

Business Situation

Advance Estimates for the Third Quarter of 2002

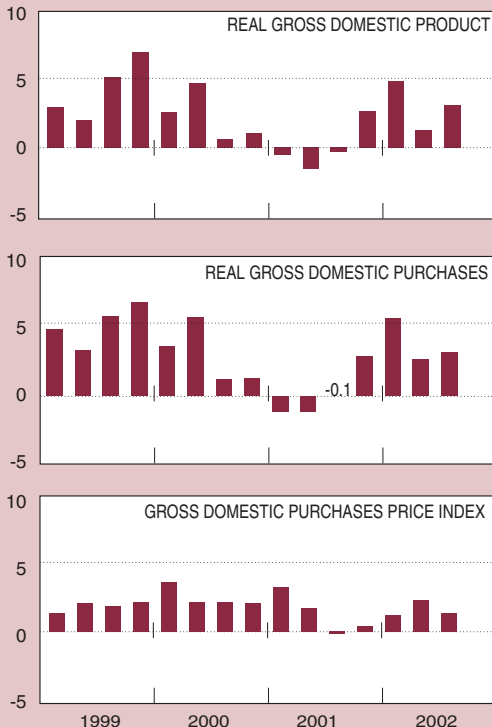
ECONOMIC growth picked up in the third quarter of 2002, according to the “advance” estimates of the national income and product accounts (NIPA’s). Real gross domestic product (GDP) and gross domestic purchases both increased 3.1 percent; in the previous quarter, GDP had increased only 1.3 percent, and purchases had increased 2.6 percent (table 1 and chart 1).¹ The price index for gross domestic purchases rose 1.4 percent after increasing 2.3 percent, as energy prices moderated. However, real disposable personal income slowed to a 2.7-percent increase after increasing 3.6 percent.

This article was prepared by Daniel Larkins and Frederick von Batchelder.

CHART 1

Selected Measures: Change From Preceding Quarter

Percent



Note—Percent change at annual rate from preceding quarter; based on seasonally adjusted estimates.

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The advance estimates for the third quarter also show the following:

- Consumer spending stepped up substantially and contributed 2.95 percentage points to third-quarter growth in real GDP after contributing 1.22 percentage points to second-quarter growth (table 2). Auto and truck purchases surged, mainly in response to aggressive sales-incentive programs that included generous rebates and zero-rate financing.²

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

2. In this article, “consumer spending” is shorthand for the NIPA series “personal consumption expenditures,” “government spending” is shorthand for “government consumption expenditures and gross investment,” and “inventory investment” is shorthand for “change in private inventories.”

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

[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter			Percent change from preceding quarter				
		2002	2001	2002		2001	2002		
	III	IV	I	II	III	IV	I	II	III
Gross domestic product	9,465.2	62.4	114.4	29.2	72.8	2.7	5.0	1.3	3.1
Less: Exports of goods and services	1,071.2	-26.2	8.8	34.9	5.7	-9.6	3.5	14.3	2.1
Plus: Imports of goods and services	1,562.4	-19.8	29.9	75.8	9.5	-5.3	8.5	22.2	2.5
Equals: Gross domestic purchases	9,917.0	69.5	132.9	62.6	76.2	2.9	5.6	2.6	3.1
Less: Change in private inventories	1.9	-36.6	69.5	33.8	-3.0	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	9,903.9	102.0	72.1	31.6	77.9	4.3	3.0	1.3	3.2
Personal consumption expenditures.....	6,610.8	93.1	49.8	28.6	68.4	6.0	3.1	1.8	4.2
Durable goods.....	1,032.0	69.4	-16.1	4.8	51.3	33.6	-6.3	2.0	22.7
Nondurable goods.....	1,927.2	16.7	36.4	-0.5	6.3	3.6	7.9	-0.1	1.3
Services.....	3,686.9	19.1	25.6	24.0	20.7	2.1	2.9	2.7	2.3
Private fixed investment.....	1,573.4	-37.3	-2.0	-3.8	0.8	-8.9	-0.5	-1.0	0.2
Nonresidential.....	1,182.8	-35.3	-18.0	-7.3	1.7	-10.9	-5.8	-2.4	0.6
Structures.....	221.8	-23.6	-9.5	-11.5	-9.9	-30.1	-14.2	-17.6	-16.0
Equipment and software.....	976.7	-6.1	-6.6	7.7	15.3	-2.5	-2.7	3.3	6.5
Residential.....	385.4	-3.3	12.6	2.5	-0.7	-3.5	14.2	2.7	-0.8
Government consumption expenditures and gross investment.....	1,711.1	41.2	22.8	6.0	7.8	10.5	5.6	1.4	1.8
Federal.....	613.1	18.3	10.6	10.9	4.4	13.5	7.4	7.5	2.9
National defense.....	400.8	12.5	10.5	7.3	5.0	14.3	11.6	7.8	5.1
Nondefense.....	212.4	5.9	0.2	3.6	-0.5	12.1	0.4	6.9	-0.9
State and local.....	1,098.1	23.0	12.2	-4.6	3.4	8.9	4.6	-1.7	1.2
Addendum: Final sales of domestic product	9,452.2	94.4	54.5	-1.5	74.3	4.2	2.4	-0.1	3.2

Note. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1996) dollar levels and residuals, which measure the extent of nonadditivity in each table, are shown in NIPA tables 1.2, 1.4, and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are shown in NIPA table S.1. (See “Selected NIPA Tables,” which begins on page D-2 in this issue.)

- A slowdown in imports (which are subtracted in the calculation of GDP) also contributed substantially to the acceleration in GDP growth.³ Exports also slowed, but only about half as much as imports.
- Spending by State and local governments turned up, adding 0.16 percentage point to third-quarter growth after subtracting 0.21 percentage point from second-quarter growth. Consumption expendi-

3. Imports of goods and services are included in gross domestic purchases but not in GDP. Exports of goods and services are included in GDP but not in gross domestic purchases.

Table 2. Contributions to Percent Change in Real Gross Domestic Product
[Seasonally adjusted at annual rates]

	2001		2002	
	IV	I	II	III
Percent change at annual rate:				
Gross domestic product.....	2.7	5.0	1.3	3.1
Percentage points at annual rates:				
Personal consumption expenditures.....	4.05	2.22	1.22	2.95
Durable goods.....	2.45	-0.55	0.16	1.73
Nondurable goods.....	0.73	1.57	-0.02	0.27
Services.....	0.87	1.20	1.08	0.95
Gross private domestic investment.....	-2.88	2.53	1.16	-0.04
Fixed investment.....	-1.49	-0.07	-0.15	0.03
Nonresidential.....	-1.33	-0.66	-0.27	0.07
Structures.....	-1.12	-0.44	-0.53	-0.45
Equipment and software.....	-0.21	-0.22	0.26	0.52
Residential.....	-0.16	0.60	0.12	-0.03
Change in private inventories.....	-1.39	2.60	1.31	-0.07
Net exports of goods and services.....	-0.28	-0.75	-1.40	-0.13
Exports.....	-0.99	0.33	1.29	0.21
Goods.....	-0.56	-0.23	0.99	0.26
Services.....	-0.42	0.56	0.30	-0.05
Imports.....	0.70	-1.08	-2.69	-0.35
Goods.....	0.37	-0.40	-2.74	-0.52
Services.....	0.33	-0.68	0.05	0.17
Government consumption expenditures and gross investment.....	1.85	1.04	0.27	0.35
Federal.....	0.80	0.47	0.47	0.20
National defense.....	0.54	0.46	0.32	0.22
Nondefense.....	0.26	0.01	0.16	-0.02
State and local.....	1.05	0.56	-0.21	0.16

NOTE: More detailed contributions to percent change in real gross domestic product are shown in NIPA table 8.2. Contributions to percent change in major components of real gross domestic product are shown in tables 8.3 through 8.6.

tures increased about the same in both quarters, but gross investment steadied after decreasing.

- Nonresidential investment in equipment and software posted a healthy increase after a modest gain; the increases followed six consecutive quarterly decreases. In contrast, nonresidential structures decreased for the fourth quarter in a row.
- The production of goods increased 6.8 percent after increasing 0.4 percent. The production of services slowed, and the construction of structures decreased, though not as much as in the second quarter (table 3).
- Real motor vehicle output increased 42.2 percent after increasing 8.1 percent. GDP less motor vehicle output increased 2.0 percent after increasing 1.0 percent.
- Inventory accumulation slowed, subtracting 0.07 percentage point from third-quarter GDP growth. In the second quarter, a swing from liquidation to accumulation had added 1.31 percentage points to GDP growth.
- Final sales of domestic product—GDP less inventory investment—increased 3.2 percent after little change.
- Real final sales of computers increased 74.6 percent—more than at any time since the fourth quarter of 1995. Price indexes for most categories of computers decreased more than in the second quarter.
- The personal saving rate decreased to 3.7 percent from 4.0 percent.⁴

4. The personal saving rate is measured as personal saving as a percentage of current-dollar disposable personal income. The third-quarter estimate of the *national* saving rate (which is measured as gross saving as a percentage of gross national product) will be available at the end of November along with the "preliminary" estimate of third-quarter GDP.

Table 3. Real Gross Domestic Product by Type of Product
[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	2002	2001	2002			2001	2002		
	III	IV	I	II	III	IV	I	II	III
Gross domestic product.....	9,465.2	62.4	114.4	29.2	72.8	2.7	5.0	1.3	3.1
Goods.....	3,735.0	37.9	72.6	3.6	60.6	4.3	8.3	0.4	6.8
Services.....	4,973.8	38.2	34.1	42.3	28.3	3.2	2.8	3.5	2.3
Structures.....	764.2	-11.3	11.6	-17.2	-10.7	-5.6	6.1	-8.4	-5.5
Addenda:									
Motor vehicle output.....	379.1	12.4	7.9	6.7	31.9	16.3	9.9	8.1	42.2
Gross domestic product less motor vehicle output.....	9,090.6	51.2	106.9	23.3	44.7	2.3	4.9	1.0	2.0
Final sales of computers.....						28.9	-7.8	13.1	74.6
Gross domestic product less final sales of computers.....						2.6	5.1	1.2	2.8

NOTE: See note to table 1 for an explanation of chained (1996) dollar series. Chained (1996) dollar levels and residuals for most items are shown in NIPA table 1.4. Detail on motor vehicle output is shown in NIPA table 8.9B.

Third-Quarter 2002 Advance NIPA Estimates: Source Data and Assumptions

The "advance" estimate for the third quarter is based on the following major source data; as more and better data become available, the estimates will be revised. (The number of months for which data were available is shown in parentheses.)

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

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

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

Change in private inventories: Trade and nondurable

manufacturing inventories (2), durable manufacturing inventories other than semiconductors (3), and unit auto and truck inventories (3);

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

Government consumption expenditures and gross investment: Some Federal outlays were available for 2 months, others for 3, State and local construction put in place (2), and State and local employment (3);

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

BEA made assumptions for source data that were not available. Table A shows the assumptions for key series; a more comprehensive list is available on BEA's Web site at <www.bea.gov>.

Table A. Summary of Major Data Assumptions for Advance Estimates, 2002:III

[Billions of dollars, seasonally adjusted at annual rates]

	2002					
	April	May	June	July	August	September ¹
Private fixed investment:						
Nonresidential structures:						
Buildings:						
Value of new nonresidential construction put in place.....	179.6	170.5	166.7	162.4	159.2	159.4
Equipment and software:						
Manufacturers' shipments of complete aircraft.....	39.1	29.0	35.0	38.6	28.5	28.7
Residential structures:						
Value of new residential construction put in place:						
1-unit structures.....	260.5	260.5	260.0	260.2	258.3	261.4
2-units-or-more.....	35.1	34.4	32.8	32.9	34.6	34.9
Change in private inventories:						
Change in inventories for nondurable manufacturing.....	0.0	-2.0	6.9	10.2	6.6	-1.0
Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment.....	-22.9	6.8	20.1	31.0	7.2	1.0
Net exports: ²						
Exports of goods:						
U.S. exports of goods, international-transactions-accounts basis.....	682.2	687.9	699.0	709.3	695.8	698.9
Excluding gold.....	678.8	683.9	696.1	705.3	692.4	695.9
Imports of goods:						
U.S. imports of goods, international-transactions-accounts basis.....	1,164.0	1,188.3	1,186.4	1,177.7	1,203.1	1,214.6
Excluding gold.....	1,160.8	1,184.5	1,183.0	1,174.6	1,199.9	1,211.6
Net exports of goods.....	-481.8	-500.4	-487.4	-468.4	-507.3	-515.7
Excluding gold.....	-482.1	-500.6	-486.9	-469.3	-507.5	-515.7
Government:						
State and local:						
Structures:						
Value of new construction put in place.....	183.6	187.9	182.6	184.9	186.5	185.7

1. Assumption.

2. Nonmonetary gold is included in balance-of-payments-basis exports and imports but is not used directly in the estimation of NIPA exports and imports.

Prices, next page.

Prices

The price index for gross domestic purchases, which measures the prices of goods and services purchased by U.S. residents, increased 1.4 percent in the third quarter after increasing 2.3 percent in the second. The slowdown was accounted for by a moderation in the prices of energy goods and services. Prices of gross domestic purchases less food and energy increased 1.4 percent, about the same as in first two quarters of the year (table 4 and chart 2).

Prices of goods and services purchased by consumers increased 1.9 percent after increasing 2.7 percent. Energy prices slowed sharply, mainly reflecting a much smaller increase in the price of gasoline and oil. (The average retail price of a gallon of regular gasoline changed little in the third quarter after increasing almost 25 cents in the second quarter.) Prices of electricity and gas and of fuel oil and coal also moderated. Food prices increased less than 1 percent for the second quarter in a row. Prices of other consumer purchases increased 1.9 percent, the same as in the second quarter.

Prices paid by government increased 1.4 percent, half as much as in the second quarter. Prices slowed substantially at both the Federal and the State and local levels, partly in response to moderating energy costs.

Prices of private nonresidential fixed investment decreased for the fifth consecutive quarter. A modest decrease in prices of equipment and software was only

partly offset by a small increase in prices of structures. The decrease in equipment and software was mainly accounted for by computer equipment and transportation equipment. Computer prices decreased at about their average rate over the past 3 years. Prices of transportation equipment decreased for the third consecutive quarter, mainly because of declining motor vehicle prices; the drop in prices of transportation equipment was the largest since 1972. Prices of residential investment increased slightly.

The GDP price index, which measures the prices paid for goods and services produced in the United States, increased 1.1 percent—0.3 percentage point less than the increase in the price index for gross domestic purchases. The GDP index, unlike the index for gross domestic purchases, includes the prices of exports and excludes the prices of imports. Import prices and export prices both increased in the third quarter, but the increase in import prices was somewhat larger than the increase in export prices. The price of imported petroleum increased substantially, though much less than in the second quarter.

Table 4. Price Indexes

[Percent change at annual rates; based on seasonally adjusted index numbers (1996=100)]

	2001	2002		
	IV	I	II	III
Gross domestic product.....	-0.5	1.3	1.2	1.1
Less: Exports of goods and services	-3.8	-0.8	3.0	3.5
Plus: Imports of goods and services	4.7	-1.6	11.1	4.8
Equals: Gross domestic purchases	0.4	1.2	2.3	1.4
Less: Change in private inventories				
Equals: Final sales to domestic purchasers	0.5	1.1	2.3	1.4
Personal consumption expenditures	0.8	1.1	2.7	1.9
Durable goods	-1.5	-4.2	-2.9	-1.9
Nondurable goods	-3.5	0.2	4.6	0.6
Services	3.5	2.7	3.0	3.3
Private fixed investment	-0.1	-1.5	-0.2	-0.5
Nonresidential	-1.6	-2.0	-1.4	-0.9
Structures	-1.6	-3.6	0.7	0.7
Equipment and software	-1.6	-1.5	-2.1	-1.4
Residential	3.7	0	2.6	0.4
Government consumption expenditures and gross investment	-0.3	3.6	2.8	1.4
Federal	-0.4	8.4	2.3	1.1
National defense	-1.1	7.3	2.0	1.2
Nondefense	0.7	10.4	2.9	0.8
State and local	-0.3	1.1	3.1	1.5
Addenda:				
Gross domestic purchases:				
Food	2.3	2.4	0.4	0.7
Energy	-33.0	-8.7	29.9	3.6
Less food and energy	2.0	1.4	1.5	1.4
Personal consumption expenditures:				
Food	2.4	2.4	0.5	0.9
Energy goods and services ¹	-32.1	-9.1	29.6	3.3
Less food and energy	2.7	1.4	1.9	1.9

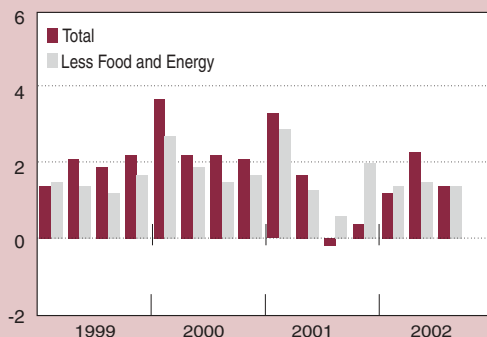
1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.

Note: Percent changes in major aggregates are shown in NIPA table 8.1. Index numbers are shown in tables 7.1, 7.2, and 7.4.

CHART 2

Gross Domestic Purchases Prices: Change From Preceding Quarter

Percent



Note—Percent change at annual rate from preceding quarter; based on seasonally adjusted index numbers (1996=100).

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Personal Income

Real disposable personal income (DPI) increased 2.7 percent in the third quarter after increasing 3.6 percent in the second (chart 3). (During the expansion of the 1990s, it averaged a 2.8-percent increase.) Personal income, which is only available in current dollars, also increased less than in the second quarter (table 5). Personal outlays increased more than income (and more than in the second quarter). As a result, saving fell. Saving as a percentage of DPI declined from 4.0 percent in the second quarter to 3.7 percent in the third.

The slowdown in personal income reflected a downturn in rental income and decelerations in transfer payments and interest income.

The downturn in rental income reflected an upturn in expenses, specifically closing costs associated with mortgage originations. Spurred by historically low mortgage rates, refinancing reached record levels in the third quarter.

The slowdown in transfer payments was traceable to unemployment program benefits. The national unemployment rate dipped to 5.7 percent in the third quarter after increasing 0.2 percentage point to 5.9 percent in the second.

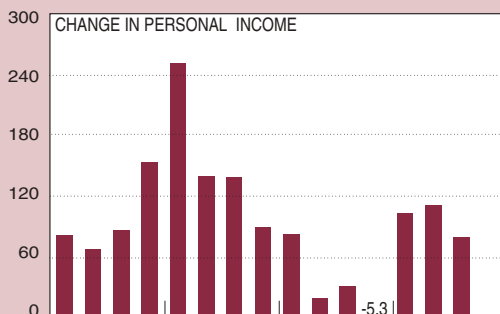
The deceleration in interest income reflected a decrease in interest rates. Many short-term and long-term rates dropped in the third quarter after little change in the second. (For examples, see the table "Domestic Perspectives" on page D-42.)

An upturn in farm proprietors' income and a small step-up in wage and salary disbursements partly offset these changes in rental income, transfer payments, and interest income. Farm subsidies increased about as much in the third quarter as in the second, and farm production income decreased less than in the second quarter. A step-up in wage and salary disbursements in service industries more than offset a slowdown in distributive industries.

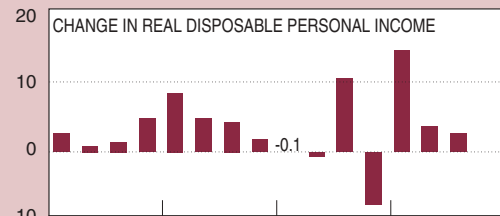
CHART 3

Selected Personal Income and Saving Measures

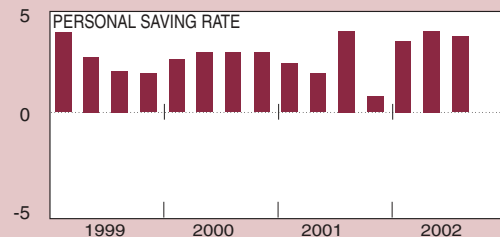
Billion \$



Percent



Percent



Note—Changes are from preceding quarter; based on seasonally adjusted annual rates.

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Table 5. Personal Income and Its Disposition

[Billions of dollars; seasonally adjusted at annual rates]

	Level	Change from preceding quarter				
	2002	2001	2002			
	III	IV	I	II	III	
Wage and salary disbursements.....	5,041.0	-22.3	26.4	39.2	44.0	
Private industries.....	4,184.6	-30.4	11.2	31.2	36.0	
Goods-producing industries.....	1,120.9	-16.7	-6.4	2.0	2.0	
Manufacturing.....	760.6	-13.5	-10.5	2.1	-0.9	
Distributive industries.....	1,124.0	-12.2	11.5	9.2	4.7	
Service industries.....	1,939.7	-1.5	6.1	20.1	29.2	
Government.....	856.4	8.1	15.2	8.0	8.0	
Other labor income.....	617.2	3.9	14.4	13.4	13.1	
Proprietors' income with IVA and CCAAdj.....	758.3	-1.1	17.1	-0.9	10.8	
Farm.....	10.4	-0.1	2.5	-14.2	2.9	
Nonfarm.....	748.0	-1.0	14.6	13.3	8.0	
Rental income of persons with CCAAdj.....	144.4	-1.5	2.0	12.2	-9.1	
Personal dividend income.....	437.3	6.3	6.4	6.6	7.0	
Personal interest income.....	1,082.8	-13.5	-3.0	12.4	0.5	
Transfer payments to persons.....	1,298.2	22.5	47.0	30.6	15.6	
Less: Personal contributions for social insurance.....	386.9	-0.4	7.8	3.0	3.4	
Personal income.....	8,992.4	-5.3	102.5	110.3	78.7	
Less: Personal tax and nontax payments.....	1,118.0	127.8	-172.9	-9.6	-9.2	
Equals: Disposable personal income.....	7,874.4	-133.0	275.5	119.9	87.8	
Less: Personal outlays.....	7,584.4	107.6	66.7	81.6	106.5	
Equals: Personal saving.....	290.0	-240.7	208.9	38.3	-18.7	
Addenda: Special factors in personal income:						
In private wages and salaries:						
Effects of the September 11 terrorist attacks.....	0	3.3	0	0	0	
In government wages and salaries:						
Federal pay raise.....	9.0	0	8.4	0.6	0	
Effects of the September 11 terrorist attacks.....	3.3	2.8	-0.5	0.3	-0.2	
In transfer payments to persons:						
Social security retroactive payments.....	0	1.8	-1.8	0	0	
Cost-of-living adjustments in Federal transfer programs.....	13.5	0.7	12.8	0	0	
Correction for error in indexing for social security and supplemental security income benefits.....	0	-3.7	-0.5	0.1	-0.1	
In personal tax and nontax payments:						
Federal tax law changes.....	-42.9	0	-42.6	-0.3	0	
Refunds and State tax law changes.....	-0.1	2.2	-0.2	0.2	1.0	

NOTE: Most dollar levels are in NIPA table 2.1.
IVA Inventory valuation adjustment.
CCAAdj Capital consumption adjustment.

Note on the Upcoming Comprehensive Revision of the National Income and Product Accounts

Next year, BEA will undertake its 12th comprehensive, or benchmark, revision of the national income and product accounts (NIPAs).

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

Comprehensive revisions, and to a lesser extent annual revisions, provide the opportunity to introduce the major changes that are outlined in BEA's strategic plan for maintaining and improving its economic accounts. BEA's strategic plan is available on our Web site at <www.bea.gov>; click on "About BEA" and find the bullet for "BEA's Final Strategic Plan for 2001–2005" near the bottom of the page.

In discussing the national accounts, BEA's strategic plan outlines four major areas for improvement in meeting the goal to "upgrade BEA's economic statistics by improving statistical methodologies and source data and by using new technologies." Within each of the four areas, the following are the major improvements that BEA is considering for the upcoming comprehensive revision.

Improving processing systems

- In preparation for the comprehensive revision, improvements are being made to the processing systems that are used to compile the national economic accounts, including the design and implementation of a new NIPA central system. The new system, which is scheduled to be fully tested and operational by late spring, will support ongoing improvements to the accounts.

Addressing data gaps and other shortcomings

- Several changes to the definition of insurance output have been proposed: Recognizing expected investment income (interest, dividends, and capital gains) as an implicit supplement to the premiums paid by policyholders, replacing claims with a measure of expected claims in the measure of the net premium paid, and

using double deflation to calculate real insurance services.

- Industry estimates (including those for national income, compensation of employees, proprietors' income, net interest, and corporate profits) will be converted from the Standard Industrial Classification system to the North American Industry Classification System (NAICS).¹
- The 1997 benchmark input-output accounts, which are scheduled to be released in December 2002, will be incorporated. These accounts include improvements to the estimates of computer software.
- Several newly available producer price indexes for services from the Bureau of Labor Statistics will be used for deflation. In addition, BEA is pursuing research on developing quality-adjusted price indexes for software, photocopy equipment, and nonresidential structures. BEA is also evaluating the use of quality-adjusted price indexes for communications equipment developed by the Federal Reserve Board.
- BEA is examining the effects of employee stock options on corporate profits, with an eye toward improving the extrapolation of profits for current time periods. After the comprehensive revision, BEA will look at potential conceptual improvements, such as the possibility of recording and valuing stock options as compensation during the period between granting and vesting rather than at the time of exercise.
- Presentational changes to deemphasize chained dollars and emphasize percent changes and contributions to percent change are under consideration.
- New tables are being developed to present estimates of real government consumption expenditures and gross investment by function.
- Information from trade sources is being used to develop improved estimates of current-dollar and real expenditures for used motor vehicles.
- A new "market-based" PCE price measure is being developed that would exclude prices based on imputations and other nonmarket transactions.
- The reference year for price and quantity measures will be updated to 2000.

1. See John R. Kort, "The North American Industry Classification System in BEA's Economic Accounts," *SURVEY OF CURRENT BUSINESS* 81 (May 2001): 7–13.

Improving consistency and integration with other accounts

- A presentation that shows separate incomes and outlays for households and for nonprofit institutions serving households has been developed.
- The methodology for preparing BEA's estimates of the stock of fixed assets and consumer durable goods will be reviewed before the conversion to NAICS in 2004. New service lives for aircraft and motor vehicles are under consideration. A new type-of-asset classification for structures will be adopted. The investment and depreciation flows used in estimating the stocks will be more closely integrated with the NIPA's.
- A proposal to reclassify services of owner-occupied housing (both farm and nonfarm) and the rental value of fixed assets owned and used by nonprofit institutions serving households from the business sector to the households and institutions sector is being investigated. A proposal to classify transactions of Indian tribal governments as part of State and local governments is also being investigated.

Improving consistency with international standards

- Research is underway on the question of whether part of the consumption of the imputed services furnished without payment by financial intermediaries should be allocated to borrowers, as recommended by the

international guidelines for national accounts, *System of National Accounts 1993* (SNA).

- The presentation of government consumption expenditures and gross investment may be revised to emphasize the government's role as a producer of services. Partial estimates of the change in government inventories are being investigated.
- Additional presentational and definitional changes have been proposed that would move the NIPA's toward conformity with the SNA.
- Research is underway to investigate the feasibility of converting selected government estimates from a cash basis to an accrual basis.

Constraints on time, resources, and source data will play a role in deciding which improvements will be implemented.

During the next year, BEA will provide additional information on the comprehensive revision in SURVEY OF CURRENT BUSINESS articles that preview the proposed changes, at meetings of the BEA Advisory Committee, and at other group meetings of experts. If you have comments or suggestions on the comprehensive revision, please contact:

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Updated NIPA Tables

Per capita estimates beginning with 1990 in national income and product accounts (NIPA) tables 2.1, 2.9, and 8.7 have been revised to incorporate the intercensal population estimates released in September 2002 by the Bureau of the Census.

Table 2.9 provides revised annual and monthly esti-

mates of current-dollar and real per capita personal income and of population. All estimates in table 8.7 are revised; the estimates in table 2.1 that are revised are shown on lines 4, 11, and 16 of this table.

Tables 2.9 and 8.7 follow.

Table 2.9. Personal Income and Its Disposition

[Months seasonally adjusted at annual rates]

Year and month	Billions of dollars							Disposable personal income			Population (mid-period, thousands) ²	Personal saving as a percentage of disposable personal income		
	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays				Equals: Personal saving	Total, billions of chained (1996) dollars ¹	Per capita				
				Total	Personal consumption expenditures	Interest paid by persons	Personal transfer payments to the rest of the world (net)			Current dollars			Chained (1996) dollars ¹	
1990.....	4,903.2	609.6	4,293.6	3,959.3	3,831.5	115.8	12.0	334.3	5,014.2	17,176	20,058	249,983	7.8	
1991.....	5,085.4	610.5	4,474.8	4,103.2	3,971.2	118.9	13.0	371.7	5,033.0	17,669	19,873	253,253	8.3	
1992.....	5,390.4	635.8	4,754.6	4,340.9	4,209.7	118.7	12.5	413.7	5,189.3	18,527	20,220	256,634	8.7	
1993.....	5,610.0	674.6	4,935.3	4,584.5	4,454.7	115.4	14.4	350.8	5,261.3	18,981	20,235	260,011	7.1	
1994.....	5,888.0	722.6	5,165.4	4,849.9	4,716.4	117.9	15.6	315.5	5,397.2	19,626	20,507	263,194	6.1	
1995.....	6,200.9	778.3	5,422.6	5,120.2	4,969.0	134.7	16.5	302.4	5,539.1	20,361	20,798	266,327	5.6	
1996.....	6,547.4	869.7	5,677.7	5,405.6	5,237.5	149.9	18.2	272.1	5,677.7	21,072	21,072	269,448	4.8	
1997.....	6,937.0	968.8	5,968.2	5,715.3	5,529.3	164.8	21.2	252.9	5,854.5	21,887	21,470	272,687	4.2	
1998.....	7,426.0	1,070.4	6,355.6	6,054.1	5,856.0	173.7	24.3	301.5	6,168.6	23,037	22,359	275,891	4.7	
1999.....	7,786.5	1,159.1	6,627.4	6,453.3	6,246.5	179.5	27.3	174.0	6,326.4	23,749	22,678	279,062	2.6	
2000.....	8,406.6	1,286.4	7,120.2	6,918.6	6,683.7	205.4	29.5	201.5	6,630.3	25,237	23,501	282,128	2.8	
2001.....	8,685.3	1,292.1	7,393.2	7,223.5	6,987.0	205.4	31.1	169.7	6,748.0	25,957	23,692	284,822	2.3	
1990														
January.....	4,766.4	590.3	4,176.2	3,871.2	3,747.5	111.9	11.8	305.0	4,988.3	16,789	20,054	248,743	7.3	
February.....	4,807.4	596.9	4,210.5	3,868.5	3,744.2	112.5	11.8	341.9	5,008.3	16,915	20,120	248,920	8.1	
March.....	4,828.7	599.9	4,228.8	3,897.9	3,772.7	113.4	11.8	330.8	5,008.0	16,973	20,101	249,146	7.8	
April.....	4,865.1	603.5	4,261.6	3,916.9	3,791.6	113.7	11.6	344.7	5,032.0	17,088	20,178	249,384	8.1	
May.....	4,869.6	606.6	4,263.1	3,924.5	3,798.5	114.4	11.6	338.6	5,019.6	17,091	20,124	249,436	7.8	
June.....	4,903.1	612.6	4,290.5	3,955.7	3,828.6	115.5	11.6	334.8	5,028.1	17,182	20,136	249,707	7.9	
July.....	4,935.0	616.2	4,318.9	3,975.1	3,846.4	116.4	12.3	343.7	5,047.4	17,276	20,190	249,990	8.0	
August.....	4,943.9	615.8	4,328.1	4,002.1	3,872.8	117.0	12.3	326.0	5,025.3	17,293	20,078	250,285	7.5	
September.....	4,975.4	620.1	4,355.3	4,025.9	3,895.6	117.9	12.3	329.5	5,025.4	17,380	20,054	250,595	7.6	
October.....	4,967.8	616.6	4,351.1	4,024.8	3,893.9	118.6	12.3	326.3	4,990.7	17,342	19,891	250,904	7.5	
November.....	4,977.3	616.9	4,360.4	4,028.4	3,897.3	118.9	12.3	332.0	4,992.3	17,358	19,874	251,201	7.6	
December.....	4,999.3	620.4	4,378.9	4,020.3	3,889.2	118.8	12.3	358.6	5,004.5	17,412	19,900	251,486	8.2	
1991														
January.....	4,987.9	601.8	4,386.1	4,004.8	3,873.6	118.4	12.8	381.2	4,990.3	17,422	19,822	251,758	8.7	
February.....	4,999.4	599.7	4,399.8	4,029.4	3,898.2	118.3	12.8	370.4	4,999.0	17,458	19,836	252,012	8.4	
March.....	5,012.3	600.8	4,411.5	4,073.6	3,942.0	118.8	12.8	337.9	5,009.5	17,488	19,859	252,253	7.7	
April.....	5,038.6	604.3	4,434.2	4,070.9	3,939.3	118.7	12.9	363.3	5,023.8	17,561	19,896	252,507	8.2	
May.....	5,059.0	605.2	4,453.8	4,097.2	3,965.3	119.1	12.9	356.6	5,024.9	17,619	19,879	252,778	8.0	
June.....	5,094.6	610.0	4,484.6	4,103.3	3,971.1	119.3	12.9	381.3	5,051.3	17,721	19,961	253,060	8.5	
July.....	5,089.8	608.0	4,481.8	4,124.4	3,992.7	118.8	13.0	357.4	5,040.9	17,690	19,897	253,350	8.0	
August.....	5,105.3	609.9	4,495.4	4,126.0	3,994.1	119.0	13.0	369.4	5,044.2	17,723	19,886	253,650	8.2	
September.....	5,135.3	616.9	4,518.3	4,140.1	4,008.0	119.2	13.0	378.2	5,051.1	17,791	19,889	253,966	8.4	
October.....	5,135.4	618.8	4,516.6	4,131.4	3,999.1	118.9	13.4	385.2	5,038.7	17,762	19,816	254,280	8.5	
November.....	5,156.5	622.2	4,534.3	4,161.3	4,028.9	119.0	13.4	373.1	5,043.6	17,811	19,812	254,576	8.2	
December.....	5,210.2	628.7	4,581.5	4,175.4	4,042.7	119.3	13.4	406.1	5,079.0	17,978	19,930	254,841	8.9	
1992														
January.....	5,241.1	607.8	4,633.3	4,240.4	4,108.5	119.6	12.4	392.9	5,122.7	18,164	20,082	255,089	8.5	
February.....	5,284.5	616.0	4,668.5	4,254.1	4,121.7	120.1	12.4	414.3	5,145.2	18,284	20,151	255,331	8.9	
March.....	5,304.8	620.4	4,684.3	4,271.5	4,139.2	119.9	12.4	412.9	5,148.7	18,329	20,145	255,576	8.8	
April.....	5,330.0	624.4	4,705.6	4,280.7	4,149.0	119.1	12.6	424.9	5,160.1	18,392	20,169	255,848	9.0	
May.....	5,355.3	627.6	4,727.7	4,305.8	4,174.4	118.9	12.6	421.9	5,176.6	18,458	20,210	256,139	8.9	
June.....	5,371.3	629.9	4,741.4	4,322.3	4,191.0	118.7	12.6	419.1	5,180.8	18,489	20,203	256,437	8.8	
July.....	5,383.5	633.3	4,750.2	4,348.7	4,218.4	118.0	12.3	401.5	5,172.0	18,502	20,145	256,742	8.5	
August.....	5,373.4	639.5	4,733.9	4,323.4	4,192.9	118.3	12.3	410.5	5,167.1	18,515	20,100	257,063	8.7	
September.....	5,415.2	641.1	4,774.1	4,396.6	4,265.8	118.5	12.3	377.5	5,183.6	18,548	20,139	257,390	7.9	
October.....	5,464.0	646.2	4,817.8	4,427.6	4,296.7	118.1	12.9	390.2	5,213.7	18,695	20,231	257,704	8.1	
November.....	5,484.3	652.4	4,831.9	4,443.5	4,312.9	117.8	12.9	388.4	5,220.1	18,728	20,233	258,004	8.0	
December.....	5,677.1	690.6	4,986.5	4,476.2	4,345.4	117.9	12.9	510.3	5,380.3	19,307	20,831	258,280	10.2	

See footnotes at end of table.

Table 8.7. Selected Per Capita Product and Income Series in Current and Chained Dollars

[Dollars]

	Line	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Seasonally adjusted at annual rates			
														1990			
														I	II	III	IV
Current dollars:																	
Gross domestic product...	1	23,215	23,637	24,622	25,546	26,803	27,787	28,997	30,505	31,830	33,234	34,823	35,398	22,981	23,246	23,353	23,278
Gross national product....	2	23,330	23,735	24,714	25,640	26,867	27,864	29,064	30,531	31,817	33,315	34,906	35,475	23,080	23,349	23,437	23,454
Personal income.....	3	19,614	20,080	21,004	21,576	22,372	23,283	24,299	25,439	26,917	27,902	29,797	30,494	19,285	19,556	19,783	19,831
Disposable personal income.....	4	17,176	17,669	18,527	18,981	19,626	20,361	21,072	21,887	23,037	23,749	25,237	25,957	16,892	17,120	17,316	17,371
Personal consumption expenditures.....	5	15,327	15,681	16,403	17,133	17,920	18,657	19,438	20,277	21,226	22,384	23,690	24,531	15,083	15,255	15,468	15,500
Durable goods.....	6	1,871	1,749	1,834	1,975	2,131	2,214	2,288	2,356	2,513	2,709	2,849	2,935	1,954	1,881	1,853	1,796
Nondurable goods.....	7	4,985	5,050	5,155	5,289	5,464	5,622	5,842	6,020	6,193	6,558	6,993	7,167	4,908	4,943	5,028	5,059
Services.....	8	8,472	8,882	9,414	9,869	10,326	10,821	11,308	11,901	12,520	13,117	13,848	14,430	8,222	8,432	8,587	8,645
Chained (1996) dollars:																	
Gross domestic product..	9	26,834	26,363	26,809	27,163	27,918	28,325	28,997	29,922	30,842	31,746	32,579	32,352	26,980	26,980	26,846	26,530
Gross national product....	10	26,962	26,469	26,909	27,260	27,981	28,401	29,064	29,954	30,840	31,834	32,667	32,432	27,090	27,096	26,939	26,725
Disposable personal income.....	11	20,058	19,873	20,220	20,235	20,507	20,798	21,072	21,470	22,359	22,678	23,501	23,692	20,092	20,146	20,107	19,888
Personal consumption expenditures.....	12	17,899	17,637	17,903	18,264	18,724	19,058	19,438	19,891	20,601	21,373	22,061	22,390	17,940	17,950	17,962	17,746
Durable goods.....	13	1,948	1,796	1,866	1,993	2,119	2,191	2,288	2,411	2,634	2,912	3,115	3,272	2,036	1,961	1,932	1,866
Nondurable goods.....	14	5,479	5,386	5,415	5,501	5,642	5,741	5,842	5,940	6,113	6,325	6,500	6,565	5,504	5,501	5,497	5,413
Services.....	15	10,466	10,471	10,637	10,778	10,966	11,127	11,308	11,541	11,865	12,167	12,493	12,622	10,376	10,480	10,531	10,474
Population (mid-period, thousands).....	16	249,983	253,253	256,634	260,011	263,194	266,327	269,448	272,687	275,891	279,062	282,128	284,822	248,936	249,509	250,290	251,197

	Line	Seasonally adjusted at annual rates															
		1991				1992				1993				1994			
		I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Current dollars:																	
Gross domestic product...	1	23,358	23,586	23,717	23,886	24,218	24,504	24,685	25,077	25,200	25,416	25,557	26,008	26,288	26,701	26,922	27,296
Gross national product....	2	23,488	23,671	23,788	23,989	24,316	24,600	24,769	25,165	25,318	25,508	25,671	26,060	26,366	26,764	26,979	27,352
Personal income.....	3	19,840	20,033	20,146	20,299	20,666	20,895	20,970	21,480	21,120	21,557	21,621	22,001	21,807	22,305	22,518	22,851
Disposable personal income.....	4	17,456	17,634	17,735	17,851	18,259	18,446	18,488	18,910	18,632	18,972	19,003	19,315	19,152	19,519	19,770	20,058
Personal consumption expenditures.....	5	15,494	15,660	15,763	15,806	16,148	16,286	16,438	16,738	16,811	17,034	17,235	17,447	17,609	17,802	18,032	18,233
Durable goods.....	6	1,743	1,746	1,770	1,738	1,798	1,809	1,845	1,886	1,884	1,955	2,000	2,059	2,085	2,107	2,137	2,194
Nondurable goods.....	7	5,031	5,068	5,066	5,034	5,112	5,111	5,158	5,238	5,239	5,280	5,298	5,339	5,380	5,424	5,501	5,549
Services.....	8	8,720	8,846	8,927	9,033	9,239	9,366	9,435	9,614	9,689	9,799	9,937	10,049	10,144	10,271	10,395	10,491
Chained (1996) dollars:																	
Gross domestic product..	9	26,314	26,381	26,354	26,401	26,567	26,730	26,840	27,096	27,005	27,090	27,119	27,436	27,591	27,898	27,962	28,217
Gross national product....	10	26,457	26,474	26,432	26,514	26,675	26,836	26,932	27,191	27,129	27,185	27,235	27,488	27,669	27,959	28,018	28,273
Disposable personal income.....	11	19,839	19,912	19,891	19,853	20,126	20,194	20,128	20,432	20,020	20,261	20,225	20,432	20,202	20,480	20,567	20,775
Personal consumption expenditures.....	12	17,609	17,683	17,679	17,578	17,800	17,829	17,896	18,085	18,064	18,191	18,343	18,456	18,573	18,679	18,759	18,885
Durable goods.....	13	1,796	1,796	1,814	1,779	1,836	1,840	1,875	1,914	1,914	1,978	2,015	2,066	2,087	2,100	2,116	2,172
Nondurable goods.....	14	5,392	5,415	5,399	5,338	5,409	5,384	5,400	5,466	5,449	5,492	5,523	5,540	5,592	5,624	5,656	5,697
Services.....	15	10,435	10,488	10,480	10,482	10,570	10,623	10,636	10,717	10,714	10,730	10,814	10,855	10,898	10,959	10,990	11,016
Population (mid-period, thousands).....	16	252,008	252,782	253,655	254,566	255,332	256,141	257,065	257,996	258,793	259,551	260,412	261,286	262,018	262,753	263,581	264,423

See note at end of table.

Table 8.7. Selected Per Capita Product and Income Series in Current and Chained Dollars—Continued
[Dollars]

Line	Seasonally adjusted at annual rates																
	1995				1996				1997				1998				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Current dollars:																	
Gross domestic product..	1	27,522	27,616	27,869	28,139	28,441	28,934	29,126	29,482	29,926	30,416	30,727	30,946	31,405	31,576	31,913	32,419
Gross national product....	2	27,602	27,711	27,911	28,227	28,541	28,999	29,169	29,542	29,955	30,460	30,752	30,953	31,430	31,587	31,861	32,386
Personal income.....	3	23,043	23,181	23,344	23,562	23,877	24,200	24,450	24,667	25,021	25,271	25,555	25,907	26,408	26,804	27,114	27,336
Disposable personal income.....	4	20,207	20,245	20,414	20,574	20,780	20,956	21,198	21,349	21,576	21,763	21,971	22,234	22,644	22,972	23,191	23,336
Personal consumption expenditures.....	5	18,362	18,594	18,767	18,905	19,125	19,399	19,508	19,717	20,002	20,097	20,419	20,588	20,821	21,130	21,338	21,611
Durable goods.....	6	2,180	2,198	2,236	2,242	2,261	2,310	2,286	2,296	2,339	2,294	2,389	2,403	2,427	2,503	2,504	2,617
Nondurable goods.....	7	5,566	5,612	5,634	5,675	5,739	5,834	5,851	5,941	5,993	5,978	6,054	6,055	6,100	6,162	6,214	6,294
Services.....	8	10,615	10,783	10,897	10,987	11,125	11,255	11,371	11,480	11,670	11,826	11,976	12,130	12,293	12,466	12,621	12,700
Chained (1996) dollars:																	
Gross domestic product..	9	28,243	28,221	28,351	28,485	28,616	29,009	29,063	29,297	29,529	29,873	30,089	30,195	30,563	30,653	30,870	31,277
Gross national product....	10	28,324	28,316	28,392	28,572	28,715	29,074	29,106	29,358	29,561	29,923	30,120	30,210	30,596	30,674	30,831	31,256
Disposable personal income.....	11	20,801	20,720	20,797	20,874	20,957	21,003	21,160	21,165	21,261	21,385	21,522	21,708	22,075	22,341	22,478	22,540
Personal consumption expenditures.....	12	18,901	19,030	19,119	19,180	19,288	19,442	19,473	19,547	19,710	19,748	20,002	20,100	20,298	20,550	20,682	20,873
Durable goods.....	13	2,151	2,172	2,215	2,226	2,243	2,306	2,291	2,311	2,363	2,338	2,455	2,485	2,521	2,613	2,632	2,769
Nondurable goods.....	14	5,711	5,737	5,743	5,773	5,792	5,836	5,850	5,888	5,914	5,908	5,975	5,964	6,029	6,101	6,130	6,190
Services.....	15	11,040	11,123	11,162	11,182	11,253	11,299	11,332	11,348	11,433	11,500	11,574	11,654	11,751	11,844	11,928	11,935
Population (mid-period, thousands).....	16	265,154	265,879	266,704	267,573	268,261	268,984	269,826	270,721	271,472	272,216	273,079	273,980	274,725	275,437	276,269	277,134

Line	Seasonally adjusted at annual rates															
	1999				2000				2001				2002			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
Current dollars:																
Gross domestic product..	1	32,722	32,922	33,339	33,947	34,330	34,855	34,958	35,147	35,336	35,332	35,412	35,512	35,996	36,147	36,439
Gross national product....	2	32,793	33,009	33,400	34,053	34,405	34,946	35,021	35,250	35,371	35,441	35,452	35,636	36,002	36,077	.....
Personal income.....	3	27,551	27,719	27,940	28,396	29,215	29,636	30,048	30,284	30,508	30,502	30,531	30,434	30,727	31,050	31,248
Disposable personal income.....	4	23,500	23,620	23,763	24,109	24,745	25,118	25,447	25,635	25,785	25,805	26,387	25,853	26,759	27,124	27,364
Personal consumption expenditures.....	5	21,868	22,239	22,542	22,882	23,311	23,562	23,847	24,039	24,330	24,468	24,491	24,834	25,040	25,271	25,591
Durable goods.....	6	2,622	2,692	2,738	2,782	2,876	2,837	2,870	2,815	2,878	2,884	2,890	3,087	2,998	2,985	3,119
Nondurable goods.....	7	6,381	6,513	6,589	6,748	6,855	6,974	7,041	7,101	7,158	7,189	7,169	7,151	7,278	7,344	7,361
Services.....	8	12,864	13,035	13,216	13,352	13,579	13,751	13,936	14,123	14,293	14,396	14,432	14,596	14,765	14,942	15,111
Chained (1996) dollars:																
Gross domestic product..	9	31,428	31,500	31,802	32,248	32,366	32,672	32,635	32,640	32,523	32,320	32,216	32,350	32,681	32,718	32,892
Gross national product....	10	31,508	31,594	31,871	32,359	32,446	32,769	32,704	32,747	32,565	32,429	32,263	32,471	32,696	32,663	.....
Disposable personal income.....	11	22,630	22,618	22,634	22,828	23,234	23,451	23,637	23,680	23,624	23,537	24,071	23,537	24,296	24,461	24,564
Personal consumption expenditures.....	12	21,057	21,296	21,471	21,666	21,887	21,998	22,150	22,206	22,291	22,317	22,342	22,609	22,735	22,790	22,973
Durable goods.....	13	2,798	2,887	2,949	3,012	3,129	3,093	3,145	3,095	3,173	3,208	3,236	3,470	3,406	3,416	3,586
Nondurable goods.....	14	6,247	6,306	6,326	6,421	6,438	6,501	6,517	6,543	6,567	6,547	6,552	6,593	6,706	6,691	6,697
Services.....	15	12,032	12,132	12,229	12,274	12,373	12,451	12,538	12,608	12,602	12,619	12,616	12,650	12,712	12,771	12,812
Population (mid-period, thousands).....	16	277,881	278,589	279,449	280,328	281,076	281,758	282,476	283,202	283,794	284,442	285,154	285,898	286,507	287,072	287,770

Note. Effective with this release, the estimates of population beginning with 1990 are revised to reflect the intercensal population estimates released in September 2002 by the Bureau of the Census.

Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income

New Estimates for 2000 Revised Estimates for 1999

By Thae S. Park

THIS article presents a comparison of the Bureau of Economic Analysis (BEA) measure of personal income and the Internal Revenue Service (IRS) measure of adjusted gross income (AGI) of individuals by type of income. It explains the major definitional and statistical differences between the two measures, describes some uses of the measures, and presents a partial reconciliation of the measures that is prepared by converting the BEA measure of personal income by type of income to the same definitional basis as the IRS measure. It also discusses the sources of the “AGI gap”—the unexplained difference that remains between the estimates of the BEA AGI and the IRS AGI—the AGI gap for 1959–2000, and the sources of the revision to the AGI gap for 1999.¹

The BEA measure of personal income and the IRS measure of AGI are both widely used measures of household income. Personal income, which is prepared as an integral part of the national income and product accounts (NIPAs), is often used in assessing trends in output, consumer spending, saving, and investment. AGI, which is an income concept used for Federal income tax, is often used as an input in the estimation of individual income tax revenue and the income tax burden of households.

Personal income is the income received by persons from all sources—that is, from participation in production, from both government and business transfer payments, and from government interest (which is treated like a transfer payment). “Persons” consists of

individuals, nonprofit institutions that primarily serve individuals, private noninsured welfare funds, and private trust funds. Personal income is calculated as the sum of wage and salary disbursements, other labor income, proprietors’ income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and transfer payments to persons, less personal contributions for social insurance.²

AGI is the Federal income tax concept closest to net income. It approximates income less the costs of producing income. In general, gross income for Federal income tax purposes includes all income that is received in the form of money, property, and services that is not explicitly exempt from taxation. Explicitly exempt income includes the cost basis of pension, annuity, or individual retirement account distributions; tax-exempt interest; part of social security and railroad retirement benefits; part of qualified foreign earned income; and part of the gain from sale of principal residence. For 2000, the allowable adjustments to gross income to derive AGI included the deduction for one-half of self-employment tax, contributions to self-employed retirement plans, contributions to individual retirement accounts, alimony paid, and other adjustments.³

In general, personal income is a more comprehen-

1. Annual and quarterly estimates of personal income are published monthly in table 2.1 of the national income and product accounts (NIPAs) in the section “BEA Current and Historical Data” of the SURVEY OF CURRENT BUSINESS (monthly estimates are shown in table B.1). Estimates of IRS AGI are published annually in *Statistics of Income—Individual Income Tax Returns*. The estimates of the relationship between total personal income and total AGI are presented annually in NIPA table 8.28, most recently for 1998–2000 on page 21 of the September 2002 SURVEY. All the estimates are available on BEA’s Web site at <www.bea.gov>. The reconciliation by type of income for 1959–98 is available on request; for information, write to the Government Division (BE-57), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

2. See U.S. Bureau of Economic Analysis, *National Income and Product Accounts of the United States, 1929–97: Volume 1* (Washington, DC: U.S. Government Printing Office, September 2001): M–8.

3. Other adjustments include student-loan interest deduction, medical savings account deduction, moving expenses, self-employed health insurance deduction, penalty on early withdrawal of savings, forestation or reforestation expenses, foreign housing exclusion, repayments of supplemental unemployment compensation, certain expenses of qualified performing artists, contributions to section 501(c)(18) pension plans, deduction for clean-fuel vehicles, employee business expenses of fee-basis State or local government officials, certain chaplains’ contributions to section 403(b) plans, and jury duty pay that was repaid to employers and reported as taxable income. On the IRS form 1040 for 2000, the types of income that had to be reported for the calculation of gross income are shown in lines 7 through 21, and allowable adjustments are shown in lines 23 through 32.

sive measure than AGI. It includes income that is generally taxed, such as wages and salaries, rental income, self-employment earnings, dividends, and interest; income that is partly taxed, such as social security benefit payments; and several types of income that are not taxed, such as tax-exempt interest and nontaxable transfer payments, including Medicare, Medicaid, and welfare benefit payments. Personal income includes income independent of whether it is reported to the IRS. Personal income also includes other types of income, such as employer contributions to private and government employee retirement plans, the investment income of these plans, and imputed income related to home ownership. However, personal income excludes net gains from the sale of assets (capital gains), retirement benefits, and personal contributions for social insurance.

Although the two series are based on different concepts and serve different purposes, they are often used jointly. In particular, estimates of personal income, which are available much sooner than AGI, are frequently used as extrapolators for AGI.

The revised estimates for 1999 reflect the incorporation of the results of the annual revision of the NIPA's that was released in July 2002 and of updated estimates of AGI for 1999 from the *Statistics of Income Bulletin*.⁴ The new estimates for 2000 incorporate the newly available IRS estimates of AGI for 2000.

This article is organized into four sections. The first section discusses the derivation of the BEA estimates of AGI and the AGI gap by type of income. The second section discusses the sources of the AGI gap. The third section discusses some specific trends in the AGI gap by type of income for 1959–2000. The fourth section discusses the sources of revision to the AGI gap for 1999.

BEA Estimates of AGI

Personal income and AGI each include items that the other omits, but AGI is more narrowly defined. Tables 1 and 2 show the reconciliation between personal income and AGI by type of income for 1999–2000. In these tables, the reconciliation items that convert personal income to the IRS definition of AGI are shown in three groups.

The first group (lines 3–9) consists of the portion of personal income that is not included in AGI. Most transfer payments to persons from governments and all transfer payments to persons from business are

nontaxable (line 3).⁵ The taxable portion of transfer payments to persons from governments consists primarily of unemployment compensation benefit payments and a portion of social security and railroad retirement benefit payments.

Most of the components of the NIPA category “other labor income” (line 4), primarily so-called fringe benefits, are nontaxable.⁶ The nontaxable components are employer payments (including payments in kind) to private pension and profit-sharing plans, to publicly administered government employee retirement plans, to private group health and life insurance plans, to privately administered workers' compensation plans, and to supplemental unemployment benefit plans. Employer payments are nontaxable, but some benefit payments—such as pension benefit payments (line 13) and supplemental unemployment benefit payments (part of line 15) are taxable. Taxable components of other labor income also include other fees and payments.

In the NIPA's, the investment income of life insurance carriers and pension plans is included in personal income in the year it is accrued. Investment income of life insurance carriers attributed to persons is included in personal interest income.⁷ Investment income of pension plans—rents, dividends, and interest—is recorded as being received directly by persons in the corresponding components of personal income.

The second group of reconciliation items (lines 11–15) consists of the portion of AGI that is excluded from personal income. Personal contributions for social insurance (line 11) includes payments by employees, by the self-employed, and by individuals who participate in the following government programs: Old-age, survivors, and disability insurance (social security), hospital insurance, supplementary medical insurance, unemployment insurance, railroad retirement, veterans life insurance, and temporary disability insurance.⁸

“Gains, net of losses, from sale of property”—capital gains (line 12) — includes net gain from the sale of property held for personal use or for investment (capital assets) and of property of a business nature (business assets).

5. NIPA table 3.12 shows government transfer payments to persons, which include benefit payments from social insurance funds—such as old-age, survivors, and disability insurance (social security), hospital insurance, supplementary medical insurance, and unemployment insurance—and from certain other programs. NIPA table 8.16 shows business transfer payments to persons, which consist primarily of automobile insurance and medical malpractice insurance payments to persons by business and of donations by corporate business to nonprofit institutions serving individuals.

6. NIPA table 6.11C shows other labor income by industry group and by type.

7. See NIPA table 8.20 (line 53).

8. See NIPA table 3.6.

4. See Eugene P. Seskin and Stephanie H. McCulla, “Annual Revision of the National Income and Product Accounts: Annual Estimates, 1999–2001 and Quarterly Estimates, 1999:I–2002:I,” *SURVEY* 82 (August 2002): 7–34. For AGI data, see Internal Revenue Service, *Statistics of Income Bulletin* (Washington, DC: U.S. Government Printing Office, Winter 2001–2002).

Taxable pension benefit payments from pension plans (line 13), which is in AGI, is excluded from personal income because in the NIPA's, pension benefit payments are treated as transactions within the personal sector.

The third group of reconciliation items (lines 17–21 and 25–27) consists of reallocations among types of income. These reallocations do not affect the total AGI gap, but they affect the AGI gap by type of income. The types of income used for reconciliation purposes in tables 1 and 2 represent the types of income that are common to both personal income and AGI. However, certain types of personal income and of AGI, such as interest distributed by regulated investment companies—mutual funds—(line 20) and partnership income (line 26), are classified differently in the two income measures. These income types are reallocated, when possible, to make the BEA and IRS estimates of

AGI comparable by type of income. The reallocations of personal income types are shown in lines 17–21, and the reallocation of AGI types are shown in lines 25–27.

Taxable interest received by mutual funds is reallocated from NIPA personal interest income to AGI personal dividend income because the IRS requires that this interest be reported as dividends. Only the portion that is taxable to individuals is reallocated; the interest paid by mutual funds to pension plans, IRA and Keogh plans, and holders of State and local government securities is tax-exempt.⁹ Because of the difficulties of allo-

9. Estimates of taxable interest received by individuals from mutual funds are primarily based on IRS tabulations of U.S. Income Tax Return for Regulated Investment Companies (form 1120 RIC). The form 1120 RIC distributions are adjusted for distributions currently not taxable to individuals using the mutual fund shares from the Federal Reserve Board. For more information on the reconciliation items in tables 1 and 2, see Thae S. Park, "Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income," SURVEY 80 (February 2000): 18.

Table 1. Comparison of Personal Income with AGI by Type of Income, 1999

[Billions of dollars]

Line		Personal income										Income not included in personal income	
		Total	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Personal dividend income	Personal interest income	Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits ¹		Other personal income ²
				Farm	Nonfarm								
1	Personal income	7,786.5	4,470.4	27.7	650.7	149.1	328.0	969.2	3.0	20.7	82.0	1,085.6	0.0
2	Less: Portion of personal income not included in adjusted gross income.....	2,726.5	108.4	5.2	1.7	110.8	246.2	777.4	0.0	0.0	0.0	1,420.1	56.7
3	Nontaxable transfer payments.....	911.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	911.8	0.0
4	Other labor income except fees.....	507.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	507.4	0.0
5	Imputed income in personal income ⁴	343.5	11.4	0.5	7.7	90.2	0.0	233.8	0.0	0.0	0.0	0.0	0.0
6	Investment income retained by life insurance carriers and pension plans ⁵	431.2	0.0	0.0	0.0	1.3	51.3	378.5	0.0	0.0	0.0	0.0	0.0
7	Investment income received by nonprofit institutions or retained by fiduciaries.....	68.8	0.0	0.0	0.4	6.7	20.8	40.0	0.0	0.0	0.0	0.8	0.0
8	Differences in accounting treatment between NIPA's and tax regulations, net.....	101.6	0.0	4.8	-6.4	12.6	18.0	72.6	0.0	0.0	0.0	0.0	0.0
9	Other personal income exempt or excluded from adjusted gross income.....	362.3	97.0	0.0	0.0	0.0	156.1	52.5	0.0	0.0	0.0	0.0	⁶ 56.7
10	Plus: Portion of adjusted gross income not included in personal income.....	1,502.5	22.3	0.0	4.1	3.1	0.0	0.0	383.3	0.0	0.0	336.4	753.3
11	Personal contributions for social insurance.....	337.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	337.4	0.0
12	Gains, net of losses, from sale of property.....	541.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	541.0
13	Taxable pensions ⁷	383.3	0.0	0.0	0.0	0.0	0.0	0.0	383.3	0.0	0.0	0.0	0.0
14	Small business corporation income.....	127.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	127.4
15	Other types of income.....	113.3	22.3	0.0	4.1	3.1	0.0	0.0	0.0	0.0	0.0	-1.0	84.8
16	Plus: Reallocation by type of NIPA income.....		10.9		-0.8		48.3	-48.3	-8.1			-1.9	
17	Fees in other labor income.....	0.0	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.8	0.0
18	Fiduciaries' share of partnership income ⁸	0.0	0.0	0.0	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0
19	Interest received by nonfarm proprietors.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	Interest distributed by regulated investment companies.....	0.0	0.0	0.0	0.0	0.0	48.3	-48.3	0.0	0.0	0.0	0.0	0.0
21	Taxable disability income payments.....	0.0	8.1	0.0	0.0	0.0	0.0	0.0	-8.1	0.0	0.0	0.0	0.0
22	Equals: BEA-derived adjusted gross income.....	6,562.4	4,395.2	22.5	652.2	41.4	130.1	143.5	378.1	20.7	82.0	0.0	696.6
23	Adjusted gross income of IRS (as reported).....	5,855.5	4,132.5	-6.2	208.4	25.6	132.5	175.7	304.3	17.5	75.1	93.6	696.6
24	Plus: Reallocation by type of IRS income.....			0.5	86.5	6.6						-93.6	
25	Estate or trust income.....	0.0	0.0	0.0	3.3	6.6	0.0	0.0	0.0	0.0	0.0	-9.9	0.0
26	Partnership income.....	0.0	0.0	0.5	83.2	0.0	0.0	0.0	0.0	0.0	0.0	-83.7	0.0
27	Other reallocations.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Adjusted gross income of IRS (reallocated).....	5,855.5	4,132.5	-5.8	294.9	32.2	132.5	175.7	304.3	17.5	75.1	0.0	696.6
29	Adjusted gross income gap (line 22 - line 28).....	707.0	262.7	28.3	357.3	9.2	-2.4	-32.2	73.8	3.2	6.9	0.0	0.0
30	Percent distribution of AGI gap.....	100.0	37.2	4.0	50.5	1.3	-0.3	-4.6	10.4	0.5	1.0		
31	Relative AGI gap ⁹	10.8	6.0	125.7	54.8	22.2	-1.8	-22.4	19.5	15.5	8.4		
32	Addendum: Misreporting adjustments included in personal income.....	370.1	103.8		278.5	1.3		-13.5					

See the footnotes at the end of table 2.

cating total interest paid by regulated investment companies to these categories, this estimate of the amount reallocated from interest to dividends is an approximation; the separate estimates of BEA-derived AGI for interest and for dividends are therefore less reliable than the combined estimates.

Partnership income as reported in AGI requires a reallocation by type of income. The current-production income (including income in kind) of sole proprietorships and partnerships and of tax-exempt cooperatives is classified either as farm proprietors' income or as nonfarm proprietors' income for reconciliation purposes.

The AGI Gap

The estimates of the BEA-derived AGI differ significantly from the IRS estimates of AGI. The "AGI gap" is defined as the difference between the total BEA-derived AGI (line 22) and total IRS AGI (line 23), and the AGI gap for each type of income (line 29) is the difference between the BEA-derived AGI for that type of income (line 22) and the reallocated IRS AGI for that type of income (line 28). The percent distribution of the AGI gap by type of income is shown in line 30, and the relative AGI gap for each type of income, which is the AGI gap for that type of income (line 29) as a per-

Table 2. Comparison of Personal Income with AGI by Type of Income, 2000
[Billions of dollars]

Line		Personal income										Income not included in personal income	
		Total	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Personal dividend income	Personal interest income	Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits ¹		Other personal income ²
				Farm	Nonfarm								
1	Personal income	8,406.6	4,836.3	22.6	692.2	146.6	375.7	1,077.0	3.0	21.1	98.9	1,133.1	0.0
2	Less: Portion of personal income not included in adjusted gross income	2,895.0	119.7	7.2	-4.0	112.9	271.3	842.9	0.0	0.0	0.0	1,488.4	56.6
3	Nontaxable transfer payments	946.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	946.2	0.0
4	Other labor income except fees	541.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	541.3	0.0
5	Imputed income in personal income ⁴	370.6	11.8	0.5	8.1	92.1	0.0	258.1	0.0	0.0	0.0	0.0	0.0
6	Investment income retained by life insurance carriers and pension plans ⁵	469.6	0.0	0.0	0.0	1.3	59.4	408.8	0.0	0.0	0.0	0.0	0.0
7	Investment income received by nonprofit institutions or retained by fiduciaries	66.0	0.0	0.0	0.4	6.2	19.2	39.2	0.0	0.0	0.0	0.8	0.0
8	Differences in accounting treatment between NIPA's and tax regulations, net	107.2	0.0	6.7	-12.6	13.2	17.3	82.6	0.0	0.0	0.0	0.0	0.0
9	Other personal income exempt or excluded from adjusted gross income	394.1	107.9	0.0	0.0	0.0	175.4	54.2	0.0	0.0	0.0	0.0	⁶ 56.6
10	Plus: Portion of adjusted gross income not included in personal income	1,610.8	23.8	0.0	4.4	3.3	0.0	0.0	412.8	0.0	0.0	357.2	809.4
11	Personal contributions for social insurance	358.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	358.4	0.0
12	Gains, net of losses, from sale of property	573.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	573.6
13	Taxable pensions ⁷	412.8	0.0	0.0	0.0	0.0	0.0	0.0	412.8	0.0	0.0	0.0	0.0
14	Small business corporation income	119.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	119.8
15	Other types of income	146.3	23.8	0.0	4.4	3.3	0.0	0.0	0.0	0.0	0.0	-1.1	115.9
16	Plus: Reallocation by type of NIPA income		11.1		-0.8		61.7	-61.7	-8.3			-2.0	
17	Fees in other labor income	0.0	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.8	0.0
18	Fiduciaries' share of partnership income ⁸	0.0	0.0	0.0	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0
19	Interest received by nonfarm proprietors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	Interest distributed by regulated investment companies	0.0	0.0	0.0	0.0	0.0	61.7	-61.7	0.0	0.0	0.0	0.0	0.0
21	Taxable disability income payments	0.0	8.3	0.0	0.0	0.0	0.0	0.0	-8.3	0.0	0.0	0.0	0.0
22	Equals: BEA-derived adjusted gross income	7,122.4	4,751.6	15.3	699.8	37.0	166.1	172.4	407.5	21.1	98.9	0.0	752.8
23	Adjusted gross income of IRS (as reported)	6,330.6	4,494.5	-8.2	207.2	28.1	142.2	185.3	331.5	17.0	91.6	88.5	752.8
24	Plus: Reallocation by type of IRS income				82.1	6.4		0.0				-88.5	
25	Estate or trust income	0.0	0.0	0.0	3.4	6.4	0.0	0.0	0.0	0.0	0.0	-9.9	0.0
26	Partnership income	0.0	0.0	0.0	78.7	0.0	0.0	0.0	0.0	0.0	0.0	-78.7	0.0
27	Other reallocations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Adjusted gross income of IRS (reallocated)	6,330.6	4,494.5	-8.2	289.4	34.5	142.2	185.3	331.5	17.0	91.6	0.0	752.8
29	Adjusted gross income gap (line 22 - line 28)	791.9	257.1	23.5	410.5	2.5	23.9	-12.9	76.0	4.1	7.3	0.0	0.0
30	Percent distribution of AGI gap	100.0	32.5	3.0	51.8	0.3	3.0	-1.6	9.6	0.5	0.9		
31	Relative AGI gap ⁹	11.1	5.4	153.2	58.7	6.7	14.4	-7.5	18.7	19.5	7.4		
32	Addendum: Misreporting adjustments included in personal income	401.4	112.9		303.5	1.4		-16.3					

1. Taxable social security benefits also include the social security equivalent benefit portion of tier 1 railroad retirement benefits.

2. Consists primarily of other labor income and the nontaxable transfer payments to persons, less personal contributions for social insurance.

3. Consists of tier 2 railroad retirement benefits that are taxed in the same manner as benefits paid under private employer retirement plans.

4. Consists of the imputations included in personal income shown in NIPA table 8.21 (line 53), except for employer contributions for health and life insurance premiums (line 146). In this table, these premiums are included in line 4.

5. Consists of imputed interest received by persons from life insurance carriers shown in NIPA table 8.20 (line 53) and investment income of private and government employee pension plans.

6. Statutory adjustments or specific adjustments ("above-the-line deductions") from total income taken to

arrive at AGI.

7. Consists of the taxable portion of private and government employee retirement plan benefit payments.

8. Consists of partnership income retained by fiduciaries.

9. Adjusted gross income gap (line 29) as a percentage of the BEA-derived AGI (line 22).

AGI Adjusted gross income

BEA Bureau of Economic Analysis

CCAAdj Capital consumption adjustment

IVA Inventory valuation adjustment

IRS Internal Revenue Service

NIPA's National income and product accounts

centage of the BEA-derived AGI for that type of income (line 22), is shown in line 31.

The AGI gap results from several sources. First, the source data used to estimate personal income and its components contain errors, and data are unavailable to estimate some items, such as income earned by individuals who are not required to file income tax returns.¹⁰ Some of the differences between the definitions of personal income and AGI are unknown.

Second, the IRS estimates of total AGI and its components are affected by sampling and measurement errors. The IRS estimates are based on a stratified probability sample of unaudited individual income tax returns that are not adjusted for misreporting (however, the sample returns are edited for consistent statistical definitions and for incorrect or missing entries in order to make them consistent with other entries on the returns and with accompanying schedules).

Third, the estimates of BEA-derived AGI include both explicit and implicit adjustments for tax-return misreporting.¹¹ Explicit adjustments are made for the effects of tax-return misreporting on the source data used to prepare the estimates of wage and salary disbursements, nonfarm proprietors' income, royalty income, and personal interest income (line 32).¹² Implicit adjustments are also embedded in the source data used for some components of personal income because the source data are from Government administrative records other than the individual income-tax return information system. For example, the estimates of wage and salary disbursements are based on tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics, on wages from the Office of Personnel Management, and on wages from a variety of other sources; these estimates are then adjusted for coverage differences. Personal dividend income is based primarily on tabulations of corporate income tax returns, adjusted for understatement of income on tax returns and for conceptual differences. Transfer payments are

based on budget data from the Federal Government and from State and local governments rather than on individual tax return data.¹³

Fourth, each July, the personal income estimates for the most recent 3 years are revised to incorporate source data that are more complete, more detailed, and otherwise more appropriate than those that were previously incorporated, and every 4–5 years, the estimates for all years are subject to a comprehensive revision that incorporates substantial definitional and statistical changes.¹⁴ The IRS estimates of AGI are based on a sample from all individual income tax returns, except tentative and amended returns, processed during a calendar year.¹⁵ The AGI estimates are intended to represent all the returns filed for a tax liability year from January 1 to December 31, but about 2 to 3 percent of the returns processed in a calendar year are for tax liability years ending other than on December 31 or for previous years. Unlike personal income, AGI estimates are not updated to incorporate newly available data.

10. Although some individuals who are not required to file tax returns do so mostly to secure refunds of withheld income tax or to receive refunds from earned income tax credit or child tax credit, income earned by low-income individuals who are not required to file returns is probably the largest known missing reconciliation item. The filing requirements are generally based on gross income, filing status, marital status, age, and to a lesser extent, on dependency and blindness.

11. The estimates of personal income are mainly based on source data from the payers of the income. AGI data are used only for the estimates of nonfarm sole proprietors' income and royalty payments in rental income of persons. For these components, BEA adjusts for misreporting of tax return information by taxpayers. Thus, the AGI gap for these components largely reflects the explicit misreporting adjustments (line 32 in tables 1 and 2) added to the source data. See "Updated Summary NIPA Methodologies," SURVEY 82 (October 2002): 29–32 and the text on the CD-ROM *State Personal Income, 1929–2000*. Information on methodology is also available on BEA's Web site.

12. The major source data for these adjustments were the 1988 Taxpayer Compliance Measurement Program (TCMP) and Census Bureau "exact match" files for 1996. The TCMP provided a measure of noncompliance for individuals who file tax returns. Through the TCMP, the IRS developed noncompliance ratios. Explicit adjustments for misreporting on tax returns for nonfarm proprietors' income were determined by multiplying noncompliance ratios times IRS tabulations of levels of business net income as reported on tax returns. The IRS compiled these net income tabulations annually, but noncompliance ratios have been held constant since 1988, the last year for which there was a TCMP. Exact match studies provided data on persons who did not file income tax returns. Nonfiler adjustments were based on matching information supplied on the annual income supplement of the Current Population Survey (CPS) with individual income tax returns. Respondents who reported income on the CPS but who could not be matched to a tax return were considered nonfilers. The latest nonfiler adjustments were based on Census Bureau tabulations of unreported income from the 1996 Exact Match Study.

For additional information about the calculation of these adjustments, see Robert P. Parker, "Improved Adjustments Misreporting of Tax Return Information Used To Estimate the National Income and Product Accounts, 1977" SURVEY 64 (June 1984): 17–25; "The Comprehensive Revision of the U.S. National Income and Product Accounts: A Review of Revisions and Major Statistical Changes," SURVEY 71 (December 1991): 39–40; "Improved Estimates of the National Income and Product Accounts for 1959–95: Results of the Comprehensive Revision," SURVEY 76 (January/February 1996): 24–25; and Brent R. Moulton, Eugene P. Seskin, and David F. Sullivan, "Annual Revision of the National Income and Product Accounts," SURVEY 81 (August 2001): 27.

13. Information from IRS audit studies shows misreporting of these payments on individual income tax returns.

14. For major improvements that were introduced in the most recent comprehensive revision, see Brent R. Moulton, Robert P. Parker, and Eugene P. Seskin, "A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts," SURVEY 79 (August 1999): 7–20.

15. According to the IRS, tentative returns, which are mostly estimated returns filed by those who couldn't file their returns by the due date, are excluded from the population because the revised returns may have been sampled later, and amended returns are excluded because the original returns have already been subjected to sampling. A small percentage of returns are not identified as tentative or amended until after sampling; these returns, along with those that contained no income information, are excluded in calculating estimates. For more details, see *Statistics of Income—Individual Income Tax Returns 1998: 19*.

The AGI Gap by Type of Income for 1959–2000

Table 3 shows the estimates of the AGI gap for total income and for each type of income for 1959–2000, and table 4 shows the relative AGI gap for total income and for each type of income for 1959–2000. Over this period, the relative AGI gap for total income averaged about 11 percent, ranging from a low of about 9 percent in the late 1960s to a high of 13 ½ percent in 1984.

By type of income, the relative AGI gap for wage and salary disbursements is the smallest, primarily because income tax withholding at the source is required for most wage and salary disbursements. Over the period, the relative AGI gap for wage and salary disbursements averaged about 3 percent; since the mid-1980s, the trend has been generally upward.

The trends in the relative AGI gaps for nonwage incomes differ (see the addenda in table 4). For nonwage incomes subject to the requirements for filing information returns by employers, the combined relative

AGI gap declined from about 39 percent in 1959 to about 11 percent in 2000.¹⁶ For incomes not subject to the filing requirements (the second addenda item in table 4), the combined relative AGI gap increased from

16. Employers and other payers of income, including partnerships and nonprofit organizations, are required to file information returns with the IRS for certain payments made during the year in the course of the employers' trade or business. Personal dividend income and personal interest income are the primary examples of nonwage incomes subject to the requirements for filing information returns. In recent years, estimating the AGI gap for these types of income has been difficult because the taxable portion of interest received by individuals from mutual funds is reallocated from personal interest income to personal dividend income (line 19 in tables 1 and 2), because the allocation of income received from private noninsured pension plans (part of line 6) between interest and dividends is based on incomplete data, and because some individuals may have inadvertently reported income from mutual funds as interest rather than as dividends on their tax returns. Thus, tables 3 and 4 show the AGI gap for personal dividend and personal interest income combined and the AGI gaps for each of these types of income. Beginning with 1984, taxes have been withheld on taxable pension benefit payments unless the recipient elects not to have the tax withheld and on interest and dividends if the recipient fails to furnish a correct taxpayer identification number or has interest or dividends that were underreported on past returns.

Table 3. The BEA and IRS Measures of AGI and the AGI Gap by Type of Income, 1959–2000

[Billions of dollars]

Year	BEA-derived AGI	IRS AGI	AGI gap	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Personal dividend and personal interest income			Taxable pension and annuities	Taxable unemployment compensation	Taxable social security benefits
					Farm	Nonfarm		Total	Personal dividend income	Personal interest income			
1959	339.1	305.1	34.0	7.7	7.1	9.7	-0.1	7.9	0.8	7.1	1.7	0.0	0.0
1960	351.4	315.5	36.0	8.8	6.4	10.1	0.0	8.7	1.2	7.6	1.9	0.0	0.0
1961	365.8	329.9	36.0	7.5	5.6	11.5	0.4	8.9	1.2	7.7	2.1	0.0	0.0
1962	387.8	348.7	39.1	9.1	6.2	11.8	0.4	9.4	1.2	8.2	2.2	0.0	0.0
1963	409.2	368.8	40.4	8.3	7.0	12.6	0.7	9.4	1.3	8.1	2.4	0.0	0.0
1964	442.2	396.7	45.6	10.2	6.3	14.1	0.8	11.4	2.0	9.5	2.8	0.0	0.0
1965	479.8	429.2	50.6	11.7	7.1	14.2	1.2	13.3	2.3	11.0	3.2	0.0	0.0
1966	521.7	468.5	53.3	13.5	7.3	15.9	1.0	12.0	0.5	11.5	3.5	0.0	0.0
1967	555.4	504.8	50.6	11.0	5.7	16.6	0.9	12.4	0.5	11.9	4.0	0.0	0.0
1968	609.3	554.4	54.9	13.6	5.5	17.0	0.7	13.7	0.9	12.9	4.3	0.0	0.0
1969	663.3	603.5	59.7	12.4	7.7	18.7	0.7	15.2	0.7	14.5	5.0	0.0	0.0
1970	699.3	631.7	67.6	13.1	9.3	20.5	0.9	17.7	1.0	16.7	6.1	0.0	0.0
1971	744.8	673.6	71.2	13.3	8.3	23.7	0.8	18.3	1.4	16.9	7.1	0.0	0.0
1972	825.5	746.0	79.5	10.8	10.9	28.8	1.6	19.2	2.0	17.2	8.2	0.0	0.0
1973	926.1	827.1	99.0	16.4	16.7	32.2	1.5	23.5	3.4	20.1	8.6	0.0	0.0
1974	1,005.4	905.5	99.8	8.8	17.8	38.1	0.4	25.2	2.7	22.5	9.5	0.0	0.0
1975	1,048.0	947.8	100.2	13.6	12.6	42.2	0.1	21.1	1.0	20.0	10.7	0.0	0.0
1976	1,169.1	1,053.9	115.2	13.2	11.7	53.6	-0.4	25.3	3.8	21.5	11.8	0.0	0.0
1977	1,297.6	1,158.5	139.1	19.3	9.9	61.3	1.8	34.5	6.2	28.3	12.3	0.0	0.0
1978	1,469.6	1,302.4	167.1	24.7	13.0	73.5	2.2	38.9	7.3	31.6	14.9	0.0	0.0
1979	1,658.5	1,465.4	193.1	19.7	15.3	84.6	3.9	50.6	9.2	41.4	18.5	0.4	0.0
1980	1,831.6	1,613.7	217.9	21.3	19.6	89.2	7.1	56.5	12.5	44.1	23.4	0.8	0.0
1981	2,016.3	1,772.6	243.7	21.0	21.3	90.5	12.5	68.7	22.4	46.3	28.8	0.9	0.0
1982	2,094.7	1,852.1	242.6	16.5	17.5	95.5	15.5	62.1	18.4	43.7	33.5	2.0	0.0
1983	2,225.7	1,942.6	283.1	23.5	29.5	109.9	15.6	62.7	23.4	39.3	39.3	2.6	0.0
1984	2,473.3	2,139.9	333.4	27.5	28.8	141.4	19.9	62.7	28.9	33.7	47.2	1.3	4.6
1985	2,629.9	2,306.0	323.9	41.8	25.0	147.2	22.4	34.8	22.1	12.7	48.2	1.4	3.2
1986	2,848.3	2,481.7	366.6	55.1	29.5	147.2	19.5	45.3	19.7	25.6	65.7	1.2	3.1
1987	3,125.4	2,773.8	351.6	76.3	32.6	121.6	15.1	45.7	27.5	18.1	55.0	2.6	2.8
1988	3,415.8	3,083.0	332.8	80.0	36.6	122.9	8.3	37.9	23.1	14.8	42.4	1.9	2.8
1989	3,658.6	3,256.4	402.3	108.2	31.0	127.4	3.9	71.6	40.9	30.7	54.8	2.4	3.0
1990	3,813.2	3,405.4	407.8	112.8	28.4	134.4	4.4	67.4	42.0	25.4	54.3	2.8	3.0
1991	3,864.4	3,464.5	399.9	100.4	30.9	139.3	7.4	65.3	43.8	21.5	49.8	3.6	3.2
1992	4,108.3	3,629.1	479.2	127.3	32.4	165.1	12.0	72.9	32.7	40.2	56.6	8.3	4.5
1993	4,260.0	3,723.3	536.7	145.4	39.0	200.5	10.1	71.5	31.6	39.9	56.7	7.3	6.1
1994	4,485.7	3,907.5	578.2	154.3	28.5	223.5	12.7	84.0	50.5	33.5	63.4	3.9	8.0
1995	4,766.4	4,189.4	577.0	162.8	37.3	246.4	15.5	35.9	35.2	0.7	67.7	2.6	8.8
1996	5,151.6	4,536.0	615.6	188.0	32.1	278.1	13.4	24.5	45.4	-20.9	69.2	3.2	7.2
1997	5,594.3	4,970.0	624.3	208.6	30.6	292.9	12.0	0.2	48.4	-48.3	70.4	3.2	6.5
1998	6,123.7	5,416.0	707.7	242.2	26.8	314.3	11.5	36.6	46.5	-9.9	70.9	3.1	2.3
1999	6,562.4	5,855.5	707.0	262.7	28.3	357.3	9.2	-34.5	-2.4	-32.2	73.8	3.2	6.9
2000	7,122.4	6,330.6	791.9	257.1	23.5	410.5	2.5	10.9	23.9	-12.9	76.0	4.1	7.3

AGI Adjusted gross income
BEA Bureau of Economic Analysis
IRS Internal Revenue Service

about 32 percent in 1959 to a high of 80 percent in 1984 and then fell sharply in the late 1980s to about 50 percent. It was 58 percent in 2000.

Sources of the Revision to the AGI Gap for 1999

Table 5 shows the revisions to personal income, reconciliation items, BEA-derived AGI, AGI of IRS, and the AGI gap for 1999. The AGI gap was revised up \$32.2 billion for 1999 (line 29), raising the relative AGI gap by 0.2 percentage point (line 31).

The \$32.2 billion upward revision to the AGI gap reflected an upward revision of \$36.1 billion to the BEA-derived AGI (line 22) that was partly offset by an upward revision of \$3.9 billion to total AGI (line 23).

The \$36.1 billion upward revision to the BEA-derived AGI was attributable to the following: An upward

revision of \$2.9 billion to personal income that was carried through to the BEA-derived AGI, an upward revision of \$6.3 billion to reconciliation items unrelated to personal income, and an upward revision of \$26.9 billion to AGI components.

Of the \$9.2 billion upward revision to personal income (line 1), \$6.3 billion did not carry through to the BEA-derived AGI. These revisions, such as the revisions to other labor income (line 4) and to imputed income (line 5), resulted in offsetting revisions to the reconciliation items that are related to personal income.

The revisions to the reconciliation items unrelated to personal income or to AGI were all carried through to the BEA-derived AGI. Nontaxable transfer payments (line 3) and investment income of life insurance carriers and pension plans (line 6) are examples of

Table 4. The Relative AGI Gap by Type of Income, 1959–2000
[Percent]

Year	Total	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Personal dividend and personal interest income			Taxable pension and annuities	Taxable unemployment compensation	Taxable social security benefits	Addenda	
			Farm	Nonfarm		Total	Personal dividend income	Personal interest income				The sum of income items except wages, subject to the requirements for filing information returns ¹	The sum of income items not subject to the requirements for filing information returns ²
1959.....	10.0	3.0	68.9	25.6	-2.2	36.5	7.6	61.8	53.3	0.0	0.0	38.6	32.4
1960.....	10.2	3.3	66.1	27.1	1.0	37.4	10.8	60.0	54.1	0.0	0.0	39.6	32.7
1961.....	9.8	2.7	59.0	29.1	10.1	36.3	10.7	57.5	53.5	0.0	0.0	38.7	33.0
1962.....	10.1	3.1	61.5	28.4	9.3	34.5	10.3	53.3	48.5	0.0	0.0	36.5	33.1
1963.....	9.9	2.7	68.0	29.5	17.0	31.2	9.9	46.8	47.4	0.0	0.0	33.6	35.4
1964.....	10.3	3.0	66.6	30.1	19.0	34.1	14.1	48.3	47.2	0.0	0.0	36.1	35.1
1965.....	10.5	3.3	63.8	28.8	25.8	35.5	15.1	49.4	47.0	0.0	0.0	37.2	34.5
1966.....	10.2	3.4	60.6	30.2	21.6	30.7	3.4	46.6	44.0	0.0	0.0	32.9	34.9
1967.....	9.1	2.6	59.3	29.8	19.8	29.9	3.2	44.5	44.2	0.0	0.0	32.4	33.2
1968.....	9.0	2.9	59.2	28.6	15.9	30.0	5.5	43.4	41.8	0.0	0.0	32.2	31.6
1969.....	9.0	2.4	64.6	30.5	15.0	30.1	4.5	42.5	42.1	0.0	0.0	32.4	34.9
1970.....	9.7	2.4	73.0	32.9	19.0	31.9	6.2	43.1	43.5	0.0	0.0	34.2	38.5
1971.....	9.6	2.3	75.5	35.3	15.9	31.2	8.4	40.5	43.2	0.0	0.0	33.8	39.5
1972.....	9.6	1.7	69.1	38.6	25.2	30.2	10.6	38.5	42.8	0.0	0.0	33.2	42.7
1973.....	10.7	2.3	65.7	39.7	20.2	31.6	15.3	38.5	39.5	0.0	0.0	33.4	44.3
1974.....	9.9	1.1	73.8	43.2	6.4	29.5	11.5	36.3	36.2	0.0	0.0	31.0	47.3
1975.....	9.6	1.7	72.7	45.5	1.8	24.4	4.6	31.5	33.9	0.0	0.0	26.9	47.1
1976.....	9.9	1.5	72.2	48.6	-6.8	25.8	13.6	30.7	32.4	0.0	0.0	27.5	48.7
1977.....	10.7	2.0	89.7	49.1	21.8	29.7	18.7	34.1	29.6	0.0	0.0	29.7	50.6
1978.....	11.4	2.2	73.2	51.6	22.9	29.9	19.5	34.0	31.3	0.0	0.0	30.3	52.3
1979.....	11.6	1.6	83.9	54.7	37.0	32.0	21.6	35.9	33.1	30.7	0.0	32.3	56.5
1980.....	11.9	1.6	106.8	57.4	52.5	28.7	24.3	30.2	35.1	27.0	0.0	30.2	61.9
1981.....	12.1	1.4	156.2	62.5	69.6	27.8	32.7	26.0	35.7	27.3	0.0	29.8	70.4
1982.....	11.6	1.0	228.1	64.8	81.1	22.9	26.1	21.8	35.8	21.8	0.0	26.1	73.8
1983.....	12.7	1.4	146.4	64.5	97.1	23.7	32.5	20.4	36.0	27.1	0.0	27.3	75.0
1984.....	13.5	1.5	198.6	68.0	123.7	21.8	37.3	16.1	37.0	17.8	36.7	26.6	79.7
1985.....	12.3	2.1	202.5	66.2	134.2	12.8	28.6	6.5	33.6	17.6	25.0	20.1	77.4
1986.....	12.9	2.6	135.4	64.7	190.6	16.5	24.2	13.2	37.9	15.0	22.6	24.5	75.6
1987.....	11.2	3.4	102.0	51.9	139.4	16.2	29.2	9.7	30.6	17.2	18.1	21.6	61.1
1988.....	9.7	3.3	101.0	45.2	83.4	12.6	23.0	7.4	23.4	13.9	16.4	16.5	52.7
1989.....	11.0	4.2	96.2	44.3	51.2	19.2	33.4	12.2	27.1	16.8	14.6	21.6	49.6
1990.....	10.7	4.2	96.2	43.9	39.7	18.0	34.4	10.1	25.4	15.5	13.2	20.3	48.2
1991.....	10.3	3.6	105.0	44.6	47.9	18.5	36.2	9.3	22.0	13.5	13.1	19.4	49.7
1992.....	11.7	4.3	103.7	46.1	48.5	23.3	29.5	19.9	23.3	21.0	16.2	22.8	50.6
1993.....	12.6	4.8	107.7	50.4	37.4	25.3	28.4	23.3	22.6	21.0	19.9	23.7	54.2
1994.....	12.9	4.8	132.2	51.6	38.7	28.7	38.0	21.0	23.6	16.0	17.2	25.2	54.3
1995.....	12.1	4.8	125.5	53.2	41.6	12.6	27.1	0.5	23.4	11.9	16.2	17.7	56.4
1996.....	12.0	5.3	126.8	54.1	33.8	8.3	30.3	-14.4	22.5	14.3	12.0	15.2	55.9
1997.....	11.2	5.5	126.0	53.6	29.9	0.1	28.7	-39.1	21.3	15.5	9.5	11.3	55.0
1998.....	11.6	5.9	140.5	53.1	28.4	11.0	28.2	-5.9	20.2	15.5	3.3	14.6	54.1
1999.....	10.8	6.0	125.7	54.8	22.2	-12.6	-1.8	-22.4	19.5	15.5	8.4	6.6	55.1
2000.....	11.1	5.4	153.2	58.7	6.7	3.2	14.4	-7.5	18.7	19.5	7.4	11.4	58.0

1. Consists of personal dividend income, personal interest income, taxable pensions, taxable unemployment compensation, and taxable social security benefits. These types of income have been subject to varying degrees of withholding since 1984.

2. Consists of farm proprietors' income, nonfarm proprietors' income, and rental income of persons.

Note. The relative AGI gap is the AGI gap as a percentage of the BEA-derived AGI and is shown in line 31 of

tables 1 and 2.

AGI Adjusted gross income

BEA Bureau of Economic Analysis

CCAAdj Capital consumption adjustment

reconciliation items unrelated to revision to personal income.¹⁷

Revisions to AGI components (part of line 9 and lines 12, 14, and 15) were all carried through to the BEA-derived AGI. Capital gains and small business corporation income are examples of AGI components that are added, without adjustments, to personal income in the derivation of the BEA-derived AGI.

The \$3.9 billion upward revision to total AGI (line 23), which resulted from the replacement of preliminary tabulations with final tabulations, reflected revisions to all AGI components including the components added, without adjustments, to personal income in the derivation of the BEA-derived AGI.

17. The reconciliation items shown in lines 3, 6, 7, and 9 are components of personal income, but they are derived in aggregate in the estimation of personal income; similarly, several reconciliation items included in line 15 are components of AGI, but they are also derived in aggregate in the estimation of AGI. Separate estimates of these reconciliation items are prepared only for reconciliation purposes. Thus, revisions to the separately estimated reconciliation items are unrelated to the revisions to personal income or to AGI, so they are carried through to the AGI gap.

Table 5. Sources of Revision to the AGI Gap, 1999

[Billions of dollars]

Line ¹		1999
1	Personal Income	9.2
2	Less: Portion of personal income not included in adjusted gross income	0.5
3	Nontaxable transfer payments	-5.9
4	Other labor income except fees	0.5
5	Imputed income in personal income	-5.3
6	Investment income retained by life insurance carriers and pension plans	-10.2
7	Investment income received by nonprofit institutions or retained by fiduciaries ..	4.0
8	Differences in accounting treatment between NIPA's and tax regulations, net	12.1
9	Other personal income exempt or excluded from adjusted gross income	5.2
10	Plus: Portion of adjusted gross income not included in personal income	27.4
11	Personal contributions for social insurance	0.3
12	Gains, net of losses, from sale of property	35.6
13	Taxable pensions	-1.7
14	Small business corporation income	6.7
15	Other types of income	-13.5
22	Equals: BEA-derived adjusted gross income	36.1
23	Adjusted gross income of IRS	3.9
29	Adjusted gross income (AGI) gap	32.2
31	Relative AGI gap (percent)	0.2

1. Line numbers in this table correspond to those in table 1.

AGI Adjusted gross income

BEA Bureau of Economic Analysis

IRS Internal Revenue Service

NIPA's National income and product accounts

Federal Personal Income Tax Liabilities and Payments, 1959–2000

The table below presents the estimates of Federal personal income tax liabilities and of Federal personal income tax payments for 1959–2000.¹ The estimates for

1. For a discussion of the payments series, the derivation and the use of the estimates of tax liabilities, and the sources of the differences between liabilities and payments, see Thae S. Park, "Federal Personal Income Tax Liabilities and Payments, 1959–97," *SURVEY OF CURRENT BUSINESS* 80 (March 2000): 11–14.

Thae S. Park prepared this report.

1999 are revised, and the estimates for 2000 are new; these estimates reflect the incorporation of the results of this year's annual revision of the national income and product accounts and newly available tax return data from the Internal Revenue Service.

For 1999, tax payments exceeded tax liabilities by \$2.5 billion and for 2000, tax payments exceeded tax liabilities by \$9.4 billion. There were no major tax law changes for 1999–2000 that affected tax payments and tax liabilities differently.

Federal Personal Income Tax Liabilities and Payments, 1959–2000

[Billions of dollars]

	Federal personal income taxes			Disposable personal income (DPI)	
	Liabilities basis ¹	Payments basis ²	Difference	Alternative DPI with NIPA Federal personal income taxes on a liabilities basis	Published DPI with NIPA Federal personal income taxes on a payments basis ³
1959.....	39.0	38.5	0.5	350.7	351.2
1960.....	39.9	41.8	-1.9	368.1	366.2
1961.....	42.7	42.7	0.0	382.3	382.4
1962.....	45.4	46.5	-1.1	406.8	405.6
1963.....	48.8	49.1	-0.3	426.2	425.8
1964.....	47.8	46.0	1.8	461.2	463.0
1965.....	50.2	51.1	-0.9	499.8	498.9
1966.....	56.8	58.6	-1.8	540.9	539.1
1967.....	63.7	64.4	-0.7	576.9	576.2
1968.....	77.5	76.4	1.1	625.1	626.2
1969.....	87.4	91.7	-4.3	679.3	675.0
1970.....	84.5	88.9	-4.4	740.9	736.5
1971.....	86.1	85.8	0.3	801.4	801.7
1972.....	94.3	102.8	-8.5	877.0	868.6
1973.....	108.9	109.6	-0.7	979.6	979.0
1974.....	124.4	126.5	-2.1	1,074.3	1,072.3
1975.....	117.3	120.7	-3.4	1,184.9	1,181.4
1976.....	142.8	141.2	1.6	1,298.3	1,299.9
1977.....	161.0	162.2	-1.2	1,437.1	1,436.0
1978.....	189.6	188.9	0.7	1,614.1	1,614.8
1979.....	216.1	224.6	-8.5	1,816.8	1,808.2
1980.....	252.3	250.0	2.3	2,017.4	2,019.8
1981.....	286.7	290.6	-3.9	2,251.8	2,247.9
1982.....	280.2	295.0	-14.8	2,421.5	2,406.8
1983.....	277.8	286.2	-8.4	2,594.4	2,586.0
1984.....	306.7	301.4	5.3	2,882.3	2,887.6
1985.....	331.5	336.0	-4.5	3,091.0	3,086.5
1986.....	374.9	350.1	24.8	3,237.7	3,262.5
1987.....	378.7	392.5	-13.8	3,473.3	3,459.5
1988.....	422.0	402.9	19.1	3,733.3	3,752.4
1989.....	440.1	451.5	-11.4	4,027.7	4,016.3
1990.....	453.4	470.2	-16.8	4,310.4	4,293.6
1991.....	455.4	461.3	-5.9	4,480.7	4,474.8
1992.....	483.1	475.3	7.8	4,746.8	4,754.6
1993.....	508.5	505.4	3.1	4,932.2	4,935.3
1994.....	540.3	542.5	-2.2	5,167.7	5,165.4
1995.....	592.9	585.6	7.3	5,415.2	5,422.6
1996.....	664.5	662.9	1.6	5,676.2	5,677.7
1997.....	742.5	743.9	-1.4	5,969.6	5,968.2
1998.....	800.5	826.4	-25.9	6,381.5	6,355.6
1999.....	891.5	894.0	-2.5	6,629.9	6,627.4
2000.....	989.6	999.0	-9.4	7,129.5	7,120.2

1. This series is derived by the Bureau of Economic Analysis and is based on data from Internal Revenue Service, *Statistics of Income, Individual Income Tax Returns*.

2. This series is presented in NIPA table 3.2 in the section "BEA Current and Historical Data" of this issue. All of the estimates are available on BEA's Web site at <www.bea.gov>.

3. This series is presented in NIPA table 2.1 in "BEA Current and Historical Data." See also BEA's Web site.

Gross Domestic Product by Industry for 1999–2001

By Robert J. McCahill and Brian C. Moyer

THE Bureau of Economic Analysis (BEA) has recently released new estimates of gross domestic product (GDP) by industry for 2001 and revised estimates for 1999–2000.¹ The estimates incorporate the results of this year's annual revision of the national income and product accounts (NIPAs) and newly available source data.² The GDP-by-industry estimates are value-added measures that are based on the NIPA

components of gross domestic income (see the box below).

After growing at a rapid pace in the last half of the 1990s, real GDP slowed in 2000, declined in the first three quarters of 2001, and increased in the last quarter of 2001. Relative to past cycles, the slowdown in real GDP was mild, though real growth rates varied widely among industries. Declines, particularly in some manufacturing industries, were steep. Growth rates in other industries—mainly in services but also in manufacturing—remained strong in 2001, partly reflecting decreases in unit labor costs and unit capital costs through increases in productivity.

1. For the previously published estimates, see Sherlene K.S. Lum and Brian C. Moyer, "Gross Domestic Product by Industry for 1998–2000," *SURVEY OF CURRENT BUSINESS* 81 (November 2001): 17–33.

2. See Eugene P. Seskin and Stephanie H. McCulla, "Annual Revision of the National Income and Product Accounts," *SURVEY* 82 (August 2002): 7–34.

Gross Domestic Product by Industry

Definition and Relationship to Gross Domestic Product and Other Measures of Output

The Bureau of Economic Analysis (BEA) prepares several different, but related, measures of output. These measures include gross domestic product (GDP), gross domestic income (GDI), GDP by industry, gross output by industry, gross output from the input-output accounts, and gross state product (GSP).

Current-dollar GDP by industry, or gross product originating, is the contribution of each private industry and government to the Nation's GDP. It is the industry's value added, which is equal to its gross output (which consists of sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (which consist of energy, raw materials, semifinished goods, and services that are purchased from domestic industries or from foreign sources). Current-dollar GDP by industry is measured as the sum of distributions by industry of the components of GDI that are attributable to labor and property in the United States. The industry's gross output is benchmarked to the output estimates of the input-output accounts.

In the national income and product accounts (NIPAs), GDP is measured as the sum of the expenditure components and is benchmarked to the input-output accounts. GDI measures output as the sum of the costs incurred and the incomes earned in the production of GDP. In concept, GDP and GDI should be equal; in practice, they differ because the estimates of their components are mainly based on different source data. The difference between GDP and GDI is the "statistical discrepancy," which is recorded in the NIPAs as an "income" compo-

nent that reconciles GDI with GDP. BEA views GDP as the more reliable measure of output because the source data underlying the estimates of expenditures are considered to be more accurate.¹

Because the estimates of current-dollar GDP by industry are computed using the components of GDI, the sum of the GDP-by-industry estimates also differs from current-dollar GDP by the statistical discrepancy. Thus, for the sum of GDP by industry to be equal to GDP, the statistical discrepancy must be included as an industry. The statistical discrepancy is included in private industries because in BEA's view, most of the measurement problems with the components of GDI affect private industries rather than general government or government enterprises.

GSP is derived as the sum of the GSP originating in all industries in a State and is the State counterpart of the Nation's GDP. GSP differs from GDP because like GDP by industry, GSP is measured as the sum of the distributions by industry of the components of GDI. However, it differs from GDP by industry because it excludes the statistical discrepancy, the compensation of Federal civilian and military personnel, and military structures and equipment located abroad.²

1. See the box "The Statistical Discrepancy," *SURVEY OF CURRENT BUSINESS* 77 (August 1997): 19; and "Note on Alternative Measures of Gross Product by Industry," *SURVEY* 77 (November 1997): 84–85.

2. See the box "Gross State Product Estimates," in Sharon D. Panek and George K. Downey, "Gross State Product by Industry, 1998–2000," *SURVEY* 82 (June 2002): 57.

Highlights in 2001 include the following:

- Real GDP increased 0.3 percent. Real GDP in private services-producing industries increased 1.7 percent, while real GDP in private goods-producing industries decreased 4.2 percent.³
- Among the private goods-producing industries, manufacturing was the hardest hit by the 2001 recession. Its real GDP decreased 6.0 percent. Durable-goods manufacturing decreased 5.2 percent, and nondurable-goods manufacturing decreased 7.1 percent.
- The performance of the information technology (IT)-related industries was mixed. Real GDP in the industrial machinery and equipment industry and in the instruments and related products industry decreased sharply. In contrast, real GDP in the communications industry group and in the electronic and other electric equipment industry increased strongly; in the face of falling prices in both industries and falling demand in the electronic and other electric equipment industry, these industries were able to lower their unit labor costs and unit capital costs through increases in productivity, and thereby increase their real GDP (value-added) growth.
- Real GDP growth in the finance, insurance, and real estate (FIRE) industry group was strong. Double-digit growth was reported for nondepository institutions (including credit-card companies, motor vehicle finance leasing companies, and mortgage banking firms) and for security and commodity brokers.
- In several of the private services-producing industry groups, real GDP growth slowed but remained relatively strong. Growth in retail trade slowed from 7.5 percent in 2000 to 4.6 percent in 2001, and growth in FIRE slowed from 6.2 percent to 2.8 percent. Growth in the communications industry group was 12.3 percent in both 2000 and 2001.
- Real GDP for services—mainly business and personal services—grew only 0.9 percent.
- Declines in real GDP in the transportation-by-air industry and in the hotels and other lodging places industry lowered overall real GDP growth by 0.1 percentage point, partly reflecting sharp reductions in business air travel and tourism-related services after the terrorist attacks on September 11th.

This article is presented in four parts. The first part discusses the relative performance of industries in terms of real growth rates, contributions to real growth, industry shares of current-dollar GDP, and the

3. Private goods-producing industries consist of agriculture, forestry, and fishing; mining; construction; and manufacturing. Private services-producing industries consist of transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.

components of income for current-dollar GDP by industry. The second part discusses the prices of GDP by industry, contributions to price change, and unit costs. The third part discusses the revisions to the estimates. The fourth part describes the changes to the methodology and presentation. The detailed GDP-by-industry estimates for 1998–2001 are presented in tables 1–14 at the end of the article (see also the box “Data Availability” on page 27).

Measures of Industry Performance

The relative performance of particular industries or industry groups can be assessed by examining their real growth rates, their contributions to real GDP growth, their shares of current-dollar GDP, and their components of income for current-dollar GDP by industry.

Real GDP-by-industry growth rates

From 1995 to 2000, a period of rapid economic growth, real GDP increased at an average annual rate of 4.0 percent. Private industries increased 4.6 percent, and government increased 1.4 percent; in private industries, goods-producing industries increased 4.1 percent, and services-producing industries increased 5.3 percent (table A and table 5A).⁴

In 2001, real GDP growth slowed to 0.3 percent from 3.8 percent in 2000. Growth in both the private goods-producing industries and the private services-producing industries was adversely affected by the recession. Real growth in the goods-producing industries dropped from 3.6 percent to –4.2 percent, and real

4. Real GDP by industry is computed using the double-deflation method in which separate estimates of real gross output and intermediate inputs combine in a Fisher chain-type quantity-index-number formula. For more information, see the box “Computation of the Chain-Type Quantity Indexes for Double-Deflated Industries” in Robert E. Yuskavage, “Improved Estimates of Gross Product by Industry, 1959–94,” *SURVEY* 76 (August 1996): 142.

Table A. Percent Changes in Real Gross Domestic Product by Industry Group

	1999	2000	2001	Average annual rate of change 1995–2000
Gross domestic product	4.1	3.8	0.3	4.0
Private industries	4.8	3.9	0.4	4.6
Private goods-producing industries	4.6	3.6	-4.2	4.1
Agriculture, forestry, and fishing	6.3	7.9	-1.7	6.2
Mining	-4.2	-11.2	4.8	-2.0
Construction	5.4	2.8	-1.6	4.8
Manufacturing	4.8	4.7	-6.0	4.3
Durable goods	6.3	10.0	-5.2	7.9
Nondurable goods	2.8	-2.2	-7.1	-0.4
Private services-producing industries	5.0	5.4	1.7	5.3
Transportation and public utilities	7.2	6.8	-0.2	4.3
Transportation	4.1	5.2	-4.3	4.6
Communications	10.4	12.3	12.3	7.2
Electric, gas, and sanitary services	7.8	2.4	-9.1	0.6
Wholesale trade	6.8	5.9	-0.2	9.2
Retail trade	5.8	7.5	4.6	7.2
Finance, insurance, and real estate	4.1	6.2	2.8	5.2
Services	4.1	3.3	0.9	3.9
Government	1.3	2.6	1.7	1.4

growth in the services-producing industries dropped from 5.4 percent to 1.7 percent. Among the goods-producing industries, growth in manufacturing dropped the most, from 4.7 percent to -6.0 percent.

The -6.0-percent growth in manufacturing in 2001 resulted from negative growth in both durable-goods manufacturing (-5.2 percent) and nondurable-goods manufacturing (-7.1 percent). At the detailed industry level, growth in 19 of the 21 manufacturing industries was negative. Growth decreased sharply in fabricated

metal products (-10.2 percent), industrial machinery and equipment (-10.7 percent), textile mill products (-10.7 percent), and petroleum and coal products (-17.9 percent).

Real growth in the private services-producing industries slowed but was still a positive 1.7 percent in 2001. This growth was largely driven by growth in retail trade (4.6 percent) and in FIRE (2.8 percent). The growth in FIRE primarily reflected growth in nondepository institutions (16.4 percent) and security and

Nonadditivity of Chained Dollars and "Not Allocated by Industry" in the GDP-by-Industry Accounts

In the gross domestic product (GDP)-by-industry accounts, chain-type annual-weighted indexes are the featured measures of real output and prices.¹ These chain-type measures provide estimates of industry real growth (table A and table 5A) and estimates of industry contributions to real GDP growth (table B) that are more accurate and that are free from the biases associated with traditional, fixed-weighted measures.² Because the chained-weighted measures capture the effects of changes in relative prices and in the composition of output over time, they are especially important in measuring the performance of industries, such as the information technology (IT)-related industries, in which prices have changed rapidly.

In order to assist users, BEA also prepares chained (1996) dollar estimates that are based on the chain-type quantity indexes (table 6). These measures are constructed by setting 1996 as the reference year and by using the percent changes in the GDP-by-industry chain-type quantity indexes to extrapolate the real GDP-by-industry chained-dollar estimates from their 1996 current-dollar levels. By construction, the growth rates in the chain-type quantity indexes and in the chained-dollar estimates are identical. The chained-dollar estimates provide users with dollar-denominated measures of real GDP by industry, but they do not provide accurate estimates of industry shares of real GDP or of industry contributions to real GDP growth. For such estimates, BEA recommends using shares of nominal GDP (table 2) and contributions to real GDP growth based on the chain-type quantity indexes (table B).³

The chained-dollar estimates have an additional shortcoming—they are generally not additive. The extent of this nonadditivity partly depends on the relative price changes of the components of an industry or aggregate. As a result of the plummeting prices of IT-related products in recent years, nonadditivity has become an important issue, particularly for the IT-related industries and their aggregates. Moreover, as one moves farther from the reference year for the chained-dollar estimates, the degree of nonadditivity tends to increase.

The category "Not allocated by industry" is the difference between real GDP (in chained dollars) and the sum of the real GDP-by-industry estimates for the detailed industries (including the statistical discrepancy) (table 6, line 86). It reflects both nonadditivity of the detailed chained-dollar estimates and methodological differences—that is, the differences between the source data used for the current-dollar and price estimates of GDP by industry and those used for the estimates of the expenditures measure of real GDP. The following table shows the breakdown of "Not allocated by industry" into methodological differences and nonadditivity.

[Billions of chained (1996) dollars]

	1996	1997	1998	1999	2000	2001
Not allocated by industry	0.0	-33.3	-48.9	-97.1	-159.1	-204.4
Methodological differences	0.0	-27.1	-28.2	-51.0	-52.3	-80.3
Nonadditivity	0.0	-6.2	-20.8	-46.1	-106.7	-124.1

In 2001, "Not allocated by industry" was -\$204.4 billion or 2.2 percent of real GDP. The nonadditivity of chained dollars grew each year, and in 2001 it accounted for more than three-fifths of "Not allocated by industry."

The nonadditivity of chained dollars for an industry group is measured as the difference between the industry group's chained-dollar total estimate and the sum of the chained-dollar estimates for the detailed industries that make up the industry group. The degree of nonadditivity is larger for industry groups in which there is rapid price change. For example, in 2001, the nonadditivity is most significant in durable-goods manufacturing, partly reflecting rapid price declines for IT-related products (computers, semiconductors, digital telephone switching equipment, and local area network equipment).

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

2. For more information, see J. Steven Landefeld and Robert P. Parker, "BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth," *SURVEY* 77 (May 1997): 58.

3. For more information, see the box "Using Chained-Dollar Estimates for Computing Contributions to Economic Growth: A Cautionary Note," in Sherlene K.S. Lum and Brian C. Moyer, "Gross Product by Industry, 1995-97," *SURVEY* 78 (November 1998): 20.

commodity brokers (13.1 percent). In contrast, growth declined in the transportation-by-air industry (-7.7 percent) and in hotels and other lodging places (-4.1 percent), partly reflecting sharp reductions in business air travel and tourism-related services after September 11th.

The performance of the IT-related industries in 2001 was mixed. In durable-goods manufacturing, real growth in industrial machinery and equipment (including computers) decreased 10.7 percent, and real growth in instruments and related products decreased 9.6 percent. In contrast, real growth in electronic and other electric equipment (including semiconductors, digital telephone switching equipment, and local area network (LAN) equipment) increased 7.5 percent, and real growth in the communications industry group increased 12.3 percent.

The growth in real GDP in the electronic and other electric equipment industry was positive despite a sharp decrease in industry output. In current-dollars, gross output (primarily sales) decreased 22.4 percent in 2001 (table 8), and intermediate inputs (purchased energy, materials, and services) decreased 29.1 percent (table 9). By absorbing much of the decrease in output through decreased intermediate inputs, the industry's current-dollar value added—that is, its current-dollar GDP by industry—decreased only 11.7 percent (table 1). In addition, the prices of gross output fell more than those of intermediate inputs, so industry value-added prices fell 17.8 percent (table 7A). As a result of increases in productivity, the industry was able to lower its unit labor costs 15.7 percent and its unit capital costs 24.8 percent, and thereby raise its real value-added.

Real growth in the communications industry group was strong in 2001 despite falling prices for output. Gross output prices (primarily reflecting prices for cellular telephone services) fell more than intermediate inputs prices, so industry value-added prices fell 7.0 percent. Productivity increases enabled the industry to lower its unit labor costs 11.6 percent and to lower its unit capital costs 2.6 percent, and as a result, its real value added increased 12.3 percent.

Contributions to real GDP growth

An industry's contribution to real GDP growth depends on both its real growth rate and its relative size.⁵ In 1995–2000, private goods-producing industries

5. An industry's contribution to real GDP growth is the product of its share of current-dollar GDP and its real GDP-by-industry growth rate. For more information, see the box "Using Chained-Dollar Estimates for Computing Contributions to Economic Growth: A Cautionary Note" in Sherlene K.S. Lum and Brian C. Moyer, "Gross Product by Industry, 1995–97," SURVEY 78 (November 1998): 24–25.

contributed 1.0 percentage point to the 4.0-percent average annual growth rate of real GDP, and private services-producing industries contributed 3.4 percentage points (table B). In 2001, private goods-producing industries contributed -1.0 percentage point to the 0.3-percent growth rate of real GDP, and private services-producing industries contributed 1.2 percentage points.

The slowdown in real GDP growth from 3.8 percent in 2000 to 0.3 percent in 2001 can be examined in terms of changes in the industry contributions to real GDP growth. The contribution of private goods-producing industries fell 1.8 percentage points—from 0.8 percentage point in 2000 to -1.0 percentage point in 2001. The contribution of private services-producing industries fell 2.3 percentage points—from 3.5 percentage points to 1.2 percentage points. The decrease in the goods-producing industries primarily reflected a decrease in the contribution of manufacturing from 0.8 percentage point to -0.9 percentage point. The decrease in the contribution of the services-producing industries was spread across several industry groups: Transportation and public utilities decreased from 0.6 percentage point to 0.0 percentage point, wholesale trade and retail trade combined decreased from 1.1 percentage points to 0.4 percentage point, FIRE decreased from 1.2 percentage points to 0.6 percentage point, and services decreased from 0.7 percentage point to 0.2 percentage point.

In 2001, the 0.3-percent growth in real GDP reflected largely offsetting contributions from the private goods-producing industries (-1.0 percentage point) and the private services-producing industries (1.2 per-

Table B. Contributions to Percent Change in Real Gross Domestic Product by Industry Group

	1999	2000	2001	Average annual rate of change 1995–2000
Gross domestic product	4.1	3.8	0.3	4.0
	Percentage points			
Private industries	4.2	3.4	0.3	4.0
Private goods-producing industries	1.1	0.8	-1.0	1.0
Agriculture, forestry, and fishing	0.1	0.1	0.0	0.1
Mining	0.0	-0.1	0.1	-0.0
Construction	0.2	0.1	-0.1	0.2
Manufacturing	0.8	0.8	-0.9	0.7
Durable goods	0.6	0.9	-0.5	0.7
Nondurable goods	0.2	-0.2	-0.5	-0.0
Private services-producing industries	3.2	3.5	1.2	3.4
Transportation and public utilities	0.6	0.6	0.0	0.4
Transportation	0.1	0.2	-0.1	0.1
Communications	0.3	0.3	0.3	0.2
Electric, gas, and sanitary services	0.2	0.1	-0.2	0.0
Wholesale trade	0.5	0.4	0.0	0.6
Retail trade	0.5	0.7	0.4	0.6
Finance, insurance, and real estate	0.8	1.2	0.6	1.0
Services	0.9	0.7	0.2	0.8
Government	0.2	0.3	0.2	0.2

NOTE: For information on the calculation of the contributions to percent change, see footnote 5 in text. Percentage-point contributions do not sum to the percent change in the chain-type quantity index for gross domestic product or to the percentage-point contribution for private industries, because the contributions of the statistical discrepancy and of "not allocated by industry" are excluded (see table 6 for the detailed estimates of real gross domestic product by industry).

centage points). In the goods-producing industries, manufacturing—the sector hardest hit by the recession—made the largest negative contribution (−0.9 percentage point) to real GDP growth. Durable-goods manufacturing and nondurable-goods manufacturing each contributed −0.5 percentage point. In the private services-producing industries, large positive contributions were made by FIRE (0.6 percentage point), retail trade (0.4 percentage point), and communications (0.3 percentage point).

Shares of current-dollar GDP

An industry's share of current-dollar GDP is a better indicator of the industry's relative size in the economy than its share of real GDP, because the shares of real GDP depend on the choice of the reference year. The shares of current-dollar GDP can also be used to examine long-term trends in relative size, because these shares do not become distorted for years that are far from the reference year.

In 1998–2001, the share of current-dollar GDP that was accounted for by private goods-producing industries declined, while the shares accounted for by private services-producing industries and by government rose (table C and table 2). The share of goods-producing industries decreased from 23.2 percent in 1998 to 21.6 percent in 2001; it decreased each year, and the largest decline was in 2001. The share of services-producing industries increased from 64.6 percent to 66.8 percent; it increased each year. The share of government increased slightly from 12.6 percent to 12.7 percent. The increase in the share of services-producing industries was mostly accounted for by services and FIRE. The share of services rose 1.3 percentage points; business services increased the most (0.4 percentage

point). The share of FIRE rose 1.1 percentage points; the largest increases were in real estate (0.4 percentage point) and nondepository institutions (0.3 percentage point).

In 2001, the share of goods-producing industries dropped 1.3 percentage points. The drop was attributable to a 1.4-percentage-point decline in the share of manufacturing. Durable-goods manufacturing decreased 0.9 percentage point, and nondurable-goods manufacturing decreased 0.4 percentage point. Shares of each of the detailed manufacturing industries either decreased or did not change. The shares of the two largest industries decreased—industrial machinery and equipment by 0.3 percentage point and electronic and other electric equipment by 0.2 percentage point.

The share of services-producing industries increased in 2001. The share of services increased 0.6 percentage point, and the share of FIRE increased 0.5 percentage point. In contrast, the share of wholesale trade decreased 0.3 percentage point.

The share of government increased 0.3 percentage point in 2001. The increase was entirely accounted for by a 0.4-percentage-point increase in the share of State and local government. The Federal Government's share decreased 0.1 percentage point.

Components of income for current-dollar GDP by industry

The changes over time in an industry's share of labor and capital reflect differences in the growth rates of the components of current-dollar GDP by industry—compensation of employees, indirect business tax and nontax liability, and property-type income. The labor share of production is approximated by compensation of employees, which consists of wage and salary accruals, employer contributions for social insurance, and other labor income. The capital share of produc-

Data Availability

The summary estimates of gross domestic product by industry in this article and more detailed estimates for 1947–2001 are available on BEA's Web site; go to <www.bea.gov> and click on "Industry: GDP by industry and input-output data."

In early December, the estimates will be also available on the following diskettes:

Gross Domestic Product by Industry, 1947–2001, product number NDN–0302;

Gross Output by Detailed Industry, 1977–2001, product number NDN–0303; and

Shipments of Manufacturing Industries, 1977–2001, product number NDN–0304.

To order, call the BEA Order Desk at 1–800–704–0415 (outside the United States, call 202–606–9666).

Table C. Gross Domestic Product by Industry in Current Dollars as a Percentage of Gross Domestic Product
[Percent]

	1998	1999	2000	2001
Gross domestic product	100.0	100.0	100.0	100.0
Private industries	87.4	87.6	87.6	87.3
Private goods-producing industries	23.2	23.1	22.9	21.6
Agriculture, forestry, and fishing	1.5	1.4	1.4	1.4
Mining	1.1	1.1	1.4	1.4
Construction	4.3	4.6	4.7	4.8
Manufacturing	16.3	16.0	15.5	14.1
Durable goods	9.5	9.2	9.0	8.1
Nondurable goods	6.8	6.8	6.5	6.1
Private services-producing industries	64.6	64.9	66.0	66.8
Transportation and public utilities	8.3	8.3	8.2	8.1
Transportation	3.3	3.3	3.2	3.0
Communications	2.7	2.8	2.8	2.9
Electric, gas, and sanitary services	2.3	2.3	2.2	2.2
Wholesale trade	6.9	7.0	7.1	6.8
Retail trade	9.0	9.0	9.0	9.2
Finance, insurance, and real estate	19.5	19.4	20.1	20.6
Services	20.8	21.3	21.5	22.1
Statistical discrepancy ¹	−0.4	−0.4	−1.3	−1.2
Government	12.6	12.4	12.4	12.7

1. Equals gross domestic product measured as the sum of expenditures less gross domestic income.

tion is approximated by property-type income, which consists of corporate profits and proprietors' income, inventory valuation adjustments, rental income of persons, net interest, private capital consumption allowances, business transfer payments, the current surplus of government enterprises less subsidies, and government consumption of fixed capital.⁶

For the total economy, the share of GDP accounted for by labor increased 1.4 percentage points in 1998–2001, while the share accounted for by capital decreased 0.6 percentage point (table 4).⁷ For the private goods-producing industries, the labor share increased 1.8 percentage points, while the capital share decreased 2.2 percentage points. For the private services-producing industries, the labor share increased 1.1 percentage points, while the capital share decreased 0.6 percentage point.

In private goods-producing industries, manufacturing's labor share increased 3.4 percentage points, while its capital share decreased 4.1 percentage points. The labor share increased and the capital share decreased in both durable-goods manufacturing and nondurable-goods manufacturing. In durable-goods manufacturing, which accounts for nearly three-fifths of manufacturing output, the labor share increased 5.0 percentage points, and the capital share decreased 5.2 percentage points. This shift in shares indicates that spending on capital inputs leading up to, and during, the recession fell relative to spending on labor inputs. In 2000, compensation of employees in durable-goods manufacturing industries grew \$40.7 billion, while property-type income fell \$8.9 billion. In 2001, spending for both components fell, but property-type income fell \$3.1 billion more than compensation of employees (table 3).

Measures of Industry Prices

The growth rate in an industry's price index indicates the extent to which its prices of labor and capital are changing. An industry's contribution to GDP price change indicates the extent to which the industry is affecting overall prices. Changes in an industry's unit costs indicate the extent to which the cost structure of the industry is changing.

GDP-by-industry prices

The price index for GDP by industry for an industry or

6. Proprietors' income is included in property-type income as a capital share of production, but an unknown portion of proprietors' income represents a labor share of production. Indirect business tax and nontax liability (primarily sales, property, and excise taxes) is not included in property-type income, because it is the part of the pretax return to capital that accrues to government rather than to business.

7. For some purposes, using the shares of gross output is preferable to using the shares of GDP by industry—for example, when analyzing an industry's use of labor, capital, and intermediate inputs.

an industry group represents the price of the industry's primary factors of production (the value-added inputs of labor and capital).⁸ In 1995–2000, the GDP price index grew at an average annual rate of 1.7 percent, and the price index for private industries grew 1.4 percent. The price index for private goods-producing industries grew 0.6 percent, and the price index for private services-producing industries grew 1.7 percent (table D and table 7A).

In 2001, the GDP price index increased 2.4 percent. The price index for private goods-producing industries increased 1.3 percent, and the price index for private services-producing industries increased 2.1 percent. The slower growth in prices for goods-producing industries largely reflected continued declines in durable-goods manufacturing prices—particularly in prices for IT-related products. The price index for industrial machinery and equipment (including computers) fell 4.1 percent, and the price index for electronic and other electric equipment (including semiconductors, digital telephone switching equipment, and LAN equipment) fell 17.8 percent.

Prices of petroleum-related products increased much less in 2001 than in 2000. In the mining industry group, the price index for oil and gas extraction decelerated from 62.0 percent to 0.2 percent. In nondurable-goods manufacturing, the price index for petro-

8. GDP-by-industry prices are computed using the double-deflation method in which separate estimates of gross output and intermediate inputs prices combine in a Fisher chain-type price-index-number formula.

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leum and coal products decelerated from 49.1 percent to 28.2 percent.

The growth rates in an industry's gross output prices and in its intermediate inputs prices can provide insight on the growth rates in its value-added prices. For example, the price index for the gross output of durable-goods manufacturing decreased 2.5 percent in 2001 (table 11A), while the price index for intermediate inputs decreased only 2.0 percent (table 13A). Because output prices decreased more than intermediate inputs prices, value-added prices fell more (3.3 percent) than output prices.

Contributions to GDP price change

An industry's contribution to the growth in GDP prices depends on the growth rate of its price index

Table D. Percent Changes in Chain-Type Price Indexes by Industry Group

	1999	2000	2001	Average annual rate of change 1995–2000
Gross domestic product	1.4	2.1	2.4	1.7
Private industries:				
Gross output	1.0	3.2	1.3	1.3
Intermediate inputs	1.0	4.6	0.7	1.2
Gross domestic product by industry ¹	0.9	2.0	1.9	1.4
Private goods-producing industries:				
Gross output	0.2	3.6	0.0	0.3
Intermediate inputs	0.2	5.1	-0.8	0.2
Gross domestic product by industry	0.2	1.5	1.3	0.6
Agriculture, forestry, and fishing:				
Gross output	-3.2	1.8	4.1	-0.1
Intermediate inputs	-0.7	5.7	2.0	1.5
Gross domestic product by industry	-6.1	-2.5	6.6	-2.0
Mining:				
Gross output	7.5	37.9	1.1	8.4
Intermediate inputs	6.1	30.4	2.7	7.7
Gross domestic product by industry	8.5	43.8	-0.3	9.1
Construction:				
Gross output	4.2	4.2	3.9	3.4
Intermediate inputs	1.5	2.1	0.6	1.5
Gross domestic product by industry	6.0	5.5	5.8	4.7
Manufacturing:				
Gross output	-0.5	2.2	-1.0	-0.5
Intermediate inputs	0.0	4.6	-1.3	-0.2
Gross domestic product by industry	-1.3	-2.0	-0.4	-0.9
Durable goods:				
Gross output	-2.3	-1.8	-2.5	-2.4
Intermediate inputs	-1.7	0.6	-2.0	-1.6
Gross domestic product by industry	-3.3	-5.6	-3.3	-3.6
Nondurable goods:				
Gross output	1.9	7.4	0.8	1.9
Intermediate inputs	2.1	9.5	-0.5	1.4
Gross domestic product by industry	1.7	3.3	3.6	3.0
Private services-producing industries:				
Gross output	1.4	2.9	2.0	1.9
Intermediate inputs	1.7	4.3	2.0	2.1
Gross domestic product by industry	1.2	2.1	2.1	1.7
Transportation and public utilities:				
Gross output	0.2	3.4	1.0	1.5
Intermediate inputs	2.8	9.5	0.6	2.9
Gross domestic product by industry	-1.9	-1.6	1.4	0.4
Wholesale trade:				
Gross output	-0.2	2.2	-1.3	-1.3
Intermediate inputs	0.8	2.7	0.7	0.6
Gross domestic product by industry	-0.6	2.0	-2.1	-2.2
Retail trade:				
Gross output	0.4	0.8	1.2	0.3
Intermediate inputs	2.2	3.8	2.9	2.2
Gross domestic product by industry	-0.5	-0.7	0.4	-0.7
Finance, insurance, and real estate:				
Gross output	1.4	3.4	2.6	2.8
Intermediate inputs	1.8	3.2	3.5	3.1
Gross domestic product by industry	1.2	3.4	2.2	2.6
Services:				
Gross output	2.7	3.4	3.1	2.8
Intermediate inputs	1.0	2.9	1.5	1.3
Gross domestic product by industry	3.8	3.7	4.2	3.7
Government:				
Gross output	3.0	3.4	3.4	2.8
Intermediate inputs	2.9	7.8	2.7	3.0
Gross domestic product by industry	3.0	3.1	3.5	2.8

1. Includes the statistical discrepancy. The statistical discrepancy does not apply to gross output or to intermediate inputs. As a result, the gross output index may not be bounded by the indexes for intermediate inputs and gross domestic product by industry.

and on its relative size.⁹ In 1995–2000, private industries contributed 1.2 percentage points to the 1.7-percent average annual growth rate in the GDP price index; private goods-producing industries contributed 0.1 percentage point, and private services-producing industries contributed 1.1 percentage points (table E). Among private goods-producing industries, durable-goods manufacturing contributed -0.3 percentage point. Among private services-producing industries, services was the largest contributor—at 0.7 percentage point.

In 2001, private industries contributed 1.6 percentage points to the 2.4-percent growth in the GDP price index; private goods-producing industries contributed 0.3 percentage point, and private services-producing industries contributed 1.4 percentage points. Among private goods-producing industries, durable-goods manufacturing contributed -0.3 percentage point. Among private services-producing industries, services contributed 0.9 percentage point, but communications and wholesale trade each contributed -0.2 percentage point. The negative contributions by durable-goods manufacturing and by communications partly reflected declines in the prices of IT-related products.

Unit costs

In the GDP-by-industry accounts, the price index for an industry represents the price of its primary factors of production, so an industry's price index, combined with its current-dollar components of GDP by industry, can be used to assess each component's contribu-

9. An industry's contribution to GDP price growth is the product of its share of current-dollar GDP and the growth rate in its GDP-by-industry price index.

Table E. Contributions to Percent Change in the Chain-Type Price Index for Gross Domestic Product by Industry Group

	1999	2000	2001	Average annual rate of change 1995–2000
Gross domestic product	1.4	2.1	2.4	1.7
	Percentage points			
Private industries	0.8	1.7	1.6	1.2
Private goods-producing industries	0.1	0.3	0.3	0.1
Agriculture, forestry, and fishing	-0.1	0.0	0.1	-0.0
Mining	0.1	0.5	0.0	0.1
Construction	0.3	0.3	0.3	0.2
Manufacturing	-0.2	-0.3	-0.1	-0.1
Durable goods	-0.3	-0.5	-0.3	-0.3
Nondurable goods	0.1	0.2	0.2	0.2
Private services-producing industries	0.8	1.4	1.4	1.1
Transportation and public utilities	-0.2	-0.1	0.1	0.0
Transportation	0.0	0.0	0.1	0.0
Communications	-0.1	-0.1	-0.2	-0.0
Electric, gas, and sanitary services	-0.1	0.0	0.3	0.0
Wholesale trade	0.0	0.1	-0.2	-0.1
Retail trade	0.0	-0.1	0.0	-0.1
Finance, insurance, and real estate	0.2	0.7	0.4	0.5
Services	0.8	0.8	0.9	0.7
Government	0.4	0.4	0.4	0.4

NOTE: For information on the calculation of the contributions to percent change, see footnote 9 in text. Percentage-point contributions do not sum to the percent change in the chain-type price index for gross domestic product or to the percentage-point contribution for private industries, because the contributions of the statistical discrepancy and of "not allocated by industry" are excluded (see table 6 for the detailed estimates of real gross domestic product by industry).

tion to the total labor costs and capital costs for an industry. The measures of unit costs are computed by dividing current-dollar GDP by industry and its components by real (chained-dollar) GDP by industry. The resulting quotients are the GDP-by-industry implicit price index and the part of the price index that is associated with each component. Unit cost measures by private industry group are presented in table 14. If the percent change in the unit cost for a component is greater than the percent change in the GDP-by-industry price index, the relative importance of that component in the industry cost structure has increased.

In 1995–2000, the total cost per unit for private industries increased 1.4 percent (table F). Unit costs for compensation of employees (unit labor costs) increased 1.8 percent. Unit costs for property-type income (unit capital costs) increased 1.2 percent, and unit costs for indirect business tax and nontax liability decreased 0.2 percent. The larger increase in unit labor

costs indicates that labor costs became a larger part of total unit costs during the period. Increases in unit labor costs were reported for all industry groups except durable-goods manufacturing, wholesale trade, and retail trade. The largest decrease in unit labor costs was in durable-goods manufacturing (–3.2 percent).

In 2001, total cost per unit decreased in durable-goods manufacturing, in wholesale trade, and in mining. In durable-goods manufacturing and wholesale trade, the decreases in total cost per unit continued the 1995–2000 trend. The 3.3-percent decrease in durable-goods manufacturing resulted from a 0.5-percent decline in unit labor costs, which accounted for almost three-fourths of total current-dollar cost per unit, and an 11.6-percent decline in unit capital costs. The decrease in wholesale trade resulted from declines in both unit labor costs and unit capital costs. In mining, total unit costs decreased slightly as unit capital costs decreased and unit labor costs increased.

Table F. Percent Changes in Current Dollar Cost Per Unit of Real Gross Domestic Product by Private Industry Group

	1999	2000	2001	Average annual rate of change 1995–2000
Total	0.9	2.0	1.9	1.4
Compensation of employees.....	1.9	3.2	1.8	1.8
Indirect business tax and nontax liability.....	-0.2	0.7	2.6	-0.2
Property-type income.....	-0.2	0.6	1.7	1.2
Goods-producing industries	0.2	1.5	1.3	0.6
Compensation of employees.....	0.2	3.1	2.8	0.8
Indirect business tax and nontax liability.....	-2.0	8.7	7.9	1.1
Property-type income.....	0.5	-1.8	-2.1	0.1
Agriculture, forestry and fishing	-6.1	-2.5	6.6	-2.0
Compensation of employees.....	1.0	-1.9	11.1	1.0
Indirect business tax and nontax liability.....	-1.3	-4.0	6.9	-3.3
Property-type income.....	-11.0	-2.8	3.3	-3.8
Mining	8.5	43.8	-0.3	9.1
Compensation of employees.....	-0.1	20.1	3.5	4.5
Indirect business tax and nontax liability.....	3.4	33.0	4.0	6.0
Property-type income.....	15.4	59.9	-2.7	12.1
Construction	6.0	5.5	5.8	4.7
Compensation of employees.....	5.2	6.6	6.4	4.2
Indirect business tax and nontax liability.....	3.4	4.1	4.8	3.1
Property-type income.....	7.7	3.5	4.5	6.0
Manufacturing	-1.3	-2.0	-0.4	-0.9
Compensation of employees.....	-1.4	1.2	1.8	-0.4
Indirect business tax and nontax liability.....	-2.8	8.4	8.6	1.2
Property-type income.....	-0.8	-9.1	-6.1	-2.1
Durable goods.....	-3.3	-5.6	-3.3	-3.6
Compensation of employees.....	-2.1	-2.8	-0.5	-3.2
Indirect business tax and nontax liability.....	-2.7	-5.7	8.9	-3.3
Property-type income.....	-6.1	-12.4	-11.6	-4.8
Nondurable goods.....	1.7	3.3	3.6	3.0
Compensation of employees.....	-0.7	6.8	5.5	3.3
Indirect business tax and nontax liability.....	-1.7	22.3	9.2	6.7
Property-type income.....	5.5	-3.8	-0.1	2.0
Services-producing industries	1.2	2.1	2.1	1.7
Compensation of employees.....	2.7	3.3	1.7	2.3
Indirect business tax and nontax liability.....	-0.1	-0.6	1.0	-0.5
Property-type income.....	-0.4	1.4	2.8	1.5
Transportation and public utilities	-1.9	-1.6	1.4	0.4
Compensation of employees.....	1.4	0.4	2.0	2.0
Indirect business tax and nontax liability.....	-2.8	-2.7	2.5	-0.1
Property-type income.....	-4.8	-3.3	0.6	-1.0
Wholesale trade	-0.6	2.0	-2.1	-2.2
Compensation of employees.....	0.2	1.3	-1.4	-2.1
Indirect business tax and nontax liability.....	-3.4	-2.2	0.1	-5.6
Property-type income.....	-0.2	7.0	-5.5	0.9
Retail trade	-0.5	-0.7	0.4	-0.7
Compensation of employees.....	0.8	-0.6	-0.7	-1.2
Indirect business tax and nontax liability.....	1.0	-2.3	-2.3	-1.4
Property-type income.....	-4.6	0.2	4.8	1.2
Finance, insurance and real estate	1.2	3.4	2.2	2.6
Compensation of employees.....	3.1	3.1	3.1	3.8
Indirect business tax and nontax liability.....	0.0	-0.9	1.5	-0.4
Property-type income.....	0.6	4.4	2.0	2.8
Services	3.8	3.7	4.2	3.7
Compensation of employees.....	4.1	6.7	3.2	4.4
Indirect business tax and nontax liability.....	3.9	3.1	3.6	3.4
Property-type income.....	2.9	-5.3	7.5	1.4

Revisions to the Estimates of GDP by Industry

The estimates of GDP by industry for 1999–2000 were revised to incorporate this year's annual revision of the NIPA's and new and revised source data for gross output and prices. The revisions to current-dollar GDP for 1999 were smaller than those for 2000; GDP was revised up \$5.7 billion for 1999 and was revised down \$48.3 billion for 2000 (table G). Real GDP growth was not revised for 1999, and it was revised down 0.3 percentage point for 2000. The revisions to real GDP for some industry groups were substantial but largely offsetting, so their effects on real GDP growth were small.

The revisions to the current-dollar estimates of GDP by industry reflected the incorporation of the revised NIPA estimates of the components of gross domestic income and the industry distributions of these components. Private industries was revised up \$6.1 billion for 1999 and was revised down \$49.6 billion for 2000. For 1999, upward revisions to the statistical discrepancy (\$33.9 billion) and wholesale trade (\$11.8 billion) were partly offset by downward revisions to manufacturing (\$15.5 billion), FIRE (\$11.8 billion), transportation and public utilities (\$6.7 billion), and services (\$3.7 billion). For 2000, downward revisions to services (\$48.2 billion), manufacturing (\$46.3 billion), and transportation and public utilities (\$15.7 billion) were partly offset by upward revisions to FIRE (\$40.5 billion), wholesale trade (\$22.7 billion), and mining (\$6.0 billion).

The revisions to the growth rates of real GDP by industry reflect the revisions to current-dollar GDP by industry and the incorporation of new and revised source data for gross output and prices. For 1999, the growth rate of real GDP was not revised; the growth rate of goods-producing industries was revised down

0.8 percentage point, and that of services-producing industries was revised down 0.3 percentage point.¹⁰ For 2000, the growth rate of real GDP was revised down 0.3 percentage point; the growth rate of goods-producing industries was revised up 0.7 percentage point, and the growth rate of services-producing industries was not revised. By industry group, the largest revisions for 1999 were to wholesale trade (up 3.0 percentage points) and mining (up 2.3 percentage points). The largest revisions for 2000 were to mining (up 3.8 percentage points), wholesale trade (up 3.1 percentage points), nondurable-goods manufacturing (down 2.2 percentage points), and services (down 1.8 percentage points).

Changes to the Methodology and Presentation

This revision to the GDP-by-industry accounts incorporated several changes to the methodology and the presentation. These changes included the incorporation of improved methodology from the NIPA annual revision, the incorporation of inputs data from the 1998 annual input-output (I-O) accounts, and the inclusion of percent-change tables for all price and quantity indexes. In addition, because the GDP-by-industry accounts are currently based on the Standard Industrial Classification (SIC) system, BEA converted the source data that are based on the North American Industry Classification System (NAICS) to an SIC basis.

The following improvements that were made as part of the NIPA annual revision were incorporated. The industry estimates for security and commodity brokers incorporated the improved price indexes for personal consumption expenditures (PCE) of brokerage and investment counseling that were developed from the Bu-

reau of Labor Statistics' producer price index for brokerage services. The industry estimates of profits incorporated the improved measures of imputed commissions on equities transactions.

The intermediate inputs by industry for 1999–2001 are based on the industry distributions of inputs from the 1998 annual I-O accounts, the latest available I-O accounts.

The GDP-by-industry tables were expanded to include percent-change tables for the chain-type quantity and price indexes for outputs (tables 10A and 11A) and intermediate inputs (tables 12A and 13A). This expansion allows for greater consistency and comparability across the GDP-by-industry measures of industry performance.

This revision incorporated new and revised source data from private industry associations and from other Federal Government agencies. The source data from several Federal Government agencies are now based on NAICS rather than on the SIC, including Census Bureau data from the annual survey of manufactures, the services annual survey, and the annual trade surveys and the Internal Revenue Service data from the *Statistics of Income*. In addition, the BEA estimates of change in private inventories are on a NAICS basis. Because the GDP-by-industry estimates remain on an SIC basis, these NAICS-based source data were converted to an SIC basis by the source agency or by BEA using information provided by the source agency. Implementation of NAICS for the GDP-by-industry estimates will occur in the next comprehensive revision to the GDP-by-industry accounts, which is scheduled for release in 2004. At that time, NAICS-based data from both the NIPA's and the benchmark I-O accounts will be incorporated.

10. Offsetting revisions were made to the statistical discrepancy.

Tables 1–14 follow.

Table G. Revisions to Gross Domestic Product by Industry Group

	Current-dollar gross domestic product by industry						Real gross domestic product by industry					
	Billions of dollars						Percent change from previous period					
	1999			2000			1999			2000		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
Gross domestic product	9,268.6	9,274.3	5.7	9,872.9	9,824.6	-48.3	4.1	4.1	0.0	4.1	3.8	-0.3
Private industries	8,116.9	8,123.0	6.1	8,656.5	8,606.9	-49.6	4.8	4.8	0.0	4.1	3.9	-0.2
Private goods-producing industries	2,152.9	2,138.6	-14.3	2,293.0	2,248.9	-44.1	5.4	4.6	-0.8	2.9	3.6	0.7
Agriculture, forestry, and fishing	127.2	127.7	0.5	135.8	134.3	-1.5	5.5	6.3	0.8	8.4	7.9	-0.5
Mining	103.3	104.1	0.8	127.1	133.1	6.0	-6.5	-4.2	2.3	-15.0	-11.2	3.8
Construction	425.5	425.4	-0.1	463.6	461.3	-2.3	6.0	5.4	-0.6	2.5	2.8	0.3
Manufacturing	1,496.8	1,481.3	-15.5	1,566.6	1,520.3	-46.3	6.1	4.8	-1.3	4.1	4.7	0.6
Durable goods	865.7	853.8	-11.9	901.7	886.4	-15.3	8.1	6.3	-1.8	7.1	10.0	2.9
Nondurable goods	631.0	627.5	-3.5	664.8	633.9	-30.9	3.3	2.8	-0.5	0.0	-2.2	-2.2
Private services-producing industries	6,036.7	6,023.1	-13.6	6,493.9	6,486.5	-7.4	5.3	5.0	-0.3	5.4	5.4	0.0
Transportation and public utilities	776.8	770.1	-6.7	825.0	809.3	-15.7	7.9	7.2	-0.7	6.0	6.8	0.8
Transportation	302.7	301.9	-0.8	313.9	313.7	-0.2	4.1	4.1	0.0	4.7	5.2	0.5
Communications	258.5	257.2	-1.3	281.1	279.1	-2.0	10.9	10.4	-0.5	10.7	12.3	1.6
Electric, gas, and sanitary services	215.6	211.0	-4.6	230.0	216.5	-13.5	9.9	7.8	-2.1	2.3	2.4	0.1
Wholesale trade	633.5	645.3	11.8	674.1	696.8	22.7	3.8	6.8	3.0	2.8	5.9	3.1
Retail trade	834.9	831.7	-3.2	893.9	887.3	-6.6	5.5	5.8	0.3	7.3	7.5	0.2
Finance, insurance, and real estate	1,810.6	1,798.8	-11.8	1,936.2	1,976.7	40.5	5.6	4.1	-1.5	5.6	6.2	0.6
Services	1,980.9	1,977.2	-3.7	2,164.6	2,116.4	-48.2	4.5	4.1	-0.4	5.1	3.3	-1.8
Statistical discrepancy ¹	-72.7	-38.8	33.9	-130.4	-128.5	1.9						
Government	1,151.7	1,151.3	-0.4	1,216.4	1,217.7	1.3	1.3	1.3	0.0	2.3	2.6	0.3

1. Equals gross domestic product measured as the sum of expenditures less gross domestic income.

Table 7.A. Percent Changes in Chain-Type Price Indexes for Gross Domestic Product by Industry

Line	1999	2000	2001	Average annual rate of change 1995-2000
1	1.4	2.1	2.4	1.7
2	0.9	2.0	1.9	1.4
3	0.2	1.5	1.3	0.6
4	-6.1	-2.5	6.6	-2.0
5	-13.4	-7.2	9.2	-5.5
6	6.5	4.3	3.1	4.0
7	8.5	43.8	-0.3	9.1
8	-11.3	5.6	-9.4	-11.2
9	-11.3	-2.7	-2.9	-6.1
10	14.3	62.0	0.2	14.1
11	2.3	-6.1	1.6	-0.1
12	6.0	5.5	5.8	4.7
13	-1.3	-2.0	-0.4	-0.9
14	-3.3	-5.6	-3.3	-3.6
15	3.2	-6.6	-0.2	-0.2
16	2.7	-0.8	3.6	2.8
17	4.8	-1.6	-0.6	2.0
18	-9.2	1.1	-5.7	-3.5
19	3.9	-2.5	2.3	2.1
20	-9.0	-5.7	-4.1	-8.2
21	-14.3	-19.7	-17.8	-14.6
22	3.9	-1.1	0.1	1.5
23	2.3	3.8	5.2	2.6
24	4.2	2.0	7.4	6.8
25	1.6	-1.7	2.1	1.3
26	1.7	3.3	3.6	3.0
27	4.3	0.7	1.6	4.7
28	95.5	21.0	23.5	29.0
29	1.3	-5.2	3.9	1.4
30	4.5	-1.3	-1.6	1.8
31	2.0	11.9	-0.7	0.1
32	4.3	1.4	4.9	5.5
33	-1.9	-0.3	-0.2	0.4
34	-30.6	49.1	28.2	3.6
35	-0.3	-5.0	2.6	-0.3
36	0.6	-3.8	3.2	0.5
37	1.2	2.1	2.1	1.7
38	-1.9	-1.6	1.4	0.4
39	0.4	-1.2	2.0	1.4
40	-2.8	-4.1	3.9	-0.9
41	-1.9	-0.4	4.7	2.3
42	1.4	-1.5	6.3	3.0
43	7.8	0.4	5.4	1.7
44	-0.2	-2.8	-5.5	0.2
45	-0.8	3.4	9.3	-2.1
46	-0.5	4.9	0.1	0.9
47	-2.3	-3.4	-7.0	-0.5
48	-4.7	-6.8	-6.4	-3.1
49	5.2	7.8	-8.8	7.7
50	-4.4	0.2	12.8	0.3
51	-0.6	2.0	-2.1	-2.2
52	-0.5	-0.7	0.4	-0.7
53	1.2	3.4	2.2	2.6
54	2.7	4.6	-1.4	6.0
55	-4.2	-0.3	9.7	-2.9
56	-16.9	-5.1	2.6	-7.3
57	3.9	8.1	-3.6	6.2
58	3.5	5.3	4.8	4.6
59	3.0	3.3	3.7	2.5
60	2.6	3.1	3.8	3.0
61	3.8	4.1	3.7	1.2
62	10.4	20.0	-1.7	19.9
63	3.8	3.7	4.2	3.7
64	6.8	2.9	5.5	5.3
65	2.9	2.8	4.9	2.9
66	4.1	4.2	2.0	3.8
67	1.0	2.7	1.6	2.5
68	10.6	5.9	14.9	7.5
69	6.0	6.3	3.2	4.2
70	5.9	5.5	5.2	4.6
71	2.8	2.6	4.7	2.9
72	2.4	3.4	5.2	3.7
73	4.8	5.0	4.4	5.0
74	4.2	5.2	6.0	4.7
75	8.6	6.5	5.4	6.1
76	3.5	3.1	5.5	3.2
77	2.9	4.4	3.7	3.1
78	3.0	3.1	3.5	2.8
79	3.1	2.8	2.9	2.6
80	3.4	3.6	2.2	3.1
81	1.5	-1.0	6.4	-0.0
82	3.0	3.2	3.7	2.9
83	3.3	3.5	3.6	3.0
84	-0.6	-0.7	5.0	1.9

Table 8. Gross Output by Industry, 1998-2001
[Billions of dollars]

Line	1998	1999	2000	2001
1	15,141.6	16,003.3	17,183.9	17,311.2
2	13,955.9	14,764.9	15,876.8	15,936.3
3	5,021.6	5,228.6	5,530.8	5,242.5
4	279.1	278.6	290.6	302.8
5	214.6	207.5	214.3	221.3
6	64.4	71.1	76.3	81.4
7	165.5	171.5	244.3	251.9
8	10.9	9.5	10.0	9.1
9	26.9	25.3	24.9	26.0
10	109.1	117.5	190.6	197.5
11	18.5	19.2	18.9	19.3
12	633.8	690.0	731.6	748.3
13	3,943.3	4,088.5	4,264.3	3,939.5
14	2,188.1	2,289.9	2,332.3	2,070.8
15	113.6	121.9	116.9	108.5
16	64.9	68.2	70.0	62.3
17	91.7	95.0	95.7	87.6
18	187.3	177.6	178.6	147.6
19	236.4	238.8	247.1	229.8
20	399.4	397.9	415.3	355.6
21	340.3	371.0	417.3	324.0
22	369.8	423.7	396.2	353.2
23	174.7	178.8	168.0	175.4
24	157.6	162.2	170.1	172.3
25	52.3	54.5	57.0	54.3
26	1,755.2	1,798.7	1,932.0	1,868.7
27	478.9	476.4	485.0	503.2
28	45.2	50.4	56.0	57.5
29	80.3	75.9	73.6	66.2
30	76.2	77.7	75.4	70.4
31	162.0	164.2	173.4	160.4
32	213.8	221.4	229.8	217.0
33	392.8	396.6	425.1	403.4
34	134.9	158.4	228.0	211.8
35	162.5	169.4	177.3	171.3
36	8.7	8.3	8.4	7.6
37	8,934.3	9,536.2	10,346.0	10,693.8
38	1,306.5	1,389.9	1,547.1	1,594.8
39	541.8	575.2	619.0	603.0
40	42.0	42.0	42.7	42.9
41	27.1	27.7	28.7	29.7
42	246.1	265.7	283.2	284.4
43	38.8	41.2	47.9	45.4
44	134.9	142.0	156.6	140.8
45	7.4	7.8	7.9	8.1
46	45.5	48.8	52.0	51.8
47	422.3	476.9	532.3	566.5
48	327.4	371.2	413.6	445.3
49	94.9	105.7	118.7	121.2
50	342.4	337.8	395.8	425.3
51	844.3	903.3	964.6	943.3
52	1,184.2	1,275.0	1,360.7	1,403.9
53	2,637.3	2,778.8	3,011.3	3,106.0
54	413.7	439.5	476.1	482.4
55	134.4	151.5	164.7	167.4
56	255.5	273.0	330.7	274.6
57	288.3	291.2	296.7	308.6
58	91.2	99.0	106.6	103.4
59	1,408.5	1,483.8	1,581.3	1,698.2
60	832.1	882.5	926.4	982.0
61	576.4	601.2	654.9	716.1
62	45.7	40.7	55.2	71.4
63	2,962.0	3,189.3	3,462.3	3,645.9
64	121.9	131.1	144.6	138.8
65	94.5	100.5	106.6	110.2
66	676.9	759.9	844.4	869.3
67	140.2	148.6	157.2	163.3
68	51.8	53.9	56.7	58.8
69	63.6	69.6	74.6	76.5
70	127.9	136.4	144.8	149.5
71	762.2	794.1	839.4	911.3
72	153.0	162.6	170.1	183.6
73	117.3	125.5	132.9	140.3
74	111.3	122.2	138.3	152.1
75	102.8	105.8	113.2	118.0
76	424.7	466.3	525.9	562.3
77	14.0	12.7	13.6	11.9
78	1,185.7	1,238.4	1,307.1	1,374.9
79	374.1	385.6	403.2	413.9
80	298.6	307.6	323.4	332.8
81	75.6	78.0	79.8	81.1
82	811.6	852.8	903.9	961.0
83	681.2	715.9	758.7	807.0
84	130.3	136.9	145.2	154.0

**Table 10.A. Percent Changes in Chain-Type Quantity Indexes
for Gross Output by Industry**

Line	1999	2000	2001	Average annual rate of change 1995-2000
1	4.5	4.1	-0.8	4.6
2	4.8	4.2	-1.0	4.8
3	3.9	2.1	-5.3	4.0
4	3.2	2.4	0.1	3.2
5	2.4	2.1	-1.3	2.7
6	5.7	3.4	4.0	4.7
7	-3.6	3.4	2.0	0.9
8	-7.2	-1.0	-3.0	-0.5
9	-1.7	-2.7	4.8	0.6
10	-4.5	5.3	2.1	0.7
11	1.3	-0.5	0.7	2.1
12	4.5	1.8	-1.5	3.8
13	4.2	2.1	-6.7	4.2
14	7.2	3.7	-8.9	6.7
15	4.6	-2.0	-5.8	1.9
16	3.9	1.3	-12.0	4.4
17	0.9	-0.8	-9.1	3.3
18	-1.1	-3.3	-14.8	1.5
19	0.5	2.7	-7.4	3.3
20	5.7	7.4	-11.0	9.4
21	19.4	24.9	-13.4	18.0
22	14.1	-6.5	-10.3	4.2
23	1.3	-8.3	2.0	4.2
24	3.3	4.7	0.6	3.2
25	3.3	4.1	-5.8	3.2
26	0.5	0.1	-4.1	1.3
27	-0.1	0.1	0.4	1.2
28	-12.9	1.0	-6.3	-2.6
29	-3.1	-2.9	-9.8	-1.2
30	1.7	-3.3	-6.6	-0.9
31	1.3	-1.9	-7.3	0.2
32	1.6	1.0	-8.2	1.2
33	0.5	1.4	-5.4	2.4
34	2.5	-2.1	-0.9	1.1
35	4.2	2.4	-4.1	4.1
36	-4.7	-0.5	-12.7	-1.6
37	5.3	5.4	1.3	5.3
38	6.2	7.6	2.0	5.7
39	4.1	3.7	-3.6	4.2
40	0.5	0.3	-1.4	0.7
41	1.5	-0.6	1.2	2.4
42	4.9	2.7	-2.6	4.1
43	1.7	11.6	-7.9	4.7
44	3.8	6.1	-6.3	5.4
45	5.7	-2.4	-4.4	0.1
46	6.5	2.0	-1.0	6.2
47	14.8	13.2	11.1	11.4
48	17.3	15.5	12.2	13.4
49	6.7	5.5	7.0	4.7
50	-0.9	6.7	-1.0	1.5
51	7.2	4.5	-0.9	6.0
52	7.2	5.8	1.9	5.5
53	3.9	4.8	0.5	4.8
54	3.6	3.7	1.3	2.9
55	13.5	6.3	-5.8	12.3
56	17.9	23.1	-18.6	23.4
57	-2.1	-4.1	4.8	-1.5
58	5.7	3.1	-6.4	4.1
59	2.5	3.2	3.6	3.2
60	3.2	1.8	2.0	2.2
61	1.5	5.1	5.9	4.7
62	-16.0	22.3	27.2	7.9
63	4.8	5.0	2.1	5.3
64	2.6	6.8	-8.3	3.2
65	3.7	2.8	-0.6	2.7
66	9.9	7.8	2.1	11.1
67	4.5	2.5	2.3	4.1
68	-1.1	1.2	-3.1	1.0
69	4.5	1.5	-0.5	3.0
70	2.2	1.3	-0.9	3.9
71	2.0	2.9	4.7	2.6
72	3.6	1.1	3.0	2.9
73	3.4	1.8	2.1	2.7
74	6.6	8.4	5.7	5.0
75	-1.9	2.1	0.5	1.1
76	6.9	9.2	2.7	7.9
77	-11.6	2.2	-15.6	-0.4
78	1.4	2.1	1.7	1.3
79	0.0	1.6	-0.2	-0.1
80	-0.4	1.5	0.7	-0.7
81	1.5	2.1	-3.6	2.4
82	2.1	2.3	2.6	2.0
83	1.7	2.4	2.7	1.9
84	3.7	2.0	2.1	2.3

**Table 11. Chain-Type Price Indexes
for Gross Output by Industry, 1998-2001**

[1996=100]

Line	1998	1999	2000	2001
1	101.18	102.31	105.56	107.14
2	100.85	101.82	105.04	106.45
3	96.82	97.04	100.55	100.59
4	92.75	89.77	91.40	95.12
5	90.02	85.01	85.98	89.93
6	103.70	108.30	112.44	115.38
7	87.14	93.70	129.17	130.53
8	82.74	77.84	82.56	78.06
9	95.18	90.86	92.02	91.66
10	83.95	94.68	145.83	148.07
11	101.29	103.65	102.58	104.07
12	106.25	110.74	115.39	119.85
13	96.19	95.74	97.84	96.89
14	94.73	92.51	90.87	88.59
15	102.01	104.62	102.40	100.89
16	102.49	103.63	105.00	106.26
17	103.09	105.90	107.52	108.27
18	96.41	92.45	96.12	93.22
19	102.04	102.54	103.36	103.79
20	87.73	82.73	80.35	77.32
21	82.66	75.48	67.93	60.90
22	98.11	98.56	98.54	97.95
23	101.56	102.61	105.13	107.56
24	100.71	100.38	100.50	101.22
25	101.57	102.44	102.92	104.12
26	97.99	99.90	107.25	108.13
27	98.07	97.69	99.37	102.68
28	116.15	148.53	163.36	179.06
29	100.02	97.49	97.38	97.05
30	101.69	101.90	102.31	102.19
31	98.20	98.22	105.70	105.48
32	104.87	106.92	109.91	113.08
33	100.39	100.89	106.61	106.91
34	76.39	87.54	128.73	126.67
35	99.34	99.39	101.61	102.39
36	100.98	100.63	102.12	106.04
37	103.29	104.71	107.76	109.93
38	102.72	102.89	106.40	107.52
39	104.88	107.01	111.05	112.20
40	102.30	101.66	103.04	104.88
41	101.34	102.05	106.14	108.58
42	107.38	110.48	114.72	118.32
43	102.13	106.67	111.17	114.25
44	104.42	105.91	110.06	105.70
45	96.79	96.55	100.48	108.13
46	101.80	102.50	107.16	107.73
47	101.61	99.95	98.53	94.42
48	98.69	95.41	92.04	88.28
49	112.36	117.38	124.90	119.25
50	100.73	100.29	110.19	119.58
51	93.97	93.75	95.80	94.51
52	100.16	100.56	101.40	102.63
53	106.19	107.67	111.28	114.23
54	103.69	116.63	121.80	121.83
55	112.66	101.46	103.80	111.96
56	94.27	85.47	84.08	85.74
57	108.69	112.17	119.21	118.36
58	107.04	109.95	114.87	119.07
59	105.60	108.52	112.10	116.18
60	106.20	109.14	112.51	116.94
61	104.76	107.65	111.52	115.11
62	119.46	126.72	140.51	142.91
63	105.26	108.14	111.77	115.28
64	111.28	116.69	120.49	126.21
65	105.03	107.70	111.12	115.58
66	103.35	105.61	108.84	109.79
67	104.55	106.00	109.37	111.05
68	105.22	110.71	115.23	123.17
69	103.76	108.82	114.76	118.32
70	105.73	110.26	115.54	120.43
71	104.90	107.19	110.16	114.20
72	107.70	110.41	114.27	119.73
73	107.24	110.88	115.42	119.38
74	106.14	109.40	114.19	118.88
75	106.61	111.92	117.26	121.71
76	105.53	108.39	111.92	116.52
77	105.44	108.49	113.22	117.43
78	105.00	108.14	111.81	115.61
79	103.41	106.58	109.68	112.81
80	104.30	107.85	111.74	114.23
81	99.89	101.63	101.84	107.33
82	105.76	108.89	112.82	116.93
83	106.04	109.52	113.41	117.47
84	104.34	105.66	109.80	114.14

**Table 12.A. Percent Changes in Chain-Type Quantity Indexes
for Intermediate Inputs by Industry**

Line		1999	2000	2001	Average annual rate of change 1995-2000
1	All industries	4.6	3.2	-2.4	4.6
2	Private industries	4.7	3.4	-2.4	4.6
3	Private goods-producing industries	3.4	1.1	-6.0	3.9
4	Agriculture, forestry, and fishing	0.6	-2.0	1.7	0.6
5	Farms	-0.6	-2.9	1.0	0.2
6	Agricultural services, forestry, and fishing	10.5	4.4	6.5	4.3
7	Mining	-2.7	26.7	-1.2	4.9
8	Metal mining	-29.0	13.3	-26.7	-7.5
9	Coal mining	-10.9	4.2	-2.4	-1.3
10	Oil and gas extraction	3.1	42.2	0.4	9.9
11	Nonmetallic minerals, except fuels	5.4	-20.0	0.0	-3.7
12	Construction	3.0	0.1	-1.4	2.3
13	Manufacturing	3.8	0.6	-7.1	4.2
14	Durable goods	7.7	0.0	-11.2	6.0
15	Lumber and wood products	6.2	-4.4	-5.3	3.1
16	Furniture and fixtures	4.1	1.0	-14.8	5.3
17	Stone, clay, and glass products	-0.1	-1.0	-9.2	4.0
18	Primary metal industries	-3.3	-3.9	-18.7	1.1
19	Fabricated metal products	0.0	0.7	-5.2	3.9
20	Industrial machinery and equipment	5.7	-0.5	-11.2	6.0
21	Electronic and other electric equipment	20.4	24.7	-25.7	16.6
22	Motor vehicles and equipment	18.9	-9.7	-11.5	4.9
23	Other transportation equipment	-2.6	-12.0	1.7	4.2
24	Instruments and related products	7.0	3.4	6.9	5.3
25	Miscellaneous manufacturing industries	-3.2	-7.3	-1.4	-0.1
26	Nondurable goods	-0.6	1.2	-2.6	2.2
27	Food and kindred products	-2.8	3.2	2.0	3.0
28	Tobacco products	10.1	8.2	2.2	6.9
29	Textile mill products	-2.3	-4.6	-9.4	-0.7
30	Apparel and other textile products	7.5	-5.4	-7.8	0.6
31	Paper and allied products	2.1	0.0	-7.8	0.2
32	Printing and publishing	-1.8	2.2	-6.4	2.0
33	Chemicals and allied products	-1.6	1.5	-6.9	2.8
34	Petroleum and coal products	-3.4	0.8	3.0	0.7
35	Rubber and miscellaneous plastics products	4.5	0.4	-2.6	3.4
36	Leather and leather products	5.5	-9.2	-11.3	5.0
37	Private services-producing industries	5.8	5.4	0.6	5.3
38	Transportation and public utilities	5.0	8.7	4.4	7.6
39	Transportation	4.0	2.2	-2.8	3.7
40	Railroad transportation	3.8	-12.6	-3.5	-0.9
41	Local and interurban passenger transit	-9.5	-5.6	3.4	-2.4
42	Trucking and warehousing	5.0	2.3	-1.6	4.4
43	Water transportation	7.6	11.5	-11.2	5.3
44	Transportation by air	1.5	7.8	-4.4	4.3
45	Pipelines, except natural gas	17.5	-2.7	2.5	-12.0
46	Transportation services	5.2	-8.5	3.8	5.3
47	Communications	20.5	14.3	9.8	17.6
48	Telephone and telegraph	22.1	15.8	12.2	18.2
49	Radio and television	13.9	8.1	-0.7	15.4
50	Electric, gas, and sanitary services	-13.2	13.2	9.2	2.6
51	Wholesale trade	8.3	1.1	-2.6	-0.6
52	Retail trade	10.1	2.9	-3.1	2.5
53	Finance, insurance, and real estate	3.6	2.3	-3.9	4.1
54	Depository institutions	-6.0	1.3	2.0	1.2
55	Nondepository institutions	13.2	-2.4	-22.3	8.3
56	Security and commodity brokers	30.5	22.3	-45.2	22.9
57	Insurance carriers	-2.8	-19.9	17.1	-6.2
58	Insurance agents, brokers, and service	6.3	16.4	-19.5	9.7
59	Real estate	-0.8	2.3	11.3	2.3
60	Nonfarm housing services	-1.7	-3.7	13.3	1.9
61	Other real estate	-0.5	4.5	10.6	2.4
62	Holding and other investment offices	4.5	11.2	-9.7	6.1
63	Services	6.0	8.0	3.9	7.7
64	Hotels and other lodging places	3.7	7.8	-14.9	5.5
65	Personal services	9.9	8.3	-2.2	3.7
66	Business services	10.6	18.6	5.9	17.4
67	Auto repair, services, and parking	-1.5	0.8	1.0	2.5
68	Miscellaneous repair services	5.2	-2.2	9.1	3.0
69	Motion pictures	7.5	4.5	-5.4	2.7
70	Amusement and recreation services	7.8	2.9	-0.3	5.2
71	Health services	1.6	1.4	8.6	3.9
72	Legal services	4.3	-11.9	3.4	5.6
73	Educational services	5.2	0.6	-0.5	3.9
74	Social services	10.5	12.9	7.2	7.5
75	Membership organizations	-3.6	5.4	4.2	2.8
76	Other services	10.0	14.6	4.6	11.3
77	Private households				
78	Government	2.8	-4.8	1.9	0.9
79	Federal	7.9	-18.1	27.6	-2.5
80	General government				
81	Government enterprises	7.9	-18.1	27.6	-2.5
82	State and local	1.7	-1.9	-2.7	1.6
83	General government				
84	Government enterprises	1.7	-1.9	-2.7	1.6

**Table 13. Chain-Type Price Indexes
for Intermediate Inputs by Industry, 1998-2001**
[1996=100]

Line		1998	1999	2000	2001
1	All industries	98.92	99.93	104.60	105.36
2	Private industries	98.90	99.88	104.52	105.25
3	Private goods-producing industries	95.33	95.53	100.39	99.57
4	Agriculture, forestry, and fishing	97.03	96.34	101.80	103.80
5	Farms	97.10	96.47	102.41	104.53
6	Agricultural services, forestry, and fishing	96.58	95.44	97.68	98.89
7	Mining	92.55	98.19	128.05	131.49
8	Metal mining	95.55	96.00	102.46	102.27
9	Coal mining	98.89	99.30	103.28	104.49
10	Oil and gas extraction	88.88	97.70	140.46	144.99
11	Nonmetallic minerals, except fuels	97.35	99.69	107.09	108.35
12	Construction	102.45	104.03	106.20	106.86
13	Manufacturing	94.59	94.58	98.95	97.68
14	Durable goods	95.77	94.11	94.70	92.80
15	Lumber and wood products	100.57	102.78	103.26	100.99
16	Furniture and fixtures	100.40	100.58	103.21	102.89
17	Stone, clay, and glass products	101.16	102.35	106.37	108.14
18	Primary metal industries	95.99	94.06	98.88	97.00
19	Fabricated metal products	99.59	97.47	100.94	99.91
20	Industrial machinery and equipment	92.16	88.91	88.05	84.96
21	Electronic and other electric equipment	90.01	86.64	84.53	80.70
22	Motor vehicles and equipment	97.40	96.50	96.92	96.05
23	Other transportation equipment	100.79	101.12	102.74	103.21
24	Instruments and related products	92.64	90.08	89.23	86.71
25	Miscellaneous manufacturing industries	99.32	99.43	102.55	102.55
26	Nondurable goods	93.25	95.21	104.23	103.71
27	Food and kindred products	94.69	92.73	94.69	98.40
28	Tobacco products	101.59	102.59	106.44	108.78
29	Textile mill products	97.05	92.85	95.09	92.88
30	Apparel and other textile products	101.01	99.18	100.42	101.04
31	Paper and allied products	97.71	96.75	101.98	102.03
32	Printing and publishing	99.80	99.78	103.79	105.01
33	Chemicals and allied products	96.46	98.63	108.51	109.16
34	Petroleum and coal products	68.01	88.32	129.71	113.84
35	Rubber and miscellaneous plastics products	97.88	98.10	104.15	104.03
36	Leather and leather products	97.08	96.04	101.35	105.78
37	Private services-producing industries	102.43	104.15	108.58	110.70
38	Transportation and public utilities	97.35	100.03	109.58	110.27
39	Transportation	97.77	101.54	110.98	111.09
40	Railroad transportation	97.14	99.38	107.94	106.70
41	Local and interurban passenger transit	91.56	96.39	108.21	106.29
42	Trucking and warehousing	98.69	102.81	111.38	112.18
43	Water transportation	101.32	104.17	110.49	112.14
44	Transportation by air	93.56	97.56	112.40	110.28
45	Pipelines, except natural gas	98.43	100.74	107.59	109.17
46	Transportation services	103.52	106.17	110.37	111.79
47	Communications	99.54	98.76	99.60	98.58
48	Telephone and telegraph	98.42	96.70	96.75	95.08
49	Radio and television	104.21	107.70	112.34	114.81
50	Electric, gas, and sanitary services	93.86	99.58	124.52	129.32
51	Wholesale trade	99.35	100.11	102.77	103.49
52	Retail trade	102.79	105.08	109.04	112.17
53	Finance, insurance, and real estate	107.74	109.71	113.21	117.15
54	Depository institutions	105.99	108.35	112.66	117.70
55	Nondepository institutions	108.68	110.40	114.89	121.99
56	Security and commodity brokers	103.78	103.22	104.77	105.80
57	Insurance carriers	106.41	108.98	113.23	117.17
58	Insurance agents, brokers, and service	103.70	105.26	108.76	110.78
59	Real estate	109.49	112.02	115.60	119.57
60	Nonfarm housing services	106.69	110.62	114.25	120.18
61	Other real estate	110.43	112.44	116.00	119.29
62	Holding and other investment offices	109.37	112.25	116.46	123.47
63	Services	101.37	102.42	105.35	106.90
64	Hotels and other lodging places	103.85	105.85	109.89	113.74
65	Personal services	103.60	105.74	109.69	112.84
66	Business services	96.34	95.12	96.04	95.16
67	Auto repair, services, and parking	100.36	102.26	106.26	107.75
68	Miscellaneous repair services	98.84	99.59	102.02	102.32
69	Motion pictures	104.26	108.35	113.54	116.96
70	Amusement and recreation services	103.36	105.84	110.08	113.56
71	Health services	101.86	103.01	106.11	108.02
72	Legal services	104.65	107.54	111.76	115.25
73	Educational services	103.16	104.74	107.77	109.92
74	Social services	102.05	103.98	107.76	110.26
75	Membership organizations	101.87	102.80	105.65	107.66
76	Other services	103.86	105.53	109.17	111.65
77	Private households				
78	Government	100.43	103.36	111.43	114.46
79	Federal	100.12	102.84	108.67	110.23
80	General government				
81	Government enterprises	100.12	102.84	108.67	110.23
82	State and local	100.51	103.48	112.02	115.36
83	General government				
84	Government enterprises	100.51	103.48	112.02	115.36

**Table 13.A. Percent Changes in Chain-Type Price Indexes
for Intermediate Inputs by Industry**

Line		1999	2000	2001	Average annual rate of change 1995-2000
1	All industries	1.0	4.7	0.7	1.2
2	Private industries	1.0	4.6	0.7	1.2
3	Private goods-producing industries	0.2	5.1	-0.8	0.2
4	Agriculture, forestry, and fishing	-0.7	5.7	2.0	1.5
5	Farms	-0.7	6.2	2.1	1.7
6	Agricultural services, forestry, and fishing	-1.2	2.4	1.2	0.4
7	Mining	6.1	30.4	2.7	7.7
8	Metal mining	0.5	6.7	-0.2	0.7
9	Coal mining	0.4	4.0	1.2	1.0
10	Oil and gas extraction	9.9	43.8	3.2	11.6
11	Nonmetallic minerals, except fuels	2.4	7.4	1.2	2.1
12	Construction	1.5	2.1	0.6	1.5
13	Manufacturing	0.0	4.6	-1.3	-0.2
14	Durable goods	-1.7	0.6	-2.0	-1.6
15	Lumber and wood products	2.2	0.5	-2.2	0.6
16	Furniture and fixtures	0.2	2.6	-0.3	0.7
17	Stone, clay, and glass products	1.2	3.9	1.7	1.6
18	Primary metal industries	-2.0	5.1	-1.9	-0.8
19	Fabricated metal products	-2.1	3.6	-1.0	-0.0
20	Industrial machinery and equipment Electronic and other electric equipment	-3.5	-1.0	-3.5	-3.4
21	Motor vehicles and equipment	-0.9	0.4	-0.9	-0.8
22	Other transportation equipment	0.3	1.6	0.5	0.7
23	Instruments and related products	-2.8	-0.9	-2.8	-3.2
24	Miscellaneous manufacturing industries	0.1	3.1	0.0	0.6
25	Nondurable goods	2.1	9.5	-0.5	1.4
26	Food and kindred products	-2.1	2.1	3.9	-0.5
27	Tobacco products	1.0	3.8	2.2	1.5
28	Textile mill products	-4.3	2.4	-2.3	-1.1
29	Apparel and other textile products	-1.8	1.2	0.6	0.3
30	Paper and allied products	-1.0	5.4	0.1	-0.3
31	Printing and publishing	0.0	4.0	1.2	0.5
32	Chemicals and allied products	2.3	10.0	0.6	2.0
33	Petroleum and coal products	29.9	46.9	-12.2	8.8
34	Rubber and miscellaneous plastics products	0.2	6.2	-0.1	0.5
35	Leather and leather products	-1.1	5.5	4.4	-0.3
36	Private services-producing industries	1.7	4.3	2.0	2.1
37	Transportation and public utilities	2.8	9.5	0.6	2.9
38	Transportation	3.9	9.3	0.1	2.9
39	Railroad transportation	2.3	8.6	-1.1	2.6
40	Local and interurban passenger transit	5.3	12.3	-1.8	2.4
41	Trucking and warehousing	4.2	8.3	0.7	2.9
42	Water transportation	2.8	6.1	1.5	2.5
43	Transportation by air	4.3	15.2	-1.9	3.3
44	Pipelines, except natural gas	2.3	6.8	1.5	2.0
45	Transportation services	2.6	4.0	1.3	2.5
46	Communications	-0.8	0.8	-1.0	0.0
47	Telephone and telegraph	-1.7	0.1	-1.7	-0.7
48	Radio and television	3.3	4.3	2.2	3.0
49	Electric, gas, and sanitary services	6.1	25.1	3.8	7.0
50	Wholesale trade	0.8	2.7	0.7	0.6
51	Retail trade	2.2	3.8	2.9	2.2
52	Finance, insurance, and real estate	1.8	3.2	3.5	3.1
53	Depository institutions	2.2	4.0	4.5	3.0
54	Nondepository institutions	1.6	4.1	6.2	3.6
55	Security and commodity brokers	-0.5	1.5	1.0	1.1
56	Insurance carriers	2.4	3.9	3.5	3.2
57	Insurance agents, brokers, and service Real estate	1.5	3.3	1.9	2.0
58	Nonfarm housing services	2.3	3.2	3.4	3.5
59	Other real estate	3.7	3.3	5.2	3.3
60	Holding and other investment offices	1.8	3.2	2.8	3.6
61	Services	2.6	3.8	6.0	3.5
62	Hotels and other lodging places	1.0	2.9	1.5	1.3
63	Personal services	1.9	3.8	3.5	2.5
64	Business services	2.1	3.7	2.9	2.4
65	Auto repair, services, and parking	-1.3	1.0	-0.9	-1.1
66	Miscellaneous repair services	1.9	3.9	1.4	1.6
67	Motion pictures	0.8	2.4	0.3	0.5
68	Amusement and recreation services	3.9	4.8	3.0	3.2
69	Health services	2.4	4.0	3.2	2.5
70	Legal services	1.1	3.0	1.8	1.5
71	Educational services	2.8	3.9	3.1	2.6
72	Social services	1.5	2.9	2.0	1.9
73	Membership organizations	1.9	3.6	2.3	1.9
74	Other services	0.9	2.8	1.9	1.4
75	Private households	1.6	3.4	2.3	2.2
76	Government	2.9	7.8	2.7	3.0
77	Federal	2.7	5.7	1.4	2.1
78	General government	2.7	5.7	1.4	2.1
79	Government enterprises	3.0	8.2	3.0	3.2
80	State and local	3.0	8.2	3.0	3.2
81	General government	3.0	8.2	3.0	3.2
82	Government enterprises	3.0	8.2	3.0	3.2

**Table 14. Current-Dollar Cost Per Unit of Real Gross Domestic
Product by Private Industry Group, 1998-2001**
[Dollars]

Line		1998	1999	2000	2001
1	Private industries	1.025	1.035	1.055	1.075
2	Compensation of employees	0.542	0.553	0.570	0.581
3	Indirect business tax and nontax liability	0.091	0.090	0.091	0.093
4	Property-type income	0.392	0.391	0.394	0.401
5	Private goods-producing industries	0.991	0.993	1.008	1.021
6	Compensation of employees	0.595	0.596	0.614	0.631
7	Indirect business tax and nontax liability	0.039	0.039	0.042	0.045
8	Property-type income	0.357	0.359	0.352	0.345
9	Agriculture, forestry, and fishing	0.880	0.826	0.805	0.858
10	Compensation of employees	0.319	0.322	0.316	0.351
11	Indirect business tax and nontax liability	0.048	0.047	0.045	0.048
12	Property-type income	0.513	0.457	0.444	0.459
13	Mining	0.837	0.908	1.306	1.302
14	Compensation of employees	0.299	0.299	0.359	0.371
15	Indirect business tax and nontax liability	0.098	0.101	0.135	0.140
16	Property-type income	0.441	0.508	0.813	0.791
17	Construction	1.092	1.157	1.220	1.291
18	Compensation of employees	0.706	0.742	0.791	0.842
19	Indirect business tax and nontax liability	0.025	0.026	0.027	0.028
20	Property-type income	0.361	0.389	0.403	0.421
21	Manufacturing	0.991	0.979	0.959	0.955
22	Compensation of employees	0.621	0.612	0.619	0.630
23	Indirect business tax and nontax liability	0.037	0.036	0.039	0.043
24	Property-type income	0.333	0.331	0.300	0.282
25	Durable goods	0.930	0.899	0.849	0.821
26	Compensation of employees	0.630	0.617	0.600	0.597
27	Indirect business tax and nontax liability	0.023	0.022	0.021	0.023
28	Property-type income	0.278	0.260	0.228	0.202
29	Nondurable goods	1.082	1.099	1.136	1.177
30	Compensation of employees	0.601	0.596	0.637	0.672
31	Indirect business tax and nontax liability	0.060	0.059	0.073	0.079
32	Property-type income	0.420	0.443	0.426	0.426
33	Private services-producing industries	1.038	1.050	1.073	1.095
34	Compensation of employees	0.523	0.537	0.554	0.564
35	Indirect business tax and nontax liability	0.110	0.110	0.109	0.110
36	Property-type income	0.405	0.404	0.409	0.421
37	Transportation and public utilities	1.072	1.052	1.035	1.050
38	Compensation of employees	0.471	0.478	0.480	0.490
39	Indirect business tax and nontax liability	0.108	0.105	0.102	0.105
40	Property-type income	0.492	0.469	0.453	0.455
41	Wholesale trade	0.916	0.911	0.929	0.909
42	Compensation of employees	0.506	0.507	0.514	0.507
43	Indirect business tax and nontax liability	0.191	0.184	0.180	0.180
44	Property-type income	0.219	0.219	0.235	0.222
45	Retail trade	0.988	0.983	0.976	0.980
46	Compensation of employees	0.561	0.566	0.562	0.558
47	Indirect business tax and nontax liability	0.177	0.179	0.175	0.171
48	Property-type income	0.250	0.239	0.239	0.251
49	Finance, insurance, and real estate	1.053	1.065	1.102	1.127
50	Compensation of employees	0.263	0.271	0.280	0.289
51	Indirect business tax and nontax liability	0.126	0.126	0.124	0.126
52	Property-type income	0.664	0.669	0.698	0.712
53	Services	1.077	1.118	1.159	1.208
54	Compensation of employees	0.778	0.810	0.864	0.892
55	Indirect business tax and nontax liability	0.032	0.034	0.035	0.036
56	Property-type income	0.267	0.275	0.260	0.280

NOTE: Current-dollar cost per unit of real gross domestic product by industry equals the gross domestic product by industry price index divided by 100. These unit-cost measures differ from the unit-labor-cost and unit-nonlabor-cost series published by the Bureau of Labor Statistics (BLS). See *BLS Handbook of Methods*, Bulletin 2490 (Washington, DC: U.S. Government Printing Office, April 1997).

Reconciliation of the U.S.-Canadian Current Account, 2000 and 2001

By Anthony DiLullo and Denis Caron

ON a reconciled basis, the U.S. deficit, or Canadian surplus, is \$40.4 billion for 2000 and \$40.0 billion for 2001 (chart 1, table 1).¹ The U.S.-published current-account balance with Canada is a U.S. deficit of \$30.5 billion for 2000 and a U.S. deficit of \$26.5 billion for 2001; the corresponding Canadian-published balance is a Canadian surplus (U.S. deficit) of \$42.8 billion for 2000 and a Canadian surplus (U.S. deficit) of \$42.5 billion for 2001.²

This article presents the results of the reconciliation

1. The reconciled estimates are intended to show how the current-account estimates would appear if both countries used the same definitions, methodologies, and data sources. In this article, all values are expressed in U.S. dollars.

2. For this year's reconciliation, the U.S. deficit for 2000 is revised from the previously published deficit of \$30.7 billion used in last year's reconciliation, and the Canadian surplus for 2000 is revised from the previously published surplus of \$42.6 billion used in last year's reconciliation.

This article will also be published in *Canada's Balance of International Payments, Third Quarter 2002*.

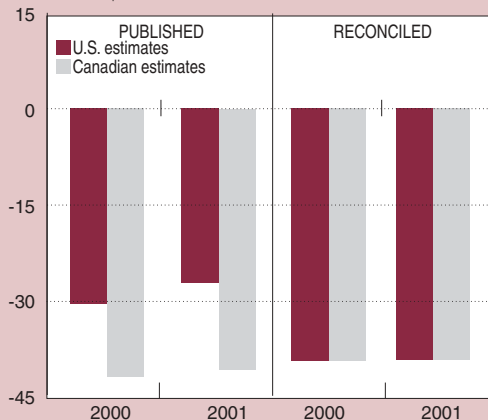
of the bilateral current-account estimates of Canada and the United States for 2000 and 2001.³ The details of the current-account reconciliation for 2000 and 2001 are presented in the tables that follow this article. Tables 2.1 and 2.2 show the details of the major types of reconciliation adjustments—definitional, methodological, and statistical—that were made to the major current-account components. Tables 3.1 and 3.2 present the published estimates, the estimates on a common basis (after the estimates have been adjusted for definitional and methodological differences), the reconciled estimates, and the amounts of the adjust-

3. The reconciliation of the current account has been undertaken each year since 1970. Summary results of the reconciliations were published in the United States in the following issues of the *SURVEY OF CURRENT BUSINESS*: June 1975, September 1976 and 1977, December 1979, June 1981, and each December of 1981–91. Complete details of the reconciliations for 1990 forward were published in the following issues of the *SURVEY*: November 1992, each October of 1993–95, and each November of 1996–2001. In Canada, the results were published in the following issues of *Canada's Balance of International Payments* (catalogue 67–001), a publication of Statistics Canada: Fourth Quarter 1973, Second Quarter 1976 and 1977, Third Quarter 1978 and 1979, First Quarter 1981, and each Third Quarter 1981–2001.

CHART 1

U.S.-Canadian Current-Account Balance¹

Billion U.S. \$



1. Balance shown is net northbound—a U.S. surplus is a Canadian deficit, and a U.S. deficit is a Canadian surplus.

U.S. Bureau of Economic Analysis

Table 1. Major U.S.-Canadian Balances

[Billions of U.S. dollars]

	Published estimates		Reconciled estimates	
	United States	Canada	United States	Canada
2000				
Goods and services	-48.6	57.7	-58.6	58.6
Goods	-54.8	61.9	-63.0	63.0
Services	6.2	-4.2	4.4	-4.4
Income	18.8	-17.2	18.8	-18.8
Current unilateral transfers	-0.7	2.2	-0.6	0.6
Current account	-30.5	42.8	-40.4	40.4
2001				
Goods and services	-49.4	57.6	-59.3	59.3
Goods	-55.4	61.9	-63.9	63.9
Services	6.1	-4.3	4.6	-4.6
Income	23.6	-17.4	19.9	-19.9
Current unilateral transfers	-0.7	2.3	-0.6	0.6
Current account	-26.5	42.5	-40.0	40.0

NOTE: A U.S. surplus (+) is a Canadian deficit (-), and a Canadian surplus (+) is a U.S. deficit (-). Details may not add to totals because of rounding.

ments for each major current-account component. Tables 4–7 present the reconciliation details for goods, services, and investment income.⁴

Reconciled Current-Account Balances

In the U.S. current account, the reconciliation adjustments resulted in an increase of \$9.9 billion in the U.S. deficit for 2000 and an increase of \$13.5 billion in the U.S. deficit for 2001. In both years, the increases reflect larger upward adjustments to the U.S. southbound estimates than to the U.S. northbound estimates (tables 2.1 and 2.2).⁵ The largest increases in the U.S. south-

bound estimates result from the addition of Canadian reexports to U.S. goods imports (a definitional adjustment), from the valuation of U.S. natural gas imports to include inland freight (a definitional adjustment), from an increase for undercoverage of some southbound services (a statistical adjustment), and for 2001, from adjustments for statistical differences in direct investment income. The largest increases in the U.S. northbound estimates result from upward adjustments to investment income for undercoverage of income on U.S. holdings of Canadian bonds (definitional and statistical adjustments).

In the Canadian current account, the reconciliation adjustments resulted in a decrease of \$2.4 billion in the 2000 Canadian surplus and in a decrease of \$2.5 billion in the 2001 Canadian surplus. In both years, the decreases reflect larger downward adjustments to the Canadian southbound estimates than to the Canadian northbound estimates. In both years, the Canadian southbound estimates were adjusted downward to account for definitional differences, mainly in unilateral transfers; for methodological differences, mainly the

4. For reconciliation, some of the details presented in the tables in this article differ from those presented in balance-of-payments tables regularly published by the U.S. Bureau of Economic Analysis and by Statistics Canada.

5. In this article, the term “northbound” refers to U.S. exports of goods and services, U.S. income receipts, and current unilateral transfers to the United States, and it refers to Canadian imports of goods and services, Canadian income payments, and current unilateral transfers from Canada. The term “southbound” refers to U.S. imports of goods and services, U.S. income payments, and current unilateral transfers from the United States, and it refers to Canadian exports of goods and services, Canadian income receipts, and current unilateral transfers to Canada.

Note on the U.S.-Canadian Current-Account Reconciliation

The U.S.-Canadian current-account reconciliation, which explains the differences between the estimates of the bilateral current account published by the U.S. Bureau of Economic Analysis (BEA) and those published by Statistics Canada, is undertaken because of the extensive economic links between Canada and the United States. The reconciled estimates are intended to assist analysts who use both countries' statistics and to show how the current-account estimates would appear if both countries used common definitions, methodologies, and data sources.¹

In principle, the bilateral current account of one country should mirror the bilateral current account of the other country. Differences occur in the published estimates of the U.S. and Canadian current accounts because of variations in the definitions, methodologies, and statistical sources that are used by each agency. Some of the differences for 2001 are in components of the current account for which data are still preliminary and subject to revision; these differences may be eliminated when final data for these components become available.

1. A detailed article on the methodology was published by BEA in “Reconciliation of the U.S.-Canadian Current Account” in the November 1992 SURVEY and by Statistics Canada in *Reconciliation of the Canadian-United States Current Account, 1990–91*. Statistics Canada also published a shortened version in the December 1992 *Canadian Economic Observer* and in Canada's *Balance of International Payments, Third Quarter 1992*.

The longstanding Canadian-U.S. current-account reconciliation is among the leading examples of the benefits of international data exchanges. As a result of the reconciliation process and the exchange of data, the accuracy of the published estimates of transactions between Canada and the United States and the efficiency in producing the estimates have increased. The exchange of data between Canada and the United States—for transactions such as trade in goods, travel, passenger fares, Canadian and U.S. Government transactions, and some large transportation transactions—covers more than 80 percent of the value of the Canadian and U.S. current account and has eliminated some of the differences in the Canadian- and U.S.-published estimates.

Although the U.S.- and Canadian-published estimates are reconciled and there is extensive exchange of data between Canada and the United States, differences in the published estimates remain. Complete substitution of reconciled estimates for published estimates and complete exchange of data are not feasible for several reasons. For trade in goods, imports in the U.S. accounts would be affected because the United States attributes Canadian reexports to the country of origin rather than to Canada, the last country of shipment. For some accounts, the protection of the confidentiality of the source data bars the exchange of data. Finally, a few differences are attributable to different requirements for integrating the international and national (domestic) accounts in each country.

netting of Canadian bank claims and liabilities in "other" investment income; and for statistical differences, mainly in "other" services and in direct investment income. In the Canadian northbound estimates, downward adjustments for definitional and methodological differences were mainly in investment income, and downward adjustments for statistical differences were mainly in "other" services. These downward adjustments were partly offset by upward adjustments for statistical differences in direct investment income.

The statistical adjustments to the U.S. and Canadian southbound direct investment income estimates for 2001 were unusually large. The U.S. published estimate shows net losses by U.S. affiliates of Canadian parents while the Canadian published estimate shows net profits. The difference between the U.S. and Canadian estimates partly reflects larger losses estimated by the U.S. Bureau of Economic Analysis (BEA) for U.S. manufacturing affiliates of Canadian parents than the losses estimated by Statistics Canada for these manufacturing affiliates. The estimates of income (losses) for affiliates in the manufacturing industry were arbitrarily recon-

ciled by averaging the U.S. and Canadian estimates. The reconciliation of direct investment income is restricted by the confidentiality of the source data, by the preliminary nature of the reports on which the 2001 estimates are based, and by the different approaches used by BEA and by Statistics Canada in estimating earnings (losses).

Summary of Reconciliation Methodology

In reconciling the differences in the U.S.- and Canadian-published bilateral current-account estimates, the estimates are first restated on a common basis—that is, they are adjusted for definitional and methodological differences; the remaining adjustments that are needed to reach the reconciled values are the statistical adjustments. The framework for reconciling the U.S. and Canadian estimates to a common basis mainly follows the international standards published in the International Monetary Fund's *Balance of Payments Manual* (fifth edition). The U.S.- and Canadian-published estimates now largely conform to the international standards, but some differences with the in-

Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2000

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	United States	Canada	Reclassification		Gross or net		United States	Canada	United States	Canada
			United States	Canada	United States	Canada				
Goods, balance of payments basis.....	140	-218	226	.....	.....	.....	.....	-820	366	-1,038
Valuation adjustments.....	140	-218	.....	.....	.....	.....	.....	.....	140	-218
Reclassification of equipment repairs from unaffiliated services.....	.....	.....	226	.....	.....	.....	.....	.....	226	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	.....	-820	.....	-820
Services.....	30	-436	-226	-69	.....	.....	1,437	-1,262	1,241	-1,767
Travel.....	.....	.....	709	.....	.....	.....	1	20	710	20
Reclassification of education from unaffiliated services.....	.....	.....	511	.....	.....	.....	.....	.....	511	.....
Reclassification of medical services from unaffiliated services.....	.....	.....	198	.....	.....	.....	.....	.....	198	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	1	20	1	20
Passenger fares.....	.....	.....	.....	.....	.....	.....	-289	.....	-289	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	-289	.....	-289	.....
Other transportation.....	.....	-109	.....	202	.....	.....	13	-16	13	77
Valuation adjustments.....	.....	-109	.....	.....	.....	.....	.....	.....	.....	-109
Reclassification of transportation services from unaffiliated services.....	.....	.....	.....	202	.....	.....	.....	.....	.....	202
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other services.....	30	-327	-935	-271	.....	.....	1,712	-1,266	807	-1,864
Affiliated.....	.....	-99	-310	.....	.....	.....	821	-2,396	511	-2,495
Valuation adjustments.....	.....	-99	.....	.....	.....	.....	.....	.....	.....	-99
Reclassification of film rentals to unaffiliated services.....	.....	.....	-223	.....	.....	.....	.....	.....	.....	-223
Reclassification of courier services to unaffiliated services.....	.....	.....	-87	.....	.....	.....	.....	.....	.....	-87
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	821	-2,396	821	-2,396
Unaffiliated.....	89	-228	-625	-271	.....	.....	891	1,086	355	587
Valuation adjustments.....	89	-228	.....	.....	.....	.....	.....	.....	89	-228
Reclassification of transactions to or from other accounts.....	.....	.....	-625	-271	.....	.....	.....	.....	-625	-271
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	891	1,086	891	1,086
U.S. military sales.....	-59	.....	.....	.....	.....	.....	.....	44	-59	44
Valuation adjustments.....	-59	.....	.....	.....	.....	.....	.....	.....	-59	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	.....	44	.....	44
Income.....	975	-2,624	.....	69	-1,722	-3,352	-232	3,370	-979	-2,537
Direct investment.....	.....	-491	.....	-28	.....	-119	-858	3,117	-858	2,479
Valuation adjustments.....	.....	-491	.....	.....	.....	.....	.....	.....	.....	-491
Reclassification of dividends to "other" income.....	.....	.....	.....	-28	.....	.....	.....	.....	.....	-28
Adjustment of interest income to a net basis.....	.....	.....	.....	.....	.....	-119	.....	.....	.....	-119
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	-858	3,117	-858	3,117
Other investment.....	975	-2,133	.....	28	-1,722	-3,233	626	244	-121	-5,094
Valuation adjustments.....	975	-2,133	.....	.....	.....	.....	.....	.....	975	-2,133
Reclassification of dividends from direct investment.....	.....	.....	.....	28	.....	.....	.....	.....	.....	28
Adjustment of interest income to a gross or net basis.....	.....	.....	.....	.....	-1,722	-3,233	.....	.....	-1,722	-3,233
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	626	244	626	244
Compensation of employees.....	.....	.....	.....	69	.....	.....	.....	9	.....	78
Current unilateral transfers.....	.....	-302	.....	.....	.....	.....	.....	.....	294	-302
Valuation adjustments.....	.....	-302	.....	.....	.....	.....	.....	.....	.....	-302
Adjustment of U.S. transfers to a gross basis.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	.....	.....	180	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	.....	.....	114	.....
Total adjustments.....	1,145	-3,580	.....	.....	-1,542	-3,352	1,319	1,288	922	-5,644

ternational standards—and between the U.S. and Canadian estimates—remain in the published estimates because of data limitations, difficulties in determining country attribution, differences in classification, and because in a few cases, international standards provide for more than one acceptable treatment.

The definitional adjustments mainly reflect data limitations and differences in country attribution. For example, as part of the reconciliation, U.S.-published estimates of imports of goods from Canada are adjusted to include Canadian reexports to the United States (goods imported by Canada from third countries and then reexported to the United States without substantial change) because U.S. imports of goods are recorded on a country-of-origin basis. Another example of a definitional adjustment is that the Canadian estimates, mainly investment income, are adjusted to a basis that is net of withholding taxes because the U.S. withholding tax estimates—which are included on a global basis in the U.S.-published accounts—cannot be allocated by country for comparison with the Canadian estimates.

The methodological adjustments mainly reflect dif-

Acknowledgments

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Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2001

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	United States	Canada	Reclassification		Gross or net		United States	Canada	United States	Canada
			United States	Canada	United States	Canada				
Goods, balance of payments basis.....	125	-199	264	.....	.....	.....	.....	-807	389	-1,006
Valuation adjustments.....	125	-199	.....	.....	.....	.....	.....	.....	125	-199
Reclassification of equipment repairs from unaffiliated services.....	.....	.....	264	.....	.....	.....	.....	.....	264	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	.....	-807	.....	-807
Services.....	-1,006	-416	-264	-69	.....	.....	1,084	-362	-186	-847
Travel.....	.....	.....	791	.....	.....	.....	-12	159	779	159
Reclassification of education from unaffiliated services.....	.....	.....	570	.....	.....	.....	.....	.....	570	.....
Reclassification of medical services from unaffiliated services.....	.....	.....	221	.....	.....	.....	.....	.....	221	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	-12	159	-12	159
Passenger fares.....	.....	.....	.....	.....	.....	.....	-289	.....	-289	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	-289	.....	-289	.....
Other transportation.....	.....	-93	.....	212	.....	.....	166	-2	166	117
Valuation adjustments.....	.....	-93	.....	.....	.....	.....	.....	.....	.....	-93
Reclassification of transportation services from unaffiliated services.....	.....	.....	.....	212	.....	.....	.....	.....	.....	212
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	166	-2	166	-2
Other services.....	-1,006	-323	-1,055	-281	.....	.....	1,219	-519	-842	-1,123
Affiliated.....	-1,057	-93	-362	.....	.....	.....	368	-1,698	-1,051	-1,791
Valuation adjustments.....	-1,057	-93	.....	.....	.....	.....	.....	.....	-1,057	-93
Reclassification of film rentals to unaffiliated services.....	.....	.....	-238	.....	.....	.....	.....	.....	-238	.....
Reclassification of courier services to unaffiliated services.....	.....	.....	-124	.....	.....	.....	.....	.....	-124	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	368	-1,698	368	-1,698
Unaffiliated.....	90	-230	-693	-281	.....	.....	851	1,119	248	608
Valuation adjustments.....	90	-230	.....	.....	.....	.....	.....	.....	90	-230
Reclassification of transactions to or from other accounts.....	.....	.....	-693	-281	.....	.....	.....	.....	-693	-281
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	851	1,119	851	1,119
U.S. military sales.....	-39	.....	.....	.....	.....	.....	.....	60	-39	60
Valuation adjustments.....	-39	.....	.....	.....	.....	.....	.....	.....	-39	.....
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	.....	60	.....	60
Income.....	852	-2,835	.....	69	-1,250	-2,246	972	1,172	574	-3,840
Direct investment.....	.....	-479	.....	-26	.....	-170	-680	1,915	-680	1,240
Valuation adjustments.....	.....	-479	.....	.....	.....	.....	.....	.....	.....	-479
Reclassification of dividends to "other" income.....	.....	.....	.....	-26	.....	.....	.....	.....	.....	-26
Adjustment of interest income to a net basis.....	.....	.....	.....	.....	.....	-170	.....	.....	.....	-170
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	-680	1,915	-680	1,915
Other investment.....	852	-2,356	.....	26	-1,250	-2,076	1,652	-752	1,254	-5,158
Valuation adjustments.....	852	-2,356	.....	.....	.....	.....	.....	.....	852	-2,356
Reclassification of dividends from direct investment.....	.....	.....	.....	26	.....	.....	.....	.....	.....	26
Adjustment of interest income to a gross or net basis.....	.....	.....	.....	.....	-1,250	-2,076	.....	.....	-1,250	-2,076
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	1,652	-752	1,652	-752
Compensation of employees.....	.....	.....	.....	69	.....	.....	.....	9	.....	78
Current unilateral transfers.....	.....	-333	.....	.....	186	.....	.....	136	.....	-333
Valuation adjustments.....	.....	-333	.....	.....	.....	.....	.....	.....	.....	-333
Adjustment of U.S. transfers to a gross basis.....	.....	.....	.....	.....	186	.....	.....	.....	.....	186
Statistical adjustments.....	.....	.....	.....	.....	.....	.....	.....	136	.....	136
Total adjustments.....	-29	-3,783	.....	.....	-1,064	-2,246	2,192	3	1,099	-6,026

ferences in classification. For example, parts of the U.S. estimates of film rentals and courier services are recorded in various services accounts; for reconciliation, they are reclassified to a single account. A few U.S. and Canadian accounts, mainly interest income, are adjusted to a net or gross basis for comparability.

Statistical differences reflect the use of different source data in the United States and Canada; the difficulty in determining country attribution because of

insufficient data; the preliminary nature of some of the data, particularly for the most recent year; and the use of sample data between benchmarks. For the northbound estimates, most of the statistical differences are in the U.S. and Canadian estimates of "other" services and of investment income. For the southbound estimates, most of the statistical differences are in the U.S. and Canadian estimates of "other" services and of investment income.

Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2000
[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	Canada	United States	Reclassification		Gross or net		Canada	United States	Canada	United States
			Canada	United States	Canada	United States				
Goods, balance of payments basis	103	8,158		3			-26	407	77	8,568
Valuation adjustments	-1,677	249							-1,677	249
Canadian re-exports to the United States		6,129								6,129
Inland freight adjustment	1,780	1,780							1,780	1,780
Reclassification of equipment repairs from unaffiliated services				3						3
Statistical adjustments							-26	407	-26	407
Services	-295	-44	-205	-3			-1,561	3,046	-2,059	3,002
Travel				30				-60		-30
Reclassification of education from unaffiliated services				30						30
Statistical adjustments								-60		-60
Passenger fares										
Other transportation	-111	-104	105	-121			29	-23	24	-248
Valuation adjustments	-111	-104							-111	-104
Reclassification of courier services to unaffiliated services				-121						-121
Reclassification of transportation services from unaffiliated services			105						105	
Statistical adjustments							29	-23	29	-23
Other services	-184	60	-310	88			-1,590	3,129	-2,083	3,280
Affiliated	-28			-29			-2,024	978	-2,052	949
Valuation adjustments	-28								-28	
Reclassification of courier services to unaffiliated services				-29						-29
Statistical adjustments							-2,024	978	-2,024	978
Unaffiliated	-156	80	-360	117			434	2,151	-84	2,346
Valuation adjustments	-156	80							-156	80
Reclassification of transactions to or from other accounts			-360	117					-360	117
Statistical adjustments							434	2,151	434	2,151
U.S. defense expenditures		-20	50						50	-20
Valuation adjustments		-20								-20
Reclassification of defense expenditures from unaffiliated services			50							50
Income	-467		205		-3,352	-1,722	-486	814	-4,101	-910
Direct investment	-271				-119			903	-2,094	902
Valuation adjustments	-271								-271	
Adjustment of interest income to a net basis					-119				-119	
Statistical adjustments							-1,703	903	-1,703	903
Other investment	-196				-3,233	-1,722	1,061	-89	-2,368	-1,812
Valuation adjustments	-196								-196	
Adjustment of interest income to a gross or net basis					-3,233	-1,722			-3,233	-1,723
Statistical adjustments							1,061	-89	1,061	-89
Compensation of employees			205				156		361	
Current unilateral transfers	-1,911					180	-11		-1,921	180
Valuation adjustments	-1,911								-1,911	
Adjustment of U.S. transfers to a gross basis						180				180
Statistical adjustments							-11		-11	
Total adjustments	-2,570	8,114			-3,352	-1,542	-2,084	4,267	-8,004	10,841

Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2001

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	Canada	United States	Reclassification		Gross or net		Canada	United States	Canada	United States
			Canada	United States	Canada	United States				
Goods, balance of payments basis	232	8,461		9			734	387	966	8,857
Valuation adjustments	-1,917	307							-1,917	307
Canadian re-exports to the United States		6,005								6,005
Inland freight adjustment	2,149	2,149							2,149	2,149
Reclassification of equipment repairs from unaffiliated services				9						9
Statistical adjustments							734	387	734	387
Services	-278	-739	-201	-9			-663	1,997	-1,142	1,247
Travel				36						-23
Reclassification of education from unaffiliated services				36						36
Statistical adjustments										-59
Passenger fares										
Other transportation	-111	-109	91	-144			79	-67	59	-320
Valuation adjustments	-111	-109								-109
Reclassification of courier services to unaffiliated services				-144						-144
Reclassification of transportation services from unaffiliated services			91						91	
Statistical adjustments							79	-67	79	-67
Other services	-167	-630	-292	99			-742	2,123	-1,201	1,590
Affiliated	-21	-692		-28			-1,182	314	-1,203	-406
Valuation adjustments	-21	-692								-692
Reclassification of courier services to unaffiliated services				-28						-28
Statistical adjustments							-1,182	314	-1,182	314
Unaffiliated	-146	82	-349	127			440	1,809	-55	2,018
Valuation adjustments	-146	82								82
Reclassification of transactions to or from other accounts			-349	127						-349
Statistical adjustments							440	1,809	440	1,809
U.S. defense expenditures		-20	57						57	-20
Valuation adjustments		-20								-20
Reclassification of defense expenditures from unaffiliated services			57							
Income	-678		201		-2,246	-1,250	-3,603	5,535	-6,324	4,285
Direct investment	-207					-170	-4,772	5,330	-5,148	5,330
Valuation adjustments	-207									-207
Adjustment of interest income to a net basis						-170				-170
Statistical adjustments							-4,772	5,330	-4,772	5,330
Other investment	-471				-2,076	-1,250	994	205	-1,552	-1,045
Valuation adjustments	-471									-471
Adjustment of interest income to a gross or net basis					-2,076	-1,250				-2,076
Statistical adjustments							994	205	994	205
Compensation of employees			201					175	376	
Current unilateral transfers	-1,990						186	-13	-2,003	186
Valuation adjustments	-1,990									-1,990
Adjustment of U.S. transfers to a gross basis							186			186
Statistical adjustments							-13			-13
Total adjustments	-2,714	7,722			-2,246	-1,064	-3,545	7,919	-8,503	14,574

Table 3.1. U.S.-Canadian Current-Account Reconciliation, Northbound
[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates	
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada
2000										
Goods and services.....	202,518	206,930	-4,412	202,690	206,202	-3,512	204,125	204,125	1,607	-2,805
Goods, balance of payments basis.....	178,877	180,281	-1,404	179,243	180,063	-820	179,243	179,243	366	-1,038
Services.....	23,641	26,649	-3,008	23,447	26,139	-2,692	24,882	24,882	1,241	-1,767
Travel.....	7,055	7,745	-690	7,764	7,745	19	7,765	7,765	710	20
Passenger fares.....	1,713	1,424	289	1,713	1,424	289	1,424	1,424	-289	.....
Other transportation.....	2,571	2,507	64	2,571	2,599	-28	2,584	2,584	13	77
Other services.....	12,302	14,973	-2,671	11,399	14,371	-2,972	13,109	13,109	807	-1,864
Income.....	27,667	29,225	-1,558	29,219	23,320	3,599	26,688	26,688	-979	-2,537
Investment income.....	27,589	29,225	-1,636	26,841	23,251	3,590	26,610	26,610	-979	-2,615
Direct investment.....	14,688	11,351	3,337	14,687	10,715	3,972	13,830	13,830	-858	2,479
Other investment.....	12,901	17,874	-4,973	12,154	12,536	-382	12,780	12,780	-121	-5,094
Compensation of employees.....	78	(¹)	78	78	69	9	78	78	.....	78
Current unilateral transfers.....	(²)	596	-596	180	294	-114	294	294	294	-302
Current account, northbound.....	230,185	236,751	-6,566	229,789	229,816	-27	231,107	231,107	922	-5,644
2001										
Goods and services.....	187,757	189,813	-2,056	186,874	189,130	-2,256	187,960	187,960	203	-1,853
Goods, balance of payments basis.....	163,309	164,704	-1,395	163,698	164,506	-808	163,698	163,698	389	-1,006
Services.....	24,448	25,109	-661	23,176	24,624	-1,448	24,262	24,262	-186	-847
Travel.....	6,484	7,104	-620	7,275	7,104	171	7,263	7,263	779	159
Passenger fares.....	1,668	1,379	289	1,668	1,379	289	1,379	1,379	-289	.....
Other transportation.....	2,212	2,261	-49	2,212	2,380	-168	2,378	2,378	166	117
Other services.....	14,084	14,365	-281	12,021	13,761	-1,740	13,242	13,242	-842	-1,123
Income.....	21,919	26,333	-4,414	21,521	21,321	200	22,493	22,493	574	-3,840
Investment income.....	21,841	26,333	-4,492	21,443	21,252	191	22,415	22,415	574	-3,918
Direct investment.....	11,773	9,853	1,920	11,773	9,176	2,597	11,093	11,093	-680	1,240
Other investment.....	10,068	16,480	-6,412	9,670	12,076	-2,406	11,322	11,322	1,254	-5,158
Compensation of employees.....	78	(¹)	78	78	69	9	78	78	.....	78
Current unilateral transfers.....	(²)	655	-655	186	322	-136	322	322	322	-333
Current account, northbound.....	209,676	216,801	-7,125	208,581	210,773	-2,192	210,775	210,775	1,099	-6,026

1. In the Canadian published accounts, compensation of employees is included in "other" services.

2. Current unilateral transfers are published on a net basis in the U.S. accounts, and appear as net payments in table 3.2.

Table 3.2. U.S.-Canadian Current-Account Reconciliation, Southbound
[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates	
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States
2000										
Goods and services.....	264,664	251,112	13,552	264,267	259,229	5,038	262,682	262,682	-1,982	11,570
Goods.....	242,170	233,679	8,491	242,274	241,840	434	242,247	242,247	77	8,568
Services.....	22,494	17,433	5,061	21,993	17,389	4,604	20,435	20,435	-2,059	3,002
Travel.....	6,337	6,367	-30	6,337	6,397	-60	6,337	6,337	.....	-30
Passenger fares.....	827	827	.....	827	827	.....	827	827	.....	.....
Other transportation.....	3,309	3,581	-272	3,304	3,356	-52	3,333	3,333	24	-248
Other services.....	12,021	6,658	5,363	11,524	6,809	4,716	9,938	9,938	-2,083	3,280
Income.....	12,014	8,823	3,191	8,402	7,101	1,301	7,913	7,913	-4,101	-910
Investment income.....	12,014	8,462	3,552	8,196	6,740	1,456	7,552	7,552	-4,462	-910
Direct investment.....	4,053	1,057	2,996	3,664	1,057	2,607	1,959	1,959	-2,094	902
Other investment.....	7,961	7,405	556	4,532	5,683	-1,151	5,593	5,593	-2,368	-1,812
Other private investment.....	6,789	5,672	1,117	3,254	3,950	-696	3,975	3,975	-2,814	-1,697
U.S. Government liabilities.....	1,172	1,733	-561	1,278	1,733	-455	1,618	1,618	446	-115
Compensation of employees.....	(¹)	361	-361	206	361	-155	361	361	361	.....
Current unilateral transfers.....	2,826	724	2,102	915	905	10	905	905	-1,921	180
Current account, southbound.....	279,504	260,659	18,845	273,584	267,235	6,349	271,500	271,500	-8,004	10,841
2001										
Goods and services.....	247,446	237,166	10,280	247,199	244,886	2,313	247,270	247,270	-176	10,104
Goods.....	226,626	218,735	7,891	226,858	227,205	-347	227,592	227,592	966	8,857
Services.....	20,820	18,431	2,389	20,341	17,681	2,660	19,678	19,678	-1,142	1,247
Travel.....	6,454	6,477	-23	6,454	6,513	-59	6,454	6,454	.....	-23
Passenger fares.....	684	684	.....	684	684	.....	684	684	.....	.....
Other transportation.....	2,919	3,298	-379	2,899	3,045	-146	2,978	2,978	59	-320
Other services.....	10,763	7,972	2,791	10,304	7,439	2,865	9,562	9,562	-1,201	1,590
Income.....	8,885	-1,724	10,609	6,162	-2,975	9,137	2,561	2,561	-6,324	4,285
Investment income.....	8,885	-2,100	10,985	5,957	-3,351	9,308	2,185	2,185	-6,700	4,285
Direct investment.....	2,741	-7,737	10,478	2,364	-7,737	10,101	-2,407	-2,407	-5,148	5,330
Other investment.....	6,144	5,637	507	3,593	4,386	-793	4,592	4,592	-1,552	-1,045
Other private investment.....	4,903	3,974	929	2,528	2,723	-195	3,078	3,078	-1,825	-896
U.S. Government liabilities.....	1,241	1,663	-422	1,065	1,663	-598	1,514	1,514	273	-149
Compensation of employees.....	(¹)	376	-376	205	376	-171	376	376	.....	.....
Current unilateral transfers.....	2,932	744	2,188	942	929	13	929	929	-2,003	186
Current account, southbound.....	259,263	236,186	23,077	254,303	242,840	11,463	250,760	250,760	-8,503	14,574

1. In the Canadian published accounts, compensation of employees is included in "other" services.

Table 4.1. Trade in Goods, Northbound
[Millions of U.S. dollars]

	U.S. receipts	Canadian payments	Type of adjustment
2000			
Balance of payments basis, published	178,877	180,281	
Definitional and methodological adjustments:			
Valuation adjustments	140	-218	Definitional
Reclassification of equipment repairs from unaffiliated services	226		Reclassification
Common basis, after definitional and methodological adjustments	179,243	180,063	
Statistical adjustments		-820	Statistical
Reconciled, including statistical adjustments	179,243	179,243	
2001			
Balance of payments basis, published	163,309	164,704	
Definitional and methodological adjustments:			
Valuation adjustments	125	-199	Definitional
Reclassification of equipment repairs from unaffiliated services	264		Reclassification
Common basis, after definitional and methodological adjustments	163,698	164,505	
Statistical adjustments		-807	Statistical
Reconciled, including statistical adjustments	163,698	163,698	

Table 4.2. Trade in Goods, Southbound
[Millions of U.S. dollars]

	Canadian receipts	U.S. payments	Type of adjustment
2000			
Balance of payments basis, published	242,170	233,679	
Definitional and methodological adjustments:			
Valuation adjustments	-1,677	249	Definitional
Canadian reexports to the United States		6,129	Definitional
Inland freight adjustment	1,780	1,780	Definitional
Reclassification of equipment repairs from unaffiliated services		3	Reclassification
Common basis, after definitional and methodological adjustments	242,274	241,840	
Statistical adjustments	-26	407	Statistical
Reconciled, including statistical adjustments	242,247	242,247	
2001			
Balance of payments basis, published	226,626	218,735	
Definitional and methodological adjustments:			
Valuation adjustments	-1,917	307	Definitional
Canadian reexports to the United States		6,005	Definitional
Inland freight adjustment	2,149	2,149	Definitional
Reclassification of equipment repairs from unaffiliated services		9	Reclassification
Common basis, after definitional and methodological adjustments	226,858	227,205	
Statistical adjustments	734	387	Statistical
Reconciled, including statistical adjustments	227,592	227,592	

Table 5.1. Travel, Passenger Fares, and Other Transportation, Northbound
 [Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates			Type of adjustment
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada		
2000												
Travel	7,055	7,745	-690	7,764	7,745	19	7,765	7,765	710	20		
Business and personal	7,055	7,056	-1	7,055	7,056	-1	7,056	7,056	1			Statistical
Education		491	-491	511	491	20	511	511	511	20		Reclassification and statistical
Medical.....		198	-198	198	198		198	198	198			Reclassification
Passenger fares	1,713	1,424	289	1,713	1,424	289	1,424	1,424	-289			Statistical
Other transportation	2,571	2,507	64	2,571	2,599	-28	2,584	2,584	13	77		
Freight.....	2,007	2,106	-99	1,999	1,997	2	1,993	1,993	-14	-113		
Ocean.....	138	276	-138	130	142	-12	136	136	-2	-140		Definitional, reclassification, and statistical
Air.....	86	33	53	86	58	28	58	58	-28	25		Definitional and statistical
Truck.....	1,404	1,404		1,404	1,404		1,404	1,404				
Other.....	379	393	-14	379	393	-14	395	395	16	2		Statistical
Port services.....	564	361	203	564	563	1	552	552	-12	191		
Vessel operators.....	65	42	23	65	42	23	42	42	-23			Statistical
Airline operators.....	319	319		319	319		319	319				
Other.....	180		180	180	202	-22	191	191	11	191		Reclassification and statistical
Other.....		39	-39	8	39	-31	39	39	39			Reclassification and statistical
2001												
Travel	6,484	7,104	-620	7,275	7,104	171	7,263	7,263	779	159		
Business and personal	6,484	6,472	12	6,484	6,472	12	6,472	6,472	-12			Statistical
Education		421	-421	570	421	149	570	570	570	149		Reclassification and statistical
Medical.....		211	-211	221	211	10	221	221	221	10		Reclassification
Passenger fares	1,668	1,379	289	1,668	1,379	289	1,379	1,379	-289			Statistical
Other transportation	2,212	2,261	-49	2,212	2,380	-168	2,378	2,378	166	117		
Freight.....	1,837	1,892	-55	1,829	1,799	30	1,810	1,810	-27	-82		
Ocean.....	146	248	-102	138	138		138	138	-8	-110		Definitional, reclassification, and statistical
Air.....	80	28	52	80	45	35	45	45	-35	17		Definitional and statistical
Truck.....	1,243	1,244	-1	1,243	1,244	-1	1,243	1,243		-1		Statistical
Other.....	368	372	-4	368	372	-4	384	384	16	12		Statistical
Port services.....	375	333	42	375	545	-170	533	533	158	200		
Vessel operators.....	45	21	24	45	21	24	21	21	-24			Statistical
Airline operators.....	127	297	-170	127	297	-170	297	297	170			Statistical
Other.....	203	15	188	203	227	-24	215	215	12	200		Reclassification and statistical
Other.....		35	-35	8	35	-27	35	35	35			Reclassification and statistical

Table 5.2. Travel, Passenger Fares, and Other Transportation, Southbound
 [Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
2000											
Travel	6,337	6,367	-30	6,337	6,397	-60	6,337	6,337			-30
Business and personal	6,209	6,367	-158	6,209	6,367	-158	6,209	6,209			-158
Education	79		79	79	30	49	79	79			79
Medical.....	49		49	49		49	49	49			49
Passenger fares	827	827		827	827		827	827			
Other transportation	3,309	3,581	-272	3,304	3,356	-52	3,333	3,333	24		-248
Freight.....	2,671	2,763	-92	2,650	2,623	27	2,637	2,637			-34
Ocean.....	171	132	39	150	124	26	137	137	-34		5
Air.....	57	57		57	57		57	57			
Land.....	2,335	2,335		2,335	2,335		2,335	2,335			
Other.....	108	239	-131	108	107	1	108	108			-131
Port services.....	541	818	-277	650	725	-75	688	688	147		-130
Vessel operators.....	53	208	-155	57	104	-47	81	81	28		-127
Airline operators.....	384	505	-121	384	384		384	384			-121
Other.....	104	105	-1	209	237	-28	223	223	119		118
Other.....	98		98	4	8	-4	8	8	-90		8
2001											
Travel	6,454	6,477	-23	6,454	6,513	-59	6,454	6,454			-23
Business and personal	6,316	6,477	-161	6,316	6,477	-161	6,316	6,316			-161
Education	89		89	89	36	53	89	89			89
Medical.....	49		49	49		49	49	49			49
Passenger fares	684	684		684	684		684	684			
Other transportation	2,919	3,298	-379	2,899	3,045	-146	2,978	2,978	59		-320
Freight.....	2,325	2,461	-136	2,297	2,299	-2	2,292	2,292	-33		-169
Ocean.....	158	146	12	130	118	12	124	124	-34		-22
Air.....	44	45	-1	44	45	-1	45	45	1		
Land.....	2,028	2,028		2,028	2,028		2,028	2,028			
Other.....	95	242	-147	95	108	-13	95	95			-147
Port services.....	505	837	-332	599	718	-119	658	658	153		-179
Vessel operators.....	38	219	-181	41	110	-69	76	76	38		-143
Airline operators.....	367	511	-144	367	367		367	367			-144
Other.....	100	107	-7	191	241	-50	215	215	115		108
Other.....	89		89	3	28	-25	28	28	-61		28

Table 6.1. Other Services, Northbound
[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada	Type of adjustment
2000											
Total	12,302	14,973	-2,671	11,399	14,371	-2,972	13,109	13,109	807	-1,864	
Affiliated.....	5,732	8,738	-3,006	5,422	8,636	-3,214	6,243	6,243	511	-2,495	Definitional, reclassification, and statistical
Royalties and license fees.....	1,569	2,053	-484	1,569	2,022	-453	(¹)	(¹)	(¹)	(¹)	
Other services.....	4,163	6,685	-2,522	3,853	6,614	-2,761	(¹)	(¹)	(¹)	(¹)	
Unaffiliated.....	6,469	6,234	235	5,933	5,733	200	6,822	6,822	355	589	
Royalties, license fees, and selected services ...	1,730	1,273	457	1,698	1,258	440	1,698	1,698	-32	425	Reclassification and statistical
Insurance.....	258	347	-89	347	321	26	347	347	89	.....	Definitional and statistical
Financial services.....	1,007	873	134	1,007	932	75	1,061	1,061	54	188	Definitional and statistical
Education and training.....	527	21	506	16	22	-6	22	22	-505	1	Reclassification and statistical
Communications.....	501	751	-250	501	394	107	501	501	.....	-250	Reclassification and statistical
Computer services.....	539	525	14	539	526	13	539	539	.....	14	Statistical
Business services.....	1,353	848	505	1,016	1,104	-88	1,492	1,492	139	644	Reclassification and statistical
Sports and entertainment.....	392	1,166	-774	647	1,006	-359	980	980	588	-186	Reclassification and statistical
Other private.....	.....	238	-238	.....	.....	.....	.....	.....	.....	-238	Definitional and reclassification
Government:											
United States (nonmilitary).....	74	62	12	74	62	12	74	74	.....	12	Statistical
Canada.....	88	130	-42	88	108	-20	108	108	20	-22	Definitional and statistical
U.S. military sales.....	103	.....	103	44	.....	44	44	44	-59	44	Definitional and statistical
2001											
Total	14,084	14,365	-281	12,021	13,761	-1,740	13,242	13,242	-842	-1,123	
Affiliated.....	7,348	8,088	-740	5,929	7,993	-2,064	6,297	6,297	-1,051	-1,791	Definitional, reclassification, and statistical
Royalties and license fees.....	1,561	1,983	-422	1,561	1,950	-389	(¹)	(¹)	(¹)	(¹)	
Other services.....	5,787	6,105	-318	4,368	6,043	-1,675	(¹)	(¹)	(¹)	(¹)	
Unaffiliated.....	6,635	6,279	356	6,032	5,768	264	6,884	6,884	253	606	
Royalties, license fees, and selected services ...	1,852	1,329	523	1,811	1,309	502	1,811	1,811	-41	482	Reclassification and statistical
Insurance.....	212	366	-154	302	341	-39	302	302	90	-64	Definitional and statistical
Financial services.....	1,001	892	109	1,001	956	45	1,216	1,216	215	324	Definitional and statistical
Education and training.....	595	19	576	25	20	5	25	25	-570	6	Reclassification and statistical
Communications.....	512	786	-274	512	424	88	512	512	.....	-274	Reclassification and statistical
Computer services.....	488	520	-32	488	522	-34	488	488	.....	-32	Statistical
Business services.....	1,275	778	497	914	1,041	-127	1,335	1,335	60	557	Reclassification and statistical
Sports and entertainment.....	504	1,151	-647	783	984	-201	1,019	1,019	515	-132	Reclassification and statistical
Other private.....	.....	246	-246	.....	.....	.....	.....	.....	.....	-246	Definitional and reclassification
Government:											
United States (nonmilitary).....	72	67	5	72	67	5	72	72	.....	5	Statistical
Canada.....	124	125	-1	124	104	20	104	104	-20	-21	Definitional and statistical
U.S. military sales.....	99	.....	99	60	.....	60	60	60	-39	60	Definitional and statistical

1. Royalties and license fees are combined with "other" services for reconciliation.

Table 6.2. Other Services, Southbound
[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
2000											
Total	12,021	6,658	5,363	11,524	6,809	4,716	9,938	9,938	-2,083	3,280	
Affiliated	5,994	2,993	3,001	5,966	2,964	3,002	3,942	3,942	-2,052	949	Definitional, reclassification, and statistical
Royalties and license fees	469	730	-261	464	730	-266	(¹)	(¹)	(¹)	(¹)	
Other services	5,525	2,263	3,262	5,502	2,234	3,268	(¹)	(¹)	(¹)	(¹)	
Unaffiliated	6,028	3,598	2,430	5,512	3,791	1,721	5,944	5,944	-84	2,346	
Royalties, license fees, and selected services ...	1,724	666	1,058	1,724	651	1,072	1,724	1,724		1,057	Definitional and statistical
Insurance	180	302	-122	180	382	-202	263	263	83	-39	Definitional and statistical
Financial services	412	243	169	412	243	169	353	353	-59	110	Statistical
Education and training	47	30	17	21		21	21	21	-26	-9	Reclassification and statistical
Communications	682	227	455	361	227	134	294	294	-388	67	Reclassification and statistical
Computer services	655	569	86	655	569	86	612	612	-43	43	Statistical
Business services	976	1,270	-294	1,071	1,172	-101	1,561	1,561	585	291	Reclassification and statistical
Sports and entertainment	891	57	834	847	313	534	847	847	-44	790	Reclassification and statistical
Other private	219		219						-219		Definitional and reclassification
Government:											
United States (nondefense)	36		36	36		36	36	36		36	Statistical
Canada	206	234	-28	206	234	-28	234	234	28		Statistical
U.S. defense expenditures		70	-70	50	50		50	50	50	-20	Reclassification and statistical
Total	10,763	7,972	2,791	10,304	7,439	2,865	9,562	9,562	-1,201	1,590	
Affiliated	5,113	4,316	797	5,092	3,596	1,496	3,910	3,910	-1,203	-406	Definitional, reclassification, and statistical
Royalties and license fees	447	990	-543	446	990	-544	(¹)	(¹)	(¹)	(¹)	
Other services	4,666	3,326	1,340	4,646	2,606	2,040	(¹)	(¹)	(¹)	(¹)	
Unaffiliated	5,650	3,577	2,073	5,156	3,781	1,375	5,595	5,595	-55	2,018	
Royalties, license fees, and selected services ...	1,653	600	1,053	1,653	587	1,066	1,653	1,653		1,053	Definitional and statistical
Insurance	165	370	-205	164	452	-288	271	271	106	-99	Definitional and statistical
Financial services	343	193	150	349	193	156	269	269	-74	76	Statistical
Education and training	46	36	10	18		18	18	18	-28	-18	Reclassification and statistical
Communications	630	184	446	297	184	113	241	241	-389	57	Reclassification and statistical
Computer services	562	562		562	562		524	524	-38	-38	Statistical
Business services	863	1,350	-487	980	1,234	-254	1,520	1,520	657	170	Reclassification and statistical
Sports and entertainment	891	61	830	843	348	495	843	843	-48	782	Reclassification and statistical
Other private	207		207						-207		Definitional and reclassification
Government:											
United States (nondefense)	35		35	35		35	35	35		35	Statistical
Canada	255	221	34	255	221	34	221	221	-34		Statistical
U.S. defense expenditures		77	-77	57	57		57	57	57	-20	Reclassification and statistical

1. Royalties and license fees are combined with "other" services for reconciliation.

Personal Income by State, Second Quarter 2002

By Duke Tran

IN the second quarter of 2002, personal income growth slowed in 35 States, picked up in 14 States, and was unchanged in South Dakota and the District of Columbia. Growth rates in the second quarter ranged from a decline of 0.3 percent in North Dakota to an increase of 2.2 percent in Nevada; in the first quarter, growth rates had ranged from a 1.0-percent decline in New York to a 3.5-percent increase in North Dakota (table A).¹ For the Nation, personal income growth was 1.3 percent in the second quarter, roughly the same as in the first (1.2 percent) and up from an average of 0.5 percent in the four quarters of 2001.

Table 1 at the end of this article presents the quarterly estimates of personal income for each State and region, beginning with the third quarter of 1998. Table 2 presents the quarterly estimates of personal income by major source and of earnings by industry, beginning with the fourth quarter of 2000.

U.S. personal income increased \$110 billion, or 1.3 percent, in the second quarter after increasing \$102 billion, or 1.2 percent, in the first. By component, net earnings grew 0.8 percent in the second quarter, the same rate as in the first quarter.² Dividends, interest, and rent grew 1.9 percent after growing 0.3 percent, and transfer payments grew 2.4 percent after growing 3.9 percent.

The contributions of the three major components

1. Percent changes from the preceding quarter are expressed at quarterly rates.

2. Net earnings is calculated as earnings by place of work less personal contributions for social insurance plus an adjustment that converts these earnings to a place-of-residence basis. Earnings by place of work is the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income.

Net earnings is used to analyze changes in the composition of personal income; earnings by place of work is used to analyze changes in the industrial structure of earnings. Estimates of net earnings by industry are not available, because the source data used to adjust earnings to a place-of-residence basis are not available by industry and because personal contributions for social insurance are not estimated by industry. For the definitions of the components of earnings, see U.S. Bureau of Economic Analysis, *State Personal Income, 1929-97* (Washington, DC: U.S. Government Printing Office, 1999), or go to BEA's Web site at <www.bea.gov/bea/mp.htm>, and look under "Regional programs" for "State Personal Income, 1929-97."

NOTE. The quarterly estimates of State personal income are prepared by the Regional Economic Measurement Division.

to growth in the second quarter differed markedly from those in the first (table B). Net earnings accounted for 67 percent of total U.S. personal income, but it contributed only 44 percent of second-quarter growth, down from 49 percent of first-quarter growth. The smaller contribution of net earnings reflected weakness in the Nation's labor market; the U.S. unemployment rate hovered around 5.9 percent in the second quarter, compared with 4.5 percent in the second quarter of 2001.

Dividends, interest, and rent accounted for 19 percent of total personal income, but it contributed 29 percent of second-quarter growth, up from 5 percent of first-quarter growth. The pickup in dividends, interest, and rent was partly due to step-ups in the growth in interest income, reflecting faster accumulation of interest-bearing assets, and in rental income of persons.

Transfer payments accounted for 14 percent of total personal income, but it contributed 28 percent of second-quarter growth, down from 46 percent of first-quarter growth. The slowdown in transfer payments followed a typical first-quarter uptick, when cost-of-living adjustments boosted payments for social security and other Federal programs.

By industry, U.S. earnings by place of work grew 0.8 percent in the second quarter, nearly unchanged from the 0.9-percent growth rate in the first (table C). Earnings declined in farms and mining; grew at slower rates in construction, trade, and government; and picked up in services, manufacturing, transportation and public utilities, and finance, insurance, and real estate. The decline in farm earnings, mainly reflecting price drops in cash receipts for crops and livestock, was nearly offset by increases in other industries, particularly services and government. Although manufacturing continued shedding jobs nationwide—about 85,000 jobs in the second quarter—the industry contributed positively to earnings growth for the first time since the third quarter of 2000 (table D). The second-quarter growth in manufacturing earnings partly reflected increases in average weekly earnings due to overtime paid to employees in various industries, such as chemicals, food processing, lumber and wood products, textiles, motor vehicles, and instruments and equipment.

contributor to growth in Washington, Utah, and Wyoming; and transfer payments was the major contributor to growth in New Mexico.

States with the fastest growth in personal income.

The States in the top quintile of personal income growth in the second quarter were Nevada, South Dakota, Rhode Island, Colorado, Delaware, Oklahoma, Michigan, Virginia, South Carolina, and Arkansas (chart 1). Most of these States were in the top quintile of personal income growth over the last four quarters, but their pattern of growth varied substantially. For example, Nevada's personal income grew at nearly double the national rate, but most of that growth occurred in the last two quarters. In South Dakota, Oklahoma, and Arkansas, personal income consistently grew above the national average during the last four quarters. In Colorado, Michigan, and Virginia, personal income growth was below the national average during the last four quarters, but it picked up substantially in the second quarter.

The fast personal income growth in all of the top quintile States mainly reflected strength in earnings. In addition, Michigan had the second-fastest growth in transfer payments nationwide, partly reflecting increases in unemployment benefits.

By industry, although the manufacturing sector was

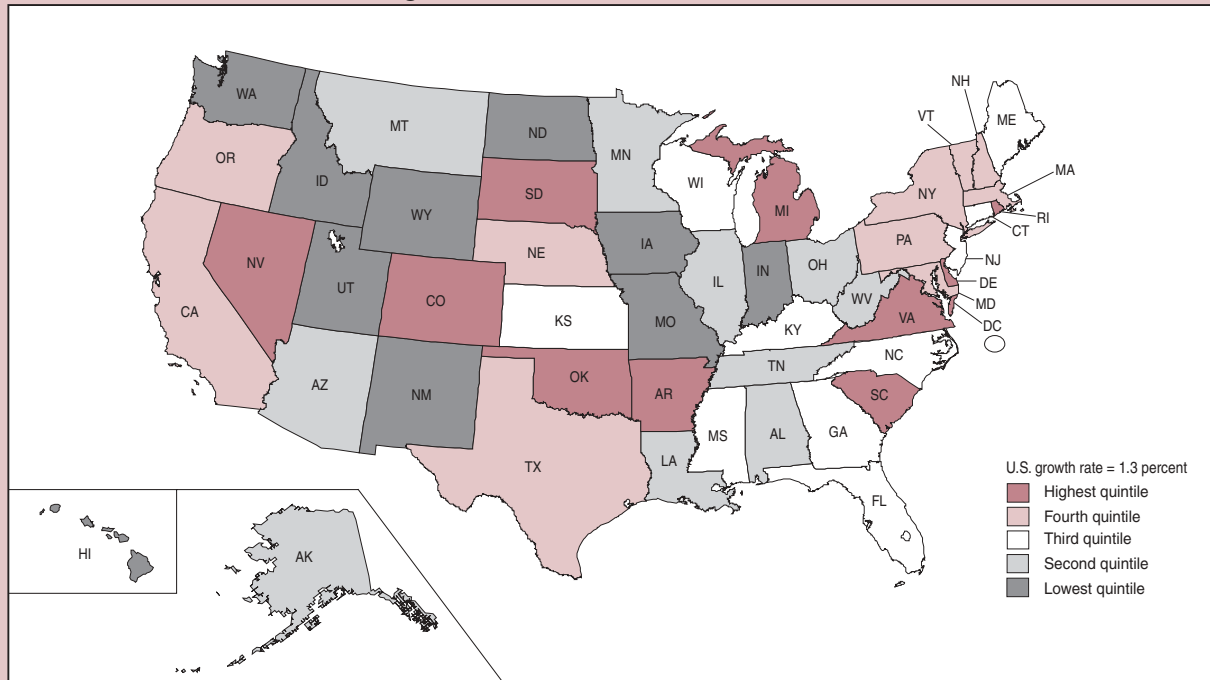
still weak nationwide, all the top quintile States had increases in manufacturing earnings, reflecting increases in average weekly earnings due to overtime paid to employees. In most of these States, earnings in services, government, and retail trade also contributed to the earnings growth. In addition, Nevada led the nation in earnings growth in government, retail trade, and finance, insurance, and real estate. In Colorado, earnings in construction, transportation and public utilities, and finance, insurance, and real estate contributed to earnings growth. In Delaware, construction earnings was the largest contributor to growth, and manufacturing earnings, mainly chemicals and related products, was the next largest. In Michigan, the relatively fast growth in manufacturing earnings partly reflected overtime payments in the motor vehicle industry. In Virginia, earnings in transportation and public utilities contributed to earnings growth; increases in earnings in nondurable-goods manufacturing were concentrated in the chemicals, textiles, tobacco, and food-processing industries.

States with the slowest growth in personal income.

Most of the States in the bottom quintile of personal income growth were in the western part of the Nation: Indiana, Washington, Hawaii, Missouri, Wyoming, New Mexico, Utah, Idaho, Iowa, and North

CHART 1

Personal Income: Percent Change 2002:I–2002:II



Dakota. In all of the States except Indiana, personal income growth decelerated substantially in the second quarter. Washington, Hawaii, Idaho, and North Dakota were in the top quintile of personal income growth in the first quarter. Wyoming and New Mexico

had above-average growth in the first quarter and in the fourth and third quarters of 2001. Many of the remaining slow-growing States had wide fluctuations in personal income growth during the last four quarters, partly reflecting fluctuations in farm activity.

Table B. Personal Income by Component, 2002:II

[Ranked by percent change in personal income, 2002:II]

	Percent change				Percent change in personal income	Contribution to percent change in personal income (percentage points)			Dollar change (in millions) ²			
	Personal income	Net earnings ¹	Dividends, interest, and rent	Transfer payments		Net earnings ¹	Dividends, interest, and rent	Transfer payments	Personal income	Net earnings ¹	Dividends, interest, and rent	Transfer payments
United States	1.3	0.8	1.9	2.4	1.3	0.55	0.35	0.35	110,111	48,398	31,114	30,599
Nevada.....	2.2	2.1	2.3	2.1	2.2	1.45	0.46	0.24	1,388	935	297	155
South Dakota.....	1.8	1.9	1.8	1.5	1.8	1.20	0.42	0.22	381	249	87	46
Rhode Island.....	1.8	1.6	1.9	2.7	1.8	0.99	0.35	0.50	602	325	114	163
Colorado.....	1.8	1.6	2.2	3.0	1.8	1.13	0.38	0.28	2,648	1,671	567	411
Delaware.....	1.7	1.4	2.1	2.9	1.7	0.94	0.39	0.36	454	252	105	97
Oklahoma.....	1.6	1.5	1.8	1.9	1.6	1.00	0.31	0.31	1,443	889	276	276
Michigan.....	1.6	1.2	1.4	3.7	1.6	0.78	0.26	0.57	4,814	2,332	789	1,695
Virginia.....	1.6	1.3	2.2	2.6	1.6	0.90	0.39	0.28	3,673	2,107	913	654
South Carolina.....	1.5	1.1	2.2	2.4	1.5	0.70	0.39	0.41	1,545	722	404	418
Arkansas.....	1.5	1.3	1.7	2.0	1.5	0.82	0.30	0.38	946	515	190	241
Massachusetts.....	1.5	0.9	2.2	3.5	1.5	0.61	0.40	0.47	3,664	1,508	986	1,172
Nebraska.....	1.5	1.3	1.5	2.2	1.5	0.85	0.32	0.29	748	436	162	150
Maryland.....	1.4	1.1	2.2	2.5	1.4	0.78	0.40	0.26	2,795	1,521	766	509
Vermont.....	1.4	1.1	1.7	2.4	1.4	0.71	0.35	0.37	255	127	61	66
Oregon.....	1.4	1.2	1.5	2.4	1.4	0.73	0.31	0.38	1,408	726	307	375
California.....	1.4	0.9	2.6	2.5	1.4	0.60	0.48	0.32	15,848	6,816	5,424	3,607
New York.....	1.4	1.1	1.5	2.3	1.4	0.74	0.27	0.38	9,388	5,012	1,822	2,555
New Hampshire.....	1.4	1.1	2.2	1.6	1.4	0.79	0.40	0.18	597	343	174	79
Pennsylvania.....	1.4	1.0	1.5	2.6	1.4	0.66	0.27	0.44	5,315	2,563	1,057	1,696
Texas.....	1.4	1.1	2.0	1.9	1.4	0.83	0.30	0.24	8,407	5,105	1,823	1,480
New Jersey.....	1.4	0.8	1.9	4.0	1.4	0.55	0.33	0.48	4,561	1,851	1,109	1,601
Georgia.....	1.3	0.9	2.5	2.3	1.3	0.66	0.41	0.28	3,308	1,611	1,017	681
Kentucky.....	1.3	0.9	1.8	2.6	1.3	0.54	0.31	0.47	1,367	560	324	484
Florida.....	1.3	1.0	1.7	1.8	1.3	0.59	0.42	0.29	6,365	2,877	2,061	1,427
Maine.....	1.3	1.0	1.7	1.8	1.3	0.66	0.32	0.32	461	234	113	115
District of Columbia.....	1.3	1.3	1.9	0.7	1.3	0.84	0.37	0.09	303	196	86	20
Wisconsin.....	1.3	0.9	1.7	2.5	1.3	0.61	0.33	0.35	2,076	986	532	558
Mississippi.....	1.3	0.8	1.9	2.1	1.3	0.52	0.31	0.44	812	330	201	282
Kansas.....	1.2	1.0	1.5	1.6	1.2	0.69	0.30	0.26	990	546	236	208
Connecticut.....	1.2	0.8	1.9	2.8	1.2	0.56	0.34	0.32	1,788	819	500	469
North Carolina.....	1.1	0.4	2.2	2.6	1.1	0.27	0.41	0.40	2,461	617	937	906
Illinois.....	1.1	0.5	1.7	3.1	1.1	0.35	0.34	0.38	4,390	1,437	1,391	1,562
Alaska.....	1.0	1.0	1.3	0.8	1.0	0.67	0.21	0.14	207	136	42	28
Louisiana.....	1.0	0.6	1.6	1.7	1.0	0.41	0.27	0.32	1,132	463	302	367
Alabama.....	1.0	0.5	1.8	1.9	1.0	0.31	0.33	0.35	1,099	344	367	387
Minnesota.....	1.0	0.3	2.0	3.2	1.0	0.19	0.41	0.38	1,633	312	681	639
Arizona.....	1.0	0.5	2.2	1.6	1.0	0.32	0.42	0.23	1,354	443	586	326
West Virginia.....	0.9	0.4	1.6	1.7	0.9	0.22	0.28	0.40	378	91	118	169
Ohio.....	0.8	0.3	1.5	2.2	0.8	0.21	0.28	0.35	2,800	710	931	1,159
Montana.....	0.8	0.3	1.5	1.9	0.8	0.18	0.34	0.31	183	40	74	69
Tennessee.....	0.8	0.1	2.0	2.4	0.8	0.09	0.32	0.40	1,292	149	503	641
Indiana.....	0.8	0.1	1.7	2.7	0.8	0.09	0.31	0.40	1,383	153	540	691
Washington.....	0.7	0.1	2.1	2.1	0.7	0.07	0.39	0.28	1,453	136	763	554
Hawaii.....	0.7	0.5	1.6	0.6	0.7	0.31	0.30	0.08	251	114	108	29
Missouri.....	0.7	0	1.5	2.2	0.7	0.02	0.30	0.36	1,094	28	483	582
Wyoming.....	0.5	-0.2	1.9	1.9	0.5	-0.15	0.47	0.23	82	-23	71	34
New Mexico.....	0.5	-0.2	1.5	2.1	0.5	-0.13	0.26	0.35	211	-58	114	155
Utah.....	0.4	-0.4	2.1	2.6	0.4	-0.27	0.35	0.29	207	-150	196	162
Idaho.....	0.2	-0.7	1.6	2.4	0.2	-0.45	0.31	0.34	64	-152	102	113
Iowa.....	0.2	-0.7	1.5	2.3	0.2	-0.47	0.31	0.34	137	-385	249	274
North Dakota.....	-0.3	-1.6	1.5	2.3	-0.3	-1.00	0.32	0.37	-54	-170	54	63
BEA regions												
New England.....	1.4	0.9	2.0	3.0	1.4	0.64	0.37	0.39	7,369	3,356	1,948	2,065
Mideast.....	1.4	1.0	1.7	2.6	1.4	0.69	0.30	0.39	22,817	11,393	4,945	6,479
Far West.....	1.3	0.8	2.4	2.3	1.3	0.57	0.45	0.30	20,554	8,864	6,941	4,749
Southwest.....	1.3	1.0	2.0	1.9	1.3	0.72	0.32	0.25	11,417	6,381	2,799	2,237
Southeast.....	1.2	0.8	1.9	2.2	1.2	0.53	0.38	0.34	24,378	10,386	7,336	6,656
Rocky Mountain.....	1.2	0.7	2.0	2.6	1.2	0.50	0.37	0.29	3,185	1,385	1,010	790
Great Lakes.....	1.1	0.6	1.6	2.9	1.1	0.41	0.30	0.41	15,464	5,617	4,184	5,664
Plains.....	0.9	0.3	1.7	2.4	0.9	0.18	0.34	0.34	4,929	1,015	1,952	1,960

1. Net earnings in earnings by place of work—the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income—less personal contributions for social insurance plus an adjustment to convert earnings by place of work to a place-of-residence basis.

2. Dollar changes are expressed at annual rates.
Note: Estimates may not add to totals because of rounding.

By industry, a sharp decline in farm earnings, reflecting decreases in cash receipts for crops and livestock, was the largest contributor to weak income growth in Wyoming, New Mexico, Idaho, Iowa, and North Dakota. In Missouri, Utah, and Idaho, earnings

declines in transportation and public utilities held back earnings growth. In Indiana and New Mexico, a decline in construction earnings contributed substantially to weak earnings growth. In Washington, earnings in both durable- and nondurable-goods

Table C. Percent Change of Earnings by Major Industry, 2002:II

[Ranked by percent change in personal income, 2002:II]

	Earnings by place of work	Earnings by industry										
		Farms	Mining	Construction	Durable goods manufacturing	Nondurable goods manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
United States	0.8	-31.7	-0.7	0.6	0.3	0.7	1.1	0.6	1.2	1.1	1.5	1.2
Nevada.....	2.1	-31.6	-3.2	2.6	0.2	3.1	2.1	1.6	2.6	3.0	2.2	2.6
South Dakota.....	2.0	-7.0	3.6	4.3	6.6	3.2	2.0	0.6	1.3	1.1	3.5	1.7
Rhode Island.....	1.7	-3.7	-0.8	1.6	1.0	1.3	0.6	-0.5	1.7	0.4	3.1	1.2
Colorado.....	1.6	-19.8	1.5	3.4	3.9	4.1	1.8	0.9	0.1	1.4	1.6	1.5
Delaware.....	1.5	-38.4	(?)	9.5	3.0	3.9	0.6	0.9	1.7	-0.7	1.6	0.3
Oklahoma.....	1.5	-8.9	1.0	2.1	1.5	7.0	0.8	-4.8	1.9	1.7	2.1	1.5
Michigan.....	1.2	(?)	2.8	-0.7	3.4	-0.1	2.5	0.6	0.9	1.6	1.4	0.8
Virginia.....	1.3	-3.4	-0.1	-0.1	1.5	2.9	1.7	0.5	1.0	0.8	1.5	1.3
South Carolina.....	1.1	-28.3	-4.3	0.9	1.6	0	1.5	0.4	1.4	1.1	1.9	1.7
Arkansas.....	1.3	1.0	-1.8	1.2	1.6	2.1	1.6	0.9	1.3	1.0	1.4	1.1
Massachusetts.....	0.9	-24.8	-0.9	1.1	-0.2	0.7	1.3	0.4	0.7	1.3	1.3	0.4
Nebraska.....	1.3	-0.7	-0.9	3.1	3.0	4.9	0.8	1.1	1.4	-2.5	1.4	1.5
Maryland.....	1.1	-25.3	-1.0	-0.4	1.8	3.3	1.1	0.9	0.7	1.2	1.6	0.8
Vermont.....	1.1	-20.2	-0.3	3.4	0.5	1.4	1.2	0.3	1.7	1.2	1.7	0.6
Oregon.....	1.2	-3.0	-1.7	0.1	1.1	3.3	0.7	2.2	1.4	1.1	1.6	1.0
California.....	0.9	-17.2	-1.0	0.1	-0.1	0.7	0.9	1.1	1.5	1.1	1.3	1.7
New York.....	1.1	-6.1	0.9	-0.1	0.5	0.3	1.1	0.9	1.4	1.2	1.3	1.5
New Hampshire.....	1.2	-5.9	2.8	0.9	2.1	0.8	0.5	0.4	1.6	1.4	1.0	1.4
Pennsylvania.....	1.0	1.0	-0.3	1.3	1.2	-0.8	1.3	0.2	1.1	0.6	1.6	1.1
Texas.....	1.1	-2.7	-0.8	1.0	-1.8	1.9	1.6	0.7	1.5	1.9	1.6	1.6
New Jersey.....	0.7	-4.7	2.5	0	-0.9	-1.0	1.2	0.7	1.3	0.6	1.3	1.1
Georgia.....	0.9	-32.3	2.1	0.8	-1.0	0.3	1.8	0.9	1.5	0.7	1.9	1.4
Kentucky.....	0.9	-15.3	-0.8	0.3	1.6	3.0	1.3	0.1	0.9	-0.2	1.7	0.5
Florida.....	1.0	-22.6	-0.2	1.8	-0.9	-0.7	1.5	0.8	1.3	1.7	1.7	0.4
Maine.....	1.0	-18.5	0.3	0.1	-2.6	2.4	1.9	-0.3	2.4	1.6	1.8	1.0
District of Columbia.....	1.2	(?)	0.1	-3.7	-1.1	-1.4	3.3	3.2	2.7	1.7	0.9	0.9
Wisconsin.....	1.0	(?)	0.8	2.7	-0.4	2.0	0.8	1.3	1.3	1.4	2.5	1.4
Mississippi.....	0.9	-13.6	0.2	1.5	1.3	0	1.0	1.6	1.1	0	1.6	0.9
Kansas.....	1.1	-0.2	0.7	4.6	3.7	0.8	-3.5	0.6	1.0	1.3	1.7	0.7
Connecticut.....	0.8	-6.3	-1.1	-1.1	-1.3	2.3	1.9	-2.8	1.6	0.9	1.8	1.2
North Carolina.....	0.4	-43.9	-1.6	0.2	2.0	0.8	0.7	0	1.5	1.0	1.9	0.9
Illinois.....	0.5	-83.2	-1.1	1.0	0.5	0.6	1.3	0.4	1.1	0.9	1.0	0.8
Alaska.....	1.0	-24.4	-1.1	1.0	-8.8	-1.8	1.0	1.2	0.7	2.2	2.1	1.3
Louisiana.....	0.6	-28.6	-1.1	0.5	-0.7	1.0	1.3	0.5	2.2	1.1	0.9	0.9
Alabama.....	0.5	-36.1	0.2	-0.3	-0.8	1.9	1.3	1.0	1.7	1.2	1.7	0.6
Minnesota.....	0.3	(?)	3.4	0.5	-0.1	1.9	1.1	0.6	0.9	1.2	1.6	0.7
Arizona.....	0.5	-48.0	0.6	1.3	0.4	-3.0	0.4	-0.3	2.3	0.8	1.5	1.9
West Virginia.....	0.3	(?)	-5.1	-2.2	1.1	2.9	1.3	-0.3	0.1	0.3	1.4	0.6
Ohio.....	0.3	-91.1	-2.5	-0.5	-0.7	0.9	1.4	0.5	0.8	0.7	0.7	0.9
Montana.....	0.3	-64.4	-1.4	0.6	2.0	-4.3	2.0	-0.7	1.1	1.2	1.7	2.1
Tennessee.....	0.1	(?)	-0.2	-2.0	-1.2	-0.1	0.7	0.2	0.6	0.7	1.1	1.4
Indiana.....	0.1	(?)	-0.5	-2.3	1.5	-1.5	0.5	0.1	0.5	1.1	1.4	1.4
Washington.....	0	-4.2	-2.0	0.5	-6.0	-5.3	0.1	0.5	0.8	1.1	1.4	1.8
Hawaii.....	0.4	0.9	0.2	3.7	1.6	0.3	2.6	2.9	1.1	-10.1	1.5	0.8
Missouri.....	0	(?)	2.6	-0.7	-0.1	0.7	-1.2	0.6	0.5	0.6	1.4	1.0
Wyoming.....	-0.2	-36.4	-1.8	0.6	1.6	0.1	0.1	3.4	0.9	2.3	1.9	1.3
New Mexico.....	-0.1	-46.1	-4.5	-3.4	4.2	0.4	2.1	0.8	1.4	1.8	1.3	2.4
Utah.....	-0.4	-36.0	-2.0	-1.1	0.4	-0.5	-4.7	0.1	0.4	0.6	0.2	1.1
Idaho.....	-0.6	-35.6	2.3	0.5	4.6	5.4	-3.1	0.5	1.5	1.9	1.1	1.6
Iowa.....	-0.7	-71.8	5.3	3.7	0.9	1.0	1.3	-0.2	0.9	-0.4	1.1	1.0
North Dakota.....	-1.3	-66.3	-1.9	2.5	4.9	4.0	1.7	-0.6	0.6	0.7	1.5	2.0
BEA regions												
New England.....	0.9	-14.9	-0.7	0.6	-0.3	1.4	1.4	-0.5	1.3	1.1	1.5	0.8
Mideast.....	1.0	-10.1	0.2	0.5	0.7	-0.1	1.1	0.7	1.2	1.0	1.4	1.2
Far West.....	0.8	-14.2	-1.4	0.4	-0.8	0.1	0.9	1.2	1.4	1.0	1.4	1.6
Southwest.....	1.0	-21.8	-0.7	1.0	-0.9	2.3	1.4	0.1	1.6	1.7	1.6	1.7
Southeast.....	0.8	-30.2	-1.3	0.5	0.4	0.9	1.4	0.6	1.3	1.1	1.6	1.0
Rocky Mountain.....	0.7	-32.2	-0.2	1.9	3.0	2.5	0.1	0.6	0.5	1.3	1.3	1.5
Great Lakes.....	0.6	(?)	-0.6	0.1	1.1	0.5	1.4	0.5	0.9	1.0	1.2	1.0
Plains.....	0.3	-44.3	1.6	1.5	1.1	1.6	-0.4	0.5	0.9	0.5	1.5	1.0

1. Not meaningful.

2. Data are suppressed to avoid disclosure of confidential information.

manufacturing declined substantially, mainly reflecting a return to more normal levels after large lump-sum payments boosted growth in the first quarter. In Hawaii, earnings in finance, insurance, and real estate declined substantially, reflecting a return to a more

normal level after unusually large lump-sum payments in the first quarter. In Wyoming, a decline in mining earnings, particularly in oil and gas extraction, contributed to weak growth.

Tables 1 and 2 follow.

Table D. Contribution to Percent Change of Earnings, 2002:II

[Ranked by percent change in personal income, 2002:II]

	Percent change in earnings by place of work	Percentage points										
		Earnings by industry										
		Farms	Mining	Construction	Durable goods manufacturing	Nondurable goods manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
United States	0.8	-0.22	-0.01	0.04	0.03	0.04	0.07	0.03	0.11	0.10	0.43	0.20
Nevada	2.1	-0.09	-0.05	0.25	0.01	0.05	0.12	0.07	0.26	0.26	0.87	0.40
South Dakota	2.0	-0.49	0.01	0.26	0.50	0.11	0.13	0.04	0.13	0.09	0.89	0.33
Rhode Island	1.7	0	0	0.09	0.09	0.06	0.03	-0.02	0.16	0.03	1.01	0.22
Colorado	1.6	-0.18	0.02	0.28	0.25	0.12	0.18	0.05	0.01	0.14	0.48	0.24
Delaware	1.5	-0.29	(?)	0.61	0.13	0.54	0.03	0.04	0.14	-0.13	0.40	0.04
Oklahoma	1.5	-0.10	0.06	0.11	0.11	0.45	0.06	-0.25	0.18	0.09	0.51	0.33
Michigan	1.2	(?)	0.01	-0.04	0.68	-0.01	0.13	0.04	0.08	0.10	0.37	0.12
Virginia	1.3	-0.01	0	-0.01	0.08	0.13	0.11	0.02	0.08	0.06	0.47	0.32
South Carolina	1.1	-0.23	0	0.06	0.14	0	0.10	0.02	0.14	0.07	0.44	0.36
Arkansas	1.3	0.03	-0.01	0.07	0.17	0.18	0.14	0.05	0.15	0.05	0.33	0.19
Massachusetts	0.9	-0.01	0	0.07	-0.02	0.03	0.06	0.02	0.06	0.16	0.46	0.05
Nebraska	1.3	-0.03	0	0.19	0.17	0.31	0.08	0.06	0.12	-0.21	0.37	0.25
Maryland	1.1	-0.08	0	-0.03	0.08	0.11	0.06	0.05	0.06	0.10	0.55	0.19
Vermont	1.1	-0.17	0	0.25	0.06	0.06	0.06	0.02	0.18	0.07	0.52	0.10
Oregon	1.2	-0.03	0	0.01	0.15	0.12	0.04	0.15	0.14	0.08	0.42	0.18
California	0.9	-0.18	0	0	-0.01	0.03	0.06	0.06	0.13	0.10	0.43	0.26
New York	1.1	-0.01	0	0	0.03	0.01	0.06	0.05	0.09	0.26	0.42	0.21
New Hampshire	1.2	-0.01	0	0.07	0.27	0.03	0.02	0.03	0.19	0.11	0.30	0.16
Pennsylvania	1.0	0	0	0.08	0.11	-0.07	0.09	0.01	0.09	0.05	0.52	0.14
Texas	1.1	-0.01	-0.04	0.07	-0.13	0.09	0.15	0.04	0.13	0.15	0.43	0.24
New Jersey	0.7	0	0	0	-0.04	-0.09	0.10	0.06	0.10	0.06	0.40	0.15
Georgia	0.9	-0.29	0	0.05	-0.06	0.02	0.19	0.07	0.13	0.05	0.54	0.23
Kentucky	0.9	-0.17	-0.02	0.02	0.19	0.20	0.10	0	0.08	-0.01	0.41	0.09
Florida	1.0	-0.18	0	0.12	-0.04	-0.02	0.10	0.05	0.14	0.17	0.61	0.07
Maine	1.0	-0.11	0	0	-0.18	0.16	0.09	-0.01	0.29	0.12	0.54	0.20
District of Columbia	1.2	(?)	(?)	0	-0.01	-0.02	-0.04	0.03	0.07	0.14	0.72	0.38
Wisconsin	1.0	(?)	0	0.18	-0.06	0.19	0.05	0.08	0.12	0.10	0.64	0.21
Mississippi	0.9	-0.20	0	0.10	0.15	0	0.06	0.07	0.11	0	0.39	0.20
Kansas	1.1	-0.01	0.01	0.27	0.39	0.04	-0.35	0.04	0.09	0.09	0.39	0.13
Connecticut	0.8	-0.01	0	-0.06	-0.14	0.13	0.09	-0.16	0.13	0.14	0.52	0.15
North Carolina	0.4	-0.70	0	0.01	0.19	0.07	0.04	0	0.14	0.08	0.47	0.16
Illinois	0.5	-0.33	0	0.06	0.04	0.04	0.09	0.03	0.09	0.09	0.32	0.11
Alaska	1.0	-0.02	-0.08	0.08	-0.08	-0.05	0.11	0.03	0.06	0.09	0.47	0.40
Louisiana	0.6	-0.17	-0.05	0.03	-0.03	0.07	0.10	0.03	0.20	0.06	0.24	0.19
Alabama	0.5	-0.43	0	-0.02	-0.08	0.14	0.08	0.06	0.15	0.07	0.41	0.12
Minnesota	0.3	(?)	0.01	0.03	-0.01	0.14	0.06	0.04	0.09	0.12	0.44	0.09
Arizona	0.5	-0.65	0	0.10	0.04	-0.06	0.02	-0.01	0.24	0.08	0.44	0.33
West Virginia	0.3	(?)	-0.32	-0.14	0.07	0.17	0.09	-0.01	0.01	0.01	0.38	0.14
Ohio	0.3	-0.19	-0.01	-0.03	-0.10	0.07	0.08	0.03	0.07	0.05	0.20	0.15
Montana	0.3	-0.88	-0.03	0.04	0.08	-0.10	0.15	-0.03	0.13	0.08	0.49	0.47
Tennessee	0.1	(?)	0	-0.13	-0.12	-0.01	0.05	0.01	0.06	0.05	0.33	0.20
Indiana	0.1	(?)	0	-0.16	0.28	-0.11	0.03	0	0.04	0.07	0.33	0.20
Washington	0	-0.05	0	0.03	-0.63	-0.20	0.01	0.03	0.07	0.08	0.40	0.34
Hawaii	0.4	0.01	0	0.22	0.01	0.01	0.18	0.10	0.12	-0.88	0.43	0.25
Missouri	0	(?)	0.01	-0.05	-0.01	0.05	-0.10	0.04	0.05	0.05	0.40	0.16
Wyoming	-0.2	-1.01	-0.26	0.05	0.03	0	0.01	0.11	0.08	0.12	0.37	0.32
New Mexico	-0.1	-1.37	-0.13	-0.22	0.18	0.01	0.12	0.03	0.14	0.09	0.37	0.69
Utah	-0.4	-0.28	-0.02	-0.08	0.03	-0.02	-0.36	0.01	0.04	0.05	0.05	0.21
Idaho	-0.6	-1.94	0.01	0.04	0.50	0.23	-0.22	0.03	0.15	0.10	0.26	0.30
Iowa	-0.7	-1.62	0.01	0.23	0.10	0.07	0.08	-0.01	0.09	-0.04	0.27	0.17
North Dakota	-1.3	-2.77	-0.03	0.16	0.25	0.10	0.14	-0.04	0.06	0.05	0.40	0.45
BEA regions												
New England	0.9	-0.02	0	0.03	-0.03	0.07	0.07	-0.03	0.11	0.14	0.50	0.10
Mideast	1.0	-0.02	0	0.02	0.04	-0.01	0.07	0.04	0.09	0.15	0.46	0.19
Far West	0.8	-0.14	-0.01	0.02	-0.07	0.01	0.05	0.06	0.13	0.08	0.44	0.28
Southwest	1.0	-0.18	-0.03	0.06	-0.07	0.10	0.12	0.01	0.15	0.13	0.44	0.28
Southeast	0.8	-0.26	-0.01	0.03	0.03	0.06	0.10	0.04	0.12	0.08	0.47	0.18
Rocky Mountain	0.7	-0.50	0	0.15	0.21	0.08	0.01	0.03	0.05	0.11	0.36	0.26
Great Lakes	0.6	(?)	0	0	0.16	0.04	0.08	0.03	0.08	0.08	0.34	0.15
Plains	0.3	-0.68	0.01	0.10	0.10	0.10	-0.03	0.03	0.08	0.04	0.41	0.16

1. Not meaningful.

2. Data are suppressed to avoid disclosure of confidential information.

NOTE: Estimates may not add to totals because of rounding.

Table 2. Personal Income by Major Source [Millions of dollars, seasonally

Table with 15 columns: Line, Item, United States (2000, 2001, 2002), Alabama (2000, 2001, 2002). Rows include categories like Income by place of residence, Derivation of personal income, Earnings by place of work, and Earnings by industry.

Table with 15 columns: Line, Item, California (2000, 2001, 2002), Colorado (2000, 2001, 2002). Rows include categories like Income by place of residence, Derivation of personal income, Earnings by place of work, and Earnings by industry.

See footnotes at the end of table.

Table 2. Personal Income by Major Source
[Millions of dollars, seasonally

Maine table with columns for Line, Item, 2000, 2001, 2002 and sub-columns for IV, I, II, III, IV, I, II. Rows include Income by place of residence, Derivation of personal income, Earnings by place of work, and Earnings by industry.

Mississippi and Missouri tables with columns for Line, Item, 2000, 2001, 2002 and sub-columns for IV, I, II, III, IV, I, II. Rows include Income by place of residence, Derivation of personal income, Earnings by place of work, and Earnings by industry.

See footnotes at the end of table.

Table 2. Personal Income by Major Source
[Millions of dollars, seasonally]

Table with columns for Line, Item, Wisconsin (2000, 2001, 2002) and Wyoming (2000, 2001, 2002). Rows include Income by place of residence, Derivation of personal income, Earnings by place of work, and Earnings by industry.

Table with columns for Line, Item, Plains (2000, 2001, 2002) and Southeast (2000, 2001, 2002). Rows include Income by place of residence, Derivation of personal income, Earnings by place of work, and Earnings by industry.

^ Preliminary.
Revised.
* Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the total.
1. The estimates of earnings for 2000-2002 are based on the 1987 Standard Industrial Classification.
2. Personal contributions for social insurance are included in earnings by type and by industry, but they are excluded from personal income.
3. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.
4. Rental income of persons includes the capital consumption adjustment.
5. Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.
6. "Other" consists of the wage and salary disbursements of U.S. residents employed by international organizations and foreign embassies and consulates in the United States.

National Data

A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components; these estimates were released on October 31, 2002 and include the "advance" estimates for the third quarter of 2002.

The selected set of NIPA tables shown in this section presents quarterly estimates, which are updated monthly. In most of these tables, annual estimates are also shown.

The news release on gross domestic product is available within minutes of the time of release, and the "Selected NIPA Tables" are available later that day, on BEA's Web site <www.bea.gov>.

The "Selected NIPA Tables" are also available on printouts or diskettes from BEA. To order NIPA subscription products, call the BEA Order Desk at 1-800-704-0415 (outside the United States, 202-606-9666).

NOTE. Effective with this release, the estimates of population beginning with 1990 are revised to reflect the intercensal population estimates released in September 2002 by the Bureau of the Census. These revisions affected the estimates in NIPA tables 2.1, 2.9, and 8.7. For more information, see "Updated NIPA Tables" in this issue.

S. Summary Tables

Table S.1. Summary of Percent Change From Preceding Period in Real Gross Domestic Product and Related Measures

	[Percent]						
	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
		III	IV	I	II	III	
Gross domestic product ..	3.8	.3	-.3	2.7	5.0	1.3	3.1
Personal consumption expenditures	4.4	2.5	1.5	6.0	3.1	1.8	4.2
Durable goods	8.2	6.0	4.6	33.6	-6.3	2.0	22.7
Nondurable goods	3.9	2.0	1.3	3.6	7.9	-1	1.3
Services	3.8	2.0	.9	2.1	2.9	2.7	2.3
Gross private domestic investment	6.2	-10.7	-5.2	-17.3	18.2	7.9	-.3
Fixed investment	6.1	-3.8	-4.3	-8.9	-5	-1.0	.2
Nonresidential	7.8	-5.2	-6.0	-10.9	-5.8	-2.4	.6
Structures	6.5	-1.7	2.9	-30.1	-14.2	-17.6	-16.0
Equipment and software	8.2	-6.4	-9.2	-2.5	-2.7	3.3	6.5
Residential	1.1	.3	.4	-3.5	14.2	2.7	-.8
Change in private inventories							
Net exports of goods and services	9.7	-5.4	-17.3	-9.6	3.5	14.3	2.1
Exports	11.3	-5.9	-18.6	-7.9	-3.4	15.9	3.8
Services	6.0	-4.0	-13.9	-13.8	21.7	10.7	-1.6
Imports	13.2	-2.9	-11.8	-5.3	8.5	22.2	2.5
Goods	13.5	-3.3	-9.6	-3.3	3.7	27.9	4.5
Services	11.6	-5	-23.2	-16.5	35.7	-2.1	-7.1
Government consumption expenditures and gross investment	2.7	3.7	-1.1	10.5	5.6	1.4	1.8
Federal	1.3	4.8	1.2	13.5	7.4	7.5	2.9
National defense	-.1	5.0	4.6	14.3	11.6	7.8	5.1
Nondefense	3.6	4.5	-4.5	12.1	.4	6.9	-.9
State and local	3.5	3.1	-2.3	8.9	4.6	-1.7	1.2
Addenda:							
Final sales of domestic product	3.7	1.5	-.2	4.2	2.4	-.1	3.2
Gross domestic purchases	4.4	.4	-.1	2.9	5.6	2.6	3.1
Final sales to domestic purchasers	4.3	1.6	.1	4.3	3.0	1.3	3.2
Gross national product	3.7	.2	-1.1	3.7	3.7	.4	.....
Disposable personal income	4.8	1.8	10.5	-7.6	14.5	3.6	2.7

NOTE. Percent changes from preceding period in the current-dollar and price measures for these series are shown in table 8.1.

Table S.2. Summary of Contributions to Percent Change in Real Gross Domestic Product

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Percent change at annual rate:							
Gross domestic product	3.8	.3	-.3	2.7	5.0	1.3	3.1
Percentage points at annual rates:							
Personal consumption expenditures	2.94	1.67	.97	4.05	2.22	1.22	2.95
Durable goods .....	.65	.48	.36	2.45	-.55	.16	1.73
Nondurable goods .....	.77	.39	.25	.73	1.57	-.02	.27
Services	1.51	.80	.35	.87	1.20	1.08	.95
Gross private domestic investment	1.08	-1.90	-.81	-2.88	2.53	1.16	-.04
Fixed investment	1.03	-.65	-.72	-1.49	-.07	-.15	.03
Nonresidential .....	.98	-.66	-.73	-1.33	-.66	-.27	.07
Structures .....	.20	-.05	.10	-1.12	-.44	-.53	-.45
Equipment and software .....	.78	-.61	-.83	-.21	-.22	.26	.52
Residential .....	.05	.01	.02	-.16	.60	.12	-.03
Change in private inventories .....	.06	-1.24	-.09	-1.39	2.60	1.31	-.07
Net exports of goods and services	-.75	-.18	-.24	-.28	-.75	-1.40	-.13
Exports	1.04	-.59	-1.94	-.99	.33	1.29	.21
Services .....	.85	-.47	-1.49	-.56	-.23	.99	.26
Imports .....	.19	-.13	-.45	-.42	.56	.30	-.05
Goods	-1.79	.42	1.70	.70	-1.08	-2.69	-.35
Services	-1.54	.40	1.17	.37	-.40	-2.74	-.52
State and local	-.24	.01	.53	.33	-.68	.05	.17
Government consumption expenditures and gross investment .....	.49	.65	-.21	1.85	1.04	.27	.35
Federal .....	.08	.29	.07	.80	.47	.47	.20
National defense .....	.00	.19	.18	.54	.46	.32	.22
Nondefense .....	.08	.10	-.11	.26	.01	.16	-.02
State and local .....	.41	.36	-.28	1.05	.56	-.21	.16

NOTE. More detailed contributions to percent change in real gross domestic product are shown in table 8.2. Contributions to percent change in major components of real gross domestic product are shown in tables 8.3 through 8.6.

1. National Product and Income

Table 1.1. Gross Domestic Product
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Gross domestic product	9,824.6	10,082.2	10,097.7	10,152.9	10,313.1	10,376.9	10,486.1
Personal consumption expenditures	6,683.7	6,987.0	6,983.7	7,099.9	7,174.2	7,254.7	7,364.3
Durable goods	803.9	835.9	824.0	882.6	859.0	856.9	897.5
Nondurable goods	1,972.9	2,041.3	2,044.3	2,044.4	2,085.1	2,108.2	2,118.4
Services	3,906.9	4,109.9	4,115.4	4,172.9	4,230.1	4,289.5	4,348.5
Gross private domestic investment	1,755.4	1,586.0	1,574.9	1,500.7	1,559.4	1,588.0	1,583.6
Fixed investment	1,691.8	1,646.3	1,635.5	1,597.2	1,589.4	1,584.6	1,583.3
Nonresidential	1,265.8	1,201.6	1,188.1	1,149.8	1,126.8	1,115.8	1,114.9
Structures	314.2	324.5	332.0	302.3	288.3	275.2	263.9
Equipment and software	951.6	877.1	856.1	847.4	838.5	840.7	851.0
Residential	426.0	444.8	447.4	447.4	462.6	468.7	468.4
Change in private inventories	63.6	-60.3	-60.6	-96.5	-29.9	3.4	.4
Net exports of goods and services	-365.5	-348.9	-312.6	-344.5	-360.1	-425.6	-437.3
Exports	1,101.1	1,034.1	1,005.8	971.1	977.5	1,018.1	1,032.4
Goods	785.0	733.5	708.5	687.7	679.8	709.4	722.0
Services	316.1	300.6	297.3	283.4	297.7	308.8	310.3
Imports	1,466.6	1,383.0	1,318.4	1,315.6	1,337.5	1,443.7	1,469.7
Goods	1,243.1	1,167.2	1,140.6	1,098.3	1,102.3	1,202.9	1,225.5
Services	223.5	215.8	177.8	217.3	235.2	240.8	244.2
Government consumption expenditures and gross investment	1,751.0	1,858.0	1,851.7	1,896.8	1,939.5	1,959.8	1,975.4
Federal	589.2	628.1	627.4	646.9	672.0	688.2	695.1
National defense	374.9	399.9	400.3	412.8	431.7	442.1	449.0
Nondefense	214.3	228.2	227.2	234.1	240.3	246.1	246.1
State and local	1,161.8	1,229.9	1,224.3	1,249.8	1,267.5	1,271.6	1,280.4

NOTE: Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 1.2. Real Gross Domestic Product
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Gross domestic product ..	9,191.4	9,214.5	9,186.4	9,248.8	9,363.2	9,392.4	9,465.2
Personal consumption expenditures	6,223.9	6,377.2	6,370.9	6,464.0	6,513.8	6,542.4	6,610.8
Durable goods	878.9	931.9	922.6	992.0	975.9	980.7	1,032.0
Nondurable goods	1,833.8	1,869.8	1,868.3	1,885.0	1,921.4	1,920.9	1,927.2
Services	3,524.5	3,594.9	3,597.5	3,616.6	3,642.2	3,666.2	3,686.9
Gross private domestic investment	1,762.9	1,574.6	1,562.7	1,490.3	1,554.0	1,583.9	1,582.8
Fixed investment	1,691.9	1,627.4	1,615.7	1,578.4	1,576.4	1,572.6	1,573.4
Nonresidential	1,324.2	1,255.1	1,241.7	1,206.4	1,188.4	1,181.1	1,182.8
Structures	275.5	270.9	276.3	252.7	243.2	231.7	221.8
Equipment and software	1,056.0	988.2	966.4	960.3	953.7	961.4	976.7
Residential	372.4	373.5	374.3	371.0	383.6	386.1	385.4
Change in private inventories	65.0	-61.4	-61.8	-98.4	-28.9	4.9	1.9
Net exports of goods and services	-398.8	-415.9	-419.0	-425.3	-446.6	-487.4	-491.2
Exports	1,137.2	1,076.1	1,048.0	1,021.8	1,030.6	1,065.5	1,071.2
Goods	834.7	785.2	760.0	744.6	738.1	765.8	773.0
Services	304.1	292.0	288.7	278.2	292.2	299.7	298.5
Imports	1,536.0	1,492.0	1,467.0	1,447.2	1,477.1	1,552.9	1,562.4
Goods	1,313.7	1,270.5	1,249.2	1,238.7	1,250.0	1,329.2	1,343.9
Services	223.6	222.4	218.6	208.9	225.5	224.3	220.2
Government consumption expenditures and gross investment	1,582.5	1,640.4	1,633.3	1,674.5	1,697.3	1,703.3	1,711.1
Federal	544.4	570.6	568.9	587.2	597.8	608.7	613.1
National defense	348.7	366.0	365.5	378.0	388.5	395.8	400.8
Nondefense	195.6	204.4	203.2	209.1	209.3	212.9	212.4
State and local	1,037.4	1,069.4	1,064.1	1,087.1	1,099.3	1,094.7	1,098.1
Residual	2.1	22.6	29.1	20.2	20.2	25.1	14.6

NOTE: Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Percent changes from preceding period for selected items in this table are shown in table 8.1; contributions to the percent change in real gross domestic product are shown in table 8.2.

Chain-type quantity indexes for the series in this table are shown in table 7.1.

Vintage Estimates of the National Income and Product Accounts, 1978-2000

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Table 1.9. Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income

[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Gross domestic product	9,824.6	10,082.2	10,097.7	10,152.9	10,313.1	10,376.9	10,486.1
<i>Plus:</i> Income receipts from the rest of the world	383.4	316.9	302.0	269.0	264.7	276.0	.....
<i>Less:</i> Income payments to the rest of the world	360.0	295.0	290.5	233.7	262.8	296.1	.....
Equals: Gross national product	9,848.0	10,104.1	10,109.3	10,188.1	10,314.9	10,356.8	.....
<i>Less:</i> Consumption of fixed capital	1,228.9	1,329.3	1,381.8	1,338.6	1,363.5	1,389.8	1,406.7
Private	1,018.0	1,106.8	1,153.8	1,114.4	1,136.9	1,161.2	1,176.1
Capital consumption allowances	1,037.1	1,168.4	1,180.3	1,331.9	1,324.0	1,322.0	1,317.9
<i>Less:</i> Consumption adjustment	19.1	61.6	26.5	217.5	187.0	160.8	141.8
Government	210.9	222.4	227.9	224.2	226.5	228.6	230.6
General government	179.5	187.7	188.4	190.4	192.5	194.1	195.8
Government enterprises	31.5	34.8	39.6	33.8	34.0	34.4	34.8
Equals: Net national product	8,619.1	8,774.8	8,727.5	8,849.5	8,951.5	8,967.0	.....
<i>Less:</i> Indirect business tax and nontax liability Business transfer payments	43.7	42.5	42.6	42.8	43.8	43.9	44.1
Statistical discrepancy	-128.5	-117.3	-117.8	-132.6	-110.0	-164.6	.....
<i>Plus:</i> Subsidies less current surplus of government enterprises	34.1	47.3	59.1	37.5	37.0	35.1	29.1
Equals: National income	7,984.4	8,122.0	8,089.1	8,196.8	8,268.5	8,327.7	.....
<i>Less:</i> Corporate profits with inventory valuation and capital consumption adjustments	788.1	731.6	687.2	811.4	797.6	785.0	.....
Net interest	611.5	649.8	648.3	653.9	672.8	678.1	691.2
Contributions for social insurance	701.3	726.1	727.4	725.8	740.4	746.0	752.2
Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
<i>Plus:</i> Personal interest income	1,077.0	1,091.3	1,086.4	1,072.9	1,069.9	1,082.3	1,082.8
Personal dividend income	375.7	409.2	411.0	417.3	423.7	430.3	437.3
Government transfer payments to persons	1,037.3	1,137.0	1,148.9	1,171.0	1,217.4	1,247.7	1,262.9
Business transfer payments to persons	33.0	33.4	33.6	34.0	34.6	34.9	35.3
Equals: Personal income	8,406.6	8,685.3	8,706.2	8,700.9	8,803.4	8,913.7	8,992.4
Addenda:							
Gross domestic income	9,953.1	10,199.4	10,215.6	10,285.5	10,423.1	10,541.5	.....
Gross national income	9,976.5	10,221.4	10,227.1	10,320.7	10,424.9	10,521.4	.....
Net domestic product	8,595.7	8,752.9	8,716.0	8,814.3	8,949.6	8,987.0	9,079.4

Table 1.10. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product

[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Gross domestic product	9,191.4	9,214.5	9,186.4	9,248.8	9,363.2	9,392.4	9,465.2
<i>Plus:</i> Income receipts from the rest of the world	359.0	292.0	278.1	247.4	242.8	251.8	.....
<i>Less:</i> Income payments to the rest of the world	333.6	269.2	264.9	213.1	239.2	268.2	.....
Equals: Gross national product	9,216.2	9,237.3	9,199.8	9,283.5	9,367.5	9,376.7	.....
<i>Less:</i> Consumption of fixed capital	1,226.1	1,320.8	1,378.1	1,333.5	1,357.9	1,390.9	1,417.0
Private	1,024.0	1,110.7	1,163.0	1,122.2	1,144.8	1,176.2	1,200.9
Government	202.5	210.9	216.1	212.1	214.0	215.8	217.5
General government	173.3	179.2	179.9	181.5	183.2	184.7	186.1
Government enterprises	29.2	31.7	36.0	30.6	30.9	31.1	31.3
Equals: Net national product	7,994.4	7,928.1	7,838.8	7,961.1	8,022.0	8,001.6	.....
Addenda:							
Gross domestic income ¹	9,311.6	9,321.7	9,293.6	9,369.5	9,463.1	9,541.4	.....
Gross national income ²	9,336.4	9,344.5	9,307.1	9,404.2	9,467.4	9,525.7	.....
Net domestic product	7,969.7	7,905.4	7,825.3	7,926.7	8,017.7	8,017.0	8,065.4

1. Gross domestic income deflated by the implicit price deflator for gross domestic product.

2. Gross national income deflated by the implicit price deflator for gross national product.

NOTE: Except as noted in footnotes 1 and 2, chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

The chain-type quantity index for gross national product is shown in table 7.3.

Table 1.11. Command-Basis Real Gross National Product

[Billions of chained (1996) dollars]

	2000	2001	2001	2001	2001	2001	.....
Gross national product	9,216.2	9,237.3	9,199.8	9,283.5	9,367.5	9,376.7	.....
<i>Less:</i> Exports of goods and services and income receipts from the rest of the world ...	1,498.9	1,366.5	1,324.1	1,264.7	1,268.0	1,311.9	.....
<i>Plus:</i> Command-basis exports of goods and services and income receipts from the rest of the world ¹	1,516.6	1,410.0	1,400.2	1,314.9	1,321.2	1,345.6	.....
Equals: Command-basis gross national product	9,233.9	9,280.9	9,275.9	9,333.7	9,420.6	9,410.3	.....
Addendum:							
Terms of trade ²	101.2	103.2	105.7	104.0	104.2	102.6	.....

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

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

NOTE: Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Percent changes from preceding period for gross national product are shown in table 8.1.

Chain-type quantity indexes for the series in this table are shown in table 7.3.

3. Government Current Receipts and Expenditures

Table 3.1. Government Current Receipts and Expenditures
 [Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Current receipts	3,000.6	2,992.3	2,878.2	2,986.1	2,865.7	2,882.0	.....
Personal tax and nontax receipts	1,286.4	1,292.1	1,181.9	1,309.7	1,136.8	1,127.2	1,118.0
Corporate profits tax accruals	259.4	199.3	196.2	170.6	202.4	213.7	.....
Indirect business tax and nontax accruals	753.6	774.8	772.7	779.9	786.2	795.1	807.9
Contributions for social insurance	701.3	726.1	727.4	725.8	740.4	746.0	752.2
Current expenditures	2,775.8	2,951.6	2,976.1	2,994.9	3,067.3	3,117.4	3,132.3
Consumption expenditures	1,431.2	1,522.2	1,528.0	1,551.8	1,584.0	1,611.6	1,625.7
Transfer payments (net)	1,050.8	1,146.6	1,157.8	1,186.3	1,240.2	1,258.3	1,274.2
To persons	1,037.3	1,137.0	1,148.9	1,171.0	1,217.4	1,247.7	1,262.9
To the rest of the world (net)	13.6	9.6	8.9	15.3	22.8	10.6	11.3
Net interest paid	260.1	236.0	231.6	219.9	206.6	212.8	203.8
Interest paid	363.6	341.1	336.8	326.1	312.7	319.5	312.2
To persons and business	280.6	260.4	257.8	250.2	238.7	244.9	.....
To the rest of the world	83.0	80.7	79.0	75.9	74.0	74.7	.....
Less: Interest received by government	103.5	105.1	105.2	106.2	106.2	106.7	108.4
Less: Dividends received by government .....	.4	.4	.4	.4	.4	.5	.5
Subsidies less current surplus of government enterprises	34.1	47.3	59.1	37.5	37.0	35.1	29.1
Subsidies	44.1	55.3	66.6	46.1	46.4	46.0	46.5
Less: Current surplus of government enterprises	10.1	8.0	7.5	8.6	9.4	11.0	17.4
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
Current surplus or deficit (-), national income and product accounts	224.8	40.7	-97.9	-8.9	-201.6	-235.4	.....
Social insurance funds	118.4	93.2	88.4	76.3	63.9	49.6	51.4
Other	106.4	-52.5	-186.3	-85.1	-265.5	-284.9	.....
Addenda:							
Net lending or net borrowing (-)	142.2	-46.9	-171.9	-105.6	-305.6	-336.0	.....
Current surplus or deficit (-), national income and product accounts	224.8	40.7	-97.9	-8.9	-201.6	-235.4	.....
Plus: Consumption of fixed capital	210.9	222.4	227.9	224.2	226.5	228.6	230.6
Plus: Capital transfers received (net)	35.9	35.4	34.4	34.7	35.8	29.7	35.6
Less: Gross investment	319.8	335.8	323.7	345.0	355.5	348.2	349.7
Less: Net purchases of nonproduced assets	9.6	9.6	12.6	10.6	10.8	10.6	11.4

Table 3.2. Federal Government Current Receipts and Expenditures

[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Current receipts	2,033.9	2,008.4	1,896.0	1,992.3	1,884.7	1,889.0	.....
Personal tax and nontax receipts	1,009.0	1,010.9	900.4	1,025.5	874.8	861.9	848.1
Income taxes	999.0	1,000.3	889.8	1,015.1	864.8	852.3	839.1
Nontaxes	10.0	10.6	10.6	10.4	10.0	9.6	9.1
Corporate profits tax accruals	223.8	170.2	168.0	142.9	170.5	180.2	.....
Federal Reserve banks	25.3	27.1	26.6	24.3	22.7	23.2	.....
Other	198.5	143.2	141.4	118.6	147.8	157.0	.....
Indirect business tax and nontax accruals	109.1	110.3	109.5	107.3	108.4	110.2	112.6
Excise taxes	67.3	66.3	65.9	64.9	68.4	69.9	69.9
Customs duties	21.1	20.6	19.9	19.9	18.8	19.4	22.4
Nontaxes	20.7	23.4	23.6	22.5	21.2	20.9	20.2
Contributions for social insurance	692.1	716.9	718.1	716.6	731.1	736.7	742.7
Current expenditures	1,827.1	1,936.4	1,947.7	1,971.0	2,030.5	2,079.3	2,072.9
Consumption expenditures	493.3	528.4	527.9	543.6	566.3	581.0	586.8
Transfer payments (net)	779.5	842.2	849.3	870.9	916.9	927.6	935.4
To persons	765.9	832.6	840.4	855.6	894.1	917.0	924.1
To the rest of the world (net)	13.6	9.6	8.9	15.3	22.8	10.6	11.3
Grants-in-aid to State and local governments	247.5	277.4	271.4	289.4	292.3	309.6	305.0
Net interest paid	263.0	238.1	233.6	221.6	208.5	214.9	205.7
Interest paid	282.2	257.8	253.3	242.1	228.3	234.6	226.8
To persons and business	199.2	177.2	174.3	166.2	154.2	159.9	.....
To the rest of the world	83.0	80.7	79.0	75.9	74.0	74.7	.....
Less: Interest received by government	19.3	19.7	19.7	20.5	19.8	19.7	21.1
Subsidies less current surplus of government enterprises ..	43.8	50.3	65.5	45.5	46.6	46.3	40.0
Subsidies	43.7	47.5	62.3	43.1	44.9	45.5	45.0
Less: Current surplus of government enterprises ..	-1	-2.8	-3.1	-2.4	-1.7	-7	5.0
Less: Wage accruals less disbursements	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts ..	206.9	72.0	-51.7	21.3	-145.8	-190.3	.....
Social insurance funds	118.3	93.3	88.5	76.4	64.1	49.7	51.5
Other	88.6	-21.3	-140.2	-55.1	-209.9	-240.0	.....
Addenda:							
Net lending or net borrowing (-)	199.2	58.9	-69.3	3.3	-169.5	-217.9	.....
Current surplus or deficit (-), national income and product accounts	206.9	72.0	-51.7	21.3	-145.8	-190.3	.....
Plus: Consumption of fixed capital	95.9	98.7	99.0	99.7	100.6	101.3	102.2
Plus: Capital transfers received (net)	-8.0	-12.9	-14.7	-14.3	-18.3	-21.8	-16.8
Less: Gross investment ...	95.9	99.7	99.5	103.4	105.7	107.1	108.3
Less: Net purchases of nonproduced assets	-3	-7	2.3	.1	.2	-1	.6

Table 3.3. State and Local Government Current Receipts and Expenditures

[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Current receipts	1,214.2	1,261.3	1,253.6	1,283.2	1,273.3	1,302.5	.....
Personal tax and nontax receipts	277.5	281.2	281.6	284.3	262.0	265.2	269.8
Income taxes	218.1	218.7	218.7	220.5	197.4	199.8	203.5
Nontaxes	39.0	41.9	42.3	43.1	43.9	44.7	45.5
Other	20.4	20.6	20.6	20.7	20.7	20.7	20.8
Corporate profits tax accruals ..	35.6	29.1	28.2	27.7	32.0	33.5	.....
Indirect business tax and nontax accruals	644.5	664.4	663.2	672.5	677.8	684.9	695.3
Sales taxes	314.3	321.2	319.4	326.0	327.4	330.6	337.4
Property taxes	248.1	257.4	258.6	261.0	263.5	265.9	268.6
Other	82.1	85.8	85.2	85.6	86.9	88.3	89.3
Contributions for social insurance	9.2	9.2	9.3	9.2	9.3	9.4	9.4
Federal grants-in-aid	247.5	277.4	271.4	289.4	292.3	309.6	305.0
Current expenditures	1,196.2	1,292.6	1,299.8	1,313.3	1,329.1	1,347.6	1,364.5
Consumption expenditures	937.9	993.7	1,000.1	1,008.2	1,017.7	1,030.6	1,038.9
Transfer payments to persons ..	271.3	304.4	308.5	315.4	323.4	330.7	338.8
Net interest paid	-2.8	-2.1	-2.0	-1.8	-1.9	-2.0	-1.9
Interest paid	81.4	83.3	83.5	84.0	84.5	84.9	85.4
Less: Interest received by government	84.2	85.4	85.5	85.7	86.4	87.0	87.3
Less: Dividends received by government .....	.4	.4	.4	.4	.4	.5	.5
Subsidies less current surplus of government enterprises ..	-9.7	-3.1	-6.4	-8.1	-9.6	-11.2	-10.9
Subsidies .....	.4	7.8	4.3	2.9	1.4	.5	1.6
Less: Current surplus of government enterprises ..	10.2	10.9	10.6	11.0	11.0	11.7	12.5
Less: Wage accruals less disbursements	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts ..	18.0	-31.3	-46.2	-30.2	-55.8	-45.1	.....
Social insurance funds .....	.1	-1	-1	-2	-2	-1	-1
Other	17.8	-31.2	-46.1	-30.0	-55.6	-45.0	.....
Addenda:							
Net lending or net borrowing (-)	-56.9	-105.8	-102.7	-108.8	-136.1	-118.1	.....
Current surplus or deficit (-), national income and product accounts	18.0	-31.3	-46.2	-30.2	-55.8	-45.1	.....
Plus: Consumption of fixed capital	115.0	123.7	128.9	124.5	125.9	127.3	128.4
Plus: Capital transfers received (net)	43.9	48.3	49.2	49.0	54.1	51.5	52.4
Less: Gross investment ...	223.9	236.2	224.2	241.7	249.7	241.1	241.4
Less: Net purchases of nonproduced assets	9.9	10.3	10.3	10.5	10.6	10.7	10.9

4. Foreign Transactions

Table 4.1. Foreign Transactions in the National Income and Product Accounts
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Receipts from the rest of the world	1,484.5	1,351.1	1,307.8	1,240.0	1,242.2	1,294.1	.....
Exports of goods and services	1,101.1	1,034.1	1,005.8	971.1	977.5	1,018.1	1,032.4
Goods ¹	785.0	733.5	708.5	687.7	679.8	709.4	722.0
Durable	569.7	522.4	502.8	481.8	477.2	499.3	508.6
Nondurable	215.4	211.2	205.7	205.8	202.6	210.0	213.5
Services ¹	316.1	300.6	297.3	283.4	297.7	308.8	310.3
Income receipts	383.4	316.9	302.0	269.0	264.7	276.0	.....
Payments to the rest of the world	1,484.5	1,351.1	1,307.8	1,240.0	1,242.2	1,294.1	.....
Imports of goods and services	1,466.6	1,383.0	1,318.4	1,315.6	1,337.5	1,443.7	1,469.7
Goods ¹	1,243.1	1,167.2	1,140.6	1,098.3	1,102.3	1,202.9	1,225.5
Durable	820.6	754.4	734.2	721.0	732.4	781.6	784.4
Nondurable	422.5	412.8	406.3	377.3	369.9	421.3	441.2
Services ¹	223.5	215.8	177.8	217.3	235.2	240.8	244.2
Income payments	360.0	295.0	290.5	233.7	262.8	296.1	.....
Transfer payments (net)	53.7	49.8	49.7	54.6	63.5	51.5	52.3
From persons (net)	29.5	31.1	31.8	30.6	31.5	31.9	32.2
From government (net)	13.6	9.6	8.9	15.3	22.8	10.6	11.3
From business	10.6	9.1	9.0	8.8	9.2	9.0	8.8
Net foreign investment	-395.8	-376.7	-350.8	-363.9	-421.7	-497.2	.....

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.

Table 4.2. Real Exports and Imports of Goods and Services and Receipts and Payments of Income
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Exports of goods and services	1,137.2	1,076.1	1,048.0	1,021.8	1,030.6	1,065.5	1,071.2
Goods ¹	834.7	785.2	760.0	744.6	738.1	765.8	773.0
Durable	607.8	558.3	538.1	517.3	512.3	536.3	545.6
Nondurable	226.7	226.7	221.6	227.1	225.7	229.3	227.1
Services ¹	304.1	292.0	288.7	278.2	292.2	299.7	298.5
Income receipts	359.0	292.0	278.1	247.4	242.8	251.8	.....
Imports of goods and services	1,536.0	1,492.0	1,467.0	1,447.2	1,477.1	1,552.9	1,562.4
Goods ¹	1,313.7	1,270.5	1,249.2	1,238.7	1,250.0	1,329.2	1,343.9
Durable	924.1	865.6	845.9	838.2	856.0	912.5	916.2
Nondurable	391.6	402.3	399.9	397.1	391.5	414.3	424.2
Services ¹	223.6	222.4	218.6	208.9	225.5	224.3	220.2
Income payments	333.6	269.2	264.9	213.1	239.2	268.2	.....

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Chain-type quantity indexes for the series in this table are shown in table 7.9.

Table 5.10B. Change in Private Inventories by Industry

[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Change in private inventories	63.6	-60.3	-60.6	-96.5	-29.9	3.4	.4
Farm	-2.2	1.6	1.8	3.0	5.3	.4	-3.1
Construction, mining, and utilities	-3.4	7.6	6.1	4.7	1.6	-1.1	-2.6
Manufacturing	16.6	-35.9	-43.3	-39.6	-31.1	-14.2	-8.1
Durable goods industries ...	15.3	-29.3	-39.6	-34.3	-25.4	-14.9	-8.7
Nondurable goods industries	1.3	-6.5	-3.7	-5.3	-5.8	.6	.5
Wholesale trade	19.3	-15.6	-24.0	-25.4	-19.5	-9.0	1.9
Durable goods industries ...	12.1	-19.7	-24.9	-26.6	-16.2	-7.4	6.2
Nondurable goods industries	7.1	4.0	.9	1.3	-3.3	-1.6	-4.3
Retail trade	21.9	-20.7	-3.4	-41.5	13.8	22.2	9.8
Motor vehicle dealers	11.7	-15.5	-1.1	-34.7	13.9	15.4	8.0
Food and beverage stores ...	-.2	.6	-.4	1.3	-2.2	.1	.3
General merchandise stores	1.1	-.5	-2.2	-3.3	-4.5	.0	2.2
Other retail stores	9.3	-5.3	.4	-4.7	6.7	6.8	-7
Other industries	11.4	2.7	2.2	2.3	.0	5.1	2.5
Addenda:							
Change in private inventories	63.6	-60.3	-60.6	-96.5	-29.9	3.4	.4
Durable goods industries.	44.1	-65.0	-65.2	-95.0	-20.3	-4.8	5.7
Nondurable goods industries	19.4	4.7	4.7	-1.5	-9.7	8.2	-5.3
Nonfarm industries	65.8	-61.9	-62.3	-99.5	-35.3	3.0	3.4
Nonfarm change in book value ¹	88.2	-75.5	-83.9	-133.4	-37.1	13.4	18.9
Nonfarm inventory valuation adjustment ² ..	-22.5	13.6	21.5	33.9	1.8	-10.4	-15.4
Wholesale trade	19.3	-15.6	-24.0	-25.4	-19.5	-9.0	1.9
Merchant wholesale trade	16.2	-12.6	-17.1	-21.9	-16.2	-8.4	.0
Durable goods industries	9.8	-16.8	-18.8	-23.2	-14.2	-7.1	4.0
Nondurable goods industries	6.4	4.2	1.7	1.3	-2.1	-1.3	-3.9
Nonmerchant wholesale trade	3.0	-3.1	-6.9	-3.5	-3.3	-.6	1.9

1. This series is derived from the Census Bureau series "current cost inventories."

2. The inventory valuation adjustment (IVA) shown in this table differs from the IVA that adjusts business incomes. The IVA in this table reflects the mix of methods (such as first-in, first-out and last-in, first-out) underlying inventories derived primarily from Census Bureau statistics (see footnote 1). This mix differs from that underlying business income derived primarily from Internal Revenue Service statistics.

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

Table 5.11B. Real Change in Private Inventories by Industry

[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Change in private inventories	65.0	-61.4	-61.8	-98.4	-28.9	4.9	1.9
Farm	-2.5	2.0	2.0	3.6	6.4	.8	-3.0
Construction, mining, and utilities	-2.6	6.4	5.7	4.3	1.6	-1.0	-2.4
Manufacturing	17.5	-36.2	-44.1	-40.2	-31.9	-14.1	-7.8
Durable goods industries ...	16.3	-30.1	-41.0	-35.2	-25.9	-15.0	-8.6
Nondurable goods industries	1.4	-6.3	-3.7	-5.1	-6.0	.8	.7
Wholesale trade	19.9	-16.5	-25.1	-26.8	-19.8	-8.7	2.9
Durable goods industries ...	12.8	-21.8	-27.5	-29.9	-17.0	-7.7	7.0
Nondurable goods industries	7.1	4.3	1.2	1.9	-3.2	-1.3	-3.5
Retail trade	21.6	-20.3	-3.3	-40.6	13.8	22.0	9.7
Motor vehicle dealers	11.7	-15.5	-1.2	-34.8	14.0	15.6	8.1
Food and beverage stores ...	-.2	.5	-.4	1.1	-2.0	.1	.3
General merchandise stores	1.1	-.4	-2.1	-3.2	-4.4	.0	2.1
Other retail stores	9.2	-5.2	.3	-4.7	6.7	6.7	-6
Other industries	11.2	2.6	2.2	2.3	.0	5.0	2.5
Residual	-.5	2.1	2.7	1.3	.9	.9	-7
Addenda:							
Change in private inventories	65.0	-61.4	-61.8	-98.4	-28.9	4.9	1.9
Durable goods industries	46.0	-67.9	-68.5	-99.3	-20.3	-4.4	6.4
Nondurable goods industries	19.5	4.8	4.9	-.8	-8.8	9.0	-4.2
Nonfarm industries	67.2	-63.2	-63.6	-101.5	-35.1	4.2	4.8
Wholesale trade	19.9	-16.5	-25.1	-26.8	-19.8	-8.7	2.9
Merchant wholesale trade	16.8	-13.3	-17.9	-23.3	-16.4	-8.2	.9
Durable goods industries	10.3	-18.7	-20.7	-26.1	-14.8	-7.5	4.5
Nondurable goods industries	6.5	4.5	2.0	1.9	-2.0	-.9	-3.2
Nonmerchant wholesale trade	3.1	-3.2	-7.1	-3.6	-3.4	-.6	2.0

NOTE. Estimates in this table are based on the North American Industry Classification System (NAICS). Chained (1996) dollar series for real change in private inventories are calculated as the period-to-period change in chained-dollar end-of-period inventories. Quarterly changes in end-of-period inventories are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 5.12B. Private Inventories and Domestic Final Sales by Industry
[Billions of dollars]

	Seasonally adjusted quarterly totals				
	2001		2002		
	III	IV	I	II	III
Private inventories ¹	1,475.5	1,430.1	1,429.4	1,438.1	1,441.9
Farm.....	101.2	100.8	104.7	104.0	100.7
Construction, mining, and utilities.....	39.8	39.3	39.5	41.9	40.6
Manufacturing.....	470.5	451.9	447.0	445.7	446.4
Durable goods industries.....	293.0	282.0	275.8	273.2	269.9
Nondurable goods industries.....	177.4	170.0	171.2	172.5	176.5
Wholesale trade.....	349.3	337.3	334.5	335.1	339.7
Durable goods industries.....	206.4	198.5	194.5	193.6	195.2
Nondurable goods industries.....	142.9	138.8	140.0	141.6	144.6
Retail trade.....	401.8	388.9	392.4	398.0	400.3
Motor vehicle dealers.....	127.9	118.3	121.1	124.5	125.8
Food and beverage stores.....	33.3	33.5	33.1	32.9	33.0
General merchandise stores.....	64.9	63.9	62.6	62.7	63.2
Other retail stores.....	175.7	173.3	175.6	177.9	178.4
Other industries.....	112.9	111.9	111.4	113.4	114.1
Addenda:					
Private inventories.....	1,475.5	1,430.1	1,429.4	1,438.1	1,441.9
Durable goods industries.....	705.6	676.9	671.5	672.3	672.2
Nondurable goods industries.....	769.9	752.2	757.9	765.8	769.8
Nonfarm industries.....	1,374.3	1,329.4	1,324.7	1,334.1	1,341.2
Wholesale trade.....	349.3	337.3	334.5	335.1	339.7
Merchant wholesale trade.....	299.5	290.3	287.4	287.5	291.1
Durable goods industries.....	178.0	171.1	167.6	166.6	167.7
Nondurable goods industries.....	121.5	119.3	119.9	120.9	123.4
Nonmerchant wholesale trade.....	49.8	47.0	47.0	47.6	48.6
Final sales of domestic business ²	712.1	718.5	723.8	724.7	732.4
Final sales of goods and structures of domestic business ²	381.6	386.4	387.2	382.7	386.4
Ratios of private inventories to final sales of domestic business:					
Private inventories to final sales.....	2.07	1.99	1.97	1.98	1.97
Nonfarm inventories to final sales.....	1.93	1.85	1.83	1.84	1.83
Nonfarm inventories to final sales of goods and structures.....	3.60	3.44	3.42	3.49	3.47

1. Inventories are as of the end of the quarter. The quarter-to-quarter change in inventories calculated from current-dollar inventories in this table is not the current-dollar change in the private inventories component of GDP. The former is the difference between two inventory stocks, each valued at its respective end-of-quarter prices. The latter is the change in the physical volume of inventories valued at average prices of the quarter. In addition, changes calculated from this table are at quarterly rates, whereas, the change in private inventories is stated at annual rates.

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government, and it includes a small amount of final sales by farm and by government enterprises.

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

Table 5.13B. Real Private Inventories and Real Domestic Final Sales by Industry
[Billions of chained (1996) dollars]

	Seasonally adjusted quarterly totals				
	2001		2002		
	III	IV	I	II	III
Private inventories ¹	1,483.3	1,458.7	1,451.5	1,452.7	1,453.2
Farm.....	105.1	106.0	107.6	107.8	107.0
Construction, mining, and utilities.....	38.9	40.0	40.4	40.2	39.5
Manufacturing.....	469.7	459.6	451.7	448.1	446.2
Durable goods industries.....	295.5	286.7	280.3	276.5	274.4
Nondurable goods industries.....	174.1	172.8	171.3	171.5	171.6
Wholesale trade.....	364.3	357.6	352.6	350.4	351.2
Durable goods industries.....	224.8	217.3	213.1	211.2	212.9
Nondurable goods industries.....	138.7	139.2	138.4	138.1	137.2
Retail trade.....	391.5	381.3	384.7	390.2	392.7
Motor vehicle dealers.....	127.6	118.9	122.4	126.3	128.3
Food and beverage stores.....	30.3	30.5	30.0	30.1	30.1
General merchandise stores.....	62.9	62.1	61.1	61.1	61.6
Other retail stores.....	170.6	169.4	171.1	172.8	172.7
Other industries.....	111.8	112.4	112.4	113.7	114.3
Residual.....	3.0	3.4	3.4	3.4	3.6
Addenda:					
Private inventories.....	1,483.3	1,458.7	1,451.5	1,452.7	1,453.2
Durable goods industries.....	726.4	701.6	696.5	695.4	697.0
Nondurable goods industries.....	754.7	754.5	752.3	754.6	753.5
Nonfarm industries.....	1,377.2	1,351.8	1,343.1	1,344.1	1,345.3
Wholesale trade.....	364.3	357.6	352.6	350.4	351.2
Merchant wholesale trade.....	314.3	308.5	304.4	302.3	302.5
Durable goods industries.....	194.2	187.7	184.0	182.1	183.2
Nondurable goods industries.....	119.5	119.9	119.4	119.2	118.4
Nonmerchant wholesale trade.....	50.0	49.2	48.3	48.2	48.6
Final sales of domestic business ²	654.1	661.4	665.3	664.6	670.2
Final sales of goods and structures of domestic business ²	366.8	371.6	373.3	369.2	373.1
Ratios of private inventories to final sales of domestic business:					
Private inventories to final sales.....	2.27	2.21	2.18	2.19	2.17
Nonfarm inventories to final sales.....	2.11	2.04	2.02	2.02	2.01
Nonfarm inventories to final sales of goods and structures.....	3.75	3.64	3.60	3.64	3.61

1. Inventories are as of the end of the quarter. The quarter-to-quarter changes calculated from this table are at quarterly rates, whereas the change in private inventories component of GDP is stated at annual rates.

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government, and it includes a small amount of final sales by farm and by government enterprises.

NOTE: Estimates in this table are based on the North American Industry Classification System (NAICS). Chained (1996) dollar inventory series are calculated to ensure that the chained (1996) dollar change in inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Chained (1996) dollar final sales are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

6. Income and Employment by Industry

Table 6.1C. National Income Without Capital Consumption Adjustment by Industry Group
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
National income without capital consumption adjustment	7,958.7	8,053.5	8,055.7	7,972.8	8,073.8	8,157.7	.....
Domestic industries	7,935.3	8,031.5	8,044.2	7,937.6	8,071.9	8,177.7	.....
Private industries	6,928.0	6,969.4	6,974.4	6,857.4	6,970.6	7,066.7	.....
Agriculture, forestry, and fishing	109.7	111.1	113.8	110.6	116.8	101.8	.....
Mining	62.9	69.5	68.4	60.8	58.2	57.5	.....
Construction	422.9	438.9	444.1	435.0	439.3	443.1	.....
Manufacturing	1,250.7	1,132.2	1,133.3	1,075.3	1,092.9	1,123.0	.....
Durable goods	729.2	640.5	634.9	597.0	610.3	628.9	.....
Nondurable goods	521.4	491.8	498.3	478.3	482.6	494.1	.....
Transportation and public utilities	530.5	529.9	535.8	496.1	508.5	516.6	.....
Transportation	243.7	236.6	238.5	226.0	231.0	232.7	.....
Communications	149.4	148.4	150.5	137.1	139.8	138.2	.....
Electric, gas, and sanitary services	137.4	144.9	146.8	132.9	137.6	145.6	.....
Wholesale trade	481.1	458.4	459.8	452.7	457.4	463.9	.....
Retail trade	659.1	686.1	691.8	686.1	695.2	707.5	.....
Finance, insurance, and real estate	1,521.5	1,571.1	1,542.1	1,578.9	1,613.2	1,640.7	.....
Services	1,889.8	1,972.0	1,985.4	1,961.8	1,989.1	2,012.7	.....
Government	1,007.3	1,062.1	1,069.9	1,080.2	1,101.4	1,111.1	.....
Rest of the world	23.4	21.9	11.5	35.2	1.9	-20.0	.....

NOTE. Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).

Table 6.16C. Corporate Profits by Industry Group
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Corporate profits with inventory valuation and capital consumption adjustments	788.1	731.6	687.2	811.4	797.6	785.0	.....
Domestic industries	644.8	580.9	545.3	646.7	665.6	669.9	.....
Financial	183.0	173.5	142.3	197.8	213.2	210.7	.....
Nonfinancial	461.8	407.4	403.0	449.0	452.4	459.3	.....
Rest of the world	143.3	150.8	141.8	164.7	132.0	115.1	.....
Receipts from the rest of the world	203.8	172.4	167.2	156.1	161.4	173.4	.....
Less: Payments to the rest of the world	60.5	21.6	25.3	-8.5	29.4	58.3	.....
Corporate profits with inventory valuation adjustment	767.3	675.1	663.2	626.3	641.3	652.2	.....
Domestic industries	624.0	524.4	521.4	461.6	509.3	537.1	.....
Financial	201.0	190.6	162.7	200.1	218.2	218.5	.....
Federal Reserve banks	30.0	27.9	27.3	25.0	23.4	23.9	.....
Other	171.0	162.8	135.4	175.2	194.8	194.6	.....
Nonfinancial	423.0	333.7	358.7	261.5	291.1	318.6	.....
Manufacturing	159.8	83.4	91.1	50.9	68.9	91.9	.....
Durable goods	61.5	9.9	11.6	-14.9	2.5	17.8	.....
Primary metal industries	1.0	-1.6	-1	-2.2	.5	.3	.....
Fabricated metal products	15.4	9.0	8.5	6.8	5.2	5.8	.....
Industrial machinery and equipment	14.2	-6	-5.2	-7.5	-4.9	-2.9	.....
Electronic and other electric equipment	5.5	-3.2	-4.6	-8.4	-6.2	-9	.....
Motor vehicles and equipment	-2.2	-9.4	-6.4	-13.3	-11.8	-4.4	.....
Other	27.6	15.7	19.4	9.7	19.7	20.0	.....
Nondurable goods	98.3	73.5	79.5	65.8	66.4	74.1	.....
Food and kindred products	25.8	16.6	17.8	18.3	18.9	19.2	.....
Chemicals and allied products	17.2	15.2	18.0	18.5	15.1	16.7	.....
Petroleum and coal products	26.1	25.7	25.0	19.4	14.1	15.4	.....
Other	29.1	16.0	18.8	9.5	18.3	22.8	.....
Transportation and public utilities	36.6	27.7	33.3	6.5	15.0	17.1	.....
Transportation	12.8	1.2	1.8	-5.1	-5	-1.7	.....
Communications	-5.5	-5.8	-3.9	-11.2	-9.3	-12.7	.....
Electric, gas, and sanitary services	29.4	32.2	35.3	22.7	24.8	31.4	.....
Wholesale trade	62.1	44.8	45.9	46.9	41.2	44.8	.....
Retail trade	73.4	79.1	82.6	80.5	81.4	86.0	.....
Other	91.0	98.8	105.7	76.7	84.6	78.9	.....
Rest of the world	143.3	150.8	141.8	164.7	132.0	115.1	.....

NOTE. Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).

Table 7.14. Chain-Type Quantity and Price Indexes for Gross Domestic Product by Sector

[Index numbers, 1996=100]

	2000	2001	Seasonally adjusted				
			2001		2002		
			III	IV	I	II	III
Chain-type quantity indexes							
Gross domestic product	117.64	117.94	117.58	118.37	119.84	120.21	121.14
Business ¹	119.69	119.56	119.03	119.88	121.52	121.86	122.86
Nonfarm ²	119.58	119.51	119.03	119.73	121.43	121.86	122.86
Nonfarm less housing	120.58	120.48	119.93	120.81	122.67	122.95	124.26
Housing	110.61	110.86	111.00	110.18	110.59	112.17	110.70
Farm	130.69	124.00	117.52	134.98	129.90	120.17	121.12
Households and institutions	111.56	114.39	114.86	115.04	115.74	116.59	117.37
Private households	99.77	84.25	81.84	75.03	72.41	73.19	73.97
Nonprofit institutions	111.99	115.49	116.07	116.49	117.31	118.17	118.95
General government ³	105.50	107.69	108.18	108.83	109.42	109.84	110.37
Federal	99.12	99.77	99.87	100.02	100.78	101.39	102.22
State and local	108.50	111.40	112.06	112.95	113.46	113.79	114.17
Chain-type price indexes							
Gross domestic product	106.89	109.42	109.92	109.78	110.14	110.48	110.79
Business ¹	105.93	108.23	108.73	108.47	108.65	108.89	109.12
Nonfarm ²	106.53	108.78	109.22	109.11	109.16	109.59	109.72
Nonfarm less housing	105.94	107.97	108.39	108.11	108.02	108.39	108.45
Housing	112.20	116.62	117.20	118.89	120.25	121.22	122.13
Farm	64.58	70.50	75.07	64.85	73.18	61.18	67.90
Households and institutions	110.86	115.28	116.17	116.37	117.13	118.47	119.96
Private households	113.22	117.43	117.77	118.44	120.48	121.29	122.18
Nonprofit institutions	110.78	115.20	116.11	116.30	117.03	118.38	119.89
General government ³	112.88	116.48	116.80	117.42	119.13	119.77	120.29
Federal	111.74	114.23	114.44	114.47	118.97	119.60	119.79
State and local	113.41	117.47	117.85	118.71	119.25	119.90	120.56

1. Equals gross domestic product less gross product of households and institutions and of general government.

2. Equals gross domestic business product less gross farm product.

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

Table 7.15. Price, Costs, and Profit Per Unit of Real Gross Product of Nonfinancial Corporate Business

[Dollars]

Price per unit of real gross product of nonfinancial corporate business ¹	1.043	1.061	1.067	1.058	1.056	1.055	.....
Compensation of employees (unit labor cost)	.698	.708	.710	.697	.695	.693	.....
Unit nonlabor cost	.254	.272	.276	.273	.273	.274	.....
Consumption of fixed capital	.118	.129	.136	.129	.131	.132	.....
Indirect business tax and nontax liability plus business transfer payments less subsidies	.100	.104	.101	.105	.105	.105	.....
Net interest	.036	.039	.039	.039	.037	.037	.....
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production)	.091	.081	.080	.088	.088	.088	.....
Profits tax liability	.034	.024	.026	.018	.023	.025	.....
Profits after tax with inventory valuation and capital consumption adjustments	.057	.056	.054	.070	.065	.063	.....

1. The implicit price deflator for gross product of nonfinancial corporate business divided by 100.

NOTE: Effective with the release scheduled for November 26, 2002, the estimates beginning with 1999 will be revised to reflect revisions to the industry-based price indexes for gross product of nonfinancial corporate business.

Table 7.16B. Implicit Price Deflators for Private Inventories by Industry
[Index numbers, 1996=100]

	Seasonally adjusted				
	2001		2002		
	III	IV	I	II	III
Private inventories ¹	99.48	98.04	98.48	98.99	99.23
Farm	96.33	95.07	97.32	96.53	94.13
Construction, mining, and utilities	102.19	98.19	97.69	104.47	102.77
Manufacturing	100.17	98.32	98.96	99.45	100.06
Durable goods industries	99.16	98.34	98.41	98.81	98.38
Nondurable goods industries	101.93	98.36	99.93	100.57	102.84
Wholesale trade	95.89	94.34	94.85	95.62	96.74
Durable goods industries	91.83	91.33	91.26	91.66	91.66
Nondurable goods industries	103.00	99.73	101.16	102.50	105.35
Retail trade	102.65	102.00	102.00	101.98	101.96
Motor vehicle dealers	100.28	99.48	98.93	98.59	98.03
Food and beverage stores	110.05	109.59	110.32	109.41	109.45
General merchandise stores	103.07	102.86	102.59	102.62	102.63
Other retail stores	103.00	102.26	102.61	102.96	103.32
Other industries	100.95	99.52	99.07	99.71	99.80
Addenda:					
Private inventories	99.48	98.04	98.48	98.99	99.23
Durable goods industries	97.14	96.49	96.41	96.68	96.44
Nondurable goods industries	102.01	99.82	100.74	101.49	102.15
Nonfarm industries	99.79	98.34	98.63	99.25	99.70
Wholesale trade	95.89	94.34	94.85	95.62	96.74
Merchant wholesale trade	95.30	94.12	94.44	95.10	96.21
Durable goods industries	91.66	91.15	91.07	91.49	91.50
Nondurable goods industries	101.74	99.45	100.39	101.44	104.26
Nonmerchant wholesale trade	99.54	95.65	97.39	98.80	99.98

1. Implicit price deflators are as of the end of the quarter and are consistent with the inventory stocks shown in tables 5.12B and 5.13B.

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

Table 7.17. Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product
[Index numbers, 1996=100]

	2000	2001	Seasonally adjusted				
			2001		2002		
			III	IV	I	II	III
Gross domestic product..	117.64	117.94	117.58	118.37	119.84	120.21	121.14
Final sales of domestic product	117.19	118.95	118.60	119.81	120.51	120.49	121.44
Change in private inventories							
Goods	124.50	121.64	120.64	121.92	124.38	124.50	126.56
Final sales	123.36	124.71	123.71	126.21	126.43	125.39	127.53
Change in private inventories							
Durable goods	138.45	129.90	127.83	128.92	131.84	132.10	138.50
Final sales	136.73	136.94	134.86	138.44	135.27	134.22	139.81
Change in private inventories							
Nondurable goods	113.31	114.62	114.38	115.79	117.90	117.93	116.91
Final sales	112.70	114.86	114.63	116.34	118.96	117.94	117.64
Change in private inventories							
Services	112.84	115.16	115.27	116.18	117.00	118.01	118.68
Structures	118.92	118.80	118.02	116.33	118.06	115.51	113.90
Addenda:							
Motor vehicle output	122.09	114.63	116.20	120.66	123.54	125.97	137.56
Gross domestic product less motor vehicle output	117.48	118.03	117.61	118.28	119.70	120.01	120.60

Table 7.18B. Chain-Type Quantity Indexes for Motor Vehicle Output
[Index numbers, 1996=100]

	2000	2001	Seasonally adjusted				
			2001		2002		
			III	IV	I	II	III
Motor vehicle output...	122.09	114.63	116.20	120.66	123.54	125.97	137.56
Auto output	96.89	89.86	92.57	92.77	95.00	93.02	101.00
Truck output ¹	142.99	135.17	135.80	143.75	147.17	153.18	167.74
Final sales of domestic product	118.30	119.40	114.80	132.37	117.53	115.98	132.93
Personal consumption expenditures	133.44	143.85	139.35	161.11	146.80	146.73	163.79
New motor vehicles	138.70	152.65	146.32	178.16	159.22	156.46	178.78
Autos	130.72	131.93	124.97	145.74	130.40	129.18	138.21
Light trucks	148.20	177.01	171.41	216.21	193.06	188.48	226.41
Net purchases of used autos	117.41	117.43	118.28	110.58	109.88	117.67	119.33
Private fixed investment	123.40	106.83	103.64	104.88	95.86	100.72	107.07
New motor vehicles	120.36	106.87	104.00	103.77	96.41	102.26	108.27
Autos	103.42	95.08	93.08	88.51	84.78	90.77	96.41
Trucks	136.63	118.27	114.57	118.41	107.62	113.36	119.73
Light trucks	147.36	137.74	133.13	140.85	126.81	132.07	136.86
Other	116.36	82.30	80.24	77.15	72.21	78.64	87.46
Net purchases of used autos	109.17	106.65	104.92	99.52	98.10	107.53	112.31
Gross government investment	121.45	126.36	122.42	131.08	125.94	117.17	105.45
Autos	95.52	97.37	102.36	102.43	101.19	92.55	85.84
New trucks	135.99	142.63	133.64	147.13	139.76	130.97	116.35
Net exports							
Exports	95.72	92.55	97.95	95.81	94.07	102.26	110.87
Autos	95.38	101.19	109.80	107.12	104.95	116.09	121.61
Trucks	96.54	77.15	76.81	75.64	74.65	77.57	91.68
Imports	156.20	153.19	154.30	150.61	150.99	164.52	160.30
Autos	161.70	157.44	156.19	152.16	155.00	171.40	167.07
Trucks	130.03	132.92	145.02	142.97	131.76	131.82	128.14
Change in private inventories							
Autos							
New							
Domestic							
Foreign							
Used							
New trucks							
Domestic							
Foreign							
Addenda:							
Final sales of motor vehicles to domestic purchasers	129.37	129.80	125.81	139.68	127.60	129.04	141.25
Private fixed investment in new autos and new light trucks	121.27	112.41	109.35	109.79	101.87	107.57	112.88
Domestic output of new autos ²	101.22	92.85	94.79	92.11	96.57	101.17	107.06
Sales of imported new autos ³	154.42	152.80	148.62	159.00	151.28	153.87	162.53

1. Except for exports and imports, consists of new trucks only.

2. Consists of final sales and change in private inventories of new autos assembled in the United States.

3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 8.2. Contributions to Percent Change in Real Gross Domestic Product

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Percent change at annual rate:							
Gross domestic product.....	3.8	.3	-.3	2.7	5.0	1.3	3.1
Percentage points at annual rates:							
Personal consumption expenditures	2.94	1.67	.97	4.05	2.22	1.22	2.95
Durable goods.....	.65	.48	.36	2.45	-.55	.16	1.73
Motor vehicles and parts.....	.17	.24	.13	1.88	-1.18	-.03	1.44
Furniture and household equipment.....	.35	.19	.20	.42	.43	.20	.16
Other.....	.13	.06	.03	.15	.20	.00	.13
Nondurable goods.....	.77	.39	.25	.73	1.57	-.02	.27
Food.....	.37	.09	-.14	.13	.65	-.09	-.02
Clothing and shoes.....	.18	.08	.09	.28	.40	-.03	.04
Gasoline, fuel oil, and other energy goods.....	-.02	.02	.18	.07	.16	-.03	-.01
Other.....	.25	.21	.13	.25	.37	.13	.26
Services.....	1.51	.80	.35	.87	1.20	1.08	.95
Housing.....	.19	.17	.09	.12	.22	.21	.19
Household operation.....	.21	.05	.01	-.18	.15	.06	.03
Electricity and gas.....	.05	-.03	-.03	-.10	.14	.01	-.01
Other household operation.....	.16	.08	.04	-.08	.01	.06	.05
Transportation.....	.08	-.02	-.11	-.06	.10	-.03	-.04
Medical care.....	.28	.43	.53	.48	.40	.51	.46
Recreation.....	.10	.08	-.05	.13	.04	.07	-.01
Other.....	.65	.09	-.11	.38	.30	.26	.32
Gross private domestic investment	1.08	-1.90	-.81	-2.88	2.53	1.16	-.04
Fixed investment.....	1.03	-.65	-.72	-1.49	-.07	-.15	.03
Nonresidential.....	.98	-.66	-.73	-1.33	-.66	-.27	.07
Structures.....	.20	-.05	.10	-1.12	-.44	-.53	-.45
Equipment and software.....	.78	-.61	-.83	-.21	-.22	.26	.52
Information processing equipment and software.....	.63	-.26	-.48	-.05	.25	.46	.47
Computers and peripheral equipment.....	.17	-.02	-.18	.22	.21	.10	.29
Software ¹.....	.16	-.02	-.05	.01	-.06	.20	.15
Other.....	.30	-.22	-.26	-.27	.10	.16	.04
Industrial equipment.....	.15	-.07	-.30	-.18	.15	-.11	.11
Transportation equipment.....	-.07	-.23	-.07	.22	-.56	-.32	-.11
Other.....	.08	-.04	.02	-.20	-.06	.23	.04
Residential.....	.05	.01	.02	-.16	.60	.12	-.03
Change in private inventories	.06	-1.24	-.09	-1.39	2.60	1.31	-.07
Farm.....	-.01	.04	.18	.05	.09	-.20	-.13
Nonfarm.....	.06	-1.28	-.27	-1.43	2.51	1.51	.06
Net exports of goods and services	-.75	-.18	-.24	-.28	-.75	-1.40	-.13
Exports.....	1.04	-.59	-1.94	-.99	.33	1.29	.21
Goods.....	.85	-.47	-1.49	-.56	-.23	.99	.26
Services.....	.19	-.13	-.45	-.42	.56	.30	-.05
Imports.....	-1.79	.42	1.70	.70	-1.08	-2.69	-.35
Goods.....	-1.54	.40	1.17	.37	-.40	-2.74	-.52
Services.....	-.24	.01	.53	.33	-.68	.05	.17
Government consumption expenditures and gross investment	.49	.65	-.21	1.85	1.04	.27	.35
Federal.....	.08	.29	.07	.80	.47	.47	.20
National defense.....	.00	.19	.18	.54	.46	.32	.22
Consumption expenditures.....	-.01	.16	.10	.53	.34	.32	.10
Gross investment.....	.01	.02	.07	.01	.12	.00	.12
Nondefense.....	.08	.10	-.11	.26	.01	.16	-.02
Consumption expenditures.....	.07	.08	-.03	.11	.03	.10	.05
Gross investment.....	.01	.01	-.08	.15	-.02	.06	-.07
State and local.....	.41	.36	-.28	1.05	.56	-.21	.16
Consumption expenditures.....	.35	.30	.48	.41	.25	.16	.16
Gross investment.....	.06	.07	-.76	.64	.32	-.37	.00
Addenda:							
Goods.....	1.74	-.85	-.53	1.52	2.89	.14	2.33
Services.....	1.77	1.11	.94	1.75	1.60	1.91	1.30
Structures.....	.25	-.01	-.70	-.54	.56	-.80	-.50
Motor vehicle output.....	-.10	-.21	.31	.48	.31	.25	1.18
Final sales of computers ².....	.25	.08	-.04	.19	-.06	.08	.38

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

2. For some components of final sales of computers, includes computer parts.

NOTE. The quantity indexes on which the estimates in this table are based are shown in tables 7.1, 7.2, 7.4, 7.6, 7.9, 7.11, and 7.17.

Table 8.3. Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product

	2000	2001	Seasonally adjusted at annual rates				
			2001		2002		
			III	IV	I	II	III
Percent change at annual rate:							
Personal consumption expenditures.....	4.4	2.5	1.5	6.0	3.1	1.8	4.2
Percentage points at annual rates:							
Durable goods.....	.97	.71	.53	3.56	-.80	.23	2.47
Motor vehicles and parts.....	.26	.35	.19	2.72	-1.70	-.05	2.06
Furniture and household equipment.....	.51	.28	.30	.62	.61	.29	.23
Other.....	.20	.08	.05	.21	.29	.00	.18
Nondurable goods	1.15	.58	.38	1.08	2.23	-.03	.40
Food.....	.55	.13	-.20	.20	.92	-.13	-.02
Clothing and shoes.....	.26	.12	.13	.41	.57	-.04	.06
Gasoline, fuel oil, and other energy goods.....	-.02	.03	.26	.10	.22	-.04	-.02
Gasoline and oil.....	-.01	.05	.26	.10	.21	-.02	.00
Fuel oil and coal.....	-.01	-.03	.00	.00	.01	-.02	-.01
Other.....	.36	.30	.19	.37	.52	.19	.38
Services	2.23	1.17	.54	1.33	1.69	1.56	1.38
Housing.....	.29	.25	.14	.19	.30	.30	.27
Household operation.....	.31	.07	.01	-.25	.21	.09	.05
Electricity and gas.....	.08	-.04	-.04	-.14	.20	.01	-.02
Other household operation.....	.23	.12	.05	-.12	.01	.08	.07
Transportation.....	.11	-.03	-.16	-.08	.14	-.04	-.06
Medical care.....	.42	.64	.77	.72	.56	.73	.66
Recreation.....	.14	.11	-.07	.19	.05	.10	-.01
Other.....	.96	.13	-.16	.57	.41	.37	.46
Addenda:							
Energy goods and services ¹.....	.05	-.01	.21	-.04	.42	-.03	-.03
Personal consumption expenditures less food and energy.....	3.75	2.35	1.44	5.81	1.78	1.94	4.30

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

NOTE. The quantity indexes on which the estimates in this table are based are shown in table 7.4. The estimates in this table differ from those in table 8.2 because this table shows contributions to real personal consumption expenditures, whereas table 8.2 shows contributions to real gross domestic product.

Table 8.30. Contributions to Percent Change in the Gross Domestic Purchases Price Index

	2000	2001	Seasonally adjusted at annual rates					
			2001		2002			
			III	IV	I	II	III	
Percent change at annual rate:								
Gross domestic purchases	2.5	1.9	-.2	.4	1.2	2.3	1.4	
Percentage points at annual rates:								
Personal consumption expenditures	1.67	1.34	-.03	.55	.74	1.83	1.25	
Durable goods	-.14	-.16	-.21	-.12	-.35	-.23	-.16	
Motor vehicles and parts .....	.01	.01	-.05	.04	-.13	-.10	.03	
Furniture and household equipment	-.14	-.17	-.16	-.15	-.20	-.12	-.16	
Other	-.01	.01	-.01	-.01	-.02	-.01	-.02	
Nondurable goods .....	.72	.29	-.27	-.69	.05	.89	.12	
Food .....	.22	.28	.33	.22	.23	.05	.09	
Clothing and shoes	-.04	-.06	-.15	-.07	-.06	-.04	-.11	
Gasoline, fuel oil, and other energy goods .....	.42	-.06	-.65	-.93	-.17	.72	.09	
Other .....	.12	.12	.20	.08	.05	.16	.06	
Services	1.08	1.21	.44	1.37	1.05	1.18	1.28	
Housing .....	.30	.37	.41	.44	.42	.33	.28	
Household operation .....	.07	.15	-.08	-.13	-.05	.00	.13	
Electricity and gas .....	.08	.15	-.13	-.24	-.10	.03	.01	
Other household operation	-.01	.00	.04	.11	.05	-.03	.12	
Transportation .....	.01	.05	-.02	.02	.07	.11	.04	
Medical care .....	.29	.37	.06	.46	.23	.27	.36	
Recreation .....	.09	.08	.06	.07	.06	.11	.08	
Other .....	.32	.19	.01	.52	.33	.35	.40	
Gross private domestic investment .....	.18	.19	-.08	-.04	-.22	-.06	-.10	
Fixed investment .....	.19	.19	-.03	-.02	-.22	-.03	-.07	
Nonresidential .....	.01	.02	-.13	-.18	-.22	-.15	-.09	
Structures .....	.12	.15	-.01	-.05	-.10	.02	.02	
Equipment and software	-.11	-.14	-.12	-.13	-.12	-.17	-.11	
Information processing equipment and software	-.14	-.16	-.20	-.16	-.11	-.13	-.09	
Computers and peripheral equipment	-.13	-.17	-.14	-.14	-.10	-.06	-.10	
Software .....	.02	.03	-.03	.00	.00	-.05	.03	
Other	-.03	-.03	-.02	-.02	-.01	-.02	-.02	
Industrial equipment .....	.01	.01	.00	.00	-.01	-.01	.02	
Transportation equipment .....	.02	-.01	.06	.01	.00	-.03	-.06	
Other equipment .....	.01	.02	.01	.02	.01	-.01	.01	
Residential .....	.18	.17	.10	.16	.00	.11	.02	
Change in private inventories	-.01	.00	-.05	-.02	.00	-.03	-.03	
Farm .....	.00	.00	.00	.00	.00	.00	.00	
Nonfarm	-.01	.00	-.05	-.02	.00	-.03	-.03	
Government consumption expenditures and gross investment .....	.66	.41	-.06	-.06	.64	.51	.25	
Federal .....	.18	.10	.03	-.03	.50	.15	.07	
National defense .....	.11	.06	.02	-.04	.28	.08	.05	
Consumption expenditures .....	.11	.07	.03	-.02	.29	.08	.05	
Gross investment .....	.00	.00	.00	-.02	-.01	.00	.00	
Nondefense .....	.06	.04	.01	.01	.22	.06	.02	
Consumption expenditures .....	.06	.04	.01	.01	.23	.07	.02	
Gross investment .....	.01	.00	.00	.00	.00	.00	.00	
State and local .....	.49	.31	-.09	-.04	.13	.36	.18	
Consumption expenditures .....	.41	.26	-.10	-.08	.13	.33	.16	
Gross investment .....	.07	.05	.01	.05	.00	.03	.01	
Addenda:								
Final sales of computers ²	-.21	-.27	-.24	-.23	-.19	-.11	-.16	
Gross domestic purchases less final sales of computers	2.72	2.21	.07	.68	1.35	2.39	1.55	
Food .....	.22	.28	.33	.22	.23	.04	.07	
Energy goods and services .....	.63	.09	-1.00	-1.52	-.32	.93	.13	
Gross domestic purchases less food and energy	1.65	1.57	.50	1.74	1.25	1.31	1.20	

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

2. For some components of final sales of computers, includes computer parts.

NOTE: The price indexes on which the estimates in this table are based are shown in tables 7.1, 7.2, 7.4, 7.6, and 7.11.

Table B.5. Private Fixed Investment in Structures by Type

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
Private fixed investment in structures	678.5	731.0	759.9	617.9	638.5	634.9
Nonresidential	283.7	314.2	324.5	258.6	275.5	270.9
New	283.1	313.5	320.8	258.0	274.7	267.7
Nonresidential buildings, excluding farm	201.8	217.9	210.1	181.0	187.1	173.6
Industrial	28.7	28.0	25.6	25.8	24.0	21.1
Commercial	110.1	122.8	118.5	98.7	105.5	97.9
Office buildings ¹	55.4	64.7	60.5	49.6	55.6	50.0
Other ²	54.7	58.1	58.0	49.1	49.9	48.0
Religious	7.2	7.8	8.1	6.4	6.7	6.7
Educational	10.3	12.4	13.7	9.3	10.6	11.3
Hospital and institutional	15.1	16.1	16.8	13.5	13.8	13.9
Other ³	30.4	30.8	27.4	27.2	26.5	22.6
Utilities	47.3	53.7	55.0	45.7	50.4	50.3
Railroads	4.7	4.3	4.1	4.7	4.2	4.2
Telecommunications	18.3	18.7	18.4	18.2	18.2	17.3
Electric light and power	14.7	21.3	22.7	14.0	19.5	20.1
Gas	8.1	8.5	8.9	7.6	7.6	7.8
Petroleum pipelines	1.5	1.0	.9	1.4	.9	.8
Farm	5.1	6.0	6.1	4.5	5.1	5.1
Mining exploration, shafts, and wells	22.8	29.2	42.7	21.6	27.0	34.0
Petroleum and natural gas	21.6	28.0	41.3	20.4	26.0	32.8
Other	1.2	1.1	1.4	1.1	1.0	1.2
Other ⁴	6.2	6.7	6.8	5.7	6.0	5.9
Brokers' commissions on sale of structures	2.4	2.5	2.5	2.3	2.4	2.2
Net purchases of used structures	-1.8	-1.9	1.2	-1.6	-1.6	1.0
Residential	394.8	416.8	435.4	359.4	363.0	364.0
New	344.4	363.6	377.8	311.7	315.1	315.2
New housing units	250.1	259.7	271.6	225.6	224.2	225.5
Permanent site	236.1	248.9	262.8	212.2	213.9	217.0
Single-family structures	208.6	220.7	232.1	189.0	191.0	192.6
Multifamily structures	27.4	28.3	30.7	23.4	23.0	24.4
Manufactured homes	14.0	10.8	8.8	13.2	10.0	8.1
Improvements	93.0	102.4	104.6	84.9	89.7	88.4
Other ⁵	1.3	1.4	1.6	1.2	1.2	1.4
Brokers' commissions on sale of structures	53.9	56.2	60.0	51.0	50.6	50.9
Net purchases of used structures	-3.5	-2.9	-2.3	-3.1	-2.5	-1.9
Residual				-9	-9	-1.0

1. Consists of office buildings, except those constructed at industrial sites and those constructed by utilities for their own use.

2. Consists of stores, restaurants, garages, service stations, warehouses, mobile structures, and other buildings used for commercial purposes.

3. Consists of hotels and motels, buildings used primarily for social and recreational activities, and buildings not elsewhere classified, such as passenger terminals, greenhouses, and animal hospitals.

4. Consists primarily of streets, dams and reservoirs, sewer and water facilities, parks, and airfields.

5. Consists primarily of dormitories and of fraternity and sorority houses.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table B.6. Private Fixed Investment in Equipment and Software by Type

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
Private fixed investment in equipment and software	898.7	960.8	886.4	984.8	1,065.4	997.6
Nonresidential equipment and software	889.8	951.6	877.1	975.9	1,056.0	988.2
Information processing equipment and software	402.3	446.9	404.3	508.1	583.3	548.5
Computers and peripheral equipment ¹	90.4	93.3	74.2	207.4	246.4	239.9
Software ²	162.5	179.4	180.4	169.3	184.4	182.0
Communication equipment	93.7	116.6	90.6	102.5	132.1	105.8
Instruments	38.2	40.6	43.6	37.9	40.1	42.6
Photocopy and related equipment	10.5	9.5	8.0	10.7	9.5	8.0
Office and accounting equipment	7.0	7.5	7.6	7.1	7.5	7.8
Industrial equipment	150.4	164.9	159.0	147.5	160.8	153.8
Fabricated metal products	13.4	13.8	13.7	13.5	13.9	13.4
Engines and turbines	5.7	7.0	9.3	5.4	6.6	8.8
Metalworking machinery	34.2	35.3	31.3	33.6	34.6	30.5
Special industry machinery, n.e.c.	38.3	44.4	41.0	37.2	43.0	39.4
General industrial, including materials handling, equipment	34.0	36.6	34.4	33.0	35.3	32.9
Electrical transmission, distribution, and industrial apparatus	24.8	27.8	29.3	24.8	27.3	28.7
Transportation equipment	194.7	189.7	165.8	193.2	186.6	163.6
Trucks, buses, and truck trailers	112.3	107.4	90.1	112.4	106.5	90.5
Autos	43.1	40.5	34.1	42.5	40.8	35.4
Aircraft	29.1	31.5	33.7	28.3	29.3	29.8
Ships and boats	2.7	3.2	3.2	2.6	2.9	2.9
Railroad equipment	7.6	7.1	4.7	7.7	7.2	4.8
Other equipment	145.6	153.4	150.8	141.8	148.5	144.5
Furniture and fixtures	38.1	40.6	35.7	37.1	39.2	34.0
Tractors	12.8	13.7	14.5	12.5	13.4	14.1
Agricultural machinery, except tractors	9.9	10.8	12.0	9.5	10.3	11.3
Construction machinery, except tractors	21.6	21.7	19.9	20.4	20.4	18.5
Mining and oilfield machinery	5.6	5.2	6.5	5.3	5.0	5.9
Service industry machinery	16.5	16.4	16.1	15.9	15.7	15.3
Electrical equipment, n.e.c.	14.4	16.4	17.9	14.9	17.3	19.0
Other	26.8	28.4	28.2	26.2	27.4	26.8
Less: Sale of equipment scrap, excluding autos	3.2	3.3	2.8	4.1	3.8	3.5
Residential equipment	8.8	9.3	9.3	9.0	9.4	9.5
Residual				-37.8	-56.3	-56.5
Addenda:						
Private fixed investment in equipment and software	898.7	960.8	886.4			
Less: Dealers' margin on used equipment	8.1	8.8	8.6			
Net purchases of used equipment from government	1.0	1.0	.9			
Plus: Net sales of used equipment	39.3	38.5	32.5			
Net exports of used equipment .....	.4	-2	.0			
Sale of equipment scrap	3.3	3.4	2.9			
Equals: Private fixed investment in new equipment and software	932.6	992.7	912.4			

1. Includes new computers and peripheral equipment only. Because of rapid changes in relative prices, the chained-dollar estimates for computers are especially misleading as a measure of the contribution or relative importance of this component.

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

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

n.e.c. Not elsewhere classified.

Table B.10. Farm Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
Farm output	207.5	214.3	221.3	244.1	249.2	246.1
Cash receipts from farm marketings	191.4	199.4	200.9	226.2	233.4	224.4
Crops	95.7	99.8	94.3	125.2	130.9	122.9
Livestock	95.7	99.7	106.6	101.1	102.9	101.3
Farm housing	7.2	7.6	8.0	6.1	6.0	5.9
Farm products consumed on farms .....	.5	.6	.6	.5	.5	.5
Other farm income	9.9	8.9	10.3	11.8	10.6	12.2
Change in farm inventories	-1.5	-2.2	1.6	-2.0	-2.5	2.0
Crops	-9	-1.6	2.1	-1.4	-2.2	3.6
Livestock	-6	-6	-5	-6	-6	-4
<i>Less: Intermediate goods and services purchased</i>	132.3	136.5	140.7	137.2	133.3	134.6
Intermediate goods and services, other than rent	118.6	122.2	126.1	123.1	119.5	120.8
Rent paid to nonoperator landlords	13.8	14.2	14.7	14.1	13.8	13.8
Equals: Gross farm product	75.2	77.8	80.6	108.1	120.5	114.3
<i>Less: Consumption of fixed capital</i>	28.9	28.7	29.4	27.7	27.0	27.3
Equals: Net farm product	46.3	49.2	51.2	80.9	97.9	89.5
<i>Less: Indirect business tax and nontax liability</i>	5.3	5.4	5.6	.....	.....	.....
<i>Plus: Subsidies to operators</i>	18.4	19.5	17.7	.....	.....	.....
Equals: Farm national income	59.3	63.3	63.2	.....	.....	.....
Compensation of employees	19.3	19.3	21.5	.....	.....	.....
Wage and salary accruals	16.5	16.6	18.4	.....	.....	.....
Supplements to wages and salaries	2.9	2.7	3.1	.....	.....	.....
Proprietors' income and corporate profits with inventory valuation and capital consumption adjustments	29.6	33.2	30.9	.....	.....	.....
Proprietors' income	27.7	22.6	19.0	.....	.....	.....
Corporate profits	1.9	10.6	11.8	.....	.....	.....
Net interest	10.3	10.9	10.8	.....	.....	.....

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Table B.11. Housing Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
Housing output ¹	876.4	920.3	976.0	802.5	817.2	833.6
Nonfarm housing	869.2	912.7	968.1	796.4	811.2	827.8
Owner-occupied	666.4	704.9	751.0	610.7	627.3	643.5
Tenant-occupied	202.8	207.8	217.1	185.8	184.0	184.3
Farm housing	7.2	7.6	8.0	6.1	6.0	5.9
<i>Less: Intermediate goods and services consumed</i>	116.9	116.3	138.4	105.5	101.3	115.9
Equals: Gross housing product	759.5	804.0	837.6	697.0	716.1	717.5
Nonfarm housing	753.6	797.8	831.1	691.9	711.0	712.6
Owner-occupied	576.3	615.5	642.3	529.1	549.9	552.1
Tenant-occupied	177.4	182.2	188.8	162.8	161.1	160.5
Farm housing	5.9	6.3	6.5	5.1	5.1	4.9
<i>Less: Consumption of fixed capital</i>	145.4	152.5	166.1	132.2	132.7	140.0
Capital consumption allowances	77.8	81.8	88.4	.....	.....	.....
<i>Less: Capital consumption adjustment</i>	-67.6	-70.7	-77.7	.....	.....	.....
Equals: Net housing product	614.1	651.5	671.4	478.7	494.5	489.4
<i>Less: Indirect business tax and nontax liability plus business transfer payments</i>	135.7	140.7	146.0	.....	.....	.....
<i>Plus: Subsidies less current surplus of government enterprises</i>	23.7	23.8	24.3	.....	.....	.....
Equals: Housing national income	502.2	534.6	549.8	.....	.....	.....
Compensation of employees	10.0	10.9	11.3	.....	.....	.....
Proprietors' income with inventory valuation and capital consumption adjustments	19.7	18.5	18.1	.....	.....	.....
Rental income of persons with capital consumption adjustment	130.7	128.1	118.9	.....	.....	.....
Corporate profits with inventory valuation and capital consumption adjustments	4.1	4.1	4.0	.....	.....	.....
Net interest	337.6	373.1	397.5	.....	.....	.....

1. Equals personal consumption expenditures for housing less expenditures for other housing as shown in table B.4.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Table D.1. Domestic Perspectives—Continued

	2000	2001	2001					2002								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.
Construction (monthly data seasonally adjusted at annual rates) ⁴																
Total new private construction put in place (billions of dollars):	641.8	650.0	650.6	648.5	643.4	639.7	640.8	651.5	659.4	655.3	656.7	642.2	634.6	635.7	627.9	628.6
Residential	374.5	388.7	391.7	393.5	392.3	394.7	395.2	403.3	413.5	413.8	411.8	413.5	410.8	410.7	410.7	413.7
Nonresidential	208.2	201.1	195.4	192.3	190.0	185.4	184.4	185.6	183.2	178.5	179.6	170.5	166.7	163.7	158.9	156.2
Housing starts (thousands of units):																
Total	1,569	1,603	1,562	1,582	1,531	1,604	1,583	1,713	1,788	1,675	1,566	1,742	1,692	1,652	1,627	1,843
1-unit structures	1,231	1,273	1,274	1,263	1,238	1,241	1,294	1,344	1,472	1,298	1,261	1,380	1,344	1,319	1,250	1,477
New 1-family houses sold (thousands of units)	877	908	871	856	865	938	979	870	937	915	932	974	947	952	1,017	1,021
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) ⁴																
Inventories:																
Total manufacturing and trade	1,183,102	1,108,320	1,165,208	1,158,937	1,141,500	1,129,548	1,122,990	1,122,911	1,120,288	1,116,303	1,113,864	1,116,527	1,119,454	1,124,317	1,123,608	.....
Manufacturing	466,269	429,097	456,084	452,041	449,047	443,805	439,162	436,648	434,087	431,434	430,153	428,592	428,230	427,996	427,924	.....
Merchant wholesalers	305,560	289,050	297,079	295,863	292,811	289,487	288,014	286,994	284,508	283,732	281,193	281,080	282,340	284,083	284,530	.....
Retail trade	411,273	390,173	412,045	411,033	399,642	396,256	395,814	399,269	401,693	401,137	402,518	406,855	408,884	412,238	411,154	.....
Sales:																
Total manufacturing and trade	9,935,413	9,781,327	817,149	797,312	815,570	806,128	803,854	811,196	804,624	808,644	822,615	820,227	822,795	833,564	835,554	.....
Manufacturing	4,124,514	3,897,730	326,654	313,222	318,134	315,079	316,191	321,171	311,476	315,593	322,962	323,736	320,810	326,101	324,214	.....
Merchant wholesalers	2,751,761	2,715,755	226,739	225,481	221,161	222,704	220,380	223,023	224,738	224,855	228,131	228,052	229,638	231,353	233,468	.....
Retail trade	3,059,138	3,167,842	263,756	258,609	276,275	268,345	267,002	268,410	268,196	271,522	271,522	268,439	272,347	276,110	277,872	.....
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) ²																
Industrial production indexes, 1992=100:																
Total	145.7	140.1	140.0	138.5	137.7	137.2	136.7	137.6	138.1	138.6	138.8	139.4	140.3	141.1	140.6	140.5
By industry:																
Durable manufactures	190.0	179.3	178.9	176.1	173.9	174.3	174.1	175.7	176.0	176.6	177.2	178.4	179.7	180.4	180.8	180.0
Nondurable manufactures	114.8	111.4	111.1	110.5	110.8	110.2	109.7	110.3	110.5	110.9	110.5	111.0	111.4	112.0	111.3	111.3
By market category:																
Consumer goods	121.9	120.7	121.4	119.9	119.6	120.0	120.6	120.6	121.2	121.7	121.4	121.4	122.3	123.2	121.8	121.7
Capacity utilization rates (percent):																
Total industry	81.8	76.8	76.4	75.5	75.0	74.7	74.4	74.8	75.0	75.2	75.3	75.6	76.0	76.3	76.0	75.9
Manufacturing	80.7	75.1	74.6	73.7	73.3	73.2	72.9	73.4	73.5	73.7	73.6	74.0	74.3	74.6	74.4	74.2
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) ²																
All sectors, by instrument:																
Total	1,741.3	2,020.7	2,286.2	.....	.....	2,214.7	.....	.....	1,887.5	.....	.....	2,461.3	.....	.....	.....	.....
Open market paper	207.6	-164.4	-163.5	.....	.....	37.8	.....	.....	-269.2	.....	.....	-167.3	.....	.....	.....	.....
U.S. government securities	137.6	623.8	1,027.8	.....	.....	635.2	.....	.....	731.8	.....	.....	948.4	.....	.....	.....	.....
Municipal securities	35.3	117.6	70.0	.....	.....	190.1	.....	.....	70.3	.....	.....	186.4	.....	.....	.....	.....
Corporate and foreign bonds	400.8	653.4	416.7	.....	.....	731.5	.....	.....	589.6	.....	.....	638.7	.....	.....	.....	.....
Bank loans, n.e.c.	112.8	-75.8	-18.6	.....	.....	-162.4	.....	.....	-4.6	.....	.....	-129.3	.....	.....	.....	.....
Other loans and advances	142.7	50.3	115.3	.....	.....	-98.7	.....	.....	-15.8	.....	.....	65.6	.....	.....	.....	.....
Mortgages	565.6	705.6	767.9	.....	.....	731.2	.....	.....	704.0	.....	.....	817.0	.....	.....	.....	.....
Consumer credit	139.0	110.2	70.6	.....	.....	149.9	.....	.....	81.4	.....	.....	101.9	.....	.....	.....	.....

Sources:

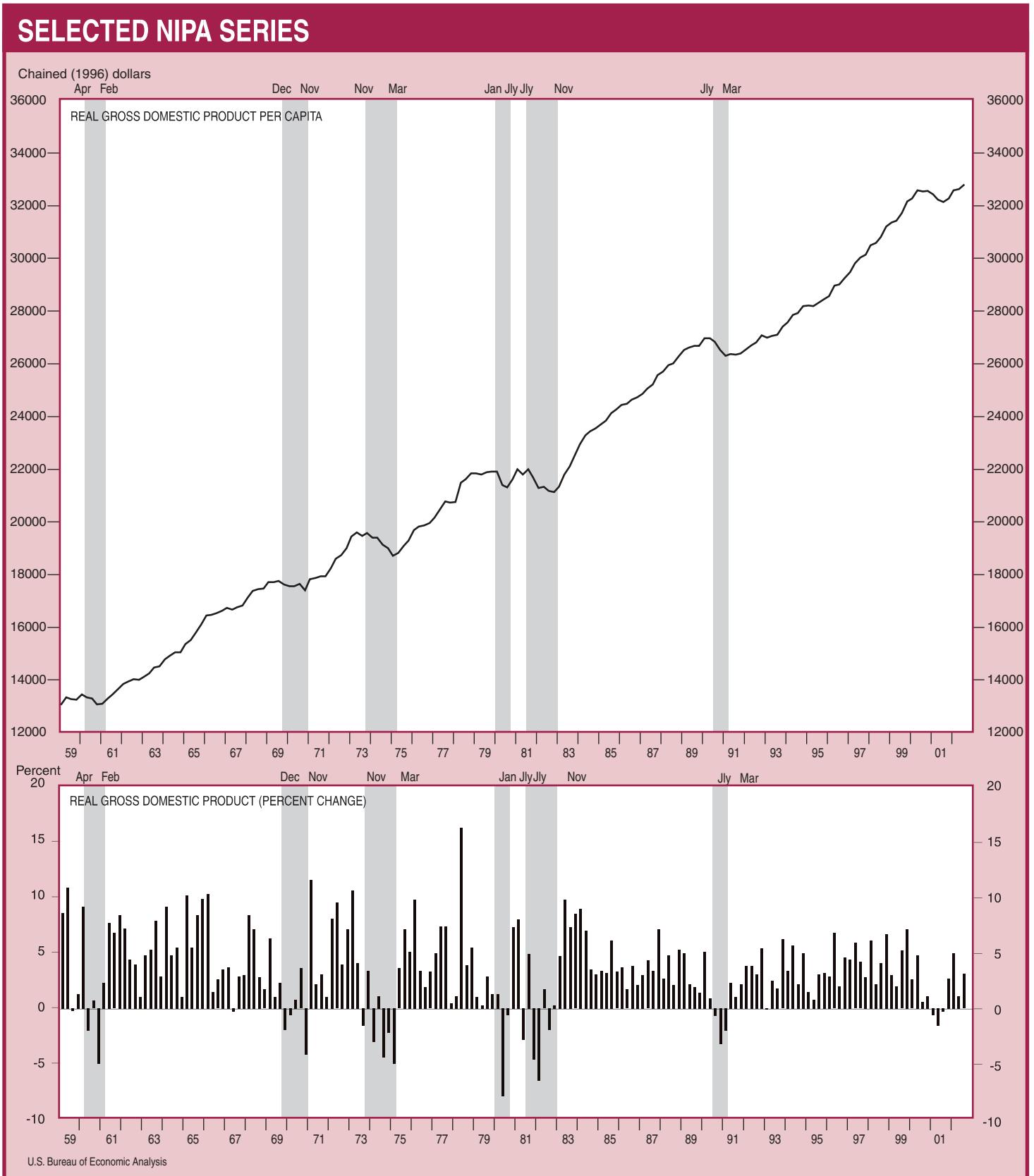
1. Bureau of Labor Statistics
2. Federal Reserve Board

3. Standard and Poor's, Inc.

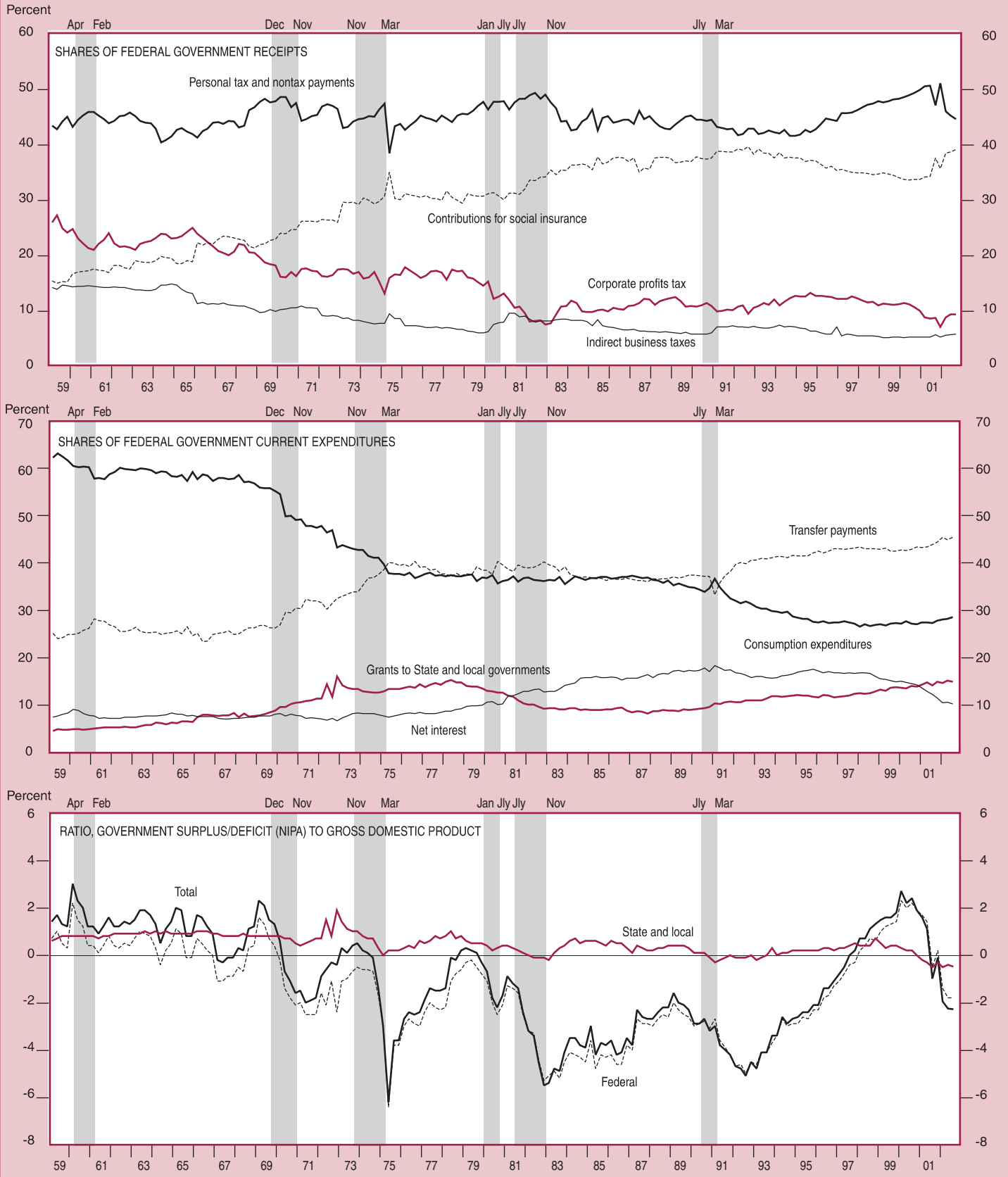
4. Bureau of the Census
- n.e.c. Not elsewhere classified

E. Charts

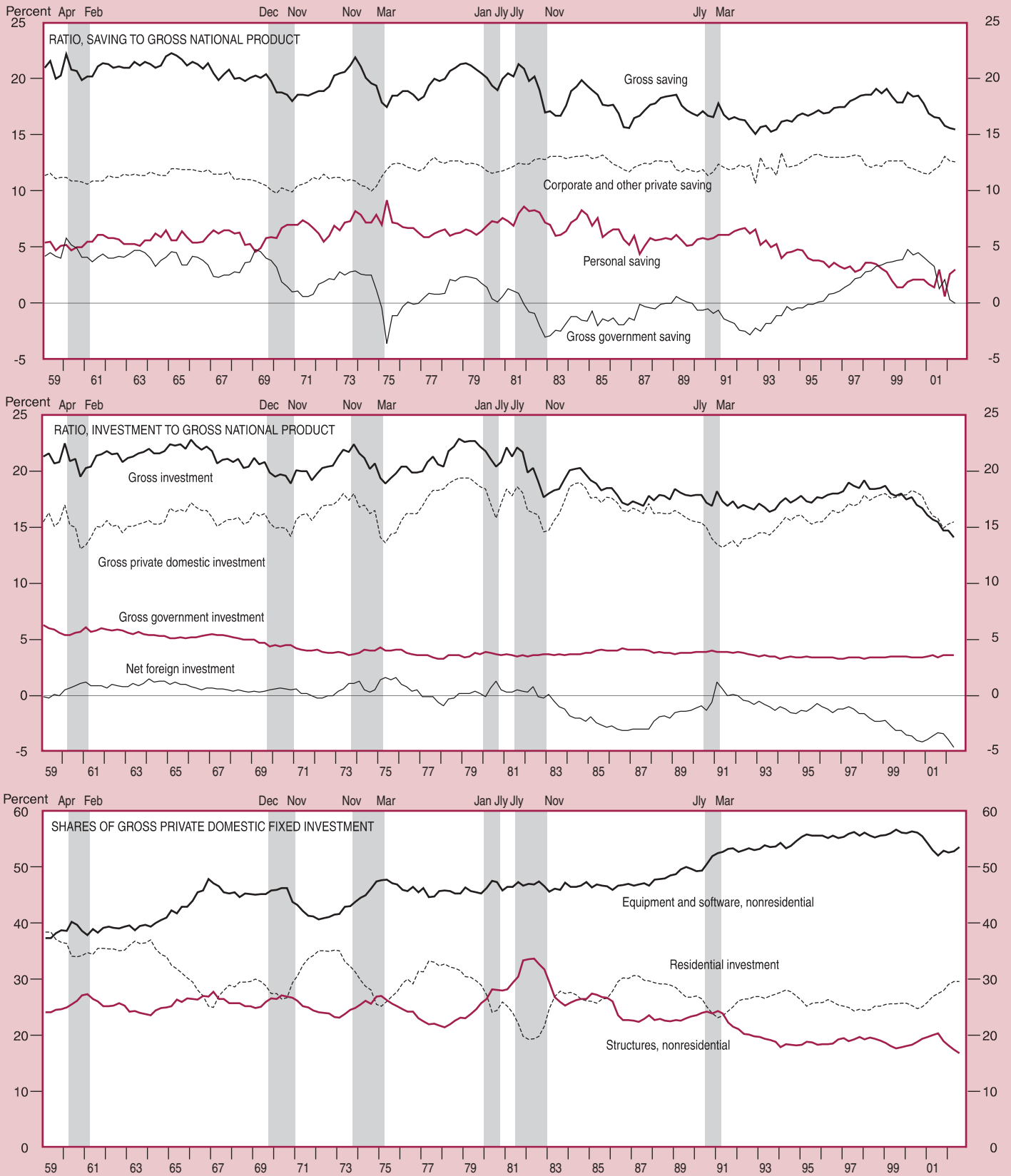
Percent changes shown in this section are based on quarter-to-quarter changes and are expressed at seasonally adjusted annual rates; likewise, levels of series are expressed at seasonally adjusted annual rates as appropriate.



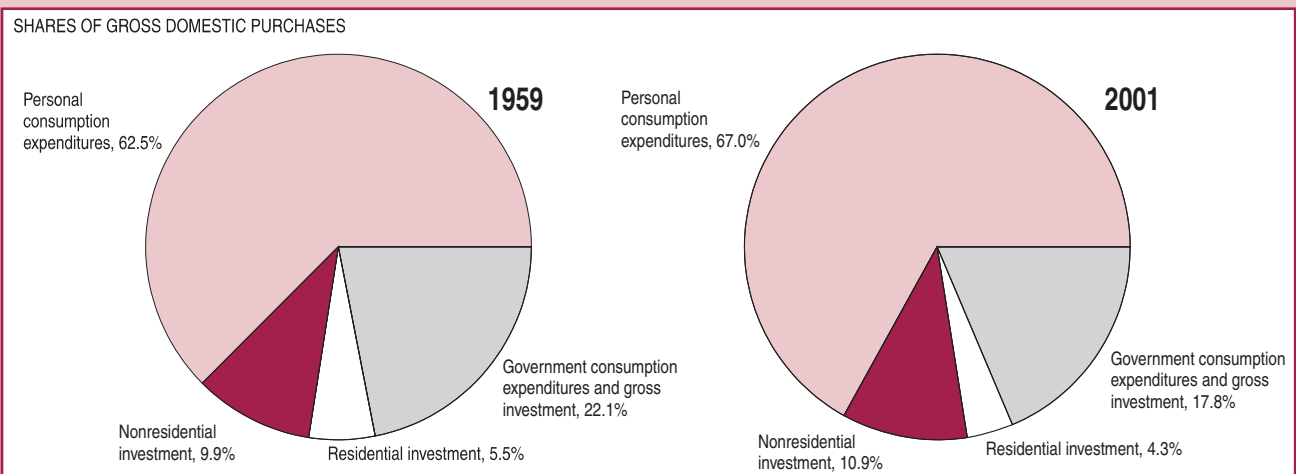
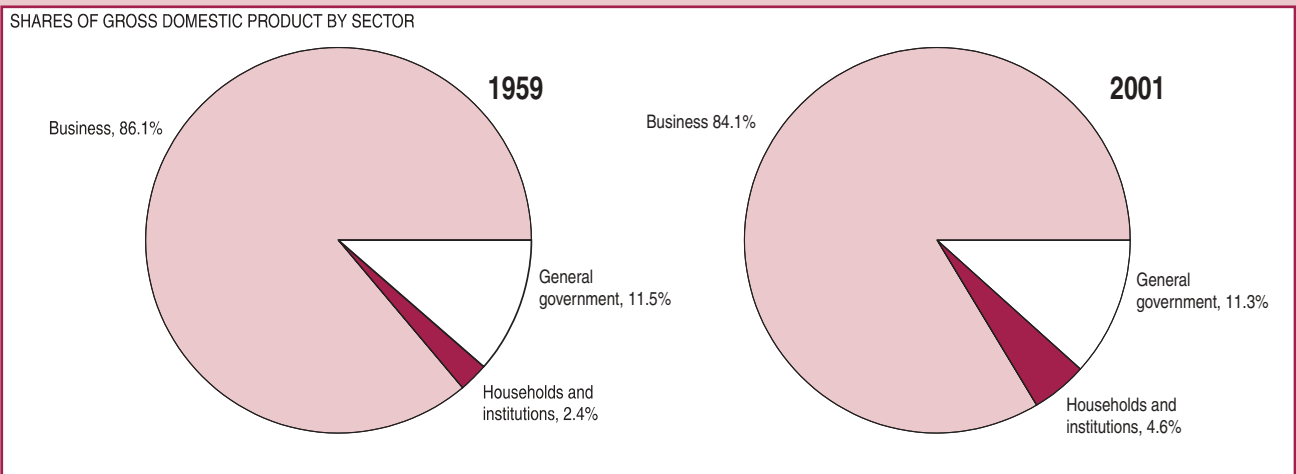
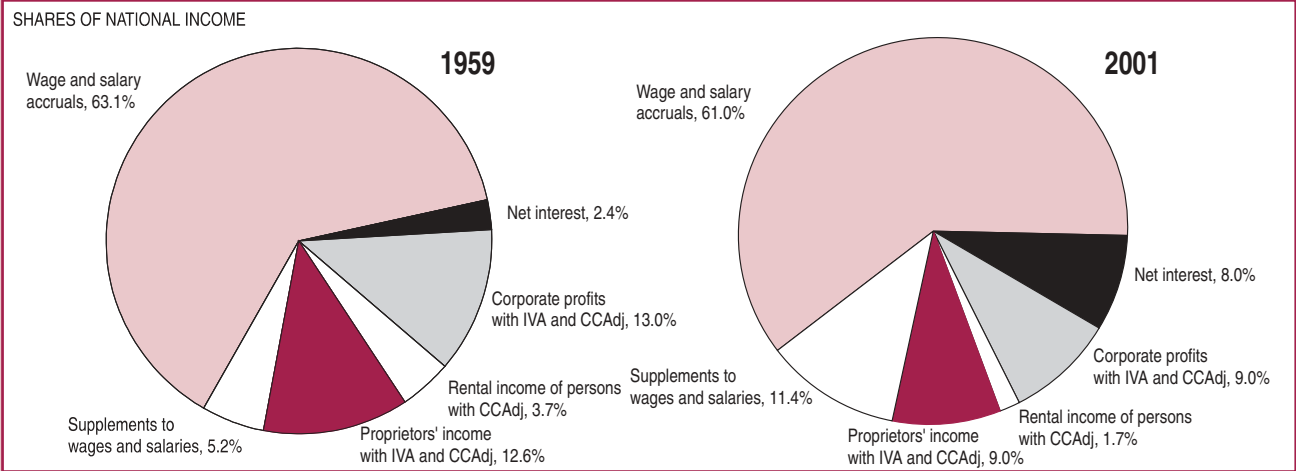
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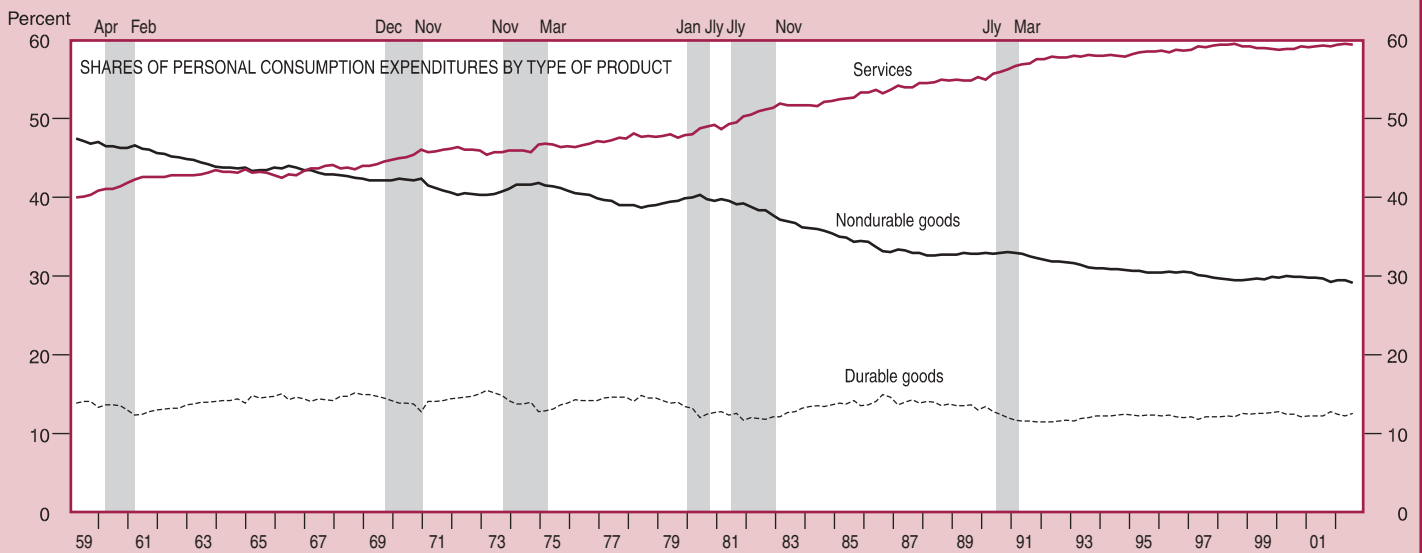
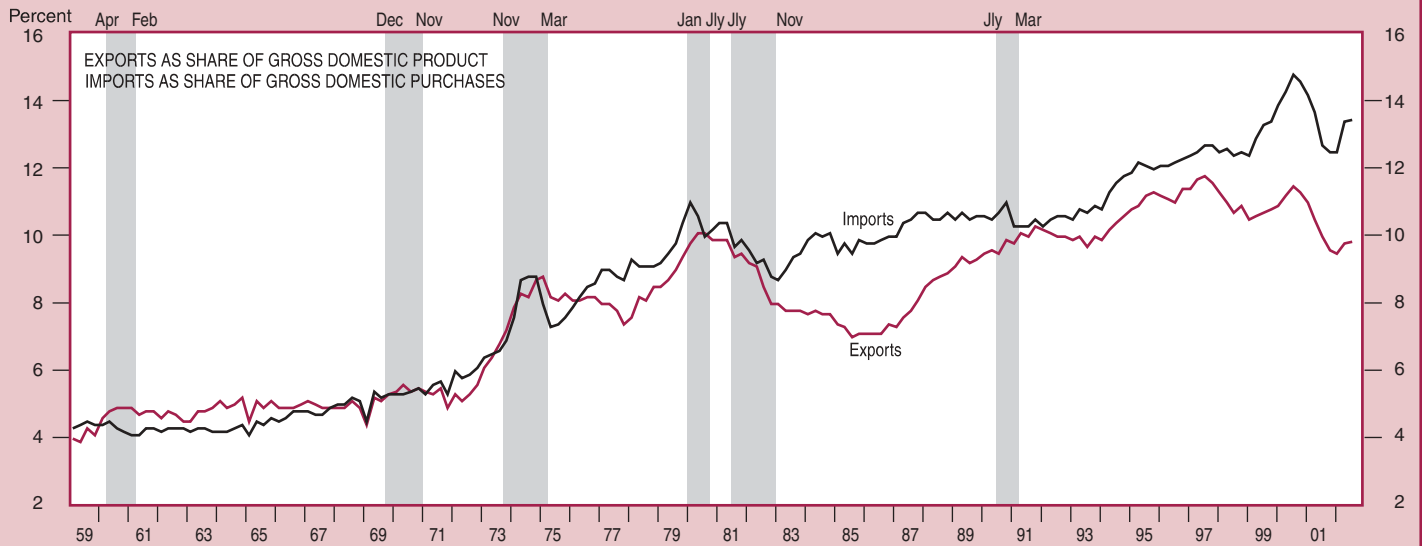
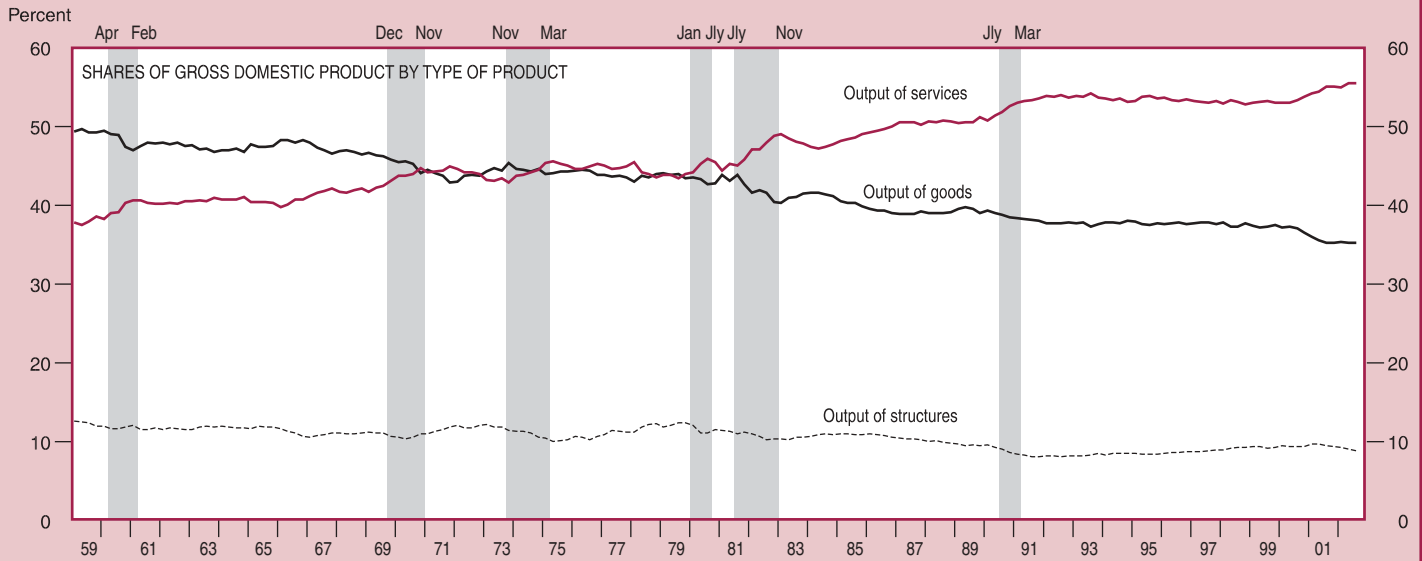
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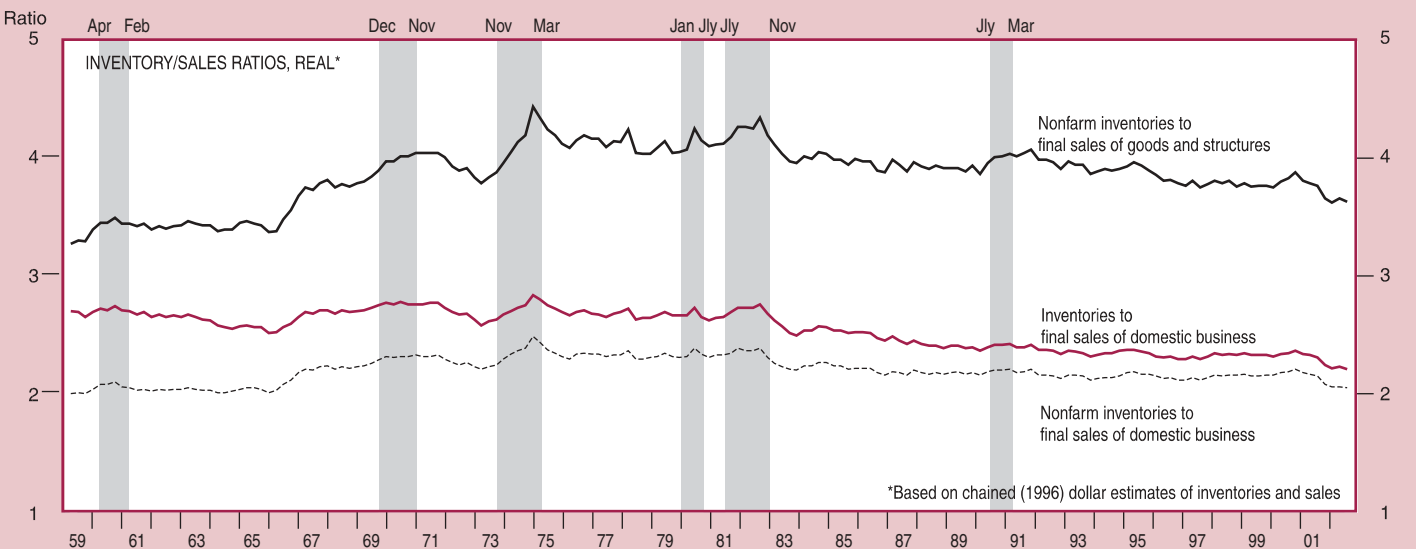
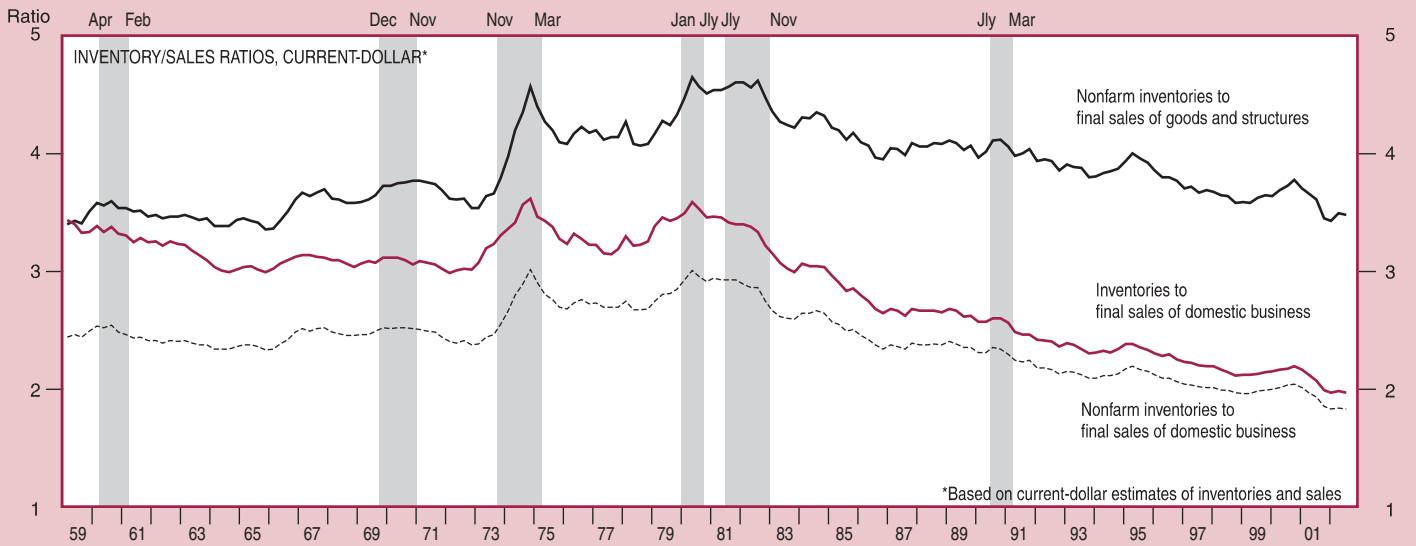
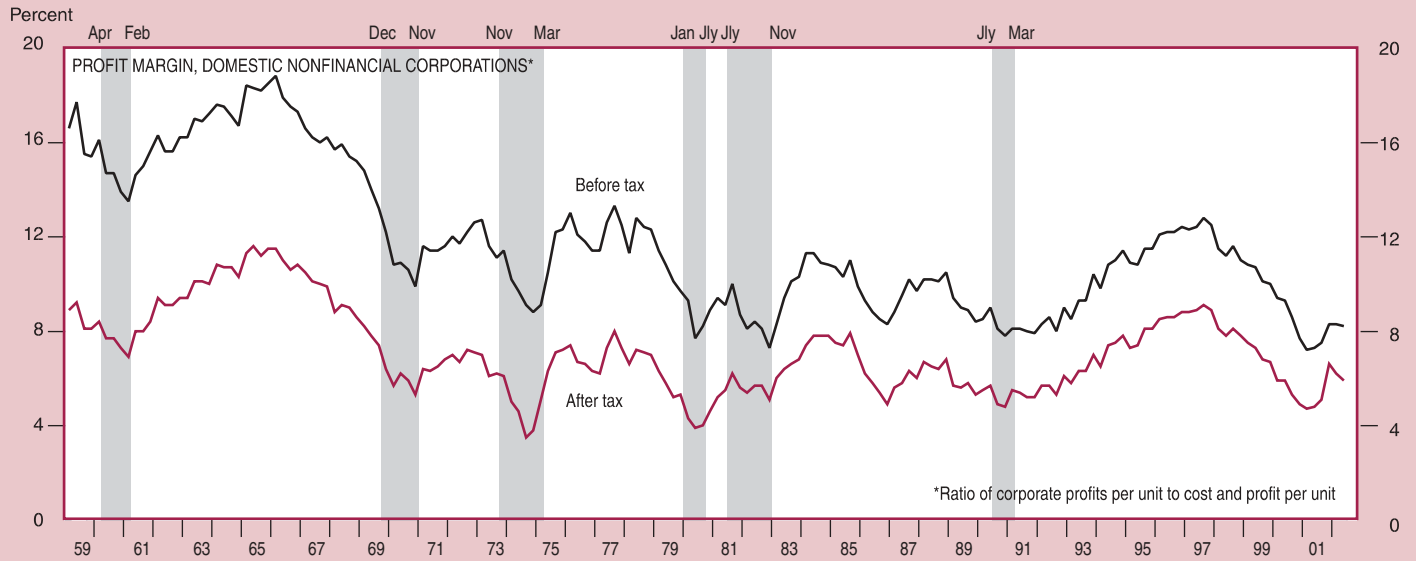
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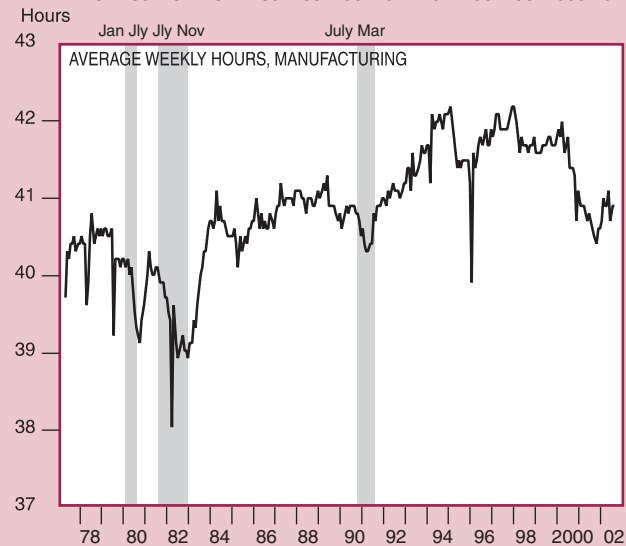
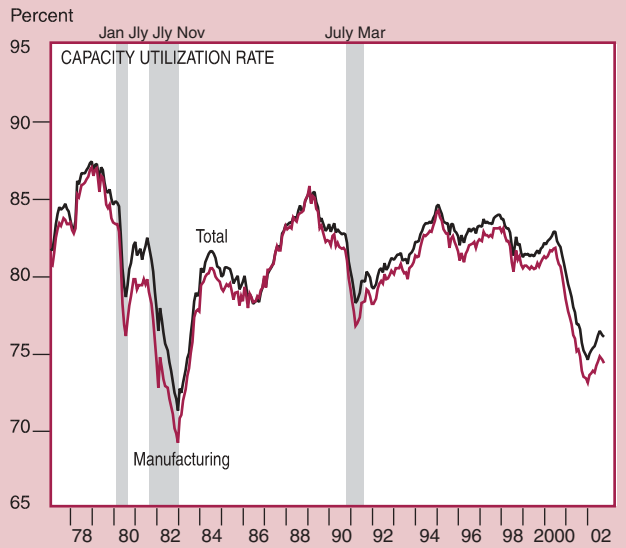
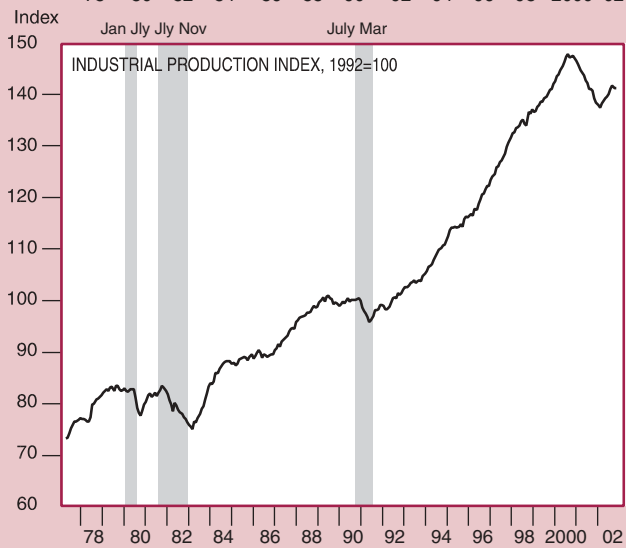
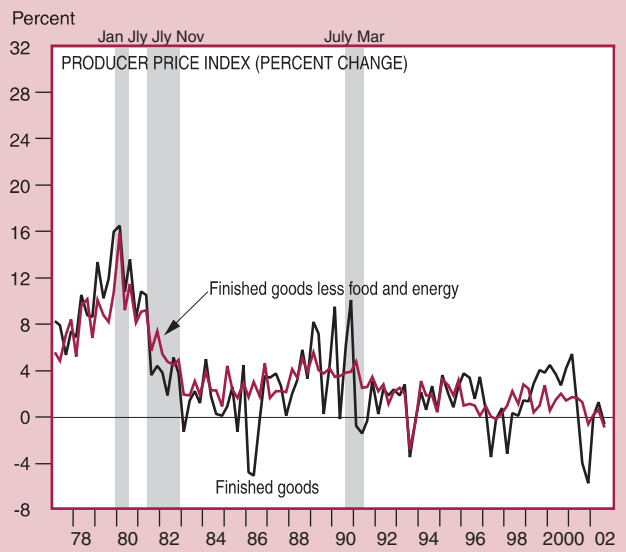
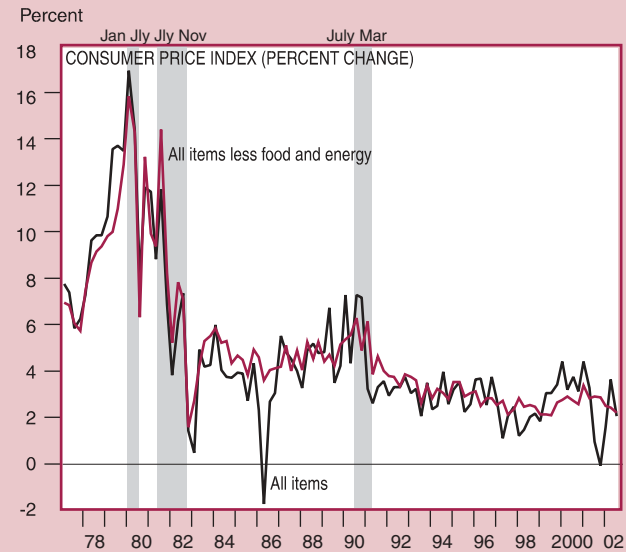
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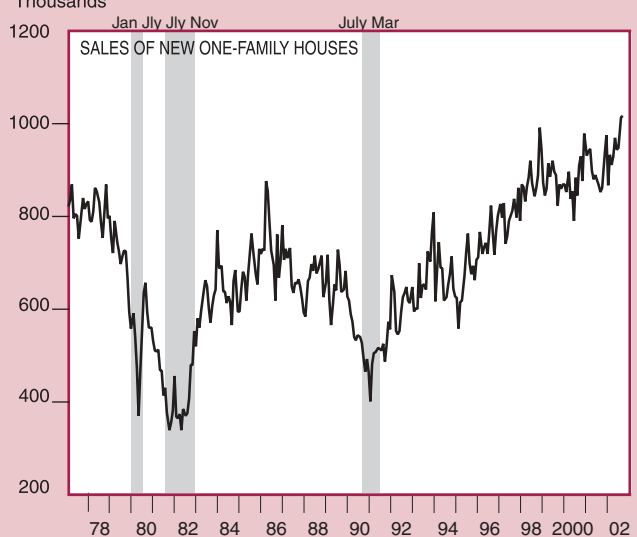
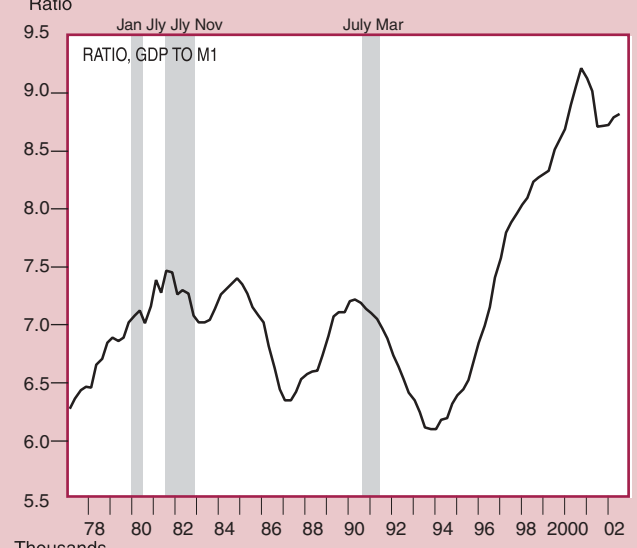
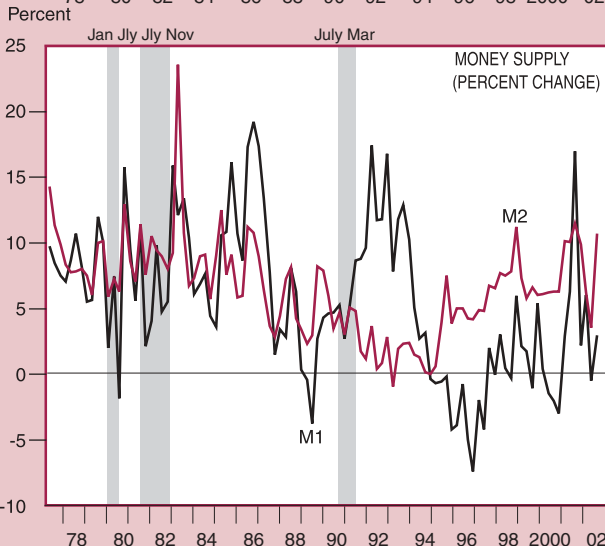
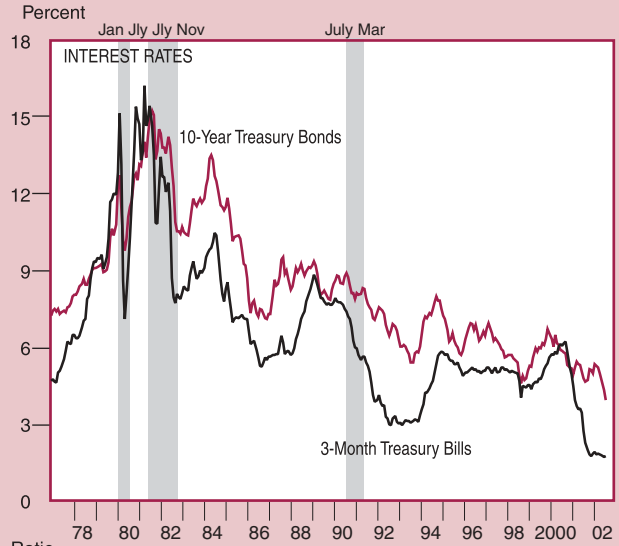
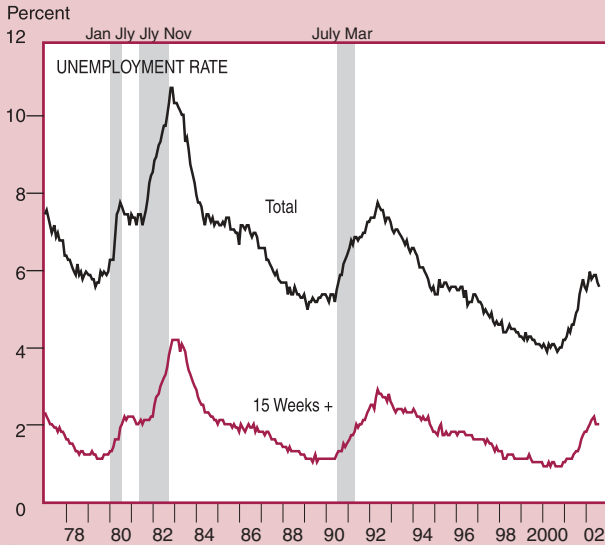
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OTHER INDICATORS OF THE DOMESTIC ECONOMY



OTHER INDICATORS OF THE DOMESTIC ECONOMY



International Data

F. Transactions Tables

Table F.1 includes the most recent estimates of U.S. international trade in goods and services; the estimates were released on October 18, 2002, and they include "preliminary" estimates for August 2002 and "revised" estimates for July 2002. The sources for the other tables in this section are as noted.

Table F.1. U.S. International Transactions in Goods and Services

[Millions of dollars; monthly estimates seasonally adjusted]

	2000	2001	2001						2002							
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July ^f	Aug. ^p
Exports of goods and services.....	1,064,239	998,022	82,199	83,092	77,033	77,549	77,905	77,477	77,528	77,332	78,391	80,329	81,009	82,165	82,909	81,857
Goods.....	771,994	718,762	58,610	58,939	55,725	56,360	56,007	54,991	55,014	54,656	54,978	56,848	57,329	58,249	59,105	57,984
Foods, feeds, and beverages	47,871	49,407	4,040	4,157	3,995	4,149	4,168	4,104	4,232	4,289	3,901	3,891	3,993	4,258	4,305	4,001
Industrial supplies and materials.....	172,615	160,104	12,894	13,143	12,249	12,611	12,464	12,445	12,296	12,244	12,291	13,117	13,314	13,325	13,236	13,305
Capital goods, except automotive.....	356,934	321,714	26,099	25,726	24,328	24,373	24,294	23,511	23,661	23,310	24,129	24,118	24,277	25,139	25,266	24,884
Automotive vehicles, engines, and parts.....	80,356	75,435	6,368	6,513	6,405	6,285	6,269	6,009	6,018	6,200	6,244	6,689	6,762	6,660	7,092	6,808
Consumer goods (nonfood), except automotive.....	89,377	88,331	7,298	7,133	6,955	7,054	6,945	7,126	6,955	6,856	6,748	7,081	6,874	7,106	7,254	7,114
Other goods.....	34,765	34,110	2,941	3,029	2,663	2,821	2,746	2,674	2,584	2,638	2,714	2,803	3,045	2,636	2,895	2,900
Adjustments ¹	-9,924	-10,339	-1,029	-763	-871	-934	-878	-878	-732	-881	-1,048	-850	-936	-875	-943	-1,028
Services.....	292,245	279,260	23,589	24,153	21,308	21,189	21,898	22,486	22,514	22,676	23,413	23,481	23,680	23,916	23,804	23,873
Travel.....	82,267	73,119	6,386	6,721	4,738	4,359	5,011	5,366	5,520	5,630	5,888	5,621	5,722	5,857	5,726	5,800
Passenger fares.....	20,760	18,007	1,613	1,754	1,155	1,120	1,198	1,311	1,373	1,376	1,422	1,353	1,420	1,436	1,419	1,455
Other transportation.....	30,137	28,306	2,359	2,443	2,166	2,296	2,199	2,179	2,249	2,225	2,331	2,340	2,339	2,348	2,305	2,323
Royalties and license fees.....	39,607	38,668	3,185	3,175	3,177	3,196	3,220	3,256	3,267	3,307	3,357	3,459	3,503	3,528	3,533	3,523
Other private services.....	104,707	108,109	8,946	8,976	8,963	9,146	9,209	9,205	9,035	9,075	9,363	9,541	9,622	9,672	9,778	9,723
Transfers under U.S. military agency sales contracts ²	13,981	12,220	1,029	1,012	1,038	1,006	997	1,105	1,005	998	987	1,101	1,008	1,008	977	982
U.S. Government miscellaneous services.....	786	831	71	72	71	66	64	64	65	65	65	66	66	67	66	67
Imports of goods and services.....	1,442,920	1,356,312	113,047	112,542	96,514	108,389	107,813	104,756	107,356	110,447	110,942	116,312	118,713	118,916	117,979	120,317
Goods.....	1,224,417	1,145,927	94,243	93,396	91,385	91,394	90,102	86,525	88,481	91,009	91,583	96,998	99,027	98,868	98,143	100,258
Foods, feeds, and beverages	45,979	46,641	4,024	3,928	3,984	3,966	3,983	3,821	3,870	4,029	3,975	4,075	4,144	4,132	4,243	4,218
Industrial supplies and materials.....	298,980	273,870	22,432	22,129	21,686	21,021	19,637	18,258	18,934	18,993	19,936	22,781	23,065	22,532	22,803	23,883
Capital goods, except automotive.....	347,025	297,993	23,860	23,569	22,501	22,838	22,771	22,464	22,859	23,066	23,413	23,836	24,086	24,181	23,981	23,706
Automotive vehicles, engines, and parts.....	195,875	189,782	16,048	16,198	15,698	15,555	15,823	15,507	15,275	16,351	15,984	17,007	17,651	17,223	17,233	17,428
Consumer goods (nonfood), except automotive.....	281,832	284,293	23,623	23,417	23,379	23,765	23,620	22,222	23,244	24,414	23,672	25,007	25,620	26,145	25,570	26,656
Other goods.....	48,331	48,421	4,044	3,912	3,912	4,036	4,062	4,085	4,064	3,928	4,328	3,971	4,141	4,376	4,038	4,094
Adjustments ¹	6,395	4,928	212	243	225	213	206	169	235	229	274	320	321	280	275	274
Services.....	218,503	210,385	18,804	19,146	5,129	16,995	17,711	18,231	18,875	19,438	19,359	19,314	19,686	20,048	19,836	20,059
Travel.....	64,788	60,117	5,192	5,374	3,902	3,846	4,411	4,691	4,751	4,789	5,047	4,702	4,949	5,031	4,975	5,011
Passenger fares.....	24,306	22,418	2,164	2,256	1,524	1,365	1,488	1,598	1,685	1,689	1,739	1,671	1,704	1,751	1,792	1,837
Other transportation.....	41,598	38,823	3,142	3,114	2,922	3,007	2,945	3,045	3,017	2,928	2,913	3,267	3,270	3,210	3,207	3,239
Royalties and license fees.....	16,115	16,359	1,371	1,373	1,369	1,367	1,367	1,376	1,391	1,953	1,420	1,417	1,426	1,679	1,443	1,452
Other private services.....	55,253	54,588	5,475	5,529	-6,139	5,759	5,807	5,805	6,311	6,337	6,473	6,447	6,509	6,540	6,582	6,632
Direct defense expenditures ²	13,560	15,198	1,217	1,258	1,310	1,416	1,458	1,479	1,475	1,494	1,519	1,567	1,587	1,596	1,596	1,647
U.S. Government miscellaneous services.....	2,883	2,882	243	242	241	235	235	237	245	248	248	243	241	241	241	241
Memoranda:																
Balance on goods.....	-452,423	-427,165	-35,633	-34,458	-35,660	-35,034	-34,095	-31,534	-33,467	-36,353	-36,604	-40,149	-41,698	-40,619	-39,037	-42,274
Balance on services.....	73,742	68,875	4,785	5,007	16,179	4,194	4,187	4,255	3,639	3,238	4,054	4,167	3,994	3,868	3,968	3,814
Balance on goods and services.....	-378,681	-358,290	-30,848	-29,451	-19,481	-30,840	-29,908	-27,279	-29,828	-33,115	-32,550	-35,982	-37,704	-36,751	-35,069	-38,460

^p Preliminary.

^f Revised.

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

used to prepare BEA's international and national accounts.

2. Contains goods that cannot be separately identified.

Source: U.S. Bureau of Economic Analysis and U.S. Bureau of the Census.

G. Investment Tables

Table G.1. International Investment Position of the United States at Yearend, 2000 and 2001

[Millions of dollars]

Line	Type of investment	Position, 2000 ^r	Changes in position in 2001 (decrease (-))				Total (a+b+c+d)	Position, 2001 ^p
			Attributable to:					
			Financial flows	Valuation adjustments				
				Price changes	Exchange rate changes ¹	Other changes ²		
(a)	(b)	(c)	(d)	(a+b+c+d)				
Net international investment position of the United States:								
1	With direct investment positions at current cost (line 3 less line 24)	-1,350,791	-381,845	-116,510	-103,402	4,414	-597,343	-1,948,134
2	With direct investment positions at market value (line 4 less line 25)	-1,583,153	-381,845	-215,482	-145,572	16,935	-725,964	-2,309,117
U.S.-owned assets abroad:								
3	With direct investment positions at current cost (lines 5+10+15)	6,191,934	370,962	-258,272	-124,662	16,177	4,205	6,196,139
4	With direct investment positions at market value (lines 5+10+16)	7,350,862	370,962	-715,843	-163,854	20,816	-487,919	6,862,943
5	U.S. official reserve assets	128,400	4,911	536	-3,879	-7	1,561	129,961
6	Gold	71,799	.....	³ 536	.....	⁴ -7	529	72,328
7	Special drawing rights	10,539	630	.....	-386	.....	244	10,783
8	Reserve position in the International Monetary Fund	14,824	3,600	.....	-555	.....	3,045	17,869
9	Foreign currencies	31,238	681	.....	-2,938	.....	-2,257	28,981
10	U.S. Government assets, other than official reserve assets	85,164	486	.....	.....	.....	486	85,650
11	U.S. credits and other long-term assets ⁵	82,570	558	.....	.....	.....	558	83,128
12	Repayable in dollars	82,289	561	.....	.....	.....	561	82,850
13	Other ⁶	281	-3	.....	.....	.....	-3	278
14	U.S. foreign currency holdings and U.S. short-term assets	2,594	-72	.....	.....	.....	-72	2,522
U.S. private assets:								
15	With direct investment at current cost (lines 17+19+22+23)	5,978,370	365,565	-258,808	-120,783	16,184	2,158	5,980,528
16	With direct investment at market value (lines 18+19+22+23)	7,137,298	365,565	-716,379	-159,975	20,823	-489,966	6,647,332
Direct investment abroad:								
17	At current cost	1,515,279	127,840	19,533	-17,713	-21,817	107,843	1,623,122
18	At market value	2,674,207	127,840	-438,038	-56,905	-17,178	-384,281	2,289,926
19	Foreign securities	2,389,427	94,662	-278,341	-95,228	.....	-278,907	2,110,520
20	Bonds	557,019	-12,147	18,214	-17,304	.....	-11,237	545,782
21	Corporate stocks	1,832,408	106,809	-296,555	-77,924	.....	-267,670	1,564,738
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	821,564	14,358	.....	-5,811	.....	8,547	830,111
23	U.S. claims reported by U.S. banks, not included elsewhere	1,252,100	128,705	.....	-2,031	38,001	164,675	1,416,775
Foreign-owned assets in the United States:								
24	With direct investment at current cost (lines 26+33)	7,542,725	752,807	-141,762	-21,260	11,763	601,548	8,144,273
25	With direct investment at market value (lines 26+34)	8,934,015	752,807	-500,361	-18,282	3,881	238,045	9,172,060
26	Foreign official assets in the United States	1,008,890	5,225	1,623	.....	6,000	12,848	1,021,738
27	U.S. Government securities	749,904	31,666	11,274	.....	6,000	48,940	798,844
28	U.S. Treasury securities	625,161	10,745	8,796	.....	6,001	25,542	650,703
29	Other	124,743	20,921	2,478	.....	-1	23,398	148,141
30	Other U.S. Government liabilities ⁷	13,739	-1,882	.....	.....	.....	-1,882	11,857
31	U.S. liabilities reported by U.S. banks, not included elsewhere	153,403	-30,278	.....	.....	.....	-30,278	123,125
32	Other foreign official assets	91,844	5,719	-9,651	.....	.....	-3,932	87,912
Other foreign assets:								
33	With direct investment at current cost (lines 35+37+38+41+42+43)	6,533,835	747,582	-143,385	-21,260	5,763	588,700	7,122,535
34	With direct investment at market value (lines 36+37+38+41+42+43)	7,925,125	747,582	-501,984	-18,282	-2,119	225,197	8,150,322
Direct investment in the United States:								
35	At current cost	1,374,752	130,796	14,214	-2,978	-17,860	124,172	1,498,924
36	At market value	2,766,042	130,796	-344,385	.....	-25,742	-239,331	2,526,711
37	U.S. Treasury securities	400,966	-7,670	4,719	.....	.....	-9,241	388,774
38	U.S. securities other than U.S. Treasury securities	2,623,628	407,653	-162,318	-12,309	.....	233,026	2,856,654
39	Corporate and other bonds	1,075,988	288,200	40,741	-12,309	.....	316,632	1,392,620
40	Corporate stocks	1,547,640	119,453	-203,059	.....	.....	-83,606	1,464,034
41	U.S. currency	251,786	23,783	.....	.....	.....	23,783	275,569
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	729,340	82,353	.....	-2,140	-5,136	75,077	804,417
43	U.S. liabilities reported by U.S. banks, not included elsewhere	1,153,363	110,667	.....	-3,833	38,000	144,834	1,298,197

^p Preliminary.^r Revised.

1. Represents gains or losses on foreign-currency-denominated assets due to their revaluation at current exchange rates.

2. Includes changes in coverage, statistical discrepancies, and other adjustments to the value of assets.

3. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are not included in international transactions financial flows.

5. Also includes paid-in capital subscriptions to international financial institutions and resources provided to foreigners under foreign assistance programs requiring repayment over several years. Excludes World War I debts that are not being serviced.

6. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

7. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies.

Source: Table 1 in "The International Investment Position of the United States at Yearend 2001" in the July 2002 Issue of the SURVEY OF CURRENT BUSINESS.

Table G.2. U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1999-2001
 [Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
All countries, all industries	1,173,122	1,293,431	1,381,674	174,576	164,969	113,977	112,359	135,109	111,089
By country									
Canada	111,747	128,814	139,031	18,122	18,950	14,440	12,103	14,688	11,773
Europe	611,958	679,457	725,793	99,224	92,427	56,133	57,704	66,523	55,667
<i>Of which:</i>									
France	39,960	38,752	38,457	512	2,011	655	1,386	2,404	1,920
Germany	48,445	50,963	61,437	4,268	3,099	11,360	4,621	4,588	2,690
Netherlands	110,321	117,557	131,884	8,253	2,953	16,058	12,598	11,858	13,417
Switzerland	44,499	55,854	62,897	8,407	9,959	6,629	7,098	7,025	7,576
United Kingdom	228,574	241,663	249,201	47,839	35,763	13,231	14,915	20,655	12,051
Latin America and Other Western Hemisphere	237,748	251,863	269,556	34,277	23,442	26,510	19,636	18,703	18,718
<i>Of which:</i>									
Bermuda	51,613	56,594	61,929	7,786	6,532	5,865	4,373	6,036	5,045
Brazil	37,383	39,033	36,317	3,484	3,091	-17	1,511	1,579	756
Mexico	32,888	37,332	52,168	5,978	5,302	15,078	4,448	4,371	4,409
Panama	33,143	29,316	25,296	2,259	1,231	753	2,365	501	452
Africa	13,621	14,417	15,872	498	1,151	798	1,876	2,675	2,063
Middle East	10,712	11,087	12,643	5	1,635	1,269	1,180	2,254	1,314
Asia and Pacific	184,313	205,317	216,501	21,890	27,333	15,012	19,927	29,983	21,153
<i>Of which:</i>									
Australia	34,743	35,364	34,041	3,244	2,421	-423	2,472	3,586	1,690
Japan	56,393	59,441	64,103	9,449	6,279	5,474	4,749	7,805	5,683
International	3,024	2,476	2,278	560	31	-184	-68	282	402
By industry									
Petroleum	90,493	95,834	102,074	9,481	10,594	12,668	10,174	18,667	13,866
Manufacturing	306,156	353,550	376,259	34,939	58,049	36,381	33,213	38,965	28,806
Food and kindred products	34,225	35,933	35,496	1,359	2,913	1,692	3,821	3,868	4,029
Chemicals and allied products	81,656	100,872	108,663	7,346	16,462	10,800	9,250	9,882	10,355
Primary and fabricated metals	18,328	18,773	21,488	1,088	633	2,895	1,381	1,631	1,211
Industrial machinery and equipment	35,337	41,199	52,392	6,393	7,305	12,039	4,445	6,652	4,940
Electronic and other electric equipment	36,996	49,065	48,391	3,940	16,156	905	3,679	5,683	2,768
Transportation equipment	36,045	40,052	39,142	6,687	7,159	578	4,416	3,613	612
Other manufacturing	63,569	67,656	70,687	8,126	7,420	7,473	6,220	7,637	4,890
Wholesale trade	74,215	83,724	92,836	6,413	12,434	9,289	10,837	12,524	12,093
Depository institutions	38,365	38,071	49,319	533	-2,221	9,925	856	1,826	2,520
Finance, (except depository institutions), insurance, and real estate	498,468	542,641	572,545	86,419	54,147	34,983	45,906	52,938	46,135
Services	72,054	80,144	86,491	14,473	10,785	7,513	8,050	8,912	6,817
Other industries	93,371	99,469	102,150	22,318	21,182	3,217	3,323	1,277	854

NOTE: In this table, unlike in the international transactions accounts, income and capital outflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 2001" in the September 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table G.3. Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 1999

	All nonbank affiliates						Majority-owned nonbank foreign affiliates (MOFA's)						
	Millions of dollars					Thousands of employees	Millions of dollars						Thousands of employees
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates		Total assets	Sales	Net income	Gross product	U.S. exports of goods shipped to MOFA's	U.S. imports of goods shipped by MOFA's	
All countries, all industries.....	4,628,182	2,587,301	199,069	208,850	193,615	8,907.1	4,041,598	2,195,327	160,490	561,158	202,914	181,283	7,470.8
By country													
Canada.....	367,802	302,844	15,476	73,586	79,382	1,054.6	335,254	280,644	14,951	63,803	71,937	75,634	984.0
Europe.....	2,626,759	1,367,665	99,754	(D)	32,960	3,787.4	2,423,918	1,201,512	91,467	321,581	48,029	31,888	3,418.9
Of which:													
France.....	161,495	142,034	3,884	5,526	3,198	518.0	140,315	123,850	3,610	36,942	4,906	3,088	479.0
Germany.....	291,077	241,496	9,889	8,100	4,397	675.8	256,495	199,709	8,375	61,862	8,047	4,350	631.9
Netherlands.....	299,780	135,445	17,281	(D)	1,472	194.9	281,275	116,298	15,669	17,897	6,969	1,466	179.2
United Kingdom.....	1,190,163	(D)	(D)	12,658	9,001	1,171.8	1,134,967	340,196	22,602	100,997	12,645	8,951	1,065.2
Latin America and Other Western Hemisphere.....	688,777	299,839	28,816	40,912	37,134	1,827.5	560,556	245,569	26,000	59,361	39,564	35,261	1,444.4
Of which:													
Brazil.....	128,207	70,358	-269	4,070	3,073	411.5	90,625	55,248	880	16,095	3,933	3,002	339.5
Mexico.....	97,540	100,544	5,846	30,279	28,846	933.1	71,350	79,328	4,805	17,146	29,419	27,558	729.2
Africa.....	50,744	31,566	2,839	1,032	1,761	218.6	37,664	23,895	2,242	9,365	945	1,758	114.2
Middle East.....	51,402	29,259	23,278	797	1,260	92.8	18,404	13,618	1,343	5,427	733	882	47.6
Asia and Pacific.....	818,875	547,305	27,630	43,586	41,118	1,889.0	653,207	425,372	24,126	100,212	41,642	35,860	1,450.9
Of which:													
Australia.....	115,825	73,205	3,312	4,485	1,128	309.1	100,368	59,941	3,157	19,305	4,405	1,121	249.4
Japan.....	341,266	200,201	6,256	13,606	7,443	399.4	246,876	125,063	4,848	30,761	12,555	2,447	212.4
International.....	23,823	8,823	1,276	(D)	0	37.3	12,596	4,716	360	1,410	65	0	10.9
By industry													
Mining.....	227,580	79,944	13,161	2,189	7,140	155.5	196,002	71,113	11,395	40,910	1,979	6,606	133.7
Utilities.....	155,644	57,017	3,807	6	(D)	119.0	104,500	35,170	3,218	10,131	4	2	66.5
Manufacturing.....	1,135,726	1,273,075	80,586	150,279	168,073	4,900.4	956,228	1,096,394	54,376	312,419	145,721	156,437	4,244.5
Of which:													
Food.....	69,568	93,404	3,898	2,687	(D)	376.4	63,349	84,924	3,624	19,222	2,598	4,129	334.2
Chemicals.....	259,028	210,141	19,996	17,180	12,865	616.8	226,231	186,383	18,584	58,380	16,159	12,258	552.5
Primary and fabricated metals.....	57,559	46,290	1,897	2,942	3,896	240.1	48,969	39,627	1,754	12,135	2,617	3,615	212.6
Machinery.....	79,844	79,713	3,000	7,071	8,684	391.6	64,928	64,739	2,850	19,123	6,745	7,369	340.6
Computer and electronic products.....	146,176	200,519	8,313	36,728	41,242	781.0	142,038	197,109	8,203	38,651	36,562	41,036	765.7
Electrical equipment, appliances, and components.....	24,229	28,075	1,199	2,658	3,932	294.0	21,161	24,895	1,072	7,441	2,589	3,340	255.5
Transportation equipment.....	183,174	282,090	7,043	67,020	78,108	943.2	151,882	241,451	6,299	48,364	65,352	70,463	839.4
Wholesale trade.....	318,086	599,641	19,989	48,176	16,518	658.1	299,388	543,867	18,682	82,132	47,326	16,366	620.0
Information.....	226,838	135,799	4,575	552	135	581.0	101,836	69,132	1,766	19,413	539	135	270.0
Finance (except depository institutions) and insurance.....	1,648,888	161,134	21,324	8	0	322.3	1,567,608	150,472	20,229	22,439	8	0	295.0
Professional, scientific, and technical services.....	92,049	79,025	4,125	1,749	830	374.5	86,470	72,176	3,882	29,153	1,722	830	343.5
Other industries.....	823,371	201,666	51,501	5,890	(D)	1,796.3	729,566	157,002	46,942	44,561	5,615	907	1,497.6

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from the 1999 Benchmark Survey of U.S. Direct Investment Abroad; see "Operations of

U.S. Multinational Companies: Preliminary Results From the 1999 Benchmark Survey" in the March 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table G.4. Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of U.S. Affiliate, 1999-2001
[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
All countries, all industries.....	955,726	1,214,254	1,321,063	283,376	300,912	124,435	46,385	52,465	15,965
By country									
Canada.....	90,559	114,599	108,600	26,367	26,036	4,627	2,215	1,057	-7,736
Europe.....	639,923	835,137	946,758	223,406	238,740	118,059	36,753	41,511	26,043
<i>Of which:</i>									
France.....	89,945	131,484	147,207	29,834	49,436	14,676	2,954	3,930	7,663
Germany.....	112,126	124,839	152,760	23,478	14,290	28,015	6,123	2,390	-6,273
Luxembourg.....	35,644	53,794	40,232	6,887	25,230	-13,801	2,241	4,672	3,172
Netherlands.....	125,010	146,493	158,020	41,689	32,599	15,171	7,299	8,990	4,368
Switzerland.....	52,973	69,240	125,521	2,503	16,697	51,959	2,844	4,113	1,816
United Kingdom.....	153,797	213,820	217,746	108,566	75,654	14,226	11,899	14,046	11,823
Latin America and Other Western Hemisphere.....	40,771	54,463	58,881	16,929	12,253	954	2,397	2,407	-1,399
<i>Of which:</i>									
Bermuda.....	14,798	18,502	15,748	10,338	2,523	-3,223	41	-457	-1,602
Mexico.....	1,999	7,832	7,418	1,273	5,266	-84	175	-68	-1,070
Panama.....	5,275	3,726	4,199	-226	-1,477	449	752	480	480
United Kingdom Islands, Caribbean.....	11,573	15,353	18,244	4,137	3,865	3,966	1,527	1,829	118
Africa.....	1,361	2,756	3,264	423	652	407	-66	6	-193
Middle East.....	4,362	6,189	6,039	376	2,142	-159	156	259	311
Asia and Pacific.....	178,749	201,110	197,522	15,876	21,088	547	4,931	7,225	-1,060
<i>Of which:</i>									
Australia.....	15,616	20,701	23,488	4,193	5,963	3,649	643	1,074	-918
Japan.....	153,815	163,577	158,988	11,555	7,773	-1,550	4,006	5,825	169
By industry									
Petroleum.....	51,231	87,055	95,922	4,778	44,869	10,308	4,510	11,435	8,971
Manufacturing.....	385,253	479,851	508,535	69,851	100,693	29,246	24,674	23,860	3,177
Food and kindred products.....	18,864	23,975	23,847	-1,460	5,293	-233	1,570	1,792	1,051
Chemicals and allied products.....	97,009	122,446	127,139	7,562	26,196	3,062	6,317	5,906	4,472
Primary and fabricated metals.....	19,778	24,741	25,683	1,839	9,057	-965	1,083	1,320	802
Machinery.....	92,038	151,237	166,198	39,483	40,040	14,695	2,181	6,847	-6,444
Other manufacturing.....	157,564	157,453	165,668	22,428	20,107	12,687	13,524	7,996	3,297
Wholesale trade.....	100,251	110,286	112,997	16,195	11,320	1,855	5,813	7,016	5,549
Retail trade.....	24,199	29,666	35,811	4,156	5,243	7,245	1,641	1,677	816
Depository institutions.....	61,756	68,128	78,094	19,326	9,672	8,427	2,994	3,948	3,370
Finance, except depository institutions.....	65,453	84,383	85,990	17,964	19,957	6,414	816	399	-5,921
Insurance.....	83,760	112,482	120,400	23,026	34,562	8,496	2,963	4,767	3,183
Real estate.....	40,209	42,682	44,163	2,492	998	1,873	1,075	2,291	1,095
Services.....	64,335	109,504	125,660	21,675	60,539	14,718	1,873	-920	-1,853
Other industries.....	79,281	90,219	113,491	103,913	13,058	35,853	25	-2,008	-2,422

NOTE: In this table, unlike in the international transactions accounts, income and capital inflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 2001" in the September 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table G.5. Selected Financial and Operating Data of Nonbank U.S. Affiliates and Majority-Owned Nonbank U.S. Affiliates of Foreign Companies by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 2000

	All nonbank affiliates							Majority-owned nonbank affiliates						
	Millions of dollars				Thousands of employees	Millions of dollars		Millions of dollars				Thousands of employees	Millions of dollars	
	Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries, all industries	4,847,267	2,334,692	30,641	522,238	6,429.2	165,321	366,647	4,180,503	2,053,022	22,086	449,396	5,562.6	151,521	348,741
By country														
Canada	434,177	168,457	-3,670	40,514	643.0	9,019	19,509	416,420	159,257	-3,792	36,272	555.2	8,859	19,365
Europe	3,274,267	1,420,093	27,465	349,863	4,361.9	89,063	145,037	3,020,496	1,247,041	22,226	301,085	3,815.7	81,543	139,222
Of which:														
France	469,643	193,135	2,516	57,762	648.8	15,194	16,294	390,343	144,432	2,765	38,854	401.0	(D)	(D)
Germany	572,565	320,249	3,186	57,995	729.8	32,770	53,080	558,092	308,197	2,730	54,033	691.4	32,167	52,740
Netherlands	582,054	254,092	4,965	46,620	561.4	7,498	21,895	560,755	(D)	(D)	42,641	546.9	7,214	21,827
Sweden	66,738	42,435	-214	11,096	234.2	4,003	(D)	66,068	41,520	-186	10,724	225.5	3,982	4,696
Switzerland	695,092	132,392	2,513	39,924	554.0	6,004	8,540	671,046	120,011	2,154	34,015	459.0	5,917	8,373
United Kingdom	734,634	363,251	14,877	111,871	1,189.9	16,970	25,105	637,335	331,175	12,270	100,143	1,102.8	16,303	24,701
Latin America and Other Western Hemisphere	146,009	105,033	-599	26,597	275.8	9,272	20,978	136,603	95,183	-813	25,073	262.1	8,998	17,488
Of which:														
Bermuda	60,491	35,792	-762	11,872	135.7	(D)	1,597	58,264	35,179	-715	11,796	132.2	(D)	1,592
Mexico	19,507	16,278	46	2,952	57.2	(D)	3,291	18,080	14,977	110	2,759	53.8	(D)	(D)
Panama	1,679	1,238	18	524	6.8	126	109	1,563	1,170	6	498	6.7	126	109
United Kingdom Islands, Caribbean	39,199	9,576	-360	1,673	34.1	(D)	1,947	38,679	9,298	-348	1,584	32.3	(D)	1,947
Venezuela	13,297	29,800	656	6,480	8.3	403	10,590	(D)	(D)	(D)	(D)	H	(D)	(D)
Africa	11,758	6,449	181	1,322	14.2	474	269	(D)	(D)	(D)	1,283	14.0	(D)	266
Middle East	29,912	16,011	568	3,150	50.9	802	1,846	27,434	14,301	489	2,434	38.1	789	1,758
Asia and Pacific	705,084	576,943	1,072	89,282	1,019.5	54,686	177,721	557,549	513,157	3,868	77,928	848.2	48,943	169,450
Of which:														
Australia	69,095	31,948	-643	9,319	83.3	1,428	1,438	60,519	25,605	-741	7,909	69.6	(D)	(D)
Japan	558,934	477,831	4,316	72,041	826.8	44,130	151,368	445,551	429,732	5,015	62,241	699.9	40,894	147,125
United States	246,060	41,707	5,625	11,510	63.9	2,004	1,287	(D)	(D)	(D)	5,320	29.4	(D)	1,192
By industry ¹														
Manufacturing	1,108,046	979,597	11,796	237,032	2,658.3	101,248	149,875	1,000,442	852,164	10,985	217,358	2,441.9	91,048	134,932
Of which:														
Food	45,143	47,388	302	11,018	147.6	2,467	4,398	44,099	45,567	296	10,631	140.8	2,374	4,377
Chemicals	257,094	160,496	3,887	44,832	386.8	15,528	16,388	238,314	145,362	3,195	40,821	356.7	14,295	16,099
Primary and fabricated metals	65,699	66,282	1,244	17,282	219.2	4,930	7,719	57,252	57,196	669	15,069	204.9	4,125	6,830
Machinery	66,528	54,207	-885	15,506	230.6	6,735	7,849	64,744	52,612	-36	15,323	223.6	6,545	7,375
Computers and electronic products	173,303	129,225	-4,847	28,705	337.4	19,329	37,731	137,673	117,587	-3,755	27,229	305.3	14,645	30,463
Electrical equipment, appliances, and components	66,099	60,221	280	19,878	284.4	8,717	4,284	65,680	59,765	254	19,737	282.7	8,583	4,231
Transportation equipment	199,695	205,220	3,890	35,016	390.8	30,731	46,806	192,444	193,099	3,519	32,278	358.3	29,213	(D)
Wholesale trade	407,715	637,978	14,530	86,444	574.4	57,844	207,041	398,811	616,015	13,683	82,849	543.7	54,431	204,816
Retail trade	74,259	114,977	-279	24,676	674.4	1,535	(D)	60,826	102,648	163	22,346	603.5	(D)	(D)
Information	318,489	121,684	-4,387	41,878	408.9	709	240	169,464	69,125	-4,050	19,959	242.8	687	161
Of which:														
Publishing industries	71,021	35,582	98	13,764	139.2	(D)	127	(D)	30,415	-385	10,695	122.8	(D)	(D)
Broadcasting and telecommunications	165,541	59,205	-3,848	21,895	178.4	5	(D)	38,335	13,517	-3,692	2,837	35.1	(*)	1
Finance (except depository institutions) and insurance	2,472,481	243,337	10,543	41,433	291.8	(*)	5	2,162,327	211,823	3,396	33,260	252.0	(*)	5
Real estate and rental and leasing	122,797	25,691	1,331	10,936	49.5	(D)	649	110,543	22,589	1,069	9,418	38.7	(D)	649
Professional, scientific, and technical services	51,405	32,241	-1,135	9,672	148.9	366	336	46,919	29,665	-634	9,038	133.4	356	336
Other industries	292,075	179,186	-1,759	70,167	1,623.1	(D)	(D)	231,172	148,994	-2,527	55,169	1,306.7	3,242	(D)

D Suppressed to avoid disclosure of data of individual companies.

* Less than \$500,000.

1. The industry classification system used to classify the data for U.S. affiliates is based on the North American Industry Classification System. Prior to 1997, the affiliate data were classified using an industry classification system based on the Standard Industrial Classification system.

NOTES: The data in this table are from BEA's annual survey of the operations of U.S. affiliates of foreign companies; see "U.S. Affiliates of Foreign Companies: Operations in 2000," in the August 2002 issue of the Survey of Current Business.

Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; B—500 to 999; C—1,000 to 2,499; D—2,500 to 4,999; E—5,000 to 9,999; F—10,000 to 24,999; G—25,000 to 49,999; H—50,000 to 99,999; I—100,000 or more.

I. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY

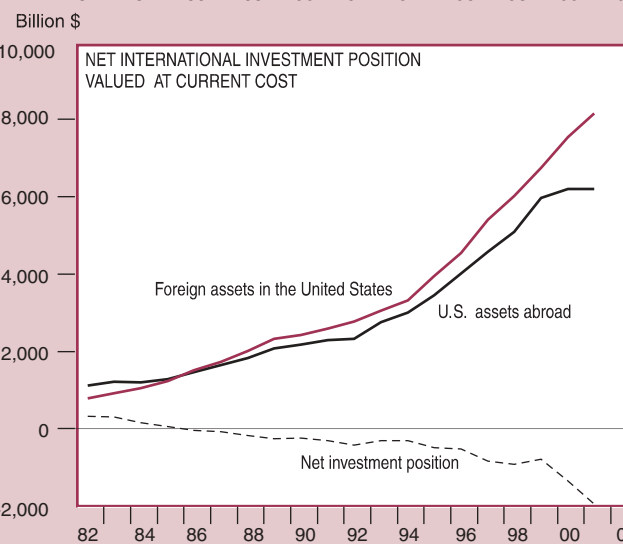
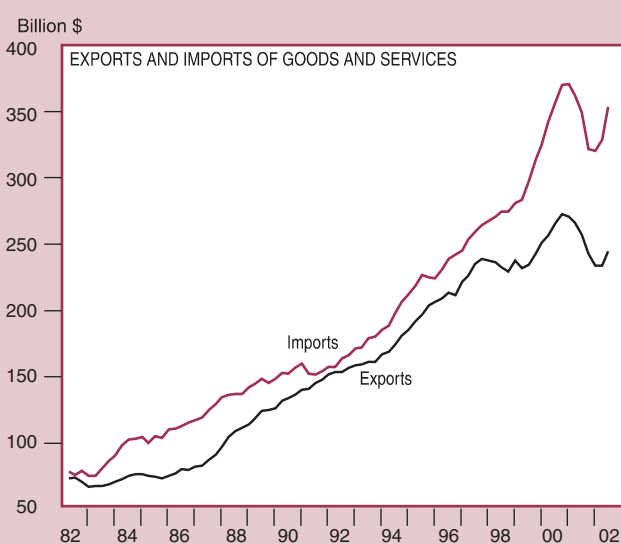
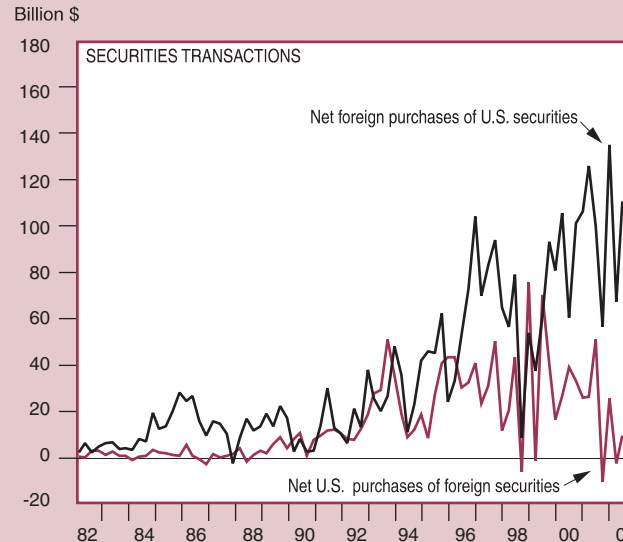
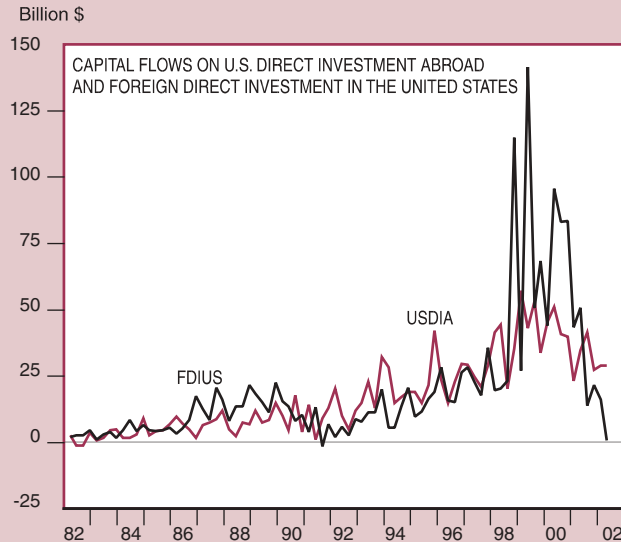
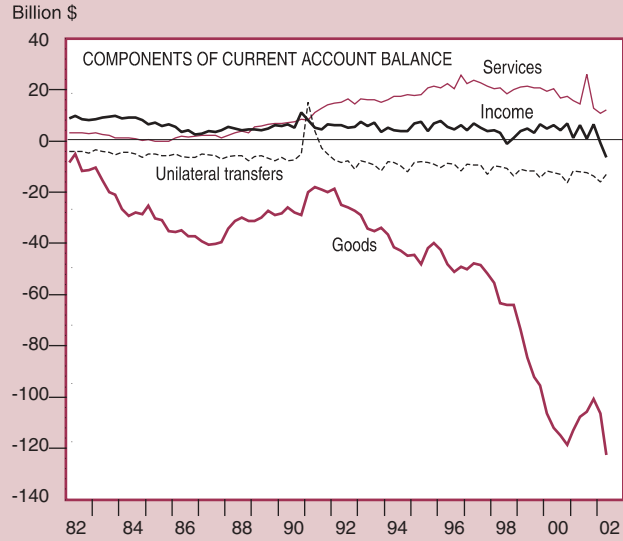
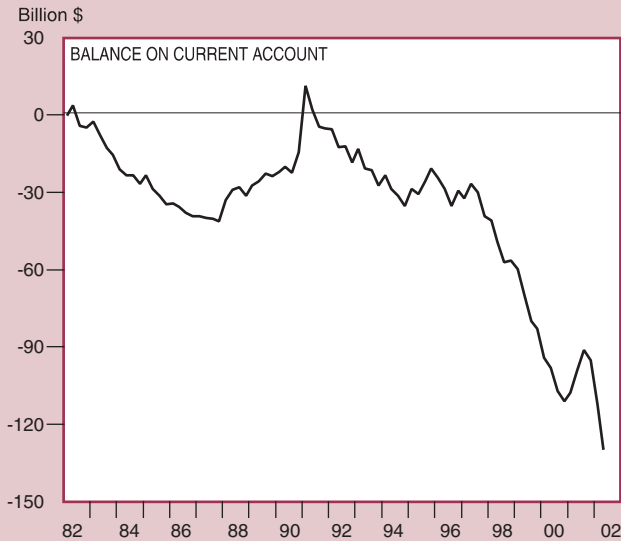


Table K.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1998-2000—Continued

Table with columns for Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.), and Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.). Rows list various metropolitan areas like La Crosse, Lafayette, Lakeland, etc., with their respective income and per capita data for 1998, 1999, and 2000.

1. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 1998-2000 reflect county population estimates available as of April 2002.

2. Percent change calculated from unrounded data.

3. The personal income level shown for the United States is derived as the sum of the county estimates. It differs from the estimate of personal income in the national income and product accounts (NIPA's) because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data. In particular, it differs from the NIPA estimate because, by definition, it omits the earnings of

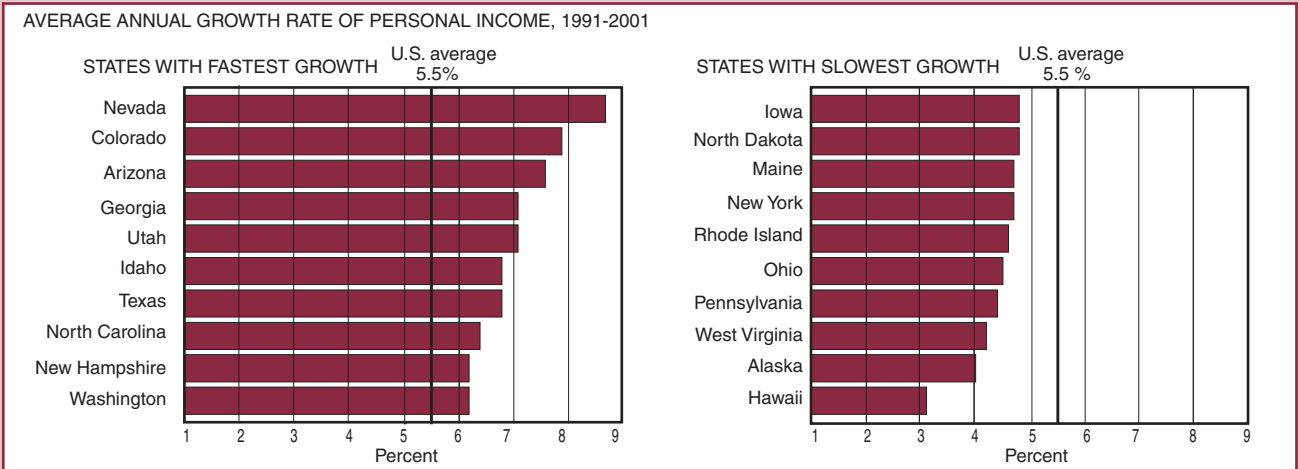
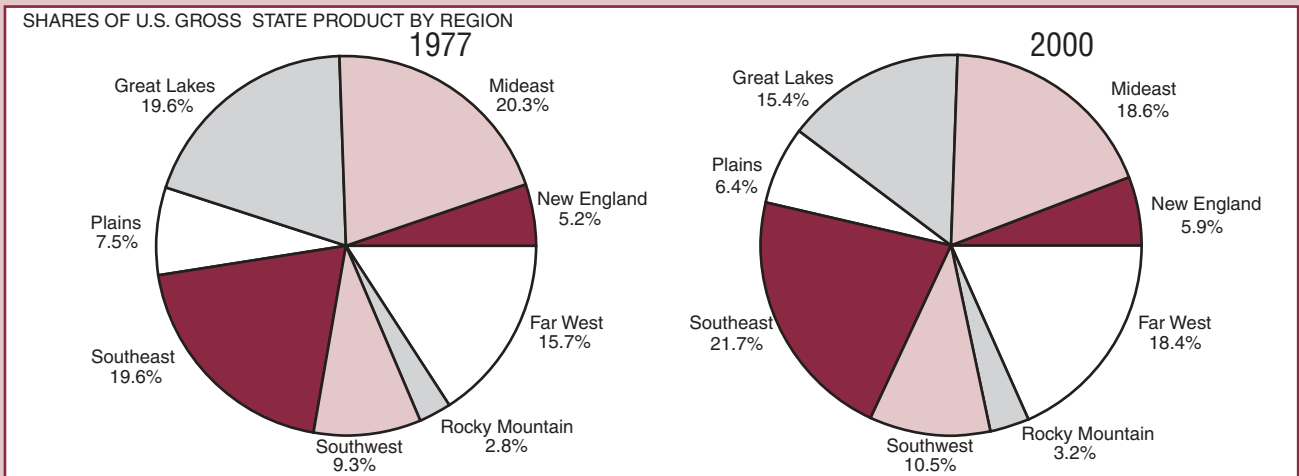
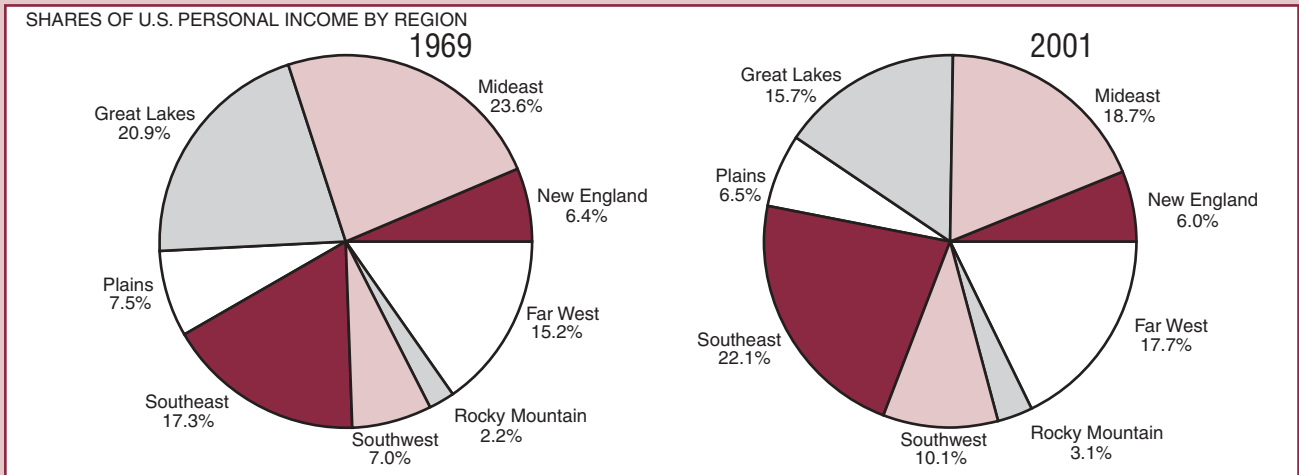
Federal civilian and military personnel stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms.

4. Includes Metropolitan Statistical Areas, Primary Metropolitan Statistical Areas (PMSA's designated by *), and New England County Metropolitan Areas (NECMA's). The New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT NECMA is presented as a PMSA (part of the New York CMSA).

Source: Table 1 in "Local Area Personal Income, 1998-2000" in the May 2002 issue of the SURVEY OF CURRENT BUSINESS.

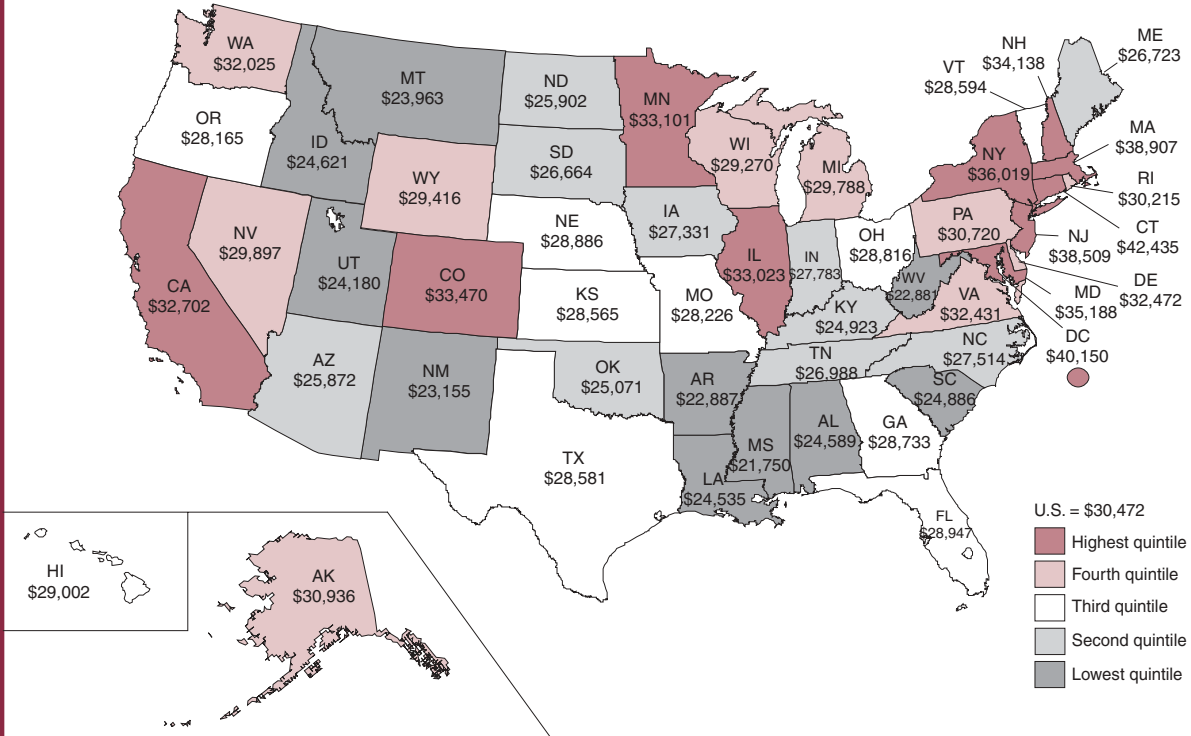
L. Charts

SELECTED REGIONAL ESTIMATES

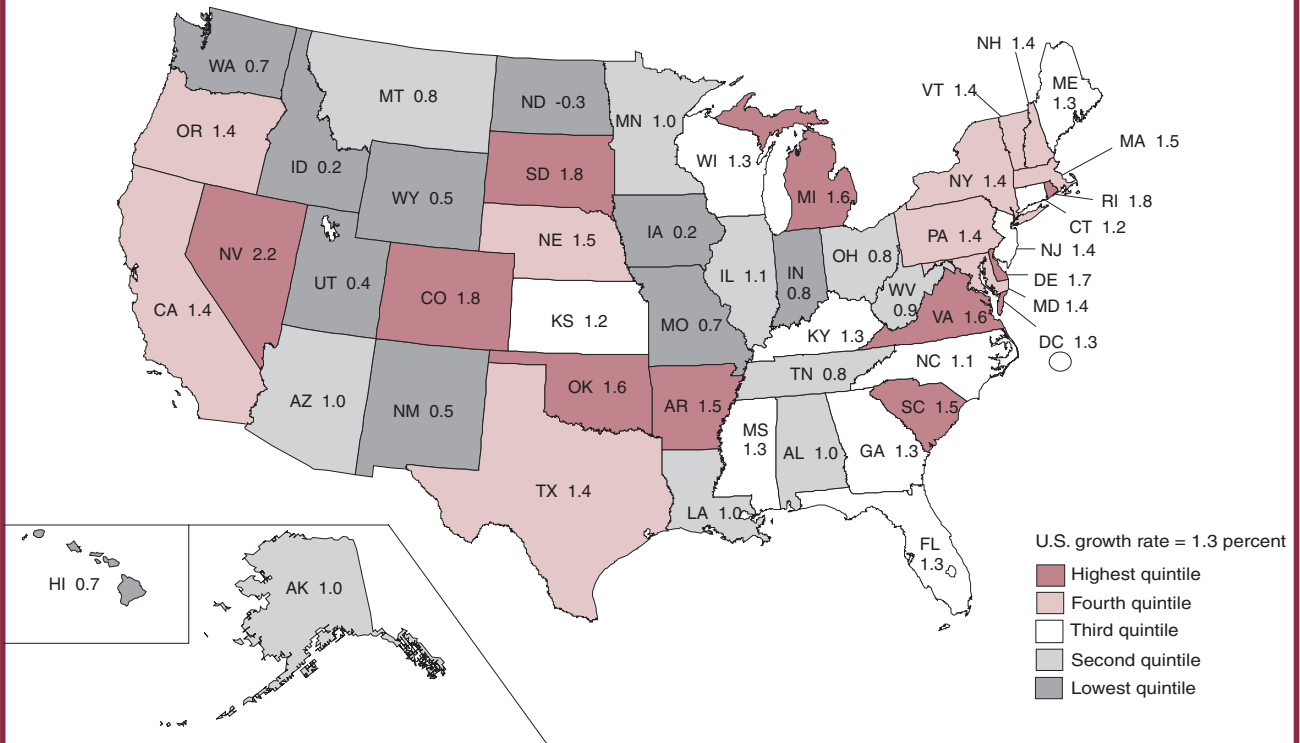


SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 2001



PERSONAL INCOME: PERCENT CHANGE, 2002:I-2002:II



Appendix A

Additional Information About the NIPA Estimates

Statistical Conventions

Changes in current-dollar GDP measure changes in the market value of goods and services produced in the economy in a particular period. For many purposes, it is necessary to decompose these changes into quantity and price components. To compute the quantity indexes, changes in the quantities of individual goods and services are weighted by their prices. (Quantity changes for GDP are often referred to as changes in “real GDP.”) For the price indexes, changes in the prices for individual goods and services are weighted by quantities produced. (In practice, the current-dollar value and price indexes for most GDP components are determined largely using data from Federal Government surveys, and the real values of these components are calculated by deflation at the most detailed level for which all the required data are available.)

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. For example, the annual percent change in real GDP in 1997–98 uses prices for 1997 and 1998 as weights, and the 1997–98 annual percent change in the GDP price index uses quantities for 1997 and 1998 as weights. Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias that is associated with changes in quantities and prices calculated using a fixed-weighted formula.¹ These annual changes are “chained” (multiplied) together to form time series of quantity and price; the percent changes that are calculated from these time series are not affected by the choice of reference period.

The quarterly changes in quantities and prices are calculated with weights from two adjacent quarters. As part of an annual or comprehensive revision, the quarterly indexes through the most recent complete year are adjusted to ensure that the average of the quarterly indexes conforms to the corresponding annual index.

In addition, BEA prepares measures of real GDP and its components in a dollar-denominated form, designated “chained (1996) dollar estimates.” These estimates are computed by multiplying the 1996 current-dollar value of GDP, or of a GDP component, by the corresponding quantity index number. For example, if a current-dollar GDP component equaled \$100 in 1996 and if real output for this component increased by 10 percent in 1997, then the “chained (1996) dollar” value of this com-

ponent in 1997 would be \$110 ($\100×1.10). Note that percentage changes in the chained (1996) dollar estimates and the percentage changes calculated from the quantity indexes are identical, except for small differences due to rounding.

Because of the formula used for calculating real GDP, the chained (1996) dollar estimates for detailed GDP components do not add to the chained-dollar value of GDP or to any intermediate aggregates. A “residual” line is shown as the difference between GDP and the sum of the most detailed components shown in each table. The residual generally is small close to the base period but tends to become larger as one moves further from it. Accurate measures of component contributions to the percentage changes in real GDP and its major components are shown in NIPA tables 8.2–8.6.

BEA also publishes the “implicit price deflator” (IPD), which is calculated as the ratio of current-dollar value to the corresponding chained-dollar value, multiplied by 100; the values of the IPD and of the corresponding “chain-type” price index are very close.

For quarters and months, the estimates are presented at annual rates, which show the value that would be registered if the rate of activity measured for a quarter or a month were maintained for a full year. Annual rates are used so that time periods of different lengths—for example, quarters and years—may be compared easily. These annual rates are determined simply by multiplying the estimated rate of activity by 4 (for quarterly data) or by 12 (for monthly data).

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

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

where r is the percent change at an annual rate; x_t is the level of activity in the later period; x_o is the level of activity in the earlier period; m is the periodicity of the data (for example, 1 for annual data, 4 for quarterly, or 12 for monthly); and n is the number of periods between the earlier and later periods (that is, $t - o$).

Quarterly and monthly NIPA estimates are seasonally adjusted, if necessary. Seasonal adjustment removes from the time series the average impact of variations that normally occur at about the same time and in about the same magnitude each year—for example, weather, holidays, and tax payment dates. After seasonal adjustment, cyclical and other short-term changes in the economy stand out more clearly.

1. In addition, because the changes in quantities and prices calculated using these weights are symmetric, the product of a quantity index and the corresponding price index is generally equal to the current-dollar index.

Reconciliation Tables

Table 1. Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings
[Percent change from preceding period]

	2000	2001	Seasonally adjusted at annual rates					
			2001			2002		
			II	III	IV	I	II	III ^P
BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing) ¹	7.0	2.7	0.1	1.0	1.5	2.9	3.9	4.8
Less: Contribution of supplements to wages and salaries per hour.....	-0.1	0.3	0.1	0.1	0.1	1.4	0.7	0.6
Plus: Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions.....	-0.3	0.0	0.0	0.0	-0.5	0.2	-0.1	0.1
Less: Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed.....	0.0	0.0	0.0	-0.4	0.2	0.0	0.0	-0.1
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	6.8	2.5	0.0	1.3	0.7	1.8	3.1	4.4
Less: Contribution of wages and salaries per hour of nonproduction workers in manufacturing.....	-0.1	-0.1	0.4	0.0	0.2	-0.2	0.0	0.2
Less: Other differences ²	3.1	-1.5	-4.2	-2.5	-3.2	-1.0	0.6	1.1
Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls	3.8	4.1	3.8	3.8	3.8	3.0	2.5	3.1
Addendum:								
BLS estimates of compensation per hour in the nonfarm business sector ³	7.0	2.7	0.1	1.0	1.5	3.6	3.7	.....

^P Preliminary.

1. Includes BLS data on compensation and hours of nonfarm proprietors and hours worked of unpaid family workers.

2. Includes BEA use of non-BLS data and differences in detailed weighting. Annual estimates

also include differences in BEA and BLS benchmark procedures; quarterly estimates also include differences in seasonal adjustment procedures.

3. These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing.
BLS Bureau of Labor Statistics

Table 2. Relation of Net Exports of Goods and Services and Net Receipts of Income in the NIPA's to Balance on Goods and Services and Income in the ITA's
[Billions of dollars]

	Line	2000	2001	Seasonally adjusted at annual rates					
				2001				2002	
				I	II	III	IV	I	II
Exports of goods and services and income receipts, ITA's	1	1,417.2	1,281.8	1,396.2	1,326.4	1,237.9	1,166.7	1,165.4	1,217.4
Less: Gold, ITA's.....	2	6.0	4.9	6.7	7.6	2.4	2.9	2.5	3.7
Statistical differences.....	3	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	0.4
Other items.....	4	1.2	1.0	1.2	1.1	1.0	0.8	0.9	0.9
Plus: Adjustment for grossing of parent/affiliate interest payments.....	5	6.5	6.2	6.2	6.4	6.0	5.9	4.6	5.2
Adjustment for U.S. territories and Puerto Rico.....	6	46.9	50.7	50.8	49.6	49.3	53.3	56.6	56.6
Services furnished without payment by financial intermediaries except life insurance carriers.....	7	21.1	18.3	19.0	18.4	18.0	17.8	18.6	19.8
Equals: Exports of goods and services and income receipts, NIPA's	8	1,484.5	1,351.1	1,464.3	1,392.2	1,307.8	1,240.0	1,242.2	1,294.1
Imports of goods and services and income payments, ITA's	9	1,774.1	1,625.7	1,780.6	1,675.7	1,553.8	1,492.7	1,551.1	1,685.0
Less: Gold, ITA's.....	10	5.9	4.3	6.1	6.5	2.2	2.4	2.0	3.5
Statistical differences.....	11	0.0	0.0	0.0	0.0	0.0	0.0	-1.2	0.4
Other items.....	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: Gold, NIPA's.....	13	-3.2	-3.4	-3.3	-3.5	-3.6	-3.3	-3.3	-3.6
Adjustment for grossing of parent/affiliate interest payments.....	14	6.5	6.2	6.2	6.4	6.0	5.9	4.6	5.2
Adjustment for U.S. territories and Puerto Rico.....	15	34.0	35.6	30.7	36.1	36.9	38.6	30.1	37.2
Imputed interest paid to rest of world.....	16	21.1	18.3	19.0	18.4	18.0	17.8	18.6	19.8
Equals: Imports of goods and services and income payments, NIPA's	17	1,826.6	1,678.0	1,827.1	1,726.7	1,608.9	1,549.3	1,600.4	1,739.8
Balance on goods and services and income, ITA's (1-9)	18	-356.9	-343.9	-384.4	-349.3	-315.9	-326.0	-385.7	-467.6
Less: Gold (2-10+13).....	19	-3.1	-2.8	-2.7	-2.4	-3.4	-2.8	-2.8	-3.4
Statistical differences (3-11).....	20	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0
Other items (4-12).....	21	1.2	1.0	1.2	1.1	1.0	0.8	0.9	0.9
Plus: Adjustment for U.S. territories and Puerto Rico (6-15).....	22	12.9	15.1	20.1	13.5	12.4	14.7	26.5	19.4
Equals: Net exports of goods and services and net receipts of income, NIPA's (8-17)	23	-342.1	-326.9	-362.8	-334.5	-301.1	-309.3	-358.2	-445.7

1. Consists of statistical revisions in the NIPA's that have not yet been incorporated into the ITA's (2002:II) and statistical revisions in the ITA's that have not yet been incorporated into the NIPA's (2002:I-2002:II).

ITA's International transactions accounts
NIPA's National income and product accounts

Appendix B

Suggested Reading

The Bureau of Economic Analysis (BEA) has published a wealth of information about the methodologies that are used to prepare its national, industry, international, and regional accounts. In addition, most of this information is available on BEA's Web site at <www.bea.gov>. Look under "Methodologies"; for articles from the SURVEY OF CURRENT BUSINESS, look under "Publications."

National accounts

The national accounts encompass the detailed estimates in the national income and product accounts (including gross domestic product) and the estimates of wealth and related estimates.

National income and product accounts (NIPAs)

This series of papers documents the conceptual framework of the NIPAs and the methodologies that have been used to prepare the estimates.

An Introduction to National Economic Accounting (1985) [also in the March 1985 SURVEY]

Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends (1985) [An updated version (March 2002) is available on BEA's Web site.]

Foreign Transactions (1987)

GNP: An Overview of Source Data and Estimating Methods (1987)

Government Transactions (1988)

Personal Consumption Expenditures (1990)

The methodologies described in these papers have been updated and improved, typically as part of the comprehensive and annual revisions of the NIPAs. For more information, see the following.

National Income and Product Accounts of the United States, 1929-97 (2001) provides the definitions of the major NIPA aggregates and components, discusses the measures of real output and prices, explains how production is classified and how the NIPAs are presented, describes the statistical conventions that are used, and lists the principal source data and methods that are used to prepare the estimates of gross domestic product (GDP). [Go to <www.bea.gov/bea/an/nipaguid.htm>.]

Information about the sources and methods that are used to prepare the national estimates of personal income, which are the basis for the State estimates, is in *State Personal Income, 1929-97* (1999).

In addition, see the following articles in the SURVEY.

"Updated Summary NIPA Methodologies" (October 2002) briefly describes the principal source data and methods used to prepare the current-dollar and real estimates of GDP.

"Annual Revision of the National Income and Product Accounts" (August 2002).

"BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth" (May 1997) is the most recent in a series of articles that describe the conceptual basis for the chain-type measures of real output and prices that are used in the NIPAs.

"Reliability of GDP and Related NIPA Estimates" (January 2002) evaluates the principal NIPA estimates by examining the record of revisions to them.

Wealth and related estimates. *Fixed Reproducible Tangible Wealth in the United States, 1925-94* (1999) discusses the concepts and statistical considerations that underlie the estimates and their derivation.

"Fixed Assets and Consumer Durable Goods for 1925-98" (April 2000) describes the definitional and statistical improvements that were incorporated in the comprehensive revision of the estimates.

Industry accounts

The industry accounts consist of the estimates of gross domestic product by industry, the input-output accounts, and two satellite accounts.

Gross product by industry. "Improved Estimates of Gross Product by Industry for 1947-98" (June 2000) describes the most recent comprehensive revision of these estimates.

Mission Statement and Strategic Plan

The mission statement of the Bureau of Economic Analysis and the latest update to its strategic plan for improving the accuracy, reliability, and relevance of the national, industry, regional, and international accounts are available on BEA's Web site at <www.bea.gov>. See also "BEA's Strategic Plan for 2001-2005" in the May 2002 issue of the SURVEY OF CURRENT BUSINESS.

“Gross Domestic Product by Industry for 1998–2000” (November 2001) describes the most recent annual revision of these estimates.

Input-output accounts. “Benchmark Input-Output Accounts for the U.S. Economy, 1992” (November 1997) describes the preparation of the 1992 accounts and the concepts and methods that underlie the accounts.

“Annual Input-Output Accounts of the U.S. Economy” presents annual tables that update the 1992 benchmark accounts

For 1996 (January 2000)

For 1997 (January 2001)

For 1998 (December 2001)

Satellite accounts. These accounts extend the analytical capacity of the input-output accounts by focusing on a particular aspect of economic activity.

“U.S. Transportation Satellite Accounts”

For 1992 (April 1998)

For 1996 (May 2000)

“U.S. Travel and Tourism Satellite Accounts”

For 1992 (July 1998)

For 1996 and 1997 (July 2000)

International accounts

The international accounts encompass the international transactions accounts, direct investment, and international transactions in services.

International transactions accounts (ITAs). *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (1990) describes the methodologies used to prepare the estimates in the ITAs and the international investment position of the United States. These methodologies are usually updated and improved as part of the annual revisions of the ITAs.

The annual revisions of the ITAs are described in a series of articles, the latest of which is published in the July 2002 SURVEY.

Direct investment. *International Direct Investment: Studies by the Bureau of Economic Analysis* (1999) is a collection of previously published articles on U.S. direct investment abroad and foreign direct investment in the United States. It also includes the following information.

The “Methodology for U.S. Direct Investment Abroad,” which is also available in *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final*

Results (1998)

“A Guide to BEA Statistics on U.S. Multinational Companies,” which is also available in the March 1995 SURVEY

“A Guide to BEA Statistics on Foreign Direct Investment in the United States,” which is also available in the February 1990 SURVEY

In addition, the updated methodology for foreign direct investment in the United States is available in *Foreign Direct Investment in the United States: Final Results From the 1997 Benchmark Survey* (2001)

International services. *U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis* (1998) describes 11 surveys. It includes classifications, definitions, release schedules, the methods used to prepare the estimates, and samples of the survey forms.

“Selected Issues in the Measurement of U.S. International Services” (June 2002) describes key issues in defining and measuring insurance, wholesale and retail trade, finance, construction, and utilities services and explores possible actions to address these issues.

Regional accounts

The regional accounts include estimates of personal income and gross state product.

Personal income. Estimates of personal income are prepared for States and for local areas.

“Comprehensive Revision of State Personal Income for 1969–99” (June 2000) summarizes the changes in the methodology that is used to prepare the estimates. The detailed methodology is available on the CD-ROM *State Personal Income, 1929–2000*.

“Comprehensive Revision of Local Area Personal Income for 1969–98” (July 2000) summarizes the changes in the methodology that is used to prepare the estimates for counties and metropolitan areas. The detailed methodology is available on the CD-ROM *Regional Economic Information System, 1969–2000*.

Gross state product. “Comprehensive Revision of Gross State Product by Industry, 1977–94” (June 1997) summarizes the sources and the methods that are used to prepare the estimates. “Gross State Product by Industry, 1977–98” (October 2000) describes the most recent comprehensive revision of these estimates.