

SURVEY OF CURRENT BUSINESS



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SURVEY OF CURRENT BUSINESS

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- 1 GDP and the Economy: Preliminary Estimates for the First Quarter of 2007**
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- 11 Government Receipts and Expenditures: Estimates for the First Quarter of 2007**
Net government saving decreased \$32.4 billion to -\$171.6 billion. Net Federal Government saving decreased \$13.0 billion to -\$133.7 billion. Net state and local government saving decreased \$19.5 billion to -\$37.9 billion.
- 14 U.S. Travel and Tourism Satellite Accounts for 1998–2006**
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- 30 A Proposal To Include Motor Vehicle Services in the U.S. Travel and Tourism Satellite Accounts**
Motor vehicles are widely used in the United States for travel and tourism. However, in keeping with international guidelines, the travel and tourism accounts do not include most motor vehicle services. Accounting for such services would require several changes to the current accounts.
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www.bea.gov

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Looking Ahead . . .

Annual Revision of the U.S. International Transactions Accounts. A summary of the major sources of the revisions to these accounts for 1997–2006 will be published in the July *SURVEY*.

Gross Domestic Product by State. The advance estimates for 2006 and the revised estimates for 2003–2005 will also be published in the July *SURVEY*.

Director's Message

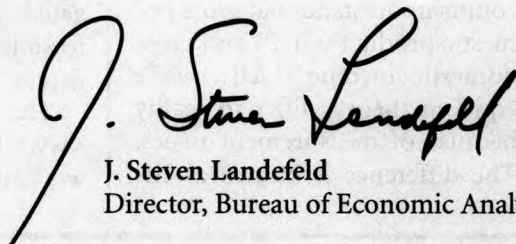
The role of health care in the economy has never been more critical, and I am pleased to note that the Bureau of Economic Analysis (BEA) is actively involved in various efforts to develop better health care-related statistics within the national economic accounts. To that end, BEA organized two health care sessions for the annual Allied Social Sciences Association meetings, held in Chicago in January. This issue of the SURVEY OF CURRENT BUSINESS includes four studies presented in the session, "Beyond Drug and Hospital Costs: Comprehensive Accounting for Health Care," and summaries of studies presented in another session, "Approaches for Measuring the Cost of Health Care Services."

Elsewhere in this issue, we present the most recent statistics of the travel and tourism satellite accounts, which this year have incorporated a number of methodological improvements. In particular, the accounts now include the value of vacation home rentals and an improved method of estimating the volume of gas consumed in travel activity.

A separate article discusses a proposed method to include the value of the use of motor vehicles in the travel and tourism accounts and demonstrates the effect such a move would have on the 1998 accounts. A satellite account is the ideal place for working out such issues on a what-if basis. At present, BEA has no plan to capitalize motor vehicle services.

In addition, another article updates statistics about foreign direct investment in the United States in 2006, which was the highest since 2000.

As always, you can view the most recent gross domestic product estimates in our easy-to-view format. Government receipts and expenditures for the first quarter are presented in a similar format.



J. Steven Landefeld
Director, Bureau of Economic Analysis

Taking Account...

Table Layouts for Annual Revisions Available

On July 27, 2007, the Bureau of Economic Analysis (BEA) will release its annual revision of the national income and product accounts (NIPAs). On July 31, 2007, BEA will release its annual revision of its personal income and outlays accounts. BEA has made available the format of the annual revision news release tables, which will include the entire range of the revised estimates.

Users who download data directly from BEA news releases will be able to use the table formats (in ASCII format) to prepare for the annual revision.

The news releases for both the NIPAs and personal income and outlays will incorporate revisions for annual estimates for 2004, 2005, and 2006 and for quarterly estimates for the first quarter of 2004 through the first quarter of 2007. The personal income and outlays release will also incorporate revised monthly estimates from January 2004 through May 2007.

For the NIPAs, the tables included in the news release will include annual estimates for 2003–2006 and quarterly estimates for the fourth quarter of 2003 (or earlier) through the second quarter of 2007 for most

tables. Several special tables (tables 1A, 1B, 2A, 4A, and 12C) will provide comparisons of the revised estimates with previously published estimates. The format of the annual revision news release tables is available at www.bea.gov/national/txt/gdp2007.txt.

For the personal income and outlays accounts, tables will include annual estimates for 2003–2006, quarterly estimates for the fourth quarter of 2003 or the first quarter of 2004 through the second quarter of 2007, and monthly estimates for December 2003 or January 2004 through June 2007. Comparisons with previously published estimates will be included in tables 12, 13, and 14. The new personal income and outlays annual revision news release tables format is available at www.bea.gov/national/txt/pi2007.txt.

With the August 31, 2007, news release, the tables will return to their usual formats.

New Method to Allocate the Statistical Discrepancy

Longtime users of BEA's accounts understand that gross domestic product (GDP) and gross domestic income (GDI), while equal in theory, differ in reality because of measurement issues. The difference is known as the

statistical discrepancy. The GDP-by-industry accounts traditionally treated this discrepancy as a separate industry, so the sum of nominal value added of all industries added up to nominal GDP. With the comprehensive revision of the annual industry accounts released in June 2004, BEA began distributing the discrepancy to industries as part of the reconciliation of the benchmark input-output (I-O) and GDP-by-industry accounts.

In a recent paper, BEA economist Baoline Chen proposed a generalized least squares (GLS) method to incorporate all available information on initial data in reconciling the benchmark I-O and the GDP-by-industry accounts. The goal of the proposed method was to calculate industry distributions of the discrepancy based on the reliability of the initial estimates.

The results show that using the proposed GLS method to reconcile different accounts produces statistically meaningful balanced estimates. The study also demonstrates that reconciling a large system of disaggregated accounts is empirically feasible and computationally efficient.

The paper is available at www.bea.gov/papers/working_papers.htm.

GDP and the Economy

Preliminary Estimates for the First Quarter of 2007

REAL gross domestic product (GDP) increased 0.6 percent in the first quarter after increasing 2.5 percent in the fourth quarter, according to the “preliminary” estimates of the national income and product accounts (NIPAs) (chart 1 and table 1).¹ The first-quarter growth rate was revised down 0.7 percentage point (see “Revisions”).

The deceleration in real GDP growth in the first quarter primarily reflected an upturn in imports (subtracted in the calculation of GDP) and a downturn in exports. Federal Government spending also turned down, and consumer spending for nondurable goods slowed. In contrast, investment in equipment and software turned up, residential investment decreased less than in the fourth quarter, and consumer spending for both durable goods and services accelerated.²

- Prices of goods and services purchased by U.S. residents increased 3.6 percent, the same as in the advance estimate, following a 0.2-percent increase in the fourth quarter. Energy prices turned up after dropping sharply in the fourth quarter, and food prices accelerated.
- Real disposable personal income (DPI) increased 4.7 percent after increasing 6.4 percent (revised) in the fourth quarter. Current-dollar DPI accelerated, but a stronger upturn in prices (as measured by the PCE implicit price deflator used to deflate DPI) resulted in a slowing of the overall real measure.
- The personal saving rate, personal saving as a percentage of current-dollar DPI, was -0.8 percent in the first quarter; in the fourth quarter, it was -0.9 percent (revised).

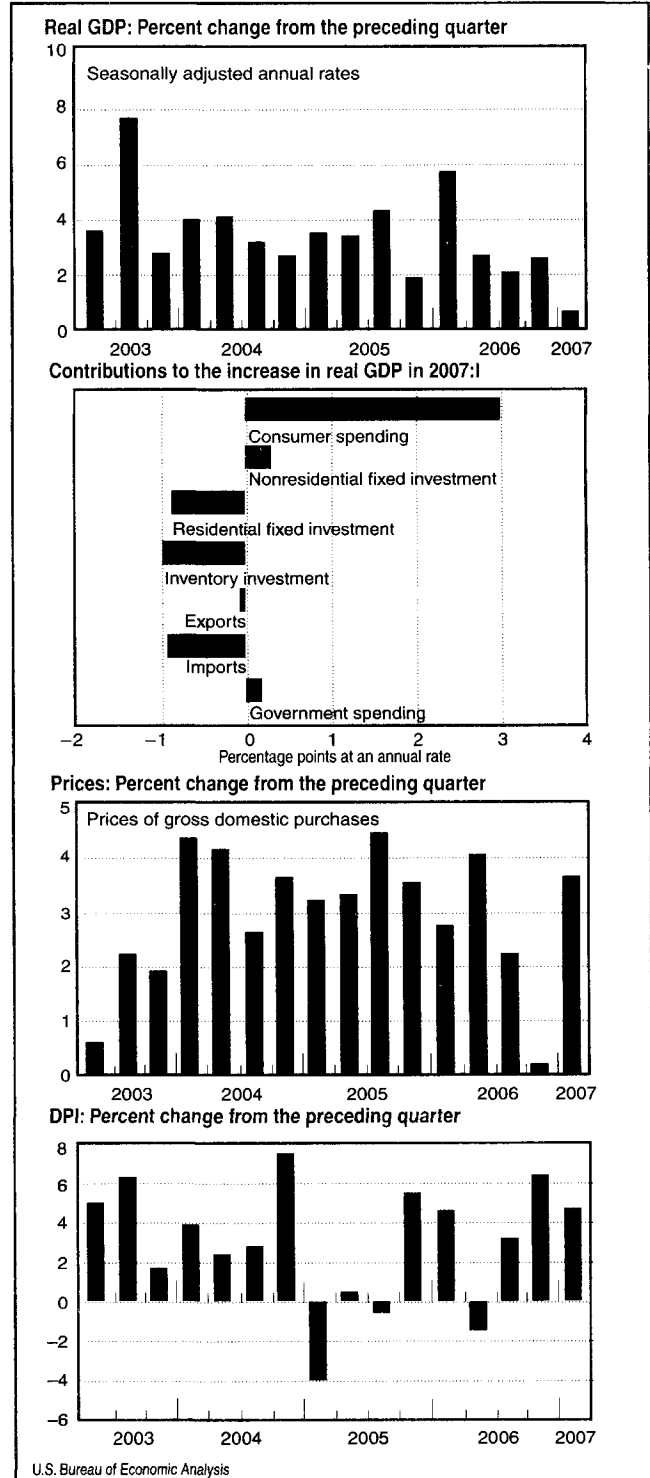
1. “Real” estimates are in chained (2000) dollars, and price indexes are chain-type measures.

Each GDP estimate for a quarter (advance, preliminary, and final) incorporates increasingly comprehensive and improved source data. More information can be found on at <www.bea.gov/bea/about/infoqual.htm> and at <www.bea.gov/bea/faq/national/gdp_accuracy.htm>. Quarterly estimates are expressed at seasonally adjusted annual rates, which show the value of an activity if the quarterly rate were maintained for a year.

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

Christopher Swann prepared this article.

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



Real GDP Overview

Table 1. Real Gross Domestic Product and Components

[Seasonally adjusted at annual rates]

	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)				
		2006		2007		2006		2007		
		I	II	III	IV	I	II	III	IV	I
Gross domestic product¹	100.0	2.6	2.0	2.5	0.6	2.6	2.0	2.5	0.6	0.6
Personal consumption expenditures.....	70.5	2.6	2.8	4.2	4.4	1.81	1.96	2.93	3.01	3.01
Durable goods.....	8.1	-0.1	6.4	4.4	8.8	-0.01	0.50	0.35	0.68	0.68
Nondurable goods.....	20.5	1.4	1.5	5.9	3.5	0.30	0.32	1.18	0.71	0.71
Services.....	42.0	3.7	2.8	3.4	4.0	1.52	1.14	1.41	1.63	1.63
Gross private domestic investment.....	15.6	1.0	-0.8	-15.2	-9.3	0.17	-0.13	-2.71	-1.55	-1.55
Fixed investment.....	15.6	-1.6	-1.2	-9.1	-3.5	-0.27	-0.19	-1.54	-0.57	-0.57
Nonresidential.....	10.6	4.4	10.0	-3.1	2.9	0.45	1.01	-0.34	0.31	0.31
Structures.....	3.2	20.3	15.7	0.8	5.1	0.56	0.46	0.03	0.16	0.16
Equipment and software.....	7.3	-1.4	7.7	-4.8	2.0	-0.10	0.55	-0.36	0.14	0.14
Residential.....	5.1	-11.1	-18.7	-19.8	-15.4	-0.72	-1.20	-1.21	-0.87	-0.87
Change in private inventories.....	0.1	.....	.....	.....	.....	0.44	0.06	-1.16	-0.98	-0.98
Net exports of goods and services.....	-5.3	.....	.....	.....	.....	0.42	-0.19	1.59	-1.00	-1.00
Exports.....	11.3	6.2	6.8	10.6	-0.6	0.66	0.73	1.14	-0.07	-0.07
Goods.....	8.0	6.0	9.4	8.4	-0.6	0.45	0.71	0.65	-0.05	-0.05
Services.....	3.3	6.7	0.8	16.3	-0.6	0.21	0.03	0.50	-0.02	-0.02
Imports.....	16.6	1.4	5.6	-2.6	5.7	-0.24	-0.93	0.45	-0.93	-0.93
Goods.....	14.0	-0.1	7.1	-4.1	6.2	0.01	-1.00	0.61	-0.84	-0.84
Services.....	2.7	9.9	-2.6	6.2	3.3	-0.25	0.07	-0.16	-0.09	-0.09
Government consumption expenditures and gross investment.....	19.2	0.8	1.7	3.4	1.0	0.16	0.32	0.64	0.19	0.19
Federal.....	6.9	-4.5	1.3	4.6	-3.9	-0.32	0.09	0.31	-0.28	-0.28
National defense.....	4.7	-2.0	-1.2	12.3	-7.3	-0.09	-0.06	0.55	-0.36	-0.36
Nondefense.....	2.3	-9.3	6.5	-9.6	3.6	-0.23	0.15	-0.23	0.08	0.08
State and local.....	12.3	4.0	1.9	2.7	3.9	0.48	0.23	0.33	0.47	0.47

1. The estimates of GDP under the contribution columns are also percent changes.
 NOTE. Percent changes are from NIPA table 1.1.1, contributions are from NIPA table 1.1.2, and shares are from NIPA table 1.1.10.

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

[Seasonally adjusted at annual rates]

	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)				
		2006		2007		2006		2007		
		I	II	III	IV	I	II	III	IV	I
Gross domestic product¹	100.0	2.6	2.0	2.5	0.6	2.6	2.0	2.5	0.6	0.6
Final sales of domestic product.....	100.1	2.1	1.9	3.7	1.6	2.11	1.90	3.62	1.63	1.63
Change in private inventories.....	-0.1	.....	.....	.....	.....	0.44	0.06	-1.16	-0.98	-0.98
Goods.....	31.1	3.6	3.8	4.0	-1.1	1.12	1.17	1.25	-0.36	-0.36
Services.....	58.5	2.4	2.8	4.1	2.8	1.40	1.63	2.32	1.59	1.59
Structures.....	10.4	0.3	-7.4	-9.9	-5.4	0.04	-0.84	-1.11	-0.58	-0.58
Addenda:										
Motor vehicle output.....	2.9	-9.4	27.4	-32.0	3.5	-0.31	0.76	-1.18	0.10	0.10
GDP excluding motor vehicle output.....	97.1	3.0	1.2	3.8	0.6	2.87	1.20	3.63	0.55	0.55
Final sales of computers.....	0.6	6.7	11.7	40.9	-5.6	0.04	0.07	0.22	-0.04	-0.04
GDP excluding final sales of computers.....	99.4	2.5	1.9	2.2	0.7	2.51	1.89	2.23	0.69	0.69

1. The estimates of GDP under the contribution columns are also percent changes.
 NOTE. Percent changes are from NIPA table 1.2.1, contributions are from NIPA table 1.2.2, and shares are calculated from NIPA table 1.2.5.

Consumer spending picked up, adding 3.01 percentage points to real GDP growth. Accelerations in spending for durable goods and for services were partly offset by a deceleration in spending for nondurable goods.

Nonresidential fixed investment turned up and added 0.31 percentage point to real GDP growth after subtracting 0.34 percentage point. Equipment and software turned up, and structures accelerated.

Residential investment decreased 15.4 percent, following a 19.8-percent decrease, and subtracted 0.87 percentage point from real GDP growth.

Although inventories were drawn down, they decreased somewhat less than in the fourth quarter and subtracted 0.98 percentage point from real GDP growth.

Exports turned down sharply, decreasing 0.6 percent after increasing 10.6 percent, and reduced real GDP growth by 0.07 percentage point. The first-quarter decrease was the first decrease in real export growth since the second quarter of 2003 and reflected downturns in exports of both goods and services.

Imports rebounded, increasing 5.7 percent after a 2.6-percent decrease, primarily reflecting an upturn in imports of goods.

Federal Government spending turned down, decreasing 3.9 percent, compared with a 4.6-percent increase. A downturn in defense spending more than offset an upturn in nondefense spending.

State and local government spending accelerated and added 0.47 percentage point to real GDP growth.

Real final sales of domestic product, real GDP less inventory investment, slowed, increasing 1.6 percent after increasing 3.7 percent.

Motor vehicle output turned up, increasing 3.5 percent after decreasing 32.0 percent in the fourth quarter.

Final sales of computers turned down, decreasing 5.6 percent after increasing 40.9 percent.

Consumer Spending

Table 3. Real Personal Consumption Expenditures (PCE)
[Seasonally adjusted at annual rates]

	Share of current-dollar PCE (percent)	Change from preceding period (percent)				Contribution to percent change in real PCE (percentage points)				
		2006				2007				
		I	II	III	IV	I	II	III	IV	I
PCE ¹	100.0	2.6	2.8	4.2	4.4	2.6	2.8	4.2	4.4	4.4
Durable goods	11.4	-0.1	6.4	4.4	8.8	-0.01	0.72	0.50	0.98	0.98
Motor vehicles and parts	4.7	-1.2	8.6	-4.4	11.9	-0.06	0.40	-0.22	0.54	0.54
Furniture and household equipment	4.3	3.3	6.7	13.2	9.5	0.14	0.28	0.54	0.40	0.40
Other ²	2.4	-3.7	1.6	7.5	1.6	-0.09	0.04	0.17	0.04	0.04
Nondurable goods	29.1	1.4	1.5	5.9	3.5	0.42	0.46	1.70	1.03	1.03
Food	13.8	2.0	-0.7	6.6	1.5	0.27	-0.10	0.90	0.21	0.21
Clothing and shoes	3.9	-3.8	5.5	6.7	8.2	-0.15	0.21	0.26	0.31	0.31
Gasoline, fuel oil, and other energy goods	3.4	0.7	5.0	1.1	7.2	0.03	0.19	0.04	0.24	0.24
Other ³	7.9	3.4	2.0	6.5	3.3	0.27	0.15	0.51	0.26	0.26
Services	59.5	3.7	2.8	3.4	4.0	2.17	1.64	2.04	2.36	2.36
Housing	15.0	2.4	2.6	3.2	2.3	0.36	0.38	0.48	0.35	0.35
Household operation	5.6	8.4	9.7	3.5	8.5	0.44	0.51	0.20	0.46	0.46
Electricity and gas	2.5	15.8	21.9	5.3	17.9	0.34	0.46	0.12	0.40	0.40
Other household operation	3.2	3.4	1.6	2.3	1.9	0.11	0.05	0.07	0.06	0.06
Transportation	3.6	1.7	1.3	3.8	3.0	0.06	0.05	0.14	0.11	0.11
Medical care	17.3	2.6	2.1	3.5	4.7	0.44	0.36	0.61	0.81	0.81
Recreation	4.0	0.8	3.0	3.2	-0.4	0.03	0.12	0.13	-0.02	-0.02
Other ⁴	14.0	6.1	1.6	3.4	4.6	0.83	0.22	0.48	0.64	0.64

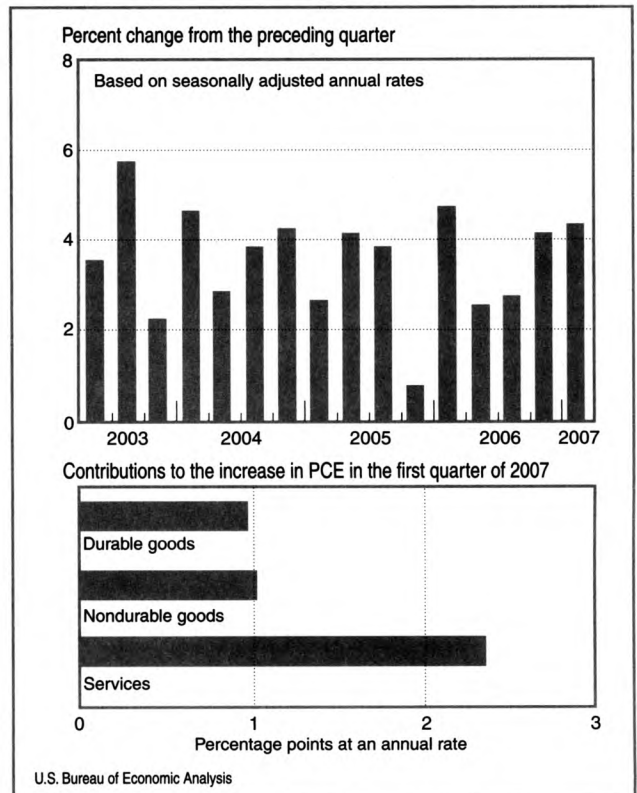
Spending for durable goods accelerated, reflecting a rebound in spending for motor vehicles and parts, and contributed 0.98 percentage point to real consumer spending growth. Spending for both furniture and household equipment and for “other” durable goods slowed in the first quarter.

Spending for nondurable goods decelerated, mainly reflecting a slowdown in spending for food. Consumer spending for “other” nondurable goods also decelerated. Spending for gasoline, fuel oil, and other energy goods picked up.

Spending for services picked up and contributed 2.36 percentage points to the growth in real consumer spending. An acceleration in household spending for electricity and gas was the largest contributor to the acceleration in services spending. Accelerations in medical care and in “other” services also contributed to the pickup in real consumer spending. Recreation turned down and housing services slowed.

1. The estimates under the contribution columns are also percent changes.
 2. Includes jewelry and watches, ophthalmic products and orthopedic equipment, books and maps, bicycles and motorcycles, guns and sporting equipment, photographic equipment, boats, and pleasure aircraft.
 3. Includes tobacco, toilet articles, drug preparations and sundries, stationery and writing supplies, toys, film, flowers, cleaning preparations and paper products, semidurable house furnishings, and magazines and newspapers.
 4. Includes personal care, personal business, education and research, religious and welfare activities, and net foreign travel.
 NOTE: Percent changes are from NIPA table 2.3.1, and contributions, from NIPA table 2.3.2; shares are calculated from NIPA table 2.3.5.

Chart 2. Real Personal Consumption Expenditures



Private Fixed Investment

Table 4. Real Private Fixed Investment (PFI)
[Seasonally adjusted at annual rates]

	Share of current-dollar PFI (percent)		Change from preceding period (percent)				Contribution to percent change in real PFI (percentage points)			
	2007		2006		2007		2006		2007	
	I	II	III	IV	I	II	III	IV	I	
Private fixed investment¹....	100.0	-1.6	-1.2	-9.1	-3.5	-1.6	-1.2	-9.1	-3.5	
Nonresidential.....	67.5	4.4	10.0	-3.1	2.9	2.72	6.16	-1.99	1.94	
Structures.....	20.6	20.3	15.7	0.8	5.1	3.34	2.79	0.17	1.02	
Commercial and health care	8.0	11.7	25.6	1.7	14.7	0.74	1.61	0.13	1.06	
Manufacturing.....	1.5	28.0	11.3	-13.2	28.0	0.32	0.15	-0.19	0.36	
Power and communication....	2.1	4.9	16.0	-2.9	-6.2	0.10	0.31	-0.06	-0.14	
Mining exploration, shafts, and wells.....	5.0	28.0	10.0	3.8	-11.7	1.16	0.48	0.19	-0.64	
Other structures ²	4.0	35.1	7.3	2.8	10.1	1.03	0.25	0.10	0.37	
Equipment and software.....	46.9	-1.4	7.7	-4.8	2.0	-0.62	3.36	-2.15	0.92	
Information processing equipment and software....	23.7	-1.1	10.0	-1.8	18.7	-0.24	2.13	-0.39	3.96	
Computers and peripheral equipment.....	4.3	4.7	22.0	0.3	49.6	0.18	0.79	0.01	1.67	
Software ³	10.3	4.2	6.0	3.0	10.8	0.39	0.56	0.29	1.03	
Other ⁴	9.2	-9.0	9.3	-7.7	15.2	-0.82	0.78	-0.69	1.27	
Industrial equipment.....	8.0	13.6	0.2	-5.3	-3.1	0.98	0.02	-0.41	-0.25	
Transportation equipment.....	7.3	-22.8	13.6	-17.2	-11.0	-1.91	0.92	-1.31	-0.84	
Other equipment ⁵	7.8	7.4	3.8	-0.5	-21.6	0.56	0.30	-0.04	-1.95	
Residential.....	32.5	-11.1	-18.7	-19.8	-15.4	-4.33	-7.31	-7.15	-5.47	
Structures.....	32.0	-11.2	-18.9	-20.0	-15.7	-4.32	-7.30	-7.14	-5.49	
Permanent site.....	18.6	-17.6	-25.0	-30.5	-25.6	-4.46	-6.28	-7.09	-5.61	
Single family.....	15.9	-19.2	-28.6	-35.4	-27.9	-4.39	-6.47	-7.41	-5.33	
Multifamily.....	2.7	-2.6	7.8	12.5	-9.9	-0.07	0.19	0.32	-0.28	
Other structures ⁶	13.4	1.1	-7.5	-0.4	1.0	0.14	-1.02	-0.05	0.13	
Equipment.....	0.5	-2.9	-2.2	-1.3	2.8	-0.01	-0.01	-0.01	0.01	

1. The estimates of fixed investment under the contribution columns are also percent changes.
 2. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
 3. Excludes software "embedded," or bundled, in computers and other equipment.
 4. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
 5. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
 6. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
 Note. Percent changes are from NIPA table 5.3.1, contributions are from NIPA table 5.3.2, and shares are calculated from NIPA table 5.3.5.

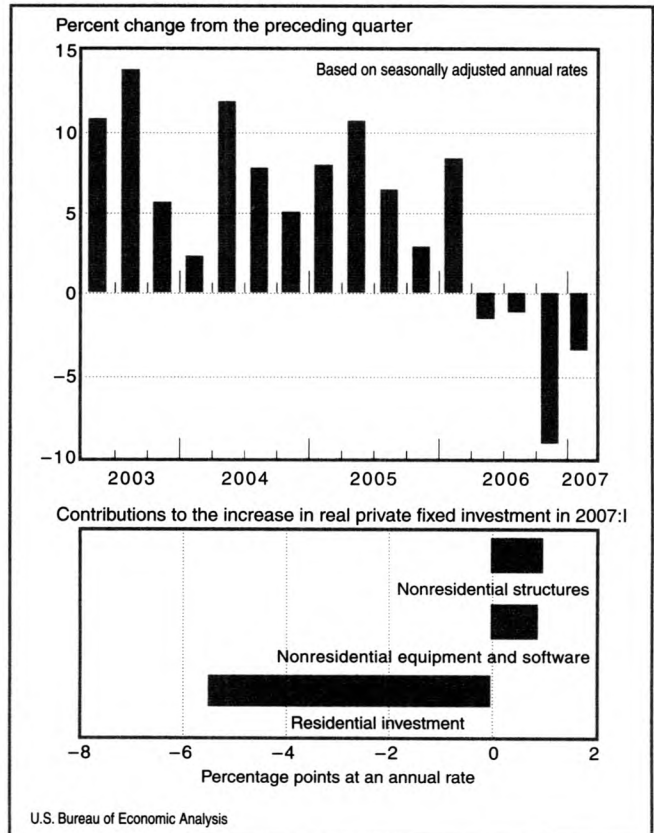
Real private fixed nonresidential investment rebounded in the first quarter, reflecting an upturn in business investment in equipment and software and an acceleration in structures.

Investment in nonresidential structures accelerated, mainly reflecting a sharp acceleration in commercial and health care structures and an upturn in manufacturing structures. In contrast, investment in mining exploration, shafts, and wells turned down, and power and communication decreased more in the first quarter than in the fourth quarter.

Investment in equipment and software turned up. A rebound in "other" information processing equipment and software was the largest contributor. Spending for computers and peripheral equipment and for software accelerated. In contrast, investment in "other" equipment decreased more than in the fourth quarter. Investment in transportation equipment and in industrial equipment decreased less than in the fourth quarter.

Residential investment decreased for the sixth consecutive quarter though somewhat less than in the fourth quarter. Single-family structures decreased less than in the fourth quarter; multifamily structures turned down.

Chart 3. Real Private Fixed Investment



Inventory Investment

Table 5. Real Change in Private Inventories by Industry
 (Billions of chained (2000) dollars; seasonally adjusted at annual rates)

	Level								Change from preceding quarter		
	2006				2007				2006		2007
	I	II	III	IV	I	II	III	IV	I		
Change in private inventories¹	41.2	53.7	55.4	22.4	-4.5	12.5	1.7	-33.0	-26.9		
Farm	4.3	1.9	2.5	2.4	2.6	-2.4	0.6	-0.1	0.2		
Mining, utilities, and construction	-2.0	5.4	1.6	2.0	2.8	7.4	-3.8	0.4	0.8		
Manufacturing	7.6	11.1	10.1	8.4	-3.3	3.5	-1.0	-1.7	-11.7		
Durable-goods industries	-0.1	5.7	9.4	13.8	1.9	5.8	3.7	4.4	-11.9		
Nondurable-goods industries	7.1	5.2	1.1	-4.5	-4.8	-1.9	-4.1	-5.6	-0.3		
Wholesale trade	15.0	19.3	33.7	8.5	7.5	4.3	14.4	-25.2	-1.0		
Durable-goods industries	6.4	15.3	27.7	5.0	10.8	8.9	12.4	-22.7	5.8		
Nondurable-goods industries	8.2	4.5	6.9	3.5	-2.4	-3.7	2.4	-3.4	-5.9		
Retail trade	12.8	7.8	2.2	-3.6	-20.0	-5.0	-5.6	-5.8	-16.4		
Motor vehicle and parts dealers	5.5	1.0	-7.2	-13.4	-19.7	-4.5	-8.2	-6.2	-6.3		
Food and beverage stores	1.0	1.0	0.2	-0.4	0.0	0.0	-0.8	-0.6	0.4		
General merchandise stores	-4.7	-0.5	4.8	5.2	-0.3	4.2	5.3	0.4	-5.5		
Other retail stores	10.8	6.1	3.6	3.7	-1.6	-4.7	-2.5	0.1	-5.3		
Other industries	5.2	7.4	5.1	3.5	3.3	2.2	-2.3	-1.6	-0.2		
Residual ²	-0.5	0.7	-0.3	1.6	2.9	1.2	-1.0	1.9	1.3		
Addenda: Ratios of private inventories to final sales of domestic business:³											
Private inventories to final sales	2.40	2.40	2.41	2.39	2.38	.....	.....	.....	.....
Nonfarm inventories to final sales	2.20	2.20	2.21	2.20	2.19	.....	.....	.....	.....
Nonfarm inventories to final sales of goods and structures	3.48	3.50	3.52	3.51	3.50	.....	.....	.....	.....

1. The levels are from NIPA table 5.6.6B.
 2. The residual is the difference between the first line and the sum of the most detailed lines. It reflects that chained-dollar estimates are usually not additive, because they are based on quantity indexes that use weights of more than one period.
 3. The ratios are from NIPA table 5.7.6B.

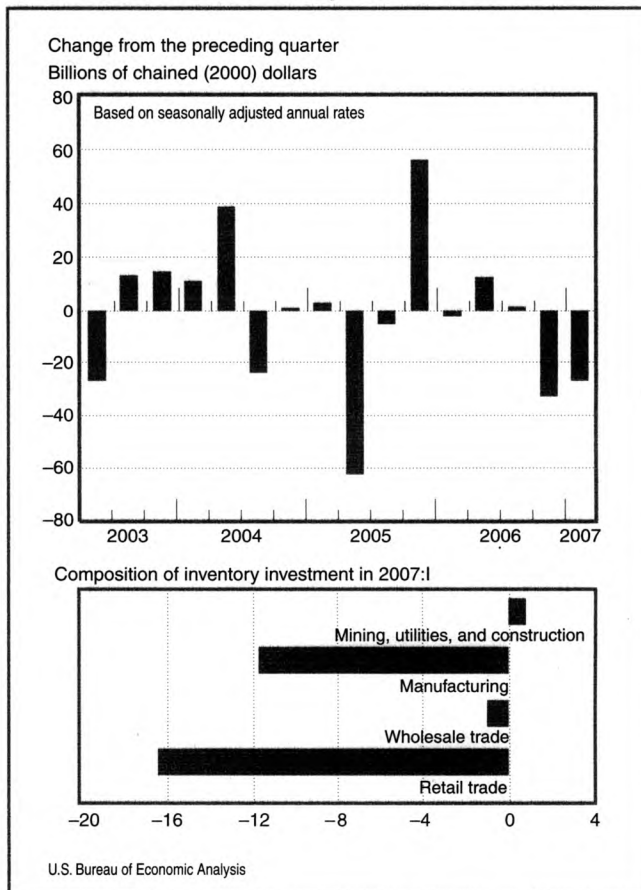
Real inventory investment decreased \$26.9 billion in the first quarter, less than the fourth-quarter decrease of \$33.0 billion.

Inventory investment in manufacturing decreased \$11.7 billion after decreasing \$1.7 billion. The larger first-quarter decrease mainly reflected a downturn in durable-goods industries.

Inventory investment in wholesale trade decreased \$1.0 billion after decreasing \$25.2 billion. The smaller decrease primarily reflected an upturn in durable-goods industries.

Inventory investment in retail trade decreased more than in the fourth quarter, primarily reflecting downturns in general merchandise stores and in "other" retail stores.

Chart 4. Real Private Inventory Investment



Inventory Investment

The real change in private inventories, often called real private inventory investment, represents the change in the physical stock of goods held by businesses. It includes finished goods, goods at various stages of production, and raw materials.

The change in private inventories is a key component of gross domestic product (GDP), which aims to measure output derived from current production. To include the value of currently produced goods that are not yet sold and to exclude the value of goods produced in previous periods, change in private inventories must be included in the GDP calculation.

Thus, GDP can also be seen as the sum of final sales of domestic product and the change in private inventories (table 2).

For most industries, the estimates of change in private inventories are prepared by revaluing book-value estimates of inventories from the Census Bureau to a replacement-cost basis and calculating the change over a quarter or year. BEA does not always have complete data for every industry.

Exports and Imports

Table 6. Real Exports and Imports of Goods and Services

[Seasonally adjusted at annual rates]

	Share of current-dollar exports and imports (percent)	Change from preceding period (percent)				Contribution to percent change in real exports and imports (percentage points)				
		2007		2006		2007		2006		
		I	II	III	IV	I	II	III	IV	I
Exports of goods and services¹	100.0	6.2	6.8	10.6	-0.6	6.2	6.8	10.6	-0.6	
Exports of goods²	70.8	6.0	9.4	8.4	-0.6	4.22	6.58	6.00	-0.44	
Foods, feeds, and beverages	4.8	20.7	13.2	-17.9	0.1	0.86	0.59	-0.90	0.00	
Industrial supplies and materials.....	18.1	14.4	3.1	9.3	-6.7	2.48	0.58	1.71	-1.25	
Capital goods, except automotive.....	28.0	6.6	5.6	14.9	-2.6	1.85	1.58	4.06	-0.75	
Automotive vehicles, engines, and parts.....	7.3	-4.6	26.9	-7.8	8.5	-0.35	1.81	-0.59	0.59	
Consumer goods, except automotive.....	9.3	1.1	15.2	14.8	16.1	0.10	1.29	1.27	1.36	
Other.....	3.3	-19.7	24.0	13.8	-11.2	-0.72	0.73	0.45	-0.39	
Exports of services²	29.2	6.7	0.8	16.3	-0.6	1.97	0.25	4.62	-0.18	
Imports of goods and services¹	100.0	1.4	5.6	-2.6	5.7	1.4	5.6	-2.6	5.7	
Imports of goods²	84.0	-0.1	7.1	-4.1	6.2	-0.05	5.98	-3.54	5.21	
Foods, feeds, and beverages	3.6	-4.8	10.4	-1.3	7.5	-0.16	0.33	-0.04	0.26	
Industrial supplies and materials, except petroleum and products.....	12.2	-1.2	14.2	-20.8	-19.7	-0.15	1.77	-3.03	-2.76	
Petroleum and products.....	12.3	-18.3	7.1	-20.2	32.6	-2.78	1.01	-2.98	3.45	
Capital goods, except automotive.....	19.3	11.6	13.5	-2.8	9.6	2.05	2.41	-0.53	1.82	
Automotive vehicles, engines, and parts.....	11.3	-1.3	-8.3	7.7	-5.2	-0.15	-0.97	0.84	-0.60	
Consumer goods, except automotive.....	20.9	5.7	15.2	17.4	1.4	1.07	2.80	3.25	0.29	
Other.....	4.4	1.9	-28.6	-23.9	93.8	0.08	-1.38	-1.04	2.76	
Imports of services²	16.0	9.9	-2.6	6.2	3.3	1.49	-0.40	0.94	0.53	
Addenda:										
Exports of agricultural goods ³	5.2	19.1	2.1	-17.5	-4.6	.....	.....	.....	.....
Exports of nonagricultural goods.....	65.6	5.1	10.0	10.7	-0.3	.....	.....	.....	.....
Imports of nonpetroleum goods.....	71.7	3.9	7.2	-0.8	2.3	.....	.....	.....	.....

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

2. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services.

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

NOTE: Percent changes are from NIPA table 4.2.1, contributions are from NIPA table 4.2.2, and shares are calculated from NIPA table 4.2.5.

Real exports turned down in the first quarter, decreasing 0.6 percent after increasing 8.4 percent.

Downturns in nonautomotive capital goods and in industrial supplies and materials were the principal contributors to the downturn in exports of goods, but "other" exports of goods also turned down. Exports of automotive vehicles, engines and parts turned up, increasing 8.5 percent, following a 7.8-percent decrease.

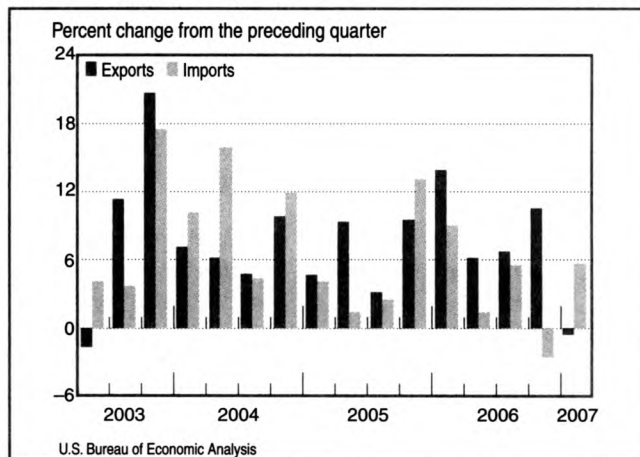
Exports of services turned down. "Other" private services decelerated, and travel services, royalties and license fees, and "other" transportation all turned down.

Real imports rebounded, increasing 5.7 percent after decreasing 2.6 percent, reflecting an upturn in imports of goods.

An upturn in imports of petroleum and products was the largest contributor to the rebound in goods imports. "Other" imports and nonautomotive capital goods also turned up. In contrast, nonautomotive consumer goods slowed, and automotive vehicles, engines, and parts turned down.

Imports of services slowed, primarily reflecting a downturn in "other" transportation and a deceleration in "other" private services.

Chart 5. Real Exports and Imports of Goods and Services



Government Spending

Table 7. Real Government Consumption Expenditures and Gross Investment (CEGI)
[Seasonally adjusted at annual rates]

	Share of current-dollar CEGI (percent)	Change from preceding period (percent)				Contribution to percent change in real CEGI (percentage points)				
		2006				2007				
		I	II	III	IV	I	II	III	IV	I
Government consumption expenditures and gross investment¹...	100.0	0.8	1.7	3.4	1.0	0.8	1.7	3.4	1.0	
Consumption expenditures.....	82.8	-0.5	2.5	3.7	0.4	-0.41	2.06	3.05	0.37	
Gross investment.....	17.2	7.4	-2.3	1.9	3.7	1.22	-0.39	0.33	0.62	
Federal	36.0	-4.5	1.3	4.6	-3.9	-1.69	0.47	1.66	-1.45	
National defense	24.2	-2.0	-1.2	12.3	-7.3	-0.50	-0.30	2.87	-1.86	
Consumption expenditures.....	21.1	-4.1	-0.9	11.2	-6.9	-0.91	-0.20	2.29	-1.53	
Gross investment.....	3.1	14.1	-3.1	20.1	-9.9	0.41	-0.10	0.58	-0.33	
Nondefense	11.8	-9.3	6.5	-9.6	3.6	-1.19	0.77	-1.21	0.41	
Consumption expenditures.....	10.4	-5.0	6.5	-9.0	5.7	-0.55	0.67	-0.98	0.57	
Gross investment.....	1.4	-32.9	6.7	-14.3	-10.6	-0.65	0.10	-0.23	-0.16	
State and local	64.0	4.0	1.9	2.7	3.9	2.50	1.20	1.73	2.44	
Consumption expenditures.....	51.3	2.1	3.1	3.4	2.6	1.05	1.59	1.74	1.33	
Gross investment	12.7	12.5	-3.1	-0.1	9.2	1.46	-0.39	-0.02	1.11	

Real government spending slowed. State and local spending picked up, but Federal Government spending turned down.

The downturn in Federal Government spending reflected a downturn in national defense spending, which decreased 7.3 percent after a 12.3-percent increase in the fourth quarter. Nondefense spending turned up, increasing 3.6 percent, following a 9.6-percent decrease in the fourth quarter.

State and local government spending picked up, reflecting an upturn in investment in structures.

1. The estimates under the contribution columns are also percent changes.
NOTE. Percent changes are from NIPA table 3.9.1, contributions from NIPA table 3.9.2, and shares are calculated from NIPA table 3.9.5.

Government Spending

“Government consumption expenditures and gross investment,” or “government spending,” consists of two main components: (1) Consumption expenditures by Federal and by state and local governments and (2) gross investment by government and government-owned enterprises.

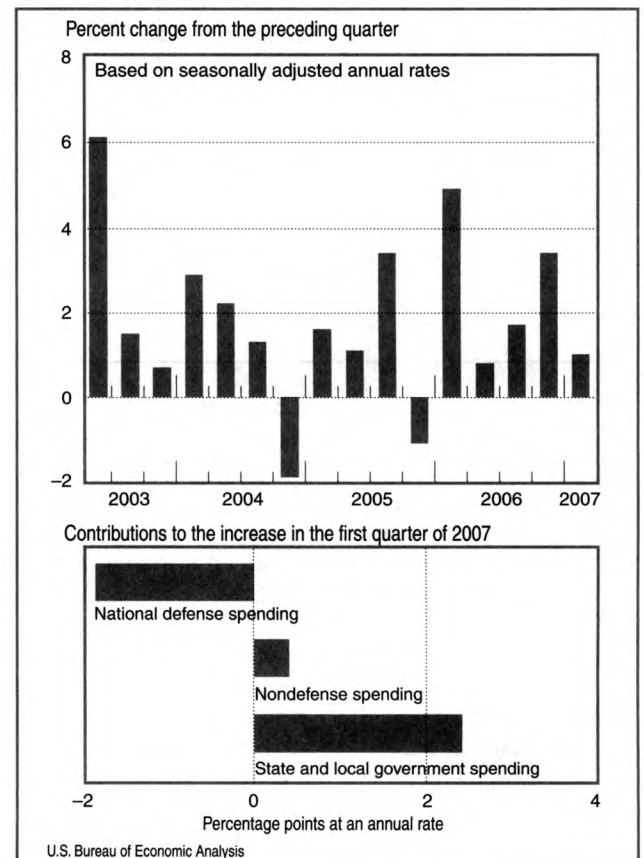
Government consumption expenditures consists of the goods and services that are produced by general government (less any sales to other sectors and investment goods produced by government itself). Governments generally provide services to the general public without charge. The value of government production—that is, government’s gross output—is measured as spending for labor and capital services and for intermediate goods and services.¹

Gross investment consists of new and used structures (such as highways and dams) and equipment and software purchased or produced by government and government-owned enterprises.

Government consumption and gross investment excludes current transactions of government-owned enterprises, current transfer payments, interest payments, subsidies, and transactions in financial assets and nonproduced assets, such as land.

1. Capital services is also known as consumption of fixed capital (depreciation) and represents a partial measure of the services provided by government-owned fixed capital.

Chart 6. Real Government Consumption Expenditures and Gross Investment



Prices

Table 8. Prices for Gross Domestic Purchases

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

	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
	2006			2007	2006			2007
	II	III	IV	I	II	III	IV	I
Gross domestic purchases¹	4.0	2.2	0.2	3.6	4.0	2.2	0.2	3.6
Personal consumption expenditures	4.0	2.4	-1.0	3.3	2.66	1.55	-0.63	2.22
Durable goods	-0.8	-1.1	-2.7	-1.9	-0.06	-0.08	-0.21	-0.14
Nondurable goods	8.3	2.3	-7.7	5.1	1.58	0.46	-1.55	0.97
Services	2.9	3.0	2.9	3.5	1.15	1.18	1.12	1.39
Gross private domestic investment	3.1	0.6	3.4	1.8	0.50	0.10	0.53	0.28
Fixed investment	3.0	0.5	3.4	1.7	0.47	0.08	0.51	0.26
Nonresidential	3.0	0.9	3.1	1.8	0.30	0.09	0.31	0.18
Structures	10.7	5.3	5.5	0.0	0.29	0.15	0.16	0.00
Equipment and software	0.1	-0.9	2.1	2.6	0.01	-0.06	0.15	0.18
Residential	2.9	-0.1	3.9	1.6	0.17	-0.01	0.20	0.08
Change in private inventories					0.03	0.02	0.02	0.02
Government consumption expenditures and gross investment	4.8	2.8	1.8	5.9	0.86	0.51	0.33	1.06
Federal	3.8	2.0	0.0	6.5	0.25	0.13	0.00	0.42
National defense	4.1	2.3	-0.3	6.4	0.18	0.10	-0.01	0.28
Nondefense	3.2	1.4	0.8	6.7	0.07	0.03	0.02	0.14
State and local	5.4	3.4	2.9	5.5	0.61	0.38	0.33	0.64
Addenda:								
Gross domestic purchases:								
Food	1.7	3.0	2.3	5.1	0.16	0.28	0.21	0.48
Energy goods and services	30.6	0.6	-33.8	15.0	1.37	0.03	-2.03	0.68
Excluding food and energy	2.9	2.2	2.4	2.8	2.49	1.85	2.04	2.41
Personal consumption expenditures (PCE):								
Food	1.7	2.9	1.9	4.8				
Energy goods and services	29.7	3.7	-36.0	16.1				
Excluding food and energy	2.7	2.2	1.8	2.2				
"Market-based" PCE	4.2	2.2	-1.6	3.5				
Excluding food and energy	2.7	1.9	1.6	2.2				
Gross domestic product	3.3	1.9	1.7	4.0				

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

NOTE: All the percent changes except those for PCE for food and energy goods and services and for PCE excluding food and energy are from NIPA table 1.6.7; the changes for PCE are calculated from index numbers in NIPA table 2.3.4. The contributions are from NIPA table 1.6.8.

Prices paid by domestic purchasers increased 3.6 percent, compared with a 0.2-percent increase in the fourth quarter. About 0.2 percentage point of the first-quarter increase in the index was accounted for by the pay raise for Federal civilian and military personnel, which is treated as an increase in the price of employee services purchased by the Federal Government. Energy prices turned up, following a sharp decrease in the fourth quarter, and food prices picked up after a fourth-quarter slowdown. Excluding food and energy, prices increased 2.8 percent after increasing 2.4 percent.

Consumer prices, as measured by the PCE price index, turned up, mainly reflecting a sharp upturn in energy prices.

Prices of nonresidential private fixed investment slowed, reflecting a deceleration in the prices paid for nonresidential structures.

Prices paid for residential investment slowed, increasing 1.6 percent after increasing 3.9 percent.

Prices paid by government accelerated. Prices paid by the Federal Government picked up, increasing 6.5 percent after being unchanged in the fourth quarter. Prices paid by state and local governments accelerated, increasing 5.5 percent after increasing 2.9 percent.

Consumer prices excluding food and energy, a measure of the "core" rate of inflation, picked up, increasing 2.2 percent after increasing 1.8 percent.

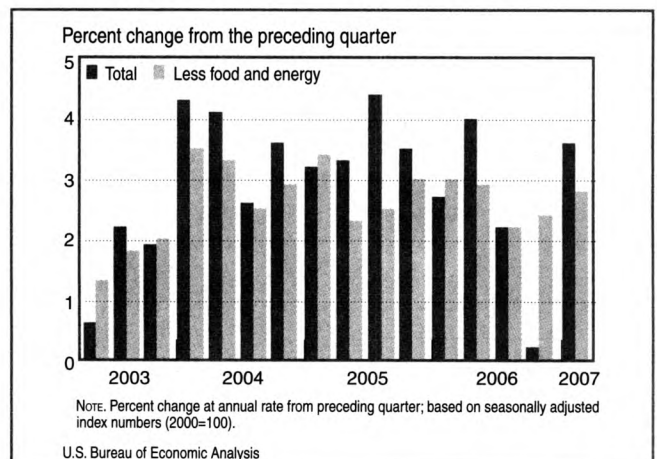
Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services purchased in the United States. It is derived from prices of consumer spending, private investment, government spending, and prices paid for imports.

The GDP price index measures the prices paid for all the goods and services produced in the United States, and it includes the prices of goods and services that are exported.

The difference between the gross domestic purchases price index and the GDP price index reflects the differences between the imports prices (included in the gross domestic purchases index) and the exports prices (included in the GDP price index).

Chart 7. Gross Domestic Purchases Prices



Revisions

Table 9. Preliminary and Advance Estimates for the First Quarter of 2007

[Seasonally adjusted at annual rates]

	Change from preceding quarter (percent)			Contribution to percent change in real GDP (percentage points)		
	Advance	Preliminary	Preliminary minus advance	Advance	Preliminary	Preliminary minus advance
Gross domestic product (GDP) ¹	1.3	0.6	-0.7	1.3	0.6	-0.7
Personal consumption expenditures	3.8	4.4	0.6	2.66	3.01	0.35
Durable goods.....	7.3	8.8	1.5	0.56	0.68	0.12
Nondurable goods.....	2.9	3.5	0.6	0.58	0.71	0.13
Services.....	3.7	4.0	0.3	1.51	1.63	0.12
Gross private domestic investment	-6.5	-9.3	-2.8	-1.06	-1.55	-0.49
Fixed investment.....	-4.7	-3.5	1.2	-0.76	-0.57	0.19
Nonresidential.....	2.0	2.9	0.9	0.21	0.31	0.10
Structures.....	2.2	5.1	2.9	0.07	0.16	0.09
Equipment and software.....	1.9	2.0	0.1	0.14	0.14	0.00
Residential.....	-17.0	-15.4	1.6	-0.97	-0.87	0.10
Change in private inventories.....				-0.30	-0.98	-0.68
Net exports of goods and services				-0.52	-1.00	-0.48
Exports.....	-1.2	-0.6	0.6	-0.14	-0.07	0.07
Goods.....	-0.8	-0.6	0.2	-0.06	-0.05	0.01
Services.....	-2.3	-0.6	1.7	-0.08	-0.02	0.06
Imports.....	2.3	5.7	3.4	-0.37	-0.93	-0.56
Goods.....	1.9	6.2	4.3	-0.26	-0.84	-0.58
Services.....	4.4	3.3	-1.1	-0.12	-0.09	0.03
Government consumption expenditures and gross investment	0.9	1.0	0.1	0.18	0.19	0.01
Federal.....	-3.0	-3.9	-0.9	-0.21	-0.28	-0.07
National defense.....	-6.6	-7.3	-0.7	-0.32	-0.36	-0.04
Nondefense.....	4.7	3.6	-1.1	0.10	0.08	-0.02
State and local.....	3.3	3.9	0.6	0.39	0.47	0.08
Addenda:						
Final sales of domestic product.....	1.6	1.6	0.0	1.56	1.63	0.07
Gross domestic purchases price index.....	3.6	3.6	0.0			
GDP price index.....	4.0	4.0	0.0			

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

Source Data for the Preliminary Estimates

Personal consumption expenditures: Retail sales for February and March (revised). Motor vehicle registrations for January and February (revised) and March (new). Retail electricity sales for February (new) and natural gas sales for January (revised) and February (new).

Nonresidential fixed investment: Construction put in place for January and February (revised) and March (new). Manufacturers' shipments of machinery and equipment for January–March (revised). Exports and imports for February (revised) and for March (new).

Residential investment: Construction put in place for January and February (revised) and March (new).

Change in private inventories: Manufacturers' inventories for February and March (revised) and trade inventories for February (revised) and March (new).

Exports and imports of goods and services: International transactions for January and February (revised) and March (new).

Government consumption expenditures and gross investment: State and local construction put in place for January and February (revised) and March (new).

The 0.6-percent preliminary estimate of real GDP growth is 0.7 percentage point less than the advance estimate. The average revision (without regard to sign) between the “advance” and “preliminary” estimates is 0.5 percentage point. The downward revision to the percent change in real GDP primarily reflected a downward revision to inventory investment and an upward revision to imports. Consumer spending was revised up.

The upward revision to consumer spending was to both goods and services. The revisions to durable and nondurable goods were widespread, and the revision to services was primarily to electricity and gas.

The downward revision to inventory investment was widespread, but the largest contributors were retail trade inventories, wholesale trade inventories, and manufacturing inventories.

The upward revision to imports was more than accounted for by widespread revisions to imports of goods. The largest contributor to the revision was petroleum and products.

Personal Income for the Fourth Quarter

With the release of the preliminary estimates of GDP, BEA also releases revised estimates of various income-related series for the previous quarter. This revision reflects the incorporation of newly available, third-quarter tabulations from the quarterly census of employment and wages from the Bureau of Labor Statistics.

Wage and salary disbursements increased \$118.0 billion in the fourth quarter, an upward revision of \$33.3 billion. Personal current taxes increased \$29.8 billion, an upward revision of \$5.8 billion. Contributions for government social insurance—a subtraction in calculating personal income—increased \$16.7 billion, an upward revision of \$4.7 billion. As a result of these revisions

- Personal income increased \$157.2 billion, an upward revision of \$31.1 billion.
- Disposable personal income increased \$127.3 billion, an upward revision of \$25.3 billion.
- Personal saving increased \$40.8 billion, an upward revision of \$25.3 billion.
- The personal saving rate was -0.9 percent, an upward revision of 0.3 percentage point.

Corporate Profits

Table 10. Corporate Profits
[Seasonally adjusted]

	Billions of dollars (annual rate)				Percent change from preceding quarter (quarterly rate)					
	Level	Change from preceding quarter				Percent change from preceding quarter (quarterly rate)				
	2007	2006				2007				
	I	II	III	IV	I	II	III	IV	I	
Current production measures:										
Corporate profits.....	1,668.7	22.7	61.5	-4.9	20.3	1.4	3.9	-0.3	1.2	
Domestic industries.....	1,397.6	8.9	66.8	-42.1	21.0	0.7	4.9	-3.0	1.5	
Financial.....	500.1	41.7	-9.1	20.5	4.8	9.4	-1.9	4.3	1.0	
Nonfinancial.....	897.5	-32.8	75.8	-62.6	16.2	-3.6	8.7	-6.6	1.8	
Rest of the world.....	271.1	13.8	-5.3	37.3	-0.8	6.1	-2.2	15.9	-0.3	
Receipts from the rest of the world.....	435.0	25.7	6.9	19.2	6.9	6.8	1.7	4.7	1.6	
Less: Payments to the rest of the world.....	163.9	11.9	12.1	-18.0	7.7	7.9	7.5	-10.3	4.9	
Less: Taxes on corporate income....	485.0	19.2	14.5	-14.4	8.8	4.2	3.0	-2.9	1.9	
Equals: Profits after tax.....	1,183.7	3.6	47.0	9.6	11.4	0.3	4.2	0.8	1.0	
Net dividends.....	692.0	15.4	19.3	21.0	20.6	2.5	3.1	3.2	3.1	
Undistributed profits from current production.....	491.7	-11.8	27.8	-11.5	-9.2	-2.4	5.7	-2.2	-1.8	
Net cash flow.....	1,374.8	1.1	30.2	-1.1	-4.6	0.1	2.2	-0.1	-0.3	
Industry profits:										
Profits with IVA.....	1,826.0	34.9	63.2	4.4	5.8	2.0	3.6	0.2	0.3	
Domestic industries.....	1,554.9	21.1	68.4	-32.8	6.6	1.4	4.5	-2.1	0.4	
Financial.....	526.8	44.3	-8.1	22.6	4.1	9.5	-1.6	4.5	0.8	
Nonfinancial.....	1,028.1	-23.2	76.5	-55.4	2.5	-2.3	7.6	-5.1	0.2	
Rest of the world.....	271.1	13.8	-5.3	37.3	-0.8	6.1	-2.2	15.9	-0.3	
Addenda:										
Profits before tax (without IVA and CCAdj).....	1,858.5	70.9	42.5	-16.4	20.9	4.1	2.3	-0.9	1.1	
Profits after tax (without IVA and CCAdj).....	1,373.5	51.7	28.0	-1.9	12.0	4.0	2.1	-0.1	0.9	
IVA.....	-32.5	-36.0	20.7	20.7	-15.0	.....	.....	.....	.....
CCAdj.....	-157.3	-12.2	-1.6	-9.3	14.4	.....	.....	.....	.....

NOTE: Levels of these and other profits series are shown in NIPA tables 1.12, 1.14, 1.15, and 6.16D.

IVA Inventory valuation adjustment
CCAdj Capital consumption adjustment

Profits from current production increased \$20.3 billion, or 1.2 percent at a quarterly rate, in the first quarter, following a decrease of \$4.9 billion.

Domestic profits of financial corporations increased \$4.8 billion, or 1.0 percent, following an increase of \$20.5 billion.

Domestic profits of nonfinancial corporations increased \$16.2 billion, or 1.8 percent, following a decrease of \$62.6 billion.

Profits from the rest of the world turned down \$0.8 billion, or 0.3 percent, after increasing \$37.3 billion. Receipts from the rest of the world decelerated, and payments to the rest of the world turned up.

Taxes on corporate income increased \$8.8 billion, or 1.9 percent, compared with a decrease of \$14.4 billion.

After-tax profits increased \$11.4 billion, or 1.0 percent, following an increase of \$9.6 billion.

Undistributed corporate profits (a measure of net saving that equals after-tax profits less dividends) decreased \$9.2 billion, or 1.8 percent, following a decrease of \$11.5 billion.

Net cash flow from current production, a profits-related measure of internally generated funds available for investment, decreased \$4.6 billion, or 0.3 percent, following a decrease of \$1.1 billion.

Measuring Corporate Profits

Corporate profits is a widely followed economic indicator used to gauge corporate health, assess investment conditions, and analyze the effect on corporations of economic policies and conditions. In addition, corporate profits is an important component in key measures of income.

BEA's measure of corporate profits aims to capture the income earned by corporations from current production in a manner that is fully consistent with the national income and product accounts (NIPAs). The measure is defined as receipts arising from current production less associated expenses. Receipts exclude income in the form of dividends and capital gains, and expenses exclude bad debts, natural resource depletion, and capital losses.

Because direct estimates of NIPA-consistent corporate profits are unavailable, BEA derives these estimates in three steps.

First, BEA measures profits before taxes to reflect corporate income regardless of any redistributions of income through taxes. This measure is partly based on tax return

information from the Internal Revenue Service; BEA uses tax accounting measures as a source of information on profits for two reasons: They are based on well-specified accounting definitions, and they are comprehensive, covering all incorporated businesses—publicly traded and privately held—in all industries. BEA also uses other sources of information to estimate pretax profits, including information from the Census Bureau.

Second, to remove the effects of price changes on inventories valued at historical cost and of tax accounting for inventory withdrawals, BEA adds an inventory valuation adjustment that values inventories at current cost.

Third, to remove the effects of tax accounting on depreciation, BEA adds a capital consumption adjustment (CCAdj). CCAdj is defined as the difference between consumption of fixed capital (the decline in the value of the stock of assets due to wear and tear, obsolescence, accidental damage, and aging) and capital consumption allowances (tax return depreciation).

Government Receipts and Expenditures

Estimates for the First Quarter of 2007

NET GOVERNMENT saving, the difference between current receipts and current expenditures of the Federal Government and state and local governments, was $-\$171.6$ billion in the first quarter of 2007, decreasing $\$32.4$ billion from $-\$139.2$ billion in the fourth quarter.

Net Federal Government saving was $-\$133.7$ billion in the first quarter, decreasing $\$13.0$ billion from $-\$120.7$ billion in the fourth quarter (see page 12). Current receipts accelerated, and current expenditures turned up.

Net state and local government saving was $-\$37.9$ billion in the first quarter, decreasing $\$19.5$ billion from $-\$18.4$ billion in the fourth quarter (see page 13). Current receipts and current expenditures accelerated.

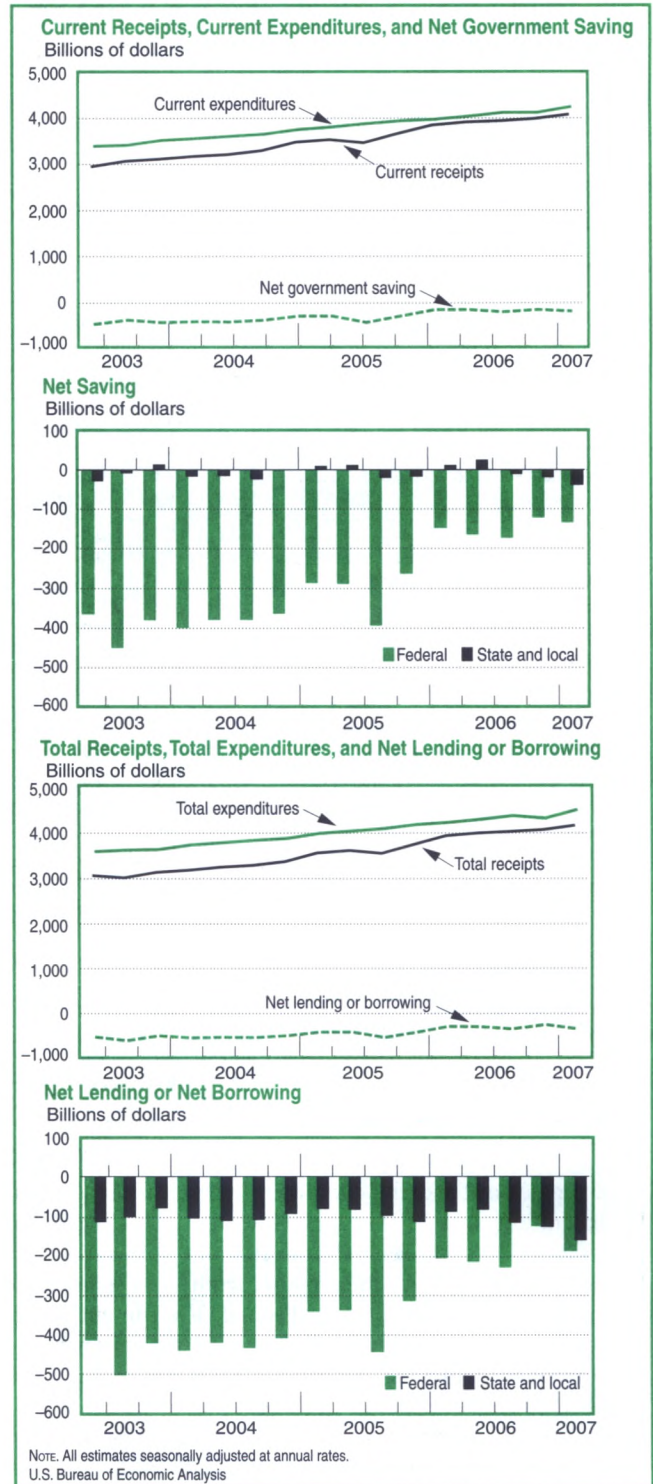
Net borrowing was $\$349.5$ billion in the first quarter, increasing $\$96.3$ billion from $\$253.4$ billion in the fourth quarter. Federal Government net borrowing was $\$188.1$ billion in the first quarter, increasing $\$62.6$ billion from $\$125.5$ billion in the fourth quarter. State and local government net borrowing was $\$161.4$ billion in the first quarter, increasing $\$33.7$ billion from $\$127.7$ billion in the fourth quarter.

Table 1. Net Government Saving and Net Lending or Net Borrowing
(Billions of dollars, seasonally adjusted at annual rates)

	Level	Change from preceding quarter			
	2007	2006			2007
	I	II	III	IV	I
Current receipts	4,129.1	66.5	28.7	44.2	94.6
Current expenditures	4,300.8	69.3	74.9	0.2	127.1
Net government saving	-171.6	-2.6	-46.4	44.1	-32.4
Federal	-133.7	-16.1	-9.9	52.3	-13.0
State and local	-37.9	13.4	-36.3	-8.2	-19.5
Net lending or net borrowing (-)	-349.5	-5.5	-47.1	94.2	-96.3
Federal	-188.1	-9.9	-14.4	104.9	-62.6
State and local	-161.4	4.4	-32.7	-10.7	-33.7

Pamela A. Kelly prepared this article.

Chart 1. Government Fiscal Position



Federal Government

Table 2. Federal Government Current Receipts and Expenditures

(Billions of dollars, seasonally adjusted at annual rates)

	Level	Change from preceding quarter			
	2007	2006			2007
	I	II	III	IV	I
Current receipts	2,662.7	32.3	34.0	34.7	70.8
Current tax receipts	1,640.1	28.3	26.0	17.2	43.7
Personal current taxes.....	1,134.7	10.7	14.8	27.3	42.7
Taxes on production and imports	97.8	1.9	-1.7	-3.4	-0.1
Taxes on corporate income	395.8	15.1	12.4	-13.3	7.3
Taxes from the rest of the world	11.7	0.5	0.4	6.7	-6.3
Contributions for government social insurance.....	966.8	2.2	6.4	16.6	29.7
Income receipts on assets.....	26.9	0.9	1.2	1.6	-0.1
Current transfer receipts	32.5	0.6	0.8	-0.6	-0.5
Current surplus of government enterprises.....	-3.5	0.3	-0.4	-0.1	-1.9
Current expenditures	2,796.4	48.3	44.0	-17.5	83.7
Consumption expenditures	825.3	-1.3	6.8	8.0	8.2
National defense	552.7	0.0	1.6	13.7	-0.3
Nondefense.....	272.6	-1.3	5.2	-5.8	8.6
Current transfer payments	1,618.6	24.6	18.2	6.3	47.5
Government social benefits.....	1,217.3	17.6	8.8	16.3	25.8
To persons.....	1,214.1	17.6	9.0	16.3	25.7
To the rest of the world.....	3.2	0.1	-0.2	0.1	0.0
Other current transfer payments	401.4	7.0	9.3	-10.0	21.8
Grants-in-aid to state and local governments.....	370.5	5.7	8.6	-7.4	12.3
To the rest of the world.....	30.9	1.2	0.8	-2.6	9.5
Interest payments	302.8	27.9	19.5	-31.0	28.9
Subsidies.....	49.7	-2.8	-0.5	-0.8	-0.9
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0
Net Federal Government saving	-133.7	-16.1	-9.9	52.3	-13.0
Social insurance funds	52.1	-13.6	-0.5	4.4	5.6
Other.....	-185.8	-2.5	-9.4	47.9	-18.6
Addenda:					
Total receipts	2,685.0	31.2	32.8	35.3	66.0
Current receipts	2,662.7	32.3	34.0	34.7	70.8
Capital transfer receipts	22.3	-1.1	-1.2	0.6	-4.8
Total expenditures	2,873.1	41.1	47.2	-69.7	128.7
Current expenditures.....	2,796.4	48.3	44.0	-17.5	83.7
Gross government investment	117.8	-0.8	0.7	2.5	-2.8
Capital transfer payments	67.2	-2.8	0.9	-0.9	-2.0
Net purchases of nonproduced assets	-1.3	-2.5	3.1	-52.9	50.8
Less: Consumption of fixed capital	107.0	1.3	1.4	0.9	1.0
Net lending or net borrowing (-)	-188.1	-9.9	-14.4	104.9	-62.6

Personal current taxes accelerated, reflecting an acceleration in withheld and nonwithheld income taxes.

Contributions for government social insurance accelerated because of administrative changes that took effect in January. Contributions for social security by employers, employees, and the self-employed accelerated as a result of an increase in the maximum taxable wage base to \$97,500 in 2007 from \$94,200 in 2006. Contributions for supplementary medical insurance accelerated because of an increase in the monthly premiums paid by participants of Medicare Part B; beginning in 2007, one monthly premium has been replaced by five premium rates based on income, ranging from \$93.50 to \$161.40 a month.

National defense consumption expenditures turned down, primarily reflecting a downturn in spending for services.

Nondefense consumption expenditures turned up, reflecting an upturn in compensation of employees because of the January 2007 pay raise, which boosted compensation \$1.9 billion, and an upturn in civilian employment.

Government social benefits to persons accelerated, reflecting the 3.3-percent cost-of-living adjustment that boosted benefits for social security, veterans' pensions, supplemental security income, and other programs by \$21.0 billion in January.

Other current transfer payments to the rest of the world turned up, reflecting a \$2.5 billion increase (\$10.0 billion at an annual rate) in economic support payments to Israel and Egypt.

Interest payments turned down, reflecting the downturn in interest paid on Treasury Inflation-Protected Securities.

Net purchases of nonproduced assets turned up following large receipts from spectrum auctions in the fourth quarter.

Federal Government Estimates

Estimates of Federal Government current receipts, current expenditures, and net Federal Government saving are based on data from the Federal budget, from the *Monthly Treasury Statement* and other reports from the Department of the Treasury, and from other Federal Government agencies. Total receipts, total expenditures, and net lending or net borrowing, which are alternative measures of the Federal fiscal position, are based on these same sources.

Quarterly and annual estimates are published monthly in NIPA table 3.2. Detailed annual estimates of these transac-

tions by component are published annually in NIPA tables 3.4–3.8, 3.12, and 3.13. Detailed quarterly estimates are available in underlying NIPA tables at <www.bea.gov/bea/dn/nipaweb/nipa_underlying/Index.asp>.

Each year, BEA prepares an article that compares NIPA estimates and the Federal budget.¹ For a historical time series of this comparison, see NIPA table 3.18B.

1. See Mary L. Roy and Andrew P. Cairns, "Federal Budget Estimates for Fiscal Year 2008," *SURVEY OF CURRENT BUSINESS* 87 (March 2007): 10–21.

State and Local Government

Table 3. State and Local Government Current Receipts and Expenditures

(Billions of dollars, seasonally adjusted at annual rates)

	Level		Change from preceding quarter			
	2007	2006		2007		
	I	II	III	IV	I	
Current receipts	1,836.9	40.1	3.2	2.1	36.1	
Current tax receipts	1,265.2	32.0	-7.4	7.8	21.5	
Personal current taxes	314.8	17.7	-13.3	2.4	14.6	Personal current taxes accelerated, reflecting an acceleration in state income taxes.
Taxes on production and imports	881.0	11.9	3.9	7.8	6.0	
Taxes on corporate income	69.3	2.4	2.1	-2.4	0.8	Taxes on corporate income turned up, reflecting an upturn in corporate profits.
Contributions for government social insurance	25.1	-0.1	0.0	0.1	0.3	
Income receipts on assets	78.9	0.7	0.5	0.3	0.7	
Current transfer receipts	477.6	7.8	10.5	-5.5	14.30	
Federal grants-in-aid	370.5	5.7	8.6	-7.4	12.3	Federal grants-in-aid turned up, reflecting an upturn in Medicaid grants.
Other	107.1	2.0	2.0	2.0	1.9	
Current surplus of government enterprises	-9.9	-0.4	-0.5	-0.7	-0.5	
Current expenditures	1,874.8	26.7	39.5	10.3	55.6	
Consumption expenditures	1,342.0	24.5	19.3	16.5	25.5	Consumption expenditures accelerated, reflecting an upturn in spending for nondurable goods.
Government social benefits	435.0	1.3	19.3	-5.5	29.5	Government social benefit payments turned up, reflecting an upturn in benefit payments for Medicaid.
Interest paid	97.5	0.8	0.9	-0.7	0.7	
Subsidies	0.4	0.0	0.0	0.0	0.0	
Less: Wage accruals less disbursements	0.0	0.0	0.0	0.0	0.0	
Net state and local government saving	-37.9	13.4	-36.3	-8.2	-19.5	
Social insurance funds	5.4	-0.4	-0.3	-0.2	0.1	
Other	-43.3	13.9	-36.1	-8.1	-19.5	Gross government investment accelerated, reflecting an acceleration in investment for structures.
Addenda:						
Total receipts	1,887.7	40.4	5.1	1.0	30.1	
Current receipts	1,836.9	40.1	3.2	2.1	36.1	
Capital transfer receipts	50.8	0.4	2.0	-1.1	-6.1	
Total expenditures	2,049.1	36.1	37.8	11.8	63.7	
Current expenditures	1,874.8	26.7	39.5	10.3	55.6	
Gross government investment	333.5	11.8	1.5	5.9	12.6	
Capital transfer payments						
Net purchases of nonproduced assets	12.5	0.2	0.1	0.1	0.1	
Less: Consumption of fixed capital	171.7	2.5	3.3	4.6	4.6	
Net lending or net borrowing (-)	-161.4	4.4	-32.7	-10.7	-33.7	

Estimates of State and Local Government Receipts and Expenditures

The estimates of state and local government current receipts and expenditures and total receipts and expenditures are mainly based on compilations of data for state and local government finances. The Census Bureau produces the primary source data: The quinquennial census of governments in years that end in a 2 or a 7 and the *Government Finances* series of surveys for the other years. In addition, other sources of Census Bureau data are from the *Quarterly Summary of State and Local Government Tax Revenue* and the monthly *Value of Construction Put in Place*. Data sources from the Bureau of Labor Statistics include the Quarterly Census of Employment and Wages and the Employment Cost Index.

Quarterly and annual estimates are available monthly in NIPA table 3.3. Detailed annual estimates of state and local government transactions by component are available

annually in NIPA tables 3.4–3.8, 3.12, and 3.13. Detailed quarterly estimates are available in underlying NIPA tables at <www.bea.gov/bea/dn/nipaweb/nipa_underlying/Index.asp>. For a historical time series of reconciliations of the NIPA estimates with the Census Bureau data from *Government Finances*, see NIPA table 3.19.

BEA now prepares annual estimates of receipts and expenditures of state governments and of local governments.¹ These estimates are available annually in NIPA table 3.20 (state government receipts and expenditures) and in NIPA table 3.21 (local government receipts and expenditures); see “Newly Available NIPA Tables” in the October 2006 SURVEY.

1. Bruce E. Baker, “Receipts and Expenditures of State Governments and of Local Governments,” SURVEY 85 (October 2005): 5–10.

U.S. Travel and Tourism Satellite Accounts for 1998–2006

By Paul V. Kern and Edward A. Kocis

THE travel and tourism industry—as measured by real output of goods and services sold directly to visitors—grew for the fifth consecutive year in 2006, according to the most recent estimates from the travel and tourism satellite accounts of the Bureau of Economic Analysis (BEA). These estimates show real direct output growth of 2.5 percent in 2006, a deceleration from the 2.9 percent growth in 2005 and 5.9 percent growth in 2004.¹ Employment in the tourism industry continued to grow slower than real output, growing 1.2 percent in 2006 and 1.6 percent in 2005.

Other highlights from the travel and tourism satellite accounts include the following:

- Current-dollar total tourism-related output increased to \$1.23 trillion in 2006, up 7.1 percent from \$1.15 trillion in 2005.
- Total employment in travel and tourism reached a new peak in 2006 of 8.5 million jobs, surpassing the previous high of 8.4 million jobs in 2000.
- Outbound tourism grew 7.6 percent in 2006, and inbound tourism grew 6.8 percent. As a result, the net export position weakened slightly, from a \$6 billion surplus in 2005 to a \$5.7 billion surplus in 2006.
- Business travel's share of U.S. domestic travel and tourism rose for the third straight year, to 32.1 percent in 2005. This share peaked at 34.7 percent in 2000.

These travel and tourism estimates incorporated newly available data from BEA's annual input-output (I-O) accounts, updated data from the national income and product accounts (NIPAs), and a number of improvements in methodology and presentation. Estimates for 1998–2005 were revised to include these methodological improvements; therefore, the estimates provided here are not comparable with previously published estimates. The accounts are available on the BEA Web site at <www.bea.gov>; see the box "Data Availability."

The most recent travel and tourism accounts in-

clude new estimates of output and employment for 2006 and revised estimates for the full set of accounts for 1998–2005 as described below.² The satellite account framework provides the flexibility to make frequent improvements to the travel and tourism accounts. From 1998 forward, BEA has increased the coverage, timeliness, and frequency of the releases. This year, BEA introduced four improvements:

- The coverage of traveler accommodations has been broadened to include the value of vacation home rentals. This increased total tourism output by \$14.5 billion in 2005.
- The methodology used to estimate the consumption of gasoline by travel and tourism activity has been improved. This increased total tourism output by \$39.9 billion in 2005.
- The treatment of commissions on foreign (inbound) travel and tourism has been made consistent with the treatment of commissions on outbound travel and tourism. This reduced total tourism output by \$4.1 billion in 2005.
- A new "core" table has been added to the travel accounts: Table 3a presents tourism figures *before* they have been adjusted for travel agency commissions.

The remainder of this article includes a discussion of trends in travel and tourism output and prices, the composition of tourism demand, tourism value added and employment, and methodological and presentational improvements, followed by the eight core travel and tourism account tables.

2. The travel and tourism satellite accounts rely on the most recent annual input-output table of the U.S. economy (2005 currently), while the 2006 data relies on less detailed data from the NIPAs.

Data Availability

The detailed annual estimates of tourism activity for 2005 are presented in eight tables at the end of this article. The detailed annual estimates for 1998–2005, estimates of output and employment for 2006, and quarterly estimates of output and employment are available on BEA's Web site at <www.bea.gov> under "Industry" and "Satellite Accounts."

1. All measures of tourism activity not expressly identified as being in "real" (constant-price) terms are current-dollar estimates.

Table A. Annual Growth in Real Output by Tourism Commodity in 2000–2006
[Percentage change from preceding period]

Commodity	2000	2001	2002	2003	2004	2005	2006
All tourism goods and services	2.97	-4.70	0.78	3.15	5.93	2.88	2.49
Traveler accommodations.....	6.88	-8.15	1.98	3.36	4.08	2.16	2.84
Food and beverage services.....	1.66	-2.24	1.47	4.41	5.12	4.86	4.80
Transportation.....	0.53	-4.08	-0.49	0.83	6.11	3.26	0.77
Passenger air transportation.....	6.09	-9.16	-1.93	3.31	9.13	5.32	1.19
Domestic passenger air transportation services.....	6.23	-6.67	-0.78	6.76	6.30	1.03	-2.42
International passenger air transportation services.....	5.73	-15.10	-4.83	-4.35	16.10	14.36	8.08
All other transportation-related commodities.....	-3.66	-0.14	0.49	-0.77	4.11	1.92	0.47
Passenger rail transportation services.....	8.37	2.78	4.50	3.20	9.68	-7.17	0.10
Passenger water transportation services.....	27.05	14.13	1.24	20.59	11.31	14.56	13.61
Intercity bus services.....	3.18	-4.01	-2.88	15.32	-6.35	-6.74	-8.24
Intercity charter bus services.....	-26.10	-10.23	-3.10	-3.67	-4.14	-4.82	-0.39
Local bus and other transportation services.....	-8.22	-1.80	-7.15	-2.63	-0.62	5.25	4.83
Taxicab services.....	-14.49	-3.92	-7.16	-8.96	-4.32	4.44	1.80
Scenic and sightseeing transportation services.....	-6.49	-7.31	-5.33	-0.83	3.18	0.58	0.54
Automotive rental and leasing.....	2.61	-2.67	-5.71	-1.50	9.96	6.57	-2.32
Other vehicle rental and leasing.....	3.76	-7.87	-4.33	1.22	6.88	9.24	5.50
Automotive repair services.....	-17.34	7.37	3.54	-12.05	-6.68	-5.33	1.10
Parking.....	-0.99	6.69	2.35	12.01	-0.88	1.60	-1.58
Highway tolls.....	-11.98	2.44	6.79	8.10	-4.60	-4.16	-8.90
Travel arrangement and reservation services.....	-3.22	-1.68	5.09	4.90	10.39	1.68	0.73
Gasoline.....	-4.36	-0.56	0.62	-4.54	0.13	0.27	-0.33
Recreation, entertainment, and shopping.....	4.87	-4.85	1.55	5.41	7.31	1.70	3.29
Recreation and entertainment.....	4.08	-1.50	4.51	5.54	5.17	0.83	3.00
Motion pictures and performing arts.....	1.03	-1.98	5.30	2.27	2.61	-2.54	-1.87
Spectator sports.....	12.35	-11.78	15.81	2.65	7.20	-2.11	3.11
Participant sports.....	1.82	-2.90	0.02	1.25	2.64	-1.19	5.14
Gambling.....	10.08	2.80	5.08	9.27	9.99	4.05	4.47
All other recreation and entertainment.....	-2.98	-3.70	2.90	5.64	-0.44	-0.45	2.11
Nondurable PCE commodities other than gasoline.....	5.39	-7.12	-0.60	5.32	9.02	2.38	3.51

PCE Personal consumption expenditures

Table B. Contributions to Growth in Real Tourism Output by Tourism Commodity in 2000–2006
[Percentage points]

Commodity	2000	2001	2002	2003	2004	2005	2006
All tourism goods and services	2.97	-4.70	0.78	3.15	5.93	2.88	2.49
Traveler accommodations.....	1.18	-1.44	0.34	0.58	0.72	0.38	0.50
Food and beverage services.....	0.26	-0.34	0.24	0.73	0.86	0.81	0.80
Transportation.....	0.23	-1.61	-0.21	0.33	2.27	1.21	0.29
Passenger air transportation.....	1.06	-1.58	-0.31	0.50	1.35	0.77	0.18
Domestic passenger air transportation services.....	0.78	-0.82	-0.08	0.69	0.66	0.10	-0.24
International passenger air transportation services.....	0.27	-0.76	-0.22	-0.20	0.69	0.67	0.43
All other transportation-related commodities.....	-0.83	-0.03	0.10	-0.16	0.92	0.44	0.10
Passenger rail transportation services.....	0.02	0.01	0.01	0.01	0.02	-0.02	0.00
Passenger water transportation services.....	0.24	0.14	0.01	0.21	0.13	0.16	0.16
Intercity bus services.....	0.01	-0.01	-0.01	0.04	-0.02	-0.02	-0.02
Intercity charter bus services.....	-0.06	-0.02	-0.01	-0.01	-0.01	-0.01	0.00
Local bus and other transportation services.....	-0.05	-0.01	-0.04	-0.01	0.00	0.03	0.02
Taxicab services.....	-0.11	-0.02	-0.05	-0.06	-0.02	0.02	0.01
Scenic and sightseeing transportation services.....	-0.03	-0.03	-0.02	0.00	0.01	0.00	0.00
Automotive rental and leasing.....	0.10	-0.10	-0.22	-0.06	0.36	0.24	-0.09
Other vehicle rental and leasing.....	0.00	-0.01	0.00	0.00	0.01	0.01	0.01
Automotive repair services.....	-0.44	0.15	0.08	-0.30	-0.14	-0.10	0.02
Parking.....	0.00	0.02	0.01	0.04	0.00	0.00	0.00
Highway tolls.....	-0.01	0.00	0.01	0.01	-0.01	0.00	-0.01
Travel arrangement and reservation services.....	-0.19	-0.09	0.29	0.28	0.59	0.10	0.04
Gasoline.....	-0.30	-0.04	0.04	-0.32	0.01	0.02	-0.03
Recreation, entertainment, and shopping.....	1.30	-1.30	0.42	1.50	2.07	0.48	0.90
Recreation and entertainment.....	0.44	-0.16	0.51	0.67	0.65	0.10	0.36
Motion pictures and performing arts.....	0.02	-0.03	0.10	0.05	0.05	-0.05	-0.03
Spectator sports.....	0.09	-0.09	0.12	0.02	0.07	-0.02	0.03
Participant sports.....	0.03	-0.05	0.00	0.02	0.05	-0.02	0.09
Gambling.....	0.38	0.11	0.22	0.43	0.49	0.21	0.23
All other recreation and entertainment.....	-0.08	-0.09	0.07	0.15	-0.01	-0.01	0.05
Nondurable PCE commodities other than gasoline.....	0.86	-1.14	-0.09	0.83	1.42	0.38	0.54

PCE Personal consumption expenditures

Trends in Travel and Tourism Output and Prices

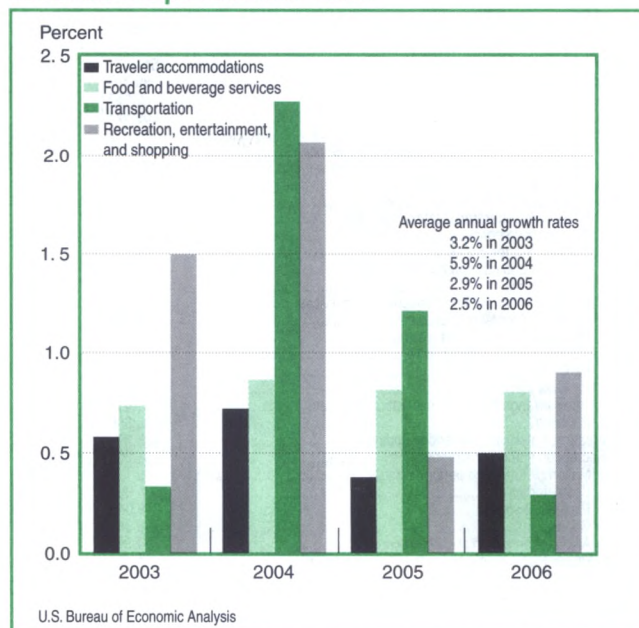
Real output. Real direct output—the value of the tourism industry’s goods and services sold directly to visitors—increased 2.5 percent in 2006, reflecting continued strong growth in passenger water transportation services (13.6 percent), international passenger air transportation services (8.1 percent), and food and beverage services (4.8 percent). Participant sports reversed a 2005 decline of 1.2 percent and increased 5.1 percent (table A).

In 2006, recreation, entertainment, and shopping contributed the most to the 2.5 percent growth in real tourism output, accounting for 36 percent of the overall increase (chart 1). That contribution was more than twice its 17-percent contribution in 2005. Recent movements in exchange rates between the U.S. dollar and other currencies affect this component of travel and tourism. Food and beverage services, which have been strong each year since 2002, accounted for 32 percent of the overall increase in real tourism output in 2006 (tables B and C).

Nonetheless, in 2006, growth decelerated or turned down in 14 of 24 tourism commodities.

Prices. Tourism goods and services prices increased 4.5 percent overall in 2006, the fourth consecutive year of price growth. Prices in 2006 were 15.7 percent higher than their 2000 level. Passenger air transportation prices increased again in 2006 but remained

Chart 1. Contributions to Annual Growth in Real Tourism Output in 2003–2006



slightly below their 2000 level. International air prices continued their upward trend.

Transportation services, which include two volatile components—passenger air transportation and gasoline—contributed 47 percent of the 2006 increase in overall tourism goods and services prices (chart 2 and table E). Traveler accommodations, a large but less volatile component of travel and tourism, accounted for 18 percent of total price growth in 2006 (table D).

Total output. Total tourism-related output in current dollars increased to \$1.23 trillion in 2006, up 7.1 percent, from \$1.15 trillion in 2005. Total output consisted of \$700.2 billion in direct tourism output and \$533.6 billion in indirect tourism output (chart 3).

Direct tourism output includes goods and services sold directly to visitors, such as passenger air travel. Indirect tourism output includes sales of all goods and services used to produce that direct output, such as jet fuel to fly the plane. As another example, the purchase of a souvenir t-shirt at a water park requires that it be manufactured before it is sold to a tourist. In 2006, the 1.76 ratio of total output to direct output meant that every dollar of direct tourism output required an additional 76 cents of *indirect* tourism output (table 5).

Table D. Chain-Type Price Indexes for Tourism Commodities in 1999–2006

[Index numbers, 2000=100]

Commodity	1999	2000	2001	2002	2003	2004	2005	2006
All tourism goods and services	95.2	100.0	100.5	100.0	102.8	106.0	110.7	115.7
Traveler accommodations	96.8	100.0	102.0	101.2	102.8	108.7	114.2	119.3
Food and beverage services	97.3	100.0	103.2	106.0	108.2	111.4	115.0	118.6
Transportation	92.3	100.0	97.7	94.5	98.9	101.6	108.0	115.3
Passenger air transportation	95.8	100.0	95.6	90.1	93.2	92.1	94.8	99.7
Domestic passenger air transportation services	95.8	100.0	91.4	82.5	84.8	83.1	85.2	89.5
International passenger air transportation services	95.9	100.0	107.4	112.2	117.5	118.5	123.3	129.8
All other transportation-related commodities	89.6	100.0	99.3	97.8	103.3	108.8	118.1	127.4
Passenger rail transportation services	95.5	100.0	102.4	107.1	99.0	95.5	98.9	106.1
Passenger water transportation services	109.7	100.0	91.9	88.4	81.5	80.4	81.1	80.8
Intercity bus services	95.7	100.0	103.3	106.6	110.5	114.7	118.8	127.5
Intercity charter bus services	95.6	100.0	103.9	107.1	111.4	114.2	116.8	120.9
Local bus and other transportation services	96.3	100.0	101.6	103.2	108.4	113.3	118.4	122.4
Taxicab services	98.6	100.0	103.0	105.3	112.8	119.5	125.0	129.2
Scenic and sightseeing transportation services	95.7	100.0	103.9	107.1	111.5	114.2	116.8	120.9
Automotive rental and leasing	96.4	100.0	99.4	104.4	107.8	109.1	109.5	118.1
Other vehicle rental and leasing	98.9	100.0	100.9	101.3	109.7	118.0	116.5	116.5
Automotive repair services	96.9	100.0	103.6	107.4	110.4	113.0	116.8	121.7
Parking	96.0	100.0	104.5	108.3	111.3	116.8	125.0	128.7
Highway tolls	92.7	100.0	100.3	98.0	100.1	108.5	122.0	135.3
Travel arrangement and reservation services	90.5	100.0	101.1	98.0	97.7	94.7	96.6	100.8
Gasoline	77.8	100.0	96.1	90.0	105.1	123.9	151.0	170.7
Recreation, entertainment, and shopping	97.3	100.0	102.5	104.0	105.4	107.7	110.3	112.8
Recreation and entertainment	96.0	100.0	103.4	105.9	108.6	111.7	115.5	119.0
Motion pictures and performing arts	94.1	100.0	103.9	107.4	112.3	116.2	120.5	124.8
Spectator sports	94.5	100.0	105.9	110.5	112.5	117.6	125.0	129.6
Participant sports	96.9	100.0	103.4	106.1	107.5	109.7	112.2	113.1
Gambling	96.8	100.0	102.8	104.4	106.8	109.6	113.3	117.0
All other recreation and entertainment	96.1	100.0	103.3	105.9	108.6	111.4	114.8	118.9
Nondurable PCE commodities other than gasoline	98.2	100.0	101.8	102.6	103.1	104.9	106.5	108.3

PCE Personal consumption expenditures

Table C. Real Output by Tourism Commodity in 1998–2006

[Millions of chained (2000) dollars]

Commodity	1998	1999	2000	2001	2002	2003	2004	2005	2006
All tourism goods and services	517,377	531,149	546,908	521,226	525,313	541,835	573,955	590,482	605,165
Traveler accommodations	89,783	90,797	97,041	89,131	90,897	93,952	97,786	99,902	102,737
Food and beverage services	82,357	82,321	83,683	81,812	83,015	86,680	91,116	95,543	100,127
Transportation	209,571	217,877	219,040	210,105	209,083	210,818	223,705	231,008	232,778
Passenger air transportation	88,019	92,068	88,731	87,020	89,900	89,900	98,104	103,320	104,546
Domestic passenger air transportation services	62,691	66,864	71,026	66,290	65,770	70,213	74,637	75,405	73,578
International passenger air transportation services	25,350	25,206	26,651	22,626	21,533	20,597	23,914	27,348	29,557
All other transportation-related commodities	121,718	125,974	121,363	121,195	121,791	120,848	125,810	128,230	128,834
Passenger rail transportation services	1,028	1,057	1,145	1,177	1,230	1,269	1,392	1,292	1,294
Passenger water transportation services	3,782	4,349	5,526	6,307	6,385	7,700	8,571	9,820	11,156
Intercity bus services	1,220	1,490	1,537	1,475	1,433	1,652	1,547	1,443	1,324
Intercity charter bus services	1,697	1,308	966	867	841	810	776	739	736
Local bus and other transportation services	3,190	3,262	2,993	2,940	2,730	2,658	2,641	2,780	2,914
Taxicab services	4,386	4,048	3,461	3,326	3,088	2,811	2,690	2,809	2,860
Scenic and sightseeing transportation services	2,348	2,477	2,316	2,147	2,033	2,016	2,080	2,092	2,104
Automotive rental and leasing	17,768	20,319	20,851	20,294	19,136	18,848	20,725	22,087	21,575
Other vehicle rental and leasing	444	506	525	484	463	468	501	547	577
Automotive repair services	14,443	13,324	11,014	11,826	12,244	10,768	10,049	9,514	9,618
Parking	1,262	1,328	1,315	1,403	1,436	1,608	1,594	1,620	1,594
Highway tolls	682	622	548	561	599	648	618	592	539
Travel arrangement and reservation services	31,417	31,759	30,735	30,218	31,756	33,311	36,771	37,388	37,660
Gasoline	38,056	40,180	38,430	38,214	38,449	36,705	36,753	36,853	36,732
Recreation, entertainment, and shopping	135,716	140,314	147,144	140,011	142,182	149,878	160,838	163,580	168,957
Recreation and entertainment	54,288	56,776	59,094	58,210	60,835	64,206	67,526	68,089	70,132
Motion pictures and performing arts	9,131	9,370	9,466	9,278	9,770	9,991	10,252	9,992	9,805
Spectator sports	3,697	3,822	4,294	3,788	4,387	4,503	4,827	4,726	4,873
Participant sports	9,046	9,776	9,954	9,665	9,667	9,788	10,047	9,927	10,438
Gambling	18,081	19,768	21,760	22,370	23,505	25,684	28,250	29,393	30,708
All other recreation and entertainment	14,361	14,039	13,620	13,116	13,497	14,258	14,196	14,132	14,431
Nondurable PCE commodities other than gasoline	81,410	83,545	88,050	81,784	81,290	85,616	93,335	95,556	98,908

PCE Personal consumption expenditures

The Composition of Tourism Demand

The annual travel and tourism accounts include estimates of the composition of tourism demand by type of visitor. They distinguish expenditures of U.S. residents traveling abroad from leisure travel within the United States by residents, businesses, government employees, and nonresidents. The balance of tourism trade can be derived by subtracting expenditures on foreign travel by U.S. residents (an import of goods and services related to travel and tourism headed *outbound*) from expenditures on U.S. travel by nonresidents (an export of goods and services related to travel and tourism *inbound*). With this release, this calculation has been improved by removing commissions from both the outbound and inbound components.

International travel and tourism. International travel (the sum of inbound and outbound travel) grew 8.4 percent in 2005 and 7.2 percent in 2006.

Table E. Contributions to Annual Growth in the Chain-Type Price Indexes for Tourism Commodities in 1999–2006

[Percentage points]

Commodity	1999	2000	2001	2002	2003	2004	2005	2006
All tourism goods and services	2.61	5.06	0.52	-0.51	2.77	3.14	4.42	4.53
Traveler accommodations.....	0.69	0.59	0.31	-0.13	0.28	0.98	0.87	0.81
Food and beverage services.....	0.25	0.43	0.45	0.42	0.35	0.51	0.53	0.73
Transportation.....	1.00	3.28	-0.86	-1.20	1.75	1.03	2.36	2.13
Passenger air transportation.....	0.10	0.78	-0.70	-0.88	0.50	-0.18	0.45	0.67
Domestic passenger air transportation services.....	-0.07	0.57	-1.01	-1.08	0.30	-0.22	0.25	0.30
International passenger air transportation services.....	0.17	0.21	0.31	0.20	0.21	0.04	0.20	0.38
All other transportation-related commodities.....	0.90	2.51	-0.16	-0.31	1.25	1.20	1.91	1.46
Passenger rail transportation services.....	0.01	0.01	0.00	0.01	-0.02	-0.01	0.01	0.01
Passenger water transportation services.....	-0.03	-0.09	-0.08	-0.04	-0.09	-0.02	0.01	0.06
Intercity bus services.....	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Intercity charter bus services.....	0.01	0.01	0.01	0.00	0.01	0.00	0.00	0.00
Local bus and other transportation services.....	0.00	0.02	0.01	0.01	0.03	0.02	0.02	0.02
Taxicab services.....	-0.01	0.01	0.02	0.01	0.04	0.03	0.02	0.02
Scenic and sightseeing transportation services.....	0.02	0.02	0.01	0.01	0.02	0.01	0.01	0.01
Automotive rental and leasing.....	-0.10	0.14	-0.02	0.18	0.12	0.05	0.01	0.19
Other vehicle rental and leasing.....	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00
Automotive repair services.....	0.07	0.07	0.07	0.08	0.07	0.05	0.06	0.06
Parking.....	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.01
Highway tolls.....	0.00	0.01	0.00	0.00	0.00	0.01	0.01	0.01
Travel arrangement and reservation services.....	0.40	0.58	0.06	-0.17	-0.02	-0.18	0.11	0.21
Gasoline.....	0.52	1.70	-0.26	-0.43	1.07	1.20	1.61	0.85
Recreation, entertainment, and shopping.....	0.66	0.75	0.61	0.40	0.39	0.63	0.66	0.85
Recreation and entertainment.....	0.35	0.45	0.34	0.28	0.31	0.35	0.42	0.43
Motion pictures and performing arts.....	0.10	0.11	0.06	0.06	0.09	0.07	0.07	0.04
Spectator sports.....	0.04	0.04	0.04	0.03	0.02	0.04	0.06	0.04
Participant sports.....	0.05	0.06	0.06	0.05	0.03	0.04	0.04	0.04
Gambling.....	0.08	0.13	0.11	0.07	0.11	0.13	0.17	0.22
All other recreation and entertainment.....	0.08	0.10	0.08	0.06	0.07	0.07	0.08	0.09
Nondurable PCE commodities other than gasoline.....	0.31	0.31	0.26	0.12	0.08	0.27	0.25	0.42

PCE Personal consumption expenditures

Chart 2. Contributions to Annual Growth in the Chain-Type Price Index for Tourism Goods and Services in 2003–2006

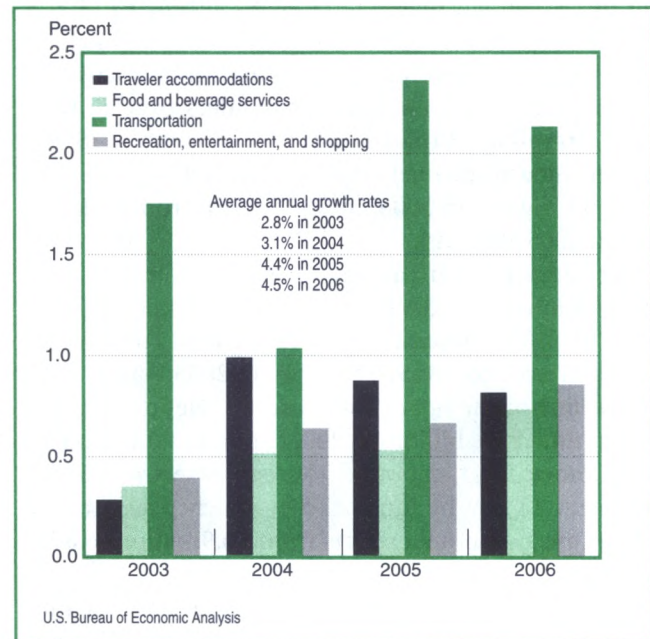
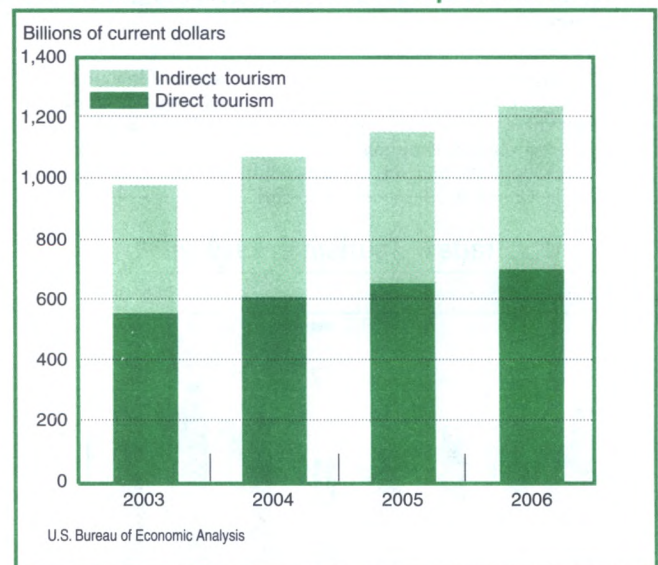


Chart 3. Total Tourism-Related Output in 2003–2006



In 2006, inbound tourism—defined as travel-related expenditures and international transportation purchases from U.S. providers by nonresidents traveling in the United States—grew 6.8 percent to \$104.9 billion (chart 4). Outbound tourism—defined as travel-related expenditures and international transportation purchases from foreign providers by U.S. residents traveling abroad—grew 7.6 percent to \$99.3 billion. As a result, net exports of travel and tourism declined slightly in 2006, to \$5.7 billion from \$6.0 billion in 2005 (table F).

Inbound tourism activity has been strong since 2003, following a 3-year period of weakness. From 2000 to 2003, inbound tourism declined from \$98.9 billion in 2000 to just \$76.6 billion in 2003—a factor in the decline of the net export position. Net exports fell to just under \$1 billion in 2003 from \$13.0 billion in 2000. Since 2003, inbound tourism rose from \$76.6 billion to \$104.9 billion in 2006, which played a key role in the rise in net exports from \$0.9 billion to \$5.7 billion.

Internal tourism includes travel and tourism that takes place within the borders of the United States—the sum of domestic tourism and inbound tourism.³ Inbound tourism’s share of internal tourism peaked in 2000, accounting for 15.3 percent of the total. In 2003, this ratio declined to 11.7 percent. In 2004 and 2005, inbound tourism’s share rebounded slightly to 12.4 percent and 12.7 percent, respectively (table G and chart 5).

3. As a component of internal tourism, the calculation of inbound tourism is modified to exclude all expenditures on international transportation, whether purchased from foreign or U.S. providers. This makes possible a comparison between expenditures by U.S. residents traveling within the United States (domestic tourism) and expenditures by nonresidents traveling within the United States (inbound tourism).

National tourism consists of travel and tourism by U.S. residents, both within the United States and abroad—the sum of domestic tourism and outbound tourism. The calculation of outbound tourism is modified here to include all expenditures on international transportation, *whether purchased from foreign or U.S. providers*. This is to create consistency between expenditures by U.S. residents traveling within the United States (domestic tourism) and expenditures by U.S. residents traveling abroad (outbound tourism).

Outbound tourism’s share of national tourism increased for the second straight year to 17.3 percent in 2005 from 16.9 percent in 2004. This share peaked in

Table F. U.S. International Travel and Tourism in 1999–2006

[Billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006
Total international travel and tourism	168.6	184.9	166.4	155.9	152.3	175.8	190.5	204.2
Inbound travel and tourism	91.0	98.9	86.3	80.0	76.6	89.3	98.2	104.9
Outbound travel and tourism	77.6	86.0	80.1	75.9	75.7	86.5	92.2	99.3
Net exports of travel and tourism	13.5	13.0	6.2	4.2	0.9	2.8	6.0	5.7

Table G. Internal Travel and Tourism in the United States by Residents and Nonresidents in 1998–2005

Year	Billions of dollars			Share	
	Residents	Nonresidents (inbound)	Total	Residents	Nonresidents (inbound)
1998	391,563	70,527	462,089	84.7	15.3
1999	413,260	73,886	487,145	84.8	15.2
2000	446,578	80,902	527,480	84.7	15.3
2001	436,526	70,737	507,263	86.1	13.9
2002	443,862	65,383	509,244	87.2	12.8
2003	478,332	63,245	541,577	88.3	11.7
2004	516,214	73,386	589,600	87.6	12.4
2005	550,573	80,320	630,893	87.3	12.7

Chart 4. U.S. Trade in Tourism in 1999–2006

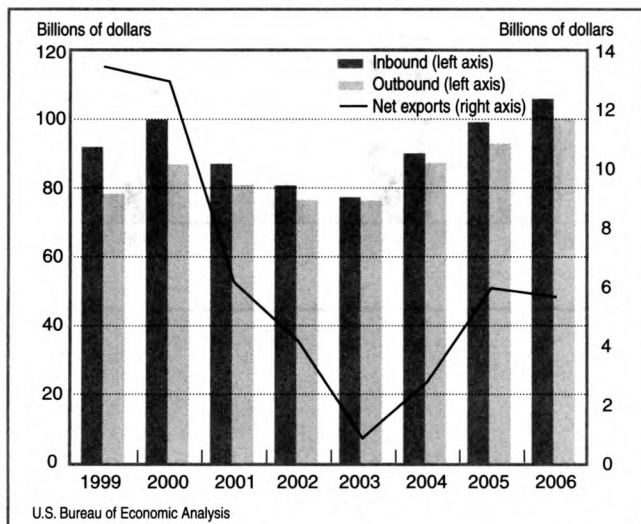
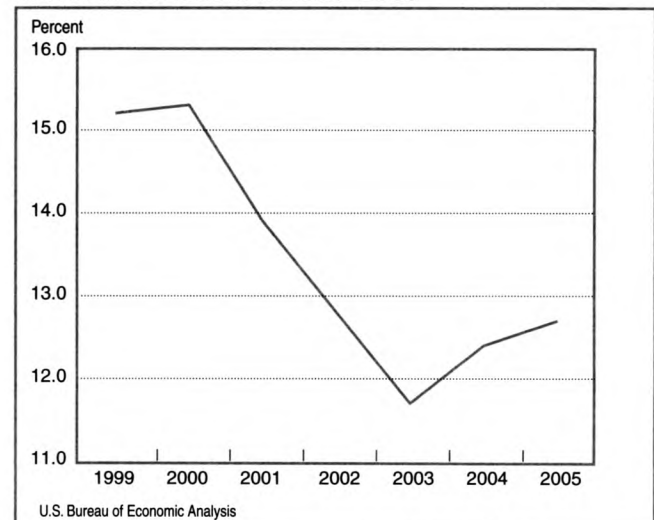


Chart 5. Inbound Tourism’s Share of Internal Travel and Tourism in 1999–2005



2000 at 18.2 percent of national tourism (table H and chart 6). Gross domestic product (GDP) growth affects both domestic and international travel while currency exchange rates affect international travel (both inbound and outbound), and these differences could increase inbound while decreasing outbound.⁴

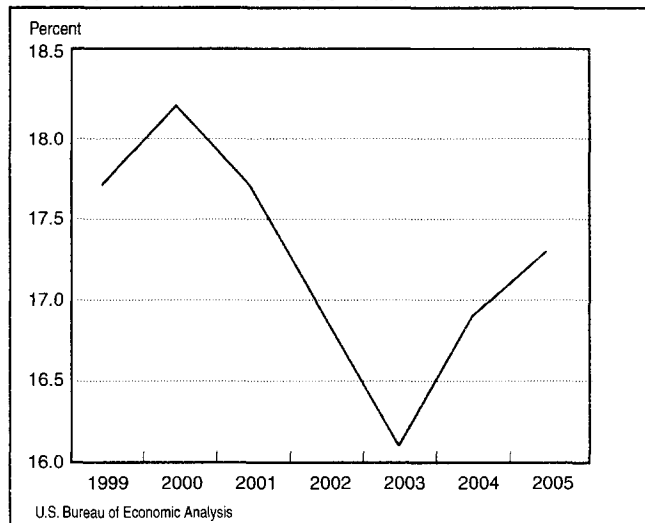
Domestic travel and tourism. Domestic tourism includes travel and tourism undertaken by U.S. residents within the borders of the United States. Puerto Rico and the U.S. Virgin Islands are outside of this defined boundary and are classified in “international travel.” The travel and tourism accounts break out all expenditures on domestic travel and tourism by type of visitor: Resident households, business, and government (table 3). Business travel’s share of domestic travel and tourism has increased for the third straight year to reach 32.1 percent in 2005; however, business travel’s share remains below its peak of 34.7 percent reached in 2000 (table I and chart 7).

4. See Helen Marano, “Outlook for International Travel to the United States” (Office of Travel and Tourism Industries, Department of Commerce); <tinnet.ita.doc.gov/view/f-2000-99-001/forecast/Forecast_Presentation_notes.pdf>.

Table H. National Travel and Tourism in the United States and Abroad in 1998–2005

Year	Billions of dollars			Percent	
	In the United States	Abroad (outbound)	Total	In the United States	Abroad (outbound)
1998	391,563	83,912	475,474	82.4	17.6
1999	413,260	88,910	502,170	82.3	17.7
2000	446,578	99,508	546,087	81.8	18.2
2001	436,526	93,911	530,437	82.3	17.7
2002	443,862	90,224	534,085	83.1	16.9
2003	478,332	91,872	570,204	83.9	16.1
2004	516,214	104,762	620,976	83.1	16.9
2005	550,573	114,930	665,503	82.7	17.3

Chart 6. Outbound Tourism’s Share of National Travel and Tourism in 1999–2005



Tourism Value Added and Employment

Value added and employment are two measures that facilitate analysis of travel and tourism by industry, rather than commodity.

Value added. An industry’s value added measures its contribution to gross domestic product (GDP). In 2005 (the most recent year for which data are available), tourism’s share of GDP was 2.6 percent. This share stood at 3 percent in 1998. It has declined each year since (table J). Tourism, however, continues to account for a larger share of GDP than several significant industries, such as utilities, computer and electronic products manufacturing, and motor vehicles, bodies, and trailer parts manufacturing.

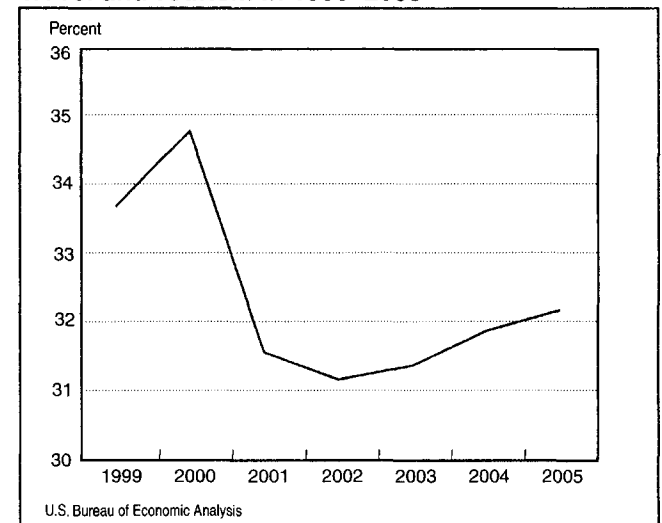
Table I. Domestic Travel and Tourism by Type of Visitor in 1998–2005

Year	Billions of dollars				Percent		
	Resident households	Business	Government	Total	Resident households	Business	Government
1998	245,777	130,165	19,483	395,425	62.2	32.9	4.9
1999	257,271	140,488	19,866	417,625	61.6	33.6	4.8
2000	274,177	156,956	20,565	451,699	60.7	34.7	4.6
2001	278,072	139,331	24,281	441,683	63.0	31.5	5.5
2002	283,455	139,679	25,715	448,849	63.2	31.1	5.7
2003	307,202	151,296	25,291	483,790	63.5	31.3	5.2
2004	328,577	166,142	27,494	522,213	62.9	31.8	5.3
2005	347,689	179,385	30,921	557,995	62.3	32.1	5.5

Table J. Travel and Tourism as a Share of Gross Domestic Product in 1998–2005

Year	Billions of dollars		Percent
	Gross domestic product	Tourism value added	Tourism value added as share of GDP
1998	8,747.0	261.9	2.99
1999	9,268.4	276.3	2.98
2000	9,817.0	289.5	2.95
2001	10,128.0	283.4	2.80
2002	10,469.6	285.2	2.72
2003	10,960.8	297.9	2.72
2004	11,712.5	312.5	2.67
2005	12,455.8	325.9	2.62

Chart 7. Business Travel’s Share of Domestic Travel and Tourism in 1999–2005



Direct employment. Direct tourism employment includes jobs that involve producing both goods and services that are directly sold to visitors. Airline pilots, hotel clerks, and travel agents are examples of such employees. Overall, direct employment increased 1.2 percent in 2006. Growth in employment at food services and drinking places accounted for 71 percent of the total growth in direct employment (table K). Traveler accommodations contributed 21 percent to the overall growth of employment. Air transportation continued a downtrend that began in 2001 (table L).

Total employment. Total tourism-related employment (the sum of direct and indirect jobs) grew to 8.5 million jobs in 2006, the third consecutive year of growth and above the previous peak of 8.4 million in 2000. The 8.5 million jobs consisted of 5.8 million direct jobs and 2.7 indirect jobs (charts 8 and 9). Direct tourism employment comprises jobs involved in producing direct tourism output, such as airline pilots, and indirect tourism employment comprises jobs involved in producing indirect tourism output, such as jet fuel refinery workers. The most recent data indicate that every direct tourism job generates an additional 46 percent of a job of indirect tourism employment (table 7).

Table K. Contributions to Growth in Employment by Tourism in 2000–2006
(Percentage Points)

Industry	2000	2001	2002	2003	2004	2005	2006
All tourism industries	1.37	-1.32	-3.01	-0.07	1.80	1.62	1.22
Traveler accommodations.....	0.87	-0.65	-0.84	0.00	0.20	0.34	0.25
Nonfarm residential tenant occupied permanent site	0.01	0.00	-0.01	0.00	0.00	0.00	0.00
Food services and drinking places	0.15	-0.22	0.49	1.08	1.35	1.06	0.86
Transportation	-0.37	-0.12	-2.07	-1.33	-0.33	0.07	-0.14
Air transportation services	0.58	-0.07	-1.35	-0.74	-0.15	-0.07	-0.20
All other transportation-related industries	-0.95	-0.04	-0.72	-0.59	-0.18	0.14	0.06
Rail transportation services	0.01	-0.01	0.02	0.01	0.04	0.00	0.01
Water transportation services	0.05	0.02	-0.01	0.01	0.01	0.08	0.03
Interurban bus transportation	-0.01	0.02	0.00	-0.02	-0.03	-0.01	0.00
Interurban charter bus transportation	0.02	0.01	-0.03	-0.02	0.00	-0.01	-0.01
Urban transit systems and other transportation	-0.05	0.01	-0.04	0.02	0.03	0.09	0.03
Taxi service	-0.09	-0.02	-0.12	-0.08	-0.05	0.03	0.02
Scenic and sightseeing transportation services	0.02	-0.01	-0.03	-0.01	0.00	0.01	0.00
Automotive equipment rental and leasing	0.11	0.00	-0.10	-0.07	0.01	0.02	-0.01
Automotive repair services	-0.18	0.06	0.07	-0.15	-0.07	-0.04	-0.01
Parking lots and garages	0.00	0.02	0.01	0.03	0.01	0.02	0.01
Toll highways	-0.01	0.00	0.00	0.01	0.00	0.01	0.00
Travel arrangement and reservation services	-0.78	-0.11	-0.42	-0.28	-0.10	-0.05	0.00
Petroleum refineries	-0.01	0.00	-0.01	0.00	-0.01	0.00	0.00
Gasoline service stations	-0.03	-0.03	-0.08	-0.04	-0.02	-0.01	-0.01
Recreation, entertainment, and shopping	0.70	-0.28	-0.48	0.20	0.54	0.02	0.14
Recreation and entertainment	0.77	0.18	-0.04	0.18	0.38	0.22	0.16
Motion pictures and performing arts	0.02	-0.03	0.01	0.01	0.03	-0.01	0.01
Spectator sports	0.05	-0.04	0.07	0.03	0.07	0.04	0.05
Participant sports	-0.18	0.10	-0.06	0.10	0.14	0.06	0.08
Gambling	0.99	0.16	-0.04	0.01	0.16	0.16	0.01
All other recreation and entertainment	-0.11	0.00	0.00	0.03	-0.01	-0.03	0.01
Shopping	-0.07	-0.46	-0.44	0.02	0.16	-0.20	-0.02
Industries producing nondurable PCE commodities, excluding petroleum refineries	-0.01	-0.31	-0.20	-0.08	0.01	-0.11	-0.04
Retail trade services, excluding gasoline service stations	-0.06	-0.16	-0.24	0.11	0.15	-0.09	0.02
All other industries	0.01	-0.05	-0.10	-0.02	0.05	0.12	0.10
All other industries, excluding Wholesale trade and transportation services	0.01	-0.03	0.08	-0.02	0.03	0.09	0.04
Wholesale trade and transportation services	-0.01	-0.02	-0.18	0.00	0.01	0.03	0.06

PCE Personal consumption expenditures

Methodological and Presentational Improvements

Several improvements have been introduced in the travel and tourism accounts. These improvements were incorporated for all years. Combined, these improvements resulted in an upward revision of \$50.3 billion to total tourism demand in 2005 (table M).

Vacation home rentals. The coverage of traveler accommodations has been broadened to include the value of vacation home rentals as travel and tourism accommodations. In the past, traveler accommoda-

Table L. Direct Employment by Tourism Industry in 1999–2006
(Thousands of employees)

Industry	1999	2000	2001	2002	2003	2004	2005	2006
All tourism industries	5,754	5,832	5,756	5,583	5,579	5,679	5,771	5,841
Traveler accommodations	1,355	1,405	1,367	1,319	1,319	1,330	1,349	1,364
Nonfarm residential tenant occupied permanent site	9	10	10	9	9	9	9	9
Food services and drinking places	1,612	1,621	1,608	1,636	1,697	1,772	1,832	1,882
Transportation	1,355	1,334	1,327	1,208	1,134	1,115	1,119	1,111
Air transportation services	563	597	592	515	473	465	461	449
All other transportation-related industries	792	737	735	693	660	650	658	662
Rail transportation services	11	11	11	12	12	15	15	16
Water transportation services	24	27	28	27	28	29	33	35
Interurban bus transportation	24	24	25	25	24	22	22	22
Interurban charter bus transportation	21	22	23	21	20	20	20	19
Urban transit systems and other transportation	51	48	49	47	48	49	54	56
Taxi service	62	57	55	49	44	41	43	44
Scenic and sightseeing transportation services	19	20	20	18	18	18	18	18
Automotive equipment rental and leasing	103	109	109	104	100	100	101	101
Automotive repair services	63	53	57	61	53	49	46	46
Parking lots and garages	10	10	11	12	13	14	15	15
Toll highways	5	4	4	4	5	5	5	6
Travel arrangement and reservation services	301	257	250	226	210	205	202	202
Petroleum refineries	9	8	8	8	8	7	7	7
Gasoline service stations	89	87	85	81	78	77	77	76
Recreation, entertainment, and shopping	1,166	1,206	1,190	1,162	1,173	1,204	1,205	1,213
Recreation and entertainment	541	585	596	594	603	625	637	646
Motion pictures and performing arts	33	34	32	33	33	35	34	34
Spectator sports	52	55	53	57	58	62	65	68
Participant sports	218	208	214	210	216	223	227	232
Gambling	106	163	172	169	170	179	188	189
All other recreation and entertainment	131	125	125	125	126	126	124	124
Shopping	625	621	594	569	570	579	568	567
Industries producing nondurable PCE commodities, excluding petroleum refineries	204	203	185	174	169	170	163	161
Retail trade services, excluding gasoline service stations	422	418	409	395	401	409	404	406
All other industries	256	257	254	248	247	250	257	263
All other industries, excluding Wholesale trade and transportation services	76	77	75	80	79	80	86	88
Wholesale trade and transportation services	180	180	179	169	169	170	171	175

PCE Personal consumption expenditures

Table M. Effect of TTSA Enhancements on the Value of Total Tourism Demand
(Billions of dollars)

	2003	2004	2005
Include vacation home rentals	+13.5	+13.9	+14.5
Include improved gasoline estimates	+26.6	+32.2	+39.9
Include inbound tourism commissions offset	-3.2	-3.8	-4.1
Total effect	+36.9	+42.3	+50.3

tions were narrowly defined as commercial multiunit establishments (hotels, motels, campgrounds, and bed and breakfasts). This change improves accommodations coverage and moves the travel and tourism accounts toward broader consistency with the United Nations World Tourism Organization (UNWTO) recommendations.⁵

5. Similar in mission to the *System of National Accounts*, the United Nations World Tourism Organization, in coordination with the United Nations Statistical Division, produces recommendations on tourism statistics. For more information, see <www.world-tourism.org/statistics/forum/files/recommendationsSTSv1.pdf>.

Chart 8. Contributions to Annual Growth in Direct Tourism Employment in 2003–2006

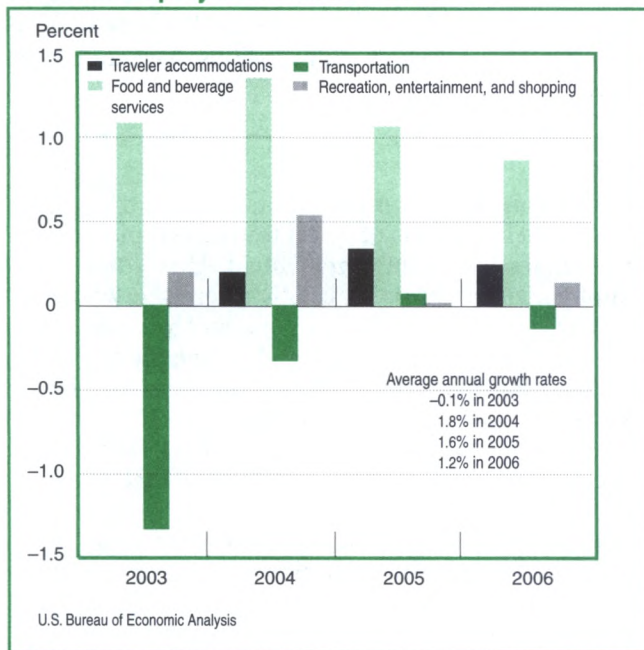
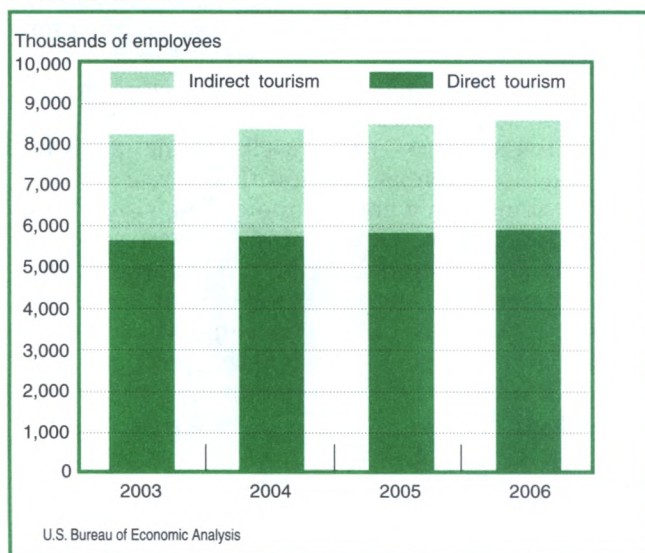


Chart 9. Total Tourism-Related Employment in 2003–2006



The estimates of vacation home rentals are based on the NIPAs. The housing services component of GDP includes vacant reserves of tenant-occupied nonfarm permanent site dwellings, that is, services from vacation home rentals.⁶ This value excludes the utilities required to run these homes. Using additional data from the NIPAs estimates of utilities are added. This combination of vacation home rentals plus the required utilities added \$14.5 billion to the value of total tourism output in 2005.⁷

Gas ratio. The methodology used to estimate the consumption of gasoline by travel and tourism activity has been improved. The Bureau of Labor Statistics Consumer Expenditure Survey (CEX) provides information to identify the shares of consumer expenditures that are travel and tourism related. For example, CEX is used to determine the percentage of the total value of restaurant meals that are consumed by travelers. This unique BLS survey makes commodity splits possible by providing information for expenditures by *type* while traveling. The CEX provides tourism gasoline ratios (tourism-related gasoline expenditures to total gasoline expenditures). These ratios range from 10 percent to 7 percent, which is well below ratios from other travel surveys. Therefore, beginning with this release, tourism-related gasoline consumption is estimated by an improved ratio. This new ratio is estimated using data from the U.S. Department of Transportation and a private vendor of travel surveys.

6. For more information, see <www.bea.gov/scb/pdf/NATIONAL/NIPA/Methpap/methpap6.pdf>.

7. The addition of vacation home rentals to the travel and tourism accounts leads to the question of adding second homes (homes that are not rented to others but are used exclusively by the owner for vacations) to the accounts. While the UNWTO recommends the inclusion of second homes, BEA is not making this addition with this release because inclusion of second homes in the travel and tourism accounts merits further analysis.

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This improvement increased the value of travel and tourism expenditures by \$39.9 billion in 2005.

Travel commissions. The treatment of commissions on foreign (inbound) travel and tourism has been made consistent with the treatment of commissions on outbound travel and tourism. In the travel and tourism accounts, the value of U.S. travel agency commissions are removed from the commodities on which they are earned and placed in a separate category, travel arrangement and reservation services. This separation allows for analysis of the travel arrangement and reservation services industry, as is suggested by the UNWTO. However, in the past, estimates of foreign travel agency commissions were not removed from inbound tourism. This unequal treatment added a bias to the calculation of net exports, as one side of the equation was adjusted for commissions and the other

was not. Recent research has shown that the commission structure for much of this activity has converged, as many providers have operations worldwide and show consistent margin structure regardless of location. This consistency allows commissions to be removed from inbound tourism in the same fashion as outbound tourism. This adjustment reduced total tourism demand \$4.1 billion. The value of these commissions now resides in the country of origin and in that Nation's travel accounts.

New core table. "Table 3a. Demand for Commodities by Type of Visitor (Unadjusted for Travel Arrangement Commissions)" has been added to the travel and tourism accounts. This table presents the same data as "Table 3. Demand for Commodities by Type of Visitor," but travel agency commissions have not been moved.

Key Terms

The following key terms are used to describe the travel and tourism satellite accounts.

Domestic tourism. Travel-related expenditures by U.S. residents traveling within the United States. It comprises travel by resident households, business travel, and travel by government employees.

Inbound tourism. Travel-related expenditures by nonresidents traveling within the United States and expenditures by nonresidents on international transportation purchased from U.S. providers. These expenditures exclude expenditures for travel to study in the United States and for medical reasons.¹

Internal tourism. The sum of domestic tourism expenditures and inbound tourism expenditures (net of all international transportation expenditures).

National tourism. The sum of domestic tourism demand and outbound tourism demand (including all international transportation expenditures).

Outbound tourism. Travel-related expenditures by U.S. residents traveling abroad and expenditures by U.S. residents on international transportation purchased from foreign providers.²

Tourism commodities. Goods and services that are typically purchased by visitors, such as airline passenger transportation, hotel accommodations, and meals.³

Tourism employment. Total tourism-related employment consists of direct tourism employment plus indirect tourism employment. Direct tourism employment comprises all jobs where the workers are engaged in the production of direct tourism output (for example, hotel staff and airline pilots), and indirect tourism employment comprises all jobs where the workers are engaged in the production of indirect tourism output (for example, workers producing hotel toiletries and delivering fuel to airlines).

Tourism output. Total tourism-related output consists of direct tourism output and indirect tourism output. Direct tourism output comprises all domestically produced goods and services purchased by travelers (for example, traveler accommodations and passenger air transportation), and indirect tourism output comprises all output required to support the production of direct tourism output (for example, toiletries for hotel guests and fuel for airplanes).

Usual environment. The area of normal, everyday activities, within 50 to 100 miles of home.⁴

Visitor. A person who travels outside of his or her usual environment for less than a year or who stays overnight in a hotel or motel. The visitor may travel for pleasure or business (private sector or government). Visitors exclude travelers who expect to be compensated at the location of their visit (such as migrant workers, persons traveling to new assignments, and diplomatic and military personnel traveling to and from their duty stations and their home countries).

1. In the travel and tourism accounts, inbound and outbound visitors are not differentiated by type of visitor because the data to prepare these estimates are not available.

2. See footnote 4 above.

3. The classification of tourism commodities in the travel and tourism satellite accounts is based on a list of primary activities of visitors that was developed from recommendations by the World Trade Organization, the Organisation for Economic Co-operation and Development, and from various surveys of U.S. visitors.

4. The usual environment depends on the availability of source data.

Tables 1 through 8 follow.

Table 1. Production of Commodities by Industry, 2005—Continues
 [Millions of dollars]

Commodity	Industry														
	Traveler accommodations	Nonfarm residential tenant occupied permanent site	Food services and drinking places	Air transportation	Rail transportation	Water transportation	Interurban bus transportation	Interurban charter bus transportation	Urban transit systems and other transportation	Taxi service	Scenic and sightseeing transportation	Automotive equipment rental and leasing	Automotive repair services	Parking lots and garages	Toll highways
Traveler accommodations	100,672	11,315	495												
Food services and drinking places	30,244		457,547		80										
Domestic passenger air transportation services				64,209											
International passenger air transportation services				33,723											
Passenger rail transportation services					1,279										
Passenger water transportation services						8,566					11				
Interurban bus transportation							1,670	10			20				
Interurban charter bus transportation							40	687	66		15				
Urban transit systems and other transportation services							43	165	18,981	39	31	29			
Taxi service									11	11,424					
Scenic and sightseeing transportation services				5		15		25	30		2,363				
Automotive rental												25,715			
Other vehicle rental												605			
Automotive repair services								4	20	4	1		103,300		
Parking lots and garages														11,186	
Highway tolls															7,928
Travel arrangement and reservation services															
Motion pictures and performing arts															
Spectator sports															
Participant sports															
Gambling	28,140														
All other recreation and entertainment			473			1					1				
Gasoline															
Wholesale trade and transportation margins on gasoline					1,588	816									
Retail trade margins on gasoline	13		136										31		
Nondurable PCE commodities other than gasoline				1,316											
Wholesale trade and transportation margins on nondurable PCE commodities other than gasoline					4,723	24,296	3,352								
Retail trade margins on nondurable PCE commodities other than gasoline	1,929		2,071						5	4					
All other commodities, except all other trade and transportation margins	2,840	241,636	1,021	27,292	12,390	27,421	59	23	3,673	55	32	16,829	11,614		208
All other wholesale trade and transportation margins				3,471	20,855	1,547									
All other retail trade margins	3		94								7	241	1,660		
Travel by U.S. residents abroad															
Industry output	163,842	252,950	461,838	134,737	60,488	41,718	1,812	915	22,800	11,526	2,480	43,420	116,604	11,187	8,136
Intermediate inputs	60,000	62,394	235,941	84,909	25,886	26,846	708	177	17,452	3,615	683	30,870	61,256	5,833	1,733
Value added	103,842	190,557	225,897	49,828	34,602	14,873	1,104	738	5,348	7,910	1,797	12,550	55,348	5,354	6,402
Compensation of employees	55,379	8,964	153,401	41,106	19,001	8,897	791	578	18,937	5,413	777	7,731	31,453	2,182	2,378
Taxes on production and imports, less subsidies	15,266	28,060	24,330	7,139	352	1,643	15	16	-79	462	250	3,755	8,359	835	
Gross operating surplus	33,197	153,532	48,166	1,584	15,249	4,333	297	144	-13,510	2,036	770	1,064	15,537	2,337	4,024

PCE Personal consumption expenditures

Table 1. Production of Commodities by Industry, 2005–Table Ends

[Millions of dollars]

Commodity	Industry												Domestic production at producers' prices
	Travel arrangement and reservation services	Motion pictures and performing arts	Spectator sports	Participant sports	Gambling	All other recreation and entertainment	Petroleum refineries	Industries producing nondurable PCE commodities, excluding petroleum refineries	Wholesale trade and transportation services	Gasoline service stations	Retail trade services, excluding gasoline service stations	All other industries	
Traveler accommodations				363								1,207	114,052
Food services and drinking places		4	5	5,920	2,178	4,461				7,152	11,914	31,062	550,566
Domestic passenger air transportation services													64,209
International passenger air transportation services													33,723
Passenger rail transportation services													1,279
Passenger water transportation services													8,577
Interurban bus transportation												2	1,715
Interurban charter bus transportation												56	863
Urban transit systems and other transportation services												284	19,573
Taxi service												1	11,437
Scenic and sightseeing transportation services												7	2,445
Automotive rental											1,079	78	26,873
Other vehicle rental											9	77	692
Automotive repair services								25	7,500	5,726	71,452	153	188,185
Parking lots and garages												375	11,562
Highway tolls													7,928
Travel arrangement and reservation services	37,477												37,477
Motion pictures and performing arts		21,227	11,394		81	170						560	33,432
Spectator sports			13,878										13,878
Participant sports				35,505		2,733						53	38,291
Gambling					38,236	56							66,432
All other recreation and entertainment		39	2,530	69	37	37,348		1,365			579	10,834	53,275
Gasoline							189,409						189,409
Wholesale trade and transportation margins on gasoline									87,965				90,369
Retail trade margins on gasoline							69		46,551		6,850	147	53,798
Nondurable PCE commodities other than gasoline				1			149,615	1,339,683	13,353		16,406	43,791	1,564,164
Wholesale trade and transportation margins on nondurable PCE commodities other than gasoline									425,678				458,049
Retail trade margins on nondurable PCE commodities other than gasoline	79	157	280	539	88	2,005		169	22	24,360	589,505	18,243	639,456
All other commodities, except all other trade and transportation margins	114	21,233	8,365	636	10,085	1,761	31,106	735,110	252,374	3,585	26,045	15,936,643	17,372,148
All other wholesale trade and transportation margins							148	24,322	600,905			31,068	682,317
All other retail trade margins		4	15	43		234		1,342		1,773	475,546	17,705	498,669
Travel by U.S. residents abroad													
Industry output	37,669	42,664	36,465	43,076	50,705	48,837	370,279	2,102,017	1,387,797	89,156	1,199,454	16,092,270	22,834,843
Intermediate inputs	17,327	23,832	10,225	21,770	22,220	20,346	314,831	1,294,348	506,756	16,235	448,843	7,063,967	10,379,003
Value added	20,342	18,832	26,241	21,307	28,485	28,492	55,448	807,669	881,040	72,921	750,611	9,028,302	12,455,840
Compensation of employees	16,108	13,508	15,241	14,702	17,237	14,368	9,547	383,229	474,391	29,624	438,275	5,253,411	7,036,626
Taxes on production and imports, less subsidies	834	1,737	2,046	2,499	2,450	4,405	1,755	20,305	170,797	14,145	162,561	391,151	865,088
Gross operating surplus	3,401	3,587	8,954	4,106	8,798	9,719	44,146	404,135	235,853	29,152	149,776	3,383,740	4,554,127

PCE Personal consumption expenditures

Table 2. Supply and Consumption of Commodities, 2005

[Millions of dollars]

Commodity	Supply						Consumption						
	Domestic production at producers' prices	Imports	Change in private inventories	Wholesale trade margins and transportation costs	Retail trade margins	Total supply at purchasers' prices	Intermediate		Personal consumption expenditures	Gross private fixed investment	Government final expenditures	Exports of goods and services	Total consumption
							Private expenditures	Government expenditures					
Traveler accommodations	114,052					114,052	35,302	8,166	70,584				114,052
Food services and drinking places	550,566					550,566	87,571	13,964	448,364			668	550,566
Domestic passenger air transportation services	64,209					64,209	28,558	5,376	30,275				64,209
International passenger air transportation services	33,723	22,461				56,184	7,179	1,663	29,678			17,664	56,184
Passenger rail transportation services	1,279					1,279	539	185	555				1,279
Passenger water transportation services	8,577	798				9,376			9,106			270	9,376
Interurban bus transportation	1,715					1,715	69	2	1,644				1,715
Interurban charter bus transportation	863					863			863				863
Urban transit systems and other transportation services	19,573					19,573	5,441	120	14,012				19,573
Taxi service	11,437					11,437	6,867	700	3,870				11,437
Scenic and sightseeing transportation services	2,445					2,445	57	2	2,386				2,445
Automotive rental	26,873					26,873	14,805	3,599	8,469				26,873
Other vehicle rental	692					692	402	1	289				692
Automotive repair services	188,185					188,185	40,978	4,554	142,645			9	188,185
Parking lots and garages	11,562					11,562	2,483	1,280	7,798				11,562
Highway tolls	7,928					7,928	1,514	408	6,006				7,928
Travel arrangement and reservation services	37,477					37,477	11,319	1,924	22,388			1,846	37,477
Motion pictures and performing arts	33,432	139				33,571	6,693	25	26,722			131	33,571
Spectator sports	13,878	16				13,894	7,689	16	6,174			15	13,894
Participant sports	38,291					38,291	5,758	89	32,444				38,291
Gambling	66,432					66,432	117		66,315				66,432
All other recreation and entertainment	53,275	3	3			53,276	4,748	2,572	45,953			3	53,276
Gasoline	189,409	9,722	1,564	90,369	53,798	341,733	58,936	7,126	274,767			904	341,733
Wholesale trade and transportation margins on gasoline	90,369												
Retail trade margins on gasoline	53,798												
Nondurable PCE commodities other than gasoline	1,564,164	452,329	21,565	458,049	639,456	3,092,433	860,859	138,217	1,880,156	32,030	1,851	179,320	3,092,433
Wholesale trade and transportation margins on nondurable PCE commodities other than gasoline	458,049												
Retail trade margins on nondurable PCE commodities other than gasoline	639,456												
All other commodities, except all other trade and transportation margins	17,372,148	1,324,113	-1,858	682,317	498,669	19,879,105	8,137,925	846,670	5,559,265	2,004,124	2,370,911	960,209	19,879,105
All other wholesale trade and transportation margins	682,317												
All other retail trade margins	498,669												
Travel by U.S. residents abroad		68,988				68,988	17,365		51,623				68,988
Total	22,834,843	1,878,570	21,275	1,230,735	1,191,923	24,692,138	9,343,175	1,036,658	8,742,349	2,036,154	2,372,762	1,161,040	24,692,138

PCE Personal consumption expenditures

Table 3. Demand for Commodities by Type of Visitor, 2005

[Millions of dollars]

Commodity	Total consumption	Resident households	Business	Government	Nonresidents	Total tourism demand	Nontourism demand	Tourism commodity ratio
Traveler accommodations	114,052	49,316	35,302	8,166	21,268	114,052		1.00
Food services and drinking places	550,566	54,096	31,273	7,246	17,221	109,837	440,729	0.20
Domestic passenger air transportation services	64,209	24,906	28,558	5,376	5,368	64,209		1.00
International passenger air transportation services	56,184	29,678	7,179	1,663	17,664	56,184		1.00
Passenger rail transportation services	1,279	456	539	185	98	1,279		1.00
Passenger water transportation services	9,376	8,433			270	8,703	673	0.93
Interurban bus transportation	1,715	1,352	69	2		1,715		1.00
Interurban charter bus transportation	863	710			153	863		1.00
Urban transit systems and other transportation services	19,573	2,189	864	19	221	3,292	16,280	0.17
Taxi service	11,437	1,118	2,054	209	130	3,511	7,925	0.31
Scenic and sightseeing transportation services	2,445	1,963	57	2	423	2,445		1.00
Automotive rental	26,873	5,470	14,653	3,562	489	24,175	2,698	0.90
Other vehicle rental	692	123	402	1	111	637	55	0.92
Automotive repair services	188,185	6,840	2,855	195	1,223	11,113	177,073	0.06
Parking lots and garages	11,562	1,279	414	213	119	2,025	9,536	0.18
Highway tolls	7,928	473	121	33	96	723	7,205	0.09
Travel arrangement and reservation services	37,477	21,523	10,882	1,850	1,846	36,101	1,376	0.96
Motion pictures and performing arts	33,571	7,501	3,600		994	12,095	21,476	0.36
Spectator sports	13,894	1,451	4,132		331	5,914	7,980	0.43
Participant sports	38,291	7,474	3,102		558	11,134	27,157	0.29
Gambling	66,432	27,407			5,907	33,314	33,118	0.50
All other recreation and entertainment	53,276	12,604	2,552		1,064	16,220	37,055	0.30
Gasoline	341,733	37,789	15,773	1,075	2,356	56,993	284,740	0.17
Nondurable PCE commodities other than gasoline	3,092,433	73,216	22,181	2,788	20,019	118,203	2,974,230	0.04
All other commodities	19,879,105						19,879,105	0.00
Total demand less travel by U.S. residents abroad	24,623,150	377,368	186,564	32,583	98,222	694,737	23,928,413	
Travel by U.S. residents abroad	68,988	51,623	17,365			68,988		1.00
Total demand	24,692,138	428,991	203,929	32,583	98,222	763,725	23,928,413	

PCE Personal consumption expenditures

Table 3a. Demand for Commodities by Type of Visitor (Unadjusted for Travel Arrangement Commissions), 2005

[Millions of dollars]

Commodity	Total consumption	Resident households	Business	Government	Nonresidents	Total tourism demand	Nontourism demand	Tourism commodity ratio
Traveler accommodations	117,967	51,009	36,514	8,447	21,998	117,967		1.00
Food services and drinking places	550,566	54,096	31,273	7,246	17,221	109,837	440,729	0.20
Domestic passenger air transportation services	71,758	27,834	31,916	6,008	6,000	71,758		1.00
International passenger air transportation services	63,770	33,685	8,148	1,887	20,049	63,770		1.00
Passenger rail transportation services	1,525	544	643		220	1,525		1.00
Passenger water transportation services	10,455	9,478			304	9,782	673	0.94
Interurban bus transportation	1,715	1,352	69	2	292	1,715		1.00
Interurban charter bus transportation	871	716			154	871		1.00
Urban transit systems and other transportation services	19,635	2,230	880	19	225	3,355	16,280	0.17
Taxi service	11,484	1,133	2,081	212	132	3,559	7,925	0.31
Scenic and sightseeing transportation services	2,460	1,975	58	2	426	2,460		1.00
Automotive rental	29,611	6,089	16,313	3,966	545	26,912	2,698	0.91
Other vehicle rental	692	123	402	1	111	637	55	0.92
Automotive repair services	188,185	6,840	2,855	195	1,223	11,113	177,073	0.06
Parking lots and garages	11,562	1,279	414	213	119	2,025	9,536	0.18
Highway tolls	7,928	473	121	33	96	723	7,205	0.09
Travel arrangement and reservation services	15,299	8,770	3,036	271	1,846	13,922	1,376	0.91
Motion pictures and performing arts	33,601	7,520	3,609		997	12,125	21,476	0.36
Spectator sports	13,919	1,457	4,150		332	5,939	7,980	0.43
Participant sports	38,291	7,474	3,102		558	11,134	27,157	0.29
Gambling	67,464	28,256			6,090	34,346	33,118	0.51
All other recreation and entertainment	53,329	12,645	2,560		1,068	16,273	37,055	0.31
Gasoline	341,733	37,789	15,773	1,075	2,356	56,993	284,740	0.17
Nondurable PCE commodities other than gasoline	3,092,433	73,216	22,181	2,788	20,019	118,203	2,974,230	0.04
All other commodities	19,879,105						19,879,105	0.00
Total demand less travel by U.S. residents abroad	24,625,357	375,985	186,099	32,583	102,276	696,945	23,928,413	
Travel by U.S. residents abroad	70,835	53,005	17,830			70,835		1.00
Total demand	24,696,192	428,991	203,929	32,583	102,276	767,780	23,928,413	

PCE Personal consumption expenditures

Table 4. Output and Value Added by Industry, 2005

[Millions of dollars]

Industry	Industry output	Intermediate consumption	Value added	Tourism industry ratio	Tourism output	Tourism intermediate consumption	Tourism value added
Traveler accommodations	163,842	60,000	103,842	0.74	120,894	44,272	76,621
Nonfarm residential tenant occupied permanent site	252,950	62,394	190,557	0.04	11,315	2,791	8,524
Food services and drinking places	461,838	235,941	225,897	0.20	92,021	47,011	45,010
Air transportation services	134,737	84,909	49,828	0.73	98,167	61,863	36,304
Rail transportation services	60,488	25,886	34,602	0.04	2,488	1,065	1,423
Water transportation services	41,718	26,846	14,873	0.20	8,231	5,297	2,934
Interurban bus transportation	1,812	708	1,104	0.95	1,718	671	1,046
Interurban charter bus transportation	915	177	738	0.82	750	145	606
Urban transit systems and other transportation	22,800	17,452	5,348	0.15	3,306	2,531	776
Taxi service	11,526	3,615	7,910	0.30	3,514	1,102	2,412
Scenic and sightseeing transportation	2,480	683	1,797	0.97	2,413	665	1,748
Automotive equipment rental and leasing	43,420	30,870	12,550	0.55	23,695	16,847	6,849
Automotive repair services	116,604	61,256	55,348	0.05	6,105	3,207	2,898
Parking	11,187	5,833	5,354	0.18	1,960	1,022	938
Toll highways	8,136	1,733	6,402	0.09	723	154	569
Travel arrangement and reservation services	37,669	17,327	20,342	0.96	36,104	16,607	19,497
Motion pictures and performing arts	42,664	23,832	18,832	0.18	7,666	4,283	3,384
Spectator sports	36,465	10,225	26,241	0.30	10,794	3,026	7,767
Participant sports	43,076	21,770	21,307	0.28	11,910	6,019	5,891
Gambling	50,705	22,220	28,485	0.39	19,653	8,612	11,040
All other recreation and entertainment	48,837	20,346	28,492	0.27	13,233	5,513	7,720
Petroleum refineries	370,279	314,831	55,448	0.10	37,308	31,721	5,587
Industries producing nondurable PCE commodities, excluding petroleum refineries	2,102,017	1,294,348	807,669	0.02	51,631	31,792	19,838
Wholesale trade and transportation services	1,387,797	506,756	881,040	0.02	31,896	11,647	20,249
Gasoline service stations	89,156	16,235	72,921	0.12	10,468	1,906	8,562
Retail trade services, excluding gasoline service stations	1,199,454	448,843	750,611	0.03	32,117	12,018	20,098
All other industries	16,092,270	7,063,967	9,028,302	0.00	13,573	5,958	7,615
Total	22,834,843	10,379,003	12,455,840		653,652	327,745	325,907

PCE Personal consumption expenditures

Table 5. Output by Commodity, 2005
[Millions of dollars]

Commodity	Domestic production at purchasers' prices	Tourism commodity ratio	Direct tourism output	Total commodity output multiplier	Total tourism-related output
Traveler accommodations.....	114,052	1.00	114,052	1.54	175,725
Food services and drinking places.....	550,566	0.20	109,837	1.88	206,483
Domestic passenger air transportation services.....	64,209	1.00	64,209	1.70	108,913
International passenger air transportation services.....	33,723	1.00	33,723	1.70	57,202
Passenger rail transportation services.....	1,279	1.00	1,279	1.62	2,076
Passenger water transportation services.....	8,577	0.93	7,962	1.98	15,746
Interurban bus transportation.....	1,715	1.00	1,715	1.71	2,936
Interurban charter bus transportation.....	863	1.00	863	1.71	1,478
Urban transit systems and other transportation services.....	19,573	0.17	3,292	1.71	5,636
Taxi service.....	11,437	0.31	3,511	1.71	6,011
Scenic and sightseeing transportation services.....	2,445	1.00	2,445	1.46	3,575
Automotive rental.....	26,873	0.90	24,175	1.64	39,664
Other vehicle rental.....	692	0.92	637	1.64	1,045
Automotive repair services.....	188,185	0.06	11,113	1.71	18,999
Parking lots and garages.....	11,562	0.18	2,025	1.71	3,462
Highway tolls.....	7,928	0.09	723	1.94	1,401
Travel arrangement and reservation services.....	37,477	0.96	36,101	1.62	58,479
Motion pictures and performing arts.....	33,432	0.36	12,045	1.77	21,305
Spectator sports.....	13,878	0.43	5,907	1.64	9,665
Participant sports.....	38,291	0.29	11,134	1.62	18,014
Gambling.....	66,432	0.50	33,314	1.62	53,898
All other recreation and entertainment.....	53,275	0.30	16,220	1.64	26,680
Gasoline.....	333,576	0.17	55,633	1.84	102,174
Nondurable PCE commodities other than gasoline.....	2,661,670	0.04	101,738	2.08	211,153
Total.....	4,281,709		653,652		1,151,720

PCE Personal consumption expenditures

Table 6. Employment and Compensation of Employees by Industry, 2005

Industry	Total employment (thousands of employees)	Compensation (millions of dollars)	Tourism industry ratio	Tourism employment (thousands of employees)	Tourism compensation (millions of dollars)	Average compensation per tourism employee
Traveler accommodations.....	1,829	55,379	0.74	1,349	40,862	30,281
Nonfarm residential tenant occupied permanent site.....	197	8,964	0.04	9	401	45,578
Food services and drinking places.....	9,194	153,401	0.20	1,832	30,565	16,685
Air transportation services.....	632	41,106	0.73	461	29,949	65,002
Rail transportation services.....	368	19,001	0.04	15	782	51,692
Water transportation services.....	167	8,897	0.20	33	1,755	53,342
Interurban bus transportation.....	23	791	0.95	22	750	34,453
Interurban charter bus transportation.....	24	578	0.82	20	474	24,272
Urban transit systems and other transportation.....	376	18,937	0.15	54	2,746	50,416
Taxi service.....	141	5,413	0.30	43	1,650	38,517
Scenic and sightseeing transportation services.....	19	777	0.97	18	756	41,470
Automotive equipment rental and leasing.....	186	7,731	0.55	101	4,219	41,596
Automotive repair services.....	884	31,453	0.05	46	1,647	35,585
Parking lots and garages.....	84	2,182	0.18	15	382	25,910
Toll highways.....	62	2,378	0.09	5	211	38,605
Travel arrangement and reservation services.....	210	16,108	0.96	202	15,439	76,541
Motion pictures and performing arts.....	188	13,508	0.18	34	2,427	71,955
Spectator sports.....	219	15,241	0.30	65	4,511	69,685
Participant sports.....	820	14,702	0.28	227	4,065	17,922
Gambling.....	485	17,237	0.39	188	6,681	35,563
All other recreation and entertainment.....	458	14,368	0.27	124	3,893	31,375
Petroleum refineries.....	71	9,547	0.10	7	962	133,708
Industries producing nondurable PCE commodities, excluding petroleum refineries.....	6,656	383,229	0.02	163	9,413	57,572
Wholesale trade and transportation services.....	7,452	474,391	0.02	171	10,903	63,659
Gasoline service stations.....	652	29,624	0.12	77	3,478	45,462
Retail trade services, excluding gasoline service stations.....	15,093	438,275	0.03	404	11,735	29,038
All other industries.....	101,624	5,253,411	0.00	86	4,431	51,695
Total.....	148,112	7,036,626		5,771	195,088	

PCE Personal consumption expenditures

Table 7. Employment by Industry, 2005
[Thousands of employees]

Industry	Direct tourism employment	Total industry employment multiplier	Total tourism-related employment
Traveler accommodations.....	1,349	1.23	1,661
Nonfarm residential tenant occupied permanent site.....	9	2.97	26
Food services and drinking places.....	1,832	1.34	2,450
Air transportation services.....	461	1.77	816
Rail transportation services.....	15	1.93	29
Water transportation services.....	33	3.64	120
Interurban bus transportation.....	22	1.44	31
Interurban charter bus transportation.....	20	1.44	28
Urban transit systems and other transportation.....	54	1.44	79
Taxi service.....	43	1.44	62
Scenic and sightseeing transportation services.....	18	1.44	26
Automotive equipment rental and leasing.....	101	2.35	238
Automotive repair services.....	46	1.54	71
Parking lots and garages.....	15	2.09	31
Toll highways.....	5	1.79	10
Travel arrangement and reservation services.....	202	1.54	310
Motion pictures and performing arts.....	34	2.16	73
Spectator sports.....	65	1.70	110
Participant sports.....	227	1.29	292
Gambling.....	188	1.44	271
All other recreation and entertainment.....	124	1.54	191
Petroleum refineries.....	7	3.31	24
Industries producing nondurable PCE commodities, excluding petroleum refineries.....	163	2.88	471
Wholesale trade and transportation services.....	171	1.57	270
Gasoline service stations.....	77	1.20	92
Retail trade services, excluding gasoline service stations.....	404	1.20	485
All other industries.....	86	1.94	167
Total	5,771		8,433

PCE Personal consumption expenditures

Table 8. Real Tourism Output, 2005

Commodity	Direct output (millions of dollars)	Chain-type price index	Real output (millions of chained (2000) dollars)
Traveler accommodations.....	122,590	119.3	102,737
Food services and drinking places.....	118,743	118.6	100,127
Domestic passenger air transportation services.....	65,879	89.5	73,578
International passenger air transportation services.....	38,356	129.8	29,559
Passenger rail transportation services.....	1,373	106.1	1,294
Passenger water transportation services.....	9,010	80.8	11,156
Interurban bus transportation.....	1,688	127.5	1,324
Interurban charter bus transportation.....	890	120.9	736
Urban transit systems and other transportation services.....	3,567	122.4	2,914
Taxi service.....	3,695	129.2	2,860
Scenic and sightseeing transportation services.....	2,543	120.9	2,104
Automotive rental.....	25,487	118.1	21,575
Other vehicle rental.....	672	116.5	577
Automotive repair services.....	11,707	121.7	9,618
Parking lots and garages.....	2,052	128.7	1,594
Highway tolls.....	730	135.3	539
Travel arrangement and reservation services.....	37,978	100.8	37,660
Motion pictures and performing arts.....	12,235	124.8	9,805
Spectator sports.....	6,313	129.6	4,873
Participant sports.....	11,802	113.1	10,438
Gambling.....	35,932	117.0	30,708
All other recreation and entertainment.....	17,157	118.9	14,431
Gasoline.....	62,690	170.7	36,732
Nondurable PCE commodities other than gasoline.....	107,132	108.3	98,908
Total	700,221	115.7	605,165

PCE Personal consumption expenditures

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A Proposal To Include Motor Vehicle Services in the U.S. Travel and Tourism Satellite Accounts

By Sumiye Okubo, Barbara M. Fraumeni, and Mahnaz Fahim-Nader

MOTOR vehicles are widely used for travel and tourism in the United States. By one measure, more than 90 percent of the leisure trips made in the United States recently involved the use of a personal vehicle. For the Bureau of Economic Analysis' Travel and Tourism Satellite Accounts (TTsAs), the dominant use of cars and other motor vehicles for domestic leisure travel presents some interesting economic accounting challenges.¹ While the current travel and tourism accounts include the services that flow from rented motor vehicles, they do not include important services from leased or user-owned vehicles. As this article makes clear, there are sound conceptual and empirical grounds for incorporating such services into the travel and tourism accounts.

Currently, the *Tourism Satellite Account: Recommended Methodological Framework* from the World Tourism Organization (2001) does not include consumer durable goods in the accounts. Only single-purpose consumer durable goods, such as luggage and tents that are used for tourism, are included in the accounts, but multipurpose durable goods, such as motor vehicles, are not. This is consistent with the *System of National Accounts (SNA), 1993*, which are widely used guidelines for national economic accounting. The SNA recommends that consumer durable goods purchased by households for personal use be treated as final consumption, not as investment. According to the SNA, households are not considered producing units and therefore services from consumer durable goods are excluded. Largely for that reason, the current TTsAs generally exclude key travel services from leased or user-owned vehicles, such as depreciation and insurance costs.

1. This article updates a paper that the authors presented at the Tourism Satellite Accounts Conference on May 8–10, 2001, in Vancouver, British Columbia, Canada.

Brian K. Sliker provided conceptual support in developing depreciation patterns. Barbara M. Fraumeni was Chief Economist at the Bureau of Economic Analysis (BEA) from January 1999 until July 2005.

This article proposes a method to expand the TTsAs to include a new industry, “services of purchased and leased motor vehicles,” and demonstrates how that would affect the 1998 TTSA estimates. It also discusses how the inclusion of these services would affect the amount of gross domestic product (GDP) that stems from the travel and tourism industry. Generally, the “expanded” TTsAs include the portion of total transportation services from cars, trucks, sports utility vehicles, and minivans that are owned, leased and rented by household, businesses and government and are used for travel and tourism. The current TTsAs exclude such services from owned and leased vehicles.

Currently, BEA has no plans to alter its national income and product accounts (NIPAs) or its annual industry accounts to include an expanded treatment of motor vehicle services, nor does it have firm plans to incorporate such services into the TTsAs. However, as the SNA points out, satellite accounts are good frameworks in which new approaches and methodologies can be worked out. BEA will continue research on this issue.

The rest of the article is organized as follows. The first section outlines the conceptual basis and the methodology for estimating the value of services of motor vehicles in the TTsAs, identifies data sources for producing the estimates, and describes the recalculations and changes in the accounts needed to include these services. The second section provides new TTSA estimates that include the services of motor vehicles and shows how they would affect the 1998 estimates. The third section outlines future research. In addition, a box provides an overview of key methodological issues, notably the incorporation of estimates of motor vehicle capital services flows into the TTsAs.

Why Include Motor Vehicle Services?

There are sound reasons to expand the TTsAs to include more motor vehicle services: The importance of motor vehicles as a travel and tourism mode of transportation in the United States; conceptual consistency in accounting for motor vehicle services; and the accounting benefits of a consistent treatment of leased and owned vehicles.

Motor vehicle dominance. Because motor vehicles are such an important mode of transportation for travel and tourism activities in the United States, extending the TTSAs to include these services would provide a more comprehensive and more consistent measure of travel and tourism. According to the *Highlights of the 2001 National Household Travel Survey*, 90.4 percent of leisure trips made in the United States in 2001 used personal vehicles (U.S. Department of Transportation 2001).² Ignoring these services understates travel and tourism activities in the United States thus makes it more difficult to compare the relative importance of various modes of transportation and other tourism industries within the United States.

Conceptual consistency. The World Tourism Organization's *Tourism Satellite Account* recommends including gasoline, parking fees, tolls, and other expenses related to the use of motor vehicles (WTO 2001; see also OECD 2000). This treatment appears inconsistent with the guidelines to exclude motor vehicle services in the TTSAs. In general, the TTSAs currently include a wide array of travel services generated from rented motor vehicles and air, rail, and water travel. Including the travel services of leased and user-owned motor vehicles would logically follow.

In addition, including motor vehicle services would entail a more consistent approach to purchases of motor vehicles by various sectors. Currently, motor vehicle purchases by households are accounted for as consumption. Treating household purchases as investment—as purchases by businesses and government are treated—would be a logical approach. Households respond to many of the same kind of motivations—such as interest rates, tax rules, and expected rates of return—as businesses and governments when buying a motor vehicle. As a durable good, motor vehicles are large, lumpy capital goods that provide a stream of services to their owners for more than a year.

Leased versus owned. In the early 1990s, leasing began to become a common way that motor vehicles were “owned” in the United States, peaking in 1998 when market-based leasing accounted for 32 percent of new-vehicle sales.³ The TTSAs treat leased vehicles differently from purchased vehicles, even though the use of, and service flows from, leased and purchased motor vehicles are probably close to identical. By treating owned motor vehicles and leased motor vehicles the same, the expanded TTSAs better reflect changes in

motor vehicle services in a way that does not depend on the contractual or financial arrangements for obtaining these services. In this regard, recognizing the purchases of consumer durable goods, such as motor vehicles, as investment would parallel the treatment of owner-occupied housing. The proposed treatment keeps GDP invariant to decisions to purchase or lease motor vehicles as the owner-occupied housing imputation keeps GDP invariant to whether homes are rented or owned.

Estimating Motor Vehicle Services

The expanded TTSAs include the part of total transportation services from motor vehicles—mainly cars, pickup trucks, sports utility vehicles, and minivans—that are owned, leased, and rented by households, businesses, and government and that are used for travel and tourism.⁴ This is achieved by treating expenditures by households for used and new motor vehicles as investment—the same as expenditures by businesses and government are treated—and then estimating the resulting motor vehicle services using a capital-service-flow method. The services of purchased motor vehicles and leased vehicles are accounted for in the same way.

This method is similar to the rental-equivalent method used for estimating rental values of owner-occupied housing in the national income and product accounts (NIPAs).⁵ Thus, a new motor vehicle services industry produces user-owned motor vehicle services, leased motor vehicle services, and rental services, and its output equals the sum of these services and related insurance, maintenance, and repair costs.

Total motor vehicle services in the expanded TTSAs consists of both the imputed services from motor vehicles purchased and leased by households, businesses, and government and the purchases of insurance, maintenance, and repairs. The value included in the TTSAs is a percentage of the total motor vehicle services. Most of rental payments for the short-term use of motor vehicles are assumed to be for travel and are already included in the TTSAs. Accordingly, the expanded TTSAs include not only rented motor vehicle services but also the travel portion of the imputed services of owned and leased vehicles and the related insurance, maintenance, and repair costs.

2. In the TTSAs, leisure trips include long distance trips (50 miles or more from home, one way) for relaxation, sightseeing, outdoor recreation, entertainment, and shopping. Tourism is defined as visitors traveling outside their “usual environment” or between 50 to 100 miles from home.

3. Since 1998, the share has fluctuated downward; in 2006, it stabilized at around 20 percent (Shebesta 2007).

4. Rentals include recreational vehicles.

5. Capital services flows for motor vehicles consist of depreciation, a rate of return, and for the first 3 or 4 years, a monthly acquisition fee. The output of the motor vehicle services in the expanded TTSAs includes these capital services plus insurance, maintenance, and repair costs. It is the sum of the capital services and these costs, not just the capital services, that is similar to owner-equivalent rent.

Estimating methods

Services from the stock of motor vehicles in operation are imputed using a market-based measure. This measure uses the value of motor vehicle leases as a proxy for the market value of motor vehicle services. Four types of "motor vehicle rental equivalents" are computed—for personal cars, personal trucks, business car fleets, and business truck fleets. The terms for business car and truck leases are assumed to be 3 years, and for personal car and truck leases, 4 years.⁶ Two methodologies were used: One for the first 3 or 4 years of operation, and another for subsequent years of operation.

6. Consumer lease terms range from 2 to 4 years. The assumed 4-year and 3-year lease terms for households and businesses, respectively, are based on consultations with staff at Runzheimer International, a management consulting firm that specializes in transportation, travel, and living costs, including vehicle purchases and management and standard costs for business vehicle programs.

Methodology for the first 3 or 4 years

Applying the capital-services-flow method requires determining the proportion of motor vehicles in operation that are leased or purchased and then allocating the rental equivalent values to these motor vehicles.⁷ For businesses and government, calculations are made for cars and trucks that are less than 3 years old. For personal use, calculations are made for cars and trucks that are less than 4 years old.

For the year of purchase or lease, it is assumed that new personal cars and trucks are purchased in the model year or the year after. All leased vehicles and all new business vehicles are assumed to have been leased or purchased in the model year.

For new motor vehicles, the motor vehicle rental equivalents is calculated using actual "monthly lease

7. According to the R.L. Polk & Co. data, in 1997, leased cars accounted for 40.5 percent of the new-car registrations, and leased trucks accounted for 30.7 percent of the new-truck registrations.

Estimating Travel and Tourism Motor Vehicle Services

The current BEA travel and tourism satellite accounts (TTSA's) are presented as a set of eight tables: (1) Production of commodities by industry, (2) supply and consumption of commodities, (3) demand for commodities by type of visitor, (4) output and value added by industry, (5) output by commodity, (6) employment and compensation of employees by industry, (7) total employment by industry, and (8) real tourism output. The inclusion of the motor vehicle services entails adjustments to tables 1–5.

The expanded TTSA's for 1998, which include motor vehicle services, are derived from the standard TTSA's for 1998. Because the capital-services-flow estimates are based on the data on lease payments for 1997 from the Power Information Network, ideally, the 1997 TTSA tables should have been used for incorporating the capital-services-flow estimates. However, when the 1997 TTSA tables were prepared, the 1997 annual input-output (I-O) tables and the 1997 benchmark I-O tables were not available; therefore, the 1997 TTSA's were extrapolated from 1996 levels using methods similar to those used to estimate output levels for the annual I-O accounts.

As a result, the 1998 TTSA's that are based on the 1998 annual I-O accounts were used to incorporate the capital-services-flow estimates. The 1997 capital-services-flow estimates were extrapolated by the rate of growth in the 1997–98 data on passenger car rentals and leasing and truck, utility trailer, and recreational vehicle rentals and leasing (Census Bureau 1997; Census Bureau 1998).

The 2007 annual update of the TTSA tables, which

provide a time series from 1998 to 2005, incorporate a number of improvements, including a new "tourism-gasoline ratio," or the ratio of gasoline consumed by visitors to total gasoline consumption. The most recent TTSA's used a tourism gasoline ratio that was derived from the Consumer Expenditure Survey (CEX) by the Bureau of Labor Statistics. These ratios have ranged from a high of 10 percent in 1998 to a low of 7 percent in 2004, the latest year for which the TTSA estimates have been published. The TTSA's have made significant use of the CEX and will continue to do so, but there has been a concern about its continued use for one commodity, gasoline. Over time, the gasoline expenditures in the CEX survey have declined. Other organizations (public and private) point to a larger percentage of total gasoline consumption by travel and tourism activities.¹ Last year, BEA initiated research to develop its own estimate of tourism's share of consumption of this commodity. As a result, a new gasoline ratio has been developed, which replaces the CEX-based ratio, and is used in the standard and expanded TTSA tables. The new gasoline ratio uses data from the U.S. Department of Transportation and a private source that performs surveys of travelers.²

The change in the tourism gasoline ratio affects the computations for tables 3 and 4. The estimates for purposes of this presentation use the newly improved formula.

1. BLS has performed its own research on comparing the CEX to other series, including BEA's personal consumption expenditures data. See Gieseman (1987) and Garner, et al. (2006)

2. D.K. Shifflet

payments” obtained from the Power Information Network.⁸ It is assumed that no motor vehicles are retired until after the first 3 or 4 years of operation. The monthly lease payments include depreciation, lease (finance) charges, and in some cases, monthly use taxes or monthly luxury taxes. Monthly acquisition fees, which are one-time upfront fees, are added to the monthly lease payments. The results are annualized. Then, annual insurance, maintenance, and repair costs are added to obtain the value of total motor vehicle services.

For personal vehicles, the capital services flows for the first 4 years are estimated using new registration data from R.L. Polk and vehicles in operation data from Ward’s. Ratios of the number of vehicles in operation for each model year to total vehicles for 4 model years are calculated. These ratios are then used to distribute the new personal vehicle registrations to each model year. These distributed registrations are multiplied by the motor vehicle rental equivalents, and the results are summed over the 4 years.

The same methodology is used to develop the distribution pattern for business and government vehicles for 3 model years.

Methodology for subsequent years

After the first 3 years of operation for a business vehicle and after the first 4 years of operation for a personal vehicle, a distribution pattern for the residual value of both business and personal cars and trucks over their expected lives is developed for all “age vintages” in operation in 1997. The maximum life of a motor vehicle is assumed to be 16 years.⁹ After 3 years for business motor vehicles and after 4 years for personal motor vehicles, this distribution pattern calculates the value that remains from the residuals in each of the subsequent years through the 16th year; that is, the vehicle residual value is distributed over the expected car (truck) lives by applying the depreciation rates that in-

clude market-based real rates of return. The initial depreciation rates are computed from the Power Information Network database. In subsequent years, the depreciation rates are adjusted by the reduction in initial year depreciation rates based on the pattern of depreciation estimates by Wykoff (1970; 1989).¹⁰ As a proxy for the market-based real rates of return, the annual nominal interest rate on the used-car loans charged by auto finance companies is used (Federal Reserve Board of Governors 2000), which is adjusted for inflation by the rates of change in the price indexes for motor vehicles for 1997–98 (BEA 2007).¹¹

The depreciation rates account for losses in value from all age-related sources, including retirements. It is assumed that motor vehicles are in operation for 4 years and that none are taken out of operation during these years. The depreciation pattern used also reflects the higher depreciation rates in the final year of a motor vehicle’s life.

The distributed residual value is multiplied by the personal vehicles in-operation data from Ward’s and is summed over 16 years.¹² The same methodology is used to estimate the post-lease capital services flows for business cars (trucks) and government cars (trucks).

Effects on the TTSAs and GDP

Changes to the TTSAs

Expanding the TTSAs to include owned motor vehicle services would change the accounts in the following ways:

- A new commodity, “owned motor vehicle services,” would be created. This new commodity would be produced by a new industry, “owned motor vehicle services.” This is analogous to the introduction of the new industry and commodity of “own-account

8. The Power Information Network (PIN) was used for actual market-based lease-payment data, which are essential for estimating the motor vehicle rental equivalents. The purchased database includes the following monthly data for 157 car models and 98 truck models: Acquisition fees, monthly lease payments, base monthly lease payments, internal rates of return, net capitalized costs, lease money factors, residuals, security deposits, lease terms, transaction counts, vehicle costs, vehicle prices, and vehicle prices less customer cash rebates. To annualize the monthly PIN data, the PIN number of transactions—that is, the number of cars (trucks) leased in a month—and the new car (truck) registrations data by model from R.L. Polk & Co. are used as weights.

For information about extrapolating the 1997 PIN-based capital services flows to estimate the 1998 capital services flows, see the box “Estimating Travel and Tourism Motor Vehicle Services.”

9. This assumption is based on the data available on cars and trucks by model year between the initial year of operation to the final year of operation. The source of the data is various issues of *Ward’s Automotive Yearbook*, which also includes data for all motor vehicles older than 17 years and shows the worth of such vehicles is close to zero.

10. Motor vehicles have high initial depreciation rates; therefore, for the subsequent years, we adjusted the PIN depreciation rates based on the research results and analysis by Wykoff (1989, 280). Wykoff’s research shows the first-year depreciation rates to be between 35 and 45 percent, the second-year rates to be close to 20 percent, and the rates in subsequent years to be between 15 and 20 percent.

11. A market-based rate of return is needed for the post-lease period, so the PIN-based internal rates of return are not used beyond the 3-to-4-year lease period, because according to the PIN contact person, these rates apply to all cash flows throughout the term of lease. An internal rate of return is defined as the rate at which the discounted future cash flows of an investment equal the initial cash outlay.

12. The personal cars (trucks) in-operation data are computed by applying the ratio of personal cars (trucks) registrations to total registrations from R.L. Polk & Co. Polk “new” registrations data have been used because they are available in personal, business and government categories; “used” registrations data are not. Therefore, given that households are large net purchasers of used motor vehicles, the estimate of the proportion of the residual value distributed to personal motor vehicles is somewhat understated.

transportation” in the BEA’s transportation satellite accounts (Fang, et al. 1998).

- A new set of commodities, “motor vehicle services,” would be added to the list of tourism commodities. “Motor vehicle services” would consist of owned motor vehicle services, motor vehicle leasing, and motor vehicle rental (table A).
- A new industry, “motor vehicle services,” would consist of “owned motor vehicle services,” “long-term auto leasing,” “auto and truck rental,” and “other vehicle rental” (table B).
- The value added of the “owned motor vehicle services” industry would equal the value of the imputed services of user-owned motor vehicles.

- In the TTSA supply and consumption table, commodities would include “motor vehicle services.” User-owned motor vehicle services would be included as household final consumption expenditures for travel for households and as intermediate consumption for business and government use of motor vehicles for travel.
- Purchases of motor vehicles that had been included under household final consumption expenditures would be considered gross private fixed investment. Government purchases of motor vehicles that had been included under government investment would now be considered to be gross private fixed investment.

Table A. Classification of Commodities in the Travel and Tourism Satellite Accounts

Description of commodity	Content
Tourism commodities:	
Hotels and lodging places	Includes lodging receipts from hotels, motels, guestrooms, and rooming and boarding houses serving the general public; other receipts of hotels and motels, sporting and recreational camps, and recreational vehicle parks and camp sites. Excludes meals served by hotels or motels.
Eating and drinking places	Includes food and beverage receipts and tips. Excludes catering services and school lunch sales by state and local governments.
Passenger rail	Includes receipts from rail passengers for travel and dining and tips.
Passenger bus and other local transportation	Includes receipts from passengers for intercity, charter, and local bus services and subway and limousine services.
Taxicabs	Includes taxi fares and tips.
Domestic passenger air fares	Includes receipts from domestic air passengers for air fares, meals and beverages, movies, and other receipts.
International air fares	Includes receipts from international air passengers.
Passenger water	Includes receipts from passengers for water transportation.
Motor vehicle services:	
Owned motor vehicles	Includes imputed receipts of owned motor vehicles.
Auto and truck leasing	Includes receipts for long-term leases of automobiles and trucks.
Auto and truck rental	Includes receipts for short-term rental of automobiles and trucks.
Other vehicle rental	Includes receipts for short-term rental of recreational vehicles and utility trailers.
Operating expenses of motor vehicle services:	
Gasoline and oil	Includes sales of gasoline, diesel fuel, lubricating oils, and grease.
Selected services	Includes receipts for services that may be used by tourists on, during, or after a trip, such as maintenance, repair, car washing, parking, tolls for bridges and roads, and insurance.
Petroleum retail margins	Includes retail margins on petroleum sales.
Arrangement of passenger transportation	Includes commissions for the arrangement of passenger transportation and net receipts for tours.
Recreation and entertainment	Includes miscellaneous entertainment receipts such as amusement parks, fairs, museums, gambling, and other recreation and amusements.
Participant sports	Includes participant sports such as golf and tennis.
Movie, theater, ballet, and musical events	Includes receipts for admissions to movies and theater and music programs.
Sports events	Include admissions to sports events.
Other retail margins	Includes retail margin on all other goods.
Travel by U.S. residents abroad	Includes travel expenditures by U.S. residents abroad.
Nontourism commodities: ¹	
PCE nondurable commodities	Includes sales of all other nondurable commodities.
Wholesale trade margins and transportation costs	Includes wholesale margins and transportation costs on all goods.
All other commodities	Includes all other commodities not considered above.

PCE Personal consumption expenditures

1. Nontourism commodities are commodities not classified as tourism commodities.

Other costs that are related to operating a motor vehicle—such as gasoline and oil, tolls, and parking—for tourism purposes are already included in the TTSA.

Recalculating GDP

Treating motor vehicles purchased or leased by households as investment and accounting for the resulting services would result in a change in the amount of GDP that comes from the travel and tourism industry.

Current treatment. In the input-output accounts and the national income and product accounts (NIPAs), motor vehicles are either owned and operated or leased and operated by households, businesses, and government (chart 1).

Purchases and leases of motor vehicles by households are included in household final consumption expenditures, not in investment. In contrast, motor vehicle purchases by businesses and government are treated as investment in the NIPAs. When a business purchases a vehicle that is to be leased, this purchase is treated as investment. The lease itself is a business-to-business transaction, and the payment for the lease is

an intermediate expense for the business (lessee) leasing the vehicle. Motor vehicle leases are treated as final consumption expenditures by government.

Thus, although owned motor vehicles and leased motor vehicles provide fundamentally the same services, they are treated asymmetrically in the accounts.

Recalculating the level of GDP that stems from the travel and tourism industry would require reclassifying some expenditures on motor vehicles, recognizing the new commodities and industries discussed previously, and then estimating the value added of motor vehicle services.

Reclassification. Household purchases of motor vehicles would be reclassified from household final consumption expenditures to private fixed investment. This reclassification would not change GDP. However, the newly estimated capital services flows generated by household motor vehicle investment would be included in personal consumption expenditures (in transportation services). In addition, the motor vehicle lease payments by government would be removed from final expenditures (table C); this reclassification

Table B. Travel and Tourism Satellite Accounts Industries and Commodities

Industry	Commodity
Hotels and lodging places	Hotels and lodging places
Eating and drinking places	Eating and drinking places
Railroads and related services	Passenger rail
Local and suburban transit and interurban highway passenger transportation, except taxicabs	Passenger bus and other local transportation
Taxicabs	Taxicabs
Air transportation	Domestic passenger air fares
	International air fares
Water transportation	Passenger water
Motor vehicle services:	Motor vehicle services:
Owned motor vehicles	Owned motor vehicles
Motor vehicle leasing	Long-term auto and truck leases
Motor vehicle rental	Short-term auto and truck rental
	Short-term other vehicle rental
Gasoline service stations	Petroleum retail margins
Automobile parking, automotive repair shops and services, and toll highways	Parking, automotive repair, and highway tolls
Arrangement of passenger transportation	Arrangement of passenger transportation
Miscellaneous amusement and recreation services (except membership sports and recreation clubs); racing, including track operation; marinas; libraries, museums, art galleries, and botanical and zoological gardens	Recreation and entertainment
Membership sports and recreation clubs	Participant sports (golf, tennis, etc.)
Motion picture theaters; dance studios, schools, and halls; theatrical producers (except motion pictures), bands, orchestras, and entertainers	Movie, theater, ballet, and musical events
Professional sports clubs and promoters	Sports events
Retail, excluding eating and drinking places and gasoline service stations	Other retail margins
Industries producing nondurable PCE goods	PCE nondurable commodities
All other industries	Wholesale trade margins and transportation costs
	Gasoline and oil
	Travel by U.S. residents abroad ¹

PCE Personal consumption expenditures

1. Travel by U.S. residents abroad has no industry counterpart; U.S. residents traveling abroad

purchase commodities that are produced abroad, and the travel and tourism satellite accounts include only domestically produced commodities.

would not change the level of GDP. The purchases by businesses and government are already included as investment.

New industries and commodities. In recognizing purchases of motor vehicles as investment, the value of services provided by user-owned motor vehicles must also be recognized. The imputed services of motor vehicles owned by households, businesses, and government would be included in the new industry “owned motor vehicle services.” Conceptually, this new industry buys motor vehicles, thus adding to the capital stock. It produces the new commodity “owned motor vehicle services” and “sells” the services to user-owners. The imputed services are an estimated rental

equivalent value of motor vehicles.

Value added. The imputed motor vehicle services are treated in the input-output (I-O) accounts as final consumption expenditures for households and intermediate inputs for businesses and government.¹³ The services of user-owned motor vehicles for businesses are treated as intermediate inputs to industries, and the value added for these industries is reduced by the amount of the intermediate purchases. The reduction in value added across these industries is then included in the value added of the new industry “owned motor vehicle services.”

The net effect of business motor vehicle services on GDP is zero. The level of GDP changes by the value of services of user-owned motor vehicles for households and the value of services of user-owned motor vehicles for government (minus depreciation, which was already included in the TTSAs).

Table C. Current Treatment and Corresponding Proposed Treatment of Motor Vehicles in the National Income and Product Accounts

Types of motor vehicles	Current NIPA treatment		Proposed NIPA treatment	
	Current final expenditures	Investment and capitalized ¹	Current final expenditures	Investment and capitalized
Owned	Households	Government Business	Motor vehicle services (in PCE services)	Households Government Business
Leased	Households Government	Business		Households Government Business

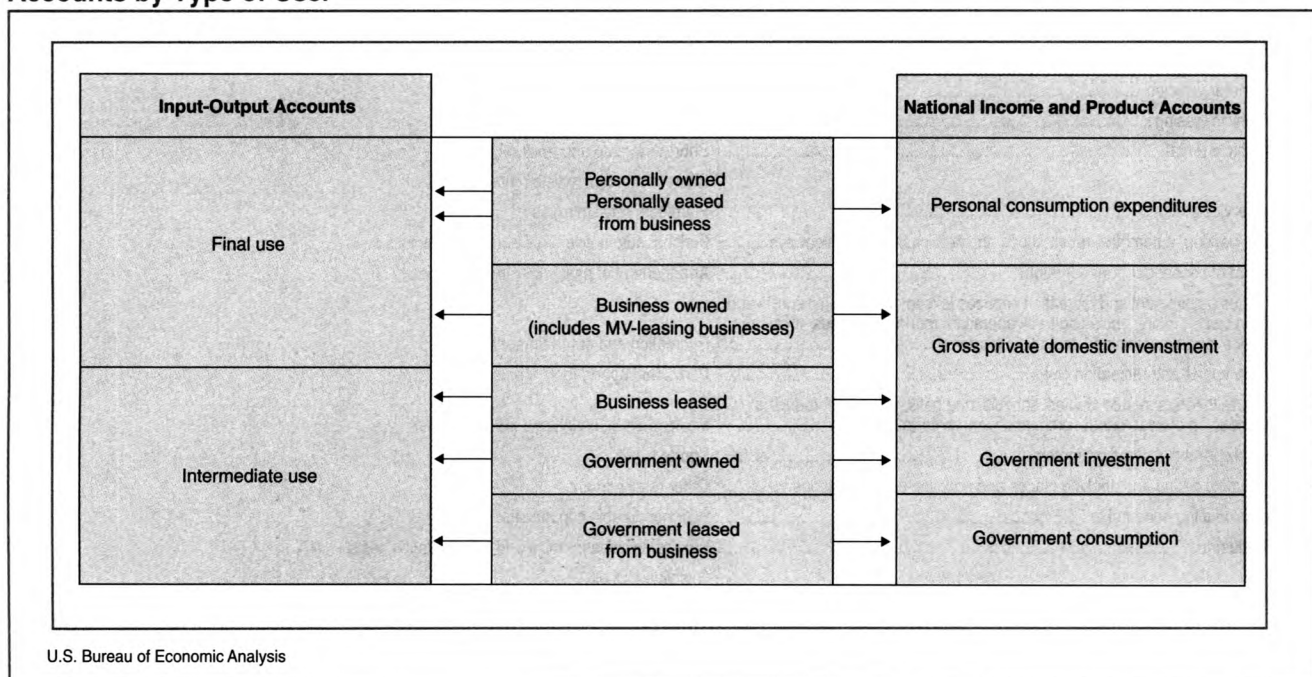
NIPA National income and product accounts
 PCE Personal consumption expenditures
 1. Although capitalized, no services are imputed.

Estimates of Services of Motor Vehicles

Estimates of motor vehicle services for the 1998 TTSAs indicate the importance of these services. In the expanded TTSAs, the addition of services from motor vehicles raises tourism industries’ value added and tourism demand. The expanded TTSAs include only

13. The consumption of fixed capital, which is part of value added and intermediate purchases of motor vehicle insurance, maintenance, and repair costs by the using industries—for example, hotels and airlines—are reallocated to the new industry. This reallocation reduces the value added of using industries, as seen in table 1.

Chart 1. Current Treatment of Motor Vehicles (MV) in Input-Output and National Income and Product Accounts by Type of User



the travel and tourism portion of value added for motor vehicle services.

- The inclusion of motor vehicle services adds \$54.8 billion to tourism industry value added or gross product (table D).
- The value added of the travel and tourism industries (\$298.6 billion) is larger than that of the agriculture (\$102.4 billion), transportation and warehousing industries (\$273.7 billion), and broadcasting and telecommunications industries (\$229.8 billion).¹⁴

14. The value-added data for the agriculture, mining, and broadcasting and telecommunications industries are from table 1 in Moyer, et al. (2004, 36).

Table D. Tourism Industry Value Added for Selected Industries in the Standard and Expanded TTSAs, 1998

	Tourism industry value added		Share of tourism industry value added	
	(Billions of dollars)		(Percent)	
	Standard TTSAs	Expanded TTSAs: Includes motor vehicle services	Standard TTSAs	Expanded TTSAs: Includes motor vehicle services
Hotels and lodging places	59.0	58.9	22.5	19.7
Passenger air	46.8	46.4	17.9	15.5
Eating and drinking places	31.6	31.6	12.1	10.6
Shopping	16.3	16.2	6.2	5.4
Motor vehicle services	n.a.	54.8	n.a.	18.3
All other	108.2	90.7	41.3	30.4
Total tourism industry	261.9	298.6	100.0	100.0

TTSAs Travel and tourism satellite accounts
n.a. Not applicable

Table E. Key Indicators of Tourism Activity, Estimates of Motor Vehicle Services for the Standard and Expanded TTSAs, 1998

	Value added	Share of GDP	Demand	Share of GDP
	(Billions of dollars)	(Percent)	(Billions of dollars)	(Percent)
Standard TTSAs	261.9	3.0	507.4	5.8
Expanded TTSAs	298.6	3.4	560.4	6.3

TTSAs Travel and tourism satellite accounts

Table F. Key Indicators of Tourism Activity for the Standard and Expanded TTSAs, Household Tourism Demand as a Share of Disposable Personal Income, 1998

	Demand	Share of disposable personal income
	(Billions of dollars)	(Percent)
Standard TTSAs	338.5	5.3
Expanded TTSAs	391.4	6.1

TTSAs Travel and tourism satellite accounts

- The addition of motor vehicle services raises tourism industries' value-added share of total GDP from 3.0 percent to 3.4 percent (table E).¹⁵ Tourism demand's share of GDP rises from 5.8 percent to 6.3 percent.
- Tourism demand as a share of disposable personal income is 6.1 percent in the expanded TTSAs, compared with 5.3 percent in the standard TTSAs (table F).
- The ripple, or indirect, effects from travel and tourism expenditures in the expanded TTSAs generate approximately 79 cents of industry output for every additional dollar of tourism spending on motor vehicle services.
- The value-added ranking of the tourism industries also changes (table D). Hotels and lodging places remain the largest tourism industry in terms of value added. Motor vehicle services is the second largest industry, and passenger air travel drops from second largest to third largest.

Future Research

Estimating the services of other types of capital related to tourism would be one of the next steps in developing a complete set of TTSAs. In general, the criteria for including other types of gross domestic investment in tourism industries in the accounts are somewhat ambiguous, and the link between investment in tourism industries and tourism demand is often indirect. Moreover, except for a few industries, the share of capital formation that can be attributed to tourism activities is likely to be relatively small.

Despite these problems, research could be undertaken in the following areas:

- Services of other types of capital, such as services from fixed public investment (highways, bridges, and roads) that are used by motor vehicles.
- Other public sector capital that could be linked to tourism demand, such as railroad capital (railway beds and train stations), water transport capital (ports), air transport capital (airports), and national parks, national museums, and tourism information bureaus.
- Health and medical tourism and the services from tourism that is undertaken for the purpose of both pleasure and health-related reasons.

15. The shares are derived by dividing the value added of tourism industries by the value of an expanded GDP that is higher than the standard GDP by the value of households' purchases of motor vehicle services. This expanded estimate of the tourism industry is higher than that of the standard TTSAs by the amount of the value added from user-owned motor vehicles.

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Tables 1 through 5 follow.

Table 1. Production of Commodities by Industry, 1998—Continues
[Millions of dollars]

Commodity	Industry															
	Traveler accommodations	Nonfarm residential tenant-occupied permanent site real estate	Food services and drinking places	Air transportation	Rail transportation	Water transportation	Interurban bus transportation	Interurban charter bus transportation	Urban transit systems and other transportation	Taxi service	Scenic and sightseeing transportation	Services of purchased and leased motor vehicles ¹	Auto-motive equipment rental and leasing	Auto-motive repair services	Parking lots and garages	Toll highways
Traveler accommodations.....	73,911	8,265	366													
Food services and drinking places.....	20,450		313,407		74											
Domestic passenger air transportation services.....				60,349												
International passenger air transportation services.....				23,466												
Passenger rail transportation services.....					929											
Passenger water transportation services.....						4,568					9					
Interurban bus transportation.....							1,089	22	10		17					
Interurban charter bus transportation.....							34	1,411	55		12					
Urban transit systems and other transportation services.....								37	349	15,005			21			
Taxi service.....									9	10,332	27					
Scenic and sightseeing transportation services.....				3		7					2,063					
Motor vehicle services:																
Services of purchased and leased motor vehicles¹												431,013				
Automotive rental.....													18,369			
Other vehicle rental.....													415			
Automotive repair services.....								8	18	3	1			82,504		
Parking lots and garages.....															8,121	
Highway tolls.....																5,810
Travel arrangement and reservation services.....																
Motion pictures and performing arts.....																
Spectator sports.....																
Participant sports.....																
Gambling.....	14,393															
All other recreation and entertainment.....			349			1					1					
Gasoline.....																
Wholesale trade and transportation margins on gasoline.....					1,207	917										
Retail trade margins on gasoline.....	9		100											21		
Nondurable PCE commodities other than gasoline.....				1,055												
Wholesale trade and transportation margins on nondurable PCE commodities other than gasoline.....				3,231	17,481	3,503										
Retail trade margins on nondurable PCE commodities other than gasoline.....	1,266		1,528						4	3					2	
All other commodities, except all other trade and transportation margins.....	2,614	195,643	825	13,790	10,209	20,892	45	52	3,299	34	24		12,150	8,196		152
All other wholesale trade and transportation margins.....				2,093	15,215	1,845										
All other retail trade margins.....	2		70								7		171	1,327		
Travel by U.S. residents abroad.....																
Industry output	112,644	203,907	316,645	103,988	45,114	31,733	1,204	1,895	18,427	10,409	2,161	431,013	31,126	92,048	8,124	5,962
Intermediate inputs	35,026	60,000	165,614	46,518	19,217	19,703	517	1,166	14,272	5,606	901	77,982	19,883	49,507	3,703	1,003
Value added	77,618	143,907	151,031	57,470	25,897	12,030	687	729	4,155	4,803	1,261	353,031	11,243	42,541	4,421	4,959
Compensation of employees.....	39,618	7,459	103,898	35,728	17,858	7,009	584	581	14,093	3,571	693	0	5,992	21,817	1,648	1,744
Taxes on production and imports, less subsidies.....	10,778	21,048	17,049	4,829	565	2,138	2	-33	-201	248	184	14,661	2,478	5,897	602	0
Gross operating surplus	27,222	115,400	30,084	16,913	7,473	2,884	101	181	-9,738	984	383	338,370	2,774	14,828	2,171	3,216

See the footnotes at the end of the table.
NOTE: The shaded areas reflect the use of expanded TTSA data.

Table 1. Production of Commodities by Industry, 1998—Table Ends

[Millions of dollars]

Commodity	Industry												
	Travel arrangement and reservation services	Motion pictures and performing arts	Spectator sports	Participant sports	Gambling	All other recreation and entertainment	Petroleum refineries	Industries producing nondurable PCE commodities, excluding petroleum refineries	Wholesale trade and transportation services	Gasoline service stations	Retail trade services, excluding gasoline service stations	All other industries	Domestic production at producers' prices
Traveler accommodations				311								788	83,640
Food services and drinking places		3	4	4,810	960	3,430				3,604	8,431	21,140	376,313
Domestic passenger air transportation services													60,349
International passenger air transportation services													23,466
Passenger rail transportation services													929
Passenger water transportation services													4,577
Interurban bus transportation												2	1,140
Interurban charter bus transportation												47	1,559
Urban transit systems and other transportation services												245	15,719
Taxi service												1	10,343
Scenic and sightseeing transportation services												6	2,158
Motor vehicle services:													
Services of purchased and leased motor vehicles¹													431,013
Automotive rental											844	58	19,271
Other vehicle rental										5	48		468
Automotive repair services								22	5,054	2,885	56,535	107	147,138
Parking lots and garages												277	8,398
Highway tolls													5,810
Travel arrangement and reservation services	27,376												27,376
Motion pictures and performing arts		15,443	7,004		36	122						412	23,016
Spectator sports			8,500										8,500
Participant sports				25,239		2,359						35	27,633
Gambling					19,523	54							33,970
All other recreation and entertainment		28	1,879	49	16	28,296		990			413	6,219	38,243
Gasoline							57,116						57,116
Wholesale trade and transportation margins on gasoline									63,914				66,037
Retail trade margins on gasoline				1		57				26,824	928	110	28,049
Nondurable PCE commodities other than gasoline							44,327	1,147,090	9,863		10,929	34,034	1,247,298
Wholesale trade and transportation margins on nondurable PCE commodities other than gasoline									287,814				312,028
Retail trade margins on nondurable PCE commodities other than gasoline	54	141	176	421	39	1,277		146	15	14,052	390,106	11,529	420,759
All other commodities, except all other trade and transportation margins	48	17,999	5,701	464	4,413	1,440	13,468	631,826	206,436	1,890	25,537	10,818,834	11,995,981
All other wholesale trade and transportation margins							75	21,388	424,465			28,784	493,865
All other retail trade margins		5	9	34		183		1,125		1,032	330,313	12,152	346,428
Travel by U.S. residents abroad													
Industry output	27,478	33,619	23,274	31,329	24,987	37,217	114,986	1,802,587	997,561	50,291	824,082	10,934,779	16,318,590
Intermediate inputs	13,821	20,035	7,524	14,855	9,604	15,893	91,207	1,150,789	364,371	11,997	267,092	4,788,100	7,275,905
Value added	13,657	13,584	15,749	16,474	15,383	21,323	23,779	651,799	633,190	38,294	556,991	6,146,679	9,042,684
Compensation of employees	11,089	9,439	9,629	11,580	7,670	10,544	7,016	328,551	355,354	16,640	325,662	3,668,479	5,023,946
Taxes on production and imports, less subsidies	583	1,235	1,137	1,691	1,435	3,053	1,253	18,768	129,305	7,733	115,948	247,181	609,568
Gross operating surplus	1,985	2,910	4,983	3,204	6,279	7,727	15,510	304,480	148,530	13,920	115,381	2,231,018	3,409,171

PCE Personal consumption expenditures

1. The 1998 capital-services-flow measure, which includes leased, purchased, and post-lease services of cars and trucks.

NOTE: The shaded areas reflect the use of expanded TTSA data.

Table 4. Output and Value Added by Industry, 1998

[Millions of dollars]

Industry	Industry output	Intermediate consumption	Value added	Tourism industry ratio	Tourism output	Tourism intermediate consumption	Tourism value added
Traveler accommodations.....	112,644	35,026	77,618	0.76	85,511	26,589	58,922
Nonfarm residential tenant occupied permanent site real estate.....	203,907	60,000	143,907	0.04	8,265	2,432	5,833
Food services and drinking places.....	316,645	165,614	151,031	0.21	66,302	34,678	31,624
Air transportation services.....	103,988	46,518	57,470	0.81	83,989	37,572	46,417
Rail transportation services.....	45,114	19,217	25,897	0.04	1,854	790	1,064
Water transportation services.....	31,733	19,703	12,030	0.14	4,590	2,850	1,740
Interurban bus transportation.....	1,204	517	687	0.94	1,129	485	645
Interurban charter bus transportation.....	1,895	1,166	729	0.82	1,555	956	598
Urban transit systems and other transportation.....	18,427	14,272	4,155	0.16	3,020	2,339	681
Taxi service.....	10,409	5,606	4,803	0.42	4,384	2,361	2,023
Scenic and sightseeing transportation.....	2,161	901	1,261	0.97	2,106	878	1,229
Services of purchased and leased motor vehicles¹.....	431,013	77,982	353,031	0.11	47,651	8,621	39,030
Automotive equipment rental and leasing.....	31,126	19,883	11,243	0.55	17,167	10,966	6,201
Automotive repair services.....	92,048	49,507	42,541	0.08	7,645	4,112	3,533
Parking.....	8,124	3,703	4,421	0.14	1,144	522	623
Toll highways.....	5,962	1,003	4,959	0.10	617	104	513
Travel arrangement and reservation services.....	27,478	13,821	13,657	0.97	26,527	13,343	13,184
Motion pictures and performing arts.....	33,619	20,035	13,584	0.16	5,448	3,247	2,201
Spectator sports.....	23,274	7,524	15,749	0.28	6,434	2,080	4,354
Participant sports.....	31,329	14,855	16,474	0.29	9,141	4,334	4,807
Gambling.....	24,987	9,604	15,383	0.40	10,068	3,870	6,199
All other recreation and entertainment.....	37,217	15,893	21,323	0.31	11,502	4,912	6,590
Petroleum refineries.....	114,986	91,207	23,779	0.10	12,019	9,533	2,486
Industries producing nondurable PCE commodities, excluding petroleum refineries.....	1,802,587	1,150,789	651,799	0.03	45,795	29,236	16,559
Wholesale trade and transportation services.....	997,561	364,371	633,190	0.02	23,745	8,673	15,072
Gasoline service stations.....	50,291	11,997	38,294	0.13	6,404	1,528	4,876
Retail trade services, excluding gasoline service stations.....	824,082	267,092	556,991	0.03	24,018	7,784	16,234
All other industries.....	10,934,779	4,788,100	6,146,679	0.00	9,588	4,198	5,390
Total.....	16,318,590	7,275,906	9,042,684		527,619	228,993	298,627

PCE Personal consumption expenditures

1. The 1998 capital-services-flow measure, which includes leased, purchased, and post-lease services of cars and trucks.

NOTE: The shaded areas reflect the use of expanded TTSA data.

Table 5. Output by Commodity, 1998

[Millions of dollars]

Commodity	Domestic production at purchasers' prices	Tourism commodity ratio	Direct tourism output	Total commodity output multiplier	Total tourism-related output
Traveler accommodations.....	83,640	1.00	83,640	1.54	128,867
Food services and drinking places.....	376,313	0.21	78,928	1.88	148,378
Domestic passenger air transportation services.....	60,349	1.00	60,349	1.70	102,367
International passenger air transportation services.....	23,466	1.00	23,466	1.70	39,805
Passenger rail transportation services.....	929	1.00	929	1.62	1,508
Passenger water transportation services.....	4,577	0.94	4,288	1.98	8,480
Interurban bus transportation.....	1,140	1.00	1,140	1.71	1,952
Interurban charter bus transportation.....	1,559	1.00	1,559	1.71	2,668
Urban transit systems and other transportation services.....	15,719	0.19	3,062	1.71	5,242
Taxi service.....	10,343	0.42	4,381	1.71	7,500
Scenic and sightseeing transportation services.....	2,158	1.00	2,158	1.46	3,156
Services of purchased and leased motor vehicles¹.....	431,013	0.12	52,929	1.79	94,952
Automotive rental and leasing.....	19,271	0.91	17,584	1.64	28,851
Other vehicle rental and leasing.....	468	0.97	452	1.64	742
Automotive repair services.....	147,138	0.09	13,628	1.71	23,300
Parking lots and garages.....	8,398	0.14	1,183	1.71	2,023
Highway tolls.....	5,810	0.11	617	1.94	1,197
Travel arrangement and reservation services.....	27,376	0.97	26,525	1.62	42,966
Motion pictures and performing arts.....	23,016	0.35	8,096	1.77	14,319
Spectator sports.....	8,500	0.39	3,304	1.64	5,406
Participant sports.....	27,633	0.31	8,526	1.62	13,793
Gambling.....	33,970	0.50	17,134	1.62	27,721
All other recreation and entertainment.....	38,243	0.35	13,412	1.64	22,061
Gasoline.....	151,202	0.18	27,169	1.84	49,899
Nondurable PCE commodities other than gasoline.....	1,980,086	0.04	78,437	2.08	162,793
Total.....	3,482,316		532,897		939,944

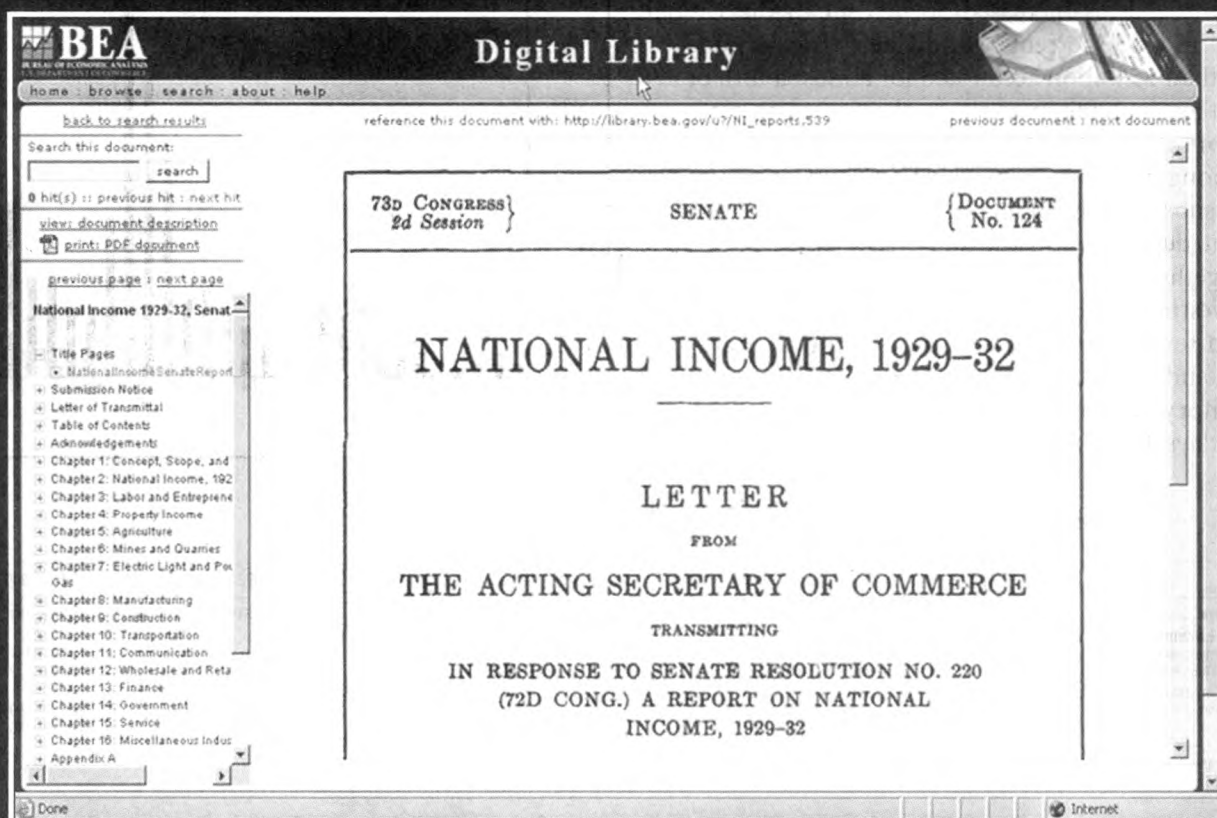
PCE Personal consumption expenditures

1. The 1998 capital-services-flow measure, which includes leased, purchased, and post-lease services of cars and trucks.

NOTE: The shaded areas reflect the use of expanded TTSA data.

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Foreign Direct Investment in the United States

New Investment in 2006

By Lawrence R. McNeil

OUTLAYS by foreign direct investors to acquire or to establish U.S. businesses were \$161.5 billion in 2006, up substantially from \$91.4 billion in 2005 (table 1 and chart 1). Outlays in 2006 were the fourth largest recorded and the highest since 2000, when new investment outlays peaked at \$335.6 billion.

The pickup in investment outlays in 2006 may have been stimulated by faster economic growth in the United States and several major investing countries. It coincided with a decline in the value of the U.S. dollar against several major currencies and a significant increase in merger and acquisition activity. (Thomson Financial Services estimates that the dollar volume of announced deals increased 36 percent in the United States and 38 percent worldwide.) Transactions of more than \$5 billion accounted for almost a fifth of total outlays in 2006; in contrast, there were no transactions of this magnitude in 2005 (table 2).

Among major industry sectors, outlays increased most substantially in manufacturing and in finance (except depository institutions) and insurance (table 3). Together, these two sectors accounted for half of total investment outlays in 2006. Outlays were also sizable in several other sectors, including real estate and rental and leasing, wholesale trade, information, and depository institutions.

Outlays from investors in most major geographic

areas increased. European investors accounted for the largest increase, \$53.5 billion. Overall, outlays from Europe accounted for approximately two-thirds of the worldwide total (chart 2). Investments from the Middle East, Asia and Pacific, and Latin America also rose considerably. Outlays from Canada declined further following a sharp decline in 2005.

Chart 1. Outlays for New Investment in the United States by Foreign Direct Investors, 1980–2006

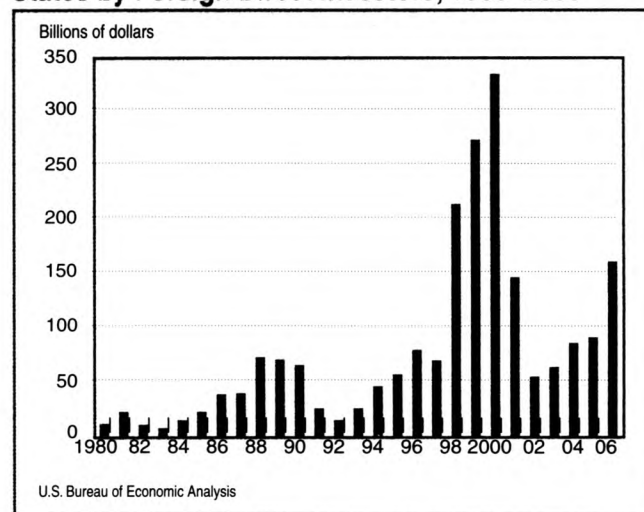


Table 1. Investment Outlays by Type of Investment and Investor, 1992–2006

[Millions of dollars]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 ^r	2006 ^p
Total outlays	15,333	26,229	45,626	57,195	79,929	69,708	215,256	274,956	335,629	147,109	54,519	63,591	86,219	91,390	161,533
By type of investment:															
U.S. businesses acquired.....	10,616	21,761	38,753	47,179	68,733	60,733	182,357	265,127	322,703	138,091	43,442	50,212	72,738	73,997	147,827
U.S. businesses established.....	4,718	4,468	6,873	10,016	11,196	8,974	32,899	9,829	12,926	9,017	11,077	13,379	13,481	17,393	13,706
By type of investor:															
Foreign direct investors.....	4,058	6,720	13,628	11,927	32,230	13,899	120,828	120,878	105,151	23,134	13,650	27,866	34,184	40,304	50,906
U.S. affiliates.....	11,275	19,509	31,999	45,268	47,699	55,809	94,428	154,078	230,478	123,975	40,869	35,725	52,035	51,086	110,627

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Table 2. Distribution of Investment Outlays by Size, 1992–2006

[Percent]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 ^r	2006 ^p
Total outlays	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
\$5 billion or more.....	0	0	0	(D)	0	0	55	55	48	30	(D)	(D)	(D)	0	19
\$2 billion — \$4.999 billion.....	0	(D)	27	18	29	12	11	16	20	22	18	(D)	13	28	23
\$100 million — \$1.999 billion.....	42	51	51	48	55	67	27	24	27	40	45	43	47	59	54
Less than \$100 million.....	58	(D)	22	(D)	16	21	7	5	5	9	(D)	12	(D)	13	4

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D Suppressed to avoid disclosure of data of individual companies.

Outlays in 2006

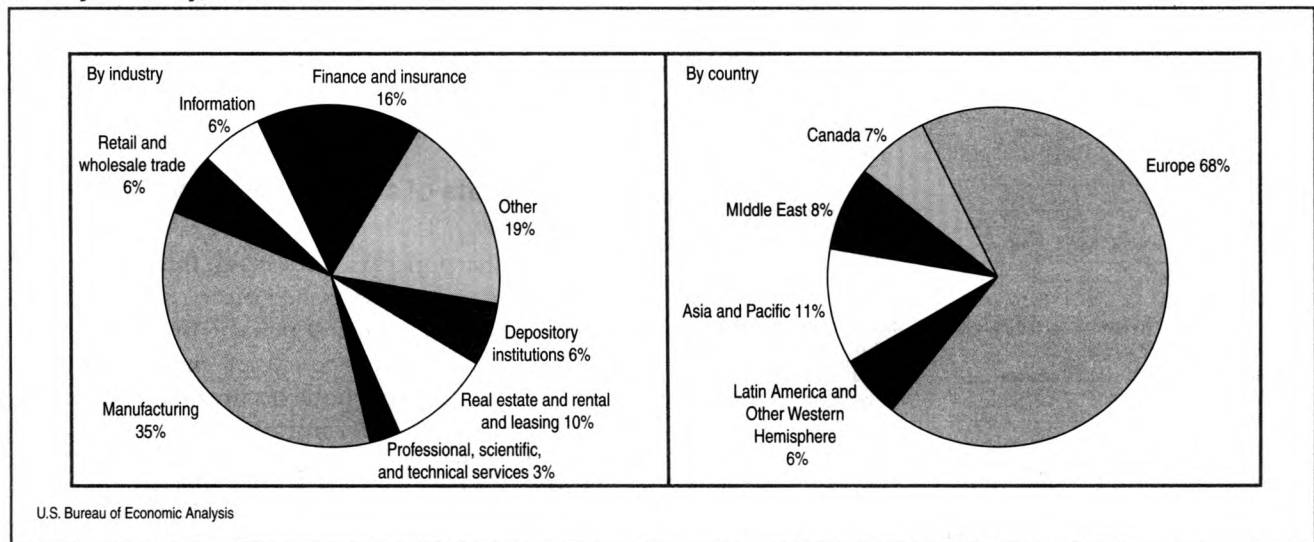
In 2006, as in previous years, most outlays by foreign direct investors were to acquire existing U.S. businesses. These outlays totaled \$147.8 billion, compared with \$13.7 billion in outlays to establish new U.S. businesses. Outlays made by, or through, existing U.S. affiliates were \$110.6 billion, more than twice the \$50.9 billion in outlays made directly by foreign investors. Of the \$110.6 billion that was spent by U.S. affiliates, \$78.2 billion came from their foreign parent groups. Thus, foreign parent groups, through a combination of direct outlays and funds they supplied to existing U.S. affiliates, funded a total of \$129.1 billion, or 80 percent, of the \$161.5 billion in total outlays. These for-

eign parent funds are included in total foreign direct investment in the United States, as recorded in the financial account of the U.S. international transactions accounts.¹

Outlays in manufacturing increased 66 percent to \$56.6 billion in 2006 from \$34.0 billion in 2005 (table 3). Within manufacturing, the largest increases were in computers and electronic products and in chemicals.

1. Foreign direct investment in the United States in the international transactions accounts, unlike the data on investment outlays in this article, includes financing of both existing and new U.S. affiliates. For preliminary estimates of foreign direct investment in 2006, see Christopher L. Bach, "U.S. International Transactions in 2006," SURVEY OF CURRENT BUSINESS 86 (April 2007): 22-73; revised estimates will be published in the July 2007 SURVEY.

Chart 2. Outlays for New Investment in the United States by Foreign Direct Investors by Industry and by Country, 2006



Key Terms

Person. Any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization, and any government (including any corporation, institution, or other entity or instrumentality of a government).

Foreign person. A person that resides outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

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

U.S. affiliate. A U.S. business enterprise in which a single foreign investor (a foreign parent) owns at least 10

percent of the voting securities, or the equivalent.

Ultimate beneficial owner (UBO). For a U.S. affiliate, the person, proceeding up the affiliate's ownership chain beginning with the foreign parent, that is not owned more than 50 percent by another person. The UBO ultimately owns or controls the affiliate and derives the benefits associated with ownership or control. Unlike the foreign parent, the UBO of a U.S. affiliate may be located in the United States.

Foreign parent group. This group consists of (1) the foreign parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, up to and including the UBO, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

In computers and electronic products, most of the 2006 outlays were for acquisitions of communications equipment manufacturers. In chemicals, most of the outlays were attributable to acquisitions of pharmaceuticals and medicines manufacturers. Outlays in finance (except depository institutions) and insurance increased sharply to \$25.3 billion from \$5.5 billion in

Table 3. Investment Outlays by Industry of U.S. Business Enterprise, 2003–2006
(Millions of dollars)

	2003	2004	2005 ^r	2006 ^p
All industries	63,591	86,219	91,390	161,533
Manufacturing	10,750	18,251	34,036	56,582
Food	2,516	2,146	1,646	683
Beverages and tobacco products	(D)	(D)	(D)	1,366
Textiles, apparel, and leather products	(D)	(D)	(D)	4,387
Paper	(D)	120	(D)	226
Printing and related support activities	(D)	(D)	(D)	(D)
Petroleum and coal products	(D)	(D)	225	0
Chemicals	1,164	4,751	9,598	14,783
Plastics and rubber products	498	84	1,636	(D)
Nonmetallic mineral products	(D)	153	388	1,012
Primary metals	91	(D)	4,877	2,448
Fabricated metal products	123	(D)	111	952
Machinery	122	642	382	1,629
Computers and electronic products	2,125	2,934	3,596	17,950
Electrical equipment, appliances, and components	139	(D)	747	2,222
Transportation equipment	225	1,199	5,942	1,446
Other	462	969	4,663	7,047
Wholesale trade	1,086	(D)	3,489	8,002
Retail trade	941	3,073	1,262	1,158
Information	9,236	4,315	8,487	9,503
Publishing industries	1,431	1,274	2,555	3,834
Motion picture and sound recording industries	278	(D)	(D)	(D)
Telecommunications	(D)	(D)	(D)	4,680
Other	(D)	2,783	2,085	(D)
Depository institutions	4,864	(D)	7,973	9,270
Finance (except depository institutions) and insurance	23,511	26,234	5,529	25,347
Real estate and rental and leasing	2,817	6,335	8,756	15,669
Professional, scientific, and technical services	1,955	(D)	6,407	4,821
Other industries	8,429	10,121	15,453	31,181

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D Suppressed to avoid disclosure of data of individual companies.

Table 4. Investment Outlays by Country of Ultimate Beneficial Owner, 2003–2006
(Millions of dollars)

	2003	2004	2005 ^r	2006 ^p
All countries	63,591	86,219	91,390	161,533
Canada	9,157	31,502	13,640	12,012
Europe	39,024	43,815	56,416	109,858
France	2,955	6,415	5,608	19,682
Germany	8,830	4,788	7,239	22,683
Netherlands.....	1,077	461	2,609	5,463
Switzerland.....	649	6,505	2,332	14,625
United Kingdom.....	20,373	23,288	30,420	21,880
Other Europe.....	5,140	2,358	8,206	25,524
Latin America and Other Western Hemisphere	1,607	2,629	5,042	9,130
South and Central America	182	1,382	980	1,215
Other Western Hemisphere	1,425	1,247	4,062	7,916
Africa	(D)	(D)	(D)	(D)
Middle East	1,738	1,318	5,068	12,436
Asia and Pacific	11,469	6,015	10,924	17,526
Australia	9,032	3,850	4,713	6,866
Japan.....	1,544	1,027	4,245	8,719
Other Asia and Pacific.....	893	1,139	1,966	1,942
United States ¹	(D)	(D)	(D)	(D)

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D Suppressed to avoid disclosure of data of individual companies.

1. The United States is the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are ultimately owned by persons located in the United States (see the box "Key Terms").

Note. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

2005. More than half of the outlays in this sector were to acquire businesses in insurance. Outlays in "other industries" more than doubled to \$31.2 billion in 2006; the most sizable investments were in mining, transportation and warehousing, and health care and social assistance.

Outlays by European investors almost doubled, increasing to \$109.9 billion from \$56.4 billion in 2005 (table 4). Outlays in the manufacturing and the non-bank finance and insurance sectors fueled much of the growth. Expenditures by investors from Germany, France, Switzerland, and Spain grew substantially. (Spain is included in "Other Europe" in table 4). Although outlays by British investors declined to \$21.9 billion from \$30.4 billion in 2005, their 2006 spending was the second highest among individual countries. Only Germany ranked higher.

Outlays from investors in the Asia and Pacific region rose substantially in 2006, reflecting stepped-up investment from Japan and Australia. Outlays from the Middle East also rose substantially, reflecting higher spending from Israel.

Operating data of acquired or established U.S. businesses

Despite the sharp increase in outlays, the employment of newly acquired or established businesses in 2006, at 215,300 people, was down 9 percent from 235,900 in 2005 (table 5). The movement of employment and outlays in opposite directions occurred as new investments became more concentrated in industries with relatively low employment and relatively high acquisition values, such as nonbank finance and insurance.

Acknowledgments

The data presented in this article are from BEA's survey of new foreign direct investment in the United States. The survey was conducted under the supervision of Dorrett E. Williams, with contributions by Carmene T. Brown, Constance T. Deve, Edward J. Kozierka, and Daniel K. Wakjira. Neeta B. Kapoor programmed the tables.

Availability of New Investment Data

Summary estimates of the outlays by foreign direct investors to acquire or to establish businesses in the United States are presented in this article. More detailed estimates by industry and by country for 1980–2006 are available on BEA's Web site at <www.bea.gov>.

Manufacturing accounted for the most employees in newly acquired or established businesses, with 91,400 employees. Depository institutions accounted for 18,400 employees and finance (except depository institutions), and insurance accounted for 12,900 employees. Combined, these three sectors accounted for 57 percent of total employment by U.S. businesses that were newly acquired or established by foreign direct investors.

In 2006, the total assets of newly acquired or established businesses were \$356.5 billion, up sharply from \$181.8 billion in 2005. Three sectors accounted for over three-fourths of the total: Depository institutions (\$104.6 billion), finance (except depository institutions) and insurance (\$99.9 billion), and manufacturing (\$74.2 billion).

Land ownership for newly acquired or established businesses increased considerably, to 1.4 million hectares from 34.5 thousand hectares in 2005, reflecting large acquisitions of timber land. Net income was \$3.1

billion in 2006, about the same as in 2005. Total sales were \$79.3 billion, up from \$67.1 billion.

Revisions

The estimates of new foreign direct investment for 2006 are preliminary. The estimate of total outlays for 2005 has been revised up 5 percent from the preliminary estimate.² In addition, the estimates of the employment, total assets, sales, and net income of U.S. businesses acquired or established by foreign direct investors have been revised. The estimate of employment has been revised up 5 percent from the preliminary estimate, the estimate of total assets has been revised up 7 percent, the estimate of sales has been revised up 2 percent, and the estimate of net income has been revised up 11 percent.

2. See Lawrence R. McNeil, "Foreign Direct Investment in the United States: New Investment in 2005," SURVEY 86 (June 2006): 32–39.

Table 5. Selected Operating Data of U.S. Business Enterprises Acquired or Established by Industry of U.S. Business Enterprise, 2005–2006

	2005 ^r					2006 ^p				
	Millions of dollars			Thousands of employees	Hectares of land ¹	Millions of dollars			Thousands of employees	Hectares of land ¹
	Total assets	Sales	Net income			Total assets	Sales	Net income		
All industries	181,846	67,141	3,060	235.9	34,471	356,541	79,264	3,137	215.3	1,389,995
Manufacturing.....	47,529	36,348	1,911	96.3	13,790	74,153	34,573	1,187	91.4	9,692
Wholesale trade.....	5,095	7,307	160	19.6	200	5,330	5,166	494	10.9	10,718
Retail trade.....	1,907	2,154	61	10.3	94	1,487	2,167	16	6.3	(D)
Information.....	12,086	4,881	-103	8.5	(D)	12,163	3,420	133	11.7	(D)
Depository institutions.....	48,950	2,660	348	14.2	255	104,628	4,386	876	18.4	332
Finance (except depository institutions) and insurance.....	21,828	1,632	232	5.7	3	99,898	10,590	-570	12.9	65
Real estate and rental and leasing.....	16,577	1,389	161	2.3	7,847	14,859	2,720	79	0.9	7,761
Professional, scientific, and technical services.....	6,382	2,531	-36	16.1	(D)	4,880	405	-22	2.4	(D)
Other industries.....	21,491	8,239	325	62.9	12,276	39,142	15,836	943	60.3	1,360,464

p Preliminary

r Revised

D Suppressed to avoid disclosure of data of individual companies.

1. One hectare equals 2.471 acres. Thus, for all industries, acres of land owned in 2005 were 85,178, and in

2006 were 3,434,678.

NOTE: For newly acquired businesses, the data cover the most recent financial reporting year preceding acquisition. For newly established businesses, the data are projections for the first full year of operations.

Data on Foreign Direct Investment in the United States

In addition to the data on new foreign direct investment presented in this article, BEA collects and publishes two other broad sets of data on foreign direct investment in the United States: Financial and operating data of U.S. affiliates and balance-of-payments and direct-investment-position data.

Financial and operating data of U.S. affiliates are published at both the enterprise level and the establishment level. Detailed enterprise-level financial and operating data were most recently published in "U.S. Affiliates of Foreign Companies: Operations in 2004" in the August 2006 SURVEY OF CURRENT BUSINESS; the article includes a description of the three types of data. Summary estimates for 2005 were presented in the April 19, 2007, news release "Summary Estimates for Multinational Companies: Employment, Sales, and Capital Expenditures for 2005," which is available on BEA's Web site at <www.bea.gov>. Financial and operating data at the

establishment level are available for selected years as a result of a project that links BEA's enterprise data for U.S. affiliates with the Census Bureau's establishment data for all U.S. companies. For the most recently available data, see *Foreign Direct Investment in the United States: Establishment Data for 2002*, which is available on BEA's Web site in June 2007.

The balance-of-payments and direct-investment-position data were published in "The International Investment Position of the United States at Yearend 2005" and "Direct Investment Positions for 2005: Country and Industry Detail" in the July 2006 SURVEY; in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 2005" in the September 2006 SURVEY; and in "U.S. International Transactions in 2006" in the April 2007 SURVEY. Revised and updated data will be published in the July and September 2007 issues.

Technical Note

Estimates of new foreign direct investment, which cover U.S. business enterprises that were acquired or established by foreign direct investors during the year, are based on data reported in surveys conducted by the Bureau of Economic Analysis (BEA), and for the preliminary estimates for 2006, from BEA estimates for reports not yet received.³

For the survey, a U.S. business enterprise is categorized as “established” if the foreign parent or its existing U.S. affiliate creates a new legal entity that is organized and operated as a new U.S. business enterprise or that directly purchases U.S. real estate.⁴ A U.S. business enterprise is categorized as “acquired” (1) if a foreign parent or its U.S. affiliate obtains a voting interest of 10 percent or more in the equity of an existing U.S. business enterprise and continues to operate the enterprise as a separate legal entity; (2) if a foreign parent or its U.S. affiliate purchases a business segment or an operating unit of an existing U.S. business and organizes it as a new separate legal entity; or (3) if an existing U.S. affiliate purchases a U.S. business, a segment of a U.S. business, or an operating unit of a U.S. business and merges it into its own operations.

The estimates of new foreign direct investment do not cover the acquisition of additional equity in an existing U.S. affiliate, the acquisition of an existing U.S. affiliate by one foreign investor from another, or the expansion in the operations of an existing U.S. affiliate when no separate legal entity is created. Selloffs or other disinvestments are not netted against the new investments. (For more information, see the box “Data on Foreign Direct Investment in the United States.”)

A U.S. business that is acquired or established by a foreign direct investor or by an existing U.S. affiliate of a foreign investor and that has total assets of more than \$3 million or owns 200 acres or more of U.S. land is required to file a full report with BEA. In addition, a U.S. business enterprise that is acquired by an existing U.S. affiliate of a foreign investor and merged into the operations of the affiliate must file a full report if the total cost of the acquisition exceeds \$3 million or if the acquired enterprise owned 200 acres or more of U.S. land. To reduce the reporting burden, smaller U.S.

3. Each year, BEA receives survey reports after the preliminary estimates are published. To make the preliminary estimates as accurate as possible, BEA augments the reported data with estimates for late reports.

4. The number of new U.S. businesses established is not the same as the number of “greenfield” investments, which typically refers to the construction of new plants or other business facilities. First, direct purchases of U.S. real estate—which often involve purchases of existing office buildings, hotels, retail stores, shopping centers, or other property—are included in the “established” measure but are not considered “greenfield” investments. Second, new plants that are built by existing U.S. affiliates are considered “greenfield” investments, but they are included in these data as “established” businesses only if they are set up as separate legal entities.

businesses that have total assets of \$3 million or less and that own fewer than 200 acres of U.S. land are permitted to file shorter, partial reports.⁵

BEA prepares estimates of the data items that are not collected on the partial reports and combines them with the data it collects on the full reports. Because the businesses that file partial reports are so small, they generally have a negligible impact on the published aggregates. For example, in 2005, the total assets of U.S. businesses that filed partial reports were \$180.5 million, about 0.1 percent of the total assets of all newly acquired or established U.S. affiliates.

Although the values for the partial reports are generally negligible, the number of partial reports is significant. For example, in 2005, BEA received 975 partial reports and 655 full reports. Furthermore, the number of businesses that are subject to partial reporting may be higher than the actual number of partial reports that BEA receives, because not all of the smaller U.S. businesses acquired or established by foreigners file reports. BEA makes every effort to contact all U.S. businesses that may have been newly acquired or established by foreigners, but it must concentrate its resources on ensuring compliance with reporting requirements by larger businesses.

Of the 655 full reports filed for 2005, 465 reported investments to acquire an existing U.S. business, and 190 reported investments to establish a new U.S. business. For 2006, BEA estimates that 726 businesses will have filed full reports by the time the revised estimates are published in 2008 (see the table below).⁶

	2004	2005 ^r	2006 ^p
Total	584	655	726
\$5 billion or more	2	0	3
\$2 billion–\$4.999 billion	4	8	13
\$100 million–\$1.999 billion	109	131	150
Less than \$100 million	469	516	560

^p Preliminary
^r Revised

For 2006, the number of investments in the two largest classes represents the number of reports that were received. The number of investments in the two smallest class sizes includes an estimate of the number of late reports that will be received before the revised estimates are published.

5. Survey forms for both the full report (BE-13) and the partial report (BE-13, supplement C) are available on BEA's Web site at <www.bea.gov/beat/surveys/fdiusurv.htm>.

6. The preliminary estimates include BEA estimates of late reports. Estimates of each data item covered by the survey are prepared, and they cover both full and partial reports. BEA also estimates the number of full reports, but it does not estimate the number of partial reports, because this number fluctuates considerably from year to year.

Tables 6, 7.1, and 7.2 follow.

Table 6. Investment Outlays by Type of Investment and Investor, by Industry of U.S. Business Enterprise, 2005–2006

[Millions of dollars]

	2005 ^r					2006 ^p				
	Total	By type of investment		By type of investor		Total	By type of investment		By type of investor	
		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates
All industries	91,390	73,997	17,393	40,304	51,086	161,533	147,827	13,706	50,906	110,627
Manufacturing	34,036	(D)	(D)	19,022	15,014	56,582	56,082	500	6,751	49,830
Food	1,646	(D)	(D)	(D)	(D)	683	683	0	(D)	(D)
Beverages and tobacco products	(D)	(D)	0	(D)	(D)	1,366	(D)	(D)	1,096	270
Textiles, apparel, and leather products	(D)	(D)	0	0	(D)	4,387	4,387	0	(D)	(D)
Paper	(D)	(D)	(D)	(D)	(D)	226	(D)	(D)	0	226
Printing and related support activities	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Petroleum and coal products	225	(D)	(D)	(D)	(D)	0	0	0	0	0
Chemicals	9,598	(D)	(D)	6,980	2,619	14,783	14,783	0	(D)	(D)
Plastics and rubber products	1,636	(D)	(D)	444	1,192	(D)	(D)	0	0	(D)
Nonmetallic mineral products	388	(D)	(D)	(D)	(D)	1,012	1,012	0	(D)	(D)
Primary and fabricated metals	4,987	(D)	(D)	(D)	(D)	3,400	3,124	275	298	3,101
Machinery	382	(D)	(D)	209	173	1,629	1,629	0	556	1,073
Computers and electronic products	3,596	(D)	(D)	2,691	905	17,950	(D)	(D)	1,026	16,925
Electrical equipment, appliances, and components	747	(D)	(D)	(D)	(D)	2,222	2,222	0	1,407	815
Transportation equipment	5,942	(D)	(D)	(D)	(D)	1,446	1,307	138	0	1,446
Other	4,663	(D)	(D)	3,063	1,601	7,047	7,047	0	2,162	4,885
Wholesale trade	3,489	3,459	30	1,109	2,379	8,002	8,002	0	6,293	1,709
Motor vehicles and motor vehicle parts and supplies	1,419	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Electrical goods	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Petroleum and petroleum products	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Other	2,005	1,977	28	802	1,203	(D)	(D)	0	6,293	(D)
Retail trade	1,262	(D)	(D)	(D)	(D)	1,158	1,158	0	81	1,076
Information	8,487	8,446	40	470	8,017	9,503	(D)	(D)	4,544	4,959
Publishing industries	2,555	2,549	6	117	2,439	3,834	3,834	0	277	3,557
Motion pictures and sound recording industries	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Telecommunications	(D)	(D)	(D)	(D)	(D)	4,680	4,680	0	(D)	(D)
Other	2,085	2,051	34	240	1,845	(D)	(D)	(D)	(D)	845
Depository institutions	7,973	7,973	0	(D)	(D)	9,270	9,270	0	5,576	3,694
Finance, (except depository institutions) and insurance	5,529	1,552	3,976	3,553	1,976	25,347	23,127	2,219	8,173	17,174
Finance, except depository institutions	4,793	(D)	(D)	(D)	(D)	9,964	(D)	(D)	4,131	5,833
Insurance carriers and related activities	736	(D)	(D)	(D)	(D)	15,382	(D)	(D)	4,042	11,340
Real estate and rental and leasing	8,756	2,929	5,827	1,691	7,065	15,669	8,692	6,978	8,064	7,605
Real estate	7,831	2,033	5,798	(D)	(D)	11,334	(D)	(D)	5,030	6,304
Rental and leasing (except real estate)	925	896	29	(D)	(D)	4,335	(D)	(D)	3,034	1,302
Professional, scientific, and technical services	6,407	6,068	338	2,906	3,501	4,821	(D)	(D)	3,895	927
Other industries	15,453	12,521	2,932	6,347	9,106	31,181	30,980	201	7,528	23,653
Agriculture, forestry, fishing, and hunting	(D)	(D)	(D)	5	(D)	321	311	10	317	5
Mining	6,387	(D)	(D)	(D)	(D)	6,044	6,044	(*)	2,726	3,318
Utilities	448	(D)	(D)	(D)	(D)	2,622	2,449	173	(D)	(D)
Construction	451	(D)	(D)	(D)	(D)	3,207	(D)	(D)	0	3,207
Transportation and warehousing	3,848	3,607	241	(D)	(D)	7,150	(D)	(D)	(D)	(D)
Management of nonbank companies and enterprises	(D)	0	(D)	(D)	0	0	0	0	0	0
Administration, support, and waste management	1,202	(D)	(D)	(D)	(D)	1,182	1,182	0	(D)	(D)
Health care and social assistance	1,928	(D)	(D)	(D)	(D)	5,769	5,769	0	0	5,769
Accommodation and food services	736	(D)	(D)	(D)	(D)	223	(D)	(D)	(D)	(D)
Miscellaneous services	446	(D)	(D)	275	171	4,664	4,655	9	4,251	412

p Preliminary

r Revised

D Suppressed to avoid disclosure of data of individual companies.

Table 7.1. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2005

(Millions of dollars)

	All industries	Manufacturing	Wholesale trade	Retail trade	Information	Depository institutions	Finance, (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All countries	91,390	34,036	3,489	1,262	8,487	7,973	5,529	8,756	6,407	15,453
Canada	13,640	3,257	551	(D)	111	(D)	226	480	1,178	3,597
Europe	56,416	26,440	1,333	518	7,503	(D)	4,095	2,332	4,671	(D)
<i>Of which:</i>										
France.....	5,608	3,062	(D)	(D)	82	(D)	(D)	(D)	536	(D)
Germany.....	7,239	2,217	20	(D)	(D)	0	(D)	1,628	(D)	544
Netherlands.....	2,609	(D)	(D)	(D)	(D)	0	(D)	(D)	293	0
Norway.....	(D)	(D)	(D)	0	(D)	0	0	0	(D)	(D)
Spain.....	2,588	(D)	(D)	0	(D)	(D)	(D)	(D)	(D)	(D)
Switzerland.....	2,332	952	0	(D)	(D)	0	(D)	54	(D)	144
United Kingdom.....	30,420	17,181	337	(D)	3,692	(D)	3,578	156	3,361	390
Latin America and Other Western Hemisphere	5,042	995	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
South and Central America.....	980	(D)	(D)	(D)	0	0	0	(D)	(D)	(D)
Other Western Hemisphere.....	4,062	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
<i>Of which:</i>										
Bermuda.....	(D)	(D)	(D)	0	0	0	(D)	0	(D)	(D)
United Kingdom Islands, Caribbean.....	(D)	(D)	0	(D)	(D)	0	(D)	(D)	0	(D)
Africa	(D)	(D)	0	(D)	0	0	0	(D)	0	0
Middle East	5,068	424	(D)	0	(D)	0	0	2,366	103	2,028
<i>Of which:</i>										
Israel.....	591	424	0	0	0	0	0	(D)	103	(D)
United Arab Emirates.....	3,680	0	0	0	0	0	0	(D)	0	(D)
Asia and Pacific	10,924	2,832	(D)	(D)	763	0	720	2,567	(D)	1,742
<i>Of which:</i>										
Australia.....	4,713	(D)	(D)	0	(D)	0	(D)	2,093	(D)	1,458
China.....	(D)	(D)	(D)	0	0	0	(D)	0	0	0
Hong Kong.....	590	(D)	0	(D)	(D)	0	0	(D)	0	(D)
Japan.....	4,245	1,657	(D)	(D)	(D)	0	(D)	27	(D)	205
Singapore.....	1,112	(D)	0	(D)	0	0	0	(D)	(D)	(D)
United States ¹	(D)	(D)	(D)	0	(D)	0	(D)	(D)	0	0
Addenda:										
European Union (25) ²	50,089	24,195	1,333	499	6,566	3,798	3,789	2,278	4,502	3,129
OPEC ³	4,332	0	(D)	0	(D)	0	0	2,339	0	1,990

D Suppressed to avoid disclosure of data of individual companies.

1. The United States is shown as the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are, in turn, ultimately owned by persons located in the United States (see the box "Key Terms").

2. The European Union (25) comprises Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

3. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait,

Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Notes. Data for 2005 are revised. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

This table presents the major regions, the European Union, OPEC, and the following countries: Australia, Canada, China, France, Germany, Hong Kong, Japan, the Netherlands, Switzerland, the United Kingdom, and the United States. In addition, it presents any country whose total outlays for 2005 were greater than \$500 million.

Table 7.2. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2006

[Millions of dollars]

	All industries	Manufacturing	Wholesale trade	Retail trade	Information	Depository institutions	Finance, (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All countries	161,533	56,582	8,002	1,158	9,503	9,270	25,347	15,669	4,821	31,181
Canada	12,012	3,730	0	(D)	222	2,911	3,502	(D)	(D)	1,366
Europe	109,858	37,228	7,743	449	5,016	6,019	20,056	8,889	856	23,601
<i>Of which:</i>										
Belgium	606	(D)	0	0	0	0	(D)	0	0	0
Denmark	835	835	0	0	0	0	0	0	0	0
Finland	674	(D)	0	0	(D)	0	0	0	0	0
France	19,682	18,217	0	(D)	1,015	0	(D)	0	(D)	149
Germany	22,683	10,147	(D)	(D)	71	0	0	422	272	5,809
Ireland	2,963	(D)	0	0	0	0	(D)	678	0	(D)
Italy	3,473	(D)	0	0	0	0	0	0	0	(D)
Luxembourg	3,058	(D)	0	0	0	0	0	(D)	0	(D)
Netherlands	5,463	1,685	(D)	0	1,232	(D)	0	(D)	(D)	1,845
Norway	1,204	(D)	0	0	(D)	0	0	0	0	(D)
Spain	11,695	(D)	0	0	0	(D)	(D)	100	0	4,791
Sweden	711	518	0	0	193	0	0	0	0	0
Switzerland	14,625	489	(D)	0	(D)	0	12,521	0	198	745
United Kingdom	21,880	3,131	1,719	(D)	1,261	0	5,898	5,068	(D)	4,301
Latin America and Other Western Hemisphere	9,130	3,063	(D)	0	4,077	(D)	(D)	(D)	0	550
South and Central America	1,215	858	(D)	0	(D)	(D)	0	0	0	(D)
<i>Of which:</i>										
Mexico	720	(D)	0	0	(D)	(D)	0	0	0	(D)
Other Western Hemisphere	7,916	2,205	(D)	0	(D)	0	(D)	(D)	0	(D)
<i>Of which:</i>										
Bermuda	4,980	(D)	(D)	0	(D)	0	(D)	0	0	(D)
United Kingdom Islands, Caribbean	2,936	(D)	0	0	0	0	0	(D)	0	0
Africa	(D)	0	0	0	0	0	(D)	0	0	0
Middle East	12,436	(D)	0	0	(D)	0	0	(D)	(D)	1,762
<i>Of which:</i>										
Israel	9,724	(D)	0	0	0	0	0	0	(D)	0
United Arab Emirates	2,267	0	0	0	0	0	0	(D)	0	(D)
Asia and Pacific	17,526	2,827	(D)	(D)	(D)	(D)	1,183	4,852	3,876	3,902
<i>Of which:</i>										
Australia	6,866	393	(D)	0	0	0	(D)	4,356	0	1,901
China	0	0	0	0	0	0	0	0	0	0
Hong Kong	(D)	(D)	0	0	0	(D)	0	0	0	0
India	(D)	(D)	(D)	0	0	0	0	0	0	0
Japan	8,719	535	125	(D)	(D)	0	(D)	496	3,876	2,001
United States ¹	(D)	(D)	0	0	0	0	(D)	0	0	0
Addenda:										
European Union (25) ²	93,723	36,200	7,685	449	4,300	6,019	7,536	8,889	658	21,988
OPEC ³	2,302	0	0	0	0	0	0	775	0	1,526

D Suppressed to avoid disclosure of data of individual companies.

1. The United States is shown as the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are, in turn, ultimately owned by persons located in the United States (see the box "Key Terms").

2. The European Union (25) comprises Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

3. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait,

Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Notes. Data for 2006 are preliminary. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

This table presents the major regions, the European Union, OPEC, and the following countries: Australia, Canada, China, France, Germany, Hong Kong, Japan, the Netherlands, Switzerland, the United Kingdom, and the United States. In addition, it presents any country whose total outlays for 2006 were greater than \$500 million.

Health Care Studies From the 2007 ASSA Meetings

THE BUREAU of Economic Analysis (BEA) organized two health care-related sessions for the annual Allied Social Sciences Association meetings, held in Chicago last January. These sessions brought together academic experts and BEA researchers to discuss issues related to the development of national health accounts. Among the academic participants were Joseph P. Newhouse (Harvard University), who chairs a National Academies panel on national health accounts, and Allison B. Rosen (University of Michigan), who is working with David M. Cutler (Harvard University) to develop a prototype set of health accounts. Other participants included key researchers in the area of health economics: Ernst R. Berndt (Massachusetts Institute of Technology), David O. Meltzer (University of Chicago), and Jack E. Triplett (Brookings Institution).

In this special feature of the SURVEY OF CURRENT BUSINESS, BEA includes studies discussed in the session titled “Beyond Drug and Hospital Costs: Comprehensive Accounting for Health Care,” moderated by BEA Director Steve Landefeld.

- “Measuring Medical Care Productivity: A Proposal for U.S. National Health Accounts,” by Allison B. Rosen and David M. Cutler (page 54). This paper maps out a strategy for developing a set of health accounts that will help answer questions about changes in the state of the population’s health, on the roles of medical and non medical factors in those changes, and on the cost-effectiveness of potential interventions.
 - “Medicare Part D and Prescription Drug Prices,” by Ernst R. Berndt and Richard G. Frank (page 59). This paper provides an assessment of the implications of the Medicare Prescription Drug, Improvement and Modernization Act for price indexes published by the Bureau of Labor Statistics (BLS).
 - “A Different Application for Productivity Measures, or Has the Difficulty of Measuring Physician Productivity Caused the Federal Deficit To Be Mismeasured?” by Joseph P. Newhouse and Anna D. Sinaiko (page 72). The paper discusses problems in measuring physician productivity and argues that the lack of precision in the productivity assumptions underlying Medicare fees could have adverse effects on measures of the federal deficit.
 - “Measuring the Output of Health Care in the United States,” by Michael S. Christian, formerly of BEA, now with the Wisconsin Center for Education Research (page 78). The paper offers an overview of the types of measures that one might consider including in a health satellite account. It provides two examples that illustrate the range of possibilities: Calculations of direct volume measures for hospitals and estimates of the value of home and volunteer time for health-related services.
- The second session that BEA sponsored was titled “Approaches for Measuring the Cost of Health Care Services.” These papers focused on existing approaches and potential pitfalls in measuring health care costs by disease. Those studies are summarized on page 55.
- BEA is currently exploring the creation of health care accounts and is a sponsor of the National Academies’ Committee on National Statistics’ proposed study on the design of the national health accounts.
- BEA’s long-term goals include the following:
- Harmonize medical care in the national income and product accounts with the Centers for Medicare and Medicaid Services’ national health expenditure accounts. This would help provide a common set of metrics.
 - Provide measures of expenditures by disease to provide data needed to assess the benefit of treatments.
 - Work with BLS to further improve medical care prices. Improved price indexes will better account for reductions in costs that arise from substitution across treatment classes and, thus, help to identify how much of the increase in medical expenditures is increased quantity versus price of treatment.
 - Develop a set of product-based deflators that may be used to deflate expenditures by product class, as is currently reported in the accounts, in a manner consistent with the disease-based price index.

The Cost of Health Care Services

The Bureau of Economic Analysis (BEA) organized a session at the annual Allied Social Sciences Association meetings in January 2007 that focused on the challenges of tracking the cost of health care services. Studies presented at this session discussed methods to track the cost of treating disease in ways that account for changes in costs when there are changes in treatment protocols.¹ Consider how the treatment for depression has migrated from talk therapy to combinations of talk therapy and new prescription drugs. Talk therapy tends to be expensive (over \$100 per visit) relative to drug therapy (\$1 per day). So, to the extent that patients have switched to a lower-cost alternative, the cost of treating depression has fallen. Unfortunately, official price indexes will not in general capture cost reductions that arise from substitution of treatments across treatment classes because they track changes in the cost of talk therapy (office visits) separately from changes in the cost of drug therapy (prescription drugs). Problems in existing measures and suggested alternative approaches have been discussed in the context of cataracts, heart attacks, and several mental conditions.²

One approach to measuring costs by disease involves using medical claims data and assigning each claim to a particular disease or condition, usually using commercially provided computer algorithms that aim to identify episodes of illness. The U.S. Committee on National Statistics of the National Academies of Sciences studied the relative merits of this approach and recommended that such price indexes be constructed to provide perspective on official statistics.³

Two papers in the session applied this approach to measure the cost of treating disease. **Ana Aizcorbe**, of BEA, and **Nicole Nestoriak**, formerly of BEA, (“Tracking Changes in Health Care Costs Using Episode-Based Price Indexes: Issues and Estimates”) used a large claims database that included definitions for episodes of illness to assess whether the type of substitution bias studied in the academic literature is important across a wide range of diseases. They used the entire sample of data to construct two types of price indexes—one that uses “treatment of disease” as the good and another that uses “types of treatment” as the good. To the extent that substitution across treatment types is relevant for diseases other than the

ones that have been studied, one would expect to see faster price growth in the treatment-based index than in the disease-based index. Their preliminary finding is that the issue does indeed appear to be important across a broad range of diseases, though the robustness of this finding to different cuts of the data, slightly different definitions for the indexes, and so on needs to be fully explored. Working under contract to BEA, economists at Analysis Group are conducting a parallel examination using an alternative set of claims data. **Alan White, Jai-son Abel, and Adam R. Castor** (“Use of Claims Data in Constructing Price Indexes for Medical Services”) provided a progress report of their study; their work so far points to treatment substitution as an important driver of declines in the cost of treating illness, confirming the preliminary results of Aizcorbe and Nestoriak.

BLS research economist **Ralph Bradley’s** discussion (“Improving Medical Price Indexes”) highlighted numerous important caveats to these preliminary findings. Although these claims data sets contain hundreds of millions of observations, Bradley pointed out numerous potential problems that must be taken into account when comparing different price measures using these data. Among these, “noise” in the data appears to be particularly problematic. In earlier work, Bradley conducted similar explorations using Medstat data and found that although the two price indexes showed numerically different growth rates for prices, those differences were not statistically significant.⁴ This is a potentially important issue that must be addressed to provide a gauge on the reliability of price indexes obtained from claims data.

Allison B. Rosen and **David M. Cutler** took a different approach in their paper, “Trends in Disease Costs in the United States.” They constructed estimates of cost by disease by linking data from the national health expenditure accounts, which do not have information on diseases, to several national expenditure surveys that do, including the Medical Expenditure Panel Survey, the National Medical Expenditure Survey, and the Medicare Current Beneficiary Survey. To allocate costs into particular diseases, they developed an empirical cost model that estimates the relationship between individual health care costs and the presence in the individual of particular diseases and conditions. Allison Rosen’s discussion of the preliminary results from this novel approach highlighted the importance of measuring health care services by tracking the cost of treating disease rather than tracking the cost of different types of treatments.

1. This issue has long been recognized as a potential problem. For a recent example in the context of mental health, see Ernst R. Berndt, Alisa B. Busch, Richard G. Frank, and Sharon-Lise Normand, “Real Output in Mental Health Care During the 1990s” (working paper no. 11557, Washington, DC: National Bureau of Economic Research, August 2005); <www.nber.org/papers/w11557>.

2. For examples of these studies, see David M. Cutler and Ernst R. Berndt, eds., *Medical Care Output and Productivity*, Studies in Income and Wealth, vol. 62 (Chicago: University of Chicago Press, 2001).

3. See Charles L. Schultze and Christopher Mackie, eds., *At What Price: Conceptualizing and Measuring Cost-of-Living and Price Indexes*, (Washington DC: National Academy Press, 2002): 178–190.

4. Their study used data from 40 episode types, chosen at random, in two Northeast cities: X. Song, W.D. Marder, O. Baser, R. Houchens, J.E. Conklin, and R. Bradley, “Can Health Care Claims Data Improve the Estimation of the Medical CPI?” (paper presented at the National Bureau of Economic Research Conference on Research in Income and Wealth, Vancouver, BC, June 28, 2004 and at the National Bureau of Research Summer Institute, Health Care Program, August 6, 2004).

Measuring Medical Care Productivity

A Proposal for U.S. National Health Accounts

By Allison B. Rosen and David M. Cutler

MEASURING productivity is a central challenge in medical care, as it is in all other service industries. Medical care is particularly important, however, because of the enormous share of gross domestic product (GDP) that it takes. The United States spent \$2 trillion dollars, or 16 percent of GDP, on health care in 2005 (Catlin, et al. 2007). This compares with a median of 8.5 percent among other Organisation for Economic Co-operation and Development countries. Further, the productivity of U.S. health care is suspect. While some studies have suggested that productivity growth is reasonable in aggregate (Cutler and McClellan 2001; Cutler, Rosen, and Vijan 2006), others argue that there is substantial waste at the margin (Fisher et al. 2003). If we are to understand and improve the productivity of our health care spending, a more systematic approach to tracking productivity in the health care sector is needed.

This article discusses a proposed framework for measuring productivity in medical care via the creation and use of national health accounts. Such accounts would provide a comprehensive picture of population health in relation to health care spending within an integrated framework in which consistent definitions, measurement tools, and analytic conventions are used.

The challenges of productivity measurement in health care

Productivity is difficult to measure in every industry. Output indices for computers and automobiles have been changed many times over the years, for example. But medical care is particularly problematic for one

Allison B. Rosen is a professor at the University of Michigan Medical School. David M. Cutler is a professor in the department of economics and John F. Kennedy School of Government at Harvard University. He is also a research associate at the National Bureau of Economic Research.

fundamental reason: Consumer purchasing decisions are not a reliable guide to true value.

The conceptual basis for productivity measurement in virtually all industries is hedonic analysis (Griliches 1971). People are assumed to buy goods when they value them and not to buy them when they do not. Thus, the value of quality change can be inferred from the amount that people are willing to pay for that change. With a price for quality thus defined, productivity can be found as the residual growth in total spending not accounted for by pure price increases.

In medical care, however, the link between purchase and value is not clear. Many consumers do not know which services they need; the doctor is both an advisor and a service provider. As a result, physician reimbursement and ethics might affect consumption decisions as much as value and cost. And even when consumers know what they need, they tend to be very well insured for medical care services. For these reasons, most health care analysts do not assume that purchase decisions will reflect the true value of the good.

At the level of health insurance, it might be possible

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to use hedonic analysis (Fixler 1996). For example, relating insurance premiums to enrollment choices might be used to back out the value of medical advances. But insurance choices are affected by other features as well, including the age distribution of the enrollees in the purchasing group. Nor is it clear that consumers understand everything that is in an insurance plan, especially for services they do not yet need. Just how stringent are the mental health limits? Are the nephrologists in the plan good ones? These types of questions are essential in rational purchasing, but they are not well known by consumers.

As a result, our research, along with most other work in the field, uses a direct approach to measuring productivity. We measure the output of the medical care industry—health—and use medically informed decision models to determine the productivity of different inputs (medical care and public health, for example). In essence, we will determine the production function for health empirically and use that to estimate the productivity of the key inputs. We describe in the remainder of this article how we will do this.

National health accounts: A conceptual basis

National accounts play a central organizing role in economic measurement. The national income and product accounts (NIPAs) are the most well-known accounts. They give the total GDP as well as its division into major categories (consumption, investment, government spending, and net exports) across a range of industries. Further, the accounts permit the analysis of productivity changes by dividing spending increases into prices and quantities.

The NIPAs are organized around market activity; any activity where money changes hands is included in the accounts. However, it has long been recognized that GDP is not a measure of welfare. Most importantly, nonmarket activities such as personal investments in one’s own health and the environment are not included in GDP. To measure the costs and benefits of such activities, there have been repeated suggestions to establish “satellite” accounts that encompass all of these activities.

Satellite accounts derive their name from the fact that they would orbit around the NIPAs, overlapping with them in market activity and supplementing them in nonmarket activity. A recent report from the Committee on National Statistics recommended establishing satellite accounts for health, home production, the environment, education, and government/nonprofits (National Research Council 2005).

Table 1, taken from *Beyond the Market: Designing Nonmarket Accounts for the United States* (National

Research Council 2005), shows how a satellite health account might be structured. Like the NIPAs, a satellite national health account would have inputs and outputs. The first input to health is medical care. While most medical services are priced, some inputs, such as volunteer labor for the chronically ill elderly, are not. Other inputs include the time one invests in one’s own health (for example, exercise and sleep), other consumption items (food, tobacco, and alcohol, for example), research and development, and the quality of the environment. The fundamental output of the health system is health. Health includes both length and quality of life, which can be conceptualized jointly as quality-adjusted life expectancy (QALE) and expressed either in years or dollars (Murphy and Topel 2006).

In addition to health benefits, changes in a person’s health can affect the financial circumstances of others. Improving the health of working age people increases employment and tax revenue; extending the life of very elderly people leads to greater social security spending. While these financial externalities are outputs in a final satellite account, we begin development of an expanded set of health accounts by focusing on health.

Constructing a set of national health accounts involves three steps. First, we need a global measure of population health. Second, we need to measure spending and health at the relevant “industry” level. In the case of health, the appropriate industry is the disease or medical condition, since this is the level at which people seek care and treatment decisions are made. Third, we need to link spending and health outcomes at the disease level through detailed disease models.

Health measurement

Population health measurement is a complex science with a rich tradition in the medical literature. A variety of assessment techniques rooted in expected utility theory have been used to measure health status. Several health assessment surveys have been conducted, providing related data on population health and health trends over time. None of these foundations is exactly what is needed, but all are important building blocks.

Table 1. Conceptual Model of Satellite National Health Accounts

Inputs	Outputs
Medical Care	Health status
Market labor/capital	Longevity
Volunteer labor	Quality of life
Time invested in own health	Financial externalities
Other consumption items	
Research and development	
Quality of the environment	

We decompose population health into two parts: Mortality and quality of life. Mortality data are available from vital statistics. All deaths are recorded with great accuracy. Linking mortality to different diseases is less straightforward, however. Cause-of-death data is known to be inaccurate for many conditions (Zumwalt and Ritter 1987). To obtain more accurate mortality data, we will match the spending and health data described below with data on date of death. This will allow us to estimate regression models for death as a function of acute and chronic diseases and other socio-demographic information.

Data on various indicators of quality of life are available in a number of health assessment questionnaires, which are discussed below. The challenge in assessing quality of life in the United States is not so much lack of data as lack of consensus on an appropriate measure. We describe our approach, acknowledging that others may be appropriate as well. We first assess overall quality of life based on survey self-reports. We then assess the symptoms and impairments that individuals report and relate the two using regression analyses. Finally, we relate the symptoms and impairments to the diseases of interest. This allows us to track changes in quality of life over time as a function of changes in the prevalence of diseases or in the prevalence of symptoms and impairments associated with these diseases. Because we place quality of life on a 1 (for perfect health) to 0 (for death) utility scale, we can combine length of life with quality of life to form a single measure of health, quality-adjusted life expectancy (QALE). More details are available in Stewart and others (2006).

Medical spending

We know well what we spend on medical care; the actuaries at the Centers for Medicare and Medicaid Services (CMS) track aggregate medical expenditures in great detail in a series of national health expenditure accounts (NHEAs). These accounts, maintained since 1960, provide a comprehensive list of expenditures for health care-related goods and services.

However, the NHEA data are reported as aggregate spending by payer and service category, and they do not report spending at the disease level. To provide this disease-level data, we link three national expenditure surveys to the NHEAs. The Medical Expenditure Panel Survey (MEPS) and its precursor survey, the National Medical Expenditures Survey (NMES), both collected by the Agency for Healthcare Research and Quality (AHRQ), represent the civilian noninstitutionalized population. Both surveys include expenditure data as well as rich survey data on several aspects of health (including quality of life and the presence of diseases) and

health care utilization. To provide data on the institutionalized population and larger sample sizes for the general Medicare population, the Medicare Current Beneficiary Survey (MCBS), collected annually by the CMS, is used to replace the Medicare eligible population in NMES and MEPS. The MCBS is a nationally representative survey of aged, disabled, and institutionalized Medicare beneficiaries, which includes information on health care utilization and expenditures as well as information on health status and the presence of diseases.

Building on the methods of Meara, White, and Cutler (2004) and Selden and others (2001), we match spending by payer and service type in MEPS, NMES, and MCBS to NHEA service totals. We adjust reported spending from the national surveys so that spending by payer and service category sums to that reported in the NHEAs. These individual data matched to national totals allow us to estimate medical spending by disease.

We also need to define the diseases of interest. The manner in which we define disease categories builds on work done at AHRQ. In particular, AHRQ classified all medical claims (or survey-based self-reports of diseases) into 262 mutually exclusive conditions using the Clinical Classification Software (CCS) (Elixhauser, Steiner, and Palmer 2007). For our purposes, this level is too disaggregated, since many categories have relatively low prevalence in national claims data, and a few would have relatively similar clinical manifestations. The CCS can be collapsed into 18 much broader categories (for example, infectious diseases, mental disorders, and injuries); however, this level is too aggregated for our purposes, with very heterogeneous categories. We therefore regroup the 262 categories into 65 clinically meaningful groups. A typical group is HIV/AIDS or diabetes.

After determining whether an individual has a disease of interest, we regress costs—or a variation, such as the logarithm of costs—on the individual's disease profile. The resulting coefficients give the cost associated with each disease, controlling for the other health conditions that a person has.

It is worth noting that our approach builds on, but is somewhat different from, prior cost of illness studies. In that literature—which was pioneered by Dorothy Rice (Rice 1966) and colleagues and is still prominent (Hodgson and Cohen 1999; Druss et al. 2001; Thorpe, Florence, and Joski 2004)—each medical claim is assigned to a disease, and total spending is found by adding claims within the disease category. The difficulty with this prior approach is that many claims have multiple diagnosis codes; is an ACE inhibitor taken by a person with diabetes who has had a heart attack being taken for the diabetes or the heart

attack? Our approach will determine the share of spending associated with each without an arbitrary assignment rule.

Disease models

The final step is to develop detailed disease models that relate health inputs to outputs. These models will allow us to infer the value of medical care at the disease level. We can then add across diseases to estimate the productivity of medical care as a whole.

There is a rich tradition of forming disease models in other disciplines that we will draw on for this goal, including substantial work in decision sciences and industrial engineering. A comprehensive catalogue of such models spanning over 25 years of the medical literature is maintained by a team of investigators at Tufts Medical School as an Internet-based resource (available at www.tufts-nemc.org/cearegistry/data/default.asp). These models range from simple explanatory models of a single therapy for a single disease (for example, antibiotics for childhood ear infections) to broad policy models that consider several services simultaneously (for example, the prevention and management of coronary heart disease). However, there is no consistent set of modeling conventions that would allow these models to be merged together to provide a picture of the health care sector as a whole.

Building on this rich base, we will develop disease models using a consistent set of definitions and methodologic conventions. These more detailed disease models may help us identify clear targets for more nuanced policy interventions. Further, they will be designed specifically to fit into the larger framework of expanded health accounts in order to allow for comparisons of alternate resource allocation strategies across the whole health sector (rather than limited to a single disease).

Conclusions

The task we have laid out is ambitious. We are working with people around the country and will do so for a number of years. In addition, the collaboration and cooperation of several of our national data collection agencies will be critical to the success of these endeavors.

The obvious question is whether this work is worth the cost. We believe it is. A little history about the national income and product accounts indicates why. Today, we recognize these accounts as one of the singular achievements of economic science. In their introductory textbook, *Economics*, Paul Samuelson and William

Nordhaus observed “While the GDP and the rest of the national income accounts may seem to be arcane concepts, they are truly among the great inventions of the twentieth century.” Former Commerce Secretary William M. Daley called national economic accounts “the Commerce Department’s greatest achievement of the 20th century.” Governments use national economic accounts to manage monetary and fiscal policy. Businesses use them to make investment and hiring decisions. Families use them, generally indirectly, in setting savings and consumption goals.

While the national income and product accounts are justly famous, it is surprising how recent an invention they are (see, for example, Moynihan 1999 and Fogel 2000). During World War I, there were substantial, unresolved debates about how civilian and military needs could coexist. After the War, a few economists decided to make a more quantitative assessment of the American economy to help with future economic planning efforts. The leaders in this group were Wesley Mitchell of Columbia and Edwin Gay of Harvard Business School who founded the National Bureau of Economic Research to coordinate those efforts. By 1930, the work on national accounting was led by Simon Kuznets. In the early 1930s, it became apparent that the United States was in a major downturn. The magnitude of the downturn was not known, however. In 1932, Congress passed a resolution directing the Secretary of Commerce to calculate and report national income in 1929, 1930, and 1931. Simon Kuznets joined the Commerce Department to construct such estimates, and after 2 years of work, the Department published the requested data. Those estimates were refined over the next few years and continue today.

Our knowledge of the health economy today is about where the measurement of national economic activity was in 1932. Health is very important; some aspects are good, but many are not. We want to know how we are doing in aggregate and what we can do to improve health. Initial steps to measure health care productivity taken today will allow us to learn how best to improve these accounts over time so that they may evolve, as the national income and product accounts have, into a complex system of true national *health* accounts with which to track the productivity of our ever-growing national investment in health care.

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Medicare Part D and Prescription Drug Prices

By Ernst R. Berndt and Richard G. Frank

CONGRESS passed initial versions of the Medicare Prescription Drug, Improvement, and Modernization Act in late June 2003. This landmark legislation provided for a prescription drug benefit for all Medicare beneficiaries over age 65 and for individuals under age 65 who have certain disabilities. This new prescription drug benefit is called Medicare Part D. The House and Senate versions of the bill differed, and after considerable negotiations and maneuvering, the House passed a unified version of the bill by a 220–215 vote on November 22, 2003. On the next day, the Senate passed the legislation by a 54–44 vote. On December 8, 2003, President George W. Bush signed the final conference committee version into law. The Medicare Part D prescription drug benefit was fully implemented on January 1, 2006.

The congressional and public debate on the merits of this legislation was extensive and heated. Controversy surrounded issues such as what would the effects of moral hazard on prescription drug demand and prices be? How should the Federal Government exercise its considerable buying power? How restrictive or broad should formularies be? How much competition should there be among private plans offering benefits? How high would monthly premiums be, and how would they vary with benefit design? And of course, how much would this new program cost?

Medicare Part D has been with us now for over a year. What has happened? In terms of assessing its impact on prescription drug prices, there are at least three important considerations on which we focus in this

Ernst R. Berndt is a professor at the Sloan School of Management at the Massachusetts Institute of Technology. He is also director of the National Bureau of Economic Research Program on technological progress and productivity measurement. Richard G. Frank is a professor at Harvard Medical School and a research associate with the National Bureau of Economic Research.

paper. First, how has the Bureau of Labor Statistics (BLS), the source of official government price statistics, monitored and measured prices paid by consumers (the Consumer Price Index (CPI)), as well as prices received by manufacturers from sales to the first point in the distribution chain (Producer Price Indexes (PPIs)) subsequent to the implementation of Medicare Part D? Specifically, what measurement changes and assumptions were required in order to assess the impact of part D on consumers' and producers' prices? Second, given provisions of the part D legislation and the BLS procedures for measuring prices, what do we as economists expect regarding the impact of part D on consumers' and producers' prices? And third, what price changes have been observed by the CPI and the PPIs leading up to and then following full implementation of the part D legislation on January 1, 2006?

Background history and literature

Over the years, as U.S. public policy has led to expanding health insurance coverage, policy analysts have evaluated not only government and elderly out-of-pocket expenditures on health care but also the price and quantity components of these expenditures.

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Related concerns have focused attention on the overall price inflation experienced by the elderly versus the nonelderly and more specifically on relative prices paid by the elderly, versus the nonelderly for health care goods and services.

For at least seven decades, the BLS Medical CPI (MCPI) has grown about half again as fast as the overall CPI; between 1927 and 1996, for example, the MCPI rose at an average annual growth rate of 4.59 percent, compared with 3.24 percent for the CPI (Berndt and others 1998a and 1998b). In the 11 years since then, between January 1996 and January 2007, these average annual growth rates were 3.91 percent for the MCPI and 2.49 percent for the CPI. Congressional concern over these differential rates of inflation has involved a number of initiatives.

Prior to the introduction of Medicare in July 1966, the Social Security Administration anticipated that the existence of the new insurance might have an impact on medical care prices. Therefore, in the summer of 1965, the administration arranged with BLS to collect supplementary prices for three surgical procedures and two in-hospital medical services that were particularly prevalent among the elderly though not necessarily limited to them. The three surgical procedures were cholecystectomy (removal of the gall bladder), prostatectomy (removal of the prostate gland), and fractured neck of femur (hip surgery), and the two in-hospital services were acute myocardial infarction (treatment of heart attack) and cerebral hemorrhage (stroke). Among the major results of this study, as stated in a report to the President and summarized by Dorothy P. Rice and Loucele A. Horowitz, was the finding that the index of the five in-hospital surgical and medical procedures that were particularly significant for the aged did not increase as rapidly during 1966 as the combined index for physicians' fees regularly priced for the CPI (Rice and Horowitz 1967, 28; U.S. Department of Health, Education and Welfare 1967).¹

Several decades later, in response to a mandate contained in the 1987 amendments to the Older Americans Act of 1965, the BLS created an experimental price index for elderly consumers (CPI-E). The CPI-E employs differential expenditure weights for the elderly (defined as households headed by persons aged 62 and older) and the nonelderly based on data from the Consumer Expenditure Survey (CES), but the CPI-E assumes that within each category weight, the distribution of prices, the outlets in which consumers buy, the

use of coupons, and the availability of discounts, as well as the quality of the items purchased, are the same for the elderly and as for the nonelderly (U.S. Department of Labor, Bureau of Labor Statistics no date). From 1982 through 1996, the CPI-E for the elderly grew 67.9 percent, while the CPI rose 62.5 percent, implying that over that 15-year period, the average annual growth rate of the CPI-E, at 3.77 percent, was slightly greater than the 3.53-percent growth rate of the overall CPI (Berndt and others 1998a and 1998b). In the 11 years since then, between January 1996 and January 2007, the averages have been 2.68 percent and 2.49 percent, respectively. The larger health care expenditure weights for the elderly, along with greater measured medical price inflation, account almost entirely for the difference in the growth rates between these two series. In this context, one qualifying note emphasized by the Boskin Commission was that medical care prices are likely to have overstated inflation by not fully accounting for improvements in quality (U.S. Senate Finance Committee 1996). If this is correct, then as Moulton and Stewart have noted "A reduced rate of inflation for medical care would mitigate and perhaps eliminate any difference between the CPI-E and the official CPI" (Moulton and Stewart 1997, 21).²

Relatively little research has focused on price differentials between the elderly and the nonelderly for health care goods or services.³ Among various medical care goods and services, pharmaceuticals have become an increasingly important component of the medical care armamentarium. Moreover, prescription drugs are likely to be one case in which within stratum consumption patterns of the elderly likely differ substantially from those of the nonelderly.

Berndt and others (1998a and 1998b) have examined whether prescription drug price inflation in the 1990s differed between the elderly and the nonelderly, when age-related substrata variations in consumption were taken into account. They examined prices at three alternative points in the distribution chain and reported three sets of findings.

First, at the initial point in the distribution chain involving manufacturers' sales to wholesalers, retailers, and hospitals—transactions that are monitored and reported by various BLS PPIs—there is essentially no age-related aggregate price differential despite very significant differences in the baskets of drugs ultimately destined for use by the elderly and the nonelderly. Specifically, using prescription drug data from the National Disease and Therapeutic Index

1. Rice and Horowitz report that the December 1965–December 1966 average annual growth rates ranged from 2.5 percent for cholecystectomy to 6.9 percent for prostatectomy, and the combined index for physicians' fees regularly priced for the CPI rose 7.8 percent (Rice and Horowitz 1967, 25).

2. For additional discussion, see the various articles in Sharpe (2006).

3. In this context it is worth noting that because of Medicare reimbursement policies to physicians and hospitals, the elderly purchase much of their health care under administered prices.

survey, maintained by IMS Health, to record elderly and nonelderly number of prescriptions by therapeutic class and applying these proportions to the BLS PPI weights by therapeutic class, the authors found that the PPI for pharmaceuticals destined for ultimate use by the elderly increased from 1.000 in 1990 to 1.331 in 1996, while that for the nonelderly rose a virtually identical amount, from 1.000 to 1.329, over the same 6-year period.

A second finding focused on an intermediate point in the distribution chain involving acquisition prices of retail pharmacies for purchases primarily from wholesalers as measured by the IMS retail prescription audit; these retail sell-in transactions take place at a point in the distribution chain that is in between the PPI and CPI and is not monitored by BLS price measurement programs. The authors focused on three therapeutic areas—antidepressants (used twice as intensively by the nonelderly, at 4.69 percent, as by the elderly, at 2.35 percent), broad and medium-spectrum antibiotics (also used about twice as intensively by the nonelderly, at 15.79 percent, as by the elderly, at 7.44 percent), and calcium channel blockers (for hypertension, used about three times more intensively by the elderly, at 6.18 percent, as by the nonelderly, at 2.01 percent). The authors found that between 1990 and 1996, retail acquisition price inflation for antidepressants destined for use by the elderly, at 7.02 percent, was less than that for ultimate use by the nonelderly, at 10.9 percent. Further research revealed that the elderly disproportionately used older generic drugs whose prices rose less rapidly than branded drugs during this time period. For antibiotics, however, especially from 1992 to 1996, the reverse occurred—the antibiotics price index for the elderly increased 7.74 percent, while that for the nonelderly rose only 2.40 percent. Additional research suggested that the greater elderly price inflation since 1992 appeared to reflect the more rapid growth in the elderly's use of the newest, branded drugs for which bacterial resistance was generally less likely. Finally, for the calcium channel blockers, there was essentially no difference in price inflation between 1990 and 1996—10.0 percent for the nonelderly and 11.1 percent for the elderly.

Data constraints prevented Berndt and others (1998a and 1998b) from undertaking a comparable analysis of retail sell-out prices across various therapeutic classes. Instead, the authors confined their analysis to sales by retail pharmacies to consumers and other payors (monitored by the IMS method-of-payment survey) to the antidepressant therapeutic class. Over all age groups, between 1991 and 1996, gross margins for antidepressants sold by retail pharmacies (sell-out prices relative to sell-in prices) fell about 3.5

percent, in part because of the growth of managed care and pharmaceutical benefit manager firms during that timeframe. Additional research found that young consumers appeared to have enjoyed most of the benefits of the increased buying power of managed care, for gross margins on the antidepressants they purchased fell by 3.8 percent. In contrast, for the antidepressants purchased by the elderly who are disproportionately large users of generic drugs, retail margins actually increased slightly.

These results suggest that no general age-related pattern of price inflation differentials for prescription pharmaceuticals is likely to emerge. Instead, the empirical significance of brand versus generic consumption, use of new versus old drugs, and various age-related quality attributes (once-a-day versus multiple daily dosages, extent of adverse interactions with other drugs, and seriousness of side effects and adverse reactions) must most likely be examined on a class-by-class basis before any general conclusions can be reached.⁴ Moreover, even these class-specific variations may change with time, particularly when major institutional and market changes take place.

An example of such a major legislative development is the Medicare Prescription Drug, Improvement, and Modernization Act, which was passed by the U.S. Congress in 2003 and which mandated a Medicare Part D prescription drug benefit for the elderly and disabled, beginning on January 1, 2006.

Medicare Part D: Timelines, essential features, and BLS price measurement

Legislative history and essential features

The Medicare Prescription Drug, Improvement and Modernization Act (Medicare Modernization Act) was introduced into the House of Representatives on June 25, 2003, sponsored by Speaker Dennis Hastert. After an initial electronic vote failed, several Republicans changed their vote, and early on the morning of June 27, 2003, it passed by a 216–215 vote. The Senate passed its version of the bill by a 76–21 vote on June 26, 2003. The bills were then unified in a conference committee and came back to the House for approval on November 21, 2003. After various legislative maneuvers and vote changes by congressional representatives, around 5:30 a.m. on November 22, 2003, the House passed the unified bill by a 220–215 vote. The Senate's consideration of the conference report was less heated but still controversial, and the bill finally passed the Senate by a 54–44 vote on November 23, 2003.

4. The cost-effectiveness of medications in certain classes likely varies by patient age. Triplett (1999) links price indexes to cost-effectiveness analyses.

President Bush signed the bill into law on December 8, 2003 (Wikipedia 2006).

Under provisions of the Medicare Modernization Act of 2003, a prescription drug benefit was created as Part D of Medicare, to become available beginning January 1, 2006, whereby Medicare beneficiaries (including those disabled and under age 65) would receive a statutorily defined standard prescription drug benefits after a \$250 annual deductible, would pay 25 percent of costs up to \$2,250, 100 percent of costs between \$2,250 and \$5,100 (a gap of \$2,850, commonly referred to as the “donut hole”), and 5 percent of costs above \$5,100. Plans were granted freedom to construct alternative benefit designs that were actuarially equivalent to the standard benefit, such as no deductibles and tiered copayments rather than 25 percent coinsurance (Cubanski and Neuman 2006). Expected monthly premiums were estimated to be about \$37, with variations depending on copayment structures, formulary design, and retail pharmacy network benefit provisions.

As a temporary and transitional step to assist beneficiaries more immediately with their prescription drug purchases, the Medicare Modernization Act of 2003 also created a program whereby Medicare-approved discount cards were issued to beneficiaries for use beginning on June 1, 2004. These cards were to help seniors purchase prescription drugs at reduced prices until the full part D benefit was implemented in January 2006. The discount cards did not provide actual insurance benefits but instead were cards issued by Medicare-approved private-sector entities (pharmacies, pharmacy benefit management firms, insurers), giving Medicare beneficiaries approximately a 15–20 percent discount on out-of-pocket cash prices for prescription drugs; discounts were on the steeper end for generic drug purchases (U.S. Department of Labor, Bureau of Labor Statistics 2006). Subsidies were also made available to some low-income beneficiaries. Other important dates were October 1, 2005, the first day for private companies to release details of their individual plans, and November 15, 2005, the first day that individuals could enroll in a part D prescription drug plan.

One other significant aspect of the Medicare Modernization Act of 2003 concerned those individuals over age 65 who had been receiving prescription drug benefits under state Medicaid programs and those under age 65 with certain disabilities. These “dually eligible” beneficiaries saw responsibility for purchasing their prescription drugs transferred from Medicaid to the Medicare Part D program, effective January 1, 2006. It is estimated that these dually eligible individuals accounted for about 29 percent of all part D enroll-

ees (Cubanski and Neuman 2006, exhibit 5, page w8). Under the Medicaid “most-favored-nation” rules, manufacturers have been required to offer Medicaid the lower of the “best” price they sell to the private sector or a discount of 15.1 percent below the average manufacturer price for branded drugs, whichever is lower.⁵ Under Medicare Part D, however, pharmaceutical manufacturers instead negotiated prices with private prescription drug plans (PDPs) (Frank and Newhouse 2007). Manufacturers’ prices charged to PDPs were exempt from the “most-favored-nation” pricing calculations.

Medicare Part D price monitoring by the BLS

Given the substantial lead time between initial legislative approval in June 2003 and final full implementation of Medicare Part D in January 2006, the various BLS price measurement programs had considerable time to adapt their data collection and aggregation procedures as necessary to reflect changing prices associated with implementation of Medicare Part D.

Since the PPI measures prices only at the first point in the distribution chain (for pharmaceuticals, most commonly from manufacturers’ sales to wholesalers and large retail chains), price changes directly realized by Medicare Part D beneficiaries are out of scope—the PPI does not identify and monitor prices paid by final purchasers, such as the elderly at retail or mail order. For the PPI, therefore, implementation of Medicare Part D required no significant changes in the data gathering protocols. Instead, the PPI continued to introduce new branded and generic drugs as supplemental samples into its sample of price quotes on an annual basis.⁶

In contrast to the PPI program, the BLS CPI program faced a number of serious challenges in adapting its price measurement protocols to capture price changes resulting from the introduction of the transitional Medicare discount card and then the launch of the full Medicare Part D program. Because the Centers for Medicare and Medicaid Services (CMS) Web site contained a pricing utility set up explicitly for beneficiaries to determine how the various discount card plans compared with each other in terms of drugs covered and their prices, beginning in October 2004, the CPI flipped a portion of its existing sample—the senior cash-discounted portion that had been receiving about a 10-percent discount—from discounted

5. For details, see Morton 1997; Frank 2001.

6. For a discussion of supplemental sampling and other details on the PPI, see Berndt, Griliches, and Rosett 1993; Berndt and others 2000, 2001. We have benefited from correspondence with Frank Congelio in the BLS PPI program regarding recent supplemental sample introductions.

cash to Medicare discount card, where the sample recorded an average additional discount of 15 percent off retail and mail order cash prices; these quotes were then employed in the aggregate index calculations (U.S. Department of Labor, Bureau of Labor Statistics 2006). As of December 2004, the BLS had been collecting 1,111 price quotes for prescription drugs (U.S. Department of Labor, Bureau of Labor Statistics 2005). Since CMS ceased supporting the pricing utility that yielded the Medicare discount card price quotes in November 2005, for November and December 2005, the BLS estimated these price quotes as being approximately 25 percent off the full cash price quotes they continued to collect.⁷

To account for the introduction of Medicare Part D in January 2006, the BLS CPI program employed a variant of the directed substitution rule by which the product characteristics of the new item were already known and determined (rather than going through the entire disaggregation process). In particular, the CPI recorded the price changes that occurred for the same prescription as it switched from being paid with a Medicare-approved discount card (December 2005) to the full Medicare Part D benefit price (January 2006). The latter was calculated by taking quotes from a single nationally offered private prescription drug benefit plan that conveniently allowed direct pricing via an online pricing utility.⁸ In cases where the national part D plan only offered the generic equivalent of a brand drug covered by the discount card plan, the CPI recorded the price change between the brand discount card and the generic part D price. Note that only the changes from the discount card to part D were captured by the BLS CPI and that the quoted changes are those based on a single national plan.⁹ In particular, the CPI program has not attempted to capture price quotes of formerly uninsured cash, or partly insured, customers who subsequently obtained part D coverage. Similarly, since direct substitution procedures were employed, any switches from retail to mail order that occurred because of part D private prescription drug plan benefit design were also not captured by the CPI.

Because a portion of the Medicare-approved discount cards that came into the CPI sample in 2004 was rotated out of the sample and was not adequately re-

placed through rotation, BLS augmented its Medicare-approved discount card sample to match CMS' estimate that approximately 3.7 percent of the U.S. population had been issued such cards. This was accomplished by the BLS randomly assigning part D quotes to their existing sample. As a result, the part D sample may not mirror a market snapshot that would have emerged had the BLS initiated the part D drugs from the pharmacy based on their traditional "last 20" prescription method. We note in passing that in the future, when BLS initiates a new sample frame, it will finally be able to measure and directly compare prescription drug prices paid by the elderly through Part D with purchase prices paid by the nonelderly. These new data could yield some very interesting research findings and in principle, could be incorporated into the CPI-E.

Coincidentally, the BLS CPI program has been wrestling with how to incorporate prescription-only to over-the-counter (Rx-to-OTC) switches into its medical care CPI, which includes both types of drugs. Two very prominent recent Rx-to-OTC switches have involved Claritin for the treatment of allergies (switch approved November 27, 2002) and Prilosec OTC for the treatment of frequent heartburn (approved June 20, 2003) (U.S. Food and Drug Administration 2003, 2002). Conversations with BLS CPI personnel reveal that when there is an Rx-to-OTC switch, the BLS treats the initial price of the OTC variant as the final price of the Rx version, and then it treats subsequent OTC price changes as only affecting the OTC price index. Note that since the BLS CPI is based on a Laspeyres aggregation framework, which has the property of reproducible aggregation, the Laspeyres aggregate of an Rx price index and an OTC price index is numerically equivalent to a Laspeyres index aggregated simultaneously over all Rx and OTC products.¹⁰ A related pilot project is under way at the BLS CPI program, involving the creation of separate brand and generic CPIs for prescription pharmaceuticals. Currently, the BLS only publishes an aggregate of prescription pharmaceuticals.

Expectations regarding impact of Medicare Part D on BLS price measures

As we have written elsewhere, we believe the BLS faces enormous challenges in reliably measuring price inflation for health care goods and services, including prescription drugs.¹¹ The introduction of Medicare Part D benefits likely increases these challenges and difficulties for the BLS. What are reasonable

7. We are not aware of any empirical analyses substantiating the average 25-percent discount off of full cash price for these consumers.

8. Cubanski and Neuman (2006) report that 10 organizations captured 72 percent of the part D enrollment, primarily in low premium plans and those associated with name recognition. Two organizations—UHC-Pacific (United) and Humana—dominated, together accounting for 45 percent of part D enrollment.

9. We are unaware how the CPI program deals with varying copayments, deductibles, and rebates.

10. This assumes of course that the OTC and Rx weights are adjusted appropriately in month two after the switch.

11. For example, see Berndt and others 2000; Berndt and others 2001.

expectations regarding how the introduction of Medicare Part D affected price inflation as measured and reported by the pharmaceutical CPI and PPI? Four points are worth noting.

First, prior to the implementation of Medicare Part D, about 25 percent of the elderly had been paying cash prices for prescription drugs for the entire year.¹² As of January 1, 2006, these individuals became eligible to enroll in Medicare Part D and benefit from the lower prices negotiated on their behalf by private prescription drug plans (Frank and Newhouse 2007). Because undoubtedly, not all of those who were eligible actually enrolled (estimates are that slightly more than 90 percent of those eligible obtained creditable coverage (Cubanski and Neuman 2006)), as we have seen, the price declines experienced by those individuals who did enroll will not have been captured by the CPI. In this sense, to the extent such transaction types are not being captured, growth in the prescription drug CPI has been overstated. Looking to the future, although some Medicare Part D transactions will have been uncovered by the Consumer Expenditure Survey (CES) data (none from 2005, but presumably those from the 2006 CES), the resulting new CES weights will be set as of December 2007 for use beginning finally with the January 2008 CPI.

Second, we expect the introduction of new or additional insurance to increase demand due to moral hazard. Danzon and Pauly (2002) have estimated that between 25 percent and 50 percent of the total growth in U.S. prescription drug spending between 1987 and 1996 can be attributed to increased drug insurance coverage by employers and Medicaid. On the other hand, since as noted earlier, a substantial portion (between 25 percent and 40 percent) of new Medicare Part D beneficiaries had previously been paying cash prices, branded manufacturers now faced a reduced demand from the cash-paying segment of consumers. Which of these two effects dominates—increased demand from moral hazard versus reduced number of cash-paying customers—is not obviously *a priori*. Whether the combined demand function over cash-paying and new Medicare Part D insured individuals shifted outward or inward is in theory ambiguous and is therefore an empirical matter. Also unclear are expectations regarding the timing of any price changes. Specifically, whether price increases occurred on or after the time of the implementation of Medicare Part D or in anticipation of it depends on numerous factors beyond the scope of this paper.

Third, as noted above, switching dually eligible indi-

viduals from Medicaid coverage, which entailed “most-favored-nation” pricing to Medicare private prescription drug plans (PDPs), which are not subject to the Medicaid mandatory rebates, provided the PDPs with less bargaining power than the state and Federal Medicaid purchasers had previously been able to exercise. Recall that it is estimated that 29 percent of the Medicare Part D enrollees had previously been dually eligible (Cubanski and Neuman 2006, exhibit 5, page w8). To the extent that this has occurred, we might expect prices of drugs disproportionately used by the previously dually eligible individuals to increase more rapidly than other drugs, at least as measured by the PPI. Below we comment on the therapeutic drug classes that are likely to be more intensively utilized by previous dually eligible individuals.

Fourth and finally, in their negotiations with CMS regarding formulary design, the PDPs were constrained by CMS to include a minimal number of (often at least two) drugs with preferred status in each therapeutic class and in some cases, such as the antidepressants, all drugs (Huskamp, et al. 200; Huskamp 2003). Since payers’ buying power relative to manufacturers stems in large part from payers’ ability to either exclude drugs entirely from their formulary or at least banish them to the third tier with the highest copayment, this broad formulary policy constrained the buying power of the PDPs, and may have led to reduced rebates and increased prices.

Together, these four considerations suggest that potentially offsetting impacts on prices are associated with the passage and then the implementation of Medicare Part D legislation. The net effect of these various impacts is in theory ambiguous, and is therefore an empirical matter. Moreover, given the 30-month timespan between the June 2003 initial passage of the legislation and its full implementation in January 2006, it is also unclear what to expect in terms of the timing of any price changes—price changes in anticipation of the full implementation of the Part D benefit could be larger or smaller than those following its implementation. However, what is clear is that we expect PPIs in therapeutic classes, including drugs disproportionately used by previous dually eligible individuals, to increase more rapidly than PPIs for drugs in other classes.

Results: Trends in BLS measures of pharmaceutical CPI and PPI price inflation

We now move on to a discussion of trends in BLS measured price inflation, with a particular focus on dates surrounding developments in Medicare coverage of prescription pharmaceuticals. We begin with the CPI and focus on five time periods over the last 11 years.

12. If beneficiaries that paid cash prices for part of the year are counted this figure may be as high as 40 percent (Frank and Newhouse 2007).

The first two periods are (1) January 1996–January 2000 (the early history) and (2) January 2000–June 2003 (June 2003 was the month in which initial House and Senate versions of the Medicare Prescription Drug, Improvement, and Modernization Act were passed). We then divide the following 30-month time period until the January 1, 2006, implementation of Medicare Part D into two equal 15-month time intervals: (3) June 2003–September 2004 and (4) September 2004–December 2005. We then focus on the year following the implementation of the Medicare Part D program: (5) December 2005–December 2006. For each of these time periods, we compute average annual growth rates.

Results: The CPIs

As we noted earlier, the set of price quotes interpreted as reflecting Medicare Part D transactions is based in part on the BLS' flipping Medicare discount card quotes on to Medicare Part D, based on online price quotes from a single national private prescription drug plan' Web site and in part on randomly taking certain existing price quotes and converting them to a part D comparison over time. The latter set of quotes may, however, have not originally been those of elderly individuals, and thus the composition of prescriptions in the part D subsample may not be representative of that for the overall elderly population enrolled in part D.

In table 1, we compare the distribution of prescriptions by therapeutic drug class in the overall sample of prescription drug CPI quotes with that in the part D

Table 1. Distribution of Prescriptions by Therapeutic Class in the Overall and Medicare Part D Samples, January–October 2006
[Percent]

Therapeutic class	Prescription share	
	Overall sample	Part D sample
Analgesics	8.10	14.63
Anesthetics	9.67	0.00
Antidotes	1.16	0.00
Antimicrobials	9.88	9.76
Cardiovascular	14.3	17.07
Central nervous system	11.99	7.32
Gastrointestinals	5.26	4.88
Hematologies	1.79	2.44
Hormones	10.2	9.76
Immunologies	0.11	0.00
Metabolics/nutrients	9.57	14.63
Neurologics	3.47	4.88
Oncolytics	0.32	0.00
Ophthalmics	1.47	0.00
Otics	0.21	0.00
Respiratory tract	9.04	9.76
Skin/mucous membrane	2.00	2.44
Unclassified/miscellaneous	1.47	2.44
Total	100.00	100.01

subsample over the January–October 2006 timeframe. There are six therapeutic classes in which there are zero part D quotes—the prescription shares of these classes except for anesthetics (at 9.67 percent) in the overall sample are quite small, and together, the six zero-share part D classes account for 12.94 percent of the overall sample prescriptions. Not surprisingly, in the cardiovascular and metabolics/nutrients classes, the elderly part D share is considerably larger than in the overall sample; in contrast, for central nervous system and analgesics, the elderly part D share is smaller than in the overall sample.

Average annual growth rates of various CPIs are presented in table 2 over the five time intervals discussed above. In the first row, we provide average annual growth rates of the “all items–urban” CPI, and in the second row, the experimental or elderly CPI (E-CPI) for “all items–urban.” The E-CPI grows slightly more rapidly than the “all items” CPI, with the differential ranging from about 0.10 percent to 0.22 percent and having no distinct time trend. Previous literature has attributed this differential to the larger share of medical care expenditures for seniors along with above-average inflation for medical care.

Table 2. Annual Average Growth Rates of Alternative Consumer Price Indexes (CPIs)
[Percent]

CPI	Jan. 1996– Jan. 2000	Jan. 2000– June 2003	June 2003– Sept. 2004	Sept. 2004– Dec. 2005	Dec. 2005– Dec. 2006
All items–urban	2.250	2.450	2.690	2.900	2.540
CPI-E–all items–urban	2.404	2.674	2.910	3.003	2.687
Medical care	3.206	4.324	4.297	4.103	3.563
CPI-E–medical care	3.158	4.468	4.380	3.893	3.297
Medical care services	3.201	4.675	4.821	4.498	4.094
Medical care commodities	3.157	3.142	2.677	2.913	1.816
Prescription drugs	4.132	4.254	3.602	3.751	1.856

In the third row of table 2, we show average annual growth rates for the overall medical care CPI, and in the fourth row, the medical care E-CPI, which differ to the extent that the elderly and nonelderly shares of the components (medical care commodities, medical care services, hospital and related services, and health insurance) of overall medical care differ, and these components experience varying rates of inflation. In three of the five time intervals, the medical CPI-E grows slightly less rapidly than the overall medical CPI, and the reverse occurs in two time periods. Over the 11-year timeframe between January 1996 and January 2007, the medical CPI-E grew at an average annual growth rate of 3.905 percent, virtually identical to the overall medical CPI, at 3.913 percent.

Rows five and six provide average annual growth

rates separately for medical care services and medical care commodities; the BLS does not compute experimental CPI-Es at this level of aggregation, only overall CPIs. In each of the five time intervals, average annual growth rates of medical care services (which includes physicians, dental, hospital and nursing home and adult day care services) are greater than those of medical care commodities (prescription and OTC drugs and medical supplies), with the differential since 2000 ranging between 1.0 percent and 2.3 percent and tending to become larger in more recent times.

Finally, in the last row of table 2, we provide average annual growth rates for prescription drugs, which include medical supplies. Between 1996 and 2005, annualized price inflation for prescription drugs ranged from about 3.6 percent to 4.3 percent, but in 2006 following the implementation of Medicare Part D, it fell to about half its previous rate, to 1.856 percent.

In summary, in recent times, there appears to have been a substantial decline in the rate of growth of the CPI for prescription drugs, particularly following the implementation of the Medicare Part D benefit in January 2006.

Results: The PPIs

We now turn to a consideration of the PPIs for pharmaceuticals. Recall that the PPI monitors prices received by the manufacturer (net of discounts and prompt payment price reductions) from sales to the first point in the distribution chain, which for pharma-

ceuticals is usually either wholesalers or large retail chains. Participation by manufacturers in reporting to the BLS is voluntary; participation rates have been around 65 percent. Although considerable pharmaceutical manufacturing takes place in Puerto Rico, from the vantage of the BLS PPI program, Puerto Rico is not part of the United States.¹³

The BLS PPI for pharmaceuticals includes both prescription and OTC products. Medicaid purchases are explicitly out of scope for the CPI (because they are government purchases), but for the PPI, the identity of the ultimate consumer is irrelevant; thus, the PPI will incorporate prices paid by among others, Medicaid purchasers (that is, state governments and the CMS). In principle, the pharmaceutical PPI also tracks changes in prices that occurred when Medicare-Medicaid dually eligible individuals switched to the Medicare Part D program in January 2006, although the types of transactions are defined quite narrowly and at best, changes in weights occur only at annual intervals.

We report average annual growth rates for various pharmaceutical PPIs in table 3 for five time intervals: (1) June 2001–June 2003 (because some price series did not begin until June 2001); (2) June 2003–September 2004 (the first 15 months after initial passage of the Medicare Part D legislation); (3) September 2004–December 2005 (the final 15 months before the

13. For further discussion on details regarding the pharmaceutical PPI, see Berndt, Grilliches, and Rosett (1993).

Table 3. Average Annual Growth Rates of Alternative Producer Price Indexes (PPIs)

[Percent]

PPI	June 2001 through June 2003	June 2003 through Sept. 2004	Sept. 2004 through Dec. 2005	Dec. 2005 through Dec. 2006	Jan. 2000 through Dec. 2006
All pharmaceuticals	4.23	4.38	5.42	3.90	4.12
Analgesics—prescription	3.49	3.59	1.36	4.92	4.41
Antibiotics—broad and medium spectrum	3.31	5.31	5.35	3.71	4.63
Anticoagulants	2.05	4.70	0.22	0.09	-5.47
Antispasmodic/antisecretory	3.75	3.43	22.84	5.13	7.33
Other digestive or genito-urinary preps	3.73	2.74	2.44	4.19	n.a.
Bronchial therapy	6.23	4.10	1.94	-0.90	3.52
Other prescription respiratory preparations	7.98	6.20	6.94	4.54	n.a.
Cancer therapy products	5.46	0.30	3.71	2.53	4.39
Other neoplasms, endocrine system, and metabolic diseases, including hormones	10.92	7.29	11.06	11.66	8.63
Cardiovascular	3.95	4.60	4.04	3.88	3.90
ACE inhibitors	1.78	1.70	0.38	0.00	n.a.
Other cardiovascular	5.74	6.32	6.90	6.63	n.a.
Insulin/antidiabetes	6.09	9.47	6.99	-8.99	4.28
Multivitamins—prescription and over the counter (OTC)	0.80	0.81	-0.20	1.63	1.30
Other prescription vitamins and nutrients	3.88	2.81	3.28	2.90	n.a.
Psychotherapeutics	5.79	6.13	8.69	7.66	5.89
Antidepressants	10.99	6.26	14.59	10.09	10.21
Other psychotropics, including tranquilizers	2.81	6.01	3.85	5.45	n.a.
Other central nervous system and sense organs	-5.13	5.74	5.76	2.61	n.a.
Skin prescription preparations	4.19	13.32	3.97	6.84	n.a.

n.a. Not applicable because the BLS series begins in June 2001.
ACE Angiotensin-converting enzymes

implementation of Medicare Part D in January 2006); (4) December 2005–December 2006 (to monitor changes associated with the first year of the implementation of Medicare Part D); and (5) January 2000–December 2006 (for some price series, data from the beginning of this decade). We remind readers that the PPI is a sample of products selected using probabilities proportional to sales; while we mention particular brand products in various therapeutic classes below, we have no information regarding whether those specific brands are in the PPI sample.

The first row in table 3 indicates that the overall pharmaceutical PPI has grown at about 4.1 percent annually since 2000, with slightly larger annual growth at 5.4 percent in the 15 months leading up to the implementation of Medicare Part D;¹⁴ since December 2005, growth has returned to just under 4 percent. There is considerable heterogeneity in average annual growth rates, both across time intervals and among therapeutic classes. Prices of prescription analgesics (pain medicines), for example, only grew at a 1.4-percent annual rate in the 15 months leading up to the implementation of Medicare Part D, but then they grew at a much larger 4.9-percent annual rate following its implementation.¹⁵ By contrast, prices of anticoagulants grew at a 4.7-percent annual rate between June 2003 and September 2004, but since then, they have grown at 0.1–0.2 percent annually.¹⁶

The antispasmodic/antisecretory market class includes drugs for the treatment of heartburn (such as the H₂-antagonists and proton pump inhibitors—brands like Zantac, Prilosec and Nexium). This category has experienced particularly volatile price growth—averaging around 3.5 percent annually from June 2001 to September 2004, then grew at a very high annual rate of 22.8 percent up through December 2005,¹⁷ and continued to grow at a 5.1-percent annual rate since then.¹⁸ In table 1, this class of drugs would be in the gastrointestinal category, and data there suggest that the prescription drug share of gastrointestinal drugs is approximately the same for the elderly and nonelderly. We know of no data on whether this class of drugs is consumed disproportionately by the previously dually eligible individuals.

Returning to table 3, we see that cancer therapy products (where utilization might be expected to be disproportionately by the elderly, though typically covered by Medicare Part B for many years) had an aver-

age annual growth rate of about 4.4 percent over the entire January 2000–December 2006 timeframe. In the 15 months leading up to the January 2006 implementation, prices rose at an annual rate of 3.7 percent and since then, at a slightly smaller rate of 2.5 percent. By contrast, the class entitled “other neoplasms, endocrine system and metabolic diseases, including hormones” includes a number of antiosteoporosis drugs for postmenopausal women, and thus its utilization is likely to be disproportionately by the elderly.¹⁹ As seen in table 3, over the entire January 2000–December 2006, price growth has been relatively high in this class, averaging 8.6 percent annually; between September 2004 and December 2005, it increased at an average annual growth rate of 11.1 percent, and most recently, it continued at a relative high average annual growth rate of 11.7 percent.

Of particular interest in the context of Medicare-Medicaid dually eligible individuals are psychotherapeutic drugs, which are used disproportionately by Medicaid beneficiaries.²⁰ For the entire class of psychotherapeutic drugs, price growth accelerated from about 6 percent annually between June 2001 and September 2004, to about 8 percent annually since then.²¹ The next row in table 3 indicates that this price acceleration was particularly marked in the antidepressant subclass of psychotherapeutic drugs. For antidepressants, the average annual growth rate between September 2004 and December 2005 was 14.6 percent, more than twice that during the previous 15 months at 6.3 percent;²² this average annual growth rate has fallen since the implementation of Medicare Part D, but it is still substantial at 10.1 percent in 2006.²³ Interestingly, average annual growth rates are lower, albeit still considerable in the subclass of psychotherapeutics designated as “other psychotropics, including tranquilizers,” which includes the second generation atypical antipsychotic drugs for treatment of schizophrenia and bipolar mania disorder. In recent years, the medical literature has identified several medications within

19. From table 1, we see that the class of “hormones” has roughly an equal share of around 10 percent for both the elderly and the nonelderly. The hormones class also includes contraceptives, however, which are not generally used by the elderly. Clearly, the hormone class is heterogeneous.

20. For example, see Newhouse (2004); Duggan (2005); Frank, et al. (2004).

21. Almost all of the September 2004–December 2005 inflation took place between June and July 2005.

22. The PPI for antidepressants increased by 19.1 percent between June and July 2005.

23. The antidepressant price growth is somewhat surprising. Prozac, the leading selling antidepressant, lost patent protection and experienced generic entry beginning August 2, 2001; yet from table 3, we see that between June 2001 and June 2003, prices in this subclass grew at an average annual rate of almost 11 percent. Similarly, the branded antidepressant Zoloft lost patent protection and experienced generic entry beginning June 30, 2006.

14. About a third of this inflation occurred between June and July 2005.

15. About half of this increase occurred between June and July 2006.

16. A 41-percent decline in this PPI occurred between December 2000 and January 2001. BLS officials indicate this was due to entry by generic drugs.

17. About half of this increase occurred between April and May 2005.

18. Most of this increase took place between June and July 2006.

this class as being associated with side effects of weight gain and diabetes, and their cost-effectiveness over earlier less costly products has been called into question.²⁴ For this aggregate class of other psychotropic drug, prices grew at an average annual growth rate of around 6.0 percent between June 2003 and September 2004, they grew at a slower annual rate of 3.9 percent in the 15 months leading up to the implementation of part D, and since then, they have grown at an annual rate of 5.5 percent.

In summary, therefore, although there is considerable heterogeneity over time intervals and among therapeutic classes, there is evidence based on PPI trends suggesting that some prescription drugs likely disproportionately used by the elderly (for example, the anti-osteoporosis drugs for postmenopausal women) and by the Medicaid-Medicare dually eligible individuals that are now covered by Medicare Part D (such as various types of psychotherapeutic drugs) have experienced very considerable price growth leading up to and following the implementation of the new Medicare Part D benefit. A common, but clearly not uniform, pattern is that price increases in the 15 months leading up to the implementation of the part D benefit in January 2006 were greater than those observed since its full implementation in January 2006. Although at a much higher level of aggregation, this PPI evidence is consistent with preliminary findings from Frank and Newhouse (2007) that are based on more detailed brand data, which are discussed below. However, there is also substantial PPI price growth during these time periods for the antispasmodic/antisecretory class of drugs—drugs that are not likely to be used disproportionately by the elderly. More research will be needed to clarify these early findings.

Results from an additional data source

We have explored additional heterogeneity in the price response to passage of the Medicare Modernization Act by examining price movements among branded prescription drug products in the top 50 in U.S. sales, based on detailed research where these drugs have been stratified by the age composition of their purchasers.²⁵ We have constructed pharmaceutical PPIs (Laspeyres and Fisher indexes) for this entire sample of drugs and for various subsets. Using IMS Health data that track sales of prescription drugs from manufacturers and wholesalers to drug stores, we selected brand name drug products from among the top 50 in U.S. sales that

had no generic competition. From among these, we identified two cohorts of drugs that together included eighteen products. The first consists of a set of drugs where 55 percent or more of the sales of the drugs were likely to have been to people over age 65 (the sales shares by age are based on data on physician drug mentions provided from surveys of physician office visits conducted by IMS Health).²⁶ The second group is made up of drugs where less than 35 percent of the sales are likely to have been to people age 65 or more.²⁷ From these data, we calculated monthly prices and quantity of sales based on extended units. The period observed begins in June 2003 and extends through June 2006.

Using these data, we constructed six price indexes that are analogous to PPIs but that are at a much more disaggregated level. Specifically, we calculated fixed-weight Laspeyres and chained Fisher indexes for each of the two cohorts defined by the age of the purchasers, as well as an overall index for all 50 drugs. This yields six price index series. The six indexes are displayed in chart 1. The fixed-weight Laspeyres indexes—L-elderly, L-nonelderly, and L-all drugs—refer to the drugs disproportionately used by the elderly, the nonelderly, and the entire set of 50 drugs, respectively; the corresponding chained Fisher indexes are designated F-elderly, F-nonelderly, and F-all drugs, respectively.

Chart 1 reveals that the two PPIs calculated for the drugs in the nonelderly purchasers cohort grew at lower rates than the cohort of drugs where the majority of purchasers were over age 65. Thus, by June 2006 there was a 5.3 percentage point difference in the final value of the Fisher index for the elderly and the non-elderly drugs (F-elderly and F-nonelderly). The index for the elderly cohort ended between 3 and 4 percentage points higher, depending on the index, than the corresponding index for all 50 drugs.

Together, these data suggest that prices of prescription drugs likely used to treat people over 65 years of age, and thus are more likely to have been influenced by the passage and implementation of Medicare Part D legislation increased more rapidly than did drug prices for prescription drugs likely used to treat the general population.

Concluding remarks

The implementation in January 2006 of the Medicare Modernization Act that provided for Medicare Part D prescription drug benefits for the elderly created

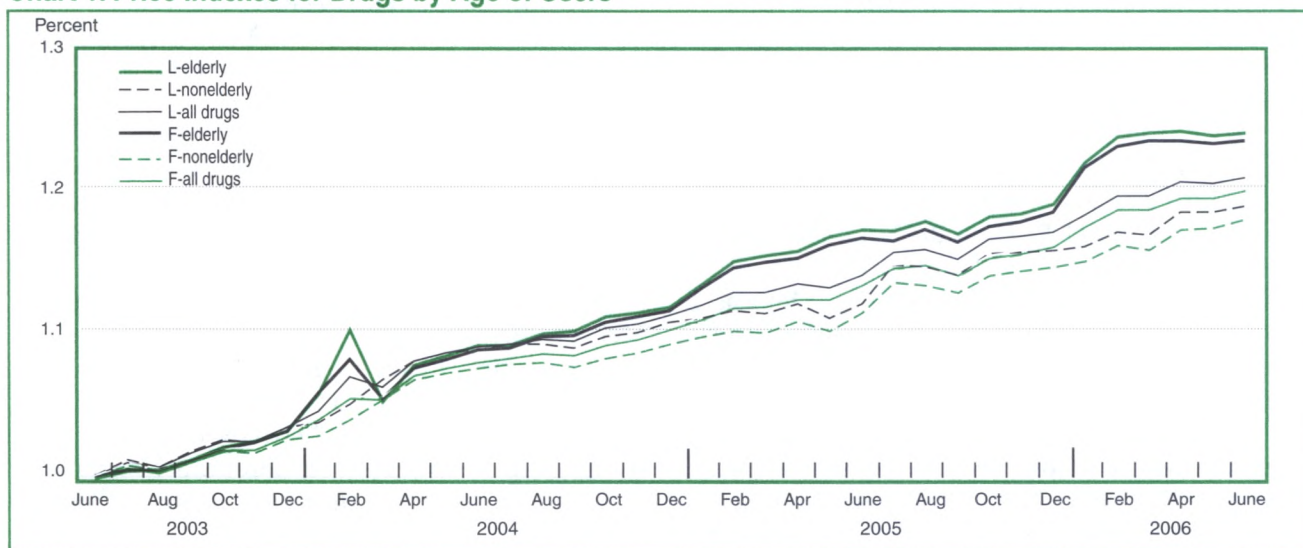
24. For example, see Freedman, et al. (2006); Lieberman, et al. (2005); Polsky, et al. (2006); Rosenheck, et al. (2006).

25. This research has previously been discussed in greater detail in Frank and Newhouse (2007).

26. Included in this group were the branded drugs Aricept, Flomax, Xalatan, Forteo, Coreg, Plavix, Fosomax, Actonel, Norvasc, and Evista.

27. This group includes Advair, Prevacid, Nexium, Singulair, Aciphex, Zolof, Effexor, and Wellbutrin XL (this last drug was dropped from most analyses since a generic version of the molecule was also on the market).

Chart 1. Price Indexes for Drugs by Age of Users



monitoring challenges for Government statistical agencies, such as the BLS. It has also created the opportunity for the BLS eventually to assess any differences in prices paid by the elderly and by the nonelderly for the same branded or generic prescription drug. Although the implications of the Medicare Modernization Act for the PPI program were relatively minor, those for the CPI program were greater and more complex. The CPI program did not attempt to capture price quotes of formerly uninsured cash-paying or partly insured consumers who subsequently obtained part D coverage or for those switching from retail to mail order because of part D. Hence, it is likely that the CPI for prescription drugs overstated actual inflation between 2005 and 2006. Nonetheless, it is notable that the CPI for prescription drugs grew only by 1.9 percent between December 2005 and December 2006, roughly half the annualized 3.8-percent rate in the previous 15 months.

With respect to the various pharmaceutical PPIs, theoretical predictions regarding the price impacts of Medicare Part D are generally ambiguous, since the moral hazard increase in demand could be offset by the reduction in the number of cash-paying consumers. There is some evidence suggesting that drugs disproportionately used by the elderly (for example, antiosteoporosis drugs for postmenopausal women) and by the Medicaid-Medicare dually eligible individuals subsequently covered by Medicare Part D (for example, psychotropic drugs) experienced considerable price growth leading up to and following the implementation of Medicare Part D. Although the evidence

is not uniform, a common observed trend is for price increases in the 15 months leading up to the implementation of Medicare Part D to be greater than in the previous 15 months following initial passage of the enabling legislation, and in the year following full implementation.

Using data from a different source, IMS Health, on the 50 top selling brands stratified by age of purchaser, we report evidence consistent with the notion that between June 2003 and June 2006, price increases for drugs likely used primarily by the elderly were larger than were those for prescription drugs likely used primarily by the nonelderly.²⁸

The implications of changes in purchasing arrangements for drugs used by Medicare beneficiaries and the resulting price impacts stemming from the implementation of part D are just now beginning to be observed. A great deal of new data will soon be emerging, which will facilitate research on the impacts of institutional changes on both out-of-pocket prices paid by consumers and on revenues received by prescription drug manufacturers (analogous to CPIs and PPIs for prescription drugs). This new learning is likely to be important for the interpretation of the continued evolution of health care price indexes and for the evaluation of public policies.

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28. See Frank and Newhouse (2007) for further details.

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A Different Application for Productivity Measures, or Has the Difficulty of Measuring Physician Productivity Caused the Federal Deficit To Be Misestimated?

By Joseph P. Newhouse and Anna D. Sinaiko

THOSE interested in measuring economy-wide productivity often have an overall welfare context in mind, and those interested in measuring productivity in particular industries may have issues around technological change in mind. A rather unusual context for productivity measures is the Medicare administered pricing system.

Background

In fiscal year 1984, Public Law 98–21 authorized Medicare to implement what became known as the Prospective Payment System (PPS) to reimburse hospitals for inpatient stays. Prior to 1984, Medicare had paid hospitals a percentage share of the hospitals' total patient care costs equal to the Medicare share of inpatient days. The PPS was a higher powered contract that reimbursed hospitals a lump sum per stay, with the lump sum amount varying by diagnosis and to some degree with the procedure performed.¹

To oversee this administered price system on its behalf, Congress authorized the creation of an ongoing commission, the Prospective Payment Assessment Commission (ProPAC), that would annually recommend to the Congress how much the lump sum(s) should be increased, or "updated." Section 1886(e)2 of P.L. 98–21 instructed the ProPAC, in making its update recommendation, to "take into account changes in the hospital market basket (an input price index), *hospital*

1. There were a small percentage of outlier cases that continued to be reimbursed an additional amount for additional services. See McClellan, 1997.

Joseph P. Newhouse is a professor at Harvard University, a faculty member of the John F. Kennedy School of Government, Harvard Medical School, the Harvard School of Public Health, and the Faculty of Arts and Sciences. He is also a research associate for the National Bureau of Economic Research. Anna D. Sinaiko is a doctoral student in health policy with a concentration in economics at Harvard University.

productivity (emphasis added), technological and scientific advances, the quality of health care provided in hospitals (including the quality and skill level of professional nursing required to maintain quality care), and long-term cost effectiveness in the provision of inpatient hospital services."

This instruction proved difficult to implement. Each year, the ProPAC duly estimated the components enumerated in the above paragraph, including productivity, but only the estimate of the hospital market basket component was data driven, while the remaining items were left to the judgment of the commissioners.

In 1997, the Congress merged the ProPAC with its sister commission for physician payment, the Physician Payment Review Commission, to form the Medicare Payment Advisory Commission (MedPAC). MedPAC retained the responsibility for making annual update recommendations to the Congress. In 2002, the Commission formally abandoned the above framework for updating Medicare hospital payments; instead, each year, it made two determinations as a predicate for its update recommendation to the Congress: Was current spending at a level adequate for an efficiently run hospital to provide care at the desired standard of quality? And what increase would be needed in the succeeding year to maintain quality at the desired standard? Thus, productivity was not singled out as a specific factor to be accounted for in the recommendation. The Congress continues to take the MedPAC update recommendation, along with the recommendation from the administration, and legislate a payment rate for the following year. Medicare spending on hospitals is not small change; it is projected to be \$205 billion in calendar year 2007, about three-quarters of which is for inpatient services.²

As with hospital services, Medicare also operates an

2. See Centers for Medicaid and Medicare Services, <www.cms.hhs.gov/NationalHealthExpendData/downloads/proj2006.pdf>, (accessed May 31, 2007) and Medicare Payment Advisory Commission (2006).

administered price system for physician services. Though a lesser amount than hospital services, the Congressional Budget Office estimates payments for physician services will be \$63 billion in fiscal year 2007, nearly half a percent of gross domestic product (GDP).³ Unlike hospital services where MedPAC and implicitly Congress have abandoned the formal consideration of productivity, the updates for physician fees or unit prices do explicitly consider productivity. Also, unlike hospital services, updates for physician services by law come from an explicit formula. The exact formula is complicated because of lags, but its intent is to set fees so as to achieve a fixed amount of total spending on physician services.⁴ This is accomplished by lowering unit prices for physicians as the quantity of services that they collectively deliver rises in order to achieve the spending target. The formula that determines the change in the spending target each year accounts for changes in input prices, real GDP growth, the change in the number of beneficiaries, and the cost of any legislated changes in benefits, for example covering mammograms.

Importantly for our story, the formula that determines the spending target deducts private, nonfarm business multifactor productivity from the estimated change in the input price index on the grounds that not to do so would double count productivity gains and thus pay physicians more than intended. The logic is that the input price index, as a measure of factor prices, over the long run rises at roughly the rate of economy-wide productivity, but that the quantity of services physicians bill to Medicare, such as office visits or surgical operations, also rises as physician productivity in producing them rises. Hence, if there were no deduction, productivity would be double counted.⁵ This formula has been in place since 1998, although an analogous formula has been in place since 1992.

3. See Congressional Budget Office (CBO), "Fact Sheet for CBO's March 2006 Baseline: Medicare," <www.cbo.gov/budget/factsheets/2006b/medicare.pdf>, (accessed November 3, 2006).

4. For the details of the formula, see Centers for Medicaid and Medicare Services, <www.cms.hhs.gov/SustainableGRatesConFact/Downloads/sgr2007f.pdf>, (accessed May 31, 2007).

5. Because real GDP growth also rises at the rate of multifactor productivity, the formula actually triple counts productivity, but because of a legislated floor on how much payments can fall in any one year, real GDP growth is irrelevant to current updates, though it is potentially relevant to future updates since the difference between the formula's result and the legislated floor is carried forward in determining future updates.

Which measure of productivity?

Assuming economy-wide and physician productivity differ, one can ask conceptually which measure is intended to be netted out from physician payments. We think one's view on this question turns on whether the deduction is meant to be an adjustment to an input price (physician wages) or to an (intermediate) output price (that is, the service, such as an office visit, that Medicare pays for).

We assume that the intent in setting prices is to emulate the outcome of a competitive economy. If the adjustment is assumed to be to an input price, one would conceptually want to net out a measure of the growth in physician productivity in producing services, assuming one could measure that. One would then be left with the standard result for a competitive economy, and fees or physician wages would rise at the rate of economy-wide labor productivity weighted by the labor share.

Because Medicare is actually paying for an (intermediate) output, however, it seems to us that the adjustment is better treated as an adjustment to an output price rather than to an input price. In a competitive economy, the percentage change in output price, $d(\text{output price})/\text{output price}$, equals

$$\frac{d(\text{output price})}{\text{output price}} = \frac{d(\text{unit cost})}{\text{unit cost}} - \frac{d(\text{productivity})}{\text{productivity}},$$

where $d(\text{unit cost})/(\text{unit cost})$ is the change in an input price index for the unit cost of the product and $d(\text{productivity})/\text{productivity}$ is the change in multifactor productivity for the product.

The current physician input price index can be construed as an approximation to the $d(\text{unit cost})/(\text{unit cost})$ term. The index is a mixture of a sector-specific input price index for inputs used by physicians other than their own time and an economy-wide wage index for physician time inputs. Thus, the approximation is assuming the economy-wide wage index measures the cost of the physician input.

Because we have historically not had a sufficiently precise physician-specific measure of productivity, the actual productivity adjustment, $d(\text{productivity})/(\text{productivity})$, is measured as private, nonfarm business multifactor productivity over a 10-year period. The obvious question is how good that approximation is to a physician-specific measure?

Biases in the measurement of physician productivity

Unfortunately, it is exceedingly difficult to measure physician productivity. Two recent efforts to measure physician productivity strongly suggest difficulties (Triplett and Bosworth 2004; Ho and Jorgenson 2006).⁶ Both estimated physician productivity to be negative, which as Ho and Jorgenson say, is logically possible but suspicious.

Why is measurement so difficult? Four factors complicate any physician-specific productivity measurement and likely serve to bias measured productivity down. The first is adjusting for quality change. Recent work on productivity in medical care has taken the unit of output to be the treatment for a disease or medical problem, partly on the grounds that it is more straightforward to adjust for quality change in this context (Abraham and Mackie 2005; Berndt, et al. 2000; Cutler and Berndt 2001; Newhouse 2001). Adjusting for quality change in the context of the 6,600 specific physician services that Medicare pays for is much harder. Consider an example of new, more costly imaging equipment that allows more accurate diagnosis. This would in principle change the quality of a physician visit. If the price index for physician visits used in the calculation of productivity failed to account for this change in quality, it would overstate the price increase and hence understate the gain in productivity.

The standard method for quality adjustment using hedonics is problematic in this context for two reasons. First, Medicare uses administered pricing, making the assumption that the observed price reflects quality differences as valued by consumers doubtful. Indeed, there is much current attention to introducing “pay-for-performance” into Medicare pricing on the grounds that Medicare payments historically have not recognized quality differences among providers (Kahn, et al. 2006). Second, there is a conceptual issue around using hedonics in this context, one that has an analog in national income accounting. Virtually all income accounting is based on a Hicksian definition of income, which is the maximum that can be spent in a period while maintaining the capital stock at a constant level (Nordhaus 2002). In practice, the Hicksian definition treats income as consumption plus capital accumulation and is limited to goods traded through the market. Thus, it measures production during a certain period. As Nordhaus observes, it is difficult to extract

6. A recent third effort by Charles Fisher was presented at a meeting in Washington, DC, on October 18, 2006, and is currently in press (Fisher 2007).

any welfare significance from this measure.⁷

An alternative definition of income comes from Irving Fisher who defines income as that amount that would give constant utility from consumption and other determinants of utility. In effect, this concept defines income as the consumption equivalent of current assets plus current and future technologies or alternatively, as the maximum amount a current generation could consume while ensuring that all future generations have utility at least as high as the current generation.

As Nordhaus (2002) observes, the Fisherian alternative is particularly important in the case of life-extending medical technology because Hicksian measures do not value extension of life. For example, two countries could have the same per capita income but different life expectancies. If so, the country with the longer life expectancy would surely be regarded as having greater welfare, since common sense suggests individuals prefer to survive, and in practice, individuals trade consumption for changed probabilities of survival, for example, by taking riskier jobs that pay higher wages. The problem, of course, is that the longer life expectancy is not directly valued in the market. Nordhaus also suggests that quality-improving, but nonlife-extending, innovations do not raise new conceptual issues because in principle, they have a market value. Although that is correct, they do raise the practical issue of how to value them if hedonic adjustment cannot be used.

A second difficulty with measuring physician productivity also comes from Medicare’s use of administered prices. Productivity may change because of learning-by-doing (for example, as surgeons become more proficient at an operation, time required may drop and clinical results may improve), but Medicare’s fee for that procedure may not sufficiently decrease—often, it will not decrease at all—to reflect the changed production circumstances. In particular, the method for updating fees for specific services (as opposed to the overall level) appears biased toward recognizing services whose prices should increase rather than decrease (Medicare Payment Advisory Commission 2006). As a result, the standard assumption in productivity measurement that a factor is paid its

7. Nordhaus (2001a) considers the ability of measures of productivity growth to reflect economic welfare and shows that the ideal measure of multifactor productivity growth is a weighted average of the productivity growth rates of different sectors, and that the indices used in the appropriate measure are chain indices of productivity growth rather than differences in the growth rates or indices of outputs and inputs. This result depends on an assumption that all goods are priced at their marginal cost, something known not to hold in health care because of the presence of insurance as well as administered supply prices.

marginal product is a strong assumption in this context. The failure of prices to register productivity gains means measured productivity is understated.

A third issue is the constant addition of new codes for new services. Over the 2000–2005 period, the number of nonduplicated codes that Medicare used rose by over 6 percent.⁸ New goods in a price index pose well-known measurement problems, and in practice, any gain in the physician's ability to prevent or treat disease from the introduction of the new product is unmeasured. This too would mean the measured rate of productivity increase is understated.

A fourth factor is the inability to measure hospital capital and labor that affects the productivity of physician services delivered in the hospital, such as a change in the number of nurses or the installation of cardiac catheterization capability. About a quarter of Medicare spending on physician services comes from physician services to hospitalized patients, and another 15 percent goes to patients treated in the hospital outpatient department or in the emergency room.⁹ In addition to possible changes in nurse staffing, changes in the number of residents (physicians in training who do not separately bill Medicare) likely affect physician productivity. For example, during the period 1985–97 when Medicare subsidized the hiring of residents, the number of residents rose 30 percent (Newhouse and Wilensky 2001), while the number of days of hospital care fell 31 percent. Although the increased number of residents presumably increased physician productivity, the effect of omitting other hospital labor and capital inputs on physician productivity in the hospital obviously depends on whether those inputs are increasing or decreasing.

A second effect of omitting hospital inputs arises because the site of many services has been shifting to the outpatient sector. For example, surgical procedures that used to require a several day stay in the hospital to recover now are done in a minimally invasive fashion on an outpatient basis. Ulcers, which used to be treated surgically, are now treated with antibiotics on an outpatient basis. The fall in the number of days of hospital care cited in the previous paragraph reflects the magnitude of that shift. As a result, the influence of unmeasured hospital capital and labor inputs has probably been declining. This would have biased up measured productivity.

8. Frederick Ensor, Centers for Medicare and Medicaid Services, private communication, December 15, 2005.

9. See table 58 at <www.cms.hhs.gov/MedicareMedicaidStatSupp/LT/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=1&sortOrder=ascending&itemID=CMS060372>, (accessed November 8, 2006). The data are from 2002. We are indebted to Kevin Hayes of the MedPAC staff for alerting me to this source.

Except for the ambiguity with respect to unmeasured hospital inputs, the remaining factors all bias down estimates of physician productivity. For that reason it is not surprising that both Ho and Jorgenson (forthcoming) and Triplett and Bosworth (2004) arrived at a negative estimate of physician productivity.

Before leaving this issue, we note that the actual formula uses an aggregate input price index that applies to all physicians, whereas changes in unit costs and productivity almost certainly vary across specialties. As a result, the actual formula is almost certainly nonneutral across specialties. The changes in unit costs and productivity may vary across local markets as well, but Medicare has traditionally ignored that variation.

Lacking a reliable measure of physician-specific productivity, one might have more confidence in the formula's use of an economy-wide measure to approximate physician productivity if most industries clustered around the average, but unfortunately, this is not the case in manufacturing. The last row of table 1 shows a considerable variance in multifactor productivity across manufacturing sectors measured for approximately 10-year periods. Triplett and Bosworth (2004) found a similar result within the service sector.

Table 1. Annual Growth Rates in Multifactor Productivity by Manufacturing Industry
[Percent]

	1962–72	1970–80	1980–90	1989–99
Manufacturing sector				
Food and kindred products	0.9	0.2	0.2	0.1
Tobacco manufactures	0.1	-1.0	-5.9	-3.0
Textile mill products	2.7	2.4	2.1	1.8
Apparel and related products	0.7	1.5	0.5	0.9
Paper and allied products	1.7	0.1	0.4	0.5
Printing and publishing	0.4	-0.3	-0.8	-1.2
Chemicals and allied products	2.4	-1.1	1.6	0.3
Petroleum refining	0.7	-0.3	0.1	0.4
Rubber and miscellaneous products	1.0	-0.4	1.6	1.2
Leather and leather products	-0.1	0.7	-0.1	0.7
Lumber and wood products	1.9	0.4	2.4	-1.3
Furniture and fixtures	0.9	1.3	0.3	0.8
Stone, clay, glass and concrete products	0.9	-0.5	1.7	0.9
Primary metals industries	0.4	-0.6	0.3	1.3
Fabricated metals products	0.5	-0.3	0.6	0.3
Industrial and commercial machinery	1.0	1.0	3.5	4.4
Electronic and other electrical equipment	2.8	1.8	3.3	6.4
Transportation equipment	1.3	0.0	0.7	0.6
Instruments	1.7	1.3	1.6	0.7
Miscellaneous manufacturing	1.7	-1.1	2.1	0.0
Addenda:				
Mean	1.2	0.3	0.8	0.8
Standard deviation	0.8	1.0	2.0	1.9
Coefficient of variation	0.7	3.8	2.4	2.4

Note. Percent change at a compound annual rate.
Source: "Aggregate and Two-Digit SIC Manufacturing Industries Multifactor Productivity Tables," Bureau of Labor Statistics, (May 2001). The table is accessible at <www.bls.gov/web/prod3 supp.toc.htm>.

So what?

In recent years the formula in the law appears to have fallen into disuse. Since 2002, it has produced the result that the unit prices or fees Medicare pays physicians should fall a little over 4 percent annually. In 2002 the Congress did let physician fees fall by the amount indicated by the formula, but in every year since then the Congress, fearing physicians would begin to not accept Medicare patients, has overridden the formula and either raised fees a small amount (in 2003–2005 and 2007) or kept them constant in nominal terms (in 2006). Because the law requires that such overrides be carried forward and accounted for in future updates, the cumulative amount of the difference between what the formula indicated and the actual updates is now 28 percent.¹⁰ In other words, under current law, Medicare physician fees should be 28 percent lower than they are.

One reason why the formula is spewing out negative updates could be errors in the measurement of productivity. If the economy-wide productivity measure was overstated by 1 percentage point annually relative to a true physician-specific measure, that would cumulate over a decade to a little more than a 10-percent error, or more than a \$6 billion underpayment annually, and conversely if it was understated by that amount. A probably larger quantitative cause of the 28-percent value is beneficial innovations in medicine that add expense but that Congress wishes to make available to beneficiaries. The formula effectively assumes the cost of these innovations rises at the rate of real GDP, but long-run rates of increase in health care spending have exceeded the growth of GDP in all developed countries, a phenomenon generally ascribed to welfare increasing technological change in medicine (Newhouse 1992; Fuchs 1996; Cutler 2004). Nonetheless, if physician productivity were not as large as economy-wide productivity, the use of economy-wide productivity could be playing a role.

But even if some of the cuts in physician fees indicated by the current formula are attributable to an excessive deduction for productivity (that is, if physician productivity is less than economy-wide productivity), it seems unlikely to us that we will have an estimate of physician productivity that is serviceable enough to be used in the formula anytime soon. In the meantime, the current formula is in trouble because no one believes that Medicare physician fees could be cut 28 percent without large numbers of physicians becoming

unwilling to see Medicare beneficiaries, a politically impossible situation. The cuts of more than 4 percent per year, however, are part of the Federal baseline budget because that budget reflects current law;¹¹ hence, jettisoning the formula effectively adds to the Federal deficit in a nontrivial way.

As pointed out above, most current work by economists on medical productivity focuses on medical care as a whole, not specific intermediate inputs such as physician services. It is easier to handle many of the measurement problems in that context, but adopting such an approach in the Medicare payment context would require that Medicare pay some entity by the disease or episode rather than the specific service, such as a brief office visit or an appendectomy. In fact, Medicare pays health plans in something approximating that fashion, but health plans enroll fewer than 20 percent of Medicare beneficiaries. In traditional Medicare, which enrolls the remainder of the beneficiaries, such an approach has historically not been feasible politically because of the autonomy of physicians; that is, physicians have always insisted that they be paid independently of other inputs. More generally, none of the providers of intermediate inputs wants to be a subcontractor to a supplier of another intermediate input.

In sum, the fees that Medicare pays physicians depend in part on a measure of productivity. Ideally that would be a measure of physician productivity, but we have not had a serviceable measure of physician-specific productivity. In lieu of such a measure, Medicare uses a measure of private, nonfarm business multifactor productivity to approximate physician productivity. If the productivity of physicians in producing the specific services for which Medicare pays has increased less than economy-wide productivity, the “increases” in physician fees assumed in the Federal budget are too low (and conversely, if any error is in the other direction). In other words, the inability to measure physician productivity in a satisfactory fashion translates into errors in projecting future Medicare spending on physician services and hence errors in forecasting future Federal deficits.

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10. See Centers for Medicaid and Medicare Services, <www.cms.hhs.gov/SustainableGRatesConFact/Downloads/sgr2007f.pdf> (accessed May 31, 2007).

11. See Congressional Budget Office (CBO), “Fact Sheet for CBO’s March 2007 Baseline: MEDICARE,” <www.cbo.gov/budget/factsheets/2007b/medicare.pdf> (accessed May 31, 2007).

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Measuring the Output of Health Care in the United States

By Michael S. Christian

THE HEALTH sector is one of the largest sectors of the U.S. economy. In 2004, the U.S. economy produced \$1.855 trillion in health-related goods and services, accounting for 15.8 percent of gross domestic product.¹ A sector of this size must be accurately measured and appropriately understood if national economic accounts are to be credible.

In this paper, I describe two avenues of research in health accounting: The construction of a satellite account for health-related home and volunteer production and the calculation of direct volume indexes for health care services. Continued work in health accounting will improve the quality of the national accounts and deepen understanding of a crucial sector of the U.S. economy.

Accounting for home and volunteer production

The construction of an account for home and volunteer production of health care services has become substantially more possible in recent years as a result of two innovations. The first is the publication of *Beyond the Market: Designing Nonmarket Accounts for the United States* (National Research Council 2005), a report by the National Research Council that offers a useful set of recommendations from a blue-ribbon panel of economists for producing such an account. The second is the American Time Use Survey (ATUS), a joint project of the Bureau of Labor Statistics (BLS) and the Census Bureau. The ATUS surveys adult Americans about time usage; in 2004, it surveyed nearly 14,000 people. It includes weights that can be used to estimate the number of hours spent by all Americans age 15 and older on specific activities over the entire year.

1. The author's calculations are from tables 1.1.5, 2.4.5, 3.17, 5.4.5B, and 5.5.5 in the national income and product accounts.

Following the recommendations of *Beyond the Market* and using data from the ATUS and other sources, I constructed a concise account for home and volunteer production of health-related services in the United States in 2004. The account is presented in table 1. It values the output of the home and volunteer health sector in 2004 at \$314 billion. When this sum is added to the \$1.855 trillion estimate of market output in the health sector in the national income and product accounts (NIPAs), the combined market, home, and volunteer output of the health sector in 2004 is \$2.170 trillion. Of this combined total, 86 percent is market production, and 14 percent is home and volunteer production.

In this account, home and volunteer health sector

Table 1. Market, Home, and Volunteer Output in U.S. Health Sector, 2004

[Billions of dollars]	
NIPA health expenditures.....	1,855.3
Personal consumption expenditures.....	1,670.4
Medical care services, including insurance.....	1,395.7
Drug preparations and sundries.....	251.3
Ophthalmic products and orthopedic appliances.....	23.4
Gross private domestic investment.....	79.5
Hospitals, special care, and medical buildings.....	29.6
Medical equipment and instruments.....	49.9
Government consumption and gross investment.....	105.4
Nondefense health consumption expenditures.....	88.6
Nondefense health gross investment.....	16.8
Home and volunteer health production.....	314.3
Labor component.....	291.0
Health-related care for self.....	158.1
Health-related care for others.....	26.7
Sports, exercise, and recreation.....	71.4
Public health volunteer activities.....	2.7
Travel related to medical services.....	22.8
Travel related to sports, exercise, and recreation.....	9.3
Capital component.....	23.3
Total market, home, and volunteer health production.....	2,169.6

Michael S. Christian is on staff at the Wisconsin Center for Education Research.

output is measured from the income side. This is done by estimating the “shadow” payments that would have been necessary to employ the factors used to produce home and volunteer health-related services. I measured shadow payments to two factors: Labor and capital. The volume of labor is measured with the ATUS, and the price of labor—the shadow wage—is measured with summary data from the Occupational Employment Statistics (OES) survey, which is conducted by BLS, and with data from the Current Population Survey (CPS), another joint project of BLS and the Census Bureau. Shadow payments to capital are measured using data from the fixed assets tables of the Bureau of Economic Analysis (BEA).

Measuring the labor component of health-related home and volunteer production involves two steps: Measuring the amount of time spent on health-related activities and valuing the time so that it can be measured in monetary terms. Using the ATUS, I measured the number of hours spent by adults in 2004 on six types of activities: Health-related care for self; health-related care for others; participation in sports, exercise, and recreation; public health volunteer activities; travel related to medical services; and travel related to participation in sports, exercise, and recreation. Time spent in all six of these activities is assumed to make some contribution to health-related home and volunteer production.

Health-related care for self includes time spent on health-related self-care, on personal care emergencies, and on using and waiting for medical care services. According to the ATUS, adults in the United States spent 11.7 billion hours on these activities in 2004. Since it is generally not possible to hire another person to do these activities, this time should be valued at the op-

portunity cost of one’s own time. This can be measured as the posttax wage that one earns or would earn in market work. I imputed this wage (henceforth “own wage”) for each person in the ATUS using the average posttax wage of people of the same sex, age, and education in the March 2005 CPS.² At own wages, total time spent on health-related care for self is valued at \$158.1 billion.

Health-related care for others includes activities related to household and nonhousehold children’s health, providing medical care to and obtaining medical care services for household and nonhousehold adults, and waiting associated with caring for household and nonhousehold adults. A total of 2.91 billion hours were spent on these activities by adults in 2004. Since it is possible to hire others to do these activities, this time can be valued at a market rate. According to OES summary statistics, the hourly wage of home health aides was \$9.13 in May 2004 and \$9.23 in November 2004. I chose to average the two and assume that the cost of hiring someone else to care for others is \$9.18 per hour. At this wage, the value of the 2.91 billion hours spent caring for others is 2.91 billion times \$9.18, which equals \$26.7 billion.

Participation in sports, exercise, and recreation covers time spent on a wide range of activities. It includes obviously healthy activities, such as running and swimming, as well as less physically taxing pursuits, such as billiards and darts. Adults spent 24.5 billion hours on these activities in 2004. Since it is impossible to hire someone to run or swim for you, time spent on these activities must be valued at own wage. Using own wage values, this approach values the time spent on sports, exercise, and recreation at \$357.1 billion. Not all of this \$357.1 billion, however, should count toward home production of health-related services because not all sports, exercise, and recreation are done for health-related purposes. People also participate in these activities for their own enjoyment, and some of the value of the time spent on these activities is given up in exchange for enjoyment rather than health. I assumed that 20 percent of participation in sports, exercise, and recreation is health related. Under this assumption, the contribution of time spent on sports, exercise, and recreation to a home health sector account is 20 percent of \$357.1 billion or \$71.4 billion.

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2. I measured the pretax wage in the CPS as personal earnings divided by hours worked, which is the product of weeks worked and hours worked per week. The posttax wage is the pretax wage multiplied by one minus the marginal tax rate. There are seven age groups (15–17, 18–24, 25–34, 35–44, 45–54, 55–64, and 65+) and five education groups (no high school diploma, high school diploma, some college, 4-year degree, and graduate degree). People in the 15–17 age group are not split into separate education groups, and people in the 18–24 age group with college degrees are not split between people with 4-year and graduate degrees. The average wage is calculated as a weighted average across people by hours worked.

Public health volunteer activities include donating blood and providing medical services as a volunteer. Since it is possible to hire other people to do this, the 296 million hours that adult Americans spent on these activities were valued at the \$9.18 hourly wage of home health aides, leading to a monetary value of \$2.7 billion. Travel related to medical services is valued in the same way as health-related care for self, at own wage; this approach values the 1.6 billion hours spent on this activity at \$22.8 billion. Finally, travel related to sports, recreation, and exercise is valued for the health accounts in the same way as participation in sports, recreation, and exercise: At own wage times 0.20 to reflect the presumed share of time spent on these activities for the purpose of health. For health-accounting purposes, this approach values the 3.1 billion hours spent on travel related to sports, exercise, and recreation at \$9.3 billion.

Summing the monetary values of time spent in the six kinds of health-related activities described above values the total labor component of home and volunteer health-related production at \$291.0 billion.

The capital component of health-related home and volunteer production is the shadow rent on the stock of health-related durable goods owned by households. The only obviously health-related durable goods category in the NIPAs is ophthalmic products and orthopedic appliances. The shadow rent paid on this stock can be calculated as the product of the value of the stock itself and $(r + \delta) / (1 + r)$, where r is the risk-free interest rate and δ is the depreciation rate of ophthalmic products and orthopedic appliances. BEA's fixed assets tables estimate the stock of ophthalmic products and orthopedic appliances at the end of 2003 at \$67.9 billion and the depreciation rate at 27.5 percent. If we assume the risk-free interest rate is 2.5 percent, the rental value for 2004 of the yearend 2003 stock is $(.30/1.025)67.9 = \$19.9$ billion. However, this is not the rental value of the complete stock available in 2004, as \$23.4 billion in new production of ophthalmic products and orthopedic appliances was added to the durable goods stock in 2004. If we assume that this new production was added to the stock at the midpoint of 2004, the rental value of new production for 2004 is $.5(.30/1.025)23.4 = \$3.4$ billion. Adding up the rental values of previously existing stock and of new production yields a total rental value of \$23.3 billion for ophthalmic products and orthopedic appliances for 2004; this is also the total capital component of health-related home and volunteer production. Adding the labor and capital components together yields a total value for health-related home and volunteer production of \$314.3 billion.

The account presented in table 1 suggests that the home and volunteer health sector is small and labor-intensive. It is less than a fifth the size of the market health sector, and more than 90 percent of its shadow income is accounted for by labor. About half of it is accounted for by time spent providing health care to oneself and receiving medical services for oneself. Less than 10 percent of it is accounted for by time spent providing care to others or volunteering for the purpose of public health.

Future work on the topic of household accounts will include expanding it to include more years. One straightforward expansion is the inclusion of all years for which the ATUS is available; currently, the ATUS is available for 2003, 2004, and 2005. Another possibility for future work is the recalculation of the health account under alternative assumptions, particularly about the value of time and about the contribution of various activities toward health-related home and volunteer production. For example, the labor component of home and volunteer production would be larger if time spent providing medical care to others was valued at the mean hourly wage across all health care support occupations—\$11.17 in May 2004 and \$11.30 in November 2004—rather than the lower wage of home health aides. Alternative calculations would help check the robustness of the initial estimates presented here.

Direct volume measurement of hospital inpatient services

In the United States, the health sector is mostly private, and market prices are available for most health care services. Price deflation is therefore a feasible option for calculating the real output of health care services in the United States, and it is the approach used in the NIPAs. Even in the presence of prices, however, direct volume measurement of health care services is a feasible and interesting alternative.

One component of health care services that lends itself very well to direct volume measurement is hospital inpatient services. The volume of hospital inpatient services is particularly easy to measure because of two data sets from which a time series of hospital discharges can be constructed: The National Hospital Discharge Survey (NHDS), which is produced yearly for the National Center for Health Statistics (NCHS) of the Centers for Disease Control (CDC), and the Nationwide Inpatient Sample (NIS), which is produced for the Healthcare Cost and Utilization Project (HCUP) of the Agency for Healthcare Research and Quality (AHRQ). Both the NHDS and the NIS include data about hospital discharges and about the status of the discharge (alive, dead, to another hospital, for

example). The NIS also includes data about total charges for the hospital stay. Indexes for the volume of inpatient hospital services in the United States are presented in chart 1.³

Volume indexes for 1995–2003 produced from NIS data are presented in the first panel of chart 1. The bottom index is a simple count of discharges, normalized to 100 in 1995. The middle index is a Fisher index of

3. The indexes presented in chart 1, in particular the Fisher indexes, are similar to those for government hospitals in Christian and others (2006).

discharges classified by Clinical Classifications Software (CCS) diagnosis. Discharges for each CCS diagnosis are weighted by mean charges for that diagnosis. The Fisher index, unlike the simple count index, is not based on the complete set of 259 CCS diagnoses; instead, it is an index of discharges for a subset of 246 diagnoses that account for 99.6 percent of discharges in 1995 and 99.8 percent of discharges in 2003. The 246 CCS diagnoses are the set of diagnoses for which there are complete series for discharges and mean charges in the summary NIS data tables that are published by AHRQ over the period 1995–2003.⁴

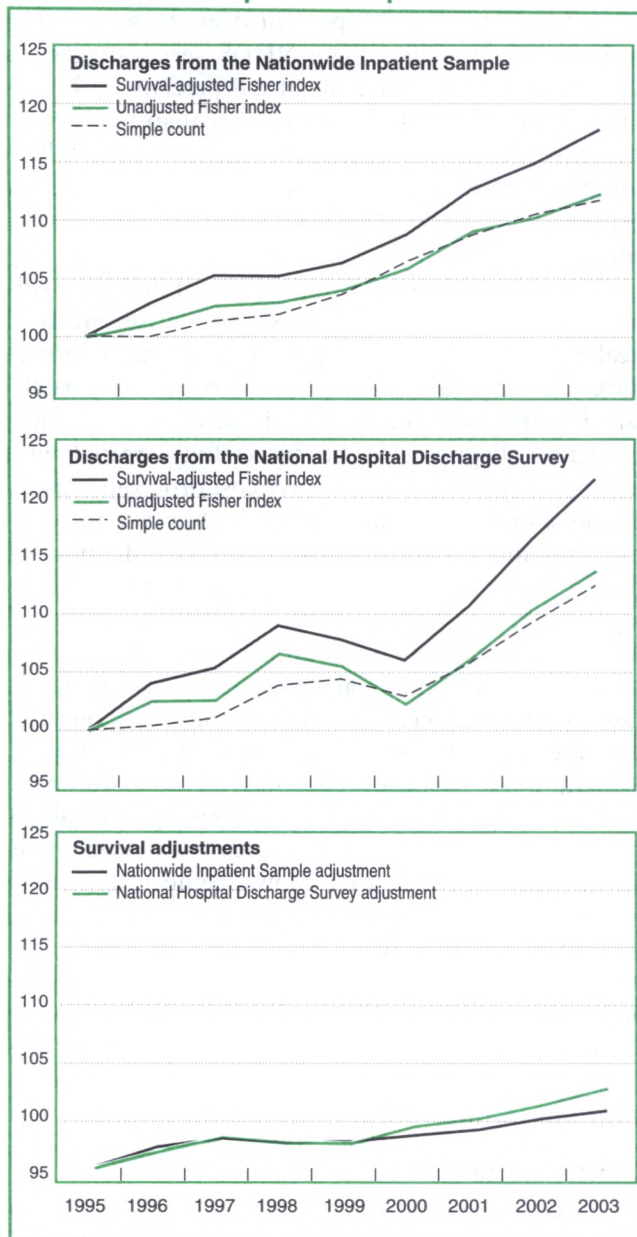
The top index in the first panel of chart 1 is a Fisher index of discharges that has been adjusted for changes in survival rates for a subset of 175 CCS diagnoses. The survival rate is defined as the percentage of discharged patients who are alive at the time of discharge. The 175 CCS diagnoses are the set of diagnoses for which complete time series data on survival rates are published in AHRQ’s NIS summary data tables for 1995–2003. The other 71 CCS diagnoses are still included in the Fisher index, but there is no survival adjustment for them.

The survival rate adjustment borrows heavily from Dawson and others (2005). The adjustment is relatively simple: When using a Fisher index to calculate changes in volume between periods t and $t + 1$, replace the volume of discharges for diagnosis i in period $t + 1$, q_{it+1} , with the adjusted volume of discharges $(a_{it+1}/a_{it})q_{it+1}$. If s_{it} and s_{it+1} , the survival rates for diagnosis i in periods t and $t + 1$, are both greater than 0.85, the adjustment a_{it+1}/a_{it} is set to $(s_{it+1} - 0.8)/(s_{it} - 0.8)$. This adjustment is based on the assumption that these diagnoses, if untreated, will reduce quality of life to 80 percent of its predisease state. If either s_{it} or s_{it+1} are less than 0.85, the adjustment a_{it+1}/a_{it} is equal to s_{it+1}/s_{it} . These diagnoses presumably lead to death if untreated. If i is one of the 71 CCS diagnoses for which survival data are not published, the adjustment a_{it+1}/a_{it} is set to 1.

Comparison of the three indexes based on the NIS suggests that adjusting for the composition of hospital discharges by diagnosis—the effect of using a Fisher index rather than a simple count of discharges—has a very small effect on growth in the volume of hospital inpatient services. The simple count of discharges grows at an annual rate of 1.4 percent over 1995–2003, while the Fisher index grows at an annual rate of 1.5 percent. On the other hand, the effect of adjusting for changes in survival rate is quite large; the annual

4. These data are available at the HCUP Web site at <hcp.ahrq.gov>.

Chart 1. Value of Inpatient Hospital Services



growth rate of the survival-adjusted Fisher index is 2.1 percent.

A similar trio of indexes produced from NHDS data is presented in the second panel of chart 1. The bottom index is a simple count of hospital discharges. The middle index is a Fisher index of hospital discharges classified by Diagnosis Related Group (DRG). The number of discharges by DRG is from the NHDS data, but mean charges by DRG, which are used as weights in the Fisher index, are from summary NIS data published by AHRQ. The discharge volume data in the NHDS and the mean charges data in the NIS are probably not a perfect match; there are likely to be some differences between the coding of individual patients by DRG between the NHDS and the NIS.⁵

Because the definitions of DRGs change over time, several DRGs were combined to create consistent time series of discharges and mean charges over time. Mean charges were averaged across the combined DRGs using the number of discharges by DRG in the NIS as weights. The combinations yielded a time consistent set of 505 DRGs. Of the 505 combined, time consistent DRGs, complete time series over 1995–2003 for number of discharges in the NHDS and mean charges in the NIS are available for 445 DRGs. The Fisher indexes presented in the second panel of chart 1 only include discharges from this subset of 445 DRGs, which accounts for 97.3 percent of NHDS discharges in both 1995 and 2003.

The top index in the second panel of chart 1 is a Fisher index from the NHDS data for the same 445 DRGs with adjustments for changes in survival rates for all 445 DRGs. The survival rates were calculated from NHDS data. The mechanics of the survival adjustment are the same as the mechanics of the adjustment used for the Fisher index based on NIS data presented in the first panel of chart 1, except that the survival adjustment is made for all diagnoses rather than for a subset of diagnoses.

Comparison of the three NHDS-derived series in the second panel of chart 1 is very similar to comparison of the three NIS-derived series in the first panel. The simple count of NHDS discharges grows at an annual rate of 1.5 percent, the unadjusted Fisher index grows at a rate of 1.6 percent, and the survival-adjusted Fisher index grows at a rate of 2.5 percent. As before, this suggests that adjusting for the composition of discharges has a very small effect on the growth of a direct

volume measure of inpatient hospital services. It also suggests that adjusting for patient survival rates has a much larger positive effect.

The third panel of chart 1 plots changes in the quality of inpatient hospital services that can be accounted for with changes in patient survival rates. The quality index is equal to the ratio of the survival-adjusted Fisher index and the unadjusted Fisher index normalized to 100 in 1995. Because there are two pairs of Fisher indexes—one derived from NIS data and one derived from NHDS data—there are two series for inpatient hospital services quality. The NIS series suggests that when only survival rates are taken into account, the quality of inpatient hospital services improved by a total of 4.8 percent over the 8 years between 1995 and 2003. The NHDS series suggests a slightly larger improvement of 6.8 percent. Although the NHDS series grows more quickly than the NIS series, the year-to-year changes in the two series follow roughly the same pattern; the correlation coefficient between the two is 0.98 in levels and 0.79 in first differences.

One of the most interesting aspects of the direct volume indexes presented above is their measurement of health care services by diagnosis rather than by procedure. This approach has several advantages. In particular, it interprets technological changes that allow particular diagnoses to be successfully treated with fewer procedures and with lower cost procedures as reductions in the price of health care. However, the ability of the indexes above to capture price reductions of this kind is impaired by the limitation of the indexes to inpatient hospital services. The ideal diagnosis-based index would measure the volume or price of successful treatments for individual ailments across all health care goods and services: Inpatient hospital services, outpatient hospital services, visits to doctors' offices, prescription drugs, and so on. Such an index would interpret a much wider range of cost-saving technological improvements as price decreases; for example, technological changes that allow diagnoses that were formerly treated with expensive inpatient hospital stays to be treated with less expensive outpatient treatments would be measured as price decreases. This is an obvious avenue for future work that is already being pursued by many researchers; Aizcorbe and Nestoriak's (2006) work on episode-based health care pricing in particular bears mention.

Conclusions

The development of accounts for health-related home and volunteer production and the construction of direct volume indexes for health care services are only two of many possible avenues for research into health

5. The NHDS data used were downloaded from the Inter-University Consortium for Political and Social Research (ICPSR) Web site at <www.icpsr.umich.edu>. The exception is the 1996 data for which the NHDS data at ICPSR had a DRG coding problem; a version without the DRG coding problem available at the Centers for Disease Control Web site was used instead.

accounting. Other possible avenues include improved measurement of health care prices, alternative measures of changes in the quality of health care, and measurement of the stock of health itself. Research on the wide range of issues related to accounting for health will improve the accuracy and usefulness of national accounts and will enrich public understanding of the health sector.

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Subject Guide

VOLUME 87 (2007) JANUARY–JUNE

This guide lists the major items that were published in the SURVEY OF CURRENT BUSINESS in the January–June 2007 issues. It gives the month of the issue and the beginning page number, and it includes selected boxes that are cited by title and page number.

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BEA Current and Historical Data

A selection of estimates from the national, industry, international, and regional accounts of the Bureau of Economic Analysis (BEA) are presented in this section. BEA's estimates are not copyrighted and may be reprinted without BEA's permission. Citing the SURVEY OF CURRENT BUSINESS and BEA as the source is appreciated.

More detailed estimates from BEA's accounts are available on BEA's Web site at <www.bea.gov>. These estimates are available in a variety of formats. In addition, news releases, articles, and other information, including methodologies and working papers, are available.

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

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National Data

A. Selected NIPA Tables

The selected set of NIPA tables presents the most recent estimates of gross domestic product (GDP) and its components which were released on May 31, 2007. These estimates include the "preliminary" estimates for the first quarter of 2007 and revised estimates of wages and salaries and affected income-side series for the fourth quarter of 2006 and for 2006.

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

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

i. Domestic Product and Income

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Gross domestic product ...	1	3.2	3.3	5.6	2.6	2.0	2.5	0.6
Personal consumption expenditures	2	3.5	3.2	4.8	2.6	2.8	4.2	4.4
Durable goods	3	5.5	5.0	19.8	-0.1	6.4	4.4	8.8
Nondurable goods	4	4.5	3.7	5.9	1.4	1.5	5.9	3.5
Services	5	2.6	2.6	1.6	3.7	2.8	3.4	4.0
Gross private domestic investment	6	5.4	4.3	7.8	1.0	-0.8	-15.2	-9.3
Fixed investment	7	7.5	2.9	8.2	-1.6	-1.2	-9.1	-3.5
Nonresidential	8	6.8	7.2	13.7	4.4	10.0	-3.1	2.9
Structures	9	1.1	9.0	8.7	20.3	15.7	0.8	5.1
Equipment and software	10	8.9	6.5	15.6	-1.4	7.7	-4.8	2.0
Residential	11	8.6	-4.2	-0.3	-11.1	-18.7	-19.8	-15.4
Change in private inventories	12							
Net exports of goods and services	13							
Exports	14	6.8	8.9	14.0	6.2	6.8	10.6	-0.6
Goods	15	7.5	10.5	17.3	6.0	9.4	8.4	-0.6
Services	16	5.1	5.4	6.7	6.7	0.8	16.3	-0.6
Imports	17	6.1	5.8	9.1	1.4	5.6	-2.6	5.7
Goods	18	6.7	5.9	9.4	-0.1	7.1	-4.1	6.2
Services	19	2.8	5.3	7.4	9.9	-2.6	6.2	3.3
Government consumption expenditures and gross investment	20	0.9	2.1	4.9	0.8	1.7	3.4	1.0
Federal	21	1.5	2.0	8.8	-4.5	1.3	4.6	-3.9
National defense	22	1.7	1.9	8.9	-2.0	-1.2	12.3	-7.3
Nondefense	23	1.1	2.1	8.5	-9.3	6.5	-9.6	3.6
State and local	24	0.5	2.1	2.7	4.0	1.9	2.7	3.9

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Percent change at annual rate: Gross domestic product ...	1	3.2	3.3	5.6	2.6	2.0	2.5	0.6
Percentage points at annual rates:								
Personal consumption expenditures	2	2.44	2.24	3.38	1.81	1.96	2.93	3.01
Durable goods	3	0.45	0.41	1.50	-0.01	0.50	0.35	0.68
Nondurable goods	4	0.90	0.76	1.20	0.30	0.32	1.18	0.71
Services	5	1.09	1.07	0.67	1.52	1.14	1.41	1.63
Gross private domestic investment	6	0.87	0.70	1.31	0.17	-0.13	-2.71	-1.55
Fixed investment	7	1.17	0.47	1.34	-0.27	-0.19	-1.54	-0.57
Nonresidential	8	0.67	0.73	1.36	0.45	1.01	-0.34	0.31
Structures	9	0.03	0.26	0.25	0.56	0.46	0.03	0.16
Equipment and software	10	0.64	0.47	1.11	-0.10	0.55	-0.36	0.14
Residential	11	0.50	-0.27	-0.02	-0.72	-1.20	-1.21	-0.87
Change in private inventories	12	-0.30	0.23	-0.03	0.44	0.06	-1.16	-0.98
Net exports of goods and services	13	-0.26	-0.02	-0.04	0.42	-0.19	1.59	-1.00
Exports	14	0.68	0.93	1.41	0.66	0.73	1.14	-0.07
Goods	15	0.52	0.76	1.20	0.45	0.71	0.65	-0.05
Services	16	0.16	0.17	0.21	0.21	0.03	0.50	-0.02
Imports	17	-0.94	-0.95	-1.46	-0.24	-0.93	0.45	-0.93
Goods	18	-0.87	-0.82	-1.27	0.01	-1.00	0.61	-0.84
Services	19	-0.07	-0.14	-0.19	-0.25	0.07	-0.16	-0.09
Government consumption expenditures and gross investment	20	0.17	0.40	0.94	0.16	0.32	0.64	0.19
Federal	21	0.11	0.14	0.61	-0.32	0.09	0.31	-0.28
National defense	22	0.08	0.09	0.41	-0.09	-0.06	0.55	-0.36
Nondefense	23	0.03	0.05	0.20	-0.23	0.15	-0.23	0.08
State and local	24	0.06	0.26	0.33	0.48	0.23	0.33	0.47

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

Line	2005	2006	Seasonally adjusted at annual rates				
			2006				2007
			I	II	III	IV	I
Gross domestic product	3.2	3.3	5.6	2.6	2.0	2.5	0.6
Final sales of domestic product	3.5	3.1	5.6	2.1	1.9	3.7	1.6
Change in private inventories							
Goods	4.6	6.2	12.8	3.6	3.8	4.0	-1.1
Final sales	5	5.4	13.1	2.2	3.6	8.1	2.0
Change in private inventories	6						
Durable goods	7	6.1	9.0	2.3	8.9	-3.4	4.9
Final sales	8	7.1	6.1	16.0	-0.2	6.7	4.6
Change in private inventories ¹	9						
Nondurable goods	10	3.4	6.2	16.1	4.7	-0.1	10.3
Final sales	11	4.4	4.9	10.8	4.1	1.2	10.9
Change in private inventories ¹	12						
Services ²	2.3	2.3	2.4	2.4	2.8	4.1	2.8
Structures	4.6	0.5	2.9	0.3	-7.4	-9.9	-5.4
Addenda:							
Motor vehicle output	5.9	-1.7	3.8	-9.4	27.4	-32.0	3.5
Gross domestic product excluding motor vehicle output	3.1	3.5	5.6	3.0	1.2	3.8	0.6
Final sales of computers ³	24.5	16.8	9.5	6.7	11.7	40.9	-5.6
Gross domestic product excluding final sales of computers	3.1	3.2	5.6	2.5	1.9	2.2	0.7
Gross domestic purchases excluding final sales of computers to domestic purchasers	3.1	3.0	5.1	1.9	1.9	0.7	1.3

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).
 2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.
 3. Some components of final sales of computers include computer parts.

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

Line	2005	2006	Seasonally adjusted at annual rates				
			2006				2007
			I	II	III	IV	I
Percent change at annual rate:							
Gross domestic product	3.2	3.3	5.6	2.6	2.0	2.5	0.6
Percentage points at annual rates:							
Final sales of domestic product	3.52	3.08	5.61	2.11	1.90	3.62	1.63
Change in private inventories	-0.30	0.23	-0.03	0.44	0.06	-1.16	-0.98
Goods	1.43	1.90	3.86	1.12	1.17	1.25	-0.36
Final sales	1.73	1.66	3.89	0.67	1.10	2.41	0.62
Change in private inventories	-0.30	0.23	-0.03	0.44	0.06	-1.16	-0.98
Durable goods	0.84	0.84	1.26	0.31	1.19	-0.48	0.65
Final sales	0.96	0.83	2.11	-0.03	0.89	0.61	0.67
Change in private inventories ¹	-0.12	0.01	-0.85	0.34	0.30	-1.09	-0.01
Nondurable goods	0.58	1.06	2.60	0.80	-0.02	1.72	-1.01
Final sales	0.76	0.63	1.78	0.70	0.21	1.80	-0.04
Change in private inventories ¹	-0.18	0.22	0.82	0.10	-0.23	-0.07	-0.97
Services ²	1.31	1.37	1.39	1.40	1.63	2.32	1.59
Structures	0.49	0.05	0.33	0.04	-0.84	-1.11	-0.58
Addenda:							
Motor vehicle output	0.20	-0.06	0.12	-0.31	0.76	-1.18	0.10
Gross domestic product excluding motor vehicle output	3.03	3.37	5.46	2.87	1.20	3.63	0.55
Final sales of computers ³	0.16	0.11	0.07	0.04	0.07	0.22	-0.04
Gross domestic product excluding final sales of computers	3.07	3.21	5.52	2.51	1.89	2.23	0.69

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).
 2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.
 3. Some components of final sales of computers include computer parts.

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

Line	2005	2006	Seasonally adjusted				
			2006				2007
			I	II	III	IV	I
Gross domestic product	112.546	116.281	115.274	116.004	116.569	117.277	117.467
Final sales of domestic product	112.958	116.447	115.455	116.060	116.609	117.663	118.144
Change in private inventories							
Goods	112.515	119.465	117.831	118.877	119.983	121.169	120.820
Final sales	113.689	119.874	118.277	118.917	119.978	122.324	122.937
Change in private inventories	6						
Durable goods	7	111.888	118.728	117.231	117.887	120.422	119.371
Final sales	8	113.219	120.106	118.845	118.780	120.724	122.076
Change in private inventories ¹	9						
Nondurable goods	10	113.386	120.442	118.691	120.058	120.019	122.998
Final sales	11	114.342	119.966	118.096	119.302	119.664	122.802
Change in private inventories ¹	12						
Services ²	112.963	115.617	114.408	115.094	115.905	117.062	117.861
Structures	111.235	111.797	113.518	113.612	111.462	108.598	107.105
Addenda:							
Motor vehicle output	118.006	115.973	117.341	114.487	121.621	110.441	111.404
Gross domestic product excluding motor vehicle output	112.359	116.280	115.197	116.043	116.398	117.483	117.649
Final sales of computers ³	190.534	222.503	211.907	215.393	221.455	241.259	237.794
Gross domestic product excluding final sales of computers	112.053	115.675	114.703	115.421	115.966	116.612	116.813
Gross domestic purchases excluding final sales of computers to domestic purchasers	113.571	116.971	116.235	116.787	117.327	117.537	117.912

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).
 2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.
 3. Some components of final sales of computers include computer parts.

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

Line	2005	2006	Seasonally adjusted				
			2006				2007
			I	II	III	IV	I
Gross domestic product	112.744	116.062	114.967	115.905	116.446	116.930	118.082
Final sales of domestic product	112.783	116.115	115.025	115.961	116.498	116.978	118.125
Change in private inventories							
Goods	100.162	100.586	100.237	100.768	100.723	100.615	101.639
Final sales	100.206	100.650	100.325	100.841	100.781	100.653	101.665
Change in private inventories	6						
Durable goods	7	92.214	91.465	91.830	91.650	91.243	91.136
Final sales	8	92.186	91.455	91.824	91.652	91.223	91.122
Change in private inventories ¹	9						
Nondurable goods	10	107.452	108.988	107.963	109.165	109.467	109.357
Final sales	11	107.574	109.134	108.149	109.319	109.610	109.456
Change in private inventories ¹	12						
Services ²	117.810	122.139	120.745	121.811	122.673	123.327	124.610
Structures	128.721	136.946	134.749	136.479	137.374	139.183	139.995
Addenda:							
Motor vehicle output	97.656	97.102	97.636	97.564	96.460	96.750	97.446
Gross domestic product excluding motor vehicle output	113.332	116.805	115.646	116.624	117.228	117.720	118.889
Final sales of computers ³	41.430	34.747	37.234	35.362	33.799	32.595	31.742
Gross domestic product excluding final sales of computers	113.724	117.233	116.067	117.060	117.643	118.162	119.354

1. Estimates for durable goods and nondurable goods for 1996 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).
 2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.
 3. Some components of final sales of computers include computer parts.

Table 1.3.4. Price Indexes for Gross Value Added by Sector
[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV		I
Gross domestic product	1	112.744	116.062	114.967	115.905	116.446	116.930	118.082
Business ¹	2	110.324	113.205	112.325	113.179	113.518	113.799	114.843
Nonfarm ²	3	110.268	113.243	112.379	113.320	113.561	113.712	114.613
Farm	4	116.270	109.537	106.945	98.811	109.258	123.136	139.591
Households and institutions	5	117.960	122.811	120.628	122.104	123.536	124.976	126.190
Households	6	114.495	118.926	116.397	118.148	119.842	121.316	122.464
Nonprofit institutions serving households ³	7	122.437	127.837	126.142	127.233	128.292	129.681	130.982
General government ⁴	8	124.718	129.770	128.170	129.182	130.338	131.388	133.306
Federal	9	129.479	134.359	133.763	134.390	134.579	134.705	138.279
State and local	10	122.735	127.858	125.844	127.015	128.572	130.003	131.241
Addendum:								
Gross housing value added	11	114.694	119.158	116.716	118.361	120.032	121.524	122.784

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.
2. Equals gross domestic business value added excluding gross farm value added.
3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.
4. Equals compensation of general government employees plus general government consumption of fixed capital.

Table 1.3.5. Gross Value Added by Sector
[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Gross domestic product	1	12,455.8	13,246.6	13,008.4	13,197.3	13,322.6	13,458.2	13,613.0
Business ¹	2	9,613.4	10,237.2	10,065.4	10,210.4	10,287.7	10,385.5	10,492.3
Nonfarm ²	3	9,517.5	10,143.2	9,973.6	10,124.8	10,194.0	10,280.6	10,378.8
Farm	4	95.9	94.0	91.8	85.6	93.7	104.8	113.7
Households and institutions	5	1,419.6	1,518.8	1,479.0	1,508.3	1,534.0	1,553.7	1,576.2
Households	6	793.7	857.4	830.2	850.9	869.0	879.7	890.0
Nonprofit institutions serving households ³	7	625.8	661.3	648.8	657.4	665.0	674.0	686.3
General government ⁴	8	1,422.9	1,490.6	1,464.0	1,478.6	1,500.8	1,519.0	1,544.6
Federal	9	436.7	451.6	447.9	449.9	454.1	454.5	465.2
State and local	10	986.2	1,039.0	1,016.2	1,028.7	1,046.7	1,064.5	1,079.4
Addendum:								
Gross housing value added	11	982.6	1,058.0	1,025.0	1,049.6	1,071.8	1,085.7	1,099.1

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.
2. Equals gross domestic business value added excluding gross farm value added.
3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.
4. Equals compensation of general government employees plus general government consumption of fixed capital.

Table 1.3.6. Real Gross Value Added by Sector, Chained Dollars
[Billions of chained (2000) dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Gross domestic product	1	11,048.6	11,415.3	11,316.4	11,388.1	11,443.5	11,513.0	11,531.7
Business ¹	2	8,717.5	9,048.2	8,965.6	9,026.4	9,068.2	9,132.7	9,142.5
Nonfarm ²	3	8,634.9	8,961.8	8,879.6	8,939.5	8,981.8	9,046.4	9,060.1
Farm	4	82.4	86.4	86.1	86.9	86.4	86.3	82.9
Households and institutions	5	1,200.5	1,233.6	1,223.1	1,232.3	1,238.8	1,240.3	1,246.1
Households	6	693.2	720.9	713.2	720.2	725.2	725.1	726.7
Nonprofit institutions serving households ³	7	508.3	514.4	511.5	513.8	515.5	516.9	521.0
General government ⁴	8	1,140.9	1,148.6	1,142.3	1,144.6	1,151.5	1,156.2	1,158.7
Federal	9	337.3	336.1	334.8	334.8	337.4	337.4	336.4
State and local	10	803.5	812.6	807.5	810.0	814.1	818.9	822.4
Residual	11	-11.0	-16.9	-16.3	-17.1	-16.9	-18.0	-17.8
Addendum:								
Gross housing value added	12	856.7	887.8	878.2	886.8	892.9	893.4	895.2

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.
2. Equals gross domestic business value added excluding gross farm value added.
3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.
4. Equals compensation of general government employees plus general government consumption of fixed capital.
Note: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Gross domestic product	1	3.2	3.3	5.6	2.6	2.0	2.5	0.6
Less: Exports of goods and services	2	6.8	8.9	14.0	6.2	6.8	10.6	-0.6
Plus: Imports of goods and services	3	6.1	5.8	9.1	1.4	5.6	-2.6	5.7
Equals: Gross domestic purchases	4	3.3	3.2	5.3	2.0	2.0	0.8	1.6
Less: Change in private inventories	5							
Equals: Final sales to domestic purchasers	6	3.6	2.9	5.4	1.6	2.0	1.9	2.5
Addendum:								
Final sales of domestic product	7	3.5	3.1	5.6	2.1	1.9	3.7	1.6

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

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV		I
Gross domestic product	1	112.546	116.281	115.274	116.004	116.569	117.277	117.467
Less: Exports of goods and services	2	109.105	118.841	115.783	117.536	119.495	122.549	122.357
Plus: Imports of goods and services	3	123.007	130.162	129.146	129.608	131.378	130.516	132.352
Equals: Gross domestic purchases	4	114.351	117.956	117.161	117.746	118.341	118.577	119.041
Less: Change in private inventories	5							
Equals: Final sales to domestic purchasers	6	114.755	118.125	117.345	117.810	118.390	118.955	119.700
Addendum: Final sales of domestic product	7	112.958	116.447	115.455	116.060	116.609	117.663	118.144

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

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV		I
Gross domestic product	1	112.744	116.062	114.967	115.905	116.446	116.930	118.082
Less: Exports of goods and services	2	108.949	112.537	110.737	112.400	113.631	113.379	114.372
Plus: Imports of goods and services	3	111.268	116.043	113.918	116.608	118.143	115.503	115.779
Equals: Gross domestic purchases	4	112.981	116.498	115.313	116.455	117.080	117.145	118.175
Less: Change in private inventories	5							
Equals: Final sales to domestic purchasers	6	113.021	116.552	115.371	116.510	117.133	117.192	118.218
Addendum: Final sales of domestic product	7	112.783	116.115	115.025	115.961	116.498	116.978	118.125

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Gross domestic product	1	12,455.8	13,246.6	13,008.4	13,197.3	13,322.6	13,458.2	13,613.0
Less: Exports of goods and services	2	1,303.1	1,466.2	1,405.4	1,448.1	1,488.3	1,523.0	1,533.9
Plus: Imports of goods and services	3	2,019.9	2,228.7	2,170.6	2,229.8	2,290.1	2,224.2	2,260.8
Equals: Gross domestic purchases	4	13,172.5	14,009.1	13,773.6	13,979.1	14,124.3	14,159.4	14,340.0
Less: Change in private inventories	5	21.3	49.6	47.2	62.3	64.2	24.9	-7.5
Equals: Final sales to domestic purchasers	6	13,151.3	13,959.5	13,726.4	13,916.8	14,060.1	14,134.5	14,347.5
Addendum: Final sales of domestic product	7	12,434.6	13,197.0	12,961.2	13,135.1	13,258.4	13,433.3	13,620.6

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Gross domestic product	1	11,048.6	11,415.3	11,316.4	11,388.1	11,443.5	11,513.0	11,531.7
Less: Exports of goods and services	2	1,196.1	1,302.8	1,269.3	1,288.5	1,310.0	1,343.5	1,341.4
Plus: Imports of goods and services	3	1,815.3	1,920.9	1,905.9	1,912.7	1,938.8	1,926.1	1,953.2
Equals: Gross domestic purchases	4	11,659.7	12,027.3	11,946.3	12,005.9	12,066.6	12,090.6	12,138.0
Less: Change in private inventories	5	19.6	43.2	41.2	53.7	55.4	22.4	-4.5
Equals: Final sales to domestic purchasers	6	11,636.1	11,977.8	11,898.7	11,945.9	12,004.7	12,062.0	12,137.5
Addendum: Final sales of domestic product	7	11,025.2	11,365.8	11,269.0	11,328.0	11,381.6	11,484.5	11,531.4

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

Table 1.5.1. Percent Change From Preceding Period in Real Gross Domestic Product, Expanded Detail

[Percent]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Gross domestic product ...	1	3.2	3.3	5.6	2.6	2.0	2.5	0.6
Personal consumption expenditures	2	3.5	3.2	4.8	2.6	2.8	4.2	4.4
Durable goods	3	5.5	5.0	19.8	-0.1	6.4	4.4	8.8
Motor vehicles and parts	4	0.6	-1.2	18.9	-1.2	8.6	-4.4	11.9
Furniture and household equipment	5	10.0	12.2	22.8	3.3	6.7	13.2	9.5
Other	6	8.7	5.6	16.3	-3.7	1.6	7.5	1.6
Nondurable goods	7	4.5	3.7	5.9	1.4	1.5	5.9	3.5
Food	8	5.4	4.2	6.7	2.0	-0.7	6.6	1.5
Clothing and shoes	9	6.2	5.3	8.6	-3.8	5.5	6.7	8.2
Gasoline, fuel oil, and other energy goods	10	-0.5	-1.0	-1.3	0.7	5.0	1.1	7.2
Other	11	4.1	4.2	6.4	3.4	2.0	6.5	3.3
Services	12	2.6	2.6	1.6	3.7	2.8	3.4	4.0
Housing	13	2.8	2.3	2.3	2.4	2.6	3.2	2.3
Household operation	14	2.1	-0.4	-14.0	8.4	9.7	3.5	8.5
Electricity and gas	15	2.6	-2.5	-29.7	15.8	21.9	5.3	17.9
Other household operation	16	1.8	1.2	-0.1	3.4	1.6	2.3	1.9
Transportation	17	0.1	1.4	4.0	1.7	1.3	3.8	3.0
Medical care	18	3.6	3.5	4.3	2.6	2.1	3.5	4.7
Recreation	19	2.7	2.1	3.1	0.8	3.0	3.2	-0.4
Other	20	2.0	3.4	3.2	6.1	1.6	3.4	4.6
Gross private domestic investment	21	5.4	4.3	7.8	1.0	-0.8	-15.2	-9.3
Fixed investment	22	7.5	2.9	8.2	-1.6	-1.2	-9.1	-3.5
Nonresidential	23	6.8	7.2	13.7	4.4	10.0	-3.1	2.9
Structures	24	1.1	9.0	8.7	20.3	15.7	0.8	5.1
Equipment and software	25	8.9	6.5	15.6	-1.4	7.7	-4.8	2.0
Information processing equipment and software	26	8.5	8.8	21.8	-1.1	10.0	-1.8	18.7
Computers and peripheral equipment	27	17.9	16.5	24.9	4.7	22.0	0.3	49.6
Software ¹	28	5.8	6.3	12.2	4.2	6.0	3.0	10.8
Other	29	7.2	8.0	31.6	-9.0	9.3	-7.7	15.2
Industrial equipment	30	8.1	6.0	-3.6	13.6	0.2	-5.3	-3.1
Transportation equipment	31	12.9	0.2	27.7	-22.8	13.6	-17.2	-11.0
Other equipment	32	7.0	6.6	8.5	7.4	3.8	-0.5	-21.6
Residential	33	8.6	-4.2	-0.3	-11.1	-18.7	-19.8	-15.4
Change in private inventories	34							
Farm	35							
Nonfarm	36							
Net exports of goods and services	37							
Exports	38	6.8	8.9	14.0	6.2	6.8	10.6	-0.6
Goods	39	7.5	10.5	17.3	6.0	9.4	8.4	-0.6
Services	40	5.1	5.4	6.7	6.7	0.8	16.3	-0.6
Imports	41	6.1	5.8	9.1	1.4	5.6	-2.6	5.7
Goods	42	6.7	5.9	9.4	-0.1	7.1	-4.1	6.2
Services	43	2.8	5.3	7.4	9.9	-2.6	6.2	3.3
Government consumption expenditures and gross investment	44	0.9	2.1	4.9	0.8	1.7	3.4	1.0
Federal	45	1.5	2.0	8.8	-4.5	1.3	4.6	-3.9
National defense	46	1.7	1.9	8.9	-2.0	-1.2	12.3	-7.3
Consumption expenditures	47	1.2	1.2	9.1	-4.1	-0.9	11.2	-6.9
Gross investment	48	5.5	7.3	7.9	14.1	-3.1	20.1	-9.9
Nondefense	49	1.1	2.1	8.5	-9.3	6.5	-9.6	3.6
Consumption expenditures	50	0.1	1.9	8.1	-5.0	6.5	-9.0	5.7
Gross investment	51	8.1	4.0	10.8	-32.9	6.7	-14.3	-10.6
State and local	52	0.5	2.1	2.7	4.0	1.9	2.7	3.9
Consumption expenditures	53	0.9	1.8	1.7	2.1	3.1	3.4	2.6
Gross investment	54	-0.9	3.4	7.0	12.5	-3.1	-0.1	9.2

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

Table 1.5.2. Contributions to Percent Change in Real Gross Domestic Product, Expanded Detail

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Percent change at annual rate:								
Gross domestic product ...	1	3.2	3.3	5.6	2.6	2.0	2.5	0.6
Percentage points at annual rates:								
Personal consumption expenditures	2	2.44	2.24	3.38	1.81	1.96	2.93	3.01
Durable goods	3	0.45	0.41	1.50	-0.01	0.50	0.35	0.68
Motor vehicles and parts	4	0.02	-0.04	0.60	-0.04	0.28	-0.15	0.37
Furniture and household equipment	5	0.29	0.36	0.65	0.10	0.20	0.38	0.28
Other	6	0.14	0.09	0.26	-0.06	0.03	0.12	0.03
Nondurable goods	7	0.90	0.76	1.20	0.30	0.32	1.18	0.71
Food	8	0.51	0.41	0.64	0.19	-0.07	0.62	0.14
Clothing and shoes	9	0.17	0.14	0.23	-0.10	0.15	0.18	0.22
Gasoline, fuel oil, and other energy goods	10	-0.01	-0.02	-0.03	0.02	0.14	0.03	0.16
Other	11	0.23	0.23	0.36	0.19	0.11	0.35	0.18
Services	12	1.09	1.07	0.67	1.52	1.14	1.41	1.63
Housing	13	0.30	0.24	0.24	0.25	0.27	0.33	0.24
Household operation	14	0.08	-0.02	-0.58	0.31	0.35	0.13	0.32
Electricity and gas	15	0.04	-0.05	-0.58	0.23	0.32	0.08	0.28
Other household operation	16	0.04	0.03	0.00	0.08	0.04	0.05	0.04
Transportation	17	0.00	0.04	0.10	0.04	0.03	0.10	0.07
Medical care	18	0.43	0.42	0.52	0.31	0.25	0.42	0.56
Recreation	19	0.08	0.06	0.09	0.02	0.08	0.09	-0.01
Other	20	0.20	0.33	0.31	0.58	0.15	0.33	0.44
Gross private domestic investment	21	0.87	0.70	1.31	0.17	-0.13	-2.71	-1.55
Fixed investment	22	1.17	0.47	1.34	-0.27	-0.19	-1.54	-0.57
Nonresidential	23	0.67	0.73	1.36	0.45	1.01	-0.34	0.31
Structures	24	0.03	0.26	0.25	0.56	0.46	0.03	0.16
Equipment and software	25	0.64	0.47	1.11	-0.10	0.55	-0.36	0.14
Information processing equipment and software	26	0.30	0.31	0.74	-0.04	0.35	-0.07	0.63
Computers and peripheral equipment	27	0.12	0.10	0.15	0.03	0.13	0.00	0.26
Software ¹	28	0.09	0.10	0.18	0.07	0.09	0.05	0.16
Other	29	0.10	0.11	0.40	-0.14	0.13	-0.11	0.20
Industrial equipment	30	0.10	0.07	-0.05	0.16	0.00	-0.07	-0.04
Transportation equipment	31	0.15	0.00	0.31	-0.32	0.15	-0.22	-0.13
Other equipment	32	0.09	0.08	0.11	0.09	0.05	-0.01	-0.31
Residential	33	0.50	-0.27	-0.02	-0.72	-1.20	-1.21	-0.87
Change in private inventories	34	-0.30	0.23	-0.03	0.44	0.06	-1.16	-0.98
Farm	35	-0.06	0.03	-0.01	-0.09	0.02	-0.01	0.01
Nonfarm	36	-0.24	0.21	-0.02	0.54	0.05	-1.15	-0.99
Net exports of goods and services	37	-0.26	-0.02	-0.04	0.42	-0.19	1.59	-1.00
Exports	38	0.68	0.93	1.41	0.66	0.73	1.14	-0.07
Goods	39	0.52	0.76	1.20	0.45	0.71	0.65	-0.05
Services	40	0.16	0.17	0.21	0.21	0.03	0.50	-0.02
Imports	41	-0.94	-0.95	-1.46	-0.24	-0.93	0.45	-0.93
Goods	42	-0.87	-0.82	-1.27	0.01	-1.00	0.61	-0.84
Services	43	-0.07	-0.14	-0.19	-0.25	0.07	-0.16	-0.09
Government consumption expenditures and gross investment	44	0.17	0.40	0.94	0.16	0.32	0.64	0.19
Federal	45	0.11	0.14	0.61	-0.32	0.09	0.31	-0.28
National defense	46	0.08	0.09	0.41	-0.09	-0.06	0.55	-0.36
Consumption expenditures	47	0.05	0.05	0.37	-0.17	-0.04	0.43	-0.29
Gross investment	48	0.03	0.04	0.05	0.08	-0.02	0.11	-0.06
Nondefense	49	0.03	0.05	0.20	-0.23	0.15	-0.23	0.08
Consumption expenditures	50	0.00	0.04	0.16	-0.10	0.13	-0.19	0.11
Gross investment	51	0.02	0.01	0.03	-0.12	0.02	-0.04	-0.03
State and local	52	0.06	0.26	0.33	0.48	0.23	0.33	0.47
Consumption expenditures	53	0.08	0.18	0.17	0.20	0.30	0.33	0.25
Gross investment	54	-0.02	0.08	0.16	0.28	-0.08	0.00	0.21

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

Table 1.5.3. Real Gross Domestic Product, Expanded Detail, Quantity Indexes
[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Gross domestic product ...	1	112.546	116.281	115.274	116.004	116.569	117.277	117.467
Personal consumption expenditures	2	116.349	120.062	118.761	119.521	120.355	121.612	122.920
Durable goods	3	132.666	139.329	137.893	137.868	140.019	141.534	144.536
Motor vehicles and parts	4	117.173	115.749	115.158	114.799	117.179	115.860	119.150
Furniture and household equipment	5	156.790	175.947	172.097	173.496	176.324	181.869	186.034
Other	6	129.696	136.968	137.039	135.754	136.292	138.789	139.355
Nondurable goods	7	116.924	121.301	120.313	120.742	121.204	122.947	124.014
Food	8	115.191	120.074	119.265	119.853	119.631	121.548	121.999
Clothing and shoes	9	125.195	131.850	131.367	130.113	131.876	134.043	136.716
Gasoline, fuel oil, and other energy goods	10	104.204	103.188	102.348	102.532	103.795	104.075	105.905
Other	11	120.838	125.950	124.356	125.409	126.016	128.018	129.064
Services	12	112.925	115.822	114.398	115.440	116.234	117.215	118.359
Housing	13	111.540	114.129	113.035	113.713	114.436	115.331	115.999
Household operation	14	107.145	106.679	103.628	105.735	108.203	109.150	111.393
Electricity and gas	15	107.317	104.595	98.875	102.566	107.770	109.170	113.746
Other household operation	16	107.016	108.338	107.289	108.190	108.629	109.244	109.762
Transportation	17	97.652	99.011	98.298	98.722	99.044	99.979	100.715
Medical care	18	122.799	127.096	125.887	126.690	127.347	128.459	129.952
Recreation	19	116.727	119.191	118.336	118.581	119.448	120.400	120.265
Other	20	109.540	113.226	111.521	113.175	113.622	114.586	115.878
Gross private domestic investment	21	107.537	112.109	113.143	113.429	113.215	108.649	106.025
Fixed investment	22	109.708	112.851	114.033	113.570	113.240	110.561	109.571
Nonresidential	23	99.326	106.519	104.606	105.738	108.292	107.440	108.219
Structures	24	80.302	87.496	82.893	86.819	90.044	90.228	91.358
Equipment and software	25	107.180	114.121	113.704	113.313	115.434	114.032	114.596
Information processing equipment and software	26	118.169	128.564	127.437	127.088	130.156	129.575	135.240
Computers and peripheral equipment	27	163.269	190.205	183.839	185.956	195.437	195.588	216.325
Software ¹	28	117.072	124.475	122.383	123.658	125.468	126.390	129.662
Other	29	101.880	110.076	111.339	108.753	111.205	109.006	112.932
Industrial equipment	30	90.147	95.580	93.602	96.640	96.691	95.388	94.636
Transportation equipment	31	90.382	90.563	94.635	88.698	91.571	87.349	84.839
Other equipment	32	112.290	119.703	117.597	119.702	120.837	120.678	113.562
Residential	33	136.050	130.283	138.391	134.368	127.601	120.770	115.812
Change in private inventories	34	.....	.....	.....	.....	.....	.....	.....
Farm	35	.....	.....	.....	.....	.....	.....	.....
Nonfarm	36	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services	37	.....	.....	.....	.....	.....	.....	.....
Exports	38	109.105	118.841	115.783	117.536	119.495	122.549	122.357
Goods	39	107.507	118.749	115.535	117.228	119.898	122.335	122.144
Services	40	113.118	119.251	116.564	118.463	118.712	123.266	123.072
Imports	41	123.007	130.162	129.146	129.608	131.378	130.516	132.352
Goods	42	124.640	132.013	131.236	131.218	133.503	132.096	134.105
Services	43	115.170	121.243	119.055	121.896	121.100	122.923	123.921
Government consumption expenditures and gross investment	44	113.731	116.081	115.423	115.657	116.136	117.107	117.395
Federal	45	125.701	128.191	128.728	127.262	127.669	129.106	127.820
National defense	46	130.593	133.077	132.808	132.141	131.740	135.618	133.060
Consumption expenditures	47	128.551	130.036	130.343	128.981	128.681	132.141	129.783
Gross investment	48	145.920	156.563	151.544	156.631	155.397	162.678	158.497
Nondefense	49	116.896	119.406	121.411	118.488	120.370	117.356	118.386
Consumption expenditures	50	116.593	118.758	119.666	118.137	120.006	117.224	118.861
Gross investment	51	119.670	124.459	134.201	121.448	123.427	118.762	115.477
State and local	52	107.660	109.934	108.682	109.762	110.277	111.016	112.080
Consumption expenditures	53	107.655	109.611	108.536	109.095	109.944	110.870	111.590
Gross investment	54	107.563	111.176	109.177	112.448	111.558	111.520	113.997

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

Table 1.5.4. Price Indexes for Gross Domestic Product, Expanded Detail
[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Gross domestic product	1	112.744	116.062	114.967	115.905	116.446	116.930	118.082
Personal consumption expenditures	2	111.493	114.556	113.445	114.573	115.241	114.966	115.911
Durable goods	3	90.198	88.981	89.385	89.206	88.967	88.366	87.953
Motor vehicles and parts	4	98.967	99.400	99.460	99.532	99.631	98.980	98.547
Furniture and household equipment	5	76.884	73.466	74.671	73.894	73.046	72.252	71.527
Other	6	97.688	98.464	97.567	98.351	98.950	98.986	99.444
Nondurable goods	7	111.530	114.959	113.484	115.769	116.442	114.141	115.556
Food	8	112.732	115.333	114.414	114.905	115.727	116.284	117.665
Clothing and shoes	9	91.706	91.350	90.870	91.651	91.342	91.536	91.683
Gasoline, fuel oil, and other energy goods	10	151.423	170.993	161.126	182.632	185.621	154.591	161.006
Other	11	107.775	109.786	109.301	109.737	110.041	110.064	110.789
Services	12	116.529	120.509	119.194	120.059	120.960	121.824	122.880
Housing	13	116.165	120.327	118.269	119.717	121.055	122.268	123.342
Household operation	14	115.554	121.687	122.403	121.019	121.383	121.942	124.171
Electricity and gas	15	129.900	141.706	145.582	140.799	140.318	140.128	144.813
Other household operation	16	107.233	109.996	108.977	109.447	110.285	111.276	112.057
Transportation	17	112.663	116.895	115.411	116.826	117.675	117.669	118.121
Medical care	18	118.438	121.725	120.482	121.332	122.180	122.907	124.289
Recreation	19	115.168	118.640	117.311	118.582	119.425	119.244	119.668
Other	20	116.625	120.457	119.116	119.970	120.711	122.032	122.561
Gross private domestic investment	21	110.284	113.834	112.860	113.717	113.895	114.864	115.391
Fixed investment	22	110.542	114.178	113.238	114.074	114.224	115.175	115.674
Nonresidential	23	103.428	106.390	105.471	106.266	106.501	107.321	107.800
Structures	24	134.647	149.972	145.684	149.432	151.372	153.402	153.412
Equipment and software	25	94.134	93.926	93.887	93.920	93.704	94.194	94.797
Information processing equipment and software	26	82.218	80.546	80.940	80.737	80.438	80.066	79.884
Computers and peripheral equipment	27	51.407	44.819	47.125	45.443	43.889	42.819	41.731
Software ¹	28	94.067	94.999	94.430	95.005	95.354	95.205	95.629
Other	29	90.492	90.569	90.186	90.523	90.737	90.832	90.924
Industrial equipment	30	108.064	111.064	109.659	110.544	111.715	112.339	113.369
Transportation equipment	31	108.882	108.789	108.867	109.257	106.894	110.138	113.941
Other equipment	32	108.174	110.317	109.841	109.608	110.339	111.479	111.894
Residential	33	126.714	131.757	130.765	131.696	131.655	132.911	133.452
Change in private inventories	34	.....	.....	.....	.....	.....	.....	.....
Farm	35	.....	.....	.....	.....	.....	.....	.....
Nonfarm	36	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services	37	.....	.....	.....	.....	.....	.....	.....
Exports	38	108.949	112.537	110.737	112.400	113.631	113.379	114.372
Goods	39	107.628	111.157	109.192	110.852	112.286	112.300	113.372
Services	40	112.115	115.810	114.430	116.098	116.815	115.896	116.688
Imports	41	111.268	116.043	113.918	116.608	118.143	115.503	115.779
Goods	42	109.622	114.520	112.331	115.197	116.824	113.729	113.956
Services	43	119.933	123.978	122.242	123.890	124.876	124.903	125.459
Government consumption expenditures and gross investment	44	121.183	126.484	124.791	126.262	127.150	127.731	129.568
Federal	45	120.726	124.892	123.721	124.871	125.482	125.495	127.487
National defense	46	121.855	126.020	124.752	126.006	126.714	126.608	128.585
Consumption expenditures	47	125.071	129.643	128.327	129.681	130.375	130.189	132.475
Gross investment	48	101.628	103.409	102.438	103.109	103.880	104.207	104.840
Nondefense	49	118.606	122.771	121.787	122.736	123.154	123.405	125.429
Consumption expenditures	50	121.381	125.995	124.944	125.958	126.422	126.657	128.989
Gross investment	51	101.913	103.639	103.035	103.623	103.780	104.120	104.335
State and local	52	121.463	123.434	125.434	127.095	128.147	129.061	130.809
Consumption expenditures	53	122.177	128.063	126.112	127.916	128.838	129.386	131.038
Gross investment	54	118.679	125.002	122.799	123.893	125.462	127.855	129.986

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

Table 1.5.5. Gross Domestic Product, Expanded Detail
[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Gross domestic product ...	1	12,455.8	13,246.6	13,008.4	13,197.3	13,322.6	13,458.2	13,613.0
Personal consumption expenditures	2	8,742.4	9,268.9	9,079.2	9,228.1	9,346.7	9,421.8	9,601.3
Durable goods	3	1,033.1	1,070.3	1,064.1	1,061.8	1,075.5	1,079.8	1,097.5
Motor vehicles and parts	4	448.2	444.7	442.7	441.7	451.3	443.3	453.9
Furniture and household equipment	5	377.2	404.6	402.3	401.3	403.2	411.4	416.6
Other	6	207.7	221.0	219.1	218.8	221.0	225.2	227.1
Nondurable goods	7	2,539.3	2,714.9	2,658.2	2,721.4	2,747.7	2,732.1	2,790.0
Food	8	1,201.4	1,281.1	1,262.3	1,270.0	1,294.2	1,307.5	1,327.9
Clothing and shoes	9	341.8	358.6	355.4	355.1	358.7	365.3	373.2
Gasoline, fuel oil, and other energy goods	10	302.1	338.3	316.2	359.1	369.4	308.5	327.0
Other	11	694.0	736.8	724.2	733.3	738.9	750.8	761.9
Services	12	5,170.0	5,483.7	5,356.8	5,444.9	5,523.5	5,609.8	5,713.7
Housing	13	1,304.1	1,382.2	1,345.4	1,370.1	1,394.2	1,419.2	1,439.9
Household operation	14	483.0	506.4	494.8	499.1	512.3	519.2	539.5
Electricity and gas	15	199.8	212.2	206.2	206.9	216.6	219.2	236.0
Other household operation	16	283.2	294.1	288.6	292.2	295.7	300.0	303.6
Transportation	17	320.4	337.1	330.4	335.9	339.5	342.7	346.5
Medical care	18	1,493.4	1,588.5	1,557.2	1,578.2	1,597.5	1,621.0	1,658.3
Recreation	19	360.6	379.4	372.4	377.2	382.7	385.1	386.1
Other	20	1,208.4	1,290.2	1,256.5	1,284.3	1,297.3	1,322.6	1,343.4
Gross private domestic investment	21	2,057.4	2,212.5	2,214.8	2,237.1	2,235.5	2,162.6	2,120.2
Fixed investment	22	2,036.2	2,162.9	2,167.7	2,174.8	2,171.4	2,137.6	2,127.7
Nonresidential	23	1,365.7	1,396.2	1,359.2	1,384.3	1,420.8	1,420.5	1,437.2
Structures	24	338.6	411.2	378.2	406.3	426.9	433.5	438.9
Equipment and software	25	927.1	985.0	981.0	977.9	994.0	987.0	998.2
Information processing equipment and software	26	454.3	484.3	482.4	479.9	489.6	485.2	505.3
Computers and peripheral equipment	27	85.1	86.5	88.0	85.9	87.2	85.1	91.7
Software ¹	28	194.0	208.3	203.6	207.0	210.8	212.0	218.4
Other	29	175.2	189.4	190.8	187.1	191.7	188.1	195.1
Industrial equipment	30	155.1	169.0	163.4	170.1	172.0	170.6	170.8
Transportation equipment	31	158.3	158.5	165.7	155.9	157.5	154.8	155.5
Other equipment	32	159.4	173.2	169.4	172.1	174.9	176.5	166.7
Residential	33	770.4	766.7	808.5	790.6	750.5	717.1	690.5
Change in private inventories	34	21.3	49.6	47.2	62.3	64.2	24.9	-7.5
Farm	35	0.3	3.1	5.4	2.3	2.5	2.2	2.1
Nonfarm	36	21.0	46.5	41.8	59.9	61.6	22.7	-9.6
Net exports of goods and services	37	-716.7	-762.5	-765.2	-781.8	-801.7	-701.2	-726.9
Exports	38	1,303.1	1,466.2	1,405.4	1,448.1	1,488.3	1,523.0	1,533.9
Goods	39	907.5	1,035.4	989.3	1,019.1	1,055.8	1,077.4	1,086.0
Services	40	395.6	430.8	416.0	429.0	432.5	445.6	447.9
Imports	41	2,019.9	2,228.7	2,170.6	2,229.8	2,290.1	2,224.2	2,260.8
Goods	42	1,699.0	1,879.5	1,832.6	1,879.0	1,938.8	1,867.5	1,899.7
Services	43	320.9	349.2	338.1	350.8	351.3	356.6	361.1
Government consumption expenditures and gross investment	44	2,372.8	2,527.7	2,479.6	2,513.9	2,542.1	2,575.1	2,618.5
Federal	45	878.3	926.6	921.7	919.7	927.2	937.7	943.1
National defense	46	589.3	621.0	613.5	616.5	618.1	635.8	633.5
Consumption expenditures	47	516.9	542.0	537.7	537.7	539.3	553.0	552.7
Gross investment	48	72.4	79.0	75.8	78.8	78.8	82.7	80.8
Nondefense	49	289.0	305.6	308.2	303.2	309.0	301.9	309.6
Consumption expenditures	50	251.7	266.1	265.9	264.6	269.8	264.0	272.6
Gross investment	51	37.4	39.5	42.4	38.6	39.3	37.9	36.9
State and local	52	1,494.4	1,601.1	1,557.9	1,594.2	1,614.9	1,637.4	1,675.4
Consumption expenditures	53	1,207.2	1,288.3	1,256.2	1,280.7	1,300.0	1,316.5	1,342.0
Gross investment	54	287.3	312.8	301.7	313.5	315.0	320.9	333.5

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

Table 1.5.6. Real Gross Domestic Product, Expanded Detail, Chained Dollars
[Billions of chained (2000) dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Gross domestic product ...	1	11,048.6	11,415.3	11,316.4	11,388.1	11,443.5	11,513.0	11,531.7
Personal consumption expenditures	2	7,841.2	8,091.4	8,003.8	8,055.0	8,111.2	8,195.9	8,284.0
Durable goods	3	1,145.3	1,202.9	1,190.5	1,190.3	1,208.8	1,221.9	1,247.8
Motor vehicles and parts	4	452.9	447.4	445.1	443.7	452.9	447.8	460.5
Furniture and household equipment	5	490.6	550.5	538.5	542.9	551.7	569.1	582.1
Other	6	212.6	224.5	224.6	222.5	223.4	227.5	228.4
Nondurable goods	7	2,276.8	2,362.0	2,342.8	2,351.1	2,360.1	2,394.0	2,414.8
Food	8	1,065.7	1,110.9	1,103.4	1,108.8	1,106.8	1,124.5	1,128.7
Clothing and shoes	9	372.7	392.5	391.1	387.4	392.6	399.1	407.0
Gasoline, fuel oil, and other energy goods	10	199.5	197.6	196.0	196.3	198.7	199.3	202.8
Other	11	643.9	671.1	662.6	668.3	671.5	682.2	687.7
Services	12	4,436.6	4,550.4	4,494.5	4,535.4	4,566.6	4,605.2	4,650.1
Housing	13	1,122.6	1,148.7	1,137.6	1,144.5	1,151.7	1,160.8	1,167.5
Household operation	14	418.0	416.2	404.3	412.5	422.1	425.8	434.6
Electricity and gas	15	153.8	149.9	141.7	147.0	154.4	156.4	163.0
Other household operation	16	264.1	267.4	264.8	267.0	268.1	269.6	270.9
Transportation	17	284.4	288.4	286.3	287.5	288.5	291.2	293.3
Medical care	18	1,260.9	1,305.0	1,292.6	1,300.9	1,307.6	1,319.0	1,334.4
Recreation	19	313.1	319.7	317.5	318.1	320.4	323.0	322.6
Other	20	1,036.2	1,071.1	1,054.9	1,070.6	1,074.8	1,083.9	1,096.1
Gross private domestic investment	21	1,866.3	1,945.6	1,963.6	1,968.5	1,964.8	1,885.6	1,840.0
Fixed investment	22	1,842.0	1,894.7	1,914.6	1,906.8	1,901.3	1,856.3	1,839.7
Nonresidential	23	1,223.8	1,312.4	1,288.8	1,302.8	1,334.2	1,323.7	1,333.3
Structures	24	251.5	274.0	259.6	271.9	282.0	282.6	286.1
Equipment and software	25	984.9	1,048.6	1,044.8	1,041.2	1,060.7	1,047.8	1,053.0
Information processing equipment and software	26	552.6	601.2	595.9	594.3	608.6	605.9	632.4
Computers and peripheral equipment ¹	27							
Software ²	28	206.2	219.3	215.6	217.8	221.0	222.6	228.4
Other	29	193.6	209.2	211.6	206.7	211.3	207.1	214.6
Industrial equipment	30	143.5	152.2	149.0	153.9	153.9	151.9	150.7
Transportation equipment	31	145.4	145.7	152.2	142.7	147.3	140.5	136.5
Other equipment	32	147.3	157.1	154.3	157.1	158.6	158.3	149.0
Residential	33	608.0	582.2	618.5	600.5	570.3	539.7	517.6
Change in private inventories	34	19.6	43.2	41.2	53.7	55.4	22.4	-4.5
Farm	35	0.2	2.8	4.3	1.9	2.5	2.4	2.6
Nonfarm	36	19.6	40.6	36.8	52.2	53.3	20.0	-7.8
Net exports of goods and services	37	-619.2	-618.0	-636.6	-624.2	-628.8	-582.6	-611.8
Exports	38	1,196.1	1,302.8	1,269.3	1,288.5	1,310.0	1,343.5	1,341.4
Goods	39	843.2	931.4	906.2	919.5	940.4	959.5	958.0
Services	40	352.9	372.0	363.6	369.5	370.3	384.5	383.9
Imports	41	1,815.3	1,920.9	1,905.9	1,912.7	1,938.8	1,921.1	1,953.2
Goods	42	1,549.9	1,641.5	1,631.9	1,631.7	1,660.1	1,642.6	1,667.6
Services	43	267.5	281.6	276.6	283.2	281.3	285.5	287.9
Government consumption expenditures and gross investment	44	1,958.0	1,998.4	1,987.1	1,991.2	1,999.4	2,016.1	2,021.1
Federal	45	727.5	741.9	745.1	736.6	738.9	747.2	739.8
National defense	46	483.6	492.8	491.8	489.3	487.8	502.2	492.7
Consumption expenditures	47	413.3	418.1	419.0	414.7	413.7	424.8	417.2
Gross investment	48	71.2	76.4	74.0	76.5	75.9	79.4	77.4
Nondefense	49	243.7	248.9	253.1	247.0	250.9	244.7	246.8
Consumption expenditures	50	207.3	211.2	212.8	210.1	213.4	208.5	211.4
Gross investment	51	36.7	38.2	41.1	37.2	37.8	36.4	35.4
State and local	52	1,230.4	1,256.4	1,242.0	1,254.4	1,260.3	1,267.7	1,280.9
Consumption expenditures	53	988.0	1,006.0	996.1	1,001.2	1,009.0	1,017.5	1,024.1
Gross investment	54	242.1	250.2	245.7	253.1			

**Table 1.6.4. Price Indexes for
Gross Domestic Purchases**

(Index numbers, 2000=100)

Line	2005	2006	Seasonally adjusted					
			2006				2007	
			I	II	III	IV	I	
Gross domestic purchases ...	1	112.981	116.498	115.313	116.455	117.080	117.145	118.175
Personal consumption expenditures	2	111.493	114.556	113.445	114.573	115.241	114.966	115.911
Durable goods	3	90.198	88.981	89.385	89.206	88.967	88.366	87.953
Motor vehicles and parts	4	98.967	99.400	99.460	99.532	99.631	98.980	98.547
Furniture and household equipment	5	76.884	73.466	74.671	73.894	73.046	72.252	71.527
Other	6	97.688	98.464	97.567	98.351	98.950	98.986	99.444
Nondurable goods	7	111.530	114.956	113.484	115.769	116.442	114.141	115.556
Food	8	112.732	115.333	114.414	114.905	115.727	116.284	117.665
Clothing and shoes	9	91.706	91.350	90.870	91.651	91.342	91.536	91.683
Gasoline, fuel oil, and other energy goods	10	151.423	170.993	161.126	182.632	185.621	154.591	161.006
Other	11	107.775	109.786	109.301	109.737	110.041	110.064	110.789
Services	12	116.529	120.509	119.194	120.059	120.960	121.824	122.800
Housing	13	116.165	120.327	118.269	119.717	121.055	122.268	123.342
Household operation	14	115.554	121.687	122.403	121.019	121.383	121.942	124.171
Electricity and gas	15	129.900	141.706	145.582	140.799	140.318	140.128	144.813
Other household operation	16	107.233	109.996	108.977	109.447	110.285	111.276	112.057
Transportation	17	112.663	116.895	115.411	116.826	117.675	117.669	118.121
Medical care	18	118.438	121.725	120.482	121.332	122.180	122.907	124.289
Recreation	19	115.168	118.640	117.311	118.582	119.425	119.244	119.668
Other	20	116.625	120.457	119.116	119.970	120.711	122.032	122.561
Gross private domestic investment	21	110.284	113.834	112.860	113.717	113.895	114.864	115.391
Fixed investment	22	110.542	114.178	113.238	114.074	114.224	115.175	115.674
Nonresidential	23	103.428	106.390	105.471	106.266	106.501	107.321	107.800
Structures	24	134.647	149.972	145.684	149.432	151.372	153.402	153.412
Equipment and software	25	94.134	93.926	93.887	93.920	93.704	94.194	94.797
Information processing equipment and software	26	82.218	80.546	80.940	80.737	80.438	80.066	79.884
Computers and peripheral equipment	27	51.407	44.819	47.125	45.443	43.889	42.819	41.731
Software ¹	28	94.067	94.999	94.430	95.005	95.354	95.205	95.629
Other	29	90.492	90.569	90.186	90.523	90.737	90.832	90.924
Industrial equipment	30	108.064	111.064	109.659	110.544	111.715	112.339	113.369
Transportation equipment	31	108.882	108.789	108.867	109.257	106.894	110.138	113.941
Other equipment	32	108.174	110.317	109.841	109.608	110.339	111.479	111.894
Residential	33	126.714	131.757	130.765	131.696	131.655	132.911	133.452
Change in private inventories ..	34							
Farm	35							
Nonfarm	36							
Government consumption expenditures and gross investment	37	121.183	126.484	124.791	126.262	127.150	127.731	129.568
Federal	38	120.726	124.892	123.721	124.871	125.482	125.495	127.487
National defense	39	121.855	126.020	124.752	126.006	126.714	126.608	128.585
Consumption expenditures	40	125.071	129.643	128.327	129.681	130.375	130.189	132.475
Gross investment	41	101.628	103.409	102.438	103.109	103.880	104.207	104.480
Nondefense	42	118.606	122.771	121.787	122.736	123.154	123.405	125.429
Consumption expenditures	43	121.381	125.995	124.944	125.958	126.422	126.657	128.989
Gross investment	44	101.913	103.639	103.035	103.623	103.780	104.120	104.335
State and local	45	121.463	127.434	125.434	127.095	128.147	129.061	130.809
Consumption expenditures	46	122.177	128.063	126.112	127.916	128.838	129.386	131.038
Gross investment	47	118.679	125.002	122.799	123.893	125.462	127.855	129.986
Addenda:								
Final sales of computers to domestic purchasers ²	48	44.424	38.252	40.388	38.697	37.407	36.516	35.730
Gross domestic purchases excluding final sales of computers to domestic purchasers	49	114.210	117.981	116.704	117.922	118.601	118.696	119.777
Food	50	112.598	115.169	114.220	114.697	115.555	116.205	117.658
Energy goods and services	51	144.830	161.684	157.543	168.404	168.668	152.120	157.523
Gross domestic purchases excluding food and energy ..	52	111.638	114.694	113.605	114.420	115.034	115.720	116.521
Gross domestic product	53	112.744	116.062	114.967	115.905	116.446	116.930	118.082
Gross domestic product excluding final sales of computers	54	113.724	117.233	116.067	117.060	117.643	118.162	119.354
Food	55	112.925	115.504	114.442	114.970	115.919	116.685	118.360
Energy goods and services	56	126.526	135.693	135.113	140.609	136.890	130.157	138.688
Gross domestic product excluding food and energy	57	112.298	115.535	114.417	115.272	115.890	116.559	117.427
Final sales of domestic product	58	112.783	116.115	115.025	115.961	116.498	116.978	118.125
Final sales to domestic purchasers	59	113.021	116.552	115.371	116.510	117.133	117.192	118.218

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

**Table 1.6.7. Percent Change From Preceding Period in Prices for
Gross Domestic Purchases**

(Percent)

Line	2005	2006	Seasonally adjusted at annual rates					
			2006				2007	
			I	II	III	IV	I	
Gross domestic purchases ...	1	3.5	3.1	2.7	4.0	2.2	0.2	3.6
Personal consumption expenditures	2	2.9	2.7	2.0	4.0	2.4	-1.0	3.3
Durable goods	3	-0.7	-1.3	-1.0	-0.8	-1.1	-2.7	-1.9
Motor vehicles and parts	4	1.8	0.4	2.3	0.3	0.4	-2.6	-1.7
Furniture and household equipment	5	-3.8	-4.4	-4.0	-4.1	-4.5	-4.3	-4.0
Other	6	-0.4	0.8	-1.8	3.3	2.5	0.1	1.9
Nondurable goods	7	3.6	3.1	1.1	8.3	2.3	-7.7	5.1
Food	8	2.2	2.3	2.7	1.7	2.9	1.9	4.8
Clothing and shoes	9	-1.0	-0.4	-1.0	3.5	-1.3	0.9	0.6
Gasoline, fuel oil, and other energy goods	10	22.1	12.9	-5.9	65.1	6.7	-51.9	17.7
Other	11	1.5	1.9	2.5	1.6	1.1	0.1	2.7
Services	12	3.2	3.4	3.1	2.9	3.0	2.9	3.5
Housing	13	2.6	3.6	3.4	5.0	4.5	4.1	3.6
Household operation	14	5.1	5.3	6.2	-4.4	1.2	1.9	7.5
Electricity and gas	15	10.3	9.1	10.0	-12.5	-1.4	-0.5	14.1
Other household operation	16	1.8	2.6	3.5	1.7	3.1	3.6	2.8
Transportation	17	4.0	3.8	1.5	5.0	2.9	0.0	1.5
Medical care	18	3.3	2.8	1.8	2.9	2.8	2.4	4.6
Recreation	19	2.8	3.0	2.1	4.4	2.9	-0.6	1.4
Other	20	3.1	3.3	4.0	2.9	2.5	4.4	1.7
Gross private domestic investment	21	3.4	3.2	3.7	3.1	0.6	3.4	1.8
Fixed investment	22	3.5	3.3	3.8	3.0	0.5	3.4	1.7
Nonresidential	23	2.6	2.9	3.7	3.0	0.9	3.1	1.8
Structures	24	11.3	11.4	12.4	10.7	5.3	5.5	0.0
Equipment and software	25	-0.4	-0.2	0.6	0.1	-0.9	2.1	2.6
Information processing equipment and software	26	-3.0	-2.0	-1.8	-1.0	-1.5	-1.8	-0.9
Computers and peripheral equipment	27	-12.3	-12.8	-11.8	-13.5	-13.0	-9.4	-9.8
Software ¹	28	-0.5	1.0	1.8	2.5	1.5	-0.6	1.8
Other	29	-0.9	0.1	-0.7	1.5	0.9	0.4	0.4
Industrial equipment	30	3.1	3.7	2.8	3.3	4.3	2.3	3.7
Transportation equipment	31	-0.9	-0.1	3.5	1.4	-8.4	12.7	14.5
Other equipment	32	4.1	2.0	2.7	-0.8	2.7	4.2	1.5
Residential	33	5.1	4.0	3.8	2.9	-0.1	3.9	1.6
Change in private inventories ..	34							
Farm	35							
Nonfarm	36							
Government consumption expenditures and gross investment	37	5.6	4.4	4.4	4.8	2.8	1.8	5.9
Federal	38	4.8	3.5	7.6	3.8	2.0	0.0	6.5
National defense	39	5.1	3.4	6.7	4.1	2.3	-0.3	6.4
Consumption expenditures	40	5.6	3.7	7.4	4.3	2.2	-0.6	7.2
Gross investment	41	1.7	1.8	1.6	2.6	3.0	1.3	1.1
Nondefense	42	4.1	3.5	9.5	3.2	1.4	0.8	6.7
Consumption expenditures	43	4.4	3.8	10.7	3.3	1.5	0.7	7.6
Gross investment	44	1.9	1.7	2.2	2.3	0.6	1.3	0.8
State and local	45	6.2	4.9	2.6	5.4	3.4	2.9	5.5
Consumption expenditures	46	5.9	4.8	2.4	5.8	2.9	1.7	5.2
Gross investment	47	7.3	5.3	3.6	3.6	5.2	7.9	6.8
Addenda:								
Final sales of computers to domestic purchasers ²	48	-13.6	-13.9	-12.9	-15.7	-12.7	-9.2	-8.3
Gross domestic purchases excluding final sales of computers to domestic purchasers	49	3.7	3.3	2.9	4.2	2.3	0.3	3.7
Food	50	2.2	2.3	2.6	1.7	3.0	2.3	5.1
Energy goods and services	51	19.1	11.6	-2.4	30.6	0.6	-33.8	15.0
Gross domestic purchases excluding food and energy ..	52	2.8	2.7	3.0	2.9	2.2	2.4	2.8
Gross domestic product	53	3.0	2.9	3.3	3.3	1.9	1.7	4.0
Gross domestic product excluding final sales of computers	54	3.2	3.1	3.4	3.5	2.0	1.8	4.1
Food	55	1.8	2.3	2.5	1.9	3.3	2.7	5.9
Energy goods and services	56	8.8	7.2	11.2	17.3	-10.2	-18.3	28.9

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

Line	2005	2006	Seasonally adjusted at annual rates					
			2006				2007	
			I	II	III	IV	I	
Percent change at annual rate:								
Gross domestic purchases ...	1	3.5	3.1	2.7	4.0	2.2	0.2	3.6
Percentage points at annual rates:								
Personal consumption expenditures								
Durable goods	2	1.92	1.82	1.35	2.66	1.55	-0.63	2.22
Motor vehicles and parts	3	-0.06	-0.11	-0.07	-0.06	-0.08	-0.21	-0.14
Furniture and household equipment	4	0.06	0.01	0.07	0.01	0.01	-0.08	-0.05
Other	5	-0.11	-0.13	-0.12	-0.12	-0.13	-0.13	-0.12
Nondurable goods	6	-0.01	0.01	-0.03	0.05	0.04	0.00	0.03
Food	7	0.70	0.59	0.21	1.58	0.46	-1.55	0.97
Clothing and shoes	8	0.20	0.21	0.25	0.16	0.26	0.18	0.44
Gasoline, fuel oil, and other energy goods	9	-0.03	-0.01	-0.03	0.09	-0.03	0.02	0.02
Other	10	0.44	0.29	-0.14	1.24	0.17	-1.75	0.37
Services	11	0.08	0.10	0.13	0.09	0.06	0.00	0.14
Housing	12	1.28	1.33	1.22	1.15	1.18	1.12	1.39
Household operation	13	0.26	0.35	0.33	0.48	0.44	0.40	0.36
Electricity and gas	14	0.19	0.19	0.22	-0.16	0.04	0.07	0.27
Other household operation	15	0.15	0.14	0.15	-0.20	-0.02	-0.01	0.21
Transportation	16	0.04	0.05	0.07	0.04	0.06	0.08	0.06
Medical care	17	0.10	0.09	0.04	0.12	0.07	0.00	0.04
Recreation	18	0.37	0.31	0.20	0.32	0.32	0.27	0.52
Other	19	0.08	0.08	0.06	0.12	0.08	-0.02	0.04
Other	20	0.29	0.30	0.36	0.27	0.23	0.40	0.16
Gross private domestic investment								
Fixed investment	21	0.53	0.51	0.58	0.50	0.10	0.53	0.28
Nonresidential	22	0.53	0.51	0.59	0.47	0.08	0.51	0.26
Structures	23	0.25	0.28	0.36	0.30	0.09	0.31	0.18
Equipment and software	24	0.27	0.30	0.32	0.29	0.15	0.16	0.00
Information processing equipment and software	25	-0.03	-0.01	0.04	0.01	-0.06	0.15	0.18
Computers and peripheral equipment	26	-0.11	-0.07	-0.06	-0.03	-0.05	-0.06	-0.03
Software ¹	27	-0.09	-0.09	-0.08	-0.09	-0.09	-0.06	-0.06
Other	28	-0.01	0.02	0.03	0.04	0.02	-0.01	0.03
Industrial equipment	29	-0.01	0.00	-0.01	0.02	0.01	0.01	0.01
Transportation equipment	30	0.04	0.03	0.03	0.04	0.05	0.03	0.04
Other equipment	31	-0.01	0.00	0.04	0.02	-0.10	0.13	0.15
Residential	32	0.05	0.02	0.03	-0.01	0.03	0.05	0.02
Change in private inventories	33	0.28	0.23	0.23	0.17	-0.01	0.20	0.08
Farm	34	0.00	0.00	-0.01	0.03	0.02	0.02	0.02
Nonfarm	35	0.00	0.00	0.00	0.00	0.01	0.02	0.01
Nonfarm	36	0.00	0.00	-0.01	0.03	0.01	0.00	0.01
Government consumption expenditures and gross investment								
Federal	37	1.01	0.78	0.79	0.86	0.51	0.33	1.06
National defense	38	0.32	0.23	0.49	0.25	0.13	0.00	0.42
Consumption expenditures	39	0.23	0.15	0.29	0.18	0.10	-0.01	0.28
Gross investment	40	0.22	0.14	0.28	0.17	0.08	-0.02	0.27
Nondefense	41	0.01	0.01	0.01	0.01	0.02	0.01	0.01
Consumption expenditures	42	0.09	0.08	0.20	0.07	0.03	0.02	0.14
Gross investment	43	0.08	0.07	0.20	0.06	0.03	0.01	0.14
State and local	44	0.01	0.00	0.01	0.01	0.00	0.00	0.00
Consumption expenditures	45	0.69	0.55	0.30	0.61	0.38	0.33	0.64
Gross investment	46	0.53	0.44	0.22	0.53	0.27	0.16	0.48
State and local	47	0.16	0.12	0.08	0.08	0.11	0.17	0.15
Addenda:								
Final sales of computers to domestic purchasers ²	48	-0.16	-0.15	-0.14	-0.17	-0.13	-0.10	-0.09
Gross domestic purchases excluding final sales of computers to domestic purchasers	49	3.61	3.27	2.86	4.19	2.30	0.32	3.65
Food	50	0.20	0.22	0.24	0.16	0.28	0.21	0.48
Energy goods and services	51	0.79	0.55	-0.11	1.37	0.03	-2.03	0.68
Gross domestic purchases excluding food and energy ...	52	2.46	2.35	2.59	2.49	1.85	2.04	2.41

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

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

Line	2005	2006	Seasonally adjusted at annual rates					
			2006				2007	
			I	II	III	IV	I	
Gross domestic product	1	3.2	3.3	5.6	2.6	2.0	2.5	0.6
Plus: Income receipts from the rest of the world	2	21.3	25.8	26.8	38.8	11.0	20.6	7.3
Less: Income payments to the rest of the world	3	28.2	28.2	13.8	47.1	15.8	-0.9	13.3
Equals: Gross national product	4	3.1	3.3	6.1	2.3	1.8	3.5	0.4
Less: Consumption of fixed capital	5	8.1	-4.3	-4.9	2.3	2.3	2.2	2.1
Private	6	8.8	-5.4	-6.4	2.2	2.1	2.0	1.7
Government	7	4.2	1.4	3.0	3.0	3.2	3.4	3.6
General government	8	2.6	2.8	3.4	2.8	3.1	3.3	3.5
enterprises	9	12.7	-5.5	1.4	3.5	3.6	3.7	4.1
Equals: Net national product	10	2.4	4.4	7.7	2.3	1.7	3.7	0.2
Addenda:								
Gross domestic income ¹	11	3.2	4.0	10.2	-0.5	2.3	4.5	-0.3
Gross national income ²	12	3.1	4.0	10.7	-0.7	2.1	5.6	-0.6
Net domestic product	13	2.5	4.5	7.1	2.6	1.9	2.5	0.5
Net domestic income ³	14	2.5	5.2	12.4	-0.8	2.4	4.8	-0.6

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

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

Line	2005	2006	Seasonally adjusted					
			2006				2007	
			I	II	III	IV	I	
Gross domestic product	1	112,546	116,281	115,274	116,004	116,569	117,277	117,467
Plus: Income receipts from the rest of the world	2	119,374	150,172	137,541	149,298	153,247	160,605	163,475
Less: Income payments to the rest of the world	3	124,286	159,327	145,380	160,106	166,093	165,729	170,992
Equals: Gross national product	4	112,399	116,090	115,085	115,753	116,260	117,263	117,380
Less: Consumption of fixed capital	5	125,998	120,519	119,495	120,187	120,869	121,526	122,146
Private	6	128,179	121,230	120,271	120,931	121,564	122,153	122,680
Government	7	115,240	116,811	115,475	116,321	117,236	118,211	119,266
General government	8	112,885	116,099	114,812	115,621	116,506	117,456	118,475
enterprises	9	127,575	120,613	119,022	120,063	121,131	122,238	123,478
Equals: Net national product	10	110,597	115,478	114,475	115,140	115,625	116,672	116,725
Addendum:								
Net domestic product	11	110,755	115,691	114,687	115,421	115,971	116,685	116,820

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

Line	2005	2006	Seasonally adjusted					
			2006				2007	
			I	II	III	IV	I	
Gross domestic product	1	112,744	116,062	114,967	115,905	116,446	116,930	118,082
Plus: Income receipts from the rest of the world	2	112,377	115,868	114,707	115,839	116,432	116,493	117,517
Less: Income payments to the rest of the world	3	112,704	116,129	115,000	116,124	116,677	116,713	117,715
Equals: Gross national product	4	112,733	116,055	114,958	115,897	116,440	116,924	118,076
Less: Consumption of fixed capital	5	107,229	110,192	109,110	110,216	110,235	111,209	111,579
Private	6	106,498	109,201	108,207	109,363	109,170	110,063	110,244
Government	7	111,117	115,480	113,936	114,778	115,902	117,303	118,649
General government	8	110,292	114,658	113,134	113,965	115,085	116,450	117,761
enterprises	9	115,495	119,847	118,200	119,101	120,248	121,839	123,367
Equals: Net national product	10	113,529	116,899	115,800	116,716	117,333	117,747	119,012
Addendum:								
Net domestic product	11	113,546	116,911	115,814	116,729	117,344	117,758	119,022

Table 1.7.5. Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income

[Billions of dollars]

Line	2005	2006	Seasonally adjusted at annual rates					
			2006				2007	
			I	II	III	IV	I	
Gross domestic product	1	12,455.8	13,246.6	13,008.4	13,197.3	13,322.6	13,458.2	13,613.0
Plus: Income receipts from the rest of the world	2	513.3	665.6	603.3	661.4	682.3	715.5	734.7
Less: Income payments to the rest of the world	3	481.5	635.7	574.3	638.6	665.7	664.4	691.4
Equals: Gross national product	4	12,487.7	13,276.5	13,037.4	13,220.1	13,339.2	13,509.3	13,656.3
Less: Consumption of fixed capital	5	1,604.8	1,576.9	1,548.0	1,572.8	1,582.0	1,604.6	1,618.2
Private	6	1,352.6	1,311.2	1,288.9	1,309.8	1,314.4	1,331.5	1,339.5
Domestic business	7	1,059.1	1,050.9	1,035.1	1,050.4	1,053.0	1,065.2	1,070.3
Capital consumption allowances	8	953.1	966.4	960.7	964.3	968.3	972.4	997.1
Less: Capital consumption adjustment	9	-106.1	-84.5	-74.4	-86.1	-84.7	-92.8	-73.2
Households and institutions	10	293.5	260.3	253.8	259.5	261.4	266.3	269.2
Government	11	252.2	265.7	259.1	262.9	267.6	273.1	278.7
General government	12	207.2	221.5	216.1	219.2	223.1	227.6	232.1
Government enterprises	13	45.1	44.2	43.0	43.7	44.5	45.5	46.6
Equals: Net national product	14	10,882.9	11,699.6	11,489.4	11,647.3	11,757.3	11,904.6	12,038.1
Less: Statistical discrepancy	15	71.0	-11.4	-61.9	35.8	23.5	-43.0	-10.1
Equals: National income	16	10,811.8	11,711.0	11,551.3	11,611.5	11,733.7	11,947.6	12,048.3
Less: Corporate profits with inventory valuation and capital consumption adjustments	17	1,330.7	1,615.7	1,569.1	1,591.8	1,653.3	1,648.4	1,668.7
Taxes on production and imports less subsidies	18	865.1	912.5	897.4	914.0	916.8	921.9	928.8
Contributions for government social insurance	19	880.6	945.7	936.7	938.8	945.2	961.9	991.9
Net interest and miscellaneous payments on assets	20	483.4	509.3	514.8	513.2	498.6	510.4	494.0
Business current transfer payments (net)	21	74.2	92.6	93.8	93.1	92.8	90.8	95.1
Current surplus of government enterprises	22	-15.4	-9.9	-9.2	-9.4	-10.2	-10.9	-13.4
Wage accruals less disbursements	23	0.0	12.5	0.0	0.0	0.0	50.0	-50.0
Plus: Personal income receipts on assets	24	1,519.4	1,656.3	1,602.3	1,647.7	1,683.6	1,691.6	1,729.2
Personal current transfer receipts	25	1,526.6	1,602.2	1,570.4	1,589.7	1,618.6	1,629.9	1,685.1
Equals: Personal income	26	10,239.2	10,891.2	10,721.4	10,807.3	10,939.4	11,096.6	11,347.6
Addenda:								
Gross domestic income	27	12,384.8	13,258.0	13,070.3	13,161.6	13,299.1	13,501.2	13,623.2
Gross national income	28	12,416.6	13,287.9	13,099.3	13,184.3	13,315.7	13,552.3	13,666.5
Gross national factor income ¹	29	11,492.7	12,292.7	12,117.4	12,186.5	12,316.3	12,550.5	12,656.0
Net domestic product	30	10,851.0	11,669.8	11,460.3	11,624.6	11,740.6	11,853.6	11,994.8
Net domestic income	31	10,780.0	11,681.2	11,522.2	11,588.8	11,717.1	11,896.6	12,005.0
Net national factor income ²	32	9,887.9	10,715.8	10,569.3	10,613.7	10,734.3	10,945.9	11,037.8

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

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

Table 1.7.6. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product, Chained Dollars

[Billions of chained (2000) dollars]

Line	2005	2006	Seasonally adjusted at annual rates					
			2006				2007	
			I	II	III	IV	I	
Gross domestic product	1	11,048.6	11,415.3	11,316.4	11,388.1	11,443.5	11,513.0	11,531.7
Plus: Income receipts from the rest of the world	2	456.9	574.8	526.4	571.4	586.5	614.7	625.7
Less: Income payments to the rest of the world	3	427.2	547.7	499.7	550.3	570.9	569.7	587.7
Equals: Gross national product	4	11,077.9	11,441.7	11,342.7	11,408.5	11,458.5	11,557.3	11,568.9
Less: Consumption of fixed capital	5	1,496.6	1,431.6	1,419.4	1,427.6	1,435.7	1,443.5	1,450.9
Private	6	1,270.1	1,201.2	1,191.7	1,198.2	1,204.5	1,210.4	1,215.6
Government	7	227.0	230.1	227.5	229.1	230.9	232.9	234.9
General government	8	187.8	193.2	191.0	192.4	193.9	195.4	197.1
Government enterprises	9	39.0	36.9	36.4	36.7	37.1	37.4	37.8
Equals: Net national product	10	9,586.6	10,009.7	9,922.8	9,980.4	10,022.5	10,113.2	10,117.8
Addenda:								
Gross domestic income ¹	11	10,985.6	11,425.1	11,370.3	11,357.2	11,423.3	11,549.9	11,540.3
Gross national income ²	12	11,014.9	11,451.5	11,396.5	11,377.7	11,438.3	11,594.1	11,577.4
Net domestic product	13	9,557.2	9,983.1	9,896.5	9,959.8	10,007.3	10,068.9	10,080.6
Net domestic income ³	14	9,494.7	9,992.9	9,949.9	9,929.2	9,987.3	10,105.5	10,089.1

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

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

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

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

Table 1.8.3. Command-Basis Real Gross National Product, Quantity Indexes

[Index numbers, 2000=100]

Line	2005	2006	Seasonally adjusted					
			2006				2007	
			I	II	III	IV	I	
Gross national product	1	112.399	116.090	115.085	115.753	116.260	117.263	117.380
Less: Exports of goods and services and income receipts from the rest of the world	2	111.906	127.233	121.636	126.043	128.530	132.722	133.339
Plus: Command-basis exports of goods and services and income receipts from the rest of the world ¹	3	110.121	124.239	119.044	122.488	124.638	130.785	132.040
Equals: Command-basis gross national product	4	112.131	115.641	114.696	115.219	115.676	116.972	117.185
Addendum:								
Percent change from preceding period in command-basis real gross national product	5	2.8	3.1	6.5	1.8	1.6	4.6	0.7

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

Table 1.8.6. Command-Basis Real Gross National Product, Chained Dollars

[Billions of chained (2000) dollars]

Line	2005	2006	Seasonally adjusted at annual rates					
			2006				2007	
			I	II	III	IV	I	
Gross national product	1	11,077.9	11,441.7	11,342.7	11,408.5	11,458.5	11,557.3	11,568.9
Less: Exports of goods and services and income receipts from the rest of the world	2	1,655.0	1,881.7	1,798.9	1,864.1	1,900.9	1,962.9	1,972.0
Plus: Command-basis exports of goods and services and income receipts from the rest of the world ¹	3	1,628.6	1,837.5	1,760.6	1,811.6	1,843.4	1,934.3	1,952.9
Equals: Command-basis gross national product	4	11,051.5	11,397.5	11,304.4	11,356.0	11,401.0	11,528.7	11,549.7
Addendum:								
Terms of trade ²	5	98.406	97.644	97.872	97.183	96.975	98.544	99.028

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

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

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

Table 1.10. Gross Domestic Income by Type of Income

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Gross domestic income	1	12,384.8	13,258.0	13,070.3	13,161.6	13,299.1	13,501.2	13,623.2
Compensation of employees, paid	2	7,036.6	7,504.8	7,406.6	7,431.8	7,495.6	7,685.1	7,756.9
Wage and salary accruals	3	5,671.1	6,049.9	5,976.4	5,987.2	6,033.9	6,202.0	6,248.3
Disbursements	4	5,671.1	6,037.4	5,976.4	5,987.2	6,033.9	6,152.0	6,298.3
To persons	5	5,661.9	6,028.1	5,967.2	5,978.0	6,024.7	6,142.6	6,288.8
To the rest of the world	6	9.2	9.3	9.2	9.2	9.2	9.4	9.4
Wage accruals less disbursements	7	0.0	12.5	0.0	0.0	0.0	50.0	-50.0
Supplements to wages and salaries	8	1,365.5	1,454.9	1,430.3	1,444.5	1,461.6	1,483.1	1,508.7
Taxes on production and imports	9	922.4	965.1	952.5	966.4	968.6	972.9	978.9
Less: Subsidies	10	57.3	52.5	55.1	52.3	51.8	51.0	50.1
Net operating surplus	11	2,878.2	3,263.9	3,218.2	3,243.0	3,304.7	3,289.6	3,319.3
Private enterprises	12	2,893.6	3,273.8	3,227.4	3,252.3	3,314.9	3,300.5	3,332.7
Net interest and miscellaneous payments, domestic industries	13	642.3	716.1	705.5	724.0	710.2	724.8	715.3
Business current transfer payments (net)	14	74.2	92.6	93.8	93.1	92.8	90.8	95.1
Proprietors' income with inventory valuation and capital consumption adjustments	15	970.7	1,015.1	1,008.3	1,011.9	1,014.8	1,025.3	1,038.6
Rental income of persons with capital consumption adjustment	16	72.8	77.4	76.8	71.4	78.3	83.1	86.0
Corporate profits with inventory valuation and capital consumption adjustments, domestic industries	17	1,133.7	1,372.6	1,343.0	1,351.9	1,418.7	1,376.6	1,397.6
Taxes on corporate income	18	399.3	474.9	456.9	476.1	490.6	476.2	485.0
Profits after tax with inventory valuation and capital consumption adjustments	19	734.4	897.6	886.1	875.9	928.1	900.4	912.6
Net dividends	20	338.7	575.2	528.1	549.4	569.8	653.5	580.5
Undistributed corporate profits with inventory valuation and capital consumption adjustments	21	395.7	322.4	357.9	326.5	358.3	246.9	332.1
Current surplus of government enterprises	22	-15.4	-9.9	-9.2	-9.4	-10.2	-10.9	-13.4
Consumption of fixed capital	23	1,604.8	1,576.9	1,548.0	1,572.8	1,582.0	1,604.6	1,618.2
Private	24	1,352.6	1,311.2	1,288.9	1,309.8	1,314.4	1,331.5	1,339.5
Government	25	252.2	265.7	259.1	262.9	267.6	273.1	278.7
Addendum:								
Statistical discrepancy	26	71.0	-11.4	-61.9	35.8	23.5	-43.0	-10.1

Table 1.12. National Income by Type of Income
 (Billions of dollars)

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
National income	1	10,811.8	11,711.0	11,551.3	11,611.5	11,733.7	11,947.6	12,048.3
Compensation of employees	2	7,030.3	7,498.4	7,400.3	7,425.5	7,489.3	7,678.7	7,750.5
Wage and salary accruals.....	3	5,664.8	6,043.6	5,970.1	5,980.9	6,027.6	6,195.6	6,241.8
Government.....	4	977.7	1,013.9	998.1	1,005.9	1,020.5	1,031.0	1,045.2
Other.....	5	4,687.1	5,029.7	4,972.0	4,975.0	5,007.1	5,164.6	5,196.6
Supplements to wages and salaries.....	6	1,365.5	1,454.9	1,430.3	1,444.5	1,461.6	1,483.1	1,508.7
Employer contributions for employee pension and insurance funds.....	7	933.2	992.7	971.6	985.7	1,000.1	1,013.6	1,026.0
Employer contributions for government social insurance.....	8	432.3	462.1	458.7	458.9	461.5	469.5	482.6
Proprietors' income with IVA and CCAj	9	970.7	1,015.1	1,008.3	1,011.9	1,014.8	1,025.3	1,038.6
Farm.....	10	30.2	22.6	23.9	17.5	21.7	27.3	31.7
Nonfarm.....	11	940.4	992.5	984.4	994.3	993.2	998.0	1,006.9
Rental income of persons with CCAj	12	72.8	77.4	76.8	71.4	78.3	83.1	86.0
Corporate profits with IVA and CCAj	13	1,330.7	1,615.7	1,569.1	1,591.8	1,653.3	1,648.4	1,668.7
Taxes on corporate income.....	14	399.3	474.9	456.9	476.1	490.6	476.2	485.0
Profits after tax with IVA and CCAj.....	15	931.4	1,140.7	1,112.1	1,115.7	1,162.7	1,172.3	1,183.7
Net dividends.....	16	576.9	642.2	615.7	631.1	650.4	671.4	692.0
Undistributed profits with IVA and CCAj.....	17	354.5	498.6	496.4	484.6	512.4	500.9	491.7
Net interest and miscellaneous payments	18	483.4	509.3	514.8	513.2	498.6	510.4	494.0
Taxes on production and imports	19	922.4	965.1	952.5	966.4	968.6	972.9	978.9
Less: Subsidies	20	57.3	52.5	55.1	52.3	51.8	51.0	50.1
Business current transfer payments (net)	21	74.2	92.6	93.8	93.1	92.8	90.8	95.1
To persons (net).....	22	45.7	35.3	34.5	35.0	35.5	36.0	36.1
To government (net).....	23	30.1	57.1	55.6	56.7	57.9	58.1	58.8
To the rest of the world (net).....	24	-1.6	0.3	3.7	1.4	-0.6	-3.3	0.2
Current surplus of government enterprises	25	-15.4	-9.9	-9.2	-9.4	-10.2	-10.9	-13.4
Cash flow:								
Net cash flow with IVA and CCAj.....	26	1,211.3	1,364.9	1,349.2	1,350.3	1,380.5	1,379.4	1,374.8
Undistributed profits with IVA and CCAj.....	27	354.5	498.6	496.4	484.6	512.4	500.9	491.7
Consumption of fixed capital.....	28	856.8	866.3	852.8	865.6	868.2	878.5	883.1
Less: Inventory valuation adjustment.....	29	-32.6	-34.4	-22.9	-58.9	-38.2	-17.5	-32.5
Equals: Net cash flow.....	30	1,243.9	1,399.2	1,372.1	1,409.2	1,418.8	1,396.9	1,407.2
Addenda:								
Proprietors' income with IVA and CCAj.....	31	970.7	1,015.1	1,008.3	1,011.9	1,014.8	1,025.3	1,038.6
Farm.....	32	30.2	22.6	23.9	17.5	21.7	27.3	31.7
Proprietors' income with IVA.....	33	36.8	29.2	30.5	24.3	28.2	33.9	38.1
Capital consumption adjustment.....	34	-6.5	-6.6	-6.6	-6.7	-6.6	-6.6	-6.5
Nonfarm.....	35	940.4	992.5	984.4	994.3	993.2	998.0	1,006.9
Proprietors' income (without IVA and CCAj).....	36	866.2	898.0	891.1	904.7	897.7	898.6	905.9
Inventory valuation adjustment.....	37	-5.1	-3.5	-2.4	-6.9	-3.7	-1.2	-4.4
Capital consumption adjustment.....	38	79.3	98.0	95.7	96.5	99.1	100.5	105.4
Rental income of persons with CCAj.....	39	72.8	77.4	76.8	71.4	78.3	83.1	86.0
Rental income of persons (without CCAj).....	40	96.2	92.3	91.6	86.5	93.1	98.1	100.9
Capital consumption adjustment.....	41	-23.4	-14.9	-14.8	-15.1	-14.8	-15.0	-14.9
Corporate profits with IVA and CCAj.....	42	1,330.7	1,615.7	1,569.1	1,591.8	1,653.3	1,648.4	1,668.7
Corporate profits with IVA.....	43	1,486.1	1,776.6	1,717.7	1,752.6	1,815.8	1,820.2	1,826.0
Profits before tax (without IVA and CCAj).....	44	1,518.7	1,810.9	1,740.6	1,811.5	1,854.0	1,837.6	1,858.5
Taxes on corporate income.....	45	399.3	474.9	456.9	476.1	490.6	476.2	485.0
Profits after tax (without IVA and CCAj).....	46	1,119.4	1,336.0	1,283.7	1,335.4	1,363.4	1,361.5	1,373.5
Net dividends.....	47	576.9	642.2	615.7	631.1	650.4	671.4	692.0
Undistributed profits (without IVA and CCAj).....	48	542.5	693.8	668.0	704.3	713.0	690.1	681.5
Inventory valuation adjustment.....	49	-32.6	-34.4	-22.9	-58.9	-38.2	-17.5	-32.5
Capital consumption adjustment.....	50	-155.5	-160.9	-148.6	-160.8	-162.4	-171.7	-157.3

IVA Inventory valuation adjustment
 CCAj Capital consumption adjustment

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

(Billions of dollars)

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Gross value added of corporate business ¹	1	7,357.0	7,936.3	7,823.0	7,865.8	7,971.8	8,084.6	8,152.6
Consumption of fixed capital	2	856.8	866.3	852.8	865.6	868.2	878.5	883.1
Net value added	3	6,500.2	7,070.0	6,970.2	7,000.2	7,103.6	7,206.1	7,269.5
Compensation of employees	4	4,612.5	4,945.8	4,884.1	4,894.9	4,930.7	5,073.5	5,108.4
Wage and salary accruals	5	3,761.0	4,036.0	3,989.3	3,991.7	4,017.5	4,145.5	4,165.5
Supplements to wages and salaries	6	851.5	909.8	894.8	903.1	913.2	928.0	942.9
Taxes on production and imports less subsidies	7	604.9	633.5	625.0	634.4	635.7	638.7	642.8
Net operating surplus	8	1,282.7	1,490.8	1,461.1	1,470.9	1,537.3	1,493.9	1,518.3
Net interest and miscellaneous payments	9	56.3	62.5	60.9	62.8	62.6	63.7	62.7
Business current transfer payments	10	92.7	55.7	57.1	56.1	56.0	53.6	57.9
Corporate profits with IVA and CCAAdj	11	1,133.7	1,372.6	1,343.0	1,351.9	1,418.7	1,376.6	1,397.6
Taxes on corporate income	12	399.3	474.9	456.9	476.1	490.6	476.2	485.0
Profits after tax with IVA and CCAAdj	13	734.4	897.6	886.1	875.9	928.1	900.4	912.6
Net dividends	14	338.7	575.2	528.1	549.4	569.8	653.5	580.5
Undistributed profits with IVA and CCAAdj	15	395.7	322.4	357.9	326.5	358.3	246.9	332.1
Gross value added of financial corporate business ¹	16	987.3	1,077.8	1,034.9	1,075.8	1,072.9	1,127.5	1,119.8
Gross value added of nonfinancial corporate business ¹	17	6,369.7	6,858.6	6,788.2	6,790.0	6,898.9	6,957.1	7,032.8
Consumption of fixed capital	18	739.7	744.8	733.7	744.4	746.3	754.9	758.5
Net value added	19	5,630.1	6,113.7	6,054.5	6,045.7	6,152.6	6,202.2	6,274.3
Compensation of employees	20	4,099.7	4,390.5	4,341.0	4,350.6	4,382.5	4,487.7	4,541.4
Wage and salary accruals	21	3,335.1	3,573.5	3,537.5	3,539.7	3,562.5	3,654.4	3,694.8
Supplements to wages and salaries	22	764.6	816.9	803.5	811.0	820.0	833.3	846.7
Taxes on production and imports less subsidies	23	558.1	584.4	576.7	585.3	586.5	589.3	593.1
Net operating surplus	24	972.2	1,138.8	1,136.8	1,109.7	1,183.7	1,125.2	1,139.8
Net interest and miscellaneous payments	25	156.6	178.3	175.1	180.0	177.2	180.7	178.2
Business current transfer payments	26	51.4	62.1	60.9	61.7	62.5	63.2	64.0
Corporate profits with IVA and CCAAdj	27	764.2	898.5	900.9	868.1	943.9	881.3	897.5
Taxes on corporate income	28	251.4	285.4	280.9	283.3	299.6	277.8	283.5
Profits after tax with IVA and CCAAdj	29	512.9	613.1	620.0	584.8	644.3	603.4	614.0
Net dividends	30	228.5	411.3	377.7	392.8	407.5	467.3	415.1
Undistributed profits with IVA and CCAAdj	31	284.4	201.8	242.3	192.0	236.8	136.1	198.9
Addenda:								
Corporate business:								
Profits before tax (without IVA and CCAAdj)	32	1,321.7	1,567.8	1,514.6	1,571.6	1,619.3	1,565.8	1,587.4
Profits after tax (without IVA and CCAAdj)	33	922.4	1,092.9	1,057.6	1,095.6	1,128.7	1,089.6	1,102.4
Inventory valuation adjustment	34	-32.6	-34.4	-22.9	-58.9	-38.2	-17.5	-32.5
Capital consumption adjustment	35	-155.5	-160.9	-148.6	-168.8	-162.4	-171.7	-157.3
Nonfinancial corporate business:								
Profits before tax (without IVA and CCAAdj)	36	932.6	1,069.1	1,050.6	1,063.5	1,119.2	1,043.0	1,060.6
Profits after tax (without IVA and CCAAdj)	37	681.3	783.7	769.7	780.2	819.6	765.2	777.1
Inventory valuation adjustment	38	-32.6	-34.4	-22.9	-58.9	-38.2	-17.5	-32.5
Capital consumption adjustment	39	-135.8	-136.2	-126.8	-136.5	-137.1	-144.3	-130.6
				Value added, in billions of chained (2000) dollars				
Gross value added of nonfinancial corporate business ²	40	5,852.9	6,133.8	6,111.2	6,069.0	6,158.9	6,196.2	6,207.1
Consumption of fixed capital ³	41	681.6	670.5	666.1	669.2	672.0	674.6	676.8
Net value added ⁴	42	5,171.2	5,463.3	5,445.0	5,399.8	5,486.9	5,521.6	5,530.2

- 1. Estimates for financial corporate business and nonfinancial corporate business for 2000 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).
 - 2. The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial industries from the GDP-by-industry accounts. For periods when this price index is not available, the chain-type price index for GDP goods and structures is used.
 - 3. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100.
 - 4. Chained-dollar net value added of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.
- IVA Inventory valuation adjustment
CCAAdj Capital consumption adjustment

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

(Dollars)

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Price per unit of real gross value added of nonfinancial corporate business ¹	1	1.088	1.118	1.111	1.119	1.120	1.123	1.133
Compensation of employees (unit labor cost)	2	0.700	0.716	0.710	0.717	0.712	0.724	0.732
Unit nonlabor cost	3	0.257	0.255	0.253	0.260	0.255	0.256	0.257
Consumption of fixed capital	4	0.126	0.121	0.120	0.123	0.121	0.122	0.122
Taxes on production and imports less subsidies plus business current transfer payments	5	0.104	0.105	0.104	0.107	0.105	0.105	0.106
Net interest and miscellaneous payments	6	0.027	0.029	0.029	0.030	0.029	0.029	0.029
Corporate profits with IVA and CCAAdj (unit profits from current production)	7	0.131	0.146	0.147	0.143	0.153	0.142	0.145
Taxes on corporate income	8	0.043	0.047	0.046	0.047	0.049	0.045	0.046
Profits after tax with IVA and CCAAdj	9	0.088	0.100	0.101	0.096	0.105	0.097	0.099

- 1. The implicit price deflator for gross value added of nonfinancial corporate business divided by 100. Estimates for nonfinancial corporate business for 2000 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).
- Note. The current-dollar gross value added is deflated using the gross value added chain-type price index for nonfinancial industries from the GDP-by-industry accounts. For periods when this price index is not available, the chain-type price index for GDP goods and structures is used.
- IVA Inventory valuation adjustment
CCAAdj Capital consumption adjustment

2. Personal Income and Outlays

Table 2.1. Personal Income and Its Disposition
 [Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Personal income	1	10,239.2	10,891.2	10,721.4	10,807.3	10,939.4	11,096.6	11,347.6
Compensation of employees, received.....	2	7,030.3	7,485.9	7,400.3	7,425.5	7,489.3	7,628.7	7,800.5
Wage and salary disbursements.....	3	5,664.8	6,031.1	5,970.1	5,980.9	6,027.6	6,145.6	6,291.8
Private industries.....	4	4,687.1	5,017.2	4,972.0	4,975.0	5,007.1	5,114.6	5,246.6
Government.....	5	977.7	1,013.9	998.1	1,005.9	1,020.5	1,031.0	1,045.2
Supplements to wages and salaries.....	6	1,365.5	1,454.9	1,430.3	1,444.5	1,461.6	1,483.1	1,508.7
Employer contributions for employee pension and insurance funds.....	7	933.2	992.7	971.6	985.7	1,000.1	1,013.6	1,026.0
Employer contributions for government social insurance.....	8	432.3	462.1	462.1	458.7	461.5	469.5	482.6
Proprietors' income with inventory valuation and capital consumption adjustments.....	9	970.7	1,015.1	1,008.3	1,011.9	1,014.8	1,025.3	1,038.6
Farm.....	10	30.2	22.6	23.9	17.5	21.7	27.3	31.7
Nonfarm.....	11	940.4	992.5	984.4	994.3	993.2	998.0	1,006.9
Rental income of persons with capital consumption adjustment.....	12	72.8	77.4	76.8	71.4	78.3	83.1	86.0
Personal income receipts on assets.....	13	1,519.4	1,656.3	1,602.3	1,647.7	1,683.6	1,691.6	1,729.2
Personal interest income.....	14	945.0	1,016.7	989.1	1,019.2	1,035.8	1,022.8	1,039.8
Personal dividend income.....	15	574.4	639.6	613.2	628.5	647.8	668.8	689.4
Personal current transfer receipts.....	16	1,526.6	1,602.2	1,570.4	1,589.7	1,618.6	1,629.9	1,685.1
Government social benefits to persons.....	17	1,480.9	1,566.9	1,536.0	1,554.7	1,583.1	1,593.9	1,649.0
Old-age, survivors, disability, and health insurance benefits.....	18	844.9	931.4	909.9	928.1	936.7	950.7	975.3
Government unemployment insurance benefits.....	19	31.3	27.3	27.8	27.0	27.3	27.1	27.6
Veterans benefits.....	20	36.8	40.0	39.1	39.8	40.2	40.8	41.8
Family assistance ¹	21	18.3	18.8	18.6	18.8	18.9	19.0	19.1
Other.....	22	549.4	549.5	540.6	541.0	560.0	556.2	585.2
Other current transfer receipts, from business (net).....	23	45.7	35.3	34.5	35.0	35.5	36.0	36.1
Less: Contributions for government social insurance.....	24	880.6	945.7	936.7	938.8	945.2	961.9	991.9
Less: Personal current taxes	25	1,203.1	1,362.1	1,332.6	1,361.0	1,362.5	1,392.3	1,449.5
Equals: Disposable personal income	26	9,036.1	9,529.1	9,388.8	9,446.2	9,577.0	9,704.3	9,898.0
Less: Personal outlays	27	9,070.9	9,625.5	9,418.5	9,577.0	9,710.0	9,796.5	9,980.3
Personal consumption expenditures.....	28	8,742.4	9,268.9	9,079.2	9,228.1	9,346.7	9,421.8	9,601.3
Personal interest payments ²	29	209.4	230.3	218.5	222.9	235.5	244.3	248.7
Personal current transfer payments.....	30	119.2	126.3	120.9	126.0	127.8	130.5	130.3
To government.....	31	72.0	78.0	75.7	77.3	79.0	80.0	80.9
To the rest of the world (net).....	32	47.1	48.3	45.2	48.7	48.8	50.5	49.5
Equals: Personal saving	33	-34.8	-96.4	-29.7	-130.8	-133.0	-92.2	-82.3
Personal saving as a percentage of disposable personal income	34	-0.4	-1.0	-0.3	-1.4	-1.4	-0.9	-0.8
Addenda:								
Disposable personal income:								
Total, billions of chained (2000) dollars ³	35	8,104.6	8,318.6	8,276.8	8,245.4	8,311.0	8,441.7	8,540.1
Per capita:								
Current dollars.....	36	30,440	31,794	31,437	31,560	31,916	32,258	32,831
Chained (2000) dollars.....	37	27,302	27,755	27,714	27,548	27,698	28,061	28,327
Population (midperiod, thousands).....	38	296,852	299,715	298,651	299,312	300,064	300,833	301,487
Percent change from preceding period:								
Disposable personal income, current dollars.....	39	4.1	5.5	6.8	2.5	5.7	5.4	8.2
Disposable personal income, chained (2000) dollars.....	40	1.2	2.6	4.6	-1.5	3.2	6.4	4.7

1. Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
 2. Consists of nonmortgage interest paid by households.
 3. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

Table 2.2B. Wage and Salary Disbursements by Industry
 [Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Wage and salary disbursements	1	5,664.8	6,031.1	5,970.1	5,980.9	6,027.6	6,145.6	6,291.8
Private industries	2	4,687.1	5,017.2	4,972.0	4,975.0	5,007.1	5,114.6	5,246.6
Goods-producing industries.....	3	1,101.3	1,180.5	1,177.3	1,173.0	1,171.5	1,200.1	1,216.5
Manufacturing.....	4	704.7	736.8	742.8	732.8	729.1	742.4	750.4
Services-producing industries.....	5	3,585.8	3,836.7	3,794.7	3,802.0	3,835.6	3,914.5	4,030.2
Trade, transportation, and utilities.....	6	937.2	995.1	983.6	990.8	995.6	1,010.2	1,020.8
Other services-producing industries ¹	7	2,648.5	2,841.6	2,811.0	2,811.2	2,840.0	2,904.3	3,009.3
Government	8	977.7	1,013.9	998.1	1,005.9	1,020.5	1,031.0	1,045.2

1. Other services-producing industries consists of information; finance and insurance; real estate and rental and leasing; professional, scientific, and technical services; management of companies and enterprises, administrative and support and waste management and remediation services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services.
 Note: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

Table 2.3.1. Percent Change From Preceding Period in Real Personal Consumption Expenditures by Major Type of Product
[Percent]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Personal consumption expenditures	1	3.5	3.2	4.8	2.6	2.8	4.2	4.4
Durable goods	2	5.5	5.0	19.8	-0.1	6.4	4.4	8.8
Motor vehicles and parts	3	0.6	-1.2	18.9	-1.2	8.6	-4.4	11.9
Furniture and household equipment	4	10.0	12.2	22.8	3.3	6.7	13.2	9.5
Other	5	8.7	5.6	16.3	-3.7	1.6	7.5	1.6
Nondurable goods	6	4.5	3.7	5.9	1.4	1.5	5.9	3.5
Food	7	5.4	4.2	6.7	2.0	-0.7	6.6	1.5
Clothing and shoes	8	6.2	5.3	8.6	-3.8	5.5	6.7	8.2
Gasoline, fuel oil, and other energy goods	9	-0.5	-1.0	-1.3	0.7	5.0	1.1	7.2
Gasoline and oil	10	0.0	-0.4	0.0	-0.8	6.9	-0.4	3.4
Fuel oil and coal	11	-6.2	-8.1	-17.6	25.1	-18.4	24.4	64.9
Other	12	4.1	4.2	6.4	3.4	2.0	6.5	3.3
Services	13	2.6	2.6	1.6	3.7	2.8	3.4	4.0
Housing	14	2.8	2.3	2.3	2.4	2.6	3.2	2.3
Household operation	15	2.1	-0.4	-14.0	8.4	9.7	3.5	8.5
Electricity and gas	16	2.6	-2.5	-29.7	15.8	21.9	5.3	17.9
Other household operation ..	17	1.8	1.2	-0.1	3.4	1.6	2.3	1.9
Transportation	18	0.1	1.4	4.0	1.7	1.3	3.8	3.0
Medical care	19	3.6	3.5	4.3	2.6	2.1	3.5	4.7
Recreation	20	2.7	2.1	3.1	0.8	3.0	3.2	-0.4
Other	21	2.0	3.4	3.2	6.1	1.6	3.4	4.6
Addenda:								
Energy goods and services ¹ ..	22	0.8	-1.7	-13.8	6.2	10.9	2.7	11.5
Personal consumption expenditures excluding food and energy	23	3.3	3.4	6.0	2.4	2.8	4.0	4.4

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

Table 2.3.2. Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Percent change at annual rate:								
Personal consumption expenditures	1	3.5	3.2	4.8	2.6	2.8	4.2	4.4
Percentage points at annual rates:								
Durable goods	2	0.65	0.58	2.14	-0.01	0.72	0.50	0.98
Motor vehicles and parts	3	0.03	-0.06	0.85	-0.06	0.40	-0.22	0.54
Furniture and household equipment	4	0.42	0.51	0.92	0.14	0.28	0.54	0.40
Other	5	0.20	0.13	0.37	-0.09	0.04	0.17	0.04
Nondurable goods	6	1.28	1.09	1.71	0.42	0.46	1.70	1.03
Food	7	0.73	0.58	0.92	0.27	-0.10	0.90	0.21
Clothing and shoes	8	0.24	0.20	0.33	-0.15	0.21	0.26	0.31
Gasoline, fuel oil, and other energy goods	9	-0.02	-0.03	-0.05	0.03	0.19	0.04	0.24
Gasoline and oil	10	0.00	-0.01	0.00	-0.03	0.25	-0.02	0.11
Fuel oil and coal	11	-0.02	-0.02	-0.05	0.05	-0.05	0.05	0.13
Other	12	0.33	0.33	0.51	0.27	0.15	0.51	0.26
Services	13	1.55	1.52	0.96	2.17	1.64	2.04	2.36
Housing	14	0.43	0.35	0.34	0.36	0.38	0.48	0.35
Household operation	15	0.12	-0.03	-0.84	0.44	0.51	0.20	0.46
Electricity and gas	16	0.06	-0.07	-0.83	0.34	0.46	0.12	0.40
Other household operation ..	17	0.06	0.04	0.00	0.11	0.05	0.07	0.06
Transportation	18	0.01	0.05	0.15	0.06	0.05	0.14	0.11
Medical care	19	0.61	0.60	0.74	0.44	0.36	0.61	0.81
Recreation	20	0.11	0.09	0.13	0.03	0.12	0.13	-0.02
Other	21	0.28	0.47	0.45	0.83	0.22	0.48	0.64
Addenda:								
Energy goods and services ¹ ..	22	0.04	-0.10	-0.88	0.36	0.65	0.16	0.64
Personal consumption expenditures excluding food and energy	23	2.71	2.71	4.77	1.95	2.27	3.19	3.52

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

Table 2.3.3. Real Personal Consumption Expenditures by Major Type of Product, Quantity Indexes
[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Personal consumption expenditures	1	116.349	120.062	118.761	119.521	120.355	121.612	122.920
Durable goods	2	132.666	139.329	137.893	137.868	140.019	141.534	144.536
Motor vehicles and parts	3	117.173	115.749	115.158	114.799	117.179	115.860	119.150
Furniture and household equipment	4	156.790	175.947	172.097	173.496	176.324	181.869	186.034
Other	5	129.696	136.968	137.039	135.754	136.292	138.789	139.355
Nondurable goods	6	116.924	121.301	120.313	120.742	121.204	122.947	124.014
Food	7	115.191	120.074	119.265	119.853	119.631	121.548	121.999
Clothing and shoes	8	125.195	131.850	131.367	130.113	131.876	134.043	136.716
Gasoline, fuel oil, and other energy goods	9	104.204	103.188	102.348	102.532	103.795	104.075	105.905
Gasoline and oil	10	105.824	105.378	104.696	104.481	106.227	106.108	107.007
Fuel oil and coal	11	86.762	79.742	77.338	81.795	77.738	82.097	93.027
Other	12	120.838	125.950	124.356	125.409	126.016	128.018	129.064
Services	13	112.925	115.822	114.398	115.440	116.234	117.215	118.359
Housing	14	111.540	114.129	113.035	113.713	114.436	115.331	115.999
Household operation	15	107.145	106.679	103.628	105.735	108.203	109.150	111.393
Electricity and gas	16	107.317	104.595	98.875	102.566	107.770	109.170	113.746
Other household operation ..	17	107.016	108.338	107.289	108.190	108.629	109.244	109.762
Transportation	18	97.652	99.011	98.298	98.722	99.044	99.979	100.715
Medical care	19	122.799	127.096	125.887	126.690	127.347	128.459	129.952
Recreation	20	116.727	119.191	118.336	118.581	119.448	120.400	120.265
Other	21	109.540	113.226	111.521	113.175	113.622	114.586	115.878
Addenda:								
Energy goods and services ¹ ..	22	105.473	103.639	100.967	102.498	105.192	105.899	108.828
Personal consumption expenditures excluding food and energy	23	117.255	121.214	119.953	120.674	121.521	122.708	124.030

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

Table 2.3.4. Price Indexes for Personal Consumption Expenditures by Major Type of Product
[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Personal consumption expenditures	1	111.493	114.556	113.445	114.573	115.241	114.966	115.911
Durable goods	2	90.198	88.981	89.385	89.206	88.967	88.366	87.953
Motor vehicles and parts	3	98.967	99.400	99.460	99.532	99.631	98.980	98.547
Furniture and household equipment	4	76.884	73.466	74.671	73.894	73.046	72.252	71.527
Other	5	97.688	98.464	97.567	98.351	98.950	98.986	99.444
Nondurable goods	6	111.530	114.959	113.484	115.769	116.442	114.141	115.556
Food	7	112.732	115.333	114.414	114.905	115.727	116.284	117.665
Clothing and shoes	8	91.706	91.350	90.870	91.651	91.342	91.536	91.683
Gasoline, fuel oil, and other energy goods	9	151.423	170.993	161.126	182.632	185.621	154.591	161.006
Gasoline and oil	10	150.760	170.298	160.254	182.620	185.352	152.967	159.934
Fuel oil and coal	11	159.465	179.263	172.031	180.783	187.495	176.743	175.732
Other	12	107.775	109.786	109.301	109.737	110.041	110.064	110.789
Services	13	116.529	120.509	119.194	120.059	120.960	121.824	122.880
Housing	14	116.165	120.327	118.269	119.717	121.055	122.268	123.342
Household operation	15	115.554	121.687	122.403	121.019	121.383	121.942	124.171
Electricity and gas	16	129.900	141.706	145.582	140.799	140.318	140.128	144.813
Other household operation ..	17	107.233	109.996	108.977	109.447	110.285	111.276	112.057
Transportation	18	112.663	116.895	115.411	116.826	117.675	117.669	118.121
Medical care	19	118.438	121.725	120.482	121.332	122.180	122.907	124.289
Recreation	20	115.168	118.640	117.311	118.582	119.425	119.244	119.668
Other	21	116.625	120.457	119.116	119.970	120.711	122.032	122.561
Addenda:								
Energy goods and services ¹ ..	22	142.141	158.595	154.467	164.836	166.327	148.750	154.421
Personal consumption expenditures excluding food and energy	23	109.559	111.974	110.983	111.738	112.337	112.838	113.457

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

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Personal consumption expenditures	1	8,742.4	9,268.9	9,079.2	9,228.1	9,346.7	9,421.8	9,601.3
Durable goods	2	1,033.1	1,070.3	1,064.1	1,061.8	1,075.5	1,079.8	1,097.5
Motor vehicles and parts.....	3	448.2	444.7	442.7	441.7	451.3	443.3	453.9
Furniture and household equipment.....	4	377.2	404.6	402.3	401.3	403.2	411.4	416.6
Other.....	5	207.7	221.0	219.1	218.8	221.0	225.2	227.1
Nondurable goods	6	2,539.3	2,714.9	2,658.2	2,721.4	2,747.7	2,732.1	2,790.0
Food.....	7	1,201.4	1,281.1	1,262.3	1,274.0	1,280.7	1,307.5	1,327.9
Clothing and shoes.....	8	341.8	358.6	355.4	355.1	358.7	365.3	373.2
Gasoline, fuel oil, and other energy goods.....	9	302.1	338.3	316.2	359.1	369.4	308.5	327.0
Gasoline and oil.....	10	280.2	315.6	295.1	335.6	346.3	285.5	301.0
Fuel oil and coal.....	11	21.9	22.7	21.1	23.5	23.2	23.1	26.0
Other.....	12	694.0	736.8	724.2	733.3	738.9	750.8	761.9
Services	13	5,170.0	5,483.7	5,356.8	5,444.9	5,523.5	5,609.8	5,713.7
Housing.....	14	1,304.1	1,382.2	1,345.4	1,370.1	1,394.2	1,419.2	1,439.9
Household operation.....	15	483.0	506.4	494.8	499.1	512.3	519.2	539.5
Electricity and gas.....	16	199.8	212.2	206.2	206.9	216.6	219.2	236.0
Other household operation.....	17	283.2	294.1	288.6	292.2	295.7	300.0	303.6
Transportation.....	18	320.4	337.1	330.4	335.9	339.5	342.7	346.5
Medical care.....	19	1,493.4	1,588.5	1,557.2	1,578.2	1,597.5	1,621.0	1,658.3
Recreation.....	20	360.6	379.4	372.4	377.2	382.7	385.1	386.1
Other.....	21	1,208.4	1,290.2	1,256.5	1,284.3	1,297.3	1,322.6	1,343.4
Addenda:								
Energy goods and services ¹ ... Personal consumption expenditures excluding food and energy.....	22	501.9	550.5	522.4	566.0	586.1	527.7	563.0
	23	7,039.1	7,437.2	7,294.4	7,388.1	7,479.9	7,586.6	7,710.4

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

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Personal consumption expenditures	1	7,841.2	8,091.4	8,003.8	8,055.0	8,111.2	8,195.9	8,284.0
Durable goods	2	1,145.3	1,202.9	1,190.5	1,190.3	1,208.8	1,221.9	1,247.8
Motor vehicles and parts.....	3	452.9	447.4	445.1	443.7	452.9	447.8	460.5
Furniture and household equipment.....	4	490.6	550.5	538.5	542.9	551.7	569.1	582.1
Other.....	5	212.6	224.5	224.6	222.5	223.4	227.5	228.4
Nondurable goods	6	2,276.8	2,362.0	2,342.8	2,351.1	2,360.1	2,394.0	2,414.8
Food.....	7	1,065.7	1,110.9	1,103.4	1,108.8	1,108.8	1,124.5	1,128.7
Clothing and shoes.....	8	372.7	392.5	391.1	387.4	392.6	399.1	407.0
Gasoline, fuel oil, and other energy goods.....	9	199.5	197.6	196.0	196.3	198.7	199.3	202.8
Gasoline and oil.....	10	185.9	185.1	183.9	183.5	186.6	186.4	188.0
Fuel oil and coal.....	11	13.7	12.6	12.2	12.9	12.3	13.0	14.7
Other.....	12	643.9	671.1	662.6	668.3	671.5	682.2	687.7
Services	13	4,436.6	4,550.4	4,494.5	4,535.4	4,566.6	4,605.2	4,650.1
Housing.....	14	1,122.6	1,148.7	1,137.6	1,144.5	1,151.7	1,160.8	1,167.5
Household operation.....	15	418.0	416.2	404.3	412.5	422.1	425.8	434.6
Electricity and gas.....	16	153.8	149.9	141.7	147.0	154.4	156.4	163.0
Other household operation.....	17	264.1	267.4	264.8	267.0	268.1	269.6	270.9
Transportation.....	18	284.4	288.4	286.3	287.5	288.5	291.2	293.3
Medical care.....	19	1,260.9	1,305.0	1,292.6	1,300.9	1,307.6	1,319.0	1,334.4
Recreation.....	20	313.1	319.7	317.5	318.1	320.4	323.0	322.6
Other.....	21	1,036.2	1,071.1	1,054.9	1,070.6	1,074.8	1,083.9	1,096.1
Residual	22	-31.9	-53.4	-53.0	-50.6	-52.1	-57.6	-60.9
Addenda:								
Energy goods and services ¹ ... Personal consumption expenditures excluding food and energy.....	23	353.1	347.0	338.0	343.1	352.2	354.5	364.3
	24	6,424.9	6,641.8	6,572.7	6,612.3	6,658.7	6,723.7	6,796.1

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

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

3. Government Current Receipts and Expenditures

Table 3.1. Government Current Receipts and Expenditures

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Current receipts	1	3,586.3	3,970.4	3,895.1	3,961.6	3,990.3	4,034.5	4,129.1
Current tax receipts	2	2,520.7	2,797.0	2,736.2	2,796.5	2,815.1	2,840.2	2,905.2
Personal current taxes	3	1,203.1	1,362.1	1,332.6	1,361.0	1,362.5	1,392.3	1,449.5
Taxes on production and imports	4	922.4	965.1	952.5	966.4	968.6	972.9	978.9
Taxes on corporate income	5	384.4	457.2	440.7	458.2	472.7	457.1	465.1
Taxes from the rest of the world	6	10.8	12.6	10.4	10.9	11.3	18.0	11.7
Contributions for government social insurance	7	880.6	945.7	936.7	938.8	945.2	961.9	991.9
Income receipts on assets	8	98.3	102.5	100.0	101.6	103.3	105.2	105.8
Interest and miscellaneous receipts	9	95.8	99.9	97.5	99.0	100.7	102.6	103.1
Dividends	10	2.4	2.6	2.5	2.6	2.6	2.6	2.7
Current transfer receipts	11	102.1	135.1	131.4	134.1	136.9	138.1	139.6
From business (net)	12	30.1	57.1	55.6	56.7	57.9	58.1	58.8
From persons	13	72.0	78.0	75.7	77.3	79.0	80.0	80.9
Current surplus of government enterprises	14	-15.4	-9.9	-9.2	-9.4	-10.2	-10.9	-13.4
Current expenditures	15	3,898.8	4,118.8	4,029.3	4,098.6	4,173.5	4,173.7	4,300.8
Consumption expenditures	16	1,975.7	2,096.3	2,059.7	2,083.0	2,109.1	2,133.5	2,167.3
Current transfer payments	17	1,517.8	1,592.8	1,561.2	1,581.2	1,610.2	1,618.5	1,683.1
Government social benefits	18	1,484.0	1,570.1	1,539.2	1,558.0	1,586.2	1,597.1	1,652.2
To persons	19	1,480.9	1,566.9	1,536.0	1,554.7	1,583.1	1,593.9	1,649.0
To the rest of the world	20	3.1	3.2	3.2	3.3	3.1	3.2	3.2
Other current transfer payments to the rest of the world (net)	21	33.9	22.7	22.0	23.2	24.0	21.4	30.9
Interest payments	22	348.0	377.1	353.3	382.0	402.4	370.7	400.3
To persons and business	23	234.4	231.8	218.5	236.9	253.8	217.9	244.5
To the rest of the world	24	113.6	145.3	134.8	145.1	148.6	152.8	155.8
Subsidies	25	57.3	52.5	55.1	52.3	51.8	51.0	50.1
Less: Wage accruals less disbursements	26	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net government saving	27	-312.5	-148.4	-134.3	-136.9	-183.3	-139.2	-171.6
Social insurance funds	28	65.4	52.5	62.3	48.4	47.6	51.9	57.5
Other	29	-377.9	-200.9	-196.6	-185.3	-230.8	-191.0	-229.1
Addenda:								
Total receipts	30	3,616.5	4,002.6	3,928.8	3,994.1	4,021.4	4,066.2	4,155.9
Current receipts	31	3,586.3	3,970.4	3,895.1	3,961.6	3,990.3	4,034.5	4,129.1
Capital transfer receipts	32	30.2	32.2	33.7	32.5	31.1	31.6	26.8
Total expenditures	33	4,072.8	4,301.5	4,223.6	4,294.4	4,368.8	4,319.4	4,505.4
Current expenditures	34	3,898.8	4,118.8	4,029.3	4,098.6	4,173.5	4,173.7	4,300.8
Gross government investment	35	397.1	431.3	419.9	430.9	433.0	441.5	451.2
Capital transfer payments	36	18.3	18.3	21.3	18.1	16.8	16.9	21.0
Net purchases of nonproduced assets	37	10.9	-1.1	12.2	9.8	13.1	-39.7	11.2
Less: Consumption of fixed capital	38	252.2	265.7	259.1	262.9	267.6	273.1	278.7
Net lending or net borrowing (-)	39	-456.3	-298.9	-294.8	-300.3	-347.4	-253.2	-349.5

Table 3.2. Federal Government Current Receipts and Expenditures

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Current receipts	1	2,246.8	2,540.8	2,490.9	2,523.2	2,557.2	2,591.9	2,662.7
Current tax receipts.....	2	1,366.2	1,563.4	1,524.9	1,553.2	1,579.2	1,596.4	1,640.1
Personal current taxes.....	3	927.9	1,061.5	1,039.2	1,049.9	1,064.7	1,092.0	1,134.7
Taxes on production and imports	4	101.1	100.8	101.1	103.0	101.3	97.9	97.8
Excise taxes.....	5	75.8	74.1	75.4	75.9	73.9	71.4	69.6
Customs duties.....	6	25.3	26.7	25.7	27.1	27.4	26.5	28.2
Taxes on corporate income.....	7	326.4	388.5	374.3	389.4	401.8	388.5	395.8
Federal Reserve banks.....	8	21.5	27.3	25.0	27.3	29.0	28.0	31.1
Other.....	9	304.9	361.2	349.3	362.1	372.8	360.5	364.7
Taxes from the rest of the world.....	10	10.8	12.6	10.4	10.9	11.3	18.0	11.7
Contributions for government social insurance.....	11	855.3	920.9	911.9	914.1	920.5	937.1	966.8
Income receipts on assets.....	12	22.9	25.0	23.3	24.2	25.4	27.0	26.9
Interest receipts.....	13	15.9	16.0	15.0	15.3	16.1	17.7	18.3
Rents and royalties.....	14	7.1	8.9	8.3	8.9	9.3	9.3	8.6
Current transfer receipts.....	15	7.1	32.9	32.2	32.8	33.6	33.0	32.5
From business.....	16	-6.8	17.6	17.5	17.7	18.0	17.5	17.3
From persons.....	17	13.8	15.3	14.7	15.2	15.6	15.5	15.2
Current surplus of government enterprises.....	18	-4.9	-1.4	-1.4	-1.1	-1.5	-1.6	-3.5
Current expenditures	19	2,555.9	2,691.7	2,637.9	2,686.2	2,730.2	2,712.7	2,796.4
Consumption expenditures.....	20	768.6	808.0	803.6	802.3	809.1	817.1	825.3
Current transfer payments.....	21	1,476.7	1,551.1	1,522.0	1,546.6	1,564.8	1,571.1	1,618.6
Government social benefits.....	22	1,081.7	1,170.5	1,148.8	1,166.4	1,175.2	1,191.5	1,217.3
To persons.....	23	1,078.6	1,167.3	1,145.5	1,163.1	1,172.1	1,188.4	1,214.1
To the rest of the world.....	24	3.1	3.2	3.2	3.3	3.1	3.2	3.2
Other current transfer payments.....	25	395.0	380.7	373.3	380.3	389.6	379.6	401.4
Grants-in-aid to state and local governments.....	26	361.1	358.0	351.3	357.0	365.6	358.2	370.5
To the rest of the world (net).....	27	33.9	22.7	22.0	23.2	24.0	21.4	30.9
Interest payments.....	28	253.8	280.4	257.5	285.4	304.9	273.9	302.8
To persons and business.....	29	140.3	135.1	122.7	140.3	156.3	121.1	147.0
To the rest of the world.....	30	113.6	145.3	134.8	145.1	148.6	152.8	155.8
Subsidies.....	31	56.9	52.1	54.7	51.9	51.4	50.6	49.7
Less: Wage accruals less disbursements.....	32	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Federal Government saving	33	-309.2	-151.0	-147.0	-163.1	-173.0	-120.7	-133.7
Social insurance funds.....	34	58.1	46.8	56.2	42.6	42.1	46.5	52.1
Other.....	35	-367.3	-197.8	-203.2	-205.7	-215.1	-167.2	-185.8
Addenda:								
Total receipts	36	2,271.7	2,568.3	2,519.7	2,550.9	2,583.7	2,619.0	2,685.0
Current receipts.....	37	2,246.8	2,540.8	2,490.9	2,523.2	2,557.2	2,591.9	2,662.7
Capital transfer receipts.....	38	25.0	27.5	28.8	27.7	26.5	27.1	22.3
Total expenditures	39	2,633.0	2,762.8	2,725.8	2,766.9	2,814.1	2,744.4	2,873.1
Current expenditures.....	40	2,555.9	2,691.7	2,637.9	2,686.2	2,730.2	2,712.7	2,796.4
Gross government investment.....	41	109.8	118.6	118.2	117.4	118.1	120.6	117.8
Capital transfer payments.....	42	67.0	70.1	72.0	69.2	70.1	69.2	67.2
Net purchases of nonproduced assets.....	43	-0.6	-13.3	0.2	-2.3	0.8	-52.1	-1.3
Less: Consumption of fixed capital.....	44	99.0	104.3	102.4	103.7	105.1	106.0	107.0
Net lending or net borrowing (-)	45	-361.3	-194.5	-206.1	-216.0	-230.4	-125.5	-188.1

Table 3.3. State and Local Government Current Receipts and Expenditures

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Current receipts	1	1,700.6	1,787.6	1,755.4	1,795.5	1,798.7	1,800.8	1,836.9
Current tax receipts.....	2	1,154.4	1,233.5	1,211.3	1,243.3	1,235.9	1,243.7	1,265.2
Personal current taxes.....	3	275.2	300.6	293.4	311.1	297.8	300.2	314.8
Income taxes.....	4	250.9	275.2	268.3	285.6	272.4	274.7	289.1
Other.....	5	24.4	25.4	25.1	25.5	25.4	25.6	25.7
Taxes on production and imports.....	6	821.2	864.2	851.4	863.3	867.2	875.0	881.0
Sales taxes.....	7	394.1	413.9	407.9	413.2	415.0	419.6	422.7
Property taxes.....	8	350.4	369.3	363.2	368.6	371.3	373.9	376.6
Other.....	9	76.7	81.1	80.3	81.5	81.0	81.5	81.7
Taxes on corporate income.....	10	58.0	68.7	66.4	68.8	70.9	68.5	69.3
Contributions for government social insurance.....	11	25.3	24.8	24.8	24.7	24.7	24.8	25.1
Income receipts on assets.....	12	75.3	77.6	76.7	77.4	77.9	78.2	78.9
Interest receipts.....	13	63.4	64.6	64.1	64.5	64.8	64.8	65.2
Dividends.....	14	2.4	2.6	2.5	2.6	2.6	2.6	2.7
Rents and royalties.....	15	9.5	10.4	10.1	10.3	10.6	10.8	11.1
Current transfer receipts.....	16	456.1	460.2	450.5	458.3	468.8	463.3	477.6
Federal grants-in-aid.....	17	361.1	358.0	351.3	357.0	365.6	358.2	370.5
From business (net).....	18	36.7	39.5	38.2	39.1	39.9	40.6	41.4
From persons.....	19	58.3	62.8	61.0	62.2	63.3	64.5	65.7
Current surplus of government enterprises.....	20	-10.5	-8.5	-7.8	-8.2	-8.7	-9.4	-9.9
Current expenditures	21	1,703.9	1,785.0	1,742.7	1,769.4	1,808.9	1,819.2	1,874.8
Consumption expenditures.....	22	1,207.2	1,288.3	1,256.2	1,280.7	1,300.0	1,316.5	1,342.0
Government social benefit payments to persons.....	23	402.3	399.6	390.4	391.7	411.0	405.5	435.0
Interest payments.....	24	94.2	96.7	95.8	96.6	97.5	96.8	97.5
Subsidies.....	25	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Less: Wage accruals less disbursements.....	26	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net state and local government saving	27	-3.3	2.5	12.7	26.1	-10.2	-18.4	-37.9
Social insurance funds.....	28	7.3	5.7	6.2	5.8	5.5	5.3	5.4
Other.....	29	-10.6	-3.2	6.5	20.4	-15.7	-23.8	-43.3
Addenda:								
Total receipts	30	1,754.6	1,844.2	1,811.1	1,851.5	1,856.6	1,857.6	1,887.7
Current receipts.....	31	1,700.6	1,787.6	1,755.4	1,795.5	1,798.7	1,800.8	1,836.9
Capital transfer receipts.....	32	53.9	56.6	55.6	56.0	58.0	56.9	50.8
Total expenditures	33	1,849.6	1,948.6	1,899.7	1,935.8	1,973.6	1,985.4	2,049.1
Current expenditures.....	34	1,703.9	1,785.0	1,742.7	1,769.4	1,808.9	1,819.2	1,874.8
Gross government investment.....	35	287.3	312.8	301.7	313.5	315.0	320.9	333.5
Capital transfer payments.....	36	.....	.....	.....	.....	.....	.....	.....
Net purchases of nonproduced assets.....	37	11.6	12.2	12.0	12.2	12.3	12.4	12.5
Less: Consumption of fixed capital.....	38	153.2	161.4	156.7	159.2	162.5	167.1	171.7
Net lending or net borrowing (-)	39	-95.0	-104.4	-88.7	-84.3	-117.0	-127.7	-161.4

Table 3.9.1. Percent Change From Preceding Period in Real Government Consumption Expenditures and Gross Investment
[Percent]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Government consumption expenditures and gross investment								
1	0.9	2.1	4.9	0.8	1.7	3.4	1.0	
Consumption expenditures ¹								
2	0.9	1.6	4.4	-0.5	2.5	3.7	0.4	
Gross investment ²								
3	1.1	4.1	7.6	7.4	-2.3	1.9	3.7	
Structures								
4	-2.0	3.0	5.5	10.3	-4.5	3.1	6.5	
Equipment and software								
5	6.4	6.1	11.1	2.6	1.7	-0.1	-1.3	
Federal								
6	1.5	2.0	8.8	-4.5	1.3	4.6	-3.9	
Consumption expenditures								
7	0.9	1.4	8.7	-4.4	1.5	4.1	-3.0	
Gross investment								
8	6.4	6.2	8.9	-4.9	0.0	7.7	-10.1	
Structures								
9	-1.6	-0.7	-17.0	-40.9	-0.6	84.3	-34.3	
Equipment and software								
10	7.7	7.3	14.2	2.5	0.1	-1.3	-5.2	
National defense								
11	1.7	1.9	8.9	-2.0	-1.2	12.3	-7.3	
Consumption expenditures								
12	1.2	1.2	9.1	-4.1	-0.9	11.2	-6.9	
Gross investment								
13	5.5	7.3	7.9	14.1	-3.1	20.1	-9.9	
Structures								
14	-3.5	3.9	-19.0	-10.7	4.6	294.1	-36.0	
Equipment and software								
15	6.2	7.5	10.2	16.1	-3.6	8.7	-6.9	
Nondefense								
16	1.1	2.1	8.5	-9.3	6.5	-9.6	3.6	
Consumption expenditures								
17	0.1	1.9	8.1	-5.0	6.5	-9.0	5.7	
Gross investment								
18	8.1	4.0	10.8	-32.9	6.7	-14.3	-10.6	
Structures								
19	-0.6	-3.0	-16.1	-51.4	-3.2	16.3	-33.0	
Equipment and software								
20	11.7	6.8	23.9	-24.5	10.3	-23.3	-0.5	
State and local								
21	0.5	2.1	2.7	4.0	1.9	2.7	3.9	
Consumption expenditures								
22	0.9	1.8	1.7	2.1	3.1	3.4	2.6	
Gross investment								
23	-0.9	3.4	7.0	12.5	-3.1	-0.1	9.2	
Structures								
24	-2.0	3.2	7.4	14.8	-4.7	-0.6	9.8	
Equipment and software								
25	4.2	4.0	5.6	2.9	4.7	2.0	6.2	

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).
2. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

Table 3.9.2. Contributions to Percent Change in Real Government Consumption Expenditures and Gross Investment

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Percent change at annual rate:								
Government consumption expenditures and gross investment								
1	0.9	2.1	4.9	0.8	1.7	3.4	1.0	
Percentage points at annual rates:								
Consumption expenditures ¹								
2	0.72	1.37	3.65	-0.41	2.06	3.05	0.37	
Gross investment ²								
3	0.18	0.69	1.26	1.22	-0.39	0.33	0.62	
Structures								
4	-0.21	0.32	0.59	1.06	-0.50	0.34	0.70	
Equipment and software								
5	0.39	0.38	0.67	0.16	0.11	-0.01	-0.08	
Federal								
6	0.56	0.73	3.17	-1.69	0.47	1.66	-1.45	
Consumption expenditures								
7	0.28	0.45	2.76	-1.45	0.47	1.31	-0.96	
Gross investment								
8	0.28	0.28	0.42	-0.24	0.00	0.35	-0.49	
Structures								
9	-0.01	0.00	-0.13	-0.34	0.00	0.40	-0.28	
Equipment and software								
10	0.30	0.29	0.55	0.10	0.01	-0.05	-0.21	
National defense								
11	0.43	0.47	2.15	-0.50	-0.30	2.87	-1.86	
Consumption expenditures								
12	0.26	0.25	1.91	-0.91	-0.20	2.29	-1.53	
Gross investment								
13	0.16	0.22	0.24	0.41	-0.10	0.58	-0.33	
Structures								
14	-0.01	0.01	-0.05	-0.02	0.01	0.34	-0.12	
Equipment and software								
15	0.17	0.21	0.28	0.43	-0.11	0.24	-0.21	
Nondefense								
16	0.14	0.26	1.02	-1.19	0.77	-1.21	0.41	
Consumption expenditures								
17	0.02	0.19	0.85	-0.55	0.67	-0.98	0.57	
Gross investment								
18	0.12	0.06	0.18	-0.65	0.10	-0.23	-0.16	
Structures								
19	0.00	-0.01	-0.09	-0.31	-0.01	0.06	-0.16	
Equipment and software								
20	0.12	0.08	0.26	-0.33	0.11	-0.29	-0.01	
State and local								
21	0.33	1.34	1.74	2.50	1.20	1.73	2.44	
Consumption expenditures								
22	0.44	0.93	0.89	1.05	1.59	1.74	1.33	
Gross investment								
23	-0.10	0.41	0.85	1.46	-0.39	-0.02	1.11	
Structures								
24	-0.20	0.32	0.72	1.39	-0.50	-0.06	0.98	
Equipment and software								
25	0.10	0.09	0.13	0.06	0.10	0.04	0.13	

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).
2. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

Table 3.9.3. Real Government Consumption Expenditures and Gross Investment, Quantity Indexes
[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Government consumption expenditures and gross investment								
1	113.731	116.081	115.423	115.657	116.136	117.107	117.395	
Consumption expenditures ¹								
2	113.564	115.437	114.925	114.784	115.495	116.545	116.673	
Gross investment ²								
3	114.431	119.167	117.777	119.898	119.209	119.784	120.864	
Structures								
4	104.770	107.865	106.305	108.939	107.690	108.526	110.245	
Equipment and software								
5	133.146	141.319	140.345	141.261	141.859	141.812	141.352	
Federal								
6	125.701	128.191	128.728	127.262	127.669	129.106	127.820	
Consumption expenditures								
7	124.339	126.060	126.577	125.156	125.614	126.892	125.932	
Gross investment								
8	135.726	144.105	144.796	142.979	142.986	145.659	141.825	
Structures								
9	95.106	94.459	100.160	87.820	87.685	102.172	91.997	
Equipment and software								
10	144.848	155.480	154.873	155.821	155.865	155.361	153.294	
National defense								
11	130.593	133.077	132.808	132.141	131.740	135.618	133.060	
Consumption expenditures								
12	128.551	130.036	130.343	128.981	128.681	132.141	129.783	
Gross investment								
13	145.920	156.563	151.544	156.631	155.397	162.678	158.497	
Structures								
14	85.263	88.558	81.631	79.347	80.239	113.054	101.120	
Equipment and software								
15	153.436	165.015	160.333	166.443	164.911	168.371	165.393	
Nondefense								
16	116.896	119.406	121.411	118.488	120.370	117.356	118.386	
Consumption expenditures								
17	116.593	118.758	119.666	118.137	120.006	117.224	118.861	
Gross investment								
18	119.670	124.459	134.201	121.448	123.427	118.762	115.477	
Structures								
19	100.972	97.992	111.254	92.885	92.137	95.692	86.567	
Equipment and software								
20	128.100	136.774	144.679	134.864	138.220	129.333	129.178	
State and local								
21	107.660	109.934	108.682	109.762	110.277	111.016	112.080	
Consumption expenditures								
22	107.655	109.611	108.536	109.095	109.944	110.870	111.590	
Gross investment								
23	107.563	111.176	109.177	112.448	111.558	111.520	113.997	
Structures								
24	105.501	108.876	106.780	110.517	109.185	109.023	111.608	
Equipment and software								
25	116.965	121.685	120.176	121.051	122.449	123.065	124.921	

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).
2. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

Table 3.9.4. Price Indexes for Government Consumption Expenditures and Gross Investment
[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Government consumption expenditures and gross investment								
1	121.183	126.484	124.791	126.262	127.150	127.731	129.568	
Consumption expenditures ¹								
2	122.768	128.151	126.480	128.065	128.869	129.190	131.090	
Gross investment ²								
3	113.947	118.873	117.085	118.041	119.305	121.061	122.617	
Structures								
4	125.497	133.950	131.056	132.477	134.631	137.635	140.239	
Equipment and software								
5	96.580	96.921	96.566	96.915	97.027	97.175	97.363	
Federal								
6	120.726	124.892	123.721	124.871	125.482	125.495	127.487	
Consumption expenditures								
7	123.792	128.378	127.152	128.391	129.007	128.962	131.263	
Gross investment								
8	101.776	103.543	102.693	103.336	103.905	104.237	104.492	
Structures								
9	121.970	130.437	127.651	129.602	131.073	133.422	135.146	
Equipment and software								
10	98.436	99.331	98.721	99.199	99.660	99.742	99.810	
National defense								
11	121.855	126.020	124.752	126.006	126.714	126.608	128.585	
Consumption expenditures								
12	125.071	129.643	128.327	129.681	130.375	130.189	132.475	
Gross investment								
13	101.628	103.409	102.438	103.109	103.880	104.207	104.480	
Structures								
14	122.288	130.471	128.116	129.674	130.641	133.455	135.670	
Equipment and software								
15	99.901	101.280	100.399	101.016	101.772	101.934	102.066	
Nondefense								
16	118.606	122.771	121.787	122.736	123.154	123.405	125.429	
Consumption expenditures								
17	121.381	126.995	124.944	125.958	126.422	126.657	128.989	
Gross investment								
18	101.913	103.639	103.035	103.623	103.780	104.120	104.335	
Structures								
19	121.819	130.378	127.394	129.531	131.261	133.325	134.704	
Equipment and software								
20	94.902	94.671	94.703	94.861	94.619	94.500	94.405	
State and local								
21	121.463	127.434	125.434	127.095	128.147	129.061	130.809	
Consumption expenditures								

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Government consumption expenditures and gross investment	1	2,372.8	2,527.7	2,479.6	2,513.9	2,542.1	2,575.1	2,618.5
Consumption expenditures ¹	2	1,975.7	2,096.3	2,059.7	2,083.0	2,109.1	2,133.5	2,167.3
Gross investment ²	3	397.1	431.3	419.9	430.9	433.0	441.5	451.2
Structures	4	248.9	273.6	263.7	273.2	274.5	282.8	292.7
Equipment and software	5	148.1	157.8	156.1	157.7	158.6	158.7	158.5
Federal	6	878.3	926.6	921.7	919.7	927.2	937.7	943.1
Consumption expenditures	7	768.6	808.0	803.6	802.3	809.1	817.1	825.3
Gross investment	8	109.8	118.6	118.2	117.4	118.1	120.6	117.8
Structures	9	15.4	16.4	17.0	15.1	15.3	18.1	16.5
Equipment and software	10	94.4	102.2	101.2	102.3	102.8	102.5	101.2
National defense	11	589.3	621.0	613.5	616.5	618.1	635.8	633.5
Consumption expenditures	12	516.9	542.0	537.7	537.7	539.3	553.0	552.7
Gross investment	13	72.4	79.0	75.8	78.8	78.8	82.7	80.8
Structures	14	5.2	5.8	5.2	5.1	5.2	7.5	6.8
Equipment and software	15	67.2	73.3	70.6	73.7	73.6	75.3	74.0
Nondefense	16	289.0	305.6	308.2	303.2	309.0	301.9	309.6
Consumption expenditures	17	251.7	266.1	265.9	264.6	269.8	264.0	272.6
Gross investment	18	37.4	39.5	42.4	38.6	39.3	37.9	36.9
Structures	19	10.2	10.6	11.8	10.0	10.1	10.6	9.7
Equipment and software	20	27.1	28.9	30.6	28.6	29.2	27.3	27.2
State and local	21	1,494.4	1,601.1	1,557.9	1,594.2	1,614.9	1,637.4	1,675.4
Consumption expenditures	22	1,207.2	1,288.3	1,256.2	1,280.7	1,300.0	1,316.5	1,342.0
Gross investment	23	287.3	312.8	301.7	313.5	315.0	320.9	333.5
Structures	24	233.5	257.2	246.8	258.1	259.2	264.7	276.2
Equipment and software	25	53.8	55.6	54.9	55.4	55.8	56.2	57.3

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

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

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Government consumption expenditures and gross investment	1	1,958.0	1,998.4	1,987.1	1,991.2	1,999.4	2,016.1	2,021.1
Consumption expenditures ¹	2	1,609.3	1,635.9	1,628.6	1,626.6	1,636.7	1,651.5	1,653.4
Gross investment ²	3	348.5	362.9	358.6	365.1	363.0	364.8	368.0
Structures	4	198.4	204.2	201.3	206.2	203.9	205.5	208.7
Equipment and software	5	153.4	162.8	161.7	162.7	163.4	163.3	162.8
Federal	6	727.5	741.9	745.1	736.6	738.9	747.2	739.8
Consumption expenditures	7	620.8	629.4	632.0	624.9	627.2	633.6	628.8
Gross investment	8	107.9	114.5	115.1	113.6	113.6	115.7	112.7
Structures	9	12.6	12.6	13.3	11.7	11.7	13.6	12.2
Equipment and software	10	95.8	102.9	102.5	103.1	103.1	102.8	101.4
National defense	11	483.6	492.8	491.8	489.3	487.8	502.2	492.7
Consumption expenditures	12	413.3	418.1	419.0	414.7	413.7	424.8	417.2
Gross investment	13	71.2	76.4	74.0	76.5	75.9	79.4	77.4
Structures	14	4.2	4.4	4.1	3.9	4.0	5.6	5.0
Equipment and software	15	67.3	72.3	70.3	73.0	72.3	73.8	72.5
Nondefense	16	243.7	248.9	253.1	247.0	250.9	244.7	246.8
Consumption expenditures	17	207.3	211.2	212.8	210.1	213.4	208.5	211.4
Gross investment	18	36.7	38.2	41.1	37.2	37.8	36.4	35.4
Structures	19	8.4	8.2	9.3	7.7	7.7	8.0	7.2
Equipment and software	20	28.6	30.5	32.3	30.1	30.9	28.9	28.8
State and local	21	1,230.4	1,256.4	1,242.0	1,254.4	1,260.3	1,268.7	1,280.9
Consumption expenditures	22	988.0	1,006.0	996.1	1,001.2	1,009.0	1,017.5	1,024.1
Gross investment	23	242.1	250.2	245.7	253.1	251.1	251.0	256.5
Structures	24	185.7	191.7	188.0	194.5	192.2	191.9	196.5
Equipment and software	25	57.3	59.6	58.9	59.3	60.0	60.3	61.2
Residual	26	-2.1	-3.6	-3.7	-3.3	-3.8	-3.2	-2.8

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

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

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

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Government consumption expenditures ¹	1	0.9	1.6	4.4	-0.5	2.5	3.7	0.4
Gross output of general government	2	1.1	1.7	3.9	0.2	2.4	3.2	1.1
Value added	3	0.9	0.7	-0.7	0.8	2.4	1.6	0.9
Compensation of general government employees	4	0.6	0.3	-1.4	0.5	2.3	1.3	0.4
Consumption of general government fixed capital ²	5	2.6	2.8	3.4	2.8	3.1	3.3	3.5
Intermediate goods and services purchased ³	6	1.3	3.3	11.5	-0.9	2.3	5.6	1.3
Durable goods	7	2.5	4.2	-5.2	0.0	16.2	12.3	-8.6
Nondurable goods	8	1.2	1.5	3.8	-0.4	4.3	-3.2	1.9
Services	9	1.3	3.9	16.3	-1.1	0.4	8.5	2.1
Less: Own-account investment ⁴	10	1.4	4.2	3.7	8.9	-0.1	5.2	13.3
Sales to other sectors	11	2.3	1.8	1.0	3.6	1.8	-0.1	4.1
Federal consumption expenditures ¹	12	0.9	1.4	8.7	-4.4	1.5	4.1	-3.0
Gross output of general government	13	1.1	1.3	8.1	-3.9	1.3	3.0	-2.2
Value added	14	0.6	-0.3	-3.5	-0.1	3.2	0.0	-1.2
Compensation of general government employees	15	0.1	-1.1	-5.1	-0.7	3.5	-0.6	-2.0
Consumption of general government fixed capital ²	16	2.6	2.5	2.6	2.3	2.1	2.0	1.8
Intermediate goods and services purchased ³	17	1.8	3.3	24.4	-8.3	-1.1	6.8	-3.4
Durable goods	18	3.1	5.7	-10.2	-2.0	27.3	18.9	-16.2
Nondurable goods	19	0.7	-6.5	2.2	-22.3	5.9	-38.1	-10.0
Services	20	1.8	4.4	32.6	-7.1	-4.8	12.3	-1.0
Less: Own-account investment ⁴	21	-0.2	1.0	-8.8	2.5	8.1	-0.4	18.2
Sales to other sectors	22	37.2	-8.2	-33.1	60.9	-19.2	-68.4	127.4
Defense consumption expenditures ¹	23	1.2	1.2	9.1	-4.1	-0.9	11.2	-6.9
Gross output of general government	24	1.3	1.2	9.8	-3.3	-1.4	10.0	-5.6
Value added	25	0.8	-0.7	-4.7	-0.7	3.7	0.8	-2.8
Compensation of general government employees	26	0.3	-1.6	-6.9	-1.6	4.3	0.5	-4.2
Consumption of general government fixed capital ²	27	2.5	2.3	2.4	2.1	1.9	1.7	1.7
Intermediate goods and services purchased ³	28	1.8	3.5	29.6	-6.2	-6.9	21.5	-8.6
Durable goods	29	2.4	5.8	-12.3	-1.1	29.8	22.0	-18.2
Nondurable goods	30	-3.0	-11.6	-0.6	-29.8	7.1	-53.5	-24.4
Services	31	2.2	4.9	42.1	-4.1	-12.9	32.4	-5.7
Less: Own-account investment ⁴	32	-5.5	1.6	-3.9	2.1	4.1	4.8	23.1
Sales to other sectors	33	21.7	13.2	316.1	195.8	-46.2	-82.5	778.0
Nondefense consumption expenditures ¹	34	0.1	1.9	8.1	-5.0	6.5	-9.0	5.7
Gross output of general government	35	0.9	1.4	4.7	-4.9	6.7	-9.8	5.2
Value added	36	0.3	0.3	-1.2	1.1	2.4	-1.5	1.9
Compensation of general government employees	37	-0.2	-0.2	-2.1	0.8	2.4	-2.3	1.8
Consumption of general government fixed capital ²	38	2.7	3.0	3.3	3.0	2.6	2.7	2.4
Intermediate goods and services purchased ³	39	1.7	2.9	13.6	-12.9	13.0	-20.4	10.1
Durable goods	40	11.8	4.1	17.8	-11.7	1.1	-14.6	14.3
Nondurable goods	41							
Commodity Credit Corporation inventory change	42							
Other nondurable goods	43	2.2	-1.9	15.5	-18.9	6.3	-14.9	8.7
Services	44	0.8	3.2	14.9	-13.1	14.9	-21.6	10.6
Less: Own-account investment ⁴	45	4.3	0.6	-12.6	2.8	11.4	-4.4	14.3
Sales to other sectors	46	48.1	-20.2	-74.5	-4.9	16.9	-51.4	-31.3
State and local consumption expenditures ¹	47	0.9	1.8	1.7	2.1	3.1	3.4	2.6
Gross output of general government	48	1.0	1.9	1.9	2.3	2.9	3.3	2.7
Value added	49	1.0	1.1	0.6	1.2	2.1	2.3	1.8
Compensation of general government employees	50	0.8	0.9	0.1	0.9	1.8	2.1	1.3
Consumption of general government fixed capital ²	51	2.6	3.2	4.0	3.3	3.9	4.4	4.8
Intermediate goods and services purchased ³	52	1.0	3.3	4.2	4.1	4.4	4.9	4.3
Durable goods	53	1.7	2.1	2.2	2.8	2.2	3.1	3.5
Nondurable goods	54	1.3	3.0	4.1	4.1	4.0	4.2	3.8
Services	55	0.9	3.5	4.4	4.1	4.8	5.4	4.6
Less: Own-account investment ⁴	56	1.8	5.0	7.0	10.4	-1.9	6.6	12.1
Sales to other sectors	57	1.5	2.1	2.1	2.4	2.4	2.5	2.3
Tuition and related educational charges	58	-0.1	2.4	2.0	2.4	2.4	2.4	2.0
Health and hospital charges	59	0.8	1.5	2.0	2.4	2.4	2.4	2.0
Other sales	60	4.0	2.8	2.4	2.5	2.4	2.7	3.1

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

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

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

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

Table 3.10.3. Real Government Consumption Expenditures and General Government Gross Output, Quantity Indexes
[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Government consumption expenditures ¹	1	113.564	115.437	114.925	114.784	115.495	116.545	116.673
Gross output of general government	2	113.382	115.309	114.712	114.756	115.431	116.337	116.642
Value added	3	106.666	107.391	106.795	107.014	107.659	108.094	108.329
Compensation of general government employees	4	105.633	105.960	105.475	105.601	106.206	106.559	106.669
Consumption of general government fixed capital ²	5	112.885	116.099	114.812	115.621	116.506	117.456	118.475
Intermediate goods and services purchased ³	6	125.958	130.141	129.540	129.256	129.989	131.778	132.216
Durable goods	7	121.957	127.079	123.777	123.767	128.501	132.270	129.312
Nondurable goods	8	118.582	120.391	120.087	119.971	121.238	120.268	120.839
Services	9	128.934	133.967	133.507	133.128	133.250	135.984	136.688
Less: Own-account investment ⁴	10	108.787	113.391	111.243	113.632	113.615	115.073	118.709
Sales to other sectors	11	112.623	114.685	113.676	114.697	115.203	115.166	116.318
Federal consumption expenditures ¹	12	124.339	126.060	126.577	125.156	125.614	126.892	125.932
Gross output of general government	13	124.079	125.661	126.160	124.925	125.317	126.244	125.557
Value added	14	106.947	106.576	106.167	106.148	106.997	106.991	106.680
Compensation of general government employees	15	106.928	105.744	105.465	105.274	106.196	106.042	105.514
Consumption of general government fixed capital ²	16	107.277	109.925	109.028	109.659	110.238	110.776	111.283
Intermediate goods and services purchased ³	17	153.353	158.462	160.611	157.173	156.732	159.333	157.972
Durable goods	18	132.188	139.690	134.476	133.782	142.107	148.395	141.994
Nondurable goods	19	149.585	139.861	149.736	140.591	142.615	126.500	123.205
Services	20	157.103	163.952	166.028	163.015	161.011	165.755	165.347
Less: Own-account investment ⁴	21	115.435	116.640	115.007	115.717	117.980	117.858	122.884
Sales to other sectors	22	110.081	101.104	101.235	114.020	108.103	81.057	99.533
Defense consumption expenditures ¹	23	128.551	130.036	130.343	128.981	128.681	132.141	129.783
Gross output of general government	24	128.619	130.195	130.460	129.366	128.921	132.031	130.153
Value added	25	108.048	107.294	106.903	106.707	107.674	107.890	107.124
Compensation of general government employees	26	109.389	107.599	107.336	106.895	108.014	108.152	106.990
Consumption of general government fixed capital ²	27	104.858	107.256	106.467	107.024	107.539	107.993	108.436
Intermediate goods and services purchased ³	28	163.094	168.834	170.275	167.587	164.630	172.843	168.998
Durable goods	29	129.812	137.339	131.412	131.040	139.881	147.021	139.840
Nondurable goods	30	141.149	124.729	137.986	126.313	128.497	106.121	98.947
Services	31	173.189	181.657	182.994	181.077	174.913	187.643	184.928
Less: Own-account investment ⁴	32	143.678	145.973	144.245	145.007	146.455	148.184	156.089
Sales to other sectors	33	131.580	148.898	143.135	187.707	160.775	103.973	178.976
Nondense consumption expenditures ¹	34	116.593	118.758	119.666	118.137	120.006	117.224	118.861
Gross output of general government	35	115.974	117.575	118.495	117.004	118.914	115.887	117.355
Value added	36	104.998	105.315	104.874	105.173	105.810	105.405	105.908
Compensation of general government employees	37	103.165	102.940	102.635	102.838	103.451	102.838	103.307
Consumption of general government fixed capital ²	38	114.097	117.477	116.260	117.111	117.875	118.663	119.357
Intermediate goods and services purchased ³	39	135.352	139.306	142.770	137.929	142.201	134.323	137.587
Durable goods	40	163.760	170.546	176.035	170.628	171.082	164.441	170.032
Nondurable goods	41							
Commodity Credit Corporation inventory change	42							
Other nondurable goods	43	182.531	178.973	186.530	177.024	179.729	172.608	176.242
Services	44	131.001	135.250	138.511	133.728	138.457	130.302	133.615
Less: Own-account investment ⁴	45	100.285	100.891	99.301	99.986	102.713	101.564	105.019
Sales to other sectors	46	101.312	80.872	83.558	82.507	85.783	71.638	65.229
State and local consumption expenditures ¹	47	107.655	109.611	108.536	109.095	109.944	110.870	111.590
Gross output of general government	48	108.625	110.705	109.622	110.234	111.034	111.931	112.673
Value added	49	106.536	107.742	107.065	107.389	107.944	108.572	109.045
Compensation of general government employees	50	105.152	106.064	105.499	105.748	106.231	106.779	107.135
Consumption of general government fixed capital ²	51	118.215	121.939	120.303	121.272	122.433	123.748	125.216
Intermediate goods and services purchased ³	52	112.652	116.373	114.528	115.678	116.940	118.347	119.602
Durable goods	53	109.924	112.277	111.177	111.953	112.553	113.425	114.405
Nondurable goods	54	114.080	117.545	115.776	116.955	118.112	119.338	120.462
Services	55	112.139	116.107	114.163	115.323	116.696	118.245	119.595
Less: Own-account investment ⁴	56	107.398	112.789	110.519	113.298	112.758	114.579	117.900
Sales to other sectors	57	112.737	115.116	114.077	114.768	115.453	116.167	118.838
Tuition and related educational charges	58	105.537	108.033	107.065	107.709	108.354	109.004	109.548
Health and hospital charges	59	113.985	115.748	114.711	115.399	116.092	116.789	117.373
Other sales	60	116.208	119.479	118.381	119.112	119.817	120.605	121.518

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).
 2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.
 3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.
 4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.

Table 3.10.4. Price Indexes for Government Consumption Expenditures and General Government Gross Output

[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	
Government consumption expenditures ¹	1	122.768	128.151	126.480	128.065	128.869	129.190	131.090
Gross output of general government	2	122.760	128.087	126.402	127.905	128.809	129.234	131.040
Value added	3	124.718	129.770	128.170	129.182	130.338	131.388	133.306
Compensation of general government employees	4	127.425	132.607	130.995	132.042	133.203	134.188	136.226
Consumption of general government fixed capital ²	5	110.292	114.658	113.134	113.965	115.085	116.450	117.761
Intermediate goods and services purchased ³	6	119.320	125.052	123.245	125.475	125.998	125.491	127.124
Durable goods	7	104.161	106.248	105.113	106.044	106.642	107.192	107.331
Nondurable goods	8	130.408	140.640	136.627	144.244	143.337	138.352	141.028
Services	9	117.323	121.960	120.800	121.416	122.398	123.226	124.683
Less: Own-account investment ⁴	10	119.227	124.070	122.470	123.723	124.714	125.372	126.643
Sales to other sectors	11	122.970	127.979	126.196	127.211	128.726	129.785	131.051
Federal consumption expenditures ¹	12	123.792	128.378	127.152	128.391	129.007	128.962	131.263
Gross output of general government	13	123.761	128.303	127.083	128.312	128.927	128.890	131.186
Value added	14	129.479	134.359	133.763	134.390	134.579	134.705	138.279
Compensation of general government employees	15	137.416	142.931	142.519	143.102	143.038	143.065	147.768
Consumption of general government fixed capital ²	16	106.480	109.555	108.456	109.199	110.085	110.479	110.936
Intermediate goods and services purchased ³	17	116.145	120.272	118.384	120.254	121.333	121.117	121.986
Durable goods	18	102.688	104.252	103.098	104.131	104.650	105.129	104.897
Nondurable goods	19	127.253	136.263	131.526	139.058	139.961	134.505	134.052
Services	20	116.691	120.594	118.935	120.289	121.461	121.691	122.836
Less: Own-account investment ⁴	21	124.946	129.623	128.460	129.596	130.047	130.391	132.912
Sales to other sectors	22	118.928	119.210	118.459	118.899	119.483	119.997	121.637
Defense consumption expenditures ¹	23	125.071	129.643	128.327	129.681	130.375	130.189	132.475
Gross output of general government	24	125.063	129.614	128.300	129.649	130.343	130.164	132.448
Value added	25	131.671	136.432	135.894	136.388	136.686	136.759	140.487
Compensation of general government employees	26	141.713	147.046	146.796	147.173	147.120	147.097	152.229
Consumption of general government fixed capital ²	27	107.623	111.017	109.818	110.581	111.688	111.981	112.461
Intermediate goods and services purchased ³	28	116.727	121.002	118.923	121.112	122.204	121.770	122.580
Durable goods	29	103.728	105.581	104.288	105.421	106.015	106.598	106.419
Nondurable goods	30	137.758	151.967	144.162	156.904	158.739	148.063	146.173
Services	31	117.386	121.234	119.505	121.022	122.144	122.266	123.419
Less: Own-account investment ⁴	32	126.127	131.450	130.097	131.602	131.987	132.114	134.236
Sales to other sectors	33	122.661	123.143	122.008	122.699	123.573	124.292	126.388
Nondefense consumption expenditures ¹	34	121.381	125.995	124.944	125.958	126.422	126.557	128.989
Gross output of general government	35	121.351	125.878	124.838	125.836	126.298	126.539	128.860
Value added	36	125.685	130.777	130.080	130.937	130.937	131.156	134.462
Compensation of general government employees	37	130.947	136.746	136.088	136.985	136.904	137.009	141.059
Consumption of general government fixed capital ²	38	103.518	105.764	104.924	105.616	105.932	106.585	106.984
Intermediate goods and services purchased ³	39	114.981	118.775	117.305	118.476	119.526	119.793	120.802
Durable goods	40	91.303	89.984	90.214	90.280	90.040	89.400	88.595
Nondurable goods	41							
Commodity Credit Corporation inventory change	42							
Other nondurable goods	43	115.953	119.438	117.844	120.175	120.132	119.602	120.265
Services	44	115.631	119.652	118.138	119.148	120.430	120.892	122.024
Less: Own-account investment ⁴	45	123.897	128.068	127.055	127.901	128.402	128.915	131.752
Sales to other sectors	46	116.681	117.363	116.921	117.159	117.501	117.872	119.160
State and local consumption expenditures ¹	47	122.177	128.063	126.112	127.916	128.838	129.386	131.038
Gross output of general government	48	122.293	128.017	126.097	127.740	128.788	129.443	131.008
Value added	49	122.735	127.858	125.844	127.015	128.572	130.003	131.241
Compensation of general government employees	50	123.913	128.978	126.948	128.157	129.745	131.062	132.179
Consumption of general government fixed capital ²	51	113.684	119.179	117.285	118.192	119.517	121.722	123.768
Intermediate goods and services purchased ³	52	121.419	128.226	126.468	128.939	129.097	128.400	130.529
Durable goods	53	106.072	108.924	107.816	108.600	109.313	109.969	110.672
Nondurable goods	54	130.870	141.345	137.466	145.093	143.859	138.960	142.124
Services	55	117.817	123.063	122.333	122.317	123.139	124.464	126.180
Less: Own-account investment ⁴	56	117.826	122.705	121.008	122.287	123.398	124.126	125.115
Sales to other sectors	57	123.047	128.184	126.372	127.402	128.944	130.016	131.274
Tuition and related educational charges	58	143.186	152.809	148.838	151.492	154.238	156.670	158.894
Health and hospital charges	59	121.443	125.756	124.394	125.142	126.441	127.048	127.490
Other sales	60	113.066	116.803	115.580	116.090	117.288	118.255	120.133

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

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

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

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

Table 3.10.5. Government Consumption Expenditures and General Government Gross Output

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	
Government consumption expenditures ¹	1	1,975.7	2,096.3	2,059.7	2,083.0	2,109.1	2,133.5	2,167.3
Gross output of general government.....	2	2,313.8	2,455.3	2,410.3	2,439.9	2,471.6	2,499.2	2,540.8
Value added.....	3	1,422.9	1,490.6	1,464.0	1,478.6	1,500.8	1,519.0	1,544.6
Compensation of general government employees.....	4	1,215.7	1,269.1	1,247.9	1,259.4	1,277.8	1,291.5	1,312.4
Consumption of general government fixed capital ²	5	207.2	221.5	216.1	219.2	223.1	227.6	232.1
Intermediate goods and services purchased ³	6	890.9	964.6	946.3	961.3	970.8	980.2	996.2
Durable goods.....	7	56.0	59.5	57.4	57.9	60.4	62.5	61.2
Nondurable goods.....	8	224.7	246.0	238.4	251.4	252.5	241.8	247.6
Services.....	9	610.2	659.1	650.5	652.0	657.9	675.9	687.4
Less: Own-account investment ⁴	10	23.5	25.5	24.7	25.4	25.6	26.1	27.2
Sales to other sectors.....	11	314.6	333.5	325.9	331.5	336.9	339.6	346.3
Federal consumption expenditures ¹	12	768.6	808.0	803.6	802.3	809.1	817.1	825.3
Gross output of general government.....	13	781.9	820.9	816.3	816.1	822.6	828.5	838.6
Value added.....	14	436.7	451.6	447.9	449.9	454.1	454.5	465.2
Compensation of general government employees.....	15	343.5	353.3	351.4	352.2	355.1	354.6	364.5
Consumption of general government fixed capital ²	16	93.2	98.3	96.5	97.7	99.0	99.9	100.7
Intermediate goods and services purchased ³	17	345.2	369.3	368.5	366.3	368.5	374.0	373.4
Durable goods.....	18	32.6	35.0	33.3	33.5	35.7	37.5	35.8
Nondurable goods.....	19	36.0	36.0	37.3	37.0	37.8	32.2	31.2
Services.....	20	276.6	298.3	297.9	295.8	295.0	304.3	306.4
Less: Own-account investment ⁴	21	4.7	4.9	4.8	4.8	5.0	5.0	5.3
Sales to other sectors.....	22	8.7	8.0	7.9	9.0	8.6	6.4	8.0
Defense consumption expenditures ¹	23	516.9	542.0	537.7	537.7	539.3	553.0	552.7
Gross output of general government.....	24	522.1	547.7	543.2	544.4	545.4	557.8	559.5
Value added.....	25	283.4	291.6	289.3	289.9	293.1	293.9	299.7
Compensation of general government employees.....	26	215.4	219.8	218.9	218.6	220.8	221.0	226.3
Consumption of general government fixed capital ²	27	68.0	71.7	70.4	71.3	72.3	72.8	73.4
Intermediate goods and services purchased ³	28	238.7	256.1	253.9	254.5	252.3	263.9	259.7
Durable goods.....	29	30.0	32.3	30.5	30.8	33.0	34.9	33.1
Nondurable goods.....	30	20.3	19.7	20.6	20.6	21.2	16.3	15.0
Services.....	31	188.5	204.2	202.8	203.2	198.1	212.7	211.6
Less: Own-account investment ⁴	32	2.1	2.2	2.1	2.2	2.2	2.2	2.4
Sales to other sectors.....	33	3.1	3.6	3.4	4.5	3.9	2.5	4.4
Nondefense consumption expenditures ¹	34	251.7	266.1	265.9	264.6	269.8	264.0	272.6
Gross output of general government.....	35	259.8	273.2	273.1	271.8	277.2	270.7	279.1
Value added.....	36	153.3	160.0	158.5	160.0	161.0	160.6	165.5
Compensation of general government employees.....	37	128.1	133.5	132.4	133.6	134.3	133.6	138.2
Consumption of general government fixed capital ²	38	25.2	26.6	26.1	26.4	26.7	27.0	27.3
Intermediate goods and services purchased ³	39	106.5	113.2	114.6	111.8	116.3	110.1	113.7
Durable goods.....	40	2.6	2.7	2.8	2.7	2.7	2.6	2.7
Nondurable goods.....	41	15.7	16.4	16.6	16.4	16.6	15.9	16.2
Commodity Credit Corporation inventory change.....	42	-0.5	-0.1	-0.3	0.1	0.0	0.0	-0.1
Other nondurable goods.....	43	16.3	16.4	16.9	16.4	16.6	15.9	16.3
Services.....	44	88.1	94.1	95.1	92.6	96.9	91.6	94.8
Less: Own-account investment ⁴	45	2.6	2.7	2.6	2.7	2.8	2.7	2.9
Sales to other sectors.....	46	5.5	4.4	4.5	4.5	4.7	3.9	3.6
State and local consumption expenditures ¹	47	1,207.2	1,288.3	1,256.2	1,280.7	1,300.0	1,316.5	1,342.0
Gross output of general government.....	48	1,531.9	1,634.4	1,594.0	1,623.8	1,649.0	1,670.7	1,702.2
Value added.....	49	986.2	1,039.0	1,016.2	1,028.7	1,046.7	1,064.5	1,079.4
Compensation of general government employees.....	50	872.3	915.8	896.5	907.2	922.7	936.8	948.0
Consumption of general government fixed capital ²	51	113.9	123.2	119.6	121.5	124.1	127.7	131.4
Intermediate goods and services purchased ³	52	545.7	595.3	577.8	595.0	602.3	606.2	622.8
Durable goods.....	53	23.4	24.5	24.0	24.4	24.7	25.0	25.4
Nondurable goods.....	54	188.7	210.0	201.1	214.4	214.7	209.6	216.4
Services.....	55	333.6	360.8	352.6	356.2	362.8	371.6	381.0
Less: Own-account investment ⁴	56	18.8	20.6	19.9	20.6	20.7	21.1	21.9
Sales to other sectors.....	57	306.0	325.5	318.0	322.5	328.3	333.1	338.3
Tuition and related educational charges.....	58	67.0	73.2	70.6	72.3	74.1	75.7	77.1
Health and hospital charges.....	59	146.1	153.6	150.6	152.4	154.9	156.6	157.9
Other sales.....	60	92.9	98.7	96.8	97.8	99.4	100.9	103.3

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

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

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

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

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

[Billions of chained (2000) dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Government consumption expenditures ¹	1	1,609.3	1,635.9	1,628.6	1,626.6	1,636.7	1,651.5	1,653.4
Gross output of general government.....	2	1,884.8	1,916.9	1,906.9	1,907.7	1,918.9	1,934.0	1,939.0
Value added.....	3	1,140.9	1,148.6	1,142.3	1,144.6	1,151.5	1,156.2	1,158.7
Compensation of general government employees.....	4	954.1	957.0	952.7	953.8	959.3	962.4	963.4
Consumption of general government fixed capital ²	5	187.8	193.2	191.0	192.4	193.9	195.4	197.1
Intermediate goods and services purchased ³	6	746.7	771.5	767.9	766.2	770.6	781.2	783.8
Durable goods.....	7	53.8	56.0	54.6	54.6	56.7	58.3	57.0
Nondurable goods.....	8	172.3	174.9	174.5	174.3	176.2	174.8	175.6
Services.....	9	520.1	540.4	538.6	537.0	537.5	548.5	551.4
Less: Own-account investment ⁴	10	19.7	20.5	20.1	20.6	20.6	20.8	21.5
Sales to other sectors.....	11	255.9	260.5	258.3	260.6	261.7	261.6	264.3
Federal consumption expenditures ¹	12	620.8	629.4	632.0	624.9	627.2	633.6	628.8
Gross output of general government.....	13	631.8	639.8	642.4	636.1	638.1	642.8	639.3
Value added.....	14	337.3	336.1	334.8	334.8	337.4	337.4	336.4
Compensation of general government employees.....	15	250.0	247.2	246.5	246.1	248.2	247.9	246.7
Consumption of general government fixed capital ²	16	87.5	89.7	89.0	89.5	90.0	90.4	90.8
Intermediate goods and services purchased ³	17	297.2	307.1	311.3	304.6	303.8	308.8	306.2
Durable goods.....	18	31.8	33.6	32.3	32.1	34.1	35.7	34.1
Nondurable goods.....	19	28.3	26.5	28.3	26.6	27.0	23.9	23.3
Services.....	20	237.0	247.3	250.5	245.9	242.9	250.1	249.5
Less: Own-account investment ⁴	21	3.7	3.8	3.7	3.7	3.8	3.8	4.0
Sales to other sectors.....	22	7.3	6.7	6.7	7.5	7.2	5.4	6.6
Defense consumption expenditures ¹	23	413.3	418.1	419.0	414.7	413.7	424.8	417.2
Gross output of general government.....	24	417.5	422.6	423.4	419.9	418.4	428.5	422.4
Value added.....	25	215.2	213.7	212.9	212.5	214.5	214.9	213.4
Compensation of general government employees.....	26	152.0	149.5	149.1	148.5	150.1	150.3	148.7
Consumption of general government fixed capital ²	27	63.2	64.6	64.1	64.5	64.8	65.0	65.3
Intermediate goods and services purchased ³	28	204.5	211.7	213.5	210.2	206.5	216.8	211.9
Durable goods.....	29	28.9	30.6	29.3	29.2	31.1	32.7	31.1
Nondurable goods.....	30	14.7	13.0	14.4	13.2	13.4	11.1	10.3
Services.....	31	160.6	168.4	169.7	167.9	162.2	174.0	171.5
Less: Own-account investment ⁴	32	1.6	1.7	1.6	1.6	1.7	1.7	1.8
Sales to other sectors.....	33	2.6	2.9	2.8	3.7	3.1	2.0	3.5
Nondense consumption expenditures ¹	34	207.3	211.2	212.8	210.1	213.4	208.5	211.4
Gross output of general government.....	35	214.1	217.0	218.7	216.0	219.5	213.9	216.6
Value added.....	36	122.0	122.4	121.9	122.2	122.9	122.5	123.1
Compensation of general government employees.....	37	97.8	97.6	97.3	97.5	98.1	97.5	98.0
Consumption of general government fixed capital ²	38	24.4	25.1	24.8	25.0	25.2	25.4	25.5
Intermediate goods and services purchased ³	39	92.6	95.3	97.7	94.3	97.3	91.9	94.1
Durable goods.....	40	2.9	3.0	3.1	3.0	3.0	2.9	3.0
Nondurable goods.....	41	13.4	13.7	14.1	13.7	13.8	13.3	13.5
Commodity Credit Corporation inventory change.....	42	-0.6	0.0	-0.2	0.1	0.0	0.0	0.0
Other nondurable goods.....	43	14.0	13.8	14.3	13.6	13.8	13.3	13.5
Services.....	44	76.2	78.6	80.5	77.8	80.5	75.8	77.7
Less: Own-account investment ⁴	45	2.1	2.1	2.1	2.1	2.2	2.1	2.2
Sales to other sectors.....	46	4.7	3.8	3.9	3.9	4.0	3.3	3.0
State and local consumption expenditures ¹	47	988.0	1,006.0	996.1	1,001.2	1,009.0	1,017.5	1,024.1
Gross output of general government.....	48	1,252.7	1,276.7	1,264.2	1,271.2	1,280.4	1,290.8	1,299.3
Value added.....	49	803.5	812.6	807.5	810.0	814.1	818.9	822.4
Compensation of general government employees.....	50	703.9	710.0	706.3	707.9	711.2	714.8	717.2
Consumption of general government fixed capital ²	51	100.2	103.4	102.0	102.8	103.8	104.9	106.2
Intermediate goods and services purchased ³	52	449.5	464.3	456.9	461.5	466.6	472.2	477.2
Durable goods.....	53	22.1	22.5	22.3	22.5	22.6	22.8	23.0
Nondurable goods.....	54	144.2	148.6	146.3	147.8	149.3	150.8	152.3
Services.....	55	283.2	293.2	288.3	291.2	294.7	298.6	302.0
Less: Own-account investment ⁴	56	16.0	16.8	16.4	16.8	16.8	17.0	17.5
Sales to other sectors.....	57	248.7	253.9	251.6	253.1	254.6	256.2	257.7
Tuition and related educational charges.....	58	46.8	47.9	47.4	47.7	48.0	48.3	48.5
Health and hospital charges.....	59	120.3	122.1	121.0	121.8	122.5	123.2	123.8
Other sales.....	60	82.2	84.5	83.7	84.3	84.8	85.3	86.0
Residual.....	61	-2.1	-4.2	-4.1	-4.0	-4.0	-5.5	-5.6

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

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

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

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

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

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

[Percent]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
National defense consumption expenditures and gross investment	1	1.7	1.9	8.9	-2.0	-1.2	12.3	-7.3
Consumption expenditures ¹	2	1.2	1.2	9.1	-4.1	-0.9	11.2	-6.9
Gross output of general government	3	1.3	1.2	9.8	-3.3	-1.4	10.0	-5.6
Value added	4	0.8	-0.7	-4.7	-0.7	3.7	0.8	-2.8
Compensation of general government employees	5	0.3	-1.6	-6.9	-1.6	4.3	0.5	-4.2
Military	6	-0.6	-2.4	-8.5	-2.3	5.0	-1.3	-4.5
Civilian	7	2.3	0.0	-3.5	-0.1	2.6	4.3	-3.7
Consumption of general government fixed capital ²	8	2.5	2.3	2.4	2.1	1.9	1.7	1.7
Intermediate goods and services purchased ³	9	1.8	3.5	29.6	-6.2	-6.9	21.5	-8.6
Durable goods	10	2.4	5.8	-12.3	-1.1	29.8	22.0	-18.2
Aircraft	11	-10.2	-0.6	-22.9	-15.8	26.8	80.8	-43.3
Missiles	12	24.0	5.5	-37.8	23.2	-21.9	26.2	25.6
Ships	13	-5.9	5.6	89.5	4.7	85.0	-49.4	5.8
Vehicles	14	37.7	27.6	21.5	-0.9	62.6	-23.8	-62.8
Electronics	15	26.1	15.9	-17.0	5.4	70.6	0.9	11.5
Other durable goods	16	-1.7	3.9	5.6	3.1	20.0	6.7	-5.2
Nondurable goods	17	-3.0	-11.6	-0.6	-29.8	7.1	-53.5	-24.4
Petroleum products	18	-4.7	-11.5	1.0	-20.0	6.2	-68.1	54.1
Ammunition	19	5.6	-4.7	-14.8	-42.3	41.9	18.3	-12.0
Other nondurable goods	20	-5.8	-14.8	7.5	-37.1	-11.3	-57.2	-88.6
Services	21	2.2	4.9	42.1	-4.1	-12.9	32.4	-5.7
Research and development	22	-0.9	7.3	94.8	0.4	-21.3	21.3	-10.5
Installation support	23	-0.8	-1.9	6.8	-16.2	-7.6	26.9	-2.1
Weapons support	24	-0.1	2.7	71.3	-22.7	-33.3	112.8	-13.0
Personnel support	25	8.4	9.4	28.6	7.4	-4.2	29.7	-3.5
Transportation of material	26	-2.2	2.9	10.2	-1.3	3.8	18.7	7.5
Travel of persons	27	11.1	-2.1	5.0	-5.4	5.2	26.8	3.7
Less: Own-account investment ⁴	28	-5.5	1.6	-3.9	2.1	4.1	4.8	23.1
Sales to other sectors	29	21.7	13.2	316.1	195.8	-46.2	-82.5	778.0
Gross investment ⁵	30	5.5	7.3	7.9	14.1	-3.1	20.1	-9.9
Structures	31	-3.5	3.9	-19.0	-10.7	4.6	294.1	-36.0
Equipment and software	32	6.2	7.5	10.2	16.1	-3.6	8.7	-6.9
Aircraft	33	21.6	4.4	18.0	0.9	-14.6	-26.3	36.7
Missiles	34	6.4	14.7	-38.2	83.7	-80.7	513.7	-30.2
Ships	35	-8.5	1.0	15.5	64.8	-24.5	-2.5	-30.0
Vehicles	36	44.9	20.5	33.2	38.5	81.4	-44.8	13.9
Electronics and software	37	13.5	11.1	-6.9	9.8	32.8	4.7	10.6
Other equipment	38	-2.9	6.6	24.8	-1.4	12.3	20.2	-20.7

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

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

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

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

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

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

[Index numbers, 2000=100]

Line	2005	2006	Seasonally adjusted					
			2006				2007	
			I	II	III	IV	I	
National defense consumption expenditures and gross investment	1	130.593	133.077	132.808	132.141	131.740	135.618	133.060
Consumption expenditures ¹	2	128.551	130.036	130.343	128.981	128.681	132.141	129.783
Gross output of general government	3	128.619	130.195	130.460	129.366	128.921	132.031	130.153
Value added	4	108.048	107.294	106.903	106.707	107.674	107.890	107.124
Compensation of general government employees	5	109.389	107.599	107.336	106.895	108.014	108.152	106.990
Military	6	112.152	109.484	109.385	108.738	110.082	109.733	108.486
Civilian	7	104.400	104.356	103.765	103.732	104.407	105.518	104.522
Consumption of general government fixed capital ²	8	104.858	107.256	106.467	107.024	107.539	107.993	108.436
Intermediate goods and services purchased ³	9	163.094	168.834	170.275	167.587	164.630	172.843	168.998
Durable goods	10	129.812	137.339	131.412	131.040	139.881	147.021	139.840
Aircraft	11	104.160	103.545	99.736	95.525	101.369	117.551	102.017
Missiles	12	128.465	135.582	132.061	139.700	131.345	139.222	147.373
Ships	13	97.810	103.244	98.650	99.789	116.386	98.148	99.542
Vehicles	14	143.721	183.425	175.653	175.243	197.899	184.904	144.421
Electronics	15	200.845	232.758	214.920	217.765	248.880	249.465	256.326
Other durable goods	16	149.019	154.822	149.794	150.949	157.981	160.565	158.456
Nondurable goods	17	141.149	124.729	137.986	126.313	128.497	106.121	98.947
Petroleum products	18	135.949	120.261	132.636	125.420	127.331	95.658	106.579
Ammunition	19	199.202	189.758	198.988	173.415	189.258	197.369	191.186
Other nondurable goods	20	123.436	105.167	121.802	108.465	105.273	85.130	49.443
Services	21	173.189	181.657	182.994	181.077	174.913	187.643	184.928
Research and development	22	184.690	198.203	201.544	201.760	190.054	199.455	194.012
Installation support	23	130.523	128.040	131.661	125.960	123.485	131.054	130.345
Weapons support	24	183.742	188.742	198.225	185.876	167.976	202.891	195.959
Personnel support	25	205.921	225.335	219.853	223.795	221.404	236.289	234.176
Transportation of material	26	168.245	173.152	170.900	170.331	171.928	179.449	182.714
Travel of persons	27	159.254	155.934	154.189	152.072	154.025	163.452	164.959
Less: Own-account investment ⁴	28	143.678	145.973	144.245	145.007	146.455	148.184	156.089
Sales to other sectors	29	131.580	148.898	143.135	187.707	160.775	103.973	178.976
Gross investment ⁵	30	145.920	156.563	151.544	156.631	155.397	162.678	158.497
Structures	31	85.263	88.568	81.631	79.347	80.239	113.054	101.120
Equipment and software	32	153.436	165.015	160.333	166.443	164.911	168.371	165.393
Aircraft	33	200.755	209.518	217.205	217.708	209.271	193.887	209.658
Missiles	34	151.840	174.157	167.819	195.380	129.540	203.889	186.380
Ships	35	125.840	127.156	120.001	135.964	126.726	125.932	115.190
Vehicles	36	217.174	261.779	236.426	256.475	297.657	256.557	265.057
Electronics and software	37	141.432	157.171	148.485	151.980	163.158	165.060	169.288
Other equipment	38	146.192	155.876	152.199	151.670	156.150	163.485	154.280

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

[Index numbers, 2000=100]

Line	2005	2006	Seasonally adjusted					
			2006				2007	
			I	II	III	IV	I	
National defense consumption expenditures and gross investment	1	121.855	126.020	124.752	126.006	126.714	126.608	128.585
Consumption expenditures ¹	2	125.071	129.643	128.327	129.681	130.375	130.189	132.475
Gross output of general government	3	125.063	129.614	128.300	129.649	130.343	130.164	132.448
Value added	4	131.671	136.432	135.894	136.388	136.686	136.759	140.487
Compensation of general government employees	5	141.713	147.046	146.796	147.173	147.120	147.097	152.229
Military	6	146.516	151.978	151.951	152.024	152.005	151.934	157.605
Civilian	7	132.396	137.479	136.805	137.760	137.643	137.709	141.819
Consumption of general government fixed capital ²	8	107.623	111.017	109.818	110.581	111.688	111.981	112.461
Intermediate goods and services purchased ³	9	116.727	121.002	118.923	121.112	122.204	121.770	122.580
Durable goods	10	103.728	105.581	104.288	105.421	106.015	106.598	106.419
Aircraft	11	104.937	106.851	105.222	106.750	107.422	108.010	107.418
Missiles	12	105.609	107.333	106.187	107.151	108.008	107.987	108.100
Ships	13	106.894	109.934	108.235	109.735	110.506	111.261	110.008
Vehicles	14	117.881	118.167	118.073	118.643	116.532	119.420	120.030
Electronics	15	93.937	95.175	93.899	94.873	95.720	96.209	96.144
Other durable goods	16	104.060	106.418	105.365	106.211	106.830	107.265	107.474
Nondurable goods	17	137.758	151.967	144.162	156.904	158.739	148.063	146.173
Petroleum products	18	164.637	215.997	199.547	229.490	232.587	202.365	196.781
Ammunition	19	111.615	119.211	114.872	119.216	121.128	121.627	121.753
Other nondurable goods	20	107.787	110.661	109.264	110.729	111.252	111.401	111.962
Services	21	117.386	121.234	119.505	121.022	122.144	122.266	123.419
Research and development	22	115.975	120.379	118.530	120.063	121.138	121.786	122.629
Installation support	23	119.578	123.746	121.821	123.346	124.895	124.921	126.216
Weapons support	24	114.430	117.699	116.397	117.528	118.027	118.843	120.001
Personnel support	25	116.705	119.996	118.523	119.528	120.527	121.404	123.013
Transportation of material	26	124.019	127.053	124.984	128.077	129.539	125.613	125.659
Travel of persons	27	121.155	125.731	123.160	127.507	129.096	123.162	123.689
Less: Own-account investment ⁴	28	126.127	131.450	130.097	131.602	131.987	132.114	134.236
Sales to other sectors	29	122.661	123.143	122.008	122.699	123.573	124.292	126.388
Gross investment ⁵	30	101.628	103.409	102.438	103.109	103.880	104.207	104.480
Structures	31	122.288	130.471	128.116	129.674	130.641	133.455	135.670
Equipment and software	32	99.901	101.280	100.399	101.016	101.772	101.934	102.066
Aircraft	33	86.839	85.410	85.092	85.464	86.101	84.983	84.614
Missiles	34	102.142	101.535	102.223	100.889	101.904	101.126	102.810
Ships	35	118.372	128.401	123.783	127.160	131.255	131.406	131.798
Vehicles	36	99.263	99.010	99.343	99.159	96.964	100.575	100.482
Electronics and software	37	89.167	88.638	88.472	88.727	88.708	88.644	88.649
Other equipment	38	105.822	108.037	107.120	107.688	108.387	108.952	109.109

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

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

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

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

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

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

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

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

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

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

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

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
National defense consumption expenditures and gross investment	1	589.3	621.0	613.5	616.5	618.1	635.8	633.5
Consumption expenditures ¹	2	516.9	542.0	537.7	537.7	539.3	553.0	552.7
Gross output of general government.....	3	522.1	547.7	543.2	544.4	545.4	557.8	559.5
Value added.....	4	283.4	291.6	289.3	289.9	293.1	293.9	299.7
Compensation of general government employees.....	5	215.4	219.8	218.9	218.6	220.8	221.0	226.3
Military.....	6	146.9	148.8	148.6	147.8	149.6	149.1	152.9
Civilian.....	7	68.4	71.0	70.3	70.8	71.2	72.0	73.4
Consumption of general government fixed capital ²	8	68.0	71.7	70.4	71.3	72.3	72.8	73.4
Intermediate goods and services purchased ³	9	238.7	256.1	253.9	254.5	252.3	263.9	259.7
Durable goods.....	10	30.0	32.3	30.5	30.8	33.0	34.9	33.1
Aircraft.....	11	10.7	10.9	10.3	10.0	10.7	12.5	10.8
Missiles.....	12	3.3	3.6	3.4	3.7	3.5	3.7	3.9
Ships.....	13	1.4	1.5	1.4	1.4	1.7	1.4	1.4
Vehicles.....	14	1.3	1.7	1.6	1.6	1.8	1.7	1.3
Electronics.....	15	5.5	6.5	5.9	6.0	7.0	7.0	7.2
Other durable goods.....	16	7.7	8.2	7.8	8.0	8.4	8.6	8.5
Nondurable goods.....	17	20.3	19.7	20.6	20.6	21.2	16.3	15.0
Petroleum products.....	18	10.2	10.3	10.4	11.3	11.7	7.6	8.3
Ammunition.....	19	4.0	4.1	4.1	3.7	4.2	4.4	4.2
Other nondurable goods.....	20	6.1	5.3	6.1	5.5	5.3	4.3	2.5
Services.....	21	188.5	204.2	202.8	203.2	198.1	212.7	211.6
Research and development.....	22	56.3	62.7	62.8	63.7	60.5	63.8	62.5
Installation support.....	23	38.9	39.5	40.0	38.7	38.4	40.8	41.0
Weapons support.....	24	20.2	21.3	22.1	20.9	19.0	23.1	22.5
Personnel support.....	25	55.2	62.1	59.8	61.4	61.2	65.8	66.1
Transportation of material.....	26	9.0	9.5	9.2	9.4	9.6	9.7	9.9
Travel of persons.....	27	9.1	9.2	8.9	9.1	9.3	9.5	9.6
Less: Own-account investment ⁴	28	2.1	2.2	2.1	2.2	2.2	2.2	2.4
Sales to other sectors.....	29	3.1	3.6	3.4	4.5	3.9	2.5	4.4
Gross investment ⁵	30	72.4	79.0	75.8	78.8	78.8	82.7	80.8
Structures.....	31	5.2	5.8	5.2	5.1	5.2	7.5	6.8
Equipment and software.....	32	67.2	73.3	70.6	73.7	73.6	75.3	74.0
Aircraft.....	33	13.5	13.9	14.3	14.4	14.0	12.8	13.8
Missiles.....	34	4.2	4.8	4.6	5.3	3.6	5.5	5.2
Ships.....	35	9.8	10.8	9.8	11.4	11.0	10.9	10.0
Vehicles.....	36	3.9	4.7	4.3	4.7	5.3	4.7	4.9
Electronics and software.....	37	12.8	14.1	13.3	13.6	14.6	14.8	15.2
Other equipment.....	38	23.0	25.1	24.3	24.3	25.2	26.5	25.0

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

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

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

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

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

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

[Billions of chained (2000) dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
National defense consumption expenditures and gross investment	1	483.6	492.8	491.8	489.3	487.8	502.2	492.7
Consumption expenditures ¹	2	413.3	418.1	419.0	414.7	413.7	424.8	417.2
Gross output of general government.....	3	417.5	422.6	423.4	419.9	418.4	428.5	422.4
Value added.....	4	215.2	213.7	212.9	212.5	214.5	214.9	213.4
Compensation of general government employees.....	5	152.0	149.5	149.1	148.5	150.1	150.3	148.7
Military.....	6	100.3	97.9	97.8	97.2	98.4	98.1	97.0
Civilian.....	7	51.7	51.7	51.4	51.4	51.7	52.3	51.8
Consumption of general government fixed capital ²	8	63.2	64.6	64.1	64.5	64.8	65.0	65.3
Intermediate goods and services purchased ³	9	204.5	211.7	213.5	210.2	206.5	216.8	211.9
Durable goods.....	10	28.9	30.6	29.3	29.2	31.1	32.7	31.1
Aircraft.....	11	10.2	10.2	9.8	9.4	10.0	11.6	10.0
Missiles.....	12	3.2	3.3	3.2	3.4	3.2	3.4	3.6
Ships.....	13	1.3	1.4	1.3	1.3	1.5	1.3	1.3
Vehicles.....	14	1.1	1.4	1.4	1.4	1.5	1.4	1.1
Electronics.....	15	5.9	6.8	6.3	6.4	7.3	7.3	7.5
Other durable goods.....	16	7.4	7.7	7.4	7.5	7.9	8.0	7.9
Nondurable goods.....	17	14.7	13.0	14.4	13.2	13.4	11.1	10.3
Petroleum products.....	18	5.5	4.9	5.4	5.1	5.2	3.9	4.3
Ammunition.....	19	3.6	3.4	3.6	3.1	3.4	3.6	3.5
Other nondurable goods.....	20	5.6	4.8	5.6	4.9	4.8	3.9	2.3
Services.....	21	160.6	168.4	169.7	167.9	162.2	174.0	171.5
Research and development.....	22	48.5	52.1	53.0	53.0	49.9	52.4	51.0
Installation support.....	23	32.5	31.9	32.8	31.4	30.8	32.7	32.5
Weapons support.....	24	17.6	18.1	19.0	17.8	16.1	19.4	18.8
Personnel support.....	25	47.3	51.7	50.5	51.4	50.8	54.2	53.7
Transportation of material.....	26	7.2	7.4	7.3	7.3	7.4	7.7	7.9
Travel of persons.....	27	7.5	7.3	7.2	7.1	7.2	7.7	7.7
Less: Own-account investment ⁴	28	1.6	1.7	1.6	1.6	1.7	1.7	1.8
Sales to other sectors.....	29	2.6	2.9	2.8	3.7	3.1	2.0	3.5
Gross investment ⁵	30	71.2	76.4	74.0	76.5	75.9	79.4	77.4
Structures.....	31	4.2	4.4	4.1	3.9	4.0	5.6	5.0
Equipment and software.....	32	67.3	72.3	70.3	73.0	72.3	73.8	72.5
Aircraft.....	33	15.6	16.3	16.8	16.9	16.2	15.0	16.3
Missiles.....	34	4.1	4.7	4.5	5.3	3.5	5.5	5.0
Ships.....	35	8.3	8.4	7.9	9.0	8.3	8.3	7.6
Vehicles.....	36	4.0	4.8	4.3	4.7	5.4	4.7	4.9
Electronics and software.....	37	14.3	15.9	15.0	15.4	16.5	16.7	17.1
Other equipment.....	38	21.7	23.2	22.6	22.6	23.2	24.3	22.9
Residual.....	39	-4.0	-6.9	-6.1	-6.8	-6.4	-8.1	-8.0

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

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

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

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

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

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

4. Foreign Transactions

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

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Current receipts from the rest of the world	1	1,816.5	2,131.8	2,008.7	2,109.5	2,170.7	2,238.5	2,268.6
Exports of goods and services	2	1,303.1	1,466.2	1,405.4	1,448.1	1,488.3	1,523.0	1,533.9
Goods ¹	3	907.5	1,035.4	989.3	1,019.1	1,055.8	1,077.4	1,086.0
Durable	4	625.6	717.7	689.1	705.0	726.8	749.8	753.7
Nondurable	5	281.9	317.8	300.3	314.1	329.0	327.6	332.3
Services ¹	6	395.6	430.8	416.0	429.0	432.5	445.6	447.9
Income receipts	7	513.3	665.6	603.3	661.4	682.3	715.5	734.7
Wage and salary receipts	8	2.9	2.9	2.9	2.9	2.9	3.0	3.0
Income receipts on assets	9	510.4	662.7	600.4	658.5	679.4	712.5	731.7
Interest	10	172.4	258.9	224.1	256.5	270.5	284.4	296.7
Dividends	11	320.0	154.6	150.7	150.8	162.2	154.7	179.1
Reinvested earnings on U.S. direct investment abroad	12	18.0	249.2	225.6	251.2	246.6	273.4	255.9
Current payments to the rest of the world	13	2,587.9	2,944.0	2,824.8	2,952.0	3,037.6	2,961.4	3,044.1
Imports of goods and services	14	2,019.9	2,228.7	2,170.6	2,229.8	2,290.1	2,224.2	2,260.8
Goods ¹	15	1,699.0	1,879.5	1,832.6	1,879.0	1,938.8	1,867.5	1,899.7
Durable	16	1,017.5	1,124.4	1,095.8	1,112.2	1,143.7	1,146.0	1,153.6
Nondurable	17	681.5	755.1	736.8	766.8	795.1	721.6	746.1
Services	18	320.9	349.2	338.1	350.8	351.3	356.6	361.1
Income payments	19	481.5	635.7	574.3	638.6	665.7	664.4	691.4
Wage and salary payments	20	9.2	9.3	9.2	9.2	9.2	9.4	9.4
Income payments on assets	21	472.2	626.5	565.1	629.4	656.4	655.0	682.0
Interest	22	331.2	465.8	414.8	467.3	482.2	498.8	518.1
Dividends	23	81.8	87.6	63.1	69.0	81.6	136.8	67.6
Reinvested earnings on foreign direct investment in the United States	24	59.2	73.1	87.1	93.1	92.6	19.4	96.3
Current taxes and transfer payments to the rest of the world (net)	25	86.6	79.6	79.9	83.5	81.9	72.8	91.9
From persons (net)	26	47.1	48.3	45.2	48.7	48.8	50.5	49.5
From government (net)	27	26.1	13.2	14.9	15.6	15.8	6.6	22.4
From business (net)	28	13.3	18.1	19.9	19.3	17.3	15.8	20.1
Balance on current account, NIPAs	29	-771.4	-812.1	-816.1	-842.6	-867.0	-722.9	-775.5
Addenda:								
Net lending or net borrowing (-), NIPAs	30	-775.8	-815.7	-823.1	-846.1	-868.7	-724.9	.....
Balance on current account, NIPAs	31	-771.4	-812.1	-816.1	-842.6	-867.0	-722.9	-775.5
Less: Capital account transactions (net) ²	32	4.4	3.6	7.0	3.5	1.7	1.9	.....

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.

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

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Exports of goods and services	1	6.8	8.9	14.0	6.2	6.8	10.6	-0.6
Exports of goods ¹	2	7.5	10.5	17.3	6.0	9.4	8.4	-0.6
Foods, feeds, and beverages	3	5.6	9.1	15.8	20.7	13.2	-17.9	0.1
Industrial supplies and materials	4	2.6	7.6	26.5	14.4	3.1	9.3	-6.7
Durable goods	5	8.0	10.2	8.0	4.8	4.3	19.2	0.1
Nondurable goods	6	-0.2	6.3	38.9	20.3	2.4	3.8	-10.6
Capital goods, except automotive	7	9.2	13.5	16.3	6.6	5.6	14.9	-2.6
Civilian aircraft, engines, and parts	8	16.7	19.5	55.2	-20.9	0.1	79.6	-4.6
Computers, peripherals, and parts	9	15.3	9.5	9.8	12.0	-0.1	11.5	-12.5
Other	10	6.6	12.8	9.0	14.1	7.9	2.8	-0.4
Automotive vehicles, engines, and parts	11	9.3	8.0	2.7	-4.6	26.9	-7.8	8.5
Consumer goods, except automotive	12	11.0	10.6	15.7	1.1	15.2	14.8	16.1
Durable goods	13	15.1	13.3	16.8	12.5	9.5	18.1	18.2
Nondurable goods	14	6.6	7.4	14.5	-11.2	22.8	10.8	13.5
Other	15	8.9	6.8	20.5	-19.7	24.0	13.8	-11.2
Exports of services ¹	16	5.1	5.4	6.7	6.7	0.8	16.3	-0.6
Transfers under U.S. military agency sales contracts	17	19.4	-13.8	2.5	-14.7	-20.5	-1.7	-30.2
Travel	18	5.3	1.6	4.4	8.7	-1.8	22.5	-1.7
Passenger fares	19	3.0	3.1	11.9	-24.4	-4.4	9.6	2.2
Other transportation	20	-0.8	7.9	28.8	12.8	-2.4	18.9	-1.4
Royalties and license fees	21	5.9	5.2	1.1	11.3	-3.5	12.6	-2.8
Other private services	22	5.9	9.5	4.1	9.7	7.1	17.3	2.9
Other	23	-2.7	2.9	7.2	4.1	5.1	7.5	5.1
Imports of goods and services	24	6.1	5.8	9.1	1.4	5.6	-2.6	5.7
Imports of goods ¹	25	6.7	5.9	9.4	-0.1	7.1	-4.1	6.2
Foods, feeds, and beverages	26	3.7	6.5	16.5	-4.8	10.4	-1.3	7.5
Industrial supplies and materials, except petroleum and products	27	6.8	3.9	1.9	-1.2	14.2	-20.8	-19.7
Durable goods	28	7.5	9.6	25.2	-6.8	24.6	-24.3	-22.5
Nondurable goods	29	6.1	-1.5	-17.4	6.0	2.1	-15.9	-15.8
Petroleum and products	30	2.3	-2.3	-4.8	-18.3	7.1	-20.2	32.6
Capital goods, except automotive	31	11.2	11.5	16.1	11.6	13.5	-2.8	9.6
Civilian aircraft, engines, and parts	32	2.4	7.3	50.1	-14.1	-3.9	55.8	17.3
Computers, peripherals, and parts	33	14.3	17.6	34.3	17.0	18.4	-10.1	48.7
Other	34	11.0	9.8	7.6	12.7	13.6	-4.6	-2.3
Automotive vehicles, engines, and parts	35	3.9	7.0	14.3	-1.3	-8.3	7.7	-5.2
Consumer goods, except automotive	36	8.2	8.2	8.4	5.7	15.2	17.4	1.4
Durable goods	37	10.9	8.2	10.9	-4.2	16.3	23.0	4.2
Nondurable goods	38	5.1	8.3	5.5	18.6	14.0	11.0	-1.9
Other	39	3.0	0.7	44.1	1.9	-28.6	-23.9	93.8
Imports of services ¹	40	2.8	5.3	7.4	9.9	-2.6	6.2	3.3
Direct defense expenditures	41	-5.9	-3.4	-2.7	-11.0	-1.5	-13.5	6.3
Travel	42	-1.4	-1.4	-5.4	15.4	-18.6	-1.5	-1.6
Passenger fares	43	5.5	2.2	1.1	25.0	-21.2	4.0	-0.9
Other transportation	44	5.2	7.3	12.4	8.7	14.1	7.2	-2.8
Royalties and license fees	45	2.3	7.8	37.7	-2.8	-9.2	7.1	-1.7
Other private services	46	6.9	12.0	12.0	14.4	6.0	17.4	11.3
Other	47	0.7	0.3	0.7	-0.6	-0.2	-0.8	2.2
Addenda:								
Exports of durable goods	48	9.6	12.0	13.2	4.1	9.4	12.0	1.0
Exports of nondurable goods	49	3.0	7.1	27.4	10.4	9.6	0.7	-4.2
Exports of agricultural goods ²	50	5.2	9.2	23.8	19.1	2.1	-17.5	-4.6
Exports of nonagricultural goods	51	7.7	10.6	16.8	5.1	10.0	10.7	-0.3
Imports of durable goods	52	8.5	9.0	16.8	2.0	8.1	0.0	2.3
Imports of nondurable goods	53	4.0	1.5	-0.5	-3.0	5.8	-10.1	12.6
Imports of nonpetroleum goods	54	7.4	7.5	12.3	3.9	7.2	-0.8	2.3

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

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

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Percent change at annual rate:								
Exports of goods and services	1	6.8	8.9	14.0	6.2	6.8	10.6	-0.6
Percentage points at annual rates:								
Exports of goods ¹	2	5.20	7.27	11.92	4.22	6.58	6.00	-0.44
Foods, feeds, and beverages	3	0.26	0.41	0.69	0.86	0.59	-0.90	0.00
Industrial supplies and materials	4	0.45	1.38	4.36	2.48	0.58	1.71	-1.25
Durable goods	5	0.47	0.64	0.52	0.32	0.29	1.25	0.01
Nondurable goods	6	-0.02	0.73	3.83	2.16	0.29	0.45	-1.26
Capital goods, except automotive	7	2.55	3.72	4.59	1.85	1.58	4.06	-0.75
Civilian aircraft, engines, and parts	8	0.71	0.91	2.40	-1.21	0.00	3.14	-0.26
Computers, peripherals, and parts	9	0.53	0.32	0.34	0.38	0.00	0.36	-0.41
Other	10	1.31	2.49	1.85	2.67	1.58	0.57	-0.08
Automotive vehicles, engines, and parts	11	0.69	0.60	0.22	-0.35	1.81	-0.59	0.59
Consumer goods, except automotive	12	0.95	0.93	1.39	0.10	1.29	1.27	1.36
Durable goods	13	0.68	0.63	0.80	0.57	0.46	0.85	0.84
Nondurable goods	14	0.27	0.30	0.59	-0.47	0.83	0.42	0.52
Other	15	0.30	0.23	0.68	-0.72	0.73	0.45	-0.39
Exports of services ¹	16	1.55	1.65	2.07	1.97	0.25	4.62	-0.18
Transfers under U.S. military agency sales contracts	17	0.24	-0.19	0.03	-0.18	-0.25	-0.02	-0.35
Travel	18	0.34	0.10	0.27	0.50	-0.10	1.25	-0.10
Passenger fares	19	0.05	0.05	0.19	-0.42	-0.07	0.14	0.03
Other transportation	20	-0.03	0.27	0.90	0.41	-0.08	0.59	-0.04
Royalties and license fees	21	0.26	0.23	0.05	0.47	-0.15	0.52	-0.12
Other private services	22	0.73	1.15	0.53	1.14	0.84	2.04	0.35
Other	23	-0.04	0.04	0.09	0.05	0.06	0.09	0.06
Percent change at annual rate:								
Imports of goods and services	24	6.1	5.8	9.1	1.4	5.6	-2.6	5.7
Percentage points at annual rates:								
Imports of goods ¹	25	5.62	4.99	7.90	-0.05	5.98	-3.54	5.21
Foods, feeds, and beverages	26	0.13	0.22	0.54	-0.16	0.33	-0.04	0.26
Industrial supplies and materials, except petroleum and products	27	0.87	0.50	0.27	-0.15	1.77	-3.03	-2.76
Durable goods	28	0.49	0.63	1.55	-0.50	1.65	-2.06	-1.80
Nondurable goods	29	0.38	-0.12	-1.29	0.35	0.12	-0.97	-0.96
Petroleum and products	30	0.26	-0.29	-0.67	-2.78	1.01	-2.98	3.45
Capital goods, except automotive	31	2.08	2.09	2.88	2.05	2.41	-0.53	1.82
Civilian aircraft, engines, and parts	32	0.03	0.09	0.53	-0.19	-0.05	0.57	0.23
Computers, peripherals, and parts	33	0.66	0.76	1.38	0.72	0.78	-0.48	1.89
Other	34	1.39	1.24	0.96	1.53	1.68	-0.62	-0.31
Automotive vehicles, engines, and parts	35	0.48	0.82	1.65	-0.15	-0.97	0.84	-0.60
Consumer goods, except automotive	36	1.66	1.61	1.64	1.07	2.80	3.25	0.29
Durable goods	37	1.17	0.87	1.15	-0.45	1.60	2.28	0.47
Nondurable goods	38	0.49	0.74	0.49	1.52	1.20	0.97	-0.18
Other	39	0.14	0.03	1.61	0.08	-1.38	-1.04	2.76
Imports of services ¹	40	0.46	0.83	1.15	1.49	-0.40	0.94	0.53
Direct defense expenditures	41	-0.10	-0.05	-0.04	-0.16	-0.02	-0.20	0.09
Travel	42	-0.05	-0.05	-0.18	0.46	-0.66	-0.05	-0.05
Passenger fares	43	0.07	0.03	0.01	0.29	-0.30	0.05	-0.01
Other transportation	44	0.16	0.22	0.37	0.25	0.39	0.21	-0.08
Royalties and license fees	45	0.03	0.09	0.40	-0.04	-0.12	0.08	-0.02
Other private services	46	0.34	0.58	0.58	0.69	0.30	0.85	0.60
Other	47	0.00	0.00	0.00	0.00	0.00	0.00	0.01

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

Table 4.2.3. Real Exports and Imports of Goods and Services by Type of Product, Quantity Indexes

[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	
Exports of goods and services	1	109.105	118.841	115.783	117.536	119.495	122.549	122.357
Exports of goods ¹	2	107.507	118.749	115.535	117.228	119.898	122.335	122.144
Foods, feeds, and beverages.....	3	101.447	110.703	106.488	111.621	115.124	109.579	109.600
Industrial supplies and materials.....	4	107.833	116.051	112.078	115.906	116.792	119.428	117.389
Durable goods.....	5	98.919	108.990	106.269	107.520	108.645	113.526	113.548
Nondurable goods.....	6	113.494	120.617	115.851	121.333	122.064	123.221	119.811
Capital goods, except automotive.....	7	103.891	117.942	114.725	116.563	118.157	122.324	121.518
Civilian aircraft, engines, and parts.....	8	103.567	123.723	124.414	117.316	117.334	135.826	134.240
Computers, peripherals, and parts.....	9	101.824	111.497	108.409	111.517	111.492	114.571	110.823
Other.....	10	104.790	118.192	113.977	117.807	120.078	120.908	120.782
Automotive vehicles, engines, and parts.....	11	118.503	128.020	125.976	124.494	132.129	129.482	132.135
Consumer goods, except automotive.....	12	127.235	140.715	136.707	137.093	142.043	147.017	152.602
Durable goods.....	13	131.759	149.271	142.791	147.050	150.435	156.808	163.494
Nondurable goods.....	14	122.322	131.425	130.094	126.284	132.931	136.390	140.787
Other.....	15	91.957	98.200	98.749	93.488	98.661	101.903	98.930
Exports of services ¹	16	113.118	119.251	116.564	118.463	118.712	123.266	123.072
Transfers under U.S. military agency sales contracts.....	17	136.148	117.320	124.407	119.562	112.900	112.413	102.741
Travel.....	18	90.829	92.248	89.850	91.735	91.331	96.078	95.663
Passenger fares.....	19	73.532	75.824	79.862	74.462	73.631	75.342	75.748
Other transportation.....	20	118.215	124.404	121.551	124.840	123.746	127.477	126.554
Royalties and license fees.....	21	134.469	147.266	142.014	145.332	147.856	153.862	154.947
Other private services.....	22	102.887	105.847	103.914	104.960	106.281	108.231	109.584
Imports of goods and services	24	123.007	130.162	129.146	129.608	131.378	130.516	132.352
Imports of goods ¹	25	124.640	132.013	131.236	131.218	133.503	132.096	134.105
Foods, feeds, and beverages.....	26	130.080	138.570	138.226	136.554	139.972	139.527	142.066
Industrial supplies and materials, except petroleum and products.....	27	124.516	129.347	129.337	128.956	133.316	125.781	119.083
Durable goods.....	28	129.471	141.899	142.299	139.807	147.703	137.789	129.272
Nondurable goods.....	29	119.572	117.834	117.500	119.216	119.846	114.774	109.930
Petroleum and products.....	30	117.307	114.574	119.584	113.702	115.680	109.329	117.319
Capital goods, except automotive.....	31	120.594	134.443	129.823	133.442	137.738	136.769	139.952
Civilian aircraft, engines, and parts.....	32	86.106	92.396	92.853	89.382	88.490	98.857	102.886
Computers, peripherals, and parts.....	33	155.319	182.661	174.749	181.738	189.578	184.579	203.843
Other.....	34	113.789	124.935	120.560	124.213	128.241	126.726	125.976
Automotive vehicles, engines, and parts.....	35	118.057	126.322	127.403	126.991	124.286	126.607	124.937
Consumer goods, except automotive.....	36	145.091	157.049	151.104	153.195	158.709	165.190	165.757
Durable goods.....	37	152.070	164.573	160.621	158.898	165.001	173.772	175.548
Nondurable goods.....	38	137.669	149.058	140.995	147.147	152.034	156.055	155.328
Other.....	39	102.828	103.577	109.283	109.807	100.942	94.275	111.230
Imports of services ¹	40	115.170	121.243	119.055	121.896	121.100	122.923	123.921
Direct defense expenditures.....	41	146.715	141.706	146.392	142.187	141.642	136.605	138.717
Travel.....	42	85.774	84.597	84.568	87.650	83.245	82.924	82.584
Passenger fares.....	43	89.466	91.429	90.088	95.250	89.751	90.628	90.426
Other transportation.....	44	116.843	125.337	120.798	123.349	127.482	129.722	128.791
Royalties and license fees.....	45	132.485	142.797	144.675	143.654	140.211	142.646	142.045
Other private services.....	46	145.354	162.781	155.946	161.263	163.618	170.298	174.916
Other.....	47	109.179	109.457	109.667	109.496	109.436	109.228	109.826
Addenda:								
Exports of durable goods.....	48	107.101	119.904	116.815	117.999	120.666	124.135	124.446
Exports of nondurable goods.....	49	109.802	117.628	114.084	116.936	119.646	119.845	118.554
Exports of agricultural goods ²	50	101.382	110.687	108.099	112.931	113.519	108.200	106.934
Exports of nonagricultural goods.....	51	108.165	119.600	116.323	117.765	120.609	123.703	123.607
Imports of durable goods.....	52	125.519	136.804	134.971	135.633	138.309	138.304	139.102
Imports of nondurable goods.....	53	124.267	126.170	126.830	125.883	127.656	124.312	128.063
Imports of nonpetroleum goods.....	54	125.768	135.203	133.131	134.425	136.767	136.490	137.277

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.
 2. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

Table 4.2.4. Price Indexes for Exports and Imports of Goods and Services by Type of Product

[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	
Exports of goods and services	1	108.949	112.537	110.737	112.400	113.631	113.379	114.372
Exports of goods ¹	2	107.628	111.157	109.192	110.852	112.286	112.300	113.372
Foods, feeds, and beverages.....	3	121.396	126.104	122.087	123.100	127.294	131.935	139.734
Industrial supplies and materials.....	4	126.641	138.078	132.748	138.162	141.774	139.626	141.889
Durable goods.....	5	126.819	142.523	134.752	142.545	146.149	146.647	148.683
Nondurable goods.....	6	126.371	135.265	131.308	135.386	138.993	135.373	137.762
Capital goods, except automotive.....	7	97.788	98.550	97.800	98.357	98.838	99.205	99.131
Civilian aircraft, engines, and parts.....	8	122.042	126.922	125.280	126.753	127.244	128.411	130.632
Computers, peripherals, and parts.....	9	80.519	76.807	77.934	77.094	76.435	75.766	73.217
Other.....	10	96.557	97.468	96.507	97.172	97.885	98.306	98.252
Automotive vehicles, engines, and parts.....	11	103.523	104.790	104.215	104.636	105.038	105.271	105.671
Consumer goods, except automotive.....	12	101.755	103.078	102.184	102.867	103.633	103.628	104.357
Durable goods.....	13	101.606	102.579	101.689	102.405	103.188	103.035	103.184
Nondurable goods.....	14	101.901	103.644	102.747	103.388	104.132	104.311	105.774
Other.....	15	111.135	115.527	113.279	115.170	116.790	116.867	118.384
Exports of services ¹	16	112.115	115.810	114.430	116.098	116.815	115.896	116.688
Transfers under U.S. military agency sales contracts.....	17	103.662	107.049	105.674	106.575	107.503	108.443	109.247
Travel.....	18	109.135	113.770	111.833	114.587	115.205	113.455	114.449
Passenger fares.....	19	137.593	138.209	132.775	138.013	140.918	141.130	140.322
Other transportation.....	20	124.536	132.113	131.495	133.436	134.401	129.120	129.405
Royalties and license fees.....	21	112.332	115.820	114.658	115.796	116.385	116.441	117.465
Other private services.....	22	107.635	110.655	109.532	110.600	111.271	111.216	112.186
Other.....	23	120.959	122.254	122.703	123.341	122.373	120.598	120.365
Imports of goods and services	24	111.268	116.043	113.918	116.608	118.143	115.503	115.779
Imports of goods ¹	25	109.622	114.520	112.331	115.197	116.824	113.729	113.956
Foods, feeds, and beverages.....	26	113.852	118.170	116.617	116.628	118.729	120.705	123.369
Industrial supplies and materials, except petroleum and products.....	27	123.104	130.507	128.709	129.290	131.928	132.101	134.085
Durable goods.....	28	117.748	129.201	121.580	128.973	132.998	133.253	133.958
Nondurable goods.....	29	128.925	130.358	135.882	127.928	128.778	128.843	132.398
Petroleum and products.....	30	178.639	219.108	200.744	232.096	242.182	201.410	197.700
Capital goods, except automotive.....	31	90.618	89.848	89.758	89.726	89.921	89.985	89.901
Civilian aircraft, engines, and parts.....	32	113.386	117.597	116.052	117.306	118.023	119.008	120.893
Computers, peripherals, and parts.....	33	66.928	61.933	63.393	62.125	61.319	60.894	59.481
Other.....	34	99.027	100.170	99.326	99.885	100.604	100.866	101.401
Automotive vehicles, engines, and parts.....	35	103.575	103.968	103.519	103.810	104.197	104.346	104.469
Consumer goods, except automotive.....	36	99.547	100.092	99.636	99.696	100.359	100.679	101.130
Durable goods.....	37	96.665	97.560	96.739	97.117	97.960	98.424	98.387
Nondurable goods.....	38	102.810	102.911	102.909	102.571	103.011	103.153	104.220
Other.....	39	107.658	110.437	109.308	110.088	111.011	111.343	112.410
Imports of services ¹	40	119.933	123.978	122.242	123.890	124.876	124.903	125.459
Direct defense expenditures.....	41	152.087	159.769	152.061	160.023	163.267	163.727	165.891
Travel.....	42	124.639	129.484	125.440	128.249	131.302	132.943	133.648
Passenger fares.....	43	120.026	126.680	123.509	125.759</			

**Table 4.2.5. Exports and Imports of Goods and Services
by Type of Product**
[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Exports of goods and services	1	1,303.1	1,466.2	1,405.4	1,448.1	1,488.3	1,523.0	1,533.9
Exports of goods ¹	2	907.5	1,035.4	989.3	1,019.1	1,055.8	1,077.4	1,086.0
Foods, feeds, and beverages	3	59.0	66.8	62.2	65.7	70.1	69.2	73.3
Industrial supplies and materials	4	227.5	267.2	248.0	266.9	276.0	278.0	277.6
Durable goods	5	79.8	98.8	91.1	97.5	101.0	105.9	107.4
Nondurable goods	6	147.7	168.4	156.9	169.5	175.0	172.1	170.3
Capital goods, except automotive	7	362.7	415.0	400.6	409.3	417.0	433.3	430.1
Civilian aircraft, engines, and parts	8	60.8	75.5	74.9	71.5	71.8	83.9	84.3
Computers, peripherals, and parts	9	45.5	47.6	47.0	47.8	47.4	48.3	45.1
Other	10	256.4	291.9	278.7	290.0	297.8	301.2	300.7
Automotive vehicles, engines, and parts	11	98.6	107.8	105.5	104.7	111.5	109.5	112.2
Consumer goods, except automotive	12	115.7	129.7	124.9	126.0	131.6	136.2	142.3
Durable goods	13	62.5	71.5	67.8	70.3	72.5	75.5	78.8
Nondurable goods	14	53.2	58.1	57.0	55.7	59.1	60.7	63.5
Other	15	44.1	48.9	48.2	46.4	49.7	51.3	50.5
Exports of services ¹	16	395.6	430.8	416.0	429.0	432.5	445.6	447.9
Transfers under U.S. military agency sales contracts	17	18.1	16.1	16.9	16.3	15.6	15.6	14.4
Travel	18	81.7	86.5	82.8	86.6	86.7	89.8	90.2
Passenger fares	19	20.9	21.7	21.9	21.3	21.5	22.0	22.0
Other transportation	20	42.2	48.4	46.7	48.9	49.1	49.0	
Royalties and license fees	21	57.4	62.3	60.3	62.5	62.3	64.2	64.3
Other private services	22	158.2	178.1	170.0	175.7	179.8	187.0	190.0
Other	23	17.0	17.7	17.4	17.7	17.8	17.8	18.0
Imports of goods and services	24	2,019.9	2,228.7	2,170.6	2,229.8	2,290.1	2,224.2	2,260.8
Imports of goods ¹	25	1,699.0	1,879.5	1,832.6	1,879.0	1,938.8	1,867.5	1,899.7
Foods, feeds, and beverages	26	68.1	75.3	74.1	73.2	76.4	77.4	80.6
Industrial supplies and materials, except petroleum and products	27	264.9	291.5	287.5	287.9	303.7	287.0	275.8
Durable goods	28	134.8	162.2	153.1	159.6	173.8	162.5	153.2
Nondurable goods	29	130.0	129.3	134.4	128.4	129.9	124.5	122.5
Petroleum and products	30	251.9	301.8	288.5	317.2	336.7	264.6	278.8
Capital goods, except automotive	31	379.2	419.2	404.4	415.6	429.9	427.1	436.7
Civilian aircraft, engines, and parts	32	25.8	28.7	28.4	27.7	27.6	31.0	32.8
Computers, peripherals, and parts	33	93.3	101.6	99.5	101.4	104.4	101.0	108.9
Other	34	260.2	289.0	276.5	286.4	297.9	295.1	294.9
Automotive vehicles, engines, and parts	35	239.5	257.2	258.3	258.2	253.7	258.8	255.6
Consumer goods, except automotive	36	407.3	443.4	424.6	430.7	449.2	469.0	472.7
Durable goods	37	219.8	240.2	232.4	230.8	241.7	255.8	258.3
Nondurable goods	38	187.5	203.2	192.2	199.9	207.5	213.2	214.4
Other	39	88.1	91.0	95.1	96.2	89.2	83.6	99.6
Imports of services ¹	40	320.9	349.2	338.1	350.8	351.3	356.6	361.1
Direct defense expenditures	41	30.1	30.5	30.0	30.6	31.1	30.1	31.0
Travel	42	69.2	70.9	68.6	72.7	70.7	71.3	71.4
Passenger fares	43	26.1	28.1	27.0	29.1	27.7	28.7	29.0
Other transportation	44	62.1	66.0	65.3	65.9	66.8	66.2	65.5
Royalties and license fees	45	24.5	27.2	27.3	27.4	26.9	27.3	27.5
Other private services	46	98.7	115.9	109.4	114.5	117.4	122.3	126.1
Other	47	10.2	10.6	10.4	10.6	10.7	10.6	10.7
Addenda:								
Exports of durable goods	48	625.6	717.7	689.1	705.0	726.8	749.8	753.7
Exports of nondurable goods	49	281.9	317.8	300.3	314.1	329.0	327.6	332.3
Exports of agricultural goods ²	50	64.9	73.4	69.5	73.1	75.8	75.3	79.0
Exports of nonagricultural goods	51	842.7	962.0	919.8	946.0	980.0	1,002.1	1,007.0
Imports of durable goods	52	1,017.5	1,124.4	1,095.8	1,112.2	1,143.7	1,146.0	1,153.6
Imports of nondurable goods	53	681.5	755.1	736.8	766.8	795.1	721.6	746.1
Imports of nonpetroleum goods	54	1,447.1	1,577.7	1,544.0	1,561.9	1,602.1	1,602.9	1,620.9

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.

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

**Table 4.2.6. Real Exports and Imports of Goods and Services
by Type of Product, Chained Dollars**
[Billions of chained (2000) dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Exports of goods and services	1	1,196.1	1,302.8	1,269.3	1,288.5	1,310.0	1,343.5	1,341.4
Exports of goods ¹	2	843.2	931.4	906.2	919.5	940.4	959.5	958.0
Foods, feeds, and beverages	3	48.6	53.0	51.0	53.4	55.1	52.5	52.5
Industrial supplies and materials	4	179.7	193.4	186.7	193.1	194.6	199.0	195.6
Durable goods	5	62.9	69.3	67.6	68.4	69.1	72.2	72.2
Nondurable goods	6	116.9	124.2	119.3	125.0	125.7	126.9	123.4
Capital goods, except automotive	7	370.9	421.1	409.6	416.1	421.8	436.7	433.8
Civilian aircraft, engines, and parts	8	49.8	59.5	59.8	56.4	56.4	65.3	64.6
Computers, peripherals, and parts	9	45.5	47.6	47.0	47.8	47.4	48.3	45.1
Other	10	265.5	299.5	288.8	298.5	304.2	306.3	306.0
Automotive vehicles, engines, and parts	11	95.2	102.9	101.2	100.0	106.2	104.0	106.2
Consumer goods, except automotive	12	113.7	125.8	122.2	122.5	127.0	131.4	136.4
Durable goods	13	61.5	69.7	66.7	68.7	70.3	73.2	76.4
Nondurable goods	14	52.2	56.1	55.5	53.9	56.7	58.2	60.1
Other	15	39.6	42.3	42.6	40.3	42.5	43.9	42.7
Exports of services ¹	16	352.9	372.0	363.6	369.5	370.3	384.5	383.9
Transfers under U.S. military agency sales contracts	17	17.5	15.1	16.0	15.3	14.5	14.4	13.2
Travel	18	74.8	76.0	74.0	75.6	75.3	79.2	78.8
Passenger fares	19	15.2	15.7	16.5	15.4	15.2	15.6	15.7
Other transportation	20	33.9	36.6	35.5	36.6	36.4	38.0	37.8
Royalties and license fees	21	51.1	53.8	52.5	54.0	53.5	55.1	54.7
Other private services	22	147.0	161.0	155.2	158.9	161.6	168.2	169.4
Other	23	14.1	14.5	14.2	14.4	14.5	14.8	15.0
Residual	24	-6.3	-8.3	-7.3	-8.2	-9.1	-7.9	-8.9
Imports of goods and services	25	1,815.3	1,920.9	1,905.9	1,912.7	1,938.8	1,926.1	1,953.2
Imports of goods ¹	26	1,549.9	1,641.5	1,631.9	1,631.7	1,660.1	1,642.6	1,667.6
Foods, feeds, and beverages	27	59.8	63.7	63.6	62.8	64.4	64.2	65.3
Industrial supplies and materials, except petroleum and products	28	215.2	223.5	223.5	222.8	230.4	217.4	205.8
Durable goods	29	114.5	125.5	125.8	123.6	130.6	121.9	114.3
Nondurable goods	30	100.9	99.4	99.1	100.6	101.1	96.8	92.7
Petroleum and products	31	141.0	137.7	143.7	136.7	139.0	131.4	141.0
Capital goods, except automotive	32	418.5	466.5	450.5	463.1	478.0	474.6	485.7
Civilian aircraft, engines, and parts	33	22.7	24.4	24.5	23.6	23.3	26.1	27.1
Computers, peripherals, and parts	34	262.7	288.5	278.4	286.8	296.1	292.6	290.9
Other	35	231.2	247.4	249.6	248.7	243.4	248.0	244.7
Automotive vehicles, engines, and parts	36	231.2	247.4	249.6	248.7	243.4	248.0	244.7
Consumer goods, except automotive	37	409.2	442.9	426.1	432.0	447.6	465.9	467.5
Durable goods	38	227.4	246.1	240.2	237.6	246.7	259.9	262.5
Nondurable goods	39	182.4	197.5	186.8	194.9	201.4	206.7	205.8
Other	40	81.9	82.4	87.0	87.4	80.3	75.0	88.5
Imports of services ¹	41	267.5	281.6	276.6	283.2	281.3	285.5	287.9
Direct defense expenditures	42	19.8	19.1	19.7	19.2	19.1	18.4	18.7
Travel	43	55.5	54.7	54.7	56.7	53.9	53.7	53.4
Passenger fares	44	21.7	22.2	21.9	23.1	21.8	22.0	22.0
Other transportation	45	48.4	51.9	50.0	51.1	52.8	53.7	53.4
Royalties and license fees	46	21.8	23.5	23.8	23.7	23.1	23.5	23.4
Other private services	47	93.1	104.2	99.8	103.2	104.7	109.0	112.0
Other	48	8.6	8.7	8.7	8.7	8.7	8.7	8.7
Residual	49	-17.5	-40.0	-28.3	-38.8	-41.8	-51.2	-54.2
Addenda:								
Exports of durable goods	50	609.7	682.5	665.0	671.7	686.9	706.6	708.4
Exports of nondurable goods	51	236.2	253.0	245.4	251.5	257.4	257.8	255.0
Exports of agricultural goods ²	52	53.5	58.4	57.1	59.6	59.9	57.1	56.5
Exports of nonagricultural goods	53	791.3	874.9	850.9	861.5	882.3	904.9	904.2
Imports of durable goods	54	1,030.1	1,122.7	1,107.7	1,113.1	1,135.1	1,135.0	1,141.6
Imports of nondurable goods	55	525.4	533.4	536.2	532.2	539.7	525.6	541.4
Imports of nonpetroleum goods	56	1,412.7	1,518.7	1,495.4	1,510.0	1,536.3	1,533.2	1,542.0

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

2. The quantity index for computers can be used to accurately measure the real growth of this component. However, because computers exhibit rapid changes in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series; accurate estimates of these contributions are shown in table 4.2.2, and real growth rates are shown in table 4.2.1.

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

Note: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. For exports and for imports, the residual line is the difference between the aggregate line

5. Saving and Investment

Table 5.1. Saving and Investment
(Billions of dollars)

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Gross saving	1	1,612.0	1,843.1	1,880.5	1,789.7	1,778.1	1,924.2	1,806.0
Net saving	2	7.2	266.2	332.4	216.9	196.1	319.5	187.8
Net private saving.....	3	319.7	414.7	466.7	353.9	379.3	458.7	359.4
Personal saving.....	4	-34.8	-96.4	-29.7	-130.8	-133.0	-92.2	-82.3
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	5	354.5	498.6	496.4	484.6	512.4	500.9	491.7
Undistributed profits.....	6	542.5	693.8	668.0	704.3	713.0	690.1	681.5
Inventory valuation adjustment.....	7	-32.6	-34.4	-22.9	-58.9	-38.2	-17.5	-32.5
Capital consumption adjustment.....	8	-155.5	-160.9	-148.6	-160.8	-162.4	-171.7	-157.3
Wage accruals less disbursements.....	9	0.0	12.5	0.0	0.0	0.0	50.0	-50.0
Net government saving.....	10	-312.5	-148.4	-134.3	-136.9	-183.3	-139.2	-171.6
Federal.....	11	-309.2	-151.0	-147.0	-163.1	-173.0	-120.7	-133.7
State and local.....	12	-3.3	2.5	12.7	26.1	-10.2	-18.4	-37.9
Consumption of fixed capital	13	1,604.8	1,576.9	1,548.0	1,572.8	1,582.0	1,604.6	1,618.2
Private.....	14	1,352.6	1,311.2	1,288.9	1,309.8	1,314.4	1,331.5	1,339.5
Domestic business.....	15	1,059.1	1,050.9	1,035.1	1,050.4	1,053.0	1,065.2	1,070.3
Households and institutions.....	16	293.5	260.3	253.8	259.5	261.4	266.3	269.2
Government.....	17	252.2	265.7	259.1	262.9	267.6	273.1	278.7
Federal.....	18	99.0	104.3	102.4	103.7	105.1	106.0	107.0
State and local.....	19	153.2	161.4	156.7	159.2	162.5	167.1	171.7
Gross domestic investment, capital account transactions, and net lending, NIPAs.....	20	1,683.1	1,831.7	1,818.6	1,825.5	1,801.6	1,881.2	1,795.8
Gross domestic investment.....	21	2,454.5	2,643.8	2,634.7	2,668.0	2,668.5	2,604.1	2,571.4
Gross private domestic investment.....	22	2,057.4	2,212.5	2,214.8	2,237.1	2,235.5	2,162.6	2,120.2
Gross government investment.....	23	397.1	431.3	419.9	430.9	433.0	441.5	451.2
Capital account transactions (net) ¹	24	4.4	3.6	7.0	3.5	1.7	1.9	.....
Net lending or net borrowing (-), NIPAs.....	25	-775.8	-815.7	-823.1	-846.1	-868.7	-724.9	.....
Statistical discrepancy.....	26	71.0	-11.4	-61.9	35.8	23.5	-43.0	-10.1
Addenda:								
Gross private saving.....	27	1,672.3	1,725.8	1,755.7	1,663.7	1,693.7	1,790.2	1,698.9
Gross government saving.....	28	-60.2	117.3	124.8	126.0	84.4	133.9	107.1
Federal.....	29	-210.1	-46.7	-44.6	-59.4	-67.9	-14.7	-26.7
State and local.....	30	149.9	163.9	169.4	185.4	152.3	148.7	133.8
Net domestic investment.....	31	849.7	1,067.0	1,086.7	1,095.2	1,086.5	999.4	953.2
Gross saving as a percentage of gross national income	32	13.0	13.9	14.4	13.6	13.4	14.2	13.2
Net saving as a percentage of gross national income	33	0.1	2.0	2.5	1.6	1.5	2.4	1.4

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Private fixed investment	1	7.5	2.9	8.2	-1.6	-1.2	-9.1	-3.5
Nonresidential	2	6.8	7.2	13.7	4.4	10.0	-3.1	2.9
Structures	3	1.1	9.0	8.7	20.3	15.7	0.8	5.1
Commercial and health care.....	4	-0.8	7.1	11.7	25.6	1.7	14.7	.....
Manufacturing.....	5	21.1	12.2	-1.7	28.0	11.3	-13.2	28.0
Power and communication.....	6	-6.7	3.4	14.3	4.9	16.0	-2.9	-6.2
Mining exploration, shafts, and wells.....	7	11.0	11.1	2.0	28.0	10.0	3.8	-11.7
Other structures ¹	8	-5.2	12.8	23.6	35.1	7.3	2.8	10.1
Equipment and software	9	8.9	6.5	15.6	-1.4	7.7	-4.8	2.0
Information processing equipment and software.....	10	8.5	8.8	21.8	-1.1	10.0	-1.8	18.7
Computers and peripheral equipment.....	11	17.9	16.5	24.9	4.7	22.0	0.3	49.6
Software ²	12	5.8	6.3	12.2	4.2	6.0	3.0	10.8
Other ³	13	7.2	8.0	31.6	-9.0	9.3	-7.7	15.2
Industrial equipment.....	14	8.1	6.0	-3.6	13.6	0.2	-5.3	-3.1
Transportation equipment.....	15	12.9	0.2	27.7	-22.8	13.6	-17.2	-11.0
Other equipment ⁴	16	7.0	6.6	8.5	7.4	3.8	-0.5	-21.6
Residential	17	8.6	-4.2	-0.3	-11.1	-18.7	-19.8	-15.4
Structures	18	8.6	-4.3	-0.5	-11.2	-18.9	-20.0	-15.7
Permanent site.....	19	10.6	-5.6	0.8	-17.6	-25.0	-30.5	-25.6
Single family.....	20	10.3	-7.6	-1.8	-19.2	-28.6	-35.4	-27.9
Multifamily.....	21	14.1	12.4	25.7	-2.6	7.8	12.5	-9.9
Other structures ⁵	22	5.3	-2.2	-2.7	1.1	-7.5	-0.4	1.0
Equipment	23	5.0	4.7	13.6	-2.9	-2.2	-1.3	2.8
Addenda:								
Private fixed investment in structures.....	24	6.3	0.0	2.4	-1.8	-8.0	-12.8	-8.2
Private fixed investment in equipment and software.....	25	8.9	6.5	15.6	-1.4	7.6	-4.7	2.0
Private fixed investment in new structures ⁶	26	6.1	1.2	3.9	-1.7	-6.2	-13.8	-8.8
Nonresidential structures.....	27	1.0	8.9	8.6	20.2	15.6	0.8	5.0
Residential structures.....	28	8.9	-3.0	1.5	-12.3	-17.7	-22.4	-17.6

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
 2. Excludes software "embedded" or bundled, in computers and other equipment.
 3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
 4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
 5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
 6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

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

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

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Percent change at annual rate:								
Private fixed investment....	1	7.5	2.9	8.2	-1.6	-1.2	-9.1	-3.5
Percentage points at annual rates:								
Nonresidential	2	4.28	4.49	8.30	2.72	6.16	-1.99	1.94
Structures	3	0.19	1.58	1.50	3.34	2.79	0.17	1.02
Commercial and health care	4	-0.06	0.48	0.46	0.74	1.61	0.13	1.06
Manufacturing	5	0.22	0.15	-0.02	0.32	0.15	-0.19	0.36
Power and communication	6	-0.15	0.07	0.27	0.10	0.31	-0.06	-0.14
Mining exploration, shafts, and wells	7	0.36	0.48	0.09	1.16	0.48	0.19	-0.64
Other structures ¹	8	-0.18	0.41	0.71	1.03	0.25	0.10	0.37
Equipment and software	9	4.09	2.90	6.80	-0.62	3.36	-2.15	0.92
Information processing equipment and software....	10	1.95	1.91	4.52	-0.24	2.13	-0.39	3.96
Computers and peripheral equipment	11	0.75	0.64	0.94	0.18	0.79	0.01	1.67
Software ²	12	0.57	0.59	1.12	0.39	0.56	0.29	1.03
Other ³	13	0.63	0.68	2.46	-0.82	0.78	-0.69	1.27
Industrial equipment.....	14	0.62	0.46	-0.28	0.98	0.02	-0.41	-0.25
Transportation equipment.....	15	0.98	0.02	1.90	-1.91	0.92	-1.31	-0.84
Other equipment ⁴	16	0.55	0.51	0.66	0.56	0.30	-0.04	-1.95
Residential	17	3.19	-1.62	-0.11	-4.33	-7.31	-7.15	-5.47
Structures	18	3.17	-1.64	-0.17	-4.32	-7.30	-7.14	-5.49
Permanent site.....	19	2.44	-1.33	0.19	-4.46	-6.28	-7.09	-5.61
Single family	20	2.12	-1.63	-0.39	-4.39	-6.47	-7.41	-5.33
Multifamily	21	0.31	0.30	0.58	-0.07	0.19	0.32	-0.28
Other structures ⁵	22	0.74	-0.31	-0.36	0.14	-1.02	-0.05	0.13
Equipment	23	0.02	0.02	0.06	-0.01	-0.01	-0.01	0.01
Addenda:								
Private fixed investment in structures	24	3.36	-0.06	1.33	-0.98	-4.51	-6.98	-4.47
Private fixed investment in equipment and software	25	4.11	2.92	6.86	-0.63	3.35	-2.16	0.93
Private fixed investment in new structures ⁶	26	2.98	0.57	1.98	-0.85	-3.18	-6.93	-4.40
Nonresidential structures.....	27	0.18	1.56	1.48	3.31	2.76	0.15	1.00
Residential structures	28	2.81	-0.99	0.50	-4.16	-5.94	-7.09	-5.39

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
 2. Excludes software "embedded," or bundled, in computers and other equipment.
 3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
 4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
 5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
 6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

Table 5.3.3. Real Private Fixed Investment by Type, Quantity Indexes
 [Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Private fixed investment	1	109.708	112.851	114.033	113.570	113.240	110.561	109.571
Nonresidential	2	99.326	106.519	104.606	105.738	108.292	107.440	108.219
Structures	3	80.302	87.496	82.893	86.819	90.044	90.228	91.358
Commercial and health care	4	75.875	81.238	77.193	79.366	84.017	84.378	87.312
Manufacturing	5	61.759	69.269	65.797	69.992	71.895	69.391	73.808
Power and communication	6	71.479	73.882	71.989	72.859	75.619	75.062	73.864
Mining exploration, shafts, and wells	7	134.078	148.972	140.128	149.062	152.640	154.056	149.345
Other structures ¹	8	74.770	84.353	78.828	84.988	86.500	87.097	89.206
Equipment and software	9	107.180	114.121	113.704	113.313	115.434	114.032	114.596
Information processing equipment and software....	10	118.169	128.564	127.437	127.088	130.156	129.575	135.240
Computers and peripheral equipment	11	163.269	190.205	183.839	185.956	195.437	195.588	216.325
Software ²	12	117.072	124.475	122.383	123.658	125.468	126.390	129.662
Other ³	13	101.880	110.076	111.339	108.753	111.205	109.006	112.932
Industrial equipment	14	90.147	95.580	93.602	96.640	96.691	95.388	94.636
Transportation equipment	15	90.382	90.563	94.635	88.698	91.571	87.349	84.839
Other equipment ⁴	16	112.290	119.703	117.597	119.702	120.837	120.678	113.562
Residential	17	136.050	130.283	138.391	134.368	127.601	120.770	115.812
Structures	18	136.160	130.244	138.440	134.378	127.535	120.623	115.590
Permanent site.....	19	141.681	133.740	146.598	139.692	129.985	118.685	110.227
Single family	20	142.013	131.200	145.741	138.160	127.013	113.885	104.930
Multifamily	21	138.770	155.932	154.078	153.066	155.956	160.627	156.508
Other structures ⁵	22	127.527	124.738	125.738	126.070	123.635	123.509	123.806
Equipment	23	128.239	134.292	135.523	134.514	133.778	133.353	134.270
Addenda:								
Private fixed investment in structures.....	24	112.707	112.651	115.170	114.647	112.280	108.506	106.212
Private fixed investment in equipment and software	25	107.352	114.285	113.882	113.485	115.582	114.189	114.756
Private fixed investment in new structures ⁶	26	109.439	110.765	113.031	112.543	110.754	106.733	104.315
Nonresidential structures	27	80.287	87.395	82.832	86.729	89.924	90.094	91.199
Residential structures	28	133.472	129.413	137.880	133.419	127.079	119.273	113.651

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
 2. Excludes software "embedded," or bundled, in computers and other equipment.
 3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
 4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
 5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
 6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

Table 5.3.4. Price Indexes for Private Fixed Investment by Type

[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	I
Private fixed investment ...	1	110.542	114.178	113.238	114.074	114.224	115.175	115.674
Nonresidential	2	103.428	106.390	105.471	106.266	106.501	107.321	107.800
Structures	3	134.647	149.972	145.684	149.432	151.372	153.402	153.412
Commercial and health care	4	127.001	136.634	133.482	135.627	137.311	140.114	141.702
Manufacturing	5	122.924	131.920	129.037	131.133	132.536	134.976	136.471
Power and communication...	6	123.233	129.042	126.637	128.151	129.733	131.650	131.993
Mining exploration, shafts, and wells	7	209.732	265.599	252.697	267.060	271.460	271.179	263.476
Other structures ¹	8	123.118	131.180	128.550	130.395	131.753	134.023	135.421
Equipment and software	9	94.134	93.926	93.887	93.920	93.704	94.194	94.797
Information processing equipment and software ..	10	82.218	80.546	80.940	80.737	80.438	80.066	79.884
Computers and peripheral equipment	11	51.407	44.819	47.125	45.443	43.889	42.819	41.731
Software ²	12	94.067	94.999	94.430	95.005	95.354	95.205	95.629
Other ³	13	90.492	90.569	90.186	90.523	90.737	90.832	90.924
Industrial equipment	14	108.064	111.064	109.659	110.544	111.715	112.339	113.369
Transportation equipment....	15	108.882	108.789	108.867	109.257	106.894	110.138	113.941
Other equipment ⁴	16	108.174	110.317	109.841	109.608	110.339	111.479	111.894
Residential	17	126.714	131.757	130.765	131.696	131.655	132.911	133.452
Structures	18	127.205	132.288	131.293	132.236	132.182	133.441	133.987
Permanent site	19	128.285	133.202	132.247	133.034	132.781	134.747	135.281
Single family	20	128.918	133.741	132.782	133.572	133.318	135.292	135.829
Multifamily	21	122.984	128.220	127.300	128.058	127.814	129.707	130.221
Other structures ⁵	22	125.627	131.011	129.920	131.133	131.404	131.586	132.148
Equipment	23	96.852	99.297	98.518	98.710	99.454	100.506	100.787
Addenda:								
Private fixed investment in structures	24	129.651	137.826	135.796	137.602	138.195	139.711	140.066
Private fixed investment in equipment and software	25	94.156	93.974	93.928	93.962	93.755	94.250	94.850
Private fixed investment in new structures ⁶	26	130.078	138.713	136.448	138.434	139.107	140.864	141.254
Nonresidential structures	27	134.842	150.274	145.953	149.726	151.683	153.733	153.749
Residential structures	28	127.366	132.623	131.433	132.510	132.478	134.071	134.702

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

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

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

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

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

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

Table 5.3.5. Private Fixed Investment by Type

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Private fixed investment ...	1	2,036.2	2,162.9	2,167.7	2,174.8	2,171.4	2,137.6	2,127.7
Nonresidential	2	1,265.7	1,396.2	1,359.2	1,384.3	1,420.8	1,420.5	1,437.2
Structures	3	338.6	411.2	378.2	406.3	426.9	433.5	438.9
Commercial and health care	4	132.5	152.8	141.7	148.1	158.7	162.6	170.2
Manufacturing	5	24.1	29.1	27.0	29.2	30.3	29.8	32.0
Power and communication...	6	41.2	44.6	42.7	43.7	45.9	46.3	45.6
Mining exploration, shafts, and wells	7	76.4	107.4	96.0	107.9	112.3	113.2	106.7
Other structures ¹	8	64.3	77.4	70.8	77.4	79.6	81.6	84.4
Equipment and software	9	927.1	985.0	981.0	977.9	994.0	987.0	998.2
Information processing equipment and software ..	10	454.3	484.3	482.4	479.9	489.6	485.2	505.3
Computers and peripheral equipment	11	85.1	86.5	88.0	85.9	87.2	85.1	91.7
Software ²	12	194.0	208.3	203.6	207.0	210.8	212.0	218.4
Other ³	13	175.2	189.4	190.8	187.1	191.7	188.1	195.1
Industrial equipment	14	155.1	169.0	163.4	170.1	172.0	170.6	170.8
Transportation equipment....	15	158.3	158.5	165.7	155.9	157.5	154.8	155.5
Other equipment ⁴	16	159.4	173.2	169.4	172.1	174.9	176.5	166.7
Residential	17	770.4	766.7	808.5	790.6	750.5	717.1	690.5
Structures	18	761.3	756.9	798.7	780.8	740.7	707.3	680.5
Permanent site	19	481.7	471.8	513.7	492.4	457.3	423.7	395.1
Single family	20	433.5	415.2	458.2	437.0	401.0	364.8	337.5
Multifamily	21	48.2	56.5	55.4	55.4	56.3	58.9	57.6
Other structures ⁵	22	279.6	285.1	285.0	288.4	283.5	283.6	285.5
Equipment	23	9.1	9.8	9.8	9.8	9.8	9.9	10.0
Addenda:								
Private fixed investment in structures	24	1,099.9	1,168.1	1,176.9	1,187.1	1,167.6	1,140.8	1,119.5
Private fixed investment in equipment and software	25	936.2	994.8	990.8	987.7	1,003.7	996.9	1,008.2
Private fixed investment in new structures ⁶	26	992.4	1,070.5	1,074.8	1,085.7	1,073.7	1,047.8	1,026.9
Nonresidential structures	27	337.9	410.2	377.4	405.3	425.8	432.3	437.7
Residential structures	28	654.5	660.3	697.4	680.4	647.9	615.4	589.2

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

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

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

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

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

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

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

[Billions of chained (2000) dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Private fixed investment	1	1,842.0	1,894.7	1,914.6	1,906.8	1,901.3	1,856.3	1,839.7
Nonresidential	2	1,223.8	1,312.4	1,288.8	1,302.8	1,334.2	1,323.7	1,333.3
Structures	3	251.5	274.0	259.6	271.9	282.0	282.6	286.1
Commercial and health care	4	104.4	111.7	106.2	109.2	115.6	116.1	120.1
Manufacturing.....	5	19.6	22.0	20.9	22.3	22.9	22.1	23.5
Power and communication...	6	33.5	34.6	33.7	34.1	35.4	35.1	34.6
Mining exploration, shafts,	7	36.4	40.5	38.1	40.5	41.5	41.9	40.6
and wells.....	8	52.2	58.9	55.1	59.4	60.4	60.8	62.3
Other structures ¹	9	984.9	1,048.6	1,044.8	1,041.2	1,060.7	1,047.8	1,053.0
Equipment and software	10	552.6	601.2	595.9	594.3	608.6	605.9	632.4
Information processing	11	.....	.....	.....	.....	.....	.....	.....
equipment and software....	12	206.2	219.3	215.6	217.8	221.0	222.6	228.4
Computers and peripheral	13	193.6	209.2	211.6	206.7	211.3	207.1	214.6
equipment ²	14	143.5	152.2	149.0	153.9	151.9	150.7	157.0
Software ³	15	145.4	145.7	152.2	142.7	147.3	140.5	136.5
Other ⁴	16	147.3	157.1	154.3	157.1	158.6	158.3	149.0
Residential	17	608.0	582.2	618.5	600.5	570.3	539.7	517.6
Structures	18	598.5	572.5	608.5	590.6	560.6	530.2	508.1
Permanent site.....	19	375.5	354.5	388.6	370.2	344.5	314.6	292.2
Single family.....	20	336.3	310.7	345.1	327.1	300.8	269.7	248.5
Multifamily.....	21	39.2	44.1	43.5	43.3	44.1	45.4	44.2
Other structures ⁶	22	222.5	217.7	219.4	220.0	215.7	215.5	216.0
Equipment	23	9.4	9.9	10.0	9.9	9.8	9.8	9.9
Residual	24	-13.1	-31.8	-26.6	-25.8	-35.3	-38.9	-58.6
Addenda:								
Private fixed investment in	25	848.4	848.0	866.9	863.0	845.2	816.8	799.5
structures.....								
Private fixed investment in	26	994.3	1,058.6	1,054.8	1,051.2	1,070.6	1,057.7	1,062.9
equipment and software.....								
Private fixed investment in new	27	762.9	772.2	788.0	784.6	772.1	744.1	727.2
structures ⁷								
Nonresidential structures....	28	250.6	272.8	258.6	270.7	280.7	281.2	284.7
Residential structures.....	29	513.9	498.2	530.8	513.7	489.3	459.2	437.6

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
2. The quantity index for computers can be used to accurately measure the real growth rate of this component. However, because computers exhibit rapid changes in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series; accurate estimates of these contributions are shown in table 5.3.2 and real growth rates are shown in table 5.3.1.
3. Excludes software "embedded," or bundled, in computers and other equipment.
4. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
5. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
6. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
7. Excludes net purchases of used structures and brokers' commissions on the sale of structures.
Note. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 5.6.5B. Change in Private Inventories by Industry

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Change in private inventories	1	21.3	49.6	47.2	62.3	64.2	24.9	-7.5
Farm.....	2	0.3	3.1	5.4	2.3	2.5	2.2	2.1
Mining, utilities, and construction	3	1.8	2.4	-3.1	7.7	2.3	2.8	4.1
Manufacturing.....	4	-3.2	11.7	9.2	13.9	12.8	10.8	-4.7
Durable goods industries.....	5	1.2	8.4	-0.2	6.5	11.0	16.3	2.2
Nondurable goods industries...	6	-4.3	3.2	9.4	7.4	1.8	-5.6	-7.0
Wholesale trade.....	7	17.1	21.7	16.8	22.0	38.7	9.2	8.9
Durable goods industries.....	8	14.3	14.7	6.8	16.5	30.3	5.4	11.9
Nondurable goods industries...	9	2.8	6.9	10.0	5.5	8.4	3.7	-3.0
Retail trade.....	10	5.4	5.1	13.5	8.3	2.3	-3.8	-21.5
Motor vehicle and parts dealers	11	-2.7	-3.4	5.5	1.0	-7.0	-13.0	-19.2
Food and beverage stores.....	12	0.0	0.5	1.1	1.2	0.2	-0.5	0.0
General merchandise stores....	13	2.9	1.3	-4.9	-0.5	5.2	5.6	-0.3
Other retail stores.....	14	5.2	6.6	11.8	6.7	3.8	4.0	-1.9
Other industries.....	15	-0.1	5.7	5.5	8.0	5.5	3.8	3.6
Addenda:								
Change in private inventories	16	21.3	49.6	47.2	62.3	64.2	24.9	-7.5
Durable goods industries.....	17	17.3	18.3	14.3	25.1	35.2	-1.4	-1.9
Nondurable goods industries	18	4.0	31.3	32.9	37.2	28.9	26.3	-5.6
Nonfarm industries.....	19	21.0	46.5	41.8	59.9	61.6	22.7	-9.6
Nonfarm change in book	20	72.3	76.8	47.1	117.6	103.0	39.5	32.4
value ¹								
Nonfarm inventory valuation	21	-51.3	-30.3	-5.3	-57.7	-41.4	-16.8	-42.0
adjustment ²								
Wholesale trade.....	22	17.1	21.7	16.8	22.0	38.7	9.2	8.9
Merchant wholesale trade...	23	16.7	18.2	14.0	22.5	33.1	3.4	5.2
Durable goods industries	24	13.7	12.8	7.4	18.0	25.3	0.4	5.2
Nondurable goods	25	3.0	5.5	6.6	4.5	7.7	3.0	0.0
industries.....								
Nonmerchant wholesale	26	0.4	3.4	2.8	-0.5	5.6	5.8	3.7
trade.....								

1. This series is derived from the Census Bureau series "current cost inventories."
2. The inventory valuation adjustment (IVA) shown in this table differs from the IVA that adjusts business incomes. The IVA in this table reflects the mix of methods (such as first-in, first-out and last-in, first-out) underlying inventories derived primarily from Census Bureau statistics (see footnote 1). This mix differs from that underlying business income derived primarily from Internal Revenue Service statistics.
Note. Estimates in this table are based on the North American Industry Classification System (NAICS).

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

[Billions of chained (2000) dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Change in private inventories	1	19.6	43.2	41.2	53.7	55.4	22.4	-4.5
Farm.....	2	0.2	2.8	4.3	1.9	2.5	2.4	2.6
Mining, utilities, and construction	3	1.2	1.8	-2.0	5.4	1.6	2.0	2.8
Manufacturing.....	4	-2.4	9.3	7.6	11.1	10.1	8.4	-3.3
Durable goods industries.....	5	1.1	7.2	-0.1	5.7	9.4	13.8	1.9
Nondurable goods industries...	6	-3.3	2.2	7.1	5.2	1.1	-4.5	-4.8
Wholesale trade.....	7	15.7	19.1	15.0	19.3	33.7	8.5	7.5
Durable goods industries.....	8	13.5	13.6	6.4	15.3	27.7	5.0	10.8
Nondurable goods industries...	9	2.6	5.8	8.2	4.5	6.9	3.5	-2.4
Retail trade.....	10	5.2	4.8	12.8	7.8	2.2	-3.6	-20.0
Motor vehicle and parts dealers	11	-2.7	-3.5	5.5	1.0	-7.2	-13.4	-19.7
Food and beverage stores.....	12	0.0	0.4	1.0	1.0	0.2	-0.4	0.0
General merchandise stores....	13	2.7	1.2	-4.7	-0.5	4.8	5.2	-0.3
Other retail stores.....	14	4.9	6.0	10.8	6.1	3.6	3.7	-1.6
Other industries.....	15	-0.1	5.3	5.2	7.4	5.1	3.5	3.3
Residual.....	16	-0.5	0.4	-0.5	0.7	-0.3	1.6	2.9
Addenda:								
Change in private inventories	17	19.6	43.2	41.2	53.7	55.4	22.4	-4.5
Durable goods industries.....	18	16.4	16.8	13.4	23.1	31.9	-1.2	-1.7
Nondurable goods industries	19	3.9	26.0	27.1	30.3	24.1	22.3	-2.8
Nonfarm industries.....	20	19.6	40.6	36.8	52.2	53.3	20.0	-7.8
Wholesale trade.....	21	15.7	19.1	15.0	19.3	33.7	8.5	7.5
Merchant wholesale trade...	22	15.4	16.4	12.6	20.0	29.3	3.7	4.5
Durable goods industries	23	12.9	11.8	6.9	16.7	23.1	0.4	4.6
Nondurable goods	24	2.7	4.8	5.6	3.8	6.7	3.0	0.1
industries.....								
Nonmerchant wholesale	25	0.5	2.7	2.3	-0.4	4.4	4.6	2.8
trade.....								

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

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

[Billions of dollars]

	Line	Seasonally adjusted quarterly totals				
		2006				2007
		I	II	III	IV	I
Private inventories ¹	1	1,839.2	1,896.9	1,919.1	1,930.0	1,962.6
Farm	2	173.1	175.7	186.1	190.2	203.3
Mining, utilities, and construction	3	82.1	80.6	81.0	80.4	83.8
Manufacturing	4	523.9	550.0	552.3	550.6	556.1
Durable goods industries	5	301.4	316.1	321.7	321.8	328.3
Nondurable goods industries	6	222.5	233.9	230.6	228.8	227.8
Wholesale trade	7	437.8	456.7	463.6	471.8	482.2
Durable goods industries	8	255.0	265.1	273.3	275.4	281.4
Nondurable goods industries	9	182.8	191.6	190.3	196.4	200.9
Retail trade	10	492.0	499.2	499.0	499.6	498.0
Motor vehicle and parts dealers	11	159.7	160.5	157.1	154.3	148.9
Food and beverage stores	12	36.7	37.4	38.0	38.1	39.4
General merchandise stores	13	75.9	76.4	78.1	80.0	80.7
Other retail stores	14	219.7	224.9	225.8	227.2	229.0
Other industries	15	130.2	134.7	137.1	137.4	139.2
Addenda:						
Private inventories	16	1,839.2	1,896.9	1,919.1	1,930.0	1,962.6
Durable goods industries	17	823.8	850.7	862.4	858.8	867.4
Nondurable goods industries	18	1,015.4	1,046.2	1,056.7	1,071.2	1,095.2
Nonfarm industries	19	1,666.2	1,721.2	1,733.0	1,739.8	1,759.3
Wholesale trade	20	437.8	456.7	463.6	471.8	482.2
Merchant wholesale trade	21	377.0	392.5	400.4	407.0	415.6
Durable goods industries	22	225.8	235.7	242.5	243.3	247.3
Nondurable goods industries	23	151.2	156.9	157.9	163.7	168.3
Nonmerchant wholesale trade	24	60.8	64.2	63.2	64.8	66.7
Final sales of domestic business ²	25	741.4	751.1	756.4	766.5	776.3
Final sales of goods and structures of domestic business ²	26	455.6	460.8	462.1	466.7	471.1
Ratios of private inventories to final sales of domestic business:						
Private inventories to final sales	27	2.48	2.53	2.54	2.52	2.53
Nonfarm inventories to final sales	28	2.25	2.29	2.29	2.27	2.27
Nonfarm inventories to final sales of goods and structures	29	3.66	3.74	3.75	3.73	3.73

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

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross output of general government, gross value added of nonprofit institutions, compensation paid to domestic workers, and space rent for owner-occupied housing. It includes a small amount of final sales by farm and by government enterprises. Note: Estimates in this table are based on the North American Industry Classification System (NAICS).

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

[Billions of chained (2000) dollars]

	Line	Seasonally adjusted quarterly totals				
		2006				2007
		I	II	III	IV	I
Private inventories ¹	1	1,599.0	1,612.4	1,626.3	1,631.9	1,630.8
Farm	2	131.8	132.3	132.9	133.5	134.1
Mining, utilities, and construction	3	54.8	56.1	56.5	57.0	57.7
Manufacturing	4	436.6	439.4	441.9	444.0	443.2
Durable goods industries	5	265.1	266.6	268.9	272.4	272.8
Nondurable goods industries	6	171.5	172.9	173.1	172.0	170.8
Wholesale trade	7	387.3	392.1	400.5	402.7	404.5
Durable goods industries	8	238.7	242.5	249.4	250.7	253.4
Nondurable goods industries	9	149.2	150.4	152.1	153.0	152.4
Retail trade	10	466.8	468.8	469.3	468.4	463.4
Motor vehicle and parts dealers	11	162.7	163.0	161.2	157.8	152.9
Food and beverage stores	12	32.3	32.6	32.6	32.5	32.5
General merchandise stores	13	71.3	71.2	72.4	73.7	73.7
Other retail stores	14	200.8	202.3	203.2	204.2	203.7
Other industries	15	122.4	124.3	125.6	126.4	127.3
Residual	16	-1.6	-1.8	-1.6	-1.3	-0.5
Addenda:						
Private inventories	17	1,599.0	1,612.4	1,626.3	1,631.9	1,630.8
Durable goods industries	18	764.1	769.9	777.9	777.6	777.1
Nondurable goods industries	19	836.0	843.6	849.6	855.2	854.5
Nonfarm industries	20	1,467.4	1,480.4	1,493.7	1,498.7	1,496.8
Wholesale trade	21	387.3	392.1	400.5	402.7	404.5
Merchant wholesale trade	22	337.9	342.9	350.2	351.1	352.3
Durable goods industries	23	210.8	215.0	220.7	220.8	222.0
Nondurable goods industries	24	127.5	128.5	130.2	130.9	131.0
Nonmerchant wholesale trade	25	49.5	49.4	50.5	51.6	52.4
Final sales of domestic business ²	26	667.5	671.8	674.7	681.4	684.1
Final sales of goods and structures of domestic business ²	27	421.4	423.1	423.8	427.0	427.1
Ratios of private inventories to final sales of domestic business:						
Private inventories to final sales	28	2.40	2.40	2.41	2.39	2.38
Nonfarm inventories to final sales	29	2.20	2.20	2.21	2.20	2.19
Nonfarm inventories to final sales of goods and structures	30	3.48	3.50	3.52	3.51	3.50

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

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross output of general government, gross value added of nonprofit institutions, compensation paid to domestic workers, and space rent for owner-occupied housing. It includes a small amount of final sales by farm and by government enterprises. Note: Estimates in this table are based on the North American Industry Classification System (NAICS).

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

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

[Index numbers, 2000=100]

	Line	Seasonally adjusted				
		2006				2007
		I	II	III	IV	I
Private inventories ¹	1	115.022	117.640	118.005	118.267	120.346
Farm	2	131.303	132.816	140.014	142.525	151.598
Mining, utilities, and construction	3	150.009	143.636	143.332	141.011	145.087
Manufacturing	4	119.993	125.162	124.982	123.992	125.471
Durable goods industries	5	113.688	118.579	119.635	118.130	120.332
Nondurable goods industries	6	129.701	135.299	133.205	133.026	133.352
Wholesale trade	7	113.052	116.485	115.751	117.172	119.209
Durable goods industries	8	106.870	109.330	109.560	109.871	111.053
Nondurable goods industries	9	122.471	127.453	125.155	128.388	131.823
Retail trade	10	105.399	106.496	106.323	106.668	107.464
Motor vehicle and parts dealers	11	98.143	98.522	97.509	97.796	97.394
Food and beverage stores	12	113.712	114.876	116.498	117.204	121.156
General merchandise stores	13	106.366	107.262	107.817	108.489	109.573
Other retail stores	14	109.397	111.133	111.084	111.300	112.403
Other industries	15	106.386	108.340	109.188	108.631	109.374
Addenda:						
Private inventories	16	115.022	117.640	118.005	118.267	120.346
Durable goods industries	17	107.808	110.493	110.862	110.444	111.610
Nondurable goods industries	18	121.467	124.020	124.381	125.263	128.169
Nonfarm industries	19	113.548	116.264	116.020	116.081	117.535
Wholesale trade	20	113.052	116.485	115.751	117.172	119.209
Merchant wholesale trade	21	111.585	114.482	114.332	115.909	117.970
Durable goods industries	22	107.126	109.629	109.863	110.160	111.376
Nondurable goods industries	23	118.562	122.103	121.304	125.041	128.519
Nonmerchant wholesale trade	24	122.809	129.926	125.140	125.485	127.362

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

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

6. Income and Employment by Industry

Table 6.1D. National Income Without Capital Consumption Adjustment by Industry
 (Billions of dollars)

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	
National income without capital consumption adjustment	1	10,917.9	11,795.5	11,625.7	11,697.6	11,818.4	12,040.4	12,121.5
Domestic industries	2	10,886.0	11,765.6	11,596.6	11,674.8	11,801.8	11,989.4	12,078.2
Private industries	3	9,574.6	10,392.3	10,245.2	10,311.4	10,419.4	10,593.3	10,662.6
Agriculture, forestry, fishing, and hunting.....	4	87.6	88.9	87.4	82.2	88.3	97.9	.....
Mining.....	5	158.9	194.0	188.0	187.2	199.8	201.0	.....
Utilities.....	6	176.7	202.7	192.1	201.0	207.1	210.7	.....
Construction.....	7	604.2	637.9	652.5	650.3	635.3	613.5	.....
Manufacturing.....	8	1,365.8	1,483.7	1,472.8	1,457.4	1,497.6	1,507.1	.....
Durable goods.....	9	746.0	823.1	815.7	790.8	826.2	859.4	.....
Nondurable goods.....	10	619.8	660.7	657.0	666.6	671.4	647.7	.....
Wholesale trade.....	11	689.3	744.0	732.9	733.0	764.2	745.7	.....
Retail trade.....	12	825.3	879.0	866.1	869.2	881.2	899.3	.....
Transportation and warehousing.....	13	306.3	338.8	327.0	341.7	344.8	341.6	.....
Information.....	14	417.1	447.7	447.8	443.2	443.6	456.1	.....
Finance, insurance, real estate, rental, and leasing.....	15	1,832.9	2,013.6	1,975.5	2,002.6	1,986.4	2,089.9	.....
Professional and business services ¹	16	1,510.4	1,656.3	1,623.4	1,635.5	1,664.9	1,701.4	.....
Educational services, health care, and social assistance.....	17	938.2	1,002.1	981.7	1,000.4	1,001.9	1,024.3	.....
Arts, entertainment, recreation, accommodation, and food services.....	18	394.2	422.0	420.7	426.3	422.5	418.5	.....
Other services, except government.....	19	267.6	281.7	277.5	281.2	281.7	286.4	.....
Government	20	1,311.4	1,373.3	1,351.4	1,363.4	1,382.3	1,396.0	1,415.6
Rest of the world	21	31.9	29.9	29.1	22.7	16.7	51.1	43.3

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

Table 6.16D. Corporate Profits by Industry
 (Billions of dollars)

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	
Corporate profits with inventory valuation and capital consumption adjustments	1	1,330.7	1,615.7	1,569.1	1,591.8	1,653.3	1,648.4	1,668.7
Domestic industries	2	1,133.7	1,372.6	1,343.0	1,351.9	1,418.7	1,376.6	1,397.6
Financial ¹	3	369.4	474.0	442.2	483.9	474.8	495.3	500.1
Nonfinancial.....	4	764.2	898.5	900.9	868.1	943.9	881.3	897.5
Rest of the world	5	197.0	243.1	226.1	239.9	234.6	271.9	271.1
Receipts from the rest of the world.....	6	338.0	403.8	376.3	402.0	408.9	428.1	435.0
Less: Payments to the rest of the world.....	7	141.0	160.7	150.2	162.1	174.2	156.2	163.9
Corporate profits with inventory valuation adjustment	8	1,486.1	1,776.6	1,717.7	1,752.6	1,815.8	1,820.2	1,826.0
Domestic industries	9	1,289.1	1,533.4	1,491.6	1,512.7	1,581.1	1,548.3	1,554.9
Financial.....	10	389.0	498.7	463.9	508.2	500.1	522.7	526.8
Federal Reserve banks.....	11	26.6	33.8	30.9	33.7	35.8	34.7	38.5
Other financial ²	12	362.5	464.9	433.0	474.4	464.3	488.0	488.3
Nonfinancial.....	13	900.1	1,034.7	1,027.7	1,004.5	1,081.0	1,025.6	1,028.1
Utilities.....	14	30.3	48.6	39.7	46.8	52.8	54.9	.....
Manufacturing.....	15	254.8	311.7	300.7	289.9	331.9	324.5	.....
Durable goods.....	16	73.8	108.0	102.2	78.7	115.9	135.2	.....
Fabricated metal products.....	17	20.6	26.2	25.7	24.1	24.8	30.1	.....
Machinery.....	18	13.8	19.2	19.1	18.3	18.5	21.1	.....
Computer and electronic products.....	19	3.9	13.4	12.3	13.1	13.2	15.1	.....
Electrical equipment, appliances, and components.....	20	5.7	10.0	8.4	6.8	10.3	14.6	.....
Motor vehicles, bodies and trailers, and parts.....	21	-17.9	-17.9	-18.2	-25.4	-16.6	-11.3	.....
Other durable goods ³	22	47.7	57.0	54.9	41.9	65.7	65.6	.....
Nondurable goods.....	23	181.0	203.7	198.5	211.2	216.0	189.3	.....
Food and beverage and tobacco products.....	24	28.5	31.9	29.6	29.5	34.4	33.9	.....
Petroleum and coal products.....	25	70.4	84.3	74.5	92.4	101.1	69.4	.....
Chemical products.....	26	45.3	49.1	54.1	53.6	46.6	41.9	.....
Other nondurable goods ⁴	27	36.8	38.5	40.1	35.7	33.9	44.2	.....
Wholesale trade.....	28	97.6	106.0	107.2	98.3	125.1	93.7	.....
Retail trade.....	29	113.7	130.1	123.0	121.2	131.3	145.0	.....
Transportation and warehousing.....	30	21.0	34.7	27.3	38.6	39.6	33.3	.....
Information.....	31	77.5	87.7	89.8	85.9	83.3	91.9	.....
Other nonfinancial ⁵	32	305.2	315.8	340.1	323.9	317.1	282.2	.....
Rest of the world	33	197.0	243.1	226.1	239.9	234.6	271.9	271.1

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

7. Supplemental Tables

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

[Dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Current dollars:								
Gross domestic product.....	1	41,960	44,197	43,557	44,092	44,399	44,736	45,153
Gross national product.....	2	42,067	44,297	43,654	44,168	44,455	44,906	45,297
Personal income.....	3	34,493	36,338	35,900	36,107	36,457	36,886	37,639
Disposable personal income.....	4	30,440	31,794	31,437	31,560	31,916	32,258	32,831
Personal consumption								
expenditures.....	5	29,450	30,926	30,401	30,831	31,149	31,319	31,846
Durable goods.....	6	3,480	3,571	3,563	3,548	3,584	3,589	3,640
Nondurable goods.....	7	8,554	9,058	8,901	9,092	9,157	9,082	9,254
Services.....	8	17,416	18,297	17,937	18,191	18,408	18,648	18,952
Chained (2000) dollars:								
Gross domestic product.....	9	37,219	38,087	37,892	38,048	38,137	38,271	38,249
Gross national product.....	10	37,318	38,175	37,980	38,116	38,187	38,418	38,373
Disposable personal income.....	11	27,302	27,755	27,714	27,548	27,698	28,061	28,327
Personal consumption								
expenditures.....	12	26,415	26,997	26,800	26,912	27,031	27,244	27,477
Durable goods.....	13	3,858	4,013	3,986	3,977	4,029	4,062	4,139
Nondurable goods.....	14	7,670	7,881	7,844	7,855	7,865	7,958	8,010
Services.....	15	14,946	15,183	15,049	15,153	15,219	15,308	15,424
Population (midperiod, thousands)	16	296,852	299,715	298,651	299,312	300,064	300,833	301,487

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

[Percent]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV	I
Motor vehicle output								
Auto output.....	1	5.9	-1.7	3.8	-9.4	27.4	-32.0	3.5
Truck output.....	2	14.1	-0.6	-6.7	-12.5	7.3	-6.8	-12.6
Truck output.....	3	1.8	-2.4	10.7	-7.5	40.3	-43.5	14.6
Final sales of domestic product	4	7.1	-1.5	19.9	-4.0	31.1	-18.8	3.3
Personal consumption expenditures								
New motor vehicles.....	5	-0.5	-1.4	20.7	1.0	12.3	-7.3	13.4
Autos.....	6	-1.7	-4.8	20.6	2.1	13.0	-4.5	19.9
Light trucks (including utility vehicles).....	7	5.2	0.5	6.1	21.6	-2.6	-10.1	-1.3
Net purchases of used autos and used light trucks.....	8	-5.8	-8.4	32.9	-10.9	26.9	0.0	37.9
Used autos.....	9	2.2	5.8	20.8	-0.9	11.1	-12.6	1.0
Used light trucks (including utility vehicles).....	10	2.1	2.7	17.9	-1.3	4.9	-4.6	6.9
Private fixed investment.....	11	2.4	8.9	23.7	-0.6	17.2	-19.5	-4.3
New motor vehicles.....	12	20.9	3.4	14.2	-16.6	18.8	-12.3	-31.4
Autos.....	13	12.7	5.5	28.9	-24.6	11.9	-2.8	-15.5
Trucks.....	14	7.5	-0.4	-1.5	-23.5	7.6	9.5	-4.3
Light trucks (including utility vehicles).....	15	15.6	8.6	47.4	-25.1	14.0	-8.2	-20.6
Other.....	16	13.5	8.2	59.2	-32.0	19.9	-18.0	1.5
Net purchases of used autos and used light trucks.....	17	21.5	9.5	21.2	-4.7	0.8	19.0	-57.0
Used autos.....	18	-1.5	9.8	62.5	-37.7	-0.6	19.2	24.8
Used light trucks (including utility vehicles).....	19	-0.4	4.2	14.8	-36.1	19.8	19.2	20.4
Gross government investment	20	-2.6	15.5	125.3	-39.0	-16.1	19.1	29.1
Autos.....	21	4.2	16.3	62.1	8.2	11.4	8.3	-52.7
Trucks.....	22	7.4	0.1	-13.4	64.4	-0.5	28.9	-47.1
Net exports	23	3.3	21.3	90.0	-2.1	14.6	3.5	-54.1
Exports.....	24	18.6	13.1	30.8	-14.5	69.6	-32.2	31.7
Autos.....	25	23.0	18.7	36.5	-14.9	81.3	-21.8	35.1
Trucks.....	26	15.0	8.2	25.8	-14.2	59.3	-41.1	28.2
Imports.....	27	1.0	9.2	23.3	-6.7	-10.6	15.1	-9.6
Autos.....	28	-3.6	10.8	11.8	-4.8	24.2	14.4	-32.2
Trucks.....	29	5.6	7.7	34.5	-8.2	-34.2	15.8	18.4
Change in private inventories	30	.....	.....	.....	.....	.....	.....	.....
Autos.....	31	.....	.....	.....	.....	.....	.....	.....
New.....	32	.....	.....	.....	.....	.....	.....	.....
Domestic.....	33	.....	.....	.....	.....	.....	.....	.....
Foreign.....	34	.....	.....	.....	.....	.....	.....	.....
Used.....	35	.....	.....	.....	.....	.....	.....	.....
Domestic.....	36	.....	.....	.....	.....	.....	.....	.....
Foreign.....	37	.....	.....	.....	.....	.....	.....	.....
Trucks.....	38	.....	.....	.....	.....	.....	.....	.....
New.....	39	.....	.....	.....	.....	.....	.....	.....
Domestic.....	40	.....	.....	.....	.....	.....	.....	.....
Foreign.....	41	.....	.....	.....	.....	.....	.....	.....
Used ¹	42	.....	.....	.....	.....	.....	.....	.....
Addenda:	43	.....	.....	.....	.....	.....	.....	.....
Final sales of motor vehicles to domestic purchasers.....	44	4.5	0.3	20.0	-3.8	13.9	-8.2	-3.2
Private fixed investment in new autos and new light trucks.....	45	11.0	4.6	30.7	-28.7	14.8	-7.6	-0.9
Domestic output of new autos ²	46	12.5	0.2	-1.7	-21.9	7.6	-18.7	-2.5
Sales of imported new autos ³	47	2.9	5.1	-6.5	17.9	14.5	6.3	-3.9

1. Consists of used light trucks only.

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

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

Table 7.2.3B. Real Motor Vehicle Output, Quantity Indexes

[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	
Motor vehicle output	1	118.006	115.973	117.341	114.487	121.621	110.441	111.404
Auto output.....	2	101.241	100.648	102.738	99.360	101.135	99.362	96.061
Truck output.....	3	130.020	126.955	127.804	125.338	136.403	118.276	122.365
Final sales of domestic product	4	121.646	119.873	118.267	117.064	125.261	118.901	119.871
Personal consumption expenditures	5	117.472	115.781	114.425	114.718	118.101	115.879	119.577
New motor vehicles.....	6	124.212	118.289	116.382	116.974	120.591	119.210	124.751
Autos.....	7	103.256	103.796	101.054	106.108	105.401	102.623	102.300
Light trucks (including utility vehicles).....	8	143.876	131.815	130.703	126.993	134.786	134.780	146.054
Net purchases of used autos and used light trucks.....	9	104.778	110.816	110.474	110.219	113.163	109.409	109.694
Used autos.....	10	94.308	96.828	96.765	96.455	97.617	96.475	98.105
Used light trucks (including utility vehicles).....	11	117.501	127.908	127.222	127.035	132.180	125.194	123.819
Private fixed investment	12	108.561	112.254	114.600	109.501	114.308	110.608	100.647
New motor vehicles.....	13	106.399	112.266	116.892	108.923	112.018	111.232	106.635
Autos.....	14	91.722	91.367	94.629	88.508	90.134	92.199	91.197
Trucks.....	15	115.885	125.859	131.380	122.206	126.268	123.581	116.642
Light trucks (including utility vehicles).....	16	117.601	127.235	135.256	122.829	128.535	122.319	122.770
Other.....	17	110.045	120.454	120.090	118.653	118.901	124.173	100.534
Net purchases of used autos and used light trucks.....	18	98.660	108.349	117.049	103.996	103.849	108.503	114.683
Used autos.....	19	92.350	96.197	101.093	90.369	94.538	98.788	103.482
Used light trucks (including utility vehicles).....	20	105.785	122.223	135.307	119.581	114.445	119.560	127.455
Gross government investment	21	116.428	135.448	130.972	133.593	137.236	139.993	116.107
Autos.....	22	101.294	101.372	90.752	102.756	102.631	109.352	93.262
Trucks.....	23	122.206	148.204	145.957	145.172	150.194	151.495	124.705
Net exports	24	.....	.....	.....	.....	.....	.....	.....
Exports.....	25	156.912	177.437	175.063	168.320	192.073	174.294	186.704
Autos.....	26	159.191	188.938	183.291	176.051	204.292	192.117	207.130
Trucks.....	27	154.709	167.416	167.800	161.487	181.418	158.959	169.158
Imports.....	28	109.052	119.080	121.243	119.170	115.884	120.024	117.022
Autos.....	29	96.653	107.136	104.294	103.020	108.757	112.473	102.057
Trucks.....	30	123.581	133.106	141.060	138.060	124.335	128.971	134.522
Change in private inventories	31	.....	.....	.....	.....	.....	.....	.....
Autos.....	32	.....	.....	.....	.....	.....	.....	.....
New.....	33	.....	.....	.....	.....	.....	.....	.....
Domestic.....	34	.....	.....	.....	.....	.....	.....	.....
Foreign.....	35	.....	.....	.....	.....	.....	.....	.....
Used.....	36	.....	.....	.....	.....	.....	.....	.....
Trucks.....	37	.....	.....	.....	.....	.....	.....	.....
New.....	38	.....	.....	.....	.....	.....	.....	.....
Domestic.....	39	.....	.....	.....	.....	.....	.....	.....
Foreign.....	40	.....	.....	.....	.....	.....	.....	.....
Used ¹	41	.....	.....	.....	.....	.....	.....	.....
Addenda:								
Final sales of motor vehicles to domestic purchasers.....	42	115.830	116.196	115.758	114.641	118.442	115.945	115.007
Private fixed investment in new autos and new light trucks.....	43	105.345	110.162	115.889	106.489	110.221	108.050	107.799
Domestic output of new autos ²	44	92.758	92.907	97.627	91.765	93.468	88.767	88.214
Sales of imported new autos ³	45	111.560	117.269	111.314	115.981	119.971	121.810	120.613

1. Consists of used light trucks only.
2. Consists of final sales and change in private inventories of new autos assembled in the United States.
3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 7.2.4B. Price Indexes for Motor Vehicle Output

[Index numbers, 2000=100]

	Line	2005	2006	Seasonally adjusted				
				2006				2007
				I	II	III	IV	
Motor vehicle output	1	97.656	97.102	97.636	97.564	96.460	96.750	97.446
Auto output.....	2	98.771	99.740	100.179	99.370	99.759	99.654	99.299
Truck output.....	3	96.914	95.526	96.097	96.441	94.528	95.038	96.336
Final sales of domestic product	4	97.644	97.179	97.690	97.617	96.572	96.836	97.560
Personal consumption expenditures	5	97.623	97.363	97.827	97.633	97.441	96.549	95.998
New motor vehicles.....	6	96.320	95.742	96.251	95.913	95.734	95.070	94.850
Autos.....	7	96.921	97.814	97.886	97.570	97.974	97.827	97.564
Light trucks (including utility vehicles).....	8	95.884	94.251	95.087	94.731	94.112	93.074	92.885
Net purchases of used autos and used light trucks.....	9	100.329	100.780	101.157	101.256	101.035	99.670	98.410
Used autos.....	10	102.345	102.440	103.002	102.702	102.797	101.260	99.595
Used light trucks (including utility vehicles).....	11	98.241	99.014	99.221	99.683	99.180	97.975	97.097
Private fixed investment	12	105.085	104.288	104.628	104.842	102.154	105.526	109.487
New motor vehicles.....	13	97.191	96.788	96.863	97.368	95.979	96.942	98.496
Autos.....	14	96.927	97.824	97.895	97.577	97.991	97.831	97.570
Trucks.....	15	97.410	96.341	96.415	97.308	95.072	96.571	99.032
Light trucks (including utility vehicles).....	16	94.063	91.560	92.264	92.871	89.784	91.323	94.367
Other.....	17	108.306	111.569	109.773	111.536	111.778	113.189	113.889
Net purchases of used autos and used light trucks.....	18	87.784	88.116	87.753	88.739	89.495	86.479	84.497
Used autos.....	19	88.761	89.118	88.808	89.771	90.354	87.540	85.723
Used light trucks (including utility vehicles).....	20	86.829	87.136	86.728	87.731	88.642	85.441	83.306
Gross government investment	21	103.257	104.787	103.906	104.798	104.223	106.222	107.616
Autos.....	22	99.679	101.809	101.473	100.253	101.572	103.940	103.698
Trucks.....	23	104.358	105.694	104.687	106.113	105.036	106.939	108.791
Net exports	24	.....	.....	.....	.....	.....	.....	.....
Exports.....	25	107.262	107.963	107.711	107.799	107.895	108.448	108.546
Autos.....	26	104.802	105.464	105.298	105.298	105.428	105.832	105.898
Trucks.....	27	109.627	110.379	110.042	110.214	110.278	110.982	111.115
Imports.....	28	104.770	105.229	105.064	105.095	105.195	105.562	105.579
Autos.....	29	103.680	103.817	103.642	103.742	103.742	104.142	104.009
Trucks.....	30	105.954	106.691	106.531	106.502	106.698	107.032	107.194
Change in private inventories	31	.....	.....	.....	.....	.....	.....	.....
Autos.....	32	.....	.....	.....	.....	.....	.....	.....
New.....	33	.....	.....	.....	.....	.....	.....	.....
Domestic.....	34	.....	.....	.....	.....	.....	.....	.....
Foreign.....	35	.....	.....	.....	.....	.....	.....	.....
Used.....	36	.....	.....	.....	.....	.....	.....	.....
Trucks.....	37	.....	.....	.....	.....	.....	.....	.....
New.....	38	.....	.....	.....	.....	.....	.....	.....
Domestic.....	39	.....	.....	.....	.....	.....	.....	.....
Foreign.....	40	.....	.....	.....	.....	.....	.....	.....
Used ¹	41	.....	.....	.....	.....	.....	.....	.....
Addenda:								
Final sales of motor vehicles to domestic purchasers.....	42	99.002	98.668	99.055	98.999	98.175	98.442	99.020
Private fixed investment in new autos and new light trucks.....	43	95.314	94.174	94.637	94.886	93.150	94.024	95.751
Domestic output of new autos ²	44	98.174	98.935	98.976	98.660	98.989	99.114	99.012
Sales of imported new autos ³	45	96.924	97.818	97.887	97.574	97.980	97.830	97.567

1. Consists of used light trucks only.
2. Consists of final sales and change in private inventories of new autos assembled in the United States.
3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 7.2.5B. Motor Vehicle Output

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Motor vehicle output	1	420.5	411.0	418.0	408.2	428.0	389.6	396.0
Auto output.....	2	151.0	151.6	155.4	149.1	152.3	149.6	144.1
Truck output.....	3	269.5	259.3	262.5	259.1	275.6	240.1	251.9
Final sales of domestic product	4	421.0	412.8	409.5	405.0	428.7	408.1	414.5
Personal consumption expenditures	5	373.3	366.9	364.4	364.6	374.6	364.2	373.6
New motor vehicles.....	6	256.3	242.6	240.0	240.4	247.4	242.8	253.5
Autos.....	7	103.7	105.2	102.5	107.3	107.0	104.0	103.4
Light trucks (including utility vehicles).....	8	152.7	137.5	137.5	133.1	140.4	138.8	150.1
Net purchases of used autos and used light trucks.....	9	116.9	124.3	124.3	124.2	127.2	121.3	120.1
Used autos.....	10	58.5	60.2	60.5	60.1	60.9	59.3	59.3
Used light trucks (including utility vehicles).....	11	58.4	64.1	63.9	64.1	66.3	62.1	60.8
Private fixed investment	12	134.9	138.5	141.9	135.8	138.1	130.4	130.4
New motor vehicles.....	13	200.0	210.1	219.0	205.1	207.9	208.5	203.1
Autos.....	14	67.9	68.3	70.8	66.0	67.5	68.9	68.0
Trucks.....	15	132.1	141.9	148.2	139.1	140.5	139.6	135.2
Light trucks (including utility vehicles).....	16	95.2	100.3	107.5	98.2	99.4	96.2	99.8
Other.....	17	36.9	41.6	40.8	40.9	41.1	43.5	35.4
Net purchases of used autos and used light trucks.....	18	-65.1	-71.7	-77.1	-69.3	-69.8	-70.5	-72.8
Used autos.....	19	-32.7	-34.2	-35.8	-32.3	-34.1	-34.5	-35.4
Used light trucks (including utility vehicles).....	20	-32.4	-37.5	-41.3	-37.0	-35.7	-36.0	-37.4
Gross government investment	21	14.9	17.6	16.9	17.3	17.7	18.4	15.5
Autos.....	22	3.4	3.5	3.1	3.5	3.6	3.9	3.3
Trucks.....	23	11.4	14.1	13.7	13.8	14.2	14.5	12.2
Net exports	24	-102.1	-110.1	-113.6	-112.7	-101.7	-112.6	-105.0
Exports.....	25	44.0	50.0	49.3	47.4	54.1	49.4	52.9
Autos.....	26	20.4	24.4	23.6	22.7	26.4	24.9	26.8
Trucks.....	27	23.6	25.7	25.6	24.7	27.8	24.5	26.1
Imports.....	28	146.1	160.2	162.8	160.1	155.8	162.0	157.9
Autos.....	29	69.6	77.2	75.0	74.2	78.3	81.3	73.7
Trucks.....	30	76.5	83.0	87.8	85.9	77.5	80.7	84.2
Change in private inventories	31	-0.5	-1.9	8.5	3.2	-0.8	-18.5	-18.5
Autos.....	32	-0.7	1.5	5.8	-3.9	-0.5	4.4	-7.6
New.....	33	0.5	4.0	5.4	1.0	2.3	7.3	-3.6
Domestic.....	34	0.3	2.1	3.7	0.7	2.2	1.9	-0.3
Foreign.....	35	0.2	1.9	1.6	0.3	0.1	5.4	-3.3
Used.....	36	-1.2	-2.5	0.4	-4.9	-2.8	-2.8	-4.1
Trucks.....	37	0.3	-3.3	2.7	7.1	-0.2	-22.9	-10.9
New.....	38	1.7	-1.4	0.1	10.7	5.5	-21.8	-10.7
Domestic.....	39	1.1	-2.0	-1.4	11.9	2.3	-20.8	-9.5
Foreign.....	40	0.7	0.6	1.6	-1.2	3.2	-1.0	-1.2
Used ¹	41	-1.5	-2.0	2.5	-3.6	-5.8	-1.1	-0.2
Addenda:								
Final sales of motor vehicles to domestic purchasers.....	42	523.1	523.0	523.1	517.7	530.4	520.7	519.5
Private fixed investment in new autos and new light trucks.....	43	163.1	168.6	178.2	164.2	166.8	165.1	167.7
Domestic output of new autos ²	44	100.6	101.5	106.7	100.0	102.1	97.1	96.4
Sales of imported new autos ³	45	90.7	96.2	91.4	94.9	98.6	99.9	98.7

1. Consists of used light trucks only.
2. Consists of final sales and change in private inventories of new autos assembled in the United States.
3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 7.2.6B. Real Motor Vehicle Output, Chained Dollars

[Billions of chained (2000) dollars]

	Line	2005	2006	Seasonally adjusted at annual rates				
				2006				2007
				I	II	III	IV		I
Motor vehicle output	1	430.7	423.3	428.3	417.8	443.9	403.1	406.6
Auto output.....	2	153.0	152.1	155.2	150.1	152.8	150.1	145.1
Truck output.....	3	278.1	271.5	273.3	268.1	291.7	253.0	261.7
Final sales of domestic product	4	431.1	424.9	419.2	414.9	444.0	421.4	424.9
Personal consumption expenditures	5	382.4	376.9	372.4	373.4	384.4	377.2	389.2
New motor vehicles.....	6	266.1	253.4	249.3	250.6	258.4	255.4	267.3
Autos.....	7	107.0	107.5	104.7	109.9	109.2	106.3	106.0
Light trucks (including utility vehicles).....	8	159.2	145.9	144.6	140.5	149.2	149.2	161.6
Net purchases of used autos and used light trucks.....	9	116.6	123.3	122.9	122.6	125.9	121.7	122.0
Used autos.....	10	57.2	58.7	58.7	58.5	59.2	58.5	59.5
Used light trucks (including utility vehicles).....	11	59.5	64.7	64.4	64.3	66.9	63.3	62.7
Private fixed investment	12	128.4	132.8	135.5	129.5	135.2	130.8	119.0
New motor vehicles.....	13	205.7	217.1	226.0	210.6	216.6	215.1	206.2
Autos.....	14	70.1	69.8	72.3	67.6	68.9	70.4	69.7
Trucks.....	15	135.6	147.2	153.7	143.0	147.7	144.6	136.5
Light trucks (including utility vehicles).....	16	101.2	109.5	116.4	105.7	110.6	105.3	105.7
Other.....	17	34.0	37.2	37.1	36.7	36.8	38.4	31.1
Net purchases of used autos and used light trucks.....	18	-74.1	-81.4	-87.9	-78.1	-78.0	-81.5	-86.1
Used autos.....	19	-36.8	-38.3	-40.3	-36.0	-37.7	-39.4	-41.3
Used light trucks (including utility vehicles).....	20	-37.3	-43.1	-47.7	-42.1	-40.3	-42.1	-44.9
Gross government investment	21	14.4	16.8	16.2	16.5	17.0	17.3	14.4
Autos.....	22	3.5	3.5	3.1	3.5	3.5	3.7	3.2
Trucks.....	23	11.0	13.3	13.1	13.0	13.5	13.6	11.2
Net exports	24	-98.4	-105.9	-109.3	-108.4	-98.0	-107.9	-100.8
Exports.....	25	41.0	46.4	45.7	44.0	50.2	45.5	48.8
Autos.....	26	19.5	23.1	22.4	21.5	25.0	23.5	25.3
Trucks.....	27	21.5	23.3	23.3	22.4	25.2	22.1	23.5
Imports.....	28	139.4	152.2	155.0	152.3	148.1	153.4	149.6
Autos.....	29	67.1	74.4	72.4	71.5	75.5	78.1	70.8
Trucks.....	30	72.2	77.8	82.4	80.7	72.6	75.4	78.6
Change in private inventories	31	-0.4	-2.3	8.5	3.0	-0.8	-19.7	-19.0
Autos.....	32	-0.7	1.4	6.1	-4.3	-0.7	4.7	-8.5
New.....	33	0.5	4.2	5.5	1.0	2.3	7.8	-3.9
Domestic.....	34	0.3	2.2	3.9	0.7	2.3	2.0	-0.3
Foreign.....	35	0.2	1.8	1.6	0.3	0.1	5.1	-3.2
Used.....	36	-1.3	-2.8	0.5	-5.4	-3.1	-3.2	-4.7
Trucks.....	37	0.3	-3.4	2.6	6.4	-0.2	-22.4	-10.3
New.....	38	1.5	-1.4	0.2	9.2	5.1	-20.1	-9.5
Domestic.....	39	0.9	-2.0	-1.3	10.4	1.9	-19.1	-8.3
Foreign.....	40	0.6	0.6	1.5	-1.2	3.1	-1.0	-1.2
Used ¹	41	-1.6	-2.2	2.8	-3.9	-6.4	-1.2	-0.2
Residual.....	42	1.3	2.8	2.0	3.6	4.1	1.2	0.6
Addenda:								
Final sales of motor vehicles to domestic purchasers.....	43	528.4	530.0	528.0	522.9	540.3	528.9	524.6
Private fixed investment in new autos and new light trucks.....	44	171.1	179.0	188.3	173.0	179.1	175.5	175.1
Domestic output of new autos ²	45	102.5	102.7	107.9	101.4	103.3	98.1	97.5
Sales of imported new autos ³	46	93.6	98.3	93.4	97.3	100.6	102.2	101.2

1. Consists of used light trucks only.
2. Consists of final sales and change in private inventories of new autos assembled in the United States.
3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.
Note. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

B. NIPA-Related Table

Table B.1 presents the most recent estimates of personal income and its components and the disposition of personal income. These estimates were released on June 1, 2007.

Table B.1 Personal Income and Its Disposition
[Billions of dollars; monthly estimates seasonally adjusted at annual rates]

	2005	2006	2006									2007				
			March	April	May	June	July	August	Sept.	Oct. ¹	Nov. ¹	Dec. ¹	Jan. ¹	Feb. ¹	March ¹	April ²
Personal Income	10,239.2	10,891.2	10,777.4	10,784.3	10,795.3	10,842.2	10,892.5	10,937.1	10,988.7	11,050.1	11,089.5	11,150.2	11,270.4	11,343.2	11,429.1	11,422.0
Compensation of employees, received.....	7,030.3	7,485.9	7,451.3	7,434.9	7,406.8	7,434.7	7,467.9	7,480.0	7,519.8	7,588.3	7,625.3	7,672.4	7,761.7	7,794.9	7,844.9	7,819.7
Wage and salary disbursements.....	5,664.8	6,031.1	6,013.8	5,993.6	5,963.5	5,985.7	6,011.6	6,019.0	6,052.3	6,111.6	6,142.4	6,182.7	6,257.7	6,286.5	6,331.4	6,304.5
Private industries.....	4,687.1	5,017.2	5,013.4	4,990.4	4,958.1	4,976.4	4,997.0	4,998.5	5,025.8	5,082.7	5,111.4	5,149.7	5,216.3	5,240.8	5,282.8	5,252.1
Goods-producing industries.....	1,101.3	1,180.5	1,188.4	1,174.3	1,170.4	1,174.2	1,172.2	1,171.3	1,171.1	1,193.6	1,198.9	1,207.9	1,212.1	1,213.6	1,223.6	1,228.3
Manufacturing.....	704.7	736.8	749.6	736.2	730.9	731.2	730.5	729.3	727.4	739.9	741.0	746.3	747.2	749.3	754.6	757.7
Service-producing industries.....	3,585.8	3,836.7	3,825.0	3,816.1	3,787.7	3,802.2	3,824.8	3,827.2	3,854.7	3,889.1	3,912.5	3,941.8	4,004.2	4,027.1	4,059.1	4,023.8
Trade, transportation, and utilities.....	937.2	995.1	990.8	992.7	987.1	992.6	995.2	993.9	997.8	1,004.3	1,011.8	1,014.5	1,017.9	1,019.7	1,024.9	1,022.8
Other services-producing industries.....	2,648.5	2,841.6	2,834.2	2,823.4	2,800.6	2,809.6	2,829.6	2,833.3	2,857.0	2,884.8	2,900.7	2,927.3	2,986.3	3,007.5	3,034.2	3,001.0
Government.....	977.7	1,013.9	1,000.4	1,003.2	1,005.4	1,009.2	1,014.6	1,020.5	1,026.5	1,028.9	1,031.0	1,033.0	1,041.3	1,045.7	1,048.6	1,052.4
Supplements to wages and salaries.....	1,365.5	1,454.9	1,437.4	1,441.3	1,443.3	1,449.0	1,456.3	1,461.1	1,467.5	1,476.6	1,482.9	1,489.7	1,504.0	1,508.4	1,513.6	1,515.2
Employer contributions for employee pension and insurance funds.....	933.2	992.7	975.7	981.4	985.6	990.1	995.6	1,000.2	1,004.5	1,009.5	1,013.6	1,017.7	1,023.7	1,026.1	1,028.4	1,032.2
Employer contributions for government social insurance.....	432.3	462.1	461.7	460.0	457.7	458.9	460.7	460.9	463.0	467.2	469.3	472.0	480.3	483.3	485.2	483.0
Proprietors' income with IVA and CCAdj.....	970.7	1,015.1	1,012.5	1,010.1	1,014.8	1,010.7	1,009.9	1,017.2	1,017.4	1,023.9	1,025.3	1,026.6	1,029.5	1,040.3	1,046.0	1,044.6
Farm.....	30.2	22.6	23.2	20.5	17.5	14.6	17.1	21.5	26.4	28.4	28.6	24.9	28.3	31.7	35.1	30.6
Nonfarm.....	940.4	992.5	989.3	989.6	997.3	996.1	992.9	995.7	991.0	995.5	996.7	1,001.6	1,001.3	1,008.6	1,010.9	1,014.0
Rental income of persons with CCAdj.....	72.8	77.4	76.4	74.2	71.8	68.2	73.4	78.1	83.4	82.8	83.5	83.1	84.4	85.8	87.9	90.2
Personal income receipts on assets.....	1,519.4	1,656.3	1,603.9	1,625.4	1,647.3	1,670.2	1,676.7	1,683.5	1,690.6	1,691.0	1,691.6	1,692.1	1,710.2	1,728.9	1,748.5	1,756.2
Personal interest income.....	945.0	1,016.7	986.2	1,002.7	1,019.2	1,035.6	1,035.7	1,035.8	1,035.9	1,029.4	1,022.8	1,016.2	1,028.0	1,039.8	1,051.6	1,051.7
Personal dividend income.....	574.4	639.6	617.8	622.7	628.2	634.6	641.0	647.7	654.6	661.6	668.8	675.9	682.2	689.0	696.9	704.5
Personal current transfer receipts.....	1,526.6	1,602.2	1,576.3	1,580.2	1,591.1	1,597.8	1,608.0	1,622.5	1,625.5	1,621.5	1,625.1	1,643.1	1,671.5	1,684.8	1,699.2	1,705.0
Government social benefits to persons.....	1,480.9	1,566.9	1,541.7	1,545.4	1,556.1	1,562.6	1,572.6	1,587.0	1,589.8	1,585.6	1,589.1	1,607.0	1,635.4	1,648.7	1,663.0	1,668.8
Old-age, survivors, disability, and health insurance benefits.....	844.9	931.4	917.9	920.8	927.9	935.8	931.4	938.9	939.7	941.6	945.8	964.8	967.2	976.4	982.3	983.4
Government unemployment insurance benefits.....	31.3	27.3	27.4	27.0	27.0	27.0	27.3	27.3	27.3	27.3	27.0	27.0	27.4	27.7	27.6	27.7
Other.....	604.6	608.3	596.4	597.6	601.2	599.9	613.8	620.7	622.8	617.0	616.0	615.2	640.8	644.5	653.0	657.6
Other current transfer receipts, from business (net).....	45.7	35.3	34.6	34.8	35.0	35.2	35.4	35.5	35.7	35.9	36.1	36.1	36.1	36.1	36.2	36.2
Less: Contributions for government social insurance.....	880.6	945.7	943.0	940.5	936.6	939.4	943.4	944.2	948.0	957.3	961.3	967.1	986.8	991.4	997.4	993.7
Less: Personal current taxes	1,203.1	1,362.1	1,346.2	1,357.5	1,358.1	1,367.5	1,360.8	1,361.0	1,365.6	1,382.7	1,391.8	1,402.3	1,436.6	1,448.9	1,463.1	1,465.7
Equals: Disposable personal income	9,036.1	9,529.1	9,431.3	9,426.8	9,437.2	9,474.6	9,531.8	9,576.1	9,623.0	9,667.4	9,697.8	9,747.8	9,833.8	9,894.3	9,966.0	9,956.3
Less: Personal outlays	9,070.9	9,625.5	9,465.7	9,522.3	9,587.5	9,621.2	9,696.0	9,716.0	9,718.1	9,749.0	9,785.5	9,855.1	9,917.6	9,989.6	10,033.8	10,089.0
Personal consumption expenditures.....	8,742.4	9,268.9	9,123.8	9,175.2	9,238.6	9,270.5	9,338.9	9,352.7	9,348.5	9,376.0	9,410.8	9,478.5	9,540.3	9,610.6	9,653.0	9,705.0
Durable goods.....	1,033.1	1,070.3	1,066.9	1,064.1	1,057.9	1,063.5	1,085.2	1,068.9	1,072.3	1,074.1	1,080.8	1,084.4	1,096.5	1,095.4	1,100.8	1,099.0
Nondurable goods.....	2,539.3	2,714.9	2,664.5	2,703.9	2,728.3	2,732.0	2,755.9	2,761.1	2,726.2	2,711.5	2,720.6	2,764.3	2,789.0	2,820.2	2,829.0	
Services.....	5,170.0	5,483.7	5,392.5	5,407.2	5,452.4	5,475.0	5,497.8	5,522.6	5,550.0	5,590.4	5,609.4	5,629.7	5,674.9	5,734.3	5,731.9	5,777.1
Personal interest payments ¹	209.4	230.3	220.4	221.6	222.9	224.2	229.9	235.5	241.2	242.7	244.3	245.8	247.2	248.7	250.2	253.1
Personal current transfer payments.....	119.2	126.3	121.4	125.5	126.0	126.5	127.2	127.8	128.3	130.2	130.5	130.8	130.0	130.4	130.6	130.9
To government.....	72.0	78.0	76.3	76.8	77.3	77.9	78.4	79.0	79.5	79.8	80.1	80.3	80.6	80.9	81.2	81.5
To the rest of the world (net).....	47.1	48.3	45.2	48.7	48.7	48.7	48.8	48.8	48.8	50.5	50.5	50.5	49.5	49.5	49.5	49.5
Equals: Personal saving	-34.8	-96.4	-34.4	-95.5	-150.3	-146.6	-164.2	-139.8	-95.0	-81.5	-87.7	-107.3	-83.8	-95.3	-67.8	-132.8
Personal saving as percentage of disposable personal income	-0.4	-1.0	-0.4	-1.0	-1.6	-1.5	-1.7	-1.5	-1.0	-0.8	-0.9	-1.1	-0.9	-1.0	-0.7	-1.3
Addenda:																
Disposable personal income:																
Billions of chained (2000) dollars ²	8,104.6	8,318.6	8,292.9	8,251.4	8,232.0	8,252.8	8,277.6	8,294.2	8,361.4	8,419.6	8,445.0	8,460.5	8,519.9	8,537.7	8,562.6	8,529.2
Per capita:																
Current dollars.....	30,440	31,794	31,559	31,519	31,530	31,630	31,794	31,914	32,042	32,161	32,236	32,377	32,638	32,819	33,035	32,977
Chained (2000 dollars).....	27,302	27,755	27,749	27,589	27,503	27,551	27,610	27,641	27,841	28,010	28,072	28,102	28,277	28,319	28,383	28,250
Population (midperiod, thousands) ³	296,852	299,715	298,849	299,079	299,310	299,548	299,801	300,065	300,326	300,592	300,836	301,070	301,296	301,481	301,684	301,913
Personal consumption expenditures:																
Billions of chained (2000) dollars.....	7,841.2	8,091.4	8,022.6	8,031.2	8,058.7	8,075.0	8,110.1	8,100.7	8,122.8	8,165.8	8,195.1	8,226.8	8,265.6	8,292.8	8,293.6	8,313.9
Durable goods.....	1,145.3	1,202.9	1,195.2	1,191.7	1,184.9	1,194.2	1,218.0	1,199.0	1,209.5	1,211.1	1,222.8	1,231.7	1,246.9	1,244.5	1,252.1	1,252.9
Nondurable goods.....	2,276.8	2,362.0	2,338.6	2,347.3	2,352.1	2,353.9	2,360.9	2,357.4	2,362.1	2,372.2	2,392.3	2,412.6	2,412.8	2,419.3	2,410.4	
Services.....	4,436.6	4,550.4	4,512.8	4,515.3	4,542.1	4,548.9	4,558.1	4,566.4	4,575.4	4,600.4	4,605.3	4,609.9	4,635.8	4,662.7	4,651.9	4,679.0
Implicit price deflator, 2000=100.....	111.490	114.550	113.727	114.244	114.640	114.805	115.151	115.455	115.089	114.820	114.834	115.215	115.422	115.890	116.390	116.732
Percent change from preceding period:																
Personal income, current dollars.....	5.2	6.4	0.5	0.1	0.1	0.4	0.5	0.4	0.5	0.6	0.4	0.5	1.1	0.6	0.8	-0.1
Disposable personal income:																
Current dollars.....	4.1	5.5	0.5	0.0	0.1	0.4	0.6	0.5	0.5	0.5	0.3	0.5	0.9	0.6	0.7	-0.1
Chained (2000) dollars.....	1.2	2.6	0.1	-0.5	-0.2	0.3	0.3	0.2	0.8	0.7	0.3	0.2	0.7	0.2	0.3	-0.4
Personal consumption expenditures:																
Current dollars.....	6.5	6.0	0.5	0.6	0.7	0.3	0.7	0.1	0.0	0.3	0.4	0.7	0.7	0.7	0.4	0.5
Chained (2000) dollars.....	3.5	3.2	0.1	0.1	0.3	0.2	0.4	-0.1	0.3	0.5	0.4	0.4	0.5	0.3	0.0	0.2

p Preliminary

r Revised

CCAdj Capital consumption adjustment

IVA Inventory valuation adjustment

1. Consists of nonmortgage interest paid by households.

2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.
3. Population is the total population of the United States, including the Armed Forces overseas and the institutionalized population. The monthly estimate is the average of estimates for the first of the month and the first of the following month; the annual estimate is the average of the monthly estimates.

Source: U.S. Bureau of Economic Analysis.

C. Historical Measures

This table is derived from the "Selected NIPA Tables" that are published in this issue and from the "GDP and Other Major NIPA Series" tables that were published in the August 2006 issue. (The changes in prices are calculated from indexes expressed to three decimal places.)

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

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959	2,441.3	2,442.7	2,457.4	7.1	6.2	20.754	20.365	20.751	20.727	1.2	1.2	1.2	1.2
1960	2,501.8	2,506.8	2,519.4	2.5	2.6	21.044	20.646	21.041	21.018	1.4	1.4	1.4	1.4
1961	2,560.0	2,566.8	2,579.3	2.3	2.4	21.281	20.865	21.278	21.255	1.1	1.1	1.1	1.1
1962	2,715.2	2,708.5	2,736.9	6.1	5.5	21.572	21.139	21.569	21.547	1.4	1.3	1.4	1.4
1963	2,834.0	2,830.3	2,857.2	4.4	4.5	21.801	21.385	21.798	21.777	1.1	1.2	1.1	1.1
1964	2,998.6	2,999.9	3,023.6	5.8	6.0	22.134	21.725	22.131	22.111	1.5	1.6	1.5	1.5
1965	3,191.1	3,173.8	3,217.3	6.4	5.8	22.538	22.102	22.535	22.516	1.8	1.7	1.8	1.8
1966	3,399.1	3,364.8	3,423.7	6.5	6.0	23.180	22.724	23.176	23.158	2.8	2.8	2.8	2.9
1967	3,484.6	3,467.6	3,510.1	2.5	3.1	23.897	23.389	23.893	23.874	3.1	2.9	3.1	3.1
1968	3,652.7	3,640.3	3,680.0	4.8	5.0	24.916	24.380	24.913	24.893	4.3	4.2	4.3	4.3
1969	3,765.4	3,753.7	3,792.0	3.1	3.1	26.153	25.580	26.149	26.127	5.0	4.9	5.0	5.0
1970	3,771.9	3,787.7	3,798.2	0.2	0.9	27.538	26.964	27.534	27.512	5.3	5.4	5.3	5.3
1971	3,898.6	3,893.4	3,927.8	3.4	2.8	28.916	28.351	28.911	28.889	5.0	5.1	5.0	5.0
1972	4,105.0	4,098.6	4,136.2	5.3	5.3	30.171	29.619	30.166	30.145	4.3	4.5	4.3	4.3
1973	4,341.5	4,315.9	4,383.6	5.8	5.3	31.854	31.343	31.849	31.830	5.6	5.8	5.6	5.6
1974	4,319.6	4,305.5	4,367.5	-0.5	-0.2	34.721	34.546	34.725	34.699	9.0	10.2	9.0	9.0
1975	4,311.2	4,352.5	4,348.4	-0.2	1.1	38.007	37.761	38.002	37.976	9.5	9.3	9.4	9.4
1976	4,540.9	4,522.3	4,585.3	5.3	3.9	40.202	39.938	40.196	40.175	5.8	5.8	5.8	5.8
1977	4,750.5	4,721.6	4,800.3	4.6	4.4	42.758	42.634	42.752	42.731	6.4	6.8	6.4	6.4
1978	5,015.0	4,981.6	5,064.4	5.6	5.5	45.762	45.663	45.757	45.737	7.0	7.1	7.0	7.0
1979	5,173.4	5,161.2	5,240.1	3.2	3.6	49.553	49.669	49.548	49.527	8.3	8.8	8.3	8.3
1980	5,161.7	5,196.7	5,227.6	-0.2	0.7	54.062	54.876	54.043	54.015	9.1	10.5	9.1	9.1
1981	5,291.7	5,265.1	5,349.7	2.5	1.3	59.128	59.896	59.119	59.095	9.4	9.1	9.4	9.4
1982	5,189.3	5,233.4	5,249.7	-1.9	-0.6	62.738	63.296	62.726	62.699	6.1	5.7	6.1	6.1
1983	5,423.8	5,454.0	5,482.5	4.5	4.2	65.214	65.515	65.207	65.184	3.9	3.5	4.0	4.0
1984	5,813.6	5,739.2	5,869.3	7.2	5.2	67.664	67.822	67.655	67.631	3.8	3.5	3.8	3.8
1985	6,053.7	6,042.1	6,093.4	4.1	5.3	69.724	69.760	69.713	69.695	3.0	2.9	3.0	3.1
1986	6,263.6	6,271.8	6,290.6	3.5	3.8	71.269	71.338	71.250	71.227	2.2	2.3	2.2	2.2
1987	6,475.1	6,457.2	6,500.9	3.4	3.0	73.204	73.527	73.196	73.181	2.7	3.1	2.7	2.7
1988	6,742.7	6,734.5	6,775.2	4.1	4.3	75.706	76.043	75.694	75.679	3.4	3.4	3.4	3.4
1989	6,981.4	6,962.2	7,015.4	3.5	3.4	78.569	78.934	78.556	78.549	3.8	3.8	3.8	3.8
1990	7,112.5	7,108.5	7,155.2	1.9	2.1	81.614	82.144	81.590	81.589	3.9	4.1	3.9	3.9
1991	7,100.5	7,115.0	7,136.8	-0.2	0.1	84.457	84.836	84.444	84.440	3.5	3.3	3.5	3.5
1992	7,336.6	7,331.1	7,371.8	3.3	3.0	86.402	86.828	86.385	86.375	2.3	2.3	2.3	2.3
1993	7,532.7	7,522.3	7,568.6	2.7	2.6	88.390	88.730	88.381	88.382	2.3	2.2	2.3	2.3
1994	7,835.5	7,777.8	7,864.2	4.0	3.4	90.265	90.583	90.259	90.262	2.1	2.1	2.1	2.1
1995	8,031.7	8,010.2	8,069.8	2.5	3.0	92.115	92.483	92.106	92.114	2.0	2.1	2.0	2.1
1996	8,328.9	8,306.5	8,365.3	3.7	3.7	93.859	94.145	93.852	93.863	1.9	1.8	1.9	1.9
1997	8,703.5	8,636.6	8,737.5	4.5	4.0	95.415	95.440	95.414	95.420	1.7	1.4	1.7	1.7
1998	9,066.9	8,997.6	9,088.7	4.2	4.2	96.475	96.060	96.472	96.475	1.1	0.6	1.1	1.1
1999	9,470.3	9,404.0	9,504.7	4.5	4.5	97.868	97.556	97.868	97.869	1.4	1.6	1.4	1.4
2000	9,817.0	9,760.5	9,855.9	3.7	3.8	100.000	100.000	100.000	100.000	2.2	2.5	2.2	2.2
2001	9,890.7	9,920.9	9,933.6	0.8	1.6	102.402	101.994	102.399	102.396	2.4	2.0	2.4	2.4
2002	10,048.8	10,036.5	10,079.0	1.6	1.2	104.193	103.583	104.187	104.179	1.7	1.6	1.7	1.7
2003	10,301.0	10,285.1	10,355.3	2.5	2.5	106.409	105.966	106.404	106.396	2.1	2.3	2.1	2.1
2004	10,703.5	10,648.3	10,746.8	3.9	3.5	109.429	109.210	109.426	109.416	2.8	3.1	2.8	2.8
2005	11,048.6	11,025.2	11,077.9	3.2	3.5	112.744	112.981	112.737	112.726	3.0	3.5	3.0	3.0
2006	11,415.3	11,365.8	11,441.7	3.3	3.1	116.062	116.498	116.043	116.036	2.9	3.1	2.9	2.9

Table C.1. GDP and Other Major NIPA Aggregates—Continues
 [Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959: I.....	2,392.9	2,396.9	2,408.1	7.9	8.1	20.680	20.296	20.704	20.680	1.8	2.1	0.9	0.9
II.....	2,455.8	2,440.3	2,471.1	10.9	7.4	20.711	20.326	20.704	20.681	0.6	0.6	0.0	0.0
III.....	2,453.9	2,471.1	2,470.3	-0.3	5.1	20.770	20.379	20.753	20.730	1.1	1.0	1.0	1.0
IV.....	2,462.6	2,462.3	2,479.8	1.4	-1.4	20.853	20.460	20.840	20.817	1.6	1.6	1.7	1.7
1960: I.....	2,517.4	2,488.1	2,534.1	9.2	4.3	20.903	20.505	20.931	20.909	1.0	0.9	1.8	1.8
II.....	2,504.8	2,511.5	2,521.8	-2.0	3.8	20.995	20.598	21.004	20.982	1.8	1.8	1.4	1.4
III.....	2,508.7	2,507.9	2,526.5	0.6	-0.6	21.093	20.694	21.084	21.061	1.9	1.9	1.5	1.5
IV.....	2,476.2	2,519.8	2,494.9	-5.1	1.9	21.186	20.787	21.146	21.122	1.8	1.8	1.2	1.2
1961: I.....	2,491.2	2,522.0	2,510.8	2.4	0.4	21.210	20.807	21.192	21.169	0.5	0.4	0.9	0.9
II.....	2,538.0	2,549.1	2,556.7	7.7	4.4	21.249	20.831	21.237	21.214	0.7	0.5	0.9	0.9
III.....	2,579.1	2,568.9	2,598.3	6.6	3.1	21.305	20.887	21.303	21.280	1.1	1.1	1.2	1.3
IV.....	2,631.8	2,627.3	2,651.4	8.4	9.4	21.360	20.933	21.375	21.352	1.0	0.9	1.4	1.4
1962: I.....	2,679.1	2,659.5	2,698.6	7.4	5.0	21.482	21.041	21.501	21.479	2.3	2.1	2.4	2.4
II.....	2,708.4	2,704.5	2,729.7	4.4	6.9	21.538	21.109	21.533	21.511	1.0	1.3	0.6	0.6
III.....	2,733.3	2,725.6	2,754.8	3.7	3.2	21.596	21.163	21.585	21.564	1.1	1.0	1.0	1.0
IV.....	2,740.0	2,744.5	2,764.5	1.0	2.8	21.671	21.241	21.653	21.632	1.4	1.5	1.3	1.3
1963: I.....	2,775.9	2,762.8	2,799.4	5.3	2.7	21.732	21.308	21.702	21.681	1.1	1.3	0.9	0.9
II.....	2,810.6	2,809.7	2,833.3	5.1	7.0	21.754	21.335	21.745	21.724	0.4	0.5	0.8	0.8
III.....	2,863.5	2,859.4	2,886.6	7.7	7.3	21.794	21.382	21.788	21.768	0.7	0.9	0.8	0.8
IV.....	2,865.8	2,889.5	2,909.6	3.1	4.3	21.923	21.514	21.951	21.930	2.4	2.5	3.0	3.0
1964: I.....	2,950.5	2,952.7	2,976.3	9.3	9.0	22.001	21.596	22.016	21.995	1.4	1.5	1.2	1.2
II.....	2,984.8	2,988.1	3,009.6	4.7	4.9	22.073	21.674	22.073	22.053	1.3	1.5	1.0	1.1
III.....	3,025.5	3,025.4	3,051.1	5.6	5.1	22.180	21.769	22.160	22.140	2.0	1.8	1.6	1.6
IV.....	3,033.6	3,033.2	3,057.5	1.1	1.0	22.282	21.860	22.270	22.250	1.9	1.7	2.0	2.0
1965: I.....	3,108.2	3,081.0	3,135.2	10.2	6.5	22.380	21.940	22.383	22.363	1.8	1.5	2.0	2.0
II.....	3,150.2	3,136.6	3,178.0	5.5	7.4	22.479	22.037	22.480	22.460	1.8	1.8	1.7	1.7
III.....	3,214.1	3,195.5	3,240.0	8.4	7.7	22.578	22.140	22.563	22.544	1.8	1.9	1.5	1.5
IV.....	3,291.8	3,282.4	3,315.7	10.0	11.3	22.712	22.292	22.707	22.688	2.5	2.8	2.6	2.6
1966: I.....	3,372.3	3,337.0	3,396.9	10.1	6.8	22.857	22.416	22.855	22.837	2.5	2.2	2.6	2.7
II.....	3,384.0	3,352.4	3,408.7	1.4	1.9	23.071	22.629	23.048	23.029	3.8	3.9	3.4	3.4
III.....	3,406.3	3,380.2	3,430.4	2.7	3.4	23.293	22.831	23.291	23.272	3.9	3.6	4.3	4.3
IV.....	3,433.7	3,389.6	3,458.9	3.3	1.1	23.498	23.018	23.505	23.486	3.6	3.3	3.7	3.7
1967: I.....	3,464.1	3,424.2	3,489.0	3.6	4.1	23.611	23.109	23.612	23.593	1.9	1.6	1.8	1.8
II.....	3,464.3	3,460.2	3,488.5	0.0	4.3	23.759	23.254	23.741	23.722	2.5	2.5	2.2	2.2
III.....	3,491.8	3,477.8	3,518.5	3.2	2.0	23.977	23.469	23.975	23.955	3.7	3.7	4.0	4.0
IV.....	3,518.2	3,508.2	3,544.1	3.1	3.5	24.242	23.723	24.241	24.221	4.5	4.4	4.5	4.5
1968: I.....	3,590.7	3,581.7	3,617.2	8.5	8.6	24.503	23.979	24.506	24.487	4.4	4.4	4.4	4.5
II.....	3,651.6	3,617.7	3,678.7	7.0	4.1	24.777	24.230	24.763	24.743	4.5	4.3	4.3	4.2
III.....	3,676.5	3,669.4	3,704.4	2.7	5.8	25.017	24.483	25.008	24.988	3.9	4.2	4.0	4.0
IV.....	3,692.0	3,692.2	3,719.6	1.7	2.5	25.367	24.826	25.362	25.342	5.7	5.7	5.8	5.8
1969: I.....	3,750.2	3,730.5	3,778.0	6.5	4.2	25.622	25.062	25.626	25.605	4.1	3.9	4.2	4.2
II.....	3,760.9	3,748.6	3,787.7	1.1	2.0	25.966	25.402	25.958	25.937	5.5	5.5	5.3	5.3
III.....	3,784.2	3,767.6	3,810.0	2.5	2.0	26.345	25.764	26.332	26.310	6.0	5.8	5.9	5.9
IV.....	3,766.3	3,768.1	3,792.1	-1.9	0.1	26.678	26.093	26.675	26.652	5.2	5.2	5.3	5.3
1970: I.....	3,760.0	3,778.0	3,786.3	-0.7	1.1	27.051	26.474	27.056	27.034	5.7	6.0	5.8	5.9
II.....	3,767.1	3,771.0	3,794.3	0.8	-0.7	27.437	26.841	27.428	27.406	5.8	5.7	5.6	5.6
III.....	3,800.5	3,804.6	3,827.4	3.6	3.6	27.655	27.093	27.647	27.624	3.2	3.8	3.2	3.2
IV.....	3,759.8	3,797.2	3,784.5	-4.2	-0.8	28.009	27.449	28.004	27.982	5.2	5.4	5.3	5.3
1971: I.....	3,864.1	3,844.7	3,893.1	11.6	5.1	28.429	27.854	28.425	28.403	6.1	6.0	6.2	6.2
II.....	3,885.9	3,871.3	3,916.4	2.3	2.8	28.809	28.230	28.798	28.777	5.5	5.5	5.4	5.4
III.....	3,916.7	3,905.2	3,944.4	3.2	3.5	29.097	28.539	29.089	29.069	4.1	4.5	4.1	4.1
IV.....	3,927.9	3,952.5	3,957.1	1.1	4.9	29.329	28.779	29.322	29.300	3.2	3.4	3.2	3.2
1972: I.....	3,997.7	4,006.9	4,028.1	7.3	5.6	29.814	29.234	29.781	29.759	6.8	6.5	6.4	6.4
II.....	4,092.1	4,073.0	4,122.1	9.8	6.8	29.989	29.437	29.959	29.937	2.4	2.8	2.4	2.4
III.....	4,131.1	4,109.6	4,163.5	3.9	3.6	30.264	29.728	30.250	30.229	3.7	4.0	3.9	4.0
IV.....	4,198.7	4,204.8	4,231.0	6.7	9.6	30.620	30.078	30.652	30.631	4.8	4.8	5.4	5.4
1973: I.....	4,305.3	4,296.4	4,342.5	10.6	9.0	31.025	30.478	31.020	31.000	5.4	5.4	4.9	4.9
II.....	4,355.1	4,317.4	4,394.6	4.7	2.0	31.542	31.052	31.500	31.481	6.8	7.7	6.3	6.4
III.....	4,331.9	4,322.6	4,377.8	-2.1	0.5	32.147	31.625	32.114	32.095	7.9	7.6	8.0	8.0
IV.....	4,373.3	4,327.3	4,419.5	3.9	0.4	32.703	32.218	32.750	32.731	7.1	7.7	8.2	8.2
1974: I.....	4,335.4	4,322.7	4,389.4	-3.4	-0.4	33.371	33.068	33.376	33.354	8.4	11.0	7.9	7.8
II.....	4,347.9	4,328.7	4,399.1	1.2	0.6	34.110	34.007	34.162	34.137	9.2	11.9	9.8	9.7
III.....	4,305.8	4,316.3	4,352.4	-3.8	-1.1	35.164	35.045	35.166	35.141	12.9	12.8	12.3	12.3
IV.....	4,288.9	4,254.5	4,329.3	-1.6	-5.6	36.240	36.062	36.218	36.188	12.8	12.1	12.5	12.5
1975: I.....	4,237.6	4,287.8	4,271.5	-4.7	3.2	37.077	36.849	37.050	37.022	9.6	9.0	9.5	9.5
II.....	4,268.6	4,331.0	4,302.8	3.0	4.1	37.622	37.412	37.614	37.586	6.0	6.3	6.2	6.2
III.....	4,340.9	4,370.1	4,377.7	6.9	3.7	38.324	38.060	38.313	38.288	7.7	7.1	7.6	7.7
IV.....	4,397.8	4,421.1	4,441.7	5.4	4.8	39.005	38.724	39.987	39.961	7.3	7.2	7.2	7.2

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

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1976: I.....	4,496.8	4,482.1	4,539.3	9.3	5.6	39.443	39.163	39.418	39.396	4.6	4.6	4.5	4.5
II.....	4,530.3	4,496.3	4,574.6	3.0	1.3	39.866	39.595	39.840	39.818	4.4	4.5	4.4	4.4
III.....	4,552.0	4,523.7	4,596.7	1.9	2.5	40.405	40.168	40.385	40.365	5.5	5.9	5.6	5.6
IV.....	4,584.6	4,587.1	4,630.4	2.9	5.7	41.096	40.828	41.122	41.101	7.0	6.7	7.5	7.5
1977: I.....	4,640.0	4,631.5	4,692.2	4.9	3.9	41.781	41.591	41.796	41.773	6.8	7.7	6.7	6.7
II.....	4,731.1	4,705.5	4,782.3	8.1	6.5	42.452	42.306	42.401	42.381	6.6	7.1	5.9	6.0
III.....	4,815.8	4,755.2	4,866.4	7.4	4.3	43.036	42.950	42.917	42.899	5.6	6.2	5.0	5.0
IV.....	4,815.3	4,794.1	4,860.4	0.0	3.3	43.762	43.688	43.852	43.831	6.9	7.1	9.0	9.0
1978: I.....	4,830.8	4,799.5	4,882.9	1.3	0.5	44.493	44.410	44.505	44.483	6.9	6.8	6.1	6.1
II.....	5,021.2	4,989.9	5,064.7	16.7	16.8	45.350	45.266	45.321	45.301	7.9	7.9	7.5	7.6
III.....	5,070.7	5,036.0	5,118.2	4.0	3.7	46.133	46.048	46.072	46.052	7.1	7.1	6.8	6.8
IV.....	5,137.4	5,100.6	5,191.9	5.4	5.2	47.074	46.928	47.047	47.027	8.4	7.9	8.7	8.7
1979: I.....	5,147.4	5,117.8	5,203.1	0.8	1.4	47.929	47.828	47.876	47.857	7.5	7.9	7.2	7.2
II.....	5,152.3	5,117.9	5,214.9	0.4	0.0	49.092	49.044	49.058	49.034	10.1	10.6	10.2	10.2
III.....	5,189.4	5,192.3	5,263.8	2.9	5.9	50.102	50.289	50.115	50.093	8.5	10.5	8.9	8.9
IV.....	5,204.7	5,216.9	5,278.6	1.2	1.9	51.088	51.515	51.117	51.093	8.1	10.1	8.2	8.2
1980: I.....	5,221.3	5,227.3	5,296.5	1.3	0.8	52.209	52.930	52.195	52.172	9.1	11.4	8.7	8.7
II.....	5,115.9	5,126.2	5,185.5	-7.8	-7.5	53.362	54.220	53.349	53.324	9.1	10.1	9.1	9.1
III.....	5,107.4	5,193.5	5,173.0	-0.7	5.4	54.572	55.446	54.560	54.534	9.4	9.4	9.4	9.4
IV.....	5,202.1	5,239.7	5,255.6	7.6	3.6	56.105	56.907	56.071	56.043	11.7	11.0	11.5	11.5
1981: I.....	5,307.5	5,261.7	5,364.5	8.4	1.7	57.566	58.397	57.517	57.492	10.8	10.9	10.7	10.8
II.....	5,266.1	5,272.8	5,319.8	-3.1	0.8	58.582	59.434	58.598	58.571	7.2	7.3	7.7	7.7
III.....	5,329.8	5,278.5	5,386.8	4.9	0.4	59.661	60.355	59.641	59.616	7.6	6.3	7.3	7.3
IV.....	5,263.4	5,247.4	5,327.3	-4.9	-2.3	60.704	61.400	60.729	60.706	7.2	7.1	6.5	7.5
1982: I.....	5,177.1	5,232.9	5,237.7	-6.4	-1.1	61.563	62.213	61.555	61.530	5.8	5.4	5.6	5.5
II.....	5,204.9	5,230.5	5,272.8	2.2	-0.2	62.330	62.883	62.302	62.276	5.1	4.4	4.9	4.9
III.....	5,185.2	5,196.6	5,242.9	-1.5	-2.6	63.193	63.717	63.182	63.155	5.7	5.4	5.8	5.8
IV.....	5,189.8	5,273.3	5,245.3	0.4	6.0	63.866	64.372	63.863	63.837	4.3	4.2	4.4	4.4
1983: I.....	5,253.8	5,329.2	5,308.8	5.0	4.3	64.413	64.768	64.388	64.363	3.5	2.5	3.3	3.3
II.....	5,372.3	5,404.6	5,430.9	9.3	5.8	64.881	65.213	64.853	64.831	2.9	2.8	2.9	2.9
III.....	5,478.4	5,505.1	5,538.0	8.1	7.7	65.542	65.849	65.517	65.495	4.1	4.0	4.2	4.2
IV.....	5,590.5	5,577.0	5,652.4	8.4	5.3	66.020	66.231	66.012	65.991	2.9	2.3	3.1	3.1
1984: I.....	5,699.8	5,614.4	5,757.1	8.1	2.7	66.838	67.052	66.837	66.815	5.0	5.1	5.1	5.1
II.....	5,797.9	5,715.5	5,855.5	7.1	7.5	67.439	67.647	67.414	67.392	3.6	3.6	3.5	3.5
III.....	5,854.3	5,770.2	5,911.3	3.9	3.7	67.989	68.114	67.953	67.930	3.3	2.8	3.2	3.2
IV.....	5,902.4	5,854.6	5,953.2	3.3	6.0	68.392	68.476	68.385	68.359	2.4	2.1	2.6	2.6
1985: I.....	5,956.9	5,953.0	5,997.4	3.8	6.9	69.180	69.137	69.155	69.127	4.7	3.9	4.6	4.6
II.....	6,007.8	5,998.5	6,050.8	3.5	3.1	69.542	69.537	69.550	69.529	2.1	2.3	2.3	2.3
III.....	6,101.7	6,085.8	6,137.4	6.4	6.6	69.876	69.907	69.838	69.827	1.9	2.1	1.7	1.7
IV.....	6,148.6	6,121.2	6,188.2	3.1	1.7	70.299	70.459	70.289	70.276	2.4	3.2	2.6	2.6
1986: I.....	6,207.4	6,184.1	6,242.5	3.9	4.2	70.660	70.851	70.652	70.635	2.1	2.2	2.1	2.1
II.....	6,232.0	6,230.5	6,257.3	1.6	3.0	71.001	70.985	71.015	70.993	1.9	0.8	2.1	2.0
III.....	6,291.7	6,317.8	6,320.1	3.9	5.7	71.455	71.493	71.426	71.401	2.6	2.9	2.3	2.3
IV.....	6,323.4	6,355.0	6,342.8	2.0	2.4	71.960	72.025	71.893	71.866	2.9	3.0	2.6	2.6
1987: I.....	6,365.0	6,344.4	6,386.8	2.7	-0.7	72.514	72.728	72.487	72.465	3.1	4.0	3.3	3.4
II.....	6,435.0	6,431.4	6,461.8	4.5	5.6	72.904	73.229	72.882	72.870	2.2	2.8	2.2	2.3
III.....	6,493.4	6,510.8	6,519.5	3.7	5.0	73.450	73.819	73.425	73.412	3.0	3.3	3.0	3.0
IV.....	6,606.8	6,542.5	6,635.4	7.2	2.0	73.948	74.332	73.958	73.944	2.7	2.8	2.9	2.9
1988: I.....	6,639.1	6,637.2	6,675.0	2.0	5.9	74.564	74.975	74.587	74.571	3.4	3.5	3.4	3.4
II.....	6,723.5	6,716.4	6,756.2	5.2	4.9	75.296	75.706	75.300	75.285	4.0	4.0	3.9	3.9
III.....	6,759.4	6,749.5	6,788.9	2.1	2.0	76.178	76.406	76.141	76.124	4.8	3.8	4.5	4.5
IV.....	6,848.6	6,835.1	6,880.9	5.4	5.2	76.786	77.086	76.712	76.700	3.2	3.6	3.0	3.1
1989: I.....	6,918.1	6,873.3	6,950.1	4.1	2.3	77.588	77.937	77.580	77.566	4.2	4.5	4.6	4.6
II.....	6,963.5	6,933.6	6,993.9	2.6	3.6	78.342	78.764	78.324	78.316	3.9	4.3	3.9	3.9
III.....	7,013.1	7,015.3	7,046.2	2.9	4.8	78.913	79.227	78.879	78.875	2.9	2.4	2.9	2.9
IV.....	7,030.9	7,026.8	7,071.4	1.0	0.7	79.433	79.807	79.425	79.422	2.7	3.0	2.8	2.8
1990: I.....	7,112.1	7,110.6	7,150.0	4.7	4.9	80.389	80.878	80.375	80.376	4.9	5.5	4.9	4.9
II.....	7,130.3	7,103.8	7,169.9	1.0	-0.4	81.326	81.629	81.311	81.301	4.7	3.8	4.7	4.7
III.....	7,130.8	7,118.3	7,163.9	0.0	0.8	82.053	82.531	82.031	82.028	3.6	4.5	3.6	3.6
IV.....	7,076.9	7,101.3	7,137.1	-3.0	-1.0	82.689	83.536	82.646	82.652	3.1	5.0	3.0	3.1
1991: I.....	7,040.8	7,071.5	7,087.0	-2.0	-1.7	83.662	84.197	83.626	83.623	4.8	3.2	4.8	4.8
II.....	7,086.5	7,120.2	7,119.1	2.6	2.8	84.194	84.533	84.165	84.164	2.6	1.6	2.6	2.6
III.....	7,120.7	7,134.6	7,149.3	1.9	0.8	84.772	85.058	84.762	84.758	2.8	2.5	2.9	2.9
IV.....	7,154.1	7,133.8	7,191.8	1.9	0.0	85.200	85.556	85.206	85.202	2.0	2.4	2.1	2.1

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

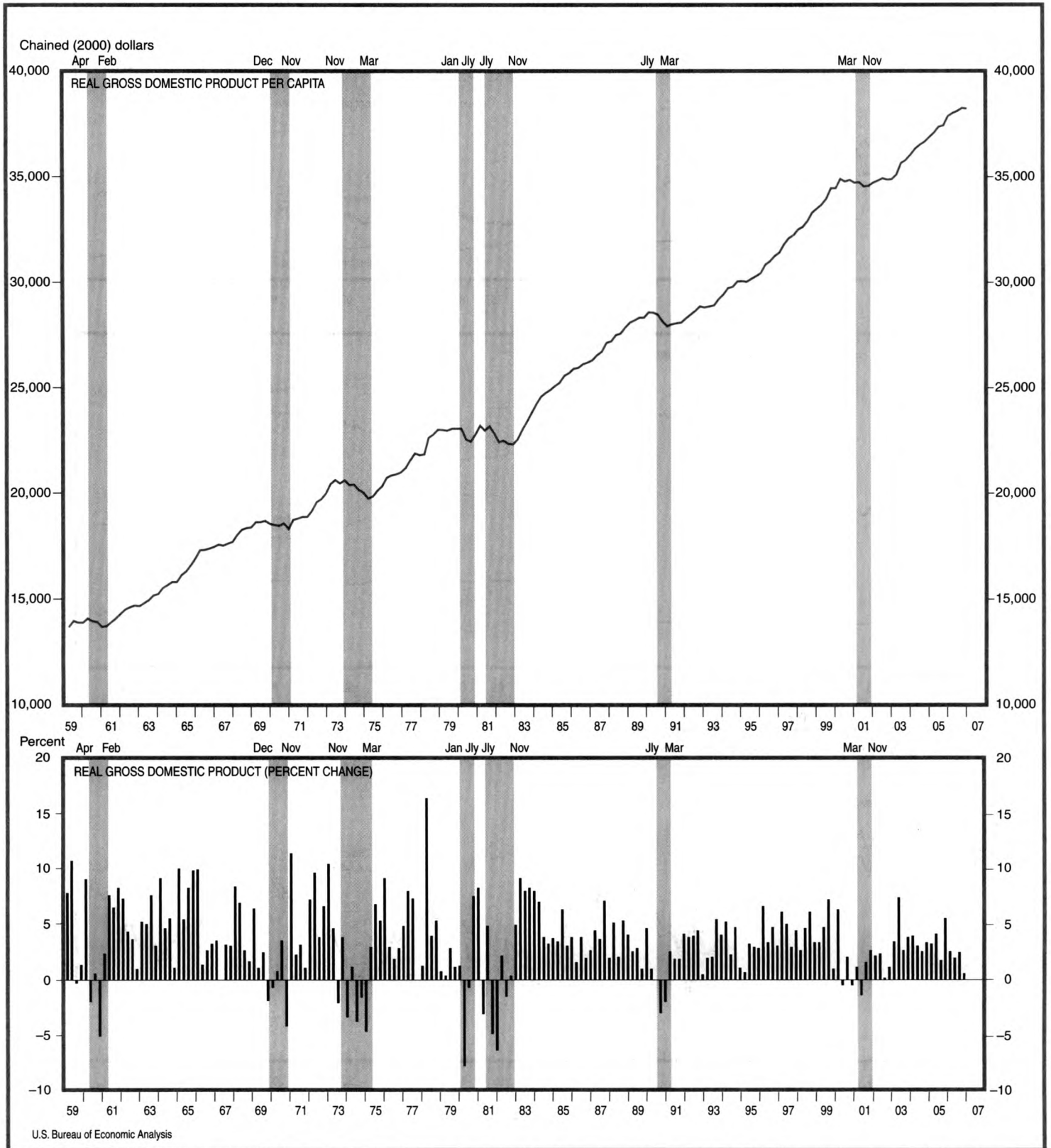
[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1992: I	7,228.2	7,239.3	7,265.5	4.2	6.0	85.766	86.093	85.721	85.710	2.7	2.5	2.4	2.4
1992: II	7,297.9	7,284.3	7,334.5	3.9	2.5	86.212	86.588	86.190	86.181	2.1	2.3	2.2	2.2
1992: III	7,369.5	7,360.5	7,402.6	4.0	4.2	86.587	87.098	86.580	86.567	1.8	2.4	1.8	1.8
1992: IV	7,450.7	7,440.3	7,485.0	4.5	4.4	87.042	87.531	87.029	87.019	2.1	2.0	2.1	2.1
1993: I	7,459.7	7,431.2	7,502.4	0.5	-0.5	87.729	88.076	87.707	87.705	3.2	2.5	3.2	3.2
1993: II	7,497.5	7,483.7	7,532.8	2.0	2.9	88.204	88.595	88.190	88.189	2.2	2.4	2.2	2.2
1993: III	7,536.0	7,540.6	7,577.7	2.1	3.1	88.599	88.916	88.570	88.574	1.8	1.5	1.7	1.8
1993: IV	7,637.4	7,633.7	7,661.5	5.5	5.0	89.030	89.331	89.038	89.048	2.0	1.9	2.1	2.2
1994: I	7,715.1	7,677.5	7,747.2	4.1	2.3	89.598	89.800	89.578	89.583	2.6	2.1	2.4	2.4
1994: II	7,815.7	7,737.2	7,843.7	5.3	3.1	89.980	90.271	89.954	89.963	1.7	2.1	1.7	1.7
1994: III	7,859.5	7,814.3	7,886.8	2.3	4.0	90.525	90.921	90.530	90.527	2.4	2.9	2.6	2.5
1994: IV	7,951.6	7,882.3	7,979.2	4.8	3.5	90.958	91.340	90.952	90.953	1.9	1.9	1.9	1.9
1995: I	7,973.7	7,918.7	8,014.3	1.1	1.9	91.554	91.877	91.530	91.534	2.6	2.4	2.6	2.6
1995: II	7,988.0	7,962.3	8,032.0	0.7	2.2	91.891	92.329	91.859	91.868	1.5	2.0	1.4	1.5
1995: III	8,053.1	8,055.0	8,081.0	3.3	4.7	92.281	92.662	92.289	92.299	1.7	1.5	1.9	1.9
1995: IV	8,112.0	8,104.8	8,152.0	3.0	2.5	92.734	93.065	92.733	92.743	2.0	1.8	1.9	1.9
1996: I	8,169.2	8,175.4	8,213.3	2.9	3.5	93.302	93.602	93.328	93.338	2.5	2.3	2.6	2.6
1996: II	8,303.1	8,285.8	8,337.6	6.7	5.5	93.615	93.897	93.659	93.671	1.3	1.3	1.4	1.4
1996: III	8,372.7	8,319.9	8,402.7	3.4	1.7	94.064	94.286	93.951	93.962	1.9	1.7	1.3	1.2
1996: IV	8,470.6	8,444.7	8,507.6	4.8	6.1	94.455	94.796	94.450	94.458	1.7	2.2	2.1	2.1
1997: I	8,536.1	8,507.3	8,566.0	3.1	3.0	94.963	95.189	95.054	95.058	2.2	1.7	2.6	2.6
1997: II	8,665.8	8,574.6	8,707.0	6.2	3.2	95.291	95.296	95.206	95.212	1.4	0.5	0.6	0.6
1997: III	8,773.7	8,705.7	8,808.7	5.1	6.3	95.541	95.494	95.534	95.542	1.1	0.8	1.4	1.4
1997: IV	8,838.4	8,758.6	8,868.1	3.0	2.5	95.864	95.781	95.846	95.851	1.4	1.2	1.3	1.3
1998: I	8,936.2	8,821.1	8,965.5	4.5	2.9	96.096	95.773	96.089	96.091	1.0	0.0	1.0	1.0
1998: II	8,995.3	8,948.7	9,022.2	2.7	5.9	96.284	95.881	96.249	96.254	0.8	0.5	0.7	0.7
1998: III	9,098.9	9,038.4	9,112.2	4.7	4.1	96.620	96.141	96.600	96.604	1.4	1.1	1.5	1.5
1998: IV	9,237.1	9,182.2	9,255.2	6.2	6.5	96.901	96.444	96.934	96.932	1.2	1.3	1.4	1.4
1999: I	9,315.5	9,239.7	9,346.7	3.4	2.5	97.274	96.761	97.328	97.330	1.5	1.3	1.6	1.7
1999: II	9,392.6	9,353.7	9,429.1	3.4	5.0	97.701	97.317	97.674	97.675	1.8	2.3	1.4	1.4
1999: III	9,502.2	9,453.5	9,532.7	4.8	4.3	98.022	97.790	98.013	98.014	1.3	2.0	1.4	1.4
1999: IV	9,671.1	9,569.3	9,710.4	7.3	5.0	98.475	98.356	98.432	98.433	1.9	2.3	1.7	1.7
2000: I	9,695.6	9,668.8	9,729.0	1.0	4.2	99.292	99.275	99.317	99.311	3.4	3.8	3.6	3.6
2000: II	9,847.9	9,748.4	9,885.3	6.4	3.3	99.780	99.714	99.745	99.741	2.0	1.8	1.7	1.7
2000: III	9,836.6	9,780.4	9,867.8	-0.5	1.3	100.241	100.283	100.259	100.262	1.9	2.3	2.1	2.1
2000: IV	9,887.7	9,844.3	9,941.6	2.1	2.6	100.687	100.727	100.666	100.672	1.8	1.8	1.6	1.6
2001: I	9,875.6	9,883.2	9,913.6	-0.5	1.6	101.507	101.403	101.478	101.480	3.3	2.7	3.3	3.2
2001: II	9,905.9	9,908.7	9,949.8	1.2	1.0	102.290	101.974	102.252	102.248	3.1	2.3	3.1	3.1
2001: III	9,871.1	9,899.9	9,887.7	-1.4	-0.4	102.690	102.223	102.675	102.671	1.6	1.0	1.7	1.7
2001: IV	9,910.0	9,992.3	9,983.1	1.6	3.8	103.122	102.378	103.191	103.183	1.7	0.6	2.0	2.0
2002: I	9,977.3	9,986.8	10,004.1	2.7	-0.2	103.553	102.755	103.568	103.552	1.7	1.5	1.5	1.4
2002: II	10,031.6	10,028.4	10,048.6	2.2	1.7	103.944	103.385	103.938	103.928	1.5	2.5	1.4	1.5
2002: III	10,090.7	10,063.5	10,119.7	2.4	1.4	104.347	103.816	104.328	104.321	1.6	1.7	1.5	1.5
2002: IV	10,095.8	10,067.3	10,143.8	0.2	0.1	104.926	104.374	104.907	104.903	2.2	2.2	2.2	2.3
2003: I	10,126.0	10,100.9	10,163.8	1.2	1.3	105.742	105.435	105.724	105.718	3.1	4.1	3.2	3.1
2003: II	10,212.7	10,213.7	10,266.9	3.5	4.5	106.076	105.587	106.062	106.053	1.3	0.6	1.3	1.3
2003: III	10,398.7	10,385.9	10,449.9	7.5	6.9	106.616	106.170	106.611	106.602	2.1	2.2	2.1	2.1
2003: IV	10,467.0	10,440.0	10,540.5	2.7	2.1	107.204	106.671	107.190	107.180	2.2	1.9	2.2	2.2
2004: I	10,566.3	10,528.7	10,632.2	3.9	3.4	108.190	107.803	108.183	108.177	3.7	4.3	3.8	3.8
2004: II	10,671.5	10,596.1	10,709.4	4.0	2.6	109.172	108.880	109.162	109.154	3.7	4.1	3.7	3.7
2004: III	10,753.3	10,700.1	10,796.3	3.1	4.0	109.744	109.588	109.728	109.717	2.1	2.6	2.1	2.1
2004: IV	10,822.9	10,768.2	10,849.3	2.6	2.6	110.610	110.567	110.601	110.592	3.2	3.6	3.2	3.2
2005: I	10,913.8	10,856.5	10,946.0	3.4	3.3	111.558	111.449	111.539	111.525	3.5	3.2	3.4	3.4
2005: II	11,001.8	11,005.3	11,028.2	3.3	5.6	112.229	112.362	112.219	112.209	2.4	3.3	2.5	2.5
2005: III	11,115.1	11,123.5	11,162.0	4.2	4.4	113.139	113.572	113.121	113.113	3.3	4.4	3.3	3.3
2005: IV	11,163.8	11,115.5	11,175.6	1.8	-0.3	114.048	114.541	114.034	114.025	3.3	3.5	3.3	3.3
2006: I	11,316.4	11,269.0	11,342.7	5.6	5.6	114.967	115.313	114.951	114.942	3.3	2.7	3.3	3.3
2006: II	11,388.1	11,328.0	11,408.5	2.6	2.1	115.905	116.455	115.887	115.879	3.3	4.0	3.3	3.3
2006: III	11,443.5	11,381.6	11,458.5	2.0	1.9	116.446	117.080	116.420	116.414	1.9	2.2	1.9	1.9
2006: IV	11,513.0	11,484.5	11,557.3	2.5	3.7	116.930	117.145	116.895	116.889	1.7	0.2	1.6	1.6
2007: I	11,531.7	11,531.4	11,568.9	0.6	1.6	118.082	118.175	118.049	118.044	4.0	3.6	4.0	4.0

D. Charts

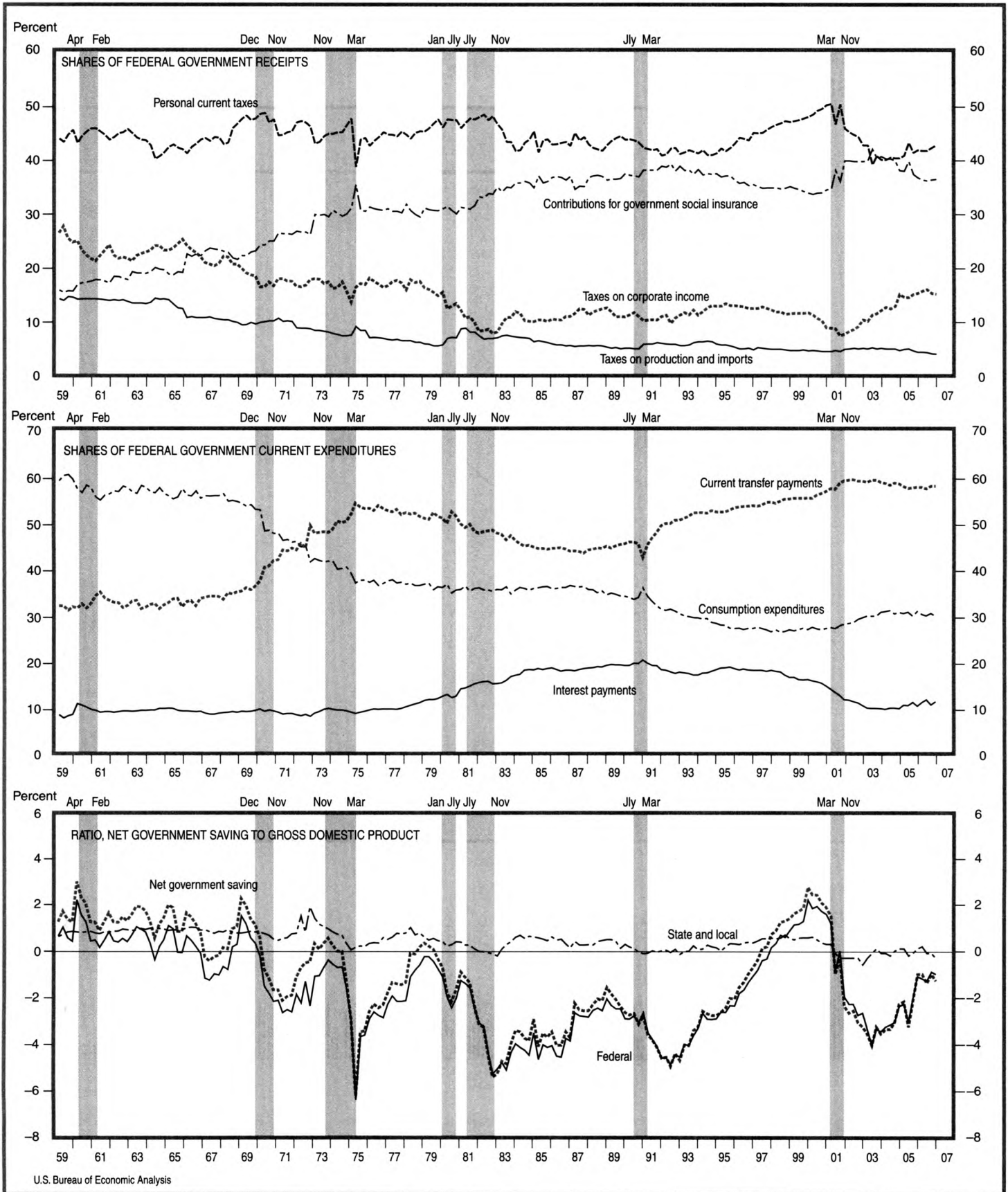
All series are seasonally adjusted at annual rates. The percent changes in real gross domestic product are based on quarter-to-quarter changes.

SELECTED NIPA SERIES

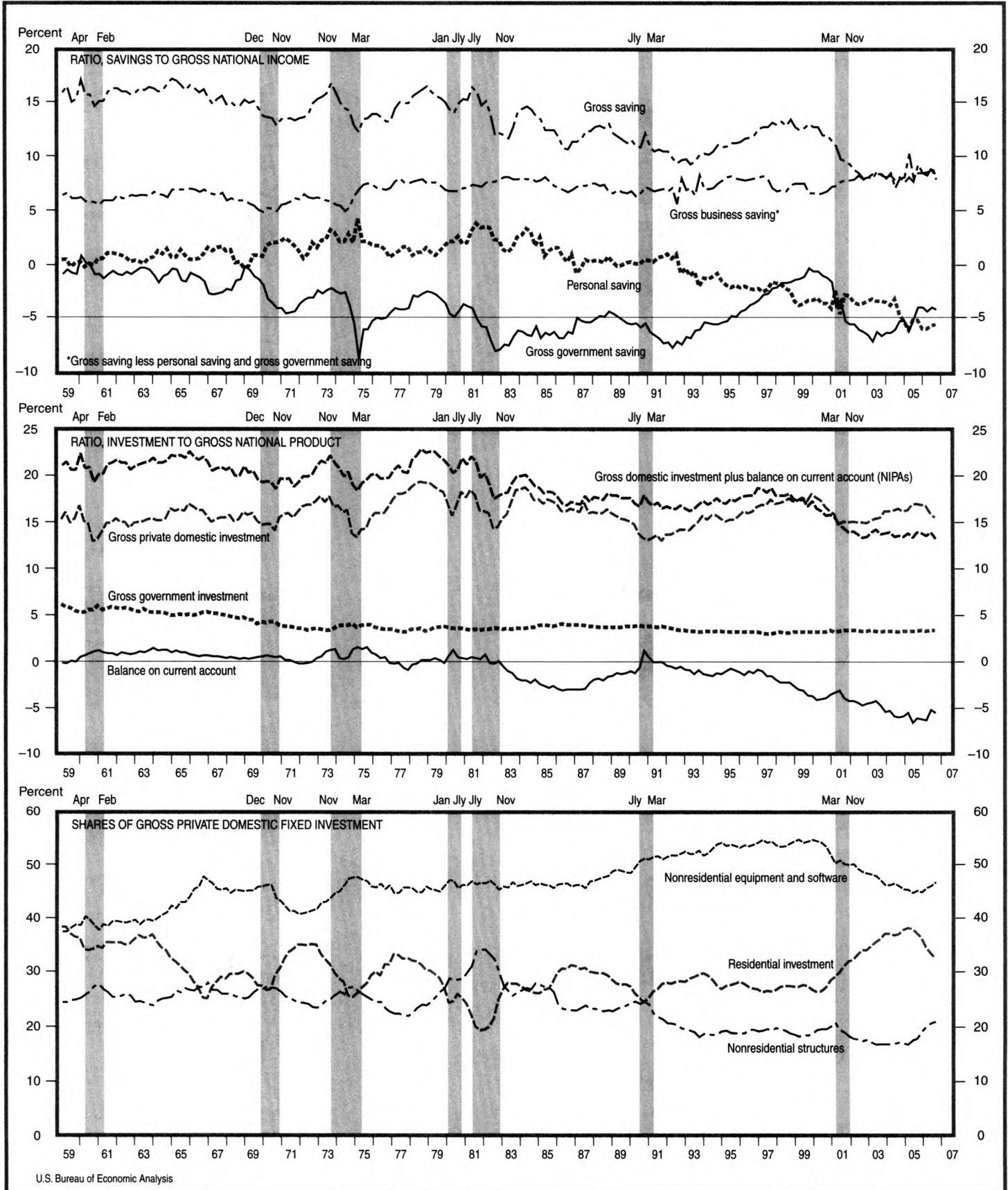


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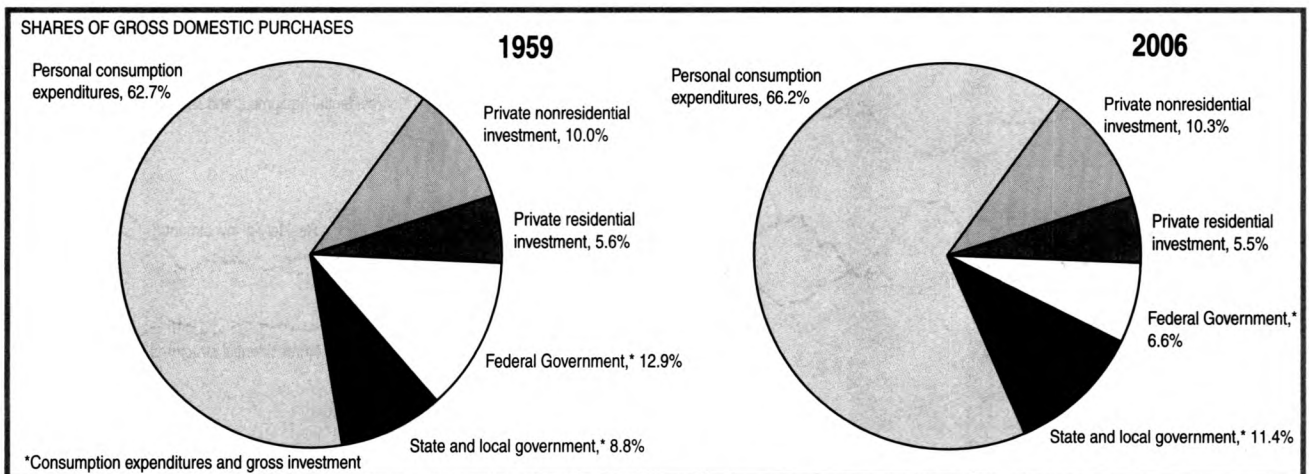
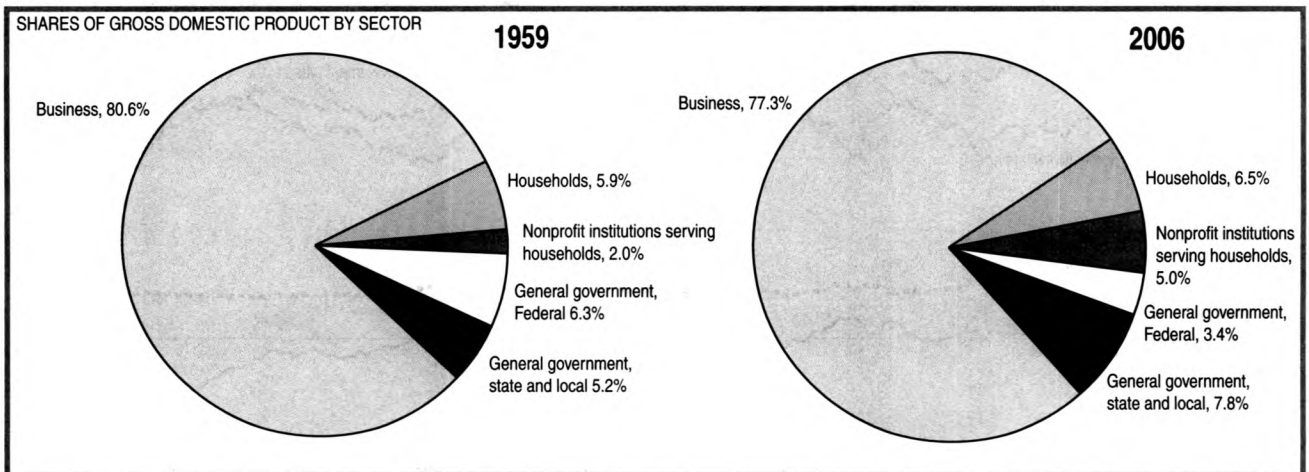
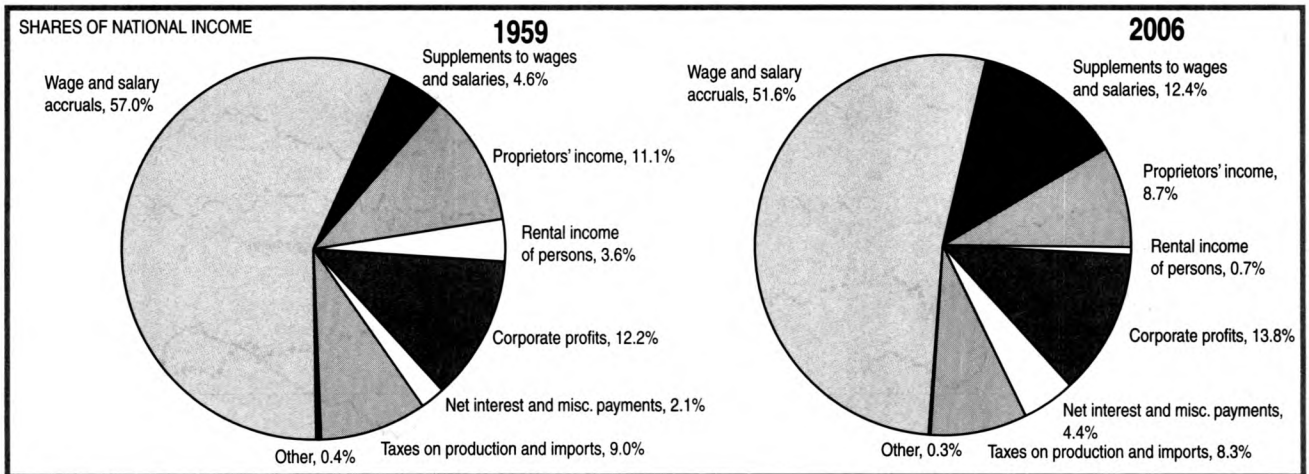
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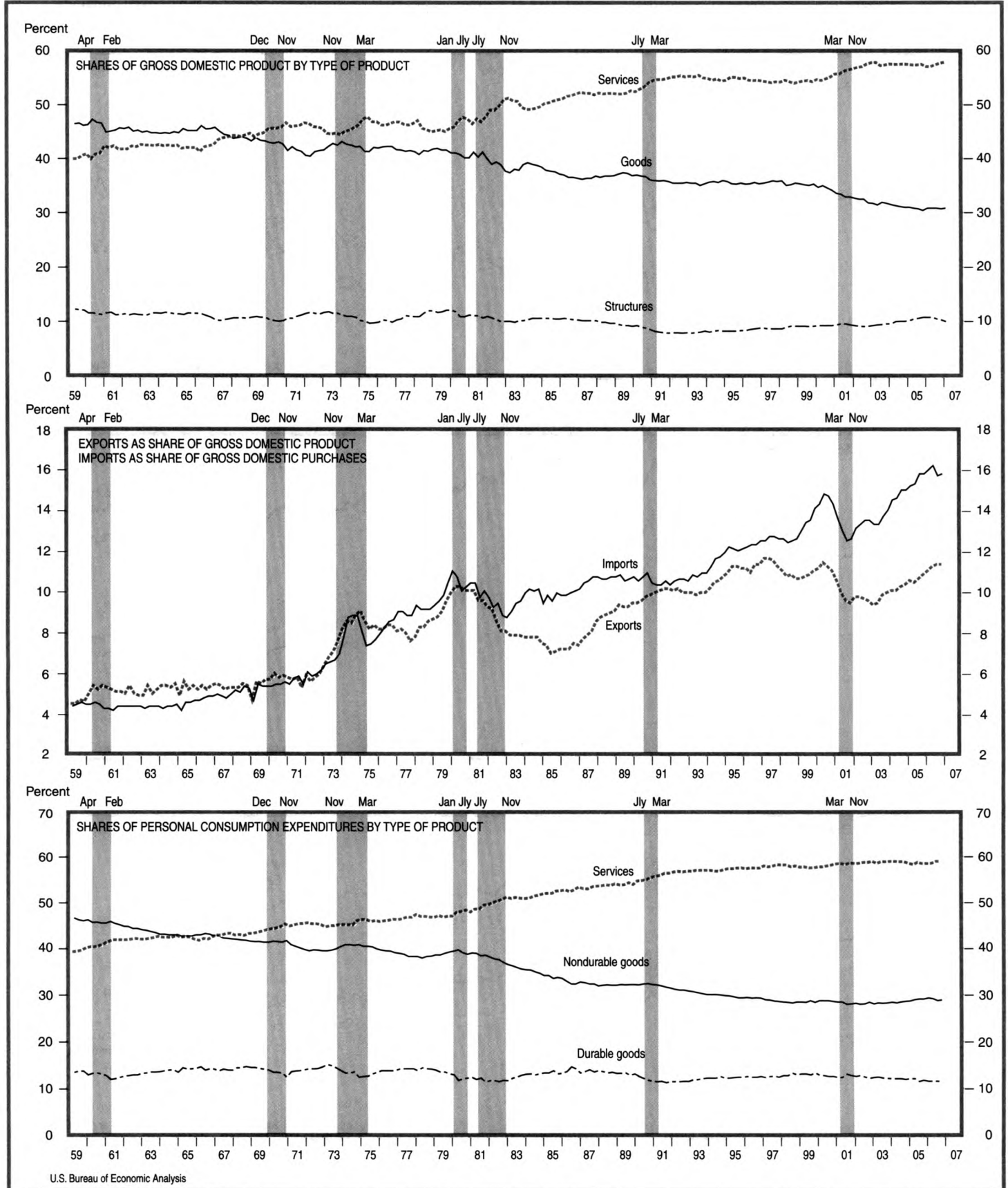


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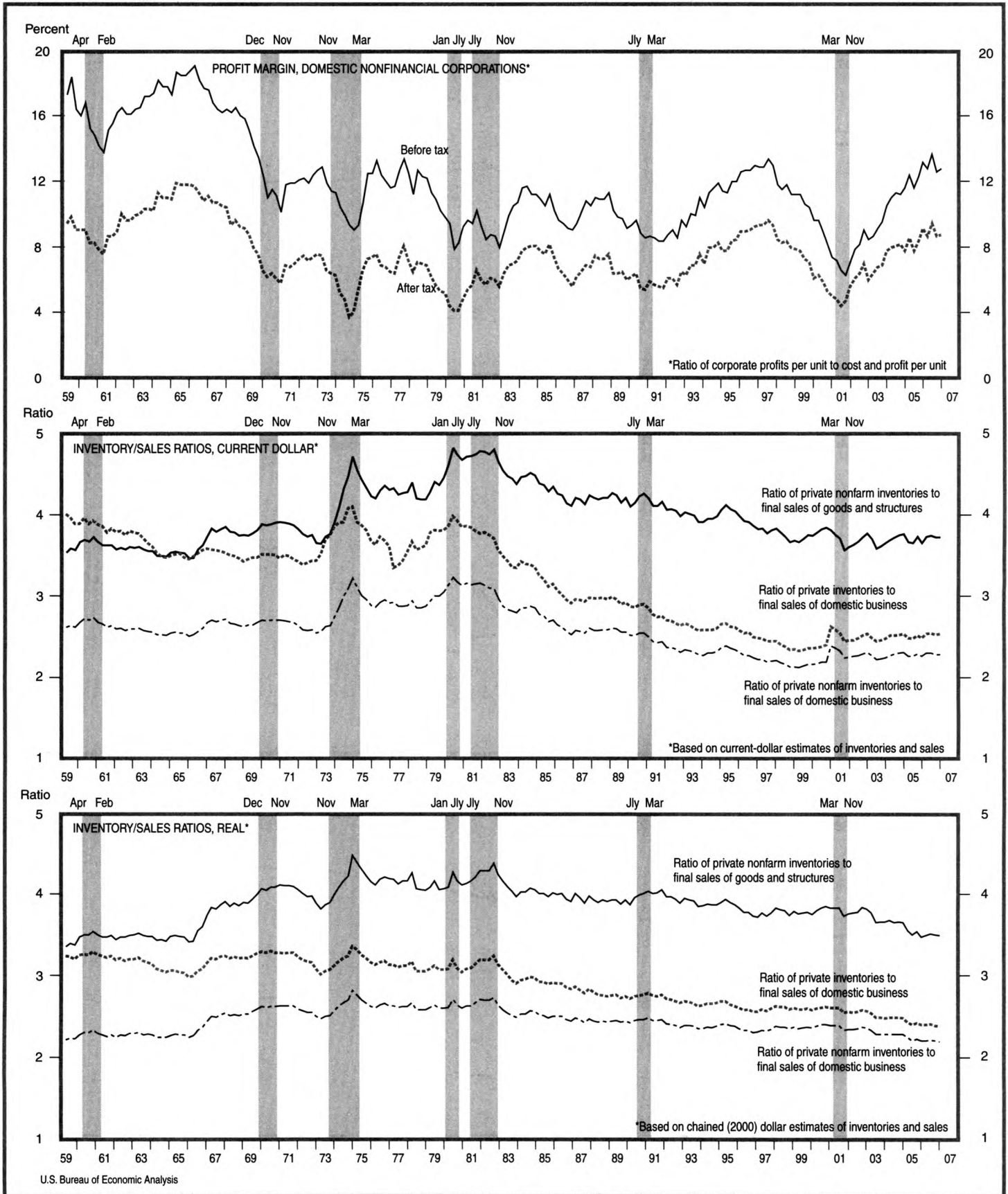
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Industry Data

E. Industry Table

The estimates in this table were published in tables 3A and 5A in "Annual Industry Accounts: Advance Estimates for 2006" in the May 2007 SURVEY OF CURRENT BUSINESS.

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

Line		Chain-type quantity indexes			Chain-type price indexes			Line		Chain-type quantity indexes			Chain-type price indexes		
		2004	2005	2006	2004	2005	2006			2004	2005	2006	2004	2005	2006
1	Gross domestic product	3.9	3.2	3.3	2.8	3.0	2.9	50	Finance, insurance, real estate, rental, and leasing	4.3	3.0	5.4	2.9	2.3	3.2
2	Private industries	4.2	3.3	3.7	2.8	3.1	2.8	51	Finance and insurance	2.1	2.2	4.4	3.9	2.1	2.8
3	Agriculture, forestry, fishing, and hunting	6.1	0.1	5.0	17.0	-13.4	-5.3	52	Federal Reserve banks, credit intermediation, and related activities.....	-3.4	3.2	.....	3.4	3.5	.....
4	Farms.....	7.4	1.0	.....	20.9	-17.2	.....	53	Securities, commodity contracts, and investments	6.3	8.3	.....	1.1	-1.4	.....
5	Forestry, fishing, and related activities.....	1.4	-3.1	.....	3.3	2.7	.....	54	Insurance carriers and related activities.....	8.3	-2.7	.....	7.0	2.9	.....
6	Mining	0.9	-2.6	-0.7	19.0	39.2	10.5	55	Funds, trusts, and other financial vehicles.....	15.1	7.1	.....	-5.5	-10.9	.....
7	Oil and gas extraction.....	-1.2	-4.6	.....	25.5	43.8	.....	56	Real estate and rental and leasing	5.7	3.4	6.0	2.3	2.3	3.5
8	Mining, except oil and gas.....	-1.9	-3.4	.....	9.5	11.5	.....	57	Real estate.....	6.4	3.9	.....	2.3	2.2	.....
9	Support activities for mining.....	13.9	7.0	.....	4.3	49.1	.....	58	Rental and leasing services and lessors of intangible assets.....	-3.3	-3.5	.....	2.7	4.3	.....
10	Utilities	2.4	1.2	1.2	4.4	4.2	4.6	59	Professional and business services	5.2	5.6	4.4	2.5	2.6	2.7
11	Construction	1.5	3.9	1.3	7.4	8.7	4.7	60	Professional, scientific, and technical services	7.8	6.8	5.2	0.6	1.7	2.3
12	Manufacturing	6.5	2.2	3.3	-0.9	3.2	2.4	61	Legal services.....	3.5	0.8	.....	6.0	6.1	.....
13	Durable goods.....	7.7	4.9	6.7	-1.4	-0.6	0.5	62	Computer systems design and related services...	8.2	7.5	.....	-2.6	-0.1	.....
14	Wood products.....	3.2	3.3	.....	15.4	-1.4	.....	63	Miscellaneous professional, scientific, and technical services.....	9.2	8.8	.....	-0.4	0.8	.....
15	Nonmetallic mineral products.....	7.4	-0.4	.....	2.1	8.1	.....	64	Management of companies and enterprises	2.7	1.4	0.8	4.9	5.7	5.1
16	Primary metals.....	15.2	-1.0	.....	22.9	13.6	.....	65	Administrative and waste management services	0.8	5.3	4.9	5.6	2.7	2.4
17	Fabricated metal products.....	8.6	4.8	.....	2.5	5.1	.....	66	Administrative and support services.....	1.2	5.0	.....	5.4	3.3	.....
18	Machinery.....	14.3	4.1	.....	-3.2	2.3	.....	67	Waste management and remediation services.....	-2.6	7.9	.....	7.6	-3.0	.....
19	Computer and electronic products.....	20.5	19.9	.....	-13.3	-12.9	.....	68	Educational services, health care, and social assistance	3.3	3.5	3.2	3.3	3.0	2.8
20	Electrical equipment, appliances, and components.....	-6.8	1.8	.....	0.5	2.7	.....	69	Educational services	2.3	1.9	2.0	5.6	5.0	4.4
21	Motor vehicles, bodies and trailers, and parts.....	-6.0	-2.9	.....	-5.9	-10.6	.....	70	Health care and social assistance	3.4	3.7	3.4	3.0	2.8	2.6
22	Other transportation equipment.....	2.8	3.8	.....	2.5	4.3	.....	71	Ambulatory health care services.....	3.8	5.9	.....	2.2	2.0	.....
23	Furniture and related products.....	13.4	-2.4	.....	-3.4	3.6	.....	72	Hospitals and nursing and residential care facilities.....	2.4	0.6	.....	4.8	4.3	.....
24	Miscellaneous manufacturing.....	9.4	8.3	.....	-2.1	-0.5	.....	73	Social assistance.....	5.2	5.7	.....	-0.2	0.4	.....
25	Nondurable goods.....	4.9	-1.3	-0.9	-0.2	8.4	5.1	74	Arts, entertainment, recreation, accommodation, and food services	3.0	1.4	2.8	3.1	3.4	3.2
26	Food and beverage and tobacco products.....	-3.7	4.8	.....	-3.5	7.4	.....	75	Arts, entertainment, and recreation	0.5	-0.4	3.3	2.9	3.4	3.4
27	Textile mills and textile product mills.....	-0.4	2.4	.....	1.8	-0.6	.....	76	Performing arts, spectator sports, museums, and related activities.....	1.3	-1.2	.....	3.9	4.8	.....
28	Apparel and leather and allied products.....	-4.3	0.1	.....	-2.3	-1.5	.....	77	Amusements, gambling, and recreation industries.....	-0.2	0.3	.....	2.0	2.2	.....
29	Paper products.....	8.0	2.1	.....	-2.9	1.3	.....	78	Accommodation and food services	4.0	2.0	2.6	3.2	3.5	3.2
30	Printing and related support activities.....	4.2	1.3	.....	-1.5	-0.2	.....	79	Accommodation.....	3.8	0.7	.....	5.3	4.8	.....
31	Petroleum and coal products.....	24.1	-21.3	.....	10.8	49.8	.....	80	Food services and drinking places.....	4.1	2.6	.....	2.3	2.8	.....
32	Chemical products.....	8.3	-1.7	.....	2.1	7.2	.....	81	Other services, except government	-0.5	-0.7	0.9	3.8	3.9	3.7
33	Plastics and rubber products.....	8.2	-1.5	.....	-3.2	2.5	.....	82	Government	0.5	0.7	0.6	4.6	4.2	4.0
34	Wholesale trade	1.1	1.5	1.7	6.8	6.4	4.3	83	Federal	0.9	-0.2	-0.8	5.7	4.4	4.1
35	Retail trade	2.5	5.0	4.2	1.4	0.4	0.6	84	General government.....	1.0	0.6	.....	6.2	5.4	.....
36	Transportation and warehousing	5.2	4.0	1.9	-0.9	0.4	3.6	85	Government enterprises.....	0.7	-5.3	.....	2.5	-1.8	.....
37	Air transportation.....	5.9	6.2	.....	-18.0	-14.1	.....	86	State and local	0.3	1.1	1.2	4.1	4.1	4.0
38	Rail transportation.....	4.9	-3.5	.....	2.6	10.7	.....	87	General government.....	0.5	1.0	.....	4.0	4.2	.....
39	Water transportation.....	10.1	12.0	.....	-6.1	-10.7	.....	88	Government enterprises.....	-1.7	1.8	.....	4.5	2.0	.....
40	Truck transportation.....	7.8	4.6	.....	1.9	1.1	.....	89	Addenda:						
41	Transit and ground passenger transportation.....	-0.1	1.0	.....	3.5	2.0	.....	90	Private goods-producing industries ¹	4.8	2.1	2.5	3.3	6.1	3.4
42	Pipeline transportation.....	-0.3	19.6	.....	-2.3	-18.8	.....	91	Private services-producing industries ²	4.1	3.7	4.1	2.6	2.3	2.6
43	Other transportation and support activities.....	2.5	1.3	.....	5.6	7.7	.....		Information-communications-technology-producing industries ³	13.7	13.3	12.5	-6.3	-4.3	-4.8
44	Warehousing and storage.....	6.7	9.4	.....	-0.5	-0.6	.....							
45	Information	11.4	9.0	7.2	-2.9	-3.7	-2.7								
46	Publishing industries (includes software).....	12.5	12.9	.....	-3.9	-0.4	.....							
47	Motion picture and sound recording industries.....	1.5	1.1	.....	2.8	0.3	.....							
48	Broadcasting and telecommunications.....	11.8	7.4	.....	-3.0	-6.1	.....							
49	Information and data processing services.....	14.5	13.8	.....	-4.0	-2.2	.....							

1. Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.
 2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance.

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

International Data

F. Transactions Tables

Table F.1 presents estimates of U.S. international trade in goods and services that were released June 8, 2007. It includes preliminary estimates for April 2007 and revised estimates for March through December 2006 and January through March 2007.

The sources for the other tables in this section are noted.

For BEA's full set of detailed estimates of U.S. international transactions, visit BEA's Web site at <www.bea.gov>.

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

(Millions of dollars; monthly estimates seasonally adjusted)

	2005 ^r	2006 ^r	2006										2007			
			March ^r	April ^r	May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^r	Dec. ^r	Jan. ^r	Feb. ^r	March ^r	April ^p
Exports of goods and services	1,283,070	1,445,703	116,507	116,733	118,816	121,026	119,903	122,612	123,353	124,611	125,920	127,092	127,767	125,916	129,239	129,486
Goods	894,631	1,023,109	82,369	82,317	83,882	86,259	85,061	87,375	87,849	88,203	88,788	89,495	90,491	88,569	91,056	91,110
Foods, feeds, and beverages.....	58,955	65,962	5,206	5,193	5,399	5,543	5,571	5,844	5,744	5,737	5,597	5,874	6,023	6,346	6,000	6,724
Industrial supplies and materials.....	233,045	276,045	22,239	22,325	23,070	23,556	22,913	23,534	24,457	24,306	24,024	23,781	23,794	23,676	24,766	25,133
Capital goods, except automotive.....	362,342	413,894	33,541	33,581	33,893	34,815	33,877	34,866	35,173	35,479	36,086	36,356	36,945	34,829	35,251	34,595
Automotive vehicles, parts, and engines.....	98,578	107,161	8,575	8,605	8,543	8,959	9,386	9,333	8,829	8,815	9,106	9,459	8,911	9,079	9,890	9,819
Consumer goods (nonfood), except automotive.....	116,093	129,982	10,515	10,328	10,685	10,872	10,916	11,227	10,865	11,214	11,343	11,434	11,874	11,512	11,829	11,970
Other goods.....	36,964	43,589	3,199	3,216	3,316	3,487	3,501	3,784	4,065	3,937	4,242	4,060	4,193	4,143	4,692	4,168
Adjustments ¹	-11,347	-13,525	-906	-930	-1,025	-973	-1,102	-1,213	-1,284	-1,283	-1,610	-1,470	-1,248	-1,014	-1,372	-1,299
Services	388,439	422,594	34,138	34,416	34,934	34,767	34,842	35,237	35,504	36,408	37,132	37,597	37,276	37,347	38,183	38,376
Travel.....	81,799	85,694	6,918	7,035	7,169	7,008	7,154	7,155	7,178	7,247	7,378	7,485	7,429	7,420	7,687	7,778
Passenger fares.....	20,970	22,187	1,791	1,769	1,790	1,769	1,893	1,887	1,916	1,898	1,927	1,940	1,880	1,893	1,958	2,004
Other transportation.....	41,334	46,297	3,777	3,928	3,898	3,928	3,820	4,024	3,872	3,857	3,956	3,976	3,927	3,873	4,058	4,122
Royalties and license fees.....	59,409	62,378	4,976	5,017	5,061	5,117	5,201	5,272	5,342	5,437	5,488	5,519	5,563	5,590	5,609	5,640
Other private services.....	164,301	187,771	15,136	15,172	15,485	15,497	15,277	15,427	15,729	16,532	16,853	17,056	16,869	16,980	17,332	17,330
Transfers under U.S. military agency sales contracts ²	19,539	17,112	1,447	1,400	1,436	1,352	1,359	1,374	1,369	1,338	1,431	1,522	1,510	1,492	1,440	1,402
U.S. Government miscellaneous services.....	1,087	1,155	93	95	95	96	98	98	98	99	99	99	98	99	99	100
Imports of goods and services	1,997,441	2,204,225	178,685	179,069	184,530	185,553	187,457	190,218	187,502	182,777	184,375	187,398	184,569	183,514	191,629	187,981
Goods	1,681,780	1,861,380	150,662	150,915	155,917	156,902	158,794	161,647	158,743	153,696	155,044	158,085	155,116	154,069	161,798	158,187
Foods, feeds, and beverages.....	68,094	74,938	6,301	6,137	6,081	6,084	6,198	6,414	6,352	6,390	6,378	6,455	6,587	6,603	6,841	6,583
Industrial supplies and materials.....	523,771	601,988	46,963	48,536	52,712	51,897	53,880	55,012	51,867	46,758	46,938	48,257	48,012	44,544	49,727	50,025
Capital goods, except automotive.....	379,334	418,271	34,412	34,229	34,592	34,729	35,180	35,762	35,766	35,495	35,704	35,730	36,459	36,706	36,192	35,602
Automotive vehicles, parts, and engines.....	239,487	256,660	21,006	21,264	21,049	21,886	21,072	21,327	21,204	21,102	21,428	22,631	20,408	20,829	22,122	21,114
Consumer goods (nonfood), except automotive.....	407,196	442,595	36,449	35,442	36,093	36,809	36,920	37,424	37,920	38,089	38,820	39,283	38,162	39,676	40,406	38,869
Other goods.....	55,572	59,487	4,858	4,744	4,803	4,929	4,915	5,007	5,029	5,204	5,148	5,163	4,908	5,178	5,030	4,781
Adjustments ¹	8,325	7,442	673	562	589	567	629	700	605	658	627	566	580	533	1,480	1,214
Services	315,661	342,845	28,023	28,154	28,613	28,651	28,663	28,571	28,759	29,081	29,331	29,313	29,453	29,445	29,831	29,794
Travel.....	68,970	72,029	5,939	6,008	6,097	5,972	6,062	5,938	6,015	6,069	6,113	6,173	6,100	6,073	6,220	6,164
Passenger fares.....	26,149	27,503	2,268	2,287	2,325	2,315	2,308	2,286	2,295	2,277	2,323	2,339	2,343	2,372	2,444	2,414
Other transportation.....	61,929	65,282	5,417	5,364	5,544	5,493	5,450	5,541	5,500	5,511	5,522	5,332	5,453	5,356	5,409	5,361
Royalties and license fees.....	24,632	26,432	2,081	2,109	2,119	2,304	2,254	2,111	2,133	2,189	2,214	2,233	2,241	2,246	2,250	2,272
Other private services.....	99,927	116,524	9,398	9,483	9,613	9,632	9,580	9,683	9,825	10,163	10,306	10,373	10,359	10,415	10,513	10,575
Direct defense expenditures ³	30,075	31,054	2,587	2,566	2,576	2,595	2,667	2,671	2,652	2,541	2,525	2,535	2,626	2,651	2,663	2,673
U.S. Government miscellaneous services.....	3,979	4,021	333	337	339	340	342	341	339	331	328	328	331	332	332	335
Memoranda:																
Balance on goods.....	-787,149	-838,271	-68,293	-68,598	-72,035	-70,643	-73,733	-74,272	-70,894	-65,492	-66,256	-68,590	-64,624	-65,500	-70,742	-67,077
Balance on services.....	72,778	79,749	6,115	6,262	6,321	6,116	6,179	6,666	6,745	7,327	7,801	8,284	7,823	7,902	8,352	8,582
Balance on goods and services.....	-714,371	-758,522	-62,178	-62,336	-65,714	-64,527	-67,554	-67,606	-64,149	-58,165	-58,455	-60,306	-56,801	-57,598	-62,390	-58,495

^p Preliminary
^r Revised

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

prepare BEA's international and national accounts.

² Contains goods that cannot be separately identified.

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

Table F.2 U.S. International Transactions

(Millions of dollars)

Line	(Credits +; debits -) ¹	Not seasonally adjusted								Seasonally adjusted							
		2005				2006				2005				2006			
		II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Current account																	
1 Exports of goods and services and income receipts	2,058,836	433,516	440,364	464,872	480,005	517,097	519,399	542,335	429,326	442,935	462,357	483,338	510,923	523,832	540,741		
2 Exports of goods and services	1,436,816	319,639	318,819	334,007	340,515	359,681	361,076	375,544	316,645	320,853	331,165	343,445	354,951	364,947	373,472		
3 Goods, balance of payments basis ²	1,023,689	227,524	219,568	235,283	242,200	258,642	254,332	268,695	222,591	224,947	232,904	243,726	252,057	261,283	266,623		
4 Services ³	413,127	92,115	99,251	98,724	98,495	101,039	106,744	106,849	94,054	95,906	98,261	99,719	102,894	103,664	106,849		
5 Transfers under U.S. military agency sales contracts ⁴	16,682	4,675	5,239	4,446	4,453	4,226	4,022	3,982	4,675	5,239	4,446	4,453	4,226	4,022	3,982		
6 Travel	85,697	21,425	23,545	18,924	18,781	22,050	20,934	20,860	20,934	20,389	20,374	20,774	21,475	21,334	22,114		
7 Passenger fares	22,060	5,104	5,933	5,229	5,257	5,209	5,999	5,594	5,161	5,508	5,371	5,500	5,230	5,598	5,731		
8 Other transportation	48,208	10,358	10,754	11,451	11,394	12,091	12,451	12,272	10,353	10,545	11,244	11,572	12,185	12,206	12,245		
9 Royalties and license fees ⁵	62,051	13,742	13,958	16,092	14,632	15,302	15,115	17,002	13,943	14,397	14,923	14,968	15,495	15,556	16,033		
10 Other private services ⁶	177,284	36,549	39,531	42,321	43,701	41,874	44,857	46,852	38,726	39,538	41,643	42,175	43,997	44,654	46,457		
11 U.S. Government miscellaneous services	1,145	262	291	260	277	286	294	287	262	291	260	277	286	294	287		
12 Income receipts	622,020	113,877	121,545	130,865	139,490	157,416	158,323	166,791	112,681	112,681	131,192	139,893	155,972	158,885	167,269		
13 Income receipts on U.S.-owned assets abroad	619,085	113,147	120,814	130,110	138,762	156,690	157,585	166,048	111,952	121,350	130,437	139,165	155,246	158,147	166,526		
14 Direct investment receipts	295,884	61,906	63,889	67,148	68,195	76,423	73,466	77,794	60,572	64,476	67,481	68,676	74,668	74,075	78,264		
15 Other private receipts	320,796	50,674	56,247	62,799	69,223	79,759	83,537	87,577	50,674	56,247	62,799	67,923	79,759	83,537	87,577		
16 U.S. Government receipts	2,405	567	678	653	644	502	582	677	706	627	677	566	619	535	685		
17 Compensation of employees	2,935	729	731	755	728	726	738	743	729	731	755	728	726	738	743		
18 Imports of goods and services and income payments	-2,831,369	-606,110	-627,388	-662,406	-657,039	-715,048	-739,797	-719,485	-599,390	-616,886	-659,290	-677,571	-706,776	-730,711	-716,311		
19 Imports of goods and services	-2,202,083	-494,629	-512,645	-530,295	-514,631	-556,066	-574,933	-556,453	-488,703	-502,643	-525,939	-535,091	-548,584	-566,346	-552,063		
20 Goods, balance of payments basis ²	-1,859,655	-414,071	-430,168	-451,691	-436,132	-467,446	-484,922	-471,155	-410,811	-423,693	-445,410	-451,974	-462,937	-480,175	-464,569		
21 Services ³	-342,428	-80,558	-82,477	-78,604	-78,499	-88,620	-90,011	-85,298	-77,892	-78,952	-80,529	-83,117	-85,647	-86,171	-87,944		
22 Direct defense expenditures	-31,180	-7,478	-7,539	-7,503	-7,499	-7,740	-8,002	-7,746	-7,478	-7,539	-7,503	-7,478	-7,400	-7,400	-7,746		
23 Travel	-73,299	-19,904	-19,657	-14,754	-15,071	-21,253	-21,025	-15,950	-17,589	-17,181	-17,135	-17,662	-18,667	-18,409	-18,561		
24 Passenger fares	-27,306	-7,007	-7,089	-6,199	-6,159	-7,453	-7,211	-6,483	-6,555	-6,644	-6,753	-6,952	-6,671	-6,930			
25 Other transportation	-65,611	-15,352	-15,622	-16,174	-15,553	-16,592	-17,085	-16,381	-15,135	-15,205	-16,150	-16,196	-16,341	-16,605	-16,649		
26 Royalties and license fees ⁵	-26,523	-5,737	-6,620	-6,789	-6,552	-6,237	-6,517	-7,217	-6,004	-6,356	-6,261	-6,764	-6,537	-6,551	-6,671		
27 Other private services ⁶	-114,485	-24,118	-25,214	-26,194	-26,476	-28,329	-29,149	-30,531	-24,169	-25,001	-25,845	-27,054	-28,394	-28,910	-30,127		
28 U.S. Government miscellaneous services	-4,024	-962	-1,016	-991	-996	-1,022	-990	-962	-1,016	-991	-996	-1,016	-996	-1,016	-990		
29 Income payments	-629,286	-111,481	-114,742	-132,111	-142,408	-158,982	-164,864	-163,032	-110,687	-114,240	-133,351	-142,480	-158,192	-164,365	-164,248		
30 Income payments on foreign-owned assets in the United States	-619,862	-109,299	-112,397	-129,611	-140,126	-156,736	-162,523	-160,477	-108,403	-111,887	-131,018	-140,132	-155,845	-162,016	-161,868		
31 Direct investment payments	-145,561	-30,416	-24,615	-33,432	-34,437	-37,756	-40,335	-33,033	-29,520	-34,105	-34,839	-36,665	-39,828	-34,424			
32 Other private payments	-329,231	-51,490	-58,479	-64,857	-72,813	-82,539	-84,833	-89,046	-51,490	-58,479	-64,857	-72,813	-82,539	-84,833	-89,046		
33 U.S. Government payments	-145,070	-27,393	-29,303	-31,322	-32,876	-36,441	-37,355	-38,398	-27,393	-29,303	-31,322	-32,876	-36,441	-37,355	-38,398		
34 Compensation of employees	-9,424	-2,182	-2,345	-2,500	-2,282	-2,246	-2,341	-2,555	-2,284	-2,353	-2,333	-2,348	-2,347	-2,349			
35 Unilateral current transfers, net	-84,122	-22,509	-10,140	-25,927	-20,323	-20,805	-22,567	-20,427	-23,194	-9,464	-26,176	-19,545	-21,860	-22,498	-20,220		
36 U.S. Government grants ⁴	-21,410	-5,780	-7,270	-9,091	-4,631	-5,341	-6,040	-5,398	-5,780	-7,270	-9,091	-4,631	-5,341	-6,040	-5,398		
37 U.S. Government pensions and other transfers	-7,009	-1,451	-1,903	-1,872	-1,740	-1,277	-1,465	-2,527	-1,569	-1,584	-1,592	-1,742	-1,755	-1,749	-1,763		
38 Private remittances and other transfers ⁶	-55,703	-15,278	-961	-14,964	-13,952	-14,187	-15,062	-12,502	-15,845	-610	-15,493	-13,172	-14,764	-14,709	-13,059		
Capital and financial account																	
Capital account																	
39 Capital account transactions, net	-3,914	-589	-557	-514	-1,756	-1,003	-551	-604	-589	-557	-514	-1,756	-1,003	-551	-604		
Financial account																	
40 U.S.-owned assets abroad, net (increase/financial outflow (-))	-1,045,760	-201,345	-138,434	3,708	-361,910	-215,352	-229,098	-239,400	-196,376	-132,380	-10,656	-356,654	-211,969	-225,888	-251,249		
41 U.S. official reserve assets, net	2,374	-797	4,766	4,796	513	-560	1,006	1,415	-797	4,766	4,796	513	-560	1,006	1,415		
42 Gold ⁷																	
43 Special drawing rights	-223	-97	2,976	-81	-67	-51	-54	-51	-97	2,976	-81	-67	-51	-54	-51		
44 Reserve position in the International Monetary Fund	3,331	-564	1,951	5,050	729	-351	1,275	1,678	-564	1,951	5,050	729	-351	1,275	1,678		
45 Foreign currencies	-734	-136	-161	-173	-149	-158	-215	-212	-136	-161	-173	-149	-158	-215	-212		
46 U.S. Government assets, other than official reserve assets, net	5,219	989	1,501	459	1,049	1,765	1,570	835	989	1,501	459	1,049	1,765	1,570	835		
47 U.S. credits and other long-term assets	-2,990	-708	-518	-509	-1,517	-376	-592	-505	-708	-518	-509	-1,517	-376	-592	-505		
48 Repayments on U.S. credits and other long-term assets ⁸	8,223	1,586	1,957	977	2,558	2,147	2,170	1,348	1,586	1,957	977	2,558	2,147	2,170	1,348		
49 U.S. foreign currency holdings and U.S. short-term assets, net	-14	111	62	-9	8	-6	-8	-8	111	62	-9	8	-6	-8	-8		
50 U.S. private assets, net	-1,053,353	-201,537	-144,701	-1,547	-363,472	-216,557	-231,674	-241,650	-196,568	-138,647	-15,911	-358,216	-213,174	-228,464	-253,499		
51 Direct investment	-248,856	-38,226	24,288	40,163	-67,183	-50,746	-68,605	-62,322	-39,957	30,342	25,799	-61,927	-47,363	-65,395	-74,171		
52 Foreign securities	-277,691	-45,702	-36,790	-47,266	-53,692	-53,915	-54,391	-115,693	-45,702	-36,790	-47,266	-53,692	-53,915	-54,391	-115,693		
53 U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-44,434	57,244	-29,483	-4,812	-46,190	-31,199	-24,096	57,051	57,244	-29,483	-4,812	-46,190	-31,199	-24,096	57,051		
54 U.S. claims reported by U.S. banks, not included elsewhere	-482,372	-174,153	-102,716	10,368	-196,407	-80,697	-84,582	-120,686	-174,153	-102,716	10,368	-196,407	-80,697	-84,582	-120,686		
55 Foreign-owned assets in the United States, net (increase/financial inflow (+))	1,764,909	348,132	390,846	248,558	528,026	367,143	458,894	411,046	346,179	388,592	253,350	527,923	365,543	455,598	415,845		
56 Foreign official assets in the United States, net	300,510	74,613	33,983	71,934	75,697	75,869	78,434	70,510	74,613	33,983	71,934	75,697	75,869	78,434	70,510		
57 U.S. Government securities	243,794	36,313	25,926	61,204	66,219	21,553	77,978	78,044	36,313	25,926	61,204	66,219	21,553	77,978	78,044		
58 U.S. Treasury securities ⁹	118,344	16,892	8,213	37,418	42,156	-8,905	45,044	40,409	16,892	8,213	37,418	42,156	-8,905	45,044	40,409		
59 Other ¹⁰	125,450	19,421	17,713	23,786	24,063	30,458	32,934	37,995	19,421	17,713	23,786	24,063	30,458	32,934	37,995		
60 Other U.S. Government liabilities																	

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

(Millions of dollars)

Line	(Credits +; debits -) ¹	Europe		European Union ¹⁴		Euro area		United Kingdom	
		2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p
Current account									
1	Exports of goods and services and income receipts	174,293	186,808	152,182	163,191	93,528	100,315	49,364	52,939
2	Exports of goods and services	100,794	107,138	87,380	92,710	57,985	61,949	23,271	24,083
3	Goods, balance of payments basis ²	58,720	63,430	51,099	54,986	37,244	40,873	10,917	10,896
4	Services ³	42,074	43,708	36,281	37,724	20,741	21,076	12,354	13,187
5	Transfers under U.S. military agency sales contracts ⁴	1,001	1,100	680	831	339	245	68	103
6	Travel	7,764	6,891	7,150	6,320	3,742	3,073	2,866	2,756
7	Passenger fares	1,933	1,738	1,764	1,582	1,011	865	694	656
8	Other transportation	4,622	4,516	4,118	4,014	2,363	2,269	1,079	1,071
9	Royalties and license fees ⁵	7,514	8,785	6,148	7,306	4,343	5,165	1,406	1,751
10	Other private services ⁵	19,159	20,598	16,357	17,608	8,907	9,424	6,218	6,827
11	U.S. Government miscellaneous services	80	79	63	62	36	35	23	23
12	Income receipts	73,499	79,670	64,802	70,481	35,543	38,366	26,093	28,856
13	Income receipts on U.S.-owned assets abroad	73,405	79,576	64,719	70,398	35,498	38,321	26,068	28,831
14	Direct investment receipts	31,924	35,088	27,496	30,436	19,656	21,762	6,632	7,606
15	Other private receipts	41,179	44,167	36,999	39,686	15,618	16,357	19,436	21,152
16	U.S. Government receipts	302	321	224	276	224	202	73	73
17	Compensation of employees	94	94	83	83	45	45	25	25
18	Imports of goods and services and income payments	-218,385	-209,708	-191,080	-186,169	-121,282	-118,441	-56,633	-55,061
19	Imports of goods and services	-138,138	-134,817	-117,806	-116,472	-83,204	-82,802	-23,949	-23,493
20	Goods, balance of payments basis ²	-97,499	-96,873	-82,955	-84,060	-61,998	-63,177	-13,474	-13,402
21	Services ³	-40,639	-37,944	-34,851	-32,412	-21,206	-19,625	-10,475	-10,091
22	Direct defense expenditures	-3,013	-3,000	-2,627	-2,614	-2,100	-2,100	-387	-387
23	Travel	-7,532	-4,900	-6,567	-4,499	-4,025	-2,681	-2,061	-1,632
24	Passenger fares	-4,023	-3,044	-3,793	-2,860	-2,241	-1,679	-1,318	-1,052
25	Other transportation	-6,528	-6,296	-5,680	-5,497	-3,236	-3,236	-1,239	-1,145
26	Royalties and license fees ⁵	-4,101	-4,529	-3,132	-3,313	-2,353	-2,590	-434	-420
27	Other private services ⁵	-14,947	-15,682	-12,682	-13,260	-6,894	-7,046	-4,977	-5,394
28	U.S. Government miscellaneous services	-495	-493	-370	-369	-299	-293	-59	-61
29	Income payments	-80,247	-74,891	-73,274	-69,697	-38,078	-35,639	-32,684	-31,568
30	Income payments on foreign-owned assets in the United States	-80,123	-74,728	-73,170	-69,569	-37,997	-35,545	-32,663	-31,543
31	Direct investment payments	-27,097	-19,799	-25,920	-20,155	-15,647	-12,716	-9,134	-6,347
32	Other private payments	-45,529	-47,312	-41,060	-43,350	-18,279	-18,795	-22,059	-23,801
33	U.S. Government payments	-7,497	-7,617	-6,190	-6,064	-4,071	-4,034	-1,470	-1,395
34	Compensation of employees	-124	-163	-104	-128	-81	-94	-21	-25
35	Unilateral current transfers, net	-3,361	-1,370	-2,641	-896	-1,941	-1,611	412	1,720
36	U.S. Government grants ⁴	-550	-472	-38	-36				
37	U.S. Government pensions and other transfers	-426	-437	-395	-407	-282	-285	-67	-70
38	Private remittances and other transfers ⁵	-2,385	-461	-2,208	-453	-1,659	-1,326	479	1,790
Capital and financial account									
Capital account									
39	Capital account transactions, net	-217	-210	-123	-120	-82	-81	-14	-13
Financial account									
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-204,129	-109,670	-177,817	-126,211	-53,647	-33,768	-115,357	-97,498
41	U.S. official reserve assets, net	-202	-197	-167	-156	-167	-156		
42	Gold ⁷								
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies	-202	-197	-167	-156	-167	-156		
46	U.S. Government assets, other than official reserve assets, net	1,419	37	30	-61	28	8		-9
47	U.S. credits and other long-term assets	-121	-177	-103	-165				
48	Repayments on U.S. credits and other long-term assets ⁸	1,547	225	141	114	35	8		(*)
49	U.S. foreign currency holdings and U.S. short-term assets, net	-7	-11	-8	-10	-7	-9		-9
50	U.S. private assets, net	-205,346	-109,510	-177,680	-125,994	-53,508	-33,620	-115,357	-97,489
51	Direct investment	-28,499	-30,371	-23,639	-27,172	-20,059	-18,189	-2,516	-7,989
52	Foreign securities	-54,629	-101,664	-57,355	-93,855	-11,895	-29,093	-45,458	-62,647
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-48,133	68,729	-47,625	68,523	-4,231	13,656	-39,741	51,156
54	U.S. claims reported by U.S. banks, not included elsewhere	-74,085	-46,204	-49,061	-73,490	-17,323	6	-27,642	-78,009
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	133,059	118,830	173,938	105,280	72,716	35,891	100,223	70,523
56	Foreign official assets in the United States, net	-8,896	27,551	(18)	(18)	(18)	(18)	(18)	(18)
57	U.S. Government securities	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
58	U.S. Treasury securities ⁹	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
59	Other ¹⁰	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
60	Other U.S. Government liabilities ¹¹	-127	-198	-122	-170	-39	-29	47	-7
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
62	Other foreign official assets ¹²	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
63	Other foreign assets in the United States, net	141,955	91,279	(18)	(18)	(18)	(18)	(18)	(18)
64	Direct investment	48,883	14,715	45,789	12,991	31,631	4,705	12,155	9,668
65	U.S. Treasury securities	-27,262	5,947	(18)	(18)	(18)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities	87,960	67,070	81,789	63,221	20,340	-5,907	64,078	68,133
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	63,587	19,079	64,136	19,031	28,115	11,492	35,320	7,443
69	U.S. liabilities reported by U.S. banks, not included elsewhere	-31,213	-15,532	¹⁸ -17,654	¹⁸ 10,207	¹⁸ -7,331	¹⁸ 25,630	¹⁸ -11,377	¹⁸ -14,714
70	Statistical discrepancy (sum of above items with sign reversed)¹⁹	118,741	15,321	45,542	44,926	10,708	17,895	22,005	27,390
Memoranda:									
71	Balance on goods (lines 3 and 20)	-38,779	-33,443	-31,856	-29,074	-24,754	-22,304	-2,557	-2,506
72	Balance on services (lines 4 and 21)	1,435	5,763	1,430	5,311	-465	1,451	1,879	3,096
73	Balance on goods and services (lines 2 and 19)	-37,344	-27,680	-30,426	-23,763	-25,219	-20,853	-678	590
74	Balance on income (lines 12 and 29)	-6,748	4,779	-8,472	784	-2,535	2,727	-6,591	-2,712
75	Unilateral current transfers, net (line 35)	-3,361	-1,370	-2,641	-896	-1,941	-1,611	412	1,720
76	Balance on current account (lines 1, 16, and 35 or lines 73, 74, and 75) ¹³	-47,454	-24,271	-41,540	-23,875	-29,695	-19,737	-6,857	-402

p Preliminary
r RevisedSee footnotes on page D-63
Source: Table 11 in "U.S. International Transactions in 2006" in the April 2007 Survey of Current Business.

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

(Millions of dollars)

Line	(Credits +; debits -) ¹		Canada		Latin America and Other Western Hemisphere		Mexico ¹⁵		Asia and Pacific		Australia	
	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p
Current account												
1	Exports of goods and services and income receipts											
2	65,680	67,402	108,814	113,011	42,147	43,715	122,999	126,785	10,289	10,510	6,916	6,953
3	56,208	57,949	55,791	58,482	33,125	34,246	69,605	73,748	4,440	4,516	4,440	4,516
4	9,472	9,453	17,651	18,204	5,687	5,941	29,349	28,015	2,476	2,437	2,476	2,437
5	64	55	188	135	3	1	768	1,077	87	120	87	120
6	2,347	2,142	5,638	5,489	1,755	1,969	7,180	5,620	702	590	702	590
7	887	747	1,640	1,640	535	524	1,418	1,366	152	139	152	139
8	850	853	1,550	1,511	460	379	4,279	4,198	91	95	91	95
9	1,241	1,367	1,063	1,180	397	439	5,079	5,410	321	324	321	324
10	4,053	4,259	7,530	8,208	2,533	2,625	10,533	10,252	1,118	1,164	1,118	1,164
11	30	30	41	41	4	4	92	92	5	5	5	5
12	10,836	10,949	35,372	36,325	3,335	3,528	24,045	25,022	3,373	3,557	3,373	3,557
13	10,800	10,914	35,319	36,272	3,327	3,520	23,946	24,923	3,366	3,550	3,366	3,550
14	6,108	6,084	11,725	12,205	2,406	2,602	15,268	15,929	2,009	2,123	2,009	2,123
15	4,692	4,830	23,567	23,971	919	916	8,585	8,867	1,357	1,427	1,357	1,427
16			27	96	2	2	93	127				
17	36	35	53	53	8	8	99	99	7	7	7	7
18	Imports of goods and services and income payments											
19	-82,001	-80,420	-101,678	-95,928	-54,560	-54,353	-202,372	-203,469	-3,458	-3,475	-3,458	-3,475
20	-74,597	-74,814	-86,905	-81,536	-50,940	-50,375	-182,193	-183,071	-2,129	-2,166	-2,129	-2,166
21	-7,404	-5,606	-14,773	-14,392	-3,620	-3,978	-20,179	-20,398	-1,329	-1,309	-1,329	-1,309
22	-62	-55	-83	-75	-3	-3	-1,423	-1,295	-32	-30	-32	-30
23	-3,082	-1,154	-5,921	-5,543	-2,317	-2,775	-3,678	-3,576	-312	-309	-312	-309
24	-80	-68	-800	-794	-266	-224	-2,108	-2,264	-232	-264	-232	-264
25	-1,192	-1,191	-1,732	-1,644	-262	-237	-6,162	-5,851	-86	-86	-86	-86
26	-196	-232	-388	-377	-60	-43	-1,786	-2,037	-70	-101	-70	-101
27	-2,710	-2,826	-5,707	-5,838	-667	-655	-4,854	-5,210	-583	-505	-583	-505
28	-82	-80	-142	-121	-45	-41	-168	-165	-14	-14	-14	-14
29	-6,552	-6,606	-32,521	-34,853	-3,609	-3,419	-37,796	-38,748	-1,806	-1,724	-1,806	-1,724
30	-6,440	-6,484	-30,606	-32,934	-1,744	-1,568	-37,635	-38,454	-1,803	-1,719	-1,803	-1,719
31	-3,117	-2,929	-1,174	-1,569	-238	-107	-6,028	-5,820	-779	-704	-779	-704
32	-2,542	-2,708	-25,421	-27,121	-693	-680	-8,268	-8,714	-809	-809	-809	-809
33	-781	-847	-4,011	-4,244	-813	-781	-23,339	-23,920	-215	-206	-215	-206
34	-112	-122	-1,915	-1,919	-1,865	-1,851	-161	-294	-3	-5	-3	-5
35	Unilateral current transfers, net											
36	-138	-14	-6,242	-6,206	-2,884	-2,858	-3,831	-2,977	-98	-81	-98	-81
37			-703	-655	-18	-8	-826	-607				
38	-155	-162	-185	-195	-70	-71	-197	-180	-18	-18	-18	-18
38	17	148	-5,354	-5,356	-2,796	-2,779	-2,808	-2,190	-80	-63	-80	-63
Capital and financial account												
Capital account												
39	Capital account transactions, net											
39	29	28	-42	-40	-22	-21	-223	-288	-8	-8	-8	-8
Financial account												
40	U.S.-owned assets abroad, net (increase/financial outflow (-))											
40	-9,062	-16,973	36,555	-73,975	2,534	-2,390	-47,828	-30,124	-8,214	-5,849	-8,214	-5,849
41							-13	-15				
42												
43												
44												
45							-13	-15				
46	1		-2	156	8	7	304	236				
47			-85	-52		-4	-19	-15				
48			95	211	10	12	314	244				
49	1		-2	-3	-2	-1	9	7				
50	-9,063	-16,973	36,557	-74,131	2,526	-2,397	-48,119	-30,345	-8,214	-5,849	-8,214	-5,849
51	-7,369	-4,544	-9,720	-6,123	-2,324	-3,142	-14,265	-12,520	-1,754	-1,162	-1,754	-1,162
52	-5,683	-3,149	-1,146	4,003	4,645	592	6,053	-13,395	-385	-4,978	-385	-4,978
53	-2,063	185	25,790	-14,841	-132	-4	679	921	196	449	196	449
54	6,052	-9,465	21,633	-57,170	337	157	-40,586	-5,351	-6,271	740	-6,271	740
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))											
56	-435	-360	8,820	7,284	(18)	(18)	68,367	38,906	(18)	(18)	(18)	(18)
57	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)
58	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)
59	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)
60	-27	28	-61	54	5		1,229	758	153	74	153	74
61	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)
62	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)
63	20,904	-3,007	162,401	176,106	(18)	(18)	48,847	64,335	(18)	(18)	(18)	(18)
64	-1,044	2,880	5,640	-916	944	100	8,169	(17)	608	198	(17)	198
65	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)
66	5,089	8,383	50,904	58,457	1,638	2,421	18,052	10,849	1,170	535	1,170	535
67												
68	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)
69	7,731	-1,362	99,457	108,901	18	-4,444	9,759	33,885	18	379	18	379
70	Statistical discrepancy (sum of above items with sign reversed) ¹⁹											
70	739	29,001	-176,107	-85,399	18,611	22,929	51,837	45,580	4,124	-2,688	4,124	-2,688
Memoranda:												
71	-18,389	-16,865	-31,114	-23,054	-17,815	-16,129	-112,588	-109,323	2,311	2,350	2,311	2,350
72	2,068	3,847	2,878	3,812	2,067	1,963	9,170	7,617	1,147	1,128	1,147	1,128
73	-16,321	-13,018	-28,236	-19,242	-15,748	-14,186	-103,418	-101,706	3,458	3,478	3,458	3,478
74	4,284	4,343	2,851	1,472	2,851	1,09	-13,751	-13,726	1,567	1,833	1,567	1,833
75	-138	-14	-6,242	-6,206	-2,884	-2,858	-3,831	-2,977	-98	-81	-98	-81
76	-12,175	-8,689	-31,627	-23,976	-18,906	-16,915	-121,000	-118,409	4,927	5,230	4,927	5,230

See the footnotes on page D-63.

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

(Millions of dollars)

Line	(Credits +; debits -) ¹	China		India		Japan		Middle East		Africa	
		2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p	2006:III ^r	2006:IV ^p
Current account											
1	Exports of goods and services and income receipts	18,757	18,949	5,031	4,872	32,625	32,857	15,981	16,147	9,265	9,477
2	Exports of goods and services	17,297	17,594	4,470	4,154	25,621	25,327	13,873	13,896	7,425	7,752
3	Goods, balance of payments basis ²	14,431	14,949	2,651	2,710	14,716	14,782	9,021	9,684	4,987	5,402
4	Services ³	2,866	2,645	1,819	1,444	10,905	10,545	4,852	4,212	2,438	2,350
5	Transfers under U.S. military agency sales contracts ⁴		(*)	6	3	122	268	1,715	1,260	256	304
6	Travel	453	348	552	378	3,495	2,902	679	437	398	281
7	Passenger fares	122	103	151	115	894	908	88	81	33	22
8	Other transportation	671	646	130	130	1,065	998	588	598	233	281
9	Royalties and license fees ⁵	348	379	61	65	2,281	2,396	104	112	111	146
10	Other private services ⁵	1,266	1,163	907	741	3,027	3,052	1,651	1,704	1,384	1,292
11	U.S. Government miscellaneous services	6	6	12	12	21	21	27	20	23	24
12	Income receipts	1,460	1,355	561	718	7,004	7,530	2,108	2,251	1,840	1,725
13	Income receipts on U.S.-owned assets abroad	1,451	1,346	557	714	6,984	7,510	2,084	2,227	1,822	1,707
14	Direct investment receipts	1,172	1,237	353	497	2,710	2,925	1,488	1,618	1,436	1,330
15	Other private receipts	258	99	196	211	4,262	4,570	568	587	309	317
16	U.S. Government receipts	21	10	8	6	12	15	28	22	77	60
17	Compensation of employees	9	9	4	4	20	20	24	24	18	18
18	Imports of goods and services and income payments	-90,336	-93,114	-7,642	-7,603	-61,012	-63,302	-27,663	-24,193	-25,368	-20,117
19	Imports of goods and services	-80,864	-83,098	-7,299	-7,205	-43,337	-45,638	-24,820	-21,213	-24,826	-19,578
20	Goods, balance of payments basis ²	-78,941	-81,299	-5,865	-5,592	-36,926	-39,216	-20,094	-16,537	-23,634	-18,324
21	Services ³	-1,923	-1,799	-1,434	-1,613	-6,422	-6,411	-4,726	-4,676	-1,192	-1,254
22	Direct defense expenditures	-2	-2	-2	-2	-391	-370	-3,350	-3,250	-71	-71
23	Travel	-557	-457	-352	-487	-794	-580	-363	-331	-449	-446
24	Passenger fares	-154	-131	-44	-50	-318	-352	-131	-195	-69	-118
25	Other transportation	-912	-899	-83	-74	-1,831	-1,714	-306	-295	-87	-94
26	Royalties and license fees ⁵	-12	-16	-7	-6	-1,642	-1,841	-28	-27	-3	-2
27	Other private services ⁵	-279	-286	-940	-989	-1,397	-1,528	-478	-511	-449	-460
28	U.S. Government miscellaneous services	-7	-8	-6	-5	-38	-37	-70	-67	-64	-63
29	Income payments	-9,472	-10,016	-343	-398	-17,675	-17,664	-2,843	-2,980	-542	-539
30	Income payments on foreign-owned assets in the United States	-9,396	-9,914	-319	-340	-17,655	-17,629	-2,834	-2,960	-522	-502
31	Direct investment payments	2	-2	-67	-63	-4,749	-4,533	-335	-323	-69	-81
32	Other private payments	-1,341	-1,413	-117	-131	-3,059	-3,179	-1,237	-1,317	-254	-236
33	U.S. Government payments	-8,057	-8,499	-135	-146	-9,847	-9,917	-1,262	-1,320	-199	-185
34	Compensation of employees	-76	-102	-24	-58	-20	-35	-9	-20	-20	-37
35	Unilateral current transfers, net	-540	-455	-566	-436	-59	128	-2,408	-2,774	-1,489	-1,170
36	U.S. Government grants ⁴	-1		-37	-33			-1,442	-1,761	-766	-480
37	U.S. Government pensions and other transfers	-1	-1	-5	-6	-53	-42	-28	-31	-7	-7
38	Private remittances and other transfers ⁶	-538	-454	-524	-397	-6	170	-938	-982	-716	-683
Capital and financial account											
Capital account											
39	Capital account transactions, net	-39	-37	-53	-50	2	-75	-81	-79	-17	-14
Financial account											
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	6,275	3,376	-963	-1,304	-27,315	-27,143	-1,496	-3,962	-1,431	1,070
41	U.S. official reserve assets, net					-13	-15				
42	Gold ⁷										
43	Special drawing rights										
44	Reserve position in the International Monetary Fund										
45	Foreign currencies					-13	-15				
46	U.S. Government assets, other than official reserve assets, net	45	21	36	32	1	1	10	45	74	572
47	U.S. credits and other long-term assets							-36	-5	-84	-49
48	Repayments on U.S. credits and other long-term assets ⁸	45	20	33	30			46	47	168	621
49	U.S. foreign currency holdings and U.S. short-term assets, net		1	3	2	1	1		3	-10	
50	U.S. private assets, net	6,230	3,355	-999	-1,336	-27,303	-27,129	-1,506	-4,007	-1,505	498
51	Direct investment	-575	-2,019	-361	-302	-4,058	-3,478	-1,325	-3,768	-1,910	544
52	Foreign securities	2,212	3,600	-68	-622	1,755	-4,359	-773	-1,335	429	-185
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	312	2,083	182	-216	-189	-377	-345	1,204	-31	853
54	U.S. claims reported by U.S. banks, not included elsewhere	4,281	-309	-752	-196	-24,811	-18,915	937	-108	7	-714
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	68,077	37,737	-664	4,396	21,081	23,164	12,847	2,845	51	-4,006
56	Foreign official assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	10,306	442	171	-3,313
57	U.S. Government securities	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)
58	U.S. Treasury securities ⁹	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)
59	Other ¹⁰	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)
60	Other U.S. Government liabilities ¹¹			32	13	47	-57	25	359	13	359
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)
62	Other foreign official assets ¹²	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)
63	Other foreign assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	2,541	2,403	-120	-693
64	Direct investment	136	9	137	84	6,288	4,836	526	(¹⁷)	40	56
65	U.S. Treasury securities	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)
66	U.S. securities other than U.S. Treasury securities	1,420	-2,043	-149	-21	9,552	4,754	927	1,005	-9	-607
67	U.S. currency										
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-437	-1,847	101	59	-437	58	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)
69	U.S. liabilities reported by U.S. banks, not included elsewhere	¹⁶ 66,958	¹⁶ 41,618	¹⁸ -785	¹⁶ 4,261	¹⁸ 5,631	¹⁸ 13,573	454	910	-195	552
70	Statistical discrepancy (sum of above items with sign reversed) ¹⁹	-2,194	33,544	4,857	125	34,678	34,371	2,820	12,016	18,989	14,760
Memoranda:											
71	Balance on goods (lines 3 and 20)	-64,510	-66,350	-3,214	-2,882	-22,210	-24,434	-11,073	-6,853	-18,647	-12,922
72	Balance on services (lines 4 and 21)	943	846	385	-169	4,494	4,123	126	-464	1,246	1,096
73	Balance on goods and services (lines 2 and 19)	-63,567	-65,504	-2,829	-3,051	-17,716	-20,311	-10,947	-7,317	-17,401	-11,826
74	Balance on income (lines 12 and 29)	-8,012	-8,661	218	320	-10,671	-10,134	-735	-729	1,298	1,186
75	Unilateral current transfers, net (line 35)	-540	-455	-566	-436	-59	128	-2,408	-2,774	-1,489	-1,170
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-72,119	-74,620	-3,177	-3,167	-28,446	-30,317	-14,090	-10,820	-17,592	-11,810

(*) Transactions are less than \$500,000 (+/-).
See the footnotes on page D-63.

G. Investment Tables

Table G.1. International Investment Position of the United States at Yearend, 2004 and 2005

[Millions of dollars]

Line	Type of investment	Position, 2004 ^r	Changes in position in 2005				Total (a+b+c+d)	Position, 2005 ^p
			Attributable to					
			Financial flows	Valuation adjustments				
				Price changes	Exchange-rate changes ¹	Other changes ²		
(a)	(b)	(c)	(d)	(a+b+c+d)				
Net international investment position of the United States:								
1	With direct investment positions at current cost (line 3 less line 24)	-2,360,785	-785,449	625,441	-226,283	53,277	-333,014	-2,693,799
2	With direct investment positions at market value (line 4 less line 25)	-2,448,744	-785,449	1,061,360	-393,614	20,272	-97,431	-2,546,175
U.S.-owned assets abroad:								
3	With direct investment positions at current cost (lines 5+10+15)	9,186,661	426,801	608,509	-278,993	65,698	822,015	10,008,676
4	With direct investment positions at market value (lines 5+10+16)	10,075,337	426,801	993,566	-444,317	27,815	1,003,865	11,079,202
5	U.S. official reserve assets	189,591	-14,096	20,241	-7,680	-13	-1,548	188,043
6	Gold	113,947		³ 20,241		⁴ -13	20,228	134,175
7	Special drawing rights	13,628	-4,511		-907		-5,418	8,210
8	Reserve position in the International Monetary Fund	19,544	-10,200		-1,308		-11,508	8,036
9	Foreign currencies	42,472	615		-5,465		-4,850	37,622
10	U.S. Government assets, other than official reserve assets	83,062	-5,539				-5,539	77,523
11	U.S. credits and other long-term assets ⁵	80,308	-3,348				-3,348	76,960
12	Repayable in dollars	80,035	-3,348				-3,348	76,687
13	Other ⁶	273						273
14	U.S. foreign currency holdings and U.S. short-term assets	2,754	-2,191				-2,191	563
U.S. private assets:								
15	With direct investment at current cost (lines 17+19+22+23)	8,914,008	446,436	588,268	-271,313	65,711	829,102	9,743,110
16	With direct investment at market value (lines 18+19+22+23)	9,802,684	446,436	973,325	-436,637	27,828	1,010,952	10,813,636
Direct investment abroad:								
17	At current cost	2,399,224	9,072	42,085	-32,112	35,664	54,709	2,453,933
18	At market value	3,287,900	9,072	427,142	-197,436	-2,219	236,559	3,524,459
19	Foreign securities	3,553,387	180,125	546,183	-205,698		520,610	4,073,997
20	Bonds	992,969	37,991	-20,533	-22,884		-5,426	987,543
21	Corporate stocks	2,560,418	142,134	566,716	-182,814		526,036	3,086,454
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	733,538	44,221		-18,151	24,913	50,983	784,521
23	U.S. claims reported by U.S. banks, not included elsewhere	2,227,859	213,018		-15,352	5,134	202,800	2,430,659
Foreign-owned assets in the United States:								
24	With direct investment at current cost (lines 26+33)	11,547,446	1,212,250	-16,932	-52,710	12,421	1,155,029	12,702,475
25	With direct investment at market value (lines 26+34)	12,524,081	1,212,250	-67,794	-50,703	7,543	1,101,296	13,625,377
Foreign official assets in the United States								
26	U.S. Government securities	2,001,407	199,495	-26,059		41,280	214,716	2,216,123
27	U.S. Treasury securities	1,499,293	156,450	-28,661		22,315	150,104	1,649,397
28	Other	1,241,250	71,749	-21,682		-2,436	47,631	1,288,881
29	Other U.S. Government liabilities ⁷	258,043	84,701	-6,979		24,751	102,473	360,516
30	U.S. liabilities reported by U.S. banks, not included elsewhere	16,488	-488				-488	16,000
31	Other foreign official assets	270,387	24,275				24,275	294,662
32	Other foreign assets:	215,239	19,258	2,602		18,965	40,825	256,064
33	With direct investment at current cost (lines 35+37+38+41+42+43)	9,546,039	1,012,755	9,127	-52,710	-28,859	940,313	10,486,352
34	With direct investment at market value (lines 36+37+38+41+42+43)	10,522,674	1,012,755	-41,735	-50,703	-33,737	886,580	11,409,254
Direct investment in the United States:								
35	At current cost	1,727,062	109,754	27,950	-2,007	11,504	147,201	1,874,263
36	At market value	2,703,697	109,754	-22,912		6,626	93,468	2,797,165
37	U.S. Treasury securities	562,288	199,491	-7,671		-49,233	142,587	704,875
38	U.S. securities other than U.S. Treasury securities	3,995,506	474,140	-11,152	-29,411	-38,401	395,176	4,390,682
39	Corporate and other bonds	2,035,149	388,957	-72,646	-29,411	-46,252	240,048	2,275,197
40	Corporate stocks	1,960,357	85,783	61,494		7,851	155,128	2,115,485
41	U.S. currency	332,735	19,416				19,416	352,151
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	507,668	30,105		-10,309	36,285	56,081	563,749
43	U.S. liabilities reported by U.S. banks, not included elsewhere	2,420,780	179,849		-10,983	10,986	179,852	2,600,632

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

2. Includes changes in coverage, capital gains and losses of direct investment affiliates, and other adjustments to the value of assets and liabilities.

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

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

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

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

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

Source: Table 1 in "The International Investment Position of the United States at Yearend 2005" in the July 2006 Survey of Current Business.

Table G.2. U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 2002-2005

[Millions of dollars]

	Direct investment position on a historical-cost basis				Capital outflows without current-cost adjustment (inflows(-))				Income without current-cost adjustment and net of withholding taxes			
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
All countries, all industries	1,616,548	1,769,613	2,051,204	2,069,983	134,946	129,352	222,437	-12,714	124,940	165,203	203,484	227,864
By country of foreign affiliate												
Canada	166,473	187,953	212,829	234,831	15,003	17,340	23,255	16,789	13,297	15,826	21,979	22,259
Europe	859,378	976,889	1,104,886	1,059,443	79,492	87,509	99,284	-37,488	64,777	86,480	97,996	105,990
<i>Of which:</i>												
France	43,348	51,229	61,200	60,860	4,604	1,074	8,385	859	2,699	4,034	4,816	4,565
Germany	61,073	72,262	83,588	86,319	2,416	4,376	8,960	7,140	2,977	4,584	6,237	6,716
Ireland	51,598	60,604	63,983	61,596	10,700	7,408	3,991	-3,025	6,355	9,134	11,287	12,411
Netherlands	158,415	186,366	204,319	181,384	14,790	15,502	13,810	-28,503	11,756	16,595	18,548	20,383
Switzerland	74,229	92,750	106,849	83,424	7,924	14,462	9,281	-11,821	10,921	12,643	12,613	11,636
United Kingdom	247,952	277,246	312,156	323,796	15,265	26,738	26,604	10,873	11,043	13,829	16,601	19,924
Latin America and Other Western Hemisphere	289,413	297,222	330,468	353,011	15,192	3,901	18,812	-10,545	16,583	24,480	31,850	39,301
<i>Of which:</i>												
Bermuda	89,473	84,508	86,547	90,358	4,313	-3,778	2,254	-10,169	4,569	7,089	7,799	8,230
Brazil	27,598	29,553	30,226	32,420	-266	-290	1,418	1,183	837	1,465	2,481	3,521
Mexico	56,303	56,851	63,502	71,423	7,656	3,664	6,361	6,771	3,834	5,343	7,294	8,628
United Kingdom Islands, Caribbean	48,305	61,882	80,824	85,295	6,146	3,314	6,480	-11,470	4,161	5,388	5,657	7,710
Africa	16,040	19,835	21,414	24,257	-578	2,697	1,325	2,066	1,895	3,156	4,540	5,284
Middle East	15,158	16,885	18,775	21,591	2,559	1,315	1,352	3,467	1,891	2,640	3,717	4,670
Asia and Pacific	270,086	270,830	362,833	376,849	23,277	16,592	78,409	12,999	26,498	32,621	43,402	50,361
<i>Of which:</i>												
Australia	39,074	48,447	(D)	113,385	8,036	7,717	(D)	(D)	2,037	3,406	5,088	5,624
Hong Kong	40,329	36,426	34,848	37,884	1,226	-689	(D)	4,168	3,906	3,718	4,981	5,066
Japan	66,468	57,794	68,071	75,491	8,711	867	9,198	7,636	7,146	8,103	9,998	11,205
Singapore	50,955	51,053	57,075	48,051	530	5,446	(D)	-10,406	4,438	5,987	8,089	10,726
By industry of foreign affiliate												
Mining	81,822	85,473	102,058	114,386	6,732	3,930	14,059	11,378	8,915	11,189	16,869	22,225
Manufacturing	337,741	371,078	414,353	451,402	32,277	31,207	53,680	38,765	26,411	34,594	47,910	49,782
Food	19,236	27,692	29,452	31,524	3,184	3,420	1,391	2,921	2,604	3,631	3,810	3,956
Chemicals	82,543	91,435	99,435	109,354	8,087	6,983	11,336	9,078	8,632	9,921	12,930	14,403
Primary and fabricated metals	20,790	21,349	23,629	21,671	1,340	-306	2,298	-393	1,158	1,710	2,485	2,221
Machinery	18,349	20,825	25,251	29,224	288	3,200	3,426	3,831	1,926	2,314	2,817	3,279
Computers and electronic products	49,580	47,171	54,317	58,785	-1,594	2,217	6,108	6,094	1,519	4,345	6,516	7,174
Electrical equipment, appliances, and components	9,763	10,774	11,679	13,079	1,809	311	941	730	509	583	1,124	1,367
Transportation equipment	45,320	47,903	50,732	48,930	4,682	2,961	2,313	-667	1,190	2,152	4,576	2,531
Other manufacturing	92,160	103,929	119,859	138,836	14,481	12,422	25,869	17,171	8,872	9,937	13,652	14,850
Wholesale trade	111,153	119,891	130,594	142,960	3,048	12,239	10,603	17,194	13,382	18,440	24,003	27,615
Information	41,723	46,728	49,155	55,479	-1,200	3,918	-3,526	6,932	1,320	6,221	9,528	9,983
Depository institutions (banking)	54,679	58,695	64,719	70,331	-1,934	1,255	-304	-3,941	1,347	2,268	2,657	1,045
Finance (except depository institutions) and insurance	285,195	316,847	369,281	393,723	37,815	19,912	24,086	20,242	14,585	19,623	24,201	28,162
Professional, scientific, and technical services	31,068	35,832	45,167	49,202	-1,082	3,156	8,389	4,281	2,219	3,250	5,394	5,778
Holding companies (nonbank)	541,566	598,964	724,229	823,076	45,855	50,437	101,353	-118,634	48,277	59,248	59,902	69,014
Other industries	131,599	136,106	151,647	169,424	13,435	3,298	14,096	11,070	8,484	10,370	13,021	14,260

D Suppressed to avoid disclosure of data of individual companies.

Note: 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, 2005" in the September 2006 Survey of Current Business.

Table G.3. Selected Financial and Operating Data of Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2004

	All nonbank foreign affiliates						Majority-owned nonbank foreign affiliates						
	Millions of dollars						Millions of dollars						
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates	Thousands of employees	Total assets	Sales	Net income	Value added	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates	Thousands of employees
All countries, all industries	8,757,063	3,768,733	398,611	191,929	253,563	10,028.0	8,065,229	3,238,471	354,016	824,336	184,143	231,518	8,617.2
By country of foreign affiliate													
Canada	634,677	442,607	36,867	60,427	91,054	1,092.1	619,822	416,435	35,336	94,205	58,898	84,518	1,065.1
Europe	5,376,372	1,909,697	206,641	49,225	55,003	4,290.9	5,046,136	1,709,354	189,612	460,010	47,820	54,045	3,879.3
Of which:													
France	256,211	176,266	9,581	4,502	4,417	603.4	235,409	163,038	9,081	47,717	3,831	4,182	562.8
Germany	419,052	286,710	12,599	6,303	6,160	636.4	378,802	252,097	11,419	74,184	6,168	6,146	601.7
Netherlands	753,827	180,417	39,280	(D)	2,878	224.7	693,167	140,028	35,621	28,220	7,781	2,626	175.1
United Kingdom	1,938,209	464,968	28,430	11,983	9,882	1,272.0	1,884,334	436,246	27,251	132,527	11,850	9,783	1,166.3
Latin America and Other Western Hemisphere	1,208,716	417,185	62,360	39,721	56,665	1,935.7	1,083,754	357,600	52,875	82,181	37,508	52,630	1,580.2
Of which:													
Brazil	99,033	78,382	3,756	3,348	2,498	397.2	85,052	71,495	3,066	18,261	3,149	2,279	345.8
Mexico	134,617	143,276	7,866	31,148	43,611	984.4	103,723	114,726	5,594	22,383	29,461	41,203	785.2
Africa	102,824	61,134	8,689	1,789	(D)	226.7	86,827	50,008	7,416	23,519	1,674	2,403	160.8
Middle East	72,412	51,514	10,144	1,286	(D)	86.6	34,819	20,352	3,433	7,634	1,191	1,166	54.4
Asia and Pacific	1,362,061	886,596	73,911	39,482	46,953	2,396.1	1,193,871	684,722	65,345	156,786	37,053	36,754	1,877.4
Of which:													
Australia	179,521	105,071	12,224	4,486	1,666	323.5	168,103	85,878	11,387	29,853	4,433	1,663	271.9
China	63,783	71,721	7,284	3,608	3,340	454.5	55,436	60,435	6,092	13,336	2,974	3,188	407.9
India	23,600	14,976	727	521	373	182.5	20,188	13,100	637	3,937	508	373	165.6
Japan	537,378	301,506	14,442	10,374	10,895	521.0	445,552	181,687	11,265	46,491	9,409	2,644	227.6
By industry of affiliate													
Mining	413,619	167,218	40,833	1,818	15,486	183.3	348,534	139,264	34,359	94,662	1,769	14,006	163.6
Utilities	111,275	59,981	3,375	7	(D)	89.9	76,962	35,240	2,190	9,545	2	(D)	59.9
Manufacturing	1,684,472	1,794,682	88,580	130,242	202,687	4,979.2	1,447,019	1,524,737	72,530	390,714	125,168	182,380	4,309.2
Of which:													
Food	103,174	121,861	6,251	3,522	3,934	404.4	95,373	110,587	5,477	24,367	3,190	3,749	370.3
Chemicals	438,191	317,318	25,602	20,727	18,393	613.8	390,313	282,354	21,181	76,457	20,169	17,158	562.1
Primary and fabricated metals	77,266	57,673	4,167	3,074	3,620	243.5	72,627	52,629	3,938	15,605	3,037	3,557	234.3
Machinery	91,386	94,431	4,618	7,834	(D)	400.9	76,956	78,369	4,145	20,996	7,518	8,824	342.3
Computers and electronic products	183,906	230,390	9,406	20,465	37,796	676.8	177,108	225,152	9,367	39,118	20,350	37,562	644.8
Electrical equipment, appliances, and components	39,516	38,278	1,028	2,648	4,282	271.4	36,283	35,341	915	10,516	2,631	3,512	247.0
Transportation equipment	321,927	443,053	6,328	55,935	97,219	1,123.7	246,536	339,688	3,440	55,476	53,816	82,428	945.6
Wholesale trade	583,126	862,523	38,534	48,408	33,168	787.5	557,239	819,982	37,050	121,597	46,318	32,993	733.5
Information	269,748	202,864	17,023	(D)	(D)	480.6	156,127	116,992	6,641	36,514	569	108	318.3
Finance (except depository institutions) and insurance	3,036,831	234,727	37,856	6	0	269.7	2,962,810	221,785	36,745	38,570	6	0	242.8
Professional, scientific, and technical services	189,960	109,999	11,008	1,698	(D)	500.1	184,925	103,611	10,841	45,804	1,677	(D)	475.1
Other industries	2,468,033	336,739	161,402	(D)	(D)	2,737.7	2,331,614	276,860	153,659	86,930	8,633	1,594	2,314.8

D Suppressed to avoid disclosure of data of individual companies.

Note: The data in this table are from "Operations of U.S. Multinational Companies: Preliminary Results From the 2004 Benchmark Survey" in the November 2006 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, 2002–2005
 (Millions of dollars)

	Direct investment position on a historical-cost basis				Capital inflows without current-cost adjustment (outflows(-))				Income without current-cost adjustment and net of withholding taxes			
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005
All countries, all industries	1,327,170	1,395,159	1,520,729	1,635,291	74,457	53,146	122,377	99,443	32,297	60,964	90,105	104,742
By country of foreign parent												
Canada	92,529	95,707	125,503	144,033	4,611	7,090	30,713	17,079	-1,703	2,306	6,715	7,195
Europe	958,330	1,001,237	1,066,908	1,143,614	45,368	22,756	68,896	66,064	26,696	48,711	62,517	76,962
<i>Of which:</i>												
France	133,914	136,434	143,586	143,378	4,624	4,526	11,599	4,446	3,763	6,526	8,761	11,354
Germany	138,301	160,691	163,981	184,213	1,990	12,280	1,055	16,166	-3,767	2,183	6,239	7,840
Luxembourg	97,416	109,212	115,688	116,736	-1,108	14,344	6,981	2,554	528	683	1,276	1,544
Netherlands	145,596	146,601	155,452	170,770	4,337	6,365	9,348	7,113	4,337	8,640	13,583	16,771
Switzerland	118,342	124,247	121,634	122,399	9,751	-3,127	7,985	-1,396	5,771	6,928	6,142	1,645
United Kingdom	211,699	217,841	251,422	282,457	21,267	-4,385	22,888	28,878	10,152	17,610	19,848	29,844
Latin America and Other Western Hemisphere	74,867	84,134	87,259	82,530	10,342	9,186	766	-7,605	-623	1,305	3,413	2,085
<i>Of which:</i>												
Bermuda	11,215	9,854	11,116	1,517	-91	-3,470	-169	-9,358	-2,251	-1,205	-448	-1,730
Mexico	7,829	9,022	8,167	8,653	2,349	2,173	-363	349	21	616	103	(D)
Panama	5,841	8,874	10,360	11,470	1,871	2,664	1,407	1,128	630	1,081	(D)	1,340
United Kingdom Islands, Caribbean	24,255	26,202	23,777	26,501	2,094	3,757	-3,382	-35	404	1,027	317	498
Venezuela	4,304	4,349	5,525	6,730	123	-86	1,134	1,216	-89	425	(D)	(D)
Africa	2,228	2,196	1,671	2,564	-9	-34	-530	652	2	-8	175	180
Middle East	6,758	7,177	7,888	9,965	1,138	393	665	1,572	-215	154	491	615
Asia and Pacific	192,457	204,708	231,500	252,584	13,008	13,755	21,867	21,681	8,141	8,496	16,793	17,705
<i>Of which:</i>												
Australia	34,197	37,059	40,884	44,061	6,594	3,422	3,958	4,188	489	1,178	2,613	3,667
Japan	147,372	157,176	175,728	190,279	6,500	8,544	17,840	14,043	7,562	7,346	12,949	12,186
By industry of U.S. affiliate												
Manufacturing	451,985	465,401	485,659	538,122	26,011	18,235	20,266	51,738	23,484	23,736	36,275	46,503
Food	36,034	17,433	17,883	19,779	3,779	1,749	2,054	1,790	3,895	912	690	1,996
Chemicals	94,896	127,776	138,081	151,624	-5,953	8,757	11,569	13,404	5,986	9,072	9,497	15,838
Primary and fabricated metals	17,898	17,049	20,893	28,651	517	508	1,575	8,112	90	471	2,655	2,894
Machinery	43,836	43,887	45,666	48,673	3,876	2,137	346	2,839	594	70	713	2,504
Computers and electronic products	46,560	42,652	39,546	47,016	-6,658	2,408	-900	7,811	-2,398	725	2,261	2,263
Electrical equipment, appliances, and components	14,249	12,220	12,009	14,191	4,483	-1,914	1,094	2,447	-711	-531	580	849
Transportation equipment	58,766	63,201	67,837	76,036	6,233	2,968	3,896	8,114	4,353	4,143	4,619	5,155
Other manufacturing	139,745	141,184	143,743	152,152	19,734	1,622	634	7,219	11,675	8,874	15,260	15,005
Wholesale trade	189,790	187,883	219,085	230,104	9,160	-5,339	24,380	8,407	11,328	18,170	23,960	24,870
Retail trade	21,677	25,672	25,886	29,686	282	3,957	424	2,445	1,158	922	2,054	2,493
Information	136,362	135,841	137,871	142,556	5,153	1,380	8,646	2,296	-4,143	1,381	4,096	3,948
Depository institutions (banking)	73,305	85,195	122,700	130,940	2,106	4,168	17,928	10,239	1,563	2,156	4,698	4,903
Finance (except depository institutions) and insurance	162,817	182,951	193,743	207,552	7,860	19,460	29,586	3,462	-4,185	6,962	6,736	4,438
Real estate and rental and leasing	42,129	36,702	38,964	41,006	1,628	-3,561	2,936	1,780	1,897	1,411	1,977	2,508
Professional, scientific, and technical services	34,640	38,280	38,209	41,879	1,122	1,974	1,750	6,895	-423	321	1,261	1,834
Other industries	214,464	237,236	258,612	273,444	21,136	12,873	16,462	12,183	1,618	5,905	9,047	13,245

D Suppressed to avoid disclosure of data of individual companies.

Note: 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, 2005" in the September 2006 Survey of Current Business.

**Table G.5. Selected Financial and Operating Data of Nonbank U.S. Affiliates of Foreign Companies
by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 2004**

	All nonbank affiliates						Majority-owned nonbank affiliates						
	Millions of dollars			Thousands of employees	Millions of dollars		Millions of dollars				Thousands of employees	Millions of dollars	
	Total assets	Sales	Net income		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Total assets	Sales	Net income	Value added		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries, all industries	6,384,667	2,521,353	87,623	5,562.3	163,685	393,243	5,539,810	2,303,543	68,101	514,957	5,116.4	153,902	378,111
By country of ultimate beneficial owner													
Canada	391,472	153,092	5,636	444.4	6,643	24,027	372,276	144,474	4,863	40,333	382.8	6,551	23,919
Europe	4,353,568	1,476,673	54,304	3,732.7	80,654	154,935	4,192,440	1,391,269	47,581	336,453	3,548.0	78,059	151,055
Of which:													
France	609,759	184,838	3,245	481.1	10,343	18,046	596,645	172,383	3,788	43,071	451.6	9,365	15,393
Germany	649,967	333,060	6,501	694.7	32,678	62,103	632,103	319,726	7,008	66,424	668.6	32,343	61,744
Netherlands	587,295	232,654	13,026	493.0	(D)	15,357	574,862	224,915	10,811	43,775	481.1	5,406	15,266
Sweden	36,348	44,104	320	207.9	3,681	(D)	36,310	44,037	321	12,540	207.8	3,678	5,766
Switzerland	1,152,864	136,338	2,184	408.6	5,281	9,893	1,134,495	129,717	2,096	32,430	383.2	5,052	9,735
United Kingdom	1,113,838	415,041	27,407	1,003.7	15,356	26,831	1,018,285	372,179	21,771	107,220	920.8	14,752	26,339
Latin America and Other Western Hemisphere	317,080	166,182	3,154	390.5	11,438	26,629	272,328	146,554	2,506	38,609	326.3	11,058	22,161
Of which:													
Bermuda	(D)	67,766	2,249	198.3	8,653	(D)	161,482	65,592	2,213	21,619	194.7	8,375	3,698
Mexico	(D)	(D)	(D)	M	(D)	(D)	19,130	16,695	-137	3,167	51.1	835	(D)
United Kingdom Islands, Caribbean	(D)	13,525	-382	26.2	75	1,210	64,721	12,454	-269	2,200	25.3	75	(D)
Venezuela	11,341	41,270	1,541	I	338	12,899	(D)	(D)	(D)	(D)	H	(D)	(D)
Africa	(D)	(D)	(D)	I	(D)	335	5,028	6,232	-45	1,101	9.6	409	331
Middle East	(D)	45,926	951	51.5	(D)	(D)	31,465	43,906	894	9,502	45.3	566	6,642
Asia and Pacific	677,455	593,947	12,920	840.3	59,845	177,012	645,825	552,389	11,347	83,322	764.0	54,437	170,985
Of which:													
Australia	111,095	35,595	2,227	66.0	(D)	518	108,847	32,998	2,137	9,462	63.4	563	512
Japan	512,880	479,250	10,315	667.5	49,386	141,651	492,356	447,225	8,909	66,054	614.2	44,260	136,924
Korea, Republic of	17,281	41,654	484	15.3	(D)	(D)	16,617	40,462	456	2,422	14.1	7,295	28,632
United States	605,093	(D)	(D)	L	(D)	(D)	20,447	18,719	956	5,638	40.5	2,821	3,018
By industry of U.S. affiliate													
Manufacturing	1,142,989	1,001,026	34,687	2,169.0	96,618	153,280	1,075,992	927,115	30,367	239,641	2,039.9	88,956	141,628
Of which:													
Food	47,710	53,267	-940	114.6	5,886	2,363	46,641	50,718	-1,015	9,991	109.0	5,731	2,329
Chemicals	276,434	196,910	14,834	325.5	18,393	23,405	259,269	179,413	12,371	49,917	299.2	17,600	22,844
Primary and fabricated metals	55,878	67,488	2,755	172.4	5,843	9,021	47,341	57,707	2,290	16,044	155.9	4,163	7,917
Machinery	98,640	70,503	-978	240.6	8,664	(D)	98,190	69,499	-983	21,136	239.2	8,637	7,878
Computers and electronic products	90,794	80,411	339	181.7	13,367	21,845	80,269	70,893	821	18,946	163.8	(D)	18,753
Electrical equipment, appliances, and components	22,951	19,091	203	71.4	2,132	2,113	22,839	18,955	213	4,894	70.8	2,108	2,093
Transportation equipment	244,688	224,540	4,227	394.4	27,815	57,367	240,107	214,749	3,973	36,651	375.9	27,380	55,703
Wholesale trade	476,601	736,568	21,742	546.3	62,178	228,652	469,393	719,566	20,935	92,485	528.4	60,107	225,944
Retail trade	68,851	141,481	603	697.6	212	(D)	61,116	129,662	495	28,989	613.6	212	4,187
Information	350,837	116,901	5,699	284.8	(D)	626	266,387	84,391	1,870	30,975	220.0	988	624
Of which:													
Publishing industries	(D)	29,885	158	105.8	675	160	77,519	27,738	133	11,801	95.2	674	160
Telecommunications	(D)	(D)	(D)	L	(D)	(D)	62,945	19,719	-243	6,327	37.5	1	(D)
Finance (except depository institutions) and insurance	3,664,775	(D)	(D)	260.3	0	0	3,046,258	172,743	6,986	24,957	200.7	0	0
Real estate and rental and leasing	111,992	24,514	2,470	42.4	(D)	(D)	91,511	21,350	1,953	10,965	38.5	(D)	418
Professional, scientific, and technical services	75,221	54,172	485	181.0	253	280	70,403	52,078	1,292	16,881	171.4	(D)	279
Other industries	493,401	(D)	(D)	1,380.8	3,165	5,062	458,749	196,639	4,203	70,062	1,303.9	3,125	5,031

D Suppressed to avoid disclosure of data of individual companies.

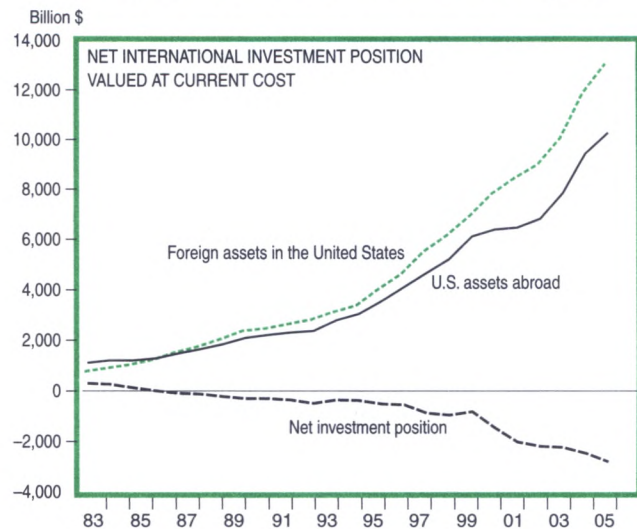
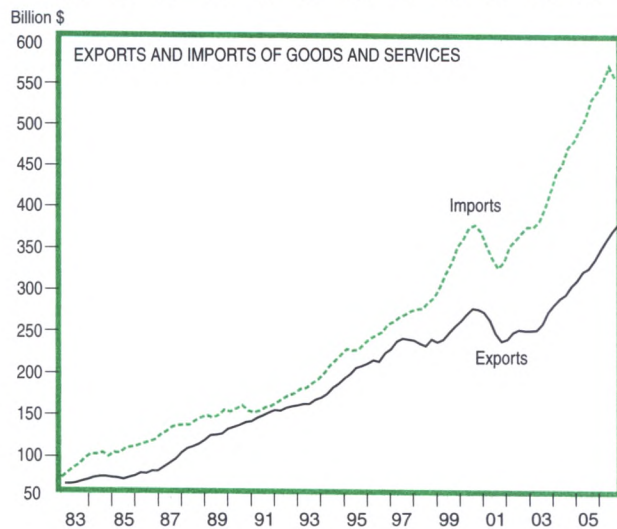
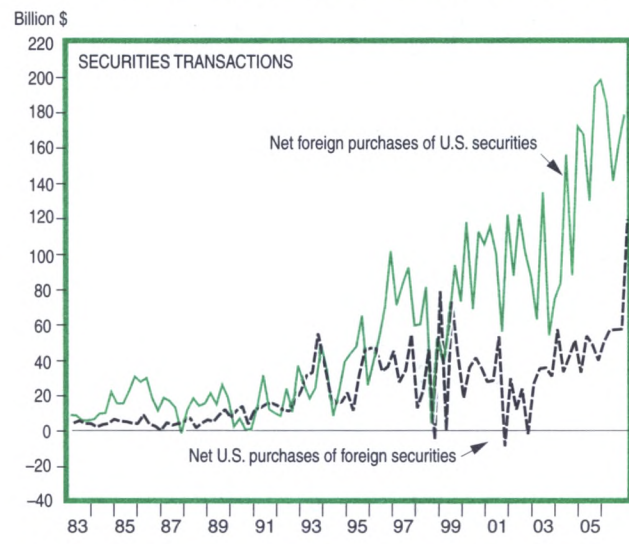
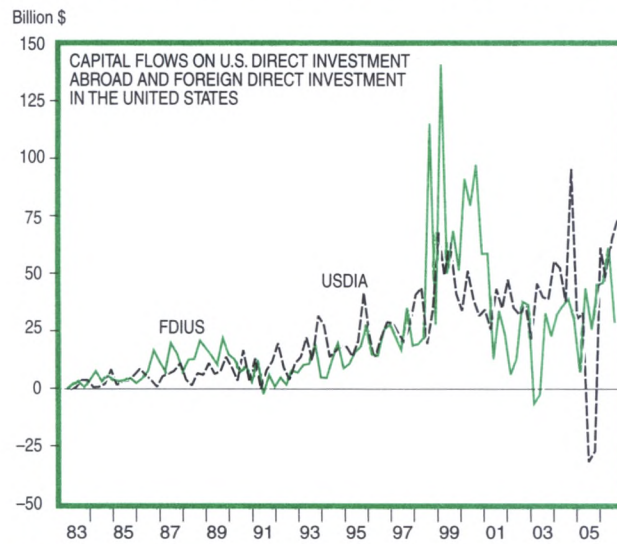
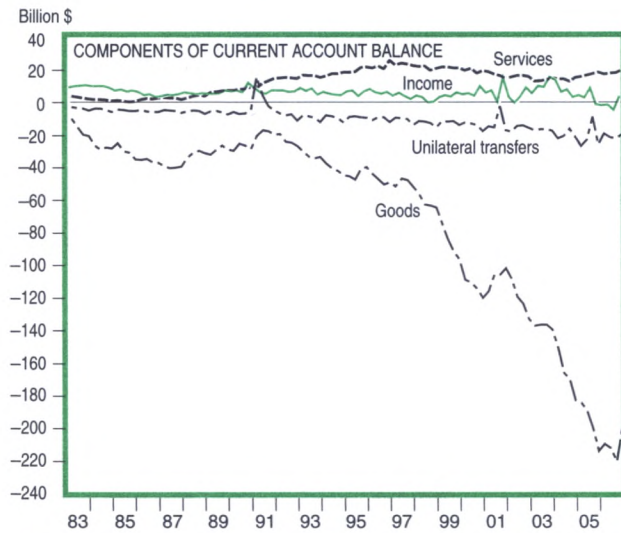
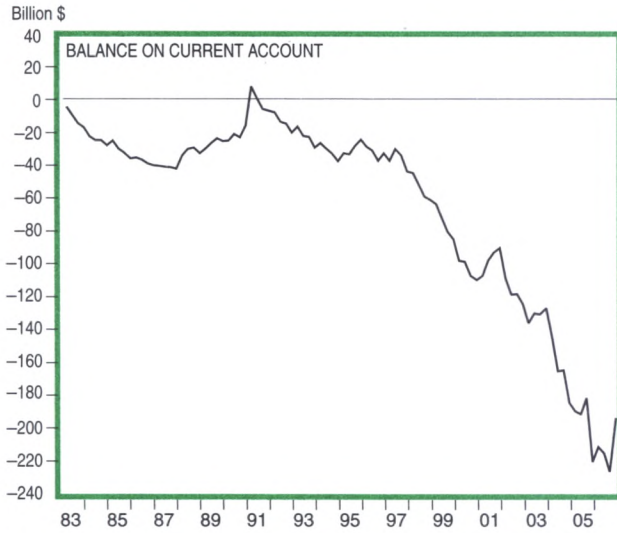
* Less than \$500,000.

NOTES: The data in this table are from BEA's annual survey of the operations of U.S. affiliates of foreign companies; see "U.S. Affiliates of Foreign Companies: Operations in 2004" in the August 2006 SURVEY OF CURRENT BUSINESS.

The following ranges are given in employment cells that are suppressed: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

H. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY



U.S. Bureau of Economic Analysis

Regional Data

I. State and Regional Tables

The tables in this section include the most recent estimates of state personal income and gross domestic product by state. The sources of these estimates are noted.

The quarterly and annual estimates of state personal income and the estimates of gross domestic product by state are available on CD-ROM. For information on state personal income, e-mail reis.rem@bea.gov; write to the Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5360. For information on gross domestic product by state, e-mail gspread@bea.gov; write to the Regional Economic Analysis Division, BE-61, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5340.

Table I.1. Personal Income by State and Region
[Millions of dollars, seasonally adjusted at annual rates]

Area name	2003				2004				2005				2006				Percent change ¹ 2006:III-2006:IV
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
United States	8,985,759	9,098,189	9,190,338	9,326,994	9,483,165	9,626,114	9,752,663	10,003,462	10,031,521	10,143,478	10,244,098	10,464,671	10,698,166	10,785,484	10,916,560	11,043,456	1.2
New England	529,369	534,510	540,404	549,369	556,264	565,003	572,712	582,904	583,304	589,087	597,904	605,722	619,534	622,154	627,359	634,050	1.1
Connecticut	145,945	148,189	149,278	151,695	154,618	156,772	159,653	163,225	162,850	164,655	166,969	169,089	173,921	173,021	174,906	177,038	1.2
Maine	36,913	37,196	37,620	38,402	38,438	38,917	39,373	40,214	40,067	40,435	40,798	41,145	42,091	42,549	42,974	43,385	1.0
Massachusetts	250,017	251,862	255,219	258,876	262,257	266,649	269,409	273,574	274,587	277,007	281,801	286,045	292,055	294,178	295,750	299,296	1.2
New Hampshire	43,568	43,983	44,479	45,279	46,038	46,824	47,686	48,443	48,937	49,079	49,754	50,096	51,197	51,408	51,856	52,299	0.9
Rhode Island	34,598	34,704	35,139	35,845	35,976	36,357	36,932	37,450	37,264	37,695	38,080	38,654	39,008	39,841	40,418	40,397	-0.1
Vermont	18,328	18,576	18,669	19,271	18,936	19,483	19,659	19,999	20,039	20,215	20,502	20,693	21,262	21,157	21,455	21,636	0.8
Mideast	1,655,584	1,683,193	1,698,416	1,724,210	1,756,003	1,778,456	1,806,834	1,850,644	1,848,843	1,865,515	1,894,539	1,924,794	1,967,014	1,982,694	1,999,223	2,020,375	1.1
Delaware	26,894	27,210	27,619	27,858	28,538	29,041	29,334	30,289	30,540	30,646	31,335	32,352	32,895	32,839	33,535	33,948	1.2
District of Columbia	26,370	26,788	26,995	27,502	28,377	28,840	29,233	30,051	30,145	30,546	31,017	31,248	31,074	32,102	32,615	33,002	1.2
Maryland	201,153	204,667	207,049	210,079	215,606	219,012	221,000	226,795	229,678	232,638	236,431	239,690	244,026	245,608	248,757	251,713	1.2
New Jersey	336,226	341,243	345,200	348,763	355,128	359,097	365,099	373,307	374,654	378,120	384,314	388,775	398,392	403,550	405,356	410,027	1.2
New York	677,339	691,757	696,651	708,385	724,342	732,878	746,342	765,274	757,462	763,405	776,100	790,994	810,119	814,865	820,277	828,443	1.0
Pennsylvania	387,582	391,527	394,901	401,622	404,013	409,589	415,826	424,928	426,365	430,159	435,342	441,735	449,607	453,731	458,683	463,243	1.0
Great Lakes	1,410,904	1,422,650	1,429,029	1,450,703	1,453,859	1,468,214	1,484,115	1,510,667	1,515,045	1,529,363	1,549,286	1,562,344	1,591,815	1,604,022	1,619,300	1,636,517	1.1
Illinois	420,920	426,076	428,584	431,927	435,741	438,377	442,541	452,738	454,256	459,028	466,058	472,370	483,765	487,664	491,902	498,163	1.3
Indiana	176,218	177,422	178,655	182,406	184,068	186,667	188,238	191,158	192,952	194,220	196,993	198,062	203,411	203,847	206,000	208,162	1.0
Michigan	310,637	312,206	312,778	318,392	316,353	318,129	321,076	325,486	326,955	330,423	333,180	334,835	337,240	340,206	343,029	346,363	1.0
Ohio	337,599	339,582	340,630	346,775	345,437	350,226	354,023	360,667	360,300	363,207	367,297	371,008	376,993	380,548	384,748	388,343	0.9
Wisconsin	165,530	167,364	168,383	171,204	172,259	174,814	178,239	180,618	181,481	182,485	186,069	190,406	191,757	193,621	195,486	1.0	
Plains	588,784	595,091	602,154	608,449	618,334	626,670	634,831	649,846	649,641	653,799	663,300	671,119	684,542	690,810	696,541	705,366	1.3
Iowa	82,328	83,148	84,373	85,833	89,241	90,314	91,429	93,936	92,532	92,946	94,524	95,673	97,748	98,319	99,567	100,815	1.3
Kansas	80,169	80,428	81,405	82,463	83,428	84,711	86,210	87,732	88,904	89,593	90,740	92,044	94,373	95,664	96,531	97,556	1.1
Minnesota	170,119	172,654	175,202	176,016	180,000	182,409	185,042	189,449	189,179	189,257	192,849	193,416	197,826	198,776	200,439	203,081	1.3
Missouri	164,163	165,368	166,670	168,314	169,652	171,413	173,523	177,630	177,587	179,858	181,798	185,023	188,231	190,496	191,715	193,904	1.1
Nebraska	52,498	53,198	53,620	54,249	54,512	55,419	56,043	57,341	57,097	57,394	58,075	58,972	59,933	60,720	60,933	61,698	1.3
North Dakota	17,616	18,063	18,414	18,623	18,132	18,413	18,449	19,040	19,493	19,718	19,994	20,392	20,330	20,651	20,680	21,133	2.2
South Dakota	21,891	22,232	22,470	22,951	23,369	23,991	24,136	24,718	24,849	25,032	25,326	25,598	26,081	26,184	26,676	27,179	1.9
Southeast	2,005,113	2,024,839	2,048,195	2,083,327	2,127,863	2,163,953	2,191,647	2,249,516	2,268,070	2,298,065	2,268,557	2,375,800	2,420,220	2,442,350	2,474,651	2,503,908	1.2
Alabama	116,690	117,483	118,720	120,532	123,064	125,520	127,318	130,717	131,614	133,624	134,944	138,762	140,886	142,898	145,299	146,616	0.9
Arkansas	65,176	65,844	66,801	68,083	68,814	70,165	71,229	73,203	72,696	73,541	74,266	75,731	77,164	77,920	79,027	79,975	1.2
Florida	503,456	509,747	517,323	527,076	548,130	560,200	565,065	586,595	587,823	597,383	611,428	619,890	634,956	641,933	652,101	661,341	1.4
Georgia	247,611	249,462	251,426	254,723	258,620	262,450	265,785	272,057	275,945	279,607	283,995	289,741	294,748	296,086	299,966	303,709	1.2
Kentucky	104,860	105,675	106,610	108,131	110,013	110,859	112,156	114,464	115,599	117,300	118,758	120,210	121,479	122,993	124,124	125,238	0.9
Louisiana	113,488	114,939	116,286	118,066	119,824	120,621	121,995	124,884	124,361	125,389	126,308	131,710	130,410	131,429	133,432	135,587	1.6
Mississippi	65,386	65,736	66,534	67,562	67,975	68,987	69,992	70,945	71,681	72,447	70,619	76,701	76,344	76,719	77,544	78,322	1.0
North Carolina	230,932	232,816	235,657	240,530	245,259	249,551	254,104	260,100	264,848	267,061	270,722	274,181	281,347	282,878	287,288	290,396	1.1
South Carolina	105,957	106,474	107,357	109,023	110,839	112,710	114,268	116,712	117,728	119,262	120,849	122,655	125,712	126,847	128,199	129,413	0.9
Tennessee	162,901	164,427	165,732	168,546	170,507	173,088	175,708	178,506	180,425	182,739	185,591	189,017	191,291	194,700	196,300	198,022	0.9
Virginia	245,281	248,601	251,942	256,597	260,232	264,231	268,151	274,390	278,252	282,032	286,020	288,434	296,015	297,530	300,294	303,732	1.1
West Virginia	43,376	43,634	43,898	44,457	44,785	45,572	45,976	46,944	47,098	47,680	48,156	48,769	49,866	50,417	51,079	51,558	0.9
Southwest	919,185	933,627	944,045	960,144	978,837	995,314	1,010,388	1,036,808	1,054,421	1,069,287	1,092,597	1,114,931	1,147,653	1,162,536	1,182,114	1,197,997	1.3
Arizona	147,196	149,424	151,205	154,504	159,093	162,281	165,487	169,628	173,009	176,447	181,975	183,392	190,524	191,896	195,427	198,085	1.4
New Mexico	45,589	46,347	46,748	47,917	49,388	50,261	50,819	52,362	52,540	53,322	54,036	54,960	56,719	57,297	58,670	59,308	1.1
Oklahoma	90,700	92,082	92,994	94,622	97,127	99,209	100,727	103,045	104,032	104,901	106,585	108,957	113,386	114,069	116,468	117,227	0.7
Texas	635,701	645,774	653,098	663,102	673,229	683,564	693,355	711,773	722,841	734,617	750,001	767,622	787,024	799,275	811,550	823,377	1.5
Rocky Mountain	284,492	287,735	292,008	294,382	301,883	307,794	310,657	319,240	322,								

Table I.2. Annual Personal Income and Per Capita Personal Income by State and Region

Area name	Personal income							Per capita personal income ¹						Rank in United States
	[Millions of dollars]						Percent change ²	[Dollars]						
	2001	2002	2003	2004	2005	2006		2001	2002	2003	2004	2005	2006	
United States	8,716,992	8,872,871	9,150,320	9,716,351	10,220,942	10,860,917	6.3	30,562	30,795	31,466	33,090	34,471	36,276	.....
New England	524,402	528,030	538,413	589,221	594,004	625,774	5.3	37,308	37,330	37,894	39,969	41,670	43,852	.....
Connecticut	147,356	146,997	148,777	158,567	165,890	174,721	5.3	42,921	42,510	42,723	45,384	47,388	49,852	1
Maine	35,107	35,998	37,533	39,236	40,612	42,750	5.3	27,291	27,759	28,713	29,861	30,808	32,348	34
Massachusetts	249,095	249,954	253,993	267,972	279,860	295,320	5.5	38,880	38,866	39,442	41,636	43,501	45,877	3
New Hampshire	42,624	43,393	44,327	47,248	49,356	51,690	4.7	33,871	34,061	34,471	36,402	37,768	39,311	7
Rhode Island	32,478	33,635	35,072	36,679	37,923	39,916	5.3	30,683	31,477	32,631	33,996	35,324	37,388	15
Vermont	17,742	18,051	18,711	19,519	20,362	21,377	5.0	28,948	29,292	30,247	31,442	32,717	34,264	24
Mideast	1,627,895	1,648,005	1,690,345	1,797,984	1,883,423	1,992,327	5.8	34,895	35,144	35,871	38,007	39,703	41,924	.....
Delaware	25,537	26,530	27,395	29,300	31,218	33,304	6.7	32,104	32,932	33,537	35,354	37,088	39,022	10
District of Columbia	25,525	25,786	26,914	29,125	30,739	32,423	5.5	44,210	44,543	46,606	50,240	52,811	55,755	.....
Maryland	191,657	198,824	205,737	220,603	234,609	247,526	5.5	35,625	36,539	37,361	39,725	41,972	44,077	4
New Jersey	332,951	337,009	342,858	363,158	381,466	404,331	6.0	39,141	39,290	39,717	41,858	43,831	46,344	2
New York	679,886	677,604	693,533	742,209	771,990	818,426	6.0	35,604	35,352	36,050	38,473	39,967	42,392	5
Pennsylvania	372,339	382,251	393,908	413,589	433,400	456,316	5.3	30,281	31,023	31,892	33,415	34,937	36,680	18
Great Lakes	1,359,189	1,386,117	1,428,321	1,479,214	1,539,010	1,612,914	4.8	29,904	30,370	31,176	32,164	33,362	34,854	.....
Illinois	407,254	413,711	426,877	442,349	462,928	490,374	5.9	32,516	32,847	33,746	34,794	36,264	38,215	13
Indiana	167,881	172,474	178,675	187,533	195,332	205,355	5.1	27,403	28,023	28,857	30,134	31,173	32,562	33
Michigan	299,542	303,465	313,503	320,261	331,349	341,710	3.1	29,945	30,231	31,138	31,730	32,804	33,847	27
Ohio	325,623	333,158	341,146	352,588	365,453	382,658	4.7	28,583	29,187	29,826	30,763	31,860	33,398	29
Wisconsin	158,888	163,309	168,120	176,482	183,948	192,818	4.8	29,398	30,028	30,752	32,095	33,278	34,701	22
Plains	562,733	576,806	598,619	632,420	659,466	694,315	5.3	29,041	29,616	30,582	32,115	33,297	34,817	.....
Iowa	79,456	82,398	83,920	91,230	93,919	99,112	5.5	27,098	28,071	28,524	30,887	31,670	33,236	30
Kansas	77,564	78,606	81,116	85,520	90,320	96,031	6.3	28,701	28,955	29,745	31,230	32,866	34,743	21
Minnesota	162,578	166,968	173,498	184,225	191,175	200,031	4.6	32,608	33,230	34,295	36,163	37,290	38,712	12
Missouri	156,937	161,104	166,129	173,054	181,066	191,086	5.5	27,810	28,362	29,082	30,081	31,231	32,705	31
Nebraska	49,303	50,390	53,391	55,828	57,885	60,826	5.1	28,676	29,177	30,737	31,957	32,923	34,397	23
North Dakota	16,465	16,743	18,179	18,509	19,899	20,699	4.0	25,875	26,423	28,736	29,109	31,357	32,552	32
South Dakota	20,429	20,596	22,386	24,053	25,201	26,530	5.3	26,948	27,089	29,304	31,231	32,523	33,929	26
Southwest	1,922,935	1,973,853	2,040,368	2,183,245	2,302,623	2,460,283	6.8	27,344	27,731	28,340	29,912	31,088	32,827	.....
Alabama	110,421	113,835	118,356	126,655	134,736	143,925	6.8	24,721	25,423	26,330	28,037	29,623	31,295	40
Arkansas	61,967	63,294	66,478	70,853	74,059	78,521	6.0	23,022	23,366	24,407	25,794	26,681	27,935	48
Florida	478,637	495,489	514,378	564,997	604,131	647,583	7.2	29,266	29,702	30,290	32,534	34,001	35,798	20
Georgia	240,616	244,957	250,866	264,728	282,322	298,627	5.8	28,563	28,490	28,663	29,628	30,914	31,891	38
Kentucky	101,346	103,866	106,319	111,873	117,967	123,458	4.7	24,915	25,401	25,840	27,020	28,272	29,352	46
Louisiana	110,256	112,744	115,695	121,781	111,167	132,715	19.4	24,702	25,219	25,819	27,088	28,664	30,952	41
Mississippi	62,739	63,979	66,305	69,450	72,862	77,232	6.0	21,967	22,346	23,069	24,009	25,051	26,535	50
North Carolina	225,395	228,684	234,983	252,253	269,203	285,477	6.0	27,489	27,508	27,922	29,569	31,041	32,234	36
South Carolina	101,468	104,046	107,203	113,632	120,123	127,543	6.2	24,988	25,370	25,880	27,090	28,285	29,515	45
Tennessee	154,416	159,173	165,402	174,452	184,443	195,078	5.8	26,871	27,499	28,350	29,641	30,969	32,304	35
Virginia	233,770	240,534	250,605	266,751	283,685	299,393	5.5	32,501	33,014	33,976	35,698	37,503	39,173	9
West Virginia	41,902	43,312	43,841	45,819	47,926	50,730	5.9	23,261	24,007	24,240	25,302	26,419	27,897	49
Southwest	892,795	905,918	939,250	1,005,337	1,082,809	1,172,575	8.3	27,937	27,830	28,378	29,843	31,522	33,304	.....
Arizona	138,854	144,150	150,582	164,122	178,706	193,983	8.5	26,197	26,472	26,975	28,564	30,019	31,458	39
New Mexico	44,138	44,987	46,650	50,707	53,714	57,998	8.0	24,083	24,247	24,846	26,679	27,889	29,673	44
Oklahoma	90,161	90,178	92,599	100,027	106,119	115,288	8.6	26,008	25,850	26,424	28,394	29,948	32,210	37
Texas	619,642	626,604	649,419	690,480	744,270	805,307	8.2	29,012	28,793	29,340	30,664	32,460	34,257	25
Rocky Mountain	279,678	283,369	289,854	309,894	329,766	354,355	7.5	29,631	29,580	29,899	31,473	32,889	34,640	.....
Colorado	152,700	153,066	154,829	164,673	174,919	186,266	6.5	34,481	34,014	34,059	35,810	37,510	39,186	8
Idaho	33,054	33,849	34,816	38,229	40,706	43,924	7.9	25,014	25,180	25,461	27,414	28,478	29,952	43
Montana	22,359	22,819	24,177	25,791	27,122	28,989	6.9	24,675	25,066	26,360	27,841	29,015	30,688	42
Utah	56,594	58,172	59,412	63,478	68,039	74,229	9.1	24,731	25,010	25,220	26,214	27,321	29,108	47
Wyoming	14,972	15,463	16,420	17,723	18,981	20,948	10.4	30,304	30,990	32,742	35,058	37,305	40,676	6
Far West	1,547,366	1,570,773	1,625,348	1,739,037	1,829,841	1,948,374	6.5	32,257	32,280	32,974	34,861	36,282	38,200	.....
Alaska	20,050	20,722	21,184	22,259	23,588	24,974	5.9	31,712	32,351	32,705	33,889	35,564	37,271	16
California	1,135,304	1,147,716	1,187,040	1,268,049	1,335,386	1,420,245	6.4	32,959	32,769	33,469	35,380	36,936	38,956	11
Hawaii	35,126	36,370	37,837	41,129	43,913	46,662	6.3	28,759	29,491	30,376	32,660	34,489	36,299	19
Nevada	64,367	66,632	71,183	79,353	86,224	92,557	7.3	30,712	30,717	31,762	34,021	35,744	37,089	17
Oregon	99,020	101,882	105,161	111,325	117,497	124,589	6.0	28,502	28,915	29,530	31,017	32,489	33,666	28
Washington	193,498	197,452	202,942	216,921	223,232	239,348	7.2	32,274	32,528	33,105	34,956	35,479	37,423	14

1. Per capita personal income was computed using midyear population estimates of the Bureau of the Census. The population estimates were released by the Bureau of the Census in December 2006.

the estimate of personal income in the national income and product accounts because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data.

2. Percent change was calculated from unrounded data.

NOTE: The personal income level shown for the United States is derived as the sum of the state estimates. It differs from

SOURCE: Table 2 "State Personal Income: Fourth Quarter of 2006 and Annual Estimates for 2006" in the April 2007 SURVEY OF CURRENT BUSINESS.

Table I.3. Disposable Personal Income and Per Capita Disposable Personal Income by State and Region

Area name	Disposable personal income							Per capita disposable personal income ¹						Rank in United States	
	[Millions of dollars]							Percent change ²	[Dollars]						
	2001	2002	2003	2004	2005	2006	2005-2006		2001	2002	2003	2004	2005		2006
United States	7,480,971	7,822,136	8,150,333	8,667,643	9,019,122	9,501,462	5.3	26,228	27,148	28,028	29,518	30,418	31,735	.....
New England	432,904	454,473	468,091	495,261	510,071	531,192	4.1	30,798	32,130	32,945	34,776	35,782	37,224	.....
Connecticut	118,825	123,813	126,684	134,905	138,538	143,602	3.7	34,610	35,806	36,379	38,612	39,574	40,973	1	
Maine	30,508	31,984	33,713	35,292	36,197	38,031	5.1	23,715	24,663	25,791	26,860	27,459	28,777	36	
Massachusetts	203,390	214,288	219,666	232,021	239,505	249,722	4.3	31,746	33,320	34,112	36,050	37,229	38,794	3	
New Hampshire	36,774	38,709	39,979	42,801	44,239	45,975	3.9	29,223	30,384	31,090	32,976	33,852	34,964	7	
Rhode Island	27,949	29,644	31,192	32,648	33,426	34,947	4.6	26,404	27,742	29,022	30,260	31,135	32,734	16	
Vermont	15,457	16,036	16,857	17,594	18,166	18,915	4.1	25,221	26,022	27,250	28,341	29,188	30,317	26	
Mideast	1,362,089	1,422,594	1,474,695	1,569,467	1,622,932	1,699,405	4.7	29,198	30,337	31,294	33,177	34,212	35,760	.....
Delaware	21,688	23,183	24,183	25,850	27,230	28,747	5.6	27,266	28,778	29,605	31,192	32,350	33,683	9	
District of Columbia	21,447	22,308	23,436	25,391	26,392	27,631	4.7	37,147	38,535	40,583	43,799	45,343	47,515	.....
Maryland	161,723	171,570	178,801	191,884	202,031	211,006	4.4	30,061	31,531	32,470	34,553	36,144	37,574	4	
New Jersey	279,149	291,335	299,674	319,020	330,867	347,587	5.1	32,816	33,965	34,714	36,771	38,017	39,840	2	
New York	556,722	576,527	597,414	637,667	652,696	683,569	4.7	29,154	30,078	31,053	33,054	33,791	35,407	6	
Pennsylvania	321,359	337,670	351,187	369,655	383,716	400,865	4.5	26,135	27,405	28,433	29,865	30,932	32,222	18	
Great Lakes	1,173,332	1,221,717	1,273,948	1,322,748	1,363,672	1,420,389	4.2	25,815	26,768	27,807	28,761	29,561	30,694	.....
Illinois	348,839	362,767	379,815	394,318	408,152	428,828	5.1	27,852	28,802	30,025	31,016	31,973	33,419	13	
Indiana	146,577	153,422	160,676	169,280	174,920	182,959	4.6	23,925	24,928	25,950	27,201	27,916	28,979	34	
Michigan	260,068	269,198	281,273	288,533	296,335	304,046	2.6	25,998	26,817	27,936	28,586	29,338	30,117	27	
Ohio	280,988	292,555	302,840	313,282	321,777	335,421	4.2	24,665	25,630	26,477	27,334	28,052	29,223	32	
Wisconsin	136,860	143,775	149,343	157,334	162,487	169,135	4.1	25,322	26,436	27,318	28,612	29,953	30,439	25	
Plains	489,385	512,013	537,211	569,351	588,333	614,629	4.5	25,255	26,290	27,445	28,913	29,705	30,821	.....
Iowa	70,140	74,161	76,099	83,099	84,802	88,889	4.8	23,921	25,265	25,866	28,134	28,596	29,808	28	
Kansas	67,684	70,049	73,094	77,356	81,020	85,506	5.5	25,045	25,803	26,803	28,249	29,481	30,935	23	
Minnesota	138,730	145,240	152,623	162,638	167,129	173,065	3.6	27,825	28,906	30,169	31,925	32,599	33,949	12	
Missouri	136,441	143,294	149,429	156,225	161,941	169,826	4.9	24,178	25,227	26,159	27,156	27,932	29,066	33	
Nebraska	43,184	45,123	48,403	50,640	51,986	54,245	4.3	25,117	26,127	27,866	28,987	29,568	30,676	24	
North Dakota	14,763	15,266	16,745	17,026	18,188	18,767	3.2	23,199	24,092	26,469	26,776	28,661	29,515	29	
South Dakota	18,443	18,879	20,819	22,368	23,630	24,330	4.6	24,328	24,832	27,253	29,043	30,026	31,116	21	
Southeast	1,682,999	1,762,224	1,840,485	1,971,245	2,058,848	2,184,633	6.1	23,932	24,758	25,563	27,007	27,927	29,149	.....
Alabama	98,257	102,725	107,741	115,693	122,102	129,622	6.2	21,998	22,942	23,969	25,610	26,845	28,185	39	
Arkansas	55,026	56,919	60,504	64,598	66,918	70,585	5.5	20,443	21,033	22,214	23,517	24,108	25,112	49	
Florida	418,855	443,369	466,917	509,980	538,621	572,272	6.2	25,611	26,577	27,495	29,366	30,314	31,635	20	
Georgia	207,824	216,481	223,843	236,945	250,692	263,213	5.0	24,670	25,178	25,581	26,518	27,450	28,109	40	
Kentucky	88,537	92,299	95,199	100,664	105,386	109,795	4.2	21,766	22,573	23,137	24,312	25,257	26,104	46	
Louisiana	98,406	102,141	105,959	112,036	101,880	122,427	20.2	22,047	22,848	23,647	24,921	22,603	28,553	37	
Mississippi	56,692	58,542	61,165	64,517	67,193	70,901	5.5	19,849	20,647	21,281	22,304	23,102	24,360	50	
North Carolina	195,424	202,246	209,846	226,119	238,972	250,982	5.0	23,834	24,327	24,935	26,505	27,555	28,339	38	
South Carolina	89,602	93,514	97,135	103,146	108,214	114,105	5.4	22,065	22,802	23,449	24,590	25,481	26,406	45	
Tennessee	138,817	145,548	152,470	161,232	169,278	177,880	5.1	24,157	25,145	26,133	27,394	28,423	29,456	30	
Virginia	198,134	209,201	219,705	234,325	246,044	257,017	4.5	27,547	28,714	29,787	31,359	32,527	33,628	10	
West Virginia	37,425	39,240	40,001	41,991	43,549	45,833	5.2	20,776	21,750	22,117	23,188	24,006	25,204	48	
Southwest	789,375	818,959	857,087	920,069	982,649	1,056,088	7.5	24,701	25,159	25,895	27,312	28,606	29,996	.....
Arizona	121,547	129,279	136,028	148,003	159,355	171,195	7.4	22,932	23,741	24,368	25,759	26,769	27,763	41	
New Mexico	39,388	40,631	42,493	46,377	48,831	52,459	7.4	21,491	21,899	22,631	24,401	25,354	26,839	43	
Oklahoma	79,731	81,087	83,929	90,911	95,721	103,422	8.0	22,999	23,244	23,950	25,806	27,014	28,895	35	
Texas	548,709	567,962	594,637	634,778	678,742	729,012	7.4	25,691	26,098	26,865	28,190	29,603	31,012	22	
Rocky Mountain	242,403	251,784	259,930	278,747	293,643	312,727	6.5	25,682	26,283	26,830	28,310	29,287	30,571	.....
Colorado	130,976	134,727	137,882	147,090	154,695	163,192	5.5	29,575	29,939	30,331	31,986	33,173	34,332	8	
Idaho	28,945	30,512	31,603	34,751	36,687	39,233	6.9	21,904	22,698	23,111	24,919	25,667	26,754	44	
Montana	19,835	20,572	21,981	23,459	24,389	25,901	6.2	21,889	22,598	23,965	25,324	26,092	27,419	42	
Utah	49,627	52,123	53,574	57,337	60,813	65,770	8.2	21,687	22,409	22,742	23,678	24,420	25,792	47	
Wyoming	13,019	13,850	14,890	16,110	17,058	18,631	9.2	26,351	27,758	29,691	31,868	33,526	36,176	5	
Far West	1,308,485	1,378,371	1,438,886	1,540,755	1,598,973	1,682,400	5.2	27,277	28,326	29,191	30,886	31,704	32,985	.....
Alaska	17,801	18,684	19,269	20,376	21,410	22,510	5.1	28,155	29,169	29,748	31,022	32,280	33,595	11	
California	949,844	1,001,232	1,044,737	1,116,527	1,159,068	1,216,692	5.0	27,492	28,587	29,457	31,152	32,059	33,373	14	
Hawaii	30,701	32,308	33,841	36,793	38,837	40,951	5.4	25,136	26,197	27,168	29,217	30,502	31,856	19	
Nevada	56,117	59,195	63,811	70,736	75,810	80,581	6.3	26,776	27,289	28,473	30,326	31,427	32,290	17	
Oregon	85,137	89,801	93,365	98,906	103,231	108,468	5.1	24,506	25,486	26,218	27,557	28,369	29,310	31	
Washington	168,885	177,151	183,863	197,417	200,618	213,198	6.3	28,169	29,184	29,992	31,813	31,885	33,334	15	

1. Per capita disposable personal income was computed using midyear population estimates of the Bureau of the Census. The population estimates were released by the Bureau of the Census in December 2006.

2. Percent change was calculated from unrounded data.

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 because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data.

Source: Table 3 "State Personal Income: Fourth Quarter of 2006 and Annual Estimates for 2006" in the April 2007 SURVEY OF CURRENT BUSINESS.

Table I.4. Gross Domestic Product (GDP) by State for Industries, 2006
 [Millions of dollars]

State and region	Rank of total GDP by state	Total	Natural resources and mining	Construction	Durable-goods manufacturing	Nondurable-goods manufacturing	Trade	Transportation and utilities	Information	Financial activities	Professional and business services	Education and health services	Leisure and hospitality	Other services	Government
United States		13,149,033	378,401	647,882	915,677	685,475	1,651,830	626,282	579,232	2,758,592	1,564,590	1,034,977	471,768	295,704	1,538,624
New England		714,826	2,982	30,342	51,493	24,777	85,094	24,057	30,167	184,753	97,856	76,406	23,456	14,961	68,481
Connecticut	23	204,134	448	6,726	15,223	8,324	23,088	6,586	7,747	62,142	27,554	18,397	5,514	4,039	18,347
Maine	43	46,973	662	2,535	2,726	2,641	6,683	2,036	1,236	9,679	3,737	5,553	1,867	1,016	6,603
Massachusetts	13	337,570	1,012	14,745	23,204	10,116	38,541	9,851	16,619	83,502	53,835	38,496	11,044	7,017	29,588
New Hampshire	40	56,276	285	2,733	4,924	1,678	8,348	2,961	1,958	12,858	5,995	5,849	2,156	1,349	5,182
Rhode Island	44	45,660	120	2,307	3,270	1,234	5,151	1,547	1,700	12,175	4,795	5,238	1,635	979	5,511
Vermont	50	24,213	456	1,295	2,146	784	3,283	1,077	907	4,398	1,941	2,873	1,241	561	3,251
Mideast		2,391,253	11,863	94,619	90,918	108,949	270,453	101,633	127,821	629,413	331,071	218,367	77,149	55,758	273,238
Delaware	38	60,361	(D)	(D)	1,262	3,292	4,768	1,787	1,075	26,942	7,489	3,412	1,291	1,034	5,168
District of Columbia		87,664	(D)	(D)	70	111	1,917	1,245	5,130	13,649	21,064	6,067	3,048	5,315	28,932
Maryland	15	257,815	1,059	15,876	6,591	7,469	29,433	12,104	9,134	60,334	35,865	22,192	8,801	6,529	42,428
New Jersey	8	453,177	868	19,068	13,915	27,644	64,876	22,036	21,541	115,509	62,249	36,056	15,204	9,208	45,003
New York	3	1,021,944	3,048	32,181	30,132	34,010	106,069	35,711	73,142	315,463	142,277	92,792	34,089	21,074	101,956
Pennsylvania	6	510,293	6,468	23,957	38,949	36,423	63,389	28,749	17,799	97,516	62,127	57,848	14,717	12,598	49,752
Great Lakes		1,908,049	17,601	83,334	230,526	122,037	242,524	101,920	55,920	374,043	222,575	157,681	59,403	43,862	196,623
Illinois	5	589,598	3,761	28,041	44,275	33,366	76,158	33,913	21,078	132,963	81,871	44,587	18,892	13,872	56,823
Indiana	16	248,915	2,685	10,835	43,930	26,110	29,882	14,642	5,328	38,417	18,347	19,930	8,706	5,664	24,439
Michigan	9	381,003	3,708	15,958	53,768	14,587	49,322	10,837	70,477	108,337	50,510	32,119	11,953	8,780	41,127
Ohio	7	461,302	4,196	18,230	60,493	28,827	59,519	24,497	12,076	87,469	52,108	40,558	13,245	10,579	49,507
Wisconsin	21	227,230	3,251	10,270	28,059	19,148	27,643	11,012	6,601	44,717	19,740	20,487	6,607	4,968	24,726
Plains		840,506	25,995	37,657	72,776	51,557	109,395	45,192	33,824	163,261	82,514	71,221	26,622	19,343	101,158
Iowa	30	123,970	4,256	5,191	15,078	10,991	14,715	6,880	3,670	26,366	7,137	9,194	3,670	2,558	14,266
Kansas	32	111,699	5,670	4,465	8,757	6,552	14,621	6,444	6,798	17,329	10,909	8,424	3,134	2,575	16,622
Minnesota	17	244,546	4,819	11,275	21,232	12,644	32,457	9,827	8,441	54,951	27,985	22,386	7,324	5,697	25,509
Missouri	22	225,876	2,891	10,835	18,543	15,742	30,276	11,763	10,802	37,618	27,291	19,722	8,707	5,551	26,133
Nebraska	37	75,700	3,609	3,270	4,857	4,065	9,234	7,060	6,650	6,084	6,590	6,084	1,901	1,665	10,427
North Dakota	49	26,385	2,674	1,250	1,801	697	3,959	1,742	904	4,025	1,632	2,354	737	564	4,046
South Dakota	46	32,330	2,066	1,371	2,509	866	4,134	1,476	887	8,355	1,570	3,056	1,149	734	4,156
Southeast		2,955,468	73,917	167,547	191,772	204,765	394,929	146,815	114,978	547,649	327,141	218,795	111,606	67,704	387,849
Alabama	25	160,569	5,040	8,085	18,284	11,687	21,853	8,225	4,609	23,730	14,159	11,999	4,231	3,881	24,185
Arkansas	34	91,837	3,599	4,079	9,679	8,350	13,108	6,332	3,527	11,538	7,270	7,261	2,531	2,074	12,492
Florida	4	713,505	7,118	55,839	24,430	11,430	103,597	29,878	28,841	170,618	91,320	56,310	37,295	17,954	78,875
Georgia	10	379,550	4,286	19,793	19,437	29,564	55,606	20,656	23,434	67,943	44,543	25,504	12,306	7,620	48,859
Kentucky	28	145,959	6,189	6,118	16,458	10,870	19,255	9,194	3,937	20,777	11,267	12,626	4,654	3,167	21,448
Louisiana	24	193,138	28,757	8,939	8,014	32,500	21,599	11,233	4,140	21,546	14,124	11,550	7,130	3,706	19,899
Mississippi	35	84,225	4,228	4,281	7,847	5,039	12,129	5,276	2,035	11,120	5,647	6,564	3,803	2,026	14,230
North Carolina	11	374,525	3,995	18,703	27,743	46,271	44,825	14,825	12,684	78,392	35,697	26,127	11,046	7,389	46,827
South Carolina	27	149,214	1,394	9,146	14,693	11,561	21,052	7,683	4,098	24,332	12,955	9,449	6,059	3,436	23,357
Tennessee	18	238,029	1,895	10,465	26,205	16,178	36,099	12,848	7,520	37,735	24,693	23,246	9,931	6,084	25,131
Virginia	12	369,260	3,305	19,568	15,590	18,573	38,536	15,343	18,749	72,508	61,742	22,580	10,596	9,088	63,083
West Virginia	41	55,658	4,111	2,532	3,393	2,741	7,271	4,721	1,405	7,412	3,724	5,580	2,025	1,280	9,462
Southwest		1,508,916	150,600	84,699	103,680	76,170	194,161	88,769	55,036	240,921	162,307	99,452	47,920	30,896	174,505
Arizona	19	232,463	5,464	18,096	15,834	2,993	33,483	10,234	6,519	53,158	26,271	18,001	9,877	4,423	28,108
New Mexico	36	75,910	13,227	3,637	6,257	1,080	7,263	3,435	1,917	9,459	7,610	5,086	2,501	1,453	12,984
Oklahoma	29	134,651	22,917	5,162	9,090	4,909	15,397	7,237	4,111	18,327	11,306	9,192	3,603	2,849	20,551
Texas	2	1,065,891	108,992	57,804	72,498	67,188	138,018	67,863	42,490	159,976	117,119	67,172	31,939	21,971	112,861
Rocky Mountain		440,018	33,543	27,806	23,912	11,740	52,305	21,591	25,655	79,807	51,826	29,297	17,033	10,556	54,948
Colorado	20	230,478	14,694	14,278	9,221	5,791	26,360	9,168	19,534	44,090	31,508	14,622	9,449	5,262	26,501
Idaho	42	49,907	2,555	3,357	5,584	1,609	7,023	2,297	1,126	8,044	5,758	3,602	1,686	964	6,303
Montana	47	32,322	3,119	2,160	907	566	4,025	2,545	907	5,402	2,283	3,060	1,457	725	5,166
Utah	33	97,749	3,700	6,247	7,824	3,156	12,177	4,592	3,661	19,115	10,976	6,756	3,284	3,099	13,161
Wyoming	48	29,561	9,474	1,763	376	618	2,719	2,989	426	3,157	1,301	1,257	1,156	507	3,817
Far West		2,389,998	61,909	121,878	150,600	85,480	302,968	96,306	135,829	538,745	289,301	163,758	108,579	52,823	281,822
Alaska	45	41,105	12,439	1,882	153	779	2,686	3,977	910	4,506	2,219	2,391	1,277	615	7,272
California	1	1,727,355	37,177	82,664	100,665	68,312	221,473	66,936	103,269	407,890	225,288	117,613	67,262	38,871	189,935
Hawaii	39	58,307	387	3,465	330	668	6,276	2,994	1,461	13,102	5,305	4,507	5,541	1,427	12,844
Nevada	31	118,399	2,290	11,881	4,307	1,453	14,072	5,237	2,161	25,745	11,706	6,027	19,663	2,080	11,776
Oregon	26	151,301	3,930	7,273	21,627	4,867	18,823	6,428	4,776	28,895	13,923	12,317	4,648	3,264	20,529
Washington	14	293,531	5,687	14,713	23,519	9,401	39,638	10,734	23,252	58,607	30,859	20,904	10,187	6,565	39,465

NOTE: Totals shown for the United States differ from the national income and product account estimates of gross domestic product (GDP) because GDP by state excludes and national GDP includes the compensation of Federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment. Also, GDP by state and national GDP have different revision schedules.

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Source: This table reflects the GDP by state estimates for 2006 that were released on June 7, 2007. Detailed estimates are available on BEA's Web site at <www.bea.gov>.

J. Local Area Table

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003–2005—Continues

Area name	Personal income				Per capita personal income ¹			
	Millions of dollars			Percent change ²	Dollars			Rank in United States
	2003	2004	2005		2003	2004	2005	
United States ³	9,150,320	9,716,351	10,220,942	5.2	31,466	33,090	34,471	
Metropolitan portion	7,977,094	8,476,476	8,924,022	5.3	33,010	34,700	36,140	
Nonmetropolitan portion	1,173,226	1,239,875	1,296,920	4.6	23,875	25,121	26,161	
Metropolitan Statistical Areas ⁴								
Abilene, TX	3,952	4,161	4,390	5.5	25,019	26,289	27,760	265
Akron, OH	21,691	22,573	23,425	3.8	30,945	32,181	33,396	108
Albany, GA	3,756	3,835	4,060	5.9	23,256	23,657	24,941	335
Albany-Schenectady-Troy, NY	27,398	29,084	30,159	3.7	32,626	34,452	35,590	64
Albuquerque, NM	21,642	23,280	24,631	5.8	28,250	29,836	30,884	160
Alexandria, LA	3,744	4,045	4,289	6.0	25,669	27,592	29,115	211
Allentown-Bethlehem-Easton, PA-NJ	24,323	25,282	26,698	5.6	31,649	32,447	33,808	91
Altoona, PA	3,240	3,368	3,489	3.6	25,450	26,502	27,562	272
Amarillo, TX	6,018	6,364	6,727	5.7	25,793	27,000	28,170	246
Ames, IA	2,274	2,453	2,553	4.1	28,308	30,554	32,002	138
Anchorage, AK	12,067	12,734	13,508	6.1	35,585	36,810	38,421	36
Anderson, IN	3,610	3,631	3,741	3.0	27,580	27,837	28,688	227
Anderson, SC	4,341	4,511	4,726	4.8	25,299	26,039	26,968	292
Ann Arbor, MI	12,738	13,087	13,578	3.8	37,966	38,635	39,689	29
Anniston-Oxford, AL	2,759	2,967	3,160	6.5	24,676	26,518	28,156	247
Appleton, WI	6,562	6,890	7,194	4.4	31,137	32,366	33,436	105
Asheville, NC	10,068	10,840	11,522	6.3	26,347	28,005	29,405	205
Athens-Clarke County, GA	4,180	4,408	4,670	6.0	24,360	25,162	25,594	325
Atlanta-Sandy Springs-Marietta, GA	152,899	161,795	173,159	7.0	32,621	33,553	34,825	79
Atlantic City, NJ	8,322	8,720	9,274	6.3	31,608	32,566	34,307	85
Auburn-Opelika, AL	2,656	2,870	3,054	6.4	22,343	23,848	24,804	338
Augusta-Richmond County, GA-SC	13,311	13,945	14,687	5.3	26,125	27,100	28,361	238
Austin-Round Rock, TX	43,104	46,192	50,102	8.5	31,325	32,726	34,441	82
Bakersfield, CA	16,495	17,660	18,924	7.2	23,139	24,067	24,999	333
Baltimore-Towson, MD	96,310	103,138	109,543	6.2	36,682	39,032	41,320	20
Bangor, ME	3,875	4,035	4,215	4.5	26,340	27,522	28,711	224
Barnstable Town, MA	8,804	9,530	9,949	4.4	38,482	41,851	43,992	11
Baton Rouge, LA	18,991	20,162	21,687	7.6	26,391	27,782	29,654	196
Battle Creek, MI	3,720	3,807	3,919	2.9	26,789	27,332	28,289	242
Bay City, MI	2,959	2,996	3,047	1.7	27,074	27,453	27,984	258
Beaumont-Port Arthur, TX	9,835	10,081	10,939	8.5	25,742	26,345	28,550	230
Bellingham, WA	4,733	5,065	5,420	7.0	26,823	28,116	29,561	198
Bend, OR	3,745	4,164	4,534	8.9	28,965	31,001	32,094	136
Billings, MT	4,215	4,547	4,829	6.2	29,495	31,464	32,963	115
Binghamton, NY	6,453	6,848	7,122	4.0	25,787	27,482	28,728	223
Birmingham-Hoover, AL	33,633	36,526	38,809	6.3	31,366	33,816	35,663	61
Bismarck, ND	2,825	3,046	3,226	5.9	29,156	31,134	32,452	131
Blacksburg-Christiansburg-Radford, VA	3,356	3,496	3,720	6.4	22,268	23,225	24,647	341
Bloomington, IN	4,387	4,709	4,905	4.2	24,833	26,558	27,598	270
Bloomington-Normal, IL	5,040	5,074	5,231	3.1	32,174	32,157	32,905	116
Boise City-Nampa, ID	14,909	16,372	17,732	8.3	29,164	31,207	32,527	127
Boston-Cambridge-Quincy, MA-NH	190,708	201,089	209,847	4.4	42,835	45,195	47,168	6
Boulder, CO	11,385	12,006	12,815	6.7	41,055	43,076	45,849	9
Bowling Green, KY	2,685	2,894	3,100	7.1	25,011	26,568	27,945	259
Bremerton-Silverdale, WA	7,807	8,189	8,602	5.0	32,558	34,101	35,616	63
Bridgeport-Stamford-Norwalk, CT	53,290	57,845	60,615	4.8	59,276	64,224	67,269	1
Brownsville-Harlingen, TX	5,972	6,221	6,597	6.0	16,493	17,410	17,410	362
Brunswick, GA	2,656	2,875	3,019	5.0	27,552	29,578	30,772	166
Buffalo-Niagara Falls, NY	34,143	35,617	36,715	3.1	29,515	30,912	32,071	137
Burlington, NC	3,543	3,688	3,863	4.8	25,956	26,668	27,551	273
Burlington-South Burlington, VT	6,715	6,976	7,262	4.1	33,029	34,115	35,385	70
Canton-Massillon, OH	11,081	11,386	11,811	3.7	27,056	27,780	28,841	220
Cape Coral-Fort Myers, FL	15,744	18,381	19,905	8.3	32,001	35,728	36,577	54
Carson City, NV	1,860	1,997	2,118	6.0	33,653	35,697	37,898	39
Casper, WY	2,410	2,659	2,888	8.6	35,351	38,550	41,462	19
Cedar Rapids, IA	7,490	7,930	8,282	4.4	30,828	32,387	33,530	102
Champaign-Urbana, IL	6,745	6,261	6,397	2.2	31,465	29,144	29,687	195
Charleston, WV	8,848	9,039	9,400	4.0	28,834	29,448	30,703	168
Charleston-North Charleston, SC	15,765	17,016	18,253	7.3	27,612	29,223	30,844	163
Charlotte-Gastonia-Concord, NC-SC	47,918	51,652	55,931	8.3	33,333	35,075	36,761	49
Charlottesville, VA	5,913	6,269	6,688	6.7	32,298	33,813	35,570	66
Chattanooga, TN-GA	13,835	14,463	15,221	5.2	28,493	29,629	30,952	156
Cheyenne, WY	2,788	2,973	3,124	5.1	33,093	34,983	36,739	51
Chicago-Naperville-Joliet, IL-IN-WI	335,574	350,111	367,957	5.1	35,962	37,268	38,951	35
Chico, CA	5,085	5,517	5,811	5.3	24,103	25,948	27,136	288
Cincinnati-Middletown, OH-KY-IN	66,723	70,041	73,103	4.4	32,401	33,758	34,961	77
Clarksville, TN-KY	6,175	6,537	7,412	13.4	26,203	27,527	30,515	174
Cleveland, TN	2,671	2,847	3,005	5.6	25,180	26,605	27,785	263
Cleveland-Elyria-Mentor, OH	69,697	72,723	75,278	3.5	32,577	34,078	35,423	69
Coeur d'Alene, ID	2,859	3,205	3,445	7.5	24,330	26,191	26,970	291
College Station-Bryan, TX	4,213	4,426	4,753	7.4	22,423	23,454	25,019	332
Colorado Springs, CO	17,257	18,360	19,696	7.3	30,201	31,726	33,569	100
Columbia, MO	4,148	4,517	4,773	5.7	27,666	29,905	31,141	154
Columbia, SC	18,897	20,139	21,288	5.7	28,086	29,419	30,810	164
Columbus, GA-AL	7,584	7,934	8,550	7.8	27,414	28,188	30,265	181
Columbus, IN	2,250	2,402	2,499	4.0	31,106	32,968	33,955	88
Columbus, OH	54,708	56,971	59,674	4.7	32,690	33,725	34,960	78
Corpus Christi, TX	10,505	11,076	11,816	6.7	25,909	27,068	28,603	229
Corvallis, OR	2,616	2,727	2,883	5.7	33,056	34,809	36,685	52
Cumberland, MD-WV	2,303	2,414	2,540	5.2	22,834	23,943	25,352	327

See the footnotes at the end of the table.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003-2005—Continues

Area name	Personal income				Per capita personal income ¹			
	Millions of dollars			Percent change ²	Dollars			Rank in United States
	2003	2004	2005		2003	2004	2005	
Metropolitan Statistical Areas⁴—Continued								
Dallas-Fort Worth-Arlington, TX.....	190,588	202,282	216,667	7.1	34,121	35,521	37,209	46
Dalton, GA.....	3,211	3,416	3,612	5.7	25,218	26,336	27,382	278
Danville, IL.....	2,004	2,023	2,060	1.8	24,217	24,513	25,068	329
Danville, VA.....	2,611	2,677	2,788	4.2	24,039	24,802	25,951	318
Davenport-Moline-Rock Island, IA-IL.....	10,988	11,713	12,224	4.4	29,336	31,226	32,513	128
Dayton, OH.....	25,526	25,935	26,744	3.1	30,239	30,746	31,792	142
Decatur, AL.....	3,923	4,136	4,364	5.5	26,647	28,086	29,436	204
Decatur, IL.....	3,211	3,437	3,603	4.8	28,943	31,163	32,808	118
Deltona-Daytona Beach-Ormond Beach, FL.....	11,813	12,971	13,830	6.6	25,286	27,117	28,347	239
Denver-Aurora, CO.....	88,868	94,402	100,066	6.0	38,640	40,583	42,369	14
Des Moines-West Des Moines, IA.....	17,217	18,824	19,750	4.9	34,126	36,724	37,737	40
Detroit-Warren-Livonia, MI.....	160,166	161,831	168,038	3.8	35,745	36,094	37,515	43
Dothan, AL.....	3,426	3,678	3,909	6.3	25,707	27,295	28,708	225
Dover, DE.....	3,521	3,801	4,045	6.4	26,198	27,382	28,196	245
Dubuque, IA.....	2,492	2,696	2,808	4.2	27,495	29,549	30,650	169
Duluth, MN-WI.....	7,664	8,034	8,275	3.0	27,775	29,150	30,092	183
Durham, NC.....	14,077	15,260	16,011	4.9	31,643	33,937	35,097	73
Eau Claire, WI.....	4,074	4,247	4,441	4.5	26,965	27,785	28,876	216
El Centro, CA.....	3,146	3,239	3,413	5.4	21,105	21,285	21,899	356
Elizabethtown, KY.....	2,962	3,122	3,280	5.1	27,212	28,600	29,689	194
Elkhart-Goshen, IN.....	5,606	5,896	6,195	5.1	29,667	30,760	31,725	144
Elmira, NY.....	2,196	2,310	2,444	5.8	24,358	25,716	27,456	276
El Paso, TX.....	14,672	15,727	16,771	6.6	20,892	22,074	23,256	348
Erie, PA.....	7,150	7,404	7,754	4.7	25,275	26,363	27,676	267
Eugene-Springfield, OR.....	8,847	9,415	9,981	6.0	26,818	28,416	29,841	190
Evansville, IN-KY.....	10,360	10,858	11,373	4.7	29,934	31,234	32,579	126
Fairbanks, AK.....	2,584	2,745	2,939	7.0	30,339	31,641	33,568	101
Fargo, ND-MN.....	5,420	5,751	6,033	4.9	30,341	31,510	32,758	120
Farmington, NM.....	2,535	2,818	3,052	8.3	20,743	22,716	24,260	344
Fayetteville, NC.....	9,131	9,794	10,746	9.7	26,578	28,398	31,632	147
Fayetteville-Springdale-Rogers, AR-MO.....	9,622	10,640	11,380	7.0	25,389	27,144	27,994	257
Flagstaff, AZ.....	2,999	3,227	3,473	7.6	24,795	26,328	28,045	255
Flint, MI.....	12,279	12,110	12,197	0.7	27,799	27,352	27,550	275
Florence, SC.....	4,944	5,204	5,445	4.6	25,240	26,458	27,551	273
Florence-Muscle Shoals, AL.....	3,345	3,510	3,699	5.4	23,638	24,723	26,041	314
Fond du Lac, WI.....	2,952	3,088	3,215	4.1	30,092	31,346	32,509	129
Fort Collins-Loveland, CO.....	8,264	8,816	9,330	5.8	31,036	32,796	34,323	84
Fort Smith, AR-OK.....	6,540	7,030	7,514	6.9	23,398	24,956	26,420	305
Fort Walton Beach-Crestview-Destin, FL.....	5,533	5,968	6,393	7.1	31,153	33,034	35,275	71
Fort Wayne, IN.....	11,654	12,116	12,620	4.2	29,162	30,188	31,223	152
Fresno, CA.....	20,690	21,859	22,796	4.3	24,330	25,257	25,961	317
Gadsden, AL.....	2,458	2,603	2,744	5.4	23,893	25,289	26,658	299
Gainesville, FL.....	6,001	6,648	7,194	8.2	25,358	27,927	29,951	185
Gainesville, GA.....	3,895	4,133	4,405	6.6	24,886	25,757	26,486	304
Glens Falls, NY.....	3,214	3,441	3,607	4.8	25,399	26,947	28,057	253
Goldsboro, NC.....	2,653	2,847	2,976	4.5	23,448	24,982	26,141	312
Grand Forks, ND-MN.....	2,613	2,683	2,795	4.1	27,330	27,670	29,021	214
Grand Junction, CO.....	3,214	3,472	3,744	7.8	25,802	27,282	28,854	218
Grand Rapids-Wyoming, MI.....	22,522	23,610	24,519	3.9	29,568	30,832	31,836	140
Great Falls, MT.....	2,215	2,348	2,436	3.8	27,782	29,392	30,647	170
Greeley, CO.....	4,980	5,322	5,669	6.5	23,508	24,246	24,846	336
Green Bay, WI.....	8,947	9,399	9,731	3.5	30,696	31,874	32,757	121
Greensboro-High Point, NC.....	19,001	20,160	21,214	5.2	28,736	30,301	31,464	150
Greenville, NC.....	3,914	4,196	4,483	6.8	24,746	26,219	27,610	269
Greenville-Mauldin-Easley, SC.....	15,758	16,497	17,402	5.5	27,276	28,275	29,464	203
Gulfport-Biloxi, MS.....	6,354	6,538	6,682	2.2	25,559	25,901	26,245	310
Hagerstown-Martinsburg, MD-WV.....	6,352	6,865	7,392	7.7	26,740	28,127	29,468	202
Hanford-Corcoran, CA.....	2,795	2,959	3,090	4.4	20,177	20,808	21,536	357
Harrisburg-Carlisle, PA.....	16,812	17,554	18,322	4.4	32,551	33,880	35,188	72
Harrisonburg, VA.....	2,710	2,782	2,960	6.4	24,586	25,115	26,419	306
Hartford-West Hartford-East Hartford, CT.....	45,186	47,840	50,237	5.0	38,357	40,504	42,369	14
Hattiesburg, MS.....	2,894	3,064	3,243	5.9	22,589	23,634	24,683	340
Hickory-Lenoir-Morganton, NC.....	8,893	9,387	9,735	3.7	25,384	26,602	27,349	280
Hinesville-Fort Stewart, GA.....	1,387	1,490	1,617	8.5	19,742	20,922	22,522	353
Holland-Grand Haven, MI.....	7,135	7,539	7,845	4.1	28,588	29,810	30,743	167
Honolulu, HI.....	28,885	31,278	33,316	6.5	32,399	34,832	36,828	48
Hot Springs, AR.....	2,296	2,439	2,601	6.6	25,199	26,477	27,833	261
Houma-Bayou Cane-Thibodaux, LA.....	4,902	5,067	5,176	2.1	24,853	25,581	26,008	316
Houston-Sugar Land-Baytown, TX.....	178,720	191,918	209,818	9.3	34,929	36,676	39,199	33
Huntington-Ashland, WV-KY-OH.....	6,806	7,040	7,337	4.2	23,750	24,617	25,701	319
Huntsville, AL.....	10,791	11,467	12,314	7.4	30,161	31,628	33,403	107
Idaho Falls, ID.....	2,725	2,983	3,179	6.6	25,388	26,991	28,054	254
Indianapolis-Carmel, IN.....	53,697	56,900	59,683	4.9	33,573	35,180	36,391	58
Iowa City, IA.....	4,184	4,522	4,701	4.0	30,723	32,837	33,925	89
Ithaca, NY.....	2,621	2,759	2,849	3.3	26,351	27,579	28,462	236
Jackson, MI.....	4,207	4,304	4,461	3.7	25,906	26,480	27,299	281
Jackson, MS.....	14,147	15,015	15,765	5.0	27,806	29,133	30,277	180
Jackson, TN.....	2,855	2,994	3,152	5.2	26,158	27,265	28,509	232
Jacksonville, FL.....	37,185	40,348	42,785	6.0	31,123	33,014	34,288	87
Jacksonville, NC.....	3,871	4,370	4,922	12.6	25,615	28,320	32,705	122
Janesville, WI.....	4,378	4,380	4,532	3.5	28,305	28,068	28,804	221
Jefferson City, MO.....	3,810	4,032	4,188	3.9	26,649	28,352	29,139	210
Johnson City, TN.....	4,341	4,687	4,916	4.9	23,340	25,054	26,023	315
Johnstown, PA.....	3,632	3,742	3,920	4.8	24,326	25,195	26,525	303
Jonesboro, AR.....	2,591	2,681	2,772	3.4	23,572	24,156	24,768	339
Joplin, MO.....	3,807	4,096	4,263	4.1	23,492	24,987	25,688	321

See the footnotes at the end of the table.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003-2005—Continues

Area name	Personal income				Per capita personal income ¹			
	Millions of dollars			Percent change ²	Dollars			Rank in United States
	2003	2004	2005		2003	2004	2005	
Metropolitan Statistical Areas⁴—Continued								
Kalamazoo-Portage, MI.....	9,223	9,457	9,696	2.5	28,881	29,739	30,411	175
Kankakee-Bradley, IL.....	2,807	2,833	2,941	3.8	26,448	26,477	27,275	283
Kansas City, MO-KS.....	63,281	66,426	69,560	4.7	33,188	34,498	35,769	60
Kennewick-Richland-Pasco, WA.....	5,714	5,985	6,259	4.6	27,197	27,783	28,337	240
Killeen-Temple-Fort Hood, TX.....	8,707	9,386	10,428	11.1	25,344	27,203	29,823	191
Kingsport-Bristol-Bristol, TN-VA.....	7,502	7,796	8,149	4.5	25,046	26,014	27,079	289
Kingston, NY.....	4,872	5,208	5,438	4.4	26,921	28,517	29,811	192
Knoxville, TN.....	18,280	19,202	20,266	5.5	28,558	29,694	30,898	158
Kokomo, IN.....	3,131	3,053	3,128	2.4	30,922	30,224	30,887	159
La Crosse, WI-MN.....	3,632	3,840	3,973	3.5	28,312	29,922	30,857	162
Lafayette, IN.....	4,702	4,983	5,229	4.9	25,980	27,449	28,496	234
Lafayette, LA.....	6,741	7,110	7,550	6.2	27,715	29,004	30,585	172
Lake Charles, LA.....	4,817	5,047	4,540	-10.1	24,905	26,038	23,362	347
Lake Havasu City-Kingman, AZ.....	3,431	3,780	4,116	8.9	19,952	21,066	22,055	355
Lakeland, FL.....	13,051	14,376	15,659	8.9	25,584	27,459	28,896	215
Lancaster, PA.....	14,248	15,171	15,991	5.4	29,550	31,216	32,638	124
Lansing-East Lansing, MI.....	13,098	13,329	13,790	3.5	28,882	29,284	30,330	178
Laredo, TX.....	3,632	3,863	4,230	9.5	17,079	17,653	18,809	361
Las Cruces, NM.....	3,737	4,092	4,367	6.7	20,480	22,082	23,070	349
Las Vegas-Paradise, NV.....	48,601	54,475	59,793	9.8	30,861	33,049	34,980	76
Lawrence, KS.....	2,813	3,012	3,166	5.1	26,275	27,515	28,394	237
Lawton, OK.....	2,823	2,958	3,127	5.7	25,666	26,229	28,269	243
Lebanon, PA.....	3,437	3,761	3,957	5.2	27,986	30,316	31,545	149
Lewiston, ID-WA.....	1,532	1,611	1,662	3.1	26,327	27,496	28,135	249
Lewiston-Auburn, ME.....	2,957	3,047	3,163	3.8	27,905	28,521	29,542	200
Lexington-Fayette, KY.....	13,097	13,815	14,496	4.9	31,143	32,545	33,737	94
Lima, OH.....	2,820	2,817	2,904	3.1	26,371	26,527	27,382	278
Lincoln, NE.....	8,593	9,028	9,377	3.9	31,070	32,420	33,316	109
Little Rock-North Little Rock-Conway, AR.....	18,811	20,087	21,059	4.8	29,952	31,645	32,770	119
Logan, UT-ID.....	2,201	2,392	2,504	4.7	20,294	21,958	22,609	351
Longview, TX.....	5,361	5,545	6,014	8.5	27,022	27,763	29,903	186
Longview, WA.....	2,360	2,429	2,553	5.1	24,853	25,265	26,268	309
Los Angeles-Long Beach-Santa Ana, CA.....	427,550	453,033	475,263	4.9	33,340	35,115	36,746	50
Louisville-Jefferson County, KY-IN.....	37,344	39,044	40,842	4.6	31,374	32,522	33,749	92
Lubbock, TX.....	6,495	6,832	7,277	6.5	25,300	26,510	28,098	250
Lynchburg, VA.....	6,102	6,434	6,808	5.8	26,334	27,566	28,846	219
Macon, GA.....	6,175	6,411	6,751	5.3	27,315	28,195	29,613	197
Madera, CA.....	2,716	2,995	3,164	5.7	20,314	21,560	22,198	354
Madison, WI.....	18,698	19,913	20,939	5.2	35,645	37,490	38,993	34
Manchester-Nashua, NH.....	14,324	15,385	15,967	3.8	36,321	38,634	39,865	28
Mansfield, OH.....	3,348	3,351	3,432	2.4	26,142	26,204	26,900	293
McAllen-Edinburg-Mission, TX.....	9,485	10,229	11,102	8.5	14,925	15,560	16,359	363
Medford, OR.....	5,214	5,599	5,901	5.4	27,401	29,021	30,239	182
Memphis, TN-MS-AR.....	38,551	40,258	42,133	4.7	31,217	32,342	33,529	103
Merced, CA.....	4,989	5,362	5,538	3.3	21,560	22,647	22,862	350
Miami-Fort Lauderdale-Pompano Beach, FL.....	174,000	190,430	203,465	6.8	32,983	35,589	37,507	44
Michigan City-La Porte, IN.....	2,794	2,892	3,002	3.8	25,478	26,371	27,222	286
Midland, TX.....	4,022	4,426	4,963	12.1	33,900	36,899	40,855	22
Milwaukee-Waukesha-West Allis, WI.....	52,909	55,370	57,604	4.0	35,023	36,644	38,164	37
Minneapolis-St. Paul-Bloomington, MN-WI.....	119,628	127,315	132,210	3.8	38,815	40,915	42,091	16
Missoula, MT.....	2,779	2,923	3,062	4.7	28,253	29,520	30,608	171
Mobile, AL.....	9,158	9,619	10,237	6.4	22,960	24,111	25,602	323
Modesto, CA.....	11,959	12,886	13,552	5.2	24,375	25,915	26,810	297
Monroe, LA.....	4,287	4,450	4,609	3.6	25,190	26,071	27,018	290
Monroe, MI.....	4,555	4,592	4,747	3.4	30,215	30,154	30,873	161
Montgomery, AL.....	10,055	10,679	11,375	6.5	28,589	30,237	31,958	139
Morgantown, WV.....	2,892	3,047	3,217	5.6	25,510	26,766	28,058	252
Morristown, TN.....	2,922	3,052	3,195	4.7	22,958	23,709	24,459	343
Mount Vernon-Anacortes, WA.....	3,209	3,333	3,594	7.8	29,400	29,990	31,754	143
Muncie, IN.....	3,090	3,083	3,188	3.4	26,128	26,255	27,431	277
Muskegon-Norton Shores, MI.....	4,260	4,363	4,495	3.0	24,629	25,084	25,692	320
Myrtle Beach-Conway-North Myrtle Beach, SC.....	5,271	5,654	6,095	7.8	25,017	26,006	26,789	298
Napa, CA.....	5,056	5,405	5,787	7.1	38,356	40,835	43,669	12
Naples-Marco Island, FL.....	12,289	14,550	15,237	4.7	42,942	49,043	49,492	4
Nashville-Davidson-Murfreesboro-Franklin, TN.....	45,403	48,620	52,092	7.1	33,140	34,888	36,655	53
New Haven-Milford, CT.....	30,286	31,856	33,182	4.2	36,043	37,803	39,292	31
New Orleans-Metairie-Kenner, LA.....	38,348	40,230	42,552	-34.0	29,227	30,611	32,010	360
New York-Northern New Jersey-Long Island, NY-NJ-PA.....	762,464	816,254	851,660	4.3	40,776	43,496	45,268	10
Niles-Benton Harbor, MI.....	4,451	4,607	4,740	2.9	27,379	28,351	29,242	208
Norwich-New London, CT.....	9,544	10,029	10,379	3.5	36,069	37,715	39,276	32
Ocala, FL.....	6,729	7,495	8,161	8.9	23,983	25,721	26,893	294
Ocean City, NJ.....	3,538	3,765	3,909	3.8	34,810	37,556	39,563	30
Odessa, TX.....	2,791	2,914	3,206	10.0	22,718	23,457	25,590	326
Ogden-Clearfield, UT.....	12,139	12,862	13,654	6.2	25,914	26,951	28,070	251
Oklahoma City, OK.....	32,697	35,735	37,970	6.3	28,912	31,325	32,875	117
Olympia, WA.....	6,904	7,317	7,724	5.6	31,266	32,589	33,745	93
Omaha-Council Bluffs, NE-IA.....	27,237	29,025	30,435	4.9	34,414	36,191	37,444	45
Orlando-Kissimmee, FL.....	51,110	55,966	60,951	8.9	28,387	30,068	31,557	148
Oshkosh-Neenah, WI.....	4,925	5,050	5,261	4.2	31,116	31,846	32,978	114
Owensboro, KY.....	2,798	2,933	3,102	5.8	25,282	26,435	27,844	260
Oxnard-Thousand Oaks-Ventura, CA.....	28,057	30,534	32,139	5.3	35,510	38,367	40,358	27

See the footnotes at the end of the table.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003–2005—Continues

Area name	Personal income				Per capita personal income ¹			Rank in United States
	Millions of dollars			Percent change ²	Dollars			
	2003	2004	2005		2003	2004	2005	
Metropolitan Statistical Areas⁴—Continued								
Palm Bay-Melbourne-Titusville, FL	14,586	15,780	16,811	6.5	28,895	30,455	31,800	141
Palm Coast, FL	1,555	1,850	2,076	12.2	24,909	26,913	27,297	282
Panama City-Lynn Haven, FL	4,119	4,546	4,888	7.5	26,623	28,836	30,298	179
Parkersburg-Marietta-Vienna, WV-OH	4,090	4,252	4,350	2.3	25,092	26,123	26,811	296
Pascagoula, MS	3,612	3,712	3,910	5.3	23,465	23,849	24,943	334
Pensacola-Ferry Pass-Brent, FL	10,921	11,629	12,361	6.3	25,443	26,800	28,217	244
Peoria, IL	10,949	11,633	12,410	6.7	29,944	31,694	33,690	96
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	213,543	224,974	236,467	5.1	37,056	38,869	40,727	23
Phoenix-Mesa-Scottsdale, AZ	105,504	114,926	125,718	9.4	29,318	30,892	32,414	132
Pine Bluff, AR	2,282	2,392	2,442	2.1	21,576	22,791	23,433	346
Pittsburgh, PA	79,478	83,356	87,003	4.4	33,037	34,810	36,530	57
Pittsfield, MA	4,345	4,651	4,953	6.5	32,684	35,149	37,586	41
Pocatello, ID	1,899	2,045	2,143	4.8	22,462	23,914	25,048	330
Portland-South Portland-Biddeford, ME	16,483	17,405	17,948	3.1	32,508	34,078	34,986	75
Portland-Vancouver-Beaverton, OR-WA	66,576	70,144	74,282	5.9	32,629	34,018	35,430	68
Port St. Lucie, FL	10,847	12,295	13,169	7.1	31,111	33,731	34,723	80
Poughkeepsie-Newburgh-Middletown, NY	20,067	21,372	22,451	5.1	30,631	32,260	33,647	99
Prescott, AZ	4,050	4,519	4,876	7.9	21,969	23,696	24,521	342
Providence-New Bedford-Fall River, RI-MA	52,348	54,685	56,721	3.7	32,293	33,639	35,025	74
Provo-Orem, UT	8,299	8,881	9,557	7.6	20,338	20,043	20,731	359
Pueblo, CO	3,602	3,745	3,870	3.3	24,220	25,024	25,634	322
Punta Gorda, FL	3,915	4,334	4,613	6.4	25,643	27,588	29,890	187
Racine, WI	6,044	6,304	6,574	4.3	31,447	32,571	33,676	97
Raleigh-Cary, NC	29,419	31,680	33,907	7.0	33,134	34,615	35,624	62
Rapid City, SD	3,407	3,697	3,902	5.5	29,430	31,474	33,093	112
Reading, PA	11,557	11,931	12,543	5.1	29,942	30,501	31,655	146
Redding, CA	4,640	4,991	5,209	4.4	26,456	28,103	29,104	212
Reno-Sparks, NV	14,008	15,397	16,259	5.6	37,399	40,065	41,284	21
Richmond, VA	37,893	40,189	42,873	6.7	33,266	34,808	36,537	56
Riverside-San Bernardino-Ontario, CA	89,476	97,251	104,074	7.0	24,560	25,705	26,618	301
Roanoke, VA	8,625	9,128	9,531	4.4	29,763	31,384	32,587	125
Rochester, MN	6,129	6,406	6,640	3.7	35,584	36,652	37,517	42
Rochester, NY	32,129	33,821	35,106	3.8	30,894	32,531	33,857	90
Rockford, IL	9,165	9,253	9,692	4.7	27,541	27,461	28,335	241
Rocky Mount, NC	3,634	3,847	4,025	4.6	25,223	26,584	27,724	266
Rome, GA	2,409	2,550	2,708	6.2	25,778	27,128	28,698	226
Sacramento-Arden-Arcade-Roseville, CA	63,121	68,308	72,404	6.0	31,972	33,919	35,463	67
Saginaw-Saginaw Township North, MI	5,460	5,580	5,665	1.5	26,116	26,712	27,256	284
St. Cloud, MN	4,852	5,146	5,334	3.7	27,298	28,719	29,473	201
St. George, UT	2,108	2,421	2,689	11.1	20,171	21,912	22,565	352
St. Joseph, MO-KS	2,988	3,113	3,231	3.8	24,334	25,541	26,528	302
St. Louis, MO-IL	92,004	94,075	98,979	5.2	33,455	34,011	35,573	65
Salem, OR	9,676	10,167	10,790	6.1	26,526	27,500	28,677	228
Salinas, CA	13,381	14,179	14,752	4.0	32,271	34,203	35,775	59
Salisbury, MD	2,818	3,095	3,309	6.9	24,995	27,113	28,549	231
Salt Lake City, UT	29,508	31,341	33,634	7.3	29,313	30,731	32,133	135
San Angelo, TX	2,775	2,891	3,022	4.5	26,290	27,431	28,738	222
San Antonio, TX	50,288	53,643	57,384	7.0	27,727	28,981	30,393	176
San Diego-Carlsbad-San Marcos, CA	104,630	113,062	119,136	5.4	35,810	38,536	40,569	24
Sandusky, OH	2,518	2,530	2,620	3.5	31,976	32,095	33,426	106
San Francisco-Oakland-Fremont, CA	194,295	207,385	218,475	5.3	46,731	49,989	52,543	2
San Jose-Sunnyvale-Santa Clara, CA	79,776	83,986	88,883	5.8	45,966	48,226	50,468	3
San Luis Obispo-Paso Robles, CA	7,694	8,379	8,766	4.6	30,413	32,949	34,305	86
Santa Barbara-Santa Maria-Goleta, CA	13,677	15,389	16,231	5.5	33,942	38,313	40,486	25
Santa Cruz-Watsonville, CA	9,499	10,258	10,636	3.7	37,767	40,907	42,643	13
Santa Fe, NM	4,510	5,019	5,341	6.4	32,877	36,095	37,934	38
Santa Rosa-Petaluma, CA	17,253	17,985	18,890	5.0	36,935	38,441	40,451	26
Sarasota-Bradenton-Venice, FL	23,362	26,286	27,914	6.2	36,872	40,356	41,577	18
Savannah, GA	8,810	9,423	10,183	8.1	28,936	30,431	32,486	130
Scranton-Wilkes-Barre, PA	15,384	16,131	16,818	4.3	27,879	29,295	30,547	173
Seattle-Tacoma-Bellevue, WA	121,625	131,813	133,475	1.3	38,694	41,593	41,608	17
Sebastian-Vero Beach, FL	4,886	5,643	5,886	4.3	40,648	45,336	46,219	7
Sheboygan, WI	3,552	3,754	3,937	4.9	31,314	32,978	34,409	83
Sherman-Denison, TX	2,728	2,878	3,060	6.3	23,737	24,846	26,207	311
Shreveport-Bossier City, LA	10,297	10,998	11,463	4.2	27,285	28,947	30,004	184
Sioux City, IA-NE-SD	3,897	4,059	4,187	3.2	27,272	28,361	29,392	206
Sioux Falls, SD	6,642	7,193	7,604	5.7	33,469	35,390	36,576	55
South Bend-Mishawaka, IN-MI	9,250	9,694	10,067	3.8	29,193	30,556	31,700	145
Spartanburg, SC	6,597	6,831	7,111	4.1	25,226	25,908	26,656	300
Spokane, WA	11,647	12,202	12,862	5.4	27,053	28,061	29,203	209
Springfield, IL	7,276	6,664	6,918	3.8	35,567	32,517	33,699	95
Springfield, MA	20,430	21,369	22,433	5.0	29,765	31,128	32,678	123
Springfield, MO	9,860	10,447	11,054	5.8	25,683	26,741	27,783	264
Springfield, OH	3,871	3,912	4,042	3.3	27,167	27,507	28,485	235
State College, PA	3,616	3,910	4,110	5.1	25,877	27,939	29,295	207
Stockton, CA	15,577	16,603	17,332	4.4	24,677	25,570	26,071	313
Sumter, SC	2,358	2,515	2,627	4.5	22,398	23,867	25,042	331
Syracuse, NY	18,778	19,583	20,291	3.6	28,795	30,011	31,195	153

See the footnotes at the end of the table.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2003-2005—Table Ends

Area name	Personal income				Per capita personal income ¹			Rank in United States
	Millions of dollars			Percent change ²	Dollars			
	2003	2004	2005		2003	2004	2005	
Metropolitan Statistical Areas⁴—Continued								
Tallahassee, FL.....	8,733	9,501	9,944	4.7	26,671	28,775	29,852	189
Tampa-St. Petersburg-Clearwater, FL.....	76,487	82,692	87,999	6.4	30,258	32,000	33,250	110
Terre Haute, IN.....	4,101	4,285	4,428	3.3	24,228	25,457	26,341	307
Texarkana, TX-Texarkana, AR.....	3,153	3,409	3,620	6.2	23,997	25,758	27,184	287
Toledo, OH.....	19,591	19,679	20,269	3.0	29,761	29,945	30,915	157
Topeka, KS.....	6,471	6,803	7,093	4.3	28,584	29,923	31,074	155
Trenton-Ewing, NJ.....	15,228	15,893	16,811	5.8	42,212	43,657	45,923	8
Tucson, AZ.....	22,801	24,881	26,704	7.3	25,620	27,467	28,869	217
Tulsa, OK.....	26,729	28,763	30,723	6.8	30,420	32,692	34,685	81
Tuscaloosa, AL.....	5,091	5,350	5,801	8.4	26,263	27,498	29,557	199
Tyler, TX.....	5,241	5,562	5,963	7.2	28,533	29,804	31,301	151
Utica-Rome, NY.....	7,362	7,850	8,110	3.3	24,720	26,323	27,256	284
Valdosta, GA.....	2,788	2,924	3,099	6.0	22,898	23,701	24,638	337
Vallejo-Fairfield, CA.....	12,411	13,048	13,759	5.4	30,209	31,716	33,494	104
Victoria, TX.....	2,989	3,082	3,300	7.1	26,480	27,226	29,102	213
Vineland-Millville-Bridgeton, NJ.....	3,890	4,058	4,304	6.1	26,077	26,917	28,149	248
Virginia Beach-Norfolk-Newport News, VA-NC.....	48,856	51,739	54,438	5.2	30,129	31,587	33,163	111
Visalia-Porterville, CA.....	8,509	9,190	9,669	5.2	21,765	22,920	23,517	345
Waco, TX.....	5,466	5,673	6,026	6.2	24,909	25,503	26,860	295
Warner Robins, GA.....	3,207	3,347	3,580	7.0	26,738	27,064	28,507	233
Washington-Arlington-Alexandria, DC-VA-MD-WV.....	222,926	239,826	255,740	6.6	43,693	46,311	48,697	5
Waterloo-Cedar Falls, IA.....	4,488	4,836	4,986	3.1	27,801	29,932	30,807	165
Wausau, WI.....	3,804	3,946	4,146	5.1	29,909	30,890	32,176	134
Weirton-Staubenville, WV-OH.....	3,104	3,224	3,320	3.0	24,168	25,317	26,287	308
Wenatchee, WA.....	2,655	2,784	2,914	4.7	26,104	26,971	27,789	262
Wheeling, WV-OH.....	3,846	3,931	4,088	4.0	25,634	26,319	27,565	271
Wichita, KS.....	17,535	18,519	19,763	6.7	30,163	31,737	33,671	98
Wichita Falls, TX.....	4,117	4,228	4,432	4.8	27,736	28,630	30,335	177
Williamsport, PA.....	3,074	3,204	3,311	3.3	25,948	27,068	28,034	256
Wilmington, NC.....	7,780	8,594	9,357	8.9	26,523	28,382	29,742	193
Winchester, VA-WV.....	2,995	3,219	3,468	7.7	27,146	28,487	29,873	188
Winston-Salem, NC.....	13,116	14,004	14,801	5.7	30,045	31,762	33,022	113
Worcester, MA.....	25,992	27,565	28,806	4.5	33,546	35,433	36,851	47
Yakima, WA.....	5,476	5,647	5,851	3.6	24,154	24,637	25,336	328
York-Hanover, PA.....	11,542	12,374	13,222	6.9	29,234	30,877	32,393	133
Youngstown-Warren-Boardman, OH-PA.....	15,557	15,894	16,352	2.9	26,271	26,700	27,670	268
Yuba City, CA.....	3,605	3,864	3,998	3.5	24,292	25,559	25,602	323
Yuma, AZ.....	3,269	3,558	3,814	7.2	19,171	20,265	21,005	358

1. Per capita personal income was computed using Census Bureau midyear population estimates.

2. Percent change calculated from unrounded data.

3. The personal income level shown for the United States is derived as the sum of the county estimates. It differs from the estimate of personal income in the national income and product accounts because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of

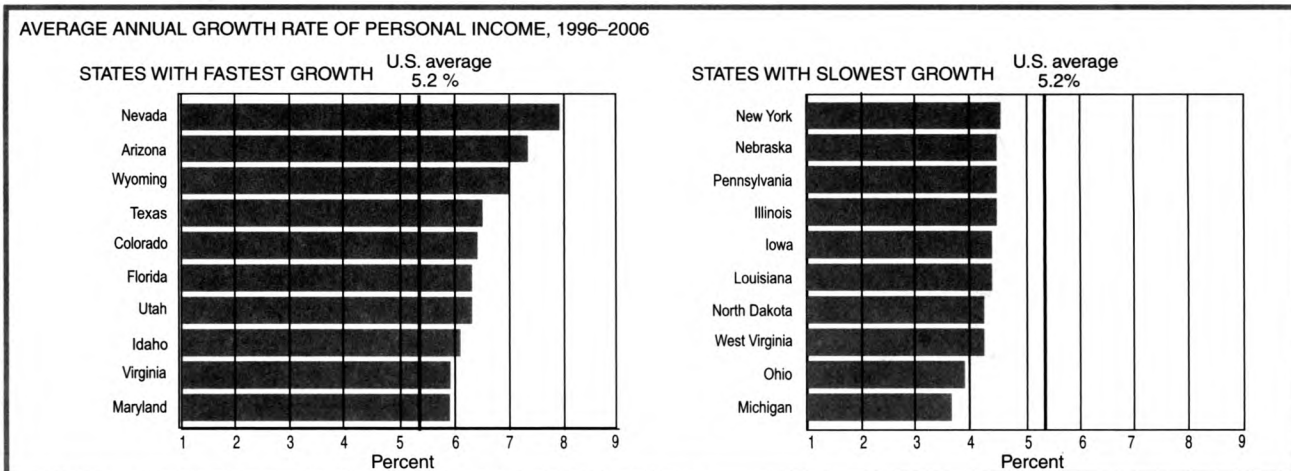
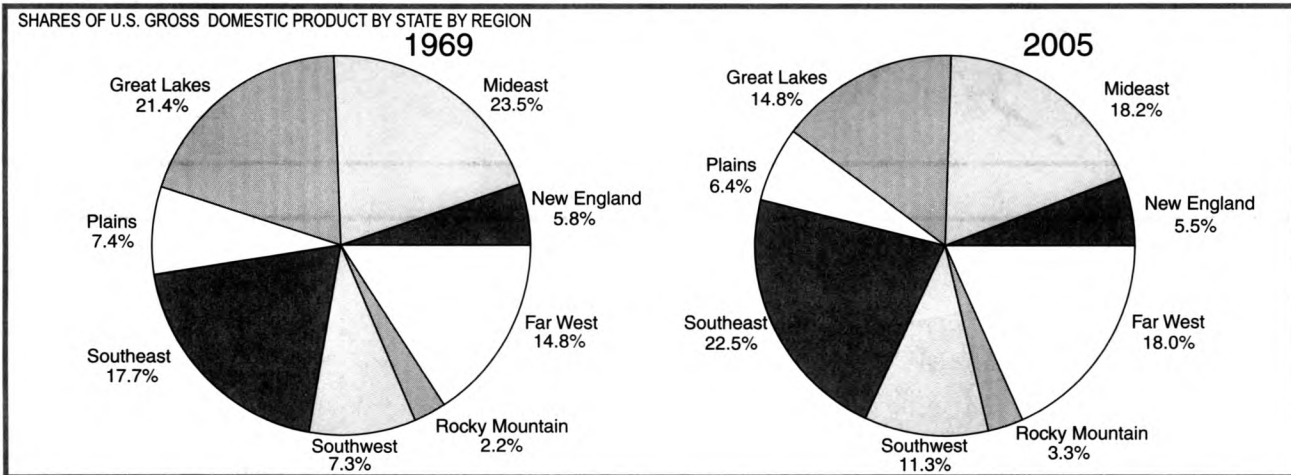
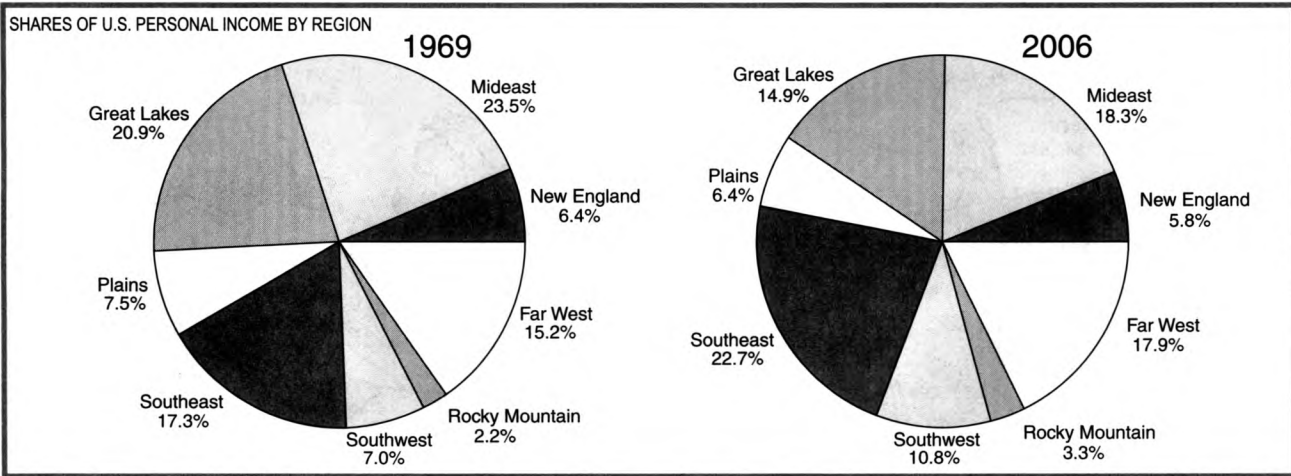
source data.

4. The metropolitan area definitions used by BEA for its personal income estimates are the new county-based definitions issued by the Office of Management and Budget in June 2003 (with revisions released February 2004, March 2005, December 2005, and December 2006) for federal statistical purposes.

Source: Table 1 in "Local Area Personal Income for 2003-2005" in the May 2007 Survey of Current Business.

K. Charts

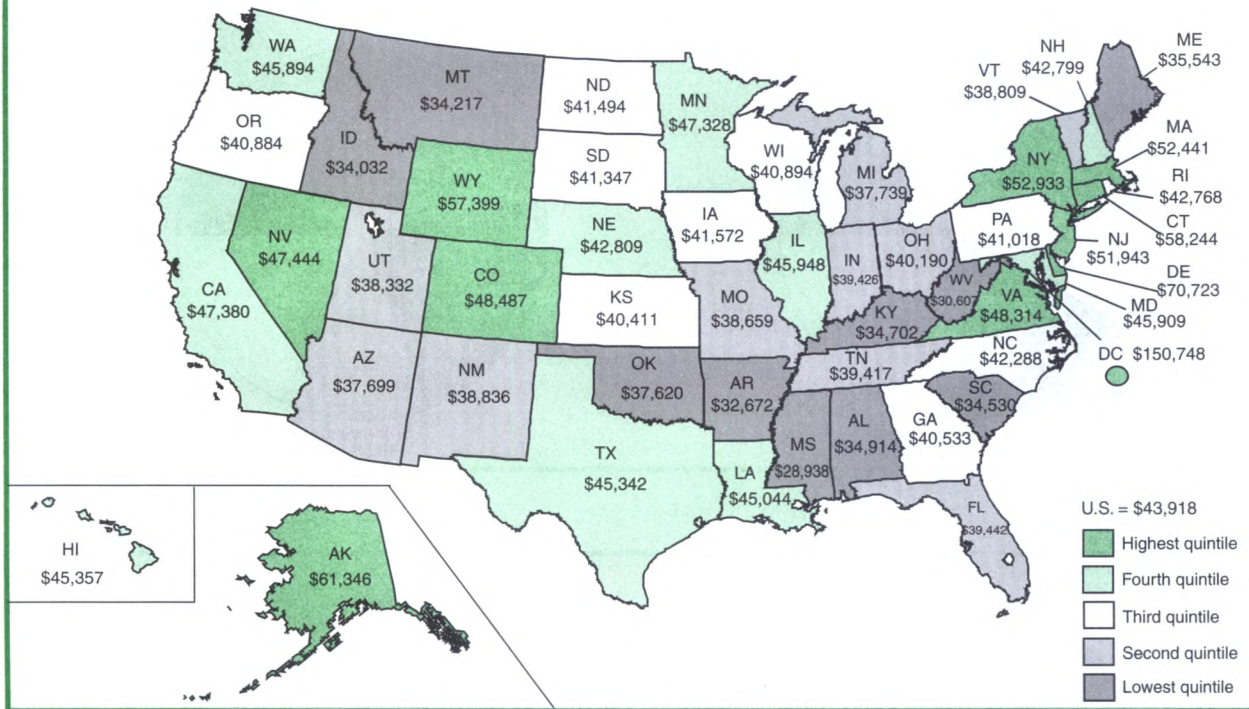
SELECTED REGIONAL ESTIMATES



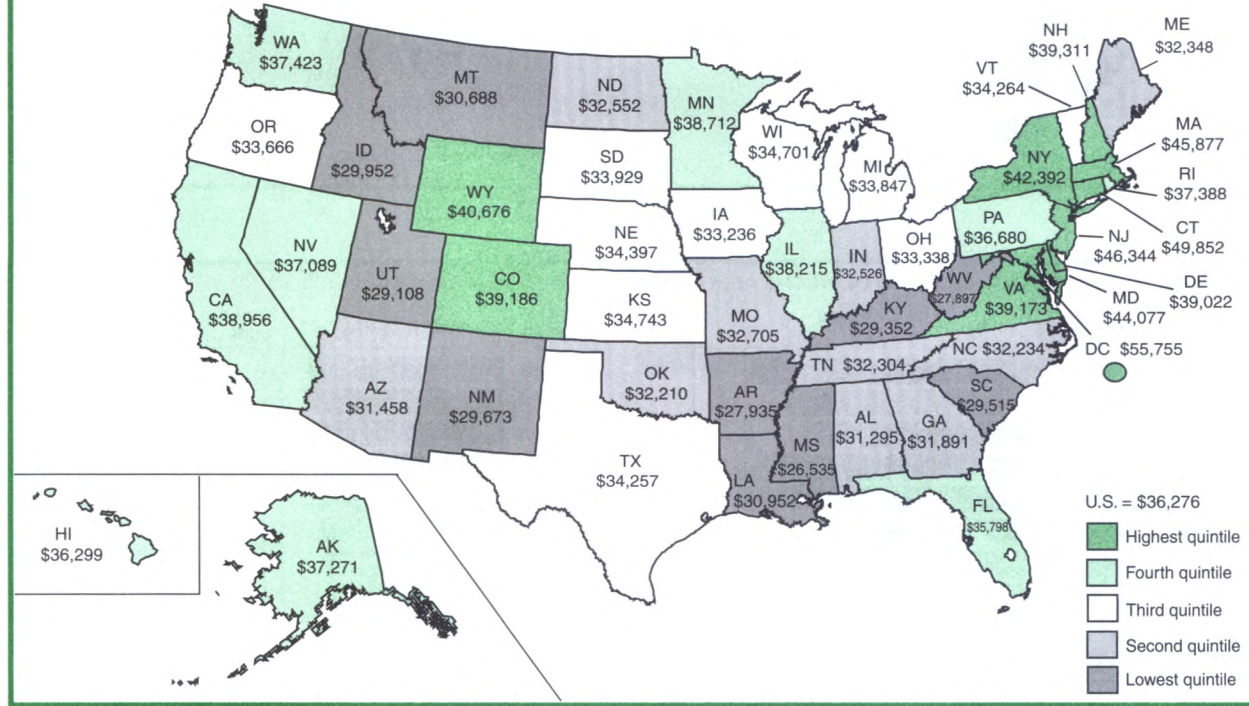
U.S. Bureau of Economic Analysis

SELECTED REGIONAL ESTIMATES

PER CAPITA GROSS DOMESTIC PRODUCT BY STATE IN CURRENT DOLLARS, 2006



PER CAPITA PERSONAL INCOME, 2006



U.S. Bureau of Economic Analysis

Appendixes

A. Additional Information About the NIPA Estimates

Statistical Conventions

Current-dollar GDP is a measure of the market value of goods, services, and structures that are produced in the economy in a particular period. The changes in current-dollar GDP can be decomposed into quantity and price components. Quantities, or “real” measures, and prices are expressed as index numbers with the reference year—at present, the year 2000—equal to 100.¹

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. For example, the annual percent change in real GDP for 2001–2002 uses prices for 2001 and 2002 as weights, and the 2001–2002 annual percent change in the GDP price index uses quantities for 2001 and 2002 as weights. Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias that is associated with changes in quantities and prices calculated using a fixed-weighted formula. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. The percent changes in the Fisher indexes are not affected by the choice of the reference year.

BEA also publishes implicit price deflators (IPDs), which are calculated as the ratio of the current-dollar value of a component to the chained-dollar value of the component, multiplied by 100. The values of an IPD are very close to the values of the corresponding “chain-type” price index.

The measures of real GDP and its major components are also presented in dollar-denominated form, designated “chained (2000) dollar estimates.” For most series, these estimates are computed by multiplying the current-dollar value in 2000 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2000 and if real output for this component increased by 10 percent in 2001, then the chained (2000) dollar value of this component in 2001 would be \$110 ($\100×1.10). The percent changes calculated from the chained (2000) dollar estimates and from the quantity indexes are the same; any differences will be small and due to rounding.

The chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP (or to any intermediate aggregate) in a table, because the relative prices that are used as weights for any period other than the reference year differ from those of the reference year. A measure of the effect of such differences is provided by a “residual” line—the differ-

ence between the chained-dollar value of the main aggregate in the table and the sum of the most detailed components in the table. For periods close to the reference year, when the relative prices that are used as weights have usually not changed much, the residuals tend to be small, and the chained-dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. For periods further from the reference year, the residuals tend to be larger, and the chained-dollar estimates are less useful for analyses of contributions to growth. In particular, for components for which relative prices are changing rapidly, the calculation of contributions based on chained-dollar estimates may be misleading even just a few years from the reference year. Thus, contributions derived from quantity indexes provide a better measure than contributions derived from chained-dollar estimates; contributions based on quantity indexes are shown in selected NIPA tables 1.1.2, 1.2.2, 1.5.2, 2.3.2, 3.9.2, 4.2.2, and 5.3.2.

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

For most quarterly NIPA estimates, *percent changes* in the estimates are also expressed at annual rates. Calculating these *changes* requires a variant of the compound interest formula:

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

where r is the percent change at an annual rate; x_t is the level of activity in the later period; x_o is the level of activity in the earlier period; m is the periodicity of the data (for example, 1 for annual data, 4 for quarterly data, or 12 for monthly data); and n is the number of periods between the earlier periods and the later periods (that is, $t-0$).

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

1. See J. Steven Landefeld, Brent R. Moulton, and Cindy M. Vojtech, “Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes,” *SURVEY OF CURRENT BUSINESS* (November 2003): 8–16.

Reconciliation Table

Table 1. Relation of Net Exports of Goods and Services and Net Receipts of Income in the NIPAs to Balance on Goods and Services and Income in the ITAs

[Billions of dollars]

	Line	2005	2006	Seasonally adjusted at annual rates					
				2005		2006			
				III	IV	I	II	III	IV
Exports of goods and services and income receipts, ITAs	1	1,749.9	2,058.8	1,771.7	1,849.4	1,933.4	2,043.7	2,095.3	2,163.0
Less: Gold, ITAs.....	2	5.5	8.8	5.4	5.8	7.6	8.8	9.6	9.0
Statistical differences ¹	3	0.0	-6.7	0.0	0.0	-8.3	-0.2	-9.2	-9.2
Other items.....	4	0.9	0.8	1.0	1.1	1.0	0.8	0.9	0.7
Plus: Adjustment for grossing of parent/affiliate interest payments.....	5	7.3	9.2	7.4	8.2	8.2	9.3	9.8	9.5
Adjustment for U.S. territories and Puerto Rico.....	6	56.7	57.5	57.8	57.4	58.3	56.5	57.6	57.7
Services furnished without payment by financial intermediaries except life insurance carriers.....	7	9.1	9.2	9.0	9.2	9.2	9.4	9.3	8.8
Equals: Exports of goods and services and income receipts, NIPAs	8	1,816.5	2,131.8	1,839.6	1,917.3	2,008.7	2,109.5	2,170.7	2,238.5
Imports of goods and services and income payments, ITAs	9	2,455.3	2,831.4	2,467.5	2,637.2	2,710.3	2,827.1	2,922.8	2,865.2
Less: Gold, ITAs.....	10	4.4	5.6	4.4	5.4	5.7	6.2	5.6	5.1
Statistical differences ¹	11	0.0	11.4	0.0	0.0	13.5	10.8	10.6	10.7
Other items.....	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: Gold, NIPAs.....	13	-3.5	-4.5	-3.5	-3.6	-4.0	-4.3	-4.2	-5.5
Adjustment for grossing of parent/affiliate interest payments.....	14	7.3	9.2	7.4	8.2	8.2	9.3	9.8	9.5
Adjustment for U.S. territories and Puerto Rico.....	15	37.5	36.2	40.1	34.8	40.5	43.9	34.1	26.3
Imputed interest paid to rest of world.....	16	9.1	9.2	9.0	9.2	9.2	9.4	9.3	8.8
Equals: Imports of goods and services and income payments, NIPAs	17	2,501.3	2,864.4	2,516.2	2,680.2	2,744.9	2,868.5	2,955.7	2,888.6
Balance on goods and services and income, ITAs (1-9)	18	-705.4	-772.6	-695.8	-787.8	-776.9	-783.4	-827.5	-702.2
Less: Gold (2-10+13).....	19	-2.4	-1.3	-2.5	-3.2	-2.1	-1.7	-0.2	-1.6
Statistical differences (3-11) ¹	20	0.0	-18.1	0.0	0.0	-21.8	-11.0	-19.8	-19.9
Other items (4-12).....	21	0.9	0.8	1.0	1.1	1.0	0.8	0.9	0.7
Plus: Adjustment for U.S. territories and Puerto Rico (6-15).....	22	19.2	21.3	17.7	22.6	17.8	12.6	23.5	31.4
Equals: Net exports of goods and services and net receipts of income, NIPAs (8-17)	23	-684.8	-732.6	-676.6	-762.9	-736.2	-759.0	-785.0	-650.1

1. Consists of statistical revisions to the ITAs that have not yet been incorporated into the NIPAs.

ITAs International transactions accounts
NIPAs National income and product accounts

B. Suggested Reading

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

National accounts

The national accounts encompass the detailed estimates in the national income and product accounts (including gross domestic product) and the estimates of fixed assets and consumer durable goods.

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

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

Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends (2002)

Government Transactions (1988)

Personal Consumption Expenditures (1990)

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

The following SURVEY articles describe the most recent comprehensive revision of the NIPAs.

"Improved Estimates of the National Income and Product Accounts for 1929–2002: Results of the Comprehensive Revision" (February 2004)

"Preview of the Revised NIPA Estimates for 1997 Effects of Incorporating the 1997 Benchmark I-O Accounts and Proposed Definitional and Statistical Changes" (January 2003)

"Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts"

Changes in Definitions and Classifications (June 2003)

New and Redesigned Tables (August 2003)

Statistical Changes (September 2003)

"Measuring the Services of Commercial Banks in the NIPAs: Changes in Concepts and Methods" (September 2003)

"Measuring the Services of Property-Casualty In-

urance in the NIPAs: Changes in Concepts and Methods" (October 2003)

In addition, see the following articles.

"Annual Revision of the National Income and Product Accounts" (August 2006) presents revisions and describes any changes in the data and the methods that are used to prepare the estimates.

"Updated Summary NIPA Methodologies" (November 2006) describes the source data and the methods that are used to prepare the current-dollar and real estimates of GDP.

"Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes" (November 2003) discusses the advantages of using chain-weighted indexes and the challenges of using chained dollars.

"Reliability of the NIPA Estimates of U.S. Economic Activity" (February 2005) evaluates the principal NIPA estimates by examining the record of revisions to them.

"Gross Domestic Product: Revisions and Source Data" (February 2006) describes the categories of data that are used for the advance, preliminary, and final quarterly estimates of GDP.

Fixed assets and consumer durable goods. *Fixed Assets and Consumer Durable Goods in the United States, 1925–97* (2003) discusses the concepts and statistical considerations that underlie the estimates and their derivation.

"Fixed Assets and Consumer Durable Goods for 1925–2002" (May 2004) describes the improvements that were incorporated into these estimates as part of the most recent comprehensive NIPA revision.

"Fixed Assets and Consumer Durable Goods for 1995–2005" (September 2006) provides estimates that reflect the incorporation of the most recent annual NIPA revision.

Mission Statement and Strategic Plan

The mission statement of the Bureau of Economic Analysis and its most recently updated strategic plan for improving the accuracy, reliability, and relevance of the national, industry, regional, and international accounts are available on BEA's Web site at <www.bea.gov> under "About BEA."

Industry accounts

The industry accounts consist of the annual industry accounts (the input-output accounts and the gross-domestic-product-by-industry accounts) and one satellite account.

Annual industry accounts. “Improved Annual Industry Accounts for 1998–2003” (June 2004) describes the comprehensive revision of the annual input-output accounts and the GDP-by-industry accounts that features the integration of the two sets of accounts.

“Annual Industry Accounts” (December 2006) presents the annual revision of these accounts and describes the source data and any changes in the methods that are used to prepare the estimates.

In addition, see the following articles.

“Preview of the Benchmark Input-Output Accounts for 2002” (September 2005) includes the proposed new sectors that are based on the 2002 North American Industry Classification System.

“Preview of the Comprehensive Revision of the Annual Industry Accounts: Integrating the Annual Input-Output Accounts and the Gross-Domestic-Product-by-Industry Accounts” (March 2004) provides the details about the comprehensive revision.

“Benchmark Input-Output Accounts for the U.S. Economy, 1997” (December 2002)

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

“Research and Development Satellite Account”
For 1959–2002 (December 2006)

“U.S. Travel and Tourism Satellite Accounts”
For 1998–2003 (September 2004)
For 2001–2004 (June 2005)
For 2002–2005 (June 2006)
For 1998–2006 (June 2007)

International accounts

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

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

The annual revisions of the ITAs are described in a series of articles, the latest of which was published in the July 2006 SURVEY.

Direct investment. *International Direct Investment: Studies by the Bureau of Economic Analysis* (1999) is a

collection of previously published articles on U.S. direct investment abroad and foreign direct investment in the United States. It includes “A Guide to BEA Statistics on U.S. Multinational Companies,” which is also available in the March 1995 SURVEY, and “A Guide to BEA Statistics on Foreign Direct Investment in the United States,” which is also available in the February 1990 SURVEY.

In addition, the updated methodologies are available in *U.S. Direct Investment Abroad: Final Results From the 1999 Benchmark Survey* (2004), and in *Foreign Direct Investment in the United States: Final Results From the 2002 Benchmark Survey* (2006).

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

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

Regional accounts

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

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

“Comprehensive Revision of State Personal Income for 1969–2003” (May 2004) describes the improvements in the methodology that are used to prepare the estimates and that are part of a comprehensive revision.

“The Reliability of the State Personal Income Estimates” (December 2003) evaluates the estimates of state personal income and of selected components by examining the revisions of these estimates.

“Comprehensive Revision of Local Area Personal Income for 1969–2002” (June 2004) summarizes the improvements in the methodology that is used to prepare the estimates for counties and metropolitan areas. The detailed methodology is available on the DVD-ROM *Regional Economic Information System, 1969–2004*.

Gross state product. “Comprehensive Revision of Gross State Product” (January 2005) summarizes the sources and the methods that are used to prepare the estimates.

“Gross State Product by Industry for 1998–2005” (July 2006) presents the most recent annual revision.