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Articles

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

Real GDP increased 3.4 percent after increasing 2.0 percent, reflecting a downturn in imports and accelerations in consumer spending for nondurable goods, in exports, and in Federal, state, and local government spending. In 2006, real GDP increased 3.4 percent after increasing 3.2 percent.

7. Alternative Measures of Personal Saving

In 2005, NIPA annual personal saving, at -0.4 percent of disposable personal income, was negative for the first time since 1933. Like the NIPA measure, four alternative measures show that personal saving has fallen in the last two decades, but their levels differ from the NIPA measure.

14. Integrated Macroeconomic Accounts for the United States

BEA and the Federal Reserve Board have developed integrated accounts that relate U.S. economic activity to changes in net worth for the major sectors of the U.S. economy.

32. U.S. National Income and Product Statistics: Born of the Great Depression and World War II

The initial national income and product accounts were created in the wake of two crises: The Great Depression and World War II. The story of the early accounts illustrates the scholarly debates that gave way to the compromises required to produce these accounts when they were most needed.

Upcoming in the Survey...

R&D by U.S. Multinational Companies. Preliminary results of the R&D activities of these companies from the benchmark survey of U.S. direct investment abroad will be published in the March Survey.

Internal Markets of Multinational Firms. A Research Spotlight exploring the use and growing significance of internal market operations will be featured in the March Survey.

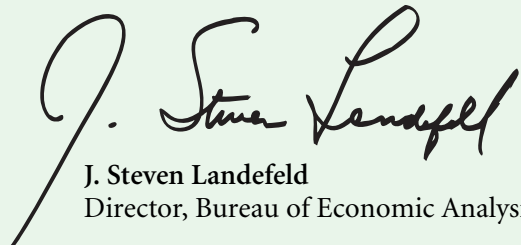
Director's Message

The Bureau of Economic Analysis has been producing economic statistics for more than 70 years, providing essential data for generations of economists and policymakers. In this month's *SURVEY OF CURRENT BUSINESS*, we are pleased to provide a look at the early history of the national income and product accounts (NIPAs), showing how the first measures of national income and product evolved from two crises, the Great Depression and World War II.

Another article this month presents an integrated view of BEA's saving and investment measures and the Federal Reserve Board flow of funds financial accounts. A joint project to integrate these accounts has been underway for several years and should be useful to analysts seeking a more detailed statistical view of nonfinancial economic activity and financial activity. BEA continues to look for ways to better integrate our data with data from other statistical agencies.

A related article explores the personal saving rate. In 2005, the NIPA measure of the personal saving rate was negative for the first time since 1933, sparking concern among policymakers and others. The article explores various alternative measures of personal saving, each of which sheds light on issues such as whether Americans are saving enough for retirement and how the Nation finances its investment needs.

As always, the most recent estimates of gross domestic product are available in a user-friendly format in "GDP and the Economy."



J. Steven Landefeld
Director, Bureau of Economic Analysis

Taking Account...

Study Explores Hedonic Indexes for Real Estate

In keeping with BEA's long-standing use of quality-based price indexes for real estate, BEA economist Leonard Loebach has explored the creation and use of quality-based price indexes for various apartment and nonresidential buildings. In a working paper, he concluded that the approach shows much promise for statistical agencies and should be further studied.

Using a national set of data about various characteristics of structures, such as square footage and number of stories, Loebach generated and analyzed both annual and quarterly price indexes for eight types of structures, including apartments, shopping centers, warehouses, and office buildings among others, for 1995–2004.

Loebach's analysis found that hedonic price measures do not increase faster than those indexes currently used in the national income and product accounts (NIPAs), and many hedonic price measures increase 0.5–2 percent per year less than those currently used.

Loebach's working paper builds upon his previous work, which explored the use of contract data to construct price indexes. The updated working

paper takes into account several relatively recent national economic accounting developments, notably the adoption of chain-type quantity indexes as the featured measure for real expenditures in the NIPAs.

Loebach's study also suggested a few areas where further research would be beneficial, such as issues related to the volatility of quarterly real estate price indexes.

The working paper is available on the BEA Web site at <www.bea.gov> by clicking on "Papers and Working Papers."

BEA's Landefeld Moderates Panel on Health Accounts

In January, BEA organized two sessions at the annual Allied Social Sciences Association meetings in Chicago. The sessions brought together academic experts and BEA researchers to discuss issues related to the development of national health accounts. Among the academic participants were Joseph Newhouse (Harvard University), who chairs a National Academies panel on national health accounts, and Dr. Allison Rosen (University of Michigan), who is working with David Cutler (Harvard University) to develop a prototype set of health accounts. Other participants in-

cluded key researchers in the area of health economics: Ernst Berndt (Massachusetts Institute of Technology), David Meltzer (University of Chicago), and Jack Triplett (Brookings Institution).

During the sessions, BEA staff also presented their research on related issues. Michael Christian reported findings from his study that used data on treatment outcomes to measure the quality-adjusted output of hospitals. Two papers, one by Ana Aizcorbe and Nicole Nestoriak and another by Alan White and Jaison Abel (from Analysis Group, working under contract for BEA), focused on the use of treatment episodes constructed from health claims data as a means of measuring the cost of health care. BEA intends to publish selected papers from these sessions in a future issue of the *SURVEY OF CURRENT BUSINESS*.

More Subscribers to BEA's E-mail Alert Service

BEA's e-mail alert service, which provides notifications about BEA releases, had more than 14,000 subscribers at the end of 2006, compared with just over 8,300 in 2005. People interested in receiving alerts can subscribe at <www.bea.gov>; they can unsubscribe online at any time.

GDP and the Economy

Advance Estimates for the Fourth Quarter of 2006 and for 2006

IN the fourth quarter of 2006, U.S. economic growth accelerated and inflation decelerated, according to the “advance” estimates of the national income and product accounts.¹ For the year 2006, real gross domestic product (GDP) accelerated slightly and inflation decelerated (see “Real GDP for 2006”).

In the fourth quarter, real GDP increased 3.5 percent, following a 2.0-percent increase in the third quarter (chart 1 and table 1).² The step-up primarily reflected a downturn in imports (which are subtracted in the calculation of GDP) and accelerations in consumer spending for nondurable goods, in exports, in Federal Government spending, and in state and local government spending.³ In contrast, inventory investment and investment in equipment and software turned down; nonresidential structures decelerated.

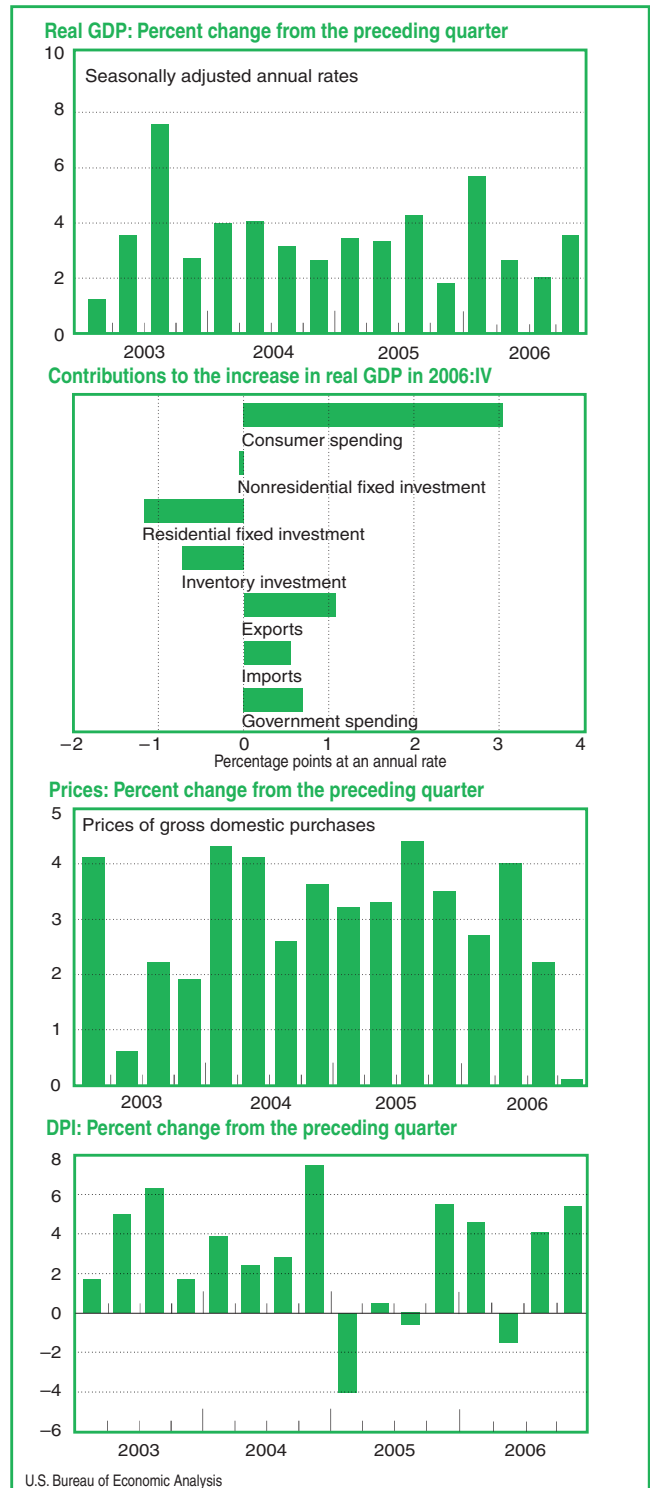
- Prices of goods and services purchased by U.S. residents decelerated, increasing 0.1 percent after increasing 2.2 percent. Energy prices turned down sharply and food prices slowed.
- Real disposable personal income (DPI) increased 5.4 percent, compared with a 4.1-percent increase in the third quarter. 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 -1.0 percent in the fourth quarter; in the third quarter, it was -1.2 percent.

1. 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> and at <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.

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

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 gross 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		2006	
	IV	2005	2006	2006		2005	2006	2006	
				III	IV			III	IV
Gross domestic product¹.....	100.0	3.2	3.4	2.0	3.5	3.2	3.4	2.0	3.5
Personal consumption expenditures.....	69.9	3.5	3.2	2.8	4.4	2.44	2.25	1.96	3.05
Durable goods.....	8.0	5.5	5.1	6.4	6.0	0.45	0.41	0.50	0.47
Nondurable goods.....	20.3	4.5	3.8	1.5	6.9	0.90	0.78	0.32	1.38
Services.....	41.6	2.6	2.5	2.8	2.9	1.09	1.05	1.14	1.20
Gross private domestic investment.....	16.2	5.4	4.6	-0.8	-11.0	0.87	0.75	-0.13	-1.92
Fixed investment.....	15.9	7.5	3.0	-1.2	-7.3	1.17	0.49	-0.19	-1.21
Nonresidential.....	10.6	6.8	7.4	10.0	-0.4	0.67	0.75	1.01	-0.05
Structures.....	3.2	1.1	9.1	15.7	2.8	0.03	0.26	0.46	0.09
Equipment and software.....	7.4	8.9	6.7	7.7	-1.8	0.64	0.49	0.55	-0.13
Residential.....	5.3	8.6	-4.2	-18.7	-19.2	0.50	-0.26	-1.20	-1.16
Change in private inventories.....						-0.30	0.26	0.06	-0.71
Net exports of goods and services.....	-5.2					-0.26	-0.02	-0.19	1.64
Exports.....	11.3	6.8	8.9	6.8	10.0	0.68	0.93	0.73	1.08
Goods.....	8.0	7.5	10.5	9.4	8.8	0.52	0.76	0.71	0.68
Services.....	3.3	5.1	5.2	0.8	13.0	0.16	0.17	0.03	0.40
Imports.....	16.5	6.1	5.8	5.6	-3.2	-0.94	-0.95	-0.93	0.56
Goods.....	13.8	6.7	5.9	7.1	-5.0	-0.87	-0.81	-1.00	0.73
Services.....	2.7	2.8	5.3	-2.6	6.7	-0.07	-0.14	0.07	-0.17
Government consumption expenditures and gross investment.....	19.1	0.9	2.1	1.7	3.7	0.17	0.40	0.32	0.70
Federal.....	6.9	1.5	2.0	1.3	4.5	0.11	0.14	0.09	0.31
National defense.....	4.7	1.7	1.9	-1.2	11.9	0.08	0.09	-0.06	0.53
Nondefense.....	2.2	1.1	2.2	6.5	-9.3	0.03	0.05	0.15	-0.22
State and local.....	12.1	0.5	2.1	1.9	3.3	0.06	0.26	0.23	0.39

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		2006	
	IV	2005	2006	2006		2005	2006	2006	
				III	IV			III	IV
Gross domestic product¹.....	100.0	3.2	3.4	2.0	3.5	3.2	3.4	2.0	3.5
Final sales of domestic product.....	99.7	3.5	3.1	1.9	4.2	3.52	3.12	1.90	4.19
Change in private inventories.....	0.3					-0.30	0.26	0.06	-0.71
Goods.....	31.4	4.6	6.4	3.8	7.9	1.43	1.97	1.17	2.42
Services.....	58.0	2.3	2.3	2.8	3.5	1.31	1.35	1.63	2.01
Structures.....	10.6	4.6	0.6	-7.4	-8.6	0.49	0.06	-0.84	-0.96
Addenda:									
Motor vehicle output.....	2.9	5.9	-1.7	27.4	-31.7	0.20	-0.05	0.76	-1.17
GDP excluding motor vehicle output.....	97.1	3.1	3.6	1.2	4.8	3.03	3.44	1.20	4.64
Final sales of computers.....	0.7	24.5	17.1	11.7	46.7	0.16	0.11	0.07	0.25
GDP excluding final sales of computers.....	99.4	3.1	3.3	1.9	3.2	3.07	3.28	1.89	3.23

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, contributing 3.05 percentage points to real GDP growth. Nondurable-goods spending accelerated.

Nonresidential fixed investment turned down. A downturn in equipment and software primarily reflected a downturn in transportation equipment and a deceleration in information processing equipment and software. Industrial equipment and "other" equipment also contributed to the downturn.

Residential investment decreased for the fifth consecutive quarter, reflecting a decrease in single-family structures. The 19.2-percent decrease subtracted 1.16 percentage points from real GDP growth.

Inventory investment turned down and subtracted 0.71 percentage point from real GDP growth.

Exports picked up, increasing 10.0 percent after a 6.8-percent increase and primarily reflecting an acceleration in exports of services. Services accelerated, primarily reflecting an upturn in travel.

Imports turned down sharply. The decrease was the largest since the first quarter of 2003. The downturn in goods imports 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.

Federal Government spending accelerated, reflecting an upturn in defense spending that was moderated by a downturn in nondefense spending.

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

Real final sales of domestic product, real GDP less inventory investment, increased 4.2 percent after increasing 1.9 percent.

Motor vehicle output turned down and subtracted 1.17 percentage points from real growth after contributing 0.76 percentage point in the third quarter.

Final sales of computers accelerated, contributing 0.25 percentage point to real GDP growth after contributing 0.07 percentage point in the third quarter.

Prices

Table 3. 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)			
	2005	2006	2006		2005	2006	2006	
			III	IV			III	IV
Gross domestic purchases¹	3.5	3.1	2.2	0.1	3.5	3.1	2.2	0.1
Personal consumption expenditures	2.9	2.8	2.4	-0.8	1.92	1.83	1.55	-0.53
Durable goods	-0.7	-1.4	-1.1	-2.8	-0.06	-0.11	-0.08	-0.22
Nondurable goods	3.6	3.1	2.3	-8.0	0.70	0.59	0.46	-1.61
Services	3.2	3.4	3.0	3.4	1.28	1.35	1.18	1.30
Gross private domestic investment	3.4	3.2	0.6	3.0	0.53	0.51	0.10	0.46
Fixed investment	3.5	3.3	0.5	2.9	0.53	0.51	0.08	0.43
Nonresidential	2.6	2.8	0.9	2.2	0.25	0.28	0.09	0.22
Structures	11.3	11.4	5.3	5.1	0.27	0.29	0.15	0.15
Equipment and software	-0.4	-0.3	-0.9	1.0	-0.03	-0.02	-0.06	0.07
Residential	5.1	4.0	-0.1	4.1	0.28	0.23	-0.01	0.21
Change in private inventories					0.00	0.00	0.02	0.03
Government consumption expenditures and gross investment	5.6	4.3	2.8	0.8	1.01	0.77	0.51	0.14
Federal	4.8	3.4	2.0	-0.1	0.32	0.23	0.13	-0.01
National defense	5.1	3.4	2.3	-0.5	0.23	0.15	0.10	-0.02
Nondefense	4.1	3.5	1.4	0.7	0.09	0.08	0.03	0.02
State and local	6.2	4.8	3.4	1.2	0.69	0.54	0.38	0.14
Addenda:								
Gross domestic purchases:								
Food	2.2	2.3	3.0	2.3	0.20	0.22	0.28	0.22
Energy goods and services	19.1	11.6	0.6	-34.5	0.79	0.54	0.03	-2.08
Excluding food and energy	2.8	2.7	2.2	2.3	2.46	2.34	1.85	1.93
Personal consumption expenditures (PCE):								
Food	2.2	2.3	2.9	1.8				
Energy goods and services	17.1	11.5	3.7	-36.7				
Excluding food and energy	2.1	2.2	2.2	2.1				
"Market-based" PCE	2.7	2.6	2.2	-1.6				
Excluding food and energy	1.7	1.9	1.9	1.7				
Gross domestic product	3.0	2.9	1.9	1.5				

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

NOTE: Most percent changes are from NIPA table 1.6.7; percent changes for PCE for food and energy goods and services and for PCE excluding food and energy are calculated from index numbers in NIPA table 2.3.4. Contributions are from NIPA table 1.6.8.

Inflation, as measured by the price index for gross domestic purchases, was 0.1 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 34.5 percent after increasing 0.6 percent. Food prices decelerated. Excluding food and energy prices, inflation was 2.3 percent.

Consumer prices, as measured by the PCE price index, turned down, decreasing 0.8 percent after increasing 2.4 percent. The decrease reflected a sharp downturn in energy prices and a deceleration in food prices.

Prices of nonresidential fixed investment accelerated; prices for transportation equipment turned up.

Prices of residential fixed investment increased 4.1 percent.

Prices paid by government slowed. Prices paid by the Federal Government turned down, and prices paid by state and local governments decelerated.

Consumer prices excluding food and energy, a measure of the "core" rate of inflation, increased 2.1 percent, following a 2.2-percent increase.

The "market-based" PCE price index decreased 1.6 percent after increasing 2.2 percent. Excluding food and energy, the index increased 1.7 percent after increasing 1.9 percent.

The GDP price index increased 1.5 percent after increasing 1.9 percent. The larger increase in the GDP price index than in the gross domestic purchases price index primarily reflected a decrease in import prices, which decreased 8.5 percent after increasing 5.4 percent. Export prices decreased 0.3 percent after increasing 4.5 percent.

Note on Prices

The gross domestic purchases price index measures the prices paid by U.S. residents for all goods and services. It is derived from the prices of personal consumption expenditures (PCE), gross private domestic investment, and government consumption expenditures and gross investment. It differs from the GDP price index because it excludes price changes of exported goods and services and includes price changes of imported goods and services (which are counted as part of consumption or investment).

The GDP price index measures the prices paid for the goods and services produced in the United States. It is derived from the prices of PCE, gross private domestic investment, net exports of goods and services, and govern-

ment consumption expenditures and gross investment. It differs from the gross domestic purchases price index because it excludes price changes of imported goods and services and includes price changes of exported goods and services.

Differences between the two price indexes reflect the changes in the prices of imports relative to the changes in the prices of exports. For example, quarter-to-quarter changes in the price index for gross domestic purchases are generally greater than changes in the GDP price index if increases in import prices exceed increases in export prices or if decreases in import prices are smaller than decreases in export prices.

Personal Income

Table 4. Personal Income and Its Disposition

[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]

	Level		Change from preceding period			
	2006	2006	2005	2006	2006	
		IV		2006	III	IV
Personal income	10,897.4	11,096.3	507.8	658.2	157.2	131.8
Compensation of employees, received	7,493.1	7,628.4	365.0	462.8	92.6	110.3
Wage and salary disbursements	6,037.7	6,145.3	272.7	372.9	73.6	90.8
Private industries	5,023.7	5,114.1	236.8	336.6	58.9	80.2
Goods-producing industries	1,181.4	1,193.0	50.5	80.1	9.3	10.7
Manufacturing	737.9	740.0	16.7	33.2	3.1	4.1
Services-producing industries	3,842.4	3,921.2	186.3	256.6	49.7	69.5
Trade, transportation, and utilities	997.8	1,013.9	38.0	60.6	12.2	10.9
Other services-producing industries	2,844.5	2,907.3	148.2	196.0	37.5	58.6
Government	1,013.9	1,031.2	35.9	36.2	14.6	10.7
Supplements to wages and salaries	1,455.4	1,483.1	92.3	89.9	19.1	19.5
Proprietors' income with IVA and CCAj	1,014.8	1,024.0	59.6	44.1	2.9	9.2
Farm	22.8	28.3	-6.0	-7.4	4.2	6.6
Nonfarm	991.9	995.8	65.5	51.5	-1.1	2.6
Rental income of persons with CCAj	76.5	79.4	-54.2	3.7	6.9	1.1
Personal income receipts on assets	1,657.6	1,696.9	91.5	138.2	35.9	13.3
Personal interest income	1,018.1	1,028.2	54.2	73.1	16.6	-7.6
Personal dividend income	639.6	668.8	37.3	65.2	19.3	21.0
Personal current transfer receipts	1,602.1	1,629.4	100.1	75.5	28.9	10.8
Less: Contributions for government social insurance	946.6	961.8	54.2	66.0	10.1	12.9
Less: Personal current taxes	1,362.6	1,390.5	153.3	159.5	5.2	24.3
Equals: Disposable personal income	9,534.8	9,705.8	354.5	498.7	152.1	107.5
Less: Personal outlays	9,626.8	9,801.8	563.7	555.9	133.0	91.8
Equals: Personal saving	-92.0	-96.0	-209.1	-57.2	19.1	15.7
Addenda: Special factors in personal income						
In government wages and salaries:						
Federal pay raise		6.9			0.0	0.0
Federal civilian retroactive pay		0.0				
Reservists' pay		5.7			0.0	0.0
In supplements to wages and salaries:						
Employer contributions for social insurance		4.6			0.4	-0.7
In nonfarm proprietors' income:						
Hurricane-related destruction of uninsured business property		4.6			0.0	0.0
In personal current transfer receipts:						
Social security retroactive payments		4.7			0.0	2.2
Cost-of-living adjustments under Federal transfer programs		25.2			0.0	0.8
FEMA disaster assistance benefits		0.7			-0.8	0.0
In contributions for government social insurance:						
Changes in premium for supplementary medical insurance		4.9			0.0	0.0
In personal current taxes:						
Federal tax law changes		-4.1			0.0	0.0
Refunds, settlements, and other		26.2			0.0	0.0

Personal income, which is only measured in current dollars, increased \$131.8 billion after increasing \$157.2 billion. The deceleration primarily reflected a downturn in personal interest income and decelerations in personal current transfers and in rental income. Wages and salaries accelerated.

Compensation increased \$110.3 billion, compared with an increase of \$92.6 billion. The acceleration in wages and salaries was spread across private industries; wages and salaries in government decelerated.

Rental income decelerated, mainly reflecting a deceleration in space rent and an acceleration in total expenses.

Personal interest income turned down, reflecting a broad decline in interest rates over the quarter.

Personal current transfers decelerated because of a downturn in state and local government benefits (mainly Medicaid payments).

Personal current taxes accelerated mainly as a result of an upturn in state and local taxes.

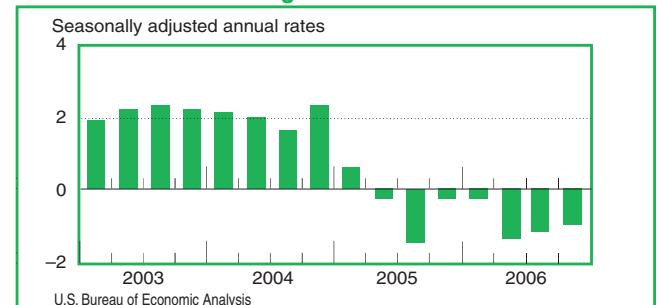
Current-dollar disposable personal income decelerated, reflecting both the deceleration in personal income and the acceleration in personal current taxes.

NOTE: Dollar levels are from NIPA tables 2.1 and 2.2B. CCAj Capital consumption adjustment
IVA Inventory valuation adjustment

Saving

Personal saving—disposable personal income less personal outlays—was -\$96.0 billion in the fourth quarter. Saving from current income may be near zero or negative when outlays are financed by borrowing (including borrowing financed through credit cards or home equity loans), by selling investments or other assets, or by using saving from previous periods. See “Alternative Measures of Personal Saving” in this issue.

Chart 2. Personal Saving Rate



Source Data for the Advance Estimates

Table 5. Monthly Advance Estimates of Key NIPA Components Based on Partial Data, 2006:IV

[Billions of dollars, seasonally adjusted at annual rates]

	2006					
	July	August	Sept.	Oct.	Nov.	Dec. ¹
Private fixed investment:						
Nonresidential structures:						
Value of new nonresidential construction put in place	303.0	312.1	310.5	312.0	316.5	314.2
Equipment and software:						
Manufacturers' shipments of complete aircraft	30.6	34.8	38.8	34.4	34.2	33.5
Residential structures:						
Value of new residential construction put in place:						
Single family	411.3	398.7	388.7	374.0	362.5	356.0
Multifamily.....	55.4	55.6	57.3	59.4	60.1	59.0
Change in private inventories:						
Change in inventories for nondurable manufacturing.....	7.5	9.3	-4.4	-8.6	4.6	5.0
Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment	49.8	84.0	30.3	24.0	68.5	71.1
Net exports:²						
Exports of goods:						
U.S. exports of goods, international-transactions-accounts basis	1,025.5	1,056.3	1,063.4	1,062.0	1,069.1	1,077.5
Excluding gold	1,017.8	1,046.0	1,052.2	1,052.7	1,060.9	1,069.3
Imports of goods:						
U.S. imports of goods, international-transactions-accounts basis	1,906.9	1,954.7	1,906.6	1,842.3	1,845.5	1,872.4
Excluding gold	1,900.9	1,949.7	1,900.8	1,836.9	1,840.8	1,867.4
Net exports of goods.....	-881.4	-898.4	-843.2	-780.3	-776.4	-794.9
Excluding gold	-883.1	-903.8	-846.6	-784.1	-779.8	-798.1
State and local government structures:						
Value of new construction put in place.....	252.2	252.3	253.0	255.9	258.7	257.3

1. Assumption.

2. Nonmonetary gold is included in balance-of-payments exports and im-

ports, but it is not used directly in estimating exports and imports in the national income and product accounts.

Summary of the Source Data for the Advance Estimates of GDP for the Fourth Quarter of 2006

The advance estimates of many components of GDP are based on 3 months of source data, but the estimates of some components are based on only 2 months of data. For the following items, the number of months for which data are available is shown in parentheses.

Personal consumption expenditures: Sales of retail stores (3), unit auto and truck sales (3), and consumers' shares of auto and truck sales (2);

Nonresidential fixed investment: Unit auto and truck sales (3), construction put in place (2), manufacturers' shipments of machinery and equipment other than aircraft (3), shipments of civilian aircraft (2), and exports and imports of machinery and equipment (2);

Residential investment: Construction put in place (2), single-family housing starts (3), sales of new homes (3), and sales of existing houses (3);

Change in private inventories: Trade and nondurable-goods manufacturing inventories (2), durable-goods manufacturing inventories (3), and unit auto and truck inventories (3);

Net exports of goods and services: Exports and imports of goods and services (2);

Government consumption expenditures and gross investment: Federal outlays (3), state and local government construction put in place (2), and state and local government employment (3);

Compensation: Employment, average hourly earnings, and average weekly hours (3);

GDP prices: Consumer price indexes (3), producer price indexes (3), and values and quantities of petroleum imports (2).

Unavailable source data

When source data were unavailable, BEA made various assumptions for December, including the following:

- An increase in nondurable-goods manufacturing inventories,
- An increase in nonmotor vehicle merchant wholesale and retail inventories,
- Increases in exports and in imports of goods excluding gold.

Table 5 shows the assumptions for key series; a more comprehensive list is available on BEA's Web site at www.bea.gov/national/index.htm#supp.

Real GDP for 2006

Real GDP increased 3.4 percent in 2006, compared with an increase of 3.2 percent in 2005 (table 1).

The acceleration in real GDP primarily reflected an upturn in inventory investment and accelerations in exports, in nonresidential structures, and in state and local government spending (chart 1). Residential fixed investment turned down, decreasing in each quarter of 2006.

Businesses increased real inventory investment in 2006 by \$26.8 billion. The accumulation contributed 0.26 percentage point to real GDP growth; in contrast, declining inventory investment in 2005 subtracted 0.30 percentage point from real GDP growth.

Exports accelerated in 2006, increasing 8.9 percent, following an increase of 6.8 percent in 2005. Export growth exceeded import growth for the second consecutive year (chart 2). Exports added 0.93 percentage point to real GDP growth after contributing 0.68 percentage point in 2005. The acceleration was largely due to accelerations in nonautomotive capital goods and in industrial supplies and materials.

Nonresidential structures accelerated sharply, increasing 9.1 percent after a 1.1-percent increase in 2005. The acceleration contributed 0.26 percentage point to real GDP growth after contributing 0.03 percentage point in 2005. The acceleration was mainly due to upturns in “other” structures, in commercial and health care structures, and in power and communication structures.

State and local government spending accelerated,

increasing 2.1 percent after increasing 0.5 percent in 2005. The step-up contributed 0.26 percentage point to real GDP growth, compared with a contribution of 0.06 percentage point in 2005. The higher rate of spending reflected an acceleration in consumption expenditures and an upturn in investment in structures.

Residential fixed investment turned down in 2006, decreasing 4.2 percent after increasing 8.6 percent in 2005. The downturn, due primarily to a downturn in single-family structures, subtracted 0.26 percentage point from real GDP growth in 2006. In 2005, residential investment added 0.50 percentage point to real growth.

Inflation, as measured by the price index for gross domestic purchases, decelerated, increasing 3.1 percent in 2006 after increasing 3.5 percent in 2005. Excluding food and energy, inflation decelerated slightly, to 2.7 percent from 2.8 percent.

Real DPI increased 2.7 percent in 2006, following a 1.2-percent increase in 2005. The acceleration reflected an acceleration in current-dollar personal income that exceeded a step-up in personal current taxes.

Chart 1. Contributions to the Increase in Real GDP in 2006

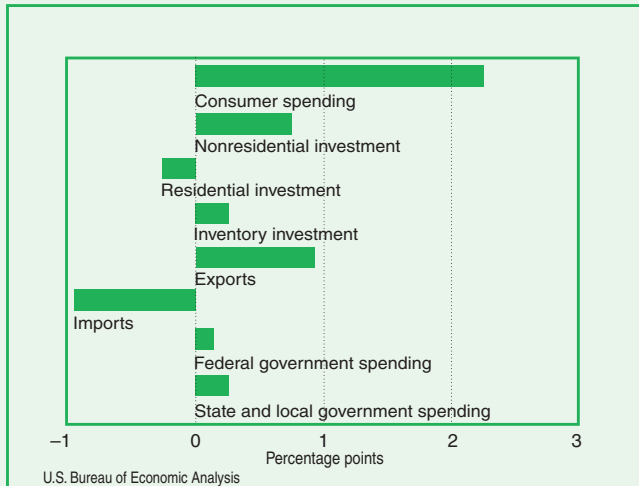
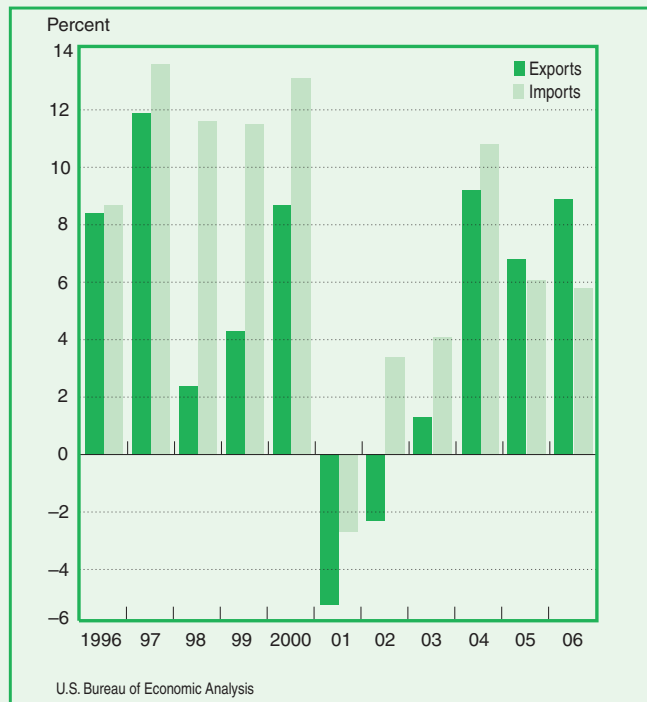


Chart 2. Growth in Exports and Imports of Goods and Services



Alternative Measures of Personal Saving

By Marshall B. Reinsdorf

IN 2005, annual personal saving in the national income and product accounts (NIPAs) was negative for the first time since 1933, dipping to -0.4 percent of disposable personal income (DPI) (chart 1). This development, the culmination of a long slide in the personal saving rate that began in the 1980s, has sparked much interest in how personal saving is measured and its relation to broader concepts of national saving and changes in personal wealth. Among the reasons for this interest are concerns about whether families are saving enough for retirement and for protection against financial setbacks, whether the Nation has become too dependent on foreign funding for financing its investment needs, and whether spending levels that exceed current income can be sustained.

Different questions require different answers, and the NIPA measure of personal saving does not provide the answer to every worthwhile question about the saving behavior of persons. To provide additional information on this topic, this article presents updated estimates of alternative measures of personal saving and related concepts. These measures were introduced

Jennifer Mykijewycz assisted with the preparation of this article.

in 2002 and updated in 2004.¹

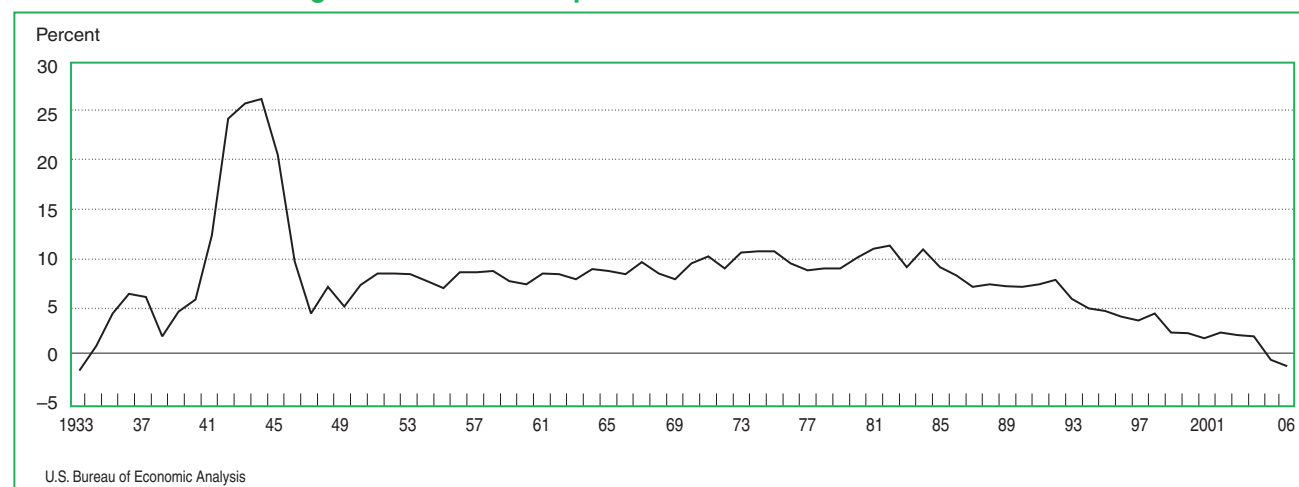
Personal saving is the portion of personal income that is left over after personal current taxes and outlays for personal consumption expenditures, nonmortgage interest payments, and net current transfers to government and the rest of the world. It excludes capital gains because capital gains represent changes in the prices of assets that are already owned, not unspent portions of income receipts.² Personal saving represents the contribution from persons to national saving, which is the total amount that is available to fund investment in fixed assets, inventories, or foreign assets.

The alternative measures of personal saving discussed in this article differ from the NIPA measure in the way that they measure consumption or disposable personal income. However, they are still calculated as the residual that remains after consumption and re-

1. See Marshall B. Reinsdorf, "Alternative Measures of Personal Saving," *SURVEY OF CURRENT BUSINESS* 84 (September 2004): 17–27, and Maria G. Perozek and Marshall B. Reinsdorf, "Alternative Measures of Personal Saving," *SURVEY* 82 (April 2002): 13–24. These articles explain the advantages and disadvantages of the various measures in detail. They also provide an overview of the conceptual framework for measuring saving in the national accounts.

2. For more information on the treatment of capital gains in national income accounting, see Marshall B. Reinsdorf, "Saving, Wealth, Investment, and the Current-Account Deficit," *SURVEY* 85 (April 2005): 3.

Chart 1. Personal Saving as a Percent of Disposable Personal Income



lated outlays are subtracted from disposable personal income. Three of the alternative measures provide additional detail about the components of personal saving by changing the definitions of sector boundaries or the treatment of a payment between sectors. These changes do not imply any increase or decrease in total national saving, but they do alter the amounts of saving attributed to each sector of the economy. A fourth alternative expands the definition of investment, thus implying a higher level of national saving.

To provide additional context, this article also discusses broader measures of saving, such as private saving, national saving, and measures of personal wealth that take capital gains into account.

Alternative Estimates of Personal Saving

Households and nonprofit institutions serving households

The NIPAs divide the domestic economy into three sectors: The business sector, the government sector, and the personal sector. The personal sector includes nonprofit institutions serving households (NPISHs), which account for most nonprofit institutions. This means, for example, that the medical care component of personal consumption expenditures (PCE) includes the expenses of nonprofit hospitals for providing medical care but excludes the sales of services to the patients of those hospitals.

The common practice of interpreting the personal saving rate as a measure of the saving behavior of households is reasonable because households are the predominant component of the personal sector. Nonetheless, a more precise picture of household behavior can be obtained by deconsolidating the personal sector into a household sector and a nonprofit sector and then calculating household saving as the amount of disposable household income that is left over after all household outlays. Household income differs from personal income because it excludes the rental income, interest, and dividends received by NPISHs and because it includes transfers from NPISHs received by households. Household outlays differ from personal outlays in two ways: (1) They exclude expenditures of NPISHs but include the sales of services to households by NPISHs, and (2) they exclude transfers from NPISHs to government and the rest of the world but include transfers from households to NPISHs.³

Until 1995 and again after 2002, the household saving rate was within 0.2 percentage point of the personal saving rate (chart 2). In between those years, the

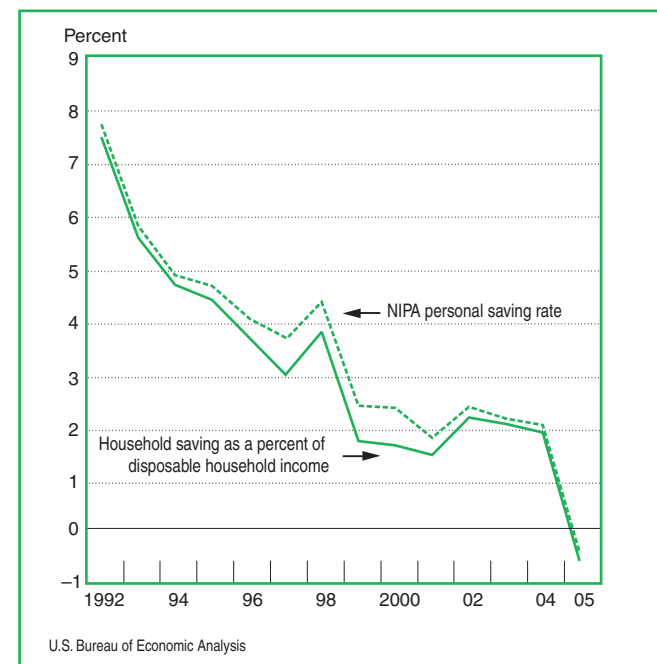
household saving rate fell substantially below the personal saving rate. In the late 1990s, transfers and bequests from households to NPISHs grew rapidly, partly reflecting large gains in stock prices, while expenditures of NPISHs accelerated gradually. As a result, saving by NPISHs increased, and the household saving rate fell faster than the personal saving rate. After the turn of the millennium, this process was reversed. Transfers to NPISHs fell or were flat, while the expenditures of NPISHs maintained their upward momentum. Indeed, the personal saving rate would have been half a percentage point higher in 2003 if the NPISH saving rate had remained at its value in 2000.

During the late 1990s, declines in the personal saving rate were often attributed to the effects of increases in personal wealth created by large capital gains. Yet, when subsequent declines in stock prices reduced personal wealth, the rebound in personal saving was disappointingly weak. A detailed look at the components of the personal sector reveals that household saving had a substantial bounce in 2002, remaining above its former trend line until 2004. In 2005, household saving again turned sharply down; just 0.2 of the 2.4-percentage-point drop in the household saving rate can be dismissed as an aberration due to the direct effects of Hurricanes Katrina, Rita, and Wilma.

Defined benefit pension plans

Pension plans, which are employer-sponsored retirement plans, are classified as defined benefit (DB) or defined contribution (DC) plans depending on their benefit formula. In a typical DB plan, pension benefit

Chart 2. Household Saving Rate



3. See NIPA table 2.9 and Charles Ian Mead, Clinton P. McCully, and Marshall B. Reinsdorf, "Income and Outlays of Households and of Nonprofit Institutions Serving Households," *SURVEY* 83 (April 2003): 13–17.

levels depend on length of service and some measure of average or final pay. In DC pension plans, funds for retirement are accumulated from employer and employee contributions, investment income earned on plan assets, and capital gains on plan assets. Historically, most employee retirement plans were DB pension plans, and they are still the predominant type of plan for government employees. In the private sector, however, for the past two decades, newly established pension plans have almost always been DC plans.

In the NIPAs, both DC and DB pension plans are included in the personal sector. In the case of DC plans, this approach is the only logical one, because the assets in these plans clearly belong to the plan participants. However, ownership of the assets held by DB plans is more ambiguous. The inclusion of these plans in the personal sector rather than in the sector of the employer who sponsors them can be justified in two ways: (1) Employers face formidable barriers to accessing DB plan assets for their own use, and (2) the assets of private DB plans by law should approximate the actuarial value of the pension promises made to the employees. However, even though employers cannot directly benefit from money in DB plans, they can benefit indirectly because growth in DB plan assets relieves employers of future obligations to make contributions, while plan losses have the opposite effect. Employers therefore bear the investment risk. Employers also have control over how DB plan assets are invested. Finally, retirees undoubtedly think of the benefits they receive from DB plans as income rather than as liquidations of assets that they owned all along. Tests of risk-bearing, control, and retiree perceptions can therefore justify an alternative treatment that treats employers as the owners of the assets in DB plans.

To calculate disposable personal income with DB pension plans outside the boundary of the personal sector, employer and employee contributions to DB plans, along with interest and dividend income from DB plan assets, are subtracted from the NIPA measure of disposable personal income. Benefits received by persons from DB plans are then added. The contributions and investment income exceed the plans' benefit payments, so the measure of disposable personal income falls after these adjustments. However, the measure of personal saving falls less than the measure of disposable personal income, because PCE must also be adjusted by removing administrative expenses of DB pension plans.⁴

As is evident from comparing the alternative per-

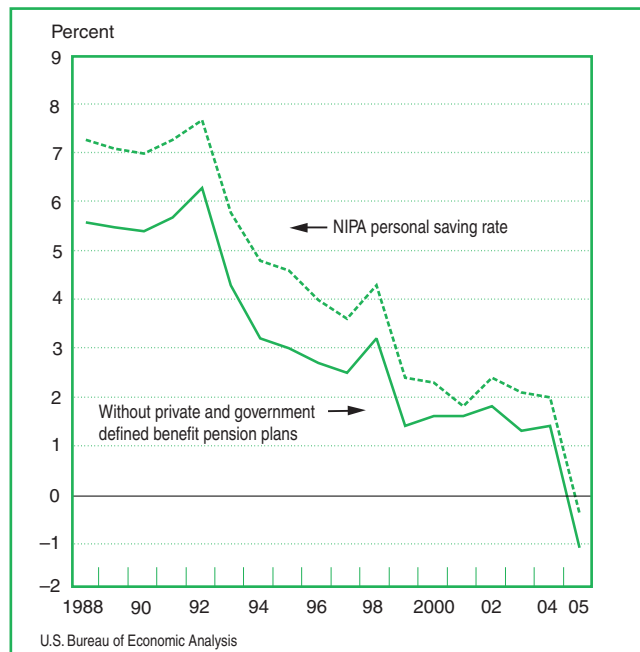
4. In making these calculations, state and local pension plans are all treated as DB plans because of a lack of separate data on the DB and DC plan components of their plan totals. These plans, however, are predominantly DB plans.

sonal saving rate without DB pension plans with the NIPA personal saving rate in chart 3, the adjustments to the measures of personal income and personal consumption together imply that saving by DB pension plans added about 1.6 percentage points to the NIPA personal saving rate until 1995. Saving by DB plans then turned down until 2001, when it added just 0.1 percentage point to the personal saving rate. In 2002 and 2003, increases in contributions resulted in enough saving by DB plans to bring their contribution to the NIPA personal saving rate back up to 0.8 percentage point. After 1995, many sponsors of private DB plans were able to reduce their contributions without falling short of targeted plan funding levels because DB plan assets had large capital gains in the late 1990s. Conversely, in 2002 and 2003, funding gaps following capital losses in 2000–2002 compelled many plan sponsors to make large contributions. Even so, DB plans added only half as much to the NIPA personal saving rate in 2003 as in 1995. The difference between 2003 and 1995 in the DB plans' saving rate may be attributed to growth in their benefit expenses and, since 2000, to a lack of growth in their dividend and interest income.

Taxes on realized capital gains

Ironically, realized capital gains can have a negative effect on the NIPA measures of disposable personal income and personal saving. Capital gains are excluded from NIPA concepts of income whether they are realized or unrealized. However, realized capital gains are

Chart 3. Personal Saving Rate Without Defined Benefit Pension Plans



subject to Federal personal income taxes. Disposable personal income in the NIPAs is calculated by subtracting personal income taxes, including those attributable to capital gains, from personal income.

Capital gains are not taxed separately from ordinary personal income, and in a set of accounts that must cover the entire economy, the need to include capital gains taxes in government current receipts implies that they should be left in personal current taxes. Nevertheless, an alternative treatment of capital gains taxes that classifies them as capital transfers to government can provide a useful perspective on the saving behavior of persons. This alternative treatment raises the measures of disposable personal income and personal saving because capital transfers from persons to government are excluded from personal current taxes.⁵

To disentangle taxes on capital gains from taxes on ordinary income, an assumption is needed. The assumption is that the ordinary taxable income is received first, so that capital gains are the marginal source of taxable income. For any income tax return that reports capital gains, the tax on those gains can then be estimated as the absolute value of the change in the total tax due when capital gains are set equal to zero.⁶

The alternative saving rate that treats capital gains taxes as capital transfers averages almost 1 percentage point higher than the NIPA measure (chart 4). Moreover, the steepness of the decline in the personal saving rate between the early 1990s and 2005 is slightly reduced by the new treatment of capital gains taxes, so the alternative saving rate remains positive in 2005 at 0.6 percent of DPI. On the whole, however, the alternative personal saving rate has the same profile as the NIPA personal saving rate. A significant difference in slope is visible only from 1996 to 2000, which corresponds to the bull market period of the late 1990s with a 1-year lag.

Consumer durable goods as investment

In the NIPAs, purchases by persons of motor vehicles and other consumer durable goods are treated as consumption expenditures rather than as investment. Un-

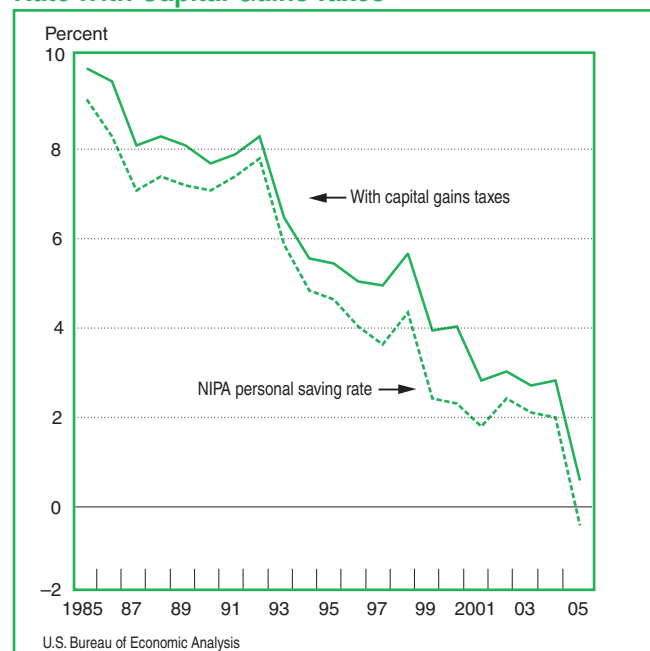
5. In the NIPAs, capital transfers to government consist of gift and estate taxes.

6. Quarterly estimated taxes on capital gains realized in the fourth quarter (which include most of the capital gains distributions made by mutual funds) are not due until the following January, and taxpayers can wait until they file their tax return to pay the taxes if their capital gains are not large. Consequently, capital gains taxes are more likely than taxes on ordinary income to affect spending in the next calendar year. Chart 4 assumes that a fourth of the taxes on the capital gains realized in any calendar year are paid in the following calendar year. This raises the alternative saving rate by 0.2 percentage point in 2001 but lowers it by 0.1 percentage point in each of the 2 preceding years.

like real estate, these goods cannot be resold for at least as much as the original purchase price, so they are not a good store of value or a source of funding for retirement. They do, however, provide services over a number of years, and consumers reduce their future expenses when they purchase a durable good because a repeat purchase of that same good becomes unnecessary for the next few years. Therefore, purchases of durable goods may be treated as investment for some purposes. This treatment raises the measure of personal saving, because investment expenditures are not subtracted from disposable personal income in the calculation of personal saving.

One way to implement a treatment of consumer durable goods as investment would be to replicate the treatment of owner-occupied housing in the NIPAs. This treatment would require the estimation of a rental value for the use of the stock of consumer goods from which owners' expenses for depreciation, interest, and personal property taxes would be subtracted in order to obtain an imputed profit. This imputed profit would then be added to the rental income component of disposable personal income, resulting in a small rise in the denominator used to calculate the alternative personal saving rate. However, a much simpler method that gives a result that is identical for practical purposes is just to add the net investment in consumer durable goods to the NIPA measure of personal saving, keeping the NIPA measure of disposable personal

Chart 4. Personal Saving Rate With Capital Gains Taxes



income as the denominator of the rate calculation. Net investment rather than gross investment is added because if durable goods are recognized as part of wealth, the decay in this wealth caused by their wearing out or obsolescence cannot be ignored.

Net investment in consumer durable goods ranges from under 1.0 percent of disposable personal income in the recession year of 1991 to around 3.0 percent of disposable personal income in 1985–87 and in 1999–2000 (chart 5). Since 2003, it has been 2.5 percent or less, so from 1985 to 2005, the cumulative decline in the personal saving rate with consumer durable goods is greater than the decline in the NIPA personal saving rate (a drop of 10.0 percentage points, compared with a drop of 9.4 percentage points). However, the timing of some of the decline is shifted to earlier years. Indeed, in the most recent decade, the inclusion of consumer durable goods slows the decline in the saving rate slightly. In 2005, adding consumer durable goods raises the measured saving rate to nearly 2.0 percent.

Broader Measures of Saving

Low personal saving is a less critical problem if saving in the other sectors of the economy is strong because saving in other sectors can substitute for personal saving for some purposes. In particular, financing the Nation's investment needs is an important role of personal saving, but saving by business (which consists of undistributed corporate profits) and by government also provides funds for this purpose. Saving by busi-

nesses may also increase the value of equity assets held by persons, helping their wealth to grow even if they are not saving any of their own income. For this reason, crediting the saving done by businesses to the persons who own the businesses may be viewed as a reasonable alternative way to measure personal saving.

The NIPAs, however, already contain a close approximation for this measure, because net private saving in NIPA table 5.1 combines saving by business and saving by persons.⁷ Net private saving as a percent of national income falls a bit less than personal saving after 2000 because saving by business increased (chart 6). Over the longer run, however, business saving as a percent of national income has been relatively stable, so that the long-run trend line of net private saving is roughly parallel to that of personal saving, with a difference in level of about 3.0 percentage points.

Net national saving is a comprehensive measure of net saving by government, business, and persons. In 1995–2001, net national saving was substantially higher than personal saving, an exception to the pattern that prevailed in 1976–94, when dissaving by

7. To consolidate corporate businesses with resident households and institutions that own them in a precise way, foreign business ownership by U.S. residents and U.S. business ownership by foreign residents would have to be taken into account. Net private saving is a good approximation for this precise concept because most of the equity of U.S. corporations is owned by households and nonprofit institutions in the personal sector, and a subtraction from private saving to account for the portion of the equity of U.S. businesses owned by nonresidents would be approximately offset by an addition to account for the equity in foreign businesses owned by U.S. residents.

Chart 5. Personal Saving Rate With Consumer Durable Goods as Investment

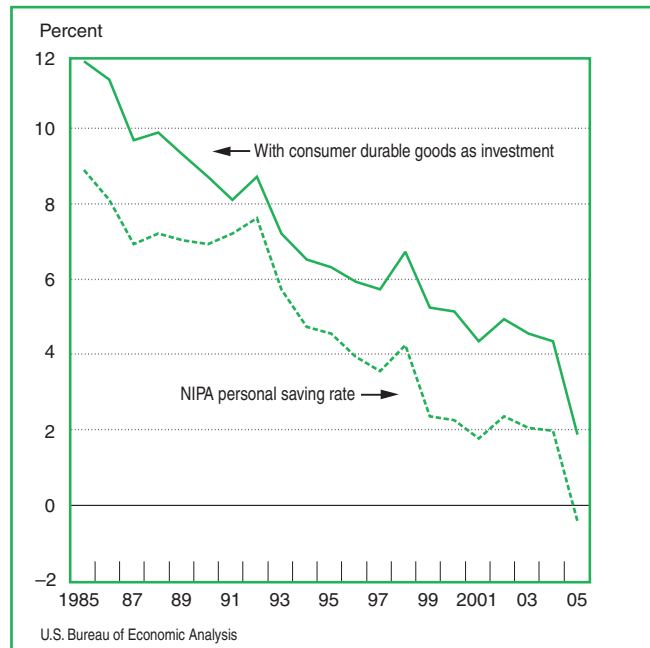
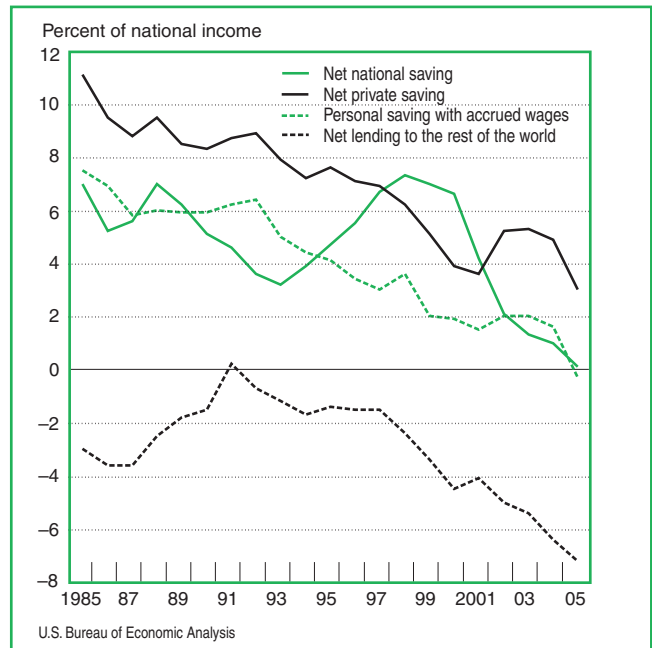


Chart 6. National Saving and Net Lending



government roughly cancelled out saving by business so that net national saving was similar to personal saving.

Net saving includes as an expense consumption of fixed capital, which is an estimate of the cost of wear and tear and obsolescence of the capital stock. Measures of gross saving ignore this noncash expense. Gross national saving has declined slightly less than net national saving. In 2001–2005, consumption of fixed capital ranged from 14.0 to 14.8 percent of national income, compared with about 13.5 percent in many earlier years. Since 2000, large losses due to the attacks of September 11, 2001, and to the hurricanes in 2004 and 2005 are one cause of the slightly higher expense for consumption of fixed capital after 2000. Changes in the composition of the capital stock have also contributed to it.

After adjustment for the statistical discrepancy, the excess of gross domestic investment over gross national saving equals the Nation's net borrowing, the amount of foreign saving that the Nation relies on to fund its investment needs. Domestic investment has not followed the same downward trajectory as national saving. As a result, the Nation's reliance on foreign saving to fund its investment needs has grown to levels that are unprecedented during the period for which BEA has data, 1929 to the present. Whether the current level of net borrowing represents an unsustainable imbalance has been the topic of much discussion, and questions have also been raised about the growing exposure of U.S. financial markets to foreign changes in investment philosophy or saving behavior.

Sources of Wealth Accumulation

Growth in personal wealth occurs either when current income is saved and used to acquire assets or to retire liabilities or when the prices of assets that persons already own rise and generate capital gains. Information on changes in personal wealth is not part of the NIPAs, but this information is available in the Federal Reserve Board's flow of funds accounts.

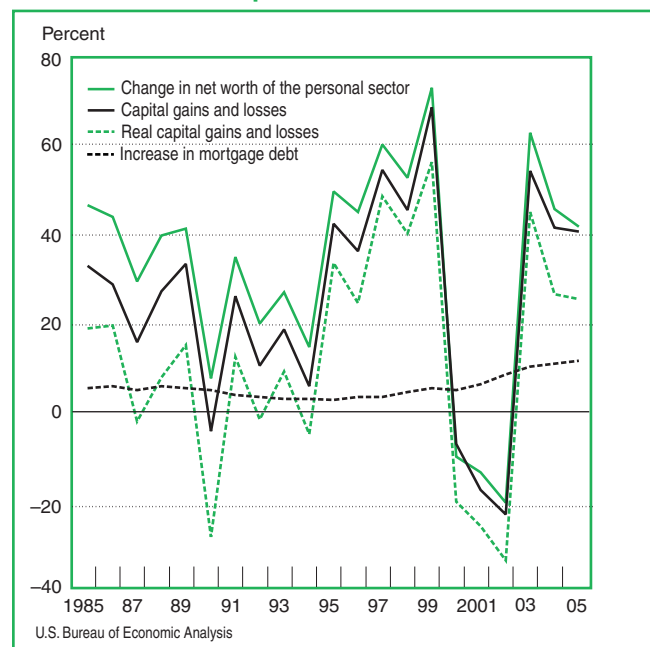
Capital gains and losses are generally a much more important source of change in personal wealth than saving out of current income (chart 7). They are, however, quite volatile. Furthermore, if indirect effects are considered, capital gains are responsible for a smaller share of growth in personal wealth than is suggested by the proximity of capital gains in chart 7 to change in net worth.

The change in the net worth in the personal sector's balance sheet generally has three significant components: A positive effect from net acquisitions of assets, a negative effect from growth in liabilities, and an ef-

fect from capital gains or losses. To analyze the change in net worth, the effect of growth in liabilities is conventionally offset against the net acquisitions of assets because this yields an estimate of personal investment. The convention of subtracting growth in liabilities from asset acquisitions might lead one to infer that growth in liabilities has no connection to capital gains, but this may not be true. In particular, ignoring the links between capital gains and liability growth can give an exaggerated impression of the degree to which capital gains drive increases in net worth.

Capital gains in general have been found to have positive effects on consumption, and some of the funds for this additional consumption are likely to come from debt. Moreover, capital gains on real estate—which have accounted for most of the personal sector's capital gains since 1999—tend to be coincident in timing with the growth of mortgage debt. Among the reasons for this pattern is that a fall in interest rates or a liberalization of credit standards raises both mortgage borrowing and demand for houses. Causality can run in the other direction, too, if decreases in home affordability induce buyers to choose larger or longer loans or if the rising ability of homeowners to furnish collateral induces them to do a cash-out refinancing or open up a home equity line of credit. In 2003–2005, increases in mortgage debt averaged 11.2 percent of disposable personal income. About three-quarters of this amount is linked to capital gains on real estate under the assumption that changes in persons' real estate

Chart 7. Measures of Wealth Accumulation as a Percent of Disposable Personal Income



equity equal 55 percent of changes in the value of their real estate assets.⁸

8. In 2003–2005, homeowner's equity averaged 54.7 percent of the value of their real estate. As the large capital gains of those years pushed up the value of personal real estate, the change in homeowner's equity was actually less than 55 percent of the change in the value of real estate. The assumption that 55 percent of the capital gains went into homeowner's equity may therefore be too high, implying that an even larger effect on growth of liabilities.

Conclusion

Alternative measures of personal saving neither change the conclusion that personal saving has fallen dramatically in the past two decades, nor do they imply any decrease in the record levels of national borrowing of recent years. They do, however, shed light on some of the underlying sources of influence on trends in personal saving.

Table 1. Alternative Measures of the Personal Saving Rate

	[Percent]																				
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Households								7.5	5.6	4.7	4.4	3.7	3.0	3.8	1.7	1.6	1.4	2.2	2.0	1.9	-0.5
Defined benefit pension plans excluded.....				5.6	5.5	5.4	5.7	6.3	4.3	3.2	3.0	2.7	2.5	3.2	1.4	1.6	1.6	1.8	1.3	1.4	-1.1
Capital gains taxes included.....	9.7	9.4	8.0	8.2	8.0	7.6	7.8	8.2	6.4	5.5	5.4	5.0	4.9	5.6	3.9	4.0	2.8	3.0	2.7	2.8	0.6
Consumer durable goods as investment.....	11.9	11.4	9.8	10.0	9.4	8.8	8.2	8.8	7.3	6.6	6.4	6.0	5.8	6.8	5.3	5.2	4.4	5.0	4.6	4.4	1.9
Addenda:																					
NIPA personal saving rate.....	9.0	8.2	7.0	7.3	7.1	7.0	7.3	7.7	5.8	4.8	4.6	4.0	3.6	4.3	2.4	2.3	1.8	2.4	2.1	2.0	-0.4
Change in net worth rate ¹	47.0	44.2	29.6	40.0	41.7	7.9	35.3	20.2	27.2	15.0	50.1	45.4	60.7	53.0	73.4	-9.8	-13.3	-20.1	63.2	46.0	42.0
NPISH saving rate ²								3.0	2.7	2.2	3.0	3.9	7.0	5.8	6.7	7.2	3.3	2.0	1.0	1.3	1.6

1. As a percent of disposable personal income.

2. As a percent of income of nonprofit institutions serving households (NPISHs) plus receipts from sales.
NIPAs National income and product accounts

Table 2. National Saving, Investment, and Borrowing

	[As a percent of national income]																				
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Personal saving with accrued wages	7.5	6.9	5.8	6.0	5.9	5.9	6.2	6.4	5.0	4.4	4.1	3.4	3.0	3.6	2.0	1.9	1.5	2.0	2.0	1.6	-0.3
Plus: Undistributed corporate profits	3.6	2.7	3.0	3.5	2.5	2.4	2.5	2.6	2.9	2.8	3.5	3.8	3.9	2.6	3.1	2.0	2.1	3.2	3.4	3.3	3.3
Equals: Net private saving.....	11.1	9.5	8.8	9.5	8.5	8.3	8.7	8.9	7.9	7.2	7.6	7.1	6.9	6.2	5.1	3.9	3.6	5.2	5.3	4.9	3.0
Plus: Net government saving	-4.1	-4.4	-3.2	-2.6	-2.3	-3.2	-4.2	-5.4	-4.7	-3.3	-2.9	-1.7	-0.2	1.2	1.9	2.7	0.6	-3.1	-4.1	-3.9	-2.9
Equals: Net national saving.....	7.0	5.2	5.6	7.0	6.2	5.1	4.6	3.6	3.2	3.9	4.7	5.5	6.7	7.3	7.0	6.6	4.2	2.1	1.3	1.0	0.1
Plus: Consumption of fixed capital	13.6	13.6	13.5	13.1	13.3	13.4	13.9	13.6	13.4	13.6	13.6	13.4	13.4	13.3	13.4	13.5	14.3	14.0	13.9	14.0	14.8
Equals: Gross saving	20.6	18.8	19.1	20.1	19.6	18.5	18.4	17.2	16.7	17.5	18.4	18.9	20.0	20.6	20.3	20.1	18.5	16.1	15.1	15.1	14.9
Net saving plus statistical discrepancy	7.5	6.4	6.1	6.5	7.0	6.4	5.9	5.4	5.6	6.2	6.3	6.8	7.6	7.1	6.5	5.2	3.2	1.9	1.8	1.7	0.7
Less: Net domestic investment.....	10.4	10.0	9.8	9.0	8.9	7.7	5.7	6.1	6.9	7.9	7.7	8.3	9.2	9.6	9.8	9.7	7.3	6.9	7.1	8.0	7.9
Less: Capital account transactions.....	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Equals: Net lending ¹	-3.0	-3.6	-3.6	-2.5	-1.8	-1.5	0.2	-0.7	-1.2	-1.7	-1.4	-1.5	-1.5	-2.4	-3.4	-4.5	-4.1	-5.0	-5.4	-6.4	-7.2

1. Net lending is the negative of net borrowing

Integrated Macroeconomic Accounts for the United States

By Charlotte Anne Bond, Teran Martin, Susan Hume McIntosh, and Charles Ian Mead

THIS article introduces a set of macroeconomic accounts that relate production, income and saving, capital formation, financial transactions, and asset revaluations to changes in net worth between balance sheets for major sectors of the U.S. economy. These new accounts should help economists gain a better understanding of major developments in the U.S. economy by providing a comprehensive picture of economic activity within an integrated framework in which consistent definitions, classifications, and accounting conventions are used throughout the presentation.

Highlights of the integrated macroeconomic accounts include the following:

- Among the domestic sectors, households and nonprofit institutions, nonfinancial noncorporate businesses, the Federal Government, and state and local governments have been net borrowers in recent years, as net fixed investment in these sectors has exceeded net saving. Net lending to these sectors has been provided by nonfinancial corporations, financial businesses, and the rest of the world.
- The net lending position of the nonfinancial corporate sector in recent years has been quite unusual, with undistributed corporate profits (net saving) exceeding net investment by an average of \$43.6 billion each year in 2003–2005. Funds raised in credit and equity markets were also unusually low as borrowing in the form of loans and debt securities was mainly offset by retirements of corporate equities.
- Although the saving rate for households and nonprofit institutions has fallen to historically low levels in recent years, the net worth of this sector increased \$12.9 trillion in 2003–2005. This increase was mainly accounted for by a \$4.9 trillion increase in the value of real estate and a \$4.5 trillion rise in the values of shares and other equity that were due to changes in prices.
- In recent years, low personal saving rates have been associated with large volumes of mortgage borrowing, which averaged \$984.4 billion each year in 2003–2005. However, the increase in mortgage debt

of households and nonprofit institutions was exceeded by an average annual increase of \$2.2 trillion in the value of real estate, which includes net investment. Because most of the real estate in this sector is associated with owner-occupied housing, net housing wealth, defined as the difference between owner-occupied housing values and related mortgage debt, rose substantially.

The full set of integrated macroeconomic accounts were developed as part of an interagency effort to further harmonize the Bureau of Economic Analysis national income and product accounts (NIPAs) and the Federal Reserve Board flow of funds accounts (FFAs) and to bring these accounts into closer accordance with the national accounting guidelines offered by the international community in the *System of National Accounts, 1993* (SNA).¹ Accordingly, the SNA was used as the organizing framework for the integrated accounts,

1. See Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, and the World Bank, *System of National Accounts 1993* (Brussels/Luxembourg, New York, Paris, and Washington, DC, 1993).

For a discussion of the history of this project and a prototype of the integrated accounts, see Albert M. Teplin, Rochelle Antoniewicz, Susan Hume McIntosh, Michael G. Palumbo, Genevieve Solomon, Charles Ian Mead, Karin Moses, and Brent Moulton, "Integrated Macroeconomic Accounts for the United States: Draft SNA-USA," in *A New Architecture for the U.S. National Accounts*, eds. Dale W. Jorgenson, J. Steven Landefeld, and William D. Nordhaus (University of Chicago Press, 2006).

Data Availability

The tables in this paper present the integrated macroeconomic accounts for the six major sectors of the domestic economy and the rest of the world for 2003–2005. A set of these tables that present data for 1960–2005 are available on BEA's public Web site at www.bea.gov/national/nipaweb/Ni_FedBeaSna/Index.asp. In addition, this Web site includes a table that presents a current account for the total domestic economy and a table that presents selected aggregates.

but these accounts do not necessarily follow all of the guidelines offered by the SNA. Related improvements in the NIPAs and FFAs will be introduced according to the standard revision policies for these accounts; the agencies currently plan to introduce related improvements into the integrated accounts during the quarterly updates that immediately follow their availability.

In the first part of this article, the main features of the SNA that are necessary to understand the overall structure of the integrated accounts and related research initiatives are introduced, and the differences in these features from those of the NIPAs and FFAs are discussed. In the second part, the integrated macroeconomic accounts are introduced, and some of their limitations are discussed. In the third part, some potential uses of the new accounts are illustrated. In the fourth part, some ideas to further develop these accounts are discussed.

International Guidelines

The SNA is an accounting structure for reporting macroeconomic data that summarize the transactions of groups of institutions (or sectors) and groups of establishments engaged in production (or industries). It begins with a sequence of accounts that flow into one another to track the sources of change in net worth for each sector. These accounts are then summed across sectors to obtain accounts for the total economy.

In the SNA, a nation's institutions are grouped into five mutually exclusive sectors that are intended to cover just about all macroeconomic activity—nonfinancial corporations, financial corporations, general government, nonprofit institutions serving households, and households. The SNA also allows for each sector to be divided into subsectors. For example, in the general government sector, accounts can be compiled for central government, state government, local government, and social security funds.

The sequence of accounts for each sector begins with an opening balance sheet, which records the value of assets, liabilities, and net worth (chart 1).

The balance sheet is followed by a sequence of current accounts. The first of these shows the contribution that is made by the sector to gross domestic product both in terms of the goods and services that are produced and the cost incurred during production. The remainder of these shows how net income that is generated from current production and received by the sector is used to finance consumption and savings.

The current account is followed by two accumulation accounts that separately derive a measure of the

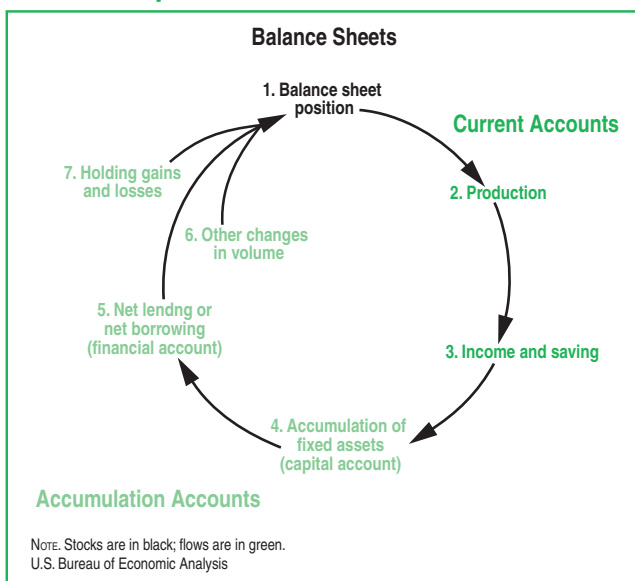
net lending or net borrowing position of the sector. The first, a capital account, derives net lending or net borrowing by subtracting fixed investment from saving that has been carried forward from the current account. The second, a financial account, derives net lending or net borrowing by subtracting the net acquisition of financial liabilities from the net acquisition of financial assets.

In principle, the value of net lending or net borrowing should be the same in both of the accounts, because saving that is not spent on purchases of fixed assets results in the acquisition of financial assets and because borrowing that is used to finance the purchase of fixed assets results in the incurrence of financial liabilities. However, when compiling the two related accounts, the values for the two measures are almost never equal because of differences in source data, timing of recorded flows, and other statistical differences between data used to create the measures.

The capital and financial accounts are followed by two additional accumulation accounts. The first, an “other changes in volume” account, records changes in net worth that are unrelated to current production or asset revaluation, such as changes due to catastrophic losses or uncompensated seizures of foreign assets and statistical breaks due to substantive changes in sector coverage or details available in key source data. The second, a revaluation account, records changes in the values of assets and liabilities that result from changes in their price.

The sum of fixed investment, net lending or net

Chart 1. Sequence of Accounts



borrowing, and other changes in net worth from the “other changes in volume” and revaluation accounts fully explains the total change in net worth for the sector, which in turn provides the next opening balance sheet position.

Differences between the NIPAs and the SNA

The NIPAs are organized as seven summary accounts, and data are presented in more than 300 underlying tables that cover most of the transactions envisioned in the current and capital accounts of the SNA. Despite the similarities in coverage, there are some notable differences between the NIPAs and the main features of the SNA that have been adopted in the integrated accounts.²

Differences in sectors. The sector classification scheme that is used in the NIPAs is more complicated than that recommended in the SNA. In the NIPAs, institutions are grouped one way for measuring their contribution to production, and they are grouped another way for measuring income, outlays, and saving. In contrast, the SNA recommends the use of a single set of sectors throughout the entire sequence of accounts.

For measuring the contribution to production, the NIPAs group institutions into three sectors—business, households and institutions, and general government. The business sector consists of all entities that produce goods and services for sale at a price intended to at least cover the costs of production. This includes incorporated and unincorporated forms of business organized for profit, mutual financial institutions, private uninsured pension funds, cooperatives, nonprofit organizations serving business, Federal Reserve banks, government-sponsored enterprises, and government business enterprises.³ The households and institutions sector consists of households and nonprofit institutions serving households (NPISHs). The general government sector includes all government institutions (Federal, state, and local) except government business enterprises, which are included in the business sector of the NIPAs.

2. For a more detailed discussion of the differences between the NIPAs and the SNA, see Charles Ian Mead, Karin E. Moses, and Brent R. Moulton, “The NIPAs and the System of National Accounts,” *SURVEY OF CURRENT BUSINESS* 84 (December 2004): 17–32.

3. Government-sponsored enterprises consist of Federal home loan banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until the fourth quarter of 2004, when it became privatized.

Government business enterprises are government agencies that cover a substantial portion of their operating costs by selling goods and services to the public and that maintain their own separate financial records, such as the U.S. Postal Service, state and local utility companies, and state and local transit authorities.

These sectors differ from those in the SNA primarily in their treatment of noncorporate business enterprises. In the NIPAs, these enterprises are included in the business sector. In the SNA, unincorporated businesses that primarily cover their operating costs through sales and that keep a complete set of financial records, such as some private partnerships and government business enterprises, are classified as “quasi-corporations” in the nonfinancial or financial corporations sectors, and other types of unincorporated enterprises, such as sole proprietorships, are classified in the household sector.

For measuring income, outlays, and saving, the NIPAs group institutions into three different sectors—corporate, personal, and government. The corporate sector consists of all nonfinancial and financial business enterprises that must file Federal corporate income tax returns, including mutual financial institutions, nonprofit institutions serving business, Federal Reserve banks, and government-sponsored enterprises.⁴ The personal sector includes income that is earned by, or transferred to, households and NPISHs and the net income of enterprises that are owned by households (proprietors’ income and rental income of persons). The government sector includes all government institutions, including government business enterprises.

Other differences. In the SNA, the current account for each sector begins by subtracting purchases of intermediate goods and services from gross output to arrive at value added. BEA provides value-added information by industry in its industry accounts and by sector in its detailed NIPA tables, but it does not provide information on gross output or purchases of intermediate goods and services for the private sectors of the economy. The more familiar presentation of GDP in the NIPA summary accounts calculates its value as the sum of final expenditures—personal consumption expenditures, private fixed investment, net exports of goods and services, and government expenditures and gross investment.

Differences between the FFAs and the SNA

The FFAs are organized as 19 summary accounts, and data are presented in more than 140 underlying tables, primarily focusing on financial flows and stocks of financial assets and liabilities. The FFAs cover most transactions envisioned in the capital, financial, revaluation, and “other changes in volume” accounts of the SNA, and the FFAs provide complete balance sheets for

4. Although government-sponsored enterprises may have been initially established by the government, they are treated as financial businesses in U.S. macroeconomic accounts because they are independently controlled and issue their own debt.

households and nonfinancial business. Despite the similarities in coverage, there are some notable differences between the FFAs and the main features of the SNA that have been adopted in the integrated accounts or that relate to future research initiatives.

Differences in sectors. The FFAs divide financial institutions (commercial banks, insurance companies, pension funds, and other financial intermediaries) into 22 different sectors. The remaining institutions in the U.S. economy are divided into five sectors—households and nonprofit organizations, nonfinancial business, Federal Government, and state and local governments. The FFAs also include nonfinancial business subsectors for nonfarm nonfinancial corporate business, nonfarm noncorporate business, and farm business.

The FFA sectors mainly differ from the SNA in the same way that the NIPA sectors that are used to measure income, outlays, and saving differ from the SNA. The financial and nonfinancial corporate sectors of the FFAs exclude quasi-corporations (partnerships), the government sectors include all government business enterprises, and the households and nonprofit organizations sector includes the net financial activity of all unincorporated businesses, not just sole proprietorships.

One exception relates to the sectoring of corporate farms. In the NIPAs, the income and outlays of corporate farms are included in the corporate sector. In contrast, corporate farms are included as part of the FFA farm subsector.

Other differences. The SNA envisions a complete balance sheet for each sector of the economy. However, the FFAs only publish balance sheets for households and nonprofit organizations, nonfinancial noncorporate business, and nonfinancial corporate business. For other types of institutions, balance sheet information in the FFAs is limited to financial assets and liabilities, mainly because of a lack of information on the market value of real estate and stocks of nonproduced nonfinancial assets, such as land, electromagnetic spectrum, and offshore drilling rights.

In the SNA, purchases of consumer durable goods are treated as final consumption in the accounts and are excluded from the balance sheets of the household sector. Although such goods provide services over a period of three or more years, their purchase is not treated as fixed investment because consumer durable goods are primarily used for nonmarket household production, which is considered outside the scope of GDP and the national accounts. In the FFAs, purchases of consumer durable goods are treated as investment because they represent important assets of households and are an important part of their net worth. Because

the FFAs do not measure current production, this practice does not create any inconsistency within these accounts.

Another difference between the FFAs and the SNA mainly relates to changes in the value of financial and fixed assets. The SNA recommends differentiating between changes in net worth from revaluations due to price changes and all “other changes in volume” not associated with net investment flows. Currently, the FFAs are not able to separate “other volume changes” from revaluations for series that have both, but this is an issue the Federal Reserve Board staff is working on. The combination of these effects on changes in net worth is shown in separate “reconciliation” tables that accompany the balance sheets.

A few other differences between the FFAs and the SNA also relate to changes in the value of financial and fixed assets. First, the FFAs record bonds at book value and equities at market value, whereas the SNA recommends that all securities are recorded at market value; thus, revaluations associated with financial instruments other than shares and other equity instruments are not included in the FFAs, whereas the SNA recommends including revaluations of all financial instruments.⁵ Second, debt writeoffs are not separately identified as “other changes in volume” as recommended in the SNA. Instead, they are reflected in the changes in the flows in the financial accounts.

A final difference between the data presented in the FFAs and what is envisioned in the SNA relates to the concept of net worth reported for the corporate business sectors. The FFAs follows typical accounting standards by presenting net worth as the recorded value of assets less liabilities, excluding equity capital. In contrast, the SNA calculates net worth as the market value of assets less a broader measure of liabilities that includes equity capital.

The inclusion of the market value of equity in the FFA measures of net worth allows users of these accounts to calculate many useful financial ratios. For instance, many users compare the FFA measures of net worth with those of debt to assess the long-term solvency of the nonfinancial corporate sector. Some users also compare the FFA measures of net worth with similar measures that are derived using historical costs for fixed assets to form expectations about future stock market returns.⁶

5. Past efforts by the Federal Reserve Board have found that this exclusion was unlikely to have much of an impact on net worth. However, this work predates more recent financial developments.

6. Some argue that such a comparison often does not provide useful information, particularly in more recent years, because the balance sheets exclude many types of intangible assets, such as consumer databases and firm-specific training, that have likely grown in more recent years and that may be an important determinant of equity market value.

The exclusion of the market value of equity from the SNA measure of corporate net worth allows net worth for the Nation to be computed directly as the sum of net worth across the sectors. The SNA measure of corporate sector net worth can be positive or negative, depending on the relationship between the market value of equity shares outstanding and the recorded value of its assets net of liabilities. By adding this measure to net worth for the other sectors in the SNA, in principle, net worth for the Nation is based on the recorded value of corporate assets rather than on the market value of equity shares outstanding.

The New Integrated Accounts

This section introduces the tables that present the integrated macroeconomic account for each sector of the U.S. economy. Most of the series in these tables are derived from data reported in the NIPAs and the FFAs. For the other series, alternative methods and data are used to estimate their values. Both BEA and the Federal Reserve Board are confident that the data in these tables provide information that is analytically useful and more transparently integrated in comparison with the data in the current NIPA and FFA tables, but they do not consider the new integrated data to be official estimates.

The main contribution of these tables is that they present a complete sequence of macroeconomic accounts that is based on consistent definitions, classifications, and accounting conventions. Although many of the terms that appear in these accounts also appear in the SNA, the definitions of the terms may vary, so users of these tables who are more familiar with SNA accounting standards than NIPA and FFA accounting standards should consult the documentation on these two last accounts to ensure that they understand exactly what is presented in the measures chosen for their analyses.⁷

Users of these tables should also note that a few of the SNA features that were mentioned in the previous section have not been fully adopted in the integrated accounts. First, the tables use a consistent set of sectors throughout the entire sequence of accounts, and these sectors are primarily based on definitions that are used in either the NIPAs or the FFAs. Second, each table begins by presenting gross value added by sector, but these values are only shown as the sum of production costs because the presentation is limited by the data

that are currently available in the NIPAs. Third, additional work still needs to be done to more fully develop the revaluation and “other changes in volume” accounts because the data in the related integrated accounts are limited by the data that are currently available in the FFAs.

It is also worth noting that the sum of gross value added across the sectors of the domestic economy in these accounts equals the gross domestic income in the NIPAs rather than gross domestic product because the related measures for each sector are based solely on information from the income-side of the NIPAs.

The tables divide domestic institutions into six sectors—households and nonprofit institutions serving households, nonfinancial noncorporate business, nonfinancial corporate business, financial business, Federal Government, and state and local governments. The rest of this section discusses the tables for each of the sectors and for the rest of the world.

Households and nonprofit institutions serving households

The integrated accounts for households and nonprofit institutions serving households (NPISHs) cover the same institutions that are included in the NIPA household and institutions and FFA households and nonprofit sectors.

The first portion of the current account for households and NPISHs shows the sector’s contribution to the output of final goods and services in the domestic economy, which is measured as gross value added (table 1, line 1). Net value added is equal to gross value added less the consumption of fixed capital, and it equals compensation paid by households and NPISHs, taxes on production and imports less subsidies, and net operating surplus (lines 3–8).

Because production for this sector includes owner-occupied housing services in addition to domestic and nonprofit services, taxes on production and imports less subsidies includes property taxes paid less the subsidies received by both homeowners and NPISHs. Net operating surplus also includes the net interest payments and rental income associated with owner-occupied housing and fixed assets of NPISHs.

Net operating surplus is carried forward into the second portion of the current account, which derives a measure of net national income by adding the income accrued by households and NPISHs as a consequence of their involvement in the process of production or their ownership of assets that may be needed for production (lines 10–19). This income consists of net operating surplus, “compensation of employees (received),” and “property income (received)” (lines

7. For details on the NIPAs, see “A Guide to the National Income and Product Accounts of the United States” and the various methodology papers that are available at <www.bea.gov>. For details on the FFAs, see *Guide to the Flow of Funds Accounts* (Publications Services, Board of Governors of the Federal Reserve System, 2000); <www.federalreserve.gov/releases/z1/>.

10–14). For households and NPISHs, property income consists of interest receipts, dividend receipts, and withdrawals from the income of quasi-corporations, which is the sum of proprietors' income and the rental income of tenant-occupied housing, less interest payments.

Net national income is carried forward into the final two portions of the current account. The first portion derives disposable income by subtracting "current taxes on income and wealth, etc. (paid)," "social contributions (paid)," and net "other current transfers" from net national income (lines 20–26). The second portion derives net saving (line 28) by subtracting final consumption expenditures (line 27) from disposable income (line 26).

The information that is covered in the final three portions of the current account is similar to that provided in the NIPA personal income and outlays account. However, there are some important differences between the related accounts.

In the NIPAs, owner-occupied housing is essentially a subsector of the private enterprise account, where the related net interest and transfer payments are subtracted from value added to obtain the rental income of persons for owner-occupants. This measure is then carried forward (along with the rental income of persons from tenant-occupied housing and other rental income of persons) into the personal income and outlays account as a net source of income in the derivation of personal saving. In the integrated accounts, net operating surplus is carried forward into the second portion of the current account for households and NPISHs. The net interest and transfer payments that are associated with owner-occupied housing (along with the net interest associated with the fixed assets of NPISHs) are then effectively subtracted by including the payments and receipts that are associated with owner-occupied housing in the interest and transfer measures for the consistently defined sector.

Another difference between the related accounts is that they present different concepts of disposable income. In particular, disposable personal income in the NIPAs is calculated before the deduction of interest and other current transfer payments, but disposable income in the integrated accounts is calculated after the deduction of such transactions.

A final difference between the accounts is that the measure of net saving in the current account (line 28) can differ slightly from the related measure of personal saving in the NIPAs because personal saving is partly based on a cash-based accounting measure of wage and salaries. In the integrated accounts, net saving is partly based on an accrual-based accounting measure

of wage and salaries (line 5).

Net saving is then carried forward into the capital account. As in the SNA, this account derives net lending or net borrowing for the sector by subtracting net capital formation (fixed investment) (line 32) from net saving and capital transfers (line 29). For households and NPISHs, net capital transfers consists of estate and gift taxes paid to the government and net migrants' transfers received by the rest of the world, which typically has a negative value. Purchases of consumer durable goods are also excluded from fixed investment, which is consistent with their treatment in the NIPAs and the SNA but not in the FFAs.

The capital account is followed by the financial account from which a measure of net lending or net borrowing for the sector can be derived by subtracting the net incurrence of liabilities from the net acquisition of financial assets. However, such a derivation results in a value for net lending or net borrowing that differs from that in the capital account because of differences in source data, timing of recorded flows, and other statistical differences between the accounts.

The SNA offers no guidance on how to treat the discrepancy between the two measures of net lending or net borrowing. In this table, as in the tables for the other sectors in the integrated accounts, the measure from the capital account is carried forward into the financial account, and the discrepancy between the two measures is included as the statistical discrepancy in the "other changes in volume" account (line 83). This provides consistency between changes in net worth that are recorded in the accumulation accounts and levels of net worth that are recorded on the balance sheets. By not forcing equality, the discrepancy between these measures also provides a crude measure of the effectiveness of future efforts to better align estimates in the accounts.

The differences between the two measures of net lending or net borrowing highlight the limitations of the accounts for this sector. Although the general trends of these two measures are similar, their values often differ by quite a bit, indicating that there are many statistical differences embedded in the accounts. These differences are not surprising because many of the flows for this sector in both the FFAs and the NIPAs are calculated residually, and differences in source data, timing of recorded flows, and many statistical differences in other sectors affect the estimates in this account.

In addition to the net lending or net borrowing discrepancy, the "other changes in volume" account includes net investment in consumer durable goods (line 81). As a result, such goods can be recorded on

the balance sheet for the household sector while consistency with the SNA's exclusion of the purchases of such goods from measures of fixed investment can still be maintained.

The revaluation account (the final accumulation account) for the sector records nominal holding gains and losses for nonfinancial and financial assets (lines 84–94). One notable characteristic of this account is that it does not provide separate measures for changes in the value of land and structures. Instead, the account provides a single value for all real estate (line 85), because the agencies have not fully researched the best way to provide separate measures.

The revaluation account is followed by a measure for the change in net worth for the sector (line 95). As in the SNA, the value is equal to the sum of the net capital formation, net lending or net borrowing, “other changes in volume,” and nominal holding gains or losses. The change in household and NPISH net worth is the same as that published in the FFAs, but the components differ. The net lending or net borrowing measure that is used in the calculation of net worth is from the capital account rather than from the financial account. The statistical discrepancy between the capital account and the financial account enters the calculation of the change in net worth through the “other changes in volume” account to bring the measure in line with what is reported in the FFAs.

The end-of-period stocks in the balance sheet account (lines 96–142) are similar to those published in the FFAs. The terminology for asset and liability items is consistent with international terminology, which should allow for easier comparisons across countries. In addition, financial instruments are grouped as recommended by the SNA.

Nonfinancial noncorporate business

The nonfinancial noncorporate business sector primarily consists of nonfinancial partnerships and sole proprietorships, including the noncorporate farms that are part of the FFA farm business subsector. However, it also includes the activities associated with tenant-occupied housing.

Since the accounts for this sector are structured in the same manner as those for the household and NPISHs sector, only a few noteworthy characteristics of the accounts for nonfinancial noncorporate businesses need to be mentioned.

Net operating surplus in this sector (table 2, line 8) consists of proprietors' income, net interest, business transfer payments associated with nonfinancial partnerships and sole proprietorships, and rental income associated with tenant-occupied housing.

Income generated in this sector is paid out to households as withdrawals from quasi-corporations (line 14). As a result, by construction, the sector has no net saving (line 20). However, there is capital formation for nonfinancial noncorporate businesses, which is financed by either “borrowing” from the income of quasi-corporations that has been distributed to households or borrowing through financial markets.

Capital formation financed by borrowing from the income of quasi-corporations is recorded in the financial account as equity in noncorporate business (line 54). Because of data limitations, the value of equity in noncorporate business is residually determined as the amount that is necessary to finally bring net borrowing from the financial account into alignment with net borrowing from the capital account. As a result, there is no statistical discrepancy between the borrowing measures to appear in the “other changes in volume” account for this sector.

The difficulties associated with measuring equity in noncorporate business have little effect on the measurement of the change in net worth for the sector (line 71) because total changes in net worth are mainly the result of changes in the prices of real estate that are recorded in the revaluation account (line 63).

Nonfinancial corporate business

The nonfinancial corporate business sector consists of the same nonfinancial institutions that are classified into the corporate sector in the NIPAs, and it includes the corporate farms that are part of the FFAs farm business subsector.

In the first portion of the current account, net operating surplus (table 3, line 8) consists of corporate profits, net interest, and business transfer payments that are associated with the nonfinancial corporations in the sector.

The remaining portions of the current account cover the same type of information that is presented for private enterprises in the NIPA summary accounts. However, there are a few differences that relate to the heavier use of SNA terminology and concepts in the integrated accounts. First, measures of corporate profits are fairly prominent in the NIPAs, but there are no equivalents in the current account for this sector. Second, undistributed corporate profits are called net saving in this account (line 24). Third, because there are no final consumption expenditures for corporations, net saving is equal to the SNA concept of disposable income (line 23).

The structure of the capital account is the same as that for households and NPISHs, but a few characteristics of the account for this sector are worth noting.

First, this capital account lacks the measure of internal funds (after-tax profits plus depreciation allowances) that appears in the FFAs and that is used to derive the sector's financing gap. This gap, which is measured as the difference between capital expenditures and the sum of U.S. internal funds and inventory valuation adjustment, is sometimes used as an indicator of the corporate sector's need to borrow.⁸ Net lending or net borrowing (line 33) is almost the same as the financing gap, but it includes undistributed profits of foreign subsidiaries, which are excluded from the FFA calculation of U.S. internal funds.

A final noteworthy characteristic about the capital account is related to nonproduced nonfinancial assets. These are claims on resources that are necessary for production but that have not been produced, such as land, the electromagnetic spectrum, and offshore drilling rights that are purchased from the government. The stocks of such assets are excluded from the balance sheet account, but the transactions associated with the net acquisition of such assets are included in the capital account (line 31). By including this flow in the statistical discrepancy in net lending or net borrowing (line 79), the accounts maintain consistency between the change in net worth (line 95) that is derived from items in the capital, financial, "other changes in volume," and revaluation accounts and the levels of net worth reported on the balance sheets while still providing information on transfers of these types of assets.

Not only is the discrepancy between the net lending or net borrowing measures affected by the accounting conventions used for nonproduced nonfinancial assets, but it is also affected by the boundary that effectively separates nonfinancial institutions from financial institutions within the accounts. In the current account, the measures are largely based on tax return data, and the sectoring of consolidated returns is based on the predominant form of business. In the financial account, the measures also use survey and regulatory data to effectively split financial subsidiaries from consolidated returns of parent corporations that are primarily engaged in nonfinancial activities. As a result, some of the financial activities of corporate subsidiaries are included in the current and capital accounts for the nonfinancial corporate business sector but are excluded from the sector's financial account.

The lack of a consistent definition of nonfinancial and financial business is a limitation of the integrated accounts. To some extent, it impedes an understanding about precisely how real activity in the economy is being financed. It also limits more precise analyses of

how financial risk is spread across the economy.

Because the measures of sector net worth in the integrated accounts are based on the SNA definition, its value for nonfinancial corporations can be positive or negative, depending on the market value of equity and on the recorded value of assets and other liabilities. The values of net worth for 2003–2005 presented in this paper are positive, but the tables on BEA's Web site show that this sector's net worth for 1995–2001 was negative; these negative values are consistent with the general finding that the market value of many firms greatly exceeded the recorded net value of shareholder's equity.

Financial business

The financial business sector consists of the monetary authority, depository institutions, insurance and private pension funds, and all other financial intermediaries that are included in the FFA financial sectors. It includes the financial sole proprietorships and partnerships that are excluded from the NIPA corporate sector.

In the current account, the measure of net operating surplus (table 4, line 8) consists of corporate profits, net interest, and business transfer payments of financial corporate business and proprietors' income, net interest, and business transfer payments of unincorporated financial businesses.

The remaining accounts for this sector are mainly structured the same way as those for the nonfinancial corporate sector. However, in the financial account, intrasector assets and liabilities—such as mortgage-backed securities issued by agencies and GSE-backed mortgage pools bought by commercial banks—are included as both an asset (line 36) and a liability (line 52). It is worth noting that there are sizable revaluations of financial assets (line 74) and financial liabilities (line 78) in the revaluation account primarily because of the sector's sizable equity holdings.

The net worth for financial business (line 134) is calculated from the same factors as those for the household sector with one notable exception. Because of data limitations, the change in net worth (line 85) excludes revaluations of real estate, and the level excludes the market value of real estate but includes the replacement cost of nonresidential structures.

Federal Government and state and local governments

The government sectors consist of the same governmental units that are included in the FFA government sectors. As a result, these sectors include the government business enterprises that are included in the NIPA government sector, but they exclude government

8. Because companies have other financial assets at their disposal, as well as discretion over equity issuance and share repurchases, the empirical relationship between the financing gap and corporate borrowing is often weak.

retirement funds, including the Federal retirement funds that were recently moved into the their own FFA sector.

In the first portion of the current accounts, net operating surplus (line 7 in tables 5 and 6) consists of the current surplus of the government business enterprises that are included in each sector.

The remaining portions of the current accounts (lines 8–24 in tables 5 and 6) are structured in the same manner as those for the other sectors of the domestic economy in the integrated accounts. As a result, the organization of these transactions differs from the presentation of government receipts and expenditures in the NIPAs. Most notably, the second portion of these accounts do not provide measures of total receipts and expenditures as does the NIPA account in the derivation of its measure of government saving.

The measure of net saving in the current accounts (line 24 in tables 5 and 6) can differ slightly from the related measure of net government saving in the NIPAs because net government saving is partly based on a measure of wage and salary disbursements.⁹ In the integrated accounts, like in the SNA, government saving is partly based on a measure of wage and salary accruals.

The capital accounts for the government sectors include the net acquisition of nonproduced nonfinancial assets because they serve as the counterpart to the purchases of such assets from the nonfinancial corporate sector (line 31). For the Federal Government sector, these assets mainly consist of sales of electromagnetic spectrum and offshore drilling rights. For the state and local government sector, these assets mainly consist of sales of land and access rights. Like in the capital account for the nonfinancial corporate sector, these flows are included in the net lending or net borrowing discrepancy in the “other changes in volume” account to maintain consistency between the change in net worth and the balance sheet accounts for the government sectors.

The discrepancies between the two net lending or net borrowing measures for Federal Government tend to be small, mainly reflecting the generally high quality of data available for the Federal Government. However, the small discrepancies also reflect timing adjustments that were recently made to the FFAs to improve their consistency with the NIPAs. In contrast, the discrepancies for the state and local government sector

tend to be large mainly because of source data limitations, but it is possible that closer coordination on estimation methodologies between the two agencies could further integrate these accounts.

For both government sectors, the measures of net worth (line 117 in table 5 and line 103 in table 6) are limited because they only include the replacement costs of reproducible fixed assets (primarily, nonresidential structures and equipment and software). The Federal Government controls a vast amount of land, natural resources, and spectrum rights that are not accounted for in its revaluation and balance sheet accounts. The U.S. Office of Management and Budget provides supplemental information on the real estate owned by the Federal Government, but these data are provided for illustrative purposes and have not been fully vetted for use in the accounts.¹⁰ In addition, there are no estimates of the same types of assets for state and local governments.¹¹

Rest of the world

The accounts for the rest of the world present a mirror image of the U.S. international transactions accounts published by BEA. In the current account, net saving or the current external balance (table 7, line 8) is calculated by subtracting foreign outlays to U.S. residents (line 5) from the foreign income received from U.S. residents (line 1). In the capital account, net capital transfers (line 10) are added to net saving (line 9) and acquisition of nonproduced nonfinancial assets (line 11) is subtracted to arrive at the net lending or net borrowing position for the rest of the world (line 12).

The magnitude of the net lending or net borrowing position of the rest of the world should equal that of the total domestic economy. However, this usually does not occur in the integrated macroeconomic accounts, primarily because the accounts rely on information from the product side of the NIPAs for their measures of capital formation and on information from the income side for their measure of saving. As a result, the discrepancy between these two sides of the NIPA domestic income and product account explains almost all of the differences between the magnitudes of the related measures. Eliminating the differences that cannot be explained by the difference between the income and product sides of the NIPAs and that appear in some of the later periods is a high priority of the agencies.

The financial, “other changes in volume,” and

9. Although wages and salaries do not directly appear in the government current receipts and expenditures accounts of the NIPAs, they are included as part of the measure of consumption expenditures that is used to derive the measures of net government saving. The same is true for the measures of final consumption expenditures that are used to derive government net saving in the integrated accounts.

10. See Executive Office of the President, Office of Management and Budget, “Table 3–1. Government Assets and Liabilities,” in *Analytical Perspectives of the U.S. Government, Fiscal Year 2007* (Washington, DC: U.S. Government Printing Office, 2006): 182.

11. Only recently has the Government Accounting Standards Board begun to require state and local governments to create balance sheets and determine the value of their assets.

reevaluation accounts for the rest of the world are structured in the same way as the related accounts for the domestic economy. The information in these accounts is similar to that in the FFAs; the same types of financial transactions are netted against one another in these accounts.

Like the flows that are recorded in the other accounts for the rest of the world, the balance sheet account for this sector presents a mirror image of the international investment position reported in the international transactions accounts. In particular, net worth for this sector (line 120) is equal to the accumulated value of foreign-owned financial assets in the United States less the accumulated value of U.S. financial assets owned abroad.

Uses of the New Tables

The framework for the integrated macroeconomic accounts facilitates many types of analyses of U.S. macroeconomic activity, which are more difficult to conduct with the separate NIPAs and FFAs. This section briefly mentions a few examples.

Sectoral net lending or net borrowing. The FFAs provide a good source of information on financial flows within the economy. However, neither the FFAs nor the NIPAs present the net lending or net borrowing position of all the major sectors of the U.S. economy as is done in the integrated accounts. Coupled with the asset and liability information that is also presented, the complete set of net lending or net borrowing information in the integrated accounts facilitates analyses of how resources are mobilized to finance investment in the sectors of the economy.

The integrated accounts show that among the domestic sectors of the U.S. economy, households and nonprofit institutions, nonfinancial noncorporate businesses, the Federal Government, and state and local governments have been net borrowers in recent years when investment in these sectors has exceeded saving. Net lending to these sectors has been provided by nonfinancial corporations, financial business, and the rest of the world.

The integrated accounts also show that in recent years, the net lending of nonfinancial corporations has been quite unusual: Net saving has exceeded net capital formation by an average of \$43.6 billion each year in 2003–2005. Funds raised in credit and equity markets were also unusually low as borrowing in the form of loans and debt securities was mainly offset by retirements of corporate equities.

Household saving. Economists have long recognized that both current income and wealth may affect the consumption and saving decisions of households.

In addition, many of the recent discussions of trends in U.S. economic growth and personal saving have also appealed to this notion as increases in home equity may have helped bolster current consumption expenditures. The integrated accounts facilitate analyses of the process by which current income and the composition of wealth affect consumption and saving behavior by presenting the composition of income and wealth for households and NPISHs in a single table for a consistently defined sector.

The integrated accounts show that the net worth of households and NPISHs increased \$12.9 trillion in 2003–2005, even as the saving rate for this sector fell to historically low levels. This increase was mainly accounted for by a \$4.9 trillion increase in the value of real estate and a \$4.5 trillion increase in the values of shares and other equity that were due to changes in the prices of these assets.

The low saving rates for households and nonprofit institutions were associated with large volumes of mortgage borrowing, which averaged \$984.4 billion each year in 2003–2005. However, the increase in mortgage debt of households and nonprofit institutions was exceeded by an average annual increase of \$2.2 trillion in the value of real estate, which includes net investment. Because most of the real estate in this sector is associated with owner-occupied housing, net housing wealth, defined as the difference between owner-occupied housing values and related mortgage debt, rose substantially.¹²

Future Initiatives

The integrated macroeconomic accounts represent a substantial effort by both the Bureau of Economic Analysis and the Federal Reserve Board, but there are a number of areas where future development in the accounts may be made. Because conceptual integration needs to be matched by statistical integration, some improvements are likely to come from the more general work of both agencies to improve the quality of their official estimates. Other improvements are likely to come from the continued joint efforts by the agencies to tighten the integration between the NIPAs and the FFAs.

BEA's strategic plan outlines a number of research activities that are expected to result in improvements in the quality of the NIPA-based measures. Work is already under way to see whether the times at which government fixed investment and changes in private inventories are recorded in the NIPAs can be made

12. Flow of funds table B.100 indicates that usually more than 90 percent of the value of real estate that is recorded on the balance sheet for households and nonprofit institutions is related to owner-occupied housing.

more consistent. Research is also being conducted to see whether the estimates of government consumption of fixed capital can be improved through the use of an alternative estimation methodology. BEA is also planning an intensive review of the consistency between the NIPA estimates of interest flows and the FFA estimates of interest-bearing assets.

Among other prospective projects that may improve the integration of these accounts, the Federal Reserve Board staff is investigating whether changes in the wide variety of activities that are currently included in the measures of miscellaneous assets for the nonfinancial business sector can be more appropriately divided in the FFAs into flows, revaluations, and “other changes in volume.” Although this work involves a considerable amount of effort and the development of new comprehensive source data, it could lead to a substantial improvement in the accounts, and perhaps it could help to alleviate the source of the current discrepancies between the measures of sectoral net lending or net borrowing in the current account and the financial account.

One particular interest relates to the identification of debt writedowns. These accounting items are currently included in the flows for the debt items that are presented in the FFA financial accounts, but they would be better accounted for separately as “other changes in volume.” The separate identification of debt writedowns could improve the amount of detail that is provided in the “other changes in volume” account and may also reduce the discrepancies between the measures of the net lending or net borrowing positions of corporations in the accounts.

Other interests relate to developing measures that value bonds at current market prices and to providing separate information on the revaluation of residential

land and structures. Accordingly, Federal Reserve Board staff has been conducting research on these two issues to improve consistency between the FFAs and the SNA.

The agencies are jointly advancing other efforts to improve the integration of the NIPAs and the FFAs. These efforts include working together to examine the possible use of alternative data sources to improve the NIPA estimates for state and local governments when more comprehensive data from the Census of Governments are not available. In addition, the agencies plan to thoroughly examine the use of data from the BEA fixed assets and international transactions accounts in the FFAs to ensure that the information that is used in these accounts is consistent with the information used in the NIPAs. This work is expected to eliminate the small discrepancies between the net lending or net borrowing position of the domestic economy and the rest of the world that cannot currently be explained by the statistical difference between the income and product sides in the NIPAs.

Joint efforts are also being made to examine whether information from corporate financial statements can be used to improve the sectoring of activities associated with financial subsidiaries. It is hoped that this research would allow for the development of estimates for the integrated macroeconomic accounts that consistently include the activities of financial subsidiaries in the financial sector.

A final topic that the agencies are jointly investigating is whether estimates of stocks of nonproduced nonfinancial assets can be developed for the balance sheets. Although both agencies would like to develop a set of estimates for the wide array of such assets, there are a number of statistical and methodological issues that cannot immediately be overcome.

Tables 1–7 follow.

Table 1. Households and Nonprofit Institutions Serving Households

[Billions of dollars]

	Line	2003	2004	2005		Line	2003	2004	2005
Current account					Long term (mortgages)	76	864.4	981.7	1,107.1
Gross value added	1	1,269.2	1,356.5	1,419.6	Insurance technical reserves (unpaid premiums)	77	0.9	1.6	1.0
Less: Consumption of fixed capital	2	201.7	235.9	293.5	Other accounts payable (trade debt)	78	4.8	2.0	2.0
Equals: Net value added	3	1,067.5	1,120.6	1,126.1	Addendum:				
Compensation paid by households and NPISHs	4	503.5	529.8	552.4	Net lending or net borrowing, financial account (39-68)....	79	-97.7	-302.4	-629.6
Wages and salaries	5	436.8	458.9	477.2	Other changes in volume account				
Employers' social contributions	6	66.7	70.9	75.3	Total other volume changes	80	514.9	209.6	150.2
Taxes on production and imports less subsidies	7	128.0	136.6	142.3	Net investment in consumer durable goods	81	205.7	208.2	210.2
Operating surplus, net	8	436.0	454.1	431.4	Other volume changes	82	199.8	12.5	47.6
Net national income/balance of primary incomes, net	9	8,427.9	8,930.9	9,357.9	Less: Statistical discrepancy (37-[39-68]) ³	83	-109.4	11.1	107.6
Operating surplus, net	10	436.0	454.1	431.4	Revaluation account				
Compensation of employees (received)	11	6,325.4	6,650.3	7,030.3	Nonfinancial assets	84	1,122.3	1,652.8	1,986.4
Wages and salaries	12	5,127.7	5,377.1	5,664.8	Real estate	85	1,220.5	1,674.8	2,025.8
Employers' social contributions	13	1,197.7	1,273.2	1,365.5	Consumer durable goods	86	-98.4	-21.7	-39.0
Property income (received)	14	2,201.1	2,385.6	2,528.4	Equipment and software	87	0.2	-0.3	-0.3
Interest	15	915.4	892.1	946.3	Financial assets	88	3,342.8	1,988.4	1,713.3
Distributed income of corporations	16	1,285.8	1,493.5	1,582.1	Shares and other equity	89	1,912.8	1,251.5	1,323.0
Dividends	17	422.6	537.1	574.4	Corporate equities	90	1,078.9	361.2	232.7
Withdrawals from income of quasi-corporations ¹	18	863.2	956.5	1,007.7	Mutual fund shares	91	424.4	276.2	244.8
Less: Uses of property income (interest paid)	19	534.6	559.1	632.2	Equity in noncorporate business	92	409.5	614.1	845.6
Net national income/balance of primary incomes, net	20	8,427.9	8,930.9	9,357.9	Insurance technical reserves	93	1,429.9	736.8	390.3
Less: Current taxes on income, wealth, etc. (paid)	21	1,001.1	1,049.8	1,203.1	Changes in net worth due to nominal holding gains or losses				
Plus: Social benefits (received)	22	1,316.7	1,398.4	1,480.9	Changes in balance sheet account				
Less: Social contributions (paid)	23	778.6	826.4	880.6	Change in net worth (32+37+80+94)	95	5,155.1	3,994.4	3,798.8
Plus: Other current transfers (received)	24	34.3	28.1	45.7	Balance sheet account (end of period)				
Less: Other current transfers (paid)	25	105.7	110.4	93.3	Total assets	96	53,780.0	58,967.7	63,975.4
Equals: Disposable income, net	26	7,893.5	8,370.9	8,707.5	Nonfinancial assets	97	20,238.8	22,523.9	25,173.1
Less: Final consumption expenditures	27	7,703.6	8,211.5	8,742.4	Real estate	98	16,675.0	18,759.0	21,222.6
Equals: Net saving	28	189.9	159.3	-34.8	Consumer durable goods	99	3,380.3	3,566.8	3,738.0
Capital account					Equipment and software	100	183.4	198.1	212.5
Net saving and capital transfers	29	175.1	143.6	-51.1	Financial assets	101	33,541.1	36,443.8	38,802.3
Net saving	30	189.9	159.3	-34.8	Currency and deposits	102	4,330.3	4,730.5	5,110.9
Capital transfers received (net)	31	-14.8	-15.7	-16.2	Currency and transferable deposits	103	286.8	319.0	308.1
Capital formation, net	32	382.2	435.0	470.9	Other deposits	104	4,043.5	4,411.5	4,802.8
Gross fixed capital formation, excluding consumer durables	33	583.9	670.9	764.4	Foreign deposits	105	52.1	57.5	62.7
Residential	34	492.7	574.0	663.5	Time and savings deposits	106	3,991.3	4,353.9	4,740.1
Nonresidential (nonprofit organizations)	35	91.2	96.8	100.9	Securities other than shares	107	2,381.7	2,587.7	2,853.1
Less: Consumption of fixed capital	36	201.7	235.9	293.5	Open market paper	108	105.9	136.1	164.2
Net lending or net borrowing, capital account (29-32)	37	-207.1	-291.4	-522.0	U.S. savings bonds	109	203.8	204.4	205.1
Financial account					Treasury securities	110	236.8	358.3	342.1
Net lending or net borrowing, capital account (line 37)	38	-207.1	-291.4	-522.0	Agency- and GSE-backed securities ²	111	388.5	435.3	638.8
Net acquisition of financial assets	39	920.7	876.2	580.3	Municipal securities	112	707.7	740.9	816.0
Currency and deposits	40	278.5	374.8	380.9	Corporate and foreign bonds	113	739.0	712.6	687.0
Currency and transferable deposits	41	-58.8	32.2	-10.5	Loans	114	623.2	738.6	740.7
Other deposits	42	337.3	342.6	391.4	Short term (security credit)	115	475.4	578.3	567.4
Foreign deposits	43	2.2	5.4	5.2	Long term (mortgages)	116	147.9	160.2	173.3
Time and savings deposits	44	335.1	337.2	386.2	Shares and other equity	117	15,058.0	16,187.1	17,310.1
Securities other than shares	45	110.3	193.2	200.2	Corporate equities	118	5,613.1	5,715.2	5,491.6
Open market paper	46	-4.5	30.2	28.1	Mutual fund shares	119	3,085.4	3,610.7	4,121.4
U.S. savings bonds	47	8.9	0.6	0.7	Money market fund shares	120	959.8	903.5	957.3
Treasury securities	48	19.8	64.7	-113.1	Equity in noncorporate business	121	5,399.6	5,957.7	6,739.9
Agency- and GSE-backed securities ²	49	144.4	83.0	221.3	Insurance technical reserves	122	11,147.9	12,200.0	12,787.4
Municipal securities	50	29.0	33.2	75.0	Net equity in life insurance and pension funds	123	10,685.9	11,697.2	12,259.3
Corporate and foreign bonds	51	-87.4	-18.5	-11.8	Net equity in life insurance reserves	124	1,013.2	1,060.4	1,082.6
Loans	52	74.3	115.3	2.1	Net equity in pension fund reserves	125	9,672.7	10,636.8	11,176.7
Short term (security credit)	53	62.7	103.0	-10.9	Prepayments of premiums and reserves against claims	126	462.0	502.8	528.1
Long term (mortgages)	54	11.6	12.4	13.0	Net equity in reserves of property-casualty insurance companies	127	252.0	273.0	295.1
Shares and other equity	55	148.5	-122.5	-200.0	Net equity in other life insurance company reserves	128	199.5	211.0	217.3
Corporate equities	56	-2.0	-259.1	-456.3	Net equity in Uniformed Services Retiree Health Care Fund	129	10.5	18.8	15.7
Mutual fund shares	57	240.5	249.0	266.0	Total liabilities and net worth	130	53,780.0	58,967.7	63,975.4
Money market fund shares	58	-110.1	-56.4	53.8	Liabilities	131	9,812.0	11,005.4	12,214.2
Equity in noncorporate business	59	20.2	-56.1	-63.4	Securities other than shares (municipals)	132	178.3	188.6	205.1
Insurance technical reserves	60	309.1	315.3	197.1	Loans	133	9,455.9	10,635.5	11,825.9
Net equity in life insurance and pension funds	61	267.1	274.5	168.7	Short term	134	2,457.3	2,640.4	2,723.8
Net equity in life insurance reserves	62	66.8	33.1	16.1	Consumer credit	135	2,117.0	2,233.9	2,325.3
Net equity in pension fund reserves	63	200.3	241.4	152.6	Bank loans n.e.c.	136	38.8	23.1	46.8
Prepayments of premiums and reserves against claims	64	42.0	40.9	28.4	Other loans and advances	137	119.0	119.4	119.4
Net equity in reserves of property-casualty insurance companies	65	19.5	21.1	22.1	Security credit	138	182.5	264.0	232.2
Net equity in other life insurance company reserves	66	13.9	11.4	9.5	Long term (mortgages)	139	6,998.6	7,995.1	9,102.3
Net equity in Uniformed Services Retiree Health Care Fund	67	8.6	8.4	-3.1	Insurance technical reserves (unpaid premiums)	140	20.9	22.5	22.4
Net incurrence of liabilities	68	1,018.4	1,178.6	1,209.9	Other accounts payable (trade debt)	141	156.8	158.8	160.8
Securities other than shares (municipals)	69	14.1	10.3	16.5	Net worth	142	43,968.0	47,962.4	51,761.2
Loans	70	998.6	1,164.8	1,190.4					
Short term	71	134.1	183.1	83.4					
Consumer credit	72	104.0	116.9	91.3					
Bank loans n.e.c.	73	-2.6	-15.7	23.7					
Other loans and advances	74	-1.6	0.4	0.0					
Security credit	75	34.3	81.5	-31.7					

1. Consists of rental income of tenant-occupied housing and proprietors' income. Quasi-corporations are unincorporated enterprises that function as if they were corporations; they primarily cover their operating costs through sales, and they keep a complete set of financial records.

2. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

3. The statistical discrepancy is the difference between net lending or net borrowing derived in the capital account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

NPISHs Nonprofit institutions serving households
n.e.c. Not elsewhere classified

Table 2. Nonfinancial Noncorporate Business

[Billions of dollars]

	Line	2003	2004	2005		Line	2003	2004	2005
Current account					Other (miscellaneous liabilities).....				
Gross value added.....	1	1,681.6	1,839.9	1,963.1	Addendum:	59	23.3	89.8	49.3
Less: Consumption of fixed capital.....	2	150.8	166.8	195.3	Net lending or net borrowing, financial account (30-47)	60	-64.2	-70.1	-69.2
Equals: Net value added.....	3	1,530.9	1,673.1	1,767.8	Other changes in volume account				
Compensation of employees (paid).....	4	439.8	469.8	504.9	Total other volume changes.....	61	15.7	-70.2	-69.5
Wages and salaries.....	5	380.0	404.8	434.1	Revaluation account				
Employers' social contributions.....	6	59.7	65.0	70.8	Nonfinancial assets.....	62	349.5	468.5	674.2
Taxes on production and imports less subsidies.....	7	96.2	109.2	111.5	Real estate.....	63	355.4	466.0	684.7
Operating surplus, net.....	8	994.9	1,094.1	1,151.5	Residential.....	64	284.7	341.2	521.5
Net national income/balance of primary incomes, net.....	9	15.7	13.2	6.9	Nonresidential.....	65	70.6	124.9	163.2
Operating surplus, net.....	10	994.9	1,094.1	1,151.5	Equipment and software.....	66	-7.4	-2.1	-14.2
Property income (interest received).....	11	14.8	16.3	16.1	Residential.....	67	-1.4	-0.4	1.5
Less: Uses of property income (paid).....	12	994.0	1,097.1	1,160.7	Nonresidential.....	68	-6.0	-1.7	-15.7
Interest.....	13	183.6	194.4	208.0	Inventories.....	69	1.5	4.5	3.8
Withdrawals from income of quasi-corporations ¹	14	810.4	902.7	952.6	Changes in net worth due to nominal holding gains or losses.....	70	349.5	468.5	674.2
Reinvested earnings on foreign direct investment.....	15	0.0	0.1	0.1	Changes in balance sheet account				
Rents on land and natural resources.....	16	0.0	0.0	0.0	Change in net worth (22+28+61+70).....	71	365.2	398.2	604.7
Net national income/balance of primary incomes, net.....	17	15.7	13.2	6.9	Balance sheet account (end of period)				
Less: Other current transfers (paid).....	18	15.7	13.2	6.9	Total assets.....	72	7,837.0	8,610.7	9,619.6
Equals: Disposable income, net.....	19	0.0	0.0	0.0	Nonfinancial assets.....	73	6,028.7	6,525.9	7,229.8
Equals: Net saving.....	20	0.0	0.0	0.0	Real estate.....	74	5,430.7	5,893.8	6,563.0
Capital account					Residential ⁴	75	4,021.8	4,390.4	4,902.2
Net saving.....	21	0.0	0.0	0.0	Nonresidential ⁵	76	1,408.9	1,503.5	1,660.8
Capital formation, net.....	22	64.2	70.1	69.2	Equipment and software.....	77	527.2	554.3	584.3
Gross fixed capital formation.....	23	213.9	227.2	263.2	Residential.....	78	40.3	41.9	45.4
Nonresidential.....	24	137.9	138.1	160.7	Nonresidential.....	79	486.9	512.5	538.9
Residential.....	25	76.0	89.1	102.5	Inventories.....	80	70.8	77.8	82.6
Less: Consumption of fixed capital.....	26	150.8	166.8	195.3	Financial assets.....	81	1,808.3	2,084.8	2,389.8
Change in inventories.....	27	1.1	9.7	1.3	Currency and deposits.....	82	502.7	580.7	666.5
Net lending or net borrowing, capital account (21-22).....	28	-64.2	-70.1	-69.2	Currency and transferable deposits.....	83	189.7	217.8	248.5
Financial account					Time and savings deposits.....	84	313.0	362.8	417.9
Net lending or net borrowing (line 28).....	29	-64.2	-70.1	-69.2	Securities other than shares.....	85	47.5	55.1	63.5
Net acquisition of financial assets.....	30	88.5	276.5	305.0	Treasury securities.....	86	44.9	52.0	59.9
Currency and deposits.....	31	48.5	78.0	85.8	Municipal securities.....	87	2.7	3.1	3.6
Currency and transferable deposits.....	32	4.7	28.1	30.7	Loans.....	88	26.0	30.2	34.7
Time and savings deposits.....	33	43.8	49.8	55.1	Short term (consumer credit).....	89	0.0	0.0	0.0
Securities other than shares.....	34	1.3	7.6	8.4	Long term (mortgages).....	90	26.0	30.2	34.7
Treasury securities.....	35	2.0	7.1	7.9	Shares and other equity.....	91	57.4	66.3	75.2
Municipal securities.....	36	-0.7	0.4	0.5	Money market mutual fund shares.....	92	53.1	61.5	70.9
Loans.....	37	-0.2	4.1	4.6	Equity in government-sponsored enterprises ²	93	4.3	4.8	4.3
Short term (consumer credit).....	38	0.0	0.0	0.0	Insurance technical reserves³.....	94	103.6	110.8	119.7
Long term (mortgages).....	39	-0.2	4.1	4.6	Other accounts receivable.....	95	1,071.2	1,241.7	1,430.2
Shares and other equity.....	40	-7.6	9.0	8.8	Trade receivables.....	96	338.6	392.5	452.1
Money market mutual fund shares.....	41	-8.2	8.5	9.3	Other (miscellaneous assets).....	97	732.6	849.2	978.2
Equity in government-sponsored enterprises ²	42	0.6	0.5	-0.5	Total liabilities and net worth.....	98	7,837.0	8,610.7	9,619.6
Insurance technical reserves³.....	43	8.0	7.2	8.9	Liabilities.....	99	3,379.0	3,754.5	4,158.6
Other accounts receivable.....	44	38.4	170.6	188.5	Loans.....	100	2,384.3	2,633.5	2,949.6
Trade receivables.....	45	-24.2	53.9	59.6	Short term.....	101	637.8	653.5	709.1
Other (miscellaneous assets).....	46	62.6	116.6	128.9	Bank loans n.e.c.....	102	481.3	494.6	545.3
Net incurrence of liabilities.....	47	152.7	346.6	374.2	Other loans and advances.....	103	156.5	159.0	163.9
Loans.....	48	104.1	250.5	317.1	Long term (mortgages).....	104	1,746.5	1,980.0	2,240.4
Short term.....	49	15.9	15.7	55.6	Shares and other equity (foreign direct investment in the United States).....	105	2.4	2.5	2.6
Bank loans n.e.c.....	50	10.7	13.3	50.7	Other accounts payable.....	106	992.4	1,118.5	1,206.5
Other loans and advances.....	51	5.2	2.4	4.9	Trade payables.....	107	276.2	305.0	335.4
Long term (mortgages).....	52	88.2	234.8	261.5	Taxes payable.....	108	69.7	77.3	85.6
Shares and other equity.....	53	49.6	-30.1	-30.8	Other (miscellaneous liabilities).....	109	646.4	736.2	785.5
Equity in noncorporate business.....	54	49.9	-30.2	-30.9	Net worth.....	110	4,458.0	4,856.2	5,461.0
Foreign direct investment in the United States.....	55	-0.2	0.1	0.1					
Other accounts payable.....	56	-1.0	126.2	88.0					
Trade payables.....	57	-23.9	28.8	30.4					
Taxes payable.....	58	-0.4	7.5	8.3					

NOTES. Nonfinancial noncorporate business includes noncorporate farms that are excluded from the nonfinancial noncorporate business sector in the flow of funds accounts.

Estimates are based on the North American Industry Classification System.

1. Consists of rental income of tenant-occupied housing and proprietors' income. Quasi-corporations are unincorporated enterprises that function as if they were corporations; they primarily cover their operating costs through sales, and they keep a complete set of financial records.

2. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National

Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

3. Net equity in reserves of property-casualty insurance companies.

4. Farm houses are included in the household sector.

5. Excludes noncorporate farm land.

n.e.c. Not elsewhere classified

Table 3. Nonfinancial Corporate Business

[Billions of dollars]

	Line	2003	2004	2005		Line	2003	2004	2005
Current account									
Gross value added.....	1	5,558.4	5,932.9	6,369.7	Trade payables.....	73	-54.6	101.8	148.2
Less: Consumption of fixed capital.....	2	657.5	686.2	739.7	Taxes payable.....	74	-11.7	6.8	5.1
Equals: Net value added.....	3	4,900.9	5,246.7	5,630.1	Miscellaneous liabilities.....	75	9.4	421.8	212.0
Compensation of employees (paid).....	4	3,703.2	3,873.4	4,099.7	Addendum:				
Wages and salaries.....	5	3,019.4	3,158.4	3,335.1	Net lending or net borrowing, financial account (35-58).....	76	68.6	177.3	71.4
Employers' social contributions.....	6	683.8	714.9	764.6					
Taxes on production and imports less subsidies.....	7	488.5	522.9	558.1	Other changes in volume account				
Operating surplus, net.....	8	709.2	850.4	972.2	Total other volume changes.....	77	203.9	450.7	584.8
Net national income/balance of primary incomes, net.....	9	377.7	460.1	560.6	Other volume changes.....	78	169.8	262.5	534.4
Operating surplus, net.....	10	709.2	850.4	972.2	Less: Statistical discrepancy (33-[35-58]) ³	79	-20.5	-148.4	-17.9
Property income (received).....	11	421.7	473.0	529.6	Less: Inventory valuation adjustment.....	80	-13.6	-39.8	-32.6
Interest.....	12	240.8	258.2	283.5					
Distributed income of corporations (dividends).....	13	55.8	60.1	231.1	Revaluation account				
Reinvested earnings on foreign direct investment.....	14	125.1	154.8	15.0	Nonfinancial assets.....	81	307.3	579.3	744.3
Less: Uses of property income (paid).....	15	753.1	863.4	941.2	Real estate.....	82	283.7	494.9	679.6
Interest.....	16	379.1	380.6	423.5	Equipment and software.....	83	21.2	54.4	43.4
Distributed income of corporations (dividends).....	17	348.5	427.0	459.6	Inventories.....	84	2.4	30.0	21.3
Reinvested earnings on foreign direct investment.....	18	11.2	40.5	41.6	Financial assets.....	85	35.9	67.5	67.7
Rent.....	19	14.3	15.3	16.6	Mutual fund shares.....	86	18.9	13.0	9.1
Net national income/balance of primary incomes, net.....	20	377.7	460.1	560.6	Direct investment abroad.....	87	17.0	54.5	58.7
Less: Current taxes on income, wealth, etc. (paid).....	21	167.4	224.3	302.5	Liabilities.....	88	2,247.2	907.0	461.2
Less: Other current transfers (paid).....	22	64.4	60.0	51.4	Corporate equity.....	89	2,246.3	890.0	432.6
Equals: Disposable income, net.....	23	146.0	175.8	206.7	Foreign direct investment in the United States.....	90	1.0	17.0	28.6
Equals: Net saving.....	24	146.0	175.8	206.7	Changes in net worth due to nominal holding gains or losses.....	91	-1,904.0	-260.2	350.8
Capital account									
Net saving and capital transfers.....	25	146.1	175.8	206.7	Changes in balance sheet account				
Net saving.....	26	146.0	175.8	206.7	Change in net worth (28+33+77+91) ⁴	92	-1,554.2	366.2	1,142.3
Capital transfers received (net).....	27	0.2	0.0	0.0					
Capital formation, net.....	28	98.0	146.8	153.1	Balance sheet account (end of period)				
Gross fixed capital formation (acquisition of produced nonfinancial assets).....	29	753.1	796.5	883.7	Total assets.....	93	20,137.5	21,748.9	23,122.2
Less: Consumption of fixed capital.....	30	657.5	686.2	739.7	Nonfinancial assets⁵.....	94	10,018.8	10,804.5	11,762.6
Acquisition of nonproduced nonfinancial assets.....	31	-10.8	-11.0	-10.8	Real estate.....	95	5,377.0	5,920.9	6,656.9
Inventory change including inventory valuation adjustment.....	32	13.2	47.6	20.0	Equipment and software.....	96	3,277.2	3,365.8	3,515.2
Net lending or net borrowing, capital account (25-28).....	33	48.1	28.9	53.5	Inventories.....	97	1,364.6	1,497.8	1,590.5
					Financial assets.....	98	10,118.7	10,944.4	11,359.6
					Currency and deposits.....	99	602.4	641.6	670.2
Financial account					Currency and transferable deposits.....	100	201.4	167.4	130.3
Net lending or net borrowing, capital account (line 33).....	34	48.1	28.9	53.5	Time and savings deposits.....	101	362.8	420.5	466.0
Net acquisition of financial assets.....	35	83.4	786.1	395.5	Foreign deposits.....	102	38.1	53.7	73.8
Currency and deposits.....	36	140.8	39.2	28.6	Securities other than shares.....	103	156.0	175.3	190.0
Currency and transferable deposits.....	37	51.8	-34.0	-37.1	Open market paper.....	104	75.7	95.0	106.8
Time and savings deposits.....	38	71.5	57.7	45.6	Treasury securities.....	105	32.8	33.0	36.9
Foreign deposits.....	39	17.6	15.6	20.1	Agency- and GSE-backed securities ¹	106	12.1	12.2	13.7
Securities other than shares.....	40	10.8	19.3	14.7	Municipal securities.....	107	35.4	35.0	32.6
Open market paper.....	41	10.9	19.3	11.7	Loans.....	108	116.2	132.8	157.6
Treasury securities.....	42	1.4	0.2	3.9	Short term.....	109	64.5	64.9	73.5
Agency- and GSE-backed securities ¹	43	-4.8	-0.1	1.4	Security repurchases.....	110	6.0	6.4	14.9
Municipal securities.....	44	3.3	0.4	-2.4	Consumer credit.....	111	58.5	58.5	58.6
Loans.....	45	-14.2	16.6	24.7	Long term (mortgages).....	112	51.8	67.9	84.0
Short term (security repurchases and consumer credit).....	46	-16.4	0.5	8.6	Shares and other equity.....	113	2,278.9	2,637.2	2,716.0
Long term (mortgages).....	47	2.2	16.1	16.1	Money market fund shares.....	114	291.2	319.0	354.8
Shares and other equity.....	48	109.5	290.9	-18.0	Mutual fund shares.....	115	124.8	139.8	156.3
Money market fund shares.....	49	-38.5	27.7	35.8	U.S. direct investment abroad.....	116	1,723.9	1,998.2	2,048.4
Mutual fund shares.....	50	11.3	2.0	7.4	Equity in government-sponsored enterprises ¹	117	0.3	0.4	0.4
U.S. direct investment abroad.....	51	122.9	219.8	-8.5	Investment in finance company subsidiaries.....	118	138.6	179.9	156.1
Equity in government-sponsored enterprises ¹	52	0.1	0.0	0.0	Insurance technical reserves².....	119	243.4	263.0	284.4
Investment in finance company subsidiaries.....	53	13.7	41.3	-52.7	Other accounts receivable.....	120	6,721.8	7,094.4	7,341.5
Insurance technical reserves².....	54	19.0	19.6	21.4	Trade receivables.....	121	1,702.4	1,827.8	1,982.5
Other accounts receivable.....	55	-182.7	400.4	324.2	Other (miscellaneous assets).....	122	5,019.4	5,266.6	5,359.0
Trade receivables.....	56	-17.3	125.4	154.7	Total liabilities and net worth.....	123	20,137.5	21,748.9	23,122.2
Other (miscellaneous assets).....	57	-165.4	275.0	169.4	Liabilities.....	124	19,940.4	21,185.5	21,416.5
Net incurrence of liabilities.....	58	14.8	608.8	324.1	Securities other than shares.....	125	3,117.6	3,217.3	3,276.7
Securities other than shares.....	59	126.7	99.6	59.4	Open market paper.....	126	84.8	101.6	93.8
Open market paper.....	60	-35.1	16.8	-7.9	Municipal securities.....	127	164.2	169.4	176.7
Municipal securities.....	61	3.5	5.1	7.4	Corporate bonds.....	128	2,868.6	2,946.3	3,006.2
Corporate bonds.....	62	158.3	77.7	59.9	Loans.....	129	1,764.4	1,844.3	2,066.2
Loans.....	63	-36.7	79.9	221.9	Short term.....	130	1,237.6	1,270.0	1,404.4
Short term.....	64	-84.3	32.3	134.5	Bank loans n.e.c.....	131	567.5	582.4	644.9
Bank loans n.e.c.....	65	-85.9	14.9	62.5	Other loans and advances.....	132	670.2	687.6	759.5
Other loans and advances.....	66	1.6	17.4	72.0	Long term (mortgages).....	133	526.7	574.3	661.7
Long term (mortgages).....	67	47.6	47.6	87.4	Shares and other equity.....	134	11,236.2	12,045.2	12,185.9
Shares and other equity.....	68	-18.1	-98.0	-320.5	Corporate equity.....	135	10,043.6	10,807.0	10,876.3
Corporate equities.....	69	-42.0	-126.6	-363.4	Foreign direct investment in the United States.....	136	1,192.6	1,238.1	1,309.6
Foreign direct investment in the United States.....	70	23.9	28.6	42.9	Insurance technical reserves (contributions payable).....	137	49.8	46.6	44.8
Insurance technical reserves (contributions payable).....	71	-0.2	-3.1	-1.9	Other accounts payable.....	138	3,772.4	4,032.2	3,843.1
Other accounts payable.....	72	-56.9	530.4	365.2	Trade payables.....	139	1,405.6	1,507.3	1,655.5
					Taxes payable.....	140	81.2	88.0	93.1
					Miscellaneous liabilities.....	141	2,285.6	2,436.8	2,094.5
					Net worth.....	142	197.1	563.3	1,705.7

Notes. Nonfinancial corporate business includes corporate farms that are excluded from the nonfinancial corporate business sector in the flow of funds accounts.

Estimates are based on the North American Industry Classification System.

1. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

2. Net equity in reserves of property-casualty insurance companies.

3. The statistical discrepancy is the difference between net lending or net borrowing derived in the capital

account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

4. Includes changes in the market value of shares and other equity that are excluded from the related measures for the nonfinancial corporate business sector in the flow of funds accounts.

5. Excludes nonproduced nonfinancial assets.

6. Excludes corporate farm land.

n.e.c. Not elsewhere classified

Table 4. Financial Business

[Billions of dollars]

	Line	2003	2004	2005		Line	2003	2004	2005
Current account					Other changes in volume account				
Gross value added.....	1	970.5	1,010.9	1,053.9	Total other volume changes.....	68	-162.0	-261.5	44.7
Less: Consumption of fixed capital.....	2	108.3	116.5	124.2	Other volume changes.....	69	-102.6	21.7	57.9
Equals: Net value added.....	3	862.2	894.4	929.7	Less: Statistical discrepancy (31-[-33-50]) ³	70	59.5	283.2	13.2
Compensation of employees (paid).....	4	472.3	503.5	538.0	Revaluation account				
Wages and salaries.....	5	392.8	419.2	447.1	Nonfinancial assets	71	63.7	153.3	154.2
Employers' social contributions.....	6	79.5	84.3	90.9	Structures.....	72	30.5	120.2	124.3
Taxes on production and imports less subsidies.....	7	46.6	50.6	53.3	Equipment and software.....	73	33.2	33.1	29.9
Operating surplus, net.....	8	343.4	340.3	338.5	Financial assets	74	2,311.1	1,344.3	795.7
Net national income/balance of primary incomes, net.....	9	254.6	254.5	286.2	Corporate equities.....	75	2,008.2	1,111.8	711.4
Operating surplus, net.....	10	343.4	340.3	338.5	Mutual fund shares.....	76	277.0	191.8	97.3
Property income (received).....	11	1,124.8	1,348.3	1,648.2	U.S. direct investment abroad.....	77	25.9	40.8	-13.0
Interest.....	12	1,024.4	1,211.0	1,468.2	Liabilities	78	2,894.5	1,627.6	976.1
Distributed income of corporations (dividends).....	13	77.3	106.7	177.0	Corporate equity issues.....	79	746.3	418.1	224.5
Reinvested earnings on foreign direct investment.....	14	23.1	30.6	3.1	Mutual fund shares.....	80	727.2	483.8	352.4
Less: Uses of property income (paid).....	15	1,213.6	1,434.1	1,700.4	Foreign direct investment in the United States.....	81	12.3	0.0	8.8
Interest.....	16	979.9	1,132.3	1,340.6	Equity in noncorporate business.....	82	4.3	2.9	3.1
Distributed income of corporations.....	17	230.2	286.3	342.2	Pension fund reserves.....	83	1,404.5	722.7	387.2
Dividends.....	18	177.4	232.5	287.2	Changes in net worth due to nominal holding gains or losses	84	-519.7	-130.0	-26.2
Withdrawals from income of quasi-corporations ¹	19	52.8	53.8	55.0	Changes in balance sheet account				
Reinvested earnings on foreign direct investment.....	20	3.5	15.5	17.6	Change in net worth (28+31+68+84).....	85	-502.6	-224.3	166.3
Rents on land and natural resources.....	21	0.0	0.0	0.0	Balance sheet account (end of period)				
Net national income/balance of primary incomes, net.....	22	254.6	254.5	286.2	Total assets.....	86	45,473.0	49,642.4	53,694.5
Less: Current taxes on income, wealth, etc. (paid).....	23	75.9	75.8	96.8	Nonfinancial assets ⁴	87	1,886.7	2,040.0	2,194.2
Less: Other current transfers (paid).....	24	-0.5	11.5	41.6	Structures.....	88	1,181.9	1,302.1	1,426.4
Equals: Disposable income, net.....	25	179.1	167.2	147.8	Equipment and software.....	89	704.8	737.9	767.8
Equals: Net saving.....	26	179.1	167.2	147.8	Financial assets	90	43,586.3	47,602.4	51,500.3
Capital account					Monetary gold and SDRs	91	13.2	13.2	13.2
Net saving.....	27	179.1	167.2	147.8	Currency and deposits	92	884.9	933.1	949.1
Capital formation, net	28	-10.1	19.5	-0.4	Securities other than shares	93	13,532.5	14,007.3	14,522.8
Gross fixed capital formation (nonresidential).....	29	98.2	136.0	123.8	Open market paper.....	94	953.5	985.1	1,196.6
Less: Consumption of fixed capital.....	30	108.3	116.5	124.2	Treasury securities.....	95	1,612.2	1,532.1	1,584.0
Net lending or net borrowing, capital account (27-28).....	31	189.3	147.7	148.2	Agency- and GSE-backed securities ²	96	4,703.2	4,629.5	4,285.3
Financial account					Municipal securities.....	97	1,130.8	1,221.2	1,338.6
Net lending or net borrowing (line 31).....	32	189.3	147.7	148.2	Corporate and foreign bonds.....	98	4,317.8	4,783.5	5,235.4
Net acquisition of financial assets	33	2,664.4	2,700.4	3,203.2	Nonmarketable government securities.....	99	815.0	855.9	882.9
Monetary gold and SDRs	34	0.0	0.0	0.0	Loans	100	14,322.6	15,900.9	17,797.5
Currency and deposits	35	-44.6	42.5	18.7	Short term.....	101	5,381.0	5,697.0	6,167.2
Securities other than shares	36	1,010.7	454.8	534.8	Long term (mortgages).....	102	8,941.6	10,204.0	11,630.3
Loans	37	1,089.1	1,563.5	1,896.6	Shares and other equity	103	12,187.3	14,086.3	15,397.5
Short term.....	38	101.5	315.9	470.2	Corporate equities.....	104	8,081.2	9,461.6	10,390.0
Long term (mortgages).....	39	987.6	1,247.6	1,426.3	Mutual fund shares.....	105	1,418.0	1,658.4	1,742.7
Shares and other equity	40	263.5	554.7	515.6	Money market fund shares.....	106	649.5	529.8	555.2
Corporate equities.....	41	123.7	268.6	217.0	Equity in government-sponsored enterprises ²	107	37.7	40.1	42.0
Mutual fund shares.....	42	42.1	48.7	-13.0	U.S. direct investment abroad.....	108	335.9	401.0	405.5
Money market mutual fund shares.....	43	-54.7	-119.7	25.4	Stock in Federal Reserve banks.....	109	8.8	11.9	13.5
Equity in government-sponsored enterprises ²	44	2.5	2.4	2.0	Investment in subsidiaries.....	110	1,656.1	1,983.5	2,248.5
U.S. direct investment abroad.....	45	27.0	24.3	17.5	Insurance technical reserves	111	387.7	397.6	405.5
Stock in Federal Reserve banks.....	46	0.5	3.1	1.6	Other accounts receivable	112	2,258.1	2,264.0	2,414.6
Investment in subsidiaries.....	47	122.4	327.4	265.0	Total liabilities and net worth.....	113	45,473.0	49,642.4	53,694.5
Insurance technical reserves	48	-17.3	-38.9	-10.1	Liabilities	114	46,210.9	50,604.6	54,490.4
Other accounts receivable	49	363.2	123.8	247.7	Currency and deposits	115	6,880.2	7,541.8	8,139.8
Net incurrence of liabilities.....	50	2,534.6	2,835.9	3,068.2	Securities other than shares	116	10,311.5	11,072.7	11,988.4
Currency and deposits	51	426.3	636.3	596.6	Agency- and GSE-backed securities ²	117	6,083.3	6,201.3	6,251.9
Securities other than shares	52	977.0	746.4	970.2	Corporate bonds.....	118	3,147.7	3,735.7	4,364.7
Loans	53	357.7	302.1	445.5	Commercial paper.....	119	1,080.5	1,135.7	1,371.8
Short term.....	54	349.4	275.9	432.4	Loans	120	2,995.8	3,297.9	3,743.4
Long term (mortgages).....	55	8.3	26.3	13.1	Short term.....	121	2,893.7	3,169.5	3,601.9
Shares and other equity	56	319.4	745.9	734.4	Long term (mortgages).....	122	102.1	128.4	141.4
Money market mutual fund shares.....	57	-207.5	-136.5	127.0	Shares and other equity	123	12,398.6	14,049.3	15,401.5
Corporate equity issues.....	58	62.7	108.3	67.9	Money market fund shares.....	124	2,016.4	1,879.8	2,006.9
Mutual fund shares.....	59	288.6	298.2	260.2	Corporate equity issues.....	125	3,495.5	4,021.9	4,314.3
Equity in government-sponsored enterprises ²	60	3.2	2.9	1.5	Mutual fund shares.....	126	4,654.2	5,436.3	6,048.9
Foreign direct investment in the United States.....	61	40.2	104.5	66.8	Equity in government-sponsored enterprises ²	127	42.3	45.2	46.7
Equity in noncorporate business.....	62	-4.5	-3.3	-2.8	Foreign direct investment in the United States.....	128	382.0	486.4	562.1
Investment by parent.....	63	136.2	368.7	212.2	Equity in noncorporate business.....	129	4.8	4.4	4.6
Stock in Federal Reserve banks.....	64	0.5	3.1	1.6	Investment by parent.....	130	1,794.7	2,163.4	2,404.6
Insurance technical reserves	65	308.4	295.4	220.1	Stock in Federal Reserve banks.....	131	8.8	11.9	13.5
Other accounts payable	66	145.7	109.8	101.5	Insurance technical reserves	132	11,760.9	12,841.9	13,471.5
Addendum:					Other accounts payable	133	1,863.9	1,801.0	1,745.8
Net lending or net borrowing, financial account (33-50).....	67	129.8	-135.5	135.0	Net worth	134	-738.0	-962.2	-795.9

NOTES: Financial business includes depository institutions, insurance companies and pension funds, monetary authority, and other financial institutions.

Estimates are based on the North American Industry Classification System.

1. Consists of rental income of tenant-occupied housing and proprietors' income. Quasi-corporations are unincorporated enterprises that function as if they were corporations; they primarily cover their operating costs through sales, and they keep a complete set of financial records.

2. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corpora-

tion, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

3. The statistical discrepancy is the difference between net lending or net borrowing derived in the capital account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

4. Excludes land.
SDRs Special Drawing Rights

Table 5. Federal Government

[Billions of dollars]

	Line	2003	2004	2005		Line	2003	2004	2005
Current account					Insurance technical reserves				
Gross value added	1	448.6	478.4	498.8	Insurance reserves	60	34.4	50.4	38.0
Less: Consumption of fixed capital	2	90.4	94.1	99.0	Nonmarketable securities held by pension plans	61	1.1	1.1	1.1
Equals: Net value added	3	358.2	384.3	399.8	Uniformed Services Retiree Health Care Fund	62	24.7	40.9	40.0
Compensation of employees (paid).....	4	355.8	385.5	404.7	Other accounts payable	63	8.6	8.4	-3.1
Wages and salaries.....	5	236.0	250.0	261.1	Trade payables.....	64	70.0	15.8	17.5
Employers' social contributions.....	6	119.8	135.5	143.6	Other (miscellaneous liabilities).....	65	72.6	14.8	12.4
Operating surplus, net.....	7	2.3	-1.2	-4.9	Addendum:	66	-2.6	1.0	5.0
Net national income/balance of primary incomes, net	8	-145.7	-149.6	-191.5	Net lending or net borrowing, financial account (34-54).....	67	-467.1	-431.7	-348.2
Operating surplus, net.....	9	2.3	-1.2	-4.9	Other changes in volume account				
Taxes on production and imports, receivable.....	10	89.7	94.6	101.1	Total other volume changes	68	-50.2	-39.8	9.0
Subsidies (paid).....	11	-47.8	-44.3	-56.9	Other volume changes.....	69	1.3	-35.9	-4.1
Property income (received).....	12	22.9	22.1	22.9	Less: Statistical discrepancy (32-[34-54]) ²	70	51.5	3.9	-13.1
Interest.....	13	16.4	15.5	15.9	Revaluation account				
Rents on land and natural resources.....	14	6.5	6.6	7.1	Nonfinancial assets	71	26.8	87.3	78.0
Less: Uses of property income (interest paid).....	15	212.9	220.9	253.8	Structures.....	72	24.0	61.3	74.8
Net national income/balance of primary incomes, net	16	-145.7	-149.6	-191.5	Equipment and software.....	73	2.8	26.0	3.2
Plus: Current taxes on income, wealth, etc. (received).....	17	981.1	1,055.6	1,265.1	Financial assets	74	3.1	1.3	-2.1
Plus: Social benefits (received).....	18	758.9	802.2	855.3	Currency and checkable deposits.....	75	-2.7	-1.2	2.7
Less: Social contributions (paid).....	19	966.5	1,018.4	1,081.7	Monetary gold, SDRs, and official foreign exchange.....	76	5.8	2.5	-4.9
Plus: Other current transfers (received).....	20	25.0	27.7	7.1	Changes in net worth due to nominal holding gains or losses				
Less: Other current transfers (paid).....	21	362.2	374.9	395.0		77	29.9	88.6	75.9
Equals: Disposable income, net	22	290.6	342.5	459.4	Changes in balance sheet account				
Less: Final consumption expenditures.....	23	662.7	724.5	768.6	Change in net worth (28+32+68+77)	78	-432.8	-371.7	-266.2
Equals: Net saving	24	-372.1	-382.0	-309.2	Balance sheet account (end of period)				
Capital account					Total assets	79	2,151.8	2,207.7	2,286.4
Net saving and capital transfers	25	-412.5	-420.4	-351.2	Nonfinancial assets ³	80	1,498.9	1,593.2	1,681.0
Net saving.....	26	-372.1	-382.0	-309.2	Structures.....	81	985.3	1,042.7	1,112.3
Capital transfers received (net).....	27	-40.4	-38.4	-42.0	Equipment and software.....	82	513.6	550.5	568.7
Capital formation, net	28	3.1	7.4	10.1	Financial assets	83	653.0	614.6	605.4
Gross fixed capital formation (acquisition of produced nonfinancial assets).....	29	93.7	101.4	109.8	Monetary gold and SDRs	84	12.6	13.6	8.2
Less: Consumption of fixed capital.....	30	90.4	94.1	99.0	Currency and deposits	85	101.8	68.0	65.9
Acquisition of nonproduced nonfinancial assets.....	31	-0.2	0.0	-0.6	Official foreign exchange.....	86	19.9	21.4	18.9
Net lending or net borrowing, capital account (lines 25-28)	32	-415.6	-427.8	-361.3	Net IMF position.....	87	22.6	19.6	8.1
Financial account					Currency and transferable deposits.....	88	54.1	21.9	36.8
Net lending or net borrowing (line 32)	33	-415.6	-427.8	-361.3	Time and savings deposits.....	89	2.4	2.4	1.4
Net acquisition of financial assets	34	33.9	-2.9	15.0	Nonofficial foreign currencies.....	90	2.8	2.8	0.6
Monetary gold and SDRs	35	-0.6	0.4	-4.5	Loans	91	285.6	288.8	286.1
Currency and deposits	36	-17.0	-34.6	-0.9	Short term.....	92	211.7	213.4	208.3
Official foreign exchange.....	37	0.3	0.3	0.3	Consumer credit.....	93	94.1	98.4	102.1
Net IMF position.....	38	-1.5	-3.8	-10.2	Other loans and advances.....	94	117.7	115.0	106.2
Currency and transferable deposits.....	39	9.2	-31.0	12.2	Long term (mortgages).....	95	73.8	75.4	77.8
Time and savings deposits.....	40	-25.2	0.0	-1.0	Shares and other equity	96	40.0	42.0	43.2
Nonofficial foreign currencies.....	41	0.2	0.0	-2.2	Equity in international organizations.....	97	40.0	42.0	43.2
Loans	42	-2.7	3.3	-2.7	Equity in government-sponsored enterprises ¹	98	0.0	0.0	0.0
Short term.....	43	-0.2	1.7	-5.1	Other accounts receivable	99	213.0	202.2	201.9
Consumer credit.....	44	1.3	4.3	3.8	Trade receivables.....	100	51.3	61.8	70.9
Other loans and advances.....	45	-1.5	-2.6	-8.8	Taxes receivable.....	101	102.8	82.9	74.0
Long term (mortgages).....	46	-2.5	1.6	2.4	Other (miscellaneous assets).....	102	58.9	57.5	57.1
Shares and other equity	47	1.4	2.0	1.3	Total liabilities and net worth	103	2,151.8	2,207.7	2,286.4
Equity in international organizations.....	48	1.4	2.0	1.3	Liabilities	104	5,084.4	5,512.0	5,856.9
Equity in government-sponsored enterprises ¹	49	0.0	0.0	0.0	Monetary gold and SDRs (SDR certificates)	105	2.2	2.2	2.2
Other accounts receivable	50	52.7	26.0	21.8	Currency and deposits (Treasury currency)	106	26.0	26.7	27.5
Trade receivables.....	51	19.1	10.5	9.1	Securities other than shares	107	4,033.1	4,395.0	4,701.9
Taxes receivable.....	52	33.9	16.9	13.2	Treasury securities including savings bonds.....	108	4,008.2	4,370.7	4,678.0
Other (miscellaneous assets).....	53	-0.2	-1.4	-0.5	Federal agency securities.....	109	24.9	24.3	23.8
Net incurrence of liabilities	54	501.0	428.8	363.2	Insurance technical reserves	110	865.9	916.3	941.3
Monetary gold and SDRs (SDR certificates)	55	0.0	0.0	0.0	Insurance reserves.....	111	40.5	41.6	42.7
Currency and deposits (Treasury currency)	56	0.6	0.7	0.8	Nonmarketable securities held by pension plans.....	112	815.0	855.9	882.9
Securities other than shares	57	396.0	361.9	306.9	Uniformed Services Retiree Health Care Fund.....	113	10.5	18.8	15.7
Treasury securities including savings bonds.....	58	398.4	362.5	307.3	Other accounts payable	114	157.2	171.8	184.0
Federal agency securities.....	59	-2.4	-0.6	-0.4	Trade payables.....	115	151.4	166.2	178.6
					Other (miscellaneous liabilities).....	116	5.8	5.6	5.4
					Net worth	117	-2,932.6	-3,304.2	-3,570.5

Note. The Federal government accounts exclude Federal employee retirement funds.

1. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

2. The statistical discrepancy is the difference between net lending or net borrowing derived in the capital

account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

3. Excludes land and nonproduced nonfinancial assets.

IMF International Monetary Fund
SDRs Special Drawing Rights

Table 6. State and Local Governments

[Billions of dollars]

	Line	2003	2004	2005		Line	2003	2004	2005
Current account					Net incurrence of liabilities				
Gross value added	1	983.7	1,027.2	1,079.7	55	149.4	146.1	204.6	
Less: Consumption of fixed capital	2	127.8	136.7	153.2	56	120.0	115.1	170.8	
Equals: Net value added	3	855.9	890.5	926.5	57	10.4	-5.9	5.7	
Compensation of employees (paid)	4	856.5	894.3	936.9	58	109.6	121.0	165.1	
Wages and salaries	5	668.4	691.8	716.6	59	0.3	0.2	0.5	
Employers' social contributions	6	188.2	202.5	220.3	60	29.2	30.8	33.3	
Operating surplus, net	7	-0.6	-3.8	-10.5	Addendum:				
Net national income/balance of primary incomes, net	8	702.1	746.7	791.6	61	-70.4	-51.3	-62.1	
Operating surplus, net	9	-0.6	-3.8	-10.5	Other changes in volume account				
Taxes on production and imports, receivable	10	717.5	769.4	821.2	62	32.9	43.1	14.3	
Subsidies (paid)	11	-0.1	-0.4	-0.4	63	-10.8	-10.9	-18.7	
Property income (received)	12	72.9	73.3	75.3	64	-43.7	-54.0	-32.9	
Interest	13	62.9	62.1	63.4	Revaluation account				
Distributed income of corporations (dividends)	14	2.2	2.4	2.4	65	78.4	493.1	463.6	
Rents on land and natural resources	15	7.9	8.7	9.5	66	79.0	489.6	462.0	
Less: Uses of property income (interest paid)	16	87.7	91.8	94.2	67	-0.5	3.6	1.6	
Net national income/balance of primary incomes, net	17	702.1	746.7	791.6	68	29.3	12.3	5.5	
Plus: Current taxes on income, wealth, etc. (received)	18	261.9	291.5	333.2	Changes in net worth due to nominal holding gains or losses				
Plus: Social benefits (received)	19	19.8	24.2	25.3	69	107.7	505.4	469.1	
Less: Social contributions (paid)	20	353.0	382.9	402.3	Changes in balance sheet account				
Plus: Other current transfers (received)	21	422.7	438.0	456.1	Change in net worth (28+32+62+69)				
Equals: Disposable income, net	22	1,053.4	1,117.5	1,203.9	70	171.8	587.5	534.0	
Less: Final consumption expenditures	23	1,073.8	1,130.3	1,207.2	Balance sheet account (end of period)				
Equals: Net saving	24	-20.4	-12.9	-3.3	71	6,916.8	7,650.4	8,389.0	
Capital account					72	5,008.6	5,635.1	6,225.7	
Net saving and capital transfers	25	31.2	39.0	50.6	73	4,784.0	5,399.1	5,979.8	
Net saving	26	-20.4	-12.9	-3.3	74	224.6	236.1	245.9	
Capital transfers received (net)	27	51.6	51.9	53.9	75	1,908.2	2,015.3	2,163.3	
Capital formation, net	28	145.3	144.3	145.6	Financial assets				
Gross fixed capital formation (acquisition of produced nonfinancial assets)	29	262.2	270.0	287.3	76	191.6	193.9	231.8	
Less: Consumption of fixed capital	30	127.8	136.7	153.2	77	44.9	40.3	48.8	
Acquisition of nonproduced nonfinancial assets	31	10.9	11.0	11.6	78	146.7	153.6	183.1	
Net lending or net borrowing, capital account (25-28)	32	-114.1	-105.3	-95.0	79	992.7	1,050.1	1,145.0	
Financial account					80	161.6	170.4	177.1	
Net lending or net borrowing (line 32)	33	-114.1	-105.3	-95.0	81	364.2	387.4	456.2	
Net acquisition of financial assets	34	79.1	94.8	142.5	82	351.2	370.3	384.9	
Currency and deposits	35	11.5	2.2	38.0	83	4.4	4.6	4.8	
Currency and transferable deposits	36	3.5	-4.6	8.5	84	111.3	117.3	122.0	
Time and savings deposits	37	8.0	6.9	29.5	85	256.3	270.3	280.9	
Securities other than shares	38	49.8	57.3	95.0	86	123.5	130.2	135.3	
Open market paper	39	10.3	8.8	6.7	87	132.9	140.1	145.6	
Treasury securities	40	9.5	23.2	68.8	88	173.3	182.7	189.9	
Agency- and GSE-backed securities ¹	41	22.5	19.1	14.6	89	62.7	66.1	68.7	
Municipal securities	42	0.3	0.2	0.2	90	84.7	89.3	92.8	
Corporate and foreign bonds	43	7.1	6.0	4.6	91	25.9	27.3	28.4	
Loans	44	16.4	13.9	10.7	92	294.2	318.4	315.6	
Short term (security repurchases)	45	7.9	6.7	5.1	93	126.5	133.4	138.7	
Long term (mortgages)	46	8.5	7.2	5.5	94	68.4	89.0	126.4	
Shares and other equity	47	-18.2	-2.9	1.7	95	99.3	96.0	50.6	
Money market fund shares	48	4.0	3.4	2.6	Total liabilities and net worth				
Corporate equities	49	-17.0	-4.8	-0.7	96	6,916.8	7,650.4	8,389.0	
Mutual fund shares	50	-5.2	-1.5	-0.2	97	1,987.0	2,133.1	2,337.7	
Other accounts receivable	51	19.6	24.2	-2.7	98	1,557.9	1,673.0	1,843.8	
Trade receivables	52	8.1	6.9	5.3	99	106.1	100.2	105.9	
Taxes receivable	53	7.8	25.3	42.8	100	1,451.8	1,572.8	1,737.9	
Other (miscellaneous assets)	54	3.7	-8.0	-50.8	101	9.7	9.9	10.3	
					102	419.5	450.3	483.6	
					103	4,929.7	5,517.3	6,051.3	

NOTE: The state and local government accounts exclude state and local employee retirement funds.

1. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

2. The statistical discrepancy is the difference between net lending or net borrowing derived in the capital account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

3. Excludes land and nonproduced nonfinancial assets.

Table 7. Rest of the World

[Billions of dollars]

	Line	2003	2004	2005		Line	2003	2004	2005
Current account					Revaluation account				
Foreign income from the United States	1	1,889.8	2,237.4	2,587.9	Financial assets	60	399.0	277.8	-26.7
U.S. imports of goods and services.....	2	1,540.2	1,791.4	2,019.8	Securities other than shares	61	-83.8	39.0	-157.0
U.S. income payments to rest of world.....	3	280.0	363.9	481.5	Treasury securities.....	62	-47.9	-56.7	-96.9
Current taxes and transfer payments to rest of world.....	4	69.7	82.1	86.6	Agency- and GSE-backed securities ¹	63	1.9	16.2	17.8
Less: Foreign outlays to the United States	5	1,377.6	1,588.3	1,816.5	Corporate bonds.....	64	-37.7	79.5	-77.8
U.S. exports of goods and services.....	6	1,040.8	1,178.1	1,303.1	Shares and other equity	65	482.8	238.9	130.2
U.S. income receipts from rest of world.....	7	336.8	410.2	513.3	Corporate equities.....	66	469.7	222.0	92.8
Equals: Net saving (current external balance)	8	512.3	649.0	771.4	Foreign direct investment in the United States.....	67	13.1	16.9	37.4
Capital account					Liabilities	68	777.5	551.4	379.4
Net saving	9	512.3	649.0	771.4	Currency and deposits	69	7.4	3.1	-6.7
Net capital transfers	10	3.4	2.2	4.3	Official foreign exchange.....	70	5.3	2.4	-5.5
Less: Acquisition of nonproduced nonfinancial assets	11	0.2	0.0	-0.1	Net IMF position.....	71	2.1	0.8	-1.2
Net lending or net borrowing, capital account (9+10-11)	12	515.6	651.3	775.7	Securities other than shares (corporate bonds)	72	140.4	56.8	-43.4
Financial account					Shares and other equity	73	629.7	491.5	429.5
Net lending or net borrowing (line 12)	13	515.6	651.3	775.7	Corporate equities.....	74	586.8	396.2	383.9
Net acquisition of U.S. financial assets	14	824.0	1,320.6	1,045.5	U.S. direct investment abroad.....	75	42.9	95.2	45.6
Monetary gold and SDRs	15	0.6	-0.4	4.5	Changes in net worth due to nominal holding gains or losses	76	-378.4	-273.6	-406.1
Currency and deposits	16	10.1	123.6	80.0	Changes in balance sheet account				
Currency.....	17	16.6	14.8	19.0	Change in net worth (12+57+76)	77	-195.9	120.7	281.5
Transferable deposits.....	18	12.3	27.5	26.0	Financial balance sheet account (end of period)³				
Time deposits.....	19	-9.1	72.9	41.6	Total financial assets	78	8,588.8	10,111.9	11,029.4
Net interbank items due from U.S. banks.....	20	-9.7	8.4	-6.6	Currency and deposits	79	608.7	732.3	812.7
Securities other than shares	21	517.2	766.6	787.2	Currency.....	80	317.9	332.7	352.2
Open market paper.....	22	9.2	44.8	8.6	Transferable deposits.....	81	37.6	65.2	91.1
Treasury securities.....	23	276.0	346.8	287.1	Time deposits.....	82	143.2	216.0	257.6
Agency- and GSE-backed securities ¹	24	3.1	109.0	157.1	Net interbank items due from U.S. banks.....	83	110.0	118.3	111.8
Municipal securities.....	25	8.0	6.5	4.0	Securities other than shares	84	4,044.3	4,849.9	5,480.2
Corporate bonds.....	26	220.8	259.5	330.4	Open market paper.....	85	135.8	180.6	189.2
Loans (short term)	27	269.2	211.2	108.0	Treasury securities.....	86	1,513.5	1,803.5	1,993.8
Security repurchases.....	28	270.1	204.9	47.4	Agency- and GSE-backed securities ¹	87	653.1	778.3	953.1
Loans to U.S. corporate business.....	29	-0.8	6.3	60.6	Municipal securities.....	88	19.5	26.0	30.0
Shares and other equity	30	97.9	195.0	196.4	Corporate bonds.....	89	1,722.4	2,061.5	2,314.1
Corporate equities.....	31	34.0	61.8	86.6	Loans (short term)	90	585.2	796.4	904.4
Foreign direct investment in the United States.....	32	64.0	133.2	109.8	Security repurchases.....	91	460.2	665.1	712.5
Other accounts receivable	33	-71.0	24.6	-130.5	Loans to U.S. corporate business.....	92	125.0	131.2	191.8
Trade receivables.....	34	1.5	-1.1	7.8	Shares and other equity	93	3,416.5	3,850.3	4,176.9
Other (miscellaneous assets).....	35	-72.5	25.7	-138.3	Corporate equities.....	94	1,839.5	2,123.3	2,302.6
Net incurrence of liabilities	36	288.9	740.4	264.4	Foreign direct investment in the United States.....	95	1,577.0	1,727.1	1,874.3
Currency and deposits	37	35.9	86.7	75.1	Other accounts receivable	96	-65.9	-116.9	-344.7
Official foreign exchange.....	38	0.6	0.6	0.6	Trade receivables.....	97	45.7	44.6	52.4
Net IMF position.....	39	-1.5	-3.8	-10.2	Other (miscellaneous assets).....	98	-111.5	-161.5	-397.1
U.S. private deposits.....	40	36.6	89.9	86.8	Total liabilities and net worth	99	8,588.8	10,111.9	11,029.4
U.S. government deposits.....	41	0.2	0.0	-2.2	Total liabilities	100	6,594.1	7,996.6	8,632.6
Securities other than shares	42	41.6	124.6	76.4	Currency and deposits	101	932.8	1,022.6	1,090.9
Commercial paper.....	43	12.9	62.8	38.5	Official foreign exchange.....	102	39.7	42.7	37.8
Bonds.....	44	28.7	61.8	38.0	Net IMF position.....	103	22.5	19.5	8.0
Loans (short term)	45	-9.8	-1.1	8.2	U.S. private deposits.....	104	867.8	957.7	1,044.5
Acceptance liabilities to banks.....	46	0.0	0.1	0.0	U.S. government deposits.....	105	2.8	2.8	0.6
U.S. government loans.....	47	-2.1	-3.7	-4.6	Securities other than shares	106	1,141.5	1,322.9	1,355.9
Bank loans n.e.c.....	48	-7.7	2.5	12.9	Commercial paper.....	107	267.1	329.9	368.4
Shares and other equity	49	269.3	330.9	152.5	Bonds.....	108	874.4	993.0	987.5
Corporate equities.....	50	118.0	84.8	142.1	Loans (short term)	109	103.0	101.9	110.1
U.S. government equity in IBRD, etc.....	51	1.4	2.0	1.3	Acceptance liabilities to banks.....	110	0.2	0.3	0.2
U.S. direct investment abroad.....	52	149.9	244.1	9.1	U.S. government loans.....	111	42.0	38.3	33.7
Other accounts payable	53	-48.0	199.4	-47.8	Bank loans n.e.c.....	112	60.9	63.3	76.2
Trade payables.....	54	6.1	3.5	6.3	Shares and other equity	113	4,179.3	5,001.6	5,583.6
Other (miscellaneous liabilities).....	55	-54.1	195.9	-54.1	U.S. government equity in IBRD, etc.....	114	40.0	42.0	43.2
Addendum:					U.S. direct investment abroad.....	115	2,059.9	2,399.2	2,453.9
Net lending, financial account (14-36).....	56	535.0	580.2	781.1	Corporate equities.....	116	2,079.4	2,560.4	3,086.5
Other changes in volume account					Other accounts payable	117	237.6	547.6	492.0
Total other volume changes	57	-333.1	-257.0	-88.1	Trade payables.....	118	47.5	51.0	57.3
Other volume changes.....	58	-352.5	-185.9	-93.5	Other (miscellaneous liabilities).....	119	190.0	496.6	434.7
Less: Statistical discrepancy (12-[14-36]) ²	59	-19.4	71.1	-5.4	Net worth (external account)	120	1,994.6	2,115.3	2,396.8

1. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

2. The statistical discrepancy is the difference between net lending or net borrowing derived in the capital account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial

accounts.

3. Excludes nonfinancial assets, including nonproduced nonfinancial assets.
IBRD International Bank for Reconstruction and Development
IMF International Monetary Fund
SDRs Special Drawing Rights
n.e.c. Not elsewhere classified

U.S. National Income and Product Statistics

Born of the Great Depression and World War II

By Rosemary D. Marcuss and Richard E. Kane

THE story of the first U.S. national income and product statistics illustrates how scholarly debates about the definitions of ideal measures gave way to the compromises required to produce real-world economic statistics when the need for such statistics had become critical. Then, as the workings of the economy became better understood—in part, through the use of statistics—economic theory advanced. And, as improved sources of data on incomes, production, and sales were provided, the statistics were improved in turn. The gross domestic product (GDP) statistics of today continue to exemplify the balance between theory, real-world data, and the economic questions of the day. The story of the creation of the first U.S. national income and product statistics shows how that process got started.

In 1934, the first in the series of continuing Department of Commerce U.S. national income statistics was issued to meet the need to describe consistently and in detail the economic toll taken by the depression that had begun more than 4 years earlier.¹ In keeping with the “income equals production” identity, national income would serve as an indicator of both U.S. income and output during the 1930s.² In 1942, the first in the series of U.S. gross national product (GNP) statistics was issued to meet the need to assess the economic feasibility of President Franklin Roosevelt’s original war production program, which required national mobilization of an unprecedented scale.³ In 1947, the first U.S. double-entry national income and product ac-

counts (NIPAs) were issued to meet the need to provide a comprehensive picture of the workings of the economy. The accounts presented a framework for classifying and recording the economic transactions among major sectors: Households, businesses, government, and international (termed “rest of world.”) Today, the records of all developed economies and most developing economies are characterized by like accounts. The United States was an early developer of those, although not the first.

National income to measure the Great Depression by

The proposition that, for a country as a whole, goods and services produced must equal incomes earned is old. It was explicated by William Petty as early as the seventeenth century. By the early twentieth century, U.S. national income was being measured periodically by certain individuals and organizations, but the concepts were murky, methods varied, and the estimates came long after the fact. It took the crisis of the Great Depression to create the demand for the U.S. Government to develop a continuing, timely measure of national income.

In June 1932, Senator Robert LaFollette introduced a resolution in the Senate stipulating that the Secretary of Commerce report statistics on economy-wide income in the United States from 1929 to 1931.⁴ At that time, the Great Depression had been deepening for more than 2 years. Fully 24 percent of U.S. workers were unemployed, and many of those employed were only working part-time or on shortened weeks. Asset values had plummeted, the banking system was breaking down, deflation was reversing the gears of the economy, and sales were insufficient to keep businesses going. Farm income, on which one-fourth of the population depended, had fallen by a half. Neither the public nor elected officials understood the workings of the economy that seemed to be perpetuating the crisis, nor did they know quantitatively its scale and scope. The most up-to-date estimates of national income—that is, economy-wide income—were for 1929, a boom year for the most part, marred by the October stock market “crash,” after which the economic slide had begun.

The most prominent national income estimation

1. In 1926, the Federal Trade Commission produced national income statistics for a series of years, but it did not persist in that work. The Economic Research Division of the Bureau of Foreign and Domestic Commerce, in the Department of Commerce, produced the 1934 statistics and retained responsibility for them. The Division was renamed the Office of Business Economics in 1947 and the Bureau of Economic Analysis in 1971.

2. The proposition that for a country as a whole, goods and services produced must equal incomes earned by its residents is precisely true only for a closed economy. In the 1930s, when statistical measures were being formulated and international flows were relatively small, the identity was retained by using a measure of production derived from labor and capital supplied by U.S. residents wherever the production takes place—that is, gross national product rather than gross domestic product.

3. GNP measures production by labor and property supplied by U.S. residents whether the production takes place in the United States or abroad. In 1991, GDP replaced GNP as the featured measure of U.S. production. GDP measures production by labor and property located in the U.S. regardless of who supplies those. The reasons for the change were that the coverage of GDP is closer to the coverage of other statistics, such as employment and industrial output, and its use facilitates international comparisons because it is the production measure emphasized by the United Nations *System of National Accounts*.

4. U.S. Congress, Senate, Resolution 220 (1932).

work undertaken during the 1920s was by the National Bureau of Economic Research (NBER) and the National Industrial Conference Board. The NBER estimates, produced by Willford King, were the most comprehensive, although various aspects were controversial, such as the inclusion in national income of household production and the services of consumer durables.⁵ The Conference Board estimates were more timely, but they consisted of only aggregate measures moved forward by extrapolation.

It is not surprising that the Economic Research Division of the Department of Commerce's Bureau of Foreign and Domestic Commerce (BFDC) was assigned the task of producing national income statistics in 1932. The head of the office, Frederic Dewhurst, had testified before Senator LaFollette's committee about the meager economy-wide data at hand.⁶ And the Department of Commerce was already in the data provision business. For more than a decade, it had been reporting to the public, weekly and monthly, what economic statistics there were—several thousand market-, commodity-, and industry-specific notes and indexes. Taken together, the available data painted a picture of economic activity but not a broad one. And they measured production and trade but not income. This journal, the SURVEY OF CURRENT BUSINESS, began publication

in 1921 for the purpose of providing those data to the public.⁷

Senator LaFollette had Dewhurst in mind for the job, but Dewhurst left BFDC in 1932, and the Department fell short on staff. So the NBER was asked to contribute manpower and expertise to the project. Simon Kuznets of the NBER accepted the responsibility for producing the first statistics with Robert Martin and Robert Nathan of the Commerce Department as collaborators. Kuznets took charge in January 1933. He left Commerce a year later when the statistics were reported to the Senate.

Kuznets was a seminal theoretician of economic growth, an early estimator of GNP as well as national income and, for decades, an adviser on national income and product statistics. He had joined the NBER

7. Those who published the SURVEY appreciated the importance of the statistics to the business community. A celebratory note in 100th edition of the SURVEY, published in December 1929, stated with unfortunate timing: "While it may be too soon to say that the utilization of business data has entirely eliminated the business cycle, there is agreement today among business leaders everywhere that the wider use of facts will mitigate in a large degree many of the disastrous effects of the one-time recurrent business cycle."

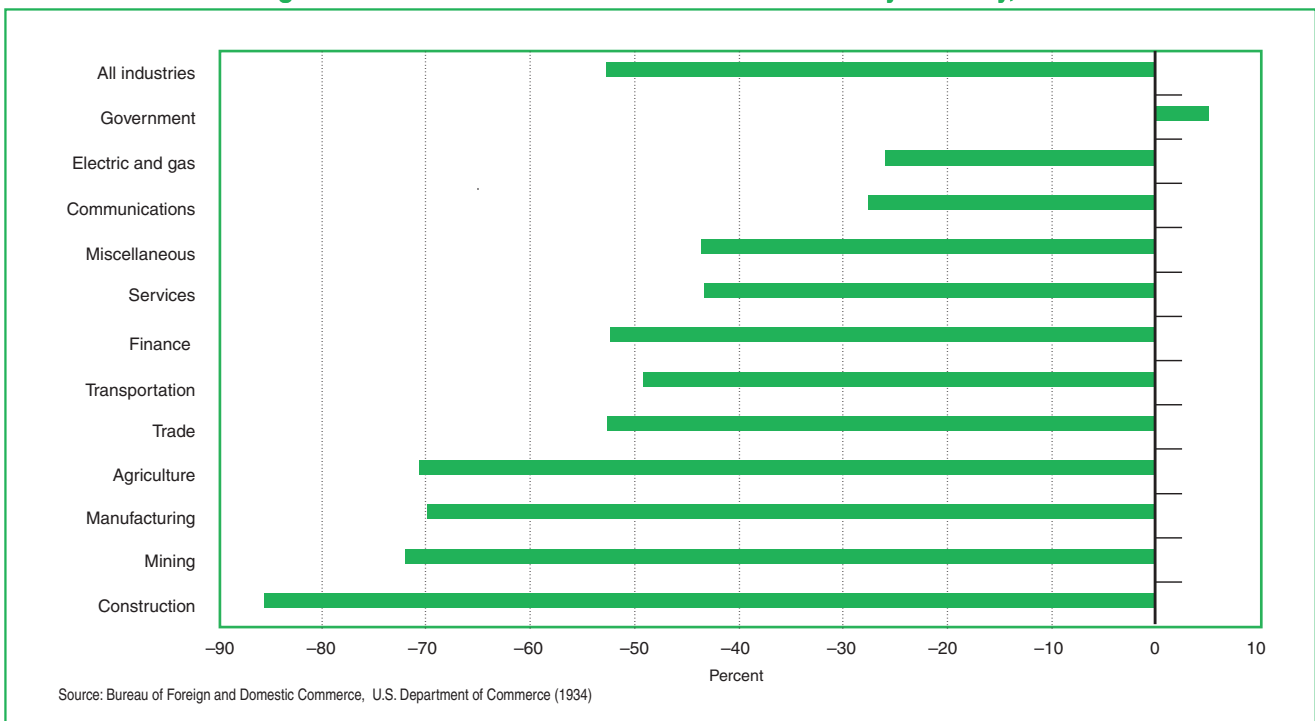
5. Household production, referred to as "services of housewives and other members of the family," included services such as the preparation of meals, cleaning, and child care. Consumer durables included goods such as automobiles and home appliances.

6. U.S. Congress, Senate, Committee on Manufactures (1931).

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Chart 1. Percent Change in Current-Dollar National Income Produced by Industry, 1929–32



in 1929 to continue King's work on national income and arrived at the Commerce Department with a plan for improvements. In 1971, he received the Nobel Memorial Prize in economics for theoretical and empirical contributions to the measurement of economic growth.

The report delivering the first statistics to the Senate in January 1934 fulfilled the request for national income broken out by industry of origin and type of income.⁸ It showed that between 1929 and 1932 national income had dropped by more than 50 percent.⁹ Incomes in manufacturing had dropped by 70 percent, and incomes in construction had dropped by more than 80 percent. Government was the only industry that had grown over the period. Although the Federal Government remained relatively small—Federal tax receipts claimed only 3 percent of GNP in 1932—Federal, state and local governments accounted for 14 percent of income (chart 1).

Measured by type of payment, the income of wage earners had fallen more than those of salaried workers—60 percent, compared with just over 40 percent.¹⁰ In terms of income shares: The labor share remained fairly constant, the “entrepreneurial” (business-owner) share fell, and the property share rose as interest payments held their own while dividends fell by half (chart 2). The finding that the Great Depression was less rough on salaried workers than on wage earners, that “payments to property holders formed a relatively increasing cost to the economic system as a whole,”¹¹ and that those who operated their own businesses lost

ground relative to property holders had public opinion and policy implications at a time when government work relief programs were being planned and “big business” was a target for criticism by the Roosevelt administration.¹²

Two measures of national income were featured in the report—*national income produced* and *national income paid out*. The practice of presenting both persisted for most of the 1930s. National income produced was the broader measure. It comprised the net value of goods and services produced in the United States or, in other words, current production. It was net in the sense that it was measured after deducting depreciation, the decline in value associated with the aging of an asset. National income paid out was the income from current production actually received by individuals as workers and owners of capital. It consisted of wages and salaries, income from unincorporated businesses, dividends, interest, and rental income.¹³ It was estimated using available data on industrial production, business payroll and income tax returns.

A statistic, *business savings*, was introduced to approximate the financial state of businesses given the limited amount of information available at the time. It was defined as the difference between the gross margin of businesses (the margin between revenues and costs)

12. The importance of the new statistics to the economic debate of that time, near the bottom of the Great Depression, and the dangers of misinterpretation were understood by Kuznets, the author of the report. He warned, “The valuable capacity of the human mind to simplify a complex situation in a compact characterization becomes dangerous when not controlled in terms of definitely stated criteria. With quantitative measurements especially, the definiteness of the result suggests, often misleadingly, a precision and simplicity in the outlines of the object measured. Measurements of national income are subject to this type of illusion and resulting abuse, especially since they deal with matters that are the center of conflict of opposing social groups where the effectiveness of an argument is often contingent upon oversimplification.”

13. The term *entrepreneurial withdrawals* was used to characterize income from unincorporated businesses—later called proprietors' income.

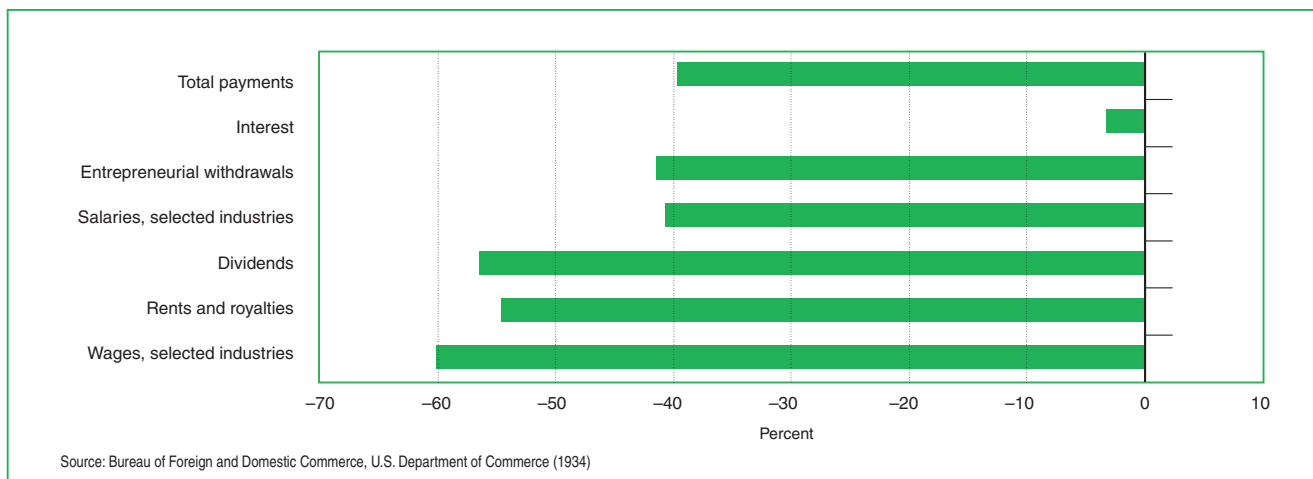
8. U.S. Congress, Senate (1934): 10.

9. Figures cited are for national income produced measured in current-dollar terms. Adjusted for the drop in prices, national income produced had fallen by between 30 and 40 percent.

10. Salaries were distinguished from wages in only selected industries, mostly industrial ones, that accounted for less than half of national income.

11. U.S. Congress, Senate (1934): 5–6.

Chart 2. Percent Change in Current-Dollar National Income Paid Out by Type of Payment, 1929–32



and income payments to individuals (wages, salaries, interest, dividends, and other payments). In other words, it was the income retained by businesses from current production after purchasing materials, maintaining equipment and structures, paying taxes, interest, and compensation, and distributing dividends—or the sum of undistributed corporate profits and the savings of unincorporated businesses. For corporate business savings, tax return data on after-tax profits were adjusted for capital gains and losses, and dividend payments were subtracted from the total.¹⁴ Tax-based depreciation was used as a rough approximation of the national income concept. For savings of unincorporated businesses, tax return data were also used, and an effort was made to distinguish business savings from income withdrawn by the owners.

National income produced was defined as the sum of national income paid out and business savings. In the Senate report, it was described conceptually as the value of “all commodities produced and all personal services rendered, . . . added together with their market values, . . . [minus] the value of goods, raw materials, and capital equipment expended in producing this total.”¹⁵ The broader of the two income statistics, national income produced is conceptually equal to the economic accounting concept of net national product, which is a comprehensive measure of the income that is available for either consumption or net investment and sometimes called sustainable income. Over the 1930s, BFDC raised the prominence of national income produced, eventually featuring it and referring to it simply as national income.¹⁶

Over 1929–32, when national income produced fell by over 50 percent and national income paid out fell by 40 percent, business savings became negative in 1930, and they remained negative through 1935 (chart 3). Businesses drew down financial reserves or borrowed in order to stay in operation when fixed costs and wages and salaries exceeded revenues. In terms of the new statistics, national income paid out exceeded national income produced. Even though business savings was only an approximate measure, it was an informative addition to the picture of the economy under duress.

The statistic ultimately sought for capturing the economic state of the nation over time is income adjusted for changes in the price level, but the business and tax records used to compile national income sta-

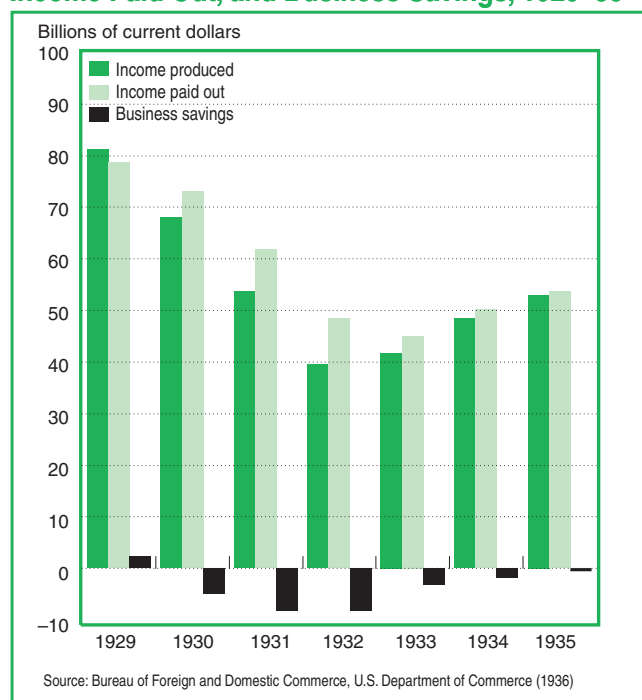
tistics were not so adjusted. Like other business accounts, they recorded actual market transactions, so a means of adjusting those data for price changes was needed. By 1934, the Bureau of Labor Statistics was producing cost-of-living and wholesale price indexes, but those indexes were not sufficiently comprehensive to fully adjust the national income statistics to produce a set of price-adjusted measures. Nevertheless, because depiction of the evolving state of national income adjusted for price changes was deemed crucial, the 1934 report offered an approximate price adjustment to the national income statistics by comparing the current-dollar reduction in incomes to the reduction in the cost-of-living index. That produced an estimated drop in price-adjusted national income produced in 1929–32 of 30–40 percent.¹⁷ Approximate aggregate adjustments for changes in the prices at the national income level continued while the full set of statistics was reported in current dollars.

National income becomes established

During the 1930s, national income became a regular product of the Department of Commerce. Accepted as the broadest reading on U.S. economic conditions, it was followed by the public and was used by the Roosevelt administration and the Congress to plan and

17. U.S. Congress, Senate (1934): 1.

Chart 3. U.S. National Income Produced, National Income Paid Out, and Business Savings, 1929–35



14. Unincorporated businesses were assumed to have net profit ratios similar to corporations.

15. U.S. Congress, Senate (1934): 1.

16. Bureau of Foreign and Domestic Commerce, U.S. Department of Commerce (1938) and Nathan (1939).

evaluate fiscal policy. By the time GNP was first provided by Commerce in 1942, national income had become the most cited U.S. macroeconomic statistic.¹⁸

In January 1934, when the national income statistics were first provided, it was not apparent that the worst of the depression was over. The industrial recovery begun in the summer of 1933 had petered out, and cooperation among industrial companies on prices under the National Industrial Recovery Act had raised the fear of inflation. The Roosevelt administration realized that the new measure provided an authoritative means of describing the dire economic conditions that its proposed New Deal programs were designed to address. For example, within two weeks of the release of the report, the Secretary of Commerce, Daniel C. Roper, cited the greater than 50-percent drop in national income between 1929 and 1932 in a speech explaining those programs.

In 1935, Robert Nathan began writing a series of annual SURVEY articles presenting the national income statistics for the preceding year and analyzing them in detail.¹⁹ The next year, the Department of Commerce published a statistical compendium, *National Income in the United States, 1929–35*, presenting revised and extended statistics and explaining the concepts.

President Roosevelt was citing national income statistics in speeches as early as 1935—for example, in his statement of September 1935 on the state of the economy and the Federal budget. In April 1938, in his message to the Congress requesting additional spending for the new Recovery Program to address problems caused by the 1937 recession, the President described economic developments over 1929–1937 in national income terms. And, he described the goal for the program in national income terms as well: “We must start again on a long, steady, upward incline in national income.”²⁰ Starting with the annual budget message to the Congress in January 1939, which presented his fiscal year 1940 budget, the President cited national income statistics as the primary measures of the state of the economy. In the 1939 message, he also highlighted the importance of these measures to economic policy making by showing how different levels of national income would generate different levels of Federal tax receipts.

Shortly after the annual income statistics had been

18. During the 1930s, work was underway formulating and estimating national product and expenditure concepts such as consumption, investment, and the government's contribution to output. For example, Simon Kuznets, then at NBER, and Clark Warburton, at FDIC, published early estimates of gross capital formation.

19. Robert Nathan was head of national income measurement from 1935 to 1941. Milton Gilbert took charge when Nathan left to join the National Defense Advisory Commission and served until 1949.

20. Roosevelt (1938): 12.

established, work began on monthly measures that could track income developments quicker. Those statistics were first published in 1938 in response to the pressing need for monthly, rather than annual, statistics. Incomes had dropped 11 percent from a post–Great Depression peak in August 1937 to the recession trough in March 1938. By the end of 1938, about half that loss had been recouped in the recovery. Annual income statistics could not track such developments.

When the monthly income statistics were first provided early in 1938, the measure provided was national income paid out. Almost immediately, it was apparent that the measure was too narrow to answer the economic questions of the day. Information on the purchasing power of families was important for assessing the effects of income support programs, and a broader measure would be needed for that. So a few months after the initial release, the measure was expanded to include income other than that arising from current production. Those sources of income were rapidly becoming substantial props to family income. For the most part, they were the products of New Deal legislation or other programs of the 1930s aimed at fighting economic hard times and increasing income security for the retired. In particular, the new monthly income measure, referred to as “income payments to individuals,” included the unemployment benefits enacted in the Social Security Act of 1935—retirement benefits under the act were first provided in 1940—veterans bonuses, direct relief payments, and Federal Government employee pension benefits. It excluded components of national income that did not provide current purchasing power: Employer and employee social security and unemployment insurance contributions and government employee pension contributions. In 1947, income payments to individuals was renamed *personal income*.

The U.S. economy gears up for World War II

Gross national product (GNP) statistics, like the national income statistics 8 years earlier, were launched by the Department of Commerce to answer pressing national policy questions for which analytical tools were inadequate. In 1942, the questions were, “Can President Roosevelt’s World War II economic mobilization program be met and, if so, at what costs to the civilian standard of living and price stability?” As was the case for national income in 1934, the GNP concept by 1942 was not new, having been discussed and partially formulated during the 1930s. While progress had been made in developing theoretical and statistical standards for GNP, it took the policy need to call forth from the U.S. Government an authoritative, consensus-based statistic.

GNP makes up the other side of the national income equation—the production side to match the income-earned side (approximated by national income) of what would later be the double-entry books of the national economic accounts that would provide a complete picture of the economy. The publication of GNP in 1942 preceded the specification of those fuller accounts by 5 years.

In January 1940, 4 months after Germany had invaded Poland and Britain had declared war on Germany, President Roosevelt in his budget message to the Congress asked for a modest defense supplemental appropriation for fiscal year 1940 and a like increase in defense spending in fiscal year 1941, “in view of the current world situation.”²¹ In 1940, defense expenditures were more than \$1 billion, about 14 percent of the budget. In his January 1941 budget message, Roosevelt asked for \$25 billion in defense expenditures, 62 percent of the budget, reflecting “a world at war.”²² In his January 1942 budget message, President Roosevelt asked for \$53 billion for defense, 90 percent of the budget, reflecting “a nation at war in a world at war.”²³

The week before that budget message and shortly after the attack on Pearl Harbor, the President had announced the goal of increasing the share of national income spent on war production from the current 17 percent to 50 percent by 1943.²⁴ The speed and scale of the mobilization program were beyond experience: “A national effort of gigantic magnitude,” according to the President.²⁵ The U.S. rearmament program, begun in 1940, had boosted income and brought national income above the 1929 level for the first time—almost 25 percent above that level. The rise was steep: In December 1941, national income was 40 percent above its level of less than 2 years earlier. Putting the country on full war footing was going to boost income even more, but purchases of consumer goods and services, which had boomed in 1941, would be stymied because production for civilian purposes would need to be cut back to make way for the war program. Rationing, wage and price controls, and other consumption-dampening regulations were on the table.²⁶

Statistics measuring the total amount and the composition of goods and services being produced were requisites for the evaluation of the risks of shortages of civilian goods and services and the bidding up of

prices, but those statistics were not available in the United States at the beginning of 1942.²⁷ National income sufficed at that time as an informative measure of the size of the economy, but it was not up to the task of evaluating production constraints and tradeoffs because it measured only the income earned in production and not the greater market value of the goods and services produced. Milton Gilbert and George Jaszi of BFDC later described the early days of war-mobilization planning like “bidding on a contract without knowing . . . the capacity of your plant or the financial facilities at the disposal of your business.”²⁸

GNP to measure mobilization by

Within 2 months of the January 1942 budget message, the Department of Commerce produced the first GNP statistics. Those distinguished only among major categories of expenditures, but they succeeded in bringing the war-production tradeoffs into the picture.

Statistical analyses of the day tended to provide overly grim assessments of the risks of shortages of civilian goods and inflation because, among other errors, they underestimated U.S. productive capacity. When GNP was first published in March 1942, it was offered as a new framework for assessing the feasibility of the 1943 war program by comparing it with 1941 national output. Two months later, historical GNP statistics for 1929–41 were provided.²⁹ The January 1942 budget message had foreshadowed the new statistical terms presented in the GNP, mentioning for the first time in a fiscal policy context “consumer durable goods” and “industrial plant and equipment” because the BFDC staff was at the time doubling as a research arm of the war agencies, which were formulating the war program.

Understanding the pressures of the huge proposed war expenditure program required consideration of competing expenditures in the economy, most simply, expenditures for the war and expenditures for everything else. The expenditure components of GNP provided the material for that comparison. Because GNP is measured in market prices and therefore includes

27. The development of national income and product statistics benefited from collaboration among experts in several countries. The United Kingdom began providing expenditure estimates in 1941. Australia, Canada, and Ireland began providing them within a few years. Richard Stone of the United Kingdom was awarded the 1984 Nobel Memorial Prize in economics for the “epoch-making innovation” of creating the United Kingdom national income and product accounts while working in the British cabinet office under John Maynard Keynes.

28. Gilbert and Jaszi (1944). George Jaszi served as Chief of the National Income Division of BFDC from 1949 to 1959, Assistant Director of the Office of Business Economics from 1959 to 1963, and the Director of that office, subsequently renamed the Bureau of Economic Analysis, from 1963 to 1985.

29. Gilbert (1942b) and Gilbert and Bangs (1942).

21. Roosevelt (1940).

22. Roosevelt (1941).

23. Roosevelt (1942).

24. Kluckhorn (1941).

25. Roosevelt (1942).

26. For example, gasoline rationing went into effect in the eastern United States in May 1942.

taxes paid and depreciation allowances taken, which are not included in national income, it exceeded national income in 1941 by 25 percent (\$23 billion)—and provided a better approximation of aggregate U.S. productive resources. National income does not include taxes and depreciation because it values output at costs paid or, put another way, as the income accruing to individuals in their capacities of workers and owners of capital, sometimes referred to as “factors of production.” Taxes and depreciation are also charges against business revenues that are reflected in market prices, but they do not accrue to factors of production.³⁰

The inclusion of business taxes and depreciation resulted in a production measure that was more appropriate for short-run analysis of the war program’s burden on the economy in part because those flows were potential sources of program funding (chart 4). For example, in wartime, reserves for the replacement

of capital goods might be delayed to free up resources for other pressing needs.³¹

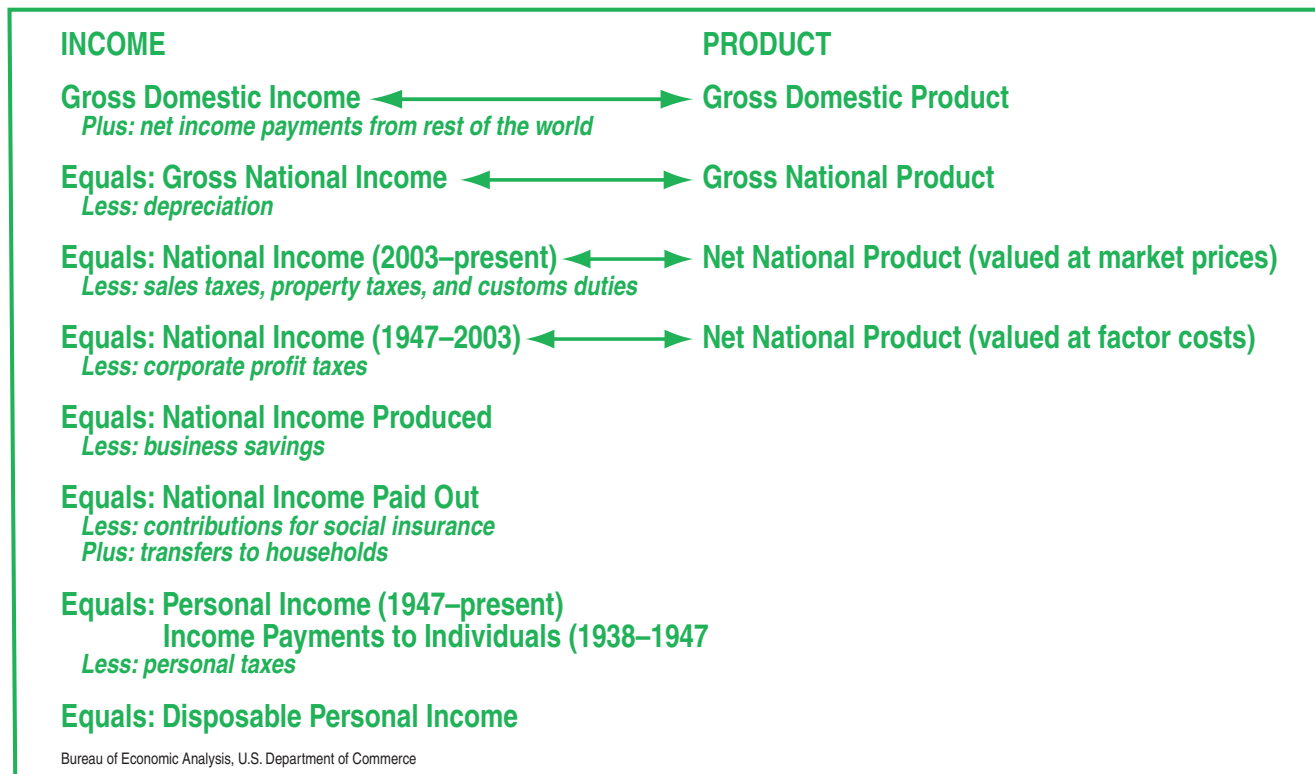
GNP is defined as a comprehensive measure of the production of goods and services in the U.S. economy valued at market prices. In addition to being measured as the sum of production components, GNP can be measured as the sum of expenditures on goods and services for final uses (investment in structures and equipment, and household and government consumption) plus the change in business inventories. The ultimate consumers purchase products for consumption or investment after all stages of production of goods and services are complete. Put in other economic terms, GNP is defined as the sum of value added by all industries in the economy. Data available in the United States have generally provided more comprehensive measurement of expenditures than of industry value added; therefore, expenditure composition was adopted from the start for the U.S. GNP statistic.

Because data on expenditures were not fully available in 1942, GNP was estimated at first by adding business taxes and depreciation to the existing national

30. GNP terminology has changed over time, especially when new measures have been introduced. Beginning in 1942, to distinguish between the two measures of production, GNP was sometimes referred to as “national product valued at market prices,” and national income (referred to upon its introduction in 1934 as “national income produced”) was referred to as “national product valued at factor costs.”

31. Depreciation in GNP, however, does not record the decline in the productive capacity of an asset but rather the decline in its value.

Chart 4. National Income and Product Concepts



**Table A. Gross National Product and National Income, 1941
First Presentation of GNP in 1942**

[Billions of dollars]

Line	Relation of Gross National Product to National Income	
1	National income.....	94.7
2	Plus: Total business taxes.....	17.6
3	Depreciation and depletion charges.....	7.0
4	Income credited to other business reserves.....	1.6
5	Capital outlays charged to current expense.....	1.8
6	Less: Revaluation of business inventories.....	3.2
7	Equals: Gross national product or expenditure.....	119.5
Line	Gross National Product by Use of Product	
1	Gross national product.....	119.5
2	Less: Government purchases of goods and services.....	24.6
3	Federal Government.....	16.4
4	National defense.....	11.2
5	Other.....	5.2
6	State and local governments.....	8.2
7	Equals: Goods and services available for private use.....	94.9
8	Less: Gross private capital formation.....	19.1
9	Construction.....	5.2
10	Producers' durable equipment.....	8.9
11	Net export of goods and services.....	0.9
12	Net export of gold and silver.....	-0.6
13	Net change in business inventories.....	3.6
14	Net change in monetary stock.....	1.1
15	Equals: Goods and services sold to consumers.....	75.8
16	Durable goods.....	10.3
17	Nondurable goods and services.....	65.5
Line	National Income by Use of Funds	
1	National income.....	94.7
2	Plus: Transfer payments from government.....	2.4
3	Less: Corporate savings.....	2.6
4	Employment taxes.....	2.4
5	Direct personal taxes.....	3.8
6	Federal Government.....	2.1
7	State and local governments.....	1.7
8	Equals: Disposable income of individuals.....	88.3
9	Less: Consumer expenditures for goods and services.....	75.8
10	Equals: Net savings of individuals.....	12.5
Line	Gross National Expenditure by Use of Funds	
1	Gross national expenditure.....	119.5
2	Less: Total taxes.....	23.8
3	Business taxes.....	17.6
4	Federal.....	10.8
5	Corporate income and excess profits taxes.....	6.6
6	All other Federal business taxes.....	4.2
7	State and local.....	6.8
8	State corporate income taxes.....	0.3
9	All other state and local business taxes.....	6.5
10	Direct personal taxes.....	3.8
11	Federal.....	2.1
12	State and local.....	1.7
13	Employment taxes.....	2.4
14	Less: Total gross savings.....	22.3
15	Corporate.....	7.2
16	Net savings.....	2.6
17	Depreciation and depletion.....	4.4
18	Other business reserves.....	1.3
19	Capital outlays charged to current expense.....	1.5
20	Revaluation of inventories.....	-2.6
21	Noncorporate.....	15.1
22	Net savings of individuals.....	12.5
23	Depreciation and depletion.....	2.6
24	Other business reserves.....	0.3
25	Capital outlays charged to current expense.....	0.3
26	Revaluation of inventories.....	-0.6
27	Plus: Transfer payments of government.....	2.4
28	Equals: Total consumer expenditures.....	75.8

Source: "Preliminary Estimates of Gross National Product, 1929-41," Milton Gilbert and R. B. Bangs, SURVEY OF CURRENT BUSINESS (May 1942).

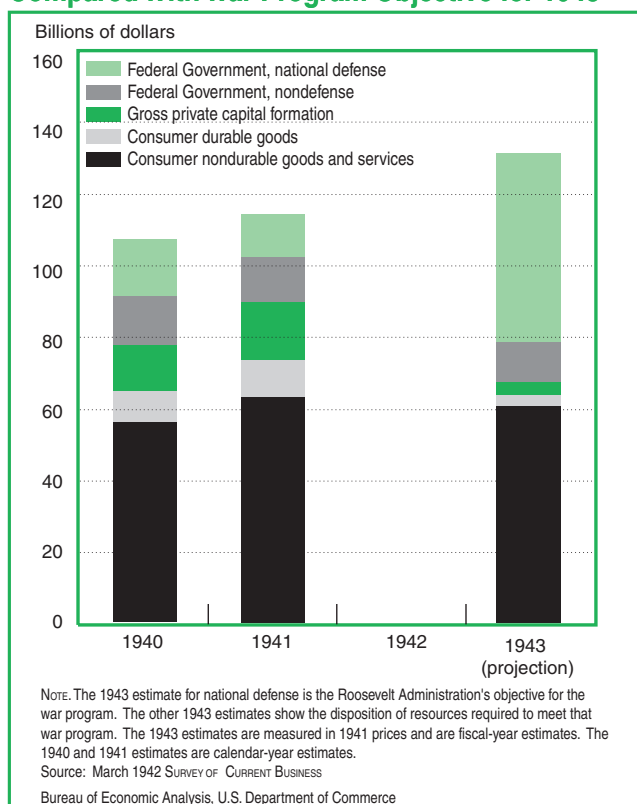
income statistic (table A). Government purchases were taken from the budget and other government sources. Investment ("gross private capital formation") was estimated from business records, including tax returns; and durable goods sold to consumers were estimated from Census Bureau and other government data.³² Those expenditures were subtracted from GNP, leaving the combined category of nondurable goods and services sold to consumers as the residual. Direct estimation of all consumption components started in 1947.

Before GNP was made available, projected defense expenditures were sometimes erroneously subtracted from projected national income, producing a residual that was interpreted as the amount of production left for nonwar goods and services.³³ For example, in early 1942, analysts had subtracted President Roosevelt's proposed 1943 defense expenditures of \$56 billion from projected 1943 national income of \$110 billion, leaving a residual of 54 billion. Comparison of the 1943 residual with the same residual for 1941, \$81 billion, indicated that income would have to be cut by a third if the resources required for the war program were to be made available. The assessment was overly grim because national income fell short of the total market value of goods and services produced, of which defense spending was a component.

32. Net exports were included in investment.

33. Gilbert (1942a).

Chart 5. Gross National Product, 1940 and 1941, Compared With War Program Objective for 1943

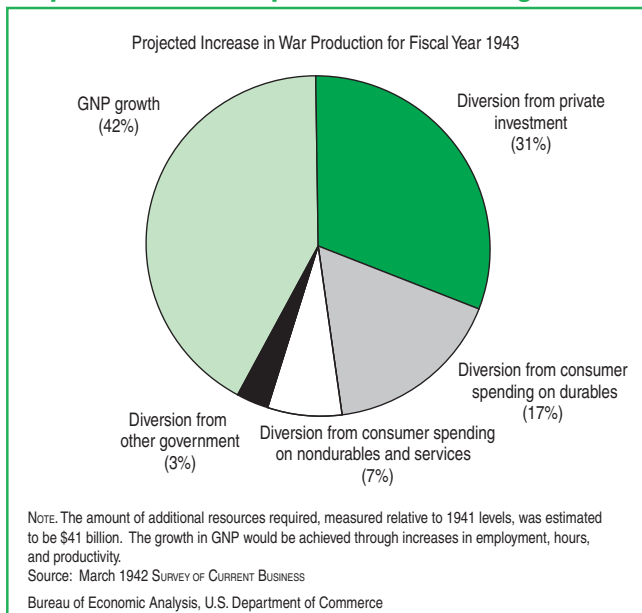


Substitution of GNP for national income in such an analysis produced the findings that the effect of war mobilization on living standards would be less dire than had been predicted and that an even larger war program might be attainable. This was not only true because GNP was larger in value than national income (because it was measured at market prices, not factor costs) but also because the expenditure composition of national product showed how the income generated from national production was being spent. The expenditure composition of GNP showed that despite a potentially large forced reduction in nonwar spending much of the decrease would be absorbed by reductions in private investment and consumer purchases of durable goods, not in consumer purchases of nondurable goods and services, that is, purchases of food, clothing, and shelter—in other words, basic needs. The analysis suggested that only a 4-percent price-adjusted reduction in the consumption of nondurables and services below its 1941 level would be required to meet the President's war program goals for 1943, while private investment would have to decline by 80 percent and the consumption of durables by 70 percent (chart 5).³⁴art 5]

Put another way, the GNP analysis showed that economic growth brought about by increases in employment and productivity spurred by the program and the

34. Real declines measured from end of 1941 through fiscal year 1943.

Chart 6. Possible Sources of Additional Resources Required To Meet Proposed 1943 War Program



diversion of heavy industry from civilian to war production could provide more than 90 percent of the additional resources needed for the 1943 program (chart 6).

U.S. public concern about the danger of inflation preceded the promulgation of the war mobilization program. To address that and related concerns about the concentration of economic power, the Roosevelt administration and the Congress had established a joint Temporary National Economic Committee in 1938. The committee held hearings on inflation as early as 1939.³⁵ In 1940, in *How to Pay for the War*, John Maynard Keynes popularized the concept of the “inflationary gap” as an analytical tool for assessing inflation risk.³⁶ The insight underlying the inflationary gap is that an excess of aggregated demand for goods and services over their supply will lead to inflation.

In the United States, a variety of estimates of the inflationary gap were offered by economists and brought to the attention of the war planning boards.³⁷ The analysis usually took the form of an estimate of the gap between the future demand for and supply of consumer goods and services, measured at a given price level. The proposition was that the growing incomes earned in war production, coupled with the shrinking supply of consumer goods and services that resulted when productive resources were converted to war-related production, would lead to excess spending power and inflation.

Estimates of the size of the inflationary gap and therefore the threat it posed to price stability relied critically on statistics measuring income and its disposition among taxes, consumption, and saving. The 1942 GNP statistics provided expanded income-side measures important to those calculations, including taxes, disposable income, and personal savings (table A). The use of those statistics in inflationary gap analysis was explained when they were provided.³⁸ Those

35. Established by Joint Resolution of Congress on June 16, 1938, and abolished April, 1941. It was established in response to concerns stated by President Roosevelt in April 1938, about the effects on the economy of monopolies, the price system and industrial pricing policies, and existing tax and patent laws, anti-trust policies and other government regulations. It was charged with holding hearings on those subjects and recommending legislation to the Congress. It sponsored over 40 monographs on those subjects.

36. Keynes (1940). In earlier work, published in *The General Theory of Employment, Interest, and Money* (New York: Harcourt, Brace and Co., 1936), Keynes had contributed to the vocabulary of GNP statistics by emphasizing the importance of looking at the workings of the economy in terms of flows of income and expenditures.

37. Examples of U.S. inflationary gap analysis are Salant (1942) and Friedman (1942).

38. Bangs (1942).

formulating wartime controls aimed at dampening inflation pressure through reductions in current income via voluntary saving and tax increases benefited from the improved analysis made possible by the new statistics.

By 1945, GNP was supplanting national income as the main measure of the U.S. economy used in the discussion of fiscal policy. In January 1945, the President’s budget message to Congress cited GNP for the first time. It was presented alongside the budget estimates, in a table, “The Government’s Budget and the Nation’s Budget.”³⁹ Earlier budget messages had cited only national income. By 1945, demobilization and the challenge of sustaining high employment were focuses of policy. The Federal Government was purchasing almost one-half of the GNP, one person in five was in the military, and most people were employed directly in war production or providing for civilian needs in the war economy. The budget message cited the calculation that real consumer expenditures and private investment would have to exceed their 1939 levels by 50 percent in order to fully employ the U.S. work force after the war, yet at the time, those were at the low levels necessary to accommodate the war. Even though there was pent-up demand, the post-war recovery in consumer spending and private investment would depend on jobs and confidence in future prosperity. President

Roosevelt acknowledged in his budget message the important policy-guiding role of the GNP and other economic statistics: “Statistical information concerning business activities and markets, employment and unemployment, incomes, expenditures, and savings is urgently needed as a guide for economic policies during the remainder of the war and during the reconversion and post-war period.”⁴⁰

Investment and government activity better understood

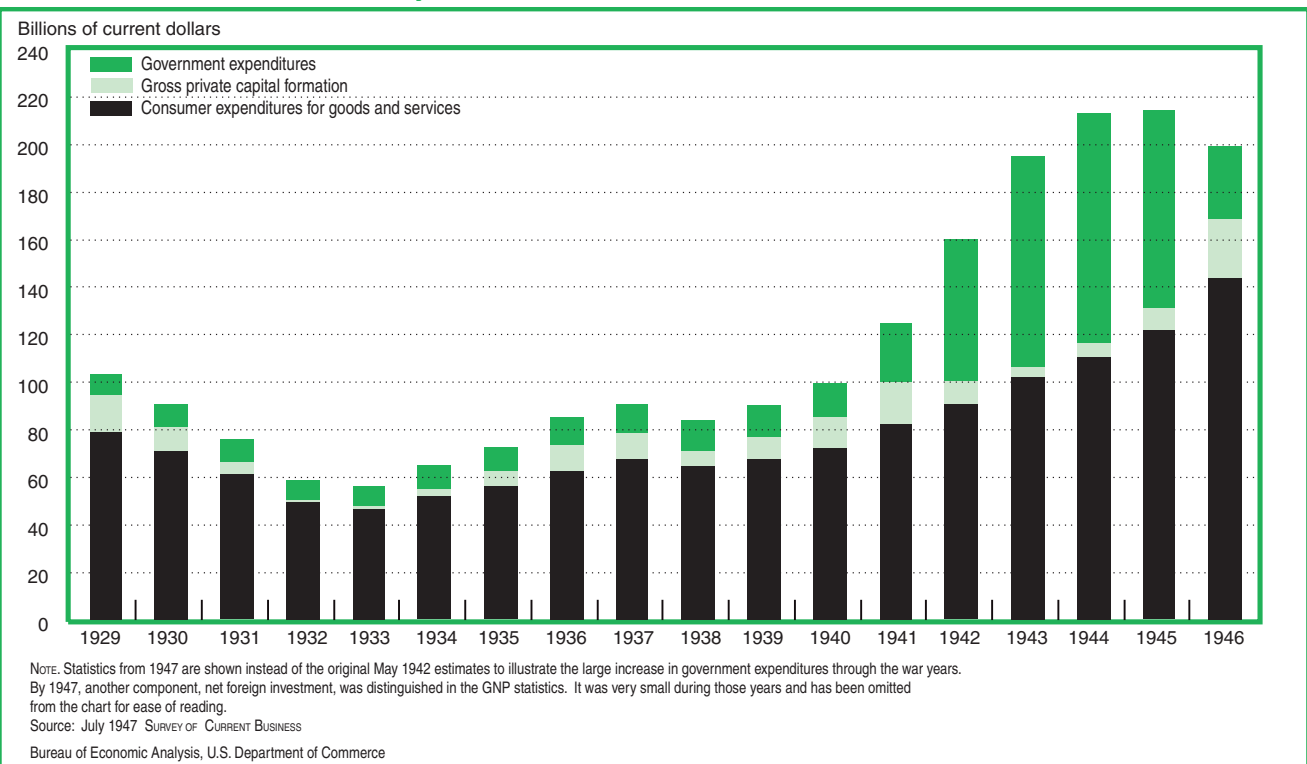
The provision of GNP in 1942 moved national product measurement away from factor income measurement and brought more uniformity to the treatment of taxes. The largest component of the difference between GNP and national income was business taxes (all taxes collected from businesses—income taxes, sales taxes, and other charges). The addition of business taxes provided a more complete accounting of the income flows generated from current production. For World War II policy analysis, it made sense to track the dramatically increasing government tax receipts that were helping finance the war (chart 7).

Personal taxes were included in national income, so personal and business taxes were put on an even footing in GNP. The focus of the income and product statistics was moving away from tracking income

39. Roosevelt (1945).

40. Roosevelt (1945).

Chart 7. Gross National Product by Use of Product, 1929–46



accruing to individuals to measuring the broad range of economic transactions among economic sectors—households, business, government, and the rest of the world. By including all government purchases as part of national product, the GNP statistics established the role of government in the economy as that of an ultimate consumer, that is, a purchaser of goods and services for final uses. The 1930s national income statistics treated government as an industry, providing income to employees. In the World War II setting, it was more natural to categorize government as a purchaser for final uses, given its preponderant role in the economy.

Before the war, during the 1930s, when national income and product concepts were being formulated, no subject was more controversial than the treatment of government. The position of Simon Kuznets, reflected in the early U.S. national income statistics, was that business taxes should be excluded from national product on the grounds that they served as a proxy for the value of government services to business. The reasoning was that business taxes were production expenses and therefore excluded from the net income originating in the industry of the business paying the taxes. On the other hand, taxes paid by individuals served as proxies for payments for services rendered by the government to those individuals and were therefore not deducted from their incomes. Put in other terms, taxes paid by individuals were treated as though they represented purchases by them and therefore were classified as purchases for final uses, which are included in national product. On the other hand, taxes paid by businesses were treated as though they represented purchases by businesses and therefore treated as intermediate purchases, which are excluded from national product. The provision of statistics that bore out that view entails distinguishing between government services to individuals and those to business, which was not feasible. For that and other reasons, Milton Gilbert and others at BFDC ultimately rejected that view, beginning with the publication of GNP in 1942.⁴¹

The correct way of measuring capital formation in national product—net or gross of depreciation—was also debated during the 1930s. In addition to a lack of confidence in estimates of depreciation, the decision by BFDC to include gross capital formation in national product was influenced by the policy uses to which the GNP would be put, which differed from those to which national income had been put in the 1930s. National income had been used to explain and measure the re-

covery from the Great Depression, including the effects on household incomes of programs such as the Civilian Conservation Corps and unemployment insurance. GNP was called on to evaluate World War II economic mobilization, so a broader measure of economic resources that could be diverted to the war effort was needed.

The inclusion of net capital formation in U.S. national income during the 1930s followed from the concepts and methods of early research that focused on national income as a measure of the change in national wealth. However, the position that gross capital formation is the proper concept for national product was not new; estimates of gross capital formation (investment) had been compiled by Clark Warburton in 1932 and Simon Kuznets beginning in 1933.⁴² The first two volumes of the Conference on Research in Income and Wealth (1937–38), a program within the NBER that focuses on national income and product measurement, show broad agreement that gross capital formation is the preferred concept.

1947: The national income and product accounts complete the picture

The Department of Commerce had been formulating more detailed expenditure-side concepts, making preliminary estimates using available data and refining income-side concepts throughout the war years as resources allowed. The pace of that work picked up after the end of the war, and the first complete set of interrelated and consistent national income and product statistics was published in 1947. It placed the GNP statistics in the broader context of the economy as a whole and provided a more complete picture of how the economy works.

Put in economic accounting terms, the national income and product statistics were recast in 1947 into a comprehensive national economic accounting framework. While the framework has been modified since then, in 1958, 1991, and 2003, the picture of the economic relationships among households, businesses, government, and the rest of the world depicted in the 1947 accounts remains substantially the same.

The 1947 framework and statistical improvements refined concepts, clarified terminology, and provided the first full system of national economic accounting in the form of consolidated (later called summary) accounts for each major sector of the economy. The new accounts presented—in a double-entry, sources-and-uses-of-funds format—all the productive activity in

41. Gilbert, Jaszi, Denison, and Schwartz (1948).

42. Warburton (1934) and Kuznets (1934).

the current accounts of the four sectors. The system included two other accounts: An economy-wide savings and investment, or capital, account, and a summary national income and product account that comprises all productive activity balanced against the costs of

production. The full complement of GNP statistics adopted the title of that account and became known as the national income and product accounts (NIPAs) (table B).]

Although the 1947 NIPAs went further than the

Table B. National Income and Product Account, 1939
First Summary Accounts (Published in 1947)

[Millions of dollars]

Account 1. National Income and Product Account

Line			Line		
1	Compensation of employees	47,820	22	Personal consumption expenditures.....	67,466
2	Wages and salaries	45,745	23	Gross private domestic investment.....	9,004
3	Supplements	2,075	24	Net foreign investment.....	888
4	Income of unincorporated enterprises and inventory valuation adjustment	11,282	25	Government purchases of goods and services	13,068
5	Rental income of persons.....	3,465			
6	Corporate profits before tax and inventory valuation adjustment.....	5,753			
7	Corporate profits before tax	6,467			
8	Corporate profits tax liability	1,462			
9	Corporate profits after tax	5,005			
10	Dividends	3,796			
11	Undistributed profits.....	1,209			
12	Inventory valuation adjustment	-714			
13	Net interest.....	4,212			
14	National income.....	72,532			
15	Indirect business tax and nontax liability	9,365			
16	Business transfer payments	451			
17	Statistical discrepancy.....	462			
18	Less: Subsidies minus current surplus of government enterprises.....	485			
19	Charges against net national product.....	82,325			
20	Capital consumption allowances.....	8,101			
21	CHARGES AGAINST GROSS NATIONAL PRODUCT.....	90,426	26	GROSS NATIONAL PRODUCT.....	90,426

Account 2. Consolidated Business Income and Product Account

Line			Line		
1	Compensation of employees	38,011	26	Consolidated net sales.....	78,877
2	Wages and salaries	36,250	27	To consumers.....	63,816
3	Disbursements	36,250	28	To government.....	5,375
4	Excess of accruals over disbursements.....	0	29	To business on capital account	8,563
5	Supplements	1,761	30	To abroad	1,123
6	Employer contributions for social insurance.....	1,330	31	Change in inventories.....	441
7	Other labor income	431			
8	Income of unincorporated enterprises and inventory valuation adjustment	11,282			
9	Rental income of persons.....	3,465			
10	Corporate profits before tax and inventory valuation adjustment	5,569			
11	Corporate profits before tax	6,283			
12	Corporate profits tax liability	1,462			
13	Corporate profits after tax	4,821			
14	Dividends	3,659			
15	Undistributed profits.....	1,162			
16	Inventory valuation adjustment	-714			
17	Net interest.....	3,284			
18	Income originating	61,611			
19	Indirect business tax and nontax liability	9,365			
20	Business transfer payments	451			
21	Statistical discrepancy.....	462			
22	Less: Subsidies minus current surplus of government enterprises.....	485			
23	Charges against net product.....	71,404			
24	Capital consumption allowances.....	7,914			
25	CHARGES AGAINST BUSINESS GROSS PRODUCT	79,318	32	BUSINESS GROSS PRODUCT.....	79,318

Account 3. Consolidated Government Receipts and Expenditures Account

Line			Line		
1	Purchases of goods and services.....	13,068	15	Personal tax and nontax receipts	2,440
2	Purchases of direct services:		16	Corporate profits tax accruals	1,462
3	Compensation of employees.....	7,629	17	Indirect business tax and nontax accruals.....	9,365
4	Wages and salaries	7,343	18	Contributions for social insurance.....	2,136
5	Supplements	286	19	Employee contributions	596
6	Employer contributions for social insurance.....	199	20	Employer contributions.....	1,540
7	Other labor income	87	21	Business.....	1,330
8	Income originating and net and gross product.....	7,629	22	Government	199
9	Net purchases from business	5,375	23	Households and institutions	11
10	Net purchases from abroad	64	24	Deficit (+) or surplus (-) on income and product transactions.....	1,867
11	Transfer payments.....	2,512			
12	Net interest paid	1,205			
13	Subsidies minus current surplus of government enterprises	485			
14	GOVERNMENT EXPENDITURES.....	17,270	25	GOVERNMENT RECEIPTS AND DEFICIT	17,270

Account 4. Rest of the World Account

Line			Line		
1	Net payments of factor income to the United States	313	12	Net disinvestment in the United States	888
2	Wages and salaries.....	2			
3	Interest.....	127			
4	Dividends.....	137			
5	Branch profits.....	47			
6	Income originating and net and gross product.....	313			
7	Net purchases from the United States.....	575			
8	From business.....	1,123			
9	From government.....	-64			
10	From persons.....	-484			
11	NET CURRENT PAYMENTS TO THE UNITED STATES.....	888	13	NET DISINVESTMENT IN THE UNITED STATES.....	888

Account 5. Personal Income and Expenditure Account

Line			Line		
1	Personal consumption expenditures.....	67,466	17	Wage and salary receipts.....	45,159
2	Purchases of direct services.....	3,166	18	Disbursements by:	
3	Compensation of employees.....	2,178	19	Business.....	36,250
4	Wages and salaries paid.....	2,150	20	Government.....	7,343
5	Supplements paid.....	28	21	Households and institutions.....	2,150
6	Employer contributions for social insurance.....	11	22	Rest of the world.....	2
7	Other labor income.....	17	23	Less: Employee contributions for social insurance.....	596
8	Interest paid.....	801	24	Other labor income.....	535
9	Income originating in and net product of households and institutions.....	2,979	25	Business.....	431
10	Institutional depreciation.....	187	26	Government.....	87
11	Gross product of households and institutions.....	3,166	27	Households and institutions.....	17
12	Net purchases from business.....	63,816	28	Income of unincorporated enterprises and inventory valuation adjustment.....	11,282
13	Net purchases from abroad.....	484	29	Rental income of persons.....	3,465
14	Personal tax and nontax payments.....	2,440	30	Dividends.....	3,796
15	Personal saving.....	2,701	31	Personal interest income.....	5,417
				Government transfer payments.....	2,512
				Business transfer payments.....	451
16	PERSONAL OUTLAY AND SAVING.....	72,607	32	PERSONAL INCOME.....	72,607

Account 6. Gross Saving and Investment Account

Line			Line		
1	Business purchases on capital account.....	8,563	6	Excess of wage accruals over disbursements.....	0
2	Change in business inventories.....	441	7	Undistributed corporate profits (domestic).....	1,162
3	Net disinvestment in the United States by rest or world.....	888	8	Corporate inventory valuation adjustment.....	-714
4	Government deficit (+) or surplus (-) on income and product transitions.....	1,867	9	Statistical discrepancy.....	462
			10	Capital consumption allowance by private business.....	7,914
			11	Foreign branch profits (net).....	47
			12	Institutional depreciation.....	187
			13	Personal saving.....	2,701
5	GROSS INVESTMENT AND GOVERNMENT DEFICIT.....	11,759	14	GROSS PRIVATE SAVING.....	11,759

NOTE: These accounts were modified in 1958, 1991, and 2003.

Source: "National Income and Product Accounts of the United States, 1929-46," Milton Gilbert, SURVEY OF CURRENT BUSINESS (July 1947).

Documents Cited in This Article

The BEA digital library, launched on June 30, 2006, presents important documents related to the history of the U.S. national economic accounts. It contains many of the references cited in this paper, such as the 1934 Senate report presenting the first Department of Commerce estimates of national income, the SURVEY OF CURRENT BUSINESS articles providing early estimates of gross national product during World War II, and the first publication of the U.S. national income and product accounts in 1947.

Users of the Digital Library can further explore the

early motivations behind key economic measures and the policy concerns brought about by the Great Depression, WW II mobilization, and the transition back to a peacetime economy after the war. Currently, the library includes 89 SURVEY articles published from 1934 to 1947, as well as the first two volumes from the Conference on Research in Income and Wealth published in 1937 and 1938. Additional materials will be added in the future. The digital library can be accessed from the BEA home page <www.bea.gov>.

original GNP estimates by providing both more data and a more complete picture of the economy, many of the key characteristics of the NIPAs were already part of the GNP estimates. Both the GNP estimates and the NIPAs included income and expenditure measures that could be added up to get the total value of national product. Both focused on the composition of national product among the institutional sectors of government, business, and individuals and used a set of tables to show the relationships between key economic measures. The GNP estimates had served as a predecessor to the NIPA summary accounts: All of the sources and uses of funds found in the summary accounts can be found in the GNP estimates in related presentations.

Organizing the national income and product statistics into the 1947 system of accounts brought advantages. It added clarity to the debates about what components to include in the valuation of income and production. It created a schematic in which different types of measures could be used consistently; in a field where concepts continue to evolve, a consistent set of measures allows analysts to distinguish between differences resulting from the use of different concepts and differences resulting from the use of different data.⁴³ And the “booking” of income and expenditure items in double-entry form provides a means of cross-checking income and expenditure estimates that are derived from a mélange of sources.

In addition, the 1947 accounts brought statistical improvements. The most important of those was the direct estimation of consumptions expenditures. Despite the scale of those in the economy—they made up 75 percent of GNP in 1947—important components, mostly the consumption of services, had been estimated as residuals since 1942.

In 2003, the summary accounts took their present form. They were modified on that occasion to conform more closely to the United Nations *System of National Accounts* guidelines for national economic accounts. The first (overall) summary account is now measured consistently on a domestic basis, reflecting the present emphasis in international statistical guidelines on gross domestic product instead of gross national product. An additional summary account has been added to tie the “gross operating surplus” concept featured in other countries to the “profits from current production” concept featured in the United States.⁴⁴

43. For example, the national income concept in the present NIPAs differs from that of 1947. It was redefined in 2003 to include all net incomes (that is, incomes net of depreciation) earned in production rather than only incomes accruing to factors of production which defined the scope of the earlier concept. The largest components newly included in national income are sales taxes, property taxes, and customs duties (“taxes on production and imports”). The new concept is consistent with United Nations *System of National Accounts* guidelines, which do not feature the factor-cost concept.

44. Mayerhauser, Smith, and Sullivan (2003).

The national income and product accounts have continued to develop since 1947, and that development has continued to exemplify the balance between theory, real-world data, and the economic questions of the day. Price-adjusted (real) GNP statistics were developed when inflation concerns persisted. Quality-adjusted price indexes were developed when the growing use of computers began the age of information technology. Changing-weight price- and quantity-indexes were substituted for fixed-weight indexes when the technology boom brought plunging prices in that sector in the face of rising prices in most other sectors, which imparted instability to the statistics. And closer integration with international trade and finance accounts and the national accounts of other countries were provided when the need for a global economic picture became compelling. Those stories are no less interesting.

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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 that were released on January 31, 2007. These estimates include the “advance” estimates for the fourth 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> 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
Gross domestic product	1	3.2	3.4	1.8	5.6	2.6	2.0	3.5
Personal consumption expenditures	2	3.5	3.2	0.8	4.8	2.6	2.8	4.4
Durable goods	3	5.5	5.1	-12.3	19.8	-0.1	6.4	6.0
Nondurable goods	4	4.5	3.8	3.9	5.9	1.4	1.5	6.9
Services	5	2.6	2.5	2.0	1.6	3.7	2.8	2.9
Gross private domestic investment	6	5.4	4.6	16.2	7.8	1.0	-0.8	-11.0
Fixed investment	7	7.5	3.0	2.8	8.2	-1.6	-1.2	-7.3
Nonresidential	8	6.8	7.4	5.2	13.7	4.4	10.0	-0.4
Structures	9	1.1	9.1	12.0	8.7	20.3	15.7	2.8
Equipment and software	10	8.9	6.7	2.8	15.6	-1.4	7.7	-1.8
Residential	11	8.6	-4.2	-0.9	-0.3	-11.1	-18.7	-19.2
Change in private inventories	12							
Net exports of goods and services	13							
Exports	14	6.8	8.9	9.6	14.0	6.2	6.8	10.0
Goods	15	7.5	10.5	11.5	17.3	6.0	9.4	8.8
Services	16	5.1	5.2	5.5	6.7	6.7	0.8	13.0
Imports	17	6.1	5.8	13.2	9.1	1.4	5.6	-3.2
Goods	18	6.7	5.9	14.1	9.4	-0.1	7.1	-5.0
Services	19	2.8	5.3	8.3	7.4	9.9	-2.6	6.7
Government consumption expenditures and gross investment	20	0.9	2.1	-1.1	4.9	0.8	1.7	3.7
Federal	21	1.5	2.0	-4.6	8.8	-4.5	1.3	4.5
National defense	22	1.7	1.9	-9.9	8.9	-2.0	-1.2	11.9
Nondefense	23	1.1	2.2	7.1	8.5	-9.3	6.5	-9.3
State and local	24	0.5	2.1	1.0	2.7	4.0	1.9	3.3

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
Percent change at annual rate: Gross domestic product	1	3.2	3.4	1.8	5.6	2.6	2.0	3.5
Percentage points at annual rates: Personal consumption expenditures	2	2.44	2.25	0.53	3.38	1.81	1.96	3.05
Durable goods	3	0.45	0.41	-1.08	1.50	-0.01	0.50	0.47
Nondurable goods	4	0.90	0.78	0.79	1.20	0.30	0.32	1.38
Services	5	1.09	1.05	0.83	0.67	1.52	1.14	1.20
Gross private domestic investment	6	0.87	0.75	2.51	1.31	0.17	-0.13	-1.92
Fixed investment	7	1.17	0.49	0.46	1.34	-0.27	-0.19	-1.21
Nonresidential	8	0.67	0.75	0.52	1.36	0.45	1.01	-0.05
Structures	9	0.03	0.26	0.31	0.25	0.56	0.46	0.09
Equipment and software	10	0.64	0.49	0.21	1.11	-0.10	0.55	-0.13
Residential	11	0.50	-0.26	-0.06	-0.02	-0.72	-1.20	-1.16
Change in private inventories	12	-0.30	0.26	2.05	-0.03	0.44	0.06	-0.71
Net exports of goods and services	13	-0.26	-0.02	-1.07	-0.04	0.42	-0.19	1.64
Exports	14	0.68	0.93	0.97	1.41	0.66	0.73	1.08
Goods	15	0.52	0.76	0.80	1.20	0.45	0.71	0.68
Services	16	0.16	0.17	0.17	0.21	0.21	0.03	0.40
Imports	17	-0.94	-0.95	-2.04	-1.46	-0.24	-0.93	0.56
Goods	18	-0.87	-0.81	-1.84	-1.27	0.01	-1.00	0.73
Services	19	-0.07	-0.14	-0.20	-0.19	-0.25	0.07	-0.17
Government consumption expenditures and gross investment	20	0.17	0.40	-0.21	0.94	0.16	0.32	0.70
Federal	21	0.11	0.14	-0.33	0.61	-0.32	0.09	0.31
National defense	22	0.08	0.09	-0.49	0.41	-0.09	-0.06	0.53
Nondefense	23	0.03	0.05	0.16	0.20	-0.23	0.15	-0.22
State and local	24	0.06	0.26	0.13	0.33	0.48	0.23	0.39

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
Gross domestic product	1	3.2	3.4	1.8	5.6	2.6	2.0	3.5
Final sales of domestic product	2	3.5	3.1	-0.3	5.6	2.1	1.9	4.2
Change in private inventories	3							
Goods	4	4.6	6.4	3.1	12.8	3.6	3.8	7.9
Final sales	5	5.6	5.6	-3.4	13.1	2.2	3.6	10.5
Change in private inventories	6							
Durable goods	7	6.1	6.3	4.1	9.0	2.3	8.9	-0.5
Final sales	8	7.1	6.3	-5.4	16.0	-0.2	6.7	7.5
Change in private inventories ¹	9							
Nondurable goods	10	3.4	6.5	2.3	16.1	4.7	-0.1	15.0
Final sales	11	4.4	5.0	-1.8	10.8	4.1	1.2	13.0
Change in private inventories ¹	12							
Services ²	13	2.3	2.3	0.8	2.4	2.4	2.8	3.5
Structures	14	4.6	0.6	3.1	2.9	0.3	-7.4	-8.6
Addenda:								
Motor vehicle output	15	5.9	-1.7	-19.1	3.8	-9.4	27.4	-31.7
Gross domestic product excluding motor vehicle output	16	3.1	3.6	2.6	5.6	3.0	1.2	4.8
Final sales of computers ³	17	24.5	17.1	33.8	9.5	6.7	11.7	46.7
Gross domestic product excluding final sales of computers	18	3.1	3.3	1.6	5.6	2.5	1.9	3.2
Gross domestic purchases excluding final sales of computers to domestic purchasers	19	3.1	3.0	2.5	5.1	1.9	1.9	1.6

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
Percent change at annual rate:								
Gross domestic product	1	3.2	3.4	1.8	5.6	2.6	2.0	3.5
Percentage points at annual rates:								
Final sales of domestic product	2	3.52	3.12	-0.28	5.61	2.11	1.90	4.19
Change in private inventories	3	-0.30	0.26	2.05	-0.03	0.44	0.06	-0.71
Goods	4	1.43	1.97	0.97	3.86	1.12	1.17	2.42
Final sales	5	1.73	1.71	-1.08	3.89	0.67	1.10	3.14
Change in private inventories	6	-0.30	0.26	2.05	-0.03	0.44	0.06	-0.71
Durable goods	7	0.84	0.87	0.58	1.26	0.31	1.19	-0.06
Final sales	8	0.96	0.85	-0.77	2.11	-0.03	0.89	1.00
Change in private inventories ¹	9	-0.12	0.02	1.35	-0.85	0.34	0.30	-1.06
Nondurable goods	10	0.58	1.10	0.39	2.60	0.80	-0.02	2.48
Final sales	11	0.76	0.86	-0.31	1.78	0.70	0.21	2.14
Change in private inventories ¹	12	-0.18	0.25	0.70	0.82	0.10	-0.23	0.34
Services ²	13	1.31	1.35	0.46	1.39	1.40	1.63	2.01
Structures	14	0.49	0.06	0.33	0.33	0.04	-0.84	-0.96
Addenda:								
Motor vehicle output	15	0.20	-0.05	-0.71	0.12	-0.31	0.76	-1.17
Gross domestic product excluding motor vehicle output	16	3.03	3.44	2.47	5.46	2.87	1.20	4.64
Final sales of computers ³	17	0.16	0.11	0.20	0.07	0.04	0.07	0.25
Gross domestic product excluding final sales of computers	18	3.07	3.28	1.56	5.52	2.51	1.89	3.23

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
Gross domestic product	1	112.546	116.354	113.719	115.274	116.004	116.569	117.568
Final sales of domestic product	2	112.958	116.487	113.883	115.455	116.060	116.609	117.825
Change in private inventories	3							
Goods	4	112.515	119.745	114.326	117.831	118.877	119.983	122.289
Final sales	5	113.689	120.049	114.689	118.277	118.917	119.978	123.023
Change in private inventories	6							
Durable goods	7	111.888	118.954	114.743	117.231	117.887	120.422	120.274
Final sales	8	113.219	120.317	114.523	118.845	118.780	120.724	122.918
Change in private inventories ¹	9							
Nondurable goods	10	113.386	120.766	114.342	118.691	120.058	120.019	124.296
Final sales	11	114.342	120.113	115.095	118.096	119.302	119.664	123.390
Change in private inventories ¹	12							
Services ²	13	112.963	115.577	113.738	114.408	115.094	115.905	116.902
Structures	14	111.235	111.896	112.698	113.518	113.612	111.462	108.991
Addenda:								
Motor vehicle output	15	118.006	115.999	116.260	117.341	114.487	121.621	110.545
Gross domestic product excluding motor vehicle output	16	112.359	116.354	113.626	115.197	116.043	116.398	117.779
Final sales of computers ³	17	190.534	223.116	207.153	211.907	215.393	221.455	243.711
Gross domestic product excluding final sales of computers	18	112.053	115.746	113.162	114.703	115.421	115.966	116.895
Gross domestic purchases excluding final sales of computers to domestic purchasers	19	113.571	117.034	114.796	116.235	116.787	117.327	117.787

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
Gross domestic product	1	112.744	116.053	114.048	114.967	115.905	116.446	116.893
Final sales of domestic product	2	112.783	116.106	114.101	115.025	115.961	116.498	116.938
Change in private inventories	3							
Goods	4	100.162	100.556	99.734	100.237	100.768	100.723	100.498
Final sales	5	100.206	100.618	99.811	100.325	100.841	100.781	100.525
Change in private inventories	6							
Durable goods	7	92.214	91.435	91.803	91.830	91.650	91.243	91.015
Final sales	8	92.186	91.424	91.789	91.824	91.652	91.223	90.997
Change in private inventories ¹	9							
Nondurable goods	10	107.452	108.960	107.008	107.963	109.165	109.467	109.245
Final sales	11	107.574	109.101	107.181	108.149	109.319	109.610	109.327
Change in private inventories ¹	12							
Services ²	13	117.810	122.154	119.744	120.745	121.811	122.673	123.384
Structures	14	128.721	136.879	132.758	134.749	136.479	137.374	138.913
Addenda:								
Motor vehicle output	15	97.656	96.934	96.857	97.636	97.564	96.460	96.076
Gross domestic product excluding motor vehicle output	16	113.332	116.801	114.721	115.646	116.624	117.228	117.708
Final sales of computers ³	17	41.430	34.771	38.476	37.234	35.362	33.799	32.690
Gross domestic product excluding final sales of computers	18	113.724	117.223	115.107	116.067	117.060	117.643	118.123

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
Gross domestic product	1	12,455.8	13,253.9	12,730.5	13,008.4	13,197.3	13,322.6	13,487.2
Final sales of domestic product.....	2	12,434.6	13,200.4	12,681.9	12,961.2	13,135.1	13,258.4	13,447.1
Change in private inventories.....	3	21.3	53.4	48.6	47.2	62.3	64.2	40.1
Goods	4	3,886.5	4,151.7	3,932.6	4,073.2	4,131.0	4,166.7	4,236.1
Final sales.....	5	3,865.3	4,098.3	3,883.9	4,026.1	4,068.7	4,102.5	4,196.0
Change in private inventories	6	21.3	53.4	48.6	47.2	62.3	64.2	40.1
Durable goods.....	7	1,742.9	1,837.3	1,779.6	1,818.6	1,825.1	1,856.1	1,849.4
Final sales.....	8	1,725.6	1,818.6	1,738.1	1,804.3	1,800.0	1,820.9	1,849.4
Change in private inventories ¹	9	17.3	18.6	41.6	14.3	25.1	35.2	0.0
Nondurable goods.....	10	2,143.6	2,314.5	2,152.9	2,254.6	2,305.9	2,310.6	2,386.7
Final sales.....	11	2,139.7	2,279.7	2,145.9	2,221.7	2,268.7	2,281.7	2,346.6
Change in private inventories ¹	12	4.0	34.8	7.0	32.9	37.2	28.9	40.1
Services ²	13	7,220.4	7,659.9	7,388.9	7,494.5	7,606.0	7,713.8	7,825.2
Structures	14	1,348.9	1,442.2	1,409.1	1,440.6	1,460.3	1,442.1	1,425.9
Addenda:								
Motor vehicle output.....	15	420.5	410.4	411.8	418.0	408.2	428.0	387.3
Gross domestic product excluding motor vehicle output	16	12,035.3	12,843.5	12,318.8	12,590.4	12,789.1	12,894.6	13,099.9
Final sales of computers ³	17	86.8	85.4	87.9	87.0	84.0	82.6	87.9
Gross domestic product excluding final sales of computers.....	18	12,369.1	13,168.5	12,642.6	12,921.3	13,113.3	13,240.0	13,399.3

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
Gross domestic product	1	11,048.6	11,422.4	11,163.8	11,316.4	11,388.1	11,443.5	11,541.6
Final sales of domestic product.....	2	11,025.2	11,369.7	11,115.5	11,269.0	11,328.0	11,381.6	11,500.3
Change in private inventories.....	3	19.6	46.4	43.5	41.2	53.7	55.4	35.3
Residual.....	4	3.8	6.3	4.8	6.2	6.4	6.5	6.0
Goods	5	3,881.0	4,130.4	3,943.5	4,064.4	4,100.5	4,138.6	4,218.2
Final sales.....	6	3,857.3	4,073.1	3,891.2	4,013.0	4,034.7	4,070.7	4,174.0
Change in private inventories	7	19.6	46.4	43.5	41.2	53.7	55.4	35.3
Durable goods.....	8	1,890.2	2,009.6	1,938.4	1,980.5	1,991.5	2,034.4	2,031.9
Final sales.....	9	1,871.9	1,989.2	1,893.4	1,964.9	1,963.8	1,995.9	2,032.2
Change in private inventories ¹	10	16.4	17.1	39.2	13.4	23.1	31.9	-0.1
Nondurable goods.....	11	1,995.6	2,125.4	2,012.4	2,088.9	2,113.0	2,112.3	2,187.6
Final sales.....	12	1,989.0	2,089.4	2,002.1	2,054.3	2,075.3	2,081.6	2,146.4
Change in private inventories ¹	13	3.9	28.8	6.4	27.1	30.3	24.1	33.5
Services ²	14	6,128.9	6,270.7	6,170.9	6,207.3	6,244.5	6,288.5	6,342.6
Structures	15	1,047.9	1,054.1	1,061.7	1,069.4	1,070.3	1,050.0	1,026.8
Residual.....	16	-9.4	-26.9	-9.9	-20.0	-19.2	-28.5	-39.8
Addenda:								
Motor vehicle output.....	17	430.7	423.4	424.3	428.3	417.8	443.9	403.5
Gross domestic product excluding motor vehicle output	18	10,620.2	10,997.8	10,739.9	10,888.4	10,968.4	11,001.9	11,132.5
Final sales of computers ³	19	209.5	245.3	227.7	233.0	236.8	243.5	267.9
Gross domestic product excluding final sales of computers.....	20	10,877.0	11,235.5	10,984.7	11,134.3	11,204.0	11,256.9	11,347.0

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
Gross domestic product	1	3.2	3.4	1.8	5.6	2.6	2.0	3.5
Business ¹	2	3.8	3.9	1.8	6.7	2.7	1.9	4.1
Nonfarm ²	3	3.8	3.9	1.8	6.7	2.7	1.9	4.2
Farm.....	4	1.0	4.6	8.1	14.1	3.9	-2.0	-4.4
Households and institutions	5	2.1	2.8	2.3	4.4	3.0	2.1	0.9
Households.....	6	3.1	4.1	4.1	7.4	4.0	2.8	0.9
Nonprofit institutions serving households ³	7	0.8	1.2	0.0	0.6	1.8	1.3	0.9
General government ⁴	8	0.9	0.7	0.9	-0.7	0.8	2.4	1.7
Federal.....	9	0.6	-0.3	1.5	-3.5	-0.1	3.2	0.2
State and local.....	10	1.0	1.1	0.7	0.6	1.2	2.1	2.4
Addendum:								
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
Gross domestic product	1	112.546	116.354	113.719	115.274	116.004	116.569	117.568
Business ¹	2	113.706	118.109	115.057	116.942	117.735	118.281	119.479
Nonfarm ²	3	113.690	118.087	115.044	116.911	117.700	118.257	119.480
Farm.....	4	115.266	120.533	116.415	120.316	121.458	120.861	119.497
Households and institutions	5	111.086	114.183	111.972	113.180	114.028	114.631	114.895
Households.....	6	112.605	117.171	113.798	115.853	116.985	117.788	118.057
Nonprofit institutions serving households ³	7	109.294	110.602	109.805	109.982	110.484	110.842	111.099
General government ⁴	8	106.666	107.398	106.982	106.795	107.014	107.659	108.125
Federal.....	9	106.947	106.590	107.121	106.167	106.148	106.997	107.049
State and local.....	10	106.536	107.747	106.915	107.065	107.389	107.944	108.591
Addendum:								
Gross housing value added.....	11	107.857	111.827	108.674	110.563	111.642	112.421	112.682

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
Gross domestic product	1	112.744	116.053	114.048	114.967	115.905	116.446	116.893
Business ¹	2	110.324	113.201	111.581	112.325	113.179	113.518	113.781
Nontfarm ²	3	110.268	113.236	111.582	112.379	113.320	113.561	113.685
Farm	4	116.270	109.790	111.773	106.945	98.811	109.258	124.146
Households and institutions	5	117.960	122.789	119.389	120.628	122.104	123.536	124.888
Households	6	114.495	118.897	115.448	116.397	118.148	119.842	121.200
Nonprofit institutions serving households ³	7	122.437	127.825	124.508	126.142	127.233	128.292	129.634
General government ⁴	8	124.718	129.738	126.237	128.170	129.182	130.338	131.263
Federal	9	129.479	134.342	129.782	133.763	134.390	134.579	134.635
State and local	10	122.735	127.822	124.764	125.844	127.015	128.572	129.856
Addendum:								
Gross housing value added	11	114.694	119.137	115.764	116.716	118.361	120.032	121.441

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
Gross domestic product	1	12,455.8	13,253.9	12,730.5	13,008.4	13,197.3	13,322.6	13,487.2
Business ¹	2	9,613.4	10,244.6	9,837.9	10,065.4	10,210.4	10,287.7	10,414.8
Nontfarm ²	3	9,517.5	10,150.7	9,745.0	9,973.6	10,124.8	10,194.0	10,310.4
Farm	4	95.9	93.9	92.9	91.8	85.6	93.7	104.3
Households and institutions	5	1,419.6	1,518.9	1,448.2	1,479.0	1,508.3	1,534.0	1,554.4
Households	6	793.7	857.7	808.8	830.2	850.9	869.0	880.9
Nonprofit institutions serving households ³	7	625.8	661.2	639.4	648.8	657.4	665.0	673.5
General government ⁴	8	1,422.9	1,490.4	1,444.5	1,464.0	1,478.6	1,500.8	1,518.0
Federal	9	436.7	451.6	438.4	447.9	449.9	454.1	454.5
State and local	10	986.2	1,038.8	1,006.0	1,016.2	1,028.7	1,046.7	1,063.5
Addendum:								
Gross housing value added	11	982.6	1,058.3	999.2	1,025.0	1,049.6	1,071.8	1,086.9

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 1.3.6. 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
Gross domestic product	1	11,048.6	11,422.4	11,163.8	11,316.4	11,388.1	11,443.5	11,541.6
Business ¹	2	8,717.5	9,055.0	8,821.0	8,965.6	9,026.4	9,068.2	9,160.1
Nontfarm ²	3	8,634.9	8,968.9	8,737.8	8,879.6	8,939.5	8,981.8	9,074.7
Farm	4	82.4	86.2	83.3	86.1	86.9	86.4	85.5
Households and institutions	5	1,200.5	1,234.0	1,210.1	1,223.1	1,232.3	1,238.8	1,241.7
Households	6	693.2	721.4	700.6	713.2	720.2	725.2	726.8
Nonprofit institutions serving households ³	7	508.3	514.4	510.7	511.5	513.8	515.5	516.7
General government ⁴	8	1,140.9	1,148.7	1,144.3	1,142.3	1,144.6	1,151.5	1,156.5
Federal	9	337.3	336.1	337.8	334.8	334.8	337.4	337.6
State and local	10	803.5	812.7	806.4	807.5	810.0	814.1	819.0
Residual	11	-11.0	-17.3	-12.8	-16.3	-17.1	-16.9	-18.7
Addendum:								
Gross housing value added	12	856.7	888.2	863.2	878.2	886.8	892.9	895.0

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
Gross domestic product	1	3.2	3.4	1.8	5.6	2.6	2.0	3.5
Less: Exports of goods and services	2	6.8	8.9	9.6	14.0	6.2	6.8	10.0
Plus: Imports of goods and services	3	6.1	5.8	13.2	9.1	1.4	5.6	-3.2
Equals: Gross domestic purchases	4	3.3	3.2	2.7	5.3	2.0	2.0	1.7
Less: Change in private inventories	5							
Equals: Final sales to domestic purchasers	6	3.6	3.0	0.7	5.4	1.6	2.0	2.4
Addendum:								
Final sales of domestic product	7	3.5	3.1	-0.3	5.6	2.1	1.9	4.2

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
Gross domestic product	1	112.546	116.354	113.719	115.274	116.004	116.569	117.568
Less: Exports of goods and services	2	109.105	118.796	112.054	115.783	117.536	119.495	122.371
Plus: Imports of goods and services	3	123.007	130.107	126.377	129.146	129.608	131.378	130.298
Equals: Gross domestic purchases	4	114.351	118.023	115.657	117.161	117.746	118.341	118.843
Less: Change in private inventories	5							
Equals: Final sales to domestic purchasers	6	114.755	118.160	115.825	117.345	117.810	118.390	119.097
Addendum: Final sales of domestic product	7	112.958	116.487	113.883	115.455	116.060	116.609	117.825

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
Gross domestic product	1	112.744	116.053	114.048	114.967	115.905	116.446	116.893
Less: Exports of goods and services	2	108.949	112.581	110.108	110.737	112.400	113.631	113.558
Plus: Imports of goods and services	3	111.268	116.057	114.117	113.918	116.608	118.143	115.559
Equals: Gross domestic purchases	4	112.981	116.487	114.541	115.313	116.455	117.080	117.100
Less: Change in private inventories	5							
Equals: Final sales to domestic purchasers	6	113.021	116.540	114.594	115.371	116.510	117.133	117.144
Addendum: Final sales of domestic product	7	112.783	116.106	114.101	115.025	115.961	116.498	116.938

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
Gross domestic product	1	12,455.8	13,253.9	12,730.5	13,008.4	13,197.3	13,322.6	13,487.2
Less: Exports of goods and services	2	1,303.1	1,466.2	1,352.4	1,405.4	1,448.1	1,488.3	1,523.2
Plus: Imports of goods and services	3	2,019.9	2,228.0	2,127.8	2,170.6	2,229.8	2,290.1	2,221.5
Equals: Gross domestic purchases	4	13,172.5	14,015.6	13,505.9	13,773.6	13,979.1	14,124.3	14,185.5
Less: Change in private inventories	5	21.3	53.4	48.6	47.2	62.3	64.2	40.1
Equals: Final sales to domestic purchasers	6	13,151.3	13,962.2	13,457.3	13,726.4	13,916.8	14,060.1	14,145.5
Addendum: Final sales of domestic product	7	12,434.6	13,200.4	12,681.9	12,961.2	13,135.1	13,258.4	13,447.1

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
Gross domestic product	1	11,048.6	11,422.4	11,163.8	11,316.4	11,388.1	11,443.5	11,541.6
Less: Exports of goods and services	2	1,196.1	1,302.3	1,228.4	1,269.3	1,288.5	1,310.0	1,341.5
Plus: Imports of goods and services	3	1,815.3	1,920.1	1,865.0	1,905.9	1,912.7	1,938.8	1,922.9
Equals: Gross domestic purchases	4	11,659.7	12,034.1	11,792.9	11,946.3	12,005.9	12,066.6	12,117.8
Less: Change in private inventories	5	19.6	46.4	43.5	41.2	53.7	55.4	35.3
Equals: Final sales to domestic purchasers	6	11,636.1	11,981.4	11,744.6	11,898.7	11,945.9	12,004.7	12,076.4
Addendum: Final sales of domestic product	7	11,025.2	11,369.7	11,115.5	11,269.0	11,328.0	11,381.6	11,500.3

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

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
Gross domestic product	1	12,455.8	13,253.9	12,730.5	13,008.4	13,197.3	13,322.6	13,487.2
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	.....
Equals: Gross national product	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	1,575.4	1,562.5	1,548.0	1,572.8	1,582.0	1,598.6
Private	6	1,352.6	1,310.1	1,307.5	1,288.9	1,309.8	1,314.4	1,327.2
Domestic business	7	1,059.1	1,050.1	1,044.4	1,035.1	1,050.4	1,053.0	1,061.9
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	-83.6	-102.9	-74.4	-86.1	-84.7	-89.4
Households and institutions	10	293.5	260.0	263.1	253.8	259.5	261.4	265.3
Government	11	252.2	265.3	255.0	259.1	262.9	267.6	271.4
General government	12	207.2	221.1	212.4	216.1	219.2	223.1	226.2
Government enterprises	13	45.1	44.1	42.6	43.0	43.7	44.5	45.2
Equals: Net national product	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	-5.3	.....
Equals: National income	16	10,811.8	.....	11,106.2	11,551.3	11,611.5	11,762.6	.....
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	912.1	874.2	897.4	914.0	916.8	920.2
Contributions for government social insurance	19	880.6	946.6	898.9	936.7	938.8	948.9	961.8
Net interest and miscellaneous payments on assets	20	483.4	510.6	490.0	514.8	513.2	498.6	515.8
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	-9.8	-13.3	-9.2	-9.4	-10.2	-10.5
Wage accruals less disbursements	23	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	1,602.1	1,539.8	1,570.4	1,589.7	1,618.6	1,629.4
Equals: Personal income	26	10,239.2	10,897.4	10,483.7	10,721.4	10,807.3	10,964.5	11,096.3
Addenda:								
Gross domestic income	27	12,384.8	.....	12,656.2	13,070.3	13,161.6	13,327.9	.....
Gross national income	28	12,416.6	.....	12,668.7	13,099.3	13,184.3	13,344.6	.....
Gross national factor income ¹	29	11,492.7	.....	11,708.6	12,117.4	12,186.5	12,345.1	.....
Net domestic product	30	10,851.0	11,678.5	11,168.0	11,460.3	11,624.6	11,740.6	11,888.6
Net domestic income	31	10,780.0	.....	11,093.8	11,522.2	11,588.8	11,745.9	.....
Net national factor income ²	32	9,887.9	.....	10,146.2	10,569.3	10,613.7	10,763.1	.....

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 CCAAdj, 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
Gross domestic product	1	11,048.6	11,422.4	11,163.8	11,316.4	11,388.1	11,443.5	11,541.6
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	.....
Equals: Gross national product	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
Equals: Net national product	10	9,586.6	.....	9,740.0	9,922.8	9,980.4	10,022.5	.....
Addenda:								
Gross domestic income ¹	11	10,985.6	.....	11,098.7	11,370.3	11,357.2	11,448.1	.....
Gross national income ²	12	11,014.9	.....	11,110.5	11,396.5	11,377.7	11,463.0	.....
Net domestic product	13	9,557.2	9,990.2	9,727.9	9,896.5	9,959.8	10,007.3	10,097.3
Net domestic income ³	14	9,494.7	.....	9,663.2	9,949.9	9,929.2	10,011.8	.....

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
Gross national product	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 ¹	3	110.121	.....	113.619	119.044	122.488	124.638	.....
Equals: Command-basis gross national product	4	112.131	.....	112.914	114.696	115.219	115.676	.....
Addendum:								
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
Gross national product	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 ¹	3	1,628.6	.....	1,680.4	1,760.6	1,811.6	1,843.4	.....
Equals: Command-basis gross national product	4	11,051.5	.....	11,128.7	11,304.4	11,356.0	11,401.0	.....
Addendum:								
Terms of trade ²	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	IV
Gross domestic income	1	12,384.8		12,656.2	13,070.3	13,161.6	13,327.9	
Compensation of employees, paid	2	7,036.6	7,499.4	7,190.7	7,406.6	7,431.8	7,524.4	7,634.7
Wage and salary accruals	3	5,671.1	6,044.0	5,793.3	5,976.4	5,987.2	6,060.8	6,151.6
Disbursements	4	5,671.1	6,044.0	5,793.3	5,976.4	5,987.2	6,060.8	6,151.6
To persons	5	5,661.9		5,784.0	5,967.2	5,978.0	6,051.5	
To the rest of the world	6	9.2		9.3	9.2	9.2	9.2	
Wage accruals less disbursements	7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplements to wages and salaries	8	1,365.5	1,455.4	1,397.4	1,430.3	1,444.5	1,463.6	1,483.1
Taxes on production and imports	9	922.4	964.9	937.3	952.5	966.4	968.6	972.2
Less: Subsidies	10	57.3	52.8	63.1	55.1	52.3	51.8	52.0
Net operating surplus	11	2,878.2		3,028.8	3,218.2	3,243.0	3,304.7	
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	1,014.8	996.8	1,008.3	1,011.9	1,014.8	1,024.0
Rental income of persons with capital consumption adjustment	16	72.8	76.5	81.5	76.8	71.4	78.3	79.4
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	-9.8	-13.3	-9.2	-9.4	-10.2	-10.5
Consumption of fixed capital	23	1,604.8	1,575.4	1,562.5	1,548.0	1,572.8	1,582.0	1,598.6
Private	24	1,352.6	1,310.1	1,307.5	1,288.9	1,309.8	1,314.4	1,327.2
Government	25	252.2	265.3	255.0	259.1	262.9	267.6	271.4
Addendum:								
Statistical discrepancy	26	71.0		74.3	-61.9	35.8	-5.3	

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	IV
National income	1	10,811.8		11,106.2	11,551.3	11,611.5	11,762.6	
Compensation of employees	2	7,030.3	7,493.1	7,184.4	7,400.3	7,425.5	7,518.1	7,628.4
Wage and salary accruals	3	5,664.8	6,037.7	5,787.0	5,970.1	5,980.9	6,054.5	6,145.3
Government	4	977.7	1,013.9	988.1	998.1	1,005.9	1,020.5	1,031.2
Other	5	4,687.1	5,023.7	4,798.9	4,972.0	4,975.0	5,033.9	5,114.1
Supplements to wages and salaries	6	1,365.5	1,455.4	1,397.4	1,430.3	1,444.5	1,463.6	1,483.1
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	462.6	441.3	458.7	458.9	463.5	469.5
Proprietors' income with IVA and CCAadj	9	970.7	1,014.8	996.8	1,008.3	1,011.9	1,014.8	1,024.0
Farm	10	30.2	22.8	28.7	23.9	17.5	21.7	28.3
Nonfarm	11	940.4	991.9	968.1	984.4	994.3	993.2	995.8
Rental income of persons with CCAadj	12	72.8	76.5	81.5	76.8	71.4	78.3	79.4
Corporate profits with IVA and CCAadj	13	1,330.7		1,393.5	1,569.1	1,591.8	1,653.3	
Taxes on corporate income	14	399.3		424.6	456.9	476.1	490.6	
Profits after tax with IVA and CCAadj	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 CCAadj	17	354.5		367.9	496.4	484.6	512.4	
Net interest and miscellaneous payments	18	483.4	510.6	490.0	514.8	513.2	498.6	515.8
Taxes on production and imports	19	922.4	964.9	937.3	952.5	966.4	968.6	972.2
Less: Subsidies	20	57.3	52.8	63.1	55.1	52.3	51.8	52.0
Business current transfer payments (net)	21	74.2	93.1	99.1	93.8	93.1	92.8	92.8
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
Current surplus of government enterprises	25	-15.4	-9.8	-13.3	-9.2	-9.4	-10.2	-10.5
Cash flow:								
Net cash flow with IVA and CCAadj	26	1,211.3		1,223.9	1,349.2	1,350.3	1,380.5	
Undistributed profits with IVA and CCAadj	27	354.5		367.9	496.4	484.6	512.4	
Consumption of fixed capital	28	856.8	865.6	856.0	852.8	865.6	868.2	875.8
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	
Addenda:								
Proprietors' income with IVA and CCAadj	31	970.7	1,014.8	996.8	1,008.3	1,011.9	1,014.8	1,024.0
Farm	32	30.2	22.8	28.7	23.9	17.5	21.7	28.3
Proprietors' income with IVA	33	36.8	29.4	35.4	30.5	24.3	28.2	34.8
Capital consumption adjustment	34	-6.5	-6.6	-6.7	-6.6	-6.7	-6.6	-6.5
Nonfarm	35	940.4	991.9	968.1	984.4	994.3	993.2	995.8
Proprietors' income (without IVA and CCAadj)	36	866.2	897.3	887.7	891.1	904.7	897.7	895.8
Inventory valuation adjustment	37	-5.1	-3.5	-6.2	-2.4	-6.9	-3.7	-1.0
Capital consumption adjustment	38	79.3	98.1	86.5	95.7	96.5	99.1	101.0
Rental income of persons with CCAadj	39	72.8	76.5	81.5	76.8	71.4	78.3	79.4
Rental income of persons (without CCAadj)	40	96.2	91.4	98.6	91.6	86.5	93.1	94.2
Capital consumption adjustment	41	-23.4	-14.9	-17.1	-14.8	-15.1	-14.8	-14.9
Corporate profits with IVA and CCAadj	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 CCAadj)	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 CCAadj)	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 CCAadj)	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	-160.2	-165.6	-148.6	-160.8	-162.4	-169.0

IVA Inventory valuation adjustment
CCAadj 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	IV
Gross value added of corporate business ¹	1	7,357.0	.....	7,539.4	7,823.0	7,865.8	7,995.0	.....
Consumption of fixed capital	2	856.8	865.6	856.0	852.8	865.6	868.2	875.8
Net value added	3	6,500.2	.....	6,683.4	6,970.2	7,000.2	7,126.8	.....
Compensation of employees	4	4,612.5	4,941.0	4,723.2	4,884.1	4,894.9	4,953.9	5,031.1
Wage and salary accruals	5	3,761.0	4,030.8	3,850.6	3,989.3	3,991.7	4,039.0	4,103.2
Supplements to wages and salaries	6	851.5	910.2	872.6	894.8	903.1	914.9	927.9
Taxes on production and imports less subsidies	7	604.9	633.3	614.8	625.0	634.4	635.7	638.2
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	.....
Gross value added of financial corporate business ¹	16	987.3	.....	1,004.5	1,034.9	1,075.8	1,075.5	.....
Gross value added of nonfinancial corporate business ¹	17	6,369.7	.....	6,534.8	6,788.2	6,790.0	6,919.5	.....
Consumption of fixed capital	18	739.7	744.2	737.2	733.7	744.4	746.3	752.6
Net value added	19	5,630.1	.....	5,797.6	6,054.5	6,045.7	6,173.2	.....
Compensation of employees	20	4,099.7	4,391.6	4,198.0	4,341.0	4,350.6	4,403.1	4,471.7
Wage and salary accruals	21	3,335.1	3,574.3	3,414.5	3,537.5	3,539.7	3,581.6	3,638.5
Supplements to wages and salaries	22	764.6	817.3	783.5	803.5	811.0	821.5	833.2
Taxes on production and imports less subsidies	23	558.1	584.3	567.2	576.7	585.3	586.5	588.8
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	.....
Addenda:								
Corporate business:								
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	-160.2	-165.6	-148.6	-160.8	-162.4	-169.0
Nonfinancial corporate business:								
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	-135.6	-143.0	-126.8	-136.5	-137.1	-142.0
				Value added, in billions of chained (2000) dollars				
Gross value added of nonfinancial corporate business ²	40	5,852.9	.....	5,927.8	6,111.2	6,069.0	6,177.3	.....
Consumption of fixed capital ³	41	681.6	670.5	670.5	666.1	669.2	672.0	674.6
Net value added ⁴	42	5,171.2	.....	5,257.3	5,445.0	5,399.8	5,505.3	.....

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	IV
Price per unit of real gross value added of nonfinancial corporate business ¹	1	1.088	.....	1.102	1.111	1.119	1.120	.....
Compensation of employees (unit labor cost)	2	0.700	.....	0.708	0.710	0.717	0.713	.....
Unit nonlabor cost	3	0.257	.....	0.258	0.253	0.260	0.255	.....
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	.....
Corporate profits with IVA and CCAAdj (unit profits from current production)	7	0.131	.....	0.136	0.147	0.143	0.153	.....
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	0.104	.....

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	IV
Personal income	1	10,239.2	10,897.4	10,483.7	10,721.4	10,807.3	10,964.5	11,096.3
Compensation of employees, received	2	7,030.3	7,493.1	7,184.4	7,400.3	7,425.5	7,518.1	7,628.4
Wage and salary disbursements	3	5,664.8	6,037.7	5,787.0	5,970.1	5,980.9	6,054.5	6,145.3
Private industries	4	4,687.1	5,023.7	4,798.9	4,972.0	4,975.0	5,033.9	5,114.1
Government	5	977.7	1,013.9	988.1	998.1	1,005.9	1,020.5	1,031.2
Supplements to wages and salaries	6	1,365.5	1,455.4	1,397.4	1,430.3	1,444.5	1,463.6	1,483.1
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	462.6	441.3	458.7	458.9	463.5	469.5
Proprietors' income with inventory valuation and capital consumption adjustments.....	9	970.7	1,014.8	996.8	1,008.3	1,011.9	1,014.8	1,024.0
Farm.....	10	30.2	22.8	28.7	23.9	17.5	21.7	28.3
Nonfarm.....	11	940.4	991.9	968.1	984.4	994.3	993.2	995.8
Rental income of persons with capital consumption adjustment.....	12	72.8	76.5	81.5	76.8	71.4	78.3	79.4
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	1,028.2
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	1,602.1	1,539.8	1,570.4	1,589.7	1,618.6	1,629.4
Government social benefits to persons.....	17	1,480.9	1,566.8	1,500.8	1,536.0	1,554.7	1,583.1	1,593.4
Old-age, survivors, disability, and health insurance benefits.....	18	844.9	931.0	854.6	909.9	928.1	936.7	949.3
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	41.0
Family assistance ¹	21	18.3	18.8	18.5	18.6	18.8	18.9	19.0
Other	22	549.4	549.6	558.8	540.6	541.0	560.0	557.0
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	946.6	898.9	936.7	938.8	948.9	961.8
Less: Personal current taxes	25	1,203.1	1,362.6	1,247.6	1,332.6	1,361.0	1,366.2	1,390.5
Equals: Disposable personal income	26	9,036.1	9,534.8	9,236.1	9,388.8	9,446.2	9,598.3	9,705.8
Less: Personal outlays	27	9,070.9	9,626.8	9,264.5	9,418.5	9,577.0	9,710.0	9,801.8
Personal consumption expenditures	28	8,742.4	9,270.8	8,927.8	9,079.2	9,228.1	9,346.7	9,429.3
Personal interest payments ²	29	209.4	229.9	214.9	218.5	222.9	235.5	242.8
Personal current transfer payments	30	119.2	126.1	121.8	120.9	126.0	127.8	129.6
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	48.1	47.6	45.2	48.7	48.8	49.6
Equals: Personal saving	33	-34.8	-92.0	-28.5	-29.7	-130.8	-111.7	-96.0
Personal saving as a percentage of disposable personal income	34	-0.4	-1.0	-0.3	-0.3	-1.4	-1.2	-1.0
Addenda:								
Disposable personal income:								
Total, billions of chained (2000) dollars ³	35	8,104.6	8,322.7	8,183.3	8,276.8	8,245.4	8,329.6	8,439.6
Per capita:								
Current dollars	36	30,458	31,849	31,020	31,470	31,595	32,025	32,304
Chained (2000) dollars.....	37	27,318	27,800	27,484	27,743	27,578	27,792	28,089
Population (midperiod, thousands)	38	296,677	299,373	297,748	298,340	298,982	299,716	300,455
Percent change from preceding period:								
Disposable personal income, current dollars	39	4.1	5.5	8.6	6.8	2.5	6.6	4.6
Disposable personal income, chained (2000) dollars.....	40	1.2	2.7	5.5	4.6	-1.5	4.1	5.4

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	IV
Wage and salary disbursements	1	5,664.8	6,037.7	5,787.0	5,970.1	5,980.9	6,054.5	6,145.3
Private industries	2	4,687.1	5,023.7	4,798.9	4,972.0	4,975.0	5,033.9	5,114.1
Goods-producing industries.....	3	1,101.3	1,181.4	1,124.9	1,177.3	1,173.0	1,182.3	1,193.0
Manufacturing.....	4	704.7	737.9	715.0	742.8	732.8	735.9	740.0
Services-producing industries	5	3,585.8	3,842.4	3,673.9	3,794.7	3,802.0	3,851.7	3,921.2
Trade, transportation, and utilities.....	6	937.2	997.8	954.9	983.6	990.8	1,003.0	1,013.9
Other services-producing industries ¹	7	2,648.5	2,844.5	2,719.0	2,811.0	2,811.2	2,848.7	2,907.3
Government	8	977.7	1,013.9	988.1	998.1	1,005.9	1,020.5	1,031.2

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 2.3.5. 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
Personal consumption expenditures	1	8,742.4	9,270.8	8,927.8	9,079.2	9,228.1	9,346.7	9,429.3
Durable goods	2	1,033.1	1,071.3	1,019.6	1,064.1	1,061.8	1,075.5	1,083.5
Motor vehicles and parts	3	448.2	445.3	421.6	442.7	441.7	451.3	445.6
Furniture and household equipment	4	377.2	404.9	386.0	402.3	401.3	403.2	412.8
Other	5	207.7	221.0	212.0	219.1	218.8	221.0	225.2
Nondurable goods	6	2,539.3	2,716.0	2,613.5	2,658.2	2,721.4	2,747.7	2,736.6
Food	7	1,201.4	1,281.7	1,233.7	1,262.3	1,274.0	1,280.7	1,309.6
Clothing and shoes	8	341.8	358.6	349.1	355.4	355.1	358.7	365.2
Gasoline, fuel oil, and other energy goods	9	302.1	338.7	322.1	316.2	359.1	369.4	309.9
Gasoline and oil	10	280.2	315.8	299.1	295.1	335.6	346.3	286.3
Fuel oil and coal	11	21.9	22.9	23.0	21.1	23.5	23.2	23.6
Other	12	694.0	737.1	708.6	724.2	733.3	738.9	752.0
Services	13	5,170.0	5,483.6	5,294.7	5,356.8	5,444.9	5,523.5	5,609.2
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	505.8	506.1	494.8	499.1	512.3	517.0
Electricity and gas	16	199.8	212.0	219.9	206.2	206.9	216.6	218.3
Other household operation	17	283.2	293.8	286.2	288.6	292.2	295.7	298.7
Transportation	18	320.4	337.1	325.9	330.4	335.9	339.5	342.4
Medical care	19	1,493.4	1,589.1	1,534.0	1,557.2	1,578.2	1,597.5	1,623.6
Recreation	20	360.6	379.5	367.7	372.4	377.2	382.7	385.7
Other	21	1,208.4	1,289.9	1,234.4	1,256.5	1,284.3	1,297.3	1,321.4
Addenda:								
Energy goods and services ¹ ...	22	501.9	550.7	542.0	522.4	566.0	586.1	528.2
Personal consumption expenditures excluding food and energy	23	7,039.1	7,438.5	7,152.1	7,294.4	7,388.1	7,479.9	7,591.6

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
Personal consumption expenditures	1	7,841.2	8,092.3	7,910.2	8,003.8	8,055.0	8,111.2	8,199.2
Durable goods	2	1,145.3	1,204.0	1,137.9	1,190.5	1,190.3	1,208.8	1,226.5
Motor vehicles and parts	3	452.9	448.0	426.3	445.1	443.7	452.9	450.2
Furniture and household equipment	4	490.6	551.2	511.5	538.5	542.9	551.7	571.5
Other	5	212.6	224.5	216.3	224.6	222.5	223.4	227.5
Nondurable goods	6	2,276.8	2,363.5	2,309.6	2,342.8	2,351.1	2,360.1	2,399.9
Food	7	1,065.7	1,111.4	1,085.7	1,103.4	1,108.8	1,106.8	1,126.6
Clothing and shoes	8	372.7	392.7	383.1	391.1	387.4	392.6	399.6
Gasoline, fuel oil, and other energy goods	9	199.5	197.9	196.6	196.0	196.3	198.7	200.5
Gasoline and oil	10	185.9	185.3	183.9	183.9	183.5	186.6	187.3
Fuel oil and coal	11	13.7	12.7	12.8	12.2	12.9	12.3	13.3
Other	12	643.9	671.5	652.4	662.6	668.3	671.5	683.7
Services	13	4,436.6	4,549.0	4,476.7	4,494.5	4,535.4	4,566.6	4,599.4
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	415.8	419.8	404.3	412.5	422.1	424.5
Electricity and gas	16	153.8	149.9	154.7	141.7	147.0	154.4	156.3
Other household operation	17	264.1	267.1	264.9	264.8	267.0	268.1	268.3
Transportation	18	284.4	288.4	283.5	286.3	287.5	288.5	291.3
Medical care	19	1,260.9	1,304.3	1,279.0	1,292.6	1,300.9	1,307.6	1,316.1
Recreation	20	313.1	319.9	315.1	317.5	318.1	320.4	323.5
Other	21	1,036.2	1,070.6	1,046.5	1,054.9	1,070.6	1,074.8	1,081.9
Residual	22	-31.9	-53.9	-36.7	-53.0	-50.6	-52.1	-58.7
Addenda:								
Energy goods and services ¹ ...	23	353.1	347.3	350.8	338.0	343.1	352.2	355.7
Personal consumption expenditures excluding food and energy	24	6,424.9	6,641.7	6,477.6	6,572.7	6,612.3	6,658.7	6,723.3

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	IV
Current receipts	1	3,586.3		3,712.5	3,895.1	3,961.6	3,997.7	
Current tax receipts.....	2	2,520.7		2,604.8	2,736.2	2,796.5	2,818.8	
Personal current taxes.....	3	1,203.1	1,362.6	1,247.6	1,332.6	1,361.0	1,366.2	1,390.5
Taxes on production and imports.....	4	922.4	964.9	937.3	952.5	966.4	968.6	972.2
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	12.1
Contributions for government social insurance.....	7	880.6	946.6	898.9	936.7	938.8	948.9	961.8
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	-9.8	-13.3	-9.2	-9.4	-10.2	-10.5
Current expenditures	15	3,898.8	4,118.7	3,993.3	4,029.3	4,098.6	4,173.5	4,173.2
Consumption expenditures.....	16	1,975.7	2,095.4	2,014.5	2,059.7	2,083.0	2,109.1	2,129.6
Current transfer payments.....	17	1,517.8	1,593.0	1,542.8	1,561.2	1,581.2	1,610.2	1,619.5
Government social benefits.....	18	1,484.0	1,570.0	1,504.0	1,539.2	1,558.0	1,586.2	1,596.5
To persons.....	19	1,480.9	1,566.8	1,500.8	1,536.0	1,554.7	1,583.1	1,593.4
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	52.8	63.1	55.1	52.3	51.8	52.0
Less: Wage accruals less disbursements.....	26	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net government saving	27	-312.5		-280.8	-134.3	-136.9	-175.8	
Social insurance funds.....	28	65.4	53.7	75.3	62.3	48.4	51.3	52.9
Other.....	29	-377.9		-356.0	-196.6	-185.3	-227.1	
Addenda:								
Total receipts	30	3,616.5		3,744.0	3,928.8	3,994.1	4,028.9	
Current receipts.....	31	3,586.3		3,712.5	3,895.1	3,961.6	3,997.7	
Capital transfer receipts.....	32	30.2	32.3	31.4	33.7	32.5	31.1	31.6
Total expenditures	33	4,072.8	4,308.9	4,175.5	4,223.6	4,294.4	4,368.8	4,348.8
Current expenditures.....	34	3,898.8	4,118.7	3,993.3	4,029.3	4,098.6	4,173.5	4,173.2
Gross government investment.....	35	397.1	431.1	409.1	419.9	430.9	433.0	440.5
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	6.2	11.8	12.2	9.8	13.1	-10.5
Less: Consumption of fixed capital.....	38	252.2	265.3	255.0	259.1	262.9	267.6	271.4
Net lending or net borrowing (-)	39	-456.3		-431.5	-294.8	-300.3	-339.9	

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	IV
Current receipts	1	2,246.8		2,349.8	2,490.9	2,523.2	2,564.7	
Current tax receipts	2	1,366.2		1,428.4	1,524.9	1,553.2	1,582.9	
Personal current taxes	3	927.9	1,061.4	968.4	1,039.2	1,049.9	1,068.4	1,088.1
Taxes on production and imports	4	101.1	101.0	101.6	101.1	103.0	101.3	98.6
Excise taxes	5	75.8	74.3	75.9	75.4	75.9	73.9	72.1
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	12.1
Contributions for government social insurance	11	855.3	921.8	873.8	911.9	914.1	924.2	937.0
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	-1.5
Current expenditures	19	2,555.9	2,692.2	2,613.3	2,637.9	2,686.2	2,730.2	2,714.6
Consumption expenditures	20	768.6	808.0	771.1	803.6	802.3	809.1	817.0
Current transfer payments	21	1,476.7	1,551.4	1,502.4	1,522.0	1,546.6	1,564.8	1,572.1
Government social benefits	22	1,081.7	1,170.4	1,096.7	1,148.8	1,166.4	1,175.2	1,191.0
To persons	23	1,078.6	1,167.2	1,093.5	1,145.5	1,163.1	1,172.1	1,187.9
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	52.4	62.7	54.7	51.9	51.4	51.6
Less: Wage accruals less disbursements	32	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Federal Government saving	33	-309.2		-263.6	-147.0	-163.1	-165.6	
Social insurance funds	34	58.1	48.0	68.5	56.2	42.6	45.8	47.6
Other	35	-367.3		-332.0	-203.2	-205.7	-211.4	
Addenda:								
Total receipts	36	2,271.7		2,376.1	2,519.7	2,550.9	2,591.1	
Current receipts	37	2,246.8		2,349.8	2,490.9	2,523.2	2,564.7	
Capital transfer receipts	38	25.0	27.5	26.3	28.8	27.7	26.5	27.1
Total expenditures	39	2,633.0	2,770.5	2,692.7	2,725.8	2,766.9	2,814.1	2,775.1
Current expenditures	40	2,555.9	2,692.2	2,613.3	2,637.9	2,686.2	2,730.2	2,714.6
Gross government investment	41	109.8	118.4	115.1	118.2	117.4	118.1	120.2
Capital transfer payments	42	67.0	70.1	64.8	72.0	69.2	70.1	69.0
Net purchases of nonproduced assets	43	-0.6	-6.0	0.0	0.2	-2.3	0.8	-22.9
Less: Consumption of fixed capital	44	99.0	104.2	100.7	102.4	103.7	105.1	105.8
Net lending or net borrowing (-)	45	-361.3		-316.6	-206.1	-216.0	-222.9	

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	IV
Current receipts	1	1,700.6		1,729.6	1,755.4	1,795.5	1,798.7	
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	301.2	279.3	293.4	311.1	297.8	302.5
Income taxes	4	250.9	275.8	254.3	268.3	285.6	272.4	276.9
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	-9.0
Current expenditures	21	1,703.9	1,784.4	1,746.8	1,742.7	1,769.4	1,808.9	1,816.8
Consumption expenditures	22	1,207.2	1,287.4	1,243.4	1,256.2	1,280.7	1,300.0	1,312.6
Government social benefit payments to persons	23	402.3	399.6	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
Net state and local government saving	27	-3.3		-17.2	12.7	26.1	-10.2	
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	
Addenda:								
Total receipts	30	1,754.6		1,783.4	1,811.1	1,851.5	1,856.6	
Current receipts	31	1,700.6		1,729.6	1,755.4	1,795.5	1,798.7	
Capital transfer receipts	32	53.9	56.5	53.8	55.6	56.0	58.0	56.6
Total expenditures	33	1,849.6	1,948.3	1,898.3	1,899.7	1,935.8	1,973.6	1,984.0
Current expenditures	34	1,703.9	1,784.4	1,746.8	1,742.7	1,769.4	1,808.9	1,816.8
Gross government investment	35	287.3	312.6	294.0	301.7	313.5	315.0	320.4
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	161.0	154.3	156.7	159.2	162.5	165.6
Net lending or net borrowing (-)	39	-95.0		-114.9	-88.7	-84.3	-117.0	

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

Table with 8 columns: Line, 2005, 2006, and four quarters (IV, I, II, III, IV) of seasonally adjusted annual rates. Rows include Government consumption expenditures and gross investment, Federal, National defense, and Nondefense categories.

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

Table with 8 columns: Line, 2005, 2006, and four quarters (IV, I, II, III, IV) of seasonally adjusted annual rates. Rows include Percent change at annual rate and Percentage points at annual rates.

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]

Table with 8 columns: Line, 2005, 2006, and four quarters (IV, I, II, III, IV) of seasonally adjusted. Rows include Government consumption expenditures and gross investment, Federal, National defense, and Nondefense categories.

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]

Table with 8 columns: Line, 2005, 2006, and four quarters (IV, I, II, III, IV) of seasonally adjusted. Rows include Government consumption expenditures and gross investment, Federal, National defense, and Nondefense categories.

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
Government consumption expenditures and gross investment	1	2,372.8	2,526.4	2,423.6	2,479.6	2,513.9	2,542.1	2,570.2
Consumption expenditures ¹	2	1,975.7	2,095.4	2,014.5	2,059.7	2,083.0	2,109.1	2,129.6
Gross investment ²	3	397.1	431.1	409.1	419.9	430.9	433.0	440.5
Structures.....	4	248.9	273.3	257.3	263.7	273.2	274.5	281.9
Equipment and software.....	5	148.1	157.8	151.8	156.1	157.7	158.6	158.7
Federal	6	878.3	926.4	886.2	921.7	919.7	927.2	937.1
Consumption expenditures.....	7	768.6	808.0	771.1	803.6	802.3	809.1	817.0
Gross investment.....	8	109.8	118.4	115.1	118.2	117.4	118.1	120.2
Structures.....	9	15.4	16.3	17.5	17.0	15.1	15.3	17.9
Equipment and software.....	10	94.4	102.1	97.6	101.2	102.3	102.8	102.3
National defense	11	589.3	620.8	590.9	613.5	616.5	618.1	635.0
Consumption expenditures.....	12	516.9	541.8	516.9	537.7	537.7	539.3	552.4
Gross investment.....	13	72.4	79.0	74.1	75.8	78.8	78.8	82.5
Structures.....	14	5.2	5.8	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	75.0
Nondefense	16	289.0	305.7	295.3	308.2	303.2	309.0	302.2
Consumption expenditures.....	17	251.7	266.2	254.2	265.9	264.6	269.8	264.5
Gross investment.....	18	37.4	39.5	41.1	42.4	38.6	39.3	37.6
Structures.....	19	10.2	10.5	12.1	11.8	10.0	10.1	10.4
Equipment and software.....	20	27.1	28.9	29.0	30.6	28.6	29.2	27.3
State and local	21	1,494.4	1,600.0	1,537.4	1,557.9	1,594.2	1,614.9	1,633.0
Consumption expenditures.....	22	1,207.2	1,287.4	1,243.4	1,256.2	1,280.7	1,300.0	1,312.6
Gross investment.....	23	287.3	312.6	294.0	301.7	313.5	315.0	320.4
Structures.....	24	233.5	257.0	239.8	246.8	258.1	259.2	264.0
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
Government consumption expenditures and gross investment	1	1,958.0	1,998.8	1,963.5	1,987.1	1,991.2	1,999.4	2,017.7
Consumption expenditures ¹	2	1,609.3	1,635.8	1,611.2	1,628.6	1,626.6	1,636.7	1,651.5
Gross investment ²	3	348.5	363.3	352.2	358.6	365.1	363.0	366.5
Structures.....	4	198.4	204.6	198.8	201.3	206.2	203.9	206.9
Equipment and software.....	5	153.4	162.8	157.5	161.7	162.7	163.4	163.5
Federal	6	727.5	741.9	729.6	745.1	736.6	738.9	747.1
Consumption expenditures.....	7	620.8	629.5	618.9	632.0	624.9	627.2	633.7
Gross investment.....	8	107.9	114.4	112.6	115.1	113.6	113.6	115.4
Structures.....	9	12.6	12.5	14.0	13.3	11.7	11.7	13.5
Equipment and software.....	10	95.8	102.8	99.1	102.5	103.1	103.1	102.7
National defense	11	483.6	492.7	481.4	491.8	489.3	487.8	501.8
Consumption expenditures.....	12	413.3	418.0	410.0	419.0	414.7	413.7	424.5
Gross investment.....	13	71.2	76.4	72.6	74.0	76.5	75.9	79.3
Structures.....	14	4.2	4.4	4.3	4.1	3.9	4.0	5.7
Equipment and software.....	15	67.3	72.3	68.6	70.3	73.0	72.3	73.7
Nondefense	16	243.7	249.0	248.0	253.1	247.0	250.9	244.9
Consumption expenditures.....	17	207.3	211.3	208.7	212.8	210.1	213.4	208.9
Gross investment.....	18	36.7	38.1	40.1	41.1	37.2	37.8	36.2
Structures.....	19	8.4	8.1	9.7	9.3	7.7	7.7	7.8
Equipment and software.....	20	28.6	30.5	30.6	32.3	30.1	30.9	28.9
State and local	21	1,230.4	1,256.8	1,233.7	1,242.0	1,254.4	1,260.3	1,270.5
Consumption expenditures.....	22	988.0	1,006.0	991.9	996.1	1,001.2	1,009.0	1,017.4
Gross investment.....	23	242.1	250.7	241.6	245.7	253.1	251.1	252.9
Structures.....	24	185.7	192.0	184.7	188.0	194.5	192.2	193.4
Equipment and software.....	25	57.3	59.7	58.1	58.9	59.3	60.0	60.7
Residual.....	26	-2.1	-3.5	-3.1	-3.7	-3.3	-3.8	-3.3

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	IV
Government consumption expenditures ¹	1	0.9	1.6	-2.1	4.4	-0.5	2.5	3.7
Gross output of general government	2	1.1	1.7	-1.5	3.9	0.2	2.4	3.2
Value added	3	0.9	0.7	0.9	-0.7	0.8	2.4	1.7
Compensation of general government employees	4	0.6	0.3	0.7	-1.4	0.5	2.3	1.5
Consumption of general government fixed capital ²	5	2.6	2.8	2.3	3.4	2.8	3.1	3.3
Intermediate goods and services purchased ³	6	1.3	3.3	-5.3	11.5	-0.9	2.3	5.4
Durable goods	7	2.5	3.9	6.1	-5.2	0.0	16.2	6.7
Nondurable goods	8	1.2	1.5	0.8	3.8	-0.4	4.3	-3.3
Services	9	1.3	3.9	-8.4	16.3	-1.1	0.4	8.7
Less: Own-account investment ⁴	10	1.4	4.1	5.0	3.7	8.9	-0.1	3.5
Sales to other sectors	11	2.3	1.8	1.6	1.0	3.6	1.8	0.0
Federal consumption expenditures ¹	12	0.9	1.4	-6.7	8.7	-4.4	1.5	4.2
Gross output of general government	13	1.1	1.3	-6.7	8.1	-3.9	1.3	3.1
Value added	14	0.6	-0.3	1.5	-3.5	-0.1	3.2	0.2
Compensation of general government employees	15	0.1	-1.1	1.2	-5.1	-0.7	3.5	-0.3
Consumption of general government fixed capital ²	16	2.6	2.5	2.6	2.6	2.3	2.1	2.0
Intermediate goods and services purchased ³	17	1.8	3.3	-16.0	24.4	-8.3	-1.1	6.7
Durable goods	18	3.1	5.1	9.3	-10.2	-2.0	27.3	9.4
Nondurable goods	19	0.7	-6.5	-1.4	2.2	-22.3	5.9	-38.5
Services	20	1.8	4.4	-20.4	32.6	-7.1	-4.8	13.4
Less: Own-account investment ⁴	21	-0.2	0.8	4.0	-8.8	2.5	8.1	-3.8
Sales to other sectors	22	37.2	-7.9	-17.0	-33.1	60.9	-19.2	-66.4
Defense consumption expenditures ¹	23	1.2	1.1	-10.8	9.1	-4.1	-0.9	10.8
Gross output of general government	24	1.3	1.2	-11.5	9.8	-3.3	-1.4	9.6
Value added	25	0.8	-0.7	0.9	-4.7	-0.7	3.7	0.1
Compensation of general government employees	26	0.3	-1.7	0.4	-6.9	-1.6	4.3	-0.5
Consumption of general government fixed capital ²	27	2.5	2.3	2.4	2.4	2.1	1.9	1.8
Intermediate goods and services purchased ³	28	1.8	3.5	-24.0	29.6	-6.2	-6.9	21.6
Durable goods	29	2.4	5.2	9.8	-12.3	-1.1	29.8	11.6
Nondurable goods	30	-3.0	-11.7	-22.7	-0.6	-29.8	7.1	-54.0
Services	31	2.2	5.0	-28.6	42.1	-4.1	-12.9	34.6
Less: Own-account investment ⁴	32	-5.5	1.5	5.5	-3.9	2.1	4.1	2.8
Sales to other sectors	33	21.7	13.1	-81.3	316.1	195.8	-46.2	-82.6
Nondefense consumption expenditures ¹	34	0.1	1.9	2.4	8.1	-5.0	6.5	-8.2
Gross output of general government	35	0.9	1.4	3.6	4.7	-4.9	6.7	-9.0
Value added	36	0.3	0.4	2.7	-1.2	1.1	2.4	0.4
Compensation of general government employees	37	-0.2	-0.1	2.6	-2.1	0.8	2.4	-0.1
Consumption of general government fixed capital ²	38	2.7	3.0	2.9	3.3	3.0	2.6	2.7
Intermediate goods and services purchased ³	39	1.7	2.9	5.0	13.6	-12.9	13.0	-20.8
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	-15.1
Services	44	0.8	3.2	0.2	14.9	-13.1	14.9	-22.0
Less: Own-account investment ⁴	45	4.3	0.3	2.9	-12.6	2.8	11.4	-8.9
Sales to other sectors	46	48.1	-19.7	71.8	-74.5	-4.9	16.9	-46.2
State and local consumption expenditures ¹	47	0.9	1.8	1.0	1.7	2.1	3.1	3.4
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	2.4
Compensation of general government employees	50	0.8	0.9	0.5	0.1	0.9	1.8	2.2
Consumption of general government fixed capital ²	51	2.6	3.2	2.0	4.0	3.3	3.9	4.4
Intermediate goods and services purchased ³	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	3.0
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 ⁴	56	1.8	4.9	5.3	7.0	10.4	-1.9	5.3
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	IV
Government consumption expenditures ¹	1	113.564	115.436	113.700	114.925	114.784	115.495	116.541
Gross output of general government	2	113.382	115.308	113.618	114.712	114.756	115.431	116.333
Value added	3	106.666	107.398	106.982	106.795	107.014	107.659	108.125
Compensation of general government employees	4	105.633	105.969	105.844	105.475	105.601	106.206	106.594
Consumption of general government fixed capital ²	5	112.885	116.100	113.863	114.812	115.621	116.506	117.463
Intermediate goods and services purchased ³	6	125.958	130.123	126.054	129.540	129.256	129.989	131.709
Durable goods	7	121.957	126.665	125.453	123.777	123.767	128.501	130.615
Nondurable goods	8	118.582	120.382	118.964	120.087	119.971	121.238	120.232
Services	9	128.934	133.984	128.568	133.507	133.128	133.250	136.052
Less: Own-account investment ⁴	10	108.787	113.270	110.242	111.243	113.632	113.615	114.592
Sales to other sectors	11	112.623	114.695	113.391	113.676	114.697	115.203	115.203
Federal consumption expenditures ¹	12	124.339	126.063	123.952	125.577	125.156	125.614	126.905
Gross output of general government	13	124.079	125.667	123.736	126.160	124.925	125.317	126.265
Value added	14	106.947	106.590	107.121	106.167	106.148	106.997	107.049
Compensation of general government employees	15	106.928	105.762	106.867	105.465	105.274	106.196	106.113
Consumption of general government fixed capital ²	16	107.277	109.928	108.320	109.028	109.659	110.238	110.788
Intermediate goods and services purchased ³	17	153.353	158.451	152.088	160.611	157.173	156.732	159.287
Durable goods	18	132.188	138.926	138.132	134.476	133.782	142.107	145.340
Nondurable goods	19	149.585	139.808	148.933	149.736	140.591	142.615	126.290
Services	20	157.103	164.050	154.720	166.028	163.015	161.011	166.146
Less: Own-account investment ⁴	21	115.435	116.383	117.699	115.007	115.717	117.980	116.828
Sales to other sectors	22	110.081	101.413	111.937	101.235	114.020	108.103	82.294
Defense consumption expenditures ¹	23	128.551	130.008	127.544	130.343	128.981	128.681	132.030
Gross output of general government	24	128.619	130.166	127.446	130.460	129.366	128.921	131.918
Value added	25	108.048	107.246	108.206	106.903	106.707	107.674	107.699
Compensation of general government employees	26	109.389	107.534	109.277	107.336	106.895	108.014	107.891
Consumption of general government fixed capital ²	27	104.858	107.260	105.838	106.467	107.024	107.539	108.009
Intermediate goods and services purchased ³	28	163.094	168.840	159.574	170.275	167.587	164.630	172.869
Durable goods	29	129.812	136.525	135.799	131.412	131.040	139.881	143.768
Nondurable goods	30	141.149	124.653	138.197	137.986	126.313	128.497	105.817
Services	31	173.189	181.846	167.614	182.994	181.077	174.913	188.401
Less: Own-account investment ⁴	32	143.678	145.796	145.681	144.245	145.007	146.455	147.476
Sales to other sectors	33	131.580	148.882	100.221	143.135	187.707	160.775	103.910
Nondefense consumption expenditures ¹	34	116.593	118.819	117.362	119.666	118.137	120.006	117.469
Gross output of general government	35	115.974	117.641	117.140	118.495	117.004	118.914	116.152
Value added	36	104.998	105.441	105.200	104.874	105.173	105.810	105.909
Compensation of general government employees	37	103.165	103.088	103.184	102.635	102.838	103.451	103.429
Consumption of general government fixed capital ²	38	114.097	117.477	115.322	116.260	117.111	117.875	118.661
Intermediate goods and services purchased ³	39	135.352	139.261	138.297	142.770	137.929	142.201	134.143
Durable goods	40	163.760	170.546	168.987	176.035	170.628	171.082	164.441
Nondurable goods	41	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change	42	.....	.....	.....	.....	.....	.....	.....
Other nondurable goods	43	182.531	178.948	179.923	186.530	177.024	179.729	172.509
Services	44	131.001	135.199	133.788	138.511	133.728	138.457	130.101
Less: Own-account investment ⁴	45	100.285	100.587	102.699	99.301	99.986	102.713	100.347
Sales to other sectors	46	101.312	81.328	117.558	83.558	82.507	85.783	73.463
State and local consumption expenditures ¹	47	107.655	109.608	108.074	108.536	109.095	109.944	110.856
Gross output of general government	48	108.625	110.701	109.116	109.622	110.234	111.034	111.915
Value added	49	106.536	107.747	106.915	107.065	107.389	107.944	108.591
Compensation of general government employees	50	105.152	106.070	105.468	105.499	105.748	106.231	106.800
Consumption of general government fixed capital ²	51	118.215	121.940	119.137	120.303	121.272	122.433	123.752
Intermediate goods and services purchased ³	52	112.652	116.353	113.354	114.528	115.678	116.940	118.267
Durable goods	53	109.924	112.265	110.576	111.177	111.953	112.553	113.379
Nondurable goods	54	114.080	117.543	114.608	115.776	116.955	118.112	119.329
Services	55	112.139	116.076	112.945	114.163	115.323	116.696	118.122
Less: Own-account investment ⁴	56	107.398	112.700	108.670	110.519	113.298	112.758	114.223
Sales to other sectors	57	112.737	115.117	113.474	114.077	114.768	115.453	116.169
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	119.481	117.672	118.381	119.112	119.817	120.614

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	IV
Government consumption expenditures ¹	1	122.768	128.093	125.034	126.480	128.065	128.869	128.957
Gross output of general government	2	122.760	128.048	125.031	126.402	127.905	128.809	129.075
Value added	3	124.718	129.738	126.237	128.170	129.182	130.338	131.263
Compensation of general government employees	4	127.425	132.606	128.881	130.995	132.042	133.203	134.183
Consumption of general government fixed capital ²	5	110.292	114.480	112.121	113.134	113.965	115.085	115.736
Intermediate goods and services purchased ³	6	119.320	125.000	122.728	123.245	125.475	125.998	125.283
Durable goods	7	104.161	106.242	104.587	105.113	106.044	106.642	107.168
Nondurable goods	8	130.408	140.598	138.589	136.627	144.244	143.337	138.183
Services	9	117.323	121.900	119.469	120.800	121.416	122.398	122.985
Less: Own-account investment ⁴	10	119.227	124.074	120.962	122.470	123.723	124.714	125.387
Sales to other sectors	11	122.970	128.055	125.310	126.196	127.211	128.726	130.086
Federal consumption expenditures ¹	12	123.792	128.371	124.594	127.152	128.391	129.007	128.935
Gross output of general government	13	123.761	128.297	124.640	127.083	128.312	128.927	128.865
Value added	14	129.479	134.342	129.782	133.763	134.390	134.579	134.635
Compensation of general government employees	15	137.416	142.929	137.540	142.519	143.102	143.038	143.056
Consumption of general government fixed capital ²	16	106.480	109.496	107.295	108.456	109.199	110.085	110.246
Intermediate goods and services purchased ³	17	116.145	120.278	117.673	118.384	120.254	121.333	121.140
Durable goods	18	102.688	104.232	102.780	103.098	104.131	104.650	105.048
Nondurable goods	19	127.253	136.268	133.584	131.526	139.058	139.961	134.527
Services	20	116.691	120.603	117.848	118.935	120.289	121.461	121.729
Less: Own-account investment ⁴	21	124.946	129.699	125.626	128.460	129.596	130.047	130.694
Sales to other sectors	22	118.928	119.199	126.346	118.459	118.899	119.483	119.955
Defense consumption expenditures ¹	23	125.071	129.634	126.061	128.327	129.681	130.375	130.155
Gross output of general government	24	125.063	129.607	126.044	128.300	129.649	130.343	130.134
Value added	25	131.671	136.412	132.009	135.894	136.388	136.686	136.679
Compensation of general government employees	26	141.713	147.046	141.844	146.796	147.173	147.120	147.094
Consumption of general government fixed capital ²	27	107.623	110.953	108.456	109.818	110.581	111.688	111.724
Intermediate goods and services purchased ³	28	116.727	121.007	118.382	118.923	121.112	122.204	121.790
Durable goods	29	103.728	105.559	103.896	104.288	105.421	106.015	106.510
Nondurable goods	30	137.758	151.983	148.658	144.162	156.904	158.739	148.125
Services	31	117.386	121.243	118.490	119.505	121.022	122.144	122.304
Less: Own-account investment ⁴	32	126.127	131.608	127.119	130.097	131.602	131.987	132.748
Sales to other sectors	33	122.661	123.162	121.976	122.008	122.699	123.573	124.368
Nondefense consumption expenditures ¹	34	121.381	125.991	121.810	124.944	125.958	126.422	126.641
Gross output of general government	35	121.351	125.874	122.035	124.838	125.836	126.298	126.522
Value added	36	125.685	130.764	125.929	130.080	130.937	130.937	131.104
Compensation of general government employees	37	130.947	136.741	131.059	136.088	136.985	136.904	136.989
Consumption of general government fixed capital ²	38	103.518	105.722	104.285	104.924	105.616	105.932	106.413
Intermediate goods and services purchased ³	39	114.981	118.782	116.232	117.305	118.476	119.526	119.822
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	119.433	117.371	117.844	120.175	120.132	119.580
Services	44	115.631	119.662	116.899	118.138	119.148	120.430	120.931
Less: Own-account investment ⁴	45	123.897	128.079	124.336	127.055	127.901	128.402	128.959
Sales to other sectors	46	116.681	117.334	127.844	116.921	117.159	117.501	117.756
State and local consumption expenditures ¹	47	122.177	127.973	125.365	126.112	127.916	128.838	129.024
Gross output of general government	48	122.293	127.961	125.267	126.097	127.740	128.788	129.218
Value added	49	122.735	127.822	124.764	125.844	127.015	128.572	129.856
Compensation of general government employees	50	123.913	128.977	125.841	126.948	128.157	129.745	131.058
Consumption of general government fixed capital ²	51	113.684	118.896	116.399	117.285	118.192	119.517	120.591
Intermediate goods and services purchased ³	52	121.419	128.136	126.080	126.468	128.939	129.097	128.040
Durable goods	53	106.072	108.940	106.986	107.816	108.600	109.313	110.032
Nondurable goods	54	130.870	141.295	139.407	137.466	145.093	143.859	138.759
Services	55	117.817	122.946	120.797	122.333	122.317	123.139	123.993
Less: Own-account investment ⁴	56	117.826	122.692	119.808	121.008	122.287	123.398	124.077
Sales to other sectors	57	123.047	128.261	125.236	126.372	127.402	128.944	130.326
Tuition and related educational charges	58	143.186	152.772	146.403	148.838	151.492	154.238	156.519
Health and hospital charges	59	121.443	125.929	123.593	124.394	125.142	126.441	127.737
Other sales	60	113.066	116.808	114.703	115.580	116.090	117.288	118.274

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	IV
Government consumption expenditures ¹	1	1,975.7	2,095.4	2,014.5	2,059.7	2,083.0	2,109.1	2,129.6
Gross output of general government	2	2,313.8	2,454.5	2,361.4	2,410.3	2,439.9	2,471.6	2,496.1
Value added	3	1,422.9	1,490.4	1,444.5	1,464.0	1,478.6	1,500.8	1,518.0
Compensation of general government employees	4	1,215.7	1,269.2	1,232.1	1,247.9	1,259.4	1,277.8	1,291.9
Consumption of general government fixed capital ²	5	207.2	221.1	212.4	216.1	219.2	223.1	226.2
Intermediate goods and services purchased ³	6	890.9	964.1	917.0	946.3	961.3	970.8	978.0
Durable goods	7	56.0	59.3	57.8	57.4	57.9	60.4	61.7
Nondurable goods	8	224.7	245.9	239.5	238.4	251.4	252.5	241.4
Services	9	610.2	658.8	619.6	650.5	652.0	657.9	674.9
Less: Own-account investment ⁴	10	23.5	25.4	24.1	24.7	25.4	25.6	26.0
Sales to other sectors	11	314.6	333.7	322.8	325.9	331.5	336.9	340.4
Federal consumption expenditures ¹	12	768.6	808.0	771.1	803.6	802.3	809.1	817.0
Gross output of general government	13	781.9	820.9	785.2	816.3	816.1	822.6	828.4
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	353.4	343.6	351.4	352.2	355.1	354.9
Consumption of general government fixed capital ²	16	93.2	98.2	94.8	96.5	97.7	99.0	99.7
Intermediate goods and services purchased ³	17	345.2	369.3	346.8	368.5	366.3	368.5	373.9
Durable goods	18	32.6	34.8	34.1	33.3	33.5	35.7	36.7
Nondurable goods	19	36.0	36.0	37.6	37.3	37.0	37.8	32.1
Services	20	276.6	298.5	275.1	297.9	295.8	295.0	305.1
Less: Own-account investment ⁴	21	4.7	4.9	4.8	4.8	4.8	5.0	4.9
Sales to other sectors	22	8.7	8.0	9.4	7.9	9.0	8.6	6.5
Defense consumption expenditures ¹	23	516.9	541.8	516.9	537.7	537.7	539.3	552.4
Gross output of general government	24	522.1	547.5	521.4	543.2	544.4	545.4	557.2
Value added	25	283.4	291.4	284.5	289.3	289.9	293.1	293.2
Compensation of general government employees	26	215.4	219.7	215.4	218.9	218.6	220.8	220.5
Consumption of general government fixed capital ²	27	68.0	71.7	69.1	70.4	71.3	72.3	72.7
Intermediate goods and services purchased ³	28	238.7	256.2	236.9	253.9	254.5	252.3	264.0
Durable goods	29	30.0	32.1	31.4	30.5	30.8	33.0	34.1
Nondurable goods	30	20.3	19.7	21.3	20.6	20.6	21.2	16.3
Services	31	188.5	204.4	184.1	202.8	203.2	198.1	213.6
Less: Own-account investment ⁴	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
Nondefense consumption expenditures ¹	34	251.7	266.2	254.2	265.9	264.6	269.8	264.5
Gross output of general government	35	259.8	273.3	263.9	273.1	271.8	277.2	271.3
Value added	36	153.3	160.2	153.9	158.5	160.0	161.0	161.3
Compensation of general government employees	37	128.1	133.7	128.2	132.4	133.6	134.3	134.3
Consumption of general government fixed capital ²	38	25.2	26.5	25.7	26.1	26.4	26.7	27.0
Intermediate goods and services purchased ³	39	106.5	113.1	109.9	114.6	111.8	116.3	109.9
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	94.0	90.9	95.1	92.6	96.9	91.5
Less: Own-account investment ⁴	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
State and local consumption expenditures ¹	47	1,207.2	1,287.4	1,243.4	1,256.2	1,280.7	1,300.0	1,312.6
Gross output of general government	48	1,531.9	1,633.6	1,576.2	1,594.0	1,623.8	1,649.0	1,667.6
Value added	49	986.2	1,038.8	1,006.0	1,016.2	1,028.7	1,046.7	1,063.5
Compensation of general government employees	50	872.3	915.9	888.5	896.5	907.2	922.7	937.0
Consumption of general government fixed capital ²	51	113.9	122.9	117.6	119.6	121.5	124.1	126.5
Intermediate goods and services purchased ³	52	545.7	594.8	570.1	577.8	595.0	602.3	604.1
Durable goods	53	23.4	24.5	23.7	24.0	24.4	24.7	25.0
Nondurable goods	54	188.7	209.9	201.9	201.1	214.4	214.7	209.3
Services	55	333.6	360.4	344.5	352.6	356.2	362.8	369.8
Less: Own-account investment ⁴	56	18.8	20.6	19.4	19.9	20.6	20.7	21.1
Sales to other sectors	57	306.0	325.7	313.4	318.0	322.5	328.3	333.9
Tuition and related educational charges	58	67.0	73.1	69.1	70.6	72.3	74.1	75.6
Health and hospital charges	59	146.1	153.8	148.8	150.6	152.4	154.9	157.4
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	IV
Government consumption expenditures ¹	1	1,609.3	1,635.8	1,611.2	1,628.6	1,626.6	1,636.7	1,651.5
Gross output of general government	2	1,884.8	1,916.8	1,888.8	1,906.9	1,907.7	1,918.9	1,933.9
Value added	3	1,140.9	1,148.7	1,144.3	1,142.3	1,144.6	1,151.5	1,156.5
Compensation of general government employees	4	954.1	957.1	956.0	952.7	953.8	959.3	962.8
Consumption of general government fixed capital ²	5	187.8	193.2	189.5	191.0	192.4	193.9	195.4
Intermediate goods and services purchased ³	6	746.7	771.4	747.2	767.9	766.2	770.6	780.7
Durable goods	7	53.8	55.8	55.3	54.6	54.6	56.7	57.6
Nondurable goods	8	172.3	174.9	172.9	174.5	174.3	176.2	174.7
Services	9	520.1	540.5	518.6	538.6	537.0	537.5	548.8
Less: Own-account investment ⁴	10	19.7	20.5	20.0	20.1	20.6	20.6	20.7
Sales to other sectors	11	255.9	260.6	257.6	258.3	260.6	261.7	261.7
Federal consumption expenditures ¹	12	620.8	629.5	618.9	624.9	624.9	627.2	633.7
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	337.6
Compensation of general government employees	15	250.0	247.2	249.8	246.5	246.1	248.2	248.1
Consumption of general government fixed capital ²	16	87.5	89.7	88.4	89.0	89.5	90.0	90.4
Intermediate goods and services purchased ³	17	297.2	307.1	294.8	311.3	304.6	303.8	308.7
Durable goods	18	31.8	33.4	33.2	32.3	32.1	34.1	34.9
Nondurable goods	19	28.3	26.4	28.2	28.3	26.6	27.0	23.9
Services	20	237.0	247.5	233.4	250.5	245.9	242.9	250.7
Less: Own-account investment ⁴	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	5.4
Defense consumption expenditures ¹	23	413.3	418.0	410.0	419.0	414.7	413.7	424.5
Gross output of general government	24	417.5	422.5	413.7	423.4	419.9	418.4	428.2
Value added	25	215.2	213.6	215.5	212.9	212.5	214.5	214.5
Compensation of general government employees	26	152.0	149.4	151.8	149.1	148.5	150.1	149.9
Consumption of general government fixed capital ²	27	63.2	64.6	63.7	64.1	64.5	64.8	65.1
Intermediate goods and services purchased ³	28	204.5	211.7	200.1	213.5	210.2	206.5	216.8
Durable goods	29	28.9	30.4	30.2	29.3	29.2	31.1	32.0
Nondurable goods	30	14.7	13.0	14.4	14.4	13.2	13.4	11.0
Services	31	160.6	168.6	155.4	169.7	167.9	162.2	174.7
Less: Own-account investment ⁴	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
Nondefense consumption expenditures ¹	34	207.3	211.3	208.7	212.8	210.1	213.4	208.9
Gross output of general government	35	214.1	217.2	216.2	218.7	216.0	219.5	214.4
Value added	36	122.0	122.5	122.2	121.9	122.2	122.9	123.1
Compensation of general government employees	37	97.8	97.7	97.8	97.3	97.5	98.1	98.1
Consumption of general government fixed capital ²	38	24.4	25.1	24.6	24.8	25.0	25.2	25.4
Intermediate goods and services purchased ³	39	92.6	95.3	94.6	97.7	94.3	97.3	91.8
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	13.7	13.8	14.3	13.6	13.8	13.3
Services	44	76.2	78.6	77.8	80.5	77.8	80.5	75.7
Less: Own-account investment ⁴	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
State and local consumption expenditures ¹	47	988.0	1,006.0	991.9	996.1	1,001.2	1,009.0	1,017.4
Gross output of general government	48	1,252.7	1,276.6	1,258.3	1,264.2	1,271.2	1,280.4	1,290.6
Value added	49	803.5	812.7	806.4	807.5	810.0	814.1	819.0
Compensation of general government employees	50	703.9	710.1	706.0	706.3	707.9	711.2	715.0
Consumption of general government fixed capital ²	51	100.2	103.4	101.0	102.0	102.8	103.8	104.9
Intermediate goods and services purchased ³	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	22.7
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 ⁴	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	-4.2	-2.3	-4.1	-4.0	-4.0	-5.3

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	IV
National defense consumption expenditures and gross investment	1	1.7	1.9	-9.9	8.9	-2.0	-1.2	11.9
Consumption expenditures ¹	2	1.2	1.1	-10.8	9.1	-4.1	-0.9	10.8
Gross output of general government	3	1.3	1.2	-11.5	9.8	-3.3	-1.4	9.6
Value added	4	0.8	-0.7	0.9	-4.7	-0.7	3.7	0.1
Compensation of general government employees	5	0.3	-1.7	0.4	-6.9	-1.6	4.3	-0.5
Military	6	-0.6	-2.3	1.3	-8.5	-2.3	5.0	-0.5
Civilian	7	2.3	-0.3	-1.6	-3.5	-0.1	2.6	-0.3
Consumption of general government fixed capital ²	8	2.5	2.3	2.4	2.4	2.1	1.9	1.8
Intermediate goods and services purchased ³	9	1.8	3.5	-24.0	29.6	-6.2	-6.9	21.6
Durable goods	10	2.4	5.2	9.8	-12.3	-1.1	29.8	11.6
Aircraft	11	-10.2	-2.4	14.4	-22.9	-15.8	26.8	39.5
Missiles	12	24.0	5.7	100.3	-37.8	25.2	-21.9	29.4
Ships	13	-5.9	5.6	-67.6	89.5	4.7	85.0	-49.2
Vehicles	14	37.7	27.3	12.8	21.5	-0.9	62.6	-26.7
Electronics	15	26.1	15.9	7.7	-17.0	5.4	70.6	1.1
Other durable goods	16	-1.7	3.9	-0.9	5.6	3.1	20.0	6.8
Nondurable goods	17	-3.0	-11.7	-22.7	-0.6	-29.8	7.1	-54.0
Petroleum products	18	-4.7	-11.6	-37.1	1.0	-20.0	6.2	-68.9
Ammunition	19	5.6	-4.7	-2.9	-14.8	-42.3	41.9	18.4
Other nondurable goods	20	-5.8	-14.8	-0.5	7.5	-37.1	-11.3	-57.3
Services	21	2.2	5.0	-28.6	42.1	-4.1	-12.9	34.6
Research and development	22	-0.9	7.4	-40.5	94.8	0.4	-21.3	23.6
Installation support	23	-0.8	-1.9	-17.2	6.8	-16.2	-7.6	27.3
Weapons support	24	-0.1	3.3	-49.5	71.3	-22.7	-33.3	131.6
Personnel support	25	8.4	9.5	-23.1	28.6	7.4	-4.2	31.9
Transportation of material	26	-2.2	2.7	9.4	10.2	-1.3	3.8	15.0
Travel of persons	27	11.1	-2.5	7.2	5.0	-5.4	5.2	18.9
Less: Own-account investment ⁴	28	-5.5	1.5	5.5	-3.9	2.1	4.1	2.8
Sales to other sectors	29	21.7	13.1	-81.3	316.1	195.8	-46.2	-82.6
Gross investment ⁵	30	5.5	7.3	-3.1	7.9	14.1	-3.1	19.7
Structures	31	-3.5	4.2	11.3	-19.0	-10.7	4.6	309.2
Equipment and software	32	6.2	7.5	-4.1	10.2	16.1	-3.6	7.9
Aircraft	33	21.6	4.3	-4.9	18.0	0.9	-14.6	-27.3
Missiles	34	6.4	13.8	314.3	-38.2	83.7	-80.7	449.1
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	-44.2
Electronics and software	37	13.5	11.2	7.8	-6.9	9.8	32.8	6.3
Other equipment	38	-2.9	6.6	0.1	24.8	-1.4	12.3	19.7

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
National defense consumption expenditures and gross investment	1	589.3	620.8	590.9	613.5	616.5	618.1	635.0
Consumption expenditures ¹	2	516.9	541.8	516.9	537.7	537.7	539.3	552.4
Gross output of general government	3	522.1	547.5	521.4	543.2	544.4	545.4	557.2
Value added	4	283.4	291.4	284.5	289.3	289.9	293.1	293.2
Compensation of general government employees	5	215.4	219.7	215.4	218.9	218.6	220.8	220.5
Military	6	146.9	148.9	146.6	148.6	147.8	149.6	149.4
Civilian	7	68.4	70.8	68.8	70.3	70.8	71.2	71.1
Consumption of general government fixed capital ²	8	68.0	71.7	69.1	70.4	71.3	72.3	72.7
Intermediate goods and services purchased ³	9	238.7	256.2	236.9	253.9	254.5	252.3	264.0
Durable goods	10	30.0	32.1	31.4	30.5	30.8	33.0	34.1
Aircraft	11	10.7	10.7	11.0	10.3	10.0	10.7	11.7
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	204.4	184.1	202.8	203.2	198.1	213.6
Research and development	22	56.3	62.8	52.7	62.8	63.7	60.5	64.1
Installation support	23	38.9	39.5	38.9	40.0	38.7	38.4	40.8
Weapons support	24	20.2	21.4	19.2	22.1	20.9	19.0	23.6
Personnel support	25	55.2	62.1	55.6	59.8	61.4	61.2	66.2
Transportation of material	26	9.0	9.4	9.0	9.2	9.4	9.6	9.6
Travel of persons	27	9.1	9.2	8.8	8.9	9.1	9.3	9.3
Less: Own-account investment ⁴	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
Gross investment ⁵	30	72.4	79.0	74.1	75.8	78.8	78.8	82.5
Structures	31	5.2	5.8	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	75.0
Aircraft	33	13.5	13.9	13.9	14.3	14.4	14.0	12.7
Missiles	34	4.2	4.7	5.2	4.6	5.3	3.6	5.4
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	25.0	22.8	24.3	24.3	25.2	26.4

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 3.11.6. 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
National defense consumption expenditures and gross investment	1	483.6	492.7	481.4	491.8	489.3	487.8	501.8
Consumption expenditures ¹	2	413.3	418.0	410.0	419.0	414.7	413.7	424.5
Gross output of general government	3	417.5	422.5	413.7	423.4	419.9	418.4	428.2
Value added	4	215.2	213.6	215.5	212.9	212.5	214.5	214.5
Compensation of general government employees	5	152.0	149.4	151.8	149.1	148.5	150.1	149.9
Military	6	100.3	98.0	100.0	97.8	97.2	98.4	98.3
Civilian	7	51.7	51.5	51.8	51.4	51.4	51.7	51.7
Consumption of general government fixed capital ²	8	63.2	64.6	63.7	64.1	64.5	64.8	65.1
Intermediate goods and services purchased ³	9	204.5	211.7	200.1	213.5	210.2	206.5	216.8
Durable goods	10	28.9	30.4	30.2	29.3	29.2	31.1	32.0
Aircraft	11	10.2	10.0	10.5	9.8	9.4	10.0	10.8
Missiles	12	3.2	3.3	3.6	3.2	3.4	3.2	3.4
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	11.0
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	168.6	155.4	169.7	162.2	174.7	
Research and development	22	48.5	52.1	44.8	53.0	53.0	49.9	52.6
Installation support	23	32.5	31.9	32.3	32.8	31.4	30.8	32.7
Weapons support	24	17.6	18.2	16.6	19.0	17.8	16.1	19.9
Personnel support	25	47.3	51.8	47.4	50.5	51.4	50.8	54.4
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	7.5
Less: Own-account investment ⁴	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
Gross investment ⁵	30	71.2	76.4	72.6	74.0	76.5	75.9	79.3
Structures	31	4.2	4.4	4.3	4.1	3.9	4.0	5.7
Equipment and software	32	67.3	72.3	68.6	70.3	73.0	72.3	73.7
Aircraft	33	15.6	16.2	16.2	16.8	16.9	16.2	15.0
Missiles	34	4.1	4.6	5.1	4.5	5.3	3.5	5.3
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	16.8
Other equipment	38	21.7	23.2	21.4	22.6	22.6	23.2	24.3
Residual	39	-4.0	-6.7	-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.

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	IV
Current receipts from the rest of the world	1	1,816.5		1,917.3	2,008.7	2,109.5	2,170.7	
Exports of goods and services	2	1,303.1	1,466.2	1,352.4	1,405.4	1,448.1	1,488.3	1,523.2
Goods ¹	3	907.5	1,035.7	944.3	989.3	1,019.1	1,055.8	1,078.6
Durable	4	625.6	717.5	662.5	689.1	705.0	726.8	749.1
Nondurable	5	281.9	318.2	281.8	300.3	314.1	329.0	329.5
Services ¹	6	395.6	430.5	408.1	416.0	429.0	432.5	444.6
Income receipts	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	
Current payments to the rest of the world	13	2,587.9		2,785.4	2,824.8	2,952.0	3,037.6	
Imports of goods and services	14	2,019.9	2,228.0	2,127.8	2,170.6	2,229.8	2,290.1	2,221.5
Goods ¹	15	1,699.0	1,878.4	1,799.3	1,832.6	1,879.0	1,938.8	1,863.4
Durable	16	1,017.5	1,123.9	1,049.9	1,095.8	1,112.2	1,143.7	1,143.8
Nondurable	17	681.5	754.6	749.4	736.8	766.8	795.1	719.5
Services ¹	18	320.9	349.6	328.5	338.1	350.8	351.3	358.1
Income payments	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	
Current taxes and transfer payments to the rest of the world (net)	25	86.6	81.7	105.2	79.9	83.5	81.9	81.4
From persons (net)	26	47.1	48.1	47.6	45.2	48.7	48.8	49.6
From government (net)	27	26.1	15.1	30.6	14.9	15.6	15.8	14.0
From business (net)	28	13.3	18.6	26.9	19.9	19.3	17.3	17.8
Balance on current account, NIPAs	29	-771.4		-868.2	-816.1	-842.6	-867.0	
Addenda:								
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) ²	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				
				2005	2006			
					IV	I	II	III	IV
Exports of goods and services	1	6.8	8.9	9.6	14.0	6.2	6.8	10.0
Exports of goods ¹	2	7.5	10.5	11.5	17.3	6.0	9.4	8.8
Foods, feeds, and beverages....	3	5.6	8.8	11.8	15.8	20.7	13.2	-21.3
Industrial supplies and materials.....	4	2.6	7.9	-10.3	26.5	14.4	3.1	13.8
Durable goods.....	5	8.0	10.2	11.1	8.0	4.8	4.3	20.1
Nondurable goods.....	6	-0.2	6.7	-20.6	38.9	20.3	2.4	10.3
Capital goods, except automotive.....	7	9.2	13.6	28.3	16.3	6.6	5.6	15.6
Civilian aircraft, engines, and parts.....	8	16.7	19.3	69.9	55.2	-20.9	0.1	75.7
Computers, peripherals, and parts.....	9	15.3	10.0	3.9	9.8	12.0	-0.1	19.6
Other.....	10	6.6	12.8	24.8	9.0	14.1	7.9	3.2
Automotive vehicles, engines, and parts.....	11	9.3	7.5	13.6	2.7	-4.6	26.9	-14.1
Consumer goods, except automotive.....	12	11.0	10.6	11.7	15.7	1.1	15.2	14.6
Durable goods.....	13	15.1	13.2	9.1	16.8	12.5	9.5	16.9
Nondurable goods.....	14	6.6	7.5	14.8	14.5	-11.2	22.8	12.0
Other.....	15	8.9	6.8	0.2	20.5	-19.7	24.0	14.7
Exports of services ¹	16	5.1	5.2	5.5	6.7	6.7	0.8	13.0
Transfers under U.S. military agency sales contracts.....	17	19.4	-12.4	-53.3	2.5	-14.7	-20.5	29.0
Travel.....	18	5.3	1.7	-3.6	4.4	8.7	-1.8	25.1
Passenger fares.....	19	3.0	3.5	10.5	11.9	-24.4	-4.4	16.5
Other transportation.....	20	-0.8	7.3	1.2	28.8	12.8	-2.4	8.6
Royalties and license fees.....	21	5.9	4.5	11.3	1.1	11.3	-3.5	1.3
Other private services.....	22	5.9	9.2	20.8	4.1	9.7	7.1	11.7
Other.....	23	-2.7	2.8	-5.8	7.2	4.1	5.1	6.6
Imports of goods and services	24	6.1	5.8	13.2	9.1	1.4	5.6	-3.2
Imports of goods ¹	25	6.7	5.9	14.1	9.4	-0.1	7.1	-5.0
Foods, feeds, and beverages....	26	3.7	6.4	1.9	16.5	-4.8	10.4	-2.4
Industrial supplies and materials, except petroleum and products.....	27	6.8	4.0	15.6	1.9	-1.2	14.2	-18.7
Durable goods.....	28	7.5	10.0	29.1	25.2	-6.8	24.6	-19.8
Nondurable goods.....	29	6.1	-1.5	4.3	-17.4	6.0	2.1	-17.2
Petroleum and products.....	30	2.3	-2.4	40.6	-4.8	-18.3	7.1	-21.2
Capital goods, except automotive.....	31	11.2	11.6	9.7	16.1	11.6	13.5	-0.7
Civilian aircraft, engines, and parts.....	32	2.4	6.9	19.7	50.1	-14.1	-3.9	47.2
Computers, peripherals, and parts.....	33	14.3	18.2	9.3	34.3	17.0	18.4	-3.2
Other.....	34	11.0	9.9	9.0	7.6	12.7	13.6	-3.6
Automotive vehicles, engines, and parts.....	35	3.9	6.3	15.6	14.3	-1.3	-8.3	-2.8
Consumer goods, except automotive.....	36	8.2	8.1	12.1	8.4	5.7	15.2	15.6
Durable goods.....	37	10.9	8.2	9.0	10.9	-4.2	16.3	22.0
Nondurable goods.....	38	5.1	8.1	15.9	5.5	18.6	14.0	8.3
Other.....	39	3.0	1.1	-22.4	44.1	1.9	-28.6	-19.2
Imports of services ¹	40	2.8	5.3	8.3	7.4	9.9	-2.6	6.7
Direct defense expenditures.....	41	-5.9	-2.7	1.5	-2.7	-11.0	-1.5	-2.1
Travel.....	42	-1.4	-0.7	11.9	-5.4	15.4	-18.6	10.0
Passenger fares.....	43	5.5	2.6	-6.3	1.1	25.0	-21.2	11.4
Other transportation.....	44	5.2	7.1	17.8	12.4	8.7	14.1	5.2
Royalties and license fees.....	45	2.3	6.4	-9.2	37.7	-2.8	-9.2	-13.3
Other private services.....	46	6.9	11.7	11.9	12.0	14.4	6.0	12.4
Other.....	47	0.7	0.4	1.6	0.7	-0.6	-0.2	2.1
Addenda:								
Exports of durable goods.....	48	9.6	11.9	20.5	13.2	4.1	9.4	11.3
Exports of nondurable goods.....	49	3.0	7.3	-6.8	27.4	10.4	9.6	3.3
Exports of agricultural goods ²	50	5.2	8.8	6.4	23.8	19.1	2.1	-21.8
Exports of nonagricultural goods.....	51	7.7	10.6	11.9	16.8	5.1	10.0	11.5
Imports of durable goods.....	52	8.5	8.9	11.7	16.8	2.0	8.1	-0.7
Imports of nondurable goods.....	53	4.0	1.5	17.8	-0.5	-3.0	5.8	-11.2
Imports of nonpetroleum goods.....	54	7.4	7.4	9.7	12.3	3.9	7.2	-1.6

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				
				2006				
				IV	I	II	III	IV
Percent change at annual rate:								
Exports of goods and services	1	6.8	8.9	9.6	14.0	6.2	6.8	10.0
Percentage points at annual rates:								
Exports of goods ¹	2	5.20	7.29	7.94	11.92	4.22	6.58	6.25
Foods, feeds, and beverages....	3	0.26	0.40	0.52	0.69	0.86	0.59	-1.10
Industrial supplies and materials.....	4	0.45	1.43	-1.86	4.36	2.48	0.58	2.48
Durable goods.....	5	0.47	0.65	0.68	0.52	0.32	0.29	1.30
Nondurable goods.....	6	-0.02	0.78	-2.54	3.83	2.16	0.29	1.17
Capital goods, except automotive.....	7	2.55	3.73	7.24	4.59	1.85	1.58	4.24
Civilian aircraft, engines, and parts.....	8	0.71	0.90	2.54	2.40	-1.21	0.00	2.99
Computers, peripherals, and parts.....	9	0.53	0.34	0.14	0.34	0.38	0.00	0.59
Other.....	10	1.31	2.49	4.56	1.85	2.67	1.58	0.65
Automotive vehicles, engines, and parts.....	11	0.69	0.57	1.02	0.22	-0.35	1.81	-1.10
Consumer goods, except automotive.....	12	0.95	0.93	1.02	1.39	0.10	1.29	1.25
Durable goods.....	13	0.68	0.63	0.44	0.80	0.57	0.46	0.79
Nondurable goods.....	14	0.27	0.30	0.58	0.59	-0.47	0.83	0.46
Other.....	15	0.30	0.23	0.01	0.68	-0.72	0.73	0.48
Exports of services ¹	16	1.55	1.59	1.71	2.07	1.97	0.25	3.73
Transfers under U.S. military agency sales contracts.....	17	0.24	-0.17	-1.04	0.03	-0.18	-0.25	0.29
Travel.....	18	0.34	0.11	-0.23	0.27	0.50	-0.10	1.38
Passenger fares.....	19	0.05	0.06	0.17	0.19	-0.42	-0.07	0.23
Other transportation.....	20	-0.03	0.25	0.04	0.90	0.41	-0.08	0.28
Royalties and license fees.....	21	0.26	0.20	0.48	0.05	0.47	-0.15	0.06
Other private services.....	22	0.73	1.11	2.36	0.53	1.14	0.84	1.41
Other.....	23	-0.04	0.04	-0.08	0.09	0.05	0.06	0.08
Percent change at annual rate:								
Imports of goods and services	24	6.1	5.8	13.2	9.1	1.4	5.6	-3.2
Percentage points at annual rates:								
Imports of goods ¹	25	5.62	4.94	11.88	7.90	-0.05	5.98	-4.27
Foods, feeds, and beverages....	26	0.13	0.22	0.07	0.54	-0.16	0.33	-0.08
Industrial supplies and materials, except petroleum and products.....	27	0.87	0.52	2.03	0.27	-0.15	1.77	-2.70
Durable goods.....	28	0.49	0.65	1.74	1.55	-0.50	1.65	-1.65
Nondurable goods.....	29	0.38	-0.13	0.28	-1.29	0.35	0.12	-1.06
Petroleum and products.....	30	0.26	-0.30	4.85	-0.67	-2.78	1.01	-3.15
Capital goods, except automotive.....	31	2.08	2.12	1.82	2.88	2.05	2.41	-0.13
Civilian aircraft, engines, and parts.....	32	0.03	0.09	0.23	0.53	-0.19	-0.05	0.50
Computers, peripherals, and parts.....	33	0.66	0.79	0.43	1.38	0.72	0.78	-0.15
Other.....	34	1.39	1.25	1.17	0.96	1.53	1.68	-0.48
Automotive vehicles, engines, and parts.....	35	0.48	0.74	1.81	1.65	-0.15	-0.97	-0.32
Consumer goods, except automotive.....	36	1.66	1.59	2.38	1.64	1.07	2.80	2.93
Durable goods.....	37	1.17	0.87	0.98	1.15	-0.45	1.60	2.19
Nondurable goods.....	38	0.49	0.73	1.40	0.49	1.52	1.20	0.74
Other.....	39	0.14	0.05	-1.06	1.61	0.08	-1.38	-0.82
Imports of services ¹	40	0.46	0.83	1.32	1.15	1.49	-0.40	1.02
Direct defense expenditures.....	41	-0.10	-0.04	0.02	-0.04	-0.16	-0.02	-0.03
Travel.....	42	-0.05	-0.02	0.39	-0.18	0.46	-0.66	0.31
Passenger fares.....	43	0.07	0.03	-0.08	0.01	0.29	-0.30	0.14
Other transportation.....	44	0.16	0.22	0.52	0.37	0.25	0.39	0.15
Royalties and license fees.....	45	0.03	0.08	-0.11	0.40	-0.04	-0.12	-0.17
Other private services.....	46	0.34	0.57	0.58	0.69	0.30	0.62	0.62
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
Exports of goods and services	1	109.105	118.796	112.054	115.783	117.536	119.495	122.371
Exports of goods ¹	2	107.507	118.777	111.027	115.535	117.228	119.898	122.446
Foods, feeds, and beverages....	3	101.447	110.413	102.645	106.488	111.621	115.124	108.421
Industrial supplies and materials.....	4	107.833	116.353	105.673	112.078	115.906	116.792	120.638
Durable goods.....	5	98.919	109.044	104.254	106.269	107.520	108.645	113.743
Nondurable goods.....	6	113.494	121.083	106.719	115.851	121.333	122.064	125.084
Capital goods, except automotive.....	7	103.891	117.993	110.480	114.725	116.563	118.157	122.528
Civilian aircraft, engines, and parts.....	8	103.567	123.537	111.470	124.414	117.316	117.334	135.083
Computers, peripherals, and parts.....	9	101.824	112.005	105.896	108.409	111.517	111.492	116.600
Other.....	10	104.790	118.225	111.535	113.977	117.807	120.078	121.037
Automotive vehicles, engines, and parts.....	11	118.503	127.447	125.128	125.976	124.494	132.129	127.189
Consumer goods, except automotive.....	12	127.235	140.705	131.801	136.707	137.093	142.043	146.979
Durable goods.....	13	131.759	149.171	137.358	142.791	147.050	150.435	156.410
Nondurable goods.....	14	122.322	131.512	125.763	130.094	126.284	132.931	136.738
Other.....	15	91.957	98.250	94.244	98.749	93.488	98.661	102.100
Exports of services ¹	16	113.118	119.031	114.693	116.564	118.463	118.712	122.386
Transfers under U.S. military agency sales contracts.....	17	136.148	119.295	123.654	124.407	119.562	112.900	120.310
Travel.....	18	90.829	92.379	88.889	89.850	91.735	91.331	96.598
Passenger fares.....	19	73.532	76.112	77.656	79.862	74.462	73.631	76.492
Other transportation.....	20	113.820	122.077	111.794	119.089	122.718	121.982	124.519
Royalties and license fees.....	21	118.215	123.569	121.215	121.551	124.840	123.746	124.137
Other private services.....	22	134.469	146.803	140.579	142.014	145.332	147.856	152.010
Other.....	23	102.887	105.789	102.124	103.914	104.960	106.281	108.002
Imports of goods and services	24	123.007	130.107	126.377	129.146	129.608	131.378	130.298
Imports of goods ¹	25	124.640	131.940	128.331	131.236	131.218	133.503	131.801
Foods, feeds, and beverages....	26	130.080	138.465	133.045	138.226	136.554	139.972	139.109
Industrial supplies and materials, except petroleum and products.....	27	124.516	129.547	128.729	129.337	128.956	133.316	126.581
Durable goods.....	28	129.471	142.391	134.534	142.299	139.807	147.703	139.756
Nondurable goods.....	29	119.572	117.720	123.254	117.500	119.216	119.846	114.319
Petroleum and products.....	30	117.307	114.485	121.068	119.584	113.702	115.680	108.976
Capital goods, except automotive.....	31	120.594	134.625	125.060	129.823	133.442	137.738	137.497
Civilian aircraft, engines, and parts.....	32	86.106	92.050	83.894	92.853	89.382	88.490	97.474
Computers, peripherals, and parts.....	33	155.319	183.524	162.326	174.749	181.738	189.578	188.033
Other.....	34	113.789	125.022	118.385	120.560	124.213	128.241	127.073
Automotive vehicles, engines, and parts.....	35	118.057	125.518	123.221	127.403	126.991	124.286	123.394
Consumer goods, except automotive.....	36	145.091	156.890	148.093	151.104	153.195	158.709	164.551
Durable goods.....	37	152.070	164.485	156.529	160.621	158.898	165.001	173.421
Nondurable goods.....	38	137.669	148.820	139.130	140.995	147.147	152.034	155.104
Other.....	39	102.828	108.933	99.746	109.283	109.807	100.942	95.702
Imports of services ¹	40	115.170	121.282	116.954	119.055	121.896	121.100	123.080
Direct defense expenditures.....	41	146.715	142.774	147.388	146.392	142.187	141.642	140.876
Travel.....	42	85.774	85.182	85.753	84.568	87.650	83.245	85.282
Passenger fares.....	43	89.466	91.824	89.837	90.088	95.250	89.751	92.206
Other transportation.....	44	116.843	125.182	117.312	120.798	123.349	127.482	129.101
Royalties and license fees.....	45	132.485	140.958	133.554	144.675	143.654	140.211	135.293
Other private services.....	46	145.354	162.321	151.602	155.946	161.263	163.618	168.459
Other.....	47	109.179	109.654	109.471	109.667	109.496	109.436	110.017
Addenda:								
Exports of durable goods.....	48	107.101	119.856	113.262	116.815	117.999	120.666	123.943
Exports of nondurable goods.....	49	109.802	117.821	107.389	114.084	116.936	119.646	120.619
Exports of agricultural goods ²	50	101.382	110.329	102.485	108.099	112.931	113.519	106.766
Exports of nonagricultural goods.....	51	108.165	119.660	111.899	116.323	117.765	120.609	123.943
Imports of durable goods.....	52	125.519	136.748	129.834	134.971	135.633	138.309	138.079
Imports of nondurable goods.....	53	124.267	126.072	126.999	126.830	125.883	127.656	123.920
Imports of nonpetroleum goods.....	54	125.768	135.134	129.327	133.131	134.425	136.767	136.212

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
Exports of goods and services	1	108.949	112.581	110.108	110.737	112.400	113.631	113.558
Exports of goods ¹	2	107.628	111.163	108.450	109.192	110.852	112.286	112.323
Foods, feeds, and beverages....	3	121.396	126.077	121.758	122.087	123.100	127.294	131.826
Industrial supplies and materials.....	4	126.641	138.087	130.596	132.748	138.162	141.774	139.666
Durable goods.....	5	126.819	142.544	129.080	134.752	142.545	146.149	146.731
Nondurable goods.....	6	126.371	135.271	131.214	131.308	135.386	138.993	135.398
Capital goods, except automotive.....	7	97.788	98.560	97.423	97.800	98.357	98.838	99.244
Civilian aircraft, engines, and parts.....	8	122.042	126.910	123.363	125.280	126.753	127.244	128.363
Computers, peripherals, and parts.....	9	80.519	76.884	77.761	77.934	77.094	76.435	76.073
Other.....	10	96.557	97.469	96.393	96.507	97.172	97.885	98.310
Automotive vehicles, engines, and parts.....	11	103.523	104.793	103.941	104.215	104.636	105.038	105.281
Consumer goods, except automotive.....	12	101.755	103.088	101.892	102.184	102.867	103.633	103.670
Durable goods.....	13	101.606	102.651	101.771	101.689	102.405	103.188	103.320
Nondurable goods.....	14	101.901	103.579	102.007	102.747	103.388	104.132	104.051
Other.....	15	111.135	115.530	112.368	113.279	115.170	116.790	116.880
Exports of services ¹	16	112.115	115.952	114.080	114.430	116.098	116.815	116.463
Transfers under U.S. military agency sales contracts.....	17	103.662	106.924	105.137	105.674	106.575	107.503	107.944
Travel.....	18	109.135	113.661	111.265	111.833	114.587	115.205	113.020
Passenger fares.....	19	137.593	138.209	133.733	132.775	138.013	140.918	141.100
Other transportation.....	20	124.536	132.084	134.803	131.495	133.436	134.401	129.006
Royalties and license fees.....	21	112.332	116.186	113.908	114.658	115.796	116.385	117.905
Other private services.....	22	107.635	110.928	108.404	109.532	110.600	111.271	112.309
Other.....	23	120.959	122.252	123.267	122.703	123.341	122.373	120.593
Imports of goods and services	24	111.268	116.057	114.117	113.918	116.608	118.143	115.559
Imports of goods ¹	25	109.622	114.521	112.790	112.331	115.197	116.824	113.731
Foods, feeds, and beverages....	26	113.852	118.150	115.427	116.617	116.628	118.729	120.627
Industrial supplies and materials, except petroleum and products.....	27	123.104	130.530	132.065	128.709	129.290	131.928	132.195
Durable goods.....	28	117.748	129.241	117.929	121.580	128.973	132.998	133.413
Nondurable goods.....	29	128.925	130.360	147.671	135.882	127.928	128.778	128.851
Petroleum and products.....	30	178.639	219.252	201.102	200.744	232.096	242.182	201.983
Capital goods, except automotive.....	31	90.618	89.835	89.830	89.758	89.726	89.921	89.936
Civilian aircraft, engines, and parts.....	32	113.386	117.590	114.529	116.052	117.306	118.023	118.979
Computers, peripherals, and parts.....	33	66.928	61.927	64.567	63.393	62.125	61.319	60.871
Other.....	34	99.027	100.155	98.925	99.326	99.885	100.604	100.806
Automotive vehicles, engines, and parts.....	35	103.575	103.967	103.762	103.519	103.810	104.197	104.343
Consumer goods, except automotive.....	36	99.547	100.062	99.432	99.636	99.696	100.359	100.558
Durable goods.....	37	96.665	97.547	96.437	96.739	97.117	97.960	98.372
Nondurable goods.....	38	102.810	102.859	102.830	102.909	102.571	103.011	102.945
Other.....	39	107.658	110.391	109.418	109.308	110.088	111.011	111.158
Imports of services ¹	40	119.933	124.069	120.913	122.242	123.890	124.876	125.269
Direct defense expenditures.....	41	152.087	159.797	151.195	152.061	160.023	163.267	163.839
Travel.....	42	124.639	129.444	123.525	125.440	128.249	131.302	132.786
Passenger fares.....	43	120.026	126.680	121.874	123.509	125.759	126.988	130.466
Other transportation.....	44	128.305	127.163	132.827	130.301	128.846	126.378	123.126
Royalties and license fees.....	45	112.299	116.146	1				

**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
Exports of goods and services	1	1,303.1	1,466.2	1,352.4	1,405.4	1,448.1	1,488.3	1,523.2
Exports of goods ¹	2	907.5	1,035.7	944.3	989.3	1,019.1	1,055.8	1,078.6
Foods, feeds, and beverages....	3	59.0	66.6	59.8	62.2	65.7	70.1	68.4
Industrial supplies and materials.....	4	227.5	267.9	230.0	248.0	266.9	276.0	280.8
Durable goods.....	5	79.8	98.9	85.6	91.1	97.5	101.0	106.1
Nondurable goods.....	6	147.7	169.0	144.5	156.9	169.5	175.0	174.7
Capital goods, except automotive.....	7	362.7	415.3	384.3	400.6	409.3	417.0	434.2
Civilian aircraft, engines, and parts.....	8	60.8	75.4	66.1	74.9	71.5	71.8	83.4
Computers, peripherals, and parts.....	9	45.5	47.9	45.8	47.0	47.8	47.4	49.3
Other.....	10	256.4	292.0	272.4	278.7	290.0	297.8	301.5
Automotive vehicles, engines, and parts.....	11	98.6	107.3	104.5	105.5	104.7	111.5	107.6
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	51.4
Exports of services ¹	16	395.6	430.5	408.1	416.0	429.0	432.5	444.6
Transfers under U.S. military agency sales contracts.....	17	18.1	16.4	16.7	16.9	16.3	15.6	16.7
Travel.....	18	81.7	86.5	81.5	82.8	86.6	86.7	90.0
Passenger fares.....	19	20.9	21.7	21.5	21.9	21.3	21.5	22.3
Other transportation.....	20	42.2	48.1	45.0	46.7	48.9	48.9	47.9
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	178.0	166.6	170.0	175.7	179.8	186.6
Other.....	23	17.0	17.7	17.2	17.4	17.7	17.8	17.8
Imports of goods and services	24	2,019.9	2,228.0	2,127.8	2,170.6	2,229.8	2,290.1	2,221.5
Imports of goods ¹	25	1,699.0	1,878.4	1,799.3	1,832.6	1,879.0	1,938.8	1,863.4
Foods, feeds, and beverages....	26	68.1	75.2	70.6	74.1	73.2	76.4	77.1
Industrial supplies and materials, except petroleum and products.....	27	264.9	292.0	293.6	287.5	287.9	303.7	289.0
Durable goods.....	28	134.8	162.9	140.4	153.1	159.6	173.8	165.0
Nondurable goods.....	29	130.0	129.2	153.2	134.4	128.4	129.9	124.0
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	419.8	389.9	404.4	415.6	429.9	429.2
Civilian aircraft, engines, and parts.....	32	25.8	28.6	25.4	28.4	27.7	27.6	30.6
Computers, peripherals, and parts.....	33	93.3	102.1	94.2	99.5	101.4	104.4	102.8
Other.....	34	260.2	289.1	270.4	276.5	286.4	297.9	295.7
Automotive vehicles, engines, and parts.....	35	239.5	255.6	250.4	258.3	258.2	253.7	252.2
Consumer goods, except automotive.....	36	407.3	442.8	415.3	424.6	430.7	449.2	466.6
Durable goods.....	37	219.8	240.0	225.7	232.4	230.8	241.7	255.1
Nondurable goods.....	38	187.5	202.8	189.5	192.2	199.9	207.5	211.5
Other.....	39	88.1	91.3	86.9	95.1	96.2	89.2	84.7
Imports of services ¹	40	320.9	349.6	328.5	338.1	350.8	351.3	358.1
Direct defense expenditures.....	41	30.1	30.7	30.0	30.0	30.6	31.1	31.1
Travel.....	42	69.2	71.3	68.5	68.6	72.7	70.7	73.3
Passenger fares.....	43	26.1	28.2	26.6	27.0	29.1	27.7	29.2
Other transportation.....	44	62.1	66.0	64.6	65.3	65.9	66.8	65.9
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	121.8
Other.....	47	10.2	10.6	10.3	10.4	10.6	10.7	10.7
Addenda:								
Exports of durable goods.....	48	625.6	717.5	662.5	689.1	705.0	726.8	749.1
Exports of nondurable goods.....	49	281.9	318.2	281.8	300.3	314.1	329.0	329.5
Exports of agricultural goods ²	50	64.9	73.2	65.9	69.5	73.1	75.8	74.2
Exports of nonagricultural goods.....	51	842.7	962.6	878.4	919.8	946.0	980.0	1,004.4
Imports of durable goods.....	52	1,017.5	1,123.9	1,049.9	1,095.8	1,112.2	1,143.7	1,143.8
Imports of nondurable goods.....	53	681.5	754.6	749.4	736.8	766.8	795.1	719.5
Imports of nonpetroleum goods.....	54	1,447.1	1,576.7	1,506.7	1,544.0	1,561.9	1,602.1	1,598.8

**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
Exports of goods and services	1	1,196.1	1,302.3	1,228.4	1,269.3	1,288.5	1,310.0	1,341.5
Exports of goods ¹	2	843.2	931.6	870.8	906.2	919.5	940.4	960.4
Foods, feeds, and beverages....	3	48.6	52.9	49.1	51.0	53.4	55.1	51.9
Industrial supplies and materials.....	4	179.7	193.9	176.1	186.7	193.1	194.6	201.0
Durable goods.....	5	62.9	69.4	66.3	67.6	68.4	69.1	72.4
Nondurable goods.....	6	116.9	124.7	109.9	119.3	125.0	125.7	128.8
Capital goods, except automotive.....	7	370.9	421.2	394.4	409.6	416.1	421.8	437.4
Civilian aircraft, engines, and parts.....	8	49.8	59.4	53.6	59.8	56.4	56.4	65.0
Computers, peripherals, and parts ²	9							
Other.....	10	265.5	299.5	282.6	288.8	298.5	304.2	306.7
Automotive vehicles, engines, and parts.....	11	95.2	102.4	100.5	101.2	100.0	106.2	102.2
Consumer goods, except automotive.....	12	113.7	125.8	117.8	122.2	122.5	127.0	131.4
Durable goods.....	13	61.5	69.7	64.2	66.7	68.7	70.3	73.1
Nondurable goods.....	14	52.2	56.1	53.7	55.5	53.9	56.7	58.4
Other.....	15	39.6	42.4	40.6	42.6	40.3	42.5	44.0
Exports of services ¹	16	352.9	371.3	357.8	363.6	369.5	370.3	381.8
Transfers under U.S. military agency sales contracts.....	17	17.5	15.3	15.9	16.0	15.3	14.5	15.4
Travel.....	18	74.8	76.1	73.2	74.0	75.6	75.3	79.6
Passenger fares.....	19	15.2	15.7	16.1	16.5	15.4	15.2	15.8
Other transportation.....	20	33.9	36.4	33.3	35.5	36.6	36.4	37.1
Royalties and license fees.....	21	51.1	53.4	52.4	52.5	54.0	53.5	53.7
Other private services.....	22	147.0	160.5	153.7	155.2	158.9	161.6	166.2
Other.....	23	14.1	14.5	14.0	14.2	14.4	14.5	14.8
Residual.....	24	-6.3	-8.3	-9.5	-7.3	-8.2	-9.1	-8.4
Imports of goods and services	25	1,815.3	1,920.1	1,865.0	1,905.9	1,912.7	1,938.8	1,922.9
Imports of goods ¹	26	1,549.9	1,640.6	1,595.8	1,631.9	1,631.7	1,660.1	1,638.9
Foods, feeds, and beverages....	27	59.8	63.7	61.2	63.6	62.8	64.4	64.0
Industrial supplies and materials, except petroleum and products.....	28	215.2	223.9	222.4	223.5	222.8	230.4	218.7
Durable goods.....	29	114.5	125.9	119.0	125.8	123.6	130.6	123.6
Nondurable goods.....	30	100.9	99.3	104.0	99.1	100.6	101.1	96.4
Petroleum and products.....	31	141.0	137.6	145.5	143.7	136.7	139.0	131.0
Capital goods, except automotive.....	32	418.5	467.2	434.0	450.5	463.1	478.0	477.1
Civilian aircraft, engines, and parts.....	33	22.7	24.3	22.1	24.5	23.6	23.3	25.7
Computers, peripherals, and parts ²	34							
Other.....	35	262.7	288.7	273.3	278.4	286.8	296.1	293.4
Automotive vehicles, engines, and parts.....	36	231.2	245.9	241.4	249.6	248.7	243.4	241.7
Consumer goods, except automotive.....	37	409.2	442.4	417.6	426.1	432.0	447.6	464.1
Durable goods.....	38	227.4	246.0	234.1	240.2	237.6	246.7	259.3
Nondurable goods.....	39	182.4	197.1	184.3	186.8	194.9	201.4	205.5
Other.....	40	81.9	82.7	79.4	87.0	87.4	80.3	76.2
Imports of services ¹	41	267.5	281.7	271.7	276.6	283.2	281.3	285.9
Direct defense expenditures.....	42	19.8	19.2	19.9	19.7	19.2	19.1	19.0
Travel.....	43	55.5	55.1	55.5	54.7	56.7	53.9	55.2
Passenger fares.....	44	21.7	22.3	21.8	21.9	23.1	21.8	22.4
Other transportation.....	45	48.4	51.9	48.6	50.0	51.1	52.8	53.5
Royalties and license fees.....	46	21.8	23.2	22.0	23.8	23.7	23.1	22.3
Other private services.....	47	93.1	103.9	97.1	99.8	103.2	104.7	107.8
Other.....	48	8.6	8.7	8.7	8.7	8.7	8.7	8.7
Residual.....	49	-17.5	-40.1	-18.6	-28.3	-38.8	-41.8	-51.6
Addenda:								
Exports of durable goods.....	50	609.7	682.3	644.7	665.0	671.7	686.9	705.5
Exports of nondurable goods.....	51	236.2	253.4	231.0	245.4	251.5	257.4	259.5
Exports of agricultural goods ³	52	53.5	58.3	54.1	57.1	59.6	59.9	56.4
Exports of nonagricultural goods.....	53	791.3	875.4	818.6	850.9	861.5	882.3	906.7
Imports of durable goods.....	54	1,030.1	1,122.3	1,065.5	1,107.7	1,113.1	1,135.1	1,133.2
Imports of nondurable goods.....	55	525.4	533.0	536.9	536.2	532.2	539.7	523.9
Imports of nonpetroleum goods.....	56	1,412.7	1,517.9	1,452.7	1,495.4	1,510.0	1,536.3	1,530.1

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.

NOTE: Chained (

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
Gross saving	1	1,612.0	.....	1,621.2	1,880.5	1,789.7	1,806.9	.....
Net saving	2	7.2	.....	58.7	332.4	216.9	224.9	.....
Net private saving.....	3	319.7	.....	339.5	466.7	353.9	400.7	.....
Personal saving.....	4	-34.8	-92.0	-28.5	-29.7	-130.8	-111.7	-96.0
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	-160.2	-165.6	-148.6	-160.8	-162.4	-169.0
Wage accruals less disbursements.....	9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net government saving.....	10	-312.5	.....	-280.8	-134.3	-136.9	-175.8	.....
Federal.....	11	-309.2	.....	-263.6	-147.0	-163.1	-165.6	.....
State and local.....	12	-3.3	.....	-17.2	12.7	26.1	-10.2	.....
Consumption of fixed capital	13	1,604.8	1,575.4	1,562.5	1,548.0	1,572.8	1,582.0	1,598.6
Private.....	14	1,352.6	1,310.1	1,307.5	1,288.9	1,309.8	1,314.4	1,327.2
Domestic business.....	15	1,059.1	1,050.1	1,044.4	1,035.1	1,050.4	1,053.0	1,061.9
Households and institutions.....	16	293.5	260.0	263.1	253.8	259.5	261.4	265.3
Government.....	17	252.2	265.3	255.0	259.1	262.9	267.6	271.4
Federal.....	18	99.0	104.2	100.7	102.4	103.7	105.1	105.8
State and local.....	19	153.2	161.0	154.3	156.7	159.2	162.5	165.6
Gross domestic investment, capital account transactions, and net lending, NIPAs	20	1,683.1	.....	1,695.4	1,818.6	1,825.5	1,801.6	.....
Gross domestic investment.....	21	2,454.5	2,649.5	2,563.6	2,634.7	2,668.0	2,668.5	2,626.6
Gross private domestic investment.....	22	2,057.4	2,218.4	2,154.5	2,214.8	2,237.1	2,235.5	2,186.0
Gross government investment.....	23	397.1	431.1	409.1	419.9	430.9	433.0	440.5
Capital account transactions (net) ¹	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	.....
Statistical discrepancy	26	71.0	.....	74.3	-61.9	35.8	-5.3	.....
Addenda:								
Gross private saving.....	27	1,672.3	.....	1,647.0	1,755.7	1,663.7	1,715.1	.....
Gross government saving.....	28	-60.2	.....	-25.8	124.8	126.0	91.8	.....
Federal.....	29	-210.1	.....	-162.9	-44.6	-59.4	-60.5	.....
State and local.....	30	149.9	.....	137.1	169.4	185.4	152.3	.....
Net domestic investment.....	31	849.7	1,074.1	1,001.1	1,086.7	1,095.2	1,086.5	1,028.0
Gross saving as a percentage of gross national income	32	13.0	.....	12.8	14.4	13.6	13.5	.....
Net saving as a percentage of gross national income	33	0.1	.....	0.5	2.5	1.6	1.7	.....

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
Private fixed investment	1	7.5	3.0	2.8	8.2	-1.6	-1.2	-7.3
Nonresidential	2	6.8	7.4	5.2	13.7	4.4	10.0	-0.4
Structures	3	1.1	9.1	12.0	8.7	20.3	15.7	2.8
Commercial and health care.....	4	-0.8	7.1	3.2	7.1	11.7	25.6	2.4
Manufacturing.....	5	21.1	12.1	32.0	-1.7	28.0	11.3	-14.5
Power and communication.....	6	-6.7	3.3	12.4	14.3	4.9	16.0	-3.8
Mining exploration, shafts, and wells.....	7	11.0	11.2	22.4	2.0	28.0	10.0	4.8
Other structures.....	8	-5.2	13.4	11.1	23.6	35.1	7.3	11.8
Equipment and software	9	8.9	6.7	2.8	15.6	-1.4	7.7	-1.8
Information processing equipment and software.....	10	8.5	9.0	7.0	21.8	-1.1	10.0	1.8
Computers and peripheral equipment.....	11	17.9	17.1	27.1	24.9	4.7	22.0	8.0
Software ²	12	5.8	6.7	2.8	12.2	4.2	6.0	9.3
Other ³	13	7.2	8.0	3.0	31.6	-9.0	9.3	-8.5
Industrial equipment.....	14	8.1	6.1	16.2	-3.6	13.6	0.2	-3.6
Transportation equipment.....	15	12.9	0.6	-21.8	27.7	-22.8	13.6	-11.7
Other equipment ⁴	16	7.0	6.6	6.6	8.5	7.4	3.8	-0.5
Residential	17	8.6	-4.2	-0.9	-0.3	-11.1	-18.7	-19.2
Structures	18	8.6	-4.3	-1.1	-0.5	-11.2	-18.9	-19.4
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	-35.1
Multifamily.....	21	14.1	12.8	12.5	25.7	-2.6	7.8	19.3
Other structures ⁵	22	5.3	-2.2	-11.6	-2.7	1.1	-7.5	-0.4
Equipment	23	5.0	4.9	9.9	13.6	-2.9	-2.2	1.8
Addenda:								
Private fixed investment in structures.....	24	6.3	0.0	2.8	2.4	-1.8	-8.0	-11.8
Private fixed investment in equipment and software.....	25	8.9	6.7	2.9	15.6	-1.4	7.6	-1.7
Private fixed investment in new structures ⁶	26	6.1	1.3	7.9	3.9	-1.7	-6.2	-12.7
Nonresidential structures.....	27	1.0	9.0	11.9	8.6	20.2	15.6	2.7
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
Percent change at annual rate:								
Private fixed investment	1	7.5	3.0	2.8	8.2	-1.6	-1.2	-7.3
Percentage points at annual rates:								
Nonresidential	2	4.28	4.60	3.19	8.30	2.72	6.16	-0.27
Structures	3	0.19	1.61	1.92	1.50	3.34	2.79	0.54
Commercial and health care	4	-0.06	0.48	0.21	0.46	0.74	1.61	0.17
Manufacturing	5	0.22	0.15	0.34	-0.02	0.32	0.15	-0.21
Power and communication	6	-0.15	0.07	0.23	0.27	0.10	0.31	-0.08
Mining exploration, shafts, and wells	7	0.36	0.48	0.81	0.09	1.16	0.48	0.25
Other structures ¹	8	-0.18	0.43	0.33	0.71	1.03	0.25	0.42
Equipment and software	9	4.09	2.99	1.27	6.80	-0.62	3.36	-0.82
Information processing equipment and software ...	10	1.95	1.96	1.50	4.52	-0.24	2.13	0.40
Computers and peripheral equipment	11	0.75	0.66	0.98	0.94	0.18	0.79	0.31
Software ²	12	0.57	0.63	0.26	1.12	0.39	0.56	0.87
Other ³	13	0.63	0.67	0.25	2.46	-0.82	0.78	-0.78
Industrial equipment	14	0.62	0.47	1.16	-0.28	0.98	0.02	-0.29
Transportation equipment	15	0.98	0.05	-1.89	1.90	-1.91	0.92	-0.89
Other equipment ⁴	16	0.55	0.51	0.50	0.66	0.56	0.30	-0.04
Residential	17	3.19	-1.61	-0.36	-0.11	-4.33	-7.31	-6.98
Structures	18	3.17	-1.63	-0.40	-0.17	-4.32	-7.30	-6.99
Permanent site	19	2.44	-1.32	1.30	0.19	-4.46	-6.28	-6.93
Single family	20	2.12	-1.63	1.02	-0.39	-4.39	-6.47	-7.41
Multifamily	21	0.31	0.31	0.29	0.58	-0.07	0.19	0.48
Other structures ⁵	22	0.74	-0.31	-1.70	-0.36	0.14	-1.02	-0.06
Equipment	23	0.02	0.02	0.04	0.06	-0.01	-0.01	0.01
Addenda:								
Private fixed investment in structures	24	3.36	-0.02	1.52	1.33	-0.98	-4.51	-6.45
Private fixed investment in equipment and software	25	4.11	3.01	1.31	6.86	-0.63	3.35	-0.81
Private fixed investment in new structures ⁶	26	2.98	0.61	3.76	1.98	-0.85	-3.18	-6.44
Nonresidential structures	27	0.18	1.59	1.90	1.48	3.31	2.76	0.52
Residential structures	28	2.81	-0.98	1.87	0.50	-4.16	-5.94	-6.97

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
Private fixed investment	1	109.708	112.993	111.811	114.033	113.570	113.240	111.128
Nonresidential	2	99.326	106.703	101.308	104.606	105.738	108.292	108.175
Structures	3	80.302	87.603	81.174	82.893	86.819	90.044	90.657
Commercial and health care	4	75.875	81.272	75.888	77.193	79.366	84.017	84.512
Manufacturing	5	61.759	69.204	66.082	65.797	69.992	71.895	69.134
Power and communication	6	71.479	73.838	69.626	71.989	72.859	75.619	74.885
Mining exploration, shafts, and wells	7	134.078	149.071	139.450	140.128	149.062	152.640	154.455
Other structures ¹	8	74.770	84.816	74.755	78.828	84.988	86.500	88.948
Equipment and software	9	107.180	114.342	109.653	113.704	113.313	115.434	114.916
Information processing equipment and software ...	10	118.169	128.854	121.307	127.437	127.088	130.156	130.733
Computers and peripheral equipment	11	163.269	191.120	173.913	183.839	185.956	195.437	199.248
Software ²	12	117.072	124.948	118.920	122.383	123.658	125.468	128.282
Other ³	13	101.880	110.012	103.947	111.339	108.753	111.205	108.751
Industrial equipment	14	90.147	95.687	94.468	93.602	96.640	96.891	95.817
Transportation equipment	15	90.382	90.918	89.030	94.635	88.698	91.571	88.770
Other equipment ⁴	16	112.290	119.704	115.224	117.597	119.702	120.837	120.681
Residential	17	136.050	130.337	138.495	138.391	134.368	127.601	120.987
Structures	18	136.160	130.296	138.599	138.440	134.378	127.535	120.830
Permanent site	19	141.681	133.827	146.307	146.598	139.692	129.985	119.034
Single family	20	142.013	131.229	146.396	145.741	138.160	127.013	114.003
Multifamily	21	138.770	156.523	145.525	154.078	153.066	155.956	162.993
Other structures ⁵	22	127.527	124.735	126.591	125.738	126.070	123.635	123.496
Equipment	23	128.239	134.550	131.261	135.523	134.514	133.778	134.384
Addenda:								
Private fixed investment in structures	24	112.707	112.728	114.497	115.170	114.647	112.280	108.816
Private fixed investment in equipment and software	25	107.352	114.506	109.829	113.882	113.485	115.582	115.074
Private fixed investment in new structures ⁶	26	109.439	110.843	111.947	113.031	112.543	110.754	107.044
Nonresidential structures	27	80.287	87.501	81.141	82.832	86.729	89.924	90.520
Residential structures	28	133.472	129.462	137.357	137.880	133.419	127.079	119.471

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
Private fixed investment	1	110.542	114.143	112.194	113.238	114.074	114.224	115.034
Nonresidential	2	103.428	106.332	104.510	105.471	106.266	106.501	107.090
Structures	3	134.647	149.938	141.476	145.684	149.432	151.372	153.262
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	129.046	124.987	126.637	128.151	129.733	131.666
Mining exploration, shafts, and wells	7	209.732	265.338	236.244	252.697	267.060	271.460	270.133
Other structures ¹	8	123.118	131.166	126.442	128.550	130.395	131.753	133.963
Equipment and software	9	94.134	93.863	93.754	93.887	93.920	93.704	93.941
Information processing equipment and software ...	10	82.218	80.537	81.313	80.940	80.737	80.438	80.033
Computers and peripheral equipment	11	51.407	44.821	48.634	47.125	45.443	43.889	42.826
Software ²	12	94.067	94.979	94.009	94.430	95.005	95.354	95.128
Other ³	13	90.492	90.565	90.343	90.186	90.523	90.737	90.815
Industrial equipment.....	14	108.064	111.068	108.973	109.659	110.544	111.715	112.355
Transportation equipment.....	15	108.882	108.342	107.933	108.867	109.257	106.894	108.353
Other equipment ⁴	16	108.174	110.328	109.100	109.841	109.608	110.339	111.525
Residential	17	126.714	131.775	129.536	130.765	131.696	131.655	132.986
Structures	18	127.205	132.307	130.063	131.293	132.236	132.182	133.518
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 ⁵	22	125.627	131.027	128.948	129.920	131.133	131.404	131.651
Equipment	23	96.852	99.283	97.347	98.518	98.710	99.454	100.449
Addenda:								
Private fixed investment in structures.....	24	129.651	137.827	133.679	135.796	137.602	138.195	139.715
Private fixed investment in equipment and software	25	94.156	93.911	93.785	93.928	93.962	93.755	93.998
Private fixed investment in new structures ⁶	26	130.078	138.704	134.145	136.448	138.434	139.107	140.825
Nonresidential structures.....	27	134.842	150.239	141.714	145.953	149.726	151.683	153.593
Residential structures.....	28	127.366	132.628	130.072	131.433	132.510	132.478	134.092

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
Private fixed investment	1	2,036.2	2,165.0	2,105.8	2,167.7	2,174.8	2,171.4	2,146.0
Nonresidential	2	1,265.7	1,397.9	1,304.3	1,359.2	1,384.3	1,420.8	1,427.1
Structures	3	338.6	411.6	359.7	378.2	406.3	426.9	435.2
Commercial and health care	4	132.5	152.9	137.0	141.7	148.1	158.7	163.0
Manufacturing.....	5	24.1	29.0	26.6	27.0	29.2	30.3	29.7
Power and communication	6	41.2	44.6	40.7	42.7	43.7	45.9	46.2
Mining exploration, shafts, and wells.....	7	76.4	107.3	89.3	96.0	107.9	112.3	113.1
Other structures ¹	8	64.3	77.8	66.1	70.8	77.4	79.6	83.3
Equipment and software	9	927.1	986.2	944.7	981.0	977.9	994.0	992.0
Information processing equipment and software ...	10	454.3	485.3	461.3	482.4	479.9	489.6	489.3
Computers and peripheral equipment.....	11	85.1	86.9	85.9	88.0	85.9	87.2	86.7
Software ²	12	194.0	209.1	196.9	203.6	207.0	210.8	215.0
Other ³	13	175.2	189.3	178.4	190.8	187.1	191.7	187.7
Industrial equipment.....	14	155.1	169.2	163.9	163.4	170.1	172.0	171.4
Transportation equipment.....	15	158.3	158.4	154.6	165.7	155.9	157.5	154.7
Other equipment ⁴	16	159.4	173.3	164.9	169.4	172.1	174.9	176.6
Residential	17	770.4	767.1	801.5	808.5	790.6	750.5	718.8
Structures	18	761.3	757.3	792.1	798.7	780.8	740.7	708.9
Permanent site.....	19	481.7	472.1	507.3	513.7	492.4	457.3	425.2
Single family.....	20	433.5	415.4	455.5	458.2	437.0	401.0	365.4
Multifamily.....	21	48.2	56.7	51.8	55.4	55.4	56.3	59.8
Other structures ⁵	22	279.6	285.1	284.8	285.0	288.4	283.5	283.7
Equipment	23	9.1	9.8	9.4	9.8	9.8	9.8	9.9
Addenda:								
Private fixed investment in structures.....	24	1,099.9	1,168.9	1,151.8	1,176.9	1,187.1	1,167.6	1,144.0
Private fixed investment in equipment and software	25	936.2	996.0	954.1	990.8	987.7	1,003.7	1,001.9
Private fixed investment in new structures ⁶	26	992.4	1,071.2	1,046.5	1,074.8	1,085.7	1,073.7	1,050.5
Nonresidential structures.....	27	337.9	410.6	358.9	377.4	405.3	425.8	434.0
Residential structures.....	28	654.5	660.6	687.6	697.4	680.4	647.9	616.6

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
Private fixed investment	1	1,842.0	1,897.1	1,877.3	1,914.6	1,906.8	1,901.3	1,865.8
Nonresidential	2	1,223.8	1,314.7	1,248.2	1,288.8	1,302.8	1,334.2	1,332.8
Structures	3	251.5	274.4	254.2	259.6	271.9	282.0	283.9
Commercial and health care	4	104.4	111.8	104.4	106.2	109.2	115.6	116.2
Manufacturing.....	5	19.6	22.0	21.0	20.9	22.3	22.9	22.0
Power and communication and wells	6	33.5	34.6	32.6	33.7	34.1	35.4	35.1
Mining exploration, shafts, and wells	7	36.4	40.5	37.9	38.1	40.5	41.5	42.0
Other structures ¹	8	52.2	59.3	52.2	55.1	59.4	60.4	62.1
Equipment and software.....	9	984.9	1,050.7	1,007.6	1,044.8	1,041.2	1,060.7	1,056.0
Information processing equipment and software...	10	552.6	602.5	567.3	595.9	594.3	608.6	611.3
Computers and peripheral equipment ²	11							
Software ³	12	206.2	220.1	209.5	215.6	217.8	221.0	226.0
Other ⁴	13	193.6	209.0	197.5	211.6	206.7	211.3	206.6
Industrial equipment.....	14	143.5	152.3	150.4	149.0	153.9	153.9	152.6
Transportation equipment.....	15	145.4	146.2	143.2	152.2	142.7	147.3	142.8
Other equipment ⁵	16	147.3	157.1	151.2	154.3	157.1	158.6	158.3
Residential	17	608.0	582.5	618.9	618.5	600.5	570.3	540.7
Structures	18	598.5	572.7	609.2	608.5	590.6	560.6	531.1
Permanent site	19	375.5	354.7	387.8	388.6	370.2	344.5	315.5
Single family	20	336.3	310.7	346.6	345.1	327.1	300.8	269.9
Multifamily	21	39.2	44.2	41.1	43.5	43.3	44.1	46.1
Other structures ⁶	22	222.5	217.7	220.9	219.4	220.0	215.7	215.5
Equipment.....	23	9.4	9.9	9.7	10.0	9.9	9.8	9.9
Residual	24	-13.1	-32.2	-17.3	-26.6	-25.8	-35.3	-41.4
Addenda:								
Private fixed investment in structures.....	25	848.4	848.5	861.9	866.9	863.0	845.2	819.1
Private fixed investment in equipment and software.....	26	994.3	1,060.6	1,017.3	1,054.8	1,051.2	1,070.6	1,065.9
Private fixed investment in new structures ⁷	27	762.9	772.7	780.4	788.0	784.6	772.1	746.2
Nonresidential structures.....	28	250.6	273.1	253.3	258.6	270.7	280.7	282.5
Residential structures.....	29	513.9	499.4	528.8	530.8	513.7	489.3	460.0

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
Change in private inventories.....	1	21.3	53.4	48.6	47.2	62.3	64.2	40.1
Farm.....	2	0.3	2.9	5.8	5.4	2.3	2.5	1.5
Mining, utilities, and construction	3	1.8	2.1	-0.4	-3.1	7.7	2.3	1.5
Manufacturing	4	-3.2	12.1	0.1	9.2	13.9	12.8	12.7
Durable goods industries.....	5	1.2	7.6	-1.5	-0.2	6.5	11.0	13.0
Nondurable goods industries.....	6	-4.3	4.5	1.6	9.4	7.4	1.8	-0.4
Wholesale trade.....	7	17.1	29.6	14.7	16.8	22.0	38.7	40.8
Durable goods industries.....	8	14.3	18.3	18.8	6.8	16.5	30.3	19.6
Nondurable goods industries.....	9	2.8	11.3	-4.1	10.0	5.5	8.4	21.2
Retail trade	10	5.4	0.9	27.6	13.5	8.3	2.3	-20.3
Motor vehicle and parts dealers	11	-2.7	-7.2	19.5	5.5	1.0	-7.0	-28.2
Food and beverage stores.....	12	0.0	0.9	1.5	1.1	1.2	0.2	1.0
General merchandise stores.....	13	2.9	1.1	1.2	-4.9	-0.5	5.2	4.9
Other retail stores	14	5.2	6.1	5.4	11.8	6.7	3.8	2.2
Other industries	15	-0.1	5.7	0.9	5.5	8.0	5.5	3.9
Addenda:								
Change in private inventories ...	16	21.3	53.4	48.6	47.2	62.3	64.2	40.1
Durable goods industries.....	17	17.3	18.6	41.6	14.3	25.1	35.2	0.0
Nondurable goods industries.....	18	4.0	34.8	7.0	32.9	37.2	28.9	40.1
Nonfarm industries.....	19	21.0	50.5	42.8	41.8	59.9	61.6	38.6
Nonfarm change in book value ¹	20	72.3	82.0	115.7	47.1	117.6	103.0	60.4
Nonfarm inventory valuation adjustment ²	21	-51.3	-31.6	-72.9	-5.3	-57.7	-41.4	-21.9
Wholesale trade.....	22	17.1	29.6	14.7	16.8	22.0	38.7	40.8
Merchant wholesale trade.....	23	16.7	26.2	16.4	14.0	22.5	33.1	35.2
Durable goods industries Nondurable goods industries	24	13.7	16.3	19.7	7.4	18.0	25.3	14.4
Nonmerchant wholesale trade	25	3.0	9.9	-3.2	6.6	4.5	7.7	20.7
Nonmerchant wholesale trade	26	0.4	3.4	-1.7	2.8	-0.5	5.6	5.6

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
Change in private inventories.....	1	19.6	46.4	43.5	41.2	53.7	55.4	35.3
Farm.....	2	0.2	2.7	4.8	4.3	1.9	2.5	2.1
Mining, utilities, and construction	3	1.2	1.5	-0.5	-2.0	5.4	1.6	1.0
Manufacturing	4	-2.4	9.7	0.5	7.6	11.1	10.1	10.0
Durable goods industries.....	5	1.1	6.5	-1.3	-0.1	5.7	9.4	11.0
Nondurable goods industries.....	6	-3.3	3.2	1.5	7.1	5.2	1.1	-0.5
Wholesale trade.....	7	15.7	25.8	13.3	15.0	19.3	33.7	35.4
Durable goods industries.....	8	13.5	16.8	17.8	6.4	15.3	27.7	17.9
Nondurable goods industries.....	9	2.6	9.2	-3.3	8.2	4.5	6.9	17.0
Retail trade	10	5.2	0.9	26.4	12.8	7.8	2.2	-19.1
Motor vehicle and parts dealers	11	-2.7	-7.4	19.8	5.5	1.0	-7.2	-29.1
Food and beverage stores.....	12	0.0	0.8	1.3	1.0	1.0	0.2	0.8
General merchandise stores.....	13	2.7	1.0	1.1	-4.7	-0.5	4.8	4.5
Other retail stores	14	4.9	5.6	5.1	10.8	6.1	3.6	2.0
Other industries	15	-0.1	5.3	0.8	5.2	7.4	5.1	3.6
Residual	16	-0.5	1.2	-3.6	-0.5	0.7	-0.3	5.0
Addenda:								
Change in private inventories ...	17	19.6	46.4	43.5	41.2	53.7	55.4	35.3
Durable goods industries.....	18	16.4	17.1	39.2	13.4	23.1	31.9	-0.1
Nondurable goods industries.....	19	3.9	28.8	6.4	27.1	30.3	24.1	33.5
Nonfarm industries.....	20	19.6	43.9	38.6	36.8	52.2	53.3	33.4
Wholesale trade.....	21	15.7	25.8	13.3	15.0	19.3	33.7	35.4
Merchant wholesale trade.....	22	15.4	23.2	15.0	12.6	20.0	29.3	30.9
Durable goods industries Nondurable goods industries	23	12.9	15.0	18.6	6.9	16.7	23.1	13.2
Nonmerchant wholesale trade	24	2.7	8.3	-2.7	5.6	3.8	6.7	17.2
Nonmerchant wholesale trade	25	0.5	2.7	-1.4	2.3	-0.4	4.4	4.5

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
Private inventories ¹	1	1,817.0	1,839.2	1,896.9	1,919.1	1,935.9
Farm.....	2	165.6	173.1	175.7	186.1	189.2
Mining, utilities, and construction.....	3	89.8	82.1	80.6	81.0	82.0
Manufacturing.....	4	515.6	523.9	550.0	552.3	552.8
Durable goods industries.....	5	296.3	301.4	316.1	321.7	322.5
Nondurable goods industries.....	6	219.3	222.5	233.9	230.6	230.3
Wholesale trade.....	7	430.6	437.8	456.7	463.6	479.6
Durable goods industries.....	8	250.9	255.0	265.1	273.3	278.9
Nondurable goods industries.....	9	179.8	182.8	191.6	190.3	200.7
Retail trade.....	10	486.4	492.0	499.2	499.0	495.4
Motor vehicle and parts dealers.....	11	157.6	159.7	160.5	157.1	150.8
Food and beverage stores.....	12	36.8	36.7	37.4	38.0	38.4
General merchandise stores.....	13	76.7	75.9	76.4	78.1	79.7
Other retail stores.....	14	215.3	219.7	224.9	225.8	226.5
Other industries.....	15	128.9	130.2	134.7	137.1	137.0
Addenda:						
Private inventories.....	16	1,817.0	1,839.2	1,896.9	1,919.1	1,935.9
Durable goods industries.....	17	810.5	823.8	850.7	862.4	860.8
Nondurable goods industries.....	18	1,006.5	1,015.4	1,046.2	1,056.7	1,075.1
Nonfarm industries.....	19	1,651.4	1,666.2	1,721.2	1,733.0	1,746.7
Wholesale trade.....	20	430.6	437.8	456.7	463.6	479.6
Merchant wholesale trade.....	21	370.8	377.0	392.5	400.4	414.9
Durable goods industries.....	22	221.7	225.8	235.7	242.5	246.7
Nondurable goods industries.....	23	149.0	151.2	156.9	157.9	168.2
Nonmerchant wholesale trade.....	24	59.9	60.8	64.2	63.2	64.7
Final sales of domestic business ²	25	724.3	741.4	751.1	756.4	767.9
Final sales of goods and structures of domestic business ²	26	441.1	455.6	460.8	462.1	468.5
Ratios of private inventories to final sales of domestic business:						
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	3.73

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
Private inventories ¹	1	1,588.7	1,599.0	1,612.4	1,626.3	1,635.1
Farm.....	2	130.7	131.8	132.3	132.9	133.4
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	444.4
Durable goods industries.....	5	265.2	265.1	266.6	268.9	271.7
Nondurable goods industries.....	6	169.8	171.5	172.9	173.1	173.0
Wholesale trade.....	7	383.5	387.3	392.1	400.5	409.4
Durable goods industries.....	8	237.1	238.7	242.5	249.4	253.9
Nondurable goods industries.....	9	147.2	149.2	150.4	152.1	156.3
Retail trade.....	10	463.6	466.8	468.8	469.3	464.5
Motor vehicle and parts dealers.....	11	161.3	162.7	163.0	161.2	153.9
Food and beverage stores.....	12	32.1	32.3	32.6	32.6	32.8
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	203.7
Other industries.....	15	121.1	122.4	124.3	125.6	126.5
Residual.....	16	-1.7	-1.6	-1.8	-1.6	-0.5
Addenda:						
Private inventories.....	17	1,588.7	1,599.0	1,612.4	1,626.3	1,635.1
Durable goods industries.....	18	760.8	764.1	769.9	777.9	777.8
Nondurable goods industries.....	19	829.2	836.0	843.6	849.6	858.0
Nonfarm industries.....	20	1,458.2	1,467.4	1,480.4	1,493.7	1,502.1
Wholesale trade.....	21	383.5	387.3	392.1	400.5	409.4
Merchant wholesale trade.....	22	334.7	337.9	342.9	350.2	358.0
Durable goods industries.....	23	209.1	210.8	215.0	220.7	224.0
Nondurable goods industries.....	24	128.1	127.5	128.5	130.2	134.5
Nonmerchant wholesale trade.....	25	48.9	49.5	49.4	50.5	51.6
Final sales of domestic business ²	26	656.6	667.5	671.8	674.7	682.8
Final sales of goods and structures of domestic business ²	27	411.1	421.4	423.1	423.8	429.3
Ratios of private inventories to final sales of domestic business:						
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
Private inventories ¹	1	114.369	115.022	117.640	118.005	118.395
Farm.....	2	126.709	131.303	132.816	140.014	141.802
Mining, utilities, and construction.....	3	162.533	150.009	143.636	143.332	144.381
Manufacturing.....	4	118.596	119.993	125.162	124.982	124.371
Durable goods industries.....	5	111.721	113.688	118.579	119.635	118.699
Nondurable goods industries.....	6	129.193	129.701	135.299	133.205	133.104
Wholesale trade.....	7	112.278	113.052	116.485	115.751	117.148
Durable goods industries.....	8	105.825	106.870	109.330	109.560	109.833
Nondurable goods industries.....	9	122.137	122.471	127.453	125.155	128.379
Retail trade.....	10	104.909	105.399	106.496	106.323	106.642
Motor vehicle and parts dealers.....	11	97.666	98.143	98.522	97.509	97.989
Food and beverage stores.....	12	114.670	113.712	114.876	116.498	117.121
General merchandise stores.....	13	105.842	106.366	107.262	107.817	108.352
Other retail stores.....	14	108.676	109.397	111.133	111.084	111.154
Other industries.....	15	106.444	106.386	108.340	109.188	108.355
Addenda:						
Private inventories.....	16	114.369	115.022	117.640	118.005	118.395
Durable goods industries.....	17	106.541	107.808	110.493	110.862	110.658
Nondurable goods industries.....	18	121.377	121.467	124.020	124.381	125.312
Nonfarm industries.....	19	113.248	113.548	116.264	116.020	116.286
Wholesale trade.....	20	112.278	113.052	116.485	115.751	117.148
Merchant wholesale trade.....	21	110.761	111.585	114.482	114.332	115.911
Durable goods industries.....	22	106.067	107.126	109.629	109.863	110.120
Nondurable goods industries.....	23	118.131	118.562	122.103	121.304	125.101
Nonmerchant wholesale trade.....	24	122.378	122.809	129.926	125.140	125.264

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
National income without capital consumption adjustment	1	10,917.9	.....	11,209.1	11,625.7	11,697.6	11,847.3	.....
Domestic industries	2	10,886.0	.....	11,196.6	11,596.6	11,674.8	11,830.6	.....
Private industries	3	9,574.6	.....	9,865.6	10,245.2	10,311.4	10,448.2	.....
Agriculture, forestry, fishing, and hunting	4	87.6	.....	86.9	87.4	82.2	87.2	.....
Mining	5	158.9	.....	184.4	188.0	187.2	201.6	.....
Utilities	6	176.7	.....	187.5	192.1	201.0	207.2	.....
Construction	7	604.2	.....	628.1	652.5	650.3	638.6	.....
Manufacturing	8	1,365.8	.....	1,392.2	1,472.8	1,457.4	1,504.9	.....
Durable goods	9	746.0	.....	759.9	815.7	790.8	833.9	.....
Nondurable goods	10	619.8	.....	632.3	657.0	666.6	671.0	.....
Wholesale trade	11	689.3	.....	713.8	732.9	733.0	767.5	.....
Retail trade	12	825.3	.....	852.6	866.1	869.2	881.7	.....
Transportation and warehousing	13	306.3	.....	310.4	327.0	341.7	348.8	.....
Information	14	417.1	.....	430.8	447.8	443.2	447.0	.....
Finance, insurance, real estate, rental, and leasing	15	1,832.9	.....	1,897.2	1,975.5	2,002.6	1,983.1	.....
Professional and business services ¹	16	1,510.4	.....	1,560.2	1,623.4	1,635.5	1,667.5	.....
Educational services, health care, and social assistance	17	938.2	.....	954.4	981.7	1,000.4	1,005.5	.....
Arts, entertainment, recreation, accommodation, and food services	18	394.2	.....	394.2	420.7	426.3	425.2	.....
Other services, except government	19	267.6	.....	272.9	277.5	281.2	282.4	.....
Government	20	1,311.4	.....	1,331.1	1,351.4	1,363.4	1,382.3	.....
Rest of the world	21	31.9	.....	12.5	29.1	22.7	16.7	.....

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
Corporate profits with inventory valuation and capital consumption adjustments	1	1,330.7	.....	1,393.5	1,569.1	1,591.8	1,653.3	.....
Domestic industries	2	1,133.7	.....	1,197.2	1,343.0	1,351.9	1,418.7	.....
Financial ¹	3	369.4	.....	390.8	442.2	483.9	474.8	.....
Nonfinancial	4	764.2	.....	806.4	900.9	868.1	943.9	.....
Rest of the world	5	197.0	.....	196.3	226.1	239.9	234.6	.....
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	.....
Corporate profits with inventory valuation adjustment	8	1,486.1	.....	1,559.1	1,717.7	1,752.6	1,815.8	.....
Domestic industries	9	1,289.1	.....	1,362.8	1,491.6	1,512.7	1,581.1	.....
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 ²	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 ³	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 ⁴	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 ⁵	32	305.2	.....	314.6	340.1	323.9	317.1	.....
Rest of the world	33	197.0	.....	196.3	226.1	239.9	234.6	.....

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
Current dollars:								
Gross domestic product	1	41,984	44,272	42,756	43,602	44,141	44,451	44,889
Gross national product	2	42,092	44,272	42,798	43,700	44,217	44,506	44,889
Personal income	3	34,513	36,401	35,210	35,937	36,147	36,583	36,932
Disposable personal income	4	30,458	31,849	31,020	31,470	31,595	32,025	32,304
Personal consumption expenditures								
Durable goods	5	29,468	30,967	29,985	30,432	30,865	31,185	31,384
Nondurable goods	6	3,482	3,578	3,424	3,567	3,551	3,588	3,606
Services	7	8,559	9,072	8,777	8,910	9,102	9,168	9,108
Chained (2000) dollars:								
Gross domestic product	9	37,241	38,154	37,494	37,931	38,090	38,181	38,414
Gross national product	10	37,340	38,154	37,534	38,019	38,158	38,231	38,414
Disposable personal income	11	27,318	27,800	27,484	27,743	27,578	27,792	28,089
Personal consumption expenditures								
Durable goods	12	26,430	27,031	26,567	26,828	26,941	27,063	27,289
Nondurable goods	13	3,861	4,022	3,822	3,990	3,981	4,033	4,082
Services	14	7,674	7,895	7,757	7,853	7,864	7,874	7,987
Population (midperiod, thousands)	15	14,954	15,195	15,035	15,065	15,170	15,237	15,308
	16	296,677	299,373	297,748	298,340	298,982	299,716	300,455

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
Motor vehicle output								
Auto output	1	5.9	-1.7	-19.1	3.8	-9.4	27.4	-31.7
Truck output	2	14.1	-0.5	9.4	-6.7	-12.5	7.3	-5.0
Final sales of domestic product	3	1.8	-2.4	-31.9	10.7	-7.5	40.3	-43.8
Personal consumption expenditures	4	7.1	-1.0	-44.1	19.9	-4.0	31.1	-13.2
New motor vehicles	5	-0.5	-1.3	-40.1	20.7	1.0	12.3	-4.6
Autos	6	-1.7	-4.6	-54.1	20.6	2.1	13.0	-1.2
Light trucks (including utility vehicles)	7	5.2	0.7	-28.5	6.1	21.6	-2.6	-7.2
Net purchases of used autos and used light trucks	8	-5.8	-8.2	-66.5	32.9	-10.9	26.9	3.6
Used autos	9	2.2	5.9	6.4	20.8	-0.9	11.1	-10.9
Used light trucks (including utility vehicles)	10	2.1	2.7	-3.8	17.9	-1.3	4.9	-4.0
Private fixed investment	11	2.4	9.1	17.5	23.7	-0.6	17.2	-17.0
New motor vehicles	12	20.9	3.7	-11.8	14.2	-16.6	18.8	-8.7
Autos	13	12.7	5.6	-4.5	28.9	-24.6	11.9	-1.4
Trucks	14	7.5	-0.4	0.4	-1.5	-23.5	7.6	9.7
Light trucks (including utility vehicles)	15	15.6	8.7	-6.9	47.4	-25.1	14.0	-6.4
Other	16	13.5	8.5	-16.6	59.2	-32.0	19.9	-14.0
Net purchases of used autos and used light trucks	17	21.5	9.2	23.9	21.2	-4.7	0.8	14.0
Used autos	18	-1.5	9.6	12.3	62.5	-37.7	-0.6	15.0
Used light trucks (including utility vehicles)	19	-0.4	4.1	26.3	14.8	-36.1	19.8	18.6
Gross government investment	20	-2.6	15.1	0.0	125.3	-39.0	-16.1	11.6
Autos	21	4.2	15.8	-34.0	62.1	8.2	11.4	1.3
Trucks	22	7.4	-1.9	-27.4	-13.4	64.4	-0.5	-4.5
Net exports	23	3.3	21.2	-35.7	90.0	-2.1	14.6	2.9
Exports	24	18.6	12.2	7.5	30.8	-14.5	69.6	-40.3
Autos	25	23.0	18.1	23.5	36.5	-14.9	81.3	-27.8
Trucks	26	15.0	7.1	-4.7	25.8	-14.2	59.3	-50.5
Imports	27	1.0	8.4	25.6	23.3	-6.7	-10.6	2.4
Autos	28	-3.6	10.3	22.9	11.8	-4.8	24.2	5.4
Trucks	29	5.6	6.7	28.1	34.5	-8.2	-34.2	-0.6
Change in private inventories	30							
Autos	31							
New	32							
Domestic	33							
Foreign	34							
Used	35							
Trucks	36							
New	37							
Domestic	38							
Foreign	39							
Used ¹	40							
Addenda:	41							
Final sales of motor vehicles to domestic purchasers	42	4.5	0.5	-33.4	20.0	-3.8	13.9	-5.5
Private fixed investment in new autos and new light trucks	43	11.0	4.8	-9.9	30.7	-28.7	14.8	-4.9
Domestic output of new autos ²	44	12.5	-0.1	26.1	-1.7	-21.9	7.6	-22.2
Sales of imported new autos ³	45	2.9	5.2	-12.4	-6.5	17.9	14.5	7.7

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.

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	2.8
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	95.440	95.415	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	11,422.4	11,369.7	.....	3.4	3.1	116.053	116.487	116.034	.....	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
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

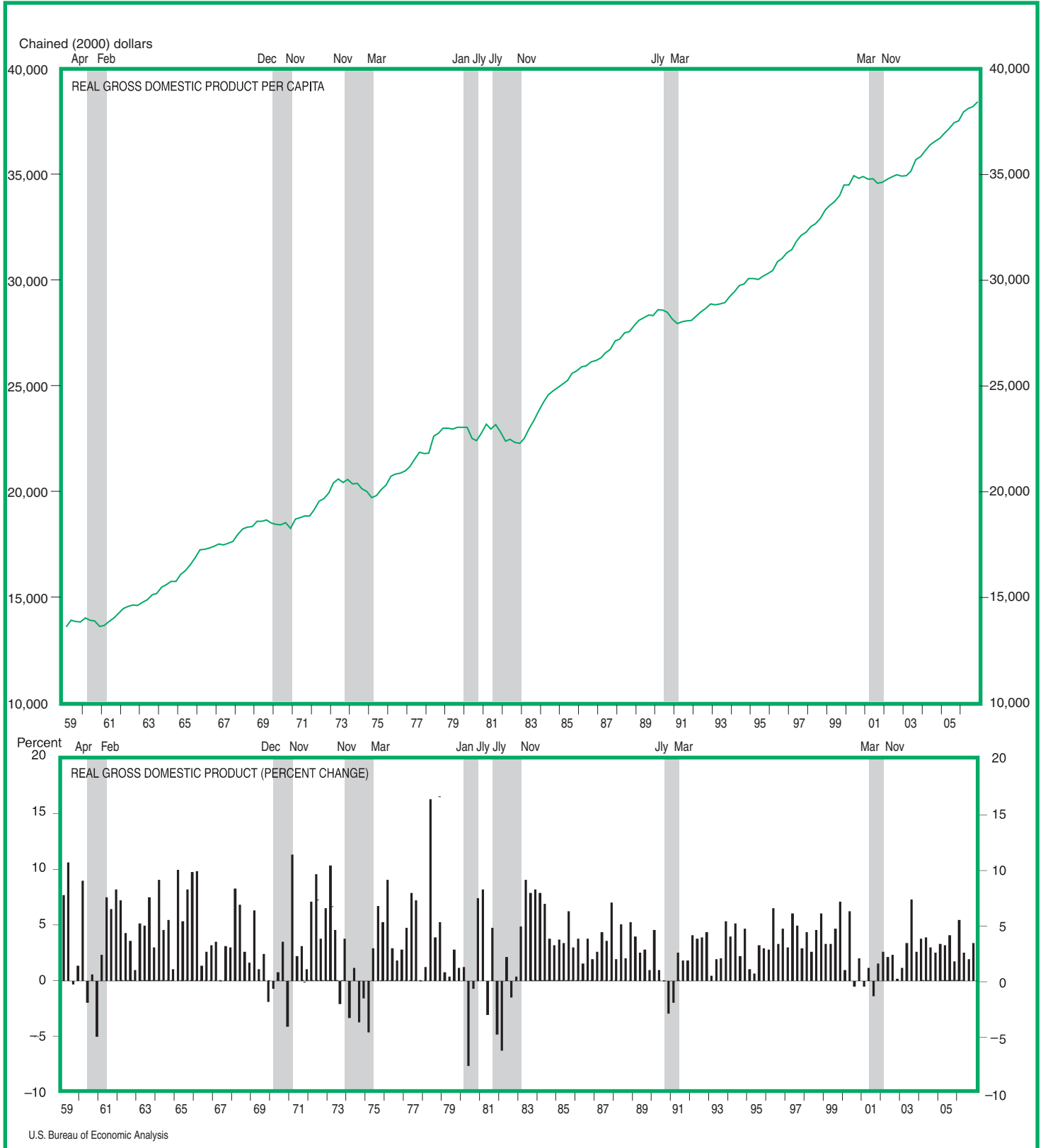
[Quarterly estimates are seasonally adjusted at annual rates]

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.....	11,541.6	11,500.3	.....	3.5	4.2	116.893	117.100	116.857	.....	1.5	0.1	1.5	.....

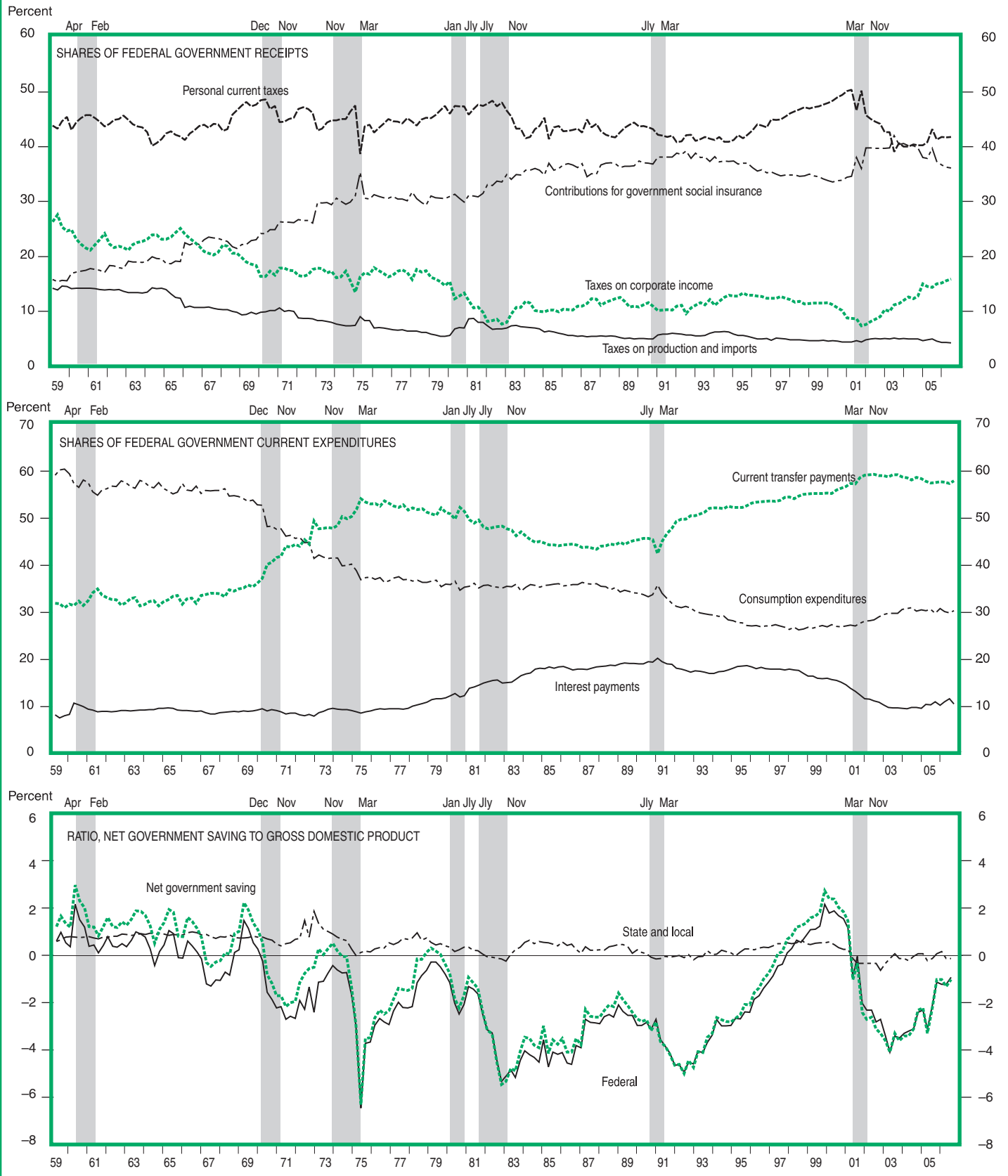
D. Charts

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.

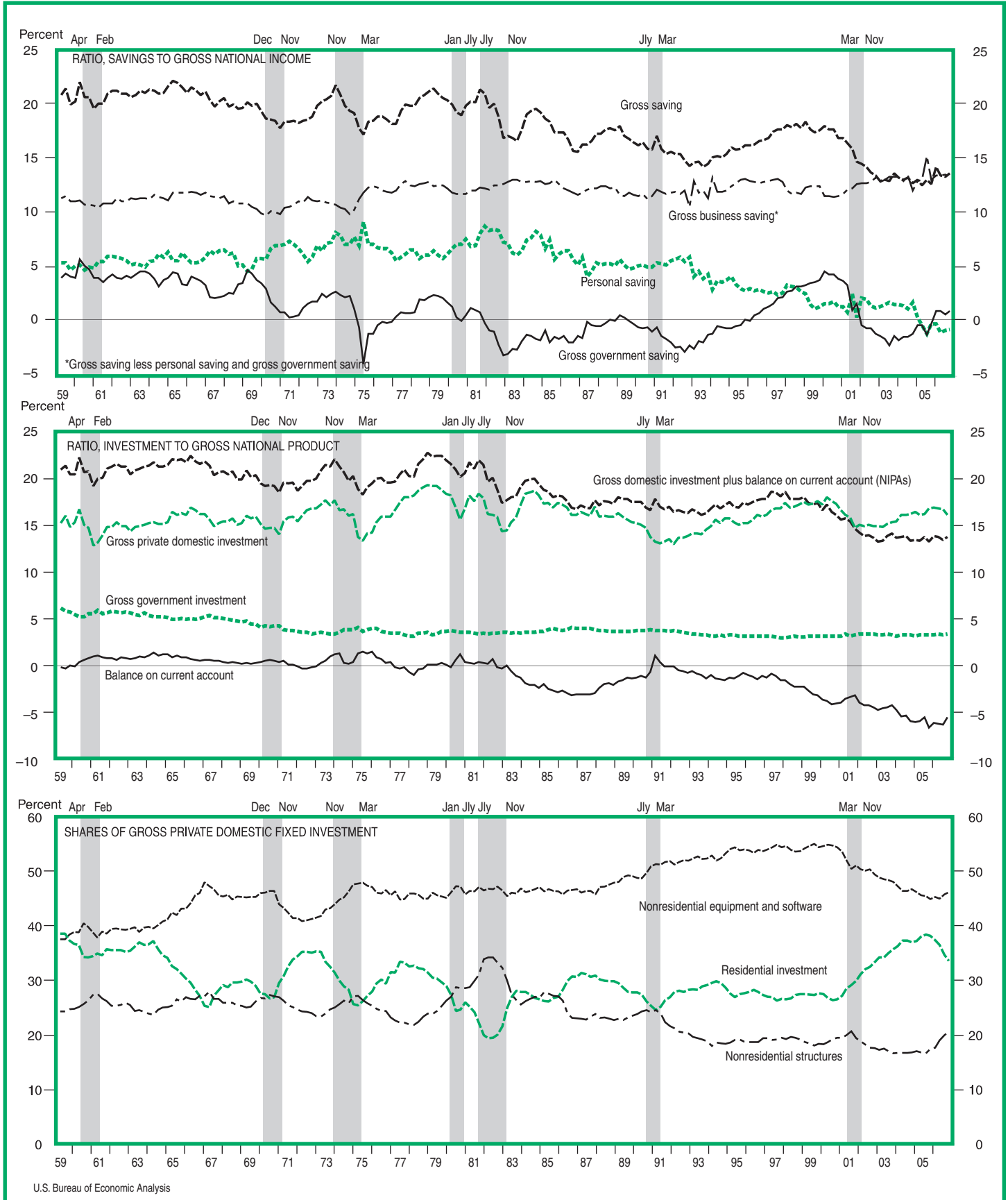
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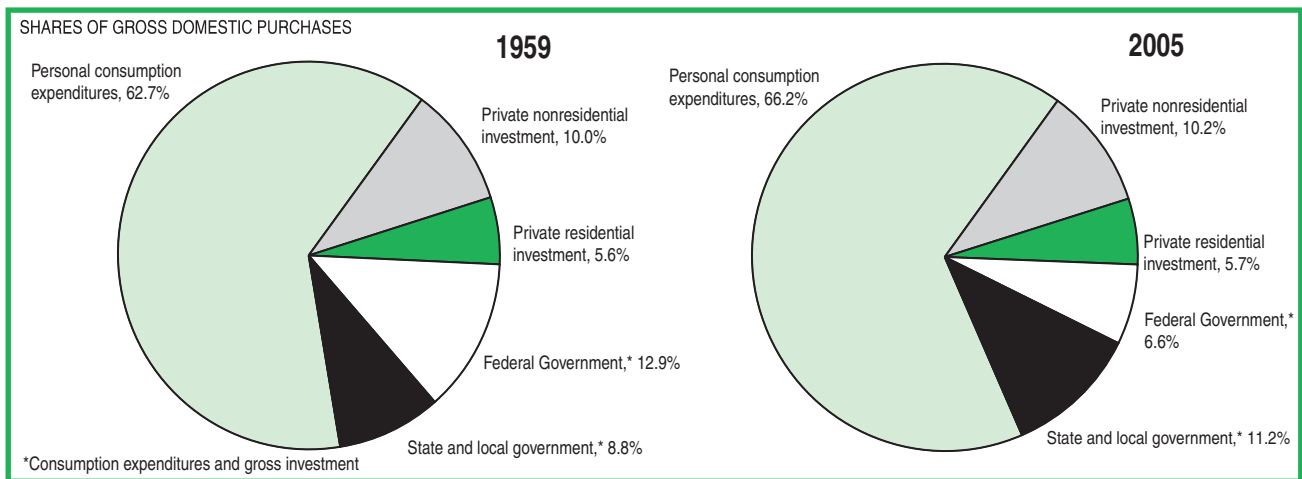
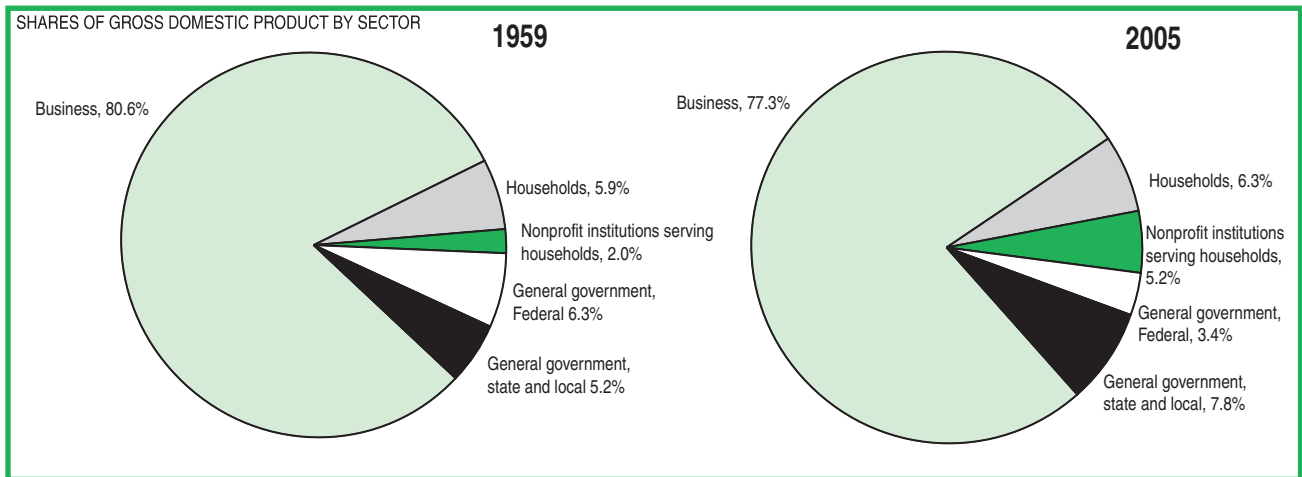
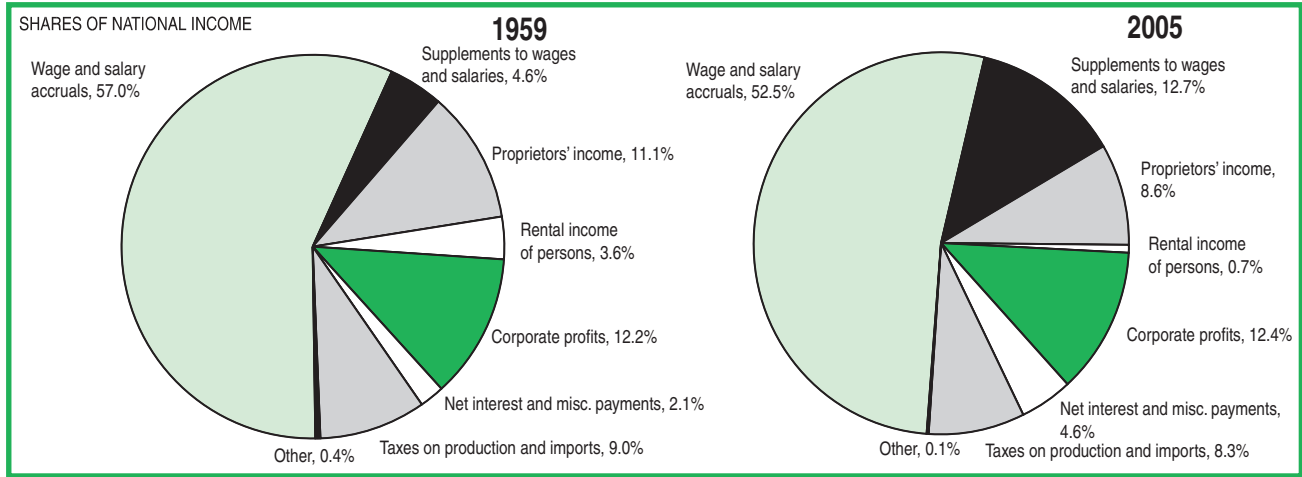
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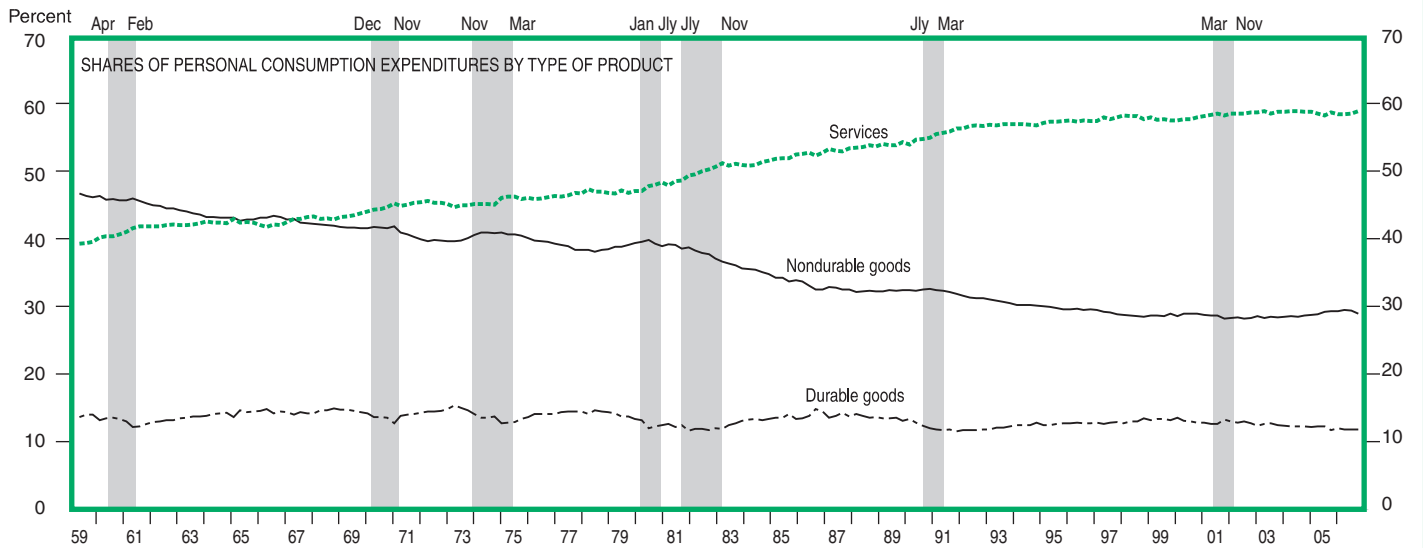
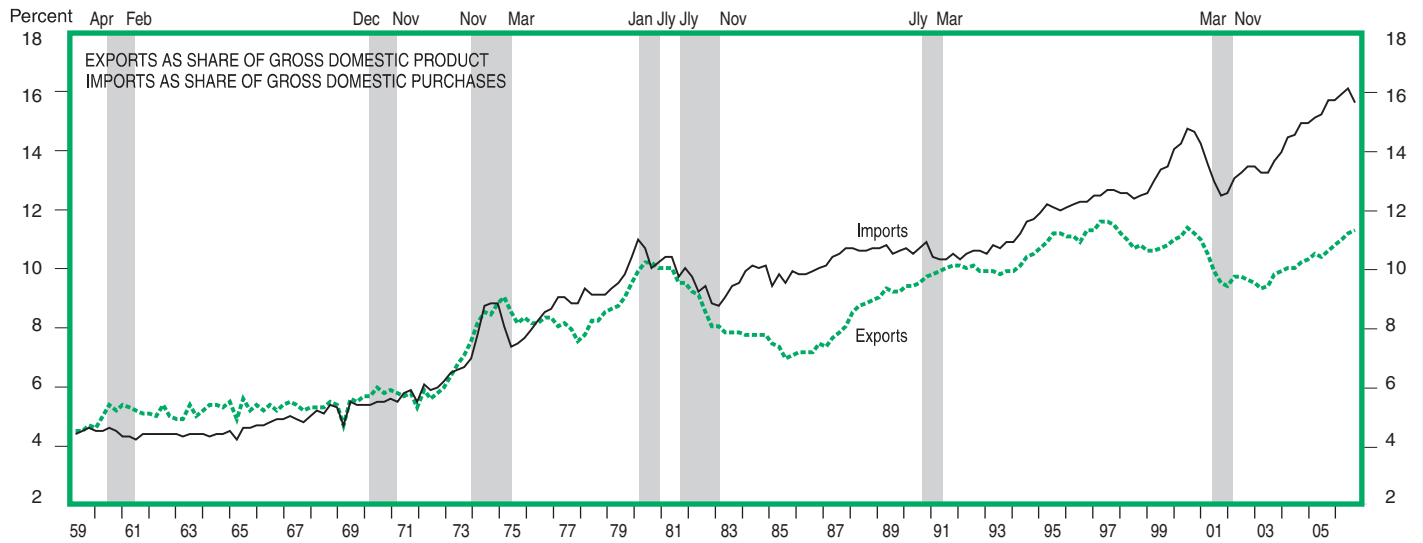
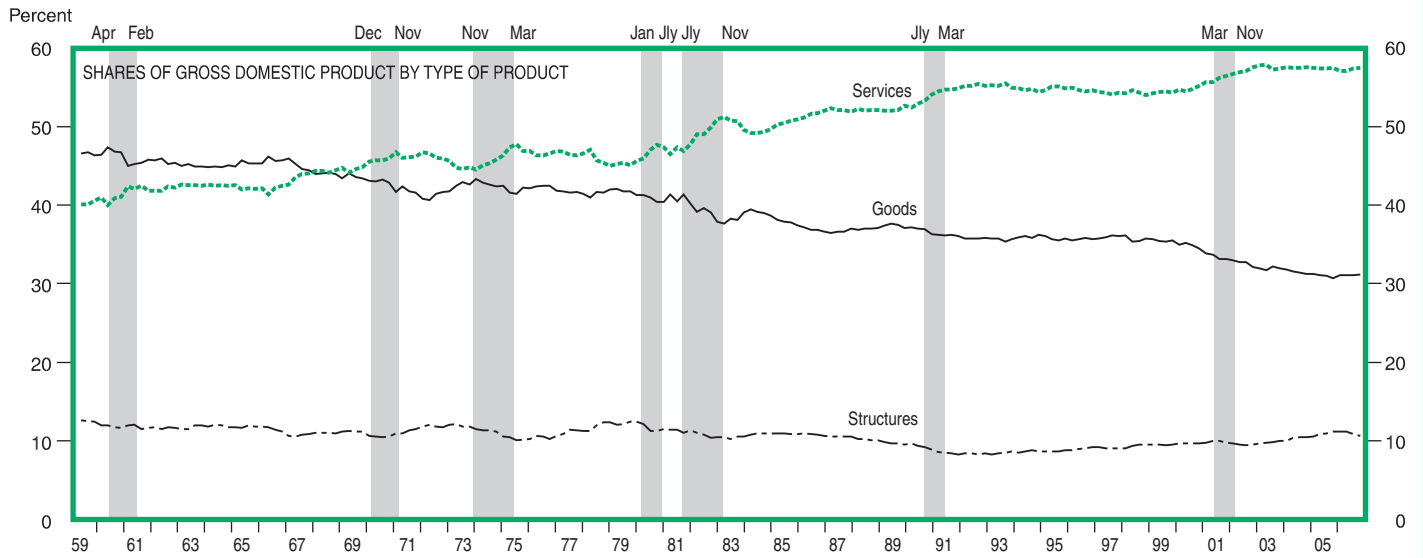
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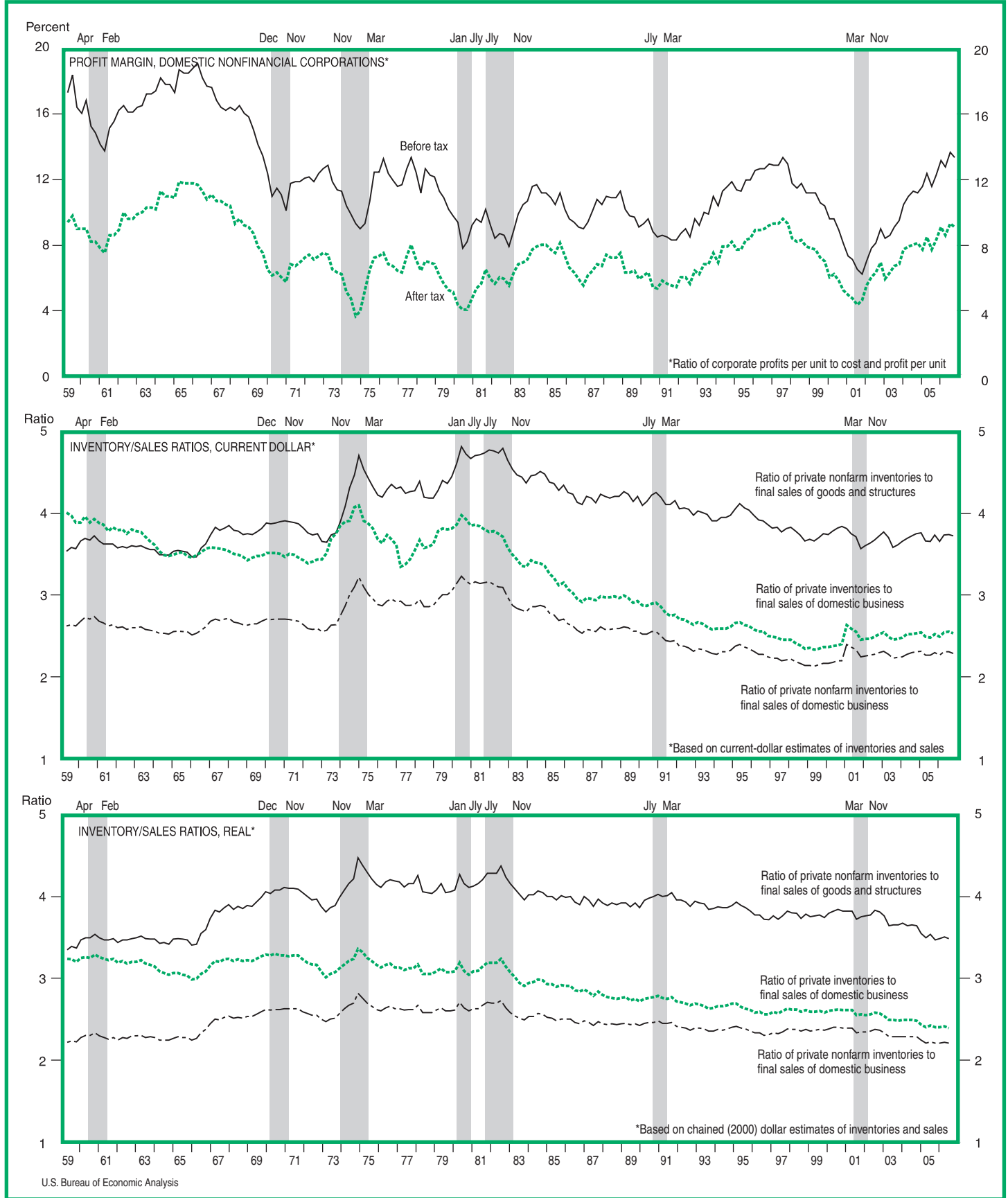
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Industry Data

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	Gross domestic product	2.5	3.9	3.2	2.1	2.8	3.0	50	Finance, insurance, real estate, rental, and leasing	2.4	4.3	3.0	2.4	2.9	2.3
2	Private industries	2.7	4.2	3.3	1.8	2.8	3.1	51	Finance and insurance	3.5	2.1	2.2	1.5	3.9	2.1
3	Agriculture, forestry, fishing, and hunting	7.5	6.1	0.1	11.5	17.0	-13.4	52	Federal Reserve banks, credit intermediation, and related activities.....	4.6	-3.4	3.2	1.9	3.4	3.5
4	Farms.....	8.4	7.4	1.0	15.0	20.9	-17.2	53	Securities, commodity contracts, and investments	5.0	6.3	8.3	-6.3	1.1	-1.4
5	Forestry, fishing, and related activities.....	4.8	1.4	-3.1	1.2	3.3	2.7	54	Insurance carriers and related activities.....	-0.1	8.3	-2.7	7.5	7.0	2.9
6	Mining	-0.9	0.9	-2.6	35.8	19.0	39.2	55	Funds, trusts, and other financial vehicles.....	17.5	15.1	7.1	-18.1	-5.5	-10.9
7	Oil and gas extraction.....	-4.7	-1.2	-4.6	56.9	25.5	43.8	56	Real estate and rental and leasing	1.7	5.7	3.4	2.9	2.3	2.3
8	Mining, except oil and gas.....	-0.7	-1.9	-3.4	2.3	9.5	11.5	57	Real estate.....	2.0	6.4	3.9	2.7	2.3	2.2
9	Support activities for mining.....	14.9	13.9	7.0	14.5	4.3	49.1	58	Rental and leasing services and lessors of intangible assets.....	-2.4	-3.3	-3.5	5.0	2.7	4.3
10	Utilities	6.9	2.4	1.2	-0.8	4.4	4.2	59	Professional and business services	4.4	5.2	5.6	0.6	2.5	2.6
11	Construction	-2.0	1.5	3.9	5.0	7.4	8.7	60	Professional, scientific, and technical services	4.0	7.8	6.8	0.0	0.6	1.7
12	Manufacturing	1.1	6.5	2.2	-0.6	-0.9	3.2	61	Legal services.....	1.9	3.5	0.8	3.8	6.0	6.1
13	Durable goods.....	2.6	7.7	4.9	-2.9	-1.4	-0.6	62	Computer systems design and related services.....	-0.3	8.2	7.5	-2.1	-2.6	-0.1
14	Wood products.....	0.3	3.2	3.3	5.2	15.4	-1.4	63	Miscellaneous professional, scientific, and technical services.....	5.9	9.2	8.8	-0.7	-0.4	0.8
15	Nonmetallic mineral products.....	-0.7	7.4	-0.4	-1.1	2.1	8.1	64	Management of companies and enterprises	2.8	2.7	1.4	3.5	4.9	5.7
16	Primary metals.....	-4.1	15.2	-1.0	-4.7	22.9	13.6	65	Administrative and waste management services	6.4	0.8	5.3	0.4	5.6	2.7
17	Fabricated metal products.....	0.2	8.6	4.8	-1.2	2.5	5.1	66	Administrative and support services.....	6.3	1.2	5.0	0.2	5.4	3.3
18	Machinery.....	-1.8	14.3	4.1	-0.5	-3.2	2.3	67	Waste management and remediation services.....	7.7	-2.6	7.9	2.2	7.6	-3.0
19	Computer and electronic products.....	15.5	20.5	19.9	-13.5	-13.3	-12.9	68	Educational services, health care, and social assistance	4.4	3.3	3.5	2.7	3.3	3.0
20	Electrical equipment, appliances, and components	2.6	-6.8	1.8	-2.5	0.5	2.7	69	Educational services	3.5	2.3	1.9	3.7	5.6	5.0
21	Motor vehicles, bodies and trailers, and parts.....	7.4	-6.0	-2.9	-2.8	-5.9	-10.6	70	Health care and social assistance	4.5	3.4	3.7	2.6	3.0	2.8
22	Other transportation equipment.....	-13.7	2.8	3.8	3.7	2.5	4.3	71	Ambulatory health care services.....	4.6	3.8	5.9	1.9	2.2	2.0
23	Furniture and related products.....	7.6	13.4	-2.4	0.1	-3.4	3.6	72	Hospitals and nursing and residential care facilities	4.0	2.4	0.6	4.0	4.8	4.3
24	Miscellaneous manufacturing.....	4.8	9.4	8.3	0.0	-2.1	-0.5	73	Social assistance.....	6.3	5.2	5.7	0.4	-0.2	0.4
25	Nondurable goods.....	-0.8	4.9	-1.3	2.5	-0.2	8.4	74	Arts, entertainment, recreation, accommodation, and food services	3.1	3.0	1.4	1.4	3.1	3.4
26	Food and beverage and tobacco products.....	-1.5	-3.7	4.8	-1.4	-3.5	7.4	75	Arts, entertainment, and recreation	1.9	0.5	-0.4	2.7	2.9	3.4
27	Textile mills and textile product mills.....	10.3	-0.4	2.4	-4.6	1.8	-0.6	76	Performing arts, spectator sports, museums, and related activities.....	2.3	1.3	-1.2	3.7	3.9	4.8
28	Apparel and leather and allied products.....	-12.5	-4.3	0.1	-0.3	-2.3	-1.5	77	Amusements, gambling, and recreation industries	1.6	-0.2	0.3	1.9	2.0	2.2
29	Paper products.....	2.5	8.0	2.1	-2.4	-2.9	1.3	78	Accommodation and food services	3.5	4.0	2.0	0.9	3.2	3.5
30	Printing and related support activities.....	-0.1	4.2	1.3	-0.8	-1.5	-0.2	79	Accommodation.....	0.5	3.8	0.7	1.3	5.3	4.8
31	Petroleum and coal products.....	-5.6	24.1	-21.3	57.9	10.8	49.8	80	Food services and drinking places.....	4.9	4.1	2.6	0.8	2.3	2.8
32	Chemical products.....	-0.5	8.3	-1.7	3.5	2.1	7.2	81	Other services, except government	2.0	-0.5	-0.7	3.0	3.8	3.9
33	Plastics and rubber products.....	0.1	8.2	-1.5	-2.4	-3.2	2.5	82	Government	1.3	0.5	0.7	4.6	4.6	4.2
34	Wholesale trade	2.1	1.1	1.5	1.3	6.8	6.4	83	Federal	2.4	0.9	-0.2	4.9	5.7	4.4
35	Retail trade	3.9	2.5	5.0	0.5	1.4	0.4	84	General government.....	2.7	1.0	0.6	6.0	6.2	5.4
36	Transportation and warehousing	2.0	5.2	4.0	1.9	-0.9	0.4	85	Government enterprises.....	1.1	0.7	-5.3	-0.8	2.5	-1.8
37	Air transportation.....	7.0	5.9	6.2	0.0	-18.0	-14.1	86	State and local	0.8	0.3	1.1	4.5	4.1	4.1
38	Rail transportation.....	5.0	4.9	-3.5	2.1	2.6	10.7	87	General government.....	0.6	0.5	1.0	4.9	4.0	4.2
39	Water transportation.....	-4.8	10.1	12.0	31.9	-6.1	-10.7	88	Government enterprises.....	2.5	-1.7	1.8	-0.4	4.5	2.0
40	Truck transportation.....	1.5	7.8	4.6	1.3	1.9	1.1	89	Addenda:						
41	Transit and ground passenger transportation.....	-2.1	-0.1	1.0	4.6	3.5	2.0	90	Private goods-producing industries ¹	0.6	4.8	2.1	3.2	3.3	6.1
42	Pipeline transportation.....	-3.3	-0.3	19.6	-11.5	-2.3	-18.8	91	Private services-producing industries ²	3.3	4.1	3.7	1.4	2.6	2.3
43	Other transportation and support activities.....	-0.4	2.5	1.3	3.2	5.6	7.7		Information-communications-technology-producing industries ³	7.2	13.7	13.3	-5.7	-6.3	-4.3
44	Warehousing and storage.....	5.1	6.7	9.4	0.4	-0.6	-0.6								
45	Information	3.0	11.4	9.0	-1.7	-2.9	-3.7								
46	Publishing industries (includes software).....	7.3	12.5	12.9	-3.2	-3.9	-0.4								
47	Motion picture and sound recording industries.....	1.0	1.5	1.1	-2.5	2.8	0.3								
48	Broadcasting and telecommunications.....	0.9	11.8	7.4	-1.2	-3.0	-6.1								
49	Information and data processing services.....	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 February 13, 2007. It includes revised estimates for January to November 2006 and preliminary estimates for December 2006.

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	2006 ^p	2005		2006											
			Nov.	Dec.	Jan. ^r	Feb. ^r	March ^r	April ^r	May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^r	Dec. ^p
Exports of goods and services	1,275,245	1,437,839	110,006	112,567	114,471	113,525	115,648	115,786	118,337	121,036	119,706	122,503	123,088	123,403	124,800	125,537
Goods	894,631	1,023,728	77,511	79,429	81,142	80,491	82,093	81,570	83,795	86,692	85,195	87,761	88,327	88,239	89,009	89,415
Foods, feeds, and beverages	58,955	65,890	4,926	4,979	5,260	4,919	5,149	5,099	5,451	5,663	5,616	5,971	5,719	5,747	5,518	5,779
Industrial supplies and materials	233,079	275,780	19,517	20,145	21,045	20,633	22,163	22,225	22,947	23,710	23,094	23,629	24,618	24,198	23,869	23,649
Capital goods, except automotive	362,686	414,044	32,188	32,661	33,173	33,361	33,361	33,201	33,983	34,895	33,574	34,855	35,558	35,604	36,282	36,197
Automotive vehicles, parts, and engines	98,578	107,166	8,655	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
Consumer goods (nonfood), except automotive....	115,715	129,248	10,006	10,461	10,366	10,264	10,479	10,063	10,577	10,767	10,893	11,128	10,767	11,168	11,322	11,456
Other goods.....	36,964	45,192	3,192	3,408	3,350	3,324	3,326	3,312	3,397	3,701	3,558	3,973	4,213	4,143	4,620	4,274
Adjustments ¹	-11,347	-13,592	-973	-1,164	-843	-909	-910	-937	-1,052	-954	-1,090	-1,217	-1,296	-1,303	-1,609	-1,473
Services	380,614	414,111	32,495	33,138	33,329	33,034	33,555	34,216	34,542	34,344	34,511	34,742	34,761	35,164	35,791	36,122
Travel.....	81,680	85,763	6,633	6,864	7,043	6,793	6,906	7,253	7,187	7,003	7,207	7,108	7,149	7,233	7,429	7,452
Passenger fares	20,931	21,646	1,744	1,793	1,908	1,783	1,854	1,780	1,762	1,733	1,774	1,760	1,792	1,805	1,844	1,851
Other transportation	42,245	48,164	3,752	3,789	3,831	3,793	3,964	4,078	4,043	4,081	3,994	4,196	4,026	4,002	4,058	4,098
Royalties and license fees.....	57,410	61,878	4,979	5,008	4,979	5,007	5,054	5,160	5,196	5,211	5,157	5,166	5,186	5,215	5,254	5,293
Other private services	158,223	178,455	13,894	14,043	13,979	14,052	14,242	14,434	14,803	14,866	14,909	15,039	15,189	15,452	15,663	15,827
Transfers under U.S. military agency sales contracts ²	19,038	17,067	1,407	1,555	1,498	1,513	1,442	1,416	1,456	1,354	1,372	1,374	1,321	1,363	1,450	1,508
U.S. Government miscellaneous services.....	1,087	1,138	86	86	91	93	93	95	95	96	98	99	98	94	93	93
Imports of goods and services	1,991,975	2,201,426	174,008	176,741	180,864	176,360	177,835	179,303	183,597	185,647	187,334	191,117	187,438	182,298	182,915	186,719
Goods	1,677,371	1,859,804	147,225	149,648	153,458	148,611	149,899	151,229	154,904	156,797	158,737	162,720	158,712	153,357	153,779	157,602
Foods, feeds, and beverages	68,094	74,939	5,895	5,964	6,180	5,929	6,331	6,185	6,035	5,997	6,235	6,440	6,338	6,466	6,364	6,438
Industrial supplies and materials	523,881	602,955	49,082	49,320	50,269	49,598	46,465	48,890	52,768	52,102	54,224	55,896	52,309	46,948	45,925	47,560
Capital goods, except automotive	379,227	418,503	32,339	32,980	34,079	32,476	34,354	34,453	34,641	34,596	35,312	36,252	35,704	35,409	35,748	35,480
Automotive vehicles, parts, and engines	239,512	256,607	20,747	21,136	22,268	21,212	20,959	21,379	20,866	22,165	20,900	21,364	21,006	20,720	21,128	22,641
Consumer goods (nonfood), except automotive....	407,168	442,917	34,011	35,233	35,145	34,321	36,514	35,320	35,527	36,674	36,786	37,351	38,001	38,174	39,152	39,951
Other goods.....	55,572	59,503	4,827	4,656	5,116	4,743	4,889	4,638	4,710	4,881	4,888	4,981	5,017	5,259	5,161	5,221
Adjustments ¹	3,916	4,381	324	360	401	332	388	365	357	381	392	437	336	382	299	311
Services	314,604	341,622	26,783	27,093	27,406	27,749	27,936	28,074	28,693	28,850	28,597	28,397	28,726	28,941	29,136	29,117
Travel.....	69,175	72,882	5,620	5,776	5,887	5,685	6,062	6,155	6,308	6,176	6,121	5,931	6,084	6,156	6,156	6,161
Passenger fares	26,066	27,207	2,229	2,211	2,214	2,213	2,322	2,251	2,329	2,368	2,216	2,155	2,224	2,274	2,312	2,329
Other transportation	62,107	65,681	5,422	5,380	5,521	5,295	5,416	5,352	5,535	5,490	5,527	5,552	5,524	5,513	5,544	5,412
Royalties and license fees.....	24,501	25,869	2,076	2,133	2,031	2,649	2,061	2,090	2,101	2,322	2,190	2,099	2,094	2,078	2,078	2,078
Other private services	98,714	114,784	8,605	8,764	8,878	9,011	9,158	9,318	9,502	9,564	9,598	9,705	9,816	9,956	10,090	10,188
Direct defense expenditures ²	30,062	31,162	2,501	2,499	2,544	2,564	2,584	2,571	2,579	2,590	2,605	2,615	2,645	2,628	2,623	2,614
U.S. Government miscellaneous services.....	3,979	4,037	330	330	331	332	333	337	339	340	340	340	339	336	335	335
Memoranda:																
Balance on goods.....	-782,740	-836,077	-69,714	-70,219	-72,316	-68,120	-67,806	-69,660	-71,109	-70,105	-73,542	-74,959	-70,385	-65,118	-64,770	-68,188
Balance on services	66,011	72,489	5,712	6,045	5,923	5,285	5,619	6,142	5,849	5,494	5,914	6,345	6,035	6,223	6,655	7,005
Balance on goods and services	-716,730	-763,588	-64,002	-64,174	-66,393	-62,835	-62,187	-63,518	-65,260	-64,611	-67,628	-68,614	-64,350	-58,895	-58,115	-61,183

^p Preliminary

^r Revised

¹ Reflects adjustments necessary to bring the Census Bureau's component data in line with the concepts and defini-

tions 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.

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, 2004 ^r	Changes in position in 2005				Total (a+b+c+d)	Position, 2005 ^p
			Attributable to					
			Financial flows	Valuation adjustments				
				Price changes	Exchange-rate changes ¹	Other changes ²		
(a)	(b)	(c)	(d)	(a+b+c+d)				
Net international investment position of the United States:								
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
U.S.-owned assets abroad:								
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	.....	³ 20,241	.....	⁴ -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 ⁵	80,308	-3,348	.....	.....	.....	-3,348	76,960
12	Repayable in dollars	80,035	-3,348	.....	.....	.....	-3,348	76,687
13	Other ⁶	273	.....	.....	.....	.....	.....	273
14	U.S. foreign currency holdings and U.S. short-term assets	2,754	-2,191	.....	.....	.....	-2,191	563
U.S. private assets:								
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
Direct investment abroad:								
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
Foreign-owned assets in the United States:								
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 ⁷	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
Other foreign assets:								
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
Direct investment in the United States:								
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 on a historical-cost basis				Capital outflows without current-cost adjustment (inflows(-))				Income without current-cost adjustment and net of withholding taxes			
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
All countries, all industries	1,616,548	1,769,613	2,051,204	2,069,983	134,946	129,352	222,437	-12,714	124,940	165,203	203,484	227,864
By country of foreign affiliate												
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	4,655
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
By industry of foreign affiliate												
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	
All countries, all industries	8,757,063	3,768,733	398,611	191,929	253,563	10,028.0	8,065,229	3,238,471	354,016	824,336	184,143	231,518	8,617.2
By country of foreign affiliate													
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
By industry of affiliate													
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
All countries, all industries	1,327,170	1,395,159	1,520,729	1,635,291	74,457	53,146	122,377	99,443	32,297	60,964	90,105	104,742
By country of foreign parent												
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	28,788	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
By industry of U.S. affiliate												
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
All countries, all industries	6,384,667	2,521,353	87,623	5,562.3	163,685	393,243	5,539,810	2,303,543	68,101	514,957	5,116.4	153,902	378,111
By country of ultimate beneficial owner													
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	I	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
By industry of U.S. affiliate													
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

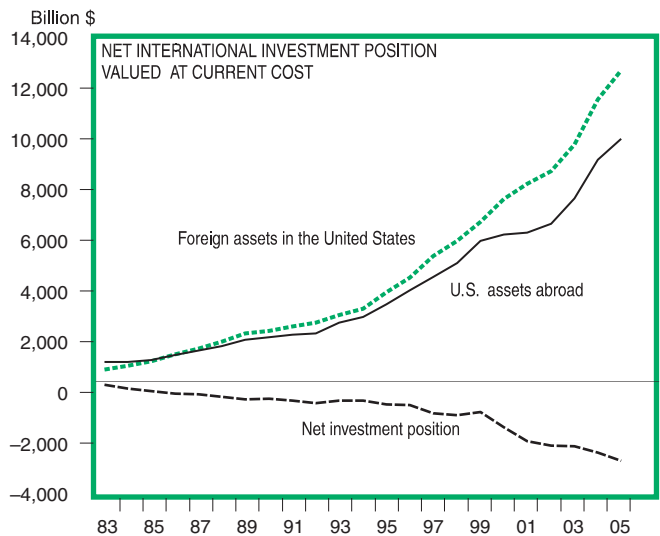
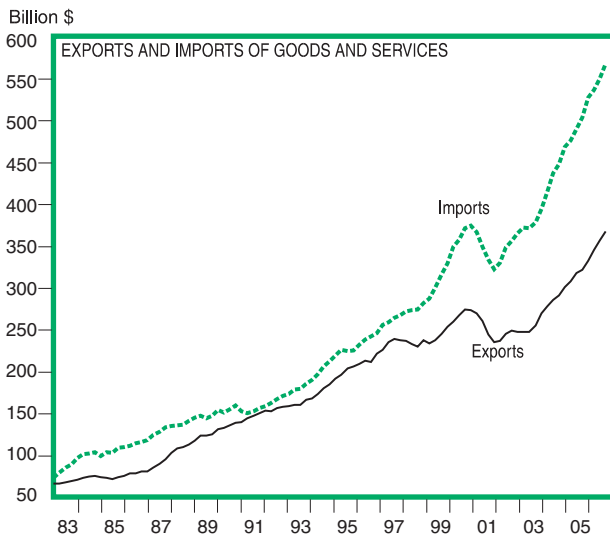
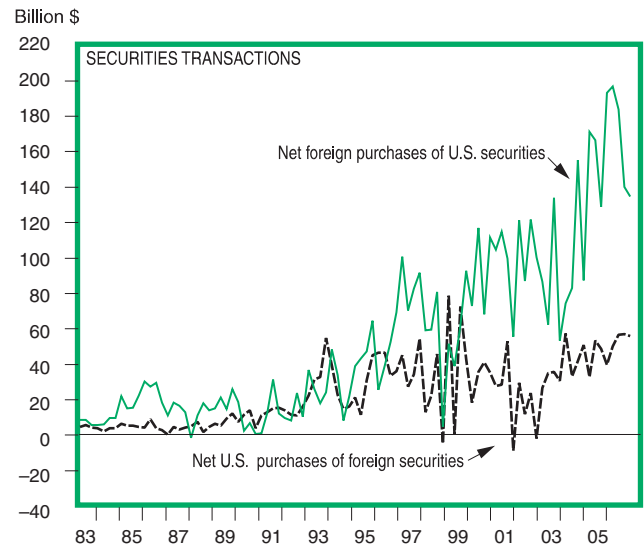
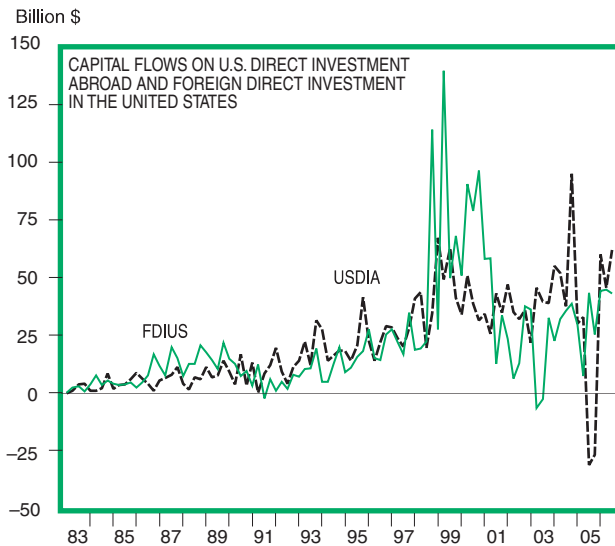
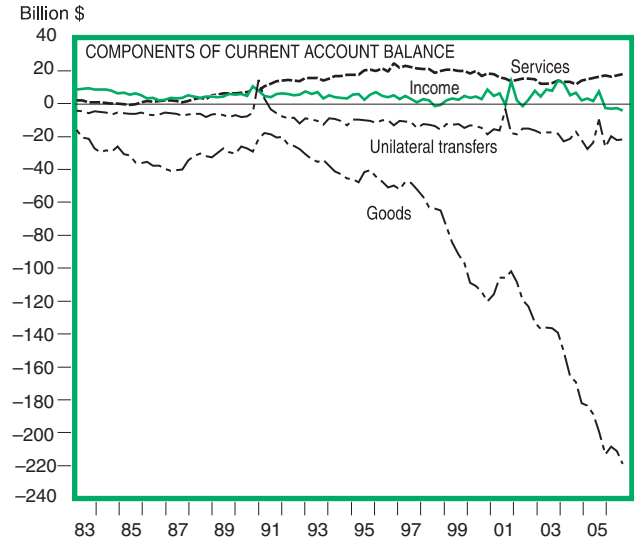
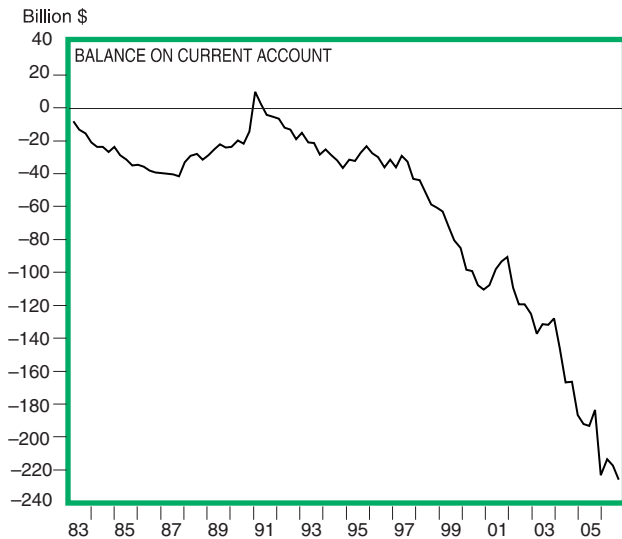


Table I.4. Gross Domestic Product (GDP) by State for Industries, 2005

[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
United States		12,409,555	332,640	593,535	868,438	628,103	1,561,724	601,155	578,345	2,574,412	1,468,529	977,437	455,878	294,611	1,474,748
New England		686,547	3,106	29,600	50,452	23,143	80,981	22,948	29,050	179,784	91,259	72,371	23,025	14,810	66,017
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
Mideast		2,262,524	11,804	88,445	86,100	107,844	260,593	97,278	128,545	575,329	308,545	206,978	74,429	55,189	261,445
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	957,873	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
Great Lakes		1,832,089	16,616	80,314	226,238	114,817	231,314	97,153	56,014	350,823	214,016	150,091	57,818	44,290	192,585
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
Plains		795,735	23,912	35,607	70,301	47,275	103,478	44,475	33,406	149,833	79,405	67,453	25,831	19,142	95,616
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
Southeast		2,786,296	67,449	148,940	179,270	182,910	371,148	142,123	116,136	512,048	308,270	207,398	108,688	67,724	374,190
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	68,586	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
Southwest		1,396,331	127,288	74,080	93,957	65,999	183,026	85,708	53,596	226,975	150,693	93,195	45,283	30,461	166,070
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
Rocky Mountain		411,658	26,979	25,136	22,459	10,204	49,164	20,060	24,895	78,557	47,621	27,157	16,318	10,031	53,079
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	3,376	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
Far West		2,238,377	55,487	111,412	139,660	75,911	282,019	91,410	136,703	501,062	268,719	152,795	104,486	52,966	265,747
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, 2006. Detailed estimates are available on BEA's Web site at <www.bea.gov>.

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 ¹			
	Millions of dollars			Percent change ²	Dollars			Rank in United States
	2003	2004	2005 ³		2003	2004	2005 ³	
Metropolitan portion of the United States.....	7,978,326	8,458,879	8,885,062	5.0	33,047	34,668	36,048	.....
Metropolitan statistical areas³								
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	31,826	32,255	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 ¹			
	Millions of dollars			Percent change ²	Dollars			Rank in United States
	2003	2004	2005 ³		2003	2004	2005 ³	
Metropolitan statistical areas³—Continued								
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
Harrisonburg, 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 ¹			
	Millions of dollars			Percent change ²	Dollars			Rank in United States
	2003	2004	2005 ³		2003	2004	2005 ³	
Metropolitan statistical areas³—Continued								
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	22,884	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 ¹			
	Millions of dollars			Percent change ²	Dollars			Rank in United States
	2003	2004	2005 ³		2003	2004	2005 ³	
Metropolitan statistical areas³—Continued								
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	26,550	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 ¹			
	Millions of dollars			Percent change ²	Dollars			Rank in United States
	2003	2004	2005 ^p		2003	2004	2005 ^p	
Metropolitan statistical areas ³—Continued								
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.

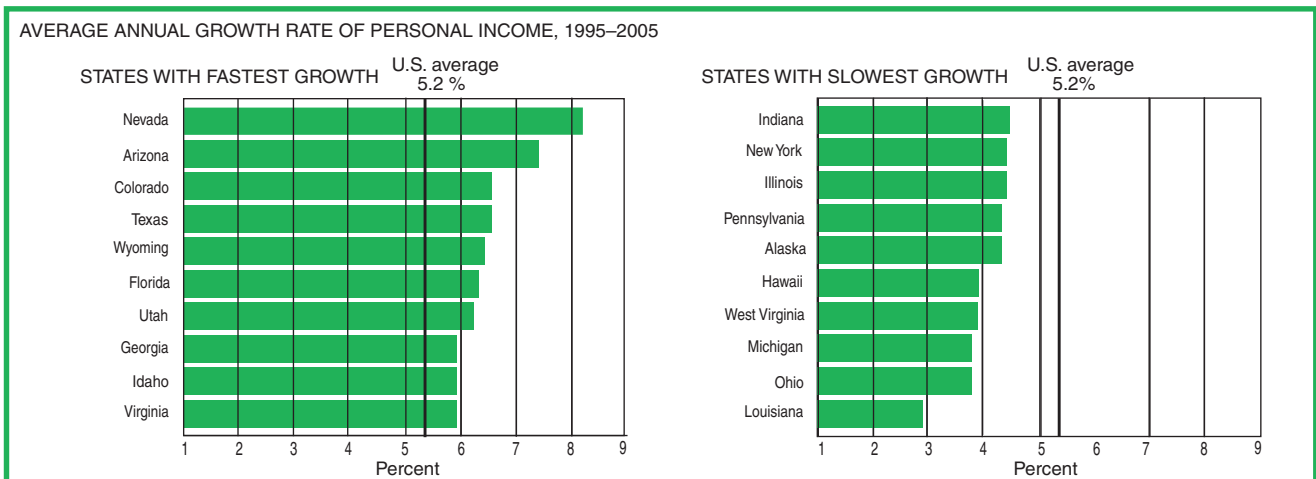
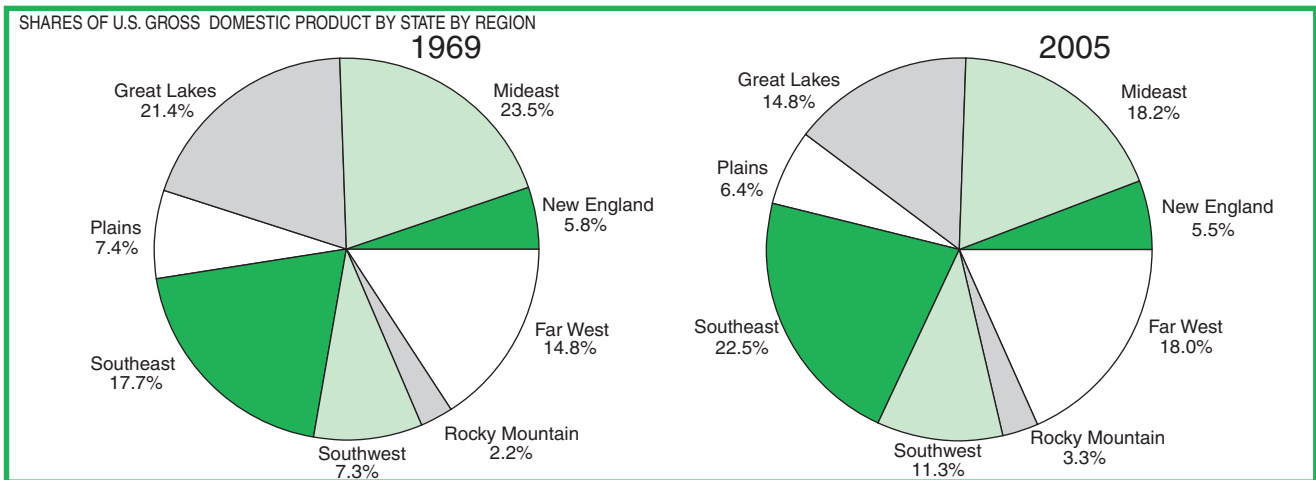
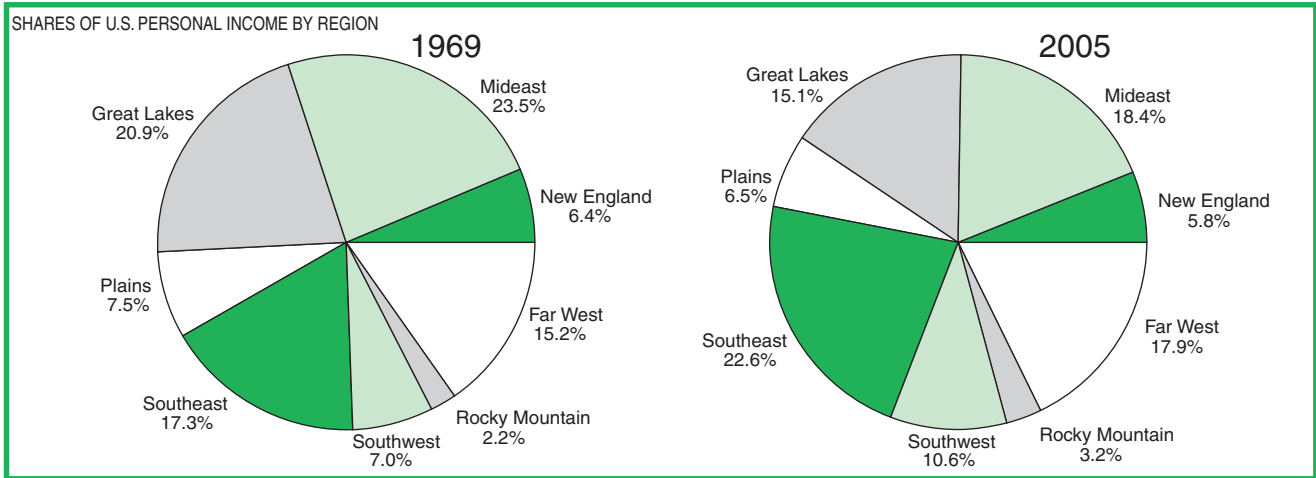
³ The metropolitan area definitions used by BEA for its personal income estimates are the new county-

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.

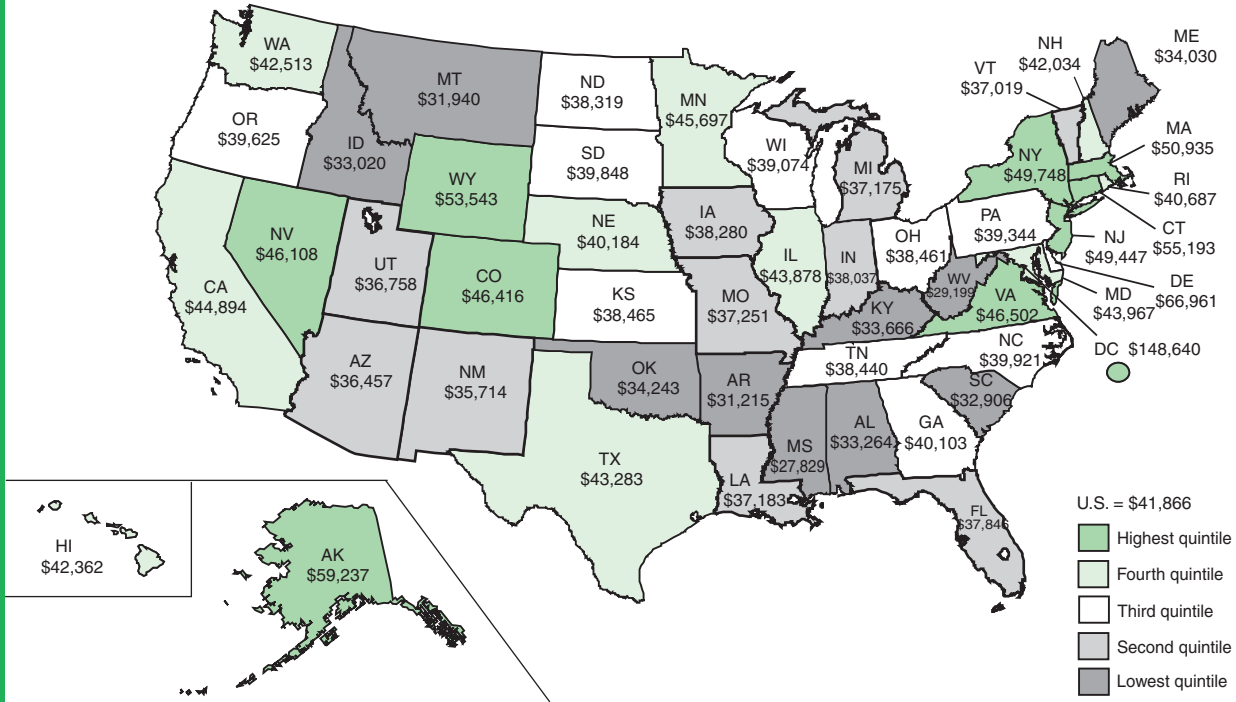
K. Charts

SELECTED REGIONAL ESTIMATES

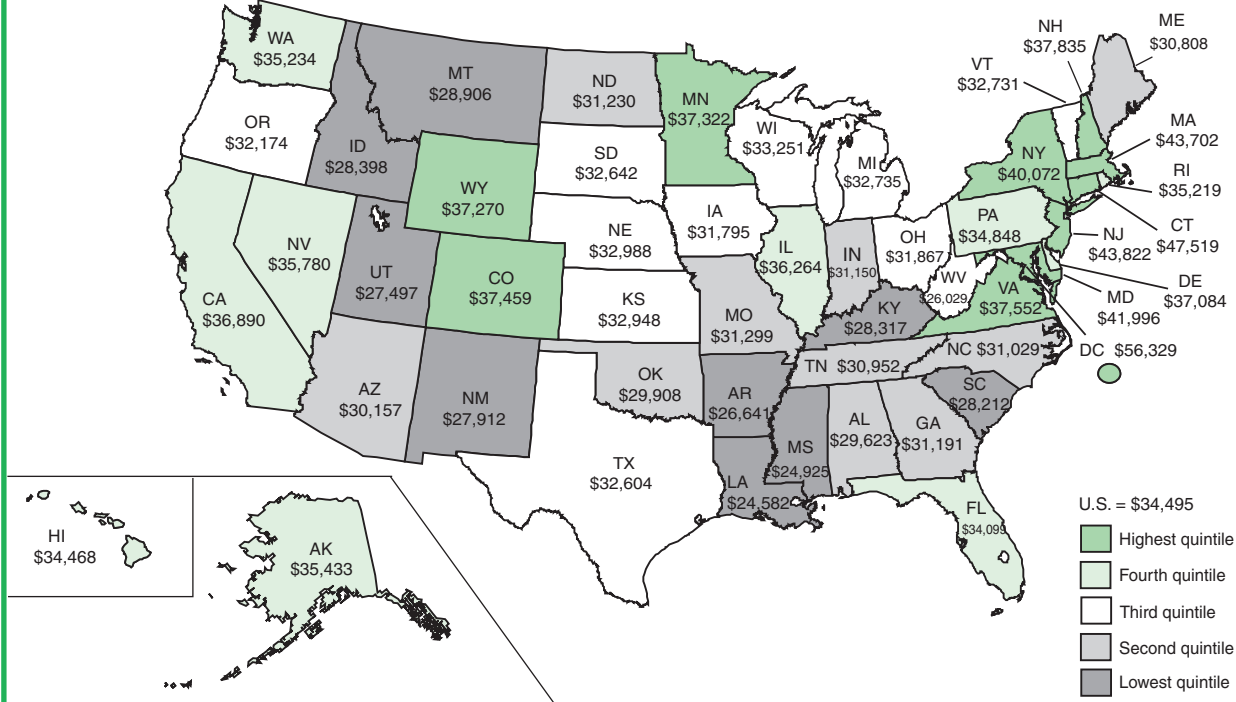


SELECTED REGIONAL ESTIMATES

PER CAPITA GROSS DOMESTIC PRODUCT BY STATE IN CURRENT DOLLARS, 2005



PER CAPITA PERSONAL INCOME, 2005



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 100.¹

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
Exports of goods and services and income receipts, ITAs	1	1,526.8	1,749.9	1,717.3	1,771.7	1,849.4	1,937.6	2,047.9	2,107.5
Less: Gold, ITAs	2	4.4	5.5	5.5	5.4	5.8	7.6	8.8	9.6
Statistical differences ¹	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
Equals: Exports of goods and services and income receipts, NIPAs	8	1,588.3	1,816.5	1,782.8	1,839.6	1,917.3	2,008.7	2,109.5	2,170.7
Imports of goods and services and income payments, ITAs	9	2,110.6	2,455.3	2,397.6	2,467.5	2,637.2	2,712.2	2,829.0	2,923.9
Less: Gold, ITAs	10	4.1	4.4	4.0	4.4	5.4	5.7	6.2	5.6
Statistical differences ¹	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
Equals: Imports of goods and services and income payments, NIPAs	17	2,155.3	2,501.3	2,440.8	2,516.2	2,680.2	2,744.9	2,868.5	2,955.7
Balance on goods and services and income, ITAs (1-9)	18	-583.8	-705.4	-680.3	-695.8	-787.8	-774.6	-781.1	-816.4
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) ¹	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
Equals: Net exports of goods and services and net receipts of income, NIPAs (8-17)	23	-567.0	-684.8	-658.0	-676.6	-762.9	-736.2	-759.0	-785.0

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.