other instruments.....                     | 1,579                                     | (D)            | 9.8  | 19.7         | 25.3   | (D)         | 28.1   | (D)         | 11.1  | 7.7        |
| Magnetic and optical media .....  | 381                                       | (D)            | 1.7  | 0.2          | 30.3   | (D)         | 34.9   | (D)         | 16.4  | 6.4        |
| Electrical equipment, appliances, and components.....                   | 2,958                                     | 1,266          | 23.9                                       | 8.5          | 9.4  | 7.9         | 10.2   | 8.6         | 5.3   | 4.2        |
| Transportation equipment.....   | 29,162                                    | 25,795         | 99.7                                       | 152.9        | 12.3   | 12.8        | 12.8   | 13.1        | 4.5   | 8.2        |
| Motor vehicles, bodies and trailers, and parts.....                     | 17,513                                    | 14,662         | 62.8                                       | 86.0         | 13.3   | 17.9        | 13.9   | 19.1        | 5.4   | 8.9        |
| Other .....   | 11,649                                    | 11,133         | 36.9                                       | 66.9         | 11.1   | 9.3         | 11.5   | 9.3         | 3.5   | 7.5        |
| Furniture and related products.....                                     | 90  | 106            | 1.6  | 1.1          | 1.2  | 1.3         | 1.3  | 1.4         | 1.2   | 0.9        |
| Miscellaneous manufacturing.....  | 1,826                                     | 4,397          | 13.7                                       | 24.0         | 8.1  | 11.5        | 9.3  | 12.1        | 4.5   | 6.7        |
| <b>Wholesale trade</b> .....  | <b>4,000</b>                              | <b>(D)</b>     | <b>26.3</b>                                | <b>17.0</b>  | <b>5.0</b>                                     | <b>(D)</b>  | <b>10.0</b>  | <b>(D)</b>  | <b>2.9</b>  | <b>2.1</b> |
| <i>Of which:</i>  |   |                |  |              |  |             |  |             |   |            |
| Professional and commercial equipment and<br>supplies.....              | 2,635                                     | (D)            | 15.3                                       | (D)          | 11.9   | (D)         | 19.4   | (D)         | 6.6   | (D)        |
| Petroleum and petroleum products .....                                  | (D)                                       | (D)            | 0.2  | 0.5          | (D)  | (D)         | (D)  | (D)         | 0.6   | 0.9        |
| <b>Information</b> .....  | <b>6,763</b>                              | <b>14,003</b>  | <b>50.6</b>                                | <b>67.1</b>  | <b>2.7</b>                                     | <b>5.4</b>  | <b>5.5</b>   | <b>20.8</b> | <b>2.6</b>  | <b>3.8</b> |
| <i>Of which:</i>  |   |                |  |              |  |             |  |             |   |            |
| Publishing industries .....   | 4,050                                     | 11,018         | 25.1                                       | 46.1         | 10.2   | 21.9        | 20.0   | 43.5        | 7.7   | 14.3       |
| Telecommunications.....   | (D)                                       | 283            | 7.3  | (D)          | (D)  | 0.2         | (D)  | 1.2         | 0.9   | (D)        |
| <b>Finance (except depository institutions) and<br/>insurance</b> ..... | <b>315</b>                                | <b>350</b>     | <b>2.7</b>                                 | <b>8.2</b>   | <b>0.3</b>                                     | <b>0.2</b>  | <b>3.4</b>   | <b>1.0</b>  | <b>0.2</b>  | <b>0.7</b> |
| Finance, except depository institutions .....                           | 240                                       | 183            | (D)  | (D)          | 0.5  | 0.3         | 9.4  | 2.8         | (D)   | (D)        |
| Securities, commodity contracts, and other<br>intermediation .....      | (D)                                       | (D)            | 0.1  | (D)          | (D)  | (D)         | (D)  | (D)         | (*)   | (D)        |
| Other finance, except depository institutions .....                     | (D)                                       | (D)            | (D)  | 0.1          | (D)  | (D)         | (D)  | (D)         | (D)   | 0.1        |
| Insurance carriers and related activities.....                          | 75  | 167            | (D)  | (D)          | 0.1  | 0.2         | 1.1  | 0.6         | (D)   | (D)        |
| <b>Professional, scientific, and technical services</b> .....           | <b>8,522</b>                              | <b>12,787</b>  | <b>68.1</b>                                | <b>83.7</b>  | <b>8.9</b>                                     | <b>11.1</b> | <b>19.4</b>  | <b>23.0</b> | <b>6.7</b>  | <b>8.7</b> |
| Architectural, engineering, and related services .....                  | 49  | 91             | 0.4  | (D)          | 0.7  | 0.6         | 2.4  | 2.7         | 0.3   | (D)        |
| Computer systems design and related services .....                      | 7,453                                     | 8,689          | 45.1                                       | 54.1         | 17.7   | 20.0        | 20.3   | 22.1        | 11.5  | 15.1       |
| Management, scientific, and technical consulting .....                  | (D)                                       | 580            | (D)  | (D)          | (D)  | 4.9         | (D)  | 11.4        | (D)   | (D)        |
| Advertising and related services .....                                  | (D)                                       | 1              | (*)  | (*)          | (D)  | (*)         | (D)  | 0.5         | 0.2   | (*)        |
| Other .....   | 716                                       | 3,427          | (D)  | 19.1         | 2.5  | 9.6         | 28.7   | 44.8        | (D)   | 6.8        |
| <b>Other industries</b> .....   | <b>1,556</b>                              | <b>1,028</b>   | <b>8.5</b>                                 | <b>6.9</b>   | <b>0.5</b>                                     | <b>0.2</b>  | <b>3.3</b>   | <b>3.7</b>  | <b>0.1</b>  | <b>0.1</b> |
| Agriculture, forestry, fishing, and hunting .....                       | 2   | 32             | (*)  | 0.4          | 0.2  | 1.8         | 0.4  | 2.1         | 0.1   | 1.6        |
| Construction .....  | (D)                                       | 3              | (D)  | (*)          | (D)  | (*)         | (D)  | 1.8         | (D)   | (*)        |
| Retail trade.....   | (D)                                       | 53             | (D)  | 0.7          | (D)  | (*)         | (D)  | 0.8         | (D)   | (*)        |
| Transportation and warehousing.....                                     | 26  | (*)            | 0.2  | (D)          | (*)  | (*)         | 0.2  | (*)         | (*)   | (D)        |
| Real estate and rental and leasing.....                                 | (D)                                       | (D)            | 0.1  | 0.1          | (D)  | (D)         | (D)  | (D)         | 0.1   | (*)        |
| Real estate .....   | 0   | 0              | 0.0  | 0.0          | 0.0  | 0.0         | 0.0  | 0.0         | 0.0   | 0.0        |
| Rental and leasing (except real estate).....                            | (D)                                       | (D)            | 0.1  | 0.1          | (D)  | (D)         | (D)  | (D)         | 0.1   | (*)        |
| Management of nonbank companies and enterprises                         | 0   | 0              | 0.0  | 0.0          | 0.0  | 0.0         | 0.0  | 0.0         | 0.0   | 0.0        |
| Administration, support, and waste management .....                     | 6   | (D)            | 0.1  | (D)          | (*)  | (D)         | 0.2  | (D)         | (*)   | (D)        |
| Health care and social assistance.....                                  | (D)                                       | 32             | 0.1  | 0.2          | (D)  | 0.1         | (D)  | 1.3         | (*)   | 0.1        |
| Accommodation and food services.....                                    | 25  | 9              | 0.3  | (*)          | 0.1  | (*)         | 0.3  | 0.2         | (*)   | (*)        |
| Accommodation .....   | 0   | 0              | 0.0  | 0.0          | 0.0  | 0.0         | 0.0  | 0.0         | 0.0   | 0.0        |
| Food services and drinking places.....                                  | 25  | 9              | 0.3  | (*)          | 0.1  | (*)         | 0.3  | 0.2         | (*)   | (*)        |
| Miscellaneous services .....  | 15  | 163            | 0.1  | 1.4          | 0.2  | 1.0         | 2.0  | 7.3         | 0.1   | 0.4        |

D Suppressed to avoid disclosure of data of individual companies.  
 \* Less than \$500,000, fewer than 50 employees, or less than 0.05 percent (+/-).  
 R&D Research and development

Table 2. R&D Expenditures, Employment, and Intensities of Nonbank Majority-Owned Foreign Affiliates by Industry, 1999 and 2004<sup>1</sup>

|   | R&D expenditures<br>(millions of dollars) |               | R&D employment<br>(thousands of employees) |              | R&D intensity (percent)                        |            |   |             |   |            |
|---|---|---------------|--|--------------|--|------------|---|-------------|---|------------|
|   |   |               |  |              | Ratio of R&D<br>expenditures<br>to value added |            | Ratio of R&D expenditures<br>to value added of R&D-<br>performing MOFAs |             | Ratio of R&D<br>employment to<br>total employment |            |
|   | 1999                                      | 2004          | 1999                                       | 2004         | 1999   | 2004       | 1999  | 2004        | 1999  | 2004       |
| <b>All industries</b> .....   | <b>18,144</b>                             | <b>27,529</b> | <b>123.5</b>                               | <b>179.3</b> | <b>3.2</b>                                     | <b>3.3</b> | <b>9.2</b>  | <b>11.0</b> | <b>1.6</b>  | <b>2.1</b> |
| <b>Mining</b> .....   | <b>8</b>                                  | <b>8</b>      | <b>0.1</b>                                 | <b>0.1</b>   | <b>(*)</b>                                     | <b>(*)</b> | <b>0.1</b>  | <b>0.2</b>  | <b>0.1</b>  | <b>0.1</b> |
| Oil and gas extraction .....  | 4   | 3             | 0.0  | 0.1          | 0.1  | 0.1        | 0.1   | 0.1         | 0.0   | 0.1        |
| Other .....   | 4   | 4             | 0.1  | (*)          | 0.1  | (*)        | 1.3   | 1.2         | 0.1   | (*)        |
| <b>Utilities</b> .....  | <b>(*)</b>                                | <b>2</b>      | <b>(*)</b>                                 | <b>(*)</b>   | <b>(*)</b>                                     | <b>(*)</b> | <b>0.5</b>  | <b>2.0</b>  | <b>(*)</b>  | <b>(*)</b> |
| <b>Manufacturing</b> .....  | <b>16,388</b>                             | <b>23,288</b> | <b>108.5</b>                               | <b>150.8</b> | <b>5.2</b>                                     | <b>6.0</b> | <b>9.5</b>  | <b>11.3</b> | <b>2.5</b>  | <b>3.5</b> |
| Food .....  | 367                                       | 634           | 3.3  | 3.4          | 2.0  | 2.6        | 3.1   | 3.9         | 1.0   | 0.9        |
| Beverage and tobacco products .....                                     | 32  | 23            | 0.3  | 0.2          | 0.1  | 0.1        | 0.3   | 0.2         | 0.2   | 0.2        |
| Textiles, apparel, and leather products .....                           | 37  | 68            | 0.4  | 0.5          | 1.0  | 2.0        | 3.7   | 5.4         | 0.3   | 0.4        |
| Wood products .....   | 2   | 1             | (*)  | (*)          | 0.1  | (*)        | 1.1   | 0.3         | 0.1   | (*)        |
| Paper .....   | 265                                       | 88            | 1.9  | 0.7          | 3.0  | 0.8        | 5.9   | 1.9         | 1.4   | 0.6        |
| Printing and related support activities .....                           | 3   | 11            | 0.0  | 0.1          | 0.3  | 0.7        | 1.0   | 9.7         | 0.1   | 0.3        |
| Petroleum and coal products .....                                       | 66  | 43            | 0.5  | 0.4          | 0.1  | 0.1        | 0.3   | 0.2         | 1.2   | 1.0        |
| Chemicals .....   | 4,340                                     | 6,254         | 25.4                                       | 26.8         | 7.4  | 8.2        | 11.3  | 13.6        | 4.5   | 4.8        |
| Basic chemicals .....   | 106                                       | 147           | 1.5  | 1.6          | 1.2  | 1.3        | 3.0   | 3.0         | 1.9   | 2.2        |
| Resins and synthetic rubber, fibers, and filaments .....                | 173                                       | 242           | 2.0  | 2.0          | 3.7  | 3.9        | 4.7   | 4.6         | 5.0   | 4.7        |
| Pharmaceuticals and medicines .....                                     | 3,578                                     | 5,302         | 17.1                                       | 18.6         | 14.0   | 15.5       | 17.3  | 20.9        | 8.5   | 9.2        |
| Soap, cleaning compounds, and toilet preparations .....                 | 135                                       | 186           | 1.4  | 1.9          | 1.5  | 1.6        | 3.0   | 4.6         | 1.1   | 1.4        |
| Other .....   | 348                                       | 377           | 3.5  | 2.7          | 3.2  | 3.0        | 5.9   | 6.0         | 3.0   | 2.4        |
| Plastics and rubber products .....                                      | 216                                       | 293           | 1.9  | 2.2          | 2.6  | 2.7        | 7.5   | 4.7         | 1.1   | 1.3        |
| Nonmetallic mineral products .....                                      | 38  | 378           | 1.7  | 0.6          | 1.0  | 6.6        | 4.0   | 17.0        | 2.5   | 0.8        |
| Primary and fabricated metals .....                                     | 151                                       | 197           | 1.4  | 1.9          | 1.2  | 1.3        | 3.1   | 2.5         | 0.6   | 0.8        |
| Primary metals .....  | 27  | 40            | 0.3  | 0.5          | 0.6  | 0.6        | 1.1   | 0.9         | 0.4   | 0.4        |
| Fabricated metal products .....   | 124                                       | 157           | 1.2  | 1.4          | 1.6  | 1.9        | 5.1   | 4.7         | 0.8   | 1.1        |
| Machinery .....   | 748                                       | 791           | 6.4  | 6.7          | 4.0  | 3.8        | 7.2   | 7.8         | 1.8   | 1.9        |
| Agriculture, construction, and mining machinery .....                   | 168                                       | 230           | 1.3  | 1.5          | 4.7  | 4.3        | 7.3   | 7.2         | 2.2   | 2.0        |
| Industrial machinery .....  | 216                                       | 118           | 1.3  | 1.1          | 9.9  | 5.5        | 17.1  | 13.7        | 3.7   | 3.4        |
| Other .....   | 364                                       | 443           | 3.8  | 4.1          | 2.8  | 3.3        | 5.3   | 7.2         | 1.5   | 1.7        |
| Computers and electronic products .....                                 | 3,773                                     | 5,283         | 22.8                                       | 39.8         | 10.0   | 13.5       | 19.1  | 22.1        | 3.0   | 6.2        |
| Computers and peripheral equipment .....                                | 356                                       | 479           | 2.1  | 2.3          | 2.7  | 4.0        | 6.2   | 12.7        | 0.9   | 1.7        |
| Communications equipment .....  | 2,403                                     | 3,179         | 12.8                                       | 24.7         | 38.3   | 54.8       | 44.6  | 64.6        | 12.9  | 19.1       |
| Audio and video equipment .....   | 146                                       | (D)           | 1.2  | 0.5          | 43.1   | (D)        | n.m.  | (D)         | 2.4   | 1.4        |
| Semiconductors and other electronic components .....                    | 644                                       | 1,057         | 5.1  | 8.0          | 4.8  | 7.4        | 9.5   | 9.5         | 1.6   | 3.0        |
| Navigational, measuring, and other instruments .....                    | 224                                       | 500           | 1.7  | 4.1          | 6.2  | 9.5        | 12.0  | 14.7        | 3.3   | 6.1        |
| Magnetic and optical media .....  | 0   | (D)           | 0.0  | 0.3          | 0.0  | (D)        | 0.0   | (D)         | 0.0   | 3.4        |
| Electrical equipment, appliances, and components .....                  | 214                                       | 551           | 3.8  | 5.5          | 2.9  | 5.2        | 5.0   | 7.5         | 1.4   | 2.2        |
| Transportation equipment .....  | 5,669                                     | 7,741         | 35.5                                       | 56.4         | 11.6   | 14.0       | 16.9  | 20.6        | 4.1   | 6.0        |
| Motor vehicles, bodies and trailers, and parts .....                    | 5,385                                     | 7,161         | 32.7                                       | 51.8         | 11.6   | 13.8       | 16.8  | 20.1        | 4.0   | 5.8        |
| Other .....   | 284                                       | 579           | 2.8  | 4.6          | 11.0   | 17.0       | 19.8  | 28.8        | 6.8   | 9.6        |
| Furniture and related products .....                                    | (D)                                       | 44            | 0.2  | 0.4          | (D)  | 2.7        | (D)   | 4.7         | 0.5   | 1.3        |
| Miscellaneous manufacturing .....                                       | (D)                                       | 887           | 2.9  | 5.2          | (D)  | 5.9        | (D)   | 10.0        | 1.7   | 2.9        |
| <b>Wholesale trade</b> .....  | <b>515</b>                                | <b>1,205</b>  | <b>4.0</b>                                 | <b>7.9</b>   | <b>0.7</b>                                     | <b>1.0</b> | <b>5.0</b>  | <b>7.7</b>  | <b>0.6</b>  | <b>1.1</b> |
| <i>Of which:</i>  |   |               |  |              |  |            |   |             |   |            |
| Professional and commercial equipment and<br>supplies .....             | 272                                       | 724           | 2.0  | 5.0          | 1.0  | 2.2        | 5.3   | 8.8         | 0.8   | 1.7        |
| Petroleum and petroleum products .....                                  | (D)                                       | (*)           | 0.1  | (*)          | (D)  | (*)        | (D)   | 1.8         | 0.2   | 0.2        |
| <b>Information</b> .....  | <b>161</b>                                | <b>843</b>    | <b>1.2</b>                                 | <b>4.7</b>   | <b>0.8</b>                                     | <b>2.3</b> | <b>11.2</b>   | <b>14.2</b> | <b>0.4</b>  | <b>1.5</b> |
| <i>Of which:</i>  |   |               |  |              |  |            |   |             |   |            |
| Publishing industries .....   | 132                                       | 781           | 0.8  | 4.1          | 2.6  | 7.0        | 11.0  | 14.2        | 1.4   | 5.4        |
| Telecommunications .....  | 1   | 42            | (*)  | 0.4          | (*)  | 0.4        | 12.7  | 31.1        | (*)   | 0.5        |
| <b>Finance (except depository institutions) and<br/>insurance</b> ..... | <b>1</b>                                  | <b>1</b>      | <b>0.0</b>                                 | <b>(*)</b>   | <b>(*)</b>                                     | <b>(*)</b> | <b>n.m.</b>   | <b>0.6</b>  | <b>0.0</b>  | <b>(*)</b> |
| Finance, except depository institutions .....                           | 0   | 0             | 0.0  | (*)          | 0.0  | (*)        | 0.0   | 5.5         | 0.0   | (*)        |
| Securities, commodity contracts, and other<br>intermediation .....      | 0   | 1             | 0.0  | (*)          | 0.0  | (*)        | 0.0   | 5.5         | 0.0   | (*)        |
| Other finance, except depository institutions .....                     | 0   | 0             | 0.0  | 0.0          | 0.0  | 0.0        | 0.0   | 0.0         | 0.0   | 0.0        |
| Insurance carriers and related activities .....                         | 1   | (*)           | 0.0  | (*)          | (*)  | (*)        | n.m.  | (*)         | 0.0   | (*)        |
| <b>Professional, scientific, and technical services</b> .....           | <b>1,040</b>                              | <b>2,120</b>  | <b>9.5</b>                                 | <b>15.2</b>  | <b>3.3</b>                                     | <b>4.6</b> | <b>22.3</b>   | <b>14.0</b> | <b>2.4</b>  | <b>3.2</b> |
| Architectural, engineering, and related services .....                  | (D)                                       | 152           | (D)  | 1.3          | (D)  | 4.7        | (D)   | 72.9        | (D)   | 3.4        |
| Computer systems design and related services .....                      | 305                                       | 888           | 2.6  | 6.8          | 1.9  | 3.5        | 7.9   | 6.4         | 1.7   | 2.9        |
| Management, scientific, and technical consulting .....                  | (D)                                       | 97            | 0.1  | 0.8          | (D)  | 1.5        | (D)   | 171.2       | 0.1   | 1.6        |
| Advertising and related services .....                                  | 0   | 0             | 0.0  | 0.0          | 0.0  | 0.0        | 0.0   | 0.0         | 0.0   | 0.0        |
| Other .....   | 519                                       | 982           | (D)  | 6.3          | 15.5   | 15.7       | 114.7   | 97.3        | (D)   | 6.6        |
| <b>Other industries</b> .....   | <b>31</b>                                 | <b>64</b>     | <b>0.2</b>                                 | <b>0.7</b>   | <b>0.1</b>                                     | <b>0.1</b> | <b>2.4</b>  | <b>3.5</b>  | <b>0.0</b>  | <b>(*)</b> |
| Agriculture, forestry, fishing, and hunting .....                       | 5   | (D)           | 0.1  | 0.3          | 0.9  | (D)        | 4.2   | (D)         | 0.1   | 0.5        |
| Construction .....  | (*)                                       | 8             | 0.0  | 0.1          | (*)  | 0.3        | (*)   | 6.4         | 0.0   | 0.4        |
| Retail trade .....  | 1   | 4             | (*)  | (*)          | (*)  | (*)        | 1.4   | 1.1         | (*)   | (*)        |
| Transportation and warehousing .....                                    | 0   | (*)           | 0.0  | (*)          | 0.0  | (*)        | 0.0   | (*)         | 0.0   | (*)        |
| Real estate and rental and leasing .....                                | 1   | 2             | (*)  | (*)          | (*)  | (*)        | 1.1   | 1.6         | (*)   | (*)        |
| Real estate .....   | 0   | 0             | 0.0  | 0.0          | 0.0  | 0.0        | 0.0   | 0.0         | 0.0   | 0.0        |
| Rental and leasing (except real estate) .....                           | 1   | 2             | (*)  | (*)          | (*)  | (*)        | 1.1   | 1.6         | (*)   | (*)        |
| Management of nonbank companies and enterprises .....                   | 16  | (D)           | 0.1  | 0.1          | n.m.   | (D)        | 23.3  | (D)         | 0.7   | 0.3        |
| Administration, support, and waste management .....                     | 0   | 5             | 0.0  | 0.1          | 0.0  | (*)        | 0.0   | 1.0         | 0.0   | (*)        |
| Health care and social assistance .....                                 | (*)                                       | 0             | (*)  | 0.0          | (*)  | 0.0        | n.m.  | 0.0         | (*)   | 0.0        |
| Accommodation and food services .....                                   | (*)                                       | (*)           | (*)  | (*)          | (*)  | (*)        | 0.1   | 0.1         | (*)   | (*)        |
| Accommodation .....   | 0   | 0             | 0.0  | 0.0          | 0.0  | 0.0        | 0.0   | 0.0         | 0.0   | 0.0        |
| Food services and drinking places .....                                 | (*)                                       | (*)           | (*)  | (*)          | (*)  | (*)        | 0.1   | 0.1         | (*)   | (*)        |
| Miscellaneous services .....  | 8   | 7             | 0.1  | 0.1          | 0.2  | 0.2        | 1.1   | 3.9         | 0.1   | 0.1        |

\* Less than \$500,000, fewer than 50 employees, or less than 0.05 percent (+/-).

D Suppressed to avoid disclosure of data of individual companies.

n.m. Not meaningful

1. In this table, MOFAs R&D expenditures are classified by their own industry. In table B, their R&D expendi-

tures are classified by the industry of their U.S. parent.

MOFAs Majority-owned foreign affiliates

R&D Research and development

Table 3. R&amp;D Expenditures, Employment, and Intensities of Nonbank Majority-Owned Foreign Affiliates by Country, 1999 and 2004

|   | R&D expenditures<br>(millions of dollars) |               | R&D employment<br>(thousands of employees) |              | R&D intensity (percent)                        |             |   |             |   |             |
|---|---|---------------|--|--------------|--|-------------|---|-------------|---|-------------|
|   | 1999                                      | 2004          | 1999                                       | 2004         | Ratio of R&D<br>expenditures<br>to value added |             | Ratio of R&D expenditures<br>to value added of R&D-<br>performing MOFAs |             | Ratio of R&D<br>employment to<br>total employment |             |
|   |   |               |  |              | 1999   | 2004        | 1999  | 2004        | 1999  | 2004        |
| <b>All countries</b> .....                              | <b>18,144</b>                             | <b>27,529</b> | <b>123.5</b>                               | <b>179.3</b> | <b>3.2</b>                                     | <b>3.3</b>  | <b>9.2</b>  | <b>11.0</b> | <b>1.6</b>  | <b>2.1</b>  |
| <b>Canada</b> .....                                     | <b>1,681</b>                              | <b>2,702</b>  | <b>7.9</b>                                 | <b>18.4</b>  | <b>2.6</b>                                     | <b>2.9</b>  | <b>6.8</b>  | <b>9.9</b>  | <b>0.8</b>  | <b>1.7</b>  |
| <b>Europe</b> .....                                     | <b>12,217</b>                             | <b>18,148</b> | <b>83.1</b>                                | <b>113.8</b> | <b>3.8</b>                                     | <b>3.9</b>  | <b>9.6</b>  | <b>12.0</b> | <b>2.4</b>  | <b>2.9</b>  |
| Austria .....   | 82  | 134           | 0.6  | 0.8          | 2.4  | 2.9         | 9.8   | 10.7        | 1.8   | 2.3         |
| Belgium .....   | 375                                       | 628           | 2.2  | 2.4          | 2.8  | 3.4         | 15.1  | 14.8        | 1.8   | 2.0         |
| Czech Republic .....                                    | 6   | 20            | 0.1  | (*)          | 0.5  | 0.7         | 5.1   | 3.6         | 0.2   | (*)         |
| Denmark .....   | 57  | 143           | 0.5  | 0.8          | 1.9  | 2.6         | 11.4  | 13.1        | 1.6   | 2.2         |
| Finland .....   | 59  | 106           | 0.5  | 0.9          | 2.6  | 3.7         | 11.0  | 14.7        | 3.5   | 4.7         |
| France .....  | 1,452                                     | 1,854         | 10.8                                       | 10.5         | 3.9  | 3.9         | 8.9   | 11.6        | 2.0   | 1.9         |
| Germany .....   | 3,377                                     | 4,693         | 25.3                                       | 32.6         | 5.5  | 6.3         | 11.6  | 12.2        | 3.9   | 5.4         |
| Greece .....  | 6   | 8             | 0.1  | (*)          | 0.6  | (*)         | 3.0   | 5.7         | 0.4   | (*)         |
| Hungary .....   | 13  | 25            | 0.2  | (*)          | 1.1  | 1.1         | 3.4   | 6.0         | 0.4   | (*)         |
| Ireland .....   | 251                                       | 876           | 1.3  | 4.7          | 1.7  | 3.2         | 3.9   | 6.8         | 1.5   | 5.7         |
| Italy .....   | 504                                       | 727           | 3.8  | 5.9          | 2.3  | 2.5         | 8.9   | 8.2         | 2.0   | 2.5         |
| Luxembourg .....  | (D)                                       | 101           | 0.7  | 0.8          | (D)  | n.m.        | (D)   | 17.1        | 7.4   | 7.7         |
| Netherlands .....                                       | 374                                       | 533           | 3.8  | 4.1          | 2.0  | 1.9         | 5.7   | 7.7         | 2.3   | 2.3         |
| Norway .....  | 26  | 33            | 0.2  | (*)          | 0.4  | (*)         | 0.9   | 1.2         | 0.5   | 1.0         |
| Poland .....  | 34  | 38            | 0.1  | (*)          | 2.9  | 0.8         | 10.1  | 5.9         | 0.2   | (*)         |
| Portugal .....  | 14  | 9             | 0.1  | (*)          | 0.6  | (*)         | 4.1   | 1.9         | 0.2   | (*)         |
| Russia .....  | 1   | 17            | (*)  | (*)          | 0.9  | 0.6         | n.m.  | 4.5         | (*)   | (*)         |
| Spain .....   | (D)                                       | 327           | 1.8  | 2.3          | (D)  | 2.2         | (D)   | 6.1         | 1.1   | 1.2         |
| Sweden .....  | 1,036                                     | 1,525         | 1.7  | 8.6          | 16.7   | 13.8        | 45.6  | 37.1        | 2.3   | 8.5         |
| Switzerland .....                                       | 231                                       | 868           | 1.5  | 4.1          | 2.6  | 4.9         | 7.8   | 14.1        | 2.8   | 6.1         |
| Turkey .....  | 6   | 12            | (*)  | (*)          | 0.3  | (*)         | 2.7   | 5.2         | 0.1   | (*)         |
| United Kingdom .....                                    | 4,000                                     | 5,462         | 27.7                                       | 33.5         | 3.9  | 4.1         | 9.0   | 14.5        | 2.6   | 2.9         |
| Other .....   | 1   | 14            | 0.1  | (*)          | 0.1  | (*)         | 1.7   | 1.2         | 0.2   | (*)         |
| <b>Latin America and Other Western Hemisphere</b> ..... | <b>613</b>                                | <b>882</b>    | <b>9.0</b>                                 | <b>8.3</b>   | <b>1.0</b>                                     | <b>1.1</b>  | <b>4.4</b>  | <b>4.9</b>  | <b>0.6</b>  | <b>0.5</b>  |
| South America .....                                     | 366                                       | 394           | 6.3  | 5.1          | 1.1  | 1.0         | 4.0   | 3.6         | 1.0   | 0.8         |
| Argentina .....   | 26  | 23            | 0.3  | (*)          | 0.4  | (*)         | 2.2   | 1.0         | 0.3   | (*)         |
| Brazil .....  | 288                                       | 340           | 5.4  | 4.6          | 1.7  | 1.9         | 4.2   | 4.7         | 1.5   | 1.3         |
| Chile .....   | 4   | 9             | (*)  | (*)          | 0.1  | (*)         | 3.7   | 3.2         | 0.1   | (*)         |
| Columbia .....  | 6   | 4             | 0.1  | (*)          | 0.3  | (*)         | 1.5   | 0.8         | 0.3   | (*)         |
| Ecuador .....   | (*)                                       | 0             | (*)  | 0.0          | (*)  | 0.0         | 0.3   | 0.0         | 0.5   | 0.0         |
| Peru .....  | 2   | 2             | 0.1  | (*)          | 0.1  | (*)         | 2.1   | 1.6         | 0.3   | (*)         |
| Venezuela .....   | 40  | 14            | 0.4  | (*)          | 1.3  | (*)         | 7.5   | 3.7         | 0.7   | (*)         |
| Other .....   | (*)                                       | 1             | (*)  | 0.0          | (*)  | (*)         | 0.2   | 0.7         | (*)   | 0.0         |
| Central America .....                                   | 240                                       | (D)           | 2.7  | 3.3          | 1.2  | (D)         | 5.3   | (D)         | 0.3   | (*)         |
| Costa Rica .....  | 2   | 5             | (*)  | (*)          | 0.4  | 0.7         | n.m.  | 2.8         | 0.1   | (*)         |
| Honduras .....  | 0   | 1             | 0.0  | (*)          | 0.0  | (*)         | 0.0   | 2.9         | 0.0   | 0.8         |
| Mexico .....  | 238                                       | (D)           | 2.7  | 3.0          | 1.4  | (D)         | 5.3   | (D)         | 0.3   | (*)         |
| Panama .....  | (*)                                       | (*)           | 0.0  | (*)          | (*)  | (*)         | 1.0   | 1.0         | 0.0   | (*)         |
| Other .....   | (*)                                       | (*)           | (*)  | (*)          | (*)  | (*)         | 1.0   | (*)         | (*)   | (*)         |
| Other Western Hemisphere .....                          | 6   | (D)           | (*)  | (*)          | 0.1  | (D)         | 6.1   | (D)         | (*)   | (*)         |
| Barbados .....  | (*)                                       | (D)           | 0.0  | (*)          | (*)  | (D)         | n.m.  | (D)         | 0.0   | (*)         |
| Bermuda .....   | 1   | 0             | 0.0  | 0.0          | 0.1  | 0.0         | n.m.  | 0.0         | 0.0   | 0.0         |
| Dominican Republic .....                                | 1   | (*)           | (*)  | (*)          | 0.1  | (*)         | 26.1  | 2.6         | 0.1   | (*)         |
| United Kingdom Islands, Caribbean .....                 | 4   | 0             | 0.0  | 0.0          | 0.2  | 0.0         | 3.6   | 0.0         | 0.1   | 0.0         |
| Other .....   | 0   | 1             | 0.0  | 0.0          | 0.0  | (*)         | 0.0   | 1.3         | 0.0   | 0.0         |
| <b>Africa</b> .....                                     | <b>18</b>                                 | <b>36</b>     | <b>0.2</b>                                 | <b>(*)</b>   | <b>0.2</b>                                     | <b>(*)</b>  | <b>3.6</b>  | <b>1.4</b>  | <b>0.1</b>  | <b>(*)</b>  |
| Egypt .....   | 3   | 3             | (*)  | (*)          | 0.3  | (*)         | 2.6   | 8.1         | 0.3   | (*)         |
| Nigeria .....   | 0   | (*)           | 0.0  | (*)          | 0.0  | (*)         | 0.0   | (*)         | 0.0   | (*)         |
| South Africa .....                                      | 14  | 30            | 0.1  | (*)          | 0.8  | 0.7         | 4.5   | 3.5         | 0.2   | (*)         |
| Other .....   | 1   | 2             | (*)  | (*)          | (*)  | (*)         | 1.0   | 1.9         | (*)   | (*)         |
| <b>Middle East</b> .....                                | <b>389</b>                                | <b>826</b>    | <b>2.6</b>                                 | <b>6.4</b>   | <b>7.3</b>                                     | <b>10.8</b> | <b>56.5</b>   | <b>51.0</b> | <b>4.9</b>  | <b>11.8</b> |
| Israel .....  | 389                                       | 824           | 2.6  | 6.4          | 23.4   | 35.4        | 60.3  | 53.2        | 7.8   | 17.6        |
| Saudi Arabia .....                                      | (*)                                       | (*)           | (*)  | (*)          | (*)  | (*)         | 0.2   | (*)         | (*)   | (*)         |
| United Arab Emirates .....                              | 0   | 2             | 0.0  | (*)          | 0.0  | (*)         | 0.0   | 3.6         | 0.0   | (*)         |
| Other .....   | 0   | 0             | 0.0  | 0.0          | 0.0  | 0.0         | 0.0   | 0.0         | 0.0   | 0.0         |
| <b>Asia and Pacific</b> .....                           | <b>3,226</b>                              | <b>4,934</b>  | <b>20.8</b>                                | <b>32.0</b>  | <b>3.2</b>                                     | <b>3.1</b>  | <b>11.0</b>   | <b>10.1</b> | <b>1.4</b>  | <b>1.7</b>  |
| Australia .....   | 294                                       | 471           | 3.2  | 3.5          | 1.5  | 1.6         | 4.5   | 6.9         | 1.3   | 1.3         |
| China .....   | 319                                       | 622           | 2.0  | 6.2          | 8.1  | 4.7         | 23.6  | 18.0        | 0.8   | 1.5         |
| Hong Kong .....   | 214                                       | 220           | 1.2  | 1.2          | 2.7  | 2.6         | 32.1  | 20.3        | 1.3   | 1.0         |
| India .....   | 20  | 163           | 0.2  | 1.6          | 1.8  | 4.1         | 6.3   | 15.6        | 0.3   | 1.0         |
| Indonesia .....   | 1   | 4             | (*)  | (*)          | (*)  | (*)         | 0.4   | 2.1         | (*)   | (*)         |
| Japan .....   | 1,523                                     | 1,742         | 7.5  | 9.3          | 5.0  | 3.7         | 14.9  | 7.1         | 3.6   | 4.1         |
| Korea, Republic of .....                                | 101                                       | 246           | 1.0  | 2.1          | 3.1  | 3.6         | 11.1  | 9.0         | 2.2   | 2.6         |
| Malaysia .....  | 161                                       | 301           | (D)  | 3.2          | 3.4  | 4.6         | 11.9  | 15.9        | (D)   | 3.3         |
| New Zealand .....                                       | 9   | 25            | 0.1  | (*)          | 0.4  | 0.8         | 1.3   | 2.1         | 0.3   | (*)         |
| Philippines .....                                       | 31  | 44            | 0.5  | 0.7          | 1.1  | 1.4         | 3.1   | 5.9         | 0.6   | 0.8         |
| Singapore .....   | 426                                       | 711           | 2.6  | 3.1          | 4.3  | 5.3         | 9.2   | 25.9        | 2.3   | 2.8         |
| Taiwan .....  | 122                                       | 363           | 0.9  | 0.6          | 2.0  | 6.1         | 9.9   | 24.8        | 1.2   | 0.8         |
| Thailand .....  | 7   | 23            | 0.1  | (*)          | 0.2  | (*)         | 3.4   | 2.5         | 0.1   | (*)         |
| Other .....   | (*)                                       | (*)           | (D)  | (*)          | (*)  | (*)         | 1.2   | 1.3         | (D)   | (*)         |

\* Less than \$500,000, fewer than 50 employees, or less than 0.05 percent (+/-).  
D Suppressed to avoid disclosure of data of individual companies.  
n.m. Not meaningful

MOFAs Majority-owned foreign affiliates  
R&D Research and development

## Research Spotlight

### The Internal Markets of Multinational Firms

By Mihir A. Desai, C. Fritz Foley, and James R. Hines Jr.

THE rising economic importance of multinational firms has been accompanied by significant changes in their structure and functioning. Multinational firms, historically characterized as webs of autonomous subsidiaries spread across countries, now represent globally integrated production systems serving worldwide customers. These changes are manifest in the rising significance of intrafirm trade and financial flows for these firms. While there is extensive analysis of aggregate patterns in intrafirm flows of goods and capital, few firm-based studies examine the workings of the internal markets of multinational firms, largely because of the difficulty in accessing the necessary data.

A number of our recent projects investigated the internal markets of U.S. multinational firms. Our research demonstrates that internal market operations represent a critical aspect of firm responses to costly external finance, capital controls, and currency fluctuations. Our research also shows that the changing nature of internal markets has influenced how firms operate and finance themselves around the world. An important insight emerging from this research is that firms use internal markets opportunistically, particularly in response to distortions in local markets. This Research Spotlight summarizes this body of work.

Our research is based on work conducted at the U.S. Bureau of Economic Analysis (BEA) through a special program that provides access to the agency's rich store of confidential firm-level data on multinational companies for analytical purposes (see the box "BEA Program for Outside Researchers"). The firm-level data

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collected in BEA's surveys of international direct investment are used by BEA to produce aggregated tabular data on multinational-company operations for release to the general public. In its benchmark and annual surveys of U.S. direct investment abroad, BEA collects the most comprehensive and reliable available data on the activities of U.S. multinational firms.<sup>1</sup>

Several notable features of BEA's direct investment abroad surveys distinguish them from other data sources. First, BEA's firm-level data include balance sheets and income statements for all of a multinational firm's affiliates, offering considerably finer firm-level detail than the aggregated geographic or industry segment data available through public financial records. Also, aggregation in public financial statements and the differential reporting standards of firms in different countries can hinder comparisons across firms. Second, the BEA filings provide details on intrafirm transactions, such as intrafirm borrowing, intrafirm dividends, and intrafirm trade. Without access to such detailed information, previous studies were forced to infer aspects of intrafirm transactions (such as capital reallocations across divisions) from observed outcomes. The variety of operating information for parent companies and their affiliates also allows for analysis that controls for a variety of potentially confounding factors.

This rich data source creates two distinct research opportunities. First, new insights regarding financing and operating decisions can be obtained by analyzing decisionmaking in different institutional settings. Second, examining the internal markets of multinational firms promises to generate new insights into how firms structure their worldwide operations and how policies can impact those decisions. The remainder of this article summarizes our research on the internal markets of

1. For a discussion of the most recent data collected, see Raymond J. Mataloni Jr. and Daniel R. Yorgason, "Operations of U.S. Multinational Companies: Preliminary Results From the 2004 Benchmark Survey," *SURVEY OF CURRENT BUSINESS* 86 (November 2006): 37–68. For general information on the statistics that are available on U.S. multinational firms, see Raymond J. Mataloni Jr., "A Guide to BEA Statistics on U.S. Multinational Companies," *SURVEY* 65 (March 1995): 38–55.

multinational firms in the following areas:

- Ownership decisions
- Weak investor protection and shallow capital markets
- Dividend policies
- Capital controls
- Currency depreciations

### Ownership Decisions

One of the most fundamental decisions firms face when expanding abroad is whether to organize foreign operations as joint ventures or as wholly owned affiliates. Multinational firms frequently have the option to own 100 percent, majority, or minority shares of foreign entities. It is widely believed that the forces of globalization make the use of joint ventures particularly attractive, but this presumption rests on aspects of the ownership decisions of American multinational firms that, until recently, were not rigorously examined.

“The Costs of Shared Ownership: Evidence From International Joint Ventures” provides a comprehensive review of U.S. overseas affiliate activity from 1982 to 1997, offering evidence that over time American multinational firms have become less inclined to organize their foreign operations as joint ventures. In 1982–97, the share of all affiliates that were wholly owned increased from 72 percent to 80 percent, and the share of minority-owned affiliates fell from 18 percent to 11 percent. Whole ownership affords the parent

company the ability to control the operation and destiny of a foreign affiliate. The growing use of whole ownership suggests an increased appetite for control by multinational parents, one that appears to be related to rising costs of employing the joint venture organizational form.

We identify three sources of rising costs to joint ventures by analyzing the factors that influence ownership shares. First, joint ventures limit a firm’s ability to structure its worldwide operations in a tax-efficient manner. This is the inevitable byproduct of divided interests, as joint venture partners are concerned with local profits while multinational parents are concerned with the profits of their global operations. Second, the attractiveness of transferring intellectual property to overseas operations is reduced by the prospect of potential appropriation of that technology by joint venture partners. Third, the desire to decentralize worldwide production through greater intrafirm trade creates the potential for conflict with local partners over sourcing decisions and transfer pricing. Because multinational firms increasingly rely on worldwide tax planning, global technology transfer, and production decentralization, they face growing incentives to avoid sharing ownership with local partners.

Wholly owned foreign affiliates of U.S. companies have considerably greater financial and commercial ties to their U.S. parent companies than do partially owned foreign affiliates. However, this cross-sectional evidence that whole ownership is associated with close coordination of parent and affiliate activity does not prove that ownership decisions are functions of coordination costs. Another possibility is that both ownership and operational decisions are responses to other unmeasured factors. In distinguishing these two interpretations of the same evidence, we identify exogenous changes in ownership levels and trace their effects on intrafirm transactions. By principles of symmetry (implied by the theory of the firm), any effects of ownership on intrafirm transactions should be mirrored by equal effects of intrafirm transactions on ownership decisions. Our analysis examines two changes in government policy that affected the relative costs of sharing ownership—the liberalization of foreign ownership restrictions and tax penalties on joint ventures featured in the U.S. Tax Reform Act of 1986. Our results indicate that affiliates operating in liberalizing countries and firms whose joint ventures would be subject to tax penalties after 1986 both engaged in greater intrafirm transactions after the reforms.

These reactions imply that the increased desire to coordinate parent and affiliate trade, technology transfers, and tax planning that has been evident over the

#### BEA Program for Outside Researchers

Recognizing that some research requires data at a more detailed level than that provided in its publicly disseminated tabulations, the Bureau of Economic Analysis maintains a program that permits outside researchers to work on site as unpaid special sworn employees of BEA for the purpose of conducting analytical and statistical studies using the microdata that it collects under the International Investment and Trade in Services Survey Act.

This work is conducted under strict guidelines and procedures that protect the confidentiality of company-specific data, as required by law. Because the program exists for the express purpose of advancing scientific knowledge and because of legal requirements that limit the use of the data to analytical and statistical purposes, appointment to special-sworn-employee status under this program is limited to researchers. Appointments are not extended to persons affiliated with organizations that collect taxes, enforce regulations, or make policy.

last 20 years contributed to the rising appetite for control over worldwide operations. Our estimates imply that between one-fifth and three-fifths of the decline in the use of partial ownership by multinational firms over the sample period is attributable to the increased importance of intrafirm transactions. These findings indicate that the forces of globalization have diminished rather than accelerated the use of shared ownership.

### Weak Investor Protection and Shallow Capital Markets

Capital market conditions differ markedly around the world. Some countries offer legal protections and supportive regulation that produce liquid capital markets of the type found in the United States, whereas others have legal structures or regulatory policies that produce extremely shallow capital markets. These differences influence the capital structure choices that firms make. Empirical attempts to study these issues face significant challenges. Recent efforts using cross-country samples of local firms exploit the rich variation that international comparisons offer, but these efforts have faced problems associated with nonstandardized measurement across countries and limited statistical power because of small sample sizes. An alternative approach is to analyze the financing choices of local affiliates of multinational firms. This approach affords the prospect of comparing the financing decisions of affiliates of the same multinational firm operating in different institutional settings. Furthermore, an analysis of multinational firm responses to capital market conditions illuminates the workings of internal capital markets, as multinational firms may be able to substitute internal capital reallocations for external financing when it is most costly.

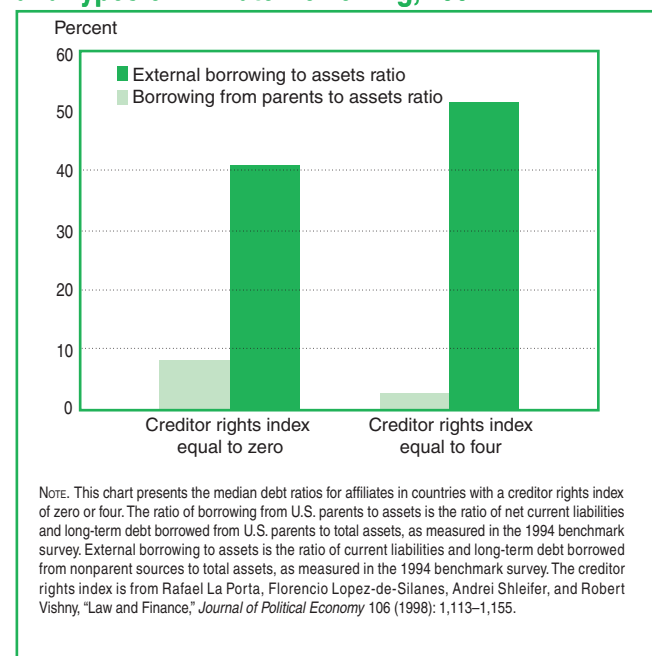
In “A Multinational Perspective on Capital Structure Choice and Internal Capital Markets,” we study BEA’s firm-level data and find that both the level and the composition of leverage of multinational affiliates are strongly influenced by capital market conditions. Analysis of these data illuminates the mechanisms by which weak capital markets affect external and internal financing choices. Our findings indicate that interest rates paid by U.S.-owned affiliates are significantly higher in countries with underdeveloped credit markets and weak creditor rights. This interest-rate difference very likely reflects the default premium that lenders demand in countries where legal institutions make it difficult or costly to use bankruptcy procedures to recover unpaid loans and the price premium paid for capital in countries with thin capital markets. In addition, the difference between the costs of bor-

rowing from external lenders and parent companies is larger for affiliates in these weaker institutional environments. In response to these differences, multinational firms borrow less from external sources and more from internal sources in settings with weak credit markets. These differences are manifest in a simple comparison of the internal and external borrowing decisions of affiliates in countries where creditor rights are very weak and very strong (chart 1). Regression analysis indicates that greater internal borrowing offsets approximately three-quarters of the reduction in external borrowing arising from adverse local credit market conditions.

The tests in our paper control for other determinants of financing choices, including political risk, inflation, and tax rates. Greater political risk is associated with higher affiliate leverage. Higher inflation is associated with more external borrowing and less internal borrowing. Finally, higher corporate tax rates are associated with higher leverage. The analysis also reveals that borrowing from parent companies responds more sharply to tax rate differences than borrowing from external sources, suggesting that firms are better able to exploit internal capital markets than external capital markets when structuring optimal financing in response to tax differences.

In general, we found that firms use internal capital markets opportunistically when external finance is costly and when there are tax planning opportunities.

**Chart 1. Relationship Between Creditor Rights and Types of Affiliate Borrowing, 1994**





The results suggest that internal capital markets may give multinational firms an advantage over local firms in countries with poorly developed credit markets. Local firms that borrow from external sources face high costs of debt in countries with shallow capital markets or weak creditor rights. Although weak credit markets also reduce external borrowing by multinational firms, these firms can draw on resources from internal capital markets to obtain needed financing.

### Dividend Policies

Dividend payments from U.S.-owned foreign affiliates to U.S. parent companies represent sizable financial flows. In 1999, public U.S. corporations had after-tax earnings of \$516 billion and paid \$198 billion in dividends to common shareholders.<sup>2</sup> In the same year, foreign affiliates of U.S. multinational firms had after-tax earnings of \$182 billion and paid \$97 billion to the their parents as dividends. Indeed, the partial tax holiday featured in the 2004 American Jobs Creation Act was motivated by the prospect that large dividend payments from the foreign affiliates of U.S.-owned multinational firms would have favorable macroeconomic consequences for the U.S. economy.<sup>3</sup> “Dividend Policy Inside the Multinational Firm” identifies three main determinants of dividend policy within the multinational firm: The taxation of dividend income, domestic financing and investment needs, and agency problems inside firms.

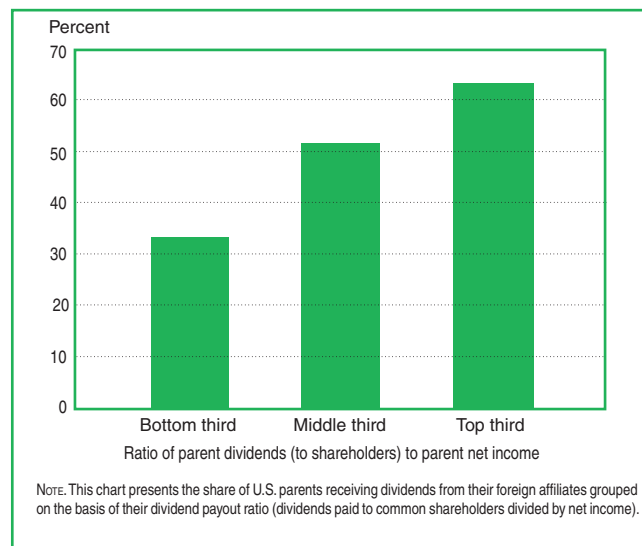
Dividends include payments to multinational parent firms declared out of the income of foreign subsidiaries, but they do not include flows related to invested equity. Tax considerations alone would suggest that dividend payments inside the firm would be irregular and lumpy, since the tax implications of dividend payments often differ sharply between years, reflecting a firm’s changing tax situation. However, dividend payments from the foreign affiliates of U.S. multinational firms are regular and can be characterized by a process of partial adjustment that was first described by John Lintner.<sup>4</sup> Multinational firms behave as though they select target payouts for their foreign affiliates, gradually adjusting payouts over time in response to changes in affiliate earnings. Dividends paid by affiliates rise by roughly \$0.40 for every additional dollar of their after-

tax profits. Our regression evidence indicates that this pattern of persistent payouts is not an artifact of other regularized investment or financing decisions at the affiliate level.

Further analysis presented in our paper provides additional evidence that tax minimization only partially explains observed dividend policies; incorporated and unincorporated foreign affiliates, which face sharply differing tax consequences of paying dividends, nonetheless exhibit only modest differences in their dividend policies. Similarly, some firms simultaneously pay dividends and invest new equity in the same affiliate, a practice that is hard to reconcile with tax minimization.

Circumstances may lead parent companies to seek cash dividends from their foreign affiliates to satisfy domestic financing and investment needs. A simple comparison of multinational firms illustrates such a motivation for dividend policies within multinational firms. Chart 2 displays shares of parent companies receiving dividend payments from their foreign affiliates, where parent companies are grouped according to their ratios of dividend payouts to external shareholders (as a fraction of after-tax earnings). The heights of the bars in chart 2 measure fractions of parent companies receiving dividends from their affiliates. Parent companies with the highest external dividend payout ratios are the most likely to receive dividends from their foreign affiliates. This simple association also appears in a regression analysis that controls for various confounding factors. Parent companies require cash to pay dividends to external shareholders and foreign affiliates often represent ready sources of cash, ones that

**Chart 2. Share of Parents Receiving Dividends from Affiliates**



2. Gustavo Grullon and Roni Michaely, “Dividends, Share Repurchases, and the Substitution Hypothesis,” *Journal of Finance* 57 (2002): 1,649–1,684.

3. For an assessment of the effects of this act on affiliate dividend payments, see Ralph Kozlow and Patricia Abaroa, “U.S. Multinational Firms, Dividends, and Taxes” (paper presented at the International Association for Official Statistics, Ottawa, September 6–8, 2006).

4. John Lintner, “Distribution of Incomes of Corporations Among Dividends, Retained Earnings, and Taxes,” *American Economic Review* 61 (1956): 97–113.

are particularly attractive to firms that would face high costs of raising funds externally. The analysis also reveals that financially constrained parents in industries with attractive investment opportunities are particularly likely to receive dividends from foreign affiliates. Hence, it seems that dividend payments from foreign affiliates are often used to satisfy parent company cash needs.

Finally, dividend payments from foreign affiliates appear to play a role in monitoring the activities of foreign managers. Regular dividend payments can restrict the financial discretion of foreign managers, mitigating whatever agency problems may exist within firms. Conflicts of interest between managers of foreign affiliates and managers of parent companies are likely to be most pronounced when the parent company owns only a fractional share of the affiliate, as other owners may be tempted to transact with the affiliate at non-market prices. Consequently, parent companies have incentives to require steady flows of dividend payments in order to limit the scope of potential malfeasance by foreign affiliates. Indeed, the evidence indicates that regularized dividend payments are most common when affiliates are partially owned, even when such payments are explicitly tax penalized. This finding suggests that at least some of the regularization of dividend repatriations is a consequence of control considerations inside the firm.

The foreign affiliates of U.S. multinational corporations follow well-defined repatriation policies featuring gradual adjustment of payouts to target ratios that depend on current earnings and the tax costs of repatriating dividends. In addition to taxation, costly external finance and agency problems—motivations that are typically emphasized with respect to arm's-length financing decisions—also appear to influence the internal capital markets of multinational firms.

### Capital Controls

Countries concerned about the economic instability that may be associated with exposure to world capital markets are often tempted to impose controls on short-term international capital movements. These controls can take many forms, and their effect on economic growth and firm performance is hotly debated. Countries imposing capital controls are typically also eager to attract foreign direct investment, but the potential inconsistency of attempting to control capital movements while also attracting inbound foreign direct investment has hitherto received limited attention.

“Capital Controls, Liberalizations, and Foreign Direct Investment” analyzes the effects of capital controls

on the operations of the foreign affiliates of U.S. multinational firms. Evidence indicates that foreign affiliates located in countries imposing capital controls face borrowing rates that average 5.25 percentage points more than those faced by other affiliates of the same multinational parent companies.

Multinational firms operating in countries with capital controls have incentives to use their internal product and capital markets to mitigate the effects of capital controls by limiting local profits that are subject to such controls. Similar incentives are created by high tax rates, and it is possible to compare the effects of capital controls with the effects of high income tax rates. Our results indicate that multinational firms distort their reported profitability and their dividend repatriations in order to mitigate the impact of capital controls. Affiliates in countries imposing capital controls have 5.2-percent lower reported profit rates than comparable affiliates in countries without capital controls, reflecting in part trade and financing practices that reallocate income within a firm. The distortions to reported profitability are comparable with those that stem from a 27-percent difference in corporate tax rates. Dividend repatriations are also regularized to facilitate the extraction of profits from countries imposing capital controls.

Evidence of the impact of removing capital controls is consistent with the comparisons of foreign affiliates located in countries with and without capital controls. U.S.-owned foreign affiliates in countries with capital controls experience 6.9-percent faster annual growth of property, plant, and equipment investment after the liberalization of controls, indicating that capital controls impose significant burdens on foreign investors. There is, however, no discernible effect of the imposition or removal of capital controls on the volatility of affiliate profitability or the volatility of affiliate growth rates. Hence, it appears that capital controls are responsible for slow growth of U.S.-owned affiliates, and local reported profit rates significantly below those reported elsewhere.

### Currency Depreciations

Settings where investment opportunities and financial constraints move in identifiable ways provide valuable opportunities to study the impact of financial constraints on firm growth. Because firms typically incur some costs in local currency terms, currency depreciations are hypothesized to provide improved investment opportunities. Firms differ, however, in their access to financial resources at the time of the depreciation. A comparison of the investment responses to

currency depreciations by firms with differential access to financial resources can illustrate the degree to which financial constraints can limit growth. This comparison, given its setting, can also help explain why hypothesized benefits of depreciations are often not manifest.

In the paper “Financial Constraints and Growth: Multinational and Local Firm Responses to Currency Depreciations,” the effects of sharp currency depreciations on the behavior of U.S.-owned affiliates and local firms in the tradable sectors of emerging markets are compared.<sup>5</sup> The differential response of local firms and multinational affiliates is manifest in the simple comparison provided in chart 3. In this chart, the bars represent annual growth rates in assets in the year prior to a sharp depreciation and subsequent years for local firms and multinational affiliates. This basic difference between local firms and multinational affiliates is robust. Regression analysis demonstrates that U.S.-owned affiliates increase sales 5.4 percent, and assets 7.5 percent, more than local firms after currency depreciations. The improved relative performance of U.S.-owned affiliates is even more striking in investment. Capital expenditures are 34.5 percent higher for U.S.-owned firms than for local firms in the aftermath of large currency depreciations. Our analysis investigates the sources of this distinctive performance, with

5. Unlike the other papers described in this spotlight, this paper was written by Mihir A. Desai, C. Fritz Foley, and Kristin J. Forbes. The other papers were written by Mihir A. Desai, C. Fritz Foley, and James R. Hines Jr. See the references.

**Chart 3. Asset Growth of Local Firms and Affiliates of Multinationals After Currency Crises**



particular emphasis on the possible role of differential operating exposures and financing capabilities.

Differential changes in investment opportunities could give rise to distinctive investment opportunities for local firms and multinational affiliates. For example, multinational affiliates may export more of their output to countries with undepreciated currencies. In order to consider this possibility, we compared multinational and local firms with similar product and input market exposures. We also computed measures of the operating exposures of firms in order to investigate whether differences in operating exposures explain differences in the behavior of U.S.-owned affiliates and local firms.

Our tests offered little evidence that the relative growth of multinational affiliates after sharp currency depreciations can be traced to differential investment opportunities. Multinational affiliates that are more reliant on exports prior to depreciations increase investment by larger amounts, but affiliates that exclusively serve the local market increase investment by considerably more than local firms. Large differences in the investment responses of affiliates and local firms persist after including measures of operating exposure as controls.

Given the evidence on the opportunistic use of internal capital markets by multinational firms discussed above, it is possible that a superior ability to overcome financing constraints is the reason for the better post-depreciation performance of U.S.-owned affiliates. Tests reveal that financing constraints play a decisive role in explaining the differential investment response of multinational affiliates and local firms. Following currency depreciations, the leverage of local firms increases more than the leverage of multinational affiliates, in part reflecting the tendency of local firms to borrow in foreign currency terms. Local firms with the most leverage and with the shortest term debt reduce investment the most. The examination of the internal capital markets of multinationals shows that multinational parents provide additional financing in response to sharp currency depreciations. These results indicate that multinational firms overcome the negative consequences of large depreciations by avoiding the financial constraints that handicap local firms.

In addition to offering a test of how financial constraints influence investment, this evidence illustrates an effect of foreign direct investment not previously emphasized. The internal capital markets of multinational firms allow their affiliates to expand output after severe currency depreciations, precisely when economies are fragile and prone to severe economic contrac-

tions. As a consequence, multinational affiliates may be able to mitigate some of the aggregate effects of currency crises. This analysis does not consider the long-run distributional consequences of the differential impact of currency crises on multinational affiliates. Increased multinational activity during crises may help support local firms through spillover effects, such as increased demand for local inputs or improved access to technology or trade credit. However, multinationals could also use crises to expand at the expense of local firms with potentially persistent effects. While the internal capital markets of multinational firms appear to mitigate the contractionary output effects of severe currency depreciations, the longer term effects on local firms remain an open question.

### Conclusion

The data collected by BEA in its surveys of interna-

tional direct investment provide a unique window on the internal markets of U.S. multinational firms.

Our analyses of BEA's firm-level data reveal that the increased importance of internal capital markets has reduced the use of joint ventures; that multinational firms respond opportunistically to cross-country differences in capital markets, capital controls, and taxes; that the set of factors that influence dividend payouts by U.S.-owned foreign affiliates are similar to those that influence dividends paid to external shareholders; and that multinationals access their internal capital markets to overcome financial constraints associated with currency depreciations.

As more firms expand their global activities, BEA's work in collecting these data will become even more critical to policymakers, business leaders, and others seeking to make informed policy decisions and business choices.

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## BEA Current and Historical Data

A selection of estimates from the national, industry, international, and regional accounts of the Bureau of Economic Analysis (BEA) are presented in this section. BEA's estimates are not copyrighted and may be reprinted without BEA's permission. Citing the SURVEY OF CURRENT BUSINESS and BEA as the source is appreciated.

More detailed estimates from BEA's accounts are available on BEA's Web site at <www.bea.gov>. These estimates are available in a variety of formats. In addition, news releases, articles, and other information, including methodologies and working papers, are available.

The tables present annual [A], quarterly [Q], and monthly [M] data.

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## National Data

### A. Selected NIPA Tables

The selected set of NIPA tables presents the most recent estimates of gross domestic product (GDP) and its components, which were released on February 28, 2007. These estimates include the “preliminary” estimates for the fourth quarter of 2006 and revised estimates of wages and salaries and of affected income-side series for the third quarter of 2006.

The selected set presents quarterly estimates that are updated monthly. Annual estimates are presented in most of the tables.

The GDP news release is available on BEA’s Web site within minutes after the release. To receive an e-mail notification of the release, go to <[www.bea.gov](http://www.bea.gov)> and subscribe. The “Selected NIPA Tables” are available later that day.

### 1. Domestic Product and Income

**Table 1.1.1. Percent Change From Preceding Period in Real Gross Domestic Product**  
[Percent]

|   | Line      | 2005       | 2006       | Seasonally adjusted at annual rates |            |            |             |              |
|---|-----------|------------|------------|-------------------------------------|------------|------------|-------------|--------------|
|   |           |            |            | 2006                                |            |            |             |              |
|   |           |            |            | IV                                  | I          | II         | III         | IV           |
| <b>Gross domestic product ....</b>                                    | <b>1</b>  | <b>3.2</b> | <b>3.3</b> | <b>1.8</b>                          | <b>5.6</b> | <b>2.6</b> | <b>2.0</b>  | <b>2.2</b>   |
| <b>Personal consumption expenditures .....</b>                        | <b>2</b>  | <b>3.5</b> | <b>3.2</b> | <b>0.8</b>                          | <b>4.8</b> | <b>2.6</b> | <b>2.8</b>  | <b>4.2</b>   |
| Durable goods .....   | 3         | 5.5        | 5.0        | -12.3                               | 19.8       | -0.1       | 6.4         | 4.4          |
| Nondurable goods .....  | 4         | 4.5        | 3.7        | 3.9                                 | 5.9        | 1.4        | 1.5         | 6.0          |
| Services .....  | 5         | 2.6        | 2.6        | 2.0                                 | 1.6        | 3.7        | 2.8         | 3.2          |
| <b>Gross private domestic investment .....</b>                        | <b>6</b>  | <b>5.4</b> | <b>4.2</b> | <b>16.2</b>                         | <b>7.8</b> | <b>1.0</b> | <b>-0.8</b> | <b>-15.6</b> |
| Fixed investment .....  | 7         | 7.5        | 2.9        | 2.8                                 | 8.2        | -1.6       | -1.2        | -8.5         |
| Nonresidential .....  | 8         | 6.8        | 7.3        | 5.2                                 | 13.7       | 4.4        | 10.0        | -2.4         |
| Structures .....  | 9         | 1.1        | 8.8        | 12.0                                | 8.7        | 20.3       | 15.7        | -0.8         |
| Equipment and software .....  | 10        | 8.9        | 6.6        | 2.8                                 | 15.6       | -1.4       | 7.7         | -3.2         |
| Residential .....   | 11        | 8.6        | -4.2       | -0.9                                | -0.3       | -11.1      | -18.7       | -19.1        |
| Change in private inventories .....                                   | 12        |            |            |                                     |            |            |             |              |
| <b>Net exports of goods and services .....</b>                        | <b>13</b> |            |            |                                     |            |            |             |              |
| Exports .....   | 14        | 6.8        | 8.9        | 9.6                                 | 14.0       | 6.2        | 6.8         | 10.5         |
| Goods .....   | 15        | 7.5        | 10.5       | 11.5                                | 17.3       | 6.0        | 9.4         | 8.5          |
| Services .....  | 16        | 5.1        | 5.4        | 5.5                                 | 6.7        | 6.7        | 0.8         | 15.5         |
| Imports .....   | 17        | 6.1        | 5.8        | 13.2                                | 9.1        | 1.4        | 5.6         | -2.2         |
| Goods .....   | 18        | 6.7        | 5.9        | 14.1                                | 9.4        | -0.1       | 7.1         | -3.8         |
| Services .....  | 19        | 2.8        | 5.3        | 8.3                                 | 7.4        | 9.9        | -2.6        | 7.1          |
| <b>Government consumption expenditures and gross investment .....</b> | <b>20</b> | <b>0.9</b> | <b>2.1</b> | <b>-1.1</b>                         | <b>4.9</b> | <b>0.8</b> | <b>1.7</b>  | <b>3.3</b>   |
| Federal .....   | 21        | 1.5        | 2.0        | -4.6                                | 8.8        | -4.5       | 1.3         | 4.4          |
| National defense .....  | 22        | 1.7        | 1.9        | -9.9                                | 8.9        | -2.0       | -1.2        | 12.3         |
| Nondefense .....  | 23        | 1.1        | 2.1        | 7.1                                 | 8.5        | -9.3       | 6.5         | -10.2        |
| State and local .....   | 24        | 0.5        | 2.1        | 1.0                                 | 2.7        | 4.0        | 1.9         | 2.6          |

**Table 1.1.2. Contributions to Percent Change in Real Gross Domestic Product**

|   | Line      | 2005         | 2006         | Seasonally adjusted at annual rates |              |             |              |              |
|---|-----------|--------------|--------------|-------------------------------------|--------------|-------------|--------------|--------------|
|   |           |              |              | 2006                                |              |             |              |              |
|   |           |              |              | IV                                  | I            | II          | III          | IV           |
| <b>Percent change at annual rate: Gross domestic product ....</b>     | <b>1</b>  | <b>3.2</b>   | <b>3.3</b>   | <b>1.8</b>                          | <b>5.6</b>   | <b>2.6</b>  | <b>2.0</b>   | <b>2.2</b>   |
| <b>Percentage points at annual rates:</b>                             |           |              |              |                                     |              |             |              |              |
| <b>Personal consumption expenditures .....</b>                        | <b>2</b>  | <b>2.44</b>  | <b>2.24</b>  | <b>0.53</b>                         | <b>3.38</b>  | <b>1.81</b> | <b>1.96</b>  | <b>2.88</b>  |
| Durable goods .....   | 3         | 0.45         | 0.41         | -1.08                               | 1.50         | -0.01       | 0.50         | 0.35         |
| Nondurable goods .....  | 4         | 0.90         | 0.77         | 0.79                                | 1.20         | 0.30        | 0.32         | 1.19         |
| Services .....  | 5         | 1.09         | 1.06         | 0.83                                | 0.67         | 1.52        | 1.14         | 1.34         |
| <b>Gross private domestic investment .....</b>                        | <b>6</b>  | <b>0.87</b>  | <b>0.70</b>  | <b>2.51</b>                         | <b>1.31</b>  | <b>0.17</b> | <b>-0.13</b> | <b>-2.78</b> |
| Fixed investment .....  | 7         | 1.17         | 0.48         | 0.46                                | 1.34         | -0.27       | -0.19        | -1.43        |
| Nonresidential .....  | 8         | 0.67         | 0.74         | 0.52                                | 1.36         | 0.45        | 1.01         | -0.26        |
| Structures .....  | 9         | 0.03         | 0.26         | 0.31                                | 0.25         | 0.56        | 0.46         | -0.03        |
| Equipment and software .....  | 10        | 0.64         | 0.48         | 0.21                                | 1.11         | -0.10       | 0.55         | -0.24        |
| Residential .....   | 11        | 0.50         | -0.26        | -0.06                               | -0.02        | -0.72       | -1.20        | -1.16        |
| Change in private inventories .....                                   | 12        | -0.30        | 0.22         | 2.05                                | -0.03        | 0.44        | 0.06         | -1.35        |
| <b>Net exports of goods and services .....</b>                        | <b>13</b> | <b>-0.26</b> | <b>-0.03</b> | <b>-1.07</b>                        | <b>-0.04</b> | <b>0.42</b> | <b>-0.19</b> | <b>1.50</b>  |
| Exports .....   | 14        | 0.68         | 0.93         | 0.97                                | 1.41         | 0.66        | 0.73         | 1.13         |
| Goods .....   | 15        | 0.52         | 0.76         | 0.80                                | 1.20         | 0.45        | 0.71         | 0.65         |
| Services .....  | 16        | 0.16         | 0.17         | 0.17                                | 0.21         | 0.21        | 0.03         | 0.48         |
| Imports .....   | 17        | -0.94        | -0.96        | -2.04                               | -1.46        | -0.24       | -0.93        | 0.38         |
| Goods .....   | 18        | -0.87        | -0.82        | -1.84                               | -1.27        | 0.01        | -1.00        | 0.56         |
| Services .....  | 19        | -0.07        | -0.14        | -0.20                               | -0.19        | -0.25       | 0.07         | -0.18        |
| <b>Government consumption expenditures and gross investment .....</b> | <b>20</b> | <b>0.17</b>  | <b>0.40</b>  | <b>-0.21</b>                        | <b>0.94</b>  | <b>0.16</b> | <b>0.32</b>  | <b>0.62</b>  |
| Federal .....   | 21        | 0.11         | 0.14         | -0.33                               | 0.61         | -0.32       | 0.09         | 0.30         |
| National defense .....  | 22        | 0.08         | 0.09         | -0.49                               | 0.41         | -0.09       | -0.06        | 0.54         |
| Nondefense .....  | 23        | 0.03         | 0.05         | 0.16                                | 0.20         | -0.23       | 0.15         | -0.24        |
| State and local .....   | 24        | 0.06         | 0.26         | 0.13                                | 0.33         | 0.48        | 0.23         | 0.32         |



**Table 1.1.3. Real Gross Domestic Product, Quantity Indexes**

[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Gross domestic product</b> ....                                    | 1    | 112.546 | 116.264 | 113.719             | 115.274 | 116.004 | 116.569 | 117.210 |
| <b>Personal consumption expenditures</b> .....                        | 2    | 116.349 | 120.057 | 117.373             | 118.761 | 119.521 | 120.355 | 121.590 |
| Durable goods.....  | 3    | 132.666 | 139.328 | 131.799             | 137.893 | 137.868 | 140.019 | 141.530 |
| Nondurable goods.....   | 4    | 116.924 | 121.308 | 118.608             | 120.313 | 120.742 | 121.204 | 122.974 |
| Services.....   | 5    | 112.925 | 115.810 | 113.945             | 114.398 | 115.440 | 116.234 | 117.167 |
| <b>Gross private domestic investment</b> .....                        | 6    | 107.537 | 112.079 | 111.034             | 113.143 | 113.429 | 113.215 | 108.530 |
| Fixed investment.....   | 7    | 109.708 | 112.901 | 111.811             | 114.033 | 113.570 | 113.240 | 110.760 |
| Nonresidential.....   | 8    | 99.326  | 106.565 | 101.308             | 104.606 | 105.738 | 108.292 | 107.623 |
| Structures.....   | 9    | 80.302  | 87.404  | 81.174              | 82.893  | 86.819  | 90.044  | 89.860  |
| Equipment and software.....   | 10   | 107.180 | 114.241 | 109.653             | 113.704 | 113.313 | 115.434 | 114.514 |
| Residential.....  | 11   | 136.050 | 130.344 | 138.495             | 138.391 | 134.368 | 127.601 | 121.015 |
| Change in private inventories.....                                    | 12   |         |         |                     |         |         |         |         |
| <b>Net exports of goods and services</b> .....                        | 13   |         |         |                     |         |         |         |         |
| Exports.....  | 14   | 109.105 | 118.831 | 112.054             | 115.783 | 117.536 | 119.495 | 122.510 |
| Goods.....  | 15   | 107.507 | 118.755 | 111.027             | 115.535 | 117.228 | 119.898 | 122.359 |
| Services.....   | 16   | 113.118 | 119.204 | 114.693             | 116.564 | 118.463 | 118.712 | 123.077 |
| Imports.....  | 17   | 123.007 | 130.197 | 126.377             | 129.146 | 129.608 | 131.378 | 130.654 |
| Goods.....  | 18   | 124.640 | 132.042 | 128.331             | 131.236 | 131.218 | 133.503 | 132.211 |
| Services.....   | 19   | 115.170 | 121.308 | 116.954             | 119.055 | 121.896 | 121.100 | 123.183 |
| <b>Government consumption expenditures and gross investment</b> ..... | 20   | 113.731 | 116.072 | 114.048             | 115.423 | 115.657 | 116.136 | 117.073 |
| Federal.....  | 21   | 125.701 | 128.174 | 126.053             | 128.728 | 127.262 | 127.669 | 129.037 |
| National defense.....   | 22   | 130.593 | 133.073 | 130.002             | 132.808 | 132.141 | 131.740 | 135.605 |
| Nondefense.....   | 23   | 116.896 | 119.364 | 118.971             | 121.411 | 118.488 | 120.370 | 117.186 |
| State and local.....  | 24   | 107.660 | 109.930 | 107.954             | 108.682 | 109.762 | 110.277 | 111.000 |

**Table 1.1.4. Price Indexes for Gross Domestic Product**

[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Gross domestic product</b> ....                                    | 1    | 112.744 | 116.061 | 114.048             | 114.967 | 115.905 | 116.446 | 116.924 |
| <b>Personal consumption expenditures</b> .....                        | 2    | 111.493 | 114.563 | 112.873             | 113.445 | 114.573 | 115.241 | 114.991 |
| Durable goods.....  | 3    | 90.198  | 88.981  | 89.606              | 89.385  | 89.206  | 88.967  | 88.366  |
| Nondurable goods.....   | 4    | 111.530 | 114.959 | 113.177             | 113.484 | 115.769 | 116.442 | 114.141 |
| Services.....   | 5    | 116.529 | 120.521 | 118.281             | 119.194 | 120.059 | 120.960 | 121.869 |
| <b>Gross private domestic investment</b> .....                        | 6    | 110.284 | 113.817 | 111.853             | 112.860 | 113.717 | 113.895 | 114.798 |
| Fixed investment.....   | 7    | 110.542 | 114.161 | 112.194             | 113.238 | 114.074 | 114.224 | 115.109 |
| Nonresidential.....   | 8    | 103.428 | 106.359 | 104.510             | 105.471 | 106.266 | 106.501 | 107.198 |
| Structures.....   | 9    | 134.647 | 149.967 | 141.476             | 145.684 | 149.432 | 151.372 | 153.380 |
| Equipment and software.....   | 10   | 94.134  | 93.889  | 93.754              | 93.887  | 93.920  | 93.704  | 94.046  |
| Residential.....  | 11   | 126.714 | 131.774 | 129.536             | 130.765 | 131.696 | 131.655 | 132.981 |
| Change in private inventories.....                                    | 12   |         |         |                     |         |         |         |         |
| <b>Net exports of goods and services</b> .....                        | 13   |         |         |                     |         |         |         |         |
| Exports.....  | 14   | 108.949 | 112.540 | 110.108             | 110.737 | 112.400 | 113.631 | 113.390 |
| Goods.....  | 15   | 107.628 | 111.156 | 108.450             | 109.192 | 110.852 | 112.286 | 112.296 |
| Services.....   | 16   | 112.115 | 115.822 | 114.080             | 114.430 | 116.098 | 116.815 | 115.943 |
| Imports.....  | 17   | 111.268 | 116.048 | 114.117             | 113.918 | 116.608 | 118.143 | 115.522 |
| Goods.....  | 18   | 109.622 | 114.528 | 112.790             | 112.331 | 115.197 | 116.824 | 113.761 |
| Services.....   | 19   | 119.933 | 123.964 | 120.913             | 122.242 | 123.890 | 124.876 | 124.849 |
| <b>Government consumption expenditures and gross investment</b> ..... | 20   | 121.183 | 126.468 | 123.444             | 124.791 | 126.262 | 127.150 | 127.671 |
| Federal.....  | 21   | 120.726 | 124.891 | 121.479             | 123.721 | 124.871 | 125.482 | 125.490 |
| National defense.....   | 22   | 121.855 | 126.019 | 122.760             | 124.752 | 126.006 | 126.714 | 126.603 |
| Nondefense.....   | 23   | 118.606 | 122.769 | 119.059             | 121.787 | 122.736 | 123.154 | 123.400 |
| State and local.....  | 24   | 121.463 | 127.411 | 124.620             | 125.434 | 127.095 | 128.147 | 128.969 |

**Table 1.1.5. Gross Domestic Product**

[Billions of dollars]

|   | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|---|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|   |      |          |          | 2005                                |          | 2006     |          |          |
|   |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> ....                                    | 1    | 12,455.8 | 13,244.6 | 12,730.5                            | 13,008.4 | 13,197.3 | 13,322.6 | 13,449.9 |
| <b>Personal consumption expenditures</b> .....                        | 2    | 8,742.4  | 9,269.0  | 8,927.8                             | 9,079.2  | 9,228.1  | 9,346.7  | 9,422.1  |
| Durable goods.....  | 3    | 1,033.1  | 1,070.3  | 1,019.6                             | 1,064.1  | 1,061.8  | 1,075.5  | 1,079.8  |
| Nondurable goods.....   | 4    | 2,539.3  | 2,715.0  | 2,613.5                             | 2,658.2  | 2,721.4  | 2,747.7  | 2,732.7  |
| Services.....   | 5    | 5,170.0  | 5,483.7  | 5,294.7                             | 5,356.8  | 5,444.9  | 5,523.5  | 5,609.6  |
| <b>Gross private domestic investment</b> .....                        | 6    | 2,057.4  | 2,211.6  | 2,154.5                             | 2,214.8  | 2,237.1  | 2,235.5  | 2,159.0  |
| Fixed investment.....   | 7    | 2,036.2  | 2,163.5  | 2,105.8                             | 2,167.7  | 2,174.8  | 2,171.4  | 2,140.2  |
| Nonresidential.....   | 8    | 1,265.7  | 1,396.4  | 1,304.3                             | 1,359.2  | 1,384.3  | 1,420.8  | 1,421.3  |
| Structures.....   | 9    | 338.6    | 410.8    | 359.7                               | 378.2    | 406.3    | 426.9    | 431.7    |
| Equipment and software.....   | 10   | 927.1    | 985.6    | 944.7                               | 981.0    | 977.9    | 994.0    | 989.6    |
| Residential.....  | 11   | 770.4    | 767.1    | 801.5                               | 808.5    | 790.6    | 750.5    | 719.0    |
| Change in private inventories.....                                    | 12   | 21.3     | 48.1     | 48.6                                | 47.2     | 62.3     | 64.2     | 18.7     |
| <b>Net exports of goods and services</b> .....                        | 13   | -716.7   | -763.2   | -775.4                              | -765.2   | -781.8   | -801.7   | -704.3   |
| Exports.....  | 14   | 1,303.1  | 1,466.1  | 1,352.4                             | 1,405.4  | 1,448.1  | 1,488.3  | 1,522.7  |
| Goods.....  | 15   | 907.5    | 1,035.5  | 944.3                               | 989.3    | 1,019.1  | 1,055.8  | 1,077.6  |
| Services.....   | 16   | 395.6    | 430.7    | 408.1                               | 416.0    | 429.0    | 432.5    | 445.1    |
| Imports.....  | 17   | 2,019.9  | 2,229.4  | 2,127.8                             | 2,170.6  | 2,229.8  | 2,290.1  | 2,226.9  |
| Goods.....  | 18   | 1,699.0  | 1,880.0  | 1,799.3                             | 1,832.6  | 1,879.0  | 1,938.8  | 1,869.7  |
| Services.....   | 19   | 320.9    | 349.3    | 328.5                               | 338.1    | 350.8    | 351.3    | 357.2    |
| <b>Government consumption expenditures and gross investment</b> ..... | 20   | 2,372.8  | 2,527.2  | 2,423.6                             | 2,479.6  | 2,513.9  | 2,542.1  | 2,573.1  |
| Federal.....  | 21   | 878.3    | 926.4    | 886.2                               | 921.7    | 919.7    | 927.2    | 937.2    |
| National defense.....   | 22   | 589.3    | 621.0    | 590.9                               | 613.5    | 616.5    | 618.1    | 635.7    |
| Nondefense.....   | 23   | 289.0    | 305.5    | 295.3                               | 308.2    | 303.2    | 309.0    | 301.5    |
| State and local.....  | 24   | 1,494.4  | 1,600.7  | 1,537.4                             | 1,557.9  | 1,594.2  | 1,614.9  | 1,635.9  |

**Table 1.1.6. Real Gross Domestic Product, Chained Dollars**

[Billions of chained (2000) dollars]

|   | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|---|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|   |      |          |          | 2005                                |          | 2006     |          |          |
|   |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> ....                                    | 1    | 11,048.6 | 11,413.6 | 11,163.8                            | 11,316.4 | 11,388.1 | 11,443.5 | 11,506.5 |
| <b>Personal consumption expenditures</b> .....                        | 2    | 7,841.2  | 8,091.1  | 7,910.2                             | 8,003.8  | 8,055.0  | 8,111.2  | 8,194.4  |
| Durable goods.....  | 3    | 1,145.3  | 1,202.9  | 1,137.9                             | 1,190.5  | 1,190.3  | 1,208.8  | 1,221.9  |
| Nondurable goods.....   | 4    | 2,276.8  | 2,362.1  | 2,309.6                             | 2,342.8  | 2,351.1  | 2,360.1  | 2,394.6  |
| Services.....   | 5    | 4,436.6  | 4,550.0  | 4,476.7                             | 4,494.5  | 4,535.4  | 4,566.6  | 4,603.3  |
| <b>Gross private domestic investment</b> .....                        | 6    | 1,866.3  | 1,945.1  | 1,927.0                             | 1,963.6  | 1,968.5  | 1,964.8  | 1,883.5  |
| Fixed investment.....   | 7    | 1,842.0  | 1,895.6  | 1,877.3                             | 1,914.6  | 1,906.8  | 1,901.3  | 1,859.6  |
| Nonresidential.....   | 8    | 1,223.8  | 1,313.0  | 1,248.2                             | 1,288.8  | 1,302.8  | 1,334.2  | 1,326.0  |
| Structures.....   | 9    | 251.5    | 273.7    | 254.2                               | 259.6    | 271.9    | 282.0    | 281.4    |
| Equipment and software.....   | 10   | 984.9    | 1,049.8  | 1,007.6                             | 1,044.8  | 1,041.2  | 1,060.7  | 1,052.3  |
| Residential.....  | 11   | 608.0    | 582.5    | 618.9                               | 618.5    | 600.5    | 570.3    | 540.8    |
| Change in private inventories.....                                    | 12   | 19.6     | 41.9     | 43.5                                | 41.2     | 53.7     | 55.4     | 17.3     |
| <b>Net exports of goods and services</b> .....                        | 13   | -619.2   | -618.7   | -636.6                              | -636.6   | -624.2   | -628.8   | -585.1   |
| Exports.....  | 14   | 1,196.1  | 1,302.7  | 1,228.4                             | 1,269.3  | 1,288.5  | 1,310.0  | 1,343.1  |
| Goods.....  | 15   | 843.2    | 931.4    | 870.8                               | 906.2    | 919.5    | 940.4    | 959.7    |
| Services.....   | 16   | 352.9    | 371.3    | 357.8                               | 363.6    | 369.5    | 370.3    | 383.9    |
| Imports.....  | 17   | 1,815.3  | 1,921.4  | 1,865.0                             | 1,905.9  | 1,912.7  | 1,938.8  | 1,928.1  |
| Goods.....  | 18   | 1,549.9  | 1,641.9  | 1,595.8                             | 1,631.9  | 1,631.7  | 1,660.1  | 1,644.0  |
| Services.....   | 19   | 267.5    | 281.8    | 271.7                               | 276.6    | 283.2    | 281.3    | 286.1    |
| <b>Government consumption expenditures and gross investment</b> ..... | 20   | 1,958.0  | 1,998.3  | 1,963.5                             | 1,987.1  | 1,991.2  | 1,999.4  | 2,015.5  |
| Federal.....  | 21   | 727.5    | 741.8    | 729.6                               | 745.1    | 736.6    | 738.9    | 746.8    |
| National defense.....   | 22   | 483.6    | 492.8    | 481.4                               | 491.8    | 489.3    | 487.8    | 502.2    |
| Nondefense.....   | 23   | 243.7    | 248.8    | 248.0                               | 253.1    | 247.0    | 250.9    | 244.3    |
| State and local.....  | 24   | 1,230.4  | 1,256.3  | 1,233.7                             | 1,242.0  | 1,254.4  | 1,260.3  | 1,268.5  |
| Residual.....   | 25   | -10.5    | -26.7    | -8.8                                | -23.7    | -20.8    | -28.7    | -33.6    |

Note. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights 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 1.1.7. Percent Change From Preceding Period in Prices for Gross Domestic Product**  
[Percent]

|   | Line | 2005 | 2006 | Seasonally adjusted at annual rates |      |      |      |       |
|---|------|------|------|-------------------------------------|------|------|------|-------|
|   |      |      |      | 2005                                |      | 2006 |      |       |
|   |      |      |      | IV                                  | I    | II   | III  | IV    |
| <b>Gross domestic product</b> ....                                    | 1    | 3.0  | 2.9  | 3.3                                 | 3.3  | 3.3  | 1.9  | 1.7   |
| <b>Personal consumption expenditures</b> .....                        | 2    | 2.9  | 2.8  | 2.9                                 | 2.0  | 4.0  | 2.4  | -0.9  |
| Durable goods.....  | 3    | -0.7 | -1.3 | -1.3                                | -1.0 | -0.8 | -1.1 | -2.7  |
| Nondurable goods.....   | 4    | 3.6  | 3.1  | 0.6                                 | 1.1  | 8.3  | 2.3  | -7.7  |
| Services.....   | 5    | 3.2  | 3.4  | 5.0                                 | 3.1  | 2.9  | 3.0  | 3.0   |
| <b>Gross private domestic investment</b> .....                        | 6    | 3.4  | 3.2  | 4.3                                 | 3.7  | 3.1  | 0.6  | 3.2   |
| Fixed investment.....   | 7    | 3.5  | 3.3  | 4.6                                 | 3.8  | 3.0  | 0.5  | 3.1   |
| Nonresidential.....   | 8    | 2.6  | 2.8  | 3.5                                 | 3.7  | 3.0  | 0.9  | 2.6   |
| Structures.....   | 9    | 11.3 | 11.4 | 16.8                                | 12.4 | 10.7 | 5.3  | 5.4   |
| Equipment and software.....   | 10   | -0.4 | -0.3 | -1.0                                | 0.6  | 0.1  | -0.9 | 1.5   |
| Residential.....  | 11   | 5.1  | 4.0  | 6.3                                 | 3.8  | 2.9  | -0.1 | 4.1   |
| Change in private inventories.....                                    | 12   |      |      |                                     |      |      |      |       |
| <b>Net exports of goods and services</b> .....                        | 13   |      |      |                                     |      |      |      |       |
| Exports.....  | 14   | 3.6  | 3.3  | 2.8                                 | 2.3  | 6.1  | 4.5  | -0.8  |
| Goods.....  | 15   | 3.1  | 3.3  | 2.3                                 | 2.8  | 6.2  | 5.3  | 0.0   |
| Services.....   | 16   | 4.8  | 3.3  | 4.2                                 | 1.2  | 6.0  | 2.5  | -3.0  |
| Imports.....  | 17   | 6.3  | 4.3  | 4.3                                 | -0.7 | 9.8  | 5.4  | -8.6  |
| Goods.....  | 18   | 6.5  | 4.5  | 5.1                                 | -1.6 | 10.6 | 5.8  | -10.1 |
| Services.....   | 19   | 5.4  | 3.4  | -0.1                                | 4.5  | 5.5  | 3.2  | -0.1  |
| <b>Government consumption expenditures and gross investment</b> ..... | 20   | 5.6  | 4.4  | 4.7                                 | 4.4  | 4.8  | 2.8  | 1.6   |
| Federal.....  | 21   | 4.8  | 3.4  | 0.4                                 | 7.6  | 3.8  | 2.0  | 0.0   |
| National defense.....   | 22   | 5.1  | 3.4  | 1.0                                 | 6.7  | 4.1  | 2.3  | -0.3  |
| Nondefense.....   | 23   | 4.1  | 3.5  | -0.7                                | 9.5  | 3.2  | 1.4  | 0.8   |
| State and local.....  | 24   | 6.2  | 4.9  | 7.3                                 | 2.6  | 5.4  | 3.4  | 2.6   |
| <b>Addendum:</b>  |      |      |      |                                     |      |      |      |       |
| Gross national product.....   | 25   | 3.0  |      | 3.2                                 | 3.3  | 3.3  | 1.9  |       |

**Table 1.1.8. Contributions to Percent Change in the Gross Domestic Product Price Index**

|   | Line | 2005  | 2006  | Seasonally adjusted at annual rates |       |       |       |       |
|---|------|-------|-------|-------------------------------------|-------|-------|-------|-------|
|   |      |       |       | 2005                                |       | 2006  |       |       |
|   |      |       |       | IV                                  | I     | II    | III   | IV    |
| <b>Percent change at annual rate:</b>                                 |      |       |       |                                     |       |       |       |       |
| <b>Gross domestic product</b> ....                                    | 1    | 3.0   | 2.9   | 3.3                                 | 3.3   | 3.3   | 1.9   | 1.7   |
| <b>Percentage points at annual rates:</b>                             |      |       |       |                                     |       |       |       |       |
| <b>Personal consumption expenditures</b> .....                        | 2    | 2.02  | 1.93  | 2.04                                | 1.44  | 2.80  | 1.64  | -0.61 |
| Durable goods.....  | 3    | -0.06 | -0.11 | -0.11                               | -0.08 | -0.06 | -0.09 | -0.22 |
| Nondurable goods.....   | 4    | 0.73  | 0.63  | 0.12                                | 0.23  | 1.66  | 0.48  | -1.64 |
| Services.....   | 5    | 1.35  | 1.41  | 2.03                                | 1.29  | 1.21  | 1.25  | 1.25  |
| <b>Gross private domestic investment</b> .....                        | 6    | 0.56  | 0.54  | 0.72                                | 0.62  | 0.52  | 0.11  | 0.52  |
| Fixed investment.....   | 7    | 0.56  | 0.54  | 0.75                                | 0.62  | 0.49  | 0.09  | 0.50  |
| Nonresidential.....   | 8    | 0.26  | 0.29  | 0.36                                | 0.38  | 0.32  | 0.09  | 0.28  |
| Structures.....   | 9    | 0.29  | 0.31  | 0.43                                | 0.34  | 0.31  | 0.16  | 0.17  |
| Equipment and software.....   | 10   | -0.03 | -0.02 | -0.07                               | 0.04  | 0.01  | -0.07 | 0.11  |
| Residential.....  | 11   | 0.30  | 0.25  | 0.39                                | 0.24  | 0.18  | -0.01 | 0.22  |
| Change in private inventories.....                                    | 12   | 0.00  | 0.00  | -0.03                               | -0.01 | 0.03  | 0.02  | 0.02  |
| <b>Net exports of goods and services</b> .....                        | 13   | -0.61 | -0.35 | -0.40                               | 0.37  | -0.92 | -0.41 | 1.43  |
| Exports.....  | 14   | 0.37  | 0.35  | 0.30                                | 0.25  | 0.65  | 0.48  | -0.10 |
| Goods.....  | 15   | 0.22  | 0.25  | 0.17                                | 0.21  | 0.47  | 0.40  | 0.00  |
| Services.....   | 16   | 0.15  | 0.11  | 0.13                                | 0.04  | 0.19  | 0.08  | -0.10 |
| Imports.....  | 17   | -0.98 | -0.70 | -0.70                               | 0.12  | -1.57 | -0.89 | 1.52  |
| Goods.....  | 18   | -0.84 | -0.62 | -0.70                               | 0.23  | -1.43 | -0.81 | 1.52  |
| Services.....   | 19   | -0.14 | -0.09 | 0.00                                | -0.11 | -0.14 | -0.08 | 0.00  |
| <b>Government consumption expenditures and gross investment</b> ..... | 20   | 1.06  | 0.83  | 0.89                                | 0.84  | 0.90  | 0.54  | 0.31  |
| Federal.....  | 21   | 0.33  | 0.24  | 0.03                                | 0.52  | 0.26  | 0.14  | 0.00  |
| National defense.....   | 22   | 0.24  | 0.16  | 0.05                                | 0.31  | 0.19  | 0.11  | -0.02 |
| Nondefense.....   | 23   | 0.09  | 0.08  | -0.02                               | 0.22  | 0.07  | 0.03  | 0.02  |
| State and local.....  | 24   | 0.73  | 0.58  | 0.86                                | 0.32  | 0.64  | 0.40  | 0.31  |

**Table 1.1.9. Implicit Price Deflators for Gross Domestic Product**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Gross domestic product</b> ....                                    | 1    | 112.737 | 116.042 | 114.034             | 114.951 | 115.887 | 116.420 | 116.890 |
| <b>Personal consumption expenditures</b> .....                        | 2    | 111.493 | 114.558 | 112.865             | 113.436 | 114.564 | 115.232 | 114.982 |
| Durable goods.....  | 3    | 90.198  | 88.981  | 89.610              | 89.389  | 89.210  | 88.970  | 88.370  |
| Nondurable goods.....   | 4    | 111.531 | 114.939 | 113.158             | 113.466 | 115.750 | 116.423 | 114.122 |
| Services.....   | 5    | 116.529 | 120.521 | 118.273             | 119.185 | 120.051 | 120.953 | 121.861 |
| <b>Gross private domestic investment</b> .....                        | 6    | 110.243 | 113.702 | 111.807             | 112.797 | 113.644 | 113.777 | 114.626 |
| Fixed investment.....   | 7    | 110.542 | 114.136 | 112.175             | 113.219 | 114.056 | 114.205 | 115.090 |
| Nonresidential.....   | 8    | 103.428 | 106.354 | 104.499             | 105.459 | 106.255 | 106.490 | 107.186 |
| Structures.....   | 9    | 134.647 | 150.060 | 141.478             | 145.685 | 149.434 | 151.374 | 153.382 |
| Equipment and software.....   | 10   | 94.134  | 93.891  | 93.756              | 93.889  | 93.922  | 93.706  | 94.048  |
| Residential.....  | 11   | 126.714 | 131.696 | 129.496             | 130.724 | 131.654 | 131.613 | 132.940 |
| Change in private inventories.....                                    | 12   |         |         |                     |         |         |         |         |
| <b>Net exports of goods and services</b> .....                        | 13   |         |         |                     |         |         |         |         |
| Exports.....  | 14   | 108.950 | 112.543 | 110.091             | 110.720 | 112.383 | 113.614 | 113.373 |
| Goods.....  | 15   | 107.628 | 111.167 | 108.435             | 109.176 | 110.836 | 112.271 | 112.280 |
| Services.....   | 16   | 112.114 | 115.818 | 114.069             | 114.420 | 116.087 | 116.803 | 115.932 |
| Imports.....  | 17   | 111.269 | 116.028 | 114.090             | 113.890 | 116.581 | 118.116 | 115.495 |
| Goods.....  | 18   | 109.622 | 114.502 | 112.756             | 112.297 | 115.162 | 116.789 | 113.726 |
| Services.....   | 19   | 119.933 | 123.976 | 120.914             | 122.243 | 123.892 | 124.877 | 124.851 |
| <b>Government consumption expenditures and gross investment</b> ..... | 20   | 121.183 | 126.466 | 123.437             | 124.784 | 126.254 | 127.143 | 127.664 |
| Federal.....  | 21   | 120.726 | 124.884 | 121.472             | 123.715 | 124.865 | 125.475 | 125.484 |
| National defense.....   | 22   | 121.855 | 126.013 | 122.753             | 124.746 | 125.999 | 126.707 | 126.596 |
| Nondefense.....   | 23   | 118.606 | 122.759 | 119.056             | 121.783 | 122.733 | 123.151 | 123.395 |
| State and local.....  | 24   | 121.463 | 127.416 | 124.615             | 125.428 | 127.090 | 128.142 | 128.963 |
| <b>Addendum:</b>  |      |         |         |                     |         |         |         |         |
| Gross national product.....   | 25   | 112.726 |         | 114.025             | 114.942 | 115.879 | 116.414 |         |

**Table 1.1.10. Percentage Shares of Gross Domestic Product**  
[Percent]

|   | Line | 2005  | 2006  | 2006  |       |       |       |       |
|---|------|-------|-------|-------|-------|-------|-------|-------|
|   |      |       |       | 2005  |       | 2006  |       |       |
|   |      |       |       | IV    | I     | II    | III   | IV    |
| <b>Gross domestic product</b> ....                                    | 1    | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| <b>Personal consumption expenditures</b> .....                        | 2    | 70.2  | 70.0  | 70.1  | 69.8  | 69.9  | 70.2  | 70.1  |
| Durable goods.....  | 3    | 8.3   | 8.1   | 8.0   | 8.2   | 8.0   | 8.1   | 8.0   |
| Nondurable goods.....   | 4    | 20.4  | 20.5  | 20.5  | 20.4  | 20.6  | 20.6  | 20.3  |
| Services.....   | 5    | 41.5  | 41.4  | 41.6  | 41.2  | 41.3  | 41.5  | 41.7  |
| <b>Gross private domestic investment</b> .....                        | 6    | 16.5  | 16.7  | 16.9  | 17.0  | 17.0  | 16.8  | 16.1  |
| Fixed investment.....   | 7    | 16.3  | 16.3  | 16.5  | 16.7  | 16.5  | 16.3  | 15.9  |
| Nonresidential.....   | 8    | 10.2  | 10.5  | 10.2  | 10.4  | 10.5  | 10.7  | 10.6  |
| Structures.....   | 9    | 2.7   | 3.1   | 2.8   | 2.9   | 3.1   | 3.2   | 3.2   |
| Equipment and software.....   | 10   | 7.4   | 7.4   | 7.4   | 7.5   | 7.4   | 7.5   | 7.4   |
| Residential.....  | 11   | 6.2   | 5.8   | 6.3   | 6.2   | 6.0   | 5.6   | 5.3   |
| Change in private inventories.....                                    | 12   | 0.2   | 0.4   | 0.4   | 0.4   | 0.5   | 0.5   | 0.1   |
| <b>Net exports of goods and services</b> .....                        | 13   | -5.8  | -5.8  | -6.1  | -5.9  | -5.9  | -6.0  | -5.2  |
| Exports.....  | 14   | 10.5  | 11.1  | 10.6  | 10.8  | 11.0  | 11.2  | 11.3  |
| Goods.....  | 15   | 7.3   | 7.8   | 7.4   | 7.6   | 7.7   | 7.9   | 8.0   |
| Services.....   | 16   | 3.2   | 3.3   | 3.2   | 3.2   | 3.3   | 3.2   | 3.3   |
| Imports.....  | 17   | 16.2  | 16.8  | 16.7  | 16.7  | 16.9  | 17.2  | 16.6  |
| Goods.....  | 18   | 13.6  | 14.2  | 14.1  | 14.1  | 14.2  | 14.6  | 13.9  |
| Services.....   | 19   | 2.6   | 2.6   | 2.6   | 2.6   | 2.7   | 2.6   | 2.7   |
| <b>Government consumption expenditures and gross investment</b> ..... | 20   | 19.0  | 19.1  | 19.0  | 19.1  | 19.0  | 19.1  | 19.1  |
| Federal.....  | 21   | 7.1   | 7.0   | 7.0   | 7.1   | 7.0   | 7.0   | 7.0   |
| National defense.....   | 22   | 4.7   | 4.7   | 4.6   | 4.7   | 4.7   | 4.6   | 4.7   |
| Nondefense.....   | 23   | 2.3   | 2.3   | 2.3   | 2.4   | 2.3   | 2.3   | 2.2   |
| State and local.....  | 24   | 12.0  | 12.1  | 12.1  | 12.0  | 12.1  | 12.1  | 12.2  |

**Table 1.2.1. Percent Change From Preceding Period in Real Gross Domestic Product by Major Type of Product**  
[Percent]

|  | Line | 2005       | 2006       | Seasonally adjusted at annual rates |             |            |             |              |
|--|------|------------|------------|-------------------------------------|-------------|------------|-------------|--------------|
|  |      |            |            | 2005                                |             | 2006       |             |              |
|  |      |            |            | IV                                  | I           | II         | III         | IV           |
| <b>Gross domestic product .....</b>  | 1    | <b>3.2</b> | <b>3.3</b> | <b>1.8</b>                          | <b>5.6</b>  | <b>2.6</b> | <b>2.0</b>  | <b>2.2</b>   |
| Final sales of domestic product .....  | 2    | 3.5        | 3.1        | -0.3                                | 5.6         | 2.1        | 1.9         | 3.6          |
| Change in private inventories .....  | 3    |            |            |                                     |             |            |             |              |
| <b>Goods .....</b>   | 4    | <b>4.6</b> | <b>6.2</b> | <b>3.1</b>                          | <b>12.8</b> | <b>3.6</b> | <b>3.8</b>  | <b>3.7</b>   |
| Final sales .....  | 5    | 5.6        | 5.5        | -3.4                                | 13.1        | 2.2        | 3.6         | 8.4          |
| Change in private inventories .....  | 6    |            |            |                                     |             |            |             |              |
| Durable goods .....  | 7    | 6.1        | 6.1        | 4.1                                 | 9.0         | 2.3        | 8.9         | -3.4         |
| Final sales .....  | 8    | 7.1        | 6.1        | -5.4                                | 16.0        | -0.2       | 6.7         | 5.2          |
| Change in private inventories <sup>1</sup> .....   | 9    |            |            |                                     |             |            |             |              |
| Nondurable goods .....   | 10   | 3.4        | 6.2        | 2.3                                 | 16.1        | 4.7        | -0.1        | 9.7          |
| Final sales .....  | 11   | 4.4        | 4.9        | -1.8                                | 10.8        | 4.1        | 1.2         | 11.0         |
| Change in private inventories <sup>1</sup> .....   | 12   |            |            |                                     |             |            |             |              |
| <b>Services <sup>2</sup> .....</b>   | 13   | <b>2.3</b> | <b>2.3</b> | <b>0.8</b>                          | <b>2.4</b>  | <b>2.4</b> | <b>2.8</b>  | <b>3.8</b>   |
| <b>Structures .....</b>  | 14   | <b>4.6</b> | <b>0.5</b> | <b>3.1</b>                          | <b>2.9</b>  | <b>0.3</b> | <b>-7.4</b> | <b>-10.1</b> |
| <b>Addenda:</b>  |      |            |            |                                     |             |            |             |              |
| Motor vehicle output .....   | 15   | 5.9        | -1.8       | -19.1                               | 3.8         | -9.4       | 27.4        | -33.4        |
| Gross domestic product excluding motor vehicle output .....                              | 16   | 3.1        | 3.5        | 2.6                                 | 5.6         | 3.0        | 1.2         | 3.6          |
| Final sales of computers <sup>3</sup> .....  | 17   | 24.5       | 16.9       | 33.8                                | 9.5         | 6.7        | 11.7        | 43.0         |
| Gross domestic product excluding final sales of computers .....                          | 18   | 3.1        | 3.2        | 1.6                                 | 5.6         | 2.5        | 1.9         | 2.0          |
| Gross domestic purchases excluding final sales of computers to domestic purchasers ..... | 19   | 3.1        | 3.0        | 2.5                                 | 5.1         | 1.9        | 1.9         | 0.6          |

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. Some components of final sales of computers include computer parts.

**Table 1.2.2. Contributions to Percent Change in Real Gross Domestic Product by Major Type of Product**

|   | Line | 2005        | 2006        | Seasonally adjusted at annual rates |             |             |              |              |
|---|------|-------------|-------------|-------------------------------------|-------------|-------------|--------------|--------------|
|   |      |             |             | 2005                                |             | 2006        |              |              |
|   |      |             |             | IV                                  | I           | II          | III          | IV           |
| <b>Percent change at annual rate:</b>                           |      |             |             |                                     |             |             |              |              |
| <b>Gross domestic product .....</b>                             | 1    | <b>3.2</b>  | <b>3.3</b>  | <b>1.8</b>                          | <b>5.6</b>  | <b>2.6</b>  | <b>2.0</b>   | <b>2.2</b>   |
| <b>Percentage points at annual rates:</b>                       |      |             |             |                                     |             |             |              |              |
| Final sales of domestic product .....                           | 2    | 3.52        | 3.08        | -0.28                               | 5.61        | 2.11        | 1.90         | 3.57         |
| Change in private inventories .....                             | 3    | -0.30       | 0.22        | 2.05                                | -0.03       | 0.44        | 0.06         | -1.35        |
| <b>Goods .....</b>  | 4    | <b>1.43</b> | <b>1.89</b> | <b>0.97</b>                         | <b>3.86</b> | <b>1.12</b> | <b>1.17</b>  | <b>1.16</b>  |
| Final sales .....   | 5    | 1.73        | 1.67        | -1.08                               | 3.89        | 0.67        | 1.10         | 2.51         |
| Change in private inventories .....                             | 6    | -0.30       | 0.22        | 2.05                                | -0.03       | 0.44        | 0.06         | -1.35        |
| Durable goods .....   | 7    | 0.84        | 0.84        | 0.58                                | 1.26        | 0.31        | 1.19         | -0.47        |
| Final sales .....   | 8    | 0.96        | 0.84        | -0.77                               | 2.11        | -0.03       | 0.89         | 0.70         |
| Change in private inventories <sup>1</sup> .....                | 9    | -0.12       | 0.01        | 1.35                                | -0.85       | 0.34        | 0.30         | -1.17        |
| Nondurable goods .....  | 10   | 0.58        | 1.05        | 0.39                                | 2.60        | 0.80        | -0.02        | 1.63         |
| Final sales .....   | 11   | 0.76        | 0.84        | -0.31                               | 1.78        | 0.70        | 0.21         | 1.81         |
| Change in private inventories <sup>1</sup> .....                | 12   | -0.18       | 0.21        | 0.70                                | 0.82        | 0.10        | -0.23        | -0.18        |
| <b>Services <sup>2</sup> .....</b>                              | 13   | <b>1.31</b> | <b>1.36</b> | <b>0.46</b>                         | <b>1.39</b> | <b>1.40</b> | <b>1.63</b>  | <b>2.19</b>  |
| <b>Structures .....</b>   | 14   | <b>0.49</b> | <b>0.05</b> | <b>0.33</b>                         | <b>0.33</b> | <b>0.04</b> | <b>-0.84</b> | <b>-1.14</b> |
| <b>Addenda:</b>   |      |             |             |                                     |             |             |              |              |
| Motor vehicle output .....                                      | 15   | 0.20        | -0.06       | -0.71                               | 0.12        | -0.31       | 0.76         | -1.24        |
| Gross domestic product excluding motor vehicle output .....     | 16   | 3.03        | 3.36        | 2.47                                | 5.46        | 2.87        | 1.20         | 3.46         |
| Final sales of computers <sup>3</sup> .....                     | 17   | 0.16        | 0.11        | 0.20                                | 0.07        | 0.04        | 0.07         | 0.23         |
| Gross domestic product excluding final sales of computers ..... | 18   | 3.07        | 3.20        | 1.56                                | 5.52        | 2.51        | 1.89         | 1.99         |

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. Some components of final sales of computers include computer parts.

**Table 1.2.3. Real Gross Domestic Product by Major Type of Product, Quantity Indexes**  
[Index numbers, 2000=100]

|  | Line | 2005           | 2006           | Seasonally adjusted |                |                |                |                |
|--|------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|  |      |                |                | 2005                |                | 2006           |                |                |
|  |      |                |                | IV                  | I              | II             | III            | IV             |
| <b>Gross domestic product .....</b>  | 1    | <b>112.546</b> | <b>116.264</b> | <b>113.719</b>      | <b>115.274</b> | <b>116.004</b> | <b>116.569</b> | <b>117.210</b> |
| Final sales of domestic product .....  | 2    | 112.958        | 116.444        | 113.883             | 115.455        | 116.060        | 116.609        | 117.650        |
| Change in private inventories .....  | 3    |                |                |                     |                |                |                |                |
| <b>Goods .....</b>   | 4    | <b>112.515</b> | <b>119.445</b> | <b>114.326</b>      | <b>117.831</b> | <b>118.877</b> | <b>119.983</b> | <b>121.089</b> |
| Final sales .....  | 5    | 113.689        | 119.899        | 114.689             | 118.277        | 118.917        | 119.978        | 122.423        |
| Change in private inventories .....  | 6    |                |                |                     |                |                |                |                |
| Durable goods .....  | 7    | 111.888        | 118.731        | 114.743             | 117.231        | 117.887        | 120.422        | 119.383        |
| Final sales .....  | 8    | 113.219        | 120.154        | 114.523             | 118.845        | 118.780        | 120.724        | 122.266        |
| Change in private inventories <sup>1</sup> .....   | 9    |                |                |                     |                |                |                |                |
| Nondurable goods .....   | 10   | 113.386        | 120.403        | 114.342             | 118.691        | 120.058        | 120.019        | 122.843        |
| Final sales .....  | 11   | 114.342        | 119.973        | 115.095             | 118.096        | 119.302        | 119.664        | 122.830        |
| Change in private inventories <sup>1</sup> .....   | 12   |                |                |                     |                |                |                |                |
| <b>Services <sup>2</sup> .....</b>   | 13   | <b>112.963</b> | <b>115.601</b> | <b>113.738</b>      | <b>114.408</b> | <b>115.094</b> | <b>115.905</b> | <b>116.999</b> |
| <b>Structures .....</b>  | 14   | <b>111.235</b> | <b>111.784</b> | <b>112.698</b>      | <b>113.518</b> | <b>113.612</b> | <b>111.462</b> | <b>108.542</b> |
| <b>Addenda:</b>  |      |                |                |                     |                |                |                |                |
| Motor vehicle output .....   | 15   | 118.006        | 115.834        | 116.260             | 117.341        | 114.487        | 121.621        | 109.887        |
| Gross domestic product excluding motor vehicle output .....                              | 16   | 112.359        | 116.267        | 113.626             | 115.197        | 116.043        | 116.398        | 117.431        |
| Final sales of computers <sup>3</sup> .....  | 17   | 190.534        | 222.736        | 207.153             | 211.907        | 215.393        | 221.455        | 242.187        |
| Gross domestic product excluding final sales of computers .....                          | 18   | 112.053        | 115.658        | 113.162             | 114.703        | 115.421        | 115.966        | 116.542        |
| Gross domestic purchases excluding final sales of computers to domestic purchasers ..... | 19   | 113.571        | 116.961        | 114.796             | 116.235        | 116.787        | 117.327        | 117.494        |

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. Some components of final sales of computers include computer parts.

**Table 1.2.4. Price Indexes for Gross Domestic Product by Major Type of Product**  
[Index numbers, 2000=100]

|   | Line | 2005           | 2006           | Seasonally adjusted |                |                |                |                |
|---|------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|   |      |                |                | 2005                |                | 2006           |                |                |
|   |      |                |                | IV                  | I              | II             | III            | IV             |
| <b>Gross domestic product .....</b>                             | 1    | <b>112.744</b> | <b>116.061</b> | <b>114.048</b>      | <b>114.967</b> | <b>115.905</b> | <b>116.446</b> | <b>116.924</b> |
| Final sales of domestic product .....                           | 2    | 112.783        | 116.114        | 114.101             | 115.025        | 115.961        | 116.498        | 116.972        |
| Change in private inventories .....                             | 3    |                |                |                     |                |                |                |                |
| <b>Goods .....</b>  | 4    | <b>100.162</b> | <b>100.572</b> | <b>99.734</b>       | <b>100.237</b> | <b>100.768</b> | <b>100.723</b> | <b>100.560</b> |
| Final sales .....   | 5    | 100.206        | 100.636        | 99.811              | 100.325        | 100.841        | 100.781        | 100.599        |
| Change in private inventories .....                             | 6    |                |                |                     |                |                |                |                |
| Durable goods .....   | 7    | 92.214         | 91.438         | 91.803              | 91.830         | 91.650         | 91.243         | 91.030         |
| Final sales .....   | 8    | 92.186         | 91.428         | 91.789              | 91.824         | 91.652         | 91.223         | 91.014         |
| Change in private inventories <sup>1</sup> .....                | 9    |                |                |                     |                |                |                |                |
| Nondurable goods .....  | 10   | 107.452        | 108.987        | 107.008             | 107.963        | 109.165        | 109.467        | 109.353        |
| Final sales .....   | 11   | 107.574        | 109.133        | 107.181             | 108.149        | 109.319        | 109.610        | 109.454        |
| Change in private inventories <sup>1</sup> .....                | 12   |                |                |                     |                |                |                |                |
| <b>Services <sup>2</sup> .....</b>                              | 13   | <b>117.810</b> | <b>122.144</b> | <b>119.744</b>      | <b>120.745</b> | <b>121.811</b> | <b>122.673</b> | <b>123.348</b> |
| <b>Structures .....</b>   | 14   | <b>128.721</b> | <b>136.955</b> | <b>132.758</b>      | <b>134.749</b> | <b>136.479</b> | <b>137.374</b> | <b>139.218</b> |
| <b>Addenda:</b>   |      |                |                |                     |                |                |                |                |
| Motor vehicle output .....                                      | 15   | 97.656         | 97.006         | 96.857              | 97.636         | 97.564         | 96.460         | 96.364         |
| Gross domestic product excluding motor vehicle output .....     | 16   | 113.332        | 116.807        | 114.721             | 115.646        | 116.624        | 117.228        | 117.729        |
| Final sales of computers <sup>3</sup> .....                     | 17   | 41.430         | 34.739         | 38.476              | 37.234         | 35.362         | 33.799         | 32.561         |
| Gross domestic product excluding final sales of computers ..... | 18   | 113.724        | 117.232        | 115.107             | 116.067        | 117.060        | 117.643        | 118.158        |

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. Some components of final sales of computers include computer parts.

**Table 1.2.5. Gross Domestic Product  
by Major Type of Product**  
[Billions of dollars]

|   | Line | 2005            | 2006            | Seasonally adjusted at annual rates |                 |                 |                 |                 |
|---|------|-----------------|-----------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
|   |      |                 |                 | 2005                                |                 | 2006            |                 |                 |
|   |      |                 |                 | IV                                  | I               | II              | III             | IV              |
| <b>Gross domestic product</b> .....                             | 1    | <b>12,455.8</b> | <b>13,244.6</b> | <b>12,730.5</b>                     | <b>13,008.4</b> | <b>13,197.3</b> | <b>13,322.6</b> | <b>13,449.9</b> |
| Final sales of domestic product .....                           | 2    | 12,434.6        | 13,196.5        | 12,681.9                            | 12,961.2        | 13,135.1        | 13,258.4        | 13,431.2        |
| Change in private inventories .....                             | 3    | 21.3            | 48.1            | 48.6                                | 47.2            | 62.3            | 64.2            | 18.7            |
| <b>Goods</b> .....  | 4    | <b>3,886.5</b>  | <b>4,142.1</b>  | <b>3,932.6</b>                      | <b>4,073.2</b>  | <b>4,131.0</b>  | <b>4,166.7</b>  | <b>4,197.3</b>  |
| Final sales .....   | 5    | 3,865.3         | 4,094.0         | 3,883.9                             | 4,026.1         | 4,068.7         | 4,102.5         | 4,178.6         |
| Change in private inventories .....                             | 6    | 21.3            | 48.1            | 48.6                                | 47.2            | 62.3            | 64.2            | 18.7            |
| Durable goods .....   | 7    | 1,742.9         | 1,833.9         | 1,779.6                             | 1,818.6         | 1,825.1         | 1,856.1         | 1,835.9         |
| Final sales .....   | 8    | 1,725.6         | 1,816.3         | 1,738.1                             | 1,804.3         | 1,800.0         | 1,820.9         | 1,839.9         |
| Change in private inventories <sup>1</sup> .....                | 9    | 17.3            | 17.6            | 41.6                                | 14.3            | 25.1            | 35.2            | -4.0            |
| Nondurable goods .....  | 10   | 2,143.6         | 2,308.1         | 2,152.9                             | 2,254.6         | 2,305.9         | 2,310.6         | 2,361.4         |
| Final sales .....   | 11   | 2,139.7         | 2,277.7         | 2,145.9                             | 2,221.7         | 2,268.7         | 2,281.7         | 2,338.7         |
| Change in private inventories <sup>1</sup> .....                | 12   | 4.0             | 30.4            | 7.0                                 | 32.9            | 37.2            | 28.9            | 22.7            |
| <b>Services</b> <sup>2</sup> .....                              | 13   | <b>7,220.4</b>  | <b>7,661.0</b>  | <b>7,388.9</b>                      | <b>7,494.5</b>  | <b>7,606.0</b>  | <b>7,713.8</b>  | <b>7,829.5</b>  |
| <b>Structures</b> .....   | 14   | <b>1,348.9</b>  | <b>1,441.6</b>  | <b>1,409.1</b>                      | <b>1,440.6</b>  | <b>1,460.3</b>  | <b>1,442.1</b>  | <b>1,423.2</b>  |
| <b>Addenda:</b>   |      |                 |                 |                                     |                 |                 |                 |                 |
| Motor vehicle output .....                                      | 15   | 420.5           | 410.1           | 411.8                               | 418.0           | 408.2           | 428.0           | 386.2           |
| Gross domestic product excluding motor vehicle output .....     | 16   | 12,035.3        | 12,834.5        | 12,318.8                            | 12,590.4        | 12,789.1        | 12,894.6        | 13,063.7        |
| Final sales of computers <sup>3</sup> .....                     | 17   | 86.8            | 85.2            | 87.9                                | 87.0            | 84.0            | 82.6            | 87.0            |
| Gross domestic product excluding final sales of computers ..... | 18   | 12,369.1        | 13,159.4        | 12,642.6                            | 12,921.3        | 13,113.3        | 13,240.0        | 13,362.9        |

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. Some components of final sales of computers include computer parts.

**Table 1.2.6. Real Gross Domestic Product  
by Major Type of Product, Chained Dollars**  
[Billions of chained (2000) dollars]

|   | Line | 2005            | 2006            | Seasonally adjusted at annual rates |                 |                 |                 |                 |
|---|------|-----------------|-----------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
|   |      |                 |                 | 2005                                |                 | 2006            |                 |                 |
|   |      |                 |                 | IV                                  | I               | II              | III             | IV              |
| <b>Gross domestic product</b> .....                             | 1    | <b>11,048.6</b> | <b>11,413.6</b> | <b>11,163.8</b>                     | <b>11,316.4</b> | <b>11,388.1</b> | <b>11,443.5</b> | <b>11,506.5</b> |
| Final sales of domestic product .....                           | 2    | 11,025.2        | 11,365.4        | 11,115.5                            | 11,269.0        | 11,328.0        | 11,381.6        | 11,483.2        |
| Change in private inventories .....                             | 3    | 19.6            | 41.9            | 43.5                                | 41.2            | 53.7            | 55.4            | 17.3            |
| Residual .....  | 4    | 3.8             | 6.3             | 4.8                                 | 6.2             | 6.4             | 6.5             | 6.0             |
| <b>Goods</b> .....  | 5    | <b>3,881.0</b>  | <b>4,120.1</b>  | <b>3,943.5</b>                      | <b>4,064.4</b>  | <b>4,100.5</b>  | <b>4,138.6</b>  | <b>4,176.8</b>  |
| Final sales .....   | 6    | 3,857.3         | 4,068.0         | 3,891.2                             | 4,013.0         | 4,034.7         | 4,070.7         | 4,153.6         |
| Change in private inventories .....                             | 7    | 19.6            | 41.9            | 43.5                                | 41.2            | 53.7            | 55.4            | 17.3            |
| Durable goods .....   | 8    | 1,890.2         | 2,005.8         | 1,938.4                             | 1,980.5         | 1,991.5         | 2,034.4         | 2,016.8         |
| Final sales .....   | 9    | 1,871.9         | 1,986.5         | 1,893.4                             | 1,964.9         | 1,963.8         | 1,995.9         | 2,021.4         |
| Change in private inventories <sup>1</sup> .....                | 10   | 16.4            | 16.2            | 39.2                                | 13.4            | 23.1            | 31.9            | -3.7            |
| Nondurable goods .....  | 11   | 1,995.6         | 2,119.1         | 2,012.4                             | 2,088.9         | 2,113.0         | 2,112.3         | 2,162.0         |
| Final sales .....   | 12   | 1,989.0         | 2,087.0         | 2,002.1                             | 2,054.3         | 2,075.3         | 2,081.6         | 2,136.7         |
| Change in private inventories <sup>1</sup> .....                | 13   | 3.9             | 25.3            | 6.4                                 | 27.1            | 30.3            | 24.1            | 19.6            |
| <b>Services</b> <sup>2</sup> .....                              | 14   | <b>6,128.9</b>  | <b>6,272.1</b>  | <b>6,170.9</b>                      | <b>6,207.3</b>  | <b>6,244.5</b>  | <b>6,288.5</b>  | <b>6,347.9</b>  |
| <b>Structures</b> .....   | 15   | <b>1,047.9</b>  | <b>1,053.1</b>  | <b>1,061.7</b>                      | <b>1,069.4</b>  | <b>1,070.3</b>  | <b>1,050.0</b>  | <b>1,022.5</b>  |
| Residual .....  | 16   | -9.4            | -26.6           | -9.9                                | -20.0           | -19.2           | -28.5           | -37.9           |
| <b>Addenda:</b>   |      |                 |                 |                                     |                 |                 |                 |                 |
| Motor vehicle output .....                                      | 17   | 430.7           | 422.8           | 424.3                               | 428.3           | 417.8           | 443.9           | 401.0           |
| Gross domestic product excluding motor vehicle output .....     | 18   | 10,620.2        | 10,989.6        | 10,739.9                            | 10,888.4        | 10,968.4        | 11,001.9        | 11,099.6        |
| Final sales of computers <sup>3</sup> .....                     | 19   | 209.5           | 244.9           | 227.7                               | 233.0           | 236.8           | 243.5           | 266.3           |
| Gross domestic product excluding final sales of computers ..... | 20   | 10,877.0        | 11,227.0        | 10,984.7                            | 11,134.3        | 11,204.0        | 11,256.9        | 11,312.8        |

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

3. Some components of final sales of computers include computer parts.

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line following change in private inventories is the difference between gross domestic product and the sum of final sales of domestic product and of change in private 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.

**Table 1.3.1. Percent Change From Preceding Period  
in Real Gross Value Added by Sector**  
[Percent]

|  | Line | 2005       | 2006       | Seasonally adjusted at annual rates |             |            |            |            |
|--|------|------------|------------|-------------------------------------|-------------|------------|------------|------------|
|  |      |            |            | 2005                                |             | 2006       |            |            |
|  |      |            |            | IV                                  | I           | II         | III        | IV         |
| <b>Gross domestic product</b> .....                          | 1    | <b>3.2</b> | <b>3.3</b> | <b>1.8</b>                          | <b>5.6</b>  | <b>2.6</b> | <b>2.0</b> | <b>2.2</b> |
| <b>Business</b> <sup>1</sup> .....                           | 2    | <b>3.8</b> | <b>3.8</b> | <b>1.8</b>                          | <b>6.7</b>  | <b>2.7</b> | <b>1.9</b> | <b>2.5</b> |
| Nonfarm <sup>2</sup> .....                                   | 3    | 3.8        | 3.8        | 1.8                                 | 6.7         | 2.7        | 1.9        | 2.5        |
| Farm .....   | 4    | 1.0        | 4.8        | 8.1                                 | 14.1        | 3.9        | -2.0       | -0.7       |
| <b>Households and institutions</b> .....                     | 5    | <b>2.1</b> | <b>2.8</b> | <b>2.3</b>                          | <b>4.4</b>  | <b>3.0</b> | <b>2.1</b> | <b>1.0</b> |
| Households .....   | 6    | 3.1        | 4.1        | 4.1                                 | 7.4         | 4.0        | 2.8        | 0.9        |
| Nonprofit institutions serving households <sup>3</sup> ..... | 7    | 0.8        | 1.2        | 0.0                                 | 0.6         | 1.8        | 1.3        | 1.1        |
| <b>General government</b> <sup>4</sup> .....                 | 8    | <b>0.9</b> | <b>0.7</b> | <b>0.9</b>                          | <b>-0.7</b> | <b>0.8</b> | <b>2.4</b> | <b>1.6</b> |
| Federal .....  | 9    | 0.6        | -0.3       | 1.5                                 | -3.5        | -0.1       | 3.2        | 0.0        |
| State and local .....  | 10   | 1.0        | 1.1        | 0.7                                 | 0.6         | 1.2        | 2.1        | 2.3        |
| <b>Addendum:</b>   |      |            |            |                                     |             |            |            |            |
| Gross housing value added .....                              | 11   | 2.7        | 3.7        | 2.8                                 | 7.1         | 4.0        | 2.8        | 0.9        |

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.

2. Equals gross domestic business value added excluding gross farm value added.

3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.

4. Equals compensation of general government employees plus general government consumption of fixed capital.

**Table 1.3.3. Real Gross Value Added by Sector,  
Quantity Indexes**  
[Index numbers, 2000=100]

|  | Line | 2005           | 2006           | Seasonally adjusted |                |                |                |                |
|--|------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|  |      |                |                | 2005                |                | 2006           |                |                |
|  |      |                |                | IV                  | I              | II             | III            | IV             |
| <b>Gross domestic product</b> .....                          | 1    | <b>112.546</b> | <b>116.264</b> | <b>113.719</b>      | <b>115.274</b> | <b>116.004</b> | <b>116.569</b> | <b>117.210</b> |
| <b>Business</b> <sup>1</sup> .....                           | 2    | <b>113.706</b> | <b>117.992</b> | <b>115.057</b>      | <b>116.942</b> | <b>117.735</b> | <b>118.281</b> | <b>119.011</b> |
| Nonfarm <sup>2</sup> .....                                   | 3    | 113.690        | 117.966        | 115.044             | 116.911        | 117.700        | 118.257        | 118.996        |
| Farm .....   | 4    | 115.266        | 120.823        | 116.415             | 120.316        | 121.458        | 120.861        | 120.658        |
| <b>Households and institutions</b> .....                     | 5    | <b>111.086</b> | <b>114.187</b> | <b>111.972</b>      | <b>113.180</b> | <b>114.028</b> | <b>114.631</b> | <b>114.910</b> |
| Households .....   | 6    | 112.605        | 117.166        | 113.798             | 115.853        | 116.985        | 117.788        | 118.040        |
| Nonprofit institutions serving households <sup>3</sup> ..... | 7    | 109.294        | 110.616        | 109.805             | 109.982        | 110.484        | 110.842        | 111.156        |
| <b>General government</b> <sup>4</sup> .....                 | 8    | <b>106.666</b> | <b>107.390</b> | <b>106.982</b>      | <b>106.795</b> | <b>107.014</b> | <b>107.659</b> | <b>108.093</b> |
| Federal .....  | 9    | 106.947        | 106.579        | 107.121             | 106.167        | 106.148        | 106.997        | 107.002        |
| State and local .....  | 10   | 106.536        | 107.741        | 106.915             | 107.065        | 107.389        | 107.944        | 108.565        |
| <b>Addendum:</b>   |      |                |                |                     |                |                |                |                |
| Gross housing value added .....                              | 11   | 107.857        | 111.824        | 108.674             | 110.563        | 111.642        | 112.421        | 112.670        |

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.

2. Equals gross domestic business value added excluding gross farm value added.

3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.

4. Equals compensation of general government employees plus general government consumption of fixed capital.

**Table 1.3.4. Price Indexes for Gross Value Added by Sector**

[Index numbers, 2000=100]

|  | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|--|------|---------|---------|---------------------|---------|---------|---------|---------|
|  |      |         |         | 2005                |         | 2006    |         |         |
|  |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Gross domestic product</b> ....                           | 1    | 112.744 | 116.061 | 114.048             | 114.967 | 115.905 | 116.446 | 116.924 |
| <b>Business</b> <sup>1</sup> .....                           | 2    | 110.324 | 113.206 | 111.581             | 112.325 | 113.179 | 113.518 | 113.801 |
| Nontfarm <sup>2</sup> .....                                  | 3    | 110.268 | 113.244 | 111.582             | 112.379 | 113.320 | 113.561 | 113.715 |
| Farm .....   | 4    | 116.270 | 109.536 | 111.773             | 106.945 | 98.811  | 109.258 | 123.132 |
| <b>Households and institutions</b> ....                      | 5    | 117.960 | 122.795 | 119.389             | 120.628 | 122.104 | 123.536 | 124.914 |
| Households .....   | 6    | 114.495 | 118.896 | 115.448             | 116.397 | 118.148 | 119.842 | 121.196 |
| Nonprofit institutions serving households <sup>3</sup> ..... | 7    | 122.437 | 127.841 | 124.508             | 126.142 | 127.233 | 128.292 | 129.699 |
| <b>General government</b> <sup>4</sup> .....                 | 8    | 124.718 | 129.768 | 126.237             | 128.170 | 129.182 | 130.338 | 131.380 |
| Federal .....  | 9    | 129.479 | 134.357 | 129.782             | 133.763 | 134.390 | 134.579 | 134.694 |
| State and local .....  | 10   | 122.735 | 127.857 | 124.764             | 125.844 | 127.015 | 128.572 | 129.997 |
| <b>Addendum:</b>   |      |         |         |                     |         |         |         |         |
| Gross housing value added .....                              | 11   | 114.694 | 119.134 | 115.764             | 116.716 | 118.361 | 120.032 | 121.429 |

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.
2. Equals gross domestic business value added excluding gross farm value added.
3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.
4. Equals compensation of general government employees plus general government consumption of fixed capital.

**Table 1.3.5. Gross Value Added by Sector**

[Billions of dollars]

|  | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|--|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|  |      |          |          | 2005                                |          | 2006     |          |          |
|  |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> ....                           | 1    | 12,455.8 | 13,244.6 | 12,730.5                            | 13,008.4 | 13,197.3 | 13,322.6 | 13,449.9 |
| <b>Business</b> <sup>1</sup> .....                           | 2    | 9,613.4  | 10,234.9 | 9,837.9                             | 10,065.4 | 10,210.4 | 10,287.7 | 10,376.1 |
| Nontfarm <sup>2</sup> .....                                  | 3    | 9,517.5  | 10,140.9 | 9,745.0                             | 9,973.6  | 10,124.8 | 10,194.0 | 10,271.2 |
| Farm .....   | 4    | 95.9     | 94.0     | 92.9                                | 91.8     | 85.6     | 93.7     | 104.9    |
| <b>Households and institutions</b> ....                      | 5    | 1,419.6  | 1,519.1  | 1,448.2                             | 1,479.0  | 1,508.3  | 1,534.0  | 1,554.9  |
| Households .....   | 6    | 793.7    | 857.7    | 808.8                               | 830.2    | 850.9    | 869.0    | 880.7    |
| Nonprofit institutions serving households <sup>3</sup> ..... | 7    | 625.8    | 661.4    | 639.4                               | 648.8    | 657.4    | 665.0    | 674.2    |
| <b>General government</b> <sup>4</sup> .....                 | 8    | 1,422.9  | 1,490.6  | 1,444.5                             | 1,464.0  | 1,478.6  | 1,500.8  | 1,518.9  |
| Federal .....  | 9    | 436.7    | 451.6    | 438.4                               | 447.9    | 449.9    | 454.1    | 454.5    |
| State and local .....  | 10   | 986.2    | 1,039.0  | 1,006.0                             | 1,016.2  | 1,028.7  | 1,046.7  | 1,064.4  |
| <b>Addendum:</b>   |      |          |          |                                     |          |          |          |          |
| Gross housing value added .....                              | 11   | 982.6    | 1,058.2  | 999.2                               | 1,025.0  | 1,049.6  | 1,071.8  | 1,086.7  |

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.
2. Equals gross domestic business value added excluding gross farm value added.
3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.
4. Equals compensation of general government employees plus general government consumption of fixed capital.

**Table 1.3.6. Real Gross Value Added by Sector, Chained Dollars**

[Billions of chained (2000) dollars]

|  | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|--|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|  |      |          |          | 2005                                |          | 2006     |          |          |
|  |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> .....                          | 1    | 11,048.6 | 11,413.6 | 11,163.8                            | 11,316.4 | 11,388.1 | 11,443.5 | 11,506.5 |
| <b>Business</b> <sup>1</sup> .....                           | 2    | 8,717.5  | 9,046.1  | 8,821.0                             | 8,965.6  | 9,026.4  | 9,068.2  | 9,124.2  |
| Nontfarm <sup>2</sup> .....                                  | 3    | 8,634.9  | 8,959.7  | 8,737.8                             | 8,879.6  | 8,939.5  | 8,981.8  | 9,037.9  |
| Farm .....   | 4    | 82.4     | 86.4     | 83.3                                | 86.1     | 86.9     | 86.4     | 86.3     |
| <b>Households and institutions</b> .....                     | 5    | 1,200.5  | 1,234.0  | 1,210.1                             | 1,223.1  | 1,232.3  | 1,238.8  | 1,241.8  |
| Households .....   | 6    | 693.2    | 721.3    | 700.6                               | 713.2    | 720.2    | 725.2    | 726.7    |
| Nonprofit institutions serving households <sup>3</sup> ..... | 7    | 508.3    | 514.4    | 510.7                               | 511.5    | 513.8    | 515.5    | 516.9    |
| <b>General government</b> <sup>4</sup> .....                 | 8    | 1,140.9  | 1,148.6  | 1,144.3                             | 1,142.3  | 1,144.6  | 1,151.5  | 1,156.2  |
| Federal .....  | 9    | 337.3    | 336.1    | 337.8                               | 334.8    | 334.8    | 337.4    | 337.4    |
| State and local .....  | 10   | 803.5    | 812.6    | 806.4                               | 807.5    | 810.0    | 814.1    | 818.8    |
| Residual .....   | 11   | -11.0    | -16.9    | -12.8                               | -16.3    | -17.1    | -16.9    | -17.5    |
| <b>Addendum:</b>   |      |          |          |                                     |          |          |          |          |
| Gross housing value added .....                              | 12   | 856.7    | 888.2    | 863.2                               | 878.2    | 886.8    | 892.9    | 894.9    |

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.
  2. Equals gross domestic business value added excluding gross farm value added.
  3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.
  4. Equals compensation of general government employees plus general government consumption of fixed capital.
- NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights 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 1.4.1. Percent Change From Preceding Period in Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers**

[Percent]

|   | Line | 2005 | 2006 | Seasonally adjusted at annual rates |      |      |     |      |
|---|------|------|------|-------------------------------------|------|------|-----|------|
|   |      |      |      | 2005                                |      | 2006 |     |      |
|   |      |      |      | IV                                  | I    | II   | III | IV   |
| <b>Gross domestic product</b> .....                     | 1    | 3.2  | 3.3  | 1.8                                 | 5.6  | 2.6  | 2.0 | 2.2  |
| Less: Exports of goods and services .....               | 2    | 6.8  | 8.9  | 9.6                                 | 14.0 | 6.2  | 6.8 | 10.5 |
| Plus: Imports of goods and services .....               | 3    | 6.1  | 5.8  | 13.2                                | 9.1  | 1.4  | 5.6 | -2.2 |
| <b>Equals: Gross domestic purchases</b> .....           | 4    | 3.3  | 3.1  | 2.7                                 | 5.3  | 2.0  | 2.0 | 0.7  |
| Less: Change in private inventories .....               | 5    |      |      |                                     |      |      |     |      |
| <b>Equals: Final sales to domestic purchasers</b> ..... | 6    | 3.6  | 2.9  | 0.7                                 | 5.4  | 1.6  | 2.0 | 2.0  |
| <b>Addendum:</b>  |      |      |      |                                     |      |      |     |      |
| Final sales of domestic product .....                   | 7    | 3.5  | 3.1  | -0.3                                | 5.6  | 2.1  | 1.9 | 3.6  |

**Table 1.4.3. Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers, Quantity Indexes**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                | 2006    |         |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Gross domestic product</b> .....                     | 1    | 112.546 | 116.264 | 113.719             | 115.274 | 116.004 | 116.569 | 117.210 |
| Less: Exports of goods and services .....               | 2    | 109.105 | 118.831 | 112.054             | 115.783 | 117.536 | 119.495 | 122.510 |
| Plus: Imports of goods and services .....               | 3    | 123.007 | 130.197 | 126.377             | 129.146 | 129.608 | 131.378 | 130.654 |
| <b>Equals: Gross domestic purchases</b> .....           | 4    | 114.351 | 117.946 | 115.657             | 117.161 | 117.746 | 118.341 | 118.537 |
| Less: Change in private inventories .....               | 5    |         |         |                     |         |         |         |         |
| <b>Equals: Final sales to domestic purchasers</b> ..... | 6    | 114.755 | 118.128 | 115.825             | 117.345 | 117.810 | 118.390 | 118.967 |
| <b>Addendum:</b><br>Final sales of domestic product     | 7    | 112.958 | 116.444 | 113.883             | 115.455 | 116.060 | 116.609 | 117.650 |

**Table 1.4.4. Price Indexes for Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                | 2006    |         |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Gross domestic product</b> .....                     | 1    | 112.744 | 116.061 | 114.048             | 114.967 | 115.905 | 116.446 | 116.924 |
| Less: Exports of goods and services .....               | 2    | 108.949 | 112.540 | 110.108             | 110.737 | 112.400 | 113.631 | 113.390 |
| Plus: Imports of goods and services .....               | 3    | 111.268 | 116.048 | 114.117             | 113.918 | 116.608 | 118.143 | 115.522 |
| <b>Equals: Gross domestic purchases</b> .....           | 4    | 112.981 | 116.497 | 114.541             | 115.313 | 116.455 | 117.080 | 117.142 |
| Less: Change in private inventories .....               | 5    |         |         |                     |         |         |         |         |
| <b>Equals: Final sales to domestic purchasers</b> ..... | 6    | 113.021 | 116.551 | 114.594             | 115.371 | 116.510 | 117.133 | 117.189 |
| <b>Addendum:</b><br>Final sales of domestic product     | 7    | 112.783 | 116.114 | 114.101             | 115.025 | 115.961 | 116.498 | 116.972 |

**Table 1.4.5. Relation of Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers**  
[Billions of dollars]

|   | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|---|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|   |      |          |          | 2005                                | 2006     |          |          |          |
|   |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> .....                     | 1    | 12,455.8 | 13,244.6 | 12,730.5                            | 13,008.4 | 13,197.3 | 13,322.6 | 13,449.9 |
| Less: Exports of goods and services .....               | 2    | 1,303.1  | 1,466.1  | 1,352.4                             | 1,405.4  | 1,448.1  | 1,488.3  | 1,522.7  |
| Plus: Imports of goods and services .....               | 3    | 2,019.9  | 2,229.4  | 2,127.8                             | 2,170.6  | 2,229.8  | 2,290.1  | 2,226.9  |
| <b>Equals: Gross domestic purchases</b> .....           | 4    | 13,172.5 | 14,007.8 | 13,505.9                            | 13,773.6 | 13,979.1 | 14,124.3 | 14,154.2 |
| Less: Change in private inventories .....               | 5    | 21.3     | 48.1     | 48.6                                | 47.2     | 62.3     | 64.2     | 18.7     |
| <b>Equals: Final sales to domestic purchasers</b> ..... | 6    | 13,151.3 | 13,959.7 | 13,457.3                            | 13,726.4 | 13,916.8 | 14,060.1 | 14,135.5 |
| <b>Addendum:</b><br>Final sales of domestic product     | 7    | 12,434.6 | 13,196.5 | 12,681.9                            | 12,961.2 | 13,135.1 | 13,258.4 | 13,431.2 |

**Table 1.4.6. Relation of Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers, Chained Dollars**  
[Billions of chained (2000) dollars]

|   | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|---|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|   |      |          |          | 2005                                | 2006     |          |          |          |
|   |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> .....                     | 1    | 11,048.6 | 11,413.6 | 11,163.8                            | 11,316.4 | 11,388.1 | 11,443.5 | 11,506.5 |
| Less: Exports of goods and services .....               | 2    | 1,196.1  | 1,302.7  | 1,228.4                             | 1,269.3  | 1,288.5  | 1,310.0  | 1,343.1  |
| Plus: Imports of goods and services .....               | 3    | 1,815.3  | 1,921.4  | 1,865.0                             | 1,905.9  | 1,912.7  | 1,938.8  | 1,928.1  |
| <b>Equals: Gross domestic purchases</b> .....           | 4    | 11,659.7 | 12,026.3 | 11,792.9                            | 11,946.3 | 12,005.9 | 12,066.6 | 12,086.6 |
| Less: Change in private inventories .....               | 5    | 19.6     | 41.9     | 43.5                                | 41.2     | 53.7     | 55.4     | 17.3     |
| <b>Equals: Final sales to domestic purchasers</b> ..... | 6    | 11,636.1 | 11,978.1 | 11,744.6                            | 11,898.7 | 11,945.9 | 12,004.7 | 12,063.2 |
| <b>Addendum:</b><br>Final sales of domestic product     | 7    | 11,025.2 | 11,365.4 | 11,115.5                            | 11,269.0 | 11,328.0 | 11,381.6 | 11,483.2 |

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.



**Table 1.5.1. Percent Change From Preceding Period in Real Gross Domestic Product, Expanded Detail**  
[Percent]

|   | Line      | 2005       | 2006       | Seasonally adjusted at annual rates |            |            |             |              |
|---|-----------|------------|------------|-------------------------------------|------------|------------|-------------|--------------|
|   |           |            |            | 2005                                |            | 2006       |             |              |
|   |           |            |            | IV                                  | I          | II         | III         | IV           |
| <b>Gross domestic product ...</b>                               | <b>1</b>  | <b>3.2</b> | <b>3.3</b> | <b>1.8</b>                          | <b>5.6</b> | <b>2.6</b> | <b>2.0</b>  | <b>2.2</b>   |
| <b>Personal consumption expenditures</b>                        | <b>2</b>  | <b>3.5</b> | <b>3.2</b> | <b>0.8</b>                          | <b>4.8</b> | <b>2.6</b> | <b>2.8</b>  | <b>4.2</b>   |
| Durable goods   | 3         | 5.5        | 5.0        | -12.3                               | 19.8       | -0.1       | 6.4         | 4.4          |
| Motor vehicles and parts  | 4         | 0.6        | -1.2       | -34.9                               | 18.9       | -1.2       | 8.6         | -4.4         |
| Furniture and household equipment                               | 5         | 10.0       | 12.2       | 11.6                                | 22.8       | 3.3        | 6.7         | 13.3         |
| Other   | 6         | 8.7        | 5.6        | 6.1                                 | 16.3       | -3.7       | 1.6         | 7.2          |
| Nondurable goods  | 7         | 4.5        | 3.7        | 3.9                                 | 5.9        | 1.4        | 1.5         | 6.0          |
| Food  | 8         | 5.4        | 4.2        | 4.1                                 | 6.7        | 2.0        | -0.7        | 6.6          |
| Clothing and shoes  | 9         | 6.2        | 5.3        | 10.3                                | 8.6        | -3.8       | 5.5         | 6.7          |
| Gasoline, fuel oil, and other energy goods                      | 10        | -0.5       | -1.0       | -2.3                                | -1.3       | 0.7        | 5.0         | 1.0          |
| Other   | 11        | 4.1        | 4.3        | 3.6                                 | 6.4        | 3.4        | 2.0         | 6.9          |
| Services  | 12        | 2.6        | 2.6        | 2.0                                 | 1.6        | 3.7        | 2.8         | 3.2          |
| Housing   | 13        | 2.8        | 2.3        | 1.7                                 | 2.3        | 2.4        | 2.6         | 3.2          |
| Household operation   | 14        | 2.1        | -0.4       | 0.3                                 | -14.0      | 8.4        | 9.7         | 3.9          |
| Electricity and gas   | 15        | 2.6        | -2.3       | 2.0                                 | -29.7      | 15.8       | 21.9        | 8.5          |
| Other household operation                                       | 16        | 1.8        | 1.1        | -0.8                                | -0.1       | 3.4        | 1.6         | 0.7          |
| Transportation  | 17        | 0.1        | 1.4        | -0.2                                | 4.0        | 1.7        | 1.3         | 3.5          |
| Medical care  | 18        | 3.6        | 3.5        | 3.7                                 | 4.3        | 2.6        | 2.1         | 3.1          |
| Recreation  | 19        | 2.7        | 2.1        | 1.5                                 | 3.1        | 0.8        | 3.0         | 2.6          |
| Other   | 20        | 2.0        | 3.4        | 1.7                                 | 3.2        | 6.1        | 1.6         | 3.4          |
| <b>Gross private domestic investment</b>                        | <b>21</b> | <b>5.4</b> | <b>4.2</b> | <b>16.2</b>                         | <b>7.8</b> | <b>1.0</b> | <b>-0.8</b> | <b>-15.6</b> |
| Fixed investment  | 22        | 7.5        | 2.9        | 2.8                                 | 8.2        | -1.6       | -1.2        | -8.5         |
| Nonresidential  | 23        | 6.8        | 7.3        | 5.2                                 | 13.7       | 4.4        | 10.0        | -2.4         |
| Structures  | 24        | 1.1        | 8.8        | 12.0                                | 8.7        | 20.3       | 15.7        | -0.8         |
| Equipment and software  | 25        | 8.9        | 6.6        | 2.8                                 | 15.6       | -1.4       | 7.7         | -3.2         |
| Information processing equipment and software                   | 26        | 8.5        | 9.0        | 7.0                                 | 21.8       | -1.1       | 10.0        | 0.6          |
| Computers and peripheral equipment                              | 27        | 17.9       | 16.6       | 27.1                                | 24.9       | 4.7        | 22.0        | 1.5          |
| Software <sup>1</sup>   | 28        | 5.8        | 6.7        | 2.8                                 | 12.2       | 4.2        | 6.0         | 8.3          |
| Other   | 29        | 7.2        | 8.0        | 3.0                                 | 31.6       | -9.0       | 9.3         | -7.8         |
| Industrial equipment  | 30        | 8.1        | 6.0        | 16.2                                | -3.6       | 13.6       | 0.2         | -5.4         |
| Transportation equipment  | 31        | 12.9       | 0.4        | -21.8                               | 27.7       | -22.8      | 13.6        | -14.0        |
| Other equipment   | 32        | 7.0        | 6.6        | 6.6                                 | 8.5        | 7.4        | 3.8         | -0.9         |
| Residential   | 33        | 8.6        | -4.2       | -0.9                                | -0.3       | -11.1      | -18.7       | -19.1        |
| Change in private inventories                                   | 34        |            |            |                                     |            |            |             |              |
| Farm  | 35        |            |            |                                     |            |            |             |              |
| Nonfarm   | 36        |            |            |                                     |            |            |             |              |
| <b>Net exports of goods and services</b>                        | <b>37</b> |            |            |                                     |            |            |             |              |
| Exports   | 38        | 6.8        | 8.9        | 9.6                                 | 14.0       | 6.2        | 6.8         | 10.5         |
| Goods   | 39        | 7.5        | 10.5       | 11.5                                | 17.3       | 6.0        | 9.4         | 8.5          |
| Services  | 40        | 5.1        | 5.4        | 5.5                                 | 6.7        | 6.7        | 0.8         | 15.5         |
| Imports   | 41        | 6.1        | 5.8        | 13.2                                | 9.1        | 1.4        | 5.6         | -2.2         |
| Goods   | 42        | 6.7        | 5.9        | 14.1                                | 9.4        | -0.1       | 7.1         | -3.8         |
| Services  | 43        | 2.8        | 5.3        | 8.3                                 | 7.4        | 9.9        | -2.6        | 7.1          |
| <b>Government consumption expenditures and gross investment</b> | <b>44</b> | <b>0.9</b> | <b>2.1</b> | <b>-1.1</b>                         | <b>4.9</b> | <b>0.8</b> | <b>1.7</b>  | <b>3.3</b>   |
| Federal   | 45        | 1.5        | 2.0        | -4.6                                | 8.8        | -4.5       | 1.3         | 4.4          |
| National defense  | 46        | 1.7        | 1.9        | -9.9                                | 8.9        | -2.0       | -1.2        | 12.3         |
| Consumption expenditures  | 47        | 1.2        | 1.2        | -10.8                               | 9.1        | -4.1       | -0.9        | 11.3         |
| Gross investment  | 48        | 5.5        | 7.2        | -3.1                                | 7.9        | 14.1       | -3.1        | 19.0         |
| Nondefense  | 49        | 1.1        | 2.1        | 7.1                                 | 8.5        | -9.3       | 6.5         | -10.2        |
| Consumption expenditures  | 50        | 0.1        | 1.8        | 2.4                                 | 8.1        | -5.0       | 6.5         | -9.1         |
| Gross investment  | 51        | 8.1        | 3.8        | 43.8                                | 10.8       | -32.9      | 6.7         | -17.3        |
| State and local   | 52        | 0.5        | 2.1        | 1.0                                 | 2.7        | 4.0        | 1.9         | 2.6          |
| Consumption expenditures  | 53        | 0.9        | 1.8        | 1.0                                 | 1.7        | 2.1        | 3.1         | 3.3          |
| Gross investment  | 54        | -0.9       | 3.4        | 1.4                                 | 7.0        | 12.5       | -3.1        | 0.1          |

1. Excludes software "embedded," or bundled, in computers and other equipment.

**Table 1.5.2. Contributions to Percent Change in Real Gross Domestic Product, Expanded Detail**

|   | Line      | 2005         | 2006         | Seasonally adjusted at annual rates |              |             |              |              |
|---|-----------|--------------|--------------|-------------------------------------|--------------|-------------|--------------|--------------|
|   |           |              |              | 2005                                |              | 2006        |              |              |
|   |           |              |              | IV                                  | I            | II          | III          | IV           |
| <b>Percent change at annual rate:</b>                           |           |              |              |                                     |              |             |              |              |
| <b>Gross domestic product ...</b>                               | <b>1</b>  | <b>3.2</b>   | <b>3.3</b>   | <b>1.8</b>                          | <b>5.6</b>   | <b>2.6</b>  | <b>2.0</b>   | <b>2.2</b>   |
| <b>Percentage points at annual rates:</b>                       |           |              |              |                                     |              |             |              |              |
| <b>Personal consumption expenditures</b>                        | <b>2</b>  | <b>2.44</b>  | <b>2.24</b>  | <b>0.53</b>                         | <b>3.38</b>  | <b>1.81</b> | <b>1.96</b>  | <b>2.88</b>  |
| Durable goods   | 3         | 0.45         | 0.41         | -1.08                               | 1.50         | -0.01       | 0.50         | 0.35         |
| Motor vehicles and parts  | 4         | 0.02         | -0.04        | -1.51                               | 0.60         | -0.04       | 0.28         | -0.15        |
| Furniture and household equipment                               | 5         | 0.29         | 0.36         | 0.33                                | 0.65         | 0.10        | 0.20         | 0.38         |
| Other   | 6         | 0.14         | 0.09         | 0.10                                | 0.26         | -0.06       | 0.03         | 0.12         |
| Nondurable goods  | 7         | 0.90         | 0.77         | 0.79                                | 1.20         | 0.30        | 0.32         | 1.19         |
| Food  | 8         | 0.51         | 0.41         | 0.39                                | 0.64         | 0.19        | -0.07        | 0.62         |
| Clothing and shoes  | 9         | 0.17         | 0.14         | 0.27                                | 0.23         | -0.10       | 0.15         | 0.18         |
| Gasoline, fuel oil, and other energy goods                      | 10        | -0.01        | -0.02        | -0.06                               | -0.03        | 0.02        | 0.14         | 0.03         |
| Other   | 11        | 0.23         | 0.24         | 0.19                                | 0.36         | 0.19        | 0.11         | 0.37         |
| Services  | 12        | 1.09         | 1.06         | 0.83                                | 0.67         | 1.52        | 1.14         | 1.34         |
| Housing   | 13        | 0.30         | 0.24         | 0.18                                | 0.24         | 0.25        | 0.27         | 0.33         |
| Household operation   | 14        | 0.08         | -0.02        | 0.01                                | -0.58        | 0.31        | 0.35         | 0.15         |
| Electricity and gas   | 15        | 0.04         | -0.04        | 0.03                                | -0.58        | 0.23        | 0.32         | 0.13         |
| Other household operation                                       | 16        | 0.04         | 0.03         | -0.02                               | 0.00         | 0.08        | 0.04         | 0.01         |
| Transportation  | 17        | 0.00         | 0.04         | 0.00                                | 0.10         | 0.04        | 0.03         | 0.09         |
| Medical care  | 18        | 0.43         | 0.42         | 0.44                                | 0.52         | 0.31        | 0.25         | 0.36         |
| Recreation  | 19        | 0.08         | 0.06         | 0.04                                | 0.09         | 0.02        | 0.08         | 0.07         |
| Other   | 20        | 0.20         | 0.33         | 0.16                                | 0.31         | 0.58        | 0.15         | 0.33         |
| <b>Gross private domestic investment</b>                        | <b>21</b> | <b>0.87</b>  | <b>0.70</b>  | <b>2.51</b>                         | <b>1.31</b>  | <b>0.17</b> | <b>-0.13</b> | <b>-2.78</b> |
| Fixed investment  | 22        | 1.17         | 0.48         | 0.46                                | 1.34         | -0.27       | -0.19        | -1.43        |
| Nonresidential  | 23        | 0.67         | 0.74         | 0.52                                | 1.36         | 0.45        | 1.01         | -0.26        |
| Structures  | 24        | 0.03         | 0.26         | 0.31                                | 0.25         | 0.56        | 0.46         | -0.03        |
| Equipment and software  | 25        | 0.64         | 0.48         | 0.21                                | 1.11         | -0.10       | 0.55         | -0.24        |
| Information processing equipment and software                   | 26        | 0.30         | 0.32         | 0.25                                | 0.74         | -0.04       | 0.35         | 0.02         |
| Computers and peripheral equipment                              | 27        | 0.12         | 0.11         | 0.16                                | 0.15         | 0.03        | 0.13         | 0.01         |
| Software <sup>1</sup>   | 28        | 0.09         | 0.10         | 0.04                                | 0.18         | 0.07        | 0.09         | 0.13         |
| Other   | 29        | 0.10         | 0.11         | 0.04                                | 0.40         | -0.14       | 0.13         | -0.12        |
| Industrial equipment  | 30        | 0.10         | 0.07         | 0.19                                | -0.05        | 0.16        | 0.00         | -0.07        |
| Transportation equipment  | 31        | 0.15         | 0.01         | -0.31                               | 0.31         | -0.32       | 0.15         | -0.18        |
| Other equipment   | 32        | 0.09         | 0.08         | 0.08                                | 0.11         | 0.09        | 0.05         | -0.01        |
| Residential   | 33        | 0.50         | -0.26        | -0.06                               | -0.02        | -0.72       | -1.20        | -1.16        |
| Change in private inventories                                   | 34        | -0.30        | 0.22         | 2.05                                | -0.03        | 0.44        | 0.06         | -1.35        |
| Farm  | 35        | -0.06        | 0.03         | 0.14                                | -0.01        | -0.09       | 0.02         | -0.01        |
| Nonfarm   | 36        | -0.24        | 0.20         | 1.90                                | -0.02        | 0.54        | 0.05         | -1.34        |
| <b>Net exports of goods and services</b>                        | <b>37</b> | <b>-0.26</b> | <b>-0.03</b> | <b>-1.07</b>                        | <b>-0.04</b> | <b>0.42</b> | <b>-0.19</b> | <b>1.50</b>  |
| Exports   | 38        | 0.68         | 0.93         | 0.97                                | 1.41         | 0.66        | 0.73         | 1.13         |
| Goods   | 39        | 0.52         | 0.76         | 0.80                                | 1.20         | 0.45        | 0.71         | 0.65         |
| Services  | 40        | 0.16         | 0.17         | 0.17                                | 0.21         | 0.21        | 0.03         | 0.48         |
| Imports   | 41        | -0.94        | -0.96        | -2.04                               | -1.46        | -0.24       | -0.93        | 0.38         |
| Goods   | 42        | -0.87        | -0.82        | -1.84                               | -1.27        | 0.01        | -1.00        | 0.56         |
| Services  | 43        | -0.07        | -0.14        | -0.20                               | -0.19        | -0.25       | 0.07         | -0.18        |
| <b>Government consumption expenditures and gross investment</b> | <b>44</b> | <b>0.17</b>  | <b>0.40</b>  | <b>-0.21</b>                        | <b>0.94</b>  | <b>0.16</b> | <b>0.32</b>  | <b>0.62</b>  |
| Federal   | 45        | 0.11         | 0.14         | -0.33                               | 0.61         | -0.32       | 0.09         | 0.30         |
| National defense  | 46        | 0.08         | 0.09         | -0.49                               | 0.41         | -0.09       | -0.06        | 0.54         |
| Consumption expenditures  | 47        | 0.05         | 0.05         | -0.47                               | 0.37         | -0.17       | -0.04        | 0.44         |
| Gross investment  | 48        | 0.03         | 0.04         | -0.02                               | 0.05         | 0.08        | -0.02        | 0.11         |
| Nondefense  | 49        | 0.03         | 0.05         | 0.16                                | 0.20         | -0.23       | 0.15         | -0.24        |
| Consumption expenditures  | 50        | 0.00         | 0.04         | 0.05                                | 0.16         | -0.10       | 0.13         | -0.19        |
| Gross investment  | 51        | 0.02         | 0.01         | 0.11                                | 0.03         | -0.12       | 0.02         | -0.05        |
| State and local   | 52        | 0.06         | 0.26         | 0.13                                | 0.33         | 0.48        | 0.23         | 0.32         |
| Consumption expenditures  | 53        | 0.08         | 0.18         | 0.09                                | 0.17         | 0.20        | 0.30         | 0.32         |
| Gross investment  | 54        | -0.02        | 0.08         | 0.03                                | 0.16         | 0.28        | -0.08        | 0.00         |

1. Excludes software "embedded," or bundled, in computers and other equipment.

Table 1.5.3. Real Gross Domestic Product, Expanded Detail, Quantity Indexes

[Index numbers, 2000=100]

|  | Line      | 2005           | 2006           | Seasonally adjusted |                |                |                |                |
|--|-----------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|  |           |                |                | 2005                |                | 2006           |                |                |
|  |           |                |                | IV                  | I              | II             | III            | IV             |
| <b>Gross domestic product ....</b>                                   | <b>1</b>  | <b>112.546</b> | <b>116.264</b> | <b>113.719</b>      | <b>115.274</b> | <b>116.004</b> | <b>116.569</b> | <b>117.210</b> |
| <b>Personal consumption expenditures .....</b>                       | <b>2</b>  | <b>116.349</b> | <b>120.057</b> | <b>117.373</b>      | <b>118.761</b> | <b>119.521</b> | <b>120.355</b> | <b>121.590</b> |
| Durable goods .....  | 3         | 132.666        | 139.328        | 131.799             | 137.893        | 137.868        | 140.019        | 141.530        |
| Motor vehicles and parts .....                                       | 4         | 117.173        | 115.753        | 110.286             | 115.158        | 114.799        | 117.179        | 115.877        |
| Furniture and household equipment.....                               | 5         | 156.790        | 175.957        | 163.472             | 172.097        | 173.496        | 176.324        | 181.911        |
| Other .....  | 6         | 129.696        | 136.939        | 131.958             | 137.039        | 135.754        | 136.292        | 138.672        |
| Nondurable goods .....   | 7         | 116.924        | 121.308        | 118.608             | 120.313        | 120.742        | 121.204        | 122.974        |
| Food.....  | 8         | 115.191        | 120.075        | 117.349             | 119.265        | 119.853        | 119.631        | 121.552        |
| Clothing and shoes.....  | 9         | 125.195        | 131.850        | 128.686             | 131.367        | 130.113        | 131.876        | 134.045        |
| Gasoline, fuel oil, and other energy goods.....                      | 10        | 104.204        | 103.184        | 102.679             | 102.348        | 102.532        | 103.795        | 104.061        |
| Other .....  | 11        | 120.838        | 125.975        | 122.432             | 124.356        | 125.409        | 126.016        | 128.121        |
| Services .....   | 12        | 112.925        | 115.810        | 113.945             | 114.398        | 115.440        | 116.234        | 117.167        |
| Housing .....  | 13        | 111.540        | 114.129        | 112.394             | 113.035        | 113.713        | 114.436        | 115.332        |
| Household operation .....  | 14        | 107.145        | 106.704        | 107.598             | 103.628        | 105.735        | 108.203        | 109.249        |
| Electricity and gas .....  | 15        | 107.317        | 104.802        | 107.963             | 98.875         | 102.566        | 107.770        | 109.999        |
| Other household operation .....                                      | 16        | 107.016        | 108.229        | 107.320             | 107.289        | 108.190        | 108.629        | 108.807        |
| Transportation .....   | 17        | 97.652         | 98.989         | 97.330              | 98.298         | 98.722         | 99.044         | 99.891         |
| Medical care .....   | 18        | 122.799        | 127.058        | 124.563             | 125.887        | 126.690        | 127.347        | 128.310        |
| Recreation .....   | 19        | 116.727        | 119.145        | 117.445             | 118.336        | 118.581        | 119.448        | 120.215        |
| Other .....  | 20        | 109.540        | 113.226        | 110.634             | 111.521        | 113.175        | 113.622        | 114.586        |
| <b>Gross private domestic investment.....</b>                        | <b>21</b> | <b>107.537</b> | <b>112.079</b> | <b>111.034</b>      | <b>113.143</b> | <b>113.429</b> | <b>113.215</b> | <b>108.530</b> |
| Fixed investment.....  | 22        | 109.708        | 112.901        | 111.811             | 114.033        | 113.570        | 113.240        | 110.760        |
| Nonresidential.....  | 23        | 99.326         | 106.565        | 101.308             | 104.606        | 105.738        | 108.292        | 107.623        |
| Structures.....  | 24        | 80.302         | 87.404         | 81.174              | 82.893         | 86.819         | 90.044         | 89.860         |
| Equipment and software .....   | 25        | 107.180        | 114.241        | 109.653             | 113.704        | 113.313        | 115.434        | 114.514        |
| Information processing equipment and software.....                   | 26        | 118.169        | 128.755        | 121.307             | 127.437        | 127.088        | 130.156        | 130.340        |
| Computers and peripheral equipment .....                             | 27        | 163.269        | 190.344        | 173.913             | 183.839        | 185.956        | 195.437        | 196.143        |
| Software <sup>1</sup> .....  | 28        | 117.072        | 124.878        | 118.920             | 122.383        | 123.658        | 125.468        | 128.004        |
| Other .....  | 29        | 101.880        | 110.064        | 103.947             | 111.339        | 108.753        | 111.205        | 108.958        |
| Industrial equipment.....  | 30        | 90.147         | 95.575         | 94.468              | 93.602         | 96.640         | 96.691         | 95.366         |
| Transportation equipment .....                                       | 31        | 90.382         | 90.771         | 89.030              | 94.635         | 88.698         | 91.571         | 88.180         |
| Other equipment .....  | 32        | 112.290        | 119.678        | 115.224             | 117.597        | 119.702        | 120.837        | 120.578        |
| Residential.....   | 33        | 136.050        | 130.344        | 138.495             | 138.391        | 134.368        | 127.601        | 121.015        |
| Change in private inventories .....                                  | 34        | .....          | .....          | .....               | .....          | .....          | .....          | .....          |
| Farm .....   | 35        | .....          | .....          | .....               | .....          | .....          | .....          | .....          |
| Nonfarm.....   | 36        | .....          | .....          | .....               | .....          | .....          | .....          | .....          |
| <b>Net exports of goods and services .....</b>                       | <b>37</b> | <b>.....</b>   | <b>.....</b>   | <b>.....</b>        | <b>.....</b>   | <b>.....</b>   | <b>.....</b>   | <b>.....</b>   |
| Exports .....  | 38        | 109.105        | 118.831        | 112.054             | 115.783        | 117.536        | 119.495        | 122.510        |
| Goods .....  | 39        | 107.507        | 118.755        | 111.027             | 115.535        | 117.228        | 119.898        | 122.359        |
| Services .....   | 40        | 113.118        | 119.204        | 114.693             | 116.564        | 118.463        | 118.712        | 123.077        |
| Imports .....  | 41        | 123.007        | 130.197        | 126.377             | 129.146        | 129.608        | 131.378        | 130.654        |
| Goods .....  | 42        | 124.640        | 132.042        | 128.331             | 131.236        | 131.218        | 133.503        | 132.211        |
| Services .....   | 43        | 115.170        | 121.308        | 116.954             | 119.055        | 121.896        | 121.100        | 123.183        |
| <b>Government consumption expenditures and gross investment.....</b> | <b>44</b> | <b>113.731</b> | <b>116.072</b> | <b>114.048</b>      | <b>115.423</b> | <b>115.657</b> | <b>116.136</b> | <b>117.073</b> |
| Federal .....  | 45        | 125.701        | 128.174        | 126.053             | 128.728        | 127.262        | 127.669        | 129.037        |
| National defense.....  | 46        | 130.593        | 133.073        | 130.002             | 132.808        | 132.141        | 131.740        | 135.605        |
| Consumption expenditures .....                                       | 47        | 128.551        | 130.044        | 127.544             | 130.343        | 128.981        | 128.681        | 132.171        |
| Gross investment .....   | 48        | 145.920        | 156.469        | 148.703             | 151.544        | 156.631        | 155.397        | 162.303        |
| Nondefense .....   | 49        | 116.896        | 119.364        | 118.971             | 121.411        | 118.488        | 120.370        | 117.186        |
| Consumption expenditures .....                                       | 50        | 116.593        | 118.747        | 117.362             | 119.666        | 118.137        | 120.006        | 117.179        |
| Gross investment .....   | 51        | 119.670        | 124.196        | 130.801             | 134.201        | 121.448        | 123.427        | 117.707        |
| State and local .....  | 52        | 107.660        | 109.930        | 107.954             | 108.682        | 109.762        | 110.277        | 111.000        |
| Consumption expenditures .....                                       | 53        | 107.655        | 109.602        | 108.074             | 108.536        | 109.095        | 109.944        | 110.833        |
| Gross investment .....   | 54        | 107.563        | 111.193        | 107.335             | 109.177        | 112.448        | 111.558        | 111.590        |

1. Excludes software "embedded," or bundled, in computers and other equipment.

Table 1.5.4. Price Indexes for Gross Domestic Product, Expanded Detail

[Index numbers, 2000=100]

|  | Line      | 2005           | 2006           | Seasonally adjusted |                |                |                |                |
|--|-----------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|  |           |                |                | 2005                |                | 2006           |                |                |
|  |           |                |                | IV                  | I              | II             | III            | IV             |
| <b>Gross domestic product ....</b>                                   | <b>1</b>  | <b>112.744</b> | <b>116.061</b> | <b>114.048</b>      | <b>114.967</b> | <b>115.905</b> | <b>116.446</b> | <b>116.924</b> |
| <b>Personal consumption expenditures .....</b>                       | <b>2</b>  | <b>111.493</b> | <b>114.563</b> | <b>112.873</b>      | <b>113.445</b> | <b>114.573</b> | <b>115.241</b> | <b>114.991</b> |
| Durable goods .....  | 3         | 90.198         | 88.981         | 89.606              | 89.385         | 89.206         | 88.967         | 88.366         |
| Motor vehicles and parts .....                                       | 4         | 98.967         | 99.400         | 98.906              | 99.460         | 99.532         | 99.631         | 98.980         |
| Furniture and household equipment.....                               | 5         | 76.884         | 73.466         | 75.435              | 74.671         | 73.894         | 73.046         | 72.252         |
| Other .....  | 6         | 97.688         | 98.464         | 98.005              | 97.567         | 98.351         | 98.950         | 98.987         |
| Nondurable goods .....   | 7         | 111.530        | 114.959        | 113.177             | 113.484        | 115.769        | 116.442        | 114.141        |
| Food.....  | 8         | 112.732        | 115.333        | 113.642             | 114.414        | 114.905        | 115.727        | 116.284        |
| Clothing and shoes.....  | 9         | 91.706         | 91.350         | 91.101              | 90.870         | 91.651         | 91.342         | 91.536         |
| Gasoline, fuel oil, and other energy goods.....                      | 10        | 151.423        | 170.992        | 163.612             | 161.126        | 182.632        | 185.621        | 154.588        |
| Other .....  | 11        | 107.775        | 109.786        | 108.619             | 109.301        | 109.737        | 110.041        | 110.064        |
| Services .....   | 12        | 116.529        | 120.521        | 118.281             | 119.194        | 120.059        | 120.960        | 121.869        |
| Housing .....  | 13        | 116.165        | 120.327        | 117.279             | 118.269        | 119.717        | 121.055        | 122.266        |
| Household operation .....  | 14        | 115.554        | 121.690        | 120.579             | 122.403        | 121.019        | 121.383        | 121.956        |
| Electricity and gas .....  | 15        | 129.900        | 141.718        | 142.169             | 145.582        | 140.799        | 140.318        | 140.173        |
| Other household operation .....                                      | 16        | 107.233        | 109.996        | 108.047             | 108.977        | 109.447        | 110.285        | 111.276        |
| Transportation .....   | 17        | 112.663        | 116.895        | 114.970             | 115.411        | 116.826        | 117.675        | 117.670        |
| Medical care .....   | 18        | 118.438        | 121.753        | 119.949             | 120.482        | 121.332        | 122.180        | 123.019        |
| Recreation .....   | 19        | 115.168        | 118.641        | 116.702             | 117.311        | 118.582        | 119.425        | 119.244        |
| Other .....  | 20        | 116.625        | 120.469        | 117.959             | 119.116        | 119.970        | 120.711        | 122.080        |
| <b>Gross private domestic investment.....</b>                        | <b>21</b> | <b>110.284</b> | <b>113.817</b> | <b>111.853</b>      | <b>112.860</b> | <b>113.717</b> | <b>113.895</b> | <b>114.798</b> |
| Fixed investment.....  | 22        | 110.542        | 114.161        | 112.194             | 113.238        | 114.074        | 114.224        | 115.106        |
| Nonresidential.....  | 23        | 103.428        | 106.359        | 104.510             | 105.471        | 106.266        | 106.501        | 107.198        |
| Structures.....  | 24        | 134.647        | 149.967        | 141.476             | 145.684        | 149.432        | 151.372        | 153.380        |
| Equipment and software .....   | 25        | 94.134         | 93.889         | 93.754              | 93.887         | 93.920         | 93.704         | 94.046         |
| Information processing equipment and software.....                   | 26        | 82.218         | 80.541         | 81.313              | 80.940         | 80.737         | 80.438         | 80.048         |
| Computers and peripheral equipment .....                             | 27        | 51.407         | 44.818         | 48.634              | 47.125         | 45.443         | 43.889         | 42.817         |
| Software <sup>1</sup> .....  | 28        | 94.067         | 94.986         | 94.009              | 94.430         | 95.005         | 95.354         | 95.155         |
| Other .....  | 29        | 90.492         | 90.569         | 90.343              | 90.186         | 90.523         | 90.737         | 90.832         |
| Industrial equipment.....  | 30        | 108.064        | 111.068        | 108.973             | 109.659        | 110.544        | 111.715        | 112.355        |
| Transportation equipment .....                                       | 31        | 108.882        | 108.530        | 107.933             | 108.867        | 109.257        | 106.894        | 109.103        |
| Other equipment .....  | 32        | 108.174        | 110.318        | 109.100             | 109.841        | 109.608        | 110.339        | 111.486        |
| Residential.....   | 33        | 126.714        | 131.774        | 129.536             | 130.765        | 131.696        | 131.655        | 132.981        |
| Change in private inventories .....                                  | 34        | .....          | .....          | .....               | .....          | .....          | .....          | .....          |
| Farm .....   | 35        | .....          | .....          | .....               | .....          | .....          | .....          | .....          |
| Nonfarm.....   | 36        | .....          | .....          | .....               | .....          | .....          | .....          | .....          |
| <b>Net exports of goods and services .....</b>                       | <b>37</b> | <b>.....</b>   | <b>.....</b>   | <b>.....</b>        | <b>.....</b>   | <b>.....</b>   | <b>.....</b>   | <b>.....</b>   |
| Exports .....  | 38        | 108.949        | 112.540        | 110.108             | 110.737        | 112.400        | 113.631        | 113.390        |
| Goods .....  | 39        | 107.628        | 111.156        | 108.450             | 109.192        | 110.852        | 112.286        | 112.296        |
| Services .....   | 40        | 112.115        | 115.822        | 114.080             | 114.430        | 116.098        | 116.815        | 115.943        |
| Imports .....  | 41        | 111.268        | 116.048        | 114.117             | 113.918        | 116.608        | 118.143        | 115.522        |
| Goods .....  | 42        | 109.622        | 114.528        | 112.790             | 112.331        | 115.197        | 116.824        | 113.761        |
| Services .....   | 43        | 119.933        | 123.964        | 120.913             | 122.242        | 123.890        | 124.876        | 124.849        |
| <b>Government consumption expenditures and gross investment.....</b> | <b>44</b> | <b>121.183</b> | <b>126.468</b> | <b>123.444</b>      | <b>124.791</b> | <b>126.262</b> | <b>127.150</b> | <b>127.671</b> |
| Federal .....  | 45        | 120.726        | 124.891        | 121.479             | 123.721        | 124.871        | 125.482        | 125.490        |
| National defense.....  | 46        | 121.855        | 126.019        | 122.760             | 124.752        | 126.060        | 126.714        | 126.603        |
| Consumption expenditures .....                                       | 47        | 125.071        | 129.642        | 128.061             | 128.327        | 129.681        | 130.375        | 130.186        |
| Gross investment .....   | 48        | 101.628        | 103.405        | 102.026             | 102.438        | 103.109        | 10             |                |

**Table 1.5.5. Gross Domestic Product, Expanded Detail**

[Billions of dollars]

|  | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|--|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|  |      |          |          | 2005                                |          | 2006     |          |          |
|  |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> .....  | 1    | 12,455.8 | 13,244.6 | 12,730.5                            | 13,008.4 | 13,197.3 | 13,322.6 | 13,449.9 |
| <b>Personal consumption expenditures</b> .....                               | 2    | 8,742.4  | 9,269.0  | 8,927.8                             | 9,079.2  | 9,228.1  | 9,346.7  | 9,422.1  |
| Durable goods.....   | 3    | 1,033.1  | 1,070.3  | 1,019.6                             | 1,064.1  | 1,061.8  | 1,075.5  | 1,079.8  |
| Motor vehicles and parts.....  | 4    | 448.2    | 444.7    | 421.6                               | 442.7    | 441.7    | 451.3    | 443.3    |
| Furniture and household equipment.....                                       | 5    | 377.2    | 404.6    | 386.0                               | 402.3    | 401.3    | 403.2    | 411.5    |
| Other.....   | 6    | 207.7    | 221.0    | 212.0                               | 219.1    | 218.8    | 221.0    | 225.0    |
| Nondurable goods.....  | 7    | 2,539.3  | 2,715.0  | 2,613.5                             | 2,658.2  | 2,721.4  | 2,747.7  | 2,732.7  |
| Food.....  | 8    | 1,201.4  | 1,281.2  | 1,233.7                             | 1,262.3  | 1,274.0  | 1,280.7  | 1,307.6  |
| Clothing and shoes.....  | 9    | 341.8    | 358.6    | 349.1                               | 355.4    | 355.1    | 358.7    | 365.3    |
| Gasoline, fuel oil, and other energy goods.....                              | 10   | 302.1    | 338.3    | 322.1                               | 316.2    | 359.1    | 369.4    | 308.5    |
| Other.....   | 11   | 694.0    | 736.9    | 708.6                               | 724.2    | 733.3    | 738.9    | 751.4    |
| Services.....  | 12   | 5,170.0  | 5,483.7  | 5,294.7                             | 5,356.8  | 5,444.9  | 5,523.5  | 5,609.6  |
| Housing.....   | 13   | 1,304.1  | 1,382.2  | 1,326.6                             | 1,345.4  | 1,370.1  | 1,394.2  | 1,419.2  |
| Household operation.....   | 14   | 483.0    | 506.5    | 506.1                               | 494.8    | 499.1    | 512.3    | 519.7    |
| Electricity and gas.....   | 15   | 199.8    | 212.7    | 219.9                               | 206.2    | 206.9    | 216.6    | 220.9    |
| Other household operation.....   | 16   | 283.2    | 293.8    | 286.2                               | 288.6    | 292.2    | 295.7    | 298.8    |
| Transportation.....  | 17   | 320.4    | 337.1    | 325.9                               | 330.4    | 335.9    | 339.5    | 342.4    |
| Medical care.....  | 18   | 1,493.4  | 1,588.4  | 1,534.0                             | 1,557.2  | 1,578.2  | 1,597.5  | 1,620.6  |
| Recreation.....  | 19   | 360.6    | 379.2    | 367.7                               | 372.4    | 377.2    | 382.7    | 384.5    |
| Other.....   | 20   | 1,208.4  | 1,290.3  | 1,234.4                             | 1,256.5  | 1,284.3  | 1,297.3  | 1,323.2  |
| <b>Gross private domestic investment</b> .....                               | 21   | 2,057.4  | 2,211.6  | 2,154.5                             | 2,214.8  | 2,237.1  | 2,235.5  | 2,159.0  |
| Fixed investment.....  | 22   | 2,036.2  | 2,163.5  | 2,105.8                             | 2,167.7  | 2,174.8  | 2,171.4  | 2,140.2  |
| Nonresidential.....  | 23   | 1,265.7  | 1,396.4  | 1,304.3                             | 1,359.2  | 1,384.3  | 1,420.8  | 1,421.3  |
| Structures.....  | 24   | 338.6    | 410.8    | 359.7                               | 378.2    | 406.3    | 426.9    | 431.7    |
| Equipment and software... Information processing equipment and software..... | 25   | 927.1    | 985.6    | 944.7                               | 981.0    | 977.9    | 994.0    | 989.6    |
| Computers and peripheral equipment.....                                      | 26   | 454.3    | 485.0    | 461.3                               | 482.4    | 479.9    | 489.6    | 487.9    |
| Software <sup>1</sup> .....  | 27   | 85.1     | 86.6     | 85.9                                | 88.0     | 85.9     | 87.2     | 85.3     |
| Other.....   | 28   | 194.0    | 209.0    | 196.9                               | 203.6    | 207.0    | 210.8    | 214.6    |
| Residential.....   | 29   | 175.2    | 189.4    | 178.4                               | 190.8    | 187.1    | 191.7    | 188.1    |
| Industrial equipment.....  | 30   | 155.1    | 169.0    | 163.9                               | 163.4    | 170.1    | 172.0    | 170.6    |
| Transportation equipment.....  | 31   | 158.3    | 158.5    | 154.6                               | 165.7    | 155.9    | 157.5    | 154.8    |
| Other equipment.....   | 32   | 159.4    | 173.2    | 164.9                               | 169.4    | 172.1    | 174.9    | 176.3    |
| Change in private inventories... Farm.....                                   | 33   | 770.4    | 767.1    | 801.5                               | 808.5    | 790.6    | 750.5    | 719.0    |
| Nonfarm.....   | 34   | 21.3     | 48.1     | 48.6                                | 47.2     | 62.3     | 64.2     | 18.7     |
| Nonfarm.....   | 35   | 0.3      | 3.1      | 5.8                                 | 5.4      | 2.3      | 2.5      | 2.3      |
| Nonfarm.....   | 36   | 21.0     | 45.0     | 42.8                                | 41.8     | 59.9     | 61.6     | 16.5     |
| <b>Net exports of goods and services</b> .....                               | 37   | -716.7   | -763.2   | -775.4                              | -765.2   | -781.8   | -801.7   | -704.3   |
| Exports.....   | 38   | 1,303.1  | 1,466.1  | 1,352.4                             | 1,405.4  | 1,448.1  | 1,488.3  | 1,522.7  |
| Goods.....   | 39   | 907.5    | 1,035.5  | 944.3                               | 989.3    | 1,019.1  | 1,055.8  | 1,077.6  |
| Services.....  | 40   | 395.6    | 430.7    | 408.1                               | 416.0    | 429.0    | 432.5    | 445.1    |
| Imports.....   | 41   | 2,019.9  | 2,229.4  | 2,127.8                             | 2,170.6  | 2,229.8  | 2,290.1  | 2,226.9  |
| Goods.....   | 42   | 1,699.0  | 1,880.0  | 1,799.3                             | 1,832.6  | 1,879.0  | 1,938.8  | 1,869.7  |
| Services.....  | 43   | 320.9    | 349.3    | 328.5                               | 338.1    | 350.8    | 351.3    | 357.2    |
| <b>Government consumption expenditures and gross investment</b> .....        | 44   | 2,372.8  | 2,527.2  | 2,423.6                             | 2,479.6  | 2,513.9  | 2,542.1  | 2,573.1  |
| Federal.....   | 45   | 878.3    | 926.4    | 886.2                               | 921.7    | 919.7    | 927.2    | 937.2    |
| National defense.....  | 46   | 589.3    | 621.0    | 590.9                               | 613.5    | 616.5    | 618.1    | 635.7    |
| Consumption expenditures.....  | 47   | 516.9    | 542.0    | 516.9                               | 537.7    | 537.7    | 539.3    | 553.2    |
| Gross investment.....  | 48   | 72.4     | 79.0     | 74.1                                | 75.8     | 78.8     | 78.8     | 82.5     |
| Nondefense.....  | 49   | 289.0    | 305.5    | 295.3                               | 308.2    | 303.2    | 309.0    | 301.5    |
| Consumption expenditures.....  | 50   | 251.7    | 266.0    | 254.2                               | 265.9    | 264.6    | 269.8    | 263.9    |
| Gross investment.....  | 51   | 37.4     | 39.4     | 41.1                                | 42.4     | 38.6     | 39.3     | 37.5     |
| State and local.....   | 52   | 1,494.4  | 1,600.7  | 1,537.4                             | 1,557.9  | 1,594.2  | 1,614.9  | 1,635.9  |
| Consumption expenditures... State and local.....                             | 53   | 1,207.2  | 1,287.9  | 1,243.4                             | 1,256.2  | 1,280.7  | 1,300.0  | 1,314.9  |
| Gross investment... State and local.....                                     | 54   | 287.3    | 312.8    | 294.0                               | 301.7    | 313.5    | 315.0    | 321.0    |

1. Excludes software "embedded," or bundled, in computers and other equipment.

**Table 1.5.6. Real Gross Domestic Product, Expanded Detail, Chained Dollars**

[Billions of chained (2000) dollars]

|  | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|--|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|  |      |          |          | 2005                                |          | 2006     |          |          |
|  |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> .....  | 1    | 11,048.6 | 11,413.6 | 11,163.8                            | 11,316.4 | 11,388.1 | 11,443.5 | 11,506.5 |
| <b>Personal consumption expenditures</b> .....                               | 2    | 7,841.2  | 8,091.1  | 7,910.2                             | 8,003.8  | 8,055.0  | 8,111.2  | 8,194.4  |
| Durable goods.....   | 3    | 1,145.3  | 1,202.9  | 1,137.9                             | 1,190.5  | 1,190.3  | 1,208.8  | 1,221.9  |
| Motor vehicles and parts.....  | 4    | 452.9    | 447.4    | 426.3                               | 445.1    | 443.7    | 452.9    | 447.9    |
| Furniture and household equipment.....                                       | 5    | 490.6    | 550.6    | 511.5                               | 538.5    | 542.9    | 551.7    | 569.2    |
| Other.....   | 6    | 212.6    | 224.4    | 216.3                               | 224.6    | 222.5    | 223.4    | 227.3    |
| Nondurable goods.....  | 7    | 2,276.8  | 2,362.1  | 2,309.6                             | 2,342.8  | 2,351.1  | 2,360.1  | 2,394.6  |
| Food.....  | 8    | 1,065.7  | 1,110.9  | 1,085.7                             | 1,103.4  | 1,108.8  | 1,106.8  | 1,124.6  |
| Clothing and shoes.....  | 9    | 372.7    | 392.5    | 383.1                               | 391.1    | 387.4    | 392.6    | 399.1    |
| Gasoline, fuel oil, and other energy goods.....                              | 10   | 199.5    | 197.6    | 196.6                               | 196.0    | 196.3    | 198.7    | 199.3    |
| Other.....   | 11   | 643.9    | 671.3    | 652.4                               | 662.6    | 668.3    | 671.5    | 682.7    |
| Services.....  | 12   | 4,436.6  | 4,550.0  | 4,476.7                             | 4,494.5  | 4,535.4  | 4,566.6  | 4,603.3  |
| Housing.....   | 13   | 1,122.6  | 1,148.7  | 1,131.2                             | 1,137.6  | 1,144.5  | 1,151.7  | 1,160.8  |
| Household operation.....   | 14   | 418.0    | 416.3    | 419.8                               | 404.3    | 412.5    | 422.1    | 426.2    |
| Electricity and gas.....   | 15   | 153.8    | 150.2    | 154.7                               | 147.1    | 147.0    | 154.4    | 157.6    |
| Other household operation.....   | 16   | 264.1    | 267.1    | 264.9                               | 264.8    | 267.0    | 268.1    | 268.5    |
| Transportation.....  | 17   | 284.4    | 288.3    | 283.5                               | 286.3    | 287.5    | 288.5    | 290.9    |
| Medical care.....  | 18   | 1,260.9  | 1,304.7  | 1,279.0                             | 1,292.6  | 1,300.9  | 1,307.6  | 1,317.5  |
| Recreation.....  | 19   | 313.1    | 319.6    | 315.1                               | 317.5    | 318.1    | 320.4    | 322.5    |
| Other.....   | 20   | 1,036.2  | 1,071.1  | 1,046.5                             | 1,054.9  | 1,070.6  | 1,074.8  | 1,083.9  |
| <b>Gross private domestic investment</b> .....                               | 21   | 1,866.3  | 1,945.1  | 1,927.0                             | 1,963.6  | 1,968.5  | 1,964.8  | 1,883.5  |
| Fixed investment.....  | 22   | 1,842.0  | 1,895.6  | 1,877.3                             | 1,914.6  | 1,906.8  | 1,901.3  | 1,859.6  |
| Nonresidential.....  | 23   | 1,223.8  | 1,313.0  | 1,248.2                             | 1,288.8  | 1,302.8  | 1,334.2  | 1,326.0  |
| Structures.....  | 24   | 251.5    | 273.7    | 254.2                               | 259.6    | 271.9    | 282.0    | 281.4    |
| Equipment and software... Information processing equipment and software..... | 25   | 984.9    | 1,049.8  | 1,007.6                             | 1,044.8  | 1,041.2  | 1,060.7  | 1,052.3  |
| Computers and peripheral equipment.....                                      | 26   | 552.6    | 602.1    | 567.3                               | 595.9    | 594.3    | 608.6    | 609.5    |
| Software <sup>1</sup> .....  | 27   | .....    | .....    | .....                               | .....    | .....    | .....    | .....    |
| Other.....   | 28   | 206.2    | 220.0    | 209.5                               | 215.6    | 217.8    | 221.0    | 225.5    |
| Residential.....   | 29   | 193.6    | 209.1    | 197.5                               | 211.6    | 206.7    | 211.3    | 207.0    |
| Industrial equipment.....  | 30   | 143.5    | 152.2    | 150.4                               | 149.0    | 153.9    | 153.9    | 151.8    |
| Transportation equipment.....  | 31   | 145.4    | 146.0    | 143.2                               | 152.2    | 142.7    | 147.3    | 141.8    |
| Other equipment.....   | 32   | 147.3    | 157.0    | 151.2                               | 154.3    | 157.1    | 158.6    | 158.2    |
| Change in private inventories... Farm.....                                   | 33   | 608.0    | 582.5    | 618.9                               | 618.5    | 600.5    | 570.3    | 540.8    |
| Nonfarm.....   | 34   | 19.6     | 41.9     | 43.5                                | 41.2     | 53.7     | 55.4     | 17.3     |
| Nonfarm.....   | 35   | 0.2      | 2.8      | 4.8                                 | 4.3      | 1.9      | 2.5      | 2.4      |
| Nonfarm.....   | 36   | 19.6     | 39.2     | 38.6                                | 36.8     | 52.2     | 53.3     | 14.6     |
| <b>Net exports of goods and services</b> .....                               | 37   | -619.2   | -618.7   | -636.6                              | -636.6   | -624.2   | -628.8   | -585.1   |
| Exports.....   | 38   | 1,196.1  | 1,302.7  | 1,228.4                             | 1,269.3  | 1,288.5  | 1,310.0  | 1,343.1  |
| Goods.....   | 39   | 843.2    | 931.4    | 870.8                               | 906.2    | 919.5    | 940.4    | 959.7    |
| Services.....  | 40   | 352.9    | 371.8    | 357.8                               | 363.6    | 369.5    | 370.3    | 383.9    |
| Imports.....   | 41   | 1,815.3  | 1,921.4  | 1,865.0                             | 1,905.9  | 1,912.7  | 1,938.8  | 1,928.1  |
| Goods.....   | 42   | 1,549.9  | 1,641.9  | 1,595.8                             | 1,631.9  | 1,631.7  | 1,660.1  | 1,644.0  |
| Services.....  | 43   | 267.5    | 281.8    | 271.7                               | 276.6    | 283.2    | 281.3    | 286.1    |
| <b>Government consumption expenditures and gross investment</b> .....        | 44   | 1,958.0  | 1,998.3  | 1,963.5                             | 1,987.1  | 1,991.2  | 1,999.4  | 2,015.5  |
| Federal.....   | 45   | 727.5    | 741.8    | 729.6                               | 745.1    | 736.6    | 738.9    | 746.8    |
| National defense.....  | 46   | 483.6    | 492.8    | 481.4                               | 491.8    | 489.3    | 487.8    | 502.2    |
| Consumption expenditures.....  | 47   | 413.3    | 418.1    | 410.0                               | 419.0    | 414.7    | 413.7    | 424.9    |
| Gross investment.....  | 48   | 71.2     | 76.4     | 72.6                                | 74.0     | 76.5     | 75.9     | 79.2     |
| Nondefense.....  | 49   | 243.7    | 248.8    | 248.0                               | 253.1    | 247.0    | 250.9    | 244.3    |
| Consumption expenditures.....  | 50   | 207.3    | 211.2    | 208.7                               | 212.8    | 210.1    | 213.4    | 208.4    |
| Gross investment.....  | 51   | 36.7     | 38.1     | 40.1                                | 41.1     | 37.2     | 37.8     | 36.1     |
| State and local.....   | 52   | 1,230.4  | 1,256.3  | 1,233.7                             | 1,242.0  | 1,254.4  | 1,260.3  | 1,268.5  |
| Consumption expenditures... State and local.....                             | 53   | 988.0    | 1,005.9  | 991.9                               | 996.1    | 1,001.2  | 1,009.0  | 1,017.2  |
| Gross investment... State and local.....                                     | 54   | 242.1    | 250.2    | 241.6                               | 245.7    | 253.1    | 251.1    | 251.1    |
| Residual.....  | 55   | -42.6    | -85.8    | -53.7                               | -78.7    | -77.6    | -88.3    | -98.2    |

1. The quantity index for computers can be used to accurately measure the real growth of this component. However, because computers exhibit rapid changes in prices relative

**Table 1.6.4. Price Indexes for  
Gross Domestic Purchases**  
[Index numbers, 2000=100]

|  | Line      | 2005           | 2006           | Seasonally adjusted |                |                |                |                |
|--|-----------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|  |           |                |                | 2005                |                | 2006           |                |                |
|  |           |                |                | IV                  | I              | II             | III            | IV             |
| <b>Gross domestic purchases ...</b>  | <b>1</b>  | <b>112.981</b> | <b>116.497</b> | <b>114.541</b>      | <b>115.313</b> | <b>116.455</b> | <b>117.080</b> | <b>117.142</b> |
| <b>Personal consumption expenditures</b>   | <b>2</b>  | <b>111.493</b> | <b>114.563</b> | <b>112.873</b>      | <b>113.445</b> | <b>114.573</b> | <b>115.241</b> | <b>114.991</b> |
| Durable goods  | 3         | 90.198         | 88.981         | 89.606              | 89.385         | 89.206         | 88.967         | 88.366         |
| Motor vehicles and parts   | 4         | 98.967         | 99.400         | 98.906              | 99.460         | 99.532         | 99.631         | 98.980         |
| Furniture and household equipment  | 5         | 76.884         | 73.466         | 75.435              | 74.671         | 73.894         | 73.046         | 72.252         |
| Other  | 6         | 97.688         | 98.464         | 98.005              | 97.567         | 98.351         | 98.950         | 98.987         |
| Nondurable goods   | 7         | 111.530        | 114.959        | 113.177             | 113.484        | 115.769        | 116.442        | 114.141        |
| Food   | 8         | 112.732        | 115.333        | 113.642             | 114.414        | 114.605        | 115.727        | 116.284        |
| Clothing and shoes   | 9         | 91.706         | 91.350         | 91.101              | 90.870         | 91.651         | 91.342         | 91.536         |
| Gasoline, fuel oil, and other energy goods   | 10        | 151.423        | 170.992        | 163.612             | 161.126        | 182.632        | 185.621        | 154.588        |
| Other  | 11        | 107.775        | 109.786        | 108.619             | 109.301        | 109.737        | 110.041        | 110.064        |
| Services   | 12        | 116.529        | 120.521        | 118.281             | 119.194        | 120.059        | 120.960        | 121.869        |
| Housing  | 13        | 116.165        | 120.327        | 117.279             | 118.269        | 119.717        | 121.055        | 122.268        |
| Household operation  | 14        | 115.554        | 121.690        | 120.579             | 122.403        | 121.019        | 121.383        | 121.956        |
| Electricity and gas  | 15        | 129.900        | 141.718        | 142.169             | 145.582        | 140.799        | 140.318        | 140.173        |
| Other household operation  | 16        | 107.233        | 109.996        | 108.047             | 108.977        | 109.447        | 110.285        | 111.276        |
| Transportation   | 17        | 112.663        | 116.895        | 114.970             | 115.411        | 116.826        | 117.675        | 117.670        |
| Medical care   | 18        | 118.438        | 121.753        | 119.949             | 120.482        | 121.302        | 122.180        | 123.019        |
| Recreation   | 19        | 115.168        | 118.641        | 116.702             | 117.311        | 118.582        | 119.425        | 119.244        |
| Other  | 20        | 116.625        | 120.469        | 117.959             | 119.116        | 119.970        | 120.711        | 122.080        |
| <b>Gross private domestic investment</b>   | <b>21</b> | <b>110.284</b> | <b>113.817</b> | <b>111.853</b>      | <b>112.860</b> | <b>113.717</b> | <b>113.895</b> | <b>114.798</b> |
| Fixed investment   | 22        | 110.542        | 114.161        | 112.194             | 113.238        | 114.074        | 114.224        | 115.109        |
| Nonresidential   | 23        | 103.428        | 106.359        | 104.510             | 105.471        | 106.266        | 106.501        | 107.198        |
| Structures   | 24        | 134.647        | 149.967        | 141.476             | 145.684        | 149.432        | 151.372        | 153.380        |
| Equipment and software   | 25        | 94.134         | 93.889         | 93.754              | 93.887         | 93.920         | 93.704         | 94.046         |
| Information processing equipment and software                                      | 26        | 82.218         | 80.541         | 81.313              | 80.940         | 80.737         | 80.438         | 80.048         |
| Computers and peripheral equipment   | 27        | 51.407         | 44.818         | 48.634              | 47.125         | 45.443         | 43.889         | 42.817         |
| Software <sup>1</sup>  | 28        | 94.067         | 94.986         | 94.009              | 94.430         | 95.005         | 95.354         | 95.155         |
| Other  | 29        | 90.492         | 90.569         | 90.343              | 90.186         | 90.523         | 90.737         | 90.832         |
| Industrial equipment   | 30        | 108.064        | 111.068        | 108.973             | 109.659        | 110.544        | 111.715        | 112.355        |
| Transportation equipment   | 31        | 108.882        | 108.530        | 107.933             | 108.867        | 109.257        | 106.894        | 109.103        |
| Other equipment  | 32        | 108.174        | 110.318        | 109.100             | 109.841        | 109.608        | 110.339        | 111.486        |
| Residential  | 33        | 126.714        | 131.774        | 129.536             | 130.765        | 131.696        | 131.655        | 132.981        |
| Change in private inventories  | 34        |                |                |                     |                |                |                |                |
| Farm   | 35        |                |                |                     |                |                |                |                |
| Nonfarm  | 36        |                |                |                     |                |                |                |                |
| <b>Government consumption expenditures and gross investment</b>                    | <b>37</b> | <b>121.183</b> | <b>126.468</b> | <b>123.444</b>      | <b>124.791</b> | <b>126.262</b> | <b>127.150</b> | <b>127.671</b> |
| Federal  | 38        | 120.726        | 124.891        | 121.479             | 123.721        | 124.871        | 125.482        | 125.490        |
| National defense   | 39        | 121.855        | 126.019        | 122.760             | 124.752        | 126.006        | 126.714        | 126.603        |
| Consumption expenditures   | 40        | 125.071        | 129.642        | 126.061             | 128.327        | 129.681        | 130.375        | 130.186        |
| Gross investment   | 41        | 101.628        | 103.405        | 102.026             | 102.438        | 103.109        | 103.890        | 104.191        |
| Nondefense   | 42        | 118.606        | 122.769        | 119.059             | 121.787        | 122.736        | 123.154        | 123.400        |
| Consumption expenditures   | 43        | 121.381        | 125.995        | 121.810             | 124.944        | 125.958        | 126.422        | 126.658        |
| Gross investment   | 44        | 101.913        | 103.629        | 102.470             | 103.035        | 103.623        | 103.780        | 104.078        |
| State and local  | 45        | 121.463        | 127.411        | 124.620             | 125.434        | 127.095        | 128.147        | 128.969        |
| Consumption expenditures   | 46        | 122.177        | 128.035        | 125.365             | 126.112        | 127.916        | 128.838        | 129.275        |
| Gross investment   | 47        | 118.679        | 124.997        | 121.716             | 122.799        | 123.893        | 125.462        | 127.835        |
| <b>Addenda:</b>  |           |                |                |                     |                |                |                |                |
| Final sales of computers to domestic purchasers <sup>2</sup>                       | 48        | 44.424         | 38.252         | 41.803              | 40.388         | 38.697         | 37.407         | 36.515         |
| Gross domestic purchases excluding final sales of computers to domestic purchasers | 49        | 114.210        | 117.980        | 115.873             | 116.704        | 117.922        | 118.601        | 118.693        |
| Food   | 50        | 112.598        | 115.168        | 113.482             | 114.220        | 114.697        | 115.555        | 116.202        |
| Energy goods and services  | 51        | 144.830        | 161.688        | 158.485             | 157.543        | 168.404        | 168.668        | 152.135        |
| Gross domestic purchases excluding food and energy                                 | 52        | 111.638        | 114.693        | 112.758             | 113.605        | 114.420        | 115.034        | 115.715        |
| Gross domestic product   | 53        | 112.744        | 116.061        | 114.048             | 114.967        | 115.905        | 116.446        | 116.924        |
| Gross domestic product excluding final sales of computers                          | 54        | 113.724        | 117.232        | 115.107             | 116.067        | 117.060        | 117.643        | 118.158        |
| Food   | 55        | 112.925        | 115.503        | 113.749             | 114.442        | 114.970        | 115.919        | 116.681        |
| Energy goods and services  | 56        | 126.526        | 135.697        | 131.589             | 135.113        | 140.609        | 136.890        | 130.176        |
| Gross domestic product excluding food and energy                                   | 57        | 112.298        | 115.533        | 113.545             | 114.417        | 115.272        | 115.890        | 116.553        |
| Final sales of domestic product  | 58        | 112.783        | 116.114        | 114.101             | 115.025        | 115.961        | 116.498        | 116.972        |
| Final sales to domestic purchasers   | 59        | 113.021        | 116.551        | 114.594             | 115.371        | 116.510        | 117.133        | 117.189        |

1. Excludes software "embedded" or bundled, in computers and other equipment.  
2. Some components of final sales of computers include computer parts.

**Table 1.6.7. Percent Change From Preceding Period in Prices for  
Gross Domestic Purchases**  
[Percent]

|  | Line      | 2005       | 2006       | Seasonally adjusted at annual rates |            |            |            |             |
|--|-----------|------------|------------|-------------------------------------|------------|------------|------------|-------------|
|  |           |            |            | 2005                                |            | 2006       |            |             |
|  |           |            |            | IV                                  | I          | II         | III        | IV          |
| <b>Gross domestic purchases ...</b>  | <b>1</b>  | <b>3.5</b> | <b>3.1</b> | <b>3.5</b>                          | <b>2.7</b> | <b>4.0</b> | <b>2.2</b> | <b>0.2</b>  |
| <b>Personal consumption expenditures</b>   | <b>2</b>  | <b>2.9</b> | <b>2.8</b> | <b>2.9</b>                          | <b>2.0</b> | <b>4.0</b> | <b>2.4</b> | <b>-0.9</b> |
| Durable goods  | 3         | -0.7       | -1.3       | -1.3                                | -1.0       | -0.8       | -1.1       | -2.7        |
| Motor vehicles and parts   | 4         | 1.8        | 0.4        | 1.2                                 | 2.3        | 0.3        | 0.4        | -2.6        |
| Furniture and household equipment  | 5         | -3.8       | -4.4       | -4.5                                | -4.0       | -4.1       | -4.5       | -4.3        |
| Other  | 6         | -0.4       | 0.8        | -0.7                                | -1.8       | 3.3        | 2.5        | 0.1         |
| Nondurable goods   | 7         | 3.6        | 3.1        | 0.6                                 | 1.1        | 8.3        | 2.3        | -7.7        |
| Food   | 8         | 2.2        | 2.3        | 2.2                                 | 2.7        | 1.7        | 2.9        | 1.9         |
| Clothing and shoes   | 9         | -1.0       | -0.4       | -0.7                                | -1.0       | 3.5        | -1.3       | 0.9         |
| Gasoline, fuel oil, and other energy goods   | 10        | 22.1       | 12.9       | -8.2                                | -5.9       | 65.1       | 6.7        | -51.9       |
| Other  | 11        | 1.5        | 1.9        | 2.6                                 | 2.5        | 1.6        | 1.1        | 0.1         |
| Services   | 12        | 3.2        | 3.4        | 5.0                                 | 3.1        | 2.9        | 3.0        | 3.0         |
| Housing  | 13        | 2.6        | 3.6        | 2.9                                 | 3.4        | 5.0        | 4.5        | 4.1         |
| Household operation  | 14        | 5.1        | 5.3        | 18.8                                | 6.2        | -4.4       | 1.2        | 1.9         |
| Electricity and gas  | 15        | 10.3       | 9.1        | 45.1                                | 10.0       | -12.5      | -1.4       | -0.4        |
| Other household operation  | 16        | 1.8        | 2.6        | 2.6                                 | 3.5        | 1.7        | 3.1        | 3.6         |
| Transportation   | 17        | 4.0        | 3.8        | 4.8                                 | 1.5        | 5.0        | 2.9        | 0.0         |
| Medical care   | 18        | 3.3        | 2.8        | 4.1                                 | 1.8        | 2.9        | 2.8        | 2.8         |
| Recreation   | 19        | 2.8        | 3.0        | 4.1                                 | 2.1        | 4.4        | 2.9        | -0.6        |
| Other  | 20        | 3.1        | 3.3        | 3.4                                 | 4.0        | 2.9        | 2.5        | 4.6         |
| <b>Gross private domestic investment</b>   | <b>21</b> | <b>3.4</b> | <b>3.2</b> | <b>4.3</b>                          | <b>3.7</b> | <b>3.1</b> | <b>0.6</b> | <b>3.2</b>  |
| Fixed investment   | 22        | 3.5        | 3.3        | 4.6                                 | 3.8        | 3.0        | 0.5        | 3.1         |
| Nonresidential   | 23        | 2.6        | 2.8        | 3.5                                 | 3.7        | 3.0        | 0.9        | 2.6         |
| Structures   | 24        | 11.3       | 11.4       | 16.8                                | 12.4       | 10.7       | 5.3        | 5.4         |
| Equipment and software   | 25        | -0.4       | -0.3       | -1.0                                | 0.6        | 0.1        | -0.9       | 1.5         |
| Information processing equipment and software                                      | 26        | -3.0       | -2.0       | -2.7                                | -1.8       | -1.0       | -1.5       | -1.9        |
| Computers and peripheral equipment   | 27        | -12.3      | -12.8      | -13.3                               | -11.8      | -13.5      | -13.0      | -9.4        |
| Software <sup>1</sup>  | 28        | -0.5       | 1.0        | 0.0                                 | 1.8        | 2.5        | 1.5        | -0.8        |
| Other  | 29        | -0.9       | 0.1        | -0.1                                | -0.7       | 1.5        | 0.9        | 0.4         |
| Industrial equipment   | 30        | 3.7        | 2.8        | 2.2                                 | 2.5        | 3.3        | 4.3        | 2.3         |
| Transportation equipment   | 31        | -0.9       | -0.3       | -1.5                                | 3.5        | 1.4        | -8.4       | 8.5         |
| Other equipment  | 32        | 4.1        | 2.0        | 1.3                                 | 2.7        | -0.8       | 2.7        | 4.2         |
| Residential  | 33        | 5.1        | 4.0        | 6.3                                 | 3.8        | 2.9        | -0.1       | 4.1         |
| Change in private inventories  | 34        |            |            |                                     |            |            |            |             |
| Farm   | 35        |            |            |                                     |            |            |            |             |
| Nonfarm  | 36        |            |            |                                     |            |            |            |             |
| <b>Government consumption expenditures and gross investment</b>                    | <b>37</b> | <b>5.6</b> | <b>4.4</b> | <b>4.7</b>                          | <b>4.4</b> | <b>4.8</b> | <b>2.8</b> | <b>1.6</b>  |
| Federal  | 38        | 4.8        | 3.4        | 0.4                                 | 7.6        | 3.8        | 2.0        | 0.0         |
| National defense   | 39        | 5.1        | 3.4        | 1.0                                 | 6.7        | 4.1        | 2.3        | -0.3        |
| Consumption expenditures   | 40        | 5.6        | 3.7        | 0.7                                 | 7.4        | 4.3        | 2.2        | -0.6        |
| Gross investment   | 41        | 1.7        | 1.7        | 2.6                                 | 1.6        | 2.6        | 3.0        | 1.2         |
| Nondefense   | 42        | 4.1        | 3.5        | -0.7                                | 9.5        | 3.2        | 1.4        | 0.8         |
| Consumption expenditures   | 43        | 4.4        | 3.8        | -1.0                                | 10.7       | 3.3        | 1.5        | 0.7         |
| Gross investment   | 44        | 1.9        | 1.7        | 1.7                                 | 2.2        | 2.3        | 0.6        | 1.2         |
| State and local  | 45        | 6.2        | 4.9        | 7.3                                 | 2.6        | 5.4        | 3.4        | 2.6         |
| Consumption expenditures   | 46        | 5.9        | 4.8        | 7.6                                 | 2.4        | 5.8        | 2.9        | 1.4         |
| Gross investment   | 47        | 7.3        | 5.3        | 6.0                                 | 3.6        | 3.6        | 5.2        | 7.8         |
| <b>Addenda:</b>  |           |            |            |                                     |            |            |            |             |
| Final sales of computers to domestic purchasers <sup>2</sup>                       | 48        | -13.6      | -13.9      | -14.5                               | -12.9      | -15.7      | -12.7      | -9.2        |
| Gross domestic purchases excluding final sales of computers to domestic purchasers | 49        | 3.7        | 3.3        | 3.7                                 | 2.9        | 4.2        | 2.3        | 0.3         |
| Food   | 50        | 2.2        | 2.3        | 2.3                                 | 2.6        | 1.7        | 3.0        | 2.3         |
| Energy goods and services  | 51        | 19.1       | 11.6       | 14.8                                | -2.4       | 30.6       | 0.6        | -33.8       |
| Gross domestic purchases excluding food and energy                                 | 52        | 2.8        | 2.7        | 3.0                                 | 3.0        | 2.9        | 2.2        | 2.4         |
| Gross domestic product   | 53        | 3.0        | 2.9        | 3.3                                 | 3.3        | 3.3        | 1.9        | 1.7         |
| Gross domestic product excluding final sales of computers                          | 54        | 3.2        | 3.1        | 3.4                                 | 3.4        | 3.5        | 2.0        | 1.8         |
| Food   | 55        | 1.8        | 2.3        | 1.7                                 | 2.5        | 1.9        | 3.3        | 2.          |

**Table 1.6.8. Contributions to Percent Change in the Gross Domestic Purchases Price Index**

|  | Line | 2005  | 2006  | Seasonally adjusted at annual rates |       |       |       |       |
|--|------|-------|-------|-------------------------------------|-------|-------|-------|-------|
|  |      |       |       | 2005                                |       | 2006  |       |       |
|  |      |       |       | IV                                  | I     | II    | III   | IV    |
| <b>Percent change at annual rate:</b>  |      |       |       |                                     |       |       |       |       |
| <b>Gross domestic purchases ...</b>  | 1    | 3.5   | 3.1   | 3.5                                 | 2.7   | 4.0   | 2.2   | 0.2   |
| <b>Percentage points at annual rates:</b>  |      |       |       |                                     |       |       |       |       |
| <b>Personal consumption expenditures .....</b>   | 2    | 1.92  | 1.82  | 1.93                                | 1.35  | 2.66  | 1.55  | -0.58 |
| Durable goods .....  | 3    | -0.06 | -0.11 | -0.10                               | -0.07 | -0.06 | -0.08 | -0.21 |
| Motor vehicles and parts .....   | 4    | 0.06  | 0.01  | 0.04                                | 0.07  | 0.01  | 0.01  | -0.08 |
| Furniture and household equipment .....  | 5    | -0.11 | -0.13 | -0.13                               | -0.12 | -0.12 | -0.13 | -0.13 |
| Other .....  | 6    | -0.01 | 0.01  | -0.01                               | -0.03 | 0.05  | 0.04  | 0.00  |
| Nondurable goods .....   | 7    | 0.70  | 0.59  | 0.11                                | 0.21  | 1.58  | 0.46  | -1.55 |
| Food .....   | 8    | 0.20  | 0.21  | 0.20                                | 0.25  | 0.16  | 0.26  | 0.18  |
| Clothing and shoes .....   | 9    | -0.03 | -0.01 | -0.02                               | -0.03 | 0.09  | -0.03 | 0.02  |
| Gasoline, fuel oil, and other energy goods .....   | 10   | 0.44  | 0.29  | -0.21                               | -0.14 | 1.24  | 0.17  | -1.75 |
| Other .....  | 11   | 0.08  | 0.10  | 0.13                                | 0.13  | 0.09  | 0.06  | 0.00  |
| Services .....   | 12   | 1.28  | 1.34  | 1.92                                | 1.22  | 1.15  | 1.18  | 1.18  |
| Housing .....  | 13   | 0.26  | 0.35  | 0.28                                | 0.33  | 0.48  | 0.44  | 0.40  |
| Household operation .....  | 14   | 0.19  | 0.19  | 0.65                                | 0.22  | -0.16 | 0.04  | 0.07  |
| Electricity and gas .....  | 15   | 0.15  | 0.14  | 0.59                                | 0.15  | -0.20 | -0.02 | -0.01 |
| Other household operation .....  | 16   | 0.04  | 0.05  | 0.05                                | 0.07  | 0.04  | 0.06  | 0.08  |
| Transportation .....   | 17   | 0.10  | 0.09  | 0.12                                | 0.04  | 0.12  | 0.07  | 0.00  |
| Medical care .....   | 18   | 0.37  | 0.32  | 0.46                                | 0.20  | 0.32  | 0.32  | 0.31  |
| Recreation .....   | 19   | 0.08  | 0.08  | 0.11                                | 0.06  | 0.12  | 0.08  | -0.02 |
| Other .....  | 20   | 0.29  | 0.30  | 0.31                                | 0.36  | 0.27  | 0.23  | 0.42  |
| <b>Gross private domestic investment .....</b>   | 21   | 0.53  | 0.51  | 0.68                                | 0.58  | 0.50  | 0.10  | 0.49  |
| Fixed investment .....   | 22   | 0.53  | 0.51  | 0.71                                | 0.59  | 0.47  | 0.08  | 0.47  |
| Nonresidential .....   | 23   | 0.25  | 0.28  | 0.34                                | 0.36  | 0.30  | 0.09  | 0.26  |
| Structures .....   | 24   | 0.27  | 0.30  | 0.41                                | 0.32  | 0.29  | 0.15  | 0.16  |
| Equipment and software .....   | 25   | -0.03 | -0.02 | -0.07                               | 0.04  | 0.01  | -0.06 | 0.10  |
| Information processing equipment and software .....                                      | 26   | -0.11 | -0.07 | -0.09                               | -0.06 | -0.03 | -0.05 | -0.07 |
| Computers and peripheral equipment .....   | 27   | -0.09 | -0.09 | -0.09                               | -0.08 | -0.09 | -0.09 | -0.06 |
| Software <sup>1</sup> .....  | 28   | -0.01 | 0.01  | 0.00                                | 0.03  | 0.04  | 0.02  | -0.01 |
| Other .....  | 29   | -0.01 | 0.00  | 0.00                                | -0.01 | 0.02  | 0.01  | 0.01  |
| Industrial equipment .....   | 30   | 0.04  | 0.03  | 0.03                                | 0.03  | 0.04  | 0.05  | 0.03  |
| Transportation equipment .....   | 31   | -0.01 | 0.00  | -0.02                               | 0.04  | 0.02  | -0.10 | 0.09  |
| Other equipment .....  | 32   | 0.05  | 0.02  | 0.02                                | 0.03  | -0.01 | 0.03  | 0.05  |
| Residential .....  | 33   | 0.28  | 0.23  | 0.37                                | 0.23  | 0.17  | -0.01 | 0.21  |
| Change in private inventories .....  | 34   | 0.00  | 0.00  | -0.03                               | -0.01 | 0.03  | 0.02  | 0.02  |
| Farm .....   | 35   | 0.00  | 0.00  | 0.00                                | 0.00  | 0.01  | 0.01  | 0.02  |
| Nonfarm .....  | 36   | 0.00  | 0.00  | -0.03                               | -0.01 | 0.03  | 0.01  | 0.00  |
| <b>Government consumption expenditures and gross investment .....</b>                    | 37   | 1.01  | 0.78  | 0.84                                | 0.79  | 0.86  | 0.51  | 0.30  |
| Federal .....  | 38   | 0.32  | 0.23  | 0.03                                | 0.49  | 0.25  | 0.13  | 0.00  |
| National defense .....   | 39   | 0.23  | 0.15  | 0.04                                | 0.29  | 0.18  | 0.10  | -0.02 |
| Consumption expenditures .....   | 40   | 0.22  | 0.14  | 0.03                                | 0.28  | 0.17  | 0.08  | -0.02 |
| Gross investment .....   | 41   | 0.01  | 0.01  | 0.01                                | 0.01  | 0.01  | 0.02  | 0.01  |
| Nondefense .....   | 42   | 0.09  | 0.08  | -0.01                               | 0.20  | 0.07  | 0.03  | 0.02  |
| Consumption expenditures .....   | 43   | 0.08  | 0.07  | -0.02                               | 0.20  | 0.06  | 0.03  | 0.01  |
| Gross investment .....   | 44   | 0.01  | 0.00  | 0.00                                | 0.01  | 0.01  | 0.00  | 0.00  |
| State and local .....  | 45   | 0.69  | 0.55  | 0.81                                | 0.30  | 0.61  | 0.38  | 0.29  |
| Consumption expenditures .....   | 46   | 0.53  | 0.44  | 0.69                                | 0.22  | 0.53  | 0.27  | 0.13  |
| Gross investment .....   | 47   | 0.16  | 0.12  | 0.13                                | 0.08  | 0.08  | 0.11  | 0.17  |
| <b>Addenda:</b>  |      |       |       |                                     |       |       |       |       |
| Final sales of computers to domestic purchasers <sup>2</sup> .....                       | 48   | -0.16 | -0.15 | -0.16                               | -0.14 | -0.17 | -0.13 | -0.10 |
| Gross domestic purchases excluding final sales of computers to domestic purchasers ..... | 49   | 3.61  | 3.26  | 3.61                                | 2.86  | 4.19  | 2.30  | 0.31  |
| Food .....   | 50   | 0.20  | 0.22  | 0.22                                | 0.24  | 0.16  | 0.28  | 0.21  |
| Energy goods and services .....  | 51   | 0.79  | 0.55  | 0.70                                | -0.11 | 1.37  | 0.03  | -2.03 |
| Gross domestic purchases excluding food and energy .....                                 | 52   | 2.46  | 2.35  | 2.54                                | 2.59  | 2.49  | 1.85  | 2.03  |

1. Excludes software "embedded," or bundled, in computers and other equipment.  
2. Some components of final sales of computers include computer parts.

**Table 1.7.1. Percent Change from Preceding Period in Real Gross Domestic Product, Real Gross National Product, and Real Net National Product**  
[Percent]

|  | Line | 2005 | 2006 | Seasonally adjusted at annual rates |      |      |       |       |
|--|------|------|------|-------------------------------------|------|------|-------|-------|
|  |      |      |      | 2005                                |      | 2006 |       |       |
|  |      |      |      | IV                                  | I    | II   | III   | IV    |
| <b>Gross domestic product .....</b>                    | 1    | 3.2  | 3.3  | 1.8                                 | 5.6  | 2.6  | 2.0   | 2.2   |
| Plus: Income receipts from the rest of the world ..... | 2    | 21.3 | 27.1 | 26.8                                | 38.8 | 11.0 | ..... | ..... |
| Less: Income payments to the rest of the world .....   | 3    | 28.2 | 76.3 | 13.8                                | 47.1 | 15.8 | ..... | ..... |
| <b>Equals: Gross national product .....</b>            | 4    | 3.1  | 0.5  | 6.1                                 | 2.3  | 1.8  | ..... | ..... |
| Less: Consumption of fixed capital .....               | 5    | 8.1  | -4.3 | -55.8                               | -4.9 | 2.3  | 2.3   | 2.2   |
| Private .....  | 6    | 8.8  | -5.4 | -60.4                               | -6.4 | 2.2  | 2.1   | 2.0   |
| Government .....                                       | 7    | 4.2  | 1.4  | -18.5                               | 3.0  | 3.0  | 3.2   | 3.4   |
| General government enterprises .....                   | 8    | 2.6  | 2.8  | 2.3                                 | 3.4  | 2.8  | 3.1   | 3.3   |
| <b>Equals: Net national product .....</b>              | 10   | 2.4  | 14.4 | 7.7                                 | 2.3  | 1.7  | ..... | ..... |
| <b>Addenda:</b>  |      |      |      |                                     |      |      |       |       |
| Gross domestic income <sup>1</sup> .....               | 11   | 3.2  | 2.1  | 10.2                                | -0.5 | 2.3  | ..... | ..... |
| Gross national income <sup>2</sup> .....               | 12   | 3.1  | 0.8  | 10.7                                | -0.7 | 2.1  | ..... | ..... |
| Net domestic product .....                             | 13   | 2.5  | 4.4  | 16.1                                | 7.1  | 2.6  | 1.9   | 2.2   |
| Net domestic income <sup>3</sup> .....                 | 14   | 2.5  | 16.7 | 12.4                                | -0.8 | 2.4  | ..... | ..... |

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.  
3. Net domestic income deflated by the implicit price deflator for net domestic product.

**Table 1.7.3. Real Gross Domestic Product, Real Gross National Product, and Real Net National Product, Quantity Indexes**  
[Index numbers, 2000=100]

|  | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|--|------|---------|---------|---------------------|---------|---------|---------|---------|
|  |      |         |         | 2005                |         | 2006    |         |         |
|  |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Gross domestic product .....</b>                    | 1    | 112,546 | 116,264 | 113,719             | 115,274 | 116,004 | 116,569 | 117,210 |
| Plus: Income receipts from the rest of the world ..... | 2    | 119,374 | 129,623 | 137,541             | 149,298 | 153,247 | .....   | .....   |
| Less: Income payments to the rest of the world .....   | 3    | 124,286 | 140,747 | 145,380             | 160,106 | 166,093 | .....   | .....   |
| <b>Equals: Gross national product .....</b>            | 4    | 112,399 | 113,390 | 115,085             | 115,753 | 116,260 | .....   | .....   |
| Less: Consumption of fixed capital .....               | 5    | 125,998 | 120,520 | 121,012             | 119,495 | 120,187 | 120,869 | 121,529 |
| Private .....  | 6    | 128,179 | 121,231 | 122,285             | 120,271 | 120,931 | 121,564 | 122,156 |
| Government .....                                       | 7    | 115,240 | 116,811 | 114,612             | 115,475 | 116,321 | 117,236 | 118,213 |
| General government enterprises .....                   | 8    | 112,885 | 116,099 | 113,863             | 114,812 | 115,621 | 116,506 | 117,458 |
| <b>Equals: Net national product .....</b>              | 10   | 110,597 | 112,366 | 114,475             | 115,140 | 115,625 | .....   | .....   |
| <b>Addendum:</b>                                       |      |         |         |                     |         |         |         |         |
| Net domestic product .....                             | 11   | 110,755 | 115,672 | 112,733             | 114,687 | 115,421 | 115,971 | 116,609 |

**Table 1.7.4. Price Indexes for Gross Domestic Product, Gross National Product, and Net National Product**  
[Index numbers, 2000=100]

|  | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|--|------|---------|---------|---------------------|---------|---------|---------|---------|
|  |      |         |         | 2005                |         | 2006    |         |         |
|  |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Gross domestic product .....</b>                    | 1    | 112,744 | 116,061 | 114,048             | 114,967 | 115,905 | 116,446 | 116,924 |
| Plus: Income receipts from the rest of the world ..... | 2    | 112,377 | 113,959 | 114,707             | 115,839 | 116,432 | .....   | .....   |
| Less: Income payments to the rest of the world .....   | 3    | 112,704 | 114,269 | 115,000             | 116,124 | 116,677 | .....   | .....   |
| <b>Equals: Gross national product .....</b>            | 4    | 112,733 | 114,038 | 114,958             | 115,897 | 116,440 | .....   | .....   |
| Less: Consumption of fixed capital .....               | 5    | 107,229 | 110,147 | 108,746             | 109,110 | 110,216 | 110,235 | 111,028 |
| Private .....  | 6    | 106,498 | 109,148 | 107,959             | 109,363 | 109,170 | 109,853 | 109,853 |
| Government .....                                       | 7    | 111,117 | 115,472 | 112,953             | 113,936 | 114,778 | 115,902 | 117,272 |
| General government enterprises .....                   | 8    | 110,292 | 114,652 | 112,121             | 113,134 | 113,965 | 115,085 | 116,423 |
| <b>Equals: Net national product .....</b>              | 10   | 113,529 | 114,800 | 115,800             | 116,716 | 117,333 | .....   | .....   |
| <b>Addendum:</b>                                       |      |         |         |                     |         |         |         |         |
| Net domestic product .....                             | 11   | 113,546 | 116,916 | 114,814             | 115,814 | 116,729 | 117,344 | 117,777 |

**Table 1.7.5. Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income**  
[Billions of dollars]

|  | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|--|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|  |      |          |          | 2005                                |          | 2006     |          |          |
|  |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> .....  | 1    | 12,455.8 | 13,244.6 | 12,730.5                            | 13,008.4 | 13,197.3 | 13,322.6 | 13,449.9 |
| Plus: Income receipts from the rest of the world .....                                     | 2    | 513.3    | .....    | 564.9                               | 603.3    | 661.4    | 682.3    | .....    |
| Less: Income payments to the rest of the world .....                                       | 3    | 481.5    | .....    | 552.4                               | 574.3    | 638.6    | 665.7    | .....    |
| <b>Equals: Gross national product</b> .....  | 4    | 12,487.7 | .....    | 12,743.0                            | 13,037.4 | 13,220.1 | 13,339.2 | .....    |
| Less: Consumption of fixed capital .....   | 5    | 1,604.8  | 1,576.2  | 1,562.5                             | 1,548.0  | 1,572.8  | 1,582.0  | 1,602.1  |
| Private .....  | 6    | 1,352.6  | 1,310.6  | 1,307.5                             | 1,288.9  | 1,309.8  | 1,314.4  | 1,329.0  |
| Domestic business .....  | 7    | 1,059.1  | 1,050.4  | 1,044.4                             | 1,035.1  | 1,050.4  | 1,053.0  | 1,063.3  |
| Capital consumption allowances .....   | 8    | 953.1    | 966.4    | 941.5                               | 960.7    | 964.3    | 968.3    | 972.4    |
| Less: Capital consumption adjustment .....   | 9    | -106.1   | -84.0    | -102.9                              | -74.4    | -86.1    | -84.7    | -90.9    |
| Households and institutions .....  | 10   | 293.5    | 260.1    | 263.1                               | 253.8    | 259.5    | 261.4    | 265.7    |
| Government .....   | 11   | 252.2    | 265.7    | 255.0                               | 259.1    | 262.9    | 267.6    | 273.0    |
| General government .....   | 12   | 207.2    | 221.5    | 212.4                               | 216.1    | 219.2    | 223.1    | 227.5    |
| Government enterprises .....   | 13   | 45.1     | 44.2     | 42.6                                | 43.0     | 43.7     | 44.5     | 45.5     |
| <b>Equals: Net national product</b> .....  | 14   | 10,882.9 | .....    | 11,180.5                            | 11,489.4 | 11,647.3 | 11,757.3 | .....    |
| Less: Statistical discrepancy .....  | 15   | 71.0     | .....    | 74.3                                | -61.9    | 35.8     | 23.5     | .....    |
| <b>Equals: National income</b> .....   | 16   | 10,811.8 | .....    | 11,106.2                            | 11,551.3 | 11,611.5 | 11,733.7 | .....    |
| Less: Corporate profits with inventory valuation and capital consumption adjustments ..... | 17   | 1,330.7  | .....    | 1,393.5                             | 1,569.1  | 1,591.8  | 1,653.3  | .....    |
| Taxes on production and imports less subsidies .....                                       | 18   | 865.1    | 912.2    | 874.2                               | 897.4    | 914.0    | 916.8    | 920.8    |
| Contributions for government social insurance .....  | 19   | 880.6    | 944.5    | 898.9                               | 936.7    | 938.8    | 945.2    | 957.2    |
| Net interest and miscellaneous payments on assets .....                                    | 20   | 483.4    | 510.6    | 490.0                               | 514.8    | 513.2    | 498.6    | 515.9    |
| Business current transfer payments (net) .....   | 21   | 74.2     | 93.1     | 99.1                                | 93.8     | 93.1     | 92.8     | 92.8     |
| Current surplus of government enterprises .....  | 22   | -15.4    | -9.9     | -13.3                               | -9.2     | -9.4     | -10.2    | -10.9    |
| Wage accruals less disbursements .....   | 23   | 0.0      | 12.5     | 0.0                                 | 0.0      | 0.0      | 0.0      | 50.0     |
| Plus: Personal income receipts on assets .....   | 24   | 1,519.4  | 1,657.6  | 1,580.2                             | 1,602.3  | 1,647.7  | 1,683.6  | 1,696.9  |
| Personal current transfer receipts .....   | 25   | 1,526.6  | 1,602.3  | 1,539.8                             | 1,570.4  | 1,589.7  | 1,618.6  | 1,630.2  |
| <b>Equals: Personal income</b> .....   | 26   | 10,239.2 | 10,884.0 | 10,483.7                            | 10,721.4 | 10,807.3 | 10,939.4 | 11,067.9 |
| <b>Addenda:</b>  |      |          |          |                                     |          |          |          |          |
| Gross domestic income .....  | 27   | 12,384.8 | .....    | 12,656.2                            | 13,070.3 | 13,161.6 | 13,299.1 | .....    |
| Gross national income .....  | 28   | 12,416.6 | .....    | 12,668.7                            | 13,099.3 | 13,184.3 | 13,315.7 | .....    |
| Gross national factor income <sup>1</sup> .....  | 29   | 11,492.7 | .....    | 11,708.6                            | 12,117.4 | 12,186.5 | 12,316.3 | .....    |
| Net domestic product .....   | 30   | 10,851.0 | 11,668.3 | 11,168.0                            | 11,460.3 | 11,624.6 | 11,740.6 | 11,847.9 |
| Net domestic income .....  | 31   | 10,780.0 | .....    | 11,093.8                            | 11,522.2 | 11,588.8 | 11,717.1 | .....    |
| Net national factor income <sup>2</sup> .....  | 32   | 9,887.9  | .....    | 10,146.2                            | 10,569.3 | 10,613.7 | 10,734.3 | .....    |

1. Consists of compensation of employees, proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, corporate profits with IVA and CCAdj, net interest and miscellaneous payments, and consumption of fixed capital.

2. Consists of gross national factor income less consumption of fixed capital.

**Table 1.7.6. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product, Chained Dollars**  
[Billions of chained (2000) dollars]

|  | Line | 2005     | 2006     | Seasonally adjusted at annual rates |          |          |          |          |
|--|------|----------|----------|-------------------------------------|----------|----------|----------|----------|
|  |      |          |          | 2005                                |          | 2006     |          |          |
|  |      |          |          | IV                                  | I        | II       | III      | IV       |
| <b>Gross domestic product</b> .....                    | 1    | 11,048.6 | 11,413.6 | 11,163.8                            | 11,316.4 | 11,388.1 | 11,443.5 | 11,506.5 |
| Plus: Income receipts from the rest of the world ..... | 2    | 456.9    | .....    | 496.1                               | 526.4    | 571.4    | 586.5    | .....    |
| Less: Income payments to the rest of the world .....   | 3    | 427.2    | .....    | 483.8                               | 499.7    | 550.3    | 570.9    | .....    |
| <b>Equals: Gross national product</b> .....            | 4    | 11,077.9 | .....    | 11,175.6                            | 11,342.7 | 11,408.5 | 11,458.5 | .....    |
| Less: Consumption of fixed capital .....               | 5    | 1,496.6  | 1,431.6  | 1,437.4                             | 1,419.4  | 1,427.6  | 1,435.7  | 1,443.6  |
| Private .....  | 6    | 1,270.1  | 1,201.2  | 1,211.7                             | 1,191.7  | 1,198.2  | 1,204.5  | 1,210.4  |
| Government .....                                       | 7    | 227.0    | 230.1    | 225.8                               | 227.5    | 229.1    | 230.9    | 232.9    |
| General government .....                               | 8    | 187.8    | 193.2    | 189.5                               | 191.0    | 192.4    | 193.9    | 195.4    |
| Government enterprises .....                           | 9    | 39.0     | 36.9     | 36.3                                | 36.4     | 36.7     | 37.1     | 37.4     |
| <b>Equals: Net national product</b> .....              | 10   | 9,586.6  | .....    | 9,740.0                             | 9,922.8  | 9,980.4  | 10,022.5 | .....    |
| <b>Addenda:</b>  |      |          |          |                                     |          |          |          |          |
| Gross domestic income <sup>1</sup> .....               | 11   | 10,985.6 | .....    | 11,098.7                            | 11,370.3 | 11,357.2 | 11,423.3 | .....    |
| Gross national income <sup>2</sup> .....               | 12   | 11,014.9 | .....    | 11,110.5                            | 11,396.5 | 11,377.7 | 11,438.3 | .....    |
| Net domestic product .....                             | 13   | 9,557.2  | 9,981.5  | 9,727.9                             | 9,896.5  | 9,959.8  | 10,007.3 | 10,062.4 |
| Net domestic income <sup>3</sup> .....                 | 14   | 9,494.7  | .....    | 9,663.2                             | 9,949.9  | 9,929.2  | 9,987.3  | .....    |

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.

3. Net domestic income deflated by the implicit price deflator for net domestic product.

NOTE: Except as noted in footnotes 1, 2 and 3, chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

**Table 1.8.3. Command-Basis Real Gross National Product, Quantity Indexes**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006  | Seasonally adjusted |         |         |         |       |
|---|------|---------|-------|---------------------|---------|---------|---------|-------|
|   |      |         |       | 2005                |         | 2006    |         |       |
|   |      |         |       | IV                  | I       | II      | III     | IV    |
| <b>Gross national product</b> .....   | 1    | 112.399 | ..... | 113.390             | 115.085 | 115.753 | 116.260 | ..... |
| Less: Exports of goods and services and income receipts from the rest of the world .....                            | 2    | 111.906 | ..... | 116.793             | 121.636 | 126.043 | 128.530 | ..... |
| Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> ..... | 3    | 110.121 | ..... | 113.619             | 119.044 | 122.488 | 124.638 | ..... |
| <b>Equals: Command-basis gross national product</b> .....   | 4    | 112.131 | ..... | 112.914             | 114.696 | 115.219 | 115.676 | ..... |
| <b>Addendum:</b>  |      |         |       |                     |         |         |         |       |
| Percent change from preceding period in command-basis real gross national product .....                             | 5    | 2.8     | ..... | 0.3                 | 6.5     | 1.8     | 1.6     | ..... |

1. Exports of goods and services and income receipts deflated by the implicit price deflator for imports of goods and services and income payments.

**Table 1.8.6. Command-Basis Real Gross National Product, Chained Dollars**  
[Billions of chained (2000) dollars]

|   | Line | 2005     | 2006  | Seasonally adjusted at annual rates |          |          |          |       |
|---|------|----------|-------|-------------------------------------|----------|----------|----------|-------|
|   |      |          |       | 2005                                |          | 2006     |          |       |
|   |      |          |       | IV                                  | I        | II       | III      | IV    |
| <b>Gross national product</b> .....   | 1    | 11,077.9 | ..... | 11,175.6                            | 11,342.7 | 11,408.5 | 11,458.5 | ..... |
| Less: Exports of goods and services and income receipts from the rest of the world .....                            | 2    | 1,655.0  | ..... | 1,727.3                             | 1,798.9  | 1,864.1  | 1,900.9  | ..... |
| Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> ..... | 3    | 1,628.6  | ..... | 1,680.4                             | 1,760.6  | 1,811.6  | 1,843.4  | ..... |
| <b>Equals: Command-basis gross national product</b> .....   | 4    | 11,051.5 | ..... | 11,128.7                            | 11,304.4 | 11,356.0 | 11,401.0 | ..... |
| <b>Addendum:</b>  |      |          |       |                                     |          |          |          |       |
| Terms of trade <sup>2</sup> .....   | 5    | 98.406   | ..... | 97.286                              | 97.872   | 97.183   | 96.975   | ..... |

1. Exports of goods and services and income receipts deflated by the implicit price deflator for imports of goods and services and income payments.

2. Ratio of the implicit price deflator for exports of goods and services and income receipts to the corresponding implicit price deflator for imports divided by 100.

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.



Table 1.10. Gross Domestic Income by Type of Income

[Billions of dollars]

|   | Line | 2005            | 2006           | Seasonally adjusted at annual rates |                 |                 |                 |                |
|---|------|-----------------|----------------|-------------------------------------|-----------------|-----------------|-----------------|----------------|
|   |      |                 |                | 2005                                | 2006            |                 |                 |                |
|   |      |                 |                |                                     | IV              | I               | II              | III            |
| <b>Gross domestic income</b> .....  | 1    | <b>12,384.8</b> |                | <b>12,656.2</b>                     | <b>13,070.3</b> | <b>13,161.6</b> | <b>13,299.1</b> |                |
| <b>Compensation of employees, paid</b> .....  | 2    | <b>7,036.6</b>  | <b>7,495.7</b> | <b>7,190.7</b>                      | <b>7,406.6</b>  | <b>7,431.8</b>  | <b>7,495.6</b>  | <b>7,648.7</b> |
| Wage and salary accruals .....  | 3    | 5,671.1         | 6,041.4        | 5,793.3                             | 5,976.4         | 5,987.2         | 6,033.9         | 6,168.1        |
| Disbursements .....   | 4    | 5,671.1         | 6,028.9        | 5,793.3                             | 5,976.4         | 5,987.2         | 6,033.9         | 6,118.1        |
| To persons .....  | 5    | 5,661.9         |                | 5,784.0                             | 5,967.2         | 5,978.0         | 6,024.7         |                |
| To the rest of the world .....  | 6    | 9.2             |                | 9.3                                 | 9.2             | 9.2             | 9.2             |                |
| Wage accruals less disbursements .....  | 7    | 0.0             | 12.5           | 0.0                                 | 0.0             | 0.0             | 0.0             | 50.0           |
| Supplements to wages and salaries .....   | 8    | 1,365.5         | 1,454.3        | 1,397.4                             | 1,430.3         | 1,444.5         | 1,461.6         | 1,480.6        |
| <b>Taxes on production and imports</b> .....  | 9    | <b>922.4</b>    | <b>964.8</b>   | <b>937.3</b>                        | <b>952.5</b>    | <b>966.4</b>    | <b>968.6</b>    | <b>971.7</b>   |
| <b>Less: Subsidies</b> .....  | 10   | <b>57.3</b>     | <b>52.5</b>    | <b>63.1</b>                         | <b>55.1</b>     | <b>52.3</b>     | <b>51.8</b>     | <b>51.0</b>    |
| <b>Net operating surplus</b> .....  | 11   | <b>2,878.2</b>  |                | <b>3,028.8</b>                      | <b>3,218.2</b>  | <b>3,243.0</b>  | <b>3,304.7</b>  |                |
| Private enterprises .....   | 12   | 2,893.6         |                | 3,042.1                             | 3,227.4         | 3,252.3         | 3,314.9         |                |
| Net interest and miscellaneous payments, domestic industries .....  | 13   | 642.3           |                | 667.5                               | 705.5           | 724.0           | 710.2           |                |
| Business current transfer payments (net) .....  | 14   | 74.2            | 93.1           | 99.1                                | 93.8            | 93.1            | 92.8            | 92.8           |
| Proprietors' income with inventory valuation and capital consumption adjustments .....                    | 15   | 970.7           | 1,015.0        | 996.8                               | 1,008.3         | 1,011.9         | 1,014.8         | 1,025.1        |
| Rental income of persons with capital consumption adjustment .....  | 16   | 72.8            | 76.7           | 81.5                                | 76.8            | 71.4            | 78.3            | 80.5           |
| Corporate profits with inventory valuation and capital consumption adjustments, domestic industries ..... | 17   | 1,133.7         |                | 1,197.2                             | 1,343.0         | 1,351.9         | 1,418.7         |                |
| Taxes on corporate income .....   | 18   | 399.3           |                | 424.6                               | 456.9           | 476.1           | 490.6           |                |
| Profits after tax with inventory valuation and capital consumption adjustments .....                      | 19   | 734.4           |                | 772.6                               | 886.1           | 875.9           | 928.1           |                |
| Net dividends .....   | 20   | 338.7           |                | 234.9                               | 528.1           | 549.4           | 569.8           |                |
| Undistributed corporate profits with inventory valuation and capital consumption adjustments .....        | 21   | 395.7           |                | 537.7                               | 357.9           | 326.5           | 358.3           |                |
| Current surplus of government enterprises .....   | 22   | -15.4           | -9.9           | -13.3                               | -9.2            | -9.4            | -10.2           | -10.9          |
| <b>Consumption of fixed capital</b> .....   | 23   | <b>1,604.8</b>  | <b>1,576.2</b> | <b>1,562.5</b>                      | <b>1,548.0</b>  | <b>1,572.8</b>  | <b>1,582.0</b>  | <b>1,602.1</b> |
| Private .....   | 24   | 1,352.6         | 1,310.6        | 1,307.5                             | 1,288.9         | 1,309.8         | 1,314.4         | 1,329.0        |
| Government .....  | 25   | 252.2           | 265.7          | 255.0                               | 259.1           | 262.9           | 267.6           | 273.0          |
| <b>Addendum:</b>  |      |                 |                |                                     |                 |                 |                 |                |
| Statistical discrepancy .....   | 26   | 71.0            |                | 74.3                                | -61.9           | 35.8            | 23.5            |                |

**Table 1.12. National Income by Type of Income**  
[Billions of dollars]

|   | Line | 2005            | 2006           | Seasonally adjusted at annual rates |                 |                 |                 |                |
|---|------|-----------------|----------------|-------------------------------------|-----------------|-----------------|-----------------|----------------|
|   |      |                 |                | 2005                                | 2006            |                 |                 |                |
|   |      |                 |                |                                     | IV              | I               | II              | III            |
| <b>National income</b> .....  | 1    | <b>10,811.8</b> |                | <b>11,106.2</b>                     | <b>11,551.3</b> | <b>11,611.5</b> | <b>11,733.7</b> |                |
| <b>Compensation of employees</b> .....                                | 2    | <b>7,030.3</b>  | <b>7,489.4</b> | <b>7,184.4</b>                      | <b>7,400.3</b>  | <b>7,425.5</b>  | <b>7,489.3</b>  | <b>7,642.4</b> |
| Wage and salary accruals .....  | 3    | 5,664.8         | 6,035.1        | 5,787.0                             | 5,970.1         | 5,980.9         | 6,027.6         | 6,161.8        |
| Government .....  | 4    | 977.7           | 1,013.9        | 988.1                               | 998.1           | 1,005.9         | 1,020.5         | 1,030.9        |
| Other .....   | 5    | 4,687.1         | 5,021.2        | 4,798.9                             | 4,972.0         | 4,975.0         | 5,007.1         | 5,130.9        |
| Supplements to wages and salaries .....                               | 6    | 1,365.5         | 1,454.3        | 1,397.4                             | 1,430.3         | 1,444.5         | 1,461.6         | 1,480.6        |
| Employer contributions for employee pension and insurance funds ..... | 7    | 933.2           | 992.7          | 956.1                               | 971.6           | 985.7           | 1,000.1         | 1,013.6        |
| Employer contributions for government social insurance .....          | 8    | 432.3           | 461.5          | 441.3                               | 458.7           | 458.9           | 461.5           | 467.0          |
| <b>Proprietors' income with IVA and CCAdj</b> .....                   | 9    | <b>970.7</b>    | <b>1,015.0</b> | <b>996.8</b>                        | <b>1,008.3</b>  | <b>1,011.9</b>  | <b>1,014.8</b>  | <b>1,025.1</b> |
| Farm .....  | 10   | 30.2            | 22.6           | 28.7                                | 23.9            | 17.5            | 21.7            | 27.4           |
| Nonfarm .....   | 11   | 940.4           | 992.4          | 968.1                               | 984.4           | 994.3           | 993.2           | 997.8          |
| <b>Rental income of persons with CCAdj</b> .....                      | 12   | <b>72.8</b>     | <b>76.7</b>    | <b>81.5</b>                         | <b>76.8</b>     | <b>71.4</b>     | <b>78.3</b>     | <b>80.5</b>    |
| <b>Corporate profits with IVA and CCAdj</b> .....                     | 13   | <b>1,330.7</b>  |                | <b>1,393.5</b>                      | <b>1,569.1</b>  | <b>1,591.8</b>  | <b>1,653.3</b>  |                |
| Taxes on corporate income .....                                       | 14   | 399.3           |                | 424.6                               | 456.9           | 476.1           | 490.6           |                |
| Profits after tax with IVA and CCAdj .....                            | 15   | 931.4           |                | 968.9                               | 1,112.1         | 1,115.7         | 1,162.7         |                |
| Net dividends .....   | 16   | 576.9           | 642.2          | 601.0                               | 615.7           | 631.1           | 650.4           | 671.4          |
| Undistributed profits with IVA and CCAdj .....                        | 17   | 354.5           |                | 367.9                               | 496.4           | 484.6           | 512.4           |                |
| <b>Net interest and miscellaneous payments</b> .....                  | 18   | <b>483.4</b>    | <b>510.6</b>   | <b>490.0</b>                        | <b>514.8</b>    | <b>513.2</b>    | <b>498.6</b>    | <b>515.9</b>   |
| <b>Taxes on production and imports</b> .....                          | 19   | <b>922.4</b>    | <b>964.8</b>   | <b>937.3</b>                        | <b>952.5</b>    | <b>966.4</b>    | <b>968.6</b>    | <b>971.7</b>   |
| <b>Less: Subsidies</b> .....  | 20   | <b>57.3</b>     | <b>52.5</b>    | <b>63.1</b>                         | <b>55.1</b>     | <b>52.3</b>     | <b>51.8</b>     | <b>51.0</b>    |
| <b>Business current transfer payments (net)</b> .....                 | 21   | <b>74.2</b>     | <b>93.1</b>    | <b>99.1</b>                         | <b>93.8</b>     | <b>93.1</b>     | <b>92.8</b>     | <b>92.8</b>    |
| To persons (net) .....  | 22   | 45.7            | 35.3           | 39.0                                | 34.5            | 35.0            | 35.5            | 36.0           |
| To government (net) .....   | 23   | 30.1            | 57.1           | 49.4                                | 55.6            | 56.7            | 57.9            | 58.1           |
| To the rest of the world (net) .....                                  | 24   | -1.6            | 0.8            | 10.7                                | 3.7             | 1.4             | -0.6            | -1.3           |
| <b>Current surplus of government enterprises</b> .....                | 25   | <b>-15.4</b>    | <b>-9.9</b>    | <b>-13.3</b>                        | <b>-9.2</b>     | <b>-9.4</b>     | <b>-10.2</b>    | <b>-10.9</b>   |
| <b>Cash flow:</b>   |      |                 |                |                                     |                 |                 |                 |                |
| Net cash flow with IVA and CCAdj .....                                | 26   | 1,211.3         |                | 1,223.9                             | 1,349.2         | 1,350.3         | 1,380.5         |                |
| Undistributed profits with IVA and CCAdj .....                        | 27   | 354.5           |                | 367.9                               | 496.4           | 484.6           | 512.4           |                |
| Consumption of fixed capital .....                                    | 28   | 856.8           | 865.9          | 856.0                               | 852.8           | 865.6           | 868.2           | 877.0          |
| Less: Inventory valuation adjustment .....                            | 29   | -32.6           |                | -39.2                               | -22.9           | -58.9           | -38.2           |                |
| Equals: Net cash flow .....   | 30   | 1,243.9         |                | 1,263.2                             | 1,372.1         | 1,409.2         | 1,418.8         |                |
| <b>Addenda:</b>   |      |                 |                |                                     |                 |                 |                 |                |
| Proprietors' income with IVA and CCAdj .....                          | 31   | 970.7           | 1,015.0        | 996.8                               | 1,008.3         | 1,011.9         | 1,014.8         | 1,025.1        |
| Farm .....  | 32   | 30.2            | 22.6           | 28.7                                | 23.9            | 17.5            | 21.7            | 27.4           |
| Proprietors' income with IVA .....                                    | 33   | 36.8            | 29.2           | 35.4                                | 30.5            | 24.3            | 28.2            | 33.9           |
| Capital consumption adjustment .....                                  | 34   | -6.5            | -6.6           | -6.7                                | -6.6            | -6.7            | -6.6            | -6.5           |
| Nonfarm .....   | 35   | 940.4           | 992.4          | 968.1                               | 984.4           | 994.3           | 993.2           | 997.8          |
| Proprietors' income (without IVA and CCAdj) .....                     | 36   | 866.2           | 897.9          | 887.7                               | 891.1           | 904.7           | 897.7           | 898.1          |
| Inventory valuation adjustment .....                                  | 37   | -5.1            | -3.5           | -6.2                                | -2.4            | -6.9            | -3.7            | -1.1           |
| Capital consumption adjustment .....                                  | 38   | 79.3            | 98.0           | 86.5                                | 95.7            | 96.5            | 99.1            | 100.8          |
| Rental income of persons with CCAdj .....                             | 39   | 72.8            | 76.7           | 81.5                                | 76.8            | 71.4            | 78.3            | 80.5           |
| Rental income of persons (without CCAdj) .....                        | 40   | 96.2            | 91.7           | 98.6                                | 91.6            | 86.5            | 93.1            | 95.4           |
| Capital consumption adjustment .....                                  | 41   | -23.4           | -14.9          | -17.1                               | -14.8           | -15.1           | -14.8           | -14.9          |
| Corporate profits with IVA and CCAdj .....                            | 42   | 1,330.7         |                | 1,393.5                             | 1,569.1         | 1,591.8         | 1,653.3         |                |
| Corporate profits with IVA .....                                      | 43   | 1,486.1         |                | 1,559.1                             | 1,717.7         | 1,752.6         | 1,815.8         |                |
| Profits before tax (without IVA and CCAdj) .....                      | 44   | 1,518.7         |                | 1,598.3                             | 1,740.6         | 1,811.5         | 1,854.0         |                |
| Taxes on corporate income .....                                       | 45   | 399.3           |                | 424.6                               | 456.9           | 476.1           | 490.6           |                |
| Profits after tax (without IVA and CCAdj) .....                       | 46   | 1,119.4         |                | 1,173.7                             | 1,283.7         | 1,335.4         | 1,363.4         |                |
| Net dividends .....   | 47   | 576.9           | 642.2          | 601.0                               | 615.7           | 631.1           | 650.4           | 671.4          |
| Undistributed profits (without IVA and CCAdj) .....                   | 48   | 542.5           |                | 572.7                               | 668.0           | 704.3           | 713.0           |                |
| Inventory valuation adjustment .....                                  | 49   | -32.6           |                | -39.2                               | -22.9           | -58.9           | -38.2           |                |
| Capital consumption adjustment .....                                  | 50   | -155.5          | -160.5         | -165.6                              | -148.6          | -160.8          | -162.4          | -170.2         |

IVA Inventory valuation adjustment  
CCAdj Capital consumption adjustment

**Table 1.14. Gross Value Added of Domestic Corporate Business in Current Dollars and Gross Value Added of Nonfinancial Domestic Corporate Business in Current and Chained Dollars**

[Billions of dollars]

|  | Line | 2005           | 2006    | Seasonally adjusted at annual rates                |                |                |                |         |
|--|------|----------------|---------|--|----------------|----------------|----------------|---------|
|  |      |                |         | 2005   | 2006           |                |                |         |
|  |      |                |         |  | IV             | I              | II             | III     |
| <b>Gross value added of corporate business <sup>1</sup></b> .....              | 1    | <b>7,357.0</b> |         | <b>7,539.4</b>                                     | <b>7,823.0</b> | <b>7,865.8</b> | <b>7,971.8</b> |         |
| Consumption of fixed capital.....  | 2    | 856.8          | 865.9   | 856.0  | 852.8          | 865.6          | 868.2          | 877.0   |
| Net value added.....   | 3    | 6,500.2        |         | 6,683.4  | 6,970.2        | 7,000.2        | 7,103.6        |         |
| Compensation of employees.....   | 4    | 4,612.5        | 4,938.0 | 4,723.2  | 4,884.1        | 4,894.9        | 4,930.7        | 5,042.5 |
| Wage and salary accruals.....  | 5    | 3,761.0        | 4,028.8 | 3,850.6  | 3,989.3        | 3,991.7        | 4,017.5        | 4,116.7 |
| Supplements to wages and salaries.....   | 6    | 851.5          | 909.3   | 872.6  | 894.8          | 903.1          | 913.2          | 925.8   |
| Taxes on production and imports less subsidies.....                            | 7    | 604.9          | 633.3   | 614.8  | 625.0          | 634.4          | 635.7          | 638.0   |
| Net operating surplus.....   | 8    | 1,282.7        |         | 1,345.4  | 1,461.1        | 1,470.9        | 1,537.3        |         |
| Net interest and miscellaneous payments.....                                   | 9    | 56.3           |         | 57.1   | 60.9           | 62.8           | 62.6           |         |
| Business current transfer payments.....  | 10   | 92.7           | 56.2    | 91.2   | 57.1           | 56.1           | 56.0           | 55.6    |
| Corporate profits with IVA and CCAAdj.....                                     | 11   | 1,133.7        |         | 1,197.2  | 1,343.0        | 1,351.9        | 1,418.7        |         |
| Taxes on corporate income.....   | 12   | 399.3          |         | 424.6  | 456.9          | 476.1          | 490.6          |         |
| Profits after tax with IVA and CCAAdj.....                                     | 13   | 734.4          |         | 772.6  | 886.1          | 875.9          | 928.1          |         |
| Net dividends.....   | 14   | 338.7          |         | 234.9  | 528.1          | 549.4          | 569.8          |         |
| Undistributed profits with IVA and CCAAdj.....                                 | 15   | 395.7          |         | 537.7  | 357.9          | 326.5          | 358.3          |         |
| <b>Gross value added of financial corporate business <sup>1</sup></b> .....    | 16   | <b>987.3</b>   |         | <b>1,004.5</b>                                     | <b>1,034.9</b> | <b>1,075.8</b> | <b>1,072.9</b> |         |
| <b>Gross value added of nonfinancial corporate business <sup>1</sup></b> ..... | 17   | <b>6,369.7</b> |         | <b>6,534.8</b>                                     | <b>6,788.2</b> | <b>6,790.0</b> | <b>6,898.9</b> |         |
| Consumption of fixed capital.....  | 18   | 739.7          | 744.5   | 737.2  | 733.7          | 744.4          | 746.3          | 753.6   |
| Net value added.....   | 19   | 5,630.1        |         | 5,797.6  | 6,054.5        | 6,045.7        | 6,152.6        |         |
| Compensation of employees.....   | 20   | 4,099.7        | 4,389.0 | 4,198.0  | 4,341.0        | 4,350.6        | 4,382.5        | 4,481.8 |
| Wage and salary accruals.....  | 21   | 3,335.1        | 3,572.5 | 3,414.5  | 3,537.5        | 3,539.7        | 3,562.5        | 3,650.5 |
| Supplements to wages and salaries.....   | 22   | 764.6          | 816.5   | 783.5  | 803.5          | 811.0          | 820.0          | 831.4   |
| Taxes on production and imports less subsidies.....                            | 23   | 558.1          | 584.3   | 567.2  | 576.7          | 585.3          | 586.5          | 588.6   |
| Net operating surplus.....   | 24   | 972.2          |         | 1,032.4  | 1,136.8        | 1,109.7        | 1,183.7        |         |
| Net interest and miscellaneous payments.....                                   | 25   | 156.6          |         | 165.1  | 175.1          | 180.0          | 177.2          |         |
| Business current transfer payments.....  | 26   | 51.4           | 62.1    | 60.9   | 60.9           | 61.7           | 62.5           | 63.2    |
| Corporate profits with IVA and CCAAdj.....                                     | 27   | 764.2          |         | 806.4  | 900.9          | 868.1          | 943.9          |         |
| Taxes on corporate income.....   | 28   | 251.4          |         | 266.4  | 280.9          | 283.3          | 299.6          |         |
| Profits after tax with IVA and CCAAdj.....                                     | 29   | 512.9          |         | 540.0  | 620.0          | 584.8          | 644.3          |         |
| Net dividends.....   | 30   | 228.5          |         | 120.1  | 377.7          | 392.8          | 407.5          |         |
| Undistributed profits with IVA and CCAAdj.....                                 | 31   | 284.4          |         | 419.9  | 242.3          | 192.0          | 236.8          |         |
| <b>Addenda:</b>  |      |                |         |  |                |                |                |         |
| <b>Corporate business:</b>   |      |                |         |  |                |                |                |         |
| Profits before tax (without IVA and CCAAdj).....                               | 32   | 1,321.7        |         | 1,402.0  | 1,514.6        | 1,571.6        | 1,619.3        |         |
| Profits after tax (without IVA and CCAAdj).....                                | 33   | 922.4          |         | 977.4  | 1,057.6        | 1,095.6        | 1,128.7        |         |
| Inventory valuation adjustment.....  | 34   | -32.6          |         | -39.2  | -22.9          | -58.9          | -38.2          |         |
| Capital consumption adjustment.....  | 35   | -155.5         | -160.5  | -165.6   | -148.6         | -160.8         | -162.4         | -170.2  |
| <b>Nonfinancial corporate business:</b>  |      |                |         |  |                |                |                |         |
| Profits before tax (without IVA and CCAAdj).....                               | 36   | 932.6          |         | 988.7  | 1,050.6        | 1,063.5        | 1,119.2        |         |
| Profits after tax (without IVA and CCAAdj).....                                | 37   | 681.3          |         | 722.3  | 769.7          | 780.2          | 819.6          |         |
| Inventory valuation adjustment.....  | 38   | -32.6          |         | -39.2  | -22.9          | -58.9          | -38.2          |         |
| Capital consumption adjustment.....  | 39   | -135.8         | -135.8  | -143.0   | -126.8         | -136.5         | -137.1         | -143.0  |
|  |      |                |         | Value added, in billions of chained (2000) dollars |                |                |                |         |
| <b>Gross value added of nonfinancial corporate business <sup>2</sup></b> ..... | 40   | <b>5,852.9</b> |         | <b>5,927.8</b>                                     | <b>6,111.2</b> | <b>6,069.0</b> | <b>6,158.9</b> |         |
| Consumption of fixed capital <sup>3</sup> .....                                | 41   | 681.6          | 670.5   | 670.5  | 666.1          | 669.2          | 672.0          | 674.6   |
| Net value added <sup>4</sup> .....   | 42   | 5,171.2        |         | 5,257.3  | 5,445.0        | 5,399.8        | 5,486.9        |         |

1. Estimates for financial corporate business and nonfinancial corporate business for 2000 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).  
 2. The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial industries from the GDP-by-industry accounts. For periods when this price index is not available, the chain-type price index for GDP goods and structures is used.  
 3. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100.  
 4. Chained-dollar net value added of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.  
 IVA Inventory valuation adjustment  
 CCAAdj Capital consumption adjustment

**Table 1.15. Price, Costs, and Profit Per Unit of Real Gross Value Added of Nonfinancial Domestic Corporate Business**

[Dollars]

|   | Line | 2005         | 2006 | Seasonally adjusted |              |              |              |     |
|---|------|--------------|------|---------------------|--------------|--------------|--------------|-----|
|   |      |              |      | 2005                | 2006         |              |              |     |
|   |      |              |      |                     | IV           | I            | II           | III |
| <b>Price per unit of real gross value added of nonfinancial corporate business <sup>1</sup></b> ..... | 1    | <b>1.088</b> |      | <b>1.102</b>        | <b>1.111</b> | <b>1.119</b> | <b>1.120</b> |     |
| <b>Compensation of employees (unit labor cost)</b> .....  | 2    | <b>0.700</b> |      | <b>0.708</b>        | <b>0.710</b> | <b>0.717</b> | <b>0.712</b> |     |
| <b>Unit nonlabor cost</b> .....   | 3    | <b>0.257</b> |      | <b>0.258</b>        | <b>0.253</b> | <b>0.260</b> | <b>0.255</b> |     |
| Consumption of fixed capital.....   | 4    | 0.126        |      | 0.124               | 0.120        | 0.123        | 0.121        |     |
| Taxes on production and imports less subsidies plus business current transfer payments.....           | 5    | 0.104        |      | 0.106               | 0.104        | 0.107        | 0.105        |     |
| Net interest and miscellaneous payments.....  | 6    | 0.027        |      | 0.028               | 0.029        | 0.030        | 0.029        |     |
| <b>Corporate profits with IVA and CCAAdj (unit profits from current production)</b> .....             | 7    | <b>0.131</b> |      | <b>0.136</b>        | <b>0.147</b> | <b>0.143</b> | <b>0.153</b> |     |
| Taxes on corporate income.....  | 8    | 0.043        |      | 0.045               | 0.046        | 0.047        | 0.049        |     |
| Profits after tax with IVA and CCAAdj.....  | 9    | 0.088        |      | 0.091               | 0.101        | 0.096        | 0.105        |     |

1. The implicit price deflator for gross value added of nonfinancial corporate business divided by 100. Estimates for nonfinancial corporate business for 2000 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).  
 NOTE: The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial industries from the GDP-by-industry accounts. For periods when this price index is not available, the chain-type price index for GDP goods and structures is used.  
 IVA Inventory valuation adjustment  
 CCAAdj Capital consumption adjustment

## 2. Personal Income and Outlays

Table 2.1. Personal Income and Its Disposition

[Billions of dollars]

|   | Line | 2005            | 2006            | Seasonally adjusted at annual rates |                 |                 |                 |                 |
|---|------|-----------------|-----------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
|   |      |                 |                 | 2005                                | 2006            |                 |                 |                 |
|   |      |                 |                 |                                     | IV              | I               | II              | III             |
| <b>Personal income</b> .....  | 1    | <b>10,239.2</b> | <b>10,884.0</b> | <b>10,483.7</b>                     | <b>10,721.4</b> | <b>10,807.3</b> | <b>10,939.4</b> | <b>11,067.9</b> |
| Compensation of employees, received.....  | 2    | 7,030.3         | 7,476.9         | 7,184.4                             | 7,400.3         | 7,425.5         | 7,489.3         | 7,592.4         |
| Wage and salary disbursements.....  | 3    | 5,664.8         | 6,022.6         | 5,787.0                             | 5,970.1         | 5,980.9         | 6,027.6         | 6,111.8         |
| Private industries.....   | 4    | 4,687.1         | 5,008.7         | 4,798.9                             | 4,972.0         | 4,975.0         | 5,007.1         | 5,080.9         |
| Government.....   | 5    | 977.7           | 1,013.9         | 988.1                               | 998.1           | 1,005.9         | 1,020.5         | 1,030.9         |
| Supplements to wages and salaries.....  | 6    | 1,365.5         | 1,454.3         | 1,397.4                             | 1,430.3         | 1,444.5         | 1,461.6         | 1,480.6         |
| Employer contributions for employee pension and insurance funds.....                  | 7    | 933.2           | 992.7           | 956.1                               | 971.6           | 985.7           | 1,000.1         | 1,013.6         |
| Employer contributions for government social insurance.....                           | 8    | 432.3           | 461.5           | 441.3                               | 458.7           | 458.9           | 461.5           | 467.0           |
| Proprietors' income with inventory valuation and capital consumption adjustments..... | 9    | 970.7           | 1,015.0         | 996.8                               | 1,008.3         | 1,011.9         | 1,014.8         | 1,025.1         |
| Farm.....   | 10   | 30.2            | 22.6            | 28.7                                | 23.9            | 17.5            | 21.7            | 27.4            |
| Nonfarm.....  | 11   | 940.4           | 992.4           | 968.1                               | 984.4           | 994.3           | 993.2           | 997.8           |
| Rental income of persons with capital consumption adjustment.....                     | 12   | 72.8            | 76.7            | 81.5                                | 76.8            | 71.4            | 78.3            | 80.5            |
| Personal income receipts on assets.....   | 13   | 1,519.4         | 1,657.6         | 1,580.2                             | 1,602.3         | 1,647.7         | 1,683.6         | 1,696.9         |
| Personal interest income.....   | 14   | 945.0           | 1,018.1         | 981.7                               | 989.1           | 1,019.2         | 1,035.8         | 1,028.1         |
| Personal dividend income.....   | 15   | 574.4           | 639.6           | 598.5                               | 613.2           | 628.5           | 647.8           | 668.8           |
| Personal current transfer receipts.....   | 16   | 1,526.6         | 1,602.3         | 1,539.8                             | 1,570.4         | 1,589.7         | 1,618.6         | 1,630.2         |
| Government social benefits to persons.....  | 17   | 1,480.9         | 1,567.0         | 1,500.8                             | 1,536.0         | 1,554.7         | 1,583.1         | 1,594.2         |
| Old-age, survivors, disability, and health insurance benefits.....                    | 18   | 844.9           | 931.4           | 854.6                               | 909.9           | 928.1           | 936.7           | 950.7           |
| Government unemployment insurance benefits.....                                       | 19   | 31.3            | 27.3            | 31.6                                | 27.8            | 27.0            | 27.3            | 27.1            |
| Veterans benefits.....  | 20   | 36.8            | 40.0            | 37.2                                | 39.1            | 39.8            | 40.2            | 40.8            |
| Family assistance <sup>1</sup> .....  | 21   | 18.3            | 18.8            | 18.5                                | 18.6            | 18.8            | 18.9            | 19.0            |
| Other.....  | 22   | 549.4           | 549.5           | 558.8                               | 540.6           | 541.0           | 560.0           | 556.5           |
| Other current transfer receipts, from business (net).....                             | 23   | 45.7            | 35.3            | 39.0                                | 34.5            | 35.0            | 35.5            | 36.0            |
| Less: Contributions for government social insurance.....                              | 24   | 880.6           | 944.5           | 898.9                               | 936.7           | 938.8           | 945.2           | 957.2           |
| <b>Less: Personal current taxes</b> .....   | 25   | <b>1,203.1</b>  | <b>1,360.9</b>  | <b>1,247.6</b>                      | <b>1,332.6</b>  | <b>1,361.0</b>  | <b>1,362.5</b>  | <b>1,387.4</b>  |
| <b>Equals: Disposable personal income</b> .....                                       | 26   | <b>9,036.1</b>  | <b>9,523.1</b>  | <b>9,236.1</b>                      | <b>9,388.8</b>  | <b>9,446.2</b>  | <b>9,577.0</b>  | <b>9,680.5</b>  |
| <b>Less: Personal outlays</b> .....   | 27   | <b>9,070.9</b>  | <b>9,625.2</b>  | <b>9,264.5</b>                      | <b>9,418.5</b>  | <b>9,577.0</b>  | <b>9,710.0</b>  | <b>9,795.3</b>  |
| Personal consumption expenditures.....  | 28   | 8,742.4         | 9,269.0         | 8,927.8                             | 9,079.2         | 9,228.1         | 9,346.7         | 9,422.1         |
| Personal interest payments <sup>2</sup> .....   | 29   | 209.4           | 229.9           | 214.9                               | 218.5           | 222.9           | 235.5           | 242.7           |
| Personal current transfer payments.....   | 30   | 119.2           | 126.3           | 121.8                               | 120.9           | 126.0           | 127.8           | 130.5           |
| To government.....  | 31   | 72.0            | 78.0            | 74.2                                | 75.7            | 77.3            | 79.0            | 80.0            |
| To the rest of the world (net).....   | 32   | 47.1            | 48.3            | 47.6                                | 45.2            | 48.7            | 48.8            | 50.4            |
| <b>Equals: Personal saving</b> .....  | 33   | <b>-34.8</b>    | <b>-102.1</b>   | <b>-28.5</b>                        | <b>-29.7</b>    | <b>-130.8</b>   | <b>-133.0</b>   | <b>-114.8</b>   |
| <b>Personal saving as a percentage of disposable personal income</b> .....            | 34   | <b>-0.4</b>     | <b>-1.1</b>     | <b>-0.3</b>                         | <b>-0.3</b>     | <b>-1.4</b>     | <b>-1.4</b>     | <b>-1.2</b>     |
| <b>Addenda:</b>   |      |                 |                 |                                     |                 |                 |                 |                 |
| Disposable personal income:   |      |                 |                 |                                     |                 |                 |                 |                 |
| Total, billions of chained (2000) dollars <sup>3</sup> .....                          | 35   | 8,104.6         | 8,312.9         | 8,183.3                             | 8,276.8         | 8,245.4         | 8,311.0         | 8,419.1         |
| Per capita:   |      |                 |                 |                                     |                 |                 |                 |                 |
| Current dollars.....  | 36   | 30,473          | 31,805          | 31,029                              | 31,470          | 31,590          | 31,946          | 32,210          |
| Chained (2000) dollars.....   | 37   | 27,332          | 27,763          | 27,492                              | 27,743          | 27,574          | 27,723          | 28,013          |
| Population (midperiod, thousands).....  | 38   | 296,524         | 299,424         | 297,660                             | 298,338         | 299,025         | 299,789         | 300,543         |
| Percent change from preceding period:   |      |                 |                 |                                     |                 |                 |                 |                 |
| Disposable personal income, current dollars.....                                      | 39   | 4.1             | 5.4             | 8.6                                 | 6.8             | 2.5             | 5.7             | 4.4             |
| Disposable personal income, chained (2000) dollars.....                               | 40   | 1.2             | 2.6             | 5.5                                 | 4.6             | -1.5            | 3.2             | 5.3             |

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. Consists of nonmortgage interest paid by households.

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

Table 2.2B. Wage and Salary Disbursements by Industry

[Billions of dollars]

|  | Line | 2005           | 2006           | Seasonally adjusted at annual rates |                |                |                |                |
|--|------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|  |      |                |                | 2005                                | 2006           |                |                |                |
|  |      |                |                |                                     | IV             | I              | II             | III            |
| <b>Wage and salary disbursements</b> .....             | 1    | <b>5,664.8</b> | <b>6,022.6</b> | <b>5,787.0</b>                      | <b>5,970.1</b> | <b>5,980.9</b> | <b>6,027.6</b> | <b>6,111.8</b> |
| <b>Private industries</b> .....                        | 2    | <b>4,687.1</b> | <b>5,008.7</b> | <b>4,798.9</b>                      | <b>4,972.0</b> | <b>4,975.0</b> | <b>5,007.1</b> | <b>5,080.9</b> |
| Goods-producing industries.....                        | 3    | 1,101.3        | 1,175.5        | 1,124.9                             | 1,177.3        | 1,173.0        | 1,171.5        | 1,180.1        |
| Manufacturing.....                                     | 4    | 704.7          | 734.0          | 715.0                               | 742.8          | 732.8          | 729.1          | 731.4          |
| Services-producing industries.....                     | 5    | 3,585.8        | 3,833.3        | 3,673.9                             | 3,794.7        | 3,802.0        | 3,835.6        | 3,900.9        |
| Trade, transportation, and utilities.....              | 6    | 937.2          | 993.7          | 954.9                               | 983.6          | 990.8          | 995.6          | 1,004.7        |
| Other services-producing industries <sup>1</sup> ..... | 7    | 2,648.5        | 2,839.6        | 2,719.0                             | 2,811.0        | 2,811.2        | 2,840.0        | 2,896.1        |
| <b>Government</b> .....                                | 8    | <b>977.7</b>   | <b>1,013.9</b> | <b>988.1</b>                        | <b>1,005.9</b> | <b>1,005.9</b> | <b>1,020.5</b> | <b>1,030.9</b> |

1. Other services-producing industries consists of information; finance and insurance; real estate and rental and leasing; professional, scientific, and technical services; management of companies and enterprises; administrative and support and waste management and remediation services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services.

NOTE: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

**Table 2.3.1. Percent Change From Preceding Period in Real Personal Consumption Expenditures by Major Type of Product**

[Percent]

|   | Line | 2005 | 2006 | Seasonally adjusted at annual rates |       |      |       |      |
|---|------|------|------|-------------------------------------|-------|------|-------|------|
|   |      |      |      | 2005                                |       | 2006 |       |      |
|   |      |      |      | IV                                  | I     | II   | III   | IV   |
| <b>Personal consumption expenditures</b> .....                    | 1    | 3.5  | 3.2  | 0.8                                 | 4.8   | 2.6  | 2.8   | 4.2  |
| <b>Durable goods</b> .....  | 2    | 5.5  | 5.0  | -12.3                               | 19.8  | -0.1 | 6.4   | 4.4  |
| Motor vehicles and parts .....                                    | 3    | 0.6  | -1.2 | -34.9                               | 18.9  | -1.2 | 8.6   | -4.4 |
| Furniture and household equipment .....                           | 4    | 10.0 | 12.2 | 11.6                                | 22.8  | 3.3  | 6.7   | 13.3 |
| Other .....   | 5    | 8.7  | 5.6  | 6.1                                 | 16.3  | -3.7 | 1.6   | 7.2  |
| <b>Nondurable goods</b> .....                                     | 6    | 4.5  | 3.7  | 3.9                                 | 5.9   | 1.4  | 1.5   | 6.0  |
| Food .....  | 7    | 5.4  | 4.2  | 4.1                                 | 6.7   | 2.0  | -0.7  | 6.6  |
| Clothing and shoes .....  | 8    | 6.2  | 5.3  | 10.3                                | 8.6   | -3.8 | 5.5   | 6.7  |
| Gasoline, fuel oil, and other energy goods .....                  | 9    | -0.5 | -1.0 | -2.3                                | -1.3  | -0.7 | 5.0   | 1.0  |
| Gasoline and oil .....  | 10   | 0.0  | -0.4 | -0.8                                | 0.0   | -0.8 | 6.9   | -0.6 |
| Fuel oil and coal .....   | 11   | -6.2 | -8.0 | -20.9                               | -17.6 | 25.1 | -18.4 | 25.5 |
| Other .....   | 12   | 4.1  | 4.3  | 3.6                                 | 6.4   | 3.4  | 2.0   | 6.9  |
| <b>Services</b> .....   | 13   | 2.6  | 2.6  | 2.0                                 | 1.6   | 3.7  | 2.8   | 3.2  |
| Housing .....   | 14   | 2.8  | 2.3  | 1.7                                 | 2.3   | 2.4  | 2.6   | 3.2  |
| Household operation .....   | 15   | 2.1  | -0.4 | 0.3                                 | -14.0 | 8.4  | 9.7   | 3.9  |
| Electricity and gas .....   | 16   | 2.6  | -2.3 | 2.0                                 | -29.7 | 15.8 | 21.9  | 8.5  |
| Other household operation .....                                   | 17   | 1.8  | 1.1  | -0.8                                | -0.1  | 3.4  | 1.6   | 0.7  |
| Transportation .....  | 18   | 0.1  | 1.4  | -0.2                                | 4.0   | 1.7  | 1.3   | 3.5  |
| Medical care .....  | 19   | 3.6  | 3.5  | 3.7                                 | 4.3   | 2.6  | 2.1   | 3.1  |
| Recreation .....  | 20   | 2.7  | 2.1  | 1.5                                 | 3.1   | 0.8  | 3.0   | 2.6  |
| Other .....   | 21   | 2.0  | 3.4  | 1.7                                 | 3.2   | 6.1  | 1.6   | 3.4  |
| <b>Addenda:</b>   |      |      |      |                                     |       |      |       |      |
| Energy goods and services <sup>1</sup> ...                        | 22   | 0.8  | -1.7 | -0.7                                | -13.8 | 6.2  | 10.9  | 3.9  |
| Personal consumption expenditures excluding food and energy ..... | 23   | 3.3  | 3.4  | 0.3                                 | 6.0   | 2.4  | 2.8   | 3.8  |

1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.

**Table 2.3.2. Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product**

|   | Line | 2005  | 2006  | Seasonally adjusted at annual rates |       |       |       |       |
|---|------|-------|-------|-------------------------------------|-------|-------|-------|-------|
|   |      |       |       | 2005                                |       | 2006  |       |       |
|   |      |       |       | IV                                  | I     | II    | III   | IV    |
| <b>Percent change at annual rate: Personal consumption expenditures</b> ..... | 1    | 3.5   | 3.2   | 0.8                                 | 4.8   | 2.6   | 2.8   | 4.2   |
| <b>Percentage points at annual rates:</b>                                     |      |       |       |                                     |       |       |       |       |
| <b>Durable goods</b> .....  | 2    | 0.65  | 0.58  | -1.54                               | 2.14  | -0.01 | 0.72  | 0.50  |
| Motor vehicles and parts .....  | 3    | 0.03  | -0.06 | -2.15                               | 0.85  | -0.06 | 0.40  | -0.21 |
| Furniture and household equipment .....                                       | 4    | 0.42  | 0.51  | 0.47                                | 0.92  | 0.14  | 0.28  | 0.55  |
| Other .....   | 5    | 0.20  | 0.13  | 0.14                                | 0.37  | -0.09 | 0.04  | 0.17  |
| <b>Nondurable goods</b> .....   | 6    | 1.28  | 1.09  | 1.12                                | 1.71  | 0.42  | 0.46  | 1.73  |
| Food .....  | 7    | 0.73  | 0.58  | 0.55                                | 0.92  | 0.27  | -0.10 | 0.90  |
| Clothing and shoes .....  | 8    | 0.24  | 0.20  | 0.38                                | 0.33  | -0.15 | 0.21  | 0.26  |
| Gasoline, fuel oil, and other energy goods .....                              | 9    | -0.02 | -0.03 | -0.09                               | -0.05 | 0.03  | 0.19  | 0.04  |
| Gasoline and oil .....  | 10   | 0.00  | -0.01 | -0.03                               | 0.00  | -0.03 | 0.25  | -0.02 |
| Fuel oil and coal .....   | 11   | -0.02 | -0.02 | -0.06                               | -0.05 | 0.05  | -0.05 | 0.06  |
| Other .....   | 12   | 0.33  | 0.34  | 0.28                                | 0.51  | 0.27  | 0.15  | 0.54  |
| <b>Services</b> .....   | 13   | 1.55  | 1.52  | 1.18                                | 0.96  | 2.17  | 1.64  | 1.94  |
| Housing .....   | 14   | 0.43  | 0.35  | 0.25                                | 0.34  | 0.36  | 0.38  | 0.48  |
| Household operation .....   | 15   | 0.12  | -0.03 | 0.02                                | -0.84 | 0.44  | 0.51  | 0.22  |
| Electricity and gas .....   | 16   | 0.06  | -0.06 | 0.05                                | -0.83 | 0.34  | 0.46  | 0.19  |
| Other household operation .....   | 17   | 0.06  | 0.04  | -0.03                               | 0.00  | 0.11  | 0.05  | 0.02  |
| Transportation .....  | 18   | 0.01  | 0.05  | -0.01                               | 0.15  | 0.06  | 0.05  | 0.13  |
| Medical care .....  | 19   | 0.61  | 0.59  | 0.62                                | 0.74  | 0.44  | 0.36  | 0.53  |
| Recreation .....  | 20   | 0.11  | 0.09  | 0.06                                | 0.13  | 0.03  | 0.12  | 0.11  |
| Other .....   | 21   | 0.28  | 0.47  | 0.23                                | 0.45  | 0.83  | 0.22  | 0.48  |
| <b>Addenda:</b>   |      |       |       |                                     |       |       |       |       |
| Energy goods and services <sup>1</sup> ...                                    | 22   | 0.04  | -0.09 | -0.04                               | -0.88 | 0.36  | 0.65  | 0.23  |
| Personal consumption expenditures excluding food and energy .....             | 23   | 2.71  | 2.70  | 0.25                                | 4.77  | 1.95  | 2.27  | 3.04  |

1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.

**Table 2.3.3. Real Personal Consumption Expenditures by Major Type of Product, Quantity Indexes**

[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Personal consumption expenditures</b> .....                    | 1    | 116.349 | 120.057 | 117.373             | 118.761 | 119.521 | 120.355 | 121.590 |
| <b>Durable goods</b> .....  | 2    | 132.666 | 139.328 | 131.799             | 137.893 | 137.868 | 140.019 | 141.530 |
| Motor vehicles and parts .....                                    | 3    | 117.173 | 115.753 | 110.286             | 115.158 | 114.799 | 117.179 | 115.877 |
| Furniture and household equipment .....                           | 4    | 156.790 | 175.957 | 163.472             | 172.097 | 173.496 | 176.324 | 181.911 |
| Other .....   | 5    | 129.696 | 136.939 | 131.958             | 137.039 | 135.754 | 136.292 | 138.672 |
| <b>Nondurable goods</b> .....                                     | 6    | 116.924 | 121.308 | 118.608             | 120.313 | 120.742 | 121.204 | 122.974 |
| Food .....  | 7    | 115.191 | 120.075 | 117.349             | 119.265 | 119.853 | 119.631 | 121.552 |
| Clothing and shoes .....  | 8    | 125.195 | 131.850 | 128.686             | 131.367 | 130.113 | 131.876 | 134.045 |
| Gasoline, fuel oil, and other energy goods .....                  | 9    | 104.204 | 103.184 | 102.679             | 102.348 | 102.532 | 103.795 | 104.061 |
| Gasoline and oil .....  | 10   | 105.824 | 105.369 | 104.683             | 104.696 | 104.481 | 106.227 | 106.074 |
| Fuel oil and coal .....   | 11   | 86.762  | 79.788  | 81.167              | 77.338  | 81.795  | 77.738  | 82.283  |
| Other .....   | 12   | 120.838 | 125.975 | 122.432             | 124.356 | 125.409 | 126.016 | 128.121 |
| <b>Services</b> .....   | 13   | 112.925 | 115.810 | 113.945             | 114.398 | 115.440 | 116.234 | 117.167 |
| Housing .....   | 14   | 111.540 | 114.129 | 112.394             | 113.035 | 113.713 | 114.436 | 115.332 |
| Household operation .....   | 15   | 107.145 | 106.704 | 107.598             | 103.628 | 105.735 | 108.203 | 109.249 |
| Electricity and gas .....   | 16   | 107.317 | 104.802 | 107.963             | 98.875  | 102.566 | 107.770 | 109.999 |
| Other household operation .....                                   | 17   | 107.016 | 108.229 | 107.320             | 107.289 | 108.190 | 108.629 | 108.807 |
| Transportation .....  | 18   | 97.652  | 98.989  | 97.330              | 98.298  | 98.722  | 99.044  | 99.891  |
| Medical care .....  | 19   | 122.799 | 127.058 | 124.563             | 125.887 | 126.690 | 127.347 | 128.310 |
| Recreation .....  | 20   | 116.727 | 119.145 | 117.445             | 118.336 | 118.581 | 119.448 | 120.215 |
| Other .....   | 21   | 109.540 | 113.226 | 110.634             | 111.521 | 113.175 | 113.622 | 114.586 |
| <b>Addenda:</b>   |      |         |         |                     |         |         |         |         |
| Energy goods and services <sup>1</sup> ...                        | 22   | 105.473 | 103.716 | 104.786             | 100.967 | 102.498 | 105.192 | 106.206 |
| Personal consumption expenditures excluding food and energy ..... | 23   | 117.255 | 121.201 | 118.216             | 119.953 | 120.674 | 121.521 | 122.653 |

1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.

**Table 2.3.4. Price Indexes for Personal Consumption Expenditures by Major Type of Product**

[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Personal consumption expenditures</b> .....                    | 1    | 111.493 | 114.563 | 112.873             | 113.445 | 114.573 | 115.241 | 114.991 |
| <b>Durable goods</b> .....  | 2    | 90.198  | 88.981  | 89.606              | 89.385  | 89.206  | 88.967  | 88.366  |
| Motor vehicles and parts .....                                    | 3    | 98.967  | 99.400  | 98.906              | 99.460  | 99.532  | 99.631  | 98.980  |
| Furniture and household equipment .....                           | 4    | 76.884  | 73.466  | 75.435              | 74.671  | 73.894  | 73.046  | 72.252  |
| Other .....   | 5    | 97.688  | 98.464  | 98.005              | 97.567  | 98.351  | 98.950  | 98.987  |
| <b>Nondurable goods</b> .....                                     | 6    | 111.530 | 114.959 | 113.177             | 113.484 | 115.769 | 116.442 | 114.141 |
| Food .....  | 7    | 112.732 | 115.333 | 113.642             | 114.414 | 114.905 | 115.727 | 116.284 |
| Clothing and shoes .....  | 8    | 91.706  | 91.350  | 91.101              | 90.870  | 91.651  | 91.342  | 91.536  |
| Gasoline, fuel oil, and other energy goods .....                  | 9    | 151.423 | 170.992 | 163.612             | 161.126 | 182.632 | 185.621 | 154.588 |
| Gasoline and oil .....  | 10   | 150.760 | 170.297 | 162.470             | 160.254 | 182.620 | 185.352 | 152.962 |
| Fuel oil and coal .....   | 11   | 159.465 | 179.264 | 178.440             | 172.031 | 180.783 | 187.495 | 176.748 |
| Other .....   | 12   | 107.775 | 109.786 | 108.619             | 109.301 | 109.737 | 110.041 | 110.064 |
| <b>Services</b> .....   | 13   | 116.529 | 120.521 | 118.281             | 119.194 | 120.059 | 120.960 | 121.869 |
| Housing .....   | 14   | 116.165 | 120.327 | 117.279             | 118.269 | 119.717 | 121.055 | 122.268 |
| Household operation .....   | 15   | 115.554 | 121.690 | 120.579             | 122.403 | 121.019 | 121.383 | 121.956 |
| Electricity and gas .....   | 16   | 129.900 | 141.718 | 142.169             | 145.582 | 140.799 | 140.318 | 140.173 |
| Other household operation .....                                   | 17   | 107.233 | 109.996 | 108.047             | 108.977 | 109.447 | 110.285 | 111.276 |
| Transportation .....  | 18   | 112.663 | 116.895 | 114.970             | 115.411 | 116.826 | 117.675 | 117.670 |
| Medical care .....  | 19   | 118.438 | 121.753 | 119.949             | 120.482 | 121.332 | 122.180 | 123.019 |
| Recreation .....  | 20   | 115.168 | 118.641 | 116.702             | 117.311 | 118.582 | 119.425 | 119.244 |
| Other .....   | 21   | 116.625 | 120.469 | 117.959             | 119.116 | 119.970 | 120.711 | 122.080 |
| <b>Addenda:</b>   |      |         |         |                     |         |         |         |         |
| Energy goods and services <sup>1</sup> ...                        | 22   | 142.141 | 158.606 | 154.420             | 154.467 | 164.836 | 166.327 | 148.793 |
| Personal consumption expenditures excluding food and energy ..... | 23   | 109.559 | 111.982 | 110.418             | 110.983 | 111.738 | 112.337 | 112.868 |

1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.

**Table 2.3.5. Personal Consumption Expenditures by Major Type of Product**  
[Billions of dollars]

|   | Line | 2005    | 2006    | Seasonally adjusted at annual rates |         |         |         |         |
|---|------|---------|---------|-------------------------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                                |         | 2006    |         |         |
|   |      |         |         | IV                                  | I       | II      | III     | IV      |
| <b>Personal consumption expenditures</b> .....                    | 1    | 8,742.4 | 9,269.0 | 8,927.8                             | 9,079.2 | 9,228.1 | 9,346.7 | 9,422.1 |
| <b>Durable goods</b> .....  | 2    | 1,033.1 | 1,070.3 | 1,019.6                             | 1,064.1 | 1,061.8 | 1,075.5 | 1,079.8 |
| Motor vehicles and parts .....                                    | 3    | 448.2   | 444.7   | 421.6                               | 442.7   | 441.7   | 451.3   | 443.3   |
| Furniture and household equipment .....                           | 4    | 377.2   | 404.6   | 386.0                               | 402.3   | 401.3   | 403.2   | 411.5   |
| Other .....   | 5    | 207.7   | 221.0   | 212.0                               | 219.1   | 218.8   | 221.0   | 225.0   |
| <b>Nondurable goods</b> .....                                     | 6    | 2,539.3 | 2,715.0 | 2,613.5                             | 2,658.2 | 2,721.4 | 2,747.7 | 2,732.7 |
| Food .....  | 7    | 1,201.4 | 1,281.2 | 1,233.7                             | 1,262.3 | 1,274.0 | 1,280.7 | 1,307.6 |
| Clothing and shoes .....  | 8    | 341.8   | 358.6   | 349.1                               | 355.4   | 355.1   | 358.7   | 365.3   |
| Gasoline, fuel oil, and other energy goods .....                  | 9    | 302.1   | 338.3   | 322.1                               | 316.2   | 359.1   | 369.4   | 308.5   |
| Gasoline and oil .....  | 10   | 280.2   | 315.6   | 299.1                               | 295.1   | 335.6   | 346.3   | 285.4   |
| Fuel oil and coal .....   | 11   | 21.9    | 22.7    | 23.0                                | 21.1    | 23.5    | 23.2    | 23.1    |
| Other .....   | 12   | 694.0   | 736.9   | 708.6                               | 724.2   | 733.3   | 738.9   | 751.4   |
| <b>Services</b> .....   | 13   | 5,170.0 | 5,483.7 | 5,294.7                             | 5,356.8 | 5,444.9 | 5,523.5 | 5,609.6 |
| Housing .....   | 14   | 1,304.1 | 1,382.2 | 1,326.6                             | 1,345.4 | 1,370.1 | 1,394.2 | 1,419.2 |
| Household operation .....   | 15   | 483.0   | 506.5   | 506.1                               | 494.8   | 499.1   | 512.3   | 519.7   |
| Electricity and gas .....   | 16   | 199.8   | 212.7   | 219.9                               | 206.2   | 206.9   | 216.6   | 220.9   |
| Other household operation .....                                   | 17   | 283.2   | 293.8   | 286.2                               | 288.6   | 292.2   | 295.7   | 298.8   |
| Transportation .....  | 18   | 320.4   | 337.1   | 325.9                               | 330.4   | 335.9   | 339.5   | 342.4   |
| Medical care .....  | 19   | 1,493.4 | 1,588.4 | 1,534.0                             | 1,557.2 | 1,578.2 | 1,597.5 | 1,620.6 |
| Recreation .....  | 20   | 360.6   | 379.2   | 367.7                               | 372.4   | 377.2   | 382.7   | 384.5   |
| Other .....   | 21   | 1,208.4 | 1,290.3 | 1,234.4                             | 1,256.5 | 1,284.3 | 1,297.3 | 1,323.2 |
| <b>Addenda:</b>   |      |         |         |                                     |         |         |         |         |
| Energy goods and services <sup>1</sup> ...                        | 22   | 501.9   | 551.0   | 542.0                               | 522.4   | 566.0   | 586.1   | 529.4   |
| Personal consumption expenditures excluding food and energy ..... | 23   | 7,039.1 | 7,436.9 | 7,152.1                             | 7,294.4 | 7,388.1 | 7,479.9 | 7,585.2 |

1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.

**Table 2.3.6. Real Personal Consumption Expenditures by Major Type of Product, Chained Dollars**  
[Billions of chained (2000) dollars]

|   | Line | 2005    | 2006    | Seasonally adjusted at annual rates |         |         |         |         |
|---|------|---------|---------|-------------------------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                                |         | 2006    |         |         |
|   |      |         |         | IV                                  | I       | II      | III     | IV      |
| <b>Personal consumption expenditures</b> .....                    | 1    | 7,841.2 | 8,091.1 | 7,910.2                             | 8,003.8 | 8,055.0 | 8,111.2 | 8,194.4 |
| <b>Durable goods</b> .....  | 2    | 1,145.3 | 1,202.9 | 1,137.9                             | 1,190.5 | 1,190.3 | 1,208.8 | 1,221.9 |
| Motor vehicles and parts .....                                    | 3    | 452.9   | 447.4   | 426.3                               | 445.1   | 443.7   | 452.9   | 447.9   |
| Furniture and household equipment .....                           | 4    | 490.6   | 550.6   | 511.5                               | 538.5   | 542.9   | 551.7   | 569.2   |
| Other .....   | 5    | 212.6   | 224.4   | 216.3                               | 224.6   | 222.5   | 223.4   | 227.3   |
| <b>Nondurable goods</b> .....                                     | 6    | 2,276.8 | 2,362.1 | 2,309.6                             | 2,342.8 | 2,351.1 | 2,360.1 | 2,394.6 |
| Food .....  | 7    | 1,065.7 | 1,110.9 | 1,085.7                             | 1,103.4 | 1,108.8 | 1,106.8 | 1,124.6 |
| Clothing and shoes .....  | 8    | 372.7   | 392.5   | 383.1                               | 391.1   | 387.4   | 392.6   | 399.1   |
| Gasoline, fuel oil, and other energy goods .....                  | 9    | 199.5   | 197.6   | 196.6                               | 196.0   | 196.3   | 198.7   | 199.3   |
| Gasoline and oil .....  | 10   | 185.9   | 185.1   | 183.9                               | 183.9   | 183.5   | 186.6   | 186.3   |
| Fuel oil and coal .....   | 11   | 13.7    | 12.6    | 12.8                                | 12.2    | 12.9    | 12.3    | 13.0    |
| Other .....   | 12   | 643.9   | 671.3   | 652.4                               | 662.6   | 668.3   | 671.5   | 682.7   |
| <b>Services</b> .....   | 13   | 4,436.6 | 4,550.0 | 4,476.7                             | 4,494.5 | 4,535.4 | 4,566.6 | 4,603.3 |
| Housing .....   | 14   | 1,122.6 | 1,148.7 | 1,131.2                             | 1,137.6 | 1,144.5 | 1,151.7 | 1,160.8 |
| Household operation .....   | 15   | 418.0   | 416.3   | 419.8                               | 404.3   | 412.5   | 422.1   | 426.2   |
| Electricity and gas .....   | 16   | 153.8   | 150.2   | 154.7                               | 147.0   | 154.4   | 157.6   | 157.6   |
| Other household operation .....                                   | 17   | 264.1   | 267.1   | 264.9                               | 264.8   | 267.0   | 268.1   | 268.5   |
| Transportation .....  | 18   | 284.4   | 288.3   | 283.5                               | 286.3   | 287.5   | 288.5   | 290.9   |
| Medical care .....  | 19   | 1,260.9 | 1,304.7 | 1,279.0                             | 1,292.6 | 1,300.9 | 1,307.6 | 1,317.5 |
| Recreation .....  | 20   | 313.1   | 319.6   | 315.1                               | 317.5   | 318.1   | 320.4   | 322.5   |
| Other .....   | 21   | 1,036.2 | 1,071.1 | 1,046.5                             | 1,054.9 | 1,070.6 | 1,074.8 | 1,083.9 |
| Residual .....  | 22   | -31.9   | -53.4   | -36.7                               | -53.0   | -50.6   | -52.1   | -57.4   |
| <b>Addenda:</b>   |      |         |         |                                     |         |         |         |         |
| Energy goods and services <sup>1</sup> ...                        | 23   | 353.1   | 347.2   | 350.8                               | 338.0   | 343.1   | 352.2   | 355.6   |
| Personal consumption expenditures excluding food and energy ..... | 24   | 6,424.9 | 6,641.1 | 6,477.6                             | 6,572.7 | 6,612.3 | 6,658.7 | 6,720.7 |

1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.  
Note: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights 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.



## 3. Government Current Receipts and Expenditures

Table 3.1. Government Current Receipts and Expenditures

[Billions of dollars]

|   | Line | 2005           | 2006           | Seasonally adjusted at annual rates |                |                |                |                |
|---|------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|   |      |                |                | 2005                                | 2006           |                |                |                |
|   |      |                |                |                                     | IV             | I              | II             | III            |
| <b>Current receipts</b> .....                                       | 1    | <b>3,586.3</b> |                | <b>3,712.5</b>                      | <b>3,895.1</b> | <b>3,961.6</b> | <b>3,990.3</b> |                |
| Current tax receipts.....   | 2    | 2,520.7        |                | 2,604.8                             | 2,736.2        | 2,796.5        | 2,815.1        |                |
| Personal current taxes.....   | 3    | 1,203.1        | 1,360.9        | 1,247.6                             | 1,332.6        | 1,361.0        | 1,362.5        | 1,387.4        |
| Taxes on production and imports.....                                | 4    | 922.4          | 964.8          | 937.3                               | 952.5          | 966.4          | 968.6          | 971.7          |
| Taxes on corporate income.....                                      | 5    | 384.4          |                | 408.4                               | 440.7          | 458.2          | 472.7          |                |
| Taxes from the rest of the world.....                               | 6    | 10.8           | 11.2           | 11.4                                | 10.4           | 10.9           | 11.3           | 12.2           |
| Contributions for government social insurance.....                  | 7    | 880.6          | 944.5          | 898.9                               | 936.7          | 938.8          | 945.2          | 957.2          |
| Income receipts on assets.....                                      | 8    | 98.3           | 102.5          | 98.5                                | 100.0          | 101.6          | 103.3          | 105.2          |
| Interest and miscellaneous receipts.....                            | 9    | 95.8           | 99.9           | 96.1                                | 97.5           | 99.0           | 100.7          | 102.6          |
| Dividends.....  | 10   | 2.4            | 2.6            | 2.5                                 | 2.5            | 2.6            | 2.6            | 2.6            |
| Current transfer receipts.....                                      | 11   | 102.1          | 135.1          | 123.6                               | 131.4          | 134.1          | 136.9          | 138.1          |
| From business (net).....  | 12   | 30.1           | 57.1           | 49.4                                | 55.6           | 56.7           | 57.9           | 58.1           |
| From persons.....   | 13   | 72.0           | 78.0           | 74.2                                | 75.7           | 77.3           | 79.0           | 80.0           |
| Current surplus of government enterprises.....                      | 14   | -15.4          | -9.9           | -13.3                               | -9.2           | -9.4           | -10.2          | -10.9          |
| <b>Current expenditures</b> .....                                   | 15   | <b>3,898.8</b> | <b>4,119.2</b> | <b>3,993.3</b>                      | <b>4,029.3</b> | <b>4,098.6</b> | <b>4,173.5</b> | <b>4,175.3</b> |
| Consumption expenditures.....                                       | 16   | 1,975.7        | 2,096.0        | 2,014.5                             | 2,059.7        | 2,083.0        | 2,109.1        | 2,132.0        |
| Current transfer payments.....                                      | 17   | 1,517.8        | 1,593.2        | 1,542.8                             | 1,561.2        | 1,581.2        | 1,610.2        | 1,620.3        |
| Government social benefits.....                                     | 18   | 1,484.0        | 1,570.2        | 1,504.0                             | 1,539.2        | 1,558.0        | 1,586.2        | 1,597.3        |
| To persons.....   | 19   | 1,480.9        | 1,567.0        | 1,500.8                             | 1,536.0        | 1,554.7        | 1,583.1        | 1,594.2        |
| To the rest of the world.....                                       | 20   | 3.1            | 3.2            | 3.2                                 | 3.2            | 3.3            | 3.1            | 3.1            |
| Other current transfer payments to the rest of the world (net)..... | 21   | 33.9           | 23.0           | 38.9                                | 22.0           | 23.2           | 24.0           | 22.9           |
| Interest payments.....  | 22   | 348.0          | 377.5          | 372.9                               | 353.3          | 382.0          | 402.4          | 372.1          |
| To persons and business.....  | 23   | 234.4          |                | 247.6                               | 218.5          | 236.9          | 253.8          |                |
| To the rest of the world.....                                       | 24   | 113.6          |                | 125.3                               | 134.8          | 145.1          | 148.6          |                |
| Subsidies.....  | 25   | 57.3           | 52.5           | 63.1                                | 55.1           | 52.3           | 51.8           | 51.0           |
| Less: Wage accruals less disbursements.....                         | 26   | 0.0            | 0.0            | 0.0                                 | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Net government saving</b> .....                                  | 27   | <b>-312.5</b>  |                | <b>-280.8</b>                       | <b>-134.3</b>  | <b>-136.9</b>  | <b>-183.3</b>  |                |
| Social insurance funds.....   | 28   | 65.4           | 51.4           | 75.3                                | 62.3           | 48.4           | 47.6           | 47.2           |
| Other.....  | 29   | -377.9         |                | -356.0                              | -196.6         | -185.3         | -230.8         |                |
| <b>Addenda:</b>   |      |                |                |                                     |                |                |                |                |
| <b>Total receipts</b> .....   | 30   | <b>3,616.5</b> |                | <b>3,744.0</b>                      | <b>3,928.8</b> | <b>3,994.1</b> | <b>4,021.4</b> |                |
| Current receipts.....   | 31   | 3,586.3        |                | 3,712.5                             | 3,895.1        | 3,961.6        | 3,990.3        |                |
| Capital transfer receipts.....                                      | 32   | 30.2           | 32.3           | 31.4                                | 33.7           | 32.5           | 31.1           | 31.6           |
| <b>Total expenditures</b> .....                                     | 33   | <b>4,072.8</b> | <b>4,301.9</b> | <b>4,175.5</b>                      | <b>4,223.6</b> | <b>4,294.4</b> | <b>4,368.8</b> | <b>4,320.7</b> |
| Current expenditures.....   | 34   | 3,898.8        | 4,119.2        | 3,993.3                             | 4,029.3        | 4,098.6        | 4,173.5        | 4,175.3        |
| Gross government investment.....                                    | 35   | 397.1          | 431.2          | 409.1                               | 419.9          | 430.9          | 433.0          | 441.1          |
| Capital transfer payments.....                                      | 36   | 18.3           | 18.3           | 16.1                                | 21.3           | 18.1           | 16.8           | 16.9           |
| Net purchases of nonproduced assets.....                            | 37   | 10.9           | -1.1           | 11.8                                | 12.2           | 9.8            | 13.1           | -39.7          |
| Less: Consumption of fixed capital.....                             | 38   | 252.2          | 265.7          | 255.0                               | 259.1          | 262.9          | 267.6          | 273.0          |
| <b>Net lending or net borrowing (-)</b> .....                       | 39   | <b>-456.3</b>  |                | <b>-431.5</b>                       | <b>-294.8</b>  | <b>-300.3</b>  | <b>-347.4</b>  |                |

Table 3.2. Federal Government Current Receipts and Expenditures

(Billions of dollars)

|   | Line | 2005           | 2006           | Seasonally adjusted at annual rates |                |                |                |                |
|---|------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|   |      |                |                | 2005                                | 2006           |                |                |                |
|   |      |                |                |                                     | IV             | I              | II             | III            |
| <b>Current receipts</b>                       | 1    | <b>2,246.8</b> |                | <b>2,349.8</b>                      | <b>2,490.9</b> | <b>2,523.2</b> | <b>2,557.2</b> |                |
| Current tax receipts                          | 2    | 1,366.2        |                | 1,428.4                             | 1,524.9        | 1,553.2        | 1,579.2        |                |
| Personal current taxes                        | 3    | 927.9          | 1,059.8        | 968.4                               | 1,039.2        | 1,049.9        | 1,064.7        | 1,085.5        |
| Taxes on production and imports               | 4    | 101.1          | 100.9          | 101.6                               | 101.1          | 103.0          | 101.3          | 98.2           |
| Excise taxes                                  | 5    | 75.8           | 74.2           | 75.9                                | 75.4           | 75.9           | 73.9           | 71.6           |
| Customs duties                                | 6    | 25.3           | 26.7           | 25.7                                | 25.7           | 27.1           | 27.4           | 26.5           |
| Taxes on corporate income                     | 7    | 326.4          |                | 347.1                               | 374.3          | 389.4          | 401.8          |                |
| Federal Reserve banks                         | 8    | 21.5           |                | 24.6                                | 25.0           | 27.3           | 29.0           |                |
| Other   | 9    | 304.9          |                | 322.5                               | 349.3          | 362.1          | 372.8          |                |
| Taxes from the rest of the world              | 10   | 10.8           | 11.2           | 11.4                                | 10.4           | 10.9           | 11.3           | 12.2           |
| Contributions for government social insurance | 11   | 855.3          | 919.7          | 873.8                               | 911.9          | 914.1          | 920.5          | 932.4          |
| Income receipts on assets                     | 12   | 22.9           | 24.9           | 22.3                                | 23.3           | 24.2           | 25.4           | 26.7           |
| Interest receipts                             | 13   | 15.9           | 16.0           | 15.3                                | 15.0           | 15.3           | 16.1           | 17.5           |
| Rents and royalties                           | 14   | 7.1            | 8.9            | 6.9                                 | 8.3            | 8.9            | 9.3            | 9.3            |
| Current transfer receipts                     | 15   | 7.1            | 32.9           | 30.6                                | 32.2           | 32.8           | 33.6           | 33.0           |
| From business                                 | 16   | -6.6           | 17.6           | 16.3                                | 17.5           | 17.7           | 18.0           | 17.5           |
| From persons                                  | 17   | 13.8           | 15.3           | 14.3                                | 14.7           | 15.2           | 15.6           | 15.5           |
| Current surplus of government enterprises     | 18   | -4.9           | -1.4           | -5.4                                | -1.4           | -1.1           | -1.5           | -1.6           |
| <b>Current expenditures</b>                   | 19   | <b>2,555.9</b> | <b>2,692.2</b> | <b>2,613.3</b>                      | <b>2,637.9</b> | <b>2,686.2</b> | <b>2,730.2</b> | <b>2,714.4</b> |
| Consumption expenditures                      | 20   | 768.6          | 808.0          | 771.1                               | 803.6          | 802.3          | 809.1          | 817.1          |
| Current transfer payments                     | 21   | 1,476.7        | 1,551.6        | 1,502.4                             | 1,522.0        | 1,546.6        | 1,564.8        | 1,572.9        |
| Government social benefits                    | 22   | 1,081.7        | 1,170.5        | 1,096.7                             | 1,148.8        | 1,166.4        | 1,175.2        | 1,191.8        |
| To persons                                    | 23   | 1,078.6        | 1,167.3        | 1,093.5                             | 1,145.5        | 1,163.1        | 1,172.1        | 1,188.7        |
| To the rest of the world                      | 24   | 3.1            | 3.2            | 3.2                                 | 3.2            | 3.3            | 3.1            | 3.1            |
| Other current transfer payments               | 25   | 395.0          | 381.0          | 405.7                               | 373.3          | 380.3          | 389.6          | 381.1          |
| Grants-in-aid to state and local governments  | 26   | 361.1          | 358.0          | 366.8                               | 351.3          | 357.0          | 365.6          | 358.2          |
| To the rest of the world (net)                | 27   | 33.9           | 23.0           | 38.9                                | 22.0           | 23.2           | 24.0           | 22.9           |
| Interest payments                             | 28   | 253.8          | 280.4          | 277.1                               | 257.5          | 285.4          | 304.9          | 273.9          |
| To persons and business                       | 29   | 140.3          |                | 151.8                               | 122.7          | 140.3          | 156.3          |                |
| To the rest of the world                      | 30   | 113.6          |                | 125.3                               | 134.8          | 145.1          | 148.6          |                |
| Subsidies                                     | 31   | 56.9           | 52.1           | 62.7                                | 54.7           | 51.9           | 51.4           | 50.6           |
| Less: Wage accruals less disbursements        | 32   | 0.0            | 0.0            | 0.0                                 | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Net Federal Government saving</b>          | 33   | <b>-309.2</b>  |                | <b>-263.6</b>                       | <b>-147.0</b>  | <b>-163.1</b>  | <b>-173.0</b>  |                |
| Social insurance funds                        | 34   | 58.1           | 45.7           | 68.5                                | 56.2           | 42.6           | 42.1           | 41.8           |
| Other   | 35   | -367.3         |                | -332.0                              | -203.2         | -205.7         | -215.1         |                |
| <b>Addenda:</b>                               |      |                |                |                                     |                |                |                |                |
| <b>Total receipts</b>                         | 36   | <b>2,271.7</b> |                | <b>2,376.1</b>                      | <b>2,519.7</b> | <b>2,550.9</b> | <b>2,583.7</b> |                |
| Current receipts                              | 37   | 2,246.8        |                | 2,349.8                             | 2,490.9        | 2,523.2        | 2,557.2        |                |
| Capital transfer receipts                     | 38   | 25.0           | 27.5           | 26.3                                | 28.8           | 27.7           | 26.5           | 27.1           |
| <b>Total expenditures</b>                     | 39   | <b>2,633.0</b> | <b>2,763.1</b> | <b>2,692.7</b>                      | <b>2,725.8</b> | <b>2,766.9</b> | <b>2,814.1</b> | <b>2,745.7</b> |
| Current expenditures                          | 40   | 2,555.9        | 2,692.2        | 2,613.3                             | 2,637.9        | 2,686.2        | 2,730.2        | 2,714.4        |
| Gross government investment                   | 41   | 109.8          | 118.4          | 115.1                               | 118.2          | 117.4          | 118.1          | 120.1          |
| Capital transfer payments                     | 42   | 67.0           | 70.1           | 64.8                                | 72.0           | 69.2           | 70.1           | 69.2           |
| Net purchases of nonproduced assets           | 43   | -0.6           | -13.3          | 0.0                                 | 0.2            | -2.3           | 0.8            | -52.1          |
| Less: Consumption of fixed capital            | 44   | 99.0           | 104.3          | 100.7                               | 102.4          | 103.7          | 105.1          | 106.0          |
| <b>Net lending or net borrowing (-)</b>       | 45   | <b>-361.3</b>  |                | <b>-316.6</b>                       | <b>-206.1</b>  | <b>-216.0</b>  | <b>-230.4</b>  |                |

Table 3.3. State and Local Government Current Receipts and Expenditures

(Billions of dollars)

|   | Line | 2005           | 2006           | Seasonally adjusted at annual rates |                |                |                |                |
|---|------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|   |      |                |                | 2005                                | 2006           |                |                |                |
|   |      |                |                |                                     | IV             | I              | II             | III            |
| <b>Current receipts</b>                       | 1    | <b>1,700.6</b> |                | <b>1,729.6</b>                      | <b>1,755.4</b> | <b>1,795.5</b> | <b>1,798.7</b> |                |
| Current tax receipts                          | 2    | 1,154.4        |                | 1,176.3                             | 1,211.3        | 1,243.3        | 1,235.9        |                |
| Personal current taxes                        | 3    | 275.2          | 301.1          | 279.3                               | 293.4          | 311.1          | 297.8          | 302.0          |
| Income taxes                                  | 4    | 250.9          | 275.7          | 254.3                               | 268.3          | 285.6          | 272.4          | 276.4          |
| Other   | 5    | 24.4           | 25.4           | 25.0                                | 25.1           | 25.5           | 25.4           | 25.6           |
| Taxes on production and imports               | 6    | 821.2          | 863.9          | 835.7                               | 851.4          | 863.3          | 867.2          | 873.6          |
| Sales taxes                                   | 7    | 394.1          | 413.4          | 397.2                               | 407.9          | 413.2          | 415.0          | 417.6          |
| Property taxes                                | 8    | 350.4          | 369.3          | 358.1                               | 363.2          | 368.6          | 371.3          | 374.0          |
| Other   | 9    | 76.7           | 81.2           | 80.5                                | 80.3           | 81.5           | 81.0           | 82.0           |
| Taxes on corporate income                     | 10   | 58.0           |                | 61.3                                | 66.4           | 68.8           | 70.9           |                |
| Contributions for government social insurance | 11   | 25.3           | 24.8           | 25.2                                | 24.8           | 24.7           | 24.7           | 24.8           |
| Income receipts on assets                     | 12   | 75.3           | 77.6           | 76.3                                | 76.7           | 77.4           | 77.9           | 78.5           |
| Interest receipts                             | 13   | 63.4           | 64.6           | 64.0                                | 64.1           | 64.5           | 64.8           | 65.0           |
| Dividends                                     | 14   | 2.4            | 2.6            | 2.5                                 | 2.5            | 2.6            | 2.6            | 2.6            |
| Rents and royalties                           | 15   | 9.5            | 10.4           | 9.8                                 | 10.1           | 10.3           | 10.6           | 10.8           |
| Current transfer receipts                     | 16   | 456.1          | 460.2          | 459.8                               | 450.5          | 458.3          | 468.8          | 463.3          |
| Federal grants-in-aid                         | 17   | 361.1          | 358.0          | 366.8                               | 351.3          | 357.0          | 365.6          | 358.2          |
| From business (net)                           | 18   | 36.7           | 39.5           | 33.1                                | 38.2           | 39.1           | 39.9           | 40.6           |
| From persons                                  | 19   | 58.3           | 62.8           | 59.9                                | 61.0           | 62.2           | 63.3           | 64.5           |
| Current surplus of government enterprises     | 20   | -10.5          | -8.5           | -7.9                                | -7.8           | -8.2           | -8.7           | -9.3           |
| <b>Current expenditures</b>                   | 21   | <b>1,703.9</b> | <b>1,785.0</b> | <b>1,746.8</b>                      | <b>1,742.7</b> | <b>1,769.4</b> | <b>1,808.9</b> | <b>1,819.1</b> |
| Consumption expenditures                      | 22   | 1,207.2        | 1,287.9        | 1,243.4                             | 1,256.2        | 1,280.7        | 1,300.0        | 1,314.9        |
| Government social benefit payments to persons | 23   | 402.3          | 399.7          | 407.3                               | 390.4          | 391.7          | 411.0          | 405.5          |
| Interest payments                             | 24   | 94.2           | 97.0           | 95.8                                | 95.8           | 96.6           | 97.5           | 98.2           |
| Subsidies                                     | 25   | 0.4            | 0.4            | 0.4                                 | 0.4            | 0.4            | 0.4            | 0.4            |
| Less: Wage accruals less disbursements        | 26   | 0.0            | 0.0            | 0.0                                 | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Net state and local government saving</b>  | 27   | <b>-3.3</b>    |                | <b>-17.2</b>                        | <b>12.7</b>    | <b>26.1</b>    | <b>-10.2</b>   |                |
| Social insurance funds                        | 28   | 7.3            | 5.7            | 6.8                                 | 6.2            | 5.8            | 5.5            | 5.3            |
| Other   | 29   | -10.6          |                | -24.0                               | 6.5            | 20.4           | -15.7          |                |
| <b>Addenda:</b>                               |      |                |                |                                     |                |                |                |                |
| <b>Total receipts</b>                         | 30   | <b>1,754.6</b> |                | <b>1,783.4</b>                      | <b>1,811.1</b> | <b>1,851.5</b> | <b>1,856.6</b> |                |
| Current receipts                              | 31   | 1,700.6        |                | 1,729.6                             | 1,755.4        | 1,795.5        | 1,798.7        |                |
| Capital transfer receipts                     | 32   | 53.9           | 56.6           | 53.8                                | 55.6           | 56.0           | 58.0           | 56.9           |
| <b>Total expenditures</b>                     | 33   | <b>1,849.6</b> | <b>1,948.6</b> | <b>1,898.3</b>                      | <b>1,899.7</b> | <b>1,935.8</b> | <b>1,973.6</b> | <b>1,985.4</b> |
| Current expenditures                          | 34   | 1,703.9        | 1,785.0        | 1,746.8                             | 1,742.7        | 1,769.4        | 1,808.9        | 1,819.1        |
| Gross government investment                   | 35   | 287.3          | 312.8          | 294.0                               | 301.7          | 313.5          | 315.0          | 321.0          |
| Capital transfer payments                     | 36   |                |                |                                     |                |                |                |                |
| Net purchases of nonproduced assets           | 37   | 11.6           | 12.2           | 11.8                                | 12.0           | 12.2           | 12.3           | 12.4           |
| Less: Consumption of fixed capital            | 38   | 153.2          | 161.4          | 154.3                               | 156.7          | 159.2          | 162.5          | 167.0          |
| <b>Net lending or net borrowing (-)</b>       | 39   | <b>-95.0</b>   |                | <b>-114.9</b>                       | <b>-88.7</b>   | <b>-84.3</b>   | <b>-117.0</b>  |                |

**Table 3.9.1. Percent Change From Preceding Period in Real Government Consumption Expenditures and Gross Investment**  
[Percent]

|   | Line | 2005 | 2006 | Seasonally adjusted at annual rates |       |       |      |       |
|---|------|------|------|-------------------------------------|-------|-------|------|-------|
|   |      |      |      | 2005                                |       | 2006  |      |       |
|   |      |      |      | IV                                  | I     | II    | III  | IV    |
| <b>Government consumption expenditures and gross investment</b> ..... | 1    | 0.9  | 2.1  | -1.1                                | 4.9   | 0.8   | 1.7  | 3.3   |
| Consumption expenditures <sup>1</sup> .....                           | 2    | 0.9  | 1.6  | -2.1                                | 4.4   | -0.5  | 2.5  | 3.6   |
| Gross investment <sup>2</sup> .....                                   | 3    | 1.1  | 4.1  | 4.0                                 | 7.6   | 7.4   | -2.3 | 1.6   |
| Structures.....   | 4    | -2.0 | 2.9  | 4.3                                 | 5.5   | 10.3  | -4.5 | 2.5   |
| Equipment and software.....   | 5    | 6.4  | 6.2  | 3.5                                 | 11.1  | 2.6   | 1.7  | 0.1   |
| <b>Federal</b> .....  | 6    | 1.5  | 2.0  | -4.6                                | 8.8   | -4.5  | 1.3  | 4.4   |
| Consumption expenditures.....   | 7    | 0.9  | 1.4  | -6.7                                | 8.7   | -4.4  | 1.5  | 4.1   |
| Gross investment.....   | 8    | 6.4  | 6.1  | 11.1                                | 8.9   | -4.9  | 0.0  | 5.8   |
| Structures.....   | 9    | -1.6 | -1.2 | 69.9                                | -17.0 | -40.9 | -0.6 | 70.6  |
| Equipment and software.....   | 10   | 7.7  | 7.3  | 3.5                                 | 14.2  | 2.5   | 0.1  | -2.0  |
| <b>National defense</b> .....   | 11   | 1.7  | 1.9  | -9.9                                | 8.9   | -2.0  | -1.2 | 12.3  |
| Consumption expenditures.....   | 12   | 1.2  | 1.2  | -10.8                               | 9.1   | -4.1  | -0.9 | 11.3  |
| Gross investment.....   | 13   | 5.5  | 7.2  | -3.1                                | 7.9   | 14.1  | -3.1 | 19.0  |
| Structures.....   | 14   | -3.5 | 3.8  | 11.3                                | -19.0 | -10.7 | 4.6  | 288.2 |
| Equipment and software.....   | 15   | 6.2  | 7.5  | -4.1                                | 10.2  | 16.1  | -3.6 | 7.7   |
| <b>Nondefense</b> .....   | 16   | 1.1  | 2.1  | 7.1                                 | 8.5   | -9.3  | 6.5  | -10.2 |
| Consumption expenditures.....   | 17   | 0.1  | 1.8  | 2.4                                 | 8.1   | -5.0  | 6.5  | -9.1  |
| Gross investment.....   | 18   | 8.1  | 3.8  | 43.8                                | 10.8  | -32.9 | 6.7  | -17.3 |
| Structures.....   | 19   | -0.6 | -3.7 | 108.3                               | -16.1 | -51.4 | -3.2 | 2.9   |
| Equipment and software.....   | 20   | 11.7 | 6.8  | 24.6                                | 23.9  | -24.5 | 10.3 | -23.6 |
| <b>State and local</b> .....  | 21   | 0.5  | 2.1  | 1.0                                 | 2.7   | 4.0   | 1.9  | 2.6   |
| Consumption expenditures.....   | 22   | 0.9  | 1.8  | 1.0                                 | 1.7   | 2.1   | 3.1  | 3.3   |
| Gross investment.....   | 23   | -0.9 | 3.4  | 1.4                                 | 7.0   | 12.5  | -3.1 | 0.1   |
| Structures.....   | 24   | -2.0 | 3.2  | 0.9                                 | 7.4   | 14.8  | -4.7 | -0.7  |
| Equipment and software.....   | 25   | 4.2  | 4.2  | 3.7                                 | 5.6   | 2.9   | 4.7  | 3.9   |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

**Table 3.9.2. Contributions to Percent Change in Real Government Consumption Expenditures and Gross Investment**

|   | Line | 2005  | 2006  | Seasonally adjusted at annual rates |       |       |       |       |
|---|------|-------|-------|-------------------------------------|-------|-------|-------|-------|
|   |      |       |       | 2005                                |       | 2006  |       |       |
|   |      |       |       | IV                                  | I     | II    | III   | IV    |
| <b>Percent change at annual rate:</b>                                 |      |       |       |                                     |       |       |       |       |
| <b>Government consumption expenditures and gross investment</b> ..... | 1    | 0.9   | 2.1   | -1.1                                | 4.9   | 0.8   | 1.7   | 3.3   |
| <b>Percentage points at annual rates:</b>                             |      |       |       |                                     |       |       |       |       |
| Consumption expenditures <sup>1</sup> .....                           | 2    | 0.72  | 1.37  | -1.74                               | 3.65  | -0.41 | 2.06  | 2.98  |
| Gross investment <sup>2</sup> .....                                   | 3    | 0.18  | 0.69  | 0.66                                | 1.26  | 1.22  | -0.39 | 0.28  |
| Structures.....   | 4    | -0.21 | 0.31  | 0.44                                | 0.59  | 1.06  | -0.50 | 0.28  |
| Equipment and software.....   | 5    | 0.39  | 0.38  | 0.22                                | 0.67  | 0.16  | 0.11  | 0.01  |
| <b>Federal</b> .....  | 6    | 0.56  | 0.72  | -1.73                               | 3.17  | -1.69 | 0.47  | 1.58  |
| Consumption expenditures.....   | 7    | 0.28  | 0.45  | -2.23                               | 2.76  | -1.45 | 0.47  | 1.31  |
| Gross investment.....   | 8    | 0.28  | 0.28  | 0.49                                | 0.42  | -0.24 | 0.00  | 0.27  |
| Structures.....   | 9    | -0.01 | -0.01 | 0.36                                | -0.13 | -0.34 | 0.00  | 0.35  |
| Equipment and software.....   | 10   | 0.30  | 0.29  | 0.13                                | 0.55  | 0.10  | 0.01  | -0.08 |
| <b>National defense</b> .....   | 11   | 0.43  | 0.47  | -2.57                               | 2.15  | -0.50 | -0.30 | 2.86  |
| Consumption expenditures.....   | 12   | 0.26  | 0.25  | -2.47                               | 1.91  | -0.91 | -0.20 | 2.31  |
| Gross investment.....   | 13   | 0.16  | 0.22  | -0.10                               | 0.24  | 0.41  | -0.10 | 0.55  |
| Structures.....   | 14   | -0.01 | 0.01  | 0.02                                | -0.05 | -0.02 | 0.01  | 0.34  |
| Equipment and software.....   | 15   | 0.17  | 0.21  | -0.12                               | 0.28  | 0.43  | -0.11 | 0.22  |
| <b>Nondefense</b> .....   | 16   | 0.14  | 0.25  | 0.84                                | 1.02  | -1.19 | 0.77  | -1.28 |
| Consumption expenditures.....   | 17   | 0.02  | 0.19  | 0.25                                | 0.85  | -0.55 | 0.67  | -0.99 |
| Gross investment.....   | 18   | 0.12  | 0.06  | 0.59                                | 0.18  | -0.65 | 0.10  | -0.28 |
| Structures.....   | 19   | 0.00  | -0.02 | 0.33                                | -0.09 | -0.31 | -0.01 | 0.01  |
| Equipment and software.....   | 20   | 0.12  | 0.08  | 0.26                                | 0.26  | -0.33 | 0.11  | -0.30 |
| <b>State and local</b> .....  | 21   | 0.33  | 1.34  | 0.66                                | 1.74  | 2.50  | 1.20  | 1.69  |
| Consumption expenditures.....   | 22   | 0.44  | 0.92  | 0.49                                | 0.89  | 1.05  | 1.59  | 1.67  |
| Gross investment.....   | 23   | -0.10 | 0.41  | 0.17                                | 0.85  | 1.46  | -0.39 | 0.01  |
| Structures.....   | 24   | -0.20 | 0.32  | 0.09                                | 0.72  | 1.39  | -0.50 | -0.07 |
| Equipment and software.....   | 25   | 0.10  | 0.09  | 0.08                                | 0.13  | 0.06  | 0.10  | 0.09  |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

**Table 3.9.3. Real Government Consumption Expenditures and Gross Investment, Quantity Indexes**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Government consumption expenditures and gross investment</b> ..... | 1    | 113.731 | 116.072 | 114.048             | 115.423 | 115.657 | 116.136 | 117.073 |
| Consumption expenditures <sup>1</sup> .....                           | 2    | 113.564 | 115.432 | 113.700             | 114.925 | 114.784 | 115.495 | 116.522 |
| Gross investment <sup>2</sup> .....                                   | 3    | 114.431 | 119.145 | 115.649             | 117.777 | 119.898 | 119.209 | 119.694 |
| Structures.....   | 4    | 104.770 | 107.826 | 104.881             | 106.305 | 108.939 | 107.690 | 108.369 |
| Equipment and software.....   | 5    | 133.146 | 141.337 | 136.707             | 140.345 | 141.261 | 141.859 | 141.883 |
| <b>Federal</b> .....  | 6    | 125.701 | 128.174 | 126.053             | 128.728 | 127.262 | 127.669 | 129.037 |
| Consumption expenditures.....   | 7    | 124.339 | 126.061 | 123.952             | 126.577 | 125.156 | 125.614 | 126.896 |
| Gross investment.....   | 8    | 135.726 | 143.946 | 141.739             | 144.796 | 142.979 | 142.986 | 145.022 |
| Structures.....   | 9    | 95.106  | 93.968  | 104.947             | 100.160 | 87.820  | 87.685  | 100.206 |
| Equipment and software.....   | 10   | 144.848 | 155.411 | 149.824             | 154.873 | 155.821 | 155.865 | 155.086 |
| <b>National defense</b> .....   | 11   | 130.593 | 133.073 | 130.002             | 132.808 | 132.141 | 131.740 | 135.605 |
| Consumption expenditures.....   | 12   | 128.551 | 130.044 | 127.544             | 130.343 | 128.981 | 128.681 | 132.171 |
| Gross investment.....   | 13   | 145.920 | 156.469 | 148.703             | 151.544 | 156.631 | 155.397 | 162.303 |
| Structures.....   | 14   | 85.263  | 88.462  | 86.045              | 81.631  | 79.347  | 80.239  | 112.631 |
| Equipment and software.....   | 15   | 153.436 | 164.923 | 156.470             | 160.333 | 166.443 | 164.911 | 168.006 |
| <b>Nondefense</b> .....   | 16   | 116.896 | 119.364 | 118.971             | 121.411 | 118.488 | 120.370 | 117.186 |
| Consumption expenditures.....   | 17   | 116.593 | 118.747 | 117.362             | 119.666 | 118.137 | 120.006 | 117.179 |
| Gross investment.....   | 18   | 119.670 | 124.196 | 130.801             | 134.201 | 121.448 | 123.427 | 117.707 |
| Structures.....   | 19   | 100.972 | 97.270  | 116.262             | 111.254 | 92.885  | 92.137  | 92.804  |
| Equipment and software.....   | 20   | 128.100 | 136.752 | 137.125             | 144.679 | 134.864 | 138.220 | 129.244 |
| <b>State and local</b> .....  | 21   | 107.660 | 109.930 | 107.954             | 108.682 | 109.762 | 110.277 | 111.000 |
| Consumption expenditures.....   | 22   | 107.655 | 109.602 | 108.074             | 108.536 | 109.095 | 109.944 | 110.833 |
| Gross investment.....   | 23   | 107.563 | 111.193 | 107.335             | 109.177 | 112.448 | 111.558 | 111.590 |
| Structures.....   | 24   | 105.501 | 108.870 | 104.901             | 106.780 | 110.517 | 109.185 | 108.998 |
| Equipment and software.....   | 25   | 116.965 | 121.828 | 118.538             | 120.176 | 121.051 | 122.449 | 123.637 |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

**Table 3.9.4. Price Indexes for Government Consumption Expenditures and Gross Investment**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Government consumption expenditures and gross investment</b> ..... | 1    | 121.183 | 126.468 | 123.444             | 124.791 | 126.262 | 127.150 | 127.671 |
| Consumption expenditures <sup>1</sup> .....                           | 2    | 122.768 | 128.134 | 125.034             | 126.480 | 128.065 | 128.869 | 129.121 |
| Gross investment <sup>2</sup> .....                                   | 3    | 113.947 | 118.868 | 116.192             | 117.085 | 118.041 | 119.305 | 121.040 |
| Structures.....   | 4    | 125.497 | 133.955 | 129.603             | 131.056 | 132.477 | 134.631 | 137.657 |
| Equipment and software.....   | 5    | 96.580  | 96.902  | 96.399              | 96.566  | 96.915  | 97.027  | 97.102  |
| <b>Federal</b> .....  | 6    | 120.726 | 124.891 | 121.479             | 123.721 | 124.871 | 125.482 | 125.490 |
| Consumption expenditures.....   | 7    | 123.792 | 128.378 | 124.594             | 127.152 | 128.391 | 129.007 | 128.961 |
| Gross investment.....   | 8    | 101.776 | 103.536 | 102.226             | 102.693 | 103.336 | 103.905 | 104.212 |
| Structures.....   | 9    | 121.970 | 130.438 | 125.790             | 127.651 | 129.674 | 131.073 | 133.425 |
| Equipment and software.....   | 10   | 98.436  | 99.324  | 98.446              | 98.721  | 99.199  | 99.660  | 99.716  |
| <b>National defense</b> .....   | 11   | 121.855 | 126.019 | 122.760             | 124.752 | 126.006 | 126.714 | 126.603 |
| Consumption expenditures.....   | 12   | 125.071 | 129.642 | 126.061             | 128.327 | 129.681 | 130.375 | 130.186 |
| Gross investment.....   | 13   | 101.628 | 103.405 | 102.026             | 102.438 | 103.109 | 103.880 | 104.191 |
| Structures.....   | 14   | 122.288 | 130.472 | 126.785             | 128.116 | 129.674 | 130.641 | 133.455 |
| Equipment and software.....   | 15   | 99.901  | 101.276 | 100.044             | 100.399 | 101.016 | 101.772 | 101.917 |
| <b>Nondefense</b> .....   | 16   | 118.606 | 122.769 | 119.059             | 121.787 | 122.736 | 123.154 | 123.400 |
| Consumption expenditures.....   | 17   | 121.381 | 125.995 | 121.810             | 124.944 | 125.958 | 126.422 | 126.658 |
| Gross investment.....   | 18   | 101.913 | 103.629 | 102.470             | 103.035 | 103.623 | 103.780 | 104.078 |
| Structures.....   | 19   | 121.819 | 130.378 | 125.301             | 127.394 | 129.531 | 131.261 | 133.326 |
| Equipment and software.....   | 20   | 94.902  | 94.659  | 94.603              | 94.703  | 94.861  | 94.619  | 94.544  |
| <b>State and local</b> .....  | 21   | 121.463 | 127.411 | 124.620             | 125.434 | 127.095 | 128.147 | 128.969 |
| Consumption expenditures.....   | 22   | 122.177 | 128.035 | 125.365             | 126.112 | 127.916 | 128.838 | 129.275 |
| Gross investment.....   | 23   | 118.679 | 124.997 | 121.716             | 122.799 | 123.893 | 125.462 | 127.835 |
| Structures.....   | 24   | 125.737 | 134.189 | 129.860             | 131.283 | 132.670 | 134.866 | 137.935 |
| Equipment and software.....   | 25   | 93.793  | 93.139  | 93.262              | 93.263  | 93.389  | 92.900  | 93.006  |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

**Table 3.9.5. Government Consumption Expenditures and Gross Investment**  
[Billions of dollars]

|   | Line | 2005           | 2006           | Seasonally adjusted at annual rates |                |                |                |                |
|---|------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|   |      |                |                | 2005                                |                | 2006           |                |                |
|   |      |                |                | IV                                  | I              | II             | III            | IV             |
| <b>Government consumption expenditures and gross investment</b> ..... | 1    | <b>2,372.8</b> | <b>2,527.2</b> | <b>2,423.6</b>                      | <b>2,479.6</b> | <b>2,513.9</b> | <b>2,542.1</b> | <b>2,573.1</b> |
| Consumption expenditures <sup>1</sup> .....                           | 2    | 1,975.7        | 2,096.0        | 2,014.5                             | 2,059.7        | 2,083.0        | 2,109.1        | 2,132.0        |
| Gross investment <sup>2</sup> .....                                   | 3    | 397.1          | 431.2          | 409.1                               | 419.9          | 430.9          | 433.0          | 441.1          |
| Structures.....   | 4    | 248.9          | 273.5          | 257.3                               | 263.7          | 273.2          | 274.5          | 282.4          |
| Equipment and software.....   | 5    | 148.1          | 157.8          | 151.8                               | 156.1          | 157.7          | 158.6          | 158.7          |
| <b>Federal</b> .....  | 6    | <b>878.3</b>   | <b>926.4</b>   | <b>886.2</b>                        | <b>921.7</b>   | <b>919.7</b>   | <b>927.2</b>   | <b>937.2</b>   |
| Consumption expenditures.....   | 7    | 768.6          | 808.0          | 771.1                               | 803.6          | 802.3          | 809.1          | 817.1          |
| Gross investment.....   | 8    | 109.8          | 118.4          | 115.1                               | 118.2          | 117.4          | 118.1          | 120.1          |
| Structures.....   | 9    | 15.4           | 16.3           | 17.5                                | 17.0           | 15.1           | 15.3           | 17.8           |
| Equipment and software.....   | 10   | 94.4           | 102.1          | 97.6                                | 101.2          | 102.3          | 102.8          | 102.3          |
| <b>National defense</b> .....   | 11   | <b>589.3</b>   | <b>621.0</b>   | <b>590.9</b>                        | <b>613.5</b>   | <b>616.5</b>   | <b>618.1</b>   | <b>635.7</b>   |
| Consumption expenditures.....   | 12   | 516.9          | 542.0          | 516.9                               | 537.7          | 537.7          | 539.3          | 553.2          |
| Gross investment.....   | 13   | 72.4           | 79.0           | 74.1                                | 75.8           | 78.8           | 78.8           | 82.5           |
| Structures.....   | 14   | 5.2            | 5.7            | 5.4                                 | 5.2            | 5.1            | 5.2            | 7.5            |
| Equipment and software.....   | 15   | 67.2           | 73.2           | 68.6                                | 70.6           | 73.7           | 73.6           | 75.1           |
| <b>Nondefense</b> .....   | 16   | <b>289.0</b>   | <b>305.5</b>   | <b>295.3</b>                        | <b>308.2</b>   | <b>303.2</b>   | <b>309.0</b>   | <b>301.5</b>   |
| Consumption expenditures.....   | 17   | 251.7          | 266.0          | 254.2                               | 265.9          | 264.6          | 269.8          | 263.9          |
| Gross investment.....   | 18   | 37.4           | 39.4           | 41.1                                | 42.4           | 38.6           | 39.3           | 37.5           |
| Structures.....   | 19   | 10.2           | 10.5           | 12.1                                | 11.8           | 10.0           | 10.1           | 10.3           |
| Equipment and software.....   | 20   | 27.1           | 28.9           | 29.0                                | 30.6           | 28.6           | 29.2           | 27.3           |
| <b>State and local</b> .....  | 21   | <b>1,494.4</b> | <b>1,600.7</b> | <b>1,537.4</b>                      | <b>1,557.9</b> | <b>1,594.2</b> | <b>1,614.9</b> | <b>1,635.9</b> |
| Consumption expenditures.....   | 22   | 1,207.2        | 1,287.9        | 1,243.4                             | 1,256.2        | 1,280.7        | 1,300.0        | 1,314.9        |
| Gross investment.....   | 23   | 287.3          | 312.8          | 294.0                               | 301.7          | 313.5          | 315.0          | 321.0          |
| Structures.....   | 24   | 233.5          | 257.2          | 239.8                               | 246.8          | 258.1          | 259.2          | 264.7          |
| Equipment and software.....   | 25   | 53.8           | 55.6           | 54.2                                | 54.9           | 55.4           | 55.8           | 56.4           |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

**Table 3.9.6. Real Government Consumption Expenditures and Gross Investment, Chained Dollars**  
[Billions of chained (2000) dollars]

|   | Line | 2005           | 2006           | Seasonally adjusted at annual rates |                |                |                |                |
|---|------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|   |      |                |                | 2005                                |                | 2006           |                |                |
|   |      |                |                | IV                                  | I              | II             | III            | IV             |
| <b>Government consumption expenditures and gross investment</b> ..... | 1    | <b>1,958.0</b> | <b>1,998.3</b> | <b>1,963.5</b>                      | <b>1,987.1</b> | <b>1,991.2</b> | <b>1,999.4</b> | <b>2,015.5</b> |
| Consumption expenditures <sup>1</sup> .....                           | 2    | 1,609.3        | 1,635.8        | 1,611.2                             | 1,628.6        | 1,626.6        | 1,636.7        | 1,651.2        |
| Gross investment <sup>2</sup> .....                                   | 3    | 348.5          | 362.8          | 352.2                               | 358.6          | 365.1          | 363.0          | 364.5          |
| Structures.....   | 4    | 198.4          | 204.1          | 198.8                               | 201.3          | 206.2          | 203.9          | 205.2          |
| Equipment and software.....   | 5    | 153.4          | 162.8          | 157.5                               | 161.7          | 162.7          | 163.4          | 163.4          |
| <b>Federal</b> .....  | 6    | <b>727.5</b>   | <b>741.8</b>   | <b>729.6</b>                        | <b>745.1</b>   | <b>736.6</b>   | <b>738.9</b>   | <b>746.8</b>   |
| Consumption expenditures.....   | 7    | 620.8          | 629.4          | 618.9                               | 632.0          | 624.9          | 627.2          | 633.6          |
| Gross investment.....   | 8    | 107.9          | 114.4          | 112.6                               | 115.1          | 113.6          | 113.6          | 115.2          |
| Structures.....   | 9    | 12.6           | 12.5           | 14.0                                | 13.3           | 11.7           | 11.7           | 13.3           |
| Equipment and software.....   | 10   | 95.8           | 102.8          | 99.1                                | 102.5          | 103.1          | 103.1          | 102.6          |
| <b>National defense</b> .....   | 11   | <b>483.6</b>   | <b>492.8</b>   | <b>481.4</b>                        | <b>491.8</b>   | <b>489.3</b>   | <b>487.8</b>   | <b>502.2</b>   |
| Consumption expenditures.....   | 12   | 413.3          | 418.1          | 410.0                               | 419.0          | 414.7          | 413.7          | 424.9          |
| Gross investment.....   | 13   | 71.2           | 76.4           | 72.6                                | 74.0           | 76.5           | 75.9           | 79.2           |
| Structures.....   | 14   | 4.2            | 4.4            | 4.3                                 | 4.1            | 3.9            | 4.0            | 5.6            |
| Equipment and software.....   | 15   | 67.3           | 72.3           | 68.6                                | 70.3           | 73.0           | 72.3           | 73.7           |
| <b>Nondefense</b> .....   | 16   | <b>243.7</b>   | <b>248.8</b>   | <b>248.0</b>                        | <b>253.1</b>   | <b>247.0</b>   | <b>250.9</b>   | <b>244.3</b>   |
| Consumption expenditures.....   | 17   | 207.3          | 211.2          | 208.7                               | 212.8          | 210.1          | 213.4          | 208.4          |
| Gross investment.....   | 18   | 36.7           | 38.1           | 40.1                                | 41.1           | 37.2           | 37.8           | 36.1           |
| Structures.....   | 19   | 8.4            | 8.1            | 9.7                                 | 9.3            | 7.7            | 7.7            | 7.7            |
| Equipment and software.....   | 20   | 28.6           | 30.5           | 30.6                                | 32.3           | 30.1           | 30.9           | 28.9           |
| <b>State and local</b> .....  | 21   | <b>1,230.4</b> | <b>1,256.3</b> | <b>1,233.7</b>                      | <b>1,242.0</b> | <b>1,254.4</b> | <b>1,260.3</b> | <b>1,268.5</b> |
| Consumption expenditures.....   | 22   | 988.0          | 1,005.9        | 991.9                               | 996.1          | 1,001.2        | 1,009.0        | 1,017.2        |
| Gross investment.....   | 23   | 242.1          | 250.2          | 241.6                               | 245.7          | 253.1          | 251.1          | 251.1          |
| Structures.....   | 24   | 185.7          | 191.6          | 184.7                               | 188.0          | 194.5          | 192.2          | 191.9          |
| Equipment and software.....   | 25   | 57.3           | 59.7           | 58.1                                | 58.9           | 59.3           | 60.0           | 60.6           |
| Residual.....   | 26   | -2.1           | -3.5           | -3.1                                | -3.7           | -3.3           | -3.8           | -3.4           |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights 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 3.10.1. Percent Change From Preceding Period in Real Government Consumption Expenditures and General Government Gross Output**  
[Percent]

|  | Line | 2005  | 2006  | Seasonally adjusted at annual rates |       |       |       |       |
|--|------|-------|-------|-------------------------------------|-------|-------|-------|-------|
|  |      |       |       | 2005                                | 2006  |       |       |       |
|  |      |       |       |                                     | IV    | I     | II    | III   |
| <b>Government consumption expenditures</b> <sup>1</sup> .....      | 1    | 0.9   | 1.6   | -2.1                                | 4.4   | -0.5  | 2.5   | 3.6   |
| Gross output of general government .....                           | 2    | 1.1   | 1.7   | -1.5                                | 3.9   | 0.2   | 2.4   | 3.1   |
| Value added .....  | 3    | 0.9   | 0.7   | 0.9                                 | -0.7  | 0.8   | 2.4   | 1.6   |
| Compensation of general government employees .....                 | 4    | 0.6   | 0.3   | 0.7                                 | -1.4  | 0.5   | 2.3   | 1.3   |
| Consumption of general government fixed capital <sup>2</sup> ..... | 5    | 2.6   | 2.8   | 2.3                                 | 3.4   | 2.8   | 3.1   | 3.3   |
| Intermediate goods and services purchased <sup>3</sup> .....       | 6    | 1.3   | 3.3   | -5.3                                | 11.5  | -0.9  | 2.3   | 5.5   |
| Durable goods .....  | 7    | 2.5   | 4.2   | 6.1                                 | -5.2  | 0.0   | 16.2  | 12.6  |
| Nondurable goods .....   | 8    | 1.2   | 1.5   | 0.8                                 | 3.8   | -0.4  | 4.3   | -3.2  |
| Services .....   | 9    | 1.3   | 3.9   | -8.4                                | 16.3  | -1.1  | 0.4   | 8.2   |
| Less: Own-account investment <sup>4</sup> .....                    | 10   | 1.4   | 4.2   | 5.0                                 | 3.7   | 8.9   | -0.1  | 5.0   |
| Sales to other sectors .....                                       | 11   | 2.3   | 1.8   | 1.6                                 | 1.0   | 3.6   | 1.8   | 0.0   |
| <b>Federal consumption expenditures</b> <sup>1</sup> .....         | 12   | 0.9   | 1.4   | -6.7                                | 8.7   | -4.4  | 1.5   | 4.1   |
| Gross output of general government .....                           | 13   | 1.1   | 1.3   | -6.7                                | 8.1   | -3.9  | 1.3   | 3.0   |
| Value added .....  | 14   | 0.6   | -0.3  | 1.5                                 | -3.5  | -0.1  | 3.2   | 0.0   |
| Compensation of general government employees .....                 | 15   | 0.1   | -1.1  | 1.2                                 | -5.1  | -0.7  | 3.5   | -0.5  |
| Consumption of general government fixed capital <sup>2</sup> ..... | 16   | 2.6   | 2.5   | 2.6                                 | 2.6   | 2.3   | 2.1   | 2.0   |
| Intermediate goods and services purchased <sup>3</sup> .....       | 17   | 1.8   | 3.3   | -16.0                               | 24.4  | -8.3  | -1.1  | 6.9   |
| Durable goods .....  | 18   | 3.1   | 5.7   | 9.3                                 | -10.2 | -2.0  | 27.3  | 19.5  |
| Nondurable goods .....   | 19   | 0.7   | -6.5  | -1.4                                | 2.2   | -22.3 | 5.9   | -38.1 |
| Services .....   | 20   | 1.8   | 4.4   | -20.4                               | 32.6  | -7.1  | -4.8  | 12.4  |
| Less: Own-account investment <sup>4</sup> .....                    | 21   | -0.2  | 1.0   | 4.0                                 | -8.8  | 2.5   | 8.1   | -1.3  |
| Sales to other sectors .....                                       | 22   | 37.2  | -7.9  | -17.0                               | -33.1 | 60.9  | -19.2 | -66.4 |
| <b>Defense consumption expenditures</b> <sup>1</sup> .....         | 23   | 1.2   | 1.2   | -10.8                               | 9.1   | -4.1  | -0.9  | 11.3  |
| Gross output of general government .....                           | 24   | 1.3   | 1.2   | -11.5                               | 9.8   | -3.3  | -1.4  | 10.1  |
| Value added .....  | 25   | 0.8   | -0.7  | 0.9                                 | -4.7  | -0.7  | 3.7   | 0.9   |
| Compensation of general government employees .....                 | 26   | 0.3   | -1.6  | 0.4                                 | -6.9  | -1.6  | 4.3   | 0.6   |
| Consumption of general government fixed capital <sup>2</sup> ..... | 27   | 2.5   | 2.3   | 2.4                                 | 2.4   | 2.1   | 1.9   | 1.7   |
| Intermediate goods and services purchased <sup>3</sup> .....       | 28   | 1.8   | 3.5   | -24.0                               | 29.6  | -6.2  | -6.9  | 21.6  |
| Durable goods .....  | 29   | 2.4   | 5.8   | 9.8                                 | -12.3 | -1.1  | 29.8  | 22.7  |
| Nondurable goods .....   | 30   | -3.0  | -11.6 | -22.7                               | -0.6  | -29.8 | 7.1   | -53.5 |
| Services .....   | 31   | 2.2   | 4.9   | -28.6                               | 42.1  | -4.1  | -12.9 | 32.4  |
| Less: Own-account investment <sup>4</sup> .....                    | 32   | -5.5  | 1.5   | 5.5                                 | -3.9  | 2.1   | 4.1   | 2.8   |
| Sales to other sectors .....                                       | 33   | 21.7  | 13.2  | -81.3                               | 316.1 | 195.8 | -46.2 | -82.5 |
| <b>Nondefense consumption expenditures</b> <sup>1</sup> .....      | 34   | 0.1   | 1.8   | 2.4                                 | 8.1   | -5.0  | 6.5   | -9.1  |
| Gross output of general government .....                           | 35   | 0.9   | 1.4   | 3.6                                 | 4.7   | -4.9  | 6.7   | -9.8  |
| Value added .....  | 36   | 0.3   | 0.3   | 2.7                                 | -1.2  | 1.1   | 2.4   | -1.6  |
| Compensation of general government employees .....                 | 37   | -0.2  | -0.2  | 2.6                                 | -2.1  | 0.8   | 2.4   | -2.4  |
| Consumption of general government fixed capital <sup>2</sup> ..... | 38   | 2.7   | 3.0   | 2.9                                 | 3.3   | 3.0   | 2.6   | 2.7   |
| Intermediate goods and services purchased <sup>3</sup> .....       | 39   | 1.7   | 2.9   | 5.0                                 | 13.6  | -12.9 | 13.0  | -20.3 |
| Durable goods .....  | 40   | 11.8  | 4.1   | 3.1                                 | 17.8  | -11.7 | 1.1   | -14.6 |
| Nondurable goods .....   | 41   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Commodity Credit Corporation inventory change .....                | 42   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Other nondurable goods .....                                       | 43   | 2.2   | -2.0  | 10.9                                | 15.5  | -18.9 | 6.3   | -15.0 |
| Services .....   | 44   | 0.8   | 3.3   | 0.2                                 | 14.9  | -13.1 | 14.9  | -21.5 |
| Less: Own-account investment <sup>4</sup> .....                    | 45   | 4.3   | 0.6   | 2.9                                 | -12.6 | 2.8   | 11.4  | -4.4  |
| Sales to other sectors .....                                       | 46   | 48.1  | -19.7 | 71.8                                | -74.5 | -4.9  | 16.9  | -46.2 |
| <b>State and local consumption expenditures</b> <sup>1</sup> ..... | 47   | 0.9   | 1.8   | 1.0                                 | 1.7   | 2.1   | 3.1   | 3.3   |
| Gross output of general government .....                           | 48   | 1.0   | 1.9   | 1.3                                 | 1.9   | 2.3   | 2.9   | 3.2   |
| Value added .....  | 49   | 1.0   | 1.1   | 0.7                                 | 0.6   | 1.2   | 2.1   | 2.3   |
| Compensation of general government employees .....                 | 50   | 0.8   | 0.9   | 0.5                                 | 0.1   | 0.9   | 1.8   | 2.1   |
| Consumption of general government fixed capital <sup>2</sup> ..... | 51   | 2.6   | 3.2   | 2.0                                 | 4.0   | 3.3   | 3.9   | 4.4   |
| Intermediate goods and services purchased <sup>3</sup> .....       | 52   | 1.0   | 3.3   | 2.2                                 | 4.2   | 4.1   | 4.4   | 4.6   |
| Durable goods .....  | 53   | 1.7   | 2.1   | 1.8                                 | 2.2   | 2.8   | 2.2   | 3.1   |
| Nondurable goods .....   | 54   | 1.3   | 3.0   | 1.3                                 | 4.1   | 4.1   | 4.0   | 4.2   |
| Services .....   | 55   | 0.9   | 3.5   | 2.8                                 | 4.4   | 4.1   | 4.8   | 5.0   |
| Less: Own-account investment <sup>4</sup> .....                    | 56   | 1.8   | 5.0   | 5.3                                 | 7.0   | 10.4  | -1.9  | 6.6   |
| Sales to other sectors .....                                       | 57   | 1.5   | 2.1   | 2.2                                 | 2.1   | 2.4   | 2.4   | 2.5   |
| Tuition and related educational charges .....                      | 58   | -0.1  | 2.4   | 4.6                                 | 2.0   | 2.4   | 2.4   | 2.4   |
| Health and hospital charges .....                                  | 59   | 0.8   | 1.5   | 0.1                                 | 2.0   | 2.4   | 2.4   | 2.4   |
| Other sales .....  | 60   | 4.0   | 2.8   | 3.8                                 | 2.4   | 2.5   | 2.4   | 2.7   |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.

**Table 3.10.3. Real Government Consumption Expenditures and  
General Government Gross Output, Quantity Indexes**

[Index numbers, 2000=100]

|  | Line | 2005           | 2006           | Seasonally adjusted |                |                |                |                |
|--|------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|  |      |                |                | 2005                | 2006           |                |                |                |
|  |      |                |                |                     | IV             | I              | II             | III            |
| <b>Government consumption expenditures</b> <sup>1</sup>      | 1    | <b>113.564</b> | <b>115.432</b> | <b>113.700</b>      | <b>114.925</b> | <b>114.784</b> | <b>115.495</b> | <b>116.522</b> |
| Gross output of general government                           | 2    | 113.382        | 115.305        | 113.618             | 114.712        | 114.756        | 115.431        | 116.321        |
| Value added  | 3    | 106.666        | 107.390        | 106.982             | 106.795        | 107.014        | 107.659        | 108.093        |
| Compensation of general government employees                 | 4    | 105.633        | 105.960        | 105.844             | 105.475        | 105.601        | 106.206        | 106.558        |
| Consumption of general government fixed capital <sup>2</sup> | 5    | 112.885        | 116.099        | 113.863             | 114.812        | 115.621        | 116.506        | 117.458        |
| Intermediate goods and services purchased <sup>3</sup>       | 6    | 125.958        | 130.130        | 126.054             | 129.540        | 129.256        | 129.989        | 131.736        |
| Durable goods  | 7    | 121.957        | 127.103        | 125.453             | 123.777        | 123.767        | 128.501        | 132.366        |
| Nondurable goods   | 8    | 118.582        | 120.390        | 118.964             | 120.087        | 119.971        | 121.238        | 120.265        |
| Services   | 9    | 128.934        | 133.950        | 128.568             | 133.507        | 133.128        | 133.250        | 135.913        |
| Less: Own-account investment <sup>4</sup>                    | 10   | 108.787        | 113.377        | 110.242             | 111.243        | 113.632        | 113.615        | 115.018        |
| Sales to other sectors                                       | 11   | 112.623        | 114.694        | 113.391             | 113.676        | 114.697        | 115.203        | 115.201        |
| <b>Federal consumption expenditures</b> <sup>1</sup>         | 12   | <b>124.339</b> | <b>126.061</b> | <b>123.952</b>      | <b>126.577</b> | <b>125.156</b> | <b>125.614</b> | <b>126.896</b> |
| Gross output of general government                           | 13   | 124.079        | 125.666        | 123.736             | 126.160        | 124.925        | 125.317        | 126.261        |
| Value added  | 14   | 106.947        | 106.579        | 107.121             | 106.167        | 106.148        | 106.997        | 107.002        |
| Compensation of general government employees                 | 15   | 106.928        | 105.748        | 106.867             | 105.465        | 105.274        | 106.196        | 106.055        |
| Consumption of general government fixed capital <sup>2</sup> | 16   | 107.277        | 109.927        | 108.320             | 109.028        | 109.659        | 110.238        | 110.781        |
| Intermediate goods and services purchased <sup>3</sup>       | 17   | 153.353        | 158.470        | 152.088             | 160.611        | 157.173        | 156.732        | 159.362        |
| Durable goods  | 18   | 132.188        | 139.736        | 138.132             | 134.476        | 133.782        | 142.107        | 148.578        |
| Nondurable goods   | 19   | 149.585        | 139.856        | 148.933             | 149.736        | 140.591        | 142.615        | 126.481        |
| Services   | 20   | 157.103        | 163.956        | 154.720             | 166.028        | 163.015        | 161.011        | 165.770        |
| Less: Own-account investment <sup>4</sup>                    | 21   | 115.435        | 116.578        | 117.699             | 115.007        | 115.717        | 117.980        | 117.609        |
| Sales to other sectors                                       | 22   | 110.081        | 101.418        | 111.937             | 101.235        | 114.020        | 108.103        | 82.315         |
| <b>Defense consumption expenditures</b> <sup>1</sup>         | 23   | <b>128.551</b> | <b>130.044</b> | <b>127.544</b>      | <b>130.343</b> | <b>128.981</b> | <b>128.681</b> | <b>132.171</b> |
| Gross output of general government                           | 24   | 128.619        | 130.202        | 127.446             | 130.460        | 129.366        | 128.921        | 132.059        |
| Value added  | 25   | 108.048        | 107.300        | 108.206             | 106.903        | 106.707        | 107.674        | 107.917        |
| Compensation of general government employees                 | 26   | 109.389        | 107.608        | 109.277             | 107.336        | 106.895        | 108.014        | 108.186        |
| Consumption of general government fixed capital <sup>2</sup> | 27   | 104.858        | 107.257        | 105.838             | 106.467        | 107.024        | 107.539        | 107.998        |
| Intermediate goods and services purchased <sup>3</sup>       | 28   | 163.094        | 168.841        | 159.574             | 170.275        | 167.587        | 164.630        | 172.871        |
| Durable goods  | 29   | 129.812        | 137.387        | 135.799             | 131.412        | 131.040        | 139.881        | 147.216        |
| Nondurable goods   | 30   | 141.149        | 124.728        | 138.197             | 137.986        | 126.313        | 128.497        | 106.114        |
| Services   | 31   | 173.189        | 181.656        | 167.614             | 182.994        | 181.077        | 174.913        | 187.641        |
| Less: Own-account investment <sup>4</sup>                    | 32   | 143.678        | 145.795        | 145.681             | 144.245        | 145.007        | 146.455        | 147.474        |
| Sales to other sectors                                       | 33   | 131.580        | 148.898        | 100.221             | 143.135        | 187.707        | 160.775        | 103.973        |
| <b>Nondefense consumption expenditures</b> <sup>1</sup>      | 34   | <b>116.593</b> | <b>118.747</b> | <b>117.362</b>      | <b>119.666</b> | <b>118.137</b> | <b>120.006</b> | <b>117.179</b> |
| Gross output of general government                           | 35   | 115.974        | 117.575        | 117.140             | 118.495        | 117.004        | 118.914        | 115.886        |
| Value added  | 36   | 104.998        | 105.311        | 105.200             | 104.874        | 105.173        | 105.810        | 105.387        |
| Compensation of general government employees                 | 37   | 103.165        | 102.935        | 103.184             | 102.635        | 102.838        | 103.451        | 102.817        |
| Consumption of general government fixed capital <sup>2</sup> | 38   | 114.097        | 117.478        | 115.322             | 116.260        | 117.111        | 117.875        | 118.668        |
| Intermediate goods and services purchased <sup>3</sup>       | 39   | 135.352        | 139.313        | 138.297             | 142.770        | 137.929        | 142.201        | 134.354        |
| Durable goods  | 40   | 163.760        | 170.547        | 168.987             | 176.035        | 170.628        | 171.082        | 164.442        |
| Nondurable goods   | 41   |                |                |                     |                |                |                |                |
| Commodity Credit Corporation inventory change                | 42   |                |                |                     |                |                |                |                |
| Other nondurable goods                                       | 43   | 182.531        | 178.962        | 179.923             | 186.530        | 177.024        | 179.729        | 172.565        |
| Services   | 44   | 131.001        | 135.260        | 133.788             | 138.511        | 133.728        | 138.457        | 130.344        |
| Less: Own-account investment <sup>4</sup>                    | 45   | 100.285        | 100.892        | 102.699             | 99.301         | 99.986         | 102.713        | 101.567        |
| Sales to other sectors                                       | 46   | 101.312        | 81.328         | 117.558             | 83.558         | 82.507         | 85.783         | 73.463         |
| <b>State and local consumption expenditures</b> <sup>1</sup> | 47   | <b>107.655</b> | <b>109.602</b> | <b>108.074</b>      | <b>108.536</b> | <b>109.095</b> | <b>109.944</b> | <b>110.833</b> |
| Gross output of general government                           | 48   | 108.625        | 110.698        | 109.116             | 109.622        | 110.234        | 111.034        | 111.901        |
| Value added  | 49   | 106.536        | 107.741        | 106.915             | 107.065        | 107.389        | 107.944        | 108.555        |
| Compensation of general government employees                 | 50   | 105.152        | 106.062        | 105.468             | 105.499        | 105.748        | 106.231        | 106.772        |
| Consumption of general government fixed capital <sup>2</sup> | 51   | 118.215        | 121.939        | 119.137             | 120.303        | 121.272        | 122.433        | 123.748        |
| Intermediate goods and services purchased <sup>3</sup>       | 52   | 112.652        | 116.355        | 113.354             | 114.528        | 115.678        | 116.940        | 118.272        |
| Durable goods  | 53   | 109.924        | 112.276        | 110.576             | 111.177        | 111.953        | 112.553        | 113.422        |
| Nondurable goods   | 54   | 114.080        | 117.545        | 114.608             | 115.776        | 116.955        | 118.112        | 119.337        |
| Services   | 55   | 112.139        | 116.077        | 112.945             | 114.163        | 115.323        | 116.696        | 118.124        |
| Less: Own-account investment <sup>4</sup>                    | 56   | 107.398        | 112.786        | 108.670             | 110.519        | 113.298        | 112.758        | 114.568        |
| Sales to other sectors                                       | 57   | 112.737        | 115.116        | 113.474             | 114.077        | 114.768        | 115.453        | 116.167        |
| Tuition and related educational charges                      | 58   | 105.537        | 108.033        | 106.533             | 107.065        | 107.709        | 108.354        | 109.004        |
| Health and hospital charges                                  | 59   | 113.985        | 115.748        | 114.140             | 114.711        | 115.399        | 116.092        | 116.789        |
| Other sales  | 60   | 116.208        | 119.479        | 117.672             | 118.381        | 119.112        | 119.817        | 120.606        |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.



**Table 3.10.4. Price Indexes for Government Consumption Expenditures and General Government Gross Output**  
[Index numbers, 2000=100]

|  | Line | 2005           | 2006           | Seasonally adjusted |                |                |                |                |
|--|------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|  |      |                |                | 2005                | 2006           |                |                |                |
|  |      |                |                |                     | IV             | I              | II             | III            |
| <b>Government consumption expenditures</b> <sup>1</sup> .....      | 1    | <b>122.768</b> | <b>128.134</b> | <b>125.034</b>      | <b>126.480</b> | <b>128.065</b> | <b>128.869</b> | <b>129.121</b> |
| Gross output of general government .....                           | 2    | 122.760        | 128.078        | 125.031             | 126.402        | 127.905        | 128.809        | 129.194        |
| Value added .....  | 3    | 124.718        | 129.768        | 126.237             | 128.170        | 129.182        | 130.338        | 131.380        |
| Compensation of general government employees .....                 | 4    | 127.425        | 132.606        | 128.881             | 130.995        | 132.042        | 133.203        | 134.184        |
| Consumption of general government fixed capital <sup>2</sup> ..... | 5    | 110.292        | 114.652        | 112.121             | 113.134        | 113.965        | 115.085        | 116.423        |
| Intermediate goods and services purchased <sup>3</sup> .....       | 6    | 119.320        | 125.030        | 122.728             | 123.245        | 125.475        | 125.998        | 125.403        |
| Durable goods .....  | 7    | 104.161        | 106.255        | 104.587             | 105.113        | 106.044        | 106.642        | 107.222        |
| Nondurable goods .....   | 8    | 130.408        | 140.653        | 138.589             | 136.627        | 144.244        | 143.337        | 138.405        |
| Services .....   | 9    | 117.323        | 121.924        | 119.469             | 120.800        | 121.416        | 122.398        | 123.081        |
| Less: Own-account investment <sup>4</sup> .....                    | 10   | 119.227        | 124.079        | 120.962             | 122.470        | 123.723        | 124.714        | 125.409        |
| Sales to other sectors .....                                       | 11   | 122.970        | 128.014        | 125.310             | 126.196        | 127.211        | 128.726        | 129.923        |
| <b>Federal consumption expenditures</b> <sup>1</sup> .....         | 12   | <b>123.792</b> | <b>128.378</b> | <b>124.594</b>      | <b>127.152</b> | <b>128.391</b> | <b>129.007</b> | <b>128.961</b> |
| Gross output of general government .....                           | 13   | 123.761        | 128.303        | 124.640             | 127.083        | 128.312        | 128.927        | 128.890        |
| Value added .....  | 14   | 129.479        | 134.357        | 129.782             | 133.763        | 134.390        | 134.579        | 134.694        |
| Compensation of general government employees .....                 | 15   | 137.416        | 142.929        | 137.540             | 142.519        | 143.102        | 143.038        | 143.058        |
| Consumption of general government fixed capital <sup>2</sup> ..... | 16   | 106.480        | 109.550        | 107.295             | 108.456        | 109.199        | 110.085        | 110.460        |
| Intermediate goods and services purchased <sup>3</sup> .....       | 17   | 116.145        | 120.275        | 117.673             | 118.384        | 120.254        | 121.333        | 121.127        |
| Durable goods .....  | 18   | 102.688        | 104.253        | 102.780             | 103.098        | 104.131        | 104.650        | 105.134        |
| Nondurable goods .....   | 19   | 127.253        | 136.268        | 133.584             | 131.526        | 139.058        | 139.961        | 134.525        |
| Services .....   | 20   | 116.691        | 120.596        | 117.848             | 118.935        | 120.289        | 121.461        | 121.701        |
| Less: Own-account investment <sup>4</sup> .....                    | 21   | 124.946        | 129.692        | 125.626             | 128.460        | 129.596        | 130.047        | 130.667        |
| Sales to other sectors .....                                       | 22   | 118.928        | 119.191        | 126.346             | 118.459        | 118.899        | 119.483        | 119.924        |
| <b>Defense consumption expenditures</b> <sup>1</sup> .....         | 23   | <b>125.071</b> | <b>129.642</b> | <b>126.061</b>      | <b>128.327</b> | <b>129.681</b> | <b>130.375</b> | <b>130.186</b> |
| Gross output of general government .....                           | 24   | 125.063        | 129.614        | 126.044             | 128.300        | 129.649        | 130.343        | 130.164        |
| Value added .....  | 25   | 131.671        | 136.430        | 132.009             | 135.894        | 136.388        | 136.686        | 136.751        |
| Compensation of general government employees .....                 | 26   | 141.713        | 147.045        | 141.844             | 146.796        | 147.173        | 147.120        | 147.090        |
| Consumption of general government fixed capital <sup>2</sup> ..... | 27   | 107.623        | 111.014        | 108.456             | 109.818        | 110.581        | 111.688        | 111.970        |
| Intermediate goods and services purchased <sup>3</sup> .....       | 28   | 116.727        | 121.004        | 118.382             | 118.923        | 121.112        | 122.204        | 121.778        |
| Durable goods .....  | 29   | 103.728        | 105.582        | 103.896             | 104.288        | 105.421        | 106.015        | 106.603        |
| Nondurable goods .....   | 30   | 137.758        | 151.970        | 148.658             | 144.162        | 156.904        | 158.739        | 148.074        |
| Services .....   | 31   | 117.386        | 121.236        | 118.490             | 119.505        | 121.022        | 122.144        | 122.274        |
| Less: Own-account investment <sup>4</sup> .....                    | 32   | 126.127        | 131.609        | 127.119             | 130.097        | 131.602        | 131.987        | 132.749        |
| Sales to other sectors .....                                       | 33   | 122.661        | 123.143        | 121.976             | 122.008        | 122.699        | 123.573        | 124.292        |
| <b>Nondefense consumption expenditures</b> <sup>1</sup> .....      | 34   | <b>121.381</b> | <b>125.995</b> | <b>121.810</b>      | <b>124.944</b> | <b>125.958</b> | <b>126.422</b> | <b>126.558</b> |
| Gross output of general government .....                           | 35   | 121.351        | 125.877        | 122.035             | 124.838        | 125.836        | 126.298        | 126.537        |
| Value added .....  | 36   | 125.685        | 130.774        | 125.929             | 130.080        | 130.937        | 130.937        | 131.141        |
| Compensation of general government employees .....                 | 37   | 130.947        | 136.744        | 131.059             | 136.088        | 136.985        | 136.904        | 137.001        |
| Consumption of general government fixed capital <sup>2</sup> ..... | 38   | 103.518        | 105.755        | 104.285             | 104.924        | 105.616        | 105.932        | 106.549        |
| Intermediate goods and services purchased <sup>3</sup> .....       | 39   | 114.981        | 118.779        | 116.232             | 117.305        | 118.476        | 119.526        | 119.809        |
| Durable goods .....  | 40   | 91.303         | 89.984         | 90.620              | 90.214         | 90.280         | 90.040         | 89.400         |
| Nondurable goods .....   | 41   | .....          | .....          | .....               | .....          | .....          | .....          | .....          |
| Commodity Credit Corporation inventory change .....                | 42   | .....          | .....          | .....               | .....          | .....          | .....          | .....          |
| Other nondurable goods .....                                       | 43   | 115.953        | 119.446        | 117.371             | 117.844        | 120.175        | 120.132        | 119.632        |
| Services .....   | 44   | 115.631        | 119.655        | 116.899             | 118.138        | 119.148        | 120.430        | 120.906        |
| Less: Own-account investment <sup>4</sup> .....                    | 45   | 123.897        | 128.067        | 124.336             | 127.055        | 127.901        | 128.402        | 128.912        |
| Sales to other sectors .....                                       | 46   | 116.681        | 117.334        | 127.844             | 116.921        | 117.159        | 117.501        | 117.756        |
| <b>State and local consumption expenditures</b> <sup>1</sup> ..... | 47   | <b>122.177</b> | <b>128.035</b> | <b>125.365</b>      | <b>126.112</b> | <b>127.916</b> | <b>128.838</b> | <b>129.275</b> |
| Gross output of general government .....                           | 48   | 122.293        | 128.002        | 125.267             | 126.097        | 127.740        | 128.788        | 129.383        |
| Value added .....  | 49   | 122.735        | 127.857        | 124.764             | 125.844        | 127.015        | 128.572        | 129.997        |
| Compensation of general government employees .....                 | 50   | 123.913        | 128.977        | 125.841             | 126.948        | 128.157        | 129.745        | 131.059        |
| Consumption of general government fixed capital <sup>2</sup> ..... | 51   | 113.684        | 119.170        | 116.399             | 117.285        | 118.192        | 119.517        | 121.688        |
| Intermediate goods and services purchased <sup>3</sup> .....       | 52   | 121.419        | 128.188        | 126.080             | 126.468        | 128.939        | 129.097        | 128.248        |
| Durable goods .....  | 53   | 106.072        | 108.942        | 106.986             | 107.816        | 108.600        | 109.313        | 110.038        |
| Nondurable goods .....   | 54   | 130.870        | 141.359        | 139.407             | 137.466        | 145.093        | 143.859        | 139.019        |
| Services .....   | 55   | 117.817        | 122.995        | 120.797             | 122.333        | 122.317        | 123.139        | 124.190        |
| Less: Own-account investment <sup>4</sup> .....                    | 56   | 117.826        | 122.700        | 119.808             | 121.008        | 122.287        | 123.398        | 124.109        |
| Sales to other sectors .....                                       | 57   | 123.047        | 128.219        | 125.236             | 126.372        | 127.402        | 128.944        | 130.159        |
| Tuition and related educational charges .....                      | 58   | 143.186        | 152.809        | 146.403             | 148.838        | 151.492        | 154.238        | 156.670        |
| Health and hospital charges .....                                  | 59   | 121.443        | 125.835        | 123.593             | 124.394        | 125.142        | 126.441        | 127.362        |
| Other sales .....  | 60   | 113.066        | 116.797        | 114.703             | 115.580        | 116.090        | 117.288        | 118.231        |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).  
2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.  
3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.  
4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.

**Table 3.10.5. Government Consumption Expenditures and General Government Gross Output**  
[Billions of dollars]

|  | Line | 2005           | 2006           | Seasonally adjusted at annual rates |                |                |                |                |
|--|------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|  |      |                |                | 2005                                | 2006           |                |                |                |
|  |      |                |                |                                     | IV             | I              | II             | III            |
| <b>Government consumption expenditures</b> <sup>1</sup> .....      | 1    | <b>1,975.7</b> | <b>2,096.0</b> | <b>2,014.5</b>                      | <b>2,059.7</b> | <b>2,083.0</b> | <b>2,109.1</b> | <b>2,132.0</b> |
| Gross output of general government .....                           | 2    | 2,313.8        | 2,455.0        | 2,361.4                             | 2,410.3        | 2,439.9        | 2,471.6        | 2,498.1        |
| Value added.....   | 3    | 1,422.9        | 1,490.6        | 1,444.5                             | 1,464.0        | 1,478.6        | 1,500.8        | 1,518.9        |
| Compensation of general government employees.....                  | 4    | 1,215.7        | 1,269.1        | 1,232.1                             | 1,247.9        | 1,259.4        | 1,277.8        | 1,291.4        |
| Consumption of general government fixed capital <sup>2</sup> ..... | 5    | 207.2          | 221.5          | 212.4                               | 216.1          | 219.2          | 223.1          | 227.5          |
| Intermediate goods and services purchased <sup>3</sup> .....       | 6    | 890.9          | 964.4          | 917.0                               | 946.3          | 961.3          | 970.8          | 979.2          |
| Durable goods.....   | 7    | 56.0           | 59.6           | 57.8                                | 57.4           | 57.9           | 60.4           | 62.6           |
| Nondurable goods.....  | 8    | 224.7          | 246.0          | 239.5                               | 238.4          | 251.4          | 252.5          | 241.8          |
| Services.....  | 9    | 610.2          | 658.8          | 619.6                               | 650.5          | 652.0          | 657.9          | 674.8          |
| Less: Own-account investment <sup>4</sup> .....                    | 10   | 23.5           | 25.5           | 24.1                                | 24.7           | 25.4           | 25.6           | 26.1           |
| Sales to other sectors.....  | 11   | 314.6          | 333.6          | 322.8                               | 325.9          | 331.5          | 336.9          | 340.0          |
| <b>Federal consumption expenditures</b> <sup>1</sup> .....         | 12   | <b>768.6</b>   | <b>808.0</b>   | <b>771.1</b>                        | <b>803.6</b>   | <b>802.3</b>   | <b>809.1</b>   | <b>817.1</b>   |
| Gross output of general government .....                           | 13   | 781.9          | 820.9          | 785.2                               | 816.3          | 816.1          | 822.6          | 828.6          |
| Value added.....   | 14   | 436.7          | 451.6          | 438.4                               | 447.9          | 449.9          | 454.1          | 454.5          |
| Compensation of general government employees.....                  | 15   | 343.5          | 353.3          | 343.6                               | 351.4          | 352.2          | 355.1          | 354.7          |
| Consumption of general government fixed capital <sup>2</sup> ..... | 16   | 93.2           | 98.3           | 94.8                                | 96.5           | 97.7           | 99.0           | 99.9           |
| Intermediate goods and services purchased <sup>3</sup> .....       | 17   | 345.2          | 369.3          | 346.8                               | 368.5          | 366.3          | 368.5          | 374.1          |
| Durable goods.....   | 18   | 32.6           | 35.0           | 34.1                                | 33.3           | 33.5           | 35.7           | 37.5           |
| Nondurable goods.....  | 19   | 36.0           | 36.0           | 37.6                                | 37.3           | 37.0           | 37.8           | 32.2           |
| Services.....  | 20   | 276.6          | 298.3          | 275.1                               | 297.9          | 295.8          | 295.0          | 304.3          |
| Less: Own-account investment <sup>4</sup> .....                    | 21   | 4.7            | 4.9            | 4.8                                 | 4.8            | 4.8            | 5.0            | 5.0            |
| Sales to other sectors.....  | 22   | 8.7            | 8.0            | 9.4                                 | 7.9            | 9.0            | 8.6            | 6.5            |
| <b>Defense consumption expenditures</b> <sup>1</sup> .....         | 23   | <b>516.9</b>   | <b>542.0</b>   | <b>516.9</b>                        | <b>537.7</b>   | <b>537.7</b>   | <b>539.3</b>   | <b>553.2</b>   |
| Gross output of general government .....                           | 24   | 522.1          | 547.7          | 521.4                               | 543.2          | 544.4          | 545.4          | 557.9          |
| Value added.....   | 25   | 283.4          | 291.6          | 284.5                               | 289.3          | 289.9          | 293.1          | 293.9          |
| Compensation of general government employees.....                  | 26   | 215.4          | 219.9          | 215.4                               | 218.9          | 218.6          | 220.8          | 221.1          |
| Consumption of general government fixed capital <sup>2</sup> ..... | 27   | 68.0           | 71.7           | 69.1                                | 70.4           | 71.3           | 72.3           | 72.8           |
| Intermediate goods and services purchased <sup>3</sup> .....       | 28   | 238.7          | 256.2          | 236.9                               | 253.9          | 254.5          | 252.3          | 264.0          |
| Durable goods.....   | 29   | 30.0           | 32.3           | 31.4                                | 30.5           | 30.8           | 33.0           | 34.9           |
| Nondurable goods.....  | 30   | 20.3           | 19.7           | 21.3                                | 20.6           | 20.6           | 21.2           | 16.3           |
| Services.....  | 31   | 188.5          | 204.2          | 184.1                               | 202.8          | 203.2          | 198.1          | 212.7          |
| Less: Own-account investment <sup>4</sup> .....                    | 32   | 2.1            | 2.2            | 2.1                                 | 2.1            | 2.2            | 2.2            | 2.2            |
| Sales to other sectors.....  | 33   | 3.1            | 3.6            | 2.4                                 | 3.4            | 4.5            | 3.9            | 2.5            |
| <b>Nondefense consumption expenditures</b> <sup>1</sup> .....      | 34   | <b>251.7</b>   | <b>266.0</b>   | <b>254.2</b>                        | <b>265.9</b>   | <b>264.6</b>   | <b>269.8</b>   | <b>263.9</b>   |
| Gross output of general government .....                           | 35   | 259.8          | 273.2          | 263.9                               | 273.1          | 271.8          | 277.2          | 270.7          |
| Value added.....   | 36   | 153.3          | 160.0          | 153.9                               | 158.5          | 160.0          | 161.0          | 160.6          |
| Compensation of general government employees.....                  | 37   | 128.1          | 133.5          | 128.2                               | 132.4          | 133.6          | 134.3          | 133.6          |
| Consumption of general government fixed capital <sup>2</sup> ..... | 38   | 25.2           | 26.6           | 25.7                                | 26.1           | 26.4           | 26.7           | 27.0           |
| Intermediate goods and services purchased <sup>3</sup> .....       | 39   | 106.5          | 113.2          | 109.9                               | 114.6          | 111.8          | 116.3          | 110.1          |
| Durable goods.....   | 40   | 2.6            | 2.7            | 2.7                                 | 2.8            | 2.7            | 2.7            | 2.6            |
| Nondurable goods.....  | 41   | 15.7           | 16.4           | 16.3                                | 16.6           | 16.4           | 16.6           | 15.9           |
| Commodity Credit Corporation inventory change.....                 | 42   | -0.5           | -0.1           | 0.1                                 | -0.3           | 0.1            | 0.0            | 0.0            |
| Other nondurable goods.....  | 43   | 16.3           | 16.4           | 16.2                                | 16.9           | 16.4           | 16.6           | 15.9           |
| Services.....  | 44   | 88.1           | 94.1           | 90.9                                | 95.1           | 92.6           | 96.9           | 91.6           |
| Less: Own-account investment <sup>4</sup> .....                    | 45   | 2.6            | 2.7            | 2.7                                 | 2.6            | 2.7            | 2.8            | 2.7            |
| Sales to other sectors.....  | 46   | 5.5            | 4.4            | 7.0                                 | 4.5            | 4.5            | 4.7            | 4.0            |
| <b>State and local consumption expenditures</b> <sup>1</sup> ..... | 47   | <b>1,207.2</b> | <b>1,287.9</b> | <b>1,243.4</b>                      | <b>1,256.2</b> | <b>1,280.7</b> | <b>1,300.0</b> | <b>1,314.9</b> |
| Gross output of general government .....                           | 48   | 1,531.9        | 1,634.1        | 1,576.2                             | 1,594.0        | 1,623.8        | 1,649.0        | 1,669.5        |
| Value added.....   | 49   | 986.2          | 1,039.0        | 1,006.0                             | 1,016.2        | 1,028.7        | 1,046.7        | 1,064.4        |
| Compensation of general government employees.....                  | 50   | 872.3          | 915.8          | 888.5                               | 896.5          | 907.2          | 922.7          | 936.8          |
| Consumption of general government fixed capital <sup>2</sup> ..... | 51   | 113.9          | 123.2          | 117.6                               | 119.6          | 121.5          | 124.1          | 127.7          |
| Intermediate goods and services purchased <sup>3</sup> .....       | 52   | 545.7          | 595.1          | 570.1                               | 577.8          | 595.0          | 602.3          | 605.1          |
| Durable goods.....   | 53   | 23.4           | 24.5           | 23.7                                | 24.0           | 24.4           | 24.7           | 25.0           |
| Nondurable goods.....  | 54   | 188.7          | 210.0          | 201.9                               | 201.1          | 214.4          | 214.7          | 209.7          |
| Services.....  | 55   | 333.6          | 360.5          | 344.5                               | 352.6          | 356.2          | 362.8          | 370.4          |
| Less: Own-account investment <sup>4</sup> .....                    | 56   | 18.8           | 20.6           | 19.4                                | 19.9           | 20.6           | 20.7           | 21.1           |
| Sales to other sectors.....  | 57   | 306.0          | 325.6          | 313.4                               | 318.0          | 322.5          | 328.3          | 333.5          |
| Tuition and related educational charges.....                       | 58   | 67.0           | 73.2           | 69.1                                | 70.6           | 72.3           | 74.1           | 75.7           |
| Health and hospital charges.....                                   | 59   | 146.1          | 153.7          | 148.8                               | 150.6          | 152.4          | 154.9          | 156.9          |
| Other sales.....   | 60   | 92.9           | 98.7           | 95.5                                | 96.8           | 97.8           | 99.4           | 100.9          |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.

**Table 3.10.6. Real Government Consumption Expenditures and General Government Gross Output, Chained Dollars**

[Billions of chained (2000) dollars]

|  | Line | 2005           | 2006           | Seasonally adjusted at annual rates |                |                |                |                |
|--|------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|  |      |                |                | 2005                                | 2006           |                |                |                |
|  |      |                |                |                                     | IV             | I              | II             | III            |
| <b>Government consumption expenditures</b> <sup>1</sup> .....      | 1    | <b>1,609.3</b> | <b>1,635.8</b> | <b>1,611.2</b>                      | <b>1,628.6</b> | <b>1,626.6</b> | <b>1,636.7</b> | <b>1,651.2</b> |
| Gross output of general government .....                           | 2    | 1,884.8        | 1,916.8        | 1,888.8                             | 1,906.9        | 1,907.7        | 1,918.9        | 1,933.7        |
| Value added .....  | 3    | 1,140.9        | 1,148.6        | 1,144.3                             | 1,142.3        | 1,144.6        | 1,151.5        | 1,156.2        |
| Compensation of general government employees .....                 | 4    | 954.1          | 957.0          | 956.0                               | 952.7          | 953.8          | 959.3          | 962.4          |
| Consumption of general government fixed capital <sup>2</sup> ..... | 5    | 187.8          | 193.2          | 189.5                               | 191.0          | 192.4          | 193.9          | 195.4          |
| Intermediate goods and services purchased <sup>3</sup> .....       | 6    | 746.7          | 771.4          | 747.2                               | 767.9          | 766.2          | 770.6          | 780.9          |
| Durable goods .....  | 7    | 53.8           | 56.0           | 55.3                                | 54.6           | 54.6           | 56.7           | 58.4           |
| Nondurable goods .....   | 8    | 172.3          | 174.9          | 172.9                               | 174.5          | 174.3          | 176.2          | 174.7          |
| Services .....   | 9    | 520.1          | 540.3          | 518.6                               | 538.6          | 537.0          | 537.5          | 548.3          |
| Less: Own-account investment <sup>4</sup> .....                    | 10   | 19.7           | 20.5           | 20.0                                | 20.1           | 20.6           | 20.6           | 20.8           |
| Sales to other sectors .....                                       | 11   | 255.9          | 260.6          | 257.6                               | 258.3          | 260.6          | 261.7          | 261.7          |
| <b>Federal consumption expenditures</b> <sup>1</sup> .....         | 12   | <b>620.8</b>   | <b>629.4</b>   | <b>618.9</b>                        | <b>624.9</b>   | <b>624.9</b>   | <b>627.2</b>   | <b>633.6</b>   |
| Gross output of general government .....                           | 13   | 631.8          | 639.9          | 630.0                               | 642.4          | 636.1          | 638.1          | 642.9          |
| Value added .....  | 14   | 337.3          | 336.1          | 337.8                               | 334.8          | 334.8          | 337.4          | 337.4          |
| Compensation of general government employees .....                 | 15   | 250.0          | 247.2          | 249.8                               | 246.5          | 246.1          | 248.2          | 247.9          |
| Consumption of general government fixed capital <sup>2</sup> ..... | 16   | 87.5           | 89.7           | 88.4                                | 89.0           | 89.5           | 90.0           | 90.4           |
| Intermediate goods and services purchased <sup>3</sup> .....       | 17   | 297.2          | 307.1          | 294.8                               | 311.3          | 304.6          | 303.8          | 308.9          |
| Durable goods .....  | 18   | 31.8           | 33.6           | 33.2                                | 32.3           | 32.1           | 34.1           | 35.7           |
| Nondurable goods .....   | 19   | 28.3           | 26.5           | 28.2                                | 28.3           | 26.6           | 27.0           | 23.9           |
| Services .....   | 20   | 237.0          | 247.4          | 233.4                               | 250.5          | 245.9          | 242.9          | 250.1          |
| Less: Own-account investment <sup>4</sup> .....                    | 21   | 3.7            | 3.8            | 3.8                                 | 3.7            | 3.7            | 3.8            | 3.8            |
| Sales to other sectors .....                                       | 22   | 7.3            | 6.7            | 7.4                                 | 6.7            | 7.5            | 7.2            | 5.5            |
| <b>Defense consumption expenditures</b> <sup>1</sup> .....         | 23   | <b>413.3</b>   | <b>418.1</b>   | <b>410.0</b>                        | <b>419.0</b>   | <b>414.7</b>   | <b>413.7</b>   | <b>424.9</b>   |
| Gross output of general government .....                           | 24   | 417.5          | 422.6          | 413.7                               | 423.4          | 419.9          | 418.4          | 428.6          |
| Value added .....  | 25   | 215.2          | 213.7          | 215.5                               | 212.9          | 212.5          | 214.5          | 214.9          |
| Compensation of general government employees .....                 | 26   | 152.0          | 149.5          | 151.8                               | 149.1          | 148.5          | 150.1          | 150.3          |
| Consumption of general government fixed capital <sup>2</sup> ..... | 27   | 63.2           | 64.6           | 63.7                                | 64.1           | 64.5           | 64.8           | 65.0           |
| Intermediate goods and services purchased <sup>3</sup> .....       | 28   | 204.5          | 211.7          | 200.1                               | 213.5          | 210.2          | 206.5          | 216.8          |
| Durable goods .....  | 29   | 28.9           | 30.6           | 30.2                                | 29.3           | 29.2           | 31.1           | 32.8           |
| Nondurable goods .....   | 30   | 14.7           | 13.0           | 14.4                                | 14.4           | 13.2           | 13.4           | 11.1           |
| Services .....   | 31   | 160.6          | 168.4          | 155.4                               | 169.7          | 167.9          | 162.2          | 174.0          |
| Less: Own-account investment <sup>4</sup> .....                    | 32   | 1.6            | 1.7            | 1.7                                 | 1.6            | 1.6            | 1.7            | 1.7            |
| Sales to other sectors .....                                       | 33   | 2.6            | 2.9            | 2.0                                 | 2.8            | 3.7            | 3.1            | 2.0            |
| <b>Nondefense consumption expenditures</b> <sup>1</sup> .....      | 34   | <b>207.3</b>   | <b>211.2</b>   | <b>208.7</b>                        | <b>212.8</b>   | <b>210.1</b>   | <b>213.4</b>   | <b>208.4</b>   |
| Gross output of general government .....                           | 35   | 214.1          | 217.0          | 216.2                               | 218.7          | 216.0          | 219.5          | 213.9          |
| Value added .....  | 36   | 122.0          | 122.4          | 122.2                               | 121.9          | 122.2          | 122.9          | 122.4          |
| Compensation of general government employees .....                 | 37   | 97.8           | 97.6           | 97.8                                | 97.3           | 97.5           | 98.1           | 97.5           |
| Consumption of general government fixed capital <sup>2</sup> ..... | 38   | 24.4           | 25.1           | 24.6                                | 24.8           | 25.0           | 25.2           | 25.4           |
| Intermediate goods and services purchased <sup>3</sup> .....       | 39   | 92.6           | 95.3           | 94.6                                | 97.7           | 94.3           | 97.3           | 91.9           |
| Durable goods .....  | 40   | 2.9            | 3.0            | 3.0                                 | 3.1            | 3.0            | 3.0            | 2.9            |
| Nondurable goods .....   | 41   | 13.4           | 13.7           | 13.9                                | 14.1           | 13.7           | 13.8           | 13.3           |
| Commodity Credit Corporation inventory change .....                | 42   | -0.6           | 0.0            | 0.1                                 | -0.2           | 0.1            | 0.0            | 0.0            |
| Other nondurable goods .....                                       | 43   | 14.0           | 13.8           | 13.8                                | 14.3           | 13.6           | 13.8           | 13.3           |
| Services .....   | 44   | 76.2           | 78.7           | 77.8                                | 80.5           | 77.8           | 80.5           | 75.8           |
| Less: Own-account investment <sup>4</sup> .....                    | 45   | 2.1            | 2.1            | 2.2                                 | 2.1            | 2.1            | 2.2            | 2.1            |
| Sales to other sectors .....                                       | 46   | 4.7            | 3.8            | 5.5                                 | 3.9            | 3.9            | 4.0            | 3.4            |
| <b>State and local consumption expenditures</b> <sup>1</sup> ..... | 47   | <b>988.0</b>   | <b>1,005.9</b> | <b>991.9</b>                        | <b>996.1</b>   | <b>1,001.2</b> | <b>1,009.0</b> | <b>1,017.2</b> |
| Gross output of general government .....                           | 48   | 1,252.7        | 1,276.6        | 1,258.3                             | 1,264.2        | 1,271.2        | 1,280.4        | 1,290.4        |
| Value added .....  | 49   | 803.5          | 812.6          | 806.4                               | 807.5          | 810.0          | 814.1          | 818.8          |
| Compensation of general government employees .....                 | 50   | 703.9          | 710.0          | 706.0                               | 706.3          | 707.9          | 711.2          | 714.8          |
| Consumption of general government fixed capital <sup>2</sup> ..... | 51   | 100.2          | 103.4          | 101.0                               | 102.0          | 102.8          | 103.8          | 104.9          |
| Intermediate goods and services purchased <sup>3</sup> .....       | 52   | 449.5          | 464.2          | 452.3                               | 456.9          | 461.5          | 466.6          | 471.9          |
| Durable goods .....  | 53   | 22.1           | 22.5           | 22.2                                | 22.3           | 22.5           | 22.6           | 22.8           |
| Nondurable goods .....   | 54   | 144.2          | 148.6          | 144.9                               | 146.3          | 147.8          | 149.3          | 150.8          |
| Services .....   | 55   | 283.2          | 293.1          | 285.2                               | 288.3          | 291.2          | 294.7          | 298.3          |
| Less: Own-account investment <sup>4</sup> .....                    | 56   | 16.0           | 16.8           | 16.2                                | 16.4           | 16.8           | 16.8           | 17.0           |
| Sales to other sectors .....                                       | 57   | 248.7          | 253.9          | 250.3                               | 251.6          | 253.1          | 254.6          | 256.2          |
| Tuition and related educational charges .....                      | 58   | 46.8           | 47.9           | 47.2                                | 47.4           | 47.7           | 48.0           | 48.3           |
| Health and hospital charges .....                                  | 59   | 120.3          | 122.1          | 120.4                               | 121.0          | 121.8          | 122.5          | 123.2          |
| Other sales .....  | 60   | 82.2           | 84.5           | 83.2                                | 83.7           | 84.3           | 84.8           | 85.3           |
| Residual .....   | 61   | -2.1           | -4.3           | -2.3                                | -4.1           | -4.0           | -4.0           | -5.5           |

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.

NOTE. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights 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 3.11.1. Percent Change From Preceding Period in Real National Defense Consumption Expenditures and Gross Investment by Type**

[Percent]

|   | Line | 2005  | 2006  | Seasonally adjusted at annual rates |       |       |       |       |
|---|------|-------|-------|-------------------------------------|-------|-------|-------|-------|
|   |      |       |       | 2005                                | 2006  |       |       |       |
|   |      |       |       |                                     | IV    | I     | II    | III   |
| <b>National defense consumption expenditures and gross investment</b> ..... | 1    | 1.7   | 1.9   | -9.9                                | 8.9   | -2.0  | -1.2  | 12.3  |
| <b>Consumption expenditures</b> <sup>1</sup> .....                          | 2    | 1.2   | 1.2   | -10.8                               | 9.1   | -4.1  | -0.9  | 11.3  |
| Gross output of general government .....                                    | 3    | 1.3   | 1.2   | -11.5                               | 9.8   | -3.3  | -1.4  | 10.1  |
| Value added .....   | 4    | 0.8   | -0.7  | 0.9                                 | -4.7  | -0.7  | 3.7   | 0.9   |
| Compensation of general government employees .....                          | 5    | 0.3   | -1.6  | 0.4                                 | -6.9  | -1.6  | 4.3   | 0.6   |
| Military .....  | 6    | -0.6  | -2.4  | 1.3                                 | -8.5  | -2.3  | 5.0   | -1.1  |
| Civilian .....  | 7    | 2.3   | 0.0   | -1.6                                | -3.5  | -0.1  | 2.6   | 4.3   |
| Consumption of general government fixed capital <sup>2</sup> .....          | 8    | 2.5   | 2.3   | 2.4                                 | 2.4   | 2.1   | 1.9   | 1.7   |
| Intermediate goods and services purchased <sup>3</sup> .....                | 9    | 1.8   | 3.5   | -24.0                               | 29.6  | -6.2  | -6.9  | 21.6  |
| Durable goods .....   | 10   | 2.4   | 5.8   | 9.8                                 | -12.3 | -1.1  | 29.8  | 22.7  |
| Aircraft .....  | 11   | -10.2 | -0.6  | 14.4                                | -22.9 | -15.8 | 26.8  | 81.0  |
| Missiles .....  | 12   | 24.0  | 5.9   | 100.3                               | -37.8 | 25.2  | -21.9 | 32.5  |
| Ships .....   | 13   | -5.9  | 5.6   | -67.6                               | 89.5  | 4.7   | 85.0  | -49.2 |
| Vehicles .....  | 14   | 37.7  | 27.7  | 12.8                                | 21.5  | -0.9  | 62.6  | -23.1 |
| Electronics .....   | 15   | 26.1  | 15.9  | 7.7                                 | -17.0 | 5.4   | 70.6  | 0.7   |
| Other durable goods .....   | 16   | -1.7  | 3.9   | -0.9                                | 5.6   | 3.1   | 20.0  | 6.6   |
| Nondurable goods .....  | 17   | -3.0  | -11.6 | -22.7                               | -0.6  | -29.8 | 7.1   | -53.5 |
| Petroleum products .....  | 18   | -4.7  | -11.5 | -37.1                               | 1.0   | -20.0 | 6.2   | -68.1 |
| Ammunition .....  | 19   | 5.6   | -4.7  | -2.9                                | -14.8 | -42.3 | 41.9  | 18.3  |
| Other nondurable goods .....  | 20   | -5.8  | -14.8 | -0.5                                | 7.5   | -37.1 | -11.3 | -57.3 |
| Services .....  | 21   | 2.2   | 4.9   | -28.6                               | 42.1  | -4.1  | -12.9 | 32.4  |
| Research and development .....  | 22   | -0.9  | 7.3   | -40.5                               | 94.8  | 0.4   | -21.3 | 21.3  |
| Installation support .....  | 23   | -0.8  | -1.9  | -17.2                               | 6.8   | -16.2 | -7.6  | 26.8  |
| Weapons support .....   | 24   | -0.1  | 2.8   | -49.5                               | 71.3  | -22.7 | -33.3 | 114.9 |
| Personnel support .....   | 25   | 8.4   | 9.4   | -23.1                               | 28.6  | 7.4   | -4.2  | 29.3  |
| Transportation of material .....  | 26   | -2.2  | 2.9   | 9.4                                 | 10.2  | -1.3  | 3.8   | 18.9  |
| Travel of persons .....   | 27   | 11.1  | -2.1  | 7.2                                 | 5.0   | -5.4  | 5.2   | 26.8  |
| Less: Own-account investment <sup>4</sup> .....                             | 28   | -5.5  | 1.5   | 5.5                                 | -3.9  | 2.1   | 4.1   | 2.8   |
| Sales to other sectors .....  | 29   | 21.7  | 13.2  | -81.3                               | 316.1 | 195.8 | -46.2 | -82.5 |
| <b>Gross investment</b> <sup>5</sup> .....                                  | 30   | 5.5   | 7.2   | -3.1                                | 7.9   | 14.1  | -3.1  | 19.0  |
| Structures .....  | 31   | -3.5  | 3.8   | 11.3                                | -19.0 | -10.7 | 4.6   | 288.2 |
| Equipment and software .....  | 32   | 6.2   | 7.5   | -4.1                                | 10.2  | 16.1  | -3.6  | 7.7   |
| Aircraft .....  | 33   | 21.6  | 4.4   | -4.9                                | 18.0  | 0.9   | -14.6 | -26.3 |
| Missiles .....  | 34   | 6.4   | 13.2  | 314.3                               | -38.2 | 83.7  | -80.7 | 410.1 |
| Ships .....   | 35   | -8.5  | 1.1   | -50.0                               | 15.5  | 64.8  | -24.5 | -2.0  |
| Vehicles .....  | 36   | 44.9  | 20.6  | -44.9                               | 33.2  | 38.5  | 81.4  | -44.1 |
| Electronics and software .....  | 37   | 13.5  | 11.2  | 7.8                                 | -6.9  | 9.8   | 32.8  | 6.0   |
| Other equipment .....   | 38   | -2.9  | 6.6   | 0.1                                 | 24.8  | -1.4  | 12.3  | 20.3  |

1. National defense consumption expenditures are defense services produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software.

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

**Table 3.11.3. Real National Defense Consumption Expenditures and Gross Investment by Type, Quantity Indexes**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>National defense consumption expenditures and gross investment</b> ..... | 1    | 130.593 | 133.073 | 130.002             | 132.808 | 132.141 | 131.740 | 135.605 |
| <b>Consumption expenditures</b> <sup>1</sup> .....                          | 2    | 128.551 | 130.044 | 127.544             | 130.343 | 128.981 | 128.681 | 132.171 |
| Gross output of general government.....                                     | 3    | 128.619 | 130.202 | 127.446             | 130.460 | 129.366 | 128.921 | 132.059 |
| Value added.....  | 4    | 108.048 | 107.300 | 108.206             | 106.903 | 106.707 | 107.674 | 107.917 |
| Compensation of general government employees.....                           | 5    | 109.389 | 107.608 | 109.277             | 107.336 | 106.895 | 108.014 | 108.186 |
| Military.....   | 6    | 112.152 | 109.498 | 111.842             | 109.385 | 108.738 | 110.082 | 109.788 |
| Civilian.....   | 7    | 104.400 | 104.354 | 104.682             | 103.765 | 103.732 | 104.407 | 105.510 |
| Consumption of general government fixed capital <sup>2</sup> .....          | 8    | 104.858 | 107.257 | 105.838             | 106.467 | 107.024 | 107.539 | 107.998 |
| Intermediate goods and services purchased <sup>3</sup> .....                | 9    | 163.094 | 168.841 | 159.574             | 170.275 | 167.587 | 164.630 | 172.871 |
| Durable goods.....  | 10   | 129.812 | 137.387 | 135.799             | 131.412 | 131.040 | 139.881 | 147.216 |
| Aircraft.....   | 11   | 104.160 | 103.550 | 106.450             | 99.736  | 95.525  | 101.369 | 117.572 |
| Missiles.....   | 12   | 128.465 | 136.006 | 148.713             | 132.061 | 139.700 | 131.345 | 140.919 |
| Ships.....  | 13   | 97.810  | 103.265 | 84.079              | 98.650  | 99.789  | 116.386 | 98.236  |
| Vehicles.....   | 14   | 143.721 | 183.530 | 167.311             | 175.653 | 175.243 | 197.899 | 185.326 |
| Electronics.....  | 15   | 200.845 | 232.713 | 225.152             | 214.920 | 217.765 | 248.880 | 249.287 |
| Other durable goods.....  | 16   | 149.019 | 154.816 | 147.784             | 149.794 | 150.949 | 157.981 | 160.538 |
| Nondurable goods.....   | 17   | 141.149 | 124.728 | 138.197             | 137.986 | 126.313 | 128.497 | 106.114 |
| Petroleum products.....   | 18   | 135.949 | 120.261 | 132.296             | 132.636 | 125.420 | 127.331 | 95.658  |
| Ammunition.....   | 19   | 199.202 | 189.759 | 207.138             | 198.988 | 173.415 | 189.258 | 197.373 |
| Other nondurable goods.....   | 20   | 123.436 | 105.161 | 119.627             | 121.802 | 108.465 | 105.273 | 85.106  |
| Services.....   | 21   | 173.189 | 181.656 | 167.614             | 182.994 | 181.077 | 174.913 | 187.641 |
| Research and development.....   | 22   | 184.690 | 198.204 | 170.603             | 201.544 | 201.760 | 190.054 | 199.459 |
| Installation support.....   | 23   | 130.523 | 128.038 | 129.517             | 131.661 | 125.960 | 123.485 | 131.045 |
| Weapons support.....  | 24   | 183.742 | 188.862 | 173.265             | 198.225 | 185.876 | 167.976 | 203.372 |
| Personnel support.....  | 25   | 205.921 | 225.282 | 206.460             | 219.853 | 223.795 | 221.404 | 236.076 |
| Transportation of material.....   | 26   | 168.245 | 173.170 | 166.799             | 170.900 | 170.331 | 171.928 | 179.520 |
| Travel of persons.....  | 27   | 159.254 | 155.934 | 152.315             | 154.189 | 152.072 | 154.025 | 163.452 |
| Less: Own-account investment <sup>4</sup> .....                             | 28   | 143.678 | 145.795 | 145.681             | 144.245 | 145.007 | 146.455 | 147.474 |
| Sales to other sectors.....   | 29   | 131.580 | 148.898 | 100.221             | 143.135 | 187.707 | 160.775 | 103.973 |
| <b>Gross investment</b> <sup>5</sup> .....                                  | 30   | 145.920 | 156.469 | 148.703             | 151.544 | 156.631 | 155.397 | 162.303 |
| Structures.....   | 31   | 85.263  | 88.462  | 86.045              | 81.631  | 79.347  | 80.239  | 112.631 |
| Equipment and software.....   | 32   | 153.436 | 164.923 | 156.470             | 160.333 | 166.443 | 164.911 | 168.006 |
| Aircraft.....   | 33   | 200.755 | 209.518 | 208.420             | 217.205 | 217.708 | 209.271 | 193.888 |
| Missiles.....   | 34   | 151.840 | 171.854 | 189.261             | 167.819 | 195.380 | 129.540 | 194.678 |
| Ships.....  | 35   | 125.840 | 127.197 | 115.745             | 120.001 | 135.964 | 126.726 | 126.100 |
| Vehicles.....   | 36   | 217.174 | 261.993 | 220.092             | 236.426 | 256.475 | 297.657 | 257.416 |
| Electronics and software.....   | 37   | 141.432 | 157.298 | 151.179             | 148.485 | 151.980 | 163.158 | 165.567 |
| Other equipment.....  | 38   | 146.192 | 155.889 | 144.000             | 152.199 | 151.670 | 156.150 | 163.535 |

1. National defense consumption expenditures are defense services produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).  
 2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.  
 3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.  
 4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software.  
 5. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

**Table 3.11.4. Price Indexes for National Defense Consumption Expenditures and Gross Investment by Type**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>National defense consumption expenditures and gross investment</b> ..... | 1    | 121.855 | 126.019 | 122.760             | 124.752 | 126.006 | 126.714 | 126.603 |
| <b>Consumption expenditures</b> <sup>1</sup> .....                          | 2    | 125.071 | 129.642 | 126.061             | 128.327 | 129.681 | 130.375 | 130.186 |
| Gross output of general government.....                                     | 3    | 125.063 | 129.614 | 126.044             | 128.300 | 129.649 | 130.343 | 130.164 |
| Value added.....  | 4    | 131.671 | 136.430 | 132.009             | 135.894 | 136.388 | 136.686 | 136.751 |
| Compensation of general government employees.....                           | 5    | 141.713 | 147.045 | 141.844             | 146.796 | 147.173 | 147.120 | 147.090 |
| Military.....   | 6    | 146.516 | 151.976 | 146.573             | 151.951 | 152.024 | 152.005 | 151.923 |
| Civilian.....   | 7    | 132.396 | 137.480 | 132.675             | 136.805 | 137.760 | 137.643 | 137.712 |
| Consumption of general government fixed capital <sup>2</sup> .....          | 8    | 107.623 | 111.014 | 108.456             | 109.818 | 110.581 | 111.688 | 111.970 |
| Intermediate goods and services purchased <sup>3</sup> .....                | 9    | 116.727 | 121.004 | 118.382             | 118.923 | 121.112 | 122.204 | 121.778 |
| Durable goods.....  | 10   | 103.728 | 105.582 | 103.896             | 104.288 | 105.421 | 106.015 | 106.603 |
| Aircraft.....   | 11   | 104.937 | 106.846 | 104.933             | 105.222 | 106.750 | 107.422 | 107.991 |
| Missiles.....   | 12   | 105.609 | 107.355 | 105.262             | 106.187 | 107.151 | 108.008 | 108.075 |
| Ships.....  | 13   | 106.894 | 109.909 | 107.871             | 108.235 | 109.735 | 110.506 | 111.162 |
| Vehicles.....   | 14   | 117.881 | 118.099 | 118.410             | 118.073 | 118.643 | 116.532 | 119.148 |
| Electronics.....  | 15   | 93.937  | 95.193  | 93.767              | 93.899  | 94.873  | 95.720  | 96.278  |
| Other durable goods.....  | 16   | 104.060 | 106.422 | 104.730             | 105.365 | 106.211 | 106.830 | 107.283 |
| Nondurable goods.....   | 17   | 137.758 | 151.970 | 148.658             | 144.162 | 156.904 | 158.739 | 148.074 |
| Petroleum products.....   | 18   | 184.637 | 215.997 | 214.186             | 199.547 | 229.490 | 232.587 | 202.365 |
| Ammunition.....   | 19   | 111.615 | 119.210 | 112.270             | 114.872 | 119.216 | 121.128 | 121.625 |
| Other nondurable goods.....   | 20   | 107.787 | 110.669 | 108.830             | 109.264 | 110.729 | 111.252 | 111.432 |
| Services.....   | 21   | 117.386 | 121.236 | 118.490             | 119.505 | 121.022 | 122.144 | 122.274 |
| Research and development.....   | 22   | 115.975 | 120.361 | 117.453             | 118.530 | 120.063 | 121.138 | 121.715 |
| Installation support.....   | 23   | 119.578 | 123.745 | 120.566             | 121.821 | 123.346 | 124.895 | 124.918 |
| Weapons support.....  | 24   | 114.430 | 117.695 | 115.459             | 116.397 | 117.528 | 118.027 | 118.828 |
| Personnel support.....  | 25   | 116.705 | 120.023 | 117.355             | 118.523 | 119.528 | 120.527 | 121.514 |
| Transportation of material.....   | 26   | 124.019 | 127.041 | 125.491             | 124.984 | 128.077 | 129.539 | 125.563 |
| Travel of persons.....  | 27   | 121.155 | 125.731 | 122.998             | 123.160 | 127.507 | 129.096 | 123.162 |
| Less: Own-account investment <sup>4</sup> .....                             | 28   | 126.127 | 131.609 | 127.119             | 130.097 | 131.602 | 131.987 | 132.749 |
| Sales to other sectors.....   | 29   | 122.661 | 123.143 | 121.976             | 122.008 | 122.699 | 123.573 | 124.292 |
| <b>Gross investment</b> <sup>5</sup> .....                                  | 30   | 101.628 | 103.405 | 102.026             | 102.438 | 103.109 | 103.880 | 104.191 |
| Structures.....   | 31   | 122.288 | 130.472 | 126.785             | 128.116 | 129.674 | 130.641 | 133.455 |
| Equipment and software.....   | 32   | 99.901  | 101.276 | 100.044             | 100.399 | 101.016 | 101.772 | 101.917 |
| Aircraft.....   | 33   | 86.839  | 85.410  | 85.933              | 85.092  | 85.464  | 86.101  | 84.982  |
| Missiles.....   | 34   | 102.142 | 101.624 | 101.402             | 102.223 | 100.889 | 101.904 | 101.482 |
| Ships.....  | 35   | 118.372 | 128.357 | 120.674             | 123.783 | 127.160 | 131.255 | 131.232 |
| Vehicles.....   | 36   | 99.263  | 98.926  | 99.866              | 99.343  | 99.159  | 96.964  | 100.239 |
| Electronics and software.....   | 37   | 89.167  | 88.642  | 88.413              | 88.472  | 88.727  | 88.708  | 88.659  |
| Other equipment.....  | 38   | 105.822 | 108.037 | 106.590             | 107.120 | 107.688 | 108.387 | 108.952 |

1. National defense consumption expenditures are defense services produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).  
 2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.  
 3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.  
 4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software.  
 5. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

**Table 3.11.5. National Defense Consumption Expenditures and Gross Investment by Type**

[Billions of dollars]

|   | Line | 2005  | 2006  | Seasonally adjusted at annual rates |       |       |       |       |
|---|------|-------|-------|-------------------------------------|-------|-------|-------|-------|
|   |      |       |       | 2005                                |       | 2006  |       |       |
|   |      |       |       | IV                                  | I     | II    | III   | IV    |
| <b>National defense consumption expenditures and gross investment</b> ..... | 1    | 589.3 | 621.0 | 590.9                               | 613.5 | 616.5 | 618.1 | 635.7 |
| <b>Consumption expenditures</b> <sup>1</sup> .....                          | 2    | 516.9 | 542.0 | 516.9                               | 537.7 | 537.7 | 539.3 | 553.2 |
| Gross output of general government .....                                    | 3    | 522.1 | 547.7 | 521.4                               | 543.2 | 544.4 | 545.4 | 557.9 |
| Value added .....   | 4    | 283.4 | 291.6 | 284.5                               | 289.3 | 289.9 | 293.1 | 293.9 |
| Compensation of general government employees .....                          | 5    | 215.4 | 219.9 | 215.4                               | 218.9 | 218.6 | 220.8 | 221.1 |
| Military .....  | 6    | 146.9 | 148.8 | 146.6                               | 148.6 | 147.8 | 149.6 | 149.2 |
| Civilian .....  | 7    | 68.4  | 71.0  | 68.8                                | 70.3  | 70.8  | 71.2  | 72.0  |
| Consumption of general government fixed capital <sup>2</sup> .....          | 8    | 68.0  | 71.7  | 69.1                                | 70.4  | 71.3  | 72.3  | 72.8  |
| Intermediate goods and services purchased <sup>3</sup> .....                | 9    | 238.7 | 256.2 | 236.9                               | 253.9 | 254.5 | 252.3 | 264.0 |
| Durable goods .....   | 10   | 30.0  | 32.3  | 31.4                                | 30.5  | 30.8  | 33.0  | 34.9  |
| Aircraft .....  | 11   | 10.7  | 10.9  | 11.0                                | 10.3  | 10.0  | 10.7  | 12.5  |
| Missiles .....  | 12   | 3.3   | 3.6   | 3.8                                 | 3.4   | 3.7   | 3.5   | 3.7   |
| Ships .....   | 13   | 1.4   | 1.5   | 1.2                                 | 1.4   | 1.4   | 1.7   | 1.4   |
| Vehicles .....  | 14   | 1.3   | 1.7   | 1.5                                 | 1.6   | 1.6   | 1.8   | 1.7   |
| Electronics .....   | 15   | 5.5   | 6.5   | 6.2                                 | 5.9   | 6.0   | 7.0   | 7.0   |
| Other durable goods .....   | 16   | 7.7   | 8.2   | 7.7                                 | 7.8   | 8.0   | 8.4   | 8.6   |
| Nondurable goods .....  | 17   | 20.3  | 19.7  | 21.3                                | 20.6  | 20.6  | 21.2  | 16.3  |
| Petroleum products .....  | 18   | 10.2  | 10.3  | 11.2                                | 10.4  | 11.3  | 11.7  | 7.6   |
| Ammunition .....  | 19   | 4.0   | 4.1   | 4.2                                 | 4.1   | 3.7   | 4.2   | 4.4   |
| Other nondurable goods .....  | 20   | 6.1   | 5.3   | 5.9                                 | 6.1   | 5.5   | 5.3   | 4.3   |
| Services .....  | 21   | 188.5 | 204.2 | 184.1                               | 202.8 | 203.2 | 198.1 | 212.7 |
| Research and development .....  | 22   | 56.3  | 62.7  | 52.7                                | 62.8  | 63.7  | 60.5  | 63.8  |
| Installation support .....  | 23   | 38.9  | 39.5  | 38.9                                | 40.0  | 38.7  | 38.4  | 40.8  |
| Weapons support .....   | 24   | 20.2  | 21.3  | 19.2                                | 22.1  | 20.9  | 19.0  | 23.2  |
| Personnel support .....   | 25   | 55.2  | 62.1  | 55.6                                | 59.8  | 61.4  | 61.2  | 65.8  |
| Transportation of material .....  | 26   | 9.0   | 9.5   | 9.0                                 | 9.2   | 9.4   | 9.6   | 9.7   |
| Travel of persons .....   | 27   | 9.1   | 9.2   | 8.8                                 | 8.9   | 9.1   | 9.3   | 9.5   |
| Less: Own-account investment <sup>4</sup> .....                             | 28   | 2.1   | 2.2   | 2.1                                 | 2.1   | 2.2   | 2.2   | 2.2   |
| Sales to other sectors .....  | 29   | 3.1   | 3.6   | 2.4                                 | 3.4   | 4.5   | 3.9   | 2.5   |
| <b>Gross investment</b> <sup>5</sup> .....                                  | 30   | 72.4  | 79.0  | 74.1                                | 75.8  | 78.8  | 78.8  | 82.5  |
| Structures .....  | 31   | 5.2   | 5.7   | 5.4                                 | 5.2   | 5.1   | 5.2   | 7.5   |
| Equipment and software .....  | 32   | 67.2  | 73.2  | 68.6                                | 70.6  | 73.7  | 73.6  | 75.1  |
| Aircraft .....  | 33   | 13.5  | 13.9  | 13.9                                | 14.3  | 14.4  | 14.0  | 12.8  |
| Missiles .....  | 34   | 4.2   | 4.7   | 5.2                                 | 4.6   | 5.3   | 3.6   | 5.3   |
| Ships .....   | 35   | 9.8   | 10.8  | 9.2                                 | 9.8   | 11.4  | 11.0  | 10.9  |
| Vehicles .....  | 36   | 3.9   | 4.7   | 4.0                                 | 4.3   | 4.7   | 5.3   | 4.7   |
| Electronics and software .....  | 37   | 12.8  | 14.1  | 13.5                                | 13.3  | 13.6  | 14.6  | 14.8  |
| Other equipment .....   | 38   | 23.0  | 25.1  | 22.8                                | 24.3  | 24.3  | 25.2  | 26.5  |

**Table 3.11.6. Real National Defense Consumption Expenditures and Gross Investment by Type, Chained Dollars**

[Billions of chained (2000) dollars]

|   | Line | 2005  | 2006  | Seasonally adjusted at annual rates |       |       |       |       |
|---|------|-------|-------|-------------------------------------|-------|-------|-------|-------|
|   |      |       |       | 2005                                |       | 2006  |       |       |
|   |      |       |       | IV                                  | I     | II    | III   | IV    |
| <b>National defense consumption expenditures and gross investment</b> ..... | 1    | 483.6 | 492.8 | 481.4                               | 491.8 | 489.3 | 487.8 | 502.2 |
| <b>Consumption expenditures</b> <sup>1</sup> .....                          | 2    | 413.3 | 418.1 | 410.0                               | 419.0 | 414.7 | 413.7 | 424.9 |
| Gross output of general government .....                                    | 3    | 417.5 | 422.6 | 413.7                               | 423.4 | 419.9 | 418.4 | 428.6 |
| Value added .....   | 4    | 215.2 | 213.7 | 215.5                               | 212.9 | 212.5 | 214.5 | 214.9 |
| Compensation of general government employees .....                          | 5    | 152.0 | 149.5 | 151.8                               | 149.1 | 148.5 | 150.1 | 150.3 |
| Military .....  | 6    | 100.3 | 97.9  | 100.0                               | 97.8  | 97.2  | 98.4  | 98.2  |
| Civilian .....  | 7    | 51.7  | 51.7  | 51.8                                | 51.4  | 51.4  | 51.7  | 52.3  |
| Consumption of general government fixed capital <sup>2</sup> .....          | 8    | 63.2  | 64.6  | 63.7                                | 64.1  | 64.5  | 64.8  | 65.0  |
| Intermediate goods and services purchased <sup>3</sup> .....                | 9    | 204.5 | 211.7 | 200.1                               | 213.5 | 210.2 | 206.5 | 216.8 |
| Durable goods .....   | 10   | 28.9  | 30.6  | 30.2                                | 29.3  | 29.2  | 31.1  | 32.8  |
| Aircraft .....  | 11   | 10.2  | 10.2  | 10.5                                | 9.8   | 9.4   | 10.0  | 11.6  |
| Missiles .....  | 12   | 3.2   | 3.3   | 3.6                                 | 3.2   | 3.4   | 3.2   | 3.5   |
| Ships .....   | 13   | 1.3   | 1.4   | 1.1                                 | 1.3   | 1.3   | 1.5   | 1.3   |
| Vehicles .....  | 14   | 1.1   | 1.4   | 1.3                                 | 1.4   | 1.4   | 1.5   | 1.4   |
| Electronics .....   | 15   | 5.9   | 6.8   | 6.6                                 | 6.3   | 6.4   | 7.3   | 7.3   |
| Other durable goods .....   | 16   | 7.4   | 7.7   | 7.3                                 | 7.4   | 7.5   | 7.9   | 8.0   |
| Nondurable goods .....  | 17   | 14.7  | 13.0  | 14.4                                | 14.4  | 13.2  | 13.4  | 11.1  |
| Petroleum products .....  | 18   | 5.5   | 4.9   | 5.4                                 | 5.4   | 5.1   | 5.2   | 3.9   |
| Ammunition .....  | 19   | 3.6   | 3.4   | 3.8                                 | 3.6   | 3.1   | 3.4   | 3.6   |
| Other nondurable goods .....  | 20   | 5.6   | 4.8   | 5.5                                 | 5.6   | 4.9   | 4.8   | 3.9   |
| Services .....  | 21   | 160.6 | 168.4 | 155.4                               | 169.7 | 162.2 | 174.0 |       |
| Research and development .....  | 22   | 48.5  | 52.1  | 44.8                                | 53.0  | 53.0  | 49.9  | 52.4  |
| Installation support .....  | 23   | 32.5  | 31.9  | 32.3                                | 32.8  | 31.4  | 30.8  | 32.7  |
| Weapons support .....   | 24   | 17.6  | 18.1  | 16.6                                | 19.0  | 17.8  | 16.1  | 19.5  |
| Personnel support .....   | 25   | 47.3  | 51.7  | 47.4                                | 50.5  | 51.4  | 50.8  | 54.2  |
| Transportation of material .....  | 26   | 7.2   | 7.4   | 7.2                                 | 7.3   | 7.3   | 7.4   | 7.7   |
| Travel of persons .....   | 27   | 7.5   | 7.3   | 7.1                                 | 7.2   | 7.1   | 7.2   | 7.7   |
| Less: Own-account investment <sup>4</sup> .....                             | 28   | 1.6   | 1.7   | 1.7                                 | 1.6   | 1.6   | 1.7   | 1.7   |
| Sales to other sectors .....  | 29   | 2.6   | 2.9   | 2.0                                 | 2.8   | 3.7   | 3.1   | 2.0   |
| <b>Gross investment</b> <sup>5</sup> .....                                  | 30   | 71.2  | 76.4  | 72.6                                | 74.0  | 76.5  | 75.9  | 79.2  |
| Structures .....  | 31   | 4.2   | 4.4   | 4.3                                 | 4.1   | 3.9   | 4.0   | 5.6   |
| Equipment and software .....  | 32   | 67.3  | 72.3  | 68.6                                | 70.3  | 73.0  | 72.3  | 73.7  |
| Aircraft .....  | 33   | 15.6  | 16.3  | 16.2                                | 16.8  | 16.9  | 16.2  | 15.0  |
| Missiles .....  | 34   | 4.1   | 4.6   | 5.1                                 | 4.5   | 5.3   | 3.5   | 5.2   |
| Ships .....   | 35   | 8.3   | 8.4   | 7.6                                 | 7.9   | 9.0   | 8.3   | 8.3   |
| Vehicles .....  | 36   | 4.0   | 4.8   | 4.0                                 | 4.3   | 4.7   | 5.4   | 4.7   |
| Electronics and software .....  | 37   | 14.3  | 15.9  | 15.3                                | 15.0  | 15.4  | 16.5  | 16.7  |
| Other equipment .....   | 38   | 21.7  | 23.2  | 21.4                                | 22.6  | 22.6  | 23.2  | 24.3  |
| Residual .....  | 39   | -4.0  | -6.8  | -4.8                                | -6.1  | -6.8  | -6.4  | -8.1  |

1. National defense consumption expenditures are defense services produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software.

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

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights 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.



## 4. Foreign Transactions

Table 4.1. Foreign Transactions in the National Income and Product Accounts

[Billions of dollars]

|   | Line | 2005    | 2006    | Seasonally adjusted at annual rates |         |         |         |         |
|---|------|---------|---------|-------------------------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                                | 2006    |         |         |         |
|   |      |         |         |                                     | IV      | I       | II      | III     |
| <b>Current receipts from the rest of the world</b> .....                        | 1    | 1,816.5 |         | 1,917.3                             | 2,008.7 | 2,109.5 | 2,170.7 |         |
| <b>Exports of goods and services</b> .....                                      | 2    | 1,303.1 | 1,466.1 | 1,352.4                             | 1,405.4 | 1,448.1 | 1,488.3 | 1,522.7 |
| Goods <sup>1</sup> .....  | 3    | 907.5   | 1,035.5 | 944.3                               | 989.3   | 1,019.1 | 1,055.8 | 1,077.6 |
| Durable .....   | 4    | 625.6   | 717.7   | 662.5                               | 689.1   | 705.0   | 726.8   | 749.9   |
| Nondurable .....  | 5    | 281.9   | 317.8   | 281.8                               | 300.3   | 314.1   | 329.0   | 327.7   |
| Services <sup>1</sup> .....   | 6    | 395.6   | 430.7   | 408.1                               | 416.0   | 429.0   | 432.5   | 445.1   |
| <b>Income receipts</b> .....  | 7    | 513.3   |         | 564.9                               | 603.3   | 661.4   | 682.3   |         |
| Wage and salary receipts .....  | 8    | 2.9     |         | 3.0                                 | 2.9     | 2.9     | 2.9     |         |
| Income receipts on assets .....   | 9    | 510.4   |         | 561.9                               | 600.4   | 658.5   | 679.4   |         |
| Interest .....  | 10   | 172.4   |         | 201.3                               | 224.1   | 256.5   | 270.5   |         |
| Dividends .....   | 11   | 320.0   |         | 453.3                               | 150.7   | 150.8   | 162.2   |         |
| Reinvested earnings on U.S. direct investment abroad .....                      | 12   | 18.0    |         | -92.8                               | 225.6   | 251.2   | 246.6   |         |
| <b>Current payments to the rest of the world</b> .....                          | 13   | 2,587.9 |         | 2,785.4                             | 2,824.8 | 2,952.0 | 3,037.6 |         |
| <b>Imports of goods and services</b> .....                                      | 14   | 2,019.9 | 2,229.4 | 2,127.8                             | 2,170.6 | 2,229.8 | 2,290.1 | 2,226.9 |
| Goods <sup>1</sup> .....  | 15   | 1,699.0 | 1,880.0 | 1,799.3                             | 1,832.6 | 1,879.0 | 1,938.8 | 1,869.7 |
| Durable .....   | 16   | 1,017.5 | 1,124.9 | 1,049.9                             | 1,095.8 | 1,112.2 | 1,143.7 | 1,147.9 |
| Nondurable .....  | 17   | 681.5   | 755.1   | 749.4                               | 736.8   | 766.8   | 795.1   | 721.7   |
| Services <sup>1</sup> .....   | 18   | 320.9   | 349.3   | 328.5                               | 338.1   | 350.8   | 351.3   | 357.2   |
| <b>Income payments</b> .....  | 19   | 481.5   |         | 552.4                               | 574.3   | 638.6   | 665.7   |         |
| Wage and salary payments .....  | 20   | 9.2     |         | 9.3                                 | 9.2     | 9.2     | 9.2     |         |
| Income payments on assets .....   | 21   | 472.2   |         | 543.1                               | 565.1   | 629.4   | 656.4   |         |
| Interest .....  | 22   | 331.2   |         | 378.9                               | 414.8   | 467.3   | 482.2   |         |
| Dividends .....   | 23   | 81.8    |         | 87.3                                | 63.1    | 69.0    | 81.6    |         |
| Reinvested earnings on foreign direct investment in the United States .....     | 24   | 59.2    |         | 77.0                                | 87.1    | 93.1    | 92.6    |         |
| <b>Current taxes and transfer payments to the rest of the world (net)</b> ..... | 25   | 86.6    | 81.9    | 105.2                               | 79.9    | 83.5    | 81.9    | 82.1    |
| From persons (net) .....  | 26   | 47.1    | 48.3    | 47.6                                | 45.2    | 48.7    | 48.8    | 50.4    |
| From government (net) .....   | 27   | 26.1    | 15.0    | 30.6                                | 14.9    | 15.6    | 15.8    | 13.8    |
| From business (net) .....   | 28   | 13.3    | 18.6    | 26.9                                | 19.9    | 19.3    | 17.3    | 17.8    |
| <b>Balance on current account, NIPAs</b> .....                                  | 29   | -771.4  |         | -868.2                              | -816.1  | -842.6  | -867.0  |         |
| <b>Addenda:</b>   |      |         |         |                                     |         |         |         |         |
| Net lending or net borrowing (-), NIPAs .....                                   | 30   | -775.8  |         | -870.2                              | -823.1  | -846.1  | -868.7  |         |
| Balance on current account, NIPAs .....   | 31   | -771.4  |         | -868.2                              | -816.1  | -842.6  | -867.0  |         |
| Less: Capital account transactions (net) <sup>2</sup> .....                     | 32   | 4.4     |         | 2.1                                 | 7.0     | 3.5     | 1.7     |         |

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.

2. Consists of capital transfers and the acquisition and disposal of nonproduced nonfinancial assets.

**Table 4.2.1. Percent Change From Preceding Period in Real Exports and in Real Imports of Goods and Services by Type of Product**

|   | Line | Seasonally adjusted at annual rates |             |             |             |             |             |             |
|---|------|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   |      | 2005                                | 2006        | 2006        |             |             |             |             |
|   |      |                                     |             | IV          | I           | II          | III         | IV          |
|   |      |                                     |             |             |             |             |             |             |
| <b>Exports of goods and services</b> .....                            | 1    | <b>6.8</b>                          | <b>8.9</b>  | <b>9.6</b>  | <b>14.0</b> | <b>6.2</b>  | <b>6.8</b>  | <b>10.5</b> |
| <b>Exports of goods</b> <sup>1</sup> .....                            | 2    | <b>7.5</b>                          | <b>10.5</b> | <b>11.5</b> | <b>17.3</b> | <b>6.0</b>  | <b>9.4</b>  | <b>8.5</b>  |
| Foods, feeds, and beverages....                                       | 3    | 5.6                                 | 9.1         | 11.8        | 15.8        | 20.7        | 13.2        | -18.3       |
| Industrial supplies and materials.....                                | 4    | 2.6                                 | 7.6         | -10.3       | 26.5        | 14.4        | 3.1         | 9.5         |
| Durable goods.....  | 5    | 8.0                                 | 10.2        | 11.1        | 8.0         | 4.8         | 4.3         | 19.4        |
| Nondurable goods.....   | 6    | -0.2                                | 6.3         | -20.6       | 38.9        | 20.3        | 2.4         | 3.9         |
| Capital goods, except automotive.....                                 | 7    | 9.2                                 | 13.5        | 28.3        | 16.3        | 6.6         | 5.6         | 15.0        |
| Civilian aircraft, engines, and parts.....                            | 8    | 16.7                                | 19.5        | 69.9        | 55.2        | -20.9       | 0.1         | 80.8        |
| Computers, peripherals, and parts.....                                | 9    | 15.3                                | 9.5         | 3.9         | 9.8         | 12.0        | -0.1        | 11.7        |
| Other.....  | 10   | 6.6                                 | 12.8        | 24.8        | 9.0         | 14.1        | 7.9         | 2.8         |
| Automotive vehicles, engines, and parts.....                          | 11   | 9.3                                 | 8.0         | 13.6        | 2.7         | -4.6        | 26.9        | -7.8        |
| Consumer goods, except automotive.....                                | 12   | 11.0                                | 10.6        | 11.7        | 15.7        | 1.1         | 15.2        | 14.9        |
| Durable goods.....  | 13   | 15.1                                | 13.3        | 9.1         | 16.8        | 12.5        | 9.5         | 18.3        |
| Nondurable goods.....   | 14   | 6.6                                 | 7.5         | 14.8        | 14.5        | -11.2       | 22.8        | 11.0        |
| Other.....  | 15   | 8.9                                 | 6.8         | 0.2         | 20.5        | -19.7       | 24.0        | 13.8        |
| <b>Exports of services</b> <sup>1</sup> .....                         | 16   | <b>5.1</b>                          | <b>5.4</b>  | <b>5.5</b>  | <b>6.7</b>  | <b>6.7</b>  | <b>0.8</b>  | <b>15.5</b> |
| Transfers under U.S. military agency sales contracts.....             | 17   | 19.4                                | -12.3       | -53.3       | 2.5         | -14.7       | -20.5       | 31.0        |
| Travel.....   | 18   | 5.3                                 | 1.4         | -3.6        | 4.4         | 8.7         | -1.8        | 19.7        |
| Passenger fares.....  | 19   | 3.0                                 | 3.3         | 10.5        | 11.9        | -24.4       | -4.4        | 12.9        |
| Other transportation.....   | 20   | -0.8                                | 7.7         | 1.2         | 28.8        | 12.8        | -2.4        | 15.2        |
| Royalties and license fees.....                                       | 21   | 5.9                                 | 4.9         | 11.3        | 1.1         | 11.3        | -3.5        | 6.6         |
| Other private services.....   | 22   | 5.9                                 | 9.5         | 20.8        | 4.1         | 9.7         | 7.1         | 16.8        |
| Other.....  | 23   | -2.7                                | 2.8         | -5.8        | 7.2         | 4.1         | 5.1         | 6.8         |
| <b>Imports of goods and services</b> .....                            | 24   | <b>6.1</b>                          | <b>5.8</b>  | <b>13.2</b> | <b>9.1</b>  | <b>1.4</b>  | <b>5.6</b>  | <b>-2.2</b> |
| <b>Imports of goods</b> <sup>1</sup> .....                            | 25   | <b>6.7</b>                          | <b>5.9</b>  | <b>14.1</b> | <b>9.4</b>  | <b>-0.1</b> | <b>7.1</b>  | <b>-3.8</b> |
| Foods, feeds, and beverages....                                       | 26   | 3.7                                 | 6.5         | 1.9         | 16.5        | -4.8        | 10.4        | -1.2        |
| Industrial supplies and materials, except petroleum and products..... | 27   | 6.8                                 | 4.0         | 15.6        | 1.9         | -1.2        | 14.2        | -19.6       |
| Durable goods.....  | 28   | 7.5                                 | 9.8         | 29.1        | 25.2        | -6.8        | 24.6        | -22.2       |
| Nondurable goods.....   | 29   | 6.1                                 | -1.5        | 4.3         | -17.4       | 6.0         | 2.1         | -15.9       |
| Petroleum and products.....   | 30   | 2.3                                 | -2.3        | 40.6        | -4.8        | -18.3       | 7.1         | -20.4       |
| Capital goods, except automotive.....                                 | 31   | 11.2                                | 11.5        | 9.7         | 16.1        | 11.6        | 13.5        | -2.7        |
| Civilian aircraft, engines, and parts.....                            | 32   | 2.4                                 | 7.3         | 19.7        | 50.1        | -14.1       | -3.9        | 54.9        |
| Computers, peripherals, and parts.....                                | 33   | 14.3                                | 17.6        | 9.3         | 34.3        | 17.0        | 18.4        | -10.4       |
| Other.....  | 34   | 11.0                                | 9.8         | 9.0         | 7.6         | 12.7        | 13.6        | -4.3        |
| Automotive vehicles, engines, and parts.....                          | 35   | 3.9                                 | 7.0         | 15.6        | 14.3        | -1.3        | -8.3        | 7.3         |
| Consumer goods, except automotive.....                                | 36   | 8.2                                 | 8.3         | 12.1        | 8.4         | 5.7         | 15.2        | 18.2        |
| Durable goods.....  | 37   | 10.9                                | 8.3         | 9.0         | 10.9        | -4.2        | 16.3        | 24.2        |
| Nondurable goods.....   | 38   | 5.1                                 | 8.3         | 15.9        | 5.5         | 18.6        | 14.0        | 11.4        |
| Other.....  | 39   | 3.0                                 | 0.7         | -22.4       | 44.1        | 1.9         | -28.6       | -23.9       |
| <b>Imports of services</b> <sup>1</sup> .....                         | 40   | <b>2.8</b>                          | <b>5.3</b>  | <b>8.3</b>  | <b>7.4</b>  | <b>9.9</b>  | <b>-2.6</b> | <b>7.1</b>  |
| Direct defense expenditures.....                                      | 41   | -5.9                                | -2.6        | 1.5         | -2.7        | -11.0       | -1.5        | -1.1        |
| Travel.....   | 42   | -1.4                                | -1.1        | 11.9        | -5.4        | 15.4        | -18.6       | 2.8         |
| Passenger fares.....  | 43   | 5.5                                 | 2.4         | -6.3        | 1.1         | 25.0        | -21.2       | 7.5         |
| Other transportation.....   | 44   | 5.2                                 | 7.3         | 17.8        | 12.4        | 8.7         | 14.1        | 7.3         |
| Royalties and license fees.....                                       | 45   | 2.3                                 | 6.7         | -9.2        | 37.7        | -2.8        | -9.2        | -8.7        |
| Other private services.....   | 46   | 6.9                                 | 11.9        | 11.9        | 12.0        | 14.4        | 6.0         | 16.3        |
| Other.....  | 47   | 0.7                                 | 0.4         | 1.6         | 0.7         | -0.6        | -0.2        | 2.2         |
| <b>Addenda:</b>   |      |                                     |             |             |             |             |             |             |
| Exports of durable goods.....   | 48   | 9.6                                 | 12.0        | 20.5        | 13.2        | 4.1         | 9.4         | 12.1        |
| Exports of nondurable goods.....                                      | 49   | 3.0                                 | 7.1         | -6.8        | 27.4        | 10.4        | 9.6         | 0.6         |
| Exports of agricultural goods <sup>2</sup> .....                      | 50   | 5.2                                 | 9.1         | 6.4         | 23.8        | 19.1        | 2.1         | -17.9       |
| Exports of nonagricultural goods.....                                 | 51   | 7.7                                 | 10.6        | 11.9        | 16.8        | 5.1         | 10.0        | 10.8        |
| Imports of durable goods.....   | 52   | 8.5                                 | 9.0         | 11.7        | 16.8        | 2.0         | 8.1         | 0.5         |
| Imports of nondurable goods.....                                      | 53   | 4.0                                 | 1.5         | 17.8        | -0.5        | -3.0        | 5.8         | -10.1       |
| Imports of nonpetroleum goods.....                                    | 54   | 7.4                                 | 7.5         | 9.7         | 12.3        | 3.9         | 7.2         | -0.4        |

**Table 4.2.2. Contributions to Percent Change in Real Exports and in Real Imports of Goods and Services by Type of Product**

|   | Line | 2005        | 2006        | Seasonally adjusted at annual rates |              |              |              |              |     |    |
|---|------|-------------|-------------|-------------------------------------|--------------|--------------|--------------|--------------|-----|----|
|   |      |             |             | 2005                                | 2006         | 2006         |              |              |     |    |
|   |      |             |             |                                     |              | IV           | I            | II           | III | IV |
|   |      |             |             |                                     |              |              |              |              |     |    |
| <b>Percent change at annual rate:</b>                                 |      |             |             |                                     |              |              |              |              |     |    |
| <b>Exports of goods and services</b> .....                            | 1    | <b>6.8</b>  | <b>8.9</b>  | <b>9.6</b>                          | <b>14.0</b>  | <b>6.2</b>   | <b>6.8</b>   | <b>10.5</b>  |     |    |
| <b>Percentage points at annual rates:</b>                             |      |             |             |                                     |              |              |              |              |     |    |
| <b>Exports of goods</b> <sup>1</sup> .....                            | 2    | <b>5.20</b> | <b>7.28</b> | <b>7.94</b>                         | <b>11.92</b> | <b>4.22</b>  | <b>6.58</b>  | <b>6.05</b>  |     |    |
| Foods, feeds, and beverages....                                       | 3    | 0.26        | 0.41        | 0.52                                | 0.69         | 0.86         | 0.59         | -0.93        |     |    |
| Industrial supplies and materials.....                                | 4    | 0.45        | 1.38        | -1.86                               | 4.36         | 2.48         | 0.58         | 1.73         |     |    |
| Durable goods.....  | 5    | 0.47        | 0.65        | 0.68                                | 0.52         | 0.32         | 0.29         | 1.27         |     |    |
| Nondurable goods.....   | 6    | -0.02       | 0.73        | -2.54                               | 3.83         | 2.16         | 0.29         | 0.46         |     |    |
| Capital goods, except automotive.....                                 | 7    | 2.55        | 3.72        | 7.24                                | 4.59         | 1.85         | 1.58         | 4.11         |     |    |
| Civilian aircraft, engines, and parts.....                            | 8    | 0.71        | 0.91        | 2.54                                | 2.40         | -1.21        | 0.00         | 3.17         |     |    |
| Computers, peripherals, and parts.....                                | 9    | 0.53        | 0.32        | 0.14                                | 0.34         | 0.38         | 0.00         | 0.37         |     |    |
| Other.....  | 10   | 1.31        | 2.49        | 4.56                                | 1.85         | 2.67         | 1.58         | 0.57         |     |    |
| Automotive vehicles, engines, and parts.....                          | 11   | 0.69        | 0.60        | 1.02                                | 0.22         | -0.35        | 1.81         | -0.59        |     |    |
| Consumer goods, except automotive.....                                | 12   | 0.95        | 0.93        | 1.02                                | 1.39         | 0.10         | 1.29         | 1.28         |     |    |
| Durable goods.....  | 13   | 0.68        | 0.63        | 0.44                                | 0.80         | 0.57         | 0.46         | 0.86         |     |    |
| Nondurable goods.....   | 14   | 0.27        | 0.30        | 0.58                                | 0.59         | -0.47        | 0.83         | 0.43         |     |    |
| Other.....  | 15   | 0.30        | 0.23        | 0.01                                | 0.68         | -0.72        | 0.73         | 0.45         |     |    |
| <b>Exports of services</b> <sup>1</sup> .....                         | 16   | <b>1.55</b> | <b>1.64</b> | <b>1.71</b>                         | <b>2.07</b>  | <b>1.97</b>  | <b>0.25</b>  | <b>4.43</b>  |     |    |
| Transfers under U.S. military agency sales contracts.....             | 17   | 0.24        | -0.17       | -1.04                               | 0.03         | -0.18        | -0.25        | 0.31         |     |    |
| Travel.....   | 18   | 0.34        | 0.09        | -0.23                               | 0.27         | 0.50         | -0.10        | 1.10         |     |    |
| Passenger fares.....  | 19   | 0.05        | 0.05        | 0.17                                | 0.19         | -0.42        | -0.07        | 0.19         |     |    |
| Other transportation.....   | 20   | -0.03       | 0.26        | 0.04                                | 0.90         | 0.41         | -0.08        | 0.48         |     |    |
| Royalties and license fees.....                                       | 21   | 0.26        | 0.22        | 0.48                                | 0.05         | 0.47         | -0.15        | 0.28         |     |    |
| Other private services.....   | 22   | 0.73        | 1.15        | 2.36                                | 0.53         | 1.14         | 0.84         | 1.98         |     |    |
| Other.....  | 23   | -0.04       | 0.04        | -0.08                               | 0.09         | 0.05         | 0.06         | 0.08         |     |    |
| <b>Percent change at annual rate:</b>                                 |      |             |             |                                     |              |              |              |              |     |    |
| <b>Imports of goods and services</b> .....                            | 24   | <b>6.1</b>  | <b>5.8</b>  | <b>13.2</b>                         | <b>9.1</b>   | <b>1.4</b>   | <b>5.6</b>   | <b>-2.2</b>  |     |    |
| <b>Percentage points at annual rates:</b>                             |      |             |             |                                     |              |              |              |              |     |    |
| <b>Imports of goods</b> <sup>1</sup> .....                            | 25   | <b>5.62</b> | <b>5.01</b> | <b>11.88</b>                        | <b>7.90</b>  | <b>-0.05</b> | <b>5.98</b>  | <b>-3.26</b> |     |    |
| Foods, feeds, and beverages....                                       | 26   | 0.13        | 0.22        | 0.07                                | 0.54         | -0.16        | 0.33         | -0.04        |     |    |
| Industrial supplies and materials, except petroleum and products..... | 27   | 0.87        | 0.51        | 2.03                                | 0.27         | -0.15        | 1.77         | -2.84        |     |    |
| Durable goods.....  | 28   | 0.49        | 0.64        | 1.74                                | 1.55         | -0.50        | 1.65         | -1.87        |     |    |
| Nondurable goods.....   | 29   | 0.38        | -0.12       | 0.28                                | -1.29        | 0.35         | 0.12         | -0.97        |     |    |
| Petroleum and products.....   | 30   | 0.26        | -0.30       | 4.85                                | -0.67        | -2.78        | 1.01         | -3.01        |     |    |
| Capital goods, except automotive.....                                 | 31   | 2.08        | 2.09        | 1.82                                | 2.88         | 2.05         | 2.41         | -0.51        |     |    |
| Civilian aircraft, engines, and parts.....                            | 32   | 0.03        | 0.09        | 0.23                                | 0.53         | -0.19        | -0.05        | 0.57         |     |    |
| Computers, peripherals, and parts.....                                | 33   | 0.66        | 0.76        | 0.43                                | 1.38         | 0.72         | 0.78         | -0.50        |     |    |
| Other.....  | 34   | 1.39        | 1.24        | 1.17                                | 0.96         | 1.53         | 1.68         | -0.58        |     |    |
| Automotive vehicles, engines, and parts.....                          | 35   | 0.48        | 0.82        | 1.81                                | 1.65         | -0.15        | -0.97        | 0.80         |     |    |
| Consumer goods, except automotive.....                                | 36   | 1.66        | 1.62        | 2.38                                | 1.64         | 1.07         | 2.80         | 3.39         |     |    |
| Durable goods.....  | 37   | 1.17        | 0.88        | 0.98                                | 1.15         | -0.45        | 1.60         | 2.38         |     |    |
| Nondurable goods.....   | 38   | 0.49        | 0.74        | 1.40                                | 0.49         | 1.52         | 1.20         | 1.01         |     |    |
| Other.....  | 39   | 0.14        | 0.03        | -1.06                               | 1.61         | 0.08         | -1.38        | -1.04        |     |    |
| <b>Imports of services</b> <sup>1</sup> .....                         | 40   | <b>0.46</b> | <b>0.84</b> | <b>1.32</b>                         | <b>1.15</b>  | <b>1.49</b>  | <b>-0.40</b> | <b>1.07</b>  |     |    |
| Direct defense expenditures.....                                      | 41   | -0.10       | -0.04       | 0.02                                | -0.04        | -0.16        | -0.02        | -0.02        |     |    |
| Travel.....   | 42   | -0.05       | -0.04       | 0.39                                | -0.18        | 0.46         | -0.66        | 0.09         |     |    |
| Passenger fares.....  | 43   | 0.07        | 0.03        | -0.08                               | 0.01         | 0.29         | -0.30        | 0.09         |     |    |
| Other transportation.....   | 44   | 0.16        | 0.22        | 0.52                                | 0.37         | 0.25         | 0.39         | 0.21         |     |    |
| Royalties and license fees.....                                       | 45   | 0.03        | 0.08        | -0.11                               | 0.40         | -0.04        | -0.12        | -0.11        |     |    |
| Other private services.....   | 46   | 0.34        | 0.58        | 0.58                                | 0.58         | 0.69         | 0.30         | 0.80         |     |    |
| Other.....  | 47   | 0.00        | 0.00        | 0.01                                | 0.00         | 0.00         | 0.00         | 0.01         |     |    |

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.

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2. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

**Table 4.2.3. Real Exports and Imports of Goods and Services by Type of Product, Quantity Indexes**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Exports of goods and services</b> .....                            | 1    | 109.105 | 118.831 | 112.054             | 115.783 | 117.536 | 119.495 | 122.510 |
| <b>Exports of goods</b> <sup>1</sup> .....                            | 2    | 107.507 | 118.755 | 111.027             | 115.535 | 117.228 | 119.898 | 122.359 |
| Foods, feeds, and beverages....                                       | 3    | 101.447 | 110.667 | 102.645             | 106.488 | 111.621 | 115.124 | 109.435 |
| Industrial supplies and materials.....                                | 4    | 107.833 | 116.060 | 105.673             | 112.078 | 115.906 | 116.792 | 119.466 |
| Durable goods.....  | 5    | 98.919  | 109.003 | 104.254             | 106.269 | 107.520 | 108.645 | 113.578 |
| Nondurable goods.....   | 6    | 113.494 | 120.625 | 106.719             | 115.851 | 121.333 | 122.064 | 123.251 |
| Capital goods, except automotive.....                                 | 7    | 103.891 | 117.954 | 110.480             | 114.725 | 116.563 | 118.157 | 122.371 |
| Civilian aircraft, engines, and parts.....                            | 8    | 103.567 | 123.778 | 111.470             | 124.414 | 117.316 | 117.334 | 136.049 |
| Computers, peripherals, and parts.....                                | 9    | 101.824 | 111.510 | 105.896             | 108.409 | 111.517 | 111.492 | 114.623 |
| Other.....  | 10   | 104.790 | 118.194 | 111.535             | 113.977 | 117.807 | 120.078 | 120.913 |
| Automotive vehicles, engines, and parts.....                          | 11   | 118.503 | 128.016 | 125.128             | 125.976 | 124.494 | 132.129 | 129.464 |
| Consumer goods, except automotive.....                                | 12   | 127.235 | 140.729 | 131.801             | 136.707 | 137.093 | 142.043 | 147.073 |
| Durable goods.....  | 13   | 131.759 | 149.288 | 137.358             | 142.791 | 147.050 | 150.435 | 156.878 |
| Nondurable goods.....   | 14   | 122.322 | 131.435 | 125.763             | 130.094 | 126.284 | 132.931 | 136.432 |
| Other.....  | 15   | 91.957  | 98.202  | 94.244              | 98.749  | 93.488  | 98.661  | 101.910 |
| <b>Exports of services</b> <sup>1</sup> .....                         | 16   | 113.118 | 119.204 | 114.693             | 116.564 | 118.463 | 118.712 | 123.077 |
| Transfers under U.S. military agency sales contracts.....             | 17   | 136.148 | 119.415 | 123.654             | 124.407 | 119.562 | 112.900 | 120.789 |
| Travel.....   | 18   | 90.829  | 92.111  | 88.889              | 89.850  | 91.735  | 91.331  | 95.527  |
| Passenger fares.....  | 19   | 73.532  | 75.964  | 77.656              | 79.862  | 74.462  | 73.631  | 75.903  |
| Other transportation.....   | 20   | 113.820 | 122.543 | 111.794             | 119.089 | 122.718 | 121.982 | 126.385 |
| Royalties and license fees.....                                       | 21   | 118.215 | 123.971 | 121.215             | 121.551 | 124.840 | 123.746 | 125.747 |
| Other private services.....   | 22   | 134.469 | 147.224 | 140.579             | 142.014 | 145.332 | 147.856 | 153.696 |
| Other.....  | 23   | 102.887 | 105.800 | 102.124             | 103.914 | 104.960 | 106.281 | 108.046 |
| <b>Imports of goods and services</b> .....                            | 24   | 123.007 | 130.197 | 126.377             | 129.146 | 129.608 | 131.378 | 130.654 |
| <b>Imports of goods</b> <sup>1</sup> .....                            | 25   | 124.640 | 132.042 | 128.331             | 131.236 | 131.218 | 133.503 | 132.211 |
| Foods, feeds, and beverages....                                       | 26   | 130.080 | 138.572 | 133.045             | 138.226 | 136.554 | 139.972 | 139.535 |
| Industrial supplies and materials, except petroleum and products..... | 27   | 124.516 | 129.467 | 128.729             | 129.337 | 128.956 | 133.316 | 126.259 |
| Durable goods.....  | 28   | 129.471 | 142.135 | 134.534             | 142.299 | 139.807 | 147.703 | 138.731 |
| Nondurable goods.....   | 29   | 119.572 | 117.829 | 123.254             | 117.500 | 119.216 | 119.846 | 114.757 |
| Petroleum and products.....   | 30   | 117.307 | 114.560 | 121.068             | 119.584 | 113.702 | 115.680 | 109.274 |
| Capital goods, except automotive.....                                 | 31   | 120.594 | 134.453 | 125.060             | 129.823 | 133.442 | 137.738 | 136.809 |
| Civilian aircraft, engines, and parts.....                            | 32   | 86.106  | 92.363  | 83.894              | 92.853  | 89.382  | 88.490  | 98.728  |
| Computers, peripherals, and parts.....                                | 33   | 155.319 | 182.631 | 162.326             | 174.749 | 181.738 | 189.578 | 184.459 |
| Other.....  | 34   | 113.789 | 124.960 | 118.385             | 120.560 | 124.213 | 128.241 | 126.826 |
| Automotive vehicles, engines, and parts.....                          | 35   | 118.057 | 126.297 | 123.221             | 127.403 | 126.991 | 124.286 | 126.507 |
| Consumer goods, except automotive.....                                | 36   | 145.091 | 157.119 | 148.093             | 151.104 | 153.195 | 158.709 | 165.467 |
| Durable goods.....  | 37   | 152.070 | 164.673 | 156.529             | 160.621 | 158.898 | 165.001 | 174.171 |
| Nondurable goods.....   | 38   | 137.669 | 149.095 | 139.130             | 140.995 | 147.147 | 152.034 | 156.203 |
| Other.....  | 39   | 102.828 | 103.576 | 99.746              | 109.283 | 109.807 | 100.942 | 94.273  |
| <b>Imports of services</b> <sup>1</sup> .....                         | 40   | 115.170 | 121.308 | 116.954             | 119.055 | 121.896 | 121.100 | 123.183 |
| Direct defense expenditures.....                                      | 41   | 146.715 | 142.865 | 147.388             | 146.392 | 142.187 | 141.642 | 141.239 |
| Travel.....   | 42   | 85.774  | 84.822  | 85.753              | 84.568  | 87.650  | 83.245  | 83.825  |
| Passenger fares.....  | 43   | 89.466  | 91.622  | 89.837              | 90.088  | 95.250  | 89.751  | 91.398  |
| Other transportation.....   | 44   | 116.843 | 125.341 | 117.312             | 120.798 | 123.349 | 127.482 | 129.734 |
| Royalties and license fees.....                                       | 45   | 132.485 | 141.397 | 133.554             | 144.675 | 143.654 | 140.211 | 137.048 |
| Other private services.....   | 46   | 145.354 | 162.681 | 151.602             | 155.946 | 161.263 | 163.618 | 169.897 |
| Other.....  | 47   | 109.179 | 109.656 | 109.471             | 109.667 | 109.496 | 109.436 | 110.025 |
| <b>Addenda:</b>   |      |         |         |                     |         |         |         |         |
| Exports of durable goods.....   | 48   | 107.101 | 119.913 | 113.262             | 116.815 | 117.999 | 120.666 | 124.174 |
| Exports of nondurable goods.....                                      | 49   | 109.802 | 117.625 | 107.389             | 114.084 | 116.936 | 119.646 | 119.835 |
| Exports of agricultural goods <sup>2</sup> .....                      | 50   | 101.382 | 110.653 | 102.485             | 108.099 | 112.931 | 113.519 | 108.063 |
| Exports of nonagricultural goods.....                                 | 51   | 108.165 | 119.609 | 111.899             | 116.323 | 117.765 | 120.609 | 123.740 |
| Imports of durable goods.....   | 52   | 125.519 | 136.852 | 129.834             | 134.971 | 135.633 | 138.309 | 138.497 |
| Imports of nondurable goods.....                                      | 53   | 124.267 | 126.172 | 126.999             | 126.830 | 125.883 | 127.656 | 124.319 |
| Imports of nonpetroleum goods.....                                    | 54   | 125.768 | 135.241 | 129.327             | 133.131 | 134.425 | 136.767 | 136.642 |

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.  
2. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

**Table 4.2.4. Price Indexes for Exports and Imports of Goods and Services by Type of Product**  
[Index numbers, 2000=100]

|   | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|---|------|---------|---------|---------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                |         | 2006    |         |         |
|   |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Exports of goods and services</b> .....                            | 1    | 108.949 | 112.540 | 110.108             | 110.737 | 112.400 | 113.631 | 113.390 |
| <b>Exports of goods</b> <sup>1</sup> .....                            | 2    | 107.628 | 111.156 | 108.450             | 109.192 | 110.852 | 112.286 | 112.296 |
| Foods, feeds, and beverages....                                       | 3    | 121.396 | 126.100 | 121.758             | 122.087 | 123.100 | 127.924 | 131.920 |
| Industrial supplies and materials.....                                | 4    | 126.641 | 138.085 | 130.596             | 132.748 | 138.162 | 141.774 | 139.656 |
| Durable goods.....  | 5    | 126.819 | 142.520 | 129.080             | 134.752 | 142.545 | 146.149 | 146.634 |
| Nondurable goods.....   | 6    | 126.371 | 135.278 | 131.214             | 131.308 | 135.386 | 138.993 | 135.426 |
| Capital goods, except automotive.....                                 | 7    | 97.788  | 98.545  | 97.423              | 97.800  | 98.357  | 98.838  | 99.185  |
| Civilian aircraft, engines, and parts.....                            | 8    | 122.042 | 126.895 | 123.363             | 125.280 | 126.753 | 127.244 | 128.304 |
| Computers, peripherals, and parts.....                                | 9    | 80.519  | 76.801  | 77.761              | 77.934  | 77.094  | 76.435  | 75.742  |
| Other.....  | 10   | 96.557  | 97.467  | 96.393              | 96.507  | 97.172  | 97.885  | 98.305  |
| Automotive vehicles, engines, and parts.....                          | 11   | 103.523 | 104.794 | 103.941             | 104.215 | 104.636 | 105.038 | 105.285 |
| Consumer goods, except automotive.....                                | 12   | 101.755 | 103.075 | 101.892             | 102.184 | 102.867 | 103.633 | 103.616 |
| Durable goods.....  | 13   | 101.606 | 102.572 | 101.771             | 101.689 | 102.405 | 103.188 | 103.005 |
| Nondurable goods.....   | 14   | 101.901 | 103.647 | 102.007             | 102.747 | 103.388 | 104.132 | 104.322 |
| Other.....  | 15   | 111.135 | 115.526 | 112.368             | 113.279 | 115.170 | 116.790 | 116.866 |
| <b>Exports of services</b> <sup>1</sup> .....                         | 16   | 112.115 | 115.822 | 114.080             | 114.430 | 116.098 | 116.815 | 115.943 |
| Transfers under U.S. military agency sales contracts.....             | 17   | 103.662 | 107.050 | 105.137             | 105.674 | 106.575 | 107.503 | 108.449 |
| Travel.....   | 18   | 109.135 | 113.768 | 111.265             | 111.833 | 114.587 | 115.205 | 113.449 |
| Passenger fares.....  | 19   | 137.593 | 138.209 | 133.733             | 132.775 | 138.013 | 140.918 | 141.130 |
| Other transportation.....   | 20   | 124.536 | 132.108 | 134.803             | 131.495 | 133.436 | 134.401 | 129.099 |
| Royalties and license fees.....                                       | 21   | 112.332 | 115.809 | 113.908             | 114.658 | 115.796 | 116.385 | 116.396 |
| Other private services.....   | 22   | 107.635 | 110.686 | 108.404             | 109.532 | 110.600 | 111.271 | 111.342 |
| Other.....  | 23   | 120.959 | 122.241 | 123.267             | 122.703 | 123.341 | 122.373 | 120.545 |
| <b>Imports of goods and services</b> .....                            | 24   | 111.268 | 116.048 | 114.117             | 113.918 | 116.608 | 118.143 | 115.522 |
| <b>Imports of goods</b> <sup>1</sup> .....                            | 25   | 109.622 | 114.528 | 112.790             | 112.331 | 115.197 | 116.824 | 113.761 |
| Foods, feeds, and beverages....                                       | 26   | 113.852 | 118.168 | 115.427             | 116.617 | 116.628 | 118.729 | 120.697 |
| Industrial supplies and materials, except petroleum and products..... | 27   | 123.104 | 130.563 | 132.065             | 128.709 | 129.290 | 131.928 | 132.327 |
| Durable goods.....  | 28   | 117.748 | 129.275 | 117.929             | 121.580 | 128.973 | 132.998 | 133.550 |
| Nondurable goods.....   | 29   | 128.925 | 130.391 | 147.671             | 135.882 | 127.928 | 128.778 | 128.974 |
| Petroleum and products.....   | 30   | 178.639 | 219.102 | 201.102             | 200.744 | 232.096 | 242.182 | 201.384 |
| Capital goods, except automotive.....                                 | 31   | 90.618  | 89.852  | 89.830              | 89.758  | 89.726  | 89.921  | 90.002  |
| Civilian aircraft, engines, and parts.....                            | 32   | 113.386 | 117.585 | 114.529             | 116.052 | 117.306 | 118.023 | 118.961 |
| Computers, peripherals, and parts.....                                | 33   | 66.928  | 61.943  | 64.567              | 63.393  | 62.125  | 61.319  | 60.936  |
| Other.....  | 34   | 99.027  | 100.173 | 98.925              | 99.326  | 99.885  | 100.604 | 100.875 |
| Automotive vehicles, engines, and parts.....                          | 35   | 103.575 | 103.965 | 103.762             | 103.519 | 103.810 | 104.197 | 104.335 |
| Consumer goods, except automotive.....                                | 36   | 99.547  | 100.088 | 99.432              | 99.636  | 99.696  | 100.359 | 100.663 |
| Durable goods.....  | 37   | 96.665  | 97.554  | 96.437              | 96.739  | 97.117  | 97.960  | 98.399  |
| Nondurable goods.....   | 38   | 102.810 | 102.910 | 102.830             | 102.909 | 102.571 | 103.011 | 103.147 |
| Other.....  | 39   | 107.658 | 110.449 | 109.418             | 109.308 | 110.088 | 111.011 | 111.387 |
| <b>Imports of services</b> <sup>1</sup> .....                         | 40   | 119.933 | 123.964 | 120.913             | 122.242 | 123.890 | 124.876 | 124.849 |
| Direct defense expenditures.....                                      | 41   | 152.087 | 159.769 | 151.195             | 152.061 | 160.023 | 163.267 | 163.727 |
| Travel.....   | 42   | 124.639 | 129.467 | 123.525             | 125.440 | 128.249 | 131.302 | 132.877 |
| Passenger fares.....  | 43   | 120.026 | 126.680 | 121.874             | 123.509 | 125.759 | 126.988 | 130.466 |
| Other transportation.....   | 44   | 128.305 | 127.178 | 132.827             | 130.301 | 128.846 | 126.378 | 123.187 |
| Royalties and license fees.....                                       | 45   | 112.299 | 115.768 | 113.869             | 114.618 | 115.    |         |         |

**Table 4.2.5. Exports and Imports of Goods and Services  
by Type of Product**  
[Billions of dollars]

|   | Line | 2005    | 2006    | Seasonally adjusted at annual rates |         |         |         |         |
|---|------|---------|---------|-------------------------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                                |         | 2006    |         |         |
|   |      |         |         | IV                                  | I       | II      | III     | IV      |
| <b>Exports of goods and services</b> .....                            | 1    | 1,303.1 | 1,466.1 | 1,352.4                             | 1,405.4 | 1,448.1 | 1,488.3 | 1,522.7 |
| <b>Exports of goods</b> <sup>1</sup> .....                            | 2    | 907.5   | 1,035.5 | 944.3                               | 989.3   | 1,019.1 | 1,055.8 | 1,077.6 |
| Foods, feeds, and beverages....                                       | 3    | 59.0    | 66.8    | 59.8                                | 62.2    | 65.7    | 70.1    | 69.1    |
| Industrial supplies and materials.....                                | 4    | 227.5   | 267.3   | 230.0                               | 248.0   | 266.9   | 276.0   | 278.1   |
| Durable goods.....  | 5    | 79.8    | 98.9    | 85.6                                | 91.1    | 97.5    | 101.0   | 105.9   |
| Nondurable goods.....   | 6    | 147.7   | 168.4   | 144.5                               | 156.9   | 169.5   | 175.0   | 172.2   |
| Capital goods, except automotive.....                                 | 7    | 362.7   | 415.1   | 384.3                               | 400.6   | 409.3   | 417.0   | 433.3   |
| Civilian aircraft, engines, and parts.....                            | 8    | 60.8    | 75.5    | 66.1                                | 74.9    | 71.5    | 71.8    | 83.9    |
| Computers, peripherals, and parts.....                                | 9    | 45.5    | 47.6    | 45.8                                | 47.0    | 47.8    | 47.4    | 48.3    |
| Other.....  | 10   | 256.4   | 291.9   | 272.4                               | 278.7   | 290.0   | 297.8   | 301.2   |
| Automotive vehicles, engines, and parts.....                          | 11   | 98.6    | 107.8   | 104.5                               | 105.5   | 104.7   | 111.5   | 109.5   |
| Consumer goods, except automotive.....                                | 12   | 115.7   | 129.7   | 120.0                               | 124.9   | 126.0   | 131.6   | 136.2   |
| Durable goods.....  | 13   | 62.5    | 71.5    | 65.3                                | 67.8    | 70.3    | 72.5    | 75.5    |
| Nondurable goods.....   | 14   | 53.2    | 58.1    | 54.7                                | 57.0    | 55.7    | 59.1    | 60.7    |
| Other.....  | 15   | 44.1    | 48.9    | 45.6                                | 48.2    | 46.4    | 49.7    | 51.3    |
| <b>Exports of services</b> <sup>1</sup> .....                         | 16   | 395.6   | 430.7   | 408.1                               | 416.0   | 429.0   | 432.5   | 445.1   |
| Transfers under U.S. military agency sales contracts.....             | 17   | 18.1    | 16.4    | 16.7                                | 16.9    | 16.3    | 15.6    | 16.8    |
| Travel.....   | 18   | 81.7    | 86.4    | 81.5                                | 82.8    | 86.6    | 86.7    | 89.3    |
| Passenger fares.....  | 19   | 20.9    | 21.7    | 21.5                                | 21.9    | 21.3    | 21.5    | 22.2    |
| Other transportation.....   | 20   | 42.2    | 48.3    | 45.0                                | 46.7    | 48.9    | 48.9    | 48.7    |
| Royalties and license fees.....                                       | 21   | 57.4    | 62.1    | 59.7                                | 60.3    | 62.5    | 62.3    | 63.3    |
| Other private services.....   | 22   | 158.2   | 178.1   | 166.6                               | 170.0   | 175.7   | 179.8   | 187.0   |
| Other.....  | 23   | 17.0    | 17.7    | 17.2                                | 17.4    | 17.7    | 17.8    | 17.8    |
| <b>Imports of goods and services</b> .....                            | 24   | 2,019.9 | 2,229.4 | 2,127.8                             | 2,170.6 | 2,229.8 | 2,290.1 | 2,226.9 |
| <b>Imports of goods</b> <sup>1</sup> .....                            | 25   | 1,699.0 | 1,880.0 | 1,799.3                             | 1,832.6 | 1,879.0 | 1,938.8 | 1,869.7 |
| Foods, feeds, and beverages....                                       | 26   | 68.1    | 75.3    | 70.6                                | 74.1    | 73.2    | 76.4    | 77.4    |
| Industrial supplies and materials, except petroleum and products..... | 27   | 264.9   | 291.9   | 293.6                               | 287.5   | 287.9   | 303.7   | 288.5   |
| Durable goods.....  | 28   | 134.8   | 162.6   | 140.4                               | 153.1   | 159.6   | 173.8   | 164.0   |
| Nondurable goods.....   | 29   | 130.0   | 129.3   | 153.2                               | 134.4   | 128.4   | 129.9   | 124.6   |
| Petroleum and products.....   | 30   | 251.9   | 301.7   | 292.6                               | 288.5   | 317.2   | 336.7   | 284.5   |
| Capital goods, except automotive.....                                 | 31   | 379.2   | 419.3   | 389.9                               | 404.4   | 415.6   | 429.9   | 427.3   |
| Civilian aircraft, engines, and parts.....                            | 32   | 25.8    | 28.7    | 25.4                                | 28.4    | 27.7    | 27.6    | 31.0    |
| Computers, peripherals, and parts.....                                | 33   | 93.3    | 101.6   | 94.2                                | 99.5    | 101.4   | 104.4   | 101.0   |
| Other.....  | 34   | 260.2   | 289.0   | 270.4                               | 276.5   | 286.4   | 297.9   | 295.4   |
| Automotive vehicles, engines, and parts.....                          | 35   | 239.5   | 257.2   | 250.4                               | 258.3   | 258.2   | 253.7   | 258.5   |
| Consumer goods, except automotive.....                                | 36   | 407.3   | 443.6   | 415.3                               | 424.6   | 430.7   | 449.2   | 469.7   |
| Durable goods.....  | 37   | 219.8   | 240.3   | 225.7                               | 232.4   | 230.8   | 241.7   | 256.3   |
| Nondurable goods.....   | 38   | 187.5   | 203.3   | 189.5                               | 192.2   | 199.9   | 207.5   | 213.4   |
| Other.....  | 39   | 88.1    | 91.0    | 86.9                                | 95.1    | 96.2    | 89.2    | 83.6    |
| <b>Imports of services</b> <sup>1</sup> .....                         | 40   | 320.9   | 349.3   | 328.5                               | 338.1   | 350.8   | 351.3   | 357.2   |
| Direct defense expenditures.....                                      | 41   | 30.1    | 30.7    | 30.0                                | 30.0    | 30.6    | 31.1    | 31.1    |
| Travel.....   | 42   | 69.2    | 71.0    | 68.5                                | 68.6    | 72.7    | 70.7    | 72.1    |
| Passenger fares.....  | 43   | 26.1    | 28.2    | 26.6                                | 27.0    | 29.1    | 27.7    | 28.9    |
| Other transportation.....   | 44   | 62.1    | 66.0    | 64.6                                | 65.3    | 65.9    | 66.8    | 66.3    |
| Royalties and license fees.....                                       | 45   | 24.5    | 27.0    | 25.0                                | 27.3    | 27.4    | 26.9    | 26.3    |
| Other private services.....   | 46   | 98.7    | 115.8   | 103.4                               | 109.4   | 114.5   | 117.4   | 121.9   |
| Other.....  | 47   | 10.2    | 10.6    | 10.3                                | 10.4    | 10.6    | 10.7    | 10.7    |
| <b>Addenda:</b>   |      |         |         |                                     |         |         |         |         |
| Exports of durable goods.....   | 48   | 625.6   | 717.7   | 662.5                               | 689.1   | 705.0   | 726.8   | 749.9   |
| Exports of nondurable goods.....                                      | 49   | 281.9   | 317.8   | 281.8                               | 300.3   | 314.1   | 329.0   | 327.7   |
| Exports of agricultural goods <sup>2</sup> .....                      | 50   | 64.9    | 73.4    | 65.9                                | 69.5    | 73.1    | 75.8    | 75.2    |
| Exports of nonagricultural goods.....                                 | 51   | 842.7   | 962.1   | 878.4                               | 919.8   | 946.0   | 980.0   | 1,002.4 |
| Imports of durable goods.....   | 52   | 1,017.5 | 1,124.9 | 1,049.9                             | 1,095.8 | 1,112.2 | 1,143.7 | 1,147.9 |
| Imports of nondurable goods.....                                      | 53   | 681.5   | 755.1   | 749.4                               | 736.8   | 766.8   | 795.1   | 721.7   |
| Imports of nonpetroleum goods.....                                    | 54   | 1,447.1 | 1,578.3 | 1,506.7                             | 1,544.0 | 1,561.9 | 1,602.1 | 1,605.2 |

**Table 4.2.6. Real Exports and Imports of Goods and Services  
by Type of Product, Chained Dollars**  
[Billions of chained (2000) dollars]

|   | Line | 2005    | 2006    | Seasonally adjusted at annual rates |         |         |         |         |
|---|------|---------|---------|-------------------------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                                |         | 2006    |         |         |
|   |      |         |         | IV                                  | I       | II      | III     | IV      |
| <b>Exports of goods and services</b> .....                            | 1    | 1,196.1 | 1,302.7 | 1,228.4                             | 1,269.3 | 1,288.5 | 1,310.0 | 1,343.1 |
| <b>Exports of goods</b> <sup>1</sup> .....                            | 2    | 843.2   | 931.4   | 870.8                               | 906.2   | 919.5   | 940.4   | 959.7   |
| Foods, feeds, and beverages....                                       | 3    | 48.6    | 53.0    | 49.1                                | 51.0    | 53.4    | 55.1    | 52.4    |
| Industrial supplies and materials.....                                | 4    | 179.7   | 193.4   | 176.1                               | 186.7   | 193.1   | 194.6   | 199.1   |
| Durable goods.....  | 5    | 62.9    | 69.3    | 66.3                                | 67.6    | 68.4    | 69.1    | 72.3    |
| Nondurable goods.....   | 6    | 116.9   | 124.3   | 109.9                               | 119.3   | 125.0   | 125.7   | 127.0   |
| Capital goods, except automotive.....                                 | 7    | 370.9   | 421.1   | 394.4                               | 409.6   | 416.1   | 421.8   | 436.9   |
| Civilian aircraft, engines, and parts.....                            | 8    | 49.8    | 59.5    | 53.6                                | 59.8    | 56.4    | 56.4    | 65.4    |
| Computers, peripherals, and parts <sup>2</sup> .....                  | 9    | .....   | .....   | .....                               | .....   | .....   | .....   | .....   |
| Other.....  | 10   | 265.5   | 299.5   | 282.6                               | 288.8   | 298.5   | 304.2   | 306.4   |
| Automotive vehicles, engines, and parts.....                          | 11   | 95.2    | 102.9   | 100.5                               | 101.2   | 100.0   | 106.2   | 104.0   |
| Consumer goods, except automotive.....                                | 12   | 113.7   | 125.8   | 117.8                               | 122.2   | 122.5   | 127.0   | 131.5   |
| Durable goods.....  | 13   | 61.5    | 69.7    | 64.2                                | 66.7    | 68.7    | 70.3    | 73.3    |
| Nondurable goods.....   | 14   | 52.2    | 56.1    | 53.7                                | 55.5    | 53.9    | 56.7    | 58.2    |
| Other.....  | 15   | 39.6    | 42.3    | 40.6                                | 42.6    | 40.3    | 42.5    | 43.9    |
| <b>Exports of services</b> <sup>1</sup> .....                         | 16   | 352.9   | 371.8   | 357.8                               | 363.6   | 369.5   | 370.3   | 383.9   |
| Transfers under U.S. military agency sales contracts.....             | 17   | 17.5    | 15.3    | 15.9                                | 16.0    | 15.3    | 14.5    | 15.5    |
| Travel.....   | 18   | 74.8    | 75.9    | 73.2                                | 74.0    | 75.6    | 75.3    | 78.7    |
| Passenger fares.....  | 19   | 15.2    | 15.7    | 16.1                                | 16.5    | 15.4    | 15.2    | 15.7    |
| Other transportation.....   | 20   | 33.9    | 36.5    | 33.3                                | 35.5    | 36.6    | 36.4    | 37.7    |
| Royalties and license fees.....                                       | 21   | 51.1    | 53.6    | 52.4                                | 52.5    | 54.0    | 53.5    | 54.4    |
| Other private services.....   | 22   | 147.0   | 160.9   | 153.7                               | 155.2   | 158.9   | 161.6   | 168.0   |
| Other.....  | 23   | 14.1    | 14.5    | 14.0                                | 14.2    | 14.4    | 14.5    | 14.8    |
| Residual.....   | 24   | -6.3    | -8.2    | -9.5                                | -7.3    | -8.2    | -9.1    | -8.3    |
| <b>Imports of goods and services</b> .....                            | 25   | 1,815.3 | 1,921.4 | 1,865.0                             | 1,905.9 | 1,912.7 | 1,938.8 | 1,928.1 |
| <b>Imports of goods</b> <sup>1</sup> .....                            | 26   | 1,549.9 | 1,641.9 | 1,595.8                             | 1,631.9 | 1,631.7 | 1,660.1 | 1,644.0 |
| Foods, feeds, and beverages....                                       | 27   | 59.8    | 63.7    | 61.2                                | 63.6    | 62.8    | 64.4    | 64.2    |
| Industrial supplies and materials, except petroleum and products..... | 28   | 215.2   | 223.7   | 222.4                               | 223.5   | 222.8   | 230.4   | 218.2   |
| Durable goods.....  | 29   | 114.5   | 125.7   | 119.0                               | 125.8   | 123.6   | 130.6   | 122.7   |
| Nondurable goods.....   | 30   | 100.9   | 99.4    | 104.0                               | 99.1    | 100.6   | 101.1   | 96.8    |
| Petroleum and products.....   | 31   | 141.0   | 137.7   | 145.5                               | 143.7   | 136.7   | 139.0   | 131.3   |
| Capital goods, except automotive.....                                 | 32   | 418.5   | 466.6   | 434.0                               | 450.5   | 463.1   | 478.0   | 474.8   |
| Civilian aircraft, engines, and parts.....                            | 33   | 22.7    | 24.4    | 22.1                                | 24.5    | 23.6    | 23.3    | 26.0    |
| Computers, peripherals, and parts <sup>2</sup> .....                  | 34   | .....   | .....   | .....                               | .....   | .....   | .....   | .....   |
| Other.....  | 35   | 262.7   | 288.5   | 273.3                               | 278.4   | 286.8   | 296.1   | 292.8   |
| Automotive vehicles, engines, and parts.....                          | 36   | 231.2   | 247.4   | 241.4                               | 249.6   | 248.7   | 243.4   | 247.8   |
| Consumer goods, except automotive.....                                | 37   | 409.2   | 443.1   | 417.6                               | 426.1   | 432.0   | 447.6   | 466.6   |
| Durable goods.....  | 38   | 227.4   | 246.3   | 234.1                               | 240.2   | 237.6   | 246.7   | 260.5   |
| Nondurable goods.....   | 39   | 182.4   | 197.5   | 184.3                               | 186.8   | 194.9   | 201.4   | 206.9   |
| Other.....  | 40   | 81.9    | 82.4    | 79.4                                | 87.0    | 87.4    | 80.3    | 75.0    |
| <b>Imports of services</b> <sup>1</sup> .....                         | 41   | 267.5   | 281.8   | 271.7                               | 276.6   | 283.2   | 281.3   | 286.1   |
| Direct defense expenditures.....                                      | 42   | 19.8    | 19.2    | 19.9                                | 19.7    | 19.2    | 19.1    | 19.0    |
| Travel.....   | 43   | 55.5    | 54.9    | 55.5                                | 54.7    | 56.7    | 53.9    | 54.2    |
| Passenger fares.....  | 44   | 21.7    | 22.2    | 21.8                                | 21.9    | 23.1    | 21.8    | 22.2    |
| Other transportation.....   | 45   | 48.4    | 51.9    | 48.6                                | 50.0    | 51.1    | 52.8    | 53.7    |
| Royalties and license fees.....                                       | 46   | 21.8    | 23.3    | 22.0                                | 23.8    | 23.7    | 23.1    | 22.6    |
| Other private services.....   | 47   | 93.1    | 104.1   | 97.1                                | 99.8    | 103.2   | 104.7   | 108.8   |
| Other.....  | 48   | 8.6     | 8.7     | 8.7                                 | 8.7     | 8.7     | 8.7     | 8.7     |
| Residual.....   | 49   | -17.5   | -39.8   | -18.6                               | -28.3   | -38.8   | -41.8   | -50.7   |
| <b>Addenda:</b>   |      |         |         |                                     |         |         |         |         |
| Exports of durable goods.....   | 50   | 609.7   | 682.6   | 644.7                               | 665.0   | 671.7   | 686.9   | 706.8   |
| Exports of nondurable goods.....                                      | 51   | 236.2   | 253.0   | 231.0                               | 245.4   | 251.5   | 257.4   | 257.8   |
| Exports of agricultural goods <sup>2</sup> .....                      | 52   | 53.5    | 58.4    | 54.1                                | 57.1    | 59.6    | 59.9    | 57.1    |
| Exports of nonagricultural goods.....                                 | 53   | 791.3   | 875.0   | 818.6                               | 850.9   | 861.5   | 882.3   | 905.2   |
| Imports of durable goods.....   | 54   | 1,030.1 | 1,123.1 | 1,065.5                             | 1,107.7 | 1,113.1 | 1,135.1 | 1,136.6 |
| Imports of nondurable goods.....                                      | 55   | 525.4   | 533.4   | 536.9                               | 536.2   | 532.2   | 539.7   | 525.6   |
| Imports of nonpetroleum goods.....                                    | 56   | 1,412.7 | 1,519.1 | 1,452.7                             | 1,495.4 | 1,510.0 | 1,536.3 | 1,534.9 |

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 are reclassified from goods to services.

2. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

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.

2. The quantity index for computers can be used to accurately measure the real growth of this component. However, because computers exhibit rapid changes in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series; accurate estimates of these contributions are shown in table 4.2.2, and real growth rates are shown in table 4.2.1.

3. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

## 5. Saving and Investment

Table 5.1. Saving and Investment

[Billions of dollars]

|   | Line | 2005    | 2006    | Seasonally adjusted at annual rates |         |         |         |         |
|---|------|---------|---------|-------------------------------------|---------|---------|---------|---------|
|   |      |         |         | 2005                                |         | 2006    |         |         |
|   |      |         |         | IV                                  | I       | II      | III     | IV      |
| <b>Gross saving</b> .....   | 1    | 1,612.0 | .....   | 1,621.2                             | 1,880.5 | 1,789.7 | 1,778.1 | .....   |
| <b>Net saving</b> .....   | 2    | 7.2     | .....   | 58.7                                | 332.4   | 216.9   | 196.1   | .....   |
| Net private saving.....   | 3    | 319.7   | .....   | 339.5                               | 466.7   | 353.9   | 379.3   | .....   |
| Personal saving.....  | 4    | -34.8   | -102.1  | -28.5                               | -29.7   | -130.8  | -133.0  | -114.8  |
| Undistributed corporate profits with inventory valuation and capital consumption adjustments..... | 5    | 354.5   | .....   | 367.9                               | 496.4   | 484.6   | 512.4   | .....   |
| Undistributed profits.....  | 6    | 542.5   | .....   | 572.7                               | 668.0   | 704.3   | 713.0   | .....   |
| Inventory valuation adjustment.....   | 7    | -32.6   | .....   | -39.2                               | -22.9   | -58.9   | -38.2   | .....   |
| Capital consumption adjustment.....   | 8    | -155.5  | -160.5  | -165.6                              | -148.6  | -160.8  | -162.4  | -170.2  |
| Wage accruals less disbursements.....   | 9    | 0.0     | 12.5    | 0.0                                 | 0.0     | 0.0     | 0.0     | 50.0    |
| Net government saving.....  | 10   | -312.5  | .....   | -280.8                              | -134.3  | -136.9  | -183.3  | .....   |
| Federal.....  | 11   | -309.2  | .....   | -263.6                              | -147.0  | -163.1  | -173.0  | .....   |
| State and local.....  | 12   | -3.3    | .....   | -17.2                               | 12.7    | 26.1    | -10.2   | .....   |
| <b>Consumption of fixed capital</b> .....   | 13   | 1,604.8 | 1,576.2 | 1,562.5                             | 1,548.0 | 1,572.8 | 1,582.0 | 1,602.1 |
| Private.....  | 14   | 1,352.6 | 1,310.6 | 1,307.5                             | 1,288.9 | 1,309.8 | 1,314.4 | 1,329.0 |
| Domestic business.....  | 15   | 1,059.1 | 1,050.4 | 1,044.4                             | 1,035.1 | 1,050.4 | 1,053.0 | 1,063.3 |
| Households and institutions.....  | 16   | 293.5   | 260.1   | 263.1                               | 253.8   | 259.5   | 261.4   | 265.7   |
| Government.....   | 17   | 252.2   | 265.7   | 255.0                               | 259.1   | 262.9   | 267.6   | 273.0   |
| Federal.....  | 18   | 99.0    | 104.3   | 100.7                               | 102.4   | 103.7   | 105.1   | 106.0   |
| State and local.....  | 19   | 153.2   | 161.4   | 154.3                               | 156.7   | 159.2   | 162.5   | 167.0   |
| <b>Gross domestic investment, capital account transactions, and net lending, NIPAs</b> .....      | 20   | 1,683.1 | .....   | 1,695.4                             | 1,818.6 | 1,825.5 | 1,801.6 | .....   |
| Gross domestic investment.....  | 21   | 2,454.5 | 2,642.8 | 2,563.6                             | 2,634.7 | 2,668.0 | 2,668.5 | 2,600.1 |
| Gross private domestic investment.....  | 22   | 2,057.4 | 2,211.6 | 2,154.5                             | 2,214.8 | 2,237.1 | 2,235.5 | 2,159.0 |
| Gross government investment.....  | 23   | 397.1   | 431.2   | 409.1                               | 419.9   | 430.9   | 433.0   | 441.1   |
| Capital account transactions (net) <sup>1</sup> .....   | 24   | 4.4     | .....   | 2.1                                 | 7.0     | 3.5     | 1.7     | .....   |
| Net lending or net borrowing (-), NIPAs.....  | 25   | -775.8  | .....   | -870.2                              | -823.1  | -846.1  | -868.7  | .....   |
| <b>Statistical discrepancy</b> .....  | 26   | 71.0    | .....   | 74.3                                | -61.9   | 35.8    | 23.5    | .....   |
| <b>Addenda:</b>   |      |         |         |                                     |         |         |         |         |
| Gross private saving.....   | 27   | 1,672.3 | .....   | 1,647.0                             | 1,755.7 | 1,663.7 | 1,693.7 | .....   |
| Gross government saving.....  | 28   | -60.2   | .....   | -25.8                               | 124.8   | 126.0   | 84.4    | .....   |
| Federal.....  | 29   | -210.1  | .....   | -162.9                              | -44.6   | -59.4   | -67.9   | .....   |
| State and local.....  | 30   | 149.9   | .....   | 137.1                               | 169.4   | 185.4   | 152.3   | .....   |
| Net domestic investment.....  | 31   | 849.7   | 1,066.6 | 1,001.1                             | 1,086.7 | 1,095.2 | 1,086.5 | 998.0   |
| <b>Gross saving as a percentage of gross national income</b> .....                                | 32   | 13.0    | .....   | 12.8                                | 14.4    | 13.6    | 13.4    | .....   |
| <b>Net saving as a percentage of gross national income</b> .....                                  | 33   | 0.1     | .....   | 0.5                                 | 2.5     | 1.6     | 1.5     | .....   |

1. Consists of capital transfers and the acquisition and disposal of nonproduced nonfinancial assets.

Table 5.3.1. Percent Change From Preceding Period in Real Private Fixed Investment by Type

[Percent]

|   | Line | 2005 | 2006 | Seasonally adjusted at annual rates |      |       |       |       |
|---|------|------|------|-------------------------------------|------|-------|-------|-------|
|   |      |      |      | 2005                                |      | 2006  |       |       |
|   |      |      |      | IV                                  | I    | II    | III   | IV    |
| <b>Private fixed investment</b> .....                         | 1    | 7.5  | 2.9  | 2.8                                 | 8.2  | -1.6  | -1.2  | -8.5  |
| <b>Nonresidential</b> .....                                   | 2    | 6.8  | 7.3  | 5.2                                 | 13.7 | 4.4   | 10.0  | -2.4  |
| <b>Structures</b> .....                                       | 3    | 1.1  | 8.8  | 12.0                                | 8.7  | 20.3  | 15.7  | -0.8  |
| Commercial and health care.....                               | 4    | -0.8 | 6.8  | 3.2                                 | 7.1  | 11.7  | 25.6  | -2.1  |
| Manufacturing.....  | 5    | 21.1 | 12.4 | 32.0                                | -1.7 | 28.0  | 11.3  | -9.7  |
| Power and communication.....                                  | 6    | -6.7 | 2.8  | 12.4                                | 14.3 | 4.9   | 16.0  | -11.5 |
| Mining exploration, shafts, and wells.....                    | 7    | 11.0 | 11.1 | 22.4                                | 2.0  | 28.0  | 10.0  | 3.7   |
| Other structures.....   | 8    | -5.2 | 13.0 | 11.1                                | 23.6 | 35.1  | 7.3   | 5.5   |
| <b>Equipment and software</b> .....                           | 9    | 8.9  | 6.6  | 2.8                                 | 15.6 | -1.4  | 7.7   | -3.2  |
| Information processing equipment and software.....            | 10   | 8.5  | 9.0  | 7.0                                 | 21.8 | -1.1  | 10.0  | 0.6   |
| Computers and peripheral equipment.....                       | 11   | 17.9 | 16.6 | 27.1                                | 24.9 | 4.7   | 22.0  | 1.5   |
| Software <sup>2</sup> .....                                   | 12   | 5.8  | 6.7  | 2.8                                 | 12.2 | 4.2   | 6.0   | 8.3   |
| Other <sup>3</sup> .....                                      | 13   | 7.2  | 8.0  | 3.0                                 | 31.6 | -9.0  | 9.3   | -7.8  |
| Industrial equipment.....                                     | 14   | 8.1  | 6.0  | 16.2                                | -3.6 | 13.6  | 0.2   | -5.4  |
| Transportation equipment.....                                 | 15   | 12.9 | 0.4  | -21.8                               | 27.7 | -22.8 | 13.6  | -14.0 |
| Other equipment <sup>4</sup> .....                            | 16   | 7.0  | 6.6  | 6.6                                 | 8.5  | 7.4   | 3.8   | -0.9  |
| <b>Residential</b> .....                                      | 17   | 8.6  | -4.2 | -0.9                                | -0.3 | -11.1 | -18.7 | -19.1 |
| <b>Structures</b> .....                                       | 18   | 8.6  | -4.3 | -1.1                                | -0.5 | -11.2 | -18.9 | -19.3 |
| Permanent site.....   | 19   | 10.6 | -5.5 | 5.6                                 | 0.8  | -17.6 | -25.0 | -29.7 |
| Single family.....  | 20   | 10.3 | -7.6 | 4.8                                 | -1.8 | -19.2 | -28.6 | -34.5 |
| Multifamily.....  | 21   | 14.1 | 12.4 | 12.5                                | 25.7 | -2.6  | 7.8   | 12.3  |
| Other structures <sup>5</sup> .....                           | 22   | 5.3  | -2.2 | -11.6                               | -2.7 | 1.1   | -7.5  | 0.0   |
| <b>Equipment</b> .....  | 23   | 5.0  | 4.7  | 9.9                                 | 13.6 | -2.9  | -2.2  | -1.3  |
| <b>Addenda:</b>   |      |      |      |                                     |      |       |       |       |
| Private fixed investment in structures.....                   | 24   | 6.3  | -0.1 | 2.8                                 | 2.4  | -1.8  | -8.0  | -12.9 |
| Private fixed investment in equipment and software.....       | 25   | 8.9  | 6.6  | 2.9                                 | 15.6 | -1.4  | 7.6   | -3.1  |
| Private fixed investment in new structures <sup>6</sup> ..... | 26   | 6.1  | 1.2  | 7.9                                 | 3.9  | -1.7  | -6.2  | -14.0 |
| Nonresidential structures.....                                | 27   | 1.0  | 8.7  | 11.9                                | 8.6  | 20.2  | 15.6  | -0.9  |
| Residential structures.....                                   | 28   | 8.9  | -3.0 | 5.9                                 | 1.5  | -12.3 | -17.7 | -21.9 |

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.

2. Excludes software "embedded," or bundled, in computers and other equipment.

3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.

4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.

5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.

6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

**Table 5.3.2. Contributions to Percent Change in Real Private Fixed Investment by Type**

|   | Line | 2005        | 2006         | Seasonally adjusted at annual rates |              |              |              |              |
|---|------|-------------|--------------|-------------------------------------|--------------|--------------|--------------|--------------|
|   |      |             |              | 2005                                |              | 2006         |              |              |
|   |      |             |              | IV                                  | I            | II           | III          | IV           |
| <b>Percent change at annual rate:</b>                         |      |             |              |                                     |              |              |              |              |
| Private fixed investment ....                                 | 1    | 7.5         | 2.9          | 2.8                                 | 8.2          | -1.6         | -1.2         | -8.5         |
| <b>Percentage points at annual rates:</b>                     |      |             |              |                                     |              |              |              |              |
| <b>Nonresidential .....</b>                                   | 2    | <b>4.28</b> | <b>4.51</b>  | <b>3.19</b>                         | <b>8.30</b>  | <b>2.72</b>  | <b>6.16</b>  | <b>-1.56</b> |
| Structures .....  | 3    | 0.19        | 1.56         | 1.92                                | 1.50         | 3.34         | 2.79         | -0.16        |
| Commercial and health care .....                              | 4    | -0.06       | 0.46         | 0.21                                | 0.46         | 0.74         | 1.61         | -0.15        |
| Manufacturing .....   | 5    | 0.22        | 0.15         | 0.34                                | -0.02        | 0.32         | 0.15         | -0.14        |
| Power and communication ...                                   | 6    | -0.15       | 0.06         | 0.23                                | 0.27         | 0.10         | 0.31         | -0.25        |
| Mining exploration, shafts, and wells .....                   | 7    | 0.36        | 0.48         | 0.81                                | 0.09         | 1.16         | 0.48         | 0.19         |
| Other structures <sup>1</sup> .....                           | 8    | -0.18       | 0.42         | 0.33                                | 0.71         | 1.03         | 0.25         | 0.20         |
| <b>Equipment and software .....</b>                           | 9    | <b>4.09</b> | <b>2.95</b>  | <b>1.27</b>                         | <b>6.80</b>  | <b>-0.62</b> | <b>3.36</b>  | <b>-1.41</b> |
| Information processing equipment and software ...             | 10   | 1.95        | 1.95         | 1.50                                | 4.52         | -0.24        | 2.13         | 0.13         |
| Computers and peripheral equipment .....                      | 11   | 0.75        | 0.64         | 0.98                                | 0.94         | 0.18         | 0.79         | 0.06         |
| Software <sup>2</sup> .....                                   | 12   | 0.57        | 0.63         | 0.26                                | 1.12         | 0.39         | 0.56         | 0.78         |
| Other <sup>3</sup> .....                                      | 13   | 0.63        | 0.68         | 0.25                                | 2.46         | -0.82        | 0.78         | -0.71        |
| Industrial equipment .....                                    | 14   | 0.62        | 0.46         | 1.16                                | -0.28        | 0.98         | 0.02         | -0.42        |
| Transportation equipment .....                                | 15   | 0.98        | 0.04         | -1.89                               | 1.90         | -1.91        | 0.92         | -1.05        |
| Other equipment <sup>4</sup> .....                            | 16   | 0.55        | 0.51         | 0.50                                | 0.66         | 0.56         | 0.30         | -0.07        |
| <b>Residential .....</b>                                      | 17   | <b>3.19</b> | <b>-1.60</b> | <b>-0.36</b>                        | <b>-0.11</b> | <b>-4.33</b> | <b>-7.31</b> | <b>-6.91</b> |
| Structures .....  | 18   | 3.17        | -1.62        | -0.40                               | -0.17        | -4.32        | -7.30        | -6.91        |
| Permanent site .....  | 19   | 2.44        | -1.32        | 1.30                                | 0.19         | -4.46        | -6.28        | -6.91        |
| Single family .....   | 20   | 2.12        | -1.62        | 1.02                                | -0.39        | -4.39        | -6.47        | -7.23        |
| Multifamily .....   | 21   | 0.31        | 0.29         | 0.29                                | 0.58         | -0.07        | 0.19         | 0.32         |
| Other structures <sup>5</sup> .....                           | 22   | 0.74        | -0.30        | -1.70                               | -0.36        | 0.14         | -1.02        | 0.00         |
| <b>Equipment .....</b>  | 23   | <b>0.02</b> | <b>0.02</b>  | <b>0.04</b>                         | <b>0.06</b>  | <b>-0.01</b> | <b>-0.01</b> | <b>-0.01</b> |
| <b>Addenda:</b>   |      |             |              |                                     |              |              |              |              |
| Private fixed investment in structures .....                  | 24   | 3.36        | -0.06        | 1.52                                | 1.33         | -0.98        | -4.51        | -7.06        |
| Private fixed investment in equipment and software .....      | 25   | 4.11        | 2.97         | 1.31                                | 6.86         | -0.63        | 3.35         | -1.41        |
| Private fixed investment in new structures <sup>6</sup> ..... | 26   | 2.98        | 0.56         | 3.76                                | 1.98         | -0.85        | -3.18        | -7.11        |
| Nonresidential structures .....                               | 27   | 0.18        | 1.54         | 1.90                                | 1.48         | 3.31         | 2.76         | -0.17        |
| Residential structures .....                                  | 28   | 2.81        | -0.98        | 1.87                                | 0.50         | -4.16        | -5.94        | -6.94        |

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.

2. Excludes software "embedded," or bundled, in computers and other equipment.

3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.

4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.

5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.

6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

**Table 5.3.3. Real Private Fixed Investment by Type, Quantity Indexes**

[Index numbers, 2000=100]

|   | Line | 2005           | 2006           | Seasonally adjusted |                |                |                |                |
|---|------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
|   |      |                |                | 2005                |                | 2006           |                |                |
|   |      |                |                | IV                  | I              | II             | III            | IV             |
| <b>Private fixed investment .....</b>                         | 1    | <b>109.708</b> | <b>112.901</b> | <b>111.811</b>      | <b>114.033</b> | <b>113.570</b> | <b>113.240</b> | <b>110.760</b> |
| <b>Nonresidential .....</b>                                   | 2    | <b>99.326</b>  | <b>106.565</b> | <b>101.308</b>      | <b>104.606</b> | <b>105.738</b> | <b>108.292</b> | <b>107.623</b> |
| <b>Structures .....</b>                                       | 3    | <b>80.302</b>  | <b>87.404</b>  | <b>81.174</b>       | <b>82.893</b>  | <b>86.819</b>  | <b>90.044</b>  | <b>89.860</b>  |
| Commercial and health care .....                              | 4    | 75.875         | 81.040         | 75.888              | 77.193         | 79.366         | 84.017         | 83.583         |
| Manufacturing .....   | 5    | 61.759         | 69.442         | 66.082              | 65.797         | 69.992         | 71.895         | 70.083         |
| Power and communication ...                                   | 6    | 71.479         | 73.451         | 69.626              | 71.989         | 72.859         | 75.619         | 73.339         |
| Mining exploration, shafts, and wells .....                   | 7    | 134.078        | 148.969        | 139.450             | 140.128        | 149.062        | 152.640        | 154.044        |
| Other structures <sup>1</sup> .....                           | 8    | 74.770         | 84.496         | 74.755              | 78.828         | 84.988         | 86.500         | 87.669         |
| <b>Equipment and software .....</b>                           | 9    | <b>107.180</b> | <b>114.241</b> | <b>109.653</b>      | <b>113.704</b> | <b>113.313</b> | <b>115.434</b> | <b>114.514</b> |
| Information processing equipment and software ...             | 10   | 118.169        | 128.755        | 121.307             | 127.437        | 127.088        | 130.156        | 130.340        |
| Computers and peripheral equipment .....                      | 11   | 163.269        | 190.344        | 173.913             | 183.839        | 185.956        | 195.437        | 196.143        |
| Software <sup>2</sup> .....                                   | 12   | 117.072        | 124.878        | 118.920             | 122.383        | 123.658        | 125.468        | 128.004        |
| Other <sup>3</sup> .....                                      | 13   | 101.880        | 110.064        | 103.947             | 111.339        | 108.753        | 111.205        | 108.958        |
| Industrial equipment .....                                    | 14   | 90.147         | 95.575         | 94.468              | 93.602         | 96.640         | 96.891         | 95.366         |
| Transportation equipment .....                                | 15   | 90.382         | 90.771         | 89.030              | 94.635         | 88.698         | 91.571         | 88.180         |
| Other equipment <sup>4</sup> .....                            | 16   | 112.290        | 119.678        | 115.224             | 117.597        | 119.702        | 120.837        | 120.578        |
| <b>Residential .....</b>                                      | 17   | <b>136.050</b> | <b>130.344</b> | <b>138.495</b>      | <b>138.391</b> | <b>134.368</b> | <b>127.601</b> | <b>121.015</b> |
| <b>Structures .....</b>                                       | 18   | <b>136.160</b> | <b>130.306</b> | <b>138.599</b>      | <b>138.440</b> | <b>134.378</b> | <b>127.535</b> | <b>120.871</b> |
| Permanent site .....  | 19   | 141.681        | 133.820        | 146.307             | 146.598        | 139.692        | 129.985        | 119.005        |
| Single family .....   | 20   | 142.013        | 131.291        | 146.396             | 145.741        | 138.160        | 127.013        | 114.252        |
| Multifamily .....   | 21   | 138.770        | 155.909        | 145.525             | 154.078        | 153.066        | 155.956        | 160.538        |
| Other structures <sup>5</sup> .....                           | 22   | 127.527        | 124.772        | 126.591             | 125.738        | 126.070        | 123.635        | 123.646        |
| <b>Equipment .....</b>  | 23   | <b>128.239</b> | <b>134.292</b> | <b>131.261</b>      | <b>135.523</b> | <b>134.514</b> | <b>133.778</b> | <b>133.351</b> |
| <b>Addenda:</b>   |      |                |                |                     |                |                |                |                |
| Private fixed investment in structures .....                  | 24   | 112.707        | 112.643        | 114.497             | 115.170        | 114.647        | 112.280        | 108.476        |
| Private fixed investment in equipment and software .....      | 25   | 107.352        | 114.404        | 109.829             | 113.882        | 113.485        | 115.582        | 114.667        |
| Private fixed investment in new structures <sup>6</sup> ..... | 26   | 109.439        | 110.745        | 111.947             | 113.031        | 112.543        | 110.754        | 106.652        |
| Nonresidential structures .....                               | 27   | 80.287         | 87.303         | 81.141              | 82.832         | 86.729         | 89.924         | 89.728         |
| Residential structures .....                                  | 28   | 133.472        | 129.459        | 137.357             | 137.880        | 133.419        | 127.079        | 119.460        |

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.

2. Excludes software "embedded," or bundled, in computers and other equipment.

3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.

4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.

5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.

6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

**Table 5.3.4. Price Indexes for Private Fixed Investment by Type**

[Index numbers, 2000=100]

|  | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|--|------|---------|---------|---------------------|---------|---------|---------|---------|
|  |      |         |         | 2005                |         | 2006    |         |         |
|  |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Private fixed investment</b> .....                            | 1    | 110.542 | 114.161 | 112.194             | 113.238 | 114.074 | 114.224 | 115.109 |
| <b>Nonresidential</b> .....                                      | 2    | 103.428 | 106.359 | 104.510             | 105.471 | 106.266 | 106.501 | 107.198 |
| <b>Structures</b> .....  | 3    | 134.647 | 149.967 | 141.476             | 145.684 | 149.432 | 151.372 | 153.380 |
| Commercial and health care                                       | 4    | 127.001 | 136.647 | 131.210             | 133.482 | 135.627 | 137.311 | 140.165 |
| Manufacturing.....   | 5    | 122.924 | 131.931 | 126.615             | 129.037 | 131.133 | 132.536 | 135.019 |
| Power and communication  | 6    | 123.233 | 129.052 | 124.987             | 126.637 | 128.151 | 129.733 | 131.686 |
| Mining exploration, shafts,<br>and wells .....                   | 7    | 209.732 | 265.523 | 236.244             | 252.697 | 267.060 | 271.460 | 270.873 |
| Other structures <sup>1</sup> .....                              | 8    | 123.118 | 131.176 | 126.442             | 128.550 | 130.395 | 131.753 | 134.006 |
| <b>Equipment and software</b> .....                              | 9    | 94.134  | 93.889  | 93.754              | 93.887  | 93.920  | 93.704  | 94.046  |
| Information processing<br>equipment and software ...             | 10   | 82.218  | 80.541  | 81.313              | 80.940  | 80.737  | 80.438  | 80.048  |
| Computers and peripheral<br>equipment .....                      | 11   | 51.407  | 44.818  | 48.634              | 47.125  | 45.443  | 43.889  | 42.817  |
| Software <sup>2</sup> .....                                      | 12   | 94.067  | 94.986  | 94.009              | 94.430  | 95.005  | 95.354  | 95.155  |
| Other <sup>3</sup> .....   | 13   | 90.492  | 90.569  | 90.343              | 90.186  | 90.523  | 90.737  | 90.832  |
| Industrial equipment.....  | 14   | 108.064 | 111.068 | 108.973             | 109.659 | 110.544 | 111.715 | 112.355 |
| Transportation equipment.....                                    | 15   | 108.882 | 108.530 | 107.933             | 108.867 | 109.257 | 106.894 | 109.103 |
| Other equipment <sup>4</sup> .....                               | 16   | 108.174 | 110.318 | 109.100             | 109.841 | 109.608 | 110.339 | 111.486 |
| <b>Residential</b> .....   | 17   | 126.714 | 131.774 | 129.536             | 130.765 | 131.696 | 131.655 | 132.981 |
| <b>Structures</b> .....  | 18   | 127.205 | 132.306 | 130.063             | 131.293 | 132.236 | 132.182 | 133.513 |
| Permanent site .....   | 19   | 128.285 | 133.223 | 130.869             | 132.247 | 133.034 | 132.781 | 134.832 |
| Single family .....  | 20   | 128.918 | 133.762 | 131.398             | 132.782 | 133.572 | 133.318 | 135.377 |
| Multifamily .....  | 21   | 122.984 | 128.240 | 125.973             | 127.300 | 128.058 | 127.814 | 129.788 |
| Other structures <sup>5</sup> .....                              | 22   | 125.627 | 131.024 | 128.948             | 129.920 | 131.133 | 131.404 | 131.638 |
| <b>Equipment</b> .....   | 23   | 96.852  | 99.297  | 97.347              | 98.518  | 98.710  | 99.454  | 100.505 |
| <b>Addenda:</b>  |      |         |         |                     |         |         |         |         |
| Private fixed investment in<br>structures.....                   | 24   | 129.651 | 137.836 | 133.679             | 135.796 | 137.602 | 138.195 | 139.751 |
| Private fixed investment in<br>equipment and software .....      | 25   | 94.156  | 93.937  | 93.785              | 93.928  | 93.962  | 93.755  | 94.103  |
| Private fixed investment in new<br>structures <sup>6</sup> ..... | 26   | 130.078 | 138.724 | 134.145             | 136.448 | 138.434 | 139.107 | 140.905 |
| Nonresidential structures.....                                   | 27   | 134.842 | 150.268 | 141.714             | 145.953 | 149.726 | 151.683 | 153.712 |
| Residential structures.....                                      | 28   | 127.366 | 132.643 | 130.072             | 131.433 | 132.510 | 132.478 | 134.150 |

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
2. Excludes software "embedded," or bundled, in computers and other equipment.
3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

**Table 5.3.5. Private Fixed Investment by Type**

[Billions of dollars]

|  | Line | 2005    | 2006    | Seasonally adjusted at annual rates |         |         |         |         |
|--|------|---------|---------|-------------------------------------|---------|---------|---------|---------|
|  |      |         |         | 2005                                |         | 2006    |         |         |
|  |      |         |         | IV                                  | I       | II      | III     | IV      |
| <b>Private fixed investment</b> .....                            | 1    | 2,036.2 | 2,163.5 | 2,105.8                             | 2,167.7 | 2,174.8 | 2,171.4 | 2,140.2 |
| <b>Nonresidential</b> .....                                      | 2    | 1,265.7 | 1,396.4 | 1,304.3                             | 1,359.2 | 1,384.3 | 1,420.8 | 1,421.3 |
| <b>Structures</b> .....  | 3    | 338.6   | 410.8   | 359.7                               | 378.2   | 406.3   | 426.9   | 431.7   |
| Commercial and health care                                       | 4    | 132.5   | 152.4   | 137.0                               | 141.7   | 148.1   | 158.7   | 161.2   |
| Manufacturing.....   | 5    | 24.1    | 29.1    | 26.6                                | 27.0    | 29.2    | 30.3    | 30.1    |
| Power and communication  | 6    | 41.2    | 44.4    | 40.7                                | 42.7    | 43.7    | 45.9    | 45.2    |
| Mining exploration, shafts,<br>and wells .....                   | 7    | 76.4    | 107.3   | 89.3                                | 96.0    | 107.9   | 112.3   | 113.1   |
| Other structures <sup>1</sup> .....                              | 8    | 64.3    | 77.5    | 66.1                                | 70.8    | 77.4    | 79.6    | 82.1    |
| <b>Equipment and software</b> .....                              | 9    | 927.1   | 985.6   | 944.7                               | 981.0   | 977.9   | 994.0   | 989.6   |
| Information processing<br>equipment and software ...             | 10   | 454.3   | 485.0   | 461.3                               | 482.4   | 479.9   | 489.6   | 487.9   |
| Computers and peripheral<br>equipment .....                      | 11   | 85.1    | 86.6    | 85.9                                | 88.0    | 85.9    | 87.2    | 85.3    |
| Software <sup>2</sup> .....                                      | 12   | 194.0   | 209.0   | 196.9                               | 203.6   | 207.0   | 210.8   | 214.6   |
| Other <sup>3</sup> .....   | 13   | 175.2   | 189.4   | 178.4                               | 190.8   | 187.1   | 191.7   | 188.1   |
| Industrial equipment.....  | 14   | 155.1   | 169.0   | 163.9                               | 163.4   | 170.1   | 172.0   | 170.6   |
| Transportation equipment.....                                    | 15   | 158.3   | 158.5   | 154.6                               | 165.7   | 155.9   | 157.5   | 154.8   |
| Other equipment <sup>4</sup> .....                               | 16   | 159.4   | 173.2   | 164.9                               | 169.4   | 172.1   | 174.9   | 176.3   |
| <b>Residential</b> .....   | 17   | 770.4   | 767.1   | 801.5                               | 808.5   | 790.6   | 750.5   | 719.0   |
| <b>Structures</b> .....  | 18   | 761.3   | 757.3   | 792.1                               | 798.7   | 780.8   | 740.7   | 709.1   |
| Permanent site.....  | 19   | 481.7   | 472.1   | 507.3                               | 513.7   | 492.4   | 457.3   | 425.1   |
| Single family .....  | 20   | 433.5   | 415.6   | 455.5                               | 458.2   | 437.0   | 401.0   | 366.2   |
| Multifamily .....  | 21   | 48.2    | 56.5    | 51.8                                | 55.4    | 55.4    | 56.3    | 58.9    |
| Other structures <sup>5</sup> .....                              | 22   | 279.6   | 285.2   | 284.8                               | 285.0   | 288.4   | 283.5   | 284.0   |
| <b>Equipment</b> .....   | 23   | 9.1     | 9.8     | 9.4                                 | 9.8     | 9.8     | 9.8     | 9.9     |
| <b>Addenda:</b>  |      |         |         |                                     |         |         |         |         |
| Private fixed investment in<br>structures.....                   | 24   | 1,099.9 | 1,168.1 | 1,151.8                             | 1,176.9 | 1,187.1 | 1,167.6 | 1,140.8 |
| Private fixed investment in<br>equipment and software .....      | 25   | 936.2   | 995.4   | 954.1                               | 990.8   | 987.7   | 1,003.7 | 999.5   |
| Private fixed investment in new<br>structures <sup>6</sup> ..... | 26   | 992.4   | 1,070.4 | 1,046.5                             | 1,074.8 | 1,085.7 | 1,073.7 | 1,047.3 |
| Nonresidential structures.....                                   | 27   | 337.9   | 409.7   | 358.9                               | 377.4   | 405.3   | 425.8   | 430.5   |
| Residential structures.....                                      | 28   | 654.5   | 660.6   | 687.6                               | 697.4   | 680.4   | 647.9   | 616.8   |

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
2. Excludes software "embedded," or bundled, in computers and other equipment.
3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.



Table 5.3.6. Real Private Fixed Investment by Type, Chained Dollars

[Billions of chained (2000) dollars]

|   | Line      | 2005           | 2006           | Seasonally adjusted at annual rates |                |                |                |                |
|---|-----------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|   |           |                |                | 2005                                |                | 2006           |                |                |
|   |           |                |                | IV                                  | I              | II             | III            | IV             |
| <b>Private fixed investment ....</b>                          | <b>1</b>  | <b>1,842.0</b> | <b>1,895.6</b> | <b>1,877.3</b>                      | <b>1,914.6</b> | <b>1,906.8</b> | <b>1,901.3</b> | <b>1,859.6</b> |
| <b>Nonresidential .....</b>                                   | <b>2</b>  | <b>1,223.8</b> | <b>1,313.0</b> | <b>1,248.2</b>                      | <b>1,288.8</b> | <b>1,302.8</b> | <b>1,334.2</b> | <b>1,326.0</b> |
| <b>Structures .....</b>                                       | <b>3</b>  | <b>251.5</b>   | <b>273.7</b>   | <b>254.2</b>                        | <b>259.6</b>   | <b>271.9</b>   | <b>282.0</b>   | <b>281.4</b>   |
| Commercial and health care                                    | 4         | 104.4          | 111.5          | 104.4                               | 106.2          | 109.2          | 115.6          | 115.0          |
| Manufacturing.....  | 5         | 19.6           | 22.1           | 21.0                                | 20.9           | 22.3           | 22.9           | 22.3           |
| Power and communication .....                                 | 6         | 33.5           | 34.4           | 32.6                                | 33.7           | 34.1           | 35.4           | 34.3           |
| Mining exploration, shafts, and wells .....                   | 7         | 36.4           | 40.5           | 37.9                                | 38.1           | 40.5           | 41.5           | 41.9           |
| Other structures <sup>1</sup> .....                           | 8         | 52.2           | 59.0           | 52.2                                | 55.1           | 59.4           | 60.4           | 61.2           |
| <b>Equipment and software.....</b>                            | <b>9</b>  | <b>984.9</b>   | <b>1,049.8</b> | <b>1,007.6</b>                      | <b>1,044.8</b> | <b>1,041.2</b> | <b>1,060.7</b> | <b>1,052.3</b> |
| Information processing equipment and software...              | 10        | 552.6          | 602.1          | 567.3                               | 595.9          | 594.3          | 608.6          | 609.5          |
| Computers and peripheral equipment <sup>2</sup> .....         | 11        |                |                |                                     |                |                |                |                |
| Software <sup>3</sup> .....                                   | 12        | 206.2          | 220.0          | 209.5                               | 215.6          | 217.8          | 221.0          | 225.5          |
| Other <sup>4</sup> .....                                      | 13        | 193.6          | 209.1          | 197.5                               | 211.6          | 206.7          | 211.3          | 207.0          |
| Industrial equipment.....                                     | 14        | 143.5          | 152.2          | 150.4                               | 149.0          | 153.9          | 153.9          | 151.8          |
| Transportation equipment.....                                 | 15        | 145.4          | 146.0          | 143.2                               | 152.2          | 142.7          | 147.3          | 141.8          |
| Other equipment <sup>5</sup> .....                            | 16        | 147.3          | 157.0          | 151.2                               | 154.3          | 157.1          | 158.6          | 158.2          |
| <b>Residential .....</b>                                      | <b>17</b> | <b>608.0</b>   | <b>582.5</b>   | <b>618.9</b>                        | <b>618.5</b>   | <b>600.5</b>   | <b>570.3</b>   | <b>540.8</b>   |
| <b>Structures .....</b>                                       | <b>18</b> | <b>598.5</b>   | <b>572.8</b>   | <b>609.2</b>                        | <b>608.5</b>   | <b>590.6</b>   | <b>560.6</b>   | <b>531.3</b>   |
| Permanent site .....  | 19        | 375.5          | 354.7          | 387.8                               | 388.6          | 370.2          | 344.5          | 315.4          |
| Single family .....   | 20        | 336.3          | 310.9          | 346.6                               | 345.1          | 327.1          | 300.8          | 270.5          |
| Multifamily .....   | 21        | 39.2           | 44.1           | 41.1                                | 43.5           | 43.3           | 44.1           | 45.4           |
| Other structures <sup>6</sup> .....                           | 22        | 222.5          | 217.7          | 220.9                               | 219.4          | 220.0          | 215.7          | 215.8          |
| <b>Equipment.....</b>   | <b>23</b> | <b>9.4</b>     | <b>9.9</b>     | <b>9.7</b>                          | <b>10.0</b>    | <b>9.9</b>     | <b>9.8</b>     | <b>9.8</b>     |
| Residual .....  | 24        | -13.1          | -31.9          | -17.3                               | -26.6          | -25.8          | -35.3          | -39.9          |
| <b>Addenda:</b>   |           |                |                |                                     |                |                |                |                |
| Private fixed investment in structures.....                   | 25        | 848.4          | 847.9          | 861.9                               | 866.9          | 863.0          | 845.2          | 816.5          |
| Private fixed investment in equipment and software.....       | 26        | 994.3          | 1,059.7        | 1,017.3                             | 1,054.8        | 1,051.2        | 1,070.6        | 1,062.1        |
| Private fixed investment in new structures <sup>7</sup> ..... | 27        | 762.9          | 772.0          | 780.4                               | 788.0          | 784.6          | 772.1          | 743.5          |
| Nonresidential structures.....                                | 28        | 250.6          | 272.5          | 253.3                               | 258.6          | 270.7          | 280.7          | 280.1          |
| Residential structures.....                                   | 29        | 513.9          | 499.4          | 528.8                               | 530.8          | 513.9          | 489.3          | 459.9          |

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.

2. The quantity index for computers can be used to accurately measure the real growth rate of this component. However, because computers exhibit rapid changes in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series; accurate estimates of these contributions are shown in table 5.3.2 and real growth rates are shown in table 5.3.1.

3. Excludes software "embedded," or bundled, in computers and other equipment.

4. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.

5. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.

6. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.

7. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

NOTE. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights 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 5.6.5B. Change in Private Inventories by Industry

[Billions of dollars]

|   | Line     | 2005        | 2006        | Seasonally adjusted at annual rates |             |             |             |             |
|---|----------|-------------|-------------|-------------------------------------|-------------|-------------|-------------|-------------|
|   |          |             |             | 2005                                |             | 2006        |             |             |
|   |          |             |             | IV                                  | I           | II          | III         | IV          |
| <b>Change in private inventories.....</b>                 | <b>1</b> | <b>21.3</b> | <b>48.1</b> | <b>48.6</b>                         | <b>47.2</b> | <b>62.3</b> | <b>64.2</b> | <b>18.7</b> |
| Farm.....   | 2        | 0.3         | 3.1         | 5.8                                 | 5.4         | 2.3         | 2.5         | 2.3         |
| Mining, utilities, and construction                       | 3        | 1.8         | 2.1         | -0.4                                | -3.1        | 7.7         | 2.3         | 1.4         |
| Manufacturing .....                                       | 4        | -3.2        | 11.7        | 0.1                                 | 9.2         | 13.9        | 12.8        | 10.9        |
| Durable goods industries.....                             | 5        | 1.2         | 8.6         | -1.5                                | -0.2        | 6.5         | 11.0        | 16.9        |
| Nondurable goods industries.....                          | 6        | -4.3        | 3.1         | 1.6                                 | 9.4         | 7.4         | 1.8         | -6.0        |
| Wholesale trade.....                                      | 7        | 17.1        | 21.5        | 14.7                                | 16.8        | 22.0        | 38.7        | 8.6         |
| Durable goods industries.....                             | 8        | 14.3        | 14.7        | 18.8                                | 6.8         | 16.5        | 30.3        | 5.3         |
| Nondurable goods industries.....                          | 9        | 2.8         | 6.8         | -4.1                                | 10.0        | 5.5         | 8.4         | 3.3         |
| Retail trade .....  | 10       | 5.4         | 3.9         | 27.6                                | 13.5        | 8.3         | 2.3         | -8.4        |
| Motor vehicle and parts dealers                           | 11       | -2.7        | -4.4        | 19.5                                | 5.5         | 1.0         | -7.0        | -17.0       |
| Food and beverage stores.....                             | 12       | 0.0         | 0.6         | 1.5                                 | 1.1         | 1.2         | 0.2         | -0.2        |
| General merchandise stores.....                           | 13       | 2.9         | 1.2         | 1.2                                 | -4.9        | -0.5        | 5.2         | 5.1         |
| Other retail stores .....                                 | 14       | 5.2         | 6.5         | 5.4                                 | 11.8        | 6.7         | 3.8         | 3.8         |
| Other industries .....                                    | 15       | -0.1        | 5.7         | 0.9                                 | 5.5         | 8.0         | 5.5         | 3.9         |
| <b>Addenda:</b>   |          |             |             |                                     |             |             |             |             |
| Change in private inventories ...                         | 16       | 21.3        | 48.1        | 48.6                                | 47.2        | 62.3        | 64.2        | 18.7        |
| Durable goods industries.....                             | 17       | 17.3        | 17.6        | 41.6                                | 14.3        | 25.1        | 35.2        | -4.0        |
| Nondurable goods industries.....                          | 18       | 4.0         | 30.4        | 7.0                                 | 32.9        | 37.2        | 28.9        | 22.7        |
| Nonfarm industries.....                                   | 19       | 21.0        | 45.0        | 42.8                                | 41.8        | 59.9        | 61.6        | 16.5        |
| Nonfarm change in book value <sup>1</sup> .....           | 20       | 72.3        | 75.3        | 115.7                               | 47.1        | 117.6       | 103.0       | 33.3        |
| Nonfarm inventory valuation adjustment <sup>2</sup> ..... | 21       | -51.3       | -30.3       | -72.9                               | -5.3        | -57.7       | -41.4       | -16.9       |
| Wholesale trade.....                                      | 22       | 17.1        | 21.5        | 14.7                                | 16.8        | 22.0        | 38.7        | 8.6         |
| Merchant wholesale trade.....                             | 23       | 16.7        | 18.1        | 16.4                                | 14.0        | 22.5        | 33.1        | 3.0         |
| Durable goods industries.....                             | 24       | 13.7        | 12.8        | 19.7                                | 7.4         | 18.0        | 25.3        | 0.4         |
| Nondurable goods industries.....                          | 25       | 3.0         | 5.4         | -3.2                                | 6.6         | 4.5         | 7.7         | 2.7         |
| Nonmerchant wholesale trade .....                         | 26       | 0.4         | 3.4         | -1.7                                | 2.8         | -0.5        | 5.6         | 5.5         |

1. This series is derived from the Census Bureau series "current cost inventories."

2. The inventory valuation adjustment (IVA) shown in this table differs from the IVA that adjusts business incomes. The IVA in this table reflects the mix of methods (such as first-in, first-out and last-in, first-out) underlying inventories derived primarily from Census Bureau statistics (see footnote 1). This mix differs from that underlying business income derived primarily from Internal Revenue Service statistics.

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

Table 5.6.6B. Real Change in Private Inventories by Industry, Chained Dollars

[Billions of chained (2000) dollars]

|   | Line     | 2005        | 2006        | Seasonally adjusted at annual rates |             |             |             |             |
|---|----------|-------------|-------------|-------------------------------------|-------------|-------------|-------------|-------------|
|   |          |             |             | 2005                                |             | 2006        |             |             |
|   |          |             |             | IV                                  | I           | II          | III         | IV          |
| <b>Change in private inventories.....</b> | <b>1</b> | <b>19.6</b> | <b>41.9</b> | <b>43.5</b>                         | <b>41.2</b> | <b>53.7</b> | <b>55.4</b> | <b>17.3</b> |
| Farm.....                                 | 2        | 0.2         | 2.8         | 4.8                                 | 4.3         | 1.9         | 2.5         | 2.4         |
| Mining, utilities, and construction       | 3        | 1.2         | 1.5         | -0.5                                | -2.0        | 5.4         | 1.6         | 1.0         |
| Manufacturing .....                       | 4        | -2.4        | 9.3         | 0.5                                 | 7.6         | 11.1        | 10.1        | 8.5         |
| Durable goods industries.....             | 5        | 1.1         | 7.3         | -1.3                                | -0.1        | 5.7         | 9.4         | 14.3        |
| Nondurable goods industries.....          | 6        | -3.3        | 2.2         | 1.5                                 | 7.1         | 5.2         | 1.1         | -4.8        |
| Wholesale trade.....                      | 7        | 15.7        | 19.0        | 13.3                                | 15.0        | 19.3        | 33.7        | 8.1         |
| Durable goods industries.....             | 8        | 13.5        | 13.6        | 17.8                                | 6.4         | 15.3        | 27.7        | 4.8         |
| Nondurable goods industries.....          | 9        | 2.6         | 5.7         | -3.3                                | 8.2         | 4.5         | 6.9         | 3.2         |
| Retail trade .....                        | 10       | 5.2         | 3.7         | 26.4                                | 12.8        | 7.8         | 2.2         | -7.9        |
| Motor vehicle and parts dealers           | 11       | -2.7        | -4.6        | 19.8                                | 5.5         | 1.0         | -7.2        | -17.6       |
| Food and beverage stores.....             | 12       | 0.0         | 0.5         | 1.3                                 | 1.0         | 1.0         | 0.2         | -0.2        |
| General merchandise stores.....           | 13       | 2.7         | 1.1         | 1.1                                 | -4.7        | -0.5        | 4.8         | 4.7         |
| Other retail stores .....                 | 14       | 4.9         | 6.0         | 5.1                                 | 10.8        | 6.1         | 3.6         | 3.5         |
| Other industries .....                    | 15       | -0.1        | 5.3         | 0.8                                 | 5.2         | 7.4         | 5.1         | 3.6         |
| Residual.....                             | 16       | -0.5        | 0.5         | -3.6                                | -0.5        | 0.7         | -0.3        | 2.4         |
| <b>Addenda:</b>                           |          |             |             |                                     |             |             |             |             |
| Change in private inventories ...         | 17       | 19.6        | 41.9        | 43.5                                | 41.2        | 53.7        | 55.4        | 17.3        |
| Durable goods industries.....             | 18       | 16.4        | 16.2        | 39.2                                | 13.4        | 23.1        | 31.9        | -3.7        |
| Nondurable goods industries.....          | 19       | 3.9         | 25.3        | 6.4                                 | 27.1        | 30.3        | 24.1        | 19.6        |
| Nonfarm industries.....                   | 20       | 19.6        | 39.2        | 38.6                                | 36.8        | 52.2        | 53.3        | 14.6        |
| Wholesale trade.....                      | 21       | 15.7        | 19.0        | 13.3                                | 15.0        | 19.3        | 33.7        | 8.1         |
| Merchant wholesale trade.....             | 22       | 15.4        | 16.3        | 15.0                                | 12.6        | 20.0        | 29.3        | 3.4         |
| Durable goods industries.....             | 23       | 12.9        | 11.8        | 18.6                                | 6.9         | 16.7        | 23.1        | 0.4         |
| Nondurable goods industries.....          | 24       | 2.7         | 4.7         | -2.7                                | 5.6         | 3.8         | 6.7         | 2.8         |
| Nonmerchant wholesale trade .....         | 25       | 0.5         | 2.7         | -1.4                                | 2.3         | -0.4        | 4.4         | 4.4         |

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

Chained (2000) dollar series for real change in private 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.

**Table 5.7.5B. Private Inventories and Domestic Final Sales by Industry**

[Billions of dollars]

|  | Line | Seasonally adjusted quarterly totals |         |         |         |         |
|--|------|--------------------------------------|---------|---------|---------|---------|
|  |      | 2005                                 |         | 2006    |         |         |
|  |      | IV                                   | I       | II      | III     | IV      |
| <b>Private inventories</b> <sup>1</sup> .....                                      | 1    | 1,817.0                              | 1,839.2 | 1,896.9 | 1,919.1 | 1,929.9 |
| Farm.....  | 2    | 165.6                                | 173.1   | 175.7   | 186.1   | 191.3   |
| Mining, utilities, and construction.....   | 3    | 89.8                                 | 82.1    | 80.6    | 81.0    | 80.3    |
| Manufacturing.....   | 4    | 515.6                                | 523.9   | 550.0   | 552.3   | 550.9   |
| Durable goods industries.....  | 5    | 296.3                                | 301.4   | 316.1   | 321.7   | 322.0   |
| Nondurable goods industries.....   | 6    | 219.3                                | 222.5   | 233.9   | 230.6   | 228.9   |
| Wholesale trade.....   | 7    | 430.6                                | 437.8   | 456.7   | 463.6   | 471.7   |
| Durable goods industries.....  | 8    | 250.9                                | 255.0   | 265.1   | 273.3   | 275.4   |
| Nondurable goods industries.....   | 9    | 179.8                                | 182.8   | 191.6   | 190.3   | 196.3   |
| Retail trade.....  | 10   | 486.4                                | 492.0   | 499.2   | 499.0   | 498.5   |
| Motor vehicle and parts dealers.....   | 11   | 157.6                                | 159.7   | 160.5   | 157.1   | 153.3   |
| Food and beverage stores.....  | 12   | 36.8                                 | 36.7    | 37.4    | 38.0    | 38.2    |
| General merchandise stores.....  | 13   | 76.7                                 | 75.9    | 76.4    | 78.1    | 79.8    |
| Other retail stores.....   | 14   | 215.3                                | 219.7   | 224.9   | 225.8   | 227.1   |
| Other industries.....  | 15   | 128.9                                | 130.2   | 134.7   | 137.1   | 137.3   |
| <b>Addenda:</b>  |      |                                      |         |         |         |         |
| Private inventories.....   | 16   | 1,817.0                              | 1,839.2 | 1,896.9 | 1,919.1 | 1,929.9 |
| Durable goods industries.....  | 17   | 810.5                                | 823.8   | 850.7   | 862.4   | 858.2   |
| Nondurable goods industries.....   | 18   | 1,006.5                              | 1,015.4 | 1,046.2 | 1,056.7 | 1,071.7 |
| Nonfarm industries.....  | 19   | 1,651.4                              | 1,666.2 | 1,721.2 | 1,733.0 | 1,738.6 |
| Wholesale trade.....   | 20   | 430.6                                | 437.8   | 456.7   | 463.6   | 471.7   |
| Merchant wholesale trade.....  | 21   | 370.8                                | 377.0   | 392.5   | 400.4   | 406.9   |
| Durable goods industries.....  | 22   | 221.7                                | 225.8   | 235.7   | 242.5   | 243.3   |
| Nondurable goods industries.....   | 23   | 149.0                                | 151.2   | 156.9   | 157.9   | 163.7   |
| Nonmerchant wholesale trade.....   | 24   | 59.9                                 | 60.8    | 64.2    | 63.2    | 64.8    |
| <b>Final sales of domestic business</b> <sup>2</sup> .....                         | 25   | 724.3                                | 741.4   | 751.1   | 756.4   | 766.4   |
| <b>Final sales of goods and structures of domestic business</b> <sup>2</sup> ..... | 26   | 441.1                                | 455.6   | 460.8   | 462.1   | 466.8   |
| <b>Ratios of private inventories to final sales of domestic business:</b>          |      |                                      |         |         |         |         |
| Private inventories to final sales.....  | 27   | 2.51                                 | 2.48    | 2.53    | 2.54    | 2.52    |
| Nonfarm inventories to final sales.....  | 28   | 2.28                                 | 2.25    | 2.29    | 2.29    | 2.27    |
| Nonfarm inventories to final sales of goods and structures.....                    | 29   | 3.74                                 | 3.66    | 3.74    | 3.75    | 3.72    |

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 private inventories component of GDP. The former is the difference between two inventory stocks, each valued at its 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, the change in private inventories is stated at annual rates.

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross output of general government, gross value added of nonprofit institutions, compensation paid to domestic workers, and space rent for owner-occupied housing. It includes a small amount of final sales by farm and by government enterprises.

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

**Table 5.7.6B. Real Private Inventories and Real Domestic Final Sales by Industry, Chained Dollars**

[Billions of chained (2000) dollars]

|  | Line | Seasonally adjusted quarterly totals |         |         |         |         |
|--|------|--------------------------------------|---------|---------|---------|---------|
|  |      | 2005                                 |         | 2006    |         |         |
|  |      | IV                                   | I       | II      | III     | IV      |
| <b>Private inventories</b> <sup>1</sup> .....                                      | 1    | 1,588.7                              | 1,599.0 | 1,612.4 | 1,626.3 | 1,630.6 |
| Farm.....  | 2    | 130.7                                | 131.8   | 132.3   | 132.9   | 133.5   |
| Mining, utilities, and construction.....   | 3    | 55.3                                 | 54.8    | 56.1    | 56.5    | 56.8    |
| Manufacturing.....   | 4    | 434.7                                | 436.6   | 439.4   | 441.9   | 444.1   |
| Durable goods industries.....  | 5    | 265.2                                | 265.1   | 266.6   | 268.9   | 272.5   |
| Nondurable goods industries.....   | 6    | 169.8                                | 171.5   | 172.9   | 173.1   | 171.9   |
| Wholesale trade.....   | 7    | 383.5                                | 387.3   | 392.1   | 400.5   | 402.5   |
| Durable goods industries.....  | 8    | 237.1                                | 238.7   | 242.5   | 249.4   | 250.6   |
| Nondurable goods industries.....   | 9    | 147.2                                | 149.2   | 150.4   | 152.1   | 152.9   |
| Retail trade.....  | 10   | 463.6                                | 466.8   | 468.8   | 469.3   | 467.3   |
| Motor vehicle and parts dealers.....   | 11   | 161.3                                | 162.7   | 163.0   | 161.2   | 156.8   |
| Food and beverage stores.....  | 12   | 32.1                                 | 32.3    | 32.6    | 32.6    | 32.6    |
| General merchandise stores.....  | 13   | 72.5                                 | 71.3    | 71.2    | 72.4    | 73.6    |
| Other retail stores.....   | 14   | 198.1                                | 200.8   | 202.3   | 203.2   | 204.1   |
| Other industries.....  | 15   | 121.1                                | 122.4   | 124.3   | 125.6   | 126.5   |
| Residual.....  | 16   | -1.7                                 | -1.6    | -1.8    | -1.6    | -1.2    |
| <b>Addenda:</b>  |      |                                      |         |         |         |         |
| Private inventories.....   | 17   | 1,588.7                              | 1,599.0 | 1,612.4 | 1,626.3 | 1,630.6 |
| Durable goods industries.....  | 18   | 760.8                                | 764.1   | 769.9   | 777.9   | 777.0   |
| Nondurable goods industries.....   | 19   | 829.2                                | 836.0   | 843.6   | 849.6   | 854.5   |
| Nonfarm industries.....  | 20   | 1,458.2                              | 1,467.4 | 1,480.4 | 1,493.7 | 1,497.4 |
| Wholesale trade.....   | 21   | 383.5                                | 387.3   | 392.1   | 400.5   | 402.5   |
| Merchant wholesale trade.....  | 22   | 334.7                                | 337.9   | 342.9   | 350.2   | 351.1   |
| Durable goods industries.....  | 23   | 209.1                                | 210.8   | 215.0   | 220.7   | 220.8   |
| Nondurable goods industries.....   | 24   | 126.1                                | 127.5   | 128.5   | 130.2   | 130.9   |
| Nonmerchant wholesale trade.....   | 25   | 48.9                                 | 49.5    | 49.4    | 50.5    | 51.6    |
| <b>Final sales of domestic business</b> <sup>2</sup> .....                         | 26   | 656.6                                | 667.5   | 671.8   | 674.7   | 681.3   |
| <b>Final sales of goods and structures of domestic business</b> <sup>2</sup> ..... | 27   | 411.1                                | 421.4   | 423.1   | 423.8   | 427.2   |
| <b>Ratios of private inventories to final sales of domestic business:</b>          |      |                                      |         |         |         |         |
| Private inventories to final sales.....  | 28   | 2.42                                 | 2.40    | 2.40    | 2.41    | 2.39    |
| Nonfarm inventories to final sales.....  | 29   | 2.22                                 | 2.20    | 2.20    | 2.21    | 2.20    |
| Nonfarm inventories to final sales of goods and structures.....                    | 30   | 3.55                                 | 3.48    | 3.50    | 3.52    | 3.50    |

1. Inventories are as of the end of the quarter. The quarter-to-quarter changes calculated from this table are at quarterly rates, whereas the change in private 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 output of general government, gross value added of nonprofit institutions, compensation paid to domestic workers, and space rent for owner-occupied housing. It includes a small amount of final sales by farm and by government enterprises.

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

Chained (2000) dollar inventory series are calculated to ensure that the chained (2000) dollar change in inventories for 2000 equals the current-dollar change in inventories for 2000 and that the average of the 1999 and 2000 end-of-year chain-weighted and fixed-weighted inventories are equal.

**Table 5.7.9B. Implicit Price Deflators for Private Inventories by Industry**

[Index numbers, 2000=100]

|   | Line | Seasonally adjusted |         |         |         |         |
|---|------|---------------------|---------|---------|---------|---------|
|   |      | 2005                |         | 2006    |         |         |
|   |      | IV                  | I       | II      | III     | IV      |
| <b>Private inventories</b> <sup>1</sup> ..... | 1    | 114.369             | 115.022 | 117.640 | 118.005 | 118.356 |
| Farm.....                                     | 2    | 126.709             | 131.303 | 132.816 | 140.014 | 143.330 |
| Mining, utilities, and construction.....      | 3    | 162.533             | 150.009 | 143.636 | 143.332 | 141.360 |
| Manufacturing.....                            | 4    | 118.596             | 119.993 | 125.162 | 124.982 | 124.061 |
| Durable goods industries.....                 | 5    | 111.721             | 113.688 | 118.579 | 119.635 | 118.184 |
| Nondurable goods industries.....              | 6    | 129.193             | 129.701 | 135.299 | 133.205 | 133.118 |
| Wholesale trade.....                          | 7    | 112.278             | 113.052 | 116.485 | 115.751 | 117.173 |
| Durable goods industries.....                 | 8    | 105.825             | 106.870 | 109.330 | 109.560 | 109.870 |
| Nondurable goods industries.....              | 9    | 122.137             | 122.471 | 127.453 | 125.155 | 128.394 |
| Retail trade.....                             | 10   | 104.909             | 105.399 | 106.496 | 106.323 | 106.665 |
| Motor vehicle and parts dealers.....          | 11   | 97.666              | 98.143  | 98.522  | 97.509  | 97.801  |
| Food and beverage stores.....                 | 12   | 114.670             | 113.712 | 114.876 | 116.498 | 117.204 |
| General merchandise stores.....               | 13   | 105.842             | 106.366 | 107.262 | 107.817 | 108.478 |
| Other retail stores.....                      | 14   | 108.676             | 109.397 | 111.133 | 111.084 | 111.293 |
| Other industries.....                         | 15   | 106.444             | 106.386 | 108.340 | 109.188 | 108.547 |
| <b>Addenda:</b>                               |      |                     |         |         |         |         |
| Private inventories.....                      | 16   | 114.369             | 115.022 | 117.640 | 118.005 | 118.356 |
| Durable goods industries.....                 | 17   | 106.541             | 107.808 | 110.493 | 110.862 | 110.463 |
| Nondurable goods industries.....              | 18   | 121.377             | 121.467 | 124.020 | 124.381 | 125.416 |
| Nonfarm industries.....                       | 19   | 113.248             | 113.548 | 116.264 | 116.020 | 116.107 |
| Wholesale trade.....                          | 20   | 112.278             | 113.052 | 116.485 | 115.751 | 117.173 |
| Merchant wholesale trade.....                 | 21   | 110.761             | 111.585 | 114.482 | 114.332 | 115.910 |
| Durable goods industries.....                 | 22   | 106.067             | 107.126 | 109.629 | 109.863 | 110.159 |
| Nondurable goods industries.....              | 23   | 118.131             | 118.562 | 122.103 | 121.304 | 125.045 |
| Nonmerchant wholesale trade.....              | 24   | 122.378             | 122.809 | 129.926 | 125.140 | 125.488 |

1. Implicit price deflators are as of the end of the quarter and are consistent with inventory stocks.

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

## 6. Income and Employment by Industry

Table 6.1D. National Income Without Capital Consumption Adjustment by Industry

[Billions of dollars]

|   | Line | 2005            | 2006  | Seasonally adjusted at annual rates |                 |                 |                 |       |
|---|------|-----------------|-------|-------------------------------------|-----------------|-----------------|-----------------|-------|
|   |      |                 |       | 2005                                | 2006            |                 |                 |       |
|   |      |                 |       | IV                                  | I               | II              | III             | IV    |
| <b>National income without capital consumption adjustment</b> .....     | 1    | <b>10,917.9</b> | ..... | <b>11,209.1</b>                     | <b>11,625.7</b> | <b>11,697.6</b> | <b>11,818.4</b> | ..... |
| <b>Domestic industries</b> .....  | 2    | <b>10,886.0</b> | ..... | <b>11,196.6</b>                     | <b>11,596.6</b> | <b>11,674.8</b> | <b>11,801.8</b> | ..... |
| <b>Private industries</b> .....   | 3    | <b>9,574.6</b>  | ..... | <b>9,865.6</b>                      | <b>10,245.2</b> | <b>10,311.4</b> | <b>10,419.4</b> | ..... |
| Agriculture, forestry, fishing, and hunting .....                       | 4    | 87.6            | ..... | 86.9                                | 87.4            | 82.2            | 88.3            | ..... |
| Mining .....  | 5    | 158.9           | ..... | 184.4                               | 188.0           | 187.2           | 199.8           | ..... |
| Utilities .....   | 6    | 176.7           | ..... | 187.5                               | 192.1           | 201.0           | 207.1           | ..... |
| Construction .....  | 7    | 604.2           | ..... | 628.1                               | 652.5           | 650.3           | 635.3           | ..... |
| Manufacturing .....   | 8    | 1,365.8         | ..... | 1,392.2                             | 1,472.8         | 1,457.4         | 1,497.6         | ..... |
| Durable goods .....   | 9    | 746.0           | ..... | 759.9                               | 815.7           | 790.8           | 826.2           | ..... |
| Nondurable goods .....  | 10   | 619.8           | ..... | 632.3                               | 657.0           | 666.6           | 671.4           | ..... |
| Wholesale trade .....   | 11   | 689.3           | ..... | 713.8                               | 732.9           | 733.0           | 764.2           | ..... |
| Retail trade .....  | 12   | 825.3           | ..... | 852.6                               | 866.1           | 869.2           | 881.2           | ..... |
| Transportation and warehousing .....                                    | 13   | 306.3           | ..... | 310.4                               | 327.0           | 341.7           | 344.8           | ..... |
| Information .....   | 14   | 417.1           | ..... | 430.8                               | 447.8           | 443.2           | 443.6           | ..... |
| Finance, insurance, real estate, rental, and leasing .....              | 15   | 1,832.9         | ..... | 1,897.2                             | 1,975.5         | 2,002.6         | 1,986.4         | ..... |
| Professional and business services <sup>1</sup> .....                   | 16   | 1,510.4         | ..... | 1,560.2                             | 1,623.4         | 1,635.5         | 1,664.9         | ..... |
| Educational services, health care, and social assistance .....          | 17   | 938.2           | ..... | 954.4                               | 981.7           | 1,000.4         | 1,001.9         | ..... |
| Arts, entertainment, recreation, accommodation, and food services ..... | 18   | 394.2           | ..... | 394.2                               | 420.7           | 426.3           | 422.5           | ..... |
| Other services, except government .....                                 | 19   | 267.6           | ..... | 272.9                               | 277.5           | 281.2           | 281.7           | ..... |
| <b>Government</b> .....   | 20   | <b>1,311.4</b>  | ..... | <b>1,331.1</b>                      | <b>1,351.4</b>  | <b>1,363.4</b>  | <b>1,382.3</b>  | ..... |
| <b>Rest of the world</b> .....  | 21   | <b>31.9</b>     | ..... | <b>12.5</b>                         | <b>29.1</b>     | <b>22.7</b>     | <b>16.7</b>     | ..... |

1. Consists of professional, scientific, and technical services; management of companies and enterprises; and administrative and waste management services.  
 Note: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

Table 6.16D. Corporate Profits by Industry

[Billions of dollars]

|   | Line | 2005           | 2006  | Seasonally adjusted at annual rates |                |                |                |       |
|---|------|----------------|-------|-------------------------------------|----------------|----------------|----------------|-------|
|   |      |                |       | 2005                                | 2006           |                |                |       |
|   |      |                |       | IV                                  | I              | II             | III            | IV    |
| <b>Corporate profits with inventory valuation and capital consumption adjustments</b> ..... | 1    | <b>1,330.7</b> | ..... | <b>1,393.5</b>                      | <b>1,569.1</b> | <b>1,591.8</b> | <b>1,653.3</b> | ..... |
| <b>Domestic industries</b> .....  | 2    | <b>1,133.7</b> | ..... | <b>1,197.2</b>                      | <b>1,343.0</b> | <b>1,351.9</b> | <b>1,418.7</b> | ..... |
| Financial <sup>1</sup> .....  | 3    | 369.4          | ..... | 390.8                               | 442.2          | 483.9          | 474.8          | ..... |
| Nonfinancial .....  | 4    | 764.2          | ..... | 806.4                               | 900.9          | 868.1          | 943.9          | ..... |
| <b>Rest of the world</b> .....  | 5    | <b>197.0</b>   | ..... | <b>196.3</b>                        | <b>226.1</b>   | <b>239.9</b>   | <b>234.6</b>   | ..... |
| Receipts from the rest of the world .....   | 6    | 338.0          | ..... | 360.6                               | 376.3          | 402.0          | 408.9          | ..... |
| Less: Payments to the rest of the world .....   | 7    | 141.0          | ..... | 164.2                               | 150.2          | 162.1          | 174.2          | ..... |
| <b>Corporate profits with inventory valuation adjustment</b> .....                          | 8    | <b>1,486.1</b> | ..... | <b>1,559.1</b>                      | <b>1,717.7</b> | <b>1,752.6</b> | <b>1,815.8</b> | ..... |
| <b>Domestic industries</b> .....  | 9    | <b>1,289.1</b> | ..... | <b>1,362.8</b>                      | <b>1,491.6</b> | <b>1,512.7</b> | <b>1,581.1</b> | ..... |
| Financial .....   | 10   | 389.0          | ..... | 413.3                               | 463.9          | 508.2          | 500.1          | ..... |
| Federal Reserve banks .....   | 11   | 26.6           | ..... | 30.4                                | 30.9           | 33.7           | 35.8           | ..... |
| Other financial <sup>2</sup> .....  | 12   | 362.5          | ..... | 382.9                               | 433.0          | 474.4          | 464.3          | ..... |
| Nonfinancial .....  | 13   | 900.1          | ..... | 949.4                               | 1,027.7        | 1,004.5        | 1,081.0        | ..... |
| Utilities .....   | 14   | 30.3           | ..... | 38.3                                | 39.7           | 46.8           | 52.8           | ..... |
| Manufacturing .....   | 15   | 254.8          | ..... | 258.9                               | 300.7          | 289.9          | 331.9          | ..... |
| Durable goods .....   | 16   | 73.8           | ..... | 72.9                                | 102.2          | 78.7           | 115.9          | ..... |
| Fabricated metal products .....   | 17   | 20.6           | ..... | 21.2                                | 25.7           | 24.1           | 24.8           | ..... |
| Machinery .....   | 18   | 13.8           | ..... | 15.0                                | 19.1           | 18.3           | 18.5           | ..... |
| Computer and electronic products .....  | 19   | 3.9            | ..... | 8.0                                 | 12.3           | 13.1           | 13.2           | ..... |
| Electrical equipment, appliances, and components .....                                      | 20   | 5.7            | ..... | 5.6                                 | 8.4            | 6.8            | 10.3           | ..... |
| Motor vehicles, bodies and trailers, and parts .....  | 21   | -17.9          | ..... | -25.3                               | -18.2          | -25.4          | -16.6          | ..... |
| Other durable goods <sup>3</sup> .....  | 22   | 47.7           | ..... | 48.5                                | 54.9           | 41.9           | 65.7           | ..... |
| Nondurable goods .....  | 23   | 181.0          | ..... | 186.0                               | 198.5          | 211.2          | 216.0          | ..... |
| Food and beverage and tobacco products .....  | 24   | 28.5           | ..... | 28.6                                | 29.6           | 29.5           | 34.4           | ..... |
| Petroleum and coal products .....   | 25   | 70.4           | ..... | 76.0                                | 74.5           | 92.4           | 101.1          | ..... |
| Chemical products .....   | 26   | 45.3           | ..... | 44.4                                | 54.1           | 53.6           | 46.6           | ..... |
| Other nondurable goods <sup>4</sup> .....   | 27   | 36.8           | ..... | 37.0                                | 40.1           | 35.7           | 33.9           | ..... |
| Wholesale trade .....   | 28   | 97.6           | ..... | 105.9                               | 107.2          | 98.3           | 125.1          | ..... |
| Retail trade .....  | 29   | 113.7          | ..... | 129.1                               | 123.0          | 121.2          | 131.3          | ..... |
| Transportation and warehousing .....  | 30   | 21.0           | ..... | 19.0                                | 27.3           | 38.6           | 39.6           | ..... |
| Information .....   | 31   | 77.5           | ..... | 83.6                                | 89.8           | 85.9           | 83.3           | ..... |
| Other nonfinancial <sup>5</sup> .....   | 32   | 305.2          | ..... | 314.6                               | 340.1          | 323.9          | 317.1          | ..... |
| <b>Rest of the world</b> .....  | 33   | <b>197.0</b>   | ..... | <b>196.3</b>                        | <b>226.1</b>   | <b>239.9</b>   | <b>234.6</b>   | ..... |

1. Consists of finance and insurance and bank and other holding companies.  
 2. Consists of credit intermediation and related activities; securities, commodity contracts, and other financial investments and related activities; insurance carriers and related activities; funds, trusts, and other financial vehicles; and bank and other holding companies.  
 3. Consists of wood products; nonmetallic mineral products; primary metals; other transportation equipment; furniture and related products; and miscellaneous manufacturing.  
 4. Consists of textile mills and textile product mills; apparel; leather and allied products; paper products; printing and related support activities; and plastics and rubber products.  
 5. Consists of agriculture, forestry, fishing, and hunting; mining; construction; real estate and rental and leasing; professional, scientific, and technical services; administrative and waste management services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services, except government.  
 Note: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

## 7. Supplemental Tables

Table 7.1. Selected Per Capita Product and Income Series in Current and Chained Dollars

|   | Line | 2005    | 2006    | Seasonally adjusted at annual rates |         |         |         |         |
|---|------|---------|---------|-------------------------------------|---------|---------|---------|---------|
|   |      |         |         | 2006                                |         |         |         |         |
|   |      |         |         | IV                                  | I       | II      | III     | IV      |
| <b>Current dollars:</b>                   |      |         |         |                                     |         |         |         |         |
| Gross domestic product .....              | 1    | 42,006  | 44,233  | 42,769                              | 43,603  | 44,135  | 44,440  | 44,752  |
| Gross national product .....              | 2    | 42,114  | .....   | 42,810                              | 43,700  | 44,211  | 44,495  | .....   |
| Personal income .....                     | 3    | 34,531  | 36,350  | 35,220                              | 35,937  | 36,142  | 36,490  | 36,826  |
| Disposable personal income ....           | 4    | 30,473  | 31,805  | 31,029                              | 31,470  | 31,590  | 31,946  | 32,210  |
| <b>Personal consumption expenditures:</b> |      |         |         |                                     |         |         |         |         |
| Personal consumption expenditures .....   | 5    | 29,483  | 30,956  | 29,993                              | 30,432  | 30,861  | 31,178  | 31,350  |
| Durable goods .....                       | 6    | 3,484   | 3,575   | 3,425                               | 3,567   | 3,551   | 3,587   | 3,593   |
| Nondurable goods .....                    | 7    | 8,564   | 9,067   | 8,780                               | 8,910   | 9,101   | 9,165   | 9,093   |
| Services .....                            | 8    | 17,435  | 18,314  | 17,788                              | 17,955  | 18,209  | 18,425  | 18,665  |
| <b>Chained (2000) dollars:</b>            |      |         |         |                                     |         |         |         |         |
| Gross domestic product .....              | 9    | 37,260  | 38,119  | 37,505                              | 37,932  | 38,084  | 38,172  | 38,286  |
| Gross national product .....              | 10   | 37,359  | .....   | 37,545                              | 38,019  | 38,152  | 38,222  | .....   |
| Disposable personal income ....           | 11   | 27,332  | 27,763  | 27,492                              | 27,743  | 27,574  | 27,723  | 28,013  |
| <b>Personal consumption expenditures:</b> |      |         |         |                                     |         |         |         |         |
| Personal consumption expenditures .....   | 12   | 26,444  | 27,022  | 26,575                              | 26,828  | 26,937  | 27,056  | 27,265  |
| Durable goods .....                       | 13   | 3,863   | 4,017   | 3,823                               | 3,990   | 3,980   | 4,032   | 4,066   |
| Nondurable goods .....                    | 14   | 7,678   | 7,889   | 7,759                               | 7,853   | 7,863   | 7,873   | 7,967   |
| Services .....                            | 15   | 14,962  | 15,196  | 15,040                              | 15,065  | 15,167  | 15,233  | 15,317  |
| Population (midperiod, thousands)         | 16   | 296,524 | 299,424 | 297,660                             | 298,338 | 299,025 | 299,789 | 300,543 |

Table 7.2.1B. Percent Change from Preceding Period in Real Motor Vehicle Output

|   | Line | 2005  | 2006  | Seasonally adjusted at annual rates |       |       |       |       |
|---|------|-------|-------|-------------------------------------|-------|-------|-------|-------|
|   |      |       |       | 2006                                |       |       |       |       |
|   |      |       |       | IV                                  | I     | II    | III   | IV    |
| <b>Motor vehicle output:</b>                                    |      |       |       |                                     |       |       |       |       |
| Motor vehicle output .....                                      | 1    | 5.9   | -1.8  | -19.1                               | 3.8   | -9.4  | 27.4  | -33.4 |
| Auto output .....   | 2    | 14.1  | -0.6  | 9.4                                 | -6.7  | -12.5 | 7.3   | -7.6  |
| Truck output .....  | 3    | 1.8   | -2.5  | -31.9                               | 10.7  | -7.5  | 40.3  | -45.0 |
| <b>Final sales of domestic product:</b>                         |      |       |       |                                     |       |       |       |       |
| Final sales of domestic product .....                           | 4    | 7.1   | -1.4  | -44.1                               | 19.9  | -4.0  | 31.1  | -17.5 |
| <b>Personal consumption expenditures:</b>                       |      |       |       |                                     |       |       |       |       |
| Personal consumption expenditures .....                         | 5    | -0.5  | -1.4  | -40.1                               | 20.7  | 1.0   | 12.3  | -7.4  |
| New motor vehicles .....  | 6    | -1.7  | -4.8  | -54.1                               | 20.6  | 2.1   | 13.0  | -4.5  |
| Autos .....   | 7    | 5.2   | 0.5   | -28.5                               | 6.1   | 21.6  | -2.6  | -10.1 |
| Light trucks (including utility vehicles) .....                 | 8    | -5.8  | -8.4  | -66.5                               | 32.9  | -10.9 | 26.9  | 0.0   |
| Net purchases of used autos and used light trucks .....         | 9    | 2.2   | 5.8   | 6.4                                 | 20.8  | -0.9  | 11.1  | -12.7 |
| Used autos .....  | 10   | 2.1   | 2.7   | -3.8                                | 17.9  | -1.3  | 4.9   | -4.7  |
| Used light trucks (including utility vehicles) .....            | 11   | 2.4   | 8.8   | 17.5                                | 23.7  | -0.6  | 17.2  | -19.6 |
| <b>Private fixed investment:</b>                                |      |       |       |                                     |       |       |       |       |
| Private fixed investment .....                                  | 12   | 20.9  | 3.7   | -11.8                               | 14.2  | -16.6 | 18.8  | -8.8  |
| New motor vehicles .....  | 13   | 12.7  | 5.7   | -4.5                                | 28.9  | -24.6 | 11.9  | -0.2  |
| Autos .....   | 14   | 7.5   | -0.4  | 0.4                                 | -1.5  | -23.5 | 7.6   | 9.5   |
| Trucks .....  | 15   | 15.6  | 8.9   | -6.9                                | 47.4  | -25.1 | 14.0  | -4.6  |
| Light trucks (including utility vehicles) .....                 | 16   | 13.5  | 8.6   | -16.6                               | 59.2  | -32.0 | 19.9  | -13.3 |
| Other .....   | 17   | 21.5  | 9.5   | 23.9                                | 21.2  | -4.7  | 0.8   | 19.1  |
| Net purchases of used autos and used light trucks .....         | 18   | -1.5  | 9.8   | 12.3                                | 62.5  | -37.7 | -0.6  | 19.2  |
| Used autos .....  | 19   | -0.4  | 4.2   | 26.3                                | 14.8  | -36.1 | 19.8  | 19.2  |
| Used light trucks (including utility vehicles) .....            | 20   | -2.6  | 15.5  | 0.0                                 | 125.3 | -39.0 | -16.1 | 19.1  |
| <b>Gross government investment:</b>                             |      |       |       |                                     |       |       |       |       |
| Gross government investment .....                               | 21   | 4.2   | 16.5  | -34.0                               | 62.1  | 8.2   | 11.4  | 9.9   |
| Autos .....   | 22   | 7.4   | 0.1   | -27.4                               | -13.4 | 64.4  | -0.5  | 28.9  |
| Trucks .....  | 23   | 3.3   | 21.4  | -35.7                               | 90.0  | -2.1  | 14.6  | 5.5   |
| <b>Net exports:</b>   |      |       |       |                                     |       |       |       |       |
| Net exports .....   | 24   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Exports .....   | 25   | 18.6  | 13.1  | 7.5                                 | 30.8  | -14.5 | 69.6  | -32.2 |
| Autos .....   | 26   | 23.0  | 18.7  | 23.5                                | 36.5  | -14.9 | 81.3  | -21.8 |
| Trucks .....  | 27   | 15.0  | 8.2   | -4.7                                | 25.8  | -14.2 | 59.3  | -41.1 |
| Imports .....   | 28   | 1.0   | 9.1   | 25.6                                | 23.3  | -6.7  | -10.6 | 14.2  |
| Autos .....   | 29   | -3.6  | 10.8  | 22.9                                | 11.8  | -4.8  | 24.2  | 13.3  |
| Trucks .....  | 30   | 5.6   | 7.7   | 28.1                                | 34.5  | -8.2  | -34.2 | 15.1  |
| <b>Change in private inventories:</b>                           |      |       |       |                                     |       |       |       |       |
| Change in private inventories .....                             | 31   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Autos .....   | 32   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| New .....   | 33   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Domestic .....  | 34   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Foreign .....   | 35   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Used .....  | 36   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Trucks .....  | 37   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| New .....   | 38   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Domestic .....  | 39   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Foreign .....   | 40   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| Used <sup>1</sup> .....   | 41   | ..... | ..... | .....                               | ..... | ..... | ..... | ..... |
| <b>Addenda:</b>   |      |       |       |                                     |       |       |       |       |
| Final sales of motor vehicles to domestic purchasers .....      | 42   | 4.5   | 0.4   | -33.4                               | 20.0  | -3.8  | 13.9  | -7.2  |
| Private fixed investment in new autos and new light trucks .... | 43   | 11.0  | 4.8   | -9.9                                | 30.7  | -28.7 | 14.8  | -4.6  |
| Domestic output of new autos <sup>2</sup> .....                 | 44   | 12.5  | 0.1   | 26.1                                | -1.7  | -21.9 | 7.6   | -19.0 |
| Sales of imported new autos <sup>3</sup> .....                  | 45   | 2.9   | 5.1   | -12.4                               | -6.5  | 17.9  | 14.5  | 6.3   |

1. Consists of used light trucks only.

2. Consists of final sales and change in private inventories of new autos assembled in the United States.

3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 7.2.3B. Real Motor Vehicle Output, Quantity Indexes

[Index numbers, 2000=100]

|  | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|--|------|---------|---------|---------------------|---------|---------|---------|---------|
|  |      |         |         | 2005                |         | 2006    |         |         |
|  |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Motor vehicle output</b> .....                                | 1    | 118.006 | 115.834 | 116.260             | 117.341 | 114.487 | 121.621 | 109.887 |
| Auto output .....  | 2    | 101.241 | 100.597 | 104.537             | 102.738 | 99.360  | 101.135 | 99.158  |
| Truck output .....   | 3    | 130.020 | 126.748 | 124.609             | 127.804 | 125.338 | 136.403 | 117.449 |
| <b>Final sales of domestic product</b>                           | 4    | 121.646 | 119.996 | 113.029             | 118.267 | 117.064 | 125.261 | 119.391 |
| <b>Personal consumption expenditures</b> .....                   | 5    | 117.472 | 115.778 | 109.174             | 114.425 | 114.718 | 118.101 | 115.867 |
| New motor vehicles .....   | 6    | 124.212 | 118.289 | 111.062             | 116.382 | 116.974 | 120.591 | 119.210 |
| Autos .....  | 7    | 103.256 | 103.796 | 99.558              | 101.054 | 106.108 | 105.401 | 102.623 |
| Light trucks (including utility vehicles) .....                  | 8    | 143.876 | 131.815 | 121.728             | 130.703 | 126.993 | 134.786 | 134.780 |
| Net purchases of used autos and used light trucks .....          | 9    | 104.778 | 110.808 | 105.366             | 110.474 | 110.219 | 113.163 | 109.376 |
| Used autos .....   | 10   | 94.308  | 96.821  | 92.857              | 96.765  | 96.455  | 97.617  | 96.448  |
| Used light trucks (including utility vehicles) .....             | 11   | 117.501 | 127.898 | 120.631             | 127.222 | 127.035 | 132.180 | 125.154 |
| <b>Private fixed investment</b> .....                            | 12   | 108.561 | 112.531 | 110.868             | 114.600 | 109.501 | 114.308 | 111.714 |
| New motor vehicles .....   | 13   | 106.399 | 112.451 | 109.710             | 116.892 | 108.923 | 112.018 | 111.969 |
| Autos .....  | 14   | 91.722  | 91.372  | 94.982              | 94.629  | 88.508  | 90.134  | 92.199  |
| Trucks .....   | 15   | 115.885 | 126.164 | 119.228             | 131.380 | 122.206 | 126.268 | 124.800 |
| Light trucks (including utility vehicles) .....                  | 16   | 117.601 | 127.664 | 120.404             | 135.256 | 122.829 | 128.535 | 124.036 |
| Other .....  | 17   | 110.045 | 120.465 | 114.464             | 120.090 | 118.653 | 118.901 | 124.215 |
| Net purchases of used autos and used light trucks .....          | 18   | 98.660  | 108.349 | 103.676             | 117.049 | 103.996 | 103.849 | 108.503 |
| Used autos .....   | 19   | 92.350  | 96.197  | 97.672              | 101.093 | 90.369  | 94.538  | 98.788  |
| Used light trucks (including utility vehicles) .....             | 20   | 105.785 | 122.223 | 110.442             | 135.307 | 119.581 | 114.445 | 119.560 |
| <b>Gross government investment</b>                               | 21   | 116.428 | 135.581 | 116.072             | 130.972 | 133.593 | 137.236 | 140.522 |
| Autos .....  | 22   | 101.294 | 101.372 | 94.066              | 90.752  | 102.756 | 102.631 | 109.352 |
| Trucks .....   | 23   | 122.206 | 148.384 | 124.313             | 145.957 | 145.172 | 150.194 | 152.215 |
| <b>Net exports</b> .....   | 24   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Exports .....  | 25   | 156.912 | 177.437 | 163.705             | 175.063 | 168.320 | 192.073 | 174.294 |
| Autos .....  | 26   | 159.191 | 188.939 | 169.585             | 183.291 | 176.051 | 204.292 | 192.120 |
| Trucks .....   | 27   | 154.709 | 167.415 | 158.442             | 167.800 | 161.487 | 181.418 | 158.957 |
| Imports .....  | 28   | 109.052 | 119.022 | 115.048             | 121.243 | 119.170 | 115.884 | 119.792 |
| Autos .....  | 29   | 96.653  | 107.068 | 101.435             | 104.294 | 103.020 | 108.757 | 112.200 |
| Trucks .....   | 30   | 123.581 | 133.061 | 130.993             | 141.060 | 138.060 | 124.335 | 128.788 |
| <b>Change in private inventories</b>                             | 31   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Autos .....  | 32   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| New .....  | 33   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Domestic .....   | 34   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Foreign .....  | 35   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Used .....   | 36   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Trucks .....   | 37   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| New .....  | 38   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Domestic .....   | 39   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Foreign .....  | 40   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Used <sup>1</sup> .....  | 41   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| <b>Addenda:</b>  |      |         |         |                     |         |         |         |         |
| Final sales of motor vehicles to domestic purchasers .....       | 42   | 115.830 | 116.274 | 110.610             | 115.758 | 114.641 | 118.442 | 116.255 |
| Private fixed investment in new autos and new light trucks ..... | 43   | 105.345 | 110.385 | 108.382             | 115.889 | 106.489 | 110.221 | 108.941 |
| Domestic output of new autos <sup>2</sup> .....                  | 44   | 92.758  | 92.882  | 98.050              | 97.627  | 91.765  | 93.468  | 88.668  |
| Sales of imported new autos <sup>3</sup> .....                   | 45   | 111.560 | 117.269 | 113.186             | 111.314 | 115.981 | 119.971 | 121.810 |

1. Consists of used light trucks only.

2. Consists of final sales and change in private inventories of new autos assembled in the United States.

3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 7.2.4B. Price Indexes for Motor Vehicle Output

[Index numbers, 2000=100]

|  | Line | 2005    | 2006    | Seasonally adjusted |         |         |         |         |
|--|------|---------|---------|---------------------|---------|---------|---------|---------|
|  |      |         |         | 2005                |         | 2006    |         |         |
|  |      |         |         | IV                  | I       | II      | III     | IV      |
| <b>Motor vehicle output</b> .....                                | 1    | 97.656  | 97.006  | 96.857              | 97.636  | 97.564  | 96.460  | 96.364  |
| Auto output .....  | 2    | 98.771  | 99.740  | 99.077              | 100.179 | 99.370  | 99.759  | 99.653  |
| Truck output .....   | 3    | 96.914  | 95.375  | 95.507              | 96.097  | 96.441  | 94.528  | 94.436  |
| <b>Final sales of domestic product</b>                           | 4    | 97.644  | 97.090  | 96.883              | 97.690  | 97.617  | 96.572  | 96.480  |
| <b>Personal consumption expenditures</b> .....                   | 5    | 97.623  | 97.363  | 97.295              | 97.827  | 97.633  | 97.441  | 96.549  |
| New motor vehicles .....   | 6    | 96.320  | 95.742  | 95.863              | 96.251  | 95.913  | 95.734  | 95.070  |
| Autos .....  | 7    | 96.921  | 97.814  | 97.201              | 97.886  | 97.570  | 97.974  | 97.827  |
| Light trucks (including utility vehicles) .....                  | 8    | 95.884  | 94.251  | 94.921              | 95.087  | 94.731  | 94.112  | 93.074  |
| Net purchases of used autos and used light trucks .....          | 9    | 100.329 | 100.780 | 100.330             | 101.157 | 101.256 | 101.035 | 99.671  |
| Used autos .....   | 10   | 102.345 | 102.440 | 102.573             | 103.002 | 102.702 | 102.797 | 101.260 |
| Used light trucks (including utility vehicles) .....             | 11   | 98.241  | 99.014  | 98.032              | 99.221  | 99.683  | 99.180  | 97.975  |
| <b>Private fixed investment</b> .....                            | 12   | 105.085 | 104.011 | 103.785             | 104.628 | 104.842 | 102.154 | 104.421 |
| New motor vehicles .....   | 13   | 97.191  | 96.619  | 96.446              | 96.863  | 97.368  | 95.979  | 96.268  |
| Autos .....  | 14   | 96.927  | 97.824  | 97.206              | 97.895  | 97.577  | 97.991  | 97.831  |
| Trucks .....   | 15   | 97.410  | 96.092  | 96.131              | 96.415  | 97.308  | 95.072  | 95.574  |
| Light trucks (including utility vehicles) .....                  | 16   | 94.063  | 91.244  | 91.988              | 92.264  | 92.871  | 89.784  | 90.059  |
| Other .....  | 17   | 108.306 | 111.509 | 109.465             | 109.773 | 111.536 | 111.778 | 112.947 |
| Net purchases of used autos and used light trucks .....          | 18   | 87.784  | 88.116  | 88.006              | 87.753  | 88.739  | 89.495  | 86.479  |
| Used autos .....   | 19   | 88.761  | 89.118  | 88.914              | 88.808  | 89.771  | 90.354  | 87.540  |
| Used light trucks (including utility vehicles) .....             | 20   | 86.829  | 87.136  | 87.117              | 86.728  | 87.731  | 88.642  | 85.441  |
| <b>Gross government investment</b>                               | 21   | 103.257 | 104.658 | 103.713             | 103.906 | 104.798 | 104.223 | 105.705 |
| Autos .....  | 22   | 99.679  | 101.809 | 101.697             | 101.473 | 100.253 | 101.572 | 103.940 |
| Trucks .....   | 23   | 104.358 | 105.530 | 104.385             | 104.687 | 106.113 | 105.036 | 106.284 |
| <b>Net exports</b> .....   | 24   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Exports .....  | 25   | 107.262 | 107.963 | 107.646             | 107.711 | 107.799 | 107.895 | 108.448 |
| Autos .....  | 26   | 104.802 | 105.464 | 105.266             | 105.298 | 105.298 | 105.428 | 105.832 |
| Trucks .....   | 27   | 109.627 | 110.379 | 109.945             | 110.042 | 110.214 | 110.278 | 110.982 |
| Imports .....  | 28   | 104.770 | 105.229 | 105.188             | 105.064 | 105.095 | 105.195 | 105.562 |
| Autos .....  | 29   | 103.680 | 103.817 | 103.942             | 103.642 | 103.742 | 103.742 | 104.142 |
| Trucks .....   | 30   | 105.954 | 106.691 | 106.499             | 106.531 | 106.502 | 106.698 | 107.032 |
| <b>Change in private inventories</b>                             | 31   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Autos .....  | 32   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| New .....  | 33   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Domestic .....   | 34   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Foreign .....  | 35   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Used .....   | 36   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Trucks .....   | 37   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| New .....  | 38   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Domestic .....   | 39   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Foreign .....  | 40   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| Used <sup>1</sup> .....  | 41   | .....   | .....   | .....               | .....   | .....   | .....   | .....   |
| <b>Addenda:</b>  |      |         |         |                     |         |         |         |         |
| Final sales of motor vehicles to domestic purchasers .....       | 42   | 99.002  | 98.596  | 98.456              | 99.055  | 98.999  | 98.175  | 98.154  |
| Private fixed investment in new autos and new light trucks ..... | 43   | 95.314  | 93.982  | 94.196              | 94.637  | 94.886  | 93.150  | 93.255  |
| Domestic output of new autos <sup>2</sup> .....                  | 44   | 98.174  | 98.934  | 98.431              | 98.976  | 98.660  | 98.989  | 99.111  |
| Sales of imported new autos <sup>3</sup> .....                   | 45   | 96.924  | 97.818  | 97.203              | 97.887  | 97.574  | 97.980  | 97.830  |

1. Consists of used light trucks only.

2. Consists of final sales and change in private inventories of new autos assembled in the United States.

3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 7.2.5B. Motor Vehicle Output

[Billions of dollars]

|  | Line | 2005   | 2006   | Seasonally adjusted at annual rates |        |        |        |        |
|--|------|--------|--------|-------------------------------------|--------|--------|--------|--------|
|  |      |        |        | 2005                                |        | 2006   |        |        |
|  |      |        |        | IV                                  | I      | II     | III    | IV     |
| <b>Motor vehicle output</b> .....                                | 1    | 420.5  | 410.1  | 411.8                               | 418.0  | 408.2  | 428.0  | 386.2  |
| Auto output .....  | 2    | 151.0  | 151.5  | 156.5                               | 155.4  | 149.1  | 152.3  | 149.3  |
| Truck output .....   | 3    | 269.5  | 258.6  | 255.3                               | 262.5  | 259.1  | 275.6  | 236.9  |
| <b>Final sales of domestic product</b> .....                     | 4    | 421.0  | 412.9  | 388.1                               | 409.5  | 405.0  | 428.7  | 408.3  |
| <b>Personal consumption expenditures</b> .....                   | 5    | 373.3  | 366.9  | 345.7                               | 364.4  | 364.6  | 374.6  | 364.1  |
| New motor vehicles .....   | 6    | 256.3  | 242.6  | 228.1                               | 240.0  | 240.4  | 247.4  | 242.8  |
| Autos .....  | 7    | 103.7  | 105.2  | 100.2                               | 102.5  | 107.3  | 107.0  | 104.0  |
| Light trucks (including utility vehicles) .....                  | 8    | 152.7  | 137.5  | 127.9                               | 137.5  | 133.1  | 140.4  | 138.8  |
| Net purchases of used autos and used light trucks .....          | 9    | 116.9  | 124.3  | 117.6                               | 124.3  | 124.2  | 127.2  | 121.3  |
| Used autos .....   | 10   | 58.5   | 60.2   | 57.8                                | 60.5   | 60.1   | 60.9   | 59.2   |
| Used light trucks (including utility vehicles) .....             | 11   | 58.4   | 64.1   | 59.9                                | 63.9   | 64.1   | 66.3   | 62.1   |
| <b>Private fixed investment</b> .....                            | 12   | 134.9  | 138.5  | 136.1                               | 141.9  | 135.8  | 138.1  | 138.0  |
| New motor vehicles .....   | 13   | 200.0  | 210.1  | 204.6                               | 219.0  | 205.1  | 207.9  | 208.5  |
| Autos .....  | 14   | 67.9   | 68.3   | 70.5                                | 70.8   | 66.0   | 67.5   | 68.9   |
| Trucks .....   | 15   | 132.1  | 141.8  | 134.1                               | 148.2  | 139.1  | 140.5  | 139.6  |
| Light trucks (including utility vehicles) .....                  | 16   | 95.2   | 100.3  | 95.4                                | 107.5  | 98.2   | 99.4   | 96.2   |
| Other .....  | 17   | 36.9   | 41.5   | 38.7                                | 40.8   | 40.9   | 41.1   | 43.4   |
| Net purchases of used autos and used light trucks .....          | 18   | -65.1  | -71.7  | -68.5                               | -77.1  | -69.3  | -69.8  | -70.5  |
| Used autos .....   | 19   | -32.7  | -34.2  | -34.6                               | -35.8  | -32.3  | -34.1  | -34.5  |
| Used light trucks (including utility vehicles) .....             | 20   | -32.4  | -37.5  | -33.9                               | -41.3  | -37.0  | -35.7  | -36.0  |
| <b>Gross government investment</b> .....                         | 21   | 14.9   | 17.6   | 14.9                                | 16.9   | 17.3   | 17.7   | 18.4   |
| Autos .....  | 22   | 3.4    | 3.5    | 3.3                                 | 3.1    | 3.5    | 3.6    | 3.9    |
| Trucks .....   | 23   | 11.4   | 14.1   | 11.6                                | 13.7   | 13.8   | 14.2   | 14.5   |
| <b>Net exports</b> .....   | 24   | -102.1 | -110.1 | -108.7                              | -113.6 | -112.7 | -101.7 | -112.3 |
| Exports .....  | 25   | 44.0   | 50.0   | 46.0                                | 49.3   | 47.4   | 54.1   | 49.4   |
| Autos .....  | 26   | 20.4   | 24.4   | 21.8                                | 23.6   | 22.7   | 26.4   | 24.9   |
| Trucks .....   | 27   | 23.6   | 25.7   | 24.2                                | 25.6   | 24.7   | 27.8   | 24.5   |
| Imports .....  | 28   | 146.1  | 160.1  | 154.7                               | 162.8  | 160.1  | 155.8  | 161.6  |
| Autos .....  | 29   | 69.6   | 77.2   | 73.2                                | 75.0   | 74.2   | 78.3   | 81.1   |
| Trucks .....   | 30   | 76.5   | 82.9   | 81.5                                | 87.8   | 85.9   | 77.5   | 80.5   |
| <b>Change in private inventories</b> .....                       | 31   | -0.5   | -2.8   | 23.6                                | 8.5    | 3.2    | -0.8   | -22.1  |
| Autos .....  | 32   | -0.7   | 1.3    | 10.6                                | 5.8    | -3.9   | -0.5   | 3.9    |
| New .....  | 33   | 0.5    | 3.9    | 9.7                                 | 5.4    | 1.0    | 2.3    | 6.8    |
| Domestic .....   | 34   | 0.3    | 2.1    | 10.0                                | 3.7    | 0.7    | 2.2    | 1.7    |
| Foreign .....  | 35   | 0.2    | 1.8    | -0.3                                | 1.6    | 0.3    | 0.1    | 5.0    |
| Used .....   | 36   | -1.2   | -2.5   | 0.9                                 | 0.4    | -4.9   | -2.8   | -2.8   |
| Trucks .....   | 37   | 0.3    | -4.1   | 13.0                                | 2.7    | 7.1    | -0.2   | -26.0  |
| New .....  | 38   | 1.7    | -2.1   | 15.2                                | 0.1    | 10.7   | 5.5    | -24.9  |
| Domestic .....   | 39   | 1.1    | -2.8   | 13.8                                | -1.4   | 11.9   | 2.3    | -23.9  |
| Foreign .....  | 40   | 0.7    | 0.6    | 1.3                                 | 1.6    | -1.2   | 3.2    | -1.0   |
| Used <sup>1</sup> .....  | 41   | -1.5   | -2.0   | -2.2                                | 2.5    | -3.6   | -5.8   | -1.1   |
| <b>Addenda:</b>  |      |        |        |                                     |        |        |        |        |
| Final sales of motor vehicles to domestic purchasers .....       | 42   | 523.1  | 522.9  | 496.8                               | 523.1  | 517.7  | 530.4  | 520.5  |
| Private fixed investment in new autos and new light trucks ..... | 43   | 163.1  | 168.6  | 165.9                               | 178.2  | 164.2  | 166.8  | 165.1  |
| Domestic output of new autos <sup>2</sup> .....                  | 44   | 100.6  | 101.5  | 106.6                               | 106.7  | 100.0  | 102.1  | 97.0   |
| Sales of imported new autos <sup>3</sup> .....                   | 45   | 90.7   | 96.2   | 92.3                                | 91.4   | 94.9   | 98.6   | 99.9   |

1. Consists of used light trucks only.

2. Consists of final sales and change in private inventories of new autos assembled in the United States.

3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 7.2.6B. Real Motor Vehicle Output, Chained Dollars

[Billions of chained (2000) dollars]

|  | Line | 2005  | 2006   | Seasonally adjusted at annual rates |        |        |       |        |
|--|------|-------|--------|-------------------------------------|--------|--------|-------|--------|
|  |      |       |        | 2005                                |        | 2006   |       |        |
|  |      |       |        | IV                                  | I      | II     | III   | IV     |
| <b>Motor vehicle output</b> .....                                | 1    | 430.7 | 422.8  | 424.3                               | 428.3  | 417.8  | 443.9 | 401.0  |
| Auto output .....  | 2    | 153.0 | 152.0  | 157.9                               | 155.2  | 150.1  | 152.8 | 149.8  |
| Truck output .....   | 3    | 278.1 | 271.1  | 266.5                               | 273.3  | 268.1  | 291.7 | 251.2  |
| <b>Final sales of domestic product</b> .....                     | 4    | 431.1 | 425.3  | 400.6                               | 419.2  | 414.9  | 444.0 | 423.2  |
| <b>Personal consumption expenditures</b> .....                   | 5    | 382.4 | 376.9  | 355.4                               | 372.4  | 373.4  | 384.4 | 377.1  |
| New motor vehicles .....   | 6    | 266.1 | 253.4  | 237.9                               | 249.3  | 250.6  | 258.4 | 255.4  |
| Autos .....  | 7    | 107.0 | 107.5  | 103.1                               | 104.7  | 109.9  | 109.2 | 106.3  |
| Light trucks (including utility vehicles) .....                  | 8    | 159.2 | 145.9  | 134.7                               | 144.6  | 140.5  | 149.2 | 149.2  |
| Net purchases of used autos and used light trucks .....          | 9    | 116.6 | 123.3  | 117.2                               | 122.9  | 122.6  | 125.9 | 121.7  |
| Used autos .....   | 10   | 57.2  | 58.7   | 56.3                                | 58.7   | 58.5   | 59.2  | 58.5   |
| Used light trucks (including utility vehicles) .....             | 11   | 59.5  | 64.7   | 61.0                                | 64.4   | 64.3   | 66.9  | 63.3   |
| <b>Private fixed investment</b> .....                            | 12   | 128.4 | 133.1  | 131.1                               | 135.5  | 129.5  | 135.2 | 132.1  |
| New motor vehicles .....   | 13   | 205.7 | 217.5  | 212.2                               | 226.0  | 210.6  | 216.6 | 216.5  |
| Autos .....  | 14   | 70.1  | 69.8   | 72.6                                | 72.3   | 67.6   | 68.9  | 70.4   |
| Trucks .....   | 15   | 135.6 | 147.6  | 139.5                               | 153.7  | 143.0  | 147.7 | 146.0  |
| Light trucks (including utility vehicles) .....                  | 16   | 101.2 | 109.9  | 103.6                               | 116.4  | 105.7  | 110.6 | 106.8  |
| Other .....  | 17   | 34.0  | 37.2   | 35.4                                | 37.1   | 36.7   | 36.8  | 38.4   |
| Net purchases of used autos and used light trucks .....          | 18   | -74.1 | -81.4  | -77.9                               | -87.9  | -78.1  | -78.0 | -81.5  |
| Used autos .....   | 19   | -36.8 | -38.3  | -38.9                               | -40.3  | -36.0  | -37.7 | -39.4  |
| Used light trucks (including utility vehicles) .....             | 20   | -37.3 | -43.1  | -38.9                               | -47.7  | -42.1  | -40.3 | -42.1  |
| <b>Gross government investment</b> .....                         | 21   | 14.4  | 16.8   | 14.4                                | 16.2   | 16.5   | 17.0  | 17.4   |
| Autos .....  | 22   | 3.5   | 3.5    | 3.2                                 | 3.1    | 3.5    | 3.5   | 3.7    |
| Trucks .....   | 23   | 11.0  | 13.3   | 11.2                                | 13.1   | 13.0   | 13.5  | 13.7   |
| <b>Net exports</b> .....   | 24   | -98.4 | -105.8 | -104.3                              | -109.3 | -108.4 | -98.0 | -107.6 |
| Exports .....  | 25   | 41.0  | 46.4   | 42.8                                | 45.7   | 44.0   | 50.2  | 45.5   |
| Autos .....  | 26   | 19.5  | 23.1   | 20.7                                | 22.4   | 21.5   | 25.0  | 23.5   |
| Trucks .....   | 27   | 21.5  | 23.3   | 22.0                                | 23.3   | 22.4   | 25.2  | 22.1   |
| Imports .....  | 28   | 139.4 | 152.2  | 147.1                               | 155.0  | 152.3  | 148.1 | 153.1  |
| Autos .....  | 29   | 67.1  | 74.3   | 70.4                                | 72.4   | 71.5   | 75.5  | 77.9   |
| Trucks .....   | 30   | 72.2  | 77.7   | 76.5                                | 82.4   | 80.7   | 72.6  | 75.2   |
| <b>Change in private inventories</b> .....                       | 31   | -0.4  | -3.2   | 23.4                                | 8.5    | 3.0    | -0.8  | -23.5  |
| Autos .....  | 32   | -0.7  | 1.3    | 11.2                                | 6.1    | -4.3   | -0.7  | 4.2    |
| New .....  | 33   | 0.5   | 4.0    | 9.9                                 | 5.5    | 1.0    | 2.3   | 7.2    |
| Domestic .....   | 34   | 0.3   | 2.2    | 10.4                                | 3.9    | 0.7    | 2.3   | 1.8    |
| Foreign .....  | 35   | 0.2   | 1.7    | -0.3                                | 1.6    | 0.3    | 0.1   | 4.8    |
| Used .....   | 36   | -1.3  | -2.8   | 1.0                                 | 0.5    | -5.4   | -3.1  | -3.2   |
| Trucks .....   | 37   | 0.3   | -4.1   | 12.0                                | 2.6    | 6.4    | -0.2  | -25.4  |
| New .....  | 38   | 1.5   | -2.1   | 13.2                                | 0.2    | 9.2    | 5.1   | -23.0  |
| Domestic .....   | 39   | 0.9   | -2.7   | 11.9                                | -1.3   | 10.4   | 1.9   | -21.9  |
| Foreign .....  | 40   | 0.6   | 0.6    | 1.3                                 | 1.5    | -1.2   | 3.1   | -1.0   |
| Used <sup>1</sup> .....  | 41   | -1.6  | -2.2   | -2.4                                | 2.8    | -3.9   | -6.4  | -1.2   |
| Residual .....   | 42   | 1.3   | 2.5    | 3.3                                 | 2.0    | 3.6    | 4.1   | 0.4    |
| <b>Addenda:</b>  |      |       |        |                                     |        |        |       |        |
| Final sales of motor vehicles to domestic purchasers .....       | 43   | 528.4 | 530.4  | 504.5                               | 528.0  | 522.9  | 540.3 | 530.3  |
| Private fixed investment in new autos and new light trucks ..... | 44   | 171.1 | 179.3  | 176.1                               | 188.3  | 173.0  | 179.1 | 177.0  |
| Domestic output of new autos <sup>2</sup> .....                  | 45   | 102.5 | 102.6  | 108.3                               | 107.9  | 101.4  | 103.3 | 98.0   |
| Sales of imported new autos <sup>3</sup> .....                   | 46   | 93.6  | 98.3   | 94.9                                | 93.4   | 97.3   | 100.6 | 102.2  |

1. Consists of used light trucks only.

2. Consists of final sales and change in private inventories of new autos assembled in the United States.

3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights 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.

## B. NIPA-Related Table

Table B.1 presents the most recent estimates of personal income and its components and the disposition of personal income. These estimates were released on March 1, 2007.

**Table B.1 Personal Income and Its Disposition**  
[Billions of dollars; monthly estimates seasonally adjusted at annual rates]

|  | 2005            | 2006            | 2006            |                 |                 |                 |                 |                 |                 |                   |                   |                    |                   |                   | 2007            |                   |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|--------------------|-------------------|-------------------|-----------------|-------------------|
|  |                 |                 | Dec.            | Jan.            | Feb.            | March.          | April           | May             | June            | July <sup>r</sup> | Aug. <sup>r</sup> | Sept. <sup>r</sup> | Oct. <sup>r</sup> | Nov. <sup>r</sup> |                 | Dec. <sup>r</sup> |
| <b>Personal Income</b> .....   | <b>10,239.2</b> | <b>10,884.0</b> | <b>10,526.1</b> | <b>10,664.9</b> | <b>10,721.9</b> | <b>10,777.4</b> | <b>10,784.3</b> | <b>10,795.3</b> | <b>10,842.2</b> | <b>10,892.5</b>   | <b>10,937.1</b>   | <b>10,988.7</b>    | <b>11,025.4</b>   | <b>11,061.3</b>   | <b>11,117.0</b> | <b>11,225.1</b>   |
| Compensation of employees, received.....                                 | 7,030.3         | 7,476.9         | 7,210.6         | 7,342.5         | 7,407.2         | 7,451.3         | 7,434.9         | 7,406.8         | 7,434.7         | 7,467.9           | 7,480.0           | 7,519.8            | 7,558.5           | 7,589.5           | 7,629.3         | 7,715.5           |
| Wage and salary disbursements.....                                       | 5,664.8         | 6,022.6         | 5,807.2         | 5,919.8         | 5,976.6         | 6,013.8         | 5,993.6         | 5,963.5         | 5,985.7         | 6,011.6           | 6,019.0           | 6,052.3            | 6,083.9           | 6,109.0           | 6,142.5         | 6,214.0           |
| Private industries.....  | 4,687.1         | 5,008.7         | 4,816.6         | 4,924.5         | 4,977.9         | 5,013.4         | 4,990.4         | 4,958.1         | 4,976.4         | 4,997.0           | 4,998.5           | 5,025.8            | 5,055.0           | 5,078.0           | 5,109.8         | 5,174.0           |
| Goods-producing industries.....  | 1,101.3         | 1,175.5         | 1,127.0         | 1,164.0         | 1,179.5         | 1,188.4         | 1,174.3         | 1,170.4         | 1,174.2         | 1,172.2           | 1,171.3           | 1,171.1            | 1,177.6           | 1,178.5           | 1,184.0         | 1,183.8           |
| Manufacturing.....   | 704.7           | 734.0           | 713.9           | 734.7           | 744.3           | 749.6           | 736.2           | 730.9           | 731.2           | 730.5             | 729.3             | 727.4              | 731.4             | 730.1             | 732.8           | 730.5             |
| Services-producing industries.....                                       | 3,585.8         | 3,833.3         | 3,689.6         | 3,760.5         | 3,798.4         | 3,825.0         | 3,816.1         | 3,787.7         | 3,802.2         | 3,824.8           | 3,827.2           | 3,854.7            | 3,877.4           | 3,899.5           | 3,925.7         | 3,990.2           |
| Trade, transportation, and utilities.....                                | 937.2           | 993.7           | 958.7           | 975.3           | 984.8           | 990.8           | 992.7           | 987.1           | 992.6           | 995.2             | 993.9             | 997.8              | 1,000.2           | 1,006.4           | 1,007.6         | 1,010.5           |
| Other services-producing industries.....                                 | 2,648.5         | 2,839.6         | 2,730.9         | 2,785.3         | 2,813.7         | 2,834.2         | 2,823.4         | 2,800.6         | 2,809.6         | 2,829.6           | 2,833.3           | 2,857.0            | 2,877.2           | 2,893.1           | 2,918.1         | 2,979.7           |
| Government.....  | 977.7           | 1,013.9         | 990.6           | 995.3           | 998.7           | 1,000.4         | 1,003.2         | 1,005.4         | 1,009.2         | 1,014.6           | 1,020.5           | 1,026.5            | 1,028.9           | 1,031.0           | 1,032.7         | 1,040.0           |
| Supplements to wages and salaries.....                                   | 1,365.5         | 1,454.3         | 1,403.4         | 1,422.7         | 1,430.7         | 1,437.4         | 1,441.3         | 1,443.3         | 1,449.0         | 1,456.3           | 1,461.1           | 1,467.5            | 1,474.6           | 1,480.5           | 1,486.8         | 1,501.4           |
| Employer contributions for employee pension and insurance funds.....     | 933.2           | 992.7           | 960.9           | 967.4           | 971.6           | 975.7           | 981.4           | 985.6           | 990.1           | 995.6             | 1,000.2           | 1,004.5            | 1,009.5           | 1,013.6           | 1,017.7         | 1,024.4           |
| Employer contributions for government social insurance.....              | 432.3           | 461.5           | 442.5           | 455.3           | 459.1           | 461.7           | 460.0           | 457.7           | 458.9           | 460.7             | 460.9             | 463.0              | 465.2             | 466.8             | 469.1           | 477.0             |
| Proprietors' income with IVA and CCAAdj.....                             | 970.7           | 1,015.0         | 1,001.4         | 1,006.6         | 1,005.7         | 1,012.5         | 1,010.1         | 1,014.8         | 1,010.7         | 1,009.9           | 1,017.2           | 1,017.4            | 1,023.7           | 1,025.2           | 1,026.4         | 1,027.9           |
| Farm.....  | 30.2            | 22.6            | 28.1            | 24.6            | 23.9            | 23.2            | 20.5            | 17.5            | 14.6            | 17.1              | 21.5              | 26.4               | 28.4              | 28.6              | 25.0            | 28.0              |
| Nonfarm.....   | 940.4           | 992.4           | 973.2           | 982.0           | 981.8           | 989.3           | 989.6           | 997.3           | 996.1           | 992.9             | 995.7             | 991.0              | 995.3             | 996.6             | 1,001.4         | 999.9             |
| Rental income of persons with CCAAdj.....                                | 72.8            | 76.7            | 80.5            | 78.0            | 75.9            | 76.4            | 74.2            | 71.8            | 68.2            | 73.4              | 78.1              | 83.4               | 81.4              | 80.8              | 79.1            | 81.6              |
| Personal income receipts on assets.....                                  | 1,519.4         | 1,657.6         | 1,599.1         | 1,600.8         | 1,602.1         | 1,603.9         | 1,625.4         | 1,647.3         | 1,670.2         | 1,676.7           | 1,683.5           | 1,690.6            | 1,693.6           | 1,697.0           | 1,700.1         | 1,714.5           |
| Personal interest income.....  | 945.0           | 1,018.1         | 994.9           | 992.0           | 989.1           | 986.2           | 1,002.7         | 1,019.2         | 1,035.6         | 1,035.7           | 1,035.8           | 1,032.0            | 1,028.1           | 1,028.1           | 1,024.2         | 1,032.3           |
| Personal dividend income.....  | 574.4           | 639.6           | 604.2           | 608.8           | 613.0           | 617.8           | 622.7           | 628.2           | 634.6           | 641.0             | 647.7             | 654.6              | 661.6             | 668.8             | 675.9           | 682.2             |
| Personal current transfer receipts.....                                  | 1,526.6         | 1,602.3         | 1,536.0         | 1,566.3         | 1,568.7         | 1,576.3         | 1,580.2         | 1,591.1         | 1,597.8         | 1,608.0           | 1,622.5           | 1,625.5            | 1,621.5           | 1,625.5           | 1,643.7         | 1,666.4           |
| Government social benefits to persons.....                               | 1,480.9         | 1,567.0         | 1,500.5         | 1,531.9         | 1,534.3         | 1,541.7         | 1,545.4         | 1,556.1         | 1,562.6         | 1,572.6           | 1,587.0           | 1,589.8            | 1,585.6           | 1,589.4           | 1,607.6         | 1,630.4           |
| Old-age, survivors, disability, and health insurance benefits.....       | 844.9           | 931.4           | 860.1           | 901.4           | 910.3           | 917.9           | 920.8           | 927.9           | 935.8           | 931.4             | 938.9             | 939.7              | 941.6             | 945.8             | 964.8           | 967.2             |
| Government unemployment insurance benefits.....                          | 31.3            | 27.3            | 30.1            | 28.6            | 27.4            | 27.4            | 27.0            | 27.0            | 27.0            | 27.3              | 27.3              | 27.3               | 27.0              | 27.3              | 27.0            | 27.3              |
| Other.....   | 604.6           | 608.3           | 610.3           | 601.9           | 596.6           | 596.4           | 597.6           | 601.2           | 599.9           | 613.8             | 620.7             | 622.8              | 617.1             | 616.4             | 615.8           | 635.8             |
| Other current transfer receipts, from business (net).....                | 45.7            | 35.3            | 35.5            | 34.4            | 34.5            | 34.6            | 34.8            | 35.0            | 35.2            | 35.4              | 35.5              | 35.7               | 35.9              | 36.1              | 36.1            | 36.1              |
| Less: Contributions for government social insurance.....                 | 880.6           | 944.5           | 901.5           | 929.3           | 937.8           | 943.0           | 940.5           | 936.6           | 939.4           | 943.4             | 944.2             | 948.0              | 953.4             | 956.7             | 961.6           | 980.7             |
| <b>Less: Personal current taxes</b> .....                                | <b>1,203.1</b>  | <b>1,360.9</b>  | <b>1,261.5</b>  | <b>1,317.8</b>  | <b>1,333.9</b>  | <b>1,346.2</b>  | <b>1,357.5</b>  | <b>1,358.1</b>  | <b>1,367.5</b>  | <b>1,360.8</b>    | <b>1,361.0</b>    | <b>1,365.6</b>     | <b>1,378.6</b>    | <b>1,387.0</b>    | <b>1,396.7</b>  | <b>1,431.8</b>    |
| <b>Equals: Disposable personal income</b> .....                          | <b>9,036.1</b>  | <b>9,523.1</b>  | <b>9,264.6</b>  | <b>9,347.1</b>  | <b>9,388.1</b>  | <b>9,431.3</b>  | <b>9,426.8</b>  | <b>9,437.2</b>  | <b>9,474.6</b>  | <b>9,531.8</b>    | <b>9,576.1</b>    | <b>9,623.0</b>     | <b>9,646.8</b>    | <b>9,674.3</b>    | <b>9,720.3</b>  | <b>9,793.3</b>    |
| <b>Less: Personal outlays</b> .....                                      | <b>9,070.9</b>  | <b>9,625.2</b>  | <b>9,292.5</b>  | <b>9,371.3</b>  | <b>9,418.6</b>  | <b>9,465.7</b>  | <b>9,522.3</b>  | <b>9,587.5</b>  | <b>9,621.2</b>  | <b>9,696.0</b>    | <b>9,716.0</b>    | <b>9,718.1</b>     | <b>9,747.3</b>    | <b>9,784.1</b>    | <b>9,854.5</b>  | <b>9,909.8</b>    |
| Personal consumption expenditures.....                                   | 8,742.4         | 9,269.0         | 8,955.5         | 9,034.4         | 9,079.2         | 9,123.8         | 9,175.2         | 9,238.6         | 9,270.5         | 9,338.9           | 9,352.7           | 9,348.5            | 9,375.1           | 9,410.9           | 9,480.3         | 9,532.2           |
| Durable goods.....   | 1,033.1         | 1,070.3         | 1,039.1         | 1,069.8         | 1,055.7         | 1,066.9         | 1,064.1         | 1,057.9         | 1,063.5         | 1,085.2           | 1,068.9           | 1,072.3            | 1,074.0           | 1,080.6           | 1,084.6         | 1,090.6           |
| Nondurable goods.....  | 2,539.3         | 2,715.0         | 2,594.1         | 2,655.7         | 2,654.5         | 2,664.5         | 2,703.9         | 2,728.3         | 2,732.0         | 2,755.9           | 2,761.1           | 2,726.2            | 2,711.6           | 2,726.0           | 2,773.6         |                   |
| Services.....  | 5,170.0         | 5,483.7         | 5,322.3         | 5,308.9         | 5,369.0         | 5,392.5         | 5,407.2         | 5,452.4         | 5,475.0         | 5,497.8           | 5,522.6           | 5,550.0            | 5,589.5           | 5,609.7           | 5,629.6         | 5,668.0           |
| Personal interest payments <sup>1</sup> .....                            | 209.4           | 229.9           | 214.7           | 216.6           | 218.5           | 220.4           | 221.6           | 222.9           | 224.2           | 229.9             | 235.5             | 241.2              | 242.0             | 242.7             | 243.4           | 246.6             |
| Personal current transfer payments.....                                  | 119.2           | 126.3           | 122.3           | 120.4           | 120.9           | 121.4           | 125.5           | 126.0           | 126.5           | 127.2             | 127.8             | 128.3              | 130.2             | 130.5             | 130.8           | 131.0             |
| To government.....   | 72.0            | 78.0            | 74.7            | 75.2            | 75.7            | 76.3            | 76.8            | 77.3            | 77.9            | 78.4              | 79.0              | 79.5               | 79.8              | 80.1              | 80.3            | 80.6              |
| To the rest of the world (net).....                                      | 47.1            | 48.3            | 47.6            | 45.2            | 45.2            | 45.2            | 48.7            | 48.7            | 48.7            | 48.8              | 48.8              | 48.8               | 50.4              | 50.4              | 50.4            |                   |
| <b>Equals: Personal saving</b> .....                                     | <b>-34.8</b>    | <b>-102.1</b>   | <b>-27.8</b>    | <b>-24.2</b>    | <b>-30.6</b>    | <b>-34.4</b>    | <b>-95.5</b>    | <b>-150.3</b>   | <b>-146.6</b>   | <b>-164.2</b>     | <b>-139.8</b>     | <b>-95.0</b>       | <b>-100.5</b>     | <b>-109.8</b>     | <b>-134.2</b>   | <b>-116.4</b>     |
| <b>Personal saving as percentage of disposable personal income</b> ..... | <b>-0.4</b>     | <b>-1.1</b>     | <b>-0.3</b>     | <b>-0.3</b>     | <b>-0.3</b>     | <b>-0.4</b>     | <b>-1.0</b>     | <b>-1.6</b>     | <b>-1.5</b>     | <b>-1.7</b>       | <b>-1.5</b>       | <b>-1.0</b>        | <b>-1.0</b>       | <b>-1.1</b>       | <b>-1.4</b>     | <b>-1.2</b>       |
| <b>Addenda:</b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |                   |                    |                   |                   |                 |                   |
| Disposable personal income:  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |                   |                    |                   |                   |                 |                   |
| Billions of chained (2000) dollars <sup>2</sup> .....                    | 8,104.6         | 8,312.9         | 8,220.1         | 8,253.6         | 8,283.8         | 8,292.9         | 8,251.4         | 8,232.0         | 8,252.8         | 8,277.6           | 8,294.2           | 8,361.4            | 8,400.8           | 8,422.4           | 8,434.1         | 8,480.1           |
| Per capita:  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |                   |                    |                   |                   |                 |                   |
| Current dollars.....   | 30,473          | 31,805          | 31,094          | 31,351          | 31,468          | 31,591          | 31,554          | 31,565          | 31,665          | 31,823            | 31,943            | 32,071             | 32,123            | 32,189            | 32,317          | 32,535            |
| Chained (2000) dollars.....  | 27,332          | 27,763          | 27,589          | 27,683          | 27,767          | 27,778          | 27,620          | 27,534          | 27,582          | 27,635            | 27,667            | 27,867             | 27,974            | 28,024            | 28,041          | 28,172            |
| Population (midperiod, thousands) <sup>3</sup> .....                     | 296,524         | 299,424         | 297,906         | 298,129         | 298,334         | 298,551         | 298,784         | 299,022         | 299,271         | 299,528           | 299,788           | 300,051            | 300,306           | 300,545           | 300,776         | 301,009           |
| Personal consumption expenditures:                                       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |                   |                    |                   |                   |                 |                   |
| Billions of chained (2000) dollars.....                                  | 7,841.2         | 8,091.1         | 7,945.8         | 7,977.5         | 8,011.3         | 8,022.6         | 8,031.2         | 8,058.7         | 8,075.0         | 8,110.1           | 8,100.7           | 8,122.8            | 8,164.2           | 8,193.1           | 8,225.8         | 8,254.0           |
| Durable goods.....   | 1,145.3         | 1,202.9         | 1,161.8         | 1,195.2         | 1,181.0         | 1,195.2         | 1,191.7         | 1,184.9         | 1,194.2         | 1,218.0           | 1,199.0           | 1,209.5            | 1,211.1           | 1,222.6           | 1,231.9         | 1,240.2           |
| Nondurable goods.....  | 2,276.8         | 2,362.1         | 2,310.5         | 2,343.3         | 2,346.4         | 2,338.6         | 2,347.3         | 2,352.1         | 2,353.9         | 2,360.9           | 2,357.4           | 2,362.1            | 2,377.3           | 2,392.4           | 2,414.0         | 2,416.4           |
| Services.....  | 4,436.6         | 4,550.0         | 4,491.6         | 4,465.4         | 4,505.3         | 4,512.8         | 4,515.3         | 4,542.1         | 4,548.9         | 4,558.1           | 4,566.4           | 4,575.4            | 4,598.8           | 4,603.7           | 4,607.5         | 4,625.8           |
| Implicit price deflator, 2000=100.....                                   | 111.490         | 114.560         | 112.707         | 113.249         | 113.330         | 113.727         | 114.244         | 114.640         | 114.805         | 115.151           | 115.455           | 115.089            | 114.832           | 114.864           | 115.250         | 115.486           |
| <b>Percent change from preceding period:</b>                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |                   |                    |                   |                   |                 |                   |
| <b>Personal income, current dollars</b> .....                            | <b>5.2</b>      | <b>6.3</b>      | <b>0.5</b>      | <b>1.3</b>      | <b>0.5</b>      | <b>0.5</b>      | <b>0.1</b>      | <b>0.1</b>      | <b>0.4</b>      | <b>0.5</b>        | <b>0.4</b>        | <b>0.5</b>         | <b>0.3</b>        | <b>0.3</b>        | <b>0.5</b>      | <b>1.0</b>        |
| Disposable personal income:  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |                   |                    |                   |                   |                 |                   |
| Current dollars.....   | 4.1             | 5.4             | 0.4             | 0.9             | 0.4             | 0.5             | 0.0             | 0.1             | 0.4             | 0.6               | 0.5               | 0.5                | 0.2               | 0.3               | 0.5             | 0.8               |
| Chained (2000) dollars.....  | 1.2             | 2.6             | 0.4             |                 |                 |                 |                 |                 |                 |                   |                   |                    |                   |                   |                 |                   |



### C. Historical Measures

This table is derived from the “Selected NIPA Tables” that are published in this issue and from the “GDP and Other Major NIPA Series” tables that were published in the August 2006 issue. (The changes in prices are calculated from indexes expressed to three decimal places.)

**Table C.1. GDP and Other Major NIPA Aggregates—Continues**  
 [Quarterly estimates are seasonally adjusted at annual rates]

| Year and quarter | Billions of chained (2000) dollars |                                 |                        | Percent change from preceding period |                                 | Chain-type price indexes [2000=100] |                          | Implicit price deflators [2000=100] |                        | 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             | 2,441.3                            | 2,442.7                         | 2,457.4                | 7.1                                  | 6.2                             | 20.754                              | 20.365                   | 20.751                              | 20.727                 | 1.2                                  | 1.2                      | 1.2                      | 1.2                    |
| 1960             | 2,501.8                            | 2,506.8                         | 2,519.4                | 2.5                                  | 2.6                             | 21.044                              | 20.646                   | 21.041                              | 21.018                 | 1.4                                  | 1.4                      | 1.4                      | 1.4                    |
| 1961             | 2,560.0                            | 2,566.8                         | 2,579.3                | 2.3                                  | 2.4                             | 21.281                              | 20.865                   | 21.278                              | 21.255                 | 1.1                                  | 1.1                      | 1.1                      | 1.1                    |
| 1962             | 2,715.2                            | 2,708.5                         | 2,736.9                | 6.1                                  | 5.5                             | 21.572                              | 21.139                   | 21.569                              | 21.547                 | 1.4                                  | 1.3                      | 1.4                      | 1.4                    |
| 1963             | 2,834.0                            | 2,830.3                         | 2,857.2                | 4.4                                  | 4.5                             | 21.801                              | 21.385                   | 21.798                              | 21.777                 | 1.1                                  | 1.2                      | 1.1                      | 1.1                    |
| 1964             | 2,998.6                            | 2,999.9                         | 3,023.6                | 5.8                                  | 6.0                             | 22.134                              | 21.725                   | 22.131                              | 22.111                 | 1.5                                  | 1.6                      | 1.5                      | 1.5                    |
| 1965             | 3,191.1                            | 3,173.8                         | 3,217.3                | 6.4                                  | 5.8                             | 22.538                              | 22.102                   | 22.535                              | 22.516                 | 1.8                                  | 1.7                      | 1.8                      | 1.8                    |
| 1966             | 3,399.1                            | 3,364.8                         | 3,423.7                | 6.5                                  | 6.0                             | 23.180                              | 22.724                   | 23.176                              | 23.158                 | 2.8                                  | 2.8                      | 2.8                      | 2.9                    |
| 1967             | 3,484.6                            | 3,467.6                         | 3,510.1                | 2.5                                  | 3.1                             | 23.897                              | 23.389                   | 23.893                              | 23.874                 | 3.1                                  | 2.9                      | 3.1                      | 3.1                    |
| 1968             | 3,652.7                            | 3,640.3                         | 3,680.0                | 4.8                                  | 5.0                             | 24.916                              | 24.380                   | 24.913                              | 24.893                 | 4.3                                  | 4.2                      | 4.3                      | 4.3                    |
| 1969             | 3,765.4                            | 3,753.7                         | 3,792.0                | 3.1                                  | 3.1                             | 26.153                              | 25.580                   | 26.149                              | 26.127                 | 5.0                                  | 4.9                      | 5.0                      | 5.0                    |
| 1970             | 3,771.9                            | 3,787.7                         | 3,798.2                | 0.2                                  | 0.9                             | 27.538                              | 26.964                   | 27.534                              | 27.512                 | 5.3                                  | 5.4                      | 5.3                      | 5.3                    |
| 1971             | 3,898.6                            | 3,893.4                         | 3,927.8                | 3.4                                  | 2.8                             | 28.916                              | 28.351                   | 28.911                              | 28.889                 | 5.0                                  | 5.1                      | 5.0                      | 5.0                    |
| 1972             | 4,105.0                            | 4,098.6                         | 4,136.2                | 5.3                                  | 5.3                             | 30.171                              | 29.619                   | 30.166                              | 30.145                 | 4.3                                  | 4.5                      | 4.3                      | 4.3                    |
| 1973             | 4,341.5                            | 4,315.9                         | 4,383.6                | 5.8                                  | 5.3                             | 31.854                              | 31.343                   | 31.849                              | 31.830                 | 5.6                                  | 5.8                      | 5.6                      | 5.6                    |
| 1974             | 4,319.6                            | 4,305.5                         | 4,367.5                | -0.5                                 | -0.2                            | 34.721                              | 34.546                   | 34.725                              | 34.699                 | 9.0                                  | 10.2                     | 9.0                      | 9.0                    |
| 1975             | 4,311.2                            | 4,352.5                         | 4,348.4                | -0.2                                 | 1.1                             | 38.007                              | 37.761                   | 38.002                              | 37.976                 | 9.5                                  | 9.3                      | 9.4                      | 9.4                    |
| 1976             | 4,540.9                            | 4,522.3                         | 4,585.3                | 5.3                                  | 3.9                             | 40.202                              | 39.938                   | 40.196                              | 40.175                 | 5.8                                  | 5.8                      | 5.8                      | 5.8                    |
| 1977             | 4,750.5                            | 4,721.6                         | 4,800.3                | 4.6                                  | 4.4                             | 42.758                              | 42.634                   | 42.752                              | 42.731                 | 6.4                                  | 6.8                      | 6.4                      | 6.4                    |
| 1978             | 5,015.0                            | 4,981.6                         | 5,064.4                | 5.6                                  | 5.5                             | 45.762                              | 45.663                   | 45.757                              | 45.737                 | 7.0                                  | 7.1                      | 7.0                      | 7.0                    |
| 1979             | 5,173.4                            | 5,161.2                         | 5,240.1                | 3.2                                  | 3.6                             | 49.553                              | 49.669                   | 49.548                              | 49.527                 | 8.3                                  | 8.8                      | 8.3                      | 8.3                    |
| 1980             | 5,161.7                            | 5,196.7                         | 5,227.6                | -0.2                                 | 0.7                             | 54.062                              | 54.876                   | 54.043                              | 54.015                 | 9.1                                  | 10.5                     | 9.1                      | 9.1                    |
| 1981             | 5,291.7                            | 5,265.1                         | 5,349.7                | 2.5                                  | 1.3                             | 59.128                              | 59.896                   | 59.119                              | 59.095                 | 9.4                                  | 9.1                      | 9.4                      | 9.4                    |
| 1982             | 5,189.3                            | 5,233.4                         | 5,249.7                | -1.9                                 | -0.6                            | 62.738                              | 63.296                   | 62.726                              | 62.699                 | 6.1                                  | 5.7                      | 6.1                      | 6.1                    |
| 1983             | 5,423.8                            | 5,454.0                         | 5,482.5                | 4.5                                  | 4.2                             | 65.214                              | 65.515                   | 65.207                              | 65.184                 | 3.9                                  | 3.5                      | 4.0                      | 4.0                    |
| 1984             | 5,813.6                            | 5,739.2                         | 5,869.3                | 7.2                                  | 5.2                             | 67.664                              | 67.822                   | 67.655                              | 67.631                 | 3.8                                  | 3.5                      | 3.8                      | 3.8                    |
| 1985             | 6,053.7                            | 6,042.1                         | 6,093.4                | 4.1                                  | 5.3                             | 69.724                              | 69.760                   | 69.713                              | 69.695                 | 3.0                                  | 2.9                      | 3.0                      | 3.1                    |
| 1986             | 6,263.6                            | 6,271.8                         | 6,290.6                | 3.5                                  | 3.8                             | 71.269                              | 71.338                   | 71.250                              | 71.227                 | 2.2                                  | 2.3                      | 2.2                      | 2.2                    |
| 1987             | 6,475.1                            | 6,457.2                         | 6,500.9                | 3.4                                  | 3.0                             | 73.204                              | 73.527                   | 73.196                              | 73.181                 | 2.7                                  | 3.1                      | 2.7                      | 2.7                    |
| 1988             | 6,742.7                            | 6,734.5                         | 6,775.2                | 4.1                                  | 4.3                             | 75.706                              | 76.043                   | 75.694                              | 75.679                 | 3.4                                  | 3.4                      | 3.4                      | 3.4                    |
| 1989             | 6,981.4                            | 6,962.2                         | 7,015.4                | 3.5                                  | 3.4                             | 78.569                              | 78.934                   | 78.556                              | 78.549                 | 3.8                                  | 3.8                      | 3.8                      | 3.8                    |
| 1990             | 7,112.5                            | 7,108.5                         | 7,155.2                | 1.9                                  | 2.1                             | 81.614                              | 82.144                   | 81.590                              | 81.589                 | 3.9                                  | 4.1                      | 3.9                      | 3.9                    |
| 1991             | 7,100.5                            | 7,115.0                         | 7,136.8                | -0.2                                 | 0.1                             | 84.457                              | 84.836                   | 84.444                              | 84.440                 | 3.5                                  | 3.3                      | 3.5                      | 3.5                    |
| 1992             | 7,336.6                            | 7,331.1                         | 7,371.8                | 3.3                                  | 3.0                             | 86.402                              | 86.828                   | 86.385                              | 86.375                 | 2.3                                  | 2.3                      | 2.3                      | 2.3                    |
| 1993             | 7,532.7                            | 7,522.3                         | 7,568.6                | 2.7                                  | 2.6                             | 88.390                              | 88.730                   | 88.381                              | 88.382                 | 2.3                                  | 2.2                      | 2.3                      | 2.3                    |
| 1994             | 7,835.5                            | 7,777.8                         | 7,864.2                | 4.0                                  | 3.4                             | 90.265                              | 90.583                   | 90.259                              | 90.262                 | 2.1                                  | 2.1                      | 2.1                      | 2.1                    |
| 1995             | 8,031.7                            | 8,010.2                         | 8,069.8                | 2.5                                  | 3.0                             | 92.115                              | 92.483                   | 92.106                              | 92.114                 | 2.0                                  | 2.1                      | 2.0                      | 2.1                    |
| 1996             | 8,328.9                            | 8,306.5                         | 8,365.3                | 3.7                                  | 3.7                             | 93.859                              | 94.145                   | 93.852                              | 93.863                 | 1.9                                  | 1.8                      | 1.9                      | 1.9                    |
| 1997             | 8,703.5                            | 8,636.6                         | 8,737.5                | 4.5                                  | 4.0                             | 95.415                              | 95.440                   | 95.414                              | 95.420                 | 1.7                                  | 1.4                      | 1.7                      | 1.7                    |
| 1998             | 9,066.9                            | 8,997.6                         | 9,088.7                | 4.2                                  | 4.2                             | 96.475                              | 96.060                   | 96.472                              | 96.475                 | 1.1                                  | 0.6                      | 1.1                      | 1.1                    |
| 1999             | 9,470.3                            | 9,404.0                         | 9,504.7                | 4.5                                  | 4.5                             | 97.868                              | 97.556                   | 97.868                              | 97.869                 | 1.4                                  | 1.6                      | 1.4                      | 1.4                    |
| 2000             | 9,817.0                            | 9,760.5                         | 9,855.9                | 3.7                                  | 3.8                             | 100.000                             | 100.000                  | 100.000                             | 100.000                | 2.2                                  | 2.5                      | 2.2                      | 2.2                    |
| 2001             | 9,890.7                            | 9,920.9                         | 9,933.6                | 0.8                                  | 1.6                             | 102.402                             | 101.994                  | 102.399                             | 102.396                | 2.4                                  | 2.0                      | 2.4                      | 2.4                    |
| 2002             | 10,048.8                           | 10,036.5                        | 10,079.0               | 1.6                                  | 1.2                             | 104.193                             | 103.583                  | 104.187                             | 104.179                | 1.7                                  | 1.6                      | 1.7                      | 1.7                    |
| 2003             | 10,301.0                           | 10,285.1                        | 10,355.3               | 2.5                                  | 2.5                             | 106.409                             | 105.966                  | 106.404                             | 106.396                | 2.1                                  | 2.3                      | 2.1                      | 2.1                    |
| 2004             | 10,703.5                           | 10,648.3                        | 10,746.8               | 3.9                                  | 3.5                             | 109.429                             | 109.210                  | 109.426                             | 109.416                | 2.8                                  | 3.1                      | 2.8                      | 2.8                    |
| 2005             | 11,048.6                           | 11,025.2                        | 11,077.9               | 3.2                                  | 3.5                             | 112.744                             | 112.981                  | 112.737                             | 112.726                | 3.0                                  | 3.5                      | 3.0                      | 3.0                    |
| 2006             | 11,413.6                           | 11,365.4                        | .....                  | 3.3                                  | 3.1                             | 116.061                             | 116.497                  | 116.042                             | .....                  | 2.9                                  | 3.1                      | 2.9                      | .....                  |

Table C.1. GDP and Other Major NIPA Aggregates—Continues

[Quarterly estimates are seasonally adjusted at annual rates]

| Year and quarter | Billions of chained (2000) dollars |                                 |                        | Percent change from preceding period |                                 | Chain-type price indexes [2000=100] |                          | Implicit price deflators [2000=100] |                        | 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: I.....     | 2,392.9                            | 2,396.9                         | 2,408.1                | 7.9                                  | 8.1                             | 20,680                              | 20,296                   | 20,704                              | 20,680                 | 1.8                                  | 2.1                      | 0.9                      | 0.9                    |
| II.....          | 2,455.8                            | 2,440.3                         | 2,471.1                | 10.9                                 | 7.4                             | 20,711                              | 20,326                   | 20,704                              | 20,681                 | 0.6                                  | 0.6                      | 0.0                      | 0.0                    |
| III.....         | 2,453.9                            | 2,471.1                         | 2,470.3                | -0.3                                 | 5.1                             | 20,770                              | 20,379                   | 20,753                              | 20,730                 | 1.1                                  | 1.0                      | 1.0                      | 1.0                    |
| IV.....          | 2,462.6                            | 2,462.3                         | 2,479.8                | 1.4                                  | -1.4                            | 20,853                              | 20,460                   | 20,840                              | 20,817                 | 1.6                                  | 1.6                      | 1.7                      | 1.7                    |
| 1960: I.....     | 2,517.4                            | 2,488.1                         | 2,534.1                | 9.2                                  | 4.3                             | 20,903                              | 20,505                   | 20,931                              | 20,909                 | 1.0                                  | 0.9                      | 1.8                      | 1.8                    |
| II.....          | 2,504.8                            | 2,511.5                         | 2,521.8                | -2.0                                 | 3.8                             | 20,995                              | 20,598                   | 21,004                              | 20,982                 | 1.8                                  | 1.8                      | 1.4                      | 1.4                    |
| III.....         | 2,508.7                            | 2,507.9                         | 2,526.5                | 0.6                                  | -0.6                            | 21,093                              | 20,694                   | 21,084                              | 21,061                 | 1.9                                  | 1.9                      | 1.5                      | 1.5                    |
| IV.....          | 2,476.2                            | 2,519.8                         | 2,494.9                | -5.1                                 | 1.9                             | 21,186                              | 20,787                   | 21,146                              | 21,122                 | 1.8                                  | 1.8                      | 1.2                      | 1.2                    |
| 1961: I.....     | 2,491.2                            | 2,522.0                         | 2,510.8                | 2.4                                  | 0.4                             | 21,210                              | 20,807                   | 21,192                              | 21,169                 | 0.5                                  | 0.4                      | 0.9                      | 0.9                    |
| II.....          | 2,538.0                            | 2,549.1                         | 2,556.7                | 7.7                                  | 4.4                             | 21,249                              | 20,831                   | 21,237                              | 21,214                 | 0.7                                  | 0.5                      | 0.9                      | 0.9                    |
| III.....         | 2,579.1                            | 2,568.9                         | 2,598.3                | 6.6                                  | 3.1                             | 21,305                              | 20,887                   | 21,303                              | 21,280                 | 1.1                                  | 1.1                      | 1.2                      | 1.3                    |
| IV.....          | 2,631.8                            | 2,627.3                         | 2,651.4                | 8.4                                  | 9.4                             | 21,360                              | 20,933                   | 21,375                              | 21,352                 | 1.0                                  | 0.9                      | 1.4                      | 1.4                    |
| 1962: I.....     | 2,679.1                            | 2,659.5                         | 2,698.6                | 7.4                                  | 5.0                             | 21,482                              | 21,041                   | 21,501                              | 21,479                 | 2.3                                  | 2.1                      | 2.4                      | 2.4                    |
| II.....          | 2,708.4                            | 2,704.5                         | 2,729.7                | 4.4                                  | 6.9                             | 21,538                              | 21,109                   | 21,533                              | 21,511                 | 1.0                                  | 1.3                      | 0.6                      | 0.6                    |
| III.....         | 2,733.3                            | 2,725.6                         | 2,754.8                | 3.7                                  | 3.2                             | 21,596                              | 21,163                   | 21,585                              | 21,564                 | 1.1                                  | 1.0                      | 1.0                      | 1.0                    |
| IV.....          | 2,740.0                            | 2,744.5                         | 2,764.5                | 1.0                                  | 2.8                             | 21,671                              | 21,241                   | 21,653                              | 21,632                 | 1.4                                  | 1.5                      | 1.3                      | 1.3                    |
| 1963: I.....     | 2,775.9                            | 2,762.8                         | 2,799.4                | 5.3                                  | 2.7                             | 21,732                              | 21,308                   | 21,702                              | 21,681                 | 1.1                                  | 1.3                      | 0.9                      | 0.9                    |
| II.....          | 2,810.6                            | 2,809.7                         | 2,833.3                | 5.1                                  | 7.0                             | 21,754                              | 21,335                   | 21,754                              | 21,724                 | 0.4                                  | 0.5                      | 0.8                      | 0.8                    |
| III.....         | 2,863.5                            | 2,859.4                         | 2,886.6                | 7.7                                  | 7.3                             | 21,794                              | 21,382                   | 21,788                              | 21,768                 | 0.7                                  | 0.9                      | 0.8                      | 0.8                    |
| IV.....          | 2,885.8                            | 2,889.5                         | 2,909.6                | 3.1                                  | 4.3                             | 21,923                              | 21,514                   | 21,951                              | 21,930                 | 2.4                                  | 2.5                      | 3.0                      | 3.0                    |
| 1964: I.....     | 2,950.5                            | 2,952.7                         | 2,976.3                | 9.3                                  | 9.0                             | 22,001                              | 21,596                   | 22,016                              | 21,995                 | 1.4                                  | 1.5                      | 1.2                      | 1.2                    |
| II.....          | 2,984.8                            | 2,988.1                         | 3,009.6                | 4.7                                  | 4.9                             | 22,073                              | 21,674                   | 22,073                              | 22,053                 | 1.3                                  | 1.5                      | 1.0                      | 1.1                    |
| III.....         | 3,025.5                            | 3,025.4                         | 3,051.1                | 5.6                                  | 5.1                             | 22,180                              | 21,769                   | 22,160                              | 22,140                 | 2.0                                  | 1.8                      | 1.6                      | 1.6                    |
| IV.....          | 3,033.6                            | 3,033.2                         | 3,057.5                | 1.1                                  | 1.0                             | 22,282                              | 21,860                   | 22,270                              | 22,250                 | 1.9                                  | 1.7                      | 2.0                      | 2.0                    |
| 1965: I.....     | 3,108.2                            | 3,081.0                         | 3,135.2                | 10.2                                 | 6.5                             | 22,380                              | 21,940                   | 22,383                              | 22,363                 | 1.8                                  | 1.5                      | 2.0                      | 2.0                    |
| II.....          | 3,150.2                            | 3,136.6                         | 3,178.0                | 5.5                                  | 7.4                             | 22,479                              | 22,037                   | 22,480                              | 22,460                 | 1.8                                  | 1.8                      | 1.7                      | 1.7                    |
| III.....         | 3,214.1                            | 3,195.5                         | 3,240.0                | 8.4                                  | 7.7                             | 22,578                              | 22,140                   | 22,563                              | 22,544                 | 1.8                                  | 1.9                      | 1.5                      | 1.5                    |
| IV.....          | 3,291.8                            | 3,282.4                         | 3,315.7                | 10.0                                 | 11.3                            | 22,717                              | 22,292                   | 22,707                              | 22,688                 | 2.5                                  | 2.8                      | 2.6                      | 2.6                    |
| 1966: I.....     | 3,372.3                            | 3,337.0                         | 3,396.9                | 10.1                                 | 6.8                             | 22,857                              | 22,416                   | 22,855                              | 22,837                 | 2.5                                  | 2.2                      | 2.6                      | 2.7                    |
| II.....          | 3,384.0                            | 3,352.4                         | 3,408.7                | 1.4                                  | 1.9                             | 23,071                              | 22,629                   | 23,048                              | 23,029                 | 3.8                                  | 3.9                      | 3.4                      | 3.4                    |
| III.....         | 3,406.3                            | 3,380.2                         | 3,430.4                | 2.7                                  | 3.4                             | 23,293                              | 22,831                   | 23,291                              | 23,272                 | 3.9                                  | 3.6                      | 4.3                      | 4.3                    |
| IV.....          | 3,433.7                            | 3,389.6                         | 3,458.9                | 3.3                                  | 1.1                             | 23,498                              | 23,018                   | 23,505                              | 23,486                 | 3.6                                  | 3.3                      | 3.7                      | 3.7                    |
| 1967: I.....     | 3,464.1                            | 3,424.2                         | 3,489.0                | 3.6                                  | 4.1                             | 23,611                              | 23,109                   | 23,612                              | 23,593                 | 1.9                                  | 1.6                      | 1.8                      | 1.8                    |
| II.....          | 3,464.3                            | 3,460.2                         | 3,488.5                | 0.0                                  | 4.3                             | 23,759                              | 23,254                   | 23,741                              | 23,722                 | 2.5                                  | 2.5                      | 2.2                      | 2.2                    |
| III.....         | 3,491.8                            | 3,477.8                         | 3,518.5                | 3.2                                  | 2.0                             | 23,977                              | 23,469                   | 23,975                              | 23,955                 | 3.7                                  | 3.7                      | 4.0                      | 4.0                    |
| IV.....          | 3,518.2                            | 3,508.2                         | 3,544.1                | 3.1                                  | 3.5                             | 24,242                              | 23,723                   | 24,241                              | 24,221                 | 4.5                                  | 4.4                      | 4.5                      | 4.5                    |
| 1968: I.....     | 3,590.7                            | 3,581.7                         | 3,617.2                | 8.5                                  | 8.6                             | 24,503                              | 23,979                   | 24,506                              | 24,487                 | 4.4                                  | 4.4                      | 4.4                      | 4.5                    |
| II.....          | 3,651.6                            | 3,617.7                         | 3,678.7                | 7.0                                  | 4.1                             | 24,777                              | 24,230                   | 24,773                              | 24,743                 | 4.5                                  | 4.3                      | 4.3                      | 4.2                    |
| III.....         | 3,676.5                            | 3,669.4                         | 3,704.4                | 2.7                                  | 5.8                             | 25,017                              | 24,483                   | 25,008                              | 24,988                 | 3.9                                  | 4.2                      | 4.0                      | 4.0                    |
| IV.....          | 3,692.0                            | 3,692.2                         | 3,719.6                | 1.7                                  | 2.5                             | 25,367                              | 24,826                   | 25,362                              | 25,342                 | 5.7                                  | 5.7                      | 5.8                      | 5.8                    |
| 1969: I.....     | 3,750.2                            | 3,730.5                         | 3,778.0                | 6.5                                  | 4.2                             | 25,622                              | 25,062                   | 25,626                              | 25,605                 | 4.1                                  | 3.9                      | 4.2                      | 4.2                    |
| II.....          | 3,760.9                            | 3,748.6                         | 3,787.7                | 1.1                                  | 2.0                             | 25,966                              | 25,402                   | 25,958                              | 25,937                 | 5.5                                  | 5.5                      | 5.3                      | 5.3                    |
| III.....         | 3,784.2                            | 3,767.6                         | 3,810.0                | 2.5                                  | 2.0                             | 26,345                              | 25,764                   | 26,332                              | 26,310                 | 6.0                                  | 5.8                      | 5.9                      | 5.9                    |
| IV.....          | 3,766.3                            | 3,768.1                         | 3,792.1                | -1.9                                 | 0.1                             | 26,678                              | 26,093                   | 26,675                              | 26,652                 | 5.2                                  | 5.2                      | 5.3                      | 5.3                    |
| 1970: I.....     | 3,760.0                            | 3,778.0                         | 3,786.3                | -0.7                                 | 1.1                             | 27,051                              | 26,474                   | 27,056                              | 27,034                 | 5.7                                  | 6.0                      | 5.8                      | 5.9                    |
| II.....          | 3,767.1                            | 3,771.0                         | 3,794.3                | 0.8                                  | -0.7                            | 27,437                              | 26,841                   | 27,428                              | 27,406                 | 5.8                                  | 5.7                      | 5.6                      | 5.6                    |
| III.....         | 3,800.5                            | 3,804.6                         | 3,827.4                | 3.6                                  | 3.6                             | 27,655                              | 27,093                   | 27,647                              | 27,624                 | 3.2                                  | 3.8                      | 3.2                      | 3.2                    |
| IV.....          | 3,759.8                            | 3,797.2                         | 3,784.5                | -4.2                                 | -0.8                            | 28,009                              | 27,449                   | 28,004                              | 27,982                 | 5.2                                  | 5.4                      | 5.3                      | 5.3                    |
| 1971: I.....     | 3,864.1                            | 3,844.7                         | 3,893.1                | 11.6                                 | 5.1                             | 28,429                              | 27,854                   | 28,425                              | 28,403                 | 6.1                                  | 6.0                      | 6.2                      | 6.2                    |
| II.....          | 3,885.9                            | 3,871.3                         | 3,916.4                | 2.3                                  | 2.8                             | 28,809                              | 28,230                   | 28,798                              | 28,777                 | 5.5                                  | 5.5                      | 5.4                      | 5.4                    |
| III.....         | 3,916.7                            | 3,905.2                         | 3,944.4                | 3.2                                  | 3.5                             | 29,097                              | 28,539                   | 29,089                              | 29,069                 | 4.1                                  | 4.5                      | 4.1                      | 4.1                    |
| IV.....          | 3,927.9                            | 3,952.5                         | 3,957.1                | 1.1                                  | 4.9                             | 29,329                              | 28,779                   | 29,322                              | 29,300                 | 3.2                                  | 3.4                      | 3.2                      | 3.2                    |
| 1972: I.....     | 3,997.7                            | 4,006.9                         | 4,028.1                | 7.3                                  | 5.6                             | 29,814                              | 29,234                   | 29,781                              | 29,759                 | 6.8                                  | 6.5                      | 6.4                      | 6.4                    |
| II.....          | 4,092.1                            | 4,073.0                         | 4,122.1                | 9.8                                  | 6.8                             | 29,989                              | 29,437                   | 29,959                              | 29,937                 | 2.4                                  | 2.8                      | 2.4                      | 2.4                    |
| III.....         | 4,131.1                            | 4,109.6                         | 4,163.5                | 3.9                                  | 3.6                             | 30,264                              | 29,728                   | 30,250                              | 30,229                 | 3.7                                  | 4.0                      | 3.9                      | 4.0                    |
| IV.....          | 4,198.7                            | 4,204.8                         | 4,231.0                | 6.7                                  | 9.6                             | 30,620                              | 30,078                   | 30,652                              | 30,631                 | 4.8                                  | 4.8                      | 5.4                      | 5.4                    |
| 1973: I.....     | 4,305.3                            | 4,296.4                         | 4,342.5                | 10.6                                 | 9.0                             | 31,025                              | 30,478                   | 31,020                              | 31,000                 | 5.4                                  | 5.4                      | 4.9                      | 4.9                    |
| II.....          | 4,355.1                            | 4,317.4                         | 4,394.6                | 4.7                                  | 2.0                             | 31,542                              | 31,052                   | 31,500                              | 31,481                 | 6.8                                  | 7.7                      | 6.3                      | 6.4                    |
| III.....         | 4,331.9                            | 4,322.6                         | 4,377.8                | -2.1                                 | 0.5                             | 32,147                              | 31,625                   | 32,114                              | 32,095                 | 7.9                                  | 7.6                      | 8.0                      | 8.0                    |
| IV.....          | 4,373.3                            | 4,327.3                         | 4,419.5                | 3.9                                  | 0.4                             | 32,703                              | 32,218                   | 32,750                              | 32,731                 | 7.1                                  | 7.7                      | 8.2                      | 8.2                    |
| 1974: I.....     | 4,335.4                            | 4,322.7                         | 4,389.4                | -3.4                                 | -0.4                            | 33,371                              | 33,068                   | 33,376                              | 33,354                 | 8.4                                  | 11.0                     | 7.9                      | 7.8                    |
| II.....          | 4,347.9                            | 4,328.7                         | 4,399.1                | 1.2                                  | 0.6                             | 34,110                              | 34,007                   | 34,162                              | 34,137                 | 9.2                                  | 11.9                     | 9.8                      | 9.7                    |
| III.....         | 4,305.8                            | 4,316.3                         | 4,352.4                | -3.8                                 | -1.1                            | 35,164                              | 35,045                   | 35,166                              | 35,141                 | 12.9                                 | 12.8                     | 12.3                     | 12.3                   |
| IV.....          | 4,288.9                            | 4,254.5                         | 4,329.3                | -1.6                                 | -5.6                            | 36,240                              | 36,062                   | 36,218                              | 36,188                 | 12.8                                 | 12.1                     | 12.5                     | 12.5                   |
| 1975: I.....     | 4,237.6                            | 4,287.8                         | 4,271.5                | -4.7                                 | 3.2                             | 37,077                              | 36,849                   | 37,050                              | 37,022                 | 9.6                                  | 9.0                      | 9.5                      | 9.5                    |
| II.....          | 4,268.6                            | 4,331.0                         | 4,302.8                | 3.0                                  | 4.1                             | 37,622                              | 37,412                   | 37,614                              | 37,586                 | 6.0                                  | 6.3                      | 6.2                      | 6.2                    |
| III.....         | 4,340.9                            | 4,370.1                         | 4,377.7                | 6.9                                  | 3.7                             | 38,324                              | 38,060                   | 38,313                              | 38,288                 | 7.7                                  | 7.1                      | 7.6                      | 7.7                    |
| IV.....          | 4,397.8                            | 4,421.1                         | 4,441.7                | 5.4                                  | 4.8                             | 39,005                              | 38,724                   | 38,987                              | 38,961                 | 7.3                                  | 7.2                      | 7.2                      | 7.2                    |

**Table C.1. GDP and Other Major NIPA Aggregates—Continues**

[Quarterly estimates are seasonally adjusted at annual rates]

| Year and quarter | Billions of chained (2000) dollars |                                 |                        | Percent change from preceding period |                                 | Chain-type price indexes [2000=100] |                          | Implicit price deflators [2000=100] |                        | 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 |
| 1976: I.....     | 4,496.8                            | 4,482.1                         | 4,539.3                | 9.3                                  | 5.6                             | 39.443                              | 39.163                   | 39.418                              | 39.396                 | 4.6                                  | 4.6                      | 4.5                      | 4.5                    |
| 1976: II.....    | 4,530.3                            | 4,496.3                         | 4,574.6                | 3.0                                  | 1.3                             | 39.866                              | 39.595                   | 39.840                              | 39.818                 | 4.4                                  | 4.5                      | 4.4                      | 4.4                    |
| 1976: III.....   | 4,552.0                            | 4,523.7                         | 4,596.7                | 1.9                                  | 2.5                             | 40.405                              | 40.168                   | 40.385                              | 40.365                 | 5.5                                  | 5.9                      | 5.6                      | 5.6                    |
| 1976: IV.....    | 4,584.6                            | 4,587.1                         | 4,630.4                | 2.9                                  | 5.7                             | 41.096                              | 40.828                   | 41.122                              | 41.101                 | 7.0                                  | 6.7                      | 7.5                      | 7.5                    |
| 1977: I.....     | 4,640.0                            | 4,631.5                         | 4,692.2                | 4.9                                  | 3.9                             | 41.781                              | 41.591                   | 41.796                              | 41.773                 | 6.8                                  | 7.7                      | 6.7                      | 6.7                    |
| 1977: II.....    | 4,731.1                            | 4,705.5                         | 4,782.3                | 8.1                                  | 6.5                             | 42.452                              | 42.306                   | 42.401                              | 42.381                 | 6.6                                  | 7.1                      | 5.9                      | 6.0                    |
| 1977: III.....   | 4,815.8                            | 4,755.2                         | 4,866.4                | 7.4                                  | 4.3                             | 43.036                              | 42.950                   | 42.917                              | 42.899                 | 5.6                                  | 6.2                      | 5.0                      | 5.0                    |
| 1977: IV.....    | 4,815.3                            | 4,794.1                         | 4,860.4                | 0.0                                  | 3.3                             | 43.762                              | 43.688                   | 43.852                              | 43.831                 | 6.9                                  | 7.1                      | 9.0                      | 9.0                    |
| 1978: I.....     | 4,830.8                            | 4,799.5                         | 4,882.9                | 1.3                                  | 0.5                             | 44.493                              | 44.410                   | 44.505                              | 44.483                 | 6.9                                  | 6.8                      | 6.1                      | 6.1                    |
| 1978: II.....    | 5,021.2                            | 4,989.9                         | 5,064.7                | 16.7                                 | 16.8                            | 45.350                              | 45.266                   | 45.321                              | 45.301                 | 7.9                                  | 7.9                      | 7.5                      | 7.6                    |
| 1978: III.....   | 5,070.7                            | 5,036.0                         | 5,118.2                | 4.0                                  | 3.7                             | 46.133                              | 46.048                   | 46.072                              | 46.052                 | 7.1                                  | 7.1                      | 6.8                      | 6.8                    |
| 1978: IV.....    | 5,137.4                            | 5,100.6                         | 5,191.9                | 5.4                                  | 5.2                             | 47.074                              | 46.928                   | 47.047                              | 47.027                 | 8.4                                  | 7.9                      | 8.7                      | 8.7                    |
| 1979: I.....     | 5,147.4                            | 5,117.8                         | 5,203.1                | 0.8                                  | 1.4                             | 47.929                              | 47.828                   | 47.876                              | 47.857                 | 7.5                                  | 7.9                      | 7.2                      | 7.2                    |
| 1979: II.....    | 5,152.3                            | 5,117.9                         | 5,214.9                | 0.4                                  | 0.0                             | 49.092                              | 49.044                   | 49.058                              | 49.034                 | 10.1                                 | 10.6                     | 10.2                     | 10.2                   |
| 1979: III.....   | 5,189.4                            | 5,192.3                         | 5,263.8                | 2.9                                  | 5.9                             | 50.102                              | 50.289                   | 50.115                              | 50.093                 | 8.5                                  | 10.5                     | 8.9                      | 8.9                    |
| 1979: IV.....    | 5,204.7                            | 5,216.9                         | 5,278.6                | 1.2                                  | 1.9                             | 51.088                              | 51.515                   | 51.117                              | 51.093                 | 8.1                                  | 10.1                     | 8.2                      | 8.2                    |
| 1980: I.....     | 5,221.3                            | 5,227.3                         | 5,296.5                | 1.3                                  | 0.8                             | 52.209                              | 52.930                   | 52.195                              | 52.172                 | 9.1                                  | 11.4                     | 8.7                      | 8.7                    |
| 1980: II.....    | 5,115.9                            | 5,126.2                         | 5,185.5                | -7.8                                 | -7.5                            | 53.362                              | 54.220                   | 53.349                              | 53.324                 | 9.1                                  | 10.1                     | 9.1                      | 9.1                    |
| 1980: III.....   | 5,107.4                            | 5,193.5                         | 5,173.0                | -0.7                                 | 5.4                             | 54.572                              | 55.446                   | 54.560                              | 54.534                 | 9.4                                  | 9.4                      | 9.4                      | 9.4                    |
| 1980: IV.....    | 5,202.1                            | 5,239.7                         | 5,255.6                | 7.6                                  | 3.6                             | 56.105                              | 56.907                   | 56.071                              | 56.043                 | 11.7                                 | 11.0                     | 11.5                     | 11.5                   |
| 1981: I.....     | 5,307.5                            | 5,261.7                         | 5,364.5                | 8.4                                  | 1.7                             | 57.566                              | 58.397                   | 57.517                              | 57.492                 | 10.8                                 | 10.9                     | 10.7                     | 10.8                   |
| 1981: II.....    | 5,266.1                            | 5,272.8                         | 5,319.8                | -3.1                                 | 0.8                             | 58.582                              | 59.434                   | 58.598                              | 58.571                 | 7.2                                  | 7.3                      | 7.7                      | 7.7                    |
| 1981: III.....   | 5,329.8                            | 5,278.5                         | 5,386.8                | 4.9                                  | 0.4                             | 59.661                              | 60.355                   | 59.641                              | 59.616                 | 7.6                                  | 6.3                      | 7.3                      | 7.3                    |
| 1981: IV.....    | 5,263.4                            | 5,247.4                         | 5,327.3                | -4.9                                 | -2.3                            | 60.704                              | 61.400                   | 60.729                              | 60.706                 | 7.2                                  | 7.1                      | 7.5                      | 7.5                    |
| 1982: I.....     | 5,177.1                            | 5,232.9                         | 5,237.7                | -6.4                                 | -1.1                            | 61.563                              | 62.213                   | 61.555                              | 61.530                 | 5.8                                  | 5.4                      | 5.6                      | 5.5                    |
| 1982: II.....    | 5,204.9                            | 5,230.5                         | 5,272.8                | 2.2                                  | -0.2                            | 62.330                              | 62.883                   | 62.302                              | 62.276                 | 5.1                                  | 4.4                      | 4.9                      | 4.9                    |
| 1982: III.....   | 5,185.2                            | 5,196.6                         | 5,242.9                | -1.5                                 | -2.6                            | 63.193                              | 63.717                   | 63.182                              | 63.155                 | 5.7                                  | 5.4                      | 5.8                      | 5.8                    |
| 1982: IV.....    | 5,189.8                            | 5,273.3                         | 5,245.3                | 0.4                                  | 6.0                             | 63.866                              | 64.372                   | 63.863                              | 63.837                 | 4.3                                  | 4.2                      | 4.4                      | 4.4                    |
| 1983: I.....     | 5,253.8                            | 5,329.2                         | 5,308.8                | 5.0                                  | 4.3                             | 64.413                              | 64.768                   | 64.388                              | 64.363                 | 3.5                                  | 2.5                      | 3.3                      | 3.3                    |
| 1983: II.....    | 5,372.3                            | 5,404.6                         | 5,430.9                | 9.3                                  | 5.8                             | 64.881                              | 65.213                   | 64.853                              | 64.831                 | 2.9                                  | 2.8                      | 2.9                      | 2.9                    |
| 1983: III.....   | 5,478.4                            | 5,505.1                         | 5,538.0                | 8.1                                  | 7.7                             | 65.542                              | 65.849                   | 65.517                              | 65.495                 | 4.1                                  | 4.0                      | 4.2                      | 4.2                    |
| 1983: IV.....    | 5,590.5                            | 5,577.0                         | 5,652.4                | 8.4                                  | 5.3                             | 66.020                              | 66.231                   | 66.012                              | 65.991                 | 2.9                                  | 2.3                      | 3.1                      | 3.1                    |
| 1984: I.....     | 5,699.8                            | 5,614.4                         | 5,757.1                | 8.1                                  | 2.7                             | 66.838                              | 67.052                   | 66.837                              | 66.815                 | 5.0                                  | 5.1                      | 5.1                      | 5.1                    |
| 1984: II.....    | 5,797.9                            | 5,717.5                         | 5,855.5                | 7.1                                  | 7.5                             | 67.439                              | 67.647                   | 67.414                              | 67.392                 | 3.6                                  | 3.6                      | 3.5                      | 3.5                    |
| 1984: III.....   | 5,854.3                            | 5,770.2                         | 5,911.3                | 3.9                                  | 3.7                             | 67.989                              | 68.114                   | 67.953                              | 67.930                 | 3.3                                  | 2.8                      | 3.2                      | 3.2                    |
| 1984: IV.....    | 5,902.4                            | 5,854.6                         | 5,953.2                | 3.3                                  | 6.0                             | 68.392                              | 68.476                   | 68.385                              | 68.359                 | 2.4                                  | 2.1                      | 2.6                      | 2.6                    |
| 1985: I.....     | 5,956.9                            | 5,953.0                         | 5,997.4                | 3.8                                  | 6.9                             | 69.180                              | 69.137                   | 69.155                              | 69.127                 | 4.7                                  | 3.9                      | 4.6                      | 4.6                    |
| 1985: II.....    | 6,007.8                            | 5,998.5                         | 6,050.8                | 3.5                                  | 3.1                             | 69.542                              | 69.537                   | 69.550                              | 69.529                 | 2.1                                  | 2.3                      | 2.3                      | 2.3                    |
| 1985: III.....   | 6,101.7                            | 6,095.8                         | 6,137.4                | 6.4                                  | 6.6                             | 69.876                              | 69.907                   | 69.838                              | 69.827                 | 1.9                                  | 2.1                      | 1.7                      | 1.7                    |
| 1985: IV.....    | 6,148.6                            | 6,121.2                         | 6,188.2                | 3.1                                  | 1.7                             | 70.299                              | 70.459                   | 70.289                              | 70.276                 | 2.4                                  | 3.2                      | 2.6                      | 2.6                    |
| 1986: I.....     | 6,207.4                            | 6,184.1                         | 6,242.5                | 3.9                                  | 4.2                             | 70.660                              | 70.851                   | 70.652                              | 70.635                 | 2.1                                  | 2.2                      | 2.1                      | 2.1                    |
| 1986: II.....    | 6,232.0                            | 6,230.5                         | 6,257.3                | 1.6                                  | 3.0                             | 71.001                              | 70.985                   | 71.015                              | 70.993                 | 1.9                                  | 0.8                      | 2.1                      | 2.0                    |
| 1986: III.....   | 6,291.7                            | 6,317.8                         | 6,320.1                | 3.9                                  | 5.7                             | 71.455                              | 71.493                   | 71.426                              | 71.401                 | 2.6                                  | 2.9                      | 2.3                      | 2.3                    |
| 1986: IV.....    | 6,323.4                            | 6,355.0                         | 6,342.8                | 2.0                                  | 2.4                             | 71.960                              | 72.025                   | 71.893                              | 71.866                 | 2.9                                  | 3.0                      | 2.6                      | 2.6                    |
| 1987: I.....     | 6,365.0                            | 6,344.4                         | 6,386.8                | 2.7                                  | -0.7                            | 72.514                              | 72.728                   | 72.487                              | 72.465                 | 3.1                                  | 4.0                      | 3.3                      | 3.4                    |
| 1987: II.....    | 6,435.0                            | 6,431.4                         | 6,461.8                | 4.5                                  | 5.6                             | 72.904                              | 73.229                   | 72.882                              | 72.870                 | 2.2                                  | 2.8                      | 2.2                      | 2.3                    |
| 1987: III.....   | 6,493.4                            | 6,510.8                         | 6,519.5                | 3.7                                  | 5.0                             | 73.450                              | 73.819                   | 73.425                              | 73.412                 | 3.0                                  | 3.3                      | 3.0                      | 3.0                    |
| 1987: IV.....    | 6,606.8                            | 6,542.5                         | 6,635.4                | 7.2                                  | 2.0                             | 73.948                              | 74.332                   | 73.958                              | 73.944                 | 2.7                                  | 2.8                      | 2.9                      | 2.9                    |
| 1988: I.....     | 6,639.1                            | 6,637.2                         | 6,675.0                | 2.0                                  | 5.9                             | 74.564                              | 74.975                   | 74.587                              | 74.571                 | 3.4                                  | 3.5                      | 3.4                      | 3.4                    |
| 1988: II.....    | 6,723.5                            | 6,716.4                         | 6,756.2                | 5.2                                  | 4.9                             | 75.296                              | 75.706                   | 75.300                              | 75.285                 | 4.0                                  | 4.0                      | 3.9                      | 3.9                    |
| 1988: III.....   | 6,759.4                            | 6,749.5                         | 6,788.9                | 2.1                                  | 2.0                             | 76.178                              | 76.406                   | 76.141                              | 76.124                 | 4.8                                  | 3.8                      | 4.5                      | 4.5                    |
| 1988: IV.....    | 6,848.6                            | 6,835.1                         | 6,880.9                | 5.4                                  | 5.2                             | 76.786                              | 77.086                   | 76.712                              | 76.700                 | 3.2                                  | 3.6                      | 3.0                      | 3.1                    |
| 1989: I.....     | 6,918.1                            | 6,873.3                         | 6,950.1                | 4.1                                  | 2.3                             | 77.588                              | 77.937                   | 77.580                              | 77.566                 | 4.2                                  | 4.5                      | 4.6                      | 4.6                    |
| 1989: II.....    | 6,963.5                            | 6,933.6                         | 6,993.9                | 2.6                                  | 3.6                             | 78.342                              | 78.764                   | 78.324                              | 78.316                 | 3.9                                  | 4.3                      | 3.9                      | 3.9                    |
| 1989: III.....   | 7,013.1                            | 7,015.3                         | 7,046.2                | 2.9                                  | 4.8                             | 78.913                              | 79.227                   | 78.879                              | 78.875                 | 2.9                                  | 2.4                      | 2.9                      | 2.9                    |
| 1989: IV.....    | 7,030.9                            | 7,026.8                         | 7,071.4                | 1.0                                  | 0.7                             | 79.433                              | 79.807                   | 79.425                              | 79.422                 | 2.7                                  | 3.0                      | 2.8                      | 2.8                    |
| 1990: I.....     | 7,112.1                            | 7,110.6                         | 7,150.0                | 4.7                                  | 4.9                             | 80.389                              | 80.878                   | 80.375                              | 80.376                 | 4.9                                  | 5.5                      | 4.9                      | 4.9                    |
| 1990: II.....    | 7,130.3                            | 7,103.8                         | 7,169.9                | 1.0                                  | -0.4                            | 81.326                              | 81.629                   | 81.311                              | 81.301                 | 4.7                                  | 3.8                      | 4.7                      | 4.7                    |
| 1990: III.....   | 7,130.8                            | 7,118.3                         | 7,163.9                | 0.0                                  | 0.8                             | 82.053                              | 82.531                   | 82.031                              | 82.028                 | 3.6                                  | 4.5                      | 3.6                      | 3.6                    |
| 1990: IV.....    | 7,076.9                            | 7,101.3                         | 7,137.1                | -3.0                                 | -1.0                            | 82.689                              | 83.536                   | 82.646                              | 82.652                 | 3.1                                  | 5.0                      | 3.0                      | 3.1                    |
| 1991: I.....     | 7,040.8                            | 7,071.5                         | 7,087.0                | -2.0                                 | -1.7                            | 83.662                              | 84.197                   | 83.626                              | 83.623                 | 4.8                                  | 3.2                      | 4.8                      | 4.8                    |
| 1991: II.....    | 7,086.5                            | 7,120.2                         | 7,119.1                | 2.6                                  | 2.8                             | 84.194                              | 84.533                   | 84.165                              | 84.164                 | 2.6                                  | 1.6                      | 2.6                      | 2.6                    |
| 1991: III.....   | 7,120.7                            | 7,134.6                         | 7,149.3                | 1.9                                  | 0.8                             | 84.772                              | 85.058                   | 84.762                              | 84.758                 | 2.8                                  | 2.5                      | 2.9                      | 2.9                    |
| 1991: IV.....    | 7,154.1                            | 7,133.8                         | 7,191.8                | 1.9                                  | 0.0                             | 85.200                              | 85.556                   | 85.206                              | 85.202                 | 2.0                                  | 2.4                      | 2.1                      | 2.1                    |

Table C.1. GDP and Other Major NIPA Aggregates—Table Ends

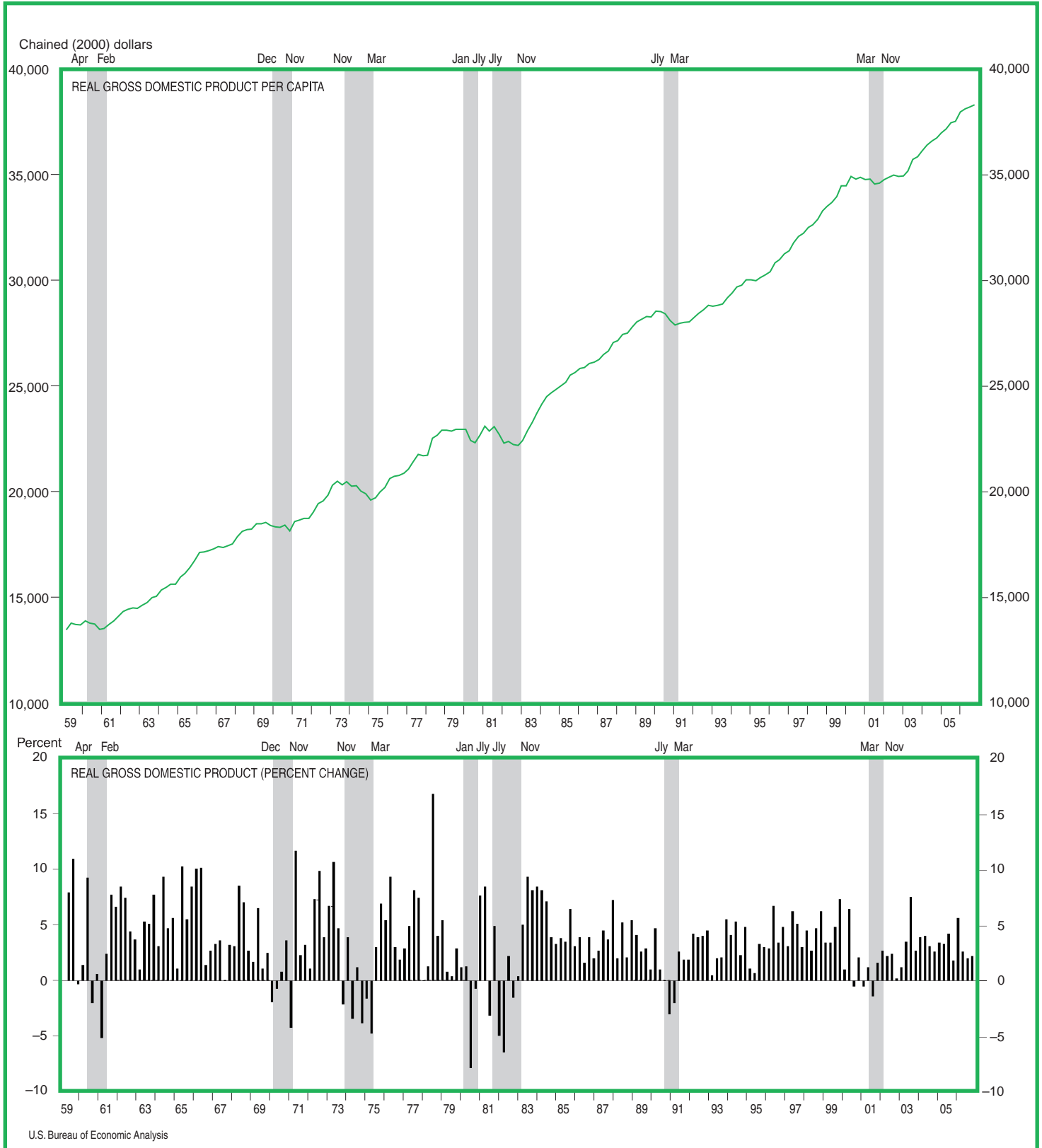
[Quarterly estimates are seasonally adjusted at annual rates]

| Year and quarter | Billions of chained (2000) dollars |                                 |                        | Percent change from preceding period |                                 | Chain-type price indexes [2000=100] |                          | Implicit price deflators [2000=100] |                        | 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 |
| 1992: I.....     | 7,228.2                            | 7,239.3                         | 7,265.5                | 4.2                                  | 6.0                             | 85.766                              | 86.093                   | 85.721                              | 85.710                 | 2.7                                  | 2.5                      | 2.4                      | 2.4                    |
| II.....          | 7,297.9                            | 7,284.3                         | 7,334.5                | 3.9                                  | 2.5                             | 86.212                              | 86.588                   | 86.190                              | 86.181                 | 2.1                                  | 2.3                      | 2.2                      | 2.2                    |
| III.....         | 7,369.5                            | 7,360.5                         | 7,402.6                | 4.0                                  | 4.2                             | 86.587                              | 87.098                   | 86.580                              | 86.567                 | 1.8                                  | 2.4                      | 1.8                      | 1.8                    |
| IV.....          | 7,450.7                            | 7,440.3                         | 7,485.0                | 4.5                                  | 4.4                             | 87.042                              | 87.531                   | 87.029                              | 87.019                 | 2.1                                  | 2.0                      | 2.1                      | 2.1                    |
| 1993: I.....     | 7,459.7                            | 7,431.2                         | 7,502.4                | 0.5                                  | -0.5                            | 87.729                              | 88.076                   | 87.707                              | 87.705                 | 3.2                                  | 2.5                      | 3.2                      | 3.2                    |
| II.....          | 7,497.5                            | 7,483.7                         | 7,532.8                | 2.0                                  | 2.9                             | 88.204                              | 88.595                   | 88.190                              | 88.189                 | 2.2                                  | 2.4                      | 2.2                      | 2.2                    |
| III.....         | 7,536.0                            | 7,540.6                         | 7,577.7                | 2.1                                  | 3.1                             | 88.599                              | 88.916                   | 88.570                              | 88.574                 | 1.8                                  | 1.5                      | 1.7                      | 1.8                    |
| IV.....          | 7,637.4                            | 7,633.7                         | 7,661.5                | 5.5                                  | 5.0                             | 89.030                              | 89.331                   | 89.038                              | 89.048                 | 2.0                                  | 1.9                      | 2.1                      | 2.2                    |
| 1994: I.....     | 7,715.1                            | 7,677.5                         | 7,747.2                | 4.1                                  | 2.3                             | 89.598                              | 89.800                   | 89.578                              | 89.583                 | 2.6                                  | 2.1                      | 2.4                      | 2.4                    |
| II.....          | 7,815.7                            | 7,737.2                         | 7,843.7                | 5.3                                  | 3.1                             | 89.980                              | 90.271                   | 89.954                              | 89.963                 | 1.7                                  | 2.1                      | 1.7                      | 1.7                    |
| III.....         | 7,859.5                            | 7,814.3                         | 7,886.8                | 2.3                                  | 4.0                             | 90.525                              | 90.921                   | 90.530                              | 90.527                 | 2.4                                  | 2.9                      | 2.6                      | 2.5                    |
| IV.....          | 7,951.6                            | 7,882.3                         | 7,979.2                | 4.8                                  | 3.5                             | 90.958                              | 91.340                   | 90.952                              | 90.953                 | 1.9                                  | 1.9                      | 1.9                      | 1.9                    |
| 1995: I.....     | 7,973.7                            | 7,918.7                         | 8,014.3                | 1.1                                  | 1.9                             | 91.554                              | 91.877                   | 91.530                              | 91.534                 | 2.6                                  | 2.4                      | 2.6                      | 2.6                    |
| II.....          | 7,988.0                            | 7,962.3                         | 8,032.0                | 0.7                                  | 2.2                             | 91.891                              | 92.329                   | 91.859                              | 91.868                 | 1.5                                  | 2.0                      | 1.4                      | 1.5                    |
| III.....         | 8,053.1                            | 8,055.0                         | 8,081.0                | 3.3                                  | 4.7                             | 92.281                              | 92.662                   | 92.289                              | 92.299                 | 1.7                                  | 1.5                      | 1.9                      | 1.9                    |
| IV.....          | 8,112.0                            | 8,104.8                         | 8,152.0                | 3.0                                  | 2.5                             | 92.734                              | 93.065                   | 92.733                              | 92.743                 | 2.0                                  | 1.8                      | 1.9                      | 1.9                    |
| 1996: I.....     | 8,169.2                            | 8,175.4                         | 8,213.3                | 2.9                                  | 3.5                             | 93.302                              | 93.602                   | 93.328                              | 93.338                 | 2.5                                  | 2.3                      | 2.6                      | 2.6                    |
| II.....          | 8,303.1                            | 8,285.8                         | 8,337.6                | 6.7                                  | 5.5                             | 93.615                              | 93.897                   | 93.659                              | 93.671                 | 1.3                                  | 1.3                      | 1.4                      | 1.4                    |
| III.....         | 8,372.7                            | 8,319.9                         | 8,402.7                | 3.4                                  | 1.7                             | 94.064                              | 94.286                   | 93.951                              | 93.962                 | 1.9                                  | 1.7                      | 1.3                      | 1.2                    |
| IV.....          | 8,470.6                            | 8,444.7                         | 8,507.6                | 4.8                                  | 6.1                             | 94.455                              | 94.796                   | 94.450                              | 94.458                 | 1.7                                  | 2.2                      | 2.1                      | 2.1                    |
| 1997: I.....     | 8,536.1                            | 8,507.3                         | 8,566.0                | 3.1                                  | 3.0                             | 94.963                              | 95.189                   | 95.054                              | 95.058                 | 2.2                                  | 1.7                      | 2.6                      | 2.6                    |
| II.....          | 8,665.8                            | 8,574.6                         | 8,707.0                | 6.2                                  | 3.2                             | 95.291                              | 95.296                   | 95.206                              | 95.212                 | 1.4                                  | 0.5                      | 0.6                      | 0.6                    |
| III.....         | 8,773.7                            | 8,705.7                         | 8,808.7                | 5.1                                  | 6.3                             | 95.541                              | 95.494                   | 95.534                              | 95.542                 | 1.1                                  | 0.8                      | 1.4                      | 1.4                    |
| IV.....          | 8,838.4                            | 8,758.6                         | 8,868.1                | 3.0                                  | 2.5                             | 95.864                              | 95.781                   | 95.846                              | 95.851                 | 1.4                                  | 1.2                      | 1.3                      | 1.3                    |
| 1998: I.....     | 8,936.2                            | 8,821.1                         | 8,965.5                | 4.5                                  | 2.9                             | 96.096                              | 95.773                   | 96.089                              | 96.091                 | 1.0                                  | 0.0                      | 1.0                      | 1.0                    |
| II.....          | 8,995.3                            | 8,948.7                         | 9,022.2                | 2.7                                  | 5.9                             | 96.284                              | 95.881                   | 96.249                              | 96.254                 | 0.8                                  | 0.5                      | 0.7                      | 0.7                    |
| III.....         | 9,098.9                            | 9,038.4                         | 9,112.2                | 4.7                                  | 4.1                             | 96.620                              | 96.141                   | 96.600                              | 96.604                 | 1.4                                  | 1.1                      | 1.5                      | 1.5                    |
| IV.....          | 9,237.1                            | 9,182.2                         | 9,255.2                | 6.2                                  | 6.5                             | 96.901                              | 96.444                   | 96.934                              | 96.932                 | 1.2                                  | 1.3                      | 1.4                      | 1.4                    |
| 1999: I.....     | 9,315.5                            | 9,239.7                         | 9,346.7                | 3.4                                  | 2.5                             | 97.274                              | 96.761                   | 97.328                              | 97.330                 | 1.5                                  | 1.3                      | 1.6                      | 1.7                    |
| II.....          | 9,392.6                            | 9,353.7                         | 9,429.1                | 3.4                                  | 5.0                             | 97.701                              | 97.317                   | 97.674                              | 97.675                 | 1.8                                  | 2.3                      | 1.4                      | 1.4                    |
| III.....         | 9,502.2                            | 9,453.5                         | 9,532.7                | 4.8                                  | 4.3                             | 98.022                              | 97.790                   | 98.013                              | 98.014                 | 1.3                                  | 2.0                      | 1.4                      | 1.4                    |
| IV.....          | 9,671.1                            | 9,569.3                         | 9,710.4                | 7.3                                  | 5.0                             | 98.475                              | 98.356                   | 98.432                              | 98.433                 | 1.9                                  | 2.3                      | 1.7                      | 1.7                    |
| 2000: I.....     | 9,695.6                            | 9,668.8                         | 9,729.0                | 1.0                                  | 4.2                             | 99.292                              | 99.275                   | 99.317                              | 99.311                 | 3.4                                  | 3.8                      | 3.6                      | 3.6                    |
| II.....          | 9,847.9                            | 9,748.4                         | 9,885.3                | 6.4                                  | 3.3                             | 99.780                              | 99.714                   | 99.745                              | 99.741                 | 2.0                                  | 1.8                      | 1.7                      | 1.7                    |
| III.....         | 9,836.6                            | 9,780.4                         | 9,867.8                | -0.5                                 | 1.3                             | 100.241                             | 100.283                  | 100.259                             | 100.262                | 1.9                                  | 2.3                      | 2.1                      | 2.1                    |
| IV.....          | 9,887.7                            | 9,844.3                         | 9,941.6                | 2.1                                  | 2.6                             | 100.687                             | 100.727                  | 100.666                             | 100.672                | 1.8                                  | 1.8                      | 1.6                      | 1.6                    |
| 2001: I.....     | 9,875.6                            | 9,883.2                         | 9,913.6                | -0.5                                 | 1.6                             | 101.507                             | 101.403                  | 101.478                             | 101.480                | 3.3                                  | 2.7                      | 3.3                      | 3.2                    |
| II.....          | 9,905.9                            | 9,908.7                         | 9,949.8                | 1.2                                  | 1.0                             | 102.290                             | 101.974                  | 102.252                             | 102.248                | 3.1                                  | 2.3                      | 3.1                      | 3.1                    |
| III.....         | 9,871.1                            | 9,899.9                         | 9,887.7                | -1.4                                 | -0.4                            | 102.690                             | 102.223                  | 102.675                             | 102.671                | 1.6                                  | 1.0                      | 1.7                      | 1.7                    |
| IV.....          | 9,910.0                            | 9,992.3                         | 9,983.1                | 1.6                                  | 3.8                             | 103.122                             | 102.378                  | 103.191                             | 103.183                | 1.7                                  | 0.6                      | 2.0                      | 2.0                    |
| 2002: I.....     | 9,977.3                            | 9,986.8                         | 10,004.1               | 2.7                                  | -0.2                            | 103.553                             | 102.755                  | 103.568                             | 103.552                | 1.7                                  | 1.5                      | 1.5                      | 1.4                    |
| II.....          | 10,031.6                           | 10,028.4                        | 10,048.6               | 2.2                                  | 1.7                             | 103.944                             | 103.385                  | 103.938                             | 103.928                | 1.5                                  | 2.5                      | 1.4                      | 1.5                    |
| III.....         | 10,090.7                           | 10,063.5                        | 10,119.7               | 2.4                                  | 1.4                             | 104.347                             | 103.816                  | 104.328                             | 104.321                | 1.6                                  | 1.7                      | 1.5                      | 1.5                    |
| IV.....          | 10,095.8                           | 10,067.3                        | 10,143.8               | 0.2                                  | 0.1                             | 104.926                             | 104.374                  | 104.907                             | 104.903                | 2.2                                  | 2.2                      | 2.2                      | 2.3                    |
| 2003: I.....     | 10,126.0                           | 10,100.9                        | 10,163.8               | 1.2                                  | 1.3                             | 105.742                             | 105.435                  | 105.724                             | 105.718                | 3.1                                  | 4.1                      | 3.2                      | 3.1                    |
| II.....          | 10,212.7                           | 10,213.7                        | 10,266.9               | 3.5                                  | 4.5                             | 106.076                             | 105.587                  | 106.062                             | 106.053                | 1.3                                  | 0.6                      | 1.3                      | 1.3                    |
| III.....         | 10,398.7                           | 10,385.9                        | 10,449.9               | 7.5                                  | 6.9                             | 106.616                             | 106.170                  | 106.611                             | 106.602                | 2.1                                  | 2.2                      | 2.1                      | 2.1                    |
| IV.....          | 10,467.0                           | 10,440.0                        | 10,540.5               | 2.7                                  | 2.1                             | 107.204                             | 106.671                  | 107.190                             | 107.180                | 2.2                                  | 1.9                      | 2.2                      | 2.2                    |
| 2004: I.....     | 10,566.3                           | 10,528.7                        | 10,632.2               | 3.9                                  | 3.4                             | 108.190                             | 107.803                  | 108.183                             | 108.177                | 3.7                                  | 4.3                      | 3.8                      | 3.8                    |
| II.....          | 10,671.5                           | 10,596.1                        | 10,709.4               | 4.0                                  | 2.6                             | 109.172                             | 108.880                  | 109.162                             | 109.154                | 3.7                                  | 4.1                      | 3.7                      | 3.7                    |
| III.....         | 10,753.3                           | 10,700.1                        | 10,796.3               | 3.1                                  | 4.0                             | 109.744                             | 109.588                  | 109.728                             | 109.717                | 2.1                                  | 2.6                      | 2.1                      | 2.1                    |
| IV.....          | 10,822.9                           | 10,768.2                        | 10,849.3               | 2.6                                  | 2.6                             | 110.610                             | 110.567                  | 110.601                             | 110.592                | 3.2                                  | 3.6                      | 3.2                      | 3.2                    |
| 2005: I.....     | 10,913.8                           | 10,856.5                        | 10,946.0               | 3.4                                  | 3.3                             | 111.558                             | 111.449                  | 111.539                             | 111.525                | 3.5                                  | 3.2                      | 3.4                      | 3.4                    |
| II.....          | 11,001.8                           | 11,005.3                        | 11,028.2               | 3.3                                  | 5.6                             | 112.229                             | 112.362                  | 112.219                             | 112.209                | 2.4                                  | 3.3                      | 2.5                      | 2.5                    |
| III.....         | 11,115.1                           | 11,123.5                        | 11,162.0               | 4.2                                  | 4.4                             | 113.139                             | 113.572                  | 113.121                             | 113.113                | 3.3                                  | 4.4                      | 3.3                      | 3.3                    |
| IV.....          | 11,163.8                           | 11,115.5                        | 11,175.6               | 1.8                                  | -0.3                            | 114.048                             | 114.541                  | 114.034                             | 114.025                | 3.3                                  | 3.5                      | 3.3                      | 3.3                    |
| 2006: I.....     | 11,316.4                           | 11,269.0                        | 11,342.7               | 5.6                                  | 5.6                             | 114.967                             | 115.313                  | 114.951                             | 114.942                | 3.3                                  | 2.7                      | 3.3                      | 3.3                    |
| II.....          | 11,388.1                           | 11,328.0                        | 11,408.5               | 2.6                                  | 2.1                             | 115.905                             | 116.455                  | 115.887                             | 115.879                | 3.3                                  | 4.0                      | 3.3                      | 3.3                    |
| III.....         | 11,443.5                           | 11,381.6                        | 11,458.5               | 2.0                                  | 1.9                             | 116.446                             | 117.080                  | 116.420                             | 116.414                | 1.9                                  | 2.2                      | 1.9                      | 1.9                    |
| IV.....          | 11,506.5                           | 11,483.2                        | .....                  | 2.2                                  | 3.6                             | 116.924                             | 117.142                  | 116.890                             | .....                  | 1.7                                  | 0.2                      | 1.6                      | .....                  |

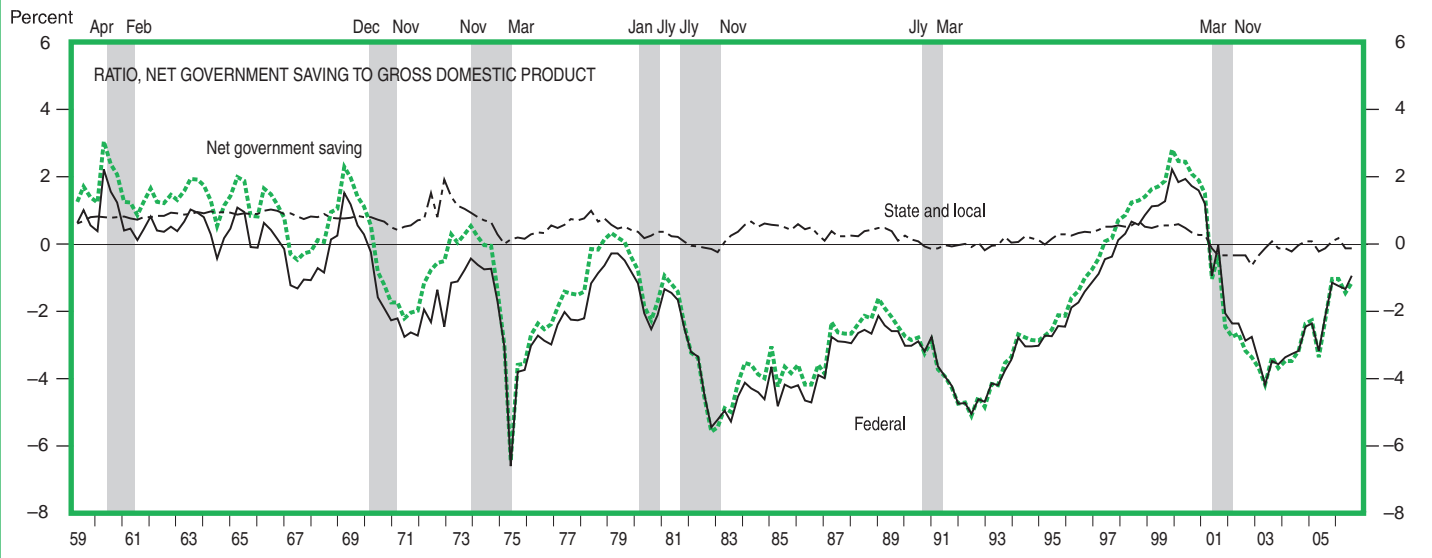
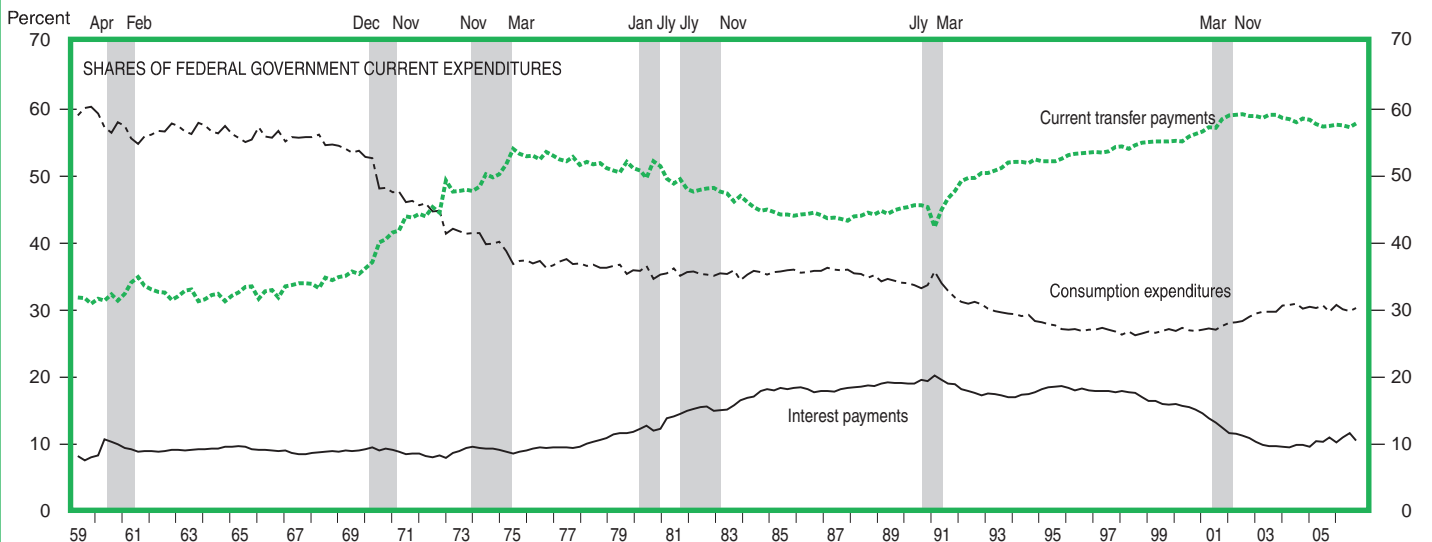
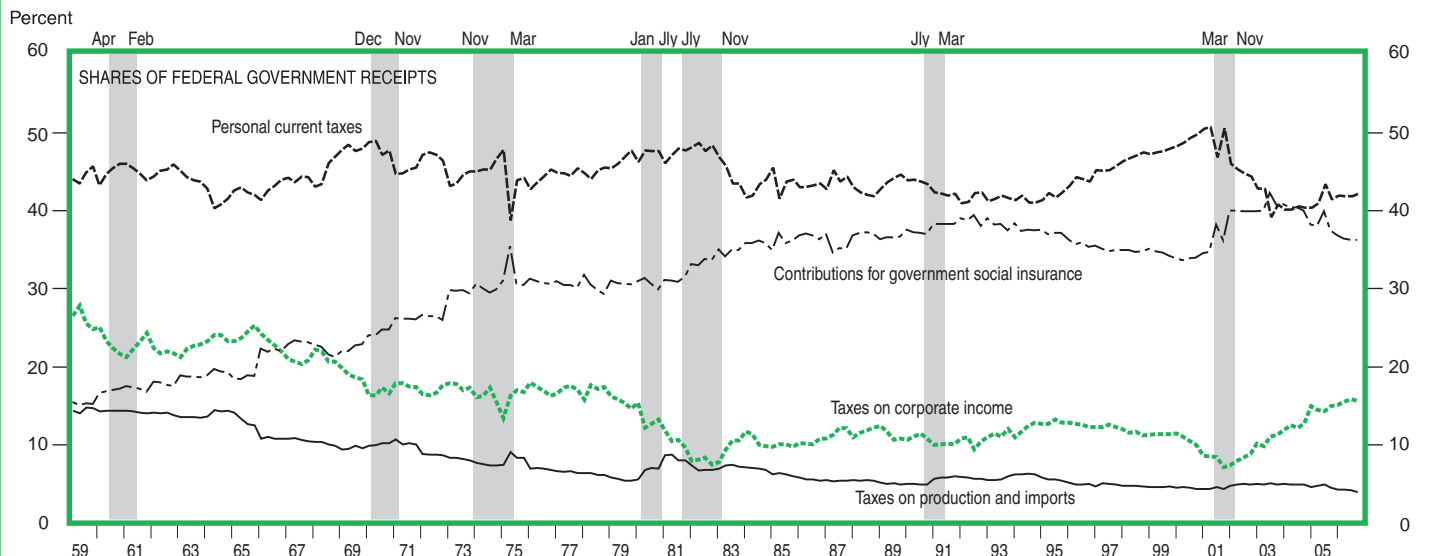
### D. Charts

The percent changes shown are based on quarter-to-quarter changes and are expressed at seasonally adjusted annual rates. The levels of series are also expressed at seasonally adjusted annual rates as appropriate.

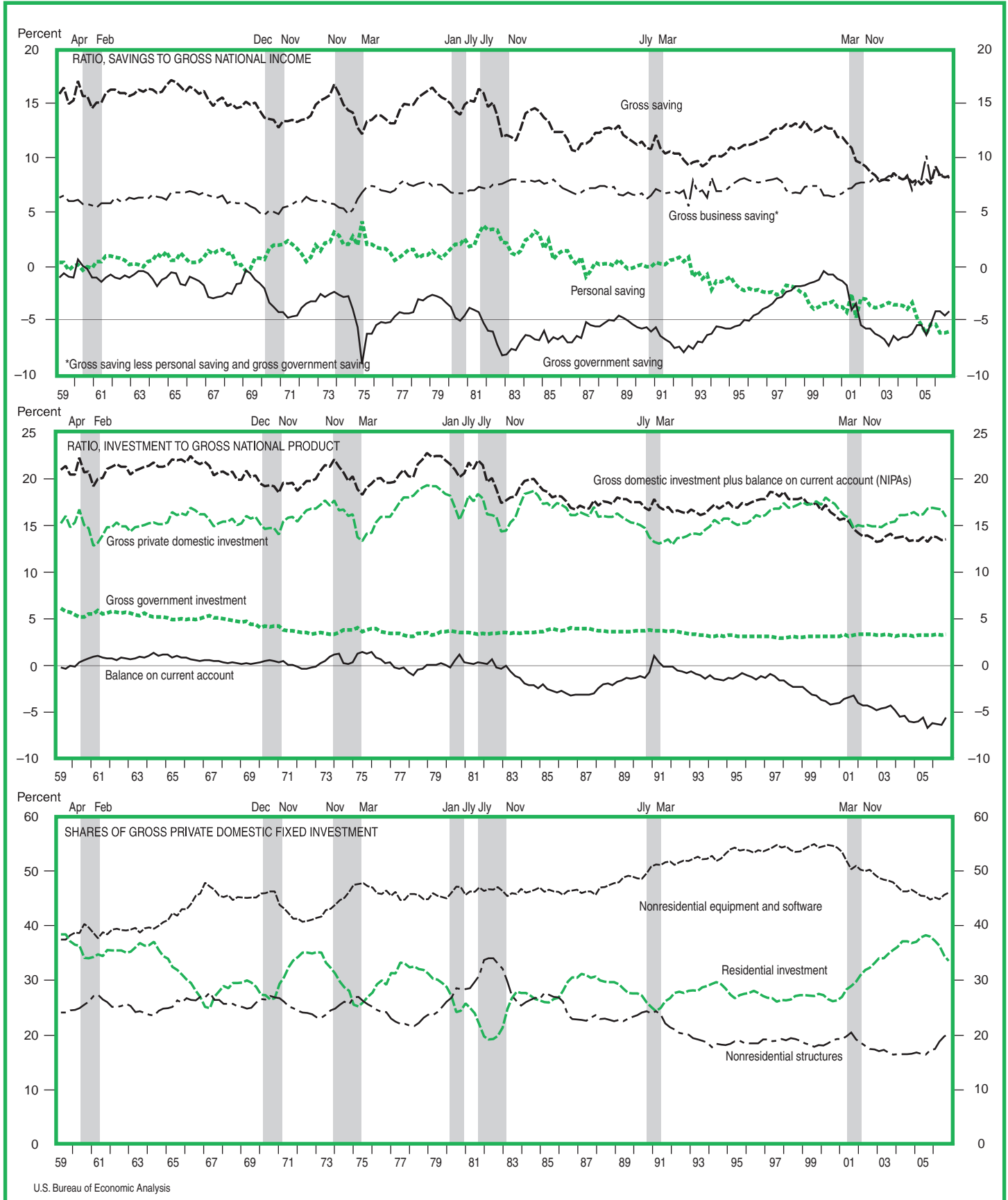
### SELECTED NIPA SERIES



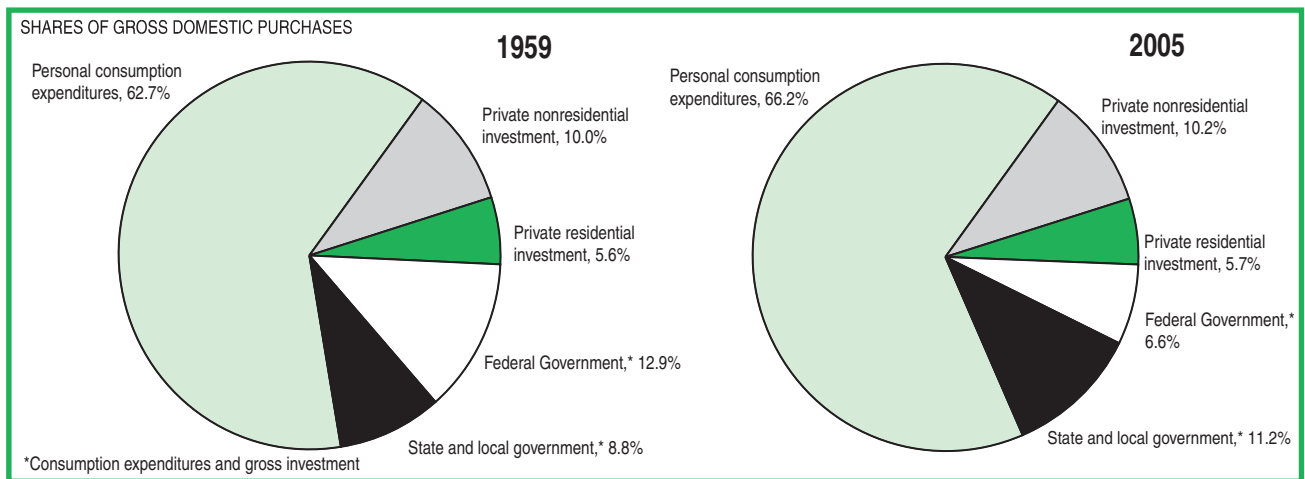
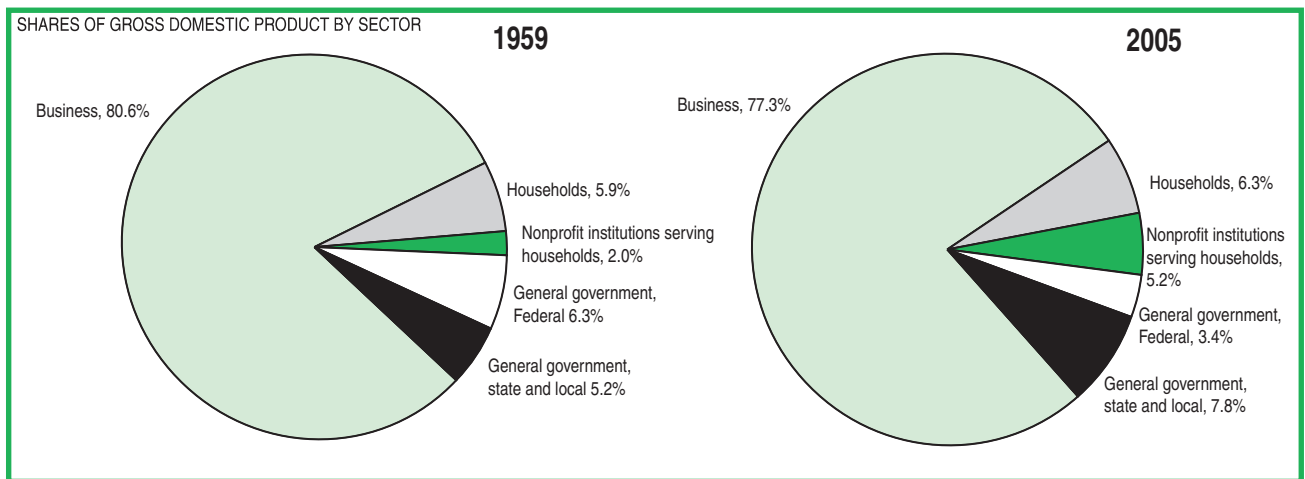
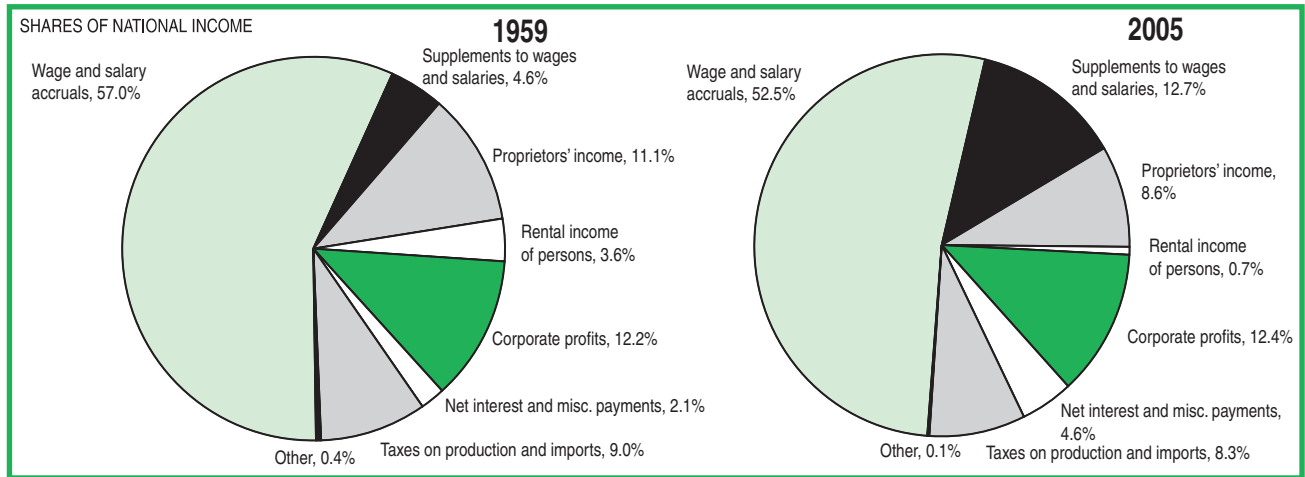
SELECTED NIPA SERIES



SELECTED NIPA SERIES

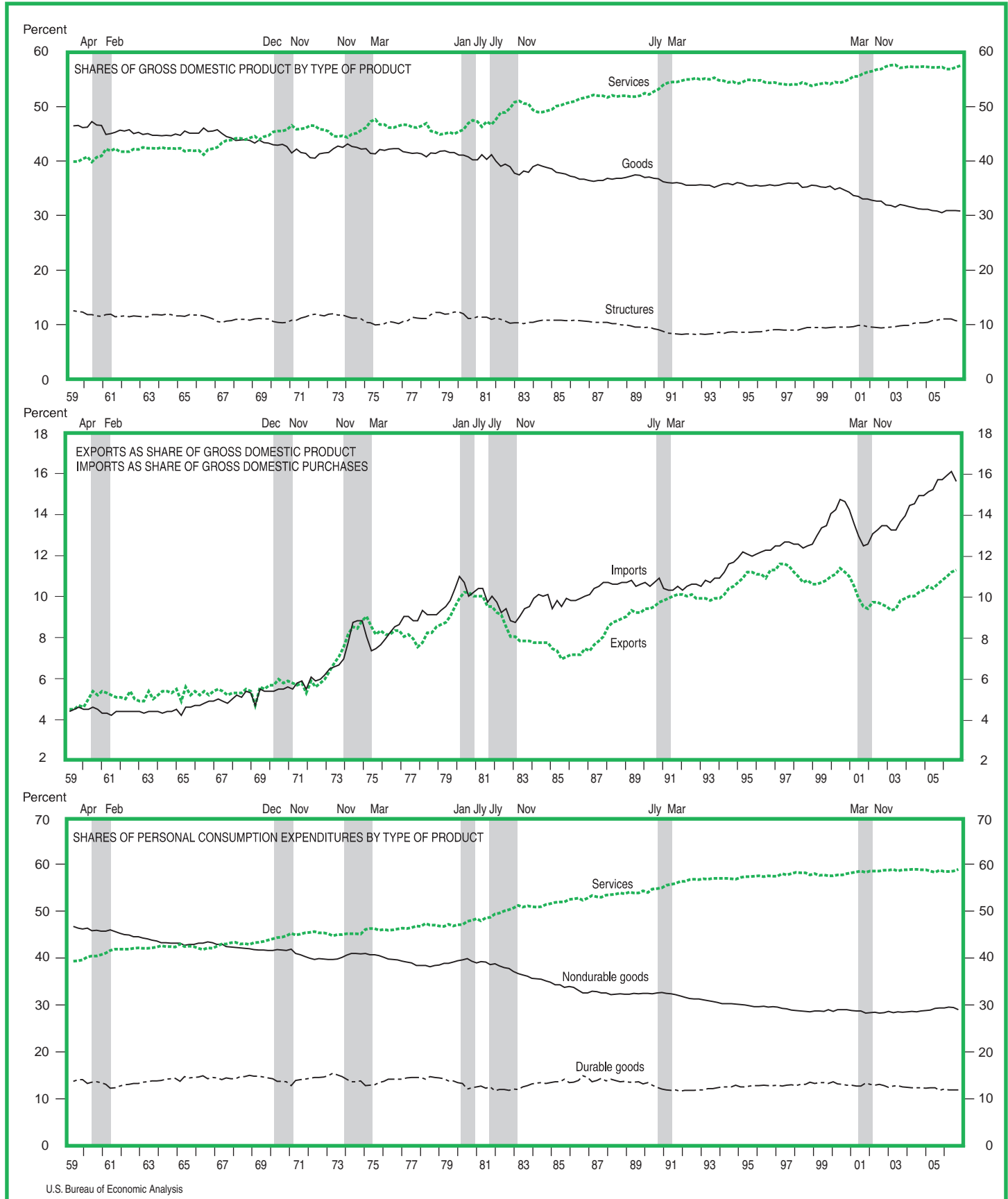


**SELECTED NIPA SERIES**

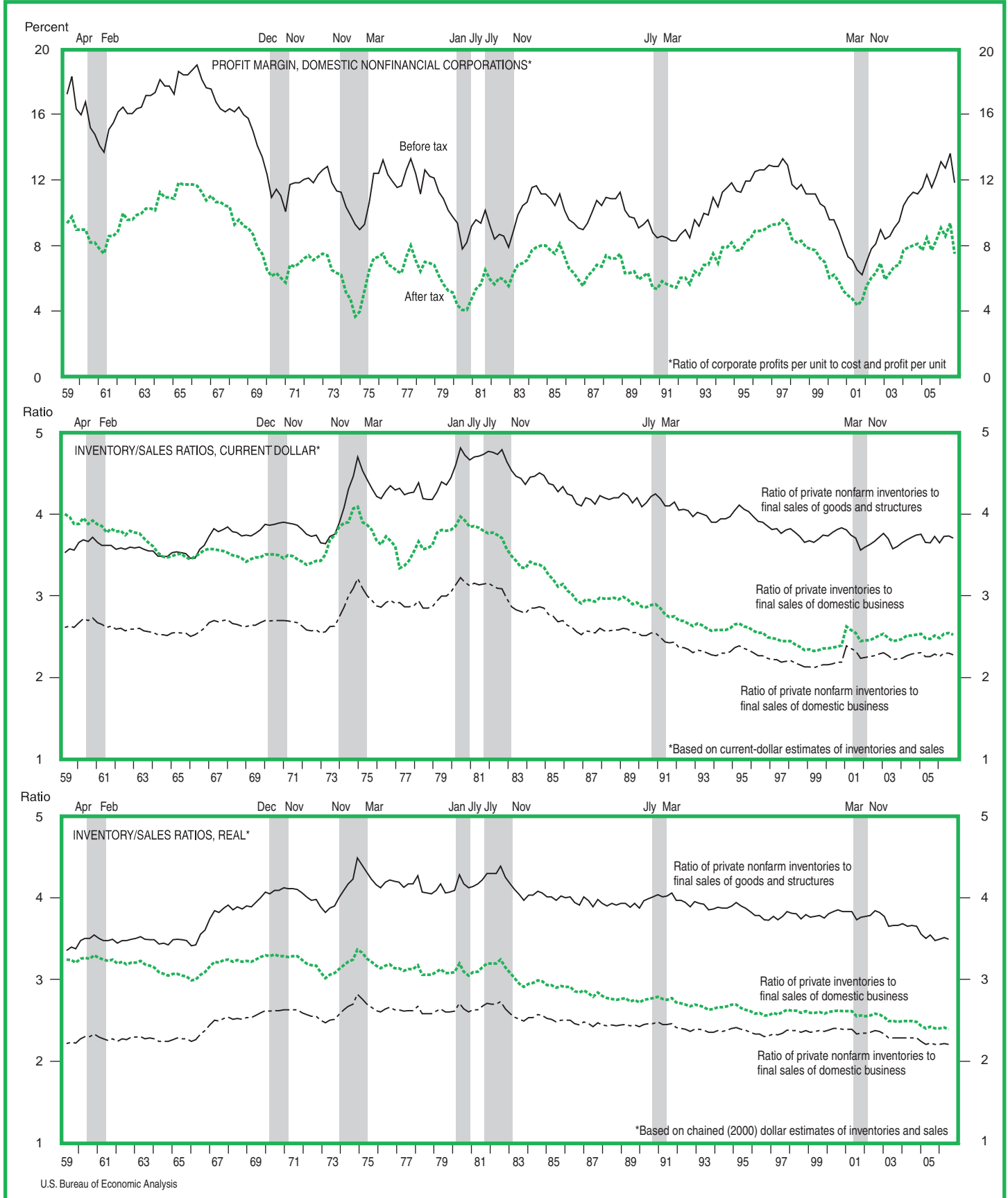




### SELECTED NIPA SERIES



### SELECTED NIPA SERIES



# Industry Data

## E. Industry Table

The estimates in this table were published in tables 5A and 7 in “Annual Industry Accounts: Revised Estimates for 2003–2005” in the December 2006 SURVEY.

**Table E.1. Percent Changes in Chain-Type Quantity and Price Indexes for Value Added by Industry for 2003–2005**

| Line | Chain-type quantity indexes |             |             | Chain-type price indexes |             |              | Line | Chain-type quantity indexes |            |            | Chain-type price indexes |            |            |
|------|-----------------------------|-------------|-------------|--------------------------|-------------|--------------|------|-----------------------------|------------|------------|--------------------------|------------|------------|
|      | 2003                        | 2004        | 2005        | 2003                     | 2004        | 2005         |      | 2003                        | 2004       | 2005       | 2003                     | 2004       | 2005       |
| 1    | <b>2.5</b>                  | <b>3.9</b>  | <b>3.2</b>  | <b>2.1</b>               | <b>2.8</b>  | <b>3.0</b>   | 50   | <b>2.4</b>                  | <b>4.3</b> | <b>3.0</b> | <b>2.4</b>               | <b>2.9</b> | <b>2.3</b> |
| 2    | <b>2.7</b>                  | <b>4.2</b>  | <b>3.3</b>  | <b>1.8</b>               | <b>2.8</b>  | <b>3.1</b>   | 51   | <b>3.5</b>                  | <b>2.1</b> | <b>2.2</b> | <b>1.5</b>               | <b>3.9</b> | <b>2.1</b> |
| 3    | <b>7.5</b>                  | <b>6.1</b>  | <b>0.1</b>  | <b>11.5</b>              | <b>17.0</b> | <b>-13.4</b> | 52   |                             |            |            |                          |            |            |
| 4    | 8.4                         | 7.4         | 1.0         | 15.0                     | 20.9        | -17.2        | 53   | 4.6                         | -3.4       | 3.2        | 1.9                      | 3.4        | 3.5        |
| 5    | 4.8                         | 1.4         | -3.1        | 1.2                      | 3.3         | 2.7          | 54   | 5.0                         | 6.3        | 8.3        | -6.3                     | 1.1        | -1.4       |
| 6    | <b>-0.9</b>                 | <b>0.9</b>  | <b>-2.6</b> | <b>35.8</b>              | <b>19.0</b> | <b>39.2</b>  | 55   | -0.1                        | 8.3        | -2.7       | 7.5                      | 7.0        | 2.9        |
| 7    | -4.7                        | -1.2        | -4.6        | 56.9                     | 25.5        | 43.8         | 56   | 17.5                        | 15.1       | 7.1        | -18.1                    | -5.5       | -10.9      |
| 8    | -0.7                        | -1.9        | -3.4        | 2.3                      | 9.5         | 11.5         | 57   | 1.7                         | 5.7        | 3.4        | 2.9                      | 2.3        | 2.3        |
| 9    | 14.9                        | 13.9        | 7.0         | 14.5                     | 4.3         | 49.1         | 58   | 2.0                         | 6.4        | 3.9        | 2.7                      | 2.3        | 2.2        |
| 10   | <b>6.9</b>                  | <b>2.4</b>  | <b>1.2</b>  | <b>-0.8</b>              | <b>4.4</b>  | <b>4.2</b>   | 59   | -2.4                        | -3.3       | -3.5       | 5.0                      | 2.7        | 4.3        |
| 11   | <b>-2.0</b>                 | <b>1.5</b>  | <b>3.9</b>  | <b>5.0</b>               | <b>7.4</b>  | <b>8.7</b>   | 60   | 4.4                         | 5.2        | 5.6        | 0.6                      | 2.5        | 2.6        |
| 12   | <b>1.1</b>                  | <b>6.5</b>  | <b>2.2</b>  | <b>-0.6</b>              | <b>-0.9</b> | <b>3.2</b>   | 61   | 4.0                         | 7.8        | 6.8        | 0.0                      | 0.6        | 1.7        |
| 13   | 2.6                         | 7.7         | 4.9         | -2.9                     | -1.4        | -0.6         | 62   | 1.9                         | 3.5        | 0.8        | 3.8                      | 6.0        | 6.1        |
| 14   | 0.3                         | 3.2         | 3.3         | 5.2                      | 15.4        | -1.4         | 63   | -0.3                        | 8.2        | 7.5        | -2.1                     | -2.6       | -0.1       |
| 15   | -0.7                        | 7.4         | -0.4        | -1.1                     | 2.1         | 8.1          | 64   | 5.9                         | 9.2        | 8.8        | -0.7                     | -0.4       | 0.8        |
| 16   | -4.1                        | 15.2        | -1.0        | -4.7                     | 22.9        | 13.6         | 65   | 2.8                         | 2.7        | 1.4        | 3.5                      | 4.9        | 5.7        |
| 17   | 0.2                         | 8.6         | 4.8         | -1.2                     | 2.5         | 5.1          | 66   | 6.4                         | 0.8        | 5.3        | 0.4                      | 5.6        | 2.7        |
| 18   | -1.8                        | 14.3        | 4.1         | -0.5                     | -3.2        | 2.3          | 67   | 6.3                         | 1.2        | 5.0        | 0.2                      | 5.4        | 3.3        |
| 19   | 15.5                        | 20.5        | 19.9        | -13.5                    | -13.3       | -12.9        | 68   | 7.7                         | -2.6       | 7.9        | 2.2                      | 7.6        | -3.0       |
| 20   | 2.6                         | -6.8        | 1.8         | -2.5                     | 0.5         | 2.7          | 69   | 4.4                         | 3.3        | 3.5        | 2.7                      | 3.3        | 3.0        |
| 21   | 7.4                         | -6.0        | -2.9        | -2.8                     | -5.9        | -10.6        | 70   | 3.5                         | 2.3        | 1.9        | 3.7                      | 5.6        | 5.0        |
| 22   | -13.7                       | 2.8         | 3.8         | 3.7                      | 2.5         | 4.3          | 71   | 4.5                         | 3.4        | 3.7        | 2.6                      | 3.0        | 2.8        |
| 23   | 7.6                         | 13.4        | -2.4        | 0.1                      | -3.4        | 3.6          | 72   | 4.6                         | 3.8        | 5.9        | 1.9                      | 2.2        | 2.0        |
| 24   | 4.8                         | 9.4         | 8.3         | 0.0                      | -2.1        | -0.5         | 73   | 4.0                         | 2.4        | 0.6        | 4.0                      | 4.8        | 4.3        |
| 25   | -0.8                        | 4.9         | -1.3        | 2.5                      | -0.2        | 8.4          | 74   | 6.3                         | 5.2        | 5.7        | 0.4                      | -0.2       | 0.4        |
| 26   | -1.5                        | -3.7        | 4.8         | -1.4                     | -3.5        | 7.4          | 75   | 3.1                         | 3.0        | 1.4        | 1.4                      | 3.1        | 3.4        |
| 27   | 10.3                        | -0.4        | 2.4         | -4.6                     | 1.8         | -0.6         | 76   | 1.9                         | 0.5        | -0.4       | 2.7                      | 2.9        | 3.4        |
| 28   | -12.5                       | -4.3        | 0.1         | -0.3                     | -2.3        | -1.5         | 77   | 2.3                         | 1.3        | -1.2       | 3.7                      | 3.9        | 4.8        |
| 29   | 2.5                         | 8.0         | 2.1         | -2.4                     | -2.9        | 1.3          | 78   | 1.6                         | -0.2       | 0.3        | 1.9                      | 2.0        | 2.2        |
| 30   | -0.1                        | 4.2         | 1.3         | -0.8                     | -1.5        | -0.2         | 79   | 3.5                         | 4.0        | 2.0        | 0.9                      | 3.2        | 3.5        |
| 31   | -5.6                        | 24.1        | -21.3       | 57.9                     | 10.8        | 49.8         | 80   | 0.5                         | 3.8        | 0.7        | 1.3                      | 5.3        | 4.8        |
| 32   | -0.5                        | 8.3         | -1.7        | 3.5                      | 2.1         | 7.2          | 81   | 4.9                         | 4.1        | 2.6        | 0.8                      | 2.3        | 2.8        |
| 33   | 0.1                         | 8.2         | -1.5        | -2.4                     | -3.2        | 2.5          | 82   | 2.0                         | -0.5       | -0.7       | 3.0                      | 3.8        | 3.9        |
| 34   | <b>2.1</b>                  | <b>1.1</b>  | <b>1.5</b>  | <b>1.3</b>               | <b>6.8</b>  | <b>6.4</b>   | 83   | 1.3                         | 0.5        | 0.7        | 4.6                      | 4.6        | 4.2        |
| 35   | <b>3.9</b>                  | <b>2.5</b>  | <b>5.0</b>  | <b>0.5</b>               | <b>1.4</b>  | <b>0.4</b>   | 84   | 2.4                         | 0.9        | -0.2       | 4.9                      | 5.7        | 4.4        |
| 36   | <b>2.0</b>                  | <b>5.2</b>  | <b>4.0</b>  | <b>1.9</b>               | <b>-0.9</b> | <b>0.4</b>   | 85   | 2.7                         | 1.0        | 0.6        | 6.0                      | 6.2        | 5.4        |
| 37   | 7.0                         | 5.9         | 6.2         | 0.0                      | -18.0       | -14.1        | 86   | 1.1                         | 0.7        | -5.3       | -0.8                     | 2.5        | -1.8       |
| 38   | 5.0                         | 4.9         | -3.5        | 2.1                      | 2.6         | 10.7         | 87   | 0.6                         | 0.3        | 1.1        | 4.5                      | 4.1        | 4.1        |
| 39   | -4.8                        | 10.1        | 12.0        | 31.9                     | -6.1        | -10.7        | 88   | 0.6                         | 0.5        | 1.0        | 4.9                      | 4.0        | 4.2        |
| 40   | 1.5                         | 7.8         | 4.6         | 1.3                      | 1.9         | 1.1          | 89   | 2.5                         | -1.7       | 1.8        | -0.4                     | 4.5        | 2.0        |
| 41   | -2.1                        | -0.1        | 1.0         | 4.6                      | 3.5         | 2.0          | 90   | 0.6                         | 4.8        | 2.1        | 3.2                      | 3.3        | 6.1        |
| 42   | -3.3                        | -0.3        | 19.6        | -11.5                    | -2.3        | -18.8        | 91   | 3.3                         | 4.1        | 3.7        | 1.4                      | 2.6        | 2.3        |
| 43   | -0.4                        | 2.5         | 1.3         | 3.2                      | 5.6         | 7.7          |      | 7.2                         | 13.7       | 13.3       | -5.7                     | -6.3       | -4.3       |
| 44   | 5.1                         | 6.7         | 9.4         | 0.4                      | -0.5        | -0.6         |      |                             |            |            |                          |            |            |
| 45   | <b>3.0</b>                  | <b>11.4</b> | <b>9.0</b>  | <b>-1.7</b>              | <b>-2.9</b> | <b>-3.7</b>  |      |                             |            |            |                          |            |            |
| 46   | 7.3                         | 12.5        | 12.9        | -3.2                     | -3.9        | -0.4         |      |                             |            |            |                          |            |            |
| 47   | 1.0                         | 1.5         | 1.1         | -2.5                     | 2.8         | 0.3          |      |                             |            |            |                          |            |            |
| 48   | 0.9                         | 11.8        | 7.4         | -1.2                     | -3.0        | -6.1         |      |                             |            |            |                          |            |            |
| 49   | 6.4                         | 14.5        | 13.8        | 0.4                      | -4.0        | -2.2         |      |                             |            |            |                          |            |            |

1. Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.  
 2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

3. Consists of computer and electronic products; publishing industries (includes software); information and data processing services; and computer systems design and related services.  
 NOTE: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

## International Data

### F. Transactions Tables

Table F.1 presents estimates of U.S. international trade in goods and services that were released on March 9, 2007. It includes revised estimates for January to December 2006 and preliminary estimates for January 2007.

The sources for the other tables in this section are noted.

For BEA's full set of detailed estimates of U.S. international transactions, visit BEA's Web site at <www.bea.gov>.

**Table F.1. U.S. International Transactions in Goods and Services**

(Millions of dollars; monthly estimates seasonally adjusted)

|   | 2005             |                   | 2005           | 2006              |                   |                    |                    |                  |                   |                   |                   |                    |                   |                   |                   | 2007              |
|---|------------------|-------------------|----------------|-------------------|-------------------|--------------------|--------------------|------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2005             | 2006 <sup>r</sup> | Dec.           | Jan. <sup>r</sup> | Feb. <sup>r</sup> | March <sup>r</sup> | April <sup>r</sup> | May <sup>r</sup> | June <sup>r</sup> | July <sup>r</sup> | Aug. <sup>r</sup> | Sept. <sup>r</sup> | Oct. <sup>r</sup> | Nov. <sup>r</sup> | Dec. <sup>r</sup> | Jan. <sup>p</sup> |
| <b>Exports of goods and services</b> .....                              | <b>1,275,245</b> | <b>1,436,816</b>  | <b>112,567</b> | <b>114,405</b>    | <b>113,459</b>    | <b>115,581</b>     | <b>115,717</b>     | <b>118,268</b>   | <b>120,966</b>    | <b>119,590</b>    | <b>122,363</b>    | <b>122,993</b>     | <b>123,449</b>    | <b>124,732</b>    | <b>125,292</b>    | <b>126,672</b>    |
| <b>Goods</b> .....  | <b>894,631</b>   | <b>1,023,689</b>  | <b>79,429</b>  | <b>81,142</b>     | <b>80,491</b>     | <b>82,093</b>      | <b>81,570</b>      | <b>83,795</b>    | <b>86,692</b>     | <b>85,195</b>     | <b>87,761</b>     | <b>88,327</b>      | <b>88,240</b>     | <b>89,010</b>     | <b>89,373</b>     | <b>90,850</b>     |
| Foods, feeds, and beverages .....                                       | 58,955           | 65,918            | 4,979          | 5,260             | 4,919             | 5,149              | 5,099              | 5,451            | 5,663             | 5,616             | 5,972             | 5,719              | 5,748             | 5,518             | 5,805             | 6,139             |
| Industrial supplies and materials .....                                 | 233,079          | 275,743           | 20,145         | 21,045            | 20,633            | 22,164             | 22,225             | 22,948           | 23,710            | 23,094            | 23,629            | 24,618             | 24,198            | 23,869            | 23,611            | 23,909            |
| Capital goods, except automotive .....                                  | 362,686          | 414,023           | 32,661         | 33,173            | 33,361            | 33,361             | 33,201             | 33,983           | 34,895            | 33,574            | 34,855            | 35,558             | 35,604            | 36,282            | 36,176            | 37,202            |
| Automotive vehicles, parts, and engines .....                           | 98,578           | 107,165           | 8,939          | 8,791             | 8,899             | 8,524              | 8,607              | 8,492            | 8,910             | 9,551             | 9,421             | 8,748              | 8,683             | 9,008             | 9,532             | 8,849             |
| Consumer goods (nonfood), except automotive.....                        | 115,715          | 129,240           | 10,461         | 10,366            | 10,264            | 10,479             | 10,063             | 10,577           | 10,767            | 10,893            | 11,128            | 10,767             | 11,168            | 11,322            | 11,448            | 11,966            |
| Other goods.....  | 36,964           | 45,189            | 3,408          | 3,350             | 3,324             | 3,326              | 3,312              | 3,397            | 3,701             | 3,558             | 3,973             | 4,213              | 4,143             | 4,620             | 4,271             | 4,036             |
| Adjustments <sup>1</sup> .....  | -11,347          | -13,590           | -1,164         | -843              | -909              | -910               | -937               | -1,052           | -954              | -1,090            | -1,217            | -1,296             | -1,303            | -1,609            | -1,470            | -1,252            |
| <b>Services</b> .....   | <b>380,614</b>   | <b>413,127</b>    | <b>33,138</b>  | <b>33,263</b>     | <b>32,968</b>     | <b>33,488</b>      | <b>34,147</b>      | <b>34,473</b>    | <b>34,274</b>     | <b>34,395</b>     | <b>34,602</b>     | <b>34,666</b>      | <b>35,209</b>     | <b>35,722</b>     | <b>35,919</b>     | <b>35,822</b>     |
| Travel.....   | 81,680           | 85,697            | 6,864          | 7,053             | 6,803             | 6,918              | 7,263              | 7,197            | 7,015             | 7,162             | 7,065             | 7,107              | 7,230             | 7,427             | 7,457             | 7,497             |
| Passenger fares .....   | 20,931           | 22,060            | 1,793          | 1,893             | 1,768             | 1,839              | 1,765              | 1,747            | 1,718             | 1,864             | 1,851             | 1,883              | 1,884             | 1,922             | 1,925             | 1,902             |
| Other transportation .....  | 42,245           | 48,208            | 3,789          | 3,826             | 3,788             | 3,958              | 4,073              | 4,038            | 4,074             | 3,985             | 4,187             | 4,034              | 4,004             | 4,100             | 4,141             | 4,082             |
| Royalties and license fees.....   | 57,410           | 62,051            | 5,008          | 4,955             | 4,983             | 5,030              | 5,136              | 5,172            | 5,187             | 5,159             | 5,180             | 5,217              | 5,313             | 5,350             | 5,370             | 5,344             |
| Other private services .....  | 158,223          | 177,284           | 14,043         | 13,947            | 14,020            | 14,208             | 14,399             | 14,768           | 14,830            | 14,776            | 14,873            | 15,004             | 15,407            | 15,495            | 15,556            | 15,622            |
| Transfers under U.S. military agency sales contracts <sup>2</sup> ..... | 19,038           | 16,682            | 1,555          | 1,498             | 1,513             | 1,442              | 1,416              | 1,456            | 1,354             | 1,351             | 1,348             | 1,323              | 1,276             | 1,332             | 1,374             | 1,278             |
| U.S. Government miscellaneous services.....                             | 1,087            | 1,145             | 86             | 91                | 93                | 93                 | 95                 | 95               | 96                | 98                | 98                | 98                 | 95                | 96                | 96                | 97                |
| <b>Imports of goods and services</b> .....                              | <b>1,991,975</b> | <b>2,202,083</b>  | <b>176,741</b> | <b>180,875</b>    | <b>176,371</b>    | <b>177,847</b>     | <b>179,315</b>     | <b>183,608</b>   | <b>185,661</b>    | <b>187,472</b>    | <b>191,278</b>    | <b>187,596</b>     | <b>182,374</b>    | <b>182,945</b>    | <b>186,745</b>    | <b>185,789</b>    |
| <b>Goods</b> .....  | <b>1,677,371</b> | <b>1,859,655</b>  | <b>149,648</b> | <b>153,460</b>    | <b>148,613</b>    | <b>149,901</b>     | <b>151,232</b>     | <b>154,906</b>   | <b>156,799</b>    | <b>158,739</b>    | <b>162,722</b>    | <b>158,714</b>     | <b>153,359</b>    | <b>153,781</b>    | <b>157,429</b>    | <b>156,280</b>    |
| Foods, feeds, and beverages .....                                       | 68,094           | 74,940            | 5,964          | 6,180             | 5,929             | 6,331              | 6,185              | 6,035            | 5,997             | 6,235             | 6,440             | 6,338              | 6,466             | 6,364             | 6,439             | 6,579             |
| Industrial supplies and materials .....                                 | 523,881          | 602,959           | 49,320         | 50,269            | 49,598            | 46,464             | 48,890             | 52,768           | 52,102            | 54,224            | 55,896            | 52,309             | 46,948            | 45,925            | 47,565            | 47,921            |
| Capital goods, except automotive .....                                  | 379,227          | 418,450           | 32,980         | 34,079            | 32,476            | 34,354             | 34,453             | 34,641           | 34,596            | 35,312            | 36,252            | 35,704             | 35,409            | 35,748            | 35,428            | 36,689            |
| Automotive vehicles, parts, and engines .....                           | 239,512          | 256,675           | 21,136         | 22,269            | 21,212            | 20,960             | 21,380             | 20,866           | 22,165            | 20,901            | 21,365            | 21,007             | 20,721            | 21,129            | 22,699            | 21,249            |
| Consumer goods (nonfood), except automotive.....                        | 407,168          | 442,755           | 35,233         | 35,146            | 34,323            | 36,516             | 35,321             | 35,529           | 36,676            | 36,788            | 37,353            | 38,002             | 38,175            | 39,154            | 39,773            | 38,394            |
| Other goods.....  | 55,572           | 59,501            | 4,656          | 5,116             | 4,743             | 4,889              | 4,638              | 4,710            | 4,881             | 4,888             | 4,981             | 5,017              | 5,259             | 5,161             | 5,219             | 5,092             |
| Adjustments <sup>1</sup> .....  | 3,916            | 4,375             | 360            | 401               | 332               | 388                | 365                | 357              | 381               | 392               | 437               | 336                | 382               | 299               | 305               | 356               |
| <b>Services</b> .....   | <b>314,604</b>   | <b>342,428</b>    | <b>27,093</b>  | <b>27,415</b>     | <b>27,758</b>     | <b>27,946</b>      | <b>28,083</b>      | <b>28,702</b>    | <b>28,862</b>     | <b>28,733</b>     | <b>28,556</b>     | <b>28,882</b>      | <b>29,015</b>     | <b>29,164</b>     | <b>29,316</b>     | <b>29,509</b>     |
| Travel.....   | 69,175           | 73,299            | 5,776          | 5,896             | 5,694             | 6,072              | 6,164              | 6,317            | 6,186             | 6,211             | 6,024             | 6,174              | 6,149             | 6,157             | 6,255             | 6,283             |
| Passenger fares .....   | 26,066           | 27,306            | 2,211          | 2,215             | 2,214             | 2,324              | 2,252              | 2,330            | 2,370             | 2,240             | 2,181             | 2,250              | 2,273             | 2,315             | 2,342             | 2,352             |
| Other transportation .....  | 62,107           | 65,611            | 5,380          | 5,509             | 5,283             | 5,404              | 5,340              | 5,523            | 5,478             | 5,521             | 5,543             | 5,541              | 5,533             | 5,528             | 5,408             | 5,446             |
| Royalties and license fees.....   | 24,501           | 26,523            | 2,133          | 2,039             | 2,657             | 2,068              | 2,098              | 2,109            | 2,330             | 2,223             | 2,154             | 2,174              | 2,210             | 2,226             | 2,235             | 2,225             |
| Other private services .....  | 98,714           | 114,485           | 8,764          | 8,881             | 9,014             | 9,161              | 9,321              | 9,505            | 9,568             | 9,535             | 9,633             | 9,743              | 9,925             | 10,054            | 10,149            | 10,247            |
| Direct defense expenditures <sup>2</sup> .....                          | 30,062           | 31,180            | 2,499          | 2,544             | 2,564             | 2,584              | 2,571              | 2,579            | 2,590             | 2,661             | 2,680             | 2,661              | 2,593             | 2,555             | 2,598             | 2,622             |
| U.S. Government miscellaneous services.....                             | 3,979            | 4,024             | 330            | 331               | 332               | 333                | 337                | 339              | 340               | 342               | 341               | 339                | 332               | 329               | 329               | 334               |
| <b>Memoranda:</b>   |                  |                   |                |                   |                   |                    |                    |                  |                   |                   |                   |                    |                   |                   |                   |                   |
| Balance on goods.....   | -782,740         | -835,966          | -70,219        | -72,318           | -68,122           | -67,808            | -69,662            | -71,111          | -70,107           | -73,544           | -74,961           | -70,387            | -65,120           | -64,772           | -68,056           | -65,431           |
| Balance on services.....  | 66,011           | 70,699            | 6,045          | 5,848             | 5,210             | 5,542              | 6,064              | 5,771            | 5,412             | 5,662             | 6,046             | 5,784              | 6,194             | 6,558             | 6,603             | 6,313             |
| Balance on goods and services .....                                     | -716,730         | -765,267          | -64,174        | -66,470           | -62,912           | -62,266            | -63,598            | -65,340          | -64,695           | -67,882           | -68,915           | -64,603            | -58,926           | -58,214           | -61,453           | -59,118           |

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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. Bureau of Economic Analysis and U.S. Bureau of the Census.

Table F.2 U.S. International Transactions

(Millions of dollars)

| Line                                 | (Credits +, debits -) <sup>1</sup>  | Not seasonally adjusted |                 |                 |                 |                 |                  |                 |                 |                 |                 |                 | Seasonally adjusted |                 |  |
|--------------------------------------|---|-------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|-----------------|--|
|                                      |   | 2005                    |                 |                 | 2006            |                 |                  | 2005            |                 |                 | 2006            |                 |                     |                 |  |
|                                      |   | II                      | III             | IV              | I               | II <sup>r</sup> | III <sup>p</sup> | II              | III             | IV              | I               | II <sup>r</sup> | III <sup>p</sup>    |                 |  |
| <b>Current account</b>               |   |                         |                 |                 |                 |                 |                  |                 |                 |                 |                 |                 |                     |                 |  |
| 1                                    | <b>Exports of goods and services and income receipts</b>                              | <b>1,749,892</b>        | <b>433,516</b>  | <b>440,364</b>  | <b>464,872</b>  | <b>480,005</b>  | <b>517,097</b>   | <b>521,195</b>  | <b>429,326</b>  | <b>442,935</b>  | <b>462,357</b>  | <b>484,396</b>  | <b>511,983</b>      | <b>526,874</b>  |  |
| 2                                    | Exports of goods and services   | 1,275,245               | 319,639         | 318,819         | 334,007         | 340,515         | 359,681          | 361,093         | 316,645         | 320,853         | 331,165         | 344,430         | 355,945             | 366,083         |  |
| 3                                    | Goods, balance of payments basis <sup>2</sup>   | 894,631                 | 227,524         | 219,568         | 235,283         | 242,020         | 258,642          | 254,332         | 222,591         | 224,947         | 232,904         | 244,512         | 252,843             | 262,069         |  |
| 4                                    | Services <sup>3</sup>   | 380,614                 | 92,115          | 99,251          | 98,724          | 98,495          | 101,039          | 106,761         | 94,054          | 95,906          | 98,261          | 99,918          | 103,102             | 104,014         |  |
| 5                                    | Transfers under U.S. military agency sales contracts <sup>4</sup>                     | 19,038                  | 4,675           | 5,239           | 4,446           | 4,453           | 4,226            | 4,067           | 4,675           | 5,239           | 4,446           | 4,453           | 4,226               | 4,067           |  |
| 6                                    | Travel  | 81,680                  | 21,425          | 23,545          | 18,924          | 18,781          | 22,050           | 24,219          | 20,934          | 20,389          | 20,374          | 20,742          | 21,443              | 21,464          |  |
| 7                                    | Passenger fares   | 20,931                  | 5,104           | 5,933           | 5,229           | 5,257           | 5,209            | 5,664           | 5,161           | 5,508           | 5,371           | 5,545           | 5,275               | 5,326           |  |
| 8                                    | Other transportation  | 42,245                  | 10,358          | 10,754          | 11,451          | 11,394          | 12,091           | 12,445          | 10,353          | 10,545          | 11,244          | 11,588          | 12,202              | 12,216          |  |
| 9                                    | Royalties and license fees <sup>5</sup>   | 57,410                  | 13,742          | 13,958          | 16,092          | 14,632          | 15,302           | 14,993          | 13,943          | 14,397          | 14,923          | 15,040          | 15,567              | 15,509          |  |
| 10                                   | Other private services <sup>5</sup>   | 158,223                 | 36,549          | 39,531          | 42,321          | 43,701          | 41,874           | 45,078          | 38,726          | 39,538          | 41,643          | 42,273          | 44,103              | 45,137          |  |
| 11                                   | U.S. Government miscellaneous services  | 1,087                   | 262             | 291             | 260             | 277             | 286              | 295             | 262             | 291             | 260             | 277             | 286                 | 295             |  |
| 12                                   | Income receipts   | 474,647                 | 113,877         | 121,545         | 130,865         | 139,490         | 157,416          | 160,102         | 112,681         | 122,081         | 131,192         | 139,966         | 156,038             | 160,791         |  |
| 13                                   | Income receipts on U.S.-owned assets abroad   | 471,722                 | 113,147         | 120,814         | 130,110         | 138,762         | 156,690          | 159,364         | 111,952         | 121,350         | 130,437         | 139,238         | 155,312             | 160,053         |  |
| 14                                   | Direct investment receipts  | 251,370                 | 61,906          | 63,889          | 67,148          | 68,195          | 76,429           | 75,182          | 60,572          | 64,476          | 67,481          | 68,738          | 74,923              | 75,912          |  |
| 15                                   | Other private receipts  | 217,637                 | 50,674          | 56,247          | 62,279          | 69,923          | 79,759           | 83,515          | 50,674          | 56,247          | 62,279          | 69,923          | 79,759              | 83,515          |  |
| 16                                   | U.S. Government receipts  | 2,715                   | 567             | 678             | 683             | 644             | 502              | 667             | 706             | 627             | 677             | 577             | 630                 | 626             |  |
| 17                                   | Compensation of employees   | 2,925                   | 729             | 731             | 755             | 728             | 726              | 738             | 729             | 731             | 755             | 728             | 726                 | 738             |  |
| 18                                   | <b>Imports of goods and services and income payments</b>                              | <b>-2,455,328</b>       | <b>-606,110</b> | <b>-627,388</b> | <b>-662,406</b> | <b>-657,039</b> | <b>-715,048</b>  | <b>-739,633</b> | <b>-599,390</b> | <b>-616,886</b> | <b>-659,290</b> | <b>-678,052</b> | <b>-707,254</b>     | <b>-730,974</b> |  |
| 19                                   | Imports of goods and services   | -1,991,975              | -494,629        | -512,645        | -530,295        | -514,631        | -556,066         | -574,566        | -488,703        | -502,645        | -525,939        | -535,570        | -549,059            | -566,401        |  |
| 20                                   | Goods, balance of payments basis <sup>2</sup>   | -1,677,371              | -414,071        | -430,168        | -451,691        | -436,132        | -467,446         | -484,922        | -410,811        | -423,693        | -445,410        | -452,481        | -463,441            | -480,681        |  |
| 21                                   | Services <sup>3</sup>   | -314,604                | -80,558         | -82,477         | -78,604         | -78,499         | -88,620          | -89,644         | -77,892         | -78,952         | -80,529         | -83,089         | -85,618             | -85,720         |  |
| 22                                   | Direct defense expenditures   | -30,062                 | -7,478          | -7,539          | -7,503          | -7,692          | -7,740           | -7,865          | -7,478          | -7,539          | -7,503          | -7,692          | -7,740              | -7,865          |  |
| 23                                   | Travel  | -69,175                 | -19,904         | -19,657         | -14,754         | -15,071         | -21,253          | -20,834         | -17,589         | -17,181         | -17,135         | -17,634         | -18,639             | -18,136         |  |
| 24                                   | Passenger fares   | -26,066                 | -7,007          | -7,089          | -6,199          | -6,159          | -7,453           | -7,130          | -6,555          | -6,654          | -6,644          | -6,749          | -6,948              | -6,595          |  |
| 25                                   | Other transportation  | -62,107                 | -15,352         | -15,622         | -16,174         | -15,553         | -16,592          | -17,056         | -15,135         | -15,205         | -16,150         | -16,232         | -16,377             | -16,603         |  |
| 26                                   | Royalties and license fees <sup>5</sup>   | -24,501                 | -5,737          | -6,340          | -6,789          | -6,552          | -6,237           | -6,374          | -6,004          | -6,356          | -6,261          | -6,741          | -6,513              | -6,383          |  |
| 27                                   | Other private services <sup>5</sup>   | -98,714                 | -24,118         | -25,214         | -26,194         | -26,476         | -28,239          | -29,366         | -24,169         | -25,001         | -25,845         | -27,045         | -28,385             | -29,119         |  |
| 28                                   | U.S. Government miscellaneous services  | -3,979                  | -962            | -1,016          | -991            | -996            | -1,016           | -1,019          | -962            | -1,016          | -991            | -996            | -1,016              | -1,019          |  |
| 29                                   | Income payments   | -463,353                | -111,481        | -114,742        | -132,111        | -142,408        | -158,982         | -165,067        | -110,687        | -114,240        | -133,351        | -142,482        | -158,195            | -164,573        |  |
| 30                                   | Income payments on foreign-owned assets in the United States                          | -454,124                | -109,299        | -112,397        | -129,611        | -140,126        | -156,736         | -162,720        | -108,403        | -111,887        | -131,018        | -140,132        | -155,846            | -162,217        |  |
| 31                                   | Direct investment payments  | -116,953                | -30,416         | -24,615         | -33,432         | -34,437         | -37,756          | -40,609         | -29,520         | -24,105         | -34,839         | -34,443         | -36,866             | -40,106         |  |
| 32                                   | Other private payments  | -223,612                | -51,490         | -58,479         | -64,857         | -72,813         | -82,539          | -84,801         | -51,490         | -58,479         | -64,857         | -72,813         | -82,539             | -84,801         |  |
| 33                                   | U.S. Government payments  | -113,559                | -27,393         | -29,303         | -31,322         | -32,876         | -36,441          | -37,310         | -27,393         | -31,322         | -32,876         | -36,441         | -37,310             | -37,310         |  |
| 34                                   | Compensation of employees   | -9,229                  | -2,182          | -2,345          | -2,500          | -2,282          | -2,246           | -2,347          | -2,347          | -2,353          | -2,353          | -2,350          | -2,349              | -2,356          |  |
| 35                                   | <b>Unilateral current transfers, net</b>  | <b>-86,072</b>          | <b>-22,509</b>  | <b>-10,140</b>  | <b>-25,927</b>  | <b>-20,323</b>  | <b>-20,805</b>   | <b>-21,524</b>  | <b>-23,194</b>  | <b>-9,464</b>   | <b>-26,176</b>  | <b>-19,542</b>  | <b>-21,856</b>      | <b>-21,450</b>  |  |
| 36                                   | U.S. Government grants <sup>4</sup>   | -31,362                 | -5,780          | -7,270          | -9,091          | -4,631          | -5,341           | -5,529          | -5,780          | -7,270          | -9,091          | -4,631          | -5,341              | -5,529          |  |
| 37                                   | U.S. Government pensions and other transfers  | -6,303                  | -1,451          | -1,909          | -1,872          | -1,740          | -1,277           | -1,426          | -1,589          | -1,584          | -1,592          | -1,742          | -1,755              | -1,710          |  |
| 38                                   | Private remittances and other transfers <sup>6</sup>                                  | -48,407                 | -15,278         | -961            | -14,964         | -13,952         | -14,187          | -14,569         | -15,845         | -610            | -15,493         | -13,169         | -14,760             | -14,211         |  |
| <b>Capital and financial account</b> |   |                         |                 |                 |                 |                 |                  |                 |                 |                 |                 |                 |                     |                 |  |
| <b>Capital account</b>               |   |                         |                 |                 |                 |                 |                  |                 |                 |                 |                 |                 |                     |                 |  |
| 39                                   | <b>Capital account transactions, net</b>  | <b>-4,351</b>           | <b>-589</b>     | <b>-557</b>     | <b>-514</b>     | <b>-1,756</b>   | <b>-1,003</b>    | <b>-551</b>     | <b>-589</b>     | <b>-557</b>     | <b>-514</b>     | <b>-1,756</b>   | <b>-1,003</b>       | <b>-551</b>     |  |
| <b>Financial account</b>             |   |                         |                 |                 |                 |                 |                  |                 |                 |                 |                 |                 |                     |                 |  |
| 40                                   | <b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>                 | <b>-426,801</b>         | <b>-201,345</b> | <b>-138,434</b> | <b>3,708</b>    | <b>-361,910</b> | <b>-215,352</b>  | <b>-227,937</b> | <b>-196,376</b> | <b>-132,380</b> | <b>-10,656</b>  | <b>-355,978</b> | <b>-211,375</b>     | <b>-223,769</b> |  |
| 41                                   | U.S. official reserve assets, net   | 14,096                  | -797            | 4,766           | 4,796           | 513             | -560             | 1,006           | -797            | 4,766           | 4,796           | 513             | -560                | 1,006           |  |
| 42                                   | Gold <sup>7</sup>   |                         |                 |                 |                 |                 |                  |                 |                 |                 |                 |                 |                     |                 |  |
| 43                                   | Special drawing rights  | 4,511                   | -97             | 2,976           | -81             | -67             | -51              | -54             | -97             | 2,976           | -81             | -67             | -51                 | -54             |  |
| 44                                   | Reserve position in the International Monetary Fund                                   | 10,200                  | -564            | 1,951           | 5,050           | 729             | -351             | 1,275           | -564            | 1,951           | 5,050           | 729             | -351                | 1,275           |  |
| 45                                   | Foreign currencies  | -615                    | -136            | -161            | -173            | -149            | -158             | -215            | -136            | -161            | -173            | -149            | -158                | -215            |  |
| 46                                   | U.S. Government assets, other than official reserve assets, net                       | 5,539                   | 989             | 1,501           | 459             | 1,049           | 1,765            | 287             | 989             | 1,501           | 459             | 1,049           | 1,765               | 287             |  |
| 47                                   | U.S. credits and other long-term assets   | -2,255                  | -708            | -518            | -509            | -1,517          | -376             | -575            | -708            | -518            | -509            | -1,517          | -376                | -575            |  |
| 48                                   | Repayments on U.S. credits and other long-term assets <sup>8</sup>                    | 5,603                   | 1,586           | 1,957           | 977             | 2,558           | 2,147            | 871             | 1,586           | 1,957           | 977             | 2,558           | 2,147               | 871             |  |
| 49                                   | U.S. foreign currency holdings and U.S. short-term assets, net                        | 2,191                   | 111             | 62              | -9              | 8               | -6               | -9              | 111             | 62              | -9              | 8               | -6                  | -9              |  |
| 50                                   | U.S. private assets, net  | -446,436                | -201,537        | -144,701        | -1,547          | -363,472        | -216,557         | -229,230        | -196,568        | -138,647        | -15,911         | -357,540        | -212,580            | -225,062        |  |
| 51                                   | Direct investment   | -9,072                  | -38,926         | 24,288          | 40,163          | -67,183         | -50,746          | -67,231         | -33,957         | 30,342          | 25,799          | -61,251         | -46,769             | -63,063         |  |
| 52                                   | Foreign securities  | -180,125                | -45,702         | -36,790         | -47,266         | -53,692         | -53,915          | -53,034         | -45,702         | -36,790         | -47,266         | -53,692         | -53,915             | -53,034         |  |
| 53                                   | U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns           | -44,221                 | 57,244          | -29,483         | -4,812          | -46,190         | -31,199          | -23,302         | 57,244          | -29,483         | -4,812          | -46,190         | -31,199             | -23,302         |  |
| 54                                   | U.S. claims reported by U.S. banks, not included elsewhere                            | -213,018                | -174,153        | -102,716        | 10,368          | -196,407        | -80,697          | -85,663         | -174,153        | -102,716        | 10,368          | -196,407        | -80,697             | -85,663         |  |
| 55                                   | <b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b> | <b>1,212,250</b>        | <b>348,132</b>  | <b>390,846</b>  | <b>248,558</b>  | <b>528,026</b>  | <b>367,143</b>   | <b>404,417</b>  | <b>346,179</b>  | <b>388,592</b>  | <b>253,350</b>  | <b>527,498</b>  | <b>364,576</b>      | <b>400,161</b>  |  |
| 56                                   | Foreign official assets in the United States, net                                     | 199,495                 | 74,613          | 33,983          | 71,934          | 75,697          | 75,869           | 80,775          | 74,613          | 33,983          | 71,934          | 75,697          | 75,869              | 80,775          |  |
| 57                                   | U.S. Government securities  | 156,450                 | 36,313          | 25,926          | 61,204          | 66,219          | 21,553           | 80,137          | 36,313          | 25,926          | 61,204          | 66,219          | 21,553              | 80,137          |  |
| 58                                   | U.S. Treasury securities <sup>9</sup>   | 71,749                  | 16,892          | 8,213           | 37,418          | 42,156          | -8,905           | 47,225          | 16,892          | 8,213           | 37,418          | 42,156          | -8,905              | 47,225          |  |
| 59                                   | Other <sup>10</sup>   | 84,701                  | 19,421          | 17,713          | 23,786          | 24,063          | 30,458           | 32,912          | 19,421          | 17,713          | 23,786          | 24,063          | 30,458              | 32,912          |  |
| 60                                   | Other U.S. Government liabilities <sup>11</sup>                                       | -488                    | 112             | 395             | -255            | 37              | 724              | 1,073           | 112             | 395             | -255            | 37              | 724                 | 1,073           |  |
| 61                                   | U.S. liabilities reported by U.S. banks, not included elsewhere                       | 24,275                  | 34,187          | 824             | 5,078           | -821            | 42,241           | -7,207          | 34,187          | 824             | 5,078           | -821            | 42,241              | -7,207          |  |
| 62                                   | Other foreign official assets <sup>12</sup>   | 19,258                  | 4,001           | 6,838           | 5,907           | 10,262          | 11,351           | 6,772           | 4,001           | 6,838           | 5,907           | 10,262          | 11,351              | 6,772           |  |
| 63                                   | Other foreign assets in the United States, net  | 1,012,755               | 273,519         | 356,863         | 176,624         | 452,329         | 291,274          | 323,642         | 271,566         | 354,609         | 181,416         | 451,801         | 288,707             | 319,386         |  |
| 64                                   | Direct investment   | 109,754                 | 10,198          | 46,713          | 21,718          | 45,796          | 48,410           | 48,346          | 8,245           | 44,459          | 26,510          | 45,268          | 45,484              | 44,090          |  |
| 65                                   | U.S. Treasury securities  | 199,491                 | 14,103          | 37,239          | 62,041          | -5,212          | 9,784            | -7,202          | 14,103          | 37,239          | 62,041          | -5,             |                     |                 |  |

Table F.3. U.S. International Transactions, by Area—Continues

(Millions of dollars)

| Line                                 | (Credits +, debits -) <sup>1</sup>   | Europe               |                       | European Union <sup>14</sup> |                       | Euro area             |                       | United Kingdom       |                       |
|--------------------------------------|--|----------------------|-----------------------|------------------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
|                                      |  | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> | 2006:II <sup>r</sup>         | 2006:III <sup>p</sup> | 2006:II <sup>r</sup>  | 2006:III <sup>p</sup> | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> |
| <b>Current account</b>               |  |                      |                       |                              |                       |                       |                       |                      |                       |
| 1                                    | <b>Exports of goods and services and income receipts</b> .....                               | <b>174,988</b>       | <b>176,628</b>        | <b>151,992</b>               | <b>154,123</b>        | <b>94,614</b>         | <b>94,562</b>         | <b>47,939</b>        | <b>49,999</b>         |
| 2                                    | Exports of goods and services .....  | 101,900              | 101,540               | 88,586                       | 88,310                | 58,370                | 58,077                | 23,814               | 23,961                |
| 3                                    | Goods, balance of payments basis <sup>2</sup> .....  | 62,297               | 58,720                | 54,436                       | 51,099                | 39,171                | 37,244                | 11,909               | 10,917                |
| 4                                    | Services <sup>3</sup> .....  | 39,603               | 42,820                | 34,150                       | 37,211                | 19,199                | 20,833                | 11,905               | 13,044                |
| 5                                    | Transfers under U.S. military agency sales contracts <sup>4</sup> .....                      | 685                  | 1,004                 | 428                          | 687                   | 291                   | 340                   | 57                   | 69                    |
| 6                                    | Travel.....  | 7,029                | 8,248                 | 6,450                        | 7,647                 | 3,091                 | 4,061                 | 2,775                | 3,082                 |
| 7                                    | Passenger fares .....  | 1,646                | 1,993                 | 1,494                        | 1,822                 | 799                   | 1,057                 | 644                  | 747                   |
| 8                                    | Other transportation.....  | 4,605                | 4,648                 | 4,113                        | 4,147                 | 2,381                 | 2,394                 | 1,045                | 1,079                 |
| 9                                    | Royalties and license fees <sup>5</sup> .....  | 7,478                | 7,637                 | 5,888                        | 6,075                 | 4,175                 | 4,264                 | 1,280                | 1,388                 |
| 10                                   | Other private services <sup>5</sup> .....  | 18,087               | 19,206                | 15,720                       | 16,765                | 8,431                 | 8,679                 | 6,082                | 6,653                 |
| 11                                   | U.S. Government miscellaneous services .....   | 73                   | 84                    | 57                           | 68                    | 31                    | 38                    | 22                   | 26                    |
| 12                                   | Income receipts.....   | 73,088               | 75,088                | 63,406                       | 65,813                | 36,244                | 36,485                | 24,125               | 26,038                |
| 13                                   | Income receipts on U.S.-owned assets abroad .....  | 72,995               | 74,994                | 63,324                       | 65,730                | 36,199                | 36,440                | 24,101               | 26,013                |
| 14                                   | Direct investment receipts.....  | 33,864               | 33,560                | 28,882                       | 28,566                | 21,354                | 20,654                | 6,166                | 6,559                 |
| 15                                   | Other private receipts .....   | 38,965               | 41,105                | 34,288                       | 36,938                | 14,691                | 15,562                | 17,935               | 19,454                |
| 16                                   | U.S. Government receipts.....  | 166                  | 329                   | 154                          | 226                   | 154                   | 224                   | .....                | .....                 |
| 17                                   | Compensation of employees.....   | 93                   | 94                    | 82                           | 83                    | 45                    | 45                    | 24                   | 25                    |
| 18                                   | <b>Imports of goods and services and income payments</b> .....                               | <b>-217,194</b>      | <b>-217,312</b>       | <b>-189,452</b>              | <b>-190,284</b>       | <b>-120,592</b>       | <b>-121,554</b>       | <b>-55,637</b>       | <b>-56,287</b>        |
| 19                                   | Imports of goods and services.....   | -138,725             | -137,628              | -118,750                     | -117,522              | -83,450               | -83,335               | -24,433              | -23,884               |
| 20                                   | Goods, balance of payments basis <sup>2</sup> .....  | -98,839              | -97,499               | -84,599                      | -82,955               | -62,721               | -61,998               | -13,929              | -13,474               |
| 21                                   | Services <sup>3</sup> .....  | -39,886              | -40,129               | -34,151                      | -34,567               | -20,729               | -21,337               | -10,504              | -10,410               |
| 22                                   | Direct defense expenditures .....  | -2,859               | -2,935                | -2,600                       | -2,600                | -2,075                | -2,105                | -355                 | -355                  |
| 23                                   | Travel.....  | -8,089               | -7,626                | -7,249                       | -6,919                | -4,643                | -4,409                | -2,173               | -2,122                |
| 24                                   | Passenger fares .....  | -4,028               | -3,848                | -3,798                       | -3,590                | -2,103                | -2,123                | -1,490               | -1,238                |
| 25                                   | Other transportation.....  | -6,360               | -6,528                | -5,542                       | -5,680                | -3,159                | -3,281                | -1,163               | -1,239                |
| 26                                   | Royalties and license fees <sup>5</sup> .....  | -3,826               | -4,012                | -2,656                       | -3,000                | -1,928                | -2,293                | -371                 | -389                  |
| 27                                   | Other private services <sup>5</sup> .....  | -14,228              | -14,682               | -12,008                      | -12,403               | -6,518                | -6,821                | -4,896               | -5,011                |
| 28                                   | U.S. Government miscellaneous services .....   | -496                 | -498                  | -373                         | -375                  | -303                  | -305                  | -56                  | -56                   |
| 29                                   | Income payments.....   | -78,689              | -79,684               | -70,702                      | -72,762               | -37,142               | -37,919               | -31,204              | -32,403               |
| 30                                   | Income payments on foreign-owned assets in the United States .....                           | -78,336              | -79,560               | -70,592                      | -72,658               | -37,059               | -37,838               | -31,182              | -32,382               |
| 31                                   | Direct investment payments.....  | -24,489              | -26,590               | -23,940                      | -25,415               | -14,479               | -15,576               | -8,506               | -8,781                |
| 32                                   | Other private payments.....  | -46,135              | -45,465               | -40,226                      | -41,048               | -18,435               | -18,186               | -21,058              | -22,132               |
| 33                                   | U.S. Government payments.....  | -7,712               | -7,505                | -6,426                       | -6,194                | -4,145                | -4,076                | -1,618               | -1,469                |
| 34                                   | Compensation of employees.....   | -133                 | -124                  | -110                         | -104                  | -83                   | -81                   | -22                  | -21                   |
| 35                                   | <b>Unilateral current transfers, net</b> .....   | <b>-3,434</b>        | <b>-3,271</b>         | <b>-2,813</b>                | <b>-2,271</b>         | <b>-2,051</b>         | <b>-1,870</b>         | <b>215</b>           | <b>402</b>            |
| 36                                   | U.S. Government grants <sup>4</sup> .....  | -493                 | -648                  | -22                          | -22                   | .....                 | .....                 | .....                | .....                 |
| 37                                   | U.S. Government pensions and other transfers .....   | -430                 | -416                  | -398                         | -387                  | -286                  | -285                  | -67                  | -66                   |
| 38                                   | Private remittances and other transfers <sup>6</sup> .....                                   | -2,511               | -2,207                | -2,393                       | -1,856                | -1,765                | -1,585                | 282                  | 468                   |
| <b>Capital and financial account</b> |  |                      |                       |                              |                       |                       |                       |                      |                       |
| <b>Capital account</b>               |  |                      |                       |                              |                       |                       |                       |                      |                       |
| 39                                   | <b>Capital account transactions, net</b> .....   | <b>-208</b>          | <b>-218</b>           | <b>-119</b>                  | <b>-124</b>           | <b>-80</b>            | <b>-82</b>            | <b>-13</b>           | <b>-14</b>            |
| <b>Financial account</b>             |  |                      |                       |                              |                       |                       |                       |                      |                       |
| 40                                   | <b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b> .....                  | <b>-99,065</b>       | <b>-208,387</b>       | <b>-145,233</b>              | <b>-181,001</b>       | <b>-65,631</b>        | <b>-50,061</b>        | <b>-79,532</b>       | <b>-119,578</b>       |
| 41                                   | U.S. official reserve assets, net.....   | -148                 | -202                  | -118                         | -167                  | -118                  | -167                  | .....                | .....                 |
| 42                                   | Gold <sup>7</sup> .....  | .....                | .....                 | .....                        | .....                 | .....                 | .....                 | .....                | .....                 |
| 43                                   | Special drawing rights.....  | .....                | .....                 | .....                        | .....                 | .....                 | .....                 | .....                | .....                 |
| 44                                   | Reserve position in the International Monetary Fund .....                                    | .....                | .....                 | .....                        | .....                 | .....                 | .....                 | .....                | .....                 |
| 45                                   | Foreign currencies .....   | -148                 | -202                  | -118                         | -167                  | -118                  | -167                  | .....                | .....                 |
| 46                                   | U.S. Government assets, other than official reserve assets, net .....                        | 214                  | 155                   | 213                          | 75                    | 212                   | 35                    | -1                   | -1                    |
| 47                                   | U.S. credits and other long-term assets.....   | -136                 | -113                  | -112                         | -103                  | .....                 | .....                 | .....                | .....                 |
| 48                                   | Repayments on U.S. credits and other long-term assets <sup>8</sup> .....                     | 342                  | 270                   | 316                          | 179                   | 203                   | 35                    | .....                | .....                 |
| 49                                   | U.S. foreign currency holdings and U.S. short-term assets, net .....                         | 8                    | -2                    | 9                            | -1                    | 9                     | .....                 | -1                   | -1                    |
| 50                                   | U.S. private assets, net.....  | -99,131              | -208,340              | -145,328                     | -180,909              | -65,725               | -49,929               | -79,531              | -119,577              |
| 51                                   | Direct investment.....   | -21,496              | -32,331               | -18,579                      | -27,626               | -13,009               | -20,618               | -4,067               | -5,413                |
| 52                                   | Foreign securities.....  | -54,589              | -54,123               | -51,873                      | -56,962               | -17,179               | -10,729               | -34,965              | -45,476               |
| 53                                   | U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....            | -34,743              | -45,927               | -36,214                      | -45,418               | -14,064               | -2,102                | -25,474              | -39,662               |
| 54                                   | U.S. claims reported by U.S. banks, not included elsewhere .....                             | 11,697               | -75,959               | -38,662                      | -50,903               | -21,473               | -16,480               | -15,025              | -29,026               |
| 55                                   | <b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b> .....  | <b>82,063</b>        | <b>87,868</b>         | <b>108,893</b>               | <b>135,335</b>        | <b>31,893</b>         | <b>50,506</b>         | <b>76,101</b>        | <b>85,978</b>         |
| 56                                   | Foreign official assets in the United States, net.....                                       | 10,667               | -9,165                | ( <sup>18</sup> )            | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 57                                   | U.S. Government securities.....  | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )            | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 58                                   | U.S. Treasury securities <sup>9</sup> .....  | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )            | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 59                                   | Other <sup>10</sup> .....  | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )            | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 60                                   | Other U.S. Government liabilities <sup>11</sup> .....  | 172                  | -129                  | 99                           | -123                  | -165                  | 120                   | 11                   | 46                    |
| 61                                   | U.S. liabilities reported by U.S. banks, not included elsewhere .....                        | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )            | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 62                                   | Other foreign official assets <sup>12</sup> .....  | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )            | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 63                                   | Other foreign assets in the United States, net .....   | 71,396               | 97,033                | ( <sup>18</sup> )            | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 64                                   | Direct investment.....   | 36,025               | 28,677                | 28,328                       | 32,186                | 25,516                | 23,760                | 3,243                | 8,353                 |
| 65                                   | U.S. Treasury securities.....  | -16,740              | -26,243               | ( <sup>18</sup> )            | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 66                                   | U.S. securities other than U.S. Treasury securities.....                                     | 70,522               | 75,582                | 69,692                       | 69,258                | 17,818                | 19,213                | 50,413               | 52,673                |
| 67                                   | U.S. currency.....   | .....                | .....                 | .....                        | .....                 | .....                 | .....                 | .....                | .....                 |
| 68                                   | U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....       | 13,325               | 47,975                | 13,698                       | 48,524                | -1,035                | 12,400                | 15,202               | 35,424                |
| 69                                   | U.S. liabilities reported by U.S. banks, not included elsewhere .....                        | -31,736              | -28,958               | <sup>18</sup> -2,924         | <sup>18</sup> -14,510 | <sup>18</sup> -10,241 | <sup>18</sup> -4,987  | <sup>18</sup> 7,232  | <sup>18</sup> -10,518 |
| 70                                   | <b>Statistical discrepancy (sum of above items with sign reversed)</b> .....                 | <b>62,849</b>        | <b>164,692</b>        | <b>76,731</b>                | <b>84,222</b>         | <b>61,847</b>         | <b>28,199</b>         | <b>10,927</b>        | <b>39,500</b>         |
| <b>Memoranda:</b>                    |  |                      |                       |                              |                       |                       |                       |                      |                       |
| 71                                   | Balance on goods (lines 3 and 20).....   | -36,542              | -38,779               | -30,163                      | -31,856               | -23,550               | -24,754               | -2,020               | -2,557                |
| 72                                   | Balance on services (lines 4 and 21).....  | -283                 | 2,691                 | -1                           | 2,644                 | -1,530                | -504                  | 1,401                | 2,634                 |
| 73                                   | Balance on goods and services (lines 2 and 19).....  | -36,825              | -36,088               | -30,164                      | -29,212               | -25,080               | -25,258               | -619                 | 77                    |
| 74                                   | Balance on income (lines 12 and 29).....   | -5,381               | -4,596                | -7,296                       | -6,949                | -898                  | -1,434                | -7,079               | -6,365                |
| 75                                   | Unilateral current transfers, net (line 35).....   | -3,434               | -3,271                | -2,813                       | -2,271                | -2,051                | -1,870                | 215                  | 402                   |
| 76                                   | Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup> ..... | -45,639              | -43,955               | -40,272                      | -38,432               | -28,029               | -28,562               | -7,483               | -5,886                |

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See footnotes on page D-63

Source: Table 11 in "U.S. International Transactions: Third Quarter of 2006" in the January 2007 Survey of Current Business.

Table F.3. U.S. International Transactions, by Area—Continues

[Millions of dollars]

| Line                                 | (Credits +, debits -) <sup>1</sup>   | Canada               |                       | Latin America and Other Western Hemisphere |                       | Mexico <sup>15</sup> |                       | Asia and Pacific     |                       | Australia            |                       |
|--------------------------------------|--|----------------------|-----------------------|--|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
|                                      |  | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> | 2006:II <sup>r</sup>                       | 2006:III <sup>p</sup> | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> |
| <b>Current account</b>               |  |                      |                       |  |                       |                      |                       |                      |                       |                      |                       |
| 1                                    | <b>Exports of goods and services and income receipts</b> .....                               | <b>81,546</b>        | <b>76,384</b>         | <b>106,186</b>                             | <b>108,191</b>        | <b>42,864</b>        | <b>42,026</b>         | <b>117,877</b>       | <b>123,016</b>        | <b>9,582</b>         | <b>10,070</b>         |
| 2                                    | Exports of goods and services .....  | 70,142               | 65,521                | 71,546                                     | 72,748                | 39,662               | 38,731                | 94,410               | 98,994                | 6,465                | 6,794                 |
| 3                                    | Goods, balance of payments basis <sup>2</sup> .....  | 60,484               | 56,208                | 55,520                                     | 55,791                | 34,018               | 33,125                | 67,237               | 69,605                | 4,101                | 4,440                 |
| 4                                    | Services <sup>3</sup> .....  | 9,658                | 9,313                 | 16,026                                     | 16,957                | 5,644                | 5,606                 | 27,173               | 29,389                | 2,364                | 2,354                 |
| 5                                    | Transfers under U.S. military agency sales contracts <sup>4</sup> .....                      | 45                   | 64                    | 199  | 192                   | 2                    | 3                     | 928                  | 731                   | 78                   | 88                    |
| 6                                    | Travel .....   | 2,895                | 2,277                 | 5,034                                      | 5,384                 | 1,821                | 1,755                 | 6,237                | 7,234                 | 682                  | 641                   |
| 7                                    | Passenger fares .....  | 680                  | 757                   | 1,403                                      | 1,489                 | 496                  | 465                   | 1,391                | 1,358                 | 136                  | 125                   |
| 8                                    | Other transportation .....   | 838                  | 830                   | 1,433                                      | 1,543                 | 425                  | 458                   | 4,149                | 4,276                 | 91                   | 93                    |
| 9                                    | Royalties and license fees <sup>5</sup> .....  | 1,223                | 1,235                 | 1,106                                      | 1,073                 | 403                  | 394                   | 4,750                | 4,824                 | 331                  | 317                   |
| 10                                   | Other private services <sup>5</sup> .....  | 3,947                | 4,115                 | 6,807                                      | 7,235                 | 2,493                | 2,527                 | 9,629                | 10,877                | 1,041                | 1,085                 |
| 11                                   | U.S. Government miscellaneous services .....   | 30                   | 35                    | 43   | 40                    | 4                    | 4                     | 89                   | 89                    | 5                    | 5                     |
| 12                                   | Income receipts .....  | 11,404               | 10,863                | 34,640                                     | 35,443                | 3,202                | 3,295                 | 23,467               | 24,022                | 3,117                | 3,276                 |
| 13                                   | Income receipts on U.S.-owned assets abroad .....  | 11,369               | 10,827                | 34,590                                     | 35,390                | 3,194                | 3,287                 | 23,370               | 23,923                | 3,110                | 3,269                 |
| 14                                   | Direct investment receipts .....   | 6,841                | 6,134                 | 11,871                                     | 11,734                | 2,260                | 2,363                 | 15,118               | 15,224                | 1,830                | 1,913                 |
| 15                                   | Other private receipts .....   | 4,528                | 4,693                 | 22,633                                     | 23,612                | 931                  | 920                   | 8,137                | 8,589                 | 1,280                | 1,356                 |
| 16                                   | U.S. Government receipts .....   |                      |                       | 86   | 44                    | 3                    | 4                     | 115                  | 110                   |                      |                       |
| 17                                   | Compensation of employees .....  | 35                   | 36                    | 50   | 53                    | 8                    | 8                     | 97                   | 99                    | 7                    | 7                     |
| 18                                   | <b>Imports of goods and services and income payments</b> .....                               | <b>-91,508</b>       | <b>-89,098</b>        | <b>-130,572</b>                            | <b>-134,578</b>       | <b>-58,322</b>       | <b>-58,208</b>        | <b>-220,984</b>      | <b>-240,064</b>       | <b>-5,136</b>        | <b>-5,335</b>         |
| 19                                   | Imports of goods and services .....  | -85,094              | -82,462               | -99,948                                    | -101,386              | -55,109              | -54,627               | -185,106             | -202,245              | -3,213               | -3,478                |
| 20                                   | Goods, balance of payments basis <sup>2</sup> .....  | -78,711              | -74,597               | -84,940                                    | -86,905               | -51,173              | -50,940               | -164,825             | -182,193              | -2,021               | -2,129                |
| 21                                   | Services <sup>3</sup> .....  | -6,383               | -7,865                | -15,008                                    | -14,481               | -3,936               | -3,687                | -20,281              | -20,052               | -1,192               | -1,349                |
| 22                                   | Direct defense expenditures .....  | -54                  | -55                   | -76  | -75                   | -4                   | -4                    | -1,398               | -1,309                | -29                  | -35                   |
| 23                                   | Travel .....   | -2,024               | -3,313                | -6,394                                     | -5,480                | -2,611               | -2,318                | -3,963               | -3,753                | -253                 | -357                  |
| 24                                   | Passenger fares .....  | -132                 | -117                  | -798                                       | -824                  | -275                 | -315                  | -2,207               | -1,992                | -210                 | -243                  |
| 25                                   | Other transportation .....   | -1,209               | -1,163                | -1,604                                     | -1,732                | -286                 | -262                  | -6,010               | -6,162                | -87                  | -86                   |
| 26                                   | Royalties and license fees <sup>5</sup> .....  | -184                 | -208                  | -301                                       | -337                  | -44                  | -42                   | -1,804               | -1,774                | -61                  | -76                   |
| 27                                   | Other private services <sup>5</sup> .....  | -2,705               | -2,933                | -5,698                                     | -5,896                | -673                 | -703                  | -4,729               | -4,891                | -531                 | -531                  |
| 28                                   | U.S. Government miscellaneous services .....   | -75                  | -76                   | -137                                       | -137                  | -43                  | -43                   | -170                 | -171                  | -21                  | -21                   |
| 29                                   | Income payments .....  | -6,414               | -6,636                | -30,624                                    | -33,192               | -3,213               | -3,581                | -35,878              | -37,819               | -1,923               | -1,857                |
| 30                                   | Income payments on foreign-owned assets in the United States .....                           | -6,300               | -6,524                | -28,853                                    | -31,271               | -1,479               | -1,710                | -35,685              | -37,658               | -1,919               | -1,854                |
| 31                                   | Direct investment payments .....   | -3,176               | -3,177                | -1,922                                     | -1,897                | -37                  | -186                  | -5,195               | -6,038                | -931                 | -826                  |
| 32                                   | Other private payments .....   | -2,460               | -2,566                | -23,090                                    | -25,389               | -630                 | -698                  | -7,927               | -8,302                | -770                 | -813                  |
| 33                                   | U.S. Government payments .....   | -664                 | -781                  | -3,841                                     | -3,985                | -812                 | -826                  | -22,563              | -23,318               | -218                 | -215                  |
| 34                                   | Compensation of employees .....  | -114                 | -112                  | -1,771                                     | -1,921                | -1,734               | -1,871                | -193                 | -161                  | -4                   | -3                    |
| 35                                   | Unilateral current transfers, net .....  | -198                 | -61                   | -6,534                                     | -6,277                | -2,852               | -2,886                | -2,793               | -3,282                | -87                  | -56                   |
| 36                                   | U.S. Government grants <sup>4</sup> .....  |                      |                       | -647                                       | -630                  | -17                  | -8                    | -918                 | -578                  |                      |                       |
| 37                                   | U.S. Government pensions and other transfers .....   | -156                 | -152                  | -185                                       | -184                  | -70                  | -67                   | -195                 | -172                  | -20                  | -17                   |
| 38                                   | Private remittances and other transfers <sup>6</sup> .....                                   | -42                  | 91                    | -5,702                                     | -5,463                | -2,765               | -2,811                | -1,680               | -2,532                | -67                  | -39                   |
| <b>Capital and financial account</b> |  |                      |                       |  |                       |                      |                       |                      |                       |                      |                       |
| <b>Capital account</b>               |  |                      |                       |  |                       |                      |                       |                      |                       |                      |                       |
| 39                                   | <b>Capital account transactions, net</b> .....   | <b>30</b>            | <b>29</b>             | <b>-38</b>                                 | <b>-42</b>            | <b>-20</b>           | <b>-22</b>            | <b>-208</b>          | <b>-223</b>           | <b>-8</b>            | <b>-8</b>             |
| <b>Financial account</b>             |  |                      |                       |  |                       |                      |                       |                      |                       |                      |                       |
| 40                                   | <b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b> .....                  | <b>-22,142</b>       | <b>-8,761</b>         | <b>-63,056</b>                             | <b>39,244</b>         | <b>-2,866</b>        | <b>2,525</b>          | <b>-16,484</b>       | <b>-46,420</b>        | <b>-4,690</b>        | <b>-8,530</b>         |
| 41                                   | U.S. official reserve assets, net .....  |                      |                       |  |                       |                      |                       | -10                  | -13                   |                      |                       |
| 42                                   | Gold <sup>7</sup> .....  |                      |                       |  |                       |                      |                       |                      |                       |                      |                       |
| 43                                   | Special drawing rights .....   |                      |                       |  |                       |                      |                       |                      |                       |                      |                       |
| 44                                   | Reserve position in the International Monetary Fund .....                                    |                      |                       |  |                       |                      |                       |                      |                       |                      |                       |
| 45                                   | Foreign currencies .....   |                      |                       |  |                       |                      |                       | -10                  | -13                   |                      |                       |
| 46                                   | U.S. Government assets, other than official reserve assets, net .....                        | -1                   |                       | 111  | 103                   | 7                    | 5                     | 139                  | 194                   |                      |                       |
| 47                                   | U.S. credits and other long-term assets .....  |                      |                       | -74  | -53                   | -3                   | -3                    | -44                  | -37                   |                      |                       |
| 48                                   | Repayments on U.S. credits and other long-term assets <sup>8</sup> .....                     |                      |                       | 189  | 164                   | 12                   | 9                     | 182                  | 224                   |                      |                       |
| 49                                   | U.S. foreign currency holdings and U.S. short-term assets, net .....                         | -1                   |                       | -4   | -8                    | -2                   | -1                    | 1                    | 7                     |                      |                       |
| 50                                   | U.S. private assets, net .....   | -22,141              | -8,761                | -63,167                                    | 39,141                | -2,873               | 2,520                 | -16,613              | -46,601               | -4,690               | -8,530                |
| 51                                   | Direct investment .....  | -3,459               | -7,570                | -4,066                                     | -7,676                | -1,028               | -2,375                | -14,063              | -11,936               | -1,737               | -1,971                |
| 52                                   | Foreign securities .....   | -1,997               | -5,689                | -1,258                                     | -251                  | 743                  | 4,711                 | 6,387                | 6,014                 | -2,338               | -559                  |
| 53                                   | U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....            | -995                 | -2,003                | 5,233                                      | 24,326                | 449                  | -133                  | 264                  | 672                   | 670                  | 194                   |
| 54                                   | U.S. claims reported by U.S. banks, not included elsewhere .....                             | -15,690              | 6,501                 | -63,076                                    | 22,742                | -3,037               | 317                   | -9,201               | -41,351               | -1,285               | -6,194                |
| 55                                   | <b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b> .....  | <b>18,087</b>        | <b>24,832</b>         | <b>140,346</b>                             | <b>159,494</b>        | <b>12,170</b>        | <b>982</b>            | <b>103,495</b>       | <b>117,018</b>        | <b>7,800</b>         | <b>-1,024</b>         |
| 56                                   | Foreign official assets in the United States, net .....                                      | -451                 | -335                  | 11,692                                     | 12,831                | ( <sup>18</sup> )    | ( <sup>18</sup> )     | 35,844               | 69,069                | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 57                                   | U.S. Government securities .....   | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>17</sup> )                          | ( <sup>17</sup> )     | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 58                                   | U.S. Treasury securities <sup>9</sup> .....  | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>17</sup> )                          | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 59                                   | Other <sup>10</sup> .....  | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>17</sup> )                          | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 60                                   | Other U.S. Government liabilities <sup>11</sup> .....  | 44                   | -27                   | -44  | -64                   | -2                   | 5                     | 400                  | 1,214                 | 237                  | 153                   |
| 61                                   | U.S. liabilities reported by U.S. banks, not included elsewhere .....                        | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>17</sup> )                          | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 62                                   | Other foreign official assets <sup>12</sup> .....  | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>17</sup> )                          | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 63                                   | Other foreign assets in the United States, net .....   | 18,538               | 25,167                | 128,654                                    | 146,663               | ( <sup>18</sup> )    | ( <sup>18</sup> )     | 67,651               | 47,949                | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 64                                   | Direct investment .....  | -2,642               | 4,581                 | 5,794                                      | 5,062                 | 498                  | 220                   | 6,110                | 6,993                 | 339                  | 459                   |
| 65                                   | U.S. Treasury securities .....   | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>17</sup> )                          | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>18</sup> )    | ( <sup>18</sup> )     |
| 66                                   | U.S. securities other than U.S. Treasury securities .....                                    | 8,107                | 5,059                 | 11,324                                     | 38,981                | 680                  | 1,638                 | 34,544               | 18,191                | 2,991                | 1,178                 |
| 67                                   | U.S. currency .....  |                      |                       |  |                       |                      |                       |                      |                       |                      |                       |
| 68                                   | U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....       | ( <sup>17</sup> )    | ( <sup>17</sup> )     | ( <sup>17</sup> )                          | ( <sup>17</sup> )     | 180                  | -360                  | ( <sup>17</sup> )    | ( <sup>17</sup> )     | 52                   | -114                  |
| 69                                   | U.S. liabilities reported by U.S. banks, not included elsewhere .....                        | 6,054                | 7,679                 | 102,460                                    | 99,507                | <sup>18</sup> 10,814 | <sup>18</sup> -521    | 6,949                | 9,877                 | <sup>18</sup> 4,181  | <sup>18</sup> -2,700  |
| 70                                   | <b>Statistical discrepancy (sum of above items with sign reversed)</b> .....                 | <b>14,185</b>        | <b>-3,325</b>         | <b>-46,333</b>                             | <b>-166,031</b>       | <b>9,026</b>         | <b>15,583</b>         | <b>19,097</b>        | <b>49,955</b>         | <b>-7,461</b>        | <b>4,883</b>          |
| <b>Memoranda:</b>                    |  |                      |                       |  |                       |                      |                       |                      |                       |                      |                       |
| 71                                   | Balance on goods (lines 3 and 20) .....  | -18,227              | -18,389               | -29,420                                    | -31,114               | -17,155              | -17,815               | -97,588              | -112,588              | 2,080                | 2,311                 |
| 72                                   | Balance on services (lines 4 and 21) .....   | 3,275                | 1,448                 | 1,018                                      | 2,475                 | 1,708                | 1,919                 | 6,892                | 9,337                 | 1,172                | 1,005                 |
| 73                                   | Balance on goods and services (lines 2 and 19) .....   | -14,952              | -16,941               | -28,402                                    | -28,639               | -15,447              | -15,896               | -90,696              | -103,251              | 3,252                | 3,316                 |
| 74                                   | Balance on income (lines 12 and 29) .....  | 4,990                | 4,227                 | 4,016                                      | 2,251                 | -111                 | -286                  | -12,411              | -13,797               | 1,194                | 1,419                 |
| 75                                   | Unilateral current transfers, net (line 35) .....  | -198                 | -61                   | -6,534                                     | -6,277                | -2,852               | -2,886                | -2,793               | -3,282                | -87                  | -56                   |
| 76                                   | Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup> ..... | -10,160              | -12,775               | -30,920                                    | -32,665               | -18,310              | -19,068               | -105,900             | -120,330              | 4,359                | 4,679                 |

See the footnotes on page D-63.

**Table F.3. U.S. International Transactions, by Area—Table Ends**  
(Millions of dollars)

| Line                                 | (Credits +, debits -) <sup>1</sup>   | China                |                       | India                |                       | Japan                |                       | Middle East          |                       | Africa               |                       |
|--------------------------------------|--|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
|                                      |  | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> | 2006:II <sup>r</sup> | 2006:III <sup>p</sup> |
| <b>Current account</b>               |  |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| 1                                    | <b>Exports of goods and services and income receipts</b> .....                               | <b>17,072</b>        | <b>18,691</b>         | <b>4,786</b>         | <b>4,839</b>          | <b>31,404</b>        | <b>33,413</b>         | <b>15,835</b>        | <b>16,063</b>         | <b>8,635</b>         | <b>9,355</b>          |
| 2                                    | Exports of goods and services .....  | 15,621               | 17,199                | 4,150                | 4,206                 | 24,768               | 26,457                | 13,804               | 13,986                | 6,448                | 7,370                 |
| 3                                    | Goods, balance of payments basis <sup>2</sup> .....  | 13,172               | 14,431                | 2,544                | 2,651                 | 14,232               | 14,716                | 8,994                | 9,021                 | 4,110                | 4,987                 |
| 4                                    | Services <sup>3</sup> .....  | 2,449                | 2,768                 | 1,606                | 1,555                 | 10,536               | 11,741                | 4,810                | 4,965                 | 2,338                | 2,383                 |
| 5                                    | Transfers under U.S. military agency sales contracts <sup>4</sup> .....                      | ( <sup>1</sup> )     | ( <sup>1</sup> )      | 4                    | 6                     | 163                  | 123                   | 1,942                | 1,775                 | 394                  | 249                   |
| 6                                    | Travel .....   | 347                  | 374                   | 570                  | 470                   | 2,837                | 3,756                 | 524                  | 672                   | 331                  | 404                   |
| 7                                    | Passenger fares .....  | 95                   | 95                    | 248                  | 8                     | 805                  | 1,022                 | 80                   | 58                    | 9                    | 9                     |
| 8                                    | Other transportation .....   | 627                  | 671                   | 118                  | 129                   | 1,102                | 1,067                 | 552                  | 587                   | 182                  | 232                   |
| 9                                    | Royalties and license fees <sup>5</sup> .....  | 327                  | 319                   | 81                   | 52                    | 2,217                | 2,238                 | 104                  | 104                   | 144                  | 118                   |
| 10                                   | Other private services <sup>5</sup> .....  | 1,047                | 1,302                 | 573                  | 878                   | 3,392                | 3,516                 | 1,577                | 1,742                 | 1,258                | 1,351                 |
| 11                                   | U.S. Government miscellaneous services .....   | 6                    | 7                     | 12                   | 12                    | 20                   | 19                    | 31                   | 27                    | 20                   | 20                    |
| 12                                   | Income receipts .....  | 1,451                | 1,492                 | 636                  | 633                   | 6,636                | 6,956                 | 2,031                | 2,077                 | 2,187                | 1,985                 |
| 13                                   | Income receipts on U.S.-owned assets abroad .....  | 1,442                | 1,483                 | 632                  | 629                   | 6,617                | 6,936                 | 2,007                | 2,053                 | 2,169                | 1,967                 |
| 14                                   | Direct investment receipts .....   | 1,207                | 1,200                 | 433                  | 421                   | 2,618                | 2,661                 | 1,448                | 1,455                 | 1,790                | 1,558                 |
| 15                                   | Other private receipts .....   | 225                  | 258                   | 196                  | 196                   | 3,989                | 4,263                 | 540                  | 569                   | 314                  | 309                   |
| 16                                   | U.S. Government receipts .....   | 10                   | 25                    | 3                    | 12                    | 10                   | 12                    | 19                   | 29                    | 65                   | 100                   |
| 17                                   | Compensation of employees .....  | 9                    | 9                     | 4                    | 4                     | 19                   | 20                    | 24                   | 24                    | 18                   | 18                    |
| 18                                   | <b>Imports of goods and services and income payments</b> .....                               | <b>-78,427</b>       | <b>-90,413</b>        | <b>-6,918</b>        | <b>-7,610</b>         | <b>-59,872</b>       | <b>-60,881</b>        | <b>-26,715</b>       | <b>-27,809</b>        | <b>-22,614</b>       | <b>-25,309</b>        |
| 19                                   | Imports of goods and services .....  | -69,688              | -80,913               | -6,511               | -7,187                | -43,034              | -43,340               | -23,968              | -24,968               | -22,147              | -24,781               |
| 20                                   | Goods, balance of payments basis <sup>2</sup> .....  | -67,720              | -78,941               | -5,109               | -5,865                | -36,598              | -36,926               | -19,231              | -20,094               | -20,900              | -23,634               |
| 21                                   | Services <sup>3</sup> .....  | -1,968               | -1,972                | -1,402               | -1,322                | -6,436               | -6,414                | -4,737               | -4,874                | -1,247               | -1,147                |
| 22                                   | Direct defense expenditures .....  | -1                   | -1                    | -20                  | -2                    | -358                 | -360                  | -3,300               | -3,425                | -53                  | -66                   |
| 23                                   | Travel .....   | -665                 | -635                  | -377                 | -266                  | -838                 | -788                  | -306                 | -327                  | -477                 | -342                  |
| 24                                   | Passenger fares .....  | -144                 | -136                  | -39                  | -45                   | -341                 | -307                  | -170                 | -218                  | -118                 | -131                  |
| 25                                   | Other transportation .....   | -889                 | -912                  | -68                  | -83                   | -1,825               | -1,831                | -318                 | -306                  | -74                  | -87                   |
| 26                                   | Royalties and license fees <sup>5</sup> .....  | -13                  | -16                   | -8                   | -6                    | -1,675               | -1,631                | -64                  | -28                   | -3                   | -3                    |
| 27                                   | Other private services <sup>5</sup> .....  | -248                 | -264                  | -885                 | -915                  | -1,362               | -1,460                | -504                 | -504                  | -461                 | -456                  |
| 28                                   | U.S. Government miscellaneous services .....   | -8                   | -8                    | -5                   | -5                    | -37                  | -37                   | -75                  | -73                   | -61                  | -62                   |
| 29                                   | Income payments .....  | -8,739               | -9,500                | -407                 | -423                  | -16,838              | -17,541               | -2,747               | -2,841                | -467                 | -528                  |
| 30                                   | Income payments on foreign-owned assets in the United States .....                           | -8,658               | -9,424                | -375                 | -399                  | -16,815              | -17,521               | -2,735               | -2,832                | -444                 | -508                  |
| 31                                   | Direct investment payments .....   | -25                  | -26                   | -137                 | -146                  | -3,991               | -4,605                | -422                 | -338                  | -30                  | -54                   |
| 32                                   | Other private payments .....   | -1,189               | -1,342                | -101                 | -118                  | -3,102               | -3,092                | -1,095               | -1,238                | -235                 | -255                  |
| 33                                   | U.S. Government payments .....   | -7,444               | -8,056                | -137                 | -135                  | -9,722               | -9,824                | -1,218               | -1,256                | -179                 | -199                  |
| 34                                   | Compensation of employees .....  | -81                  | -76                   | -32                  | -24                   | -23                  | -20                   | -12                  | -9                    | -23                  | -20                   |
| 35                                   | <b>Unilateral current transfers, net</b> .....   | <b>-418</b>          | <b>-537</b>           | <b>-436</b>          | <b>-553</b>           | <b>600</b>           | <b>248</b>            | <b>-2,466</b>        | <b>-2,462</b>         | <b>-1,330</b>        | <b>-1,153</b>         |
| 36                                   | U.S. Government grants <sup>4</sup> .....  |                      |                       | -48                  | -25                   |                      |                       | -1,597               | -1,529                | -671                 | -430                  |
| 37                                   | U.S. Government pensions and other transfers .....   | -1                   | -1                    | -5                   | -5                    | -50                  | -40                   | -31                  | -30                   | -7                   | -5                    |
| 38                                   | Private remittances and other transfers <sup>6</sup> .....                                   | -417                 | -536                  | -383                 | -523                  | 650                  | 288                   | -838                 | -903                  | -652                 | -718                  |
| <b>Capital and financial account</b> |  |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| <b>Capital account</b>               |  |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| 39                                   | <b>Capital account transactions, net</b> .....   | <b>-37</b>           | <b>-39</b>            | <b>-50</b>           | <b>-53</b>            | <b>3</b>             | <b>2</b>              | <b>-78</b>           | <b>-81</b>            | <b>-501</b>          | <b>-17</b>            |
| <b>Financial account</b>             |  |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| 40                                   | <b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b> .....                  | <b>-1,519</b>        | <b>6,013</b>          | <b>-1,562</b>        | <b>-983</b>           | <b>4,560</b>         | <b>-25,576</b>        | <b>-5,713</b>        | <b>-1,330</b>         | <b>-946</b>          | <b>-578</b>           |
| 41                                   | U.S. official reserve assets, net .....  |                      |                       |                      |                       | -10                  | -13                   |                      |                       |                      |                       |
| 42                                   | Gold <sup>7</sup> .....  |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| 43                                   | Special drawing rights .....   |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| 44                                   | Reserve position in the International Monetary Fund .....                                    |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| 45                                   | Foreign currencies .....   |                      |                       |                      |                       | -10                  | -13                   |                      |                       |                      |                       |
| 46                                   | U.S. Government assets, other than official reserve assets, net .....                        | 22                   | 41                    | 23                   | 55                    |                      | 1                     | 61                   | 38                    | 1,273                | 30                    |
| 47                                   | U.S. credits and other long-term assets .....  |                      |                       |                      |                       |                      |                       | -3                   | -14                   | -87                  | -134                  |
| 48                                   | Repayments on U.S. credits and other long-term assets <sup>8</sup> .....                     | 23                   | 40                    | 17                   | 53                    |                      |                       | 65                   | 49                    | 1,369                | 164                   |
| 49                                   | U.S. foreign currency holdings and U.S. short-term assets, net .....                         | -1                   | 1                     | 6                    | 2                     |                      | 1                     | -1                   | 3                     | -9                   |                       |
| 50                                   | U.S. private assets, net .....   | -1,541               | 5,972                 | -1,585               | -1,038                | 4,570                | -25,564               | -5,774               | -1,368                | -2,219               | -608                  |
| 51                                   | Direct investment .....  | -1,360               | -713                  | -331                 | -409                  | -2,305               | -2,188                | -985                 | -1,156                | -1,180               | -1,045                |
| 52                                   | Foreign securities .....   | 2,502                | 2,094                 | -1,394               | -73                   | 8,144                | 2,385                 | -373                 | -804                  | -1,071               | 462                   |
| 53                                   | U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....            | -30                  | 310                   | -178                 | 182                   | -150                 | -189                  | -1,069               | -345                  | 120                  | -32                   |
| 54                                   | U.S. claims reported by U.S. banks, not included elsewhere .....                             | -2,653               | 4,281                 | 318                  | -738                  | -1,119               | -25,572               | -3,347               | 937                   | -788                 | 7                     |
| 55                                   | <b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b> .....  | <b>65,212</b>        | <b>67,910</b>         | <b>2,371</b>         | <b>-647</b>           | <b>13,461</b>        | <b>21,284</b>         | <b>19,225</b>        | <b>10,566</b>         | <b>2,710</b>         | <b>-120</b>           |
| 56                                   | Foreign official assets in the United States, net .....                                      | (18)                 | (18)                  | (18)                 | (18)                  | (18)                 | (18)                  | 15,380               | 8,113                 | 2,735                | 161                   |
| 57                                   | U.S. Government securities .....   | (18)                 | (18)                  | (18)                 | (18)                  | (18)                 | (18)                  | (17)                 | (17)                  | (17)                 | (17)                  |
| 58                                   | U.S. Treasury securities <sup>9</sup> .....  | (18)                 | (18)                  | (18)                 | (18)                  | (18)                 | (18)                  | (17)                 | (17)                  | (17)                 | (17)                  |
| 59                                   | Other <sup>10</sup> .....  | (18)                 | (18)                  | (18)                 | (18)                  | (18)                 | (18)                  | (17)                 | (17)                  | (17)                 | (17)                  |
| 60                                   | Other U.S. Government liabilities <sup>11</sup> .....  |                      |                       |                      | 32                    | 48                   | 45                    | 249                  | -35                   | -99                  | 13                    |
| 61                                   | U.S. liabilities reported by U.S. banks, not included elsewhere .....                        | (18)                 | (18)                  | (18)                 | (18)                  | (18)                 | (18)                  | (17)                 | (17)                  | (17)                 | (17)                  |
| 62                                   | Other foreign official assets <sup>12</sup> .....  | (18)                 | (18)                  | (18)                 | (18)                  | (18)                 | (18)                  | (17)                 | (17)                  | (17)                 | (17)                  |
| 63                                   | Other foreign assets in the United States, net .....   | (18)                 | (18)                  | (18)                 | (18)                  | (18)                 | (18)                  | 3,845                | 2,453                 | -25                  | -281                  |
| 64                                   | Direct investment .....  | -95                  | -40                   | 150                  | 227                   | 4,805                | 6,308                 | 483                  | 479                   | 118                  | 39                    |
| 65                                   | U.S. Treasury securities .....   | (18)                 | (18)                  | (18)                 | (18)                  | (18)                 | (18)                  | (17)                 | (17)                  | (17)                 | (17)                  |
| 66                                   | U.S. securities other than U.S. Treasury securities .....                                    | 9,021                | 1,414                 | 117                  | -149                  | 11,967               | 9,692                 | 2,436                | 923                   | 480                  | -10                   |
| 67                                   | U.S. currency .....  |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| 68                                   | U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....       | 305                  | -436                  | 9                    | 101                   | 625                  | -437                  | (17)                 | (17)                  | (17)                 | (17)                  |
| 69                                   | U.S. liabilities reported by U.S. banks, not included elsewhere .....                        | <sup>18</sup> 55,981 | <sup>18</sup> 66,972  | <sup>18</sup> 2,095  | <sup>18</sup> -858    | <sup>18</sup> -3,984 | <sup>18</sup> 5,676   | 202                  | 454                   | -1,274               | -392                  |
| 70                                   | <b>Statistical discrepancy (sum of above items with sign reversed)</b> .....                 | <b>-1,883</b>        | <b>-1,625</b>         | <b>1,809</b>         | <b>5,007</b>          | <b>9,844</b>         | <b>31,510</b>         | <b>-88</b>           | <b>5,053</b>          | <b>14,046</b>        | <b>17,822</b>         |
| <b>Memoranda:</b>                    |  |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| 71                                   | Balance on goods (lines 3 and 20) .....  | -54,548              | -64,510               | -2,565               | -3,214                | -22,366              | -22,210               | -10,237              | -11,073               | -16,790              | -18,647               |
| 72                                   | Balance on services (lines 4 and 21) .....   | 481                  | 796                   | 204                  | 233                   | 4,100                | 5,327                 | 73                   | 91                    | 1,091                | 1,236                 |
| 73                                   | Balance on goods and services (lines 2 and 19) .....   | -54,067              | -63,714               | -2,361               | -2,981                | -18,266              | -16,883               | -10,164              | -10,982               | -15,699              | -17,411               |
| 74                                   | Balance on income (lines 12 and 29) .....  | -7,288               | -8,008                | 229                  | 210                   | -10,202              | -10,585               | -716                 | -764                  | 1,720                | 1,457                 |
| 75                                   | Unilateral current transfers, net (line 35) .....  | -418                 | -537                  | -436                 | -553                  | 600                  | 248                   | -2,466               | -2,462                | -1,330               | -1,153                |
| 76                                   | Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup> ..... | -61,773              | -72,259               | -2,568               | -3,324                | -27,868              | -27,220               | -13,346              | -14,208               | -15,309              | -17,107               |

See the footnotes on page D-63.

Note: Data for India in this table and for Other Asia and Pacific have been corrected by offsetting amounts. Quarterly

data for 2005:I to 2006:I and annual data for 2005 for these areas have also been corrected and can be found on BEA's Web site at <[www.bea.gov/bea/international/bp\\_web](http://www.bea.gov/bea/international/bp_web)>.



**Table F.4. Private Services Transactions**  
(Millions of dollars)

| Line   | 2005           | Not seasonally adjusted |               |               |               |               |                 | Seasonally adjusted |               |               |               |               |               |                 |                  |
|--|----------------|-------------------------|---------------|---------------|---------------|---------------|-----------------|---------------------|---------------|---------------|---------------|---------------|---------------|-----------------|------------------|
|  |                | 2005                    |               |               |               | 2006          |                 | 2005                |               |               |               | 2006          |               |                 |                  |
|  |                | I                       | II            | III           | IV            | I             | II <sup>r</sup> | III <sup>p</sup>    | I             | II            | III           | IV            | I             | II <sup>r</sup> | III <sup>p</sup> |
| <b>Exports of private services</b>                         | <b>360,489</b> | <b>85,572</b>           | <b>87,178</b> | <b>93,721</b> | <b>94,018</b> | <b>93,765</b> | <b>96,526</b>   | <b>102,399</b>      | <b>87,438</b> | <b>89,117</b> | <b>90,377</b> | <b>93,555</b> | <b>95,188</b> | <b>98,590</b>   | <b>99,652</b>    |
| Travel (table F.2, line 6)                                 | 81,680         | 17,786                  | 21,425        | 23,545        | 18,924        | 18,781        | 22,050          | 24,219              | 19,983        | 20,934        | 20,389        | 20,374        | 20,742        | 21,443          | 21,464           |
| Passenger fares (table F.2, line 7)                        | 20,931         | 4,664                   | 5,104         | 5,933         | 5,229         | 5,257         | 5,209           | 5,664               | 4,890         | 5,161         | 5,508         | 5,371         | 5,545         | 5,275           | 5,326            |
| Other transportation (table F.2, line 8)                   | 42,245         | 9,682                   | 10,358        | 10,754        | 11,451        | 11,394        | 12,091          | 12,445              | 10,103        | 10,353        | 10,545        | 11,244        | 11,588        | 12,202          | 12,216           |
| Freight  | 17,340         | 4,215                   | 4,317         | 4,307         | 4,501         | 4,330         | 4,561           | 4,664               | 4,283         | 4,257         | 4,332         | 4,468         | 4,402         | 4,495           | 4,692            |
| Port services  | 24,905         | 5,467                   | 6,041         | 6,447         | 6,950         | 7,064         | 7,530           | 7,781               | 5,820         | 6,096         | 6,213         | 6,776         | 7,186         | 7,707           | 7,524            |
| Royalties and license fees (table F.2, line 9)             | 57,410         | 13,618                  | 13,742        | 13,958        | 16,092        | 14,632        | 15,302          | 14,993              | 14,146        | 13,943        | 14,397        | 14,923        | 15,040        | 15,567          | 15,509           |
| Affiliated   | 42,106         | 10,012                  | 10,131        | 10,105        | 11,858        | 10,550        | 11,432          | 10,775              | 10,540        | 10,332        | 10,544        | 10,689        | 10,958        | 11,697          | 11,291           |
| U.S. parents' receipts                                     | 37,939         | 9,317                   | 9,313         | 9,383         | 9,926         | 9,218         | 9,912           | 9,320               | 9,554         | 9,343         | 9,663         | 9,380         | 9,457         | 9,947           | 9,601            |
| U.S. affiliates' receipts                                  | 4,167          | 695                     | 818           | 722           | 1,932         | 1,332         | 1,520           | 1,455               | 986           | 989           | 881           | 1,309         | 1,501         | 1,750           | 1,690            |
| Unaffiliated   | 15,304         | 3,606                   | 3,611         | 3,853         | 4,234         | 4,082         | 3,870           | 4,218               | 3,606         | 3,611         | 3,853         | 4,234         | 4,082         | 3,870           | 4,218            |
| Industrial processes <sup>1</sup>                          | 6,633          | 1,684                   | 1,544         | 1,762         | 1,643         | 1,905         | 1,678           | 1,997               | 1,684         | 1,544         | 1,762         | 1,643         | 1,905         | 1,678           | 1,997            |
| Other <sup>2</sup>   | 8,671          | 1,922                   | 2,067         | 2,091         | 2,591         | 2,177         | 2,192           | 2,220               | 1,922         | 2,067         | 2,091         | 2,591         | 2,177         | 2,192           | 2,220            |
| Other private services (table F.2, line 10)                | 158,223        | 39,822                  | 36,549        | 39,531        | 42,321        | 43,701        | 41,874          | 45,078              | 38,316        | 38,726        | 39,538        | 41,643        | 42,273        | 44,103          | 45,137           |
| Affiliated services  | 49,389         | 11,634                  | 11,733        | 11,863        | 14,159        | 12,921        | 13,619          | 13,930              | 12,203        | 12,075        | 12,318        | 12,793        | 13,553        | 14,030          | 14,440           |
| U.S. parents' receipts                                     | 29,506         | 7,090                   | 7,196         | 6,968         | 8,252         | 7,387         | 7,698           | 7,790               | 7,358         | 7,281         | 7,307         | 7,559         | 7,664         | 7,787           | 8,167            |
| U.S. affiliates' receipts                                  | 19,883         | 4,544                   | 4,537         | 4,895         | 5,907         | 5,534         | 5,921           | 6,140               | 4,845         | 4,794         | 5,011         | 5,234         | 5,889         | 6,243           | 6,273            |
| Unaffiliated services                                      | 108,834        | 28,188                  | 24,816        | 27,668        | 28,162        | 30,780        | 28,255          | 31,148              | 26,113        | 26,651        | 27,220        | 28,850        | 28,720        | 30,073          | 30,697           |
| Education  | 14,123         | 5,830                   | 1,749         | 3,932         | 2,612         | 5,961         | 1,778           | 4,057               | 3,498         | 3,517         | 3,549         | 3,560         | 3,576         | 3,592           | 3,658            |
| Financial services   | 29,281         | 6,809                   | 6,924         | 7,352         | 8,193         | 8,415         | 8,531           | 8,799               | 6,809         | 6,924         | 7,355         | 8,193         | 8,415         | 8,531           | 8,799            |
| Insurance, net   | 6,831          | 1,642                   | 1,623         | 1,714         | 1,852         | 1,909         | 1,966           | 2,032               | 1,642         | 1,623         | 1,714         | 1,852         | 1,909         | 1,966           | 2,032            |
| Telecommunications   | 4,724          | 1,157                   | 1,207         | 1,286         | 1,095         | 1,183         | 1,286           | 1,254               | 1,157         | 1,207         | 1,265         | 1,095         | 1,183         | 1,286           | 1,254            |
| Business, professional, and technical services             | 39,491         | 8,846                   | 9,612         | 10,098        | 10,935        | 9,930         | 11,126          | 11,292              | 9,019         | 9,658         | 10,103        | 10,712        | 10,162        | 11,113          | 11,308           |
| Other unaffiliated services <sup>3</sup>                   | 14,384         | 3,904                   | 3,701         | 3,304         | 3,475         | 3,382         | 3,568           | 3,723               | 3,987         | 3,723         | 3,235         | 3,439         | 3,475         | 3,585           | 3,646            |
| <b>Imports of private services</b>                         | <b>280,563</b> | <b>64,413</b>           | <b>72,118</b> | <b>73,922</b> | <b>70,110</b> | <b>69,811</b> | <b>79,864</b>   | <b>80,760</b>       | <b>68,679</b> | <b>69,452</b> | <b>70,397</b> | <b>72,035</b> | <b>74,401</b> | <b>76,862</b>   | <b>76,836</b>    |
| Travel (table F.2, line 23)                                | 69,175         | 14,860                  | 19,904        | 19,657        | 14,754        | 15,071        | 21,253          | 20,834              | 17,270        | 17,589        | 17,181        | 17,135        | 17,634        | 18,639          | 18,136           |
| Passenger fares (table F.2, line 24)                       | 26,066         | 5,771                   | 7,007         | 7,089         | 6,199         | 6,159         | 7,453           | 7,130               | 6,213         | 6,555         | 6,654         | 6,644         | 6,749         | 6,948           | 6,595            |
| Other transportation (table F.2, line 25)                  | 62,107         | 14,959                  | 15,352        | 15,622        | 16,174        | 15,553        | 16,592          | 17,056              | 15,617        | 15,135        | 15,205        | 16,150        | 16,232        | 16,377          | 16,603           |
| Freight  | 44,156         | 10,834                  | 10,896        | 10,934        | 11,492        | 11,068        | 11,481          | 11,821              | 11,373        | 10,695        | 10,641        | 11,447        | 11,630        | 11,280          | 11,503           |
| Port services  | 17,951         | 4,125                   | 4,456         | 4,688         | 4,682         | 4,485         | 5,111           | 5,235               | 4,244         | 4,440         | 4,564         | 4,703         | 4,602         | 5,097           | 5,100            |
| Royalties and license fees (table F.2, line 26)            | 24,501         | 5,635                   | 5,737         | 6,340         | 6,789         | 6,552         | 6,237           | 6,374               | 5,880         | 6,004         | 6,356         | 6,261         | 6,741         | 6,513           | 6,383            |
| Affiliated   | 20,360         | 4,622                   | 4,708         | 5,305         | 5,725         | 4,869         | 4,944           | 5,115               | 4,867         | 4,975         | 5,321         | 5,197         | 5,058         | 5,220           | 5,124            |
| U.S. parents' payments                                     | 3,155          | 733                     | 782           | 811           | 829           | 806           | 818             | 804                 | 733           | 782           | 811           | 829           | 806           | 818             | 804              |
| U.S. affiliates' payments                                  | 17,205         | 3,889                   | 3,926         | 4,494         | 4,896         | 4,063         | 4,126           | 4,311               | 4,134         | 4,193         | 4,510         | 4,368         | 4,252         | 4,402           | 4,320            |
| Unaffiliated   | 4,141          | 1,013                   | 1,029         | 1,035         | 1,064         | 1,683         | 1,293           | 1,259               | 1,013         | 1,029         | 1,035         | 1,064         | 1,683         | 1,293           | 1,259            |
| Industrial processes <sup>1</sup>                          | 2,747          | 701                     | 677           | 677           | 692           | 689           | 681             | 704                 | 701           | 677           | 677           | 692           | 689           | 681             | 704              |
| Other <sup>2</sup>   | 1,394          | 312                     | 352           | 358           | 372           | 994           | 612             | 555                 | 312           | 352           | 358           | 372           | 994           | 612             | 555              |
| Other private services (table F.2, line 27)                | 98,714         | 23,188                  | 24,118        | 25,214        | 26,194        | 26,476        | 28,329          | 29,366              | 23,699        | 24,169        | 25,001        | 25,845        | 27,045        | 28,385          | 29,119           |
| Affiliated services  | 38,989         | 8,800                   | 9,387         | 9,653         | 11,149        | 11,169        | 11,599          | 11,699              | 9,110         | 9,445         | 9,734         | 10,700        | 11,509        | 11,667          | 11,793           |
| U.S. parents' payments                                     | 22,245         | 5,274                   | 5,513         | 5,457         | 6,001         | 5,787         | 6,466           | 6,334               | 5,584         | 5,571         | 5,538         | 5,552         | 6,127         | 6,534           | 6,428            |
| U.S. affiliates' payments                                  | 16,744         | 3,526                   | 3,874         | 4,196         | 5,148         | 5,382         | 5,133           | 5,365               | 3,526         | 3,874         | 4,196         | 5,148         | 5,382         | 5,133           | 5,365            |
| Unaffiliated services                                      | 59,725         | 14,388                  | 14,731        | 15,561        | 15,045        | 15,307        | 16,730          | 17,667              | 14,589        | 14,724        | 15,267        | 15,145        | 15,536        | 16,718          | 17,326           |
| Education  | 4,029          | 755                     | 1,002         | 1,318         | 954           | 860           | 1,144           | 1,507               | 956           | 995           | 1,024         | 1,054         | 1,089         | 1,131           | 1,165            |
| Financial services   | 6,549          | 1,540                   | 1,626         | 1,668         | 1,715         | 1,811         | 2,051           | 2,137               | 1,540         | 1,626         | 1,668         | 1,715         | 1,811         | 2,051           | 2,137            |
| Insurance, net   | 28,482         | 7,167                   | 6,896         | 7,359         | 7,060         | 7,545         | 8,241           | 8,514               | 7,167         | 6,896         | 7,359         | 7,060         | 7,545         | 8,241           | 8,514            |
| Telecommunications   | 4,658          | 1,109                   | 1,159         | 1,259         | 1,131         | 1,029         | 1,088           | 1,071               | 1,109         | 1,159         | 1,259         | 1,131         | 1,029         | 1,088           | 1,071            |
| Business, professional, and technical services             | 14,516         | 3,511                   | 3,659         | 3,582         | 3,764         | 3,711         | 3,859           | 4,098               | 3,511         | 3,659         | 3,582         | 3,764         | 3,711         | 3,859           | 4,098            |
| Other unaffiliated services <sup>3</sup>                   | 1,493          | 306                     | 390           | 375           | 422           | 353           | 347             | 341                 | 306           | 390           | 375           | 422           | 353           | 347             | 341              |
| <b>Supplemental data on insurance transactions:</b>        |                |                         |               |               |               |               |                 |                     |               |               |               |               |               |                 |                  |
| Premiums received <sup>4</sup>                             | 18,409         | 4,201                   | 4,176         | 4,675         | 5,357         | 5,459         | 5,332           | 5,517               | 4,201         | 4,176         | 4,675         | 5,357         | 5,459         | 5,332           | 5,517            |
| Actual losses paid   | 14,625         | 3,242                   | 3,586         | 3,838         | 3,959         | 3,787         | 3,775           | 3,802               | 3,242         | 3,586         | 3,838         | 3,959         | 3,787         | 3,775           | 3,802            |
| Premiums paid <sup>4</sup>                                 | 63,997         | 16,000                  | 15,308        | 16,807        | 15,882        | 15,051        | 16,316          | 16,569              | 16,000        | 15,308        | 16,807        | 15,882        | 15,051        | 16,316          | 16,569           |
| Actual losses recovered                                    | 43,867         | 6,804                   | 6,967         | 22,591        | 7,505         | 7,783         | 8,165           | 8,530               | 6,804         | 6,967         | 22,591        | 7,505         | 7,783         | 8,165           | 8,530            |
| <b>Memoranda:</b>  |                |                         |               |               |               |               |                 |                     |               |               |               |               |               |                 |                  |
| 53 Balance on goods (table F.2, line 71)                   | -782,740       | -169,185                | -186,547      | -210,600      | -216,408      | -194,112      | -208,804        | -230,590            | -183,268      | -188,220      | -198,746      | -212,506      | -207,969      | -210,598        | -218,612         |
| 54 Balance on private services (line 1 minus line 25)      | 79,926         | 21,159                  | 15,060        | 19,799        | 23,908        | 23,954        | 16,662          | 21,639              | 18,759        | 19,665        | 19,980        | 21,521        | 20,787        | 21,728          | 22,816           |
| 55 Balance on goods and private services (lines 53 and 54) | -702,814       | -148,026                | -171,487      | -190,801      | -192,500      | -170,158      | -192,142        | -208,951            | -164,509      | -168,555      | -178,766      | -190,985      | -187,182      | -188,870        | -195,796         |

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1. Includes royalties, license fees, and other fees associated with the use of intangible assets, including patents, trade secrets, and other proprietary rights, that are used in connection with the production of goods.  
2. Includes royalties, license fees, and other fees associated with the use of copyrights, trademarks, franchises, rights to broadcast live events, software licensing fees, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly film and television tape rentals and expenditures of foreign residents temporarily working in the United States. Payments (imports) include mainly expenditures of U.S. residents temporarily working abroad and film and television tape rentals.

4. These reflect the amount of premiums explicitly charged by, or paid to, insurers and reinsurers.

Source: Table 3 in "U.S. International Transactions: Third Quarter of 2006" in the January 2007 SURVEY OF CURRENT BUSINESS.

**Footnotes to Tables F.2. and F.3.**

1. Credits, +; Exports of goods and services and income receipts; unilateral current transfers to the United States; capital account transactions receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims).  
Debits, -; Imports of goods and services and income payments; unilateral current transfers to foreigners; capital account transactions payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).  
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 2a in "U.S. International Transactions: Third Quarter of 2006" in the January 2007 SURVEY OF CURRENT BUSINESS.  
3. Includes some goods: Mainly military equipment in line 5; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 22; and fuels purchased by airline and steamship operators in lines 8 and 25.  
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. At the present time, all U.S. Treasury-owned gold is held in the United States.  
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 5 in "U.S. International Transactions: Third Quarter of 2006" in the January 2007 SURVEY OF CURRENT BUSINESS.

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 line 76 and line 39 is equal to "net lending or net borrowing" in the national income and product accounts (NIPAs). However, the foreign transactions account in the NIPAs (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical

## G. Investment Tables

Table G.1. International Investment Position of the United States at Yearend, 2004 and 2005

[Millions of dollars]

| Line   | Type of investment   | Position,<br>2004 <sup>r</sup> | Changes in position in 2005 |                       |                                       |                               | Total<br>(a+b+c+d) | Position,<br>2005 <sup>p</sup> |
|--|--|--------------------------------|-----------------------------|-----------------------|---------------------------------------|-------------------------------|--------------------|--------------------------------|
|  |  |                                | Attributable to             |                       |                                       |                               |                    |                                |
|  |  |                                | Financial flows             | Valuation adjustments |                                       |                               |                    |                                |
|  |  |                                |                             | Price changes         | Exchange-rate<br>changes <sup>1</sup> | Other<br>changes <sup>2</sup> |                    |                                |
| (a)  | (b)  | (c)                            | (d)                         | (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) .....           | -2,360,785                     | -785,449                    | 625,441               | -226,283                              | 53,277                        | -333,014           | -2,693,799                     |
| 2  | With direct investment positions at market value (line 4 less line 25) .....           | -2,448,744                     | -785,449                    | 1,061,360             | -393,614                              | 20,272                        | -97,431            | -2,546,175                     |
| <b>U.S.-owned assets abroad:</b>                                   |  |                                |                             |                       |                                       |                               |                    |                                |
| 3  | With direct investment positions at current cost (lines 5+10+15) .....                 | 9,186,661                      | 426,801                     | 608,509               | -278,993                              | 65,698                        | 822,015            | 10,008,676                     |
| 4  | With direct investment positions at market value (lines 5+10+16) .....                 | 10,075,337                     | 426,801                     | 993,566               | -444,317                              | 27,815                        | 1,003,865          | 11,079,202                     |
| 5  | U.S. official reserve assets .....   | 189,591                        | -14,096                     | 20,241                | -7,680                                | -13                           | -1,548             | 188,043                        |
| 6  | Gold .....   | 113,947                        | .....                       | <sup>3</sup> 20,241   | .....                                 | <sup>4</sup> -13              | 20,228             | 134,175                        |
| 7  | Special drawing rights .....   | 13,628                         | -4,511                      | .....                 | -907                                  | .....                         | -5,418             | 8,210                          |
| 8  | Reserve position in the International Monetary Fund .....                              | 19,544                         | -10,200                     | .....                 | -1,308                                | .....                         | -11,508            | 8,036                          |
| 9  | Foreign currencies .....   | 42,472                         | 615                         | .....                 | -5,465                                | .....                         | -4,850             | 37,622                         |
| 10   | U.S. Government assets, other than official reserve assets .....                       | 83,062                         | -5,539                      | .....                 | .....                                 | .....                         | -5,539             | 77,523                         |
| 11   | U.S. credits and other long-term assets <sup>5</sup> .....                             | 80,308                         | -3,348                      | .....                 | .....                                 | .....                         | -3,348             | 76,960                         |
| 12   | Repayable in dollars .....   | 80,035                         | -3,348                      | .....                 | .....                                 | .....                         | -3,348             | 76,687                         |
| 13   | Other <sup>6</sup> .....   | 273                            | .....                       | .....                 | .....                                 | .....                         | .....              | 273                            |
| 14   | U.S. foreign currency holdings and U.S. short-term assets .....                        | 2,754                          | -2,191                      | .....                 | .....                                 | .....                         | -2,191             | 563                            |
| <b>U.S. private assets:</b>  |  |                                |                             |                       |                                       |                               |                    |                                |
| 15   | With direct investment at current cost (lines 17+19+22+23) .....                       | 8,914,008                      | 446,436                     | 588,268               | -271,313                              | 65,711                        | 829,102            | 9,743,110                      |
| 16   | With direct investment at market value (lines 18+19+22+23) .....                       | 9,802,684                      | 446,436                     | 973,325               | -436,637                              | 27,828                        | 1,010,952          | 10,813,636                     |
| <b>Direct investment abroad:</b>                                   |  |                                |                             |                       |                                       |                               |                    |                                |
| 17   | At current cost .....  | 2,399,224                      | 9,072                       | 42,085                | -32,112                               | 35,664                        | 54,709             | 2,453,933                      |
| 18   | At market value .....  | 3,287,900                      | 9,072                       | 427,142               | -197,436                              | -2,219                        | 236,559            | 3,524,459                      |
| 19   | Foreign securities .....   | 3,553,387                      | 180,125                     | 546,183               | -205,698                              | .....                         | 520,610            | 4,073,997                      |
| 20   | Bonds .....  | 992,969                        | 37,991                      | -20,533               | -22,884                               | .....                         | -5,426             | 987,543                        |
| 21   | Corporate stocks .....   | 2,560,418                      | 142,134                     | 566,716               | -182,814                              | .....                         | 526,036            | 3,086,454                      |
| 22   | U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....      | 733,538                        | 44,221                      | .....                 | -18,151                               | 24,913                        | 50,983             | 784,521                        |
| 23   | U.S. claims reported by U.S. banks, not included elsewhere .....                       | 2,227,859                      | 213,018                     | .....                 | -15,352                               | 5,134                         | 202,800            | 2,430,659                      |
| <b>Foreign-owned assets in the United States:</b>                  |  |                                |                             |                       |                                       |                               |                    |                                |
| 24   | With direct investment at current cost (lines 26+33) .....                             | 11,547,446                     | 1,212,250                   | -16,932               | -52,710                               | 12,421                        | 1,155,029          | 12,702,475                     |
| 25   | With direct investment at market value (lines 26+34) .....                             | 12,524,081                     | 1,212,250                   | -67,794               | -50,703                               | 7,543                         | 1,101,296          | 13,625,377                     |
| 26   | Foreign official assets in the United States .....                                     | 2,001,407                      | 199,495                     | -26,059               | .....                                 | 41,280                        | 214,716            | 2,216,123                      |
| 27   | U.S. Government securities .....   | 1,499,293                      | 156,450                     | -28,661               | .....                                 | 22,315                        | 150,104            | 1,649,397                      |
| 28   | U.S. Treasury securities .....   | 1,241,250                      | 71,749                      | -21,682               | .....                                 | -2,436                        | 47,631             | 1,288,881                      |
| 29   | Other .....  | 258,043                        | 84,701                      | -6,979                | .....                                 | 24,751                        | 102,473            | 360,516                        |
| 30   | Other U.S. Government liabilities <sup>7</sup> .....                                   | 16,488                         | -488                        | .....                 | .....                                 | .....                         | -488               | 16,000                         |
| 31   | U.S. liabilities reported by U.S. banks, not included elsewhere .....                  | 270,387                        | 24,275                      | .....                 | .....                                 | .....                         | 24,275             | 294,662                        |
| 32   | Other foreign official assets .....  | 215,239                        | 19,258                      | 2,602                 | .....                                 | 18,965                        | 40,825             | 256,064                        |
| <b>Other foreign assets:</b>                                       |  |                                |                             |                       |                                       |                               |                    |                                |
| 33   | With direct investment at current cost (lines 35+37+38+41+42+43) .....                 | 9,546,039                      | 1,012,755                   | 9,127                 | -52,710                               | -28,859                       | 940,313            | 10,486,352                     |
| 34   | With direct investment at market value (lines 36+37+38+41+42+43) .....                 | 10,522,674                     | 1,012,755                   | -41,735               | -50,703                               | -33,737                       | 886,580            | 11,409,254                     |
| <b>Direct investment in the United States:</b>                     |  |                                |                             |                       |                                       |                               |                    |                                |
| 35   | At current cost .....  | 1,727,062                      | 109,754                     | 27,950                | -2,007                                | 11,504                        | 147,201            | 1,874,263                      |
| 36   | At market value .....  | 2,703,697                      | 109,754                     | -22,912               | .....                                 | 6,626                         | 93,468             | 2,797,165                      |
| 37   | U.S. Treasury securities .....   | 562,288                        | 199,491                     | -7,671                | .....                                 | -49,233                       | 142,587            | 704,875                        |
| 38   | U.S. securities other than U.S. Treasury securities .....                              | 3,995,506                      | 474,140                     | -11,152               | -29,411                               | -38,401                       | 395,176            | 4,390,682                      |
| 39   | Corporate and other bonds .....  | 2,035,149                      | 388,357                     | -72,646               | -29,411                               | -46,252                       | 240,048            | 2,275,197                      |
| 40   | Corporate stocks .....   | 1,960,357                      | 85,783                      | 61,494                | .....                                 | 7,851                         | 155,128            | 2,115,485                      |
| 41   | U.S. currency .....  | 332,735                        | 19,416                      | .....                 | .....                                 | .....                         | 19,416             | 352,151                        |
| 42   | U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns ..... | 507,668                        | 30,105                      | .....                 | -10,309                               | 36,285                        | 56,081             | 553,749                        |
| 43   | U.S. liabilities reported by U.S. banks, not included elsewhere .....                  | 2,420,780                      | 179,849                     | .....                 | -10,963                               | 10,966                        | 179,852            | 2,600,632                      |

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1. Represents gains or losses on foreign-currency-denominated assets and liabilities due to their revaluation at current exchange rates.

2. Includes changes in coverage, capital gains and losses of direct investment affiliates, and other adjustments to the value of assets and liabilities.

3. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are not included in international transactions financial flows.

5. Also includes paid-in capital subscriptions to international financial institutions and resources provided to foreigners under foreign assistance programs requiring repayment over several years. Excludes World War I debts that are not being serviced.

6. 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.

7. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies.

Source: Table 1 in "The International Investment Position of the United States at Yearend 2005" in the July 2006 SURVEY OF CURRENT BUSINESS.

Table G.2. U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 2002–2005

[Millions of dollars]

|  | Direct investment position<br>on a historical-cost basis |                  |                  |                  | Capital outflows without current-cost adjustment<br>(inflows(-)) |                |                |                | Income without current-cost adjustment<br>and net of withholding taxes |                |                |                |
|--|--|------------------|------------------|------------------|--|----------------|----------------|----------------|--|----------------|----------------|----------------|
|  | 2002   | 2003             | 2004             | 2005             | 2002   | 2003           | 2004           | 2005           | 2002   | 2003           | 2004           | 2005           |
| <b>All countries, all industries</b> .....                   | <b>1,616,548</b>   | <b>1,769,613</b> | <b>2,051,204</b> | <b>2,069,983</b> | <b>134,946</b>   | <b>129,352</b> | <b>222,437</b> | <b>-12,714</b> | <b>124,940</b>   | <b>165,203</b> | <b>203,484</b> | <b>227,864</b> |
| <b>By country of foreign affiliate</b>                       |  |                  |                  |                  |  |                |                |                |  |                |                |                |
| Canada .....   | 166,473  | 187,953          | 212,829          | 234,831          | 15,003   | 17,340         | 23,255         | 16,789         | 13,297   | 15,826         | 21,979         | 22,259         |
| Europe .....   | 859,378  | 976,889          | 1,104,886        | 1,059,443        | 79,492   | 87,509         | 99,284         | -37,488        | 64,777   | 86,480         | 97,996         | 105,990        |
| <i>Of which:</i>   |  |                  |                  |                  |  |                |                |                |  |                |                |                |
| France .....   | 43,348   | 51,229           | 61,200           | 60,860           | 4,604  | 1,074          | 8,385          | 859            | 2,699  | 4,034          | 4,816          | 4,565          |
| Germany .....  | 61,073   | 72,262           | 83,588           | 86,319           | 2,416  | 4,376          | 8,960          | 7,140          | 2,977  | 4,584          | 6,237          | 6,716          |
| Ireland .....  | 51,598   | 60,604           | 63,983           | 61,596           | 10,700   | 7,408          | 3,991          | -3,025         | 6,355  | 9,134          | 11,287         | 12,411         |
| Netherlands .....  | 158,415  | 186,366          | 204,319          | 181,384          | 14,790   | 15,502         | 13,810         | -28,503        | 11,756   | 16,595         | 18,548         | 20,383         |
| Switzerland .....  | 74,229   | 92,750           | 106,849          | 83,424           | 7,924  | 14,462         | 9,281          | -11,821        | 10,921   | 12,643         | 12,613         | 11,636         |
| United Kingdom .....   | 247,952  | 277,246          | 312,156          | 323,796          | 15,265   | 26,738         | 26,604         | 10,873         | 11,043   | 13,829         | 16,601         | 19,924         |
| Latin America and Other Western Hemisphere .....             | 289,413  | 297,222          | 330,468          | 353,011          | 15,192   | 3,901          | 18,812         | -10,545        | 16,583   | 24,480         | 31,850         | 39,301         |
| <i>Of which:</i>   |  |                  |                  |                  |  |                |                |                |  |                |                |                |
| Bermuda .....  | 89,473   | 84,508           | 86,547           | 90,358           | 4,313  | -3,778         | 2,254          | -10,169        | 4,569  | 7,089          | 7,799          | 8,230          |
| Brazil .....   | 27,598   | 29,553           | 30,226           | 32,420           | -266   | -290           | 1,418          | 1,183          | 837  | 1,465          | 2,481          | 3,521          |
| Mexico .....   | 56,303   | 56,851           | 63,502           | 71,423           | 7,656  | 3,664          | 6,361          | 6,771          | 3,834  | 5,343          | 7,294          | 8,628          |
| United Kingdom Islands, Caribbean .....                      | 48,305   | 61,882           | 80,824           | 85,295           | 6,146  | 3,314          | 6,480          | -11,470        | 4,161  | 5,388          | 5,657          | 7,710          |
| Africa .....   | 16,040   | 19,835           | 21,414           | 24,257           | -578   | 2,697          | 1,325          | 2,066          | 1,895  | 3,156          | 4,540          | 5,284          |
| Middle East .....  | 15,158   | 16,885           | 18,775           | 21,591           | 2,559  | 1,315          | 1,352          | 3,467          | 1,891  | 2,640          | 3,717          | 4,670          |
| Asia and Pacific .....                                       | 270,086  | 270,830          | 362,833          | 376,849          | 23,277   | 16,592         | 78,409         | 12,999         | 26,498   | 32,621         | 43,402         | 50,361         |
| <i>Of which:</i>   |  |                  |                  |                  |  |                |                |                |  |                |                |                |
| Australia .....  | 39,074   | 48,447           | (D)              | 113,385          | 8,036  | 7,717          | (D)            | (D)            | 2,037  | 3,406          | 5,088          | 5,624          |
| Hong Kong .....  | 40,329   | 36,426           | 34,848           | 37,884           | 1,226  | -689           | (D)            | 4,168          | 3,906  | 3,718          | 4,981          | 5,066          |
| Japan .....  | 66,468   | 57,794           | 68,071           | 75,491           | 8,711  | 867            | 9,198          | 7,636          | 7,146  | 8,103          | 9,998          | 11,205         |
| Singapore .....  | 50,955   | 51,053           | 57,075           | 48,051           | 530  | 5,446          | (D)            | -10,406        | 4,438  | 5,987          | 8,089          | 10,726         |
| <b>By industry of foreign affiliate</b>                      |  |                  |                  |                  |  |                |                |                |  |                |                |                |
| Mining .....   | 81,822   | 85,473           | 102,058          | 114,386          | 6,732  | 3,930          | 14,059         | 11,378         | 8,915  | 11,189         | 16,869         | 22,225         |
| Manufacturing .....  | 337,741  | 371,078          | 414,353          | 451,402          | 32,277   | 31,207         | 53,680         | 38,765         | 26,411   | 34,594         | 47,910         | 49,782         |
| Food .....   | 19,236   | 27,692           | 29,452           | 31,524           | 3,184  | 3,420          | 1,391          | 2,921          | 2,604  | 3,631          | 3,810          | 3,956          |
| Chemicals .....  | 82,543   | 91,435           | 99,435           | 109,354          | 8,087  | 6,983          | 11,336         | 9,078          | 8,632  | 9,921          | 12,930         | 14,403         |
| Primary and fabricated metals .....                          | 20,790   | 21,349           | 23,629           | 21,671           | 1,340  | -306           | 2,298          | -393           | 1,158  | 1,710          | 2,485          | 2,221          |
| Machinery .....  | 18,349   | 20,825           | 25,251           | 29,224           | 288  | 3,200          | 3,426          | 3,831          | 1,926  | 2,314          | 2,817          | 3,279          |
| Computers and electronic products .....                      | 49,580   | 47,171           | 54,317           | 58,785           | -1,594   | 2,217          | 6,108          | 6,094          | 1,519  | 4,345          | 6,516          | 7,174          |
| Electrical equipment, appliances, and components .....       | 9,763  | 10,774           | 11,679           | 13,079           | 1,809  | 311            | 941            | 730            | 509  | 583            | 1,124          | 1,367          |
| Transportation equipment .....                               | 45,320   | 47,903           | 50,732           | 48,930           | 4,682  | 2,961          | 2,313          | -667           | 1,190  | 2,152          | 4,576          | 2,531          |
| Other manufacturing .....                                    | 92,160   | 103,929          | 119,859          | 138,836          | 14,481   | 12,422         | 25,869         | 17,171         | 8,872  | 9,937          | 13,652         | 14,850         |
| Wholesale trade .....  | 111,153  | 119,891          | 130,594          | 142,960          | 3,048  | 12,239         | 10,603         | 17,194         | 13,382   | 18,440         | 24,003         | 27,615         |
| Information .....  | 41,723   | 46,728           | 49,155           | 55,479           | -1,200   | 3,918          | -3,526         | 6,932          | 1,320  | 6,221          | 9,528          | 9,983          |
| Depository institutions (banking) .....                      | 54,679   | 58,695           | 64,719           | 70,331           | -1,934   | 1,255          | -304           | -3,941         | 1,347  | 2,268          | 2,657          | 1,045          |
| Finance (except depository institutions) and insurance ..... | 285,195  | 316,847          | 369,281          | 393,723          | 37,815   | 19,912         | 24,086         | 20,242         | 14,585   | 19,623         | 24,201         | 28,162         |
| Professional, scientific, and technical services .....       | 31,068   | 35,832           | 45,167           | 49,202           | -1,082   | 3,156          | 8,389          | 4,281          | 2,219  | 3,250          | 5,394          | 5,778          |
| Holding companies (nonbank) .....                            | 541,566  | 598,964          | 724,229          | 623,076          | 45,855   | 50,437         | 101,353        | -118,634       | 48,277   | 59,248         | 59,902         | 69,014         |
| Other industries .....                                       | 131,599  | 136,106          | 151,647          | 169,424          | 13,435   | 3,298          | 14,096         | 11,070         | 8,484  | 10,370         | 13,021         | 14,260         |

D Suppressed to avoid disclosure of data of individual companies.

Note. The data in this table are from tables 16 and 17 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 2005" in the September 2006 SURVEY OF CURRENT BUSINESS.

Table G.3. Selected Financial and Operating Data of Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2004

|  | All nonbank foreign affiliates |                  |                |   |   |                        | Majority-owned nonbank foreign affiliates |                  |                |                |   |   |                        |
|--|--------------------------------|------------------|----------------|---|---|------------------------|---|------------------|----------------|----------------|---|---|------------------------|
|  | Millions of dollars            |                  |                |   |   | Thousands of employees | Millions of dollars                       |                  |                |                |   |   | Thousands of employees |
|  | Total assets                   | Sales            | Net income     | U.S. exports of goods shipped to affiliates | U.S. imports of goods shipped by affiliates |                        | Total assets                              | Sales            | Net income     | Value added    | U.S. exports of goods shipped to affiliates | U.S. imports of goods shipped by affiliates |                        |
| <b>All countries, all industries</b> .....                   | <b>8,757,063</b>               | <b>3,768,733</b> | <b>398,611</b> | <b>191,929</b>                              | <b>253,563</b>                              | <b>10,028.0</b>        | <b>8,065,229</b>                          | <b>3,238,471</b> | <b>354,016</b> | <b>824,336</b> | <b>184,143</b>                              | <b>231,518</b>                              | <b>8,617.2</b>         |
| <b>By country of foreign affiliate</b>                       |                                |                  |                |   |   |                        |   |                  |                |                |   |   |                        |
| Canada .....   | 634,677                        | 442,607          | 36,867         | 60,427                                      | 91,054                                      | 1,092.1                | 619,822                                   | 416,435          | 35,336         | 94,205         | 58,898                                      | 84,518                                      | 1,065.1                |
| Europe .....   | 5,376,372                      | 1,909,697        | 206,641        | 49,225                                      | 55,003                                      | 4,290.9                | 5,046,136                                 | 1,709,354        | 189,612        | 460,010        | 47,820                                      | 54,045                                      | 3,879.3                |
| <i>Of which:</i>   |                                |                  |                |   |   |                        |   |                  |                |                |   |   |                        |
| France .....   | 256,211                        | 176,266          | 9,581          | 4,502                                       | 4,417                                       | 603.4                  | 235,409                                   | 163,038          | 9,081          | 47,717         | 3,831                                       | 4,182                                       | 562.8                  |
| Germany .....  | 419,052                        | 286,710          | 12,599         | 6,303                                       | 6,160                                       | 636.4                  | 378,802                                   | 252,097          | 11,419         | 74,184         | 6,168                                       | 6,146                                       | 601.7                  |
| Netherlands .....  | 753,827                        | 180,417          | 39,280         | (D)   | 2,878                                       | 224.7                  | 693,167                                   | 140,028          | 35,621         | 28,220         | 7,781                                       | 2,626                                       | 175.1                  |
| United Kingdom .....   | 1,938,209                      | 464,968          | 28,430         | 11,983                                      | 9,882                                       | 1,272.0                | 1,884,334                                 | 436,246          | 27,251         | 132,527        | 11,850                                      | 9,783                                       | 1,166.3                |
| Latin America and Other Western Hemisphere .....             | 1,208,716                      | 417,185          | 62,360         | 39,721                                      | 56,665                                      | 1,935.7                | 1,083,754                                 | 357,600          | 52,875         | 82,181         | 37,508                                      | 52,630                                      | 1,580.2                |
| <i>Of which:</i>   |                                |                  |                |   |   |                        |   |                  |                |                |   |   |                        |
| Brazil .....   | 99,033                         | 78,382           | 3,756          | 3,348                                       | 2,498                                       | 397.2                  | 85,052                                    | 71,495           | 3,066          | 18,261         | 3,149                                       | 2,279                                       | 345.8                  |
| Mexico .....   | 134,617                        | 143,276          | 7,886          | 31,148                                      | 43,611                                      | 984.4                  | 103,723                                   | 114,726          | 5,594          | 22,383         | 29,461                                      | 41,203                                      | 785.2                  |
| Africa .....   | 102,824                        | 61,134           | 8,689          | 1,789                                       | (D)   | 226.7                  | 86,827                                    | 50,008           | 7,416          | 23,519         | 1,674                                       | 2,403                                       | 160.8                  |
| Middle East .....  | 72,412                         | 51,514           | 10,144         | 1,286                                       | (D)   | 86.6                   | 34,819                                    | 20,352           | 3,433          | 7,634          | 1,191                                       | 1,166                                       | 54.4                   |
| Asia and Pacific .....                                       | 1,362,061                      | 886,596          | 73,911         | 39,482                                      | 46,953                                      | 2,396.1                | 1,193,871                                 | 684,722          | 65,345         | 156,786        | 37,053                                      | 36,754                                      | 1,877.4                |
| <i>Of which:</i>   |                                |                  |                |   |   |                        |   |                  |                |                |   |   |                        |
| Australia .....  | 179,521                        | 105,071          | 12,224         | 4,486                                       | 1,666                                       | 323.5                  | 168,103                                   | 85,878           | 11,387         | 29,853         | 4,433                                       | 1,663                                       | 271.9                  |
| China .....  | 63,783                         | 71,721           | 7,284          | 3,608                                       | 3,340                                       | 454.5                  | 55,436                                    | 60,435           | 6,092          | 13,336         | 2,974                                       | 3,188                                       | 407.9                  |
| India .....  | 23,600                         | 14,976           | 727            | 521   | 373   | 182.5                  | 20,188                                    | 13,100           | 637            | 3,937          | 508   | 373   | 165.6                  |
| Japan .....  | 537,378                        | 301,506          | 14,442         | 10,374                                      | 10,895                                      | 521.0                  | 445,552                                   | 181,687          | 11,265         | 46,491         | 9,409                                       | 2,644                                       | 227.6                  |
| <b>By industry of affiliate</b>                              |                                |                  |                |   |   |                        |   |                  |                |                |   |   |                        |
| Mining .....   | 413,619                        | 167,218          | 40,833         | 1,818                                       | 15,486                                      | 183.3                  | 348,534                                   | 139,264          | 34,359         | 94,662         | 1,769                                       | 14,006                                      | 163.6                  |
| Utilities .....  | 111,275                        | 59,981           | 3,375          | 7   | (D)   | 89.9                   | 76,962                                    | 35,240           | 2,190          | 9,545          | 2   | (D)   | 59.9                   |
| Manufacturing .....  | 1,684,472                      | 1,794,682        | 88,580         | 130,242                                     | 202,687                                     | 4,979.2                | 1,447,019                                 | 1,524,737        | 72,530         | 390,714        | 125,168                                     | 182,380                                     | 4,309.2                |
| <i>Of which:</i>   |                                |                  |                |   |   |                        |   |                  |                |                |   |   |                        |
| Food .....   | 103,174                        | 121,861          | 6,251          | 3,522                                       | 3,934                                       | 404.4                  | 95,373                                    | 110,587          | 5,477          | 24,367         | 3,190                                       | 3,749                                       | 370.3                  |
| Chemicals .....  | 438,191                        | 317,318          | 25,602         | 20,727                                      | 18,393                                      | 613.8                  | 390,313                                   | 282,354          | 21,181         | 76,457         | 20,169                                      | 17,158                                      | 562.1                  |
| Primary and fabricated metals .....                          | 77,266                         | 57,673           | 4,167          | 3,074                                       | 3,620                                       | 243.5                  | 72,627                                    | 52,629           | 3,938          | 15,605         | 3,037                                       | 3,557                                       | 234.3                  |
| Machinery .....  | 91,386                         | 94,431           | 4,618          | 7,834                                       | (D)   | 400.9                  | 76,956                                    | 78,369           | 4,145          | 20,996         | 7,518                                       | 8,824                                       | 342.3                  |
| Computers and electronic products .....                      | 183,906                        | 230,390          | 9,406          | 20,465                                      | 37,796                                      | 676.8                  | 177,108                                   | 225,152          | 9,367          | 39,118         | 20,350                                      | 37,562                                      | 644.8                  |
| Electrical equipment, appliances, and components .....       | 39,516                         | 38,278           | 1,028          | 2,648                                       | 4,282                                       | 271.4                  | 36,283                                    | 35,341           | 915            | 10,516         | 2,631                                       | 3,512                                       | 247.0                  |
| Transportation equipment .....                               | 321,927                        | 443,053          | 6,328          | 55,935                                      | 97,219                                      | 1,123.7                | 246,536                                   | 339,688          | 3,440          | 55,476         | 53,816                                      | 82,428                                      | 945.6                  |
| Wholesale trade .....  | 583,126                        | 862,523          | 38,534         | 48,408                                      | 33,168                                      | 787.5                  | 557,239                                   | 819,982          | 37,050         | 121,597        | 46,318                                      | 32,993                                      | 733.5                  |
| Information .....  | 269,748                        | 202,864          | 17,023         | (D)   | (D)   | 480.6                  | 156,127                                   | 116,992          | 6,641          | 36,514         | 569   | 108   | 318.3                  |
| Finance (except depository institutions) and insurance ..... | 3,036,831                      | 234,727          | 37,856         | 6   | 0   | 269.7                  | 2,962,810                                 | 221,785          | 36,745         | 38,570         | 6   | 0   | 242.8                  |
| Professional, scientific, and technical services .....       | 189,960                        | 109,999          | 11,008         | 1,698                                       | (D)   | 500.1                  | 184,925                                   | 103,611          | 10,841         | 45,804         | 1,677                                       | (D)   | 475.1                  |
| Other industries .....                                       | 2,468,033                      | 336,739          | 161,402        | (D)   | (D)   | 2,737.7                | 2,331,614                                 | 276,860          | 153,659        | 86,930         | 8,633                                       | 1,594                                       | 2,314.8                |

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from "Operations of U.S. Multinational Companies: Preliminary Results From the 2004 Benchmark Survey" in the November 2006 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, 2002–2005**  
[Millions of dollars]

|   | Direct investment position on a historical-cost basis |                  |                  |                  | Capital inflows without current-cost adjustment (outflows(-)) |               |                |               | Income without current-cost adjustment and net of withholding taxes |               |               |                |
|---|---|------------------|------------------|------------------|---|---------------|----------------|---------------|---|---------------|---------------|----------------|
|   | 2002  | 2003             | 2004             | 2005             | 2002  | 2003          | 2004           | 2005          | 2002  | 2003          | 2004          | 2005           |
| <b>All countries, all industries .....</b>                  | <b>1,327,170</b>                                      | <b>1,395,159</b> | <b>1,520,729</b> | <b>1,635,291</b> | <b>74,457</b>   | <b>53,146</b> | <b>122,377</b> | <b>99,443</b> | <b>32,297</b>   | <b>60,964</b> | <b>90,105</b> | <b>104,742</b> |
| <b>By country of foreign parent</b>                         |   |                  |                  |                  |   |               |                |               |   |               |               |                |
| Canada.....   | 92,529  | 95,707           | 125,503          | 144,033          | 4,611   | 7,090         | 30,713         | 17,079        | -1,703  | 2,306         | 6,715         | 7,195          |
| Europe.....   | 958,330   | 1,001,237        | 1,066,908        | 1,143,614        | 45,368  | 22,756        | 68,896         | 66,064        | 26,696  | 48,711        | 62,517        | 76,962         |
| <i>Of which:</i>  |   |                  |                  |                  |   |               |                |               |   |               |               |                |
| France.....   | 133,914   | 136,434          | 143,586          | 143,378          | 4,624   | 4,526         | 11,599         | 4,446         | 3,763   | 6,526         | 8,761         | 11,354         |
| Germany.....  | 138,301   | 160,691          | 163,981          | 184,213          | 1,990   | 12,280        | 1,055          | 16,166        | -3,767  | 2,183         | 6,239         | 7,840          |
| Luxembourg.....   | 97,416  | 109,212          | 115,688          | 116,736          | -1,108  | 14,344        | 6,981          | 2,554         | 528   | 683           | 1,276         | 1,544          |
| Netherlands.....  | 145,596   | 146,601          | 155,452          | 170,770          | 4,337   | 6,365         | 9,348          | 7,113         | 4,337   | 8,840         | 13,583        | 16,771         |
| Switzerland.....  | 118,342   | 124,247          | 121,634          | 122,399          | 9,751   | -3,127        | 7,985          | -1,396        | 5,771   | 6,928         | 6,142         | 1,645          |
| United Kingdom.....   | 211,699   | 217,841          | 251,422          | 282,457          | 21,267  | -4,385        | 22,888         | 28,878        | 10,152  | 17,610        | 19,848        | 29,844         |
| Latin America and Other Western Hemisphere .....            | 74,867  | 84,134           | 87,259           | 82,530           | 10,342  | 9,186         | 766            | -7,605        | -623  | 1,305         | 3,413         | 2,085          |
| <i>Of which:</i>  |   |                  |                  |                  |   |               |                |               |   |               |               |                |
| Bermuda.....  | 11,215  | 9,854            | 11,116           | 1,517            | -91   | -3,470        | -169           | -9,358        | -2,251  | -1,205        | -448          | -1,730         |
| Mexico.....   | 7,829   | 9,022            | 8,167            | 8,653            | 2,349   | 2,173         | -363           | 349           | 21  | 616           | 103           | (D)            |
| Panama.....   | 5,841   | 8,874            | 10,360           | 11,470           | 1,871   | 2,664         | 1,407          | 1,128         | 630   | 1,081         | (D)           | 1,340          |
| United Kingdom Islands, Caribbean.....                      | 24,255  | 26,202           | 23,777           | 26,501           | 2,094   | 3,757         | -3,382         | -35           | 404   | 1,027         | 317           | 498            |
| Venezuela.....  | 4,304   | 4,349            | 5,525            | 6,730            | 123   | -86           | 1,134          | 1,216         | -89   | 425           | (D)           | (D)            |
| Africa.....   | 2,228   | 2,196            | 1,671            | 2,564            | -9  | -34           | -530           | 652           | 2   | -8            | 175           | 180            |
| Middle East.....  | 6,758   | 7,177            | 7,888            | 9,965            | 1,138   | 393           | 665            | 1,572         | -215  | 154           | 491           | 615            |
| Asia and Pacific.....                                       | 192,457   | 204,708          | 231,500          | 252,584          | 13,008  | 13,755        | 21,867         | 21,681        | 8,141   | 8,496         | 16,793        | 17,705         |
| <i>Of which:</i>  |   |                  |                  |                  |   |               |                |               |   |               |               |                |
| Australia.....  | 34,197  | 37,059           | 40,884           | 44,061           | 6,594   | 3,422         | 3,958          | 4,188         | 489   | 1,178         | 2,613         | 3,667          |
| Japan.....  | 147,372   | 157,176          | 175,728          | 190,279          | 6,500   | 8,544         | 17,840         | 14,043        | 7,562   | 7,346         | 12,949        | 12,186         |
| <b>By industry of U.S. affiliate</b>                        |   |                  |                  |                  |   |               |                |               |   |               |               |                |
| Manufacturing.....  | 451,985   | 465,401          | 485,659          | 538,122          | 26,011  | 18,235        | 20,266         | 51,738        | 23,484  | 23,736        | 36,275        | 46,503         |
| Food.....   | 36,034  | 17,433           | 17,883           | 19,779           | 3,779   | 1,749         | 2,054          | 1,790         | 3,895   | 912           | 690           | 1,996          |
| Chemicals.....  | 94,896  | 127,776          | 138,081          | 151,624          | -5,953  | 8,757         | 11,569         | 13,404        | 5,986   | 9,072         | 9,497         | 15,838         |
| Primary and fabricated metals.....                          | 17,898  | 17,049           | 20,893           | 28,651           | 517   | 508           | 1,575          | 8,112         | 90  | 471           | 2,655         | 2,894          |
| Machinery.....  | 43,836  | 43,887           | 45,666           | 48,673           | 3,876   | 2,137         | 346            | 2,839         | 594   | 70            | 713           | 2,504          |
| Computers and electronic products.....                      | 46,560  | 42,652           | 39,546           | 47,016           | -6,658  | 2,408         | -900           | 7,811         | -2,398  | 725           | 2,261         | 2,263          |
| Electrical equipment, appliances, and components.....       | 14,249  | 12,220           | 12,009           | 14,191           | 4,483   | -1,914        | 1,094          | 2,447         | -711  | -531          | 580           | 849            |
| Transportation equipment.....                               | 58,766  | 63,201           | 67,837           | 76,036           | 6,233   | 2,968         | 3,896          | 8,114         | 4,353   | 4,143         | 4,619         | 5,155          |
| Other manufacturing.....                                    | 139,745   | 141,184          | 143,743          | 152,152          | 19,734  | 1,622         | 634            | 7,219         | 11,675  | 8,874         | 15,260        | 15,005         |
| Wholesale trade.....  | 189,790   | 187,883          | 219,085          | 230,104          | 9,160   | -5,339        | 24,380         | 8,407         | 11,328  | 18,170        | 23,960        | 24,870         |
| Retail trade.....   | 21,677  | 25,672           | 25,886           | 29,686           | 282   | 3,957         | 424            | 2,445         | 1,158   | 922           | 2,054         | 2,493          |
| Information.....  | 136,362   | 135,841          | 137,871          | 142,556          | 5,153   | 1,380         | 8,646          | 2,296         | -4,143  | 1,381         | 4,096         | 3,948          |
| Depository institutions (banking).....                      | 73,305  | 85,195           | 122,700          | 130,940          | 2,106   | 4,168         | 17,928         | 10,239        | 1,563   | 2,156         | 4,698         | 4,903          |
| Finance (except depository institutions) and insurance..... | 162,817   | 182,951          | 193,743          | 207,552          | 7,860   | 19,460        | 29,586         | 3,462         | -4,185  | 6,962         | 6,736         | 4,438          |
| Real estate and rental and leasing.....                     | 42,129  | 36,702           | 38,964           | 41,006           | 1,628   | -3,561        | 2,936          | 1,780         | 1,897   | 1,411         | 1,977         | 2,508          |
| Professional, scientific, and technical services.....       | 34,640  | 38,280           | 38,209           | 41,879           | 1,122   | 1,974         | 1,750          | 6,895         | -423  | 321           | 1,261         | 1,834          |
| Other industries.....                                       | 214,464   | 237,236          | 258,612          | 273,444          | 21,136  | 12,873        | 16,462         | 12,183        | 1,618   | 5,905         | 9,047         | 13,245         |

D Suppressed to avoid disclosure of data of individual companies.

NOTE: 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, 2005" in the September 2006 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, 2004**

|  | All nonbank affiliates |                  |               |                        |   |   | Majority-owned nonbank affiliates |                  |               |                |                        |   |   |
|--|------------------------|------------------|---------------|------------------------|---|---|-----------------------------------|------------------|---------------|----------------|------------------------|---|---|
|  | Millions of dollars    |                  |               | Thousands of employees | Millions of dollars                         |   | Millions of dollars               |                  |               |                | Thousands of employees | Millions of dollars                         |   |
|  | Total assets           | Sales            | Net income    |                        | U.S. exports of goods shipped by affiliates | U.S. imports of goods shipped to affiliates | Total assets                      | Sales            | Net income    | Value added    |                        | U.S. exports of goods shipped by affiliates | U.S. imports of goods shipped to affiliates |
| <b>All countries, all industries</b> .....                   | <b>6,384,667</b>       | <b>2,521,353</b> | <b>87,623</b> | <b>5,562.3</b>         | <b>163,685</b>                              | <b>393,243</b>                              | <b>5,539,810</b>                  | <b>2,303,543</b> | <b>68,101</b> | <b>514,957</b> | <b>5,116.4</b>         | <b>153,902</b>                              | <b>378,111</b>                              |
| <b>By country of ultimate beneficial owner</b>               |                        |                  |               |                        |   |   |                                   |                  |               |                |                        |   |   |
| Canada .....   | 391,472                | 153,092          | 5,636         | 444.4                  | 6,643                                       | 24,027                                      | 372,276                           | 144,474          | 4,863         | 40,333         | 382.8                  | 6,551                                       | 23,919                                      |
| Europe .....   | 4,353,568              | 1,476,673        | 54,304        | 3,732.7                | 80,654                                      | 154,935                                     | 4,192,440                         | 1,391,269        | 47,581        | 336,453        | 3,548.0                | 78,059                                      | 151,055                                     |
| <i>Of which:</i>   |                        |                  |               |                        |   |   |                                   |                  |               |                |                        |   |   |
| France .....   | 609,759                | 184,838          | 3,245         | 481.1                  | 10,343                                      | 18,046                                      | 596,645                           | 172,383          | 3,788         | 43,071         | 451.6                  | 9,365                                       | 15,393                                      |
| Germany .....  | 649,967                | 333,060          | 6,501         | 694.7                  | 32,678                                      | 62,103                                      | 632,103                           | 319,726          | 7,008         | 66,424         | 668.6                  | 32,343                                      | 61,744                                      |
| Netherlands .....  | 587,295                | 232,654          | 13,026        | 493.0                  | (D)   | 15,357                                      | 574,862                           | 224,915          | 10,811        | 43,775         | 481.1                  | 5,406                                       | 15,266                                      |
| Sweden .....   | 36,348                 | 44,104           | 320           | 207.9                  | 3,681                                       | (D)   | 36,310                            | 44,037           | 321           | 12,540         | 207.8                  | 3,678                                       | 5,766                                       |
| Switzerland .....  | 1,152,864              | 136,338          | 2,184         | 408.6                  | 5,281                                       | 9,893                                       | 1,134,495                         | 129,717          | 2,096         | 32,430         | 383.2                  | 5,052                                       | 9,735                                       |
| United Kingdom .....   | 1,113,838              | 415,041          | 27,407        | 1,003.7                | 15,356                                      | 26,831                                      | 1,018,285                         | 372,179          | 21,771        | 107,220        | 920.8                  | 14,752                                      | 26,339                                      |
| Latin America and Other Western Hemisphere .....             | 317,080                | 166,182          | 3,154         | 390.5                  | 11,438                                      | 26,629                                      | 272,328                           | 146,554          | 2,506         | 38,609         | 326.3                  | 11,058                                      | 22,161                                      |
| <i>Of which:</i>   |                        |                  |               |                        |   |   |                                   |                  |               |                |                        |   |   |
| Bermuda .....  | (D)                    | 67,766           | 2,249         | 198.3                  | 8,653                                       | (D)   | 161,482                           | 65,592           | 2,213         | 21,619         | 194.7                  | 8,375                                       | 3,698                                       |
| Mexico .....   | (D)                    | (D)              | (D)           | M                      | (D)   | (D)   | 19,130                            | 16,695           | -137          | 3,167          | 51.1                   | 835   | (D)   |
| United Kingdom Islands, Caribbean .....                      | (D)                    | 13,525           | -382          | 26.2                   | 75  | 1,210                                       | 64,721                            | 12,454           | -269          | 2,200          | 25.3                   | 75  | (D)   |
| Venezuela .....  | 11,341                 | 41,270           | 1,541         | 1                      | 338   | 12,899                                      | (D)                               | (D)              | (D)           | (D)            | H                      | (D)   | (D)   |
| Africa .....   | (D)                    | (D)              | (D)           | I                      | (D)   | 335   | 5,028                             | 6,232            | -45           | 1,101          | 9.6                    | 409   | 331   |
| Middle East .....  | (D)                    | 45,926           | 951           | 51.5                   | (D)   | (D)   | 31,465                            | 43,906           | 894           | 9,502          | 45.3                   | 566   | 6,642                                       |
| Asia and Pacific .....                                       | 677,455                | 593,947          | 12,920        | 840.3                  | 59,845                                      | 177,012                                     | 645,825                           | 552,389          | 11,347        | 83,322         | 764.0                  | 54,437                                      | 170,985                                     |
| <i>Of which:</i>   |                        |                  |               |                        |   |   |                                   |                  |               |                |                        |   |   |
| Australia .....  | 111,095                | 35,595           | 2,227         | 66.0                   | (D)   | 518   | 108,847                           | 32,998           | 2,137         | 9,462          | 63.4                   | 563   | 512   |
| Japan .....  | 512,890                | 479,250          | 10,315        | 667.5                  | 49,386                                      | 141,651                                     | 492,356                           | 447,225          | 8,909         | 66,054         | 614.2                  | 44,260                                      | 136,924                                     |
| Korea, Republic of .....                                     | 17,281                 | 41,654           | 484           | 15.3                   | (D)   | (D)   | 16,617                            | 40,462           | 456           | 2,422          | 14.1                   | 7,295                                       | 28,632                                      |
| United States .....  | 605,093                | (D)              | (D)           | L                      | (D)   | (D)   | 20,447                            | 18,719           | 956           | 5,638          | 40.5                   | 2,821                                       | 3,018                                       |
| <b>By industry of U.S. affiliate</b>                         |                        |                  |               |                        |   |   |                                   |                  |               |                |                        |   |   |
| Manufacturing .....  | 1,142,989              | 1,001,026        | 34,687        | 2,169.0                | 96,618                                      | 153,280                                     | 1,075,992                         | 927,115          | 30,367        | 239,641        | 2,039.9                | 88,956                                      | 141,628                                     |
| <i>Of which:</i>   |                        |                  |               |                        |   |   |                                   |                  |               |                |                        |   |   |
| Food .....   | 47,710                 | 53,267           | -940          | 114.6                  | 5,886                                       | 2,363                                       | 46,641                            | 50,718           | -1,015        | 9,991          | 109.0                  | 5,731                                       | 2,329                                       |
| Chemicals .....  | 276,434                | 196,910          | 14,834        | 325.5                  | 18,393                                      | 23,405                                      | 259,269                           | 179,413          | 12,371        | 49,917         | 299.2                  | 17,600                                      | 22,844                                      |
| Primary and fabricated metals .....                          | 55,878                 | 67,488           | 2,755         | 172.4                  | 5,843                                       | 9,021                                       | 47,341                            | 57,707           | 2,290         | 16,044         | 155.9                  | 4,163                                       | 7,917                                       |
| Machinery .....  | 98,640                 | 70,503           | -978          | 240.6                  | 8,664                                       | (D)   | 98,190                            | 69,499           | -983          | 21,136         | 239.2                  | 8,637                                       | 7,878                                       |
| Computers and electronic products .....                      | 90,794                 | 80,411           | 339           | 181.7                  | 13,367                                      | 21,845                                      | 80,269                            | 70,893           | 821           | 18,946         | 163.8                  | (D)   | 18,753                                      |
| Electrical equipment, appliances, and components .....       | 22,951                 | 19,091           | 203           | 71.4                   | 2,132                                       | 2,113                                       | 22,839                            | 18,955           | 213           | 4,894          | 70.8                   | 2,108                                       | 2,093                                       |
| Transportation equipment .....                               | 244,688                | 224,540          | 4,227         | 394.4                  | 27,815                                      | 57,367                                      | 240,107                           | 214,749          | 3,973         | 36,651         | 375.9                  | 27,380                                      | 55,703                                      |
| Wholesale trade .....  | 476,601                | 736,568          | 21,742        | 546.3                  | 62,178                                      | 228,652                                     | 469,393                           | 719,566          | 20,935        | 92,485         | 528.4                  | 60,107                                      | 225,944                                     |
| Retail trade .....   | 68,851                 | 141,481          | 603           | 697.6                  | 212   | (D)   | 61,116                            | 129,662          | 495           | 28,989         | 613.6                  | 212   | 4,187                                       |
| Information .....  | 350,837                | 116,901          | 5,699         | 284.8                  | (D)   | 626   | 266,387                           | 84,391           | 1,870         | 30,975         | 220.0                  | 988   | 624   |
| <i>Of which:</i>   |                        |                  |               |                        |   |   |                                   |                  |               |                |                        |   |   |
| Publishing industries .....                                  | (D)                    | 29,885           | 158           | 105.8                  | 675   | 160   | 77,519                            | 27,738           | 133           | 11,801         | 95.2                   | 674   | 160   |
| Telecommunications .....                                     | (D)                    | (D)              | (D)           | L                      | (D)   | (D)   | 62,945                            | 19,719           | -243          | 6,327          | 37.5                   | 1   | (D)   |
| Finance (except depository institutions) and insurance ..... | 3,664,775              | (D)              | (D)           | 260.3                  | 0   | 0   | 3,046,258                         | 172,743          | 6,986         | 24,957         | 200.7                  | 0   | 0   |
| Real estate and rental and leasing .....                     | 111,992                | 24,514           | 2,470         | 42.4                   | (D)   | (D)   | 91,511                            | 21,350           | 1,953         | 10,965         | 38.5                   | (D)   | 418   |
| Professional, scientific, and technical services .....       | 75,221                 | 54,172           | 485           | 181.0                  | 253   | 280   | 70,403                            | 52,078           | 1,292         | 16,881         | 171.4                  | (D)   | 279   |
| Other industries .....                                       | 493,401                | (D)              | (D)           | 1,380.8                | 3,165                                       | 5,062                                       | 458,749                           | 196,639          | 4,203         | 70,062         | 1,303.9                | 3,125                                       | 5,031                                       |

D Suppressed to avoid disclosure of data of individual companies.

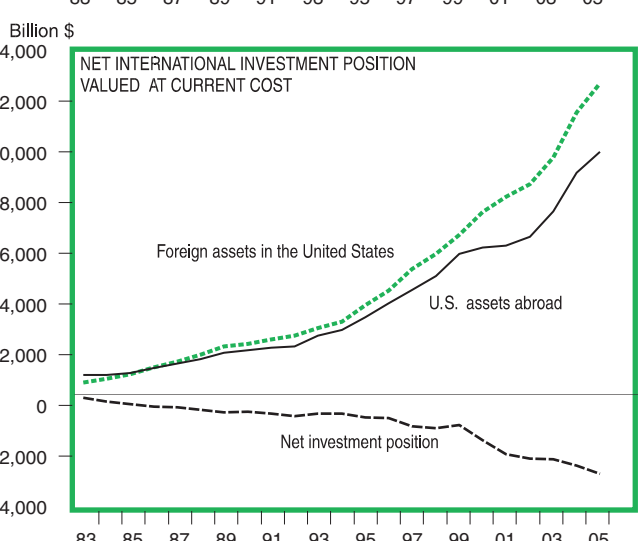
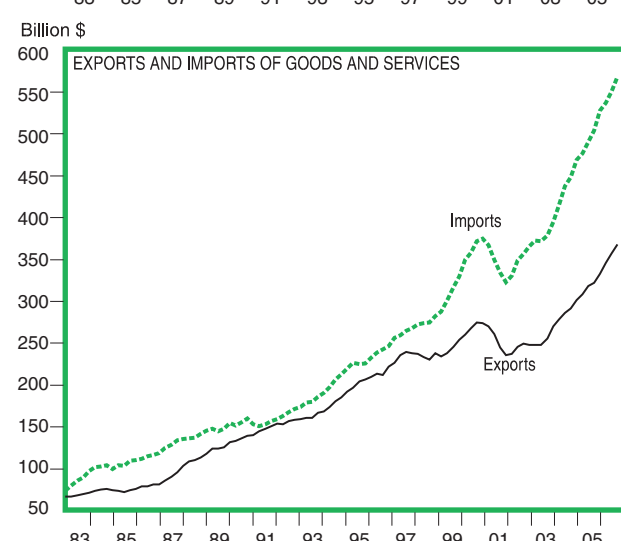
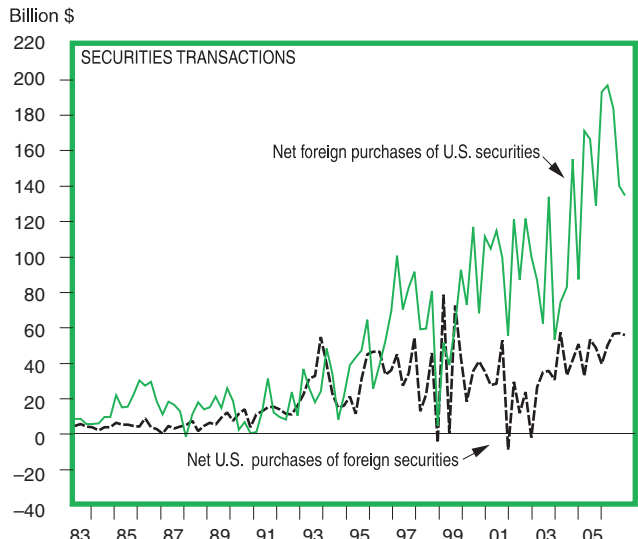
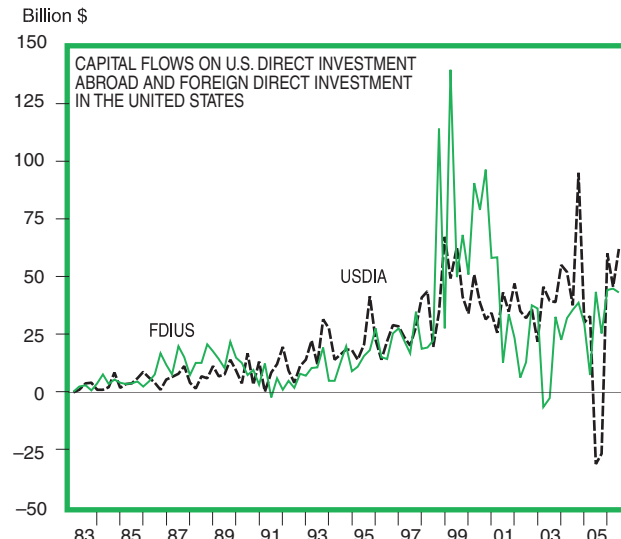
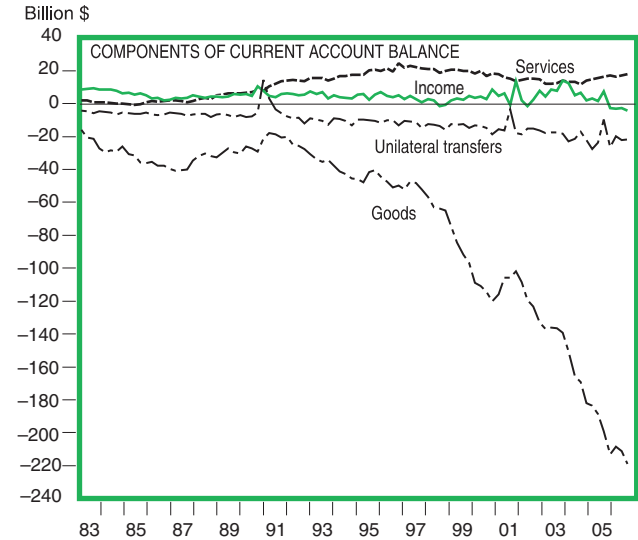
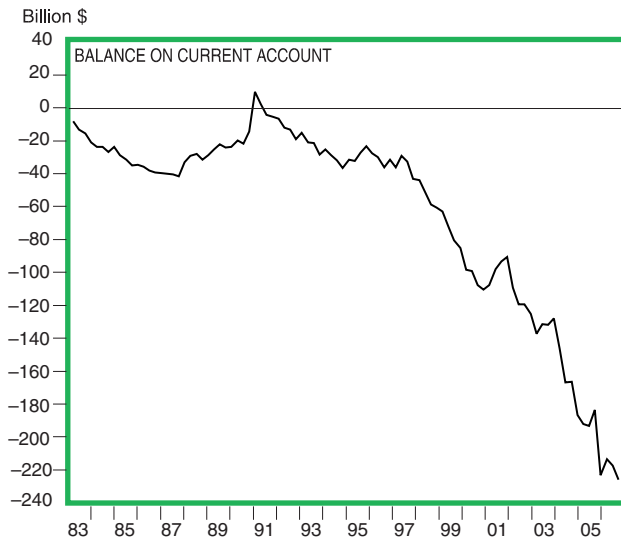
\* Less than \$500,000.

Notes: The data in this table are from BEA's annual survey of the operations of U.S. affiliates of foreign companies; see "U.S. Affiliates of Foreign Companies: Operations in 2004" in the August 2006 Survey of Current Business.

The following ranges are given in employment cells that are suppressed: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

H. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY



## Regional Data

### I. State and Regional Tables

The tables in this section include the most recent estimates of state personal income and gross domestic product by state. The sources of these estimates are noted.

The quarterly and annual estimates of state personal income and the estimates of gross domestic product by state are available on CD-ROM. For information on state personal income, e-mail [reis.remd@bea.gov](mailto:reis.remd@bea.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 domestic product by state, e-mail [gspread@bea.gov](mailto:gspread@bea.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 I.1. Personal Income by State and Region**

[Millions of dollars, seasonally adjusted at annual rates]

| Area name             | 2002             |                  |                  |                  | 2003             |                  |                  |                  | 2004              |                   |                   |                   | 2005              |                   |                   |                   | 2006       |  |  | Percent change <sup>1</sup><br>2006:II-<br>2006:III |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------|--|--|---|
|                       | IV               | I                | II               | III              | IV               | I                | II               | III              | IV                | I                 | II                | III               | IV                | I                 | II                | III               |            |  |  |   |
| <b>United States</b>  | <b>8,923,886</b> | <b>8,986,340</b> | <b>9,098,741</b> | <b>9,190,913</b> | <b>9,327,639</b> | <b>9,483,599</b> | <b>9,626,515</b> | <b>9,753,508</b> | <b>10,005,070</b> | <b>10,034,020</b> | <b>10,146,966</b> | <b>10,248,460</b> | <b>10,469,598</b> | <b>10,700,889</b> | <b>10,788,179</b> | <b>10,938,084</b> | <b>1.4</b> |  |  |   |
| <b>New England</b>    | <b>528,020</b>   | <b>530,375</b>   | <b>535,211</b>   | <b>541,098</b>   | <b>549,835</b>   | <b>557,346</b>   | <b>565,265</b>   | <b>573,071</b>   | <b>583,150</b>    | <b>584,837</b>    | <b>589,641</b>    | <b>599,190</b>    | <b>606,385</b>    | <b>619,086</b>    | <b>623,130</b>    | <b>630,191</b>    | <b>1.1</b> |  |  |   |
| Connecticut           | 146,643          | 146,514          | 148,263          | 149,429          | 151,696          | 155,544          | 156,791          | 159,903          | 163,346           | 164,426           | 165,097           | 167,969           | 169,737           | 174,275           | 174,004           | 175,728           | 1.0        |  |  |   |
| Maine                 | 36,218           | 36,938           | 37,260           | 37,673           | 38,481           | 38,505           | 39,047           | 39,475           | 40,228            | 40,130            | 40,571            | 40,874            | 41,279            | 42,211            | 42,712            | 43,271            | 1.3        |  |  |   |
| Massachusetts         | 249,527          | 250,196          | 252,170          | 255,455          | 259,004          | 262,134          | 266,535          | 269,199          | 273,415           | 274,279           | 276,771           | 281,800           | 285,692           | 291,013           | 293,837           | 297,435           | 1.2        |  |  |   |
| New Hampshire         | 43,514           | 43,789           | 44,197           | 44,684           | 45,524           | 46,255           | 46,998           | 47,858           | 48,739            | 48,657            | 49,269            | 49,942            | 50,376            | 51,465            | 51,721            | 52,218            | 1.0        |  |  |   |
| Rhode Island          | 33,914           | 34,562           | 34,713           | 35,141           | 35,835           | 35,915           | 36,375           | 36,924           | 37,394            | 37,248            | 37,704            | 38,049            | 38,609            | 39,017            | 39,781            | 40,197            | 1.0        |  |  |   |
| Vermont               | 18,203           | 18,376           | 18,608           | 18,716           | 19,296           | 18,995           | 19,518           | 19,713           | 20,027            | 20,097            | 20,229            | 20,555            | 20,692            | 21,106            | 21,075            | 21,342            | 1.3        |  |  |   |
| <b>Mideast</b>        | <b>1,647,032</b> | <b>1,656,086</b> | <b>1,681,950</b> | <b>1,698,386</b> | <b>1,724,258</b> | <b>1,757,698</b> | <b>1,777,872</b> | <b>1,808,141</b> | <b>1,851,145</b>  | <b>1,852,217</b>  | <b>1,864,467</b>  | <b>1,896,216</b>  | <b>1,924,070</b>  | <b>1,970,116</b>  | <b>1,979,415</b>  | <b>2,004,365</b>  | <b>1.3</b> |  |  |   |
| Delaware              | 26,554           | 26,986           | 27,318           | 27,706           | 27,973           | 28,651           | 29,198           | 29,453           | 30,513            | 30,632            | 30,733            | 31,339            | 32,421            | 32,989            | 32,913            | 33,366            | 1.4        |  |  |   |
| District of Columbia  | 25,924           | 26,615           | 27,044           | 27,259           | 27,758           | 28,561           | 29,004           | 29,428           | 30,118            | 30,426            | 30,783            | 31,328            | 31,504            | 32,262            | 32,508            | 32,864            | 1.1        |  |  |   |
| Maryland              | 200,335          | 201,716          | 205,273          | 207,741          | 210,750          | 216,263          | 219,568          | 221,759          | 227,544           | 230,107           | 233,004           | 237,110           | 240,561           | 244,803           | 246,765           | 250,125           | 1.4        |  |  |   |
| New Jersey            | 336,291          | 336,510          | 341,860          | 345,718          | 349,654          | 355,302          | 359,943          | 365,832          | 374,330           | 375,318           | 378,835           | 384,623           | 389,388           | 399,849           | 403,873           | 408,943           | 1.3        |  |  |   |
| New York              | 674,818          | 676,831          | 688,992          | 695,170          | 706,854          | 725,042          | 730,500          | 745,842          | 763,716           | 759,570           | 760,912           | 776,615           | 789,174           | 811,715           | 810,892           | 820,831           | 1.2        |  |  |   |
| Pennsylvania          | 383,111          | 387,428          | 391,462          | 394,792          | 401,269          | 403,879          | 409,659          | 415,827          | 424,923           | 426,164           | 430,199           | 435,201           | 441,021           | 448,497           | 452,465           | 458,235           | 1.3        |  |  |   |
| <b>Great Lakes</b>    | <b>1,396,850</b> | <b>1,411,464</b> | <b>1,423,704</b> | <b>1,429,422</b> | <b>1,452,374</b> | <b>1,453,600</b> | <b>1,468,992</b> | <b>1,483,652</b> | <b>1,512,798</b>  | <b>1,513,561</b>  | <b>1,529,929</b>  | <b>1,547,714</b>  | <b>1,564,552</b>  | <b>1,593,201</b>  | <b>1,605,809</b>  | <b>1,627,533</b>  | <b>1.4</b> |  |  |   |
| Illinois              | 416,079          | 421,511          | 426,677          | 429,039          | 432,480          | 435,978          | 438,591          | 442,372          | 453,134           | 454,080           | 458,998           | 465,682           | 472,668           | 484,398           | 488,959           | 495,615           | 1.4        |  |  |   |
| Indiana               | 174,850          | 176,454          | 177,730          | 178,841          | 182,863          | 184,214          | 187,021          | 188,387          | 191,501           | 191,894           | 194,370           | 196,748           | 198,475           | 203,756           | 204,127           | 206,852           | 1.3        |  |  |   |
| Michigan              | 306,232          | 310,709          | 312,394          | 312,968          | 318,825          | 316,314          | 318,328          | 321,291          | 325,740           | 326,453           | 330,416           | 333,008           | 335,339           | 337,292           | 340,311           | 345,298           | 1.5        |  |  |   |
| Ohio                  | 335,185          | 337,121          | 339,326          | 340,340          | 346,572          | 344,716          | 349,932          | 353,670          | 360,940           | 359,760           | 363,305           | 366,928           | 371,284           | 376,613           | 380,364           | 385,297           | 1.3        |  |  |   |
| Wisconsin             | 164,504          | 165,668          | 167,577          | 168,234          | 171,633          | 172,378          | 175,120          | 177,933          | 181,483           | 181,373           | 182,840           | 185,348           | 186,786           | 191,142           | 192,048           | 194,472           | 1.3        |  |  |   |
| <b>Plains</b>         | <b>583,167</b>   | <b>589,293</b>   | <b>595,976</b>   | <b>602,902</b>   | <b>609,183</b>   | <b>619,028</b>   | <b>628,098</b>   | <b>636,064</b>   | <b>650,851</b>    | <b>650,459</b>    | <b>655,750</b>    | <b>664,791</b>    | <b>673,357</b>    | <b>686,313</b>    | <b>693,004</b>    | <b>702,580</b>    | <b>1.4</b> |  |  |   |
| Iowa                  | 83,181           | 82,414           | 83,305           | 84,541           | 85,959           | 89,329           | 90,576           | 91,690           | 94,149            | 92,751            | 93,455            | 94,956            | 96,103            | 98,388            | 99,503            | 100,915           | 1.4        |  |  |   |
| Kansas                | 79,498           | 80,085           | 80,452           | 81,460           | 82,507           | 83,335           | 84,839           | 86,342           | 87,869            | 88,919            | 89,722            | 90,830            | 92,261            | 94,578            | 95,428            | 96,942            | 1.6        |  |  |   |
| Minnesota             | 168,654          | 170,323          | 173,048          | 175,394          | 176,257          | 180,291          | 182,987          | 185,260          | 189,748           | 189,238           | 189,617           | 193,051           | 194,165           | 199,150           | 199,387           | 201,762           | 1.2        |  |  |   |
| Missouri              | 162,690          | 164,508          | 165,663          | 166,969          | 168,560          | 170,118          | 171,905          | 174,002          | 177,807           | 178,001           | 180,396           | 182,299           | 185,474           | 188,369           | 190,781           | 193,440           | 1.4        |  |  |   |
| Nebraska              | 51,010           | 52,448           | 53,185           | 53,619           | 54,300           | 54,445           | 55,450           | 56,111           | 57,425            | 57,143            | 57,503            | 58,201            | 59,231            | 60,147            | 60,759            | 61,646            | 1.5        |  |  |   |
| North Dakota          | 17,131           | 17,554           | 18,025           | 18,379           | 18,592           | 18,053           | 18,377           | 18,417           | 19,019            | 19,445            | 19,707            | 19,979            | 20,402            | 20,423            | 20,706            | 20,941            | 1.1        |  |  |   |
| South Dakota          | 21,003           | 21,961           | 22,298           | 22,540           | 23,008           | 23,457           | 24,074           | 24,240           | 24,835            | 24,963            | 25,149            | 25,477            | 25,722            | 26,257            | 26,440            | 26,933            | 1.9        |  |  |   |
| <b>Southeast</b>      | <b>1,989,517</b> | <b>2,007,431</b> | <b>2,027,431</b> | <b>2,050,915</b> | <b>2,086,039</b> | <b>2,129,974</b> | <b>2,166,614</b> | <b>2,194,496</b> | <b>2,253,892</b>  | <b>2,271,064</b>  | <b>2,302,275</b>  | <b>2,272,542</b>  | <b>2,379,509</b>  | <b>2,423,762</b>  | <b>2,448,199</b>  | <b>2,482,937</b>  | <b>1.4</b> |  |  |   |
| Alabama               | 115,220          | 116,897          | 117,716          | 118,967          | 120,759          | 123,270          | 125,829          | 127,639          | 131,080           | 131,839           | 133,920           | 135,287           | 139,024           | 141,027           | 143,059           | 145,072           | 1.4        |  |  |   |
| Arkansas              | 63,887           | 65,170           | 65,841           | 66,766           | 68,074           | 68,928           | 70,297           | 71,303           | 73,085            | 72,691            | 73,525            | 74,249            | 75,695            | 77,305            | 78,208            | 79,457            | 1.6        |  |  |   |
| Florida               | 501,167          | 504,546          | 510,954          | 518,431          | 528,470          | 549,118          | 561,557          | 566,265          | 588,550           | 589,618           | 600,346           | 613,711           | 622,772           | 638,698           | 645,599           | 655,850           | 1.6        |  |  |   |
| Georgia               | 246,164          | 248,364          | 250,250          | 252,281          | 255,551          | 259,055          | 262,750          | 266,170          | 272,820           | 276,353           | 280,105           | 284,531           | 290,928           | 295,631           | 297,823           | 301,690           | 1.3        |  |  |   |
| Kentucky              | 104,859          | 104,777          | 105,634          | 106,593          | 108,144          | 110,029          | 111,007          | 112,334          | 114,593           | 115,777           | 117,558           | 118,973           | 120,413           | 121,595           | 123,172           | 124,892           | 1.4        |  |  |   |
| Louisiana             | 113,955          | 113,651          | 115,165          | 116,521          | 118,156          | 119,854          | 120,972          | 122,387          | 124,988           | 124,577           | 125,620           | 126,630           | 131,147           | 131,129           | 132,220           | 134,470           | 1.7        |  |  |   |
| Mississippi           | 64,568           | 65,441           | 66,761           | 66,571           | 67,587           | 67,959           | 68,937           | 69,869           | 71,048            | 71,594            | 72,388            | 70,551            | 76,703            | 76,259            | 76,818            | 77,858            | 1.4        |  |  |   |
| North Carolina        | 229,199          | 231,189          | 232,986          | 235,772          | 240,615          | 245,727          | 249,860          | 254,374          | 260,497           | 265,488           | 267,328           | 270,894           | 274,031           | 280,393           | 282,137           | 286,018           | 1.4        |  |  |   |
| South Carolina        | 104,682          | 105,929          | 106,518          | 107,427          | 109,112          | 110,768          | 112,812          | 114,355          | 116,737           | 117,592           | 119,280           | 120,794           | 122,507           | 125,592           | 126,680           | 128,432           | 1.4        |  |  |   |
| Tennessee             | 160,463          | 163,005          | 164,657          | 165,998          | 168,829          | 170,484          | 173,332          | 176,033          | 179,057           | 180,333           | 182,905           | 185,880           | 189,148           | 190,917           | 194,735           | 196,925           | 1.1        |  |  |   |
| Virginia              | 241,686          | 245,574          | 248,795          | 252,183          | 256,800          | 260,528          | 264,269          | 268,352          | 275,116           | 278,695           | 282,285           | 286,675           | 289,043           | 296,189           | 298,152           | 301,911           | 1.3        |  |  |   |
| West Virginia         | 43,665           | 42,888           | 43,133           | 43,406           | 43,943           | 44,254           | 44,992           | 45,417           | 46,319            | 46,508            | 47,016            | 47,539            | 48,099            | 49,028            | 49,596            | 50,362            | 1.5        |  |  |   |
| <b>Southwest</b>      | <b>913,517</b>   | <b>919,454</b>   | <b>934,519</b>   | <b>944,642</b>   | <b>960,645</b>   | <b>979,413</b>   | <b>996,927</b>   | <b>1,011,682</b> | <b>1,037,627</b>  | <b>1,055,595</b>  | <b>1,071,251</b>  | <b>1,094,349</b>  | <b>1,116,324</b>  | <b>1,147,681</b>  | <b>1,162,534</b>  | <b>1,181,565</b>  | <b>1.6</b> |  |  |   |
| Arizona               | 146,108          | 147,464          | 149,683          | 151,470          | 154,770          | 159,362          | 162,546          | 165,776          | 169,968           | 173,078           | 176,955           | 182,481           | 183,942           | 191,401           | 192,006           | 195,446           | 1.8        |  |  |   |
| New Mexico            | 45,494           | 45,649           | 46,398           | 46,814           | 47,930           | 49,514           | 50,337           | 50,946           | 52,372            | 52,728            | 53,399            | 54,196            | 54,980            | 56,490            | 57,341            | 58,538            | 2.1        |  |  |   |
| Oklahoma              | 90,754           | 90,709           | 92,136           | 92,969           | 94,549           | 97,100           | 99,201           | 100,609          | 102,940           | 103,977           | 104,958           | 106,645           | 112,928           | 114,214           | 115,897           | 118,891           | 1.5        |  |  |   |
| Texas                 | 631,161          | 635,632          | 646,302          | 653,390          | 663,396          | 673,437          | 684,843          | 694,351          | 712,347           | 725,812           | 735,938           | 751,026           | 768,540           | 786,862           | 798,973           | 811,684           | 1.6        |  |  |   |
| <b>Rocky Mountain</b> | <b>285,306</b>   | <b>284,309</b>   | <b>287,641</b>   | <b>291,846</b>   | <b>293,920</b>   | <b>301,684</b>   | <b>307,516</b>   | <b>310,319</b>   | <b>318,350</b>    | <b>322,455</b>    | <b>325,893</b>    | <b>332,011</b>    | <b>3</b>          |                   |                   |                   |            |  |  |   |



Table I.2. Annual Personal Income and Per Capita Personal Income by State and Region

| Area name                   | Personal income       |                  |                  |                  |                  |                   |                             | Per capita personal income <sup>1</sup> |               |               |               |               |               |       | Rank in U.S. |
|-----------------------------|-----------------------|------------------|------------------|------------------|------------------|-------------------|-----------------------------|---|---------------|---------------|---------------|---------------|---------------|-------|--------------|
|                             | [Millions of dollars] |                  |                  |                  |                  |                   | Percent change <sup>2</sup> | [Dollars]                               |               |               |               |               |               |       |              |
|                             | 2000                  | 2001             | 2002             | 2003             | 2004             | 2005              |                             | 2000                                    | 2001          | 2002          | 2003          | 2004          | 2005          |       |              |
| <b>United States</b> .....  | <b>8,422,074</b>      | <b>8,716,992</b> | <b>8,872,871</b> | <b>9,150,908</b> | <b>9,717,173</b> | <b>10,224,761</b> | <b>5.2</b>                  | <b>29,845</b>                           | <b>30,574</b> | <b>30,810</b> | <b>31,463</b> | <b>33,090</b> | <b>34,495</b> | ..... |              |
| <b>New England</b> .....    | <b>503,961</b>        | <b>524,402</b>   | <b>528,030</b>   | <b>539,130</b>   | <b>569,708</b>   | <b>595,013</b>    | <b>4.4</b>                  | <b>36,118</b>                           | <b>37,342</b> | <b>37,379</b> | <b>37,983</b> | <b>40,059</b> | <b>41,785</b> | ..... |              |
| Connecticut .....           | 141,570               | 147,356          | 146,997          | 148,975          | 158,896          | 166,807           | 5.0                         | 41,489                                  | 42,930        | 42,505        | 42,737        | 45,412        | 47,519        | 1     |              |
| Maine .....                 | 33,173                | 35,107           | 35,998           | 37,588           | 39,314           | 40,714            | 3.6                         | 25,969                                  | 27,292        | 27,756        | 28,732        | 29,897        | 30,808        | 37    |              |
| Massachusetts .....         | 240,209               | 249,095          | 249,954          | 254,206          | 267,821          | 279,635           | 4.4                         | 37,756                                  | 38,953        | 38,985        | 39,611        | 41,799        | 43,702        | 3     |              |
| New Hampshire .....         | 41,429                | 42,624           | 43,393           | 44,549           | 47,463           | 49,561            | 4.4                         | 33,396                                  | 33,868        | 34,043        | 34,598        | 36,533        | 37,835        | 6     |              |
| Rhode Island .....          | 30,697                | 32,478           | 33,635           | 35,063           | 36,652           | 37,903            | 3.4                         | 29,214                                  | 30,687        | 31,478        | 32,594        | 33,940        | 35,219        | 17    |              |
| Vermont .....               | 16,883                | 17,742           | 18,051           | 18,749           | 19,563           | 20,393            | 4.2                         | 27,680                                  | 28,951        | 29,291        | 30,284        | 31,491        | 32,731        | 25    |              |
| <b>Midwest</b> .....        | <b>1,580,733</b>      | <b>1,627,895</b> | <b>1,648,005</b> | <b>1,690,170</b> | <b>1,798,714</b> | <b>1,884,242</b>  | <b>4.8</b>                  | <b>34,076</b>                           | <b>34,906</b> | <b>35,155</b> | <b>35,869</b> | <b>38,023</b> | <b>39,755</b> | ..... |              |
| Delaware .....              | 24,277                | 25,537           | 26,530           | 27,496           | 29,454           | 31,281            | 6.2                         | 30,869                                  | 32,105        | 32,925        | 33,620        | 35,484        | 37,084        | 11    |              |
| District of Columbia .....  | 23,102                | 25,525           | 25,786           | 27,169           | 29,278           | 31,010            | 5.9                         | 40,456                                  | 44,834        | 45,670        | 48,703        | 52,825        | 56,329        | ..... |              |
| Maryland .....              | 181,957               | 191,657          | 198,824          | 206,370          | 221,284          | 235,196           | 6.3                         | 34,257                                  | 35,627        | 36,533        | 37,437        | 39,790        | 41,996        | 4     |              |
| New Jersey .....            | 323,554               | 332,951          | 337,009          | 343,435          | 363,852          | 382,041           | 5.0                         | 38,364                                  | 39,148        | 39,296        | 39,749        | 41,893        | 43,822        | 2     |              |
| New York .....              | 663,005               | 679,886          | 677,604          | 691,962          | 741,275          | 771,568           | 4.1                         | 34,897                                  | 35,612        | 35,357        | 35,987        | 38,446        | 40,072        | 5     |              |
| Pennsylvania .....          | 364,838               | 372,339          | 382,251          | 393,738          | 413,572          | 433,146           | 4.7                         | 29,695                                  | 30,281        | 31,016        | 31,843        | 33,367        | 34,848        | 18    |              |
| <b>Great Lakes</b> .....    | <b>1,333,971</b>      | <b>1,359,189</b> | <b>1,386,117</b> | <b>1,429,241</b> | <b>1,479,761</b> | <b>1,538,939</b>  | <b>4.0</b>                  | <b>29,496</b>                           | <b>29,914</b> | <b>30,381</b> | <b>31,187</b> | <b>32,171</b> | <b>33,342</b> | ..... |              |
| Illinois .....              | 400,373               | 407,254          | 413,711          | 427,427          | 442,519          | 462,857           | 4.6                         | 32,185                                  | 32,532        | 32,869        | 33,789        | 34,811        | 36,264        | 13    |              |
| Indiana .....               | 165,285               | 167,881          | 172,474          | 178,972          | 187,781          | 195,372           | 4.0                         | 27,132                                  | 27,406        | 28,023        | 28,884        | 30,158        | 31,150        | 34    |              |
| Michigan .....              | 294,227               | 299,542          | 303,465          | 313,724          | 320,418          | 331,304           | 3.4                         | 29,552                                  | 29,946        | 30,227        | 31,129        | 31,711        | 32,735        | 24    |              |
| Ohio .....                  | 320,538               | 325,623          | 333,158          | 340,840          | 352,315          | 365,319           | 3.7                         | 28,207                                  | 28,601        | 29,212        | 29,815        | 30,769        | 31,867        | 29    |              |
| Wisconsin .....             | 153,548               | 158,888          | 163,309          | 168,278          | 176,728          | 184,087           | 4.2                         | 28,570                                  | 29,400        | 30,025        | 30,754        | 32,112        | 33,251        | 21    |              |
| <b>Plains</b> .....         | <b>545,882</b>        | <b>562,733</b>   | <b>576,806</b>   | <b>599,339</b>   | <b>633,538</b>   | <b>661,089</b>    | <b>4.3</b>                  | <b>28,326</b>                           | <b>29,047</b> | <b>29,622</b> | <b>30,607</b> | <b>32,164</b> | <b>33,362</b> | ..... |              |
| Iowa .....                  | 77,763                | 79,456           | 82,398           | 84,055           | 91,436           | 94,316            | 3.1                         | 26,554                                  | 27,106        | 28,081        | 28,577        | 30,965        | 31,795        | 30    |              |
| Kansas .....                | 74,570                | 77,564           | 78,606           | 81,126           | 85,596           | 90,433            | 5.7                         | 27,694                                  | 28,718        | 28,980        | 29,780        | 31,312        | 32,948        | 23    |              |
| Minnesota .....             | 157,964               | 162,578          | 166,968          | 173,756          | 184,571          | 191,568           | 3.8                         | 32,017                                  | 32,616        | 33,237        | 34,328        | 36,215        | 37,322        | 9     |              |
| Missouri .....              | 152,722               | 156,937          | 161,104          | 166,425          | 173,458          | 181,542           | 4.7                         | 27,241                                  | 27,809        | 28,358        | 29,102        | 30,117        | 31,299        | 31    |              |
| Nebraska .....              | 47,329                | 49,303           | 50,390           | 53,388           | 55,858           | 58,019            | 3.9                         | 27,625                                  | 28,682        | 29,182        | 30,718        | 31,961        | 32,988        | 22    |              |
| North Dakota .....          | 16,097                | 16,465           | 16,743           | 18,137           | 18,467           | 19,883            | 7.7                         | 25,106                                  | 25,879        | 26,427        | 28,651        | 29,021        | 31,230        | 32    |              |
| South Dakota .....          | 19,438                | 20,429           | 20,596           | 22,452           | 24,151           | 25,328            | 4.9                         | 25,720                                  | 26,949        | 27,087        | 29,364        | 31,340        | 32,642        | 26    |              |
| <b>Southwest</b> .....      | <b>1,840,460</b>      | <b>1,922,935</b> | <b>1,973,853</b> | <b>2,042,954</b> | <b>2,186,244</b> | <b>2,306,347</b>  | <b>5.5</b>                  | <b>26,484</b>                           | <b>27,348</b> | <b>27,733</b> | <b>28,350</b> | <b>29,927</b> | <b>31,123</b> | ..... |              |
| Alabama .....               | 105,807               | 110,421          | 113,835          | 118,585          | 126,955          | 135,018           | 6.4                         | 23,764                                  | 24,717        | 25,409        | 26,341        | 28,054        | 29,623        | 40    |              |
| Arkansas .....              | 58,726                | 61,967           | 63,234           | 66,463           | 70,903           | 74,040            | 4.4                         | 21,925                                  | 23,023        | 23,363        | 24,380        | 25,783        | 26,641        | 47    |              |
| Florida .....               | 457,539               | 478,637          | 495,489          | 515,600          | 566,372          | 606,612           | 7.1                         | 28,509                                  | 29,273        | 29,709        | 30,341        | 32,577        | 34,099        | 20    |              |
| Georgia .....               | 230,356               | 240,616          | 244,957          | 251,612          | 265,199          | 282,979           | 6.7                         | 27,989                                  | 28,592        | 28,544        | 28,766        | 29,737        | 31,191        | 33    |              |
| Kentucky .....              | 98,845                | 101,346          | 103,866          | 106,292          | 111,991          | 118,180           | 5.5                         | 24,412                                  | 24,920        | 25,404        | 25,819        | 27,039        | 28,317        | 43    |              |
| Louisiana .....             | 103,151               | 110,256          | 112,744          | 115,873          | 122,050          | 111,201           | -8.9                        | 23,079                                  | 24,692        | 25,194        | 25,805        | 27,082        | 24,582        | 50    |              |
| Mississippi .....           | 59,837                | 62,739           | 63,979           | 66,340           | 69,454           | 72,809            | 4.8                         | 21,005                                  | 21,955        | 22,321        | 23,028        | 23,943        | 24,925        | 49    |              |
| North Carolina .....        | 218,668               | 225,395          | 228,684          | 235,140          | 252,614          | 269,435           | 6.7                         | 27,068                                  | 27,493        | 27,510        | 27,919        | 29,579        | 31,029        | 35    |              |
| South Carolina .....        | 98,270                | 101,468          | 104,046          | 107,247          | 113,668          | 120,043           | 5.6                         | 24,424                                  | 24,994        | 25,361        | 25,863        | 27,077        | 28,212        | 44    |              |
| Tennessee .....             | 148,833               | 154,416          | 159,173          | 165,622          | 174,726          | 184,566           | 5.6                         | 26,097                                  | 26,870        | 27,490        | 28,352        | 29,648        | 30,952        | 36    |              |
| Virginia .....              | 220,845               | 233,770          | 240,534          | 250,838          | 267,066          | 284,174           | 6.4                         | 31,087                                  | 32,505        | 33,013        | 33,973        | 35,698        | 37,552        | 7     |              |
| West Virginia .....         | 39,582                | 41,902           | 43,312           | 43,342           | 45,245           | 47,290            | 4.5                         | 21,899                                  | 23,261        | 24,002        | 23,941        | 24,962        | 26,029        | 48    |              |
| <b>Southwest</b> .....      | <b>850,326</b>        | <b>892,795</b>   | <b>905,918</b>   | <b>939,815</b>   | <b>1,006,412</b> | <b>1,084,380</b>  | <b>7.7</b>                  | <b>27,088</b>                           | <b>27,963</b> | <b>27,872</b> | <b>28,427</b> | <b>29,919</b> | <b>31,637</b> | ..... |              |
| Arizona .....               | 132,558               | 138,854          | 144,150          | 150,847          | 164,413          | 179,114           | 8.9                         | 25,660                                  | 26,219        | 26,507        | 27,044        | 28,644        | 30,157        | 38    |              |
| New Mexico .....            | 40,318                | 44,138           | 44,987           | 46,698           | 50,792           | 53,826            | 6.0                         | 22,134                                  | 24,085        | 24,246        | 24,849        | 26,690        | 27,912        | 45    |              |
| Oklahoma .....              | 84,310                | 90,161           | 90,178           | 92,591           | 99,963           | 106,111           | 6.2                         | 24,407                                  | 26,015        | 25,861        | 26,417        | 28,370        | 29,908        | 39    |              |
| Texas .....                 | 593,139               | 619,642          | 626,604          | 649,680          | 691,245          | 745,329           | 7.8                         | 28,313                                  | 29,045        | 28,846        | 29,398        | 30,761        | 32,604        | 27    |              |
| <b>Rocky Mountain</b> ..... | <b>264,024</b>        | <b>279,678</b>   | <b>283,369</b>   | <b>289,429</b>   | <b>309,467</b>   | <b>329,271</b>    | <b>6.4</b>                  | <b>28,490</b>                           | <b>29,639</b> | <b>29,553</b> | <b>29,793</b> | <b>31,416</b> | <b>32,898</b> | ..... |              |
| Colorado .....              | 144,394               | 152,700          | 153,066          | 154,887          | 164,586          | 174,754           | 6.2                         | 33,371                                  | 34,493        | 34,027        | 34,056        | 35,766        | 37,459        | 8     |              |
| Idaho .....                 | 31,290                | 33,054           | 33,849           | 34,687           | 38,090           | 40,584            | 6.5                         | 24,075                                  | 25,019        | 25,185        | 25,354        | 27,302        | 28,398        | 42    |              |
| Montana .....               | 20,716                | 22,359           | 22,819           | 24,073           | 25,670           | 27,046            | 5.4                         | 22,929                                  | 24,676        | 25,065        | 26,227        | 27,694        | 28,906        | 41    |              |
| Utah .....                  | 53,561                | 56,594           | 58,172           | 59,367           | 63,401           | 67,906            | 7.1                         | 23,878                                  | 24,738        | 24,895        | 24,958        | 26,191        | 27,497        | 46    |              |
| Wyoming .....               | 14,063                | 14,972           | 15,463           | 16,415           | 17,720           | 18,982            | 7.1                         | 28,460                                  | 30,305        | 30,986        | 32,704        | 35,028        | 37,270        | 10    |              |
| <b>Far West</b> .....       | <b>1,502,717</b>      | <b>1,547,366</b> | <b>1,570,773</b> | <b>1,620,831</b> | <b>1,733,330</b> | <b>1,825,479</b>  | <b>5.3</b>                  | <b>31,835</b>                           | <b>32,276</b> | <b>32,307</b> | <b>32,884</b> | <b>34,741</b> | <b>36,209</b> | ..... |              |
| Alaska .....                | 18,741                | 20,050           | 20,722           | 21,134           | 22,207           | 23,515            | 5.9                         | 29,867                                  | 31,711        | 32,343        | 32,588        | 33,761        | 35,433        | 15    |              |
| California .....            | 1,103,842             | 1,135,304        | 1,147,716        | 1,184,455        | 1,264,422        | 1,332,919         | 5.4                         | 32,463                                  | 32,882        | 32,803        | 33,406        | 35,278        | 36,890        | 12    |              |
| Hawaii .....                | 34,451                | 35,126           | 36,370           | 37,803           | 41,178           | 43,953            | 6.7                         | 28,422                                  | 28,748        | 29,464        | 30,286        | 32,626        | 34,468        | 19    |              |
| Nevada .....                | 61,428                | 64,367           | 66,632           | 71,226           | 79,453           | 86,403            | 8.7                         | 30,437                                  | 30,727        | 30,736        | 31,773        | 34,058        | 35,780        | 14    |              |
| Oregon .....                | 96,402                | 99,020           | 101,882          | 104,660          | 110,695          | 117,149           | 5.8                         | 28,097                                  | 28,507        | 28,924        | 29,377        | 30,823        | 32,174        | 28    |              |
| Washington .....            | 187,853               | 193,498          | 197,452          | 201,552          | 215,376          | 221,540           | 2.9                         | 31,779                                  | 32,291        | 32,549        | 32,874        | 34,699        | 35,234        | 16    |              |

1. Per capita personal income was computed using midyear population estimates of the Bureau of the Census. The population estimates were released by the Bureau of the Census in December 2005.

2. Percent change was 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 estimate of personal income in the national income and product accounts because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data.

Source: Table 2 in "State Personal Income: Second Quarter of 2006 and Revised Estimates for 2003-2006:1" in the October 2006 SURVEY OF CURRENT BUSINESS.

Table I.3. Disposable Personal Income and Per Capita Disposable Personal Income by State and Region

| Area name                   | Disposable personal income |                  |                  |                  |                  |                  |                             | Per capita disposable personal income <sup>1</sup> |               |               |               |               |               |       | Rank in U.S. |
|-----------------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------|--|---------------|---------------|---------------|---------------|---------------|-------|--------------|
|                             | [Millions of dollars]      |                  |                  |                  |                  |                  | Percent change <sup>2</sup> | [Dollars]  |               |               |               |               |               |       |              |
|                             | 2000                       | 2001             | 2002             | 2003             | 2004             | 2005             |                             | 2000   | 2001          | 2002          | 2003          | 2004          | 2005          |       |              |
| <b>United States</b> .....  | <b>7,187,588</b>           | <b>7,480,971</b> | <b>7,822,136</b> | <b>8,150,921</b> | <b>8,668,465</b> | <b>9,022,941</b> | <b>4.1</b>                  | <b>25,470</b>                                      | <b>26,239</b> | <b>27,162</b> | <b>28,024</b> | <b>29,519</b> | <b>30,441</b> | ..... |              |
| <b>New England</b> .....    | <b>411,889</b>             | <b>432,904</b>   | <b>454,473</b>   | <b>468,808</b>   | <b>495,748</b>   | <b>511,080</b>   | <b>3.1</b>                  | <b>29,520</b>                                      | <b>30,826</b> | <b>32,172</b> | <b>33,028</b> | <b>34,859</b> | <b>35,891</b> | ..... |              |
| Connecticut .....           | 113,910                    | 118,825          | 123,813          | 126,882          | 135,234          | 139,455          | 3.1                         | 33,383   | 34,618        | 35,801        | 36,399        | 38,650        | 39,727        | 1     |              |
| Maine .....                 | 28,728                     | 30,508           | 31,984           | 33,768           | 35,370           | 36,299           | 2.6                         | 22,489   | 23,717        | 24,660        | 25,812        | 26,898        | 27,468        | 37    |              |
| Massachusetts .....         | 192,839                    | 203,390          | 214,288          | 219,879          | 231,869          | 239,280          | 3.2                         | 30,310   | 31,806        | 33,422        | 34,262        | 36,188        | 37,395        | 3     |              |
| New Hampshire .....         | 35,438                     | 36,774           | 38,709           | 40,200           | 43,016           | 44,443           | 3.3                         | 28,566   | 29,220        | 30,368        | 31,221        | 33,110        | 33,928        | 5     |              |
| Rhode Island .....          | 26,330                     | 27,949           | 29,644           | 31,183           | 32,621           | 33,405           | 2.4                         | 25,059   | 26,407        | 27,742        | 28,988        | 30,207        | 31,040        | 17    |              |
| Vermont .....               | 14,645                     | 15,457           | 16,036           | 16,895           | 17,638           | 18,197           | 3.2                         | 24,010   | 25,223        | 26,021        | 27,290        | 28,392        | 29,206        | 27    |              |
| <b>Mideast</b> .....        | <b>1,325,573</b>           | <b>1,362,089</b> | <b>1,422,594</b> | <b>1,474,520</b> | <b>1,570,197</b> | <b>1,623,751</b> | <b>3.4</b>                  | <b>28,576</b>                                      | <b>29,207</b> | <b>30,347</b> | <b>31,292</b> | <b>33,192</b> | <b>34,259</b> | ..... |              |
| Delaware .....              | 20,666                     | 21,688           | 23,183           | 24,284           | 26,004           | 27,293           | 5.0                         | 26,278   | 27,267        | 28,771        | 29,693        | 31,327        | 32,356        | 11    |              |
| District of Columbia .....  | 19,078                     | 21,447           | 22,308           | 23,691           | 25,544           | 26,663           | 4.4                         | 33,408   | 37,671        | 39,510        | 42,468        | 46,088        | 48,432        | ..... |              |
| Maryland .....              | 152,970                    | 161,723          | 171,570          | 179,434          | 192,564          | 202,617          | 5.2                         | 28,800   | 30,062        | 31,526        | 32,551        | 34,626        | 36,179        | 4     |              |
| New Jersey .....            | 269,958                    | 279,149          | 291,335          | 300,251          | 319,714          | 331,443          | 3.7                         | 32,009   | 32,822        | 33,971        | 34,751        | 36,811        | 38,019        | 2     |              |
| New York .....              | 548,702                    | 556,722          | 576,527          | 595,843          | 636,733          | 652,273          | 2.4                         | 28,881   | 29,161        | 30,083        | 30,988        | 33,024        | 33,876        | 6     |              |
| Pennsylvania .....          | 314,199                    | 321,359          | 337,670          | 351,017          | 369,638          | 383,462          | 3.7                         | 25,573   | 26,135        | 27,398        | 28,388        | 29,823        | 30,851        | 18    |              |
| <b>Great Lakes</b> .....    | <b>1,145,681</b>           | <b>1,173,332</b> | <b>1,221,717</b> | <b>1,274,867</b> | <b>1,323,294</b> | <b>1,363,602</b> | <b>3.0</b>                  | <b>25,332</b>                                      | <b>25,824</b> | <b>26,778</b> | <b>27,819</b> | <b>28,770</b> | <b>29,543</b> | ..... |              |
| Illinois .....              | 340,996                    | 348,839          | 362,767          | 380,365          | 394,488          | 408,081          | 3.4                         | 27,412   | 27,866        | 28,821        | 30,069        | 31,033        | 31,973        | 14    |              |
| Indiana .....               | 144,059                    | 146,577          | 153,422          | 160,973          | 169,528          | 174,960          | 3.2                         | 23,647   | 23,928        | 24,927        | 25,979        | 27,227        | 27,896        | 34    |              |
| Michigan .....              | 253,237                    | 260,068          | 269,198          | 281,494          | 288,691          | 296,291          | 2.6                         | 25,435   | 26,000        | 26,814        | 27,931        | 28,571        | 29,275        | 26    |              |
| Ohio .....                  | 275,525                    | 280,988          | 292,555          | 302,534          | 313,008          | 321,643          | 2.8                         | 24,263   | 24,681        | 25,652        | 26,464        | 27,337        | 28,057        | 32    |              |
| Wisconsin .....             | 131,663                    | 136,860          | 143,775          | 149,501          | 157,580          | 162,626          | 3.2                         | 24,498   | 25,324        | 26,433        | 27,322        | 28,633        | 29,375        | 25    |              |
| <b>Plains</b> .....         | <b>473,377</b>             | <b>489,385</b>   | <b>512,013</b>   | <b>537,931</b>   | <b>570,469</b>   | <b>589,956</b>   | <b>3.4</b>                  | <b>24,564</b>                                      | <b>25,261</b> | <b>26,295</b> | <b>27,471</b> | <b>28,962</b> | <b>29,772</b> | ..... |              |
| Iowa .....                  | 68,496                     | 70,140           | 74,161           | 76,233           | 83,305           | 85,199           | 2.3                         | 23,390   | 23,928        | 25,274        | 25,918        | 28,211        | 28,722        | 28    |              |
| Kansas .....                | 64,751                     | 67,684           | 70,449           | 73,103           | 77,432           | 81,133           | 4.8                         | 24,047   | 25,060        | 25,825        | 26,835        | 28,325        | 29,560        | 24    |              |
| Minnesota .....             | 134,132                    | 138,730          | 145,240          | 152,881          | 162,984          | 167,521          | 2.8                         | 27,187   | 27,832        | 28,912        | 30,204        | 31,979        | 32,637        | 9     |              |
| Missouri .....              | 132,734                    | 136,441          | 143,294          | 149,725          | 156,628          | 162,417          | 3.7                         | 23,676   | 24,177        | 25,223        | 26,182        | 27,195        | 28,001        | 33    |              |
| Nebraska .....              | 41,271                     | 43,184           | 45,123           | 48,400           | 50,669           | 52,121           | 2.9                         | 24,089   | 25,122        | 26,132        | 27,848        | 28,992        | 29,635        | 23    |              |
| North Dakota .....          | 14,487                     | 14,763           | 15,266           | 16,703           | 16,984           | 18,172           | 7.0                         | 22,595   | 23,203        | 24,095        | 26,385        | 26,691        | 28,542        | 29    |              |
| South Dakota .....          | 17,505                     | 18,443           | 18,879           | 20,885           | 22,466           | 23,393           | 4.1                         | 23,163   | 24,329        | 24,829        | 27,315        | 29,154        | 30,148        | 21    |              |
| <b>Southwest</b> .....      | <b>1,604,611</b>           | <b>1,682,999</b> | <b>1,762,224</b> | <b>1,843,071</b> | <b>1,974,244</b> | <b>2,062,572</b> | <b>4.5</b>                  | <b>23,090</b>                                      | <b>23,936</b> | <b>24,760</b> | <b>25,577</b> | <b>27,025</b> | <b>27,834</b> | ..... |              |
| Alabama .....               | 93,705                     | 98,257           | 102,725          | 107,969          | 115,993          | 122,383          | 5.5                         | 21,046   | 21,994        | 22,929        | 23,983        | 25,632        | 26,851        | 40    |              |
| Arkansas .....              | 51,897                     | 55,026           | 56,919           | 60,491           | 64,648           | 66,899           | 3.5                         | 19,375   | 20,444        | 21,029        | 22,189        | 23,508        | 24,072        | 47    |              |
| Florida .....               | 398,172                    | 418,855          | 443,369          | 468,140          | 511,355          | 541,101          | 5.8                         | 24,810   | 25,617        | 26,584        | 27,548        | 29,413        | 30,416        | 20    |              |
| Georgia .....               | 197,964                    | 207,824          | 216,481          | 224,649          | 237,416          | 251,349          | 5.9                         | 24,054   | 24,695        | 25,226        | 25,683        | 26,622        | 27,704        | 35    |              |
| Kentucky .....              | 86,423                     | 88,537           | 92,299           | 95,172           | 100,782          | 105,600          | 4.8                         | 21,344   | 21,770        | 22,575        | 23,118        | 24,333        | 25,303        | 45    |              |
| Louisiana .....             | 91,957                     | 98,406           | 102,141          | 106,138          | 112,305          | 101,914          | -9.3                        | 20,574   | 22,038        | 22,825        | 23,637        | 24,920        | 22,529        | 50    |              |
| Mississippi .....           | 53,940                     | 56,692           | 58,542           | 61,200           | 64,521           | 67,140           | 4.1                         | 18,935   | 19,839        | 20,424        | 21,244        | 22,243        | 22,985        | 49    |              |
| North Carolina .....        | 189,004                    | 195,424          | 202,246          | 210,003          | 226,480          | 239,204          | 5.6                         | 23,396   | 23,837        | 24,330        | 24,934        | 26,518        | 27,548        | 36    |              |
| South Carolina .....        | 86,509                     | 89,602           | 93,514           | 97,178           | 103,181          | 108,134          | 4.8                         | 21,501   | 22,072        | 22,794        | 23,435        | 24,579        | 25,413        | 43    |              |
| Tennessee .....             | 133,501                    | 138,817          | 145,548          | 152,690          | 161,505          | 169,401          | 4.9                         | 23,409   | 24,155        | 25,137        | 26,139        | 27,405        | 28,409        | 30    |              |
| Virginia .....              | 186,232                    | 198,134          | 209,201          | 219,937          | 234,640          | 246,533          | 5.1                         | 26,215   | 27,549        | 28,712        | 29,788        | 31,363        | 32,578        | 10    |              |
| West Virginia .....         | 35,308                     | 37,425           | 39,240           | 39,502           | 41,417           | 42,914           | 3.6                         | 19,535   | 20,775        | 21,745        | 21,820        | 22,850        | 23,620        | 48    |              |
| <b>Southwest</b> .....      | <b>748,309</b>             | <b>789,375</b>   | <b>818,959</b>   | <b>857,651</b>   | <b>921,144</b>   | <b>984,220</b>   | <b>6.8</b>                  | <b>23,838</b>                                      | <b>24,724</b> | <b>25,196</b> | <b>25,941</b> | <b>27,384</b> | <b>28,715</b> | ..... |              |
| Arizona .....               | 115,336                    | 121,547          | 129,279          | 136,292          | 148,293          | 159,763          | 7.7                         | 22,326   | 22,951        | 23,772        | 24,435        | 25,836        | 26,899        | 39    |              |
| New Mexico .....            | 35,661                     | 39,388           | 40,631           | 42,540           | 46,462           | 48,943           | 5.3                         | 19,578   | 21,493        | 21,899        | 22,637        | 24,415        | 25,380        | 44    |              |
| Oklahoma .....              | 74,327                     | 79,731           | 81,087           | 83,920           | 90,847           | 95,713           | 5.4                         | 21,517   | 23,005        | 23,254        | 23,944        | 25,783        | 26,978        | 38    |              |
| Texas .....                 | 522,986                    | 548,709          | 567,962          | 594,899          | 635,542          | 679,800          | 7.0                         | 24,964   | 25,720        | 26,146        | 26,920        | 28,282        | 29,738        | 22    |              |
| <b>Rocky Mountain</b> ..... | <b>226,461</b>             | <b>242,403</b>   | <b>251,784</b>   | <b>259,704</b>   | <b>278,321</b>   | <b>293,149</b>   | <b>5.3</b>                  | <b>24,436</b>                                      | <b>25,689</b> | <b>26,259</b> | <b>26,733</b> | <b>28,255</b> | <b>29,289</b> | ..... |              |
| Colorado .....              | 122,175                    | 130,976          | 134,727          | 137,940          | 147,003          | 154,530          | 5.1                         | 28,236   | 29,586        | 29,950        | 30,329        | 31,945        | 33,124        | 8     |              |
| Idaho .....                 | 27,240                     | 28,945           | 30,512           | 31,474           | 34,612           | 36,565           | 5.6                         | 20,959   | 21,909        | 22,703        | 23,005        | 24,809        | 25,586        | 42    |              |
| Montana .....               | 18,281                     | 19,835           | 20,572           | 21,877           | 23,338           | 24,314           | 4.2                         | 20,233   | 21,891        | 22,597        | 23,834        | 25,178        | 25,985        | 41    |              |
| Utah .....                  | 46,661                     | 49,627           | 52,123           | 53,529           | 57,260           | 60,681           | 6.0                         | 20,802   | 21,693        | 22,306        | 22,504        | 23,654        | 24,571        | 46    |              |
| Wyoming .....               | 12,105                     | 13,019           | 13,850           | 14,884           | 16,108           | 17,059           | 5.9                         | 24,497   | 26,352        | 27,754        | 29,655        | 31,840        | 33,495        | 7     |              |
| <b>Far West</b> .....       | <b>1,251,686</b>           | <b>1,308,485</b> | <b>1,378,371</b> | <b>1,434,369</b> | <b>1,535,048</b> | <b>1,594,611</b> | <b>3.9</b>                  | <b>26,517</b>                                      | <b>27,293</b> | <b>28,350</b> | <b>29,101</b> | <b>30,767</b> | <b>31,630</b> | ..... |              |
| Alaska .....                | 16,582                     | 17,801           | 18,684           | 19,219           | 20,323           | 21,338           | 5.0                         | 26,426   | 28,155        | 29,162        | 29,635        | 30,898        | 32,151        | 12    |              |
| California .....            | 908,421                    | 949,844          | 1,001,232        | 1,042,151        | 1,112,900        | 1,156,600        | 3.9                         | 26,716   | 27,510        | 28,616        | 29,392        | 31,050        | 32,010        | 13    |              |
| Hawaii .....                | 30,111                     | 30,701           | 32,308           | 33,807           | 36,842           | 38,877           | 5.5                         | 24,842   | 25,127        | 26,173        | 27,085        | 29,190        | 30,487        | 19    |              |
| Nevada .....                | 53,123                     | 56,117           | 59,195           | 63,854           | 70,835           | 75,989           | 7.3                         | 26,322   | 26,788        | 27,306        | 28,485        | 30,364        | 31,468        | 16    |              |
| Oregon .....                | 82,019                     | 85,137           | 89,801           | 92,864           | 98,276           | 102,882          | 4.7                         | 23,905   | 24,510        | 25,495        | 26,066        | 27,365        | 28,256        | 31    |              |
| Washington .....            | 161,429                    | 168,885          | 177,151          | 182,473          | 195,872          | 198,926          | 1.6                         | 27,309   | 28,183        | 29,202        | 29,762        | 31,556        | 31,637        | 15    |              |

1. Per capita disposable personal income was computed using midyear population estimates of the Bureau of the Census. The population estimates were released by the Bureau of the Census in December 2005.

2. Percent change was 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 estimate of personal income in the national income and product accounts because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data.

Source: Table 3 in "State Personal Income: Second Quarter of 2006 and Revised Estimates for 2003-2006:1" in the October 2006 SURVEY OF CURRENT BUSINESS.

**Table I.4. Gross Domestic Product (GDP) by State for Industries, 2005**

[Millions of dollars]

| State and region            | Rank of total GDP by state | Total             | Natural resources and mining | Construction   | Durable-goods manufacturing | Nondurable-goods manufacturing | Trade            | Transportation and utilities | Information    | Financial activities | Professional and business services | Education and health services | Leisure and hospitality | Other services | Government       |
|-----------------------------|----------------------------|-------------------|------------------------------|----------------|-----------------------------|--------------------------------|------------------|------------------------------|----------------|----------------------|------------------------------------|-------------------------------|-------------------------|----------------|------------------|
| <b>United States</b> .....  |                            | <b>12,409,555</b> | <b>332,640</b>               | <b>593,535</b> | <b>868,438</b>              | <b>628,103</b>                 | <b>1,561,724</b> | <b>601,155</b>               | <b>578,345</b> | <b>2,574,412</b>     | <b>1,468,529</b>                   | <b>977,437</b>                | <b>455,878</b>          | <b>294,611</b> | <b>1,474,748</b> |
| <b>New England</b> .....    |                            | <b>686,547</b>    | <b>3,106</b>                 | <b>29,600</b>  | <b>50,452</b>               | <b>23,143</b>                  | <b>80,981</b>    | <b>22,948</b>                | <b>29,050</b>  | <b>179,784</b>       | <b>91,259</b>                      | <b>72,371</b>                 | <b>23,025</b>           | <b>14,810</b>  | <b>66,017</b>    |
| Connecticut .....           | 23                         | 193,745           | 448                          | 6,927          | 14,178                      | 7,795                          | 21,907           | 6,372                        | 7,707          | 59,247               | 25,097                             | 17,524                        | 5,361                   | 3,939          | 17,244           |
| Maine .....                 | 43                         | 44,971            | 664                          | 2,406          | 2,613                       | 2,359                          | 6,511            | 1,952                        | 1,347          | 9,068                | 3,520                              | 5,268                         | 1,816                   | 1,033          | 6,415            |
| Massachusetts .....         | 13                         | 325,917           | 1,098                        | 14,102         | 23,321                      | 9,503                          | 36,231           | 9,490                        | 15,341         | 82,446               | 51,124                             | 36,366                        | 10,894                  | 6,994          | 29,007           |
| New Hampshire .....         | 39                         | 55,061            | 296                          | 2,754          | 5,043                       | 1,557                          | 8,181            | 2,676                        | 1,942          | 13,107               | 5,560                              | 5,507                         | 2,101                   | 1,308          | 5,030            |
| Rhode Island .....          | 44                         | 43,787            | 125                          | 2,153          | 3,087                       | 1,219                          | 5,042            | 1,421                        | 1,756          | 11,881               | 4,211                              | 5,057                         | 1,624                   | 973            | 5,239            |
| Vermont .....               | 50                         | 23,065            | 474                          | 1,258          | 2,210                       | 711                            | 3,109            | 1,037                        | 958            | 4,036                | 1,748                              | 2,649                         | 1,229                   | 563            | 3,083            |
| <b>Mideast</b> .....        |                            | <b>2,262,524</b>  | <b>11,804</b>                | <b>88,445</b>  | <b>86,100</b>               | <b>107,844</b>                 | <b>260,593</b>   | <b>97,278</b>                | <b>128,545</b> | <b>575,329</b>       | <b>308,545</b>                     | <b>206,978</b>                | <b>74,429</b>           | <b>55,189</b>  | <b>261,445</b>   |
| Delaware .....              | 38                         | 56,483            | (D)                          | (D)            | 1,060                       | 3,144                          | 4,372            | 1,673                        | 1,218          | 25,251               | 6,843                              | 3,215                         | 1,256                   | 977            | 4,859            |
| District of Columbia .....  |                            | 81,830            | (D)                          | (D)            | 96                          | 118                            | 1,822            | 1,230                        | 5,320          | 10,867               | 19,273                             | 5,736                         | 2,995                   | 5,143          | 28,153           |
| Maryland .....              | 15                         | 246,234           | 1,077                        | 15,018         | 6,369                       | 7,189                          | 28,645           | 11,099                       | 10,072         | 55,616               | 34,127                             | 21,037                        | 8,691                   | 6,383          | 40,911           |
| New Jersey .....            | 8                          | 431,079           | 886                          | 17,850         | 13,055                      | 27,979                         | 62,751           | 20,753                       | 20,268         | 106,323              | 58,816                             | 34,355                        | 14,693                  | 9,125          | 44,228           |
| New York .....              | 3                          | 975,873           | 2,910                        | 30,344         | 28,751                      | 32,240                         | 102,083          | 34,264                       | 74,306         | 283,664              | 132,381                            | 88,018                        | 32,551                  | 20,420         | 95,941           |
| Pennsylvania .....          | 6                          | 489,025           | 6,490                        | 21,981         | 36,770                      | 37,174                         | 60,920           | 28,260                       | 17,361         | 93,608               | 57,106                             | 54,617                        | 14,242                  | 13,142         | 47,353           |
| <b>Great Lakes</b> .....    |                            | <b>1,832,089</b>  | <b>16,616</b>                | <b>80,314</b>  | <b>226,238</b>              | <b>114,817</b>                 | <b>231,314</b>   | <b>97,153</b>                | <b>56,014</b>  | <b>350,823</b>       | <b>214,016</b>                     | <b>150,091</b>                | <b>57,818</b>           | <b>44,290</b>  | <b>192,585</b>   |
| Illinois .....              | 5                          | 560,032           | 3,734                        | 26,010         | 42,974                      | 31,853                         | 71,703           | 32,384                       | 20,858         | 124,175              | 77,624                             | 42,170                        | 18,315                  | 13,568         | 54,666           |
| Indiana .....               | 16                         | 238,568           | 2,597                        | 10,549         | 44,407                      | 22,800                         | 28,108           | 13,611                       | 5,412          | 36,590               | 17,905                             | 19,195                        | 8,462                   | 5,658          | 23,274           |
| Michigan .....              | 9                          | 376,243           | 3,051                        | 16,231         | 54,827                      | 14,359                         | 47,674           | 17,324                       | 10,847         | 68,168               | 51,466                             | 30,617                        | 11,636                  | 8,817          | 41,225           |
| Ohio .....                  | 7                          | 440,923           | 3,984                        | 17,535         | 57,112                      | 28,166                         | 57,329           | 23,247                       | 12,410         | 80,550               | 48,730                             | 38,552                        | 13,024                  | 11,155         | 49,128           |
| Wisconsin .....             | 21                         | 216,322           | 3,251                        | 9,989          | 26,918                      | 17,638                         | 26,500           | 10,586                       | 6,487          | 41,338               | 18,292                             | 19,558                        | 6,381                   | 5,092          | 24,292           |
| <b>Plains</b> .....         |                            | <b>795,735</b>    | <b>23,912</b>                | <b>35,607</b>  | <b>70,301</b>               | <b>47,275</b>                  | <b>103,478</b>   | <b>44,475</b>                | <b>33,406</b>  | <b>149,833</b>       | <b>79,405</b>                      | <b>67,453</b>                 | <b>25,831</b>           | <b>19,142</b>  | <b>95,616</b>    |
| Iowa .....                  | 30                         | 113,552           | 3,914                        | 4,783          | 14,043                      | 10,667                         | 13,755           | 6,269                        | 3,495          | 21,619               | 6,578                              | 8,871                         | 3,519                   | 2,537          | 13,503           |
| Kansas .....                | 32                         | 105,574           | 5,102                        | 4,104          | 10,193                      | 5,343                          | 13,768           | 6,166                        | 6,712          | 16,056               | 10,075                             | 8,023                         | 2,990                   | 2,518          | 14,523           |
| Minnesota .....             | 17                         | 234,552           | 4,317                        | 11,104         | 20,820                      | 11,216                         | 30,502           | 10,595                       | 8,693          | 52,768               | 27,326                             | 20,674                        | 6,976                   | 5,608          | 23,951           |
| Missouri .....              | 22                         | 216,065           | 3,086                        | 10,184         | 17,243                      | 15,105                         | 28,976           | 11,329                       | 10,124         | 35,337               | 26,375                             | 18,860                        | 8,630                   | 5,438          | 25,377           |
| Nebraska .....              | 36                         | 70,676            | 3,262                        | 3,021          | 4,199                       | 3,473                          | 8,782            | 7,080                        | 2,571          | 12,268               | 6,142                              | 5,802                         | 1,875                   | 1,698          | 10,503           |
| North Dakota .....          | 49                         | 24,397            | 2,284                        | 1,144          | 1,474                       | 731                            | 3,777            | 1,652                        | 925            | 3,605                | 1,438                              | 2,302                         | 722                     | 591            | 3,751            |
| South Dakota .....          | 46                         | 30,919            | 1,946                        | 1,267          | 2,428                       | 740                            | 3,919            | 1,384                        | 886            | 8,180                | 1,471                              | 2,921                         | 1,118                   | 752            | 4,007            |
| <b>Southeast</b> .....      |                            | <b>2,786,296</b>  | <b>67,449</b>                | <b>148,940</b> | <b>179,270</b>              | <b>182,910</b>                 | <b>371,148</b>   | <b>142,123</b>               | <b>116,136</b> | <b>512,048</b>       | <b>308,270</b>                     | <b>207,398</b>                | <b>108,688</b>          | <b>67,724</b>  | <b>374,190</b>   |
| Alabama .....               | 25                         | 151,610           | 5,192                        | 7,399          | 16,223                      | 10,770                         | 20,773           | 8,070                        | 4,939          | 22,367               | 13,321                             | 11,509                        | 4,052                   | 4,018          | 22,975           |
| Arkansas .....              | 34                         | 86,752            | 3,374                        | 3,841          | 9,210                       | 7,665                          | 12,067           | 6,174                        | 3,120          | 11,738               | 6,819                              | 6,957                         | 2,327                   | 1,938          | 11,523           |
| Florida .....               | 4                          | 673,274           | 7,075                        | 47,723         | 22,026                      | 11,721                         | 97,049           | 28,717                       | 28,977         | 160,367              | 86,586                             | 52,867                        | 36,341                  | 18,133         | 75,691           |
| Georgia .....               | 10                         | 363,839           | 4,489                        | 18,680         | 18,938                      | 27,138                         | 52,748           | 20,737                       | 23,585         | 64,131               | 43,074                             | 24,115                        | 11,833                  | 7,491          | 46,879           |
| Kentucky .....              | 27                         | 140,501           | 5,700                        | 5,998          | 16,213                      | 10,827                         | 18,385           | 9,017                        | 3,755          | 19,485               | 10,405                             | 12,206                        | 4,604                   | 3,218          | 20,688           |
| Louisiana .....             | 24                         | 168,204           | 21,791                       | 7,096          | 6,741                       | 20,834                         | 19,613           | 10,604                       | 4,147          | 20,037               | 13,471                             | 11,758                        | 7,553                   | 3,670          | 20,890           |
| Mississippi .....           | 35                         | 81,290            | 4,127                        | 3,536          | 7,798                       | 4,848                          | 10,942           | 5,163                        | 2,073          | 10,836               | 5,133                              | 6,185                         | 4,200                   | 2,255          | 14,194           |
| North Carolina .....        | 12                         | 346,640           | 4,285                        | 16,549         | 25,202                      | 42,031                         | 42,439           | 14,722                       | 12,573         | 68,715               | 33,080                             | 24,513                        | 10,475                  | 7,116          | 44,941           |
| South Carolina .....        | 28                         | 140,019           | 1,379                        | 7,997          | 13,658                      | 11,253                         | 19,621           | 6,995                        | 3,881          | 22,317               | 12,274                             | 9,027                         | 5,795                   | 3,503          | 22,318           |
| Tennessee .....             | 18                         | 229,215           | 1,927                        | 9,635          | 24,986                      | 15,931                         | 34,237           | 12,607                       | 7,687          | 36,341               | 23,554                             | 21,848                        | 9,328                   | 6,289          | 24,845           |
| Virginia .....              | 11                         | 351,903           | 3,382                        | 18,304         | 15,119                      | 17,504                         | 36,430           | 15,018                       | 19,938         | 68,856               | 56,997                             | 21,120                        | 10,185                  | 8,813          | 60,236           |
| West Virginia .....         | 41                         | 53,050            | 4,727                        | 2,182          | 3,155                       | 2,388                          | 6,843            | 4,301                        | 1,462          | 6,856                | 3,556                              | 5,292                         | 1,997                   | 1,280          | 9,010            |
| <b>Southwest</b> .....      |                            | <b>1,396,331</b>  | <b>127,288</b>               | <b>74,080</b>  | <b>93,957</b>               | <b>65,999</b>                  | <b>183,026</b>   | <b>85,708</b>                | <b>53,596</b>  | <b>226,975</b>       | <b>150,693</b>                     | <b>93,195</b>                 | <b>45,283</b>           | <b>30,461</b>  | <b>166,070</b>   |
| Arizona .....               | 20                         | 216,528           | 4,088                        | 15,579         | 17,009                      | 2,635                          | 30,713           | 9,917                        | 6,678          | 49,831               | 24,129                             | 16,419                        | 9,192                   | 4,331          | 26,006           |
| New Mexico .....            | 37                         | 68,870            | 9,904                        | 3,133          | 5,447                       | 1,041                          | 7,026            | 3,310                        | 1,802          | 9,021                | 6,722                              | 4,778                         | 2,382                   | 1,432          | 12,872           |
| Oklahoma .....              | 29                         | 121,490           | 17,780                       | 4,735          | 7,395                       | 4,426                          | 14,640           | 7,123                        | 4,306          | 16,540               | 10,172                             | 8,820                         | 3,384                   | 2,831          | 19,339           |
| Texas .....                 | 2                          | 989,443           | 95,517                       | 50,633         | 64,106                      | 57,897                         | 130,648          | 65,358                       | 40,809         | 151,583              | 109,670                            | 63,178                        | 30,325                  | 21,866         | 107,854          |
| <b>Rocky Mountain</b> ..... |                            | <b>411,658</b>    | <b>26,979</b>                | <b>25,136</b>  | <b>22,459</b>               | <b>10,204</b>                  | <b>49,164</b>    | <b>20,060</b>                | <b>24,895</b>  | <b>78,557</b>        | <b>47,621</b>                      | <b>27,157</b>                 | <b>16,318</b>           | <b>10,031</b>  | <b>53,079</b>    |
| Colorado .....              | 19                         | 216,537           | 10,414                       | 13,669         | 9,217                       | 4,758                          | 24,893           | 8,175                        | 18,729         | 44,203               | 28,762                             | 13,793                        | 9,337                   | 4,916          | 25,673           |
| Idaho .....                 | 42                         | 47,189            | 2,371                        | 2,811          | 4,897                       | 1,410                          | 6,648            | 2,119                        | 1,180          | 8,092                | 5,375                              | 3,796                         | 1,555                   | 959            | 6,397            |
| Montana .....               | 47                         | 29,885            | 2,574                        | 1,930          | 900                         | 552                            | 3,830            | 2,388                        | 901            | 4,941                | 2,093                              | 2,793                         | 1,391                   | 770            | 4,823            |
| Utah .....                  | 33                         | 90,778            | 2,928                        | 5,292          | 7,086                       | 2,736                          | 11,361           | 4,525                        | 3,654          | 18,400               | 10,255                             | 6,021                         | 3,017                   | 2,940          | 12,563           |
| Wyoming .....               | 48                         | 27,269            | 8,691                        | 1,434          | 360                         | 748                            | 2,432            | 2,854                        | 431            | 2,921                | 1,137                              | 1,175                         | 1,017                   | 447            | 3,624            |
| <b>Far West</b> .....       |                            | <b>2,238,377</b>  | <b>55,487</b>                | <b>111,412</b> | <b>139,660</b>              | <b>75,911</b>                  | <b>282,019</b>   | <b>91,410</b>                | <b>136,703</b> | <b>501,062</b>       | <b>268,719</b>                     | <b>152,795</b>                | <b>104,486</b>          | <b>52,966</b>  | <b>265,747</b>   |
| Alaska .....                | 45                         | 39,314            | 11,029                       | 1,932          | 151                         | 758                            | 2,591            | 4,351                        | 997            | 4,247                | 2,155                              | 2,212                         | 1,271                   | 630            | 6,990            |
| California .....            | 1                          | 1,622,116         | 32,816                       | 76,487         | 95,590                      | 61,559                         | 206,451          | 62,483                       | 107,120        | 380,401              | 208,157                            | 109,366                       | 64,082                  | 39,174         | 178,431          |
| Hawaii .....                | 40                         | 54,019            | 383                          | 3,157          | 271                         | 611                            | 5,908            | 2,959                        | 1,389          | 11,294               | 4,965                              | 4,191                         | 5,448                   | 1,420          | 12,022           |
| Nevada .....                | 31                         | 111,342           | 1,990                        | 10,639         | 2,720                       | 1,382                          | 12,695           | 5,191                        | 2,509          | 24,492               | 11,740                             | 5,733                         | 19,732                  | 1,912          | 10,607           |
| Oregon .....                | 26                         | 144,278           | 3,895                        | 6,233          | 22,934                      | 4,240                          | 17,718           | 5,994                        | 4,476          | 27,024               | 13,300                             | 11,507                        | 4,453                   | 3,090          | 19,413           |
| Washington .....            | 14                         | 267,308           | 5,374                        | 12,963         | 17,994                      | 7,361                          | 36,656           | 10,432                       | 20,212         | 53,604               | 28,401                             | 19,785                        | 9,501                   | 6,741          | 38,284           |

D Suppressed to avoid disclosure of data of individual companies.

NOTE: Totals shown for the United States differ from the national income and product account estimates of gross domestic product (GDP) because GDP by state excludes, and national GDP includes, the compensation of Federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment,

except office equipment. GDP by state and national GDP also have different revision schedules.

Source: This table reflects the GDP-by-state estimates for 2005 that were released on October 26,

## J. Local Area Table

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003–2005—Continues

| Area name   | Personal income     |                  |                   |                             | Per capita personal income <sup>1</sup> |               |                   |                       |
|---|---------------------|------------------|-------------------|-----------------------------|---|---------------|-------------------|-----------------------|
|   | Millions of dollars |                  |                   | Percent change <sup>2</sup> | Dollars                                 |               |                   | Rank in United States |
|   | 2003                | 2004             | 2005 <sup>3</sup> |                             | 2003                                    | 2004          | 2005 <sup>3</sup> |                       |
| <b>Metropolitan portion of the United States.....</b> | <b>7,978,326</b>    | <b>8,458,879</b> | <b>8,885,062</b>  | <b>5.0</b>                  | <b>33,047</b>                           | <b>34,668</b> | <b>36,048</b>     | .....                 |
| <b>Metropolitan statistical areas<sup>3</sup></b>     |                     |                  |                   |                             |   |               |                   |                       |
| Abilene, TX.....                                      | 3,964               | 4,188            | 4,378             | 4.5                         | 25,074                                  | 26,432        | 27,660            | 264                   |
| Akron, OH.....  | 21,756              | 22,783           | 23,672            | 3.9                         | 31,017                                  | 32,462        | 33,709            | 94                    |
| Albany, GA.....                                       | 3,743               | 3,886            | 4,049             | 4.2                         | 23,147                                  | 23,938        | 24,865            | 334                   |
| Albany-Schenectady-Troy, NY.....                      | 27,278              | 28,686           | 29,707            | 3.6                         | 32,453                                  | 33,950        | 34,996            | 73                    |
| Albuquerque, NM.....                                  | 21,731              | 23,014           | 24,319            | 5.7                         | 28,339                                  | 29,453        | 30,477            | 170                   |
| Alexandria, LA.....                                   | 3,740               | 4,049            | 4,411             | 8.9                         | 25,589                                  | 27,557        | 29,813            | 184                   |
| Allentown-Bethlehem-Easton, PA-NJ.....                | 24,309              | 25,589           | 26,729            | 4.5                         | 31,606                                  | 32,817        | 33,811            | 91                    |
| Altoona, PA.....                                      | 3,218               | 3,387            | 3,492             | 3.1                         | 25,255                                  | 26,630        | 27,543            | 271                   |
| Amarillo, TX.....                                     | 6,048               | 6,391            | 6,712             | 5.0                         | 25,904                                  | 27,114        | 28,122            | 241                   |
| Ames, IA.....   | 2,281               | 2,418            | 2,529             | 4.6                         | 28,417                                  | 30,133        | 31,627            | 139                   |
| Anchorage, AK.....                                    | 12,205              | 12,831           | 13,522            | 5.4                         | 35,942                                  | 37,058        | 38,519            | 33                    |
| Anderson, IN.....                                     | 3,604               | 3,697            | 3,755             | 1.6                         | 27,517                                  | 28,337        | 28,796            | 217                   |
| Anderson, SC.....                                     | 4,370               | 4,556            | 4,725             | 3.7                         | 25,434                                  | 26,249        | 26,922            | 285                   |
| Ann Arbor, MI.....                                    | 12,989              | 13,391           | 13,752            | 2.7                         | 38,706                                  | 39,528        | 40,228            | 23                    |
| Anniston-Oxford, AL.....                              | 2,765               | 2,950            | 3,120             | 5.8                         | 24,686                                  | 26,343        | 27,820            | 255                   |
| Appleton, WI.....                                     | 6,518               | 6,986            | 7,270             | 4.1                         | 30,911                                  | 32,821        | 33,792            | 92                    |
| Asheville, NC.....                                    | 10,038              | 10,660           | 11,169            | 4.8                         | 26,251                                  | 27,518        | 28,432            | 229                   |
| Athens-Clarke County, GA.....                         | 4,176               | 4,432            | 4,637             | 4.6                         | 24,307                                  | 25,264        | 26,486            | 304                   |
| Atlanta-Sandy Springs-Marietta, GA.....               | 153,070             | 162,297          | 172,164           | 6.1                         | 32,739                                  | 33,838        | 35,009            | 72                    |
| Atlantic City, NJ.....                                | 8,276               | 8,730            | 9,168             | 5.0                         | 31,384                                  | 32,538        | 33,827            | 89                    |
| Auburn-Opelika, AL.....                               | 2,653               | 2,849            | 3,008             | 5.6                         | 22,283                                  | 23,632        | 24,406            | 339                   |
| Augusta-Richmond County, GA-SC.....                   | 13,267              | 14,007           | 14,624            | 4.4                         | 25,994                                  | 27,128        | 28,105            | 242                   |
| Austin-Round Rock, TX.....                            | 43,142              | 45,855           | 49,394            | 7.7                         | 31,353                                  | 32,494        | 34,005            | 84                    |
| Bakersfield, CA.....                                  | 16,558              | 17,864           | 18,876            | 5.7                         | 23,215                                  | 24,335        | 24,941            | 332                   |
| Baltimore-Towson, MD.....                             | 96,583              | 102,650          | 108,475           | 5.7                         | 36,757                                  | 38,813        | 40,846            | 20                    |
| Bangor, ME.....                                       | 3,857               | 4,068            | 4,252             | 4.5                         | 26,193                                  | 27,733        | 28,912            | 212                   |
| Barnstable Town, MA.....                              | 8,902               | 9,430            | 9,735             | 3.2                         | 38,878                                  | 41,362        | 42,978            | 10                    |
| Baton Rouge, LA.....                                  | 19,131              | 20,208           | 21,795            | 7.9                         | 26,531                                  | 27,780        | 29,702            | 186                   |
| Battle Creek, MI.....                                 | 3,749               | 3,851            | 3,936             | 2.2                         | 26,968                                  | 27,601        | 28,281            | 233                   |
| Bay City, MI.....                                     | 2,978               | 3,019            | 3,075             | 1.9                         | 27,228                                  | 27,658        | 28,206            | 237                   |
| Beaumont-Port Arthur, TX.....                         | 10,041              | 10,352           | 11,068            | 6.9                         | 26,244                                  | 27,012        | 28,859            | 214                   |
| Bellingham, WA.....                                   | 4,746               | 5,055            | 5,382             | 6.5                         | 26,884                                  | 28,049        | 29,333            | 198                   |
| Bend, OR.....   | 3,707               | 4,019            | 4,374             | 8.8                         | 28,616                                  | 29,853        | 30,935            | 158                   |
| Billings, MT.....                                     | 4,196               | 4,486            | 4,803             | 7.1                         | 29,341                                  | 31,028        | 32,766            | 115                   |
| Binghamton, NY.....                                   | 6,439               | 6,692            | 6,948             | 3.8                         | 25,713                                  | 26,836        | 27,969            | 246                   |
| Birmingham-Hoover, AL.....                            | 33,658              | 35,770           | 38,006            | 6.3                         | 31,348                                  | 33,067        | 34,864            | 76                    |
| Bismarck, ND.....                                     | 2,839               | 3,044            | 3,232             | 6.2                         | 29,288                                  | 31,096        | 32,531            | 118                   |
| Blacksburg-Christiansburg-Radford, VA.....            | 3,352               | 3,515            | 3,723             | 5.9                         | 22,228                                  | 23,337        | 24,645            | 337                   |
| Bloomington, IN.....                                  | 4,274               | 4,527            | 4,687             | 3.5                         | 24,183                                  | 25,535        | 26,375            | 305                   |
| Bloomington-Normal, IL.....                           | 5,057               | 5,024            | 5,076             | 1.0                         | 32,255                                  | 31,826        | 31,924            | 131                   |
| Boise City-Nampa, ID.....                             | 14,847              | 16,030           | 17,180            | 7.2                         | 29,035                                  | 30,545        | 31,569            | 141                   |
| Boston-Cambridge-Quincy, MA-NH.....                   | 191,958             | 203,527          | 212,464           | 4.4                         | 43,345                                  | 46,060        | 48,158            | 5                     |
| Boulder, CO.....                                      | 11,541              | 12,200           | 12,884            | 5.6                         | 41,517                                  | 43,640        | 45,944            | 7                     |
| Bowling Green, KY.....                                | 2,691               | 2,856            | 3,027             | 6.0                         | 25,050                                  | 26,193        | 27,271            | 273                   |
| Bremerton-Silverdale, WA.....                         | 7,731               | 8,176            | 8,561             | 4.7                         | 32,215                                  | 33,865        | 35,572            | 62                    |
| Bridgeport-Stamford-Norwalk, CT.....                  | 53,174              | 56,796           | 60,232            | 6.1                         | 59,108                                  | 62,979        | 66,719            | 1                     |
| Brownsville-Harlingen, TX.....                        | 5,989               | 6,302            | 6,573             | 4.3                         | 16,538                                  | 16,994        | 17,374            | 360                   |
| Brunswick, GA.....                                    | 2,638               | 2,825            | 2,957             | 4.7                         | 27,272                                  | 28,957        | 30,041            | 180                   |
| Buffalo-Niagara Falls, NY.....                        | 34,135              | 35,773           | 36,741            | 2.7                         | 29,477                                  | 31,006        | 32,012            | 130                   |
| Burlington, NC.....                                   | 3,532               | 3,740            | 3,875             | 3.6                         | 25,863                                  | 27,016        | 27,575            | 268                   |
| Burlington-South Burlington, VT.....                  | 6,704               | 7,080            | 7,378             | 4.2                         | 32,962                                  | 34,618        | 35,948            | 58                    |
| Canton-Massillon, OH.....                             | 11,125              | 11,547           | 11,948            | 3.5                         | 27,148                                  | 28,164        | 29,141            | 202                   |
| Cape Coral-Fort Myers, FL.....                        | 15,569              | 17,030           | 18,554            | 8.9                         | 31,629                                  | 33,073        | 34,059            | 83                    |
| Carson City, NV.....                                  | 1,882               | 2,016            | 2,140             | 6.1                         | 34,055                                  | 36,055        | 38,170            | 37                    |
| Casper, WY.....                                       | 2,369               | 2,580            | 2,811             | 8.9                         | 34,717                                  | 37,401        | 40,266            | 22                    |
| Cedar Rapids, IA.....                                 | 7,533               | 8,038            | 8,438             | 5.0                         | 31,058                                  | 32,901        | 34,242            | 79                    |
| Champaign-Urbana, IL.....                             | 6,786               | 6,204            | 6,166             | -0.6                        | 31,643                                  | 28,858        | 28,579            | 223                   |
| Charleston, WV.....                                   | 8,958               | 9,365            | 9,815             | 4.8                         | 29,161                                  | 30,480        | 32,028            | 129                   |
| Charleston-North Charleston, SC.....                  | 15,854              | 16,991           | 18,153            | 6.8                         | 27,719                                  | 29,120        | 30,514            | 168                   |
| Charlotte-Gastonia-Concord, NC-SC.....                | 47,998              | 51,349           | 54,996            | 7.1                         | 33,363                                  | 34,816        | 36,151            | 56                    |
| Charlottesville, VA.....                              | 5,905               | 6,371            | 6,823             | 7.1                         | 32,236                                  | 34,333        | 36,213            | 53                    |
| Chattanooga, TN-GA.....                               | 13,864              | 14,617           | 15,311            | 4.8                         | 28,519                                  | 29,912        | 31,113            | 153                   |
| Cheyenne, WY.....                                     | 2,763               | 2,939            | 3,096             | 5.4                         | 32,766                                  | 34,559        | 36,355            | 49                    |
| Chicago-Naperville-Joliet, IL-IN-WI.....              | 335,618             | 349,141          | 362,994           | 4.0                         | 35,967                                  | 37,169        | 38,439            | 34                    |
| Chico, CA.....  | 5,074               | 5,393            | 5,694             | 5.6                         | 24,037                                  | 25,357        | 26,586            | 301                   |
| Cincinnati-Middletown, OH-KY-IN.....                  | 66,984              | 70,689           | 73,745            | 4.3                         | 32,738                                  | 34,368        | 35,618            | 61                    |
| Clarksville, TN-KY.....                               | 6,189               | 6,591            | 7,281             | 10.5                        | 26,218                                  | 27,667        | 29,882            | 182                   |
| Cleveland, TN.....                                    | 2,678               | 2,874            | 2,985             | 3.9                         | 25,221                                  | 26,868        | 27,634            | 266                   |
| Cleveland-Elyria-Mentor, OH.....                      | 69,859              | 73,111           | 75,573            | 3.4                         | 32,651                                  | 34,264        | 35,542            | 63                    |
| Coeur d'Alene, ID.....                                | 2,845               | 3,098            | 3,330             | 7.5                         | 24,194                                  | 25,297        | 26,086            | 313                   |
| College Station-Bryan, TX.....                        | 4,177               | 4,425            | 4,731             | 6.9                         | 22,224                                  | 23,446        | 24,933            | 333                   |
| Colorado Springs, CO.....                             | 17,474              | 18,536           | 19,694            | 6.2                         | 30,559                                  | 31,991        | 33,521            | 99                    |
| Columbia, MO.....                                     | 4,231               | 4,537            | 4,799             | 5.8                         | 28,197                                  | 30,019        | 31,309            | 148                   |
| Columbia, SC.....                                     | 18,963              | 20,271           | 21,336            | 5.3                         | 28,234                                  | 29,808        | 30,927            | 159                   |
| Columbus, GA-AL.....                                  | 7,562               | 7,939            | 8,433             | 6.2                         | 27,047                                  | 27,909        | 29,661            | 187                   |
| Columbus, IN.....                                     | 2,258               | 2,399            | 2,479             | 3.3                         | 31,219                                  | 32,930        | 33,706            | 95                    |
| Columbus, OH.....                                     | 54,931              | 57,700           | 60,188            | 4.3                         | 32,794                                  | 34,128        | 35,226            | 68                    |
| Corpus Christi, TX.....                               | 10,664              | 11,200           | 11,802            | 5.4                         | 26,271                                  | 27,340        | 28,539            | 225                   |
| Corvallis, OR.....                                    | 2,562               | 2,664            | 2,826             | 6.1                         | 32,375                                  | 33,988        | 35,937            | 59                    |
| Cumberland, MD-WV.....                                | 2,305               | 2,415            | 2,525             | 4.5                         | 22,817                                  | 23,907        | 25,084            | 330                   |

See the footnotes at the end of the table.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003-2005—Continues

| Area name   | Personal income     |         |                   |                             | Per capita personal income <sup>1</sup> |        |                   |                       |
|---|---------------------|---------|-------------------|-----------------------------|---|--------|-------------------|-----------------------|
|   | Millions of dollars |         |                   | Percent change <sup>2</sup> | Dollars                                 |        |                   | Rank in United States |
|   | 2003                | 2004    | 2005 <sup>3</sup> |                             | 2003                                    | 2004   | 2005 <sup>3</sup> |                       |
| <b>Metropolitan statistical areas<sup>3</sup>—Continued</b> |                     |         |                   |                             |   |        |                   |                       |
| Dallas-Fort Worth-Arlington, TX.....                        | 190,517             | 202,219 | 215,756           | 6.7                         | 34,109                                  | 35,502 | 37,075            | 44                    |
| Dalton, GA.....   | 3,214               | 3,407   | 3,555             | 4.3                         | 25,257                                  | 26,301 | 26,996            | 284                   |
| Danville, IL.....   | 1,999               | 2,060   | 2,084             | 1.2                         | 24,135                                  | 24,929 | 25,308            | 325                   |
| Danville, VA.....   | 2,620               | 2,711   | 2,794             | 3.1                         | 24,074                                  | 25,037 | 25,872            | 316                   |
| Davenport-Moline-Rock Island, IA-IL.....                    | 11,003              | 11,711  | 12,147            | 3.7                         | 29,359                                  | 31,205 | 32,280            | 127                   |
| Dayton, OH.....   | 25,681              | 26,518  | 27,306            | 3.0                         | 30,385                                  | 31,387 | 32,369            | 124                   |
| Decatur, AL.....  | 3,949               | 4,129   | 4,300             | 4.1                         | 26,795                                  | 28,012 | 28,984            | 210                   |
| Decatur, IL.....  | 3,222               | 3,389   | 3,512             | 3.6                         | 28,998                                  | 30,667 | 31,876            | 132                   |
| Deltona-Daytona Beach-Ormond Beach, FL.....                 | 11,719              | 12,509  | 13,335            | 6.6                         | 25,062                                  | 26,118 | 27,211            | 276                   |
| Denver-Aurora, CO.....                                      | 90,184              | 95,238  | 100,473           | 5.5                         | 39,212                                  | 40,939 | 42,574            | 13                    |
| Des Moines-West Des Moines, IA.....                         | 17,303              | 18,641  | 19,680            | 5.6                         | 34,326                                  | 36,384 | 37,668            | 40                    |
| Detroit-Warren-Livonia, MI.....                             | 162,957             | 164,543 | 169,183           | 2.8                         | 36,330                                  | 36,650 | 37,694            | 39                    |
| Dothan, AL.....   | 3,438               | 3,671   | 3,859             | 5.1                         | 25,744                                  | 27,188 | 28,255            | 234                   |
| Dover, DE.....  | 3,529               | 3,797   | 4,005             | 5.5                         | 26,215                                  | 27,292 | 27,820            | 255                   |
| Dubuque, IA.....  | 2,501               | 2,682   | 2,828             | 5.4                         | 27,631                                  | 29,447 | 30,864            | 162                   |
| Duluth, MN-WI.....  | 7,685               | 8,122   | 8,356             | 2.9                         | 27,826                                  | 29,451 | 30,342            | 175                   |
| Durham, NC.....   | 14,040              | 14,863  | 15,556            | 4.7                         | 31,529                                  | 33,011 | 34,099            | 82                    |
| Eau Claire, WI.....   | 4,073               | 4,284   | 4,473             | 4.4                         | 26,943                                  | 28,004 | 29,041            | 206                   |
| El Centro, CA.....  | 3,151               | 3,320   | 3,450             | 3.9                         | 21,149                                  | 21,794 | 22,143            | 354                   |
| Elizabethtown, KY.....                                      | 2,981               | 3,157   | 3,252             | 3.0                         | 27,356                                  | 28,883 | 29,389            | 197                   |
| Elkhart-Goshen, IN.....                                     | 5,662               | 5,976   | 6,188             | 3.5                         | 29,960                                  | 31,187 | 31,674            | 136                   |
| Elmira, NY.....   | 2,190               | 2,291   | 2,422             | 5.7                         | 24,268                                  | 25,464 | 27,055            | 281                   |
| El Paso, TX.....  | 14,641              | 15,556  | 16,434            | 5.6                         | 20,841                                  | 21,829 | 22,775            | 349                   |
| Erie, PA.....   | 7,150               | 7,516   | 7,830             | 4.2                         | 25,267                                  | 26,764 | 27,921            | 249                   |
| Eugene-Springfield, OR.....                                 | 8,727               | 9,214   | 9,752             | 5.8                         | 26,445                                  | 27,788 | 29,093            | 205                   |
| Evansville, IN-KY.....                                      | 10,409              | 10,934  | 11,307            | 3.4                         | 30,044                                  | 31,435 | 32,348            | 125                   |
| Fairbanks, AK.....  | 2,615               | 2,748   | 2,923             | 6.4                         | 30,687                                  | 31,618 | 33,380            | 104                   |
| Fargo, ND-MN.....   | 5,433               | 5,803   | 6,135             | 5.7                         | 30,397                                  | 31,769 | 33,190            | 109                   |
| Farmington, NM.....   | 2,519               | 2,720   | 2,932             | 7.8                         | 20,588                                  | 21,899 | 23,230            | 348                   |
| Fayetteville, NC.....                                       | 9,129               | 9,769   | 10,537            | 7.9                         | 26,495                                  | 28,224 | 30,493            | 169                   |
| Fayetteville-Springdale-Rogers, AR-MO.....                  | 9,599               | 10,603  | 11,264            | 6.2                         | 25,376                                  | 27,122 | 27,806            | 257                   |
| Flagstaff, AZ.....  | 3,012               | 3,234   | 3,454             | 6.8                         | 24,871                                  | 26,362 | 27,881            | 251                   |
| Flint, MI.....  | 12,509              | 12,475  | 12,361            | -0.9                        | 28,277                                  | 28,130 | 27,847            | 252                   |
| Florence, SC.....   | 4,950               | 5,208   | 5,401             | 3.7                         | 25,204                                  | 26,399 | 27,217            | 275                   |
| Florence-Muscle Shoals, AL.....                             | 3,327               | 3,506   | 3,686             | 5.1                         | 23,482                                  | 24,658 | 25,894            | 315                   |
| Fond du Lac, WI.....  | 2,955               | 3,094   | 3,216             | 4.0                         | 30,096                                  | 31,366 | 32,379            | 123                   |
| Fort Collins-Loveland, CO.....                              | 8,379               | 8,847   | 9,305             | 5.2                         | 31,444                                  | 32,893 | 34,219            | 80                    |
| Fort Smith, AR-OK.....                                      | 6,529               | 6,994   | 7,433             | 6.3                         | 23,345                                  | 24,802 | 26,081            | 314                   |
| Fort Walton Beach-Crestview-Destin, FL.....                 | 5,507               | 5,982   | 6,369             | 6.5                         | 30,969                                  | 33,068 | 34,961            | 74                    |
| Fort Wayne, IN.....   | 11,685              | 12,138  | 12,486            | 2.9                         | 29,212                                  | 30,214 | 30,873            | 161                   |
| Fresno, CA.....   | 20,637              | 22,136  | 22,974            | 3.8                         | 24,267                                  | 25,573 | 26,179            | 310                   |
| Gadsden, AL.....  | 2,464               | 2,616   | 2,739             | 4.7                         | 23,923                                  | 25,379 | 26,548            | 303                   |
| Gainesville, FL.....  | 6,102               | 6,565   | 6,964             | 6.1                         | 25,757                                  | 27,528 | 28,986            | 209                   |
| Gainesville, GA.....  | 3,915               | 4,187   | 4,409             | 5.3                         | 25,029                                  | 26,043 | 26,596            | 300                   |
| Glens Falls, NY.....  | 3,181               | 3,398   | 3,555             | 4.6                         | 25,119                                  | 26,590 | 27,651            | 265                   |
| Goldsboro, NC.....  | 2,659               | 2,844   | 2,926             | 2.9                         | 23,458                                  | 24,901 | 25,563            | 323                   |
| Grand Forks, ND-MN.....                                     | 2,611               | 2,691   | 2,817             | 4.7                         | 27,286                                  | 27,733 | 29,015            | 208                   |
| Grand Junction, CO.....                                     | 3,261               | 3,487   | 3,743             | 7.3                         | 26,161                                  | 27,400 | 28,821            | 216                   |
| Grand Rapids-Wyoming, MI.....                               | 22,810              | 23,553  | 24,328            | 3.3                         | 29,926                                  | 30,739 | 31,546            | 142                   |
| Great Falls, MT.....  | 2,202               | 2,337   | 2,444             | 4.6                         | 27,592                                  | 29,231 | 30,720            | 164                   |
| Greeley, CO.....  | 5,046               | 5,374   | 5,652             | 5.2                         | 23,795                                  | 24,432 | 24,687            | 336                   |
| Green Bay, WI.....  | 8,883               | 9,420   | 9,748             | 3.5                         | 30,453                                  | 31,925 | 32,768            | 114                   |
| Greensboro-High Point, NC.....                              | 18,948              | 19,992  | 20,848            | 4.3                         | 28,629                                  | 29,999 | 30,909            | 160                   |
| Greenville, NC.....   | 3,912               | 4,198   | 4,363             | 3.9                         | 24,693                                  | 26,177 | 26,834            | 290                   |
| Greenville, SC.....   | 15,873              | 16,660  | 17,522            | 5.2                         | 27,453                                  | 28,531 | 29,636            | 189                   |
| Gulfport-Biloxi, MS.....                                    | 6,408               | 6,704   | 6,713             | 0.1                         | 25,742                                  | 26,518 | 26,288            | 307                   |
| Hagerstown-Martinsburg, MD-WV.....                          | 6,382               | 6,872   | 7,326             | 6.6                         | 26,841                                  | 28,139 | 29,152            | 201                   |
| Hanford-Corcoran, CA.....                                   | 2,774               | 3,024   | 3,100             | 2.5                         | 20,013                                  | 21,253 | 21,613            | 355                   |
| Harrisburg-Carlisle, PA.....                                | 16,684              | 17,640  | 18,298            | 3.7                         | 32,272                                  | 34,004 | 35,067            | 71                    |
| Harrisburg, VA.....   | 2,717               | 2,856   | 2,980             | 4.3                         | 24,642                                  | 25,780 | 26,680            | 297                   |
| Hartford-West Hartford-East Hartford, CT.....               | 45,274              | 48,353  | 50,745            | 4.9                         | 38,389                                  | 40,880 | 42,706            | 12                    |
| Hattiesburg, MS.....  | 2,917               | 3,119   | 3,306             | 6.0                         | 22,725                                  | 24,000 | 25,073            | 331                   |
| Hickory-Lenoir-Morganton, NC.....                           | 8,782               | 9,297   | 9,560             | 2.8                         | 25,058                                  | 26,329 | 26,879            | 288                   |
| Hinesville-Fort Stewart, GA.....                            | 1,380               | 1,493   | 1,638             | 9.7                         | 19,592                                  | 20,904 | 23,872            | 344                   |
| Holland-Grand Haven, MI.....                                | 7,253               | 7,518   | 7,733             | 2.9                         | 29,047                                  | 29,720 | 30,278            | 176                   |
| Honolulu, HI.....   | 29,090              | 31,404  | 33,341            | 6.2                         | 32,573                                  | 34,911 | 36,830            | 46                    |
| Hot Springs, AR.....  | 2,283               | 2,418   | 2,530             | 4.6                         | 25,036                                  | 26,222 | 27,048            | 282                   |
| Houma-Bayou Cane-Thibodaux, LA.....                         | 4,921               | 5,149   | 5,371             | 4.3                         | 24,916                                  | 25,953 | 26,900            | 287                   |
| Houston-Sugar Land-Baytown, TX.....                         | 179,138             | 190,771 | 206,198           | 8.1                         | 35,304                                  | 36,852 | 39,052            | 31                    |
| Huntington-Ashland, WV-KY-OH.....                           | 6,902               | 7,207   | 7,532             | 4.5                         | 24,065                                  | 25,180 | 26,333            | 306                   |
| Huntsville, AL.....   | 10,898              | 11,474  | 12,210            | 6.4                         | 30,434                                  | 31,626 | 33,119            | 110                   |
| Idaho Falls, ID.....  | 2,717               | 2,941   | 3,139             | 6.7                         | 25,295                                  | 26,604 | 27,674            | 263                   |
| Indianapolis-Carmel, IN.....                                | 53,807              | 57,040  | 59,440            | 4.2                         | 33,631                                  | 35,266 | 36,231            | 52                    |
| Iowa City, IA.....  | 4,197               | 4,502   | 4,706             | 4.5                         | 30,831                                  | 32,729 | 33,971            | 85                    |
| Ithaca, NY.....   | 2,619               | 2,710   | 2,803             | 3.4                         | 26,338                                  | 27,078 | 28,024            | 245                   |
| Jackson, MI.....  | 4,249               | 4,376   | 4,503             | 2.9                         | 26,136                                  | 26,902 | 27,518            | 272                   |
| Jackson, MS.....  | 14,284              | 15,290  | 16,111            | 5.4                         | 28,002                                  | 29,571 | 30,830            | 163                   |
| Jackson, TN.....  | 2,867               | 3,019   | 3,144             | 4.1                         | 26,218                                  | 27,432 | 28,359            | 231                   |
| Jacksonville, FL.....                                       | 36,882              | 39,505  | 42,110            | 6.6                         | 30,826                                  | 32,283 | 33,732            | 93                    |
| Jacksonville, NC.....                                       | 3,874               | 4,344   | 4,785             | 10.1                        | 25,579                                  | 28,104 | 31,387            | 145                   |
| Janesville, WI.....   | 4,403               | 4,436   | 4,561             | 2.8                         | 28,442                                  | 28,399 | 28,954            | 211                   |
| Jefferson City, MO.....                                     | 3,889               | 4,134   | 4,266             | 3.2                         | 27,175                                  | 29,039 | 29,656            | 188                   |
| Johnson City, TN.....                                       | 4,361               | 4,657   | 4,852             | 4.2                         | 23,424                                  | 24,873 | 25,682            | 321                   |
| Johnstown, PA.....  | 3,620               | 3,797   | 3,965             | 4.4                         | 24,221                                  | 25,541 | 26,780            | 292                   |
| Jonesboro, AR.....  | 2,602               | 2,751   | 2,815             | 2.3                         | 23,641                                  | 24,773 | 25,113            | 329                   |
| Joplin, MO.....   | 3,817               | 4,049   | 4,196             | 3.6                         | 23,541                                  | 24,686 | 25,249            | 326                   |

See the footnotes at the end of the table.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003-2005—Continues

| Area name   | Personal income     |         |                   |                             | Per capita personal income <sup>1</sup> |        |                   |                       |
|---|---------------------|---------|-------------------|-----------------------------|---|--------|-------------------|-----------------------|
|   | Millions of dollars |         |                   | Percent change <sup>2</sup> | Dollars                                 |        |                   | Rank in United States |
|   | 2003                | 2004    | 2005 <sup>3</sup> |                             | 2003                                    | 2004   | 2005 <sup>3</sup> |                       |
| <b>Metropolitan statistical areas<sup>3</sup>—Continued</b> |                     |         |                   |                             |   |        |                   |                       |
| Kalamazoo-Portage, MI.....                                  | 9,343               | 9,571   | 9,706             | 1.4                         | 29,228                                  | 30,070 | 30,394            | 172                   |
| Kankakee-Bradley, IL.....                                   | 2,804               | 2,870   | 2,902             | 1.1                         | 26,408                                  | 26,810 | 26,876            | 289                   |
| Kansas City, MO-KS.....                                     | 63,337              | 66,654  | 69,843            | 4.8                         | 33,191                                  | 34,585 | 35,859            | 60                    |
| Kennewick-Richland-Pasco, WA.....                           | 5,690               | 6,017   | 6,254             | 3.9                         | 27,078                                  | 27,915 | 28,304            | 232                   |
| Killeen-Temple-Fort Hood, TX.....                           | 8,740               | 9,321   | 10,162            | 9.0                         | 25,411                                  | 26,944 | 28,907            | 213                   |
| Kingsport-Bristol-Bristol, TN-VA.....                       | 7,490               | 7,894   | 8,184             | 3.7                         | 24,983                                  | 26,316 | 27,163            | 278                   |
| Kingston, NY.....   | 4,856               | 5,105   | 5,345             | 4.7                         | 26,806                                  | 28,076 | 29,258            | 200                   |
| Knoxville, TN.....  | 18,384              | 19,545  | 20,474            | 4.8                         | 28,703                                  | 30,209 | 31,238            | 150                   |
| Kokomo, IN.....   | 3,190               | 3,159   | 3,154             | -0.2                        | 31,478                                  | 31,236 | 31,115            | 152                   |
| La Crosse, WI-MN.....                                       | 3,638               | 3,814   | 3,946             | 3.5                         | 28,334                                  | 29,707 | 30,613            | 166                   |
| Lafayette, IN.....  | 4,613               | 4,888   | 5,081             | 3.9                         | 25,491                                  | 26,943 | 27,711            | 261                   |
| Lafayette, LA.....  | 6,753               | 7,130   | 7,727             | 8.4                         | 27,706                                  | 29,019 | 31,180            | 151                   |
| Lake Charles, LA.....                                       | 4,906               | 5,134   | 4,695             | -8.6                        | 25,323                                  | 26,427 | 24,078            | 342                   |
| Lakeland, FL.....   | 13,031              | 13,997  | 15,168            | 8.4                         | 25,518                                  | 26,698 | 27,938            | 248                   |
| Lancaster, PA.....  | 14,216              | 14,975  | 15,605            | 4.2                         | 29,456                                  | 30,790 | 31,809            | 133                   |
| Lansing-East Lansing, MI.....                               | 13,340              | 13,480  | 13,817            | 2.5                         | 29,392                                  | 29,588 | 30,345            | 174                   |
| Laredo, TX.....   | 3,636               | 3,888   | 4,217             | 8.5                         | 17,097                                  | 17,769 | 18,770            | 359                   |
| Las Cruces, NM.....   | 3,746               | 4,022   | 4,302             | 7.0                         | 20,523                                  | 21,677 | 22,706            | 350                   |
| Las Vegas-Paradise, NV.....                                 | 48,916              | 54,340  | 59,682            | 9.8                         | 31,054                                  | 32,963 | 34,890            | 75                    |
| Lawrence, KS.....   | 2,740               | 2,907   | 3,040             | 4.6                         | 26,860                                  | 28,291 | 29,536            | 192                   |
| Lawton, OK.....   | 2,837               | 2,989   | 3,129             | 4.7                         | 25,745                                  | 26,438 | 27,828            | 254                   |
| Lebanon, PA.....  | 3,428               | 3,626   | 3,753             | 3.5                         | 27,891                                  | 29,225 | 29,890            | 181                   |
| Lewiston, ID-WA.....  | 1,519               | 1,596   | 1,646             | 3.1                         | 26,078                                  | 27,222 | 27,846            | 253                   |
| Lewiston-Auburn, ME.....                                    | 2,945               | 3,084   | 3,177             | 3.0                         | 27,770                                  | 28,791 | 29,404            | 196                   |
| Lexington-Fayette, KY.....                                  | 13,180              | 13,896  | 14,539            | 4.6                         | 31,319                                  | 32,722 | 33,821            | 90                    |
| Lima, OH.....   | 2,840               | 2,901   | 2,991             | 3.1                         | 26,530                                  | 27,286 | 28,155            | 240                   |
| Lincoln, NE.....  | 8,595               | 9,121   | 9,464             | 3.8                         | 31,071                                  | 32,749 | 33,612            | 97                    |
| Little Rock-North Little Rock, AR.....                      | 18,672              | 19,888  | 20,842            | 4.8                         | 29,690                                  | 31,283 | 32,399            | 122                   |
| Logan, UT-ID.....   | 2,202               | 2,378   | 2,483             | 4.4                         | 20,259                                  | 21,761 | 22,481            | 351                   |
| Longview, TX.....   | 5,313               | 5,639   | 6,021             | 6.8                         | 26,750                                  | 28,201 | 29,880            | 183                   |
| Longview, WA.....   | 2,326               | 2,434   | 2,544             | 4.5                         | 24,476                                  | 25,298 | 26,139            | 312                   |
| Los Angeles-Long Beach-Santa Ana, CA.....                   | 427,041             | 453,902 | 477,101           | 5.1                         | 33,318                                  | 35,188 | 36,917            | 45                    |
| Louisville-Jefferson County, KY-IN.....                     | 37,575              | 39,650  | 41,208            | 3.9                         | 31,580                                  | 33,058 | 34,100            | 81                    |
| Lubbock, TX.....  | 6,524               | 6,927   | 7,346             | 6.0                         | 25,398                                  | 26,867 | 28,364            | 230                   |
| Lynchburg, VA.....  | 6,097               | 6,476   | 6,830             | 5.5                         | 26,274                                  | 27,690 | 28,828            | 215                   |
| Macon, GA.....  | 6,155               | 6,483   | 6,739             | 3.9                         | 27,170                                  | 28,442 | 29,466            | 194                   |
| Madera, CA.....   | 2,738               | 3,049   | 3,182             | 4.4                         | 20,481                                  | 21,949 | 22,844            | 353                   |
| Madison, WI.....  | 18,658              | 19,894  | 20,836            | 4.7                         | 35,554                                  | 37,447 | 38,799            | 32                    |
| Manchester-Nashua, NH.....                                  | 14,345              | 15,343  | 16,053            | 4.6                         | 36,339                                  | 38,515 | 40,004            | 25                    |
| Mansfield, OH.....  | 3,372               | 3,419   | 3,472             | 1.6                         | 26,298                                  | 26,690 | 27,139            | 279                   |
| McAllen-Edinburg-Mission, TX.....                           | 9,491               | 10,162  | 10,867            | 6.9                         | 14,938                                  | 15,460 | 16,022            | 361                   |
| Medford, OR.....  | 5,157               | 5,507   | 5,817             | 5.6                         | 27,089                                  | 28,531 | 29,783            | 185                   |
| Memphis, TN-MS-AR.....                                      | 38,592              | 40,877  | 42,720            | 4.5                         | 31,172                                  | 32,741 | 33,880            | 88                    |
| Merced, CA.....   | 4,977               | 5,538   | 5,668             | 2.4                         | 21,505                                  | 23,379 | 23,450            | 346                   |
| Miami-Fort Lauderdale-Miami Beach, FL.....                  | 172,864             | 183,587 | 196,789           | 7.2                         | 32,762                                  | 34,278 | 36,293            | 51                    |
| Michigan City-La Porte, IN.....                             | 2,800               | 2,933   | 3,006             | 2.5                         | 25,504                                  | 26,729 | 27,204            | 277                   |
| Midland, TX.....  | 4,056               | 4,398   | 4,847             | 10.2                        | 34,153                                  | 36,642 | 39,939            | 26                    |
| Milwaukee-Waukesha-West Allis, WI.....                      | 52,865              | 55,217  | 57,279            | 3.7                         | 34,949                                  | 36,488 | 37,862            | 38                    |
| Minneapolis-St. Paul-Bloomington, MN-WI.....                | 119,741             | 127,365 | 132,258           | 3.8                         | 38,836                                  | 40,915 | 42,083            | 14                    |
| Missoula, MT.....   | 2,783               | 2,935   | 3,102             | 5.7                         | 28,274                                  | 29,625 | 30,991            | 157                   |
| Mobile, AL.....   | 9,160               | 9,539   | 10,127            | 6.2                         | 22,916                                  | 23,840 | 25,227            | 327                   |
| Modesto, CA.....  | 11,945              | 12,880  | 13,605            | 5.6                         | 24,337                                  | 25,885 | 26,915            | 286                   |
| Monroe, LA.....   | 4,264               | 4,476   | 4,744             | 6.0                         | 24,993                                  | 26,163 | 27,723            | 259                   |
| Monroe, MI.....   | 4,605               | 4,622   | 4,677             | 1.2                         | 30,517                                  | 30,320 | 30,384            | 173                   |
| Montgomery, AL.....   | 10,035              | 10,521  | 11,104            | 5.5                         | 28,462                                  | 29,699 | 31,083            | 155                   |
| Morgantown, WV.....   | 2,920               | 3,099   | 3,294             | 6.3                         | 25,739                                  | 27,211 | 28,768            | 219                   |
| Morristown, TN.....   | 2,923               | 3,061   | 3,176             | 3.8                         | 22,952                                  | 23,767 | 24,323            | 341                   |
| Mount Vernon-Anacortes, WA.....                             | 3,235               | 3,380   | 3,598             | 6.5                         | 29,637                                  | 30,415 | 31,793            | 134                   |
| Muncie, IN.....   | 3,078               | 3,152   | 3,234             | 2.6                         | 26,006                                  | 26,825 | 27,792            | 258                   |
| Muskegon-Norton Shores, MI.....                             | 4,291               | 4,424   | 4,523             | 2.2                         | 24,775                                  | 25,406 | 25,764            | 319                   |
| Myrtle Beach-Conway-North Myrtle Beach, SC.....             | 5,298               | 5,696   | 6,057             | 6.4                         | 25,118                                  | 26,170 | 26,686            | 296                   |
| Napa, CA.....   | 5,055               | 5,384   | 5,672             | 5.3                         | 38,352                                  | 40,666 | 42,720            | 11                    |
| Naples-Marco Island, FL.....                                | 11,993              | 12,711  | 13,659            | 7.5                         | 41,926                                  | 42,846 | 44,458            | 9                     |
| Nashville-Davidson-Murfreesboro, TN.....                    | 45,742              | 48,690  | 51,845            | 6.5                         | 33,354                                  | 34,904 | 36,445            | 48                    |
| New Haven-Milford, CT.....                                  | 30,326              | 32,300  | 33,550            | 3.9                         | 36,046                                  | 38,254 | 39,622            | 29                    |
| New Orleans-Metairie-Kenner, LA.....                        | 38,591              | 40,889  | 27,340            | -33.1                       | 29,342                                  | 31,024 | 20,722            | 357                   |
| New York-Northern New Jersey-Long Island, NY-NJ-PA.....     | 760,159             | 811,644 | 854,317           | 5.3                         | 40,679                                  | 43,277 | 45,570            | 8                     |
| Niles-Benton Harbor, MI.....                                | 4,489               | 4,670   | 4,734             | 1.4                         | 27,572                                  | 28,684 | 29,114            | 203                   |
| Norwich-New London, CT.....                                 | 9,563               | 10,059  | 10,454            | 3.9                         | 36,106                                  | 37,801 | 39,209            | 30                    |
| Ocala, FL.....  | 6,686               | 7,221   | 7,760             | 7.5                         | 23,803                                  | 24,749 | 25,574            | 322                   |
| Ocean City, NJ.....   | 3,525               | 3,669   | 3,810             | 3.8                         | 34,641                                  | 36,525 | 38,379            | 35                    |
| Odessa, TX.....   | 2,824               | 2,988   | 3,234             | 8.2                         | 22,971                                  | 24,040 | 25,805            | 318                   |
| Ogden-Clearfield, UT.....                                   | 12,275              | 13,010  | 13,733            | 5.6                         | 26,192                                  | 27,255 | 28,208            | 236                   |
| Oklahoma City, OK.....                                      | 33,053              | 34,785  | 36,590            | 5.2                         | 29,202                                  | 30,449 | 31,630            | 138                   |
| Olympia, WA.....  | 6,858               | 7,230   | 7,660             | 6.0                         | 31,034                                  | 32,180 | 33,469            | 102                   |
| Omaha-Council Bluffs, NE-IA.....                            | 27,215              | 28,980  | 30,391            | 4.9                         | 34,363                                  | 36,124 | 37,373            | 41                    |
| Orlando-Kissimmee, FL.....                                  | 50,821              | 55,103  | 60,148            | 9.2                         | 28,206                                  | 29,576 | 31,112            | 154                   |
| Oshkosh-Neenah, WI.....                                     | 4,883               | 5,121   | 5,321             | 3.9                         | 30,829                                  | 32,275 | 33,362            | 106                   |
| Owensboro, KY.....  | 2,812               | 2,980   | 3,076             | 3.2                         | 25,378                                  | 26,836 | 27,563            | 269                   |
| Oxnard-Thousand Oaks-Ventura, CA.....                       | 27,980              | 30,047  | 31,692            | 5.5                         | 35,407                                  | 37,740 | 39,809            | 28                    |

See the footnotes at the end of the table.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003-2005—Continues

| Area name   | Personal income     |         |                   |                             | Per capita personal income <sup>1</sup> |        |                   |                       |
|---|---------------------|---------|-------------------|-----------------------------|---|--------|-------------------|-----------------------|
|   | Millions of dollars |         |                   | Percent change <sup>2</sup> | Dollars                                 |        |                   | Rank in United States |
|   | 2003                | 2004    | 2005 <sup>3</sup> |                             | 2003                                    | 2004   | 2005 <sup>3</sup> |                       |
| <b>Metropolitan statistical areas<sup>3</sup>—Continued</b> |                     |         |                   |                             |   |        |                   |                       |
| Palm Bay-Melbourne-Titusville, FL .....                     | 14,530              | 15,638  | 16,659            | 6.5                         | 28,754                                  | 30,142 | 31,359            | 146                   |
| Panama City-Lynn Haven, FL .....                            | 4,101               | 4,429   | 4,768             | 7.7                         | 26,475                                  | 28,064 | 29,515            | 193                   |
| Parkersburg-Marietta-Vienna, WV-OH .....                    | 4,130               | 4,321   | 4,427             | 2.5                         | 25,317                                  | 26,520 | 27,241            | 274                   |
| Pascagoula, MS .....  | 3,701               | 3,877   | 3,998             | 3.1                         | 24,012                                  | 24,876 | 25,433            | 324                   |
| Pensacola-Ferry Pass-Brent, FL .....                        | 10,869              | 11,532  | 12,185            | 5.7                         | 25,288                                  | 26,521 | 27,701            | 262                   |
| Peoria, IL .....  | 10,948              | 11,623  | 12,226            | 5.2                         | 29,912                                  | 31,632 | 33,118            | 111                   |
| Philadelphia-Camden-Wilmington, PA-NJ-DE-MD .....           | 213,362             | 224,811 | 235,657           | 4.8                         | 36,971                                  | 38,768 | 40,468            | 21                    |
| Phoenix-Mesa-Scottsdale, AZ .....                           | 106,385             | 115,604 | 125,755           | 8.8                         | 29,609                                  | 31,133 | 32,536            | 117                   |
| Pine Bluff, AR .....  | 2,287               | 2,425   | 2,467             | 1.7                         | 21,568                                  | 23,051 | 23,526            | 345                   |
| Pittsburgh, PA .....  | 79,442              | 83,168  | 86,396            | 3.9                         | 32,987                                  | 34,685 | 36,208            | 54                    |
| Pittsfield, MA .....  | 4,362               | 4,619   | 4,852             | 5.1                         | 32,788                                  | 34,887 | 36,798            | 47                    |
| Pocatello, ID .....   | 1,893               | 2,031   | 2,132             | 5.0                         | 22,368                                  | 23,706 | 24,820            | 335                   |
| Portland-South Portland-Biddeford, ME .....                 | 16,405              | 17,540  | 18,191            | 3.7                         | 32,327                                  | 34,323 | 35,375            | 67                    |
| Portland-Vancouver-Beaverton, OR-WA .....                   | 65,959              | 69,853  | 73,806            | 5.7                         | 32,328                                  | 33,875 | 35,215            | 69                    |
| Port St. Lucie-Fort Pierce, FL .....                        | 10,752              | 11,493  | 12,368            | 7.6                         | 30,812                                  | 31,505 | 32,458            | 119                   |
| Poughkeepsie-Newburgh-Middletown, NY .....                  | 19,951              | 21,304  | 22,367            | 5.0                         | 30,433                                  | 32,140 | 33,497            | 101                   |
| Prescott, AZ .....  | 4,075               | 4,426   | 4,772             | 7.8                         | 22,092                                  | 23,203 | 24,015            | 343                   |
| Providence-New Bedford-Fall River, RI-MA .....              | 52,205              | 55,181  | 57,588            | 4.4                         | 32,176                                  | 33,912 | 35,493            | 64                    |
| Provo-Orem, UT .....  | 8,420               | 9,049   | 9,748             | 7.7                         | 19,528                                  | 20,421 | 21,527            | 356                   |
| Pueblo, CO .....  | 3,629               | 3,863   | 3,957             | 2.4                         | 24,372                                  | 25,759 | 26,510            | 311                   |
| Punta Gorda, FL .....                                       | 3,900               | 4,091   | 4,351             | 6.4                         | 25,527                                  | 26,003 | 27,618            | 267                   |
| Racine, WI .....  | 6,038               | 6,348   | 6,540             | 3.0                         | 31,374                                  | 32,744 | 33,417            | 103                   |
| Raleigh-Cary, NC .....                                      | 29,407              | 31,564  | 33,416            | 5.9                         | 33,122                                  | 34,498 | 35,186            | 70                    |
| Rapid City, SD .....  | 3,397               | 3,576   | 3,754             | 5.0                         | 29,310                                  | 30,424 | 31,757            | 135                   |
| Reading, PA .....   | 11,561              | 12,056  | 12,543            | 4.0                         | 29,924                                  | 30,798 | 31,648            | 137                   |
| Redding, CA .....   | 4,618               | 4,875   | 5,071             | 4.0                         | 26,304                                  | 27,416 | 28,189            | 239                   |
| Reno-Sparks, NV .....                                       | 14,093              | 15,155  | 16,112            | 6.3                         | 37,620                                  | 39,430 | 40,898            | 18                    |
| Richmond, VA .....  | 38,013              | 40,978  | 43,697            | 6.6                         | 33,316                                  | 35,422 | 37,169            | 43                    |
| Riverside-San Bernardino-Ontario, CA .....                  | 89,307              | 97,560  | 103,944           | 6.5                         | 24,499                                  | 25,769 | 26,584            | 302                   |
| Roanoke, VA .....   | 8,639               | 9,201   | 9,555             | 3.9                         | 29,779                                  | 31,599 | 32,614            | 116                   |
| Rochester, MN .....   | 6,030               | 6,402   | 6,583             | 2.8                         | 35,006                                  | 36,619 | 37,198            | 42                    |
| Rochester, NY .....   | 32,082              | 33,630  | 34,930            | 3.9                         | 30,814                                  | 32,303 | 33,618            | 96                    |
| Rockford, IL .....  | 9,181               | 9,376   | 9,651             | 2.9                         | 27,723                                  | 28,008 | 28,453            | 228                   |
| Rocky Mount, NC .....                                       | 3,644               | 3,838   | 3,946             | 2.8                         | 25,245                                  | 26,464 | 27,116            | 280                   |
| Rome, GA .....  | 2,406               | 2,578   | 2,704             | 4.9                         | 25,753                                  | 27,412 | 28,704            | 221                   |
| Sacramento-Arden-Arcade-Roseville, CA .....                 | 62,857              | 67,162  | 71,082            | 5.8                         | 31,829                                  | 33,338 | 34,805            | 77                    |
| Saginaw-Saginaw Township North, MI .....                    | 5,503               | 5,528   | 5,556             | 0.5                         | 26,276                                  | 26,416 | 26,667            | 298                   |
| St. Cloud, MN .....   | 4,834               | 5,155   | 5,312             | 3.0                         | 27,195                                  | 28,770 | 29,323            | 199                   |
| St. George, UT .....  | 2,137               | 2,377   | 2,651             | 11.5                        | 20,442                                  | 21,530 | 22,299            | 352                   |
| St. Joseph, MO-KS .....                                     | 2,988               | 3,176   | 3,294             | 3.7                         | 24,314                                  | 26,028 | 27,009            | 283                   |
| St. Louis, MO-IL .....                                      | 92,668              | 96,170  | 100,511           | 4.5                         | 33,667                                  | 34,735 | 36,174            | 55                    |
| Salem, OR .....   | 9,479               | 9,995   | 10,553            | 5.6                         | 25,992                                  | 27,044 | 28,100            | 243                   |
| Salinas, CA .....   | 13,456              | 14,075  | 14,607            | 3.8                         | 32,469                                  | 33,952 | 35,444            | 65                    |
| Salisbury, MD .....   | 2,824               | 3,040   | 3,203             | 5.4                         | 25,011                                  | 26,579 | 27,557            | 270                   |
| Salt Lake City, UT .....                                    | 30,071              | 32,001  | 34,426            | 7.6                         | 29,897                                  | 31,419 | 33,279            | 108                   |
| San Angelo, TX .....  | 2,775               | 2,921   | 3,032             | 3.8                         | 26,261                                  | 27,678 | 28,777            | 218                   |
| San Antonio, TX .....                                       | 50,418              | 53,622  | 56,901            | 6.1                         | 27,773                                  | 28,946 | 30,109            | 178                   |
| San Diego-Carlsbad-San Marcos, CA .....                     | 104,050             | 111,435 | 116,986           | 5.0                         | 35,620                                  | 37,965 | 39,880            | 27                    |
| Sandusky, OH .....  | 2,541               | 2,607   | 2,671             | 2.5                         | 32,215                                  | 33,006 | 33,955            | 86                    |
| San Francisco-Oakland-Fremont, CA .....                     | 193,833             | 204,346 | 215,791           | 5.6                         | 46,652                                  | 49,276 | 51,964            | 2                     |
| San Jose-Sunnyvale-Santa Clara, CA .....                    | 79,313              | 84,343  | 88,404            | 4.8                         | 45,803                                  | 48,530 | 50,373            | 3                     |
| San Luis Obispo-Paso Robles, CA .....                       | 7,685               | 8,188   | 8,559             | 4.5                         | 30,363                                  | 32,180 | 33,503            | 100                   |
| Santa Barbara-Santa Maria, CA .....                         | 13,638              | 14,493  | 15,342            | 5.9                         | 33,851                                  | 36,079 | 38,282            | 36                    |
| Santa Cruz-Watsonville, CA .....                            | 9,428               | 9,987   | 10,375            | 3.9                         | 37,477                                  | 39,815 | 41,555            | 17                    |
| Santa Fe, NM .....  | 4,528               | 4,794   | 5,066             | 5.7                         | 32,999                                  | 34,448 | 35,964            | 57                    |
| Santa Rosa-Petaluma, CA .....                               | 17,213              | 18,203  | 19,065            | 4.7                         | 36,844                                  | 38,901 | 40,871            | 19                    |
| Sarasota-Bradenton-Venice, FL .....                         | 23,457              | 24,991  | 26,997            | 8.0                         | 36,999                                  | 38,348 | 40,112            | 24                    |
| Savannah, GA .....  | 8,806               | 9,408   | 10,066            | 7.0                         | 28,870                                  | 30,316 | 32,069            | 128                   |
| Scranton-Wilkes-Barre, PA .....                             | 15,291              | 16,086  | 16,766            | 4.2                         | 27,680                                  | 29,183 | 30,453            | 171                   |
| Seattle-Tacoma-Bellevue, WA .....                           | 120,821             | 131,886 | 133,452           | 1.2                         | 38,447                                  | 41,634 | 41,661            | 15                    |
| Sebastian-Vero Beach, FL .....                              | 4,831               | 5,071   | 5,344             | 5.4                         | 40,162                                  | 40,677 | 41,560            | 16                    |
| Sheboygan, WI .....   | 3,551               | 3,793   | 3,952             | 4.2                         | 31,295                                  | 33,299 | 34,481            | 78                    |
| Sherman-Denison, TX .....                                   | 2,729               | 2,856   | 3,016             | 5.6                         | 23,732                                  | 24,652 | 25,810            | 317                   |
| Shreveport-Bossier City, LA .....                           | 10,296              | 11,039  | 11,699            | 6.0                         | 27,226                                  | 28,990 | 30,527            | 167                   |
| Sioux City, IA-NE-SD .....                                  | 3,912               | 4,079   | 4,221             | 3.5                         | 27,365                                  | 28,503 | 29,605            | 191                   |
| Sioux Falls, SD .....                                       | 6,587               | 6,956   | 7,356             | 5.8                         | 33,174                                  | 34,234 | 35,379            | 66                    |
| South Bend-Mishawaka, IN-MI .....                           | 9,301               | 9,748   | 10,032            | 2.9                         | 29,324                                  | 30,704 | 31,530            | 143                   |
| Spartanburg, SC .....                                       | 6,635               | 6,897   | 7,126             | 3.3                         | 25,340                                  | 26,114 | 26,710            | 294                   |
| Spokane, WA .....   | 11,576              | 12,212  | 12,828            | 5.0                         | 26,871                                  | 28,065 | 29,107            | 204                   |
| Springfield, IL .....                                       | 7,300               | 6,684   | 6,783             | 1.5                         | 35,661                                  | 32,598 | 33,003            | 113                   |
| Springfield, MA .....                                       | 20,415              | 21,406  | 22,285            | 4.1                         | 29,717                                  | 31,146 | 32,425            | 120                   |
| Springfield, MO .....                                       | 9,929               | 10,559  | 11,177            | 5.9                         | 25,840                                  | 27,012 | 28,075            | 244                   |
| Springfield, OH .....                                       | 3,901               | 4,000   | 4,088             | 2.2                         | 27,346                                  | 28,094 | 28,712            | 220                   |
| State College, PA .....                                     | 3,568               | 3,784   | 3,967             | 4.8                         | 25,531                                  | 27,041 | 28,223            | 235                   |
| Stockton, CA .....  | 15,543              | 16,573  | 17,387            | 4.9                         | 24,620                                  | 25,527 | 26,181            | 309                   |
| Sumter, SC .....  | 2,368               | 2,508   | 2,583             | 3.0                         | 22,437                                  | 23,732 | 24,482            | 338                   |
| Syracuse, NY .....  | 18,707              | 19,557  | 20,256            | 3.6                         | 28,660                                  | 29,944 | 31,078            | 156                   |

See the footnotes at the end of the table.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003–2005—Table Ends

| Area name  | Personal income     |         |                   |                             | Per capita personal income <sup>1</sup> |        |                   |                       |
|--|---------------------|---------|-------------------|-----------------------------|---|--------|-------------------|-----------------------|
|  | Millions of dollars |         |                   | Percent change <sup>2</sup> | Dollars                                 |        |                   | Rank in United States |
|  | 2003                | 2004    | 2005 <sup>p</sup> |                             | 2003                                    | 2004   | 2005 <sup>p</sup> |                       |
| <b>Metropolitan statistical areas <sup>3</sup>—Continued</b> |                     |         |                   |                             |   |        |                   |                       |
| Tallahassee, FL .....  | 8,695               | 9,272   | 9,721             | 4.8                         | 26,507                                  | 27,990 | 29,026            | 207                   |
| Tampa-St. Petersburg-Clearwater, FL .....                    | 76,757              | 81,929  | 87,393            | 6.7                         | 30,341                                  | 31,677 | 33,008            | 112                   |
| Terre Haute, IN .....  | 4,080               | 4,304   | 4,409             | 2.4                         | 24,079                                  | 25,547 | 26,237            | 308                   |
| Texarkana, TX-Texarkana, AR .....                            | 3,156               | 3,369   | 3,571             | 6.0                         | 23,974                                  | 25,386 | 26,687            | 295                   |
| Toledo, OH .....   | 19,716              | 20,132  | 20,639            | 2.5                         | 29,914                                  | 30,599 | 31,429            | 144                   |
| Topeka, KS .....   | 6,398               | 6,737   | 7,016             | 4.1                         | 28,227                                  | 29,599 | 30,629            | 165                   |
| Trenton-Ewing, NJ .....                                      | 15,226              | 16,273  | 17,123            | 5.2                         | 42,165                                  | 44,661 | 46,751            | 6                     |
| Tucson, AZ .....   | 22,953              | 24,697  | 26,339            | 6.6                         | 25,777                                  | 27,244 | 28,481            | 227                   |
| Tulsa, OK .....  | 26,841              | 28,315  | 30,111            | 6.3                         | 30,523                                  | 32,150 | 33,920            | 87                    |
| Tuscaloosa, AL .....   | 5,137               | 5,379   | 5,790             | 7.6                         | 26,442                                  | 27,571 | 29,408            | 195                   |
| Tyler, TX .....  | 5,239               | 5,603   | 5,958             | 6.3                         | 28,493                                  | 29,993 | 31,258            | 149                   |
| Utica-Rome, NY .....   | 7,322               | 7,717   | 7,982             | 3.4                         | 24,570                                  | 25,857 | 26,796            | 291                   |
| Valdosta, GA .....   | 2,772               | 2,907   | 3,044             | 4.7                         | 22,716                                  | 23,498 | 24,386            | 340                   |
| Vallejo-Fairfield, CA .....                                  | 12,409              | 13,167  | 13,822            | 5.0                         | 30,177                                  | 31,967 | 33,581            | 98                    |
| Victoria, TX .....   | 3,008               | 3,163   | 3,358             | 6.2                         | 26,624                                  | 27,933 | 29,624            | 190                   |
| Vineland-Millville-Bridgeton, NJ .....                       | 3,888               | 4,111   | 4,275             | 4.0                         | 26,022                                  | 27,224 | 27,894            | 250                   |
| Virginia Beach-Norfolk-Newport News, VA-NC .....             | 48,892              | 52,222  | 54,883            | 5.1                         | 30,090                                  | 31,811 | 33,316            | 107                   |
| Visalia-Porterville, CA .....                                | 8,477               | 9,283   | 9,575             | 3.1                         | 21,683                                  | 23,153 | 23,304            | 347                   |
| Waco, TX .....   | 5,399               | 5,683   | 6,006             | 5.7                         | 24,578                                  | 25,512 | 26,733            | 293                   |
| Warner Robins, GA .....                                      | 3,203               | 3,394   | 3,603             | 6.2                         | 26,688                                  | 27,417 | 28,559            | 224                   |
| Washington-Arlington-Alexandria, DC-VA-MD-WV .....           | 223,286             | 241,286 | 258,281           | 7.0                         | 43,913                                  | 46,782 | 49,530            | 4                     |
| Waterloo-Cedar Falls, IA .....                               | 4,484               | 4,884   | 5,072             | 3.8                         | 27,756                                  | 30,226 | 31,331            | 147                   |
| Wausau, WI .....   | 3,779               | 3,989   | 4,181             | 4.8                         | 29,701                                  | 31,206 | 32,422            | 121                   |
| Weirton-Stuebenville, WV-OH .....                            | 3,143               | 3,254   | 3,371             | 3.6                         | 24,450                                  | 25,522 | 26,653            | 299                   |
| Wenatchee, WA .....  | 2,637               | 2,823   | 2,954             | 4.7                         | 25,915                                  | 27,319 | 28,198            | 238                   |
| Wheeling, WV-OH .....  | 3,877               | 4,042   | 4,242             | 4.9                         | 25,818                                  | 27,049 | 28,528            | 226                   |
| Wichita, KS .....  | 17,556              | 18,556  | 19,589            | 5.6                         | 30,183                                  | 31,781 | 33,368            | 105                   |
| Wichita Falls, TX .....                                      | 4,132               | 4,285   | 4,407             | 2.8                         | 27,816                                  | 28,998 | 30,125            | 177                   |
| Williamsport, PA .....                                       | 3,070               | 3,227   | 3,311             | 2.6                         | 25,885                                  | 27,227 | 27,964            | 247                   |
| Wilmington, NC .....   | 7,740               | 8,392   | 9,008             | 7.3                         | 26,354                                  | 27,672 | 28,584            | 222                   |
| Winchester, VA-WV .....                                      | 3,010               | 3,250   | 3,500             | 7.7                         | 27,248                                  | 28,735 | 30,104            | 179                   |
| Winston-Salem, NC .....                                      | 13,143              | 13,970  | 14,511            | 3.9                         | 30,081                                  | 31,645 | 32,345            | 126                   |
| Worcester, MA .....  | 26,034              | 27,550  | 28,454            | 3.3                         | 33,576                                  | 35,384 | 36,328            | 50                    |
| Yakima, WA .....   | 5,458               | 5,766   | 5,830             | 1.1                         | 24,057                                  | 25,125 | 25,173            | 328                   |
| York-Hanover, PA .....                                       | 11,459              | 12,137  | 12,923            | 6.5                         | 28,996                                  | 30,262 | 31,611            | 140                   |
| Youngstown-Warren-Boardman, OH-PA .....                      | 15,603              | 16,015  | 16,443            | 2.7                         | 26,314                                  | 26,859 | 27,720            | 260                   |
| Yuba City, CA .....  | 3,611               | 3,821   | 4,008             | 4.9                         | 24,342                                  | 25,278 | 25,685            | 320                   |
| Yuma, AZ .....   | 3,284               | 3,563   | 3,702             | 3.9                         | 19,262                                  | 20,289 | 20,424            | 358                   |

p Preliminary

1. Per capita personal income was computed using Census Bureau midyear population estimates.

2. Percent change calculated from unrounded data.

3. The metropolitan area definitions used by BEA for its personal income estimates are the new county-

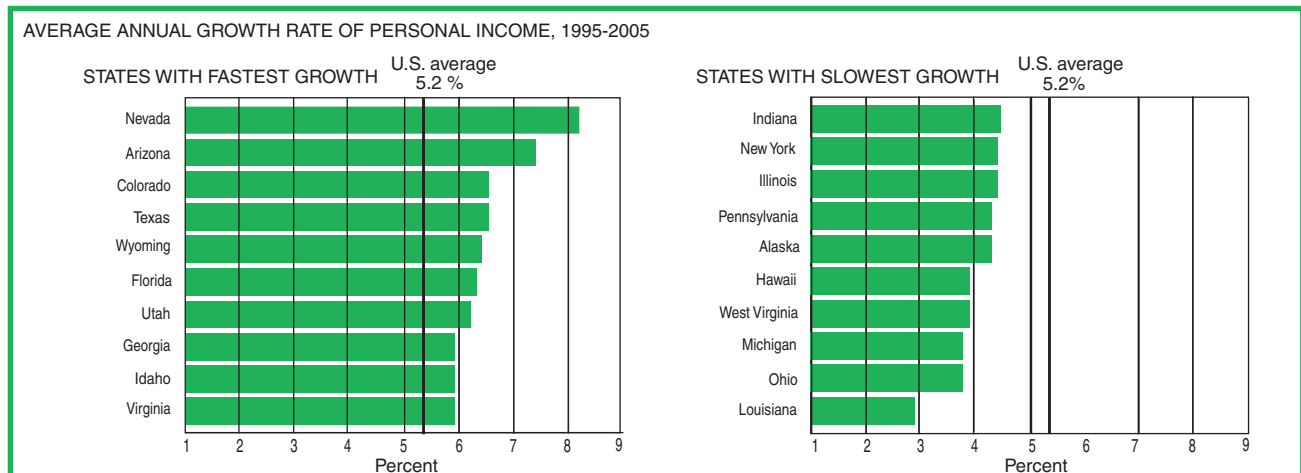
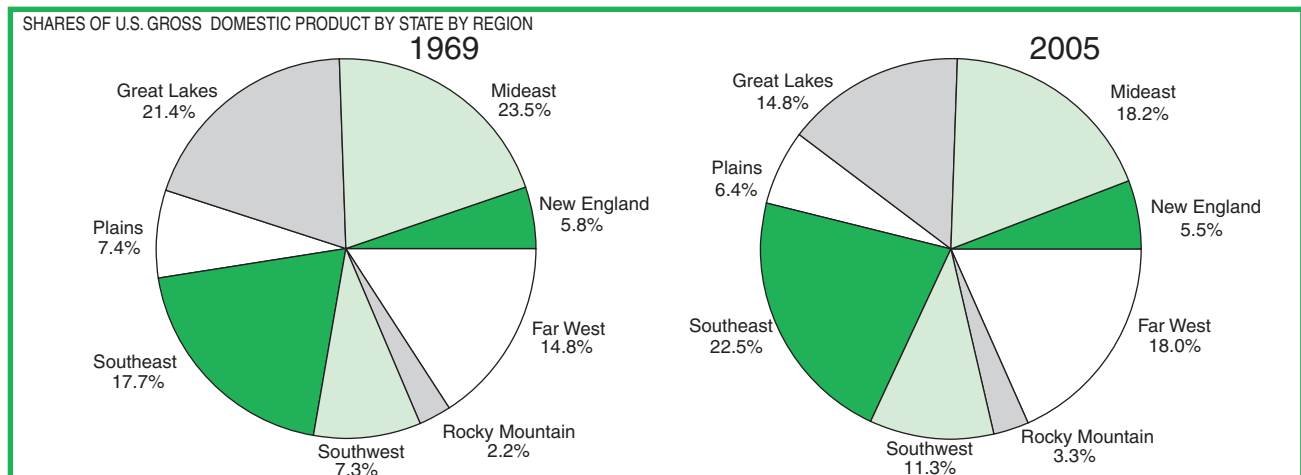
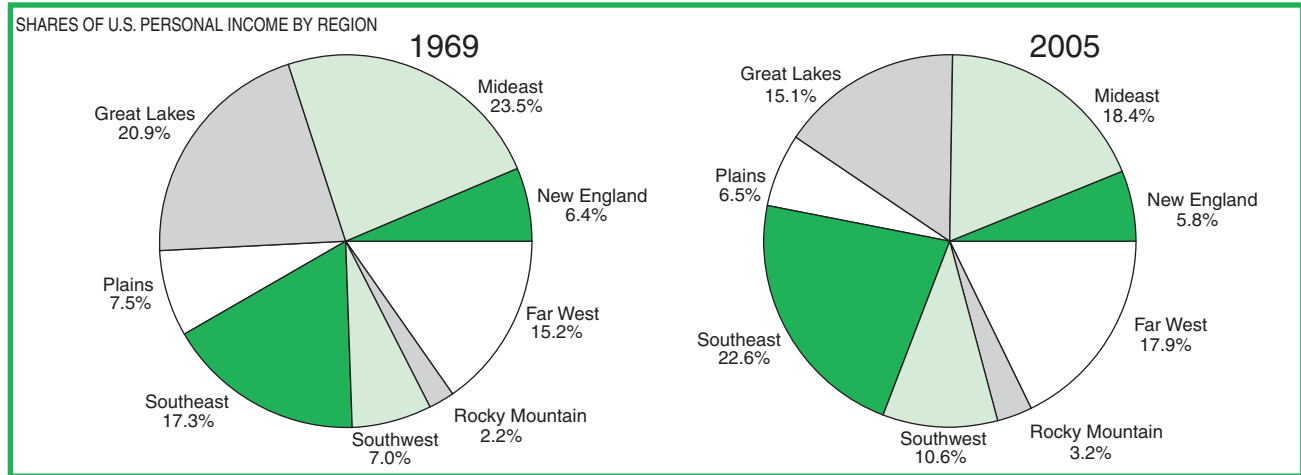
based definitions issued by the Office of Management and Budget in June 2003 (with revisions released February 2004, March 2005, and December 2005) for federal statistical purposes.

Source: Table 1 in "Personal Income for Metropolitan Areas for 2005" in the September 2006 SURVEY OF CURRENT BUSINESS.

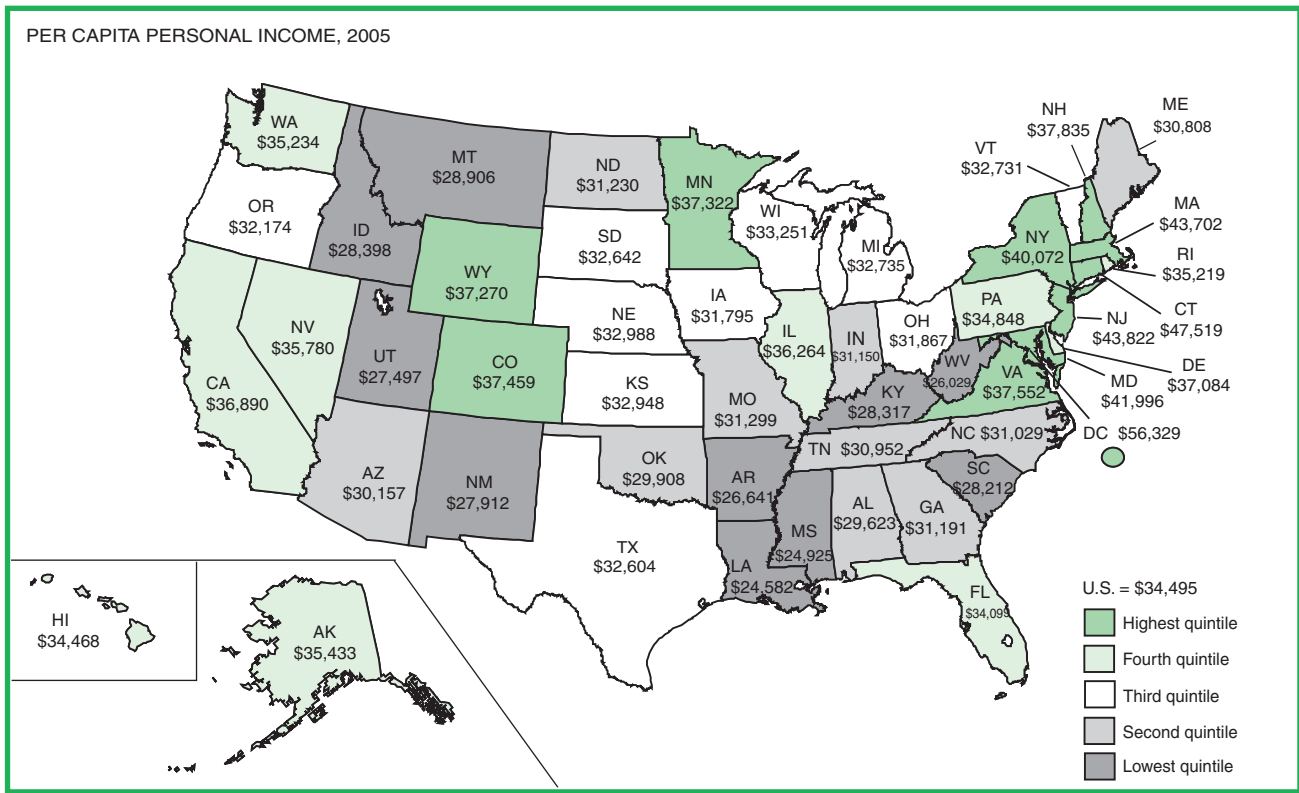
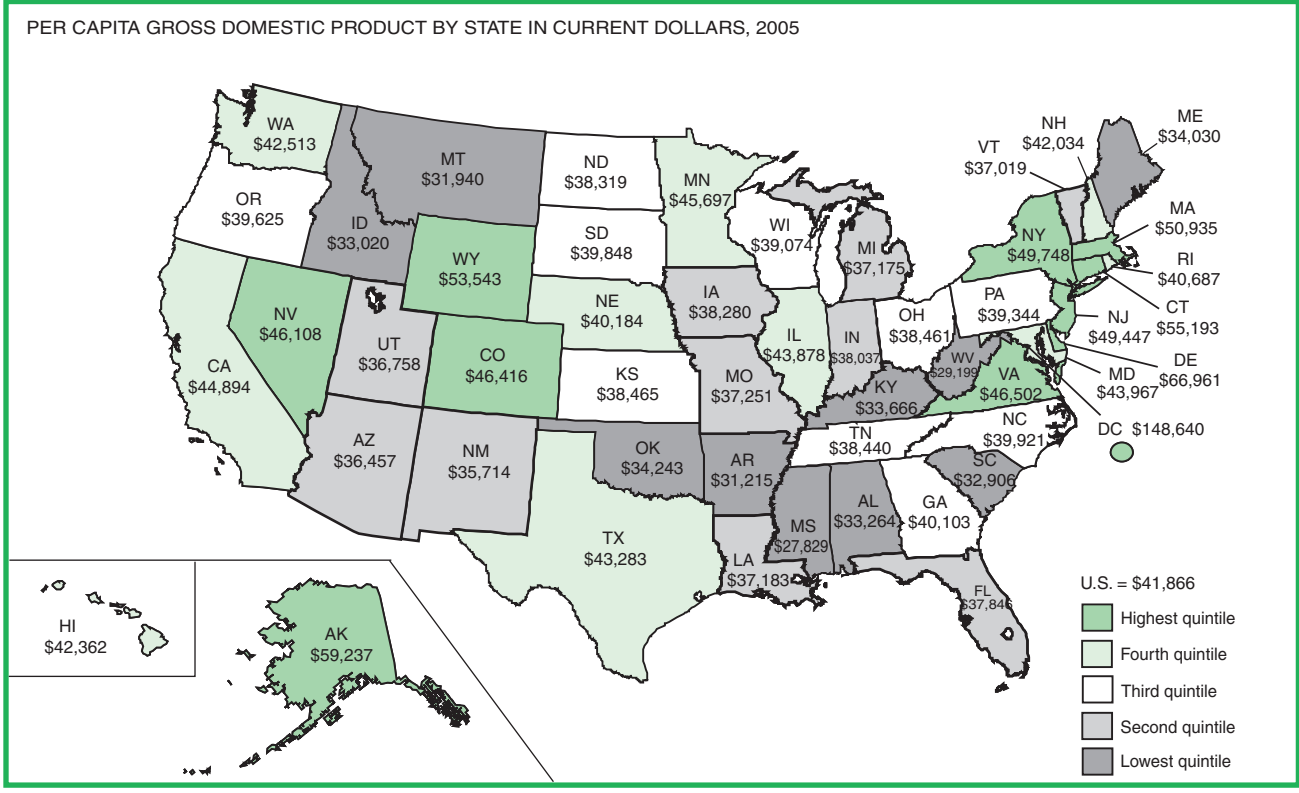


K. Charts

SELECTED REGIONAL ESTIMATES



### SELECTED REGIONAL ESTIMATES



## Appendixes

### A. Additional Information About the NIPA Estimates

#### Statistical Conventions

Current-dollar GDP is a measure of the market value of goods, services, and structures that are produced in the economy in a particular period. The changes in current-dollar GDP can be decomposed into quantity and price components. Quantities, or “real” measures, and prices are expressed as index numbers with the reference year—at present, the year 2000—equal to 100.<sup>1</sup>

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. For example, the annual percent change in real GDP for 2001–2002 uses prices for 2001 and 2002 as weights, and the 2001–2002 annual percent change in the GDP price index uses quantities for 2001 and 2002 as weights. 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 that is associated with changes in quantities and prices calculated using a fixed-weighted formula. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. The percent changes in the Fisher indexes are not affected by the choice of the reference year.

BEA also publishes implicit price deflators (IPDs), which are calculated as the ratio of the current-dollar value of a component to the chained-dollar value of the component, multiplied by 100. The values of an IPD are very close to the values of the corresponding “chain-type” price index.

The measures of real GDP and its major components are also presented in dollar-denominated form, designated “chained (2000) dollar estimates.” For most series, these estimates are computed by multiplying the current-dollar value in 2000 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2000 and if real output for this component increased by 10 percent in 2001, then the chained (2000) dollar value of this component in 2001 would be \$110 (\$100 × 1.10). The percent changes calculated from the chained (2000) dollar estimates and from the quantity indexes are the same; any differences will be small and due to rounding.

The chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP (or to any intermediate aggregate) in a table, because the relative prices that are used as weights for any period other than the reference year differ from those of the reference year. A measure of the effect of such differences is provided by a “residual” line—the differ-

ence between the chained-dollar value of the main aggregate in the table and the sum of the most detailed components in the table. For periods close to the reference year, when the relative prices that are used as weights have usually not changed much, the residuals tend to be small, and the chained-dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. For periods further from the reference year, the residuals tend to be larger, and the chained-dollar estimates are less useful for analyses of contributions to growth. In particular, for components for which relative prices are changing rapidly, the calculation of contributions based on chained-dollar estimates may be misleading even just a few years from the reference year. Thus, contributions derived from quantity indexes provide a better measure than contributions derived from chained-dollar estimates; contributions based on quantity indexes are shown in selected NIPA tables 1.1.2, 1.2.2, 1.5.2, 2.3.2, 3.9.2, 4.2.2, and 5.3.2.

For quarters and months, NIPA estimates are presented at annual rates, which show the value that would be registered if the rate of activity that is measured for a quarter or for a month were maintained for a full year. Annual rates are used so that periods of different lengths—for example, quarters and years—may be more 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).

For most quarterly NIPA estimates, *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 periodicity of the data (for example, 1 for annual data, 4 for quarterly data, or 12 for monthly data); and  $n$  is the number of periods between the earlier periods and the later periods (that is,  $t-0$ ).

Quarterly and monthly NIPA estimates are seasonally adjusted if necessary. Seasonal adjustment removes from the time series the average effects 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.

1. See J. Steven Landefeld, Brent R. Moulton, and Cindy M. Vojtech, “Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes,” *SURVEY OF CURRENT BUSINESS* (November 2003): 8–16.

## Reconciliation Table

**Table 1. Relation of Net Exports of Goods and Services and Net Receipts of Income in the NIPAs to Balance on Goods and Services and Income in the ITAs**

[Billions of dollars]

|  | Line | 2004           | 2005           | Seasonally adjusted at annual rates |                |                |                |                |                |
|--|------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
|  |      |                |                | 2005                                |                |                | 2006           |                |                |
|  |      |                |                | II                                  | III            | IV             | I              | II             | III            |
| <b>Exports of goods and services and income receipts, ITAs</b> .....                               | 1    | <b>1,526.8</b> | <b>1,749.9</b> | <b>1,717.3</b>                      | <b>1,771.7</b> | <b>1,849.4</b> | <b>1,937.6</b> | <b>2,047.9</b> | <b>2,107.5</b> |
| Less: Gold, ITAs.....  | 2    | 4.4            | 5.5            | 5.5                                 | 5.4            | 5.8            | 7.6            | 8.8            | 9.6            |
| Statistical differences <sup>1</sup> .....   | 3    | 0.0            | 0.0            | 0.0                                 | 0.0            | 0.0            | -4.1           | 4.0            | 4.0            |
| Other items.....   | 4    | 0.7            | 0.9            | 0.8                                 | 1.0            | 1.1            | 1.0            | 0.8            | 0.9            |
| Plus: Adjustment for grossing of parent/affiliate interest payments.....                           | 5    | 5.1            | 7.3            | 7.1                                 | 7.4            | 8.2            | 8.2            | 9.3            | 10.8           |
| Adjustment for U.S. territories and Puerto Rico.....   | 6    | 52.3           | 56.7           | 55.7                                | 57.8           | 57.4           | 58.3           | 56.5           | 57.6           |
| Services furnished without payment by financial intermediaries except life insurance carriers..... | 7    | 9.3            | 9.1            | 9.0                                 | 9.0            | 9.2            | 9.2            | 9.4            | 9.3            |
| <b>Equals: Exports of goods and services and income receipts, NIPAs</b> .....                      | 8    | <b>1,588.3</b> | <b>1,816.5</b> | <b>1,782.8</b>                      | <b>1,839.6</b> | <b>1,917.3</b> | <b>2,008.7</b> | <b>2,109.5</b> | <b>2,170.7</b> |
| <b>Imports of goods and services and income payments, ITAs</b> .....                               | 9    | <b>2,110.6</b> | <b>2,455.3</b> | <b>2,397.6</b>                      | <b>2,467.5</b> | <b>2,637.2</b> | <b>2,712.2</b> | <b>2,829.0</b> | <b>2,923.9</b> |
| Less: Gold, ITAs.....  | 10   | 4.1            | 4.4            | 4.0                                 | 4.4            | 5.4            | 5.7            | 6.2            | 5.6            |
| Statistical differences <sup>1</sup> .....   | 11   | 0.0            | 0.0            | 0.0                                 | 0.0            | 0.0            | 15.5           | 12.7           | 12.7           |
| Other items.....   | 12   | 0.0            | 0.0            | 0.0                                 | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Plus: Gold, NIPAs.....   | 13   | -3.3           | -3.5           | -3.3                                | -3.5           | -3.6           | -4.0           | -4.3           | -4.2           |
| Adjustment for grossing of parent/affiliate interest payments.....                                 | 14   | 5.1            | 7.3            | 7.1                                 | 7.4            | 8.2            | 8.2            | 9.3            | 10.8           |
| Adjustment for U.S. territories and Puerto Rico.....   | 15   | 37.7           | 37.5           | 34.5                                | 40.1           | 34.8           | 40.5           | 43.9           | 34.1           |
| Imputed interest paid to rest of world.....  | 16   | 9.3            | 9.1            | 9.0                                 | 9.0            | 9.2            | 9.2            | 9.4            | 9.3            |
| <b>Equals: Imports of goods and services and income payments, NIPAs</b> .....                      | 17   | <b>2,155.3</b> | <b>2,501.3</b> | <b>2,440.8</b>                      | <b>2,516.2</b> | <b>2,680.2</b> | <b>2,744.9</b> | <b>2,868.5</b> | <b>2,955.7</b> |
| <b>Balance on goods and services and income, ITAs (1-9)</b> .....                                  | 18   | <b>-583.8</b>  | <b>-705.4</b>  | <b>-680.3</b>                       | <b>-695.8</b>  | <b>-787.8</b>  | <b>-774.6</b>  | <b>-781.1</b>  | <b>-816.4</b>  |
| Less: Gold (2-10+13).....  | 19   | -3.0           | -2.4           | -1.8                                | -2.5           | -3.2           | -2.1           | -1.7           | -0.2           |
| Statistical differences (3-11) <sup>1</sup> .....  | 20   | 0.0            | 0.0            | 0.0                                 | 0.0            | 0.0            | -19.6          | -8.7           | -8.7           |
| Other items (4-12).....  | 21   | 0.7            | 0.9            | 0.8                                 | 1.0            | 1.1            | 1.0            | 0.8            | 0.9            |
| Plus: Adjustment for U.S. territories and Puerto Rico (6-15).....                                  | 22   | 14.6           | 19.2           | 21.2                                | 17.7           | 22.6           | 17.8           | 12.6           | 23.5           |
| <b>Equals: Net exports of goods and services and net receipts of income, NIPAs (8-17)</b> .....    | 23   | <b>-567.0</b>  | <b>-684.8</b>  | <b>-658.0</b>                       | <b>-676.6</b>  | <b>-762.9</b>  | <b>-736.2</b>  | <b>-759.0</b>  | <b>-785.0</b>  |

1. Consists of statistical revisions to the ITAs that have not yet been incorporated into the NIPAs.

ITAs International transactions accounts

NIPAs National income and product accounts

## B. Suggested Reading

The Bureau of Economic Analysis (BEA) has published a wealth of information about the methodologies that are used to prepare its national, industry, international, and regional accounts. Most of this information is available on BEA's Web site at <www.bea.gov>; see "Methodology Papers" and the SURVEY OF CURRENT BUSINESS under "Publications."

### National accounts

The national accounts encompass the detailed estimates in the national income and product accounts (including gross domestic product) and the estimates of fixed assets and consumer durable goods.

**National income and product accounts (NIPAs).** This series of papers documents the conceptual framework of the NIPAs and the methodologies that have been used to prepare the estimates.

*An Introduction to National Economic Accounting* (1985) [also in the March 1985 SURVEY]

*Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends* (2002)

*Government Transactions* (1988)

*Personal Consumption Expenditures* (1990)

The methodologies described in these papers have been updated and improved, typically as part of the comprehensive and annual revisions of the NIPAs.

The following SURVEY articles describe the most recent comprehensive revision of the NIPAs.

"Improved Estimates of the National Income and Product Accounts for 1929–2002: Results of the Comprehensive Revision" (February 2004)

"Preview of the Revised NIPA Estimates for 1997 Effects of Incorporating the 1997 Benchmark I-O Accounts and Proposed Definitional and Statistical Changes" (January 2003)

"Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts"

Changes in Definitions and Classifications (June 2003)

New and Redesigned Tables (August 2003)

Statistical Changes (September 2003)

"Measuring the Services of Commercial Banks in the NIPAs: Changes in Concepts and Methods" (September 2003)

"Measuring the Services of Property-Casualty In-

urance in the NIPAs: Changes in Concepts and Methods" (October 2003)

In addition, see the following articles.

"Annual Revision of the National Income and Product Accounts" (August 2006) presents revisions and describes any changes in the data and the methods that are used to prepare the estimates.

"Updated Summary NIPA Methodologies" (November 2006) describes the source data and the methods that are used to prepare the current-dollar and real estimates of GDP.

"Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes" (November 2003) discusses the advantages of using chain-weighted indexes and the challenges of using chained dollars.

"Reliability of the NIPA Estimates of U.S. Economic Activity" (February 2005) evaluates the principal NIPA estimates by examining the record of revisions to them.

"Gross Domestic Product: Revisions and Source Data" (February 2006) describes the categories of data that are used for the advance, preliminary, and final quarterly estimates of GDP.

**Fixed assets and consumer durable goods.** *Fixed Assets and Consumer Durable Goods in the United States, 1925–97* (2003) discusses the concepts and statistical considerations that underlie the estimates and their derivation.

"Fixed Assets and Consumer Durable Goods for 1925–2002" (May 2004) describes the improvements that were incorporated into these estimates as part of the most recent comprehensive NIPA revision.

"Fixed Assets and Consumer Durable Goods for 1995–2005" (September 2006) provides estimates that reflect the incorporation of the most recent annual NIPA revision.

### Mission Statement and Strategic Plan

The mission statement of the Bureau of Economic Analysis and its most recently updated strategic plan for improving the accuracy, reliability, and relevance of the national, industry, regional, and international accounts are available on BEA's Web site at <www.bea.gov> under "About BEA."

## Industry accounts

The industry accounts consist of the annual industry accounts (the input-output accounts and the gross-domestic-product-by-industry accounts) and one satellite account.

**Annual industry accounts.** “Improved Annual Industry Accounts for 1998–2003” (June 2004) describes the comprehensive revision of the annual input-output accounts and the GDP-by-industry accounts that features the integration of the two sets of accounts.

“Annual Industry Accounts” (December 2006) presents the annual revision of these accounts and describes the source data and any changes in the methods that are used to prepare the estimates.

In addition, see the following articles.

“Preview of the Benchmark Input-Output Accounts for 2002” (September 2005) includes the proposed new sectors that are based on the 2002 North American Industry Classification System.

“Preview of the Comprehensive Revision of the Annual Industry Accounts: Integrating the Annual Input-Output Accounts and the Gross-Domestic-Product-by-Industry Accounts” (March 2004) provides the details about the comprehensive revision.

“Benchmark Input-Output Accounts for the U.S. Economy, 1997” (December 2002)

**Satellite accounts.** These accounts extend the analytical capacity of the input-output accounts by focusing on a particular aspect of economic activity.

“Research and Development Satellite Account”

For 1959–2002 (December 2006)

“U.S. Travel and Tourism Satellite Accounts”

For 1996 and 1997 (July 2000)

For 1998–2003 (September 2004)

For 2001–2004 (June 2005)

For 2002–2005 (June 2006)

## International accounts

The international accounts encompass the international transactions accounts, direct investment, and international transactions in services.

**International transactions accounts (ITAs).** *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (1990) describes the methodologies used to prepare the estimates in the ITAs and the international investment position of the United States. These methodologies are usually updated and improved as part of the annual revisions of the ITAs.

The annual revisions of the ITAs are described in a series of articles, the latest of which was published in the July 2006 SURVEY.

**Direct investment.** *International Direct Investment: Studies by the Bureau of Economic Analysis* (1999) is a

collection of previously published articles on U.S. direct investment abroad and foreign direct investment in the United States. It includes “A Guide to BEA Statistics on U.S. Multinational Companies,” which is also available in the March 1995 SURVEY, and “A Guide to BEA Statistics on Foreign Direct Investment in the United States,” which is also available in the February 1990 SURVEY

In addition, the updated methodologies are available in *U.S. Direct Investment Abroad: Final Results From the 1999 Benchmark Survey* (2004), and in *Foreign Direct Investment in the United States: Final Results From the 2002 Benchmark Survey* (2006).

**International services.** *U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis* (1998) describes 11 surveys. It includes classifications, definitions, release schedules, the methods used to prepare the estimates, and samples of the survey forms.

“Selected Issues in the Measurement of U.S. International Services” (June 2002) describes key issues in defining and measuring insurance, wholesale and retail trade, finance, construction, and utilities services and explores possible actions to address these issues.

## Regional accounts

The regional accounts include estimates of personal income and gross state product.

**Personal income.** Estimates of personal income are prepared for states and for local areas.

“Comprehensive Revision of State Personal Income for 1969–2003” (May 2004) describes the improvements in the methodology that are used to prepare the estimates and that are part of a comprehensive revision.

“The Reliability of the State Personal Income Estimates” (December 2003) evaluates the estimates of state personal income and of selected components by examining the revisions of these estimates.

“Comprehensive Revision of Local Area Personal Income for 1969–2002” (June 2004) summarizes the improvements in the methodology that is used to prepare the estimates for counties and metropolitan areas. The detailed methodology is available on the DVD-ROM *Regional Economic Information System, 1969–2004*.

**Gross state product.** “Comprehensive Revision of Gross State Product” (January 2005) summarizes the sources and the methods that are used to prepare the estimates.

“Gross State Product by Industry for 1998–2005” (July 2006) presents the most recent annual revision.