

SURVEY *of* CURRENT BUSINESS



U.S. DEPARTMENT OF COMMERCE ≈ ECONOMICS AND STATISTICS ADMINISTRATION
BUREAU OF ECONOMIC ANALYSIS

SURVEY of CURRENT BUSINESS

The SURVEY OF CURRENT BUSINESS (ISSN 0039-6222) is published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce. Editorial correspondence should be addressed to the Editor-in-Chief, SURVEY OF CURRENT BUSINESS, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Subscriptions to the SURVEY OF CURRENT BUSINESS are maintained, and their prices set, by the Government Printing Office, an agency of the U.S. Congress.

Send address changes to
Superintendent of Documents
U.S. Government Printing Office
Washington, DC 20402

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Subscription and single-copy prices:

Periodicals: \$48.00 domestic
\$60.00 foreign
First-class mail: \$120.00
Single copy: \$17.25 domestic
\$21.56 foreign

Make checks payable to the Superintendent of Documents.

Periodicals postage paid at Washington, DC and at additional mailing offices (USPS 337-790).

The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department.

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THIS ISSUE of the SURVEY went to the printer on November 14, 2000. It incorporates data from the following monthly BEA news releases:
U.S. International Trade in Goods and Services (October 19),
Gross Domestic Product (October 27), and
Personal Income and Outlays (October 30).

TABLE OF CONTENTS

Regular features

- 1 **Business Situation**

The growth in the U.S. economy slowed in the third quarter of 2000, while inflation remained moderate. Real GDP increased 2.7 percent, less than half as much as the average increase in the preceding four quarters; the price index for gross domestic purchases increased 2.4 percent, about the same as the average increase in the preceding four quarters.

- 7 **Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income: New Estimates for 1998 and Revised Estimates for 1997**

BEA's estimates of personal income and the IRS estimates of adjusted gross income (AGI)—two widely used measures of household income—are reconciled through a series of adjustments for definitional differences between the two measures. This year's reconciliation reflects the recent annual revision of the national income and product accounts and recent updates to the AGI estimates.

- 14 **Reconciliation of the U.S.-Canadian Current Account, 1998 and 1999**

Each year, the U.S. and Canadian current-account estimates are reconciled to show how they would appear if both countries used the same definitions, methodologies, and data sources. After the reconciliation, the U.S. current-account deficits with Canada are larger than those that are shown in the U.S.-published accounts: For 1998, the deficit on the reconciled basis is \$9.6 billion, compared with the U.S.-published deficit of \$4.4 billion; for 1999, the reconciled deficit is \$19.5 billion, compared with the published deficit of \$15.1 billion.

- 30 **State Personal Income, Second Quarter 2000**

Personal income in the Nation increased 1.7 percent in the second quarter of 2000 after increasing 1.6 percent in the first quarter. In the second quarter, personal income grew the fastest in Nevada, Delaware, and Iowa. Personal income grew the slowest in Connecticut, Arizona, North Dakota, and New Hampshire.

— Continued on the next page —

Reports and statistical presentations

D-1 BEA Current and Historical Data

Inside back cover: Getting BEA's Estimates

Back cover: Schedule of Upcoming BEA News Releases

LOOKING AHEAD

Annual Revision of Gross Product by Industry. An article that presents new estimates of gross product by industry for 1999 and revised estimates for 1997-98 will be published in the December issue of the SURVEY. These estimates incorporate the results of the most recent annual revision of the national income and product accounts.

RECRUITMENT

Chief Statistician. BEA is recruiting for the position of Chief Statistician. The Chief Statistician oversees the development and application of mathematical and statistical techniques used by BEA to produce the U.S. national economic accounts, including the national income and product accounts (NIPA's), and the international and regional accounts. The Chief Statistician also oversees the selection and use of the economic data on which the accounts depend and serves as an advisor to the BEA Director and as a representative of BEA to government and private organizations on those subjects.

This is a career position in the Senior Executive Service, salary range: \$115,811-\$130,200. The application deadline is January 5, 2001. For more information, go to BEA's Web site at www.bea.doc.gov/bea/jobs/bea0001p.htm or contact the Executive Resources Staff of the Bureau of the Census on 301-457-3727. The Department of Commerce does not condone or tolerate discrimination based on race, color, religion, sex, national origin, age, physical or mental disability, or sexual orientation.

BUSINESS SITUATION

This article was prepared by Daniel Larkins, Larry R. Moran, and Ralph W. Morris.

REAL gross domestic product (GDP) increased 2.7 percent in the third quarter of 2000, according to the "advance" estimates of the national income and product accounts (NIPA's), after increasing 5.6 percent in the second quarter (table 1 and chart 1).¹ The growth of real gross domestic purchases also slowed, to 2.9 percent from 6.5 percent. These slowdowns largely reflected a sharp slowdown in private inventory investment and a downturn in government spending.² For both GDP and gross domestic purchases, third-quarter

growth rates were below the average rates in the current expansion, when GDP has grown at an average annual rate of 3.7 percent, and gross domestic purchases, 4.1 percent.³

The price index for gross domestic purchases increased 2.4 percent in the third quarter after increasing 2.1 percent in the second. Real disposable personal income slowed to a 2.5-percent increase from a 3.7-percent increase. The personal saving rate swung to a negative 0.2 percent from a positive 0.3 percent.

The largest contributors to the third-quarter increase in real GDP were personal consumption expenditures (PCE), exports, and nonresidential fixed investment (table 2). PCE increased 4.5 percent and contributed 3.0 percentage points to GDP growth; about half of the growth in PCE was ac-

1. Quarterly estimates in the NIPA's are expressed at seasonally adjusted annual rates. Quarter-to-quarter dollar changes are the differences between the published estimates. Quarter-to-quarter percent changes are annualized and are calculated from unrounded data unless otherwise specified.

Real estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarterly weights for all quarters; real estimates are expressed both as index numbers (1996 = 100) and as chained (1996) dollars. Price indexes (1996 = 100) are also calculated using a chain-type Fisher formula.

2. In the NIPA's, private inventory investment is shown as change in private inventories, and government spending is shown as government consumption expenditures and gross investment.

3. The current expansion began in the second quarter of 1991.

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

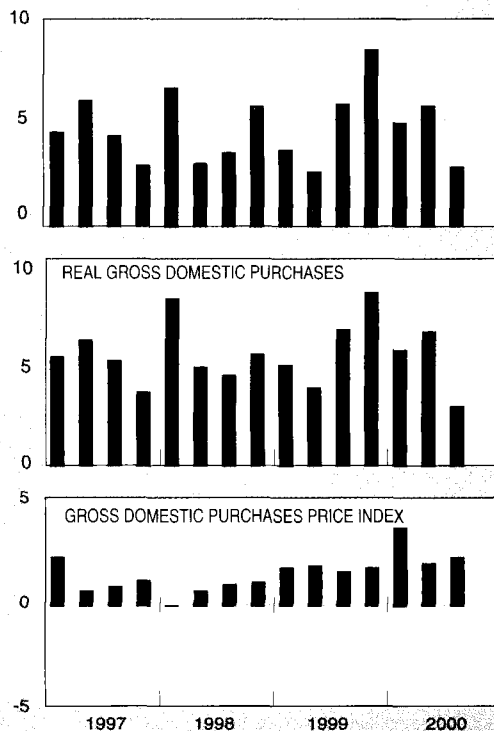
(Seasonally adjusted at annual rates)

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level		Change from preceding quarter			1999		2000	
	2000	1999	2000			IV	I	II	III
	III	IV	I	II	III				
Gross domestic product	9,382.2	178.3	107.7	127.1	63.3	8.3	4.8	5.6	2.7
Less: Exports of goods and services	1,164.6	25.8	16.4	37.0	42.8	10.3	6.3	14.3	16.2
Plus: Imports of goods and services	1,575.5	35.7	40.8	63.5	50.3	10.7	12.0	18.6	13.8
Equals: Gross domestic purchases	9,763.6	187.4	129.5	150.7	69.3	8.4	5.6	6.5	2.9
Less: Change in private inventories	79.9	41.8	-44.3	42.0	1.3				
Nonfarm	74.9	29.5	-40.0	39.3	2.6				
Farm	5.0	12.9	-4.3	2.6	-1.2				
Equals: Final sales to domestic purchasers	9,677.9	147.6	169.5	110.6	67.4	6.6	7.5	4.7	2.8
Personal consumption expenditures	6,330.4	87.2	112.5	47.1	69.8	5.9	7.6	3.1	4.5
Durable goods	902.9	25.6	46.4	-11.5	16.2	13.0	23.6	-5.0	7.5
Nondurable goods	1,883.3	32.0	26.7	16.3	22.2	7.4	6.0	3.6	4.9
Services	3,559.3	31.9	44.2	39.5	32.6	3.8	5.2	4.6	3.7
Private fixed investment	1,790.5	28.8	64.3	46.7	12.9	7.2	16.4	11.2	2.9
Nonresidential	1,436.3	29.3	63.5	47.2	23.8	9.5	21.0	14.6	6.9
Structures	278.2	6.0	13.4	3.0	1.2	9.7	22.3	4.4	1.7
Equipment and software	1,170.2	23.5	50.3	46.2	23.6	9.5	20.6	17.9	8.5
Residential	363.7	.5	2.9	1.2	-8.9	5	3.2	1.3	-9.2
Government consumption expenditures and gross investment	1,569.4	31.7	-4.4	18.6	-14.3	8.5	-1.1	4.8	-3.6
Federal	544.2	17.1	-21.0	21.7	-14.6	13.2	-14.2	17.2	-10.1
National defense	345.7	10.5	-19.4	13.6	-9.4	12.6	-19.8	16.9	-10.2
Nondefense	198.4	6.6	-1.7	8.2	-5.2	14.4	-3.3	17.8	-9.9
State and local	1,024.6	14.8	16.2	-2.8	0	6.1	6.6	-1.1	0
Addendum: Final sales of domestic product	9,296.7	138.7	147.5	87.3	61.4	6.4	6.7	3.9	2.7

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

CHART 1

**Selected Measures:
Change From Preceding Quarter
Percent**



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

U.S. Department of Commerce, Bureau of Economic Analysis

counted for by expenditures for services. Exports increased 16.2 percent, its biggest increase in more than 3 years, and contributed 1.7 percentage points; the increase was attributable to all the major end-use categories, but nonautomotive capital goods contributed the most. Nonresidential fixed investment increased 6.9 percent and contributed 0.9 percentage point to GDP growth; the increase was accounted for by information processing equipment and software. These increases in consumer spending, exports, and fixed investment were partly offset by an increase in imports that subtracted 1.9 percentage points from GDP

growth and by a decrease in government spending that subtracted 0.6 percentage point.

The biggest contributors to the deceleration in GDP growth from the second quarter to the third were private inventory investment and Federal Government spending; inventory accumulation did not change much in the third quarter after surging in the second, and Federal Government spending decreased after increasing. A downturn in nonresidential fixed investment also contributed to the GDP deceleration.

Motor vehicles.—Real motor vehicle output de-

Third-Quarter 2000 Advance GDP Estimate: Source Data and Assumptions

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

Personal consumption expenditures: Sales of retail stores (3) and unit auto and truck sales (3);

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

Residential investment: Construction put in place (2) and single-family housing starts (3);

Change in private inventories: Manufacturing and trade inventories (2) and unit auto and truck inventories (3);

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

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

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

BEA made assumptions for source data that were not available. Table A shows the assumptions for key series; a more comprehensive list is available from BEA's Web site at <www.bea.doc.gov> and from STAT-USA's Web site at <www.stat-usa.gov>.

Table A.—Summary of Major Data Assumptions for Advance Estimates, 2000:III

[Billions of dollars, seasonally adjusted at annual rates]

	2000					
	April	May	June	July	August	September ¹
Fixed investment:						
Nonresidential structures:						
Buildings, utilities, and farm:						
Value of new nonresidential construction put in place	214.6	215.6	213.6	216.0	216.8	217.0
Equipment and software:						
Manufacturers' shipments of complete civilian aircraft	41.3	50.7	36.6	38.3	43.1	40.6
Manufacturers' shipments of nondefense capital goods other than aircraft	632.2	637.7	642.6	647.7	655.0	665.8
Residential structures:						
Value of new residential construction put in place:						
1-unit structures	238.6	237.7	233.2	228.1	227.0	226.9
2-or-more-unit structures	29.5	28.3	28.3	26.5	27.3	27.4
Change in private inventories nonfarm:						
Change in inventories for manufacturing and trade (except nonmerchant wholesalers) for industries other than motor vehicles and equipment in trade	52.2	87.8	77.0	64.9	68.9	59.1
Net exports:²						
Exports of goods:						
U.S. exports of goods, balance-of-payments basis	750.8	753.0	797.6	781.2	815.6	816.7
Excluding nonmonetary gold	747.5	750.3	792.5	778.5	811.5	809.5
Imports of goods:						
U.S. imports of goods, balance-of-payments basis	1,193.5	1,190.7	1,240.0	1,243.4	1,252.5	1,271.6
Excluding nonmonetary gold	1,191.1	1,188.3	1,235.8	1,241.0	1,249.1	1,264.4
Net exports of goods (exports less imports)	-442.7	-437.7	-442.3	-462.3	-436.9	-454.9
Excluding nonmonetary gold	-443.7	-438.1	-443.3	-462.5	-437.7	-454.9
Government consumption expenditures and gross investment:						
State and local:						
Structures:						
Value of new construction put in place	173.1	168.8	160.4	157.3	160.6	163.6

1. Assumed.

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

creased 17.6 percent in the third quarter after decreasing 4.5 percent in the second; the bigger drop in the third quarter reflected a sharp downturn in truck output (table 3). Final sales of motor vehicles to domestic purchasers increased slightly after decreasing.

Purchases of motor vehicles by consumers and by government increased after decreasing. Purchases by businesses (private fixed investment) decreased less than in the second quarter.

Factors frequently considered in analyses of consumer spending were mixed in the third quarter: The growth in real disposable personal income slowed; the Index of Consumer Sentiment (prepared by the University of Michigan's Survey Research Center) decreased but remained at a high level; and the unemployment rate was unchanged at 4.0 percent, its lowest level since 1969. Among factors specific to motor vehicles purchases, interest rates on new-car loans at commercial banks increased, and prices of new motor vehicles were unchanged.

Imports of motor vehicles increased substantially after a slight increase, and exports decreased after increasing.

Motor vehicle inventory investment decreased after increasing. The decrease reflected a swing from accumulation to liquidation in truck inventories; auto inventories increased more than in the second quarter. The inventory-sales ratio for new domestic autos, which is calculated from units data, edged up to 2.5 at the end of the third quarter from 2.3 at the end of the second; the traditional industry target is 2.4.

Table 2.—Contributions to Percent Change in Real Gross Domestic Product

[Seasonally adjusted at annual rates]

	1999	2000		
	IV	I	II	III
Percent change at annual rate:				
Gross domestic product	8.3	4.8	5.6	2.7
Percentage points at annual rates:				
Personal consumption expenditures	4.08	5.03	2.14	3.02
Durable goods	1.04	1.79	-.42	.60
Nondurable goods	1.47	1.19	.74	.96
Services	1.58	2.04	1.83	1.46
Gross private domestic investment	3.04	.92	3.66	.60
Fixed investment	1.26	2.68	1.93	.52
Nonresidential	1.22	2.54	1.87	.92
Structures .....	.29	.63	.14	.06
Equipment and software .....	.94	1.91	1.73	.87
Residential .....	.03	.14	.06	-.40
Change in private inventories	1.78	-1.76	1.73	.08
Net exports of goods and services	-.37	-.94	-1.00	-.25
Exports	1.09	.67	1.48	1.68
Goods .....	.94	.46	1.37	1.51
Services .....	.15	.21	.11	.17
Imports	-1.45	-1.61	-2.48	-1.93
Goods	-1.28	-1.28	-2.26	-1.54
Services	-.17	-.33	-.22	-.38
Government consumption expenditures and gross investment	1.50	-.18	.85	-.63
Federal .....	.79	-.93	.97	-.63
National defense .....	.48	-.86	.60	-.41
Nondefense .....	.30	-.07	.37	-.23
State and local .....	.71	.75	-.12	0

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

Table 3.—Motor Vehicle Output, Sales, and Inventories

[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1999	2000		
		2000	1999	2000			1999	2000	
		III	IV	I	II	III	IV	I	II	III
Output	338.4	7.0	0.3	-4.1	-16.8	8.2	0.3	-4.5	-17.6
Autos	116.2	5.1	-.1	-9.0	-5.8	17.0	-.4	-24.8	-17.8
Trucks	221.5	2.0	.4	4.7	-10.9	3.7	.7	8.5	-17.5
Less: Exports	26.1	.7	.5	.4	-.3	12.4	8.0	5.9	-4.7
Autos	16.1	.7	.2	.3	-.6	19.5	3.9	7.0	-14.2
Trucks	10.0	0	.3	.1	.3	1.6	15.1	4.0	12.8
Plus: Imports	129.6	.5	3.3	.1	7.2	1.7	11.7	.4	25.9
Autos	111.9	.1	3.0	2.4	7.9	.5	12.7	9.7	34.2
Trucks	17.8	.4	.3	-2.2	-6	8.1	7.0	-36.6	-13.3
Equals: Gross domestic purchases	442.7	6.7	3.2	-4.4	-9.0	6.2	2.8	-3.8	-7.7
Autos	213.3	4.4	2.8	-6.7	3.1	8.6	5.4	-11.8	6.0
Trucks	229.4	2.4	.4	2.3	-11.9	4.1	.7	3.9	-18.4
Less: Change in private inventories	5.6	5.2	-16.4	16.7	-9.1				
Autos	8.1	2.9	-4.3	2.0	5.7				
Trucks	-1.8	2.3	-11.2	13.4	-13.1				
Equals: Final sales to domestic purchasers	437.3	1.2	20.5	-21.9	.6	1.1	20.1	-17.8	.6
Autos	205.3	1.5	7.1	-8.7	-2.6	2.8	14.2	-15.1	-5.0
Trucks	231.9	-.2	13.4	-13.2	3.2	-.4	25.5	-20.1	5.8
Addenda:									
Personal consumption expenditures	268.8	3.5	17.4	-13.0	3.5	5.6	29.5	-17.4	5.4
Private fixed investment	155.7	-3.6	4.4	-8.0	-3.1	-8.4	11.4	-17.8	-7.5
Gross government investment	12.7	1.3	-1.3	-.9	.2	45.2	-31.6	-23.9	7.0

NOTE.—See note to table 1 for an explanation of chained (1996) dollars. Truck output includes motor vehicle output, auto and truck output, and residuals, which measure the extent of nonadditivity in each table, are in NIPA tables 1.4 and 8.9B.

percent in the third quarter from a positive 0.3 percent in the second. Saving from current income may be negative when outlays are financed by borrowing (including borrowing through credit cards or home equity loans), by selling investments or other assets, or by using savings from previous periods.

Personal income increased \$112.0 billion after increasing \$136.3 billion (table 5). The slowdown was more than accounted for by wage and salary disbursements and by transfer payments.

Wage and salary disbursements slowed to a \$64.9 billion increase after increasing \$79.7 billion. The slowdown was widespread but was most pronounced in government and in the service industries. In government, the slowdown partly reflected a downturn in the number of temporary workers for Census 2000. In private industries, the slowdown was primarily accounted for by a downturn in average weekly hours.

Transfer payments slowed to an \$8.1 billion increase after increasing \$19.2 billion. The large second-quarter increase included benefit payments of \$9.2 billion (annual rate) that resulted from the Senior Citizens' Freedom to Work Act of 2000, which eliminated the "retirement earnings test" and allowed social security beneficiaries aged 65 and older to receive full benefits regardless of their earnings.

Personal interest income increased \$14.1 billion after increasing \$19.7 billion. The slowdown primarily reflected a deceleration in interest rates.

Proprietors' income increased \$17.1 billion after increasing \$15.6 billion. The income of farm

Table 5.—Personal Income and Its Disposition

[Billions of dollars; seasonally adjusted at annual rates]

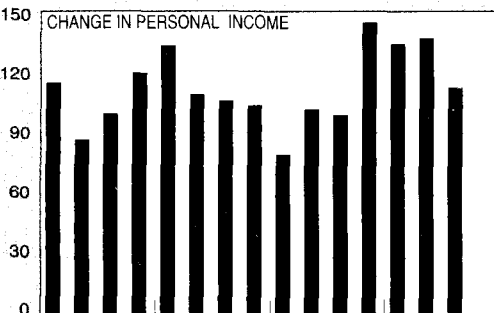
	Level	Change from preceding quarter				
		1999		2000		
	2000	III	IV	I	II	III
Wage and salary disbursements	4,805.0	71.3	82.1	79.7	64.9	64.9
Private industries	4,040.0	64.2	66.7	69.5	60.0	60.0
Goods-producing industries	1,160.1	13.4	19.7	16.2	13.0	13.0
Manufacturing	820.4	6.1	7.7	10.3	7.3	7.3
Distributive industries	1,118.9	19.5	21.5	24.8	23.2	23.2
Service industries	1,761.0	31.4	25.4	28.6	23.8	23.8
Government	765.0	7.0	15.4	10.3	4.8	4.8
Other labor income	527.5	4.6	6.6	6.5	7.0	7.0
Proprietors' income with IVA and CCAAdj	726.6	29.9	4.3	15.6	17.1	17.1
Farm	32.4	16.2	-12.6	2.4	10.9	10.9
Nonfarm	694.2	13.7	16.9	13.3	6.1	6.1
Rental income of persons with CCAAdj	139.0	9.6	-6	-4.8	-1.8	-1.8
Personal dividend income	399.7	6.7	6.7	5.7	7.1	7.1
Personal interest income	1,045.4	19.6	22.6	19.7	14.1	14.1
Transfer payments to persons	1,074.2	7.1	19.5	19.2	8.1	8.1
Less: Personal contributions for social insurance	363.2	4.9	7.5	5.4	4.4	4.4
Personal income	8,354.1	143.8	133.5	136.3	112.0	112.0
Less: Personal tax and nontax payments	1,308.2	33.3	42.0	37.9	31.0	31.0
Equals: Disposable personal income	7,046.0	110.5	91.5	98.4	81.1	81.1
Less: Personal outlays	7,061.2	130.8	181.5	88.7	116.9	116.9
Equals: Personal saving	-15.3	-20.1	-90.0	9.6	-35.9	-35.9
Addenda: Special factors in personal income:						
In wages and salaries:						
Manufacturing bonus payments	0	2.5	-2.5	0	0	0
Verizon strike .....	.6	0	0	0	.6	.6
Boeing strike	0	0	-4	.4	0	0
Federal pay raise	7.8	0	7.0	0	.8	.8
Federal civilian retirement buyout payments	0	-1	.1	0	-1	-1
In farm proprietors' income:						
Federal subsidies	17.2	16.6	-13.0	.4	13.0	13.0
In rental income of persons with CCAAdj:						
Federal subsidies	3.8	3.7	-2.8	0	2.9	2.9
In transfer payments to persons:						
Social security earnings test	0	0	0	9.2	-9.2	-9.2
Social security retroactive payments .....	.6	1.2	-1.2	0	.6	.6
Cost-of-living adjustments in Federal transfer programs	10.8	.4	10.4	0	0	0
In personal contributions for social insurance:						
Tax rate, base, and law changes	2.5	0	2.5	0	0	0
In personal tax and nontax payments:						
Federal tax law changes	-5.4	0	-5.4	0	0	0
State tax law changes	-3.7	4.0	-3.1	1.9	-4	-4

NOTE.—Most dollar levels are in NIPA table 2.1.
IVA: Inventory valuation adjustment

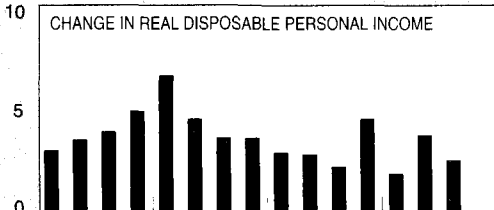
CHART 3

Selected Personal Income and Saving Measures

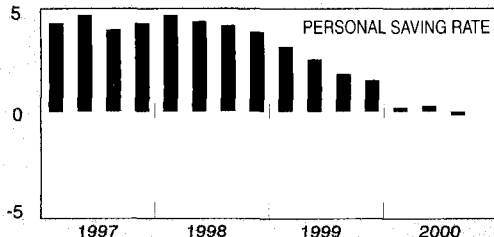
Billion \$



Percent



Percent




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

U.S. Department of Commerce, Bureau of Economic Analysis

proprietors increased more than in the second quarter, and the income of nonfarm proprietors increased less. Farm proprietors' income increased \$10.9 billion after increasing \$2.4 billion; the acceleration largely reflected the quarterly pattern of Federal subsidy payments. Nonfarm proprietors' income increased \$6.1 billion after increasing \$13.3 billion; the slowdown was primarily accounted for by slowdowns in real estate brokers' commissions and in construction.

Rental income of persons decreased \$1.8 billion after decreasing \$4.8 billion. The decreases reflected the quarterly pattern of Federal farm subsidy payments to owners of leased farm land (nonoperator landlords).

Personal contributions for social insurance, which is subtracted in the calculation of personal income, increased \$4.4 billion after increasing \$5.4 billion, and personal tax and nontax payments increased \$31.0 billion after increasing \$37.9 billion. 

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

New Estimates for 1998
Revised Estimates for 1997

By *Thae S. Park*

This article presents a comparison of the Bureau of Economic Analysis (BEA) measure of personal income and the Internal Revenue Service (IRS) measure of adjusted gross income (AGI) of individuals by type of income. The article explains the major definitional and statistical differences between the BEA and the IRS measures, describes the various uses of the two measures, and presents a partial reconciliation of the two measures that is prepared by converting BEA's measure of personal income by type of income to the same definitional basis as the IRS measure. It also discusses the sources of the "AGI gap"—the unexplained difference remaining between the BEA estimate of AGI and the IRS AGI—the trends in the AGI gap for 1959–98, and the sources of the revision to the AGI gap for 1997.¹

BEA's measure of personal income and the IRS measure of AGI are two widely used measures of household income. Personal income, which is prepared as an integral part of the national income and product accounts (NIPAs), is often used in assessing trends in output, consumer spending, saving, and investment.² AGI, which is the income concept used in the Federal income tax, is often used to estimate individual income tax revenue and income tax burden of households. By definition, personal income and AGI each include items that the other omits.

In general, personal income—the current in-

come received by persons from all sources—is the more comprehensive measure. It includes income that is generally taxed, such as wages and salaries, income from rent, self-employment earnings, dividends, and interest; income that is partly taxed, such as social security benefit payments; and several types of income that are not taxed, such as tax-exempt interest and nontaxable transfer payments, including medicare, medicaid, and welfare benefit payments. Personal income includes income whether or not it is properly reported to the IRS. In order to provide a comprehensive measure of personal saving, personal income also includes other types of income, such as employer contributions to private and government employee retirement plans, the investment income of these plans, and imputed income related to home ownership. Personal income excludes net gains from the sale of assets, pension benefit payments, and personal contributions for social insurance.

AGI—an income concept defined by tax law—consists of taxable sources of income (net of specific adjustments) received by individuals as reported on IRS Form 1040. It includes wages and salaries, income from rent, self-employment earnings, dividends, interest, pension benefit payments, net gains from the sale of assets, and other types of income not expressly exempt from taxation.

Although the two series are based on different concepts and serve different purposes, they are often used in conjunction with one another. In particular, personal income, which is available much sooner than AGI, is frequently used as an extrapolator for AGI (this article provides information that can be used to adjust the BEA measure to bring it closer in definition to AGI). In addition, the AGI gap can be used as a rough indicator of the noncompliance by individuals with the Federal tax code.

The new and revised estimates reflect the incorporation of the results of the annual revision of the

1. Annual and quarterly estimates of BEA personal income are published monthly in table 2.1 of the national income and product accounts (NIPAs) in the section "BEA Current and Historical Data" of the SURVEY OF CURRENT BUSINESS (monthly estimates are shown in table B.1). Estimates of IRS AGI are published annually in *Statistics of Income—Individual Income Tax Returns*. The estimates of the relationship between total personal income and total AGI are presented annually in NIPA table 8.28, most recently for 1996–98 in "Annual NIPA Revision: Newly Available Tables" in the September 2000 SURVEY. All the estimates are available on BEA's Web site at <www.bea.doc.gov> and on STAT-USA's Web site at <www.stat-usa.gov>. The reconciliation by type of income for 1959–96 is available on request; for information, write to the Government Division (BE-57), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

2. "Persons" in the NIPAs consists of individuals, nonprofit institutions that primarily serve individuals, private noninsured welfare funds, and private trust funds.

NIPA's that was released in July 2000 and of updated estimates of AGI from the *Statistics of Income Bulletin*.³ The AGI gap for 1997 was revised down, reflecting the revisions to personal income, to the reconciliation items, and to the IRS estimate of AGI (see the section "Sources of the Revision to the AGI Gap for 1997").

BEA Estimates of AGI

The preparation of BEA estimates of AGI, "BEA-derived AGI," begins with the NIPA estimates of personal income. Personal income consists of the current income received by persons from all sources—that is, from participation in current production and from government and business transfer payments. It is calculated as the sum of wage and salary disbursements, other labor income, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and transfer payments to persons, less personal contributions for social insurance.

The IRS measure of AGI is defined as the sum of all the items of "total income" less the specific adjustments to total income that are authorized by legislation. Total income includes all income that is received in the form of money, property, and services and that is not expressly exempt from taxation; it excludes, for example, interest on tax-exempt State and local government bonds, voluntary contributions to thrift savings plans, and nontaxable social security benefit payments. The adjustments to total income include subtractions for contributions to individual retirement accounts and Keogh plans, for alimony paid, for moving expenses, and for several items related to self-employment income.

Tables 1 and 2 show the reconciliation between personal income and AGI, by type of income, for 1997–98. The reconciliation items that convert personal income to AGI are shown in two groups: First, those items that are included in personal income but not in AGI, and second, items included in AGI but not in personal income. A third group of reconciliation items, "intercomponent reallocations," reallocates certain income components so

3. For a discussion of the annual NIPA revision, see Eugene P. Seskin and David F. Sullivan, "Annual Revision of the National Income and Product Accounts: Annual Estimates, 1997–99 and Quarterly Estimates, 1997:I–2000:I," *SURVEY 80* (August 2000): 6–33. For AGI data, see Internal Revenue Service, *Statistics of Income Bulletin* (Washington, DC: U.S. Government Printing Office, Spring 2000).

that the BEA estimates of AGI are comparable with the IRS estimates.⁴

The AGI Gap

The estimates of the BEA-derived AGI differ significantly from the IRS estimates of AGI. The "AGI gap" is the difference between the total BEA-derived AGI (line 22) and total IRS AGI (line 23), and the AGI gap for each type of income (line 29) is the difference between the BEA-derived AGI for that type of income (line 22) and the reallocated IRS AGI for that type of income (line 28). The percent distribution of the AGI gap by type of income is shown in line 30, and the relative AGI gap for each type of income, which is the AGI gap for that type of income (line 29) as a percentage of the BEA-derived AGI for that type of income (line 22), is shown in line 31.

The AGI gap results from several sources. First, there are errors in the source data used to estimate the personal income components.⁵ Second, there are errors in the IRS measure of total AGI and its components because the estimates are based on a probability sample. Third, there are errors in reconciliation items because (1) reliable data are unavailable to estimate some known items, such as income earned by individuals who are not required to file income tax returns,⁶ (2) some of the source data used to estimate known items contain errors, and (3) some of the differences between the definition of personal income and AGI are unknown. Fourth, the estimates of BEA-derived AGI include both explicit and implicit adjustments for tax-return misreporting—that is, noncompliance. Explicit adjustments are made for the effects of tax-return misreporting on the source data used to prepare the estimates of wage and salary disburse-

4. For a discussion of the specific items that are included in each group, see Thae S. Park, "Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income," *SURVEY 80* (February 2000): 18.

5. AGI data are used only for the estimates of nonfarm sole proprietors' income and royalty payments in rental income of persons. For these components of personal income, BEA adjusts for misreporting of tax return information by taxpayers. Thus, the AGI gap for these components largely reflects the explicit misreporting adjustments (line 32 in tables 1 and 2) added to the source data; other errors in the source data do not contribute to the AGI gap, because these errors are also in the personal income components. The principal source data used to prepare other components of personal income are not based on AGI data. For additional detail, see "Updated Summary NIPA Methodologies," *SURVEY 80* (October 2000): 18–40 and the text on the CD-ROM *State Personal Income, 1929–98*. Information on methodology is also available on BEA's Web site.

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

ments, nonfarm proprietors' income, royalty income, and personal interest income (line 32).⁷ Implicit adjustments are also embedded in the

source data used for some components of personal income because the source data are from the payers of the income.⁸ The IRS estimates of AGI are based on unaudited tax returns that are not adjusted for misreporting (however, the sample returns are edited for consistent statistical definitions and for incorrect or missing entries in or-

7. The major source data for these adjustments are the 1988 Taxpayer Compliance Measurement Program and Census Bureau "exact-match" files for 1990. For additional information about the calculation of these adjustments, see Robert P. Parker, "Improved Adjustments for Misreporting of Tax Return Information Used To Estimate the National Income and Product Accounts, 1977," SURVEY 64 (June 1984): 17-25; "The Comprehensive Revision of the U.S. National Income and Product Accounts: A Review of Revisions and Major Statistical Changes," SURVEY 71 (December 1991): 39-40; and "Improved Estimates of the National Income and Product Accounts for 1959-95: Results of the Comprehensive Revision," SURVEY 76 (January/February 1996): 24-25.

8. For example, the estimates of transfer payments in personal income are based on budget data from the Federal Government and from State and local governments. Information from IRS audit studies shows misreporting of these payments on individual income tax returns.

Table 1.—Comparison of Personal Income With AGI, by Type of Income, 1997

[Billions of dollars]

Line		Personal income	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Personal dividend income	Personal interest income	Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits ¹	Other personal income ²	Income not included in personal income
				Farm	Nonfarm								
1	Personal income	6,937.0	3,888.9	29.7	551.5	128.3	334.9	864.0	³ 2.9	20.4	68.0	1,048.3	0
2	Less: Portion of personal income not included in adjusted gross income	2,494.8	93.6	5.5	7.8	91.1	209.0	697.5	0	0	0	1,343.4	47.0
3	Nontaxable transfer payments	870.1	0	0	0	0	0	0	0	0	0	870.1	0
4	Other labor income except fees	472.7	0	0	0	0	0	0	0	0	0	472.7	0
5	Imputed income in personal income ⁴	291.9	10.7	.4	6.7	69.8	0	204.2	0	0	0	0	0
6	Investment income of life insurance carriers and pension plans ⁵	405.7	0	0	0	1.2	50.8	353.7	0	0	0	0	0
7	Investment income received by nonprofit institutions or retained by fiduciaries	64.5	0	0	.3	5.6	24.2	33.7	0	0	0	.6	0
8	Differences in accounting treatment between NIPA's and tax regulations, net	90.0	0	5.0	.7	14.5	17.1	52.7	0	0	0	0	0
9	Other personal income exempt or excluded from adjusted gross income	299.9	82.9	0	0	0	116.8	53.2	0	0	0	0	⁶ 47.0
10	Plus: Portion of adjusted gross income not included in personal income	1,152.1	17.2	0	3.0	2.9	0	0	334.4	0	0	297.2	497.3
11	Personal contributions for social insurance	297.9	0	0	0	0	0	0	0	0	0	297.9	0
12	Gains, net of losses, from sale of property	354.6	0	0	0	0	0	0	0	0	0	0	354.6
13	Taxable pensions ⁷	334.4	0	0	0	0	0	0	334.4	0	0	0	0
14	Small business corporation income	103.7	0	0	0	0	0	0	0	0	0	0	103.7
15	Other types of income	61.5	17.2	0	3.0	2.9	0	0	0	0	0	-7	39.0
16	Plus: Intercomponent reallocation	0	9.9	0	-6	0	43.0	-43.0	-7.2	0	0	-2.1	0
17	Fees in other labor income	0	2.7	0	0	0	0	0	0	0	0	-2.7	0
18	Fiduciaries' share of partnership income ⁸	0	0	0	-6	0	0	0	0	0	0	.6	0
19	Interest received by nonfarm proprietors	0	0	0	0	0	0	0	0	0	0	0	0
20	Interest distributed by regulated investment companies	0	0	0	0	0	43.0	-43.0	0	0	0	0	0
21	Taxable disability income payments	0	7.2	0	0	0	0	0	-7.2	0	0	0	0
22	Equals: BEA-derived adjusted gross income	5,594.3	3,822.5	24.2	546.1	40.2	168.9	123.4	330.2	20.4	68.0	0	450.3
23	Adjusted gross income of IRS (as reported)	4,970.0	3,613.9	-6.8	186.7	22.4	120.5	171.7	259.7	17.2	61.6	72.8	450.3
24	Plus: Intercomponent reallocation	0	0	.5	66.5	5.8	0	0	0	0	0	-72.8	0
25	Estate or trust income	0	0	0	2.3	5.8	0	0	0	0	0	-8.1	0
26	Partnership income	0	0	.5	64.1	0	0	0	0	0	0	-64.6	0
27	Other reallocations	0	0	0	0	0	0	0	0	0	0	0	0
28	Adjusted gross income of IRS (reallocated)	4,970.0	3,613.9	-6.3	253.2	28.1	120.5	171.7	259.7	17.2	61.6	0	450.3
29	Adjusted gross income gap	624.3	208.6	30.6	292.9	12.0	48.4	-48.3	70.4	3.2	6.5	0	0
30	Percent distribution of AGI gap	100.0	33.4	4.9	46.9	1.9	7.8	-7.7	11.3	.5	1.0		
31	Relative AGI gap ⁹	11.2	5.5	126.0	53.6	29.9	28.7	-39.1	21.3	15.5	9.5		
32	Addendum: Misreporting adjustments included in personal income	311.7	89.9		231.8	1.3		-11.3					

See the footnotes at the end of table 2.

der to make them consistent with other entries on the returns and with accompanying schedules).

BEA believes that the explicit and implicit adjustments for misreporting account for a major part of the AGI gap. For 1998, the explicit adjust-

ments accounted for \$337.6 billion of the \$695.4 billion gap. The AGI gap can be considered a rough indicator of noncompliance with the Federal tax code, and the relative AGI gap—the AGI gap as a percentage of the BEA-derived AGI—can

Table 2.—Comparison of Personal Income With AGI, by Type of Income, 1998
[Billions of dollars]

Line		Personal income	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Personal dividend income	Personal interest income	Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits ¹	Other personal income ²	Income not included in personal income
				Farm	Nonfarm								
1	Personal income	7,391.0	4,190.7	25.4	595.2	135.4	351.1	940.8	³ 3.0	20.0	77.2	1,052.1	0
2	Less: Portion of personal income not included in adjusted gross income	2,611.8	100.0	6.2	6.4	100.1	248.2	736.1	0	0	0	1,365.2	49.8
3	Nontaxable transfer payments	882.0	0	0	0	0	0	0	0	0	0	882.0	0
4	Other labor income except fees	482.6	0	0	0	0	0	0	0	0	0	482.6	0
5	Imputed income in personal income ⁴	320.5	11.0	.4	7.3	79.3	0	222.6	0	0	0	0	0
6	Investment income of life insurance carriers and pension plans ⁵	435.7	0	0	0	1.2	59.0	375.6	0	0	0	0	0
7	Investment income received by nonprofit institutions or retained by fiduciaries	60.0	0	0	.3	5.6	21.4	32.1	0	0	0	.7	0
8	Differences in accounting treatment between NIPA's and tax regulations, net	88.9	0	5.8	-1.2	14.1	15.9	54.5	0	0	0	0	0
9	Other personal income exempt or excluded from adjusted gross income	342.1	89.0	0	0	0	152.0	51.4	0	0	0	0	⁶ 49.8
10	Plus: Portion of adjusted gross income not included in personal income	1,305.8	18.8	0	3.3	3.0	0	0	359.9	0	0	315.3	605.2
11	Personal contributions for social insurance	316.2	0	0	0	0	0	0	0	0	0	316.2	0
12	Gains, net of losses, from sale of property	414.2	0	0	0	0	0	0	0	0	0	0	414.2
13	Taxable pensions ⁷	359.9	0	0	0	0	0	0	359.9	0	0	0	0
14	Small business corporation income	108.4	0	0	0	0	0	0	0	0	0	0	108.4
15	Other types of income	106.9	18.8	0	3.3	3.0	0	0	0	0	0	-9	82.6
16	Plus: Intercomponent reallocation	0	10.5	0	-7	0	60.5	-60.5	-7.6	0	0	-2.3	0
17	Fees in other labor income	0	2.9	0	0	0	0	0	0	0	0	-2.9	0
18	Fiduciaries' share of partnership income ⁸	0	0	0	-7	0	0	0	0	0	0	.7	0
19	Interest received by nonfarm proprietors	0	0	0	0	0	0	0	0	0	0	0	0
20	Interest distributed by regulated investment companies	0	0	0	0	0	60.5	-60.5	0	0	0	0	0
21	Taxable disability income payments	0	7.6	0	0	0	0	0	-7.6	0	0	0	0
22	Equals: BEA-derived adjusted gross income	6,084.7	4,120.0	19.2	591.6	38.4	163.4	144.2	355.3	20.0	77.2	0	555.4
23	Adjusted gross income of IRS (as reported)	5,389.3	3,894.4	-7.1	195.8	19.0	114.9	168.8	284.9	16.8	69.9	76.5	555.4
24	Plus: Intercomponent reallocation	0	0	.2	70.2	6.1	0	0	0	0	0	-76.5	0
25	Estate or trust income	0	0	0	2.8	6.1	0	0	0	0	0	-8.9	0
26	Partnership income	0	0	.2	67.4	0	0	0	0	0	0	-67.6	0
27	Other reallocations	0	0	0	0	0	0	0	0	0	0	0	0
28	Adjusted gross income of IRS (reallocated)	5,389.3	3,894.4	-6.9	266.0	25.1	114.9	168.8	284.9	16.8	69.9	0	555.4
29	Adjusted gross income gap	695.4	225.6	26.1	325.5	13.3	48.5	-24.6	70.4	3.2	7.4	0	0
30	Percent distribution of AGI gap	100.0	32.4	3.8	46.8	1.9	7.0	-3.5	10.1	.5	1.1		
31	Relative AGI gap ⁹	11.4	5.5	135.9	55.0	34.5	29.7	-17.0	19.8	16.0	9.5		
32	Addendum: Misreporting adjustments included in personal income	337.6	97.4		252.6	1.0		-13.3					

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

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

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

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

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

6. Statutory adjustments or specific adjustments ("above-the-line deductions") from gross income taken to arrive at AGI.

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

8. Consists of partnership income retained by fiduciaries.

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

AGI Adjusted gross income
BEA Bureau of Economic Analysis
CCAAdj Capital consumption adjustment
IVA Inventory valuation adjustment
IRS Internal Revenue Service
NIPA National income and product accounts

be considered a rough indicator of the noncompliance rate in the reporting of income included in AGI.⁹

The AGI Gap by Type of Income for 1959–98

Table 3 shows the estimates of the AGI gap for total income and for each type of income for 1959–98, and table 4 shows the relative AGI gap for total income and for each type of income for 1959–98. Over this period, the relative AGI gap for total income averaged about 11 percent: It declined from 10 percent in 1959 to a low of about 9 percent in the late 1960's, increased to a high of 13½ percent

in 1984, and then moved irregularly downward to about 11 percent in 1998.

The relative AGI gap for wage and salary disbursements is the smallest among the types of income, primarily because income tax withholding at the source is required for wage and salary disbursements. The relative AGI gap for wage and salary disbursements averaged about 3 percent over the period; it declined from 3 percent in 1959 to a low of 1 percent in 1982 and then increased to 5½ percent in 1998.

The trends in the relative AGI gaps for nonwage incomes partly offset each other (see the addenda in table 4). For nonwage incomes subject to the requirements for filing information returns, the trend in the combined relative AGI gap is generally

9. Misreporting adjustments shown in line 32 of tables 1 and 2 exclude misreporting on income items that are excluded from personal income—such as capital gain, income from small business corporations, and alimony.

Table 3.—The BEA and IRS Measures of AGI and the AGI Gap by Type of Income, 1959–98

(Billions of dollars)

Year	BEA-derived AGI	IRS AGI	AGI gap	Wage and salary disbursements	Proprietors' income		Rental income of persons	Personal dividend and personal interest income			Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits
					Farm	Nonfarm		Total	Personal dividend income	Personal interest income			
1959	339.1	305.1	34.0	7.7	7.1	9.7	-0.1	7.9	0.8	7.1	1.7	0	0
1960	351.4	315.5	36.0	8.8	6.4	10.1	.0	8.7	1.2	7.6	1.9	0	0
1961	365.8	329.9	36.0	7.5	5.6	11.5	.4	8.9	1.2	7.7	2.1	0	0
1962	387.8	348.7	39.1	9.1	6.2	11.8	.4	9.4	1.2	8.2	2.2	0	0
1963	409.2	368.8	40.4	8.3	7.0	12.6	.7	9.4	1.3	8.1	2.4	0	0
1964	442.2	396.7	45.6	10.2	6.3	14.1	.8	11.4	2.0	9.5	2.8	0	0
1965	479.8	429.2	50.6	11.7	7.1	14.2	1.2	13.3	2.3	11.0	3.2	0	0
1966	521.7	468.5	53.3	13.5	7.3	15.9	1.0	12.0	.5	11.5	3.5	0	0
1967	555.4	504.8	50.6	11.0	5.7	16.6	.9	12.4	.5	11.9	4.0	0	0
1968	609.3	554.4	54.9	13.6	5.5	17.0	.7	13.7	.9	12.9	4.3	0	0
1969	663.3	603.5	59.7	12.4	7.7	18.7	.7	15.2	.7	14.5	5.0	0	0
1970	699.3	631.7	67.6	13.1	9.3	20.5	.9	17.7	1.0	16.7	6.1	0	0
1971	744.8	673.6	71.2	13.3	8.3	23.7	.8	18.3	1.4	16.9	7.1	0	0
1972	825.5	746.0	79.5	10.8	10.9	28.8	1.6	19.2	2.0	17.2	8.2	0	0
1973	926.1	827.1	99.0	16.4	16.7	32.2	1.5	23.5	3.4	20.1	8.6	0	0
1974	1,005.4	905.5	99.8	8.8	17.8	38.1	.4	25.2	2.7	22.5	9.5	0	0
1975	1,048.0	947.8	100.2	13.6	12.6	42.2	.1	21.1	1.0	20.0	10.7	0	0
1976	1,169.1	1,053.9	115.2	13.2	11.7	53.6	-.4	25.3	3.8	21.5	11.8	0	0
1977	1,297.6	1,158.5	139.1	19.3	9.9	61.3	1.8	34.5	6.2	28.3	12.3	0	0
1978	1,469.6	1,302.4	167.1	24.7	13.0	73.5	2.2	38.9	7.3	31.6	14.9	0	0
1979	1,658.5	1,465.4	193.1	19.7	15.3	84.6	3.9	50.6	9.2	41.4	18.5	.4	0
1980	1,831.6	1,613.7	217.9	21.3	19.6	89.2	7.1	56.5	12.5	44.1	23.4	.8	0
1981	2,016.3	1,772.6	243.7	21.0	21.3	90.5	12.5	68.7	22.4	46.3	28.8	.9	0
1982	2,094.7	1,852.1	242.6	16.5	17.5	95.5	15.5	62.1	18.4	43.7	33.5	2.0	0
1983	2,225.7	1,942.6	283.1	23.5	29.5	109.9	15.6	62.7	23.4	39.3	39.3	2.6	0
1984	2,473.3	2,139.9	333.4	27.5	28.8	141.4	19.9	62.7	28.9	33.7	47.2	1.3	4.6
1985	2,629.9	2,306.0	323.9	41.8	25.0	147.2	22.4	34.8	22.1	12.7	48.2	1.4	3.2
1986	2,848.3	2,481.7	366.6	55.1	29.5	147.2	19.5	45.3	19.7	25.6	65.7	1.2	3.1
1987	3,125.4	2,773.8	351.6	76.3	32.6	121.6	15.1	45.7	27.5	18.1	55.0	2.6	2.8
1988	3,415.8	3,083.0	332.8	80.0	36.6	122.9	8.3	37.9	23.1	14.8	42.4	1.9	2.8
1989	3,658.6	3,256.4	402.3	108.2	31.0	127.4	3.9	71.6	40.9	30.7	54.8	2.4	3.0
1990	3,813.2	3,405.4	407.8	112.8	28.4	134.4	4.4	67.4	42.0	25.4	54.3	2.8	3.0
1991	3,864.4	3,464.5	399.9	100.4	30.9	139.3	7.4	65.3	43.8	21.5	49.8	3.6	3.2
1992	4,108.3	3,629.1	479.2	127.3	32.4	165.1	12.0	72.9	32.7	40.2	56.6	8.3	4.5
1993	4,260.0	3,723.3	536.7	145.4	39.0	200.5	10.1	71.5	31.6	39.9	56.7	7.3	6.1
1994	4,485.7	3,907.5	578.2	154.3	28.5	223.5	12.7	84.0	50.5	33.5	63.4	3.9	8.0
1995	4,766.4	4,189.4	577.0	162.8	37.3	246.4	15.5	35.9	35.2	0.7	67.7	2.6	8.8
1996	5,151.6	4,536.0	615.6	188.0	32.1	278.1	13.4	24.5	45.4	-20.9	69.2	3.2	7.2
1997	5,594.3	4,970.0	624.3	208.6	30.6	292.9	12.0	0.2	48.4	-48.3	70.4	3.2	6.5
1998	6,084.7	5,389.3	695.4	225.6	26.1	325.5	13.3	23.9	48.5	-24.6	70.4	3.2	7.4

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

downward.¹⁰ The combined relative AGI gap for nonwage incomes subject to the filing requirements declined from about 39 percent in 1959 to 14 percent in 1998.¹¹

10. Personal dividend income and personal interest income are the primary examples of nonwage incomes subject to the requirements for filing information returns. In recent years, estimating the AGI gap for these types of income has been difficult because the taxable portion of interest received by individuals from mutual funds is reallocated from personal interest income to personal dividend income (line 19 in tables 1 and 2), because the allocation of income received from private noninsured pension plans (part of line 6) between interest and dividends is based on incomplete data, and because some individuals may have inadvertently reported income from mutual funds as interest rather than as dividends on their tax returns. Thus, tables 3 and 4 show the AGI gap for personal dividend and personal interest income combined as well as the AGI gaps for each of these types of income.

11. Beginning with 1984, taxes have been withheld on taxable pension benefit payments unless the recipient elects not to have the tax withheld and on interest and dividends if the recipient fails to furnish a correct taxpayer identification number or has interest or dividends that were underreported on past returns.

The combined relative AGI gap for incomes not subject to the filing requirements (the second addenda item in table 4) averaged about 50 percent over the period; it increased from about 32 percent in 1959 to about 80 percent—its highest level—in 1984, decreased to about 48 percent in 1990, and then increased to about 56 percent in 1998.

Sources of the Revision to the AGI Gap for 1997

Table 5 shows the revisions to personal income, reconciliation items, BEA-derived AGI, AGI of IRS, and the AGI gap for 1997. The \$6.0 billion downward revision to the AGI gap for 1997 (line 29) resulted from \$9.8 billion of revisions to personal income that carried through to increase the

Table 4.—The Relative AGI Gap by Type of Income, 1959–98
[Percent]

Year	Total	Wage and salary disbursements	Proprietors' income		Rental income of persons	Personal dividend and interest income			Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits	Addenda	
			Farm	Nonfarm		Total	Personal dividend income	Personal interest income				Incomes, except wages and salaries, subject to filing requirements ¹	Incomes not subject to filing requirements ²
1959	10.0	3.0	68.9	25.6	-2.2	36.5	7.6	61.8	53.3	0	0	38.6	32.4
1960	10.2	3.3	66.1	27.1	1.0	37.4	10.8	60.0	54.1	0	0	39.6	32.7
1961	9.8	2.7	59.0	29.1	10.1	36.3	10.7	57.5	53.5	0	0	38.7	33.0
1962	10.1	3.1	61.5	28.4	9.3	34.5	10.3	53.3	48.5	0	0	36.5	33.1
1963	9.9	2.7	68.0	29.5	17.0	31.2	9.9	46.8	47.4	0	0	33.6	35.4
1964	10.3	3.0	66.6	30.1	19.0	34.1	14.1	48.3	47.2	0	0	36.1	35.1
1965	10.5	3.3	63.8	28.8	25.8	35.5	15.1	49.4	47.0	0	0	37.2	34.5
1966	10.2	3.4	60.6	30.2	21.6	30.7	3.4	46.6	44.0	0	0	32.9	34.9
1967	9.1	2.6	59.3	29.8	19.8	29.9	3.2	44.5	44.2	0	0	32.4	33.2
1968	9.0	2.9	59.2	28.6	15.9	30.0	5.5	43.4	41.8	0	0	32.2	31.6
1969	9.0	2.4	64.6	30.5	15.0	30.1	4.5	42.5	42.1	0	0	32.4	34.9
1970	9.7	2.4	73.0	32.9	19.0	31.9	6.2	43.1	43.5	0	0	34.2	38.5
1971	9.6	2.3	75.5	35.3	15.9	31.2	8.4	40.5	43.2	0	0	33.8	39.5
1972	9.6	1.7	69.1	38.6	25.2	30.2	10.6	38.5	42.8	0	0	33.2	42.7
1973	10.7	2.3	65.7	39.7	20.2	31.6	15.3	38.5	39.5	0	0	33.4	44.3
1974	9.9	1.1	73.8	43.2	6.4	29.5	11.5	36.3	36.2	0	0	31.0	47.3
1975	9.6	1.7	72.7	45.5	1.8	24.4	4.6	31.5	33.9	0	0	26.9	47.1
1976	9.9	1.5	72.2	48.6	-6.8	25.8	13.6	30.7	32.4	0	0	27.5	48.7
1977	10.7	2.0	89.7	49.1	21.8	29.7	18.7	34.1	29.6	0	0	29.7	50.6
1978	11.4	2.2	73.2	51.6	22.9	29.9	19.5	34.0	31.3	0	0	30.3	52.3
1979	11.6	1.6	83.9	54.7	37.0	32.0	21.6	35.9	33.1	30.7	0	32.3	56.5
1980	11.9	1.6	106.8	57.4	52.5	28.7	24.3	30.2	35.1	27.0	0	30.2	61.9
1981	12.1	1.4	156.2	62.5	69.6	27.8	32.7	26.0	35.7	27.3	0	29.8	70.4
1982	11.6	1.0	228.1	64.8	81.1	22.9	26.1	21.8	35.8	21.8	0	26.1	73.8
1983	12.7	1.4	146.4	64.5	97.1	23.7	32.5	20.4	36.0	27.1	0	27.3	75.0
1984	13.5	1.5	198.6	68.0	123.7	21.8	37.3	16.1	37.0	17.8	36.7	26.6	79.7
1985	12.3	2.1	202.5	66.2	134.2	12.8	28.6	6.5	33.6	17.6	25.0	20.1	77.4
1986	12.9	2.6	135.4	64.7	190.6	16.5	24.2	13.2	37.9	15.0	22.6	24.5	75.6
1987	11.2	3.4	102.0	51.9	139.4	16.2	29.2	9.7	30.6	17.2	18.1	21.6	61.1
1988	9.7	3.3	101.0	45.2	83.4	12.6	23.0	7.4	23.4	13.9	16.4	16.5	52.7
1989	11.0	4.2	96.2	44.3	51.2	19.2	33.4	12.2	27.1	16.8	14.6	21.6	49.6
1990	10.7	4.2	96.2	43.9	39.7	18.0	34.4	10.1	25.4	15.5	13.2	20.3	48.2
1991	10.3	3.6	105.0	44.6	47.9	18.5	36.2	9.3	22.0	13.5	13.1	19.4	49.7
1992	11.7	4.3	103.7	46.1	48.5	23.3	29.5	19.9	23.3	21.0	16.2	22.8	50.6
1993	12.6	4.8	107.7	50.4	37.4	25.3	28.4	23.3	22.6	21.0	19.9	23.7	54.2
1994	12.9	4.8	132.2	51.6	38.7	28.7	38.0	21.0	23.6	16.0	17.2	25.2	54.3
1995	12.1	4.8	125.5	53.2	41.6	12.6	27.1	.5	23.4	11.9	16.2	17.7	56.4
1996	12.0	5.3	126.8	54.1	33.8	8.3	30.3	-14.4	22.5	14.3	12.0	15.2	55.9
1997	11.2	5.5	126.0	53.6	29.9	.1	28.7	-39.1	21.3	15.5	9.5	11.3	55.0
1998	11.4	5.5	135.9	55.0	34.5	7.8	29.7	-17.0	19.8	16.0	9.5	13.8	56.2

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

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

NOTE.—The relative AGI gap is the AGI gap as a percentage of the BEA-derived AGI and is shown in line 31 of tables 1 and 2.

AGI Adjusted gross income
BEA Bureau of Economic Analysis

AGI gap, from \$27.1 billion of revisions to reconciliation items unrelated to the revisions to personal income or to AGI that carried through to reduce the AGI gap, and from \$11.3 billion of revisions to AGI components that carried through to increase the AGI gap.

Total personal income was revised down \$14.1 billion for 1997 (line 1). The downward revision reflected \$9.8 billion of upward revisions to personal income components that carried through to increase the BEA-derived AGI and the AGI gap and \$23.9 billion of downward revisions that resulted in offsetting revisions to reconciliation items. The offsetting revisions to reconciliation items included revisions to nontaxable transfer payments (line 3), other labor income except fees (line 4), part of differences in accounting treatment between NIPA's and tax regulations (line 8), part of other personal income exempt or excluded

from AGI (line 9), and personal contributions for social insurance (line 11).

Reconciliation items unrelated to personal income or to AGI were revised down \$27.1 billion. Other things being equal, revisions to the unrelated reconciliation items are all carried through to the BEA-derived AGI and the AGI gap. Revisions to unrelated reconciliation items included revisions to investment income of pension plans (part of line 6), investment income received by nonprofit institutions or retained by fiduciaries (line 7), part of other personal income exempt or excluded from AGI (line 9), taxable pensions (line 13), and part of other types of income (line 15).¹²

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

Total AGI was revised down \$3.7 billion for 1997 (line 23). The \$3.7 billion downward revision to total AGI reflected \$11.3 billion of downward revisions that carried through to increase the AGI gap and \$7.6 billion of upward revisions that resulted in offsetting revisions to reconciliation items. The offsetting revisions to reconciliation items included revisions to gains, net of losses, from sale of property (line 12), small business corporation income (line 14), and most of other types of income (line 15).


The incorporation of the results of this year's annual NIPA revision resulted in no change in the relative AGI gap for total income (line 31). 

Table 5.—Sources of Revision to the AGI Gap, 1997
[Billions of dollars]

Line 1		1997
1	Personal income	-14.1
2	Less: Portion of personal income not included in adjusted gross income	-3.5
3	Nontaxable transfer payments .....	.1
4	Other labor income except fees	-25.5
5	Imputed income in personal income	-1.1
6	Investment income of life insurance carriers and pension plans	10.8
7	Investment income received by nonprofit institutions or retained by fiduciaries	4.5
8	Differences in accounting treatment between NIPA's and tax regulations, net	2.7
9	Other personal income exempt or excluded from adjusted gross income	5.1
10	Plus: Portion of adjusted gross income not included in personal income .....	.9
11	Personal contributions for social insurance	-2
12	Gains, net of losses, from sale of property	16.4
13	Taxable pensions	-6.6
14	Small business corporation income	2.9
15	Other types of income	-11.7
22	Equals: BEA-derived adjusted gross income	-9.7
23	Adjusted gross income of IRS	-3.7
29	Adjusted gross income (AGI) gap	-6.0
31	Relative AGI gap	0

1. Line numbers in this table correspond to those in table 1.
AGI Adjusted gross income
BEA Bureau of Economic Analysis
IRS Internal Revenue Service
NIPA's National income and product accounts

12. Taxable pensions (line 13) include benefit payments from private and government employee retirement plans. Pension benefit payments is not a component of personal income. The taxable portion of these payments is an unrelated reconciliation item because a separate estimate is prepared only for reconciliation purposes.

Reconciliation of the U.S.-Canadian Current Account, 1998 and 1999

By Anthony DiLullo and Hugh Henderson

Anthony DiLullo is the Assistant Chief of BEA's Balance of Payments Division. Hugh Henderson is Chief, Current Account, in Statistics Canada's Balance of Payments Division. This article will also be published in *Canada's Balance of International Payments, Third Quarter 2000*.

ON a reconciled basis, the U.S. deficit, or Canadian surplus, is \$9.6 billion for 1998 and \$19.5 billion for 1999 (chart 1, table 1).¹ The U.S.-published current-account balance with Canada is a U.S. deficit of \$4.4 billion for 1998 and a U.S. deficit of \$15.1 billion for 1999. The corresponding Canadian-published balance is a Canadian surplus (U.S. deficit) of \$7.7 billion for 1998 and a Canadian surplus (U.S. deficit) of \$21.8 billion for 1999.

This article presents the results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 1998 and 1999.² The details of the current-account reconciliation for 1998 and 1999 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 statisti-

cal—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 component. Tables 4–7 present the reconciliation details for goods, services, and investment income.³

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.

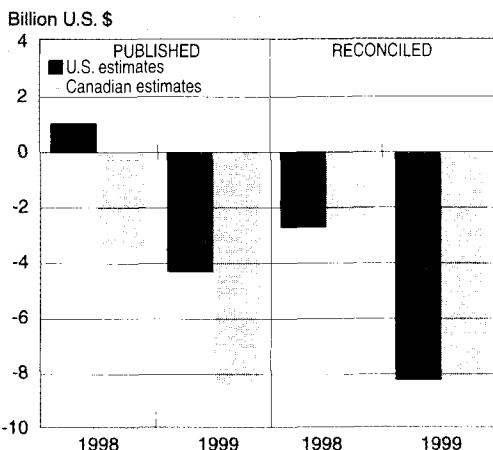
In this article, all values are expressed in U.S. dollars.

2. The reconciliation of the current account has been undertaken each year since 1970. Summary results of the reconciliations were published in the United States in the following issues of the SURVEY OF CURRENT BUSINESS: June 1975, September 1976 and 1977, December 1979, June 1981, and each December of 1981–91. Complete details of the reconciliations for 1990 forward were published in the following issues of the SURVEY: November 1992, each October of 1993–95, and each November of 1996–99. In Canada, the results were published in the following issues of *Canada's Balance of International Payments* (catalogue 67-001), a publication of Statistics Canada: Fourth Quarter 1973, Second Quarter 1976 and 1977, Third Quarter 1978 and 1979, First Quarter 1981, and each Third Quarter 1981–99.

3. For reconciliation, some of the details presented in the tables in this article differ from those presented in balance-of-payments tables regularly published by BEA and by Statistics Canada.

CHART 1

U.S.-Canadian Current-Account Balance¹



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

U.S. Department of Commerce, Bureau of Economic Analysis

Table 1.—Major U.S.-Canadian Balances

[Billions of U.S. dollars]

	Published estimate		Reconciled estimates	
	United States	Canada	United States	Canada
1998				
Goods and services	-15.6	20.0	-22.2	22.2
Goods	-19.6	24.1	-25.3	25.3
Services	3.9	-4.1	3.1	-3.1
Income	11.9	-13.8	13.0	-13.0
Current unilateral transfers	-0.6	1.5	-0.5	0.5
Current account	-4.4	7.7	-9.6	9.6
1999				
Goods and services	-28.9	36.6	-36.3	36.3
Goods	-34.7	40.4	-40.9	40.9
Services	5.8	-3.9	4.6	-4.6
Income	14.4	-16.4	17.3	-17.3
Current unilateral transfers	-0.6	1.6	-0.5	0.5
Current account	-15.1	21.8	-19.5	19.5

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

Reconciled Current-Account Balances

In the U.S. current account, the reconciliation adjustments resulted in an increase of \$5.2 billion in the U.S. deficit for 1998 and an increase of \$4.4 billion in the U.S. deficit for 1999. In both years, the changes reflect larger adjustments to the U.S. southbound estimates than to the northbound estimates (tables 2.1 and 2.2).⁴ The largest increases in the U.S. southbound estimates result from the addition of Canadian reexports to U.S. goods imports (a definitional adjustment), from the valuation of U.S. natural gas imports to include inland freight (a definitional adjustment), and from an increase for undercoverage of some southbound services (a statistical adjustment). The largest increases in the U.S. northbound estimates result from upward adjustments to investment income for undercoverage of income on U.S. holdings of Canadian bonds (a statistical adjustment).

In the Canadian current account, the reconciliation adjustments resulted in an increase of \$1.9

billion in the 1998 Canadian surplus and in a decrease of \$2.3 billion in the 1999 Canadian surplus. In 1998, the increase reflects larger downward adjustments to the Canadian northbound estimates than to the Canadian southbound estimates. In 1999, the decrease reflects smaller downward adjustments to the Canadian northbound estimates than to the Canadian southbound estimates. In both years, the Canadian southbound estimates were adjusted downward to account for definitional differences, mainly in unilateral transfers; for methodological differences, mainly in investment income; and for statistical differences, mainly in "other" services and in investment income. In the Canadian northbound estimates, downward adjustments for definitional and methodological differences were mainly in "other" investment income. Downward adjustments for statistical differences in 1998 were mainly in services; in 1999, downward statistical adjustments to services were partly offset by upward statistical adjustments to income.

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

Expanded Presentation of the Reconciliation

The presentation of the reconciliation tables has been expanded this year. Additional information is now included in tables 2.1 and 2.2. The details of

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

In principle, the bilateral current account of one country should mirror the bilateral current account of the other country. Differences occur in the published estimates of the U.S. and Canadian current accounts because of variations in the definitions, methodologies, and statistical sources that are used by each agency. In addition, some of the differences for 1999 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 sharing. As a result of the reconciliation process and the exchange of data, the accuracy of the published estimates of transactions between Canada and the United States and the efficiency in producing the estimates have increased. The exchange of data between Canada and the United States—for transactions such as trade in goods, travel, passenger fares, Canadian and U.S. Government transactions, and some large transportation transactions—covers more than 80 percent of the value of the Canadian and U.S. current account and has eliminated some of the differences in the Canadian- and U.S.-published estimates.

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

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

the definitional, methodological, and statistical adjustments for each major account are now shown, whereas only the total adjustments were previously shown.

In tables 3–7, columns have been added that show the current-account estimates on a common basis—that is, after they have been adjusted for definitional and methodological differences; the remaining adjustments that are needed to reach the reconciled values are the statistical adjustments. The common-basis estimates, which were initiated by Statistics Canada, provide a useful means to analyze the differences between the U.S.- and Canadian-published estimates. These estimates, though compiled in the past, were not published, because some of the definitional and methodological adjustments were arbitrary. The method of compiling the common-basis estimates has been changed to conform to the international standards published in the International Monetary Fund's *Balance of Payments Manual* (fifth edition) and to reflect the recent improvements to the U.S.- and Canadian-published estimates. 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—persist

because of data limitations, difficulties in determining country attribution, and differences in classification.

In the expanded presentation, the tables of the individual accounts (tables 4–7) continue to identify the type of adjustments made to the published estimates. The definitional adjustments mainly reflect data limitations and differences in country attribution. For example, as part of the reconciliation, U.S. published estimates of imports of goods from Canada are adjusted to include Canadian reexports to the United States (goods imported by Canada from third countries and then reexported to the United States without substantial change) because U.S. imports of goods are recorded on a country-of-origin basis. Another example of a definitional adjustment is that the Canadian estimates, mainly investment income, are adjusted to a “net of withholding taxes” basis because the U.S. withholding tax estimates—which are included on a global basis in the U.S.-published accounts—cannot be allocated by country for comparison with the Canadian estimates.

The methodological adjustments mainly reflect differences in classification. For example, parts of the U.S. estimates of film rentals and courier services are recorded in different accounts; for reconciliation, they are reclassified to a single account (part of business services). A few U.S. and Canadian income accounts are adjusted to a net or gross basis for comparability.

Statistical differences reflect the use of different source data in the United States and Canada, the difficulty in determining country attribution because of insufficient data, the preliminary nature of some of the data, particularly for the most recent year, and the use of sample data between benchmarks. For the northbound estimates, most of the statistical differences are in the U.S. and Canadian estimates of “other” private services and of “other” investment income. For the southbound estimates, most of the statistical differences are in the U.S. and Canadian estimates of “other” private services and of direct investment income.

Tables 2.1 through 7.2 follow. 

Acknowledgments

The reconciliations were carried out under the direction of Hugh Henderson, Chief, Current Account, in Statistics Canada's Balance of Payments Division, and Anthony DiLullo, Assistant Chief of BEA's Balance of Payments Division. At Statistics Canada, Denis Caron, Christian Lajule, Éric Simard, and Robert Théberge participated in the reconciliation of the Canadian accounts, with collaboration and assistance from Art Ridgeway, Barry Mersereau, and Laura Petts. Denis Caron was responsible for the production and coordination of the reconciliation tables. At BEA, Russell Scholl was responsible for reconciling the U.S. portfolio income accounts; Mark New, for the accounts related to U.S. direct investment in Canada; Gregory Fouch, for the accounts related to Canadian direct investment in the United States; Kwok Lee, for goods; Michael Mann, for services; and Edward Dozier, for transportation.

Table 2.1.—Summary of Reconciliation Adjustments, Northbound, 1998

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	United States	Canada	Reclassification		Gross or net		United States	Canada	United States	Canada
			United States	Canada	United States	Canada				
Goods, balance of payments basis	321	18	144					-939	465	-921
Valuation adjustments	321	18							321	18
Reclassification of equipment repairs from unaffiliated services			144						144	
Statistical adjustments							-939			-939
Services		-272	-144	-63			1,203	-1,419	1,059	-1,754
Travel			610				-90	19	520	19
Reclassification of education from unaffiliated services			445						445	
Reclassification of medical services from unaffiliated services			165						165	
Statistical adjustments							-90	19	-90	19
Passenger fares							-204		-204	
Statistical adjustments							-204		-204	
Other transportation		-54		167			5	-106	5	7
Valuation adjustments		-54								-54
Reclassification of transportation services from unaffiliated services				167						167
Statistical adjustments							5	-106	5	-106
Other services		-218	-754	-230			1,492	-1,332	738	-1,780
Affiliated		-162	-212				196	-1,872	-16	-2,034
Valuation adjustments		-162								-162
Reclassification of film rentals to unaffiliated services			-144						-144	
Reclassification of courier services to unaffiliated services			-68						-68	
Statistical adjustments							196	-1,872	196	-1,872
Unaffiliated		-56	-542	-230			1,296	435	754	149
Valuation adjustments		-56								-56
Reclassification of transactions to or from other accounts			-542	-230					-542	-230
Statistical adjustments							1,296	435	1,296	435
U.S. military sales								105		105
Statistical adjustments								105		105
Income		-1,002		63	-1,197	-2,828	2,503	-218	1,306	-3,985
Direct investment		-377		-92		-124	224	691	224	98
Valuation adjustments		-377								-377
Reclassification of dividends to "other" income				-92						-92
Adjustment of interest income to a net basis						-124				-124
Statistical adjustments							224	691	224	691
Other investment		-625		92	-1,197	-2,704	2,279	-921	1,082	-4,158
Valuation adjustments		-625								-625
Reclassification of dividends from direct investment				92						92
Adjustment of interest income to a gross or net basis					-1,197	-2,704			-1,197	-2,704
Statistical adjustments							2,279	-921	2,279	-921
Compensation of employees				63				12		75
Current unilateral transfers		-211			166		110		276	-211
Valuation adjustments		-211								-211
Adjustment of U.S. transfers to a gross basis					166				166	
Statistical adjustments							110		110	
Total adjustments	321	-1,467			-1,031	-2,828	3,816	-2,576	3,106	-6,871

Table 2.1.—Summary of Reconciliation Adjustments, Northbound, 1999

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	United States	Canada	Reclassification		Gross or net		United States	Canada	United States	Canada
			United States	Canada	United States	Canada				
Goods, balance of payments basis	303	-221	217					-531	520	-752
Valuation adjustments	303	-221							303	-221
Reclassification of equipment repairs from unaffiliated services			217						217	
Statistical adjustments								-531		-531
Services		-300	-217	-65			1,024	-1,049	807	-1,414
Travel			651				-93	22	558	22
Reclassification of education from unaffiliated services			472						472	
Reclassification of medical services from unaffiliated services			179						179	
Statistical adjustments							-93	22	-93	22
Passenger fares							-215		-215	
Statistical adjustments							-215		-215	
Other transportation		-77		167			-61	-98	-61	-8
Valuation adjustments		-77								-77
Reclassification of transportation services from unaffiliated services				167						167
Statistical adjustments							-61	-98	-61	-98
Other services		-223	-868	-232			1,393	-973	525	-1,428
Affiliated		-174	-231				161	-2,029	-70	-2,203
Valuation adjustments		-174								-174
Reclassification of film rentals to unaffiliated services			-159						-159	
Reclassification of courier services to unaffiliated services			-72						-72	
Statistical adjustments							161	-2,029	161	-2,029
Unaffiliated		-49	-637	-232			1,232	941	595	660
Valuation adjustments		-49								-49
Reclassification of transactions to or from other accounts			-637	-232					-637	-232
Statistical adjustments							1,232	941	1,232	941
U.S. military sales								115		115
Statistical adjustments								115		115
Income		-1,013		65	-1,343	-2,905	3,158	1,199	1,815	-2,654
Direct investment		-305		-164		-104	170	2,043	170	1,470
Valuation adjustments		-305								-305
Reclassification of dividends to "other" income				-164						-164
Adjustment of interest income to a net basis						-104				-104
Statistical adjustments							170	2,043	170	2,043
Other investment		-708		164	-1,343	-2,801	2,988	-855	1,645	-4,200
Valuation adjustments		-708								-708
Reclassification of dividends from direct investment				164						164
Adjustment of interest income to a gross or net basis					-1,343	-2,801			-1,343	-2,801
Statistical adjustments							2,988	-855	2,988	-855
Compensation of employees				65				11		76
Current unilateral transfers		-211			167		128		295	-211
Valuation adjustments		-211								-211
Adjustment of U.S. transfers to a gross basis					167				167	
Statistical adjustments							128		128	
Total adjustments	303	-1,745			-1,176	-2,905	4,310	-381	3,437	-5,031

Table 2.2.—Summary of Reconciliation Adjustments, Southbound, 1998

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	Canada	United States	Reclassification		Gross or net		Canada	United States	Canada	United States
			Canada	United States	Canada	United States				
Goods, balance of payments basis	680	5,738		4			-403	454	277	6,196
Valuation adjustments	-273	246							-273	246
Canadian re-exports to the United States		4,539								4,539
Inland freight adjustment	953	953							953	953
Reclassification of equipment repairs from unaffiliated services				4						4
Statistical adjustments							-403	454	-403	454
Services	-194	-78	-183	-4			-398	1,932	-775	1,850
Travel				15				79		94
Reclassification of education from unaffiliated services				15						15
Statistical adjustments								79		79
Passenger fares								3		3
Statistical adjustments								3		3
Other transportation	-100	-78	89	-126			23	6		-198
Valuation adjustments	-100	-78								-78
Reclassification of courier services to unaffiliated services				-126						-126
Reclassification of transportation services from unaffiliated services			89						89	
Statistical adjustments							23	6	23	6
Other services	-94		-272	107			-421	1,844	-787	1,951
Affiliated	-34			-25			-643	149	-677	124
Valuation adjustments	-34								-34	
Reclassification of courier services to unaffiliated services				-25						-25
Statistical adjustments							-643	149	-643	149
Unaffiliated	-60		-318	132			222	1,717	-156	1,849
Valuation adjustments	-60								-60	
Reclassification of transactions to or from other accounts			-318	132					-318	132
Statistical adjustments							222	1,717	222	1,717
U.S. defense expenditures			46					-22	46	-22
Reclassification of defense expenditures from unaffiliated services			46						46	
Statistical adjustments								-22		-22
Income	-364		183		-2,828	-1,197	-244	1,337	-3,253	140
Direct investment	-67				-124		-881	1,468	-1,072	1,468
Valuation adjustments	-67								-67	
Adjustment of interest income to a net basis					-124				-124	
Statistical adjustments							-881	1,468	-881	1,468
Other investment	-297				-2,704	-1,197	517	-131	-2,484	-1,328
Valuation adjustments	-297								-297	
Adjustment of interest income to a gross or net basis					-2,704	-1,197			-2,704	-1,197
Statistical adjustments							517	-131	517	-131
Compensation of employees			183				120		303	
Current unilateral transfers	-1,155					166	-20		-1,175	166
Valuation adjustments	-1,155								-1,155	
Adjustment of U.S. transfers to a gross basis						166				166
Statistical adjustments							-20		-20	
Total adjustments	-1,033	5,660			-2,828	-1,031	-1,065	3,723	-4,926	8,352

Table 2.2.—Summary of Reconciliation Adjustments, Southbound, 1999

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	Canada	United States	Reclassification		Gross or net		Canada	United States	Canada	United States
			Canada	United States	Canada	United States				
Goods, balance of payments basis	-428	6,154		16			124	494	-304	6,664
Valuation adjustments	-1,401	286							-1,401	286
Canadian re-exports to the United States		4,895								4,895
Inland freight adjustment	973	973							973	973
Reclassification of equipment repairs from unaffiliated services				16						16
Statistical adjustments							124	494	124	494
Services	-323	-85	-171	-16			-1,614	2,143	-2,108	2,042
Travel				18				96		114
Reclassification of education from unaffiliated services				18						18
Statistical adjustments								96		96
Passenger fares								-2		-2
Statistical adjustments								-2		-2
Other transportation	-156	-85	102	-153			37	-81	-17	-319
Valuation adjustments	-156	-85							-156	-85
Reclassification of courier services to unaffiliated services				-153						-153
Reclassification of transportation services from unaffiliated services			102						102	
Statistical adjustments							37	-81	37	-81
Other services	-167		-273	119			-1,651	2,130	-2,091	2,249
Affiliated	-35			-26			-1,764	266	-1,799	240
Valuation adjustments	-35								-35	
Reclassification of courier services to unaffiliated services				-26						-26
Statistical adjustments							-1,764	266	-1,764	266
Unaffiliated	-132		-326	145			113	1,883	-345	2,028
Valuation adjustments	-132								-132	
Reclassification of transactions to or from other accounts										
Statistical adjustments							113	1,883	113	1,883
U.S. defense expenditures			53					-19	53	-19
Reclassification of defense expenditures from unaffiliated services			53						53	
Statistical adjustments								-19		-19
Income	-105	5	171		-2,905	-1,343	-750	262	-3,589	-1,076
Direct investment	-1				-104		-1,596	531	-1,701	531
Valuation adjustments	-1								-1	
Adjustment of interest income to a net basis					-104				-104	
Statistical adjustments							-1,596	531	-1,596	531
Other investment	-123	5			-2,801	-1,343	724	-269	-2,200	-1,607
Valuation adjustments	-123	5							-123	5
Adjustment of interest income to a gross or net basis					-2,801	-1,343			-2,801	-1,343
Statistical adjustments							724	-269	724	-269
Compensation of employees	19		171				122		312	
Current unilateral transfers	-1,323					167	-21		-1,344	167
Valuation adjustments	-1,323								-1,323	
Adjustment of U.S. transfers to a gross basis						167				167
Statistical adjustments							-21		-21	
Total adjustments	-2,179	6,074			-2,905	-1,176	-2,261	2,899	-7,345	7,797

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	Remaining difference	U.S. receipts	Canadian payments	United States	Canada
1998										
Goods and services	175,579	179,776	-4,197	175,899	179,460	-3,561	177,102	177,102	1,523	-2,674
Goods, balance of payments basis	156,241	157,627	-1,386	156,706	157,645	-939	156,706	156,706	465	-921
Services	19,338	22,149	-2,811	19,193	21,815	-2,622	20,396	20,396	1,059	-1,754
Travel	6,206	6,707	-501	6,816	6,707	109	6,726	6,726	520	19
Passenger fares	1,478	1,274	204	1,478	1,274	204	1,274	1,274	-204	.....
Other transportation	2,317	2,315	2	2,317	2,428	-111	2,322	2,322	5	7
Other services	9,232	11,853	-2,621	8,477	11,406	-2,929	9,969	9,969	738	-1,884
U.S. military sales	105	(¹)	105	105	(¹)	105	105	105	.....	105
Income	18,911	24,202	-5,291	17,714	20,435	-2,721	20,217	20,217	1,306	-3,985
Investment income	18,836	24,202	-5,366	17,639	20,372	-2,733	20,142	20,142	1,306	-4,060
Direct investment	7,527	7,653	-126	7,527	7,060	467	7,751	7,751	224	98
Other investment	11,309	16,549	-5,240	10,112	13,312	-3,200	12,391	12,391	1,082	-4,158
Compensation of employees	75	(²)	75	75	63	12	75	75	.....	75
Current unilateral transfers	(³)	487	-487	166	276	-110	276	276	276	-211
Current account, northbound	194,490	204,465	-9,975	193,779	200,171	-6,392	197,595	197,595	3,106	-6,871
1999										
Goods and services	187,873	191,365	-3,492	188,176	190,780	-2,604	189,200	189,200	1,327	-2,165
Goods, balance of payments basis	166,533	167,805	-1,272	167,053	167,584	-531	167,053	167,053	520	-752
Services	21,340	23,560	-2,220	21,123	23,196	-2,073	22,147	22,147	807	-1,414
Travel	6,670	7,206	-536	7,321	7,206	115	7,228	7,228	558	22
Passenger fares	1,540	1,325	215	1,540	1,325	215	1,325	1,325	-215	.....
Other transportation	2,479	2,426	53	2,479	2,516	-37	2,418	2,418	-61	-8
Other services	10,536	12,603	-2,067	9,668	12,149	-2,481	11,061	11,061	525	-1,542
U.S. military sales	115	(¹)	115	115	(¹)	115	115	115	.....	115
Income	22,024	26,493	-4,469	20,681	22,640	-1,959	23,839	23,839	1,815	-2,654
Investment income	21,948	26,493	-4,545	20,605	22,575	-1,970	23,763	23,763	1,815	-2,730
Direct investment	11,102	9,802	1,300	11,102	9,229	1,873	11,272	11,272	170	1,470
Other investment	10,846	16,691	-5,845	9,503	13,346	-3,843	12,491	12,491	1,645	-4,200
Compensation of employees	76	(²)	76	76	65	11	76	76	.....	76
Current unilateral transfers	(³)	506	-506	167	295	-128	295	295	295	-211
Current account, northbound	209,897	218,364	-8,467	209,024	213,715	-4,691	213,334	213,334	3,437	-5,031

1. In the Canadian-published accounts, transactions of U.S. military agencies are not shown separately.
 2. In the Canadian-published accounts, compensation of employees is included in "other" services.

3. 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	Remaining difference	Canadian receipts	U.S. payments	Canada	United States
1998										
Goods and services	199,749	191,207	8,542	200,053	196,866	3,187	199,252	199,252	-497	8,045
Goods	181,725	175,806	5,919	182,405	181,548	857	182,002	182,002	277	6,196
Services	18,024	15,401	2,623	17,648	15,318	2,330	17,250	17,250	-775	1,850
Travel	5,812	5,718	94	5,812	5,733	79	5,812	5,812	.....	94
Passenger fares	590	587	3	590	587	3	590	590	.....	3
Other transportation	2,700	2,910	-210	2,689	2,706	-17	2,712	2,712	.....	12
Other services	8,922	6,118	2,804	8,511	6,224	2,287	8,090	8,090	-832	1,972
U.S. defense expenditures	(¹)	68	-68	46	68	-22	46	46	.....	-22
Income	10,429	7,036	3,393	7,420	5,839	1,581	7,176	7,176	-3,253	140
Investment income	10,429	6,733	3,696	7,237	5,536	1,701	6,873	6,873	-3,556	140
Direct investment	4,103	1,563	2,540	3,912	1,563	2,349	3,031	3,031	-1,072	1,468
Other investment	6,326	5,170	1,156	3,325	3,973	-648	3,842	3,842	-2,484	-1,328
Other private investment	5,277	4,295	982	2,408	3,098	-690	2,946	2,946	-2,331	-1,349
U.S. Government liabilities	1,049	875	174	917	875	42	896	896	-153	21
Compensation of employees	(²)	303	-303	183	303	-120	303	303	.....	.....
Current unilateral transfers	1,955	(³) 614	1,341	800	780	20	780	780	-1,175	166
Current account, southbound	212,133	198,857	13,276	208,273	203,485	4,788	207,208	207,208	-4,926	8,352
1999										
Goods and services	227,915	216,796	11,119	226,993	222,866	4,127	225,503	225,503	-2,412	8,707
Goods	208,236	201,268	6,968	207,808	207,438	370	207,932	207,932	-304	6,664
Services	19,679	15,528	4,151	19,185	15,428	3,757	17,571	17,571	-2,108	2,043
Travel	6,249	6,135	114	6,249	6,153	96	6,249	6,249	.....	114
Passenger fares	710	712	-2	710	712	-2	710	710	.....	-2
Other transportation	2,922	3,224	-302	2,868	2,986	-118	2,905	2,905	.....	-17
Other services	9,798	5,385	4,413	9,305	5,505	3,800	7,654	7,654	-2,144	2,269
U.S. defense expenditures	(¹)	72	-72	53	72	-19	53	53	.....	-19
Income	10,112	7,599	2,513	7,273	6,261	1,012	6,523	6,523	-3,589	-1,076
Investment income	10,112	7,287	2,825	7,083	5,949	1,134	6,211	6,211	-3,901	-1,076
Direct investment	3,714	1,482	2,232	3,609	1,482	2,127	2,013	2,013	-1,701	531
Other investment	6,398	5,805	593	3,474	4,467	-993	4,198	4,198	-2,200	-1,607
Other private investment	5,467	4,661	806	2,515	3,323	-808	3,146	3,146	-2,321	-1,515
U.S. Government liabilities	931	1,144	-213	959	1,144	-185	1,052	1,052	121	-92
Compensation of employees	(²)	312	-312	190	312	-122	312	312	.....	.....
Current unilateral transfers	2,154	(³) 643	1,511	831	810	21	810	810	-1,344	167
Current account, southbound	240,181	225,038	15,143	235,097	229,937	5,160	232,836	232,836	-7,345	7,797

1. In the Canadian-published accounts, transactions of U.S. military agencies are not shown separately.

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

3. Current unilateral transfers, which are published on a net basis in the U.S. accounts, are net payments.

Table 4.1.—Trade in Goods, Northbound

[Millions of U.S. dollars]

	U.S. receipts	Canadian payments	Type of adjustment
1998			
Balance of payments basis, published	156,241	157,627	
Definitional and methodological adjustments:			
Valuation adjustments	321	18	Definitional
Reclassification of equipment repair from unaffiliated services	144		Reclassification
Common basis, after definitional and methodological adjustments	156,706	157,645	
Statistical adjustments		-939	
Reconciled, including statistical adjustments	156,706	156,706	
1999			
Balance of payments basis, published	166,533	167,805	
Definitional and methodological adjustments:			
Valuation adjustments	303	-221	Definitional
Reclassification of equipment repair from unaffiliated services	217		Reclassification
Common basis, after definitional and methodological adjustments	167,053	167,584	
Statistical adjustments		-531	
Reconciled, including statistical adjustments	167,053	167,053	

Table 4.2.—Trade in Goods, Southbound

[Millions of U.S. dollars]

	Canadian receipts	U.S. payments	Type of adjustment
1998			
Balance of payments basis, published	181,725	175,806	
Definitional and methodological adjustments:			
Valuation adjustments	-273	246	Definitional
Canadian reexports to the United States		4,539	Definitional
Inland freight adjustment	953	953	Definitional
Reclassification of equipment repair from unaffiliated services		4	Reclassification
Common basis, after definitional and methodological adjustments	182,405	181,548	
Statistical adjustments	-403	454	
Reconciled, including statistical adjustments	182,002	182,002	
1999			
Balance of payments basis, published	208,236	201,268	
Definitional and methodological adjustments:			
Valuation adjustments	-1,401	286	Definitional
Canadian reexports to the United States		4,895	Definitional
Inland freight adjustment	973	973	Definitional
Reclassification of equipment repair from unaffiliated services		16	Reclassification
Common basis, after definitional and methodological adjustments	207,808	207,438	
Statistical adjustments	124	494	
Reconciled, including statistical adjustments	207,932	207,932	

Table 5.1.—Travel, Passenger Fares, and Other Transportation, Northbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		Type of adjustment
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	U.S. receipts	Canadian payments	United States	Canada	
1998											
Travel	6,206	6,707	-501	6,816	6,707	109	6,726	6,726	520	19	
Business and personal	6,206	6,116	90	6,206	6,116	90	6,116	6,116	-90		Statistical
Education	426	-426	445	426	426	19	445	445	445	19	Reclassification and statistical
Medical	165	-165	165	165	165		165	165	165		Reclassification and statistical
Passenger fares	1,478	1,274	204	1,478	1,274	204	1,274	1,274	-204		Statistical
Other transportation	2,317	2,315	2	2,317	2,428	-111	2,322	2,322	5	7	
Freight	1,856	1,977	-121	1,714	1,939	-225	1,796	1,796	-60	-181	
Ocean	60	294	-234	60	250	-190	107	107	47	-187	Statistical
Air	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	Statistical
Truck	1,222	1,222		1,222	1,222		1,222	1,222			
Other	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	Reclassification and statistical
Port services	461	323	138	603	475	128	511	511	50	188	
Vessel operators	38	28	10	38	28	10	28	28	-10		Statistical
Airline operators	263	278	-15	263	263		263	263		-15	Statistical
Other	160	17	143	302	184	118	220	220	60	203	Reclassification and statistical
Other		16	-16		16	-16	16	16	16		Statistical
1999											
Travel	6,670	7,206	-536	7,321	7,206	115	7,228	7,228	558	22	
Business and personal	6,670	6,577	93	6,670	6,577	93	6,577	6,577	-93		Statistical
Education	450	-450	472	450	450	22	472	472	472	22	Reclassification and statistical
Medical	179	-179	179	179	179		179	179	179		Reclassification
Passenger fares	1,540	1,325	215	1,540	1,325	215	1,325	1,325	-215		Statistical
Other transportation	2,479	2,426	53	2,479	2,516	-37	2,418	2,418	-61	-8	
Freight	1,967	2,079	-112	1,815	2,012	-197	1,877	1,877	-90	-202	
Ocean	52	309	-257	52	268	-216	116	116	64	-193	Statistical
Air	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	Statistical
Truck	1,302	1,304	-2	1,302	1,304	-2	1,302	1,302		-2	Statistical
Other	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	Reclassification and statistical
Port services	512	332	180	664	490	174	526	526	14	194	
Vessel operators	63	25	38	63	25	38	25	25	-38		Statistical
Airline operators	282	291	-9	282	282		282	282		-9	Statistical
Other	167	16	151	319	183	136	219	219	52	203	Statistical
Other		15	-15		15	-15	15	15	15		Reclassification and statistical

(D) Data suppressed to avoid disclosure of data of individual companies.

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		Type of adjustment
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining Difference	Canadian receipts	U.S. payments	Canada	United States	
1998											
Travel	5,812	5,718	94	5,812	5,733	79	5,812	5,812		94	
Business and personal ...	5,693	5,718	-25	5,693	5,718	-25	5,693	5,693		-25	Statistical
Education	73		73	73	15	58	73	73		73	Reclassification and statistical
Medical	46		46	46		46	46	46		46	Reclassification and statistical
Passenger fares	590	587	3	590	587	3	590	590		3	Statistical
Other transportation	2,700	2,910	-210	2,689	2,706	-17	2,712	2,712	12	-198	
Freight	2,198	2,284	-86	2,198	2,161	37	2,180	2,180	-18	-104	
Ocean	135	96	39	135	96	39	116	116	-19	20	Statistical
Air	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	Statistical
Land	1,909	1,910	-1	1,909	1,910	-1	1,910	1,910		1	Reclassification and statistical
Other	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	Statistical
Port services	417	625	-208	484	544	-60	526	526	109	-99	
Vessel operators	80	158	-78	58	80	-22	69	69	-11	-89	Statistical
Airline operators	255	381	-126	255	255		255	255		-126	Statistical
Other	82	86	-4	171	209	-38	202	202	120	116	Statistical
Other	85		85	6		6	6	6	-79	6	Definitional, reclassification, and statistical
1999											
Travel	6,249	6,135	114	6,249	6,153	96	6,249	6,249		114	
Business and personal ...	6,112	6,135	-22	6,112	6,135	-22	6,112	6,112		-23	Statistical
Education	84		84	84	18	66	84	84		84	Reclassification and statistical
Medical	53		53	53		53	53	53		53	Reclassification and statistical
Passenger fares	710	712	-2	710	712	-2	710	710		-2	Statistical
Other transportation	2,922	3,224	-302	2,868	2,986	-118	2,905	2,905	-17	-319	
Freight	2,380	2,510	-130	2,380	2,386	-6	2,375	2,375	-5	-135	
Ocean	105	101	4	105	101	4	103	103	-2	2	Statistical
Air	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	Reclassification and statistical
Land	2,115	2,112	3	2,115	2,112	3	2,112	2,112	-3		Reclassification and statistical
Other	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	Statistical
Port services	447	714	-267	481	600	-119	523	523	76	-191	
Vessel operators	72	170	-98	45	85	-40	65	65	-7	-105	Statistical
Airline operators	293	446	-153	252	293	-41	252	252	-41	-194	Statistical
Other	82	98	-16	184	222	-38	206	206	124	108	Statistical
Other	96		96	7		7	7	7	-89	7	Definitional, reclassification, and statistical

(P) Data suppressed to avoid disclosure of data of individual companies.

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			Type of adjustment
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	U.S. receipts	Canadian payments	United States	Canada		
1998												
Total	9,337	11,853	-2,516	8,582	11,406	-2,824	10,074	10,074	738	-1,780		
Affiliated	4,947	6,965	-2,018	4,735	6,803	-2,069	4,931	4,931	-16	-2,034	Definitional, reclassification, and statistical	
Royalties and license fees	1,330	1,418	-88	1,330	1,375	-45	(1)	(1)	(1)	(1)		
Other services	3,617	5,547	-1,930	3,405	5,429	-2,024	(1)	(1)	(1)	(1)		
Unaffiliated	4,284	4,888	-604	3,742	4,603	-860	5,038	5,038	754	149		
Royalties, license fees, and selected services	843	844	-1	829	837	-8	837	837	-6	-7	Reclassification and statistical	
Insurance	112	319	-207	112	319	-207	312	312	200	-7	Statistical	
Financial services	771	611	160	771	611	160	875	875	104	264	Statistical	
Education and training	488	15	453	23	15	8	23	23	-445	8	Reclassification and statistical	
Communications	305	633	-328	305	367	-62	367	367	62	-266	Reclassification and statistical	
Computer services	405	446	-41	405	446	-41	405	405		-41	Statistical	
Business services	961	712	249	720	922	-202	1,184	1,184	223	472	Reclassification and statistical	
Sports and entertainment	254	926	-672	412	905	-493	845	845	591	-81	Reclassification and statistical	
Other private		195	-195							-195	Definitional and reclassification	
Government:												
United States (non-military)	77	74	3	77	67	10	77	77		3	Statistical	
Canada	88	113	-25	88	113	-25	113	113	25		Statistical	
U.S. military sales	105		105	105		105	105	105		105	Statistical	
1999												
Total	10,651	12,603	-1,952	9,783	12,149	-2,366	11,176	11,176	525	-1,428		
Affiliated	5,312	7,445	-2,133	5,081	7,271	-2,190	5,242	5,242	-70	-2,203	Definitional, reclassification, and statistical	
Royalties and license fees	1,339	1,655	-316	1,339	1,600	-261	(1)	(1)	(1)	(1)		
Other services	3,973	5,790	-1,817	3,742	5,671	-1,929	(1)	(1)	(1)	(1)		
Unaffiliated	5,225	5,158	66	4,587	4,878	-289	5,819	5,819	595	660		
Royalties, license fees, and selected services	1,088	921	167	1,074	912	162	1,074	1,074	-14	153	Reclassification and statistical	
Insurance	207	372	-165	207	372	-165	421	421	214	49	Statistical	
Financial services	1,090	635	455	1,090	682	428	1,135	1,135	45	500	Statistical	
Education and training	485	15	470	13	15	-2	13	13	-472	-2	Reclassification and statistical	
Communications	301	747	-446	301	425	-124	363	363	62	-384	Reclassification and statistical	
Computer services	425	415	10	425	415	10	425	425		10	Statistical	
Business services	1,190	740	450	866	965	-99	1,324	1,324	134	584	Reclassification and statistical	
Sports and entertainment	263	954	-691	436	919	-483	859	859	596	-95	Reclassification and statistical	
Other		200	-200							-200	Definitional and reclassification	
Government:												
United States (non-military)	91	46	45	91	78	13	91	91		45	Statistical	
Canada	85	114	-29	85	114	-29	114	114	29		Statistical	
U.S. military sales	115		115	115		115	115	115		115	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	Remaining difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
1998											
Total	8,922	6,186	2,736	8,557	6,292	2,265	8,136	8,136	-787	1,951	
Affiliated	4,177	3,376	801	4,143	3,351	791	3,500	3,500	-677	124	Definitional, reclassification, and statistical
Royalties and license fees	390	296	94	386	296	90	(1)	(1)	(1)	(1)	
Other services	3,787	3,080	707	3,756	3,055	701	(1)	(1)	(1)	(1)	
Unaffiliated	4,746	2,741	2,005	4,368	2,873	1,495	4,590	4,590	-156	1,849	
Royalties, license fees, and selected services ..	1,142	439	703	1,142	430	712	1,142	1,142		703	Statistical
Insurance	193	712	-519	193	712	-519	411	411	218	-301	Statistical
Financial services	385	227	158	385	227	158	340	340	-45	113	Statistical
Education and training	38	22	16	18	7	11	18	18	-20	-4	Reclassification and statistic
Communications	582	309	273	319	309	10	319	319	-263	10	Reclassification and statistic
Computer services	398	96	302	398	96	302	398	398		302	Statistical
Business services	809	608	201	909	534	375	996	996	187	388	Reclassification and statistic
Sports and entertainment	788	121	667	784	351	433	744	744	-44	623	Reclassification and statistic
Other private	191		191						-191		Definitional and reclassification
Government:											
Canada	13		13	13		13	13	13		13	Statistical
United States (non-defense agencies)	207	207		207	207		207	207			
U.S. defense agencies		68	-68	46	68	-22	46	46	46	-22	Statistical
1999											
Total	9,798	5,457	4,341	9,358	5,577	3,781	7,707	7,707	-2,091	2,249	
Affiliated	4,904	2,865	2,038	4,869	2,839	2,030	3,105	3,105	-1,799	240	Definitional, reclassification and statistical
Royalties and license fees	443	407	36	433	407	26	(1)	(1)	(1)	(1)	
Other services	4,460	2,458	2,002	4,436	2,432	2,004	(1)	(1)	(1)	(1)	
Unaffiliated	4,894	2,521	2,373	4,436	2,666	1,770	4,549	4,549	-345	2,028	
Royalties, license fees, and selected services ..	1,184	685	499	1,182	677	505	1,182	1,182	-2	497	Statistical
Insurance	217	231	-14	217	231	-14	290	290	73	59	Statistical
Financial services	367	203	164	327	203	124	297	297	-70	94	Statistical
Education and training	40	26	14	21	8	13	21	21	-19	-5	Reclassification and statistic
Communications	469	220	249	201	220	-19	220	220	-249		Reclassification and statistic
Computer services	413	88	325	413	88	325	413	413		325	Statistical
Business services	882	683	199	969	581	388	1,068	1,068	186	385	Reclassification and statistic
Sports and entertainment	852	150	702	849	423	426	809	809	-43	659	Reclassification and statistic
Other	213		213						-213		Definitional and reclassification
Government:											
Canada	14		14	14		14	14	14		14	Statistical
United States (non-defense agencies)	243	235	8	243	235	8	235	235	-8		Statistical
U.S. defense agencies		72	-72	53	72	-19	53	53	53	-19	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		Type of adjustment
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	U.S. receipts	Canadian payments	United States	Canada	
1998											
Investment income	18,836	24,202	-5,366	17,639	20,372	-2,733	20,142	20,142	1,306	-4,060	
Direct investment income	7,527	7,653	-126	7,527	7,060	467	7,751	7,751	224	98	
Earnings of incorporated affiliates	7,008	6,711	297	7,008	6,284	724	7,008	7,008	.....	297	
Dividends	4,581	3,470	1,111	4,581	3,057	1,524	4,581	4,581	.....	1,111	Definitional, reclassification, and statistical
Reinvested earnings	2,427	3,241	-814	2,427	3,227	-800	2,427	2,427	.....	-814	Statistical
Earnings of unincorporated affiliates	153	268	-115	153	306	-153	326	326	173	58	Definitional, reclassification, and statistical
Interest	366	674	-308	366	470	-104	419	419	53	-255	Reclassification, net to gross, and statistical
Other investment income	11,309	16,549	-5,240	10,112	13,312	-3,200	12,391	12,391	1,082	-4,158	
Securities	7,373	10,424	-3,051	7,373	10,401	-3,028	9,483	9,483	2,110	-941	
Dividends	812	789	23	812	766	46	812	812	.....	23	Definitional, reclassification, and statistical
Interest on bonds	6,561	9,635	-3,074	6,561	9,635	-3,074	8,671	8,671	2,110	-964	Definitional and statistical
U.S. claims/Canadian liabilities	3,936	6,124	-2,188	2,739	2,911	-172	2,909	2,909	-1,027	-3,215	
U.S. bank claims	3,147	3,754	-607	1,077	1,050	27	1,064	1,064	-2,083	-2,690	Net to gross, gross to net, and statistical
Other private U.S. claims	789	2,370	-1,581	1,662	1,861	-199	1,845	1,845	1,056	-525	Net to gross and statistical
1999											
Investment income	21,948	26,493	-4,545	20,605	22,575	-1,970	23,763	23,763	1,815	-2,730	
Direct investment income	11,102	9,802	1,300	11,102	9,229	1,873	11,272	11,272	170	1,470	
Earnings of incorporated affiliates	10,345	8,842	1,503	10,345	8,300	2,045	10,345	10,345	.....	1,503	
Dividends	4,683	4,186	497	4,683	3,636	1,047	4,683	4,683	.....	497	Definitional, reclassification, and statistical
Reinvested earnings	5,662	4,656	1,006	5,662	4,664	998	5,662	5,662	.....	1,006	Statistical
Earnings of unincorporated affiliates	360	277	83	360	429	-69	477	477	117	200	Definitional, reclassification, and statistical
Interest	397	682	-285	397	499	-102	449	449	52	-233	Reclassification, net to gross, and statistical
Other investment income	10,846	16,691	-5,845	9,503	13,346	-3,843	12,491	12,491	1,645	-4,200	
Securities	7,121	10,682	-3,561	7,121	10,748	-3,627	9,855	9,855	2,734	-827	
Dividends	896	727	169	896	793	103	896	896	.....	169	Definitional, reclassification, and statistical
Interest on bonds	6,225	9,955	-3,730	6,225	9,955	-3,730	8,959	8,959	2,734	-996	Definitional and statistical
U.S. claims/Canadian liabilities	3,725	6,009	-2,284	2,382	2,600	-218	2,636	2,636	-1,089	-3,373	
U.S. bank claims	3,023	3,691	-668	942	890	52	916	916	-2,107	-2,775	Net to gross, gross to net, and statistical
Other private U.S. claims	702	2,318	-1,616	1,440	1,710	-270	1,720	1,720	1,018	-598	Net to gross 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	Remaining difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
1998											
Investment income	10,429	6,733	3,696	7,237	5,536	1,701	6,873	6,873	-3,556	140	
Direct investment income	4,103	1,563	2,540	3,912	1,563	2,349	3,031	3,031	-1,072	1,468	
Earnings of incorporated affiliates	2,993	1,308	1,685	3,230	1,308	1,922	2,520	2,520	-473	1,212	
Dividends	737	4,206	-3,469	(D)	(D)	(D)	(D)	(D)	(D)	(D)	Statistical
Reinvested earnings	2,256	-2,898	5,154	(D)	(D)	(D)	(D)	(D)	(D)	(D)	Statistical
Earnings of unincorporated affiliates	889	65	824	596	65	531	323	323	-566	258	Definitional and statistical
Interest	222	190	32	86	190	-104	188	188	-34	-2	Gross to net and statistical
Other investment income	6,326	5,170	1,156	3,326	3,973	-648	3,842	3,842	-2,484	-1,328	
Securities	1,734	2,430	-696	1,690	2,430	-740	2,197	2,197	463	-233	Definitional and statistical
Dividends	1,116	1,346	-230	1,072	1,346	-274	1,346	1,346	230	.....	Definitional and statistical
Interest on bonds	618	1,084	-466	618	1,084	-466	851	851	233	-233	Definitional and statistical
Canadian claims/U.S. liabilities	3,543	1,865	1,678	719	668	51	749	749	-2,794	-1,116	
Canadian bank claims	3,073	1,433	1,640	249	619	-370	452	452	-2,621	-981	Net to gross, gross to net, and statistical
Other private Canadian claims	470	432	38	470	49	421	297	297	-173	-135	Net to gross and statistical
U.S. Government liabilities	1,049	875	174	917	875	42	896	896	-153	21	Statistical
1999											
Investment income	10,112	7,287	2,825	7,083	5,949	1,134	6,211	6,211	-3,901	-1,076	
Direct investment income	3,714	1,482	2,232	3,609	1,482	2,126	2,013	2,013	-1,701	531	
Earnings of incorporated affiliates	2,336	1,530	806	2,552	1,530	1,022	1,692	1,692	-644	162	
Dividends	590	599	-9	568	599	-31	584	584	-6	-15	Statistical
Reinvested earnings	1,746	931	815	1,984	931	1,053	1,108	1,108	-638	177	Statistical
Earnings of unincorporated affiliates	1,121	-386	1,507	919	-386	1,305	85	85	-1,036	471	Definitional and statistical
Interest	256	338	-82	137	338	-201	237	237	-19	-101	Gross to net and statistical
Other investment income	6,398	5,805	593	3,474	4,467	-993	4,198	4,198	-2,200	-1,607	
Securities	1,661	2,758	-1,097	1,616	2,758	-1,142	2,278	2,278	617	-480	Definitional and statistical
Dividends	1,124	1,382	-258	1,079	1,382	-303	1,382	1,382	258	.....	Definitional and statistical
Interest on bonds	537	1,376	-839	537	1,376	-839	896	896	359	-480	Definitional and statistical
Canadian claims/U.S. liabilities	3,807	1,903	1,904	899	565	334	868	868	-2,939	-1,035	
Canadian bank claims	3,371	1,538	1,833	467	496	-29	555	555	-2,816	-983	Net to gross, gross to net, and statistical
Other private Canadian claims	436	365	71	432	69	363	313	313	-123	-52	Net to gross and statistical
U.S. Government liabilities	931	1,144	-213	959	1,144	-185	1,052	1,052	121	-92	Statistical

(P) Data suppressed to avoid disclosure of data of individual companies.

State Personal Income, Second Quarter 2000

By Duke Tran

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

THIS article presents new estimates of State personal income for the second quarter of 2000 and revised estimates for the first quarter of 1997 through the first quarter of 2000 that incorporate the annual revision of State personal income that was released in September 2000.

In the second quarter of 2000, U.S. personal income increased \$136.2 billion, or 1.7 percent.¹

- All 50 States had growth rates that were equal to, or above, the 0.5-percent increase in prices for the Nation.
- Personal income grew the fastest in Nevada, Delaware, Iowa, Michigan, Wisconsin, and Utah.
- Personal income grew the slowest in Connecticut, Arizona, North Dakota, New Hampshire, Massachusetts, and Wyoming.

From the second quarter of 1999 to the second quarter of 2000, U.S. personal income grew 6.7 percent; U.S. earnings by place of work grew in all major nonfarm industries.

- California, Massachusetts, Washington, New Hampshire, and Colorado had the fastest growth in personal income; all these States have had above-average growth in both personal income and population in recent years.
- Alabama, Louisiana, Hawaii, Mississippi, and West Virginia had the slowest growth in personal income; all these States have had below-average growth in both personal income and population in recent years.

Table 1 at the end of this article presents the quarterly estimates of personal income for each State and region, beginning with the first quarter of 1997. Table 2 presents detailed quarterly estimates of personal income by major source and of

earnings by industry, beginning with the fourth quarter of 1998.

Growth in the second quarter of 2000

In the second quarter of 2000, U.S. personal income grew 1.7 percent, the same rate as in the first quarter. By type of income, net earnings grew 1.7 percent after growing 1.6 percent in the first quarter; dividends, interest, and rent grew 1.3 percent after growing 1.9 percent; and transfer payments grew 1.8 percent after growing 1.9 percent.² The slowdown in dividends, interest, and rent partly reflected a decrease in interest income of persons.

U.S. earnings by place of work grew 1.7 percent in the second quarter. Earnings grew in all major industries, but the primary contributors to earnings growth were earnings in services, in transportation and public utilities, in government, and in manufacturing.

The 1.7-percent increase in U.S. personal income was substantially above the 0.5-percent increase in prices paid by U.S. consumers (as measured by the price index for personal consumption expenditures). All 50 States had growth rates in personal income that were equal to, or above, the 0.5-percent increase in prices; in the District of Columbia, personal income grew 0.3 percent.

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

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

1. In this article, percent changes from the preceding quarter are expressed at quarterly rates.

The six States with the fastest growth in personal income were Nevada (2.5 percent), Delaware (2.4 percent), Iowa (2.4 percent), Michigan (2.3 percent), Wisconsin (2.2 percent), and Utah (2.2 percent) (table A). The rapid growth in Nevada, Michigan, and Utah was a continuation of recent strong growth. In contrast, the rapid growth in Delaware, Iowa, and Wisconsin was a rebound from declines or slow growth in the first quarter.

The six States with the slowest growth in personal income were Connecticut (0.5 percent), Arizona (0.7 percent), North Dakota (0.8 percent), New Hampshire (0.8 percent), Massachusetts (1.0 percent), and Wyoming (1.0 percent). In all these States except North Dakota, personal income growth slowed substantially from the first quarter and was well below recent trends.

Growth in the past four quarters

From the second quarter of 1999 to the second quarter of 2000, U.S. personal income increased

\$515 billion, or 6.7 percent (table B).³ By type of income, net earnings, which accounted for about 70 percent of personal income, grew 6.9 percent; dividends, interest, and rent, which accounted for about 20 percent, grew 6.9 percent; and transfer payments, which accounted for about 10 percent, grew 5.3 percent.

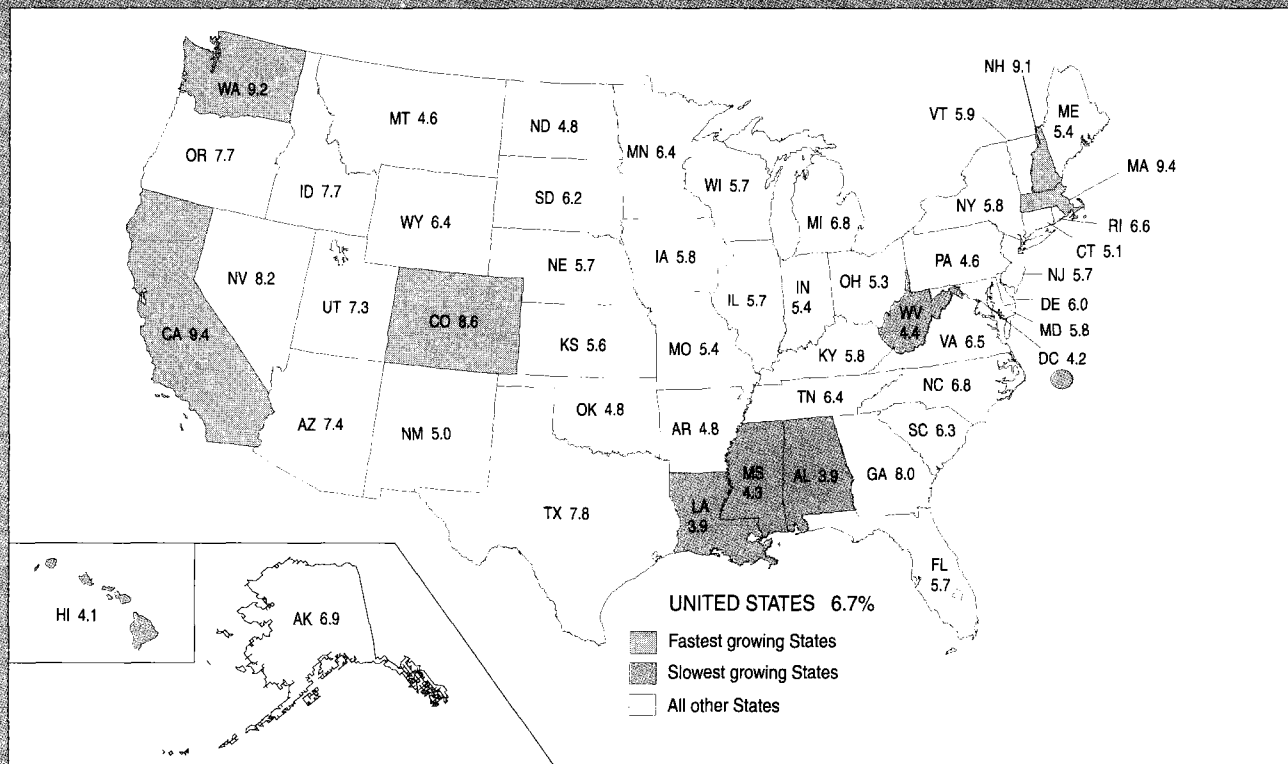
The increase in U.S. personal income considerably outpaced the 2.4-percent increase in prices paid by U.S. consumers. All 50 States and the District of Columbia had growth rates in personal income that were above the increase in prices. Personal income growth ranged from 9.4 percent in California and Massachusetts to 3.9 percent in Alabama and Louisiana.

By industry, U.S. earnings by place of work grew in all major industries except farms. Farm earnings declined 7.6 percent, partly reflecting reductions in Federal farm subsidy payments.

3. In this section, percent changes are expressed at annual rates.

CHART 1

Personal Income: Percent Change, 1999:II–2000:II



U.S. Department of Commerce, Bureau of Economic Analysis

Fastest growing States.—The five States with the fastest growth in personal income were California (9.4 percent), Massachusetts (9.4 percent), Washington (9.2 percent), New Hampshire (9.1 percent), and Colorado (8.6 percent) (chart 1). The fast growth in these States mainly reflected strength in net earnings.

The strong growth in these States reflected a continuation of the rapid growth in personal income and population in recent years. In addition, all five States had per capita personal incomes that were above the national average.⁴

By industry, the fast growth in earnings in these States reflected strength in all major industries, but the major contributors to earnings growth were earnings in services and except in Washington, earnings in finance, insurance, and real estate (tables C and D).

In California, Massachusetts, and New Hampshire, earnings in manufacturing also contributed substantially to earnings growth, partly reflecting growth in high-tech manufacturing, such as industrial machinery and computer equipment (which includes computer and related hardware manufacturing).

Earnings in the following industries also contributed substantially to growth: Retail trade in California, Washington, and New Hampshire; gov-

ernment in California and New Hampshire; transportation and public utilities in Massachusetts and Washington; and construction in Colorado.

Slowest growing States.—The five States with the slowest growth in personal income were Hawaii (4.1 percent) and four States in the Southeast—Alabama (3.9 percent), Louisiana (3.9 percent), Mississippi (4.3 percent), and West Virginia (4.4 percent). In all five States, the slow growth reflected weakness in net earnings; in Hawaii, a decline in dividends, interest, and rent also contributed to the slow growth.

The slow growth in these States reflected continued weak growth or declines in personal income and population in recent years. In addition, all five States had per capita personal incomes that were below the national averages.

By industry, the slow growth in earnings in these States reflected weaknesses in most major industries; earnings either declined or grew at below-average rates in manufacturing, services, and trade. In addition, growth in high-tech manufacturing and business services was relatively less important. The slow growth also reflected declines in farm earnings in all the States except Hawaii and declines in mining earnings in all the States except Louisiana. In Alabama and Louisiana, weaknesses in earnings in government also contributed.

4. See the section "Personal Income and Per Capita Personal Income for 1999" in "Comprehensive Revision of State Personal Income: Revised Estimates for 1969-98 and Preliminary Estimates for 1999," SURVEY OF CURRENT BUSINESS 80 (June 2000): 65-67.

Tables A-D and tables 1 and 2 follow. 

Table A.—Personal Income, by State and Region, 1999:II-2000:II

	Percent change from previous quarter ¹					Percent change 1999:II-2000:II ²	1999:II		2000:II	
	1999:II	1999:III	1999:IV	2000:I	2000:II		Percent of U.S. personal income	Percent of growth in U.S. personal income	Percent of U.S. personal income	Percent of growth in U.S. personal income
United States	1.3	1.3	1.9	1.7	1.7	6.7	100.0	100.0	100.0	100.0
New England	1.6	2.4	1.4	2.7	.9	7.6	5.9	7.0	6.0	3.3
Connecticut	1.5	1.9	1.1	1.6	.5	5.1	1.7	1.9	1.6	.5
Maine	2.3	3.0	-.9	1.8	1.5	5.4	.4	.7	.4	.4
Massachusetts	1.5	2.7	1.8	3.6	1.0	9.4	2.8	3.2	2.9	1.7
New Hampshire	1.8	2.1	2.2	3.8	.8	9.1	.5	.6	.5	.2
Rhode Island	1.2	2.2	1.1	1.6	1.5	6.6	.4	.3	.4	.3
Vermont	1.8	1.2	1.4	1.6	1.5	5.9	.2	.3	.2	.2
Midwest .....	.6	1.5	1.0	1.3	1.6	5.5	18.8	7.8	18.5	17.8
Delaware .....	.7	2.2	1.8	-.5	2.4	6.0	.3	.2	.3	.4
District of Columbia	1.4	1.2	1.9	.7	.3	4.2	.3	.3	.3	.1
Maryland	1.4	1.7	1.2	1.6	1.2	5.8	2.2	2.2	2.1	1.5
New Jersey .....	.3	1.0	1.9	.8	1.8	5.7	3.7	.9	3.7	4.0
New York	-.1	1.8	.3	1.8	1.8	5.8	7.9	-.4	7.8	8.4
Pennsylvania	1.4	1.2	1.2	.8	1.4	4.6	4.4	4.7	4.3	3.5
Great Lakes	1.4	.9	1.8	1.0	1.9	5.8	16.2	17.4	16.1	18.5
Illinois	1.3	.5	2.3	.9	1.9	5.7	4.9	4.9	4.8	5.6
Indiana	1.2	1.1	1.9	.4	1.9	5.4	2.0	1.8	2.0	2.2
Michigan	1.8	1.3	1.2	1.9	2.3	6.8	3.6	4.8	3.6	4.8
Ohio	1.2	1.0	1.5	1.2	1.5	5.3	3.9	3.5	3.9	3.6
Wisconsin	1.7	1.4	1.8	.2	2.2	5.7	1.8	2.4	1.8	2.4
Plains	1.8	.6	3.4	-.1	1.9	5.8	6.6	8.8	6.6	7.3
Iowa	1.5	.8	3.6	-.1	2.4	5.8	.9	1.0	.9	1.3
Kansas	1.5	.8	4.3	-.4	1.9	5.6	.9	1.0	.9	1.0
Minnesota	2.1	.8	2.9	.7	1.8	6.4	1.9	2.9	1.9	2.1
Missouri	1.3	.7	1.9	.9	1.9	5.4	1.9	1.8	1.8	2.0
Nebraska	2.1	.1	5.6	-.6	1.7	5.7	.6	.9	.6	.6
North Dakota	3.4	-.6	6.8	-.6	.8	4.8	.2	.5	.2	.1
South Dakota	3.6	-.2	5.4	-.8	1.8	6.2	.2	.6	.2	.2
Southeast	1.3	.9	1.7	1.5	1.7	6.0	22.0	21.8	21.9	22.4
Alabama	1.4	.8	1.2	.2	1.6	3.9	1.3	1.3	1.3	1.2
Arkansas	1.6	-.4	3.1	.7	1.4	4.8	.7	.9	.7	.6
Florida	1.5	1.1	1.1	1.3	2.1	5.7	5.4	5.9	5.4	6.5
Georgia	1.4	1.2	2.0	2.8	1.7	8.0	2.7	2.8	2.8	2.8
Kentucky	1.4	1.5	1.5	1.1	1.6	5.8	1.2	1.2	1.2	1.1
Louisiana	1.3	.2	1.5	.6	1.5	3.9	1.3	1.2	1.3	1.2
Mississippi	1.5	1.2	1.7	.1	1.3	4.3	.7	.8	.7	.6
North Carolina	1.5	-.5	3.2	2.2	1.9	6.8	2.6	2.8	2.6	2.9
South Carolina	1.7	1.5	1.4	1.2	2.0	6.3	1.2	1.5	1.2	1.4
Tennessee	1.8	1.4	1.4	1.6	1.8	6.4	1.8	2.4	1.8	2.0
Virginia .....	.3	1.6	1.9	1.6	1.2	6.5	2.6	.6	2.6	1.9
West Virginia	1.0	1.1	1.1	.5	1.5	4.4	.5	.4	.5	.4
Southwest	1.7	1.0	2.1	2.2	1.8	7.3	10.0	12.6	10.0	11.0
Arizona	3.2	1.5	1.8	3.3	.7	7.4	1.6	3.6	1.6	.6
New Mexico	2.1	.9	1.3	.9	1.9	5.0	.5	.7	.5	.5
Oklahoma	1.2	.6	2.1	.1	2.0	4.8	1.0	.9	1.0	1.1
Texas	1.4	1.0	2.2	2.3	2.1	7.8	6.9	7.3	7.0	8.6
Rocky Mountain	2.3	1.4	2.7	1.5	2.0	7.8	3.1	5.3	3.1	3.6
Colorado	2.7	1.6	3.4	1.2	2.1	8.6	1.6	3.2	1.7	2.1
Idaho	1.8	1.3	2.3	2.6	1.3	7.7	.4	.5	.4	.3
Montana	2.1	-.3	3.9	.2	1.8	4.6	.3	.4	.2	.3
Utah	2.1	1.7	1.1	2.1	2.2	7.3	.6	1.0	.6	.8
Wyoming	1.7	2.0	1.3	1.9	1.0	6.4	.2	.2	.2	.1
Far West	1.5	1.8	2.6	2.9	1.5	9.1	17.4	19.3	17.8	16.0
Alaska .....	.9	.8	1.4	2.8	1.7	6.9	.2	.2	.2	.2
California	1.6	1.6	2.6	3.5	1.4	9.4	12.7	15.5	13.0	11.1
Hawaii	1.5	1.6	.3	.5	1.6	4.1	.4	.5	.4	.4
Nevada	1.7	1.5	2.2	1.8	2.5	8.2	.7	.9	.7	1.1
Oregon	1.6	1.5	1.9	2.4	1.7	7.7	1.2	1.4	1.2	1.2
Washington .....	.6	3.2	3.1	1.1	1.6	9.2	2.2	1.0	2.3	2.1

1. Percent changes are expressed at quarterly rates.
 2. Percent changes are expressed at annual rates.
 NOTE.—Estimates may not add to totals because of rounding.

Table B.—Personal Income by Component, by State and Region, 1999:II-2000:II
[Seasonally adjusted]

	Percent change ¹				Percent change in personal income ¹	Contribution to percent change in personal income (percentage points)			Dollar change (millions) ³			
	Personal income	Net earnings ²	Dividends, interest, and rent	Transfer payments		Net earnings ²	Dividends, interest, and rent	Transfer payments	Personal income	Net earnings ²	Dividends, interest, and rent	Transfer payments
United States	6.7	6.9	6.9	5.3	6.7	4.66	1.31	0.70	514,960	360,229	100,810	53,921
New England	7.6	8.4	6.8	4.9	7.6	5.75	1.25	.62	34,765	26,222	5,718	2,825
Connecticut	5.1	5.2	5.1	4.6	5.1	3.65	.94	.52	6,533	4,669	1,198	664
Maine	5.4	5.2	6.3	5.2	5.4	3.33	1.20	.86	1,653	1,020	367	264
Massachusetts	9.4	10.9	7.2	4.8	9.4	7.52	1.31	.60	20,428	16,279	2,843	1,306
New Hampshire	9.1	9.5	9.9	4.8	9.1	6.69	1.88	.51	3,356	2,471	696	190
Rhode Island	6.6	6.5	8.1	5.2	6.6	4.11	1.62	.87	1,900	1,183	466	251
Vermont	5.9	6.0	4.8	6.9	5.9	3.92	.97	.98	897	599	149	150
Mideast	5.5	5.4	6.0	5.1	5.5	3.65	1.10	.72	79,196	52,881	15,934	10,380
Delaware	6.0	5.4	7.5	6.4	6.0	3.71	1.51	.74	1,366	850	347	171
District of Columbia	4.2	3.9	6.2	2.9	4.2	2.60	1.25	.37	867	535	256	75
Maryland	5.8	5.6	6.6	6.0	5.8	3.97	1.24	.61	9,693	6,610	2,073	1,011
New Jersey	5.7	5.9	5.8	4.1	5.7	4.16	1.04	.45	16,234	11,946	2,985	1,303
New York	5.8	6.0	5.7	5.0	5.8	3.97	1.02	.79	35,324	24,226	6,254	4,844
Pennsylvania	4.6	3.9	6.3	5.4	4.6	2.55	1.18	.87	15,712	8,715	4,019	2,977
Great Lakes	5.8	5.6	7.1	4.9	5.8	3.80	1.38	.63	72,667	47,599	17,228	7,839
Illinois	5.7	5.8	6.4	3.9	5.7	3.98	1.28	.44	21,404	14,946	4,809	1,648
Indiana	5.4	5.1	6.9	4.7	5.4	3.50	1.27	.61	8,308	5,399	1,964	945
Michigan	6.8	6.5	7.6	7.1	6.8	4.43	1.38	.95	18,644	12,231	3,799	2,614
Ohio	5.3	5.0	7.1	4.1	5.3	3.34	1.38	.58	16,122	10,159	4,205	1,759
Wisconsin	5.7	5.1	8.5	5.0	5.7	3.41	1.72	.61	8,188	4,864	2,451	874
Plains	5.8	5.4	7.5	5.3	5.8	3.57	1.55	.69	29,691	18,244	7,933	3,513
Iowa	5.8	5.5	7.5	4.5	5.8	3.57	1.60	.61	4,203	2,600	1,162	443
Kansas	5.6	5.2	7.0	5.3	5.6	3.50	1.41	.65	3,912	2,465	990	456
Minnesota	6.4	5.8	9.2	5.1	6.4	3.94	1.93	.55	9,389	5,762	2,820	807
Missouri	5.4	5.2	5.8	6.1	5.4	3.36	1.18	.88	7,780	4,816	1,694	1,270
Nebraska	5.7	5.4	6.9	5.7	5.7	3.60	1.42	.73	2,565	1,608	632	325
North Dakota	4.8	3.6	8.6	3.9	4.8	2.28	1.87	.61	704	337	276	90
South Dakota	6.2	5.6	8.7	4.9	6.2	3.59	1.97	.67	1,138	656	360	121
Southeast	6.0	5.6	7.3	5.8	6.0	3.70	1.44	.84	101,752	63,029	24,433	14,288
Alabama	3.9	2.6	6.4	5.9	3.9	1.74	1.14	.97	3,854	1,737	1,143	975
Arkansas	4.8	3.6	8.1	5.3	4.8	2.31	1.53	.93	2,699	1,310	865	524
Florida	5.7	5.4	6.7	5.2	5.7	3.14	1.75	.80	23,762	13,105	7,328	3,329
Georgia	8.0	8.6	6.9	5.9	8.0	6.19	1.15	.65	16,885	13,083	2,423	1,380
Kentucky	5.8	5.2	7.9	5.9	5.8	3.37	1.47	1.01	5,342	3,080	1,343	919
Louisiana	3.9	3.3	6.5	3.9	3.9	2.13	1.13	.68	3,926	2,123	1,128	674
Mississippi	4.3	2.9	7.6	6.0	4.3	1.90	1.26	1.12	2,433	1,080	715	638
North Carolina	6.8	5.9	9.9	7.3	6.8	4.03	1.78	1.00	13,527	7,998	3,544	1,986
South Carolina	6.3	5.7	8.1	6.9	6.3	3.78	1.47	1.03	5,717	3,439	1,339	939
Tennessee	6.4	6.0	7.9	6.5	6.4	4.12	1.26	.99	8,886	5,739	1,760	1,387
Virginia	6.5	6.6	6.1	6.5	6.5	4.71	1.13	.63	13,080	9,524	2,284	1,271
West Virginia	4.4	3.7	8.3	3.1	4.4	2.16	1.49	.70	1,641	814	561	265
Southwest	7.3	7.5	7.4	6.1	7.3	5.33	1.22	.75	56,194	41,000	9,410	5,784
Arizona	7.4	7.1	8.8	7.0	7.4	4.76	1.72	.93	8,886	5,702	2,067	1,118
New Mexico	5.0	4.0	7.1	6.9	5.0	2.58	1.36	1.07	1,901	979	515	408
Oklahoma	4.8	4.4	5.6	5.6	4.8	2.91	1.02	.87	3,679	2,233	779	666
Texas	7.8	8.2	7.3	5.9	7.8	6.00	1.13	.67	41,728	32,086	6,049	3,593
Rocky Mountain	7.8	7.8	8.6	5.8	7.8	5.53	1.65	.60	18,392	13,078	3,892	1,421
Colorado	8.6	8.8	8.6	6.8	8.6	6.42	1.60	.60	10,915	8,134	2,027	754
Idaho	7.7	8.0	7.3	6.6	7.7	5.40	1.40	.85	2,170	1,532	397	240
Montana	4.6	3.8	8.1	2.4	4.6	2.31	1.90	.38	893	450	369	74
Utah	7.3	7.1	9.3	5.7	7.3	5.12	1.62	.58	3,609	2,524	799	285
Wyoming	6.4	5.6	9.2	4.5	6.4	3.48	2.38	.54	804	437	299	68
Far West	9.1	10.5	6.3	5.0	9.1	7.29	1.21	.58	122,304	98,176	16,261	7,869
Alaska	6.9	7.0	8.2	4.8	6.9	4.71	1.47	.73	1,214	829	258	128
California	9.4	11.3	5.4	4.8	9.4	7.88	1.01	.55	92,612	77,303	9,907	5,401
Hawaii	4.1	4.1	3.6	5.1	4.1	2.78	.70	.62	1,330	905	226	200
Nevada	8.2	7.5	11.3	6.5	8.2	5.05	2.53	.65	4,580	2,812	1,405	363
Oregon	7.7	7.9	8.2	6.0	7.7	5.06	1.83	.81	6,848	4,500	1,629	720
Washington	9.2	10.0	8.8	5.2	9.2	6.91	1.66	.62	15,720	11,828	2,836	1,056

1. Percent changes are expressed at annual rates.
2. Net earnings is earnings by place of work—the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income—less personal contributions for social insurance plus an adjustment to convert earnings by place of work to a place-of-residence basis.

3. Dollar changes are expressed at annual rates.
NOTE.—Estimates may not add to totals because of rounding.

Table C.—Earnings by Place of Work: Percent Change by Industry Group, 1999:II-2000:II

[Seasonally adjusted]

	Percent change in earnings by place of work ¹	Private goods-producing industries				Private services-producing industries						
		Total ²	Farms	Construction	Manufacturing	Total	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
United States	6.9	5.4	-7.6	9.9	4.4	7.9	10.8	7.5	6.8	6.9	8.0	5.2
New England	8.4	7.8	-9.2	12.0	6.7	9.5	13.6	9.7	6.8	13.9	8.1	4.2
Connecticut	5.1	-2	-11.4	10.8	-3.2	8.2	7.8	11.2	9.6	13.5	4.8	.1
Maine	5.2	4.7	-9.7	13.4	1.4	5.6	10.0	3.6	6.5	-5.8	7.6	4.7
Massachusetts	11.0	15.1	-3.9	14.2	15.6	10.8	18.6	9.7	4.7	16.4	9.7	5.3
New Hampshire	9.2	8.0	-2.2	4.1	9.5	10.1	4.1	9.9	7.4	17.8	10.2	7.8
Rhode Island	5.8	-7	-7.6	12.1	-5.3	7.9	14.5	9.8	12.9	7.0	5.3	6.8
Vermont	5.9	3.6	-10.0	9.7	2.3	7.3	15.3	7.5	4.9	.9	8.0	4.9
Mideast	5.3	4.9	-9	8.7	3.5	5.6	8.9	5.8	6.1	4.8	5.1	4.7
Delaware	5.6	-1	-4.4	-5	.1	8.3	13.6	10.3	4.5	11.5	6.6	6.6
District of Columbia	2.5	3.9	(3)	2.6	.7	5.4	-2.8	-9.6	6.6	10.1	5.7	-1.3
Maryland	6.1	6.2	-1.6	6.3	5.9	5.9	12.1	5.8	4.3	2.1	6.3	6.4
New Jersey	5.9	10.1	3.0	9.2	10.6	4.0	6.3	7.2	7.4	3.6	1.8	8.8
New York	5.9	5.6	-2.9	12.6	3.1	6.4	10.0	4.7	8.2	5.2	6.5	4.0
Pennsylvania	3.8	1.2	.7	5.8	-3	4.9	9.5	6.2	2.9	3.7	4.6	4.4
Great Lakes	5.6	4.8	27.1	11.3	3.0	6.1	10.1	7.5	5.2	4.6	5.5	5.3
Illinois	5.7	4.2	68.8	13.8	.6	6.4	10.1	9.6	4.4	5.0	5.7	5.4
Indiana	5.0	3.0	138.0	10.7	.3	5.8	10.0	5.6	3.7	7.0	5.4	7.7
Michigan	6.5	8.3	-11.9	11.3	8.0	5.4	10.2	7.4	4.2	1.5	5.2	5.8
Ohio	5.0	3.9	30.9	10.4	2.0	5.8	10.1	5.3	4.6	5.8	5.5	4.5
Wisconsin	5.0	2.7	4.3	7.8	1.3	7.2	10.2	8.3	12.3	2.5	5.6	2.9
Plains	5.4	3.1	4.3	8.0	1.0	6.3	8.9	4.9	5.5	5.7	6.3	5.8
Iowa	5.4	4.4	21.6	6.3	2.0	6.6	8.2	4.2	5.5	7.6	7.1	3.3
Kansas	5.2	2.2	-1.6	9.4	-3	5.7	10.8	5.4	5.2	5.8	4.0	8.4
Minnesota	5.8	4.1	14.3	6.6	2.8	6.6	11.2	7.5	5.0	7.2	5.7	5.4
Missouri	5.1	1.4	19.0	10.4	-2.6	6.2	6.9	3.0	5.6	3.1	7.8	7.1
Nebraska	5.4	3.3	-4.0	9.7	2.2	6.9	7.4	3.0	5.9	8.1	7.6	3.5
North Dakota	3.8	-1.2	-34.2	-8	8.6	6.0	10.7	3.0	6.7	5.2	5.4	2.6
South Dakota	5.6	7.1	5.1	5.0	9.7	4.1	7.4	3.8	7.9	-1	3.1	7.5
Southeast	5.7	2.8	-16.7	8.5	1.9	7.3	11.5	6.0	5.4	6.4	7.5	4.5
Alabama	2.5	.9	-15.7	5.6	1.1	4.8	8.2	5.8	4.0	2.6	4.5	-7
Arkansas	3.8	-3	-34.7	17.1	2.9	6.2	11.2	6.7	6.7	3.3	4.5	4.6
Florida	5.4	3.2	-12.6	9.5	.8	6.4	13.1	4.8	3.6	4.9	6.9	3.2
Georgia	8.7	5.8	-16.2	10.4	5.9	10.4	12.4	10.2	7.2	10.0	11.0	6.1
Kentucky	5.3	4.7	1.1	9.2	4.3	6.5	10.2	4.0	5.1	13.6	5.0	3.2
Louisiana	3.3	.3	-49.0	7.5	-1.6	5.8	12.6	3.7	5.3	.5	5.6	.1
Mississippi	2.7	-4	-6.2	5.0	-1.3	3.5	14.1	.7	4.1	9.3	-1	5.3
North Carolina	5.9	1.6	-5.6	5.3	.7	7.8	9.3	3.9	6.1	8.1	8.9	7.8
South Carolina	5.6	2.1	-12.6	4.1	1.8	6.5	15.2	7.2	5.4	6.7	4.4	8.6
Tennessee	5.9	3.1	(3)	11.3	.9	7.0	11.8	5.1	6.4	5.0	6.8	6.9
Virginia	7.1	4.2	-5.3	8.7	1.8	9.3	9.3	7.7	6.7	6.4	11.0	3.8
West Virginia	3.4	3.0	(3)	6.5	3.8	2.7	7.9	-1.9	4.4	2.4	1.6	5.3
Southwest	7.5	5.4	-19.1	9.8	5.8	9.1	13.7	13.1	7.7	8.8	7.3	5.1
Arizona	7.1	5.1	-1.3	5.1	7.3	9.5	11.6	9.8	6.6	8.1	10.6	.4
New Mexico	3.9	3.3	-6.2	6.2	3.2	5.5	6.3	4.9	5.7	2.0	6.0	1.3
Oklahoma	4.4	2.8	-13.3	5.6	4.0	5.6	7.9	8.0	4.3	5.1	5.0	3.5
Texas	8.2	5.9	-24.7	11.5	5.9	9.6	14.9	14.5	8.6	9.6	6.9	6.8
Rocky Mountain	7.9	5.9	-14.1	13.5	3.9	9.4	3.7	11.1	6.5	9.2	12.0	5.3
Colorado	8.8	7.4	-7.4	19.4	1.7	10.3	-1.2	12.6	8.3	11.9	14.2	4.6
Idaho	8.0	6.6	-15.8	9.9	11.8	8.3	11.8	9.2	7.0	4.3	8.6	10.0
Montana	3.8	1.7	-25.7	6.1	7.3	4.5	6.7	3.1	4.8	3.8	4.1	4.3
Utah	7.1	3.5	-5.6	5.6	2.4	9.1	14.7	11.6	3.3	5.4	10.4	5.0
Wyoming	5.7	4.5	-25.7	4.3	3.1	7.5	13.4	4.3	3.8	1.3	8.7	3.9
Far West	10.6	9.8	-2.6	10.9	10.9	11.9	12.2	7.4	10.6	9.3	13.7	6.7
Alaska	7.1	12.7	-12.5	16.8	5.2	7.9	19.8	-1.9	1.6	8.1	6.5	2.5
California	11.3	11.5	-4.6	12.4	13.1	12.1	11.0	7.6	11.2	9.9	14.0	8.0
Hawaii	4.1	9.1	5.0	13.2	2.5	4.2	11.1	5.7	5.3	2.7	2.2	2.2
Nevada	7.4	1.1	.9	-1.3	10.6	9.7	18.1	8.2	13.3	12.5	7.2	4.4
Oregon	7.9	10.8	11.0	9.7	11.7	7.1	19.7	4.9	3.8	5.3	6.7	5.3
Washington	10.1	1.7	4.5	9.9	-2.3	15.5	12.8	8.7	12.6	6.2	20.2	3.5

1. Earnings by place of work is the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income. Percent changes are expressed at annual rates.

2. Also includes mining and agricultural services, forestry, and fishing.
3. Not meaningful.

Table D.—Earnings by Place of Work: Contributions to Percent Change by Industry Group, 1999:II-2000:II

(Seasonally adjusted)

	Percent change in earnings by place of work ¹	Percentage points										
		Private goods-producing industries				Private services-producing industries						Government
		Total ²	Farms	Construction	Manufacturing	Total	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	
United States	6.9	1.31	-0.07	0.58	0.71	4.73	0.72	0.47	0.61	0.63	2.30	0.82
New England	8.4	1.83	-0.02	.65	1.14	6.05	.66	.61	.60	1.53	2.65	.54
Connecticut	5.1	-0.6	-0.3	.53	-0.2	5.15	.40	.66	.75	1.90	1.45	.02
Maine	5.2	1.20	-0.8	.96	.23	3.16	.52	.18	.76	-0.40	2.09	.84
Massachusetts	11.0	3.17	0	.74	2.37	7.20	.87	.66	.39	1.80	3.47	.65
New Hampshire	9.2	2.30	0	.28	1.98	6.03	.18	.73	.90	1.31	2.91	.89
Rhode Island	5.8	-0.16	-0.1	.67	-0.87	4.68	.76	.48	1.22	.55	1.67	1.24
Vermont	5.9	1.07	-0.16	.68	.46	4.01	.79	.35	.49	.05	2.32	.78
Mideast	5.3	.92	0	.40	.47	3.64	.56	.34	.45	.67	1.62	.75
Delaware	5.6	-0.2	-0.3	-0.4	.01	4.70	.62	.41	.39	1.61	1.66	.92
District of Columbia	2.5	.21	(3)	.03	.02	2.82	-0.9	-0.9	.14	.59	2.27	-0.55
Maryland	6.1	.99	-0.1	.43	.48	3.60	.69	.32	.38	.18	2.04	1.50
New Jersey	5.9	1.98	0	.42	1.52	2.65	.53	.62	.57	.35	.58	1.22
New York	5.9	.86	0	.47	.34	4.49	.56	.26	.54	1.10	2.03	.58
Pennsylvania	3.8	.32	0	.33	-0.5	2.93	.64	.35	.26	.30	1.38	.57
Great Lakes	5.6	1.52	.09	.66	.73	3.33	.61	.49	.45	.35	1.44	.72
Illinois	5.7	1.02	.14	.75	.10	3.99	.74	.67	.34	.52	1.72	.72
Indiana	5.0	1.10	.29	.70	.09	2.90	.60	.32	.35	.43	1.20	1.03
Michigan	6.5	3.07	-0.5	.64	2.43	2.68	.49	.46	.35	.08	1.29	.76
Ohio	5.0	1.23	.08	.59	.49	3.14	.57	.35	.43	.41	1.38	.67
Wisconsin	5.0	.92	.04	.51	.34	3.72	.61	.50	1.11	.17	1.33	.40
Plains	5.4	.83	.07	.51	.17	3.64	.68	.35	.52	.46	1.64	.89
Iowa	5.4	1.31	.37	.41	.40	3.60	.54	.30	.52	.60	1.64	.53
Kansas	5.2	.59	-0.4	.55	-0.5	3.15	.96	.38	.51	.36	.94	1.46
Minnesota	5.8	1.14	.14	.41	.55	3.92	.72	.57	.47	.64	1.53	.70
Missouri	5.1	.34	.04	.69	-0.45	3.68	.57	.20	.54	.26	2.12	1.08
Nebraska	5.4	.82	-0.17	.60	.29	4.01	.74	.19	.52	.62	1.94	.59
North Dakota	3.8	-0.25	-0.6	-0.6	.70	3.51	.90	.24	.65	.30	1.41	.54
South Dakota	5.6	2.10	.41	.31	1.33	2.24	.48	.22	.79	-0.1	.75	1.25
Southeast	5.7	.67	-0.20	.53	.28	4.21	.82	.37	.53	.46	2.04	.81
Alabama	2.5	.27	-0.33	.35	.22	2.43	.52	.33	.38	.15	1.06	-0.15
Arkansas	3.8	-0.9	-1.79	.96	.61	3.11	.91	.33	.75	.16	.95	.75
Florida	5.4	.52	-0.17	.56	.07	4.31	.82	.31	.41	.48	2.29	.53
Georgia	8.7	1.35	-0.23	.62	.88	6.36	1.21	.86	.66	.75	2.89	.95
Kentucky	5.3	1.41	.01	.56	.88	3.34	.77	.23	.52	.68	1.15	.58
Louisiana	3.3	.09	-0.46	.56	-0.21	3.18	.95	.20	.49	.03	1.50	.02
Mississippi	2.7	-0.11	-0.14	.30	-0.27	1.71	.88	.03	.41	.41	-0.3	1.14
North Carolina	5.9	.50	-0.8	.37	.15	4.02	.54	.23	.57	.58	2.09	1.38
South Carolina	5.6	.63	-0.9	.29	.37	3.29	.95	.37	.59	.41	.97	1.70
Tennessee	5.9	.84	(3)	.73	.17	4.16	.89	.34	.68	.35	1.89	.94
Virginia	7.1	.76	-0.1	.52	.20	5.40	.64	.41	.55	.47	3.33	.90
West Virginia	3.4	.79	(3)	.37	.55	1.42	.58	-0.9	.43	.10	.40	1.15
Southwest	7.5	1.39	-0.27	.63	.76	5.33	1.12	.86	.73	.66	1.95	.80
Arizona	7.1	1.18	-0.1	.39	.93	5.83	.66	.61	.69	.78	3.09	.06
New Mexico	3.9	.63	-0.18	.39	.21	2.92	.37	.19	.61	.11	1.64	.36
Oklahoma	4.4	.79	-0.27	.29	.61	2.87	.60	.38	.41	.27	1.21	.72
Texas	8.2	1.56	-0.32	.74	.79	5.70	1.33	1.02	.79	.72	1.84	.99
Rocky Mountain	7.9	1.37	-0.22	1.06	.44	5.59	.34	.61	.64	.73	3.27	.90
Colorado	8.8	1.57	-0.7	1.48	.18	6.57	-0.13	.72	.77	1.09	4.12	.70
Idaho	8.0	2.11	-0.79	.81	2.00	4.13	.75	.51	.72	.22	1.93	1.81
Montana	3.8	.35	-0.84	.47	.52	2.57	.54	.15	.56	.22	1.10	.93
Utah	7.1	.82	-0.4	.44	.31	5.34	1.06	.66	.34	.42	2.86	.91
Wyoming	5.7	1.36	-0.52	.36	.16	3.42	1.21	.14	.36	.07	1.65	.93
Far West	10.6	2.25	-0.3	.66	1.55	7.26	.76	.43	.97	.78	4.32	1.07
Alaska	7.1	2.47	-0.3	1.26	.21	3.80	1.96	-0.5	.15	.34	1.40	.81
California	11.3	2.65	-0.6	.68	1.96	7.49	.68	.45	.99	.88	4.49	1.21
Hawaii	4.1	.91	.04	.74	.07	2.49	.85	.20	.59	.22	.63	.67
Nevada	7.4	.20	0	-0.15	.46	6.56	1.03	.34	1.28	1.09	2.82	.64
Oregon	7.9	3.02	.11	.71	2.10	4.01	1.19	.36	.41	.36	1.69	.84
Washington	10.1	.42	.04	.66	-0.34	9.03	.81	.50	1.18	.41	6.13	.62

1. Earnings by place of work is the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income. Percent changes are expressed at annual rates.

2. Also includes mining and agricultural services, forestry, and fishing.

3. Not meaningful.

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

Line	Item	District of Columbia						Maryland							
		1998		1999		2000		1998		1999		2000			
		IV ^r	I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p	IV ^r	I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p
Income by Place of Residence															
1	Personal income (lines 4-11)	19,973	20,253	20,535	20,781	21,176	21,333	21,402	161,870	164,308	166,527	169,323	171,422	174,181	176,220
2	Nonfarm personal income	19,973	20,253	20,535	20,781	21,176	21,333	21,402	161,539	163,921	166,142	169,002	171,059	173,820	175,841
3	Farm income (line 17)	0	0	0	0	0	0	0	331	387	385	321	364	379	
Derivation of Personal Income															
4	Earnings by place of work (lines 12-16 or 17-34)	41,231	42,779	43,593	44,002	45,153	45,197	44,677	103,983	105,170	106,858	109,027	109,744	111,756	113,364
5	Less: Personal contributions for social insurance ²	2,039	2,148	2,190	2,206	2,268	2,274	2,249	6,217	6,355	6,461	6,598	6,628	6,776	6,869
6	Plus: Adjustment for residence ³	-25,843	-27,070	-27,625	-27,841	-28,628	-28,609	-28,115	18,911	17,810	17,953	18,122	18,667	18,666	18,464
7	Equals: Net earnings by place of residence	13,349	13,561	13,778	13,956	14,257	14,314	14,313	114,677	116,624	118,350	120,551	121,782	123,647	124,960
8	Plus: Dividends, interest, and rent ⁴	4,046	4,100	4,151	4,217	4,300	4,362	4,407	30,750	30,946	31,300	31,739	32,452	33,006	33,373
9	Plus: Transfer payments	2,579	2,592	2,606	2,610	2,619	2,657	2,681	16,443	16,738	16,877	17,033	17,188	17,529	17,888
10	State unemployment insurance benefits	62	61	63	54	52	61	56	299	294	290	276	292	274	268
11	Transfers excluding State unemployment insurance benefits	2,516	2,531	2,542	2,556	2,567	2,596	2,626	16,144	16,443	16,587	16,757	16,896	17,255	17,620
Earnings by Place of Work															
Components of earnings:															
12	Wage and salary disbursements	32,617	33,925	34,587	34,869	35,884	35,835	35,492	84,032	84,898	86,390	88,348	88,869	90,485	91,897
13	Other labor income	6,128	6,332	6,434	6,498	6,580	6,922	6,391	10,869	11,000	11,020	11,128	11,117	11,361	11,401
14	Proprietors' income ⁵	2,486	2,522	2,572	2,634	2,690	2,740	2,793	9,081	9,272	9,448	9,555	9,758	9,910	10,066
15	Farm proprietors' income	0	0	0	0	0	0	0	202	261	281	199	243	238	
16	Nonfarm proprietors' income	2,486	2,522	2,572	2,634	2,690	2,740	2,793	8,879	9,011	9,168	9,357	9,515	9,672	9,813
Earnings by Industry															
17	Farm earnings	0	0	0	0	0	0	0	331	387	385	321	364	361	379
18	Nonfarm earnings	41,231	42,779	43,593	44,002	45,153	45,197	44,677	103,652	104,783	106,473	108,706	109,380	111,396	112,986
19	Private earnings	23,601	24,628	25,194	25,385	26,388	26,252	26,517	79,334	79,542	81,664	83,610	84,290	85,022	86,578
20	Agricultural services, forestry, fishing, and other ⁶	852	(D)	(D)	(D)	(D)	(D)	(D)	606	632	630	627	664	727	720
21	Mining	(D)	(D)	(D)	(D)	(D)	(D)	(D)	107	110	108	114	111	108	108
22	Construction	(D)	426	429	440	449	443	440	6,983	7,066	7,330	7,465	7,641	7,722	7,792
23	Manufacturing	949	1,023	1,027	1,037	1,032	1,030	1,034	8,576	8,585	8,740	8,877	8,804	8,992	9,254
24	Durable goods	182	190	207	179	179	173	173	4,529	4,552	4,617	4,693	4,826	4,959	5,205
25	Nondurable goods	766	833	819	858	853	857	863	4,047	4,033	4,123	4,183	3,977	4,033	4,049
26	Transportation and public utilities	1,160	1,349	1,460	1,461	1,480	1,390	1,420	5,896	5,950	6,066	6,229	6,345	6,545	6,801
27	Wholesale trade	341	410	403	417	455	366	365	5,609	5,692	5,810	5,995	5,984	6,035	6,148
28	Retail trade	895	896	921	954	994	968	982	9,477	9,421	9,478	9,649	9,698	9,781	9,888
29	Finance, insurance, and real estate	2,350	2,341	2,540	2,562	2,549	2,726	2,797	8,590	8,242	8,838	9,410	8,978	8,881	9,027
30	Services	16,616	17,169	17,469	17,521	18,281	18,298	18,459	33,490	33,843	34,662	35,245	36,065	36,322	36,840
31	Government and government enterprises	17,631	18,151	18,399	18,617	18,766	18,946	18,160	24,318	25,241	24,810	25,097	25,090	26,374	26,408
32	Federal, civilian	14,588	15,093	15,285	15,510	15,626	15,985	15,194	10,704	10,957	10,939	10,857	10,816	11,214	10,992
33	Military	1,074	1,100	1,109	1,114	1,103	1,125	1,112	2,000	2,074	2,052	2,051	2,045	2,105	2,105
34	State and local	1,968	1,958	2,026	1,993	2,036	1,835	1,854	11,614	12,210	11,819	12,189	12,230	13,055	13,310

See footnotes at end of table.

Table 2.—Personal Income by Major Source
 (Millions of dollars, seasonally)

Line	Item	Alabama						Arkansas							
		1998		1999		2000		1998		1999		2000			
		IV ^r	I ^r	II ^r	III ^r	IV ^r	I ^r	II ^r	IV ^r	I ^r	II ^r	III ^r	IV ^r	I ^r	II ^r
Income by Place of Residence															
1	Personal income (lines 4-11)	97,922	98,744	100,082	100,910	102,073	102,323	103,936	55,144	55,769	56,659	56,422	58,158	58,559	59,358
2	Nonfarm personal income	96,897	97,273	98,625	99,798	100,845	101,040	102,709	53,373	54,095	54,844	55,430	55,959	57,222	58,041
3	Farm income (line 17)	1,025	1,471	1,456	1,112	1,228	1,282	1,228	1,771	1,674	2,016	992	2,199	1,337	1,317
Derivation of Personal Income															
4	Earnings by place of work (lines 12-16 or 17-34)	67,699	68,288	69,440	69,940	70,650	70,148	71,210	37,738	38,237	38,958	38,508	39,927	40,002	40,428
5	Less: Personal contributions for social insurance ²	4,281	4,339	4,423	4,477	4,513	4,486	4,556	2,399	2,467	2,493	2,531	2,540	2,613	2,638
6	Plus: Adjustment for residence ³	854	858	873	892	913	957	973	-260	-265	-260	-268	-261	-284	-276
7	Equals: Net earnings by place of residence	64,272	64,807	65,890	66,356	67,050	66,619	67,627	35,079	35,505	36,204	35,709	37,126	37,106	37,514
8	Plus: Dividends, interest, and rent ⁴	17,542	17,590	17,740	17,972	18,329	18,649	18,883	10,386	10,467	10,616	10,820	11,086	11,312	11,481
9	Plus: Transfer payments	16,108	16,347	16,452	16,582	16,695	17,054	17,427	9,679	9,797	9,839	9,893	9,946	10,141	10,363
10	State unemployment insurance benefits	214	199	211	213	212	208	210	194	183	186	181	177	168	181
11	Transfers excluding State unemployment insurance benefits	15,894	16,148	16,241	16,369	16,483	16,846	17,217	9,484	9,614	9,652	9,712	9,769	9,974	10,182
Earnings by Place of Work															
Components of earnings:															
12	Wage and salary disbursements	54,244	54,322	55,404	56,139	56,662	56,097	57,077	28,906	29,388	29,728	30,223	30,373	31,116	31,476
13	Other labor income	6,883	6,851	6,890	6,889	6,875	6,800	6,860	3,510	3,528	3,546	3,573	3,582	3,624	3,681
14	Proprietors' income ⁵	6,572	7,115	7,146	6,912	7,113	7,251	7,273	5,322	5,384	5,484	4,712	5,972	5,262	5,271
15	Farm proprietors' income	893	1,349	1,335	990	1,107	1,160	1,102	1,520	1,422	1,762	737	1,945	1,079	1,051
16	Nonfarm proprietors' income	5,679	5,766	5,811	5,922	6,006	6,091	6,171	3,802	3,899	3,922	3,975	4,027	4,184	4,220
Earnings by Industry															
17	Farm earnings	1,025	1,471	1,456	1,112	1,228	1,282	1,228	1,771	1,674	2,016	992	2,199	1,337	1,317
18	Nonfarm earnings	66,674	66,817	67,984	68,829	69,422	68,866	69,982	35,967	36,563	36,942	37,516	37,728	38,665	39,111
19	Private earnings	52,716	52,774	53,956	54,841	55,526	54,988	56,057	29,622	30,174	30,504	31,071	31,176	32,087	32,379
20	Agricultural services, forestry, fishing, and other ⁶	461	453	446	453	472	504	498	285	298	299	298	299	344	340
21	Mining	636	623	615	618	587	559	581	187	186	186	196	193	195	196
22	Construction	4,155	4,357	4,306	4,462	4,501	4,467	4,550	2,074	2,229	2,194	2,226	2,250	2,548	2,569
23	Manufacturing	13,507	13,422	13,598	13,743	13,773	13,390	13,750	8,077	8,041	8,240	8,391	8,393	8,292	8,477
24	Durable goods	7,628	7,624	7,797	7,889	7,926	7,580	7,748	4,522	4,522	4,624	4,733	4,772	4,673	4,796
25	Nondurable goods	5,880	5,798	5,801	5,854	5,847	5,810	6,002	3,545	3,519	3,615	3,658	3,620	3,619	3,681
26	Transportation and public utilities	4,272	4,248	4,382	4,445	4,480	4,606	4,742	3,138	3,233	3,176	3,295	3,278	3,403	3,533
27	Wholesale trade	3,848	3,850	3,975	4,054	4,150	4,165	4,206	1,885	1,868	1,922	1,958	1,976	2,004	2,052
28	Retail trade	6,305	6,425	6,513	6,608	6,599	6,712	6,775	4,122	4,472	4,343	4,411	4,445	4,566	4,636
29	Finance, insurance, and real estate	3,671	3,663	3,946	4,132	4,205	3,971	4,047	1,826	1,738	1,868	1,893	1,919	1,897	1,930
30	Services	15,661	15,732	16,175	16,325	16,759	16,614	16,908	8,026	8,110	8,276	8,403	8,423	8,449	8,646
31	Government and government enterprises	13,959	14,043	14,028	13,988	13,896	13,877	13,925	6,346	6,390	6,439	6,445	6,552	6,578	6,732
32	Federal, civilian	3,358	3,424	3,345	3,281	3,248	3,366	3,353	1,225	1,210	1,204	1,196	1,190	1,284	1,392
33	Military	1,226	1,249	1,225	1,196	1,120	1,159	1,150	430	442	437	443	442	451	452
34	State and local	9,375	9,370	9,457	9,511	9,528	9,352	9,422	4,691	4,739	4,797	4,806	4,921	4,863	4,888

See footnotes at end of table.

BEA CURRENT AND HISTORICAL DATA

National, International, and Regional Estimates

This section presents an extensive selection of economic statistics prepared by the Bureau of Economic Analysis (BEA) and a brief selection of collateral statistics prepared by other Government agencies and private organizations. Series originating in Government agencies are not copyrighted and may be reprinted freely. Series from private sources are provided through the courtesy of the compilers and are subject to their copyrights.

BEA's economic statistics are available on three Web

sites. BEA's Web site at <www.bea.doc.gov> contains data, articles, and news releases from the national, international, and regional programs. The Federal Statistical Briefing Room (FSBR) on the White House Web site at <www.whitehouse.gov/fsbr> provides key economic statistics, including gross domestic product. The Commerce Department's STAT-USA Web site at <www.stat-usa.gov> provides detailed databases and news releases from BEA and from other Federal Government agencies by subscription.

The tables present annual [A], quarterly [Q], and monthly [M] estimates.

National Estimates

A. Selected NIPA tables [A, Q]	
S. Summary tables.....	D-2
1. National income and product	D-3
2. Personal income and outlays	D-7
3. Government current receipts and expenditures....	D-8
4. Foreign transactions.....	D-12
5. Saving and investment.....	D-14
6. Income and employment by industry.....	D-17
7. Quantity and price indexes.....	D-18
8. Supplemental tables.....	D-25
B. Other NIPA and NIPA-related tables	
B.1 Personal income [A, M]	D-29
B.2 Disposition of personal income [A, M]	D-29
B.3 Gross domestic product by industry	D-30
B.4 Personal consumption expenditures by type [A]	D-31
B.5 Private fixed investment in structures by type [A].....	D-32
B.6 Private fixed investment in equipment and software by type [A].....	D-32
B.7 Consumption and wage and salary accruals by industry [A].....	D-33
B.8 Employment by industry [A].....	D-34
B.9 Wage and salary accruals by employee and by industry [A].....	D-35
B.10 Farm sector output, gross product, and national income [A].....	D-36
B.11 Housing sector output, gross product, and national income [A].....	D-36
B.12 Net stock of private fixed assets by type [A]	D-37
C. Historical measures	
C.1 Estimates of the major NIPA aggregates	D-38
D. Domestic perspectives [A, Q, M].....	D-41
E. Charts	
Selected NIPA series.....	D-43
Other indicators of the domestic economy	D-49

International Estimates

F. Transactions tables	
F.1 U.S. international transactions in goods and services [A, M]	D-51
F.2 U.S. international transactions [A, Q].....	D-52
F.3 U.S. international transactions by area [Q].....	D-53
F.4 Private services transactions [A]	D-56
G. Investment tables [A]	
G.1 U.S. international investment position	D-57
G.2 USDIA: Selected items	D-58
G.3 Selected financial and operating data of foreign affiliates of U.S. companies	D-59
G.4 FDIUS: Selected items	D-60
G.5 Selected financial and operating data of U.S. affiliates of foreign companies	D-61
H. International perspectives [A, Q, M]	D-62
I. Charts	
The United States in the international economy	D-64

Regional Estimates

J. State and regional tables	
J.1 Personal income [Q]	D-65
J.2 Personal income and disposable personal income [A]	D-66
J.3 Per capita personal income and disposable personal income [A].....	D-67
J.4 Gross state product [A].....	D-68
K. Local area table	
K.1 Personal income and per capita personal income by metropolitan area [A]	D-69
L. Charts	
Selected regional estimates.....	D-71

Appendixes

A: Additional information about the NIPA estimates	
Statistical conventions.....	D-73
Reconciliation tables [A, Q].....	D-74
B: Suggested reading	D-75

National Data

A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components; these estimates were released on October 27, 2000, and include the "advance" estimates for the third quarter of 2000.

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

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

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

S. Summary Tables

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

	[Percent]							
	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Gross domestic product	4.4	4.2	2.5	5.7	8.3	4.8	5.6	2.7
Personal consumption expenditures	4.7	5.3	5.6	5.0	5.9	7.6	3.1	4.5
Durable goods	10.6	12.4	15.0	8.0	13.0	23.6	-5.0	7.5
Nondurable goods	4.0	5.6	3.8	4.9	7.4	6.0	3.6	4.9
Services	3.9	3.7	4.6	4.5	3.8	5.2	4.6	3.7
Gross private domestic investment	12.5	6.6	0	15.0	17.9	5.1	21.7	3.2
Fixed investment	11.8	9.2	8.7	7.8	7.2	16.4	11.2	2.9
Nonresidential	13.0	10.1	9.6	11.8	9.5	21.0	14.6	6.9
Structures	7.2	-1.4	-6.2	-6.2	9.7	22.3	4.4	1.7
Equipment and software	15.0	14.1	15.2	18.0	9.5	20.6	17.9	8.5
Residential	8.3	6.4	5.9	-3.1	5	3.2	1.3	-9.2
Change in private inventories								
Net exports of goods and services								
Exports	2.3	2.9	5.8	10.2	10.3	6.3	14.3	16.2
Goods	2.2	4.0	7.2	15.9	12.6	6.0	19.0	20.6
Services	2.4	5	2.8	-2.5	4.6	6.9	3.5	5.4
Imports	11.9	10.7	16.2	16.9	10.7	12.0	18.6	13.8
Goods	11.8	12.5	19.0	19.0	11.2	11.2	20.0	13.0
Services	12.2	1.7	2.5	6.3	8.2	16.6	10.6	18.9
Government consumption expenditures and gross investment	2.1	3.3	.8	4.8	8.5	-1.1	4.8	-3.6
Federal	-5	2.5	2.0	6.9	13.2	-14.2	17.2	-10.1
National defense	-1.7	2.0	-2.3	12.3	12.6	-19.8	16.9	-10.2
Nondefense	1.8	3.4	10.2	-2.2	14.4	-3.3	17.8	-9.9
State and local	3.6	3.8	.1	3.7	6.1	6.6	-1.1	0
Addenda:								
Final sales of domestic product	4.2	4.6	4.0	4.5	6.4	6.7	3.9	2.7
Gross domestic purchases	5.5	5.2	3.8	6.6	8.4	5.6	6.5	2.9
Final sales to domestic purchasers	5.4	5.6	5.2	5.5	6.6	7.5	4.7	2.8
Gross national product	4.2	4.1	2.3	5.5	8.3	5.1	5.6	
Disposable personal income	4.8	3.2	2.8	2.2	4.5	1.9	3.7	2.5

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

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

	Seasonally adjusted at annual rates							
	1998	1999	1999					
			II	III	IV	I	II	III
Percent change at annual rate:								
Gross domestic product	4.4	4.2	2.5	5.7	8.3	4.8	5.6	2.7
Percentage points at annual rates:								
Personal consumption expenditures	3.12	3.52	3.67	3.43	4.08	5.03	2.14	3.02
Durable goods .....	.81	.96	1.14	.64	1.04	1.79	-.42	.60
Nondurable goods .....	.79	1.10	.75	.97	1.47	1.19	.74	.96
Services	1.53	1.46	1.78	1.81	1.58	2.04	1.83	1.46
Gross private domestic investment	2.06	1.15	.01	2.50	3.04	.92	3.66	.60
Fixed investment	1.87	1.53	1.43	1.33	1.26	2.68	1.93	.52
Nonresidential	1.54	1.26	1.18	1.47	1.22	2.54	1.87	.92
Structures .....	.22	-.05	-.20	-.19	.29	.63	.14	.06
Equipment and software	1.32	1.30	1.38	1.66	.94	1.91	1.73	.87
Residential .....	.33	.27	.25	-.13	.03	.14	.06	-.40
Change in private inventories .....	.20	-.37	-1.42	1.17	1.78	-1.76	1.73	.08
Net exports of goods and services	-1.20	-1.03	-1.35	-1.08	-.37	-.94	-1.00	-.25
Exports .....	.26	.32	.60	1.05	1.09	.67	1.48	1.68
Goods .....	.18	.30	.51	1.13	.94	.46	1.37	1.51
Services .....	.08	.02	.08	-.08	.15	.21	.11	.17
Imports	-1.46	-1.35	-1.95	-2.13	-1.45	-1.61	-2.48	-1.93
Goods	-1.21	-1.32	-1.89	-1.99	-1.28	-1.28	-2.26	-1.54
Services	-.24	-.04	-.05	-.13	-.17	-.33	-.22	-.38
Government consumption expenditures and gross investment .....	.38	.59	.13	.84	1.50	-.18	.85	-.63
Federal	-.03	.16	.12	.41	.79	-.93	.97	-.63
National defense	-.07	.08	-.09	.46	.48	-.86	.60	-.41
Nondefense .....	.04	.08	.21	-.05	.30	-.07	.37	-.23
State and local .....	.41	.43	.01	.43	.71	.75	-.12	0

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

1. National Product and Income

Table 1.1.—Gross Domestic Product

[Billions of dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Gross domestic product	8,790.2	9,299.2	9,191.5	9,340.9	9,559.7	9,752.7	9,945.7	10,063.3
Personal consumption expenditures	5,850.9	6,268.7	6,213.2	6,319.9	6,446.2	6,621.7	6,706.3	6,817.4
Durable goods	693.9	761.3	756.3	767.2	787.6	826.3	814.3	824.5
Nondurable goods	1,707.6	1,845.5	1,825.3	1,860.0	1,910.2	1,963.9	1,997.6	2,032.3
Services	3,449.3	3,661.9	3,631.5	3,692.7	3,748.5	3,831.6	3,894.4	3,960.6
Gross private domestic investment	1,549.9	1,650.1	1,607.9	1,659.1	1,723.7	1,755.7	1,852.6	1,876.6
Fixed investment	1,472.9	1,606.8	1,593.4	1,622.4	1,651.0	1,725.8	1,780.5	1,802.6
Nonresidential	1,107.5	1,203.1	1,188.0	1,216.8	1,242.2	1,308.5	1,359.2	1,388.7
Structures	283.2	285.6	283.7	281.2	290.4	308.9	315.1	318.9
Equipment and software	824.3	917.4	904.3	935.6	951.8	999.6	1,044.1	1,069.8
Residential	365.4	403.8	405.4	405.6	408.8	417.3	421.3	413.8
Change in private inventories	77.0	43.3	14.5	36.7	72.7	29.9	72.0	74.0
Net exports of goods and services	-151.5	-254.0	-240.4	-280.5	-299.1	-335.2	-355.4	-373.0
Exports	966.0	990.2	973.0	999.5	1,031.0	1,051.9	1,092.9	1,137.2
Goods	682.0	699.2	682.1	706.9	734.6	747.5	783.6	821.2
Services	284.0	291.0	290.9	290.7	296.4	304.4	309.2	316.0
Imports	1,117.5	1,244.2	1,213.4	1,280.0	1,330.1	1,387.1	1,448.3	1,510.3
Goods	930.5	1,048.6	1,020.4	1,081.7	1,127.3	1,176.1	1,233.9	1,285.6
Services	187.0	195.6	193.0	198.3	202.8	211.0	214.4	224.7
Government consumption expenditures and gross investment	1,540.9	1,634.4	1,610.9	1,642.4	1,688.8	1,710.4	1,742.2	1,742.3
Federal	540.6	568.6	558.3	570.4	591.6	580.1	604.5	592.8
National defense	349.2	365.0	355.3	367.5	380.8	366.6	381.9	374.5
Nondefense	191.4	203.5	203.0	202.8	210.7	213.5	222.6	218.2
State and local	1,000.3	1,065.8	1,052.6	1,072.1	1,097.3	1,130.4	1,137.7	1,149.6

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

Table 1.2.—Real Gross Domestic Product

[Billions of chained (1996) dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Gross domestic product	8,515.7	8,875.8	8,783.2	8,905.8	9,084.1	9,191.8	9,318.9	9,382.2
Personal consumption expenditures	5,678.7	5,978.8	5,940.2	6,013.8	6,101.0	6,213.5	6,260.6	6,330.4
Durable goods	727.3	817.8	810.5	826.2	851.8	898.2	886.7	902.9
Nondurable goods	1,684.8	1,779.4	1,765.0	1,786.1	1,818.1	1,844.8	1,861.1	1,883.3
Services	3,269.4	3,390.8	3,373.4	3,411.1	3,443.0	3,487.2	3,526.7	3,559.3
Gross private domestic investment	1,566.8	1,669.7	1,623.1	1,680.8	1,751.6	1,773.6	1,863.0	1,877.9
Fixed investment	1,485.3	1,621.4	1,607.1	1,637.8	1,666.6	1,730.9	1,777.6	1,790.5
Nonresidential	1,140.3	1,255.3	1,237.5	1,272.5	1,301.8	1,365.3	1,412.5	1,436.3
Structures	263.0	259.2	258.7	254.6	260.6	274.0	277.0	278.2
Equipment and software	879.0	1,003.1	985.0	1,026.6	1,050.1	1,100.4	1,146.6	1,170.2
Residential	346.1	368.3	370.9	368.0	368.5	371.4	372.6	363.7
Change in private inventories	80.2	45.3	13.1	39.1	80.9	36.6	78.6	79.9
Net exports of goods and services	-221.0	-322.4	-314.6	-342.6	-352.5	-376.8	-403.4	-410.8
Exports	1,003.6	1,033.0	1,017.6	1,042.6	1,068.4	1,084.8	1,121.8	1,164.6
Goods	723.6	752.2	735.7	763.4	786.5	798.1	833.5	873.6
Services	280.3	281.7	282.3	280.5	283.7	288.5	291.0	294.9
Imports	1,224.6	1,355.3	1,332.2	1,385.2	1,420.9	1,461.7	1,525.2	1,575.5
Goods	1,032.0	1,161.1	1,139.9	1,190.5	1,222.5	1,255.3	1,313.9	1,354.6
Services	192.6	195.9	193.7	196.7	200.6	208.4	213.7	223.2
Government consumption expenditures and gross investment	1,486.4	1,536.1	1,519.9	1,537.8	1,569.5	1,565.1	1,583.7	1,569.4
Federal	526.9	540.1	532.1	541.0	558.1	537.1	558.8	544.2
National defense	341.7	348.5	340.3	350.4	360.9	341.5	355.1	345.7
Nondefense	185.2	191.5	191.6	190.5	197.1	195.4	203.6	198.4
State and local	959.2	995.6	987.5	996.4	1,011.2	1,027.4	1,024.6	1,024.6
Residual	.5	-.6	2.8	.1	-5.2	-8.0	-10.6	-14.7

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

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

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

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

[Billions of dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Gross domestic product	8,790.2	9,299.2	9,191.5	9,340.9	9,559.7	9,752.7	9,945.7	10,063.3
Plus: Income receipts from the rest of the world	285.4	305.9	295.9	314.4	331.2	350.9	375.4	.....
Less: Income payments to the rest of the world	288.9	316.9	305.6	328.0	344.6	358.6	383.7	.....
Equals: Gross national product	8,786.7	9,288.2	9,181.8	9,327.3	9,546.3	9,745.0	9,937.4	.....
Less: Consumption of fixed capital	1,077.3	1,161.0	1,148.8	1,181.8	1,188.5	1,215.4	1,244.3	1,273.6
Private	889.4	961.4	951.0	980.8	983.5	1,005.6	1,029.8	1,053.7
Capital consumption allowances	911.3	984.9	975.2	1,000.6	1,007.7	1,026.3	1,043.9	1,062.0
Less: Capital consumption adjustment	21.9	23.5	24.2	19.8	24.2	20.8	14.1	8.3
Government	188.0	199.6	197.8	201.0	205.0	209.8	214.6	220.0
General government	160.4	170.3	168.7	171.5	175.0	179.1	183.2	188.1
Government enterprises	27.5	29.3	29.1	29.5	30.0	30.7	31.4	31.9
Equals: Net national product	7,709.3	8,127.1	8,033.0	8,145.5	8,357.7	8,529.6	8,693.1	.....
Less: Indirect business tax and nontax liability	679.6	718.1	707.9	721.6	745.5	755.9	764.6	773.6
Business transfer payments	38.0	39.7	39.3	39.9	40.6	41.3	42.0	41.9
Statistical discrepancy	-24.8	-71.9	-76.8	-89.5	-67.8	-77.7	-72.5	.....
Plus: Subsidies less current surplus of government enterprises	21.5	28.4	29.7	19.5	41.4	23.5	24.2	42.0
Equals: National income	7,038.1	7,469.7	7,392.3	7,493.1	7,680.7	7,833.5	7,983.2	.....
Less: Corporate profits with inventory valuation and capital consumption adjustments	815.0	856.0	836.8	842.0	893.2	936.3	963.6	.....
Net interest	482.7	507.1	494.1	513.8	530.6	545.4	565.9	.....
Contributions for social insurance	622.1	662.1	657.0	666.9	676.1	691.2	701.7	710.2
Wage accruals less disbursements	2.1	5.2	5.2	5.2	5.2	0	0	0
Plus: Personal interest income	940.8	963.7	951.3	969.4	989.0	1,011.6	1,031.3	1,045.4
Personal dividend income	351.1	370.3	366.8	373.5	380.2	386.9	392.6	399.7
Government transfer payments to persons	954.3	986.5	982.6	990.4	997.3	1,016.5	1,035.5	1,043.4
Business transfer payments to persons	28.7	29.7	29.6	29.9	30.1	30.4	30.6	30.8
Equals: Personal income	7,391.0	7,789.6	7,729.7	7,828.5	7,972.3	8,105.8	8,242.1	8,354.1
Addenda:								
Gross domestic income	8,815.0	9,371.1	9,268.3	9,430.4	9,627.5	9,830.4	10,018.3	.....
Gross national income	8,811.4	9,360.1	9,258.6	9,416.8	9,614.0	9,822.7	10,010.0	.....
Net domestic product	7,712.9	8,138.1	8,042.7	8,159.1	8,371.2	8,537.3	8,701.4	8,789.7

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

[Billions of chained (1996) dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Gross domestic product	8,515.7	8,875.8	8,783.2	8,905.8	9,084.1	9,191.8	9,318.9	9,382.2
Plus: Income receipts from the rest of the world	278.7	294.1	285.4	301.9	316.2	332.0	353.2	.....
Less: Income payments to the rest of the world	279.3	301.5	291.8	312.0	325.0	335.8	357.9	.....
Equals: Gross national product	8,515.1	8,868.3	8,776.7	8,895.4	9,075.0	9,187.7	9,313.7	.....
Less: Consumption of fixed capital	1,081.0	1,169.7	1,154.1	1,190.1	1,202.8	1,229.1	1,256.0	1,283.0
Private	894.5	974.1	959.9	983.3	1,003.2	1,026.7	1,050.7	1,074.8
Government	186.6	195.8	194.4	197.0	199.7	202.7	205.6	208.6
General government	159.7	167.8	166.6	168.8	171.2	173.7	176.3	179.0
Government enterprises	26.9	28.0	27.9	28.2	28.5	29.0	29.3	29.6
Equals: Net national product	7,434.9	7,701.6	7,625.5	7,709.1	7,875.1	7,962.3	8,062.2	.....
Addenda:								
Gross domestic income ¹	8,539.5	8,944.4	8,856.6	8,991.1	9,148.4	9,265.0	9,386.9	.....
Gross national income ²	8,539.0	8,936.9	8,850.1	8,980.8	9,139.4	9,260.9	9,381.7	.....
Net domestic product	7,435.4	7,709.0	7,632.0	7,719.3	7,884.1	7,966.4	8,067.4	8,105.4

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

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

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

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

Table 1.11.—Command-Basis Real Gross National Product

[Billions of chained (1996) dollars]

Gross national product	8,515.1	8,868.3	8,776.7	8,895.4	9,075.0	9,187.7	9,313.7	.....
Less: Exports of goods and services and income receipts from the rest of the world	1,282.2	1,327.4	1,303.0	1,345.0	1,385.6	1,418.6	1,477.5	.....
Plus: Command-basis exports of goods and services and income receipts from the rest of the world ¹	1,336.8	1,374.0	1,354.3	1,385.3	1,418.9	1,443.4	1,508.9	.....
Equals: Command-basis gross national product	8,569.7	8,915.0	8,828.1	8,935.7	9,108.3	9,212.5	9,345.1	.....
Addendum:								
Terms of trade ²	104.3	103.5	103.9	103.0	102.4	101.7	102.1	.....

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

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

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

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

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

3. Government Current Receipts and Expenditures

Table 3.1.—Government Current Receipts and Expenditures
 (Billions of dollars)

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Current receipts	2,617.2	2,788.0	2,749.1	2,806.6	2,889.8	2,972.8	3,035.6	.....
Personal tax and nontax receipts	1,070.9	1,152.0	1,133.4	1,164.0	1,197.3	1,239.3	1,277.2	1,308.2
Corporate profits tax accruals	244.6	255.9	250.8	254.2	270.8	286.3	292.0	.....
Indirect business tax and nontax accruals	679.6	718.1	707.9	721.6	745.5	755.9	764.6	773.6
Contributions for social insurance	622.1	662.1	657.0	666.9	676.1	691.2	701.7	710.2
Current expenditures	2,526.5	2,613.5	2,593.6	2,612.0	2,679.8	2,684.9	2,734.5	2,759.6
Consumption expenditures	1,262.1	1,325.7	1,307.4	1,334.4	1,364.5	1,376.2	1,410.3	1,412.8
Transfer payments (net)	965.1	998.1	992.5	999.5	1,016.2	1,024.8	1,044.7	1,052.6
To persons	954.3	986.5	982.6	990.4	997.3	1,016.5	1,035.5	1,043.4
To the rest of the world (net)	10.8	11.6	10.0	9.1	18.9	8.3	9.1	9.2
Net interest paid	278.2	261.7	264.3	258.9	258.2	260.8	255.7	252.5
Interest paid	371.2	357.0	358.9	354.3	355.1	360.6	358.0	354.2
To persons and business	280.1	261.8	266.3	257.8	254.5	256.3	250.4	.....
To the rest of the world	91.1	95.1	92.6	96.6	100.6	104.3	107.6	.....
Less: Interest received by government	93.0	95.2	94.6	95.5	96.9	99.8	102.2	101.7
Less: Dividends received by government .....	.4	.4	.4	.4	.4	.4	.4	.4
Subsidies less current surplus of government enterprises	21.5	28.4	29.7	19.5	41.4	23.5	24.2	42.0
Subsidies	35.0	43.9	45.0	35.3	57.7	40.7	41.6	59.1
Less: Current surplus of government enterprises	13.5	15.6	15.3	15.8	16.3	17.3	17.4	17.0
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	90.7	174.4	155.5	194.7	210.0	287.9	301.1	.....
Social insurance funds	57.3	90.3	85.7	94.3	102.7	106.1	103.6	111.3
Other	33.4	84.1	69.7	100.4	107.2	181.8	197.4	.....
Addenda:								
Net lending or net borrowing (-)	30.2	94.9	79.4	115.8	121.7	192.0	212.6	.....
Current surplus or deficit (-), national income and product accounts	90.7	174.4	155.5	194.7	210.0	287.9	301.1	.....
Plus: Consumption of fixed capital	188.0	199.6	197.8	201.0	205.0	209.8	214.6	220.0
Plus: Capital transfers received (net)	32.4	36.8	36.6	36.2	39.2	37.1	36.2	36.4
Less: Gross investment	278.8	308.7	303.5	308.0	324.4	334.2	331.9	329.6
Less: Net purchases of nonproduced assets	2.1	7.2	6.9	8.1	8.0	8.6	7.5	6.6

Table 3.2.—Federal Government Current Receipts and Expenditures

[Billions of dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Current receipts	1,754.0	1,874.6	1,849.6	1,890.3	1,941.0	2,011.9	2,054.8	.....
Personal tax and nontax receipts	836.0	902.2	888.5	913.7	938.2	978.0	1,003.6	1,030.7
Income taxes	827.5	892.7	879.0	904.1	928.4	968.2	993.7	1,020.6
Nontaxes	8.5	9.5	9.4	9.6	9.8	9.8	9.9	10.1
Corporate profits tax accruals	209.5	219.3	214.9	217.8	232.3	245.7	250.5	.....
Federal Reserve banks	26.6	25.4	24.5	25.2	27.7	29.2	29.3	.....
Other	182.9	193.9	190.4	192.6	204.6	216.5	221.3	.....
Indirect business tax and nontax accruals	96.4	100.5	98.9	101.4	103.9	106.8	108.9	109.5
Excise taxes	61.5	65.6	65.6	66.0	66.2	70.1	70.0	70.1
Customs duties	19.6	19.2	18.0	19.7	20.8	19.4	21.8	22.0
Nontaxes	15.4	15.8	15.3	15.6	16.9	17.3	17.2	17.4
Contributions for social insurance	612.1	652.5	647.4	657.4	666.6	681.5	691.8	700.2
Current expenditures	1,705.0	1,750.2	1,732.2	1,743.1	1,797.7	1,776.0	1,813.9	1,826.6
Consumption expenditures	453.7	470.8	460.2	471.3	487.0	478.7	499.0	486.0
Transfer payments (net)	731.0	746.1	742.8	745.0	757.7	763.2	779.0	783.0
To persons	720.2	734.5	732.9	735.9	738.8	754.9	769.9	773.8
To the rest of the world (net)	10.8	11.6	10.0	9.1	18.9	8.3	9.1	9.2
Grants-in-aid to State and local governments	209.1	229.3	221.4	234.0	238.8	235.0	240.9	247.7
Net interest paid	278.8	264.7	267.1	262.2	261.8	265.0	260.3	257.5
Interest paid	297.4	281.8	284.0	279.0	279.4	284.5	281.5	277.4
To persons and business	206.2	186.7	191.3	182.4	178.8	180.2	173.9	.....
To the rest of the world	91.1	95.1	92.6	96.6	100.6	104.3	107.6	.....
Less: Interest received by government	18.5	17.1	16.9	16.8	17.6	19.6	21.2	19.9
Subsidies less current surplus of government enterprises	32.4	39.3	40.7	30.5	52.3	34.1	34.6	52.4
Subsidies	34.5	43.5	44.6	34.8	57.2	40.3	41.1	58.6
Less: Current surplus of government enterprises	2.2	4.2	3.9	4.3	4.9	6.2	6.5	6.2
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	49.0	124.4	117.5	147.3	143.3	235.8	240.9	.....
Social insurance funds	56.9	90.7	86.1	94.8	103.3	106.6	104.1	111.7
Other	-7.9	33.7	31.4	52.5	40.0	129.3	136.9	.....
Addenda:								
Net lending or net borrowing (-)	52.6	117.1	108.7	135.6	131.6	224.4	227.0	.....
Current surplus or deficit (-), national income and product accounts	49.0	124.4	117.5	147.3	143.3	235.8	240.9	.....
Plus: Consumption of fixed capital	88.4	92.8	92.0	93.4	95.0	97.2	98.9	101.0
Plus: Capital transfers received (net)	-3.6	-3.2	-3.8	-5.9	-2.4	-7.0	-8.3	-7.4
Less: Gross investment	86.9	97.8	98.1	99.0	104.5	101.3	105.5	106.7
Less: Net purchases of nonproduced assets	-5.7	-8	-1.1	0	-2	.3	-9	-1.8

Table 3.3.—State and Local Government Current Receipts and Expenditures

[Billions of dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Current receipts	1,072.3	1,142.7	1,120.8	1,150.3	1,187.6	1,195.9	1,221.7	.....
Personal tax and nontax receipts	234.9	249.7	244.9	250.3	259.2	261.4	273.6	277.5
Income taxes	182.8	194.8	190.3	195.0	203.2	204.6	216.1	219.2
Nontaxes	33.1	35.1	34.9	35.4	35.9	36.5	37.0	37.6
Other	19.1	19.8	19.7	19.9	20.1	20.3	20.5	20.7
Corporate profits tax accruals	35.1	36.6	35.9	36.3	38.5	40.6	41.5	.....
Indirect business tax and nontax accruals	583.1	617.5	609.1	620.2	641.6	649.2	655.7	664.1
Sales taxes	284.9	307.1	302.8	310.8	318.3	327.4	329.8	334.3
Property taxes	229.2	238.5	237.3	239.7	242.1	244.8	247.5	250.2
Other	69.0	71.9	68.9	69.7	81.2	77.0	78.5	79.5
Contributions for social insurance	10.0	9.6	9.6	9.5	9.5	9.7	9.9	10.0
Federal grants-in-aid	209.1	229.3	221.4	234.0	238.8	235.0	240.9	247.7
Current expenditures	1,030.6	1,092.7	1,082.9	1,102.9	1,121.0	1,143.9	1,161.6	1,180.7
Consumption expenditures	808.4	855.0	847.2	863.1	877.4	897.5	911.3	926.7
Transfer payments to persons	234.1	252.0	249.7	254.5	258.5	261.6	265.6	269.7
Net interest paid	-6	-3.0	-2.7	-3.3	-3.6	-4.2	-4.6	-4.9
Interest paid	73.9	75.1	75.0	75.3	75.7	76.1	76.4	76.8
Less: Interest received by government	74.5	78.1	77.7	78.6	79.3	80.2	81.0	81.8
Less: Dividends received by government	.4	.4	.4	.4	.4	.4	.4	.4
Subsidies less current surplus of government enterprises	-10.9	-11.0	-11.0	-11.0	-10.9	-10.6	-10.4	-10.4
Subsidies	.4	.5	.5	.5	.5	.5	.5	.5
Less: Current surplus of government enterprises	11.3	11.4	11.4	11.4	11.4	11.1	10.9	10.9
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	41.7	50.0	38.0	47.4	66.6	52.0	60.1	.....
Social insurance funds	.4	-4	-4	-5	-6	-5	-4	-4
Other	41.3	50.4	38.3	47.9	67.2	52.5	60.6	.....
Addenda:								
Net lending or net borrowing (-)	-22.4	-22.1	-29.3	-19.9	-9.9	-32.3	-14.4	.....
Current surplus or deficit (-), national income and product accounts	41.7	50.0	38.0	47.4	66.6	52.0	60.1	.....
Plus: Consumption of fixed capital	99.5	106.8	105.8	107.7	109.9	112.7	115.6	118.9
Plus: Capital transfers received (net)	36.0	40.0	40.4	42.1	41.6	44.2	44.5	43.8
Less: Gross investment	191.9	210.9	205.4	209.0	219.8	232.9	226.4	222.8
Less: Net purchases of nonproduced assets	7.7	8.1	8.0	8.1	8.2	8.3	8.4	8.4

4. Foreign Transactions

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

[Billions of dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Receipts from the rest of the world	1,251.4	1,296.1	1,268.9	1,314.0	1,362.2	1,402.8	1,468.3	.....
Exports of goods and services ...	966.0	990.2	973.0	999.5	1,031.0	1,051.9	1,092.9	1,137.2
Goods ¹	682.0	699.2	682.1	708.9	734.6	747.5	783.6	821.2
Durable	487.6	504.5	492.0	511.6	528.4	538.1	569.3	596.2
Nondurable	194.4	194.7	190.0	197.3	206.1	209.4	214.3	225.0
Services ¹	284.0	291.0	290.9	290.7	296.4	304.4	309.2	316.0
Income receipts	285.4	305.9	295.9	314.4	331.2	350.9	375.4	.....
Payments to the rest of the world	1,251.4	1,296.1	1,268.9	1,314.0	1,362.2	1,402.8	1,468.3	.....
Imports of goods and services ...	1,117.5	1,244.2	1,213.4	1,280.0	1,330.1	1,387.1	1,448.3	1,510.3
Goods ¹	930.5	1,048.6	1,020.4	1,081.7	1,127.3	1,176.1	1,233.9	1,285.6
Durable	636.1	715.4	699.9	732.5	758.7	783.8	818.8	846.3
Nondurable	294.3	333.2	320.5	349.3	368.6	392.3	415.1	439.3
Services ¹	187.0	195.6	193.0	198.3	202.8	211.0	214.4	224.7
Income payments	288.9	316.9	305.6	328.0	344.6	358.6	383.7	.....
Transfer payments (net)	44.1	48.1	46.3	45.7	57.0	47.8	48.9	49.2
From persons (net)	24.0	26.6	26.7	26.6	27.6	28.5	28.3	28.9
From government (net)	10.8	11.6	10.0	9.1	18.9	8.3	9.1	9.2
From business	9.3	9.9	9.7	10.0	10.5	11.0	11.4	11.1
Net foreign investment	-199.1	-313.2	-296.5	-339.8	-369.6	-390.7	-412.5	.....

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

Table 4.2.—Real Exports and Imports of Goods and Services and Receipts and Payments of Income

[Billions of chained (1996) dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Exports of goods and services	1,003.6	1,033.0	1,017.6	1,042.6	1,068.4	1,084.8	1,121.8	1,164.6
Goods ¹	723.6	752.2	735.7	763.4	786.5	798.1	833.5	873.6
Durable	514.0	538.7	525.3	547.8	564.2	575.3	608.1	635.8
Nondurable	209.6	213.4	210.4	215.5	222.1	222.7	225.4	237.7
Services ¹	280.3	281.7	282.3	280.5	283.7	288.5	291.0	294.9
Income receipts	278.7	294.1	285.4	301.9	316.2	332.0	353.2	.....
Imports of goods and services	1,224.6	1,355.3	1,332.2	1,385.2	1,420.9	1,461.7	1,525.2	1,575.5
Goods ¹	1,032.0	1,161.1	1,139.9	1,190.5	1,222.5	1,255.3	1,313.9	1,354.6
Durable	700.4	802.6	785.0	824.3	854.4	880.5	920.8	954.2
Nondurable	331.8	358.8	355.0	366.5	369.1	376.2	394.5	402.7
Services ¹	192.6	195.9	193.7	196.7	200.6	208.4	213.7	223.2
Income payments	279.3	301.5	291.8	312.0	325.0	335.8	357.9	.....

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

NOTE.—Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. Chain-type quantity indexes for the series in this table are shown in table 7.9.

Table 5.10.—Change in Private Inventories by Industry Group

[Billions of dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Change in private inventories	77.0	43.3	14.5	36.7	72.7	29.9	72.0	74.0
Farm .....	.6	-2	1.2	-5.3	.9	-2.5	-1	-1.1
Nonfarm	76.4	43.5	13.4	42.0	71.8	32.4	72.2	75.1
Change in book value ¹	54.2	59.1	33.0	73.3	95.5	65.1	99.2	85.1
Inventory valuation adjustment ²	22.2	-15.6	-19.6	-31.3	-23.7	-32.7	-27.1	-10.0
Manufacturing	24.7	.2	-9.0	3.4	7.4	9.9	16.9	28.6
Durable goods	18.9	-1	-7.7	3.1	3.2	6.3	10.8	22.8
Nondurable goods	5.8	.3	-1.3	.2	4.1	3.6	6.1	5.8
Wholesale trade	21.6	16.7	14.4	21.9	17.9	21.0	32.1	29.4
Durable goods	15.7	12.5	13.1	11.9	14.6	16.7	23.0	17.3
Nondurable goods	5.9	4.2	1.3	10.0	3.3	4.3	9.1	12.1
Merchant wholesalers	19.2	15.3	10.3	19.6	19.9	15.7	28.4	22.3
Durable goods	13.7	11.2	8.3	10.6	16.7	11.9	20.6	10.5
Nondurable goods	5.5	4.1	2.0	9.1	3.2	3.8	7.8	11.8
Nonmerchant wholesalers	2.4	1.4	4.2	2.3	-1.9	5.2	3.7	7.1
Durable goods	2.0	1.3	4.9	1.3	-2.1	4.8	2.4	6.9
Nondurable goods .....	.4	.1	-7	1.0	.2	.5	1.3	.3
Retail trade	14.7	21.0	4.1	15.8	42.4	-4.5	22.1	13.6
Durable goods	8.1	14.2	1.0	12.9	27.7	-3.6	16.1	11.1
Motor vehicle dealers ³	2.2	7.5	-4.5	9.6	14.6	-6.4	9.7	7.1
Other ³	6.0	6.7	5.5	3.3	13.1	2.8	6.3	4.0
Nondurable goods	6.6	6.8	3.1	2.9	14.7	-9	6.0	2.6
Other	15.3	5.6	3.8	.9	4.1	6.1	1.1	3.5
Durable goods	3.0	.7	-1.5	-3	2.0	1.3	-1.6	.1
Nondurable goods	12.3	5.0	5.3	1.2	2.1	4.8	2.6	3.4

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.

3. Inventories of auto and home supply stores are included in "other durable goods."

Table 5.11.—Real Change in Private Inventories by Industry Group

[Billions of chained (1996) dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Change in private inventories	80.2	45.3	13.1	39.1	80.9	36.6	78.6	79.9
Farm	1.2	0	-1.1	-5.0	7.9	3.6	6.2	5.0
Nonfarm	78.7	44.9	14.1	43.5	73.0	33.0	72.3	74.9
Manufacturing	25.6	.1	-9.5	3.5	7.6	10.3	17.6	28.9
Durable goods	19.5	-1	-8.1	3.3	6.5	11.3	23.6	
Nondurable goods	6.1	.2	-1.4	.2	4.2	3.8	6.4	5.7
Wholesale trade	22.6	17.4	15.1	23.0	18.5	21.5	32.5	29.9
Durable goods	16.2	13.0	13.8	12.5	15.2	17.3	23.8	17.9
Nondurable goods	6.4	4.4	1.4	10.5	3.4	4.4	8.9	11.9
Merchant wholesalers	20.0	16.0	10.8	20.6	20.6	16.2	28.9	22.9
Durable goods	14.1	11.7	8.7	11.1	17.4	12.3	21.3	10.8
Nondurable goods	5.9	4.4	2.1	9.5	3.3	3.9	7.7	11.9
Nonmerchant wholesalers	2.5	1.4	4.3	2.4	-2.0	5.2	3.6	6.9
Durable goods	2.1	1.4	5.1	1.4	-2.2	5.0	2.5	7.2
Nondurable goods .....	.5	.1	-7	1.0	.2	.4	1.2	.2
Retail trade	14.8	20.8	4.1	15.7	41.7	-4.4	21.5	13.3
Durable goods	8.2	14.2	1.0	13.0	27.7	-3.6	16.0	11.1
Motor vehicle dealers ¹	2.2	7.6	-4.6	9.7	14.7	-6.4	9.7	7.1
Other ¹	6.0	6.7	5.5	3.3	13.0	2.7	6.3	4.0
Nondurable goods	6.6	6.7	3.0	2.9	14.2	-8	5.7	2.4
Other	16.0	6.1	4.2	1.1	4.2	6.1	.9	3.2
Durable goods	3.0	.6	-1.4	-3	1.9	1.3	-1.5	.1
Nondurable goods	12.9	5.4	5.7	1.4	2.2	4.8	2.5	3.2
Residual .....	.1	.6	.3	.6	.8	-5	-7	-1.3

1. Inventories of auto and home supply stores are included in "other durable goods."

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

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

	Seasonally adjusted quarterly totals					
	1999			2000		
	II	III	IV	I	II	III
Private inventories ¹	1,362.5	1,387.9	1,416.3	1,446.5	1,472.4	1,495.2
Farm	98.0	96.4	100.3	108.3	108.0	107.4
Nonfarm	1,264.5	1,291.4	1,316.0	1,338.3	1,364.3	1,387.8
Durable goods	704.2	714.9	729.7	737.0	749.6	761.6
Nondurable goods	560.3	576.6	586.3	601.3	614.7	626.2
Manufacturing	445.3	452.6	458.6	466.1	472.6	482.2
Durable goods	277.6	280.7	283.3	286.2	288.4	294.1
Nondurable goods	167.7	171.9	175.3	179.9	184.2	188.2
Wholesale trade	347.1	356.4	363.4	373.2	381.3	389.2
Durable goods	222.3	225.7	230.4	235.3	241.4	245.1
Nondurable goods	124.9	130.7	133.0	137.9	140.0	144.1
Merchant wholesalers	300.8	308.5	315.4	322.7	329.6	335.2
Durable goods	193.5	196.6	201.7	205.4	210.8	212.9
Nondurable goods	107.3	111.9	113.7	117.4	118.8	122.3
Nonmerchant wholesalers	46.4	47.9	48.0	50.4	51.7	54.1
Durable goods	28.7	29.1	28.7	29.9	30.6	32.2
Nondurable goods	17.6	18.8	19.3	20.5	21.1	21.8
Retail trade	356.5	363.5	374.6	375.5	382.2	385.8
Durable goods	193.7	198.0	205.1	204.0	208.8	211.4
Motor vehicle dealers ²	97.7	101.4	104.9	103.2	106.3	108.3
Other ²	96.0	96.6	100.1	100.9	102.5	103.1
Nondurable goods	162.8	165.5	169.5	171.5	173.3	174.4
Other	115.6	118.9	119.5	123.5	128.2	130.6
Durable goods	10.7	10.5	11.0	11.5	11.0	11.0
Nondurable goods	104.9	108.4	108.4	112.0	117.2	119.6
Final sales of domestic business ³	646.5	655.9	669.8	687.3	698.2	706.4
Final sales of goods and structures of domestic business ³	357.1	361.6	369.7	382.3	386.9	391.5
Ratio of private inventories to final sales of domestic business						
Private inventories to final sales	2.11	2.12	2.11	2.10	2.11	2.12
Nonfarm inventories to final sales	1.96	1.97	1.96	1.95	1.95	1.96
Nonfarm inventories to final sales of goods and structures	3.54	3.57	3.56	3.50	3.53	3.54

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

2. Inventories of auto and home supply stores are included in "other durable goods."

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

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

	Seasonally adjusted quarterly totals					
	1999			2000		
	II	III	IV	I	II	III
Private inventories ¹	1,411.1	1,420.8	1,441.1	1,450.2	1,469.9	1,489.9
Farm	107.4	106.2	108.2	109.1	110.6	111.9
Nonfarm	1,303.2	1,314.1	1,332.4	1,340.6	1,358.7	1,377.4
Durable goods	729.8	736.9	749.2	754.5	766.8	780.0
Nondurable goods	573.4	577.1	583.2	586.2	592.1	597.8
Manufacturing	468.2	469.0	470.9	473.5	477.9	485.1
Durable goods	292.4	293.2	294.0	295.7	298.5	304.4
Nondurable goods	175.7	175.8	176.8	177.8	179.4	180.8
Wholesale trade	362.7	368.5	373.1	378.5	386.6	394.1
Durable goods	232.1	235.2	239.0	243.3	249.3	253.7
Nondurable goods	130.6	133.2	134.1	135.2	137.4	140.3
Merchant wholesalers	314.5	319.6	324.8	328.8	336.0	341.8
Durable goods	201.9	204.7	209.0	212.1	217.4	220.1
Nondurable goods	112.5	114.9	115.7	116.7	118.6	121.6
Nonmerchant wholesalers	48.2	48.8	48.3	49.6	50.5	52.3
Durable goods	30.2	30.5	30.0	31.2	31.8	33.6
Nondurable goods	18.1	18.3	18.3	18.5	18.7	18.8
Retail trade	353.6	357.5	368.0	366.9	372.2	375.6
Durable goods	194.9	198.2	205.1	204.2	208.2	211.0
Motor vehicle dealers ²	99.5	101.9	105.6	104.0	106.4	108.2
Other ²	95.4	96.2	99.5	100.2	101.8	102.8
Nondurable goods	158.7	159.4	163.0	162.8	164.2	164.8
Other	118.9	119.1	120.2	121.7	121.9	122.8
Durable goods	10.3	10.2	10.7	11.0	10.7	10.7
Nondurable goods	108.5	108.8	109.4	110.6	111.2	112.0
Residual	.5	.7	.9	.5	.6	.2
Final sales of domestic business ³	620.7	628.4	639.6	651.3	657.7	662.5
Final sales of goods and structures of domestic business ³	352.8	357.3	364.8	375.1	377.3	381.2
Ratio of private inventories to final sales of domestic business						
Private inventories to final sales	2.27	2.26	2.25	2.23	2.23	2.25
Nonfarm inventories to final sales	2.10	2.09	2.08	2.06	2.07	2.08
Nonfarm inventories to final sales of goods and structures	3.69	3.68	3.65	3.57	3.60	3.61

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

2. Inventories of auto and home supply stores are included in "other durable goods."

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

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

6. Income and Employment by Industry

Table 6.1C.—National Income Without Capital Consumption Adjustment by Industry Group

[Billions of dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
National income without capital consumption adjustment	7,009.3	7,439.2	7,361.3	7,466.3	7,649.4	7,805.1	7,961.2	.....
Domestic industries	7,012.8	7,450.2	7,371.0	7,479.9	7,662.8	7,812.7	7,969.4	.....
Private industries	6,098.5	6,497.0	6,422.9	6,522.8	6,696.9	6,828.8	6,974.1	.....
Agriculture, forestry, and fishing	102.5	109.2	111.8	100.3	118.6	106.9	110.9	.....
Mining	54.5	51.3	50.6	51.2	52.3	53.8	57.6	.....
Construction	346.4	381.8	379.0	384.1	393.1	410.8	418.5	.....
Manufacturing	1,153.7	1,193.3	1,188.8	1,200.1	1,202.5	1,237.0	1,257.2	.....
Durable goods	672.7	704.6	702.0	708.8	716.1	726.0	735.6	.....
Nondurable goods	481.0	488.7	486.8	491.3	486.5	510.9	521.6	.....
Transportation and public utilities	497.8	534.6	518.8	540.5	562.3	578.3	596.5	.....
Transportation	225.1	236.9	233.4	239.1	244.4	248.3	257.7	.....
Communications	142.6	161.9	156.3	163.7	174.2	183.2	188.6	.....
Electric, gas, and sanitary services	130.2	135.9	129.1	137.7	143.7	146.7	150.3	.....
Wholesale trade	416.3	441.8	438.3	443.0	457.1	465.0	480.6	.....
Retail trade	594.1	635.2	633.6	632.8	651.5	674.5	682.6	.....
Finance, insurance, and real estate	1,285.2	1,366.9	1,338.9	1,371.5	1,418.5	1,439.8	1,459.8	.....
Services	1,648.0	1,782.9	1,763.2	1,799.4	1,841.0	1,862.7	1,910.4	.....
Government	914.3	953.2	948.1	957.1	965.9	984.0	995.3	.....
Rest of the world	-3.5	-11.0	-9.7	-13.6	-13.4	-7.7	-8.3	.....

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

Table 6.16C.—Corporate Profits by Industry Group

[Billions of dollars]

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III
Corporate profits with inventory valuation and capital consumption adjustments	815.0	856.0	836.8	842.0	893.2	936.3	963.6	.....
Domestic industries	711.5	744.6	730.8	730.1	772.7	807.4	829.3	.....
Financial	151.1	156.1	144.7	150.9	170.6	174.6	169.1	.....
Nonfinancial	560.4	588.5	586.0	579.1	602.0	632.8	660.1	.....
Rest of the world	103.5	111.4	106.0	111.9	120.5	128.9	134.3	.....
Receipts from the rest of the world	147.7	169.3	164.4	176.4	181.7	194.8	206.8	.....
Less: Payments to the rest of the world	44.2	57.9	58.5	64.5	61.2	66.0	72.5	.....
Corporate profits with inventory valuation adjustment	775.1	813.9	795.6	799.3	851.5	895.7	928.8	.....
Domestic industries	671.6	702.5	689.6	687.4	731.0	766.8	794.5	.....
Financial	164.8	172.0	160.5	167.2	187.3	191.9	188.1	.....
Federal Reserve banks	24.7	25.8	24.9	25.6	28.1	29.6	29.7	.....
Other	140.1	146.2	135.5	141.5	159.1	162.3	158.3	.....
Nonfinancial	506.8	530.4	529.2	520.2	543.8	574.9	606.5	.....
Manufacturing	177.4	181.6	184.8	179.8	173.0	193.7	201.8	.....
Durable goods	85.4	92.2	94.0	90.0	92.6	94.7	97.2	.....
Primary metal industries	6.5	2.6	2.9	2.0	2.2	4.8	5.1	.....
Fabricated metal products	17.2	18.3	18.5	18.0	16.7	18.5	18.0	.....
Industrial machinery and equipment	17.6	22.8	23.0	22.9	24.5	20.8	21.2	.....
Electronic and other electric equipment	10.6	12.3	10.6	13.3	14.3	16.1	16.4	.....
Motor vehicles and equipment	4.4	6.9	8.0	5.5	5.7	6.2	6.1	.....
Other	29.1	29.4	31.0	28.3	29.2	28.3	30.3	.....
Nondurable goods	92.0	89.4	90.8	89.9	80.4	99.0	104.6	.....
Food and kindred products	22.7	21.9	25.5	25.3	14.1	21.0	20.3	.....
Chemicals and allied products	30.4	29.9	31.4	26.9	25.3	32.7	37.9	.....
Petroleum and coal products	7.4	5.4	3.3	7.2	7.1	10.4	15.4	.....
Other	31.4	32.2	30.7	30.5	34.0	34.8	30.9	.....
Transportation and public utilities	83.9	88.4	79.7	88.6	101.4	101.9	103.9	.....
Transportation	23.0	23.0	22.8	22.6	24.9	22.6	28.2	.....
Communications	23.4	26.9	23.8	26.7	32.6	35.2	31.9	.....
Electric, gas, and sanitary services	37.6	38.4	33.1	39.3	43.8	44.1	43.8	.....
Wholesale trade	56.4	56.7	58.0	54.3	59.2	61.2	69.7	.....
Retail trade	76.6	81.5	84.8	75.4	81.9	90.2	92.4	.....
Other	112.6	122.3	121.9	122.1	128.3	127.9	138.7	.....
Rest of the world	103.5	111.4	106.0	111.9	120.5	128.9	134.3	.....

NOTE.—Estimates in this table are based on the 1987 Standard Industrial Classification.

Table 7.11.—Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type [Index numbers, 1996=100]

Table with columns for year (1998, 1999) and quarterly indices (II, III, IV, I, II, III) for both quantity and price indexes. Rows include Government consumption expenditures and gross investment, broken down by Federal, National defense, Nondefense, State and local, and Addenda.

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.
2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.
3. Compensation of government employees engaged in new own-account investment and related expenditures

for goods and services are classified as investment in structures and in software. The compensation of all general government employees is shown in the addenda.
4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

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

	1998	1999	Seasonally adjusted					
			1999			2000		
			II	III	IV	I	II	III
Gross domestic product	108.99	113.60	112.42	113.98	116.27	117.65	119.27	120.08
Final sales of domestic product	108.38	113.41	112.61	113.86	115.64	117.54	118.66	119.45
Change in private inventories								
Goods	113.17	120.08	117.77	120.80	124.84	126.79	129.40	131.67
Final sales	111.55	119.66	118.44	120.58	123.22	126.64	127.82	130.04
Change in private inventories								
Durable goods	121.28	131.80	128.46	133.65	138.26	142.10	146.86	149.94
Final sales	119.47	131.58	129.96	133.41	136.51	142.58	145.20	148.07
Change in private inventories								
Nondurable goods	106.50	110.55	109.04	110.41	113.99	114.49	115.47	117.12
Final sales	105.08	110.06	109.14	110.27	112.55	113.97	114.08	115.80
Change in private inventories								
Services	105.64	108.89	108.28	109.31	110.50	111.18	112.59	112.99
Structures	112.06	115.74	115.48	114.48	116.54	119.98	119.06	116.79
Addenda:								
Motor vehicle output	115.34	126.35	123.96	127.71	130.25	130.35	128.86	122.77
Gross domestic product less motor vehicle output	108.76	113.15	112.01	113.50	115.77	117.20	118.93	119.97

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

	1998	1999	Seasonally adjusted					
			1999			2000		
			II	III	IV	I	II	III
Motor vehicle output	115.34	126.35	123.96	127.71	130.25	130.35	128.86	122.77
Auto output	102.58	102.34	102.24	99.97	103.97	103.88	96.72	92.11
Truck output ¹	126.04	146.35	142.10	150.77	152.13	152.39	155.53	148.21
Final sales of domestic product	113.54	121.07	121.81	122.51	123.04	129.35	121.59	119.03
Personal consumption expenditures	114.94	126.94	128.55	127.69	129.43	138.07	131.61	133.35
New motor vehicles	115.85	130.15	130.62	130.75	134.24	144.92	137.22	138.44
Autos	107.95	120.73	121.66	120.09	126.32	133.18	128.63	123.35
Light trucks	125.21	141.32	141.23	143.33	143.66	158.77	147.41	156.21
Net purchases of used autos	112.13	117.17	122.20	118.39	114.95	117.57	114.78	118.05
Private fixed investment	116.21	131.60	128.98	137.38	134.41	138.07	131.48	128.93
New motor vehicles	114.41	126.83	125.19	132.44	128.53	132.91	125.82	124.37
Autos	100.62	106.96	108.94	110.99	105.29	109.78	100.72	101.03
Trucks	127.63	145.85	140.81	152.96	150.72	155.00	149.76	146.64
Light trucks	132.05	149.20	142.84	159.04	153.56	163.55	158.47	162.03
Other	118.99	139.13	136.53	141.18	144.88	138.69	133.18	117.77
Net purchases of used autos	107.80	109.19	111.20	114.14	106.81	113.79	104.95	107.47
Gross government investment	114.33	118.29	102.22	123.73	135.82	123.54	115.38	117.34
Autos	95.32	99.01	88.86	108.11	108.30	86.04	93.99	108.23
New trucks	124.94	129.04	109.62	132.38	151.25	144.75	127.34	122.20
Net exports	100.51	96.65	98.08	95.51	98.34	100.25	101.69	100.48
Exports	94.43	94.99	98.33	91.69	95.86	96.79	98.45	94.75
Autos	111.91	99.94	97.91	102.74	103.14	106.83	107.87	111.17
Trucks	116.94	142.99	138.79	148.85	149.50	153.68	153.82	162.94
Imports	118.91	142.71	137.38	149.45	149.62	154.15	157.77	169.82
Autos	107.48	144.23	145.46	145.96	148.84	151.37	135.07	130.35
Trucks								
Change in private inventories								
Autos								
New								
Domestic								
Foreign								
Used								
New trucks								
Domestic								
Foreign								
Addenda:								
Final sales of motor vehicles to domestic purchasers	115.38	128.35	127.83	131.09	131.46	137.60	131.04	131.23
Private fixed investment in new autos and new light trucks	113.39	124.11	122.68	130.51	124.90	131.63	124.20	125.84
Domestic output of new autos ²	97.99	100.70	99.59	101.90	100.85	105.06	101.48	101.24
Sales of imported new autos ³	123.41	144.38	144.11	145.99	152.66	152.30	150.64	149.40

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

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

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

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

	Billions of dollars			Billions of chained (1996) dollars		
	1997	1998	1999	1997	1998	1999
Private fixed investment in structures	576.1	640.4	680.5	557.2	600.7	618.4
Nonresidential	255.8	283.2	285.6	245.4	263.0	259.2
New	254.3	282.4	284.7	243.9	262.1	258.3
Nonresidential buildings, excluding farm	178.9	198.0	204.0	173.3	185.1	183.4
Industrial	33.1	36.5	31.5	32.1	34.1	28.3
Commercial	89.7	100.7	109.1	86.9	94.1	98.1
Office buildings ¹	39.9	49.1	54.2	38.7	45.9	48.7
Other ²	49.8	51.6	54.9	48.2	48.2	49.4
Religious	5.6	6.4	7.3	5.4	6.0	6.6
Educational	9.8	10.9	10.6	9.5	10.2	9.5
Hospital and institutional	15.1	15.4	15.2	14.6	14.4	13.6
Other ³	25.5	28.2	30.4	24.7	26.3	27.3
Utilities	36.1	44.5	45.0	35.3	43.0	43.5
Railroads	4.9	5.7	4.9	4.8	5.5	5.0
Telecommunications	12.3	13.2	15.1	12.0	12.9	15.0
Electric light and power	11.4	12.5	14.2	11.2	12.0	13.5
Gas	6.5	11.8	9.3	6.3	11.4	8.7
Petroleum pipelines	1.0	1.3	1.5	.9	1.2	1.4
Farm	3.8	4.3	4.5	3.7	4.0	4.0
Mining exploration, shafts, and wells	30.1	29.3	24.3	26.2	24.4	21.5
Petroleum and natural gas	28.4	28.0	22.8	24.5	23.2	20.2
Other	1.7	1.3	1.5	1.6	1.2	1.3
Other ⁴	5.5	6.2	6.9	5.3	5.9	6.4
Brokers' commissions on sale of structures	2.0	2.3	2.4	2.0	2.2	2.3
Net purchases of used structures	-5	-1.5	-1.5	-5	-1.4	-1.3
Residential	320.4	357.1	394.9	311.8	337.7	359.2
New	281.2	311.0	342.9	272.9	293.0	310.4
New housing units	199.6	225.5	248.6	193.7	212.2	224.2
Permanent site	186.1	210.4	234.4	180.5	197.5	210.7
Single-family structures	163.2	185.8	207.2	158.6	175.9	187.6
Multifamily structures	22.9	24.6	27.3	21.9	21.7	23.2
Manufactured homes	13.5	15.2	14.2	13.3	14.7	13.4
Improvements	80.8	84.5	93.0	78.4	79.9	85.1
Other ⁵ .....	.8	1.0	1.3	.8	.9	1.2
Brokers' commissions on sale of structures	41.5	48.9	54.3	41.2	47.5	51.0
Net purchases of used structures	-2.3	-2.8	-2.3	-2.3	-2.7	-2.1
Residual .....	.....	.....	.....	.3	-4	-9

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

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

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

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

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

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

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

	Billions of dollars			Billions of chained (1996) dollars		
	1997	1998	1999	1997	1998	1999
Private fixed investment in equipment and software	751.5	832.6	926.3	772.0	887.3	1,012.1
Nonresidential equipment and software	743.6	824.3	917.4	764.2	879.0	1,003.1
Information processing equipment and software	325.2	367.4	433.0	349.8	431.6	542.2
Computers and peripheral equipment ¹	79.6	84.9	94.3	102.9	149.3	217.3
Software ²	116.5	144.1	180.1	119.0	151.0	188.0
Communication equipment	73.7	80.7	99.1	74.5	83.0	103.8
Instruments	33.3	36.4	39.0	33.2	36.2	38.7
Photocopy and related equipment	14.1	13.5	12.7	14.1	13.7	12.9
Office and accounting equipment	8.0	7.7	7.9	8.0	7.8	7.9
Industrial equipment	141.0	148.9	150.7	140.0	146.9	147.8
Fabricated metal products	12.2	12.6	13.0	12.2	12.6	13.1
Engines and turbines	4.1	4.8	5.6	4.1	4.6	5.4
Metalworking machinery	33.3	34.7	34.8	33.2	34.3	34.2
Special industry machinery, n.e.c.	35.8	37.3	38.3	35.4	36.6	37.1
General industrial, including materials handling, equipment	32.8	35.3	34.2	32.4	34.7	33.2
Electrical transmission, distribution, and industrial apparatus	22.8	24.1	24.9	22.7	24.1	24.8
Transportation equipment	151.4	168.2	193.5	150.5	168.0	191.8
Trucks, buses, and truck trailers	85.7	97.9	113.5	86.3	99.8	113.6
Autos	42.4	40.6	44.1	41.1	39.2	43.4
Aircraft	14.8	20.0	25.7	14.6	19.7	24.9
Ships and boats	2.6	2.6	2.5	2.6	2.5	2.4
Railroad equipment	5.9	7.0	7.7	6.0	7.1	7.8
Other equipment	130.5	143.5	144.4	129.1	140.9	140.7
Furniture and fixtures	32.3	36.0	35.8	31.7	35.2	34.9
Tractors	14.0	14.9	13.6	14.0	14.7	13.3
Agricultural machinery, except tractors	12.2	12.8	12.0	12.1	12.5	11.6
Construction machinery, except tractors	18.3	20.9	19.4	18.0	20.2	18.3
Mining and oilfield machinery	4.6	4.7	5.1	4.5	4.6	4.9
Service industry machinery	14.0	15.3	16.5	13.8	14.9	15.9
Electrical equipment, n.e.c.	12.2	13.8	14.6	12.4	14.2	15.2
Other	23.0	25.1	27.5	22.8	24.7	26.8
Less: Sale of equipment scrap, excluding autos	4.5	3.7	4.2	4.4	4.3	5.2
Residential equipment	7.9	8.3	8.9	7.9	8.3	9.1
Residual .....	.....	.....	.....	-3.1	-13.9	-41.2
Addenda:	.....	.....	.....	.....	.....	.....
Private fixed investment in equipment and software	751.5	832.6	926.3	.....	.....	.....
Less: Dealers' margin on used equipment	7.7	8.2	8.1	.....	.....	.....
Net purchases of used equipment from government .....	.9	1.2	1.0	.....	.....	.....
Plus: Net sales of used equipment	38.3	39.3	39.8	.....	.....	.....
Net exports of used equipment .....	.4	.5	.7	.....	.....	.....
Sale of equipment scrap	4.6	3.8	4.3	.....	.....	.....
Equals: Private fixed investment in new equipment and software	786.3	866.8	962.1	.....	.....	.....

1. Includes new computers and peripheral equipment only.

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

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

Table B.7.—Compensation and Wage and Salary Accruals by Industry
[Millions of dollars]

Table with 14 columns: Industry, Compensation (1997, 1998, 1999), Wage and salary accruals (1997, 1998, 1999). Rows include Domestic industries, Private industries, Manufacturing, Transportation and public utilities, and various service industries.

1. Reflects the reclassification of air couriers from trucking and warehousing to transportation by air.
2. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.
3. Includes Coast Guard.
4. Includes estimates of foreign professional workers and undocumented Mexican migratory workers employed

temporarily in the United States.
NOTE.—Estimates in this table are based on the 1987 Standard Industrial Classification (SIC). Compensation equals wage and salary accruals plus supplements to wages and salaries. "Supplements" are listed in table 8.17 of the August 2000 SURVEY OF CURRENT BUSINESS.

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

	Billions of dollars			Billions of chained (1996) dollars		
	1997	1998	1999	1997	1998	1999
Farm output	226.3	214.6	208.4	237.5	238.4	243.9
Cash receipts from farm marketings	208.6	198.2	190.7	218.7	220.5	224.3
Crops	112.0	104.0	95.3	121.2	122.2	123.7
Livestock	96.6	94.2	95.4	97.6	98.3	100.6
Farm housing	6.4	6.7	7.0	6.0	5.9	5.7
Farm products consumed on farms .....	.5	.5	.5	.5	.5	.5
Other farm income	7.8	8.6	10.4	8.2	9.6	12.4
Change in farm inventories	2.9	.6	-0.2	3.2	1.2	0
Crops	3.3	.9	.5	3.5	1.5	.9
Livestock	-4	-3	-7	-4	-3	-7
Less: Intermediate goods and services purchased	138.1	133.9	134.2	134.4	138.0	138.4
Intermediate goods and services, other than rent	122.1	118.8	120.1	119.0	122.4	124.0
Rent paid to nonoperator landlords	16.0	15.1	14.1	15.5	15.7	14.4
Equals: Gross farm product	88.3	80.8	74.2	103.6	100.2	106.3
Less: Consumption of fixed capital	26.3	27.4	29.2	25.9	26.6	28.1
Equals: Net farm product	61.9	53.4	45.0	78.1	73.5	78.2
Less: Indirect business tax and nontax liability	5.2	5.2	5.6	.....	.....	.....
Plus: Subsidies to operators	6.3	10.3	17.6	.....	.....	.....
Equals: Farm national income	63.1	58.5	56.9	.....	.....	.....
Compensation of employees	17.6	18.7	19.4	.....	.....	.....
Wage and salary accruals	15.1	16.2	16.6	.....	.....	.....
Supplements to wages and salaries	2.4	2.5	2.9	.....	.....	.....
Proprietors' income and corporate profits with inventory valuation and capital consumption adjustments	35.8	29.8	27.2	.....	.....	.....
Proprietors' income	29.7	25.4	25.3	.....	.....	.....
Corporate profits	6.1	4.4	1.9	.....	.....	.....
Net interest	9.7	10.0	10.3	.....	.....	.....

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

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

	Billions of dollars			Billions of chained (1996) dollars		
	1997	1998	1999	1997	1998	1999
Housing output ¹	778.0	823.2	868.7	756.1	775.5	795.0
Nonfarm housing	771.6	816.6	861.7	750.1	769.6	789.4
Owner-occupied	585.5	622.7	661.1	569.0	586.7	605.7
Tenant-occupied	186.1	193.8	200.6	181.0	182.9	183.7
Farm housing	6.4	6.7	7.0	6.0	5.9	5.7
Less: Intermediate goods and services consumed	106.0	115.4	118.6	102.0	107.9	107.1
Equals: Gross housing product	672.0	707.9	750.2	654.0	667.6	687.9
Nonfarm housing	666.7	702.3	744.3	649.0	662.6	683.1
Owner-occupied	504.0	534.0	570.8	490.3	503.3	523.6
Tenant-occupied	162.6	168.3	173.5	158.7	159.4	159.5
Farm housing	5.3	5.6	5.9	5.0	5.0	4.8
Less: Consumption of fixed capital	126.5	133.7	143.7	122.7	125.8	130.1
Capital consumption allowances	67.6	72.0	77.5	.....	.....	.....
Less: Capital consumption adjustment	-58.8	-61.7	-66.2	.....	.....	.....
Equals: Net housing product	545.5	574.2	606.5	531.3	541.7	557.8
Less: Indirect business tax and nontax liability plus business transfer payments	124.2	129.9	135.6	.....	.....	.....
Plus: Subsidies less current surplus of government enterprises	23.7	23.7	24.2	.....	.....	.....
Equals: Housing national income	445.0	468.0	495.2	.....	.....	.....
Compensation of employees	8.8	9.5	10.1	.....	.....	.....
Proprietors' income with inventory valuation adjustment and capital consumption adjustment	21.3	20.7	20.2	.....	.....	.....
Rental income of persons with capital consumption adjustment	109.0	119.0	126.4	.....	.....	.....
Corporate profits with inventory valuation adjustment and capital consumption adjustment	4.7	4.5	4.4	.....	.....	.....
Net interest	301.2	314.4	334.1	.....	.....	.....

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

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

Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases—Continued
(Quarterly estimates are seasonally adjusted at annual rates)

Year and quarter	Billions of chained (1996) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		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
1988: I	6,275.9	6,263.0	6,302.0	2.7	6.6	78.99	79.21	78.98	78.99	2.7	2.9	2.7	2.7
1988: II	6,349.8	6,334.0	6,372.8	4.8	4.6	79.79	80.01	79.79	79.79	4.1	4.1	4.1	4.1
1988: III	6,382.3	6,365.9	6,402.0	2.1	2.0	80.73	80.75	80.71	80.72	4.8	3.8	4.7	4.7
1988: IV	6,465.2	6,447.5	6,487.4	5.3	5.2	81.36	81.46	81.33	81.34	3.2	3.6	3.1	3.1
1989: I	6,543.8	6,492.7	6,565.6	5.0	2.8	82.20	82.36	82.20	82.20	4.2	4.5	4.3	4.3
1989: II	6,579.4	6,542.8	6,599.7	2.2	3.1	83.02	83.26	83.01	83.02	4.0	4.4	4.0	4.0
1989: III	6,610.6	6,605.8	6,633.4	1.9	3.9	83.62	83.74	83.62	83.63	2.9	2.4	2.9	3.0
1989: IV	6,633.5	6,620.4	6,663.4	1.4	.9	84.24	84.43	84.24	84.25	3.0	3.3	3.0	3.0
1990: I	6,716.3	6,705.8	6,743.6	5.1	5.3	85.19	85.48	85.18	85.20	4.6	5.1	4.5	4.6
1990: II	6,731.7	6,697.6	6,760.8	.9	-.5	86.17	86.27	86.16	86.17	4.7	3.7	4.7	4.6
1990: III	6,719.4	6,699.2	6,742.6	-.7	-.1	87.00	87.26	86.99	87.00	3.9	4.7	3.9	3.9
1990: IV	6,664.2	6,680.0	6,713.3	-3.2	-1.1	87.76	88.41	87.74	87.76	3.5	5.3	3.5	3.5
1991: I	6,631.4	6,652.5	6,667.4	-2.0	-1.6	88.78	89.09	88.76	88.78	4.7	3.1	4.8	4.7
1991: II	6,668.5	6,692.5	6,692.1	2.3	2.4	89.41	89.51	89.40	89.41	2.9	1.9	2.9	2.9
1991: III	6,684.9	6,689.2	6,704.7	1.0	-.2	89.99	90.04	89.99	90.00	2.6	2.4	2.7	2.6
1991: IV	6,720.9	6,692.0	6,749.4	2.2	.2	90.47	90.60	90.47	90.48	2.2	2.5	2.2	2.2
1992: I	6,783.3	6,788.9	6,811.1	3.8	5.9	91.16	91.25	91.16	91.15	3.1	2.9	3.1	3.0
1992: II	6,846.8	6,827.1	6,873.8	3.8	2.3	91.68	91.81	91.67	91.67	2.3	2.5	2.3	2.3
1992: III	6,899.7	6,882.7	6,923.3	3.1	3.3	91.98	92.26	91.97	91.97	1.3	2.0	1.3	1.3
1992: IV	6,990.6	6,972.4	7,015.1	5.4	5.3	92.56	92.81	92.55	92.55	2.5	2.4	2.5	2.5
1993: I	6,988.7	6,953.6	7,020.9	-.1	-1.1	93.33	93.42	93.32	93.32	3.4	2.7	3.4	3.4
1993: II	7,031.2	7,008.8	7,056.0	2.5	3.2	93.83	93.98	93.82	93.83	2.2	2.4	2.2	2.2
1993: III	7,062.0	7,057.9	7,092.4	1.8	2.8	94.26	94.32	94.24	94.26	1.8	1.5	1.8	1.8
1993: IV	7,168.7	7,154.8	7,182.1	6.2	5.6	94.79	94.83	94.79	94.81	2.3	2.2	2.4	2.4
1994: I	7,229.4	7,187.1	7,249.8	3.4	1.8	95.28	95.22	95.28	95.29	2.1	1.7	2.0	2.1
1994: II	7,330.2	7,250.2	7,346.3	5.7	3.6	95.72	95.74	95.71	95.73	1.8	2.2	1.8	1.8
1994: III	7,370.2	7,318.5	7,385.1	2.2	3.8	96.29	96.43	96.29	96.29	2.4	2.9	2.4	2.4
1994: IV	7,461.1	7,387.2	7,476.0	5.0	3.8	96.74	96.86	96.74	96.74	1.9	1.8	1.9	1.9
1995: I	7,488.7	7,427.3	7,510.2	1.5	2.2	97.45	97.51	97.45	97.45	3.0	2.7	3.0	3.0
1995: II	7,503.3	7,489.6	7,528.6	.8	2.3	97.86	98.04	97.86	97.87	1.7	2.2	1.7	1.7
1995: III	7,561.4	7,549.7	7,572.3	3.1	4.4	98.31	98.42	98.30	98.31	1.8	1.6	1.8	1.8
1995: IV	7,621.9	7,602.5	7,645.2	3.2	2.8	98.79	98.85	98.78	98.79	2.0	1.8	2.0	2.0
1996: I	7,676.4	7,669.6	7,703.1	2.9	3.6	99.40	99.42	99.39	99.39	2.5	2.3	2.5	2.5
1996: II	7,802.9	7,773.4	7,820.4	6.8	5.5	99.74	99.74	99.74	99.74	1.4	1.3	1.4	1.4
1996: III	7,841.9	7,792.1	7,853.5	2.0	1.0	100.23	100.16	100.22	100.22	2.0	1.7	1.9	1.9
1996: IV	7,931.3	7,897.6	7,947.9	4.6	5.5	100.63	100.68	100.63	100.63	1.6	2.1	1.7	1.6
1997: I	8,016.4	7,966.4	8,025.1	4.4	3.5	101.36	101.28	101.34	101.33	2.9	2.4	2.9	2.8
1997: II	8,131.9	8,043.2	8,145.6	5.9	3.9	101.82	101.49	101.82	101.80	1.9	.8	1.9	1.8
1997: III	8,216.6	8,164.9	8,225.1	4.2	6.2	102.12	101.74	102.12	102.10	1.2	1.0	1.2	1.2
1997: IV	8,272.9	8,206.3	8,276.9	2.8	2.0	102.49	102.07	102.49	102.46	1.4	1.3	1.4	1.4
1998: I	8,404.9	8,289.4	8,412.9	6.5	4.1	102.75	102.08	102.74	102.70	1.0	.1	1.0	1.0
1998: II	8,465.6	8,402.7	8,471.4	2.9	5.6	103.04	102.28	103.03	102.99	1.1	.8	1.1	1.1
1998: III	8,537.6	8,463.4	8,526.7	3.4	2.9	103.42	102.57	103.41	103.38	1.5	1.1	1.5	1.5
1998: IV	8,654.5	8,585.0	8,649.3	5.6	5.9	103.69	102.87	103.70	103.67	1.1	1.2	1.1	1.1
1999: I	8,730.0	8,680.3	8,726.0	3.5	4.5	104.25	103.35	104.29	104.25	2.2	1.9	2.3	2.3
1999: II	8,783.2	8,764.9	8,776.7	2.5	4.0	104.63	103.86	104.65	104.62	1.4	2.0	1.4	1.4
1999: III	8,905.8	8,861.8	8,895.4	5.7	4.5	104.90	104.30	104.89	104.86	1.1	1.7	.9	.9
1999: IV	9,084.1	9,000.5	9,075.0	8.3	6.4	105.31	104.80	105.24	105.19	1.6	1.9	1.3	1.3
2000: I	9,191.8	9,148.0	9,187.7	4.8	6.7	106.17	105.78	106.10	106.07	3.3	3.8	3.3	3.4
2000: II	9,318.9	9,235.3	9,313.7	5.6	3.9	106.80	106.33	106.73	106.70	2.4	2.1	2.4	2.4
2000: III	9,382.2	9,296.7	9,382.2	2.7	2.7	107.33	106.96	107.26	107.26	2.0	2.4	2.0	2.0

Table D.1.—Domestic Perspectives—Continued

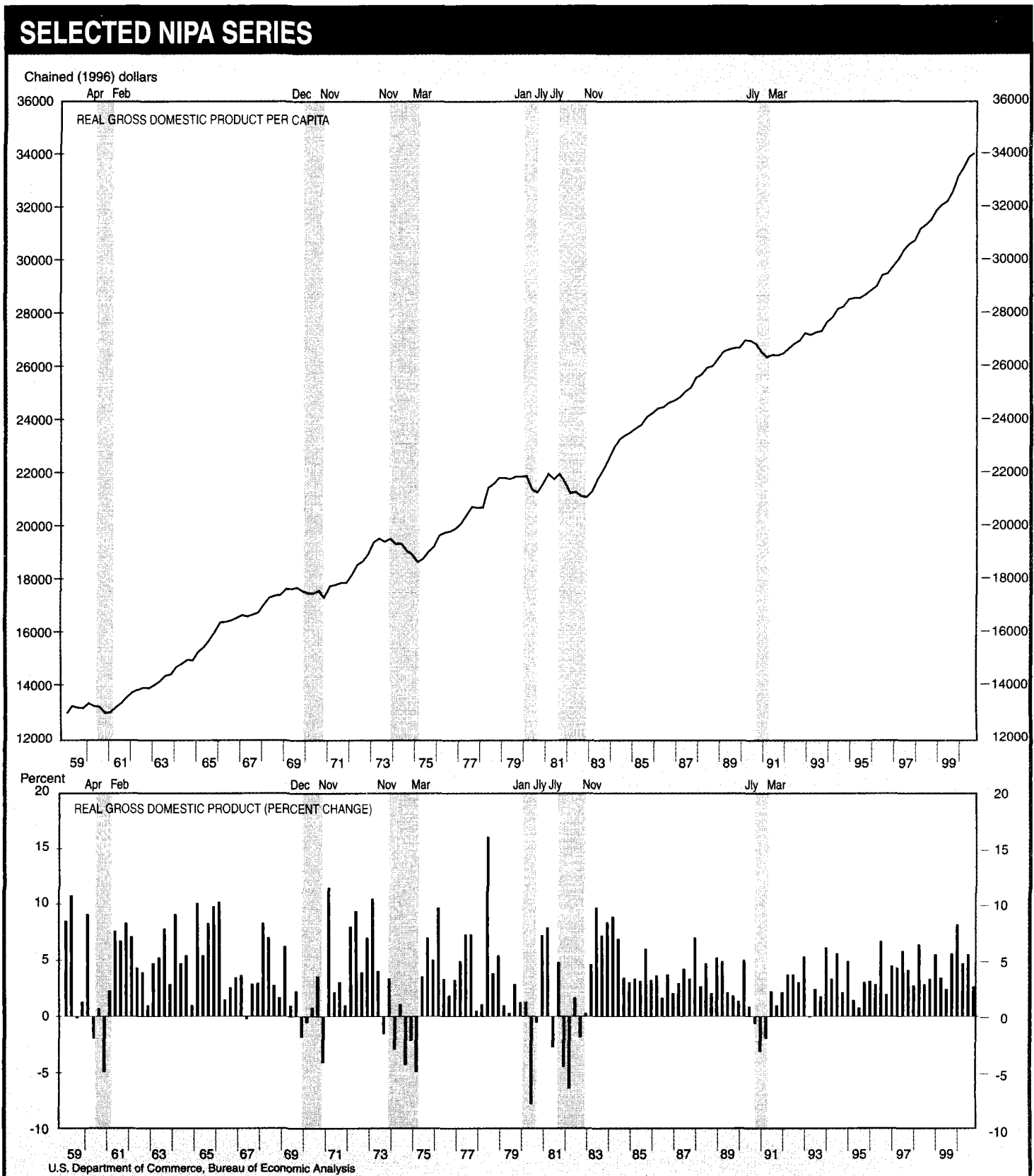
	1998	1999	1999					2000								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Construction (monthly data seasonally adjusted at annual rates) ⁴																
Total new private construction put in place (billions of dollars)	552.2	591.6	584.0	582.5	584.9	596.9	605.8	614.6	629.6	637.7	629.5	629.8	624.4	612.0	618.0	630.8
Residential	314.6	348.8	348.1	347.6	350.0	353.9	358.2	365.1	368.7	372.1	368.9	367.7	363.8	347.5	349.0	352.8
Nonresidential	190.7	195.8	191.3	191.2	191.5	197.4	199.7	202.5	215.5	218.0	214.6	215.6	213.6	216.3	221.6	229.1
Housing starts (thousands of units):																
Total	1,617	1,667	1,657	1,628	1,636	1,663	1,769	1,744	1,822	1,630	1,652	1,591	1,571	1,527	1,525	1,530
1-unit structures	1,271	1,335	1,285	1,290	1,343	1,344	1,441	1,361	1,324	1,327	1,310	1,258	1,227	1,201	1,249	1,233
New 1-family houses sold (thousands of units)	886	907	914	848	906	895	916	927	905	947	865	875	827	919	866	946
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) ⁴																
Inventories:																
Total manufacturing and trade	1,085,669	1,136,555	1,125,482	1,130,313	1,134,645	1,144,815	1,150,554	1,156,942	1,162,448	1,165,746	1,171,965	1,182,162	1,192,224	1,197,112	1,205,971	.....
Manufacturing	456,330	460,048	464,351	465,669	467,522	469,836	470,377	472,706	475,999	475,887	477,868	479,362	482,041	486,303	487,586	.....
Merchant wholesalers	291,478	309,445	299,711	301,510	303,570	306,900	307,925	310,368	312,230	314,206	317,164	320,188	323,252	324,313	326,346	.....
Retail trade	337,861	367,062	361,420	363,134	363,553	368,079	372,252	373,868	374,219	375,653	376,933	382,612	386,931	386,496	392,039	.....
Sales:																
Total manufacturing and trade	9,352,958	9,994,284	847,077	845,425	850,386	861,000	871,172	877,271	881,157	891,597	886,555	895,965	902,798	897,634	902,339	.....
Manufacturing	4,052,248	4,259,532	361,844	358,709	360,201	364,971	367,872	370,565	370,865	377,562	373,079	381,157	384,208	377,584	381,385	.....
Merchant wholesalers	2,555,117	2,742,482	231,775	232,968	235,226	238,540	241,672	243,213	243,128	245,678	246,357	247,391	250,154	249,405	250,100	.....
Retail trade	2,745,593	2,994,929	253,458	253,748	254,959	257,489	261,628	263,493	267,164	268,357	267,119	267,417	270,436	270,645	270,854	.....
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) ²																
Industrial production indexes, 1992=100:																
Total	132.4	137.1	137.7	138.1	139.1	139.4	140.1	141.1	141.6	142.4	143.5	144.7	145.3	145.0	145.6	146.0
By industry:																
Durable manufactures	160.7	172.8	174.4	175.0	176.5	177.4	178.4	181.0	181.8	184.6	186.8	189.2	190.8	190.7	191.9	192.5
Nondurable manufactures	111.6	111.8	111.5	111.8	113.0	113.6	113.7	113.5	113.8	113.6	113.5	113.2	113.2	113.3	112.9	113.2
By market category:																
Consumer goods	116.2	116.9	117.6	117.1	118.2	117.6	118.1	118.8	118.7	118.0	118.6	118.8	119.4	119.0	119.1	120.1
Capacity utilization rates (percent):																
Total industry	81.8	80.6	80.7	80.6	81.0	80.9	81.1	81.4	81.5	81.7	82.0	82.4	82.5	82.1	82.2	82.2
Manufacturing	80.9	79.8	79.7	79.7	80.2	80.3	80.3	80.7	80.7	81.1	81.3	81.5	81.6	81.3	81.3	81.2
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) ²																
All sectors, by instrument:																
Total	2,160.1	2,234.2	2,312.3	.....	.....	2,176.5	.....	.....	1,682.6	.....	.....	1,826.7	.....	.....	.....	.....
Open market paper	193.1	229.9	180.7	.....	.....	556.6	.....	.....	223.7	.....	.....	205.1	.....	.....	.....	.....
U.S. government securities	418.3	520.8	580.1	.....	.....	518.9	.....	.....	33.6	.....	.....	-57.6	.....	.....	.....	.....
Municipal securities	96.8	68.2	71.3	.....	.....	52.5	.....	.....	8.9	.....	.....	34.0	.....	.....	.....	.....
Corporate and foreign bonds	550.4	465.9	426.3	.....	.....	131.5	.....	.....	398.4	.....	.....	392.3	.....	.....	.....	.....
Bank loans, n.e.c.	145.0	68.9	99.8	.....	.....	55.2	.....	.....	147.7	.....	.....	174.6	.....	.....	.....	.....
Other loans and advances	158.5	172.6	217.9	.....	.....	147.3	.....	.....	225.7	.....	.....	268.9	.....	.....	.....	.....
Mortgages	530.3	613.5	660.0	.....	.....	604.9	.....	.....	501.5	.....	.....	677.6	.....	.....	.....	.....
Consumer credit	67.6	94.4	76.2	.....	.....	109.5	.....	.....	143.1	.....	.....	131.8	.....	.....	.....	.....

Sources:
1. Bureau of Labor Statistics
2. Federal Reserve Board

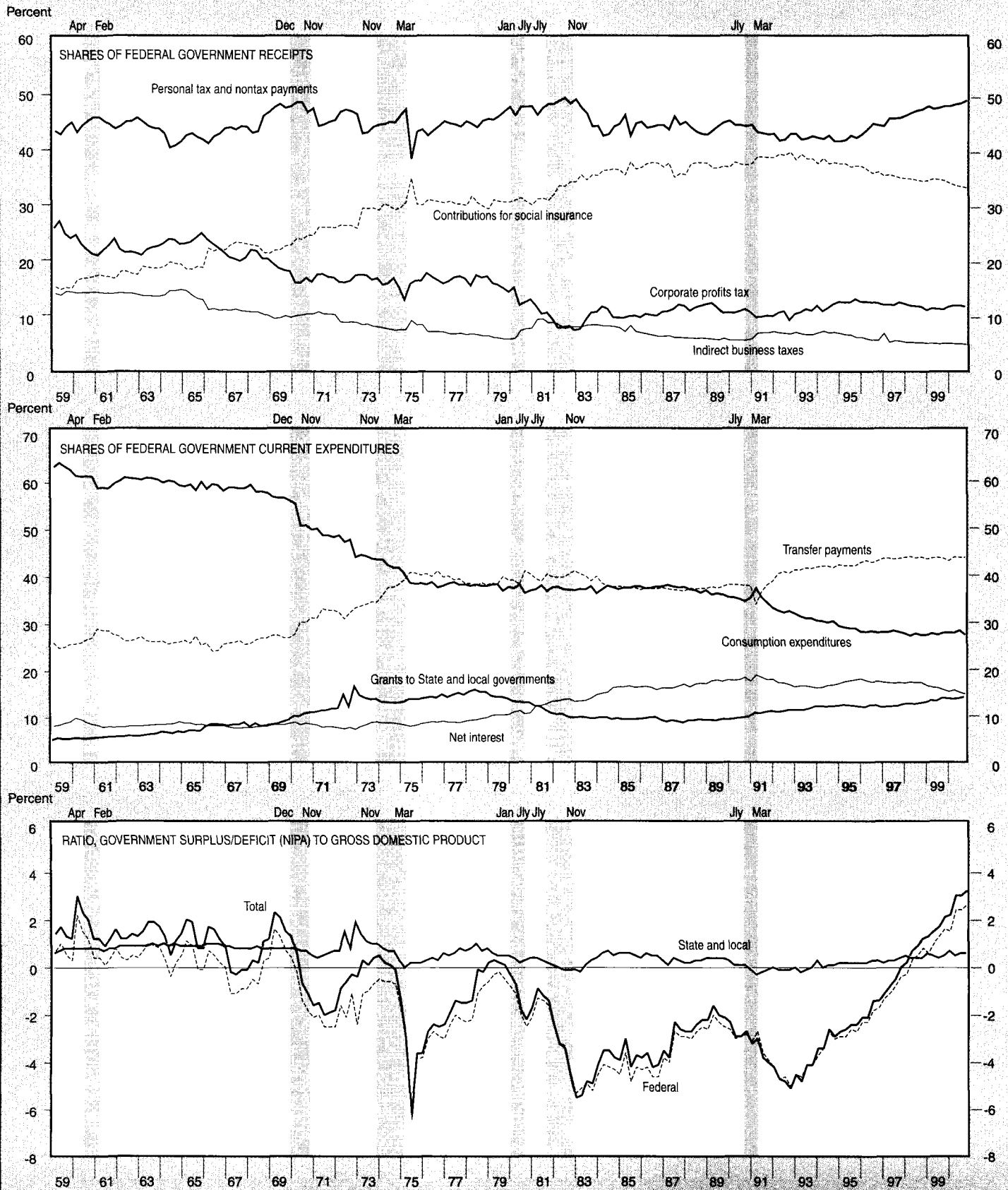
3. Standard and Poor's, Inc.
4. Bureau of the Census
n.e.c. Not elsewhere classified

E. Charts

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

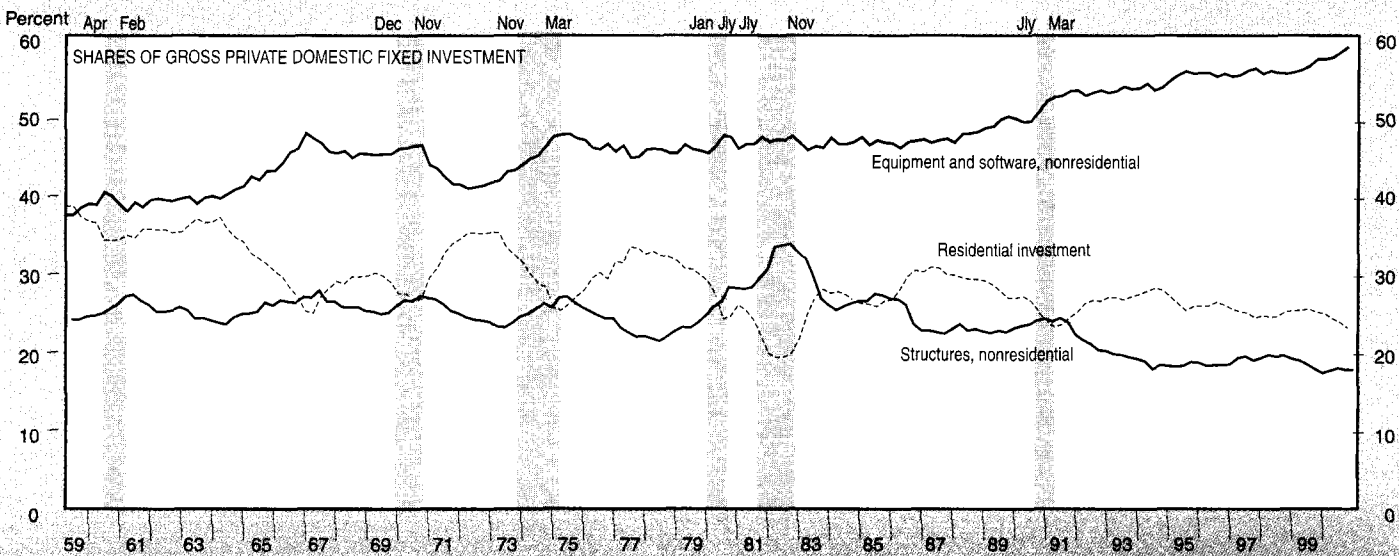
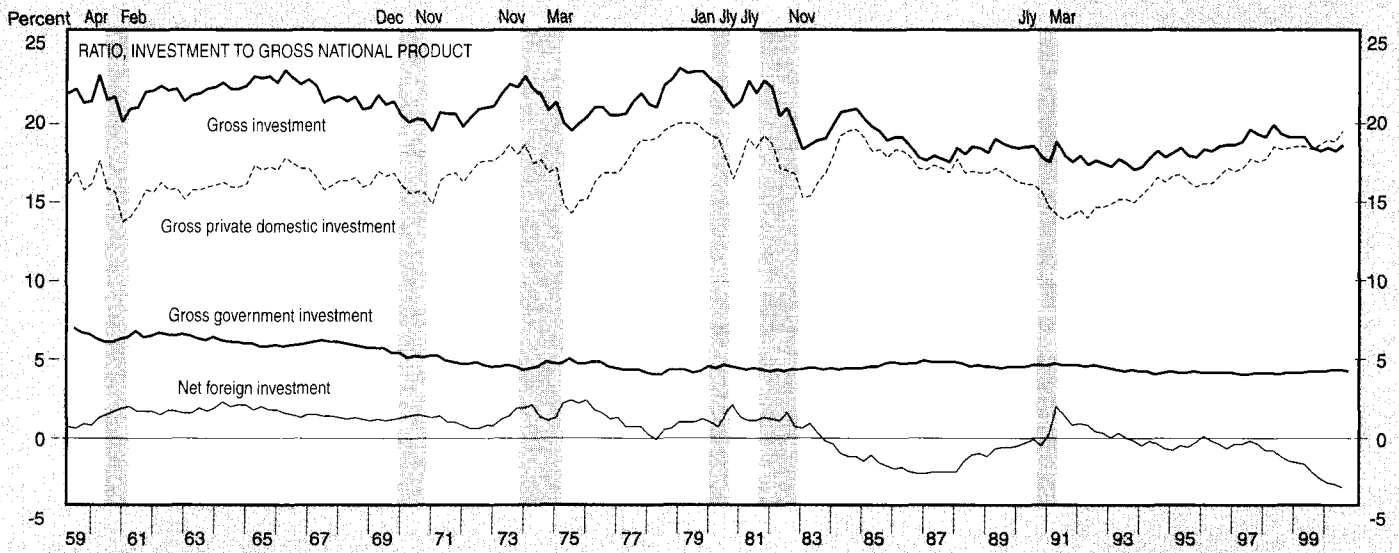
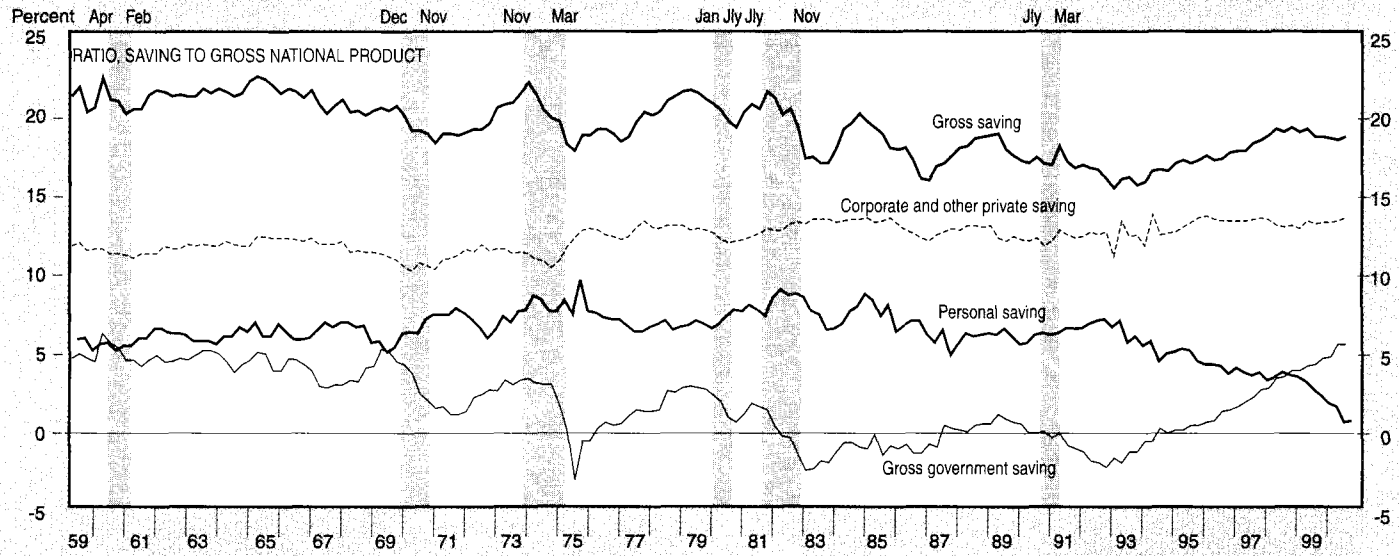


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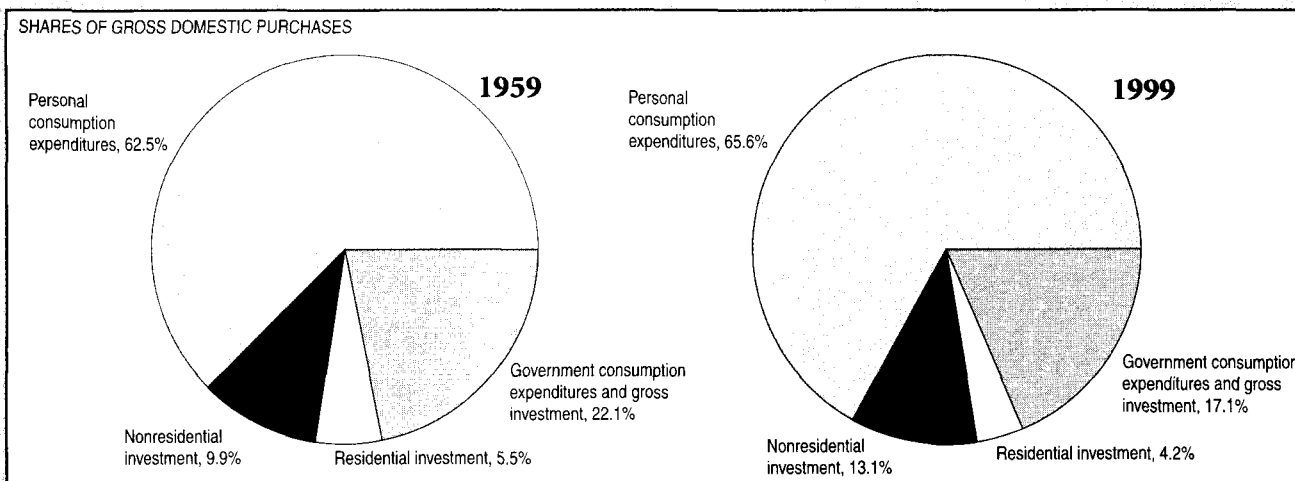
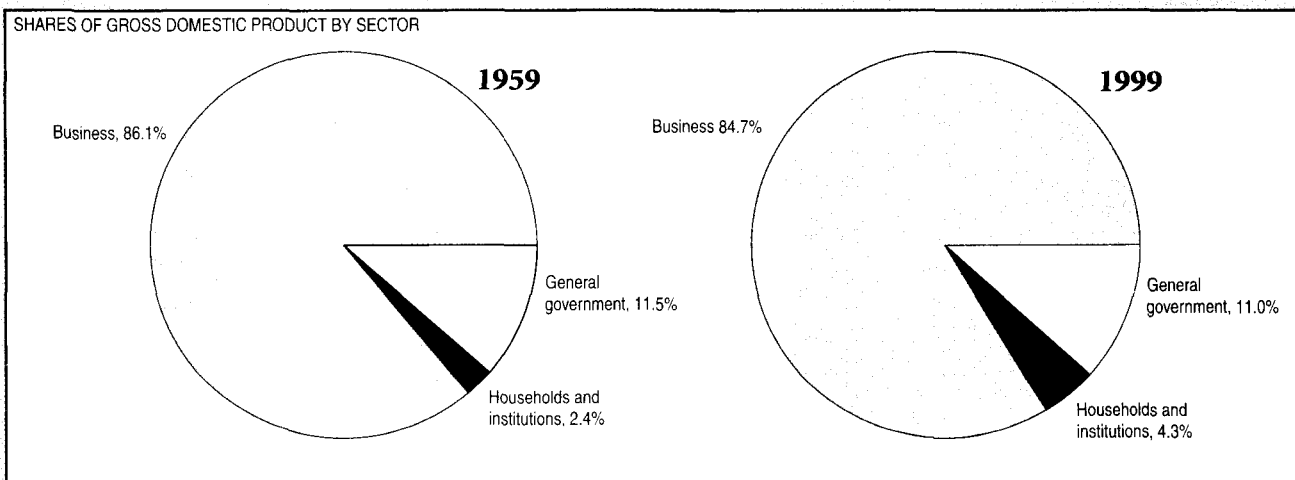
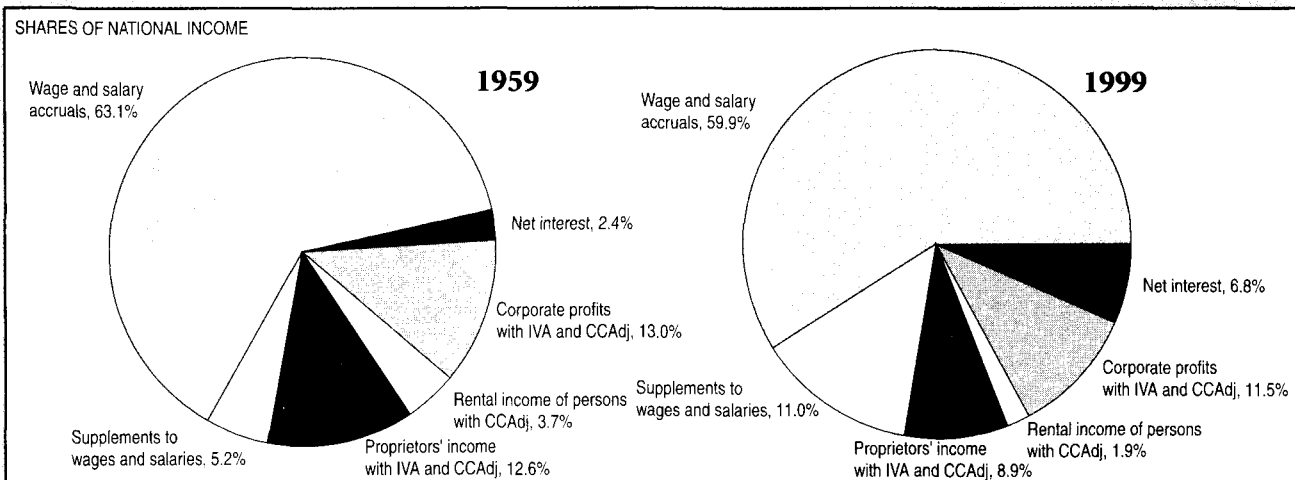
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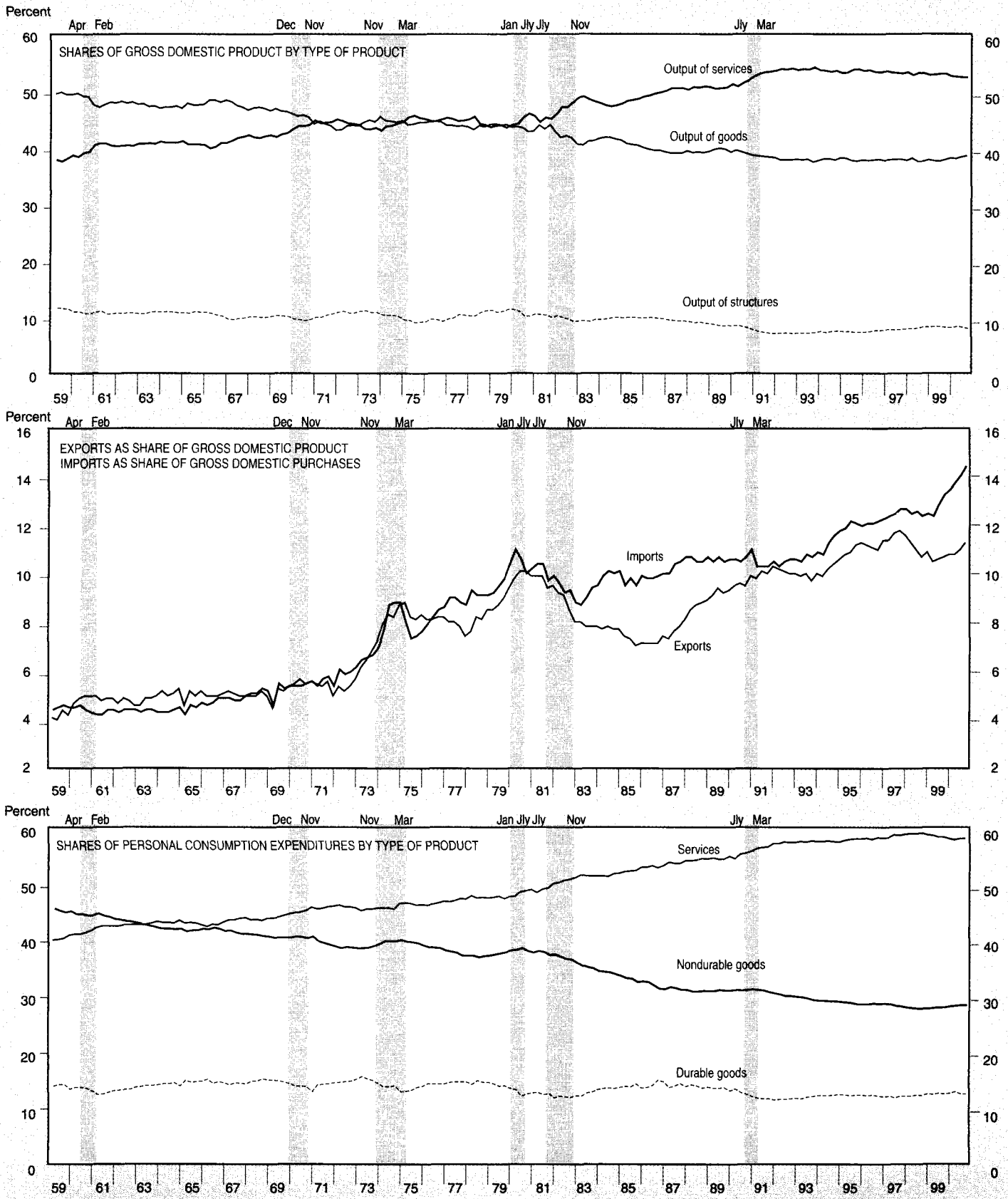


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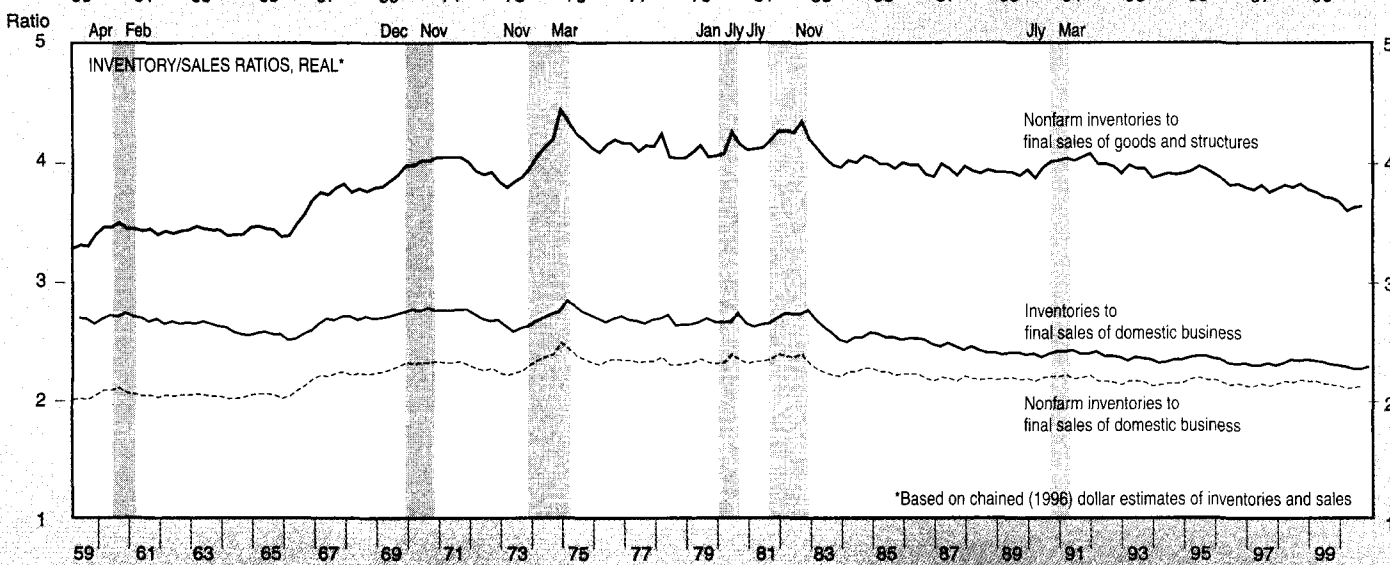
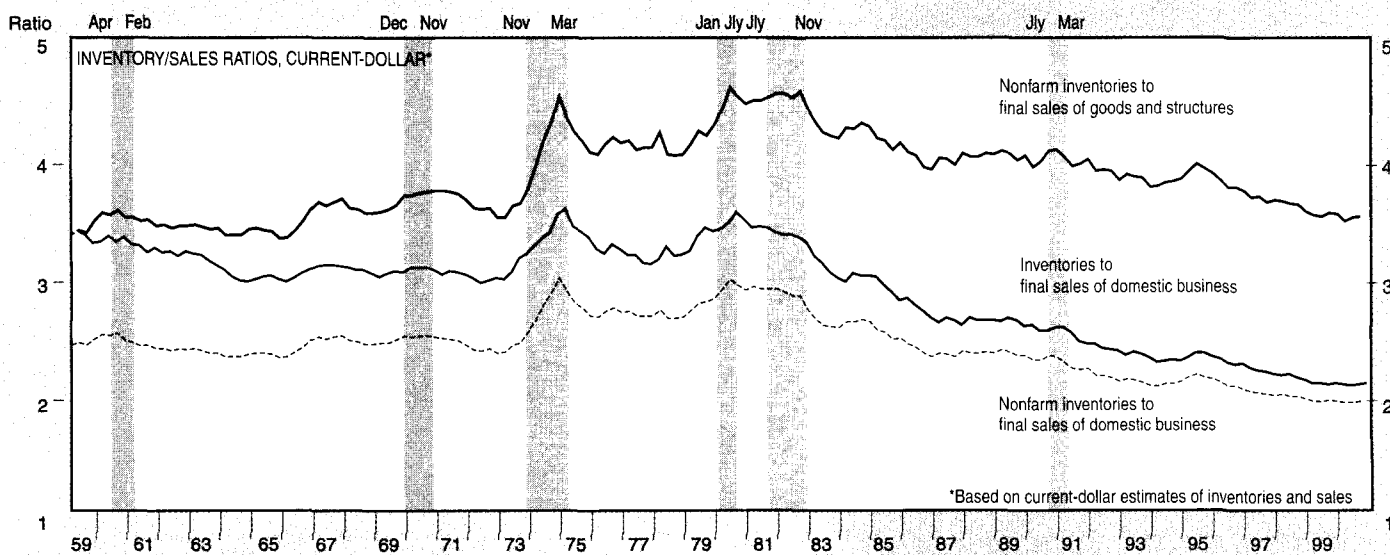
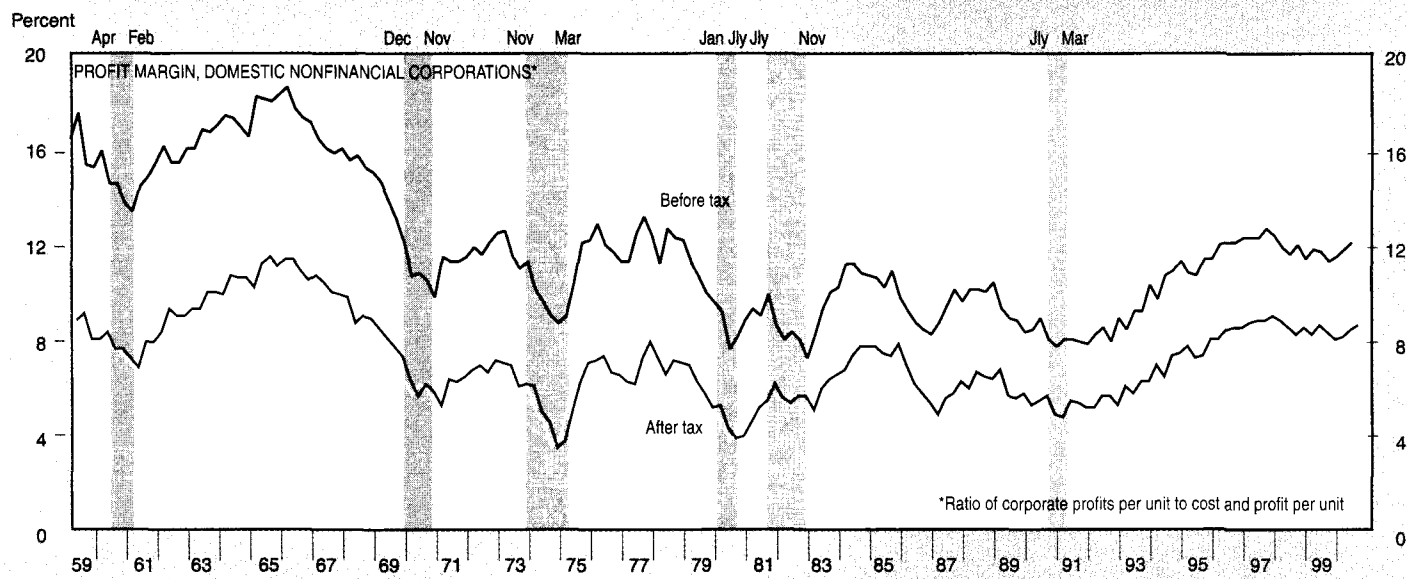


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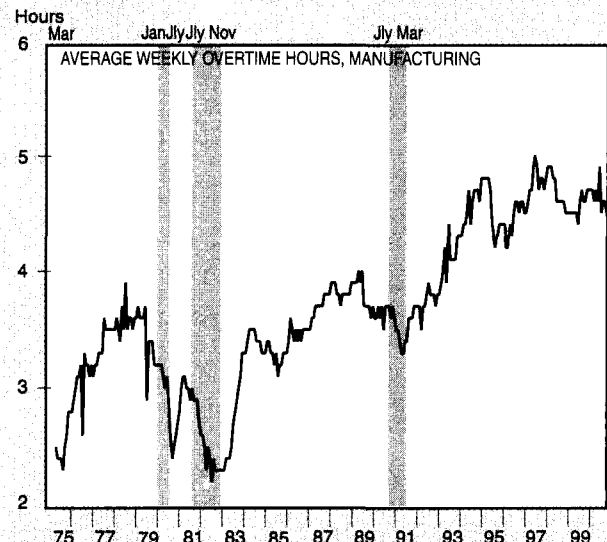
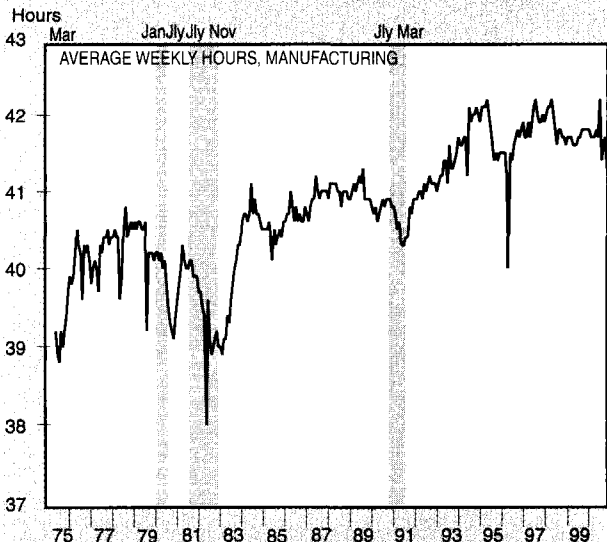
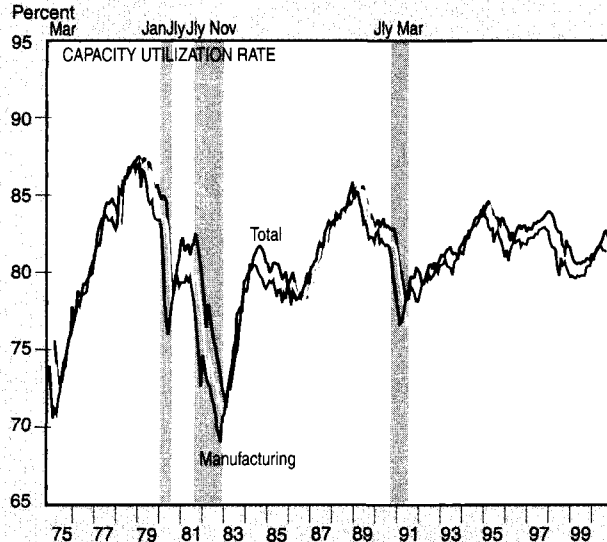
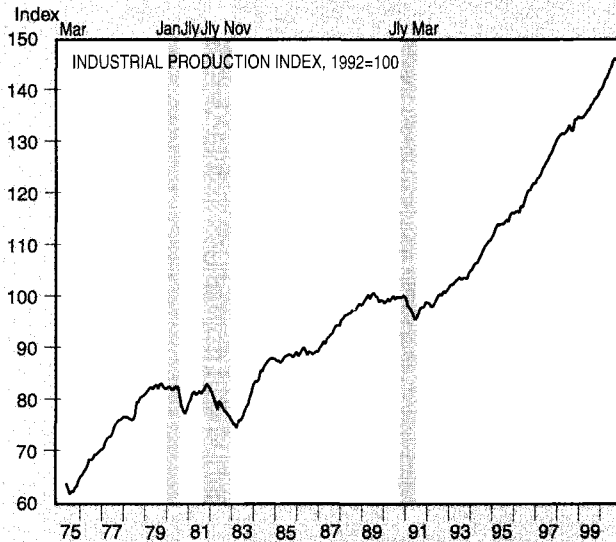
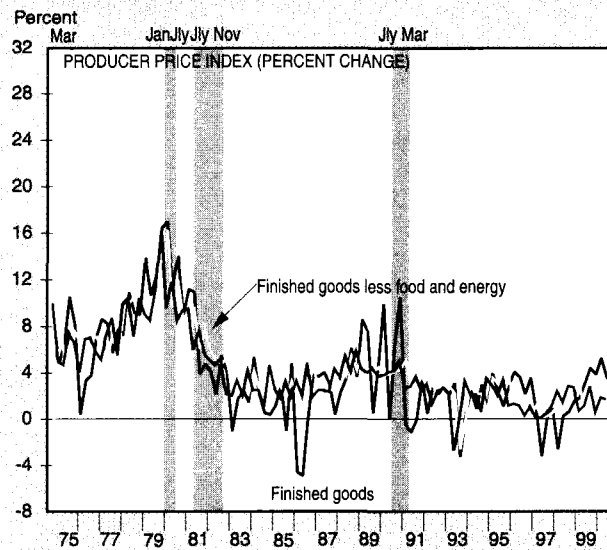
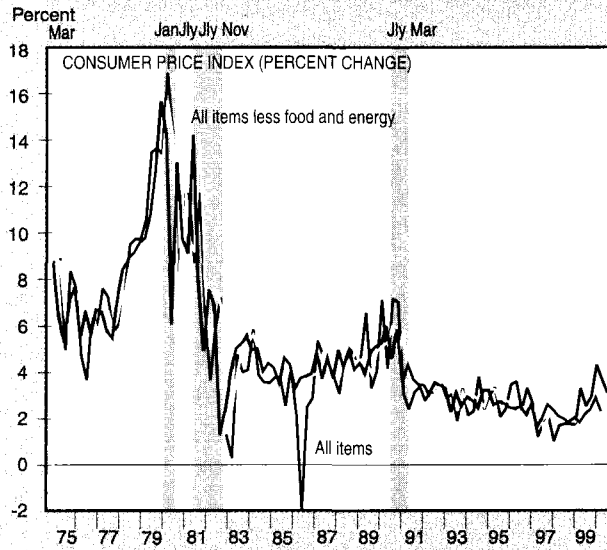


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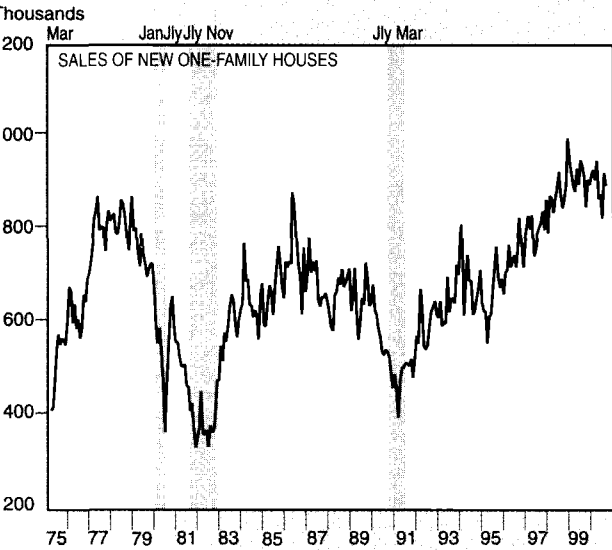
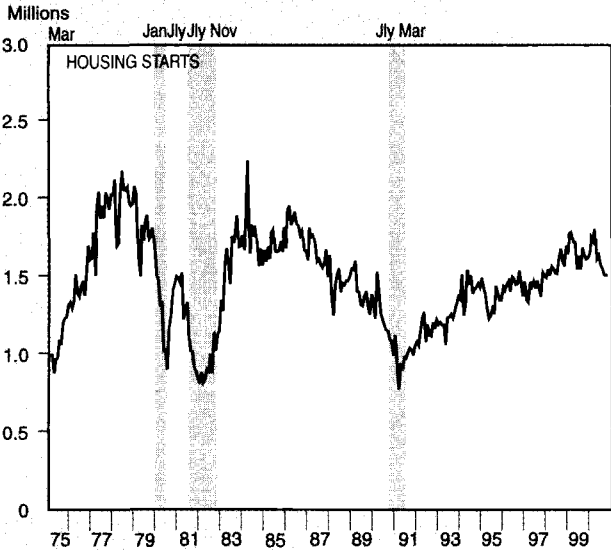
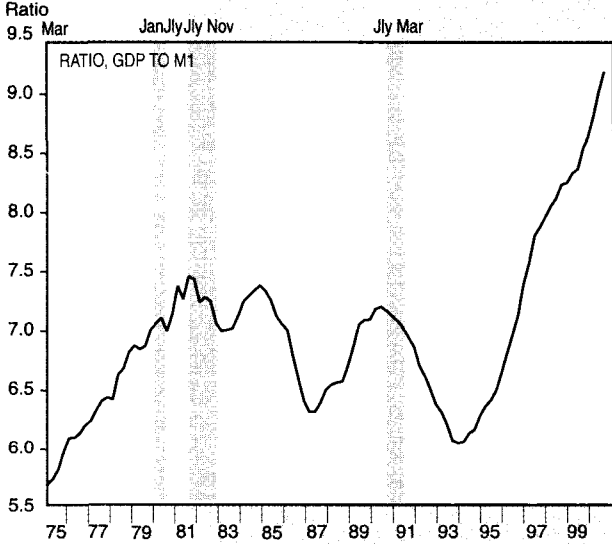
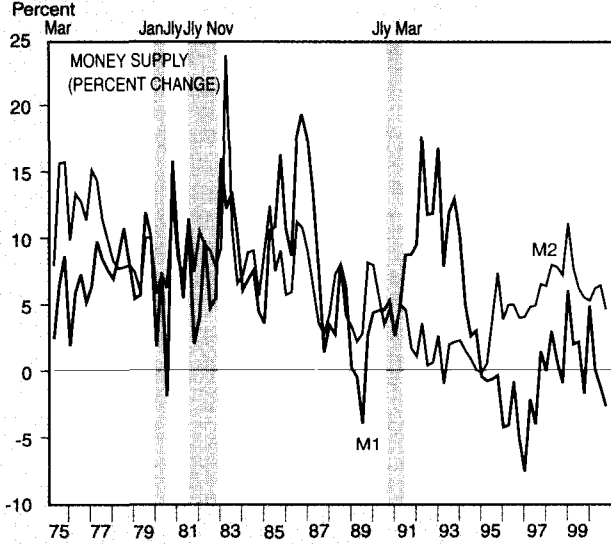
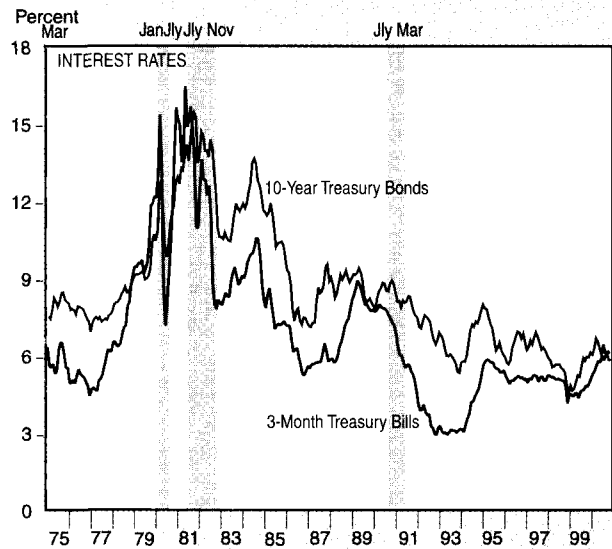
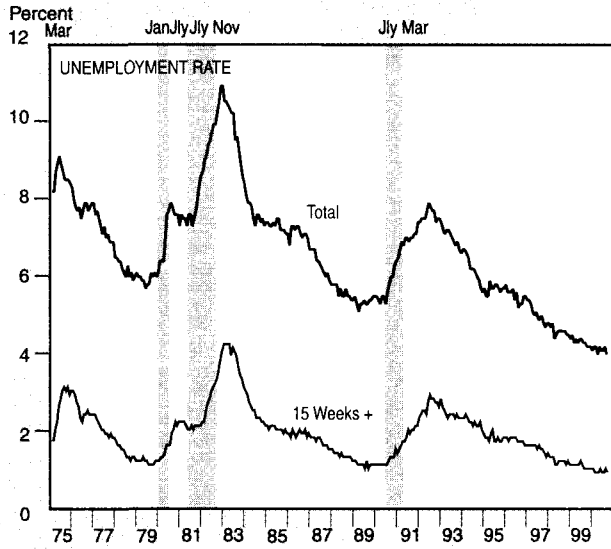


OTHER INDICATORS OF THE DOMESTIC ECONOMY



U.S. Department of Commerce, Bureau of Economic Analysis

OTHER INDICATORS OF THE DOMESTIC ECONOMY



U.S. Department of Commerce, Bureau of Economic Analysis

Table F.4.—Private Service Transactions
[Millions of dollars]

Line		1998	1999	Seasonally adjusted					
				1999				2000	
				I	II	III	IV	I ^P	II ^P
1	Exports of private services	244,099	254,665	61,929	63,070	63,905	65,759	68,471	69,388
2	Travel (table F.2, line 6)	71,288	74,881	18,140	18,564	18,695	19,482	20,431	20,749
3	Passenger fares (table F.2, line 7)	20,098	19,776	4,814	4,902	5,105	4,955	5,062	5,088
4	Other transportation (table F.2, line 8)	25,604	27,033	6,515	6,692	6,728	7,097	7,252	7,397
5	Freight	11,048	11,667	2,785	2,813	2,927	3,142	3,257	3,292
6	Port services	14,557	15,365	3,730	3,880	3,801	3,956	3,995	4,105
7	Royalties and license fees (table F.2, line 9)	36,197	36,467	9,114	9,140	9,106	9,107	9,353	9,685
8	Affiliated	26,809	26,307	6,655	6,628	6,540	6,484	6,674	6,950
9	U.S. parents' receipts	24,720	24,576	6,127	6,114	6,097	6,238	6,132	6,353
10	U.S. affiliates' receipts	2,089	1,731	528	514	443	246	542	597
11	Unaffiliated	9,388	10,160	2,459	2,512	2,566	2,623	2,679	2,735
12	Industrial processes ¹	3,573	3,551	891	888	886	886	886	886
13	Other ²	5,814	6,609	1,568	1,624	1,680	1,737	1,793	1,848
14	Other private services (table F.2, line 10)	90,914	96,508	23,346	23,772	24,271	25,118	26,373	26,469
15	Affiliated services	28,397	28,943	7,351	6,937	7,127	7,527	8,059	7,793
16	U.S. parents' receipts	18,232	18,111	4,512	4,336	4,569	4,693	4,534	4,651
17	U.S. affiliates' receipts	10,165	10,832	2,839	2,601	2,558	2,834	3,525	3,142
18	Unaffiliated services	62,517	67,565	15,995	16,835	17,144	17,591	18,314	18,676
19	Education	9,037	9,572	2,343	2,377	2,417	2,435	2,484	2,518
20	Financial services	11,273	13,925	2,901	3,496	3,613	3,915	4,389	4,573
21	Insurance, net	2,189	2,295	553	563	579	599	625	651
22	Premiums received	7,265	8,259	1,991	2,043	2,091	2,135	2,178	2,220
23	Losses paid	5,076	5,964	1,437	1,480	1,512	1,536	1,553	1,568
24	Telecommunications	5,538	4,460	1,162	1,152	1,099	1,048	1,015	972
25	Business, professional, and technical services	22,175	24,368	5,871	6,055	6,172	6,269	6,378	6,507
26	Other unaffiliated services ³	12,305	12,946	3,165	3,192	3,264	3,325	3,424	3,454
27	Imports of private services	167,607	174,825	42,041	43,122	44,096	45,567	47,492	48,302
28	Travel (table F.2, line 23)	56,509	59,351	14,560	14,718	14,799	15,274	15,837	16,107
29	Passenger fares (table F.2, line 24)	19,971	21,405	5,215	5,274	5,348	5,568	5,777	5,964
30	Other transportation (table F.2, line 25)	30,363	34,137	7,784	8,187	8,953	9,214	9,582	9,791
31	Freight	19,412	22,214	4,977	5,273	5,915	6,049	6,251	6,362
32	Port services	10,950	11,925	2,808	2,914	3,038	3,165	3,331	3,429
33	Royalties and license fees (table F.2, line 26)	11,713	13,275	3,081	3,224	3,314	3,656	3,590	3,702
34	Affiliated	8,754	10,208	2,362	2,470	2,530	2,846	2,761	2,857
35	U.S. parents' payments	1,755	2,134	500	508	536	590	621	641
36	U.S. affiliates' payments	6,999	8,074	1,862	1,962	1,994	2,256	2,140	2,216
37	Unaffiliated	2,959	3,067	719	754	784	810	829	845
38	Industrial processes ¹	1,536	1,883	436	461	483	502	515	527
39	Other ²	1,423	1,185	283	293	301	308	314	318
40	Other private services (table F.2, line 27)	49,051	46,657	11,401	11,719	11,682	11,855	12,706	12,738
41	Affiliated services	19,756	22,437	5,262	5,703	5,677	5,795	6,176	5,880
42	U.S. parents' payments	10,406	11,427	2,761	2,852	2,873	2,941	3,135	2,886
43	U.S. affiliates' payments	9,350	11,010	2,501	2,851	2,804	2,854	3,041	2,994
44	Unaffiliated services	29,295	24,220	6,139	6,016	6,005	6,060	6,530	6,858
45	Education	1,591	1,840	432	453	469	486	502	524
46	Financial services	3,561	3,574	767	845	985	977	1,188	1,290
47	Insurance, net	9,080	4,078	1,233	988	884	972	1,182	1,408
48	Premiums paid	20,290	21,242	5,348	5,308	5,284	5,301	5,367	5,461
49	Losses recovered	11,210	17,164	4,115	4,320	4,400	4,329	4,185	4,053
50	Telecommunications	7,687	6,766	1,779	1,759	1,658	1,571	1,565	1,500
51	Business, professional, and technical services	6,869	7,430	1,807	1,840	1,873	1,911	1,949	1,993
52	Other unaffiliated services ³	507	532	121	132	136	143	145	145
53	Memoranda:								
53	Balance on goods (table F.2, line 71)	-246,854	-345,559	-73,024	-83,984	-92,318	-96,233	-105,838	-110,216
54	Balance on private services (line 1 minus line 27)	76,492	79,840	19,888	19,948	19,809	20,192	20,979	21,086
55	Balance on goods and private services (lines 53 and 54)	-170,362	-265,719	-53,136	-64,036	-72,509	-76,041	-84,859	-89,130

^P Preliminary.
^R Revised.
 1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.
 2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.
 3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and inter-

national organizations in the United States. Payments (imports) include mainly expenditures of U.S. residents temporarily working abroad and film rentals.

NOTE.—The data in this table are from table 3 in "U.S. International Transactions, Second Quarter 2000" in the October 2000 issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the U.S. international transactions accounts.

G. Investment Tables

Table G.1.—International Investment Position of the United States at Yearend, 1998 and 1999

[Millions of dollars]

Line	Type of investment	Position, 1998 ^P	Changes in position in 1999 (decrease (-))				Total (a+b+c+d)	Position, 1999 ^P
			Attributable to:					
			Financial flows	Valuation adjustments				
				Price changes	Exchange rate changes ¹	Other changes ²		
		(a)	(b)	(c)	(d)			
Net international investment position of the United States:								
1	With direct investment positions at current cost (line 3 less line 24)	-1,111,813	-323,377	344,215	-60,235	68,702	29,305	-1,082,508
2	With direct investment positions at market value (line 4 less line 25)	-1,407,670	-323,377	301,897	-57,364	12,829	-66,015	-1,473,685
U.S.-owned assets abroad:								
3	With direct investment positions at current cost (lines 5+10+15) ...	5,079,056	430,187	455,115	-71,115	-4,215	809,972	5,889,028
4	With direct investment positions at market value (lines 5+10+16) ...	6,045,544	430,187	755,413	-63,035	5,264	1,127,829	7,173,373
5	U.S. official reserve assets	146,006	-8,747	642	-1,500	17	-9,588	136,418
6	Gold	75,291	.....	³ 642	.....	4 17	659	75,950
7	Special drawing rights	10,603	-10	.....	-257	.....	-267	10,336
8	Reserve position in the International Monetary Fund	24,111	-5,484	.....	-677	.....	-6,161	17,950
9	Foreign currencies	36,001	-3,253	.....	-566	.....	-3,819	32,182
10	U.S. Government assets, other than official reserve assets	86,768	-2,751	.....	7	202	-2,542	84,226
11	U.S. credits and other long-term assets ⁵	84,850	-3,384	.....	-11	202	-3,193	81,657
12	Repayable in dollars	84,528	-3,363	.....	.....	202	-3,161	81,367
13	Other ⁶	322	-21	.....	-11	.....	-32	290
14	U.S. foreign currency holdings and U.S. short-term assets	1,918	633	.....	18	.....	651	2,569
U.S. private assets:								
15	With direct investment at current cost (lines 17+19+22+23)	4,846,282	441,685	454,473	-69,622	-4,434	822,102	5,668,384
16	With direct investment at market value (lines 18+19+22+23)	5,812,770	441,685	754,771	-61,542	5,045	1,139,959	6,952,729
Direct investment abroad:								
17	At current cost	1,207,059	150,901	5,475	-17,646	-14,602	124,128	1,331,187
18	At market value	2,173,547	150,901	305,773	-9,566	-5,123	441,985	2,615,532
19	Foreign securities	2,052,929	128,594	448,998	-47,135	.....	530,457	2,583,386
20	Bonds	576,745	14,193	-31,341	-2,849	.....	-19,997	556,748
21	Corporate stocks	1,476,184	114,401	480,339	-44,286	.....	550,454	2,026,638
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	565,466	92,328	.....	-8,037	-6,010	78,281	643,747
23	U.S. claims reported by U.S. banks, not included elsewhere	1,020,828	69,862	.....	3,196	16,178	89,236	1,110,064
Foreign-owned assets in the United States:								
24	With direct investment at current cost (lines 26+33)	6,190,869	753,564	110,900	-10,880	-72,917	780,667	6,971,536
25	With direct investment at market value (lines 26+34)	7,453,214	753,564	453,516	-5,671	-7,565	1,193,844	8,647,058
26	Foreign official assets in the United States	837,701	42,864	-11,231	.....	.....	31,633	869,334
27	U.S. Government securities	620,285	32,527	-23,905	.....	.....	8,622	628,907
28	U.S. Treasury securities	589,023	12,177	-22,975	.....	.....	-10,798	578,225
29	Other	31,262	20,350	-930	.....	.....	19,420	50,682
30	Other U.S. Government liabilities ⁷	18,000	-3,255	.....	.....	.....	-3,255	14,745
31	U.S. liabilities reported by U.S. banks, not included elsewhere	125,883	12,692	.....	.....	.....	12,692	138,575
32	Other foreign official assets	73,533	900	12,674	.....	.....	13,574	87,107
Other foreign assets:								
33	With direct investment at current cost (lines 35+37+38+41+42+43) ...	5,353,168	710,700	122,131	-10,880	-72,917	749,034	6,102,202
34	With direct investment at market value (lines 36+37+38+41+42+43) ...	6,615,513	710,700	464,747	-5,671	-7,565	1,162,211	7,777,724
Direct investment in the United States:								
35	At current cost	928,645	275,533	1,766	-5,209	-75,521	196,569	1,125,214
36	At market value	2,190,990	275,533	344,382	.....	-10,169	609,746	2,800,736
37	U.S. Treasury securities	729,738	-20,464	-48,552	.....	.....	-69,016	660,722
38	U.S. securities other than U.S. Treasury securities	2,012,431	331,523	168,917	-3,549	.....	496,891	2,509,322
39	Corporate and other bonds	902,155	232,814	-67,690	-3,549	.....	161,575	1,063,730
40	Corporate stocks	1,110,276	98,709	236,607	.....	.....	335,316	1,445,592
41	U.S. currency	228,250	22,407	.....	.....	.....	22,407	250,657
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	437,973	34,298	.....	-1,050	2,604	35,852	473,825
43	U.S. liabilities reported by U.S. banks, not included elsewhere	1,016,131	67,403	.....	-1,072	.....	66,331	1,082,462

^P Preliminary.^R Revised.

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

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

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

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

5. Also includes paid-in capital subscriptions to international financial institutions and 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.

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

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

NOTE.—The data in this table are from table 1 in "International Investment Position of the United States at Yearend 1999" in the July 2000 issue of the SURVEY OF CURRENT BUSINESS.

Table G.2.—U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1997–99

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1997	1998	1999	1997	1998	1999	1997	1998	1999
All countries, all industries	871,316	1,014,012	1,132,622	95,769	134,083	138,510	104,794	92,775	105,001
By country									
Canada	96,626	101,871	111,707	7,642	9,152	14,268	11,024	7,527	11,103
Europe	425,139	528,113	581,791	48,318	93,805	72,090	48,333	52,618	53,584
<i>Of which:</i>									
France	36,630	42,067	39,984	2,971	3,805	786	2,688	2,066	1,644
Germany	40,726	46,405	49,617	2,464	3,284	5,875	3,707	5,256	4,243
Netherlands	68,619	93,592	106,436	12,450	24,034	7,980	11,588	11,804	12,482
Switzerland	30,634	40,144	51,227	-792	9,418	11,910	5,071	6,614	6,566
United Kingdom	154,462	192,663	213,070	22,961	36,552	29,824	13,469	13,198	14,465
Latin America and Other Western Hemisphere	180,818	200,477	223,182	21,539	16,830	19,522	21,723	17,262	18,578
<i>Of which:</i>									
Bermuda	38,071	40,403	45,959	589	1,352	5,122	3,965	3,080	4,173
Brazil	35,778	38,195	35,003	7,138	4,834	455	4,965	2,906	1,626
Mexico	24,050	28,396	34,265	5,596	4,718	5,355	3,893	3,885	4,721
Panama	22,016	25,982	33,429	354	718	1,803	1,277	1,812	2,074
Africa	11,330	14,241	15,062	3,436	3,150	1,302	1,948	1,574	2,106
Middle East	8,836	10,632	11,137	619	2,150	1,417	1,340	825	949
Asia and Pacific	144,815	155,364	185,912	13,733	8,366	29,362	20,009	12,322	18,410
<i>Of which:</i>									
Australia	28,404	31,150	33,662	1,209	4,697	4,063	3,674	1,880	2,495
Japan	33,854	35,633	47,786	-339	1,394	10,616	3,511	1,917	4,102
International	3,752	3,315	3,832	482	631	549	416	647	271
By industry									
Petroleum	84,116	92,964	99,925	11,555	8,517	8,892	12,508	7,597	10,213
Manufacturing	278,447	294,129	318,121	28,326	22,126	35,524	38,468	29,879	32,472
Food and kindred products	32,773	35,074	36,126	4,080	2,342	1,416	5,030	4,306	3,604
Chemicals and allied products	76,394	79,868	82,794	6,974	5,245	7,100	10,023	9,428	9,431
Primary and fabricated metals	15,898	18,776	18,803	408	2,954	808	1,376	1,281	1,365
Industrial machinery and equipment	30,179	31,348	37,833	4,873	1,868	6,705	5,022	3,986	3,450
Electronic and other electric equipment	31,308	32,398	38,449	2,727	1,866	6,231	4,663	2,147	3,737
Transportation equipment	35,537	33,939	36,013	4,667	-1,190	4,857	5,478	2,495	4,371
Other manufacturing	56,357	62,725	68,103	4,687	9,021	8,406	6,876	6,237	6,514
Wholesale trade	64,929	70,014	80,148	121	6,434	11,801	9,047	9,909	10,560
Depository institutions	37,932	40,582	39,937	1,508	2,140	-920	3,286	743	1,693
Finance (except depository institutions), insurance, and real estate	297,828	375,965	436,024	39,001	62,161	54,475	31,966	34,921	37,867
Services	46,533	60,696	68,763	4,306	12,210	10,778	6,109	5,955	8,193
Other industries	61,532	79,663	89,705	10,953	20,494	17,962	3,391	3,770	4,003

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

The data in this table are from tables 16 and 17 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 1999" in the September 2000 issue of the SURVEY OF CURRENT BUSINESS.

Table G.3.—Selected Financial and Operating Data for Nonbank Foreign Affiliates and Majority-Owned Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 1998

	All nonbank affiliates						Majority-owned nonbank foreign affiliates (MOFA's)						
	Millions of dollars					Thou- sands of employ- ees	Millions of dollars						Thou- sands of employ- ees
	Total assets	Sales	Net income	U.S. ex- ports of goods shipped to affil- iates	U.S. im- ports of goods shipped by affil- iates		Total assets	Sales	Net income	Gross product	U.S. ex- ports of goods shipped to MOFA's	U.S. im- ports of goods shipped by MOFA's	
All countries, all industries	4,000,842	2,443,350	155,292	217,153	187,610	8,388.0	3,434,808	2,027,782	136,957	510,735	210,634	178,150	6,899.9
By country													
Canada	313,647	263,849	10,666	67,776	70,577	935.3	284,995	242,668	9,992	54,739	65,988	67,601	862.1
Europe	2,302,253	1,331,199	90,889	63,782	36,638	3,532.2	2,093,970	1,148,312	84,422	303,505	62,802	35,463	3,145.2
<i>Of which:</i>													
France	171,797	141,586	4,391	(P)	3,907	501.1	146,118	123,941	4,538	35,915	5,362	3,729	447.9
Germany	279,338	253,825	11,759	8,322	4,542	643.1	233,313	188,259	9,820	56,464	8,304	4,519	590.0
Netherlands	244,324	140,385	16,601	(P)	9,924	179.9	226,984	118,114	14,904	20,243	13,605	2,739	167.5
United Kingdom	1,025,588	366,114	15,646	13,839	9,924	1,038.7	973,745	334,572	16,128	90,735	13,803	9,854	953.5
Latin America and Other Western Hemisphere	570,042	297,670	31,792	37,081	37,759	1,807.4	434,375	230,736	22,728	61,336	35,677	36,271	1,416.4
<i>Of which:</i>													
Brazil	129,977	83,715	5,003	4,188	2,882	395.1	84,673	64,555	3,239	21,922	4,015	2,753	341.5
Mexico	99,105	98,344	8,861	24,660	27,223	907.1	55,006	65,147	4,114	13,961	23,802	26,061	668.9
Africa	47,990	28,033	2,155	887	(P)	202.9	35,867	20,830	1,551	6,752	856	1,542	111.2
Middle East	40,169	22,443	1,506	938	(P)	88.6	16,591	9,340	784	3,764	696	855	49.5
Asia and Pacific	707,708	492,388	17,224	46,689	39,734	1,810.8	558,121	371,509	16,796	79,129	44,615	36,419	1,305.4
<i>Of which:</i>													
Australia	96,615	65,874	2,629	4,761	1,290	291.0	75,555	52,315	2,209	16,756	4,731	1,217	221.6
Japan	298,485	182,288	4,006	13,514	4,773	404.2	232,322	103,644	3,133	23,648	12,185	2,003	187.8
International	19,032	7,768	1,060	0	0	10.9	10,888	4,387	684	1,510	0	0	10.1
By industry													
Petroleum	341,685	340,447	10,269	4,762	11,414	241.8	252,603	233,056	6,988	89,484	4,655	11,383	176.9
Manufacturing	982,117	1,087,302	56,908	136,201	156,492	4,652.9	839,666	954,037	52,342	251,442	131,652	147,637	3,977.3
Food and kindred products	129,038	133,141	7,492	3,501	5,161	646.6	95,898	108,529	6,362	26,570	3,187	4,788	434.9
Chemicals and allied products	236,473	200,698	19,537	15,429	10,117	609.3	209,859	179,830	18,517	55,040	14,707	9,661	543.6
Primary and fabricated metals	51,675	43,506	1,870	3,253	3,597	228.4	43,460	35,206	1,546	10,729	3,004	3,274	190.0
Industrial machinery and equipment	131,304	173,128	8,266	21,487	34,919	602.1	123,477	163,797	8,088	34,758	21,211	34,193	563.6
Electronic and other electric equipment	90,176	110,418	3,231	21,574	25,787	781.8	82,424	103,537	3,003	22,774	21,462	24,972	721.4
Transportation equipment	147,949	241,818	5,604	54,872	62,580	752.4	118,489	204,365	5,472	41,618	52,939	57,746	642.0
Other manufacturing	195,501	184,593	10,909	16,085	14,329	1032.4	166,060	158,773	9,355	59,952	15,141	13,002	881.7
Wholesale trade	244,358	438,792	16,207	69,521	16,740	601.2	238,236	420,288	15,893	59,109	68,119	16,468	569.7
Finance (except depository institutions), insurance, and real estate	1,794,120	154,402	51,409	31	8	239.5	1,732,655	146,236	49,514	22,912	27	8	222.0
Services	194,427	150,262	7,500	2,047	814	1086.6	173,177	135,679	7,120	52,509	2,010	813	962.8
Other industries	444,134	272,145	12,998	4,590	2,142	1,566.0	198,472	138,486	5,099	35,279	4,172	1,840	991.1

D Suppressed to avoid disclosure of data of individual companies.
 NOTE.—The data in this table are from "U.S. Multinational Companies: Operations in 1998" in the July 2000 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 Affiliate, 1997–99

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1997	1998	1999	1997	1998	1999	1997	1998	1999
All countries, all industries	689,834	793,748	986,668	103,513	181,764	271,169	40,359	32,782	51,004
By country									
Canada	65,144	74,143	79,716	10,838	16,012	12,228	2,840	1,563	1,482
Europe	433,876	528,601	685,845	71,860	160,722	234,548	30,883	25,722	42,504
<i>Of which:</i>									
France	49,515	58,051	77,622	10,932	10,371	19,310	2,851	1,475	3,035
Germany	70,901	94,404	111,138	12,186	42,110	22,701	3,361	4,860	6,244
Luxembourg	11,433	26,650	54,894	5,334	14,299	25,888	476	1,162	2,766
Netherlands	87,584	98,926	130,703	12,710	9,606	32,845	6,957	5,618	8,638
Switzerland	37,874	48,403	55,280	8,611	6,392	4,930	3,110	1,582	5,181
United Kingdom	130,883	143,165	183,145	11,395	65,701	116,605	10,925	6,929	12,355
Latin America and Other Western Hemisphere	33,008	27,854	44,591	3,819	-2,817	16,787	1,730	907	1,155
<i>Of which:</i>									
Bermuda	3,506	3,740	13,054	1,853	-139	9,737	232	172	222
Mexico	3,244	2,432	3,612	323	1,057	1,214	199	246	260
Panama	5,898	6,504	5,896	328	1,121	-124	725	872	753
United Kingdom Islands—Caribbean	11,425	9,009	13,883	3,457	-2,082	4,351	149	-339	244
Africa	1,464	862	1,545	434	-593	415	-352	-90	-78
Middle East	6,585	6,346	7,087	768	509	371	576	371	165
Asia and Pacific	149,757	155,943	167,884	15,795	7,931	6,820	4,682	4,309	5,777
<i>Of which:</i>									
Australia	13,977	12,883	10,818	1,821	904	-2,507	36	-245	-569
Japan	126,464	134,590	148,947	10,559	7,563	9,529	5,513	5,160	5,892
By industry									
Petroleum	42,632	51,729	55,940	3,847	58,813	5,558	4,110	1,383	5,113
Manufacturing	271,287	334,898	391,013	34,218	87,010	72,610	17,842	19,795	27,570
Food and kindred products	26,196	22,026	16,717	-1,793	-5,031	-2,285	1,384	594	1,631
Chemicals and allied products	86,558	95,662	103,465	11,804	10,340	9,416	5,270	6,815	6,604
Primary and fabricated metals	20,466	19,340	21,808	2,067	853	1,619	1,486	1,784	1,458
Machinery	51,693	62,067	76,584	11,147	19,675	24,132	2,691	1,417	2,362
Other manufacturing	86,373	135,803	172,440	10,992	61,173	39,729	7,011	9,184	15,514
Wholesale trade	86,248	89,980	108,936	13,020	10,364	11,853	4,148	4,435	7,381
Retail trade	17,546	21,090	23,386	3,181	4,123	2,478	446	766	1,830
Depository institutions	38,956	43,804	60,118	7,626	4,618	18,331	3,860	2,694	2,934
Finance, except depository institutions	44,024	45,895	52,133	6,970	2,388	8,793	1,949	-1,975	-138
Insurance	71,327	77,785	101,760	12,922	5,537	27,014	4,599	3,795	4,383
Real estate	38,922	43,558	44,720	5,149	2,980	1,341	584	490	939
Services	35,410	41,271	57,558	4,680	6,764	16,876	985	1,067	2,157
Other industries	43,481	43,741	91,106	11,901	-832	106,315	1,835	333	-1,166

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

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 1999" in the September 2000 issue of the SURVEY OF CURRENT BUSINESS.

H. International Perspectives

Quarterly data in this table are shown in the middle month of the quarter.

Table H.1.—International Perspectives

	1998	1999	1999						2000							
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Exchange rates per U.S. dollar (not seasonally adjusted) ¹																
Canada (Can.\$/US\$)	1.4836	1.4858	1.4890	1.4932	1.4771	1.4776	1.4674	1.4722	1.4486	1.4512	1.4608	1.4689	1.4957	1.4770	1.4778	1.4828
European Monetary Union (US\$/Euro) ²	1.7597	1.0653	1.0370	1.0605	1.0497	1.0706	1.0328	1.0110	1.0131	.9834	.9643	.9449	.9059	.9505	.9386	.9045
France (FFr/US\$) ²	5.8995	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Germany (DM/US\$) ²	1.7597	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Italy (L/US\$) ²	17.3685	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Japan (¥/US\$)	1.3099	1.1373	1.1933	1.1323	1.0688	1.0597	1.0465	1.0258	1.0530	1.0939	1.0631	1.0563	1.0832	1.0613	1.0821	1.0808
Mexico (Peso/US\$)	9.1520	9.5530	9.3700	9.3980	9.3410	9.5750	9.4160	9.4270	9.4940	9.4270	9.2890	9.3940	9.5060	.9834	.9419	.9272
United Kingdom (US\$/£)	1.6573	1.6172	1.5751	1.6058	1.6247	1.6572	1.6205	1.6132	1.6404	1.6000	1.5799	1.5823	1.5090	1.5092	1.5076	1.4889
Addendum: Exchange value of the U.S. dollar ³	116.48	116.87	117.97	117.00	116.38	115.88	116.08	116.09	115.95	117.44	117.44	118.10	120.70	119.43	119.86	120.64
Unemployment rates (percent, monthly data seasonally adjusted)																
Canada	8.3	7.6	7.6	7.7	7.4	7.1	6.9	6.8	6.8	6.8	6.8	6.8	6.6	6.6	6.8	7.1
France	11.8	11.2	11.2	11.3	11.1	11.0	10.8	10.6	10.5	10.2	10.0	9.9	9.8	9.6	9.7	9.6
Germany	11.1	10.5	10.5	10.5	10.5	10.5	10.4	10.2	10.1	10.0	10.1	9.6	9.6	9.6	9.5	9.5
Italy	11.8	11.4	.....	11.5	.....	.....	11.0	.....	.....	11.2	.....	.....	10.7	.....	.....	10.5
Japan	4.1	4.7	4.8	4.7	4.7	4.6	4.6	4.7	4.7	4.9	4.9	4.8	4.6	4.7	4.7	4.6
Mexico .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
United Kingdom	4.7	4.3	4.3	4.2	4.2	4.2	4.1	4.1	4.0	4.0	3.9	3.8	3.8	3.8	3.7	3.6
Addendum: United States	4.5	4.2	4.3	4.2	4.2	4.1	4.1	4.1	4.0	4.1	4.1	3.9	4.1	4.0	4.0	4.1
Consumer prices (monthly data seasonally adjusted, 1995=100)																
Canada	104.2	106.1	106.3	106.6	106.9	107.0	106.9	107.0	106.9	107.5	108.2	107.9	108.4	109.1	109.5	109.3
France	104.0	104.6	104.4	104.5	104.7	104.8	104.8	105.4	105.4	105.5	106.0	106.0	106.2	106.4	106.2	106.4
Germany	104.3	104.9	105.4	105.3	105.1	105.0	105.2	105.5	105.8	106.2	106.4	106.4	106.3	106.9	107.4	107.2
Italy	108.2	110.0	110.1	110.2	110.4	110.8	111.0	111.1	111.3	111.7	112.0	112.1	112.5	112.8	113.0	113.1
Japan	102.5	102.2	101.8	102.1	102.4	102.6	102.0	101.7	101.4	101.3	101.5	101.7	101.8	101.5	101.3	101.3
Mexico	187.9	219.1	219.8	221.0	223.2	224.6	226.6	228.8	231.9	234.0	235.3	236.6	237.5	238.9	239.8	241.1
United Kingdom	109.3	111.0	110.8	111.0	111.5	111.7	111.8	112.2	111.8	112.4	113.0	114.1	114.5	114.8	114.4	114.4
Addendum: United States	107.0	109.3	109.4	109.7	110.1	110.3	110.5	110.8	111.0	111.6	112.3	112.3	112.5	113.1	113.4	113.3
Real gross domestic product (percent change from preceding quarter, quarterly data seasonally adjusted at annual rates)																
Canada	3.3	4.5	.....	.....	.....	.....	5.1	.....	.....	5.1	.....	.....	4.7	.....	.....	.....
France	3.2	2.9	.....	4.0	.....	.....	4.0	.....	.....	2.6	.....	.....	2.9	.....	.....	.....
Germany	1.8	1.4	.....	3.5	.....	.....	3.0	.....	.....	3.1	.....	.....	4.7	.....	.....	.....
Italy	1.5	1.4	.....	2.9	.....	.....	2.2	.....	.....	4.3	.....	.....	1.1	.....	.....	.....
Japan .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Mexico	4.8	3.7	.....	4.3	.....	.....	5.2	.....	.....	7.9	.....	.....	7.6	.....	.....	.....
United Kingdom	2.6	2.1	.....	4.0	.....	.....	2.9	.....	.....	1.8	.....	.....	3.9	.....	.....	2.8
Addendum: United States	4.4	4.2	.....	5.7	.....	.....	8.3	.....	.....	4.8	.....	.....	5.6	.....	.....	2.7

See footnotes at the end of the table.

Table H.1.—International Perspectives—Continued

	1998	1999	1999						2000							
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Short-term, 3-month, interest rates (percent, not seasonally adjusted)																
Canada	5.04	4.89	4.77	4.89	4.81	5.00	5.03	5.10	5.20	5.25	5.99	5.50	5.91	.....	.....	.....
France	3.56	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Germany	3.54	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Italy	4.99	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Japan .....	.72	.25	.08	.07	.12	.28	.34	.26	.12	.10	.....	.....	.....	.....	.....	.....
Mexico	26.11	22.38	20.78	21.48	21.34	20.30	18.68	17.65	17.43	16.44	14.46	14.37	15.58	16.61	14.62	15.71
United Kingdom	7.33	5.45	5.07	5.17	5.32	5.94	5.78	5.96	6.05	6.15	6.15	6.20	6.23	6.13	6.11	6.13
Addendum:																
United States	4.81	4.66	4.60	4.76	4.73	4.88	5.07	5.23	5.34	5.57	5.72	5.67	5.92	5.74	5.93	6.11
Long-term interest rates, government bond yields (percent, not seasonally adjusted)																
Canada	5.45	5.68	5.61	5.85	5.88	6.26	6.15	6.22	6.48	6.19	5.93	5.90	6.10	5.89	5.84	5.77
France	4.82	4.94	5.08	5.17	5.35	5.67	5.66	5.81	6.11	5.96	5.73	5.84	5.92	5.94	6.00	6.04
Germany	4.6	4.5	4.7	4.9	5.0	5.3	5.0	5.2	5.5	5.5	5.3	5.2	5.4	5.2	5.3	5.2
Italy	4.88	4.73	4.94	5.13	5.28	5.52	5.25	5.36	5.75	5.73	5.58	5.47	5.67	5.51	5.59	5.56
Japan	1.54	1.75	1.70	1.88	1.76	1.69	1.82	1.77	1.69	1.8	1.8	1.7	1.7	1.7	1.7	1.8
United Kingdom	5.52	5.08	5.33	5.38	5.65	5.83	5.28	5.38	5.82	5.62	5.36	5.30	5.40	5.20	5.20	5.29
Addendum:																
United States	5.26	5.65	5.79	5.94	5.92	6.11	6.03	6.28	6.66	6.52	6.26	5.99	6.44	6.10	6.05	5.83
Share price indices (not seasonally adjusted, 1995=100)																
Canada	152.4	159.2	159.7	157.2	156.9	163.7	169.7	189.8	191.3	205.9	213.4	210.8	208.7	229.9	234.7	253.7
France	192.2	234.6	236.1	231.7	242.3	243.0	264.9	289.3	295.1	316.7	329.7	318.2	324.2	333.4	332.6	336.5
Germany	197.7	204.9	209.8	200.8	203.2	202.7	218.1	234.8	253.6	279.6	293.8	272.9	265.8	266.0	262.9	261.8
Italy	221	246	248	234	243	235	241	271	283	320	337	309	316	321	326	325
Japan	85	100	107	106	108	110	117	119	120	124	.....	.....	.....	.....	.....	.....
Mexico	191.1	240.3	237.0	229.2	227.6	245.6	276.5	321.3	296.7	332.0	336.7	299.2	268.6	313.1	293.5	300.3
United Kingdom	150.5	168.4	173.5	168.9	166.7	164.3	175.0	185.1	183.7	178.2	189.8	178.7	175.2	182.1	182.3	180.7
Addendum:																
United States	189	213	223	213	209	206	218	219	218	208	214	222	220	223	224	229

1. All exchange rates are from the Board of Governors of the Federal Reserve System.

2. As of January 1, 1999, the euro is reported in place of the individual euro-area currencies. These currency rates can be derived from the euro rate by using the following conversion rates: 1 euro = 6.55957 French francs, 1.95583 German marks, and 1936.27 Italian lire.

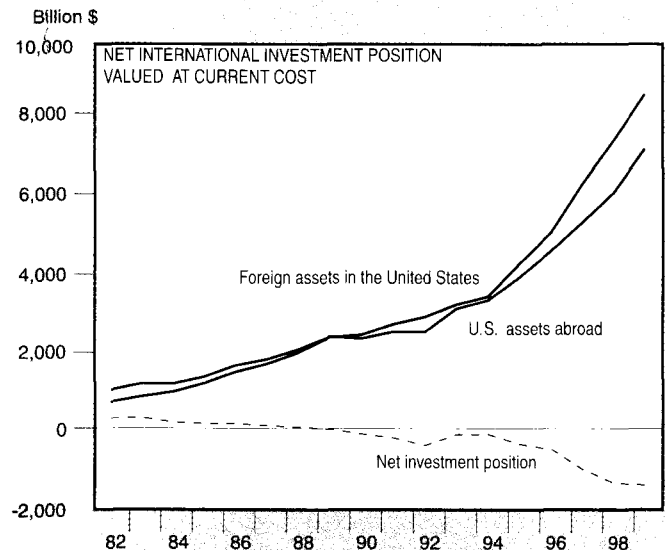
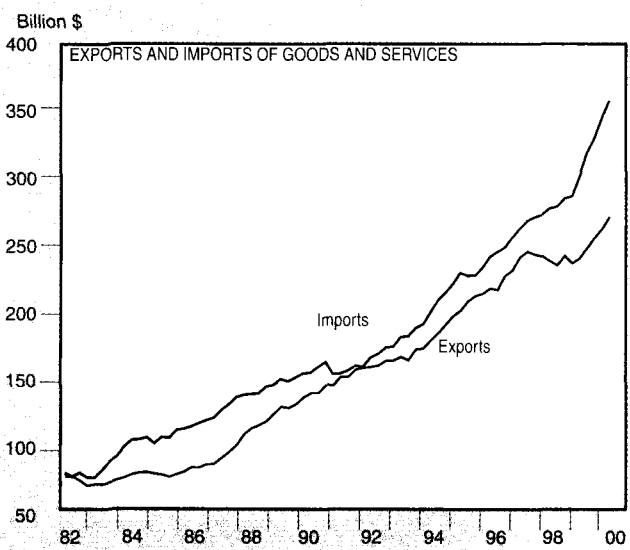
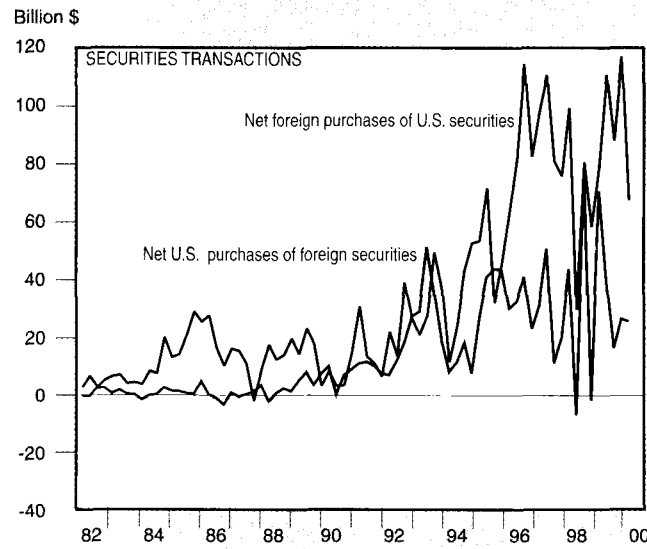
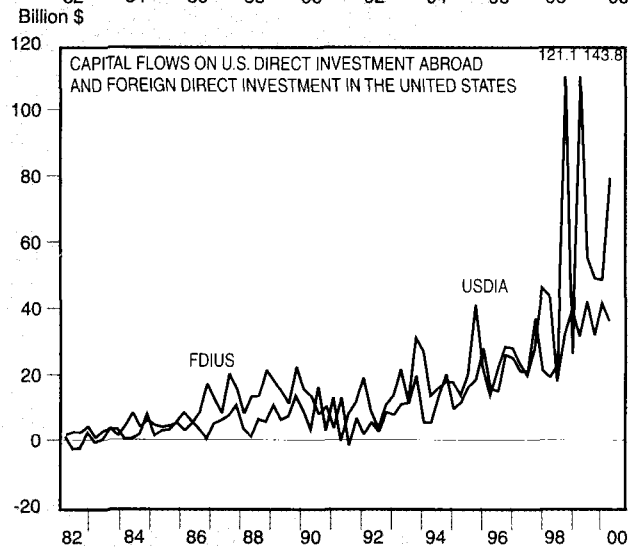
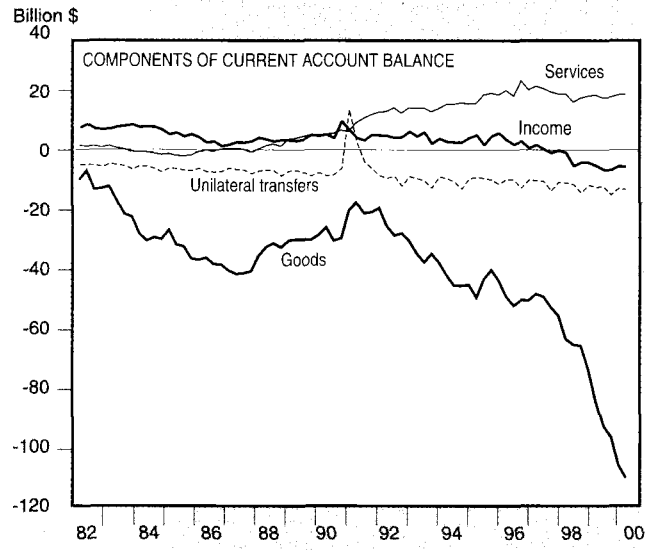
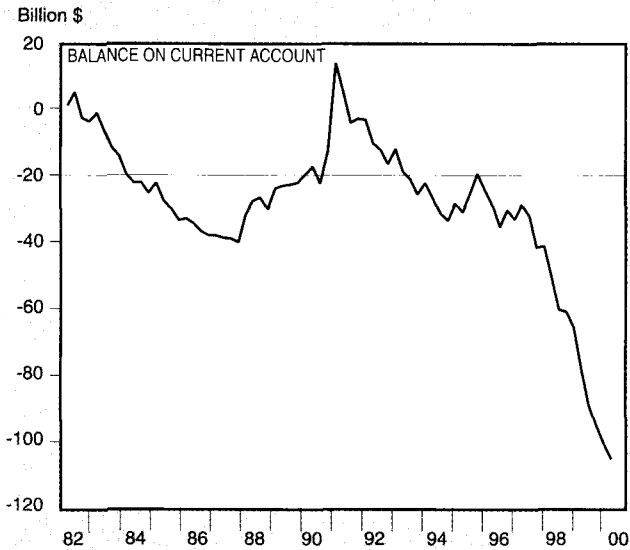
3. The rate shown for the United States is an index of the weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of major U.S. trading partners, January 1997=100 and

reflects revised trade weights. For more information on the exchange rate indexes, see "New Summary Measures of the Foreign Exchange Value of the Dollar," *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-18.

NOTE.—U.S. interest rates, unemployment rates, and GDP growth rates are from the Federal Reserve, the Bureau of Labor Statistics, and BEA, respectively. GDP growth rates for other countries are calculated from levels published by those countries. All other data (including U.S. consumer prices and U.S. share prices, both of which have been rebased to 1995 to facilitate comparison) are © OECD and are reproduced with permission.

I. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY



U.S. Department of Commerce, Bureau of Economic Analysis

Table J.3.—Per Capita Personal Income and Per Capita Disposable Personal Income for States and Regions

Area name	Per capita personal income ¹				Per capita disposable personal income ¹			
	Dollars			Rank in U.S.	Dollars			Rank in U.S.
	1997	1998	1999	1999	1997	1998	1999	1999
United States	25,874	27,322	28,542	.....	22,260	23,363	24,322	.....
New England	30,510	32,365	34,173	.....	25,604	26,916	28,320	.....
Connecticut	35,596	37,452	39,300	1	29,264	30,365	31,697	1
Maine	22,305	23,529	24,603	37	19,435	20,327	21,165	37
Massachusetts	31,332	33,394	35,551	2	26,112	27,600	29,294	3
New Hampshire	27,607	29,679	31,114	8	24,030	25,778	26,973	6
Rhode Island	26,631	28,012	29,377	15	23,144	24,188	25,342	13
Vermont	23,362	24,803	25,889	32	20,310	21,456	22,318	32
Mideast	29,511	31,161	32,628	.....	24,995	26,175	27,286	.....
Delaware	27,405	29,571	30,778	11	23,109	24,997	26,021	12
District of Columbia	36,087	37,714	39,858	.....	30,384	31,300	32,905	.....
Maryland	29,222	30,850	32,465	5	24,661	25,849	27,116	5
New Jersey	32,372	34,310	35,551	2	27,437	28,786	29,683	2
New York	30,480	32,236	33,890	4	25,570	26,801	28,020	4
Pennsylvania	26,092	27,358	28,605	16	22,507	23,456	24,456	17
Great Lakes	25,825	27,224	28,348	.....	22,125	23,195	24,070	.....
Illinois	28,347	29,974	31,145	7	24,260	25,491	26,384	9
Indiana	23,748	25,182	26,143	30	20,404	21,544	22,279	34
Michigan	25,570	26,807	28,113	18	21,920	22,803	23,836	20
Ohio	24,913	26,164	27,152	23	21,393	22,389	23,150	25
Wisconsin	24,790	26,245	27,390	21	21,100	22,226	23,163	24
Plains	24,861	26,282	27,350	.....	21,497	22,644	23,564	.....
Iowa	23,798	24,844	25,615	33	20,770	21,664	22,296	33
Kansas	24,355	25,687	26,824	27	21,062	22,185	23,146	26
Minnesota	27,548	29,503	30,793	10	23,316	24,847	26,113	10
Missouri	24,252	25,403	26,376	29	21,081	21,974	22,745	28
Nebraska	24,590	25,861	27,049	24	21,455	22,432	23,370	23
North Dakota	20,798	22,767	23,313	39	18,491	20,311	20,682	38
South Dakota	22,275	23,797	25,045	36	20,034	21,402	22,463	31
Southeast	23,518	24,780	25,703	.....	20,508	21,518	22,238	.....
Alabama	21,129	22,123	22,987	42	18,596	19,456	20,170	42
Arkansas	20,229	21,260	22,244	46	17,855	18,706	19,532	46
Florida	25,722	26,930	27,780	19	22,453	23,352	23,981	19
Georgia	24,547	26,134	27,340	22	21,153	22,420	23,378	22
Kentucky	21,215	22,353	23,237	41	18,397	19,329	20,033	43
Louisiana	21,209	22,352	22,847	44	18,715	19,758	20,171	41
Mississippi	18,885	20,013	20,688	50	16,925	17,900	18,467	50
North Carolina	24,188	25,454	26,003	31	20,907	21,903	22,227	35
South Carolina	21,385	22,544	23,545	38	18,702	19,671	20,555	39
Tennessee	23,324	24,576	25,574	34	20,754	21,834	22,674	29
Virginia	26,768	28,343	29,789	14	22,882	24,040	25,139	15
West Virginia	19,388	20,246	20,966	49	17,174	17,902	18,498	49
Southwest	23,414	24,857	25,862	.....	20,619	21,779	22,606	.....
Arizona	22,781	24,133	25,189	35	19,819	20,860	21,721	36
New Mexico	20,233	21,178	21,853	48	17,853	18,663	19,229	48
Oklahoma	21,106	22,199	22,953	43	18,472	19,335	20,023	44
Texas	24,242	25,803	26,858	26	21,421	22,674	23,544	21
Rocky Mountain	24,259	25,756	27,072	.....	20,898	22,110	23,188	.....
Colorado	27,950	29,860	31,546	6	23,880	25,346	26,674	8
Idaho	20,830	21,923	22,835	45	18,201	19,138	19,883	45
Montana	20,167	21,324	22,019	47	17,771	18,749	19,303	47
Utah	21,156	22,294	23,288	40	18,261	19,294	20,222	40
Wyoming	23,820	24,927	26,396	28	20,597	21,452	22,654	30
Far West	26,671	28,168	29,727	.....	22,864	23,954	25,170	.....
Alaska	27,042	27,904	28,577	17	23,772	24,441	25,022	16
California	26,759	28,280	29,910	13	22,836	23,937	25,195	14
Hawaii	26,241	26,725	27,544	20	23,006	23,368	24,075	18
Nevada	28,201	29,806	31,022	9	24,542	25,726	26,685	7
Oregon	24,845	25,958	27,023	25	21,134	22,105	23,003	27
Washington	26,817	28,632	30,392	12	23,397	24,645	26,041	11

1. Per capita personal income and per capita disposable personal income were computed using midyear population estimates from the Bureau of the Census.

NOTE.—The personal income level shown for the United States is derived as the sum of the State estimates. It differs from the estimate of personal income in the national income and product accounts (NIPAs) because of differences in coverage, in the methodologies used to prepare the

estimates, and in the timing of the availability of source data. In particular, it differs from the NIPA estimate because, by definition, it omits the earnings of Federal civilian and military personnel stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms.

Source: Tables 1 and 2 in "State Personal Income, Revised Estimates for 1997-99" in the October 2000 SURVEY OF CURRENT BUSINESS.

K. Local Area Table

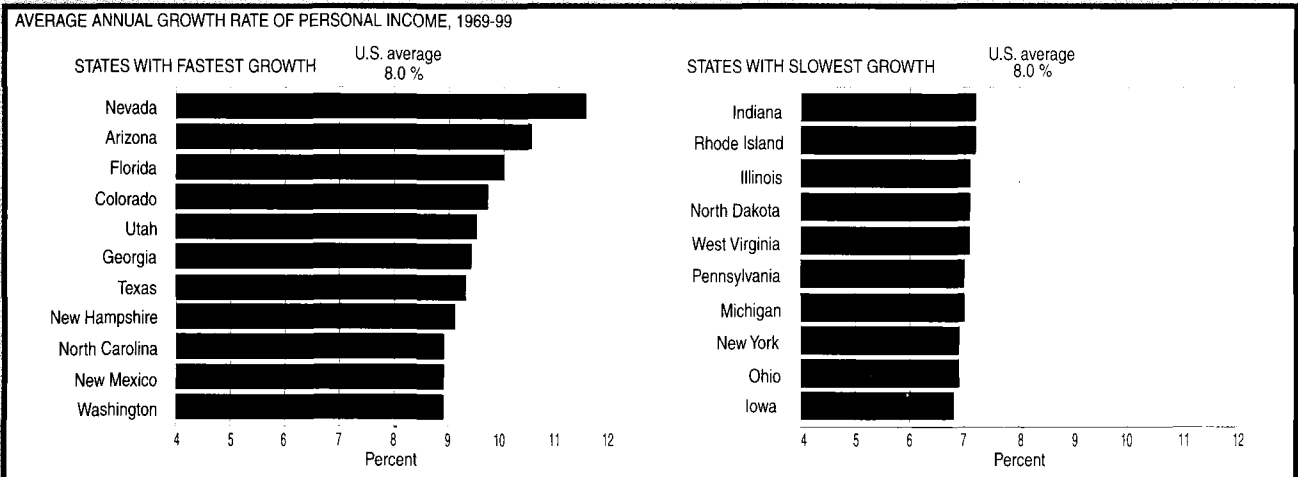
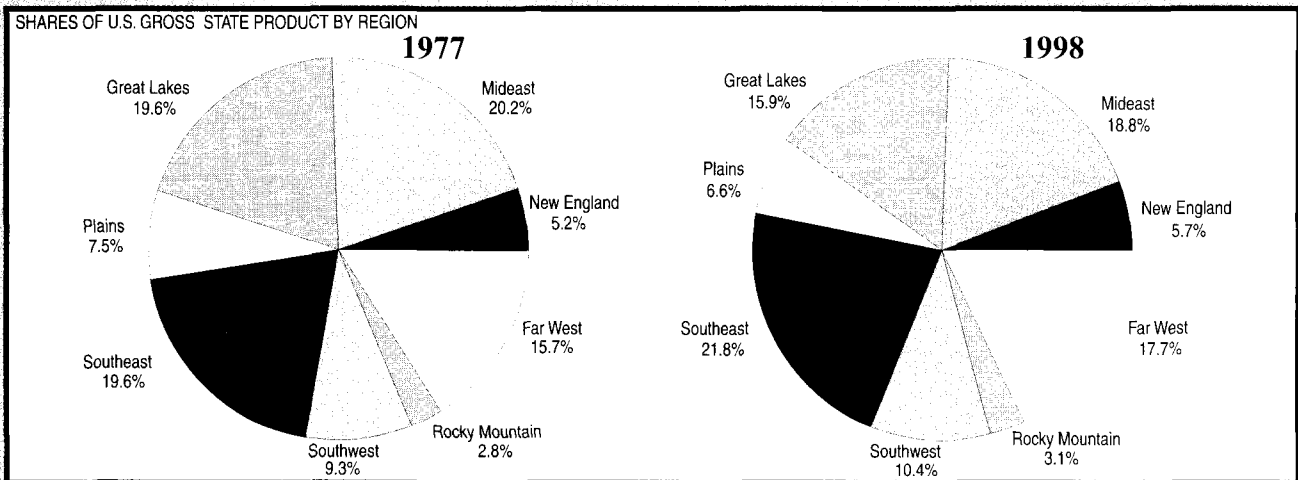
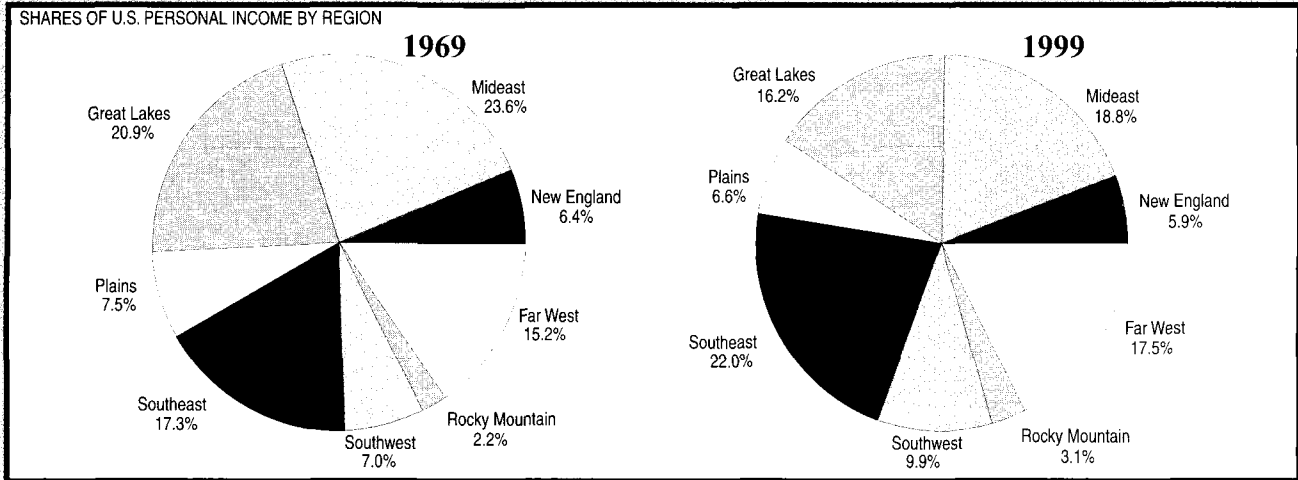
Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1996–98

Table with columns for Area name, Personal income (Millions of dollars, Percent change), and Per capita personal income (Dollars, Rank in U.S.). Rows list various metropolitan areas such as United States, Metropolitan portion, Nonmetropolitan portion, and Consolidated Metropolitan Statistical Areas, including cities like Chicago, New York, Los Angeles, and many others.

See footnotes at the end of the table.

L. Charts

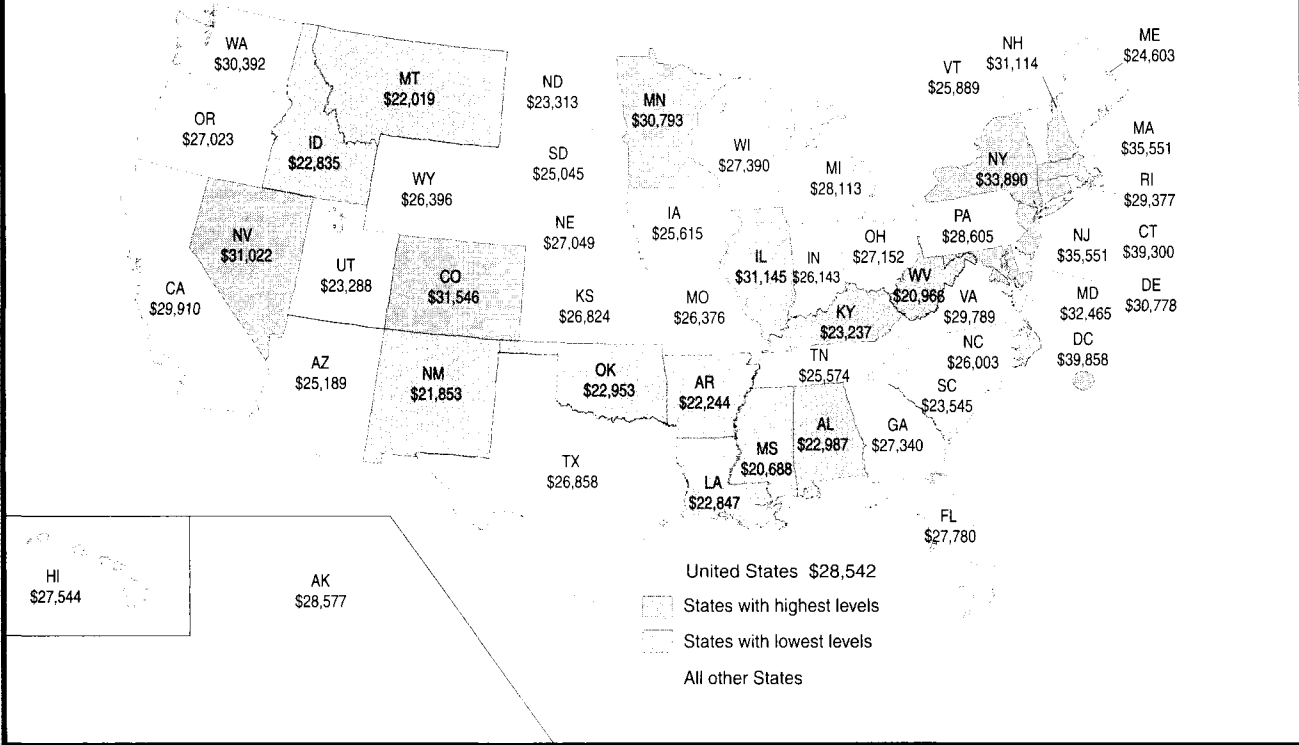
SELECTED REGIONAL ESTIMATES



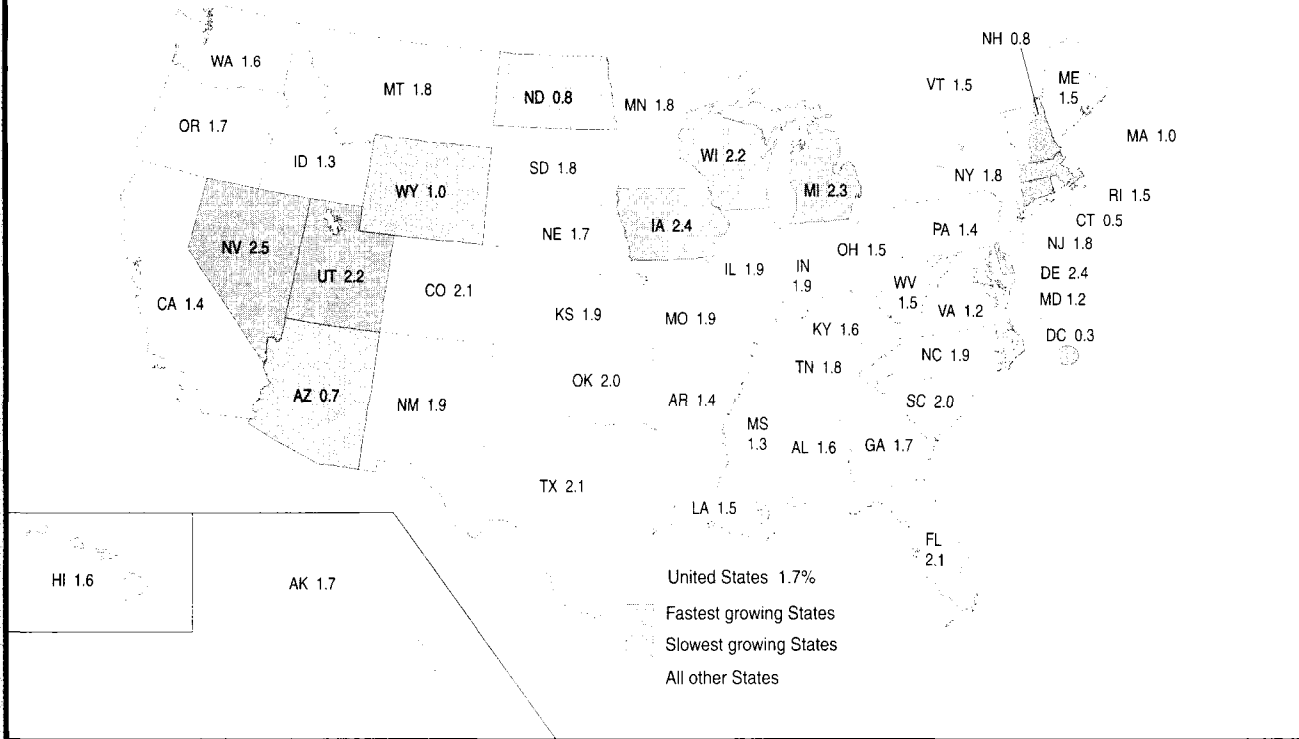
U.S. Department of Commerce, Bureau of Economic Analysis

SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 1999



PERSONAL INCOME: PERCENT CHANGE, 2000:I-2000:II



Appendix A

Additional Information About the NIPA Estimates

Statistical Conventions

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

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

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

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

increased by 10 percent in 1997, then the “chained (1996) dollar” value of this component in 1997 would be \$110 ($\100×1.10). Note that percentage changes in the chained (1996) dollar estimates and the percentage changes calculated from the quantity indexes are identical, except for small differences due to rounding.

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

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

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

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

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

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

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

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

Reconciliation Tables

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

	1998	1999	Seasonally adjusted at annual rates					
			1999			2000		
			II	III	IV	I	II	III ^P
BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing) ¹	5.1	4.8	5.0	5.5	4.2	3.9	5.8	5.8
Less: Contribution of supplements to wages and salaries per hour	-5	-3	-4	-5	-4	.1	.1	-1
Plus: Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions	-3	-1	-3	-5	-3	-1	-1	-1
Less: Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed	-1	0	-1	-1	-1	-1	-3	-1
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	5.5	5.0	5.1	5.5	4.4	3.7	5.9	5.8
Less: Contribution of wages and salaries per hour of nonproduction workers in manufacturing	-1	-1	.4	.4	0	.2	.4	.4
Less: Other differences ²	1.5	1.4	1.0	1.4	1.3	-3	1.6	1.7
Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls	4.1	3.6	3.7	3.7	3.1	3.8	3.9	3.8
Addendum:								
BLS estimates of compensation per hour in the nonfarm business sector ³	5.3	5.0	5.0	5.5	4.2	3.9	7.0	5.8

^P Preliminary.

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

2. Includes BEA use of non-BLS data and differences in detailed weighting. Annual estimates also include differences in BEA and BLS benchmark procedures; quarterly estimates also include

differences in seasonal adjustment procedures.

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

BLS Bureau of Labor Statistics

Table 2.—Relation of Net Exports of Goods and Services and Net Receipts of Factor Income in the NIPA's to Balance on Goods, Services, and Income in the ITA's

[Billions of dollars]

	Line	1998	1999	Seasonally adjusted at annual rates					
				1999				2000	
				I	II	III	IV	I	II
Exports of goods, services, and income receipts, ITA's	1	1,191.4	1,232.4	1,174.9	1,204.0	1,252.3	1,298.4	1,347.4	1,408.3
Less: Gold, ITA's	2	5.5	5.3	3.0	3.2	6.1	8.8	9.6	3.7
Statistical differences ¹	3	0	0	0	0	0	0	8.8	8.8
Other items	4	.9	1.0	.9	.9	1.1	1.1	1.3	1.3
Plus: Adjustment for grossing of parent/affiliate interest payments	5	4.5	4.6	4.2	4.4	4.6	5.3	6.0	5.6
Adjustment for U.S. territories and Puerto Rico	6	43.3	48.9	46.3	48.0	48.6	52.8	52.7	51.3
Services furnished without payment by financial intermediaries except life insurance carriers	7	18.5	16.4	17.7	16.7	15.7	15.5	16.4	16.9
Equals: Exports of goods and services and income receipts, NIPA's	8	1,251.4	1,296.1	1,239.2	1,268.9	1,314.0	1,362.2	1,402.8	1,468.3
Imports of goods, services, and income payments, ITA's	9	1,364.5	1,515.9	1,398.1	1,473.8	1,565.3	1,626.3	1,705.3	1,783.5
Less: Gold, ITA's	10	6.5	5.8	3.3	3.2	7.4	9.3	9.6	3.0
Statistical differences ¹	11	0	0	0	0	0	0	5.5	5.6
Other items	12	0	0	0	0	0	0	0	0
Plus: Gold, NIPA's	13	-3.1	-2.7	-2.6	-2.7	-2.6	-2.7	-3.2	-3.1
Adjustment for grossing of parent/affiliate interest payments	14	4.5	4.6	4.2	4.4	4.6	5.3	6.0	5.6
Adjustment for U.S. territories and Puerto Rico	15	28.4	32.6	28.4	30.0	32.5	39.6	36.2	37.5
Imputed interest paid to rest of world	16	18.5	16.4	17.7	16.7	15.7	15.5	16.4	16.9
Equals: Imports of goods and services and income payments, NIPA's	17	1,406.4	1,561.1	1,442.5	1,519.0	1,608.1	1,674.8	1,745.7	1,832.0
Balance on goods, services, and income, ITA's (1-9)	18	-173.1	-283.5	-223.2	-269.8	-313.0	-327.9	-357.9	-375.2
Less: Gold (2-10+13)	19	-4.1	-3.2	-2.9	-2.7	-3.9	-3.2	-3.2	-2.4
Statistical differences (3-11) ¹	20	0	0	0	0	0	0	3.3	3.2
Other items (4-12)	21	.9	1.0	.9	.9	1.1	1.1	1.3	1.3
Plus: Adjustment for U.S. territories and Puerto Rico (6-15)	22	14.9	16.3	17.9	18.0	16.1	13.2	16.5	13.8
Equals: Net exports of goods and services and net receipts of income, NIPA's (8-17)	23	-155.0	-265.0	-203.3	-250.1	-294.1	-312.6	-342.9	-363.7

1. Consists of statistical revisions in the NIPA's that have not yet been incorporated into the ITA's (2000:II) and statistical revisions in the ITA's that have not yet been incorporated into the NIPA's (2000:I-2000:II).

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

Appendix B

Suggested Reading

The Bureau of Economic Analysis (BEA) has published a wealth of information about the methodologies that are used to prepare its national, regional, and international accounts.

National accounts

The national accounts encompass the detailed estimates in the national income and product accounts (including gross domestic product), the estimates of wealth and related estimates, gross product by industry, the input-output accounts, and the satellite accounts.

National income and product accounts (NIPAs). This series of papers documents the conceptual framework of the NIPAs and the methodologies that have been used to prepare the estimates.

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

Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends (1985)

Foreign Transactions (1987) [A revised version is forthcoming.]

GNP: An Overview of Source Data and Estimating Methods (1987) [Most of the information in this paper has been superseded by "A Guide to the NIPAs" (March 1998 SURVEY).]

Government Transactions (1988)

Personal Consumption Expenditures (1990)

These methodologies have been updated and improved, typically as part of the comprehensive and annual revisions of the NIPAs. The most recent revisions are described in the following SURVEY articles.

"A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts" Definitional and Classificational Changes (August 1999)

New and Redesigned Tables (September 1999)

Statistical Changes (October 1999)

"Improved Estimates of the National Income and Product Accounts: Results of the Comprehensive Revision"

For 1959-98 (December 1999)

For 1929-99 (April 2000)

"Annual Revision of the U.S. National Income and Product Accounts" (August 2000)

"A Guide to the NIPAs" (March 1998) provides the definitions of the major NIPA aggregates and components, discusses the measures of real output and prices, explains how production is classified and how the NIPAs are presented, describes the statistical conventions that are used, and lists the principal source data and methods that are used to prepare the estimates of gross domestic product (GDP).

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

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

"Reliability of the Quarterly and Annual Estimates of GDP and Gross Domestic Income" (December 1998) evaluates these estimates by examining the record of revisions to them.

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

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

Gross product by industry. "Improved Estimates of

Mission and Strategic Plan

The mission statement of the Bureau of Economic Analysis and the latest update to its strategic plan for improving the accuracy, reliability, and relevance of the national, regional, and international accounts are available on BEA's Web site at <www.bea.doc.gov>. For information about the development and the implementation of the plan, see these SURVEY articles.

"Mid-Decade Strategic Review of BEA's Economic Accounts: Maintaining and Improving Their Performance" (February 1995)

"Mid-Decade Strategic Review of BEA's Economic Accounts: An Update" (April 1995)

"BEA's Mid-Decade Strategic Plan: A Progress Report" (June 1996)

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

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

"Annual Input-Output Accounts of the U.S. Economy, 1996" (January 2000) presents annual tables for 1996 that update the 1992 benchmark accounts.

Satellite accounts. These accounts extend the analytical capacity of the national accounts by focusing on one aspect of economic activity.

"Integrated Economic and Environmental Satellite Accounts" and "Accounting for Mineral Resources: Issues and BEA's Initial Estimates" (April 1994)

"A Satellite Account for Research and Development" (November 1994)

"U.S. Transportation Satellite Accounts"

For 1992 (April 1998)

For 1996 (May 2000)

"U.S. Travel and Tourism Satellite Accounts"

For 1992 (July 1998)

For 1996 and 1997 (July 2000)

International accounts

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

International transactions accounts (ITA's). *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 ITA's and the international investment position of the United States. These methodologies are usually updated and improved as part of the annual revisions of the ITA's.

"U.S. International Transactions, Revised Estimates" is a series of articles about the annual ITA revisions and the improvements in methodology; the latest article is published in the July 2000 issue.

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

"Methodology for U.S. Direct Investment Abroad," which is also available in *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (1998)

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

"Methodology for Foreign Direct Investment in the United States," which is also available in *Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results* (1995)

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

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.

Regional accounts

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

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

"Comprehensive Revision of State Personal Income for 1969-99" (June 2000) summarizes the changes in the methodology that is used to prepare the estimates. The detailed methodology is available on the CD-ROM *State Personal Income, 1969-98*.

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

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

Availability

Most of the items listed here are available on our Web site at <www.bea.doc.gov>; in particular, look under "Methodologies." Our online *Catalog of Products* provides descriptions of both our printed and electronic publications. The *Catalog* also includes links to compressed files of our diskette products that can be downloaded for free.

For specific information about the availability of our most recently released estimates and products, see "Getting BEA's Estimates" on the inside back cover.



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Schedule of Upcoming BEA News Releases

U.S. International Trade in Goods and Services, September 2000*	Nov. 21	8:30 a.m.
Gross Domestic Product, 3rd quarter 2000 (preliminary) and Corporate Profits, 3rd quarter 2000 (preliminary)	Nov. 29	8:30 a.m.
Personal Income and Outlays, October 2000	Nov. 30	8:30 a.m.
U.S. International Transactions, 3rd quarter 2000	Dec. 14	10:00 a.m.
Input-Output Estimates, 1997	Dec. 18	10:00 a.m.
U.S. International Trade in Goods and Services, October 2000*	Dec. 19	8:30 a.m.
Gross Domestic Product, 3rd quarter 2000 (final) and Corporate Profits, 3rd quarter 2000 (revised)	Dec. 21	8:30 a.m.
Personal Income and Outlays, November 2000	Dec. 22	8:30 a.m.
U.S. International Trade in Goods and Services, November 2000*	Jan. 19	8:30 a.m.
State Personal Income, 3rd quarter 2000	Jan. 24	9:00 a.m.
Gross Domestic Product, 4th quarter 2000 (advance)	Jan. 31	8:30 a.m.
Personal Income and Outlays, December 2000	Feb. 1	8:30 a.m.
U.S. International Trade in Goods and Services, December 2000*	Feb. 21	8:30 a.m.
Gross Domestic Product, 4th quarter 2000 (preliminary)	Feb. 28	8:30 a.m.

* Joint release by the Bureau of the Census and the Bureau of Economic Analysis (BEA)
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