

Annual Revision of the National Income and Product Accounts

Annual Estimates for 2007–2009

Quarterly Estimates for 2007:I–2010:I

By Eugene P. Seskin and Shelly Smith

THE BUREAU of Economic Analysis (BEA) released revised estimates of the national income and product accounts (NIPAs) for 2007–2009 and for the first quarter of 2010 on July 30, 2010.¹ As is usual in annual NIPA revisions, these estimates incorporated newly available source data that are more complete, more detailed, and otherwise more reliable than those that were previously incorporated.

These estimates also reflect a number of improvements in methodology and presentation that are discussed on pages 21–24; these improvements include the following.

- Changing the deflator in calculating command-basis gross national product to better reflect the effects of changes in the value of the dollar on the purchasing power of income generated by the sales of goods and services.²
- Expanding the presentation of saving and investment to show sector detail on saving, investment, capital account transactions (net), and net lending or borrowing.
- Incorporating newly available source data from the Census Bureau quarterly services survey (QSS) for estimating consumer spending for health care, transportation, recreation, and other services, replacing less reliable proxy data, and bringing the share of QSS-based consumer spending on services to 39 percent.
- Using scanner data to estimate consumer spending for software to better capture the variation in the compo-

sition of goods sold by radio, television, and electronics stores and by computer and software stores.

- Reclassifying certain foreign transactions in goods and in services to better align them with recently updated international guidelines.
- Incorporating new quality-adjusted price indexes for deflating communication equipment in private fixed investment, in exports, and in imports to better account for quality change.

The revised estimates did not alter the direction of change in real gross domestic product (GDP) for any quarter. They continue to show a peak in real GDP in the fourth quarter of 2007 and a trough in the second quarter of 2009. They also show that for the period of contraction, real GDP decreased at an average annual rate of 2.8 percent; in the previously published estimates, it had decreased 2.5 percent. From the second quarter of 2009 to the second quarter of 2010, real GDP increased at an average annual rate of 3.2 percent.

GDP highlights

By historical standards, the revisions to year-to-year growth rates of real GDP are typical. In the annual NIPA revisions since 1982, the revisions (without regard to sign) to the annual estimates have averaged 0.3 percentage point. The following are highlights of this annual revision.

- From 2006 to 2009, real GDP decreased at an average annual rate of 0.2 percent; in the previously published estimates, the rate of change in real GDP was zero percent.³ From the fourth quarter of 2006 to the first quarter of 2010, real GDP grew at an average annual rate of 0.2 percent; in the previously published esti-

1. Information about the structure, definitions, presentation, and methodologies that underlie the NIPAs is available on BEA's Web site; go to www.bea.gov, and click on "Methodology Papers."

2. The improvements, such as changing the deflator for command-basis GNP and publishing saving and investment by sector, mark the first "flexible" annual revision in which the improvements are carried back beyond the usual 3-year period of revisions to earlier periods. See "Improving BEA's Accounts Through Flexible Annual Revisions," SURVEY OF CURRENT BUSINESS 88 (June 2008): 29–32.

3. The annual revisions to real GDP reflect revised current-dollar estimates, revised prices used for deflation, and revised quantities used to estimate components of real GDP by extrapolation or direct valuation. For estimates prepared by extrapolation or direct valuation, the current-dollar and chained-dollar estimates are based on independent source data; consequently, the corresponding revisions are unrelated. For a list of these components, see table 2 in "Updated Summary of NIPA Methodologies," SURVEY OF CURRENT BUSINESS 89 (November 2009): 25–29.

Alyssa E. Holdren contributed to this article.

mates, real GDP had increased at an average annual rate of 0.4 percent (table 1).

- For 2007, 2008, and 2009, the percent change in real GDP from the preceding year was revised down: from 2.1 percent to 1.9 percent for 2007, from 0.4 percent to zero percent for 2008, and from -2.4 percent to -2.6 percent for 2009 (see chart 1 and pages 9 and 10).
- From fourth quarter to fourth quarter, the percent change in real GDP was revised down from 2.5 percent to 2.3 percent for 2007, was revised down from -1.9 percent to -2.8 percent for 2008, and was revised up from 0.1 percent to 0.2 percent for 2009.
- The downward revisions to fourth-quarter-to-fourth-quarter rates of change in real GDP for 2007 and 2009 partly reflect offsetting revisions for the quarters within a year. For 2007, the annual rate of change in real GDP for the third quarter was revised down 1.3 percentage points, while the rate of change for the fourth quarter was revised up 0.8 percentage point (the rate for the first quarter was revised down 0.3 percentage point, and the rate for the second quarter was unrevised). For 2009, the annual rate of change in real GDP for the first quarter was revised up 1.5 percentage points, while the rates of change for the third

and fourth quarters were each revised down 0.6 percentage point (the rate for the second quarter was unrevised) (see page 11). For 2008, the downward revision to the fourth-quarter-to-fourth-quarter rate of change in real GDP reflects downward revisions for the second, third, and fourth quarters (the rate for the first quarter was unrevised).

Price highlights

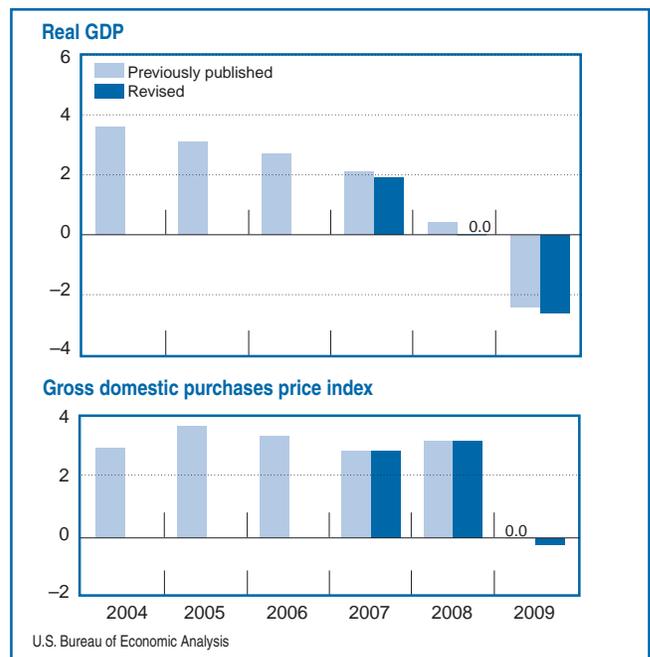
The revised estimates of prices show similar rates of change to the previously published estimates.

- The percent change from the preceding year in the price index for gross domestic purchases was unrevised at 2.9 percent for 2007, was unrevised at 3.2 percent for 2008, and was revised down 0.2 percentage point to -0.2 percent for 2009 (see chart 1 and page 12).
- From the fourth quarter of 2006 to the first quarter of 2010, the average annual rate of increase in the price index for gross domestic purchases was revised down from 2.0 percent to 1.9 percent, and the average annual rate of increase in the GDP price index was unrevised at 1.7 percent. The average annual rate of increase in the price index for personal consumption expenditures (PCE) was revised up from 2.1 percent to 2.2 percent, and the rate of increase in the “core” PCE price index (which excludes food and energy)

Table 1. Real GDP and Its Major Components: Change From the Fourth Quarter of 2006 to the First Quarter of 2010
[Percent change at annual rates]

	Previously published	Revised	Revision in change (percentage points)
Gross domestic product	0.4	0.2	-0.2
Personal consumption expenditures	0.6	0.1	-0.5
Goods	0.1	-0.3	-0.4
Durable goods	-0.3	-0.8	-0.5
Nondurable goods	0.3	0.0	-0.3
Services	0.9	0.4	-0.5
Gross private domestic investment	-7.5	-7.3	0.2
Fixed investment	-7.7	-7.9	-0.2
Nonresidential	-4.0	-3.7	0.3
Structures	-3.9	-6.3	-2.4
Equipment and software	-4.0	-2.6	1.4
Residential	-17.5	-19.2	-1.7
Change in private inventories .....	.....	.....	.....
Net exports of goods and services .....	.....	.....	.....
Exports	2.6	2.9	0.3
Goods	2.5	3.2	0.7
Services	2.6	2.3	-0.3
Imports	-2.9	-3.1	-0.2
Goods	-3.5	-3.7	-0.2
Services	0.0	-0.4	-0.4
Government consumption expenditures and gross investment	1.9	1.6	-0.3
Federal	4.9	5.0	0.1
National defense	4.7	4.7	0.0
Nondefense	5.4	5.6	0.2
State and local	0.1	-0.4	-0.5
Addenda:			
Final sales of domestic product	0.4	0.1	-0.3
Gross domestic purchases	-0.3	-0.6	-0.3
Gross national product	0.5	0.4	-0.1
Gross domestic income	-0.6	-0.7	-0.1

Chart 1. Revisions to Annual Percent Changes in Real GDP and Gross Domestic Purchases Price Index



was revised up from 1.9 percent to 2.0 percent (table 2).

Table 2. Chain-Type Price Index: Change From the Fourth Quarter of 2006 to the First Quarter of 2010
[Percent change at annual rates]

	Previously published	Revised	Revision in change (percentage points)
Gross domestic product (GDP)	1.7	1.7	0.0
Less: Exports of goods and services.....	1.4	1.3	-0.1
Plus: Imports of goods and services	3.0	3.0	0.0
Equals: Gross domestic purchases	2.0	1.9	-0.1
Personal consumption expenditures (PCE)	2.1	2.2	0.1
Goods	1.4	1.5	0.1
Durable goods	-1.6	-1.5	0.1
Nondurable goods	2.9	3.0	0.1
Services	2.5	2.6	0.1
Gross private domestic investment	-0.2	-0.8	-0.6
Fixed investment.....	-0.3	-0.6	-0.3
Nonresidential.....	0.3	-0.4	-0.7
Structures	0.8	0.6	-0.2
Equipment and software.....	0.1	-0.8	-0.9
Residential.....	-1.9	-1.3	0.6
Government consumption expenditures and gross investment	2.8	2.9	0.1
Federal.....	2.5	2.2	-0.3
National defense.....	2.7	2.3	-0.4
Nondefense	2.1	2.0	-0.1
State and local	3.0	3.3	0.3
Addenda:			
GDP excluding food and energy	1.7	1.7	0.0
Gross domestic purchases excluding food and energy	1.8	1.8	0.0
PCE excluding food and energy.....	1.9	2.0	0.1
Market-based PCE	2.1	2.2	0.1
Market-based PCE excluding food and energy.....	1.9	1.9	0.0
Final sales of domestic product	1.7	1.7	0.0
Gross national product.....	1.7	1.7	0.0

Income highlights

- From 2006 to 2009, real disposable personal income (DPI) grew at an average annual rate of 1.5 percent; in the previously published estimates, real DPI grew at an average annual rate of 1.2 percent.
- For 2006 to 2009, national income was revised down for all 3 years: \$51.8 billion, or 0.4 percent, for 2007; \$77.4 billion, or 0.6 percent, for 2008; and \$55.0 billion, or 0.4 percent, for 2009.
- For 2006 to 2009, corporate profits was also revised down for all 3 years: \$31.1 billion, or 2.0 percent, for 2007; \$97.6 billion, or 7.2 percent, for 2008; and \$50.9 billion, or 3.9 percent, for 2009.

This article discusses the impact of the revisions on key NIPA measures, summarizes the revisions to the major aggregates, lists the major source data, and describes the changes in methodology and presentation. Appendix A presents the revised annual estimates and the revisions for the seven summary accounts of the NIPAs (see pages 26 and 27). In addition, tables presenting revised monthly, quarterly, and annual NIPA estimates and the “advance” estimates for the second quarter of 2010 are available on page 28.

Data Availability

An extensive set of estimates is presented in “National Income and Product Accounts” in this issue. These estimates and annual estimates for 1929 forward and quarterly estimates for 1947 forward are available on BEA’s Web site at www.bea.gov.

Selected revised NIPA estimates and related estimates will be published in upcoming issues of the SURVEY. The September SURVEY will present the following NIPA tables: tables 3.15–3.17 (government spending by function) and table 7.15 (which shows the relationship between net farm income in the NIPAs and net farm income from the USDA). It will also present new estimates of fixed assets and consumer durable goods, beginning with 2000.¹

The October SURVEY will present the following NIPA tables: tables 3.18 and 3.19 (government-sector reconcilia-

tion tables), tables 3.20 and 3.21 (state government and local government current receipts and expenditures), and tables 3.22 and 3.23 (federal government and state and local government current receipts and expenditures seasonally unadjusted estimates). It will also present revised real inventories, sales, and inventory-sales ratios for manufacturing and trade for the first quarter of 2007 through the first quarter of 2010. In addition, revised estimates of state personal income that incorporate the results of this annual revision of the NIPAs will be presented.

The November SURVEY will feature the “Updated Summary of NIPA Methodologies,” which lists the principal source data and estimating methods that are used in preparing the current-dollar and real estimates of GDP. In addition, NIPA table 2.9 (personal income by households and by nonprofit institutions serving households) and table 7.20 (nonprofits reconciliation table) will be presented.

1. BEA’s Web site will present revisions to the Fixed Assets Accounts, beginning with 1901 for investment and 1925 for stocks and depreciation.

Annual Estimates of Real GDP

Table 3. Revisions to Contributions to Percent Change in Real GDP

[Percentage points]

	2006	2007		
		Previously published	Revised	Revision
Gross domestic product ¹	2.7	2.1	1.9	-0.2
Personal consumption expenditures (PCE)	2.01	1.84	1.65	-0.19
Goods.....	0.78	0.75	0.66	-0.09
Durable goods.....	0.35	0.36	0.35	-0.01
Nondurable goods.....	0.44	0.39	0.31	-0.08
Services.....	1.22	1.09	0.99	-0.10
Gross private domestic investment	0.46	-0.65	-0.53	0.12
Fixed investment.....	0.39	-0.35	-0.30	0.05
Nonresidential.....	0.84	0.70	0.75	0.05
Structures.....	0.27	0.49	0.46	-0.03
Equipment and software.....	0.58	0.20	0.29	0.09
Residential.....	-0.45	-1.05	-1.05	0.00
Change in private inventories.....	0.07	-0.30	-0.23	0.07
Net exports of goods and services	-0.05	0.63	0.57	-0.06
Exports.....	0.93	0.96	1.02	0.06
Goods.....	0.68	0.57	0.75	0.18
Services.....	0.25	0.39	0.28	-0.11
Imports.....	-0.98	-0.33	-0.45	-0.12
Goods.....	-0.80	-0.24	-0.42	-0.18
Services.....	-0.18	-0.09	-0.04	0.05
Government consumption expenditures and gross investment	0.26	0.32	0.25	-0.07
Federal.....	0.15	0.09	0.09	0.00
National defense.....	0.07	0.10	0.10	0.00
Nondefense.....	0.07	-0.01	-0.02	-0.01
State and local.....	0.11	0.23	0.17	-0.06
		2008		
	2007	Previously published	Revised	Revision
Gross domestic product ¹	1.9	0.4	0.0	-0.4
Personal consumption expenditures (PCE)	1.65	-0.17	-0.18	-0.01
Goods.....	0.66	-0.50	-0.60	-0.10
Durable goods.....	0.35	-0.36	-0.42	-0.06
Nondurable goods.....	0.31	-0.13	-0.18	-0.05
Services.....	0.99	0.32	0.41	0.09
Gross private domestic investment	-0.53	-1.18	-1.53	-0.35
Fixed investment.....	-0.30	-0.81	-1.02	-0.21
Nonresidential.....	0.75	0.19	0.03	-0.16
Structures.....	0.46	0.39	0.22	-0.17
Equipment and software.....	0.29	-0.20	-0.19	0.01
Residential.....	-1.05	-1.00	-1.05	-0.05
Change in private inventories.....	-0.23	-0.37	-0.51	-0.14
Net exports of goods and services	0.57	1.20	1.18	-0.02
Exports.....	1.02	0.64	0.72	0.08
Goods.....	0.75	0.48	0.53	0.05
Services.....	0.28	0.16	0.19	0.03
Imports.....	-0.45	0.56	0.46	-0.10
Goods.....	-0.42	0.58	0.52	-0.06
Services.....	-0.04	-0.02	-0.07	-0.05
Government consumption expenditures and gross investment	0.25	0.59	0.54	-0.05
Federal.....	0.09	0.53	0.51	-0.02
National defense.....	0.10	0.37	0.36	-0.01
Nondefense.....	-0.02	0.16	0.15	-0.01
State and local.....	0.17	0.06	0.04	-0.02
		2009		
	2008	Previously published	Revised	Revision
Gross domestic product ¹	0.0	-2.4	-2.6	-0.2
Personal consumption expenditures (PCE)	-0.18	-0.42	-0.84	-0.42
Goods.....	-0.60	-0.46	-0.46	0.00
Durable goods.....	-0.42	-0.30	-0.27	0.03
Nondurable goods.....	-0.18	-0.16	-0.18	-0.02
Services.....	0.41	0.04	-0.38	-0.42
Gross private domestic investment	-1.53	-3.45	-3.24	0.21
Fixed investment.....	-1.02	-2.74	-2.69	0.05
Nonresidential.....	0.03	-2.08	-1.96	0.12
Structures.....	0.22	-0.83	-0.81	0.02
Equipment and software.....	-0.19	-1.25	-1.15	0.10
Residential.....	-1.05	-0.66	-0.74	-0.08
Change in private inventories.....	-0.51	-0.71	-0.55	0.16
Net exports of goods and services	1.18	1.07	1.13	0.06
Exports.....	0.72	-1.18	-1.18	0.00
Goods.....	0.53	-1.02	-1.04	-0.02
Services.....	0.19	-0.16	-0.15	0.01
Imports.....	0.46	2.24	2.32	0.08
Goods.....	0.52	2.15	2.20	0.05
Services.....	-0.07	0.10	0.12	0.02
Government consumption expenditures and gross investment	0.54	0.37	0.32	-0.05
Federal.....	0.51	0.39	0.43	0.04
National defense.....	0.36	0.28	0.27	-0.01
Nondefense.....	0.15	0.11	0.16	0.05
State and local.....	0.04	-0.02	-0.11	-0.09

1. Percent change from the preceding period.

The annual percent change in real GDP was revised down for all 3 years: from 2.1 percent to 1.9 percent for 2007, from 0.4 percent to zero percent for 2008, and from -2.4 percent to -2.6 percent for 2009.

For 2007, the largest contributors to the downward revision to real GDP growth were an upward revision to imports and downward revisions to PCE for services, to PCE for goods, and to state and local government spending.

The contributions of these components were partly offset by upward revisions to fixed investment in equipment and software, to private inventory investment (mainly in nonfarm inventories), and to exports.

For 2008, the largest contributors to the downward revision to real GDP growth were downward revisions to nonresidential structures, to private inventory investment (more than accounted for by investment in nonfarm inventories), and to PCE for goods and an upward revision to imports.

The contributions of these components were partly offset by upward revisions to PCE for services and to exports.

For 2009, the largest contributors to the downward revision were downward revisions to PCE for services, to state and local government spending, and to residential fixed investment.

The contributions of these components were partly offset by upward revisions to private inventory investment (more than accounted for by investment in nonfarm inventories) and to fixed investment in equipment and software and a downward revision to imports.

Annual Estimates of Real GDP

Table 4. Revisions to Percent Change in Real GDP

	2006	2007		
		Previously published	Revised	Revision ¹
Gross domestic product	2.7	2.1	1.9	-0.2
Personal consumption expenditures (PCE)	2.9	2.6	2.4	-0.2
Goods.....	3.3	3.1	2.8	-0.3
Durable goods.....	4.1	4.3	4.2	-0.1
Nondurable goods.....	2.8	2.5	2.0	-0.5
Services.....	2.7	2.4	2.2	-0.2
Gross private domestic investment	2.7	-3.8	-3.1	0.7
Fixed investment.....	2.3	-2.1	-1.8	0.3
Nonresidential.....	7.9	6.2	6.7	0.5
Structures.....	9.2	14.9	14.1	-0.8
Equipment and software.....	7.4	2.6	3.7	1.1
Residential.....	-7.3	-18.5	-18.7	-0.2
Change in private inventories.....	.....	.....	.....	.....
Net exports of goods and services.....	.....	.....	.....	.....
Exports.....	9.0	8.7	9.3	0.6
Goods.....	9.4	7.4	9.8	2.4
Services.....	7.9	11.8	8.3	-3.5
Imports.....	6.1	2.0	2.7	0.7
Goods.....	5.9	1.7	2.9	1.2
Services.....	7.1	3.5	1.4	-2.1
Government consumption expenditures and gross investment	1.4	1.7	1.3	-0.4
Federal.....	2.1	1.3	1.2	-0.1
National defense.....	1.6	2.2	2.2	0.0
Nondefense.....	3.2	-0.6	-0.8	-0.2
State and local.....	0.9	2.0	1.4	-0.6

	2007	2008		
		Previously published	Revised	Revision ¹
Gross domestic product	1.9	0.4	0.0	-0.4
Personal consumption expenditures (PCE)	2.4	-0.2	-0.3	-0.1
Goods.....	2.8	-2.1	-2.5	-0.4
Durable goods.....	4.2	-4.5	-5.2	-0.7
Nondurable goods.....	2.0	-0.8	-1.1	-0.3
Services.....	2.2	0.7	0.9	0.2
Gross private domestic investment	-3.1	-7.3	-9.5	-2.2
Fixed investment.....	-1.8	-5.1	-6.4	-1.3
Nonresidential.....	6.7	1.6	0.3	-1.3
Structures.....	14.1	10.3	5.9	-4.4
Equipment and software.....	3.7	-2.6	-2.4	0.2
Residential.....	-18.7	-22.9	-24.0	-1.1
Change in private inventories.....	.....	.....	.....	.....
Net exports of goods and services.....	.....	.....	.....	.....
Exports.....	9.3	5.4	6.0	0.6
Goods.....	9.8	5.9	6.3	0.4
Services.....	8.3	4.2	5.3	1.1
Imports.....	2.7	-3.2	-2.6	0.6
Goods.....	2.9	-3.9	-3.5	0.4
Services.....	1.4	0.7	2.4	1.7
Government consumption expenditures and gross investment	1.3	3.1	2.8	-0.3
Federal.....	1.2	7.7	7.3	-0.4
National defense.....	2.2	7.8	7.5	-0.3
Nondefense.....	-0.8	7.3	6.7	-0.6
State and local.....	1.4	0.5	0.3	-0.2

	2008	2009		
		Previously published	Revised	Revision ¹
Gross domestic product	0.0	-2.4	-2.6	-0.2
Personal consumption expenditures (PCE)	-0.3	-0.6	-1.2	-0.6
Goods.....	-2.5	-1.9	-2.0	-0.1
Durable goods.....	-5.2	-3.9	-3.7	0.2
Nondurable goods.....	-1.1	-1.0	-1.2	-0.2
Services.....	0.9	0.1	-0.8	-0.9
Gross private domestic investment	-9.5	-23.2	-22.6	0.6
Fixed investment.....	-6.4	-18.3	-18.3	0.0
Nonresidential.....	0.3	-17.8	-17.1	0.7
Structures.....	5.9	-19.8	-20.4	-0.6
Equipment and software.....	-2.4	-16.6	-15.3	1.3
Residential.....	-24.0	-20.5	-22.9	-2.4
Change in private inventories.....	.....	.....	.....	.....
Net exports of goods and services.....	.....	.....	.....	.....
Exports.....	6.0	-9.6	-9.5	0.1
Goods.....	6.3	-12.2	-12.0	0.2
Services.....	5.3	-4.1	-3.9	0.2
Imports.....	-2.6	-13.9	-13.8	0.1
Goods.....	-3.5	-16.0	-15.8	0.2
Services.....	2.4	-3.6	-4.2	-0.6
Government consumption expenditures and gross investment	2.8	1.8	1.6	-0.2
Federal.....	7.3	5.2	5.7	0.5
National defense.....	7.5	5.4	5.4	0.0
Nondefense.....	6.7	4.8	6.5	1.7
State and local.....	0.3	-0.2	-0.9	-0.7

For 2007, the downward revision to PCE for goods was mostly to nondurable goods (mainly gasoline and other energy goods).

The downward revision to PCE for services was fairly widespread.

The upward revision to fixed investment in equipment and software was mainly to transportation equipment (mainly aircraft and trucks, buses, and truck trailers).

The upward revision to exports reflected an upward revision to goods exports that was partly offset by a downward revision to services exports.

The downward revision to state and local government spending reflected downward revisions to both gross investment and consumption expenditures.

For 2008, the downward revision to PCE for goods was to both durable goods (mainly recreational goods and vehicles) and nondurable goods (mainly food and beverages purchased for off-premises consumption).

The upward revision to PCE for services was more than accounted for by financial services and insurance.

The downward revision to nonresidential structures was mainly to mining exploration, shafts, and wells.

The upward revision to exports was to both goods exports and services exports.

The upward revision to imports was to both goods imports and services imports.

For 2009, the downward revision to PCE for services was mainly to financial services and insurance (widespread), "other" services (widespread), and transportation services (specifically motor vehicle maintenance and repair).

The upward revision to fixed investment in equipment and software was more than accounted for by software.

The downward revision to residential fixed investment primarily reflected downward revisions to both single-family and multifamily structures and to improvements.

The downward revision to state and local government spending reflected downward revisions to both consumption expenditures and gross investment.

1. Percentage points.

Quarterly Estimates

Table 5. Gross Domestic Product (GDP), Real GDP, the GDP Price Index, and the Gross Domestic Purchases Price Index: Revisions to Percent Change From the Preceding Quarter

[Percent change at annual rates; based on seasonally adjusted annual rates]

	GDP			Real GDP			GDP price index			Gross domestic purchases price index		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
2006: IV.....	4.8			3.0			1.8			1.0		
2007: I.....	5.5	5.3	-0.2	1.2	0.9	-0.3	4.2	4.4	0.2	4.2	4.4	0.2
II.....	6.0	6.5	0.5	3.2	3.2	0.0	2.7	3.2	0.5	3.1	3.2	0.1
III.....	5.3	4.4	-0.9	3.6	2.3	-1.3	1.6	2.0	0.4	2.2	2.0	-0.2
IV.....	4.5	3.8	-0.7	2.1	2.9	0.8	2.3	0.9	-1.4	4.6	3.8	-0.8
2008: I.....	1.0	1.0	0.0	-0.7	-0.7	0.0	1.9	1.9	0.0	3.4	4.0	0.6
II.....	3.5	4.1	0.6	1.5	0.6	-0.9	1.8	3.2	1.4	3.9	4.5	0.6
III.....	1.4	0.4	-1.0	-2.7	-4.0	-1.3	4.0	4.5	0.5	4.3	3.9	-0.4
IV.....	-5.4	-7.9	-2.5	-5.4	-6.8	-1.4	0.1	-1.2	-1.3	-3.8	-4.4	-0.6
2009: I.....	-4.6	-3.9	0.7	-6.4	-4.9	1.5	1.9	1.1	-0.8	-1.4	-2.0	-0.6
II.....	-0.8	-0.4	0.4	-0.7	-0.7	0.0	0.0	0.3	0.3	0.5	0.6	0.1
III.....	2.6	2.3	-0.3	2.2	1.6	-0.6	0.4	0.7	0.3	1.3	1.4	0.1
IV.....	6.1	4.7	-1.4	5.6	5.0	-0.6	0.5	-0.2	-0.7	2.0	2.1	0.1
2010: I.....	3.9	4.8	0.9	2.7	3.7	1.0	1.1	1.0	-0.1	1.7	2.1	0.4

Quarterly Estimates

Revisions to the quarterly (and monthly) NIPA estimates reflect (1) revisions to the annual estimates that in turn reflect the incorporation of newly available annual source data, (2) the incorporation of new and revised monthly and quarterly source data (including updated seasonal factors that are used to indicate quarterly patterns), and (3) methodology improvements (see “Changes in Methodology and Presentation”).

Real GDP. For real GDP, the revisions to the 13 quarterly percent changes (at annual rates) averaged 0.7 percentage point (without regard to sign). (In the annual NIPA revisions since 1979, the revisions to the quarterly estimates have also averaged 0.7 percentage point.)

The quarterly revisions did not change the direction of change (increase or decrease) in real GDP for any quarter. The quarterly real GDP growth rate was revised down for 7 of the 13 quarters, was revised up for 3 of the 13 quarters, and was unrevised for 3 quarters. The largest downward revision to the percent change in real GDP was 1.4 percentage points, to -6.8 percent, for the fourth quarter of 2008. The largest contributors to the revision were downward revisions to private inventory investment, to residential fixed investment, to exports (both services and goods), and to fixed investment in equipment and software; these revisions were partly offset by a downward revision to goods imports. The largest upward revision was 1.5 percentage points, to -4.9 percent, for the first quarter of 2009. The largest contributors to the revision were upward revisions to private inventory investment, to investment in equipment and software, to exports (both goods and services), and to nonresidential structures; these revisions were partly offset by a downward revision to PCE for services (mainly financial services and insurance) and an upward revision to goods imports.

Prices. In general, the percent changes for the gross domestic purchases prices were similar to the previously published estimates; the revisions to the 13 quarterly percent changes (at annual rates) averaged 0.4 percentage point (without regard to sign). The percent change in the price index was revised up for eight quarters and was revised down for five quarters. The largest upward revision was 0.6 percentage point to both the first and the second quarters of 2008. For the first quarter, the percent change in the index was revised from 3.4 percent to 4.0 percent; the largest contributors to the revision were prices of state and local government spending (mainly for petroleum and for compensation), prices of nonresidential structures (mainly petroleum and natural gas drilling), and prices of financial services and insurance (mainly “services furnished without payment by financial intermediaries except life insurance carriers”). For the second quarter, the percent change in the index was revised from 3.9 percent to 4.5 percent; the largest contributors to the revision were prices of PCE for nondurable goods (mainly gasoline and other energy goods) and prices of PCE for services (mainly “services furnished without payment by financial intermediaries except life insurance carriers” and “bank service charges, trust services, and safe deposit box rental”). The largest downward revision was 0.8 percentage point, from 4.6 percent to 3.8 percent, for the fourth quarter of 2007; the largest contributors to the revision were prices of PCE for nondurable goods (mainly gasoline and other energy goods), prices of equipment and software (mainly communication equipment), prices of financial services and insurance (mainly “services furnished without payment by financial intermediaries except life insurance carriers”), and prices of state and local government spending (mainly for compensation and for petroleum).

Annual Price Indexes

Table 6. Revisions to Contributions to Percent Change in Gross Domestic Purchases Prices
[Percentage points]

	2006	2007			2008			2009		
		Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
Gross domestic purchases ¹	3.4	2.9	2.9	0.0	3.2	3.2	0.0	0.0	-0.2	-0.2
Personal consumption expenditures	1.82	1.78	1.81	0.03	2.23	2.21	-0.02	0.13	0.12	-0.01
Goods.....	0.35	0.29	0.32	0.03	0.74	0.73	-0.01	-0.55	-0.56	-0.01
Durable goods.....	-0.13	-0.15	-0.14	0.01	-0.09	-0.11	-0.02	-0.11	-0.12	-0.01
Nondurable goods.....	0.47	0.44	0.47	0.03	0.83	0.84	0.01	-0.43	-0.44	-0.01
Services.....	1.47	1.49	1.49	0.00	1.49	1.48	-0.01	0.67	0.68	0.01
Gross private domestic investment	0.71	0.35	0.28	-0.07	0.10	0.11	0.01	-0.04	-0.24	-0.20
Fixed investment.....	0.70	0.35	0.28	-0.07	0.12	0.11	-0.01	-0.15	-0.22	-0.07
Nonresidential.....	0.37	0.28	0.21	-0.07	0.18	0.16	-0.02	-0.01	-0.12	-0.11
Structures.....	0.35	0.24	0.20	-0.04	0.12	0.17	0.05	-0.06	-0.09	-0.03
Equipment and software.....	0.01	0.04	0.01	-0.03	0.05	-0.02	-0.07	0.04	-0.03	-0.07
Residential.....	0.34	0.07	0.07	0.00	-0.06	-0.04	0.02	-0.14	-0.10	0.04
Change in private inventories.....	0.01	0.01	0.01	0.00	-0.02	0.00	0.02	0.11	-0.02	-0.13
Government consumption expenditures and gross investment	0.85	0.80	0.85	0.05	0.83	0.86	0.03	-0.04	-0.06	-0.02
Federal.....	0.27	0.23	0.23	0.00	0.20	0.21	0.01	0.04	-0.02	-0.06
National defense.....	0.19	0.16	0.16	0.00	0.16	0.17	0.01	0.01	-0.03	-0.04
Nondefense.....	0.07	0.07	0.07	0.00	0.05	0.05	0.00	0.03	0.02	-0.01
State and local.....	0.58	0.57	0.62	0.05	0.63	0.65	0.02	-0.08	-0.05	0.03
Addendum:										
Gross domestic product price index ¹	3.3	2.9	2.9	0.0	2.1	2.2	0.1	1.2	0.9	-0.3

1. Percent change from the preceding period.

Annual Price Estimates

Revisions to the chain-type price indexes result from the incorporation of newly available and revised source data and from the regularly scheduled incorporation of annual weights for the most recent year (2009). In this annual revision, the source data for price indexes that are used for deflation and the source data that affect implicit prices were revised.¹ The prices used for deflation also reflect updated seasonal factors. In addition, the price indexes used to deflate business purchases of three types of communication equipment have been changed and, for consistency, the newly incorporated indexes are also being used to deflate exports and imports of communication equipment (see “Changes in Methodology and Presentation”).

The percent change from the preceding year in the price index for gross domestic purchases was unrevised at 2.9 percent for 2007, was unrevised at 3.2 percent for 2008, and was revised down 0.2 percentage point to -0.2 percent for 2009 (see chart 1 and table 6). The annual percent change in the price index for GDP was unrevised at 2.9 percent for 2007, was revised up 0.1 percentage point to 2.2 percent for 2008, and was revised down 0.3 percentage point to 0.9 percent for 2009 (see the addendum to table 6).

For 2007, the price index for gross domestic purchases was unrevised. Upward revisions to the price index for state and local government spending and to the price index for PCE for nondurable goods were offset by downward revisions to the price index for nonresidential structures and to the price index for fixed investment in equipment and software. The revision to the price index for state and local gov-

ernment spending reflects an upward revision to the implicit price for compensation—specifically, an upward revision to current-dollar compensation and a downward revision to chained-dollar compensation. The largest contributor to the revision to the price index for PCE for nondurable goods was an upward revision to the prices for gasoline and other energy goods. The revision to the price index for nonresidential structures reflects a downward revision to prices of petroleum and natural gas drilling structures. The revision to the price index for fixed investment in equipment and software primarily reflects a downward revision to communication equipment prices based on the newly incorporated price indexes mentioned above.

For 2008, the price index for gross domestic purchases was also unrevised. The most notable revisions were a downward revision to the price index for fixed investment in equipment and software and a largely offsetting upward revision to the price index for nonresidential structures. The revision to the price index for fixed investment in equipment and software again reflects the newly incorporated price indexes for communication equipment. The revision to the price index for nonresidential structures reflects an upward revision to the prices of petroleum and natural gas drilling structures.

For 2009, the largest contributors to the downward revision to the price index for gross domestic purchases were the price index for private inventory investment and the price index for fixed investment in equipment and software. The revision to the price index for private inventory investment reflects a downward revision to the prices of nondurable-goods manufacturing (mainly petroleum and coal). The revision to the price index for fixed investment in equipment and software again reflects the newly incorporated price indexes for communication equipment.

1. The implicit prices are computed by dividing the current-dollar estimates by the chained-dollar estimates that are derived from the quantity data used in quantity extrapolation and direct valuation. Thus, differences between the current-dollar revisions and the chained-dollar revisions to these components are reflected as revisions to their implicit prices.

Current-Dollar NIPA Measures

This table shows NIPA components with revisions of \$5.0 billion or more (in absolute value) for 2007–2009. The table also lists the major source data that were incorporated as part of this annual revision.

Note that the incorporation of new and revised source data for a year usually results in a revision to the level of an estimate both for that year and for subsequent years.

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2009 level	Major source data incorporated ¹
		Revision in level				
		2007	2008	2009		
1	Gross domestic product	-15.8	-72.3	-137.3	14,119.0	
2	Personal consumption expenditures	-20.1	-25.4	-87.8	10,001.3	
3	Goods	-7.3	-23.7	-24.5	3,230.7	
4	Durable goods	-1.1	-11.7	-8.5	1,026.5	
5	Motor vehicles and parts	2.2	0.9	6.9	319.7	
	<i>Of which:</i>					
6	Net purchases of used motor vehicles	2.2	0.7	4.7	104.1	Revised Census Bureau Annual Retail Trade Survey (ARTS) data for 2007; new ARTS data for 2008; new trade source data on vehicle registrations, estimated retention periods, and average expenditure for 2009.
7	Furnishings and durable household equipment	-2.1	-4.1	-5.4	248.1	
	<i>Of which:</i>					
8	Furniture and furnishings	-1.1	-2.5	-2.8	139.1	Revised ARTS data for 2007; new ARTS data for 2008; revised MRTS data for 2009.
9	Recreational goods and vehicles	-1.3	-8.3	-10.4	317.5	
	<i>Of which:</i>					
10	Video, audio, photographic, and information processing equipment and media	-0.3	-2.7	-5.1	175.7	Revised ARTS data for 2007; new ARTS data for 2008; revised Census Bureau Monthly Retail Trade Survey (MRTS) data for 2009; new trade source retail scanner data for 2009.
11	Sports and recreational vehicles	-0.7	-4.2	-4.1	41.7	Revised ARTS data for 2007; new ARTS data for 2008; revised MRTS data for 2009.
12	Other durable goods	0.1	-0.2	0.2	141.1	
13	Nondurable goods	-6.3	-12.0	-16.0	2,204.2	
14	Food and beverages purchased for off-premises consumption	-2.7	-9.1	-12.3	777.9	
	<i>Of which:</i>					
15	Food and nonalcoholic beverages purchased for off-premises consumption	-2.0	-6.8	-10.8	664.0	Revised ARTS data for 2007; new ARTS data for 2008; revised MRTS data for 2009; new trade source retail scanner data for 2009.
16	Clothing and footwear	-2.3	-3.4	-3.6	322.2	
17	Gasoline and other energy goods	-1.4	-1.6	-1.0	303.7	
18	Other nondurable goods	0.1	2.2	1.0	800.4	
	<i>Of which:</i>					
19	Pharmaceutical and other medical products	3.4	11.8	12.7	305.9	New trade source data on retail pharmaceuticals for 2007–2009.
20	Recreational items	-0.6	-3.6	-4.6	129.4	Revised ARTS data for 2007; new ARTS data for 2008; revised MRTS data for 2009.
21	Personal care products	-0.6	-3.0	-3.5	87.4	Revised ARTS data for 2007; new ARTS data for 2008; revised MRTS data for 2009.
22	Services	-12.8	-1.8	-63.3	6,770.6	
23	Household consumption expenditures (for services)	-13.4	-1.9	-56.7	6,511.8	
24	Housing and utilities	-7.3	-10.6	-0.9	1,876.3	
	<i>Of which:</i>					
25	Rental of tenant-occupied nonfarm housing	-0.8	-4.0	4.1	346.1	Revised Census Bureau American Housing Survey data for 2007; revised Census Bureau Current Population Survey/Housing Vacancy Survey (CPS/HVS) data for 2007 and 2008; new CPS/HVS data for 2009.
26	Imputed rental of owner-occupied nonfarm housing	-2.2	-2.3	-3.4	1,211.9	Revised BEA constant-dollar stock data for 2008; new constant-dollar stock data for 2009; revised CPS/HVS data for 2007 and 2008; new CPS/HVS data for 2009.
27	Rental value of farm dwellings	-4.1	-3.6	-2.9	22.5	Revised USDA data for 2007 and 2008; new USDA data for 2009.
28	Health care	-4.2	-7.0	-3.8	1,623.2	
	<i>Of which:</i>					
29	Hospitals	-1.7	-6.2	-0.3	718.6	Revised Census Bureau Service Annual Survey (SAS) revenue data for 2007 and 2008; new SAS data for 2009.
30	Transportation services	-0.3	-0.9	-14.5	290.1	
	<i>Of which:</i>					
31	Motor vehicle maintenance and repair	0.4	1.2	-9.5	154.4	Revised ARTS data for 2007; new ARTS data for 2008; revised SAS taxable revenue data for 2007 and 2008; new SAS data for 2009; revised MRTS data for 2009.
32	Recreation services	1.5	0.3	-3.7	378.8	
33	Food services and accommodations	4.1	2.6	-2.0	603.6	

See the footnotes and abbreviations at the end of the table.

Current-Dollar NIPA Measures

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2009 level	Major source data incorporated ¹
		Revision in level				
		2007	2008	2009		
34	Financial services and insurance	-5.3	12.5	-14.2	813.8	
35	Financial services	-7.2	13.1	0.3	505.3	
	<i>Of which:</i>					
36	Financial services furnished without payment	-3.6	9.8	-2.6	271.2	Revised FRB <i>Call Report</i> data for 2007–2009; revised IRS regulated investment company data for 2007; new IRS data for 2008; new trade source data on investment company securities for 2009.
37	Insurance	1.8	-0.6	-14.4	308.6	
	<i>Of which:</i>					
38	Life insurance	-0.2	-0.4	-7.2	77.1	Revised FRB flow of funds accounts data for 2007 and 2008; new trade source data on insurance expenses for 2009.
39	Other services	-1.8	1.0	-17.6	925.9	
	<i>Of which:</i>					
40	Personal care and clothing services	-1.4	-1.9	-6.3	123.1	Revised SAS taxable revenue data for 2007 and 2008; new SAS data for 2009.
41	Household maintenance	-0.2	0.6	-5.2	60.8	Revised SAS taxable revenue data for 2007 and 2008; new SAS data for 2009.
42	Final consumption expenditures of nonprofit institutions serving households (NPISHs)	0.7	0.1	-6.5	258.9	
43	Gross output of NPISHs	-1.9	-11.8	-11.5	1,058.1	Revised SAS tax-exempt expense data for 2007 and 2008; new SAS data for 2009.
44	Less: Receipts from sales of goods and services by NPISHs	-2.6	-11.9	-5.0	799.2	Revised SAS tax-exempt revenue data for 2007 and 2008; new SAS data for 2009.
45	Gross private domestic investment	6.7	-39.4	-39.6	1,589.2	
46	Fixed investment	-3.0	-33.0	-33.3	1,716.4	
47	Nonresidential	-2.7	-28.3	-24.4	1,364.4	
48	Structures	-10.5	-27.1	-28.4	451.6	
	<i>Of which:</i>					
49	Commercial and health care	0.0	-3.3	-10.3	128.1	Revised Census Bureau construction spending (value put in place) data for 2008 and 2009.
50	Manufacturing	-1.6	-3.4	-12.8	63.1	Revised Census Bureau construction spending (value put in place) data for 2007–2009.
51	Power	2.8	-4.8	-3.3	71.9	Revised Census Bureau construction spending (value put in place) data for 2007–2009.
52	Electric	0.0	-11.7	-10.4	42.3	
53	Other power	2.8	6.9	7.1	29.6	
54	Petroleum and natural gas	-10.2	-16.6	-1.1	81.4	Revised trade source data on footage drilled for 2007–2009; revised Census Bureau Annual Capital Expenditures Survey (ACES) data for 2007; new ACES data for 2008; revised BLS producer price indexes for 2009.
55	Equipment and software	7.8	-1.2	4.0	912.8	
56	Information processing equipment and software	-0.8	-13.0	8.0	530.7	
	<i>Of which:</i>					
57	Computers and peripheral equipment	-2.2	1.9	5.0	80.0	Revised Economic Census data for 2007; new Census Bureau Annual Survey of Manufactures (ASM) data for 2008; revised Census Bureau monthly industry shipments data for 2009.
58	Software	-0.6	-4.4	16.0	260.2	Revised Census Bureau Service Annual Survey (SAS) revenue data for 2007 and 2008; new SAS data for 2009; new BLS Occupational Employment Survey data for 2009.
59	Communication equipment	2.1	-9.2	-8.9	81.6	New Census Bureau Current Industrial Report (CIR) data for 2008; revised Census Bureau monthly industry shipments data for 2009.
60	Office and accounting equipment	-5.0	-4.9	-4.9	4.1	Revised Economic Census data for 2007; new Census Bureau ASM data for 2008; revised Census Bureau monthly industry shipments data for 2009.
61	Industrial equipment	-0.2	-0.1	0.3	150.4	
62	Transportation equipment	8.5	14.9	3.9	76.4	
	<i>Of which:</i>					
63	Light trucks (including utility vehicles)	0.1	0.3	-7.5	7.3	Revised Census Bureau Annual Retail Trade Survey (ARTS) data for 2007; new ARTS data for 2008; new trade source data on vehicle registrations, estimated retention periods, and average expenditure for 2009.
64	Aircraft	4.9	8.6	8.3	23.8	New Census Bureau ASM data for 2008; revised CIR data for 2009.
65	Other equipment	0.5	-1.6	-7.4	159.8	
	<i>Of which:</i>					
66	Service industry machinery	-0.2	-1.7	-2.9	18.9	New Census Bureau ASM data for 2008; revised Census Bureau monthly industry shipments data for 2009.
67	Residential	-0.4	-4.7	-8.9	352.1	
	<i>Of which:</i>					
68	Structures	-0.2	-4.5	-8.6	343.1	
	<i>Of which:</i>					
69	Improvements	0.0	-4.4	-5.7	149.3	Revised Census Bureau construction spending (value put in place) data for 2008 and 2009.

See the footnotes and abbreviations at the end of the table.

Current-Dollar NIPA Measures

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2009 level	Major source data incorporated ¹
		Revision in level				
		2007	2008	2009		
70	Change in private inventories	9.7	-6.3	-6.3	-127.2	
71	Farm	-0.1	8.7	6.2	3.8	Revised USDA data for 2007 and 2008; new USDA data for 2009.
72	Nonfarm	9.8	-15.0	-12.6	-131.1	
73	Change in book value	18.0	-13.0	-23.2	-152.7	
74	Mining, utilities, and construction	0.3	-8.0	-6.5	-6.8	New Economic Census data on construction and mining for 2007; new IRS tabulations of corporate and of sole proprietorship and partnership tax return data on inventory book values for 2008.
75	Manufacturing	11.5	-4.8	-1.7	-48.3	New and revised Economic Census data on manufacturing for 2007; new Annual Survey of Manufactures (ASM) data for 2008; revised Census Bureau monthly inventory data for 2009.
76	Wholesale trade	5.0	10.4	-6.5	-59.5	Revised Census Bureau Annual Wholesale Trade Survey (AWTS) data on inventory book values for 2007; new AWTS data for 2008; revised Census Bureau monthly inventory data for 2009.
77	Retail trade	0.0	-12.4	-5.9	-31.1	Revised Census Bureau Annual Retail Trade Survey (ARTS) data on inventory book values for 2007; new ARTS data for 2008; revised BEA estimates based on motor vehicle inventory data from trade sources and revised Census Bureau monthly inventory data for 2009.
	<i>Of which:</i>					
78	Motor vehicle and parts dealers	0.2	-11.1	-3.0	-13.1	Revised ARTS data on inventory book values for 2007; new ARTS data for 2008; revised BEA estimates based on motor vehicle inventory data from trade sources for 2009.
79	Other	1.0	1.9	-2.7	-7.0	
80	IVA	-8.1	-2.1	10.7	21.6	New manufacturing Economic Census data for 2007; revised Census Bureau AWTS and ARTS information on accounting methods used for inventory reporting for 2007; new AWTS, ARTS, and ASM data for 2008. Revised BEA unit labor cost indexes for 2007-2009.
81	Net exports of goods and services	-0.2	-2.6	6.0	-386.4	Revised BEA international transactions accounts estimates for 2007-2009.
82	Exports	5.8	12.3	14.2	1,578.4	
83	Goods	22.6	28.2	24.7	1,063.1	
84	Services	-16.8	-15.9	-10.6	515.3	
85	Imports	6.0	14.9	8.1	1,964.7	
86	Goods	13.9	22.4	12.4	1,587.8	
87	Services	-8.1	-7.4	-4.3	376.9	
88	Government consumption expenditures and gross investment	-2.3	-4.9	-15.8	2,914.9	
89	Federal	-0.4	-2.7	-5.2	1,139.6	
90	National defense	0.2	-0.6	-7.4	771.6	
91	Consumption expenditures	0.5	1.7	-2.5	664.1	Revised allocations of FY 2008 federal budget data for 2007 and 2008; revised FY 2009 federal budget data for 2008 and 2009; preliminary FY 2010 federal budget data for 2009; new BLS Quarterly Census of Employment and Wages data for 2009.
	<i>Of which:</i>					
92	Compensation of general government employees	0.1	1.6	-5.3	273.3	
93	Services	-0.6	1.4	5.0	241.1	
94	Gross investment	-0.4	-2.2	-4.9	107.5	
95	Structures	-0.4	-1.6	-0.8	15.9	
96	Equipment and software	0.1	-0.7	-4.2	91.5	Revised FY 2009 federal budget data for 2008 and 2009; preliminary FY 2010 federal budget data for 2009; preliminary FY 2009 Department of Defense contract awards data for 2008 and 2009.
97	Nondefense	-0.5	-2.2	2.2	368.0	
98	Consumption expenditures	-0.4	-1.4	3.3	323.0	
99	Gross investment	-0.1	-0.7	-1.1	45.0	
100	State and local	-1.9	-2.1	-10.6	1,775.3	
101	Consumption expenditures	2.8	-4.2	-6.1	1,424.4	
	<i>Of which:</i>					
102	Compensation of general government employees	1.8	6.2	6.0	1,053.9	Revised BLS Quarterly Census of Employment and Wages (QCEW) data for 2007 and 2008; new QCEW data for 2009; new DHHS Medical Expenditure Panel Survey data for 2008.
103	Services	-1.5	-8.3	-0.7	383.6	Revised Census Bureau government finances FY 2007 tabulations for 2007; new government finances FY 2008 tabulations for 2007 and 2008.
104	Less: Sales to other sectors	-0.2	-0.9	9.9	369.0	
105	Tuition and related educational charges	0.1	0.1	1.9	81.8	
106	Health and hospital charges	-0.2	-1.2	3.6	165.4	
107	Other sales	-0.1	0.2	4.4	121.8	
108	Gross investment	-4.7	2.1	-4.4	351.0	
109	Structures	-8.8	-4.2	-11.1	288.5	Revised Census Bureau government finances FY 2007 tabulations for 2007; new government finances FY 2008 tabulations for 2007 and 2008; revised Census Bureau construction spending (value put in place) data for 2008 and 2009.
110	Equipment and software	4.3	6.3	6.7	62.4	Revised Census Bureau government finances FY 2007 tabulations for 2007; new government finances FY 2008 tabulations for 2007 and 2008.

See the footnotes and abbreviations at the end of the table.

Current-Dollar NIPA Measures

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2009 level	Major source data incorporated ¹
		Revision in level				
		2007	2008	2009		
111	Gross domestic product	-15.8	-72.3	-137.3	14,119.0	
112	Less: Statistical discrepancy ²	35.9	35.6	-38.2	179.1	
113	Equals: Gross domestic income	-51.8	-107.9	-99.1	13,939.9	
114	Compensation of employees, paid.....	-0.6	23.3	29.0	7,819.5	See entries under "Compensation of employees," line 138.
115	Wage and salary accruals	12.9	13.2	-1.7	6,286.9	
116	Disbursements	12.8	13.2	-1.7	6,281.9	
117	To persons	12.9	13.2	-2.4	6,271.2	
118	To the rest of the world	0.0	0.0	0.7	10.8	
119	Wage accruals less disbursements	0.0	0.0	0.0	5.0	
120	Supplements to wages and salaries	-13.4	10.2	30.7	1,532.6	
121	Taxes on production and imports	-1.5	-2.2	0.8	1,024.7	
122	Less: Subsidies	-0.2	-0.7	0.7	60.3	
123	Net operating surplus	-57.4	-132.0	-125.3	3,294.9	
124	Private enterprises	-52.2	-122.2	-120.2	3,308.1	
125	Current surplus of government enterprises.....	-5.2	-9.8	-5.1	-13.2	
126	Consumption of fixed capital	7.5	2.1	-2.9	1,861.1	
127	Private	6.6	0.7	-3.0	1,535.8	
128	Domestic business	2.2	-7.8	-12.5	1,245.2	Revised BEA fixed investment and price estimates for 2007–2009; revised BEA fixed assets accounts (FAAs) legal form of organization ratios for 2007–2009.
129	Capital consumption allowances	-2.5	17.9	27.6	1,297.2	Revised IRS tabulations of corporate tax return data for 2007; new IRS tabulations of corporate and of sole proprietorship and partnership tax return data for 2008; revised BEA fixed investment estimates for 2007–2009.
130	Less: CCAAdj.....	-4.8	25.8	40.1	52.0	CCAAdj is calculated as capital consumption allowances less consumption of fixed capital.
131	Households and institutions	4.4	8.5	9.6	290.6	Revised BEA fixed investment and price estimates for 2007–2009; revised BEA FAAs legal form of organization ratios for 2007–2009.
132	Government	0.9	1.4	0.1	325.3	
133	Plus: Income receipts from the rest of the world.....	9.2	30.0	40.4	629.8	Revised BEA international transactions accounts estimates for 2007–2009.
134	Less: Income payments to the rest of the world	1.7	-2.6	-0.9	483.6	Revised BEA international transactions accounts estimates for 2007–2009.
135	Equals: Gross national income	-44.3	-75.3	-57.7	14,086.2	
136	Less: Consumption of fixed capital	7.5	2.1	-2.9	1,861.1	
137	Equals: National income	-51.8	-77.4	-55.0	12,225.0	
138	Compensation of employees	-0.6	23.4	28.2	7,811.7	
139	Wage and salary accruals.....	12.9	13.2	-2.4	6,279.1	
140	Government	-0.1	2.7	-8.8	1,173.6	New BLS Quarterly Census of Employment and Wages (QCEW) data for 2009.
141	Other	12.9	10.5	6.4	5,105.5	Revised Census Bureau Service Annual Survey (SAS) revenue and expense data for 2007 and 2008; new SAS data for 2009; revised Census Bureau Annual Retail Trade Survey (ARTS) data for 2007; new ARTS data for 2008; revised Census Bureau Monthly Retail Trade Survey data for 2009; new DHHS Medical Expenditure Panel Survey data on employee enrollment in and average contribution to "cafeteria plans" for 2008; revised QCEW data for 2007–2009.
142	Supplements to wages and salaries	-13.4	10.2	30.7	1,532.6	
143	Employer contributions for employee pension and insurance funds.....	-12.5	12.7	28.1	1,072.0	New Department of Labor pension data for 2007; new Pension Benefit Guaranty Corporation data for 2008; new corporate financial data for 2008 and 2009; new DHHS Medical Expenditure Panel Survey data for 2008 and 2009.
144	Employer contributions for government social insurance.....	-0.9	-2.6	2.6	460.6	
145	Proprietors' income with IVA and CCAAdj	-6.0	-4.3	-29.1	1,011.9	
146	Farm	-1.6	2.1	1.2	30.5	
147	Nonfarm	-4.3	-6.3	-30.2	981.5	
148	Proprietors' income	9.5	5.5	-12.9	837.2	Revised trade source data on petroleum footage drilled for 2007–2009; revised Census Bureau Annual Capital Expenditures Survey (ACES) data for 2007; new ACES data for 2008; new Census Bureau nonfiler income data for 2008; new IRS tabulations of sole proprietorship and partnership tax return data for 2008.
149	IVA.....	-0.8	0.1	-0.5	0.2	
150	CCAAdj.....	-13.2	-11.9	-16.8	144.0	See entries under "Consumption of fixed capital," line 126.

See the footnotes and abbreviations at the end of the table.

Current-Dollar NIPA Measures

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2009 level	Major source data incorporated ¹
		Revision in level				
		2007	2008	2009		
151	Rental income of persons with CCAAdj	-1.2	11.6	5.9	274.0	
152	Rental income of persons	-1.2	12.1	6.4	289.0	Revised Census Bureau American Housing Survey housing units data for 2007; revised FRB flow of funds accounts data on residential mortgage loans liabilities for 2007–2009; revised Census Bureau Current Population Survey/Housing Vacancy Survey data (CPS/AVS) for 2007 and 2008; new CPS/AVS data for 2009; new Federal National Mortgage Corporation data on mortgage originations for 2008; revised IRS tabulations of corporate and individual tax return data for 2007; new IRS data for 2008; revised USDA data for 2007 and 2008; new USDA data for 2009; revised trade source data on insurance for 2007; new insurance data for 2008.
153	CCAAdj.....	0.0	-0.4	-0.6	-15.1	
154	Corporate profits with IVA and CCAAdj	-31.1	-97.6	-50.9	1,258.0	
155	Profits before tax without IVA and CCAAdj.....	-36.0	-129.5	-110.9	1,316.7	Revised IRS tabulations of corporate tax return data for 2007; new IRS tabulations for 2008; regulatory agency and public financial reports for 2009.
156	Domestic industries.....	-39.1	-163.6	-151.4	964.4	
157	Financial	-22.3	-139.0	-73.2	258.0	
158	Nonfinancial.....	-16.9	-24.7	-78.2	706.4	
159	Rest of the world	3.1	34.1	40.5	352.3	Revised BEA international transactions accounts estimates for 2007–2009.
160	Less: Taxes on corporate income.....	-6.0	16.2	-59.9	254.9	
161	Equals: Profits after tax.....	-29.9	-145.8	-51.0	1,061.8	
162	Domestic industries.....	-33.1	-179.8	-91.5	709.5	
163	Rest of the world	3.1	34.1	40.5	352.3	
164	Less: Net corporate dividend payments, NIPAs	26.7	107.8	143.1	718.9	
165	Domestic industries.....	8.1	68.2	152.7	611.6	
166	Rest of the world	18.6	39.5	-9.6	107.3	
167	Equals: Undistributed corporate profits.....	-56.7	-253.5	-194.2	342.9	
168	Domestic industries.....	-41.2	-248.1	-244.2	97.9	
169	Rest of the world	-15.5	-5.5	50.1	245.0	
170	IVA.....	-3.2	-5.9	2.8	11.9	
171	CCAAdj.....	8.2	37.8	57.2	-70.6	See entries under "Consumption of fixed capital," line 126.
172	Net interest and miscellaneous payments	-7.6	-2.3	-3.9	784.3	
173	Net interest	-8.6	-4.6	-6.2	765.0	
174	Domestic business	-10.1	3.5		435.6	
	Of which:					
175	Monetary interest paid.....	16.8	219.9		1,896.3	Revised IRS tabulations of corporate tax return data for 2007; new IRS tabulations for 2008; new IRS tabulations of sole proprietorship and partnership tax return data for 2008; revised FRB flow of funds accounts data on nonfinancial corporate liabilities data for 2007 and 2008; new FRB data for 2009; revised USDA data on interest paid by farmers for 2007 and 2008; new USDA data for 2009; new Federal Deposit Insurance Corporation data, Credit Union National Association data, Office of Thrift Supervision data, and trade source data on investment companies for 2009.
176	Less: Monetary interest received.....	24.3	212.0		2,038.8	Revised IRS tabulations of corporate tax return data for 2007; new IRS tabulations for 2008; new IRS tabulations of sole proprietorship and partnership tax return data for 2008; revised FRB flow of funds nonfinancial corporate assets data for 2007 and 2008; new FRB data for 2009; new Federal Deposit Insurance Corporation data, Credit Union National Association data, Office of Thrift Supervision data, and trade source data on investment companies for 2009.
177	Imputed interest paid, depositor and insurance services.....	-0.5	0.1		534.3	
	Of which:					
178	Banks, credit agencies, and investment companies.....	-1.4	12.6		253.8	Revised IRS tabulations of corporate tax return data for 2007; new IRS tabulations for 2008.
179	Life insurance carriers.....	0.0	-13.7		253.7	New trade source data on investment income of life insurance carriers for 2008; revised FRB flow of funds asset data on life insurance companies for 2007 and 2008; new FRB data for 2009.
180	Less: Imputed interest received, depositor and insurance services.....	2.5	4.7		55.4	
181	Owner-occupied housing.....	-2.9	-6.5		517.8	
	Of which:					
182	Monetary interest paid.....	-2.8	-6.4		572.2	Revised FRB flow of funds accounts data on residential mortgage liabilities for 2007–2009.
183	Nonprofit institutions.....	0.0	0.0		9.8	
184	Rest of the world	4.4	-1.4		-198.2	
185	Miscellaneous payments.....	1.0	2.2	2.3	19.3	
186	Taxes on production and imports	-1.5	-2.2	0.8	1,024.7	
187	Federal.....	-0.2	4.0	2.1	94.4	

See the footnotes and abbreviations at the end of the table.

Current-Dollar NIPA Measures

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data Incorporated—Table Ends

Line	NIPA component	Billions of dollars			Revised 2009 level	Major source data incorporated ¹
		Revision in level				
		2007	2008	2009		
188	State and local	-1.3	-6.2	-1.3	930.3	Revised Census Bureau government finances FY 2007 and FY 2008 tabulations for 2007 and 2008; new state government finances FY 2009 tabulations for 2008 and 2009.
189	Less: Subsidies	-0.2	-0.7	0.7	60.3	
190	Business current transfer payments	1.1	2.9	-0.1	134.0	
	<i>Of which:</i>					
191	To the rest of the world (net)	-0.6	-4.0	-5.2	-0.6	Revised BEA international transactions accounts estimates for 2007–2009.
192	Current surplus of government enterprises	-5.2	-9.8	-5.1	-13.2	
193	Federal	0.0	0.1	0.7	-4.2	
194	State and local	-5.2	-9.8	-5.8	-9.0	Revised Census Bureau government finances FY 2007 tabulations for 2007; new government finances FY 2008 tabulations for 2007 and 2008.
	Addenda:					
195	Gross national product	-8.2	-39.7	-95.9	14,265.3	
196	Gross saving	-26.6	-38.9	33.5	1,533.8	
197	Personal income	18.2	152.3	155.9	12,174.9	
198	Compensation of employees, received	-0.5	23.4	28.2	7,806.7	See entries under "Compensation of employees," line 138.
199	Proprietors' income with IVA and CCAAdj	-6.0	-4.3	-29.1	1,011.9	
200	Rental income of persons with CCAAdj	-1.2	11.6	5.9	274.0	
201	Personal income receipts on assets	25.5	114.9	127.1	1,919.7	
202	Personal interest income	-1.3	6.7	-16.2	1,222.3	Revised IRS tabulations of corporate tax return data for 2007; new IRS tabulations for 2008; new trade source data on investment income of life insurance carriers for 2008; revised FRB flow of funds accounts asset data on life insurance companies for 2007 and 2008; new FRB data for 2009.
203	Personal dividend income	26.8	108.2	143.2	697.4	Revised IRS tabulations of corporate tax return data for 2007; new IRS tabulations for 2008; regulatory agency and public financial statements data on dividends for 2009; revised BEA international transactions accounts estimates for 2007–2009.
204	Personal current transfer receipts	0.5	3.3	28.0	2,132.8	
205	Government social benefits	0.1	-0.6	24.8	2,096.8	
206	Federal	0.0	-0.8	8.6	1,604.7	Revised Centers for Medicare and Medicaid Services data on incurred benefits for 2007–2009; revised Department of Labor data on unemployment benefits for 2009; revised Department of Treasury data on Consolidated Omnibus Budget Reconciliation Act (COBRA) health insurance premiums for 2009.
207	State and local	0.0	0.2	16.2	492.1	New Centers for Medicare and Medicaid Services tabulations of Medicaid payments for 2009.
208	Other current transfer receipts from business (net)	0.3	4.1	3.3	36.0	
209	Less: Contributions for government social insurance, domestic	0.2	-3.4	4.4	970.3	
210	Less: Personal current taxes	-2.2	5.8	38.3	1,140.0	
211	Federal	-2.5	0.3	24.0	852.7	Revised Social Security Administration (SSA) data on taxable wages for 2007 and 2008; new SSA data for 2009; revised Department of Treasury data on COBRA health insurance premiums for 2009.
212	State and local	0.3	5.4	14.3	287.3	Revised Census Bureau government finances FY 2007 and FY 2008 tabulations for 2007 and 2008; new state government finances FY 2009 tabulations for 2008 and 2009.
213	Equals: Disposable personal income	20.5	146.5	117.6	11,034.9	
214	Less: Personal outlays	-15.4	-15.0	-79.1	10,379.6	
215	Personal consumption expenditures	-20.1	-25.4	-87.8	10,001.3	See entries under "Personal consumption expenditures," line 2.
216	Personal interest payments	4.1	8.5	2.9	216.8	Revised FRB interest rate data for 2007–2009; revised FRB consumer credit outstanding data for 2009; new regulatory data for 2009.
217	Personal current transfer payments	0.7	2.0	5.7	161.4	
218	To government	0.1	1.8	2.8	95.0	
219	To the rest of the world (net)	0.6	0.1	3.0	66.5	
220	Equals: Personal saving	35.8	161.5	196.7	655.3	

1. In these descriptions, "new" indicates this is the first time that data from the specific source are being incorporated into the component estimate for the given year, and "revised" indicates that data from the specific source were incorporated previously and now revised data from that source are being incorporated.

2. The statistical discrepancy is gross domestic product (GDP) less gross domestic income (GDI); it is also the difference between gross national product (GNP) and gross national income (GNI), which is GDI plus net income receipts from the rest of the world. The statistical discrepancy arises because the product-side measures of GDP and GNP are estimated independently from the income-side measures of GDI and GNI.

BEA Bureau of Economic Analysis
 BLS Bureau of Labor Statistics
 CCAAdj Capital consumption adjustment
 DHHS Department of Health and Human Services
 EIA Energy Information Administration
 FRB Federal Reserve Board
 FY Fiscal year
 IRS Internal Revenue Service
 IVA Inventory valuation adjustment
 NIPAs National income and product accounts
 USDA U.S. Department of Agriculture

Source Data and Discontinuities in NIPA Foreign Transactions

Source Data Incorporated in the 2010 Annual Revision

The annual revision incorporated data from a variety of sources: Census Bureau new and revised economic census data for manufacturing for 2007; Census Bureau annual survey of manufactures for 2008; Census Bureau annual surveys of merchant wholesale trade and of retail trade for 2007 (revised) and for 2008; Census Bureau revised monthly indicators of manufactures, of merchant wholesale trade, and of retail trade for 2007–2009; Census Bureau services annual surveys for 2007 (revised), 2008 (revised), and 2009 (preliminary), and annual surveys of government finances for fiscal years 2006 (revised), 2007 (revised), and 2008 (preliminary); Census Bureau monthly survey of construction spending (value put in

place) for 2007–2009 (revised); Census Bureau quarterly services survey for 2007–2009 (revised); Census Bureau current population survey/housing vacancy survey for 2009; federal government budget data for fiscal years 2009 and 2010; Internal Revenue Service tabulations of tax returns for corporations for 2007 (revised) and 2008 (preliminary) and for sole proprietorships and partnerships for 2008; Bureau of Labor Statistics (BLS) quarterly census of employment and wages for 2007–2009 (revised); BLS occupational employment survey data for 2009; Department of Agriculture farm statistics for 2007–2009 (revised); and BEA's international transactions accounts for 2007–2009 (revised).

Discontinuities in NIPA Foreign Transactions

The revisions to net exports of goods and services reflect the annual revision of BEA's international transactions accounts (ITAs), which incorporated new and updated source data.¹

For most components, the revisions to the ITAs for 2007–2009 were incorporated into the NIPAs at their "best level." As a result, there are small discontinuities between

the NIPA estimates for total exports and imports for 2006 and those for 2007 (table A), and somewhat larger discontinuities within these categories for the estimates of goods and services due to reclassifications (see "Reclassification of foreign transactions" on page 23).

For current-dollar net exports of goods and services (and for current-dollar GDP), the change from 2006 to 2007 was overstated by \$1.1 billion. (The revisions to the ITAs for years before 2007 will be incorporated in the next comprehensive NIPA revision.)

1. See Helen Y. Bai and Mai-Chi Hoang, "Annual Revision of the U.S. International Transactions Accounts," SURVEY 90 (July 2010): 36–50.

Table A. Discontinuities in NIPA Foreign Transactions, 2006–2007

[Billions of dollars]

	2006			2007	Change from 2006 to 2007	
	Published	Discontinuity ¹	Adjusted	Revised	Published	Adjusted
Net exports of goods and services	-769.3	1.1	-768.2	-714.0	55.3	54.2
Exports	1,471.0	1.1	1,472.1	1,661.7	190.7	189.6
Goods	1,024.4	20.1	1,044.5	1,162.0	137.6	117.5
Services	446.6	-19.0	427.6	499.7	53.1	72.1
Imports	2,240.3	0.0	2,240.3	2,375.7	135.4	135.4
Goods	1,884.9	12.3	1,897.2	2,001.6	116.7	104.4
Services	355.4	-12.3	343.1	374.0	18.6	30.9
Net receipts of income	72.4	0.0	72.4	123.3	50.9	50.9
Income receipts	721.1	0.0	721.1	871.0	149.9	149.9
Wage and salary receipts	2.9	0.0	2.9	3.0	0.1	0.1
Income receipts on assets	718.2	0.0	718.2	868.0	149.8	149.8
Interest	283.7	0.0	283.7	357.4	73.7	73.7
Dividends	186.0	0.0	186.0	249.0	63.0	63.0
Reinvested earnings of U.S. direct investment abroad	248.4	0.0	248.4	261.6	13.2	13.2
Income payments	648.6	0.0	648.6	747.7	99.1	99.1
Wage and salary payments	9.5	0.0	9.5	10.1	0.6	0.6
Income payments on assets	639.1	0.0	639.1	737.6	98.5	98.5
Interest	461.5	0.0	461.5	577.9	116.4	116.4
Dividends	108.1	0.0	108.1	104.2	-3.9	-3.9
Reinvested earnings of foreign direct investment in the United States	69.5	0.0	69.5	55.5	-14.0	-14.0
Current taxes and transfer payments to the rest of the world (net)	101.5	0.2	101.7	126.2	24.7	24.5
Addenda:						
Gross domestic product	13,398.9	1.1	13,400.0	14,061.8	662.9	661.8
Gross national product	13,471.3	1.1	13,472.4	14,185.1	713.8	712.7

1. Equals the revisions to the U.S. international transactions accounts that have not been carried back in the NIPAs at this time.

Changes in Methodology and Presentation

As part of the annual revision to the NIPAs, a number of changes in methodology and presentation have been incorporated.¹

Command-basis real gross national product (GNP).

While current-dollar GNP measures the market value of goods and services produced by labor and capital supplied by U.S. residents and while real GNP measures the changes in the quantity of these goods and services, command-basis real GNP measures the purchasing power of the income generated by the sale of these goods and services. In the calculation of command-basis real GNP, the deflators for exports and income receipts from the rest of the world and for imports and income payments to the rest of the world have been changed. Beginning with this annual revision, the price index for gross domestic purchases is used to deflate the current account balance in calculating command-basis GNP and to deflate the trade balance in calculating command-basis GDP. Previously, the price index for imports and income payments to the rest of the world was used to deflate exports and income receipts from the rest of the world in calculating command-basis GNP; command-basis GDP was not published.

Because command-basis GNP is intended to measure the purchasing power of income, its deflator should reflect the uses, not the sources, of income.² Using the price index for gross domestic purchases to deflate all of GNP is consistent with this principle; in contrast, the deflator previously used depended on whether the source of income was domestic sales (deflated by the gross domestic purchases index) or foreign sales (deflated by the price index for imports and income payments). Furthermore, in time periods when the U.S. current account is in deficit, the new procedure will more accurately reflect the effect of changes in import prices on the purchasing power of gross national income (as measured by GNP) because the import price changes (which include the volatile petroleum price) will no longer be used to deflate exports.

NIPA tables 1.8.3 and 1.8.6 have been revised and expanded to reflect the improved deflation of the command-basis measures, including the addition of the new series command-basis real GDP.³ The addenda to table 1.8.3 have also been expanded to include percent changes

from the preceding period for all the major aggregates shown in the table. The addenda to table 1.8.6 also include several additional new series: trading gains, terms of trade for goods, and terms of trade for nonpetroleum goods. Most of these changes are carried back to 1929 for annual estimates and to 1947 for quarterly estimates.

Saving and investment by sector. NIPA table 5.1 now shows saving, investment, capital account transactions (net), and net lending or net borrowing by sector, beginning with 1960. This expanded presentation provides useful information on how investment is financed across the economy and further aligns the NIPAs with the accounting guidelines in the *System of National Accounts 2008*. The additional sector detail is largely derived from existing data, but in some cases, new series were estimated.

Net private saving is now shown separately for domestic business (undistributed corporate profits plus the corporate inventory valuation adjustment plus the corporate capital consumption adjustment) and for households and institutions (personal saving plus wage accruals less disbursements). Gross private domestic investment (GPDI) is now shown for domestic business and for households and institutions (investment in owner-occupied housing plus investment by nonprofit institutions serving households). Gross government investment is now shown separately for the federal government and for state and local government. The annual investment estimates for households and institutions are from BEA's fixed assets accounts (FAAs), and the quarterly estimates are interpolated and extrapolated from the annual estimates using unpublished quarterly detail from the FAAs. GPDI by domestic business is calculated as the difference between total GPDI and GPDI by households and institutions.⁴

Capital account transactions (net) are now shown separately for domestic business, households and institutions, and government. Previously, only the annual and quarterly estimates of aggregate capital account transactions (net) were published and equaled the rest of world (ROW) capital account transactions (net) in NIPA table 4.1. Capital account transactions between domestic business, households and institutions, and government offset one another so that total capital account transactions (net) presented in table 5.1 continues to equal ROW capital account transactions. However, for each

1. These changes update the information in the two tables that were published in "Updated Summary of NIPA Methodologies" in the November 2009 SURVEY; these tables will be updated in the November 2010 SURVEY.

2. See Marshall B. Reinsdorf, "Terms of Trade Effects: Theory and Measurement," *Review of Income and Wealth* 56 (June 2010): S177–S205.

3. The new presentation reflects the relationships discussed in the most recent edition of the *System of National Accounts*; see Commission of the European Communities, International Monetary Fund, Organisation for Economic Cooperation and Development, United Nations, and the World Bank, *System of National Accounts 2008*: 15: 185–197 at unstats.un.org/unsd/nationalaccount/SNA2008.pdf.

4. Private fixed investment in the NIPAs differs from private fixed investment in the FAAs, primarily for the business sector. The main difference is that the NIPAs include dealers' margins on used equipment, but the FAAs do not. A full reconciliation of NIPA private fixed investment with the corresponding measure in the FAAs is available on BEA's Web site at www.bea.gov/national/FA2004/index.asp.

Changes in Methodology and Presentation

sector, capital account transactions (net) consists of capital transfers and net purchases of nonproduced nonfinancial assets. Estimates of capital transfers are from NIPA tables 5.10 and 5.10u.⁵ The vast majority of net purchases of nonproduced nonfinancial assets pertain to land sales (purchases less sales), payments for natural resource rights, and more recently, Federal Communication Commission (FCC) proceeds from the auctions of the radio spectrum. Net purchases of nonproduced assets for federal and state and local governments are from NIPA tables 3.2 and 3.3, respectively. For many of these transactions, such as the FCC auction proceeds or payments for drilling rights, the government is assumed to transact solely with the business sector. However, for net land sales, the government transacts with both the business sector and the households and institutions sector, requiring separate estimates, which are derived judgmentally.

Net lending or net borrowing is now shown by sector and derived for each sector as gross saving minus capital account transactions (net) minus gross investment. The domestic business sector includes the statistical discrepancy, which is the standard practice in the NIPAs.

Quarterly estimates of net investment. Net investment is an important indicator that gauges the degree to which businesses replace their fixed assets. With the recent decline in GPDI, there has been increased interest in timelier and higher frequency estimates. In response to this need, as part of the annual revision, quarterly estimates of consumption of fixed capital (CFC) by major type of asset and of corresponding net investment are introduced in the underlying detail tables of gross and net investment, beginning with the estimates for the first quarter of 2000.⁶ The newly available quarterly CFC estimates are calculated using the perpetual inventory method that was introduced in the 2008 annual revision.⁷ Previously, estimates of CFC by major type of asset and of corresponding net investment were only available annually in NIPA tables 5.2.3, 5.2.5, and 5.2.6.

Newly available quarterly data for services. As part of the 2005 annual revision, BEA began incorporating

data from the Census Bureau's quarterly services survey (QSS) into its estimates. Since then, the Census Bureau has expanded the coverage of the survey. Beginning with estimates for the first quarter of 2010, BEA is now incorporating newly available data from the expanded QSS into the quarterly estimates for a number of personal consumption expenditures (PCE) categories in health care, transportation, recreation, "other" services, and gross output of nonprofit institutions. The percentage of quarterly PCE services that is based on the QSS has increased from 16 percent to 39 percent.⁸ Previously, many of the monthly and quarterly PCE estimates covered by the newly available data from the QSS were extrapolated using proxy data, such as BLS employment, hours, and earnings, or judgmental trends. As the Census Bureau's QSS expands to cover even more industries, BEA will continue to incorporate the newly available quarterly data in order to improve the estimates of PCE for services.

Scanner data for software. Beginning with this annual revision, within PCE for goods, the annual estimates for software are based on point-of-sale retail scanner data from a trade source that captures the variation in the composition of goods sold by radio, television, and electronic stores and by computer and software stores.⁹ Previously, sales of software at these types of stores were based on retail sales by kind of business and on commodity sales data from the most recent quinquennial economic census from the Census Bureau, resulting in a fixed allocation of software sales by these stores between economic census years. The value of *total* sales of these stores will continue to be based on the Census Bureau's monthly and annual surveys of retail trade, and the current-dollar value of total PCE goods based on retail sales will not be affected by the expanded use of scanner data.

Own-account software. Beginning with this annual revision, the indicator that is used to estimate the quarterly change in own-account software has been changed to an index of employment in four industries for which computer-related occupations account for a relatively high percentage of total employment according to the BLS occupational employment survey. The four

5. There are offsetting revisions beginning with 1989 to capital transfers received by noncorporate business and by persons (table 5.10, lines 32 and 43, respectively) to reflect a reclassification of disaster-related insurance benefits for owner-occupied housing. Previously, these benefits were incorrectly included with noncorporate business.

6. Underlying detail tables provide estimates of underlying NIPA series that are used to calculate published series. These detailed estimates are not included in the published tables, because their quality is significantly less than that of higher level aggregates in which they are included, and they are more likely to be either based on trends or on less reliable source data than the published estimates. See tables 5.2.3u, 5.2.5u, and 5.2.6u; see www.bea.gov/national/nipaweb/nipa_underlying/SelectTable.asp.

7. See Eugene P. Seskin and Shelly Smith, "Annual Revision of the National Income and Product Accounts," SURVEY 88 (August 2008): 18.

8. For a detailed list of the PCE components that are estimated using the QSS, see www.bea.gov/faq/national/QSSnewFAQ_rev.xls.

9. Point-of-sale scanner data were previously adopted to adjust the composition of other goods sold by radio, television, and electronics stores; computer and software stores; and camera and photographic supplies stores. The allocation of sales at these stores is applied to televisions, "other" video equipment, audio equipment, computers and peripherals, telephones and facsimile equipment, "other" information processing equipment, and cameras and "other" photographic equipment. See Clinton P. McCully and Steven Payson, "Preview of the 2009 Comprehensive Revision of the NIPAs: Statistical Changes," SURVEY 89 (May 2009): 9.

Changes in Methodology and Presentation

industries are computer systems design and related services; software publishers; data processing, hosting, and related services; and computer and peripheral equipment manufacturing. Previously, the indicator was based on a moving average of the percent change in private fixed investment in computers and peripheral equipment.

Residential improvements. Beginning with this annual revision, the indicator that is used to estimate the quarterly change in residential improvements has been changed. The quarterly estimates are now interpolated and extrapolated from the annual estimates using an indicator based on a weighted average of the percent change in retail sales of building material and garden supply dealers from the Census Bureau retail trade report (50 percent) and of the percent change in aggregate weekly payroll of production workers for residential remodelers from the BLS current employment survey after seasonal adjustment by BEA (50 percent). Previously, the quarterly estimates of residential improvements were interpolated from the annual estimates without an indicator, and the current quarterly estimates were extrapolated using an indicator based on a regression model relating four variables: mortgage interest rates, construction spending on single-family homes, prior-period new home sales, and prior-period residential improvements.

Reclassification of foreign transactions. The international transactions accounts (ITAs) are the primary source data for foreign transactions in the NIPAs. In this year's annual revision of the ITAs, several important changes in classifications were made as part of a multi-year effort to modernize and enhance the accounts and to align them with recently updated guidelines for international economic accounts.¹⁰ These changes include several that impact the NIPAs and are incorporated in this year's annual revision:

- Reclassification of certain exports and imports of military-related items from services to goods, beginning with estimates for 2007,
- Reclassification of exports and imports of air and ocean carriers' expenditures on fuel in foreign ports from services to goods, beginning with estimates for 2007, and
- Exclusion of migrants' transfers, a measure of the net worth of individuals who immigrate or emigrate during the period, from NIPA capital account transactions, beginning with estimates for 1982, which is the first year that these transactions were recognized in the ITAs.

10. See Bai and Hoang, 36–50. For additional information, see Kristy L. Howell and Robert E. Yuskavage, "Modernizing and Enhancing BEA's International Economic Accounts: Recent Progress and Future Directions," *SURVEY* 90 (May 2010): 6–20.

For years before 2007, the NIPA estimates will continue to include military-related items and fuel port expenditures transactions in services until the next comprehensive revision.

State and local government wages. Beginning with this annual revision, quarterly estimates of wages for state and local government employees are estimated using seasonally adjusted quarterly data from the BLS Quarterly Census of Employment and Wages (QCEW), and monthly estimates are interpolated from the quarters using an indicator derived from the product of the monthly BLS current employment statistics (CES) and of monthly interpolations of the employment cost index (ECI) for state and local government employees. Previously, the quarterly estimates during an annual revision were based on annual data from the QCEW, which were then interpolated into quarters (and months) using indicators based on the movements of the CES and ECI. The new method is an improvement because it is based on direct wage data rather than indirect employment and cost data. The current quarterly (and monthly) estimates will continue to be extrapolated using indicators based on the movements of the CES and ECI.

Communication equipment prices. Beginning with the estimates for the first quarter of 2007, BEA is using three quality-adjusted price indexes from the Federal Reserve Board's (FRB) industrial production index program to deflate business purchases of three types of communication equipment: telephone switching equipment, carrier line equipment, and wireless networking equipment. (A fourth FRB price index is already being used to deflate data networking equipment.) The FRB matched-model indexes better account for product quality change than the previously used price indexes, which were based on producer price indexes (PPIs) and international price indexes (IPIs) from BLS. For the current quarterly estimates, the PPI for host computers is used as an indicator to extrapolate the price indexes for the four types of equipment because the FRB indexes are not available.

Similarly, for consistency, BEA is changing the deflation of exports and imports of communication equipment—the lowest deflation-level detail and a component of "other" capital goods. Specifically, BEA is now using a Fisher chain-type price index comprised of the four FRB communication equipment price indexes noted above and IPIs for exported and imported telecommunications equipment to deflate exports and imports of communication equipment. Previously, only the IPIs were used for this deflation. For the current quarterly estimates, the PPI for host computers is again used as an indicator to extrapolate the relevant price indexes.

Changes in Methodology and Presentation

Changes in presentation. In addition to the changes above, a number of other tables have been modified affecting NIPA tables 1.8.3, 1.8.6, and 5.1 described slightly. Table 9 provides details of these changes.

Table 9. Changes to the NIPA Tables

Table title	Changes	
Section 1. Domestic Product and Income		
1.1.1	Percent Change From Preceding Period in Real Gross Domestic Product	Added current-dollar gross domestic product (GDP) to a new addendum.
1.1.7	Percent Change From Preceding Period in Prices for Gross Domestic Product	Added implicit price deflators (IPDs) for GDP and for gross national product (GNP) to the addenda.
1.1.11	Real Gross Domestic Product: Percent Change From Quarter One Year Ago	Presents GDP and related components and selected price indexes in a new table.
1.2.1	Percent Change From Preceding Period in Real Gross Domestic Product by Major Type of Product	Added current-dollar final sales of domestic product to the addenda.
1.2.4	Price Indexes for Gross Domestic Product by Major Type of Product	Added the IPD for final sales of domestic product to the addenda.
1.4.1	Percent Change From Preceding Period in Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers	Added current-dollar gross domestic purchases and current-dollar final sales to domestic purchasers to the addenda.
1.4.4	Price Indexes for Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers	Added the IPD for final sales to domestic purchasers to the addenda.
1.6.4	Price Indexes for Gross Domestic Purchases	Added the IPD for gross domestic purchases to the addenda.
1.6.7	Percent Change From Preceding Period in Gross Domestic Purchases	Added the IPD for gross domestic purchases to the addenda.
1.7.1	Percent Change From Preceding Period in Real Gross Domestic Product, Real Gross National Product, and Real Net National Product	Added real net domestic purchases and current-dollar GNP to the addenda.
1.7.3	Real Gross Domestic Product, Real Gross National Product, and Real Net National Product, Quantity Indexes	Added net domestic purchases to the addenda.
1.7.4	Price Indexes for Gross Domestic Product, Gross National Product, and Net National Product	Added net domestic purchases to the addenda.
1.7.5	Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income	Added net domestic purchases to the addenda.
1.7.6	Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product, Chained Dollars	Added net domestic purchases to the addenda.
1.8.3	Command-Basis Real Gross Domestic Product and Gross National Product, Quantity Indexes	Added GDP and command-basis GDP to the table. Added net domestic product and net national product, command-basis net domestic product and net national product, and percent change from preceding period in real GDP, command-basis GDP, and real GNP to the addenda. See the discussion of command-basis real GNP on page 21.
1.8.6	Command-Basis Real Gross Domestic Product and Gross National Product, Chained Dollars	Added GDP and command-basis GDP to the table. Added net domestic product and net national product, command-basis net domestic product and net national product, trading gains index, and terms of trade indexes for goods and services, for goods, and for nonpetroleum goods to the addenda.
Section 2. Personal Income and Outlays		
2.3.1	Percent Change From Preceding Period in Real Personal Consumption Expenditures by Major Type of Product	Added market-based personal consumption expenditures (PCE) and market-based PCE excluding food and energy to the addenda.
2.3.2	Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product	Added market-based PCE and market-based PCE excluding food and energy to the addenda.
2.3.3	Real Personal Consumption Expenditures by Major Type of Product, Quantity Indexes	Added market-based PCE and market-based PCE excluding food and energy to the addenda.
2.3.5	Personal Consumption Expenditures by Major Type of Product	Added market-based PCE and market-based PCE excluding food and energy to the addenda.
2.3.6	Real Personal Consumption Expenditures by Major Type of Product, Chained Dollars	Added market-based PCE and market-based PCE excluding food and energy to the addenda.
2.8.1	Percent Change From Preceding Period in Real Personal Consumption Expenditures by Major Type of Product, Monthly	Added PCE excluding food and energy, PCE for food, PCE for energy goods and services, market-based PCE, and market-based PCE excluding food and energy to a new addenda.
2.8.3	Real Personal Consumption Expenditures by Major Type of Product, Monthly, Quantity Indexes	Added PCE excluding food and energy, PCE for food, PCE for energy goods and services, market-based PCE, and market-based PCE excluding food and energy to a new addenda.
2.8.4	Price Indexes for Personal Consumption Expenditures by Major Type of Product, Monthly	Added PCE for food to the addenda.
2.8.5	Personal Consumption Expenditures by Major Type of Product, Monthly	Added PCE excluding food and energy, PCE for food, PCE for energy goods and services, market-based PCE, and market-based PCE excluding food and energy to a new addenda.
2.8.6	Real Personal Consumption Expenditures by Major Type of Product, Monthly, Chained Dollars	Added PCE excluding food and energy, PCE for food, PCE for energy goods and services, market-based PCE, and market-based PCE excluding food and energy to a new addenda.
2.8.7	Percent Change From Preceding Period in Prices for Personal Consumption Expenditures by Major Type of Product, Monthly	Added PCE for food to the addenda.
Section 5. Saving and Investment		
5.1	Saving and Investment	Added saving, investment, capital account transactions (net), and net lending or borrowing by sector. See the discussion of saving and investment by sector on page 21.

Acknowledgments

Acknowledgments

Carol E. Moylan, Chief of the National Income and Wealth Division, supervised the preparation of this year's annual revision of the national income and product accounts. Pamela A. Kelly, Chief of the Government Division, directed major parts of the revision. Brent R. Moulton, Associate Director for National Economic Accounts, provided overall supervision.

BEA staff who made significant contributions to the revision are listed below.

Estimate coordination and review: David F. Sullivan, Alyssa E. Holdren, Robert J. Kornfeld, Clint P. McCully, Eugene P. Seskin, Shelly Smith.

Personal consumption expenditures: Michael Armah. *Goods:* Brendan J. Leary, Harvey L. Davis, Jr., Yukun Fung, Everette P. Johnson, Danit E. Kanal, Matthew D. Tschetter. *Services:* Kyle J. Brown, Robert N. Ganz III, Christina D. Hovland, Teresita D. Teensma.

Investment and foreign transactions: Jennifer A. Ribarsky. *Inventories, foreign transactions, and prices:* Jennifer A. Ribarsky, Marissa J. Crawford, Harry Johnson, Jr., Kate L. Shoemaker, Enrico Tan. *Structures, equipment and software:* Jeffrey W. Crawford, Velma P. Henry, Lindsay Orphanides, Marlyn Rodriguez, Linden L. Webber.

Federal government: Benjamin A. Mandel, Peter G. Beall, Stan J. Bellotti, Andrew P. Cairns, Andrea L. Cook, Raymen G. LaBella, Mark S. Ludwick, Kyle D. Mulgrew, Farah Naz, Michelle D. Robinson, Mary L. Roy, Benyam Tsehaye, Andrew E. Vargo, Bryan Williams.

State and local government: Bruce E. Baker, Steven J. Andrews, Michelle S. Grier, Natalie M. Hayes, Angela C.

Padalecki, Brian E. Parks.

Personal income: Kurt Kunze. *Employee compensation:* Janet H. Kmitch, Elizabeth C. Bernstein, James E. Rankin, Brian J. Smith. *Business income:* Howard I. Krakower, Andrew W. Hodge, M. Greg Key, Martin L. Simmons, Jerry L. Stone, Garth K. Trinkl, Dennis R. Weikel. *Property income:* Michael N. Hayes, Denise A. McBride, Charles S. Robinson, Andrew G. Schmidt, Elizabeth M. Terrain.

Consumption of fixed capital: Private: David B. Wasshausen, Michael T. Cusick, Michael D. Glenn, Lisa A. Lynn, Nadia E.P. Sadee. *Government:* Jennifer A. Bennett, Debasis Chaudhuri, Christopher B. Mbu.

Computer systems and operations: Michael J. Boehm, Wanda Y. Chambers, Benjamin D. Cowan, Scott G. He, Douglas J. Klear, Sung H. Lee, Ethan C. Lincoln, Sandip Mehta, Ross F. Metzger, Lisa C. Ninomiya, Michael J. Ocasio, Andrew J. Pinard, James J. Raley III, Michael D. Randall, Karl V. Rohrer, David Rozenshtein.

Supplemental review materials: Duane G. Hackmann, Virginia H. Mannerling, Kristina L. Maze, Bonnie A. Retus, David F. Sullivan.

NIPA information: Stephen H. Andrews, Debra M. Blagburn, Mark A. Ledbetter, Lisa S. Mataloni.

Secretarial and program assistance: Esther M. Carter, Katherine Dent, Beverly B. Goodwin, Angela P. Pointer.

Other contributors to the definitional and statistical improvements include the following: Michael Berry, Kyle K. Hood, John Laffman, Marshall B. Reinsdorf, Brian K. Sliker.

Appendix A

Revisions to the National Income and Product Accounts—Continues

[Billions of dollars]

	2007		2008		2009	
	Revised	Revision	Revised	Revision	Revised	Revision
Account 1. Domestic Income and Product Account						
Compensation of employees, paid	7,863.0	-0.6	8,068.1	23.3	7,819.5	29.0
Wage and salary accruals	6,422.6	12.9	6,561.4	13.2	6,286.9	-1.7
Disbursements	6,428.8	12.8	6,566.4	13.2	6,281.9	-1.7
Wage accruals less disbursements	-6.3	0.0	-5.0	0.0	5.0	0.0
Supplements to wages and salaries	1,440.4	-13.4	1,506.8	10.2	1,532.6	30.7
Taxes on production and imports	1,027.2	-1.5	1,045.1	-2.2	1,024.7	0.8
Less: Subsidies	54.6	-0.2	52.8	-0.7	60.3	0.7
Net operating surplus	3,437.5	-57.4	3,322.8	-132.0	3,294.9	-125.3
Private enterprises	3,449.3	-52.2	3,339.5	-122.2	3,308.1	-120.2
Current surplus of government enterprises	-11.8	-5.2	-16.7	-9.8	-13.2	-5.1
Consumption of fixed capital	1,767.5	7.5	1,849.2	2.1	1,861.1	-2.9
Gross domestic income	14,040.7	-51.8	14,232.5	-107.9	13,939.9	-99.1
Statistical discrepancy	21.1	35.9	136.6	35.6	179.1	-38.2
GROSS DOMESTIC PRODUCT	14,061.8	-15.8	14,369.1	-72.3	14,119.0	-137.3
Personal consumption expenditures	9,806.3	-20.1	10,104.5	-25.4	10,001.3	-87.8
Goods	3,357.7	-7.3	3,379.5	-23.7	3,230.7	-24.5
Durable goods	1,159.4	-1.1	1,083.5	-11.7	1,026.5	-8.5
Nondurable goods	2,198.2	-6.3	2,296.0	-12.0	2,204.2	-16.0
Services	6,448.6	-12.8	6,725.0	-1.8	6,770.6	-63.3
Gross private domestic investment	2,295.2	6.7	2,096.7	-39.4	1,589.2	-39.6
Fixed investment	2,266.1	-3.0	2,137.8	-33.0	1,716.4	-33.3
Nonresidential	1,637.5	-2.7	1,665.3	-28.3	1,364.4	-24.4
Structures	524.9	-10.5	582.4	-27.1	451.6	-28.4
Equipment and software	1,112.6	7.8	1,082.9	-1.2	912.8	4.0
Residential	628.6	-0.4	472.5	-4.7	352.1	-8.9
Change in private inventories	29.1	9.7	-41.1	-6.3	-127.2	-6.3
Net exports of goods and services	-714.0	-0.2	-710.4	-2.6	-386.4	6.0
Exports	1,661.7	5.8	1,843.4	12.3	1,578.4	14.2
Imports	2,375.7	6.0	2,553.8	14.9	1,964.7	8.1
Government consumption expenditures and gross investment	2,674.2	-2.3	2,878.3	-4.9	2,914.9	-15.8
Federal	976.3	-0.4	1,079.9	-2.7	1,139.6	-5.2
National defense	662.3	0.2	737.3	-0.6	771.6	-7.4
Nondefense	314.0	-0.5	342.5	-2.2	368.0	2.2
State and local	1,697.9	-1.9	1,798.5	-2.1	1,775.3	-10.6
GROSS DOMESTIC PRODUCT	14,061.8	-15.8	14,369.1	-72.3	14,119.0	-137.3
Account 2. Private Enterprise Income Account						
Income payments on assets	3,996.6	17.5	3,670.2	209.3	3,000.4	.....
Interest and miscellaneous payments	3,836.9	14.6	3,509.7	215.9	2,872.1	.....
Dividend payments to the rest of the world	104.2	-2.9	113.2	1.1	99.5	13.2
Reinvested earnings on foreign direct investment in the United States	55.5	5.8	47.3	-7.7	28.8	-3.4
Business current transfer payments (net)	103.3	1.1	121.7	2.9	134.0	-0.1
To persons (net)	30.5	0.3	36.7	4.1	36.0	3.3
To government (net)	66.8	1.4	81.7	2.9	98.5	1.7
To the rest of the world (net)	6.0	-0.6	3.3	-4.0	-0.6	-5.2
Proprietors' income with inventory valuation and capital consumption adjustments	1,090.4	-6.0	1,102.0	-4.3	1,011.9	-29.1
Rental income of persons with capital consumption adjustment	143.7	-1.2	222.0	11.6	274.0	5.9
Corporate profits with inventory valuation and capital consumption adjustments	1,510.6	-31.1	1,262.8	-97.6	1,258.0	-50.9
Taxes on corporate income	445.5	-6.0	308.4	16.2	254.9	-59.9
To government	420.6	-6.1	280.2	16.9	231.4	-58.1
To the rest of the world	24.8	0.0	28.2	-0.7	23.4	-1.9
Profits after tax with inventory valuation and capital consumption adjustments	1,065.2	-25.0	954.4	-113.8	1,003.1	9.0
Net dividends	794.5	26.7	797.7	107.8	718.9	143.1
Undistributed corporate profits with inventory valuation and capital consumption adjustments	270.7	-51.7	156.7	-221.6	284.2	-134.2
USES OF PRIVATE ENTERPRISE INCOME	6,844.7	-19.5	6,378.7	122.0	5,678.4	.....
Net operating surplus, private enterprises	3,449.3	-52.2	3,339.5	-122.2	3,308.1	-120.2
Income receipts on assets	3,395.4	32.7	3,039.2	244.2	2,370.2	.....
Interest	2,884.8	26.7	2,467.4	216.6	1,889.6	.....
Dividend receipts from the rest of the world	249.0	15.7	299.3	40.6	206.8	3.6
Reinvested earnings on U.S. direct investment abroad	261.6	-9.7	272.4	-13.2	273.8	46.7
SOURCES OF PRIVATE ENTERPRISE INCOME	6,844.7	-19.5	6,378.7	122.0	5,678.4	.....
Account 3. Personal Income and Outlay Account						
Personal current taxes	1,488.7	-2.2	1,438.2	5.8	1,140.0	38.3
Personal outlays	10,208.9	-15.4	10,505.0	-15.0	10,379.6	-79.1
Personal consumption expenditures	9,806.3	-20.1	10,104.5	-25.4	10,001.3	-87.8
Personal interest payments	260.9	4.1	246.2	8.5	216.8	2.9
Personal current transfer payments	141.7	0.7	154.3	2.0	161.4	5.7
To government	82.4	0.1	89.7	1.8	95.0	2.8
To the rest of the world (net)	59.3	0.6	64.6	0.1	66.5	3.0
Personal saving	214.7	35.8	447.9	161.5	655.3	196.7
PERSONAL TAXES, OUTLAYS, AND SAVING	11,912.3	18.2	12,391.1	152.3	12,174.9	155.9
Compensation of employees, received	7,862.2	-0.5	8,065.8	23.4	7,806.7	28.2
Wage and salary disbursements	6,421.7	12.8	6,559.0	13.1	6,274.1	-2.4
Domestic	6,418.8	12.9	6,556.0	13.2	6,271.2	-2.4
Rest of the world	3.0	0.0	3.0	0.0	2.9	-0.1
Supplements to wages and salaries	1,440.4	-13.4	1,506.8	10.2	1,532.6	30.7
Employer contributions for employee pension and insurance funds	980.5	-12.5	1,036.6	12.7	1,072.0	28.1
Employer contributions for government social insurance	459.9	-0.9	470.1	-2.6	460.6	2.6
Proprietors' income with inventory valuation and capital consumption adjustments	1,090.4	-6.0	1,102.0	-4.3	1,011.9	-29.1
Rental income of persons with capital consumption adjustment	143.7	-1.2	222.0	11.6	274.0	5.9
Personal income receipts on assets	2,057.0	25.5	2,109.3	114.9	1,919.7	127.1
Personal interest income	1,265.1	-1.3	1,314.7	6.7	1,222.3	-16.2
Personal dividend income	791.9	26.8	794.6	108.2	697.4	143.2
Personal current transfer receipts	1,718.5	0.5	1,879.2	3.3	2,132.8	28.0
Government social benefits	1,687.9	0.1	1,842.6	-0.6	2,096.8	24.8
From business (net)	30.5	0.3	36.7	4.1	36.0	3.3
Less: Contributions for government social insurance, domestic	959.5	0.2	987.2	-3.4	970.3	4.4
PERSONAL INCOME	11,912.3	18.2	12,391.1	152.3	12,174.9	155.9

Appendix A

Revisions to the National Income and Product Accounts—Table Ends

[Billions of dollars]

	2007		2008		2009	
	Revised	Revision	Revised	Revision	Revised	Revision
Account 4. Government Receipts and Expenditures Account						
Consumption expenditures.....	2,217.8	2.9	2,382.8	-4.1	2,411.5	-5.4
Current transfer payments.....	1,743.4	0.1	1,902.7	-1.3	2,164.9	31.2
Government social benefits.....	1,701.2	0.1	1,857.8	-1.4	2,112.3	24.6
To persons.....	1,687.9	0.1	1,842.6	-0.6	2,096.8	24.8
To the rest of the world.....	13.3	0.0	15.2	-0.8	15.5	-0.2
Other current transfer payments to the rest of the world (net).....	42.2	0.0	44.8	0.0	52.7	6.7
Interest payments.....	414.3	3.3	399.4	3.5	362.0	-17.1
Subsidies.....	54.6	-0.2	52.8	-0.7	60.3	0.7
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0	0.0
Net government saving.....	-233.0	-18.2	-663.6	19.1	-1,271.9	-26.3
Federal.....	-245.2	-8.7	-616.2	26.4	-1,251.7	-25.2
State and local.....	12.2	-9.5	-47.4	-7.2	-20.1	-0.9
GOVERNMENT CURRENT EXPENDITURES AND NET SAVING.....	4,197.0	-12.2	4,074.0	16.4	3,726.9	-16.8
Current tax receipts.....	2,951.2	-9.4	2,780.3	22.3	2,409.3	-18.2
Personal current taxes.....	1,488.7	-2.2	1,438.2	5.8	1,140.0	38.3
Taxes on production and imports.....	1,027.2	-1.5	1,045.1	-2.2	1,024.7	0.8
Taxes on corporate income.....	420.6	-6.1	280.2	16.9	231.4	-58.1
Taxes from the rest of the world.....	14.7	0.5	16.8	1.8	13.2	0.9
Contributions for government social insurance.....	964.2	0.0	992.1	-3.5	975.1	4.1
Income receipts on assets.....	144.2	0.9	146.9	2.7	162.2	-2.1
Interest and miscellaneous receipts.....	141.6	1.0	143.8	3.1	140.8	-2.0
Dividends.....	2.6	-0.1	3.1	-0.4	21.5	-0.1
Current transfer receipts.....	149.2	1.5	171.4	4.7	193.5	4.5
From business (net).....	66.8	1.4	81.7	2.9	98.5	1.7
From persons.....	82.4	0.1	89.7	1.8	95.0	2.8
Current surplus of government enterprises.....	-11.8	-5.2	-16.7	-9.8	-13.2	-5.1
GOVERNMENT CURRENT RECEIPTS.....	4,197.0	-12.2	4,074.0	16.4	3,726.9	-16.8
Account 5. Foreign Transactions Current Account						
Exports of goods and services.....	1,661.7	5.8	1,843.4	12.3	1,578.4	14.2
Income receipts from the rest of the world.....	871.0	9.2	839.2	30.0	629.8	40.4
Wage and salary receipts.....	3.0	0.0	3.0	0.0	2.9	-0.1
Income receipts on assets.....	868.0	9.2	836.2	30.0	626.9	40.5
Interest.....	357.4	3.2	264.4	2.5	146.3	-9.8
Dividends.....	249.0	15.7	299.3	40.6	206.8	3.6
Reinvested earnings on U.S. direct investment abroad.....	261.6	-9.7	272.4	-13.2	273.8	46.7
CURRENT RECEIPTS FROM THE REST OF THE WORLD.....	2,532.7	15.0	2,682.6	42.3	2,208.2	54.5
Imports of goods and services.....	2,375.7	6.0	2,553.8	14.9	1,964.7	8.1
Income payments to the rest of the world.....	747.7	1.7	664.7	-2.6	483.6	-0.9
Wage and salary payments.....	10.1	0.0	10.4	0.0	10.8	0.7
Income payments on assets.....	737.6	1.6	654.3	-2.6	472.8	-1.6
Interest.....	577.9	-1.3	493.8	3.9	344.5	-11.4
Dividends.....	104.2	-2.9	113.2	1.1	99.5	13.2
Reinvested earnings on foreign direct investment in the United States.....	55.5	5.8	47.3	-7.7	28.8	-3.4
Current taxes and transfer payments to the rest of the world (net).....	126.2	-0.4	134.5	-6.9	139.5	-3.2
From persons (net).....	59.3	0.6	64.6	0.1	66.5	3.0
From government (net).....	36.1	-0.4	38.4	-2.4	50.2	0.9
From business (net).....	30.8	-0.6	31.5	-4.7	22.9	-7.0
Balance on current account, national income and product accounts.....	-716.9	7.8	-670.4	36.8	-379.7	50.4
CURRENT PAYMENTS TO THE REST OF THE WORLD AND BALANCE ON CURRENT ACCOUNT.....	2,532.7	15.0	2,682.6	42.3	2,208.2	54.5
Account 6. Domestic Capital Account						
Gross domestic investment.....	2,751.7	1.7	2,592.2	-40.2	2,092.6	-50.0
Private fixed investment.....	2,266.1	-3.0	2,137.8	-33.0	1,716.4	-33.3
Government fixed investment.....	456.5	-5.1	495.5	-0.8	503.4	-10.4
Change in private inventories.....	29.1	9.7	-41.1	-6.3	-127.2	-6.3
Capital account transactions (net).....	-0.1	-2.3	-5.4	-5.0	0.6	-2.4
Transfer payments for catastrophic losses (net).....	0.0	0.0	6.2	2.4	0.0	0.0
Other capital account transactions.....	-0.1	-2.3	-11.6	-7.4	0.6	-2.4
Net lending or net borrowing (-), national income and product accounts.....	-716.8	10.0	-665.0	41.8	-380.3	52.8
GROSS DOMESTIC INVESTMENT, CAPITAL ACCOUNT TRANSACTIONS (NET), AND NET LENDING.....	2,034.8	9.4	1,921.8	-3.4	1,712.9	0.4
Net saving.....	246.1	-34.1	-64.0	-41.0	-327.4	36.3
Personal saving.....	214.7	35.8	447.9	161.5	655.3	196.7
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	270.7	-51.7	156.7	-221.6	284.2	-134.2
Wage accruals less disbursements (private).....	-6.3	0.0	-5.0	0.0	5.0	0.0
Net government saving.....	-233.0	-18.2	-663.6	19.1	-1,271.9	-26.3
Plus: Consumption of fixed capital.....	1,767.5	7.5	1,849.2	2.1	1,861.1	-2.9
Private.....	1,476.2	6.6	1,536.9	0.7	1,535.8	-3.0
Government.....	291.3	0.9	312.3	1.4	325.3	0.1
General government.....	243.2	0.8	260.7	1.2	272.3	0.1
Government enterprises.....	48.1	0.0	51.6	0.2	53.0	0.0
Equals: Gross saving.....	2,013.6	-26.6	1,785.2	-38.9	1,533.8	33.5
Statistical discrepancy.....	21.1	35.9	136.6	35.6	179.1	-38.2
GROSS SAVING AND STATISTICAL DISCREPANCY.....	2,034.8	9.4	1,921.8	-3.4	1,712.9	0.4
Account 7. Foreign Transactions Capital Account						
BALANCE ON CURRENT ACCOUNT, NATIONAL INCOME AND PRODUCT ACCOUNTS.....	-716.9	7.8	-670.4	36.8	-379.7	50.4
Capital account transactions (net).....	-0.1	-2.3	-5.4	-5.0	0.6	-2.4
Transfer payments for catastrophic losses (net).....	0.0	0.0	6.2	2.4	0.0	0.0
Other capital account transactions.....	-0.1	-2.3	-11.6	-7.4	0.6	-2.4
Net lending or net borrowing (-), national income and product accounts.....	-716.8	10.0	-665.0	41.8	-380.3	52.8
CAPITAL ACCOUNT TRANSACTIONS (NET) AND NET LENDING, NATIONAL INCOME AND PRODUCT ACCOUNTS.....	-716.9	7.8	-670.4	36.8	-379.7	50.4