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## Articles

**1. GDP and the Economy: Advance Estimates for the Third Quarter of 2008**

Real GDP decreased 0.3 percent after increasing 2.8 percent in the second quarter. Prices paid by U.S. residents increased 4.8 percent after increasing 4.2 percent, reflecting accelerating food prices.

**6. Newly Available NIPA Tables**

From the annual NIPA revision: statistics on personal income by households and nonprofit institutions serving households and a comparison of BEA and IRS statistics on nonprofits.

**8. Updated Summary of NIPA Methodologies**

The source data and methods used to prepare current-dollar and real estimates of GDP and current-dollar estimates of gross domestic income have been updated as part of the annual NIPA revision.

**26. U.S. Multinational Companies: Operations in 2006**

The value added of U.S. multinational companies increased 8.4 percent. The value added of U.S. parents increased 8.1 percent, and the value of their foreign affiliates increased 9.2 percent.

**48. Reconciliation of the United States–Canadian Current Account, 2006 and 2007**

Each year, the bilateral current-account estimates of the United States and Canada are reconciled to show how the estimates would appear if both countries used the same definitions, methodologies, and data sources.

**64. Research Spotlight: Regional Price Parities: Comparing Price Level Differences Across Geographic Areas**

A look at BEA's research into regional price parities, which show price level differences across various regions in the United States. These parities are used to adjust regional personal income and GDP measures for 2005 and 2006.

**75. Schedule of BEA News Releases in 2009**

### Upcoming in the Survey...

*Annual Industry Accounts.* Revised statistics for 2005-2007.

## Director's Message

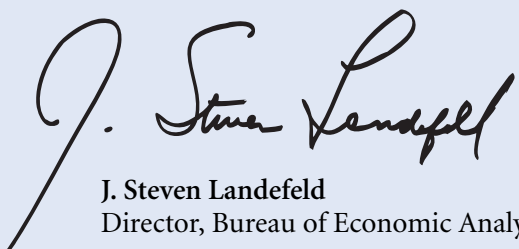
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In this issue, a *Research Spotlight* discusses regional price parities, experimental measures that capture price level differences across regions. While the Bureau of Economic Analysis (BEA) currently has no plans to produce such statistics officially, we are continuing research in a joint data-sharing project with the Bureau of Labor Statistics. The article demonstrates how regional price parities might be constructed for metropolitan and nonmetropolitan areas. It also applies these measures to adjust 2005 and 2006 personal income and gross domestic product (GDP) statistics for regional price level differences.

Also included in this issue is our annual tabular presentation of the methodologies and source data used to construct the national GDP accounts. Separately, the advance estimates of third-quarter GDP are presented in an easy-to-read format.

Regarding international statistics, an article discusses operations of U.S. multinational companies in 2006, looking at three measures in depth: value added, employment, and capital expenditures. A separate article presents our annual reconciliation of U.S. and Canadian current-account statistics.

I'd like to mention that BEA held an advisory committee meeting in early November, in which we received advice and comments on several issues, such as how the recent financial markets upheaval affected the economy, how our GDP accounts might be helpful for business cycle analysis, and how the terms of trade affect various economic measures. We welcome more comments.



J. Steven Landefeld  
Director, Bureau of Economic Analysis

## Taking Account...

### A Look at Productivity and the Terms of Trade

Since 1995, growth in aggregate labor productivity in the United States has accelerated markedly. From 1973 to 1995, output per worker hour in the nonfarm business sector grew on average 1.40 percent per year, according to the Bureau of Labor Statistics. From 1995 to 2007, however, output per worker hour averaged 2.55 percent per year.

Declining prices of information technology products in the late 1990s are often cited as a major reason for this productivity speedup. A recent paper by Marshall B. Reinsdorf of the Bureau of Economic Analysis (BEA), Robert C. Feenstra of the University of California-Davis, and Matthew J. Slaughter of the Tuck School of Business at Dartmouth University explores another potential reason: international trade, in particular the globalization of the information technology sector.

The actual direct effects of changes in the terms of trade (defined as change in export prices relative to change in import prices) on gross domestic product (GDP) and productivity are negligible. Yet the paper found that *unmeasured* improvements in the terms of trade may be counted as growth in real GDP and productivity. Thus, if reductions in import prices are understated, productivity growth tends to be overstated.

The study found that unmea-

sured terms-of-trade gains can account for close to 0.2 percentage points of the post-1995 increase in productivity growth for the U.S. economy. Comparing that amount to the increase in multifactor productivity, the terms of trade accounts for about 20 percent of the speedup in productivity growth.

### BEA Meets with Regional Data User Groups

BEA met with nearly 30 representatives of regional data user groups at a conference last month sponsored by the Metropolitan Policy Project at the Brookings Institution.

The Regional User Roundtable provided an opportunity for BEA to hear from customers and provide an update on improvements, accelerations, and plans. BEA intends to continue meeting with user groups across all program areas.

BEA representatives, including Director Steve Landefeld and Deputy Director Rosemary Marcuss, explained the rationale and implications of recent cuts to BEA budgets.

The recently passed Consolidated Appropriations Act did not provide for full funding for BEA's base programs for fiscal year 2008. In order to align base programs with the budget, BEA will reduce some regional statistical programs.

While BEA does not see any impact on its GDP-by-state or state personal income statistics, other programs will be affected,

including local area personal income, GDP-by-metropolitan area statistics, and RIMS multipliers.

### New FAQs Posted on BEA Web Site

Several timely items have been recently posted on the "Frequently Asked Questions" feature on the BEA Web site, including the following:

- Where do government-sponsored enterprises, like Fannie Mae and Freddie Mac, appear in the GDP accounts?
- How do federal financial interventions, such as the Emergency Economic Stabilization Act of 2008, affect the GDP accounts?
- What are the recent changes to the U.S. international services statistics?
- What are the sources of recent growth in U.S. exports of goods?
- Recently there have been differences in the GDP and gross domestic purchases indexes. Which one should you use?

Since the FAQ feature was launched in March 2006, it has become a valuable tool for BEA customers in need of quick answers about BEA's accounts.

It allows users to search for answers by category and keyword. It's also regularly updated with timely new questions. In addition, the feature allows customers to suggest questions for BEA staff to answer. The service is available at [www.bea.gov](http://www.bea.gov) by clicking on FAQ.

# GDP and the Economy

## Advance Estimates for the Third Quarter of 2008

THE ECONOMY contracted in the third quarter of 2008, according to the “advance” estimates of the national income and product accounts (NIPAs).<sup>1</sup> Real gross domestic product (GDP) decreased 0.3 percent after increasing 2.8 percent in the second quarter (chart 1 and table 1).<sup>2</sup>

The third-quarter downturn in real GDP primarily reflected a sharp downturn in consumer spending, a smaller decrease in imports, a deceleration in exports, a downturn in nonresidential fixed investment, and a larger decrease in residential investment (see page 2). In contrast, inventory investment turned up, and federal government spending accelerated.<sup>3</sup>

- Prices of goods and services purchased by U.S. residents increased 4.8 percent after increasing 4.2 percent (see page 3). Food prices accelerated, and energy prices decelerated in the third quarter. Excluding food and energy, gross domestic purchases prices increased 3.1 percent in the third quarter after increasing 2.2 percent in the second.
- Real disposable personal income (DPI) decreased 8.7 percent in the third quarter after increasing 11.9 percent in the second quarter, reflecting a downturn in current-dollar DPI and an acceleration in the personal consumption expenditures implicit price deflator used to deflate DPI. Current-dollar DPI turned down sharply, reflecting a sharp deceleration in personal income and a sharp upturn in personal current taxes (see page 4); both primarily reflected the second-quarter effects of the rebate payments to individuals from the Economic Stimulus Act of 2008.<sup>4</sup>
- The personal saving rate was 1.3 percent in the third quarter; in the second quarter, it was 2.7 percent.

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

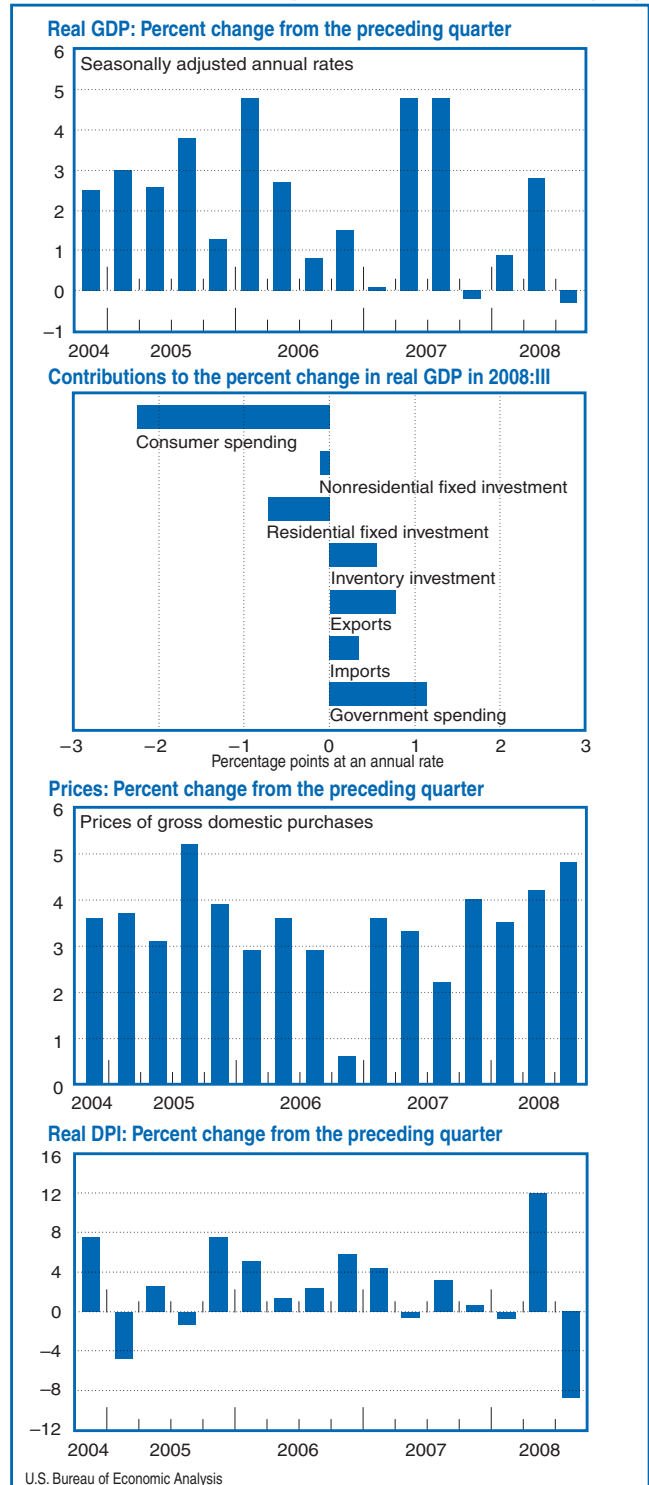
2. “Real” estimates are in chained (2000) dollars, and price indexes are chain-type measures.

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

4. For more information about these rebate payments, see FAQ 490 on BEA’s Web site.

*Christopher Swann prepared this article.*

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





## Real GDP Overview

Table 1. Real Gross Domestic Product and Components

[Seasonally adjusted at annual rates]

	Share of current-dollar GDP (percent)	Change from preceding period (percent)					Contribution to percent change in real GDP (percentage points)			
		2008	2007	2008			2007	2008		
				III	IV	I		II	III	IV
<b>Gross domestic product<sup>1</sup>.....</b>	<b>100.0</b>	<b>-0.2</b>	<b>0.9</b>	<b>2.8</b>	<b>-0.3</b>	<b>-0.2</b>	<b>0.9</b>	<b>2.8</b>	<b>-0.3</b>	
<b>Personal consumption expenditures.....</b>	<b>70.6</b>	<b>1.0</b>	<b>0.9</b>	<b>1.2</b>	<b>-3.1</b>	<b>0.67</b>	<b>0.61</b>	<b>0.87</b>	<b>-2.25</b>	
Durable goods.....	7.1	0.4	-4.3	-2.8	-14.1	0.03	-0.33	-0.21	-1.10	
Nondurable goods.....	21.1	0.3	-0.4	3.9	-6.4	0.05	-0.08	0.80	-1.41	
Services.....	42.4	1.4	2.4	0.7	0.6	0.59	1.02	0.28	0.26	
<b>Gross private domestic investment.....</b>	<b>13.9</b>	<b>-11.9</b>	<b>-5.8</b>	<b>-11.5</b>	<b>-1.9</b>	<b>-1.93</b>	<b>-0.89</b>	<b>-1.74</b>	<b>-0.27</b>	
Fixed investment.....	14.3	-6.2	-5.6	-1.7	-5.6	-0.97	-0.86	-0.25	-0.83	
Nonresidential.....	11.0	3.4	2.4	2.5	-1.0	0.36	0.26	0.27	-0.11	
Structures.....	4.0	8.5	8.6	18.5	7.9	0.29	0.30	0.64	0.30	
Equipment and software.....	7.0	1.0	-0.6	-5.0	-5.5	0.07	-0.04	-0.37	-0.40	
Residential.....	3.3	-27.0	-25.1	-13.3	-19.1	-1.33	-1.12	-0.52	-0.72	
Change in private inventories.....	-0.4	.....	.....	.....	.....	-0.96	-0.02	-1.50	0.56	
<b>Net exports of goods and services.....</b>	<b>-4.9</b>	.....	.....	.....	.....	<b>0.94</b>	<b>0.77</b>	<b>2.93</b>	<b>1.13</b>	
Exports.....	13.7	4.4	5.1	12.3	5.9	0.53	0.63	1.54	0.78	
Goods.....	9.6	5.1	4.5	16.3	7.5	0.43	0.39	1.39	0.68	
Services.....	4.1	2.7	6.4	3.8	2.3	0.10	0.24	0.15	0.09	
Imports.....	18.6	-2.3	-0.8	-7.3	-1.9	0.40	0.14	1.39	0.35	
Goods.....	15.7	-2.6	-2.0	-7.1	-2.8	0.38	0.29	1.14	0.45	
Services.....	3.0	-0.9	5.5	-8.0	3.5	0.02	-0.15	0.25	-0.10	
<b>Government consumption expenditures and gross investment.....</b>	<b>20.4</b>	<b>0.8</b>	<b>1.9</b>	<b>3.9</b>	<b>5.8</b>	<b>0.16</b>	<b>0.38</b>	<b>0.78</b>	<b>1.15</b>	
Federal.....	7.6	-0.5	5.8	6.6	13.8	-0.04	0.41	0.47	0.97	
National defense.....	5.3	-0.9	7.3	7.3	18.1	-0.04	0.34	0.36	0.86	
Nondefense.....	2.3	0.4	2.9	5.0	4.8	0.01	0.06	0.11	0.11	
State and local.....	12.8	1.6	-0.3	2.5	1.4	0.19	-0.03	0.31	0.18	

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

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

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

[Seasonally adjusted at annual rates]

	Share of current-dollar GDP (percent)	Change from preceding period (percent)					Contribution to percent change in real GDP (percentage points)			
		2008	2007	2008			2007	2008		
				III	IV	I		II	III	IV
<b>Gross domestic product<sup>1</sup>.....</b>	<b>100.0</b>	<b>-0.2</b>	<b>0.9</b>	<b>2.8</b>	<b>-0.3</b>	<b>-0.2</b>	<b>0.9</b>	<b>2.8</b>	<b>-0.3</b>	
Final sales of domestic product.....	100.4	0.8	0.9	4.4	-0.8	0.79	0.89	4.32	-0.81	
Change in private inventories.....	-0.4	.....	.....	.....	.....	-0.96	-0.02	-1.50	0.56	
Goods.....	30.0	0.0	0.9	4.9	-3.7	0.01	0.29	1.49	-1.14	
Services.....	60.5	1.3	2.7	1.7	2.0	0.79	1.62	1.02	1.22	
Structures.....	9.4	-9.3	-10.1	3.3	-3.5	-0.97	-1.03	0.32	-0.33	
<b>Addenda:</b>										
Motor vehicle output.....	2.3	-25.7	-14.2	-33.8	4.1	-0.86	-0.41	-1.01	0.09	
GDP excluding motor vehicle output.....	97.7	0.7	1.3	4.0	-0.3	0.69	1.28	3.84	-0.34	
Final sales of computers.....	0.6	23.7	8.2	28.4	10.2	0.14	0.05	0.17	0.06	
GDP excluding final sales of computers.....	99.4	-0.3	0.8	2.7	-0.3	-0.31	0.82	2.66	-0.31	

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

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

Consumer spending turned down sharply in the third quarter, reducing the change in real GDP by 2.25 percentage points. The downturn was the largest since the second quarter of 1980. A downturn in nondurable goods reflected downturns in food, clothing and shoes, and "other" nondurable goods. A larger decrease in durable goods reflected a downturn in furniture and household equipment and a larger decrease in motor vehicles and parts. Spending for services grew about the same rate as in the second quarter.

Nonresidential fixed investment turned down, primarily reflecting a deceleration in structures.

Residential investment decreased more than in the second quarter, subtracting 0.72 percentage point from the change in real GDP after subtracting 0.52 percentage point.

Inventory investment turned up, adding 0.56 percentage point to the change in real GDP after subtracting 1.50 percentage points.

Exports slowed, mainly reflecting a deceleration in goods exports. "Other" goods exports turned down, and both industrial supplies and materials and nonautomotive capital goods decelerated. Exports of services slowed.

Imports decreased less than in the second quarter, mainly reflecting a much smaller third-quarter decrease in petroleum and petroleum products. Imports of services turned up.

Government spending picked up, mainly reflecting an acceleration in federal defense spending. State and local government spending slowed.

Real final sales of domestic product, real GDP less inventory investment, decreased 0.8 percent, the largest decrease since the first quarter of 1991. In the second quarter, final sales increased 4.4 percent.

Motor vehicle output turned up, increasing 4.1 percent after decreasing 33.8 percent. It added 0.09 percentage point to the change in real GDP after subtracting 1.01 percentage points.

Final sales of computers slowed, increasing 10.2 percent after increasing 28.4 percent.

## Prices

**Table 3. Prices for Gross Domestic Purchases**

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

	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
	2007		2008		2007		2008	
	IV	I	II	III	IV	I	II	III
<b>Gross domestic purchases<sup>1</sup></b> .....	<b>4.0</b>	<b>3.5</b>	<b>4.2</b>	<b>4.8</b>	<b>4.0</b>	<b>3.5</b>	<b>4.2</b>	<b>4.8</b>
<b>Personal consumption expenditures</b> .....	<b>4.3</b>	<b>3.6</b>	<b>4.3</b>	<b>5.4</b>	<b>2.88</b>	<b>2.43</b>	<b>2.87</b>	<b>3.63</b>
Durable goods .....	-1.6	-0.1	-1.6	-0.6	-0.11	-0.01	-0.11	-0.04
Nondurable goods .....	8.4	6.7	6.5	10.3	1.60	1.30	1.29	2.03
Services .....	3.5	2.8	4.2	4.0	1.39	1.13	1.69	1.64
<b>Gross private domestic investment</b> .....	<b>1.3</b>	<b>-0.5</b>	<b>0.4</b>	<b>2.3</b>	<b>0.20</b>	<b>-0.07</b>	<b>0.05</b>	<b>0.31</b>
Fixed investment .....	1.2	-0.2	0.8	2.9	0.18	-0.03	0.11	0.39
Nonresidential .....	1.7	0.6	2.3	4.2	0.18	0.06	0.23	0.43
Structures .....	4.5	2.7	3.3	7.2	0.15	0.09	0.12	0.26
Equipment and software .....	0.4	-0.4	1.7	2.5	0.03	-0.03	0.12	0.17
Residential .....	0.0	-2.6	-3.5	-1.2	0.00	-0.10	-0.12	-0.04
Change in private inventories .....	.....	.....	.....	.....	0.02	-0.03	-0.06	-0.09
<b>Government consumption expenditures and gross investment</b> .....	<b>5.1</b>	<b>6.2</b>	<b>7.0</b>	<b>4.3</b>	<b>0.94</b>	<b>1.15</b>	<b>1.32</b>	<b>0.84</b>
Federal .....	2.3	5.6	5.1	2.6	0.15	0.38	0.36	0.19
National defense .....	3.1	5.1	6.3	2.9	0.14	0.24	0.29	0.15
Nondefense .....	0.5	6.8	2.8	1.7	0.01	0.15	0.06	0.04
State and local .....	6.8	6.6	8.1	5.4	0.79	0.77	0.96	0.65
<b>Addenda:</b>								
Gross domestic purchases:								
Food .....	4.3	4.7	6.1	8.4	0.41	0.44	0.57	0.79
Energy goods and services .....	35.1	24.2	35.5	25.1	1.58	1.21	1.79	1.35
Excluding food and energy .....	2.4	2.2	2.2	3.1	2.03	1.85	1.88	2.63
Personal consumption expenditures (PCE):								
Food .....	3.8	4.9	6.5	8.5	.....	.....	.....	.....
Energy goods and services .....	32.2	19.0	27.4	31.6	.....	.....	.....	.....
Excluding food and energy .....	2.5	2.3	2.2	2.9	.....	.....	.....	.....
"Market-based" PCE .....	4.4	3.7	4.3	5.6	.....	.....	.....	.....
Excluding food and energy .....	2.2	2.1	1.8	2.6	.....	.....	.....	.....
Gross domestic product .....	2.8	2.6	1.1	4.2	.....	.....	.....	.....

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

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

The price index for gross domestic purchases increased 4.8 percent in the third quarter after increasing 4.2 percent in the second quarter. Food prices accelerated and energy prices decelerated. Excluding food and energy, gross domestic purchases prices increased 3.1 percent after increasing 2.2 percent.

Consumer prices accelerated, mainly reflecting an acceleration in the prices of nondurable goods. Prices paid for gasoline, fuel oil, and other energy goods accelerated, prices paid for clothing and shoes turned up, and food prices picked up.

Prices of nonresidential fixed investment accelerated, reflecting pickups in prices paid for both structures and equipment and software.

Prices paid for residential fixed investment decreased less than in the second quarter.

Prices paid by government slowed, reflecting decelerations in prices paid by state and local government and by the federal government (mainly defense).

Consumer prices excluding food and energy, a measure of the "core" rate of inflation, picked up, increasing 2.9 percent after increasing 2.2 percent.

The GDP price index increased 4.2 percent in the third quarter, 0.6 percentage point less than the increase in the gross domestic purchases price index, reflecting a larger increase in import prices than in export prices. (For more information about GDP prices and gross domestic purchase prices, see FAQ 499 on BEA's Web site.)

**Note on Prices**

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services. It is derived from the prices of personal consumption expenditures (PCE), private investment, and government consumption and investment.

BEA also produces price indexes for all components of GDP. The PCE price index is a measure of the total cost of consumer goods and services, including durable goods, nondurable goods, and services. PCE prices for food, energy goods and services, and for all items except food and energy are also estimated and reported. Because prices for food and energy can be volatile, the price measure that excludes food and energy is often used as a measure of underlying, or "core," inflation.

BEA also prepares a supplemental PCE price index, the "market-based" PCE price index, which is based on market transactions for which there are corresponding price measures. This index excludes the prices of many imputed expenditures, such as services furnished without charge by financial intermediaries, that are included in PCE and the PCE price index. BEA also prepares a market-based price measure that excludes food and energy. For more information about these measures, see FAQ 83 "What is the Market-Based PCE Price Index?" on BEA's Web site.

See also "Comparing the Consumer Price Index and the Personal Consumption Expenditures Price Index" in the November 2007 SURVEY OF CURRENT BUSINESS.

## Personal Income

**Table 4. Personal Income and Its Disposition**

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

	Level		Change from preceding period		
	2008	2007	2008		
	III	IV	I	II	III
<b>Personal income</b> .....	<b>12,219.9</b>	<b>141.7</b>	<b>88.4</b>	<b>228.4</b>	<b>31.0</b>
Compensation of employees, received .....	8,135.6	101.7	68.7	62.1	63.8
Wage and salary disbursements .....	6,623.2	87.8	52.5	50.6	54.6
Private industries .....	5,485.1	76.4	34.9	37.0	39.8
Goods-producing industries .....	1,223.7	13.9	-0.5	-1.4	7.4
Manufacturing .....	749.2	6.8	-1.8	0.1	0.7
Services-producing industries .....	4,261.4	62.7	35.2	38.5	32.4
Trade, transportation, and utilities .....	1,051.3	13.0	2.1	-1.1	2.0
Other services-producing industries .....	3,210.1	49.5	33.3	39.5	30.4
Government .....	1,138.2	11.3	17.6	13.7	14.8
Supplements to wages and salaries .....	1,512.4	13.9	16.2	11.4	9.3
Proprietors' income with IVA and CCAj .....	1,080.0	10.0	-2.1	5.2	3.1
Farm .....	31.2	-0.3	-5.5	-3.6	-6.8
Nonfarm .....	1,048.8	10.3	3.4	8.9	9.8
Rental income of persons with CCAj .....	64.3	-3.2	0.5	19.5	5.7
Personal income receipts on assets .....	2,070.6	25.3	-2.1	-1.8	18.3
Personal interest income .....	1,232.3	6.5	-18.1	-15.9	23.6
Personal dividend income .....	838.3	18.8	16.0	14.1	-5.3
Personal current transfer receipts .....	1,871.6	17.2	40.3	148.2	-54.7
Less: Contributions for government social insurance .....	1,002.2	9.3	16.9	4.8	5.2
Less: Personal current taxes .....	1,487.5	18.9	14.5	-180.9	133.4
Equals: Disposable personal income .....	10,732.4	122.7	74.0	409.3	-102.4
Less: Personal outlays .....	10,592.7	127.2	95.7	133.3	54.5
Equals: Personal saving .....	139.7	-4.4	-21.8	276.0	-156.9
<b>Addenda: Special factors in personal income</b>					
In government wages and salaries:					
Federal pay raise .....	8.1	0.0	7.8	0.3	0.0
Reservists' pay .....	7.4	0.0	6.2	0.6	0.6
In private wages and salaries:					
Strikes .....	-0.4	0.0	0.0	0.0	-0.4
In supplements to wages and salaries:					
Employer contributions for social insurance .....	2.7	0.0	2.7	0.0	0.0
In nonfarm proprietors' income:					
Disasters .....	-2.9	0.0	0.0	0.0	-2.9
In rental income of persons:					
Disasters .....	-8.9	0.0	0.0	0.0	-8.9
In personal current transfer receipts:					
Social security retroactive payments .....	0.0	2.3	-2.3	0.0	0.0
Cost-of-living adjustments under federal transfer programs .....	15.5	0.0	15.5	0.0	0.0
Emergency unemployment compensation .....	13.7	0.0	0.0	0.0	13.7
Disasters .....	9.0	0.0	0.0	0.0	9.0
Economic Stimulus Act of 2008 rebate payments .....	4.4	0.0	0.0	112.3	-107.8
In contributions for government social insurance:					
Increase in taxable wage base .....	5.7	0.0	5.7	0.0	0.0
Changes in premium for supplementary medical insurance .....	2.5	0.0	2.5	0.0	0.0
In personal current taxes:					
Federal tax law changes .....	-4.1	0.0	-4.1	0.0	0.0
Refunds, settlements, and other .....	6.7	0.0	6.7	0.0	0.0
Economic Stimulus Act of 2008 rebate payments .....	-57.0	0.0	0.0	-199.3	142.3

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

CCAj Capital consumption adjustment

Personal income, which is only measured in current dollars, increased \$31.0 billion in the third quarter after increasing \$228.4 billion in the second quarter. The sharp deceleration primarily reflected a downturn in personal current transfer receipts and a deceleration in rental income of persons. In contrast, personal interest income turned up.

Wage and salary disbursements increased \$54.6 billion after increasing \$50.6 billion, primarily reflecting an upturn in wages and salaries of goods-producing industries.

Nonfarm proprietors' income increased \$9.8 billion after increasing \$8.9 billion. The third-quarter estimate reflected damages to uninsured business property as a result of Hurricane Ike (see the addenda to table 4).

Rental income of persons decelerated, increasing \$5.7 billion after increasing \$19.5 billion. Much of the deceleration reflected damages to uninsured residential property as a result of Hurricane Ike (see the addenda to table 4).

Personal income receipts on assets turned up, increasing \$18.3 billion after decreasing \$1.8 billion. The upturn reflected an upturn in personal interest income.

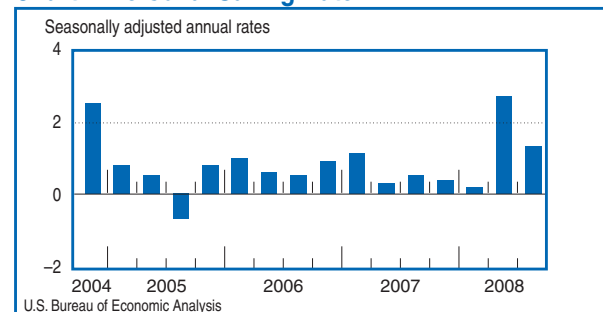
Personal current transfer receipts turned down, decreasing \$54.7 billion, after increasing \$148.2 billion. The downturn primarily reflected the rebates to individuals made in the second quarter. However, the third-quarter receipts were boosted by payments to individuals for the loss of personal property and emergency unemployment compensation (see the addenda to table 4).

Personal current taxes turned up sharply, following the large decrease in the second quarter that primarily reflected the second-quarter rebate payments that were treated as an offset to taxes.

### The Effects of Natural Disasters on Personal Income

Natural disasters, like hurricanes, affect personal and business income and trigger payments of insurance benefits. BEA estimates of the affected net income flows are included in its estimates of proprietors' income, rental income of persons, corporate profits, and business current transfer payments. For estimates of damages and insurance settlements from Hurricane Ike, see FAQ 57 on BEA's Web site.

**Chart 2. Personal Saving Rate**



## Source Data for the Advance Estimates

**Table 5. Monthly Advance Estimates of Key NIPA Components Based on Partial Data, 2008:III**

[Billions of dollars, seasonally adjusted at annual rates]

	2008					
	April	May	June	July	August	Sept. <sup>1</sup>
<b>Private fixed investment:</b>						
Nonresidential structures:						
Value of new nonresidential construction put in place .....	400.2	412.8	424.0	419.3	416.0	415.6
Equipment and software:						
Manufacturers' shipments of complete aircraft .....	41.6	45.9	41.9	41.9	47.9	14.0
Residential structures:						
Value of new residential construction put in place:						
Single family .....	203.6	198.2	191.4	184.7	176.9	168.4
Multifamily .....	44.3	45.8	45.7	46.6	44.6	42.4
<b>Change in private inventories:</b>						
Change in inventories for nondurable manufacturing .....	-24.0	20.1	49.2	4.6	10.3	-42.0
Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment .....	80.0	39.8	54.6	91.3	31.7	-8.2
<b>Net exports:<sup>2</sup></b>						
Exports of goods:						
U.S. exports of goods, international-transactions-accounts basis .....	1,320.7	1,332.0	1,395.1	1,450.0	1,411.7	1,331.7
Excluding gold .....	1,296.1	1,312.7	1,381.8	1,427.8	1,400.4	1,309.5
Imports of goods:						
U.S. imports of goods, international-transactions-accounts basis .....	2,196.1	2,197.3	2,250.3	2,339.4	2,262.5	2,167.9
Excluding gold .....	2,177.3	2,187.7	2,240.8	2,325.9	2,255.6	2,151.9
Net exports of goods .....	-875.4	-865.3	-855.2	-889.4	-850.8	-836.2
Excluding gold .....	-881.2	-875.0	-859.0	-898.1	-855.1	-842.5
<b>State and local government structures:</b>						
Value of new construction put in place .....	278.9	281.5	283.3	286.2	288.5	287.3

1. Assumption.

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

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

### Summary of the Source Data for the Advance Estimates of GDP

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

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

*Nonresidential fixed investment:* Unit auto and truck sales (3), construction spending (value 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 spending (value put in place) (2), single-family housing starts (3), sales of new homes (3), and sales of existing houses (3);

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

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

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

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

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

#### Effects of Hurricane Ike on economic activity

During the third quarter, Hurricane Ike struck the Gulf Coast region, especially impacting coastal Texas and Louisiana. Because the effects of storms are not separately identified in BEA's source data, it is not possible to estimate their overall effect on GDP, but their impact is included in the GDP estimates. In particular, disruptions to oil and gas extraction and to petroleum and petrochemical production are reflected in BEA's estimates for inventory change in the nondurable manufacturing and wholesale trade industries. For more information, see also FAQ 55 "How is GDP Affected by a Disaster?" on BEA's Web site.

## Newly Available NIPA Tables

As part of the 2008 annual revision of the national income and product accounts (NIPAs), this report presents NIPA tables 7.20 and 2.9.

The August 2008 SURVEY includes most of the revised NIPA tables. It also includes an article that summarizes the results of the annual revision and describes changes in the data and methods used to prepare the estimates.

The September issue presented newly available

NIPA tables 3.15.1–3.15.6, 3.16, 3.17, 5.9, and 7.15. Tables 3.18B, 3.19–3.21, 8.3, and 8.4 appeared in the October issue. The presentation of tables 7.20 and 2.9 in this issue completes the publication of the set of NIPA tables from the 2008 annual revision.

The NIPA tables published in the August, September, and October issues and in this issue are available on BEA's Web site at [www.bea.gov](http://www.bea.gov).

**Table 7.20. Comparison of Income and Outlays of Nonprofit Institutions Serving Households With Revenue and Expenses as Published by the Internal Revenue Service**

[Billions of dollars]

	Line	2004	2005	2006	2007
<b>Revenue of nonprofit institutions, IRS</b> <sup>1</sup>	1	1,495.6	1,614.9		
Less: Nonprofit revenue recorded by the IRS not included in nonprofit institution income and receipts from sales	2	521.6	562.7		
Capital gains or losses	3	61.9	83.5		
Adjustment for different accounting periods	4	16.1	23.0		
Nonresident institutions	5	11.4	9.4		
Government hospitals and schools	6	125.7	130.3		
Other out-of-scope activity	7	242.5	248.7		
Transfer receipts from nonprofit institutions	8	64.0	67.8	73.0	80.6
Plus: Nonprofit institution income not recorded by the IRS	9	41.9	44.3		
Religious organizations	10	41.8	44.1		
Other organizations	11	2.1	2.2		
Other accounting differences	12	-2.0	-2.0		
<b>Equals: IRS-derived nonprofit institution income and receipts from sales</b>	13	1,015.9	1,096.5		
<b>Nonprofit institution income, NIPAs</b> <sup>7</sup>	14	272.5	296.2	307.7	314.0
Plus: Receipts from sales of goods and services by nonprofit institutions, NIPAs	15	619.7	662.2	700.0	736.4
<b>Equals: BEA-derived nonprofit institution income and receipts from sales</b>	16	892.3	958.4	1,007.8	1,050.3
<b>Gap, IRS less BEA nonprofit institution income and receipts from sales</b>	17	123.6	138.2		
<b>Expenses of nonprofit institutions, IRS</b> <sup>1</sup>	18	1,362.8	1,455.3		
Less: Nonprofit institution expenses recorded by the IRS not included in nonprofit institution gross consumption expenditures and current transfer payments	19	444.8	480.5		
Adjustment for different accounting periods	20	11.5	21.4		
Nonresident institutions	21	10.0	8.3		
Government hospitals and schools	22	131.9	136.1		
Other out-of-scope activity	23	236.0	253.6		
Transfer payments to nonprofit institutions	24	64.0	67.8	73.0	80.6
Capital consumption adjustment	25	-8.6	-6.7		
Plus: Nonprofit institution gross consumption expenditures and current transfer payments not recorded by the IRS	26	33.7	36.1		
Religious organizations	27	40.9	43.3		
Other organizations	28	2.0	2.0		
Adjustment for other accounting differences	29	-9.1	-9.1		
<b>Equals: IRS-derived nonprofit institution gross consumption expenditures and current transfer payments</b>	30	951.8	1,011.0		
<b>Nonprofit institution gross consumption expenditures, NIPAs</b> <sup>11</sup>	31	799.4	844.1	900.7	952.0
Plus: Nonprofit institution current transfer payments, NIPAs	32	70.8	71.6	74.9	80.2
<b>Equals: BEA-derived nonprofit institution gross consumption expenditures and current transfer payments</b>	33	870.2	915.7	975.6	1,032.2
<b>Gap, IRS less BEA nonprofit institution gross consumption expenditures and current transfer payments</b>	34	81.6	95.2		

1. For 1996, includes an adjustment to account for some classes of tax-exempt institutions not included in the IRS statistics.

2. Primarily reflects adjustment for differences between IRS and BEA in sector definitions and in treatment of scholarships and fellowships.

3. Includes activities of nonprofit institutions serving business, unrelated sales, secondary sales, and sales to business, government, and the rest of the world.

4. Includes grants and allocations made by nonprofit institutions that indirectly support households through the support of other nonprofit institutions, plus their payments to affiliates.

5. Reflects partial coverage in the IRS statistics.

6. Consists of imputed interest received for depositor and insurance services, net insurance settlements, and capital consumption adjustment for rental income.

7. Estimates of income and outlays of nonprofit institutions serving households are provided in table 2.9.

8. Equals table 2.9, line 64.

9. IRS-reported capital consumption allowance less BEA-estimated consumption of fixed capital for structures and for equipment and software of nonprofit institutions serving households.

10. Consists primarily of services furnished without payment by financial intermediaries except life insurance carriers for depositor and insurance services, less expenditures for computer software investment.

11. Equals table 2.9, line 58.

12. Equals table 2.9, line 70.

IRS Internal Revenue Service

NIPAs National income and product accounts

**Table 2.9. Personal Income and Its Disposition by Households and by Nonprofit Institutions Serving Households**  
[Billions of dollars]

	Line	2004	2005	2006	2007
<b>Personal income</b> .....	1	<b>9,727.2</b>	<b>10,269.8</b>	<b>10,993.9</b>	<b>11,663.2</b>
Compensation of employees, received .....	2	6,671.4	7,025.8	7,432.6	7,818.6
Proprietors' income with inventory valuation and capital consumption adjustments .....	3	911.6	959.8	1,014.7	1,056.2
Rental income of persons with capital consumption adjustment.....	4	118.4	40.9	44.3	40.0
Personal income receipts on assets.....	5	1,432.1	1,596.9	1,824.8	2,000.1
Personal interest income.....	6	895.1	1,022.0	1,125.4	1,214.3
Personal dividend income.....	7	537.0	574.9	699.4	785.8
Personal current transfer receipts.....	8	1,422.5	1,520.7	1,603.0	1,713.3
Government social benefits to persons.....	9	1,396.1	1,481.9	1,578.1	1,681.4
Other current transfer receipts, from business (net).....	10	26.4	38.8	24.9	31.9
Less: Contributions for government social insurance.....	11	828.8	874.3	925.5	965.1
<b>Less: Personal current taxes</b> .....	12	<b>1,046.3</b>	<b>1,207.8</b>	<b>1,353.2</b>	<b>1,492.8</b>
<b>Equals: Disposable personal income</b> .....	13	<b>8,680.9</b>	<b>9,062.0</b>	<b>9,640.7</b>	<b>10,170.5</b>
<b>Less: Personal outlays</b> .....	14	<b>8,499.2</b>	<b>9,029.5</b>	<b>9,570.0</b>	<b>10,113.1</b>
Personal consumption expenditures.....	15	8,195.9	8,694.1	9,207.2	9,710.2
Personal interest payments <sup>1</sup> .....	16	191.3	215.0	235.4	265.4
Personal current transfer payments.....	17	112.1	120.4	127.4	137.5
To government.....	18	68.9	72.5	76.2	81.2
To the rest of the world (net).....	19	43.1	47.9	51.1	56.3
<b>Equals: Personal saving</b> .....	20	<b>181.7</b>	<b>32.5</b>	<b>70.7</b>	<b>57.4</b>
<b>Personal saving as a percentage of disposable personal income</b> .....	21	<b>2.1</b>	<b>0.4</b>	<b>0.7</b>	<b>0.6</b>
<b>Household income</b> .....	22	<b>9,720.7</b>	<b>10,248.6</b>	<b>10,971.7</b>	<b>11,642.0</b>
Compensation of employees, received .....	23	6,671.4	7,025.8	7,432.6	7,818.6
Proprietors' income with inventory valuation and capital consumption adjustments.....	24	911.6	959.8	1,014.7	1,056.2
Rental income of households with capital consumption adjustment.....	25	116.2	38.9	42.1	37.7
Household income receipts on assets.....	26	1,394.7	1,551.8	1,774.0	1,949.2
Household interest income.....	27	872.7	995.7	1,095.2	1,183.3
Household dividend income.....	28	522.0	556.2	678.9	765.9
Household current transfer receipts.....	29	1,455.6	1,546.6	1,633.7	1,745.4
Government social benefits.....	30	1,377.9	1,463.3	1,558.6	1,660.9
From business (net).....	31	16.2	23.4	12.1	18.8
From nonprofit institutions <sup>2</sup> .....	32	61.5	59.9	63.0	65.7
Less: Contributions for government social insurance.....	33	828.8	874.3	925.5	965.1
<b>Less: Household current taxes</b> .....	34	<b>1,046.3</b>	<b>1,207.8</b>	<b>1,353.2</b>	<b>1,492.8</b>
<b>Equals: Disposable household income</b> .....	35	<b>8,674.4</b>	<b>9,040.8</b>	<b>9,618.5</b>	<b>10,149.3</b>
<b>Less: Household outlays</b> .....	36	<b>8,514.8</b>	<b>9,051.0</b>	<b>9,579.9</b>	<b>10,110.0</b>
Household consumption expenditures.....	37	8,016.3	8,512.2	9,006.5	9,494.5
Purchases from business and government.....	38	7,396.5	7,850.0	8,306.5	8,758.1
Purchases from nonprofit institutions <sup>3</sup> .....	39	619.7	662.2	700.0	736.4
Household interest payments <sup>1</sup> .....	40	191.3	215.0	235.4	265.4
Household transfer payments.....	41	307.2	323.8	338.0	350.1
To government.....	42	68.5	71.9	75.5	80.5
To the rest of the world (net).....	43	34.3	36.8	39.9	42.6
To nonprofit institutions <sup>4</sup> .....	44	204.5	215.1	222.5	227.1
<b>Equals: Household saving</b> .....	45	<b>159.6</b>	<b>-10.2</b>	<b>38.6</b>	<b>39.3</b>
<b>Household saving as a percentage of household disposable income</b> .....	46	<b>1.8</b>	<b>-0.1</b>	<b>0.4</b>	<b>0.4</b>
<b>Nonprofit institution income</b> .....	47	<b>272.5</b>	<b>296.2</b>	<b>307.7</b>	<b>314.0</b>
Rental income of nonprofit institutions with capital consumption adjustment.....	48	2.2	2.0	2.1	2.4
Nonprofit institution income receipts on assets.....	49	37.4	45.0	50.8	50.9
Nonprofit institution interest income.....	50	22.3	26.3	30.3	31.0
Nonprofit institution dividend income.....	51	15.1	18.7	20.5	19.9
Nonprofit institution transfer receipts.....	52	232.9	249.1	254.8	260.6
From government.....	53	18.2	18.6	19.5	20.5
From business (net).....	54	10.2	15.4	12.8	13.1
From households <sup>4</sup> .....	55	204.5	215.1	222.5	227.1
<b>Less: Nonprofit institution outlays</b> .....	56	<b>250.4</b>	<b>253.6</b>	<b>275.6</b>	<b>295.8</b>
Final consumption expenditures of nonprofit institutions.....	57	179.6	181.9	200.7	215.7
Nonprofit institution gross consumption expenditures <sup>5</sup> .....	58	799.4	844.1	900.7	952.0
Medical care.....	59	464.1	497.6	531.4	567.7
Recreation.....	60	28.2	29.5	32.0	32.7
Education and research.....	61	120.3	127.1	134.2	141.7
Religious and welfare activities.....	62	163.8	166.1	177.7	183.2
Personal business.....	63	22.9	23.8	25.2	26.7
Less: Receipts from sales of goods and services by nonprofit institutions <sup>3</sup> .....	64	619.7	662.2	700.0	736.4
Medical care.....	65	454.0	488.2	516.6	544.4
Recreation.....	66	22.0	23.3	25.1	26.3
Education and research.....	67	68.5	73.0	76.5	80.6
Religious and welfare activities.....	68	54.1	56.1	59.0	61.5
Personal business.....	69	21.1	21.6	22.8	23.5
Nonprofit institution current transfer payments.....	70	70.8	71.6	74.9	80.2
To government <sup>6</sup> .....	71	0.5	0.6	0.7	0.7
To the rest of the world (net).....	72	8.9	11.0	11.2	13.8
To households <sup>2</sup> .....	73	61.5	59.9	63.0	65.7
<b>Equals: Nonprofit institution saving</b> .....	74	<b>22.1</b>	<b>42.6</b>	<b>32.1</b>	<b>18.1</b>
<b>Nonprofit institution saving as a percentage of nonprofit income and receipts from sales</b> .....	75	<b>2.5</b>	<b>4.4</b>	<b>3.2</b>	<b>1.7</b>
<b>Addenda:</b>					
Nonprofit institution income included in personal income <sup>7</sup> .....	76	68.0	81.1	85.2	86.9
Transfer payments between nonprofit institutions <sup>8</sup> .....	77	64.0	67.8	73.0	80.6
Nonprofit institution income and receipts from sales.....	78	892.3	958.4	1,007.8	1,050.3

1. Consists of nonmortgage interest paid by households.  
2. Includes benefits paid to members, specific assistance to individuals, and grants and allocations.  
3. Excludes unrelated sales, secondary sales, and sales to business, government, and the rest of the world; includes membership dues and fees.  
4. Includes individual contributions and bequests from households.  
5. Expenditures are net of unrelated sales, secondary sales, and sales to business, government, and the rest of the world.

6. Consists of excise taxes paid by nonprofit institutions serving households.  
7. Consists of rental income of nonprofit institutions (line 48), income receipts on assets (line 49), transfer receipts from government (line 53), and transfer receipts from business (line 54).  
8. Includes grants and allocations made by nonprofit institutions that indirectly support households through the support of other nonprofit institutions, plus their payments to affiliates.

Note. Estimates in this table exclude nonprofit institutions serving business and government.



## Updated Summary of NIPA Methodologies

The Bureau of Economic Analysis (BEA) has recently improved its estimates of current-dollar gross domestic product (GDP), current-dollar gross domestic income (GDI), and real GDP as part of the 2008 annual revision of the national income and product accounts (NIPAs).<sup>1</sup> The sources of data and the methodologies that are now used to prepare the NIPA estimates are summarized in this report.<sup>2</sup>

### Current-dollar estimates of GDP and GDI

The current-dollar estimates of GDP and GDI for 2007 are presented in table 1. The components and subcomponents of GDP and GDI are listed according to the estimation method used by BEA (column 1). Information about the sources of data and the methods that are used to prepare the estimates for the comprehensive benchmark revisions and for the annual revisions in nonbenchmark years are also presented, and the major differences between the data and the methods used in benchmark revisions and those used in the annual revisions are noted (column 2). For example, for “most durable and nondurable goods” in personal consumption expenditures (PCE) (the first item in table 1), the table indicates that one methodology (commodity flow) is used to prepare estimates for benchmark years, and another methodology (retail control) is used to prepare the estimates for all the other years.

Additionally, information about the advance quarterly estimates, which are prepared about a month after the end of the quarter, are presented (column 3). Information about the advance quarterly estimates rather than about the preliminary or final quarterly estimates are provided because more attention tends to be focused on this “first look” at the estimate for a quarter. Only the source data and methods are listed; the number of months of available source data or whether the source data will be revised by the source agency are not listed.<sup>3</sup>

1. The concepts and methodologies that underlie the NIPAs are subject to periodic improvements as part of the comprehensive and annual NIPA revisions, and these improvements are described in a series of articles in the *SURVEY OF CURRENT BUSINESS*; for a list of these articles, see appendix B at the back of this issue. See also Eugene P. Seskin and Shelly Smith, “Annual Revision of the National Income and Product Accounts,” *SURVEY* 88 (August 2008): 6–22.

2. For descriptions of the fundamental concepts, definitions, classifications, and accounting framework that underlie the NIPAs and of the general sources and methods that are used to prepare the estimates, see *Concepts and Methods of the U.S. National Income and Product Accounts* on BEA’s Web site at [www.bea.gov/national/pdf/NIPAhandbookch1-4.pdf](http://www.bea.gov/national/pdf/NIPAhandbookch1-4.pdf).

3. For information on the key monthly source data, see “GDP and the Economy” in the *SURVEY*.

### Source data

The source data include a variety of economic measures, such as sales or receipts, wages and salaries, unit sales, housing stock, insurance premiums, expenses, interest rates, mortgage debt, and tax collections.

For most components, the estimates are derived from source data that are “value data”: They encompass both the quantity data and the price data required to prepare current-dollar estimates. For these components, the value data are adjusted to derive estimates that are consistent with NIPA definitions and coverage (see table 1).

For the estimates that are not derived from value data, the sources of the quantity and price data that are used to prepare value estimates are indicated, and the major adjustments that are needed to derive estimates that are consistent with NIPA definitions and coverage are specified.

For the current-dollar estimates of GDP, a “physical quantity times price” method is used for several components. For example, the annual estimate of expenditures on new autos in a nonbenchmark year is calculated as unit sales times expenditure per auto (the average transactions price that reflects all discounts and customer rebates).

For the current-dollar estimates of GDI, two methods are used for several components—an “employment times earnings times hours” method and variations of a “stock of assets/liabilities times an effective interest rate” method.

Some of the source data are used as indicators to interpolate or extrapolate annual estimates. In some cases, extrapolation and interpolation may be based on trends; in that case, the use of “judgmental trend” is indicated.<sup>4</sup>

### Estimation methods

In some cases, BEA also uses four methods to estimate values: The commodity-flow method, the retail control method, the perpetual inventory method, and the fiscal year analysis method.

**The commodity-flow method** involves estimating values based on various measures of output. For example, the estimates of personal expenditures on new autos in benchmark years are based on data on manufacturers’ shipments from the Census Bureau, and BEA adjusts the data for imports and exports. In general, this method is used to derive estimates of various components of PCE, equipment and software, and of the commodity detail for state and local government consumption expenditures

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



and gross investment.<sup>5</sup> An abbreviated form of this method is used to prepare estimates of equipment and software in nonbenchmark years, and an even more abbreviated form is used to prepare the current quarterly estimates of equipment and software.

**The retail control method** uses retail sales data, usually compiled by the Census Bureau, to estimate expenditures.<sup>6</sup> It is used to prepare estimates of many subcomponents of durable and nondurable goods in nonbenchmark years.

**The perpetual inventory method** is used to derive estimates of fixed capital stock, which are used to estimate consumption of fixed capital. This method is based on investment flows and a geometric depreciation formula.<sup>7</sup>

**The fiscal year analysis method** is used to estimate annual and quarterly estimates of consumption expenditures and gross investment by the Federal Government. The estimates of expenditures are calculated by program, that is, by activity for a single line item or for a group of line items in the *Budget of the U.S. Government*. For most programs, BEA adjusts budget outlays so that they conform to the NIPAs and classifies the expenditures in the appropriate NIPA category—such as current transfer payments and interest payments—with nondefense consumption expenditures and gross investment that are determined residually. When a fiscal year analysis is completed, the detailed array of NIPA expenditures by program and by type of expenditure provides a set of control totals for the quarterly estimates.<sup>8</sup>

### International transactions accounts

The source data for the foreign transactions that are reflected in most NIPA components—such as net exports of goods and services, net income receipts and rest-of-the-world corporate profits—are from the international transactions accounts (ITAs) that are prepared by BEA.<sup>9</sup>

5. For additional information on the commodity-flow method, see “Estimating Methods” in *Concepts and Methods of the U.S. National Income and Product Accounts* at [www.bea.gov/national/pdf/NIPAhandbookch1-4.pdf](http://www.bea.gov/national/pdf/NIPAhandbookch1-4.pdf) (July 2008): 4–8–4–9.

6. See “Estimating Methods,” 4–9.

7. For additional information, see “Estimating Methods,” 4–11.

8. For details, see the methodology paper *Government Transactions* at [www.bea.gov/bea/mp.htm](http://www.bea.gov/bea/mp.htm).

9. See *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* at [www.bea.gov/bea/mp/htm](http://www.bea.gov/bea/mp/htm). Improvements in methodology are usually introduced as part of annual ITA revision; see Christopher L. Bach, “Annual Revision of the U.S. International Transactions Accounts” *SURVEY* 88 (July 2008): 36–52.

As noted in table 1, for some NIPA components, the ITA estimates are adjusted to conform to NIPA concepts and definitions. For the annual estimates of these adjustments and their definitions, see NIPA table 4.3B in the August 2008 *SURVEY OF CURRENT BUSINESS* (page 109); for summary quarterly estimates, see the reconciliation table in appendix A in the *SURVEY*.

**Reconciliation tables.** In preparing the annual estimates of several components of GDI, BEA adjusts the source data to conform to the NIPA concepts and coverage. For each subcomponent, an annual NIPA table reconciles the value published by the source agency with the NIPA value published by BEA, and the adjustments are listed. Reconciliation tables for the following subcomponents were published in “National Income and Product Accounts Tables” in the August 2008 *SURVEY*: consumption of fixed capital in table 7.13; nonfarm proprietors’ income in table 7.14; corporate profits in table 7.16; net monetary interest in table 7.17; and wages and salaries in table 7.18.

### Real estimates of GDP

BEA uses three methods to estimate real GDP: The deflation method, the quantity extrapolation method, and the direct valuation method. These methods and the source data that are used are presented in table 2.

**The deflation method** is used for most components of GDP. The quantity index is derived by dividing the current-dollar index by an appropriate price index that has the base year—currently 2000—equal to 100. The result is then multiplied by 100.

**The quantity extrapolation method** uses quantity indexes that are obtained by using a quantity indicator to extrapolate from the base-year value of 100.

**The direct valuation method** uses quantity indexes that are obtained by multiplying the base-year price by actual quantity data for the index period. The result is then expressed as an index with the base year equal to 100.

The subcomponents in table 2 are the same as those shown in table 1, but the detail differs to highlight the alternative methodologies that are used to calculate the real estimates.<sup>10</sup>

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

*Tables 1 and 2 follow.*

Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Continues

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Gross domestic product of \$13,807.5 billion for 2007</b>		
<b>Personal consumption expenditures (\$9,710.2 billion)</b>		
<b>Durable and nondurable goods (\$3,915.8 billion)<sup>1</sup></b>		
Most durable and nondurable goods except those listed below (\$3,193.0 billion) <sup>2</sup>	Benchmark years. Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data.	Same as the annual estimates for other years.
New autos (\$102.0 billion)	Other years. Retail-control method, using retail sales from Census Bureau annual survey of retail trade or, for the most recent year, monthly survey of retail trade.	
New autos (\$102.0 billion)	Benchmark years. Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years. Physical quantity purchased times average retail price: Unit sales, information to allocate sales among consumers and other purchasers, and average list price with options, all from trade sources. Transportation charges, dealer discounts, and rebates from Bureau of Labor Statistics (BLS) monthly survey of auto sales prices. Sales tax rate from Census Bureau annual survey of retail trade.	Same as the annual estimates for other years.
Net purchases of used autos and used light trucks (\$121.2 billion)	Benchmark years. For net transactions, residual based on net sales by other sectors. For dealers' margin, retail sales from Census Bureau quinquennial census and margin rate from Census Bureau annual survey of retail trade. Other years except the most recent year. For net transactions, change in consumer stock of autos from trade sources. For dealers' margin, for franchised dealers, unit sales and sales price from trade sources times margin rate for independent dealers from Census Bureau annual survey of retail trade; for independent dealers, margin from Census Bureau annual survey of retail trade. Most recent year. For net transactions, same as other years except the most recent. For dealers' margin, for franchised dealers, unit sales and sales price from trade sources; for independent dealers, sales from Census Bureau monthly survey of retail trade.	For net transactions, extrapolated by retail sales of used vehicle dealers from Census Bureau monthly survey of retail trade. For dealers' margin, judgmental trend.
New light trucks (including utility vehicles) (\$138.3 billion)	Benchmark years. Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years. Physical quantity purchased times average retail price: Unit sales, information to allocate sales among consumers and other purchasers, and average transactions prices that reflect all discounts and customer rebates, all from trade sources. Sales tax rate from Census Bureau annual survey of retail trade.	Same as the annual estimate for other years.
Gasoline and oil (\$340.6 billion) <sup>2</sup>	Benchmark years. Physical quantity purchased times average retail price: Gallons consumed from the Department of Transportation; information to allocate that total among consumers and other purchasers from Federal agencies and trade sources; average retail price from the Energy Information Administration (EIA). Other years except the most recent year. Same as benchmark years. Most recent year. Physical quantity purchased times average retail price: Gallons consumed and average price from EIA.	Same as the annual estimate for the most recent year.
Food furnished to employees (including military) (\$14.7 billion)	Benchmark years. For commercial employees, number of employees of relevant industries from BLS tabulations times BEA estimate of per capita expenditures for food; for military personnel, outlays from the <i>Budget of the United States</i> prepared by the Office of Management and Budget (OMB). Other years. Same as benchmark years except per capita expenditures for food based on BLS consumer price index (CPI) for food.	For commercial employees, same as the annual estimates for other years; for military personnel, judgmental trend.
Expenditures abroad by U.S. residents (\$9.1 billion) less personal remittances in kind to nonresidents (\$3.1 billion)	Estimated as part of the international transactions accounts; see the entry for exports and imports of services under net exports of goods and services.	Judgmental trend.

See the footnotes at the end of the table.

**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Continues**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>Services (\$5,794.4 billion)</b>		
Nonfarm dwellings: Space rent for owner-occupied dwellings and rent for tenant-occupied dwellings (\$1,362.4 billion)	Benchmark years. Based on data on housing stock and average annual rent from Census Bureau decennial census of housing and survey of residential finance, adjusted for utilities included in rent. Other years. Based on data on housing stock and average annual rent from Census Bureau biennial housing survey or on the number of housing units from Census Bureau monthly current population survey and BLS CPI for rent.	For housing stock, judgmental trend; for average rent, BLS CPI for rent.
Rental value of farm dwellings (\$15.2 billion)	U.S. Department of Agriculture (USDA) data on gross rental value of farm dwellings.	Judgmental trend.
Motor vehicle repair, rental, and other services; other repair services; other purchased intercity transportation; legal and funeral services; barber-shops, beauty parlors, and health clubs; nursing homes; laundries; employment agency fees; accounting and tax return preparation services; recreation (except cable TV, parimutuel net receipts, lotteries, and computer online services); hotels and motels; commercial business, trade, and correspondence schools; educational services not elsewhere classified; research organizations and foundations (\$991.0 billion)	Benchmark years. Receipts and expenses from Census Bureau quinquennial census adjusted for receipts from business and governments. Other years. For educational services not elsewhere classified and foundations, BLS tabulations from the Quarterly Census of Employment and Wages (QCEW); for others in this group, receipts and expenses from Census Bureau service annual survey.	For nursing homes, research organizations and foundations, employment agency fees, and clubs and fraternal organizations, wages and salaries derived from BLS monthly employment times earnings times hours; for commercial business, trade, and correspondence schools, and for education services not elsewhere classified, employment times BLS CPI for technical and business school tuition and fees; for legitimate theaters and motion pictures, receipts from trade sources; for radio and TV repair, number of TVs based on stock and sales from trade source times BLS CPI for video and audio; for hotels and motels, rooms rented times average price per room from trade source; for casino gambling, receipts from state agencies; for others in this group, judgmental trend.
Physicians, dentists, home health care, medical laboratories, eye examinations, all other professional medical services (\$744.8 billion)	Benchmark years. For nonprofit professional services, expenses, and for others in this group, receipts, adjusted for government consumption, all from Census Bureau quinquennial census. Other years. Receipts and expenses, adjusted for government consumption, from Census Bureau service annual survey.	For home health care, wages and salaries derived from BLS monthly employment times earnings times hours; for others in this group, judgmental trend.
Private nursery schools, elementary and secondary schools, day care, museums and libraries, welfare activities, political organizations, foundations, and trade unions and professional associations (\$263.1 billion)	Benchmark years. For elementary and secondary schools, expenses from the Department of Education; for nursery schools and day care, expenditures from BLS consumer expenditure survey; for others in this group, receipts and expenses from Census Bureau quinquennial census. Other years. For nursery schools and day care, same as benchmark years; for welfare activities, receipts and expenses from Census Bureau service annual survey; for others in this group, BLS tabulations from the QCEW.	For political organizations and foundations, judgmental trend; for elementary and secondary schools, employment times BLS CPI for all items less food and energy; for others in this group, wages and salaries derived from BLS monthly employment times earnings times hours.
Financial services furnished without payment by banks, other depository institutions, and investment companies (\$227.6 billion) <sup>3</sup>	See the entry for banks, credit agencies, and investment companies under net interest and miscellaneous payments.	Judgmental trend.

See the footnotes at the end of the table.

**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Continues**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<p>Brokerage charges and investment counseling, bank service charges, intercity transportation except "other," and private higher education (\$342.4 billion)</p>	<p>All years except the most recent year. For private higher education, expenses, and for others in this group, receipts from annual reports of government administrative agencies. Most recent year. For brokerage charges, bank service charges, and intercity transportation, receipts from annual reports of government administrative agencies; for investment counseling, receipts from Census Bureau service annual survey; for private higher education, enrollment from the Department of Education times price index for higher education from trade source.</p>	<p>For stock brokerage charges, stock exchange transactions from trade sources; for income from sales of investment company securities, sales of open-end investment company shares from trade source; for imputed commissions on debt securities, dealer transactions in U.S. government and agency securities from Federal Reserve Bank of New York; for commodities commissions, futures contracts from trade source; for investment counseling, wages and salaries derived from BLS monthly employment times earnings times hours; for other brokerage charges and investment counseling and for bank service charges, judgmental trend; for intercity transportation, receipts from trade sources; for private higher education, employment times BLS CPI for all items less food and energy.</p>
<p>Domestic service (\$22.4 billion)</p>	<p>Benchmark years. For cleaning services, receipts from Census Bureau quinquennial census; for other domestic services, number of workers times weekly hours times earnings from BLS. Other years. Number of workers times weekly hours times earnings from BLS.</p>	<p>Judgmental trend.</p>
<p>Public education and hospitals, water and other sanitary services, and lotteries (\$299.5 billion)</p>	<p>All years except the most recent year. For lotteries, net receipts from Census Bureau quinquennial census and annual surveys of state and local governments, adjusted to a calendar year basis from a fiscal year basis; for others in this group, receipts from the same sources. Most recent year. Judgmental trend.</p>	<p>Judgmental trend.</p>
<p>Insurance, private hospitals, religious activities, cable TV, electricity, natural gas, telephone, and local transport (\$1,378.5 billion)</p>	<p>Benchmark years. For life insurance, expenses from trade sources; for medical and hospitalization insurance, premiums from the Agency for Healthcare Research and Quality and benefits based on ratio of benefits to premiums from Census Bureau quinquennial census; for other insurance, premiums and dividends to policyholders from trade source, normal losses and expected investment income derived using incurred losses and investment gains, respectively, from trade source; for private hospitals, receipts and expenses from Census Bureau quinquennial census; for cable TV and telephone, receipts from Census Bureau quinquennial census; for religious activities, expenses based on contributions and membership from trade sources; for electricity and gas, receipts from EIA; for local transport, receipts from trade source. Other years except the most recent year. For private and nonprofit hospitals, expenses from trade source; for private proprietary hospitals and cable TV, receipts from Census Bureau service annual survey; for telephone, receipts from the Federal Communications Commission; for others in this group, same as benchmark years. Most recent year. For life insurance, wages and salaries from BLS tabulations from QCEW; for medical and hospitalization insurance, BLS employer costs for employee health insurance and wages and salaries from BLS tabulations of employees from QCEW; for other insurance, judgmental trend; for private hospitals, receipts and expenses from Census Bureau service annual survey; for religious activities, expenses based on population from the Census Bureau and per capita disposable personal income from BEA; for local transport, passenger trips from trade sources times BLS CPI for intracity mass transit; for electricity and natural gas, same as benchmark years; for cable TV, receipts from Census Bureau service annual survey; for telephone, receipts from company reports and trade sources.</p>	<p>For life insurance and private hospitals, wages and salaries derived from BLS monthly employment times earnings times hours; for cable TV, number of cable TV and direct broadcast satellite subscribers from trade source; for electricity and gas, projected quantities based on degree-day data from the National Oceanic and Atmospheric Administration times prices based on BLS CPIs for electricity and gas; for cellular telephone, number of subscribers from trade source times BLS CPI for cellular telephone service; for others in this group, judgmental trend.</p>

See the footnotes at the end of the table.

**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Continues**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Foreign travel by U.S. residents (\$113.6 billion) less expenditures in the United States by non-residents (\$122.6 billion) Other services: Motor vehicle leasing; parimutuel net receipts; other housing except hotels and motels; bridge, etc. tolls; other household operation except repairs and insurance; travel and entertainment card fees; stenographic and reproduction services; money orders and classified advertising; and computer online services (\$156.3 billion)	Estimated as part of the international transactions accounts; see the entry for exports and imports of services under net exports of goods and services.  Various source data.	Same as the annual estimates.  For motor vehicle leasing, number of leased vehicles based on registrations and terms from trade source, and lease payments based on new vehicle prices, BEA depreciation schedules, and Federal Reserve Board (FRB) interest rates on new motor vehicle loans; for others in this group, judgmental trend.
<b>Fixed investment (\$2,134.0 billion)</b>		
<b>Nonresidential structures (\$480.3 billion)</b>		
Commercial and health care (\$147.4 billion)	Benchmark years. BEA's benchmark input-output table. Other years. Construction spending (value put in place) from Census Bureau monthly construction survey.	Same as the annual estimates for other years.
Manufacturing (\$33.0 billion)	Construction spending (value put in place) from Census Bureau monthly construction survey.	Same as the annual estimates.
Power and communication (\$62.3 billion)	Construction spending (value put in place) from Census Bureau monthly construction survey.	Same as the annual estimates.
Mining exploration, shafts, and wells (\$118.1 billion)	Benchmark years. Expenditures from Census Bureau quinquennial census. All years except the most recent year. For petroleum and natural gas, physical quantity times average price: Footage drilled and cost per foot from trade sources; for other mining, expenditures from Census Bureau annual capital expenditure survey. Most recent year. For petroleum and natural gas, physical quantity times average price: Footage drilled and cost per foot from trade sources extrapolated by BLS producer price index for oil and gas well drilling.	For petroleum and natural gas, same as the annual estimate for the most recent year; for mining, judgmental trend.
Other structures (\$92.6 billion)	Benchmark years. BEA's benchmark input-output table. Other years. Construction spending (value put in place) from Census Bureau monthly construction survey.	Same as the annual estimates for other years.
<b>Nonresidential equipment and software (\$1,023.5 billion)</b>		
Equipment except new autos, new light trucks, and net purchases of used autos and used light trucks (\$696.6 billion)	Benchmark years. Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years. Abbreviated commodity-flow method, starting with manufacturers' shipments from Census Bureau annual survey or, for the most recent year (except aircraft, computers, and heavy trucks), monthly survey of manufacturers and including an adjustment for exports and imports from Census Bureau foreign trade data. For aircraft, manufacturers' shipments from Census Bureau current industrial report, adjusted for exports and imports. For computers, manufacturers' shipments from FRB industrial production index and Census Bureau monthly survey of manufacturers, adjusted for exports and imports. For heavy trucks, physical quantity purchased times average price: Unit sales and information to allocate sales among business and other purchasers, from trade sources; for truck trailers, shipments from trade source.	Same as the annual estimates for other years but with less detail.
New autos, new light trucks, and net purchases of used autos and used light trucks (\$99.6 billion)	See the entries under personal consumption expenditures.	See the entries under personal consumption expenditures.

See the footnotes at the end of the table.

**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Continues**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Software (\$227.3 billion)	Benchmark years. For purchased software, commodity-flow method, starting with industry receipts data from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data; for own-account software, production costs based on BLS employment data and on Census Bureau quinquennial census. Other years. For purchased software, commodity-flow method, starting with industry receipts data from Census Bureau service annual survey and including an adjustment for exports and imports from Census Bureau foreign trade data; for own-account software, production costs based on BLS employment data.	For purchased software, receipts from company reports to the Securities and Exchange Commission; for own-account software, private fixed investment in computers and peripheral equipment.
<b>Residential investment (\$630.2 billion)<sup>4</sup></b>		
Permanent-site new single-family housing units (\$305.2 billion)	Construction spending (value put in place) based on phased housing starts and average construction cost from Census Bureau monthly construction survey.	Same as the annual estimates.
Permanent-site new multi-family housing units (\$48.2 billion)	Construction spending (value put in place) from Census Bureau monthly construction survey.	Same as the annual estimates.
Manufactured homes (\$6.1 billion)	Benchmark years. See the entry for "Equipment except new autos, new light trucks, and net purchases of used autos and used light trucks" under nonresidential equipment and software. Other years. Physical quantity shipped times price: Shipments from trade source and average retail price from Census Bureau monthly survey.	Same as the annual estimates for other years.
Improvements (\$174.9 billion)	Benchmark years. For 1997, Construction spending (value put in place) from Census Bureau construction survey based on expenditures by owner-occupants from BLS quarterly consumer expenditure survey and by landlords from Census Bureau quarterly survey of landlords. Others years. A weighted 3-year moving average of the improvements estimates from Census Bureau construction spending (value put in place) construction survey.	Judgmental trend.
Brokers' commissions (\$86.4 billion)	Physical quantity times price times BEA estimate of average commission rate: Number of single-family houses sold and mean sales price from Census Bureau monthly construction survey and trade source.	Same as the annual estimates.
Equipment (\$9.5 billion)	See the entry for "Most durable and nondurable goods" under personal consumption expenditures.	Same as the annual estimates.
<b>Change in private inventories (−\$3.6 billion)</b>		
Manufacturing and trade (−\$7.5 billion)	Benchmark years. Inventories from Census Bureau quinquennial census revalued to current replacement cost, with information on the proportions of inventories reported using different accounting methods, on the commodity composition of goods held in inventory, and on the turnover period, all from Census Bureau quinquennial censuses and annual surveys, combined with prices, largely based on BLS producer price indexes. (The difference between Census Bureau change in inventories and BEA change in private inventories is the inventory valuation adjustment.) Other years except the most recent year. Inventories from Census Bureau annual surveys, revalued as described above. Most recent year. For retail auto dealers, quantities times average prices from trade sources; for all other, inventories from Census Bureau monthly surveys, revalued as described above.	Same as the annual estimate for the most recent year.
Mining, utilities, construction, and other nonfarm industries (\$2.3 billion)	Benchmark years. Mining and construction inventories from Census Bureau quinquennial census revalued to current replacement cost as described above for manufacturing and trade. Other years except the most recent. Internal Revenue Service (IRS) tabulations of business tax returns, revalued as described above. Most recent year. Census Bureau quarterly survey of mining corporations, monthly physical quantities from EIA combined with BLS producer price indexes for electric utilities, and for all others, judgmental trend, revalued as described above (except when noted as physical quantity times price).	For electric utilities, same as the annual estimate for the most recent year; for all others, judgmental trend.

See the footnotes at the end of the table.

**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Continues**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Farm (\$1.6 billion)	USDA change in inventories adjusted to exclude Commodity Credit Corporation (CCC) forfeitures and to include net CCC loans at market value.	For crops, BEA quarterly allocation of USDA annual projections of crop output and cash receipts; for livestock, USDA quarterly data.
<b>Net exports of goods and services (–\$707.8 billion)</b>		
Exports and imports of goods, net (–\$836.0 billion)	Estimated as part of the international transactions accounts: Export and import documents compiled monthly by the Census Bureau with adjustments by BEA for coverage and valuation to convert the data to a balance-of-payments basis. Adjusted for the balance-of-payments coverage of U.S. territories and Puerto Rico with data from the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and the Census Bureau, and coverage of gold transactions adjusted with data from the U.S. Geological Survey and trade sources.	For territorial adjustment, Census Bureau foreign trade data and judgmental trend; for gold, judgmental trend; for all others, same as the annual estimates.
Exports and imports of services, net (\$128.2 billion)	Estimated as part of the international transactions accounts: For government transactions, reports by Federal agencies on their purchases and sales abroad; for most others in this group (including travel, passenger fares, other transportation, and royalties and license fees), BEA quarterly or annual surveys (supplemented by data from other sources). Adjusted for the balance-of-payments coverage of U.S. territories and Puerto Rico (see the above entry); adjusted to include financial services furnished without payment (see the entry for banks, credit agencies, and investment companies under net interest miscellaneous payments).	For territorial adjustment, judgmental trend; for all others, same as the annual estimates.
<b>Government consumption expenditures and gross investment (\$2,674.8 billion)</b>		
<b>Federal Government (\$979.3 billion)</b>		
National defense except consumption of general government fixed capital (\$585.6 billion)	Within a control total established by fiscal year analysis: For compensation, military wages from OMB's <i>Budget of the United States</i> , civilian wages and benefits from the Office of Personnel Management (OPM), and employer contributions for Federal employee retirement plans from outlays from the <i>Monthly Treasury Statement</i> ; for other than compensation by type, based mainly on data from Department of Defense (DOD) reports; for software, see the entry for software under nonresidential equipment and software.	For components of compensation, military employment from DOD and civilian employment from BLS; for other than compensation, same as the annual estimates; for software, see the entry for software under nonresidential equipment and software.
National defense consumption of general government fixed capital (\$76.6 billion)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as the annual estimates.
Nondefense except consumption of general government fixed capital (\$288.3 billion)	Within a control total established by fiscal year analysis: For CCC inventory change, book values of acquisitions and physical quantities of dispositions from agency reports times average market prices from USDA; for compensation, civilian wages and benefits from OPM and employer contributions for Federal employee retirement plans from outlays from the <i>Monthly Treasury Statement</i> ; for petroleum sales, distribution and price data from the Department of Energy; for research and development, obligations from the National Science Foundation and disbursements from the National Aeronautics and Space Administration; for construction, construction spending (value put in place) from Census Bureau monthly construction survey; for software, see the entry for software under nonresidential equipment and software; for all others, outlays from the <i>Monthly Treasury Statement</i> . For financial services furnished without payment, see the entry for banks, credit agencies, and investment companies under net interest and miscellaneous payments.	For components of compensation, employment from BLS; for software, see the entry for software under nonresidential equipment and software; for other than compensation and software, same as the annual estimates.
Nondefense consumption of general government fixed capital (\$28.9 billion)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as the annual estimates.

See the footnotes at the end of the table.



**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Continues**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
<b>State and local government (\$1,695.5 billion)</b>		
Consumption expenditures and gross investment except those items listed below (\$289.2 billion)	All years except the 3 most recent years. Total expenditures from Census Bureau quinquennial census and annual surveys of state and local governments, selectively replaced with source data that are more appropriate for the NIPAs and adjusted as follows: For coverage; for netting and grossing differences; to a calendar year basis from a fiscal year basis; for other timing differences; to exclude items not directly included in GDP (interest, subsidies, net expenditures of government enterprises, and transfer payments); and to exclude items described below. The 3 most recent years. Judgmental trend.	Judgmental trend.
Compensation of general government employees (\$963.1 billion)	For wages and salaries, BLS tabulations from the QCEW for employer contributions for government social insurance, tabulations from the Social Security Administration and other agencies administering social insurance programs; for employer contributions for employee pension and insurance funds, data from trade sources, Centers for Medicare and Medicaid Services, Census Bureau annual surveys of state and local government retirement funds, adjusted to a calendar year basis from a fiscal year basis, and Census Bureau annual surveys of state and local governments, adjusted to a calendar year basis from a fiscal year basis.	For wages and salaries, derived from BLS monthly employment times earnings from BLS employment cost index; for other compensation, judgmental trend.
Consumption of general government fixed capital (\$135.9 billion)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as the annual estimates.
Structures (\$281.0 billion)	Construction spending (value put in place) from Census Bureau monthly construction survey.	Same as the annual estimates.
Software (\$13.0 billion)	See the entry for software under nonresidential equipment and software.	Same as the annual estimates.
Brokerage charges and financial services furnished without payment (\$13.3 billion)	See the entries for brokerage charges and financial services furnished without payment under personal consumption expenditures.	Same as the annual estimates.

**Gross domestic income of \$13,889.0 billion for 2007****Compensation of employees, paid (\$7,819.4 billion)<sup>5</sup>****Wage and salary accruals (\$6,362.8 billion).**

Private industries (\$5,287.5 billion)	For most industries, BLS tabulations from the QCEW; for others, wages from a variety of sources (such as USDA for farms and the Railroad Retirement Board for railroad transportation), adjusted for understatement of income on tax returns and for coverage differences.	For most industries, wages and salaries derived from BLS monthly employment times earnings times hours; for others, judgmental trend.
Federal Government (\$282.5 billion)	For civilians, wages from BLS tabulations from the QCEW; for military personnel, wages from OMB's <i>Budget of the United States</i> .	For civilians, employment from BLS and judgmental trend; for military personnel, DOD employment and judgmental trend.
State and local governments (\$792.7 billion)	BLS tabulations from the QCEW.	Derived from BLS monthly employment times earnings from BLS employment cost index.

**Employer contributions for employee pension and insurance funds (\$991.9 billion)**

Group health insurance (\$532.1 billion)	All years except the 2 most recent years. For private and state and local governments, total contributions from the Centers for Medicare and Medicaid Services (CMS) less employee contributions from BLS consumer expenditure survey. The 2 <sup>nd</sup> most recent year. For private, preliminary CMS tabulations; for state and local governments, judgmental trend. Most recent year. Judgmental trend.	Judgmental trend.
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See the footnotes at the end of the table.

**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Private pension and profit-sharing funds (\$199.9 billion)	All years except the 2 most recent. Tabulations from the Department of Labor. The 2 most recent years. Tabulations from the Pension Benefit Guaranty Corporation and corporate financial data.	Judgmental trend.
Government employee retirement plans (\$183.7 billion)	All years except the most recent year. For Federal plans, outlays from the <i>Monthly Treasury Statement</i> ; for state and local government plans, Census Bureau annual surveys of state and local government retirement funds, adjusted to a calendar year basis from a fiscal year basis. Most recent year. For Federal plans, same as all years except the most recent; for state and local government plans, Census Bureau annual surveys of state retirement funds, adjusted to a calendar year basis from a fiscal year basis.	For Federal plans, same as the annual estimate for the most recent year; for state and local government plans, judgmental trend.
Workers' compensation (\$57.2 billion)	All years except the most recent year. Employer contributions from trade sources. Most recent year. Judgmental trend.	Judgmental trend.
Group life insurance (\$17.3 billion)	All years except the most recent year. Group premiums and estimates of employer share from trade sources. Most recent year. Judgmental trend.	Judgmental trend.
Employer contributions for government social insurance (\$464.7 billion)	Tabulations from the Social Security Administration and other agencies administering social insurance programs.	For Federal programs, BEA-derived wages and salaries of employees covered by the programs; for state and local government programs, judgmental trend.

**Taxes on production and imports (\$1,015.5 billion)**

Federal Government (\$97.7 billion)	For excise taxes, collections from the Office of Tax Analysis, from the Alcohol and Tobacco tax and Trade Bureau, and from the IRS; for customs duties, receipts from the <i>Monthly Treasury Statement</i> .	For customs duties, receipts from the <i>Monthly Treasury Statement</i> ; for most excise taxes, derived from indicators of activity (such as gasoline production for gasoline tax); for others, judgmental trend.
State and local governments (\$917.8 billion)	Receipts from Census Bureau quinquennial census and annual surveys, adjusted to a calendar year basis from a fiscal year basis.	Judgmental trend.

**Less: Subsidies (\$52.3 billion)**

Federal Government (\$45.2 billion)	Payments by the CCC from agency reports and, for most other agencies, outlays from the <i>Monthly Treasury Statement</i> .	CCC reports and judgmental trend.
State and local governments (\$7.1 billion)	For railroad and electric power, Census Bureau annual surveys of expenditures adjusted to a calendar year basis from a fiscal year basis and California administrative records.	Judgmental trend and California administrative records.

**Net operating surplus (\$3,386.0 billion)****Private enterprises (\$3,393.9 billion)****Net interest and miscellaneous payments (\$899.6 billion)<sup>6</sup>**

Domestic monetary interest, net (\$373.4 billion)	All years except the most recent year. For farm interest paid, USDA surveys; for residential mortgage interest paid, Census Bureau decennial survey of residential finance and mortgage debt from FRB times a BEA interest rate; for most other interest paid and received by business, IRS tabulations of business tax returns, adjusted for misreporting on tax returns and for conceptual differences. Most recent year. For farm and mortgage interest paid, same as all years except the most recent; for other interest, interest receipts and payments from regulatory agencies (such as the Federal Deposit Insurance Corporation), from trade sources, or derived by applying BEA interest rates to interest-bearing assets/liabilities from FRB flow-of-funds accounts.	Derived by combining estimates of (1) interest received by persons, (2) government interest paid less received, and (3) interest paid by persons. For (1), judgmental trend; for (2), data from the <i>Monthly Treasury Statement</i> and the Bureau of the Public Debt for Federal and judgmental trend for state and local; and for (3), consumer debt from FRB times BEA estimates of interest rates.
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**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Continues**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Domestic imputed interest, net (\$506.2 billion) Banks, credit agencies, and investment companies (\$250.3 billion) Depositor services (\$221.7 billion)  Borrower services (\$28.5 billion)  Life insurance carriers (\$248.0 billion) Property and casualty insurance companies (\$7.9 billion)	<p>For commercial banks, data from FRB tabulations of Federal Financial Examination Council <i>Call Reports</i> used to calculate the interest rate spread between a risk-free reference rate and the average interest rate paid to depositors times the average balance of deposits. Depositor services allocated to persons, government, and to the rest of the world on the basis of deposit liabilities from FRB.</p> <p>For credit agencies and investment companies, property income earned on investment of deposits less monetary interest paid to depositors (and for mutual depositories, profits from IRS tabulations of business tax returns) from annual reports of regulatory agencies and FRB. Depositor services allocated to persons, government, and to the rest of the world on the basis of deposit liabilities from FRB.</p> <p>For commercial banks, data from FRB tabulations of Federal Financial Examination Council <i>Call Reports</i> used to calculate the interest rate spread between the average rate paid by borrowers and the reference rate times the average balance of borrowers.</p> <p>Property income earned on investment of policyholders' reserves from trade source.</p> <p>Expected investment income derived using incurred losses and investment gains from trade source.</p>	Judgmental trend.           Judgmental trend.           Judgmental trend.           Judgmental trend.
<b>Business current transfer payments (net) (\$100.2 billion)</b>		
To persons (net) (\$31.9 billion)	All years except the most recent year. Payments to persons for charitable contributions, IRS tabulations of business tax returns; for other components (such as liability payments for personal injury and net insurance settlements), information from government agency reports and trade sources.	Judgmental trend.
To government (net) (\$61.4 billion)	Most recent year. Judgmental trend. For Federal, receipts from OMB's <i>Budget of the United States</i> ; for state and local, receipts from Census Bureau quinquennial census and annual surveys, adjusted to a calendar year basis from a fiscal year basis and net insurance settlements, as described above.	Judgmental trend.
To the rest of the world (net) (\$6.9 billion)	Estimated as part of the international transactions accounts.	Same as the annual estimates.
<b>Proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj) (\$1,056.2 billion)</b>		
Farm proprietors' income with IVA (\$51.5 billion)	USDA data on net income, obtained by deriving gross income (cash receipts from marketing, inventory change, government payments, other cash income, and nonmoney income) and subtracting production expenses, adjusted to exclude corporate income based on USDA quinquennial census and annual survey data.	For crops, BEA quarterly allocation of USDA annual projections of crop output; for livestock, USDA quarterly projections of cash receipts and inventories; for both crops and livestock, quarterly allocation of USDA annual projections of government subsidy payments and production expenses.
Farm proprietors' income with CCAdj (-\$7.5 billion)	See the entry "Less: Capital consumption adjustment" under consumption of fixed capital.	
Nonfarm proprietors' income (\$893.5 billion)	All years except the most recent year. Income from IRS tabulations of business tax returns, adjusted for understatement of income on tax returns and for conceptual differences.	Same as the annual estimate for the most recent year.
Nonfarm proprietors' income with IVA (-\$6.8 billion)	Most recent year. For construction, trade, and services, indicators of activity (such as value of housing put in place); for most others, judgmental trend. See the entry for inventory valuation adjustment under corporate profits.	

See the footnotes at the end of the table.

**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Continues**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Nonfarm proprietors' income with CCAj (\$125.5 billion)	See the entry "Less: Capital consumption adjustment" under consumption of fixed capital.	
<b>Rental income of persons with capital consumption adjustment (\$40.0 billion)</b>		
Owner-occupied nonfarm housing (–\$23.8 billion)	Benchmark years. Derived as space rent (see the entry for nonfarm dwellings under personal consumption expenditures) less related expenses, including property insurance from trade source and mortgage interest and property taxes from Census Bureau decennial survey of residential finance. Other years. Same as benchmark years, except mortgage interest, based on mortgage debt from FRB times a BEA interest rate, and property taxes from Census Bureau annual surveys of state and local tax collections.	For owner-occupied space rent, same as the annual estimates; for depreciation, interest, closing costs, real estate dealers' commissions, and taxes, based on NIPA estimates of those components; for other expenses, judgmental trend.
Tenant-occupied nonfarm housing (\$27.4 billion)	Same as owner-occupied nonfarm housing, adjusted to cover only rental income accruing to persons not primarily engaged in the real estate business from Census Bureau decennial survey of residential finance.	Same as owner-occupied nonfarm housing.
Farm housing (\$8.2 billion)	Benchmark years. Owner- and tenant-occupied housing derived as space rent (see the entry for farm dwellings under personal consumption expenditures) less related expenses, such as mortgage interest and property taxes, from USDA. Farms owned by nonoperator landlords derived from USDA data. Other years. Space rent (see the entry for farm dwellings under personal consumption expenditures); expenses from USDA data. Farms owned by nonoperator landlords derived from USDA data.	Judgmental trend.
Nonfarm nonresidential properties (\$0.2 billion)	Benchmark years. Nonfarm nonresidential fixed assets from BEA capital stock series times a rate of return on capital based on IRS tabulations of business tax returns. Other years. BEA capital stock series and judgmental trend.	Judgmental trend.
Royalties (\$28.0 billion)	All years except the most recent year. IRS tabulations of royalties reported on individual income tax returns. Most recent year. Judgmental trend.	Judgmental trend.
<b>Corporate profits with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAj) (\$1,297.8 billion)</b>		
Domestic profits before tax (\$1,541.6 billion)	All years except the most recent year. Receipts less deductions from IRS tabulations of business tax returns, adjusted for understatement of income on tax returns and for conceptual differences. Most recent year. Profits from Census Bureau Quarterly Financial Report, regulatory agency reports, and compilations of publicly available corporate financial statements.	For some industries in transportation and in finance, judgmental trend; for others, same as the annual estimates for the most recent year. (Released with the preliminary estimate of GDP for the first, second, and third quarters and the final estimate for the fourth quarter.)
Inventory valuation adjustment (IVA) (–\$51.2 billion)	The IVA on the income side (for corporations and for nonfarm sole proprietorships and partnerships) and the IVA on the product side (see the entry "Change in private inventories") differ because the source data reflect different proportions of inventories reported using different accounting methods (last-in-first out (LIFO)). The income-side IVA is based on the product-side IVA, adjusted by the relationship between non-LIFO inventories from IRS tabulations of business tax returns and non-LIFO inventories from the Census Bureau.	Same as the annual estimates.
Capital consumption adjustment (CCAj) (–\$192.7 billion)	See the entry "Less: Capital consumption adjustment" under consumption of fixed capital.	
<b>Current surplus of government enterprises (–\$7.9 billion)</b>		
Federal Government (–\$2.2 billion)	Mainly reports of various agencies, such as the Postal Service, and consumption of fixed capital (CFC) estimates derived with perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Judgmental trend; for CFC estimates, the same as the annual estimates.

See the footnotes at the end of the table.

**Table 1. Source Data and Methods for Current-Dollar GDP and Current-Dollar GDI—Table Ends**

Component	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
State and local governments (–\$5.7 billion)	For current operating receipts, mainly revenue data from Census Bureau annual surveys of state and local governments, adjusted to a calendar year basis from a fiscal year basis; for current operating expenditures, see the entries for “Consumption expenditures and gross investment” and “Consumption of general government fixed capital” under state and local government.	Judgmental trend.
<b>Consumption of fixed capital (\$1,720.5 billion)</b>		
<b>Government (\$289.4 billion)</b>		
General government (\$241.4 billion)	Perpetual-inventory method, based on gross investment and on investment prices.	Same as the annual estimates.
Government enterprises (\$48.0 billion)	Perpetual-inventory method, based on gross investment and on investment prices.	Same as the annual estimates.
<b>Private (\$1,431.1 billion)</b>		
Domestic business (\$1,147.0 billion)	Perpetual-inventory method, based on gross investment and on investment prices.	Same as the annual estimates.
Capital consumption allowances (\$1,055.5 billion)	All years except the most recent year. For depreciation of corporations and of nonfarm sole proprietorships and partnerships, IRS tabulations of business tax returns, adjusted for conceptual differences; for other depreciation (including farm proprietorships and partnerships and other private business), perpetual-inventory calculations based on investment at acquisition cost; for accidental damage to fixed capital, losses reported to insurance companies and to government agencies. Most recent year. For depreciation of corporations and of nonfarm sole proprietorships and partnerships, BEA estimates of tax-return-based depreciation; for other depreciation and accidental damage to fixed capital, same as above.	Judgmental trend.
Less: Capital consumption adjustment (–\$91.5 billion)	The difference between capital consumption allowances and consumption of fixed capital.	Same as the annual estimates.
Households and institutions (\$284.1 billion)	Perpetual-inventory method, based on gross investment and on investment prices.	Same as the annual estimates.

## NIPAs National income and product accounts

1. Personal consumption expenditures (PCE) for durable and nondurable goods includes \$1.0 billion for food produced and consumed on farms and standard clothing issued to military personnel.

2. The Census Bureau data for retail sales include sales of gasoline service stations. The estimates of PCE for gasoline and oil are derived from the sources listed and are deducted from the retail-control estimates of most durable and nondurable goods.

3. This line item is also referred to as “services furnished without payment by financial intermediaries, except life insurance carriers.”

4. Residential investment includes –\$0.2 billion for dormitories and net purchases of used structures.

5. Compensation of employees includes \$1.7 billion for supplemental unemployment.

6. Net interest and miscellaneous payments includes \$20.1 billion for government rents and royalties.

**Table 2. Methodology Used in Preparing Estimates of Real GDP—Continues**

Component	Deflation, using price based on		Using quantity for extrapolation or direct valuation
	CPI or PPI	Other index	
<b>Personal consumption expenditures</b>			
<b>Durable and nondurable goods</b>			
Most durable and nondurable goods except those listed below	CPI		
New autos	PPI, for military clothing		
Net purchases of used autos and used light trucks	CPI	.....	Direct valuation. For used autos and used light trucks margins, unit sales from trade sources with dealers' margins from Census Bureau and trade sources.
	CPI, for net transactions		
New trucks	CPI		
Gasoline and oil	CPI		
Food furnished to employees (including military)	CPI		
Expenditures abroad by U.S. residents less personal remittances in kind to nonresidents	.....	Foreign CPIs <sup>1</sup>	
<b>Services</b>			
Nonfarm dwellings: Space rent for owner-occupied dwellings and rent for tenant-occupied dwellings	CPI		
Rental value of farm dwellings	.....	.....	Quantity extrapolation. Real dollar net stock of farm housing from BEA capital stock estimates.
Motor vehicle repair, rental, and other services; other repair services; other purchased intercity transportation; legal and funeral services; barber-shops, beauty parlors, and health clubs; nursing homes; laundries; employment agency fees; accounting and tax return preparation services; recreation (except cable TV, parimutuel net receipts, lotteries, and computer online services); hotels and motels; commercial business, trade, and correspondence schools; educational services not elsewhere classified; research organizations and foundations	CPI PPI, for proprietary and government nursing homes and employment agency fees	Composite index of input prices from the Centers for Medicare and Medicaid Services for private nonprofit nursing homes; for clubs and fraternal organizations, and for nonprofit research and foundation expenses, BEA composite indexes of input prices.	
Physicians, dentists, and other professional medical services	CPI PPI, for physicians, home health care, and medical laboratories		
Private nursery schools, elementary and secondary schools, day care, welfare activities, political organizations, foundations, and trade unions and professional associations	.....	BEA composite indexes of input prices.	

See the footnotes at the end of the table.

**Table 2. Methodology Used in Preparing Estimates of Real GDP—Continues**

Component	Deflation, using price based on		Using quantity for extrapolation or direct valuation
	CPI or PPI	Other index	
Financial services furnished without payment by banks, other depository institutions, and investment companies <sup>2</sup>	PPI, for investment companies' securities commissions	BEA composite index of input prices, for investment companies' "total deductions."	Quantity extrapolation. Banks, BLS index of total output (less BEA real bank service charges) times consumer share based on shares of deposits and loans; for other depository institutions, paid employee hours of relevant financial institutions; for investment companies' "implicit charges," BEA orders derived from volume data from trade sources.
Brokerage charges and investment counseling, bank service charges, intercity transportation except "other," and private higher education	CPI PPI, for securities commissions and air transportation	BEA composite index of input prices for private higher education.	Quantity extrapolation. For mutual fund sales charges, value of new sales deflated by CPI.
Domestic service	CPI		
Public education and hospitals, water and other sanitary services, and lotteries	CPI PPI, for public hospitals		
Insurance, private hospitals, religious activities, cable TV, electricity, natural gas, telephone, and local transport	CPI PPI, for private for-profit hospitals	BEA composite indexes of input prices, for life insurance and religious activities; for private nonprofit hospitals, composite index of input prices from the Centers for Medicare and Medicaid Services.	Quantity extrapolation. For auto insurance, premiums deflated by CPI; for medical care and hospitalization insurance, benefits deflated by PPI; for workers' compensation, premiums deflated by PPI.
Foreign travel by U.S. residents less expenditures in the United States by nonresidents	CPI, for expenditures in the United States	BEA composite index of foreign CPIs, <sup>1</sup> for foreign travel; for airfares in foreign travel, BLS import price index.	
Other services: Motor vehicle leasing; parimutuel net receipts; other housing except hotels and motels; tolls; other household operation except repairs and insurance; travel and entertainment card fees; stenographic and reproduction services; money orders and classified advertising; and computer online services	CPI	.....	Quantity extrapolation. For parimutuel net receipts, gross winnings deflated by CPI.
<b>Fixed investment</b>			
<b>Nonresidential structures</b>			
Commercial and health care	PPI, for warehouses and offices	BEA index based on costs per square foot from trade source for commercial structures; for health care, BEA index based on cost index from trade source and on Census Bureau price deflator for single-family houses under construction.	
Manufacturing	PPI, for industrial buildings	BEA index based on costs per square foot from trade source.	
Power and communication	PPI, for power excluding electric	Cost indexes from trade sources and government agencies, for power; for communication, cost index from trade source.	
Mining exploration, shafts, and wells	PPI, for casing, oil and gas well drilling, and oil and gas field services	BEA index based on cost index from trade source and on Census Bureau price deflator for single-family houses under construction, for mines.	Quantity extrapolation. For drilling, footage by geographic area from trade source.

See the footnotes at the end of the table.



**Table 2. Methodology Used in Preparing Estimates of Real GDP—Continues**

Component	Deflation, using price based on		Using quantity for extrapolation or direct valuation
	CPI or PPI	Other index	
Other structures	PPI, for brokers' commissions and educational and vocational structures	BEA price index for railroads; for other components, BEA index based on cost index from trade source and on Census Bureau price deflator for single-family houses under construction.	
<b>Nonresidential equipment and software</b>			
Equipment except those listed below	PPI, for most domestic components and for imported transportation equipment	BLS import price indexes, for imported components except transportation equipment.	
New autos, new light trucks, and net purchases of used autos and used light trucks	CPI, for new autos and new light trucks	.....	Direct valuation. For used autos and used light trucks, see the entry "Net purchases of used autos and used light trucks" under personal consumption expenditures.
Telephone and telegraph installation	.....	BEA cost index	
Telephone switching equipment	.....	BEA price index	
Photocopying equipment	.....	BEA price index	
Software	PPI, for prepackaged software	BEA cost index, BLS employment cost index, and PPI, for own-account and custom software.	
<b>Residential investment</b>			
Permanent-site new single-family housing units	.....	Census Bureau price deflator for single-family houses under construction.	
Permanent-site new multifamily housing units	.....	BEA price index	
Manufactured homes	PPI		
Improvements	.....	BEA composite index of input prices, for major replacements; for additions and alterations, BEA index based on Census Bureau price deflator for single-family houses under construction and BEA index for major replacements.	
Brokers' commissions	PPI		
Equipment	CPI		
<b>Change in private inventories</b>			
Nonfarm			
Purchased goods of all industries	PPI	Composite price from the Energy Information Administration, for crude petroleum; BLS import price indexes, for imported goods purchased by trade industries.	Direct valuation. Quantities and prices of stocks of coal, petroleum, and natural gas for utilities from Energy Information Administration.
Work-in-process and finished goods, manufacturing	PPI	BEA indexes of unit labor costs.	
Farm			
	.....	USDA average market prices	

See the footnotes at the end of the table.

**Table 2. Methodology Used in Preparing Estimates of Real GDP—Continues**

Component	Deflation, using price based on		Using quantity for extrapolation or direct valuation
	CPI or PPI	Other index	
<b>Net exports of goods and services</b>			
Exports and imports of goods	PPI, for gold; semi-conductor exports, selected transportation equipment; selected agricultural foods, feeds, and beverages; and selected imports of refined petroleum	BLS export and import price indexes; for electric energy exports and imports, and for petroleum imports, unit-value indexes based on Census Bureau values and quantities.	
Exports and imports of services	CPI, for travel receipts, medical receipts, and nonresident students' expenditures PPI, for selected other transportation	Selected deflators, for military transfers and defense expenditures: see "National defense except consumption of general government fixed capital" below. BLS export and import price indexes, for passenger fares; BEA composite index of foreign CPIs, <sup>1</sup> for travel payments, for miscellaneous services, and U.S. students' expenditures abroad; BLS exports and imports price indexes, for selected other transportation; and for royalties and fees, and other private services, BEA price indexes, CPI, PPI, and implicit price deflator for final sales to domestic purchasers.	Quantity extrapolation. For exports of financial services furnished without payment, <sup>2</sup> BLS index of total bank output (less BEA real bank service charges); for exports and imports of insurance, premiums deflated by PPI.
<b>Government consumption expenditures and gross investment</b>			
<b>Federal Government</b>			
National defense except consumption of general government fixed capital	PPI, for selected goods and services CPI and PPI, for utilities and communications	BEA indexes based on DOD prices paid, for some goods and services and for most military structures; for some services, BLS employment cost indexes; for nonmilitary structures, cost indexes from trade sources and government agencies; for own-account software, BEA index derived from nondefense compensation; for custom software, BEA index derived from nondefense compensation price index and PPI.	Quantity extrapolation. For military compensation, full-time equivalent employment by rank and length of service; for civilian compensation, full-time equivalent employment by grade, adjusted for change from base year in hours worked. Direct valuation. For some goods and services and a few military structures, quantities and prices from DOD reports; for electricity and natural gas, quantities from DOE.
National defense consumption of general government fixed capital	.....	.....	Direct valuation. Perpetual-inventory calculations based on gross investment.
Nondefense except consumption of general government fixed capital	PPI, for most goods and selected services CPI, for rent, utilities, and communications	Cost indexes from trade sources and government agencies, for structures; for some services, BLS employment cost indexes; for own-account software, BEA index derived from nondefense compensation; for custom software, BEA index derived from nondefense compensation price index and PPI.	Quantity extrapolation. For compensation, full-time equivalent employment by grade, adjusted for change from base year in hours worked; for financial services furnished without payment, <sup>2</sup> BLS index of total bank output (less BEA real bank service charges). Direct valuation. For net purchases of agricultural commodities by the Commodity Credit Corporation, quantities by crop from agency reports and USDA prices; for selected petroleum transactions, DOE quantities and prices.

See the footnotes at the end of the table.

**Table 2. Methodology Used in Preparing Estimates of Real GDP—Table Ends**

Component	Deflation, using price based on		Using quantity for extrapolation or direct valuation
	CPI or PPI	Other index	
Nondefense consumption of general government fixed capital	.....	.....	Direct valuation. Perpetual-inventory calculations based on gross investment.
<b>State and local government</b>			
Consumption expenditures and gross investment except those listed below	CPI, for services PPI, for electricity, hospitals, most professional services, and goods	BEA indexes based on Federal nondefense prices paid, for transportation, books, and postal services; for elementary and secondary education, welfare, and libraries, BEA composite indexes of input prices; for maintenance and repair services, BEA composite price index for state and local construction.	
Compensation of general government employees	.....	.....	Quantity extrapolation. For employees in education, full-time equivalent employment by education and experience, adjusted for change from base year in hours worked; for other employees, full-time equivalent employment, adjusted for change from base year in hours worked.
Consumption of general government fixed capital	.....	.....	Direct valuation. Perpetual-inventory calculations based on gross investment.
Structures	.....	Cost indexes from trade sources and government agencies.	
Software	.....	See the entry for software under nonresidential equipment and software.	
Brokerage charges and financial services furnished without payment	.....	.....	Quantity extrapolation. See the entries for brokerage charges and for financial services under personal consumption expenditures.

BEA Bureau of Economic Analysis  
 BLS Bureau of Labor Statistics  
 CPI Consumer price index  
 DOD Department of Defense  
 DOE Department of Energy

DOT Department of Transportation  
 PPI Producer price index  
 USDA U.S. Department of Agriculture  
 1. The foreign CPIs have been adjusted for differences in exchange rates.  
 2. This line item is also referred to as "services furnished without payment by financial intermediaries, except life insurance carriers."

# U.S. Multinational Companies

## Operations in 2006

By Raymond J. Mataloni Jr.

**T**HREE key measures of the worldwide operations of nonbank U.S. multinational companies (MNCs)—value added, employment, and capital expenditures—continued to increase in 2006, according to preliminary results from the annual survey of U.S. direct investment abroad conducted by the Bureau of Economic Analysis (BEA).<sup>1</sup> The preliminary 2006 estimates in this article supersede the advance summary estimates of U.S. MNC employment, capital expenditures, and sales, which were released in April (see the box “Revisions”).

In 2006, growth in all three of these measures of MNC operations continued at a healthy pace for the third consecutive year after the unusual decreases in 2001–2003 for employment and capital expenditures and in 2001–2002 for value added. Both domestic and foreign operations continued to grow. The worldwide current-dollar value added of U.S. MNCs—the combined value added of U.S. parent companies and their majority-owned foreign affiliates (“foreign affiliates”)—increased 8.4 percent in 2006; value added of parents increased 8.1 percent, while value added of foreign affiliates increased 9.2 percent (table 1). Value added measures the contribution of a company to the gross domestic product of its country of location.

Worldwide employment by U.S. MNCs increased 2.2 percent in 2006. Employment by U.S. parents increased 1.3 percent. And employment by foreign affiliates increased 4.4 percent. Worldwide capital expenditures by U.S. MNCs increased 17.4 percent. Expenditures by parents increased 17.3 percent. And expenditures by foreign affiliates increased 17.7 percent.

1. A U.S. MNC comprises a U.S. parent company and its foreign affiliates. For both conceptual and practical reasons, the examination of foreign operations of U.S. MNCs in this article generally focuses on data for majority-owned foreign affiliates (MOFAs) rather than data for all foreign affiliates. Conceptually, most data users prefer using the data for majority-owned affiliates because such affiliates are unambiguously under U.S. control; foreign affiliates that are minority-owned by a U.S. resident could be under the control of foreign investors. In addition, some of the data items necessary for the examination of foreign operations of U.S. MNCs are more easily collected for majority-owned affiliates, and most foreign affiliates are majority owned; majority-owned affiliates accounted for 87 percent of the employment by all nonbank foreign affiliates in 2006.

### Revisions

The estimates of MNC operations in 2006 are preliminary. The estimates of employment, capital expenditures, and sales supersede the advance summary estimates that were released on April 17, 2008. From the advance estimates to the preliminary estimates, the estimate of employment was revised down 0.1 percent, the estimate of capital expenditures was revised up 8.1 percent, and the estimate of sales was revised down less than 0.1 percent. The revision to capital expenditures partly reflects the inclusion of expenditures for automotive equipment for rental and leasing for 1999–2006. Previously, the reports of some U.S. parents omitted these expenditures even though they should have been included.

The final estimates of MNC operations in 2005 are also presented. The final estimates of employment, capital expenditures, and sales supersede the summary estimates in the April news release and the preliminary estimates that were published in the November 2007 SURVEY.<sup>1</sup> From the summary estimates to the final estimates, the estimate of employment was revised up 1.0 percent, the estimate of capital expenditures was revised up 9.1 percent, and the estimate of sales was revised up 1.0 percent. From the preliminary estimates to the final estimates, the estimate of employment was revised down 0.5 percent, the estimate of capital expenditures was revised up 12.5 percent, and the estimate of sales was revised up 2.3 percent.

In addition to the estimates of the levels of U.S. MNC’s employment, capital expenditures, and sales, the April news release included estimates of 2005–2006 growth rates. The revisions to the levels of the 2005 and 2006 estimates discussed above resulted in revisions to the growth rates; employment growth was revised down 1.1 percentage points, capital expenditures growth was revised down 0.4 percentage point, and sales growth was revised down 1.0 percentage point.

1. See Raymond J. Mataloni Jr., “Operations of U.S. Multinational Companies in 2005,” SURVEY 87 (November 2007): 42–64.

Production by MNCs in 2006 expanded along with worldwide economic activity: value-added growth of U.S. parents (8.1 percent) exceeded current-dollar U.S. gross domestic product (GDP) growth (6.4 percent), and value-added growth of foreign affiliates (9.2 percent) exceeded worldwide GDP growth excluding the United States (8.9 percent).<sup>2</sup>

Increases in MNC value added were widespread by industry and geographic area. By industry, some of the sharpest increases were in services, such as finance (except banks) and insurance, and in professional, scientific, and technical services.<sup>3</sup> By geographic area, the increases were sharpest in the Middle East (mainly in

petroleum-producing countries) and in Latin America and Other Western Hemisphere (chart 1). By area, the largest dollar increases were in the United States and in Europe; by industry, the largest dollar increases were in manufacturing and in finance (except banks) and insurance.

The following are additional highlights of MNC operations in 2006:

- The operations of U.S. MNCs remained concentrated in the United States: U.S. parents accounted for roughly 70 percent, and foreign affiliates for roughly 30 percent, of their combined value added of \$3,504.9 billion, capital expenditures of \$595.7 billion, and employment of 31.2 million (table 1). However, the parent shares were down roughly 5

2. Estimates of worldwide GDP excluding the United States are at current prices in U.S. dollars and were obtained from the Economic Statistics section of the United Nations Statistics Division Web site at [unstats.un.org/unsd/economic\\_main.htm](http://unstats.un.org/unsd/economic_main.htm); click on "National Accounts Main Aggregates Database," and then click on "Basic Data Selection."

3. Throughout this article, "finance (except banks) and insurance" refers to "finance (except depository institutions) and insurance," which is the industry title that appears in the tables.

**Table 1. Selected Data for Nonbank U.S. MNCs, U.S. Parents, and Foreign Affiliates, 1982–2006**

	U.S. MNCs			Affiliates				U.S. MNCs			Affiliates		
	Parents and all affiliates	Parents and MOFAs	Parents	Total	MOFAs	Other		Parents and all affiliates	Parents and MOFAs	Parents	Total	MOFAs	Other
<b>Value added</b>													
<b>Millions of dollars</b>													
1982	n.a.	1,019,734	796,017	n.a.	223,717	n.a.	1995	25,921.1	24,499.7	18,576.2	7,344.9	5,923.5	1,421.4
1983	n.a.	n.a.	n.a.	n.a.	216,683	n.a.	1996	26,334.0	24,867.0	18,790.0	7,544.0	6,077.0	1,467.0
1984	n.a.	n.a.	n.a.	n.a.	220,331	n.a.	1997	27,851.0	26,358.0	19,878.0	7,973.0	6,480.0	1,493.0
1985	n.a.	n.a.	n.a.	n.a.	220,074	n.a.	1998	28,003.6	26,592.9	19,819.8	8,183.8	6,773.1	1,410.7
1986	n.a.	n.a.	n.a.	n.a.	231,644	n.a.	1999 <sup>1</sup>	32,227.0	30,772.6	23,006.8	9,220.2	7,765.8	1,454.4
1987	n.a.	n.a.	n.a.	n.a.	269,734	n.a.	2000	33,598.2	32,056.6	23,885.2	9,713.0	8,171.4	1,541.6
1988	n.a.	n.a.	n.a.	n.a.	297,556	n.a.	2001	32,538.7	30,929.2	22,735.1	9,803.6	8,194.1	1,609.5
1989	n.a.	1,364,878	1,044,884	n.a.	319,994	n.a.	2002	31,893.6	30,373.2	22,117.6	9,776.0	8,255.6	1,520.4
1990	n.a.	n.a.	n.a.	n.a.	356,033	n.a.	2003	30,762.3	29,347.0	21,104.8	9,657.5	8,242.2	1,415.3
1991	n.a.	n.a.	n.a.	n.a.	355,963	n.a.	2004	31,244.9	29,843.2	21,176.5	10,068.4	8,666.7	1,401.7
1992	n.a.	n.a.	n.a.	n.a.	361,524	n.a.	2005 <sup>1</sup>	32,093.7	30,573.3	21,472.0	10,621.7	9,101.3	1,520.4
1993	n.a.	n.a.	n.a.	n.a.	359,179	n.a.	2006 <sup>p</sup>	32,683.0	31,245.4	21,747.6	10,935.4	9,497.8	1,437.6
1994	n.a.	1,717,488	1,313,792	n.a.	403,696	n.a.	<b>Percent change at annual rates:</b>						
1995	n.a.	1,831,046	1,365,470	n.a.	465,576	n.a.	1999–2005	-0.1	-0.1	-1.1	2.4	2.7	0.7
1996	n.a.	1,978,948	1,480,638	n.a.	498,310	n.a.	2005–2006	1.8	2.2	1.3	3.0	4.4	-5.4
1997	n.a.	2,094,318	1,573,451	n.a.	520,867	n.a.	<b>Capital expenditures</b>						
1998	n.a.	2,100,773	1,594,504	n.a.	506,269	n.a.	<b>Millions of dollars</b>						
1999 <sup>1</sup>	n.a.	2,480,739	1,914,343	n.a.	566,396	n.a.	1982	248,262	233,078	188,266	59,996	44,812	15,184
2000	n.a.	2,748,106	2,141,480	n.a.	606,626	n.a.	1983	n.a.	197,534	160,656	n.a.	36,878	n.a.
2001	n.a.	2,478,056	1,892,399	n.a.	585,657	n.a.	1984	n.a.	203,791	168,692	n.a.	35,099	n.a.
2002	n.a.	2,460,411	1,858,805	n.a.	601,606	n.a.	1985	n.a.	221,509	185,027	n.a.	36,482	n.a.
2003	n.a.	2,655,903	1,958,125	n.a.	697,778	n.a.	1986	n.a.	203,809	169,131	n.a.	34,678	n.a.
2004	n.a.	2,991,723	2,173,467	n.a.	818,256	n.a.	1987	n.a.	199,171	162,139	n.a.	37,032	n.a.
2005 <sup>r</sup>	n.a.	3,232,582	2,321,092	n.a.	911,490	n.a.	1988	n.a.	223,814	177,203	n.a.	46,611	n.a.
2006 <sup>p</sup>	n.a.	3,504,857	2,509,219	n.a.	995,638	n.a.	1989	n.a.	260,488	201,808	n.a.	58,680	n.a.
<b>Percent change at annual rates:</b>							1990	276,790	260,488	201,808	74,982	58,680	16,302
1999–2005	n.a.	4.5	3.3	n.a.	8.3	n.a.	1991	n.a.	274,614	213,079	n.a.	61,535	n.a.
2005–2006	n.a.	8.4	8.1	n.a.	9.2	n.a.	1992	n.a.	269,221	206,290	n.a.	62,931	n.a.
<b>Number of employees</b>							1993	n.a.	272,049	208,834	n.a.	63,215	n.a.
<b>Thousands</b>							1994	n.a.	271,661	207,437	n.a.	64,224	n.a.
1982	25,344.8	23,727.0	18,704.6	6,640.2	5,022.4	1,617.8	1995	328,240	303,364	231,917	96,323	71,447	24,876
1983	24,782.6	23,253.1	18,399.5	6,383.1	4,853.6	1,529.5	1996	n.a.	323,616	248,017	n.a.	75,599	n.a.
1984	24,548.4	22,972.6	18,130.9	6,417.5	4,841.7	1,575.8	1997	n.a.	340,510	260,048	n.a.	80,462	n.a.
1985	24,531.9	22,923.0	18,112.6	6,419.3	4,810.4	1,608.9	1998	n.a.	398,037	309,247	n.a.	88,790	n.a.
1986	24,082.0	22,543.1	17,831.8	6,250.2	4,711.3	1,538.9	1999 <sup>1</sup>	n.a.	411,155	317,184	n.a.	93,971	n.a.
1987	24,255.4	22,650.0	17,985.8	6,269.6	4,664.2	1,605.4	2000 <sup>r</sup>	550,205	519,199	405,895	144,310	113,304	31,006
1988	24,141.1	22,498.1	17,737.6	6,403.5	4,760.5	1,643.0	2001 <sup>r</sup>	n.a.	548,212	437,575	n.a.	110,637	n.a.
1989	25,387.5	23,879.4	18,765.4	6,622.1	5,114.0	1,508.1	2002 <sup>r</sup>	n.a.	560,779	450,021	n.a.	110,758	n.a.
1990	25,263.6	23,785.7	18,429.7	6,833.9	5,356.0	1,477.9	2003 <sup>r</sup>	n.a.	477,709	367,434	n.a.	110,275	n.a.
1991	24,837.1	23,345.4	17,958.9	6,878.2	5,386.5	1,491.7	2004 <sup>r</sup>	486,548	444,339	334,751	n.a.	109,588	n.a.
1992	24,189.7	22,812.0	17,529.6	6,660.1	5,282.4	1,377.7	2005 <sup>r</sup>	n.a.	507,322	377,182	n.a.	130,140	n.a.
1993	24,221.5	22,760.2	17,536.9	6,684.6	5,223.3	1,461.3	2006 <sup>p</sup>	n.a.	595,736	442,573	n.a.	153,163	n.a.
1994	25,670.0	24,272.5	18,565.4	7,104.6	5,707.1	1,397.5	<b>Percent change at annual rates:</b>						
							1999–2005	n.a.	-0.4	-1.2	n.a.	2.3	n.a.
							2005–2006	n.a.	17.4	17.3	n.a.	17.7	n.a.

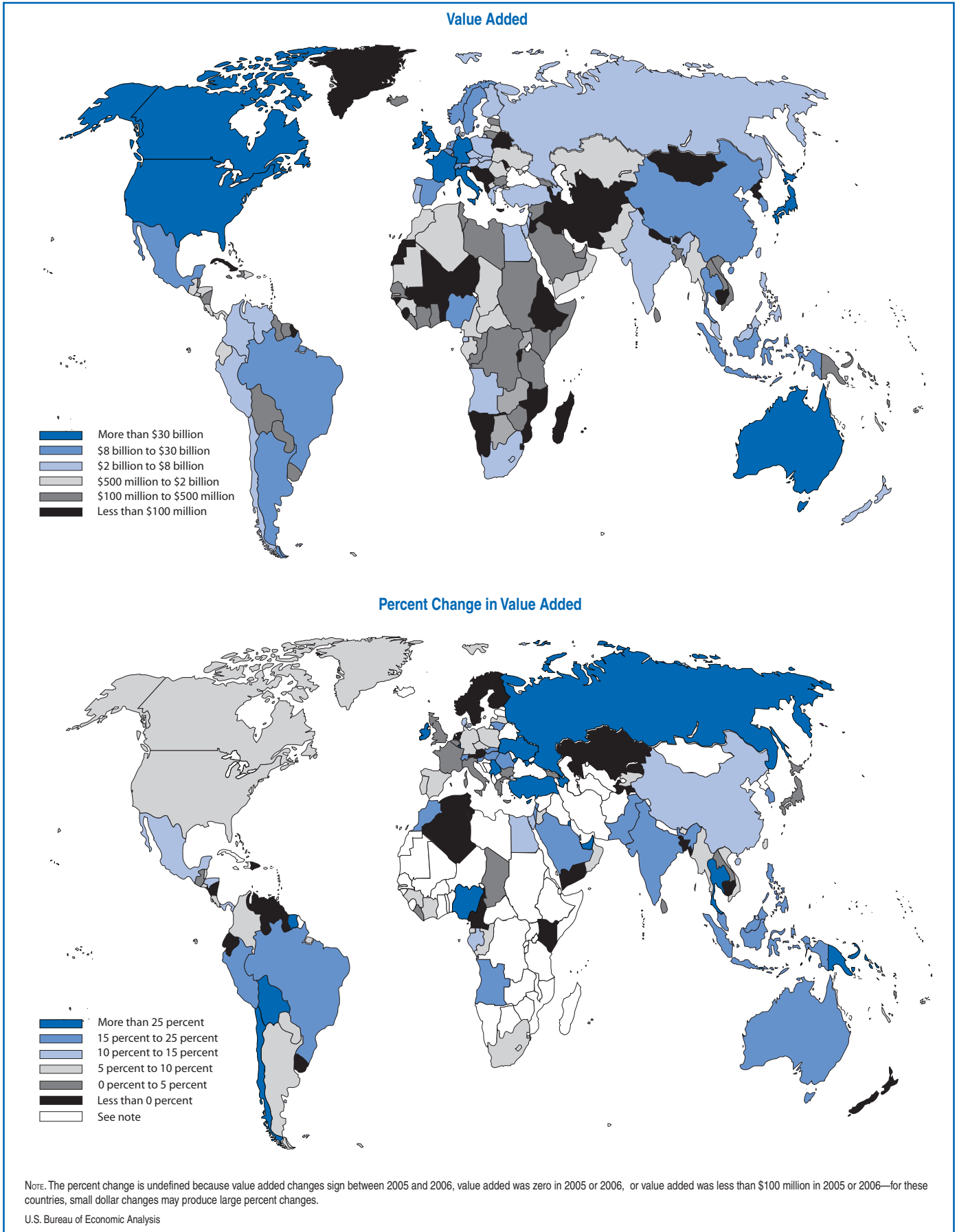
p Preliminary  
r Revised

1. Break in series. (Beginning with 1999, BEA expanded its estimates to include data for "very small" foreign affiliates and for parents that had only "very small" foreign affiliates. For details, see the technical note on page

121 of the December 2002 Survey of Current Business.)

MNC Multinational company  
MOFA Majority-owned foreign affiliate  
n.a. Not available

Chart 1. Value Added and Change in Value Added of MNCs by Country in 2006



percentage points from the shares in the 1999 benchmark (or census) survey year.

- Most foreign affiliates continued to be located in high-income countries. In 2006, affiliates in these countries accounted for 79 percent of the value added by all affiliates and for 90 percent of the value added by affiliates that were newly acquired or established. However, the high-income-country share of value added by all affiliates in 2006 was down 6 percentage points from its level in the 1999 benchmark survey year.
- The value added of affiliates in middle-income countries—such as China, Brazil, and Poland—grew at a double-digit rate in 2006 as it has since 2003. Much of the production by affiliates in these countries serves the local market; in 2006, 68 percent of sales by these affiliates were to local customers, 20 percent were to customers in other foreign countries, and 12 percent were to U.S. customers.
- U.S. MNCs continued to account for a large share of the U.S. trade in goods in 2006. Trade associated with U.S. parents or their foreign affiliates accounted for 51 percent, or \$531.7 billion, of total U.S. exports of goods and for 37 percent, or \$678.2 billion, of total U.S. imports of goods. The remainder of this article examines worldwide

operations of U.S. MNCs, operations of U.S. parents, and operations of their foreign affiliates.

### Worldwide Operations of U.S. MNCs

Four aspects of the worldwide operations of U.S. MNCs are examined here: value added, employment, U.S. trade in goods, and research and development performed by MNCs.

#### Value added

In current dollars, the value added of U.S. MNCs increased 8.4 percent in 2006 to \$3,504.9 billion (table 2). The value added of U.S. parents increased 8.1 percent to \$2,509.2 billion. And the value added of foreign affiliates increased 9.2 percent to \$995.6 billion.

**Table 2. Value Added of Nonbank U.S. Multinational Companies by Industry of Parent, 2005 and 2006**

[Millions of dollars]

	2005	2006	Change	Percent change
All industries .....	3,232,582	3,504,857	272,275	8.4
Mining .....	94,118	100,244	6,126	6.5
Utilities .....	93,557	83,577	-9,980	-10.7
Manufacturing .....	1,621,268	1,711,406	90,138	5.6
Of which:				
Food.....	90,973	96,605	5,632	6.2
Petroleum and coal products .....	331,139	362,551	31,412	9.5
Chemicals .....	288,299	297,701	9,402	3.3
Primary and fabricated metals.....	71,446	79,557	8,111	11.4
Machinery .....	77,039	82,810	5,771	7.5
Computers and electronic products.....	157,193	163,155	5,962	3.8
Electrical equipment, appliances, and components	31,154	39,162	8,008	25.7
Transportation equipment .....	264,125	267,963	3,838	1.5
Wholesale trade.....	159,141	169,883	10,742	6.7
Information.....	322,894	338,301	15,407	4.8
Finance (except depository institutions) and insurance.....	197,135	269,722	72,587	36.8
Professional, scientific, and technical services.....	177,745	200,363	22,618	12.7
Other industries .....	566,725	631,360	64,635	11.4

#### Data Availability

The final estimates of the worldwide operations of U.S. multinational companies (MNCs) for 2005 and the preliminary estimates for 2006 are presented in this article. The estimates are based on the 2005 and 2006 annual surveys of U.S. direct investment abroad. More detailed estimates from the surveys are posted on BEA's Web site.

The final estimates of U.S.-MNC operations for 1977 and for 1982–2004 are available in publications or in files that can be downloaded free of charge from our Web site at [www.bea.gov](http://www.bea.gov).

For more information about these products and how to obtain them, go to [www.bea.gov/bea/ai/iid/guide.htm](http://www.bea.gov/bea/ai/iid/guide.htm).

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

The available evidence on changes in prices and exchange rates suggests that in real terms, the value added of U.S. parents and foreign affiliates increased significantly. For U.S. parents, the 8.1 percent increase in current-dollar value added substantially exceeded the 2.8 percent rate of inflation (as measured by the implicit price deflator for GDP of all U.S. private industries). For foreign affiliates, the 9.2 percent increase in value added exceeded the increase in current-dollar values that could be attributed to the combined effects of the 2.2 percent average rate of inflation in host countries and the 0.9 percent depreciation of the dollar against major foreign currencies.<sup>4</sup> Estimates presented later in this article indicate that the real value added of

4. The rate of inflation in 12 major euro area countries and in 15 other major host countries averaged 2.2 percent in 2006. Together, these countries accounted for 79 percent of total value added of foreign affiliates in 2006. The average inflation rate (weighted by foreign affiliate value added) in these countries was derived from data on GDP implicit price deflators from the World Bank Web site. The weighted average U.S.-dollar price of the currencies of these countries increased 0.9 percent in 2006.



foreign affiliates in manufacturing increased 3.4 percent in 2006.

### Employment

In 2006, employment by U.S. MNCs increased 2.2 percent to 31.2 million workers. The employment by U.S. parents increased 1.3 percent to 21.7 million; the largest increases were in professional, scientific, and technical services and in "other industries" (mainly transportation and warehousing). The 1.3 percent growth in parent employment was slower than the 1.9 percent growth in employment in all U.S. domestic private industries.

Employment by foreign affiliates increased 4.4 percent to 9.5 million. By area, the largest increases were in Europe and in Latin America and Other Western Hemisphere. By industry, the largest increases were in manufacturing and in "other industries" (mainly retail trade and food services).

### U.S. trade in goods

In 2006, U.S. exports of goods that involved U.S. parents or their majority-owned or minority-owned foreign affiliates—MNC-associated exports—increased 8.7 percent to \$531.7 billion (table 3). This increase was slower than that for exports of goods by all U.S. businesses (14.4 percent); as a result, the MNC-associated share of total U.S. exports of goods fell from 54 percent in 2005 to 51 percent in 2006.

MNC-associated imports of goods increased 5.6 percent to \$678.2 billion. The increase was slower than the increase in total U.S. imports of goods (10.8 percent); as a result, the MNC-associated share of total U.S. imports of goods fell from 38 percent in 2005 to 37 percent in 2006.

The increase in MNC-associated exports of goods in 2006 reflected increases in both trade between U.S.

parents and their foreign affiliates and trade between U.S. MNCs and "others" (trade between U.S. parent companies and foreigners other than their own affiliates and trade between foreign affiliates and U.S. residents other than their own parents). Exports by U.S. parents to their foreign affiliates increased 7.7 percent, and U.S. exports between U.S. MNCs and others increased 9.3 percent. By industry of U.S. parent, the largest increase in exports between U.S. MNCs and others was by parents in transportation equipment manufacturing. By industry of foreign affiliate, the largest increases in intra-MNC exports were to affiliates in transportation equipment manufacturing and chemical manufacturing.

The increase in MNC-associated imports of goods reflected increases in both U.S. MNC trade with others and imports shipped by foreign affiliates to their U.S. parents. U.S. imports between U.S. MNCs and others increased 7.2 percent, and imports by U.S. parents from their foreign affiliates increased 2.9 percent. By industry of U.S. parent, the largest increase in imports between U.S. MNCs and others was to parents in petroleum and coal products manufacturing. By industry

**Table 3. U.S. Trade in Goods Associated with Nonbank U.S. MNCs, 2005 and 2006**

[Millions of dollars]

	2005	2006
<b>MNC-associated U.S. exports, total</b> .....	<b>489,299</b>	<b>531,702</b>
Intra-MNC trade .....	188,771	203,352
Shipped by U.S. parents to their MOFAs .....	175,524	189,706
Shipped by U.S. parents to their other foreign affiliates <sup>1</sup> .....	13,247	13,646
MNC trade with others .....	300,528	328,350
Shipped by U.S. parents to foreigners other than their own affiliates .....	266,994	291,794
Of which:		
Shipped by U.S. parents to their foreign parent groups <sup>2</sup> .....	39,733	39,473
Shipped to foreign affiliates by U.S. persons other than their own parents .....	33,534	36,556
To MOFAs .....	33,534	36,556
To other foreign affiliates <sup>3</sup> .....	n.a.	n.a.
<b>MNC-associated U.S. imports, total</b> .....	<b>642,484</b>	<b>678,181</b>
Intra-MNC trade .....	244,965	252,173
Shipped by MOFAs to their U.S. parents .....	227,509	234,346
Shipped by other foreign affiliates to their U.S. parents <sup>1</sup> .....	17,456	17,827
MNC trade with others .....	397,519	426,008
Shipped to U.S. parents by foreigners other than their own affiliates .....	347,181	376,007
Of which:		
Shipped to U.S. parents by their foreign parent groups <sup>2</sup> .....	107,090	102,995
Shipped by foreign affiliates to U.S. persons other than their own parents .....	50,338	50,001
By MOFAs .....	41,920	46,002
By other foreign affiliates <sup>3</sup> .....	8,418	3,999
<b>Addenda:</b>		
All U.S. exports of goods .....	905,978	1,036,635
U.S.-MNC-associated U.S. exports as a percentage of total .....	54.0	51.3
Intra-U.S.-MNC exports as a percentage of total .....	20.8	19.6
All U.S. imports of goods .....	1,673,455	1,853,938
U.S.-MNC-associated U.S. imports as a percentage of total .....	38.4	36.6
Intra-U.S.-MNC imports as a percentage of total .....	14.6	13.6

1. This number is calculated as total exports (imports) between U.S. parents and all of their foreign affiliates (as reported for U.S. parents) less exports (imports) between U.S. parents and MOFAs (as reported for MOFAs).

2. Pertains to U.S. parents that are, in turn, owned 10 percent or more by a foreign person. The foreign parent group consists of (1) the foreign parent of the U.S. parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

3. This number is calculated as total exports (imports) associated with "other" (that is, minority-owned and 50-percent owned) foreign affiliates (as reported for affiliates) less the estimate of exports (imports) between U.S. parents and "other" foreign affiliates that are calculated as described in footnote 1. However, these estimates may be imprecise because of differences in the coverage of the data reported for U.S. parents and for foreign affiliates. No estimate of exports is available for 2005 and 2006, because the differences were especially large in those years.

MNCs Multinational companies  
MOFAs Majority-owned foreign affiliates  
n.a. Not available

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of foreign affiliate, the largest increases in intra-MNC U.S. imports were shipped by affiliates in wholesale trade.

### Research and development

Expenditures for research and development (R&D) performed by U.S. MNCs increased 5.4 percent in 2006 to \$216.3 billion (table 4). R&D expenditures by U.S. parents increased 5.8 percent to \$187.8 billion. And R&D expenditures by foreign affiliates increased 3.0 percent to \$28.5 billion.

**Table 4. R&D Performed by Nonbank U.S. Multinational Companies by Industry of Parent, 2005 and 2006**  
[Millions of dollars]

	2005	2006	Change	Percent change
All industries .....	205,251	216,297	11,046	5.4
Mining .....	427	(D)	(D)	(D)
Utilities .....	35	34	-1	-2.9
Manufacturing .....	168,217	177,350	9,133	5.4
<i>Of which:</i>				
Food .....	1,742	2,056	314	18.0
Chemicals .....	52,422	52,124	-298	-0.6
Primary and fabricated metals .....	1,423	1,435	12	0.8
Machinery .....	6,336	6,882	546	8.6
Computers and electronic products .....	41,778	47,162	5,384	12.9
Electrical equipment, appliances, and components .....	1,932	3,073	1,141	59.1
Transportation equipment .....	50,314	51,662	1,348	2.7
Wholesale trade .....	5,395	5,362	-33	-0.6
Information .....	14,386	15,733	1,347	9.4
Finance (except depository institutions) and insurance .....	258	(D)	(D)	(D)
Professional, scientific, and technical services .....	14,833	15,452	619	4.2
Other industries .....	1,701	1,804	103	6.1

D Suppressed to avoid disclosure of data of individual companies.

By industry of U.S. parent, the largest increases in R&D expenditures were in computers and electronic products manufacturing and in transportation equipment manufacturing. Within computers and electronic products, producers of microprocessors and cellular telephones increased their R&D activities. Within transportation equipment, R&D expenditures were boosted by aircraft manufacturers' research directed toward improving fuel efficiency.

### U.S. Parents' Operations

Two aspects of the operations of U.S. parent companies are examined here: value added by industry and research and development performed by parents.

#### Value added

Current-dollar value added of U.S. parents increased 8.1 percent in 2006 to \$2,509.2 billion after increasing 6.8 percent in 2005. The 2006 increase largely reflected increases in parents' ongoing operations (table 5, line 4); increases related to the addition of new parents to the U.S. MNC universe (line 3) and to unallocated changes (line 6) were relatively small. These increases

were partly offset by a relatively small decrease related to the departure of U.S. parents that sold or liquidated their last foreign affiliate (line 5).

**Table 5. Sources of Change in the Value Added of Nonbank U.S. Parent Companies, 2005–2006**  
[Millions of dollars]

1	2005 level .....	2,321,092
2	Total change .....	188,127
3	New parents <sup>1</sup> .....	5,357
4	Changes in existing operations <sup>2</sup> .....	148,153
5	Parents departing the universe <sup>3</sup> .....	-8,997
6	Other changes <sup>4</sup> .....	43,614
7	2006 level .....	2,509,219

1. Parents that established or acquired their first foreign affiliate in 2006.  
2. Consists of changes in existing operations and changes resulting from parents acquiring, establishing, selling, or liquidating parts of their consolidated operations. BEA generally requires survey respondents to fully consolidate their U.S.-parent operations.  
3. Parents that sold or liquidated their last foreign affiliate and those that went out of business in 2006.  
4. Equals the change in the value added of parents not accounted for in lines 3–5, such as changes resulting from the addition to the survey universe of parents that were required to report in earlier years but did not. Line 6 will also capture any measurement error in the items on the other lines, because it is calculated as the difference between line 2 and the sum of lines 3, 4, and 5.

By industry, the increases in value added of U.S. parents were widespread, but the sharpest increases were in finance (except banks) and insurance; professional, scientific, and technical services; and other industries (mainly transportation) (table 6). In finance (except banks) and insurance, value added increased \$70.5 billion or 43.8 percent; the increase partly reflected favorable business conditions such as a high rate of corporate merger and acquisition activity, which boosted demand for securities underwriting services. In professional, scientific, and technical services, value added increased \$19.4 billion or 15.8 percent, partly reflecting rising sales of software and related support services to businesses. In other industries, value added increased \$49.6 billion or 10.3 percent, partly reflecting higher revenues in ocean and rail transportation.

**Table 6. Value Added of Nonbank U.S. Parent Companies, by Major Industry, 2005 and 2006**  
[Millions of dollars]

	2005	2006	Change	Percent change
All industries .....	2,321,092	2,509,219	188,127	8.1
Mining .....	60,080	64,997	4,917	8.2
Utilities .....	83,195	75,094	-8,101	-9.7
Manufacturing .....	1,005,149	1,045,509	40,360	4.0
<i>Of which:</i>				
Food .....	63,164	64,915	1,751	2.8
Chemicals .....	179,117	185,277	6,160	3.4
Primary and fabricated metals .....	56,631	61,696	5,065	8.9
Machinery .....	53,293	54,565	1,272	2.4
Computers and electronic products .....	105,889	100,227	-5,662	-5.3
Electrical equipment, appliances, and components .....	23,198	29,879	6,681	28.8
Transportation equipment .....	182,729	183,800	1,071	0.6
Wholesale trade .....	128,124	132,651	4,527	3.5
Information .....	280,647	287,669	7,022	2.5
Finance (except depository institutions) and insurance .....	161,002	231,465	70,463	43.8
Professional, scientific, and technical services .....	122,453	141,835	19,382	15.8
Other industries .....	480,443	529,998	49,555	10.3

## Research and development

In 2006, expenditures for R&D performed by U.S. parents totaled \$187.8 billion, compared with \$177.6 billion in 2005. U.S. parents accounted for 76 percent of total R&D performed by all U.S. businesses in 2006 (table 7). This share is notably higher than parents' share of private industry value added, which was 25 percent, and of employment, which was 19 percent. Taken together, these shares suggest that production by U.S. parents is highly R&D intensive.

In 2006, as in previous years, parents in manufacturing accounted for the largest share (81 percent) of

**Table 7. Research and Development Performed by Nonbank U.S. Parent Companies and by All U.S. Businesses, 1997–2006**  
[Millions of dollars]

	Performed by parents	Performed by all U.S. businesses <sup>1</sup>	R&D by parents as a percentage of R&D by all U.S. businesses
1997 .....	106,800	157,739	67.7
1998 .....	113,777	169,180	67.3
1999 .....	126,291	182,711	69.1
2000 .....	135,467	199,539	67.9
2001 .....	143,017	198,505	72.0
2002 .....	136,977	193,868	70.7
2003 .....	139,884	200,724	69.7
2004 .....	164,189	208,301	78.8
2005 .....	177,598	226,159	78.5
2006 .....	187,813	247,669	75.8

1. These estimates are computed using data obtained from the National Science Foundation Web site [www.nsf.gov/statistics/infbrief/nsf08313](http://www.nsf.gov/statistics/infbrief/nsf08313).

R&D performed by parents (table 8). Within manufacturing, parents in chemicals, computers and electronic

**Table 8. Research and Development Performed by Nonbank U.S. Parent Companies and by All U.S. Businesses, in Selected Industries, 2006**  
[Millions of dollars]

	R&D performed by parents	R&D performed by all U.S. businesses <sup>1</sup>	R&D by parents as a percentage of R&D by all U.S. businesses <sup>2</sup>
<b>All industries</b> .....	<b>187,813</b>	<b>247,669</b>	<b>75.8</b>
<b>Manufacturing</b> .....	<b>151,974</b>	<b>171,814</b>	<b>88.5</b>
<i>Of which:</i>			
Petroleum and coal products .....	2,316	1,432	161.7
Chemicals .....	44,914	46,329	96.9
<i>Of which:</i>			
Basic chemicals .....	1,555	2,152	72.3
Resins and synthetic rubber, fibers, and filaments .....	2,417	1,975	122.4
Pharmaceuticals and medicines .....	36,163	38,901	93.0
Machinery .....	5,893	9,848	59.8
Computers and electronic products .....	41,727	56,773	73.5
<i>Of which:</i>			
Computers and peripheral equipment .....	8,080	(D)	(D)
Electrical equipment, appliances, and components .....	2,748	2,281	120.5
Transportation equipment .....	42,850	(D)	(D)
<i>Of which:</i>			
Motor vehicles, bodies and trailers, and parts .....	18,272	(D)	(D)
Miscellaneous manufacturing .....	4,397	5,150	85.4
<b>Information</b> .....	<b>14,264</b>	<b>26,883</b>	<b>53.1</b>
<i>Of which:</i>			
Publishing industries .....	10,329	(D)	(D)
<b>Professional, scientific, and technical services</b> .....	<b>14,282</b>	<b>38,049</b>	<b>37.5</b>
<i>Of which:</i>			
Architectural, engineering, and related services .....	148	6,579	2.2
Computer systems design and related services .....	9,005	14,841	60.7

D Suppressed to avoid disclosure of data of individual companies.

1. Source: National Science Foundation.

2. In some industries, the percentage of all-U.S.-business research and development accounted for by U.S. parents exceeds 100 percent. Differences in industry classification and geographic coverage may explain these anomalies. For instance, Puerto Rico is excluded from the National Science Foundation data, but it is included in the BEA data.

## Data on U.S. Direct Investment Abroad

BEA collects two broad sets of data on U.S. direct investment abroad: (1) financial and operating data of U.S. multinational companies and (2) international transactions and direct investment position data. This article presents highlights of the first set of data; the second set of data is usually published in the July and September issues of the *SURVEY OF CURRENT BUSINESS*.<sup>1</sup>

**Financial and operating data.** The financial and operating data provide a picture of the overall activities of foreign affiliates and U.S. parent companies, using a variety of indicators of their financial structure and operations. The data on foreign affiliates cover the entire operations of the affiliate, irrespective of the percentage of U.S. ownership. These data cover items that are needed in analyzing the characteristics, performance, and economic impact of multinational companies, such as sales, value added, employment and compensation of employees, capital expenditures, exports and imports, and research

and development expenditures. Separate tabulations are available for all affiliates and for affiliates that are majority-owned by their U.S. parent(s)

**International transactions and direct investment position data.** The international transactions data cover a foreign affiliate's transactions with its U.S. parent(s), so these data focus on the U.S. parent's share, or interest, in its affiliate rather than on the affiliate's size or level of operations. These data are essential to the compilation of the U.S. international transactions accounts (ITAs), the international investment position, and the national income and product accounts. The major data items include capital flows (recorded in the financial account of the ITAs), which measure the funds that U.S. parents provide to their foreign affiliates, and income (recorded in the current account), which measures the return on those funds

Direct investment position data are stock (cumulative) data; they measure the total outstanding level of U.S. direct investment abroad at yearend. Estimates are provided both at historical cost and in terms of current-period prices. The historical-cost estimates are published by country and by industry.

1. See Marilyn Ibarra and Jennifer Koncz, "Direct Investment Positions for 2007: Country and Industry Detail," *SURVEY* 88 (July 2008): 20–35 and Jeffrey H. Lowe, "Direct Investment, 2004–2007: Detailed Historical-Cost Positions and Related Capital and Income Flows," *SURVEY* 88 (September 2008): 34–121.

products, and transportation equipment accounted for the largest shares of R&D spending.

In 2006, parents accounted for more than 90 percent of U.S. R&D spending in such manufacturing industries as petroleum and coal products; resins and synthetic rubber, fibers, and filaments; pharmaceuticals and medicines; and electronic equipment, appliances, and components. These high shares partly reflect the parents' large share of total U.S. economic activity in these industries. Also, most U.S. parents are relatively large firms, which tend to conduct a disproportionately large share of total R&D spending.

### Operations of Foreign Affiliates

Four aspects of the operations of foreign affiliates are examined here: value added, the distribution by country and by industry of newly acquired or established affiliates, the affiliates' shares of host country GDP, and research and development performed by affiliates.

#### Value added

Current-dollar value added of foreign affiliates increased 9.2 percent to \$995.6 billion in 2006. The increase largely reflected growth in affiliates' ongoing operations (table 9, line 6); increases related to the addition of new affiliates to the U.S. MNC universe (line 3) or to unallocated changes (line 8) were not as large and were partly offset by a decrease related to the departure of affiliates that were sold or liquidated (line 7).

**Table 9. Sources of Change in Value Added of Nonbank Majority-Owned Foreign Affiliates, 2005–2006**  
[Millions of dollars]

1	2005 level.....	911,490
2	Total change.....	84,148
3	New foreign affiliates.....	15,571
4	Acquired by U.S. parents.....	4,379
5	Established by U.S. parents.....	11,192
6	Changes in existing operations <sup>1</sup> .....	70,895
7	Sales or liquidations of foreign affiliates.....	-12,731
8	Other changes <sup>2</sup> .....	10,413
9	2006 level.....	995,638

1. Includes changes resulting from foreign affiliates acquiring, establishing, selling, or liquidating parts of their consolidated operations. BEA permits survey respondents to consolidate affiliate operations that are in the same country if the affiliates are also in the same industry or are integral parts of a single business operation.

2. Equals the change in the value added of foreign affiliates not accounted for in lines 3–7, such as changes resulting from the addition to the survey universe of affiliates that were exempt from reporting in earlier years and affiliates that were required to report in earlier years but did not. Line 8 will also capture any measurement error in the items on the other lines, because it is calculated as the difference between line 2 and the sum of lines 3, 6, and 7.

By area, the increases in value added of foreign affiliates were widespread, but the sharpest increases were in the Middle East, Latin America and Other Western Hemisphere, Africa, and Asia and Pacific (table 10). In the Middle East, the value added of affiliates increased \$4.7 billion or 53.1 percent; in Africa, it increased \$5.2 billion or 15.5 percent. In both areas, the increases were concentrated in mining (mainly oil and gas ex-

traction) and partly reflected the rise in petroleum prices, which both raised the value of a given level of output and encouraged expansion in output.

In Latin America and Other Western Hemisphere, the value added of affiliates increased \$14.9 billion or 16.5 percent. The largest increases were in manufacturing, mining, and "other industries" (mainly retail trade). The increase in manufacturing was concentrated in Brazil and Mexico and partly reflected rapid economic growth in those countries. The increase in mining occurred mainly in Other Western Hemisphere and partly reflected expansions in offshore oil and gas extraction in the Caribbean. The increase in retail trade partly reflected the continued expansion of U.S.-based discount retailers.

In Asia and Pacific, the value added of affiliates increased \$24.4 billion or 15.4 percent. The largest increases were in manufacturing, mining, wholesale trade, and finance (except banks) and insurance. The increases in manufacturing were largest in Singapore, Australia, Korea, and China. In Australia, the largest increases were in primary and fabricated metal manufacturing. In Singapore and China, the largest increases

**Table 10. Value Added of Majority-Owned Nonbank Foreign Affiliates by Major Area and by Major Industry of Affiliate, 2005 and 2006**  
[Millions of dollars]

	2005	2006	Change	Percent change
<b>All areas, all industries</b> .....	<b>911,490</b>	<b>995,638</b>	<b>84,148</b>	<b>9.2</b>
<b>By area</b>				
Canada.....	107,700	114,247	6,547	6.1
Europe.....	512,235	540,683	28,448	5.6
Of which:				
France.....	49,898	50,013	115	0.2
Germany.....	78,380	85,285	6,905	8.8
Netherlands.....	28,583	26,610	-1,973	-6.9
United Kingdom.....	152,983	154,818	1,835	1.2
Latin America and Other Western Hemisphere.....	90,463	105,370	14,907	16.5
Of which:				
Brazil.....	20,967	24,900	3,933	18.8
Mexico.....	25,359	28,353	2,994	11.8
Africa.....	33,406	38,569	5,163	15.5
Middle East.....	8,783	13,450	4,667	53.1
Asia and Pacific.....	158,903	183,319	24,416	15.4
Of which:				
Australia.....	32,780	39,040	6,260	19.1
China.....	16,221	18,413	2,192	13.5
Japan.....	39,281	39,380	99	0.3
<b>By industry</b>				
Mining.....	116,464	129,703	13,239	11.4
Utilities.....	11,700	11,168	-532	-4.5
Manufacturing.....	427,690	455,497	27,807	6.5
Of which:				
Food.....	25,454	28,294	2,840	11.2
Chemicals.....	86,014	86,228	214	0.2
Primary and fabricated metals.....	16,000	18,881	2,881	18.0
Machinery.....	24,723	27,744	3,021	12.2
Computers and electronic products.....	40,321	47,276	6,955	17.2
Electrical equipment, appliances, and components.....	10,754	12,115	1,361	12.7
Transportation equipment.....	57,947	62,687	4,740	8.2
Wholesale trade.....	132,580	142,512	9,932	7.5
Information.....	37,431	40,607	3,176	8.5
Finance (except depository institutions) and insurance.....	33,885	38,043	4,158	12.3
Professional, scientific, and technical services.....	54,806	57,745	2,939	5.4
Other industries.....	96,933	120,364	23,431	24.2

were in computers and electronic products manufacturing. In Korea, the largest increases were in transportation equipment manufacturing. In mining, the increases were concentrated in Australia and Thailand and partly reflected the rise in petroleum prices. The largest increase in wholesale trade occurred in China and partly reflected strong economic growth in that country. The largest increase in finance occurred in Hong Kong and partly reflected growth in investment banking activity related to the growing volume of new corporate securities issued in China.

In Canada, the value added of affiliates increased \$6.5 billion or 6.1 percent. The largest increases were in manufacturing and in finance (except banks) and insurance.

In Europe, the value added of affiliates increased \$28.4 billion or 5.6 percent. The largest increases were in "other industries" (mainly temporary employment service firms) and manufacturing. The increase in temporary employment services reflected the continued expansion of U.S. employment service firms in Europe. The increase in manufacturing partly reflected increased production by German affiliates in transportation equipment.

By industry sector, increases were widespread but were the largest in manufacturing and in "other industries."

**Newly acquired or established affiliates.** Although most of the increase in the value added of foreign affiliates in 2006 resulted from expansions in existing affiliates, the addition of affiliates that were newly acquired or established during the year also contributed. Data for these affiliates show where U.S. MNCs have been expanding their operations through new business enterprises and thus can provide some evidence of the countries and industries that have offered attractive investment opportunities to U.S. MNCs. In 2006, U.S. MNCs acquired or established 786 new foreign affiliates, which had a combined value added of \$15.6 billion and a combined employment of 160,700 workers (table 11).

By area, high-income countries accounted for 90 percent of the total value added of all new affiliates and for 66 percent of their total employment. New affiliates in high-income countries accounted for a much larger share of the value added of all new affiliates than of their employment because they tend to be involved in less labor-intensive industries than affiliates

**Table 11. Newly Acquired or Established Nonbank Majority-Owned Foreign Affiliates by Major Area and Industry of Affiliate, 2005 and 2006**

	2005					2006				
	Number of newly acquired or established affiliates			Value added (millions of dollars)	Number of employees (thousands)	Number of newly acquired or established affiliates			Value added (millions of dollars)	Number of employees (thousands)
	Total	Acquired	Established			Total	Acquired	Established		
<b>Total</b> .....	<b>775</b>	<b>303</b>	<b>472</b>	<b>20,913</b>	<b>225.9</b>	<b>786</b>	<b>351</b>	<b>435</b>	<b>15,571</b>	<b>160.7</b>
<b>By area</b>										
Canada.....	60	22	38	7,427	15	60	38	22	2,943	16.6
Europe.....	421	173	248	6,550	73.9	437	217	220	4,707	77.7
Latin America and Other Western Hemisphere.....	108	34	74	1,479	31.2	98	32	66	1,757	18.9
Africa.....	12	4	8	102	1.6	15	6	9	-154	0.5
Middle East.....	16	7	9	139	3.2	8	3	5	3,381	2.6
Asia and Pacific.....	158	63	95	5,216	100.9	168	55	113	2,936	44.3
High-income countries <sup>1</sup> .....	635	235	400	15,856	109.3	644	280	364	14,057	105.2
Upper-middle-income countries <sup>1</sup> .....	65	32	33	938	32.7	64	29	35	772	23.6
Lower-middle-income countries <sup>1</sup> .....	64	32	32	3,839	83.6	71	40	31	749	31.8
Low-income countries <sup>1</sup> .....	11	4	7	280	0.3	7	1	6	-7	0.1
<b>By industry</b>										
Mining.....	36	14	22	9,332	5.7	29	20	9	5,357	0.7
Utilities.....	4	1	3	309	2.5	6	5	1	62	1.1
Manufacturing.....	216	133	83	6,596	131.6	239	151	88	4,518	94.4
Of which:										
Food.....	7	4	3	85	3.9	7	4	3	102	2.1
Chemicals.....	25	15	10	661	8.4	23	13	10	341	7.6
Primary and fabricated metals.....	14	5	9	144	3.0	22	8	14	263	7.9
Machinery.....	44	36	8	731	16.3	54	43	11	1,128	21.8
Computers and electronic products.....	47	26	21	1,582	23.8	55	28	27	1,453	25.4
Electrical equipment, appliances, and components.....	5	3	2	10	2.2	7	5	2	10	2.5
Transportation equipment.....	19	8	11	943	13.1	15	12	3	420	9.6
Wholesale trade.....	77	37	40	415	5.7	91	51	40	970	11.9
Information.....	35	17	18	2,288	17.2	26	15	11	192	4.8
Finance (except depository institutions) and insurance.....	131	14	117	503	5.7	135	28	107	2,899	3.3
Professional, scientific, and technical services.....	39	15	24	410	7.3	37	17	20	164	5.0
Other industries.....	237	72	165	1,059	50.2	223	64	159	1,409	39.5
Of which:										
Holding companies.....	118	27	91	-964	1.8	128	36	92	-69	0.8

1. As classified by the World Bank.

NOTE: The statistics in this table cover only newly acquired or established affiliates. They exclude data for consolidated units of existing affiliates that were acquired or established during the year.



in low-to-middle-income countries and in given industries, these may employ less labor-intensive production processes.<sup>5</sup> New affiliates in two countries—China and Mexico—accounted for over half of the employment of new affiliates in low-to-middle-income countries. Roughly half of the production by new affiliates in these countries was directed toward customers in the host country and the other half was directed toward customers in other foreign countries or in the United States; sales to the United States accounted for 29.0 percent of their total sales in 2006. For new affiliates and ongoing affiliate operations combined in these two countries, sales to the United States accounted for 17.2 percent of their total sales.

By industry, manufacturing continued to be among the leading industries for new investments in 2005.<sup>6</sup> New manufacturing affiliates accounted for 30.4 percent of all new affiliates, for 29.0 percent of their value added, and for 58.7 percent of their employment.

**Affiliate share of host-country GDP.** Value added of foreign affiliates represents these firms' contribution to a host country's GDP. The share of the host country's GDP accounted for by the value added of affiliates reflects both the country's attractiveness to U.S. MNCs as a location for production and the country's openness to foreign direct investment.

The affiliate share of host-country GDP probably reflects a variety of factors, including characteristics of the host country, such as business infrastructure, macroeconomic conditions, and commercial policies (such as taxation and regulatory policies) of host governments. In addition, the affiliate share of host-country GDP appears to be related to linguistic and cultural similarities between the host country and the United States. Use of the English language is widespread in all of the host countries in table 12 that accounted for the five largest affiliate shares in 2006—Ireland, Singapore, Nigeria, Canada, and the United Kingdom; in contrast, the use of English is widespread in only one of the host countries with the five smallest affiliate shares—India.

The value added of affiliates and therefore the affiliate share of host-country GDP also can be influenced by financial accounting strategies that some U.S.

MNCs employ to reduce their tax liabilities.<sup>7</sup> Because firms can exercise discretion over where they recognize income resulting from the use of an intangible asset, the geographic allocation of value added can become disconnected from where the intangible asset is produced. A U.S. MNC might, for example, produce a commercial innovation in one country and then locate the ownership rights to that innovation in an affiliate in a lower tax country to reduce the tax liability on the stream of income generated by this innovation. Although the affiliate in the lower tax country may add

7. For example, see Robert E. Lipsey, "Defining and Measuring the Location of FDI Output," National Bureau of Economic Research working paper no. 12996 (March 2007).

**Table 12. Value Added of Nonbank Majority-Owned Foreign Affiliates as a Percentage of GDP of Selected Host Countries, 2005 and 2006**

	2005	2006
Ireland.....	18.5	22.1
Singapore.....	15.0	12.5
Nigeria.....	6.7	10.9
Canada.....	9.5	9.1
United Kingdom.....	6.2	6.6
Honduras.....	5.8	6.3
Switzerland.....	5.0	6.0
Costa Rica.....	6.0	5.7
Belgium.....	4.9	5.7
Hong Kong.....	4.7	5.6
Malaysia.....	5.3	5.2
Australia.....	4.3	5.1
Peru.....	4.3	4.6
Norway.....	5.5	4.6
Thailand.....	3.9	4.2
Netherlands.....	4.3	4.0
Argentina.....	4.0	3.8
Mexico.....	3.3	3.4
Chile.....	3.1	3.3
Philippines.....	3.3	3.3
Hungary.....	2.6	3.0
Venezuela.....	3.6	3.0
Germany.....	2.7	2.9
Colombia.....	2.6	2.9
Israel.....	2.2	2.8
New Zealand.....	3.3	2.7
Indonesia.....	3.3	2.7
Egypt.....	2.7	2.7
Czech Republic.....	2.9	2.6
Sweden.....	2.8	2.6
Brazil.....	2.1	2.3
United Arab Emirates.....	1.0	2.3
France.....	2.3	2.2
Denmark.....	1.7	2.2
Portugal.....	2.4	2.2
South Africa.....	1.9	2.2
Poland.....	1.9	1.9
Ecuador.....	2.7	1.7
Italy.....	1.6	1.7
Austria.....	1.7	1.6
Taiwan.....	1.7	1.6
Finland.....	1.7	1.5
Spain.....	1.4	1.4
Turkey.....	1.1	1.4
Republic of Korea.....	1.0	1.2
Greece.....	1.3	1.2
Japan.....	1.1	0.9
China.....	0.7	0.7
India.....	0.5	0.6
Russia.....	0.4	0.4
Saudi Arabia.....	0.1	0.1
<b>Weighted average of countries shown</b> <sup>1</sup> .....	<b>2.8</b>	<b>2.9</b>

1. The average share of host-country GDP in these countries was derived as a weighted average in terms of host-country GDP.

Notes: The countries are sorted in descending order of their 2006 shares. If two countries have the same 2006 share, they were sorted using unrounded shares.

Gross domestic product data for host countries were obtained from the World Bank Web site.  
GDP Gross domestic product

5. For evidence that U.S. multinationals sometimes tailor their production process to conform with host country factor endowments, see Maria Borgia and Robert E. Lipsey, "Factor Prices and Factor Substitution in U.S. Firms' Manufacturing Affiliates Abroad," National Bureau of Economic Research working paper no.10442 (April 2004).

6. "Holding companies" also accounted for a large share (15.9 percent) of the number of new affiliates but for very little of their employment or value added. In the last two decades, the number of foreign affiliate holding companies has increased sharply, but this trend has had very little effect on the value added or employment of foreign affiliates because the primary activity of these companies is holding the securities or financial assets of other companies.

some value to the original innovation—for example, by manufacturing a drug that was developed in another country—some analysts believe that strategic considerations compel companies to attribute a disproportionate share of income to host countries in which the tax or regulatory requirements are relatively light.

**Real value added in manufacturing.** In addition to the current-dollar estimates of value added of foreign affiliates, BEA prepares estimates of the real value added of foreign affiliates in manufacturing. These estimates provide more meaningful comparisons of value added of foreign affiliates across countries and

over time than the current-dollar estimates. Comparisons across countries are enhanced because the estimates in real terms are based on purchasing power parity (PPP) exchange rates rather than on market exchange rates.<sup>8</sup> Comparisons over time are enhanced because the estimates are denominated in chained (2002) dollars that account for both changes in prices and changes in the industry mix of production by manufacturing affiliates. The estimates are restricted to manufacturing because the source data necessary for the adjustments are unavailable for other industries.

The real value added of foreign affiliates in manufacturing increased 3.4 percent to \$367.2 billion in

### Key Terms

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

#### U.S. MNCs

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

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

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

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

U.S. MNC over which the parent is presumed to have a degree of managerial influence.

This article focuses on the operations of majority-owned foreign affiliates; for these affiliates, the combined ownership of all U.S. parents exceeds 50 percent. In 2006, these affiliates accounted for 87 percent of the employment of all foreign affiliates of U.S. MNCs, up from 84 percent in 1999.

#### Measures of operations<sup>2</sup>

**Value added.** The portion of the goods and services sold or added to inventory or fixed investment by a firm that reflects the production of the firm itself. It represents the firm’s contribution to gross domestic product in its country of residence, which is the value of goods and services produced by labor and property located in that country. Compared with sales, value added is a preferable measure of production because it indicates the extent to which a firm’s sales result from its own production rather than from production that originates elsewhere, whereas sales data do not distinguish between these two sources of production. Value added can be measured as gross output minus intermediate inputs; alternatively, it can be measured as the sum of the costs incurred (except for intermediate inputs) and the profits earned in production. The value-added estimates presented in this article were prepared by summing the cost and profits data collected in the annual and benchmark surveys of U.S. direct investment abroad.<sup>3</sup>

**Employment.** The number of full-time and part-time employees on the payroll at yearend. If the employment of a parent or an affiliate was unusually high or low because of temporary factors (such as a strike) or large seasonal variations, the number that reflected normal operations or an average for the year was requested.

2. Data on the operations of U.S. MNCs cover the survey respondent’s fiscal year ending in the reference year of the data.

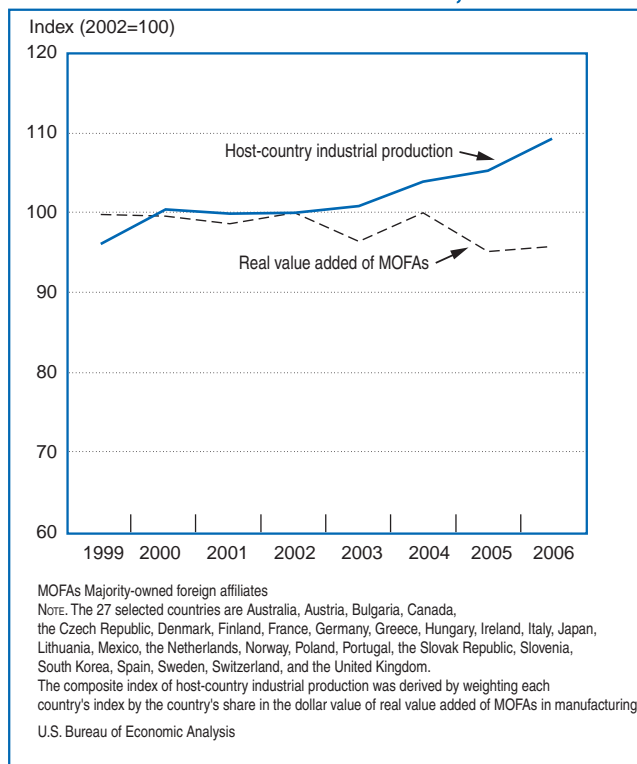
3. For the derivation of the current-dollar value-added estimates, see Raymond J. Mataloni Jr. and Lee Goldberg, “Gross Product of U.S. Multinational Companies, 1977–91,” *SURVEY* 74 (February 1994): 57.

1. For a comprehensive discussion of the terms and the concepts used, see Raymond J. Mataloni Jr., “A Guide to BEA Statistics on U.S. Multinational Companies,” *SURVEY* 75 (March 1995): 38–55.

2006 (table 13). The 27 countries for which estimates are separately available accounted for 73.9 percent of the total. The real value added of manufacturing affiliates in these countries increased 0.8 percent to \$271.2 billion, in contrast to a 3.8 percent increase in total manufacturing production in these countries (chart 2). Sharp increases in the Republic of Korea (25.8 percent), Switzerland (25.0 percent), and the Slovak Republic (22.2 percent) were partly offset by decreases in Norway (25.0 percent), the Netherlands (21.7 percent), and France (9.6 percent). In the Republic of Korea, real value added of foreign affiliates increased \$1.6 billion to \$7.8 billion, partly reflecting a rise in production for export by affiliates producing goods such as automobiles and semiconductors. In Switzerland, the real value added increased \$0.8 billion to \$4.0 billion,

8. To translate the value-added estimates that are denominated in foreign currencies into U.S. dollars for international comparisons, PPP exchange rates generally are preferable, because they approximate the number of foreign currency units required in a foreign country to buy the goods and services that are equivalent to those that can be bought in the United States with 1 U.S. dollar. A distinguishing feature of PPP exchange rates is that they are based on the prices of all goods and services produced or sold in a country, both those that are traded internationally and those that are not. For details and for a summary of the methodology used to derive the estimates of real value added, see Raymond J. Mataloni Jr., "Real Gross Product of U.S. Companies' Majority-Owned Foreign Affiliates in Manufacturing," SURVEY OF CURRENT BUSINESS 77 (April 1997): 8–17.

**Chart 2. Real Value Added of Majority-Owned Foreign Affiliates in Manufacturing and Industrial Production in 27 Selected Countries, 1999–2006**



**Table 13. Real Value Added of Majority-Owned Foreign Affiliates in Manufacturing by Country, 1999–2006**

	Billions of chained (2002) dollars								Share of all-countries total (percent)							
	1999	2000	2001	2002	2003	2004	2005	2006	1999	2000	2001	2002	2003	2004	2005	2006
<b>All countries</b> .....	<b>334.1</b>	<b>341.1</b>	<b>333.8</b>	<b>338.6</b>	<b>336.4</b>	<b>362.3</b>	<b>355.0</b>	<b>367.2</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>27 selected countries</b> .....	<b>282.5</b>	<b>282.0</b>	<b>278.9</b>	<b>283</b>	<b>272.8</b>	<b>283.1</b>	<b>269.0</b>	<b>271.2</b>	<b>84.6</b>	<b>82.7</b>	<b>83.6</b>	<b>83.6</b>	<b>81.1</b>	<b>78.1</b>	<b>75.8</b>	<b>73.9</b>
Australia .....	8.9	9.8	10.0	9.1	7.4	8.0	7.9	9.0	2.7	2.9	3.0	2.7	2.2	2.2	2.2	2.5
Austria .....	1.8	1.8	1.8	1.6	1.4	1.7	1.8	1.9	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5
Bulgaria .....	(*)	0.2	0.1	0.2	0.2	0.2	0.2	0.2	(*)	0.1	0.0	0.1	0.1	0.1	0.1	0.1
Canada .....	52.2	54.3	50.7	49.6	49.2	51.1	42.1	43.8	15.6	15.9	15.2	14.6	14.6	14.1	11.9	11.9
Czech Republic .....	2.1	2.2	2.6	2.6	2.4	3.2	3.3	3.5	0.6	0.6	0.8	0.8	0.7	0.9	0.9	1.0
Denmark .....	0.8	0.9	0.7	0.9	0.7	0.7	0.8	0.9	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2
Finland .....	0.7	0.7	0.7	0.6	0.4	0.8	0.9	0.9	0.2	0.2	0.2	0.2	0.1	0.2	0.3	0.2
France .....	22.3	22.1	22.0	21.6	21.2	20.6	20.8	18.8	6.7	6.5	6.6	6.4	6.3	5.7	5.9	5.1
Germany .....	45.4	37.0	36.5	35.6	30.6	36.7	36.6	38.8	13.6	10.8	10.9	10.5	9.1	10.1	10.3	10.6
Greece .....	0.5	0.6	0.5	0.5	0.5	1.8	2.0	1.9	0.1	0.2	0.1	0.1	0.1	0.5	0.6	0.5
Hungary .....	1.7	1.8	1.6	2.1	1.6	1.3	1.7	1.9	0.5	0.5	0.5	0.6	0.5	0.4	0.5	0.5
Ireland .....	12.5	14.1	15.1	19.5	17.0	16.5	17.3	18.5	3.7	4.1	4.5	5.8	5.1	4.6	4.9	5.0
Italy .....	19.9	19.1	20.0	18.7	17.7	16.9	15.7	14.9	6.0	5.6	6.0	5.5	5.3	4.7	4.4	4.1
Japan .....	8.2	11.6	14.1	12.5	12.1	11.6	6.1	5.9	2.5	3.4	4.2	3.7	3.6	3.2	1.7	1.6
Lithuania .....	0.1	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.1
Mexico .....	19.6	20.5	20.7	21.4	23.9	22.0	21.1	21.6	5.9	6.0	6.2	6.3	7.1	6.1	5.9	5.9
Netherlands .....	11.7	11.9	11.6	12.0	11.0	11.4	12.9	10.1	3.5	3.5	3.5	3.5	3.3	3.1	3.6	2.8
Norway .....	1.4	1.3	1.4	1.4	1.5	1.5	1.6	1.2	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.3
Poland .....	1.9	3.3	3.8	4.2	4.9	5.8	5.8	6.7	0.6	1.0	1.1	1.2	1.5	1.6	1.6	1.8
Portugal .....	1.2	2.9	2.8	2.8	2.6	2.5	2.3	2.1	0.4	0.9	0.8	0.8	0.8	0.7	0.6	0.6
Slovak Republic .....	0.2	0.2	0.9	1.4	1.5	1.7	1.8	2.2	0.1	0.1	0.3	0.4	0.4	0.5	0.5	0.6
Slovenia .....	0.1	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.1
South Korea .....	1.8	2.8	2.8	3.9	4.3	5.3	6.2	7.8	0.5	0.8	0.8	1.2	1.3	1.5	1.7	2.1
Spain .....	9.3	9.3	9.4	9.4	8.8	8.6	8.8	9.2	2.8	2.7	2.8	2.8	2.6	2.4	2.5	2.5
Sweden .....	2.6	3.2	3.1	3.2	4.1	4.6	3.8	3.7	0.8	0.9	0.9	0.9	1.2	1.3	1.1	1.0
Switzerland .....	2.5	3.0	1.8	2.0	2.1	2.8	3.2	4.0	0.7	0.9	0.5	0.6	0.6	0.8	0.9	1.1
United Kingdom .....	50.1	46.2	43.2	44.3	44.1	44.5	45.6	45.0	15.0	13.5	12.9	13.1	13.1	12.3	12.8	12.3
All other countries .....	51.9	59.1	54.9	56.0	63.7	79.9	87.5	98.4	15.5	17.3	16.4	16.5	18.9	22.1	24.6	26.8
Residual <sup>1</sup> .....	2.7	0.8	0.6	1.3	1.3	0.4	-3.2	-6.1								

\* Less than \$500,000 or less than 0.05 percent.

1. 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.

NOTE: For most of the 27 selected countries, only the 2005 estimates are revised, based on information from the final results of the 2005 Annual Survey of U.S. Direct Investment Abroad. For a few of the countries, however, the revisions affect years prior to 2005 because other source data—primarily host-country producer price index data—have been revised.



partly reflecting a rise in production for export by affiliates in the pharmaceutical industry. In the Slovak Republic, the real value added increased \$0.4 billion to \$2.2 billion, partly reflecting a rise in production for export, which may have been related to the host country's accession to the European Union 2 years earlier.

In the Netherlands, the real value added decreased \$2.8 billion to \$10.1 billion, partly reflecting reduced production for export by affiliates producing tobacco products, which may have been related to a rise in the excise taxes on those products in some European countries. In Norway, real value added of foreign affiliates decreased \$0.4 billion to \$1.2 billion; in France, real value added decreased \$2.0 billion to \$18.8 billion. The decreases in these countries largely reflected the complete or partial sales of parents' equity interest in foreign affiliates.

The real value added of foreign affiliates in the countries other than the 27 selected countries shown in table 13 increased 12.5 percent to \$98.4 billion. Based on the market-exchange-rate-based estimates, the increase was particularly rapid in Asia and Pacific.

## Research and development

Expenditures for R&D performed by foreign affiliates of U.S. companies increased 3.0 percent to \$28.5 billion in 2006 (table 14). R&D expenditures continued to be concentrated in a small number of host countries. The top two host countries—the United Kingdom and Germany—together accounted for over a third of the all-countries total, well above their 24 percent share of foreign affiliate value added. The conduct of R&D in large, high-income foreign countries is a longstanding tendency that partly reflects efforts to incorporate local consumer tastes in product design by performing R&D in the largest foreign markets and the availability of college graduates in those countries that are technically trained. Based on 2004 data from the Organisation for Economic Co-operation and Development (OECD), the percentage of all college degrees awarded in the areas of science and engineering was 31 percent for Germany and 28 percent for the United Kingdom, compared with 22 percent for the OECD countries as a whole.<sup>9</sup> Growth in R&D expenditures by foreign affiliates, however, has been most rapid in

recent years in certain countries in Asia and Pacific—particularly China and Singapore. This growth partly reflects the increasing importance of East Asian customers in the marketing strategies of U.S. MNCs, the need to develop products to meet the tastes of those consumers, and the growing technological capabilities of those countries.

By area, the largest increase in R&D expenditures was in Asia and Pacific. By industry sector, the largest increases were in information and in professional, scientific, and technical services.

A partly offsetting decrease in R&D expenditures occurred in France, which partly reflected the aforementioned sales of parents' equity interest in foreign affiliates.

**Table 14. Research and Development Performed by Majority-Owned Nonbank Foreign Affiliates by Major Area and by Major Industry of Affiliate, 2005 and 2006**

[Millions of dollars]

	2005	2006	Change	Percent change
<b>All areas, all industries.....</b>	<b>27,653</b>	<b>28,484</b>	<b>831</b>	<b>3.0</b>
<b>By area</b>				
Canada .....	2,433	2,503	70	2.9
Europe .....	18,805	18,628	-177	-0.9
Of which:				
France .....	2,248	1,447	-801	-35.6
Germany .....	4,609	4,919	310	6.7
Netherlands .....	392	486	94	24.0
United Kingdom .....	5,406	5,378	-28	-0.5
Latin America and Other Western Hemisphere .....	841	865	24	2.9
Of which:				
Brazil .....	405	571	166	41.0
Mexico .....	(D)	(D)	(D)	(D)
Africa .....	40	65	25	62.5
Middle East .....	770	847	77	10.0
Asia and Pacific .....	4,764	5,575	811	17.0
Of which:				
Australia .....	556	596	40	7.2
China .....	668	804	136	20.4
Japan .....	1,717	1,739	22	1.3
Singapore .....	576	850	274	47.6
<b>By industry</b>				
Mining .....	13	17	4	30.8
Utilities .....	5	8	3	60.0
Manufacturing .....	23,508	23,638	130	0.6
Of which:				
Food .....	358	437	79	22.1
Chemicals .....	6,589	6,166	-423	-6.4
Primary and fabricated metals .....	303	320	17	5.6
Machinery .....	938	1,128	190	20.3
Computers and electronic products .....	4,822	4,874	52	1.1
Electrical equipment, appliances, and components .....	623	651	28	4.5
Transportation equipment .....	8,021	8,342	321	4.0
Wholesale trade .....	931	1,017	86	9.2
Information .....	689	1,014	325	47.2
Finance (except depository institutions) and insurance .....	5	4	-1	-20.0
Professional, scientific, and technical services .....	2,371	2,688	317	13.4
Other industries .....	132	97	-35	-26.5

D Suppressed to avoid disclosure of data of individual companies.

9. OECD, *Science, Technology, and Industry Scoreboard 2007* (2007).

Tables 15.1 through 19.2 follow.





















# Reconciliation of the U.S.-Canadian Current Account, 2006–2007

By Renee Sauers, Edward Dozier, and Denis Caron

ON A RECONCILED basis, the U.S. current-account deficit with Canada, or Canadian surplus, is \$59.7 billion for 2006 and \$51.8 billion for 2007 (chart 1, table 1).<sup>1</sup> The U.S. published current-account balance with Canada is a U.S. deficit of \$46.0 billion for 2006 and a U.S. deficit of \$37.3 billion for 2007; the corresponding Canadian published balance is a Canadian surplus of \$58.0 billion for 2006 and a Canadian surplus of \$47.7 billion for 2007.<sup>2</sup>

The results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 2006 and 2007 are presented in this article.<sup>3</sup> The details of the current-account reconciliation for 2006 and 2007 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 adjustments for each major current-account com-

ponent. Tables 4–7 present the reconciliation details for goods, services, and investment income.<sup>4</sup>

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

Chart 1. U.S.-Canadian Current-Account Balance

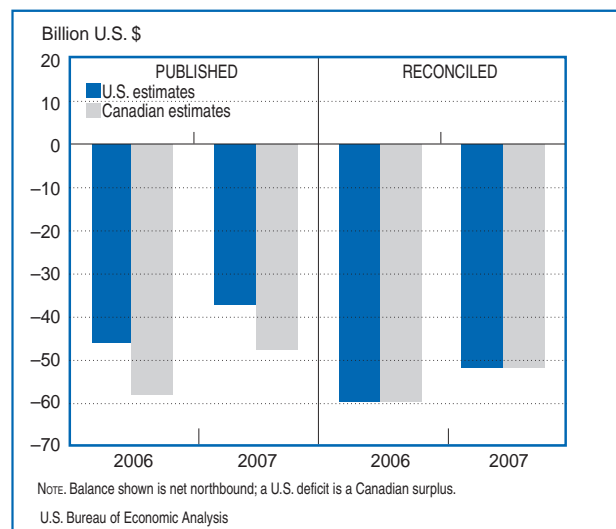


Table 1. Major U.S.-Canadian Balances  
[Billions of U.S. dollars]

	Published estimates		Reconciled estimates	
	United States	Canada	United States	Canada
<b>2006</b>				
Goods and services .....	-61.7	75.7	-75.4	75.4
Goods .....	-75.1	85.0	-85.6	85.6
Services .....	13.3	-9.3	10.2	-10.2
Income .....	15.5	-20.4	14.9	-14.9
Current unilateral transfers .....	0.3	2.6	0.8	-0.8
<b>Current account .....</b>	<b>-46.0</b>	<b>58.0</b>	<b>-59.7</b>	<b>59.7</b>
<b>2007</b>				
Goods and services .....	-52.5	69.1	-70.5	70.5
Goods .....	-70.6	80.3	-84.0	84.0
Services .....	18.1	-11.2	13.5	-13.5
Income .....	16.9	-24.6	19.9	-19.9
Current unilateral transfers .....	-1.7	3.3	-1.2	1.2
<b>Current account .....</b>	<b>-37.3</b>	<b>47.7</b>	<b>-51.8</b>	<b>51.8</b>

NOTES: 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.

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 2006 is revised up from the previously published deficit of \$40.7 billion used in last year's reconciliation, and the Canadian surplus for 2006 is revised down from the previously published surplus of \$59.3 billion used in last year's reconciliation.

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 1978 and 1979, June 1981, and each December of 1981–91. Complete details of the reconciliations were published in the following issues of the SURVEY: November 1992, each October of 1993–95, and each November of 1996–2007. 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 of 1981–2007.

This article will also be published in *Canada's Balance of International Payments, Third Quarter 2008*.

## Reconciled Current-Account Balances

In the U.S. current account, the reconciliation adjustments result in an increase of \$13.7 billion in the U.S. deficit for 2006 and an increase of \$14.5 billion in the U.S. deficit for 2007. For both years, the increase in the U.S. deficit reflects an upward adjustment to the U.S. southbound estimates, which was partly offset by an upward adjustment to the U.S. northbound estimates (tables 2.1 and 2.2).<sup>5</sup> For both years, the largest increases in the U.S. southbound estimates result from the addition of Canadian reexports to U.S. goods imports (a definitional adjustment) and from statistical adjustments to southbound services. For 2006, the

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.

largest increases in the U.S. northbound estimates result from statistical adjustments to “other” services and from an adjustment to bring U.S. transfers to a gross basis (a methodological adjustment). For 2007, the largest increases in the U.S. northbound estimates result from statistical adjustments to direct investment income and from definitional adjustments to “other” investment income.

In the Canadian current account, the reconciliation adjustments result in an increase of \$1.7 billion in the Canadian surplus for 2006 and in an increase of \$4.1 billion in the Canadian surplus for 2007. For both years, the increases in the Canadian surplus reflect downward adjustments to the Canadian northbound estimates, which were partly offset by downward adjustments to the Canadian southbound estimates. For both years, the largest downward adjustments to the Canadian southbound estimates are from the elimination of the withholding taxes in current unilateral transfers (definitional adjustment), from adjustments

### 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.<sup>1</sup>

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 country. Some of the differences for 2007 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.

The longstanding Canadian-U.S. current-account reconciliation is among the leading examples of the benefits of international data exchanges. As a part of the reconcili-

ation process, Canada and the United States have evaluated the accuracy of each other’s estimates, and as a result, each country now includes in its published estimates some data that are provided by the other country. 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 a substantial portion 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. In addition, the reconciliation process has highlighted areas where errors and omissions may exist in each country’s estimates, which has helped in targeting data improvement efforts.

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 the 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.

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, 1990–1991*. 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*.

to bring “other” investment income to a net basis (methodological adjustment), and from adjustments for statistical differences in affiliated services. In the Canadian northbound estimates, the largest downward adjustments for both years are from the elimination of withholding taxes from direct investment and “other” investment income (definitional adjustments), from adjustments to bring “other” investment income to a net basis (methodological adjustment), and from definitional adjustments to “other” services.

### Summary of Reconciliation Methodology

In reconciling the U.S.- and Canadian-published bilateral current-account estimates, the estimates are first restated to 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 international standards—and between the U.S. and Canadian estimates—remain in the published estimates because of data limitations, difficulties in determining country attribution, and 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 changes) 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 some U.S. withholding tax estimates are included on a global basis in the U.S.-published accounts and cannot be allocated by country for comparison with the Canadian estimates. This definitional adjustment causes the rec-

onciled estimates to depart from the international statistical standards, but without this adjustment, the data could not be compared on a common basis.

The methodological adjustments mainly reflect differences 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. These adjustments do not affect the current-account balance, because the northbound and the southbound methodological adjustments are offsetting.

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 both the northbound and the southbound estimates, most of the statistical differences are in the U.S. and Canadian estimates of “other” services and investment income.

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*Tables 2.1 through 7.2 follow.*

Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2006

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	United States	Canada	United States	Canada	United States	Canada	United States	Canada
Goods, balance-of-payments basis .....	70	-1,233	225	.....	512	-664	807	-1,897
Definitional adjustments .....	70	-1,233	.....	.....	.....	.....	70	-1,233
Reclassification of equipment repairs from unaffiliated services .....	.....	.....	225	.....	.....	.....	225	.....
Statistical adjustments .....	.....	.....	.....	.....	512	-664	512	-664
Services .....	-152	-2,507	-225	-209	1,710	1,375	1,333	-1,341
Travel .....	.....	.....	1,060	.....	.....	-50	1,060	-50
Reclassification of education from unaffiliated services .....	.....	.....	777	.....	.....	.....	777	.....
Reclassification of medical services from unaffiliated services .....	.....	.....	283	.....	.....	.....	283	.....
Statistical adjustments .....	.....	.....	.....	.....	.....	-50	.....	-50
Passenger fares .....	.....	.....	.....	.....	-153	.....	-153	.....
Other transportation .....	.....	-135	-118	262	154	-92	36	35
Definitional adjustments .....	.....	-135	.....	.....	.....	.....	.....	-135
Reclassification of courier services to unaffiliated services .....	.....	.....	-118	.....	.....	.....	-118	.....
Reclassification of transportation services from unaffiliated services .....	.....	.....	.....	262	.....	.....	.....	262
Statistical adjustments .....	.....	.....	.....	.....	154	-92	154	-92
Other services .....	-152	-2,372	-1,167	-471	1,709	1,517	390	-1,326
Affiliated .....	.....	-1,313	-654	34	1,406	-672	752	-1,951
Definitional adjustments .....	.....	-1,313	.....	.....	.....	.....	.....	-1,313
Reclassification of financial services to unaffiliated services .....	.....	.....	-654	.....	.....	.....	.....	-654
Reclassification of selected services from unaffiliated services .....	.....	.....	.....	34	.....	.....	.....	34
Statistical adjustments .....	.....	.....	.....	.....	1,406	-672	1,406	-672
Unaffiliated .....	.....	-1,059	-513	-505	303	2,129	-210	565
Definitional adjustments .....	.....	-1,059	.....	.....	.....	.....	.....	-1,059
Reclassification of transactions to or from other accounts .....	.....	.....	-513	-505	.....	.....	-513	-505
Statistical adjustments .....	.....	.....	.....	.....	303	2,129	303	2,129
U.S. military sales .....	-152	.....	.....	.....	.....	60	-152	60
Definitional adjustments .....	-152	.....	.....	.....	.....	.....	-152	.....
Statistical adjustments .....	.....	.....	.....	.....	.....	60	.....	60
Income .....	1,023	-4,461	-1,551	-2,454	-1,678	4,783	-2,206	-2,132
Direct investment .....	-155	-1,612	.....	-70	-1,778	4,882	-1,933	3,200
Definitional adjustments .....	-155	-1,612	.....	.....	.....	.....	-155	-1,612
Adjustment of interest income to a net basis .....	.....	.....	.....	-70	.....	.....	.....	-70
Statistical adjustments .....	.....	.....	.....	.....	-1,778	4,882	-1,778	4,882
Other investment .....	1,178	-2,849	-1,551	-2,523	100	-98	-273	-5,470
Definitional adjustments .....	1,178	-2,849	.....	.....	.....	.....	1,178	-2,849
Adjustment of interest income to a net basis .....	.....	.....	-1,551	-2,523	.....	.....	-1,551	-2,523
Statistical adjustments .....	.....	.....	.....	.....	100	-98	100	-98
Compensation of employees .....	.....	.....	.....	139	.....	-1	.....	138
Reclassification from unaffiliated services .....	.....	.....	.....	139	.....	-1	.....	138
Current unilateral transfers .....	.....	-935	1,645	76	280	96	1,925	-763
Definitional adjustments .....	.....	-935	.....	.....	.....	.....	.....	-935
Reclassification from unaffiliated services .....	.....	.....	.....	76	.....	.....	.....	76
Adjustment of U.S. transfers to a gross basis .....	.....	.....	1,645	.....	.....	.....	1,645	.....
Statistical adjustments .....	.....	.....	.....	.....	280	96	280	96
<b>Total adjustments .....</b>	<b>941</b>	<b>-9,136</b>	<b>94</b>	<b>-2,587</b>	<b>824</b>	<b>5,590</b>	<b>1,859</b>	<b>-6,133</b>

Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2007

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	United States	Canada	United States	Canada	United States	Canada	United States	Canada
Goods, balance-of-payments basis .....	-173	-1,271	197		-414	-386	-390	-1,657
Definitional adjustments .....	-173	-1,271					-173	-1,271
Reclassification of equipment repairs from unaffiliated services .....			197				197	
Statistical adjustments .....					-414	-386	-414	-386
Services .....	-187	-2,405	-197	21	1,193	2,787	809	403
Travel .....			1,119			-234	1,119	-234
Reclassification of education from unaffiliated services .....			818				818	
Reclassification of medical services from unaffiliated services .....			301				301	
Statistical adjustments .....						-234		-234
Passenger fares .....					-132		-132	
Other transportation .....		-238	-129	334	369	-214	240	-118
Definitional adjustments .....		-238						-238
Reclassification of courier services to unaffiliated services .....			-129					-129
Reclassification of transportation services from unaffiliated services .....				334				334
Statistical adjustments .....					369	-214	369	-214
Other services .....	-187	-2,167	-1,187	-313	956	3,235	-418	755
Affiliated .....		-1,198	-684	36	806	-34	122	-1,196
Definitional adjustments .....		-1,198						-1,198
Reclassification of financial services to unaffiliated services .....			-684					-684
Reclassification of selected services from unaffiliated services .....				36				36
Statistical adjustments .....					806	-34	806	-34
Unaffiliated .....		-969	-503	-349	150	3,177	-353	1,859
Definitional adjustments .....		-969						-969
Reclassification of transactions to or from other accounts .....			-503	-349				-503
Statistical adjustments .....					150	3,177	150	3,177
U.S. military sales .....	-187					92	-187	92
Definitional adjustments .....	-187						-187	
Statistical adjustments .....						92		92
Income .....	1,102	-4,396	-2,158	-2,983	1,712	3,722	656	-3,657
Direct investment .....	-127	-1,716		-161	2,119	3,291	1,992	1,414
Definitional adjustments .....	-127	-1,716					-127	-1,716
Adjustment of interest income to a net basis .....				-161				-161
Statistical adjustments .....					2,119	3,291	2,119	3,291
Other investment .....	1,229	-2,680	-2,158	-2,975	-407	430	-1,336	-5,225
Definitional adjustments .....	1,229	-2,680					1,229	-2,680
Adjustment of interest income to a net basis .....			-2,158	-2,975				-2,158
Statistical adjustments .....					-407	430	-407	430
Compensation of employees .....				153		1		154
Reclassification from unaffiliated services .....				153		1		154
Current unilateral transfers .....		-1,043	249	-166	280	-410	529	-1,619
Definitional adjustments .....		-1,043						-1,043
Reclassification from unaffiliated services .....				-166				-166
Adjustment of U.S. transfers to a gross basis .....			249				249	
Statistical adjustments .....					280	-410	280	-410
<b>Total adjustments .....</b>	<b>742</b>	<b>-9,115</b>	<b>-1,909</b>	<b>-3,128</b>	<b>2,771</b>	<b>5,713</b>	<b>1,604</b>	<b>-6,530</b>

Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2006

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	Canada	United States	Canada	United States	Canada	United States	Canada	United States
Goods, balance-of-payments basis.....	-1,933	11,229		46	663	91	-1,270	11,366
Canadian reexports to the United States.....		10,546						10,546
Other definitional adjustments.....	-1,933	683					-1,933	683
Reclassification of equipment repairs from unaffiliated services.....				7				7
Reclassification of vessel repairs from other transportation services.....				39				39
Statistical adjustments.....					663	91	663	91
Services.....	-1,266	-22	-457	-46	-512	4,533	-2,235	4,465
Travel.....				190		80		270
Reclassification of education from unaffiliated services.....				112				112
Reclassification of medical services from unaffiliated services.....				78				78
Statistical adjustments.....						80		80
Passenger fares.....						-4		-4
Other transportation.....	-91		192	-402	21	108	122	-294
Definitional adjustments.....	-91						-91	
Reclassification of courier services to unaffiliated services.....				-363				-363
Reclassification of transportation services to or from other accounts.....			192	-39			192	-39
Statistical adjustments.....					21	108	21	108
Other services.....	-1,175	-22	-649	166	-533	4,349	-2,357	4,493
Affiliated.....	-329		44	-311	-1,329	1,117	-1,614	806
Definitional adjustments.....	-329						-329	
Reclassification of financial services to unaffiliated services.....				-311				-311
Reclassification of selected services to or from unaffiliated services.....			44				44	
Statistical adjustments.....					-1,329	1,117	-1,329	1,117
Unaffiliated.....	-846		-693	477	796	3,232	-743	3,709
Definitional adjustments.....	-846						-846	
Reclassification of transactions to or from other accounts.....			-693	477			-693	477
Statistical adjustments.....					796	3,232	796	3,232
U.S. defense expenditures.....		-22						-22
Definitional adjustments.....		-22						-22
Statistical adjustments.....								
Income.....	-1,284	-96	-2,220	-1,551	6,796	-27	3,292	-1,674
Direct investment.....	-340	-96	-70		6,013	567	5,603	471
Definitional adjustments.....	-340	-96					-340	-96
Adjustment of interest income to a net basis.....			-70				-70	
Statistical adjustments.....					6,013	567	6,013	567
Other investment.....	-944		-2,523	-1,551	680	-594	-2,787	-2,145
Definitional adjustments.....	-944						-944	
Adjustment of interest income to a net basis.....			-2,523	-1,551			-2,523	-1,551
Statistical adjustments.....					680	-594	680	-594
Compensation of employees.....			373		103		476	
Reclassification from unaffiliated services.....			373				373	
Statistical adjustments.....					103		103	
Current unilateral transfers.....	-4,057		90	1,645	-167	-174	-4,134	1,471
Definitional adjustments.....	-4,057						-4,057	
Reclassification from unaffiliated services.....			90				90	
Adjustment of U.S. transfers to a gross basis.....				1,645				1,645
Statistical adjustments.....					-167	-174	-167	-174
<b>Total adjustments.....</b>	<b>-8,540</b>	<b>11,111</b>	<b>-2,587</b>	<b>94</b>	<b>6,780</b>	<b>4,423</b>	<b>-4,347</b>	<b>15,628</b>



Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2007

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	Canada	United States	Canada	United States	Canada	United States	Canada	United States
Goods, balance-of-payments basis .....	-103	12,807		17	2,152	214	2,049	13,038
Canadian reexports to the United States .....		11,984						11,984
Other definitional adjustments .....	-103	823					-103	823
Reclassification of equipment repairs from unaffiliated services .....				2				2
Reclassification of vessel repairs from other transportation services .....				15				15
Statistical adjustments .....					2,152	214	2,152	214
Services .....	-1,267	-21	-401	-17	-235	5,442	-1,903	5,404
Travel .....				223		244		467
Reclassification of education from unaffiliated services .....				133				133
Reclassification of medical services from unaffiliated services .....				90				90
Statistical adjustments .....						244		244
Passenger fares .....						-50		-50
Other transportation .....	-102		182	-450	164	195	244	-255
Definitional adjustments .....	-102						-102	
Reclassification of courier services to unaffiliated services .....				-435				-435
Reclassification of transportation services to or from other accounts .....			182	-15			182	-15
Statistical adjustments .....					164	195	164	195
Other services .....	-1,165	-21	-583	210	-399	5,054	-2,147	5,243
Affiliated .....	-345		13	-344	-1,442	1,231	-1,774	887
Definitional adjustments .....	-345						-345	
Reclassification of financial services to unaffiliated services .....				-344				-344
Reclassification of selected services to or from unaffiliated services .....			13				13	
Statistical adjustments .....					-1,442	1,231	-1,442	1,231
Unaffiliated .....	-820		-596	554	1,033	3,823	-383	4,377
Definitional adjustments .....	-820						-820	
Reclassification of transactions to or from other accounts .....			-596	554			-596	554
Statistical adjustments .....					1,033	3,823	1,033	3,823
U.S. defense expenditures .....		-21			10		10	-21
Definitional adjustments .....		-21						-21
Statistical adjustments .....					10		10	
Income .....	-1,607	-7	-2,722	-2,158	5,428	-141	1,099	-2,306
Direct investment .....	-231	-7	-161		4,460	733	4,068	726
Definitional adjustments .....	-231	-7					-231	-7
Adjustment of interest income to a net basis .....			-161				-161	
Statistical adjustments .....					4,460	733	4,460	733
Other investment .....	-1,376		-2,975	-2,158	851	-874	-3,500	-3,032
Definitional adjustments .....	-1,376						-1,376	
Adjustment of interest income to a net basis .....			-2,975	-2,158			-2,975	-2,158
Statistical adjustments .....					851	-874	851	-874
Compensation of employees .....			414		117		531	
Reclassification from unaffiliated services .....			414				414	
Statistical adjustments .....					117		117	
Current unilateral transfers .....	-4,049		-5	249	382	-256	-3,672	-7
Definitional adjustments .....	-4,049						-4,049	
Reclassification from unaffiliated services .....			-5				-5	
Adjustment of U.S. transfers to a gross basis .....				249				249
Statistical adjustments .....					382	-256	382	-256
<b>Total adjustments .....</b>	<b>-7,026</b>	<b>12,779</b>	<b>-3,128</b>	<b>-1,909</b>	<b>7,727</b>	<b>5,259</b>	<b>-2,427</b>	<b>16,129</b>

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
<b>2006</b>										
Goods and services .....	268,546	273,924	-5,378	268,464	269,975	-1,511	270,686	270,686	2,140	-3,238
Goods, balance-of-payments basis .....	230,983	233,687	-2,704	231,278	232,454	-1,176	231,790	231,790	807	-1,897
Services .....	37,563	40,237	-2,674	37,186	37,521	-335	38,896	38,896	1,333	-1,341
Travel .....	10,360	11,470	-1,110	11,420	11,470	-50	11,420	11,420	1,060	-50
Passenger fares .....	2,979	2,826	153	2,979	2,826	153	2,826	2,826	-153	.....
Other transportation .....	3,140	3,141	-1	3,022	3,268	-246	3,176	3,176	36	35
Other services .....	21,084	22,800	-1,716	19,765	19,957	-192	21,474	21,474	390	-1,326
Income .....	43,111	43,037	74	42,583	36,122	6,461	40,905	40,905	-2,206	-2,132
Investment income .....	42,973	43,037	-64	42,445	35,983	6,462	40,767	40,767	-2,206	-2,270
Direct investment .....	23,226	18,093	5,133	23,071	16,411	6,660	21,293	21,293	-1,933	3,200
Other investment .....	19,747	24,944	-5,197	19,374	19,572	-198	19,474	19,474	-273	-5,470
Compensation of employees .....	138	( <sup>1</sup> )	138	138	139	-1	138	138	.....	138
Current unilateral transfers .....	( <sup>2</sup> )	2,688	-2,688	1,645	1,829	-184	1,925	1,925	1,925	-763
<b>Current account, northbound .....</b>	<b>311,657</b>	<b>319,649</b>	<b>-7,992</b>	<b>312,692</b>	<b>307,926</b>	<b>4,766</b>	<b>313,516</b>	<b>313,516</b>	<b>1,859</b>	<b>-6,133</b>
<b>2007</b>										
Goods and services .....	292,984	294,657	-1,673	292,624	291,002	1,622	293,403	293,403	419	-1,254
Goods, balance-of-payments basis .....	249,712	250,979	-1,267	249,736	249,708	28	249,322	249,322	-390	-1,657
Services .....	43,272	43,678	-406	42,888	41,294	1,594	44,081	44,081	809	403
Travel .....	12,852	14,205	-1,353	13,971	14,205	-234	13,971	13,971	1,119	-234
Passenger fares .....	3,318	3,186	132	3,318	3,186	132	3,186	3,186	-132	.....
Other transportation .....	3,423	3,781	-358	3,294	3,877	-583	3,663	3,663	240	-118
Other services .....	23,679	22,506	1,173	22,305	20,026	2,279	23,261	23,261	-418	755
Income .....	45,461	49,774	-4,313	44,405	42,395	2,010	46,117	46,117	656	-3,657
Investment income .....	45,307	49,774	-4,467	44,251	42,242	2,009	45,963	45,963	656	-3,811
Direct investment .....	21,685	22,263	-578	21,558	20,386	1,172	23,677	23,677	1,992	1,414
Other investment .....	23,622	27,511	-3,889	22,693	21,856	837	22,286	22,286	-1,336	-5,225
Compensation of employees .....	154	( <sup>1</sup> )	154	154	153	1	154	154	.....	154
Current unilateral transfers .....	( <sup>2</sup> )	2,148	-2,148	249	939	-690	529	529	529	-1,619
<b>Current account, northbound .....</b>	<b>338,445</b>	<b>346,579</b>	<b>-8,134</b>	<b>337,278</b>	<b>334,336</b>	<b>2,942</b>	<b>340,049</b>	<b>340,049</b>	<b>1,604</b>	<b>-6,530</b>

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
<b>2006</b>										
Goods and services .....	349,628	330,292	19,336	345,972	341,499	4,473	346,123	346,123	-3,505	15,831
Goods, balance-of-payments basis .....	318,702	306,066	12,636	316,769	317,341	-572	317,432	317,432	-1,270	11,366
Services .....	30,926	24,226	6,700	29,203	24,158	5,045	28,691	28,691	-2,235	4,465
Travel .....	7,664	7,394	270	7,664	7,584	80	7,664	7,664	.....	270
Passenger fares .....	367	371	-4	367	371	-4	367	367	.....	-4
Other transportation .....	4,309	4,725	-416	4,410	4,323	87	4,431	4,431	.....	122
Other services .....	18,586	11,736	6,850	16,762	11,880	4,882	16,229	16,229	-2,357	4,493
Income .....	22,677	27,643	-4,966	19,173	25,996	-6,823	25,969	25,969	3,292	-1,674
Investment income .....	22,677	27,167	-4,490	18,800	25,520	-6,720	25,493	25,493	2,816	-1,674
Direct investment .....	10,079	15,211	-5,132	9,669	15,115	-5,446	15,682	15,682	5,603	471
Other investment .....	12,598	11,956	642	9,131	10,405	-1,274	9,811	9,811	-2,787	-2,145
Other private investment .....	11,088	10,674	414	7,577	9,123	-1,546	8,409	8,409	-2,679	-2,265
U.S. Government liabilities .....	1,510	1,282	228	1,554	1,282	272	1,402	1,402	-108	120
Compensation of employees .....	( <sup>1</sup> )	476	-476	373	476	-103	476	476	.....	.....
Current unilateral transfers .....	5,294	-311	5,605	1,327	1,334	-7	1,160	1,160	-4,134	1,471
<b>Current account, southbound .....</b>	<b>377,599</b>	<b>357,624</b>	<b>19,975</b>	<b>366,472</b>	<b>368,829</b>	<b>-2,357</b>	<b>373,252</b>	<b>373,252</b>	<b>-4,347</b>	<b>15,628</b>
<b>2007</b>										
Goods and services .....	363,772	345,476	18,296	362,001	358,262	3,739	363,918	363,918	146	18,442
Goods, balance-of-payments basis .....	331,312	320,323	10,989	331,209	333,147	-1,938	333,361	333,361	2,049	13,038
Services .....	32,460	25,153	7,307	30,792	25,115	5,677	30,557	30,557	-1,903	5,404
Travel .....	7,715	7,248	467	7,715	7,471	244	7,715	7,715	.....	467
Passenger fares .....	349	399	-50	349	399	-50	349	349	.....	-50
Other transportation .....	4,417	4,916	-499	4,497	4,466	31	4,661	4,661	.....	244
Other services .....	19,979	12,589	7,390	18,231	12,778	5,453	17,832	17,832	-2,147	5,243
Income .....	25,136	28,541	-3,405	20,807	26,376	-5,569	26,235	26,235	1,099	-2,306
Investment income .....	25,136	28,010	-2,874	20,393	25,845	-5,452	25,704	25,704	568	-2,306
Direct investment .....	10,164	13,506	-3,342	9,772	13,499	-3,727	14,232	14,232	4,068	726
Other investment .....	14,972	14,504	468	10,621	12,346	-1,725	11,472	11,472	-3,500	-3,032
Other private investment .....	13,089	13,216	-127	8,749	11,058	-2,309	9,909	9,909	-3,180	-3,307
U.S. Government liabilities .....	1,883	1,288	595	1,872	1,288	584	1,563	1,563	-320	275
Compensation of employees .....	( <sup>1</sup> )	531	-531	414	531	-117	531	531	.....	.....
Current unilateral transfers .....	5,398	1,733	3,665	1,344	1,982	-638	1,726	1,726	-3,672	-7
<b>Current account, southbound .....</b>	<b>394,306</b>	<b>375,750</b>	<b>18,556</b>	<b>384,152</b>	<b>386,620</b>	<b>-2,468</b>	<b>391,879</b>	<b>391,879</b>	<b>-2,427</b>	<b>16,129</b>

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
<b>2006</b>		
<b>Balance-of-payments basis, published</b> .....	<b>230,983</b>	<b>233,687</b>
Definitional and methodological adjustments:		
Definitional adjustments .....	70	-1,233
Reclassification of equipment repairs from unaffiliated services .....	225	.....
Common basis after definitional and methodological adjustments.....	231,278	232,454
Statistical adjustments.....	512	-664
<b>Reconciled, including statistical adjustments</b> .....	<b>231,790</b>	<b>231,790</b>
<b>2007</b>		
<b>Balance-of-payments basis, published</b> .....	<b>249,712</b>	<b>250,979</b>
Definitional and methodological adjustments:		
Definitional adjustments .....	-173	-1,271
Reclassification of equipment repairs from unaffiliated services .....	197	.....
Common basis after definitional and methodological adjustments.....	249,736	249,708
Statistical adjustments.....	-414	-386
<b>Reconciled, including statistical adjustments</b> .....	<b>249,322</b>	<b>249,322</b>

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

	Canadian receipts	U.S. payments
<b>2006</b>		
<b>Balance-of-payments basis, published</b> .....	<b>318,702</b>	<b>306,066</b>
Definitional and methodological adjustments:		
Canadian reexports to the United States.....	.....	10,546
Other definitional adjustments .....	-1,933	683
Reclassification of equipment repairs from unaffiliated services .....	.....	7
Reclassification of vessel repairs from other transportation services.....	.....	39
Common basis after definitional and methodological adjustments.....	316,769	317,341
Statistical adjustments.....	663	91
<b>Reconciled, including statistical adjustments</b> .....	<b>317,432</b>	<b>317,432</b>
<b>2007</b>		
<b>Balance-of-payments basis, published</b> .....	<b>331,312</b>	<b>320,323</b>
Definitional and methodological adjustments:		
Canadian reexports to the United States.....	.....	11,984
Other definitional adjustments .....	-103	823
Reclassification of equipment repairs from unaffiliated services .....	.....	2
Reclassification of vessel repairs from other transportation services.....	.....	15
Common basis after definitional and methodological adjustments.....	331,209	333,147
Statistical adjustments.....	2,152	214
<b>Reconciled, including statistical adjustments</b> .....	<b>333,361</b>	<b>333,361</b>

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		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada	Type of adjustment
<b>2006</b>											
<b>Travel</b> .....	<b>10,360</b>	<b>11,470</b>	<b>-1,110</b>	<b>11,420</b>	<b>11,470</b>	<b>-50</b>	<b>11,420</b>	<b>11,420</b>	<b>1,060</b>	<b>-50</b>	
Business and personal .....	10,360	10,429	-69	10,360	10,429	-69	10,360	10,360		-69	Statistical
Education .....		758	-758	777	758	19	777	777	777	19	Methodological and statistical
Medical .....		283	-283	283	283		283	283	283		Methodological
<b>Passenger fares</b> .....	<b>2,979</b>	<b>2,826</b>	<b>153</b>	<b>2,979</b>	<b>2,826</b>	<b>153</b>	<b>2,826</b>	<b>2,826</b>	<b>-153</b>		Statistical
<b>Other transportation</b> .....	<b>3,140</b>	<b>3,141</b>	<b>-1</b>	<b>3,022</b>	<b>3,268</b>	<b>-246</b>	<b>3,176</b>	<b>3,176</b>	<b>36</b>	<b>35</b>	
Freight .....	2,264	2,533	-269	2,142	2,398	-256	2,299	2,299	35	-234	
Ocean .....	97	477	-380	93	342	-249	238	238	141	-239	Definitional, methodological, and statistical
Air .....	151	33	118	33	33		33	33	-118		Methodological
Truck .....	1,619	1,619		1,619	1,619		1,619	1,619			
Other .....	397	404	-7	397	404	-7	409	409	12	5	Statistical
Port services .....	876	558	318	876	820	56	827	827	-49	269	
Vessel operators .....	125	74	51	125	74	51	74	74	-51		Statistical
Airline operators .....	462	462		462	462		462	462			
Other .....	289	22	267	289	284	5	291	291	2	269	Methodological and statistical
Other .....		50	-50	4	50	-46	50	50	50		Methodological and statistical
<b>2007</b>											
<b>Travel</b> .....	<b>12,852</b>	<b>14,205</b>	<b>-1,353</b>	<b>13,971</b>	<b>14,205</b>	<b>-234</b>	<b>13,971</b>	<b>13,971</b>	<b>1,119</b>	<b>-234</b>	
Business and personal .....	12,852	13,109	-257	12,852	13,109	-257	12,852	12,852		-257	Statistical
Education .....		795	-795	818	795	23	818	818	818	23	Methodological and statistical
Medical .....		301	-301	301	301		301	301	301		Methodological
<b>Passenger fares</b> .....	<b>3,318</b>	<b>3,186</b>	<b>132</b>	<b>3,318</b>	<b>3,186</b>	<b>132</b>	<b>3,186</b>	<b>3,186</b>	<b>-132</b>		Statistical
<b>Other transportation</b> .....	<b>3,423</b>	<b>3,781</b>	<b>-358</b>	<b>3,294</b>	<b>3,877</b>	<b>-583</b>	<b>3,663</b>	<b>3,663</b>	<b>240</b>	<b>-118</b>	
Freight .....	2,432	2,969	-537	2,287	2,731	-444	2,656	2,656	224	-313	
Ocean .....	182	850	-668	166	612	-446	529	529	347	-321	Definitional, methodological, and statistical
Air .....	165	36	129	36	36		35	35	-130		Methodological
Truck .....	1,642	1,639	3	1,642	1,639	3	1,642	1,642		3	Statistical
Other .....	443	444	-1	443	444	-1	450	450	7	6	Statistical
Port services .....	991	711	280	991	1,045	-54	943	943	-48	232	
Vessel operators .....	139	148	-9	139	148	-9	89	89	-50	-59	Statistical
Airline operators .....	491	495	-4	491	495	-4	491	491		-4	Statistical
Other .....	361	68	293	361	402	-41	363	363	2	295	Methodological and statistical
Other .....		101	-101	16	101	-85	64	64	64	-37	Methodological 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
<b>2006</b>											
<b>Travel</b> .....	<b>7,664</b>	<b>7,394</b>	<b>270</b>	<b>7,664</b>	<b>7,584</b>	<b>80</b>	<b>7,664</b>	<b>7,664</b>		<b>270</b>	
Business and personal .....	7,368	7,394	-26	7,368	7,394	-26	7,368	7,368		-26	Statistical
Education .....	220		220	220	112	108	220	220		220	Methodological and statistical
Medical .....	76		76	76	78	-2	76	76		76	Methodological and statistical
<b>Passenger fares</b> .....	<b>367</b>	<b>371</b>	<b>-4</b>	<b>367</b>	<b>371</b>	<b>-4</b>	<b>367</b>	<b>367</b>		<b>-4</b>	Statistical
<b>Other transportation</b> .....	<b>4,309</b>	<b>4,725</b>	<b>-416</b>	<b>4,410</b>	<b>4,323</b>	<b>87</b>	<b>4,431</b>	<b>4,431</b>	<b>122</b>	<b>-294</b>	
Freight .....	3,451	3,627	-176	3,451	3,429	22	3,510	3,510	59	-117	
Ocean .....	346	499	-153	346	460	-114	401	401	55	-98	Methodological and statistical
Air .....	23	23		23	23		23	23			
Truck .....	2,832	2,833	-1	2,832	2,833	-1	2,833	2,833	1		Statistical
Other .....	250	272	-22	250	113	137	253	253	3	-19	Methodological and statistical
Port services .....	712	1,098	-386	909	855	54	882	882	170	-216	
Vessel operators .....	80	102	-22	85	63	22	74	74	-6	-28	Definitional, methodological, and statistical
Airline operators .....	547	910	-363	547	547		547	547		-363	Methodological
Other .....	85	86	-1	277	245	32	261	261	176	175	Methodological and statistical
Other .....	146		146	50	39	11	39	39	-107	39	Definitional, methodological, and statistical
<b>2007</b>											
<b>Travel</b> .....	<b>7,715</b>	<b>7,248</b>	<b>467</b>	<b>7,715</b>	<b>7,471</b>	<b>244</b>	<b>7,715</b>	<b>7,715</b>		<b>467</b>	
Business and personal .....	7,378	7,248	130	7,378	7,248	130	7,378	7,378		130	Statistical
Education .....	256		256	256	133	123	256	256		256	Methodological and statistical
Medical .....	81		81	81	90	-9	81	81		81	Methodological and statistical
<b>Passenger fares</b> .....	<b>349</b>	<b>399</b>	<b>-50</b>	<b>349</b>	<b>399</b>	<b>-50</b>	<b>349</b>	<b>349</b>		<b>-50</b>	Statistical
<b>Other transportation</b> .....	<b>4,417</b>	<b>4,916</b>	<b>-499</b>	<b>4,497</b>	<b>4,466</b>	<b>31</b>	<b>4,661</b>	<b>4,661</b>	<b>244</b>	<b>-255</b>	
Freight .....	3,555	3,765	-210	3,555	3,510	45	3,578	3,578	23	-187	
Ocean .....	403	534	-131	403	457	-54	416	416	13	-118	Methodological and statistical
Air .....	5	5		5	5		5	5			
Truck .....	2,918	2,924	-6	2,918	2,924	-6	2,924	2,924	6		Statistical
Other .....	229	302	-73	229	124	105	233	233	4	-69	Methodological and statistical
Port services .....	697	1,150	-453	884	878	6	1,006	1,006	309	-144	
Vessel operators .....	92	108	-16	97	93	4	85	85	-7	-23	Definitional, methodological, and statistical
Airline operators .....	517	952	-435	517	517		652	652	135	-300	Methodological and statistical
Other .....	88	90	-2	270	268	2	269	269	181	179	Methodological and statistical
Other .....	165		165	58	77	-19	77	77	-88	77	Definitional, methodological, and statistical

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
<b>2006</b>											
<b>Total</b> .....	<b>21,084</b>	<b>22,800</b>	<b>-1,716</b>	<b>19,765</b>	<b>19,957</b>	<b>-192</b>	<b>21,474</b>	<b>21,474</b>	<b>390</b>	<b>-1,326</b>	
Affiliated.....	8,732	11,435	-2,703	8,078	10,156	-2,078	9,484	9,484	752	-1,951	Definitional, methodological, and statistical
Royalties and license fees .....	4,536	4,279	257	4,536	3,958	578	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	4,196	7,156	-2,960	3,542	6,198	-2,656	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	12,140	11,365	775	11,627	9,801	1,826	11,930	11,930	-210	565	
Royalties, license fees, and selected services ....	2,441	2,608	-167	2,411	2,487	-76	2,411	2,411	-30	-197	Definitional, methodological, and statistical
Insurance.....	2,008	999	1,009	2,008	890	1,118	2,008	2,008	1,009	1,009	Definitional, methodological, and statistical
Financial services.....	2,222	2,071	151	2,876	1,905	971	2,879	2,879	657	808	Definitional, methodological, and statistical
Education and training.....	830	75	755	53	81	-28	53	53	-777	-22	Methodological and statistical
Communications.....	639	652	-13	639	594	45	639	639	.....	-13	Methodological and statistical
Computer services.....	977	862	115	977	868	109	977	977	.....	115	Methodological and statistical
Business services.....	1,929	2,084	-155	1,539	1,738	-199	1,765	1,765	-164	-319	Methodological and statistical
Sports and entertainment.....	807	1,330	-523	837	958	-121	898	898	91	-432	Definitional, methodological, and statistical
Other private.....	.....	310	-310	.....	.....	.....	.....	.....	.....	-310	Definitional and methodological
Government:											
United States (nonmilitary).....	123	103	20	123	103	20	123	123	.....	20	Statistical
Canada.....	164	271	-107	164	177	-13	177	177	13	-94	Definitional, methodological, and statistical
U.S. military sales.....	212	.....	212	60	.....	60	60	60	-152	60	Definitional and statistical
<b>2007</b>											
<b>Total</b> .....	<b>23,679</b>	<b>22,506</b>	<b>1,173</b>	<b>22,305</b>	<b>20,026</b>	<b>2,279</b>	<b>23,261</b>	<b>23,261</b>	<b>-418</b>	<b>755</b>	
Affiliated.....	9,346	10,664	-1,318	8,662	9,502	-840	9,468	9,468	122	-1,196	Definitional, methodological, and statistical
Royalties and license fees .....	4,618	4,082	536	4,618	3,932	686	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	4,728	6,582	-1,854	4,044	5,570	-1,526	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	14,054	11,842	2,212	13,551	10,524	3,027	13,701	13,701	-353	1,859	
Royalties, license fees, and selected services ....	3,303	3,216	87	3,279	3,122	157	3,279	3,279	-24	63	Definitional, methodological, and statistical
Insurance.....	1,956	794	1,162	1,956	924	1,032	1,956	1,956	.....	1,162	Definitional, methodological, and statistical
Financial services.....	3,089	2,274	815	3,773	2,175	1,598	3,806	3,806	717	1,532	Definitional, methodological, and statistical
Education and training.....	862	56	806	44	61	-17	44	44	-818	-12	Methodological and statistical
Communications.....	613	524	89	613	463	150	613	613	.....	89	Methodological and statistical
Computer services.....	966	996	-30	966	1,003	-37	966	966	.....	-30	Methodological and statistical
Business services.....	2,057	1,823	234	1,688	1,472	216	1,733	1,733	-324	-90	Methodological and statistical
Sports and entertainment.....	941	1,380	-439	965	1,019	-54	993	993	52	-387	Definitional, methodological, and statistical
Other private.....	.....	395	-395	.....	.....	.....	.....	.....	.....	-395	Definitional and methodological
Government:											
United States (nonmilitary).....	104	78	26	104	78	26	104	104	.....	26	Statistical
Canada.....	163	306	-143	163	207	-44	207	207	44	-99	Definitional, methodological, and statistical
U.S. military sales.....	279	.....	279	92	.....	92	92	92	-187	92	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
<b>2006</b>											
<b>Total</b> .....	<b>18,586</b>	<b>11,736</b>	<b>6,850</b>	<b>16,762</b>	<b>11,880</b>	<b>4,882</b>	<b>16,229</b>	<b>16,229</b>	<b>-2,357</b>	<b>4,493</b>	
Affiliated.....	7,483	5,063	2,420	7,198	4,752	2,446	5,869	5,869	-1,614	806	Definitional, methodological, and statistical
Royalties and license fees.....	610	542	68	610	542	68	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services.....	6,873	4,521	2,352	6,588	4,210	2,378	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated.....	10,885	6,433	4,452	9,346	6,910	2,436	10,142	10,142	-743	3,709	
Royalties, license fees and selected services...	3,553	898	2,655	3,123	894	2,229	3,245	3,245	-308	2,347	Definitional, methodological, and statistical
Insurance.....	238	865	-627	137	865	-728	865	865	627	.....	Definitional, methodological, and statistical
Financial services.....	931	407	524	931	718	213	950	950	19	543	Methodological and statistical
Education and training.....	68	150	-82	9	38	-29	38	38	-30	-112	Methodological and statistical
Communications.....	802	399	403	565	399	166	482	482	-320	83	Methodological and statistical
Computer services.....	2,074	1,672	402	2,074	1,672	402	1,872	1,872	-202	200	Statistical
Business services.....	1,561	1,553	8	1,428	1,831	-403	1,885	1,885	324	332	Definitional, methodological, and statistical
Sports and entertainment.....	1,010	151	859	703	155	548	429	429	-581	278	Definitional, methodological, and statistical
Other private.....	272	.....	272	.....	.....	.....	.....	.....	-272	.....	Definitional and methodological
Government:											
Canada.....	38	.....	38	38	.....	38	38	38	.....	38	Statistical
United States (nondefense).....	338	338	.....	338	338	.....	338	338	.....	.....	.....
U.S. defense expenditures.....	218	240	-22	218	218	.....	218	218	.....	-22	Definitional
<b>2007</b>											
<b>Total</b> .....	<b>19,979</b>	<b>12,589</b>	<b>7,390</b>	<b>18,231</b>	<b>12,778</b>	<b>5,453</b>	<b>17,832</b>	<b>17,832</b>	<b>-2,147</b>	<b>5,243</b>	
Affiliated.....	7,947	5,286	2,661	7,615	4,942	2,673	6,173	6,173	-1,774	887	Definitional, methodological, and statistical
Royalties and license fees.....	747	575	172	747	575	172	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services.....	7,200	4,711	2,489	6,868	4,367	2,501	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated.....	11,841	7,081	4,760	10,425	7,635	2,790	11,458	11,458	-383	4,377	
Royalties, license fees and selected services...	4,047	1,044	3,003	3,641	1,040	2,601	3,797	3,797	-250	2,753	Definitional, methodological, and statistical
Insurance.....	99	1,000	-901	121	1,000	-879	1,000	1,000	901	.....	Definitional, methodological, and statistical
Financial services.....	1,082	523	559	1,082	867	215	1,207	1,207	125	684	Methodological and statistical
Education and training.....	74	166	-92	9	33	-24	33	33	-41	-133	Methodological and statistical
Communications.....	814	465	349	564	465	99	515	515	-299	50	Methodological and statistical
Computer services.....	2,545	1,822	723	2,545	1,822	723	2,327	2,327	-218	505	Statistical
Business services.....	1,502	1,602	-100	1,341	1,945	-604	1,765	1,765	263	163	Definitional, methodological, and statistical
Sports and entertainment.....	1,017	107	910	727	111	616	419	419	-598	312	Definitional, methodological, and statistical
Other private.....	266	.....	266	.....	.....	.....	.....	.....	-266	.....	Definitional and methodological
Government:											
Canada.....	43	.....	43	43	.....	43	43	43	.....	43	Statistical
United States (nondefense).....	352	352	.....	352	352	.....	352	352	.....	.....	.....
U.S. defense expenditures.....	191	222	-31	191	201	-10	201	201	10	-21	Definitional and statistical

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



Table 7.1. Investment Income, 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
<b>2006</b>											
<b>Investment Income</b> .....	<b>42,973</b>	<b>43,037</b>	<b>-64</b>	<b>42,445</b>	<b>35,983</b>	<b>6,462</b>	<b>40,767</b>	<b>40,767</b>	<b>-2,206</b>	<b>-2,270</b>	
<b>Direct investment income</b> .....	<b>23,226</b>	<b>18,093</b>	<b>5,133</b>	<b>23,071</b>	<b>16,411</b>	<b>6,660</b>	<b>21,293</b>	<b>21,293</b>	<b>-1,933</b>	<b>3,200</b>	
Earnings of incorporated affiliates .....	22,000	15,427	6,573	21,897	14,558	7,339	19,778	19,778	-2,222	4,351	
Dividends .....	7,621	9,603	-1,982	7,518	8,734	-1,216	8,858	8,858	1,237	-745	Definitional and statistical
Reinvested earnings .....	14,379	5,824	8,555	14,379	5,824	8,555	10,920	10,920	-3,459	5,096	Statistical
Earnings of unincorporated affiliates .....	421	1,235	-814	421	1,210	-789	817	817	396	-418	Definitional and statistical
Interest .....	805	1,431	-626	753	643	110	698	698	-107	-733	Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>19,747</b>	<b>24,944</b>	<b>-5,197</b>	<b>19,374</b>	<b>19,572</b>	<b>-198</b>	<b>19,474</b>	<b>19,474</b>	<b>-273</b>	<b>-5,470</b>	
Securities .....	13,280	17,102	-3,822	14,458	16,372	-1,914	15,415	15,415	2,135	-1,687	
Dividends .....	5,392	5,798	-406	5,392	5,068	324	5,230	5,230	-162	-568	Definitional and statistical
Interest .....	7,888	11,304	-3,416	9,066	11,304	-2,238	10,185	10,185	2,297	-1,119	Definitional and statistical
U.S. claims/Canadian liabilities .....	6,467	7,842	-1,375	4,916	3,200	1,716	4,059	4,059	-2,408	-3,783	
U.S. bank claims .....	3,859	4,134	-275	1,839	1,493	346	1,666	1,666	-2,193	-2,468	Methodological and statistical
Other private U.S. claims .....	2,608	3,708	-1,100	3,077	1,707	1,370	2,393	2,393	-215	-1,315	Definitional, methodological, and statistical
<b>2007</b>											
<b>Investment Income</b> .....	<b>45,307</b>	<b>49,774</b>	<b>-4,467</b>	<b>44,251</b>	<b>42,242</b>	<b>2,009</b>	<b>45,963</b>	<b>45,963</b>	<b>656</b>	<b>-3,811</b>	
<b>Direct investment income</b> .....	<b>21,685</b>	<b>22,263</b>	<b>-578</b>	<b>21,558</b>	<b>20,386</b>	<b>1,172</b>	<b>23,677</b>	<b>23,677</b>	<b>1,992</b>	<b>1,414</b>	
Earnings of incorporated affiliates .....	20,176	19,446	730	20,108	18,662	1,446	22,090	22,090	1,914	2,644	
Dividends .....	8,164	10,335	-2,171	8,096	9,400	-1,304	9,384	9,384	1,220	-951	Definitional and statistical
Reinvested earnings .....	12,012	9,111	2,901	12,012	9,262	2,750	12,706	12,706	694	3,595	Definitional and statistical
Earnings of unincorporated affiliates .....	549	1,303	-754	549	1,135	-586	842	842	293	-461	Definitional and statistical
Interest .....	960	1,514	-554	901	589	312	745	745	-215	-769	Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>23,622</b>	<b>27,511</b>	<b>-3,889</b>	<b>22,693</b>	<b>21,856</b>	<b>837</b>	<b>22,286</b>	<b>22,286</b>	<b>-1,336</b>	<b>-5,225</b>	
Securities .....	15,590	18,808	-3,218	16,819	17,943	-1,124	17,284	17,284	1,694	-1,524	
Dividends .....	7,361	6,867	494	7,361	6,002	1,359	6,584	6,584	-777	-283	Definitional and statistical
Interest .....	8,229	11,941	-3,712	9,458	11,941	-2,483	10,700	10,700	2,471	-1,241	Definitional and statistical
U.S. claims/Canadian liabilities .....	8,032	8,703	-671	5,874	3,913	1,961	5,002	5,002	-3,030	-3,701	
U.S. bank claims .....	5,403	4,937	466	2,700	1,960	740	2,438	2,438	-2,965	-2,499	Definitional, methodological, and statistical
Other private U.S. claims .....	2,629	3,766	-1,137	3,174	1,953	1,221	2,564	2,564	-65	-1,202	Definitional, methodological, and statistical

Table 7.2. Investment Income, 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
<b>2006</b>											
<b>Investment Income</b> .....	<b>22,677</b>	<b>27,167</b>	<b>-4,490</b>	<b>18,800</b>	<b>25,520</b>	<b>-6,720</b>	<b>25,493</b>	<b>25,493</b>	<b>2,816</b>	<b>-1,674</b>	
<b>Direct investment income</b> .....	<b>10,079</b>	<b>15,211</b>	<b>-5,132</b>	<b>9,669</b>	<b>15,115</b>	<b>-5,446</b>	<b>15,682</b>	<b>15,682</b>	<b>5,603</b>	<b>471</b>	
Earnings of incorporated affiliates .....	8,206	14,304	-6,098	9,180	14,193	-5,013	14,977	14,977	6,771	673	
Dividends .....	2,713	1,728	985	3,819	1,617	2,202	3,461	3,461	748	1,733	Definitional, methodological, and statistical
Reinvested earnings .....	5,493	12,576	-7,083	5,361	12,576	-7,215	11,516	11,516	6,023	-1,060	Methodological and statistical
Earnings of unincorporated affiliates .....	1,705	507	1,198	400	507	-107	453	453	-1,252	-54	Definitional, methodological, and statistical
Interest .....	168	400	-232	89	415	-326	252	252	84	-148	Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>12,598</b>	<b>11,956</b>	<b>642</b>	<b>9,131</b>	<b>10,405</b>	<b>-1,274</b>	<b>9,811</b>	<b>9,811</b>	<b>-2,787</b>	<b>-2,145</b>	
Securities .....	6,826	8,061	-1,235	6,311	8,243	-1,932	7,277	7,277	451	-784	
Dividends .....	4,197	4,480	-283	3,850	4,480	-630	4,165	4,165	-32	-315	Definitional and statistical
Interest .....	2,629	3,581	-952	2,461	3,763	-1,302	3,112	3,112	483	-469	Definitional, methodological, and statistical
Canadian claims/U.S. liabilities .....	4,262	2,613	1,649	1,266	880	386	1,132	1,132	-3,130	-1,481	
Canadian bank claims .....	3,328	1,411	1,917	332	110	222	122	122	-3,206	-1,289	Definitional, methodological, and statistical
Other private Canadian claims .....	934	1,202	-268	934	770	164	1,010	1,010	76	-192	Methodological and statistical
U.S. Government liabilities .....	1,510	1,282	228	1,554	1,282	272	1,402	1,402	-108	120	Definitional and statistical
<b>2007</b>											
<b>Investment Income</b> .....	<b>25,136</b>	<b>28,010</b>	<b>-2,874</b>	<b>20,393</b>	<b>25,845</b>	<b>-5,452</b>	<b>25,704</b>	<b>25,704</b>	<b>568</b>	<b>-2,306</b>	
<b>Direct investment income</b> .....	<b>10,164</b>	<b>13,506</b>	<b>-3,342</b>	<b>9,772</b>	<b>13,499</b>	<b>-3,727</b>	<b>14,232</b>	<b>14,232</b>	<b>4,068</b>	<b>726</b>	
Earnings of incorporated affiliates .....	9,015	11,842	-2,827	9,246	11,821	-2,575	13,130	13,130	4,115	1,288	
Dividends .....	2,320	777	1,543	3,094	756	2,338	2,833	2,833	513	2,056	Definitional, methodological, and statistical
Reinvested earnings .....	6,695	11,065	-4,370	6,152	11,065	-4,913	10,297	10,297	3,602	-767	Methodological and statistical
Earnings of unincorporated affiliates .....	920	43	877	471	43	428	214	214	-706	-258	Definitional, methodological, and statistical
Interest .....	229	1,707	-1,478	55	1,721	-1,666	888	888	659	-819	Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>14,972</b>	<b>14,504</b>	<b>468</b>	<b>10,621</b>	<b>12,346</b>	<b>-1,725</b>	<b>11,472</b>	<b>11,472</b>	<b>-3,500</b>	<b>-3,032</b>	
Securities .....	8,634	9,719	-1,085	7,985	10,081	-2,096	9,033	9,033	399	-686	
Dividends .....	5,230	5,438	-208	4,798	5,438	-640	5,118	5,118	-112	-320	Definitional and statistical
Interest .....	3,404	4,281	-877	3,187	4,643	-1,456	3,915	3,915	511	-366	Definitional, methodological, and statistical
Canadian claims/U.S. liabilities .....	4,455	3,497	958	764	977	-213	876	876	-3,579	-2,621	
Canadian bank claims .....	3,541	1,927	1,614	-150	-8	-142	-181	-181	-3,722	-2,108	Definitional, methodological, and statistical
Other private Canadian claims .....	914	1,570	-656	914	985	-71	1,057	1,057	143	-513	Methodological and statistical
U.S. Government liabilities .....	1,883	1,288	595	1,872	1,288	584	1,563	1,563	-320	275	Definitional and statistical

# Research Spotlight

## Regional Price Parities

### Comparing Price Level Differences Across Geographic Areas

By Bettina H. Aten and Roger J. D'Souza

PRICE indexes are commonly used to measure price level differences between one time period and the next, such as the consumer price index (CPI) published by the Bureau of Labor Statistics (BLS). The percent change in the CPI is a measure of inflation. Less common are price indexes that measure price level differences between one place and another. This is in part because the methodology and sampling requirements for the two types of measures have important differences. Fortunately, advances in regional econometric analysis and in the techniques used in estimating time-to-time indexes, such as hedonic regressions, are applicable to the estimation of place-to-place indexes.

This *Research Spotlight* describes a method developed by the Bureau of Economic Analysis (BEA) to estimate place-to-place indexes that measure regional price level differences. Percent differences in regional price levels are called regional price parities (RPPs).

The main difference between an inflation index and the price parities described here is that the former measures changes in price levels across different time periods for one specific place, while the latter captures differences in price levels across various regions for one specific time period. (See the box “Using Regional Price Parities To Compare Price Levels Between Regions”).

The Bureau of Economic Analysis (BEA), in a joint project with BLS, first estimated regional price parities for 38 large metropolitan and nonmetropolitan, but urban, areas of the United States for 2003 and 2004 (Aten 2005, 2006). These are the area definitions for which BLS produces the CPI, and they represent about

87 percent of the population. In this article we estimate RPPs for the portions of the United States outside the BLS areas. These generally rural areas, which are relatively small in population, account for about 85 percent of the U.S. counties.

We use the RPPs to illustrate the difference regional prices can have on various regional measures for 2005 and 2006. In doing so, this article also demonstrates the feasibility of estimating state, metropolitan, and nonmetropolitan price levels from the CPI survey and from Census Bureau housing cost data.

BEA intends to continue research into regional price indexes and continue its dialogue with BLS on related issues. However, there are no plans currently to officially create RPPs, nor are there plans to officially adjust various BEA regional measures to account for regional price differences.

The remainder of this article discusses selected results of the research, the general methodology, and topics for future research.

#### Selected Results

One of the important applications of price indexes is to adjust measures of income and output for price level differences. This provides users with a better sense of differences in quantities, also known as volume differences, because the price level differences have been removed to the extent possible (Schreyer and Koechlin 2002). For this article, we used the RPPs to adjust the regional measures of personal income and gross domestic product (GDP) published by BEA (Lenze 2007; Woodruff, Panek, and McInerney 2007).

#### Using Regional Price Parities To Compare Price Levels Between Regions

Regional price parities (RPPs) are expressed relative to the national average and are set at 100 for each year. They can easily be used to compare relative price levels between two states or two metropolitan areas. Simply divide the RPP in the first state or area by the RPP of the second state or area and multiply by 100. For example, the RPP for Massachusetts was 120.8 in 2006, and for Minnesota, it was 92.6. Therefore, the RPP for Massachusetts was 30.5 percent higher than that for Minne-

sota (120.8 divided by 92.6 times 100, which equals 130.5).

Note that this is analogous to the consumer price index (CPI), which is produced for 38 geographic areas in addition to the national average index. Each index is expressed relative to a base year, set at 100 for 1984. In order to obtain the rate of change of price levels between 2 years, divide the CPI in 1 year by the CPI in another year and multiply by 100.



national average of \$34,757 in 2005 and \$36,714 in 2006.

The same holds true for per capita GDP, although the correlation is not as strong as it is for personal income. This is partly due to differences in the composition of the two measures (see Woodruff, Panek, and McNerney 2007, table B, 116) and due to the fact that we only adjust the compensation of employees portion of personal income and GDP by the estimated RPPs.

Of all states, West Virginia had the lowest price parity for both 2005 and 2006, which is about one-third below the national average. West Virginia, North Dakota, Arkansas, Mississippi, and Alabama were the states with the lowest RPPs. In 2005, New York State had the highest RPP, but Hawaii was highest in 2006, about one-third higher than the national average. Connecticut, California, and New Jersey joined New York and Hawaii as states with the highest price parities.

In 2006, the range between the highest and lowest state per capita personal income at national prices was \$30,718. At RPPs, the range shrank to \$20,640. Similarly, the standard deviation dropped by 40.4 percent. When looking at per capita GDP at national prices in 2006, the range between the highest and lowest state was \$121,431. Adjustment by RPPs reduced the range to \$110,503, and the standard deviation was reduced 9.9 percent.

In table 3, all 363 metropolitan statistical areas are shown, as well as the metropolitan and nonmetropolitan breakdown for the United States. The metropolitan areas had a price parity that is approximately 41 percent higher in 2005 than the nonmetropolitan areas, while in 2006, the difference increased to 44 percent.

Of the 363 metropolitan areas, Cumberland, MD-WV, had the lowest price parity in both 2005 and 2006, at roughly 40 percent below the national average.<sup>1</sup> Weirton-Steubenville, WV-OH, Wheeling, WV-OH, Gadsden, AL, and Kingsport-Bristol-Bristol, TN-VA, also had low price parities for both years. Of all the metropolitan areas, San Jose-Sunnyvale-Santa Clara, CA, had the highest, which was about 50 percent higher than the national average. Bridgeport-Stamford-Norwalk, CT, San Francisco-Oakland-Fremont, CA, New York-Northern New Jersey-Long Island, NY-NJ-PA, and Santa Cruz-Watsonville, CA, were also among the most expensive metropolitan areas.

In 2006, the range between the highest and lowest metropolitan area per capita personal incomes was

\$56,873. After adjusting for RPPs, this range shrank to \$38,777, and the standard deviation was 26.6 percent lower. The range for per capita GDP at national prices was \$70,468, and at RPPs, it was \$68,696. RPPs reduced the standard deviation of metropolitan area per capita GDP by 11.2 percent.

Chart 1 shows the breakdown between the nonmetropolitan portion (upper box) and the metropolitan portion (lower box) of the RPPs within states. As expected, given that housing costs are generally much lower in nonmetropolitan areas, RPPs are also lower for the nonmetropolitan portion of each state. One exception was Massachusetts, where the two nonmetropolitan counties are Dukes (Martha's Vineyard) and Nantucket. Their combined RPP was 129.3, about 7 percent higher than that of the rest of Massachusetts. There are no nonmetropolitan portions of New Jersey, Rhode Island, and Washington, DC.

### Overview of Methodology

Our estimation began with the individual price observations, or microdata, used in the CPI. The CPI survey includes millions of price quotes per year for hundreds of consumer goods and services, ranging from new cars to haircuts as well as observations on rents.<sup>2</sup>

In cooperation with BLS, we estimated hedonic regression models that took into account differences in the characteristics of the items—such as differences in packaging, unit size, and type of outlet where the item is sold—to obtain price levels for each item in each geographic area. These individual price levels were

2. Rents and owner equivalent rents used in the CPI are not the same as the housing costs published by the Census Bureau.

### Acknowledgments

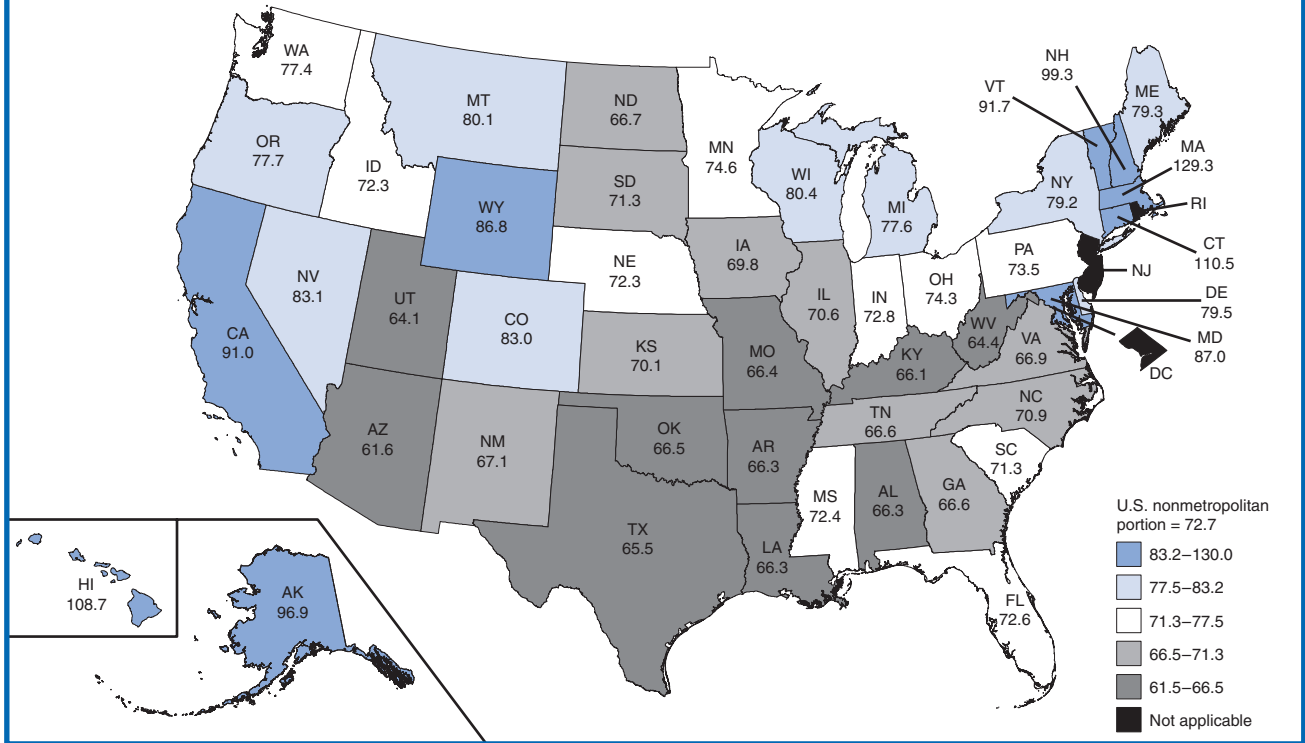
Part of the work reported here is based on a 5-year agreement with the Bureau of Labor Statistics (BLS) to access the consumer price index (CPI) research database, which is maintained by the BLS Division of Price and Index Number Research. The agreement was made possible in large part thanks to David Johnson (now at the Census Bureau) and John Ruser (now at BLS). We would also like to thank Walter Lane, Frank Ptacek, and Robert Cage from the CPI Division and Lyubov Rozental for her invaluable technical assistance. Thanks also to Robert Brown, Chief of the Regional Income Division at BEA, and John Kort, former Chief of the Regional Product Division and now at the U.S. Department of Agriculture, for providing analytical and programmatic support.

1. Metropolitan areas in this article are metropolitan statistical areas as defined by the Office of Management and Budget.

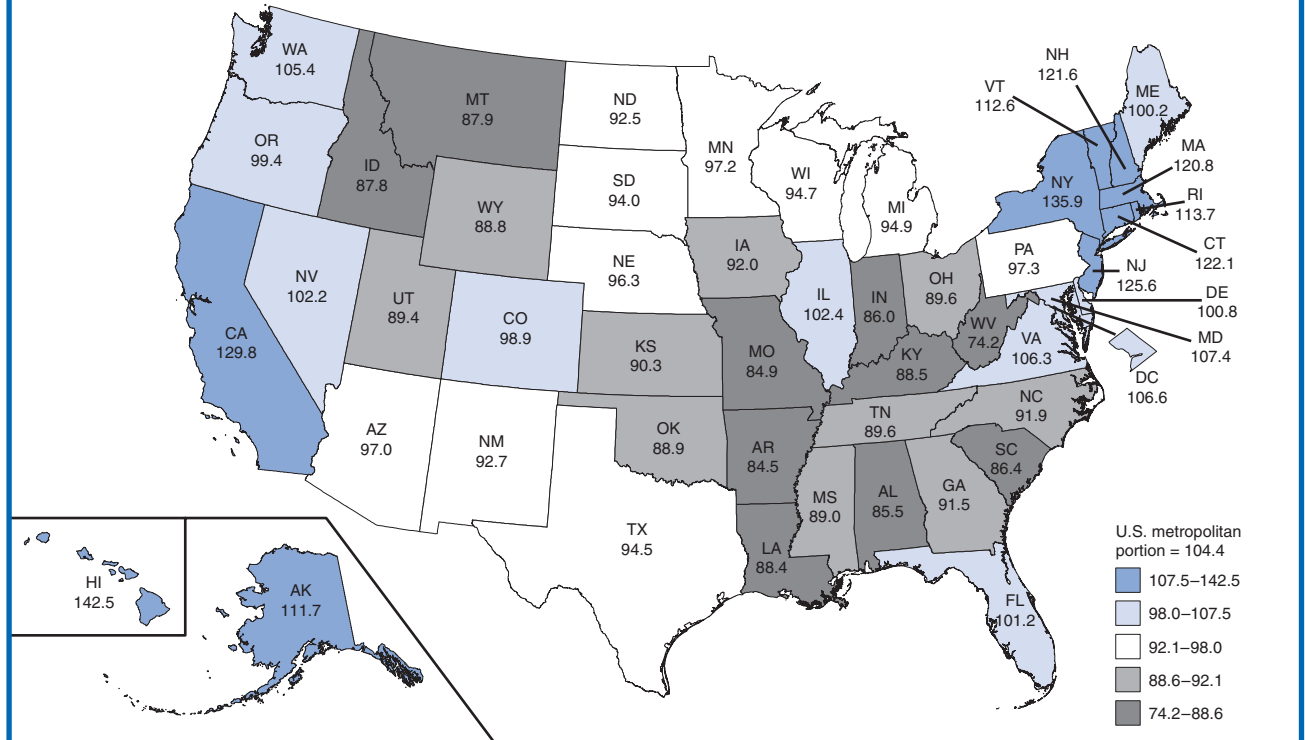
**Chart 1. Regional Price Parities by State, 2006**

U.S. total = 100

**Nonmetropolitan portion**



**Metropolitan portion**





then aggregated into major categories, such as food and beverages, and into an overall price level for consumption.<sup>3</sup>

To extend the study beyond these 38 areas to other counties, mainly nonmetropolitan ones, it was necessary to have some indication of their price levels. The only comprehensive price measure available for all counties is the average housing cost data published by the Census Bureau. However, it is important to account for different types of housing stock across the country, in much the same way that we take into account differences in the characteristics of items in the CPI, namely using hedonic regressions.

This is possible through the recent annual American Community Survey of the Census Bureau that contains detailed information on housing characteristics for all counties with more than 65,000 people. We estimated a hedonic regression with the characteristics of the rented and owned housing stock in each state, including the number of rooms, bathrooms, age and type of housing unit, as well as their mortgage status. This was done separately for renters and owners, and the final housing costs levels are an average of the two, weighted by the proportion of owners and renters in each county.

The final step was to model the statistical relationship between the price levels directly estimated from the CPI and the housing cost levels estimated from the Census Bureau. (See table 2.) The areas range widely in terms of their geographic size and population, from Los Angeles and New York to smaller ones such as Anchorage, Milwaukee, and Kansas City. There is a very strong positive relationship between price levels and housing cost levels, and this enabled us to estimate the model with some confidence.

The 38 areas were decomposed into their 425 counties, and estimates for these smaller units were controlled so that the price level of each area equaled the population weighted average price level of its counties. A second model was then created to obtain the expected price levels of the nonmetropolitan counties, given the estimates of the metropolitan areas, plus the

information on housing costs for both metropolitan and nonmetropolitan counties totaling over 3,000 observations. This second, larger model also takes into account the fact that many counties are adjacent to each other, have similar housing costs, and are therefore more likely to have similar price levels.<sup>4</sup>

## Future Research

An important extension of this work is to explore the development of RPPs that reflect more than consumption goods and services, such as investment and government price differences, and to explore geographic

4. Details of the estimated models can be found in Aten (2008).

**Table 2. Price Levels and Housing Cost Levels for 38 Areas of the United States**

Area <sup>1</sup>	2005			2006		
	Price level	Housing cost <sup>2</sup>	Housing cost level	Price level	Housing cost <sup>2</sup>	Housing cost level
Philadelphia .....	1.04	1,044	0.98	1.03	1,129	0.99
Boston .....	1.15	1,315	1.24	1.14	1,369	1.20
Pittsburgh .....	0.81	716	0.67	0.82	777	0.68
New York City .....	1.35	1,149	1.08	1.36	1,238	1.09
New York suburbs .....	1.39	1,620	1.52	1.36	1,741	1.53
New Jersey suburbs .....	1.18	1,383	1.30	1.19	1,461	1.28
Chicago .....	1.03	1,193	1.12	1.00	1,255	1.10
Detroit .....	0.92	1,016	0.96	0.90	1,072	0.94
St. Louis .....	0.84	850	0.80	0.82	908	0.80
Cleveland .....	0.86	888	0.83	0.85	928	0.82
Minneapolis .....	1.01	1,118	1.05	0.95	1,184	1.04
Milwaukee .....	0.86	987	0.93	0.88	1,053	0.93
Cincinnati .....	0.88	905	0.85	0.88	976	0.86
Kansas City .....	0.82	927	0.87	0.82	999	0.88
District of Columbia .....	1.09	1,317	1.24	1.10	1,409	1.24
Baltimore .....	1.00	955	0.90	1.01	1,017	0.89
Dallas .....	0.95	994	0.93	0.93	1,135	1.00
Houston .....	0.94	938	0.88	0.96	1,070	0.94
Atlanta .....	0.90	1,007	0.95	0.90	1,070	0.94
Miami .....	1.03	1,097	1.03	1.02	1,267	1.11
Tampa .....	0.87	837	0.79	0.89	969	0.85
Los Angeles .....	1.23	1,296	1.22	1.26	1,339	1.18
Greater Los Angeles .....	1.11	1,435	1.35	1.17	1,467	1.29
San Francisco .....	1.35	1,674	1.57	1.35	1,696	1.49
Seattle .....	1.03	1,155	1.09	1.03	1,227	1.08
San Diego .....	1.15	1,473	1.38	1.15	1,483	1.30
Portland .....	0.95	1,075	1.01	0.94	1,105	0.97
Honolulu .....	1.28	1,222	1.15	1.33	1,393	1.23
Anchorage .....	1.02	1,212	1.14	1.05	1,343	1.18
Phoenix .....	0.97	955	0.90	0.95	1,048	0.92
Denver .....	0.96	1,073	1.01	0.97	1,069	0.94
Midwest C <sup>3</sup> .....	0.78	688	0.65	0.77	749	0.66
South C <sup>3</sup> .....	0.79	563	0.53	0.80	629	0.55
West C <sup>3</sup> .....	0.95	897	0.84	0.94	972	0.85
Northeast B <sup>3</sup> .....	0.91	904	0.85	0.91	954	0.84
Midwest B <sup>3</sup> .....	0.85	840	0.79	0.84	882	0.78
South B <sup>3</sup> .....	0.85	772	0.73	0.86	854	0.75
West B <sup>3</sup> .....	0.89	925	0.87	0.89	966	0.85
Mean .....	1.00	1,064	1.00	1.00	1,137	1.00
Maximum .....	1.39	1,674	1.57	1.36	1,741	1.53
Minimum .....	0.78	563	0.53	0.77	629	0.55
Range .....	0.61	1,111	1.04	0.60	1,111	0.98

1. These correspond to Bureau of Labor Statistics (BLS) area definitions used in the CPI and are not the same as the metropolitan statistical areas in table 3. For a list of the counties included in each BLS geographic area, see table X in Aten (2005) at [www.bea.gov/papers/pdf/InterareaPriceLevels.pdf](http://www.bea.gov/papers/pdf/InterareaPriceLevels.pdf).

2. Housing costs from the American Community Survey, U.S. Census Bureau. The derivation of estimates is described in the text.

3. See footnote 1 and table Xi in Aten (2005) at [www.bea.gov/papers/pdf/InterareaPriceLevels.pdf](http://www.bea.gov/papers/pdf/InterareaPriceLevels.pdf).

3. The weights are consumer expenditure weights per item per area, and the multilateral aggregation method used was the Rao-Summers weighted CPD formula. Details of the regression estimates for more than 200 items can be found in Aten (2005).

differences in production prices. In international comparisons, the price level of consumption is often a good approximation for GDP price levels from the expenditure side. This is because the relative prices of investment and government change systematically in opposite directions when measured across per capita incomes. It is not clear whether this pattern would be found across states or smaller geographies within one country, but it seems worth examining. One approach to this would be to determine if there is a pattern across states in the prices of inputs and outputs related to construction, producers' durable equipment, and government compensation.

A second outgrowth of this work is to examine differences in price levels within major expenditure categories, such as food and beverages or transportation, and within income groups, in order to make adjustments to federal and state aid programs that aim to target particular populations.<sup>5</sup> Most of the non-urban counties in the United States had lower housing costs than their urban counterparts within a state, but the price levels of goods, such as fresh vegetables, and of medical and educational services, were sometimes

higher. Using the RPPs may broaden the analysis of patterns of consumption price levels while enabling a more focused approach to targeting areas of interest.

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5. See, for example, the Census Bureau's work on poverty measures at [www.census.gov/hhes/www/povmeas/papers.html](http://www.census.gov/hhes/www/povmeas/papers.html).

*Table 3 follows.*









Table 3. Per Capita Personal Income and Per Capita Gross Domestic Product (GDP) Adjusted by Regional Price Parities by Metropolitan Area—Continues

Area	2005								2006							
	Compensation of employees <sup>1</sup> (millions of dollars)		Regional price parity	Per capita personal income		Per capita GDP		Compensation of employees <sup>1</sup> (millions of dollars)		Regional price parity	Per capita personal income		Per capita GDP			
	At current national prices	At regional price parities		At current national prices	At regional price parities	At current national prices	At regional price parities	At current national prices	At regional price parities		At current national prices	At regional price parities	At current national prices	At regional price parities		
Pocatello, ID .....	1,440	1,834	78.5	24,358	28,937	27,504	32,082	1,510	1,944	77.6	25,490	30,478	26,306	31,294		
Portland-South Portland-Biddeford, ME .....	12,393	11,590	106.9	35,425	33,855	43,332	41,762	12,911	11,988	107.7	37,000	35,198	45,006	43,204		
Portland-Vancouver-Beaverton, OR-WA .....	52,423	51,217	102.4	34,921	34,345	45,617	45,041	56,046	54,524	102.8	36,845	36,131	48,591	47,878		
Port St. Lucie, FL .....	5,602	6,023	93.0	36,086	37,206	27,144	28,263	6,032	6,100	98.9	37,937	38,110	28,523	28,696		
Poughkeepsie-Newburgh-Middletown, NY .....	12,694	9,608	132.1	34,164	29,509	28,847	24,192	13,193	10,060	131.1	36,164	31,463	29,308	24,607		
Prescott, AZ .....	2,224	2,683	82.9	25,460	27,781	19,875	22,196	2,486	3,015	82.5	26,786	29,342	21,111	23,667		
Providence-New Bedford-Fall River, RI-MA .....	34,689	30,925	112.2	35,412	33,075	36,855	34,517	36,246	32,475	111.6	37,040	34,690	38,801	36,450		
Provo-Orem, UT .....	6,525	7,640	85.4	21,127	23,531	24,217	26,621	7,263	8,478	85.7	22,187	24,714	24,998	27,525		
Pueblo, CO .....	2,175	2,660	81.8	25,438	28,672	22,610	25,845	2,284	2,897	78.8	26,363	30,396	23,000	27,032		
Punta Gorda, FL .....	1,711	2,011	85.1	30,886	32,844	21,301	23,259	1,860	2,049	90.8	33,510	34,744	22,700	23,933		
Racine, WI .....	3,854	4,283	90.0	33,404	35,621	33,043	35,260	3,982	4,409	90.3	35,209	37,403	33,587	35,781		
Raleigh-Cary, NC .....	23,589	22,135	106.6	35,585	34,064	45,385	43,863	25,796	23,660	109.0	37,221	35,087	47,583	45,448		
Rapid City, SD .....	2,476	2,927	84.6	32,287	36,104	35,643	39,460	2,591	2,781	93.2	33,498	35,094	37,046	38,642		
Reading, PA .....	7,874	8,331	94.5	31,617	32,778	32,859	34,020	8,491	8,782	96.7	33,432	34,161	34,538	35,267		
Redding, CA .....	2,840	2,877	98.7	29,010	29,219	28,518	28,728	3,002	3,275	91.7	30,367	32,292	30,080	31,610		
Reno-Sparks, NV .....	10,598	10,163	104.3	42,219	41,118	46,465	45,364	11,239	10,950	102.6	44,372	43,620	46,884	46,167		
Richmond, VA .....	32,386	33,396	97.0	37,082	37,942	47,286	48,145	33,925	35,179	96.4	38,233	39,282	48,074	49,123		
Riverside-San Bernardino-Ontario, CA .....	59,846	55,279	108.3	26,818	25,642	26,160	24,984	64,546	56,173	114.9	27,936	25,840	27,666	25,570		
Roanoke, VA .....	6,937	8,825	78.6	32,308	38,768	39,061	45,522	7,301	9,656	75.6	33,693	41,691	40,374	48,371		
Rochester, MN .....	5,308	5,570	95.3	36,886	38,373	45,315	46,802	5,577	5,964	93.5	38,341	40,506	45,833	47,998		
Rochester, NY .....	24,753	25,069	98.7	34,294	34,600	40,545	40,851	25,516	26,431	96.5	36,179	37,066	41,696	42,584		
Rockford, IL .....	7,055	7,410	95.2	28,311	29,355	32,028	33,071	7,519	8,143	92.3	29,502	31,311	33,233	35,043		
Rocky Mount, NC .....	2,593	3,341	77.6	27,004	32,201	38,346	43,543	2,661	3,503	75.9	28,071	33,900	35,728	41,557		
Rome, GA .....	1,867	2,637	70.8	28,705	36,879	32,683	40,857	1,955	2,775	70.4	29,730	38,357	31,930	40,556		
Sacramento-Arden-Arcade-Roseville, CA .....	51,426	42,498	121.0	35,318	30,937	41,599	37,219	54,482	45,554	119.6	37,078	32,750	44,335	40,007		
Saginaw-Saginaw Township North, MI .....	4,357	5,289	82.4	27,246	31,757	31,258	35,769	4,473	5,655	79.1	28,550	34,322	32,104	37,876		
St. Cloud, MN .....	3,944	4,393	89.8	28,741	31,214	37,540	40,013	4,181	4,818	86.8	29,864	33,339	38,257	41,731		
St. George, UT .....	1,620	2,070	78.3	23,353	27,129	24,110	27,885	1,884	2,360	79.8	24,248	27,985	25,900	29,637		
St. Joseph, MO-KS .....	2,116	2,902	72.9	26,345	32,806	28,864	35,325	2,278	3,115	73.1	28,032	34,885	30,512	37,365		
St. Louis, MO-IL .....	69,876	79,210	88.2	35,991	39,354	41,853	45,216	72,735	83,800	86.8	37,652	41,613	42,248	46,209		
Salem, OR .....	6,487	7,088	91.5	27,699	29,311	29,884	31,495	6,935	7,727	89.7	29,107	31,193	29,775	31,861		
Salinas, CA .....	8,749	6,815	128.4	36,137	31,405	40,175	35,444	9,160	7,508	122.0	38,373	34,306	43,420	39,354		
Salisbury, MD .....	2,227	2,665	83.6	28,016	31,791	29,827	33,601	2,354	2,991	78.7	28,737	34,121	30,947	36,331		
Salt Lake City, UT .....	27,847	29,628	94.0	33,469	35,167	48,244	49,942	30,384	32,794	92.7	35,145	37,381	52,131	54,367		
San Angelo, TX .....	1,914	2,486	77.0	28,519	33,872	29,491	34,843	1,982	2,555	77.6	29,680	35,003	29,808	35,131		
San Antonio, TX .....	37,877	42,218	89.7	31,189	33,494	35,567	37,872	41,209	45,281	91.0	32,810	34,913	37,456	39,558		
San Diego-Carlsbad-San Marcos, CA .....	82,957	67,702	122.5	40,383	35,197	49,719	44,533	87,584	71,535	122.4	42,801	37,358	53,275	47,832		
Sandusky, OH .....	1,680	2,001	83.9	33,171	37,298	37,385	41,511	1,693	2,067	81.9	34,292	39,109	38,108	42,925		
San Francisco-Oakland-Fremont, CA .....	152,574	108,321	140.9	54,191	43,518	64,663	53,991	161,174	113,449	142.1	57,747	46,287	70,098	58,638		
San Jose-Sunnyvale-Santa Clara, CA .....	80,509	53,492	150.5	51,277	35,871	70,276	54,870	87,315	57,994	150.6	55,020	38,505	76,024	59,510		
San Luis Obispo-Paso Robles, CA .....	4,667	3,841	121.5	33,959	30,762	36,483	33,285	4,954	4,292	115.4	35,872	33,327	38,901	36,356		
Santa Barbara-Santa Maria-Goleta, CA .....	9,907	7,786	127.2	40,968	35,703	43,058	37,792	10,209	8,295	123.1	43,510	38,750	45,627	40,867		
Santa Cruz-Watsonville, CA .....	4,804	3,449	139.3	42,017	36,605	36,537	31,125	5,188	3,699	140.2	45,194	39,253	38,669	32,728		
Santa Fe, NM .....	2,751	2,760	99.7	39,522	39,585	42,599	42,663	2,976	2,911	102.2	42,363	41,901	44,969	44,507		
Santa Rosa-Petaluma, CA .....	10,176	7,453	136.5	40,821	34,948	39,865	33,992	10,645	8,188	130.0	43,318	38,008	42,075	36,765		
Sarasota-Bradenton-Venice, FL .....	12,655	13,358	94.7	43,700	44,751	34,512	35,563	13,632	13,859	98.4	46,486	46,820	36,322	36,655		
Savannah, GA .....	6,946	7,652	90.8	32,730	34,974	34,727	36,971	7,574	8,680	87.3	34,563	38,003	37,879	41,319		
Scranton-Wilkes-Barre, PA .....	10,658	13,271	80.3	30,476	35,238	31,056	35,818	10,962	13,574	80.8	32,002	36,765	32,350	37,113		
Seattle-Tacoma-Bellevue, WA .....	103,191	91,996	112.2	42,356	38,864	56,800	53,308	112,425	99,631	112.8	45,369	41,448	60,416	56,495		
Sebastian-Vero Beach, FL .....	2,101	2,383	88.2	50,369	52,593	30,852	33,076	2,249	2,397	93.8	54,045	55,186	32,085	33,226		
Sheboygan, WI .....	2,821	2,981	94.6	33,861	35,264	43,125	44,528	2,902	3,225	90.0	35,419	38,256	42,444	45,281		
Sherman-Denison, TX .....	1,805	2,244	80.4	26,046	29,835	24,635	28,425	1,908	2,223	85.8	27,591	30,286	25,576	28,271		
Shreveport-Bossier City, LA .....	7,655	9,921	77.2	30,543	36,478	46,958	52,893	8,138	10,106	80.5	31,941	37,025	51,149	56,232		
Sioux City, IA-NE-SD .....	2,916	3,586	81.3	29,444	34,190	36,402	41,148	2,995	3,679	81.4	30,450	35,267	38,252	43,069		

See the footnotes at the end of the table.

Table 3. Per Capita Personal Income and Per Capita Gross Domestic Product (GDP) Adjusted by Regional Price Parities by Metropolitan Area—Table ends

Area	2005								2006							
	Compensation of employees <sup>1</sup> (millions of dollars)		Regional price parity	Per capita personal income		Per capita GDP		Compensation of employees <sup>1</sup> (millions of dollars)		Regional price parity	Per capita personal income		Per capita GDP			
	At current national prices	At regional price parities		At current national prices	At regional price parities	At current national prices	At regional price parities	At current national prices	At regional price parities		At current national prices	At regional price parities	At current national prices	At regional price parities		
Sioux Falls, SD .....	5,307	5,697	93.2	35,276	37,088	56,689	58,501	5,660	5,963	94.9	36,017	37,384	58,987	60,354		
South Bend-Mishawaka, IN-MI .....	6,140	7,054	87.0	31,741	34,634	35,357	38,250	6,286	7,621	82.5	33,082	37,305	35,735	39,959		
Spartanburg, SC .....	5,572	6,877	81.0	27,179	32,089	33,857	38,767	5,903	7,174	82.3	28,261	32,969	34,850	39,558		
Spokane, WA .....	9,230	10,370	89.0	28,544	31,132	33,898	36,485	9,920	11,476	86.4	30,266	33,743	35,986	39,463		
Springfield, IL .....	5,174	6,073	85.2	33,083	37,465	37,703	42,085	5,306	6,282	84.5	34,365	39,107	37,923	42,666		
Springfield, MA .....	13,561	14,091	96.2	32,475	33,250	29,314	30,089	14,017	14,232	98.5	33,815	34,129	30,072	30,386		
Springfield, MO .....	7,336	9,200	79.7	27,860	32,510	32,184	36,833	7,682	9,817	78.2	28,518	33,718	32,571	37,772		
Springfield, OH .....	2,074	2,478	83.7	28,157	31,006	23,246	26,095	2,142	2,748	77.9	29,463	33,755	23,897	28,189		
State College, PA .....	3,246	3,863	84.0	28,696	33,052	34,058	38,414	3,422	3,996	85.6	29,910	33,890	35,065	39,045		
Stockton, CA .....	10,281	8,360	123.0	26,239	23,319	26,222	23,302	10,810	8,912	121.3	27,272	24,416	27,476	24,620		
Sumter, SC .....	1,876	2,543	73.8	24,831	31,193	26,156	32,518	1,956	2,630	74.4	26,242	32,715	27,597	34,070		
Syracuse, NY .....	14,818	16,044	92.4	31,445	33,338	36,697	38,590	15,388	16,629	92.5	33,198	35,116	37,600	39,519		
Tallahassee, FL .....	7,538	8,224	91.7	29,834	31,839	33,606	35,611	7,929	8,485	93.5	31,180	32,777	34,872	36,469		
Tampa-St. Petersburg-Clearwater, FL .....	58,591	61,569	95.2	33,678	34,804	38,161	39,287	62,700	64,636	97.0	35,541	36,260	40,160	40,878		
Terre Haute, IN .....	2,872	3,835	74.9	25,518	31,204	28,762	34,447	2,955	4,193	70.5	26,695	33,998	29,077	36,381		
Texarkana, TX-Texarkana, AR .....	2,238	3,305	67.7	27,202	35,262	28,310	36,369	2,364	3,308	71.5	28,650	35,701	29,205	36,256		
Toledo, OH .....	15,101	16,678	90.5	30,811	33,218	38,071	40,478	15,632	17,635	88.6	32,209	35,278	39,115	42,184		
Topeka, KS .....	4,816	5,818	82.8	30,375	34,782	35,220	39,627	4,964	5,986	82.9	31,679	36,166	35,014	39,501		
Trenton-Ewing, NJ .....	13,911	11,855	117.3	45,740	40,087	59,140	53,487	14,869	12,685	117.2	49,847	43,858	62,585	56,596		
Tucson, AZ .....	16,867	18,838	89.5	29,658	31,784	29,189	31,315	18,228	20,796	87.7	31,418	34,125	31,484	34,191		
Tulsa, OK .....	18,596	21,120	88.0	35,180	38,041	43,523	46,384	20,511	22,780	90.0	38,219	40,759	45,957	48,498		
Tuscaloosa, AL .....	4,067	5,337	76.2	29,143	35,543	35,280	41,680	4,384	5,335	82.2	30,660	35,354	36,965	41,659		
Tyler, TX .....	3,988	4,907	81.3	31,892	36,720	38,227	43,055	4,222	5,168	81.7	33,569	38,423	38,911	43,766		
Utica-Rome, NY .....	5,230	6,294	83.1	27,363	30,965	26,350	29,952	5,508	6,735	81.8	29,013	33,175	27,259	31,421		
Valdosta, GA .....	2,160	2,846	75.9	24,581	30,010	26,848	32,277	2,264	3,202	70.7	25,381	32,691	27,708	35,018		
Vallejo-Fairfield, CA .....	7,274	5,296	137.4	33,445	28,599	28,568	23,723	7,634	5,598	136.4	35,074	30,089	30,608	25,623		
Victoria, TX .....	2,189	3,062	71.5	29,323	37,092	38,395	46,164	2,377	3,117	76.3	31,649	38,208	42,224	48,783		
Vineland-Millville-Bridgeton, NJ .....	2,937	2,930	100.2	27,378	27,331	29,603	29,557	3,031	3,177	95.4	28,834	29,786	29,771	30,724		
Virginia Beach-Norfolk-Newport News, VA-NC .....	42,244	42,967	98.3	33,259	33,698	40,426	40,864	44,905	45,834	98.0	34,858	35,418	43,140	43,700		
Visalia-Porterville, CA .....	5,445	6,014	90.5	23,654	25,055	23,786	25,188	5,960	6,862	86.9	24,153	26,332	24,106	26,284		
Waco, TX .....	4,263	5,296	80.5	27,091	31,694	30,560	35,163	4,446	5,515	80.6	28,340	33,064	31,261	35,986		
Warner Robins, GA .....	3,143	3,752	83.8	28,507	33,342	34,794	39,629	3,374	4,194	80.4	29,525	35,933	36,223	42,631		
Washington-Arlington-Alexandria, DC-VA-MD-WV .....	214,825	184,219	116.6	49,442	43,582	66,510	60,650	226,751	191,556	118.4	51,868	45,178	69,497	62,807		
Waterloo-Cedar Falls, IA .....	3,644	4,531	80.4	30,514	35,971	41,142	46,599	3,796	4,838	78.5	31,949	38,336	41,944	48,331		
Wausau, WI .....	3,087	3,558	86.8	32,148	35,831	40,289	43,972	3,223	3,725	86.5	33,444	37,332	40,453	44,341		
Weirton-Steubenville, WV-OH .....	1,946	3,119	62.4	25,982	35,337	26,599	35,955	1,963	3,153	62.3	27,335	36,938	27,169	36,772		
Wenatchee, WA .....	1,841	2,176	84.6	27,671	30,915	31,325	34,569	1,953	2,420	80.7	29,267	33,708	32,910	37,351		
Wheeling, WV-OH .....	2,611	4,167	62.7	27,764	38,310	29,913	40,460	2,681	4,269	62.8	29,253	40,099	31,301	42,147		
Wichita, KS .....	13,726	15,739	87.2	34,491	37,933	37,942	41,384	15,059	17,519	86.0	37,471	41,646	42,949	47,124		
Wichita Falls, TX .....	2,705	3,514	77.0	29,760	35,156	32,971	38,368	2,945	3,679	80.1	32,653	37,560	36,098	41,005		
Williamsport, PA .....	2,106	2,619	80.4	27,285	31,642	28,793	33,150	2,154	2,736	78.7	28,502	33,462	29,105	34,066		
Wilmington, NC .....	5,526	6,242	88.5	29,620	31,878	36,916	39,174	6,002	6,809	88.1	30,918	33,370	38,363	40,814		
Winchester, VA-WV .....	2,399	2,686	89.3	29,847	32,322	38,017	40,492	2,564	2,891	88.7	30,849	33,590	38,606	41,347		
Winston-Salem, NC .....	10,060	11,427	88.0	32,680	35,741	46,851	49,912	10,493	12,488	84.0	34,311	38,697	48,036	52,421		
Worcester, MA .....	16,865	14,970	112.7	36,666	34,229	32,857	30,420	17,651	15,680	112.6	38,748	36,218	33,914	31,385		
Yakima, WA .....	3,649	4,500	81.1	25,141	28,860	27,016	30,735	3,871	4,984	77.7	26,510	31,331	28,749	33,570		
York-Hanover, PA .....	8,526	9,044	94.3	32,377	33,650	33,095	34,369	8,643	8,990	96.1	33,071	33,908	33,530	34,367		
Youngstown-Warren-Boardman, OH-PA .....	10,089	12,951	77.9	27,927	32,850	28,689	33,612	10,544	13,982	75.4	29,434	35,397	29,751	35,714		
Yuba City, CA .....	2,169	2,228	97.4	25,827	26,206	24,482	24,861	2,325	2,327	99.9	26,491	26,408	25,001	25,018		
Yuma, AZ .....	2,573	3,772	68.2	21,081	27,721	22,744	29,384	2,776	4,146	67.0	21,925	29,299	22,889	30,263		

1. Compensation of employees by metropolitan area can be found at [www.bea.gov/region/rais](http://www.bea.gov/region/rais).2. Metropolitan statistical areas are defined by the U.S. Office of Management and Budget. A current list can be found at [www.census.gov/population/www/metroareas/metrodef.html](http://www.census.gov/population/www/metroareas/metrodef.html).

## Schedule of BEA News Releases in 2009

<b>January</b>	U.S. International Trade in Goods and Services, November 2008*	January 13	
	Gross Domestic Product, 4 <sup>th</sup> quarter 2008 (advance)	January 30	
<b>February</b>	Personal Income and Outlays, December 2008	February 2	
	U.S. International Trade in Goods and Services, December 2008*	February 11	
	Gross Domestic Product, 4 <sup>th</sup> quarter 2008 (preliminary)	February 27	
<b>March</b>	Personal Income and Outlays, January 2009	March 2	
	U.S. International Trade in Goods and Services, January 2009*	March 13	
	U.S. International Transactions, 4 <sup>th</sup> quarter 2008	March 18	
	Travel and Tourism Satellite Accounts, 4 <sup>th</sup> quarter 2008 and 2008	March 19	
	State Quarterly Personal Income, 1 <sup>st</sup> quarter 2005–4 <sup>th</sup> quarter 2008 and State Annual Personal Income, 2008 (preliminary)	March 24	
	Gross Domestic Product, 4 <sup>th</sup> quarter 2008 (final) and Corporate Profits, 4 <sup>th</sup> quarter 2008	March 26	
	Personal Income and Outlays, February 2009	March 27	
<b>April</b>	U.S. International Trade in Goods and Services, February 2009*	April 9	
	Summary Estimates for Multinational Companies, 2007	April 17	
	Local Area Personal Income, 2007	April 23	
	Advance Gross Domestic Product by Industry, 2008	April 28	
	Gross Domestic Product, 1 <sup>st</sup> quarter 2009 (advance)	April 29	
	Personal Income and Outlays, March 2009	April 30	
<b>May</b>	U.S. International Trade in Goods and Services, March 2009*	May 12	
	Gross Domestic Product, 1 <sup>st</sup> quarter 2009 (preliminary) and Corporate Profits, 1 <sup>st</sup> quarter 2009 (preliminary)	May 29	
<b>June</b>	Personal Income and Outlays, April 2009	June 1	
	Gross Domestic Product by State, 2008 (advance) and 2005–2007 (revised)	June 2	
	Foreign Investors Spending, 2008	June 4	
	U.S. International Trade in Goods and Services, April 2009*	June 10	
	U.S. International Trade in Goods and Services Annual Revision, 2008*	June 10	
	U.S. Travel and Tourism Satellite Accounts, 1 <sup>st</sup> quarter 2009	June 16	
	U.S. International Transactions, 1 <sup>st</sup> quarter 2009	June 17	
	State Quarterly Personal Income, 1 <sup>st</sup> quarter 2008–1 <sup>st</sup> quarter 2009	June 18	
	Gross Domestic Product, 1 <sup>st</sup> quarter 2009 (final) and Corporate Profits, 1 <sup>st</sup> quarter 2009 (revised)	June 25	
	Personal Income and Outlays, May 2009	June 26	
	U.S. International Investment Position, 2008	June 26	

All releases are scheduled for 8:30 a.m.

\*Joint release by the Census Bureau and the Bureau of Economic Analysis

<b>July</b>	U.S. International Trade in Goods and Services, May 2009* Gross Domestic Product, 2 <sup>nd</sup> quarter 2009 (advance)	July 10 July 31
<b>August</b>	Personal Income and Outlays, June 2009 Personal Income for Metropolitan Areas, 2008 U.S. International Trade in Goods and Services, June 2009* Gross Domestic Product, 2 <sup>nd</sup> quarter 2009 (preliminary) and Corporate Profits, 2 <sup>nd</sup> quarter 2009 (preliminary) Personal Income and Outlays, July 2009	August 4 August 6 August 12 August 27 August 28
<b>September</b>	U.S. International Trade in Goods and Services, July 2009* U.S. International Transactions, 2 <sup>nd</sup> quarter 2009 State Quarterly Personal Income, 1 <sup>st</sup> quarter 2006–2 <sup>nd</sup> quarter 2009 and Revised State Personal Income, 2006–2008 U.S. Travel and Tourism Satellite Accounts, 2 <sup>nd</sup> quarter 2009 Gross Domestic Product by Metropolitan Area, 2007 and 2005–2006 (revised) Gross Domestic Product, 2 <sup>nd</sup> quarter 2009 (final) and Corporate Profits, 2 <sup>nd</sup> quarter 2009 (revised)	September 10 September 16 September 18 September 23 September 24 September 30
<b>October</b>	Personal Income and Outlays, August 2009 U.S. International Trade in Goods and Services, August 2009* Gross Domestic Product, 3 <sup>rd</sup> quarter 2009 (advance) Personal Income and Outlays, September 2009	October 1 October 9 October 29 October 30
<b>November</b>	U.S. International Trade in Goods and Services, September 2009* Gross Domestic Product, 3 <sup>rd</sup> quarter 2009 (preliminary) and Corporate Profits, 3 <sup>rd</sup> quarter 2009 (preliminary) Personal Income and Outlays, October 2009	November 13 November 24 November 25
<b>December</b>	U.S. International Trade in Goods and Services, October 2009* U.S. Travel and Tourism Satellite Accounts, 3 <sup>rd</sup> quarter 2009 U.S. International Transactions, 3 <sup>rd</sup> quarter 2009 State Quarterly Personal Income, 1 <sup>st</sup> quarter 2008–3 <sup>rd</sup> quarter 2009 County Estimates of Compensation by Industry, 2006–2008 Gross Domestic Product, 3 <sup>rd</sup> quarter 2009 (final) and Corporate Profits, 3 <sup>rd</sup> quarter 2009 (revised) Personal Income and Outlays, November 2009	December 10 December 15 December 16 December 17 December 21 December 22 December 23

All releases are scheduled for 8:30 a.m.

\*Joint release by the Census Bureau and the Bureau of Economic Analysis

## National Data

### A. Selected NIPA Tables

The selected set of NIPA tables presents the most recent estimates of gross domestic product (GDP) and its components which were released on October 30, 2008. These estimates include the “advance” estimates for the third quarter of 2008.

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

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

### 1. Domestic Product and Income

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product ....</b>	<b>1</b>	<b>2.8</b>	<b>2.0</b>	<b>4.8</b>	<b>-0.2</b>	<b>0.9</b>	<b>2.8</b>	<b>-0.3</b>
<b>Personal consumption expenditures .....</b>	<b>2</b>	<b>3.0</b>	<b>2.8</b>	<b>2.0</b>	<b>1.0</b>	<b>0.9</b>	<b>1.2</b>	<b>-3.1</b>
Durable goods .....	3	4.5	4.8	2.3	0.4	-4.3	-2.8	-14.1
Nondurable goods .....	4	3.7	2.5	1.2	0.3	-0.4	3.9	-6.4
Services .....	5	2.5	2.6	2.4	1.4	2.4	0.7	0.6
<b>Gross private domestic investment .....</b>	<b>6</b>	<b>2.1</b>	<b>-5.4</b>	<b>3.5</b>	<b>-11.9</b>	<b>-5.8</b>	<b>-11.5</b>	<b>-1.9</b>
Fixed investment .....	7	1.9	-3.1	-0.9	-6.2	-5.6	-1.7	-5.6
Nonresidential .....	8	7.5	4.9	8.7	3.4	2.4	2.5	-1.0
Structures .....	9	8.2	12.7	20.5	8.5	8.6	18.5	7.9
Equipment and software .....	10	7.2	1.7	3.6	1.0	-0.6	-5.0	-5.5
Residential .....	11	-7.1	-17.9	-20.6	-27.0	-25.1	-13.3	-19.1
Change in private inventories .....	12							
<b>Net exports of goods and services .....</b>	<b>13</b>							
Exports .....	14	9.1	8.4	23.0	4.4	5.1	12.3	5.9
Goods .....	15	9.9	7.5	21.8	5.1	4.5	16.3	7.5
Services .....	16	7.2	10.5	25.9	2.7	6.4	3.8	2.3
Imports .....	17	6.0	2.2	3.0	-2.3	-0.8	-7.3	-1.9
Goods .....	18	6.0	1.7	2.4	-2.6	-2.0	-7.1	-2.8
Services .....	19	6.0	4.4	6.3	-0.9	5.5	-8.0	3.5
<b>Government consumption expenditures and gross investment .....</b>	<b>20</b>	<b>1.7</b>	<b>2.1</b>	<b>3.8</b>	<b>0.8</b>	<b>1.9</b>	<b>3.9</b>	<b>5.8</b>
Federal .....	21	2.3	1.6	7.2	-0.5	5.8	6.6	13.8
National defense .....	22	1.6	2.5	10.2	-0.9	7.3	7.3	18.1
Nondefense .....	23	3.6	-0.2	1.2	0.4	2.9	5.0	4.8
State and local .....	24	1.3	2.3	1.9	1.6	-0.3	2.5	1.4

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Percent change at annual rate: Gross domestic product ....</b>	<b>1</b>	<b>2.8</b>	<b>2.0</b>	<b>4.8</b>	<b>-0.2</b>	<b>0.9</b>	<b>2.8</b>	<b>-0.3</b>
<b>Percentage points at annual rates: Personal consumption expenditures .....</b>	<b>2</b>	<b>2.13</b>	<b>1.95</b>	<b>1.44</b>	<b>0.67</b>	<b>0.61</b>	<b>0.87</b>	<b>-2.25</b>
Durable goods .....	3	0.36	0.38	0.19	0.03	-0.33	-0.21	-1.10
Nondurable goods .....	4	0.74	0.50	0.25	0.05	-0.08	0.80	-1.41
Services .....	5	1.02	1.07	1.00	0.59	1.02	0.28	0.26
<b>Gross private domestic investment .....</b>	<b>6</b>	<b>0.35</b>	<b>-0.90</b>	<b>0.54</b>	<b>-1.93</b>	<b>-0.89</b>	<b>-1.74</b>	<b>-0.27</b>
Fixed investment .....	7	0.32	-0.50	-0.15	-0.97	-0.86	-0.25	-0.83
Nonresidential .....	8	0.77	0.52	0.91	0.36	0.26	0.27	-0.11
Structures .....	9	0.23	0.40	0.65	0.29	0.30	0.64	0.30
Equipment and software .....	10	0.54	0.13	0.26	0.07	-0.04	-0.37	-0.40
Residential .....	11	-0.45	-1.02	-1.06	-1.33	-1.12	-0.52	-0.72
Change in private inventories .....	12	0.03	-0.40	0.69	-0.96	-0.02	-1.50	0.56
<b>Net exports of goods and services .....</b>	<b>13</b>	<b>-0.02</b>	<b>0.58</b>	<b>2.03</b>	<b>0.94</b>	<b>0.77</b>	<b>2.93</b>	<b>1.13</b>
Exports .....	14	0.96	0.95	2.54	0.53	0.63	1.54	0.78
Goods .....	15	0.73	0.59	1.66	0.43	0.39	1.39	0.68
Services .....	16	0.23	0.36	0.88	0.10	0.24	0.15	0.09
Imports .....	17	-0.98	-0.37	-0.51	0.40	0.14	1.39	0.35
Goods .....	18	-0.82	-0.25	-0.34	0.38	0.29	1.14	0.45
Services .....	19	-0.16	-0.12	-0.17	0.02	-0.15	0.25	-0.10
<b>Government consumption expenditures and gross investment .....</b>	<b>20</b>	<b>0.32</b>	<b>0.40</b>	<b>0.75</b>	<b>0.16</b>	<b>0.38</b>	<b>0.78</b>	<b>1.15</b>
Federal .....	21	0.16	0.11	0.51	-0.04	0.41	0.47	0.97
National defense .....	22	0.08	0.12	0.48	-0.04	0.34	0.36	0.86
Nondefense .....	23	0.08	0.00	0.03	0.01	0.06	0.11	0.11
State and local .....	24	0.16	0.28	0.24	0.19	-0.03	0.31	0.18







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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product .....</b>	1	2.8	2.0	4.8	-0.2	0.9	2.8	-0.3
Final sales of domestic product .....	2	2.8	2.4	4.0	0.8	0.9	4.4	-0.8
Change in private inventories .....	3							
<b>Goods .....</b>	4	5.4	3.1	9.0	0.0	0.9	4.9	-3.7
Final sales .....	5	5.4	4.5	6.6	3.2	1.0	10.1	-5.4
Change in private inventories .....	6							
Durable goods .....	7	5.3	4.2	14.8	5.8	0.7	-5.9	5.6
Final sales .....	8	6.2	5.9	7.6	7.3	0.9	1.4	-4.2
Change in private inventories <sup>1</sup> .....	9							
Nondurable goods .....	10	5.5	2.3	4.6	-4.4	1.1	14.1	-10.3
Final sales .....	11	4.7	3.4	5.8	0.0	1.1	17.4	-6.3
Change in private inventories <sup>1</sup> .....	12							
<b>Services <sup>2</sup> .....</b>	13	2.3	2.8	4.0	1.3	2.7	1.7	2.0
<b>Structures .....</b>	14	-2.2	-5.0	-2.9	-9.3	-10.1	3.3	-3.5
<b>Addenda:</b>								
Motor vehicle output .....	15	-0.9	-1.1	17.3	-25.7	-14.2	-33.8	4.1
Gross domestic product excluding motor vehicle output .....	16	2.9	2.1	4.4	0.7	1.3	4.0	-0.3
Final sales of computers <sup>3</sup> .....	17	25.0	21.3	52.6	23.7	8.2	28.4	10.2
Gross domestic product excluding final sales of computers .....	18	2.6	1.9	4.5	-0.3	0.8	2.7	-0.3
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	19	2.4	1.2	2.4	-1.3	0.0	-0.3	-1.3

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

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

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Percent change at annual rate:</b>								
<b>Gross domestic product .....</b>	1	2.8	2.0	4.8	-0.2	0.9	2.8	-0.3
<b>Percentage points at annual rates:</b>								
Final sales of domestic product .....	2	2.75	2.43	4.07	0.79	0.89	4.32	-0.81
Change in private inventories .....	3	0.03	-0.40	0.69	-0.96	-0.02	-1.50	0.56
<b>Goods .....</b>	4	1.67	0.97	2.71	0.01	0.29	1.49	-1.14
Final sales .....	5	1.64	1.37	2.02	0.97	0.31	2.98	-1.70
Change in private inventories .....	6	0.03	-0.40	0.69	-0.96	-0.02	-1.50	0.56
Durable goods .....	7	0.73	0.57	1.92	0.78	0.10	-0.80	0.72
Final sales .....	8	0.85	0.80	1.03	0.97	0.12	0.20	-0.57
Change in private inventories <sup>1</sup> .....	9	-0.12	-0.23	0.88	-0.19	-0.02	-1.00	1.29
Nondurable goods .....	10	0.94	0.40	0.80	-0.77	0.19	2.29	-1.85
Final sales .....	11	0.79	0.57	0.99	0.00	0.19	2.79	-1.13
Change in private inventories <sup>1</sup> .....	12	0.14	-0.17	-0.20	-0.77	0.00	-0.49	-0.73
<b>Services <sup>2</sup> .....</b>	13	1.35	1.61	2.35	0.79	1.62	1.02	1.22
<b>Structures .....</b>	14	-0.24	-0.55	-0.30	-0.97	-1.03	0.32	-0.33
<b>Addenda:</b>								
Motor vehicle output .....	15	-0.03	-0.03	0.47	-0.86	-0.41	-1.01	0.09
Gross domestic product excluding motor vehicle output .....	16	2.81	2.06	4.29	0.69	1.28	3.84	-0.34
Final sales of computers <sup>3</sup> .....	17	0.15	0.13	0.28	0.14	0.05	0.17	0.06
Gross domestic product excluding final sales of computers .....	18	2.63	1.90	4.48	-0.31	0.82	2.66	-0.31

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

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

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

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

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product .....</b>	1	115.054	117.388	118.425	118.374	118.631	119.460	119.385
Final sales of domestic product .....	2	115.254	118.062	118.898	119.133	119.397	120.679	120.437
Change in private inventories .....	3							
<b>Goods .....</b>	4	118.120	121.819	123.866	123.877	124.165	125.657	124.478
Final sales .....	5	118.665	123.980	125.357	126.345	126.661	129.733	127.950
Change in private inventories .....	6							
Durable goods .....	7	118.271	123.215	125.357	127.148	127.375	125.460	127.172
Final sales .....	8	119.702	126.764	128.215	130.498	130.779	131.235	129.839
Change in private inventories <sup>1</sup> .....	9							
Nondurable goods .....	10	118.359	121.079	123.053	121.691	122.025	126.129	122.741
Final sales .....	11	118.106	122.064	123.381	123.382	123.725	128.779	126.703
Change in private inventories <sup>1</sup> .....	12							
<b>Services <sup>2</sup> .....</b>	13	115.073	118.248	118.918	119.317	120.128	120.637	121.250
<b>Structures .....</b>	14	107.317	101.904	102.193	99.726	97.097	97.897	97.040
<b>Addenda:</b>								
Motor vehicle output .....	15	115.156	113.904	118.665	110.163	106.030	95.654	96.624
Gross domestic product excluding motor vehicle output .....	16	115.042	117.488	118.410	118.620	119.009	120.173	120.068
Final sales of computers <sup>3</sup> .....	17	229.878	278.889	294.677	310.796	317.000	337.452	345.733
Gross domestic product excluding final sales of computers .....	18	114.427	116.612	117.603	117.510	117.751	118.531	118.437
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	19	115.743	117.129	117.771	117.389	117.388	117.301	116.926

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

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

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

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

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product .....</b>	1	116.676	119.819	119.984	120.826	121.613	121.951	123.203
Final sales of domestic product .....	2	116.710	119.853	120.020	120.856	121.653	122.008	123.284
Change in private inventories .....	3							
<b>Goods .....</b>	4	100.861	101.692	101.431	101.528	101.688	100.206	101.170
Final sales .....	5	100.843	101.662	101.406	101.485	101.675	100.257	101.282
Change in private inventories .....	6							
Durable goods .....	7	91.905	90.584	90.161	89.828	89.625	88.743	88.921
Final sales .....	8	91.759	90.447	90.032	89.712	89.522	88.703	88.936
Change in private inventories <sup>1</sup> .....	9							
Nondurable goods .....	10	109.125	112.039	111.935	112.458	112.983	110.919	112.646
Final sales .....	11	109.229	112.124	112.027	112.504	113.075	111.074	112.863
Change in private inventories <sup>1</sup> .....	12							
<b>Services <sup>2</sup> .....</b>	13	122.444	126.792	127.240	128.542	129.814	131.357	132.754
<b>Structures .....</b>	14	140.886	145.862	145.998	147.015	147.227	147.509	148.985
<b>Addenda:</b>								
Motor vehicle output .....	15	97.526	96.738	96.803	96.322	95.413	94.710	94.336
Gross domestic product excluding motor vehicle output .....	16	117.425	120.718	120.887	121.778	122.625	122.998	124.302
Final sales of computers <sup>3</sup> .....	17	34.667	29.500	28.537	27.141	26.310	25.177	24.327
Gross domestic product excluding final sales of computers .....	18	117.855	121.184	121.376	122.275	123.102	123.482	124.787

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

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

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	13,178.4	13,807.5	13,950.6	14,031.2	14,150.8	14,294.5	14,429.2
Final sales of domestic product .....	2	13,129.0	13,811.2	13,927.6	14,052.3	14,176.4	14,370.5	14,491.5
Change in private inventories .....	3	49.3	-3.6	23.0	-21.1	-25.6	-76.0	-62.3
<b>Goods</b> .....	4	4,109.4	4,272.7	4,336.2	4,329.4	4,343.9	4,337.1	4,334.6
Final sales .....	5	4,060.1	4,276.4	4,313.1	4,350.5	4,369.5	4,413.1	4,396.9
Change in private inventories .....	6	49.3	-3.6	23.0	-21.1	-25.6	-76.0	-62.3
Durable goods .....	7	1,836.3	1,885.4	1,909.6	1,929.7	1,928.7	1,881.0	1,910.4
Final sales .....	8	1,816.0	1,895.6	1,908.8	1,935.8	1,935.9	1,924.9	1,909.4
Change in private inventories <sup>1</sup> .....	9	20.3	-10.2	0.8	-6.1	-7.2	-43.9	1.0
Nondurable goods .....	10	2,273.1	2,387.3	2,426.6	2,399.7	2,415.2	2,456.1	2,424.2
Final sales .....	11	2,244.1	2,380.8	2,404.4	2,414.6	2,433.6	2,488.2	2,487.5
Change in private inventories <sup>1</sup> .....	12	29.0	6.5	22.2	-14.9	-18.4	-32.1	-63.3
<b>Services</b> <sup>2</sup> .....	13	7,644.6	8,134.5	8,208.8	8,320.7	8,460.2	8,597.0	8,732.6
<b>Structures</b> .....	14	1,424.3	1,400.3	1,405.6	1,381.2	1,346.7	1,360.4	1,362.0
<b>Addenda:</b>								
Motor vehicle output .....	15	409.9	402.2	419.4	387.1	368.5	330.4	331.3
Gross domestic product excluding motor vehicle output .....	16	12,768.5	13,405.3	13,531.1	13,644.1	13,782.3	13,964.1	14,097.9
Final sales of computers <sup>3</sup> .....	17	87.6	90.4	93.0	93.3	92.3	94.0	93.1
Gross domestic product excluding final sales of computers .....	18	13,090.8	13,717.1	13,857.6	13,937.9	14,058.6	14,200.5	14,336.1

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

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

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	11,294.8	11,523.9	11,625.7	11,620.7	11,646.0	11,727.4	11,720.0
Final sales of domestic product .....	2	11,249.3	11,523.4	11,605.0	11,628.0	11,653.7	11,778.8	11,755.2
Change in private inventories .....	3	42.3	-2.5	16.0	-8.1	-10.2	-50.6	-38.5
Residual .....	4	3.2	3.0	4.7	0.8	2.5	-0.8	3.3
<b>Goods</b> .....	5	4,074.4	4,201.9	4,272.6	4,272.9	4,282.9	4,334.3	4,293.7
Final sales .....	6	4,026.1	4,206.5	4,253.2	4,286.7	4,297.4	4,401.6	4,341.1
Change in private inventories .....	7	42.3	-2.5	16.0	-8.1	-10.2	-50.6	-38.5
Durable goods .....	8	1,998.0	2,081.6	2,117.7	2,148.0	2,151.8	2,119.5	2,148.4
Final sales .....	9	1,979.1	2,095.8	2,119.8	2,157.5	2,162.2	2,169.7	2,146.6
Change in private inventories <sup>1</sup> .....	10	18.3	-8.7	0.9	-5.2	-6.1	-36.1	1.2
Nondurable goods .....	11	2,083.1	2,131.0	2,165.7	2,141.7	2,147.6	2,219.8	2,160.2
Final sales .....	12	2,054.5	2,123.3	2,146.3	2,146.3	2,152.2	2,240.2	2,204.0
Change in private inventories <sup>1</sup> .....	13	23.8	5.3	14.2	-3.2	-4.3	-16.9	-35.8
<b>Services</b> <sup>2</sup> .....	14	6,243.4	6,415.6	6,452.0	6,473.6	6,517.6	6,545.3	6,578.5
<b>Structures</b> .....	15	1,011.0	960.0	962.7	939.5	914.7	922.2	914.2
Residual .....	16	-35.3	-67.4	-70.2	-87.8	-90.3	-97.0	-88.7
<b>Addenda:</b>								
Motor vehicle output .....	17	420.3	415.7	433.1	402.1	387.0	349.1	352.6
Gross domestic product excluding motor vehicle output .....	18	10,873.8	11,105.0	11,192.1	11,212.0	11,248.7	11,358.8	11,348.8
Final sales of computers <sup>3</sup> .....	19	252.7	306.6	324.0	341.7	348.5	371.0	380.1
Gross domestic product excluding final sales of computers .....	20	11,107.5	11,319.6	11,415.8	11,406.7	11,430.1	11,505.8	11,496.7

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

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

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

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	2.8	2.0	4.8	-0.2	0.9	2.8	-0.3
<b>Business</b> <sup>1</sup> .....	2	3.0	2.0	5.5	-0.6	0.7	2.6	-1.5
Nonfarm <sup>2</sup> .....	3	3.2	2.0	5.5	-0.7	0.9	2.8	-1.7
Farm .....	4	-6.9	9.7	8.6	8.2	-15.5	-10.7	8.6
<b>Households and institutions</b> .....	5	3.2	2.7	2.5	1.1	0.8	4.5	4.9
Households .....	6	5.2	3.0	2.2	0.6	-1.2	5.0	6.0
Nonprofit institutions serving households <sup>3</sup> .....	7	0.8	2.2	3.0	1.8	3.5	3.7	3.6
<b>General government</b> <sup>4</sup> .....	8	0.6	1.3	2.1	1.6	2.2	2.4	3.3
Federal .....	9	-0.1	0.7	3.8	1.4	3.7	4.3	6.8
State and local .....	10	0.9	1.6	1.3	1.7	1.6	1.6	1.8
<b>Addendum:</b>								
Gross housing value added .....	11	4.9	3.7	2.8	1.0	-1.0	5.4	6.0

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

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

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

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

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

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	115.054	117.388	118.425	118.374	118.631	119.460	119.385
<b>Business</b> <sup>1</sup> .....	2	116.682	119.063	120.313	120.127	120.328	121.115	120.644
Nonfarm <sup>2</sup> .....	3	116.664	118.951	120.213	119.992	120.265	121.106	120.599
Farm .....	4	116.668	127.943	128.120	130.659	125.276	121.771	124.318
<b>Households and institutions</b> .....	5	112.824	115.821	116.319	116.647	116.894	118.174	119.610
Households .....	6	115.089	118.550	119.024	119.201	118.834	120.301	122.067
Nonprofit institutions serving households <sup>3</sup> .....	7	110.212	112.654	113.181	113.691	114.675	115.732	116.773
<b>General government</b> <sup>4</sup> .....	8	106.991	108.403	108.634	109.058	109.661	110.322	111.223
Federal .....	9	106.857	107.655	108.030	108.402	109.403	110.570	112.413
State and local .....	10	107.046	108.732	108.898	109.346	109.773	110.210	110.694
<b>Addendum:</b>								
Gross housing value added .....	11	110.964	115.030	115.622	115.914	115.635	117.179	118.888

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

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

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

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

Table 1.3.4. Price Indexes for Gross Value Added by Sector

[Index numbers, 2000=100]

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	116.676	119.819	119.984	120.826	121.613	121.951	123.203
<b>Business</b> <sup>1</sup> .....	2	113.880	116.631	116.748	117.437	118.051	118.251	119.598
Nontfarm <sup>2</sup> .....	3	113.942	116.321	116.403	117.008	117.637	117.860	119.338
Farm .....	4	109.192	149.982	153.727	162.934	162.072	159.800	147.286
<b>Households and institutions</b> .....	5	122.503	126.083	126.246	127.999	129.363	129.987	130.755
Households .....	6	117.778	120.862	121.111	122.770	124.126	124.831	125.337
Nonprofit institutions serving households <sup>3</sup> .....	7	128.587	132.840	132.880	134.758	136.128	136.640	137.764
<b>General government</b> <sup>4</sup> .....	8	130.843	136.547	137.091	138.142	139.658	140.764	141.792
Federal .....	9	136.545	142.629	142.719	143.022	145.621	146.562	147.012
State and local .....	10	128.464	134.010	134.741	136.102	137.167	138.343	139.615
<b>Addendum:</b>								
Gross housing value added .....	11	117.808	121.146	121.401	123.054	124.357	125.104	125.784

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

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

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

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

Table 1.3.5. Gross Value Added by Sector

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	13,178.4	13,807.5	13,950.6	14,031.2	14,150.8	14,294.5	14,429.2
<b>Business</b> <sup>1</sup> .....	2	10,183.8	10,642.3	10,767.0	10,802.5	10,874.7	10,969.5	11,048.2
Nontfarm <sup>2</sup> .....	3	10,092.6	10,505.1	10,623.7	10,659.1	10,739.2	10,838.2	10,925.8
Farm .....	4	91.1	137.3	143.2	143.4	135.5	131.3	122.4
<b>Households and institutions</b> .....	5	1,497.3	1,582.0	1,590.8	1,617.4	1,638.1	1,664.0	1,694.2
Households .....	6	834.5	882.1	887.4	900.9	908.1	924.5	941.9
Nonprofit institutions serving households <sup>3</sup> .....	7	662.8	699.9	703.3	716.5	730.0	739.5	752.3
<b>General government</b> <sup>4</sup> .....	8	1,497.3	1,583.2	1,592.8	1,611.3	1,638.0	1,661.0	1,686.7
Federal .....	9	460.1	484.2	486.2	488.9	502.4	511.1	521.2
State and local .....	10	1,037.2	1,099.0	1,106.6	1,122.4	1,135.6	1,149.9	1,165.6
<b>Addendum:</b>								
Gross housing value added .....	11	1,038.3	1,106.9	1,114.8	1,132.9	1,142.1	1,164.3	1,187.7

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

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

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

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

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

[Billions of chained (2000) dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	11,294.8	11,523.9	11,625.7	11,620.7	11,646.0	11,727.4	11,720.0
<b>Business</b> <sup>1</sup> .....	2	8,945.6	9,128.2	9,224.0	9,209.7	9,225.2	9,285.5	9,249.4
Nontfarm <sup>2</sup> .....	3	8,860.8	9,034.5	9,130.4	9,113.6	9,134.3	9,198.2	9,159.7
Farm .....	4	83.4	91.5	91.6	93.5	89.6	87.1	88.9
<b>Households and institutions</b> .....	5	1,219.3	1,251.7	1,257.1	1,260.6	1,263.3	1,277.1	1,292.6
Households .....	6	708.5	729.9	732.8	733.9	731.6	740.6	751.5
Nonprofit institutions serving households <sup>3</sup> .....	7	512.6	523.9	526.4	528.7	533.3	538.2	543.1
<b>General government</b> <sup>4</sup> .....	8	1,144.4	1,159.5	1,161.9	1,166.5	1,172.9	1,180.0	1,189.6
Federal .....	9	337.0	339.5	340.7	341.9	345.0	348.7	354.5
State and local .....	10	807.4	820.1	821.3	824.7	827.9	831.2	834.9
Residual .....	11	-14.9	-15.5	-17.5	-15.6	-15.7	-16.6	-12.6
<b>Addendum:</b>								
Gross housing value added .....	12	881.4	913.7	918.4	920.7	918.5	930.7	944.3

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

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

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

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 1.4.1. Percent Change From Preceding Period in Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers

[Percent]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	2.8	2.0	4.8	-0.2	0.9	2.8	-0.3
Less: Exports of goods and services .....	2	9.1	8.4	23.0	4.4	5.1	12.3	5.9
Plus: Imports of goods and services .....	3	6.0	2.2	3.0	-2.3	-0.8	-7.3	-1.9
<b>Equals: Gross domestic purchases</b> .....	4	2.6	1.4	2.6	-1.0	0.1	-0.1	-1.3
Less: Change in private inventories .....	5							
<b>Equals: Final sales to domestic purchasers</b> .....	6	2.6	1.8	1.9	-0.1	0.1	1.3	-1.8
<b>Addendum:</b>								
Final sales of domestic product .....	7	2.8	2.4	4.0	0.8	0.9	4.4	-0.8

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

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	115.054	117.388	118.425	118.374	118.631	119.460	119.385
Less: Exports of goods and services .....	2	119.937	130.068	133.747	135.189	136.880	140.908	142.934
Plus: Imports of goods and services .....	3	130.815	133.654	134.033	133.254	132.991	130.509	129.895
<b>Equals: Gross domestic purchases</b> .....	4	116.748	118.343	119.013	118.700	118.726	118.694	118.306
Less: Change in private inventories .....	5							
<b>Equals: Final sales to domestic purchasers</b> .....	6	116.948	118.995	119.469	119.427	119.461	119.853	119.305
<b>Addendum:</b> Final sales of domestic product	7	115.254	118.062	118.898	119.133	119.397	120.679	120.437

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

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	116.676	119.819	119.984	120.826	121.613	121.951	123.203
Less: Exports of goods and services .....	2	112.618	116.586	117.018	118.794	121.397	124.560	126.495
Plus: Imports of goods and services .....	3	115.932	120.168	121.200	124.907	128.722	137.136	140.205
<b>Equals: Gross domestic purchases</b> .....	4	117.066	120.294	120.571	121.766	122.821	124.103	125.557
Less: Change in private inventories .....	5							
<b>Equals: Final sales to domestic purchasers</b> .....	6	117.101	120.329	120.609	121.798	122.863	124.160	125.636
<b>Addendum:</b> Final sales of domestic product	7	116.710	119.853	120.020	120.856	121.653	122.008	123.284

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	13,178.4	13,807.5	13,950.6	14,031.2	14,150.8	14,294.5	14,429.2
Less: Exports of goods and services .....	2	1,480.8	1,662.4	1,714.9	1,759.7	1,820.8	1,923.2	1,981.1
Plus: Imports of goods and services .....	3	2,238.1	2,370.2	2,397.5	2,456.5	2,526.5	2,641.4	2,687.8
<b>Equals: Gross domestic purchases</b> .....	4	13,935.7	14,515.3	14,633.1	14,728.0	14,856.6	15,012.7	15,135.8
Less: Change in private inventories .....	5	49.3	-3.6	23.0	-21.1	-25.6	-76.0	-62.3
<b>Equals: Final sales to domestic purchasers</b> .....	6	13,886.4	14,519.0	14,610.1	14,749.0	14,882.2	15,088.7	15,198.2
<b>Addendum:</b> Final sales of domestic product	7	13,129.0	13,811.2	13,927.6	14,052.3	14,176.4	14,370.5	14,491.5

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	11,294.8	11,523.9	11,625.7	11,620.7	11,646.0	11,727.4	11,720.0
Less: Exports of goods and services .....	2	1,314.8	1,425.9	1,466.2	1,482.1	1,500.6	1,544.7	1,567.0
Plus: Imports of goods and services .....	3	1,930.5	1,972.4	1,978.0	1,966.5	1,962.6	1,926.0	1,916.9
<b>Equals: Gross domestic purchases</b> .....	4	11,904.1	12,066.8	12,135.1	12,103.2	12,105.8	12,102.6	12,063.0
Less: Change in private inventories .....	5	42.3	-2.5	16.0	-8.1	-10.2	-50.6	-38.5
<b>Equals: Final sales to domestic purchasers</b> .....	6	11,858.5	12,066.0	12,114.1	12,109.8	12,113.3	12,153.0	12,097.5
<b>Addendum:</b> Final sales of domestic product	7	11,249.3	11,523.4	11,605.0	11,628.0	11,653.7	11,778.8	11,755.2

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











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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Percent change at annual rate:</b>								
Gross domestic purchases ...	1	3.4	2.8	2.2	4.0	3.5	4.2	4.8
<b>Percentage points at annual rates:</b>								
<b>Personal consumption expenditures</b>								
Durable goods	2	1.84	1.73	1.66	2.88	2.43	2.87	3.63
Motor vehicles and parts	3	-0.11	-0.14	-0.15	-0.11	-0.01	-0.11	-0.04
Furniture and household equipment	4	0.02	-0.02	0.05	0.02	-0.03	-0.04	0.00
Other	5	-0.14	-0.14	-0.18	-0.16	-0.05	-0.16	-0.07
Nondurable goods	6	0.01	0.02	-0.01	0.02	0.08	0.08	0.04
Food	7	0.58	0.58	0.56	1.60	1.30	1.29	2.03
Clothing and shoes	8	0.21	0.34	0.44	0.34	0.45	0.60	0.78
Gasoline, fuel oil, and other energy goods	9	-0.01	-0.02	-0.04	0.02	-0.01	-0.08	0.15
Other	10	0.29	0.20	0.13	1.10	0.68	0.69	1.04
Services	11	0.10	0.06	0.04	0.13	0.18	0.08	0.06
Housing	12	1.36	1.29	1.24	1.39	1.13	1.69	1.64
Household operation	13	0.36	0.36	0.29	0.32	0.29	0.20	0.25
Electricity and gas	14	0.19	0.10	0.02	0.12	0.14	0.51	0.36
Other household operation	15	0.13	0.04	-0.04	0.07	0.08	0.41	0.25
Transportation	16	0.06	0.06	0.06	0.05	0.06	0.10	0.11
Medical care	17	0.08	0.07	0.11	0.09	0.12	0.19	0.17
Recreation	18	0.34	0.42	0.33	0.41	0.11	0.28	0.37
Other	19	0.08	0.04	0.04	0.12	0.09	0.08	0.13
Other	20	0.33	0.31	0.43	0.34	0.38	0.43	0.36
<b>Gross private domestic investment</b>								
Fixed investment	21	0.67	0.22	-0.04	0.20	-0.07	0.05	0.31
Nonresidential	22	0.66	0.21	-0.05	0.18	-0.03	0.11	0.39
Structures	23	0.33	0.14	-0.06	0.18	0.06	0.23	0.43
Equipment and software	24	0.32	0.12	0.02	0.15	0.09	0.12	0.26
Information processing equipment and software	25	0.00	0.02	-0.08	0.03	-0.03	0.12	0.17
Computers and peripheral equipment	26	-0.07	-0.08	-0.10	-0.04	-0.06	0.02	-0.02
Other equipment	27	-0.09	-0.07	-0.09	-0.06	-0.09	-0.05	-0.06
Software	28	0.02	0.01	0.00	0.02	0.01	0.04	0.02
Other	29	0.00	-0.01	-0.02	0.00	0.02	0.03	0.02
Industrial equipment	30	0.04	0.05	0.04	0.05	0.05	0.08	0.09
Transportation equipment	31	0.01	0.02	-0.03	0.00	-0.02	0.00	0.02
Other equipment	32	0.03	0.03	0.01	0.02	0.01	0.02	0.08
Residential	33	0.33	0.07	0.01	0.00	-0.10	-0.12	-0.04
Change in private inventories	34	0.01	0.01	0.01	0.02	-0.03	-0.06	-0.09
Farm	35	0.00	0.00	0.00	0.01	0.04	-0.03	-0.01
Nonfarm	36	0.02	0.01	0.01	0.01	-0.08	-0.03	-0.07
<b>Government consumption expenditures and gross investment</b>								
Federal	37	0.85	0.81	0.62	0.94	1.15	1.32	0.84
National defense	38	0.27	0.23	0.06	0.15	0.38	0.36	0.19
Consumption expenditures	39	0.20	0.16	0.07	0.14	0.24	0.29	0.15
Gross investment	40	0.19	0.15	0.06	0.14	0.23	0.27	0.13
Nondefense	41	0.01	0.01	0.02	0.01	0.01	0.02	0.02
Consumption expenditures	42	0.08	0.07	-0.01	0.01	0.15	0.06	0.04
Gross investment	43	0.07	0.07	-0.01	0.01	0.15	0.06	0.03
State and local	44	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consumption expenditures	45	0.57	0.58	0.56	0.79	0.77	0.96	0.65
Gross investment	46	0.44	0.43	0.44	0.68	0.72	0.88	0.50
Gross investment	47	0.14	0.15	0.12	0.11	0.06	0.08	0.15
<b>Addenda:</b>								
Final sales of computers to domestic purchasers <sup>2</sup>	48	-0.16	-0.12	-0.16	-0.14	-0.12	-0.11	-0.12
Gross domestic purchases excluding final sales of computers to domestic purchasers	49	3.51	2.88	2.39	4.16	3.63	4.35	4.89
Food	50	0.21	0.35	0.44	0.41	0.44	0.57	0.79
Energy goods and services	51	0.52	0.30	0.13	1.58	1.21	1.79	1.35
Gross domestic purchases excluding food and energy	52	2.63	2.10	1.66	2.03	1.85	1.88	2.63

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b>	1	2.8	2.0	4.8	-0.2	0.9	2.8	-0.3
Plus: Income receipts from the rest of the world	2	22.5	15.7	21.1	0.4	-28.0	-13.0	
Less: Income payments to the rest of the world	3	30.5	14.3	-5.3	-23.5	-21.8	-2.5	
<b>Equals: Gross national product</b>	4	2.6	2.2	6.3	1.3	0.1	2.1	
Less: Consumption of fixed capital	5	-3.1	3.7	4.7	5.5	8.0	6.4	22.2
Private	6	-4.0	3.9	5.1	6.1	9.1	7.0	26.3
Government	7	1.5	3.0	2.8	2.7	2.6	3.5	3.5
General government enterprises	8	3.1	3.1	2.8	2.7	2.6	3.5	3.6
<b>Equals: Net national product</b>	9	-5.7	2.9	2.9	2.6	2.6	3.6	3.2
Net domestic income <sup>3</sup>	10	3.5	2.0	6.6	0.7	-1.0	1.5	
<b>Addenda:</b>								
Gross domestic income <sup>1</sup>	11	3.5	1.4	0.7	-0.8	-0.5	1.8	
Gross national income <sup>2</sup>	12	3.3	1.5	2.2	0.7	-1.3	1.1	
Net domestic product	13	3.7	1.8	4.8	-1.0	-0.1	2.3	-3.2
Net domestic income <sup>3</sup>	14	4.4	1.1	0.2	-1.6	-1.7	1.2	

1. Gross domestic income deflated by the implicit price deflator for gross domestic product.  
2. Gross national income deflated by the implicit price deflator for gross national product.  
3. Net domestic income deflated by the implicit price deflator for net domestic product.

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

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b>	1	115,054	117,388	118,425	118,374	118,631	119,460	119,385
Plus: Income receipts from the rest of the world	2	162,549	188,098	195,771	195,944	180,516	174,333	
Less: Income payments to the rest of the world	3	161,192	184,231	190,305	177,954	167,341	166,304	
<b>Equals: Gross national product</b>	4	115,284	117,795	118,913	119,302	119,329	119,950	
Less: Consumption of fixed capital	5	121,791	126,321	126,919	128,631	131,133	133,184	140,018
Private	6	122,731	127,463	128,093	129,996	132,871	135,137	143,254
Government	7	117,032	120,585	121,028	121,844	122,626	123,699	124,774
General government enterprises	8	116,639	120,211	120,651	121,472	122,253	123,318	124,410
<b>Equals: Net national product</b>	9	119,224	122,684	123,145	123,935	124,726	125,837	126,823
Net domestic product	10	114,406	116,652	117,838	118,054	117,763	118,201	
<b>Addendum:</b>								
Net domestic product	11	114,143	116,187	117,280	117,000	116,966	117,639	116,687

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

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b>	1	116.676	119.819	119.984	120.826	121.613	121.951	123.203
Plus: Income receipts from the rest of the world	2	116.618	119.722	119.975	121.060	122.117	123.386	
Less: Income payments to the rest of the world	3	116.794	119.907	120.197	121.302	122.572	124.018	
<b>Equals: Gross national product</b>	4	116.673	119.815	119.978	120.822	121.601	121.938	
Less: Consumption of fixed capital	5	112.252	114.661	114.879	115.095	114.142	113.974	114.250
Private	6	111.504	113.313	113.456	113.515	112.213	111.821	111.868
Government	7	116.233	121.816	122.423	123.471	124.403	125.463	127.028
General government enterprises	8	115.252	120.682	121.268	122.286	123.312	124.385	125.920
<b>Equals: Net national product</b>	9	121.399	127.796	128.517	129.721	130.151	131.143	132.869
Net domestic product	10	117.304	120.554	120.708	121.644	122.685	123.099	
<b>Addendum:</b>								
Net domestic product	11	117.310	120.561	120.717	121.653	122.706	123.122	124.530

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	13,178.4	13,807.5	13,950.6	14,031.2	14,150.8	14,294.5	14,429.2
Plus: Income receipts from the rest of the world .....	2	725.4	861.7	898.5	907.4	843.2	822.8	.....
Less: Income payments to the rest of the world .....	3	647.1	759.3	786.3	742.0	705.1	708.9	.....
<b>Equals: Gross national product</b> .....	4	13,256.6	13,910.0	14,062.8	14,196.6	14,289.0	14,408.3	.....
Less: Consumption of fixed capital .....	5	1,623.9	1,720.5	1,731.9	1,758.6	1,778.0	1,803.1	1,900.2
Private .....	6	1,356.0	1,431.1	1,440.1	1,462.3	1,477.5	1,497.4	1,588.0
Domestic business .....	7	1,085.5	1,147.0	1,154.4	1,171.4	1,186.1	1,205.6	1,266.9
Capital consumption allowances .....	8	1,006.1	1,055.5	1,059.4	1,067.2	1,286.0	1,295.2	1,323.6
Less: Capital consumption adjustment .....	9	-79.4	-91.5	-95.1	-104.2	100.0	89.6	56.7
Households and institutions .....	10	270.5	284.1	285.7	290.9	291.4	291.8	321.2
Government .....	11	268.0	289.4	291.8	296.3	300.5	305.7	312.2
General government .....	12	223.7	241.4	243.4	247.1	250.8	255.2	260.6
Government enterprises .....	13	44.3	48.0	48.4	49.2	49.7	50.5	51.6
<b>Equals: Net national product</b> .....	14	11,632.7	12,189.5	12,330.8	12,438.0	12,511.1	12,605.2	.....
Less: Statistical discrepancy .....	15	-163.0	-81.4	-7.8	13.9	63.4	98.4	.....
<b>Equals: National income</b> .....	16	11,795.7	12,270.9	12,338.6	12,424.1	12,447.6	12,506.9	.....
Less: Corporate profits with inventory valuation and capital consumption adjustments .....	17	1,668.5	1,642.4	1,668.3	1,611.1	1,593.5	1,533.3	.....
Taxes on production and imports less subsidies .....	18	926.4	963.2	965.7	975.3	975.1	988.5	987.6
Contributions for government social insurance .....	19	925.5	965.1	966.0	975.3	992.2	997.0	1,002.2
Net interest and miscellaneous payments on assets .....	20	631.2	664.4	663.0	688.1	662.3	683.4	666.1
Business current transfer payments (net) .....	21	85.4	100.2	102.2	103.1	103.2	102.1	92.8
Current surplus of government enterprises .....	22	-8.6	-7.9	-5.5	-6.7	-7.1	-7.7	-8.0
Wage accruals less disbursements .....	23	1.3	-6.3	0.0	0.0	0.0	0.0	0.0
Plus: Personal income receipts on assets .....	24	1,824.8	2,000.1	2,030.9	2,056.2	2,054.1	2,052.3	2,070.6
Personal current transfer receipts .....	25	1,603.0	1,713.3	1,720.6	1,737.8	1,778.1	1,926.3	1,871.6
<b>Equals: Personal income</b> .....	26	10,993.9	11,663.2	11,730.4	11,872.1	11,960.5	12,188.9	12,219.9
<b>Addenda:</b>								
Gross domestic income .....	27	13,341.4	13,889.0	13,958.4	14,017.4	14,087.4	14,196.1	.....
Gross national income .....	28	13,419.7	13,991.4	14,070.6	14,182.7	14,225.6	14,310.0	.....
Gross national factor income <sup>1</sup> .....	29	12,416.5	12,935.9	13,008.2	13,111.1	13,154.4	13,227.0	.....
Net domestic product .....	30	11,554.4	12,087.1	12,218.6	12,272.6	12,372.9	12,491.3	12,528.9
Net domestic income .....	31	11,717.5	12,168.5	12,226.4	12,258.8	12,309.5	12,393.0	.....
Net national factor income <sup>2</sup> .....	32	10,792.5	11,215.5	11,276.3	11,352.5	11,376.4	11,423.9	.....

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

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic product</b> .....	1	11,294.8	11,523.9	11,625.7	11,620.7	11,646.0	11,727.4	11,720.0
Plus: Income receipts from the rest of the world .....	2	622.2	719.9	749.3	749.9	690.9	667.2	.....
Less: Income payments to the rest of the world .....	3	554.1	633.3	654.1	611.7	575.2	571.6	.....
<b>Equals: Gross national product</b> .....	4	11,362.3	11,609.8	11,719.9	11,758.3	11,760.9	11,822.2	.....
Less: Consumption of fixed capital .....	5	1,446.7	1,500.5	1,507.6	1,527.9	1,557.6	1,582.0	1,663.2
Private .....	6	1,216.1	1,263.0	1,269.2	1,288.1	1,316.6	1,339.0	1,419.4
Government .....	7	230.5	237.5	238.4	240.0	241.6	243.7	245.8
General government .....	8	194.1	200.0	200.7	202.1	203.4	205.2	207.0
Government enterprises .....	9	36.5	37.5	37.7	37.9	38.2	38.5	38.8
<b>Equals: Net national product</b> .....	10	9,916.8	10,111.5	10,214.3	10,233.0	10,207.8	10,245.7	.....
<b>Addenda:</b>								
Gross domestic income <sup>1</sup> .....	11	11,434.6	11,591.9	11,632.3	11,609.3	11,593.8	11,646.6	.....
Gross national income <sup>2</sup> .....	12	11,502.0	11,677.7	11,726.4	11,746.8	11,708.8	11,741.4	.....
Net domestic product .....	13	9,849.6	10,025.9	10,120.3	10,096.1	10,093.2	10,151.2	10,069.1
Net domestic income <sup>3</sup> .....	14	9,988.5	10,093.5	10,126.7	10,084.7	10,041.4	10,071.3	.....

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

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

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

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

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

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Gross national product</b> .....	1	115.284	117.795	118.913	119.302	119.329	119.950	.....
Less: Exports of goods and services and income receipts from the rest of the world .....	2	131.369	145.597	150.337	151.448	148.662	150.058	.....
Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> .....	3	128.521	142.179	146.163	145.463	141.612	138.541	.....
<b>Equals: Command-basis gross national product</b> .....	4	114.857	117.282	118.287	118.404	118.271	118.222	.....
<b>Addendum:</b>								
Percent change from preceding period in command-basis real gross national product .....	5	2.5	2.1	5.7	0.4	-0.4	-0.2	.....

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross national product</b> .....	1	11,362.3	11,609.8	11,719.9	11,758.3	11,760.9	11,822.2	.....
Less: Exports of goods and services and income receipts from the rest of the world .....	2	1,942.9	2,153.3	2,223.4	2,239.8	2,198.6	2,219.3	.....
Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> .....	3	1,900.8	2,102.7	2,161.7	2,151.4	2,094.4	2,049.0	.....
<b>Equals: Command-basis gross national product</b> .....	4	11,320.2	11,559.2	11,658.3	11,669.8	11,656.8	11,651.9	.....
<b>Addendum:</b>								
Terms of trade <sup>2</sup> .....	5	97.832	97.652	97.226	96.051	95.261	92.328	.....

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

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

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

Table 1.10. Gross Domestic Income by Type of Income

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross domestic income</b> .....	1	<b>13,341.4</b>	<b>13,889.0</b>	<b>13,958.4</b>	<b>14,017.4</b>	<b>14,087.4</b>	<b>14,196.1</b>	.....
<b>Compensation of employees, paid</b> .....	2	<b>7,440.4</b>	<b>7,819.4</b>	<b>7,846.4</b>	<b>7,948.3</b>	<b>8,017.0</b>	<b>8,078.9</b>	<b>8,142.8</b>
Wage and salary accruals .....	3	6,035.1	6,362.8	6,384.8	6,472.8	6,525.2	6,575.8	6,630.4
Disbursements .....	4	6,033.9	6,369.0	6,384.8	6,472.8	6,525.2	6,575.8	6,630.4
To persons .....	5	6,024.4	6,359.0	6,374.8	6,462.5	6,515.0	6,565.6	.....
To the rest of the world .....	6	9.5	10.0	10.1	10.3	10.2	10.2	.....
Wage accruals less disbursements .....	7	1.3	-6.3	0.0	0.0	0.0	0.0	0.0
Supplements to wages and salaries .....	8	1,405.3	1,456.6	1,461.6	1,475.5	1,491.7	1,503.1	1,512.4
<b>Taxes on production and imports</b> .....	9	<b>976.2</b>	<b>1,015.5</b>	<b>1,019.2</b>	<b>1,027.7</b>	<b>1,025.8</b>	<b>1,039.4</b>	<b>1,038.0</b>
<b>Less: Subsidies</b> .....	10	<b>49.7</b>	<b>52.3</b>	<b>53.5</b>	<b>52.3</b>	<b>50.6</b>	<b>50.8</b>	<b>50.4</b>
<b>Net operating surplus</b> .....	11	<b>3,350.6</b>	<b>3,386.0</b>	<b>3,414.4</b>	<b>3,335.2</b>	<b>3,317.4</b>	<b>3,325.5</b>	.....
Private enterprises .....	12	3,359.2	3,393.9	3,419.9	3,341.9	3,324.5	3,333.3	.....
Net interest and miscellaneous payments, domestic industries .....	13	813.8	899.6	900.1	936.7	915.4	935.8	.....
Business current transfer payments (net) .....	14	85.4	100.2	102.2	103.1	103.2	102.1	92.8
Proprietors' income with inventory valuation and capital consumption adjustments .....	15	1,014.7	1,056.2	1,063.8	1,073.8	1,071.7	1,076.9	1,080.0
Rental income of persons with capital consumption adjustment .....	16	44.3	40.0	41.8	38.6	39.1	58.6	64.3
Corporate profits with inventory valuation and capital consumption adjustments, domestic industries .....	17	1,401.0	1,297.8	1,311.9	1,189.7	1,195.1	1,159.8	.....
Taxes on corporate income .....	18	468.9	450.4	451.1	433.5	402.9	406.8	.....
Profits after tax with inventory valuation and capital consumption adjustments .....	19	932.1	847.4	860.8	756.3	792.1	753.0	.....
Net dividends .....	20	628.8	671.1	662.2	706.6	654.9	681.6	.....
Undistributed corporate profits with inventory valuation and capital consumption adjustments .....	21	303.3	176.3	198.6	49.7	137.2	71.4	.....
Current surplus of government enterprises .....	22	-8.6	-7.9	-5.5	-6.7	-7.1	-7.7	-8.0
<b>Consumption of fixed capital</b> .....	23	<b>1,623.9</b>	<b>1,720.5</b>	<b>1,731.9</b>	<b>1,758.6</b>	<b>1,778.0</b>	<b>1,803.1</b>	<b>1,900.2</b>
Private .....	24	1,356.0	1,431.1	1,440.1	1,462.3	1,477.5	1,497.4	1,588.0
Government .....	25	268.0	289.4	291.8	296.3	300.5	305.7	312.2
<b>Addendum:</b>								
Statistical discrepancy .....	26	-163.0	-81.4	-7.8	13.9	63.4	98.4	.....

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>National income</b> .....	1	<b>11,795.7</b>	<b>12,270.9</b>	<b>12,338.6</b>	<b>12,424.1</b>	<b>12,447.6</b>	<b>12,506.9</b>	.....
<b>Compensation of employees</b> .....	2	<b>7,433.8</b>	<b>7,812.3</b>	<b>7,839.3</b>	<b>7,941.0</b>	<b>8,009.7</b>	<b>8,071.8</b>	<b>8,135.6</b>
Wage and salary accruals .....	3	6,028.5	6,355.7	6,377.7	6,465.5	6,518.0	6,568.6	6,623.2
Government .....	4	1,023.0	1,075.2	1,080.8	1,092.1	1,109.7	1,123.4	1,138.2
Other .....	5	5,005.5	5,280.5	5,297.0	5,373.4	5,408.3	5,445.3	5,485.1
Supplements to wages and salaries .....	6	1,405.3	1,456.6	1,461.6	1,475.5	1,491.7	1,503.1	1,512.4
Employer contributions for employee pension and insurance funds .....	7	956.8	991.9	996.5	1,005.9	1,015.3	1,024.4	1,031.2
Employer contributions for government social insurance .....	8	448.5	464.7	465.1	469.6	476.4	478.7	481.1
<b>Proprietors' income with IVA and CCAadj</b> .....	9	<b>1,014.7</b>	<b>1,056.2</b>	<b>1,063.8</b>	<b>1,073.8</b>	<b>1,071.7</b>	<b>1,076.9</b>	<b>1,080.0</b>
Farm .....	10	16.2	44.0	47.4	47.1	41.6	38.0	31.2
Nonfarm .....	11	998.6	1,012.2	1,016.4	1,026.7	1,030.1	1,039.0	1,048.8
<b>Rental income of persons with CCAadj</b> .....	12	<b>44.3</b>	<b>40.0</b>	<b>41.8</b>	<b>38.6</b>	<b>39.1</b>	<b>58.6</b>	<b>64.3</b>
<b>Corporate profits with IVA and CCAadj</b> .....	13	<b>1,668.5</b>	<b>1,642.4</b>	<b>1,668.3</b>	<b>1,611.1</b>	<b>1,593.5</b>	<b>1,533.3</b>	.....
Taxes on corporate income .....	14	468.9	450.4	451.1	433.5	402.9	406.8	.....
Profits after tax with IVA and CCAadj .....	15	1,199.6	1,192.0	1,217.3	1,177.6	1,190.6	1,126.5	.....
Net dividends .....	16	702.1	788.7	797.6	816.4	832.5	846.4	841.4
Undistributed profits with IVA and CCAadj .....	17	497.5	403.4	419.7	361.2	358.1	280.0	.....
<b>Net interest and miscellaneous payments</b> .....	18	<b>631.2</b>	<b>664.4</b>	<b>663.0</b>	<b>688.1</b>	<b>662.3</b>	<b>683.4</b>	<b>666.1</b>
<b>Taxes on production and imports</b> .....	19	<b>976.2</b>	<b>1,015.5</b>	<b>1,019.2</b>	<b>1,027.7</b>	<b>1,025.8</b>	<b>1,039.4</b>	<b>1,038.0</b>
<b>Less: Subsidies</b> .....	20	<b>49.7</b>	<b>52.3</b>	<b>53.5</b>	<b>52.3</b>	<b>50.6</b>	<b>50.8</b>	<b>50.4</b>
<b>Business current transfer payments (net)</b> .....	21	<b>85.4</b>	<b>100.2</b>	<b>102.2</b>	<b>103.1</b>	<b>103.2</b>	<b>102.1</b>	<b>92.8</b>
To persons (net) .....	22	24.9	31.9	32.5	33.1	32.2	32.4	41.5
To government (net) .....	23	57.9	61.4	61.5	62.1	63.0	63.6	46.4
To the rest of the world (net) .....	24	2.5	6.9	8.1	8.0	8.0	6.1	4.9
<b>Current surplus of government enterprises</b> .....	25	<b>-8.6</b>	<b>-7.9</b>	<b>-5.5</b>	<b>-6.7</b>	<b>-7.1</b>	<b>-7.7</b>	<b>-8.0</b>
<b>Cash flow:</b>								
Net cash flow with IVA and CCAadj .....	26	1,390.3	1,348.7	1,371.4	1,326.9	1,337.0	1,276.5	.....
Undistributed profits with IVA and CCAadj .....	27	497.5	403.4	419.7	361.2	358.1	280.0	.....
Consumption of fixed capital .....	28	892.8	945.3	951.8	965.7	978.8	996.5	1,039.9
Less: Inventory valuation adjustment .....	29	-39.5	-51.2	-31.0	-74.1	-109.4	-154.0	.....
Equals: Net cash flow .....	30	1,429.8	1,399.9	1,402.5	1,401.0	1,446.3	1,430.5	.....
<b>Addenda:</b>								
Proprietors' income with IVA and CCAadj .....	31	1,014.7	1,056.2	1,063.8	1,073.8	1,071.7	1,076.9	1,080.0
Farm .....	32	16.2	44.0	47.4	47.1	41.6	38.0	31.2
Proprietors' income with IVA .....	33	23.3	51.5	54.9	54.8	49.4	45.9	39.4
Capital consumption adjustment .....	34	-7.2	-7.5	-7.5	-7.7	-7.8	-7.9	-8.2
Nonfarm .....	35	998.6	1,012.2	1,016.4	1,026.7	1,030.1	1,039.0	1,048.8
Proprietors' income (without IVA and CCAadj) .....	36	892.5	893.5	893.3	907.0	871.0	881.9	886.1
Inventory valuation adjustment .....	37	-3.8	-6.8	-3.9	-10.0	-13.5	-19.7	-12.3
Capital consumption adjustment .....	38	109.9	125.5	127.0	129.7	172.6	176.7	175.0
Rental income of persons with CCAadj .....	39	44.3	40.0	41.8	38.6	39.1	58.6	64.3
Rental income of persons (without CCAadj) .....	40	60.7	56.8	58.6	55.7	55.9	75.1	85.8
Capital consumption adjustment .....	41	-16.4	-16.8	-16.8	-17.0	-16.8	-16.5	-21.5
Corporate profits with IVA and CCAadj .....	42	1,668.5	1,642.4	1,668.3	1,611.1	1,593.5	1,533.3	.....
Corporate profits with IVA .....	43	1,834.2	1,835.1	1,866.1	1,820.2	1,641.5	1,596.0	.....
Profits before tax (without IVA and CCAadj) .....	44	1,873.7	1,886.3	1,897.1	1,894.3	1,750.9	1,750.0	.....
Taxes on corporate income .....	45	468.9	450.4	451.1	433.5	402.9	406.8	.....
Profits after tax (without IVA and CCAadj) .....	46	1,404.8	1,435.9	1,446.1	1,460.9	1,348.0	1,343.2	.....
Net dividends .....	47	702.1	788.7	797.6	816.4	832.5	846.4	841.4
Undistributed profits (without IVA and CCAadj) .....	48	702.7	647.3	648.5	644.5	515.5	496.7	.....
Inventory valuation adjustment .....	49	-39.5	-51.2	-31.0	-74.1	-109.4	-154.0	.....
Capital consumption adjustment .....	50	-165.7	-192.7	-197.8	-209.2	-48.0	-62.7	-88.5

IVA Inventory valuation adjustment  
CCAadj Capital consumption adjustment

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

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross value added of corporate business <sup>1</sup></b> .....	1	<b>7,962.5</b>	<b>8,195.3</b>	<b>8,235.9</b>	<b>8,207.1</b>	<b>8,233.3</b>	<b>8,258.0</b>	.....
Consumption of fixed capital.....	2	892.8	945.3	951.8	965.7	978.8	996.5	1,039.9
Net value added.....	3	7,069.7	7,249.9	7,284.2	7,241.4	7,254.5	7,261.5	.....
Compensation of employees.....	4	4,876.2	5,110.1	5,125.4	5,194.4	5,222.3	5,253.1	5,285.1
Wage and salary accruals.....	5	4,013.0	4,223.6	4,236.8	4,298.0	4,316.6	4,342.6	4,371.0
Supplements to wages and salaries.....	6	863.3	886.5	888.6	896.4	905.7	910.4	914.0
Taxes on production and imports less subsidies.....	7	640.8	663.9	666.4	672.1	670.4	678.8	677.9
Net operating surplus.....	8	1,552.7	1,476.0	1,492.4	1,374.9	1,361.8	1,329.6	.....
Net interest and miscellaneous payments.....	9	95.2	100.5	100.1	103.6	100.6	105.2	.....
Business current transfer payments.....	10	56.5	77.8	80.4	81.6	66.1	64.7	98.2
Corporate profits with IVA and CCAAdj.....	11	1,401.0	1,297.8	1,311.9	1,189.7	1,195.1	1,159.8	.....
Taxes on corporate income.....	12	468.9	450.4	451.1	433.5	402.9	406.8	.....
Profits after tax with IVA and CCAAdj.....	13	932.1	847.4	860.8	756.3	792.1	753.0	.....
Net dividends.....	14	628.8	671.1	662.2	706.6	654.9	681.6	.....
Undistributed profits with IVA and CCAAdj.....	15	303.3	176.3	198.6	49.7	137.2	71.4	.....
<b>Gross value added of financial corporate business <sup>1</sup></b> .....	16	<b>1,099.1</b>	<b>1,120.2</b>	<b>1,137.3</b>	<b>1,071.6</b>	<b>1,114.0</b>	<b>1,089.7</b>	.....
<b>Gross value added of nonfinancial corporate business <sup>1</sup></b> .....	17	<b>6,863.4</b>	<b>7,075.1</b>	<b>7,098.6</b>	<b>7,135.5</b>	<b>7,119.3</b>	<b>7,168.2</b>	.....
Consumption of fixed capital.....	18	775.2	822.3	828.1	840.7	852.6	868.5	910.3
Net value added.....	19	6,088.3	6,252.8	6,270.6	6,294.8	6,266.7	6,299.8	.....
Compensation of employees.....	20	4,316.8	4,525.3	4,537.2	4,602.7	4,623.0	4,646.0	4,676.5
Wage and salary accruals.....	21	3,548.2	3,734.2	3,744.2	3,802.8	3,814.8	3,833.5	3,860.9
Supplements to wages and salaries.....	22	768.6	791.1	793.0	799.9	808.2	812.4	815.7
Taxes on production and imports less subsidies.....	23	591.1	611.9	614.2	619.5	617.9	625.6	624.8
Net operating surplus.....	24	1,180.3	1,115.5	1,119.1	1,072.6	1,025.8	1,028.2	.....
Net interest and miscellaneous payments.....	25	169.6	179.4	178.8	185.4	180.5	186.7	.....
Business current transfer payments.....	26	71.8	68.1	67.7	67.7	57.9	58.2	52.6
Corporate profits with IVA and CCAAdj.....	27	939.0	868.1	872.6	819.5	787.4	783.2	.....
Taxes on corporate income.....	28	309.3	321.1	318.9	314.7	279.8	294.0	.....
Profits after tax with IVA and CCAAdj.....	29	629.7	547.0	553.7	504.7	507.6	489.2	.....
Net dividends.....	30	474.4	503.4	492.7	533.0	494.0	514.2	.....
Undistributed profits with IVA and CCAAdj.....	31	155.3	43.5	61.0	-28.3	13.6	-25.0	.....
<b>Addenda:</b>								
<b>Corporate business:</b>								
Profits before tax (without IVA and CCAAdj).....	32	1,606.2	1,541.6	1,540.7	1,473.0	1,352.4	1,376.5	.....
Profits after tax (without IVA and CCAAdj).....	33	1,137.3	1,091.2	1,089.6	1,039.6	949.5	969.7	.....
Inventory valuation adjustment.....	34	-39.5	-51.2	-31.0	-74.1	-109.4	-154.0	.....
Capital consumption adjustment.....	35	-165.7	-192.7	-197.8	-209.2	-48.0	-62.7	-88.5
<b>Nonfinancial corporate business:</b>								
Profits before tax (without IVA and CCAAdj).....	36	1,127.4	1,091.7	1,080.4	1,080.6	939.6	993.3	.....
Profits after tax (without IVA and CCAAdj).....	37	818.1	770.7	761.5	765.8	659.8	699.3	.....
Inventory valuation adjustment.....	38	-39.5	-51.2	-31.0	-74.1	-109.4	-154.0	.....
Capital consumption adjustment.....	39	-149.0	-172.5	-176.8	-187.0	-42.8	-56.1	-80.8
				Value added, in billions of chained (2000) dollars				
<b>Gross value added of nonfinancial corporate business <sup>2</sup></b> .....	40	<b>6,167.8</b>	<b>6,264.5</b>	<b>6,293.3</b>	<b>6,323.5</b>	<b>6,302.0</b>	<b>6,407.9</b>	.....
Consumption of fixed capital <sup>3</sup> .....	41	686.7	716.9	721.0	731.6	744.8	757.5	789.9
Net value added <sup>4</sup> .....	42	5,481.1	5,547.6	5,572.3	5,591.9	5,557.2	5,650.5	.....

1. Estimates for financial corporate business and nonfinancial corporate business for 2000 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

2. The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial industries from the GDP-by-industry accounts. For periods when this price index is not available, the chain-type price index for GDP goods and structures is used.

3. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100.

4. Chained-dollar net value added of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.

IVA Inventory valuation adjustment  
CCAAdj Capital consumption adjustment

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

[Dollars]

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Price per unit of real gross value added of nonfinancial corporate business <sup>1</sup></b> .....	1	<b>1.113</b>	<b>1.129</b>	<b>1.128</b>	<b>1.128</b>	<b>1.130</b>	<b>1.119</b>	.....
<b>Compensation of employees (unit labor cost)</b> .....	2	<b>0.700</b>	<b>0.722</b>	<b>0.721</b>	<b>0.728</b>	<b>0.734</b>	<b>0.725</b>	.....
<b>Unit nonlabor cost</b> .....	3	<b>0.260</b>	<b>0.269</b>	<b>0.268</b>	<b>0.271</b>	<b>0.271</b>	<b>0.272</b>	.....
Consumption of fixed capital.....	4	0.126	0.131	0.132	0.133	0.135	0.136	.....
Taxes on production and imports less subsidies plus business current transfer payments.....	5	0.107	0.109	0.108	0.109	0.107	0.107	.....
Net interest and miscellaneous payments.....	6	0.027	0.029	0.028	0.029	0.029	0.029	.....
<b>Corporate profits with IVA and CCAAdj (unit profits from current production)</b> .....	7	<b>0.152</b>	<b>0.139</b>	<b>0.139</b>	<b>0.130</b>	<b>0.125</b>	<b>0.122</b>	.....
Taxes on corporate income.....	8	0.050	0.051	0.051	0.050	0.044	0.046	.....
Profits after tax with IVA and CCAAdj.....	9	0.102	0.087	0.088	0.080	0.081	0.076	.....

1. The implicit price deflator for gross value added of nonfinancial corporate business divided by 100. Estimates for nonfinancial corporate business for 2000 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

NOTE: The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial industries from the GDP-by-industry accounts. For periods when this price index is not available, the chain-type price index for GDP goods and structures is used.

IVA Inventory valuation adjustment  
CCAAdj Capital consumption adjustment

## 2. Personal Income and Outlays

Table 2.1. Personal Income and Its Disposition

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Personal income</b> .....	1	<b>10,993.9</b>	<b>11,663.2</b>	<b>11,730.4</b>	<b>11,872.1</b>	<b>11,960.5</b>	<b>12,188.9</b>	<b>12,219.9</b>
Compensation of employees, received.....	2	7,432.6	7,818.6	7,839.3	7,941.0	8,009.7	8,071.8	8,135.6
Wage and salary disbursements.....	3	6,027.2	6,362.0	6,377.7	6,465.5	6,518.0	6,568.6	6,623.2
Private industries.....	4	5,004.2	5,286.7	5,297.0	5,373.4	5,408.3	5,445.3	5,485.1
Government.....	5	1,023.0	1,075.2	1,080.8	1,092.1	1,109.7	1,123.4	1,138.2
Supplements to wages and salaries.....	6	1,405.3	1,456.6	1,461.6	1,475.5	1,491.7	1,503.1	1,512.4
Employer contributions for employee pension and insurance funds.....	7	956.8	991.9	996.5	1,005.9	1,015.3	1,024.4	1,031.2
Employer contributions for government social insurance.....	8	448.5	464.7	465.1	469.6	476.4	478.7	481.1
Proprietors' income with inventory valuation and capital consumption adjustments.....	9	1,014.7	1,056.2	1,063.8	1,073.8	1,071.7	1,076.9	1,080.0
Farm.....	10	16.2	44.0	47.4	47.1	41.6	38.0	31.2
Nonfarm.....	11	998.6	1,012.2	1,016.4	1,026.7	1,030.1	1,039.0	1,048.8
Rental income of persons with capital consumption adjustment.....	12	44.3	40.0	41.8	38.6	39.1	58.6	64.3
Personal income receipts on assets.....	13	1,824.8	2,000.1	2,030.9	2,056.2	2,054.1	2,052.3	2,070.6
Personal interest income.....	14	1,125.4	1,214.3	1,236.2	1,242.7	1,224.6	1,208.7	1,232.3
Personal dividend income.....	15	699.4	785.8	794.7	813.5	829.5	843.6	838.3
Personal current transfer receipts.....	16	1,603.0	1,713.3	1,720.6	1,737.8	1,778.1	1,926.3	1,871.6
Government social benefits to persons.....	17	1,578.1	1,681.4	1,688.0	1,704.7	1,745.8	1,893.9	1,830.1
Old-age, survivors, disability, and health insurance benefits.....	18	938.9	999.4	1,008.8	1,009.6	1,032.4	1,050.0	1,069.0
Government unemployment insurance benefits.....	19	29.9	32.3	32.5	34.3	38.2	41.4	58.7
Veterans benefits.....	20	39.2	41.9	42.1	42.7	44.6	44.9	45.7
Family assistance <sup>1</sup> .....	21	18.3	18.8	18.9	19.0	19.2	19.3	19.4
Other.....	22	551.7	588.9	585.7	599.2	611.5	738.4	637.3
Other current transfer receipts, from business (net).....	23	24.9	31.9	32.5	33.1	32.2	32.4	41.5
Less: Contributions for government social insurance.....	24	925.5	965.1	966.0	975.3	992.2	997.0	1,002.2
<b>Less: Personal current taxes</b> .....	25	<b>1,353.2</b>	<b>1,492.8</b>	<b>1,501.6</b>	<b>1,520.5</b>	<b>1,535.0</b>	<b>1,354.1</b>	<b>1,487.5</b>
<b>Equals: Disposable personal income</b> .....	26	<b>9,640.7</b>	<b>10,170.5</b>	<b>10,228.8</b>	<b>10,351.5</b>	<b>10,425.5</b>	<b>10,834.8</b>	<b>10,732.4</b>
<b>Less: Personal outlays</b> .....	27	<b>9,570.0</b>	<b>10,113.1</b>	<b>10,182.0</b>	<b>10,309.2</b>	<b>10,404.9</b>	<b>10,538.2</b>	<b>10,592.7</b>
Personal consumption expenditures.....	28	9,207.2	9,710.2	9,765.6	9,892.7	10,002.3	10,138.0	10,190.7
Personal interest payments <sup>2</sup> .....	29	235.4	265.4	278.2	276.7	261.7	253.8	255.1
Personal current transfer payments.....	30	127.4	137.5	138.1	139.8	140.8	146.4	146.9
To government.....	31	76.2	81.2	81.8	82.5	82.9	83.7	84.8
To the rest of the world (net).....	32	51.1	56.3	56.3	57.3	57.9	62.7	62.1
<b>Equals: Personal saving</b> .....	33	<b>70.7</b>	<b>57.4</b>	<b>46.8</b>	<b>42.4</b>	<b>20.6</b>	<b>296.6</b>	<b>139.7</b>
<b>Personal saving as a percentage of disposable personal income</b> .....	34	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.2</b>	<b>2.7</b>	<b>1.3</b>
<b>Addenda:</b>								
Disposable personal income:								
Total, billions of chained (2000) dollars <sup>3</sup> .....	35	8,407.0	8,644.0	8,671.1	8,683.1	8,667.9	8,914.6	8,715.1
Per capita:								
Current dollars.....	36	32,222	33,667	33,820	34,138	34,309	35,579	35,152
Chained (2000) dollars.....	37	28,098	28,614	28,669	28,636	28,525	29,274	28,545
Population (midperiod, thousands).....	38	299,199	302,087	302,452	303,225	303,868	304,528	305,313
Percent change from preceding period:								
Disposable personal income, current dollars.....	39	6.4	5.5	5.7	4.9	2.9	16.7	-3.7
Disposable personal income, chained (2000) dollars.....	40	3.5	2.8	3.1	0.6	-0.7	11.9	-8.7

1. Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

2. Consists of nonmortgage interest paid by households.

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

Table 2.2B. Wage and Salary Disbursements by Industry

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Wage and salary disbursements</b> .....	1	<b>6,027.2</b>	<b>6,362.0</b>	<b>6,377.7</b>	<b>6,465.5</b>	<b>6,518.0</b>	<b>6,568.6</b>	<b>6,623.2</b>
<b>Private industries</b> .....	2	<b>5,004.2</b>	<b>5,286.7</b>	<b>5,297.0</b>	<b>5,373.4</b>	<b>5,408.3</b>	<b>5,445.3</b>	<b>5,485.1</b>
Goods-producing industries.....	3	1,167.2	1,205.4	1,204.3	1,218.2	1,217.7	1,216.3	1,223.7
Manufacturing.....	4	731.2	746.0	743.4	750.2	748.4	748.5	749.2
Services-producing industries.....	5	3,837.1	4,081.3	4,092.6	4,155.3	4,190.5	4,229.0	4,261.4
Trade, transportation, and utilities.....	6	986.7	1,035.2	1,035.3	1,048.3	1,050.4	1,049.3	1,051.3
Other services-producing industries <sup>1</sup> .....	7	2,850.4	3,046.1	3,057.4	3,106.9	3,140.2	3,179.7	3,210.1
<b>Government</b> .....	8	<b>1,023.0</b>	<b>1,075.2</b>	<b>1,080.8</b>	<b>1,092.1</b>	<b>1,109.7</b>	<b>1,123.4</b>	<b>1,138.2</b>

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

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





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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Personal consumption expenditures</b> .....	1	9,207.2	9,710.2	9,765.6	9,892.7	10,002.3	10,138.0	10,190.7
<b>Durable goods</b> .....	2	1,052.1	1,082.8	1,086.2	1,083.0	1,071.0	1,059.3	1,018.3
Motor vehicles and parts .....	3	434.0	440.4	437.9	437.8	424.7	400.6	371.9
Furniture and household equipment .....	4	403.5	415.3	417.2	415.3	415.1	423.0	412.0
Other .....	5	214.6	227.0	231.1	229.9	231.3	235.7	234.4
<b>Nondurable goods</b> .....	6	2,685.2	2,833.0	2,846.6	2,906.2	2,950.7	3,026.2	3,050.4
Food .....	7	1,257.4	1,329.1	1,337.9	1,359.8	1,380.5	1,416.3	1,413.2
Clothing and shoes .....	8	360.2	374.0	375.4	373.2	375.5	382.4	376.8
Gasoline, fuel oil, and other energy goods .....	9	336.2	366.9	367.1	405.3	423.7	441.8	471.8
Gasoline and oil .....	10	313.8	340.6	341.6	376.7	393.4	409.5	441.4
Fuel oil and coal .....	11	22.4	26.3	25.5	28.6	30.2	32.3	30.4
Other .....	12	731.4	762.9	766.1	767.9	771.1	785.7	788.5
<b>Services</b> .....	13	5,469.9	5,794.4	5,832.8	5,903.5	5,980.6	6,052.5	6,122.0
Housing .....	14	1,388.7	1,460.9	1,466.9	1,482.7	1,495.1	1,508.8	1,520.9
Household operation .....	15	502.4	525.7	526.9	534.3	541.7	554.5	561.4
Electricity and gas .....	16	209.6	218.8	218.3	221.1	228.1	236.3	237.2
Other household operation .....	17	292.9	306.9	308.6	313.2	313.6	318.1	324.1
Transportation .....	18	341.2	357.0	360.4	362.9	368.8	372.9	377.4
Medical care .....	19	1,575.8	1,681.1	1,690.2	1,721.9	1,746.6	1,769.3	1,795.6
Recreation .....	20	380.1	403.4	405.9	409.7	408.2	412.3	416.5
Other .....	21	1,281.6	1,366.3	1,382.5	1,392.0	1,420.2	1,434.6	1,450.2
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> ...	22	545.8	585.7	585.4	626.4	651.8	678.1	709.0
Personal consumption expenditures excluding food and energy .....	23	7,404.0	7,795.3	7,842.3	7,906.6	7,970.1	8,043.5	8,068.5

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Personal consumption expenditures</b> .....	1	8,029.0	8,252.8	8,278.5	8,298.2	8,316.1	8,341.3	8,275.2
<b>Durable goods</b> .....	2	1,185.1	1,242.4	1,249.4	1,250.6	1,237.0	1,228.3	1,182.5
Motor vehicles and parts .....	3	437.9	446.7	443.5	442.6	430.2	407.2	378.2
Furniture and household equipment .....	4	550.2	594.0	600.8	606.6	609.3	629.6	617.3
Other .....	5	218.0	228.3	232.9	230.8	229.4	230.8	228.2
<b>Nondurable goods</b> .....	6	2,335.3	2,392.6	2,398.6	2,400.2	2,397.9	2,420.7	2,380.7
Food .....	7	1,090.1	1,110.5	1,110.9	1,118.7	1,122.4	1,133.6	1,108.3
Clothing and shoes .....	8	394.4	412.9	416.6	413.2	416.3	427.2	414.9
Gasoline, fuel oil, and other energy goods .....	9	196.5	198.1	197.9	197.0	194.0	190.8	187.4
Gasoline and oil .....	10	184.2	184.5	184.7	183.8	181.4	179.1	176.8
Fuel oil and coal .....	11	12.4	13.7	13.3	13.4	12.8	11.9	10.9
Other .....	12	666.1	687.3	690.5	687.9	684.8	695.1	695.8
<b>Services</b> .....	13	4,529.9	4,646.2	4,659.8	4,676.1	4,704.3	4,712.1	4,719.2
Housing .....	14	1,154.6	1,171.7	1,172.5	1,175.9	1,177.3	1,182.3	1,184.4
Household operation .....	15	413.5	421.2	421.5	424.0	425.9	421.3	416.5
Electricity and gas .....	16	148.3	151.1	151.0	151.2	154.0	149.6	144.4
Other household operation .....	17	266.1	270.9	271.3	273.9	272.5	273.2	274.8
Transportation .....	18	293.7	299.2	300.5	299.9	301.2	298.9	297.7
Medical care .....	19	1,290.2	1,327.8	1,331.4	1,344.5	1,360.8	1,370.3	1,380.1
Recreation .....	20	320.7	335.0	336.6	336.3	332.3	333.4	332.7
Other .....	21	1,055.9	1,089.9	1,096.0	1,093.9	1,105.0	1,104.0	1,106.0
Residual .....	22	-53.8	-70.7	-74.0	-74.4	-73.6	-84.9	-75.3
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> ...	23	344.7	348.9	348.6	347.9	346.6	339.4	331.3
Personal consumption expenditures excluding food and energy .....	24	6,603.1	6,805.3	6,831.7	6,845.0	6,861.6	6,887.8	6,860.4

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

## 3. Government Current Receipts and Expenditures

Table 3.1. Government Current Receipts and Expenditures

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Current receipts</b> .....	1	<b>3,963.8</b>	<b>4,177.8</b>	<b>4,194.4</b>	<b>4,218.1</b>	<b>4,215.6</b>	<b>4,059.4</b>	.....
Current tax receipts.....	2	2,792.4	2,948.5	2,959.7	2,973.7	2,951.8	2,787.2	.....
Personal current taxes.....	3	1,953.2	1,492.8	1,501.6	1,520.5	1,535.0	1,354.1	1,487.5
Taxes on production and imports.....	4	976.2	1,015.5	1,019.2	1,027.7	1,025.8	1,039.4	1,038.0
Taxes on corporate income.....	5	449.7	426.3	426.0	407.7	375.8	378.9	.....
Taxes from the rest of the world.....	6	13.4	14.0	13.0	17.9	15.3	14.8	15.1
Contributions for government social insurance.....	7	925.5	965.1	966.0	975.3	992.2	997.0	1,002.2
Income receipts on assets.....	8	120.4	129.5	130.9	131.3	132.7	135.6	137.9
Interest and miscellaneous receipts.....	9	117.7	126.6	128.0	128.4	129.7	132.7	134.7
Dividends.....	10	2.7	2.8	2.9	2.9	3.0	2.9	3.1
Current transfer receipts.....	11	134.2	142.6	143.3	144.5	145.9	147.4	131.2
From business (net).....	12	57.9	61.4	61.5	62.1	63.0	63.6	46.4
From persons.....	13	76.2	81.2	81.8	82.5	82.9	83.7	84.8
Current surplus of government enterprises.....	14	-8.6	-7.9	-5.5	-6.7	-7.1	-7.7	-8.0
<b>Current expenditures</b> .....	15	<b>4,118.8</b>	<b>4,396.7</b>	<b>4,434.0</b>	<b>4,476.7</b>	<b>4,598.7</b>	<b>4,766.3</b>	<b>4,803.0</b>
Consumption expenditures.....	16	2,081.5	2,212.0	2,234.4	2,266.8	2,324.3	2,380.9	2,440.4
Current transfer payments.....	17	1,611.0	1,721.3	1,723.1	1,751.2	1,793.5	1,930.2	1,866.3
Government social benefits.....	18	1,581.4	1,685.0	1,691.7	1,708.4	1,749.5	1,897.6	1,833.8
To persons.....	19	1,578.1	1,681.4	1,688.0	1,704.7	1,745.8	1,893.9	1,830.1
To the rest of the world.....	20	3.3	3.6	3.6	3.6	3.7	3.8	3.7
Other current transfer payments to the rest of the world (net).....	21	29.6	36.3	31.5	42.8	44.0	32.6	32.5
Interest payments.....	22	376.5	411.1	422.9	406.4	430.3	404.4	445.9
To persons and business.....	23	241.6	246.0	255.3	235.5	259.2	232.4	.....
To the rest of the world.....	24	135.0	165.1	167.6	170.9	171.1	172.0	.....
Subsidies.....	25	49.7	52.3	53.5	52.3	50.6	50.8	50.4
Less: Wage accruals less disbursements.....	26	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net government saving</b> .....	27	<b>-155.0</b>	<b>-218.9</b>	<b>-239.5</b>	<b>-258.6</b>	<b>-383.1</b>	<b>-706.9</b>	.....
Social insurance funds.....	28	29.4	11.9	4.0	11.7	2.2	-12.6	-42.2
Other.....	29	-184.4	-230.8	-243.5	-270.3	-385.3	-694.2	.....
<b>Addenda:</b>								
<b>Total receipts</b> .....	30	<b>3,996.7</b>	<b>4,209.3</b>	<b>4,226.4</b>	<b>4,250.6</b>	<b>4,249.8</b>	<b>4,094.4</b>	.....
Current receipts.....	31	3,963.8	4,177.8	4,194.4	4,218.1	4,215.6	4,059.4	.....
Capital transfer receipts.....	32	32.9	31.6	32.0	32.5	34.3	35.0	32.9
<b>Total expenditures</b> .....	33	<b>4,291.8</b>	<b>4,608.7</b>	<b>4,651.6</b>	<b>4,700.5</b>	<b>4,810.0</b>	<b>4,906.4</b>	<b>5,035.1</b>
Current expenditures.....	34	4,118.8	4,396.7	4,434.0	4,476.7	4,598.7	4,766.3	4,803.0
Gross government investment.....	35	426.7	462.8	469.1	476.1	473.9	492.8	505.4
Capital transfer payments.....	36	18.1	28.8	27.0	34.6	34.6	34.6	34.6
Net purchases of nonproduced assets.....	37	-3.7	9.7	13.3	9.4	3.3	-81.6	4.4
Less: Consumption of fixed capital.....	38	268.0	289.4	291.8	296.3	300.5	305.7	312.2
<b>Net lending or net borrowing (-)</b> .....	39	<b>-295.1</b>	<b>-399.4</b>	<b>-425.2</b>	<b>-450.0</b>	<b>-560.2</b>	<b>-812.0</b>	.....

Table 3.2. Federal Government Current Receipts and Expenditures

(Billions of dollars)

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Current receipts</b> .....	1	<b>2,510.4</b>	<b>2,651.2</b>	<b>2,664.9</b>	<b>2,679.2</b>	<b>2,672.5</b>	<b>2,488.4</b>	.....
Current tax receipts.....	2	1,550.2	1,644.5	1,654.4	1,660.0	1,634.9	1,443.9	.....
Personal current taxes.....	3	1,049.9	1,167.3	1,178.1	1,194.7	1,201.2	1,007.7	1,154.0
Taxes on production and imports...	4	98.0	97.7	98.2	98.0	95.8	96.9	95.4
Excise taxes.....	5	71.3	68.9	69.4	68.1	66.8	67.5	66.8
Customs duties.....	6	26.7	28.8	28.8	29.9	29.0	29.4	28.6
Taxes on corporate income.....	7	388.9	365.4	365.1	349.5	322.5	324.4	.....
Federal Reserve banks.....	8	29.1	34.6	34.4	33.5	32.9	28.5	.....
Other.....	9	359.9	330.8	330.7	316.0	289.6	296.0	.....
Taxes from the rest of the world....	10	13.4	14.0	13.0	17.9	15.3	14.8	15.1
Contributions for government social insurance.....	11	902.4	942.3	943.3	952.3	968.9	973.4	978.2
Income receipts on assets.....	12	25.7	29.2	29.8	29.5	29.9	31.7	32.4
Interest receipts.....	13	18.0	21.9	22.5	21.6	21.7	21.9	22.3
Rents and royalties.....	14	7.7	7.2	7.3	7.9	8.2	9.8	10.1
Current transfer receipts.....	15	35.7	37.5	37.6	38.2	39.4	40.0	22.4
From business.....	16	19.6	20.5	20.4	20.7	21.7	22.0	4.3
From persons.....	17	16.0	17.1	17.2	17.5	17.7	18.0	18.1
Current surplus of government enterprises.....	18	-3.6	-2.2	-0.2	-0.8	-0.5	-0.6	-0.1
<b>Current expenditures</b> .....	19	<b>2,711.6</b>	<b>2,880.5</b>	<b>2,909.2</b>	<b>2,915.6</b>	<b>3,003.2</b>	<b>3,128.4</b>	<b>3,139.6</b>
Consumption expenditures.....	20	811.8	856.1	869.1	871.6	898.0	918.2	953.9
Current transfer payments.....	21	1,568.1	1,666.7	1,671.4	1,692.5	1,729.2	1,860.1	1,794.8
Government social benefits.....	22	1,180.4	1,254.2	1,264.1	1,270.1	1,305.3	1,443.1	1,375.7
To persons.....	23	1,177.1	1,250.6	1,260.5	1,266.5	1,301.7	1,439.4	1,372.0
To the rest of the world.....	24	3.3	3.6	3.6	3.6	3.7	3.8	3.7
Other current transfer payments....	25	387.7	412.5	407.3	422.4	423.9	417.0	419.1
Grants-in-aid to state and local governments.....	26	358.0	376.3	375.9	379.6	379.9	384.4	386.6
To the rest of the world (net).....	27	29.6	36.3	31.5	42.8	44.0	32.6	32.5
Interest payments.....	28	282.3	312.6	323.9	306.4	329.4	302.3	342.6
To persons and business.....	29	147.3	147.5	156.3	135.5	158.3	130.3	.....
To the rest of the world.....	30	135.0	165.1	167.6	170.9	171.1	172.0	.....
Subsidies.....	31	49.4	45.2	44.8	45.1	46.6	47.8	48.2
Less: Wage accruals less disbursements.....	32	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Federal Government saving</b> .....	33	<b>-201.1</b>	<b>-229.3</b>	<b>-244.3</b>	<b>-236.3</b>	<b>-330.7</b>	<b>-640.0</b>	.....
Social insurance funds.....	34	22.9	6.4	-1.4	6.4	-3.2	-18.2	-47.9
Other.....	35	-224.1	-235.7	-242.9	-242.7	-327.5	-621.9	.....
<b>Addenda:</b>								
<b>Total receipts</b> .....	36	<b>2,538.3</b>	<b>2,677.7</b>	<b>2,691.7</b>	<b>2,706.6</b>	<b>2,701.7</b>	<b>2,518.2</b>	.....
Current receipts.....	37	2,510.4	2,651.2	2,664.9	2,679.2	2,672.5	2,488.4	.....
Capital transfer receipts.....	38	27.8	26.5	26.9	27.4	29.2	29.8	27.8
<b>Total expenditures</b> .....	39	<b>2,783.2</b>	<b>2,973.1</b>	<b>3,009.7</b>	<b>3,016.3</b>	<b>3,095.5</b>	<b>3,144.4</b>	<b>3,250.7</b>
Current expenditures.....	40	2,711.6	2,880.5	2,909.2	2,915.6	3,003.2	3,128.4	3,139.6
Gross government investment....	41	120.3	123.2	124.9	126.7	128.5	138.0	143.8
Capital transfer payments.....	42	70.2	82.4	86.0	89.6	86.4	87.5	93.2
Net purchases of nonproduced assets.....	43	-13.3	-1.3	2.2	-1.7	-7.7	-92.6	-6.6
Less: Consumption of fixed capital.....	44	105.6	111.8	112.5	113.9	115.0	116.9	119.3
<b>Net lending or net borrowing (-)</b>	45	<b>-244.9</b>	<b>-295.4</b>	<b>-318.0</b>	<b>-309.6</b>	<b>-393.8</b>	<b>-626.2</b>	.....

Table 3.3. State and Local Government Current Receipts and Expenditures

(Billions of dollars)

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Current receipts</b> .....	1	<b>1,811.4</b>	<b>1,902.8</b>	<b>1,905.5</b>	<b>1,918.4</b>	<b>1,922.9</b>	<b>1,955.4</b>	.....
Current tax receipts.....	2	1,242.2	1,304.1	1,305.3	1,313.7	1,317.0	1,343.3	.....
Personal current taxes.....	3	303.3	325.4	323.5	325.8	333.7	346.4	333.5
Income taxes.....	4	277.0	298.3	296.3	298.4	306.7	319.0	306.0
Other.....	5	26.3	27.1	27.2	27.5	27.0	27.4	27.5
Taxes on production and imports...	6	878.2	917.8	921.0	929.7	929.9	942.4	942.6
Sales taxes.....	7	421.5	436.5	438.4	439.8	438.5	436.9	435.9
Property taxes.....	8	369.6	390.9	393.6	398.3	401.5	403.8	405.8
Other.....	9	87.1	90.3	89.1	91.5	89.9	101.7	100.9
Taxes on corporate income.....	10	60.7	60.9	60.9	58.2	53.3	54.5	.....
Contributions for government social insurance.....	11	23.1	22.8	22.8	22.9	23.3	23.6	24.0
Income receipts on assets.....	12	94.7	100.3	101.1	101.8	102.9	103.9	105.5
Interest receipts.....	13	80.6	84.6	85.2	85.9	87.0	88.2	89.3
Dividends.....	14	2.7	2.8	2.9	2.9	3.0	2.9	3.1
Rents and royalties.....	15	11.4	12.8	13.0	13.0	12.8	12.9	13.1
Current transfer receipts.....	16	456.5	481.3	481.6	485.9	486.4	491.8	495.4
Federal grants-in-aid.....	17	358.0	376.3	375.9	379.6	379.9	384.4	386.6
From business (net).....	18	38.3	40.9	41.1	41.3	41.4	41.6	42.1
From persons.....	19	60.2	64.1	64.6	65.0	65.2	65.8	66.8
Current surplus of government enterprises.....	20	-5.0	-5.7	-5.3	-5.9	-6.6	-7.1	-7.9
<b>Current expenditures</b> .....	21	<b>1,765.3</b>	<b>1,892.4</b>	<b>1,900.7</b>	<b>1,940.7</b>	<b>1,975.3</b>	<b>2,022.3</b>	<b>2,050.0</b>
Consumption expenditures.....	22	1,269.6	1,355.9	1,365.3	1,395.2	1,426.3	1,462.7	1,486.4
Government social benefit payments to persons.....	23	401.0	430.8	427.6	438.3	444.2	454.5	458.1
Interest payments.....	24	94.3	98.5	99.1	100.0	100.9	102.1	103.3
Subsidies.....	25	0.4	7.1	8.8	7.3	4.0	3.0	2.2
Less: Wage accruals less disbursements.....	26	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net state and local government saving</b> .....	27	<b>46.2</b>	<b>10.4</b>	<b>4.7</b>	<b>-22.3</b>	<b>-52.4</b>	<b>-66.9</b>	.....
Social insurance funds.....	28	6.5	5.5	5.4	5.3	5.4	5.5	5.7
Other.....	29	39.7	4.9	-0.6	-27.6	-57.8	-72.4	.....
<b>Addenda:</b>								
<b>Total receipts</b> .....	30	<b>1,868.6</b>	<b>1,961.5</b>	<b>1,969.6</b>	<b>1,978.6</b>	<b>1,979.8</b>	<b>2,013.5</b>	.....
Current receipts.....	31	1,811.4	1,902.8	1,905.5	1,918.4	1,922.9	1,955.4	.....
Capital transfer receipts.....	32	57.2	58.7	64.1	60.1	56.9	58.1	63.8
<b>Total expenditures</b> .....	33	<b>1,918.8</b>	<b>2,065.5</b>	<b>2,076.7</b>	<b>2,118.9</b>	<b>2,146.2</b>	<b>2,199.3</b>	<b>2,229.6</b>
Current expenditures.....	34	1,765.3	1,892.4	1,900.7	1,940.7	1,975.3	2,022.3	2,050.0
Gross government investment....	35	306.3	339.6	344.2	349.4	345.3	354.9	361.6
Capital transfer payments.....	36	.....	.....	.....	.....	.....	.....	.....
Net purchases of nonproduced assets.....	37	9.6	11.0	11.1	11.2	11.1	11.0	11.0
Less: Consumption of fixed capital.....	38	162.3	177.6	179.3	182.4	185.5	188.8	192.9
<b>Net lending or net borrowing (-)</b>	39	<b>-50.2</b>	<b>-104.0</b>	<b>-107.2</b>	<b>-140.3</b>	<b>-166.3</b>	<b>-185.8</b>	.....



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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Government consumption expenditures and gross investment</b> .....	1	<b>2,508.1</b>	<b>2,674.8</b>	<b>2,703.5</b>	<b>2,742.9</b>	<b>2,798.1</b>	<b>2,873.7</b>	<b>2,945.8</b>
Consumption expenditures <sup>1</sup> .....	2	2,081.5	2,212.0	2,234.4	2,266.8	2,324.3	2,380.9	2,440.4
Gross investment <sup>2</sup> .....	3	426.7	462.8	469.1	476.1	473.9	492.8	505.4
Structures.....	4	266.5	299.4	304.1	310.7	305.2	315.0	323.4
Equipment and software.....	5	160.2	163.5	165.0	165.5	168.6	177.8	182.0
<b>Federal</b> .....	6	<b>932.2</b>	<b>979.3</b>	<b>994.0</b>	<b>998.3</b>	<b>1,026.5</b>	<b>1,056.1</b>	<b>1,097.8</b>
Consumption expenditures.....	7	811.8	856.1	869.1	871.6	898.0	918.2	953.9
Gross investment.....	8	120.3	123.2	124.9	126.7	128.5	138.0	143.8
Structures.....	9	16.2	18.4	18.7	20.6	20.0	20.9	23.0
Equipment and software.....	10	104.1	104.9	106.2	106.1	108.5	117.1	120.8
<b>National defense</b> .....	11	<b>624.1</b>	<b>662.2</b>	<b>675.6</b>	<b>679.3</b>	<b>699.9</b>	<b>723.3</b>	<b>759.5</b>
Consumption expenditures.....	12	544.6	580.1	591.9	594.7	613.8	629.0	659.6
Gross investment.....	13	79.5	82.1	83.7	84.6	86.1	94.3	99.9
Structures.....	14	6.3	7.5	7.7	9.2	7.9	8.9	10.6
Equipment and software.....	15	73.2	74.6	76.0	75.4	78.2	85.4	89.3
<b>Nondefense</b> .....	16	<b>308.0</b>	<b>317.1</b>	<b>318.3</b>	<b>319.0</b>	<b>326.6</b>	<b>332.9</b>	<b>338.3</b>
Consumption expenditures.....	17	267.2	276.0	277.2	276.9	284.2	289.2	294.4
Gross investment.....	18	40.8	41.1	41.2	42.1	42.4	43.7	43.9
Structures.....	19	9.9	10.9	11.0	11.5	12.1	12.0	12.4
Equipment and software.....	20	30.9	30.3	30.2	30.6	30.3	31.7	31.5
<b>State and local</b> .....	21	<b>1,575.9</b>	<b>1,695.5</b>	<b>1,709.5</b>	<b>1,744.6</b>	<b>1,771.6</b>	<b>1,817.6</b>	<b>1,848.0</b>
Consumption expenditures.....	22	1,269.6	1,355.9	1,365.3	1,395.2	1,426.3	1,462.7	1,486.4
Gross investment.....	23	306.3	339.6	344.2	349.4	345.3	354.9	361.6
Structures.....	24	250.2	281.0	285.4	290.0	285.2	294.1	300.4
Equipment and software.....	25	56.1	58.6	58.8	59.4	60.1	60.7	61.2

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

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Government consumption expenditures and gross investment</b> .....	1	<b>1,971.2</b>	<b>2,012.1</b>	<b>2,025.3</b>	<b>2,029.4</b>	<b>2,039.1</b>	<b>2,058.9</b>	<b>2,088.3</b>
Consumption expenditures <sup>1</sup> .....	2	1,616.0	1,646.3	1,656.7	1,658.8	1,671.7	1,680.4	1,705.1
Gross investment <sup>2</sup> .....	3	355.3	366.0	368.9	371.0	367.4	379.2	383.9
Structures.....	4	195.6	203.0	204.5	206.1	201.1	205.7	207.6
Equipment and software.....	5	165.5	168.3	169.8	170.2	173.2	181.5	184.9
<b>Federal</b> .....	6	<b>741.0</b>	<b>752.9</b>	<b>762.7</b>	<b>761.7</b>	<b>772.6</b>	<b>785.0</b>	<b>810.8</b>
Consumption expenditures.....	7	627.3	637.8	646.3	644.3	653.7	659.5	680.8
Gross investment.....	8	115.9	117.3	118.7	120.0	121.5	129.5	134.2
Structures.....	9	12.1	13.0	13.2	14.4	13.9	14.4	15.7
Equipment and software.....	10	105.0	105.1	106.3	106.0	108.3	116.0	119.1
<b>National defense</b> .....	11	<b>490.0</b>	<b>502.1</b>	<b>511.0</b>	<b>509.9</b>	<b>518.9</b>	<b>528.1</b>	<b>550.6</b>
Consumption expenditures.....	12	415.0	425.8	433.5	431.9	439.7	443.4	461.6
Gross investment.....	13	76.7	78.0	79.3	79.9	81.0	87.9	92.6
Structures.....	14	4.6	5.2	5.4	6.4	5.5	6.2	7.2
Equipment and software.....	15	72.5	72.9	74.1	73.3	75.8	81.9	85.1
<b>Nondefense</b> .....	16	<b>250.8</b>	<b>250.4</b>	<b>251.2</b>	<b>251.5</b>	<b>253.2</b>	<b>256.3</b>	<b>259.4</b>
Consumption expenditures.....	17	212.2	211.7	212.4	212.0	213.5	215.6	218.5
Gross investment.....	18	39.3	39.3	39.4	40.2	40.5	41.6	41.7
Structures.....	19	7.4	7.7	7.8	8.0	8.4	8.2	8.4
Equipment and software.....	20	32.6	32.3	32.2	32.7	32.5	34.0	33.7
<b>State and local</b> .....	21	<b>1,230.2</b>	<b>1,259.0</b>	<b>1,262.6</b>	<b>1,267.5</b>	<b>1,266.7</b>	<b>1,274.4</b>	<b>1,278.9</b>
Consumption expenditures.....	22	988.2	1,008.0	1,010.0	1,013.9	1,017.6	1,020.6	1,024.3
Gross investment.....	23	241.8	250.9	252.5	253.4	249.0	253.7	254.5
Structures.....	24	183.5	190.1	191.4	191.8	187.3	191.4	192.0
Equipment and software.....	25	60.3	63.1	63.3	64.0	64.8	65.2	65.3
Residual.....	26	-5.1	-4.7	-4.8	-4.6	-6.0	-7.6	-7.8

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

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

**Table 3.10.1. Percent Change From Preceding Period in Real Government Consumption Expenditures and General Government Gross Output**  
[Percent]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Government consumption expenditures</b> <sup>1</sup> .....	1	1.6	1.9	3.9	0.5	3.2	2.1	6.0
Gross output of general government.....	2	1.3	1.9	3.9	0.3	2.9	2.1	5.5
Value added.....	3	0.6	1.3	2.1	1.6	2.2	2.4	3.3
Compensation of general government employees.....	4	0.2	1.0	2.0	1.4	2.2	2.2	3.3
Consumption of general government fixed capital <sup>2</sup> .....	5	3.1	3.1	2.8	2.7	2.6	3.5	3.6
Intermediate goods and services purchased <sup>3</sup> .....	6	2.4	2.8	6.7	-1.6	3.9	1.5	8.9
Durable goods.....	7	5.9	6.2	20.0	4.0	6.8	10.3	13.3
Nondurable goods.....	8	1.6	2.8	5.3	-4.1	2.1	2.0	4.4
Services.....	9	2.4	2.5	6.1	-1.1	4.4	0.5	10.6
Less: Own-account investment <sup>4</sup> .....	10	-1.5	3.5	3.8	0.7	-10.2	4.1	-0.3
Sales to other sectors.....	11	-0.5	1.8	3.3	-0.8	2.1	1.6	2.9
<b>Federal consumption expenditures</b> <sup>1</sup> .....	12	1.4	1.7	7.8	-1.2	6.0	3.6	13.6
Gross output of general government.....	13	1.3	1.6	8.3	-2.1	5.7	3.6	13.7
Value added.....	14	-0.1	0.7	3.8	1.4	3.7	4.3	6.8
Compensation of general government employees.....	15	-1.1	0.0	4.0	0.9	4.0	4.6	7.6
Consumption of general government fixed capital <sup>2</sup> .....	16	3.5	3.5	3.1	3.0	2.7	3.6	4.3
Intermediate goods and services purchased <sup>3</sup> .....	17	3.1	2.7	14.2	-6.2	8.1	2.7	22.6
Durable goods.....	18	8.6	7.8	32.0	5.1	10.8	15.7	20.8
Nondurable goods.....	19	-1.3	0.9	19.6	-30.6	9.3	6.4	23.0
Services.....	20	3.1	2.3	11.3	-3.6	7.6	0.5	22.7
Less: Own-account investment <sup>4</sup> .....	21	-1.7	-4.1	4.3	-11.2	-10.4	-7.3	-2.8
Sales to other sectors.....	22	-10.0	-1.4	73.5	-58.4	-14.4	11.2	48.1
<b>Defense consumption expenditures</b> <sup>1</sup> .....	23	0.8	2.6	10.9	-1.4	7.4	3.4	17.4
Gross output of general government.....	24	0.9	2.6	11.8	-2.5	7.0	3.4	17.2
Value added.....	25	-0.5	0.5	4.2	1.2	3.1	4.0	8.7
Compensation of general government employees.....	26	-1.6	-0.4	4.7	0.7	3.3	4.2	10.3
Consumption of general government fixed capital <sup>2</sup> .....	27	3.0	3.1	2.9	2.8	2.6	3.5	4.1
Intermediate goods and services purchased <sup>3</sup> .....	28	2.6	5.2	21.0	-6.5	11.6	2.7	27.1
Durable goods.....	29	8.4	8.5	34.4	4.6	11.5	16.5	21.2
Nondurable goods.....	30	-3.6	2.8	34.8	-49.1	12.3	10.1	26.4
Services.....	31	2.4	4.9	17.4	-1.8	11.6	-0.4	28.2
Less: Own-account investment <sup>4</sup> .....	32	-2.0	-4.5	-5.0	-4.8	-12.7	-10.1	-7.4
Sales to other sectors.....	33	6.7	7.4	264.4	-80.4	-39.2	12.3	-2.2
<b>Nondefense consumption expenditures</b> <sup>1</sup> .....	34	2.6	-0.2	1.7	-0.8	2.9	4.0	5.5
Gross output of general government.....	35	2.1	-0.4	1.5	-1.1	2.9	4.0	6.5
Value added.....	36	0.6	1.3	3.0	1.7	4.9	4.9	3.4
Compensation of general government employees.....	37	-0.2	0.6	2.9	1.4	5.4	5.2	3.1
Consumption of general government fixed capital <sup>2</sup> .....	38	5.0	4.6	3.6	3.5	2.8	3.7	4.8
Intermediate goods and services purchased <sup>3</sup> .....	39	4.3	-2.8	-0.7	-5.3	-2.2	2.5	11.5
Durable goods.....	40	11.7	0.9	6.1	10.7	1.9	5.2	14.2
Nondurable goods.....	41	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change.....	42	.....	.....	.....	.....	.....	.....	.....
Other nondurable goods.....	43	-0.8	-1.8	-1.5	6.3	5.1	6.4	-12.3
Services.....	44	4.5	-3.1	-1.4	-7.7	-1.4	2.7	10.0
Less: Own-account investment <sup>4</sup> .....	45	-1.4	-3.8	12.2	-15.9	-8.6	-5.1	0.8
Sales to other sectors.....	46	-20.3	-8.9	-15.5	-13.7	10.5	10.5	94.1
<b>State and local consumption expenditures</b> <sup>1</sup> .....	47	1.7	2.0	1.5	1.6	1.4	1.2	1.5
Gross output of general government.....	48	1.3	2.0	1.7	1.6	1.5	1.3	1.5
Value added.....	49	0.9	1.6	1.3	1.7	1.6	1.6	1.8
Compensation of general government employees.....	50	0.6	1.4	1.2	1.5	1.4	1.3	1.6
Consumption of general government fixed capital <sup>2</sup> .....	51	2.7	2.7	2.6	2.6	2.5	3.5	3.1
Intermediate goods and services purchased <sup>3</sup> .....	52	1.9	2.8	2.2	1.4	1.4	0.8	1.2
Durable goods.....	53	1.9	3.6	3.2	2.4	0.6	2.1	1.5
Nondurable goods.....	54	2.2	3.2	2.8	1.9	0.9	1.2	1.2
Services.....	55	1.8	2.6	1.8	1.0	1.7	0.4	1.2
Less: Own-account investment <sup>4</sup> .....	56	-1.5	5.4	3.7	3.4	-10.1	6.5	0.2
Sales to other sectors.....	57	-0.2	1.9	2.0	1.3	2.5	1.4	2.0
Tuition and related educational charges.....	58	0.7	1.1	0.4	0.5	2.0	2.0	2.0
Health and hospital charges.....	59	-2.4	1.5	2.2	1.8	2.0	2.0	2.0
Other sales.....	60	2.4	3.0	2.7	1.3	3.6	0.2	2.0

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

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

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

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

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

[Index numbers, 2000=100]

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Government consumption expenditures</b> <sup>1</sup> .....	1	<b>114.036</b>	<b>116.177</b>	<b>116.911</b>	<b>117.054</b>	<b>117.969</b>	<b>118.584</b>	<b>120.323</b>
Gross output of general government.....	2	113.501	115.637	116.363	116.456	117.287	117.886	119.481
Value added.....	3	106.991	108.403	108.634	109.058	109.661	110.322	111.223
Compensation of general government employees.....	4	105.415	106.483	106.680	107.042	107.616	108.212	109.082
Consumption of general government fixed capital <sup>2</sup> .....	5	116.639	120.211	120.651	121.472	122.253	123.318	124.410
Intermediate goods and services purchased <sup>3</sup> .....	6	125.668	129.172	130.834	130.303	131.557	132.046	134.893
Durable goods.....	7	127.388	135.247	139.226	140.611	142.939	146.498	151.127
Nondurable goods.....	8	117.172	120.430	121.735	120.457	121.092	121.689	122.995
Services.....	9	128.535	131.716	133.300	132.919	134.350	134.503	137.933
Less: Own-account investment <sup>4</sup> .....	10	109.591	113.472	114.494	114.684	111.647	112.764	112.681
Sales to other sectors.....	11	110.483	112.458	113.105	112.880	113.481	113.938	114.743
<b>Federal consumption expenditures</b> <sup>1</sup> .....	12	<b>125.637</b>	<b>127.744</b>	<b>129.427</b>	<b>129.032</b>	<b>130.915</b>	<b>132.071</b>	<b>136.340</b>
Gross output of general government.....	13	125.231	127.251	129.057	128.384	130.172	131.323	135.617
Value added.....	14	106.857	107.655	108.030	108.402	109.403	110.570	112.413
Compensation of general government employees.....	15	105.769	105.768	106.119	106.369	107.428	108.630	110.625
Consumption of general government fixed capital <sup>2</sup> .....	16	111.216	115.096	115.565	116.413	117.186	118.214	119.462
Intermediate goods and services purchased <sup>3</sup> .....	17	156.793	161.051	165.505	162.891	166.109	167.205	175.928
Durable goods.....	18	143.477	154.736	161.735	163.740	167.994	174.220	182.631
Nondurable goods.....	19	156.342	157.686	165.041	150.643	154.043	156.448	164.768
Services.....	20	159.115	162.834	166.528	165.006	168.068	168.282	177.123
Less: Own-account investment <sup>4</sup> .....	21	112.762	108.130	109.183	105.986	103.115	101.174	100.446
Sales to other sectors.....	22	101.447	99.992	112.356	90.211	86.760	89.103	98.292
<b>Defense consumption expenditures</b> <sup>1</sup> .....	23	<b>129.097</b>	<b>132.457</b>	<b>134.826</b>	<b>134.343</b>	<b>136.773</b>	<b>137.921</b>	<b>143.569</b>
Gross output of general government.....	24	129.245	132.615	135.148	134.289	136.595	137.740	143.323
Value added.....	25	107.490	107.989	108.426	108.747	109.583	110.665	113.009
Compensation of general government employees.....	26	107.634	107.247	107.690	107.873	108.743	109.860	112.578
Consumption of general government fixed capital <sup>2</sup> .....	27	108.009	111.333	111.751	112.518	113.253	114.231	115.389
Intermediate goods and services purchased <sup>3</sup> .....	28	165.878	174.466	180.841	177.813	182.777	184.007	195.370
Durable goods.....	29	140.057	151.923	159.259	161.068	165.524	171.966	180.451
Nondurable goods.....	30	141.326	145.268	156.506	132.219	136.110	139.410	147.812
Services.....	31	174.871	183.437	188.880	188.019	193.245	193.068	205.452
Less: Own-account investment <sup>4</sup> .....	32	140.455	134.069	132.967	131.345	126.970	123.628	121.288
Sales to other sectors.....	33	147.916	158.862	191.719	127.489	112.586	115.894	115.240
<b>Nondefense consumption expenditures</b> <sup>1</sup> .....	34	<b>119.305</b>	<b>119.048</b>	<b>119.441</b>	<b>119.214</b>	<b>120.061</b>	<b>121.235</b>	<b>122.876</b>
Gross output of general government.....	35	118.091	117.634	118.107	117.776	118.612	119.775	121.680
Value added.....	36	105.759	107.103	107.366	107.832	109.139	110.463	111.378
Compensation of general government employees.....	37	102.963	103.588	103.790	104.149	105.523	106.867	107.678
Consumption of general government fixed capital <sup>2</sup> .....	38	120.338	125.857	126.477	127.566	128.451	129.623	131.138
Intermediate goods and services purchased <sup>3</sup> .....	39	140.031	136.156	137.018	135.177	135.112	135.958	139.694
Durable goods.....	40	189.785	191.432	192.949	197.895	198.811	201.337	208.145
Nondurable goods.....	41	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change.....	42	.....	.....	.....	.....	.....	.....	.....
Other nondurable goods.....	43	195.178	191.742	191.994	194.955	197.377	200.452	193.962
Services.....	44	133.542	129.393	130.254	127.656	127.203	128.050	131.146
Less: Own-account investment <sup>4</sup> .....	45	97.917	94.236	96.490	92.406	90.355	89.184	89.354
Sales to other sectors.....	46	81.276	74.060	77.019	74.232	76.115	78.044	92.120
<b>State and local consumption expenditures</b> <sup>1</sup> .....	47	<b>107.669</b>	<b>109.828</b>	<b>110.046</b>	<b>110.478</b>	<b>110.874</b>	<b>111.201</b>	<b>111.603</b>
Gross output of general government.....	48	108.282	110.470	110.718	111.146	111.560	111.920	112.350
Value added.....	49	107.046	108.732	108.898	109.346	109.773	110.210	110.694
Compensation of general government employees.....	50	105.306	106.797	106.933	107.338	107.722	108.078	108.503
Consumption of general government fixed capital <sup>2</sup> .....	51	121.820	125.143	125.559	126.363	127.154	128.257	129.227
Intermediate goods and services purchased <sup>3</sup> .....	52	110.600	113.735	114.137	114.528	114.918	115.142	115.479
Durable goods.....	53	108.543	112.493	113.039	113.720	113.888	114.468	114.895
Nondurable goods.....	54	111.491	115.011	115.471	116.024	116.279	116.628	116.968
Services.....	55	110.307	113.163	113.523	113.797	114.288	114.404	114.734
Less: Own-account investment <sup>4</sup> .....	56	109.000	114.845	115.864	116.828	113.749	115.566	115.629
Sales to other sectors.....	57	110.778	112.849	113.173	113.553	114.265	114.670	115.246
Tuition and related educational charges.....	58	104.864	105.994	106.058	106.200	106.732	107.264	107.801
Health and hospital charges.....	59	107.533	109.117	109.451	109.932	110.481	111.033	111.589
Other sales.....	60	120.372	123.990	124.511	124.927	126.045	126.109	126.748

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

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

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

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

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

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Government consumption expenditures</b> <sup>1</sup> .....	1	<b>128.804</b>	<b>134.359</b>	<b>134.878</b>	<b>136.669</b>	<b>139.047</b>	<b>141.695</b>	<b>143.136</b>
Gross output of general government.....	2	128.665	134.197	134.699	136.510	138.733	141.173	142.616
Value added.....	3	130.843	136.547	137.091	138.142	139.658	140.764	141.792
Compensation of general government employees.....	4	133.771	139.519	140.053	141.108	142.722	143.833	144.752
Consumption of general government fixed capital <sup>2</sup> .....	5	115.252	120.682	121.268	122.286	123.312	124.385	125.920
Intermediate goods and services purchased <sup>3</sup> .....	6	124.888	130.138	130.581	133.528	136.809	141.248	143.308
Durable goods.....	7	106.594	107.355	107.271	107.470	107.837	108.460	109.364
Nondurable goods.....	8	140.070	148.731	148.662	158.706	169.221	182.830	185.893
Services.....	9	121.891	126.514	127.175	128.109	129.367	131.262	133.130
Less: Own-account investment <sup>4</sup> .....	10	124.494	129.105	129.653	130.793	132.347	133.874	135.417
Sales to other sectors.....	11	128.096	133.553	133.942	135.929	137.206	138.369	139.819
<b>Federal consumption expenditures</b> <sup>1</sup> .....	12	<b>129.409</b>	<b>134.215</b>	<b>134.490</b>	<b>135.294</b>	<b>137.386</b>	<b>139.241</b>	<b>140.140</b>
Gross output of general government.....	13	129.318	134.117	134.391	135.197	137.278	139.123	140.014
Value added.....	14	136.545	142.629	142.719	143.022	145.621	146.562	147.012
Compensation of general government employees.....	15	145.848	153.196	153.209	153.405	156.846	157.787	157.956
Consumption of general government fixed capital <sup>2</sup> .....	16	109.674	112.290	112.580	113.157	113.502	114.427	115.612
Intermediate goods and services purchased <sup>3</sup> .....	17	119.930	123.265	123.740	125.078	126.576	129.368	130.715
Durable goods.....	18	104.845	104.642	104.293	104.345	104.337	104.850	105.334
Nondurable goods.....	19	133.758	139.217	139.896	148.996	154.817	170.131	171.837
Services.....	20	120.285	123.877	124.439	125.043	126.276	127.973	129.413
Less: Own-account investment <sup>4</sup> .....	21	130.184	135.161	135.524	135.524	137.738	138.791	139.181
Sales to other sectors.....	22	119.313	123.360	123.434	124.884	125.743	126.775	127.214
<b>Defense consumption expenditures</b> <sup>1</sup> .....	23	<b>131.213</b>	<b>136.220</b>	<b>136.573</b>	<b>137.704</b>	<b>139.603</b>	<b>141.872</b>	<b>142.919</b>
Gross output of general government.....	24	131.190	136.200	136.552	137.682	139.582	141.847	142.889
Value added.....	25	139.545	146.218	146.472	147.018	149.545	150.754	151.327
Compensation of general government employees.....	26	151.433	159.639	159.797	160.322	163.763	164.975	165.137
Consumption of general government fixed capital <sup>2</sup> .....	27	111.114	114.249	114.709	115.297	115.762	116.945	118.426
Intermediate goods and services purchased <sup>3</sup> .....	28	120.944	124.212	124.664	126.338	127.603	130.834	132.297
Durable goods.....	29	106.255	106.301	105.956	106.067	106.142	106.740	107.285
Nondurable goods.....	30	149.576	156.573	156.904	172.884	180.365	209.218	212.441
Services.....	31	121.147	124.706	125.300	126.045	127.053	128.757	130.263
Less: Own-account investment <sup>4</sup> .....	32	132.160	137.008	137.669	137.219	139.726	141.220	141.910
Sales to other sectors.....	33	126.570	132.067	132.150	133.879	135.565	137.537	137.784
<b>Nondefense consumption expenditures</b> <sup>1</sup> .....	34	<b>125.964</b>	<b>130.378</b>	<b>130.499</b>	<b>130.637</b>	<b>133.128</b>	<b>134.139</b>	<b>134.729</b>
Gross output of general government.....	35	125.805	130.200	130.321	130.479	132.929	133.929	134.515
Value added.....	36	131.334	136.397	136.205	136.086	138.809	139.289	139.527
Compensation of general government employees.....	37	137.396	143.439	143.232	142.928	146.369	146.901	147.079
Consumption of general government fixed capital <sup>2</sup> .....	38	105.956	107.265	107.129	107.681	107.725	108.007	108.458
Intermediate goods and services purchased <sup>3</sup> .....	39	117.819	121.314	121.853	122.386	124.457	126.169	127.228
Durable goods.....	40	89.990	87.379	86.995	86.423	85.568	85.170	85.000
Nondurable goods.....	41	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change.....	42	.....	.....	.....	.....	.....	.....	.....
Other nondurable goods.....	43	117.215	121.338	122.336	124.497	128.643	130.852	131.552
Services.....	44	118.890	122.569	123.063	123.343	125.119	126.810	128.097
Less: Own-account investment <sup>4</sup> .....	45	128.498	133.568	133.703	134.044	136.032	136.750	136.917
Sales to other sectors.....	46	114.981	117.891	117.964	119.188	119.503	119.951	120.496
<b>State and local consumption expenditures</b> <sup>1</sup> .....	47	<b>128.485</b>	<b>134.517</b>	<b>135.190</b>	<b>137.612</b>	<b>140.173</b>	<b>143.333</b>	<b>145.130</b>
Gross output of general government.....	48	128.379	134.287	134.904	137.230	139.527	142.275	144.008
Value added.....	49	128.464	134.010	134.741	136.102	137.167	138.343	139.615
Compensation of general government employees.....	50	129.517	134.707	135.419	136.771	137.751	138.921	140.104
Consumption of general government fixed capital <sup>2</sup> .....	51	120.189	128.103	128.950	130.359	131.989	133.193	135.038
Intermediate goods and services purchased <sup>3</sup> .....	52	128.245	134.810	135.226	139.295	143.815	149.406	151.977
Durable goods.....	53	108.948	111.263	111.609	112.062	113.079	113.893	115.569
Nondurable goods.....	54	141.168	150.480	150.258	160.480	171.909	185.162	188.501
Services.....	55	123.229	128.737	129.486	130.707	131.986	134.054	136.304
Less: Own-account investment <sup>4</sup> .....	56	123.101	127.627	128.215	129.581	131.002	132.618	134.375
Sales to other sectors.....	57	128.311	133.804	134.202	136.203	137.490	138.655	140.130
Tuition and related educational charges.....	58	152.756	162.313	163.240	166.002	168.651	171.447	173.773
Health and hospital charges.....	59	125.955	130.111	130.276	132.143	132.719	133.537	134.484
Other sales.....	60	116.990	122.004	122.418	124.167	125.647	126.388	128.087

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

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

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

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



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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Government consumption expenditures</b> <sup>1</sup> .....	1	<b>2,081.5</b>	<b>2,212.0</b>	<b>2,234.4</b>	<b>2,266.8</b>	<b>2,324.3</b>	<b>2,380.9</b>	<b>2,440.4</b>
Gross output of general government.....	2	2,427.7	2,579.7	2,605.4	2,642.5	2,704.7	2,766.3	2,832.4
Value added.....	3	1,497.3	1,583.2	1,592.8	1,611.3	1,638.0	1,661.0	1,686.7
Compensation of general government employees.....	4	1,273.7	1,341.8	1,349.4	1,364.2	1,387.2	1,405.8	1,426.1
Consumption of general government fixed capital <sup>2</sup> .....	5	223.7	241.4	243.4	247.1	250.8	255.2	260.6
Intermediate goods and services purchased <sup>3</sup> .....	6	930.3	996.5	1,012.5	1,031.2	1,066.7	1,105.4	1,145.7
Durable goods.....	7	59.9	64.0	65.9	66.6	68.0	70.1	72.9
Nondurable goods.....	8	238.5	260.3	262.9	277.7	297.7	323.2	332.2
Services.....	9	632.0	672.2	683.8	686.8	701.0	712.1	740.6
Less: Own-account investment <sup>4</sup> .....	10	24.7	26.5	26.9	27.1	26.7	27.3	27.6
Sales to other sectors.....	11	321.5	341.2	344.2	348.6	353.7	358.1	364.5
<b>Federal consumption expenditures</b> <sup>1</sup> .....	12	<b>811.8</b>	<b>856.1</b>	<b>869.1</b>	<b>871.6</b>	<b>898.0</b>	<b>918.2</b>	<b>953.9</b>
Gross output of general government.....	13	824.6	869.0	883.0	883.7	909.8	930.2	966.7
Value added.....	14	460.1	484.2	486.2	488.9	502.4	511.1	521.2
Compensation of general government employees.....	15	360.6	378.8	380.1	381.4	393.9	400.7	408.5
Consumption of general government fixed capital <sup>2</sup> .....	16	99.5	105.5	106.2	107.5	108.5	110.4	112.7
Intermediate goods and services purchased <sup>3</sup> .....	17	364.4	384.7	396.8	394.8	407.4	419.1	445.6
Durable goods.....	18	36.1	38.9	40.5	41.1	42.1	43.9	46.2
Nondurable goods.....	19	39.6	41.5	43.7	42.5	45.1	50.4	53.6
Services.....	20	288.7	304.3	312.6	311.2	320.1	324.8	345.7
Less: Own-account investment <sup>4</sup> .....	21	4.7	4.7	4.8	4.6	4.6	4.5	4.5
Sales to other sectors.....	22	8.0	8.2	9.2	7.5	7.2	7.5	8.3
<b>Defense consumption expenditures</b> <sup>1</sup> .....	23	<b>544.6</b>	<b>580.1</b>	<b>591.9</b>	<b>594.7</b>	<b>613.8</b>	<b>629.0</b>	<b>659.6</b>
Gross output of general government.....	24	550.3	586.3	598.9	600.0	618.8	634.1	664.6
Value added.....	25	298.8	314.5	316.3	318.4	326.4	332.3	340.6
Compensation of general government employees.....	26	226.5	237.9	239.1	240.3	247.4	251.8	258.3
Consumption of general government fixed capital <sup>2</sup> .....	27	72.3	76.6	77.2	78.1	79.0	80.5	82.3
Intermediate goods and services purchased <sup>3</sup> .....	28	251.6	271.8	282.6	281.6	292.4	301.8	324.0
Durable goods.....	29	33.1	36.0	37.6	38.0	39.1	40.9	43.1
Nondurable goods.....	30	22.0	23.7	25.7	23.9	25.7	30.5	32.8
Services.....	31	196.4	212.1	219.4	219.7	227.6	230.4	248.1
Less: Own-account investment <sup>4</sup> .....	32	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Sales to other sectors.....	33	3.6	4.1	4.9	3.3	3.0	3.1	3.1
<b>Nondefense consumption expenditures</b> <sup>1</sup> .....	34	<b>267.2</b>	<b>276.0</b>	<b>277.2</b>	<b>276.9</b>	<b>284.2</b>	<b>289.2</b>	<b>294.4</b>
Gross output of general government.....	35	274.2	282.7	284.1	283.7	291.0	296.1	302.1
Value added.....	36	161.4	169.7	169.9	170.5	176.0	178.8	180.6
Compensation of general government employees.....	37	134.1	140.9	141.0	141.1	146.4	148.9	150.2
Consumption of general government fixed capital <sup>2</sup> .....	38	27.3	28.9	29.0	29.4	29.6	29.9	30.4
Intermediate goods and services purchased <sup>3</sup> .....	39	112.9	113.0	114.2	113.2	115.0	117.3	121.6
Durable goods.....	40	3.0	2.9	3.0	3.0	3.0	3.0	3.1
Nondurable goods.....	41	17.5	17.8	18.0	18.6	19.5	19.9	20.8
Commodity Credit Corporation inventory change.....	42	-0.1	-0.1	0.0	-0.1	0.0	-0.3	1.2
Other nondurable goods.....	43	17.6	17.9	18.0	18.6	19.5	20.1	19.6
Services.....	44	92.3	92.2	93.2	91.6	92.5	94.4	97.7
Less: Own-account investment <sup>4</sup> .....	45	2.6	2.6	2.7	2.6	2.6	2.6	2.6
Sales to other sectors.....	46	4.4	4.1	4.2	4.1	4.2	4.4	5.2
<b>State and local consumption expenditures</b> <sup>1</sup> .....	47	<b>1,269.6</b>	<b>1,355.9</b>	<b>1,365.3</b>	<b>1,395.2</b>	<b>1,426.3</b>	<b>1,462.7</b>	<b>1,486.4</b>
Gross output of general government.....	48	1,603.1	1,710.7	1,722.3	1,758.8	1,794.9	1,836.2	1,865.7
Value added.....	49	1,037.2	1,099.0	1,106.6	1,122.4	1,135.6	1,149.9	1,165.6
Compensation of general government employees.....	50	913.0	963.1	969.4	982.8	993.3	1,005.1	1,017.6
Consumption of general government fixed capital <sup>2</sup> .....	51	124.1	135.9	137.3	139.6	142.3	144.8	147.9
Intermediate goods and services purchased <sup>3</sup> .....	52	565.9	611.7	615.7	636.4	659.3	686.3	700.1
Durable goods.....	53	23.7	25.1	25.3	25.6	25.8	26.2	26.6
Nondurable goods.....	54	198.9	218.7	219.2	235.3	252.6	272.8	278.6
Services.....	55	343.3	367.9	371.2	375.6	380.9	387.3	394.9
Less: Own-account investment <sup>4</sup> .....	56	19.9	21.8	22.1	22.5	22.1	22.8	23.1
Sales to other sectors.....	57	313.5	333.0	335.0	341.1	346.5	350.7	356.2
Tuition and related educational charges.....	58	71.0	76.2	76.7	78.1	79.8	81.5	83.0
Health and hospital charges.....	59	142.9	149.8	150.4	153.3	154.7	156.4	158.3
Other sales.....	60	99.6	107.0	107.8	109.7	112.0	112.7	114.8

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

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

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

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

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

[Billions of chained (2000) dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Government consumption expenditures</b> <sup>1</sup> .....	1	<b>1,616.0</b>	<b>1,646.3</b>	<b>1,656.7</b>	<b>1,658.8</b>	<b>1,671.7</b>	<b>1,680.4</b>	<b>1,705.1</b>
Gross output of general government .....	2	1,886.8	1,922.3	1,934.4	1,935.9	1,949.7	1,959.7	1,986.2
Value added .....	3	1,144.4	1,159.5	1,161.9	1,166.5	1,172.9	1,180.0	1,189.6
Compensation of general government employees .....	4	952.1	961.8	963.5	966.8	972.0	977.4	985.2
Consumption of general government fixed capital <sup>2</sup> .....	5	194.1	200.0	200.7	202.1	203.4	205.2	207.0
Intermediate goods and services purchased <sup>3</sup> .....	6	744.9	765.7	775.6	772.4	779.8	782.7	799.6
Durable goods .....	7	56.2	59.6	61.4	62.0	63.0	64.6	66.6
Nondurable goods .....	8	170.3	175.0	176.9	175.0	176.0	176.8	178.7
Services .....	9	518.5	531.3	537.7	536.2	542.0	542.6	556.4
Less: Own-account investment <sup>4</sup> .....	10	19.8	20.5	20.7	20.8	20.2	20.4	20.4
Sales to other sectors .....	11	251.0	255.5	257.0	256.4	257.8	258.8	260.7
<b>Federal consumption expenditures</b> <sup>1</sup> .....	12	<b>627.3</b>	<b>637.8</b>	<b>643.3</b>	<b>644.3</b>	<b>653.7</b>	<b>659.5</b>	<b>680.8</b>
Gross output of general government .....	13	637.6	647.9	657.1	653.7	662.8	668.7	690.5
Value added .....	14	337.0	339.5	340.7	341.9	345.0	348.7	354.5
Compensation of general government employees .....	15	247.2	247.2	248.1	248.6	251.1	253.9	258.6
Consumption of general government fixed capital <sup>2</sup> .....	16	90.8	93.9	94.3	95.0	95.6	96.5	97.5
Intermediate goods and services purchased <sup>3</sup> .....	17	303.9	312.1	320.8	315.7	321.9	324.1	341.0
Durable goods .....	18	34.5	37.2	38.9	39.3	40.4	41.9	43.9
Nondurable goods .....	19	29.6	29.8	31.2	28.5	29.1	29.6	31.2
Services .....	20	240.1	245.7	251.2	248.9	253.6	253.9	267.2
Less: Own-account investment <sup>4</sup> .....	21	3.6	3.5	3.5	3.4	3.3	3.3	3.2
Sales to other sectors .....	22	6.7	6.6	7.4	6.0	5.7	5.9	6.5
<b>Defense consumption expenditures</b> <sup>1</sup> .....	23	<b>415.0</b>	<b>425.8</b>	<b>433.5</b>	<b>431.9</b>	<b>439.7</b>	<b>443.4</b>	<b>461.6</b>
Gross output of general government .....	24	419.5	430.4	438.7	435.9	443.4	447.1	465.2
Value added .....	25	214.1	215.1	216.0	216.6	218.3	220.4	225.1
Compensation of general government employees .....	26	149.6	149.0	149.6	149.9	151.1	152.6	156.4
Consumption of general government fixed capital <sup>2</sup> .....	27	65.1	67.1	67.3	67.8	68.2	68.8	69.5
Intermediate goods and services purchased <sup>3</sup> .....	28	208.0	218.8	226.8	223.0	229.2	230.8	245.0
Durable goods .....	29	31.2	33.8	35.5	35.9	36.9	38.3	40.2
Nondurable goods .....	30	14.7	15.1	16.3	13.8	14.2	14.5	15.4
Services .....	31	162.1	170.1	175.1	174.3	179.2	179.0	190.5
Less: Own-account investment <sup>4</sup> .....	32	1.6	1.5	1.5	1.5	1.4	1.4	1.4
Sales to other sectors .....	33	2.9	3.1	3.7	2.5	2.2	2.3	2.2
<b>Nondefense consumption expenditures</b> <sup>1</sup> .....	34	<b>212.2</b>	<b>211.7</b>	<b>212.4</b>	<b>212.0</b>	<b>213.5</b>	<b>215.6</b>	<b>218.5</b>
Gross output of general government .....	35	218.0	217.1	218.0	217.4	219.0	221.1	224.6
Value added .....	36	122.9	124.4	124.7	125.3	126.8	128.3	129.4
Compensation of general government employees .....	37	97.6	98.2	98.4	98.8	100.1	101.3	102.1
Consumption of general government fixed capital <sup>2</sup> .....	38	25.7	26.9	27.0	27.3	27.5	27.7	28.0
Intermediate goods and services purchased <sup>3</sup> .....	39	95.8	93.1	93.7	92.5	92.4	93.0	95.6
Durable goods .....	40	3.3	3.4	3.4	3.5	3.5	3.6	3.7
Nondurable goods .....	41	14.9	14.7	14.7	14.9	15.1	15.2	15.7
Commodity Credit Corporation inventory change .....	42	-0.1	-0.1	0.0	0.0	0.0	-0.2	0.8
Other nondurable goods .....	43	15.0	14.7	14.8	15.0	15.2	15.4	14.9
Services .....	44	77.7	75.2	75.7	74.2	74.0	74.5	76.3
Less: Own-account investment <sup>4</sup> .....	45	2.1	2.0	2.0	1.9	1.9	1.9	1.9
Sales to other sectors .....	46	3.8	3.5	3.6	3.5	3.6	3.6	4.3
<b>State and local consumption expenditures</b> <sup>1</sup> .....	47	<b>988.2</b>	<b>1,008.0</b>	<b>1,010.0</b>	<b>1,013.9</b>	<b>1,017.6</b>	<b>1,020.6</b>	<b>1,024.3</b>
Gross output of general government .....	48	1,248.7	1,273.9	1,276.8	1,281.7	1,286.5	1,290.7	1,295.6
Value added .....	49	807.4	820.1	821.3	824.7	827.9	831.2	834.9
Compensation of general government employees .....	50	705.0	714.9	715.9	718.6	721.1	723.5	726.4
Consumption of general government fixed capital <sup>2</sup> .....	51	103.3	106.1	106.5	107.1	107.8	108.7	109.6
Intermediate goods and services purchased <sup>3</sup> .....	52	441.3	453.8	455.4	456.9	458.5	459.4	460.7
Durable goods .....	53	21.8	22.6	22.7	22.8	22.8	23.0	23.1
Nondurable goods .....	54	140.9	145.4	145.9	146.6	147.0	147.4	147.8
Services .....	55	278.6	285.8	286.7	287.4	288.6	288.9	289.7
Less: Own-account investment <sup>4</sup> .....	56	16.2	17.1	17.2	17.4	16.9	17.2	17.2
Sales to other sectors .....	57	244.3	248.9	249.6	250.5	252.0	252.9	254.2
Tuition and related educational charges .....	58	46.5	47.0	47.0	47.1	47.3	47.5	47.8
Health and hospital charges .....	59	113.5	115.1	115.5	116.0	116.6	117.2	117.7
Other sales .....	60	85.1	87.7	88.1	88.4	89.2	89.2	89.7
Residual .....	61	-3.8	-4.9	-5.5	-5.9	-6.4	-6.3	-7.1

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

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

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

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

NOTE. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

**Table 3.11.1. Percent Change From Preceding Period in Real National Defense Consumption Expenditures and Gross Investment by Type**  
[Percent]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>National defense consumption expenditures and gross investment</b> .....	1	1.6	2.5	10.2	-0.9	7.3	7.3	18.1
<b>Consumption expenditures</b> <sup>1</sup> .....	2	0.8	2.6	10.9	-1.4	7.4	3.4	17.4
Gross output of general government .....	3	0.9	2.6	11.8	-2.5	7.0	3.4	17.2
Value added .....	4	-0.5	0.5	4.2	1.2	3.1	4.0	8.7
Compensation of general government employees .....	5	-1.6	-0.4	4.7	0.7	3.3	4.2	10.3
Military .....	6	-2.4	-0.8	6.0	-1.0	5.7	3.0	11.9
Civilian .....	7	0.0	0.6	1.9	4.5	-1.9	6.7	6.7
Consumption of general government fixed capital <sup>2</sup> .....	8	3.0	3.1	2.9	2.8	2.6	3.5	4.1
Intermediate goods and services purchased <sup>3</sup> .....	9	2.6	5.2	21.0	-6.5	11.6	2.7	27.1
Durable goods .....	10	8.4	8.5	34.4	4.6	11.5	16.5	21.2
Aircraft .....	11	0.0	4.4	40.9	27.8	-30.3	44.9	25.9
Missiles .....	12	20.5	7.4	12.5	24.6	-13.4	2.6	-1.7
Ships .....	13	4.9	2.1	108.8	-45.1	12.6	-1.7	60.6
Vehicles .....	14	43.4	34.4	17.8	22.3	3.6	79.6	-21.0
Electronics .....	15	16.0	22.0	36.3	-15.6	103.6	44.1	43.2
Other durable goods .....	16	4.3	-0.9	31.0	-5.6	35.1	-35.9	15.0
Nondurable goods .....	17	-3.6	2.8	34.8	-49.1	12.3	10.1	26.4
Petroleum products .....	18	-2.6	2.3	43.7	-59.5	-8.7	28.8	33.9
Ammunition .....	19	-4.8	-3.7	96.6	-44.3	68.4	-41.3	46.1
Other nondurable goods .....	20	-4.4	7.6	-1.5	-26.2	29.6	12.8	1.3
Services .....	21	2.4	4.9	17.4	-1.8	11.6	-0.4	28.2
Research and development .....	22	8.6	-3.0	-19.6	16.1	-5.8	20.2	-3.4
Installation support .....	23	-2.5	-0.2	16.4	-10.4	28.4	-7.9	34.6
Weapons support .....	24	-4.2	11.8	45.8	-15.9	25.4	-12.2	88.5
Personnel support .....	25	5.9	6.5	30.7	2.0	21.5	1.5	43.2
Transportation of material .....	26	-2.2	50.5	106.1	-1.2	-18.0	-27.5	6.9
Travel of persons .....	27	-16.1	9.6	44.5	-41.8	-6.4	-18.6	-19.2
Less: Own-account investment <sup>4</sup> .....	28	-2.0	-4.5	-5.0	-4.8	-12.7	-10.1	-7.4
Sales to other sectors .....	29	6.7	7.4	264.4	-80.4	-39.2	12.3	-2.2
<b>Gross investment</b> <sup>5</sup> .....	30	7.0	1.6	5.4	3.0	6.0	38.7	22.7
Structures .....	31	-1.5	12.8	78.1	94.8	-45.1	60.4	92.1
Equipment and software .....	32	7.8	0.6	0.3	-4.1	14.0	36.6	16.8
Aircraft .....	33	1.5	-5.8	-30.2	-42.6	-36.7	326.6	-4.9
Missiles .....	34	14.5	-6.7	-27.4	-23.8	-3.7	127.9	27.1
Ships .....	35	0.5	-6.2	-0.8	40.8	-45.0	32.1	12.2
Vehicles .....	36	30.8	20.5	7.9	-40.5	276.2	-6.3	68.9
Electronics and software .....	37	12.4	17.4	28.0	12.3	35.9	28.3	24.4
Other equipment .....	38	7.1	-5.0	7.4	10.4	27.7	-12.2	10.2

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

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

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

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

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

**Table 3.11.3. Real National Defense Consumption Expenditures and Gross Investment by Type, Quantity Indexes**

[Index numbers, 2000=100]

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>National defense consumption expenditures and gross investment</b> .....	1	132.315	135.596	138.002	137.694	140.125	142.621	148.677
<b>Consumption expenditures</b> <sup>1</sup> .....	2	129.097	132.457	134.826	134.343	136.773	137.921	143.569
Gross output of general government.....	3	129.245	132.615	135.148	134.289	136.595	137.740	143.323
Value added.....	4	107.490	107.989	108.426	108.747	109.583	110.665	113.009
Compensation of general government employees.....	5	107.634	107.247	107.690	107.873	108.743	109.860	112.578
Military.....	6	109.510	108.650	109.347	109.072	110.596	111.422	114.603
Civilian.....	7	104.423	105.015	104.929	106.078	105.574	107.311	109.066
Consumption of general government fixed capital <sup>2</sup>	8	108.009	111.333	111.751	112.518	113.253	114.231	115.389
Intermediate goods and services purchased <sup>3</sup> .....	9	165.878	174.466	180.841	177.813	182.777	184.007	195.370
Durable goods.....	10	140.057	151.923	159.259	161.068	165.524	171.966	180.451
Aircraft.....	11	104.230	108.826	113.916	121.127	110.668	121.411	128.609
Missiles.....	12	151.557	162.779	164.769	174.092	167.922	169.023	168.291
Ships.....	13	102.704	104.894	119.156	102.590	105.680	105.217	118.452
Vehicles.....	14	199.485	268.205	282.012	296.576	299.234	346.415	326.564
Electronics.....	15	232.006	283.075	303.451	290.827	347.384	380.609	416.356
Other durable goods.....	16	155.322	153.997	158.594	156.342	168.557	150.796	156.154
Nondurable goods.....	17	141.326	145.268	156.506	132.219	136.110	139.410	147.812
Petroleum products.....	18	131.513	134.493	149.686	119.399	116.718	124.341	133.764
Ammunition.....	19	189.747	182.816	199.261	172.141	196.088	171.644	188.697
Other nondurable goods.....	20	132.409	142.512	144.179	133.630	142.592	146.941	147.411
Services.....	21	174.871	183.437	188.880	188.019	193.245	193.068	205.452
Research and development.....	22	186.497	180.920	173.200	179.790	177.127	185.459	183.884
Installation support.....	23	116.703	116.496	120.253	117.007	124.562	122.029	131.428
Weapons support.....	24	221.396	247.616	269.408	258.013	273.010	264.249	309.611
Personnel support.....	25	224.191	238.770	249.484	250.721	263.232	264.183	289.011
Transportation of material.....	26	139.546	209.966	235.262	234.577	223.197	205.930	209.393
Travel of persons.....	27	120.418	131.967	142.822	124.748	122.697	116.545	110.479
Less: Own-account investment <sup>4</sup>	28	140.455	134.069	132.967	131.345	126.970	123.628	121.288
Sales to other sectors.....	29	147.916	158.862	191.719	127.489	112.586	115.894	115.240
<b>Gross investment</b> <sup>5</sup> .....	30	157.208	159.765	162.446	163.647	166.030	180.174	189.643
Structures.....	31	93.490	105.467	108.220	127.851	110.037	123.836	145.792
Equipment and software.....	32	165.275	166.336	166.967	167.228	172.794	186.813	194.194
Aircraft.....	33	208.769	196.590	201.495	175.408	156.436	224.825	222.045
Missiles.....	34	161.777	150.912	138.019	128.943	127.727	156.938	166.632
Ships.....	35	126.521	118.700	116.372	126.762	109.180	117.039	120.444
Vehicles.....	36	280.616	338.161	375.050	329.460	458.841	451.455	514.674
Electronics and software.....	37	159.991	187.839	196.043	201.794	217.863	231.853	244.876
Other equipment.....	38	156.208	148.332	148.340	152.060	161.658	156.481	160.341

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

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

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

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

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

**Table 3.11.4. Price Indexes for National Defense Consumption Expenditures and Gross Investment by Type**

[Index numbers, 2000=100]

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>National defense consumption expenditures and gross investment</b> .....	1	127.381	131.874	132.232	133.237	134.905	136.967	137.966
<b>Consumption expenditures</b> <sup>1</sup> .....	2	131.213	136.220	136.573	137.704	139.603	141.872	142.919
Gross output of general government.....	3	131.190	136.200	136.552	137.682	139.582	141.847	142.889
Value added.....	4	139.545	146.218	146.472	147.018	149.545	150.754	151.327
Compensation of general government employees.....	5	151.433	159.639	159.797	160.322	163.763	164.975	165.137
Military.....	6	158.102	167.465	167.824	168.796	172.162	173.811	173.991
Civilian.....	7	138.549	144.559	144.342	144.027	147.599	147.987	148.116
Consumption of general government fixed capital <sup>2</sup>	8	111.114	114.249	114.709	115.297	115.762	116.945	118.426
Intermediate goods and services purchased <sup>3</sup> .....	9	120.944	124.212	124.664	126.338	127.603	130.834	132.297
Durable goods.....	10	106.255	106.301	105.956	106.067	106.142	106.740	107.285
Aircraft.....	11	107.707	106.086	105.339	104.766	104.673	104.989	105.531
Missiles.....	12	110.015	111.246	111.048	111.487	111.892	112.514	112.810
Ships.....	13	109.852	108.860	107.944	109.107	109.075	110.131	112.423
Vehicles.....	14	118.628	120.803	120.059	121.644	121.599	121.873	121.537
Electronics.....	15	95.427	95.252	95.009	94.797	94.889	95.022	95.281
Other durable goods.....	16	106.505	108.127	108.362	109.049	109.213	110.818	111.859
Nondurable goods.....	17	149.576	156.573	156.904	172.884	180.365	209.218	212.441
Petroleum products.....	18	210.625	224.381	225.013	266.054	286.283	366.222	372.172
Ammunition.....	19	119.182	122.886	122.636	125.172	126.868	130.288	133.474
Other nondurable goods.....	20	111.156	114.008	114.297	115.504	115.813	117.461	118.456
Services.....	21	121.147	124.706	125.300	126.045	127.053	128.757	130.263
Research and development.....	22	120.515	123.754	124.173	125.013	126.567	127.725	129.250
Installation support.....	23	124.112	128.472	129.345	130.111	131.279	133.163	134.255
Weapons support.....	24	116.087	118.471	118.881	119.296	120.145	120.858	121.896
Personnel support.....	25	119.931	124.281	124.727	125.543	126.671	126.466	126.680
Transportation of material.....	26	127.499	128.907	130.243	131.067	132.695	140.968	149.770
Travel of persons.....	27	129.071	131.264	132.745	133.180	137.492	146.285	155.475
Less: Own-account investment <sup>4</sup>	28	132.160	137.008	137.669	137.219	139.726	141.220	141.910
Sales to other sectors.....	29	126.570	132.067	132.150	133.879	135.565	137.537	137.784
<b>Gross investment</b> <sup>5</sup> .....	30	103.657	105.255	105.625	105.920	106.296	107.217	107.939
Structures.....	31	136.094	143.122	143.852	144.374	145.342	145.282	146.061
Equipment and software.....	32	101.047	102.270	102.616	102.891	103.220	104.211	104.930
Aircraft.....	33	83.937	83.714	84.300	85.813	86.308	86.313	86.372
Missiles.....	34	103.750	105.554	105.491	107.270	106.547	106.596	106.992
Ships.....	35	128.660	134.873	135.993	135.870	138.880	145.704	150.515
Vehicles.....	36	97.210	101.514	102.265	102.260	103.023	102.781	102.123
Electronics and software.....	37	88.665	87.256	86.862	86.228	85.567	85.434	85.411
Other equipment.....	38	107.877	109.422	109.840	110.071	110.308	111.671	112.774

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

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

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

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

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

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

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>National defense consumption expenditures and gross investment</b> .....	1	624.1	662.2	675.6	679.3	699.9	723.3	759.5
<b>Consumption expenditures</b> <sup>1</sup> .....	2	544.6	580.1	591.9	594.7	613.8	629.0	659.6
Gross output of general government .....	3	550.3	586.3	598.9	600.0	618.8	634.1	664.6
Value added .....	4	298.8	314.5	316.3	318.4	326.4	332.3	340.6
Compensation of general government employees .....	5	226.5	237.9	239.1	240.3	247.4	251.8	258.3
Military .....	6	154.8	162.7	164.1	164.6	170.3	173.2	178.3
Civilian .....	7	71.6	75.2	75.0	75.7	77.2	78.6	80.0
Consumption of general government fixed capital <sup>2</sup> .....	8	72.3	76.6	77.2	78.1	79.0	80.5	82.3
Intermediate goods and services purchased <sup>3</sup> .....	9	251.6	271.8	282.6	281.6	292.4	301.8	324.0
Durable goods .....	10	33.1	36.0	37.6	38.0	39.1	40.9	43.1
Aircraft .....	11	11.0	11.3	11.8	12.5	11.4	12.5	13.4
Missiles .....	12	4.1	4.4	4.5	4.8	4.6	4.7	4.7
Ships .....	13	1.5	1.5	1.7	1.5	1.5	1.5	1.8
Vehicles .....	14	1.8	2.5	2.6	2.8	2.8	3.3	3.1
Electronics .....	15	6.5	7.9	8.4	8.1	9.6	10.6	11.6
Other durable goods .....	16	8.2	8.3	8.5	8.5	9.2	8.3	8.7
Nondurable goods .....	17	22.0	23.7	25.7	23.9	25.7	30.5	32.8
Petroleum products .....	18	11.2	12.2	13.7	13.0	13.6	18.6	20.3
Ammunition .....	19	4.1	4.1	4.4	3.9	4.5	4.1	4.6
Other nondurable goods .....	20	6.7	7.4	7.5	7.0	7.5	7.9	8.0
Services .....	21	196.4	212.1	219.4	219.7	227.6	230.4	248.1
Research and development .....	22	59.0	58.8	56.5	59.1	58.9	62.2	62.5
Installation support .....	23	36.1	37.3	38.8	37.9	40.7	40.5	44.0
Weapons support .....	24	24.6	28.1	30.7	29.5	31.4	30.6	36.2
Personnel support .....	25	61.7	68.1	71.4	72.2	75.9	76.6	84.0
Transportation of material .....	26	7.6	11.6	13.1	13.2	12.7	12.5	13.5
Travel of persons .....	27	7.3	8.1	8.9	7.8	7.9	8.0	8.1
Less: Own-account investment <sup>4</sup> .....	28	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Sales to other sectors .....	29	3.6	4.1	4.9	3.3	3.0	3.1	3.1
<b>Gross investment</b> <sup>5</sup> .....	30	79.5	82.1	83.7	84.6	86.1	94.3	99.9
Structures .....	31	6.3	7.5	7.7	9.2	7.9	8.9	10.6
Equipment and software .....	32	73.2	74.6	76.0	75.4	78.2	85.4	89.3
Aircraft .....	33	13.6	12.8	13.2	11.7	10.5	15.1	14.9
Missiles .....	34	4.5	4.3	3.9	3.7	3.7	4.5	4.8
Ships .....	35	10.7	10.5	10.4	11.3	10.0	11.2	11.9
Vehicles .....	36	5.0	6.3	7.0	6.2	8.7	8.5	9.7
Electronics and software .....	37	14.3	16.6	17.2	17.6	18.9	20.0	21.2
Other equipment .....	38	25.1	24.1	24.2	24.9	26.5	26.0	26.9

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

[Billions of chained (2000) dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>National defense consumption expenditures and gross investment</b> .....	1	490.0	502.1	511.0	509.9	518.9	528.1	550.6
<b>Consumption expenditures</b> <sup>1</sup> .....	2	415.0	425.8	433.5	431.9	439.7	443.4	461.6
Gross output of general government .....	3	419.5	430.4	438.7	435.9	443.4	447.1	465.2
Value added .....	4	214.1	215.1	216.0	216.6	218.3	220.4	225.1
Compensation of general government employees .....	5	149.6	149.0	149.6	149.9	151.1	152.6	156.4
Military .....	6	97.9	97.2	97.8	97.5	98.9	99.6	102.5
Civilian .....	7	51.7	52.0	52.0	52.5	52.3	53.1	54.0
Consumption of general government fixed capital <sup>2</sup> .....	8	65.1	67.1	67.3	67.8	68.2	68.8	69.5
Intermediate goods and services purchased <sup>3</sup> .....	9	208.0	218.8	226.8	223.0	229.2	230.8	245.0
Durable goods .....	10	31.2	33.8	35.5	35.9	36.9	38.3	40.2
Aircraft .....	11	10.2	10.7	11.2	11.9	10.9	11.9	12.6
Missiles .....	12	3.7	4.0	4.0	4.3	4.1	4.1	4.1
Ships .....	13	1.4	1.4	1.6	1.4	1.4	1.4	1.6
Vehicles .....	14	1.5	2.1	2.2	2.3	2.3	2.7	2.5
Electronics .....	15	6.8	8.3	8.9	8.5	10.1	11.1	12.2
Other durable goods .....	16	7.7	7.7	7.9	7.8	8.4	7.5	7.8
Nondurable goods .....	17	14.7	15.1	16.3	13.8	14.2	14.5	15.4
Petroleum products .....	18	5.3	5.5	6.1	4.8	4.7	5.0	5.4
Ammunition .....	19	3.4	3.3	3.6	3.1	3.6	3.1	3.4
Other nondurable goods .....	20	6.0	6.5	6.6	6.1	6.5	6.7	6.7
Services .....	21	162.1	170.1	175.1	174.3	179.2	179.0	190.5
Research and development .....	22	49.0	47.5	45.5	47.2	46.5	48.7	48.3
Installation support .....	23	29.1	29.0	30.0	29.2	31.0	30.4	32.8
Weapons support .....	24	21.2	23.7	25.8	24.7	26.2	25.3	29.7
Personnel support .....	25	51.5	54.8	57.3	57.5	60.4	60.6	66.3
Transportation of material .....	26	6.0	9.0	10.1	10.1	9.6	8.9	9.0
Travel of persons .....	27	5.6	6.2	6.7	5.9	5.8	5.5	5.2
Less: Own-account investment <sup>4</sup> .....	28	1.6	1.5	1.5	1.5	1.4	1.4	1.4
Sales to other sectors .....	29	2.9	3.1	3.7	2.5	2.2	2.3	2.2
<b>Gross investment</b> <sup>5</sup> .....	30	76.7	78.0	79.3	79.9	81.0	87.9	92.6
Structures .....	31	4.6	5.2	5.4	6.4	5.5	6.2	7.2
Equipment and software .....	32	72.5	72.9	74.1	73.3	75.8	81.9	85.1
Aircraft .....	33	16.2	15.2	15.6	13.6	12.1	17.4	17.2
Missiles .....	34	4.4	4.1	3.7	3.5	3.4	4.2	4.5
Ships .....	35	8.3	7.8	7.7	8.3	7.2	7.7	7.9
Vehicles .....	36	5.1	6.2	6.9	6.0	8.4	8.3	9.4
Electronics and software .....	37	16.2	19.0	19.8	20.4	22.0	23.4	24.8
Other equipment .....	38	23.2	22.1	22.1	22.6	24.0	23.3	23.8
Residual .....	39	-6.6	-8.9	-9.6	-9.5	-11.0	-13.1	-14.2

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

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

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

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

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

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

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

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

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

## 4. Foreign Transactions

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

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Current receipts from the rest of the world</b> .....	1	<b>2,206.1</b>	<b>2,524.1</b>	<b>2,613.4</b>	<b>2,667.1</b>	<b>2,664.0</b>	<b>2,746.0</b>	.....
<b>Exports of goods and services</b> .....	2	<b>1,480.8</b>	<b>1,662.4</b>	<b>1,714.9</b>	<b>1,759.7</b>	<b>1,820.8</b>	<b>1,923.2</b>	<b>1,981.1</b>
Goods <sup>1</sup> .....	3	1,032.1	1,149.2	1,181.2	1,213.7	1,256.9	1,343.7	1,385.2
Durable .....	4	718.2	788.7	807.6	826.4	829.2	866.8	885.3
Nondurable .....	5	313.9	360.5	373.6	387.3	427.7	476.9	499.9
Services <sup>1</sup> .....	6	448.7	513.2	533.8	546.0	563.9	579.5	595.9
<b>Income receipts</b> .....	7	<b>725.4</b>	<b>861.7</b>	<b>898.5</b>	<b>907.4</b>	<b>843.2</b>	<b>822.8</b>	.....
Wage and salary receipts .....	8	2.9	3.0	3.0	3.0	3.0	3.0	.....
Income receipts on assets .....	9	722.5	858.8	895.5	904.3	840.2	819.8	.....
Interest .....	10	283.6	349.6	367.0	351.3	283.4	254.0	.....
Dividends .....	11	175.4	213.2	227.5	231.3	292.0	271.1	.....
Reinvested earnings on U.S. direct investment abroad .....	12	263.5	296.0	301.0	321.8	264.8	294.6	.....
<b>Current payments to the rest of the world</b> .....	13	<b>2,977.7</b>	<b>3,242.7</b>	<b>3,295.4</b>	<b>3,318.1</b>	<b>3,357.0</b>	<b>3,468.6</b>	.....
<b>Imports of goods and services</b> .....	14	<b>2,238.1</b>	<b>2,370.2</b>	<b>2,397.5</b>	<b>2,456.5</b>	<b>2,526.5</b>	<b>2,641.4</b>	<b>2,687.8</b>
Goods <sup>1</sup> .....	15	1,882.7	1,985.2	2,005.4	2,060.9	2,118.0	2,225.5	2,262.1
Durable .....	16	1,127.6	1,172.5	1,189.5	1,181.9	1,173.2	1,210.6	1,199.4
Nondurable .....	17	755.1	812.7	815.8	878.9	944.8	1,014.9	1,062.7
Services <sup>1</sup> .....	18	355.4	385.1	392.1	395.6	408.5	415.9	425.8
<b>Income payments</b> .....	19	<b>647.1</b>	<b>759.3</b>	<b>786.3</b>	<b>742.0</b>	<b>705.1</b>	<b>708.9</b>	.....
Wage and salary payments .....	20	9.5	10.0	10.1	10.3	10.2	10.2	.....
Income payments on assets .....	21	637.6	749.3	776.2	731.7	694.8	698.7	.....
Interest .....	22	466.2	584.8	604.2	599.9	536.5	506.5	.....
Dividends .....	23	102.2	95.6	92.1	121.5	114.4	106.3	.....
Reinvested earnings on foreign direct investment in the United States .....	24	69.2	68.9	79.9	10.3	43.9	86.0	.....
<b>Current taxes and transfer payments to the rest of the world (net)</b> .....	25	<b>92.5</b>	<b>113.2</b>	<b>111.7</b>	<b>119.6</b>	<b>125.4</b>	<b>118.2</b>	<b>117.0</b>
From persons (net) .....	26	51.1	56.3	56.3	57.3	57.9	62.7	62.1
From government (net) .....	27	19.6	25.9	22.1	28.6	32.4	21.5	21.1
From business (net) .....	28	21.8	31.0	33.2	33.8	35.1	34.0	33.8
<b>Balance on current account, NIPAs</b> .....	29	<b>-771.6</b>	<b>-718.6</b>	<b>-682.0</b>	<b>-651.0</b>	<b>-693.0</b>	<b>-722.6</b>	.....
<b>Addenda:</b>								
Net lending or net borrowing (-), NIPAs .....	30	-775.5	-720.4	-684.5	-653.3	-695.4	-725.2	.....
Balance on current account, NIPAs .....	31	-771.6	-718.6	-682.0	-651.0	-693.0	-722.6	.....
Less: Capital account transactions (net) <sup>2</sup> .....	32	3.9	1.8	2.5	2.3	2.4	2.6	.....

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

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

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

[Percent]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Exports of goods and services</b> .....	1	9.1	8.4	23.0	4.4	5.1	12.3	5.9
<b>Exports of goods</b> <sup>1</sup> .....	2	9.9	7.5	21.8	5.1	4.5	16.3	7.5
Foods, feeds, and beverages....	3	8.0	8.8	43.7	-12.0	14.3	8.7	-6.3
Industrial supplies and materials.....	4	7.5	5.5	16.3	7.4	11.2	29.0	18.5
Durable goods.....	5	9.6	5.6	19.6	11.1	-5.4	41.9	13.3
Nondurable goods.....	6	6.3	5.4	14.3	5.3	21.7	22.5	21.4
Capital goods, except automotive.....	7	13.3	8.0	25.3	10.0	-3.6	11.2	5.3
Civilian aircraft, engines, and parts.....	8	18.8	11.4	61.6	17.3	-24.1	-3.2	-12.4
Computers, peripherals, and parts.....	9	9.4	3.5	14.4	-9.2	0.4	57.4	22.8
Other.....	10	12.7	7.9	18.5	11.0	2.7	10.3	8.2
Automotive vehicles, engines, and parts.....	11	7.4	11.9	27.8	-2.8	-11.5	4.3	22.2
Consumer goods, except automotive.....	12	10.5	10.9	16.8	0.3	14.9	15.3	18.9
Durable goods.....	13	13.2	15.4	20.1	13.4	14.6	12.7	13.7
Nondurable goods.....	14	7.4	5.4	12.7	-15.1	15.4	18.9	26.3
Other.....	15	2.4	-5.4	-7.1	18.9	37.1	28.8	-54.5
<b>Exports of services</b> <sup>1</sup> .....	16	7.2	10.5	25.9	2.7	6.4	3.8	2.3
Transfers under U.S. military agency sales contracts.....	17	-12.9	-12.3	-22.3	-31.2	77.3	-68.4	-7.2
Travel.....	18	0.5	8.9	34.6	14.1	-0.4	12.5	11.9
Passenger fares.....	19	4.6	7.6	32.4	27.0	-10.5	11.8	5.6
Other transportation.....	20	5.3	7.4	1.4	8.4	8.2	-6.8	-12.9
Royalties and license fees.....	21	8.5	11.4	46.2	-5.7	4.7	8.6	7.7
Other private services.....	22	13.9	14.5	26.7	-0.1	10.0	7.3	0.9
Other.....	23	-0.5	4.9	4.0	1.8	-6.4	-3.1	-4.2
<b>Imports of goods and services</b> .....	24	6.0	2.2	3.0	-2.3	-0.8	-7.3	-1.9
<b>Imports of goods</b> <sup>1</sup> .....	25	6.0	1.7	2.4	-2.6	-2.0	-7.1	-2.8
Foods, feeds, and beverages....	26	6.1	1.3	4.7	-7.7	-5.2	4.7	-0.8
Industrial supplies and materials, except petroleum and products.....	27	4.3	-3.8	5.6	-20.3	-17.3	-0.4	10.6
Durable goods.....	28	9.7	-9.7	-5.5	-15.0	-10.4	-11.8	14.0
Nondurable goods.....	29	-1.5	3.7	19.9	-25.9	-24.2	13.2	7.2
Petroleum and products.....	30	-1.9	-2.0	-13.5	16.5	17.6	-38.1	-3.3
Capital goods, except automotive.....	31	11.2	5.9	6.1	1.6	1.1	8.9	-5.4
Civilian aircraft, engines, and parts.....	32	6.1	15.3	-5.3	-3.3	17.0	3.4	-35.5
Computers, peripherals, and parts.....	33	17.3	9.8	-0.2	9.7	6.3	26.0	-5.2
Other.....	34	9.6	3.6	9.8	-0.5	-2.2	4.3	-1.3
Automotive vehicles, engines, and parts.....	35	6.8	-0.1	17.0	-11.0	-7.9	-12.7	-21.1
Consumer goods, except automotive.....	36	8.0	5.8	-3.1	6.4	-6.5	8.2	6.2
Durable goods.....	37	8.2	7.0	7.0	6.5	-15.2	19.7	4.1
Nondurable goods.....	38	7.8	4.4	-14.2	6.2	5.3	-4.4	8.9
Other.....	39	1.9	-0.4	24.5	-34.3	-0.1	23.2	-24.5
<b>Imports of services</b> <sup>1</sup> .....	40	6.0	4.4	6.3	-0.9	5.5	-8.0	3.5
Direct defense expenditures.....	41	-3.2	-4.1	-7.7	1.0	-12.3	-21.8	-3.4
Travel.....	42	0.6	-1.7	-2.2	11.9	8.5	-11.2	4.4
Passenger fares.....	43	-0.3	-2.7	14.8	-8.4	32.9	-21.0	-3.7
Other transportation.....	44	5.3	4.4	4.1	-7.4	4.2	-12.3	-8.4
Royalties and license fees.....	45	-6.4	2.6	-8.1	-13.4	11.4	5.2	76.6
Other private services.....	46	18.5	12.4	17.2	-0.8	3.9	0.5	2.8
Other.....	47	-0.8	1.6	3.5	1.8	-3.6	-7.7	2.3
<b>Addenda:</b>								
Exports of durable goods.....	48	11.5	8.5	23.2	8.7	-2.2	15.1	6.9
Exports of nondurable goods.....	49	6.5	5.4	18.6	-2.1	19.7	18.6	8.4
Exports of agricultural goods <sup>2</sup> .....	50	8.5	7.1	47.2	-18.6	11.8	10.5	-8.0
Exports of nonagricultural goods.....	51	10.1	7.6	19.8	7.7	3.8	17.0	9.2
Imports of durable goods.....	52	8.9	2.2	7.6	-4.3	-6.3	3.7	-5.1
Imports of nondurable goods.....	53	1.7	1.1	-4.8	-0.1	4.0	-18.7	-0.1
Imports of nonpetroleum goods.....	54	7.5	2.5	5.8	-6.3	-6.4	4.0	-2.7

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Percent change at annual rate:</b>								
<b>Exports of goods and services</b> .....	1	9.1	8.4	23.0	4.4	5.1	12.3	5.9
<b>Percentage points at annual rates:</b>								
<b>Exports of goods</b> <sup>1</sup> .....	2	6.88	5.26	15.08	3.53	3.13	11.11	5.18
Foods, feeds, and beverages....	3	0.36	0.42	2.01	-0.69	0.77	0.52	-0.40
Industrial supplies and materials.....	4	1.33	1.01	3.05	1.33	2.02	5.34	3.63
Durable goods.....	5	0.62	0.39	1.36	0.72	-0.37	2.57	0.91
Nondurable goods.....	6	0.71	0.62	1.69	0.61	2.39	2.77	2.72
Capital goods, except automotive.....	7	3.64	2.21	6.69	2.59	-0.95	2.85	1.30
Civilian aircraft, engines, and parts.....	8	0.87	0.58	2.75	0.88	-1.45	-0.16	-0.62
Computers, peripherals, and parts.....	9	0.31	0.11	0.41	-0.25	0.01	1.15	0.51
Other.....	10	2.46	1.53	3.54	1.96	0.49	1.85	1.41
Automotive vehicles, engines, and parts.....	11	0.55	0.85	2.00	-0.21	-0.84	0.29	1.33
Consumer goods, except automotive.....	12	0.92	0.94	1.52	0.02	1.21	1.29	1.52
Durable goods.....	13	0.62	0.73	1.01	0.63	0.69	0.63	0.65
Nondurable goods.....	14	0.30	0.21	0.51	-0.60	0.52	0.66	0.87
Other.....	15	0.08	-0.18	-0.20	0.48	0.92	0.82	-2.20
<b>Exports of services</b> <sup>1</sup> .....	16	2.21	3.19	7.96	0.86	1.97	1.19	0.69
Transfers under U.S. military agency sales contracts.....	17	-0.18	-0.13	-0.21	-0.29	0.45	-0.79	-0.04
Travel.....	18	0.03	0.52	1.92	0.79	-0.03	0.71	0.67
Passenger fares.....	19	0.07	0.12	0.47	0.38	-0.18	0.18	0.09
Other transportation.....	20	0.17	0.23	0.05	0.25	0.26	-0.23	-0.46
Royalties and license fees.....	21	0.42	0.56	2.11	-0.29	0.23	0.41	0.36
Other private services.....	22	1.70	1.85	3.57	-0.01	1.31	0.95	0.12
Other.....	23	-0.01	0.06	0.05	0.02	-0.07	-0.04	-0.05
<b>Percent change at annual rate:</b>								
<b>Imports of goods and services</b> .....	24	6.0	2.2	3.0	-2.3	-0.8	-7.3	-1.9
<b>Percentage points at annual rates:</b>								
<b>Imports of goods</b> <sup>1</sup> .....	25	5.01	1.46	2.01	-2.17	-1.65	-5.97	-2.42
Foods, feeds, and beverages....	26	0.20	0.04	0.16	-0.27	-0.18	0.16	-0.03
Industrial supplies and materials, except petroleum and products.....	27	0.57	-0.50	0.72	-2.76	-2.25	-0.03	1.26
Durable goods.....	28	0.66	-0.71	-0.38	-1.04	-0.67	-0.76	0.83
Nondurable goods.....	29	-0.10	0.21	1.10	-1.72	-1.58	0.73	0.43
Petroleum and products.....	30	-0.26	-0.28	-1.98	2.28	2.74	-8.59	-0.65
Capital goods, except automotive.....	31	2.04	1.08	1.12	0.29	0.21	1.52	-0.97
Civilian aircraft, engines, and parts.....	32	0.08	0.20	-0.08	-0.05	0.23	0.05	-0.59
Computers, peripherals, and parts.....	33	0.75	0.42	-0.01	0.40	0.26	0.96	-0.21
Other.....	34	1.21	0.46	1.21	-0.06	-0.28	0.52	-0.16
Automotive vehicles, engines, and parts.....	35	0.78	-0.01	1.73	-1.26	-0.85	-1.31	-2.15
Consumer goods, except automotive.....	36	1.60	1.15	-0.64	1.22	-1.30	1.49	1.13
Durable goods.....	37	0.89	0.76	0.75	0.70	-1.75	1.87	0.42
Nondurable goods.....	38	0.71	0.39	-1.39	0.52	0.45	-0.38	0.71
Other.....	39	0.08	-0.02	0.89	-1.66	0.00	0.78	-1.02
<b>Imports of services</b> <sup>1</sup> .....	40	0.95	0.71	1.01	-0.14	0.86	-1.29	0.55
Direct defense expenditures.....	41	-0.05	-0.06	-0.11	0.01	-0.18	-0.33	-0.05
Travel.....	42	0.02	-0.05	-0.07	0.36	0.26	-0.36	0.13
Passenger fares.....	43	0.00	-0.03	0.17	-0.11	0.35	-0.29	-0.05
Other transportation.....	44	0.16	0.13	0.12	-0.22	0.12	-0.36	-0.25
Royalties and license fees.....	45	-0.08	0.03	-0.09	-0.14	0.11	0.05	0.59
Other private services.....	46	0.91	0.69	0.98	-0.05	0.23	0.03	0.16
Other.....	47	0.00	0.01	0.02	0.01	-0.02	-0.03	0.01

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

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

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







## 5. Saving and Investment

Table 5.1. Saving and Investment

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Gross saving</b> .....	1	2,038.5	1,956.0	1,958.9	1,903.6	1,773.6	1,672.9	.....
<b>Net saving</b> .....	2	414.5	235.6	226.9	145.0	-4.4	-130.2	.....
Net private saving.....	3	569.5	454.5	466.5	403.6	378.7	576.6	.....
Personal saving.....	4	70.7	57.4	46.8	42.4	20.6	296.6	139.7
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	5	497.5	403.4	419.7	361.2	358.1	280.0	.....
Undistributed profits.....	6	702.7	647.3	648.5	644.5	515.5	496.7	.....
Inventory valuation adjustment.....	7	-39.5	-51.2	-31.0	-74.1	-109.4	-154.0	.....
Capital consumption adjustment.....	8	-165.7	-192.7	-197.8	-209.2	-48.0	-62.7	-88.5
Wage accruals less disbursements.....	9	1.3	-6.3	0.0	0.0	0.0	0.0	0.0
Net government saving.....	10	-155.0	-218.9	-239.5	-258.6	-383.1	-706.9	.....
Federal.....	11	-201.1	-229.3	-244.3	-236.3	-330.7	-640.0	.....
State and local.....	12	46.2	10.4	4.7	-22.3	-52.4	-66.9	.....
<b>Consumption of fixed capital</b> .....	13	1,623.9	1,720.5	1,731.9	1,758.6	1,778.0	1,803.1	1,900.2
Private.....	14	1,356.0	1,431.1	1,440.1	1,462.3	1,477.5	1,497.4	1,588.0
Domestic business.....	15	1,085.5	1,147.0	1,154.4	1,171.4	1,186.1	1,205.6	1,266.9
Households and institutions.....	16	270.5	284.1	285.7	290.9	291.4	291.8	321.2
Government.....	17	268.0	289.4	291.8	296.3	300.5	305.7	312.2
Federal.....	18	105.6	111.8	112.5	113.9	115.0	116.9	119.3
State and local.....	19	162.3	177.6	179.3	182.4	185.5	188.8	192.9
<b>Gross domestic investment, capital account transactions, and net lending, NIPAs</b> .....	20	1,875.5	1,874.6	1,951.1	1,917.4	1,837.0	1,771.2	.....
Gross domestic investment.....	21	2,647.0	2,593.2	2,633.1	2,568.4	2,530.0	2,493.8	2,504.8
Gross private domestic investment.....	22	2,220.4	2,130.4	2,164.0	2,092.3	2,056.1	2,000.9	1,999.4
Gross government investment.....	23	426.7	462.8	469.1	476.1	473.9	492.8	505.4
Capital account transactions (net) <sup>1</sup> .....	24	3.9	1.8	2.5	2.3	2.4	2.6	.....
Net lending or net borrowing (-), NIPAs.....	25	-775.5	-720.4	-684.5	-653.3	-695.4	-725.2	.....
<b>Statistical discrepancy</b> .....	26	-163.0	-81.4	-7.8	13.9	63.4	98.4	.....
<b>Addenda:</b>								
Gross private saving.....	27	1,925.5	1,885.6	1,906.6	1,865.9	1,856.2	2,074.1	.....
Gross government saving.....	28	113.0	70.4	52.3	37.7	-82.6	-401.2	.....
Federal.....	29	-95.5	-117.5	-131.8	-122.4	-215.8	-523.1	.....
State and local.....	30	208.5	187.9	184.0	160.1	133.1	122.0	.....
Net domestic investment.....	31	1,023.1	872.7	901.2	809.8	752.0	690.7	604.6
<b>Gross saving as a percentage of gross national income</b> .....	32	15.2	14.0	13.9	13.4	12.5	11.7	.....
<b>Net saving as a percentage of gross national income</b> .....	33	3.1	1.7	1.6	1.0	0.0	-0.9	.....

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

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

[Percent]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Private fixed investment</b> .....	1	1.9	-3.1	-0.9	-6.2	-5.6	-1.7	-5.6
<b>Nonresidential</b> .....	2	7.5	4.9	8.7	3.4	2.4	2.5	-1.0
<b>Structures</b> .....	3	8.2	12.7	20.5	8.5	8.6	18.5	7.9
Commercial and health care.....	4	6.1	8.3	13.5	8.8	-3.6	0.2	-8.5
Manufacturing.....	5	10.2	14.1	19.8	49.5	13.0	136.1	37.3
Power and communication.....	6	8.1	23.1	21.4	16.2	23.2	0.5	-9.1
Mining exploration, shafts, and wells.....	7	11.6	9.3	28.7	-8.4	15.5	31.6	44.0
Other structures.....	8	7.7	19.3	23.5	13.2	12.8	17.3	-2.6
<b>Equipment and software</b> .....	9	7.2	1.7	3.6	1.0	-0.6	-5.0	-5.5
Information processing equipment and software.....	10	9.1	9.6	8.7	10.5	7.2	8.0	2.5
Computers and peripheral equipment.....	11	24.7	17.9	19.5	19.3	16.1	13.0	-11.7
Software <sup>2</sup> .....	12	4.1	10.0	6.4	9.9	9.9	2.1	3.3
Other <sup>3</sup> .....	13	7.9	5.4	6.5	7.3	0.2	13.0	8.5
Industrial equipment.....	14	5.7	1.4	-2.8	-14.3	0.8	-3.6	-10.6
Transportation equipment.....	15	6.7	-12.6	-5.6	-15.2	-14.0	-46.6	-51.0
Other equipment <sup>4</sup> .....	16	4.1	-5.2	4.6	6.3	-12.5	-3.2	17.9
<b>Residential</b> .....	17	-7.1	-17.9	-20.6	-27.0	-25.1	-13.3	-19.1
<b>Structures</b> .....	18	-7.2	-18.1	-20.9	-27.3	-25.4	-13.7	-19.1
Permanent site.....	19	-8.5	-25.8	-25.9	-39.8	-40.8	-23.2	-28.5
Single family.....	20	-9.5	-27.4	-26.7	-42.8	-46.2	-30.7	-33.7
Multifamily.....	21	0.7	-12.8	-20.1	-17.7	-1.1	24.7	-2.4
Other structures <sup>5</sup> .....	22	-5.1	-5.3	-13.6	-8.2	-3.6	-3.1	-9.2
<b>Equipment</b> .....	23	3.2	-1.4	0.2	-2.5	-4.9	8.0	-17.4
<b>Addenda:</b>								
Private fixed investment in structures.....	24	-2.4	-7.1	-5.0	-12.5	-10.4	1.6	-5.5
Private fixed investment in equipment and software.....	25	7.2	1.7	3.6	0.9	-0.6	-4.9	-5.7
Private fixed investment in new structures <sup>6</sup> .....	26	-1.4	-6.3	-1.4	-11.5	-10.1	2.1	-5.3
Nonresidential structures.....	27	8.4	12.7	20.5	8.5	8.5	18.3	7.9
Residential structures.....	28	-6.6	-18.4	-17.4	-27.5	-26.9	-14.7	-20.4

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

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

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

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

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

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

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

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Percent change at annual rate:</b>								
Private fixed investment ....	1	1.9	-3.1	-0.9	-6.2	-5.6	-1.7	-5.6
<b>Percentage points at annual rates:</b>								
<b>Nonresidential .....</b>	2	4.66	3.20	5.87	2.40	1.77	1.84	-0.72
Structures .....	3	1.41	2.43	4.19	1.94	2.04	4.36	2.05
Commercial and health care	4	0.40	0.59	1.02	0.72	-0.32	0.02	-0.77
Manufacturing .....	5	0.12	0.18	0.27	0.67	0.22	1.79	0.78
Power and communication ...	6	0.17	0.52	0.57	0.47	0.70	0.02	-0.34
Mining exploration, shafts, and wells .....	7	0.48	0.46	1.40	-0.49	0.84	1.72	2.53
Other structures <sup>1</sup> .....	8	0.25	0.67	0.93	0.58	0.59	0.81	-0.14
<b>Equipment and software .....</b>	9	3.24	0.78	1.67	0.46	-0.27	-2.52	-2.77
Information processing equipment and software ...	10	1.96	2.10	1.99	2.44	1.77	2.01	0.66
Computers and peripheral equipment .....	11	0.91	0.70	0.78	0.78	0.68	0.56	-0.56
Software <sup>2</sup> .....	12	0.39	0.94	0.66	1.02	1.07	0.24	0.39
Other <sup>3</sup> .....	13	0.66	0.47	0.55	0.63	0.02	1.20	0.83
Industrial equipment .....	14	0.43	0.12	-0.25	-1.31	0.07	-0.32	-0.98
Transportation equipment .....	15	0.53	-1.03	-0.42	-1.16	-1.04	-3.95	-3.81
Other equipment <sup>4</sup> .....	16	0.32	-0.41	0.36	0.49	-1.07	-0.26	1.36
<b>Residential .....</b>	17	-2.71	-6.25	-6.81	-8.59	-7.40	-3.53	-4.88
Structures .....	18	-2.72	-6.25	-6.81	-8.58	-7.38	-3.57	-4.79
Permanent site .....	19	-2.02	-5.56	-4.99	-7.56	-6.94	-3.19	-3.65
Single family .....	20	-2.03	-5.24	-4.49	-7.16	-6.92	-3.66	-3.60
Multifamily .....	21	0.02	-0.32	-0.50	-0.41	-0.02	0.47	-0.05
Other structures <sup>5</sup> .....	22	-0.70	-0.69	-1.82	-1.02	-0.44	-0.38	-1.14
<b>Equipment .....</b>	23	0.01	-0.01	0.00	-0.01	-0.02	0.03	-0.08
<b>Addenda:</b>								
Private fixed investment in structures .....	24	-1.31	-3.82	-2.62	-6.64	-5.34	0.80	-2.74
Private fixed investment in equipment and software .....	25	3.26	0.77	1.67	0.45	-0.29	-2.49	-2.86
Private fixed investment in new structures <sup>6</sup> .....	26	-0.69	-3.09	-0.65	-5.61	-4.85	0.99	-2.42
Nonresidential structures .....	27	1.44	2.42	4.18	1.94	2.02	4.33	2.04
Residential structures .....	28	-2.14	-5.51	-4.84	-7.54	-6.86	-3.34	-4.46

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

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

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

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

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

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

**Table 5.3.3. Real Private Fixed Investment by Type, Quantity Indexes**

[Index numbers, 2000=100]

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Private fixed investment .....</b>	1	111.109	107.717	108.218	106.503	104.969	104.522	103.028
<b>Nonresidential .....</b>	2	106.987	112.244	113.863	114.819	115.504	116.212	115.930
<b>Structures .....</b>	3	86.318	97.264	100.005	102.076	104.206	108.716	110.804
Commercial and health care	4	80.413	87.048	88.025	89.911	89.086	89.133	87.172
Manufacturing .....	5	65.806	75.083	75.756	83.763	86.364	107.059	115.890
Power and communication ...	6	75.480	92.881	96.608	100.294	105.666	105.804	103.318
Mining exploration, shafts, and wells .....	7	149.933	163.896	170.885	167.155	173.291	185.600	203.307
Other structures <sup>1</sup> .....	8	80.025	95.505	99.416	102.543	105.677	109.978	109.252
<b>Equipment and software .....</b>	9	115.467	117.412	118.348	118.636	118.470	116.961	115.308
Information processing equipment and software ...	10	127.574	139.842	141.339	144.914	147.465	150.324	151.260
Computers and peripheral equipment .....	11	195.433	230.472	234.740	245.331	254.682	262.580	254.564
Software <sup>2</sup> .....	12	122.340	134.548	135.899	139.131	142.463	143.201	144.379
Other <sup>3</sup> .....	13	108.784	114.710	115.585	117.627	117.698	121.342	123.850
Industrial equipment .....	14	96.414	97.805	99.953	96.179	96.369	95.494	92.855
Transportation equipment .....	15	99.186	86.683	85.427	81.981	78.949	67.497	56.486
Other equipment <sup>4</sup> .....	16	119.265	113.095	113.716	115.475	111.679	110.767	115.432
<b>Residential .....</b>	17	123.728	101.534	99.644	92.110	85.698	82.692	78.436
<b>Structures .....</b>	18	123.659	101.216	99.303	91.686	85.216	82.144	77.907
Permanent site .....	19	125.587	93.247	91.392	80.509	70.609	66.108	60.782
Single family .....	20	124.554	90.399	88.829	77.259	66.172	60.369	54.467
Multifamily .....	21	134.561	117.306	113.089	107.728	107.427	113.512	112.835
Other structures <sup>5</sup> .....	22	120.705	114.250	112.243	109.882	108.883	108.043	105.455
<b>Equipment .....</b>	23	130.379	128.580	128.541	127.738	126.133	128.573	122.591
<b>Addenda:</b>								
Private fixed investment in structures .....	24	108.196	100.474	100.632	97.315	94.690	95.063	93.717
Private fixed investment in equipment and software .....	25	115.588	117.501	118.430	118.708	118.530	117.055	115.365
Private fixed investment in new structures <sup>6</sup> .....	26	105.658	98.988	99.675	96.681	94.142	94.638	93.369
Nonresidential structures .....	27	86.311	97.241	99.979	102.046	104.159	108.637	110.711
Residential structures .....	28	121.254	98.884	97.706	90.146	83.356	80.114	75.677

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

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

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

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

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

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

Table 5.3.4. Price Indexes for Private Fixed Investment by Type

[Index numbers, 2000=100]

	Line	2006	2007	Seasonally adjusted				
				2007		2008		
				III	IV	I	II	III
<b>Private fixed investment</b> .....	1	116.380	117.995	117.836	118.189	118.117	118.353	119.188
<b>Nonresidential</b> .....	2	107.277	108.739	108.558	109.015	109.177	109.788	110.911
<b>Structures</b> .....	3	151.822	157.662	157.402	159.138	160.182	161.496	164.325
Commercial and health care	4	138.099	145.646	146.318	147.712	148.729	149.067	150.363
Manufacturing.....	5	130.934	138.106	138.727	140.011	141.573	142.078	145.154
Power and communication	6	136.877	143.206	143.898	145.296	146.941	149.897	154.783
Mining exploration, shafts, and wells .....	7	264.801	265.158	259.684	263.966	265.221	269.548	276.624
Other structures <sup>1</sup> .....	8	132.465	138.742	139.323	140.532	140.978	141.296	142.510
<b>Equipment and software</b> .....	9	94.594	94.870	94.712	94.798	94.700	95.101	95.696
Information processing equipment and software ...	10	80.851	79.170	78.830	78.586	78.245	78.370	78.277
Computers and peripheral equipment .....	11	44.779	40.062	39.308	38.391	37.024	36.297	35.506
Software <sup>2</sup> .....	12	95.464	95.888	95.850	96.147	96.339	96.976	97.214
Other <sup>3</sup> .....	13	90.860	90.278	90.097	90.047	90.345	90.863	91.215
Industrial equipment .....	14	111.551	115.968	116.383	117.484	118.620	120.525	122.685
Transportation equipment.....	15	110.916	112.762	112.494	112.519	111.871	111.849	112.727
Other equipment <sup>4</sup> .....	16	110.642	113.222	113.376	113.933	114.175	114.579	116.525
<b>Residential</b> .....	17	136.897	138.884	138.820	138.803	137.900	136.687	136.264
<b>Structures</b> .....	18	137.516	139.508	139.441	139.431	138.512	137.276	136.806
Permanent site .....	19	140.838	142.989	142.795	142.608	140.827	138.467	137.137
Single family .....	20	141.050	142.573	142.246	141.997	140.224	137.874	136.550
Multifamily .....	21	138.857	145.435	145.726	145.839	144.018	141.605	140.245
Other structures <sup>5</sup> .....	22	132.297	134.056	134.167	134.368	134.220	134.531	
<b>Equipment</b> .....	23	99.210	100.892	100.942	100.635	100.461	100.246	101.678
<b>Addenda:</b>								
Private fixed investment in structures.....	24	142.171	145.566	145.412	146.147	146.120	146.097	147.233
Private fixed investment in equipment and software .....	25	94.633	94.921	94.765	94.848	94.750	95.145	95.747
Private fixed investment in new structures <sup>6</sup> .....	26	143.600	147.387	147.187	148.083	148.062	148.255	149.667
Nonresidential structures.....	27	152.151	158.055	157.799	159.549	160.603	161.927	164.779
Residential structures.....	28	138.771	141.150	141.009	141.173	140.117	139.124	138.952

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

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

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

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

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

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

Table 5.3.5. Private Fixed Investment by Type

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Private fixed investment</b> .....	1	2,171.1	2,134.0	2,141.0	2,113.4	2,081.7	2,077.0	2,061.7
<b>Nonresidential</b> .....	2	1,414.1	1,503.8	1,522.9	1,542.1	1,553.6	1,571.9	1,584.1
<b>Structures</b> .....	3	410.4	480.3	492.9	508.7	522.7	549.8	570.2
Commercial and health care	4	152.8	174.4	177.1	182.6	182.2	182.7	180.3
Manufacturing.....	5	27.4	33.0	33.4	37.3	38.9	48.4	53.5
Power and communication	6	48.4	62.3	65.0	68.2	72.6	74.2	74.8
Mining exploration, shafts, and wells .....	7	107.9	118.1	120.7	120.0	125.0	136.1	153.0
Other structures <sup>1</sup> .....	8	74.1	92.6	96.7	100.6	104.0	108.5	108.7
<b>Equipment and software</b> .....	9	1,003.7	1,023.5	1,030.0	1,033.4	1,030.9	1,022.1	1,013.9
Information processing equipment and software ...	10	482.3	517.7	521.1	532.5	539.6	550.9	553.7
Computers and peripheral equipment .....	11	88.8	93.7	93.7	95.7	95.8	96.8	91.8
Software <sup>2</sup> .....	12	205.7	227.3	229.5	235.6	241.8	244.6	247.2
Other <sup>3</sup> .....	13	187.8	196.8	197.9	201.2	202.0	209.5	214.6
Industrial equipment .....	14	171.2	180.6	185.2	179.9	182.0	183.2	181.4
Transportation equipment.....	15	177.0	157.2	154.6	148.4	142.1	121.4	102.4
Other equipment <sup>4</sup> .....	16	173.1	168.0	169.2	172.6	167.3	166.5	176.5
<b>Residential</b> .....	17	757.0	630.2	618.1	571.3	528.1	505.0	477.6
<b>Structures</b> .....	18	747.4	620.7	608.6	561.8	518.7	495.6	468.4
Permanent site.....	19	468.8	353.4	345.8	304.2	263.4	242.5	220.8
Single family .....	20	416.0	305.2	299.2	259.8	219.7	197.1	176.1
Multifamily .....	21	52.8	48.2	46.6	44.4	43.7	45.4	44.7
Other structures <sup>5</sup> .....	22	278.7	267.3	262.8	257.6	255.3	253.1	247.6
<b>Equipment</b> .....	23	9.5	9.5	9.5	9.5	9.3	9.5	9.2
<b>Addenda:</b>								
Private fixed investment in structures.....	24	1,157.9	1,100.9	1,101.5	1,070.5	1,041.5	1,045.4	1,038.6
Private fixed investment in equipment and software .....	25	1,013.2	1,033.1	1,039.5	1,042.9	1,040.2	1,031.6	1,023.1
Private fixed investment in new structures <sup>6</sup> .....	26	1,057.7	1,017.1	1,022.8	998.1	971.7	978.1	974.2
Nonresidential structures.....	27	409.9	479.7	492.4	508.2	522.1	549.1	569.4
Residential structures.....	28	647.8	537.4	530.4	489.9	449.6	429.0	404.8

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

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

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

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

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

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

**Table 5.3.6. Real Private Fixed Investment by Type, Chained Dollars**

[Billions of chained (2000) dollars]

Line	2006	2007	Seasonally adjusted at annual rates					
			2007		2008			
			III	IV	I	II	III	
<b>Private fixed investment ....</b>	<b>1</b>	<b>1,865.5</b>	<b>1,808.5</b>	<b>1,817.0</b>	<b>1,788.2</b>	<b>1,762.4</b>	<b>1,754.9</b>	<b>1,729.8</b>
<b>Nonresidential .....</b>	<b>2</b>	<b>1,318.2</b>	<b>1,382.9</b>	<b>1,402.9</b>	<b>1,414.7</b>	<b>1,423.1</b>	<b>1,431.8</b>	<b>1,428.3</b>
<b>Structures .....</b>	<b>3</b>	<b>270.3</b>	<b>304.6</b>	<b>313.2</b>	<b>319.7</b>	<b>326.4</b>	<b>340.5</b>	<b>347.0</b>
Commercial and health care	4	110.6	119.7	121.1	123.7	122.5	122.6	119.9
Manufacturing.....	5	20.9	23.9	24.1	26.6	27.5	34.0	36.9
Power and communication and wells .....	6	35.3	43.5	45.2	46.9	49.5	49.5	48.4
Mining exploration, shafts, and wells .....	7	40.7	44.5	46.4	45.4	47.1	50.4	55.2
Other structures <sup>1</sup> .....	8	55.9	66.7	69.4	71.6	73.8	76.8	76.3
<b>Equipment and software.....</b>	<b>9</b>	<b>1,061.0</b>	<b>1,078.9</b>	<b>1,087.5</b>	<b>1,090.1</b>	<b>1,088.6</b>	<b>1,074.7</b>	<b>1,059.6</b>
Information processing equipment and software...	10	596.6	653.9	660.9	677.6	689.6	702.9	707.3
Computers and peripheral equipment <sup>2</sup> .....	11							
Software <sup>3</sup> .....	12	215.5	237.0	239.4	245.1	251.0	252.3	254.3
Other <sup>4</sup> .....	13	206.7	218.0	219.6	223.5	223.6	230.6	235.3
Industrial equipment.....	14	153.5	155.7	159.1	153.1	153.4	152.0	147.8
Transportation equipment.....	15	159.5	139.4	137.4	131.9	127.0	108.6	90.9
Other equipment <sup>5</sup> .....	16	156.5	148.4	149.2	151.5	146.5	145.3	151.5
<b>Residential .....</b>	<b>17</b>	<b>552.9</b>	<b>453.8</b>	<b>445.3</b>	<b>411.6</b>	<b>383.0</b>	<b>369.6</b>	<b>350.5</b>
<b>Structures .....</b>	<b>18</b>	<b>543.5</b>	<b>444.9</b>	<b>436.5</b>	<b>403.0</b>	<b>374.6</b>	<b>361.1</b>	<b>342.4</b>
Permanent site .....	19	332.9	247.1	242.2	213.4	187.1	175.2	161.1
Single family .....	20	294.9	214.1	210.3	182.9	156.7	142.9	129.0
Multifamily .....	21	38.0	33.1	32.0	30.4	30.4	32.1	31.9
Other structures <sup>6</sup> .....	22	210.6	199.4	195.9	191.7	190.0	188.5	184.0
<b>Equipment.....</b>	<b>23</b>	<b>9.6</b>	<b>9.5</b>	<b>9.5</b>	<b>9.4</b>	<b>9.3</b>	<b>9.5</b>	<b>9.0</b>
Residual .....	24	-41.0	-78.2	-79.7	-94.4	-104.3	-106.6	-98.8
<b>Addenda:</b>								
Private fixed investment in structures.....	25	814.4	756.3	757.5	732.5	712.8	715.6	705.4
Private fixed investment in equipment and software.....	26	1,070.6	1,088.4	1,097.0	1,099.5	1,097.9	1,084.2	1,068.6
Private fixed investment in new structures <sup>7</sup> .....	27	736.6	690.1	694.9	674.0	656.3	659.8	650.9
Nonresidential structures.....	28	269.4	303.5	312.1	318.5	325.1	339.1	345.6
Residential structures.....	29	466.8	380.7	376.2	347.1	320.9	308.4	291.4

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

2. The quantity index for computers can be used to accurately measure the real growth rate of this component. However, because computers exhibit rapid changes in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series; accurate estimates of these contributions are shown in table 5.3.2 and real growth rates are shown in table 5.3.1.

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

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

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

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

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

**Table 5.6.5B. Change in Private Inventories by Industry**

[Billions of dollars]

Line	2006	2007	Seasonally adjusted at annual rates					
			2007		2008			
			III	IV	I	II	III	
<b>Change in private inventories.....</b>	<b>1</b>	<b>49.3</b>	<b>-3.6</b>	<b>23.0</b>	<b>-21.1</b>	<b>-25.6</b>	<b>-76.0</b>	<b>-62.3</b>
Farm.....	2	-3.9	1.6	-0.2	5.7	0.2	-4.1	-8.7
Mining, utilities, and construction	3	6.5	-1.1	-3.5	-7.7	-15.4	-14.4	-17.7
Manufacturing.....	4	15.0	-4.9	-2.5	3.0	18.1	-37.2	-38.1
Durable goods industries.....	5	8.0	-0.2	-2.9	16.9	3.9	-19.7	-9.7
Nondurable goods industries.....	6	7.0	-4.7	0.4	-14.0	14.2	-17.5	-28.4
Wholesale trade.....	7	17.0	3.6	17.1	-2.0	-8.0	2.1	11.7
Durable goods industries.....	8	11.2	-1.7	-2.0	3.9	6.4	2.8	21.1
Nondurable goods industries.....	9	5.8	5.4	19.0	-5.9	-14.4	-0.7	-9.4
Retail trade.....	10	10.5	-6.2	10.4	-22.4	-20.8	-18.3	-7.7
Motor vehicle and parts dealers	11	-0.4	-8.6	10.6	-26.6	-10.4	-13.1	4.0
Food and beverage stores.....	12	0.9	0.9	2.0	1.0	0.4	0.8	-1.1
General merchandise stores.....	13	1.9	-0.5	-2.6	-1.1	-3.1	0.1	-3.0
Other retail stores.....	14	8.0	2.0	0.4	4.3	-7.7	-6.2	-7.8
Other industries.....	15	4.2	3.3	1.7	2.3	0.3	-4.2	-1.8
<b>Addenda:</b>								
Change in private inventories...	16	49.3	-3.6	23.0	-21.1	-25.6	-76.0	-62.3
Durable goods industries.....	17	20.3	-10.2	0.8	-6.1	-7.2	-43.9	1.0
Nondurable goods industries.....	18	29.0	6.5	22.2	-14.9	-18.4	-32.1	-63.3
Nonfarm industries.....	19	53.3	-5.2	23.2	-26.7	-25.8	-71.9	-53.7
Nonfarm change in book value <sup>1</sup> .....	20	91.0	54.4	48.5	60.6	111.0	124.9	62.8
Nonfarm inventory valuation adjustment <sup>2</sup> .....	21	-37.7	-59.6	-25.3	-87.3	-136.8	-196.8	-116.5
Wholesale trade.....	22	17.0	3.6	17.1	-2.0	-8.0	2.1	11.7
Merchant wholesale trade.....	23	14.5	5.9	18.9	2.2	-2.1	12.8	26.0
Durable goods industries Nondurable goods industries.....	24	10.1	-1.2	0.6	3.2	14.6	11.6	28.7
Nonmerchant wholesale trade.....	25	4.4	7.1	18.3	-1.0	-16.7	1.2	-2.7
Residual .....	26	2.5	-2.3	-1.8	-4.2	-5.9	-10.7	-14.3

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

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

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

**Table 5.6.6B. Real Change in Private Inventories by Industry, Chained Dollars**

[Billions of chained (2000) dollars]

Line	2006	2007	Seasonally adjusted at annual rates					
			2007		2008			
			III	IV	I	II	III	
<b>Change in private inventories.....</b>	<b>1</b>	<b>42.3</b>	<b>-2.5</b>	<b>16.0</b>	<b>-8.1</b>	<b>-10.2</b>	<b>-50.6</b>	<b>-38.5</b>
Farm.....	2	-3.2	1.0	-2.5	10.5	6.0	2.4	-0.6
Mining, utilities, and construction	3	4.6	-0.6	-2.3	-5.0	-9.4	-8.0	-9.4
Manufacturing.....	4	11.8	-3.5	-2.2	2.9	13.7	-26.0	-24.8
Durable goods industries.....	5	6.7	0.0	-2.2	13.8	3.0	-14.4	-6.9
Nondurable goods industries.....	6	5.1	-3.2	-0.2	-9.1	9.7	-11.3	-16.3
Wholesale trade.....	7	14.9	3.2	14.3	-1.5	-5.1	1.0	8.9
Durable goods industries.....	8	10.3	-1.5	-1.7	3.5	5.6	2.3	17.6
Nondurable goods industries.....	9	4.8	4.0	14.1	-4.2	-8.4	-0.8	-5.3
Retail trade.....	10	9.9	-5.6	9.6	-20.2	-18.5	-16.0	-6.6
Motor vehicle and parts dealers	11	-0.4	-8.6	10.7	-26.6	-10.3	-13.0	4.0
Food and beverage stores.....	12	0.7	0.7	1.7	0.8	0.3	0.6	-0.8
General merchandise stores.....	13	1.8	-0.4	-2.4	-1.0	-2.8	0.1	-2.6
Other retail stores.....	14	7.3	1.8	0.4	3.9	-6.5	-5.1	-6.3
Other industries.....	15	3.8	3.0	1.5	2.1	0.3	-3.4	-1.5
Residual .....	16	0.8	1.3	-1.1	3.2	2.3	0.0	-10.4
<b>Addenda:</b>								
Change in private inventories...	17	42.3	-2.5	16.0	-8.1	-10.2	-50.6	-38.5
Durable goods industries.....	18	18.3	-8.7	0.9	-5.2	-6.1	-36.1	1.2
Nondurable goods industries.....	19	23.8	5.3	14.2	-3.2	-4.3	-16.9	-35.8
Nonfarm industries.....	20	46.3	-3.7	19.2	-20.6	-17.9	-55.1	-38.6
Wholesale trade.....	21	14.9	3.2	14.3	-1.5	-5.1	1.0	8.9
Merchant wholesale trade.....	22	12.9	5.2	16.1	2.0	-0.5	9.6	19.7
Durable goods industries Nondurable goods industries.....	23	9.2	-1.0	0.6	2.9	12.8	9.8	23.9
Nonmerchant wholesale trade.....	24	3.8	5.5	14.0	-0.7	-10.3	0.8	-1.4
Residual .....	25	2.0	-1.8	-1.5	-3.2	-4.1	-7.4	-9.1

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

Chained (2000) dollar series for real change in private inventories are calculated as the period-to-period change in chained-dollar end-of-period inventories. Quarterly changes in end-of-period inventories are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 5.7.5B. Private Inventories and Domestic Final Sales by Industry

[Billions of dollars]

	Line	Seasonally adjusted quarterly totals				
		2007		2008		
		III	IV	I	II	III
<b>Private inventories</b> <sup>1</sup> .....	1	2,030.7	2,088.0	2,178.2	2,264.4	2,250.0
Farm.....	2	182.1	191.2	220.2	235.1	227.2
Mining, utilities, and construction.....	3	90.3	91.5	95.2	103.5	100.1
Manufacturing.....	4	606.0	628.7	661.9	697.2	687.2
Durable goods industries.....	5	350.4	356.9	373.4	389.9	391.6
Nondurable goods industries.....	6	255.6	271.8	288.5	307.3	295.6
Wholesale trade.....	7	492.0	511.9	531.2	552.3	553.7
Durable goods industries.....	8	275.5	278.8	286.6	295.3	303.2
Nondurable goods industries.....	9	216.4	233.1	244.5	256.9	250.5
Retail trade.....	10	516.2	517.0	518.4	522.4	525.2
Motor vehicle and parts dealers.....	11	158.6	152.6	150.8	147.9	149.1
Food and beverage stores.....	12	40.7	42.1	43.2	44.6	45.0
General merchandise stores.....	13	80.7	81.0	81.6	82.8	83.2
Other retail stores.....	14	236.2	241.2	242.9	247.1	247.9
Other industries.....	15	144.1	147.8	151.4	153.9	156.6
<b>Addenda:</b>						
Private inventories.....	16	2,030.7	2,088.0	2,178.2	2,264.4	2,250.0
Durable goods industries.....	17	900.7	904.4	927.0	949.7	960.2
Nondurable goods industries.....	18	1,130.0	1,183.6	1,251.2	1,314.7	1,289.9
Nonfarm industries.....	19	1,848.5	1,896.8	1,958.0	2,029.3	2,022.8
Wholesale trade.....	20	492.0	511.9	531.2	552.3	553.7
Merchant wholesale trade.....	21	422.7	439.1	456.9	475.5	481.7
Durable goods industries.....	22	242.3	245.2	254.4	264.5	273.9
Nondurable goods industries.....	23	180.3	193.9	202.5	211.0	207.8
Nonmerchant wholesale trade.....	24	69.3	72.8	74.3	76.8	72.0
<b>Final sales of domestic business</b> <sup>2</sup> .....	25	795.4	800.9	804.1	813.7	816.7
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	26	476.6	477.6	476.4	481.1	479.9
<b>Ratios of private inventories to final sales of domestic business:</b>						
Private inventories to final sales.....	27	2.55	2.61	2.71	2.78	2.76
Nonfarm inventories to final sales.....	28	2.32	2.37	2.44	2.49	2.48
Nonfarm inventories to final sales of goods and structures.....	29	3.88	3.97	4.11	4.22	4.22

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

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross output of general government, gross value added of nonprofit institutions, compensation paid to domestic workers, and space rent for owner-occupied housing. It includes a small amount of final sales by farm and by government enterprises.

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

Table 5.7.6B. Real Private Inventories and Real Domestic Final Sales by Industry, Chained Dollars

[Billions of chained (2000) dollars]

	Line	Seasonally adjusted quarterly totals				
		2007		2008		
		III	IV	I	II	III
<b>Private inventories</b> <sup>1</sup> .....	1	1,650.7	1,648.7	1,646.2	1,633.6	1,623.9
Farm.....	2	125.6	128.3	129.8	130.4	130.2
Mining, utilities, and construction.....	3	61.4	60.2	57.8	55.8	53.5
Manufacturing.....	4	462.8	463.6	467.0	460.5	454.3
Durable goods industries.....	5	282.9	286.4	287.1	283.5	281.8
Nondurable goods industries.....	6	180.1	177.8	180.3	177.5	173.4
Wholesale trade.....	7	401.9	401.5	400.3	400.5	402.8
Durable goods industries.....	8	245.0	245.8	247.2	247.8	252.2
Nondurable goods industries.....	9	157.0	155.9	153.8	153.6	152.3
Retail trade.....	10	471.5	466.4	461.8	457.8	456.1
Motor vehicle and parts dealers.....	11	159.2	152.5	149.9	146.7	147.7
Food and beverage stores.....	12	33.1	33.3	33.4	33.6	33.4
General merchandise stores.....	13	73.5	73.3	72.6	72.6	72.0
Other retail stores.....	14	205.5	206.5	204.8	203.6	202.0
Other industries.....	15	127.0	127.5	127.6	126.8	126.4
Residual.....	16	0.4	1.2	1.9	1.7	-1.0
<b>Addenda:</b>						
Private inventories.....	17	1,650.7	1,648.7	1,646.2	1,633.6	1,623.9
Durable goods industries.....	18	790.3	789.0	787.5	778.5	778.8
Nondurable goods industries.....	19	861.5	860.7	859.6	855.4	846.4
Nonfarm industries.....	20	1,526.6	1,521.4	1,516.9	1,503.2	1,493.5
Wholesale trade.....	21	401.9	401.5	400.3	400.5	402.8
Merchant wholesale trade.....	22	349.9	350.4	350.2	352.6	357.6
Durable goods industries.....	23	214.7	215.5	218.7	221.1	227.1
Nondurable goods industries.....	24	135.0	134.8	132.2	132.4	132.1
Nonmerchant wholesale trade.....	25	52.2	51.4	50.4	48.5	46.2
<b>Final sales of domestic business</b> <sup>2</sup> .....	26	691.6	693.1	693.4	702.8	697.4
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	27	428.4	428.4	426.5	435.3	429.8
<b>Ratios of private inventories to final sales of domestic business:</b>						
Private inventories to final sales.....	28	2.39	2.38	2.37	2.32	2.33
Nonfarm inventories to final sales.....	29	2.21	2.20	2.19	2.14	2.14
Nonfarm inventories to final sales of goods and structures.....	30	3.56	3.55	3.56	3.45	3.48

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

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross output of general government, gross value added of nonprofit institutions, compensation paid to domestic workers, and space rent for owner-occupied housing. It includes a small amount of final sales by farm and by government enterprises.

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

Chained (2000) dollar inventory series are calculated to ensure that the chained (2000) dollar change in inventories for 2000 equals the current-dollar change in inventories for 2000 and that the average of the 1999 and 2000 end-of-year chain-weighted and fixed-weighted inventories are equal.

Table 5.7.9B. Implicit Price Deflators for Private Inventories by Industry

[Index numbers, 2000=100]

	Line	Seasonally adjusted				
		2007		2008		
		III	IV	I	II	III
<b>Private inventories</b> <sup>1</sup> .....	1	123.016	126.644	132.316	138.617	138.555
Farm.....	2	144.969	149.068	169.647	180.322	174.479
Mining, utilities, and construction.....	3	146.912	152.031	164.593	185.324	187.200
Manufacturing.....	4	130.930	135.620	141.740	151.408	151.267
Durable goods industries.....	5	123.840	124.625	130.063	137.523	138.978
Nondurable goods industries.....	6	141.926	152.835	160.029	173.197	170.485
Wholesale trade.....	7	122.403	127.474	132.696	137.889	137.479
Durable goods industries.....	8	112.486	113.402	115.925	119.176	120.195
Nondurable goods industries.....	9	137.890	149.499	158.996	167.290	164.547
Retail trade.....	10	109.491	110.842	112.258	114.119	115.143
Motor vehicle and parts dealers.....	11	99.634	100.057	100.562	100.856	101.000
Food and beverage stores.....	12	122.791	126.304	129.248	132.804	134.700
General merchandise stores.....	13	109.775	110.609	112.391	114.066	115.576
Other retail stores.....	14	114.959	116.847	118.560	121.357	122.709
Other industries.....	15	113.478	115.881	118.630	121.371	123.895
<b>Addenda:</b>						
Private inventories.....	16	123.016	126.644	132.316	138.617	138.555
Durable goods industries.....	17	113.968	114.630	117.709	121.997	123.293
Nondurable goods industries.....	18	131.173	137.519	145.562	153.697	152.394
Nonfarm industries.....	19	121.091	124.674	129.077	135.001	135.442
Wholesale trade.....	20	122.403	127.474	132.696	137.889	137.479
Merchant wholesale trade.....	21	120.809	125.316	130.449	134.838	134.720
Durable goods industries.....	22	112.849	113.778	116.338	119.620	120.620
Nondurable goods industries.....	23	133.617	143.859	153.162	159.365	157.354
Nonmerchant wholesale trade.....	24	132.806	141.673	147.483	158.353	155.764

1. Implicit price deflators are as of the end of the quarter and are consistent with inventory stocks.

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

## 6. Income and Employment by Industry

Table 6.1D. National Income Without Capital Consumption Adjustment by Industry

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>National income without capital consumption adjustment</b> .....	1	11,875.1	12,362.4	12,433.7	12,528.4	12,347.7	12,417.3	.....
<b>Domestic industries</b> .....	2	11,796.9	12,260.0	12,321.5	12,363.0	12,209.5	12,303.4	.....
<b>Private industries</b> .....	3	10,415.7	10,806.5	10,857.6	10,884.5	10,708.7	10,783.9	.....
Agriculture, forestry, fishing, and hunting .....	4	82.9	117.4	121.4	121.4	113.5	110.1	.....
Mining .....	5	196.7	204.9	212.8	212.5	216.3	224.5	.....
Utilities .....	6	204.6	216.3	217.2	224.3	207.1	218.5	.....
Construction .....	7	645.1	563.5	555.7	541.5	527.4	524.5	.....
Manufacturing .....	8	1,461.8	1,489.6	1,476.3	1,475.4	1,419.7	1,400.9	.....
Durable goods .....	9	818.8	839.8	842.7	845.1	800.0	770.0	.....
Nondurable goods .....	10	643.1	649.8	633.6	630.3	619.8	630.9	.....
Wholesale trade .....	11	739.2	765.2	773.5	754.6	723.8	738.7	.....
Retail trade .....	12	884.9	908.0	902.4	907.9	892.8	875.2	.....
Transportation and warehousing .....	13	346.4	361.5	364.2	359.2	343.8	346.3	.....
Information .....	14	438.0	463.4	472.4	485.1	465.9	477.6	.....
Finance, insurance, real estate, rental, and leasing .....	15	2,092.3	2,193.0	2,208.1	2,200.2	2,165.9	2,199.0	.....
Professional and business services <sup>1</sup> .....	16	1,611.2	1,717.3	1,736.8	1,743.4	1,788.9	1,794.9	.....
Educational services, health care, and social assistance .....	17	1,001.5	1,060.1	1,067.5	1,101.1	1,096.9	1,110.3	.....
Arts, entertainment, recreation, accommodation, and food services .....	18	428.3	449.9	452.3	455.6	446.7	460.7	.....
Other services, except government .....	19	282.9	296.4	297.0	302.5	299.8	302.6	.....
<b>Government</b> .....	20	1,381.2	1,453.6	1,463.9	1,478.5	1,500.7	1,519.5	.....
<b>Rest of the world</b> .....	21	78.3	102.4	112.2	165.4	138.2	113.9	.....

1. Consists of professional, scientific, and technical services; management of companies and enterprises; and administrative and waste management services.  
 Note: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

Table 6.16D. Corporate Profits by Industry

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	1	1,668.5	1,642.4	1,668.3	1,611.1	1,593.5	1,533.3	.....
<b>Domestic industries</b> .....	2	1,401.0	1,297.8	1,311.9	1,189.7	1,195.1	1,159.8	.....
Financial <sup>1</sup> .....	3	462.1	429.7	439.3	370.3	407.6	376.6	.....
Nonfinancial .....	4	939.0	868.1	872.6	819.5	787.4	783.2	.....
<b>Rest of the world</b> .....	5	267.5	344.7	356.4	421.3	398.5	373.5	.....
Receipts from the rest of the world .....	6	438.9	509.2	528.4	553.1	556.8	565.7	.....
Less: Payments to the rest of the world .....	7	171.4	164.5	172.0	131.8	158.3	192.2	.....
<b>Corporate profits with inventory valuation adjustment</b> .....	8	1,834.2	1,835.1	1,866.1	1,820.2	1,641.5	1,596.0	.....
<b>Domestic industries</b> .....	9	1,566.7	1,490.5	1,509.7	1,398.9	1,243.1	1,222.5	.....
Financial .....	10	478.8	449.9	460.3	392.4	412.8	383.2	.....
Federal Reserve banks .....	11	33.8	37.7	37.5	36.5	35.8	31.0	.....
Other financial <sup>2</sup> .....	12	445.0	412.2	422.8	355.9	377.1	352.2	.....
Nonfinancial .....	13	1,087.9	1,040.6	1,049.3	1,006.5	830.2	839.3	.....
Utilities .....	14	55.6	58.5	58.7	63.2	46.2	56.7	.....
Manufacturing .....	15	304.3	316.6	306.6	292.1	240.5	214.9	.....
Durable goods .....	16	115.9	127.4	130.9	128.3	85.5	54.2	.....
Fabricated metal products .....	17	19.2	21.7	22.5	22.8	18.9	15.1	.....
Machinery .....	18	20.0	22.3	22.2	22.0	19.2	14.8	.....
Computer and electronic products .....	19	14.1	13.5	13.2	15.4	14.4	6.6	.....
Electrical equipment, appliances, and components .....	20	8.4	10.9	10.7	11.5	6.9	5.9	.....
Motor vehicles, bodies and trailers, and parts .....	21	-8.4	-5.9	-4.4	-7.7	-19.9	-27.4	.....
Other durable goods <sup>3</sup> .....	22	62.6	64.9	66.8	64.3	46.1	39.3	.....
Nondurable goods .....	23	188.4	189.3	175.7	163.8	155.0	160.7	.....
Food and beverage and tobacco products .....	24	33.8	38.5	39.2	38.7	34.8	40.9	.....
Petroleum and coal products .....	25	77.5	66.9	55.6	33.6	48.8	36.6	.....
Chemical products .....	26	53.8	66.4	65.1	73.8	60.2	78.5	.....
Other nondurable goods <sup>4</sup> .....	27	23.4	17.5	15.9	17.8	11.1	4.7	.....
Wholesale trade .....	28	107.5	102.6	109.1	80.2	49.2	59.4	.....
Retail trade .....	29	132.3	132.3	126.0	124.5	112.0	92.7	.....
Transportation and warehousing .....	30	42.5	42.7	47.0	37.7	24.4	24.8	.....
Information .....	31	91.1	103.0	108.4	117.9	106.0	115.0	.....
Other nonfinancial <sup>5</sup> .....	32	354.7	284.9	293.5	290.9	252.0	275.8	.....
<b>Rest of the world</b> .....	33	267.5	344.7	356.4	421.3	398.5	373.5	.....

1. Consists of finance and insurance and bank and other holding companies.  
 2. Consists of credit intermediation and related activities; securities, commodity contracts, and other financial investments and related activities; insurance carriers and related activities; funds, trusts, and other financial vehicles; and bank and other holding companies.  
 3. Consists of wood products; nonmetallic mineral products; primary metals; other transportation equipment; furniture and related products; and miscellaneous manufacturing.  
 4. Consists of textile mills and textile product mills; apparel; leather and allied products; paper products; printing and related support activities; and plastics and rubber products.  
 5. Consists of agriculture, forestry, fishing, and hunting; mining; construction; real estate and rental and leasing; professional, scientific, and technical services; administrative and waste management services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services, except government.  
 Note: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

## 7. Supplemental Tables

Table 7.1. Selected Per Capita Product and Income Series in Current and Chained Dollars

[Dollars]

Line	2006	2007	Seasonally adjusted at annual rates					
			2007		2008			
			III	IV	I	II	III	
<b>Current dollars:</b>								
Gross domestic product .....	1	44,046	45,707	46,125	46,273	46,569	46,940	47,260
Gross national product .....	2	44,307	46,046	46,496	46,819	47,024	47,314	.....
Personal income .....	3	36,744	38,609	38,784	39,153	39,361	40,025	40,024
Disposable personal income ....	4	32,222	33,667	33,820	34,138	34,309	35,579	35,152
Personal consumption								
expenditures .....	5	30,773	32,144	32,288	32,625	32,917	33,291	33,378
Durable goods .....	6	3,516	3,584	3,591	3,572	3,525	3,478	3,335
Nondurable goods .....	7	8,975	9,378	9,412	9,584	9,711	9,938	9,991
Services .....	8	18,282	19,181	19,285	19,469	19,681	19,875	20,052
<b>Chained (2000) dollars:</b>								
Gross domestic product .....	9	37,750	38,148	38,438	38,324	38,326	38,510	38,387
Gross national product .....	10	37,976	38,432	38,750	38,777	38,704	38,821	.....
Disposable personal income ....	11	28,098	28,614	28,669	28,636	28,525	29,274	28,545
Personal consumption								
expenditures .....	12	26,835	27,319	27,371	27,366	27,367	27,391	27,104
Durable goods .....	13	3,961	4,113	4,131	4,124	4,071	4,033	3,873
Nondurable goods .....	14	7,805	7,920	7,931	7,915	7,891	7,949	7,798
Services .....	15	15,140	15,380	15,407	15,421	15,482	15,474	15,457
Population (midperiod, thousands)	16	299,199	302,087	302,452	303,225	303,868	304,528	305,313

Table 7.2.1B. Percent Change from Preceding Period in Real Motor Vehicle Output

[Percent]

Line	2006	2007	Seasonally adjusted at annual rates					
			2007		2008			
			III	IV	I	II	III	
<b>Motor vehicle output .....</b>								
Auto output .....	1	-0.9	-1.1	17.3	-25.7	-14.2	-33.8	4.1
Truck output .....	2	3.6	-1.8	16.4	-9.1	-3.9	-7.0	8.0
Final sales of domestic product	3	-3.5	-0.7	17.8	-34.3	-20.2	-48.0	1.1
Final sales of domestic product	4	-1.0	0.0	-5.8	4.5	-18.8	-35.9	-18.3
<b>Personal consumption expenditures .....</b>								
New motor vehicles .....	5	-3.1	2.1	-8.2	0.0	-11.9	-23.0	-27.5
Autos .....	6	-5.4	0.9	-15.7	6.1	-20.9	-25.3	-33.0
Light trucks (including utility vehicles) .....	7	2.3	-3.8	-22.9	25.5	-10.4	23.4	-49.8
Net purchases of used autos and used light trucks .....	8	-10.7	4.7	-9.9	-6.3	-28.4	-53.0	-10.8
Used autos .....	9	1.9	4.6	8.1	-10.8	8.1	-18.8	-16.8
Used light trucks (including utility vehicles) .....	10	0.0	-1.2	2.5	-11.2	9.3	-19.3	-23.1
Private fixed investment .....	11	3.9	10.2	13.1	-10.4	7.2	-18.4	-10.8
New motor vehicles .....	12	10.6	-15.6	2.8	-8.6	-23.3	-56.1	-43.5
Autos .....	13	8.2	-6.7	12.3	-11.4	-17.0	-36.3	-26.8
Trucks .....	14	4.7	2.4	15.8	-6.8	-17.1	-14.8	-20.7
Light trucks (including utility vehicles) .....	15	9.9	-11.1	10.3	-14.0	-17.0	-46.7	-30.7
Other .....	16	10.3	-0.3	31.1	-16.2	-15.4	-55.4	-30.9
Net purchases of used autos and used light trucks .....	17	8.9	-36.7	-44.3	-3.8	-23.5	5.0	-30.2
Used autos .....	18	3.1	13.5	30.1	-15.8	-5.9	6.6	-1.1
Used light trucks (including utility vehicles) .....	19	1.2	7.9	19.1	-21.5	13.6	7.3	4.8
Gross government investment .....	20	5.0	19.0	40.8	-10.6	-20.3	6.0	-6.4
Autos .....	21	8.5	2.3	200.2	-15.0	-17.8	-25.4	20.6
Trucks .....	22	8.3	0.5	-26.7	91.5	-31.0	-41.5	34.8
Net exports .....	23	8.5	2.8	354.6	-31.5	-13.5	-20.2	17.0
Exports .....	24	10.9	22.7	37.5	22.6	-10.9	4.7	44.3
Autos .....	25	16.4	32.0	66.5	31.9	6.4	10.7	44.9
Trucks .....	26	6.1	14.0	11.8	12.7	-28.3	-2.7	43.6
Imports .....	27	9.0	-2.6	25.2	-11.1	-2.8	-7.8	-29.6
Autos .....	28	10.7	-1.6	41.3	-16.4	7.4	-3.5	15.4
Trucks .....	29	7.5	-3.6	11.3	-5.5	-12.1	-12.1	-61.1
Change in private inventories .....	30	.....	.....	.....	.....	.....	.....	.....
Autos .....	31	.....	.....	.....	.....	.....	.....	.....
New .....	32	.....	.....	.....	.....	.....	.....	.....
Domestic .....	33	.....	.....	.....	.....	.....	.....	.....
Foreign .....	34	.....	.....	.....	.....	.....	.....	.....
Used .....	35	.....	.....	.....	.....	.....	.....	.....
Trucks .....	36	.....	.....	.....	.....	.....	.....	.....
New .....	37	.....	.....	.....	.....	.....	.....	.....
Domestic .....	38	.....	.....	.....	.....	.....	.....	.....
Foreign .....	39	.....	.....	.....	.....	.....	.....	.....
Used <sup>1</sup> .....	40	.....	.....	.....	.....	.....	.....	.....
Used <sup>1</sup> .....	41	.....	.....	.....	.....	.....	.....	.....
<b>Addenda:</b>								
Final sales of motor vehicles to domestic purchasers .....	42	0.8	-3.0	-1.7	-2.8	-15.0	-32.3	-29.7
Private fixed investment in new autos and new light trucks ....	43	8.0	0.8	24.5	-12.4	-16.1	-40.8	-26.3
Domestic output of new autos <sup>2</sup>	44	1.8	-3.3	22.9	4.3	-0.8	-23.7	49.5
Sales of imported new autos <sup>3</sup>	45	9.7	3.2	-6.7	-1.3	-20.2	42.5	-42.2

1. Consists of used light trucks only.

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

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





Table 7.2.5B. Motor Vehicle Output

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Motor vehicle output .....</b>	<b>1</b>	<b>409.9</b>	<b>402.2</b>	<b>419.4</b>	<b>387.1</b>	<b>368.5</b>	<b>330.4</b>	<b>331.3</b>
Auto output.....	2	154.1	150.6	154.3	149.3	146.4	144.5	149.8
Truck output.....	3	255.8	251.6	265.1	237.8	222.1	185.9	181.5
<b>Final sales of domestic product</b>	<b>4</b>	<b>412.9</b>	<b>409.7</b>	<b>405.8</b>	<b>408.4</b>	<b>384.2</b>	<b>341.5</b>	<b>323.2</b>
<b>Personal consumption expenditures .....</b>	<b>5</b>	<b>358.2</b>	<b>361.5</b>	<b>358.5</b>	<b>358.2</b>	<b>345.2</b>	<b>321.5</b>	<b>295.3</b>
New motor vehicles.....	6	240.6	240.3	233.8	237.1	222.5	206.0	185.7
Autos.....	7	106.5	102.0	97.7	103.2	100.0	105.6	89.6
Light trucks (including utility vehicles).....	8	134.1	138.3	136.1	133.9	122.5	100.5	96.1
Net purchases of used autos and used light trucks.....	9	117.6	121.2	124.6	121.1	122.7	115.5	109.5
Used autos.....	10	57.9	56.5	57.4	55.6	56.9	54.1	51.2
Used light trucks (including utility vehicles).....	11	59.8	64.7	67.3	65.4	65.9	61.4	58.3
<b>Private fixed investment .....</b>	<b>12</b>	<b>149.1</b>	<b>127.5</b>	<b>125.4</b>	<b>122.4</b>	<b>113.6</b>	<b>92.1</b>	<b>80.2</b>
New motor vehicles.....	13	216.4	201.3	202.8	196.6	187.1	166.5	153.6
Autos.....	14	70.6	72.0	73.5	72.1	68.5	65.9	62.8
Trucks.....	15	145.7	129.3	129.3	124.5	118.6	100.6	90.9
Light trucks (including utility vehicles).....	16	103.4	101.5	105.3	100.7	96.0	77.7	69.8
Other.....	17	42.3	27.8	24.1	23.8	22.5	22.9	21.0
Net purchases of used autos and used light trucks.....	18	-67.3	-73.9	-77.5	-74.2	-73.5	-74.4	-73.4
Used autos.....	19	-33.3	-34.8	-36.1	-34.0	-35.2	-35.6	-35.5
Used light trucks (including utility vehicles).....	20	-33.9	-39.0	-41.4	-40.2	-38.3	-38.8	-37.8
<b>Gross government investment.....</b>	<b>21</b>	<b>16.4</b>	<b>17.2</b>	<b>19.6</b>	<b>18.8</b>	<b>17.9</b>	<b>16.8</b>	<b>17.6</b>
Autos.....	22	3.9	4.0	3.7	4.3	4.0	3.6	3.9
Trucks.....	23	12.5	13.2	15.9	14.4	14.0	13.2	13.8
<b>Net exports.....</b>	<b>24</b>	<b>-110.8</b>	<b>-96.4</b>	<b>-97.6</b>	<b>-90.9</b>	<b>-92.5</b>	<b>-88.9</b>	<b>-69.9</b>
Exports.....	25	49.1	60.8	63.6	67.1	65.3	66.3	72.9
Autos.....	26	23.9	31.7	33.7	36.3	36.9	37.9	41.6
Trucks.....	27	25.2	29.0	29.9	30.8	28.4	28.4	31.3
Imports.....	28	159.9	157.2	161.2	158.1	157.9	155.2	142.8
Autos.....	29	77.1	76.6	80.7	78.1	80.2	79.6	82.6
Trucks.....	30	82.8	80.6	80.5	80.0	77.7	75.6	60.2
<b>Change in private inventories .....</b>	<b>31</b>	<b>-3.0</b>	<b>-7.5</b>	<b>13.6</b>	<b>-21.2</b>	<b>-15.7</b>	<b>-11.2</b>	<b>8.1</b>
Autos.....	32	1.7	-4.2	5.0	-10.1	-4.4	-7.3	18.9
New.....	33	3.4	-3.2	4.6	-7.7	-2.1	-4.1	20.1
Domestic.....	34	2.1	-2.3	1.5	-6.3	-5.1	-3.4	15.6
Foreign.....	35	1.3	-0.8	3.1	-1.4	3.0	-0.6	4.4
Used.....	36	-1.7	-1.1	0.4	-2.4	-2.4	-3.3	-1.2
Trucks.....	37	-4.7	-3.3	8.5	-11.1	-11.3	-3.8	-10.8
New.....	38	-2.8	-3.0	7.4	-11.5	-9.1	-3.3	-11.6
Domestic.....	39	-3.5	-2.3	4.6	-7.9	-11.3	-5.1	-19.0
Foreign.....	40	0.8	-0.8	2.8	-3.5	2.2	1.8	7.4
Used <sup>1</sup> .....	41	-2.0	-0.3	1.1	0.3	-2.1	-0.6	0.8
<b>Addenda:</b>								
Final sales of motor vehicles to domestic purchasers.....	42	523.7	506.1	503.5	499.3	476.7	430.4	393.1
Private fixed investment in new autos and new light trucks.....	43	174.0	173.5	178.8	172.8	164.5	143.6	132.6
Domestic output of new autos <sup>2</sup> .....	44	102.1	98.8	100.7	101.8	101.2	94.8	105.3
Sales of imported new autos <sup>3</sup> .....	45	99.0	101.7	101.4	100.9	95.0	103.9	91.4

1. Consists of used light trucks only.

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

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

Table 7.2.6B. Real Motor Vehicle Output, Chained Dollars

[Billions of chained (2000) dollars]

	Line	2006	2007	Seasonally adjusted at annual rates				
				2007		2008		
				III	IV	I	II	III
<b>Motor vehicle output .....</b>	<b>1</b>	<b>420.3</b>	<b>415.7</b>	<b>433.1</b>	<b>402.1</b>	<b>387.0</b>	<b>349.1</b>	<b>352.6</b>
Auto output.....	2	155.1	152.4	155.9	152.2	150.7	148.0	150.9
Truck output.....	3	265.5	263.6	277.6	250.0	236.3	200.6	201.2
<b>Final sales of domestic product</b>	<b>4</b>	<b>423.9</b>	<b>423.9</b>	<b>419.6</b>	<b>424.2</b>	<b>402.7</b>	<b>360.4</b>	<b>342.6</b>
<b>Personal consumption expenditures .....</b>	<b>5</b>	<b>369.2</b>	<b>377.1</b>	<b>373.3</b>	<b>373.3</b>	<b>361.7</b>	<b>338.7</b>	<b>312.6</b>
New motor vehicles.....	6	251.7	254.0	247.3	251.0	236.7	220.0	199.1
Autos.....	7	109.1	105.0	100.5	106.3	103.5	109.0	91.8
Light trucks (including utility vehicles).....	8	142.4	149.1	147.0	144.6	133.0	110.1	107.0
Net purchases of used autos and used light trucks.....	9	117.7	123.1	125.8	122.3	124.7	118.4	113.1
Used autos.....	10	56.8	56.1	56.7	55.0	56.3	53.3	49.9
Used light trucks (including utility vehicles).....	11	61.0	67.2	69.5	67.6	68.8	65.4	63.5
<b>Private fixed investment.....</b>	<b>12</b>	<b>140.4</b>	<b>118.5</b>	<b>117.0</b>	<b>114.4</b>	<b>107.0</b>	<b>87.1</b>	<b>75.5</b>
New motor vehicles.....	13	220.6	205.9	207.3	201.1	192.0	171.5	158.6
Autos.....	14	72.3	74.1	75.6	74.3	70.9	68.1	64.3
Trucks.....	15	148.1	131.7	131.6	126.8	121.0	103.4	94.3
Light trucks (including utility vehicles).....	16	109.8	109.5	113.6	108.7	104.3	85.2	77.7
Other.....	17	37.9	24.0	20.6	20.4	19.1	19.3	17.7
Net purchases of used autos and used light trucks.....	18	-76.3	-86.6	-90.1	-86.3	-85.0	-86.4	-86.1
Used autos.....	19	-37.4	-40.3	-41.5	-39.1	-40.3	-41.0	-41.5
Used light trucks (including utility vehicles).....	20	-38.9	-46.3	-48.7	-47.3	-44.7	-45.4	-44.6
<b>Gross government investment.....</b>	<b>21</b>	<b>15.6</b>	<b>15.9</b>	<b>18.1</b>	<b>17.4</b>	<b>16.6</b>	<b>15.4</b>	<b>16.1</b>
Autos.....	22	3.8	3.8	3.6	4.2	3.8	3.3	3.6
Trucks.....	23	11.8	12.1	14.5	13.2	12.7	12.0	12.5
<b>Net exports.....</b>	<b>24</b>	<b>-106.5</b>	<b>-92.2</b>	<b>-93.4</b>	<b>-86.0</b>	<b>-86.7</b>	<b>-83.1</b>	<b>-65.2</b>
Exports.....	25	45.5	55.8	58.4	61.4	59.7	60.4	66.1
Autos.....	26	22.7	29.9	31.8	34.1	34.6	35.5	39.0
Trucks.....	27	22.8	26.0	26.7	27.5	25.3	25.1	27.5
Imports.....	28	152.0	148.0	151.8	147.4	146.3	143.4	131.4
Autos.....	29	74.2	73.1	77.1	73.7	75.0	74.3	77.1
Trucks.....	30	77.6	74.8	74.7	73.7	71.3	69.1	54.5
<b>Change in private inventories.....</b>	<b>31</b>	<b>-2.9</b>	<b>-7.5</b>	<b>13.6</b>	<b>-21.3</b>	<b>-15.3</b>	<b>-10.9</b>	<b>8.5</b>
Autos.....	32	1.9	-4.5	5.3	-10.6	-4.6	-7.7	19.6
New.....	33	3.4	-3.2	4.6	-7.7	-2.1	-4.1	19.4
Domestic.....	34	2.1	-2.4	1.5	-6.5	-5.2	-3.5	15.4
Foreign.....	35	1.3	-0.8	3.0	-1.3	2.8	-0.6	4.1
Used.....	36	-1.8	-1.2	0.5	-2.7	-2.7	-3.7	-1.4
Trucks.....	37	-4.3	-3.1	8.1	-10.6	-10.3	-3.4	-9.4
New.....	38	-2.3	-2.7	6.6	-10.2	-7.8	-2.7	-9.5
Domestic.....	39	-3.0	-2.0	3.9	-6.9	-9.8	-4.3	-16.4
Foreign.....	40	0.7	-0.7	2.7	-3.3	2.1	1.7	6.9
Used <sup>1</sup> .....	41	-2.2	-0.3	1.2	0.4	-2.4	-0.6	0.9
Residual.....	42	0.9	0.8	2.2	0.3	1.2	3.6	6.3
<b>Addenda:</b>								
Final sales of motor vehicles to domestic purchasers.....	43	529.6	514.0	511.1	507.4	487.2	442.0	404.7
Private fixed investment in new autos and new light trucks.....	44	182.0	183.4	189.0	182.9	175.0	153.5	142.2
Domestic output of new autos <sup>2</sup> .....	45	103.4	100.0	101.8	102.9	102.7	96.0	106.1
Sales of imported new autos <sup>3</sup> .....	46	101.4	104.7	104.2	103.9	98.2	107.3	93.6

1. Consists of used light trucks only.

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

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.



### C. Historical Measures

This table is derived from the “Selected NIPA Tables” that are published in this issue and from the “GDP and Other Major NIPA Series” tables that were published in the August 2008 issue. (The changes in prices are calculated from indexes expressed to three decimal places.)

**Table C.1. GDP and Other Major NIPA Aggregates—Continues**

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959	2,441.3	2,442.7	2,457.4	7.1	6.2	20.754	20.365	20.751	20.727	1.2	1.2	1.2	1.2
1960	2,501.8	2,506.8	2,519.4	2.5	2.6	21.044	20.646	21.041	21.018	1.4	1.4	1.4	1.4
1961	2,560.0	2,566.8	2,579.3	2.3	2.4	21.281	20.865	21.278	21.255	1.1	1.1	1.1	1.1
1962	2,715.2	2,708.5	2,736.9	6.1	5.5	21.572	21.139	21.569	21.547	1.4	1.3	1.4	1.4
1963	2,834.0	2,830.3	2,857.2	4.4	4.5	21.801	21.385	21.798	21.777	1.1	1.2	1.1	1.1
1964	2,998.6	2,999.9	3,023.6	5.8	6.0	22.134	21.725	22.131	22.111	1.5	1.6	1.5	1.5
1965	3,191.1	3,173.8	3,217.3	6.4	5.8	22.538	22.102	22.535	22.516	1.8	1.7	1.8	1.8
1966	3,399.1	3,364.8	3,423.7	6.5	6.0	23.180	22.724	23.176	23.158	2.8	2.8	2.8	2.9
1967	3,484.6	3,467.6	3,510.1	2.5	3.1	23.897	23.389	23.893	23.874	3.1	2.9	3.1	3.1
1968	3,652.7	3,640.3	3,680.0	4.8	5.0	24.916	24.380	24.913	24.893	4.3	4.2	4.3	4.3
1969	3,765.4	3,753.7	3,792.0	3.1	3.1	26.153	25.580	26.149	26.127	5.0	4.9	5.0	5.0
1970	3,771.9	3,787.7	3,798.2	0.2	0.9	27.538	26.964	27.534	27.512	5.3	5.4	5.3	5.3
1971	3,898.6	3,893.4	3,927.8	3.4	2.8	28.916	28.351	28.911	28.889	5.0	5.1	5.0	5.0
1972	4,105.0	4,098.6	4,136.2	5.3	5.3	30.171	29.619	30.166	30.145	4.3	4.5	4.3	4.3
1973	4,341.5	4,315.9	4,383.6	5.8	5.3	31.854	31.343	31.849	31.830	5.6	5.8	5.6	5.6
1974	4,319.6	4,305.5	4,367.5	-0.5	-0.2	34.721	34.546	34.725	34.699	9.0	10.2	9.0	9.0
1975	4,311.2	4,352.5	4,348.4	-0.2	1.1	38.007	37.761	38.002	37.976	9.5	9.3	9.4	9.4
1976	4,540.9	4,522.3	4,585.3	5.3	3.9	40.202	39.938	40.196	40.175	5.8	5.8	5.8	5.8
1977	4,750.5	4,721.6	4,800.3	4.6	4.4	42.758	42.634	42.752	42.731	6.4	6.8	6.4	6.4
1978	5,015.0	4,981.6	5,064.4	5.6	5.5	45.762	45.663	45.757	45.737	7.0	7.1	7.0	7.0
1979	5,173.4	5,161.2	5,240.1	3.2	3.6	49.553	49.669	49.548	49.527	8.3	8.8	8.3	8.3
1980	5,161.7	5,196.7	5,227.6	-0.2	0.7	54.062	54.876	54.043	54.015	9.1	10.5	9.1	9.1
1981	5,291.7	5,265.1	5,349.7	2.5	1.3	59.128	59.896	59.119	59.095	9.4	9.1	9.4	9.4
1982	5,189.3	5,233.4	5,249.7	-1.9	-0.6	62.738	63.296	62.726	62.699	6.1	5.7	6.1	6.1
1983	5,423.8	5,454.0	5,482.5	4.5	4.2	65.214	65.515	65.207	65.184	3.9	3.5	4.0	4.0
1984	5,813.6	5,739.2	5,869.3	7.2	5.2	67.664	67.822	67.655	67.631	3.8	3.5	3.8	3.8
1985	6,053.7	6,042.1	6,093.4	4.1	5.3	69.724	69.760	69.713	69.695	3.0	2.9	3.0	3.1
1986	6,263.6	6,271.8	6,290.6	3.5	3.8	71.269	71.338	71.250	71.227	2.2	2.3	2.2	2.2
1987	6,475.1	6,457.2	6,500.9	3.4	3.0	73.204	73.527	73.196	73.181	2.7	3.1	2.7	2.7
1988	6,742.7	6,734.5	6,775.2	4.1	4.3	75.706	76.043	75.694	75.679	3.4	3.4	3.4	3.4
1989	6,981.4	6,962.2	7,015.4	3.5	3.4	78.569	78.934	78.556	78.549	3.8	3.8	3.8	3.8
1990	7,112.5	7,108.5	7,155.2	1.9	2.1	81.614	82.144	81.590	81.589	3.9	4.1	3.9	3.9
1991	7,100.5	7,115.0	7,136.8	-0.2	0.1	84.457	84.836	84.444	84.440	3.5	3.3	3.5	3.5
1992	7,336.6	7,331.1	7,371.8	3.3	3.0	86.402	86.828	86.385	86.375	2.3	2.3	2.3	2.3
1993	7,532.7	7,522.3	7,568.6	2.7	2.6	88.390	88.730	88.381	88.382	2.3	2.2	2.3	2.3
1994	7,835.5	7,777.8	7,864.2	4.0	3.4	90.265	90.583	90.259	90.262	2.1	2.1	2.1	2.1
1995	8,031.7	8,010.2	8,069.8	2.5	3.0	92.115	92.483	92.106	92.114	2.0	2.1	2.0	2.1
1996	8,328.9	8,306.5	8,365.3	3.7	3.7	93.859	94.145	93.852	93.863	1.9	1.8	1.9	1.9
1997	8,703.5	8,636.6	8,737.5	4.5	4.0	95.415	95.440	95.414	95.420	1.7	1.4	1.7	1.7
1998	9,066.9	8,997.6	9,088.7	4.2	4.2	96.475	96.060	96.472	96.475	1.1	0.6	1.1	1.1
1999	9,470.3	9,404.0	9,504.7	4.5	4.5	97.868	97.556	97.868	97.869	1.4	1.6	1.4	1.4
2000	9,817.0	9,760.5	9,855.9	3.7	3.8	100.000	100.000	100.000	100.000	2.2	2.5	2.2	2.2
2001	9,890.7	9,920.9	9,933.6	0.8	1.6	102.402	101.994	102.399	102.396	2.4	2.0	2.4	2.4
2002	10,048.8	10,036.5	10,079.0	1.6	1.2	104.193	103.583	104.187	104.179	1.7	1.6	1.7	1.7
2003	10,301.0	10,285.1	10,355.3	2.5	2.5	106.409	105.966	106.404	106.396	2.1	2.3	2.1	2.1
2004	10,675.8	10,619.8	10,746.0	3.6	3.3	109.462	109.235	109.462	109.455	2.9	3.1	2.9	2.9
2005	10,989.5	10,947.3	11,072.1	2.9	3.1	113.039	113.263	113.034	113.031	3.3	3.7	3.3	3.3
2006	11,294.8	11,249.3	11,362.3	2.8	2.8	116.676	117.066	116.676	116.672	3.2	3.4	3.2	3.2
2007	11,523.9	11,523.4	11,609.8	2.0	2.4	119.819	120.294	119.816	119.813	2.7	2.8	2.7	2.7

Table C.1. GDP and Other Major NIPA Aggregates—Continues

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959: I.....	2,392.9	2,396.9	2,408.1	7.9	8.1	20.680	20.296	20.704	20.680	1.8	2.1	0.9	0.9
1959: II.....	2,455.8	2,440.3	2,471.1	10.9	7.4	20.711	20.326	20.704	20.681	0.6	0.6	0.0	0.0
1959: III.....	2,453.9	2,471.1	2,470.3	-0.3	5.1	20.770	20.379	20.753	20.730	1.1	1.0	1.0	1.0
1959: IV.....	2,462.6	2,462.3	2,479.8	1.4	-1.4	20.853	20.460	20.840	20.817	1.6	1.6	1.7	1.7
1960: I.....	2,517.4	2,488.1	2,534.1	9.2	4.3	20.903	20.505	20.931	20.909	1.0	0.9	1.8	1.8
1960: II.....	2,504.8	2,511.5	2,521.8	-2.0	3.8	20.995	20.598	21.004	20.982	1.8	1.8	1.4	1.4
1960: III.....	2,508.7	2,507.9	2,526.5	0.6	-0.6	21.093	20.694	21.084	21.061	1.9	1.9	1.5	1.5
1960: IV.....	2,476.2	2,519.8	2,494.9	-5.1	1.9	21.186	20.787	21.146	21.122	1.8	1.8	1.2	1.2
1961: I.....	2,491.2	2,522.0	2,510.8	2.4	0.4	21.210	20.807	21.192	21.169	0.5	0.4	0.9	0.9
1961: II.....	2,538.0	2,549.1	2,556.7	7.7	4.4	21.249	20.831	21.237	21.214	0.7	0.5	0.9	0.9
1961: III.....	2,579.1	2,568.9	2,598.3	6.6	3.1	21.305	20.887	21.303	21.280	1.1	1.1	1.2	1.3
1961: IV.....	2,631.8	2,627.3	2,651.4	8.4	9.4	21.360	20.933	21.375	21.352	1.0	0.9	1.4	1.4
1962: I.....	2,679.1	2,659.5	2,698.6	7.4	5.0	21.482	21.041	21.501	21.479	2.3	2.1	2.4	2.4
1962: II.....	2,708.4	2,704.5	2,729.7	4.4	6.9	21.538	21.109	21.533	21.511	1.0	1.3	0.6	0.6
1962: III.....	2,733.3	2,725.6	2,754.8	3.7	3.2	21.596	21.163	21.585	21.564	1.1	1.0	1.0	1.0
1962: IV.....	2,740.0	2,744.5	2,764.5	1.0	2.8	21.671	21.241	21.653	21.632	1.4	1.5	1.3	1.3
1963: I.....	2,775.9	2,762.8	2,799.4	5.3	2.7	21.732	21.308	21.702	21.681	1.1	1.3	0.9	0.9
1963: II.....	2,810.6	2,809.7	2,833.3	5.1	7.0	21.754	21.335	21.745	21.724	0.4	0.5	0.8	0.8
1963: III.....	2,863.5	2,859.4	2,886.6	7.7	7.3	21.794	21.382	21.788	21.768	0.7	0.9	0.8	0.8
1963: IV.....	2,885.8	2,909.5	2,909.6	3.1	4.3	21.923	21.514	21.951	21.930	2.4	2.5	3.0	3.0
1964: I.....	2,950.5	2,952.7	2,976.3	9.3	9.0	22.001	21.596	22.016	21.995	1.4	1.5	1.2	1.2
1964: II.....	2,984.8	2,988.1	3,009.6	4.7	4.9	22.073	21.674	22.073	22.053	1.3	1.5	1.0	1.1
1964: III.....	3,025.5	3,025.4	3,051.1	5.6	5.1	22.180	21.769	22.160	22.140	2.0	1.8	1.6	1.6
1964: IV.....	3,033.6	3,033.2	3,057.5	1.1	1.0	22.282	21.860	22.270	22.250	1.9	1.7	2.0	2.0
1965: I.....	3,108.2	3,081.0	3,135.2	10.2	6.5	22.380	21.940	22.383	22.363	1.8	1.5	2.0	2.0
1965: II.....	3,150.2	3,136.6	3,178.0	5.5	7.4	22.479	22.037	22.480	22.460	1.8	1.8	1.7	1.7
1965: III.....	3,214.1	3,195.5	3,240.0	8.4	7.7	22.578	22.140	22.563	22.544	1.8	1.9	1.5	1.5
1965: IV.....	3,291.8	3,282.4	3,315.7	10.0	11.3	22.717	22.292	22.707	22.688	2.5	2.8	2.6	2.6
1966: I.....	3,372.3	3,337.0	3,396.9	10.1	6.8	22.857	22.416	22.855	22.837	2.5	2.2	2.6	2.7
1966: II.....	3,384.0	3,352.4	3,408.7	1.4	1.9	23.071	22.629	23.048	23.029	3.8	3.9	3.4	3.4
1966: III.....	3,406.3	3,380.2	3,430.4	2.7	3.4	23.293	22.831	23.291	23.272	3.9	3.6	4.3	4.3
1966: IV.....	3,433.7	3,389.6	3,458.9	3.3	1.1	23.498	23.018	23.505	23.486	3.6	3.3	3.7	3.7
1967: I.....	3,464.1	3,424.2	3,489.0	3.6	4.1	23.611	23.109	23.612	23.593	1.9	1.6	1.8	1.8
1967: II.....	3,464.3	3,460.2	3,488.5	0.0	4.3	23.759	23.254	23.741	23.722	2.5	2.5	2.2	2.2
1967: III.....	3,491.8	3,477.8	3,518.5	3.2	2.0	23.977	23.469	23.975	23.955	3.7	3.7	4.0	4.0
1967: IV.....	3,518.2	3,508.2	3,544.1	3.1	3.5	24.242	23.723	24.241	24.221	4.5	4.4	4.5	4.5
1968: I.....	3,590.7	3,581.7	3,617.2	8.5	8.6	24.503	23.979	24.506	24.487	4.4	4.4	4.4	4.5
1968: II.....	3,651.6	3,617.7	3,678.7	7.0	4.1	24.777	24.230	24.763	24.743	4.5	4.3	4.3	4.2
1968: III.....	3,676.5	3,669.4	3,704.4	2.7	5.8	25.017	24.483	25.008	24.988	3.9	4.2	4.0	4.0
1968: IV.....	3,692.0	3,692.2	3,719.6	1.7	2.5	25.367	24.826	25.362	25.342	5.7	5.7	5.8	5.8
1969: I.....	3,750.2	3,730.5	3,778.0	6.5	4.2	25.622	25.062	25.626	25.605	4.1	3.9	4.2	4.2
1969: II.....	3,760.9	3,748.6	3,787.7	1.1	2.0	25.966	25.402	25.958	25.937	5.5	5.5	5.3	5.3
1969: III.....	3,784.2	3,767.6	3,810.0	2.5	2.0	26.345	25.764	26.332	26.310	6.0	5.8	5.9	5.9
1969: IV.....	3,766.3	3,768.1	3,792.1	-1.9	0.1	26.678	26.093	26.675	26.652	5.2	5.2	5.3	5.3
1970: I.....	3,760.0	3,778.0	3,786.3	-0.7	1.1	27.051	26.474	27.056	27.034	5.7	6.0	5.8	5.9
1970: II.....	3,767.1	3,771.0	3,794.3	0.8	-0.7	27.437	26.841	27.428	27.406	5.8	5.7	5.6	5.6
1970: III.....	3,800.5	3,804.6	3,827.4	3.6	3.6	27.655	27.093	27.647	27.624	3.2	3.8	3.2	3.2
1970: IV.....	3,759.8	3,797.2	3,784.5	-4.2	-0.8	28.009	27.449	28.004	27.982	5.2	5.4	5.3	5.3
1971: I.....	3,864.1	3,844.7	3,893.1	11.6	5.1	28.429	27.854	28.425	28.403	6.1	6.0	6.2	6.2
1971: II.....	3,885.9	3,871.3	3,916.4	2.3	2.8	28.809	28.230	28.798	28.777	5.5	5.5	5.4	5.4
1971: III.....	3,916.7	3,905.2	3,944.4	3.2	3.5	29.097	28.539	29.089	29.069	4.1	4.5	4.1	4.1
1971: IV.....	3,927.9	3,952.5	3,957.1	1.1	4.9	29.329	28.779	29.322	29.300	3.2	3.4	3.2	3.2
1972: I.....	3,997.7	4,006.9	4,028.1	7.3	5.6	29.814	29.234	29.781	29.759	6.8	6.5	6.4	6.4
1972: II.....	4,092.1	4,073.0	4,122.1	9.8	6.8	29.989	29.437	29.959	29.937	2.4	2.8	2.4	2.4
1972: III.....	4,131.1	4,109.6	4,163.5	3.9	3.6	30.264	29.728	30.250	30.229	3.7	4.0	3.9	4.0
1972: IV.....	4,198.7	4,204.8	4,231.0	6.7	9.6	30.620	30.078	30.652	30.631	4.8	4.8	5.4	5.4
1973: I.....	4,305.3	4,296.4	4,342.5	10.6	9.0	31.025	30.478	31.020	31.000	5.4	5.4	4.9	4.9
1973: II.....	4,355.1	4,317.4	4,394.6	4.7	2.0	31.542	31.052	31.500	31.481	6.8	7.7	6.3	6.4
1973: III.....	4,331.9	4,322.6	4,377.8	-2.1	0.5	32.147	31.625	32.114	32.095	7.9	7.6	8.0	8.0
1973: IV.....	4,373.3	4,327.3	4,419.5	3.9	0.4	32.703	32.218	32.750	32.731	7.1	7.7	8.2	8.2
1974: I.....	4,335.4	4,322.7	4,389.4	-3.4	-0.4	33.371	33.068	33.376	33.354	8.4	11.0	7.9	7.8
1974: II.....	4,347.9	4,328.7	4,399.1	1.2	0.6	34.110	34.007	34.162	34.137	9.2	11.9	9.8	9.7
1974: III.....	4,305.8	4,316.3	4,352.4	-3.8	-1.1	35.164	35.045	35.166	35.141	12.9	12.8	12.3	12.3
1974: IV.....	4,288.9	4,254.5	4,329.3	-1.6	-5.6	36.240	36.062	36.218	36.188	12.8	12.1	12.5	12.5
1975: I.....	4,237.6	4,287.8	4,271.5	-4.7	3.2	37.077	36.849	37.050	37.022	9.6	9.0	9.5	9.5
1975: II.....	4,268.6	4,331.0	4,302.8	3.0	4.1	37.622	37.412	37.614	37.586	6.0	6.3	6.2	6.2
1975: III.....	4,340.9	4,370.1	4,377.7	6.9	3.7	38.324	38.060	38.313	38.288	7.7	7.1	7.6	7.7
1975: IV.....	4,397.8	4,421.1	4,441.7	5.4	4.8	39.005	38.724	39.000	38.961	7.3	7.2	7.2	7.2

Table C.1. GDP and Other Major NIPA Aggregates—Continues

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1976: I.....	4,496.8	4,482.1	4,539.3	9.3	5.6	39.443	39.163	39.418	39.396	4.6	4.6	4.5	4.5
1976: II.....	4,530.3	4,496.3	4,574.6	3.0	1.3	39.866	39.595	39.840	39.818	4.4	4.5	4.4	4.4
1976: III.....	4,552.0	4,523.7	4,596.7	1.9	2.5	40.405	40.168	40.385	40.365	5.5	5.9	5.6	5.6
1976: IV.....	4,584.6	4,587.1	4,630.4	2.9	5.7	41.096	40.828	41.122	41.101	7.0	6.7	7.5	7.5
1977: I.....	4,640.0	4,631.5	4,692.2	4.9	3.9	41.781	41.591	41.796	41.773	6.8	7.7	6.7	6.7
1977: II.....	4,731.1	4,705.5	4,782.3	8.1	6.5	42.452	42.306	42.401	42.381	6.6	7.1	5.9	6.0
1977: III.....	4,815.8	4,755.2	4,866.4	7.4	4.3	43.036	42.950	42.917	42.899	5.6	6.2	5.0	5.0
1977: IV.....	4,815.3	4,794.1	4,860.4	0.0	3.3	43.762	43.688	43.852	43.831	6.9	7.1	9.0	9.0
1978: I.....	4,830.8	4,799.5	4,882.9	1.3	0.5	44.493	44.410	44.505	44.483	6.9	6.8	6.1	6.1
1978: II.....	5,021.2	4,989.9	5,064.7	16.7	16.8	45.350	45.266	45.321	45.301	7.9	7.9	7.5	7.6
1978: III.....	5,070.7	5,036.0	5,118.2	4.0	3.7	46.133	46.048	46.072	46.052	7.1	7.1	6.8	6.8
1978: IV.....	5,137.4	5,100.6	5,191.9	5.4	5.2	47.074	46.928	47.047	47.027	8.4	7.9	8.7	8.7
1979: I.....	5,147.4	5,117.8	5,203.1	0.8	1.4	47.929	47.828	47.876	47.857	7.5	7.9	7.2	7.2
1979: II.....	5,152.3	5,117.9	5,214.9	0.4	0.0	49.092	49.044	49.058	49.034	10.1	10.6	10.2	10.2
1979: III.....	5,189.4	5,192.3	5,263.8	2.9	5.9	50.102	50.289	50.115	50.093	8.5	10.5	8.9	8.9
1979: IV.....	5,204.7	5,216.9	5,278.6	1.2	1.9	51.088	51.515	51.117	51.093	8.1	10.1	8.2	8.2
1980: I.....	5,221.3	5,227.3	5,296.5	1.3	0.8	52.209	52.930	52.195	52.172	9.1	11.4	8.7	8.7
1980: II.....	5,115.9	5,126.2	5,185.5	-7.8	-7.5	53.362	54.220	53.349	53.324	9.1	10.1	9.1	9.1
1980: III.....	5,107.4	5,193.5	5,173.0	-0.7	5.4	54.572	55.446	54.560	54.534	9.4	9.4	9.4	9.4
1980: IV.....	5,202.1	5,239.7	5,255.6	7.6	3.6	56.105	56.907	56.071	56.043	11.7	11.0	11.5	11.5
1981: I.....	5,307.5	5,261.7	5,364.5	8.4	1.7	57.566	58.397	57.517	57.492	10.8	10.9	10.7	10.8
1981: II.....	5,266.1	5,272.8	5,319.8	-3.1	0.8	58.582	59.434	58.598	58.571	7.2	7.3	7.7	7.7
1981: III.....	5,329.8	5,278.5	5,386.8	4.9	0.4	59.661	60.355	59.641	59.616	7.6	6.3	7.3	7.3
1981: IV.....	5,263.4	5,247.4	5,327.3	-4.9	-2.3	60.704	61.400	60.729	60.706	7.2	7.1	7.5	7.5
1982: I.....	5,177.1	5,232.9	5,237.7	-6.4	-1.1	61.563	62.213	61.555	61.530	5.8	5.4	5.6	5.5
1982: II.....	5,204.9	5,230.5	5,272.8	2.2	-0.2	62.330	62.883	62.302	62.276	5.1	4.4	4.9	4.9
1982: III.....	5,185.2	5,196.6	5,242.9	-1.5	-2.6	63.193	63.717	63.182	63.155	5.7	5.4	5.8	5.8
1982: IV.....	5,189.8	5,273.3	5,245.3	0.4	6.0	63.866	64.372	63.863	63.837	4.3	4.2	4.4	4.4
1983: I.....	5,253.8	5,329.2	5,308.8	5.0	4.3	64.413	64.768	64.388	64.363	3.5	2.5	3.3	3.3
1983: II.....	5,372.3	5,404.6	5,430.9	9.3	5.8	64.881	65.213	64.853	64.831	2.9	2.8	2.9	2.9
1983: III.....	5,478.4	5,505.1	5,538.0	8.1	7.7	65.542	65.849	65.517	65.495	4.1	4.0	4.2	4.2
1983: IV.....	5,590.5	5,577.0	5,652.4	8.4	5.3	66.020	66.231	66.012	65.991	2.9	2.3	3.1	3.1
1984: I.....	5,699.8	5,614.4	5,757.1	8.1	2.7	66.838	67.052	66.837	66.815	5.0	5.1	5.1	5.1
1984: II.....	5,797.9	5,717.5	5,855.5	7.1	7.5	67.439	67.647	67.414	67.392	3.6	3.6	3.5	3.5
1984: III.....	5,854.3	5,770.2	5,911.3	3.9	3.7	67.989	68.114	67.953	67.930	3.3	2.8	3.2	3.2
1984: IV.....	5,902.4	5,854.6	5,953.2	3.3	6.0	68.392	68.476	68.385	68.359	2.4	2.1	2.6	2.6
1985: I.....	5,956.9	5,953.0	5,997.4	3.8	6.9	69.180	69.137	69.155	69.127	4.7	3.9	4.6	4.6
1985: II.....	6,007.8	5,998.5	6,050.8	3.5	3.1	69.542	69.537	69.550	69.529	2.1	2.3	2.3	2.3
1985: III.....	6,101.7	6,095.8	6,137.4	6.4	6.6	69.876	69.907	69.838	69.827	1.9	2.1	1.7	1.7
1985: IV.....	6,148.6	6,121.2	6,188.2	3.1	1.7	70.299	70.459	70.289	70.276	2.4	3.2	2.6	2.6
1986: I.....	6,207.4	6,184.1	6,242.5	3.9	4.2	70.660	70.851	70.652	70.635	2.1	2.2	2.1	2.1
1986: II.....	6,232.0	6,230.5	6,257.3	1.6	3.0	71.001	70.985	71.015	70.993	1.9	0.8	2.1	2.0
1986: III.....	6,291.7	6,317.8	6,320.1	3.9	5.7	71.455	71.493	71.426	71.401	2.6	2.9	2.3	2.3
1986: IV.....	6,323.4	6,355.0	6,342.8	2.0	2.4	71.960	72.025	71.893	71.866	2.9	3.0	2.6	2.6
1987: I.....	6,365.0	6,344.4	6,386.8	2.7	-0.7	72.514	72.728	72.487	72.465	3.1	4.0	3.3	3.4
1987: II.....	6,435.0	6,431.4	6,461.8	4.5	5.6	72.904	73.229	72.882	72.870	2.2	2.8	2.2	2.3
1987: III.....	6,493.4	6,510.8	6,519.5	3.7	5.0	73.450	73.819	73.425	73.412	3.0	3.3	3.0	3.0
1987: IV.....	6,606.8	6,542.5	6,635.4	7.2	2.0	73.948	74.332	73.958	73.944	2.7	2.8	2.9	2.9
1988: I.....	6,639.1	6,637.2	6,675.0	2.0	5.9	74.564	74.975	74.587	74.571	3.4	3.5	3.4	3.4
1988: II.....	6,723.5	6,716.4	6,756.2	5.2	4.9	75.296	75.706	75.300	75.285	4.0	4.0	3.9	3.9
1988: III.....	6,759.4	6,749.5	6,788.9	2.1	2.0	76.178	76.406	76.141	76.124	4.8	3.8	4.5	4.5
1988: IV.....	6,848.6	6,835.1	6,880.9	5.4	5.2	76.786	77.086	76.712	76.700	3.2	3.6	3.0	3.1
1989: I.....	6,918.1	6,873.3	6,950.1	4.1	2.3	77.588	77.937	77.580	77.566	4.2	4.5	4.6	4.6
1989: II.....	6,963.5	6,933.6	6,993.9	2.6	3.6	78.342	78.764	78.324	78.316	3.9	4.3	3.9	3.9
1989: III.....	7,013.1	7,015.3	7,046.2	2.9	4.8	78.913	79.227	78.879	78.875	2.9	2.4	2.9	2.9
1989: IV.....	7,030.9	7,026.8	7,071.4	1.0	0.7	79.433	79.807	79.425	79.422	2.7	3.0	2.8	2.8
1990: I.....	7,112.1	7,110.6	7,150.0	4.7	4.9	80.389	80.878	80.375	80.376	4.9	5.5	4.9	4.9
1990: II.....	7,130.3	7,103.8	7,169.9	1.0	-0.4	81.326	81.629	81.311	81.301	4.7	3.8	4.7	4.7
1990: III.....	7,130.8	7,118.3	7,163.9	0.0	0.8	82.053	82.531	82.031	82.028	3.6	4.5	3.6	3.6
1990: IV.....	7,076.9	7,101.3	7,137.1	-3.0	-1.0	82.689	83.536	82.646	82.652	3.1	5.0	3.0	3.1
1991: I.....	7,040.8	7,071.5	7,087.0	-2.0	-1.7	83.662	84.197	83.626	83.623	4.8	3.2	4.8	4.8
1991: II.....	7,086.5	7,120.2	7,119.1	2.6	2.8	84.194	84.533	84.165	84.164	2.6	1.6	2.6	2.6
1991: III.....	7,120.7	7,134.6	7,149.3	1.9	0.8	84.772	85.058	84.762	84.758	2.8	2.5	2.9	2.9
1991: IV.....	7,154.1	7,133.8	7,191.8	1.9	0.0	85.200	85.556	85.206	85.202	2.0	2.4	2.1	2.1

Table C.1. GDP and Other Major NIPA Aggregates—Table Ends

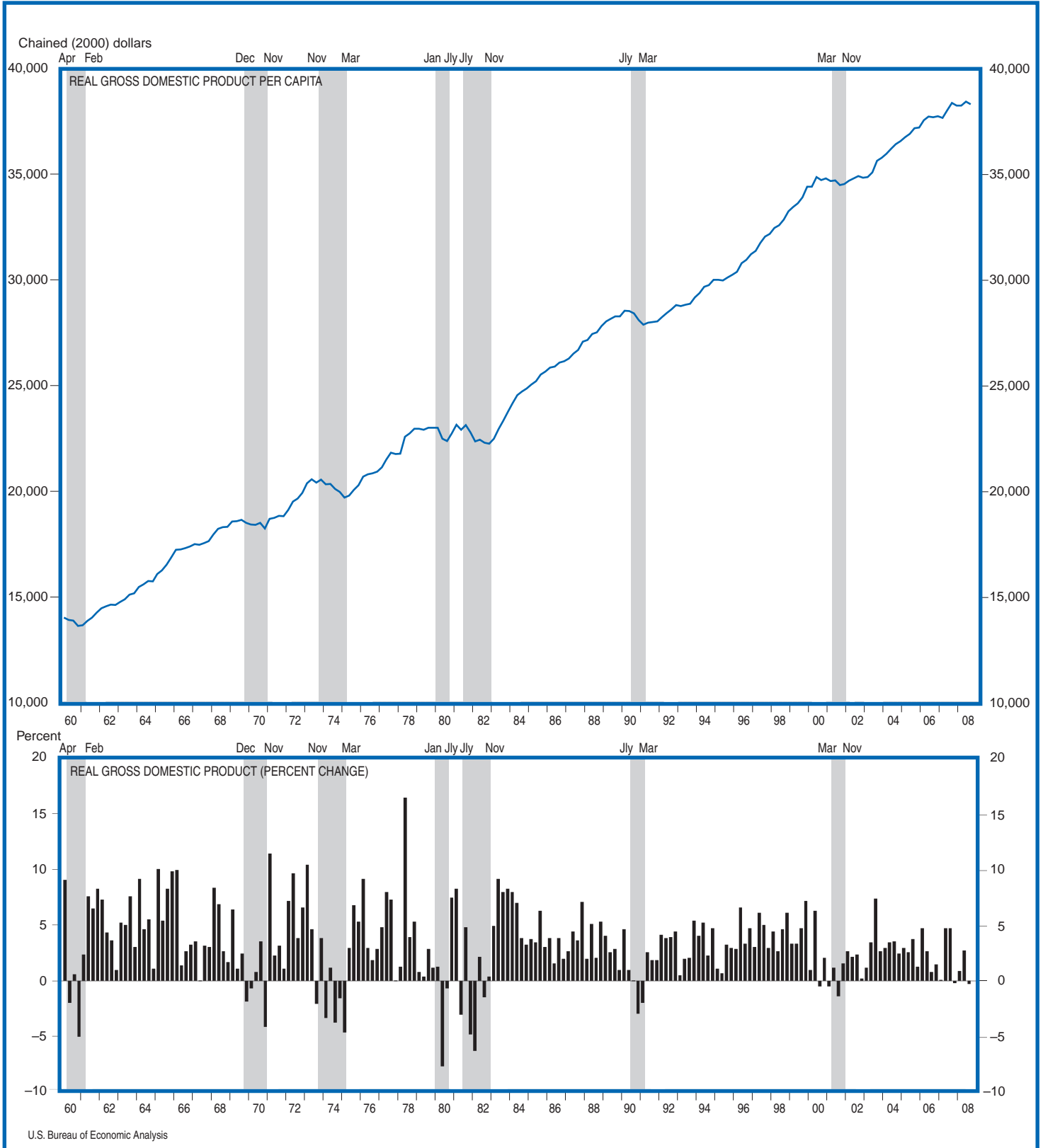
[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1992: I.....	7,228.2	7,239.3	7,265.5	4.2	6.0	85.766	86.093	85.721	85.710	2.7	2.5	2.4	2.4
1992: II.....	7,297.9	7,284.3	7,334.5	3.9	2.5	86.212	86.588	86.190	86.181	2.1	2.3	2.2	2.2
1992: III.....	7,369.5	7,360.5	7,402.6	4.0	4.2	86.587	87.098	86.580	86.567	1.8	2.4	1.8	1.8
1992: IV.....	7,450.7	7,440.3	7,485.0	4.5	4.4	87.042	87.531	87.029	87.019	2.1	2.0	2.1	2.1
1993: I.....	7,459.7	7,431.2	7,502.4	0.5	-0.5	87.729	88.076	87.707	87.705	3.2	2.5	3.2	3.2
1993: II.....	7,497.5	7,483.7	7,532.8	2.0	2.9	88.204	88.595	88.190	88.189	2.2	2.4	2.2	2.2
1993: III.....	7,536.0	7,540.6	7,577.7	2.1	3.1	88.599	88.916	88.570	88.574	1.8	1.5	1.7	1.8
1993: IV.....	7,637.4	7,633.7	7,661.5	5.5	5.0	89.030	89.331	89.038	89.048	2.0	1.9	2.1	2.2
1994: I.....	7,715.1	7,677.5	7,747.2	4.1	2.3	89.598	89.800	89.578	89.583	2.6	2.1	2.4	2.4
1994: II.....	7,815.7	7,737.2	7,843.7	5.3	3.1	89.980	90.271	89.954	89.963	1.7	2.1	1.7	1.7
1994: III.....	7,859.5	7,814.3	7,886.8	2.3	4.0	90.525	90.921	90.530	90.527	2.4	2.9	2.6	2.5
1994: IV.....	7,951.6	7,882.3	7,979.2	4.8	3.5	90.958	91.340	90.952	90.953	1.9	1.9	1.9	1.9
1995: I.....	7,973.7	7,918.7	8,014.3	1.1	1.9	91.554	91.877	91.530	91.534	2.6	2.4	2.6	2.6
1995: II.....	7,988.0	7,962.3	8,032.0	0.7	2.2	91.891	92.329	91.859	91.868	1.5	2.0	1.4	1.5
1995: III.....	8,053.1	8,055.0	8,081.0	3.3	4.7	92.281	92.662	92.289	92.299	1.7	1.5	1.9	1.9
1995: IV.....	8,112.0	8,104.8	8,152.0	3.0	2.5	92.734	93.065	92.733	92.743	2.0	1.8	1.9	1.9
1996: I.....	8,169.2	8,175.4	8,213.3	2.9	3.5	93.302	93.602	93.328	93.338	2.5	2.3	2.6	2.6
1996: II.....	8,303.1	8,285.8	8,337.6	6.7	5.5	93.615	93.897	93.659	93.671	1.3	1.3	1.4	1.4
1996: III.....	8,372.7	8,319.9	8,402.7	3.4	1.7	94.064	94.286	93.951	93.962	1.9	1.7	1.3	1.2
1996: IV.....	8,470.6	8,444.7	8,507.6	4.8	6.1	94.455	94.796	94.450	94.458	1.7	2.2	2.1	2.1
1997: I.....	8,536.1	8,507.3	8,566.0	3.1	3.0	94.963	95.189	95.054	95.058	2.2	1.7	2.6	2.6
1997: II.....	8,665.8	8,574.6	8,707.0	6.2	3.2	95.291	95.296	95.206	95.212	1.4	0.5	0.6	0.6
1997: III.....	8,773.7	8,705.7	8,808.7	5.1	6.3	95.541	95.494	95.534	95.542	1.1	0.8	1.4	1.4
1997: IV.....	8,838.4	8,758.6	8,868.1	3.0	2.5	95.864	95.781	95.846	95.851	1.4	1.2	1.3	1.3
1998: I.....	8,936.2	8,821.1	8,965.5	4.5	2.9	96.096	95.773	96.089	96.091	1.0	0.0	1.0	1.0
1998: II.....	8,995.3	8,948.7	9,022.2	2.7	5.9	96.284	95.881	96.249	96.254	0.8	0.5	0.7	0.7
1998: III.....	9,098.9	9,038.4	9,112.2	4.7	4.1	96.620	96.141	96.600	96.604	1.4	1.1	1.5	1.5
1998: IV.....	9,237.1	9,182.2	9,255.2	6.2	6.5	96.901	96.444	96.934	96.932	1.2	1.3	1.4	1.4
1999: I.....	9,315.5	9,239.7	9,346.7	3.4	2.5	97.274	96.761	97.328	97.330	1.5	1.3	1.6	1.7
1999: II.....	9,392.6	9,353.7	9,429.1	3.4	5.0	97.701	97.317	97.674	97.675	1.8	2.3	1.4	1.4
1999: III.....	9,502.2	9,453.5	9,532.7	4.8	4.3	98.022	97.790	98.013	98.014	1.3	2.0	1.4	1.4
1999: IV.....	9,671.1	9,569.3	9,710.4	7.3	5.0	98.475	98.356	98.432	98.433	1.9	2.3	1.7	1.7
2000: I.....	9,695.6	9,668.8	9,729.0	1.0	4.2	99.292	99.275	99.317	99.311	3.4	3.8	3.6	3.6
2000: II.....	9,847.9	9,748.4	9,885.3	6.4	3.3	99.780	99.714	99.745	99.741	2.0	1.8	1.7	1.7
2000: III.....	9,836.6	9,780.4	9,867.8	-0.5	1.3	100.241	100.283	100.259	100.262	1.9	2.3	2.1	2.1
2000: IV.....	9,887.7	9,844.3	9,941.6	2.1	2.6	100.687	100.727	100.666	100.672	1.8	1.8	1.6	1.6
2001: I.....	9,875.6	9,883.2	9,913.6	-0.5	1.6	101.507	101.403	101.478	101.480	3.3	2.7	3.3	3.2
2001: II.....	9,905.9	9,908.7	9,949.8	1.2	1.0	102.290	101.974	102.252	102.248	3.1	2.3	3.1	3.1
2001: III.....	9,871.1	9,899.9	9,887.7	-1.4	-0.4	102.690	102.223	102.675	102.671	1.6	1.0	1.7	1.7
2001: IV.....	9,910.0	9,923.3	9,983.1	1.6	3.8	103.122	102.378	103.191	103.183	1.7	0.6	2.0	2.0
2002: I.....	9,977.3	9,986.8	10,004.1	2.7	-0.2	103.553	102.755	103.568	103.552	1.7	1.5	1.5	1.4
2002: II.....	10,031.6	10,028.4	10,048.6	2.2	1.7	103.944	103.385	103.938	103.928	1.5	2.5	1.4	1.5
2002: III.....	10,090.7	10,063.5	10,119.7	2.4	1.4	104.347	103.816	104.328	104.321	1.6	1.7	1.5	1.5
2002: IV.....	10,095.8	10,067.3	10,143.8	0.2	0.1	104.926	104.374	104.907	104.903	2.2	2.2	2.2	2.3
2003: I.....	10,126.0	10,100.9	10,163.8	1.2	1.3	105.742	105.435	105.724	105.718	3.1	4.1	3.2	3.1
2003: II.....	10,212.7	10,213.7	10,266.9	3.5	4.5	106.076	105.587	106.062	106.053	1.3	0.6	1.3	1.3
2003: III.....	10,398.7	10,385.9	10,449.9	7.5	6.9	106.616	106.170	106.611	106.602	2.1	2.2	2.1	2.1
2003: IV.....	10,467.0	10,440.0	10,540.5	2.7	2.1	107.204	106.671	107.190	107.180	2.2	1.9	2.2	2.2
2004: I.....	10,543.6	10,507.1	10,633.0	3.0	2.6	108.180	107.787	108.175	108.170	3.7	4.3	3.7	3.7
2004: II.....	10,634.2	10,568.5	10,701.4	3.5	2.4	109.185	108.893	109.178	109.173	3.8	4.2	3.8	3.8
2004: III.....	10,728.7	10,666.6	10,804.9	3.6	3.8	109.807	109.637	109.793	109.786	2.3	2.8	2.3	2.3
2004: IV.....	10,796.4	10,737.0	10,844.4	2.5	2.7	110.677	110.622	110.671	110.666	3.2	3.6	3.2	3.2
2005: I.....	10,875.8	10,799.3	10,968.4	3.0	2.3	111.778	111.638	111.765	111.757	4.0	3.7	4.0	4.0
2005: II.....	10,946.1	10,925.9	11,028.4	2.6	4.8	112.357	112.484	112.346	112.344	2.1	3.1	2.1	2.1
2005: III.....	11,050.0	11,035.5	11,140.7	3.8	4.1	113.487	113.913	113.468	113.469	4.1	5.2	4.1	4.1
2005: IV.....	11,086.1	11,028.4	11,151.2	1.3	-0.3	114.536	115.016	114.525	114.523	3.7	3.9	3.8	3.8
2006: I.....	11,217.3	11,167.6	11,286.5	4.8	5.1	115.536	115.832	115.533	115.529	3.5	2.9	3.6	3.6
2006: II.....	11,291.7	11,232.1	11,365.1	2.7	2.3	116.317	116.859	116.317	116.315	2.7	3.6	2.7	2.7
2006: III.....	11,314.1	11,257.8	11,370.8	0.8	0.9	117.109	117.700	117.107	117.107	2.8	2.9	2.7	2.8
2006: IV.....	11,356.4	11,339.7	11,426.5	1.5	2.9	117.742	117.873	117.732	117.726	2.2	0.6	2.2	2.1
2007: I.....	11,357.8	11,370.5	11,419.1	0.1	1.1	118.935	118.931	118.956	118.952	4.1	3.6	4.2	4.2
2007: II.....	11,491.4	11,490.5	11,541.7	4.8	4.3	119.531	119.908	119.547	119.542	2.0	3.3	2.0	2.0
2007: III.....	11,625.7	11,605.0	11,719.9	4.8	4.0	119.984	120.571	119.997	119.990	1.5	2.2	1.5	1.5
2007: IV.....	11,620.7	11,628.0	11,758.3	-0.2	0.8	120.826	121.766	120.743	120.737	2.8	4.0	2.5	2.5
2008: I.....	11,646.0	11,653.7	11,760.9	0.9	0.9	121.613	122.821	121.508	121.495	2.6	3.5	2.6	2.5
2008: II.....	11,727.4	11,778.8	11,822.2	2.8	4.4	121.951	124.103	121.890	121.876	1.1	4.2	1.3	1.3
2008: III.....	11,720.0	11,755.2	.....	-0.3	-0.8	123.203	125.557	123.116	.....	4.2	4.8	4.1	.....

### D. Charts

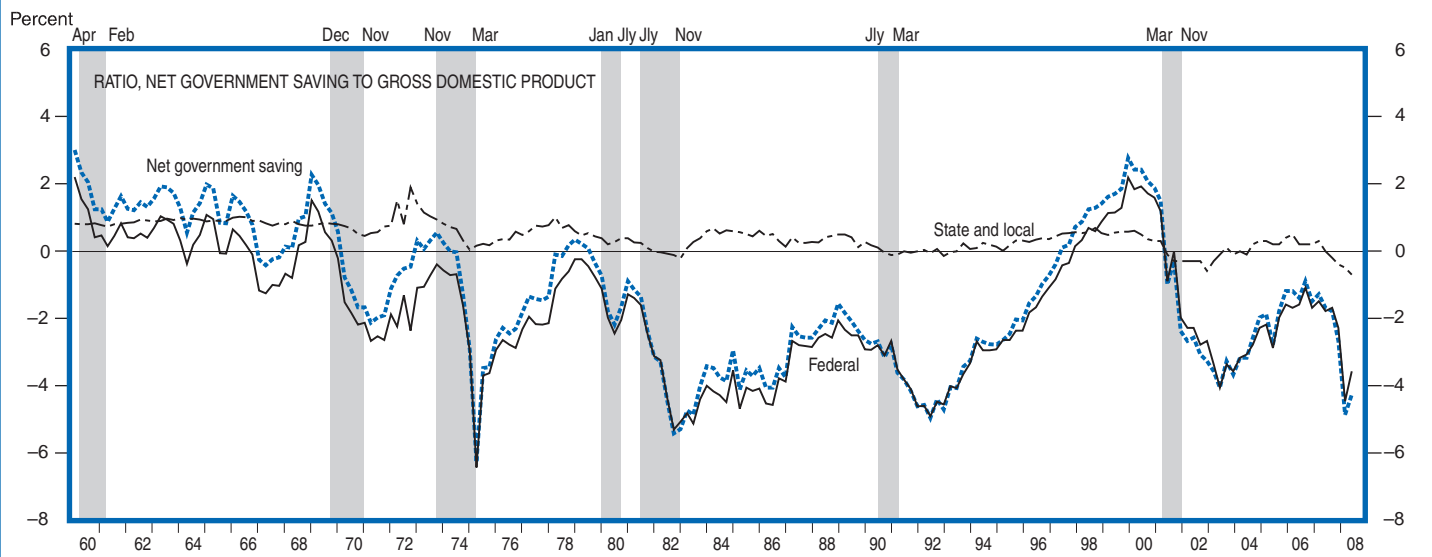
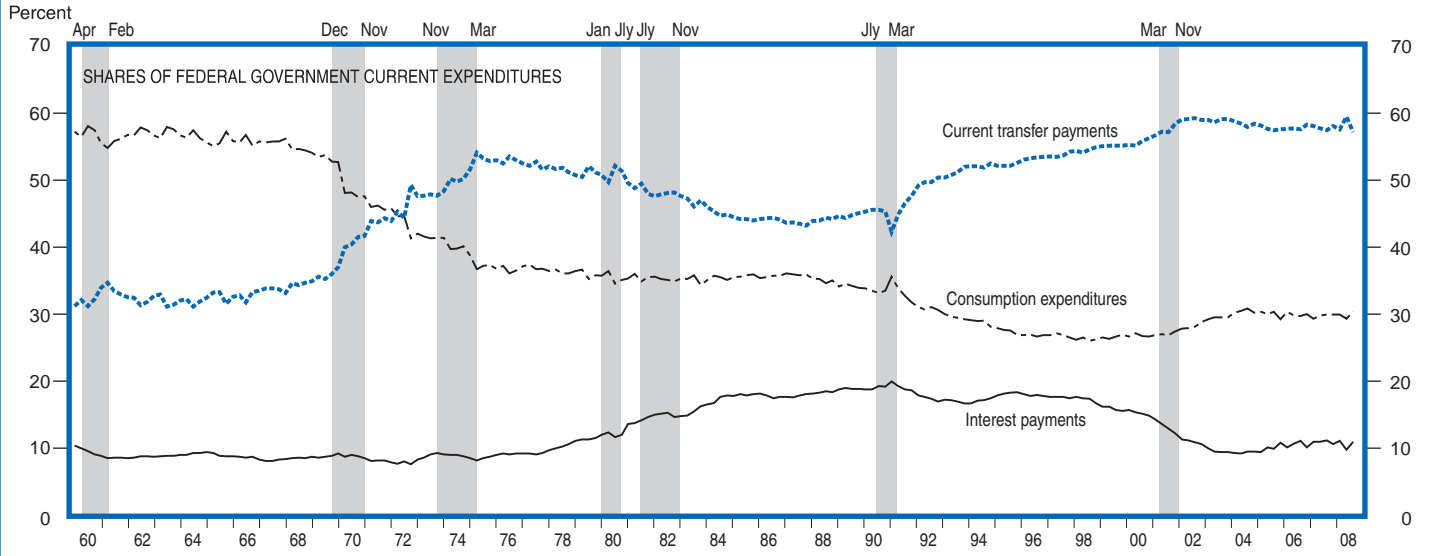
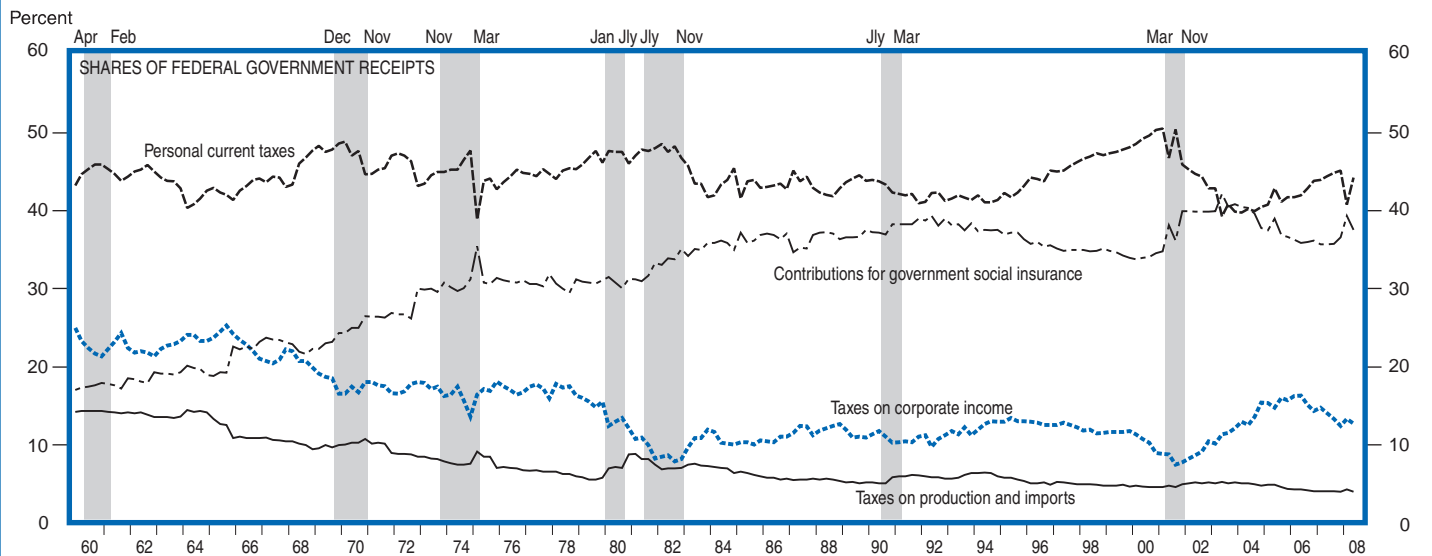
All series are seasonally adjusted at annual rates. The percent changes in real gross domestic product are based on quarter-to-quarter changes.

### SELECTED NIPA SERIES

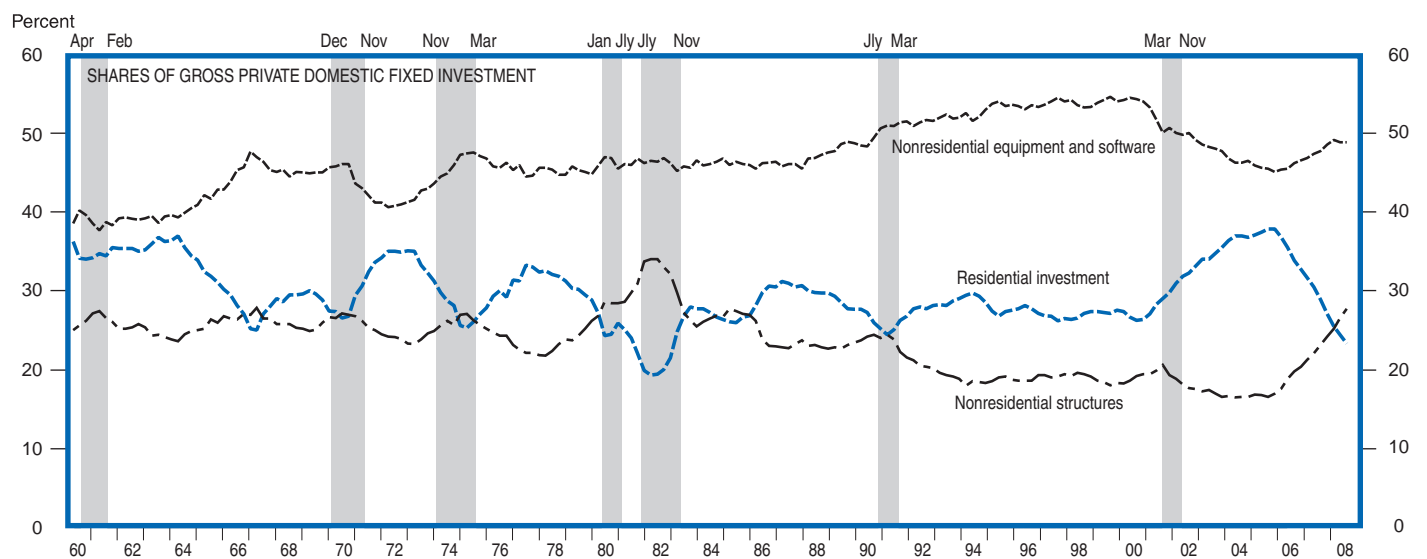
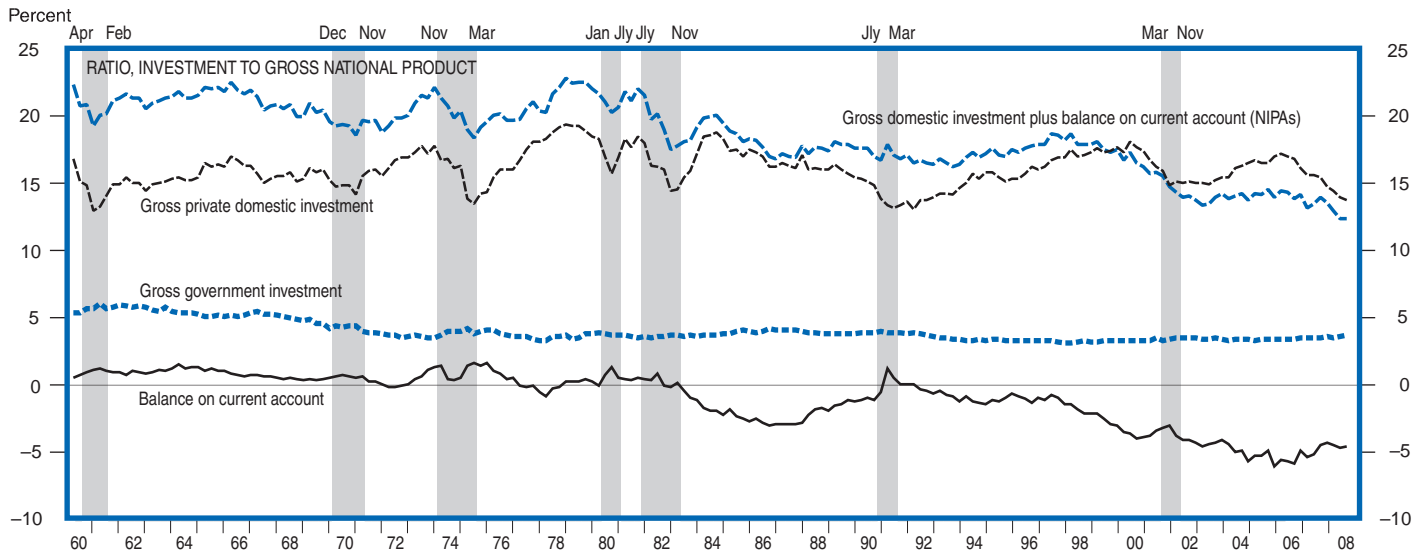
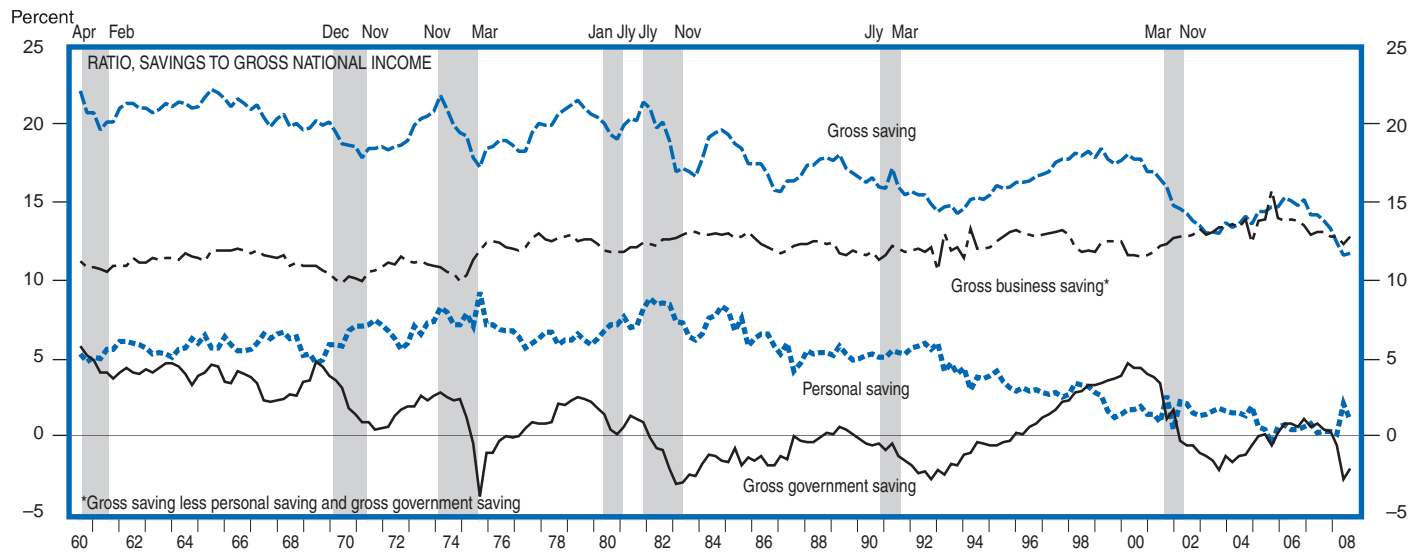




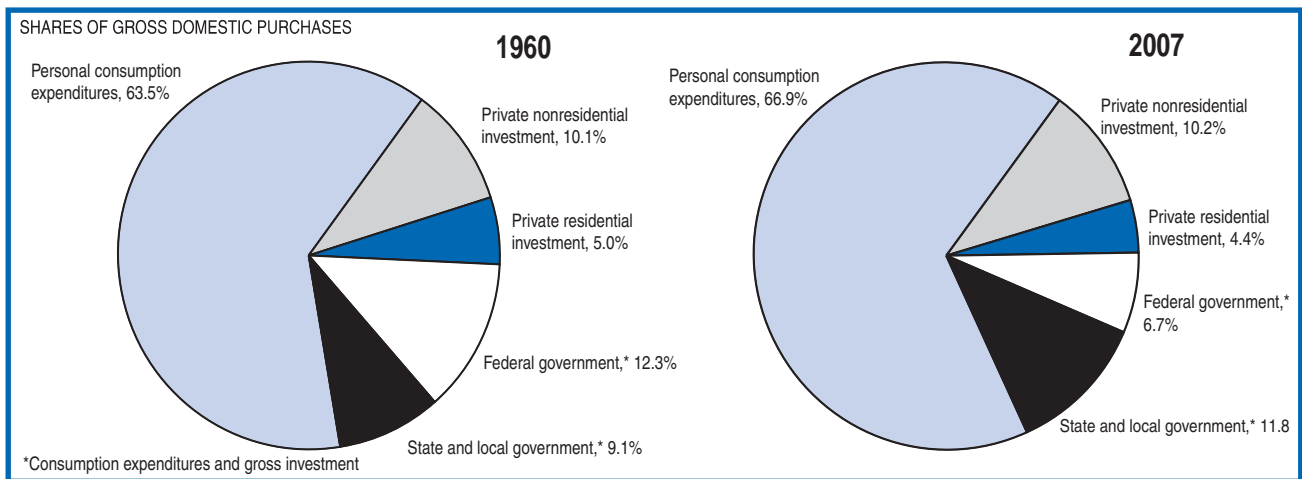
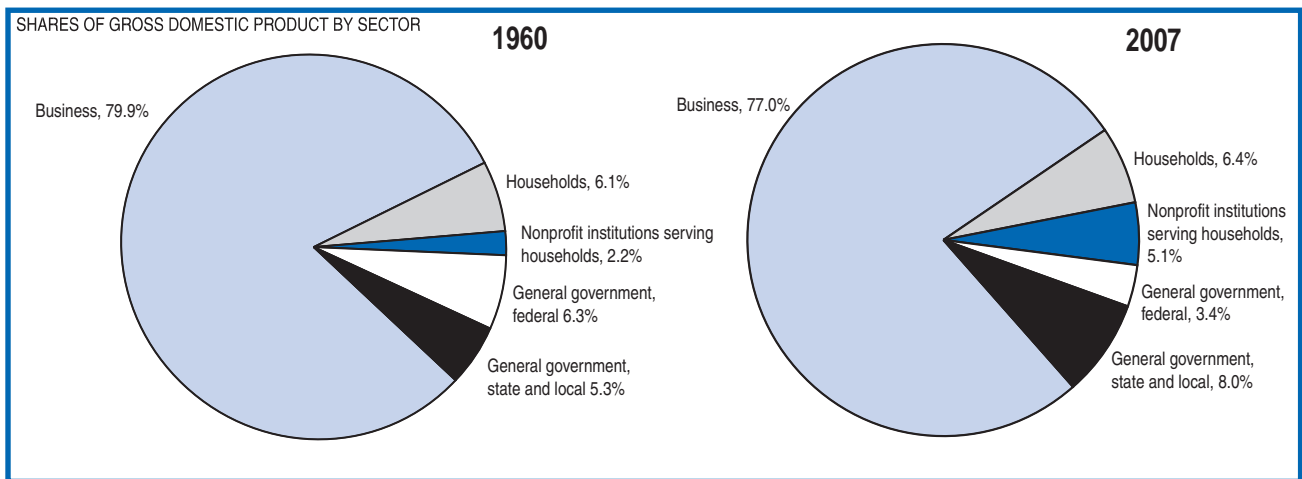
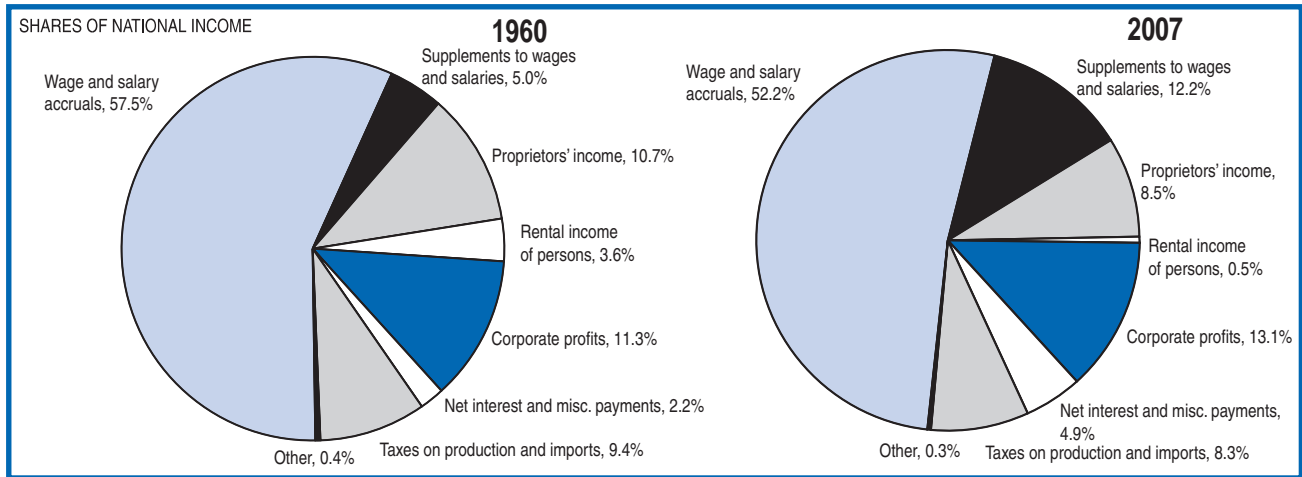
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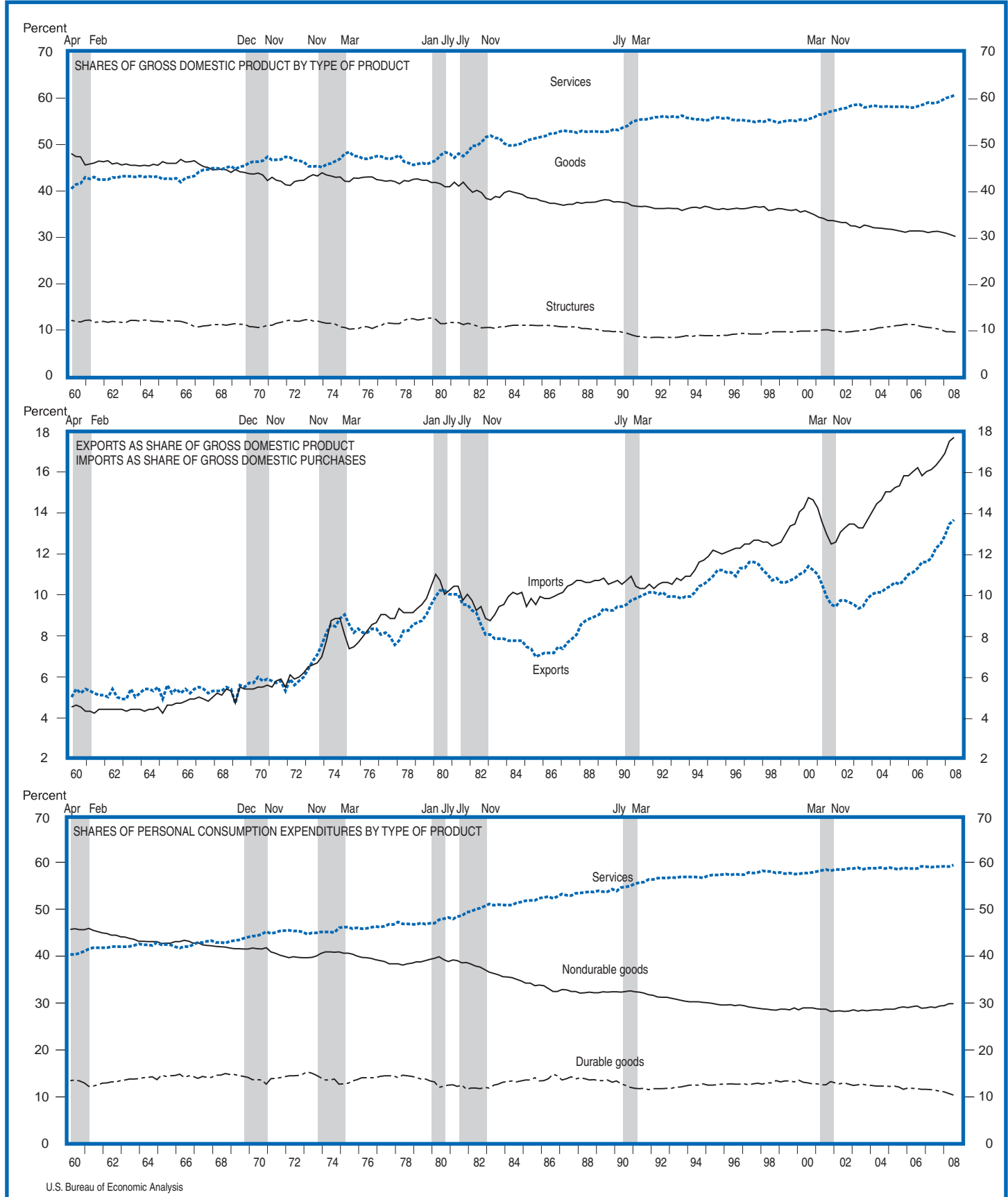
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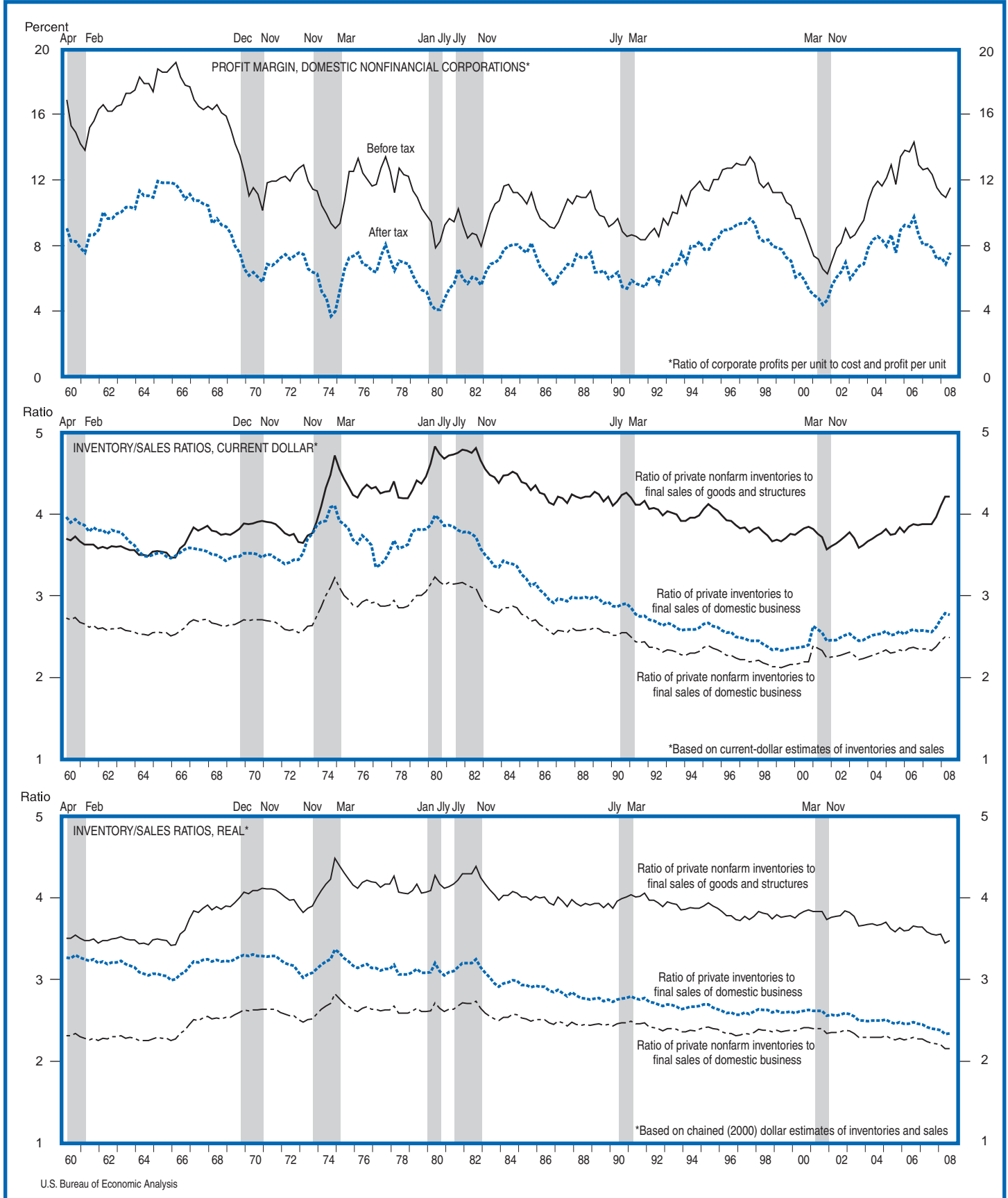
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## SELECTED NIPA SERIES



### SELECTED NIPA SERIES



## Industry Data

### E. Industry Table

The statistics in this table were published in tables 5A and 7A in “Annual Industry Accounts: Advance Statistics on GDP by Industry for 2007” in the May 2008 SURVEY OF CURRENT BUSINESS.

**Table E.1. Percent Changes in Chain-Type Quantity and Price Indexes for Value Added by Industry for 2004–2006**

Line		Chain-type quantity indexes			Chain-type price indexes			Line		Chain-type quantity indexes			Chain-type price indexes		
		2005	2006	2007	2005	2006	2007			2005	2006	2007	2005	2006	2007
1	<b>Gross domestic product</b> .....	3.1	2.9	2.2	3.2	3.2	2.7	50	<b>Finance, insurance, real estate, rental, and leasing</b>	4.8	5.8	1.2	2.2	2.2	2.6
2	<b>Private industries</b> .....	3.4	3.5	2.1	3.0	2.8	2.6	51	<b>Finance and insurance</b> .....	6.2	9.8	-0.3	1.9	1.4	2.1
3	<b>Agriculture, forestry, fishing, and hunting</b> .....	4.9	0.9	1.4	-13.7	-3.5	26.9	52	Federal Reserve banks, credit intermediation, and related activities.....	8.1	8.1	.....	2.3	4.2	.....
4	Farms.....	5.9	0.6	.....	-16.9	-5.7	.....	53	Securities, commodity contracts, and investments.....	17.9	23.2	.....	-1.5	-3.8	.....
5	Forestry, fishing, and related activities.....	1.3	1.8	.....	0.2	4.7	.....	54	Insurance carriers and related activities.....	-4.7	5.1	.....	3.6	1.1	.....
6	<b>Mining</b> .....	-2.4	6.1	0.0	34.9	9.6	5.1	55	Funds, trusts, and other financial vehicles.....	16.0	0.2	.....	0.8	-10.1	.....
7	Oil and gas extraction.....	-8.4	3.2	.....	42.9	3.2	.....	56	<b>Real estate and rental and leasing</b> .....	4.0	3.4	2.1	2.4	2.7	2.9
8	Mining, except oil and gas.....	8.7	1.7	.....	14.2	13.5	.....	57	Real estate.....	4.6	3.7	.....	2.2	2.8	.....
9	Support activities for mining.....	12.6	20.2	.....	27.7	28.8	.....	58	Rental and leasing services and lessors of intangible assets.....	-3.7	-1.3	.....	4.9	1.9	.....
10	<b>Utilities</b> .....	-2.2	-2.3	5.3	6.2	12.1	2.8	59	<b>Professional and business services</b> .....	4.0	3.8	4.6	4.4	3.5	3.2
11	<b>Construction</b> .....	2.7	-6.0	-12.1	9.8	10.3	1.6	60	<b>Professional, scientific, and technical services</b>	4.4	6.0	5.4	3.0	2.5	2.8
12	<b>Manufacturing</b> .....	1.0	2.9	2.3	2.9	1.5	1.9	61	Legal services.....	-1.6	-0.2	.....	6.2	6.1	.....
13	Durable goods.....	4.9	6.0	4.9	-0.7	-1.0	0.1	62	Computer systems design and related services...	4.8	8.4	.....	0.0	1.6	.....
14	Wood products.....	0.6	6.1	.....	-1.7	-4.8	.....	63	Miscellaneous professional, scientific, and technical services.....	6.3	7.5	.....	2.7	1.5	.....
15	Nonmetallic mineral products.....	-4.4	-4.4	.....	7.6	12.8	.....	64	<b>Management of companies and enterprises</b> .....	0.3	-2.4	0.9	11.4	5.7	7.1
16	Primary metals.....	-7.3	-8.9	.....	14.4	20.4	.....	65	<b>Administrative and waste management services</b>	5.6	2.7	4.9	3.5	4.6	1.6
17	Fabricated metal products.....	2.0	5.7	.....	4.9	0.6	.....	66	Administrative and support services.....	5.5	3.0	.....	4.2	4.3	.....
18	Machinery.....	8.6	6.4	.....	2.2	0.9	.....	67	Waste management and remediation services....	6.7	-0.7	.....	-3.1	7.4	.....
19	Computer and electronic products.....	21.0	21.5	.....	-12.6	-13.3	.....	68	<b>Educational services, health care, and social assistance</b> .....	1.8	3.5	3.5	3.1	2.7	3.1
20	Electrical equipment, appliances, and components.....	-5.9	-3.9	.....	2.4	6.5	.....	69	<b>Educational services</b> .....	-0.3	1.1	3.3	5.5	5.0	3.6
21	Motor vehicles, bodies and trailers, and parts.....	3.5	10.9	.....	-10.4	-11.9	.....	70	<b>Health care and social assistance</b> .....	2.1	3.9	3.5	2.7	2.4	3.1
22	Other transportation equipment.....	12.2	6.8	.....	3.1	3.2	.....	71	Ambulatory health care services.....	4.6	6.0	.....	1.9	1.1	.....
23	Furniture and related products.....	-4.6	-0.5	.....	3.5	2.4	.....	72	Hospitals and nursing and residential care facilities.....	-1.4	1.1	.....	4.3	4.2	.....
24	Miscellaneous manufacturing.....	2.8	2.4	.....	-0.9	-0.8	.....	73	Social assistance.....	4.2	4.2	.....	0.3	1.8	.....
25	Nondurable goods.....	-3.9	-1.0	-1.1	7.9	4.8	4.5	74	<b>Arts, entertainment, recreation, accommodation, and food services</b> .....	1.3	3.1	1.9	3.5	3.8	3.4
26	Food and beverage and tobacco products.....	0.2	2.2	.....	1.4	-4.0	.....	75	<b>Arts, entertainment, and recreation</b> .....	0.0	3.8	1.0	3.3	3.5	2.9
27	Textile mills and textile product mills.....	-7.1	-11.9	.....	-1.1	3.9	.....	76	Performing arts, spectator sports, museums, and related activities.....	-0.4	5.6	.....	4.8	3.9	.....
28	Apparel and leather and allied products.....	-3.1	-0.7	.....	-1.4	-0.2	.....	77	Amusements, gambling, and recreation industries.....	0.2	2.3	.....	2.1	3.1	.....
29	Paper products.....	2.8	-5.5	.....	0.8	5.7	.....	78	<b>Accommodation and food services</b> .....	1.8	2.8	2.2	3.6	3.9	3.6
30	Printing and related support activities.....	-0.3	0.9	.....	-0.5	1.3	.....	79	Accommodation.....	1.8	4.0	.....	4.9	2.8	.....
31	Petroleum and coal products.....	-14.4	-6.0	.....	60.4	18.1	.....	80	Food services and drinking places.....	1.8	2.3	.....	3.0	4.5	.....
32	Chemical products.....	-6.4	1.3	.....	7.4	5.7	.....	81	<b>Other services, except government</b> .....	-0.6	-0.3	2.1	5.8	4.9	2.9
33	Plastics and rubber products.....	-3.3	-3.8	.....	1.8	12.0	.....	82	<b>Government</b> .....	0.7	0.4	1.2	4.4	4.7	4.3
34	<b>Wholesale trade</b> .....	1.8	1.7	0.9	3.5	3.5	3.9	83	<b>Federal</b> .....	0.2	-0.1	0.4	4.6	4.9	3.5
35	<b>Retail trade</b> .....	6.1	5.0	4.9	-1.4	-0.6	-0.4	84	General government.....	0.7	-0.2	.....	5.7	4.7	.....
36	<b>Transportation and warehousing</b> .....	4.1	5.2	3.1	-0.1	2.2	1.5	85	Government enterprises.....	-2.7	-0.1	.....	-1.9	6.5	.....
37	Air transportation.....	6.2	2.9	.....	-12.8	6.8	.....	86	<b>State and local</b> .....	0.9	0.7	1.5	4.4	4.6	4.7
38	Rail transportation.....	-1.1	27.8	.....	12.8	-11.8	.....	87	General government.....	0.9	1.0	.....	4.5	4.6	.....
39	Water transportation.....	0.9	6.5	.....	-3.8	1.1	.....	88	Government enterprises.....	0.6	-2.8	.....	2.8	4.1	.....
40	Truck transportation.....	4.1	2.1	.....	2.3	3.0	.....		<b>Addenda:</b>						
41	Transit and ground passenger transportation.....	-3.2	1.2	.....	2.1	2.7	.....	89	Private goods-producing industries <sup>1</sup> .....	1.3	0.8	-1.5	5.9	4.1	3.4
42	Pipeline transportation.....	6.3	1.0	.....	-19.6	22.5	.....	90	Private services-producing industries <sup>2</sup> .....	4.0	4.2	3.2	2.2	2.5	2.3
43	Other transportation and support activities.....	3.9	4.3	.....	2.2	2.6	.....	91	Information-communications-technology-producing industries <sup>3</sup> .....	11.3	11.7	13.2	-4.1	-3.8	-5.3
44	Warehousing and storage.....	12.1	4.6	.....	-0.2	1.8	.....								
45	<b>Information</b> .....	11.5	7.2	9.0	-3.5	-2.1	-1.1								
46	Publishing industries (includes software).....	9.0	4.5	.....	-0.2	1.1	.....								
47	Motion picture and sound recording industries.....	1.5	0.5	.....	2.8	2.1	.....								
48	Broadcasting and telecommunications.....	14.0	7.5	.....	-5.9	-3.4	.....								
49	Information and data processing services.....	11.2	16.1	.....	-2.4	-5.1	.....								

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

2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other

services, except government.

3. Consists of computer and electronic products; publishing industries (includes software); information and data processing services; and computer systems design and related services.

## International Data

### F. Transactions Tables

Selected U.S. international transactions tables are presented in this section. For BEA's full set of detailed estimates of U.S. international transactions, visit BEA's Web site at [www.bea.gov](http://www.bea.gov).

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

[Millions of dollars, monthly estimates seasonally adjusted]

	2006	2007	2007					2008								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	Aug. <sup>r</sup>	Sept. <sup>p</sup>
<b>Exports of goods and services</b> .....	<b>1,457,014</b>	<b>1,645,726</b>	<b>142,113</b>	<b>142,778</b>	<b>144,108</b>	<b>145,214</b>	<b>146,144</b>	<b>149,389</b>	<b>152,551</b>	<b>149,706</b>	<b>155,094</b>	<b>156,935</b>	<b>162,788</b>	<b>168,089</b>	<b>165,279</b>	<b>155,400</b>
<b>Goods</b> .....	<b>1,023,109</b>	<b>1,148,481</b>	<b>98,524</b>	<b>99,468</b>	<b>100,371</b>	<b>100,968</b>	<b>101,842</b>	<b>104,686</b>	<b>108,098</b>	<b>105,029</b>	<b>110,059</b>	<b>110,998</b>	<b>116,255</b>	<b>120,834</b>	<b>117,886</b>	<b>108,078</b>
Foods, feeds, and beverages.....	65,962	84,264	7,505	8,054	7,700	7,967	7,986	8,629	9,113	9,599	9,864	9,663	10,402	10,363	10,172	9,101
Industrial supplies and materials.....	276,045	316,335	27,365	27,636	27,555	27,994	28,704	29,729	31,775	31,549	32,724	34,178	36,713	38,269	37,382	33,307
Capital goods, except automotive.....	414,986	447,433	38,108	38,095	38,991	38,815	39,404	39,377	39,331	37,831	40,111	39,439	40,597	41,500	42,323	38,110
Automotive vehicles, parts, and engines.....	106,977	121,045	10,282	10,428	10,502	10,836	10,101	10,328	10,826	9,442	10,032	10,218	10,796	12,160	10,475	10,335
Consumer goods (nonfood), except automotive.....	129,074	146,102	12,440	12,614	12,480	12,346	12,802	13,281	13,364	12,586	13,426	13,422	14,134	14,884	13,999	13,481
Other goods.....	43,589	47,300	3,901	3,542	4,186	4,443	3,909	4,137	4,594	4,533	4,678	4,624	4,371	4,487	4,607	4,203
Adjustments <sup>1</sup> .....	-13,525	-13,999	-1,076	-900	-1,043	-1,433	-1,065	-796	-906	-512	-776	-546	-758	-828	-1,073	-459
<b>Services</b> .....	<b>433,905</b>	<b>497,245</b>	<b>43,589</b>	<b>43,310</b>	<b>43,737</b>	<b>44,246</b>	<b>44,302</b>	<b>44,703</b>	<b>44,453</b>	<b>44,677</b>	<b>45,035</b>	<b>45,937</b>	<b>46,533</b>	<b>47,255</b>	<b>47,393</b>	<b>47,322</b>
Travel.....	85,720	96,712	8,468	8,481	8,753	8,866	8,880	8,880	9,069	9,111	9,102	9,482	9,659	9,828	10,134	9,897
Passenger fares.....	22,036	25,586	2,165	2,210	2,379	2,399	2,481	2,457	2,528	2,638	2,693	2,623	2,788	2,864	2,912	2,895
Other transportation.....	46,323	51,586	4,389	4,366	4,483	4,695	4,611	4,900	4,870	4,862	5,108	5,202	5,268	5,369	5,300	5,171
Royalties and license fees.....	72,191	82,614	7,341	7,408	7,258	7,265	7,294	7,127	7,181	7,250	7,343	7,421	7,499	7,578	7,654	7,730
Other private services.....	189,050	223,483	19,834	19,472	19,568	19,725	19,765	19,493	19,291	19,504	19,729	19,893	20,055	20,342	20,062	20,387
Transfers under U.S. military agency sales contracts <sup>2</sup> .....	17,430	16,052	1,289	1,268	1,190	1,188	1,163	1,745	1,414	1,212	1,153	1,207	1,156	1,168	1,222	1,134
U.S. Government miscellaneous services.....	1,155	1,212	103	105	106	107	107	100	99	100	107	109	109	107	108	108
<b>Imports of goods and services</b> .....	<b>2,210,298</b>	<b>2,345,983</b>	<b>197,446</b>	<b>198,243</b>	<b>200,441</b>	<b>205,084</b>	<b>203,722</b>	<b>208,100</b>	<b>213,985</b>	<b>206,670</b>	<b>216,602</b>	<b>217,143</b>	<b>221,624</b>	<b>229,393</b>	<b>224,355</b>	<b>211,870</b>
<b>Goods</b> .....	<b>1,861,380</b>	<b>1,967,853</b>	<b>165,196</b>	<b>166,207</b>	<b>168,084</b>	<b>172,664</b>	<b>171,350</b>	<b>174,833</b>	<b>180,580</b>	<b>173,432</b>	<b>183,009</b>	<b>183,109</b>	<b>187,523</b>	<b>194,949</b>	<b>188,944</b>	<b>177,677</b>
Foods, feeds, and beverages.....	74,938	81,683	6,963	6,963	6,922	7,102	6,907	7,081	7,183	7,088	7,379	7,640	7,500	7,544	7,793	7,604
Industrial supplies and materials.....	601,988	634,746	53,483	53,505	55,139	59,198	60,310	63,954	64,510	61,521	67,502	67,067	73,363	79,857	73,772	65,666
Capital goods, except automotive.....	418,259	444,486	37,283	37,907	37,704	37,851	37,712	37,446	38,272	37,882	39,112	39,782	38,441	39,012	38,258	38,756
Automotive vehicles, parts, and engines.....	256,627	258,920	21,928	22,075	22,170	22,099	20,722	21,229	22,794	20,299	21,474	20,472	20,530	20,443	19,285	18,553
Consumer goods (nonfood), except automotive.....	442,639	474,892	39,231	39,377	39,975	40,314	39,727	39,059	40,963	39,531	40,194	41,840	41,331	41,073	43,576	40,144
Other goods.....	59,487	62,234	5,272	5,284	5,299	5,468	5,168	5,272	5,201	5,526	5,757	5,554	5,652	5,992	5,615	5,493
Adjustments <sup>1</sup> .....	7,441	10,892	1,035	1,094	876	632	804	794	1,657	1,584	1,590	754	707	1,028	646	1,461
<b>Services</b> .....	<b>348,918</b>	<b>378,130</b>	<b>32,250</b>	<b>32,036</b>	<b>32,357</b>	<b>32,420</b>	<b>32,372</b>	<b>33,267</b>	<b>33,405</b>	<b>33,238</b>	<b>33,593</b>	<b>34,034</b>	<b>34,101</b>	<b>34,444</b>	<b>35,411</b>	<b>34,193</b>
Travel.....	72,104	76,167	6,450	6,452	6,547	6,519	6,467	6,810	6,840	6,753	6,754	6,975	6,831	6,770	6,896	6,710
Passenger fares.....	27,501	28,486	2,501	2,486	2,440	2,447	2,477	2,663	2,646	2,619	2,658	2,687	2,788	2,807	2,738	2,631
Other transportation.....	65,262	67,050	5,746	5,524	5,718	5,752	5,671	5,935	6,040	5,894	6,110	6,218	6,231	6,407	6,351	6,231
Royalties and license fees.....	23,777	25,048	2,052	2,036	1,996	1,992	2,002	2,172	2,227	2,263	2,253	2,270	2,287	2,303	3,217	2,344
Other private services.....	125,221	144,375	12,439	12,431	12,438	12,447	12,465	12,412	12,368	12,416	12,509	12,572	12,651	12,807	12,825	12,923
Direct defense expenditures <sup>2</sup> .....	31,032	32,820	2,704	2,747	2,857	2,902	2,929	2,914	2,923	2,932	2,949	2,954	2,953	2,987	3,020	2,988
U.S. Government miscellaneous services.....	4,021	4,184	357	359	360	360	361	361	361	361	360	359	360	363	364	367
<b>Memoranda:</b>																
Balance on goods.....	-838,270	-819,373	-66,672	-66,738	-67,713	-71,697	-69,509	-70,147	-72,483	-68,403	-72,950	-72,111	-71,267	-74,116	-71,058	-69,598
Balance on services.....	84,987	119,115	11,339	11,274	11,380	11,826	11,930	11,436	11,048	11,439	11,442	11,903	12,432	12,811	11,983	13,129
Balance on goods and services.....	-753,283	-700,258	-55,333	-55,464	-56,333	-59,871	-57,579	-58,711	-61,435	-56,964	-61,508	-60,208	-58,835	-61,305	-59,076	-56,470

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

tions used to prepare BEA's international and national accounts.

2. Contains goods that cannot be separately identified.

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





Table F.3. U.S. International Transactions, by Area—Continues

[Millions of dollars]

Line	(Credits +; debits -)	Europe		European Union		Euro area		United Kingdom	
		2008:I <sup>r</sup>	2008:II <sup>p</sup>	2008:I <sup>r</sup>	2008:II <sup>p</sup>	2008:I <sup>r</sup>	2008:II <sup>p</sup>	2008:I <sup>r</sup>	2008:II <sup>p</sup>
<b>Current account</b>									
1	<b>Exports of goods and services and income receipts</b>	<b>231,262</b>	<b>239,128</b>	<b>198,347</b>	<b>204,849</b>	<b>128,819</b>	<b>135,364</b>	<b>58,092</b>	<b>56,985</b>
2	Exports of goods and services	134,231	143,912	113,638	121,795	76,759	81,606	28,927	31,219
3	Goods, balance of payments basis	81,372	87,322	68,047	72,622	50,291	53,215	13,965	14,770
4	Services	52,859	56,590	45,591	49,172	26,468	28,392	14,962	16,449
5	Transfers under U.S. military agency sales contracts	1,165	867	772	485	329	218	122	91
6	Travel	7,362	9,393	6,702	8,605	3,366	4,189	2,702	3,544
7	Passenger fares	2,115	2,575	1,903	2,358	1,090	1,241	687	884
8	Other transportation	5,135	5,458	4,464	4,805	2,487	2,724	1,183	1,266
9	Royalties and license fees	12,080	12,749	9,804	10,355	6,977	7,374	2,055	2,162
10	Other private services	24,929	25,470	21,888	22,503	12,180	12,599	8,198	8,487
11	U.S. government miscellaneous services	73	78	58	62	39	46	14	14
12	Income receipts	97,031	95,216	84,709	83,055	52,059	53,758	29,165	25,766
13	Income receipts on U.S.-owned assets abroad	96,916	95,099	84,616	82,959	52,006	53,704	29,139	25,740
14	Direct investment receipts	45,132	47,038	37,845	39,372	29,247	31,191	6,990	6,429
15	Other private receipts	51,274	47,558	46,301	43,141	22,289	22,067	22,149	19,311
16	U.S. government receipts	510	503	470	446	470	446	0	0
17	Compensation of employees	115	117	94	95	53	54	25	26
18	<b>Imports of goods and services and income payments</b>	<b>-226,983</b>	<b>-254,677</b>	<b>-190,954</b>	<b>-215,105</b>	<b>-122,398</b>	<b>-142,588</b>	<b>-55,390</b>	<b>-58,003</b>
19	Imports of goods and services	-145,827	-166,088	-123,695	-139,397	-89,539	-100,813	-24,050	-27,510
20	Goods, balance of payments basis	-106,381	-118,311	-89,614	-97,947	-68,195	-74,741	-13,739	-15,075
21	Services	-39,446	-47,777	-34,082	-41,449	-21,344	-26,072	-10,311	-12,436
22	Direct defense expenditures	-3,386	-3,350	-3,032	-2,998	-2,570	-2,574	-419	-400
23	Travel	-3,868	-8,966	-3,551	-7,936	-2,302	-5,494	-1,020	-2,000
24	Passenger fares	-2,926	-4,791	-2,773	-4,554	-1,729	-2,639	-936	-1,643
25	Other transportation	-6,655	-7,495	-5,856	-6,626	-3,519	-3,978	-1,209	-1,398
26	Royalties and license fees	-3,977	-4,035	-3,079	-3,125	-2,034	-2,064	-685	-694
27	Other private services	-18,128	-18,629	-15,397	-15,808	-8,867	-8,998	-5,983	-6,236
28	U.S. government miscellaneous services	-506	-512	-393	-403	-323	-326	-59	-64
29	Income payments	-81,156	-88,589	-67,259	-75,709	-32,859	-41,775	-31,340	-30,492
30	Income payments on foreign-owned assets in the United States	-80,978	-88,442	-67,123	-75,593	-32,766	-41,693	-31,311	-30,466
31	Direct investment payments	-17,270	-28,874	-10,941	-23,288	-4,283	-14,223	-5,205	-7,220
32	Other private payments	-53,125	-48,570	-48,588	-44,617	-24,469	-23,814	-23,101	-19,777
33	U.S. government payments	-10,583	-10,998	-7,594	-7,688	-4,014	-3,656	-3,005	-3,469
34	Compensation of employees	-178	-147	-137	-115	-93	-82	-29	-26
35	<b>Unilateral current transfers, net</b>	<b>-3,836</b>	<b>-3,208</b>	<b>-2,244</b>	<b>-1,611</b>	<b>-2,801</b>	<b>-2,203</b>	<b>760</b>	<b>765</b>
36	U.S. government grants	-499	-510	-64	-46	-16	-14	0	0
37	U.S. government pensions and other transfers	-456	-467	-424	-434	-323	-325	-71	-73
38	Private remittances and other transfers	-2,881	-2,231	-1,756	-1,131	-2,462	-1,864	831	838
<b>Capital account</b>									
39	<b>Capital account transactions, net</b>	<b>-224</b>	<b>-228</b>	<b>-121</b>	<b>-122</b>	<b>-67</b>	<b>-68</b>	<b>-15</b>	<b>-15</b>
<b>Financial account</b>									
40	<b>U.S.-owned assets abroad, excluding financial derivatives (increase/financial outflow (-))</b>	<b>-180,883</b>	<b>77,505</b>	<b>-191,818</b>	<b>23,999</b>	<b>-140,740</b>	<b>-72,275</b>	<b>-34,570</b>	<b>142,406</b>
41	U.S. official reserve assets	-316	-263	-249	-194	-249	-194	0	0
42	Gold	0	0	0	0	0	0	0	0
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies	-316	-263	-249	-194	-249	-194		
46	U.S. government assets, other than official reserve assets	3,058	-40,974	5,021	-34,989	5,019	-34	(*)	2
47	U.S. credits and other long-term assets	-6	-12	-3	0	0	0	0	0
48	Repayments on U.S. credits and other long-term assets	7	35	31	7	27	7	0	0
49	U.S. foreign currency holdings and U.S. short-term assets	2,994	-40,997	4,993	-34,996	4,992	-41	(*)	2
50	U.S. private assets	-183,624	118,742	-196,590	59,182	-145,510	-72,047	-34,571	142,404
51	Direct investment	-47,384	-41,514	-43,228	-36,478	-28,934	-28,854	-6,700	-1,854
52	Foreign securities	-32,255	-22,936	-31,740	-30,876	-10,894	-7,535	-21,679	-26,725
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	37,359	37,359	36,931	23,245	-547	-17,469	45,990	42,339
54	U.S. claims reported by U.S. banks, not included elsewhere	-141,344	159,548	-158,553	103,291	-105,135	-18,189	-52,182	128,644
55	<b>Foreign-owned assets in the United States, excluding financial derivatives (increase/financial inflow (+))</b>	<b>252,465</b>	<b>-156,453</b>	<b>222,597</b>	<b>-186,644</b>	<b>144,193</b>	<b>-80,390</b>	<b>51,888</b>	<b>-107,960</b>
56	Foreign official assets in the United States	42,919	22,492	(2)	(2)	(2)	(2)	(2)	(2)
57	U.S. government securities	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)
58	U.S. Treasury securities	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)
59	Other	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)
60	Other U.S. government liabilities	-43	113	-48	169	-19	250	32	93
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)
62	Other foreign official assets	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)
63	Other foreign assets in the United States	209,546	-178,945	(2)	(2)	(2)	(2)	(2)	(2)
64	Direct investment	45,597	47,061	35,491	43,033	15,803	26,502	10,930	17,869
65	U.S. Treasury securities	25,936	41,453	(2)	(2)	(2)	(2)	(2)	(2)
66	U.S. securities other than U.S. Treasury securities	-3,394	-572	-8,250	-6,168	-3,373	-32,483	-8,669	21,215
67	U.S. currency	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	79,537	-53,027	79,370	-54,517	26,940	-14,249	53,362	-40,167
69	U.S. liabilities reported by U.S. banks, not included elsewhere	61,870	-213,860	<sup>2</sup> 116,034	<sup>2</sup> -169,161	<sup>2</sup> 104,842	<sup>2</sup> -60,410	<sup>2</sup> -3,767	<sup>2</sup> -106,970
70	<b>Financial derivatives, net</b>	<b>-8,062</b>	<b>n.a.</b>	<b>-2,941</b>	<b>n.a.</b>	<b>-2,368</b>	<b>n.a.</b>	<b>-1,900</b>	<b>n.a.</b>
71	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-63,738</b>	<b>97,933</b>	<b>-32,866</b>	<b>174,635</b>	<b>-4,638</b>	<b>162,161</b>	<b>-18,865</b>	<b>-34,178</b>
<b>Memoranda:</b>									
72	Balance on goods (lines 3 and 20)	-25,009	-30,989	-21,567	-25,325	-17,903	-21,526	226	-304
73	Balance on services (lines 4 and 21)	13,413	8,813	11,510	7,723	5,124	2,319	4,651	4,013
74	Balance on goods and services (lines 2 and 19)	-11,596	-22,176	-10,057	-17,602	-12,779	-19,207	4,877	3,709
75	Balance on income (lines 12 and 29)	15,875	6,627	17,450	7,346	19,200	11,982	-2,175	-4,726
76	Unilateral current transfers, net (line 35)	-3,836	-3,208	-2,244	-1,611	-2,801	-2,203	760	765
77	Balance on current account (lines 1, 18, and 35 or lines 74, 75, and 76)	443	-18,757	5,149	-11,868	3,620	-9,428	3,462	-253

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(\*) Transactions are less than \$500,000 (+/-)

1. Details not shown separately; see totals in lines 56 and 63.

2. Details not shown separately are included in line 69.

3. Estimates of financial derivatives for Mexico are included in Latin America and Other Western Hemisphere; and for China and India, in Asia and Pacific. Estimates for the Middle East are combined with estimates for Asia and Pacific.

Table F.3. U.S. International Transactions, by Area—Continues

[Millions of dollars]

Line	(Credits +; debits -)	Canada		Latin America and Other Western Hemisphere		Mexico		Asia and Pacific		Australia	
		2008:I r	2008:II P	2008:I r	2008:II P	2008:I r	2008:II P	2008:I r	2008:II P	2008:I r	2008:II P
<b>Current account</b>											
1	<b>Exports of goods and services and income receipts</b> .....	<b>88,741</b>	<b>96,287</b>	<b>131,405</b>	<b>138,992</b>	<b>45,749</b>	<b>48,109</b>	<b>147,450</b>	<b>152,891</b>	<b>12,581</b>	<b>13,414</b>
2	Exports of goods and services.....	77,076	84,221	89,875	98,324	41,889	44,211	117,468	122,524	8,525	8,798
3	Goods, balance of payments basis.....	64,624	71,897	66,919	73,800	35,871	38,078	83,794	88,696	5,491	5,721
4	Services.....	12,452	12,324	22,956	24,524	6,018	6,134	33,675	33,828	3,034	3,077
5	Transfers under U.S. military agency sales contracts.....	76	124	191	196	5	3	1,409	931	480	91
6	Travel.....	4,406	4,195	5,355	6,556	1,761	1,811	6,221	7,970	601	903
7	Passenger fares.....	1,050	998	2,037	2,150	689	661	1,715	2,035	165	205
8	Other transportation.....	884	933	1,720	1,861	388	420	4,969	5,509	1,201	116
9	Royalties and license fees.....	1,689	1,794	1,815	1,925	488	519	4,880	5,128	518	554
10	Other private services.....	4,330	4,242	11,792	11,784	2,679	2,711	14,355	12,136	1,165	1,203
11	U.S. government miscellaneous services.....	17	39	47	53	8	8	126	120	4	5
12	Income receipts.....	11,665	12,066	41,530	40,669	3,860	3,898	29,982	30,368	4,056	4,615
13	Income receipts on U.S.-owned assets abroad.....	11,623	12,024	41,473	40,612	3,851	3,889	29,878	30,263	4,049	4,608
14	Direct investment receipts.....	5,462	5,980	17,994	19,746	2,783	2,891	18,101	19,309	1,708	2,202
15	Other private receipts.....	6,161	6,044	23,465	20,801	1,067	996	11,687	10,840	2,341	2,406
16	U.S. government receipts.....	0	0	14	65	1	2	90	114	0	0
17	Compensation of employees.....	42	42	57	57	9	9	104	104	7	7
18	<b>Imports of goods and services and income payments</b> .....	<b>-95,662</b>	<b>-106,944</b>	<b>-139,363</b>	<b>-146,237</b>	<b>-61,048</b>	<b>-65,715</b>	<b>-236,734</b>	<b>-244,964</b>	<b>-6,520</b>	<b>-7,109</b>
19	Imports of goods and services.....	-89,425	-99,383	-107,728	-117,961	-57,720	-62,238	-197,468	-206,742	-3,946	-4,612
20	Goods, balance of payments basis.....	-83,995	-92,714	-90,398	-100,785	-53,146	-58,024	-172,693	-181,269	-2,190	-2,874
21	Services.....	-5,430	-6,669	-17,331	-17,176	-4,574	-4,214	-24,775	-25,473	-1,756	-1,738
22	Direct defense expenditures.....	-65	-65	-86	-100	-5	-2	-1,691	-1,741	-35	-49
23	Travel.....	-1,031	-2,044	-7,044	-6,521	-3,090	-2,676	-4,576	-4,683	-432	-344
24	Passenger fares.....	-79	-95	-925	-880	-234	-219	-2,948	-2,758	-267	-259
25	Other transportation.....	-1,245	-1,350	-1,849	-1,976	-353	-373	-6,025	-6,404	-97	-104
26	Royalties and license fees.....	-184	-188	-99	-103	-24	-24	-2,082	-2,110	-98	-100
27	Other private services.....	-2,722	-2,813	-7,174	-7,440	-825	-873	-7,262	-7,609	-816	-863
28	U.S. government miscellaneous services.....	-105	-115	-153	-155	-43	-47	-191	-168	-11	-18
29	Income payments.....	-6,237	-7,561	-31,635	-28,276	-3,328	-3,477	-39,266	-38,222	-2,574	-2,497
30	Income payments on foreign-owned assets in the United States.....	-6,086	-7,422	-29,873	-26,409	-1,620	-1,647	-38,891	-37,974	-2,568	-2,493
31	Direct investment payments.....	-2,393	-3,738	-372	-448	-194	-225	-4,646	-3,693	-1,387	-1,295
32	Other private payments.....	-3,412	-3,325	-24,484	-21,278	-652	-622	-9,443	-9,363	-912	-924
33	U.S. government payments.....	-281	-359	-5,017	-4,683	-774	-800	-24,802	-24,918	-269	-274
34	Compensation of employees.....	-151	-139	-1,762	-1,867	-1,708	-1,830	-375	-248	-5	-4
35	<b>Unilateral current transfers, net</b> .....	<b>-323</b>	<b>-405</b>	<b>-7,459</b>	<b>-7,730</b>	<b>-3,181</b>	<b>-3,196</b>	<b>-6,142</b>	<b>-5,816</b>	<b>30</b>	<b>-16</b>
36	U.S. government grants.....	0	0	-464	-617	-18	-28	-2,097	-2,354	-1	0
37	U.S. government pensions and other transfers.....	-165	-167	-198	-205	-73	-75	-235	-239	-23	-25
38	Private remittances and other transfers.....	-158	-238	-6,797	-6,908	-3,090	-3,093	-3,809	-3,223	54	9
<b>Capital account</b>											
39	<b>Capital account transactions, net</b> .....	<b>34</b>	<b>36</b>	<b>-45</b>	<b>-48</b>	<b>-26</b>	<b>-25</b>	<b>-263</b>	<b>-268</b>	<b>-8</b>	<b>-8</b>
<b>Financial account</b>											
40	<b>U.S.-owned assets abroad, excluding financial derivatives (increase/financial outflow (-))</b> .....	<b>-31,291</b>	<b>11,043</b>	<b>-43,889</b>	<b>22,438</b>	<b>1,132</b>	<b>2,477</b>	<b>-11,556</b>	<b>-2,050</b>	<b>-8,204</b>	<b>-15,853</b>
41	U.S. official reserve assets.....	0	0	0	0	0	0	-43	-27	0	0
42	Gold.....	0	0	0	0	0	0	0	0	0	0
43	Special drawing rights.....										
44	Reserve position in the International Monetary Fund.....										
45	Foreign currencies.....							-43	-27		
46	U.S. government assets, other than official reserve assets.....	(*)	1	17	200	8	12	122	103	(*)	-6
47	U.S. credits and other long-term assets.....	0	0	-38	-31	0	-8	-43	-71	0	0
48	Repayments on U.S. credits and other long-term assets.....	0	0	73	226	13	12	170	176	0	0
49	U.S. foreign currency holdings and U.S. short-term assets.....	(*)	1	-19	5	-5	8	-5	-2	(*)	-6
50	U.S. private assets.....	-31,291	11,042	-43,905	22,238	1,124	2,465	-11,635	-2,126	-8,205	-15,847
51	Direct investment.....	-12,463	-1,195	-21,738	-7,914	-2,498	-1,833	-11,340	-16,009	-940	-1,760
52	Foreign securities.....	1,278	-10,923	-2,456	-7,027	5,862	4,111	-3,247	8,639	-12,007	-8,763
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	1,833	-732	32,271	3,379	21	-1,097	10,435	-893	3,152	59
54	U.S. claims reported by U.S. banks, not included elsewhere.....	-21,939	23,892	-51,982	33,800	-2,261	1,284	-7,483	6,137	1,590	-5,383
55	<b>Foreign-owned assets in the United States, excluding financial derivatives (increase/financial inflow (+))</b> .....	<b>29,867</b>	<b>33,824</b>	<b>-23,121</b>	<b>-13,153</b>	<b>7,669</b>	<b>7,669</b>	<b>164,831</b>	<b>134,413</b>	<b>17,628</b>	<b>8,158</b>
56	Foreign official assets in the United States.....	-17	197	8,730	23,053	(2)	(2)	98,624	85,030	(2)	(2)
57	U.S. government securities.....	(*)	(*)	(*)	(*)	(2)	(2)	(*)	(*)	(2)	(2)
58	U.S. Treasury securities.....	(*)	(*)	(*)	(*)	(2)	(2)	(*)	(*)	(2)	(2)
59	Other.....	(*)	(*)	(*)	(*)	(2)	(2)	(*)	(*)	(2)	(2)
60	Other U.S. government liabilities.....	79	-53	169	6	-1	0	1,104	1,245	-223	26
61	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(*)	(*)	(*)	(*)	(2)	(2)	(*)	(*)	(2)	(2)
62	Other foreign official assets.....	(*)	(*)	(*)	(*)	(2)	(2)	(*)	(*)	(2)	(2)
63	Other foreign assets in the United States.....	29,884	33,627	-31,851	-36,206	(2)	(2)	66,207	49,383	(2)	(2)
64	Direct investment.....	9,446	11,239	6,376	19,504	1,298	792	15,487	17,185	7,662	532
65	U.S. Treasury securities.....	(*)	(*)	(*)	(*)	(2)	(2)	(*)	(*)	(2)	(2)
66	U.S. securities other than U.S. Treasury securities.....	7,346	10,758	-41,089	-12,772	2,664	-1,019	17,519	14,740	1,708	2,634
67	U.S. currency.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	(*)	(*)	(*)	(*)	282	209	(*)	(*)	117	-46
69	U.S. liabilities reported by U.S. banks, not included elsewhere.....	12,021	4,356	6,046	-51,683	2 3,426	2 6,806	-4,698	21,825	2 8,364	2 5,012
70	<b>Financial derivatives, net</b> .....	<b>3,139</b>	<b>n.a.</b>	<b>1,816</b>	<b>n.a.</b>	<b>(3)</b>	<b>n.a.</b>	<b>-5,003</b>	<b>n.a.</b>	<b>1,352</b>	<b>n.a.</b>
71	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>5,494</b>	<b>-33,840</b>	<b>80,656</b>	<b>5,738</b>	<b>9,706</b>	<b>10,682</b>	<b>-52,583</b>	<b>-34,205</b>	<b>-16,860</b>	<b>1,415</b>
<b>Memoranda:</b>											
72	Balance on goods (lines 3 and 20).....	-19,371	-20,817	-23,479	-26,985	-17,275	-19,946	-88,899	-92,573	3,301	2,847
73	Balance on services (lines 4 and 21).....	7,023	5,655	5,626	7,348	1,444	1,920	8,899	8,355	1,278	1,339
74	Balance on goods and services (lines 2 and 19).....	-12,348	-15,162	-17,853	-19,637	-15,831	-18,027	-80,000	-84,218	4,579	4,187
75	Balance on income (lines 12 and 29).....	5,428	4,504	9,895	12,993	532	420	-9,284	-7,854	1,482	2,118
76	Unilateral current transfers, net (line 35).....	-323	-405	-7,459	-7,730	-3,181	-3,196	-6,142	-5,816	30	-16
77	Balance on current account (lines 1, 18, and 35 or lines 74, 75, and 76).....	-7,243	-11,062	-15,417	-14,975	-18,480	-20,803	-95,426	-97,889	6,092	6,289

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(\*) Transactions are less than \$500,000 (+/-)

1. Details not shown separately; see totals in lines 56 and 63.

2. Details not shown separately are included in line 69.

3. Estimates of financial derivatives for Mexico are included in Latin America and Other Western Hemisphere; and for China and India, in Asia and Pacific. Estimates for the Middle East are combined with estimates for Asia and Pacific.

Table F.3. U.S. International Transactions, by Area—Table Ends

(Millions of dollars)

Line	(Credits +; debits -)	China		India		Japan		Middle East		Africa	
		2008:I <sup>r</sup>	2008:II <sup>p</sup>	2008:I <sup>r</sup>	2008:II <sup>p</sup>	2008:I <sup>r</sup>	2008:II <sup>p</sup>	2008:I <sup>r</sup>	2008:II <sup>p</sup>	2008:I <sup>r</sup>	2008:II <sup>p</sup>
<b>Current account</b>											
1	<b>Exports of goods and services and income receipts</b>	<b>24,449</b>	<b>24,929</b>	<b>7,919</b>	<b>8,370</b>	<b>34,039</b>	<b>35,491</b>	<b>19,908</b>	<b>21,350</b>	<b>11,543</b>	<b>12,044</b>
2	Exports of goods and services	22,010	22,361	6,947	7,531	26,873	28,410	16,956	18,119	9,359	9,438
3	Goods, balance of payments basis	17,954	18,667	4,223	4,628	16,127	17,285	12,110	13,104	6,533	6,708
4	Services	4,056	3,693	2,724	2,903	10,746	11,125	4,846	5,015	2,826	2,730
5	Transfers under U.S. military agency sales contracts	0	0	10	9	110	128	1,176	1,152	326	198
6	Travel	599	597	572	1,119	2,797	3,061	518	717	290	450
7	Passenger fares	212	170	249	505	955	996	83	105	77	87
8	Other transportation	710	784	162	176	1,114	1,229	761	812	298	345
9	Royalties and license fees	504	531	258	276	1,814	1,903	238	255	212	227
10	Other private services	2,025	1,603	1,458	803	3,910	3,765	2,053	1,955	1,601	1,406
11	U.S. government miscellaneous services	7	9	15	15	46	42	16	19	22	17
12	Income receipts	2,439	2,568	971	839	7,166	7,080	2,953	3,232	2,184	2,606
13	Income receipts on U.S.-owned assets abroad	2,430	2,559	967	835	7,145	7,059	2,927	3,206	2,164	2,586
14	Direct investment receipts	1,684	1,937	517	475	2,659	2,782	2,293	2,637	1,630	2,083
15	Other private receipts	730	615	446	357	4,442	4,250	618	553	477	482
16	U.S. government receipts	16	7	4	3	44	27	16	16	57	21
17	Compensation of employees	10	10	5	5	21	21	26	26	20	20
18	<b>Imports of goods and services and income payments</b>	<b>-87,268</b>	<b>-97,155</b>	<b>-10,195</b>	<b>-9,560</b>	<b>-59,994</b>	<b>-58,043</b>	<b>-34,809</b>	<b>-37,892</b>	<b>-29,222</b>	<b>-35,556</b>
19	Imports of goods and services	-75,062	-84,348	-9,655	-9,072	-44,167	-43,368	-31,465	-35,409	-28,712	-35,050
20	Goods, balance of payments basis	-72,767	-81,575	-6,639	-6,197	-37,492	-36,384	-26,232	-30,038	-27,319	-33,398
21	Services	-2,295	-2,773	-3,016	-2,875	-6,675	-6,984	-5,233	-5,371	-1,393	-1,652
22	Direct defense expenditures	-7	-1	-1	-13	-473	-425	-3,421	-3,500	-120	-100
23	Travel	-542	-836	-743	-522	-833	-968	-463	-506	-428	-676
24	Passenger fares	-170	-220	-57	-27	-370	-381	-299	-224	-100	-84
25	Other transportation	-895	-999	-103	-98	-1,694	-1,846	-328	-381	-125	-149
26	Royalties and license fees	-33	-33	-18	-19	-1,860	-1,884	-48	-49	-12	-12
27	Other private services	-640	-675	-2,084	-2,189	-1,397	-1,452	-618	-648	-543	-572
28	U.S. government miscellaneous services	-7	-9	-10	-7	-48	-28	-57	-63	-66	-58
29	Income payments	-12,206	-12,808	-540	-488	-15,827	-14,675	-3,344	-2,484	-510	-506
30	Income payments on foreign-owned assets in the United States	-12,085	-12,711	-463	-442	-15,787	-14,648	-3,326	-2,472	-479	-489
31	Direct investment payments	-16	-22	-222	-237	-2,931	-1,941	-108	628	4	-11
32	Other private payments	-1,358	-1,370	-106	-92	-3,640	-3,695	-1,535	-1,503	-243	-211
33	U.S. government payments	-10,711	-11,319	-135	-113	-9,216	-9,012	-1,683	-1,597	-240	-267
34	Compensation of employees	-121	-97	-77	-46	-40	-27	-18	-11	-31	-17
35	<b>Unilateral current transfers, net</b>	<b>-718</b>	<b>-586</b>	<b>-888</b>	<b>-707</b>	<b>-270</b>	<b>-198</b>	<b>-4,038</b>	<b>-2,106</b>	<b>-3,670</b>	<b>-2,018</b>
36	U.S. government grants	-2	-2	-30	-26	0	0	-3,456	-1,524	-2,431	-791
37	U.S. government pensions and other transfers	-2	-2	-5	-5	-68	-69	-38	-39	-8	-8
38	Private remittances and other transfers	-714	-582	-853	-676	-202	-129	-544	-543	-1,231	-1,219
<b>Capital account</b>											
39	<b>Capital account transactions, net</b>	<b>-44</b>	<b>-46</b>	<b>-49</b>	<b>-51</b>	<b>1</b>	<b>1</b>	<b>-90</b>	<b>-129</b>	<b>-12</b>	<b>-15</b>
<b>Financial account</b>											
40	<b>U.S.-owned assets abroad, excluding financial derivatives (increase/financial outflow (-))</b>	<b>5,005</b>	<b>-765</b>	<b>1,828</b>	<b>-1,605</b>	<b>-9,591</b>	<b>3,401</b>	<b>8,955</b>	<b>2,869</b>	<b>-8,699</b>	<b>-2,352</b>
41	U.S. official reserve assets	0	0	0	0	-43	-27	0	0	0	0
42	Gold	0	0	0	0	0	0	0	0	0	0
43	Special drawing rights										
44	Reserve position in the International Monetary Fund										
45	Foreign currencies					-43	-27				
46	U.S. government assets, other than official reserve assets	37	17	16	-1	-20	18	35	368	54	-10
47	U.S. credits and other long-term assets	0	0	0	0	0	0	-5	-5	-65	-81
48	Repayments on U.S. credits and other long-term assets	38	21	17	7	0	0	52	356	120	67
49	U.S. foreign currency holdings and U.S. short-term assets	-1	-4	-1	-8	-20	18	-12	17	-1	4
50	U.S. private assets	4,968	-782	1,812	-1,604	-9,528	3,410	8,920	2,501	-8,753	-2,342
51	Direct investment	-2,139	-2,307	-1,019	-362	-987	-2,716	-2,252	-240	-547	1,382
52	Foreign securities	4,320	5,447	2,636	19	3,043	2,414	1,188	2,116	287	-835
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	64	-272	91	-124	-101	-57	516	-41	-508	-111
54	U.S. claims reported by U.S. banks, not included elsewhere	2,723	-3,650	104	-1,137	-11,483	3,769	9,468	666	-7,985	-2,778
55	<b>Foreign-owned assets in the United States, excluding financial derivatives (increase/financial inflow (+))</b>	<b>76,635</b>	<b>109,707</b>	<b>-267</b>	<b>839</b>	<b>50,620</b>	<b>33,386</b>	<b>26,173</b>	<b>21,188</b>	<b>8,325</b>	<b>9,711</b>
56	Foreign official assets in the United States	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	21,628	9,998	1,645	3,585
57	U.S. government securities	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
58	U.S. Treasury securities	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
59	Other	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
60	Other U.S. government liabilities	0	0	126	62	103	82	235	1,030	97	36
61	U.S. liabilities reported by U.S. banks, not included elsewhere	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
62	Other foreign official assets	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
63	Other foreign assets in the United States	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	4,545	11,190	6,680	6,126
64	Direct investment	331	-153	1,202	320	5,763	15,943	1,932	1,060	883	-210
65	U.S. Treasury securities	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
66	U.S. securities other than U.S. Treasury securities	-9,527	-910	1,610	-147	18,662	7,880	2,094	4,682	-2,658	-422
67	U.S. currency	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	3,183	707	-33	-76	1,270	-1,068	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
69	U.S. liabilities reported by U.S. banks, not included elsewhere	<sup>2</sup> 82,648	<sup>2</sup> 110,063	<sup>2</sup> -3,172	<sup>2</sup> 680	<sup>2</sup> 24,822	<sup>2</sup> 10,549	-2,838	2,704	5,806	4,609
70	<b>Financial derivatives, net</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>n.a.</b>	<b>-4,730</b>	<b>(<sup>2</sup>)</b>	<b>n.a.</b>	<b>-146</b>	<b>n.a.</b>
71	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-18,058</b>	<b>-36,084</b>	<b>1,653</b>	<b>2,713</b>	<b>-10,076</b>	<b>-14,036</b>	<b>-16,099</b>	<b>-5,279</b>	<b>21,881</b>	<b>18,187</b>
<b>Memoranda:</b>											
72	Balance on goods (lines 3 and 20)	-54,813	-62,907	-2,416	-1,569	-21,365	-19,099	-14,122	-16,934	-20,786	-26,690
73	Balance on services (lines 4 and 21)	1,761	920	-292	28	4,071	4,141	-388	-356	1,433	1,077
74	Balance on goods and services (lines 2 and 19)	-53,052	-61,987	-2,708	-1,541	-17,294	-14,958	-14,510	-17,290	-19,353	-25,613
75	Balance on income (lines 12 and 29)	-9,767	-10,239	432	351	-8,661	-7,595	-392	748	1,674	2,100
76	Unilateral current transfers, net (line 35)	-718	-586	-888	-707	-270	-198	-4,038	-2,106	-3,670	-2,018
77	Balance on current account (lines 1, 18, and 35 or lines 74, 75, and 76)	-63,537	-72,812	-3,165	-1,897	-26,224	-22,751	-18,939	-18,648	-21,349	-25,530

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(\*) Transactions are less than \$500,000 (+/-)

1. Details not shown separately; see totals in lines 56 and 63.

2. Details not shown separately are included in line 69.

3. Estimates of financial derivatives for Mexico are included in Latin America and Other Western Hemisphere; and for China and India, in Asia and Pacific. Estimates for the Middle East are combined with estimates for Asia and Pacific.

**Table F.4. Private Services Transactions**  
[Millions of dollars]

Line	2007	Not seasonally adjusted						Seasonally adjusted					
		2007				2008		2007				2008	
		I	II	III	IV	I <sup>r</sup>	II <sup>p</sup>	I	II	III	IV	I <sup>r</sup>	II <sup>p</sup>
<b>1 Exports of private services</b>	<b>479,980</b>	<b>108,560</b>	<b>115,171</b>	<b>128,718</b>	<b>127,532</b>	<b>126,156</b>	<b>132,474</b>	<b>110,193</b>	<b>116,176</b>	<b>125,188</b>	<b>128,423</b>	<b>129,163</b>	<b>133,665</b>
2 Travel (table F.2, line 6)	96,712	19,658	24,387	29,159	23,508	24,152	29,281	21,818	23,154	25,241	26,499	27,060	28,243
3 Passenger fares (table F.2, line 7)	25,586	5,529	5,848	6,868	7,340	7,077	7,950	5,800	5,996	6,530	7,259	7,623	7,904
4 Other transportation (table F.2, line 8)	51,586	11,873	12,575	13,018	14,120	14,277	15,461	12,076	12,639	13,081	13,790	14,632	15,577
5 Freight	19,596	4,412	4,895	4,951	5,338	5,370	5,650	4,520	4,848	4,964	5,264	5,499	5,593
6 Port services	31,990	7,461	7,680	8,067	8,782	8,907	9,811	7,556	7,791	8,117	8,526	9,133	9,985
7 Royalties and license fees (table F.2, line 9)	82,614	18,490	19,683	21,588	22,853	20,916	22,078	18,991	19,866	21,940	21,817	21,559	22,264
By type: <sup>1</sup>													
8 Industrial processes <sup>2</sup>	37,441	8,611	8,789	10,177	9,864	9,373	9,609	8,611	8,789	10,177	9,864	9,373	9,609
9 Other <sup>3</sup>	45,172	9,879	10,894	11,411	12,989	11,543	12,468	10,380	11,077	11,763	11,953	12,186	12,654
By affiliation:													
10 U.S. parents' receipts from their foreign affiliates	54,726	12,157	12,993	14,354	15,223	13,771	14,531	12,506	13,080	14,537	14,603	14,222	14,600
11 U.S. affiliates' receipts from their foreign parent groups	4,154	1,062	918	1,123	1,052	914	947	1,062	918	1,123	1,052	914	947
12 U.S. receipts from unaffiliated foreigners	23,733	5,271	5,772	6,111	6,578	6,230	6,600	5,423	5,868	6,280	6,162	6,422	6,717
13 Other private services (table F.2, line 10)	223,483	53,010	52,679	58,084	59,710	59,735	57,704	51,508	54,521	58,396	59,058	58,289	59,677
By type: <sup>1</sup>													
14 Education	15,732	6,453	1,923	4,386	2,970	6,865	2,038	3,848	3,897	3,962	4,025	4,090	4,146
15 Financial services	58,266	12,870	13,996	15,567	15,833	15,398	15,874	12,870	13,996	15,567	15,833	15,398	15,874
16 Insurance services	10,286	2,351	2,554	2,676	2,706	2,575	2,608	2,351	2,554	2,676	2,706	2,575	2,608
17 Telecommunications	8,283	1,967	2,079	2,128	2,109	2,179	2,255	1,967	2,079	2,128	2,109	2,179	2,255
18 Business, professional, and technical services	107,675	24,129	26,647	27,260	29,639	26,678	28,542	25,231	26,515	27,996	27,932	28,008	28,407
19 Other services <sup>4</sup>	23,241	5,241	5,479	6,067	6,453	6,040	6,386	5,241	5,479	6,067	6,453	6,040	6,386
By affiliation:													
20 U.S. parents' receipts from their foreign affiliates	49,238	10,843	12,453	12,515	13,428	12,532	13,476	11,226	12,232	12,804	12,976	12,984	13,124
21 U.S. affiliates' receipts from their foreign parent groups	24,052	5,802	6,112	5,626	6,512	5,500	5,863	5,985	6,140	6,031	5,897	5,754	6,015
22 U.S. receipts from unaffiliated foreigners	150,193	36,365	34,113	39,944	39,770	41,702	38,366	34,297	36,149	39,561	40,185	39,551	40,538
<b>23 Imports of private services</b>	<b>341,126</b>	<b>77,695</b>	<b>87,298</b>	<b>90,532</b>	<b>85,602</b>	<b>84,751</b>	<b>95,230</b>	<b>82,367</b>	<b>84,292</b>	<b>87,087</b>	<b>87,380</b>	<b>90,059</b>	<b>91,793</b>
24 Travel (table F.2, line 23)	76,167	15,837	21,390	21,916	17,024	17,410	23,396	18,538	18,849	19,247	19,533	20,403	20,560
25 Passenger fares (table F.2, line 24)	28,486	6,158	7,588	7,841	6,899	7,277	8,832	6,721	6,979	7,422	7,364	7,928	8,133
26 Other transportation (table F.2, line 25)	67,050	15,570	16,903	17,476	17,101	17,192	18,769	16,022	16,767	17,119	17,142	17,869	18,560
27 Freight	45,576	10,798	11,626	11,848	11,304	11,061	11,645	11,059	11,547	11,656	11,314	11,844	11,521
28 Port services	21,474	4,772	5,277	5,628	5,797	6,131	7,123	4,963	5,220	5,463	5,828	6,385	7,038
29 Royalties and license fees (table F.2, line 26)	25,048	6,386	6,011	6,004	6,646	6,428	6,524	6,643	6,260	6,155	5,991	6,663	6,809
By type: <sup>1</sup>													
30 Industrial processes <sup>2</sup>	18,093	4,694	4,405	4,348	4,646	4,676	4,735	4,887	4,590	4,460	4,156	4,854	4,951
31 Other <sup>3</sup>	6,955	1,691	1,607	1,656	2,001	1,753	1,789	1,756	1,669	1,694	1,836	1,809	1,858
By affiliation:													
32 U.S. parents' payments to their foreign affiliates	2,233	553	528	636	515	546	553	553	528	636	515	546	553
33 U.S. affiliates' payments to their foreign parent groups	17,420	4,499	4,168	4,017	4,736	4,459	4,513	4,756	4,416	4,167	4,081	4,693	4,798
34 U.S. payments to unaffiliated foreigners	5,396	1,334	1,315	1,351	1,396	1,423	1,457	1,334	1,315	1,351	1,396	1,423	1,457
35 Other private services (table F.2, line 27)	144,375	33,744	35,406	37,294	37,931	36,444	37,709	34,444	35,437	37,145	37,350	37,196	37,732
By type: <sup>1</sup>													
36 Education	4,523	866	1,156	1,523	978	883	1,180	1,119	1,135	1,140	1,129	1,145	1,156
37 Financial services	18,928	4,430	4,798	4,727	4,973	4,847	4,917	4,430	4,798	4,727	4,973	4,847	4,917
38 Insurance services	42,761	10,426	10,172	11,113	11,050	11,187	11,281	10,426	10,172	11,113	11,050	11,187	11,281
39 Telecommunications	7,334	1,667	1,912	1,908	1,847	1,779	1,816	1,667	1,912	1,908	1,847	1,779	1,816
40 Business, professional, and technical services	68,763	15,895	16,855	17,460	18,553	17,133	17,920	16,342	16,907	17,694	17,820	17,623	17,967
41 Other services <sup>4</sup>	2,065	459	514	562	530	615	595	459	514	562	530	615	595
By affiliation:													
42 U.S. parents' payments to their foreign affiliates	36,545	8,273	8,804	9,302	10,166	9,100	9,588	8,720	8,856	9,536	9,434	9,591	9,635
43 U.S. affiliates' payments to their foreign parent groups	20,518	4,927	5,327	5,046	5,218	4,445	4,530	4,927	5,327	5,046	5,218	4,445	4,530
44 U.S. payments to unaffiliated foreigners	87,312	20,544	21,275	22,945	22,547	22,899	23,591	20,797	21,254	22,562	22,698	23,160	23,567
<b>Supplemental detail on insurance transactions:</b>													
45 Premiums received <sup>5</sup>	20,951	4,879	5,226	5,532	5,314	4,681	4,741	4,879	5,226	5,532	5,314	4,681	4,741
46 Actual losses paid	11,619	2,706	2,856	2,988	3,069	3,097	3,094	2,706	2,856	2,988	3,069	3,097	3,094
47 Premiums paid <sup>5</sup>	74,848	18,596	17,704	19,454	19,093	19,094	18,898	18,596	17,704	19,454	19,093	19,094	18,898
48 Actual losses recovered	30,430	7,642	7,595	7,577	7,616	7,713	7,844	7,642	7,595	7,577	7,616	7,713	7,844
<b>Memoranda:</b>													
49 Balance on goods (table F.2, line 72)	-819,373	-186,708	-202,296	-215,588	-214,780	-191,666	-214,988	-203,363	-205,887	-201,204	-208,919	-211,032	-216,328
50 Balance on private services (line 1 minus line 25)	138,854	30,865	27,873	38,186	41,930	41,405	37,244	27,825	31,884	38,101	41,043	39,104	41,872
51 Balance on goods and private services (lines 53 and 54)	-680,519	-155,843	-174,423	-177,402	-172,850	-150,261	-177,744	-175,538	-174,004	-163,103	-167,876	-171,928	-174,457

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1. Royalties and license fees and "other private services" by detailed type of service include both affiliated and unaffiliated transactions.

2. Includes royalties, license fees, and other fees associated with intangible assets, including patents, trade secrets, and other proprietary rights, that are used in connection with the production of goods.

3. Includes royalties, license fees, and other fees associated with copyrights, trademarks, franchises, rights to broadcast live events, software licensing fees, and other intellectual property rights.

4. Other services receipts (exports) include mainly film and television tape rentals and expenditures of foreign residents temporarily working in the United States. Payments (imports) include mainly expenditures of U.S. residents temporarily working abroad and film and television tape rentals.

5. These reflect the amount of premiums explicitly charged by, or paid to, insurers and reinsurers.

## G. Investment Tables

Table G.1. International Investment Position of the United States at Yearend, 2006 and 2007

[Millions of dollars]

Line	Type of investment	Position, 2006 <sup>f</sup>	Changes in position in 2007				Position, 2007 <sup>p</sup>	
			Attributable to					
			Valuation adjustments					
			Financial flows (a)	Price changes (b)	Exchange-rate changes <sup>1</sup> (c)	Other changes <sup>2</sup> (d)		Total (a+b+c+d)
1	<b>Net international investment position of the United States (lines 2+3)</b> .....	<b>-2,225,804</b>	<b>-774,345</b>	<b>197,683</b>	<b>438,711</b>	<b>-78,074</b>	<b>-216,025</b>	<b>-2,441,829</b>
2	Financial derivatives, net (line 5 less line 25) <sup>3</sup> .....	59,836	-6,496	( <sup>4</sup> )	( <sup>4</sup> )	<sup>4</sup> 30,189	23,693	83,529
3	Net international investment position, excluding financial derivatives (line 6 less line 26).....	-2,285,640	-767,849	197,683	438,711	-108,263	-239,718	-2,525,358
4	<b>U.S.-owned assets abroad (lines 5+6)</b> .....	<b>14,381,297</b>	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	<b>3,258,657</b>	<b>17,639,954</b>
5	Financial derivatives (gross positive fair value).....	1,238,995	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	1,045,586	2,284,581
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17).....	13,142,302	1,289,854	420,581	516,968	-14,332	2,213,071	15,355,373
7	U.S. official reserve assets.....	219,853	122	52,758	4,478	0	57,358	277,211
8	Gold.....	165,267	0	<sup>5</sup> 52,758	.....	<sup>6</sup> 0	52,758	218,025
9	Special drawing rights.....	8,870	154	.....	452	0	606	9,476
10	Reserve position in the International Monetary Fund.....	5,040	-1,021	.....	225	0	-796	4,244
11	Foreign currencies.....	40,676	989	.....	3,801	0	4,790	45,466
12	U.S. government assets, other than official reserve assets.....	72,189	22,273	.....	.....	9	22,282	94,471
13	U.S. credits and other long-term assets <sup>7</sup> .....	71,635	-1,629	.....	.....	9	-1,620	70,015
14	Repayable in dollars.....	71,362	-1,629	.....	.....	9	-1,620	69,742
15	Other <sup>8</sup> .....	273	0	.....	( <sup>9</sup> )	.....	0	273
16	U.S. foreign currency holdings and U.S. short-term assets.....	554	23,902	.....	( <sup>9</sup> )	.....	23,902	24,456
17	U.S. private assets.....	12,850,260	1,267,459	367,823	512,490	-14,341	2,133,431	14,983,691
18	Direct investment at current cost.....	2,935,977	333,271	25,579	69,631	-31,630	396,851	3,332,828
19	Foreign securities.....	5,604,475	288,731	342,244	413,236	0	1,044,211	6,648,686
20	Bonds.....	1,275,515	170,708	3,918	27,946	0	202,572	1,478,087
21	Corporate stocks.....	4,328,960	118,023	338,326	385,290	0	841,639	5,170,599
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	1,163,102	706	.....	12,329	-110	12,925	1,176,027
23	U.S. claims reported by U.S. banks, not included elsewhere.....	3,146,706	644,751	.....	17,294	17,399	679,444	3,826,150
24	<b>Foreign-owned assets in the United States (lines 25+26)</b> .....	<b>16,607,101</b>	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	<b>3,474,682</b>	<b>20,081,783</b>
25	Financial derivatives (gross negative fair value).....	1,179,159	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	1,021,893	2,201,052
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34).....	15,427,942	2,057,703	222,898	78,257	93,931	2,452,789	17,880,731
27	Foreign official assets in the United States.....	2,825,628	411,058	84,554	.....	15,790	511,402	3,337,030
28	U.S. government securities.....	2,167,112	230,330	73,387	.....	32,002	335,719	2,502,831
29	U.S. Treasury securities.....	1,558,317	58,865	54,397	.....	25,786	139,048	1,697,365
30	Other.....	608,795	171,465	18,990	.....	6,216	196,671	805,466
31	Other U.S. government liabilities <sup>9</sup> .....	18,682	5,342	.....	.....	0	5,342	24,024
32	U.S. liabilities reported by U.S. banks, not included elsewhere.....	297,012	108,695	.....	.....	0	108,695	405,707
33	Other foreign official assets.....	342,822	66,691	11,167	.....	-16,212	61,646	404,468
34	Other foreign assets.....	12,602,314	1,646,645	138,344	78,257	78,141	1,941,387	14,543,701
35	Direct investment at current cost.....	2,151,816	237,542	18,628	3,935	11,075	271,180	2,422,796
36	U.S. Treasury securities.....	567,885	156,825	22,362	.....	-12,296	166,891	734,776
37	U.S. securities other than U.S. Treasury securities.....	5,372,361	573,850	97,354	52,974	35,899	760,077	6,132,438
38	Corporate and other bonds.....	2,824,879	391,440	-5,867	52,974	35,899	474,446	3,299,325
39	Corporate stocks.....	2,547,482	182,410	103,221	.....	0	285,631	2,833,113
40	U.S. currency.....	282,627	-10,675	.....	.....	0	-10,675	271,952
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	797,495	156,290	.....	6,895	-1,136	162,049	959,544
42	U.S. liabilities reported by U.S. banks, not included elsewhere.....	3,430,330	532,813	.....	14,453	44,599	591,865	4,022,195
	<b>Memoranda:</b>							
43	Direct investment abroad at market value.....	4,454,635	333,271	108,353	267,198	-15,505	693,317	5,147,952
44	Direct investment in the United States at market value.....	3,293,739	237,542	6,264	.....	-13,945	229,861	3,523,600

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<sup>a</sup> Less than \$500,000 (+/-)

..... Not applicable

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

2. Includes changes in coverage due to year-to-year changes in the composition of reporting panels, primarily for bank and nonbank estimates, and to the incorporation of survey results. Also includes capital gains and losses of direct investment affiliates and changes in positions that cannot be allocated to financial flows, price changes, or exchange-rate changes.

3. Financial flows and valuation adjustments for financial derivatives are available only on a net basis, which is shown on line 2; they are not separately available for gross positive fair values and gross negative fair values of financial derivatives. Consequently, columns (a) through (d) on lines 4, 5, and 24, 25 are not available.

4. Data are not separately available for the three types of valuation adjustments; therefore, the sum of all three types is shown in column (d). Price changes result from changes in the value of derivatives contracts due to changes in the value

of their underlying assets or reference rates, which may arise from movements in interest rates, stock prices, commodity prices, or other variables. Exchange-rate changes result from the revaluation of foreign-currency-denominated derivatives contracts at current exchange rates. "Other changes" can result when data on investment positions that had accumulated in prior periods are covered by a new or more complete survey.

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

6. 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.

7. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

8. 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.

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

Table G.2. U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 2004-2007

[Millions of dollars]

	Direct investment position on a historical-cost basis				Capital outflows without current-cost adjustment (inflows(-))				Income without current-cost adjustment <sup>1</sup>			
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
<b>All countries, all industries .....</b>	<b>2,160,844</b>	<b>2,241,656</b>	<b>2,454,674</b>	<b>2,791,269</b>	<b>294,905</b>	<b>15,369</b>	<b>221,664</b>	<b>313,787</b>	<b>228,165</b>	<b>271,877</b>	<b>308,963</b>	<b>348,791</b>
<b>By country of foreign affiliate</b>												
Canada .....	214,931	231,836	230,045	257,058	24,005	13,556	8,135	22,772	22,835	20,712	23,226	21,685
Europe .....	1,180,130	1,210,679	1,341,116	1,551,165	137,319	-29,035	131,430	197,254	114,349	136,038	156,299	176,881
<i>Of which:</i>												
France .....	63,359	60,526	62,003	68,454	6,988	-1,156	5,249	4,730	5,172	4,475	6,577	6,414
Germany .....	79,467	100,473	96,243	107,351	9,073	7,978	5,361	8,291	6,488	6,875	8,405	9,944
Ireland .....	72,907	55,173	71,065	87,023	8,781	-15,041	17,587	14,572	14,227	17,082	17,757	19,386
Netherlands .....	219,384	240,205	280,514	370,160	31,455	-19,284	40,832	73,324	30,132	33,888	38,360	41,770
Switzerland .....	121,790	100,692	115,216	127,709	12,235	-8,545	11,234	11,916	14,494	15,341	13,435	16,950
United Kingdom .....	330,416	351,513	375,348	398,836	42,359	6,269	15,252	31,181	16,258	22,836	27,176	29,635
Latin America and Other Western Hemisphere .....	351,709	379,582	427,397	471,953	32,418	74	40,638	33,718	38,419	48,049	57,752	66,689
<i>Of which:</i>												
Bermuda .....	100,856	113,222	134,613	148,633	4,365	-1,000	18,899	6,961	10,086	11,547	14,482	16,785
Brazil .....	29,485	30,882	33,090	41,552	2,644	1,400	61	4,114	2,624	3,554	5,666	8,324
Mexico .....	63,384	73,687	83,219	91,663	8,435	9,596	8,777	8,815	7,102	8,634	9,363	11,370
United Kingdom Islands, Caribbean .....	82,159	83,164	90,060	90,803	10,131	-12,586	236	-961	7,322	9,239	10,264	11,439
Africa .....	20,356	22,756	25,074	27,764	1,611	2,564	2,873	2,003	4,256	5,282	6,040	6,030
Middle East .....	18,963	21,115	25,540	29,370	2,538	3,785	6,184	3,683	4,253	5,110	6,213	7,437
Asia and Pacific .....	374,754	375,689	405,502	453,959	97,013	24,426	32,405	54,357	44,053	56,688	59,433	70,071
<i>Of which:</i>												
Australia .....	(D)	75,669	68,484	79,027	(D)	(D)	-79	9,296	5,227	6,269	7,355	7,905
Hong Kong .....	32,735	36,415	41,019	47,431	(D)	4,688	4,133	5,392	4,822	5,056	6,049	8,502
Japan .....	71,005	81,175	92,383	101,607	12,787	5,940	10,115	15,586	9,527	10,803	8,715	8,313
Singapore .....	61,076	76,390	78,436	82,623	(D)	3,206	2,772	6,141	8,619	15,809	14,738	18,315
<b>By industry of foreign affiliate</b>												
Mining .....	102,495	109,280	129,625	147,319	18,185	12,015	19,547	16,335	17,789	24,559	31,073	31,585
Manufacturing .....	416,643	430,737	466,688	531,315	63,429	28,121	46,719	55,249	46,486	46,896	55,465	65,127
Food .....	28,220	27,638	30,202	33,766	867	1,171	2,623	1,142	3,906	3,558	4,024	4,210
Chemicals .....	101,794	106,975	108,567	117,963	13,397	3,911	9,846	10,527	12,083	13,056	14,561	16,580
Primary and fabricated metals .....	24,917	23,013	25,372	28,685	3,240	-703	4,235	2,668	2,351	1,815	2,481	3,203
Machinery .....	21,613	26,433	32,248	37,063	3,771	2,077	3,644	4,260	2,214	2,253	3,182	5,334
Computers and electronic products .....	53,084	50,773	58,800	69,912	10,890	3,607	13,256	7,415	6,791	7,714	10,003	9,926
Electrical equipment, appliances, and components .....	13,905	15,449	17,172	18,429	664	1,662	1,709	1,836	1,231	1,703	1,791	1,516
Transportation equipment .....	53,156	50,739	52,888	65,053	2,269	-250	1,201	11,768	4,230	1,936	3,911	5,370
Other manufacturing .....	119,955	129,716	141,438	160,444	28,332	16,645	10,204	15,634	13,679	14,862	15,514	18,989
Wholesale trade .....	122,719	132,915	158,090	183,038	19,002	12,517	20,124	26,385	23,389	24,494	28,108	30,238
Information .....	56,698	102,848	93,355	111,866	-357	2,831	-4,773	19,120	9,261	10,832	10,728	13,376
Depository institutions (banking) .....	61,948	66,707	70,205	91,768	-2,329	-4,751	-3,395	17,755	1,301	164	-509	420
Finance (except depository institutions) and insurance .....	435,256	463,981	497,266	531,933	51,201	13,079	23,295	35,324	27,477	27,911	32,520	40,137
Professional, scientific, and technical services .....	53,964	57,164	69,118	63,791	12,380	-2,055	10,167	10,256	6,805	9,272	10,191	8,367
Holding companies (nonbank) .....	760,656	710,386	794,586	927,578	117,214	-66,351	96,794	115,260	79,844	109,566	122,785	136,875
Other industries .....	150,466	167,640	175,741	202,661	16,180	19,964	13,187	18,103	15,813	18,184	18,601	22,666

D Suppressed to avoid disclosure of data of individual companies.

1. For 2004 and 2005, income without current-cost adjustment is presented net, or after the deduction, of U.S. and foreign withholding taxes. For 2006 and 2007, it is presented gross, or before the deduction, of U.S. and

foreign withholding taxes.

NOTE: The data in this table are from tables 15 and 16 in "U.S. Direct Investment Abroad Tables" in the September 2008 SURVEY OF CURRENT BUSINESS.

Table G.3. Selected Financial and Operating Data of Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2006

	All nonbank foreign affiliates						Majority-owned nonbank foreign affiliates						
	Millions of dollars					Thousands of employees	Millions of dollars					Thousands of employees	
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates		Total assets	Sales	Net income	Value added	U.S. exports of goods shipped to affiliates		U.S. imports of goods shipped by affiliates
<b>All countries, all industries</b> .....	<b>11,539,657</b>	<b>4,731,350</b>	<b>705,766</b>	<b>234,558</b>	<b>302,173</b>	<b>10,935.4</b>	<b>10,756,346</b>	<b>4,123,547</b>	<b>644,290</b>	<b>995,638</b>	<b>226,261</b>	<b>280,348</b>	<b>9,497.8</b>
<b>By country of affiliate</b>													
Canada .....	804,274	518,822	50,410	74,286	(D)	1,100.0	784,732	499,579	48,933	114,247	72,776	96,656	1,081.9
Europe .....	7,180,683	2,381,964	388,077	55,653	64,008	4,502.4	6,819,419	2,140,026	363,746	540,683	54,066	62,927	4,082.6
<i>Of which:</i>													
France .....	293,556	198,406	9,566	(D)	5,220	651.3	275,992	186,270	8,260	50,013	4,544	5,056	590.5
Germany .....	504,223	327,394	17,364	7,047	5,965	649.2	456,294	286,134	14,382	85,285	7,004	5,801	592.1
Netherlands .....	996,367	227,673	89,751	(D)	(D)	225.9	953,604	166,379	86,361	26,610	8,190	4,520	213.0
United Kingdom .....	2,832,181	584,486	52,822	13,655	(D)	1,299.2	2,778,740	555,092	50,002	154,818	13,583	11,855	1,191.3
Latin America and Other Western Hemisphere	1,580,460	554,644	127,735	51,050	66,028	2,205.0	1,421,498	476,244	115,665	105,370	48,725	61,365	1,847.8
<i>Of which:</i>													
Brazil .....	122,118	112,657	6,059	4,162	(D)	452.2	110,822	106,130	5,420	24,900	3,929	2,494	429.5
Mexico .....	175,810	181,710	11,377	38,367	48,127	1,091.7	144,342	148,406	8,639	28,353	36,468	45,254	889.8
Africa .....	135,947	83,185	16,712	1,518	(D)	186.8	127,916	77,908	15,700	38,569	1,405	3,723	158.5
Middle East .....	127,153	81,485	17,697	1,071	2,555	103.1	71,845	32,907	6,902	13,450	824	2,139	68.2
Asia and Pacific .....	1,711,140	1,111,249	105,135	50,981	61,703	2,838.1	1,530,935	896,883	93,344	183,319	48,465	53,538	2,258.9
<i>Of which:</i>													
Australia .....	217,737	119,538	15,059	4,718	2,283	312.2	205,166	99,106	14,338	39,040	4,659	2,281	277.2
China .....	93,101	111,869	9,785	(D)	5,789	696.3	82,712	93,570	8,515	18,413	3,402	5,241	588.7
India .....	31,566	24,022	1,787	590	(D)	238.0	25,438	20,364	1,510	5,294	565	436	210.6
Japan .....	618,763	296,800	14,187	12,095	7,548	590.6	540,648	188,014	10,181	39,380	11,372	1,450	278.0
<b>By industry of affiliate</b>													
Mining .....	518,141	243,164	60,717	1,722	17,973	191.3	438,168	198,321	48,779	129,703	1,716	16,399	167.7
Utilities .....	100,685	(D)	(D)	(D)	(D)	50.2	79,771	45,247	1,914	11,168	(D)	(D)	46.1
Manufacturing .....	1,851,232	2,167,695	135,406	155,023	230,544	5,203.8	1,603,501	1,865,257	112,900	455,497	148,440	210,508	4,536.3
<i>Of which:</i>													
Food .....	122,497	144,181	8,661	4,220	5,412	456.1	112,218	131,344	7,848	28,294	4,038	5,254	402.7
Chemicals .....	460,276	392,385	37,078	23,874	19,397	655.6	410,440	352,792	30,464	86,228	23,180	17,393	579.9
Primary and fabricated metals .....	83,141	71,544	5,485	3,981	6,142	246.5	79,723	67,302	5,328	18,881	3,931	6,056	237.7
Machinery .....	114,078	125,258	8,288	9,607	13,575	429.4	100,386	106,814	7,481	27,744	9,046	12,088	369.5
Computers and electronic products .....	227,455	292,726	20,280	26,087	44,423	725.9	212,567	286,162	20,182	47,276	25,934	43,832	691.6
Electrical equipment, appliances, and components .....	54,711	49,084	2,365	3,238	(D)	289.9	50,460	43,656	2,203	12,115	3,219	5,707	249.7
Transportation equipment .....	281,014	450,796	6,396	62,704	(D)	1,049.5	251,565	393,166	4,084	62,687	59,829	83,960	953.4
Wholesale trade .....	642,208	1,072,348	50,330	63,116	49,346	792.7	619,652	1,039,785	48,672	142,512	61,903	49,138	763.0
Information .....	329,031	213,634	21,561	(D)	155	454.3	208,416	132,558	9,606	40,607	541	155	331.2
Finance (except depository institutions) and insurance .....	4,334,378	328,316	62,971	(D)	28	337.6	4,239,579	304,205	60,135	38,043	(D)	(D)	292.6
Professional, scientific, and technical services .....	232,093	141,356	18,194	3,957	(D)	603.6	228,874	138,004	18,137	57,745	3,952	28	585.5
Other industries .....	3,531,889	(D)	(D)	10,057	(D)	3,301.8	3,338,384	400,170	344,147	120,364	(D)	(D)	2,775.5

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from "U.S. Multinational Companies: Operations in 2006" in this 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, 2004-2007

[Millions of dollars]

	Direct investment position on a historical-cost basis				Capital inflows without current-cost adjustment (outflows (-))				Income without current-cost adjustment <sup>1</sup>			
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
<b>All countries, all industries</b> .....	<b>1,520,316</b>	<b>1,634,121</b>	<b>1,843,885</b>	<b>2,093,049</b>	<b>135,826</b>	<b>104,773</b>	<b>236,701</b>	<b>232,839</b>	<b>87,890</b>	<b>110,324</b>	<b>139,137</b>	<b>129,711</b>
<b>By country of foreign parent</b>												
Canada .....	125,276	165,667	175,198	213,224	33,164	14,868	18,079	36,927	6,607	6,075	15,211	13,506
Europe .....	1,078,782	1,154,048	1,324,355	1,482,978	80,730	77,896	181,384	144,853	61,377	80,684	91,278	82,019
<i>Of which:</i>												
France .....	137,927	114,260	147,046	168,576	10,706	10,053	26,951	21,764	8,401	11,218	11,925	11,559
Germany .....	164,921	177,176	204,708	202,648	7,079	12,101	40,419	-5,316	7,557	6,053	11,058	5,779
Luxembourg .....	116,479	79,680	103,944	134,310	7,301	4,235	23,558	42,091	1,188	2,462	3,318	4,587
Netherlands .....	159,601	156,602	173,265	209,449	8,191	-1,871	23,102	24,659	12,553	15,743	21,467	19,763
Switzerland .....	122,165	133,387	134,193	155,696	12,571	6,551	1,453	-2,279	7,023	4,462	3,689	8,409
United Kingdom .....	267,209	371,350	406,337	410,787	28,137	36,132	33,194	13,034	18,641	33,274	27,764	18,848
Latin America and Other Western Hemisphere .....	76,268	57,175	62,685	62,955	-2,945	-3,169	9,844	-575	2,988	4,359	6,470	6,672
<i>Of which:</i>												
Bermuda .....	6,626	2,147	8,367	-519	-597	-5,380	6,517	-10,077	-373	-41	409	547
Mexico .....	7,592	3,595	5,332	5,954	-629	-19	1,886	63	17	(D)	730	833
Panama .....	10,408	10,983	12,182	12,903	1,403	895	1,659	1,281	(D)	1,173	1,815	1,274
United Kingdom Islands, Caribbean .....	21,702	23,063	24,790	32,807	-3,936	-42	2,355	7,559	197	958	1,404	1,589
Venezuela .....	5,009	5,292	5,391	6,059	624	308	-1,350	-40	(D)	(D)	818	(D)
Africa .....	1,859	2,341	1,814	1,124	-605	323	250	-675	177	204	207	25
Middle East .....	7,899	8,306	9,342	12,937	713	1,799	2,308	3,149	488	592	1,232	563
Asia and Pacific .....	230,231	246,585	270,490	319,832	24,769	13,056	24,837	49,161	16,253	18,410	24,739	26,926
<i>Of which:</i>												
Australia .....	40,107	36,392	39,730	49,100	3,099	-5,253	2,825	9,274	2,446	3,919	5,900	7,447
Japan .....	174,490	189,851	204,833	233,148	17,489	14,200	15,668	28,775	12,774	12,715	17,351	17,175
<b>By industry of U.S. affiliate</b>												
Manufacturing .....	475,214	499,851	581,101	709,545	21,005	55,530	93,911	108,113	34,375	46,215	54,349	60,890
Food .....	17,774	45,217	49,159	25,891	2,193	2,953	5,300	1,605	677	3,370	4,008	2,658
Chemicals .....	140,338	123,784	148,595	217,662	11,874	16,678	31,200	38,939	9,067	13,798	15,366	25,879
Primary and fabricated metals .....	20,351	27,164	34,543	48,475	1,976	7,809	8,599	12,348	2,780	3,532	5,260	4,539
Machinery .....	44,802	46,433	40,472	76,439	492	7,325	9,579	18,658	1,110	2,162	1,815	2,398
Computers and electronic products .....	29,186	31,298	44,430	69,476	-2,689	8,009	15,735	12,994	160	2,260	2,443	2,901
Electrical equipment, appliances, and components .....	10,668	11,037	26,428	21,530	22	819	4,029	7,045	610	956	1,959	1,363
Transportation equipment .....	67,975	74,485	69,289	65,325	2,904	6,271	-3,462	-65	4,786	4,209	3,594	1,775
Other manufacturing .....	144,121	140,434	168,184	184,747	4,233	5,665	22,931	16,588	15,184	15,928	19,905	19,377
Wholesale trade .....	218,443	235,508	256,873	278,353	26,613	19,905	20,443	28,314	24,517	26,188	26,214	23,773
Retail trade .....	26,554	30,934	32,421	41,591	579	53	3,017	-30	2,043	1,381	2,534	2,889
Information .....	144,982	102,584	135,119	146,428	15,487	-11,929	27,930	12,224	4,608	2,781	6,103	7,664
Depository institutions (banking) .....	122,674	130,184	147,992	141,033	17,902	9,355	15,295	-9,913	4,698	4,374	8,243	-6,351
Finance (except depository institutions) and insurance .....	199,417	214,623	258,657	263,993	31,602	3,925	37,761	5,197	6,249	4,281	7,464	12,762
Real estate and rental and leasing .....	36,987	37,341	44,122	55,277	2,580	1,119	3,204	11,165	1,879	2,444	3,024	2,134
Professional, scientific, and technical services .....	44,207	51,546	54,432	62,956	5,850	7,757	6,469	7,650	1,223	1,291	2,600	2,731
Other industries .....	251,836	331,549	333,168	393,873	14,208	19,057	28,672	70,118	8,298	21,369	28,607	23,220

D Suppressed to avoid disclosure of data of individual companies.

1. For 2004 and 2005, income without current-cost adjustment is presented net, or after the deduction, of U.S. and foreign withholding taxes. For 2006 and 2007, income is presented gross, or before the deduction, of U.S.

and foreign withholding taxes.

NOTE. The data in this table are from tables 15 and 16 in "Foreign Direct Investment in the United States Tables" in the September 2008 SURVEY OF CURRENT BUSINESS.



**Table G.5. Selected Financial and Operating Data of Nonbank U.S. Affiliates of Foreign Companies by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 2006**

	All nonbank affiliates						Majority-owned nonbank affiliates						
	Millions of dollars			Thousands of employees	Millions of dollars		Millions of dollars				Thousands of employees	Millions of dollars	
	Total assets	Sales	Net income		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped by affiliates	Total assets	Sales	Net income	Value added		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped by affiliates
<b>All countries, all industries</b> .....	<b>7,908,487</b>	<b>3,083,440</b>	<b>176,329</b>	<b>5,800.6</b>	<b>204,880</b>	<b>493,835</b>	<b>6,807,654</b>	<b>2,795,143</b>	<b>134,257</b>	<b>614,685</b>	<b>5,330.5</b>	<b>195,292</b>	<b>482,363</b>
<b>By country of ultimate beneficial owner</b>													
Canada .....	654,057	209,462	15,925	519.4	9,249	19,398	610,167	196,051	13,844	56,738	457.4	9,052	19,242
Europe .....	5,281,330	1,809,158	107,395	3,787.3	112,565	203,944	5,053,338	1,686,212	87,276	392,437	3,590.6	107,843	201,406
<i>Of which:</i>													
France .....	815,169	235,721	23,886	527.2	13,166	19,487	776,525	206,940	18,772	58,937	496.6	12,439	18,736
Germany .....	675,495	380,546	9,139	684.0	(D)	68,587	667,703	371,499	8,529	67,918	664.4	42,869	68,306
Netherlands .....	767,542	335,107	18,631	472.3	(D)	33,500	724,446	314,751	14,568	45,784	445.2	14,586	33,440
Sweden .....	31,687	(D)	(D)	180.1	5,112	7,582	31,486	43,329	1,220	11,206	179.4	5,110	7,582
Switzerland .....	1,427,268	184,227	7,765	438.7	(D)	16,719	1,404,231	176,844	7,715	50,113	416.1	6,949	16,575
United Kingdom .....	1,282,694	455,815	40,552	995.5	(D)	(D)	1,174,039	403,060	30,443	120,265	908.8	16,395	34,344
Latin America and Other Western Hemisphere .....	(D)	207,073	9,750	418.6	(D)	(D)	319,028	189,396	8,972	50,030	358.3	13,265	(D)
<i>Of which:</i>													
Bermuda .....	(D)	74,798	4,056	M	(D)	(D)	195,986	73,219	3,968	25,438	193.8	(D)	4,542
Mexico .....	(D)	33,046	438	M	(D)	4,679	18,657	24,881	390	5,914	58.8	970	4,575
United Kingdom Islands-Caribbean .....	(D)	(D)	(D)	29.4	163	1,762	73,248	16,062	1,059	4,484	28.8	163	(D)
Venezuela .....	(D)	(D)	(D)	5.1	(D)	(D)	(D)	(D)	(D)	(D)	H	(D)	(D)
Africa .....	(D)	(D)	(D)	8.5	501	681	4,494	7,488	153	1,086	8.5	501	681
Middle East .....	65,992	68,611	3,282	80.1	747	(D)	62,058	66,124	2,893	12,729	72.7	744	(D)
Asia and Pacific .....	775,996	678,747	23,345	863.7	65,693	210,568	726,656	625,274	19,708	93,625	788.1	61,292	203,783
<i>Of which:</i>													
Australia .....	101,296	32,634	5,526	62.0	1,088	(D)	94,484	28,259	5,310	7,992	59.1	994	1,755
Japan .....	612,110	544,994	16,329	691.4	53,115	164,881	580,259	504,876	13,261	75,800	631.0	49,789	159,412
Korea, Republic of .....	22,652	(D)	(D)	19.7	(D)	(D)	22,052	50,961	471	2,785	18.7	8,791	34,810
United States .....	768,528	(D)	(D)	122.9	(D)	4,489	31,914	24,597	1,411	8,041	54.9	2,595	4,477
<b>By industry of U.S. affiliate</b>													
Manufacturing .....	1,312,819	1,183,649	50,798	2,166.0	116,512	182,721	1,224,595	1,100,669	44,217	266,893	2,057.8	108,554	173,867
<i>Of which:</i>													
Food .....	86,668	66,931	4,968	131.9	6,687	3,076	85,474	64,589	4,854	15,466	128.7	6,634	3,068
Chemicals .....	292,115	230,049	13,439	312.6	22,829	34,577	266,995	212,418	11,028	58,953	287.8	19,481	33,617
Primary and fabricated metals .....	75,879	90,080	5,954	166.7	5,939	8,008	68,842	77,981	5,050	19,298	157.4	5,469	7,216
Machinery .....	80,439	56,597	2,217	142.8	8,039	9,044	79,033	53,512	2,123	13,667	138.8	7,932	8,018
Computers and electronic products .....	94,651	68,781	1,048	176.5	11,316	14,242	(D)	63,940	1,062	20,198	168.7	(D)	(D)
Electrical equipment, appliances, and components .....	51,490	49,245	1,095	147.0	6,352	6,169	51,361	49,111	1,104	13,563	146.5	6,339	6,148
Transportation equipment .....	278,926	258,875	2,418	434.7	36,412	61,919	274,463	246,663	2,173	37,461	420.3	36,033	59,277
Wholesale trade .....	570,518	884,850	31,282	632.3	79,080	297,638	562,140	863,364	28,790	106,868	618.7	78,029	295,190
Retail trade .....	75,062	157,497	1,566	632.5	578	(D)	69,449	146,128	1,301	31,822	564.0	578	5,711
Information .....	380,311	145,393	14,572	333.7	1,307	(D)	207,114	81,894	3,888	33,360	223.5	972	235
<i>Of which:</i>													
Publishing industries .....	(D)	35,861	2,628	122.5	(D)	185	67,757	31,239	1,884	14,657	106.6	455	185
Telecommunications .....	(D)	(D)	(D)	M	(D)	(D)	82,003	26,966	1,359	8,300	47.2	4	5
Finance (except depository institutions) and insurance .....	4,716,284	(D)	(D)	285.6	(D)	(D)	3,957,790	257,764	18,155	40,914	215.1	(D)	(D)
Real estate and rental and leasing .....	134,536	38,108	7,582	47.6	(D)	541	115,945	34,883	6,459	15,955	46.0	(D)	541
Professional, scientific, and technical services .....	108,739	65,803	708	219.2	(D)	(D)	101,387	61,360	722	22,531	202.4	(D)	(D)
Other industries .....	610,218	(D)	(D)	1,483.8	6,626	6,554	569,234	249,082	30,724	96,342	1,402.9	6,382	6,547

D Suppressed to avoid disclosure of data of individual companies.

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 2006" in the August 2008 SURVEY OF CURRENT BUSINESS.

The following ranges are given in employment cells that are suppressed: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

H. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY

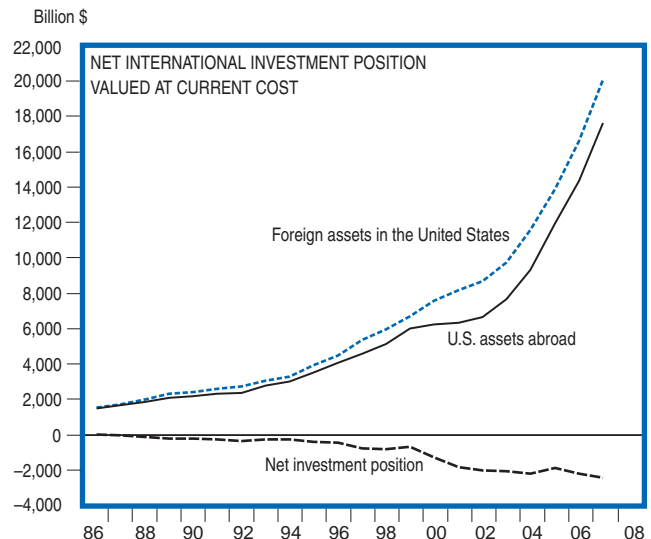
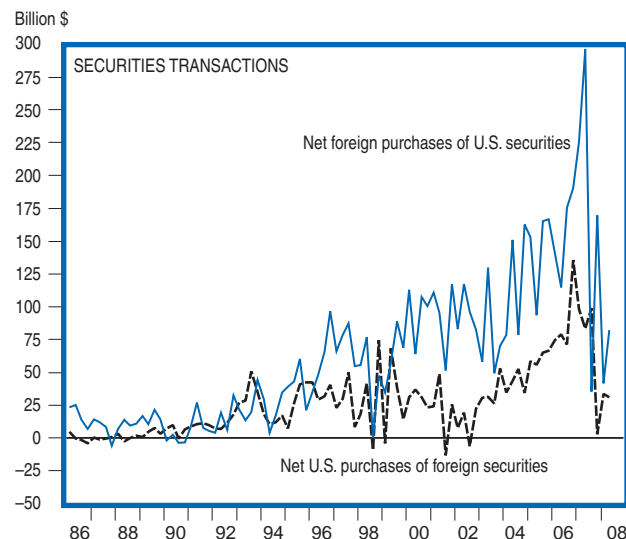
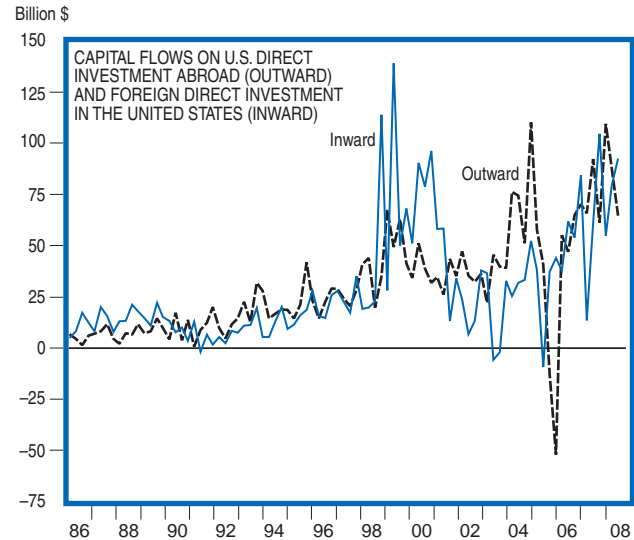
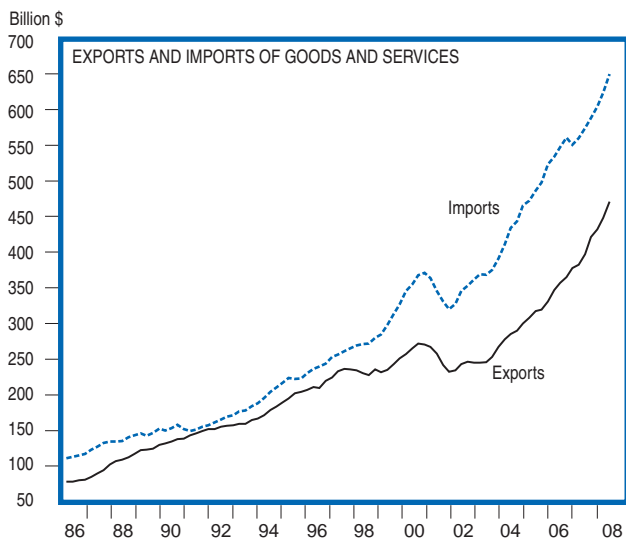
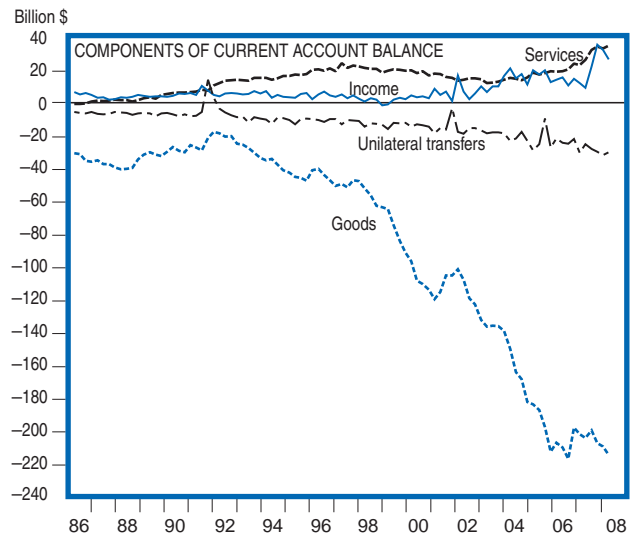
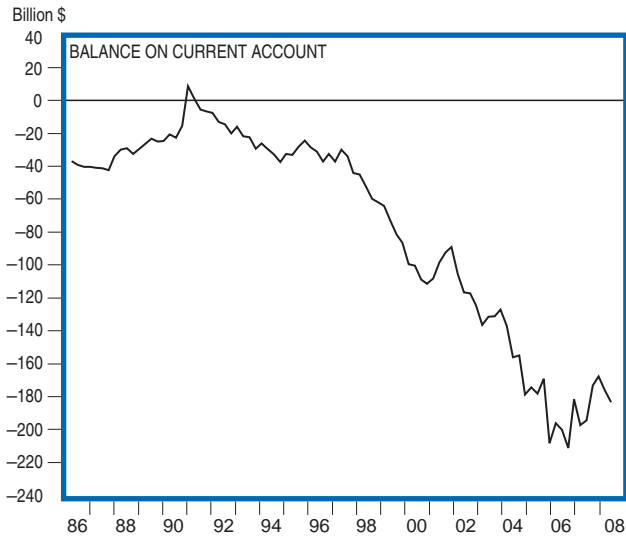


















Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2005-2007—Continues

Area	Personal income					Per capita personal income <sup>1</sup>					
	Millions of dollars			Percent change from preceding period <sup>2</sup>		Dollars			Rank in United States	Percent change from preceding period	
	2005	2006	2007 <sup>P</sup>	2006	2007 <sup>P</sup>	2005	2006	2007 <sup>P</sup>	2007 <sup>P</sup>	2006	2007 <sup>P</sup>
Palm Bay-Melbourne-Titusville, FL .....	17,023	18,130	18,854	6.5	4.0	32,314	34,081	35,164	133	5.5	3.2
Palm Coast, FL .....	2,148	2,391	2,552	11.3	6.7	28,474	29,001	28,866	305	1.9	-0.5
Panama City-Lynn Haven, FL .....	4,909	5,267	5,459	7.3	3.6	30,378	32,081	33,290	181	5.6	3.8
Parkersburg-Marietta-Vienna, WV-OH .....	4,309	4,555	4,770	5.7	4.7	26,643	28,285	29,691	279	6.2	5.0
Pascagoula, MS .....	3,919	4,214	5,016	7.5	19.0	25,248	28,156	32,992	191	11.5	17.2
Pensacola-Ferry Pass-Brent, FL .....	12,580	13,482	14,079	7.2	4.4	28,267	29,880	31,048	240	5.7	3.9
Peoria, IL .....	12,319	13,237	14,032	7.5	6.0	33,540	35,887	37,801	85	7.0	5.3
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD .....	237,201	251,979	264,937	6.2	5.1	40,948	43,364	45,460	26	5.9	4.8
Phoenix-Mesa-Scottsdale, AZ .....	126,848	138,465	146,322	9.2	5.7	32,660	34,215	35,010	140	4.8	2.3
Pine Bluff, AR .....	2,433	2,554	2,686	5.0	5.2	23,456	24,838	26,469	345	5.9	6.6
Pittsburgh, PA .....	85,876	91,101	96,463	6.1	5.9	36,159	38,550	40,949	50	6.6	6.2
Pittsfield, MA .....	4,797	5,049	5,308	5.3	5.1	36,514	38,774	40,898	52	5.9	5.5
Pocatello, ID .....	2,100	2,221	2,355	5.8	6.0	24,358	25,490	26,881	339	4.6	5.5
Portland-South Portland-Biddeford, ME .....	18,124	18,938	19,954	4.5	5.4	35,425	37,000	38,889	74	4.4	5.1
Portland-Vancouver-Beaverton, OR-WA .....	73,087	78,618	83,765	7.6	6.5	34,921	36,845	38,511	78	5.5	4.5
Port St. Lucie, FL .....	13,580	14,744	15,945	8.6	8.1	36,086	37,937	39,850	58	5.1	5.0
Poughkeepsie-Newburgh-Middletown, NY .....	22,649	24,096	25,538	6.4	6.0	34,164	36,164	38,121	80	5.9	5.4
Prescott, AZ .....	5,033	5,538	5,933	10.0	7.1	25,460	26,786	27,900	324	5.2	4.2
Providence-New Bedford-Fall River, RI-MA .....	57,029	59,425	62,221	4.2	4.7	35,412	37,040	38,868	75	4.6	4.9
Provo-Orem, UT .....	9,801	10,669	11,701	8.9	9.7	21,127	22,187	23,720	359	5.0	6.9
Pueblo, CO .....	3,816	4,009	4,290	5.1	7.0	25,438	26,363	27,760	326	3.6	5.3
Punta Gorda, FL .....	4,736	5,129	5,372	8.3	4.7	30,886	33,510	35,151	134	8.5	4.9
Racine, WI .....	6,475	6,853	7,193	5.8	5.0	33,404	35,209	36,869	106	5.4	4.7
Raleigh-Cary, NC .....	34,010	37,242	40,488	9.5	8.7	35,585	37,221	38,648	76	4.6	3.8
Rapid City, SD .....	3,814	3,990	4,221	4.6	5.8	32,287	33,498	35,091	139	3.8	4.8
Reading, PA .....	12,449	13,331	14,125	7.1	6.0	31,617	33,432	35,140	136	5.7	5.1
Redding, CA .....	5,155	5,491	5,846	6.5	6.5	29,010	30,762	32,582	201	6.0	5.9
Reno-Sparks, NV .....	16,669	17,834	19,174	7.0	7.5	42,219	44,337	46,734	19	5.0	5.4
Richmond, VA .....	43,550	45,699	48,243	4.9	5.6	37,082	38,233	39,773	60	3.1	4.0
Riverside-San Bernardino-Ontario, CA .....	104,067	111,596	117,297	7.2	5.1	26,818	27,936	28,740	310	4.2	2.9
Roanoke, VA .....	9,437	9,921	10,368	5.1	4.5	32,308	33,693	34,963	142	4.3	3.8
Rochester, MN .....	6,504	6,858	7,265	5.4	5.9	36,886	38,341	40,118	56	3.9	4.6
Rochester, NY .....	35,424	37,300	39,229	5.3	5.2	34,294	36,179	38,068	81	5.5	5.2
Rockford, IL .....	9,618	10,189	10,747	5.9	5.5	28,311	29,502	30,507	260	4.2	3.4
Rocky Mount, NC .....	3,886	4,058	4,266	4.4	5.1	27,004	28,071	29,299	293	4.0	4.4
Rome, GA .....	2,705	2,827	2,941	4.5	4.0	28,705	29,730	30,754	290	3.6	3.4
Sacramento-Arden-Arcade-Roseville, CA .....	71,974	76,481	80,654	6.3	5.5	35,318	37,078	38,570	77	5.0	4.0
Saginaw-Saginaw Township North, MI .....	5,630	5,851	5,927	3.9	1.3	27,246	28,550	29,304	292	4.8	2.6
St. Cloud, MN .....	5,215	5,476	5,798	5.0	5.9	28,741	29,864	31,248	235	3.9	4.6
St. George, UT .....	2,784	3,087	3,338	10.9	8.1	23,353	24,248	24,951	352	3.8	2.9
St. Joseph, MO-KS .....	3,208	3,426	3,665	6.8	7.0	26,345	28,032	29,719	278	6.4	6.0
St. Louis, MO-IL .....	99,882	105,191	111,032	5.3	5.6	35,991	37,652	39,602	61	4.6	5.2
Salem, OR .....	10,327	11,057	11,727	7.1	6.1	27,699	29,107	30,324	267	5.1	4.2
Salinas, CA .....	14,772	15,586	16,559	5.5	6.2	36,137	38,373	40,623	53	6.2	5.9
Salisbury, MD .....	3,250	3,399	3,591	4.6	5.6	28,016	28,737	30,020	274	2.6	4.5
Salt Lake City, UT .....	35,098	37,883	41,381	7.9	9.2	33,469	35,145	37,620	89	5.0	7.0
San Angelo, TX .....	3,045	3,195	3,349	4.9	4.8	28,519	29,680	30,983	244	4.1	4.4
San Antonio, TX .....	58,722	63,546	68,239	8.2	7.4	31,189	32,810	34,279	158	5.2	4.5
San Diego-Carlsbad-San Marcos, CA .....	118,793	126,194	133,369	6.2	5.7	40,383	42,801	44,832	30	6.0	4.7
Sandusky, OH .....	2,582	2,659	2,721	3.0	2.3	33,171	34,292	35,187	130	3.4	2.6
San Francisco-Oakland-Fremont, CA .....	224,702	240,484	257,854	7.0	7.2	54,191	57,747	61,337	3	6.6	6.2
San Jose-Sunnyvale-Santa Clara, CA .....	89,926	97,685	105,902	8.6	8.4	51,277	55,020	58,716	4	7.3	6.7
San Luis Obispo-Paso Robles, CA .....	8,768	9,334	9,942	6.5	6.5	33,959	35,872	37,884	83	5.6	5.6
Santa Barbara-Santa Maria-Goleta, CA .....	16,500	17,490	18,642	6.0	6.6	40,968	43,510	46,120	24	6.2	6.0
Santa Cruz-Watsonville, CA .....	10,519	11,322	12,065	7.6	6.6	42,017	45,194	47,923	16	7.6	6.0
Santa Fe, NM .....	5,516	5,977	6,466	8.4	8.2	39,522	42,363	45,230	27	7.2	6.8
Santa Rosa-Petaluma, CA .....	18,926	20,038	21,255	5.9	6.1	40,821	43,318	45,766	25	6.1	5.7
Savannah, GA .....	10,290	11,112	11,882	8.0	6.9	32,730	34,563	36,078	118	5.6	4.4
Scranton-Wilkes-Barre, PA .....	16,724	17,558	18,517	5.0	5.5	30,476	32,002	33,703	172	5.0	5.3
Seattle-Tacoma-Bellevue, WA .....	135,770	148,015	160,501	9.0	8.4	42,356	45,369	48,499	13	7.1	6.9
Sebastian-Vero Beach, FL .....	6,387	7,002	7,666	9.6	9.5	50,369	54,045	58,144	5	7.3	7.6
Sheboygan, WI .....	3,850	4,036	4,261	4.8	5.6	33,861	35,419	37,209	97	4.6	5.1
Sherman-Denison, TX .....	3,015	3,231	3,453	7.1	6.9	26,046	27,591	29,096	298	5.9	5.5
Shreveport-Bossier City, LA .....	11,659	12,367	12,984	6.1	5.0	30,543	31,941	33,500	175	4.6	4.9
Sioux City, IA-NE-SD .....	4,155	4,325	4,647	4.1	7.4	29,444	30,450	32,542	203	3.4	6.9
Sioux Falls, SD .....	7,578	7,983	8,508	5.3	6.6	35,276	36,017	37,453	91	2.1	4.0
South Bend-Mishawaka, IN-MI .....	10,027	10,459	10,903	4.3	4.2	31,741	33,082	34,432	153	4.2	4.1
Spartanburg, SC .....	7,221	7,628	8,100	5.6	6.2	27,179	28,261	29,396	289	4.0	4.0
Spokane, WA .....	12,573	13,541	14,469	7.7	6.9	28,544	30,266	31,718	224	6.0	4.8
Springfield, IL .....	6,787	7,075	7,485	4.3	5.8	33,083	34,365	36,229	114	3.9	5.4
Springfield, MA .....	22,210	23,103	24,314	4.0	5.2	32,475	33,815	35,617	125	4.1	5.3
Springfield, MO .....	11,165	11,710	12,423	4.9	6.1	27,860	28,518	29,577	282	2.4	3.7
Springfield, OH .....	3,988	4,161	4,280	4.3	2.9	28,157	29,463	30,471	263	4.6	3.4
State College, PA .....	4,069	4,313	4,549	6.0	5.5	28,696	29,910	31,445	232	4.2	5.1
Stockton, CA .....	17,257	18,125	19,286	5.0	6.4	26,239	27,272	28,743	309	3.9	5.4
Sumter, SC .....	2,603	2,732	2,836	4.9	3.8	24,831	26,242	27,283	332	5.7	4.0
Syracuse, NY .....	20,374	21,465	22,712	5.4	5.8	31,445	33,198	35,196	130	5.6	6.0

See the footnotes at the end of the table.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2005–2007—Table Ends

Area	Personal income					Per capita personal income <sup>1</sup>					
	Millions of dollars			Percent change from preceding period <sup>2</sup>		Dollars			Rank in United States	Percent change from preceding period	
	2005	2006	2007 <sup>p</sup>	2006	2007 <sup>p</sup>	2005	2006	2007 <sup>p</sup>	2007 <sup>p</sup>	2006	2007 <sup>p</sup>
Tallahassee, FL .....	10,209	10,840	11,463	6.2	5.7	29,834	31,180	32,536	204	4.5	4.3
Tampa-St. Petersburg-Clearwater, FL .....	89,013	95,750	100,507	7.6	5.0	33,678	35,541	36,898	104	5.5	3.8
Terre Haute, IN .....	4,323	4,524	4,774	4.6	5.5	25,518	26,695	28,193	321	4.6	5.6
Texarkana, TX-Texarkana, AR .....	3,601	3,836	4,128	6.5	7.6	27,202	28,650	30,756	249	5.3	7.4
Toledo, OH .....	20,184	21,021	21,940	4.1	4.4	30,811	32,209	33,704	171	4.5	4.6
Topeka, KS .....	6,903	7,212	7,700	4.5	6.8	30,375	31,679	33,670	173	4.3	6.3
Trenton-Ewing, NJ .....	16,631	18,177	19,145	9.3	5.3	45,740	49,847	52,388	10	9.0	5.1
Tucson, AZ .....	27,496	29,807	31,728	8.4	6.4	29,658	31,418	32,807	197	5.9	4.4
Tulsa, OK .....	31,043	34,131	36,436	9.9	6.8	35,180	38,219	40,227	55	8.6	5.3
Tuscaloosa, AL .....	5,782	6,214	6,577	7.5	5.8	29,143	30,660	32,051	219	5.2	4.5
Tyler, TX .....	6,070	6,539	6,982	7.7	6.8	31,892	33,569	35,140	136	5.3	4.7
Utica-Rome, NY .....	8,086	8,553	9,059	5.8	5.9	27,363	29,013	30,722	252	6.0	5.9
Valdosta, GA .....	3,102	3,258	3,460	5.0	6.2	24,581	25,381	26,582	343	3.3	4.7
Vallejo-Fairfield, CA .....	13,654	14,322	15,192	4.9	6.1	33,445	35,074	37,180	99	4.9	6.0
Victoria, TX .....	3,295	3,567	3,807	8.3	6.7	29,323	31,649	33,450	176	7.9	5.7
Vineland-Millville-Bridgeton, NJ .....	4,176	4,446	4,618	6.5	3.9	27,378	28,834	29,689	280	5.3	3.0
Virginia Beach-Norfolk-Newport News, VA-NC .....	54,862	57,899	60,862	5.5	5.1	33,259	34,858	36,692	108	4.8	5.3
Visalia-Porterville, CA .....	9,615	9,994	10,697	3.9	7.0	23,654	24,153	25,376	349	2.1	5.1
Waco, TX .....	6,081	6,411	6,840	5.4	6.7	27,091	28,340	29,984	275	4.6	5.8
Warner Robins, GA .....	3,590	3,781	3,971	5.3	5.0	28,507	29,525	30,308	268	3.6	2.7
Washington-Arlington-Alexandria, DC-VA-MD-WV .....	258,222	272,861	287,676	5.7	5.4	49,442	51,868	54,211	6	4.9	4.5
Waterloo-Cedar Falls, IA .....	4,958	5,214	5,527	5.2	6.0	30,514	31,949	33,839	168	4.7	5.9
Wausau, WI .....	4,109	4,317	4,564	5.1	5.7	32,148	33,444	35,121	138	4.0	5.0
Weirton-Staubenville, WV-OH .....	3,258	3,388	3,558	4.0	5.0	25,982	27,335	29,024	300	5.2	6.2
Wenatchee, WA .....	2,864	3,082	3,303	7.6	7.2	27,671	29,267	30,817	247	5.8	5.3
Wheeling, WV-OH .....	4,097	4,284	4,482	4.6	4.6	27,764	29,253	30,814	248	5.4	5.3
Wichita, KS .....	20,170	22,081	23,387	9.5	5.9	34,491	37,471	39,210	67	8.6	4.6
Wichita Falls, TX .....	4,461	4,880	5,152	9.4	5.6	29,760	32,653	34,779	145	9.7	6.5
Williamsport, PA .....	3,213	3,345	3,518	4.1	5.2	27,285	28,502	30,115	272	4.5	5.7
Wilmington, NC .....	9,380	10,178	10,969	8.5	7.8	29,620	30,918	32,309	209	4.4	4.5
Winchester, VA-WV .....	3,460	3,670	3,818	6.1	4.0	29,847	30,849	31,506	230	3.4	2.1
Winston-Salem, NC .....	14,599	15,613	16,519	6.9	5.8	32,680	34,311	35,666	123	5.0	3.9
Worcester, MA .....	28,498	30,206	32,096	6.0	6.3	36,666	38,748	41,077	49	5.7	6.0
Yakima, WA .....	5,753	6,120	6,455	6.4	5.5	25,141	26,510	27,697	328	5.4	4.5
York-Hanover, PA .....	13,162	13,708	14,458	4.2	5.5	32,377	33,071	34,339	154	2.1	3.8
Youngstown-Warren-Boardman, OH-PA .....	16,234	16,972	17,529	4.5	3.3	27,927	29,434	30,714	254	5.4	4.3
Yuba City, CA .....	4,004	4,234	4,499	5.7	6.3	25,827	26,391	27,412	330	2.2	3.9
Yuma, AZ .....	3,807	4,075	4,339	7.0	6.5	21,081	21,925	22,772	360	4.0	3.9

p Preliminary

1. Per capita personal income was computed using Census Bureau midyear population estimates.

2. Percent change calculated from unrounded data.

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

based definitions issued by the Office of Management and Budget in June 2003 (with revisions released February 2004, March 2005, December 2005, December 2006, and November 2007) for federal statistical purposes.

Source: Table 1 "Personal Income for Metropolitan Areas for 2007" in the September 2008 SURVEY OF CURRENT BUSINESS.





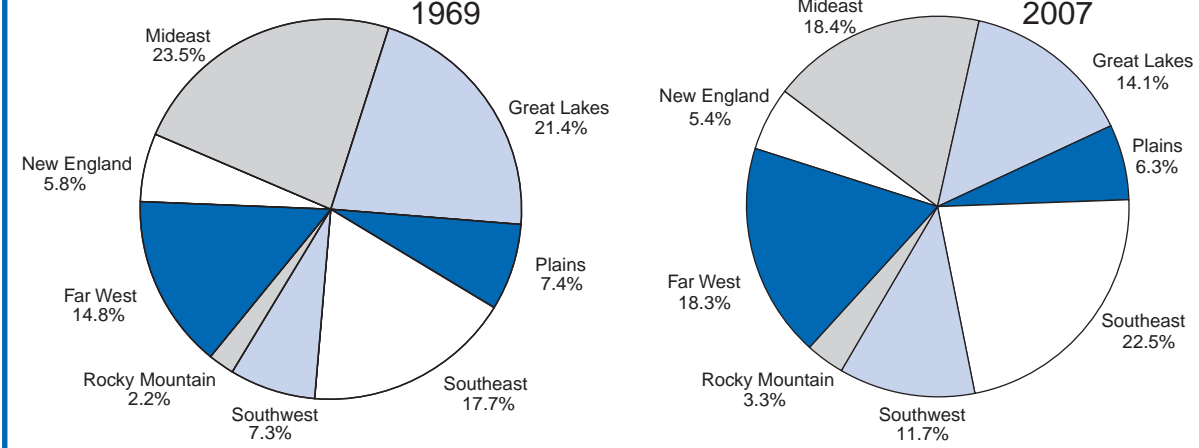




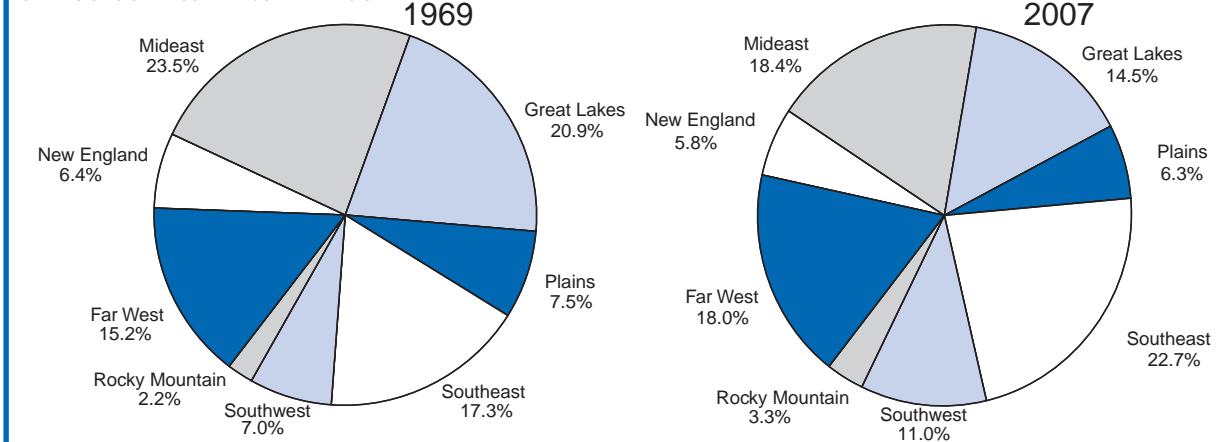
K. Charts

SELECTED REGIONAL ESTIMATES

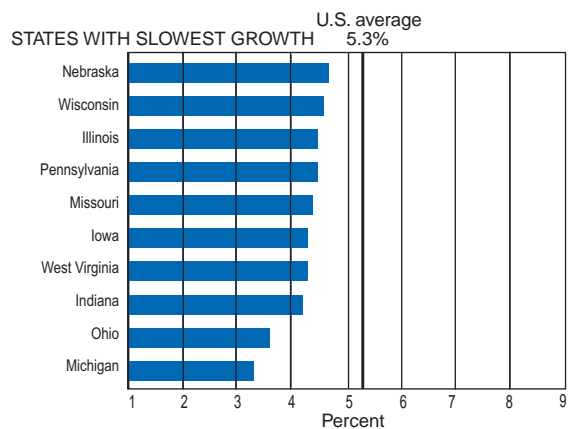
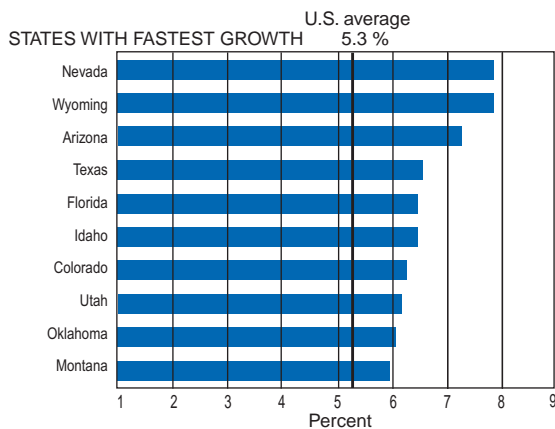
SHARES OF U.S. GROSS DOMESTIC PRODUCT BY STATE BY REGION



SHARES OF U.S. PERSONAL INCOME BY REGION



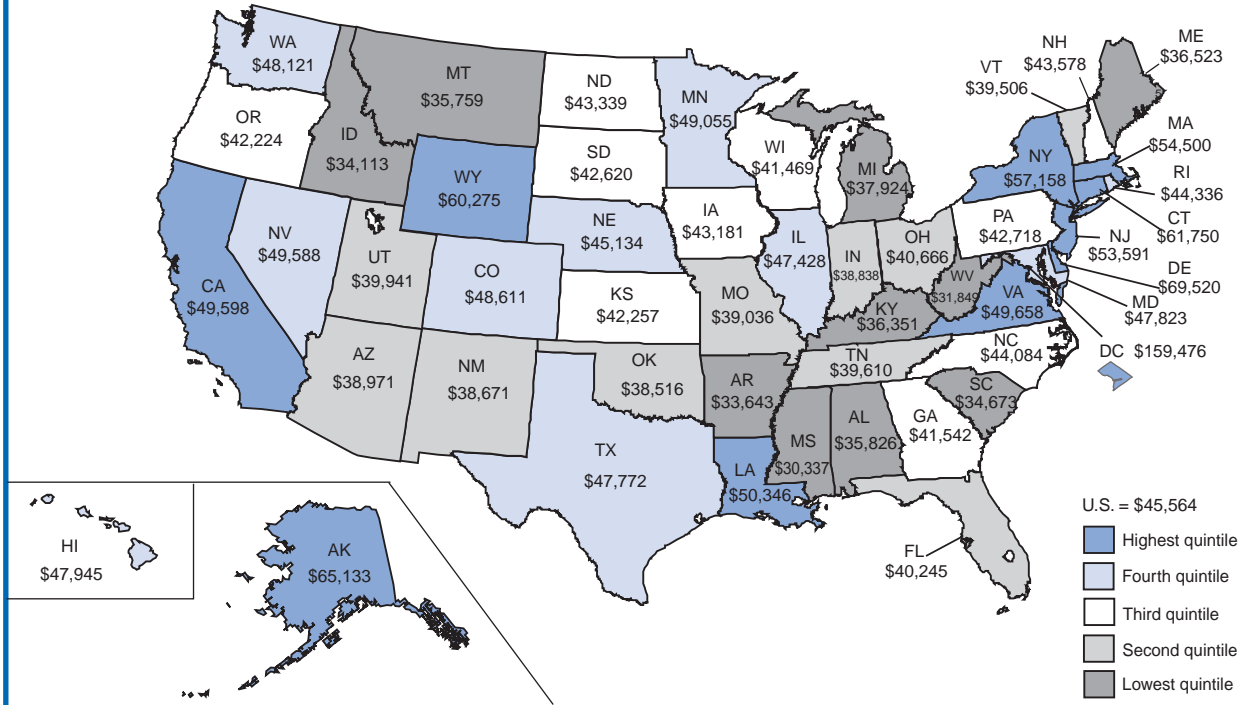
AVERAGE ANNUAL GROWTH RATE OF PERSONAL INCOME, 1997-2007



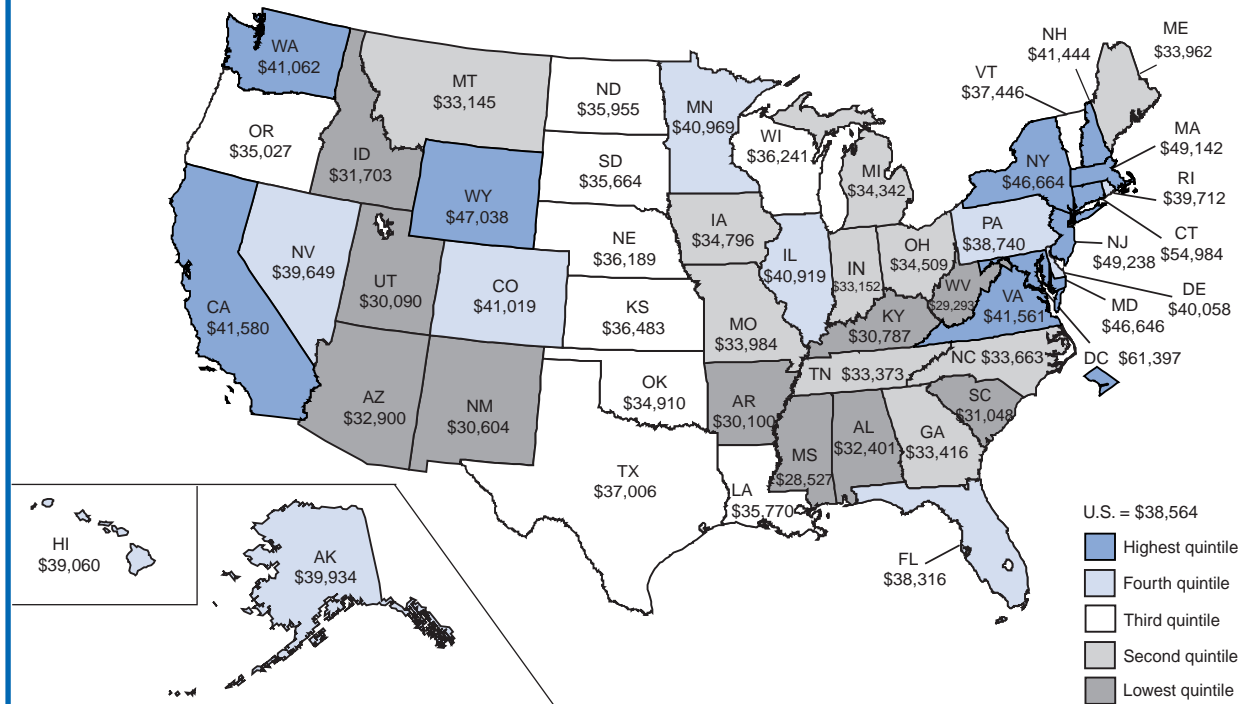


### SELECTED REGIONAL ESTIMATES

PER CAPITA GROSS DOMESTIC PRODUCT BY STATE IN CURRENT DOLLARS, 2007



PER CAPITA PERSONAL INCOME, 2007



## Appendixes

### A. Additional Information About the NIPA Estimates

#### Statistical Conventions

Current-dollar GDP is a measure of the market value of goods, services, and structures that are produced in the economy in a particular period. The changes in current-dollar GDP can be decomposed into quantity and price components. Quantities, or “real” measures, and prices are expressed as index numbers with the reference year—at present, the year 2000—equal to 100.<sup>1</sup>

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. For example, the annual percent change in real GDP for 2001–2002 uses prices for 2001 and 2002 as weights, and the 2001–2002 annual percent change in the GDP price index uses quantities for 2001 and 2002 as weights. Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias that is associated with changes in quantities and prices calculated using a fixed-weighted formula. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. The percent changes in the Fisher indexes are not affected by the choice of the reference year.

BEA also publishes implicit price deflators (IPDs), which are calculated as the ratio of the current-dollar value of a component to the chained-dollar value of the component, multiplied by 100. The values of an IPD are very close to the values of the corresponding “chain-type” price index.

The measures of real GDP and its major components are also presented in dollar-denominated form, designated “chained (2000) dollar estimates.” For most series, these estimates are computed by multiplying the current-dollar value in 2000 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2000 and if real output for this component increased by 10 percent in 2001, then the chained (2000) dollar value of this component in 2001 would be \$110 (\$100 × 1.10). The percent changes calculated from the chained (2000) dollar estimates and from the quantity indexes are the same; any differences will be small and due to rounding.

The chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP (or to any intermediate aggregate) in a table, because the relative prices that are used as weights for any period other than the reference year differ from those of the reference year. A measure of the effect of such

differences is provided by a “residual” line—the difference between the chained-dollar value of the main aggregate in the table and the sum of the most detailed components in the table. For periods close to the reference year, when the relative prices that are used as weights have usually not changed much, the residuals tend to be small, and the chained-dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. For periods further from the reference year, the residuals tend to be larger, and the chained-dollar estimates are less useful for analyses of contributions to growth. In particular, for components for which relative prices are changing rapidly, the calculation of contributions based on chained-dollar estimates may be misleading even just a few years from the reference year. Thus, contributions derived from quantity indexes provide a better measure than contributions derived from chained-dollar estimates; contributions based on quantity indexes are shown in selected NIPA tables 1.1.2, 1.2.2, 1.5.2, 2.3.2, 3.9.2, 4.2.2, and 5.3.2.

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

For most quarterly NIPA estimates, *percent changes* in the estimates are also expressed at annual rates. Calculating these *changes* requires a variant of the compound interest formula:

$$r = \left[ \left( \frac{x_t}{x_0} \right)^{m/n} - 1 \right] \times 100$$

where  $r$  is the percent change at an annual rate;  $x_t$  is the level of activity in the later period;  $x_0$  is the level of activity in the earlier period;  $m$  is the periodicity of the data (for example, 1 for annual data, 4 for quarterly data, or 12 for monthly data); and  $n$  is the number of periods between the earlier periods and the later periods (that is,  $t - 0$ ).

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

1. See J. Steven Landefeld, Brent R. Moulton, and Cindy M. Vojtech, “Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes,” *SURVEY OF CURRENT BUSINESS* (November 2003): 8–16.

## Reconciliation Table

**Table 1. Relation of Net Exports of Goods and Services and Net Receipts of Income in the NIPAs to Balance on Goods and Services and Income in the ITAs**

[Billions of dollars]

	Line	2006	2007	Seasonally adjusted at annual rates					
				2007				2008	
				I	II	III	IV	I	II
<b>Exports of goods and services and income receipts, ITAs</b> .....	<b>1</b>	<b>2,142.2</b>	<b>2,635</b>	<b>2,288.7</b>	<b>2,408.5</b>	<b>2,553.6</b>	<b>2,603.2</b>	<b>2,605.9</b>	<b>2,678.8</b>
Less: Gold, ITAs .....	2	8.8	13.3	10.5	16.5	14.3	12.0	24.6	19.0
Statistical differences <sup>1</sup> .....	3	0.0	0.0	0.0	0.0	0.0	0.0	-8.2	-8.2
Other items .....	4	1.2	1.5	1.5	1.4	1.6	1.4	1.4	1.6
Plus: Adjustment for grossing of parent/affiliate interest payments.....	5	8.5	10.9	8.8	11.1	11.1	12.5	12.2	10.9
Adjustment for U.S. territories and Puerto Rico .....	6	57.1	54.4	54.3	55.7	54.0	53.6	51.2	54.8
Services furnished without payment by financial intermediaries except life insurance carriers .....	7	8.3	10.1	8.9	9.8	10.6	11.2	12.5	13.9
<b>Equals: Exports of goods and services and income receipts, NIPAs</b> .....	<b>8</b>	<b>2,206.1</b>	<b>2,524.1</b>	<b>2,348.8</b>	<b>2,467.3</b>	<b>2,613.4</b>	<b>2,667.1</b>	<b>2,664.0</b>	<b>2,746.0</b>
<b>Imports of goods and services and income payments, ITAs</b> .....	<b>9</b>	<b>2,838.3</b>	<b>3,082.0</b>	<b>2,955.8</b>	<b>3,085.0</b>	<b>3,134.2</b>	<b>3,153.1</b>	<b>3,181.5</b>	<b>3,291.6</b>
Less: Gold, ITAs .....	10	5.6	8.8	7.8	9.8	10.7	7.0	17.9	12.6
Statistical differences <sup>1</sup> .....	11	0.0	0.0	0.0	0.0	0.0	0.0	-13.3	-13.3
Other items .....	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: Gold, NIPAs .....	13	-4.4	-5.2	-4.6	-5.3	-5.2	-5.7	-6.6	-6.0
Adjustment for grossing of parent/affiliate interest payments.....	14	8.5	10.9	8.8	11.1	11.1	12.5	12.2	10.9
Adjustment for U.S. territories and Puerto Rico .....	15	40.2	40.5	44.1	39.8	43.7	34.5	36.5	39.2
Imputed interest paid to rest of world.....	16	8.3	10.1	8.9	9.8	10.6	11.2	12.5	13.9
<b>Equals: Imports of goods and services and income payments, NIPAs</b> .....	<b>17</b>	<b>2,885.2</b>	<b>3,129.5</b>	<b>3,005.2</b>	<b>3,130.7</b>	<b>3,183.8</b>	<b>3,198.5</b>	<b>3,231.5</b>	<b>3,350.3</b>
<b>Balance on goods and services and income, ITAs (1-9)</b> .....	<b>18</b>	<b>-696.1</b>	<b>-618.5</b>	<b>-667.1</b>	<b>-676.5</b>	<b>-580.6</b>	<b>-549.9</b>	<b>-575.6</b>	<b>-612.8</b>
Less: Gold (2-10+13) .....	19	-1.2	-0.7	-1.9	1.4	-1.6	-0.7	0.1	0.4
Statistical differences (3-11) <sup>1</sup> .....	20	0.0	0.0	0.0	0.0	0.0	0.0	5.1	5.1
Other items (4-12) .....	21	1.2	1.5	1.5	1.4	1.6	1.4	1.4	1.6
Plus: Adjustment for U.S. territories and Puerto Rico (6-15).....	22	16.9	13.9	10.2	15.9	10.3	19.1	14.7	15.6
<b>Equals: Net exports of goods and services and net receipts of income, NIPAs (8-17)</b> .....	<b>23</b>	<b>-679.1</b>	<b>-605.4</b>	<b>-656.4</b>	<b>-663.4</b>	<b>-570.4</b>	<b>-531.4</b>	<b>-567.5</b>	<b>-604.3</b>

1. Consists of statistical revisions to the ITAs that have not yet been incorporated into the NIPAs.

ITAs International transactions accounts

NIPAs National income and product accounts

## B. Suggested Reading

The Bureau of Economic Analysis (BEA) has published a wealth of information about the methodologies that are used to prepare its national, industry, international, and regional accounts. Most of this information is available on BEA's Web site at [www.bea.gov](http://www.bea.gov); see "Methodology Papers" and the SURVEY OF CURRENT BUSINESS under "Publications."

### National accounts

The national accounts encompass the detailed estimates in the national income and product accounts (including gross domestic product) and the estimates of fixed assets and consumer durable goods.

**National income and product accounts (NIPAs).** This series of papers documents the conceptual framework of the NIPAs and the methodologies that have been used to prepare the estimates.

*An Introduction to National Income and Product Accounts* (2007)

*Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends* (2002)

*Government Transactions* (1988)

*Measuring the Economy: A Primer on GDP and the National Income and Product Accounts* (2007)

*Personal Consumption Expenditures* (1990)

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

The following SURVEY articles describe the upcoming 2009 comprehensive revision of the NIPAs.

"Preview of the Revised NIPA Estimates for 2002: Effects of Incorporating the 2002 Benchmark I-O Accounts and Proposed Definition and Statistical Changes" (March 2008)

Preview of the 2009 Comprehensive NIPA Revision  
New Classifications for Personal Consumption Expenditures (May 2008)

The following SURVEY articles describe the most recent comprehensive revision of the NIPAs.

"Improved Estimates of the National Income and Product Accounts for 1929–2002: Results of the Comprehensive Revision" (February 2004)

Preview of the 2003 Comprehensive NIPA Revision  
New and Redesigned Tables (August 2003)  
Statistical Changes (September 2003)

"Measuring the Services of Commercial Banks in the NIPAs: Changes in Concepts and Methods" (September 2003)

"Measuring the Services of Property-Casualty Insurance in the NIPAs: Changes in Concepts and Meth-

ods" (October 2003)

In addition, see the following articles.

"Annual Revision of the National Income and Product Accounts" (August 2008) presents revisions and describes any changes in the data and the methods that are used to prepare the estimates.

"Updated Summary NIPA Methodologies" (November 2008) describes the source data and the methods that are used to prepare the current-dollar and real estimates of GDP.

"Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes" (November 2003) discusses the advantages of using chain-weighted indexes and the challenges of using chained dollars.

"Reliability of the NIPA Estimates of U.S. Economic Activity" (February 2005) evaluates the principal NIPA estimates by examining the record of revisions to them.

"Gross Domestic Product: Revisions and Source Data" (February 2006) describes the categories of data that are used for the advance, preliminary, and final quarterly estimates of GDP.

**Fixed assets and consumer durable goods.** *Fixed Assets and Consumer Durable Goods in the United States, 1925–97* (2003) discusses the concepts and statistical considerations that underlie the estimates and their derivation.

"Fixed Assets and Consumer Durable Goods for 1925–2002" (May 2004) describes the improvements that were incorporated into these estimates as part of the most recent comprehensive NIPA revision.

"Fixed Assets and Consumer Durable Goods for 1998–2007" (September 2008) provides estimates that reflect the incorporation of the most recent annual NIPA revision.

**Satellite accounts.** These accounts extend the analytical capacity of the NIPAs by focusing on the effects of a particular aspect of economic activity on GDP.

"Research and Development Satellite Account"

For 1959–2002 (December 2006)

For 1959–2004 (October 2007)

### Mission Statement and Strategic Plan

The mission statement of the Bureau of Economic Analysis and its most recently updated strategic plan for improving the accuracy, reliability, and relevance of the national, industry, regional, and international accounts are available on BEA's Web site at [www.bea.gov](http://www.bea.gov) under "About BEA."

## Industry accounts

The industry accounts consist of the annual industry accounts (the input-output accounts and the gross-domestic-product-by-industry accounts), the benchmark input-output accounts, and one satellite account.

**Annual industry accounts.** “Improved Annual Industry Accounts for 1998–2003” (June 2004) describes the comprehensive revision of the annual input-output accounts and the GDP-by-industry accounts that features the integration of the two sets of accounts.

“Annual Industry Accounts” (February 2008) presents the annual revision of these accounts and describes the source data and any changes in the methods that are used to prepare the estimates.

“Preview of the Comprehensive Revision of the Annual Industry Accounts: Integrating the Annual Input-Output Accounts and the Gross-Domestic-Product-by-Industry Accounts” (March 2004) provides the details about the comprehensive revision.

**Benchmark input-output accounts.** “Preview of the Benchmark Input-Output Accounts for 2002” (September 2005) includes the proposed new sectors that are based on the 2002 North American Industry Classification System.

“U.S. Benchmark Input-Output Accounts, 2002” (October 2007)

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

“U.S. Travel and Tourism Satellite Accounts”

For 2001–2004 (June 2005)

For 2002–2005 (June 2006)

For 1998–2006 (June 2007)

For 2004–2007 (June 2008)

## International accounts

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

**International transactions accounts.** *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 international transactions accounts.

The annual revisions of the international transactions accounts are described in a series of articles, the latest of which was published in the July 2008 SURVEY.

**Direct investment.** *International Direct Investment: Studies by the Bureau of Economic Analysis* (1999) is a collection of previously published articles on U.S. di-

rect investment abroad and foreign direct investment in the United States. It includes “A Guide to BEA Statistics on U.S. Multinational Companies,” which is also available in the March 1995 SURVEY, and “A Guide to BEA Statistics on Foreign Direct Investment in the United States,” which is also available in the February 1990 SURVEY.

In addition, the updated methodologies are available in *U.S. Direct Investment Abroad: Final Results From the 1999 Benchmark Survey* (2004) and in *Foreign Direct Investment in the United States: Final Results From the 2002 Benchmark Survey* (2006).

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

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

## Regional accounts

The regional accounts include estimates of personal income and gross domestic product. The following methodologies are available on BEA’s Web site at [www.bea.gov/regional/methods.cfm](http://www.bea.gov/regional/methods.cfm).

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

*State Personal Income* (2007) describes the improvements in the methodology that are used to prepare the estimates.

*Local Area Personal Income* (2007) describes the detailed methodology that is used to prepare the estimates for counties, metropolitan divisions and areas, micropolitan areas, and BEA economic areas and regions.

**Gross domestic product.** Estimates of gross domestic product (GDP) are prepared for states and metropolitan areas.

*Gross Domestic Product by State* (2006) describes the sources and the methods that are used to prepare the estimates.

“Gross Domestic Product by State” (July 2008) presents the most recent annual revision.

“Introducing New Measures of the Metropolitan Economy: Prototype GDP-by-Metropolitan-Area Estimates for 2001–2005” (November 2007) describes the potential uses of the estimates and the methodology used to prepare them.