DEFINITIONS AND CLASSIFICATIONS UNDERLYING THE NATIONAL INCOME AND PRODUCT ACCOUNTS

Definitions of National Income and Product Accounts Entries

Income and product aggregates are defined below, and their definitions are amplified by definitions of their major components. Aspects of the aggregates and their major components that are not apparent from their titles are emphasized.

The definitions are presented in the framework of the five-account summary of the national income and product accounts (NIPA's) shown in table A, pages xvi and xvii). Each entry has a counterentry, generally in another account. The parenthetical numbers that follow an entry in table A identify the counterentry by account and line number.

With the exception of major income and product aggregates, entries are usually defined in the sequence in which they appear in the five-account summary. Their definition is not repeated when the counterentries appear, but a cross-reference is made to the place of their first appearance. The definitions of GNP, national income, and some other production aggregates can be found in the first two sections, which define the entries in the national income and product (NIP) account. Definitions of personal income and disposable personal income can be found in the section that defines the entries in the personal income and outlay account.

NIP account: gross national product

GNP is the market value of the goods and services produced by labor and property supplied by residents of the United States, before deduction of depreciation charges and other allowances for business and institutional consumption of fixed capital goods and after deduction of products charged to expense by business. GNP consists of the purchases of goods and services by persons and government, gross private domestic investment (including the change in business inventories), and net exports (exports less imports).

Personal consumption expenditures (1-27) is goods and services purchased by individuals, operating expenses of nonprofit institutions serving individuals, and the value of food, fuel, clothing, rent of dwellings, and financial services received in kind by individuals. Net purchases of used goods are also included. All private purchases of residential structures are classified as gross private domestic investment.

Gross private domestic investment (1-31) is fixed capital goods purchased by private business and nonprofit institutions, and the value of the change in the physical volume of inventories held by private business. The former include private purchases of new residential structures whether purchased for tenant or owner occupancy. Net purchases of used goods are also included.

Net exports of goods and services (1-39) and 1-40) is exports less imports of goods and services. Exports are part of national production. Imports are not, but are included in the components of GNP, and are therefore deducted. There are differences between the NIPA measures of exports and imports and those in the detailed balance of payments accounts.

Government purchases of goods and services (1-41) is the compensation of government employees and purchases from business and from abroad. It excludes transfer payments, interest paid by government, and subsidies. It includes gross investment by government enterprises, but excludes their current outlays. It includes net purchases of used goods and excludes sales and purchases of land and financial assets.

NIP account: charges against gross national product

Charges against GNP is the costs incurred and the profits earned in the production of GNP. Accordingly, it equals GNP, except for the statistical discrepancy. These charges are arranged in two groups. The first of these—compensation of employees, proprietors' income, rental income of persons, corporate profits, and net interest —are factor charges, because they represent the incomes of the factors of production (labor and property). The total of factor incomes is called the national income. The second group consists of nonfactor charges. Addition of business transfers, indirect business taxes, and current surplus of government enterprises less subsidies—which are included in this group—to national income yields, in principle, charges against net national product (and net national product). Addition of capital consumption—the remaining item in the nonfactor cost group—to charges against net national product yields, in principle, charges against GNP (and GNP). In practice, measurement errors result in a statistical discrepancy, which is entered between national income and charges against net national product (NNP) to secure balance between GNP and the factor and nonfactor charges against it.

The aggregates that have been enumerated so far differ from each other because of distinctions that are made between market value and factor cost concepts, and gross and net concepts. GNP as derived above is a gross market value measure; national income is a net factor cost measure; and net national product is a net market value measure. One further basic distinction can be made in defining the value of production. This is the distinction between domestic measures and national measures. The former denote the production attributable to labor and property located in a country; the latter denote the production attributable to labor and property supplied by residents of a country. The national measures exceed the domestic measures by the net inflow of labor and property incomes from abroad.

In principle, eight measures of production can be derived from these three distinctions. Three of them are included in table A; three additional ones are included in more detailed presentations of the NIPA tables. GNP has already been defined. Definitions of the others that are estimated follow. *Gross domestic product* is the gross market value of the goods and services attributable to labor and property located in the United States. It equals GNP less the net inflow of labor and property incomes from abroad. *Net national product* is the net market value of the goods and services attributable to labor and property supplied by residents of the United States. Net national product equals GNP less capital consumption, which also is deducted from gross private domestic fixed investment to express it on a net basis. *Net domestic product* is the net market value of the goods and services attributable to labor and property located in the United States. It equals net national product less the net inflow of labor and property incomes from abroad. *National income* is the income that originates in the production of goods and services attributable to labor and property supplied by residents of the United States. Thus, it measures the factor costs of goods and services produced. Incomes are recorded in the forms in which they accrue to residents, and are measured before deduction of taxes on those incomes. They consist of the compensation of employees, proprietors' income, rental income of persons, corporate profits, and net interest. *Domestic income* is the factor cost of the goods and services attributable to labor and property located in the United States. It equals national income less the net inflow of labor and property incomes from abroad.

Compensation of employees is the income accruing to employees as remuneration for their work. It is the sum of wages and salaries and supplements to wages and salaries.

Wages and salaries consists of the monetary remuneration of employees, including the compensation of corporate officers; commissions, tips, and bonuses; and receipts in kind that represent income to the recipients. It consists of *disbursements* (1-3) and *wage accruals less disbursements* (1-4). Disbursements is wages and salaries as just defined except that retroactive wages are counted when paid rather than when earned.

Supplements to wages and salaries consists of employer contributions for social insurance and of other labor income. *Employer contributions for social insurance* (1-6) includes employer payments under the following programs: Federal old-age, survivors, disability, and hospital insurance; State unemployment insurance; railroad retirement and unemployment insurance; government retirement; and publicly administered workmen's compensation. *Other labor income* (1-7) includes employer contributions to private pension and welfare funds, and directors' fees.

Proprietors' income with inventory valuation and capital consumption adjustments (1-8) is the income, including income in kind, of proprietorships and partnerships and of producers' cooperatives. Interest and dividend income received by proprietors and rental incomes received by persons who are not primarily engaged in the real estate business are excluded. The inventory valuation adjustment is described under corporate profits and the capital consumption adjustment under capital consumption allowances.

Rental income of persons with capital consumption adjustment (1-9) is the income of persons from the rental of real property, except the income of persons primarily engaged in the real estate business; the imputed net rental income of owner-occupants of nonfarm dwellings; and the royalties received by persons from patents, copyrights, and rights to natural resources. The capital consumption adjustment is described under capital consumption allowances.

Corporate profits with inventory valuation and capital consumption adjustments is the income of corporations organized for profit and of mutual financial institutions that accrues to residents, measured before profits taxes, before deduction of depletion charges, after exclusion of capital gains and losses, and net of dividends received from domestic corporations. Corporate profits includes net inflows from abroad of dividends, reinvested earnings of incorporated foreign affiliates of direct investors, and earnings of unincorporated foreign affiliates. In other major respects, profits are defined as in Federal income tax regulations. The capital consumption adjustment is described under capital consumption allowances.

Profits before tax is corporate profits without inventory valuation and capital consumption adjustments.

Profits tax liability (1-12) is Federal, State, and local taxes on corporate income.

Profits after tax is profits before tax less profits tax liability. *Dividends* (1-14) is payments in cash or other assets, excluding stock, by corporations organized for profit to noncorporate stockholders who are U.S. residents. Dividends paid to State and local government social insurance funds are included. *Undistributed profits* (1-15) is corporate profits before tax less corporate profits tax liability and less dividends. It may also be viewed as the sum of purchases of fixed capital assets, the change in the book value of corporate inventories, and the net acquisition of financial assets, less the sum of capital consumption allowances, net borrowing, and net stock issues.

Inventory valuation adjustment (1-16) is the change in the business inventories component of GNP, which is measured as the change in the physical volume of inventories valued in prices of the current period, less the change in the value of inventories reported by business (book value). The inventory valuation adjustment converts inventories at historical cost, the valuation concept generally underlying business accounting, to replacement cost, the concept underlying the NIPA's. It is required only for nonfarm inventories; the change in farm inventories is estimated directly. To make the measurement of charges against GNP consistent with GNP, an inventory valuation adjustment must be applied to reported corporate profits and proprietors' income.

Net interest (1-18) is interest paid by business less interest received by it, plus net interest received from abroad. Interest payments on mortgage and home improvement loans are counted as interest paid by business, because homeowners are treated as businesses in the NIPA's. In addition to monetary interest flows, net interest includes flows of interest in kind (imputed interest). The latter have their counterparts in service charges, which are included in personal consumption expenditures and in government purchases.

Business transfer payments (1-20) is payments to persons for which the latter do not perform current services. They include liability payments for personal injury, corporate gifts to nonprofit institutions, and consumer bad debts—i.e., defaults by consumers on debts owed to business. Most of personal consumption expenditures is stated before deduction of these bad debts; corporate profits and proprietors' income are stated after allowance for bad debts. Because consumer bad debts are written off without a current service being performed in return, they are classified as transfer payments.

Indirect business tax and nontax liability (1-21) consists of tax liabilities (except employer contributions for social insurance) that are chargeable to business expense in the calculation of profit-type incomes, and of certain other business liabilities to government agencies (except government enterprises) that it is convenient to treat like taxes. Indirect business taxes include sales, excise, and property taxes, and the windfall profit tax on crude oil production. Taxes on corporate income are excluded; these taxes cannot be calculated until profits are known, and in that sense, are not a business expense. Nontaxes includes regulatory and inspection fees, special assessments, fines and penalties, rents and royalties, and donations. Nontaxes generally excludes business purchases from government of goods and services that are similar to business purchases of intermediate products from other businesses. Government receipts from the sale of such products are netted against government purchases so that they do not appear in GNP and other measures of production.

Subsidies less current surplus of government enterprises (1-22). *Subsidies* is the monetary grants paid by government to business, including government enterprises at another level of government. The *current surplus of government enterprises* is their sales receipts less their current outlays. In the calculation of their current surplus, no deduction is made for depreciation charges and net interest paid. Subsidies and current surplus are often combined because deficits incurred by government enterprises may result from selling goods to businesses at lower than market prices in lieu of giving them subsidies. This is also the major reason for not counting the current surplus of government enterprises as a profit-type income and, accordingly, as part of factor charges.

Statistical discrepancy (1-23) is GNP less charges against GNP other than the statistical discrepancy. It arises because GNP and charges against GNP are estimated independently by methodologies that are subject to error.

Capital consumption allowances with capital consumption adjustment (1-25) is an estimate of capital consumption based on the use of uniform service lives, straight-line depreciation, and replacement cost. For nonprofit institutions serving individuals, it is the value of the current services of the fixed capital assets owned and used by these institutions; it is included in personal consumption expenditures. *Capital consumption allowances* consists of depreciation charges and accidental damage to fixed business capital. For nonfarm business, they are as reported on Federal income tax returns. For farms, nonprofit institutions, and owner-occupied houses, they are calculated by BEA based on the use of uniform service lives, straight-line depreciation, and historical cost. *Capital consumption adjustment* (1-17) for corporations is the tax-return based capital consumption allowances less the estimate of capital consumption allowances with capital consumption adjustment. Similar adjustments are calculated for proprietors' income, rental income of persons, and nonprofit institutions serving individuals.

Personal income and outlay account

Personal income is the income received by persons from all sources, that is, from participation in production, from transfer payments from government and business, and from government interest, which is treated like a transfer payment. Persons consist of individuals, nonprofit institutions, private noninsured welfare funds, and private trust funds. Proprietors' income is treated in its entirety as received by individuals. Life insurance carriers and private noninsured pension funds are not counted as persons, but their saving is credited to persons. Personal income is the sum of wage and salary disbursements, other labor income, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and transfer payments, less personal contributions for social insurance.

Disposable personal income is personal income less personal tax and nontax payments. It is the income available to persons for spending or saving.

Wage and salary disbursements (see 1-3).

Other labor income (see 1-7).

Proprietors' income with inventory valuation and capital consumption adjustments (see 1-8).

Rental income of persons with capital consumption adjustment (see 1-9).

Personal dividend income is the dividend income of persons from all sources. It equals dividends (see 1-14) less *dividends received by government* (2-13). Dividends received by government consists of dividends received by State and local government social insurance funds.

Personal interest income is the interest income of persons from all sources. It equals net interest (see 1-18), plus *interest paid by government to persons and business* (2-16) less *interest received by government* (2-17) plus *interest paid by consumers to business* (2-18). The last item consists only of interest paid by individuals in their capacity as consumers.

Transfer payments to persons is income payments to persons, generally in monetary form, for which they do not render current services. It consists of business transfer payments (see 1-20) and *government transfer payments* (2-21). Government transfer payments include payments under the following programs: Federal old-age, survivors, disability, and hospital insurance; supplementary medical insurance; State unemployment insurance; railroad retirement and unemployment insurance; government retirement; workmen's compensation; veterans, including veterans life insurance; food stamp; black lung; supplemental security income; and direct relief. Government payments to nonprofit institutions, other than for work under research and development contracts, is also included.

Personal contributions for social insurance (2-22) includes payments by employees, self-employed, and other individuals who participate in the following programs: Federal old-age, survivors, disability, and hospital insurance; supplementary medical insurance; State unemployment insurance; railroad retirement insurance; government retirement; and veterans life insurance.

Personal tax and nontax payments (2-1) is tax payments (net of refunds) by persons (except personal contributions for social insurance) that are not chargeable to business expense, and of certain other personal payments to government agencies (except government enterprises) that it is convenient to treat like taxes. Personal taxes include income, estate and gift, and personal property taxes. Nontaxes includes passport fees, fines and penalties, donations, and tuitions and fees paid to schools and hospitals operated mainly by government.

Personal outlays is the sum of personal consumption expenditures (see 1-27), interest paid by consumers to business (see 2-18), and *personal transfer payments to foreigners, net* (2-5). The last item is personal remittances in cash and in kind to abroad less such remittances from abroad.

Personal saving (2-6) is personal income less the sum of personal outlays and personal tax and nontax payments. It is the current saving of individuals (including proprietors), nonprofit institutions, private noninsured welfare funds, and private trust funds. Personal saving may also be viewed as the sum of net acquisition of financial assets (such as cash and deposits, securities, and the net equity of individuals in life insurance and in private noninsured pension funds) and physical assets less the sum of net borrowing and of capital consumption allowances with capital consumption adjustment.

Government receipts and expenditures account

Personal tax and nontax payments (see 2-1).

Corporate profits tax liability (see 1-12).

Indirect business tax and nontax liability (see 1-21).

Contributions for social insurance (see 1-6 and 2-22).

Purchases of goods and services (see 1-41).

Transfer payments is transfer payments to persons (see 2-21) and *transfer payments to foreigners, net* (3-4). The latter is U.S. Government nonmilitary grants to foreign governments in cash and in kind, and U.S. Government transfer payments, mainly retirement benefits, to former residents of the United States.

Net interest paid by government less interest received by government (see 2-17). The former is interest paid to persons and business (see 2-16) and *interest paid to foreigners* (3-8). Interest paid to foreigners is interest paid by the U.S. Government to foreign businesses, governments, and persons.

Dividends received by government (see 2-13).

Subsidies less current surplus of government enterprises (see 1-22).

Wage accruals less disbursements (see 1-4).

Surplus or deficit (—), national income and product accounts (3-13) is the sum of government receipts (lines 16, 17, 18, and 19 of account 3) less the sum of government expenditures (lines 1, 2, 5, 10, 11, and 12 of account 3). It may also be viewed as the net acquisition of financial assets by government and government enterprises, and net government purchases of land and of rights to Government-owned land including oil resources.

Foreign transactions account

Imports of goods and services (see 1-40).

Transfer payments to foreigners (see 2-5 and 3-4).

Interest paid by government to foreigners (see 3-8).

Net foreign investment (4-8) is U.S. exports of goods and services and capital grants received by the United States, net (see below), less imports of goods and services by the United States, transfer payments to foreigners (net), and U.S. Government interest paid to foreigners. It may also be viewed as the acquisition of foreign assets by U.S. residents less the acquisition of U.S. assets by foreign residents. It includes the statistical discrepancy in the detailed balance of payment accounts.

Exports of goods and services (see 1-39).

Capital grants received by the United States, net (4-2) is mainly the allocation of Special Drawing Rights to the United States.

Gross saving and investment account

Personal saving (see 2-6).

Wage accruals less disbursements (see 1-4).

Undistributed corporate profits with inventory valuation and capital consumption adjustments (see 1-15, 1-16, and 1-17).

Capital consumption allowances with capital consumption adjustment (see 1-25).

Government surplus or deficit (—), national income and product accounts (see 3-13).

Capital grants received by the United States, net (see 4-2).

Statistical discrepancy (see 1-23).

Gross private domestic investment (see 1-31).

Net foreign investment (see 4-8).

Constant-dollar Estimates and Price Indexes

The tables in this report contain estimates in current dollars, in constant dollars, and of associated price indexes. Current-dollar estimates are provided for the income and product flows that underlie the five-account summary of the NIPA's (table A, pages xvi and xvii). Constant-dollar or "real" estimates—i.e., estimates from which price change has been removed—are provided for measures that can be expressed in terms of products. These include GNP and its components, NNP and national income, and GNP by industry. For these estimates, each component is valued at its price in a base (valuation) period—in this report, the year 1972. Statistically, constant-dollar estimates are obtained by dividing the most detailed current-dollar components by appropriate price indexes, with 1972=100. In a few cases, they are obtained by extrapolating the current-dollar estimates in 1972 by physical quantity measures.

The associated price indexes are the implicit price deflator, the fixed-weighted price index, and the chain price index. The implicit price deflator is the ratio of a current-dollar estimate to the corresponding constant-dollar estimate, and represents a weighted average of component price indexes used to obtain the constant-dollar estimates where the weights are proportional to the composition of the constant-dollar product in each period. Accordingly, changes in an implicit price deflator reflect both changes in prices and changes in composition, i.e., changes in implicit price deflators are not pure measures of price change. The fixed-weighted price index uses weights that are proportional to the composition of product in 1972. Accordingly, changes in it reflect only changes in prices. The chain price index uses weights proportional to the composition of product in the prior period. Accordingly, changes in it from the prior period reflect only changes in prices, but comparisons of changes reflect also changes in composition.

Classifications of Production

Sector

In addition to the breakdowns of GNP, NNP, and national income that appear in the five-account summary of the NIPA's (table A), these measures of production also are shown in the tables of this report for each of the four sectors of the economy—rest of the world, business, households and institutions, and government. The production of each of these sectors is defined below.

Rest-of-the-world: production abroad that is attributable to factors of production supplied by U.S. residents less the production in the United States attributable to factors of production supplied by foreign residents. Production is measured by the net inflow of labor and property incomes.

Business: production in the United States by all entities that produce goods and services for sale at a price intended at least to approximate costs of production plus certain other entities treated as businesses in the NIPA's. In the main, it covers the production of corporate and noncorporate private entities organized for profit. Mutual financial institutions, private noninsured pension funds, cooperatives, nonprofit organizations (i.e., entities determined to be nonprofit by the Internal Revenue Service (IRS) for purposes of determining income tax liability) that primarily serve business, Federal Reserve banks, federally sponsored credit agencies, and government enterprises are also included. Owner-occupied housing as well as buildings and equipment owned and used by nonprofit institutions that primarily serve individuals are treated as business entities selling their current services to their owners. Production of the business sector can be measured either in terms of the net value of the goods and services business produces in the United States or in terms of the costs incurred and profits earned by business from production in the United States.

Households and institutions: production in the United States by households, consisting of families and unrelated individuals, and by nonprofit institutions serving individuals. Production is measured by the compensation of the employees of these entities.

Government: production by all Federal and State and local government agencies except government enterprises. Production is measured by the compensation of the employees of these agencies.

Legal form of organization

For the business sector, charges against GNP and its components are shown in the tables of this report for four legal forms of organizations—corporations, sole proprietorships and partnerships, other private business, and government enterprises. The entities whose production is included in each of these legal forms are specified below.

Corporate business: domestic activities of all entities required to file Federal corporate income tax returns; mutual financial institutions; private noninsured pension funds; cooperatives subject to Federal income taxes; nonprofit organizations that primarily serve business; Federal Reserve banks; and Federally sponsored credit agencies.

Sole proprietorships: all entities that would be required to file IRS Schedule C (Profit or Loss from Business or Profession) or Schedule F (Farm Income and Expenses) if the proprietor met the filing requirement, together with farm housing. *Partnerships:* all entities required to file Federal partnership income tax returns.

Other private business: all entities required to report rent and royalty income on the individual income tax return in IRS Schedule E (Supplemental Income Schedule) if the individual met the filing requirement; tax-exempt cooperatives; owner-occupied nonfarm housing; and buildings and equipment owned and used by nonprofit institutions serving individuals.

Government enterprises: government agencies for which operating costs usually are more than one-half covered by the sale of goods and services to the public. Interest paid and interest received are excluded from costs and sales, respectively, in classifying the agencies.

Industry

Industrial distributions are presented for GNP, national income and its components, capital consumption allowances, employment and hours, and changes in the stock of business inventories. The classification underlying the distributions of private activities is based on the Standard Industrial Classification (SIC).[1] The estimates of gross product orginating by industry are based on the 1972 SIC beginning with 1947; all other distributions are based on the 1972 SIC beginning with 1948 and the 1942 SIC prior to 1948. For selected series, distributions for 1948 are shown on both the 1942 and 1972 SIC. Industrial distributions of government activities are not provided; instead they are combined into a single category. For most series, separate estimates are shown for Federal and for State and local government activities and also for the activities of government enterprises.

The industrial distributions for private activities are based on data collected either from "establishments" or from "companies" (also called enterprises or firms). Establishments, as defined for purposes of the SIC, are economic units, generally at a single physical location where business is conducted or where services or industrial operations are performed. Companies consist of one or more establishments owned by the same legal entity or group of affiliated entities. Establishments are classified into an SIC industry on the basis of their principal product or service, and companies are classified into an SIC industry on the basis of the principal SIC industry of all their establishments. Because large multi-establishment companies typically own establishments that are classified in different SIC industries, industrial distributions of the same item for establishments and companies can be significantly different. For example, employment of steel manufacturing companies differs from employment of steel manufacturing establishments, because the former includes employment of establishments that are not classified as manufacturing steel, and excludes employment of establishments that manufacture steel but are not owned by steel manufacturing companies.

For the NIPA series, industrial distributions on a consistent establishment or company basis are not available. For the following series, the industrial distribution is based on establishment data: compensation of employees, employment, hours, inventories, rental income of persons, farm proprietors' income, farm net interest, and farm capital consumption allowances. For nonfarm proprietors and partnerships, industrial distributions of proprietors' income, net interest, and capital consumption allowances are based on company data but are regarded as being substantially the same as if they were based on establishment data because nearly all unincorporated companies own only a single establishment, and the few multi-establishment companies usually own establishments in the same SIC industry. For corporations, industrial distributions of profits, nonfarm net interest, and nonfarm capital consumption allowances are based on company data.

As a result, the industrial distribution of national income reflects a mix of establishment and company data. For the industrial distribution of GNP, however, special estimates of corporate profits and corporate capital consumption allowances are prepared that approximate an establishment basis; therefore, except for corporate net interest, industry GNP is considered to be based on establishment data.[2]

In addition to the establishment-company data problems, individual industry series presented in this report are not fully comparable over time. Historical comparability is affected primarily by two factors. First, in some instances information was lacking to permit BEA to make accurate adjustments to conform the estimates to the 1972 SIC. Second, the industrial classification of the same establishment or company may change over time.

Estimates based on establishment data as well as those based on company data are affected by the first factor. The second affects company-based estimates much more than establishment-based estimates. The classification of a company is subject to change due to (1) shifts in the level of consolidation of entities for which company reports are filed; (2) mergers and acquisitions; and (3) other shifts in principal activities, especially for large diversified firms. For example, the level of consolidation used by corporations in filing their Federal income tax returns was significantly altered in the 1930's and 1940's. Affiliated corporations were allowed to

1. See *Standard Industrial Classification Manual: 1972,* Executive Office of the President, Office of Management and Budget, (Washington, D.C.: U.S. GPO, 1972); and *Standard Industrial Classification Manual: 1942,* Executive Office of the President, Bureau of the Budget (Washington, D.C.: U.S. GPO, 1942).

2. The special estimates are available upon request from the National Income and Wealth Division (BE-54), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, D.C. 20230.

file consolidated returns from 1929 to 1933 and again in 1942 and subsequent years, but not in the intervening period. As a result, from 1934 to 1941 the company consisted only of individual corporations; in the other years, the company consisted of either an individual corporation or a grouping of affiliated corporations. Changes in the level of consolidation used by corporations in filing these returns affect the industrial distribution of corporate profits, net interest, and capital consumption allowances, which are derived primarily from tabulations of corporate tax returns.

In addition to industrial distributions of private activities based directly on the SIC, some NIPA tables show the following special SIC groupings:

Financial industries consists of the following SIC industries: Banking; credit agencies other than banks; security and commodity brokers, dealers, and services; insurance carriers; regulated investment companies; small business investment companies; and real estate investment trusts.

Nonfinancial industries consists of other industries in the finance, insurance, and real estate division and all the other SIC divisions.

Commodity-producing industries consists of the following SIC divisions: agriculture, forestry, and fisheries; mining; construction; and manufacturing.

Distributive industries consists of the following SIC divisions: transportation and public utilities, excluding the U.S. Postal Service; wholesale trade; and retail trade.

Service industries consists of the rest of the world sector and the following SIC divisions: finance, insurance, and real estate; and services.