

SURVEY OF CURRENT BUSINESS

BEA's MONTHLY JOURNAL



In this issue . . .

Trends in Consumer Spending and Personal Saving,
1959-2009

Returns for Domestic Nonfinancial Business

U.S. Travel and Tourism Satellite Accounts, 2007-2010

Research Spotlight

Artistic Originals as Capital Assets

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SURVEY OF CURRENT BUSINESS

June 2011

Volume 91 • Number 6

- 1 GDP and the Economy: Second Estimates for the First Quarter of 2011**
Real GDP increased 1.8 percent after increasing 3.1 percent in the fourth quarter of 2010. Imports turned up, consumer spending and nonresidential investment slowed, and federal government spending decreased more.
- 11 Government Receipts and Expenditures: First Quarter of 2011**
Net government saving rose \$17.6 billion to $-\$1,282.5$ billion. Net federal government saving rose \$51.3 billion to $-\$1,288.4$ billion. Net state and local government saving fell \$33.6 billion to \$6.0 billion.
- 14 Trends in Consumer Spending and Personal Saving, 1959–2009**
A long-term look at consumer spending—including the growth in the share of consumer spending accounted for by services and trends during recessions—and personal saving.
- 24 Returns for Domestic Nonfinancial Business**
Aggregate rates of return for nonfinancial corporations, industries, and selected industry groups and various Q ratios. Domestic nonfinancial corporate returns rose in 2010 after declining in the preceding 3 years.
- 29 U.S. Travel and Tourism Satellite Accounts for 2007–2010**
In 2010, the travel and tourism industry grew 3.1 percent after decreasing 9.3 percent in 2009. Tourism employment continued to decline, but at a slower rate.
- 43 Research Spotlight**
Artistic Originals as Capital Assets
As part of the 2013 comprehensive revision of the national accounts, BEA is planning to change its approach to the production of artistic originals, treating such production as investment. A look at how this change might affect GDP and other measures.

www.bea.gov

52 Subject Guide for January–June 2011

A list of the articles and other information published in these issues of the SURVEY.

D–1 BEA Current and Historical Data

iii **Director’s Message**

iv **Taking Account**

BEA’s Web Site and Contacts (inside back cover)

Schedule of Upcoming News Releases (back cover)

Looking Ahead

Annual Revision of the International Transaction Accounts. A summary of the major sources of the revisions to these accounts for 2008–2010.

Direct Investment Positions for 2010. U.S. direct investment abroad and foreign direct investment in the United States by country and industry.

Gross Domestic Product by State. Advance statistics for 2010 and revised statistics for 2007–2009.

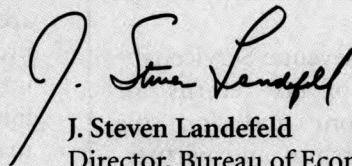
Director's Message

As part of the upcoming 2013 comprehensive revision of the national income and product accounts (NIPAs), BEA is planning to adopt a new treatment of artistic originals—movies, songs, books, long-lived television programs, and other works. Under the new treatment, the production of such artwork will be capitalized; that is, it will be treated as investment. Currently, the NIPAs treat all production of artwork as a current expense. This new treatment is in keeping with a larger effort at BEA to capitalize the intellectual property products that are recognized as assets by the *System of National Accounts 2008*.

In this issue, a *Research Spotlight* explains our ongoing research effort in this area. BEA economist Rachel H. Soloveichik estimates the value of current-dollar and real investment in long-lived artwork and the capital stock of such work as well as the effect of including this investment on gross domestic product (GDP) estimates.

In another article, we look at long-term trends in consumer spending, which accounts for more than two-thirds of gross domestic purchases. The article discusses among other things, growth in the share of consumer spending accounted for by services (particularly health care and financial services and insurance) and consumer spending trends during recessions, including the most recent one.

Elsewhere in this issue, we provide our once-a-year calculation of rates of return for domestic nonfinancial corporations, nonfinancial industries, and a few major industry groups. We also present the latest statistics from our travel and tourism satellite accounts as well as the second estimates of GDP for the first quarter of 2011.



J. Steven Landefeld
Director, Bureau of Economic Analysis

Taking Account...

Info about upcoming NIPA annual revision

On July 29, 2011, the Bureau of Economic Analysis (BEA) will release the results of the annual revision of the national income and product accounts (NIPAs) together with the advance estimate of gross domestic product (GDP) for the second quarter of 2011.

In addition to the regular revision of estimates for the most recent 3 years and for the first quarter of 2011, this “flexible” annual revision will result in revisions to GDP and some components of GDP back to the first quarter of 2003. (Flexible revisions were described in an article in the June 2008 *SURVEY OF CURRENT BUSINESS*.)

In some cases, the estimates for the reference year (2005) will be revised; this will result in revisions to the levels of the related indexes and chained-dollar estimates for the entire historical period. However, the percent changes in real GDP and prices will not be affected for periods before the first quarter of 2003.

For example, personal consumption expenditures (PCE) will be revised back to 2003 to incorporate newly available information from the 2007 Economic Census as well as updated data from the Census Bureau’s annual retail trade and service annual surveys.

In addition, the estimates of petroleum imports will be revised back to 2007 to incorporate improvements in seasonal

adjustment of real petroleum imports. Estimates of communication equipment in private fixed investment, in exports, and in imports will be revised back to 2003 to incorporate quality-adjusted price indexes from the Federal Reserve Board; BEA adopted these price indexes for 2007–2009 during last year’s annual revision.

This year’s annual revision will also incorporate the usual source data for 2008 through 2010 that are more complete and more detailed than previously available data, including the following:

- Census Bureau annual surveys of manufactures, of merchant wholesale trade, of retail trade, of services, and of state and local governments
- Census Bureau monthly surveys of construction spending (value put in place)
- Bureau of Labor Statistics quarterly census of employment and wages
- BEA international transactions accounts data
- Federal government budget data
- Internal Revenue Service tabulations of tax returns for corporations and for sole proprietorships and partnerships
- Department of Agriculture farm statistics

In addition, as part of the continuing expanded use of the Census Bureau Quarterly Services Survey (QSS), starting with the first quarter of 2011, esti-

mates of PCE for portfolio management and investment advice services will reflect newly available QSS data on “other financial investment activities.”

The 2011 annual revision will also feature an improved presentation of the components of government social benefits to persons (such as social security and Medicare) in several of the NIPA tables.

More information about the upcoming annual revision can be found at www.bea.gov/national/index.htm.

Modernizing BEA’s international accounts

BEA has created an online information resource about its efforts to enhance its international economic accounts, including information on the following:

- BEA’s plans to implement new international statistical standards and other improvements.
- Prototype tables that show new presentations of the accounts that BEA is likely to adopt once the new standards are implemented. The tables provide illustrative estimates intended to give users a preliminary indication of the magnitude of the proposed changes to the accounts.
- Links to related information that provides background and context for these efforts.

This resource can be accessed via the BEA Web site at www.bea.gov/international/modern.htm.

GDP and the Economy

Second Estimates for the First Quarter of 2011

REAL GROSS domestic product (GDP) increased at an annual rate of 1.8 percent in the first quarter of 2011, according to the second estimates of the national income and product accounts (NIPAs) (chart 1 and table 1).¹ The second estimate of real GDP growth was the same as the advance estimate (see page 9). In the fourth quarter of 2010, real GDP increased 3.1 percent.

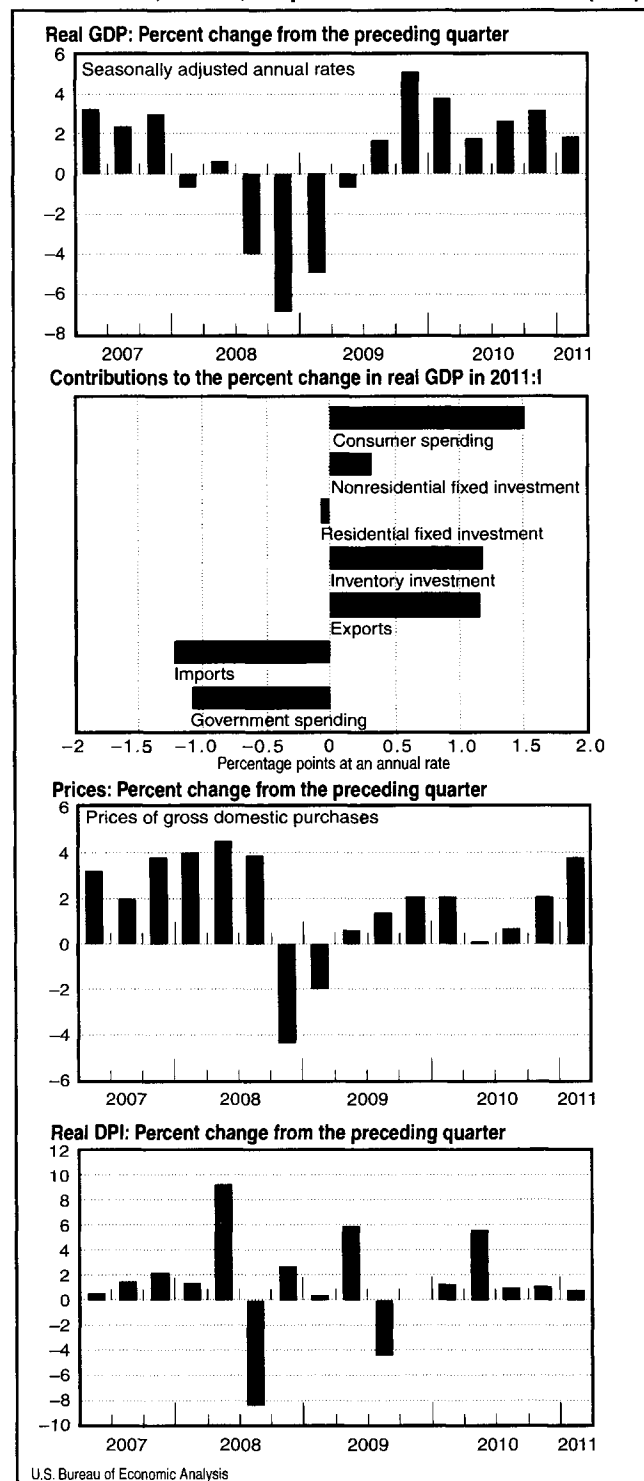
The deceleration in real GDP in the first quarter primarily reflected a sharp upturn in imports, a deceleration in consumer spending, a larger decrease in federal government spending, and a deceleration in nonresidential fixed investment that were partly offset by a sharp upturn in inventory investment.²

- Prices of goods and services purchased by U.S. residents increased 3.8 percent in the first quarter after increasing 2.1 percent (see page 8). Energy prices and food prices both accelerated. Excluding food and energy, gross domestic purchases prices increased 2.2 percent after increasing 1.1 percent. The federal pay raise for military personnel added about 0.1 percentage point to the first-quarter increase in the gross domestic purchases price index.
- Real disposable income (DPI) increased 0.8 percent in the first quarter, 2.1 percentage points less than in the advance estimate; in the fourth quarter, real DPI increased 1.1 percent (revised). The downward revision to real DPI reflected a downward revision to first-quarter current-dollar DPI, which in turn reflected an upward revision to personal current taxes and a downward revision to personal income.
- Profits from current production increased \$21.9 billion in the first quarter after increasing \$38.2 billion.
- The personal saving rate, personal saving as a percentage of current-dollar DPI, was 5.1 percent in the first quarter, 0.6 percentage point less than in the advance estimate; in the fourth quarter, the rate was 5.4 percent (revised).

1. "Real" estimates are in chained (2005) dollars, and price indexes are chain-type measures. Each GDP estimate for a quarter (advance, second, and third) incorporates increasingly comprehensive and improved source data. More information can be found at www.bea.gov/about/infoqual.htm and www.bea.gov/faq/national/gdp_accuracy.htm. Quarterly estimates are expressed at seasonally adjusted annual rates, which assumes that a rate of activity for a quarter is maintained for a year.

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

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



Christopher Swann prepared this article.

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)				
		2010				2011				
		I	II	III	IV	I	II	III	IV	I
Gross domestic product¹.....	100.0	1.7	2.6	3.1	1.8	1.7	2.6	3.1	1.8	
Personal consumption expenditures.....	71.1	2.2	2.4	4.0	2.2	1.54	1.67	2.79	1.53	
Goods.....	24.2	3.4	4.1	9.3	3.5	0.79	0.94	2.10	0.83	
Durable goods.....	7.7	6.8	7.6	21.1	8.9	0.49	0.54	1.45	0.66	
Nondurable goods.....	16.4	1.9	2.5	4.1	1.1	0.31	0.39	0.65	0.17	
Services.....	46.9	1.6	1.6	1.5	1.5	0.75	0.74	0.70	0.69	
Gross private domestic investment.....	12.5	26.2	15.0	-18.7	12.3	2.88	1.80	-2.61	1.45	
Fixed investment.....	12.1	18.9	1.5	6.8	2.1	2.06	0.18	0.80	0.26	
Nonresidential.....	9.9	17.2	10.0	7.7	3.4	1.51	0.93	0.73	0.33	
Structures.....	2.5	-0.5	-3.5	7.6	-16.8	-0.01	-0.09	0.19	-0.48	
Equipment and software.....	7.4	24.8	15.4	7.7	11.6	1.52	1.02	0.54	0.81	
Residential.....	2.2	25.7	-27.3	3.3	-3.3	0.55	-0.75	0.07	-0.07	
Change in private inventories.....	0.4	.....	.....	.....	.....	0.82	1.61	-3.42	1.19	
Net exports of goods and services.....	-3.8	.....	.....	.....	.....	-3.50	-1.70	3.27	-0.06	
Exports.....	13.5	9.1	6.8	8.6	9.2	1.08	0.82	1.06	1.16	
Goods.....	9.6	11.5	5.8	11.1	13.2	0.93	0.49	0.94	1.16	
Services.....	3.9	3.9	8.9	3.0	0.0	0.15	0.33	0.12	0.00	
Imports.....	17.3	33.5	16.8	-12.6	7.5	-4.58	-2.53	2.21	-1.22	
Goods.....	14.5	40.5	17.4	-14.2	9.5	-4.46	-2.16	2.10	-1.27	
Services.....	2.8	4.3	14.2	-4.1	-1.8	-0.12	-0.37	0.12	0.05	
Government consumption expenditures and gross investment.....	20.2	3.9	3.9	-1.7	-5.1	0.80	0.79	-0.34	-1.07	
Federal.....	8.2	9.1	8.8	-0.3	-7.9	0.72	0.71	-0.02	-0.68	
National defense.....	5.4	7.4	8.5	-2.2	-11.7	0.40	0.46	-0.12	-0.68	
Nondefense.....	2.7	12.8	9.5	3.7	0.1	0.32	0.25	0.10	0.00	
State and local.....	12.0	0.6	0.7	-2.6	-3.2	0.08	0.09	-0.31	-0.39	

1. The estimates 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.

Consumer spending increased 2.2 percent in the first quarter of 2011 after increasing 4.0 percent and added 1.53 percentage points to real GDP growth. The slowdown reflected a slowdown in spending for goods. Spending for services increased at the same rate as in the fourth quarter.

Nonresidential fixed investment slowed, increasing 3.4 percent after increasing 7.7 percent, reflecting a downturn in structures that was partly offset by a pickup in equipment and software.

Residential investment turned down, decreasing 3.3 percent after increasing 3.3 percent.

Inventory investment turned up, adding 1.19 percentage points to real GDP growth after subtracting 3.42 percentage points.

Exports picked up slightly, adding 1.16 percentage points to real GDP growth after adding 1.06 percentage points; the pickup reflected a pickup in exports of goods. Exports of services was unchanged.

Imports turned up, subtracting 1.22 percentage points from real GDP growth after adding 2.21 percentage points; the upturn reflected an upturn in goods imports and a smaller decrease in services imports.

Federal government spending decreased 7.9 percent after decreasing 0.3 percent, primarily reflecting a larger decrease in spending for national defense.

State and local government spending decreased 3.2 percent after decreasing 2.6 percent, mainly reflecting a larger decrease in gross investment in structures.

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)				
		2010				2011				
		I	II	III	IV	I	II	III	IV	I
Gross domestic product¹.....	100.0	1.7	2.6	3.1	1.8	1.7	2.6	3.1	1.8	
Final sales of domestic product.....	99.6	0.9	0.9	6.7	0.6	0.90	0.95	6.53	0.65	
Change in private inventories.....	0.4	.....	.....	.....	.....	0.82	1.61	-3.42	1.19	
Goods.....	28.4	-0.8	7.4	9.1	9.2	-0.20	1.99	2.47	2.50	
Services.....	64.9	1.9	1.8	0.8	0.5	1.21	1.15	0.56	0.34	
Structures.....	6.7	10.6	-7.9	1.2	-13.7	0.71	-0.58	0.09	-1.00	
Addenda:										
Motor vehicle output.....	2.5	-2.7	25.0	-11.6	73.2	-0.06	0.49	-0.27	1.28	
GDP excluding motor vehicle output.....	97.5	1.8	2.1	3.5	0.6	1.78	2.07	3.39	0.57	
Final sales of computers.....	0.7	5.3	65.1	72.8	10.1	0.03	0.29	0.35	0.06	
GDP excluding final sales of computers.....	99.3	1.7	2.3	2.8	1.8	1.69	2.27	2.76	1.78	

1. The estimates 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.

Real final sales of domestic product, real GDP less inventory investment, increased 0.6 percent in the first quarter after increasing 6.7 percent.

Motor vehicle output turned up, increasing 73.2 percent, the largest percent increase since the third quarter of 2009 (during the "Cash for Clunkers" program). In the fourth quarter, motor vehicle output decreased 11.6 percent. The first-quarter upturn added 1.28 percentage points to real GDP growth after subtracting 0.27 percentage point.

Final sales of computers slowed, increasing 10.1 percent after increasing 72.8 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)				
		2010				2011				
		I	II	III	IV	I	II	III	IV	I
PCE ¹	100.0	2.2	2.4	4.0	2.2	2.2	2.4	4.0	2.2	
Goods	34.0	3.4	4.1	9.3	3.5	1.13	1.34	3.00	1.18	
Durable goods	10.9	6.8	7.6	21.1	8.9	0.69	0.77	2.07	0.93	
Motor vehicles and parts	3.6	6.9	5.2	49.1	9.7	0.22	0.17	1.40	0.34	
Furnishings and durable household equipment	2.5	9.0	5.6	9.8	3.7	0.22	0.14	0.23	0.09	
Recreational goods and vehicles.....	3.2	9.3	12.2	12.3	12.9	0.29	0.37	0.38	0.40	
Other durable goods	1.5	-2.2	6.6	3.9	7.8	-0.03	0.09	0.06	0.11	
Nondurable goods	23.1	1.9	2.5	4.1	1.1	0.44	0.56	0.93	0.25	
Food and beverages for off-premises consumption....	7.8	-2.9	3.2	4.9	1.6	-0.23	0.24	0.38	0.13	
Clothing and footwear.....	3.3	6.4	-1.1	12.2	3.1	0.20	-0.04	0.38	0.10	
Gasoline and other energy goods.....	4.0	3.0	0.1	-6.0	-6.0	0.10	0.00	-0.22	-0.23	
Other nondurable goods.....	8.1	4.5	4.4	4.9	3.1	0.36	0.35	0.39	0.25	
Services	66.0	1.6	1.6	1.5	1.5	1.07	1.05	1.01	0.99	
Household consumption expenditures.....	63.5	1.5	1.6	1.8	1.7	0.98	1.03	1.18	1.09	
Housing and utilities.....	17.9	1.1	3.4	-0.3	-1.6	0.20	0.62	-0.05	-0.28	
Health care.....	16.2	3.1	1.2	4.6	2.4	0.49	0.19	0.74	0.39	
Transportation services	2.9	4.1	3.9	0.3	-2.8	0.12	0.11	0.01	-0.08	
Recreation services.....	3.6	-0.3	4.3	-1.9	0.6	-0.01	0.16	-0.07	0.02	
Food services and accommodations.....	6.1	2.5	2.8	2.8	6.2	0.15	0.17	0.17	0.37	
Financial services and insurance.....	7.8	1.1	-4.7	2.9	6.1	0.10	-0.38	0.23	0.46	
Other services.....	9.0	-0.8	1.7	1.7	2.3	-0.07	0.16	0.16	0.21	
Final consumption expenditures of NPISHs ²	2.5	3.4	1.0	-6.6	-3.9	0.09	0.03	-0.17	-0.10	
Gross output of NPISHs ³ ...	10.5	3.3	1.2	3.4	1.2	0.35	0.12	0.36	0.13	
Less: Receipts from sales of goods and services by NPISHs ⁴	8.0	3.3	1.2	6.8	2.9	0.26	0.10	0.53	0.23	

1. The estimates under the contribution columns are also percent changes.
 2. Net of expenses, or gross operating expenses less primary sales to households.
 3. Net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).
 4. Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.
 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.
 NPISHs Nonprofit institutions serving households

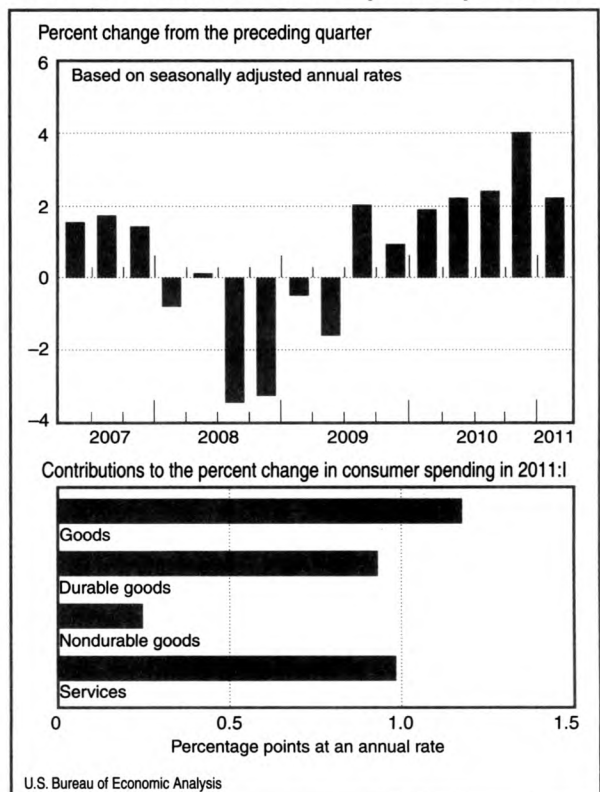
Consumer spending slowed in the first quarter of 2011, mainly reflecting slowdowns in spending for durable goods and for nondurable goods.

The slowdown in spending for durable goods primarily reflected a deceleration in spending for motor vehicles and parts. Spending for furnishings and durable household equipment also slowed.

The slowdown in spending for nondurable goods mainly reflected decelerations in clothing and footwear and in food and beverages purchased for off-premises consumption.

Spending for services increased at the same rate as in the fourth quarter. In the first quarter, spending for housing and utilities decreased more than in the fourth quarter. In contrast, first-quarter spending for financial services and insurance and for food services and accommodations picked up.

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)				
		2010				2011				
		I	II	III	IV	I	II	III	IV	I
Private fixed investment¹	100.0	18.9	1.5	6.8	2.1	18.9	1.5	6.8	2.1	
Nonresidential	81.7	17.2	10.0	7.7	3.4	13.92	7.70	6.21	2.74	
Structures	20.8	-0.5	-3.5	7.6	-16.8	0.14	-0.77	1.63	-3.92	
Commercial and health care	4.7	-18.0	-11.4	-5.1	-18.5	-1.07	-0.63	-0.26	-0.99	
Manufacturing	1.9	-18.3	-39.4	-32.9	-20.8	-0.53	-1.20	-0.84	-0.45	
Power and communication	4.5	-7.1	-26.6	87.8	-39.4	-0.35	-1.41	3.04	-2.41	
Mining exploration, shafts, and wells	6.9	58.2	64.4	5.6	10.1	2.67	3.04	0.36	0.65	
Other structures ²	2.9	-16.0	-15.4	-19.0	-21.7	-0.59	-0.56	-0.66	-0.72	
Equipment and software	60.9	24.8	15.4	7.7	11.6	13.79	8.46	4.58	6.66	
Information processing equipment and software	34.1	15.3	8.8	14.5	6.0	5.10	2.82	4.67	2.00	
Computers and peripheral equipment	5.5	45.2	1.3	25.9	-5.1	2.17	0.07	1.32	-0.29	
Software ³	16.6	8.1	9.8	11.2	13.5	1.34	1.50	1.75	2.09	
Other ⁴	12.0	13.0	11.1	14.0	1.7	1.59	1.25	1.60	0.20	
Industrial equipment	9.8	44.2	6.9	10.5	14.4	3.48	0.62	0.96	1.30	
Transportation equipment	7.2	74.8	64.4	-21.4	42.9	3.62	3.33	-1.62	2.47	
Other equipment ⁵	9.8	16.2	19.4	5.9	9.6	1.58	1.70	0.58	0.89	
Residential	18.3	25.7	-27.3	3.3	-3.3	4.95	-6.21	0.62	-0.62	
Structures	17.8	26.2	-28.0	3.1	-3.5	4.90	-6.22	0.58	-0.64	
Permanent site	6.6	13.5	-23.6	-14.5	-2.6	1.06	-1.96	-1.07	-0.17	
Single family	5.9	22.4	-26.3	-16.6	1.1	1.45	-1.99	-1.10	0.06	
Multifamily	0.7	-38.2	4.2	4.0	-27.6	-0.39	0.03	0.03	-0.24	
Other structures ⁶	11.3	34.8	-30.5	15.5	-4.0	3.84	-4.26	1.65	-0.46	
Equipment	0.5	8.3	2.4	8.2	4.7	0.04	0.01	0.04	0.02	

1. The estimates 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, photography 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.

Private fixed investment decelerated, reflecting a deceleration in nonresidential fixed investment and a downturn in residential fixed investment.

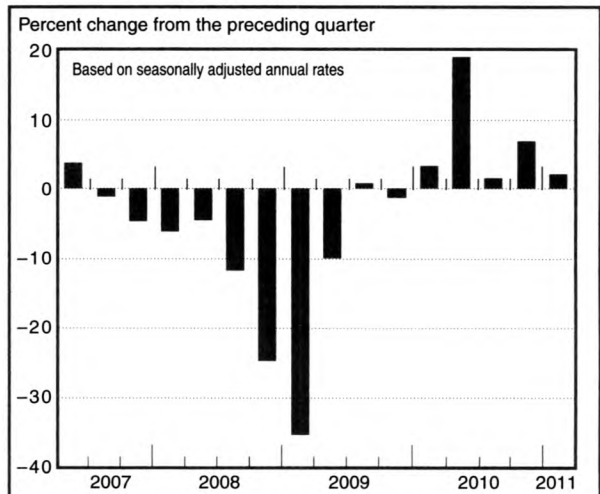
The deceleration in nonresidential fixed investment reflected a downturn in structures that was partly offset by a pickup in equipment and software.

The downturn in structures mainly reflected a downturn in power and communication structures. A larger decrease in commercial and health care structures also contributed to the downturn.

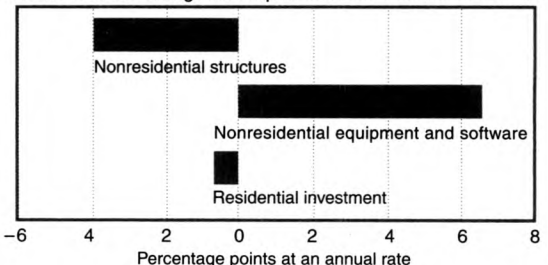
The pickup in equipment and software primarily reflected an upturn in transportation equipment (mainly passenger cars and heavy trucks) that was partly offset by a slowdown in information processing equipment and software. The main contributors to the slowdown were a downturn in computers and peripheral equipment and a slowdown in "other" information processing equipment and software.

The downturn in residential fixed investment reflected downturns in "other" structures (especially brokers' commissions and improvements) and in multifamily structures that were partly offset by an upturn in single-family structures.

Chart 3. Real Private Fixed Investment



Contributions to the change in real private fixed investment in 2011:



U.S. Bureau of Economic Analysis

Inventory Investment

Table 5. Change in Real Private Inventories by Industry
 [Billions of chained (2005) dollars; seasonally adjusted at annual rates]

	Level				Change from preceding quarter				
	2011		2010		2011		2010		
	I	II	III	IV	I	II	III	IV	I
Change in private inventories¹	44.1	68.8	121.4	16.2	52.2	24.7	52.6	-105.2	36.0
Farm.....	7.6	7.8	5.1	1.2	-1.3	0.2	-2.7	-3.9	-2.5
Mining, utilities, and construction....	-10.4	4.3	-2.6	-0.9	-2.0	14.7	-6.9	1.7	-1.1
Manufacturing	21.0	-3.4	29.6	25.2	36.1	-24.4	33.0	-4.4	10.9
Durable-goods industries.....	8.9	22.1	18.5	15.6	29.7	13.2	-3.6	-2.9	14.1
Nondurable-goods industries.....	11.9	-24.4	11.1	9.7	7.5	-36.3	35.5	-1.4	-2.2
Wholesale trade	13.2	31.2	57.3	12.5	18.7	18.0	26.1	-44.8	6.2
Durable-goods industries.....	8.3	11.4	28.3	22.0	13.6	3.1	16.9	-6.3	-8.4
Nondurable-goods industries.....	4.9	19.0	28.3	-6.9	5.7	14.1	9.3	-35.2	12.6
Retail trade	12.6	24.9	28.7	-25.1	2.7	12.3	3.8	-53.8	27.8
Motor vehicle and parts dealers.....	11.9	16.6	23.7	-29.1	-2.6	4.7	7.1	-52.8	26.5
Food and beverage stores.....	1.1	-0.9	0.3	-1.2	-0.8	-2.0	1.2	-1.5	0.4
General merchandise stores.....	-0.2	4.4	2.1	4.0	2.3	4.6	-2.3	1.9	-1.7
Other retail stores.....	0.3	5.6	3.5	-0.3	3.6	5.3	-2.1	-3.8	3.9
Other industries.....	-0.2	3.9	2.1	1.1	-2.6	4.1	-1.8	-1.0	-3.7
Residual ²	0.0	-1.0	1.0	1.0	-0.9	.....	.....	.....	.....
Addenda: Ratios of private inventories to final sales of domestic business:³									
Private inventories to final sales.....	2.3	2.4	2.4	2.3	2.4	.....	.....	.....	.....
Nonfarm inventories to final sales.....	2.1	2.1	2.2	2.1	2.1	.....	.....	.....	.....
Nonfarm inventories to final sales of goods and structures.....	3.9	4.0	4.0	3s.9	3.9	.....	.....	.....	.....

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.
 3. The ratios are from NIPA table 5.7.6B.
 NOTE: The chained-dollar series are calculated as the period-to-period change in end-of-period inventories. Quarterly changes are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, chained-dollar estimates are usually not additive.

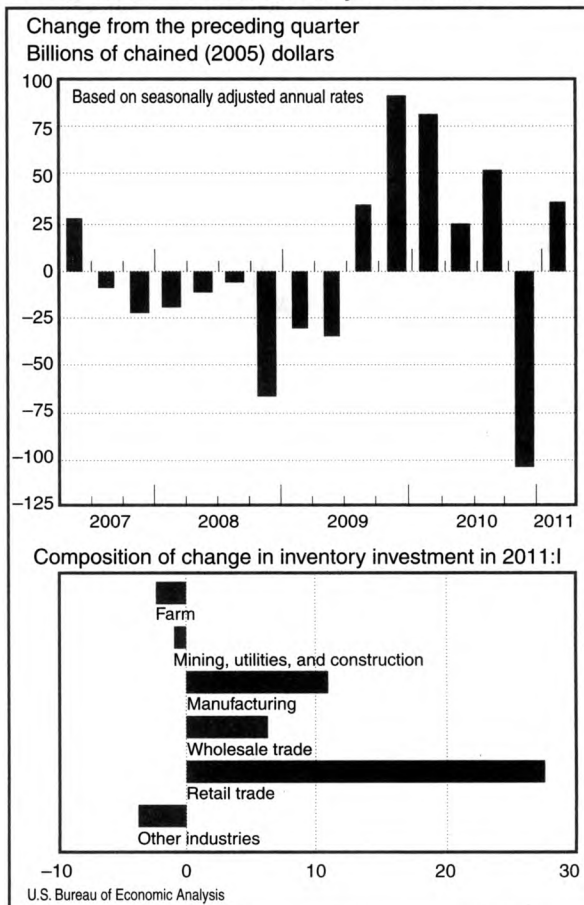
Real inventory investment increased \$36.0 billion in the first quarter of 2011, reflecting a larger accumulation in the first quarter than in the fourth quarter of 2010.

Inventory investment in manufacturing industries increased \$10.9 billion. The increase reflected a larger accumulation in durable-goods industries that was slightly offset by a smaller accumulation in nondurable-goods industries.

Inventory investment in wholesale trade industries increased \$6.2 billion. In nondurable-goods industries, inventories accumulated in the first quarter after a fourth-quarter drawdown. In durable-goods industries, inventory accumulation was smaller than in the fourth quarter.

Inventory investment in retail trade industries increased \$27.8 billion. The increase reflected a much smaller drawdown by motor vehicle and parts dealers in the first quarter than in the fourth quarter.

Chart 4. Real Private Inventory Investment



Inventory Investment

The change in real 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 a 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)				
		2010				2011				
		I	II	III	IV	I	II	III	IV	I
Exports of goods and services¹	100.0	9.1	6.8	8.6	9.2	9.1	6.8	8.6	8.6	9.2
Exports of goods²	71.2	11.5	5.8	11.1	13.2	7.91	4.09	7.66	9.15	
Foods, feeds, and beverages	6.3	-32.2	24.1	48.1	-14.6	-2.12	1.18	2.41	-0.97	
Industrial supplies and materials	23.4	17.3	-3.0	15.1	18.4	3.45	-0.62	3.10	3.94	
Capital goods, except automotive	23.4	19.1	13.5	10.0	10.2	4.34	3.17	2.40	2.40	
Automotive vehicles, engines, and parts	6.4	19.5	-6.4	7.3	67.3	1.14	-0.40	0.44	3.25	
Consumer goods, except automotive	8.4	-4.6	7.2	18.7	-7.1	-0.40	0.63	1.58	-0.61	
Other	3.1	53.9	3.6	-50.8	44.5	1.49	0.13	-2.26	1.14	
Exports of services²	28.8	3.9	8.9	3.0	0.0	1.21	2.67	0.94	0.01	
Imports of goods and services¹	100.0	33.5	16.8	-12.6	7.5	33.5	16.8	-12.6	7.5	
Imports of goods²	84.0	40.5	17.4	-14.2	9.5	32.50	14.41	-11.92	7.84	
Foods, feeds, and beverages	4.0	5.4	-0.6	-14.8	15.7	0.32	0.01	-0.59	0.59	
Industrial supplies and materials, except petroleum and products	10.9	31.5	0.6	-18.6	30.5	3.46	0.16	-2.03	2.88	
Petroleum and products	17.5	78.6	43.6	-55.4	5.0	10.32	5.70	-11.40	0.80	
Capital goods, except automotive	18.9	49.0	16.4	8.7	13.0	8.49	3.22	1.68	2.41	
Automotive vehicles, engines, and parts	9.7	69.9	15.6	-17.8	41.0	5.66	1.52	-1.83	3.35	
Consumer goods, except automotive	19.8	25.3	18.1	-2.1	8.9	5.27	3.69	-0.37	1.78	
Other	3.1	-24.2	1.9	92.3	-65.9	-1.01	0.11	2.62	-3.98	
Imports of services²	16.0	4.3	14.2	-4.1	-1.8	0.95	2.41	-0.67	-0.29	
Addenda:										
Exports of agricultural goods ³	7.5	-32.4	14.1	45.1	2.8					
Exports of nonagricultural goods	63.7	17.1	5.1	8.1	14.5					
Imports of nonpetroleum goods	66.5	32.9	12.3	-1.3	10.6					

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.

Exports of goods and services picked up somewhat in the first quarter. Exports of goods increased 13.2 percent after increasing 11.1 percent. Exports of services was unchanged after increasing 3.0 percent.

The pickup in exports of goods reflected an upturn in "other" exports of goods and accelerations in automotive vehicles, engines, and parts and in industrial supplies and materials that were partly offset by downturns in foods, feeds, and beverages and in non-automotive consumer goods.

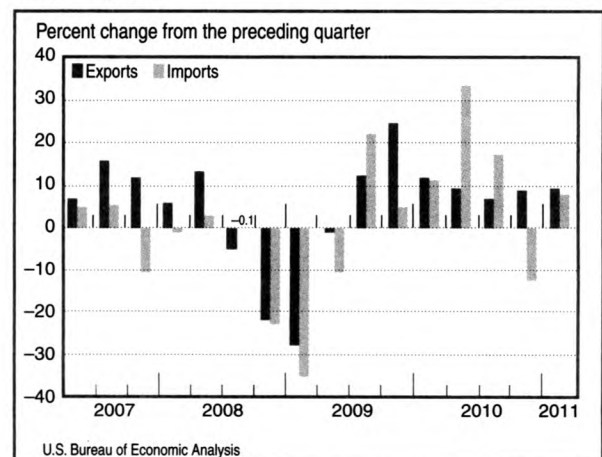
The slowdown in exports of services mainly reflected a downturn in travel, a slowdown in "other" private services, and a downturn in passenger fares.

Imports of goods and services turned up, increasing 7.5 percent after decreasing 12.6 percent; the upturn reflected an upturn in imports of goods and a smaller decrease in imports of services.

The upturn in imports of goods reflected upturns in petroleum and products, in automotive vehicles, engines, and parts, in nonpetroleum industrial supplies and materials, in nonautomotive consumer goods, and in foods, feeds, and beverages and a pickup in nonautomotive capital goods. In contrast, "other" imports turned down.

The smaller decrease in imports of services mainly reflected an upturn in "other" transportation and a smaller decrease in direct defense expenditures that were partly offset by a slowdown 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)				
		2010				2011				
		I	II	III	IV	I	II	III	IV	I
Government consumption expenditures and gross investment¹	100.0	3.9	3.9	-1.7	-5.1	3.9	3.9	-1.7	-5.1	
Consumption expenditures.....	83.5	2.5	2.7	-2.2	-2.4	2.13	2.23	-1.81	-1.91	
Gross investment.....	16.5	11.3	10.2	0.9	-17.7	1.82	1.68	0.15	-3.22	
Federal	40.4	9.1	8.8	-0.3	-7.9	3.56	3.48	-0.13	-3.26	
National defense	26.8	7.4	8.5	-2.2	-11.7	1.96	2.26	-0.61	-3.29	
Consumption expenditures.....	23.0	5.4	8.8	-6.8	-7.7	1.23	2.01	-1.62	-1.81	
Gross investment.....	3.9	20.4	6.3	28.2	-31.2	0.73	0.25	1.02	-1.48	
Nondefense	13.5	12.8	9.5	3.7	0.1	1.60	1.22	0.48	0.03	
Consumption expenditures.....	11.8	12.2	8.1	2.6	0.3	1.33	0.91	0.30	0.05	
Gross investment.....	1.8	17.2	19.4	10.6	-1.0	0.27	0.31	0.18	-0.02	
State and local	59.6	0.6	0.7	-2.6	-3.2	0.39	0.43	-1.53	-1.87	
Consumption expenditures.....	48.8	-0.9	-1.4	-1.0	-0.3	-0.44	-0.69	-0.49	-0.15	
Gross investment	10.9	7.5	10.2	-8.8	-14.7	0.83	1.12	-1.04	-1.72	

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 decreased 5.1 percent in the first quarter after decreasing 1.7 percent in the fourth quarter, primarily reflecting a larger first-quarter decrease in federal government spending.

The larger decrease in federal government spending reflected a larger decrease in national defense spending and a slowdown in nondefense spending. The larger decrease in national defense spending was due to downturns in gross investment in equipment and software and in structures. The slowdown in nondefense spending reflected a slowdown in consumption expenditures and a downturn in gross investment in structures.

State and local government spending also decreased more in the first quarter than in the fourth quarter, mainly reflecting a larger decrease in gross investment in structures.

Government Spending

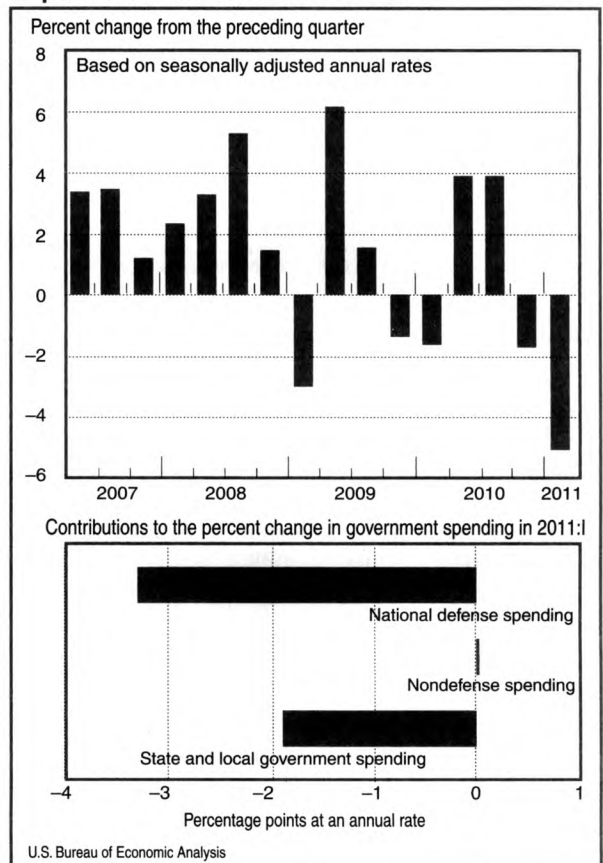
“Government consumption expenditures and gross investment,” or “government spending,” consists of two components: (1) consumption expenditures by federal government and by state and local governments and (2) gross investment by government and government-owned enterprises.

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 for intermediate goods and services and a charge for consumption of fixed capital (which represents a partial measure of the services provided by government-owned fixed capital).

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

Government consumption expenditures 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.

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 (2005=100)]

	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
	2010			2011	2010			2011
	II	III	IV	I	II	III	IV	I
Gross domestic purchases¹	0.1	0.7	2.1	3.8	0.1	0.7	2.1	3.8
Personal consumption expenditures	0.0	0.8	1.7	3.8	-0.03	0.53	1.18	2.57
Goods	-3.6	0.9	3.4	8.0	-0.83	0.21	0.76	1.81
Durable goods	-1.6	-2.2	-2.2	-0.4	-0.11	-0.16	-0.16	-0.03
Nondurable goods	-4.6	2.4	6.1	12.2	-0.72	0.37	0.92	1.84
Services	1.8	0.7	0.9	1.7	0.80	0.32	0.42	0.77
Gross private domestic investment	-0.7	0.5	2.6	1.4	-0.09	0.06	0.32	0.18
Fixed investment	-0.7	0.1	1.2	1.2	-0.08	0.02	0.14	0.15
Nonresidential	0.0	0.2	0.9	1.1	0.00	0.02	0.08	0.11
Structures	2.0	2.9	4.0	4.2	0.05	0.07	0.10	0.10
Equipment and software	-0.8	-0.8	-0.2	0.1	-0.05	-0.05	-0.02	0.01
Residential	-3.2	-0.1	2.7	1.6	-0.08	0.00	0.06	0.04
Change in private inventories .....	.....	.....	.....	.....	-0.01	0.05	0.18	0.03
Government consumption expenditures and gross investment	0.9	0.3	3.1	5.2	0.17	0.07	0.60	1.01
Federal	0.9	0.5	1.8	3.5	0.07	0.04	0.14	0.28
National defense	1.2	0.5	2.2	4.1	0.06	0.03	0.12	0.22
Nondefense	0.2	0.4	1.0	2.4	0.01	0.01	0.03	0.06
State and local	0.9	0.2	4.0	6.4	0.10	0.03	0.46	0.73
Addenda:								
Gross domestic purchases:								
Food	1.3	1.2	2.9	5.9	0.07	0.06	0.15	0.31
Energy goods and services	-17.4	5.2	26.5	41.2	-0.73	0.19	0.94	1.42
Excluding food and energy	0.8	0.4	1.1	2.2	0.72	0.40	1.01	2.04
Personal consumption expenditures (PCE):								
Food and beverages for off-premises consumption	1.6	0.3	1.4	6.3	.....	.....	.....	.....
Energy goods and services	-17.5	5.4	24.3	40.5	.....	.....	.....	.....
Excluding food and energy	1.0	0.5	0.4	1.4	.....	.....	.....	.....
Gross domestic product (GDP)	1.9	2.1	0.4	1.9	.....	.....	.....	.....
Exports	4.8	0.2	8.4	10.9	.....	.....	.....	.....
Imports	-7.7	-8.1	18.7	21.8	.....	.....	.....	.....

1. The estimates under the contribution columns are also percent changes. Note. Most percent changes are from NIPA table 1.6.7; percent changes for PCE for food and energy goods and services and for PCE excluding food and energy are calculated from index numbers in NIPA table 2.3.4. Contributions are from NIPA table 1.6.8. GDP, export, and import prices are from NIPA table 1.1.7.

The gross domestic purchases price index increased 3.8 percent in the first quarter after increasing 2.1 percent in the fourth quarter. The federal pay raise for military personnel added about 0.1 percentage point to the first-quarter percent change in the index. The pay raise is treated as an increase in the price of employee services purchased by the federal government.

Consumer prices increased 3.8 percent in the first quarter after increasing 1.7 percent. The largest contributors to the acceleration were pickups in gasoline and other energy goods, in food and beverages purchased for off-premises consumption (groceries), and housing and utilities and an upturn in financial services and insurance.

Prices paid for nonresidential fixed investment picked up slightly, primarily reflecting an upturn in prices paid for equipment and software.

Prices paid for residential fixed investment slowed, increasing 1.6 percent after increasing 2.7 percent.

Prices paid by government accelerated, reflecting accelerations in prices paid by state and local governments and by the federal government, which included the military pay raise.

Consumer prices excluding food and energy, a measure of the "core" rate of inflation, picked up, increasing 1.4 percent after increasing 0.4 percent.

The GDP price index increased 1.9 percent, 1.9 percentage points less than the percent increase in the price index for gross domestic purchases, reflecting a larger increase in import prices (21.8 percent) than in export prices (10.9 percent).

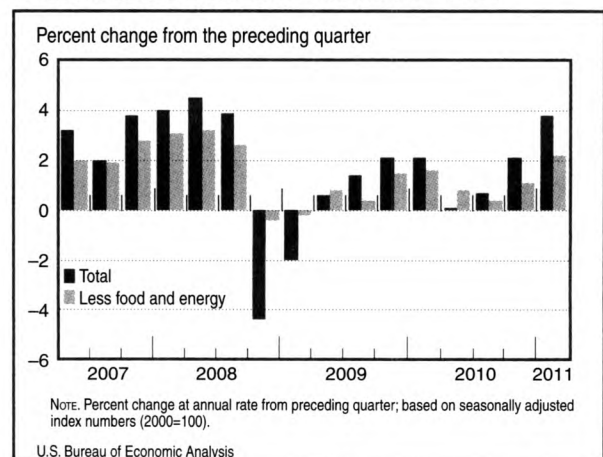
Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services, regardless of whether those goods and services were produced domestically or imported. It is derived from prices of consumer spending, private investment, and government spending.

The GDP price index measures the prices of goods and services produced in the United States, including the prices of goods and services produced for export.

The difference between the gross domestic purchases price index and the GDP price index reflects the differences between imports prices (included in the gross domestic purchases index) and exports prices (included in the GDP price index). For other measures that are affected by import and export prices, see the dollar depreciation FAQ Answer ID 498 on BEA's Web site.

Chart 7. Gross Domestic Purchases Prices



Revisions

Table 9. Advance and Second Estimates for the First Quarter of 2011

[Seasonally adjusted at annual rates]

	Change from preceding quarter (percent)			Contribution to percent change in real GDP (percentage points)		
	Advance	Second	Second minus advance	Advance	Second	Second minus advance
Gross domestic product (GDP) ¹	1.8	1.8	0.0	1.8	1.8	0.0
Personal consumption expenditures	2.7	2.2	-0.5	1.91	1.53	-0.38
Goods	4.8	3.5	-1.3	1.12	0.83	-0.29
Durable goods	10.6	8.9	-1.7	0.78	0.66	-0.12
Nondurable goods	2.1	1.1	-1.0	0.34	0.17	-0.17
Services	1.7	1.5	-0.2	0.80	0.69	-0.11
Gross private domestic investment	8.5	12.3	3.8	1.01	1.45	0.44
Fixed investment	0.7	2.1	1.4	0.09	0.26	0.17
Nonresidential	1.8	3.4	1.6	0.18	0.33	0.15
Structures	-21.7	-16.8	4.9	-0.63	-0.48	0.15
Equipment and software	11.6	11.6	0.0	0.80	0.81	0.01
Residential	-4.1	-3.3	0.8	-0.09	-0.07	0.02
Change in private inventories				0.93	1.19	0.26
Net exports of goods and services				-0.08	-0.06	0.02
Exports	4.9	9.2	4.3	0.64	1.16	0.52
Goods	7.8	13.2	5.4	0.70	1.16	0.46
Services	-1.7	0.0	1.7	-0.07	0.00	0.07
Imports	4.4	7.5	3.1	-0.72	-1.22	-0.50
Goods	5.9	9.5	3.6	-0.79	-1.27	-0.48
Services	-2.7	-1.8	0.9	0.08	0.05	-0.03
Government consumption expenditures and gross investment	-5.2	-5.1	0.1	-1.09	-1.07	0.02
Federal	-7.9	-7.9	0.0	-0.68	-0.68	0.00
National defense	-11.7	-11.7	0.0	-0.69	-0.68	0.01
Nondefense	0.1	0.1	0.0	0.00	0.00	0.00
State and local	-3.3	-3.2	0.1	-0.41	-0.39	0.02
Addenda:						
Final sales of domestic product	0.8	0.6	-0.2	0.82	0.65	-0.17
Gross domestic purchases price index	3.8	3.8	0.0			
GDP price index	1.9	1.9	0.0			

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

The percent change in real GDP was the same in the second estimate as in the advance estimate, reflecting upward revisions to exports, to inventory investment, and to nonresidential fixed investment that were offset by an upward revision to imports and a downward revision to consumer spending. The average revision (without regard to sign) between the advance estimate and the second estimate is 0.5 percentage point.

The downward revision to consumer spending was to both goods and services. Within goods, the largest contributors to the revision were motor vehicle fuels, lubricants, and fluids and net purchases of used motor vehicles. Within services, the revision was more than accounted for by electricity and gas services.

The upward revision to nonresidential fixed investment primarily reflected an upward revision to nonresidential structures.

The upward revision to inventory investment primarily reflected upward revisions to wholesale trade inventories, to retail trade inventories, and to manufacturing inventories.

The upward revision to exports was primarily to exports of goods. Within goods, the largest contributors were "other" nonautomotive capital goods; automotive vehicles, engines and parts; and industrial supplies and materials.

The upward revision to imports was primarily to goods and was widespread. The largest contributor to the revision was automotive vehicles, engines, and parts. In contrast, nonautomotive consumer goods was revised down.

Source Data for the Second Estimates

Personal consumption expenditures: retail sales for January, February, and March (revised) and 2009 Annual Retail Trade Survey on a best-change basis. Motor vehicle registrations for March (new). Retail electricity sales and unit value data for February (revised) and March (new), gasoline data for February (revised), and natural gas sales and unit value data for February (revised) and March (new) from the Energy Information Administration.

Nonresidential fixed investment: construction spending (value put in place) for January and February (revised) and March (new). Manufacturers' shipments (M3) of machinery and equipment for February and March (revised) and benchmarked M3 on a best-change basis. Exports and imports for January and February (revised) and March (new).

Residential fixed investment: construction spending for January and February (revised) and March (new).

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

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

Government consumption expenditures and gross investment: state and local construction spending for January and February (revised) and March (new).

Personal Income for the Fourth Quarter of 2010

With the release of the second estimates of GDP, BEA also releases revised estimates of various income-related measures for the previous quarter. This revision reflects the incorporation of newly available fourth-quarter tabulations from the Quarterly Census of Employment and Wages from the Bureau of Labor Statistics.

Wage and salary disbursements increased \$27.9 billion, a downward revision of \$24.6 billion. Personal current taxes increased \$25.0 billion, a downward revision of \$1.9 billion. Contributions for government social insurance, which is subtracted in calculating personal income, increased \$4.0 billion, a downward revision of \$3.4 billion.

As a result of these revisions,

- Personal income increased \$105.4 billion, a downward revision of \$23.1 billion.
- Disposable personal income increased \$80.5 billion, a downward revision of \$21.1 billion.
- Personal saving decreased \$62.1 billion, a downward revision of \$21.1 billion.
- The personal saving rate was 5.4 percent, a downward revision of 0.2 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											
	2011		2010				2011							
	I	II	III	IV	I	II	III	IV	I					
Current production measures:														
Corporate profits	1,700.2	47.5	26.0	38.2	21.9	3.0	1.6	2.3	1.3					
Domestic industries.....	1,280.5	44.6	35.0	47.6	-24.8	3.8	2.9	3.8	-1.9					
Financial	355.9	-3.4	34.6	57.7	-70.6	-1.0	10.4	15.6	-16.6					
Nonfinancial	924.6	48.2	0.3	-10.1	45.8	5.7	0.0	-1.1	5.2					
Rest of the world	419.8	2.8	-8.9	-9.4	46.8	0.7	-2.3	-2.5	12.5					
Receipts from the rest of the world	629.1	-3.9	8.8	22.7	40.1	-0.7	1.6	4.0	6.8					
Less: Payments to the rest of the world	209.4	-6.8	17.8	32.1	-6.6	-3.9	10.7	17.4	-3.0					
Less: Taxes on corporate income	461.7	2.4	23.8	-1.3	33.6	0.6	5.9	-0.3	7.8					
Equals: Profits after tax.....	1,238.6	45.2	2.2	39.5	-11.6	3.9	0.2	3.3	-0.9					
Net dividends	760.8	8.1	8.1	8.9	15.4	1.1	1.1	1.2	2.1					
Undistributed profits from current production	477.8	37.1	-5.9	30.6	-27.0	8.4	-1.2	6.5	-5.4					
Net cash flow	1,535.9	61.1	-68.4	36.9	-11.0	4.0	-4.3	2.4	-0.7					
Industry profits:														
Profits with IVA	1,806.2	48.2	24.6	-115.2	112.1	2.8	1.4	-6.4	6.6					
Domestic industries.....	1,386.4	45.4	33.6	-105.9	65.3	3.4	2.4	-7.4	4.9					
Financial	374.1	-3.3	34.3	42.1	-61.7	-0.9	9.5	10.7	-14.2					
Nonfinancial.....	1,012.3	48.7	-0.7	-147.9	126.9	4.9	-0.1	-14.3	14.3					
Rest of the world	419.8	2.8	-8.9	-9.4	46.8	0.7	-2.3	-2.5	12.5					
Addenda:														
Profits before tax (without IVA and CCAadj)	1,911.2	15.3	57.5	-48.3	113.8	0.9	3.2	-2.6	6.3					
Profits after tax (without IVA and CCAadj)	1,449.5	12.9	33.7	-47.0	80.2	0.9	2.4	-3.3	5.9					
IVA	-105.0	32.9	-32.9	-66.8	-1.8									
CCAadj	-105.9	-0.8	1.4	153.5	-90.1									

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 CCAadj Capital consumption adjustment

Profits from current production increased \$21.9 billion, or 1.3 percent at a quarterly rate, in the first quarter after increasing \$38.2 billion, or 2.3 percent, in the fourth quarter. The slowdown partly reflected the large fourth-quarter increase in the capital consumption adjustment (see FAQ 955 on BEA's Web site).

Domestic profits of financial corporations decreased \$70.6 billion, or 16.6 percent, after increasing \$57.7 billion, or 15.6 percent.

Domestic profits of nonfinancial corporations increased \$45.8 billion, or 5.2 percent, after decreasing \$10.1 billion, or 1.1 percent.

Profits from the rest of the world increased \$46.8 billion, or 12.5 percent, after decreasing \$9.4 billion, or 2.5 percent. In the first quarter, receipts increased \$40.1 billion and payments decreased \$6.6 billion.

After-tax profits decreased \$11.6 billion, or 0.9 percent, after increasing \$39.5 billion, or 3.3 percent.

Net dividends increased \$15.4 billion, or 2.1 percent, after increasing \$8.9 billion, or 1.2 percent.

Undistributed corporate profits (a measure of net saving that equals after-tax profits less dividends) decreased \$27.0 billion, or 5.4 percent, after increasing \$30.6 billion, or 6.5 percent.

Net cash flow from current production, a profits-related measure of internally generated funds available for investment, decreased \$11.0 billion, or 0.7 percent, after increasing \$36.9 billion, or 2.4 percent.

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. Estimates for the current quarter are based on corporate earnings reports from sources including Cen-

sus Bureau Quarterly Financial Reports, Federal Deposit Insurance Corporation call reports, other regulatory reports, and tabulations from corporate financial reports. The estimates are benchmarked to Internal Revenue Service data when the data are available for two reasons: the data are based on well-specified accounting definitions, and they are comprehensive, covering all incorporated businesses—publicly traded and privately held—in all industries.

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 (CCAadj). CCAadj is defined as the difference between capital consumption allowances (tax return depreciation) and consumption of fixed capital (the decline in the value of the stock of assets due to wear and tear, obsolescence, accidental damage, and aging).

Government Receipts and Expenditures

First Quarter of 2011

NET GOVERNMENT saving, the difference between current receipts and current expenditures of the federal government and state and local governments, was $-\$1,282.5$ billion in the first quarter of 2011, increasing $\$17.6$ billion from $-\$1,300.1$ billion in the fourth quarter of 2010.

Net federal government saving was $-\$1,288.4$ billion in the first quarter, increasing $\$51.3$ billion from $-\$1,339.7$ billion in the fourth quarter (see page 12). Current receipts accelerated, while current expenditures turned down in the first quarter.

Net state and local government saving was $\$6.0$ billion in the first quarter, decreasing $\$33.6$ billion from $\$39.6$ billion in the fourth quarter (see page 13). Current receipts turned down, while current expenditures decelerated.

Net borrowing was $\$1,504.1$ billion in the first quarter, decreasing $\$39.2$ billion from $\$1,543.3$ billion in the fourth quarter. Federal government net borrowing was $\$1,439.2$ billion in the first quarter, decreasing $\$70.2$ billion from $\$1,509.4$ billion in the fourth quarter. State and local government net borrowing was $\$65.0$ billion, increasing $\$31.1$ billion from $\$33.9$ billion in the fourth quarter.

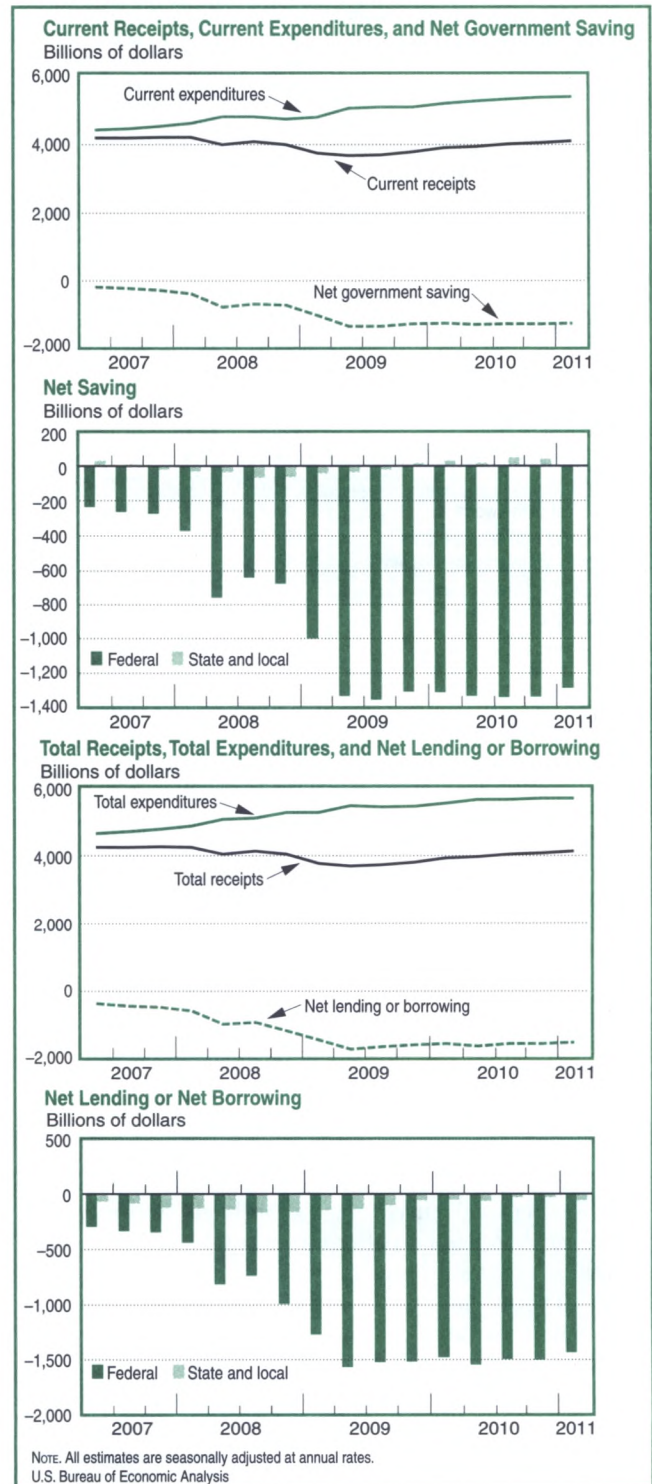
“Net lending or net borrowing (–)” is an alternative measure of the government fiscal position. Net borrowing is the financing requirement of the government sector, and it is derived as net government saving plus the consumption of fixed capital and net capital transfers received less gross investment and net purchases of nonproduced assets.

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

	Level		Change from preceding quarter		
	2011	2010		2011	
	I	II	III	IV	I
Current receipts	4,111.8	43.8	73.0	41.7	49.3
Current expenditures	5,394.3	79.0	47.8	46.2	31.7
Net government saving	-1,282.5	-35.1	25.2	-4.5	17.6
Federal	-1,288.4	-22.3	-6.9	3.7	51.3
State and local	6.0	-12.8	31.9	-8.1	-33.6
Net lending or net borrowing (–) ...	-1,504.1	-79.1	84.1	-6.9	39.2
Federal	-1,439.2	-68.5	49.6	-6.9	70.2
State and local	-65.0	-10.7	34.4	0.1	-31.1

Raymen Labella 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		
	2011	2010			2011
		I	II	III		IV
Current receipts	2,470.0	41.9	52.6	18.8	33.9
Current tax receipts	1,460.3	27.5	40.1	15.3	123.8
Personal current taxes	993.2	25.3	17.9	13.8	93.0
Taxes on production and imports	107.7	6.0	2.3	1.3	-2.5
Taxes on corporate income	345.8	-3.9	20.5	-0.6	32.7
Taxes from the rest of the world	13.5	0.2	-0.7	0.9	0.5
Contributions for government social insurance	906.2	14.1	8.2	4.0	-90.7
Income receipts on assets	48.7	2.2	3.6	0.2	0.9
Current transfer receipts	58.3	-1.1	1.4	-1.2	-1.0
Current surplus of government enterprises	-3.5	-0.8	-0.7	0.5	0.9
Current expenditures	3,758.5	64.1	59.5	15.1	-17.3
Consumption expenditures	1,052.2	21.2	23.1	-5.4	-4.0
National defense	696.0	11.2	16.0	-8.6	-6.6
Nondefense	356.2	10.0	7.1	3.2	2.6
Current transfer payments	2,332.1	19.1	40.9	4.7	-24.9
Government social benefits	1,754.4	17.4	23.3	2.4	-3.9
To persons	1,737.7	17.0	22.9	2.7	-4.4
To the rest of the world	16.7	0.3	0.4	-0.3	0.5
Other current transfer payments	577.7	1.7	17.6	2.4	-21.1
Grants-in-aid to state and local governments	520.8	10.4	14.3	0.2	-18.7
To the rest of the world	56.9	-8.7	3.3	2.1	-2.3
Interest payments	312.4	23.3	-5.1	12.1	10.5
Subsidies	61.8	0.6	0.6	3.7	1.1
Less: Wage accruals less disbursements	0.0	0.0	0.0	0.0	0.0
Net federal government saving	-1,288.4	-22.3	-6.9	3.7	51.3
Social insurance funds	-264.5	7.8	-4.8	4.6	5.5
Other	-1,023.9	-30.0	-2.0	-1.0	45.8
Addenda:					
Total receipts	2,472.0	39.1	48.9	7.3	31.6
Current receipts	2,470.0	41.9	52.6	18.8	33.9
Capital transfer receipts	2.0	-2.6	-3.8	-11.6	-2.2
Total expenditures	3,911.2	107.6	-0.7	14.1	-38.5
Current expenditures	3,758.5	64.1	59.5	15.1	-17.3
Gross government investment	171.4	7.4	4.1	9.8	-10.7
Capital transfer payments	116.6	38.1	-65.5	-6.9	-7.4
Net purchases of nonproduced assets	0.0	-0.6	2.6	-1.8	-0.1
Less: Consumption of fixed capital	135.3	1.5	1.4	2.1	3.0
Net lending or net borrowing (-)	-1,439.2	-68.5	49.6	-6.9	70.2

Personal current taxes accelerated because of an acceleration in both withheld and nonwithheld income taxes (see the box below).

Taxes on corporate income turned up in the first quarter as a result of an increase in corporate profits.

Contributions for government social insurance turned down as a result of a reduction in the social security contribution rate for 2011 (see the box below).

Government social benefits to persons turned down as a result of downturns in the earned income tax credit and unemployment benefits.

Grants-in-aid to state and local governments turned down, reflecting a downturn in Medicaid grants as a result of a reduction in the federal matching rate that had been boosted by the American Recovery and Reinvestment Act of 2009.

Capital transfer receipts decreased less as a result of a smaller decrease in estate and gift taxes.

Gross government investment turned down, reflecting downturns in defense structures and equipment and software.

Effects of Legislation on Federal Government Estimates

Within personal current taxes, withheld income taxes increased \$56.1 billion after increasing \$12.5 billion. The acceleration was a result of the expiration at the end of 2010 of the "Making Work Pay" Tax Credit provision of the American Recovery and Reinvestment Act of 2009. This provision provided a refundable tax credit of up to \$400 for working individuals and \$800 for married couples filing joint returns. These credits were primarily distributed through reductions to federal income tax

withholding rates for 2009 and 2010.

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 reduced the social security contribution rate for employees and the self-employed by 2.0 percentage points. The social security contribution rate for employees was reduced from 6.2 percent to 4.2 percent, and the contribution rate for self-employed workers was reduced from 12.4 percent to 10.4 percent.

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		
	2011	2010		2011	
	I	II	III	IV	I
Current receipts	2,162.5	12.4	34.6	23.2	-3.4
Current tax receipts	1,366.1	-2.1	18.1	19.7	11.6
Personal current taxes	309.2	-10.9	11.2	11.2	6.2
Taxes on production and imports	967.8	2.8	3.7	10.7	5.3
Taxes on corporate income	89.2	6.1	3.0	-2.0	0.1
Contributions for government social insurance	22.7	0.1	0.1	0.0	0.2
Income receipts on assets	119.2	0.6	-0.1	0.7	0.5
Current transfer receipts	664.1	14.0	17.0	2.6	-15.3
Federal grants-in-aid	520.8	10.4	14.3	0.2	-18.7
Other	143.3	3.5	2.7	2.4	3.4
Current surplus of government enterprises	-9.6	-0.2	-0.3	-0.1	-0.3
Current expenditures	2,156.6	25.3	2.6	31.3	30.3
Consumption expenditures	1,478.0	-0.7	-5.4	12.2	24.5
Government social benefits	562.9	23.2	7.2	17.0	6.1
Interest payments	114.8	2.3	1.3	2.7	-0.2
Subsidies	0.8	0.5	-0.5	-0.7	-0.1
Less: Wage accruals less disbursements	0.0	0.0	0.0	0.0	0.0
Net state and local government saving	6.0	-12.8	31.9	-8.1	-33.6
Social insurance funds	2.6	-0.1	0.0	0.0	0.0
Other	3.3	-12.8	32.1	-8.2	-33.7
Addenda:					
Total receipts	2,224.8	20.2	44.9	23.1	-14.5
Current receipts	2,162.5	12.4	34.6	23.2	-3.4
Capital transfer receipts	62.3	7.8	10.3	-0.1	-11.1
Total expenditures	2,289.8	30.9	10.5	23.1	16.5
Current expenditures	2,156.6	25.3	2.6	31.3	30.3
Gross government investment	329.3	7.2	9.5	-6.4	-11.2
Capital transfer payments					
Net purchases of nonproduced assets	15.0	0.3	0.3	0.3	0.3
Less: Consumption of fixed capital	211.0	1.9	1.9	2.1	2.8
Net lending or net borrowing (-)	-65.0	-10.7	34.4	0.1	-31.1

Personal current taxes decelerated as a result of a deceleration in income taxes.

Taxes on production and imports decelerated as a result of decelerations in sales, property, and severance taxes.

Federal grants-in-aid turned down, reflecting a downturn in Medicaid grants as a result of a reduction in the Medicaid Federal Medical Assistance Percentage (FMAP). The American Recovery and Reinvestment Act of 2009 boosted the FMAP 6.2 percent through December 2010. Subsequent legislation delayed the expiration of the additional FMAP, but it lowered the additional FMAP to 3.2 percent in January 2011. The rate was scheduled to fall to 1.2 percent in April.

Consumption expenditures accelerated, reflecting accelerations in expenditures for nondurable goods and services.

Government social benefits decelerated as a result of a deceleration in Medicaid benefits.

Capital transfer receipts decreased more as a result of downturns in grants for highways and housing and community services.

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 census of governments that is conducted 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/national/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 also 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 2010 SURVEY.

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

Trends in Consumer Spending and Personal Saving, 1959–2009

By Clinton P. McCully

RISING consumer demand for goods and services has been a key element of U.S. economic growth over the past 50 years. Consumer spending—measured in the national income and product accounts (NIPAs) as personal consumption expenditures (PCE)—accounts for more than two-thirds of domestic demand in the United States, as measured by gross domestic purchases.¹ PCE consists of household expenditures and of the expenses net of sales of nonprofit institutions serving households. Increases in consumer demand have been supported by increases in disposable personal income (DPI)—personal income less personal current taxes.

Real DPI and real PCE each grew by an average annual rate of 3.4 percent from 1959 to 2009, or 2.2 percent on a per capita basis.² Over that time, the composition of PCE by expenditure category and by sources of funding has changed significantly, as has the share of PCE for goods that is accounted for by foreign-made products. There have been significant variations in real PCE growth rates by period and in the patterns of change during recessions and recoveries. Personal saving, which equals DPI less personal outlays, has been affected by variations in household net worth, consumer debt, and housing investment.³

The trends and developments in PCE over 1959 to

1. Gross domestic purchases—a measure of purchases by U.S. residents regardless of where the purchased goods and services were produced—is calculated as the sum of personal consumption expenditures, gross private domestic investment, and government consumption expenditures and gross investment; thus, gross domestic purchases includes imports of goods and services but excludes exports of goods and services.

2. All growth rates cited in this article are average annual percent changes.

3. Personal outlays consists of PCE, personal interest payments, and personal current transfer payments. Personal interest payments consist of non-mortgage interest paid by households. Personal current transfer payments include payments to general government and to rest of the world. Payments to general government primarily consist of donations, fees, and fines that are paid by households and nonprofit institutions serving households (NPISHs). Current transfer payments to the rest of the world primarily consist of cash and in-kind transfers to foreign residents by households and NPISHs.

2009 include the following:

- A large increase in the share of PCE accounted for by services, particularly by health care and by financial services and insurance
- A large decrease in the share of PCE accounted for by goods, particularly by food and by clothing and footwear
- A significant decrease in the share of PCE accounted for by out-of-pocket expenditures
- Much higher rates of price change for services than for goods
- Low rates of change in goods prices associated with large increases in the import shares of expenditures for goods
- A significant slowing in the real PCE growth rate over the last decade
- A longer period of decrease and a slower recovery in real PCE during and after the 2007–2009 recession than in any recession since 1960.⁴

The trends and developments in personal saving between 1959 and 2009 include the following:

- A 25-year upward trend in the personal saving rate followed by a 23-year downward trend until increases in the recession years of 2008 and 2009.
- A 39-year period in which households were net lenders to other sectors, followed by a period from 1999 to 2007 in which they were net borrowers and a reversion to net-lender status in the recession years of 2008 and 2009.

The remainder of this article covers changes in PCE shares, long-term PCE growth, changes in the import shares of PCE goods categories, changes in shares of PCE by source of funds, cyclical patterns of change in PCE, and factors affecting the personal saving rate.

4. Recession and business cycle dating is done by the National Bureau of Economic Research (NBER). According to NBER, the peak of the business cycle was December 2007, and the trough—the last month of the recession—was June 2009; see “U.S. Business Cycle Expansions and Contractions” (a table); www.nber.org.

PCE Shares and Long-Term Growth

The share of current-dollar PCE accounted for by services increased from 45.7 percent in 1959 to 67.7 percent in 2009 (table 1).⁵ This large increase in share was

Table 1. Contributions to Percent Change, Average Annual Growth, and Shares of PCE by Major Type of Product

Line		1959 to 2009			Share of current-dollar PCE (percent)			
		Contribution to percent change in real PCE (percentage points)	Average annual growth (percent)		1959	2009	Change in share	
			Quantity ¹	Price				Current dollars
1	PCE	3.4 ¹	3.4	3.6	7.1	100.0	100.0	.....
2	Goods	1.46	3.4	2.6	6.0	54.3	32.3	-22.0
3	Durable goods	0.71	5.2	1.2	6.5	14.1	10.3	-3.9
4	Motor vehicles and parts	0.21	3.5	2.3	5.8	5.9	3.2	-2.7
5	Furnishings and durable household equipment.....	0.15	4.1	1.5	5.7	4.9	2.5	-2.4
6	Recreational goods and vehicles	0.28	9.8	-1.5	8.1	2.0	3.2	1.2
7	Other durable goods	0.07	4.6	2.5	7.3	1.3	1.4	0.1
8	Nondurable goods	0.75	2.5	3.3	5.9	40.2	22.0	-18.2
9	Food and beverages purchased for off-premises consumption	0.20	1.6	3.6	5.2	19.4	7.8	-11.6
10	Clothing and footwear	0.22	3.9	1.3	5.2	8.0	3.2	-4.8
11	Gasoline and other energy goods	0.05	1.5	4.6	6.2	4.8	3.0	-1.8
12	Other nondurable goods.....	0.27	3.4	3.6	7.1	8.0	8.0	0.0
13	Services	1.94	3.5	4.4	8.0	45.7	67.7	22.0
14	Household consumption expenditures	1.81	3.4	4.5	8.0	44.1	65.1	21.0
15	Housing and utilities.....	0.57	3.2	4.0	7.4	16.6	18.8	2.1
16	Health care	0.37	3.9	5.7	9.9	4.7	16.2	11.6
17	Transportation services.....	0.10	3.0	4.1	7.3	2.7	2.9	0.2
18	Recreation services	0.12	4.6	3.9	8.7	1.9	3.8	1.9
19	Food services and accommodations.....	0.16	2.5	4.4	7.1	6.2	6.0	-0.2
20	Financial services and insurance	0.23	3.9	4.6	8.7	3.9	8.1	4.2
21	Other services	0.25	3.1	4.3	7.4	8.0	9.3	1.2
22	Final consumption expenditures of nonprofit institutions serving households	0.13	6.7	1.4	8.2	1.6	2.6	1.0

1. Percent change in real PCE

overwhelmingly accounted for by much faster growth in services prices. Growth in real PCE was nearly identical, averaging 3.5 percent for services and 3.4 percent for goods. Services prices increased at an average rate of 4.4 percent, nearly 2 percentage points more than the 2.6 percent change in goods prices. Prices for each of the household services expenditure categories increased at a faster rate than prices for total PCE, which averaged 3.6 percent, while prices for all of the PCE goods categories except gasoline and other energy goods increased at a rate less than, or equal to, this average. Consumer services are generally not tradable commodities, and except for foreign travel by U.S. residents, the import share of PCE services is only about 0.1 percent. For goods, price changes for categories in which imports of finished goods have been an increasing share of consumer purchases over time have been

5. All discussion of PCE shares is in current-dollar terms. PCE shares cannot be calculated in chained dollars because estimates of real PCE are not additive.

particularly low; the categories of clothing and footwear and recreational goods and vehicles exemplify this phenomenon. (See the section "Import Shares of PCE Goods.")

Among PCE services categories, the largest increases in shares were for health care services and for financial services and insurance. The share of PCE accounted for by health care services increased from 4.7 percent in 1959 to 16.2 percent in 2009, while the share accounted for by financial services and insurance increased from 3.9 percent in 1959 to 8.1 percent in 2009. Prices for health care services increased by an average of 5.7 percent, and prices for financial services and insurance increased by an average of 4.6 percent. The growth in real PCE for both health care and for financial services and insurance was 3.9 percent, which was higher than the average growth in total real PCE of 3.4 percent, so that current-dollar expenditures growth averaged 9.9 percent for health care and 8.7 percent for financial services and insurance. Together, these categories accounted for more than two-thirds of the increase in the services share of PCE.

The share of PCE accounted for by goods decreased from 54.3 percent in 1959 to 32.3 percent in 2009. The share accounted for by food and beverages decreased 11.6 percentage points, from 19.4 percent to 7.8 percent, and the share accounted for by clothing and footwear decreased 4.8 percentage points, from 8.0 percent to 3.2 percent.⁶ Together, these categories accounted for about three-fourths of the decline in the share of PCE accounted for by goods.

Health care. The share of PCE accounted for by health care that includes health care commodities, such as prescription drugs and optical goods, and health care services increased from 5.9 percent in 1959 to 19.7 percent in 2009. The increase in the health care services share of PCE was accounted for by outpatient services, which increased from 2.7 percent to 7.7 percent, and by hospital and nursing home services, which increased from 1.9 percent to 8.5 percent. The share of PCE accounted for by health care commodities increased from 1.2 percent to 3.5 percent; almost all of the increase was accounted for by prescription drugs.

Many factors have contributed to the dramatically increased share of PCE accounted for by health care. Some of these factors include the following:

- Large increases in the share of health care expenditures funded by government and by employers
- The aging of the population, requiring increased levels of health care

6. Food expenditures in PCE goods are for food and beverages purchased for off-premise consumption at grocery stores and similar establishments; prepared meals and snacks served at restaurants and similar establishments are included in PCE for services.

- The development of expensive new medical procedures and technologies

In 1959, 72.7 percent of PCE for health care was paid for by direct out-of-pocket expenditures, and by 2009, this share had declined to 17.6 percent.⁷ During this period, the share of PCE for health care paid for by government increased from 3.4 percent to 45.4 percent. The most important changes in government funding of PCE health care resulted from the Medicare and Medicaid programs.

Medicare, which began in 1966, provides health care for those 65 years of age and older, certain disabled persons, and those with kidney failure.⁸ It includes Hospital Insurance (Part A) and Supplementary Medical Insurance (Part B). Medicare Advantage (Part C) that gives Medicare enrollees the option of receiving their Medicare benefits through private insurance plans was added in 1997, and prescription drug coverage (Part D) through private plans was added in 2006. Contributing to Medicare's growth since 1966 have been rapid enrollment increases, averaging 2.1 percent from 1966 to 2009, more than twice as fast as the 1.0 percent average increase in the U.S. population. Medicare Part A enrollment was 46.2 million in 2009, more than twice the 1966 enrollment of 19.1 million.⁹ This reflects a high rate of growth in the population 65 years and older as well as expansion of Medicare coverage in 1973 to include permanently disabled persons and those with kidney failure. The share of the U.S. population aged 65 and over increased from 9.5 percent in 1966 to 12.9 percent in 2009.¹⁰ Especially notable has been the very rapid growth of those 75 years and older, from 3.4 percent in 1966 to 6.1 percent in 2009. The per capita health care spending of this group has been about twice as high, on average, as the 65-to-74-year-old age group.¹¹ Enrollment of the permanently disabled and those with kidney failure reached 8.1 million in 2009, 17.5 percent of Medicare Part A enrollment, and was nearly 5 times the 1973 enrollment level.

7. Estimates of out-of-pocket spending for PCE health care are not published in the NIPAs. They are estimated as a residual equal to total PCE health care less medical and hospitalization insurance benefits, less private workers' compensation medical benefits, and less government social benefits for medical care.

8. Medicare is designated as "hospital and supplementary medical insurance" in the NIPAs. See line 6 in NIPA "Table 3.12. Government Social Benefits"; www.bea.gov/national.

9. Centers for Medicare and Medicaid Services, "Medicare: National Enrollment Trends 1966–2009" (a table); www.cms.gov.

10. Census Bureau, "Table 1. Annual Estimates of the Resident Population by Sex and Five-Year Age Groups for the United States: April 1, 2000 to July 1, 2009", and "Resident Population Plus Armed Forces Overseas—Estimates by Age, Sex, and Race: July 1, 1966" (a table); www.census.gov.

11. Ellen Meara, Chapin White, and David M. Cutler, "Trends in Medical Care Spending by Age, 1963–2000," *Health Affairs* 23, no. 4 (July 2004): 176–183.

Medicaid provides health care to those at low income levels, which is determined as a percentage of the federal poverty line. It is a federal-state partnership program in which participating states receive federal grants for those eligible to access a defined set of medical and long-term care benefits. Eligibility has been gradually expanded over time, and enrollment has grown from 15 million in 1969 to 55 million in 2009, an average rate of growth of 3.3 percent, more than triple the rate of population growth over that time.¹² Medicare and Medicaid, which accounted for 8.3 percent of PCE for health care in 1966, accounted for 44.1 percent in 2009.

The share of health care expenditures accounted for by private health insurance and by private workers' compensation also increased, from 23.9 percent in 1959 to 37.0 percent in 2009. The percentage of the population covered by some form of private health insurance declined from 71.1 percent in 1959 to 63.9 percent in 2009.¹³ Private health insurance benefits have grown at an average rate of 10.7 percent, accounted for by an average 0.9 percent growth in the number of enrollees and by an average 9.7 percent growth in benefits per enrollee. The rapid growth in benefits per enrollee reflects both the rapid growth in health care costs and a greatly expanded scope of coverage. In 1959, the majority of coverage was for hospitalization and surgical insurance, and only a small percentage of enrollees were insured for primary care or other out-of-hospital care. Since then, health insurance has expanded to include nonhospital care, including primary care physicians' services, dental and other professional medical services, prescription drugs, and other health care goods and services.

The growing importance of third-party payers for health care has meant an increasing gap between health care costs paid directly by consumers and the full cost of the care. The share of PCE for health care paid for by government and private insurance has grown from 27.3 percent in 1959 to 82.4 percent in 2009. This growth has been associated with a greater demand for health care. In contrast to the majority of consumer goods and services in which the prices reflect the full cost to consumers, access to health care is not based solely on ability to pay. Research on the subject suggests that about 13 percent of the growth in per

12. Kaiser Family Foundation, "Medicaid: A Timeline of Key Developments"; www.kff.org.

13. Census Bureau, Persons Covered by Private Health Insurance for Hospital and Surgical Benefits, Series B401 in *Historical Statistics of the United States: Colonial Times to 1970, Part 1*: 82; www2.census.gov. Census Bureau, "Table C–1 Health Insurance Coverage: 1987 to 2009, in *Income, Poverty, and Health Insurance Coverage in the United States: 2009* (September 2010): 71; www.census.gov.

capita health care expenditures adjusted for general price inflation is attributable to the growth in public and private insurance, and an additional 2 percent is attributable to the aging of the population.¹⁴

There have been many advances in medical technology—improvements in the procedures, equipment, and processes by which health care is delivered. The development and diffusion of such technology is a major factor in explaining the large increases in health care expenditures relative to spending on other consumer goods and services. Examples of advances in surgical procedures include angioplasty, joint replacements, open-heart surgery, and laser eye surgery. Other advances include the treatment of preterm babies using special ventilators, devices to help infant lungs develop, neonatal intensive care, and steroids for mother and/or baby. The development of new medical commodities and equipment includes new drugs and medical devices such as CT scanners and implantable defibrillators. These advances have undoubtedly improved the quality of medical care, but the advances have in general been quite expensive and have contributed significantly to the growth in health care costs. Research on this issue has generally concluded that around half of the growth in per capita inflation-adjusted health expenditures is attributable to advances in medical technology.

Financial services and insurance

The 4.2 percentage point increase from 1959 to 2009 in the share of PCE accounted for by financial services and insurance was primarily attributable to financial services, which consists of imputed financial services furnished without payment and of financial service charges, fees, and commissions; the remainder of the increase was attributable to health insurance (table 2). The share of PCE accounted for by financial services increased from 1.8 percent in 1959 to 5.1 percent in 2009, and the increase was evenly divided between imputed and direct charges. The increased share of financial services was associated with greatly increased holdings of regulated investment company—also known as mutual fund—assets by households, greatly increased use of credit cards, and large increases in the fees of banks and other depository institutions.

The share of PCE accounted for by financial services furnished without payment increased from 1.1 percent in 1959 to 2.7 percent in 2009. These services include the services furnished without explicit charge by com-

mercial banks, other depository institutions, and regulated investment companies (RICs), with RICs accounting for most of the growth in the share of PCE. The services of RICs are measured by their expenses, largely portfolio management fees. These services grew from less than 0.1 percent of PCE in 1959 to 0.9 percent of PCE in 2009, reflecting the exponential growth of household holdings of mutual fund shares from \$15.8 billion in 1959 to \$5.5 trillion in 2009, a 12.4 percent annual growth rate.¹⁵ In PCE, RIC services to persons in 2009 were \$68.2 billion, or 1.2 percent of the value of household mutual fund holdings.¹⁶

The share of PCE accounted for by financial service charges, fees, and commissions increased from 0.7 percent in 1959 to 2.3 percent in 2009. These services include bank and other depository institution fees, credit card fees, securities commissions, portfolio management and investment advisory fees, and trust, fiduciary, and custody activities. The growth in these services was primarily accounted for by financial service charges and fees, including credit card and bank fees, and by portfolio management and investment advisory fees.

The growth in credit card fees reflects the tremendous growth in the use of credit cards. Credit card fees include membership fees, late fees, over-limit fees, cash advance fees, application fees, and setup fees. The first plastic charge card was introduced in 1958 by the American Express Company as a travel and entertainment card for which the balance had to be paid in full each month. In 1966, the first general-purpose credit card was introduced by the Bank of America as the BankAmericard, eventually becoming known as the Visa card, and a group of credit-issuing banks joined together to form the InterBank Association and issued

15. Board of Governors of the Federal Reserve System, *Flow of Funds Accounts of the United States (Statistical Release Z.1, table “B.100 Balance Sheet of Households and Nonprofit Organizations”* for 2009 and 1959, www.federalreserve.gov. Holdings include those of nonprofit organizations and combine mutual fund shares and money market fund shares.

16. RIC services to pension funds are also included in PCE.

Table 2. Financial Services and Insurance Shares of PCE

[Percent of current-dollar PCE]

	1959	2009	Change in share
Financial services and insurance	3.9	8.1	4.2
Financial services	1.8	5.1	3.3
Financial services furnished without payment.....	1.1	2.7	1.6
Commercial banks and other depository institutions.....	1.1	1.4	0.3
Regulated investment companies.....	*	0.9	0.9
Pension funds.....	*	0.4	0.4
Financial service charges, fees, and commissions.....	0.7	2.3	1.7
Financial service charges and fees.....	0.2	1.0	0.7
Securities commissions.....	0.4	0.4	0.0
Portfolio management, investment advice services, and trust, fiduciary, and custody activities.....	0.1	1.0	1.0
Insurance	2.2	3.1	0.9
Medical care and hospitalization insurance.....	0.2	1.4	1.2
Other insurance.....	1.9	1.7	-0.2

* Less 0.05 percent.

14. General price inflation as measured by the gross domestic product (GDP) price index. Centers for Medicare and Medicaid Services, “Table 6: Research on Causal Factors Accounting for Growth in Real Per Capita Health Care Spending,” *Review of Assumptions and Methods of the Medicare Trustees’ Financial Projections* (December 2000): 32; www.cms.gov.

a general-purpose credit card that became known as MasterCard and later as MasterCard.¹⁷ Consumer holdings of revolving credit, the type used for credit cards in which the balance does not have to be paid each month, were \$894.0 billion at the end of 2009, compared with \$2.1 billion at the end of 1968, the first year of available data, an average growth rate of 15.9 percent.¹⁸ Credit card fees in 2009 were \$25.1 billion, 2.8 percent of outstanding balances.

The growth in bank and other depository institution service fees reflects the development of new services and higher-than-average price increases in existing services. New services since 1959 have included ATMs and electronic transfers. Overdraft fees have escalated rapidly, nearly doubling from 2000 to 2009 to a level of \$38.5 billion, and these fees now account for more than three-fourths of the charges on deposit accounts.¹⁹

Clothing and footwear and food and beverages

Clothing and footwear. The share of PCE accounted for by clothing and footwear declined to 3.2 percent in 2009 from 8.0 percent in 1959. The decline was accounted for by slightly higher-than-average real growth of 3.9 percent and by price increases that averaged 1.3 percent, more than 2 percentage points less than the growth in the overall PCE price of 3.6 percent. The low rate of price change was associated with a large increase in the import share of clothing and footwear expenditures.

Food and beverages. The share of PCE accounted for by food and beverages purchased for off-premises consumption declined to 7.8 percent in 2009 from 19.4 percent in 1959 (table 1). The large decline was accounted for by average real growth of 1.6 percent, nearly 2 percentage points less than total PCE growth, and by increases in food prices that equaled the overall average of 3.6 percent. This average rate of change of food prices was associated with a relatively small increase in the share of food expenditures accounted for by imports.

From 1959 to 2009, real per capita food consumption grew at an average annual rate of 0.6 percent, compared with a 2.2 percent growth rate for PCE and disposable personal income, which is indicative of the

income-inelasticity of food consumption.²⁰ As incomes grow, a larger share is spent on personal services and other discretionary items, and the share spent on food declines. The rate of decline in the food share of PCE slowed markedly in the most recent decade from 1999 to 2009, as overall PCE growth slowed and as growth in food expenditures accelerated, with higher growth in both prices and quantities.

PCE growth by decade

Real PCE growth was highest from 1959 to 1969, averaging 4.4 percent. Growth in each subsequent decade through 1999 was between 3.3 percent and 3.5 percent. From 1999 to 2009, PCE growth slowed significantly, to an average rate of 2.4 percent (table 3). This slower growth was accounted for by slower growth in disposable personal income and by an increase in the personal saving rate from 3.1 percent in 1999 to 5.9 percent in 2009. During this period, growth in all PCE categories except health care services and food and beverages slowed. PCE for motor vehicles and parts and transportation services decreased, accounted for primarily by decreases in expenditures for new motor vehicles, motor vehicle maintenance and repair, and motor vehicle leasing.

20. Real per capita PCE and disposable personal income are from NIPA "Table 7.1 Selected Per Capita Product and Income Series in Current and Chained Dollars." Real per capita food consumption is derived by multiplying the quantity index for food and beverages purchased for off-premises consumption from NIPA "Table 2.4.3 Real Personal Consumption Expenditures by Major Type of Product, Quantity Indexes" by the 2005 current-dollar value of that consumption and dividing by population estimates from Table 7.1; www.bea.gov.

Table 3. Real PCE Growth by Decades

[Average annual percent change]

	1959 to 1969	1969 to 1979	1979 to 1989	1989 to 1999	1999 to 2009
PCE	4.4	3.5	3.3	3.3	2.4
Goods	4.2	3.0	3.1	3.8	2.7
Durable goods.....	6.4	4.8	4.9	5.9	3.8
Motor vehicles and parts.....	6.4	3.8	4.5	3.4	-0.6
Furnishings and durable household equipment.....	4.8	4.3	3.4	4.3	3.8
Recreational goods and vehicles.....	10.1	7.1	8.3	12.9	10.5
Other durable goods.....	6.3	5.9	3.9	4.3	2.8
Nondurable goods.....	3.3	2.2	2.3	2.6	2.0
Food and beverages purchased for off- premises consumption.....	2.5	1.1	1.5	1.3	1.6
Clothing and footwear.....	3.4	4.4	5.0	3.9	2.9
Gasoline and other energy goods.....	3.4	1.7	0.8	1.7	-0.2
Other nondurable goods.....	5.0	3.0	2.6	3.8	2.8
Services	4.7	4.0	3.4	3.1	2.2
Household consumption expenditures.....	4.7	4.0	3.1	2.9	2.1
Housing and utilities.....	5.0	4.0	2.6	2.6	1.9
Health care.....	6.2	5.2	2.8	2.2	3.3
Transportation services.....	4.7	3.4	3.3	4.7	-0.9
Recreation services.....	4.8	5.6	6.4	4.5	1.8
Food services and accommodations.....	3.2	3.5	2.6	1.8	1.6
Financial services and insurance.....	4.1	5.1	4.0	4.3	2.1
Other services.....	4.2	2.3	3.4	3.3	2.2
Final consumption expenditures of nonprofit institutions serving households.....	5.3	3.2	11.6	8.8	4.5
Addendum					
Real disposable personal income.....	4.5	3.6	3.1	3.0	2.7

17. Information is from "The History of Credit Cards"; www.credit-cards.com/credit-card-news/credit-cards-history-1264.php.

18. Board of Governors of the Federal Reserve System, "Consumer Credit" (Federal Reserve Statistical Release G.19) for 2009 and for 1968; www.federalreserve.gov.

19. Saskia Scholtes and Francesco Guerrera, "Banks Make \$38bn From Overdraft Fees," *Financial Times* (August 9, 2009).

Import Shares of PCE Goods

The import share of PCE goods, measured as import values as a percentage of PCE valued in final retail or “purchasers” prices, increased from 2.6 percent in 1959 to 16.5 percent in 2009 (table 4). The shares of all

Table 4. Import Shares of PCE by Major Type of Product

Line		1959	1969	1979	1989	1999	2009	Change in share 1959 to 2009
1	PCE	1.9	2.6	4.1	5.3	6.3	6.2	4.3
2	Goods	2.6	3.8	7.5	11.0	14.6	16.5	13.9
3	Durable goods.....	3.2	6.1	12.0	16.1	19.7	21.4	18.2
4	Motor vehicles and parts.....	4.0	5.9	12.9	16.8	21.3	20.3	16.3
5	Furnishings and durable household equipment.....	1.0	2.7	5.4	8.8	13.6	19.6	18.6
6	Recreational goods and vehicles.....	5.7	10.2	17.8	20.4	20.8	20.7	15.0
7	Other durable goods.....	4.0	9.2	15.3	21.4	23.4	28.8	24.8
8	Nondurable goods.....	2.4	2.9	5.5	8.3	11.5	14.2	11.8
9	Food and beverages purchased for off- premises consumption.....	2.4	2.7	4.1	3.5	4.5	6.1	3.7
10	Clothing and footwear.....	3.8	5.1	11.5	21.1	28.0	31.9	28.1
11	Gasoline and other energy goods.....	0.4	0.4	3.0	1.9	2.0	4.1	3.7
12	Other nondurable goods.....	2.0	2.4	5.0	8.3	12.5	18.6	16.6
13	Services	1.2	1.3	1.2	1.5	1.7	1.3	0.1
14	Household consumption expenditures....	1.2	1.3	1.3	1.6	1.7	1.3	0.1
15	Housing and utilities.....	0.1	0.1	0.1	0.0	0.1	0.1	0.0
16	Health care.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Transportation services.....	0.5	0.0	0.0	0.0	0.2	0.5	0.0
18	Recreation services.....	0.4	0.1	0.1	0.1	0.1	0.4	0.0
19	Food services and accommodations..	0.0	0.0	0.1	0.0	0.1	0.0	0.0
20	Financial services and insurance.....	0.0	0.1	0.1	0.7	0.1	0.0	0.0
21	Other services.....	6.3	7.4	8.6	11.4	11.9	8.8	2.5
22	Final consumption expenditures of nonprofit institutions serving households.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0

NOTE: Import value as a percentage of retail PCE value

the major categories of PCE goods except food and beverages and gasoline and other energy goods increased by at least 15 percentage points.²¹

The largest increase in import share was for clothing and footwear, which increased by 28.1 percentage points from 1959 to 2009. This large increase in the import share of PCE for clothing and footwear was associated with a very low rate of increase in prices for clothing and footwear, which grew by an average rate of 1.3 percent, more than 2 percentage points less than the change in overall PCE prices. In 2009, imported clothing and footwear measured at import value accounted for 31.9 percent of PCE for clothing and footwear measured in purchasers’ prices, compared with 3.8 percent in 1959.²² When imported clothing and footwear are measured including margins—transportation costs, wholesale and retail margins, and sales

21. Imports in PCE are measured using finished goods only. The import share of gasoline and other energy goods increased from 0.4 percent in 1959 to 4.1 percent in 2009. Although the import share of crude oil increased by a large amount over this period, this is an “intermediate” good rather than a “final” good and is not included in the calculation of import shares in PCE.

22. Imports in PCE are not published in the NIPAs. They are estimated using the import share of the supply of the commodity from domestic production and imports available for domestic sale applied to PCE, calculated using producers’ values (domestic manufacturers’ values and import values exclusive of trade and transportation margins and sales taxes), based on benchmark input-output estimates, with interpolation and extrapolation using detailed import data.

taxes—the share of total PCE accounted for by imports was more than 70 percent in 2009.²³

Other categories with large increases in shares were motor vehicles and parts, furniture and durable household equipment, recreational goods and vehicles, “other” durable goods, and “other” nondurable goods. Except for “other” nondurable goods, each of these categories had percentage increases in real PCE over the period that were higher than total real PCE, and rates of price change that were at least 1.1 percentage points less than the change in the overall PCE price.²⁴

The import share of motor vehicles and parts increased from 4.0 percent in 1959 to 20.3 percent in 2009; the largest import share in 2009 was accounted for by new motor vehicles.²⁵ The import share of furnishings and durable household equipment increased from 1.0 percent in 1959 to 19.6 percent in 2009. Within furnishings and durable household equipment, the largest import share in 2009 was accounted for by household appliances.

The import share of recreational goods and vehicles, which consists primarily of consumer electronics, increased from 5.7 percent in 1959 to 20.7 percent in 2009. Prices for recreational goods and vehicles have decreased by an average of 1.5 percent, while increases in real expenditures have averaged 9.8 percent. Within recreational goods and vehicles, the largest import shares in 2009 were accounted for by video and audio goods, photographic equipment, and information processing equipment and media.

The import share of “other” durable goods increased from 4.0 percent in 1959 to 28.8 percent in 2009; in 2009, the largest import shares were accounted for by jewelry and watches, luggage and similar personal items, and telephone and facsimile equipment. The import share of “other” nondurable goods increased from 2.0 percent in 1959 to 18.6 percent in 2009; the largest share in 2009 was accounted for by games, toys, and hobbies.

Unlike clothing and footwear and other PCE goods categories, the share of PCE food and beverages accounted for by imports increased only modestly, to 6.1 percent in 2009 from 2.4 percent in 1959. The perishable nature and finite shelf lives of many foods help account for this modest increase in the import share. In contrast, clothing and footwear, which are “dry goods”, are not subject to spoilage, nor are the commodities in

23. The retail values of imported clothing and footwear in PCE are not published in the NIPAs. They are estimated by applying the margin rates (the ratios of purchasers’ to producers’ values) from the 2002 Input-Output estimates for clothing and footwear to the corresponding import values.

24. “Other” nondurable goods had quantity and price increases that were equal to overall PCE.

25. This includes imports from Canada and Mexico, though in the presentation of the motor vehicle estimates these are classified as “domestic” sales.

the other PCE goods categories with large increases in import shares.

PCE by Source of Funds

PCE includes direct expenditures by households for goods and services, expenditures funded through government and employers, imputed expenditures for financial services and insurance and for owner-occupied housing, life insurance and pension fund expenses, and the expenditures (net of sales to households) of nonprofit institutions serving households (NPISHs).²⁶ The share of PCE accounted for by direct household expenditures decreased from 92.8 percent in 1959 to 70.3 percent in 2009 (chart 1). The share of PCE funded through government and employers and by imputed expenditures increased from 4.7 percent in 1959 to 25.9 percent in 2009, while the shares accounted for by life insurance and pensions and by NPISHs changed little between 1959 and 2009.

Expenditures funded through government increased from 0.2 percent of PCE in 1959 to 9.7 percent in 2009. These expenditures are noncash government social benefits in which the benefits have to be used for a specified purpose and for which households do not receive cash income to pay for the benefits. These non-cash benefits are primarily for health care, but they also fund food, education, and other household expenditures.

Total health care social benefits were \$887.1 billion in 2009, or 8.9 percent of total PCE, compared with 0.2 percent in 1959. Health care social benefits accounted for 45.4 percent of PCE for health care in 2009, compared with 3.4 percent in 1959.²⁷ The largest sources of health care social benefits are expenditures under the Medicare and Medicaid programs. Medicare accounted for \$500.3 billion in expenditures in 2009, or 5.0 percent of total PCE. Medicaid accounted for \$369.3 billion in expenditures in 2009, or 3.7 percent of total PCE.

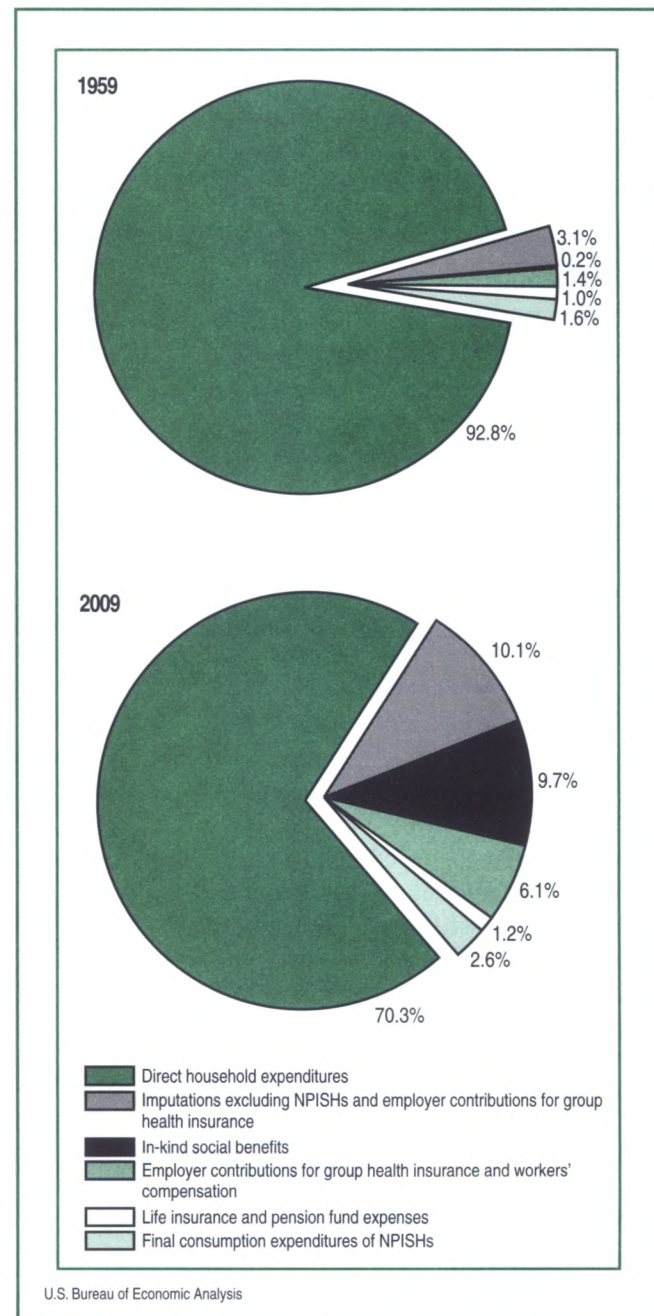
The largest in-kind social benefit other than health care is the federal Supplemental Nutrition Assistance Program (SNAP), which funds food purchases.²⁸ The program, which started in 1961, accounted for \$54.6 billion in social benefits in 2009, or 0.5 percent of total PCE and 8.2 percent of PCE for food and nonalcoholic beverages purchased for off-premises consumption.

26. PCE also includes small imputations for employment-related in-kind goods and services and for food produced and consumed on farms.

27. The actual share may be slightly lower because a small amount of these benefits fund social assistance expenditures in PCE. See Micah B. Hartman, Robert J. Kornfeld, and Aaron C. Catlin, "A Reconciliation of Health Care Expenditures in the National Health Expenditures Accounts and in Gross Domestic Product," *SURVEY OF CURRENT BUSINESS* 90 (September 2010): 42–52; www.bea.gov.

28. Before October 2008, the program funding food-related benefits was known as Food Stamps.

Chart 1. Shares of Personal Consumption Expenditures by Source of Funds



Social benefits under SNAP increased 76.7 percent between 2007 and 2009, as the number of participants increased 8.8 million to 35.3 million.²⁹ The large increase in the number of unemployed during that period, from 7.1 million in 2007 to 14.3 million in 2009, contributed significantly to the increase in the number of recipients.³⁰

29. Average monthly participants are from the U.S. Department of Agriculture "SNAP Monthly Data"; www.fns.usda.gov. Since 2009, the number of food stamp recipients has continued to increase, to 44.6 million in March 2011, 14.3 percent of the U.S. population.

30. The annual average number of unemployed persons is from the Bureau of Labor Statistics; www.bls.gov.

Employer contributions for group health insurance, which are imputed to PCE, were \$558.9 billion in 2009, or 5.6 percent of total PCE, compared with 1.0 percent in 1959.³¹ Benefits paid under this insurance are included in PCE for health care, and premiums net of benefits are included in PCE for insurance. Although the expansion of employer coverage accounted for most of the growth from 1960 through the mid-1980s, changes in employer contributions over the past 25 years have been primarily driven by changes in health insurance premium rates, because the percentage of workers receiving health insurance through their employers has actually decreased. Benefits paid under private health insurance in PCE, including employee-paid and individually purchased insurance, were \$706.6 billion in 2009, 35.8 percent of PCE for health care, compared with 22.1 percent in 1959. Private workers' compensation benefits for medical care were \$23.6 billion in 2009, 1.2 percent of PCE for health. Together, health care social benefits and private insurance benefits accounted for 82.4 percent of PCE for health care in 2009, compared with 27.3 percent in 1959.

The share of PCE accounted for by imputations for owner-occupied housing, financial and insurance services, food produced and consumed on farms, and employer provision of food, clothing, and lodging increased from 3.1 percent in 1959 to 10.1 percent in 2009. The share of imputations for owner-occupied housing in PCE was 1.2 percent in 1959 and 7.5 percent in 2009, and the share varied significantly over that period, ranging from a low of 0.7 percent in 1978 to its high in 2009. Imputed expenditures for owner-occupied housing in PCE are estimated as the imputed rental value of owner-occupied housing less intermediate expenses for repair and maintenance and investment in owner-occupied residential structures.³²

Both the rental value of owner-occupied housing and intermediate expenses have grown at relatively stable rates over time, and most of the variation in imputed expenditures for owner-occupied housing has been accounted for by changes in owner-occupied investment. Generally, the share of PCE accounted for by

the imputation for owner-occupied housing decreased during expansions, as owner-occupied housing investment increased, and the share increased during recessions. The share ranged from 0.7 percent and 5.1 percent between 1959 and 2001. It reached a level of 4.3 percent in the recession year of 2001, before falling sharply between 2001 and 2005, as large increases in owner-occupied investment resulted in a reduction in the imputed expenditures share to 2.0 percent. A 57.3 percent decrease in owner-occupied investment between 2005 and 2009 pushed the owner-occupied housing imputation share to its record high in 2009.

Cyclical Patterns of Change in Real PCE

In each of the eight recessions since 1960, percent changes in real PCE have been more moderate than changes in gross domestic purchases. Real PCE has decreased less than gross domestic purchases in five of those recessions, and it actually increased in the other three recessions. PCE for services has been the most important factor in explaining these relative patterns; PCE for services increased in six of the recessions and decreased less than 0.5 percent in the other two recessions. In contrast, PCE for durable goods decreased in all but two of the recessions, and PCE for nondurable goods decreased in four of the recessions. In the three recessions since 1990, the rate of change in PCE for services has been significantly smaller than in the five recessions from 1960 to 1982. In the three most recent recessions, PCE for services growth has averaged 0.2 percent, compared with an average of 2.5 percent in the earlier recessions.

The decline in real PCE during the 2007–2009 recession continued for 16 months, a longer period than in any of the previous recessions back to 1960, and the 2.6 percent decrease in real PCE was larger than in all but one of those recessions (chart 2). The subsequent recovery in PCE relative to its previous peak has been slower than during any of the previous recoveries back to 1960. Real PCE in the 2007–2009 recession did not surpass its previous peak until October 2010, 34 months after the start of the recession, and on a per capita basis, the previous peak still had not been surpassed as of April 2011, 40 months after the start of the recession. In contrast, during each of the previous recessions back to 1960, real PCE either increased during the recession or surpassed its previous peak within 18 months of the start of the recession.

Factors Affecting the Personal Saving Rate

The personal saving rate, personal saving as a percentage of disposable personal income (DPI), changed by

31. Imputations in PCE are in NIPA "Table 7.12 Imputations in the National Income and Product Accounts"; www.bea.gov. Employers also pay life insurance premiums for employees, but these are not considered here, because PCE for life insurance is not measured by premiums. Employer contributions for private workers' compensation, whose premiums are entirely paid by employers, account for about 0.5 percent of total PCE.

32. Investment in owner-occupied structures includes owner-occupant purchases of new single-family dwellings, including manufactured homes, expenditures on improvements, and payments of brokers' commissions on the sale of new and existing dwellings, less sales of dwellings to government. Mortgage interest and property taxes paid are also included as owner-occupant expenses and are subtracted from the PCE rental value of owner-occupied housing in determining the rental income from owner-occupied housing, which is part of personal income.

as much as 2 percentage points each year between 1959 and 2009, but there have been two clear trends (chart 3). From 1959 to 1982, the personal saving rate trended upward, and from 1982 to 2007, it trended steeply downward. From a rate of 7.5 percent in 1959, the personal saving rate trended upward until reaching a peak of 10.9 percent in 1982. After 1982, the saving rate trended down, reaching a low of 1.4 percent in 2005, and it then remained at around 2 percent through 2007. In 2008 and 2009, during the most recent recession, the personal saving rate increased about 2 percentage points each year, reaching 5.9 percent in 2009.

Changes in the saving rate are inversely related to changes in household net worth as a percentage of DPI.³³ Capital gains and losses from household holdings of real estate and financial assets affect the level of household net worth, but are not part of personal income or personal saving in the NIPAs. The ratio of household net worth to DPI typically rises during periods in which household real estate and financial assets are appreciating in value, and falls when these assets are losing value. As household assets appreciate, incentives to save from current income are lessened, while incentives to save are increased during periods of falling asset values. From 1959 to 1982, the personal saving rate increased 3.4 percentage points, and household net worth as a percentage of DPI fell 12.3 percent, from 500.8 percent in 1959 to 439.0 percent in 1982. From 1982 to 2007, household net worth as a percentage of DPI increased 41.9 percent to 623.0 percent in 2007, as the personal saving rate decreased from 10.9 percent to 2.1 percent. From 2007 to 2009, the ratio of household net worth to DPI decreased 25.1

percent to 466.6 percent in 2009, as the personal saving rate increased from 2.1 percent to 5.9 percent.

In 2008 and 2009, the ratio of household net worth to DPI returned to a range that prevailed in 1959–69 when the personal saving rate ranged from 7.2 percent to 9.4 percent; however, the personal saving rate may not return to that range because of the increasing importance of third-party expenditures and imputed expenditures. Expenditures funded through government and employers, imputed expenditures for services furnished without payment by banks and other depository institutions, expenditures for the services of regulated investment companies, and premium supplements for property and casualty insurance all have matching counterparts in personal income.³⁴ Because these incomes are not subject to tax, changes in the corresponding expenditures change DPI and PCE by the same amount. The level of personal saving is not affected, but the personal saving rate is raised if these in-kind transfer payments and employer insurance contributions are excluded, and it is lowered if these incomes are included.

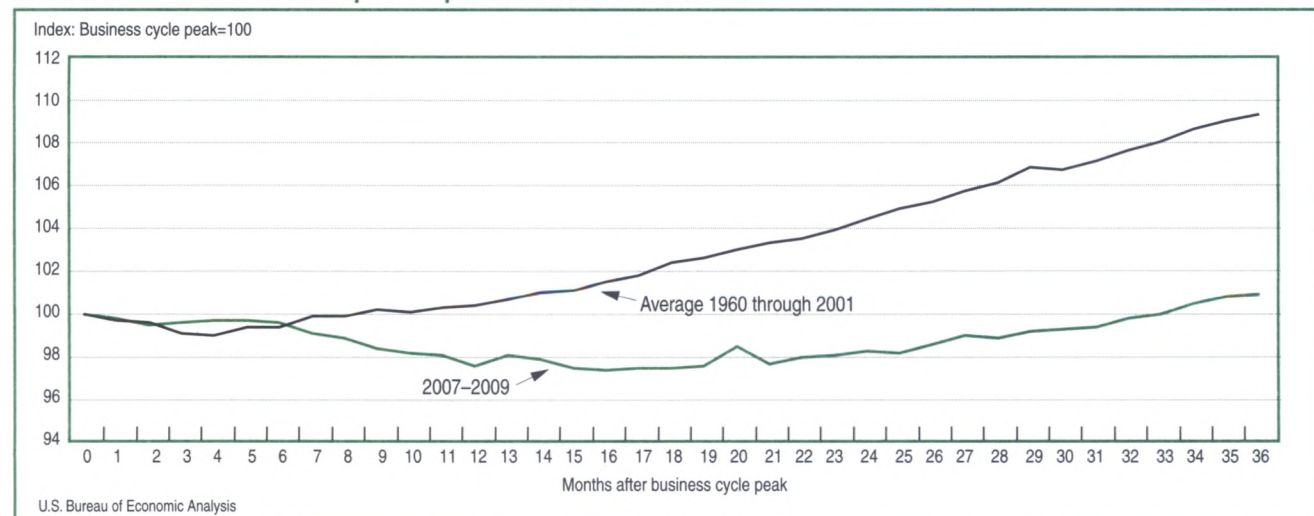
Housing investment and household net lending and net borrowing

Personal saving from owner-occupied housing is the difference between gross investment in owner-occupied housing (including margins on owner-built housing) and the depreciation at current cost (consumption of fixed capital) of owner-occupied

34. Employer contributions for health insurance and for workers' compensation are included in supplements to wages and salaries, part of employee compensation in personal income. Noncash government social benefits are part of personal current transfer receipts in personal income. For the imputed expenditures, there is corresponding imputed interest income, which is part of personal interest income in personal income. Premium supplements are equal to property and casualty insurance companies' expected earnings on technical reserves.

33. Federal Reserve Table B.100. Net worth also includes nonprofit organizations.

Chart 2. Real Personal Consumption Expenditures in Recessions and Recoveries



housing.³⁵ Personal saving from owner-occupied housing has varied widely over time, ranging from 1.7 percent of DPI in 1982 to 5.4 percent in 2005. Like PCE imputations for owner-occupied housing, the variations are largely associated with cyclical changes in gross investment. Personal saving from owner-occupied housing increased from 3.6 percent of DPI in 2001 to 5.4 percent of DPI in 2005 as gross investment increased 68.1 percent from 2001 to 2005. As a result of a 57.3 percent decrease in gross investment in owner-occupied housing in 2005–2009, personal saving from owner-occupied housing decreased, reaching 0.8 percent of DPI in 2009, the lowest recorded in 1959–2009.

The difference between total personal saving and personal saving from owner-occupied housing equals net lending or net borrowing by households from other sectors, as shown in the integrated macroeco-

nommic accounts of the United States.³⁶ Households were net lenders to other sectors from 1960 to 1998, but beginning in 1999, they became net borrowers, with net borrowing reaching a peak of \$372.0 billion in 2005 (chart 4). They remained net borrowers through 2007. In 2008, households again became net lenders, and in 2009, net lending reached \$555.5 billion, as net saving in the integrated macroeconomic accounts rose to \$666.3 billion and as net capital formation decreased to \$110.8 billion, compared with the peak of \$526.7 billion in 2005.³⁷

36. These accounts include some minor adjustments for capital transfers and acquisition (disposition) of nonfinancial assets and include structures owned by nonprofit institutions serving households. See “Table S.3.a Households and Nonprofit Institutions Serving Households”; www.bea.gov.

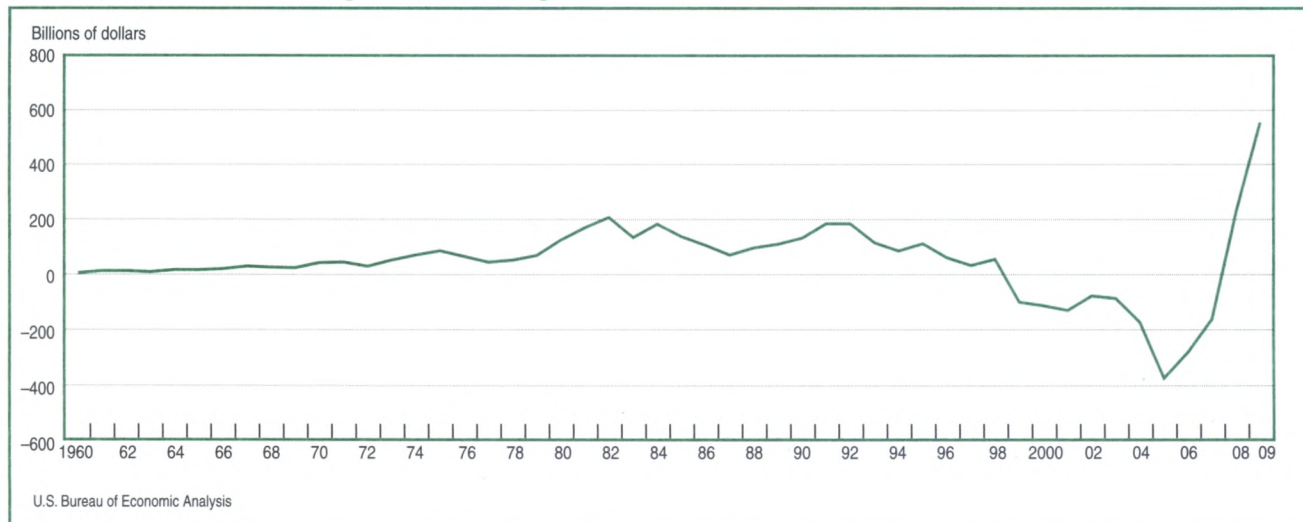
37. Net saving excludes capital transfers. Net saving in the integrated macroeconomic accounts differs by small amounts from personal saving in the NIPAs.

35. See NIPA table 7.12.

Chart 3. Personal Saving Rate and Household Net Worth as Percentage of Disposable Personal Income



Chart 4. Household Net Lending or Net Borrowing



Returns for Domestic Nonfinancial Business

By Andrew W. Hodge, Robert J. Corea, James M. Green, and Bonnie A. Retus

THE PROFITABILITY of domestic nonfinancial corporations rose in 2010, before and after taxes, after 3 years of declines, according to statistics from the Bureau of Economic Analysis (BEA). A similar but broader measure of profitability for nonfinancial industries—including proprietors' income—fell for the fourth consecutive year in 2009, the most recent year for which these statistics are available.

Once a year, BEA presents aggregate rates of return for domestic nonfinancial corporations, nonfinancial industries, and a few major industry groups—mining, construction, and utilities; manufacturing; wholesale and retail trade; and “other” nonfinancial industries. Various Q ratios, which compare the financial market value of assets with their replacement costs, are also presented.

These broad measures of profitability may be useful to economists and policymakers. They show which industries are gaining or losing in returns, and they show the relative annual movement of those returns. Industry sector performance is available through 2009, and corporate returns are available through 2010. Thus, the statistics presented in this article show the full effect of the recession that began in December 2007 and a full year of recovery in 2010.

The returns in this article are calculated as the ratio of the net operating surplus to the net stock of produced assets. For nonfinancial corporations, the net operating surplus is the return accruing to capital after labor costs, taxes on production and imports (less subsidies), consumption of fixed capital, and intermediate inputs are deducted from receipts (table 1).¹ Produced assets refer to the net stock of capital plus inventories valued at current cost.

These statistics are based on preliminary estimates from the national income and product accounts (NIPAs) and the fixed assets accounts. The statistics on

1. Corporate profits and net interest are based on tabulations of “company” data rather than “establishment” data. As a result, net operating surplus of nonfinancial corporations includes the income earned by the corporation's financial services-producing establishments, and it excludes income earned by the nonfinancial establishments of financial corporations.

Table 1. Net Operating Surplus and Produced Assets of Domestic Nonfinancial Corporations and Nonfinancial Industries, 1999–2010

[Billions of dollars]

	Nonfinancial corporations	Nonfinancial Industries					Addendum: ICT-producing industries ²
		Total	Mining, utilities, and construction	Manufacturing	Wholesale and retail trade	Other industries ¹	
Net operating surplus (before tax)							
1999.....	745.1	1,367.5	173.1	311.8	215.2	667.4	32.1
2000.....	708.2	1,320.1	197.9	298.8	219.4	604.0	-28.2
2001.....	626.7	1,310.4	204.5	248.7	215.2	642.1	-45.3
2002.....	647.1	1,395.6	181.6	272.3	221.8	719.9	33.2
2003.....	699.2	1,492.3	215.9	269.5	237.8	769.1	55.5
2004.....	877.5	1,756.4	257.0	373.7	248.6	877.1	98.9
2005.....	1,025.1	1,900.9	279.1	432.9	260.9	928.0	118.3
2006.....	1,163.7	2,017.5	303.7	482.7	273.5	957.7	115.9
2007.....	1,137.4	2,109.5	293.7	507.4	285.9	1,022.5	112.2
2008.....	1,061.1	2,055.6	298.0	443.6	246.0	1,068.0	128.6
2009.....	962.5	1,958.5	215.3	443.8	259.1	1,040.3	136.3
2010.....	1,156.1	.....	.....	.....	.....	.....	.....
Produced assets, average of yearend values							
1999.....	7,729.9	9,438.4	1,658.6	2,111.9	1,591.1	4,076.8	371.2
2000.....	8,219.5	10,036.4	1,736.4	2,200.7	1,698.8	4,400.6	413.4
2001.....	8,648.3	10,574.7	1,859.1	2,253.4	1,760.8	4,701.5	448.0
2002.....	8,952.1	10,973.8	1,989.1	2,275.2	1,802.9	4,906.7	455.9
2003.....	9,238.2	11,360.3	2,096.4	2,290.4	1,877.3	5,096.3	453.6
2004.....	9,746.6	12,019.3	2,267.4	2,350.2	2,007.0	5,394.8	464.1
2005.....	10,550.8	13,030.7	2,565.9	2,474.8	2,179.7	5,810.3	486.0
2006.....	11,405.9	14,101.2	2,884.9	2,610.7	2,339.4	6,266.3	510.3
2007.....	12,155.1	15,048.0	3,161.3	2,762.1	2,477.4	6,647.2	534.1
2008.....	12,806.9	15,864.2	3,442.3	2,908.3	2,567.9	6,945.7	562.8
2009.....	12,919.5	16,002.8	3,529.0	2,937.1	2,530.4	7,006.3	573.2
2010.....	13,000.4	.....	.....	.....	.....	.....	.....

1. Consists of agriculture, forestry, fishing and hunting; transportation and warehousing; information, rental and leasing services and lessors of intangible assets; 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.

2. Information-communication-technology (ICT)-producing industries consists of computer and electronic products; publishing industries (includes software); information and data processing services; and computer systems design and related services. Computer and electronic products are included in manufacturing; the other ICT-producing industries are included in “other” industries.

NOTE: Industrywide net operating surplus for 2010 will be available from the fall 2011 update of the annual industry accounts.

industry returns are calculated using data from the annual industry accounts, the NIPAs, and the fixed assets accounts. To calculate the Q ratios, additional data were drawn from the Federal Reserve Board's flow of funds accounts.

Corporate returns

In 2010, the rates of return for nonfinancial corporations, both before and after taxes, increased after 3

years of annual declines. Before taxes, the rate of return rose to 8.9 percent in 2010 from a recent low of 7.5 percent in 2009 (chart 1 and table 2). The before-tax rate of return recently peaked in 2006 at 10.2 percent and bottomed at 6.5 percent in 1982. The after-tax rate of return rose to 6.7 in 2010 from a recent low of 6.1 percent in 2009.

Other measures of profits—such as BEA’s measure of corporate profits from current production—have shown a rising trend over the last 30 years. The measures presented in this article exclude the volatile financial sector and compare returns with business assets rather than with gross domestic product (GDP) or corporate value added. Business assets have grown at roughly the same rate as profits, and returns on these assets have remained in a stable range over the last 30 years as shown in chart 1.

In 2010, nonfinancial corporate-produced assets in current dollars—the denominator in rates of return—rose again. Such assets have risen every year since 1960.

Industry returns

Rates of return can also be calculated for industry sectors using data from the annual industry accounts, which provide annually updated data on 65 industries that together account for total economic activity. Similar to the method used for nonfinancial corporations, rates of return are calculated as net operating surplus divided by the net stock of produced assets.

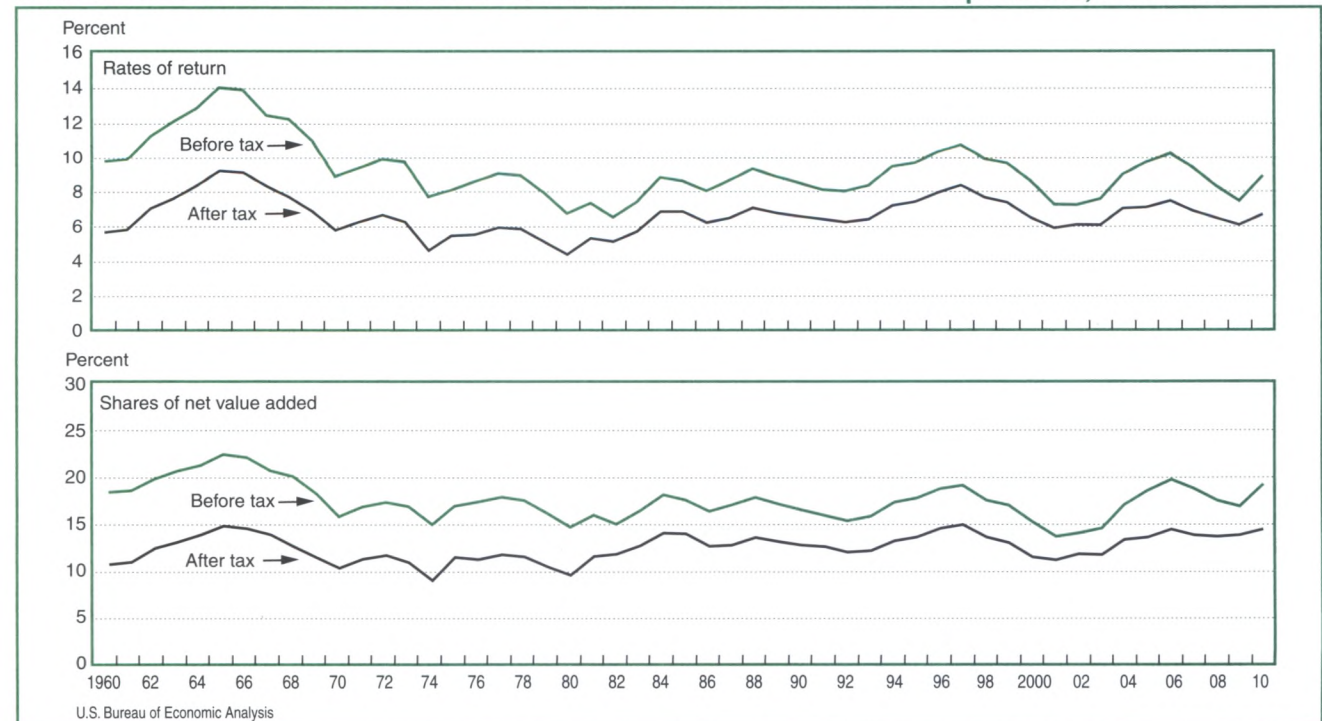
Table 2. Rates of Return and Shares of Net Value Added for Domestic Nonfinancial Corporations and Nonfinancial Industries, 1999–2010

[Percent]

	Nonfinancial corporations		Nonfinancial Industries (before tax)					
	After tax	Before tax	Total	Mining, utilities, and construction	Manufacturing	Wholesale and retail trade	Other industries ¹	Addendum: ICT-producing industries ²
Rates of return								
1999	7.4	9.6	14.5	10.4	14.8	13.5	16.4	8.7
2000	6.5	8.6	13.2	11.4	13.6	12.9	13.7	-6.8
2001	6.0	7.2	12.4	11.0	11.0	12.2	13.7	-10.1
2002	6.1	7.2	12.7	9.1	12.0	12.3	14.7	7.3
2003	6.1	7.6	13.1	10.3	11.8	12.7	15.1	12.2
2004	7.1	9.0	14.6	11.3	15.9	12.4	16.3	21.3
2005	7.1	9.7	14.6	10.9	17.5	12.0	16.0	24.3
2006	7.5	10.2	14.3	10.5	18.5	11.7	15.3	22.7
2007	6.9	9.4	14.0	9.3	18.4	11.5	15.4	21.0
2008	6.5	8.3	13.0	8.7	15.3	9.6	15.4	22.9
2009	6.1	7.5	12.2	6.1	15.1	10.2	14.8	23.8
2010	6.7	8.9	.....	.....	.....	.....	.....	.....
Shares of net value added								
1999	13.0	16.9	22.4	29.9	25.8	18.6	21.1	8.9
2000	11.5	15.1	20.4	30.9	23.9	17.9	18.1	-7.9
2001	11.2	13.6	20.0	30.5	21.3	17.4	18.4	-14.0
2002	11.8	13.9	20.7	27.6	23.1	17.6	19.8	9.1
2003	11.7	14.5	21.1	30.3	22.5	18.1	20.1	14.5
2004	13.3	16.9	23.1	32.8	28.6	18.0	21.3	22.6
2005	13.5	18.4	23.5	32.7	31.2	17.9	21.2	24.8
2006	14.4	19.6	23.7	32.5	34.1	17.8	20.7	23.3
2007	13.8	18.6	23.6	30.8	34.9	18.0	20.7	21.8
2008	13.7	17.4	22.8	30.4	31.9	15.9	20.9	23.9
2009	13.8	16.8	22.8	26.2	33.5	17.4	20.9	25.8
2010	14.4	19.1	.....	.....	.....	.....	.....	.....

1. Consists of agriculture, forestry, fishing and hunting; transportation and warehousing; information; rental and leasing services and lessors of intangible assets; 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.
 2. Information-communication-technology (ICT)-producing industries consists of computer and electronic products; publishing industries (includes software); information and data processing services; and computer systems design and related services. Computer and electronic products are included in manufacturing; the other ICT-producing industries are included in "other" industries.
 NOTE: Industrywide rates of return for 2010 will be available from the fall 2011 update of the annual industry accounts.

Chart 1. Rates of Return and Shares of Net Value Added for Nonfinancial Corporations, 1960–2010



Like nonfinancial corporations' net operating surplus, the nonfinancial industries' net operating surplus includes corporate profits, business transfer payments, and net interest. However, it also includes proprietors' income, which reflects the income of sole proprietorships and partnerships.² For this article, real estate, which includes owner-occupied housing, is excluded from the nonfinancial industry data—the net operating surplus and produced assets—to allow for a better comparison with the nonfinancial corporate returns data, which do not reflect home ownership.

Most of the difference between the total industry rates of return and the corporate rates of return can be attributed to the inclusion of proprietors' income in industry net operating surplus. However, several statistical differences between the annual industry accounts and the NIPAs also affect the estimates. Notably, the annual industry accounts include adjustments that (1) exclude the financial services-producing establishments of primarily nonfinancial corporations and (2) include the nonfinancial services-producing establishments of primarily financial corporations as well as a share of the NIPA statistical discrepancy. Despite the differences between the total industry rates and the pretax corporate rates, the annual patterns of change of each are similar (chart 2).

The rate of return for total nonfinancial industries fell for the fourth consecutive year to 12.2 percent in 2009 from 13.0 percent in 2008; it declined 2.4 percent-

2. Proprietors' income reflects both the return accruing to capital and the return to proprietors' and partners' labor, but these returns are not identified separately in the data.

age points from a recent peak in 2005 (table 2). The nonfinancial industries' share of net value added was 22.8 percent in 2009, unchanged compared with 2008.

Specific industry groups

Along with the nonfinancial industry total, returns were calculated for the following four nonfinancial industry groups: mining, construction, and utilities; manufacturing; wholesale and retail trade; and "other" nonfinancial industries (table 2 and chart 3).³

Of the four industry groups, the mining, construction, and utilities industry group had the largest decline in the rate of return, falling to 6.1 percent in 2009 from 8.7 percent in 2008. The rate of return for the wholesale and retail trade industry group increased to 10.2 percent in 2009 from 9.6 percent in 2008, the largest increase among the four industry groups.

The mining, construction, and utilities industry group's share of net value added fell for the fifth consecutive year to 26.2 percent in 2009 from 30.4 percent in 2008 and represented the only decline among the four industry groups. The manufacturing industry group experienced the largest growth (1.6 percentage points) in share of net value added, increasing to 33.5 percent in 2009 from 31.9 percent in 2008. Shares of net value added remained unchanged for

3. The "other" nonfinancial industry group consists of agriculture, forestry, fishing, and hunting; transportation and warehousing; information; rental and leasing services and lessors of intangible assets; professional and business services; administrative and waste management services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Chart 2. Rates of Return for Domestic Nonfinancial Corporations and Industries, 1999–2010

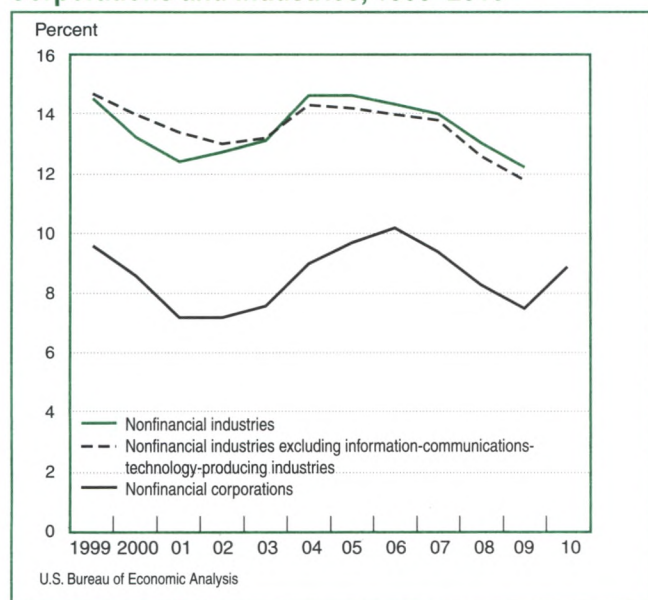
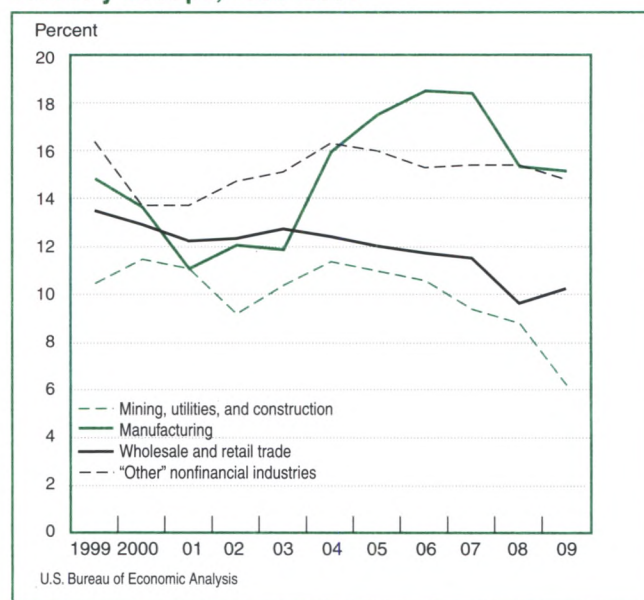


Chart 3. Rates of Return for Domestic Nonfinancial Industry Groups, 1999–2009



the nonfinancial industries total as well as for “other” nonfinancial industries.

Rates of return were also calculated for the information-communication-technology (ICT)-producing industries.⁴ The rate of return for the ICT-producing industries increased to 23.8 percent in 2009 from 22.9 percent in 2008, its second consecutive year of growth. Likewise, this industry group’s share of net value added increased for the second straight year, increasing to 25.8 percent in 2009 from 23.9 percent in 2008.

Users may find these consistent series of nonfinancial industry returns and capital stock helpful for comparative studies. For example, from 2005 to 2009, the mining, construction, and utilities industry group consistently had the lowest rates of return but achieved the highest average percentage growth in produced assets, which grew at an annual rate of 8.3 percent. Conversely, while returns to the manufacturing industry group regularly exceeded the national average, the group’s annual produced asset growth was one of the slowest over the same period, aver-

aging only 4.4 percent.

Q ratios

Tobin’s Q, or simply “Q,” is the ratio of financial-market valuation of corporate assets to the current-cost value of the assets. A Q ratio above 1 indicates that financial markets value corporate assets above the replacement costs. As a Q ratio rises above 1, companies may be more inclined to make direct investments in plant and equipment. A Q ratio below 1 indicates that the financial markets value corporate assets below the replacement costs. As a Q ratio falls below 1, companies may be more inclined to buy other companies for their capacity and make fewer direct investments.

Three Q-type ratios for domestic nonfinancial corporations are defined as follows:

- Q1 is calculated as the market value of outstanding equity divided by the net stock of produced assets.
- Q2 adds the book value of outstanding corporate bonds to the numerator used in Q1. The inclusion of bonds makes Q2 a more complete measure of invested capital, but including them at historical cost is clearly inconsistent with the underlying rationale for Q, which is to provide a comparison of market valuation with replacement cost.

4. The ICT-producing industries consists of computer and electronic products; publishing industries (includes software); information and data processing services; and computer design and related services. Computer and electronic products are included in the manufacturing group; the other ICT-producing industries are included in the “other” nonfinancial industries group.

Chart 4. Q-Type Ratios and Market Capitalization of Domestic Nonfinancial Corporations, 1960–2010

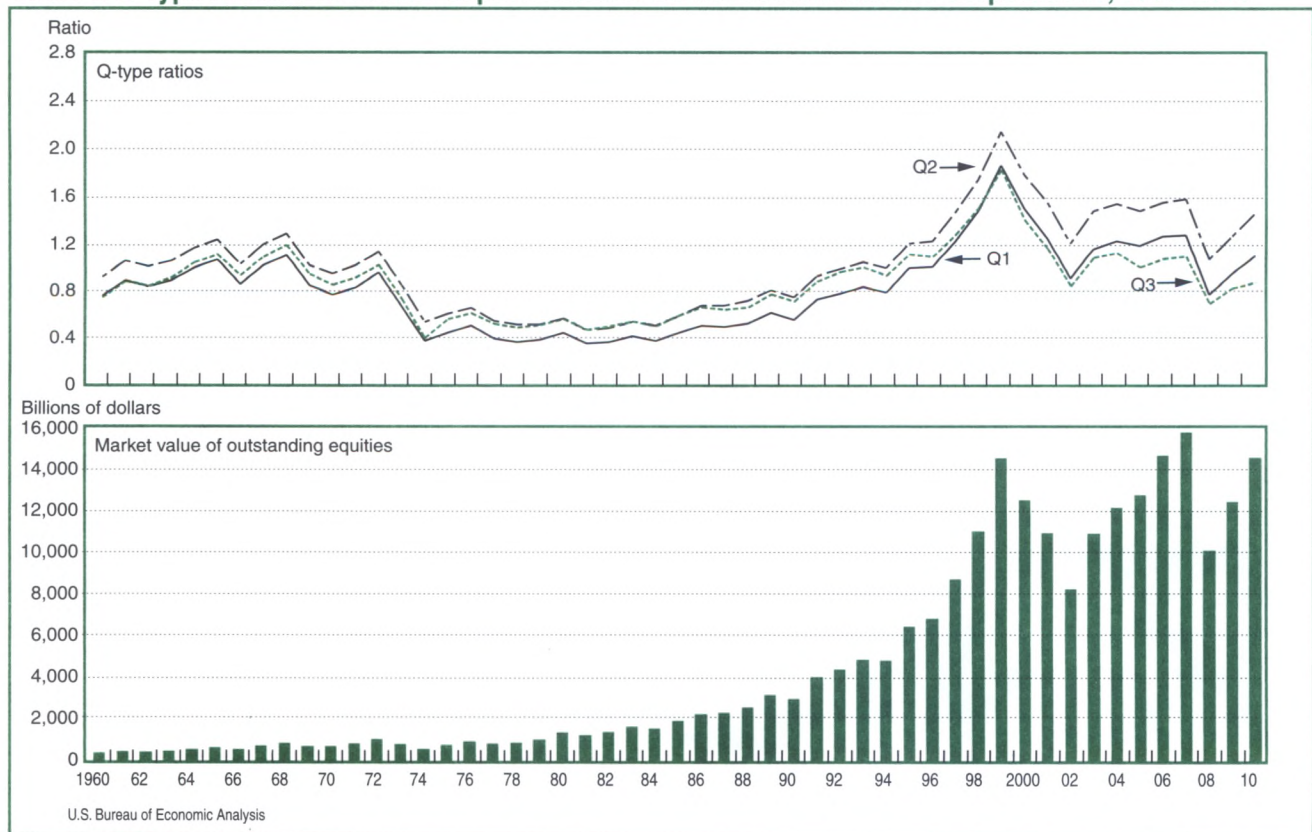


Table 3. Q-type Ratios, 1960–2010

	Q1 ¹	Q2 ²	Q3 ³		Q1 ¹	Q2 ²	Q3 ³
1960.....	0.77	0.93	0.75	1985.....	0.46	0.60	0.60
1961.....	0.90	1.07	0.89	1986.....	0.52	0.69	0.67
1962.....	0.85	1.02	0.85	1987.....	0.51	0.69	0.65
1963.....	0.90	1.07	0.92	1988.....	0.54	0.73	0.67
1964.....	1.01	1.18	1.05	1989.....	0.63	0.82	0.78
1965.....	1.08	1.25	1.12	1990.....	0.57	0.76	0.72
1966.....	0.87	1.04	0.94	1991.....	0.74	0.94	0.89
1967.....	1.03	1.21	1.10	1992.....	0.79	1.00	0.97
1968.....	1.12	1.30	1.20	1993.....	0.85	1.06	1.01
1969.....	0.86	1.03	0.95	1994.....	0.80	1.01	0.94
1970.....	0.78	0.96	0.86	1995.....	1.01	1.22	1.12
1971.....	0.84	1.03	0.92	1996.....	1.02	1.24	1.10
1972.....	0.97	1.15	1.03	1997.....	1.24	1.48	1.29
1973.....	0.68	0.86	0.74	1998.....	1.49	1.75	1.51
1974.....	0.39	0.55	0.41	1999.....	1.87	2.15	1.83
1975.....	0.46	0.62	0.57	2000.....	1.51	1.79	1.41
1976.....	0.52	0.67	0.62	2001.....	1.26	1.56	1.17
1977.....	0.41	0.56	0.53	2002.....	0.92	1.22	0.85
1978.....	0.38	0.53	0.50	2003.....	1.17	1.49	1.09
1979.....	0.40	0.53	0.52	2004.....	1.24	1.55	1.13
1980.....	0.46	0.58	0.57	2005.....	1.20	1.49	1.01
1981.....	0.37	0.48	0.48	2006.....	1.28	1.56	1.08
1982.....	0.38	0.50	0.51	2007.....	1.29	1.59	1.10
1983.....	0.43	0.55	0.55	2008.....	0.78	1.08	0.70
1984.....	0.39	0.52	0.51	2009.....	0.96	1.28	0.83
				2010.....	1.11	1.47	0.88

1. Q1 is the market value of outstanding equity divided by the net stock of produced assets valued at current cost.

2. Q2 is the market value of outstanding equity plus book value of outstanding corporate bonds divided by the net stock of produced assets valued at current cost.

3. Q3 is the market value of outstanding equity plus book value of outstanding corporate bonds plus net liquid assets divided by the net stock of produced assets valued at current cost.

- Q3 adds an estimate of the market value of outstanding corporate bonds and net liquid assets to the numerator used in Q1.^{5 6}

All three ratios reached record lows for the decade in 2008, though only Q1 fell below 1. The 2007 and 2008 declines for the Qs reflected the massive stock market declines and the continued growth of the capital stock denominator in 2007 and 2008. The capital stock denominator continued its rise in 2009 and 2010.

The stock market recovery started in April 2009. Average financial asset values were higher for the year on all three Q ratios, and all three measures continued their rise in 2010 to a range of 0.88 to 1.47.

5. The market value of bonds outstanding is approximated by a procedure developed by James Tobin and Dan Sommers. In brief, the process begins with published book values of bonds outstanding and the assumption that a bond matures in 10 years and carries a coupon rate equal to the Baa rate that prevailed in the year the bond was issued. Net liquid assets are estimated as financial assets less liabilities other than municipal securities, corporate bonds, and mortgages. The data are from the Board of Governors of the Federal Reserve System, *Flow of Funds Accounts of the United States*, statistical release Z.1 and "Selected Interest Rates," statistical release H.15 (Washington, DC: Board of Governors). The data are available at www.federalreserve.gov/releases/Z1 and www.federalreserve.gov/releases/h15.

6. In previous years, the Q3 ratio reflected an adjustment to remove the value of land from the market value of outstanding equity. BEA no longer makes this adjustment. For more information, see page 6 of www.bea.gov/papers/pdf/Sectoral_Balance_Sheets_for_Nonfinancial_Assets.pdf.

U.S. Travel and Tourism Satellite Accounts for 2007–2010

By Steven L. Zemanek

THE TRAVEL and tourism industry—as measured by the real output of goods and services sold directly to visitors—increased 3.1 percent in 2010 after decreasing 9.3 percent in 2009, according to the most recent statistics from the travel and tourism satellite accounts of the Bureau of Economic Analysis (BEA). In comparison, the broader economy as measured by real gross domestic product increased 2.9 percent in 2010 following a 2.6 percent decrease in 2009.¹ Tourism employment continued to decline in 2010, but at a slower rate, a 0.5 percent decrease, compared with an 8.1 percent decrease in 2009.

Highlights from the travel and tourism satellite accounts include the following:

- Twenty-one of twenty-four commodities contributed to the turnaround in overall real tourism output in 2010, including both domestic and international passenger air transportation, traveler accommodations, and food and beverage services.
- Inbound tourism increased 11.4 percent in 2010, and outbound tourism increased 2.7 percent. As a result, the travel and tourism surplus increased to \$30.4 billion in 2010 from \$19.4 billion in 2009.
- Prices for tourism goods and services increased 3.5 percent in 2010 after decreasing 3.3 percent in 2009. Passenger air transportation contributed significantly to the upturn as airlines increased prices to align with demand.

This update of the travel and tourism accounts revises previously published statistics. These revised statistics primarily reflect the incorporation of detailed data from the annual input-output (I-O) accounts available through 2009 and summary statistics from the national income and product accounts (NIPAs) through 2010. The travel and tourism accounts are available on the BEA Web site at www.bea.gov; see the box “Data Availability.”

The remainder of this article discusses trends in travel and tourism output and prices, the composition

of tourism demand, and tourism value added and employment. The core travel and tourism account tables follow the article.

Trends in Output and Prices

Real output

The contributors to the upturn in real direct travel and tourism output in 2010 were widespread. The largest contributors were traveler accommodations, international passenger air transportation, and food and beverage services. Traveler accommodations grew 6.0 percent in 2010 after decreasing 10.4 percent in 2009. International passenger air transportation grew 16.3 percent after decreasing 5.9 percent. Food and beverage services turned up, increasing 0.3 percent after decreasing 13.0 percent (tables A, B, and C).

The upturn in real output also was due to smaller declines in a number of commodities. Motion pictures and performing arts fell 4.6 percent in 2010

Table A. Annual Growth in Real Output by Tourism Commodity in 2005–2010

[Percentage change from preceding period]

Commodity	2005	2006	2007	2008	2009	2010
All tourism goods and services	2.9	2.9	2.2	-4.4	-9.3	3.1
Traveler accommodations	4.4	3.5	5.2	1.5	-10.4	6.0
Food and beverage services	5.6	3.0	1.6	-6.4	-13.0	0.3
Transportation	1.3	1.5	1.9	-5.3	-4.5	5.5
Passenger air transportation	-0.4	1.7	2.3	-3.4	-6.3	9.0
Domestic passenger air transportation services	-6.1	-1.7	0.5	-5.3	-6.5	4.1
International passenger air transportation services	11.4	7.9	5.2	-0.6	-5.9	16.3
All other transportation-related commodities	2.5	1.4	1.6	-6.5	-3.1	3.0
Passenger rail transportation services	-7.7	0.4	7.5	11.9	-8.5	10.9
Passenger water transportation services	-0.1	8.2	6.9	5.6	-3.1	-0.3
Intercity bus services	1.4	-2.1	-0.3	0.4	-7.3	4.0
Intercity charter bus services	-6.3	8.9	-10.5	-7.3	-19.1	-4.2
Local bus and other transportation services	12.0	4.4	0.7	-4.6	-7.3	0.3
Taxicab services	9.0	11.4	2.0	-5.3	-5.1	-0.4
Scenic and sightseeing transportation services	2.4	-0.9	5.2	-3.9	-9.6	6.2
Automotive rental and leasing	4.3	-1.6	1.4	-5.5	-6.0	3.4
Other vehicle rental and leasing	6.4	1.4	-2.1	-6.2	-11.1	-10.7
Automotive repair services	-5.7	-1.4	-5.9	-9.4	28.5	6.4
Parking	0.0	-7.8	0.2	-6.8	-12.5	-6.3
Highway tolls	-7.4	-11.2	-4.6	-8.3	5.6	-8.1
Travel arrangement and reservation services	4.9	-0.8	5.6	-0.1	0.5	9.8
Gasoline	2.4	2.8	0.5	-11.3	-7.7	-0.9
Recreation, entertainment, and shopping	2.6	4.4	1.1	-6.0	-13.1	-0.9
Recreation and entertainment	2.0	3.4	2.3	-4.7	-7.9	-1.6
Motion pictures and performing arts	-2.6	1.2	-0.9	-7.2	-10.9	-4.6
Spectator sports	1.9	4.7	4.8	-13.5	-18.0	-1.6
Participant sports	6.3	4.4	2.1	-4.0	-11.6	5.4
Gambling	2.3	6.0	3.6	-2.7	-2.0	-4.0
All other recreation and entertainment	2.5	-1.3	1.1	-4.0	-12.5	2.5
Nondurable PCE commodities other than gasoline	3.1	5.2	0.1	-7.0	-17.3	-0.3

PCE Personal consumption expenditures

1. All measures of travel and tourism activity not expressly identified as being in “real” terms are in current dollars.

after falling 10.9 percent in 2009, and spectator sports fell 1.6 percent after falling 18.0 percent (tables A, B, and C and chart 1).

Table B. Contributions to Growth in Real Tourism Output by Tourism Commodity in 2005–2010
[Percentage points]

Commodity	2005	2006	2007	2008	2009	2010
All tourism goods and services	2.90	2.90	2.23	-4.41	-9.34	3.09
Traveler accommodations	0.78	0.63	0.94	0.27	-1.98	1.10
Food and beverage services	0.90	0.48	0.26	-1.03	-2.11	0.05
Transportation	0.48	0.59	0.72	-2.04	-1.74	2.17
Passenger air transportation	-0.07	0.28	0.36	-0.55	-1.00	1.48
Domestic passenger air transportation services	-0.67	-0.17	0.04	-0.51	-0.63	0.40
International passenger air transportation services	0.59	0.45	0.31	-0.04	-0.38	1.08
All other transportation-related commodities	0.56	0.31	0.37	-1.48	-0.73	0.69
Passenger rail transportation services	-0.01	0.00	0.01	0.02	-0.02	0.02
Passenger water transportation services	0.00	0.12	0.10	0.08	-0.05	0.00
Intercity bus services	0.00	-0.01	0.00	0.00	-0.02	0.01
Intercity charter bus services	-0.02	0.02	-0.03	-0.02	-0.04	-0.01
Local bus and other transportation services	0.06	0.02	0.00	-0.02	-0.04	0.00
Taxicab services	0.05	0.06	0.01	-0.03	-0.03	0.00
Scenic and sightseeing transportation services	0.01	0.00	0.02	-0.02	-0.04	0.02
Automotive rental and leasing	0.17	-0.06	0.05	-0.21	-0.24	0.14
Other vehicle rental and leasing	0.01	0.00	0.00	-0.01	-0.01	-0.01
Automotive repair services	-0.10	-0.02	-0.09	-0.14	0.41	0.13
Parking	0.00	-0.02	0.00	-0.02	-0.03	-0.02
Highway tolls	-0.01	-0.01	0.00	-0.01	0.00	-0.01
Travel arrangement and reservation services	0.22	-0.03	0.24	-0.01	0.02	0.48
Gasoline	0.19	0.24	0.05	-1.12	-0.65	-0.07
Recreation, entertainment, and shopping	0.74	1.20	0.30	-1.62	-3.51	-0.23
Recreation and entertainment	0.26	0.42	0.28	-0.57	-0.96	-0.19
Motion pictures and performing arts	-0.05	0.02	-0.02	-0.12	-0.18	-0.08
Spectator sports	0.02	0.05	0.05	-0.15	-0.18	-0.01
Participant sports	0.10	0.07	0.03	-0.06	-0.18	0.08
Gambling	0.12	0.31	0.19	-0.14	-0.11	-0.23
All other recreation and entertainment	0.07	-0.03	0.03	-0.10	-0.30	0.06
Nondurable PCE commodities other than gasoline	0.49	0.79	0.02	-1.05	-2.55	-0.04

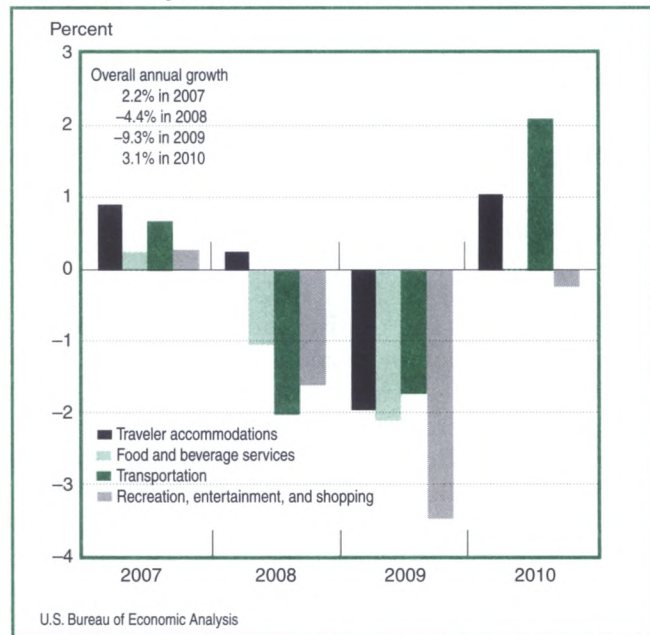
PCE Personal consumption expenditures

Table C. Real Output by Tourism Commodity in 2005–2010
[Millions of chained (2005) dollars]

Commodity	2005	2006	2007	2008	2009	2010
All tourism goods and services	692,605	712,684	728,563	696,417	631,366	650,898
Traveler accommodations	123,831	128,211	134,915	136,922	122,717	130,084
Food and beverage services	112,962	116,309	118,200	110,637	96,272	96,563
Transportation	263,933	267,970	273,024	258,645	246,948	260,482
Passenger air transportation	107,976	109,834	112,377	108,535	101,692	110,830
Domestic passenger air transportation services	68,916	67,740	68,053	64,448	60,245	62,739
International passenger air transportation services	39,059	42,150	44,341	44,095	41,489	48,231
All other transportation-related commodities	155,957	158,082	160,601	150,195	145,511	149,878
Passenger rail transportation services	1,178	1,183	1,272	1,424	1,303	1,446
Passenger water transportation services	10,420	11,272	12,044	12,717	12,317	12,283
Intercity bus services	1,738	1,702	1,697	1,704	1,580	1,643
Intercity charter bus services	1,781	1,940	1,736	1,610	1,302	1,248
Local bus and other transportation services	3,631	3,791	3,816	3,642	3,375	3,385
Taxicab services	3,929	4,376	4,463	4,228	4,014	4,000
Scenic and sightseeing transportation services	2,873	2,848	2,997	2,881	2,605	2,767
Automotive rental and leasing	26,632	26,193	26,563	25,104	23,601	24,392
Other vehicle rental and leasing	634	643	629	590	525	469
Automotive repair services	11,561	11,396	10,728	9,721	12,491	13,291
Parking	2,099	1,935	1,939	1,806	1,581	1,482
Highway tolls	685	608	580	532	562	516
Travel arrangement and reservation services	30,987	30,747	32,470	32,431	32,592	35,787
Gasoline	57,808	59,420	59,746	53,017	48,942	48,498
Recreation, entertainment, and shopping	191,880	200,318	202,521	190,359	165,485	164,016
Recreation and entertainment	84,417	87,316	89,363	85,140	78,393	77,165
Motion pictures and performing arts	12,798	12,950	12,832	11,906	10,613	10,124
Spectator sports	7,128	7,466	7,822	6,764	5,545	5,458
Participant sports	11,004	11,489	11,727	11,261	9,951	10,492
Gambling	35,904	38,048	39,428	38,383	37,617	36,097
All other recreation and entertainment	17,583	17,361	17,550	16,842	14,733	15,106
Nondurable PCE commodities other than gasoline	107,463	113,008	113,135	105,172	86,994	86,755

PCE Personal consumption expenditures

Chart 1. Contributions to Annual Growth in Real Tourism Output in 2007–2010



Prices

Travel and tourism prices also turned up in 2010, increasing 3.5 percent after decreasing 3.3 percent in 2009. The largest contributors to the turnaround in prices were gasoline, domestic and international passenger air transportation services, and traveler accommodations (table D and chart 2). Gasoline prices increased 18.6 percent in 2010 after decreasing 27.6 percent in 2009. Together, domestic and international passenger air transportation services prices grew 9.0 percent in 2010 after decreasing of 8.4 percent. Traveler accommodations turned up, increasing 1.1 percent after decreasing 3.2 percent. These upturns in prices were partly offset by a deceleration in prices for food and beverage services, which grew 1.3 percent after growing 3.8 percent (tables D, E, and F).

Data Availability

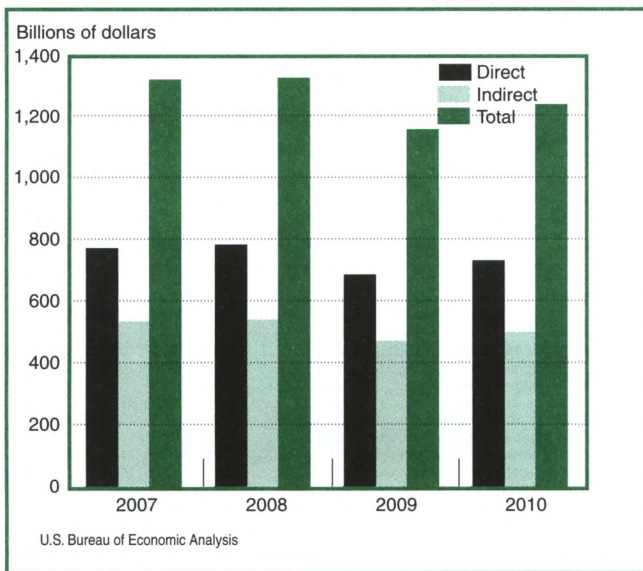
The detailed annual statistics on travel and tourism activity for 2009 are presented in eight tables at the end of this article. The complete set of detailed annual statistics for 1998–2009, statistics on output and employment for 2010, and quarterly statistics of output and employment for 1998–2010, are available on BEA’s Web site at www.bea.gov under “Industry” and “Satellite Accounts.”

Total output

Total tourism-related output increased to \$1.26 trillion in 2010, up 6.7 percent from \$1.18 trillion in 2009. Total output consisted of \$746.2 billion in direct tourism output and \$512.8 billion in indirect tourism output in 2010. The 1.69 ratio of total output to direct output in 2010 means that every dollar of direct tourism output required an additional 69 cents of 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 and catering services for longer international flights.

Chart 3. Total Tourism-Related Output in 2007–2010



The Composition of Tourism Demand

The 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 those of U.S. residents and nonresidents traveling within the United States for leisure, business, or government purposes. The balance of tourism trade is derived by subtracting expenditures on foreign travel by U.S. residents (an import of goods and services to *outbound* travelers) from expenditures on U.S. travel by nonresidents (an export of goods and services to *inbound* travelers).

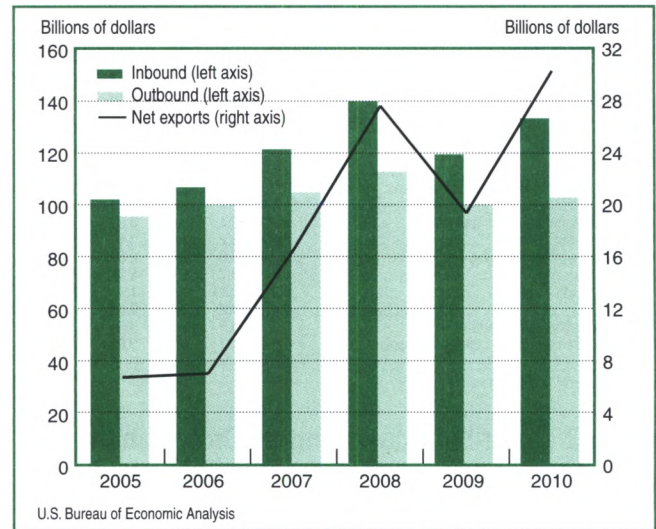
International travel and tourism

Current-dollar international travel (the sum of inbound and outbound travel) increased 7.4 percent in 2010 after decreasing 13.2 percent in 2009.

Inbound travel and tourism. This consists of travel-related expenditures and international transpor-

tation purchases from U.S. providers by nonresidents traveling in the United States. Inbound tourism grew 11.4 percent to \$133.2 billion in 2010 after falling almost 15 percent in 2009 (chart 4). The turnaround reflected an improved global economic climate; the number of tourists from countries with strong currencies that visited the United States increased.²

Chart 4. U.S. Trade in Tourism in 2005–2010



Outbound travel and tourism. This consists of travel-related expenditures and international transportation purchases from foreign providers by U.S. residents traveling abroad. In 2010, outbound activity increased 2.7 percent to \$102.8 billion. The increase in inbound activity was larger than the increase in outbound activity, which resulted in a robust increase in travel and tourism net exports (table G).

Table G. U.S. International Travel and Tourism in 2005–2010

	[Billions of dollars]					
	2005	2006	2007	2008	2009	2010
Total international travel and tourism	197.3	207.0	226.4	253.0	219.7	236.0
Inbound travel and tourism	102.0	107.0	121.5	140.4	119.6	133.2
Outbound travel and tourism	95.3	100.0	104.9	112.6	100.1	102.8
Net exports of travel and tourism	6.7	7.0	16.6	27.7	19.4	30.4

Internal travel and tourism. This consists of travel and tourism within the borders of the United States—the sum of domestic activity and inbound activity.³ Inbound travel and tourism’s share of internal tourism in 2009 (the most recent year for which data

2. See Sarah P. Scott and Alexis N. Chaves, “U.S. International Transactions,” SURVEY OF CURRENT BUSINESS 91 (April 2011): 12–21.

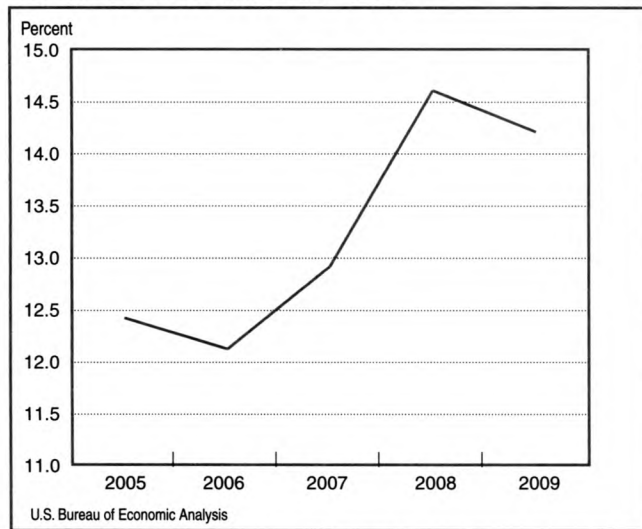
3. As a component of internal tourism, the calculation of inbound tourism is modified to exclude all expenditures on international transportation, whether purchased from foreign or U.S. providers so that expenditures by U.S. residents traveling within the United States (domestic tourism) can be compared with expenditures by nonresidents traveling within the U.S. (inbound tourism).

are available) accounted for 14.2 percent of the total, 2.8 percentage points higher than its low of 11.4 percent in 2003 (table H and chart 5).

Table H. Internal Travel and Tourism in the United States by Residents and Nonresidents in 2003–2009

Year	Millions of dollars			Share	
	Residents	Nonresidents (inbound)	Total	Residents	Nonresidents (inbound)
2003	502,293	64,391	566,683	88.6	11.4
2004	539,519	74,621	614,140	87.8	12.2
2005	579,495	81,867	661,361	87.6	12.4
2006	623,009	85,846	708,855	87.9	12.1
2007	655,179	96,935	752,113	87.1	12.9
2008	645,055	110,063	755,119	85.4	14.6
2009	567,783	93,998	661,781	85.8	14.2

Chart 5. Inbound Tourism’s Share of Internal Travel and Tourism in 2005–2009



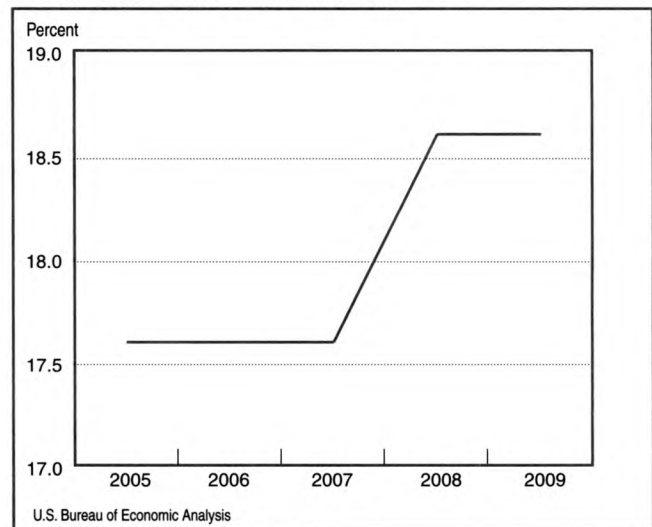
National tourism. This consists of travel and tourism by U.S. residents, both within the United States and abroad—the sum of domestic tourism and outbound tourism. The calculation of outbound tourism includes all expenditures on international transportation, *whether purchased from foreign or U.S. providers* so that expenditures by U.S. residents traveling within the United States (domestic tourism) are consistent with expenditures by U.S. residents traveling abroad

Table I. National Travel and Tourism in the United States and Abroad in 2003–2009

Year	Millions of dollars			Percent	
	In the United States	Abroad (outbound)	Total	In the United States	Abroad (outbound)
2003	502,293	97,371	599,663	83.8	16.2
2004	539,519	114,681	654,201	82.5	17.5
2005	579,495	123,650	703,145	82.4	17.6
2006	623,009	133,410	756,419	82.4	17.6
2007	655,179	140,373	795,552	82.4	17.6
2008	645,055	147,605	792,660	81.4	18.6
2009	567,783	129,637	697,421	81.4	18.6

(outbound tourism). Outbound tourism’s share of national tourism remained at its peak of 18.6 percent in 2009 (the most recent year for which data are available) (table I and chart 6).

Chart 6. Outbound Tourism’s Share of National Travel and Tourism in 2005–2009



Domestic travel and tourism

Domestic tourism includes travel and tourism undertaken by U.S. residents within the borders of the United States. Puerto Rico, the U.S. Virgin Islands, and the other U.S. territories 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. Business’ share of domestic travel and tourism decreased slightly to 32.5 percent in 2009 (the most recent year

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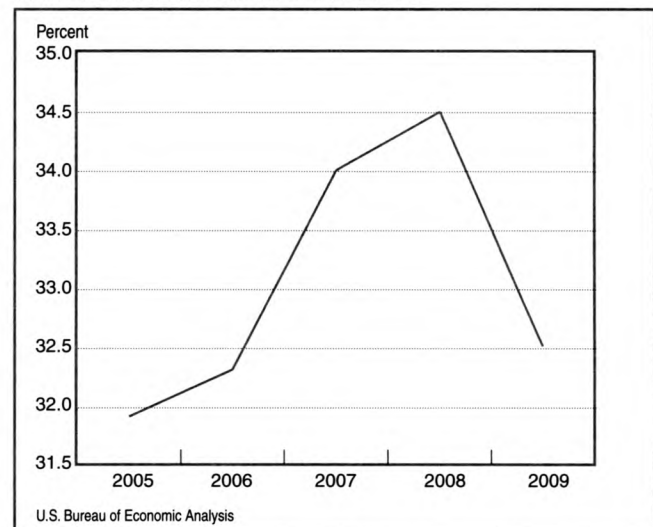
The Office of Travel and Tourism Industries of the International Trade Administration provided funding for the preparation of the travel and tourism satellite accounts.

for which data are available). Government expenditures accounted for 4.0 percent of domestic travel and tourism in 2009, a slight increase from its low of 3.7 percent in 2008. In general, government travel is more stable than business or leisure travel, and as a result, its share tends to increase during downturns in travel and tourism (table J and chart 7).

Table J. Domestic Travel and Tourism by Type of Visitor in 2003–2009

Year	Millions of dollars				Percent		
	Resident households	Business	Government	Total	Resident households	Business	Government
2003	325,240	154,396	29,608	509,245	63.9	30.3	5.8
2004	350,045	168,219	30,592	548,856	63.8	30.6	5.6
2005	371,445	187,775	30,131	589,352	63.0	31.9	5.1
2006	397,486	204,677	31,339	633,502	62.7	32.3	4.9
2007	413,843	226,442	25,912	666,196	62.1	34.0	3.9
2008	405,924	226,591	23,973	656,488	61.8	34.5	3.7
2009	366,682	188,061	23,071	577,813	63.5	32.5	4.0

Chart 7. Business Travel's Share of Domestic Travel and Tourism in 2005–2009



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

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.

Tourism commodities. Goods and services that are typically purchased by visitors, such as airline passenger transportation, hotel accommodations, and meals.²

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

2. 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 Tourism Organization, by the Organization for Economic Co-operation and Development, and from various surveys of U.S. visitors.

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 50–100 miles of home.³

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).

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

Tourism Value Added and Employment Value added

A sector's value added measures its contribution to gross domestic product (GDP). In 2009 (the most recent year for which data are available), the travel and tourism industry's share of GDP was 2.7 percent (table K). Travel and tourism continues to account for a larger share of GDP than industries such as utilities, computer and electronic products manufacturing, and broadcasting and telecommunications.

Table K. Travel and Tourism as a Share of Gross Domestic Product in 2003–2009

Year	Billions of dollars		Percent
	Gross domestic product (GDP)	Tourism value added	
2003	11,142	326	2.93
2004	11,868	352	2.97
2005	12,638	371	2.94
2006	13,399	396	2.96
2007	14,062	417	2.97
2008	14,369	399	2.78
2009	14,119	379	2.68

Direct employment

Direct tourism employment includes jobs that involve producing goods and services that are sold directly to visitors. Airline pilots, hotel clerks, and travel agents are examples of such employees.

Total direct employment decreased 0.5 percent in 2010. The largest contributor to the decrease reflected a decrease in food services and drinking places, which contributed 0.3 percentage point to the overall decline. Air transportation also contributed to the decrease in total employment, 0.2 percentage point (table L and chart 8). Traveler accommodations added employees in 2010, while employment in most other industries held constant or decreased slightly (tables L and M).

Table L. Contributions to Growth in Employment by Tourism in 2005–2010
[Percentage Points]

Industry	2005	2006	2007	2008	2009	2010
All tourism industries	2.05	1.49	2.22	-3.46	-8.14	-0.45
Traveler accommodations	0.36	0.15	0.41	-0.22	-1.78	0.24
Nonfarm residential tenant occupied permanent site	0.00	0.00	0.01	0.01	-0.01	0.00
Food services and drinking places	1.71	0.99	1.44	-1.39	-3.77	-0.33
Transportation	-0.11	0.02	0.11	-0.32	-1.01	-0.27
Air transportation services	-0.16	-0.10	0.08	-0.08	-0.48	-0.17
All other transportation-related industries	0.04	0.12	0.03	-0.24	-0.53	-0.10
Rail transportation services	-0.01	0.00	0.01	0.00	0.00	0.00
Water transportation services	0.04	0.06	-0.02	-0.04	-0.01	0.00
Interurban bus transportation	-0.01	-0.01	-0.01	0.00	-0.01	-0.01
Interurban charter bus transportation	-0.01	-0.01	0.00	0.01	-0.02	-0.01
Urban transit systems and other transportation	0.11	0.05	0.02	-0.03	-0.01	0.00
Taxi service	0.06	0.06	0.05	0.00	-0.03	0.00
Scenic and sightseeing transportation services	0.01	0.00	0.01	0.00	-0.02	0.02
Automotive equipment rental and leasing	0.01	-0.06	-0.02	-0.02	-0.12	-0.05
Automotive repair services	-0.08	-0.01	-0.03	-0.06	0.22	0.04
Parking lots and garages	0.01	0.00	0.00	0.00	-0.01	0.00
Toll highways	0.00	-0.01	0.00	0.00	0.00	0.00
Travel arrangement and reservation services	-0.06	-0.01	0.02	-0.04	-0.44	-0.06
Petroleum refineries	0.00	0.01	0.00	-0.01	-0.01	-0.01
Gasoline service stations	-0.01	0.05	0.00	-0.06	-0.07	-0.01
Recreation, entertainment, and shopping	0.11	0.16	0.21	-1.19	-1.42	-0.01
Recreation and entertainment	0.33	-0.02	0.19	-0.38	-0.88	0.13
Motion pictures and performing arts	-0.03	-0.02	-0.01	-0.04	-0.04	-0.01
Spectator sports	0.08	0.00	0.04	-0.13	-0.15	0.00
Participant sports	0.15	0.11	0.05	-0.17	-0.42	0.07
Gambling	0.08	-0.07	0.08	0.07	-0.06	-0.02
All other recreation and entertainment	0.05	-0.05	0.02	-0.11	-0.21	0.08
Shopping	-0.21	0.18	0.02	-0.81	-0.54	-0.13
Industries producing nondurable PCE commodities, excluding petroleum refineries	-0.19	-0.03	-0.16	-0.28	-0.23	-0.05
Retail trade services, excluding gasoline service stations	-0.03	0.21	0.19	-0.53	-0.31	-0.08
All other industries	-0.02	0.18	0.03	-0.34	-0.16	-0.08
All other industries, excluding wholesale trade and transportation services	-0.02	0.03	0.02	-0.03	-0.11	-0.06
Wholesale trade and transportation services	0.00	0.15	0.01	-0.31	-0.05	-0.02

PCE Personal consumption expenditures

Chart 8. Contributions to Annual Growth in Direct Tourism Employment in 2007–2010

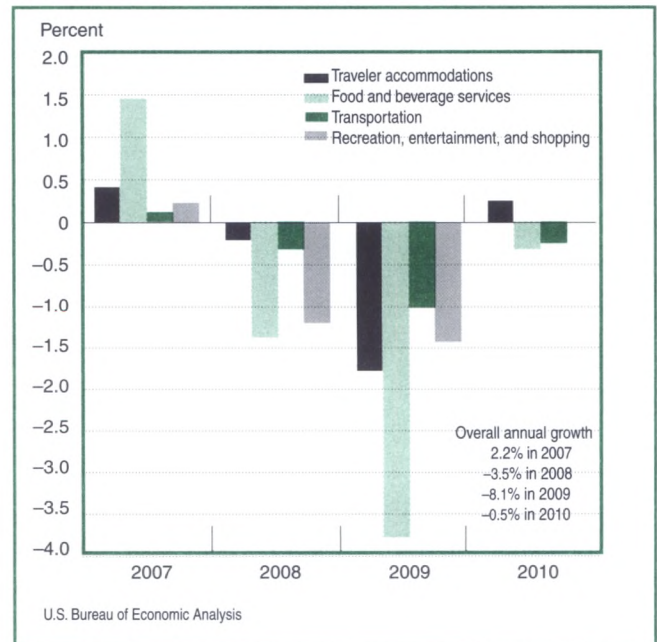


Table M. Direct Employment by Tourism Industry in 2005–2010
[Thousands]

Industry	2005	2006	2007	2008	2009	2010
All tourism industries.....	5,876	5,963	6,096	5,885	5,406	5,382
Traveler accommodations.....	1,324	1,333	1,358	1,344	1,240	1,253
Nonfarm residential tenant occupied permanent site.....	10	10	10	11	10	10
Food services and drinking places.....	1,878	1,936	2,022	1,937	1,716	1,698
Transportation.....	1,158	1,160	1,166	1,147	1,087	1,073
Air transportation services.....	487	481	486	481	453	443
All other transportation-related industries.....	672	679	681	666	635	629
Rail transportation services.....	8	9	9	9	9	9
Water transportation services.....	44	48	47	45	44	44
Interurban bus transportation.....	21	20	20	20	19	19
Interurban charter bus transportation.....	22	21	21	22	21	20
Urban transit systems and other transportation.....	53	56	57	56	55	55
Taxi service.....	46	50	53	53	51	51
Scenic and sightseeing transportation services.....	15	15	16	16	15	16
Automotive equipment rental and leasing.....	103	100	99	98	90	88
Automotive repair services.....	47	47	45	42	54	56
Parking lots and garages.....	14	14	14	14	14	14
Toll highways.....	4	4	4	4	4	4
Travel arrangement and reservation services.....	204	204	205	202	176	173
Petroleum refineries.....	7	7	8	7	7	6
Gasoline service stations.....	81	83	83	80	76	75
Recreation, entertainment, and shopping.....	1,254	1,263	1,276	1,203	1,120	1,120
Recreation and entertainment.....	651	649	660	637	586	592
Motion pictures and performing arts.....	29	27	27	24	22	21
Spectator sports.....	75	75	78	70	62	62
Participant sports.....	236	243	246	235	211	214
Gambling.....	178	174	179	183	179	179
All other recreation and entertainment.....	133	130	131	124	112	116
Shopping.....	603	614	615	566	534	527
Industries producing nondurable PCE commodities, excluding petroleum refineries.....	170	168	158	141	128	125
Retail trade services, excluding gasoline service stations.....	434	446	457	425	406	402
All other industries.....	251	262	264	243	233	229
All other industries, excluding wholesale trade and transportation services.....	73	75	76	74	68	65
Wholesale trade and transportation services.....	178	187	188	169	166	165

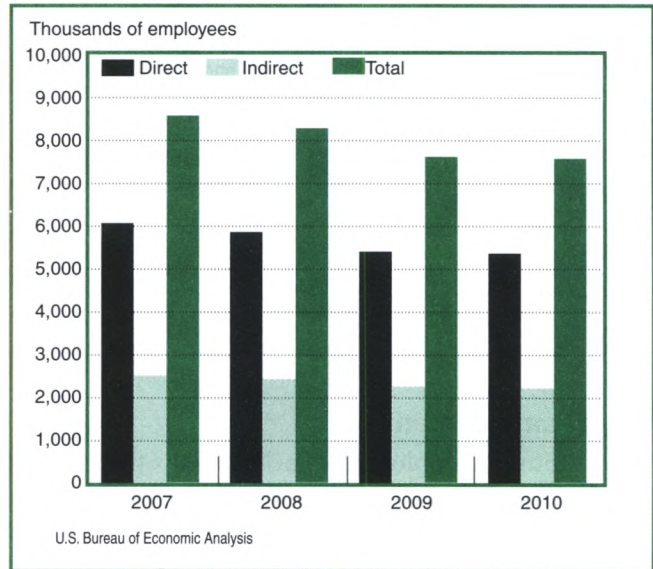
PCE Personal consumption expenditures

Total employment

Total tourism-related employment (the sum of direct and indirect jobs) remained almost unchanged at 7.6 million jobs in 2010. The 7.6 million jobs consisted of 5.4 million direct tourism jobs and 2.2 million indirect

tourism jobs (chart 9). Direct tourism employment comprises jobs that produce direct tourism output, such as airline pilots, and indirect tourism employment comprises jobs that produce indirect tourism output, such as refinery workers producing jet fuel. The most recent data indicate that for every 10 direct tourism jobs generated, an additional 4.1 jobs are indirectly generated.

Chart 9. Total Tourism-Related Employment in 2007–2010



Tables 1 through 8 follow.

Table 1. Production of Commodities by Industry, 2009—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	111,585	17,367	771												
Food services and drinking places	29,383		518,750		99										
Domestic passenger air transportation services				67,184							2				
International passenger air transportation services				45,404											
Passenger rail transportation services					1,540										
Passenger water transportation services						11,383					3				
Interurban bus transportation							1,857	20	8						
Interurban charter bus transportation							51	1,289	46		16				
Urban transit systems and other transportation services				3			28	65	22,779	65	27				
Taxi service				1					20	13,627					
Scenic and sightseeing transportation services				8		17		80	8		2,750				
Automotive rental												32,356	63		
Other vehicle rental												438			
Automotive repair services								6	113	2			80,912		
Parking lots and garages														11,113	
Highway tolls															10,316
Travel arrangement and reservation services															
Motion pictures and performing arts															
Spectator sports															
Participant sports															
Gambling	38,568		716												
All other recreation and entertainment			2,282			2					2				
Gasoline															
Wholesale trade and transportation margins on gasoline				7	390	745									
Retail trade margins on gasoline															
Nondurable PCE commodities other than gasoline				4,109											
Wholesale trade and transportation margins on nondurable PCE commodities other than gasoline				4,589	30,585	2,960									
Retail trade margins on nondurable PCE commodities other than gasoline	737		2,023					3			5		143		
All other commodities, except all other trade and transportation margins	10,692	308,293	150	23,848	14,299	28,554	40	65	3,986	14	4	17,557	10,111	21	235
All other wholesale trade and transportation margins				4,384	18,273	-101				1					
All other retail trade margins	1,308			60								213	544		
Travel by U.S. residents abroad															
Industry output	192,272	325,661	524,672	149,596	65,186	43,560	1,979	1,525	26,962	13,708	2,794	50,592	91,773	11,134	10,551
Intermediate inputs	84,427	79,603	247,570	77,974	32,774	19,534	513	386	14,743	5,643	1,135	23,046	26,185	2,931	2,830
Value added	107,845	246,057	277,102	71,621	32,412	24,026	1,466	1,139	12,219	8,065	1,660	27,546	65,588	8,203	7,722
Compensation of employees	58,590	13,477	183,718	44,856	19,945	13,597	1,136	837	23,704	1,702	879	9,035	44,338	5,210	4,223
Taxes on production and imports, less subsidies	18,133	52,510	35,698	13,313	-1,008	1,031	132	67	-223	342	427	5,974	6,516	911	
Gross operating surplus	31,122	180,070	57,686	13,453	13,474	9,398	197	235	-11,261	6,021	354	12,537	14,734	2,082	3,499

PCE Personal consumption expenditures

Table 1. Production of Commodities by Industry, 2009—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				221		79						892	130,915
Food services and drinking places		29	12	5,577	1,851	4,813				7,437	19,226	33,736	620,914
Domestic passenger air transportation services												23	67,210
International passenger air transportation services													45,404
Passenger rail transportation services													1,540
Passenger water transportation services													11,386
Interurban bus transportation												3	1,888
Interurban charter bus transportation												40	1,443
Urban transit systems and other transportation services												185	23,165
Taxi service												1	13,649
Scenic and sightseeing transportation services												17	2,887
Automotive rental												738	33,517
Other vehicle rental												179	623
Automotive repair services								7	6,273	3,875	80,508	134	171,830
Parking lots and garages												1,128	12,241
Highway tolls													10,316
Travel arrangement and reservation services	36,572												36,572
Motion pictures and performing arts		22,588	16,395			372							39,918
Spectator sports			18,938									562	18,938
Participant sports				36,306		2,482							38,843
Gambling				51	39,721	2,061							81,129
All other recreation and entertainment		134	4,048	233	78	46,301							64,256
Gasoline							190,466						190,466
Wholesale trade and transportation margins on gasoline									81,680				82,822
Retail trade margins on gasoline										41,126	6,072	195	47,393
Nondurable PCE commodities other than gasoline				11			196,404	1,426,983	9,856		19,783	57,465	1,714,610
Wholesale trade and transportation margins on nondurable PCE commodities other than gasoline									478,435				516,569
Retail trade margins on nondurable PCE commodities other than gasoline		215	472	818	84	1,916				17,382	571,470	26,447	621,903
All other commodities, except all other trade and transportation margins													
All other wholesale trade and transportation margins	142	33,565	13,095	2,184	19	2,089	54,767	777,670	203,864	3,207	27,531	17,667,608	19,203,612
All other retail trade margins							796	28,193	516,478			29,411	597,434
Travel by U.S. residents abroad							106	293		1,192	393,128	3,922	400,765
Industry output	36,715	56,532	52,974	45,402	41,752	60,220	442,432	2,234,714	1,296,592	74,226	1,119,193	17,831,441	24,804,157
Intermediate inputs	16,795	20,380	21,311	17,318	7,968	27,182	342,718	1,406,016	373,267	22,911	350,859	7,459,097	10,685,116
Value added	19,920	36,152	31,663	28,084	33,784	33,038	99,714	828,697	923,325	51,314	768,334	10,372,344	14,119,040
Compensation of employees	12,940	14,132	21,998	22,819	25,511	18,772	12,920	378,442	497,147	16,888	463,529	5,909,173	7,819,518
Taxes on production and imports, less subsidies	143	3,707	3,437	2,641	2,545	5,206	2,878	45,237	169,992	13,505	154,833	426,409	964,359
Gross operating surplus	6,836	18,313	6,229	2,624	5,728	9,060	83,916	405,018	256,186	20,921	149,971	4,036,762	5,335,163

PCE Personal consumption expenditures

Table 2. Supply and Consumption of Commodities, 2009
 (Millions of dollars)

Commodity	Supply						Consumption						Total 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	
							Private expenditures	Government expenditures					
Traveler accommodations.....	130,915					130,915	43,631	5,893	81,392				130,915
Food services and drinking places.....	620,914					620,914	92,302	20,740	507,320			551	620,914
Domestic passenger air transportation services.....	67,210					67,210	16,811	5,842	44,557				67,210
International passenger air transportation services.....	45,404	24,167				69,571	11,072	893	32,398			25,207	69,571
Passenger rail transportation services.....	1,540					1,540	492	291	756				1,540
Passenger water transportation services.....	11,386	725				12,111	1,545		10,150			416	12,111
Interurban bus transportation.....	1,888					1,888	304	494	1,091				1,888
Interurban charter bus transportation.....	1,443					1,443			1,443				1,443
Urban transit systems and other transportation services.....	23,165					23,165	2,545	894	19,726				23,165
Taxi service.....	13,649					13,649	7,841	1,345	4,463				13,649
Scenic and sightseeing transportation services.....	2,887					2,887			2,887				2,887
Automotive rental.....	33,517					33,517	21,006	1,419	11,092				33,517
Other vehicle rental.....	623					623	353	2					623
Automotive repair services.....	171,830					171,830	25,697	3,400	142,723			10	171,830
Parking lots and garages.....	12,241					12,241	2,813	1,800	7,628				12,241
Highway tolls.....	10,316					10,316	1,731	625	7,960				10,316
Travel arrangement and reservation services.....	36,572					36,572	21,837	588	12,648			1,499	36,572
Motion pictures and performing arts.....	39,918	201				40,118	7,739	5	32,261			114	40,118
Spectator sports.....	18,938	94				19,032	12,250	47	6,682			54	19,032
Participant sports.....	38,843					38,843	5,638	130	33,075				38,843
Gambling.....	81,129					81,129	1	21	81,107				81,129
All other recreation and entertainment.....	64,256	7				64,263	3,887	2,404	57,968			4	64,263
Gasoline.....	190,466	10,195	400	82,822	47,393	330,476	55,725	8,357	265,814			581	330,476
Wholesale trade and transportation margins on gasoline.....	82,822					82,822							
Retail trade margins on gasoline.....	47,393					47,393							
Nondurable PCE commodities other than gasoline.....	1,714,610	459,333	-22,247	516,569	621,903	3,334,662	838,530	167,983	2,047,057	37,076	2,585	241,431	3,334,662
Wholesale trade and transportation margins on nondurable PCE commodities other than gasoline.....	516,569					516,569							
Retail trade margins on nondurable PCE commodities other than gasoline.....	621,903					621,903							
All other commodities, except all other trade and transportation margins.....	19,203,612	1,238,127	-105,376	597,434	400,765	21,545,314	8,254,982	1,013,370	6,533,462	1,679,349	2,912,320	1,151,830	21,545,313
All other wholesale trade and transportation margins.....	597,434					597,434							
All other retail trade margins.....	400,765					400,765							
Travel by U.S. residents abroad.....		75,244				75,244	19,845		55,399				75,244
Total.....	24,804,157	1,808,093	-127,222	1,196,825	1,070,060	29,006,357	9,448,575	1,236,542	10,001,329	1,716,426	2,914,905	1,421,696	26,739,471

PCE Personal consumption expenditures

Table 3. Demand for Commodities by Type of Visitor, 2009
 (Millions of dollars)

Commodity	Total consumption	Resident households	Business	Government	Nonresidents	Total tourism demand	Nontourism demand	Tourism commodity ratio
Traveler accommodations.....	130,915	55,754	43,631	5,893	25,638	130,915		1.00
Food services and drinking places.....	620,914	54,451	31,376	4,899	20,980	111,706	509,208	0.18
Domestic passenger air transportation services.....	67,210	37,909	16,811	5,842	6,648	67,210		1.00
International passenger air transportation services.....	69,571	32,398	11,072	893	25,207	69,571		1.00
Passenger rail transportation services.....	1,540	643		291	113	1,540		1.00
Passenger water transportation services.....	12,111	11,168			416	11,583	527	0.96
Interurban bus transportation.....	1,888	928	304	494	163	1,888		1.00
Interurban charter bus transportation.....	1,443	1,228			215	1,443		1.00
Urban transit systems and other transportation services.....	23,165	3,046	397	140	222	3,805	19,360	0.16
Taxi service.....	13,649	1,436	2,599	446	130	4,611	9,038	0.34
Scenic and sightseeing transportation services.....	2,887	2,456			431	2,887		1.00
Automotive rental.....	33,517	7,720	21,005	1,419	481	30,626	2,891	0.91
Other vehicle rental.....	623	146	353	2	85	585	38	0.94
Automotive repair services.....	171,830	9,281	3,801	212	1,398	14,692	157,137	0.09
Parking lots and garages.....	12,241	1,128	422	270	109	1,929	10,312	0.16
Highway tolls.....	10,316	472	104	37	78	691	9,625	0.07
Travel arrangement and reservation services.....	36,572	11,984	20,692	557	1,499	34,733	1,840	0.95
Motion pictures and performing arts.....	40,118	7,784	3,095		1,015	11,893	28,225	0.30
Spectator sports.....	19,032	1,388	4,836		331	6,554	12,478	0.34
Participant sports.....	38,843	7,479	2,274		630	10,383	28,459	0.27
Gambling.....	81,129	33,519			7,846	41,365	39,765	0.51
All other recreation and entertainment.....	64,263	13,975	1,562		1,073	16,610	47,653	0.26
Gasoline.....	330,476	35,031	14,346	800	2,605	52,782	277,694	0.16
Nondurable PCE commodities other than gasoline.....	3,334,662	67,754	19,963	1,770	22,268	111,754	3,222,907	0.03
All other commodities.....	21,545,313						21,545,313	
Total demand less travel by U.S. residents abroad.....	26,664,228	399,080	199,133	23,964	119,578	741,755	25,922,473	
Travel by U.S. residents abroad.....	75,244	55,399	19,845			75,244		1.00
Total demand.....	26,739,471	454,478	218,978	23,964	119,578	816,999	25,922,473	

PCE Personal consumption expenditures

Table 3a. Demand for Commodities by Type of Visitor (Unadjusted for Travel Arrangement Commissions), 2009

[Millions of dollars]

Commodity	Total consumption	Resident households	Business	Government	Nonresidents	Total tourism demand	Nontourism demand	Tourism commodity ratio
Traveler accommodations.....	131,631	56,059	43,869	5,925	25,778	131,631	.....	1.00
Food services and drinking places.....	620,914	54,451	31,376	4,899	20,980	111,706	509,208	0.18
Domestic passenger air transportation services.....	67,964	38,335	17,000	5,907	6,722	67,964	.....	1.00
International passenger air transportation services.....	70,457	32,811	11,213	905	25,528	70,457	.....	1.00
Passenger rail transportation services.....	1,904	795	609	360	139	1,904	.....	1.00
Passenger water transportation services.....	12,283	11,334	.....	.....	422	11,756	527	0.96
Interurban bus transportation.....	1,888	928	304	494	163	1,888	.....	1.00
Interurban charter bus transportation.....	1,451	1,234	.....	.....	216	1,451	.....	1.00
Urban transit systems and other transportation services.....	23,165	3,046	397	140	222	3,805	19,360	0.16
Taxi service.....	13,667	1,442	2,609	448	130	4,629	9,038	0.34
Scenic and sightseeing transportation services.....	2,912	2,478	.....	.....	435	2,912	.....	1.00
Automotive rental.....	33,528	7,723	21,013	1,419	482	30,637	2,891	0.91
Other vehicle rental.....	623	146	353	2	85	585	38	0.94
Automotive repair services.....	171,830	9,281	3,801	212	1,398	14,692	157,137	0.09
Parking lots and garages.....	12,241	1,128	422	270	109	1,929	10,312	0.16
Highway tolls.....	10,316	472	104	37	78	691	9,625	0.07
Travel arrangement and reservation services.....	33,476	10,057	19,703	377	1,499	31,636	1,840	0.95
Motion pictures and performing arts.....	40,269	7,882	3,134	.....	1,027	12,044	28,225	0.30
Spectator sports.....	19,255	1,435	5,000	.....	342	6,777	12,478	0.35
Participant sports.....	38,843	7,479	2,274	.....	630	10,383	28,459	0.27
Gambling.....	81,129	33,519	.....	.....	7,846	41,365	39,765	0.51
All other recreation and entertainment.....	64,355	14,053	1,570	.....	1,079	16,702	47,653	0.26
Gasoline.....	330,476	35,031	14,346	800	2,605	52,782	277,694	0.16
Nondurable PCE commodities other than gasoline.....	3,334,662	67,754	19,963	1,770	22,268	111,754	3,222,907	0.03
All other commodities.....	21,545,313	.....	.....	.....	.....	.....	21,545,313	.....
Total demand less travel by U.S. residents abroad.....	26,664,553	398,874	199,059	23,964	120,183	742,080	25,922,473	.....
Travel by U.S. residents abroad.....	75,523	55,604	19,919	.....	.....	75,523	.....	1.00
Total demand.....	26,740,076	454,478	218,978	23,964	120,183	817,604	25,922,473	.....

PCE Personal consumption expenditures

Table 4. Output and Value Added by Industry, 2009

[Millions of dollars]

Industry	Industry output	Intermediate consumption	Value added	Tourism industry ratio	Tourism output	Tourism intermediate consumption	Tourism value added
Traveler accommodations.....	192,272	84,427	107,845	0.71	136,560	59,963	76,596
Nonfarm residential tenant occupied permanent site real estate.....	325,661	79,603	246,057	0.05	17,367	4,245	13,122
Food services and drinking places.....	524,672	247,570	277,102	0.18	95,115	44,881	50,234
Air transportation services.....	149,596	77,974	71,621	0.75	112,889	58,841	54,048
Rail transportation services.....	65,186	32,774	32,412	0.04	2,645	1,330	1,315
Water transportation services.....	43,560	19,534	24,026	0.26	11,123	4,988	6,135
Interurban bus transportation.....	1,979	513	1,466	0.97	1,913	496	1,417
Interurban charter bus transportation.....	1,525	386	1,139	0.92	1,400	354	1,046
Urban transit systems and other transportation.....	26,962	14,743	12,219	0.14	3,820	2,089	1,731
Taxi service.....	13,708	5,643	8,065	0.34	4,614	1,899	2,715
Scenic and sightseeing transportation.....	2,794	1,135	1,660	0.99	2,774	1,126	1,647
Automotive equipment rental and leasing.....	50,592	23,046	27,546	0.59	29,981	13,657	16,324
Automotive repair services.....	91,773	26,185	65,588	0.08	6,981	1,992	4,989
Parking.....	11,134	2,931	8,203	0.16	1,752	461	1,291
Toll highways.....	10,551	2,830	7,722	0.07	691	185	506
Travel arrangement and reservation services.....	36,715	16,795	19,920	0.95	34,733	15,888	18,844
Motion pictures and performing arts.....	56,532	20,380	36,152	0.12	6,743	2,431	4,312
Spectator sports.....	52,974	21,311	31,663	0.24	12,453	5,010	7,443
Participant sports.....	45,402	17,318	28,084	0.24	11,044	4,213	6,831
Gambling.....	41,752	7,968	33,784	0.49	20,608	3,933	16,675
All other recreation and entertainment.....	60,220	27,182	33,038	0.25	14,801	6,681	8,120
Petroleum refineries.....	442,432	342,718	99,714	0.08	37,002	28,663	8,339
Industries producing nondurable PCE commodities, excluding petroleum refineries.....	2,234,714	1,406,016	828,697	0.02	48,186	30,317	17,869
Wholesale trade and transportation services.....	1,296,592	373,267	923,325	0.02	29,952	8,623	21,330
Gasoline service stations.....	74,226	22,911	51,314	0.12	8,826	2,724	6,102
Retail trade services, excluding gasoline service stations.....	1,119,193	350,859	768,334	0.03	32,113	10,067	22,046
All other industries.....	17,831,441	7,459,097	10,372,344	0.00	13,011	5,443	7,568
Total.....	24,804,157	10,685,116	14,119,040	.....	699,098	320,501	378,597

PCE Personal consumption expenditures

Table 5. Output by Commodity, 2009

[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.....	130,915	1.00	130,915	1.58	206,641
Food services and drinking places.....	620,914	0.18	111,706	1.74	194,336
Domestic passenger air transportation services.....	67,210	1.00	67,210	1.66	111,278
International passenger air transportation services.....	45,404	1.00	45,404	1.66	75,175
Passenger rail transportation services.....	1,540	1.00	1,540	1.78	2,737
Passenger water transportation services.....	11,386	0.96	10,890	1.94	21,137
Interurban bus transportation.....	1,888	1.00	1,888	1.56	2,943
Interurban charter bus transportation.....	1,443	1.00	1,443	1.56	2,249
Urban transit systems and other transportation services.....	23,165	0.16	3,805	1.56	5,931
Taxi service.....	13,649	0.34	4,611	1.56	7,187
Scenic and sightseeing transportation services.....	2,887	1.00	2,887	1.54	4,434
Automotive rental.....	33,517	0.91	30,626	1.42	43,497
Other vehicle rental.....	623	0.94	585	1.42	831
Automotive repair services.....	171,830	0.09	14,692	1.61	23,596
Parking lots and garages.....	12,241	0.16	1,929	1.61	3,099
Highway tolls.....	10,316	0.07	691	1.83	1,263
Travel arrangement and reservation services.....	36,572	0.95	34,733	1.52	52,933
Motion pictures and performing arts.....	39,918	0.30	11,834	1.63	19,260
Spectator sports.....	18,938	0.34	6,522	1.64	10,706
Participant sports.....	38,843	0.27	10,383	1.61	16,741
Gambling.....	81,129	0.51	41,365	1.61	66,692
All other recreation and entertainment.....	64,256	0.26	16,608	1.63	27,106
Gasoline.....	320,681	0.16	51,217	1.65	84,614
Nondurable PCE commodities other than gasoline.....	2,853,082	0.03	95,615	2.04	195,159
Total.....	4,602,346	0.15	699,098	1.69	1,179,544

PCE Personal consumption expenditures

Table 6. Employment and Compensation of Employees by Industry, 2009

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.....	1,745	58,590	0.71	1,240	41,613	33,571
Nonfarm residential tenant occupied permanent site.....	190	13,477	0.05	10	719	70,925
Food services and drinking places.....	9,464	183,718	0.18	1,716	33,305	19,412
Air transportation services.....	600	44,856	0.75	453	33,850	74,797
Rail transportation services.....	217	19,945	0.04	9	809	91,846
Water transportation services.....	173	13,597	0.26	44	3,472	78,772
Interurban bus transportation.....	20	1,136	0.97	19	1,098	57,225
Interurban charter bus transportation.....	22	837	0.92	21	769	37,369
Urban transit systems and other transportation.....	391	23,704	0.14	55	3,358	60,590
Taxi service.....	152	1,702	0.34	51	573	11,214
Scenic and sightseeing transportation services.....	15	879	0.99	15	872	59,628
Automotive equipment rental and leasing.....	152	9,035	0.59	90	5,354	59,253
Automotive repair services.....	715	44,338	0.08	54	3,373	62,053
Parking lots and garages.....	87	5,210	0.16	14	820	59,746
Toll highways.....	59	4,223	0.07	4	277	71,603
Travel arrangement and reservation services.....	187	12,940	0.95	176	12,242	69,372
Motion pictures and performing arts.....	184	14,132	0.12	22	1,686	76,881
Spectator sports.....	262	21,998	0.24	62	5,171	83,816
Participant sports.....	866	22,819	0.24	211	5,551	26,364
Gambling.....	364	25,511	0.49	179	12,592	70,159
All other recreation and entertainment.....	455	18,772	0.25	112	4,614	41,228
Petroleum refineries.....	78	12,920	0.08	7	1,081	164,855
Industries producing nondurable PCE commodities, excluding petroleum refineries.....	5,930	378,442	0.02	128	8,160	63,813
Wholesale trade and transportation services.....	7,174	497,147	0.02	166	11,484	69,300
Gasoline service stations.....	637	16,888	0.12	76	2,008	26,518
Retail trade services, excluding gasoline service stations.....	14,164	463,529	0.03	406	13,300	32,726
All other industries.....	92,710	5,909,173	0.00	68	4,312	63,738
Total.....	137,013	7,819,518		5,406	212,462	

PCE Personal consumption expenditures

Table 7. Employment by Industry, 2009
[Thousands of employees]

Industry	Direct tourism employment	Total industry employment multiplier	Total tourism-related employment
Traveler accommodations.....	1,240	1.31	1,627
Nonfarm residential tenant occupied permanent site.....	10	2.02	20
Food services and drinking places.....	1,716	1.18	2,027
Air transportation services.....	453	1.70	768
Rail transportation services.....	9	2.40	21
Water transportation services.....	44	3.32	146
Interurban bus transportation.....	19	1.45	28
Interurban charter bus transportation.....	21	1.45	30
Urban transit systems and other transportation.....	55	1.51	84
Taxi service.....	51	1.45	74
Scenic and sightseeing transportation services.....	15	1.75	26
Automotive equipment rental and leasing.....	90	1.92	173
Automotive repair services.....	54	1.47	80
Parking lots and garages.....	14	1.96	27
Toll highways.....	4	1.92	7
Travel arrangement and reservation services.....	176	1.41	248
Motion pictures and performing arts.....	22	1.94	43
Spectator sports.....	62	1.93	119
Participant sports.....	211	1.19	252
Gambling.....	179	1.59	285
All other recreation and entertainment.....	112	1.41	158
Petroleum refineries.....	7	4.20	28
Industries producing nondurable PCE commodities, excluding petroleum refineries.....	128	2.86	366
Wholesale trade and transportation services.....	166	1.67	277
Gasoline service stations.....	76	1.23	93
Retail trade services, excluding gasoline service stations.....	406	1.23	499
All other industries.....	68	1.91	129
Total.....	5,406		7,633

PCE Personal consumption expenditures

Table 8. Real Tourism Output, 2009

Commodity	Direct output (Millions of dollars)	Chain-type price index	Real output (Millions of chained (2005) dollars)
Traveler accommodations.....	130,915	106.7	122,717
Food services and drinking places.....	111,706	116.0	96,272
Domestic passenger air transportation services.....	67,210	111.6	60,245
International passenger air transportation services.....	45,404	109.4	41,489
Passenger rail transportation services.....	1,540	118.1	1,303
Passenger water transportation services.....	10,890	88.4	12,317
Interurban bus transportation.....	1,888	119.5	1,580
Interurban charter bus transportation.....	1,443	110.8	1,302
Urban transit systems and other transportation services.....	3,805	112.7	3,375
Taxi service.....	4,611	114.9	4,014
Scenic and sightseeing transportation services.....	2,887	110.8	2,605
Automotive rental.....	30,628	129.8	23,601
Other vehicle rental.....	585	111.4	525
Automotive repair services.....	14,692	117.6	12,491
Parking lots and garages.....	1,929	122.1	1,581
Highway tolls.....	691	123.0	562
Travel arrangement and reservation services.....	34,733	106.6	32,592
Motion pictures and performing arts.....	11,834	111.5	10,613
Spectator sports.....	6,522	117.6	5,545
Participant sports.....	10,383	104.3	9,951
Gambling.....	41,365	110.0	37,617
All other recreation and entertainment.....	16,608	112.7	14,733
Gasoline.....	51,217	104.6	48,942
Nondurable PCE commodities other than gasoline.....	95,615	109.9	86,994
Total.....	699,098	110.7	631,366

PCE Personal consumption expenditures

Research Spotlight

Artistic Originals as Capital Assets

By Rachel H. Soloveichik

IN KEEPING with international guidelines on national economic accounting, the Bureau of Economic Analysis (BEA) has announced that it is planning to adopt a new treatment of long-lived artwork in the national income and product accounts (NIPAs). The new treatment will be part of the 2013 comprehensive revision. Under the new treatment, long-lived artwork produced by artists, studios, and publishers will be capitalized; that is, production of long-lived artwork will be treated as an investment, thus adding to the capital stock. Currently, the NIPAs treat all production of artwork as a current expense.

As a first step toward treating artistic originals as investment and determining how such investment might affect gross domestic product (GDP) over time, BEA has initiated a research effort to estimate the value of theatrical movies, original songs and recordings, original books, long-lived television programming, and miscellaneous artwork. The value of investment in such artistic originals totaled \$51.6 billion in 2007 (the featured year for this research). Copies of these artistic originals will be sold on DVD, replayed on the radio, reprinted in paperback, and broadcast on television for decades to come. The estimates of investment in artistic originals presented in this paper are preliminary and may differ from the values that will ultimately be recorded in the NIPAs.

The research discussed in this article is part of a long-term bureauwide effort aimed at capitalizing a complete set of intangible assets. In the 1990s, BEA reclassified computer software from a current expense to a capital investment and revised the NIPAs accordingly (Parker and Grimm 2000). Other researchers at the BEA have developed satellite accounts measuring investment and capital stock of research and development (R&D) (Robbins and Moylan 2007).

In this paper, estimates are derived for the annual current-dollar value of investment in artistic originals, prices for artistic originals, and the capital stock of artistic originals. GDP is then calculated as if artistic originals were classified as capital assets.

Conclusions drawn from this work include the following:

- The \$51.6 billion in current-dollar investment in artistic originals in 2007 breaks down by category as follows: \$14.0 billion in theatrical movies, \$7.5 bil-

lion in original songs and recordings, \$5.5 billion in original books, \$21.9 billion in long-lived television programs, and \$2.6 billion in miscellaneous artwork.

- The aggregate capital stock of artwork in 2007 was worth approximately \$440 billion, nine times annual production. The large capital stock reflects the long lifespan of artistic originals.
- Investment in artistic originals accounted for approximately 0.35 percent of current-dollar GDP in 2007. Between 1980 and 2009, investment in artistic originals grew from 0.21 percent of current-dollar GDP to 0.35 percent of current-dollar GDP.

The remainder of this article provides the following: an overview of the national economic accounting concepts related to capitalizing artistic originals; estimates of current-dollar investment for theatrical movies, music, books, television programs, and miscellaneous artwork from 1929 to 2009; estimates of price indexes and real production for each category from 1929 to 2009; and estimates of depreciation schedules for each art category and the capital stock of each art category.¹

Overview

The NIPAs currently treat the cost of producing artistic originals as a current expense. Thus, artistic originals play a limited role in the calculation of GDP. In general, artistic production costs are treated the same as advertising costs, manufacturing costs, shipping costs, and other current expenses. If these costs are paid from one business to another, they are considered intermediate expenses and are not counted as final expenditures in GDP or as part of the capital stock.²

1. For details on the estimation procedures and results, please see Soloveichik 2010a, 2010b, 2010c, 2010d, and forthcoming.

2. Even if artistic originals are not counted as investment in GDP final expenditures, they do appear to a limited extent in some of the values affecting GDP. Exports and imports of services include royalties for artistic originals received from, or paid to, the rest of the world. For the sectors where output is generally not sold to markets (government and nonprofit institutions serving households), the value of output is based on expenses and thus includes the cost of producing artistic originals. That output is then counted as part of government or personal consumption expenditures.

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The *System of National Accounts 2008*, the international guidelines for national accounts, has recommended that entertainment and literary artistic originals should be capitalized. Capitalizing artistic originals means that expenditures to produce or acquire them are treated as investment and directly included in the calculation of GDP. The production costs are added to the preexisting capital stock of artwork to get the total capital stock of artwork. The stock of original artwork is used to produce other goods and services, such as copies of the artwork disseminated as DVDs or television broadcasts. The use of capital goods to produce other goods and services is known as capital services. The standard measure of GDP based on final expenditures does not break out the flow of capital services, which are implicitly counted in the national accounts as part of gross operating surplus. Estimates of capital services are available, however, in the integrated production account, which is prepared jointly by BEA and the Bureau of Labor Statistics and is available on BEA's Web site.³

In addition, capitalizing artistic originals requires accounting for the depreciation of the assets. In the NIPAs, this depreciation is known as consumption of fixed capital (CFC). The new capital stock of artwork equals the preexisting capital stock plus new investment minus CFC.

Three pieces of data are necessary to measure real investment in artistic originals and the capital stock: current-dollar investment estimates, price indexes, and depreciation schedules. With these data, real investment and real capital stock can be calculated for year t :

$$\text{Real investment}_t = \text{current-dollar investment}_t / \text{price index}_t$$

$$\text{Real capital stock}_t = \text{real capital stock}_{t-1} - \text{CFC}_t + \text{real investment}_t$$

Current-Dollar Investment

Artistic originals are rarely sold in an open market, so it is difficult for BEA to observe prices for new artwork. This is a common problem for intangible assets. In such cases, BEA often estimates the value of investment based on the costs of production. This approach is used in the NIPAs to value various types of own-account investment, such as own-account construction, software, and R&D.

When direct data on production costs are not avail-

3. For government and nonprofit institutions, capital services from artwork will be explicitly included in the estimates of GDP when artistic originals are capitalized. These sectors do not sell products on the market, so BEA uses expenses as the measure of output. Depreciation (or consumption of fixed capital) is included as one of those expenses and can be thought of as a partial measure of the services of capital.

able, however, the net present value approach provides an alternative method to calculate the value of an investment.⁴ In order to implement the net present value approach, this research estimated the net present value of future revenue and the net present value of future nonartwork costs like advertising and printing. The value of an artistic original is the net present value of future revenue minus the net present value of nonartwork costs.⁵ Based on the net present value estimates, I then calculated the ratio of investment to revenue. That ratio will be used to estimate current-dollar investment on an annual basis.

The primary source data for this project were from the 2007 Economic Census. In 2007, total revenue from long-lived artwork was \$134 billion. By category, revenue was \$37.2 billion from theatrical movies, \$14.2 billion from music, \$26.1 billion from books, \$40.7 billion from long-lived television, and \$15.9 billion in miscellaneous artwork. New investment accounted for an estimated 38 percent of industry revenue for theatrical movies, 49 percent of industry revenue for music, 21 percent of industry revenue for books, 54 percent of industry revenue for television, and 17 percent of industry revenue for miscellaneous artwork.⁶ The remaining revenue is spent on nonartwork costs—such as advertising, stamping DVDs, or printing books. In the NIPAs, these nonartwork costs are not considered investment.⁷

According to these calculations, investment expenditures in artistic originals in 2007 were \$14.0 billion for theatrical movies, \$7.5 billion for original songs, \$5.5 billion for original books, \$21.9 billion for long-lived television programs, and \$2.6 billion for miscellaneous artwork—\$51.6 billion in total (chart 1). Investment expenditures for each category from 1929 to 2009 were also estimated. The data sets and methodology used to produce each time series are briefly described below.

Theatrical movies

Between 2005 and 2009, data from the 2007 Economic Census and Service Annual Survey were used to measure annual revenue for the movie industry. Based on the advertising costs and DVD production costs reported in *The*

4. The investment estimates in this paper are sensitive to the precise discount rate used. A real interest rate of 10 percent was used to calculate real net present values.

5. The estimated net present values use historical data to project future revenues and costs. It is possible that actual revenues will be different than expected.

6. Details on the research behind my production shares are given in my working papers (Soloveichik 2010a, 2010b, 2010c, 2010d, and forthcoming).

7. Artistic originals are long lived, so old artwork can earn revenue for decades after production. In 2007, the artistic industry spent less on production than it earned from preexisting artwork.

Big Picture (Epstein 2005), investment expenditures were estimated to account for 38 percent of revenue.⁸

Before 2005, IMDB.com data—which gives filming dates and production budgets for individual movies from 1900 to 2011⁹—were used to estimate annual investment expenditures. See “Theatrical Movies as Capital Assets” (Soloveichik 2010d) for details on the estimation procedures used.

Recorded music

The net present value approach was used to estimate investment in recorded music. Government reports, trade association data, and academic research were used to estimate revenue and nonmusic costs. In addition, trade association data provided information on the lifespan of individual songs. Based on that data, I estimated the net present value of new songs in 2007 and the ratio of new investment to revenue. I then used the date of first release to impute the dates a song was composed or recorded.

For 2007, Economic Census data were used to measure annual revenue from purchased music, royalties, live music concerts, and printed music. For other years, trade association data were used to estimate music revenue. The Recording Industry Association of America (RIAA) tracks revenue from CDs, (legal) downloads, ringtones, tape cassettes, and other purchased products. The American Society of Composers,

Authors and Publishers (ASCAP) and Broadcast Music, Inc. (BMI) track royalties for radio broadcast, television broadcast, and live performances.¹⁰ Pollstar tracks ticket sales for live music concerts.¹¹ The National Music Publishers Association (NMPA) tracks printed music sales.¹² Taken together, these sources allow for an estimate of annual music revenue from 1929 to 2009.¹³ I then applied the ratio of new investment to revenue estimated earlier to calculate current-dollar investment from 1929 to 2009.

Books

The net present value approach was used to estimate investment. I used survey data from the American Association of Publishers to estimate revenues and non-writing costs. In addition, Nielsen Bookscan provided information on the lifespan of individual book manuscripts. Based on that data, I estimated the net present value of new books in 2007 and the ratio of new investment to revenue. I then used the date of first release to impute the dates a book was written.

For 2007, Economic Census data were used to measure annual revenue. For other years, a variety of data

8. The exact share depends on the product mix. Movie theaters and DVDs have higher nonartwork costs than television licensing.

9. IMDB reports data for most major movies, with better coverage of recent movies and more expensive productions. The missing data were imputed.

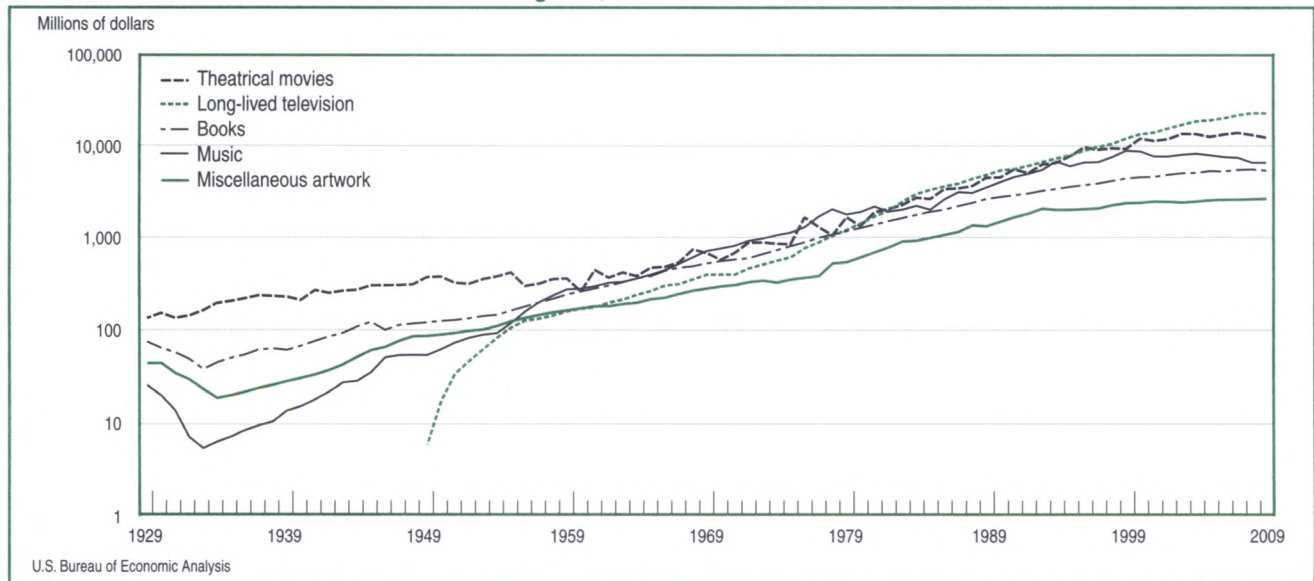
10. The ASCAP and BMI both publish this data in their annual reports. The most recent annual reports are available on their Web sites. Before then, I used *American Popular Music and its Business* (Sanjek 1984) and *Music, Money and Success* (Brabec and Brabec 2008) to get summary data.

11. Alan B. Krueger, Professor of Economics at Princeton University, has done research on the concert industry. He generously shared his aggregate tabulations for 1981–2003 from Pollstar with me. For 2004 forward, I used Pollstar’s reports to get aggregate concert revenue.

12. Recent data can be downloaded from www.nmpa.org/media/survey.asp

13. These industry data were supplemented with academic research on music revenue before 1980.

Chart 1. Current-Dollar Investment in Artistic Originals, 1929–2009



sets were used. For 1929–82, Census of Manufactures data were used to estimate book sales. (Interpolation was used for years with missing data).¹⁴ For 1982–2003, industry data produced by the American Association of Publishers was used to estimate sales. And for 2005–2009, the Service Annual Survey was used to estimate sales. I then applied the ratio of new investment to revenue estimated earlier to calculate current-dollar investment from 1929 to 2009.

Television programs

SNA 2008 recommends that only artwork with a service life of more than one year should be treated as a capital asset. Dramas and sitcoms are frequently rerun for more than one year after initial release, so they qualify as capital assets by this definition. In contrast, news programs, sporting events, game shows, and soap operas are rarely rerun. Accordingly, those programs are too short lived to be counted as capital assets.

For 2007, the Economic Census data were used to measure television industry revenue. For other years, a variety of data sets were used. For 1998–2009, Service Annual Survey (2009, 2005, and 2004) data were used. For years before 1998, revenue data for cable distributors from Kagan Associate's 2006 report were used as a proxy for cable network revenue. Advertising expenditures from the CS Ad expenditure data set (Galbi 2008) were used as a proxy for television broadcast revenue. And aggregate sales of licensed merchandise data from the *The Licensing Business Databook* (EPM Communications 2006) were used to proxy for merchandise licensing revenue.¹⁵ For television studio revenue before 1998, I assumed that television studio revenue tracked network revenue (broadcast and cable).

Based on the industry literature, nonartwork costs, such as broadcasting towers, were estimated to account for 25 percent of total revenue, and studios were estimated to spend about 79 cents on new production for every dollar they earn from their preexisting television programs. Based on a custom data set from Nielsen Media Research, I estimated that long-lived television programs account for 40 percent of total television viewership. That data set is described in more detail in "Television Programs as Capital Assets" (Soloveichik forthcoming).

Taking total revenue, costs, and the market share of long-lived television programs into account, television investment expenditures were estimated to be 24 percent of total television revenue. These numbers are preliminary and may change significantly with future research.

14. Books licensed to magazines as serials are included. This revenue was substantial before 1945.

15. These data sets go back to 1977. Before then, I assumed that merchandise licensing tracked the overall television industry.

Miscellaneous artwork

This category includes three types of long-lived artwork: theatrical play scripts, greeting card designs, and commercial stock photography.

Theatrical play scripts. In the 2007 Economic Census, U.S. performing arts groups and independent artists earned \$9.8 billion from ticket sales, donations, and performance fees.¹⁶ Based on price data from BroadwayLeague.com, copyrighted plays pay an estimated 18 percent of their revenue in royalties for the script.¹⁷ Playwrights spend an estimated 68 cents to write new plays for every dollar of licensing revenue. Therefore, investment was \$1.2 billion in 2007.

A variety of data sets were used to measure play revenue for years other than 2007. For 1998–2009 (excluding 2007), the 2009 Service Annual Survey and 2001 Service Annual Survey were used. For 1972–97, the 1997 Economic Census and Census of Service Industries (1972–92) were used (missing years were filled in using interpolation). For years before 1972, BEA's preexisting time series of consumer spending on live entertainment was used.

Greeting card designs. According to the 2007 Economic Census, U.S. publishing companies sold \$4.5 billion worth of greeting cards that year. I estimated that publishers spent 9 percent of that revenue, or \$0.4 billion, creating long-lived card designs.

A variety of data sets were used to measure revenue for years other than 2007. For 1998–2009 (excluding 2007), the Service Annual Survey, which gives greeting card sales, was used. For years before 1998, the 1992 Economic Census and the Census of Manufactures were used (missing years were filled in by interpolation). The estimates were benchmarked to the 2007 Economic Census.

Commercial stock photography. According to the 2007 Economic Census, U.S. photography agencies licensed \$1.6 billion worth of photos to advertisers and other clients. Based on the industry literature, non-photo costs, like advertising, accounted for 25 percent of total revenue. I estimated that photographers spent 60 percent of their net revenue shooting new pictures. Therefore, investment was \$0.7 billion in 2007.

A variety of data sets were used to measure revenue for years other than 2007. For 1998–2009 (excluding 2007), the Service Annual Survey reports annual sales. For 1972–97, the 1997 Economic Census and Census of Service Industries (1972–92) were used. Before

16. This does not count popular music concerts, which are included in music.

17. Ticket prices include payments to the play company, theater house, and sometimes the promoter. Only a portion of that revenue is counted in the \$9.8 billion. Ticket prices for Shakespearean and other plays off copyright are 5–10 percent lower. Assuming that nonscript costs are identical for Shakespearean plays, performing art groups earn an estimated 25 percent less on Shakespearean plays.

1972, the U.S. Population Census was used to estimate aggregate income for photographers (missing years were filled in by interpolation). The estimates were benchmarked to the 2007 Economic Census.

Prices and Real Investment

This section presents estimates for the production costs of artistic originals without adjusting for artistic merit. The consumer experience has not, of course, remained fixed over time. For example, DVDs and plasma TVs offer a much better viewing experience than 1930s-era movie theaters and 1950s-era television sets. However, these quality improvements represent improved technology for reproducing and disseminat-

ing copies rather than improvements to the production of originals. Thus, any quality adjustment bias would be more likely to affect the price indexes used for deflating consumer spending on copies rather than the price indexes used for deflating investment in originals. After all, studios can, and do, rerelease old classics on DVD. These rereleases cost a small fraction of the cost of filming new movies (Epstein 2005).

Chart 2 shows price indexes for theatrical movies, long-lived television, books, music, and miscellaneous artwork from 1929 to 2009. Chart 3 used those price indexes and the current-dollar production data from chart 1 to calculate real production over the same time. Each price index is discussed briefly in this section.

Chart 2. Price Indexes for Artistic Originals, 1929–2009

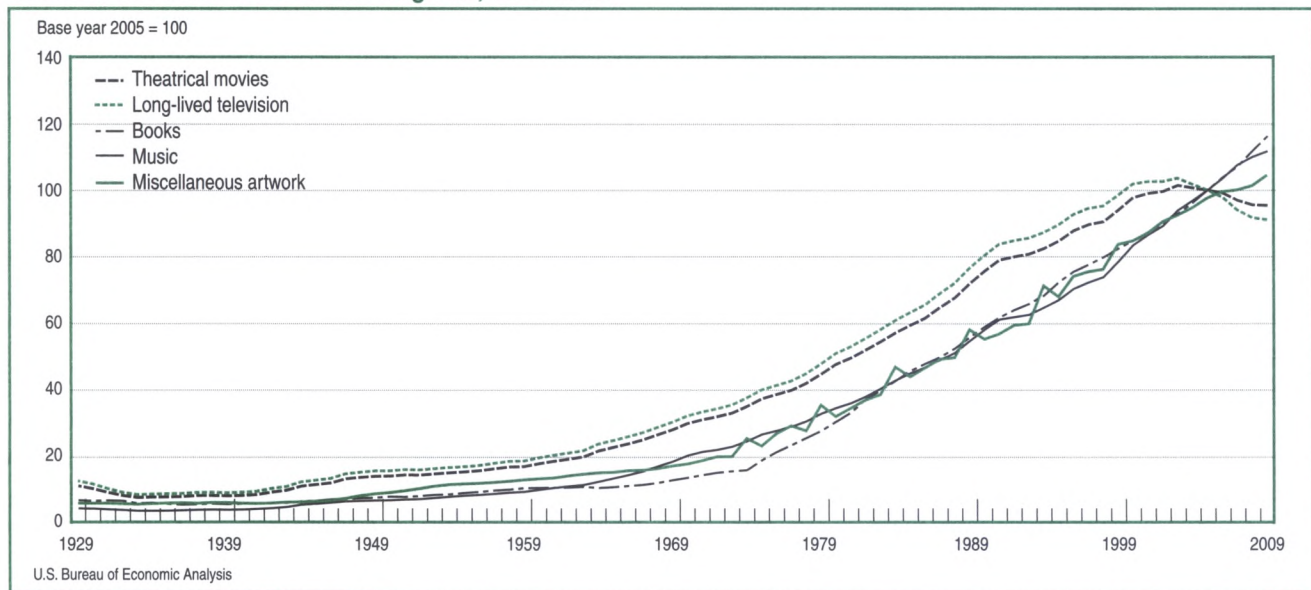
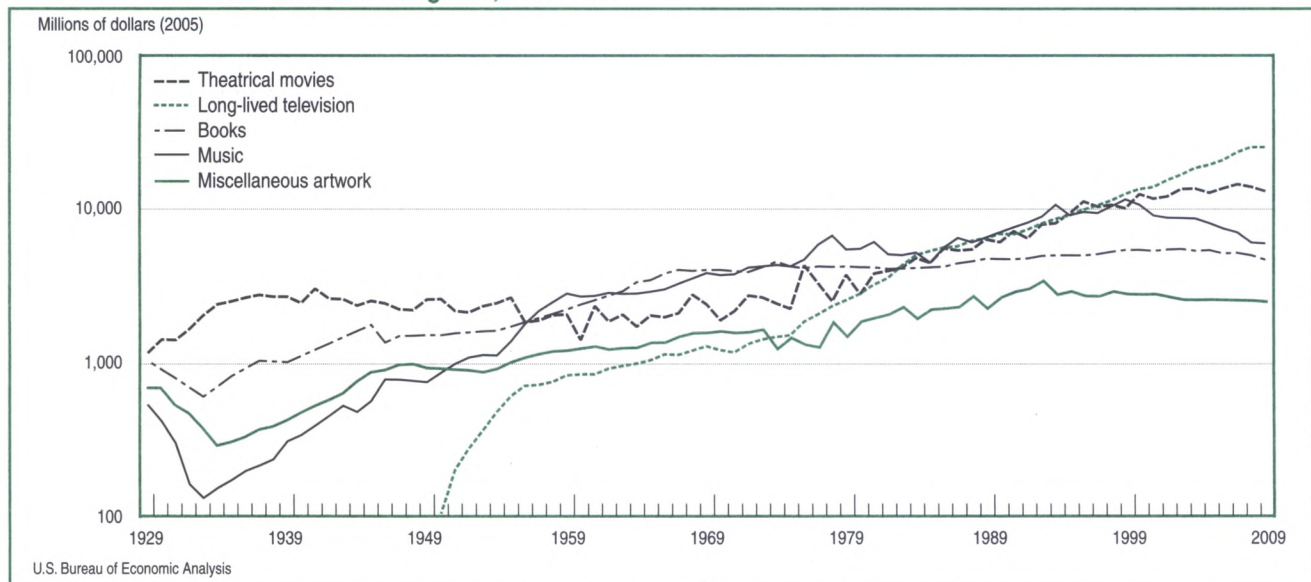


Chart 3. Real Investment in Artistic Originals, 1929–2009



Theatrical movies

The main input for movies is a live performance to record. The inputs to that live performance include scripts, scenery, costumes, actors, and the like. A price index that tracks live performance costs in the movie industry could not be located. However, BEA does track consumer prices for live entertainment such as theatrical plays, dance performances, and music concerts. These industries use similar inputs to live performances in the movie industry, so prices should move similarly. BEA's price index is published in NIPA table 2.4.4U, line 211. For years before 1959, a broader price index that covers live entertainment, museums, and sporting events was used. That price index is published in NIPA table 2.4.4, line 77.

The other important input for movies is photographic equipment to record and process the live performances. A price index that tracks photographic equipment costs in the movie industry could not be located.¹⁸ However, BEA does track consumer prices for photographic equipment. That price index is published in NIPA table 2.4.4U, line 45. For years before 1959, the price index of audio-video, photographic, and information processing equipment was used as a proxy for photo equipment prices. That price index is published in NIPA table 2.4.4, line 14.

The two price indexes were averaged to get a price index for theatrical movies.

$$\text{Movie prices}_t = (\text{service sector prices}_t)^{0.75} \times (\text{photographic equipment prices}_t)^{0.25}$$

Services account for about 75 percent of movie costs, and photographic equipment accounts for about 25 percent of movie costs.

The paper "Theatrical Movies as Capital Assets" (Soloveichik 2010d) uses IMDB data to measure real movie inputs and current-dollar budgets for major movies. Based on the IMDB data, I calculated a price index for the movie industry. Over time, the IMDB price index matches closely with the input-based price index described earlier. However, the IMDB price index is extremely labor intensive to calculate. Moreover, it can be very volatile. For those reasons, the derived input-based price index seemed to be a better choice for estimation purposes.

18. The Bureau of Labor Statistics (BLS) prepares producer price indexes (PPIs) for photographic equipment used in the motion picture industry, but that PPI only goes back to 2008. In addition, the BLS has a PPI for photographic equipment in general. However, imports account for a large portion of photographic equipment costs. Since 1990, consumer prices for photographic equipment have fallen much faster than U.S. production costs. Studios probably benefited from the cheap imports too.

Music

A live entertainment price index was used as a proxy for music production costs. That price index is published in NIPA table 2.4.4U, line 211. For years before 1959, a broader price index that covers live entertainment, museums, and sporting events was used. That price index is published in NIPA table 2.4.4, line 77.

In theory, the broader price index could be adjusted for the prices of audio equipment. However, audio equipment accounts for a much smaller share of music production than video equipment does for movies and television. With modern technology, garage bands can record and distribute albums from a personal computer. Accordingly, the weight for audio equipment would be very small.

The paper "Music as a Capital Asset," (Soloveichik 2010c) calculated consumer price indexes for four music categories: CDs and other purchased music, royalties from radio and television broadcasts, live concert tickets, and printed sheet music. The four price indexes were then averaged to get an overall music price index. The consumer price-based index tracks live entertainment prices reasonably closely, but it is more volatile and harder to calculate. For those reasons, the input-based price index seemed to be a better choice for estimation purposes.

Books

Several indexes were used to create a book price index. The main price index was BLS's producer price index (PPI) for book publishers for 1985–2009. For 1980–84, BLS's PPI for magazine publishers was used as a proxy for book prices. For 1929–79, BEA price indexes for recreational books and for educational books were averaged. These price indexes are given in NIPA table 2.4.4, lines 17 and 22.

Long-lived television programs

Like movies, the two main inputs for television programs are live performance costs and photographic equipment. However, the weight for each input is a little different. The calculations assumed that fiction television programs like sitcoms, dramas, and television movies use the same input mix as theatrical movies (75 percent live performance costs and 25 percent photographic equipment). However, nonfiction television programs spend less on live performance costs and more on photographic equipment. For example, many documentaries have no script or (paid) actors and very limited sets. Nielsen data were used to estimate the market share for nonfiction television over time.

The calculations were as follows:

$$\text{Photo equipment weight in year } t = 0.25 \times (\text{fiction share}_t) + 0.5 \times (\text{nonfiction share}_t)$$

$$\text{Television price}_t = (\text{service sector price}_t)^{1-\text{photo weight}} \times (\text{photo equipment price}_t)^{\text{photo weight}}$$

Miscellaneous artwork

Separate price indexes for each category were calculated.

Theatrical play scripts. The main price index is based on BEA’s index for live theater. That price index is published in NIPA table 2.4.4U, line 211. The price index was then adjusted to exclude live music concerts, which are tracked in the music industry.

Greeting card designs. This index was based mainly on the BLS PPI for greeting card publishers, which goes back to 1986. For 1929–86, a variety of alternative data sets were used to estimate prices.

Commercial stock photography. BEA’s price index for photo studio services was used. This price index is published in NIPA table 2.4.4U, line 217. Before 1959, the price index of audio-video, photographic, and information processing equipment was used. That price index is published in NIPA table 2.4.4, line 14.

Depreciation and Capital Stock

Price data for used artistic originals are scarce simply because artistic originals are rarely sold in the open market. However, net present value (NPV) of used artistic originals can be derived from data on revenues

and nonartwork sales costs as shown in the following equations.

$$\text{NPV in year } 0 = \text{revenue}_0 - \text{nonartwork costs}_0 + (\text{NPV in year } 1) / (1+\rho)$$

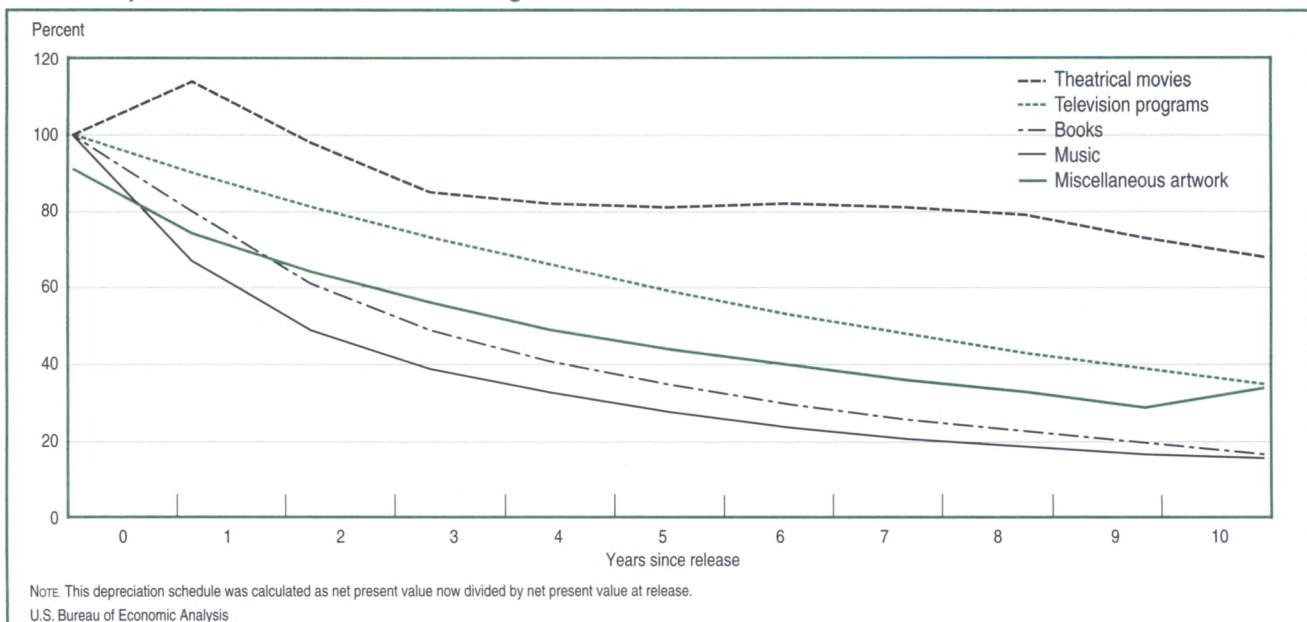
$$\text{NPV in year } 1 = \text{revenue}_1 - \text{nonartwork costs}_1 + (\text{NPV in year } 2) / (1+\rho)$$

$$\text{NPV in year } t = \text{revenue}_t - \text{nonartwork costs}_t + (\text{NPV in year } t + 1) / (1+\rho)$$

In this paper, a real discount interest rate of $\rho = 10$ percent per year is used to calculate real values. The relatively high discount rate reflects the risky nature of the industry.

Using this formula, depreciation schedules for each artistic category were derived. The starting point was industry data that provide sales by individual product and date. For details on the industry data used for each artistic category see, “Books as Capital Assets,” “Miscellaneous Artwork as a Capital Asset,” “Music as a Capital Asset,” “Theatrical Movies as Capital Assets,” and “Television Programs as Capital Assets,” (Soloveichik 2010a, 2010b, 2010c, 2011b, and forthcoming). These industry data were used to estimate revenue by quarter, starting with the first release of the artistic asset and continuing until the revenues became negligible. The sales costs for each quarter were also estimated. Based on the estimated revenue and sales costs, I calculated quarterly profits and net present value for a typical art product over time.

Chart 4. Depreciation Schedule for Artistic Originals



Depreciation

Chart 4 shows estimates of the depreciation schedule for theatrical movies, television programs, books, music, and miscellaneous artwork. Theatrical movies and television programs have the longest lifespans.¹⁹ Ten years after the first release, theatrical movies retain 48 percent of their initial value, and television programs retain 35 percent of their initial value. In contrast, books and music earn most of their money in the first 5 years; after 10 years, music retains 19 percent of its initial value, and books retain 14 percent of their initial value.

The main reason for the different lifespans among the categories is consumer storage.²⁰ Theatrical movies and television shows get most of their money from television licensing. Accordingly, the studios get paid each time a classic movie or television episode is replayed. In contrast, books and music get most of their money from the initial sale. Once consumers have bought a book, they can reread it without paying more money to the publisher. In this paper, only the capital stock of original artwork was measured. Therefore, the reprint rights owned by publishing houses are counted but not the physical books owned by libraries and consumers.

The depreciation schedules in chart 4 are based on

19. The depreciation rate for television programs is still preliminary and may change significantly in the final version.

20. Consumers can tape a movie or television program when it is first aired and then watch it whenever they chose. In practice, very few people use their DVR for long-term storage. Instead, they watch whatever is on.

revenue *net* of sales costs. Studios, musicians, and authors typically spend a great deal of money advertising their new releases. BEA's general practice is to treat advertising as a current expense. Because advertising is a current expense, all advertising costs are deducted from revenue for a particular year. As a result, first year profits are much lower than first year revenue. In fact, theatrical movies actually have losses in the first quarter and therefore appear to gain value early in their lifespan. Some might consider advertising a long-lived investment in brand awareness. That treatment of advertising suggests higher depreciation rates for artwork in the first year after release.²¹

Capital stock

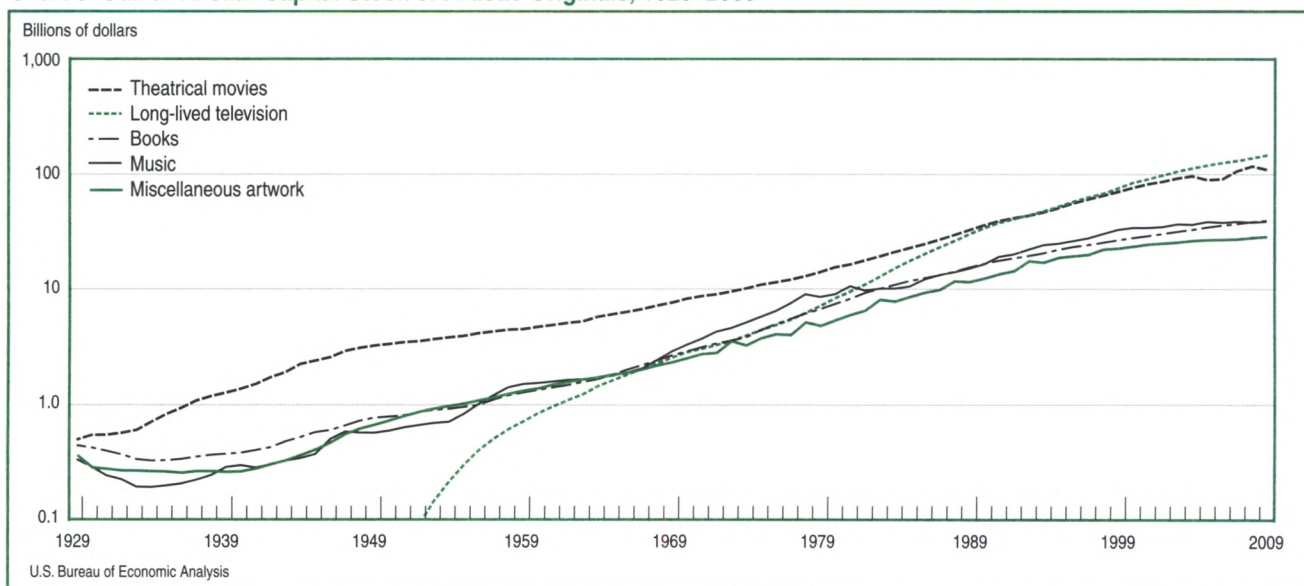
The value of the capital stock of artistic originals was \$440 billion in 2007. It has been growing at an average annual rate of 7.7 percent since 1929 (chart 5). The data in chart 5 are based on the real production estimates in chart 3, the depreciation schedules in chart 4, and the price indexes in chart 2. On average, the capital stock of long-lived artwork accounts for 2.5 percent of GDP.

Conclusion

Treating artistic production as capital investment would change BEA's measures of GDP and capital stock. Artistic production was \$51.6 billion in 2007, 0.35 percent of GDP. Chart 6 shows artistic production

21. However, the capital value of artwork plus capitalized advertising would be identical to my capital values for artwork alone.

Chart 5. Current-Dollar Capital Stock of Artistic Originals, 1929–2009



as a share of GDP from 1929 to 2009. For 1980–2009, artistic production grew from 0.21 percent of current-dollar GDP to 0.35 percent of current-dollar GDP. Accordingly, GDP growth for that period increases slightly when artistic production is treated as a capital investment. Between 1929 and 1980, artistic production hovered around 0.25 percent of GDP. Accordingly, GDP growth for 1929–80 does not change consistently when artistic production is treated as an investment.

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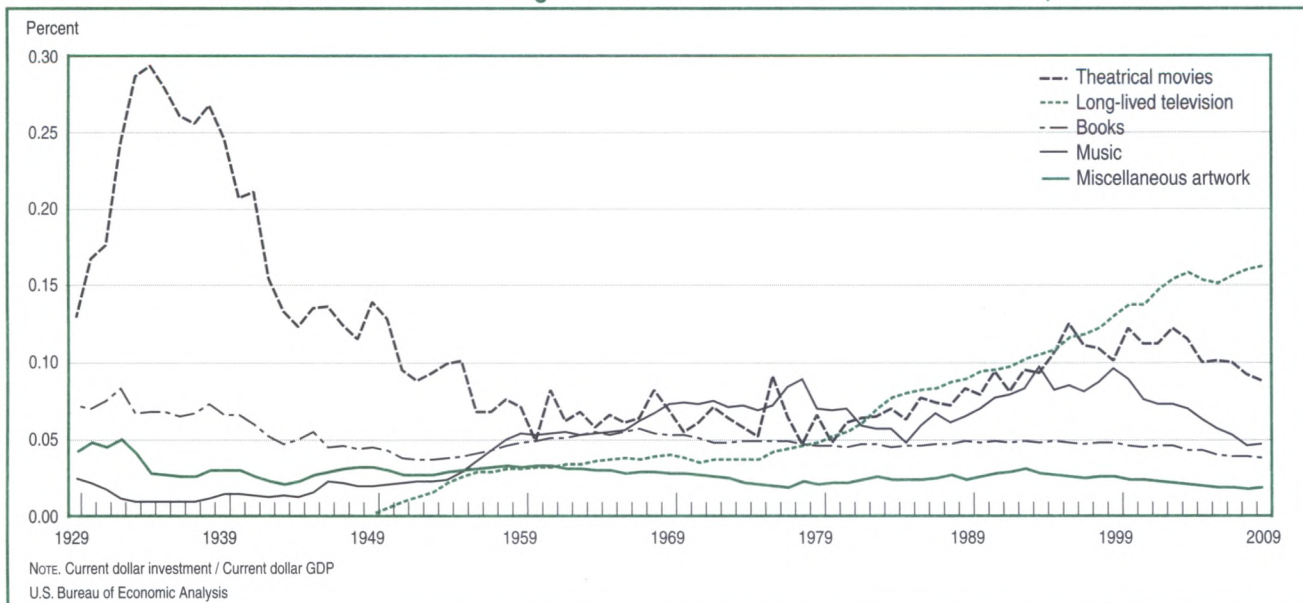
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Chart 6. Current-Dollar Investment in Artistic Originals as a Percent of Gross Domestic Product, 1929–2009



Subject Guide

VOLUME 91 JANUARY–JUNE 2011

This guide lists the major items that were published in the SURVEY OF CURRENT BUSINESS in the January–June 2011 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.

BEA Briefings

- Comparing NIPA Profits With S&P 500 Profits {March, 22}
- Modernizing and Enhancing BEA's International Economic Accounts: A Progress Report {May, 26}
- Feedback on Proposed Changes [box, 31]

Research Spotlights

- Artistic Originals as Capital Assets {June, 43}
- Offshoring and Import Price Measurement: Selected Research From the Conference on "Measurement Issues Arising From the Growth of Globalization" {February, 7}
- Regional Price Parities by Expenditure Class for 2005–2009 {May, 73}
- Technological Progress in the Microprocessor Industry {February, 13}

National

- Inventories, sales, and inventory-sales ratios for manufacturing and trade**
 - Third Quarter 2010 {January, 6}
 - Fourth Quarter 2010 {April, 9}
- National income and product accounts (NIPAs)**
 - GDP and the Economy
 - Advance Estimates
 - Fourth Quarter 2010 {February, 1}
 - First Quarter 2011 {May, 1}
 - Preview of the Upcoming Annual NIPA Revision {May, 6}
 - Second Estimates
 - Fourth Quarter 2010 {March, 1}
 - First Quarter 2011 {June, 1}
 - Third Estimates
 - Third Quarter 2010 {January, 1}
 - Fourth Quarter 2010 {April, 1}
 - Government Receipts and Expenditures
 - Fourth Quarter 2010 {April, 6}
 - First Quarter 2011 {June, 11}
 - Returns for Domestic Nonfinancial Business {June, 24}
 - Trends in Consumer Spending and Personal Saving, 1959–2009 {June, 14}

NIPA translation of the federal budget

- For Fiscal Year 2012 {March, 12}
- NIPA Estimates of the Federal Sector and the Federal Budget Estimates [box, 14]

Industry

Industry accounts

- Annual Industry Accounts
 - Revised Statistics for 2007–2009 {January, 9}
 - Advance Statistics on GDP by Industry for 2010 {May, 8}

Travel and tourism satellite accounts

- For 2007–2010 {June, 29}

International

BEA briefing

- Modernizing and Enhancing BEA's International Economic Accounts: A Progress Report {May, 26}
- Feedback on Proposed Changes [box, 31]

U.S. international transactions

- An Ownership-Based Framework of the U.S. Current Account for 1999–2009 {January, 64}
- Annual Estimates, 2010 {April, 20}
- Quarterly Estimates
 - Third Quarter 2010 {January, 30}
 - Fourth Quarter 2010 {April, 12}

Regional

Gross domestic product by metropolitan area

- Advance Statistics for 2009 and Revised Statistics for 2001–2008 {March, 29}

Local area personal income

- For 2009 {May, 40}

Regional quarterly reports

- County Compensation by Industry for 2009 {January, 70}
- State Personal Income
 - Third Quarter 2010 {January, 67}
 - Fourth Quarter 2010 {April, 49}
 - For 2010 {April, 53}

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.

National Data

A. Selected NIPA tables [A,Q]

1. Domestic product and income D-2
2. Personal income and outlays D-19
3. Government current receipts and expenditures ... D-24
4. Foreign transactions D-35
5. Saving and investment D-39
6. Income and employment by industry D-46
7. Supplemental tables..... D-47

B. NIPA-related table

- B.1 Personal income and its disposition [A, M] D-50

C. Historical measures [A, Q]

- C.1 GDP and other major NIPA aggregates..... D-51

D. Charts

- Selected NIPA series D-55

Industry Data

E. Industry table

- E.1 Value added by industry [A]..... D-61

International Data

F. Transactions tables

- F.1 U.S. international transactions in goods and services [A, M] D-62
- F.2 U.S. international transactions [A, Q]..... D-63
- F.3 U.S. international transactions by area [Q]..... D-64
- F.4 Private services transactions [A] D-67

G. Investment tables [A]

- G.1 U.S. international investment position D-68
- G.2 USDIA: Selected items D-69
- G.3 Selected financial and operating data of foreign affiliates of U.S. companies..... D-70
- G.4 FDIUS: Selected items D-71
- G.5 Selected financial and operating data of U.S. affiliates of foreign companies..... D-72

H. Charts

- The United States in the international economy D-73

Regional Data

I. State and regional tables

- I.1 Personal income [Q] D-74
- I.2 Personal income and per capita personal income [A]..... D-75
- I.3 Disposable personal income and per capita disposable personal income [A] D-76
- I.4 Gross domestic product by state [A]..... D-77

J. Local area tables

- J.1 Personal income and per capita personal income by metropolitan area [A] D-78
- J.2 Gross domestic product by metropolitan area for industries [A] D-83

K. Charts

- Selected regional estimates..... D-87

Appendixes

A. Additional information about the NIPA estimates

- Statistical conventions..... D-89
- Reconciliation table [A, Q] D-90

B. Suggested reading D-91

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 26, 2011. These estimates include the second estimates for the first quarter of 2011. Also included are revised estimates of wages and salaries and of affected income-side series for the fourth quarter of 2010 and for 2010.

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

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

1. Domestic Product and Income

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

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Gross domestic product	1	-2.6	2.9	3.7	1.7	2.6	3.1	1.8
Personal consumption expenditures	2	-1.2	1.7	1.9	2.2	2.4	4.0	2.2
Goods	3	-2.0	4.3	5.7	3.4	4.1	9.3	3.5
Durable goods.....	4	-3.7	7.7	8.8	6.8	7.6	21.1	8.9
Nondurable goods.....	5	-1.2	2.7	4.2	1.9	2.5	4.1	1.1
Services	6	-0.8	0.5	0.1	1.6	1.6	1.5	1.5
Gross private domestic investment	7	-22.6	17.1	29.1	26.2	15.0	-18.7	12.3
Fixed investment	8	-18.3	3.9	3.3	18.9	1.5	6.8	2.1
Nonresidential.....	9	-17.1	5.7	7.8	17.2	10.0	7.7	3.4
Structures.....	10	-20.4	-13.7	-17.8	-0.5	-3.5	7.6	-16.8
Equipment and software.....	11	-15.3	15.3	20.4	24.8	15.4	7.7	11.6
Residential.....	12	-22.9	-3.0	-12.3	25.7	-27.3	3.3	-3.3
Change in private inventories.....	13							
Net exports of goods and services	14							
Exports	15	-9.5	11.7	11.4	9.1	6.8	8.6	9.2
Goods.....	16	-12.0	14.7	14.0	11.5	5.8	11.1	13.2
Services.....	17	-3.9	5.7	5.8	3.9	8.9	3.0	0.0
Imports	18	-13.8	12.6	11.2	33.5	16.8	-12.6	7.5
Goods.....	19	-15.8	14.8	12.0	40.5	17.4	-14.2	9.5
Services.....	20	-4.2	3.5	7.8	4.3	14.2	-4.1	-1.8
Government consumption expenditures and gross investment	21	1.6	1.0	-1.6	3.9	3.9	-1.7	-5.1
Federal	22	5.7	4.8	1.8	9.1	8.8	-0.3	-7.9
National defense.....	23	5.4	3.9	0.4	7.4	8.5	-2.2	-11.7
Nondefense.....	24	6.5	6.6	5.0	12.8	9.5	3.7	0.1
State and local	25	-0.9	-1.4	-3.8	0.6	0.7	-2.6	-3.2
Addendum:								
Gross domestic product, current dollars.....	26	-1.7	3.8	4.8	3.7	4.6	3.5	3.8

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

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Percent change at annual rate:								
Gross domestic product	1	-2.6	2.9	3.7	1.7	2.6	3.1	1.8
Percentage points at annual rates:								
Personal consumption expenditures	2	-0.84	1.26	1.33	1.54	1.67	2.79	1.53
Goods	3	-0.46	0.99	1.29	0.79	0.94	2.10	0.83
Durable goods.....	4	-0.27	0.55	0.62	0.49	0.54	1.45	0.66
Nondurable goods.....	5	-0.18	0.44	0.67	0.31	0.39	0.65	0.17
Services	6	-0.38	0.27	0.03	0.75	0.74	0.70	0.69
Gross private domestic investment	7	-3.24	1.87	3.04	2.88	1.80	-2.61	1.45
Fixed investment	8	-2.69	0.48	0.39	2.06	0.18	0.80	0.26
Nonresidential.....	9	-1.96	0.55	0.71	1.51	0.93	0.73	0.33
Structures.....	10	-0.81	-0.42	-0.53	-0.01	-0.09	0.19	-0.48
Equipment and software.....	11	-1.15	0.97	1.24	1.52	1.02	0.54	0.81
Residential.....	12	-0.74	-0.07	-0.32	0.55	-0.75	0.07	-0.07
Change in private inventories.....	13	-0.55	1.40	2.64	0.82	1.61	-3.42	1.19
Net exports of goods and services	14	1.13	-0.49	-0.31	-3.50	-1.70	3.27	-0.06
Exports	15	-1.18	1.34	1.30	1.08	0.82	1.06	1.16
Goods.....	16	-1.04	1.13	1.09	0.93	0.49	0.94	1.16
Services.....	17	-0.15	0.21	0.21	0.15	0.33	0.12	0.00
Imports	18	2.32	-1.83	-1.61	-4.58	-2.53	2.21	-1.22
Goods.....	19	2.20	-1.74	-1.41	-4.46	-2.16	2.10	-1.27
Services.....	20	0.12	-0.09	-0.20	-0.12	-0.37	0.12	0.05
Government consumption expenditures and gross investment	21	0.32	0.21	-0.32	0.80	0.79	-0.34	-1.07
Federal	22	0.43	0.39	0.15	0.72	0.71	-0.02	-0.68
National defense.....	23	0.27	0.22	0.02	0.40	0.46	-0.12	-0.68
Nondefense.....	24	0.16	0.17	0.13	0.32	0.25	0.10	0.00
State and local	25	-0.11	-0.18	-0.48	0.08	0.09	-0.31	-0.39

Table 1.1.11. Real Gross Domestic Product: Percent Change From Quarter One Year Ago
[Percent]

Line	2010				2011	
	I	II	III	IV	I	
Gross domestic product	1	2.4	3.0	3.2	2.8	2.3
Personal consumption expenditures	2	0.8	1.7	1.8	2.6	2.7
Goods.....	3	3.2	4.5	3.7	5.6	5.1
Durable goods.....	4	5.8	8.4	5.5	10.9	11.0
Nondurable goods.....	5	2.1	2.7	2.9	3.2	2.4
Services.....	6	-0.4	0.4	0.9	1.2	1.5
Gross private domestic investment	7	10.5	23.3	24.1	11.1	7.3
Fixed investment.....	8	-2.0	5.1	5.3	7.4	7.1
Nonresidential.....	9	-0.8	5.2	8.2	10.6	9.5
Structures.....	10	-20.1	-15.6	-13.5	-4.0	-3.7
Equipment and software.....	11	9.5	15.7	18.7	16.9	14.7
Residential.....	12	-6.3	4.8	-5.6	-4.6	-2.3
Change in private inventories.....	13					
Net exports of goods and services	14					
Exports.....	15	11.4	14.1	12.7	9.0	8.4
Goods.....	16	14.4	18.7	15.4	10.6	10.4
Services.....	17	5.1	4.9	7.2	5.4	3.9
Imports.....	18	6.2	17.4	16.1	11.0	10.0
Goods.....	19	7.9	20.8	18.3	12.2	11.5
Services.....	20	-0.8	3.2	6.3	5.3	2.9
Government consumption expenditures and gross investment	21	1.1	0.6	1.2	1.1	0.2
Federal.....	22	5.5	4.1	4.9	4.8	2.2
National defense.....	23	5.6	3.4	3.3	3.4	0.1
Nondefense.....	24	5.1	5.5	8.2	7.7	6.4
State and local.....	25	-1.5	-1.6	-1.2	-1.3	-1.1
Addenda:						
Final sales of domestic product.....	26	0.9	1.1	1.2	2.4	2.3
Gross domestic purchases.....	27	1.9	3.8	4.1	3.2	2.7
Final sales to domestic purchasers.....	28	0.5	1.9	2.1	2.9	2.7
Gross national product.....	29	2.8	3.4	3.3	2.8	2.5
Real disposable personal income.....	30	0.7	0.6	2.0	2.2	2.1
Price indexes (Chain-type):						
Gross domestic purchases.....	31	1.5	1.4	1.2	1.2	1.6
Gross domestic purchases excluding food and energy ¹	32	1.1	1.1	1.1	1.0	1.1
Gross domestic product.....	33	0.5	0.8	1.2	1.3	1.6
Gross domestic product excluding food and energy ¹	34	1.1	1.2	1.2	1.1	1.3
Personal consumption expenditures.....	35	2.4	1.9	1.4	1.1	1.5
Personal consumption expenditures excluding food and energy ¹	36	1.8	1.5	1.2	0.8	0.9
Market-based PCE ²	37	2.2	1.7	1.3	1.1	1.7
Market-based PCE excluding food and energy ²	38	1.4	1.1	1.1	0.8	0.9

1. Food excludes personal consumption expenditures for purchased meals and beverages, which are classified in food services.
 2. Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most imputed transactions (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.
 Note: Percent changes for real estimates are calculated from corresponding quantity indexes presented in NIPA tables 1.1.3, 1.2.3, 1.4.3, and 1.7.3. Percent changes in price estimates are calculated from corresponding price indexes presented in NIPA tables 1.1.4, 1.6.4, and 2.3.4.

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

Line	2009	2010	Seasonally adjusted at annual rates					
			2010				2011	
			I	II	III	IV	I	
Gross domestic product	1	-2.6	2.9	3.7	1.7	2.6	3.1	1.8
Final sales of domestic product.....	2	-2.1	1.4	1.1	0.9	0.9	6.7	0.6
Change in private inventories.....	3							
Goods	4	-3.8	11.1	19.5	-0.8	7.4	9.1	9.2
Final sales.....	5	-1.6	5.4	8.6	-3.7	1.4	23.7	4.8
Change in private inventories.....	6							
Durable goods.....	7	-10.0	16.9	33.3	11.2	12.1	6.0	13.7
Final sales.....	8	-5.4	7.5	11.2	5.3	7.7	20.1	7.0
Change in private inventories ¹	9							
Nondurable goods.....	10	3.2	5.6	7.4	-11.8	2.6	12.3	4.7
Final sales.....	11	2.6	3.2	6.0	-12.2	-4.8	27.5	2.5
Change in private inventories ¹	12							
Services ²	13	-0.2	0.8	0.0	1.9	1.8	0.8	0.5
Structures.....	14	-16.6	-7.1	-15.2	10.6	-7.9	1.2	-13.7
Addenda:								
Motor vehicle output.....	15	-24.7	26.1	42.3	-2.7	25.0	-11.6	73.2
Gross domestic product excluding motor vehicle output.....	16	-2.1	2.4	3.0	1.8	2.1	3.5	0.6
Final sales of computers ³	17	5.0	19.1	19.2	5.3	65.1	72.8	10.1
Gross domestic product excluding final sales of computers.....	18	-2.7	2.8	3.7	1.7	2.3	2.8	1.8
Gross domestic purchases excluding final sales of computers to domestic purchasers.....	19	-3.7	3.1	3.9	4.9	4.1	-0.4	1.8
Final sales of domestic product, current dollars.....	20	-1.1	2.4	2.1	2.9	3.0	6.9	2.5

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 1.3.6. Real Gross Value Added by Sector, Chained Dollars
[Billions of chained (2005) dollars]

Line	2009	2010	Seasonally adjusted at annual rates					
			2010				2011	
			I	II	III	IV		
Gross domestic product	1	12,880.6	13,248.2	13,138.8	13,194.9	13,278.5	13,380.7	13,441.9
Business ¹	2	9,730.8	10,090.6	9,984.1	10,028.7	10,122.7	10,226.9	10,291.5
Nonfarm ²	3	9,619.8	9,976.7	9,874.1	9,913.0	10,005.3	10,114.4	10,194.9
Farm	4	108.5	111.4	107.2	113.2	114.8	110.4	97.8
Households and institutions	5	1,621.7	1,625.0	1,623.0	1,628.1	1,624.7	1,624.1	1,620.3
Households	6	952.4	942.8	947.3	946.8	940.8	936.5	929.8
Nonprofit institutions serving households ³	7	669.7	681.9	675.8	681.2	683.6	687.1	689.7
General government ⁴	8	1,520.5	1,529.1	1,527.0	1,533.3	1,528.0	1,527.9	1,529.3
Federal	9	485.6	502.8	497.5	504.8	503.6	505.3	508.8
State and local	10	1,035.3	1,027.1	1,030.1	1,029.3	1,025.3	1,023.5	1,021.5
Residual	11	9.3	5.5	6.8	6.6	5.1	3.5	-0.6
Addendum:								
Gross housing value added	12	1,190.3	1,188.4	1,190.6	1,191.4	1,187.3	1,184.2	1,180.5

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 (2005) dollar series are calculated as the product of the chain-type quantity index and the 2005 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	2009	2010	Seasonally adjusted at annual rates					
			2010				2011	
			I	II	III	IV		
Gross domestic product	1	-2.6	2.9	3.7	1.7	2.6	3.1	1.8
Less: Exports of goods and services	2	-9.5	11.7	11.4	9.1	6.8	8.6	9.2
Plus: Imports of goods and services	3	-13.8	12.6	11.2	33.5	16.8	-12.6	7.5
Equals: Gross domestic purchases	4	-3.6	3.3	3.9	5.1	4.2	-0.2	1.8
Less: Change in private inventories	5							
Equals: Final sales to domestic purchasers	6	-3.1	1.9	1.3	4.3	2.6	3.2	0.7
Addenda:								
Final sales of domestic product	7	-2.1	1.4	1.1	0.9	0.9	6.7	0.6
Gross domestic purchases, current dollars	8	-3.8	4.6	6.2	5.2	4.8	1.9	5.7
Final sales to domestic purchasers, current dollars	9	-3.2	3.2	3.5	4.4	3.2	5.2	4.5

Table 1.4.3. Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers, Quantity Indexes
[Index numbers, 2005=100]

Line	2009	2010	Seasonally adjusted					
			2010				2011	
			I	II	III	IV		
Gross domestic product	1	101.917	104.825	103.960	104.403	105.065	105.873	106.358
Less: Exports of goods and services	2	114.228	127.623	123.858	126.592	128.679	131.362	134.270
Plus: Imports of goods and services	3	91.418	102.972	96.401	103.613	107.718	104.155	106.066
Equals: Gross domestic purchases	4	99.045	102.264	100.797	102.070	103.117	103.071	103.542
Less: Change in private inventories	5							
Equals: Final sales to domestic purchasers	6	100.254	102.111	100.775	101.852	102.505	103.312	103.488
Addendum:								
Final sales of domestic product	7	103.212	104.673	103.948	104.181	104.424	106.139	106.310

Table 1.4.4. Price Indexes for Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers
[Index numbers, 2005=100]

Line	2009	2010	Seasonally adjusted					
			2010				2011	
			I	II	III	IV		
Gross domestic product	1	109.618	110.668	109.959	110.485	111.060	111.166	111.691
Less: Exports of goods and services	2	105.877	110.327	108.771	110.060	110.122	112.353	115.305
Plus: Imports of goods and services	3	105.987	112.835	114.514	112.234	109.892	114.699	120.501
Equals: Gross domestic purchases	4	109.614	111.084	110.838	110.852	111.034	111.612	112.648
Less: Change in private inventories	5							
Equals: Final sales to domestic purchasers	6	109.649	111.130	110.900	110.917	111.086	111.617	112.648
Addenda:								
Final sales of domestic product	7	109.647	110.715	110.020	110.552	111.117	111.171	111.690
Implicit price deflator for final sales to domestic purchasers	8	109.649	111.131	110.899	110.915	111.085	111.616	112.647

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

Line	2009	2010	Seasonally adjusted at annual rates					
			2010				2011	
			I	II	III	IV		
Gross domestic product	1	14,119.0	14,660.4	14,446.4	14,578.7	14,745.1	14,871.4	15,010.3
Less: Exports of goods and services	2	1,578.4	1,837.5	1,757.8	1,817.9	1,848.9	1,925.6	2,020.0
Plus: Imports of goods and services	3	1,964.7	2,353.9	2,237.6	2,357.1	2,399.4	2,421.5	2,590.7
Equals: Gross domestic purchases	4	14,505.4	15,176.8	14,926.3	15,118.0	15,295.6	15,367.2	15,581.0
Less: Change in private inventories	5	-127.2	71.7	50.0	80.4	138.6	17.8	63.4
Equals: Final sales to domestic purchasers	6	14,632.7	15,105.1	14,876.3	15,037.6	15,157.0	15,349.4	15,517.6
Addendum:								
Final sales of domestic product	7	14,246.3	14,588.7	14,396.4	14,498.3	14,606.5	14,853.5	14,946.9

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 (2005) dollars]

Line	2009	2010	Seasonally adjusted at annual rates					
			2010				2011	
			I	II	III	IV		
Gross domestic product	1	12,880.6	13,248.2	13,138.8	13,194.9	13,278.5	13,380.7	13,441.9
Less: Exports of goods and services	2	1,490.7	1,665.5	1,616.4	1,652.1	1,679.3	1,714.3	1,752.3
Plus: Imports of goods and services	3	1,853.8	2,088.0	1,954.8	2,101.1	2,184.3	2,112.0	2,150.8
Equals: Gross domestic purchases	4	13,233.6	13,663.6	13,467.6	13,637.7	13,777.6	13,771.5	13,834.4
Less: Change in private inventories	5	-113.1	62.7	44.1	68.8	121.4	16.2	52.2
Equals: Final sales to domestic purchasers	6	13,345.0	13,592.1	13,414.3	13,557.7	13,644.6	13,752.0	13,775.4
Addendum:								
Final sales of domestic product	7	12,992.8	13,176.7	13,085.5	13,114.7	13,145.3	13,361.2	13,382.8

Note: Chained (2005) dollar series are calculated as the product of the chain-type quantity index and the 2005 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 1.5.3. Real Gross Domestic Product, Expanded Detail, Quantity Indexes [Index numbers, 2005=100]

Table 1.5.4. Price Indexes for Gross Domestic Product, Expanded Detail [Index numbers, 2005=100]

Main data table for Table 1.5.3 showing Real GDP quantity indexes from 2009 to 2011, categorized by line item and seasonally adjusted data.

Main data table for Table 1.5.4 showing Price Indexes for GDP from 2009 to 2011, categorized by line item and seasonally adjusted data.

1. Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households. 2. Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world... 4. Excludes software "embedded," or bundled, in computers and other equipment.

1. Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households. 2. Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world... 4. Excludes software "embedded," or bundled, in computers and other equipment.

Table 1.5.5. Gross Domestic Product, Expanded Detail

[Billions of dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Gross domestic product	1	14,119.0	14,660.4	14,446.4	14,578.7	14,745.1	14,871.4	15,010.3
Personal consumption expenditures	2	10,001.3	10,349.1	10,230.8	10,285.4	10,366.3	10,513.6	10,668.2
Goods	3	3,230.7	3,425.7	3,380.0	3,377.5	3,419.6	3,525.6	3,625.3
Durable goods.....	4	1,026.5	1,089.4	1,060.7	1,074.1	1,087.8	1,134.8	1,158.1
Motor vehicles and parts.....	5	319.7	346.0	328.3	335.9	342.2	377.7	388.7
Furnishings and durable household equipment.....	6	248.1	258.3	255.3	258.2	261.4	263.7	263.7
Recreational goods and vehicles.....	7	317.5	334.8	328.8	331.9	336.9	341.5	346.4
Other durable goods.....	8	141.1	150.3	148.3	148.0	150.7	154.2	159.3
Nondurable goods.....	9	2,204.2	2,336.3	2,319.3	2,303.4	2,331.8	2,390.8	2,467.2
Food and beverages purchased for off-premises consumption.....	10	777.9	801.8	797.4	794.6	801.4	813.8	829.6
Clothing and footwear.....	11	322.2	337.8	333.8	335.5	337.6	344.3	347.5
Gasoline and other energy goods.....	12	303.7	357.2	364.1	340.0	348.2	376.5	422.5
Other nondurable goods.....	13	800.4	839.5	824.1	833.3	844.7	856.2	867.6
Services	14	6,770.6	6,923.4	6,850.9	6,907.9	6,946.7	6,988.1	7,042.9
Household consumption expenditures (for services).....	15	6,511.8	6,658.3	6,589.6	6,643.2	6,679.2	6,721.0	6,776.8
Housing and utilities.....	16	1,876.3	1,900.7	1,887.1	1,892.5	1,910.9	1,912.4	1,912.5
Health care.....	17	1,623.2	1,687.7	1,657.5	1,680.4	1,694.3	1,718.7	1,732.7
Transportation services.....	18	290.1	299.7	294.6	299.6	301.5	303.0	305.2
Recreation services.....	19	378.8	380.5	376.8	378.5	382.5	385.4	385.4
Food services and accommodations.....	20	603.6	626.4	615.2	623.3	630.5	636.7	648.9
Financial services and insurance.....	21	813.8	820.6	824.9	829.9	812.2	815.4	829.8
Other services.....	22	925.9	942.6	933.3	939.1	945.7	952.3	962.2
Final consumption expenditures of nonprofit institutions serving households (NPISHs) ¹	23	258.9	265.1	261.3	261.3	267.5	267.1	266.1
Gross output of nonprofit institutions ²	24	1,058.1	1,092.1	1,071.5	1,087.7	1,097.1	1,112.0	1,122.0
Less: Receipts from sales of goods and services by nonprofit institutions ³	25	799.2	827.0	810.2	823.0	829.6	845.0	855.9
Gross private domestic investment	26	1,589.2	1,827.5	1,739.7	1,841.8	1,907.2	1,821.3	1,881.9
Fixed investment	27	1,716.4	1,755.8	1,689.8	1,761.4	1,768.6	1,803.5	1,818.5
Nonresidential.....	28	1,364.4	1,415.3	1,349.6	1,404.2	1,438.8	1,468.8	1,485.3
Structures.....	29	451.6	383.5	380.1	381.5	380.9	391.7	377.9
Equipment and software.....	30	912.8	1,031.8	969.5	1,022.7	1,057.9	1,077.1	1,107.4
Information processing equipment and software.....	31	530.7	590.9	568.0	586.2	595.5	614.0	620.5
Computers and peripheral equipment.....	32	80.0	97.4	90.5	98.4	97.8	102.8	99.2
Software ⁴	33	260.2	283.2	274.7	279.6	285.3	293.2	302.7
Other.....	34	190.4	210.4	202.8	208.3	212.4	218.0	218.6
Industrial equipment.....	35	150.4	160.7	146.8	161.6	164.7	169.8	177.5
Transportation equipment.....	36	76.4	113.0	97.0	110.9	125.4	118.6	130.6
Other equipment.....	37	155.4	167.2	157.7	163.9	172.3	174.7	178.7
Residential.....	38	352.1	340.5	340.2	357.2	329.8	334.7	333.2
Change in private inventories	39	-127.2	71.7	50.0	80.4	138.6	17.8	63.4
Farm.....	40	3.8	6.5	9.3	9.6	6.3	0.9	-2.8
Nonfarm.....	41	-131.1	65.2	40.7	70.8	132.2	16.9	66.2
Net exports of goods and services	42	-386.4	-516.4	-479.9	-539.3	-550.5	-495.9	-570.7
Exports	43	1,578.4	1,837.5	1,757.8	1,817.9	1,848.9	1,925.6	2,020.0
Goods.....	44	1,063.1	1,277.4	1,213.0	1,262.8	1,282.0	1,352.0	1,437.4
Services.....	45	515.3	560.1	544.8	555.1	566.9	573.6	582.6
Imports	46	1,964.7	2,353.9	2,237.6	2,357.1	2,399.4	2,421.5	2,590.7
Goods.....	47	1,587.8	1,949.4	1,843.5	1,957.2	1,988.2	2,008.5	2,175.0
Services.....	48	376.9	404.6	394.1	400.0	411.2	413.0	415.7
Government consumption expenditures and gross investment	49	2,914.9	3,000.2	2,955.7	2,990.8	3,022.2	3,032.3	3,030.9
Federal	50	1,139.6	1,214.3	1,178.1	1,206.7	1,233.9	1,238.3	1,233.6
National defense.....	51	771.6	817.7	796.3	813.0	830.8	830.6	813.3
Consumption expenditures.....	52	664.1	698.2	684.0	695.2	711.2	702.6	696.0
Gross investment.....	53	107.5	119.5	112.4	117.9	119.6	128.0	117.3
Nondefense.....	54	368.0	396.6	381.8	393.7	403.1	407.7	410.3
Consumption expenditures.....	55	323.0	345.2	333.3	343.3	350.4	353.6	356.2
Gross investment.....	56	45.0	51.4	48.4	50.3	52.7	54.1	54.1
State and local	57	1,775.3	1,786.0	1,777.6	1,784.1	1,788.2	1,794.0	1,807.3
Consumption expenditures.....	58	1,424.4	1,447.2	1,447.4	1,446.7	1,441.3	1,453.5	1,478.0
Gross investment.....	59	351.0	338.7	330.2	337.4	346.9	340.5	329.3

1. Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households.

2. Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).

3. Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.

4. 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 (2005) dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Gross domestic product	1	12,880.6	13,248.2	13,138.8	13,194.9	13,278.5	13,380.7	13,441.9
Personal consumption expenditures	2	9,153.9	9,313.6	9,225.4	9,275.7	9,330.6	9,422.9	9,473.5
Goods	3	3,117.4	3,250.4	3,195.4	3,222.6	3,255.2	3,328.4	3,357.3
Durable goods.....	4	1,094.6	1,178.3	1,138.9	1,157.8	1,179.3	1,237.2	1,263.9
Motor vehicles and parts.....	5	324.0	335.4	320.6	326.0	330.1	364.8	373.3
Furnishings and durable household equipment.....	6	253.9	275.8	267.9	273.7	277.5	284.0	286.6
Recreational goods and vehicles.....	7	399.3	447.7	430.7	440.3	453.2	466.5	480.8
Other durable goods.....	8	126.9	134.3	133.4	132.7	134.8	136.1	138.7
Nondurable goods.....	9	2,017.4	2,072.6	2,053.5	2,063.4	2,076.2	2,097.4	2,102.9
Food and beverages purchased for off-premises consumption.....	10	685.1	703.7	702.7	697.6	703.0	711.5	714.3
Clothing and footwear.....	11	326.8	345.0	339.0	344.3	343.4	353.4	356.1
Gasoline and other energy goods.....	12	285.5	284.5	284.0	286.1	286.1	281.7	277.4
Other nondurable goods.....	13	723.1	744.2	731.9	740.0	748.0	757.0	762.8
Services	14	6,032.7	6,064.7	6,029.6	6,053.4	6,076.9	6,099.2	6,121.7
Household consumption expenditures (for services).....	15	5,777.0	5,804.1	5,769.9	5,791.7	5,814.4	5,840.6	5,865.3
Housing and utilities.....	16	1,656.9	1,674.5	1,664.3	1,668.9	1,683.0	1,681.7	1,675.2
Health care.....	17	1,440.4	1,461.1	1,446.7	1,457.6	1,461.9	1,478.3	1,487.1
Transportation services.....	18	250.9	253.9	250.8	253.3	255.7	255.9	254.1
Recreation services.....	19	341.8	339.7	338.5	338.2	341.8	340.2	340.7
Food services and accommodations.....	20	527.7	540.2	535.0	538.3	542.0	545.7	554.0
Financial services and insurance.....	21	743.0	725.9	727.4	729.5	720.7	725.9	736.6
Other services.....	22	816.0	809.0	807.7	806.1	809.5	812.9	817.6
Final consumption expenditures of nonprofit institutions serving households (NPISHs) ¹	23	256.0	261.5	260.6	262.9	263.5	259.1	256.5
Gross output of nonprofit institutions ²	24	952.1	961.3	952.0	959.9	962.7	970.7	973.6
Less: Receipts from sales of goods and services by nonprofit institutions ³	25	696.0	700.2	692.0	697.6	699.7	711.3	716.4
Gross private domestic investment	26	1,515.7	1,774.5	1,690.2	1,791.5	1,855.1	1,761.3	1,813.1
Fixed investment	27	1,630.7	1,694.7	1,630.5	1,702.5	1,708.8	1,737.3	1,746.4
Nonresidential	28	1,290.8	1,364.9	1,302.6	1,355.3	1,388.0	1,413.9	1,425.7
Structures.....	29	369.6	319.0	319.3	318.9	316.0	321.9	307.4
Equipment and software.....	30	916.3	1,056.1	989.7	1,046.0	1,064.2	1,104.5	1,135.2
Information processing equipment and software.....	31	595.8	676.2	645.7	669.1	683.3	706.8	717.2
Computers and peripheral equipment ⁴	32							
Software ⁵	33	259.3	284.8	275.4	280.9	287.5	295.3	304.8
Other.....	34	215.5	243.0	232.3	239.5	245.9	254.1	255.1
Industrial equipment.....	35	132.2	139.7	128.4	140.7	143.0	146.7	151.7
Transportation equipment.....	36	69.4	112.1	95.8	110.2	124.8	117.5	128.5
Other equipment.....	37	137.8	150.4	142.4	147.8	154.5	156.8	160.4
Residential.....	38	342.7	332.5	330.7	350.1	323.3	325.9	323.2
Change in private inventories	39	-113.1	62.7	44.1	68.8	121.4	16.2	52.2
Farm.....	40	3.4	5.4	7.6	7.8	5.1	1.2	-1.3
Nonfarm.....	41	-116.9	57.3	36.5	61.0	116.6	15.1	54.9
Net exports of goods and services	42	-363.0	-422.5	-338.4	-449.0	-505.0	-397.7	-398.5
Exports	43	1,490.7	1,665.5	1,616.4	1,652.1	1,679.3	1,714.3	1,752.3
Goods	44	1,018.2	1,167.5	1,128.0	1,159.2	1,175.8	1,207.1	1,245.1
Services.....	45	472.0	498.7	488.9	493.6	504.2	508.0	508.0
Imports	46	1,853.8	2,088.0	1,954.8	2,101.1	2,184.3	2,112.0	2,150.8
Goods	47	1,513.5	1,736.8	1,611.0	1,753.9	1,825.5	1,756.7	1,797.0
Services.....	48	340.5	352.4	344.6	348.3	360.1	356.4	354.8
Government consumption expenditures and gross investment	49	2,542.6	2,568.3	2,540.2	2,564.9	2,589.6	2,578.8	2,545.0
Federal	50	1,027.6	1,076.9	1,048.4	1,071.5	1,094.3	1,093.4	1,071.1
National defense.....	51	693.0	720.2	704.4	717.1	731.8	727.7	705.4
Consumption expenditures.....	52	591.7	608.7	598.9	606.8	619.8	609.1	596.9
Gross investment.....	53	101.9	112.6	106.2	111.2	112.9	120.2	109.4
Nondefense.....	54	334.6	356.7	344.0	354.5	362.6	365.9	366.0
Consumption expenditures.....	55	290.6	306.6	296.6	305.3	311.3	313.3	313.6
Gross investment.....	56	44.0	50.4	47.5	49.4	51.7	53.0	52.9
State and local	57	1,518.8	1,497.4	1,496.8	1,499.1	1,501.7	1,491.9	1,480.0
Consumption expenditures.....	58	1,232.1	1,220.0	1,225.1	1,222.3	1,217.9	1,214.7	1,213.7
Gross investment.....	59	286.8	277.6	272.1	277.0	283.9	277.4	266.6
Residual	60	2.3	-42.2	-22.1	-37.8	-42.6	-66.7	-75.7

1. Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households.

2. Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).

3. Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.

4. 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 1.5.2 and real growth rates are shown in table 1.5.1.

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

Note: The residual line is the difference between the first line and the sum of the most detailed lines.

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

[Billions of chained (2005) dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV		I
Gross domestic product	1	12,880.6	13,248.2	13,138.8	13,194.9	13,278.5	13,380.7	13,441.9
Less: Exports of goods and services.....	2	1,490.7	1,665.5	1,616.4	1,652.1	1,679.3	1,714.3	1,752.3
Plus: Imports of goods and services.....	3	1,853.8	2,088.0	1,954.8	2,101.1	2,184.3	2,112.0	2,150.8
Equals: Gross domestic purchases	4	13,233.6	13,663.6	13,467.6	13,637.7	13,777.6	13,771.5	13,834.4
Plus: Exports of goods and services, command basis ¹	5	1,439.9	1,654.2	1,585.9	1,639.9	1,665.1	1,725.3	1,793.2
Less: Imports of goods and services, command basis ¹	6	1,792.4	2,119.0	2,018.8	2,126.4	2,161.0	2,169.6	2,299.8
Equals: Command-basis gross domestic product ^{1,2}	7	12,880.7	13,197.6	13,033.8	13,151.4	13,279.8	13,324.1	13,325.0
Plus: Income receipts from the rest of the world, command basis ¹	8	574.6	635.7	625.9	628.0	634.0	654.8	683.7
Less: Income payments to the rest of the world, command basis ¹	9	441.2	466.2	453.4	451.7	464.3	495.3	481.9
Equals: Command-basis gross national product ^{1,3}	10	13,014.1	13,367.0	13,206.3	13,327.7	13,449.6	13,483.6	13,526.8
Addenda:								
Command-basis net domestic product ⁴	11	11,140.2	11,433.5	11,284.1	11,393.3	11,511.2	11,544.3	11,533.5
Net domestic product.....	12	11,137.3	11,480.0	11,384.8	11,432.7	11,506.1	11,596.5	11,645.2
Command-basis net national product ⁴	13	11,273.1	11,601.7	11,455.4	11,568.3	11,679.7	11,702.6	11,733.7
Net national product.....	14	11,271.5	11,650.7	11,558.8	11,610.4	11,676.7	11,756.8	11,847.7
Trading gains index ⁵	15	100.004	99.625	99.207	99.669	100.024	99.600	99.151
Terms of trade index ⁶	16	99.896	97.777	94.985	98.064	100.210	97.955	95.688
Terms of trade, goods ⁷	17	99.518	97.356	93.945	97.593	100.087	97.937	95.359
Terms of trade, nonpetroleum goods ⁸	18	100.892	103.454	101.993	103.064	103.415	105.329	106.691

1. Uses gross domestic purchases price index as deflator.

2. This measure is called "real gross domestic income" in the System of National Accounts, 2008.

3. This measure is called "real gross national income" in the System of National Accounts, 2008.

4. Uses net domestic purchases price index as deflator.

5. Ratio (multiplied by 100) of the price index for gross domestic product to the price index for gross domestic purchases.

6. Ratio (multiplied by 100) of the price index for exports of goods and services to the price index for imports of goods and services.

7. Ratio (multiplied by 100) of the price index for goods exports to the price index for goods imports.

8. Ratio (multiplied by 100) of the price index for goods exports to the price index for nonpetroleum goods imports.

Table 1.10. Gross Domestic Income by Type of Income

[Billions of dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV		I
Gross domestic income	1	13,939.9	14,502.2	14,282.2	14,447.6	14,564.1	14,715.0	14,830.1
Compensation of employees, paid	2	7,819.5	7,992.9	7,866.3	7,978.3	8,044.6	8,082.4	8,154.8
Wage and salary accruals.....	3	6,286.9	6,407.2	6,299.6	6,397.2	6,452.1	6,480.0	6,532.7
Disbursements.....	4	6,281.9	6,407.2	6,299.6	6,397.2	6,452.1	6,480.0	6,532.7
To persons.....	5	6,271.2	6,395.8	6,288.4	6,385.7	6,440.6	6,468.4	6,521.1
To the rest of the world.....	6	10.8	11.5	11.2	11.5	11.6	11.6	11.7
Wage accruals less disbursements.....	7	5.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplements to wages and salaries.....	8	1,532.6	1,585.6	1,566.7	1,581.1	1,592.4	1,602.4	1,622.1
Taxes on production and imports	9	1,024.7	1,058.5	1,045.9	1,054.6	1,060.8	1,072.7	1,075.5
Less: Subsidies	10	60.3	59.0	57.4	58.5	58.6	61.6	62.6
Net operating surplus	11	3,294.9	3,641.0	3,575.0	3,612.9	3,645.4	3,730.8	3,749.3
Private enterprises.....	12	3,308.1	3,654.3	3,587.1	3,626.0	3,659.6	3,744.4	3,762.4
Net interest and miscellaneous payments, domestic industries.....	13	982.5	925.3	955.0	923.9	905.1	917.1	925.0
Business current transfer payments (net).....	14	134.0	132.1	130.5	130.8	133.4	133.5	134.2
Proprietors' income with inventory valuation and capital consumption adjustments.....	15	1,011.9	1,055.0	1,030.7	1,049.7	1,059.5	1,080.2	1,097.6
Rental income of persons with capital consumption adjustment.....	16	274.0	300.9	292.7	298.8	303.8	308.4	325.2
Corporate profits with inventory valuation and capital consumption adjustments, domestic industries.....	17	905.7	1,241.0	1,178.1	1,222.7	1,257.7	1,305.3	1,280.5
Taxes on corporate income.....	18	254.9	416.6	403.2	405.6	429.4	428.1	461.7
Profits after tax with inventory valuation and capital consumption adjustments.....	19	650.8	824.4	774.9	817.1	828.3	877.2	818.8
Net dividends.....	20	611.6	616.6	621.2	591.6	624.3	629.4	609.0
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	21	39.2	207.8	153.6	225.6	204.0	247.9	209.8
Current surplus of government enterprises.....	22	-13.2	-13.3	-12.1	-13.1	-14.2	-13.7	-13.1
Consumption of fixed capital	23	1,861.1	1,868.9	1,852.4	1,860.4	1,871.9	1,890.7	1,913.0
Private.....	24	1,535.8	1,534.0	1,522.8	1,527.4	1,535.5	1,550.2	1,566.7
Government.....	25	325.3	334.9	329.6	333.0	336.4	340.5	346.3
Addendum:								
Statistical discrepancy.....	26	179.1	158.2	164.2	131.1	181.0	156.4	180.2

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

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
National income	1	12,225.0	12,821.6	12,621.0	12,782.6	12,880.7	13,002.2	13,144.5
Compensation of employees	2	7,811.7	7,984.5	7,858.1	7,969.9	8,036.2	8,073.9	8,146.3
Wage and salary accruals.....	3	6,279.1	6,398.9	6,291.4	6,388.8	6,443.7	6,471.6	6,524.2
Government.....	4	1,173.6	1,187.1	1,185.5	1,193.1	1,185.3	1,184.5	1,187.3
Other.....	5	5,105.5	5,211.8	5,105.9	5,195.7	5,258.5	5,287.1	5,336.9
Supplements to wages and salaries.....	6	1,532.6	1,585.6	1,566.7	1,581.1	1,592.4	1,602.4	1,622.1
Employer contributions for employee pension and insurance funds.....	7	1,072.0	1,106.8	1,095.8	1,103.1	1,110.3	1,118.2	1,126.9
Employer contributions for government social insurance.....	8	460.6	478.8	470.9	476.0	482.2	484.2	495.2
Proprietors' income with IVA and CCAAdj	9	1,011.9	1,055.0	1,030.7	1,049.7	1,059.5	1,080.2	1,097.6
Farm.....	10	30.5	44.9	36.8	38.9	48.5	55.5	57.2
Nonfarm.....	11	981.5	1,010.1	994.0	1,010.8	1,011.0	1,024.7	1,040.3
Rental income of persons with CCAAdj	12	274.0	300.9	292.7	298.8	303.8	308.4	325.2
Corporate profits with IVA and CCAAdj	13	1,258.0	1,624.8	1,566.6	1,614.1	1,640.1	1,678.3	1,700.2
Taxes on corporate income.....	14	254.9	416.6	403.2	405.6	429.4	428.1	461.7
Profits after tax with IVA and CCAAdj.....	15	1,003.1	1,208.2	1,163.3	1,208.5	1,210.7	1,250.2	1,238.6
Net dividends.....	16	718.9	732.7	720.3	728.4	736.5	745.4	760.8
Undistributed profits with IVA and CCAAdj.....	17	284.2	475.5	443.0	480.1	474.2	504.8	477.8
Net interest and miscellaneous payments	18	784.3	738.1	765.9	736.2	719.6	730.6	741.1
Taxes on production and imports	19	1,024.7	1,058.5	1,045.9	1,054.6	1,060.8	1,072.7	1,075.5
Less: Subsidies	20	60.3	59.0	57.4	58.5	58.6	61.6	62.6
Business current transfer payments (net)	21	134.0	132.1	130.5	130.8	133.4	133.5	134.2
To persons (net).....	22	36.0	37.4	36.6	37.0	37.2	38.8	37.9
To government (net).....	23	98.5	94.8	93.0	93.8	96.2	96.2	97.7
To the rest of the world (net).....	24	-0.6	-0.1	0.9	0.0	0.0	-1.4	-1.4
Current surplus of government enterprises	25	-13.2	-13.3	-12.1	-13.1	-14.2	-13.7	-13.1
Addenda for corporate cash flow:								
Net cash flow with IVA.....	26	1,427.9	1,538.2	1,517.3	1,578.4	1,510.0	1,546.9	1,535.9
Undistributed profits with IVA and CCAAdj.....	27	284.2	475.5	443.0	480.1	474.2	504.8	477.8
Consumption of fixed capital.....	28	1,019.8	1,017.5	1,008.0	1,013.7	1,019.0	1,029.1	1,041.5
Less: Capital transfers paid (net).....	29	-123.9	-45.2	-66.3	-84.6	-16.8	-13.0	-16.7
Addenda:								
Proprietors' income with IVA and CCAAdj.....	30	1,011.9	1,055.0	1,030.7	1,049.7	1,059.5	1,080.2	1,097.6
Farm.....	31	30.5	44.9	36.8	38.9	48.5	55.5	57.2
Proprietors' income with IVA.....	32	36.8	50.5	42.5	44.4	54.0	61.0	62.8
Capital consumption adjustment.....	33	-6.3	-5.5	-5.7	-5.5	-5.4	-5.5	-5.5
Nonfarm.....	34	981.5	1,010.1	994.0	1,010.8	1,011.0	1,024.7	1,040.3
Proprietors' income (without IVA and CCAAdj).....	35	837.2	897.6	895.2	903.5	910.3	881.5	919.0
Inventory valuation adjustment.....	36	0.2	-6.5	-6.1	2.0	-4.8	-17.0	-16.0
Capital consumption adjustment.....	37	144.0	118.9	104.8	105.3	105.5	160.1	137.3
Rental income of persons with CCAAdj.....	38	274.0	300.9	292.7	298.8	303.8	308.4	325.2
Rental income of persons (without CCAAdj).....	39	289.0	315.5	307.5	313.3	318.3	322.9	339.8
Capital consumption adjustment.....	40	-15.1	-14.6	-14.8	-14.5	-14.5	-14.5	-14.6
Corporate profits with IVA.....	41	1,258.0	1,624.8	1,566.6	1,614.1	1,640.1	1,678.3	1,700.2
Corporate profits with IVA.....	42	1,328.6	1,756.2	1,736.5	1,784.7	1,809.3	1,894.1	1,806.2
Profits before tax (without IVA and CCAAdj).....	43	1,316.7	1,801.1	1,772.9	1,788.2	1,845.7	1,797.4	1,911.2
Taxes on corporate income.....	44	254.9	416.6	403.2	405.6	429.4	428.1	461.7
Profits after tax (without IVA and CCAAdj).....	45	1,061.8	1,384.5	1,369.7	1,382.6	1,416.3	1,369.3	1,449.5
Net dividends.....	46	718.9	732.7	720.3	728.4	736.5	745.4	760.8
Undistributed profits (without IVA and CCAAdj).....	47	342.9	651.8	649.4	654.2	679.9	623.9	688.7
Inventory valuation adjustment.....	48	11.9	-44.9	-36.4	-3.5	-36.4	-103.2	-105.0
Capital consumption adjustment.....	49	-70.6	-131.4	-169.9	-170.7	-169.3	-15.8	-105.9

IVA Inventory valuation adjustment
CCAAdj Capital consumption adjustment

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

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV		I
Gross value added of corporate business ¹	1	7,675.4	8,107.7	7,941.3	8,068.7	8,163.3	8,257.6	8,304.3
Consumption of fixed capital.....	2	1,019.8	1,017.5	1,008.0	1,013.7	1,019.0	1,029.1	1,041.5
Net value added.....	3	6,655.6	7,090.3	6,933.3	7,055.0	7,144.3	7,228.5	7,262.8
Compensation of employees.....	4	4,738.1	4,840.2	4,746.1	4,827.0	4,879.7	4,908.0	4,961.3
Wage and salary accruals.....	5	3,886.7	3,960.3	3,877.7	3,949.5	3,995.2	4,018.8	4,059.2
Supplements to wages and salaries.....	6	851.4	879.9	868.4	877.4	884.5	889.2	902.1
Taxes on production and imports less subsidies.....	7	637.5	659.7	652.9	657.2	661.4	667.2	669.6
Net operating surplus.....	8	1,280.1	1,590.4	1,534.2	1,570.8	1,603.3	1,653.2	1,631.9
Net interest and miscellaneous payments.....	9	279.8	257.2	264.3	256.4	252.1	255.8	258.1
Business current transfer payments (net).....	10	94.6	92.3	91.9	91.6	93.5	92.1	93.3
Corporate profits with IVA and CCAAdj.....	11	905.7	1,241.0	1,178.1	1,222.7	1,257.7	1,305.3	1,280.5
Taxes on corporate income.....	12	254.9	416.6	403.2	405.6	429.4	428.1	461.7
Profits after tax with IVA and CCAAdj.....	13	650.8	824.4	774.9	817.1	828.3	877.2	818.8
Net dividends.....	14	611.6	616.6	621.2	591.6	624.3	629.4	609.0
Undistributed profits with IVA and CCAAdj.....	15	39.2	207.8	153.6	225.6	204.0	247.9	209.8
Gross value added of financial corporate business ¹	16	1,050.2	1,174.8	1,136.9	1,145.7	1,177.2	1,239.4	1,178.0
Gross value added of nonfinancial corporate business ¹	17	6,625.2	6,932.9	6,804.4	6,923.0	6,986.2	7,018.3	7,126.3
Consumption of fixed capital.....	18	879.0	876.2	868.2	872.9	877.5	886.2	897.1
Net value added.....	19	5,746.3	6,056.7	5,936.2	6,050.0	6,108.6	6,132.1	6,229.2
Compensation of employees.....	20	4,193.6	4,288.9	4,205.1	4,271.7	4,327.3	4,351.4	4,399.2
Wage and salary accruals.....	21	3,441.0	3,511.2	3,437.6	3,496.1	3,545.5	3,565.5	3,601.9
Supplements to wages and salaries.....	22	752.5	777.7	767.6	775.6	781.8	786.0	797.4
Taxes on production and imports less subsidies.....	23	590.2	611.7	604.8	609.0	613.4	619.6	621.7
Net operating surplus.....	24	962.5	1,156.1	1,126.3	1,169.3	1,167.9	1,161.0	1,208.3
Net interest and miscellaneous payments.....	25	220.1	203.0	208.3	202.3	199.2	202.2	204.0
Business current transfer payments (net).....	26	79.1	78.9	77.5	78.3	79.8	80.0	79.7
Corporate profits with IVA and CCAAdj.....	27	663.3	874.2	840.4	888.6	888.9	878.8	924.6
Taxes on corporate income.....	28	170.3	282.1	265.2	287.4	293.6	282.3	313.9
Profits after tax with IVA and CCAAdj.....	29	492.9	592.1	575.3	601.1	595.3	596.5	610.7
Net dividends.....	30	511.4	521.3	515.5	499.1	538.7	531.7	498.7
Undistributed profits with IVA and CCAAdj.....	31	-18.5	70.8	59.7	102.0	56.6	64.8	112.0
Addenda:								
Corporate business:								
Profits before tax (without IVA and CCAAdj).....	32	964.4	1,417.3	1,384.4	1,396.9	1,463.4	1,424.4	1,491.4
Profits after tax (without IVA and CCAAdj).....	33	709.5	1,000.7	981.2	991.3	1,034.0	996.3	1,029.7
Inventory valuation adjustment.....	34	11.9	-44.9	-36.4	-3.5	-36.4	-103.2	-105.0
Capital consumption adjustment.....	35	-70.6	-131.4	-169.9	-170.7	-169.3	-15.8	-105.9
Nonfinancial corporate business:								
Profits before tax (without IVA and CCAAdj).....	36	706.4	1,029.4	1,021.8	1,037.5	1,069.7	988.6	1,117.3
Profits after tax (without IVA and CCAAdj).....	37	536.1	747.3	756.6	750.1	776.1	706.3	803.4
Inventory valuation adjustment.....	38	11.9	-44.9	-36.4	-3.5	-36.4	-103.2	-105.0
Capital consumption adjustment.....	39	-55.1	-110.3	-144.9	-145.4	-144.4	-6.5	-87.7
				Value-added, in billions of chained (2005) dollars				
Gross value added of nonfinancial corporate business ²	40	6,141.7	6,490.0	6,431.3	6,501.5	6,486.0	6,541.1	6,639.5
Consumption of fixed capital ³	41	830.5	842.3	833.6	838.4	844.9	852.3	860.5
Net value added ⁴	42	5,311.2	5,647.7	5,597.7	5,663.1	5,641.2	5,688.8	5,779.0

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 2005 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	2009	2010	Seasonally adjusted				
				2010				2011
				I	II	III	IV		I
Price per unit of real gross value added of nonfinancial corporate business ¹	1	1.079	1.068	1.058	1.065	1.077	1.073	1.073
Compensation of employees (unit labor cost).....	2	0.683	0.661	0.654	0.657	0.667	0.665	0.663
Unit nonlabor cost.....	3	0.288	0.272	0.273	0.271	0.273	0.273	0.272
Consumption of fixed capital.....	4	0.143	0.135	0.135	0.134	0.135	0.135	0.135
Taxes on production and imports less subsidies plus business current transfer payments (net).....	5	0.109	0.106	0.106	0.106	0.107	0.107	0.106
Net interest and miscellaneous payments.....	6	0.036	0.031	0.032	0.031	0.031	0.031	0.031
Corporate profits with IVA and CCAAdj (unit profits from current production)	7	0.108	0.135	0.131	0.137	0.137	0.134	0.139
Taxes on corporate income.....	8	0.028	0.043	0.041	0.044	0.045	0.043	0.047
Profits after tax with IVA and CCAAdj.....	9	0.080	0.091	0.089	0.092	0.092	0.091	0.092

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	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	
Personal income	1	12,174.9	12,541.0	12,350.3	12,517.1	12,595.5	12,700.9	12,930.9
Compensation of employees, received.....	2	7,806.7	7,984.5	7,858.1	7,969.9	8,036.2	8,073.9	8,146.3
Wage and salary disbursements.....	3	6,274.1	6,398.9	6,291.4	6,388.8	6,443.7	6,471.6	6,524.2
Private industries.....	4	5,100.5	5,211.8	5,105.9	5,195.7	5,258.5	5,287.1	5,336.9
Government.....	5	1,173.6	1,187.1	1,185.5	1,193.1	1,185.3	1,184.5	1,187.3
Supplements to wages and salaries.....	6	1,532.6	1,585.6	1,566.7	1,581.1	1,592.4	1,602.4	1,622.1
Employer contributions for employee pension and insurance funds.....	7	1,072.0	1,106.8	1,095.8	1,103.1	1,110.3	1,118.2	1,126.9
Employer contributions for government social insurance.....	8	460.6	478.8	470.9	478.0	482.2	484.2	495.2
Proprietors' income with inventory valuation and capital consumption adjustments.....	9	1,011.9	1,055.0	1,030.7	1,049.7	1,059.5	1,080.2	1,097.6
Farm.....	10	30.5	44.9	36.8	38.9	48.5	55.5	57.2
Nonfarm.....	11	981.5	1,010.1	994.0	1,010.8	1,011.0	1,024.7	1,040.3
Rental income of persons with capital consumption adjustment.....	12	274.0	300.9	292.7	298.8	303.8	308.4	325.2
Personal income receipts on assets.....	13	1,919.7	1,907.6	1,911.1	1,914.4	1,889.7	1,915.0	1,947.5
Personal interest income.....	14	1,222.3	1,194.9	1,208.7	1,205.3	1,174.7	1,190.9	1,208.1
Personal dividend income.....	15	697.4	712.7	702.4	709.2	715.0	724.2	739.4
Personal current transfer receipts.....	16	2,132.8	2,296.4	2,245.5	2,286.1	2,316.4	2,337.7	2,338.5
Government social benefits to persons.....	17	2,096.8	2,259.0	2,208.9	2,249.1	2,279.2	2,298.9	2,300.6
Old-age, survivors, disability, and health insurance benefits.....	18	1,164.5	1,213.9	1,191.3	1,208.1	1,223.5	1,232.6	1,250.3
Government unemployment insurance benefits.....	19	128.6	136.6	146.1	136.8	135.7	127.7	117.8
Veterans benefits.....	20	52.3	61.4	57.8	60.4	63.3	64.0	66.1
Family assistance ¹	21	20.1	19.8	19.9	19.4	19.9	19.9	18.7
Other.....	22	731.3	827.4	793.8	824.4	836.8	854.6	847.7
Other current transfer receipts, from business (net).....	23	36.0	37.4	36.6	37.0	37.2	38.8	37.9
Less: Contributions for government social insurance, domestic.....	24	970.3	1,003.5	987.8	1,001.9	1,010.2	1,014.2	924.2
Less: Personal current taxes	25	1,140.0	1,166.3	1,134.7	1,149.1	1,178.2	1,203.2	1,302.3
Equals: Disposable personal income	26	11,034.9	11,374.7	11,215.6	11,368.0	11,417.3	11,497.8	11,628.6
Less: Personal outlays	27	10,379.6	10,720.7	10,603.9	10,663.7	10,736.3	10,878.9	11,032.1
Personal consumption expenditures.....	28	10,001.3	10,349.1	10,230.8	10,285.4	10,366.3	10,513.6	10,668.2
Personal interest payments ²	29	216.8	198.9	203.8	206.0	197.1	188.6	186.3
Personal current transfer payments.....	30	161.4	172.7	169.2	172.3	172.9	176.6	177.7
To government.....	31	95.0	100.8	98.5	100.1	101.8	103.0	103.9
To the rest of the world (net).....	32	66.5	71.9	70.7	72.2	71.1	73.6	73.8
Equals: Personal saving	33	655.3	653.9	611.8	704.3	681.0	618.9	596.5
Personal saving as a percentage of disposable personal income.....	34	5.9	5.7	5.5	6.2	6.0	5.4	5.1
Addenda:								
Personal income excluding current transfer receipts, billions of chained (2005) dollars ³	35	9,191.1	9,219.6	9,111.7	9,226.6	9,252.1	9,288.0	9,406.2
Disposable personal income:								
Total, billions of chained (2005) dollars ³	36	10,099.8	10,236.6	10,113.3	10,251.9	10,276.6	10,304.9	10,326.3
Per capita:								
Current dollars.....	37	35,888	36,680	36,282	36,704	36,778	36,954	37,308
Chained (2005) dollars.....	38	32,847	33,010	32,717	33,100	33,103	33,120	33,130
Population (midperiod, thousands).....	39	307,483	310,106	309,120	309,724	310,438	311,140	311,696
Percent change from preceding period:								
Disposable personal income, current dollars.....	40	0.7	3.1	3.4	5.5	1.7	2.8	4.6
Disposable personal income, chained (2005) dollars.....	41	0.6	1.4	1.3	5.6	1.0	1.1	0.8

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. The current-dollar measure is deflated by the implicit price deflator for personal consumption expenditures.

Table 2.2B. Wage and Salary Disbursements by Industry
(Billions of dollars)

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	
Wage and salary disbursements	1	6,274.1	6,398.9	6,291.4	6,388.8	6,443.7	6,471.6	6,524.2
Private industries	2	5,100.5	5,211.8	5,105.9	5,195.7	5,258.5	5,287.1	5,336.9
Goods-producing industries.....	3	1,064.0	1,055.7	1,032.2	1,054.3	1,067.0	1,069.2	1,085.3
Manufacturing.....	4	661.5	673.5	652.6	672.4	682.0	686.9	699.0
Services-producing industries.....	5	4,036.6	4,156.1	4,073.7	4,141.4	4,191.4	4,217.8	4,251.6
Trade, transportation, and utilities.....	6	990.5	1,007.3	988.0	1,005.4	1,017.3	1,018.3	1,024.5
Other services-producing industries ¹	7	3,046.1	3,148.9	3,085.8	3,136.0	3,174.1	3,199.5	3,227.0
Government	8	1,173.6	1,187.1	1,185.5	1,193.1	1,185.3	1,184.5	1,187.3

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 2002 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	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Personal consumption expenditures (PCE)	1	-1.2	1.7	1.9	2.2	2.4	4.0	2.2
Goods	2	-2.0	4.3	5.7	3.4	4.1	9.3	3.5
Durable goods	3	-3.7	7.7	8.8	6.8	7.6	21.1	8.9
Motor vehicles and parts	4	-6.9	3.5	-2.6	6.9	5.2	49.1	9.7
Furnishings and durable household equipment	5	-6.4	8.6	13.9	9.0	5.6	9.8	3.7
Recreational goods and vehicles	6	1.4	12.1	12.9	9.3	12.2	12.3	12.9
Other durable goods	7	-2.3	5.8	18.8	-2.2	6.6	3.9	7.8
Nondurable goods	8	-1.2	2.7	4.2	1.9	2.5	4.1	1.1
Food and beverages purchased for off-premises consumption	9	-0.9	2.7	3.7	-2.9	3.2	4.9	1.6
Clothing and footwear	10	-4.4	5.6	12.0	6.4	-1.1	12.2	3.1
Gasoline and other energy goods	11	1.2	-0.4	0.7	3.0	0.1	-6.0	-6.0
Other nondurable goods	12	-1.1	2.9	3.3	4.5	4.4	4.9	3.1
Services	13	-0.8	0.5	0.1	1.6	1.6	1.5	1.5
Household consumption expenditures (for services)	14	-0.7	0.5	0.0	1.5	1.6	1.8	1.7
Housing and utilities	15	1.1	1.1	-0.5	1.1	3.4	-0.3	-1.6
Health care	16	2.2	1.4	-0.3	3.1	1.2	4.6	2.4
Transportation services	17	-8.1	1.2	3.5	4.1	3.9	0.3	-2.8
Recreation services	18	-2.4	-0.6	-0.1	-0.3	4.3	-1.9	0.6
Food services and accommodations	19	-3.6	2.4	6.9	2.5	2.8	2.8	6.2
Financial services and insurance	20	-3.6	-2.3	-2.8	1.1	-4.7	2.9	6.1
Other services	21	-1.2	-1.0	-1.2	-0.8	1.7	1.7	2.3
Final consumption expenditures of nonprofit institutions serving households (NPISHs) ¹	22	-4.2	2.1	1.2	3.4	1.0	-6.6	-3.9
Gross output of nonprofit institutions ²	23	0.6	1.0	-0.9	3.3	1.2	3.4	1.2
Less: Receipts from sales of goods and services by nonprofit institutions ³	24	2.3	0.6	-1.6	3.3	1.2	6.8	2.9
Addenda:								
PCE excluding food and energy ⁴	25	-1.4	1.7	2.0	2.6	1.9	4.6	3.1
Energy goods and services ⁵	26	1.1	1.7	-2.6	3.4	9.7	-6.0	-9.7
Market-based PCE ⁶	27	-1.0	2.1	2.2	2.5	2.3	4.6	2.1
Market-based PCE excluding food and energy ⁶	28	-1.1	2.1	2.5	3.0	1.7	5.4	3.2

1. Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households.
2. Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).
3. Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.
4. Food consists of food and beverages purchased for off-premises consumption; food services, which include purchased meals and beverages, are not classified as food.
5. Consists of gasoline and other energy goods and of electricity and gas services.
6. Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most imputed transactions (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.

Table 2.3.2. Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Percent change at annual rate:								
Personal consumption expenditures (PCE)	1	-1.2	1.7	1.9	2.2	2.4	4.0	2.2
Percentage points at annual rates:								
Goods	2	-0.65	1.38	1.82	1.13	1.34	3.00	1.18
Durable goods	3	-0.39	0.77	0.88	0.69	0.77	2.07	0.93
Motor vehicles and parts	4	-0.24	0.12	-0.08	0.22	0.17	1.40	0.34
Furnishings and durable household equipment	5	-0.17	0.21	0.32	0.22	0.14	0.23	0.09
Recreational goods and vehicles	6	0.05	0.37	0.39	0.29	0.37	0.38	0.40
Other durable goods	7	-0.03	0.08	0.25	-0.03	0.09	0.06	0.11
Nondurable goods	8	-0.26	0.61	0.94	0.44	0.56	0.93	0.25
Food and beverages purchased for off-premises consumption	9	-0.07	0.21	0.29	-0.23	0.24	0.38	0.13
Clothing and footwear	10	-0.14	0.18	0.37	0.20	-0.04	0.38	0.10
Gasoline and other energy goods	11	0.04	-0.01	0.02	0.10	0.00	-0.22	-0.23
Other nondurable goods	12	-0.09	0.23	0.26	0.36	0.35	0.39	0.25
Services	13	-0.55	0.36	0.05	1.07	1.05	1.01	0.99
Household consumption expenditures (for services)	14	-0.43	0.31	0.02	0.98	1.03	1.18	1.09
Housing and utilities	15	0.20	0.20	-0.09	0.20	0.62	-0.05	-0.28
Health care	16	0.33	0.24	-0.06	0.49	0.19	0.74	0.39
Transportation services	17	-0.25	0.03	0.10	0.12	0.11	0.01	-0.08
Recreation services	18	-0.09	-0.02	0.00	-0.01	0.16	-0.07	0.02
Food services and accommodations	19	-0.22	0.14	0.40	0.15	0.17	0.17	0.37
Financial services and insurance	20	-0.30	-0.19	-0.22	0.10	-0.38	0.23	0.46
Other services	21	-0.11	-0.09	-0.11	-0.07	0.16	0.16	0.21
Final consumption expenditures of nonprofit institutions serving households (NPISHs) ¹	22	-0.11	0.05	0.03	0.09	0.03	-0.17	-0.10
Gross output of nonprofit institutions ²	23	0.06	0.10	-0.09	0.35	0.12	0.36	0.13
Less: Receipts from sales of goods and services by nonprofit institutions ³	24	0.17	0.05	-0.12	0.26	0.10	0.53	0.23
Addenda:								
PCE excluding food and energy ⁴	25	-1.19	1.44	1.73	2.24	1.64	3.99	2.64
Energy goods and services ⁵	26	0.06	0.09	-0.15	0.19	0.51	-0.35	-0.60
Market-based PCE ⁶	27	-0.85	1.82	1.96	2.14	2.00	4.00	1.86
Market-based PCE excluding food and energy ⁶	28	-0.84	1.52	1.83	2.18	1.25	3.97	2.32

1. Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households.
2. Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).
3. Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.
4. Food consists of food and beverages purchased for off-premises consumption; food services, which include purchased meals and beverages, are not classified as food.
5. Consists of gasoline and other energy goods and of electricity and gas services.
6. Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most imputed transactions (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.

Table 2.3.3. Real Personal Consumption Expenditures by Major Type of Product, Quantity Indexes

[Index numbers, 2005=100]

	Line	2009	2010	Seasonally adjusted				
				2010				2011
				I	II	III	IV	
Personal consumption expenditures (PCE)	1	103.797	105.609	104.608	105.178	105.801	106.848	107.422
Goods	2	101.416	105.741	103.952	104.837	105.898	108.278	109.219
Durable goods	3	99.011	106.586	103.025	104.735	106.673	111.910	114.332
Motor vehicles and parts	4	79.093	81.877	78.271	79.584	80.594	89.061	91.138
Furnishings and durable household equipment	5	96.222	104.506	101.506	103.725	105.159	107.634	108.607
Recreational goods and vehicles	6	131.643	147.573	141.981	145.157	149.384	153.771	158.491
Other durable goods	7	98.669	104.414	103.753	103.183	104.651	105.867	107.876
Nondurable goods	8	102.487	105.293	104.321	104.823	105.476	106.551	106.831
Food and beverages purchased for off-premises consumption	9	103.023	105.817	105.672	104.895	105.714	106.985	107.418
Clothing and footwear	10	103.570	109.337	107.436	109.113	108.816	111.982	112.852
Gasoline and other energy goods	11	93.660	93.323	93.155	93.854	93.866	92.415	90.995
Other nondurable goods	12	105.867	108.957	107.148	108.337	109.514	110.828	111.678
Services	13	105.006	105.564	104.952	105.366	105.775	106.163	106.555
Household consumption expenditures (for services)	14	104.448	104.938	104.320	104.713	105.124	105.597	106.044
Housing and utilities	15	104.682	105.790	105.147	105.437	106.326	106.248	105.833
Health care	16	109.457	111.032	109.932	110.766	111.090	112.339	113.006
Transportation services	17	87.758	88.819	87.710	88.602	89.452	89.510	88.884
Recreation services	18	104.597	103.941	103.584	103.498	104.590	104.092	104.246
Food services and accommodations	19	100.461	102.843	101.838	102.476	103.175	103.881	105.453
Financial services and insurance	20	104.265	101.859	102.074	102.364	101.140	101.860	103.372
Other services	21	104.526	103.507	103.334	103.132	103.565	103.998	104.603
Final consumption expenditures of nonprofit institutions serving households (NPISHs) ¹	22	119.597	122.168	121.755	122.788	123.106	121.023	119.829
Gross output of nonprofit institutions ²	23	108.852	109.908	108.846	109.744	110.064	110.979	111.319
Less: Receipts from sales of goods and services by nonprofit institutions ³	24	105.361	105.995	104.756	105.613	105.933	107.680	108.450
Addenda:								
PCE excluding food and energy ⁴	25	104.493	106.230	105.176	105.850	106.343	107.553	108.370
Energy goods and services ⁵	26	94.956	96.592	95.243	96.051	96.292	96.779	94.352
Market-based PCE ⁶	27	103.517	105.676	104.604	105.239	105.835	107.026	107.588
Market-based PCE excluding food and energy ⁶	28	104.278	106.417	105.268	106.038	106.477	107.886	108.727

1. Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households.

2. Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).

3. Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.

4. Food consists of food and beverages purchased for off-premises consumption; food services, which include purchased meals and beverages, are not classified as food.

5. Consists of gasoline and other energy goods and of electricity and gas services.

6. Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most imputed transactions (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.

Table 2.3.4. Price Indexes for Personal Consumption Expenditures by Major Type of Product

[Index numbers, 2005=100]

	Line	2009	2010	Seasonally adjusted				
				2010				2011
				I	II	III	IV	
Personal consumption expenditures (PCE)	1	109.258	111.117	110.901	110.888	111.102	111.578	112.613
Goods	2	103.634	105.397	105.784	104.812	105.058	105.932	107.991
Durable goods	3	93.782	92.456	93.121	92.755	92.235	91.714	91.614
Motor vehicles and parts	4	98.676	103.149	102.384	103.041	103.637	103.534	104.123
Furnishings and durable household equipment	5	97.709	93.662	95.304	94.310	93.010	92.024	91.991
Recreational goods and vehicles	6	79.513	74.759	76.282	75.327	74.277	73.149	71.994
Other durable goods	7	111.234	111.940	111.179	111.571	111.758	113.252	114.810
Nondurable goods	8	109.262	112.724	112.949	111.638	112.315	113.996	117.332
Food and beverages purchased for off-premises consumption	9	113.538	113.938	113.466	113.916	113.989	114.382	116.132
Clothing and footwear	10	98.588	97.912	98.452	97.439	98.323	97.435	97.592
Gasoline and other energy goods	11	106.387	125.547	128.166	118.788	121.632	133.602	152.271
Other nondurable goods	12	110.691	112.804	112.594	112.604	112.917	113.101	113.737
Services	13	112.233	114.156	113.620	114.116	114.314	114.574	115.048
Household consumption expenditures (for services)	14	112.718	114.714	114.205	114.703	114.873	115.074	115.541
Housing and utilities	15	113.240	113.510	113.389	113.396	113.542	113.713	114.166
Health care	16	112.693	115.509	114.582	115.286	115.903	116.267	116.522
Transportation services	17	115.633	118.023	117.501	118.269	117.918	118.404	120.114
Recreation services	18	110.815	112.017	111.325	111.904	112.386	112.453	113.138
Food services and accommodations	19	114.375	115.949	115.001	115.794	116.327	116.674	117.142
Financial services and insurance	20	109.533	113.036	113.396	113.758	112.670	112.318	112.637
Other services	21	113.329	116.499	115.541	116.488	116.819	117.147	117.684
Final consumption expenditures of nonprofit institutions serving households (NPISHs) ¹	22	101.105	101.389	100.254	100.713	101.502	103.086	103.731
Gross output of nonprofit institutions ²	23	111.137	113.602	112.553	113.322	113.967	114.564	115.234
Less: Receipts from sales of goods and services by nonprofit institutions ³	24	114.836	118.104	117.088	117.972	118.563	118.795	119.473
Addenda:								
PCE excluding food and energy ⁴	25	108.774	110.203	109.887	110.171	110.318	110.436	110.829
Energy goods and services ⁵	26	110.250	121.603	123.495	117.714	119.271	125.931	137.109
Market-based PCE ⁶	27	109.372	111.082	110.824	110.763	111.127	111.614	112.707
Market-based PCE excluding food and energy ⁶	28	108.826	110.008	109.626	109.903	110.214	110.288	110.646

1. Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households.

2. Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).

3. Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.

4. Food consists of food and beverages purchased for off-premises consumption; food services, which include purchased meals and beverages, are not classified as food.

5. Consists of gasoline and other energy goods and of electricity and gas.

6. Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most imputed transactions (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.

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

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV		I
Personal consumption expenditures (PCE)	1	10,001.3	10,349.1	10,230.8	10,285.4	10,366.3	10,513.6	10,668.2
Goods	2	3,230.7	3,425.7	3,380.0	3,377.5	3,419.6	3,525.6	3,625.3
Durable goods	3	1,026.5	1,089.4	1,060.7	1,074.1	1,087.8	1,134.8	1,158.1
Motor vehicles and parts	4	319.7	346.0	328.3	335.9	342.2	377.7	388.7
Furnishings and durable household equipment	5	248.1	258.3	255.3	258.2	258.2	261.4	263.7
Recreational goods and vehicles	6	317.5	334.8	328.8	331.9	336.9	341.5	346.4
Other durable goods	7	141.1	150.3	148.3	148.0	150.7	154.2	159.3
Nondurable goods	8	2,204.2	2,336.3	2,319.3	2,303.4	2,331.8	2,390.8	2,467.2
Food and beverages purchased for off-premises consumption	9	777.9	801.8	797.4	794.6	801.4	813.8	829.6
Clothing and footwear	10	322.2	337.8	333.8	335.5	337.6	344.3	347.5
Gasoline and other energy goods	11	303.7	357.2	364.1	340.0	348.2	376.5	422.5
Other nondurable goods	12	800.4	839.5	824.1	833.3	844.7	856.2	867.6
Services	13	6,770.6	6,923.4	6,850.9	6,907.9	6,946.7	6,988.1	7,042.9
Household consumption expenditures (for services)	14	6,511.8	6,658.3	6,589.6	6,643.2	6,679.2	6,721.0	6,776.8
Housing and utilities	15	1,876.3	1,900.7	1,887.1	1,892.5	1,910.9	1,912.4	1,912.5
Health care	16	1,623.2	1,687.7	1,657.5	1,680.4	1,694.3	1,718.7	1,732.7
Transportation services	17	290.1	299.7	294.6	299.6	301.5	303.0	305.2
Recreation services	18	378.8	380.5	376.8	378.5	384.1	382.5	385.4
Food services and accommodations	19	603.6	626.4	615.2	623.3	630.5	636.7	648.9
Financial services and insurance	20	813.8	820.6	824.9	829.9	812.2	815.4	829.8
Other services	21	925.9	942.6	933.3	939.1	945.7	952.3	962.2
Final consumption expenditures of nonprofit institutions serving households (NPISHs) ¹	22	258.9	265.1	261.3	264.7	267.5	267.1	266.1
Gross output of nonprofit institutions ²	23	1,058.1	1,092.1	1,071.5	1,087.7	1,097.1	1,112.0	1,122.0
Less: Receipts from sales of goods and services by nonprofit institutions ³	24	799.2	827.0	810.2	823.0	829.6	845.0	855.9
Addenda:								
PCE excluding food and energy ⁴	25	8,705.0	8,966.1	8,851.5	8,931.3	8,984.9	9,096.8	9,198.5
Energy goods and services ⁵	26	518.4	581.1	582.0	559.5	580.1	603.0	640.1
Market-based PCE ⁶	27	8,758.5	9,080.9	8,967.6	9,017.2	9,098.0	9,240.8	9,380.2
Market-based PCE excluding food and energy ⁶	28	7,462.7	7,698.4	7,588.6	7,663.5	7,717.0	7,824.4	7,910.9

- Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households.
- Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).
- Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.
- Food consists of food and beverages purchased for off-premises consumption; food services, which include purchased meals and beverages, are not classified as food.
- Consists of gasoline and other energy goods and of electricity and gas.
- Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most imputed transactions (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.

Table 2.3.6. Real Personal Consumption Expenditures by Major Type of Product, Chained Dollars
[Billions of chained (2005) dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV		I
Personal consumption expenditures (PCE)	1	9,153.9	9,313.6	9,225.4	9,275.7	9,330.6	9,422.9	9,473.5
Goods	2	3,117.4	3,250.4	3,195.4	3,222.6	3,255.2	3,328.4	3,357.3
Durable goods	3	1,094.6	1,178.3	1,138.9	1,157.8	1,179.3	1,237.2	1,263.9
Motor vehicles and parts	4	324.0	335.4	320.6	326.0	330.1	364.8	373.3
Furnishings and durable household equipment	5	253.9	275.8	267.9	273.7	277.5	284.0	286.6
Recreational goods and vehicles	6	399.3	447.7	430.7	440.3	453.2	466.5	480.8
Other durable goods	7	126.9	134.3	133.4	132.7	134.8	136.1	138.7
Nondurable goods	8	2,017.4	2,072.6	2,053.5	2,063.4	2,076.2	2,097.4	2,102.9
Food and beverages purchased for off-premises consumption	9	685.1	703.7	702.7	697.6	703.0	711.5	714.3
Clothing and footwear	10	326.8	345.0	339.0	344.3	343.4	353.4	356.1
Gasoline and other energy goods	11	285.5	284.5	284.0	286.1	286.1	281.7	277.4
Other nondurable goods	12	723.1	744.2	731.9	740.0	748.0	757.0	762.8
Services	13	6,032.7	6,064.7	6,029.6	6,053.4	6,076.9	6,099.2	6,121.7
Household consumption expenditures (for services)	14	5,777.0	5,804.1	5,769.9	5,791.7	5,814.4	5,840.6	5,865.3
Housing and utilities	15	1,656.9	1,674.5	1,664.3	1,668.9	1,683.0	1,681.7	1,675.2
Health care	16	1,440.4	1,461.1	1,446.7	1,457.6	1,461.9	1,478.3	1,487.1
Transportation services	17	250.9	253.9	250.8	253.3	255.7	255.9	254.1
Recreation services	18	341.8	339.7	338.5	338.2	341.8	340.2	340.7
Food services and accommodations	19	527.7	540.2	535.0	538.3	542.0	545.7	554.0
Financial services and insurance	20	743.0	725.9	727.4	729.5	720.7	725.9	736.6
Other services	21	817.0	809.0	807.7	806.1	809.5	812.9	817.6
Final consumption expenditures of nonprofit institutions serving households (NPISHs) ¹	22	256.0	261.5	260.6	262.9	263.5	259.1	256.5
Gross output of nonprofit institutions ²	23	952.1	961.3	952.0	959.9	962.7	970.7	973.6
Less: Receipts from sales of goods and services by nonprofit institutions ³	24	696.0	700.2	692.0	697.6	699.7	711.3	716.4
Residual	25	-4.5	-22.4	-15.2	-19.2	-23.1	-32.1	-39.0
Addenda:								
PCE excluding food and energy ⁴	26	8,002.9	8,136.0	8,055.2	8,106.8	8,144.6	8,237.3	8,299.8
Energy goods and services ⁵	27	470.2	478.3	471.6	475.6	486.7	479.2	467.2
Market-based PCE ⁶	28	8,008.0	8,175.0	8,092.0	8,141.2	8,187.3	8,279.5	8,322.9
Market-based PCE excluding food and energy ⁶	29	6,857.4	6,998.1	6,922.5	6,973.1	7,002.0	7,094.7	7,150.0

- Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households.
- Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).
- Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.
- Food consists of food and beverages purchased for off-premises consumption; food services, which include purchased meals and beverages, are not classified as food.
- Consists of gasoline and other energy goods and of electricity and gas.
- Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most imputed transactions (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.

Note: Chained (2005) dollar series are calculated as the product of the chain-type quantity index and the 2005 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 2.3.7. Percent Change from Preceding Period in Prices for Personal Consumption Expenditures by Major Type of Product

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Personal consumption expenditures (PCE)	1	0.2	1.7	2.1	0.0	0.8	1.7	3.8
Goods	2	-2.5	1.7	2.6	-3.6	0.9	3.4	8.0
Durable goods	3	-1.6	-1.4	-2.0	-1.6	-2.2	-2.2	-0.4
Motor vehicles and parts	4	0.1	4.5	4.2	2.6	2.3	-0.4	2.3
Furnishings and durable household equipment	5	-0.3	-4.1	-3.4	-4.1	-5.4	-4.2	-0.1
Recreational goods and vehicles	6	-5.6	-6.0	-5.9	-4.9	-5.5	-5.9	-6.2
Other durable goods	7	1.4	0.6	-4.5	1.4	0.7	5.5	5.6
Nondurable goods	8	-2.9	3.2	4.7	-4.6	2.4	6.1	12.2
Food and beverages purchased for off-premises consumption	9	1.3	0.4	1.8	1.6	0.3	1.4	6.3
Clothing and footwear	10	0.9	-0.7	-1.3	-4.1	3.7	-3.6	0.6
Gasoline and other energy goods	11	-27.1	18.0	24.5	-26.2	9.9	45.6	68.7
Other nondurable goods	12	4.4	1.9	2.3	0.0	1.1	0.7	2.3
Services	13	1.5	1.7	1.8	1.8	0.7	0.9	1.7
Household consumption expenditures (for services)	14	1.7	1.8	2.0	1.8	0.6	0.7	1.6
Housing and utilities	15	1.2	0.2	0.4	0.0	0.5	0.6	1.6
Health care	16	2.7	2.5	2.2	2.5	2.2	1.3	0.9
Transportation services	17	2.9	2.1	2.7	2.6	-1.2	1.7	5.9
Recreation services	18	1.2	1.1	-0.3	2.1	1.7	0.2	2.5
Food services and accommodations	19	2.4	1.4	0.2	2.8	1.9	1.2	1.6
Financial services and insurance	20	-0.4	3.2	7.3	1.3	-3.8	-1.2	1.1
Other services	21	2.3	2.8	2.6	3.3	1.1	1.1	1.8
Final consumption expenditures of nonprofit institutions serving households (NPISHs) ¹	22	-3.1	0.3	-2.8	1.8	3.2	6.4	2.5
Gross output of nonprofit institutions ²	23	1.4	2.2	1.2	2.8	2.3	2.1	2.4
Less: Receipts from sales of goods and services by nonprofit institutions ³	24	3.0	2.8	2.5	3.1	2.0	0.8	2.3
Addenda:								
PCE excluding food and energy ⁴	25	1.5	1.3	1.2	1.0	0.5	0.4	1.4
Energy goods and services ⁵	26	-19.2	10.3	16.4	-17.5	5.4	24.3	40.5
Market-based PCE ⁶	27	0.3	1.6	1.7	-0.2	1.3	1.8	4.0
Market-based PCE excluding food and energy ⁶	28	1.9	1.1	0.7	1.0	1.1	0.3	1.3

1. Net expenses of NPISHs, defined as their gross operating expenses less primary sales to households.

2. Gross output is net of unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; excludes own-account investment (construction and software).

3. Excludes unrelated sales, secondary sales, and sales to business, to government, and to the rest of the world; includes membership dues and fees.

4. Food consists of food and beverages purchased for off-premises consumption; food services, which include purchased meals and beverages, are not classified as food.

5. Consists of gasoline and other energy goods and of electricity and gas.

6. Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most imputed transactions (for example, financial services furnished without payment) and the final consumption expenditures of nonprofit institutions serving households.

3. Government Current Receipts and Expenditures

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

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Current receipts	1	3,726.9	3,983.8	3,904.0	3,947.8	4,020.8	4,062.5	4,111.8
Current tax receipts	2	2,409.3	2,629.3	2,572.4	2,597.8	2,656.0	2,691.0	2,826.3
Personal current taxes	3	1,140.0	1,166.3	1,134.7	1,149.1	1,178.2	1,203.2	1,302.3
Taxes on production and imports	4	1,024.7	1,058.5	1,045.9	1,054.6	1,060.8	1,072.7	1,075.5
Taxes on corporate income	5	231.4	391.8	379.2	381.3	404.8	402.1	435.0
Taxes from the rest of the world	6	13.2	12.6	12.6	12.8	12.1	13.0	13.5
Contributions for government social insurance	7	975.1	1,008.7	992.9	1,007.1	1,015.4	1,019.4	929.0
Income receipts on assets	8	162.2	163.4	159.3	162.2	165.6	166.5	167.9
Interest and miscellaneous receipts	9	140.8	143.4	141.4	142.9	144.2	145.2	146.5
Dividends	10	21.5	20.0	18.0	19.2	21.4	21.3	21.4
Current transfer receipts	11	193.5	195.6	191.4	193.9	198.0	199.2	201.6
From business (net)	12	98.5	94.8	93.0	93.8	96.2	96.2	97.7
From persons	13	95.0	100.8	98.5	100.1	101.8	103.0	103.9
Current surplus of government enterprises	14	-13.2	-13.3	-12.1	-13.1	-14.2	-13.7	-13.1
Current expenditures	15	4,998.8	5,284.3	5,189.6	5,268.6	5,316.4	5,362.6	5,394.3
Consumption expenditures	16	2,411.5	2,490.6	2,464.7	2,485.2	2,502.9	2,509.7	2,530.2
Current transfer payments	17	2,164.9	2,333.3	2,287.2	2,319.0	2,352.9	2,374.3	2,374.2
Government social benefits	18	2,112.3	2,275.2	2,224.6	2,265.2	2,295.7	2,315.1	2,317.3
To persons	19	2,096.8	2,259.0	2,208.9	2,249.1	2,279.2	2,298.9	2,300.6
To the rest of the world	20	15.5	16.2	15.8	16.1	16.5	16.2	16.7
Other current transfer payments to the rest of the world (net)	21	52.7	58.2	62.5	53.8	57.1	59.2	56.9
Interest payments	22	362.0	401.3	380.3	405.9	402.1	416.9	427.3
To persons and business	23	218.0	260.8	242.8	264.8	260.1	275.5	285.6
To the rest of the world	24	144.0	140.5	137.5	141.1	142.0	141.4	141.6
Subsidies	25	60.3	59.0	57.4	58.5	58.6	61.6	62.6
Less: Wage accruals less disbursements	26	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net government saving	27	-1,271.9	-1,300.5	-1,285.7	-1,320.8	-1,295.6	-1,300.1	-1,282.5
Social insurance funds	28	-249.8	-270.4	-274.9	-267.2	-272.1	-267.4	-261.9
Other	29	-1,022.0	-1,030.2	-1,010.8	-1,053.6	-1,023.6	-1,032.7	-1,020.6
Addenda:								
Total receipts	30	3,752.2	4,003.3	3,930.2	3,971.5	4,040.8	4,070.6	4,117.6
Current receipts	31	3,726.9	3,983.8	3,904.0	3,947.8	4,020.8	4,062.5	4,111.8
Capital transfer receipts	32	25.3	19.5	26.2	23.7	20.1	8.1	5.8
Total expenditures	33	5,344.9	5,563.7	5,471.6	5,591.9	5,577.3	5,613.9	5,621.7
Current expenditures	34	4,998.8	5,284.3	5,189.6	5,268.6	5,316.4	5,362.6	5,394.3
Gross government investment	35	503.4	509.6	491.0	505.6	519.3	522.6	500.7
Capital transfer payments	36	161.8	90.1	106.9	137.3	61.7	54.4	58.2
Net purchases of nonproduced assets	37	6.3	14.6	13.7	13.4	16.3	14.8	15.0
Less: Consumption of fixed capital	38	325.3	334.9	329.6	333.0	336.4	340.5	346.3
Net lending or net borrowing (-)	39	-1,592.7	-1,560.4	-1,541.4	-1,620.5	-1,536.4	-1,543.3	-1,504.2

Table 3.2. Federal Government Current Receipts and Expenditures

[Billions of dollars]

Table with 9 columns: Line, 2009, 2010, and Seasonally adjusted at annual rates (2010 categories I-IV, 2011 category I). Rows include Current receipts, Current tax receipts, Personal current taxes, Taxes on production and imports, Taxes on corporate income, Contributions for government social insurance, Current expenditures, and Net federal government saving.

Table 3.3. State and Local Government Current Receipts and Expenditures

[Billions of dollars]

Table with 9 columns: Line, 2009, 2010, and Seasonally adjusted at annual rates (2010 categories I-IV, 2011 category I). Rows include Current receipts, Current tax receipts, Personal current taxes, Taxes on production and imports, Current expenditures, and Net state and local government saving.

Table 3.10.5. Government Consumption Expenditures and General Government Gross Output

[Billions of dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	
Government consumption expenditures ¹	1	2,411.5	2,490.6	2,464.7	2,485.2	2,502.9	2,509.7	2,530.2
Gross output of general government	2	2,819.0	2,920.2	2,885.4	2,913.6	2,937.2	2,944.7	2,969.4
Value added	3	1,760.2	1,801.0	1,789.4	1,803.7	1,802.0	1,808.7	1,820.7
Compensation of general government employees	4	1,487.9	1,520.1	1,512.9	1,524.5	1,520.0	1,523.2	1,530.2
Consumption of general government fixed capital ²	5	272.3	280.8	276.5	279.3	282.0	285.5	290.6
Intermediate goods and services purchased ³	6	1,058.8	1,119.3	1,096.0	1,109.9	1,135.2	1,136.1	1,148.7
Durable goods	7	73.9	76.7	73.4	75.0	77.3	80.9	72.5
Nondurable goods	8	249.9	276.7	272.8	272.9	274.8	286.4	308.3
Services	9	735.0	765.9	749.8	762.0	783.1	768.7	767.9
Less: Own-account investment ⁴	10	29.1	28.5	27.8	28.3	29.2	28.7	28.3
Sales to other sectors	11	378.4	401.1	392.9	400.2	405.0	406.3	410.9
Federal consumption expenditures ¹	12	987.1	1,043.4	1,017.3	1,038.5	1,061.6	1,056.2	1,052.2
Gross output of general government	13	1,002.0	1,060.0	1,033.0	1,055.7	1,079.7	1,071.7	1,066.7
Value added	14	551.7	579.1	572.7	580.6	579.9	583.3	590.4
Compensation of general government employees	15	434.0	456.2	452.1	458.5	456.4	457.8	462.0
Consumption of general government fixed capital ²	16	117.7	122.9	120.6	122.1	123.5	125.5	128.4
Intermediate goods and services purchased ³	17	450.3	480.9	460.3	475.1	499.8	488.4	476.3
Durable goods	18	48.8	51.6	48.5	49.9	52.1	55.7	47.3
Nondurable goods	19	50.1	54.9	51.0	53.5	57.4	57.5	59.9
Services	20	351.4	374.5	360.8	371.7	390.3	375.1	369.1
Less: Own-account investment ⁴	21	5.5	5.9	5.6	5.8	6.1	6.1	6.3
Sales to other sectors	22	9.4	10.8	10.1	11.5	12.0	9.4	8.2
Defense consumption expenditures ¹	23	664.1	698.2	684.0	695.2	711.2	702.6	696.0
Gross output of general government	24	670.1	704.5	690.1	701.3	717.6	709.1	702.5
Value added	25	359.4	378.1	374.5	376.6	378.8	382.4	387.7
Compensation of general government employees	26	273.3	287.6	285.9	286.7	287.9	289.8	292.7
Consumption of general government fixed capital ²	27	86.2	90.5	88.6	89.8	90.9	92.6	95.0
Intermediate goods and services purchased ³	28	310.7	326.4	315.6	324.8	338.8	326.7	314.8
Durable goods	29	45.3	47.7	44.8	46.1	48.0	51.7	43.2
Nondurable goods	30	24.2	26.2	24.6	26.0	27.1	27.0	29.5
Services	31	241.1	252.6	246.2	252.7	263.6	248.0	242.1
Less: Own-account investment ⁴	32	2.4	2.6	2.5	2.5	2.6	2.7	2.8
Sales to other sectors	33	3.6	3.7	3.7	3.7	3.7	3.8	3.7
Nondefense consumption expenditures ¹	34	323.0	345.2	333.3	343.3	350.4	353.6	356.2
Gross output of general government	35	331.9	355.5	342.9	354.4	362.2	362.6	364.2
Value added	36	192.2	201.1	198.2	204.0	201.1	200.9	202.7
Compensation of general government employees	37	160.7	168.6	166.2	171.8	168.5	168.0	169.3
Consumption of general government fixed capital ²	38	31.5	32.5	32.0	32.3	32.6	33.0	33.4
Intermediate goods and services purchased ³	39	139.6	154.5	144.8	150.3	161.0	161.7	161.5
Durable goods	40	3.5	3.9	3.7	3.8	4.1	4.1	4.1
Nondurable goods	41	25.8	28.7	26.5	27.6	30.2	30.6	30.4
Commodity Credit Corporation inventory change	42	-0.3	-0.1	-0.4	-0.3	0.0	0.1	-0.4
Other nondurable goods	43	26.1	28.8	26.9	27.8	30.2	30.4	30.8
Services	44	110.3	121.8	114.6	118.9	126.7	127.1	127.0
Less: Own-account investment ⁴	45	3.1	3.3	3.1	3.2	3.5	3.3	3.5
Sales to other sectors	46	5.7	7.1	6.4	7.8	8.3	5.7	4.5
State and local consumption expenditures ¹	47	1,424.4	1,447.2	1,447.4	1,446.7	1,441.3	1,453.5	1,478.0
Gross output of general government	48	1,817.0	1,860.2	1,852.4	1,857.9	1,857.4	1,873.0	1,902.7
Value added	49	1,208.5	1,221.8	1,216.7	1,223.1	1,222.1	1,225.4	1,230.3
Compensation of general government employees	50	1,053.9	1,063.9	1,060.9	1,065.9	1,063.5	1,065.4	1,068.1
Consumption of general government fixed capital ²	51	154.6	157.9	155.8	157.2	158.5	160.0	162.2
Intermediate goods and services purchased ³	52	608.5	638.4	635.7	634.8	635.4	647.7	672.4
Durable goods	53	25.1	25.1	24.9	25.1	25.1	25.2	25.2
Nondurable goods	54	199.8	221.9	221.8	219.4	217.4	228.9	248.3
Services	55	383.6	391.4	389.0	390.3	392.9	393.6	398.8
Less: Own-account investment ⁴	56	23.6	22.6	22.1	22.5	23.2	22.7	22.0
Sales to other sectors	57	369.0	390.4	382.8	388.7	393.0	396.9	402.7
Tuition and related educational charges	58	81.8	88.2	85.7	87.7	89.1	90.2	92.4
Health and hospital charges	59	165.4	174.6	171.5	173.8	175.9	177.2	178.9
Other sales	60	121.8	127.6	125.7	127.2	127.9	129.4	131.5

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 (2005) dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	
Government consumption expenditures ¹	1	2,112.3	2,132.2	2,118.1	2,131.4	2,145.5	2,133.7	2,121.1
Gross output of general government	2	2,460.4	2,488.9	2,470.7	2,487.7	2,504.9	2,492.4	2,480.0
Value added	3	1,520.5	1,529.1	1,527.0	1,533.3	1,528.0	1,527.9	1,529.3
Compensation of general government employees	4	1,283.0	1,284.3	1,285.2	1,289.7	1,282.4	1,279.9	1,278.6
Consumption of general government fixed capital ²	5	237.5	245.0	241.9	243.7	245.9	248.4	251.1
Intermediate goods and services purchased ³	6	939.8	960.0	943.7	954.5	977.1	964.6	950.9
Durable goods	7	70.8	73.3	70.3	71.7	73.9	77.5	69.4
Nondurable goods	8	226.8	227.7	224.6	226.5	230.3	229.6	229.0
Services	9	643.5	660.2	649.9	657.4	674.3	659.2	653.1
Less: Own-account investment ⁴	10	25.6	24.5	24.0	24.4	25.2	24.6	24.0
Sales to other sectors	11	322.5	332.0	328.3	331.7	334.1	333.8	334.6
Federal consumption expenditures ¹	12	882.3	915.2	895.5	912.0	931.0	922.2	910.2
Gross output of general government	13	895.7	929.9	909.4	927.2	946.9	935.8	922.9
Value added	14	485.6	502.8	497.5	504.8	503.6	505.3	508.8
Compensation of general government employees	15	375.9	388.6	385.2	391.2	388.8	389.0	390.8
Consumption of general government fixed capital ²	16	109.8	114.4	112.4	113.6	115.0	116.6	118.4
Intermediate goods and services purchased ³	17	410.3	427.4	412.2	422.7	443.9	430.9	414.3
Durable goods	18	47.3	49.9	46.9	48.3	50.4	54.1	45.9
Nondurable goods	19	45.9	47.0	44.2	46.1	49.4	48.5	47.7
Services	20	317.5	330.8	321.2	328.6	344.3	329.0	320.7
Less: Own-account investment ⁴	21	4.9	5.1	4.9	5.0	5.3	5.3	5.4
Sales to other sectors	22	8.5	9.6	9.0	10.2	10.7	8.4	7.2
Defense consumption expenditures ¹	23	591.7	608.7	598.9	606.8	619.8	609.1	596.9
Gross output of general government	24	597.0	614.1	604.3	612.2	625.3	614.7	602.5
Value added	25	313.8	324.5	322.1	323.7	325.3	327.2	329.4
Compensation of general government employees	26	234.3	241.6	240.6	241.3	241.9	242.6	243.4
Consumption of general government fixed capital ²	27	79.6	83.1	81.6	82.5	83.5	84.8	86.2
Intermediate goods and services purchased ³	28	263.5	289.9	282.4	288.8	300.5	287.8	273.2
Durable goods	29	43.5	45.7	42.9	44.2	46.0	49.7	41.5
Nondurable goods	30	22.3	21.2	20.5	21.2	22.1	21.2	21.1
Services	31	218.3	223.7	219.6	224.0	233.0	218.0	210.9
Less: Own-account investment ⁴	32	2.1	2.2	2.2	2.2	2.3	2.3	2.4
Sales to other sectors	33	3.2	3.2	3.2	3.2	3.2	3.3	3.2
Nondefense consumption expenditures ¹	34	290.6	306.6	296.6	305.3	311.3	313.3	313.6
Gross output of general government	35	298.7	315.8	305.2	315.1	321.7	321.3	320.6
Value added	36	171.8	178.3	175.5	181.2	178.4	178.1	179.4
Compensation of general government employees	37	141.6	147.0	144.6	150.0	147.0	146.4	147.3
Consumption of general government fixed capital ²	38	30.3	31.3	30.9	31.1	31.4	31.8	32.2
Intermediate goods and services purchased ³	39	126.9	137.6	129.7	134.0	143.4	143.2	141.2
Durable goods	40	3.8	4.2	4.0	4.1	4.4	4.4	4.4
Nondurable goods	41	23.9	26.3	24.2	25.3	27.8	27.9	27.1
Commodity Credit Corporation inventory change	42	-0.2	-0.1	-0.3	-0.2	0.1	0.2	-0.2
Other nondurable goods	43	24.1	26.4	24.5	25.5	27.7	27.7	27.4
Services	44	99.2	107.1	101.6	104.6	111.2	110.9	109.8
Less: Own-account investment ⁴	45	2.8	2.9	2.8	2.9	3.0	2.9	3.1
Sales to other sectors	46	5.3	6.4	5.8	7.1	7.5	5.1	4.0
State and local consumption expenditures ¹	47	1,232.1	1,220.0	1,225.1	1,222.3	1,217.9	1,214.7	1,213.7
Gross output of general government	48	1,566.6	1,561.9	1,563.5	1,563.3	1,561.3	1,559.7	1,559.7
Value added	49	1,035.3	1,027.1	1,030.1	1,029.3	1,025.3	1,023.5	1,021.5
Compensation of general government employees	50	907.1	895.8	900.1	898.5	893.6	891.0	887.9
Consumption of general government fixed capital ²	51	127.9	130.9	129.7	130.4	131.2	132.1	133.1
Intermediate goods and services purchased ³	52	531.7	535.2	533.7	534.3	536.4	536.5	538.6
Durable goods	53	23.6	23.5	23.4	23.5	23.6	23.6	23.5
Nondurable goods	54	181.0	180.9	180.4	180.7	181.1	181.4	181.5
Services	55	327.1	330.8	329.8	330.1	331.6	331.5	333.5
Less: Own-account investment ⁴	56	20.7	19.4	19.1	19.4	19.9	19.3	18.6
Sales to other sectors	57	314.0	322.5	319.3	321.6	323.5	325.5	327.3
Tuition and related educational charges	58	64.1	65.6	64.9	65.3	65.8	66.3	66.7
Health and hospital charges	59	145.1	149.0	147.4	148.5	149.5	150.6	151.5
Other sales	60	105.0	108.2	107.2	108.0	108.4	108.9	109.4
Residual	61	-2.9	-4.0	-3.2	-3.5	-4.3	-4.9	-3.5

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 (2005) dollar series are calculated as the product of the chain-type quantity index and the 2005 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	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
National defense consumption expenditures and gross investment	1	5.4	3.9	0.4	7.4	8.5	-2.2	-11.7
Consumption expenditures ¹	2	5.3	2.9	0.3	5.4	8.8	-6.8	-7.7
Gross output of general government	3	5.2	2.9	0.3	5.3	8.9	-6.6	-7.7
Value added	4	6.1	3.4	2.3	2.1	1.9	2.4	2.7
Compensation of general government employees	5	6.6	3.1	1.9	1.3	0.9	1.2	1.4
Military	6	7.7	1.6	1.9	0.0	-1.8	-1.5	1.4
Civilian	7	4.2	6.5	1.7	4.2	7.2	7.1	1.4
Consumption of general government fixed capital ²	8	4.6	4.4	3.8	4.6	5.2	6.2	6.7
Intermediate goods and services purchased ³	9	4.2	2.3	-2.0	9.3	17.3	-15.9	-18.8
Durable goods	10	5.3	5.0	-13.2	12.0	17.7	36.1	-51.2
Aircraft	11	16.3	4.1	-49.2	32.4	27.5	62.5	-56.0
Missiles	12	-1.1	2.3	-15.1	40.6	22.4	4.9	-53.0
Ships	13	-12.3	10.7	206.6	20.6	32.9	-16.5	-77.0
Vehicles	14	11.1	12.5	2.1	7.2	-37.5	32.4	-40.5
Electronics	15	2.1	2.9	31.5	-10.3	7.6	2.5	-64.6
Other durable goods	16	-2.0	6.6	5.3	3.9	40.8	62.1	-28.0
Nondurable goods	17	4.8	-4.6	-2.4	14.7	19.1	-16.6	-0.7
Petroleum products	18	1.4	-4.8	-25.5	43.6	77.3	-38.8	3.0
Ammunition	19	-5.6	0.5	3.9	4.4	-43.4	38.2	-19.4
Other nondurable goods	20	15.5	-6.8	30.9	-8.9	-5.2	5.9	3.0
Services	21	3.9	2.5	0.3	8.3	17.1	-23.4	-12.4
Research and development	22	-2.1	-2.6	-0.2	-1.1	-0.1	-19.5	-8.4
Installation support	23	9.5	-3.6	-7.7	-1.3	18.0	-30.9	-26.3
Weapons support	24	8.4	-1.7	-20.9	29.7	32.0	-53.3	-42.4
Personnel support	25	8.0	10.8	14.9	19.1	24.6	-13.0	2.2
Transportation of material	26	-31.4	27.8	34.7	-18.8	28.6	68.3	2.7
Travel of persons	27	8.2	-19.6	-30.3	-28.7	-14.9	-46.0	-18.3
Less: Own-account investment ⁴	28	4.1	7.2	3.8	4.3	18.9	13.2	4.1
Sales to other sectors	29	-3.7	0.7	5.6	-3.0	4.8	5.0	-7.1
Gross investment ⁵	30	6.0	10.6	0.7	20.4	6.3	28.2	-31.2
Structures	31	40.1	20.4	3.5	0.5	19.0	30.2	-37.0
Equipment and software	32	1.7	8.9	0.2	24.5	4.1	27.9	-30.1
Aircraft	33	5.8	21.7	-15.7	120.8	-2.3	-24.4	22.0
Missiles	34	23.2	12.1	11.5	44.8	-6.6	-2.7	-22.5
Ships	35	6.8	0.8	-47.7	15.0	29.4	47.3	-63.0
Vehicles	36	-4.4	7.5	34.5	6.1	-11.3	14.9	-64.6
Electronics and software	37	1.6	6.2	21.6	-2.9	10.6	7.5	-36.6
Other equipment	38	-2.7	7.4	10.0	13.1	2.9	90.5	-21.5

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)

Table with columns for Line, 2009, 2010, and 2011. Rows include National defense consumption expenditures and gross investment, Consumption expenditures, Gross output of general government, Compensation of general government employees, Consumption of general government fixed capital, Intermediate goods and services purchased, Durable goods, Non-durable goods, Services, and Gross investment.

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 (2005) dollars)

Table with columns for Line, 2009, 2010, and 2011. Rows include National defense consumption expenditures and gross investment, Consumption expenditures, Gross output of general government, Compensation of general government employees, Consumption of general government fixed capital, Intermediate goods and services purchased, Durable goods, Non-durable goods, Services, and Gross investment.

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 (2005) dollar series are calculated as the product of the chain-type quantity index and the 2005 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	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Current receipts from the rest of the world	1	2,208.2	2,543.7	2,451.5	2,514.0	2,552.8	2,656.5	2,790.2
Exports of goods and services	2	1,578.4	1,837.5	1,757.8	1,817.9	1,848.9	1,925.6	2,020.0
Goods ¹	3	1,063.1	1,277.4	1,213.0	1,262.8	1,282.0	1,352.0	1,437.4
Durable.....	4	671.0	801.6	758.4	802.9	812.9	832.0	873.2
Nondurable.....	5	392.1	475.9	454.6	459.9	469.1	520.0	564.2
Services ¹	6	515.3	560.1	544.8	555.1	566.9	573.6	582.6
Income receipts	7	629.8	706.2	693.7	696.1	704.0	730.8	770.2
Wage and salary receipts.....	8	2.9	3.1	3.0	3.1	3.1	3.2	3.2
Income receipts on assets.....	9	626.9	703.0	690.7	693.0	700.8	727.7	767.1
Interest.....	10	146.3	134.5	129.3	135.5	134.5	138.7	137.9
Dividends.....	11	206.8	203.2	195.8	222.8	193.1	201.0	233.1
Reinvested earnings on U.S. direct investment abroad.....	12	273.8	365.4	365.6	334.7	373.1	387.9	396.0
Current payments to the rest of the world	13	2,587.9	3,024.9	2,896.5	3,006.4	3,066.8	3,129.6	3,287.8
Imports of goods and services	14	1,964.7	2,353.9	2,237.6	2,357.1	2,399.4	2,421.5	2,590.7
Goods ¹	15	1,587.8	1,949.4	1,843.5	1,957.2	1,988.2	2,008.5	2,175.0
Durable.....	16	890.1	1,105.3	1,015.5	1,114.6	1,143.0	1,148.2	1,205.3
Nondurable.....	17	697.7	844.0	827.9	842.6	845.2	860.4	969.6
Services ¹	18	376.9	404.6	394.1	400.0	411.2	413.0	415.7
Income payments	19	483.6	517.9	502.6	500.8	515.5	552.8	542.8
Wage and salary payments.....	20	10.8	11.5	11.2	11.5	11.6	11.6	11.7
Income payments on assets.....	21	472.8	506.4	491.3	489.3	503.9	541.2	531.2
Interest.....	22	344.5	321.7	318.4	323.2	320.1	325.2	321.8
Dividends.....	23	99.5	87.1	96.6	86.0	80.9	85.0	81.3
Reinvested earnings on foreign direct investment in the United States.....	24	28.8	97.6	76.3	80.2	103.0	131.0	128.1
Current taxes and transfer payments to the rest of the world (net)	25	139.5	153.0	156.3	148.5	151.9	155.3	154.3
From persons (net).....	26	66.5	71.9	70.7	72.2	71.1	73.6	73.8
From government (net).....	27	50.2	56.5	60.6	51.9	56.3	57.2	55.2
From business (net).....	28	22.9	24.6	25.0	24.4	24.5	24.5	25.2
Balance on current account, NIPAs	29	-379.7	-481.2	-445.0	-492.5	-514.0	-473.2	-497.6
Addenda:								
Net lending or net borrowing (-), NIPAs.....	30	-380.3	-481.7	-445.4	-493.0	-514.6	-473.7	.....
Balance on current account, NIPAs.....	31	-379.7	-481.2	-445.0	-492.5	-514.0	-473.2	-497.6
Less: Capital account transactions (net) ²	32	0.6	0.5	0.4	0.5	0.6	0.5	.....

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

2. Consists of capital transfers and the acquisition and disposal of nonproduced nonfinancial assets. Prior to 1982, reflects only capital grants paid to the U.S. territories and the Commonwealths of Puerto Rico and Northern Mariana Islands.

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

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Private fixed investment	1	-18.3	3.9	3.3	18.9	1.5	6.8	2.1
Nonresidential	2	-17.1	5.7	7.8	17.2	10.0	7.7	3.4
Structures	3	-20.4	-13.7	-17.8	-0.5	-3.5	7.6	-16.8
Commercial and health care	4	-29.9	-25.0	-28.5	-18.0	-11.4	-5.1	-18.5
Manufacturing	5	7.6	-32.2	-43.8	-18.3	-39.4	-32.9	-20.8
Power and communication	6	2.5	-9.3	-33.7	-7.1	-26.6	87.8	-39.4
Mining exploration, shafts, and wells	7	-35.5	26.5	93.4	58.2	64.4	5.6	10.1
Other structures ¹	8	-18.7	-27.4	-36.0	-16.0	-15.4	-19.0	-21.7
Equipment and software	9	-15.3	15.3	20.4	24.8	15.4	7.7	11.6
Information processing equipment and software	10	0.2	13.5	8.4	15.3	8.8	14.5	6.0
Computers and peripheral equipment	11	-1.5	27.3	4.8	45.2	1.3	25.9	-5.1
Software ²	12	1.7	9.8	9.2	8.1	9.8	11.2	13.5
Other ³	13	-1.1	12.7	8.8	13.0	11.1	14.0	1.7
Industrial equipment	14	-23.3	5.7	0.2	44.2	6.9	10.5	14.4
Transportation equipment	15	-51.5	61.4	173.9	74.8	64.4	-21.4	42.9
Other equipment ⁴	16	-22.3	9.1	32.7	16.2	19.4	5.9	9.6
Residential	17	-22.9	-3.0	-12.3	25.7	-27.3	3.3	-3.3
Structures	18	-23.2	-3.3	-12.8	26.2	-28.0	3.1	-3.5
Permanent site	19	-40.0	-3.7	1.2	13.5	-23.6	-14.5	-2.6
Single family	20	-40.8	8.7	19.3	22.4	-26.3	-16.6	1.1
Multifamily	21	-36.7	-50.0	-64.9	-38.2	4.2	4.0	-27.6
Other structures ⁵	22	-6.5	-3.0	-20.7	34.8	-30.5	15.5	-4.0
Equipment	23	-7.1	8.1	11.2	8.3	2.4	8.2	4.7
Addenda:								
Private fixed investment in structures	24	-21.6	-9.1	-15.5	11.3	-15.8	5.5	-11.0
Private fixed investment in equipment and software	25	-15.2	15.2	20.3	24.6	15.3	7.7	11.6
Private fixed investment in new structures ⁶	26	-22.5	-9.4	-11.9	6.8	-9.2	3.0	-11.5
Nonresidential structures	27	-20.3	-13.5	-17.5	-0.4	-3.4	7.4	-16.7
Residential structures	28	-25.6	-3.1	-3.5	17.4	-16.5	-2.8	-3.7

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
2. Excludes software "embedded," or bundled, in computers and other equipment.
3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

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

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Percent change at annual rate:								
Private fixed investment	1	-18.3	3.9	3.3	18.9	1.5	6.8	2.1
Percentage points at annual rates:								
Nonresidential	2	-13.34	4.55	6.03	13.92	7.70	6.21	2.74
Structures	3	-5.52	-3.56	-4.52	0.14	-0.77	1.63	-3.92
Commercial and health care	4	-2.58	-1.84	-2.05	-1.07	-0.63	-0.26	-0.99
Manufacturing	5	0.21	-1.17	-1.74	-0.53	-1.20	-0.84	-0.45
Power and communication	6	0.11	-0.49	-2.14	-0.35	-1.41	3.04	-2.41
Mining exploration, shafts, and wells	7	-2.34	1.28	3.18	2.67	3.04	0.36	0.65
Other structures ¹	8	-0.92	-1.33	-1.78	-0.59	-0.56	-0.66	-0.72
Equipment and software	9	-7.81	8.11	10.55	13.79	8.46	4.58	6.66
Information processing equipment and software	10	0.05	4.17	2.70	5.10	2.82	4.67	2.00
Computers and peripheral equipment	11	-0.06	1.26	0.25	2.17	0.07	1.32	-0.29
Software ²	12	0.21	1.50	1.43	1.34	1.50	1.75	2.09
Other ³	13	-0.10	1.41	1.02	1.59	1.25	1.60	0.20
Industrial equipment	14	-2.14	0.52	0.02	3.48	0.62	0.96	1.30
Transportation equipment	15	-3.65	2.60	5.25	3.62	3.33	-1.62	2.47
Other equipment ⁴	16	-2.07	0.82	2.59	1.58	1.70	0.58	0.89
Residential	17	-5.01	-0.62	-2.69	4.95	-6.21	0.62	-0.62
Structures	18	-4.97	-0.66	-2.75	4.90	-6.22	0.58	-0.64
Permanent site	19	-4.27	-0.29	0.09	1.06	-1.96	-1.07	-0.17
Single family	20	-3.50	0.54	1.18	1.45	-1.99	-1.10	0.06
Multifamily	21	-0.77	-0.83	-1.09	-0.39	0.03	0.03	-0.24
Other structures ⁵	22	-0.70	-0.37	-2.84	3.84	-4.26	1.65	-0.46
Equipment	23	-0.03	0.04	0.06	0.04	0.01	0.04	0.02
Addenda:								
Private fixed investment in structures	24	-10.50	-4.22	-7.27	5.04	-6.98	2.21	-4.56
Private fixed investment in equipment and software	25	-7.85	8.15	10.60	13.83	8.48	4.62	6.68
Private fixed investment in new structures ⁶	26	-10.28	-4.05	-5.05	3.00	-3.62	1.18	-4.48
Nonresidential structures	27	-5.51	-3.52	-4.46	0.15	-0.74	1.61	-3.89
Residential structures	28	-4.77	-0.53	-0.59	2.85	-2.88	-0.43	-0.58

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 5.6.5B. Change in Private Inventories by Industry

[Billions of dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Change in private inventories	1	-127.2	71.7	50.0	80.4	138.6	17.8	63.4
Farm	2	3.8	6.5	9.3	9.6	6.3	0.9	-2.8
Mining, utilities, and construction.....	3	-3.3	-2.7	-11.9	4.9	-2.9	-1.0	-2.4
Manufacturing.....	4	-30.4	21.4	23.6	-2.1	33.6	30.6	44.8
Durable goods industries.....	5	-34.2	18.4	9.9	25.0	20.8	17.8	34.6
Nondurable goods industries.....	6	3.8	3.0	13.7	-27.1	12.7	12.8	10.2
Wholesale trade.....	7	-56.0	33.4	15.7	36.5	67.6	13.8	23.9
Durable goods industries.....	8	-52.7	19.6	9.3	12.7	31.7	24.7	15.6
Nondurable goods industries.....	9	-3.4	13.8	6.3	23.8	36.0	-10.9	8.4
Retail trade.....	10	-33.8	11.2	13.7	27.2	31.6	-27.7	3.1
Motor vehicle and parts dealers.....	11	-13.3	6.0	12.3	17.2	25.0	-30.3	-2.7
Food and beverage stores.....	12	-0.7	-0.2	1.3	-1.1	0.4	-1.5	-1.0
General merchandise stores.....	13	-3.3	2.9	-0.2	4.9	2.3	4.5	2.6
Other retail stores.....	14	-16.6	2.5	0.3	6.2	3.9	-0.3	4.2
Other industries.....	15	-7.5	1.9	-0.3	4.3	2.4	1.3	-3.2
Addenda:								
Change in private inventories.....	16	-127.2	71.7	50.0	80.4	138.6	17.8	63.4
Durable goods industries.....	17	-114.4	43.3	26.7	55.3	77.4	13.7	47.5
Nondurable goods industries.....	18	-12.8	28.4	23.2	25.1	61.2	4.1	15.9
Nonfarm industries.....	19	-131.1	65.2	40.7	70.8	132.2	16.9	66.2
Nonfarm change in book value ¹	20	-152.7	116.2	93.6	67.3	174.5	129.5	190.0
Nonfarm inventory valuation adjustment ²	21	21.6	-51.1	-53.0	3.5	-42.3	-112.6	-123.8
Wholesale trade.....	22	-56.0	33.4	15.7	36.5	67.6	13.8	23.9
Merchant wholesale trade.....	23	-45.2	21.8	7.2	22.0	53.7	4.4	11.7
Durable goods industries.....	24	-42.1	13.5	6.3	7.8	23.5	16.5	8.3
Nondurable goods industries.....	25	-3.0	8.3	0.9	14.2	30.2	-12.2	3.4
Nonmerchant wholesale trade.....	26	-10.9	11.6	8.4	14.5	14.0	9.4	12.2

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. Change in Real Private Inventories by Industry, Chained Dollars

[Billions of chained (2005) dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Change in private inventories	1	-113.1	62.7	44.1	68.8	121.4	16.2	52.2
Farm	2	3.4	5.4	7.6	7.8	5.1	1.2	-1.3
Mining, utilities, and construction.....	3	-2.8	-2.4	-10.4	4.3	-2.6	-0.9	-2.0
Manufacturing.....	4	-26.6	18.1	21.0	-3.4	29.6	25.2	36.1
Durable goods industries.....	5	-31.5	16.3	8.9	22.1	18.5	15.6	29.7
Nondurable goods industries.....	6	3.8	2.1	11.9	-24.4	11.1	9.7	7.5
Wholesale trade.....	7	-48.9	28.6	13.2	31.2	57.3	12.5	18.7
Durable goods industries.....	8	-48.7	17.5	8.3	11.4	28.3	22.0	13.6
Nondurable goods industries.....	9	-2.2	11.3	4.9	19.0	28.3	-6.9	5.7
Retail trade.....	10	-31.4	10.3	12.6	24.9	28.7	-25.1	2.7
Motor vehicle and parts dealers.....	11	-13.0	5.8	11.9	16.6	23.7	-29.1	-2.6
Food and beverage stores.....	12	-0.6	-0.2	1.1	-0.9	0.3	-1.2	-0.8
General merchandise stores.....	13	-3.0	2.6	-0.2	4.4	2.1	4.0	2.3
Other retail stores.....	14	-15.0	2.3	0.3	5.6	3.5	-0.3	3.6
Other industries.....	15	-6.9	1.7	-0.2	3.9	2.1	1.1	-2.6
Residual.....	16	3.4	0.3	0.0	-1.0	1.0	1.0	-0.9
Addenda:								
Change in private inventories.....	17	-113.1	62.7	44.1	68.8	121.4	16.2	52.2
Durable goods industries.....	18	-106.7	39.1	24.4	50.0	69.9	12.2	42.0
Nondurable goods industries.....	19	-9.6	24.1	20.0	19.8	52.3	4.5	12.8
Nonfarm industries.....	20	-116.9	57.3	36.5	61.0	116.6	15.1	54.9
Wholesale trade.....	21	-48.9	28.6	13.2	31.2	57.3	12.5	18.7
Merchant wholesale trade.....	22	-39.5	18.8	6.1	18.7	45.3	4.9	9.3
Durable goods industries.....	23	-38.8	12.1	5.7	7.0	21.0	14.7	7.2
Nondurable goods industries.....	24	-2.1	6.9	0.7	11.2	23.6	-7.8	2.4
Nonmerchant wholesale trade.....	25	-9.5	9.7	6.9	12.4	12.0	7.5	9.0

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

Chained (2005) 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					
	2010				2011	
	I	II	III	IV	I	
Private inventories ¹	1	1,954.7	1,952.6	2,038.1	2,128.1	2,235.4
Farm	2	188.8	186.1	211.1	233.3	261.2
Mining, utilities, and construction	3	86.8	86.3	86.4	86.7	89.3
Manufacturing	4	597.5	588.4	606.5	643.2	681.3
Durable goods industries	5	328.7	336.3	342.8	352.4	370.2
Nondurable goods industries	6	268.8	252.1	263.7	290.8	311.1
Wholesale trade	7	458.0	461.1	492.0	519.8	545.4
Durable goods industries	8	242.9	246.6	255.1	265.3	273.5
Nondurable goods industries	9	215.1	214.5	236.9	254.6	271.8
Retail trade	10	472.8	479.0	490.0	488.9	499.0
Motor vehicle and parts dealers	11	141.2	146.9	154.1	145.3	146.1
Food and beverage stores	12	43.0	41.8	42.3	43.3	44.7
General merchandise stores	13	78.0	79.4	80.5	82.5	84.7
Other retail stores	14	210.6	210.8	213.2	217.7	223.4
Other industries	15	150.9	151.7	152.1	156.1	159.3
Addenda:						
Private inventories	16	1,954.7	1,952.6	2,038.1	2,128.1	2,235.4
Durable goods industries	17	794.0	811.4	832.7	844.8	872.7
Nondurable goods industries	18	1,160.7	1,141.2	1,205.4	1,283.3	1,362.7
Nonfarm industries	19	1,766.0	1,766.5	1,827.0	1,894.8	1,974.3
Wholesale trade	20	458.0	461.1	492.0	519.8	545.4
Merchant wholesale trade	21	398.7	400.8	426.4	446.6	463.8
Durable goods industries	22	218.4	220.8	227.1	234.8	240.7
Nondurable goods industries	23	180.4	180.1	199.3	211.8	223.1
Nonmerchant wholesale trade	24	59.2	60.3	65.5	73.3	81.5
Final sales of domestic business ²	25	790.1	795.9	802.2	820.9	826.1
Final sales of goods and structures of domestic business ²	26	408.5	410.2	414.3	430.5	431.6
Ratios of private inventories to final sales of domestic business:						
Private inventories to final sales	27	2.47	2.45	2.54	2.59	2.71
Nonfarm inventories to final sales	28	2.23	2.22	2.28	2.31	2.39
Nonfarm inventories to final sales of goods and structures	29	4.32	4.31	4.41	4.40	4.57

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 imputed rental of owner-occupied nonfarm 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 (2005) dollars]

Line	Seasonally adjusted quarterly totals					
	2010				2011	
	I	II	III	IV	I	
Private inventories ¹	1	1,713.2	1,730.4	1,760.8	1,764.8	1,777.9
Farm	2	162.2	164.1	165.4	165.7	165.4
Mining, utilities, and construction	3	75.2	76.3	75.7	75.5	75.0
Manufacturing	4	517.8	517.0	524.4	530.7	539.7
Durable goods industries	5	293.1	298.6	303.2	307.1	314.6
Nondurable goods industries	6	223.8	217.8	220.5	223.0	224.8
Wholesale trade	7	389.2	397.0	411.3	414.4	419.1
Durable goods industries	8	218.3	221.2	228.3	233.8	237.2
Nondurable goods industries	9	169.5	174.2	181.3	179.6	181.0
Retail trade	10	431.4	437.6	444.8	438.5	439.2
Motor vehicle and parts dealers	11	136.4	140.6	146.5	139.2	138.6
Food and beverage stores	12	35.9	35.6	35.7	35.4	35.2
General merchandise stores	13	70.7	71.9	72.4	73.4	74.0
Other retail stores	14	187.8	189.2	190.1	190.0	190.9
Other industries	15	135.5	136.5	137.0	137.3	136.6
Residual	16	4.8	4.4	4.7	4.8	4.6
Addenda:						
Private inventories	17	1,713.2	1,730.4	1,760.8	1,764.8	1,777.9
Durable goods industries	18	722.2	734.7	752.2	755.3	765.7
Nondurable goods industries	19	987.3	992.2	1,005.3	1,006.4	1,009.6
Nonfarm industries	20	1,550.5	1,565.8	1,594.9	1,598.7	1,612.4
Wholesale trade	21	389.2	397.0	411.3	414.4	419.1
Merchant wholesale trade	22	340.3	345.0	356.3	357.5	359.8
Durable goods industries	23	195.8	197.5	202.8	206.4	208.2
Nondurable goods industries	24	143.4	146.2	152.1	150.2	150.8
Nonmerchant wholesale trade	25	48.8	51.9	54.9	56.8	59.1
Final sales of domestic business ²	26	734.7	735.1	736.0	755.2	757.9
Final sales of goods and structures of domestic business ²	27	396.3	395.4	394.7	412.2	413.2
Ratios of private inventories to final sales of domestic business:						
Private inventories to final sales	28	2.33	2.35	2.39	2.34	2.35
Nonfarm inventories to final sales	29	2.11	2.13	2.17	2.12	2.13
Nonfarm inventories to final sales of goods and structures	30	3.91	3.96	4.04	3.88	3.90

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 imputed rental of owner-occupied nonfarm 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 (2005) dollar inventory series are calculated to ensure that the chained (2005) dollar change in inventories for 2005 equals the current-dollar change in inventories for 2005 and that the average of the 2004 and 2005 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, 2005=100]

	Line	Seasonally adjusted				
		2010				2011
		I	II	III	IV	I
Private inventories ¹	1	114.098	112.843	115.751	120.584	125.738
Farm	2	116.377	113.388	127.608	140.786	157.909
Mining, utilities, and construction	3	115.324	113.092	114.092	114.849	119.136
Manufacturing	4	115.392	113.819	115.669	121.213	126.244
Durable goods industries	5	112.134	112.626	113.037	114.749	117.698
Nondurable goods industries	6	120.103	115.761	119.591	130.427	138.358
Wholesale trade	7	117.682	116.168	119.611	125.432	130.124
Durable goods industries	8	111.270	111.513	111.750	113.479	115.342
Nondurable goods industries	9	126.893	123.121	130.653	141.756	150.169
Retail trade	10	109.610	109.453	110.173	111.494	113.621
Motor vehicle and parts dealers	11	103.500	104.513	105.160	104.381	105.442
Food and beverage stores	12	119.917	117.334	118.412	122.382	127.020
General merchandise stores	13	110.220	110.532	111.194	112.475	114.571
Other retail stores	14	112.169	111.435	112.166	114.588	117.045
Other industries	15	111.353	111.156	111.057	113.740	116.605
Addenda:						
Private inventories	16	114.098	112.843	115.751	120.584	125.738
Durable goods industries	17	109.939	110.436	110.708	111.856	113.972
Nondurable goods industries	18	117.566	115.017	119.900	127.508	134.969
Nonfarm industries	19	113.894	112.821	114.551	118.519	122.440
Wholesale trade	20	117.682	116.168	119.611	125.432	130.124
Merchant wholesale trade	21	117.178	116.198	119.691	124.911	128.892
Durable goods industries	22	111.536	111.771	112.023	113.746	115.609
Nondurable goods industries	23	125.786	123.150	131.025	141.014	147.938
Nonmerchant wholesale trade	24	121.292	116.146	119.273	128.942	138.038

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).

7. Supplemental Tables

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

[Dollars]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Current dollars:								
Gross domestic product	1	45,918	47,275	46,734	47,070	47,498	47,796	48,157
Gross national product	2	46,394	47,883	47,352	47,701	48,105	48,368	48,886
Personal income	3	39,595	40,441	39,953	40,414	40,573	40,821	41,486
Disposable personal income	4	35,888	36,680	36,282	36,704	36,778	36,954	37,308
Personal consumption expenditures	5	32,526	33,373	33,097	33,208	33,392	33,791	34,226
Goods	6	10,507	11,047	10,934	10,905	11,015	11,331	11,631
Durable goods	7	3,338	3,513	3,431	3,468	3,504	3,647	3,715
Nondurable goods	8	7,169	7,534	7,503	7,437	7,511	7,684	7,916
Services	9	22,019	22,326	22,162	22,304	22,377	22,460	22,595
Chained (2005) dollars:								
Gross domestic product	10	41,890	42,722	42,504	42,602	42,773	43,005	43,125
Gross national product	11	42,327	43,272	43,067	43,176	43,323	43,520	43,775
Disposable personal income	12	32,847	33,010	32,717	33,100	33,103	33,120	33,130
Personal consumption expenditures	13	29,770	30,034	29,844	29,948	30,056	30,285	30,394
Goods	14	10,139	10,482	10,337	10,405	10,486	10,697	10,771
Durable goods	15	3,560	3,800	3,684	3,738	3,799	3,976	4,055
Nondurable goods	16	6,561	6,684	6,643	6,662	6,688	6,741	6,747
Services	17	19,619	19,557	19,506	19,544	19,575	19,603	19,640
Population (midperiod, thousands)	18	307,483	310,106	309,120	309,724	310,438	311,140	311,696

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

[Percent]

	Line	2009	2010	Seasonally adjusted at annual rates				
				2010				2011
				I	II	III	IV	I
Motor vehicle output								
Auto output	1	-24.7	26.1	42.3	-2.7	25.0	-11.6	73.2
Truck output	2	-33.0	16.9	69.7	-18.2	-26.2	-29.9	127.6
Truck output	3	-18.5	31.5	27.5	8.4	66.0	-1.6	52.5
Final sales of domestic product								
Personal consumption expenditures	4	-19.2	11.4	45.4	-4.1	11.2	72.3	27.3
New motor vehicles	5	-6.9	3.4	-3.8	6.3	5.0	57.3	11.6
Autos	6	-11.5	5.5	-6.6	10.8	-1.3	73.6	10.7
Light trucks (including utility vehicles)	7	-16.6	-4.4	-12.3	-15.8	1.0	61.0	58.7
Light trucks (including utility vehicles)	8	-7.1	13.0	-2.2	33.2	-2.7	81.9	-12.7
Net purchases of used autos and used light trucks	9	1.3	0.2	0.9	-0.5	15.4	34.9	13.2
Used autos	10	-5.1	-0.2	0.4	-9.4	13.0	41.3	13.5
Used light trucks (including utility vehicles)	11	6.6	0.5	1.2	6.8	17.2	30.5	12.9
Private fixed investment								
New motor vehicles	12	-61.7	116.7	377.2	113.6	46.3	-13.4	69.9
Autos	13	-33.4	30.7	42.7	20.0	24.5	-11.9	57.3
Autos	14	-26.9	27.4	63.0	7.2	1.2	-32.9	79.9
Trucks	15	-38.0	33.4	27.4	32.0	46.5	6.7	43.5
Light trucks (including utility vehicles)	16	-39.4	38.0	37.1	43.9	42.1	7.7	14.7
Other	17	-33.5	20.2	1.9	-0.7	62.1	3.4	180.6
Net purchases of used autos and used light trucks	18	8.6	-10.1	-38.1	-31.4	3.6	-10.1	43.3
Used autos	19	2.3	-10.8	-40.7	-46.0	-13.8	-26.7	103.1
Used light trucks (including utility vehicles)	20	14.5	-9.5	-35.6	-15.1	20.3	4.6	9.7
Gross government investment								
Autos	21	-20.0	0.1	-32.3	78.3	13.8	4.6	46.1
Autos	22	-18.6	-1.0	-46.4	171.8	-31.5	-13.0	-39.5
Trucks	23	-20.4	0.3	-27.9	59.0	30.3	9.4	74.8
Net exports								
Exports	24							
Autos	25	-39.2	36.1	42.4	8.6	-11.6	15.1	66.0
Autos	26	-44.2	32.8	25.5	6.3	-9.9	39.9	56.8
Trucks	27	-32.5	39.8	62.4	11.0	-13.2	-6.3	76.5
Imports	28	-34.5	40.0	-12.2	118.3	7.1	-27.3	28.9
Autos	29	-29.1	34.5	-38.5	156.0	45.3	-34.4	28.5
Trucks	30	-40.9	47.9	37.0	81.0	-28.5	-16.2	29.5
Change in private inventories								
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:								
Final sales of motor vehicles to domestic purchasers	43	-21.3	16.5	23.4	24.7	13.3	36.3	23.2
Private fixed investment in new autos and new light trucks	44	-33.4	32.5	50.3	23.3	19.8	-14.1	42.1
Domestic output of new autos ²	45	-40.9	29.3	8.8	14.5	-18.0	-30.0	68.4
Sales of imported new autos ³	46	-16.5	10.3	29.4	-2.1	21.9	5.7	80.9

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 sales of imported new autos in personal consumption expenditures, in private fixed investment, and in gross government investment.

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 2010 issue. (The changes in prices are calculated from indexes expressed to three decimal places.)

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

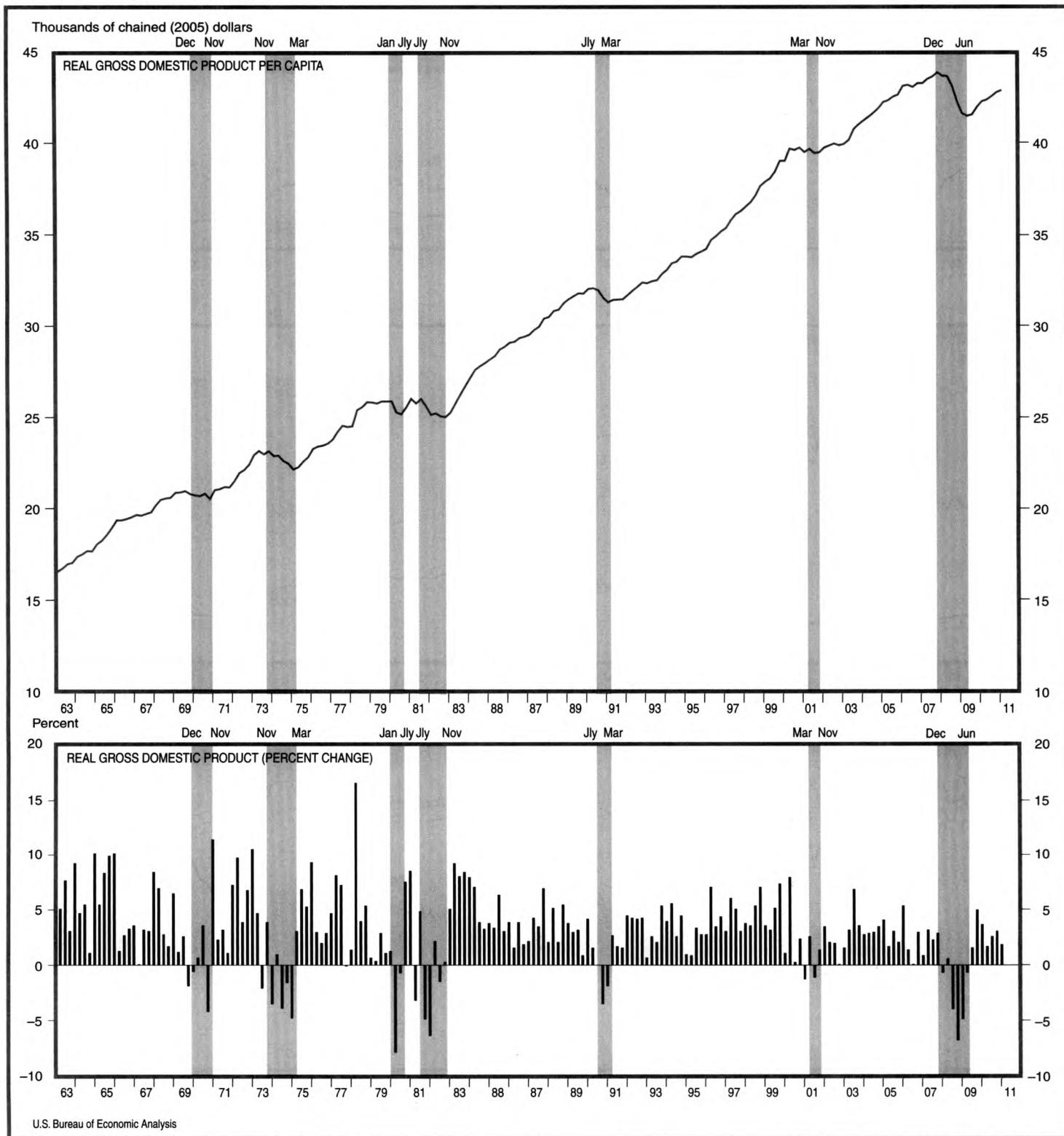
[Quarterly estimates are seasonally adjusted at annual rates]

Year and Quarter	Billions of chained (2005) dollars			Percent change from preceding period		Chain-type price indexes [2005=100]		Implicit price deflators [2005=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Real gross domestic product	Real 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	2,762.5	2,764.0	2,780.5	7.2	6.3	18.348	17.972	18.340	18.320	1.1	1.2	1.2	1.2
1960	2,830.9	2,836.6	2,850.6	2.5	2.6	18.604	18.220	18.596	18.577	1.4	1.4	1.4	1.4
1961	2,896.9	2,904.6	2,918.6	2.3	2.4	18.814	18.412	18.805	18.786	1.1	1.1	1.1	1.1
1962	3,072.4	3,064.9	3,096.8	6.1	5.5	19.071	18.654	19.062	19.044	1.4	1.3	1.4	1.4
1963	3,206.7	3,202.6	3,232.8	4.4	4.5	19.273	18.871	19.265	19.248	1.1	1.2	1.1	1.1
1964	3,392.3	3,393.7	3,420.4	5.8	6.0	19.572	19.175	19.563	19.546	1.6	1.6	1.5	1.5
1965	3,610.1	3,590.7	3,639.5	6.4	5.8	19.928	19.507	19.919	19.903	1.8	1.7	1.8	1.8
1966	3,845.3	3,806.6	3,873.1	6.5	6.0	20.493	20.054	20.484	20.469	2.8	2.8	2.8	2.8
1967	3,942.5	3,923.3	3,971.1	2.5	3.1	21.124	20.637	21.115	21.098	3.1	2.9	3.1	3.1
1968	4,133.4	4,119.4	4,164.1	4.8	5.0	22.022	21.508	22.012	21.996	4.3	4.2	4.2	4.3
1969	4,261.8	4,248.6	4,291.6	3.1	3.1	23.110	22.563	23.099	23.081	4.9	4.9	4.9	4.9
1970	4,269.9	4,287.9	4,299.4	0.2	0.9	24.328	23.778	24.317	24.299	5.3	5.4	5.3	5.3
1971	4,413.3	4,407.4	4,446.0	3.4	2.8	25.545	25.000	25.533	25.515	5.0	5.1	5.0	5.0
1972	4,647.7	4,640.6	4,682.9	5.3	5.3	26.647	26.112	26.634	26.617	4.3	4.4	4.3	4.3
1973	4,917.0	4,888.2	4,964.5	5.8	5.3	28.124	27.623	28.112	28.097	5.5	5.8	5.5	5.6
1974	4,889.9	4,874.1	4,944.0	-0.6	-0.3	30.669	30.459	30.664	30.643	9.0	10.3	9.1	9.1
1975	4,879.5	4,926.3	4,921.4	-0.2	1.1	33.577	33.300	33.563	33.541	9.5	9.3	9.5	9.5
1976	5,141.3	5,120.2	5,191.2	5.4	3.9	35.505	35.208	35.489	35.472	5.7	5.7	5.7	5.8
1977	5,377.7	5,344.9	5,433.7	4.6	4.4	37.764	37.586	37.751	37.735	6.4	6.8	6.4	6.4
1978	5,677.6	5,639.7	5,733.2	5.6	5.5	40.413	40.252	40.400	40.385	7.0	7.1	7.0	7.0
1979	5,855.0	5,841.2	5,930.2	3.1	3.6	43.773	43.797	43.761	43.745	8.3	8.8	8.3	8.3
1980	5,839.0	5,878.7	5,913.4	-0.3	0.6	47.776	48.408	47.751	47.728	9.1	10.5	9.1	9.1
1981	5,987.2	5,959.5	6,052.5	2.5	1.4	52.281	52.864	52.225	52.206	9.4	9.2	9.4	9.4
1982	5,870.9	5,923.3	5,939.1	-1.9	-0.6	55.467	55.859	55.412	55.391	6.1	5.7	6.1	6.1
1983	6,136.2	6,172.9	6,202.3	4.5	4.2	57.655	57.817	57.603	57.586	3.9	3.5	4.0	4.0
1984	6,571.8	6,495.6	6,639.8	7.2	5.2	59.823	59.854	59.766	59.749	3.8	3.5	3.8	3.8
1985	6,849.3	6,838.9	6,893.9	4.1	5.3	61.633	61.553	61.576	61.562	3.0	2.8	3.0	3.0
1986	7,086.5	7,098.7	7,116.5	3.5	3.8	63.003	62.948	62.937	62.920	2.2	2.3	2.2	2.2
1987	7,313.3	7,296.2	7,342.2	3.2	2.8	64.763	64.923	64.764	64.749	2.8	3.1	2.9	2.9
1988	7,613.9	7,607.8	7,650.4	4.1	4.3	66.990	67.159	66.988	66.974	3.4	3.4	3.4	3.4
1989	7,885.9	7,867.5	7,924.0	3.6	3.4	69.520	69.706	69.518	69.511	3.8	3.8	3.8	3.8
1990	8,033.9	8,032.7	8,081.8	1.9	2.1	72.213	72.540	72.201	72.199	3.9	4.1	3.9	3.9
1991	8,015.1	8,034.8	8,055.6	-0.2	0.0	74.762	74.917	74.760	74.755	3.5	3.3	3.5	3.5
1992	8,287.1	8,284.3	8,326.4	3.4	3.1	76.537	76.724	76.533	76.521	2.4	2.4	2.4	2.4
1993	8,523.4	8,515.3	8,563.2	2.9	2.8	78.222	78.339	78.224	78.224	2.2	2.1	2.2	2.2
1994	8,870.7	8,809.2	8,900.5	4.1	3.5	79.867	79.962	79.872	79.874	2.1	2.1	2.1	2.1
1995	9,093.7	9,073.2	9,129.4	2.5	3.0	81.533	81.674	81.536	81.542	2.1	2.1	2.1	2.1
1996	9,433.9	9,412.5	9,471.1	3.7	3.7	83.083	83.150	83.088	83.096	1.9	1.8	1.9	1.9
1997	9,854.3	9,782.6	9,881.8	4.5	3.9	84.554	84.397	84.555	84.558	1.8	1.5	1.8	1.8
1998	10,283.5	10,217.1	10,304.0	4.4	4.4	85.507	84.962	85.511	85.509	1.1	0.7	1.1	1.1
1999	10,779.8	10,715.7	10,812.1	4.8	4.9	86.766	86.304	86.768	86.766	1.5	1.6	1.5	1.5
2000	11,226.0	11,167.5	11,268.8	4.1	4.2	88.648	88.463	88.647	88.645	2.2	2.5	2.2	2.2
2001	11,347.2	11,391.7	11,404.6	1.1	2.0	90.654	90.123	90.650	90.648	2.3	1.9	2.3	2.3
2002	11,553.0	11,543.5	11,606.9	1.8	1.3	92.113	91.422	92.118	92.113	1.6	1.4	1.6	1.6
2003	11,840.7	11,824.8	11,914.2	2.5	2.4	94.099	93.550	94.100	94.096	2.2	2.3	2.2	2.2
2004	12,263.8	12,198.2	12,358.5	3.6	3.2	96.769	96.400	96.770	96.767	2.8	3.0	2.8	2.8
2005	12,638.4	12,588.4	12,735.5	3.1	3.2	100.000	100.000	100.000	100.000	3.3	3.7	3.3	3.3
2006	12,976.2	12,917.1	13,046.1	2.7	2.6	103.263	103.380	103.257	103.260	3.3	3.4	3.3	3.3
2007	13,228.9	13,200.0	13,344.4	1.9	2.2	106.301	106.428	106.296	106.300	2.9	2.9	2.9	2.9
2008	13,228.8	13,268.1	13,388.7	0.0	0.5	108.598	109.813	108.619	108.626	2.2	3.2	2.2	2.2
2009	12,880.6	12,992.8	13,014.7	-2.6	-2.1	109.618	109.614	109.615	109.609	0.9	-0.2	0.9	0.9
2010	13,248.2	13,176.7	13,419.0	2.9	1.4	110.668	111.084	110.659	110.654	1.0	1.3	1.0	1.0

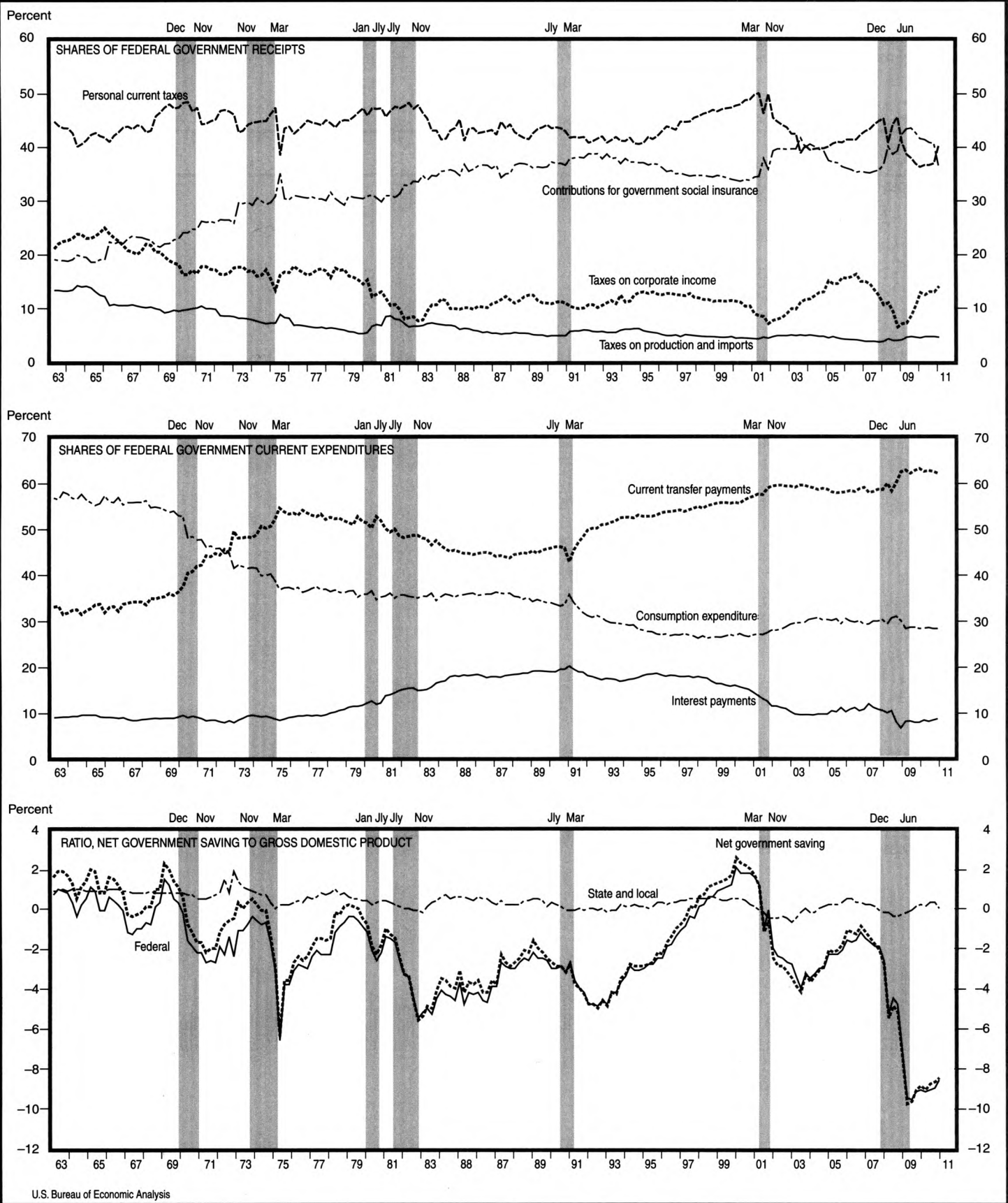
D. Charts

All series are seasonally adjusted at annual rates. The percent changes in real gross domestic product are based on quarter-to-quarter changes. The shaded areas mark the beginning and end of recessions as determined by the Business Cycle Dating Committee of the National Bureau of Economic Research.

SELECTED NIPA SERIES

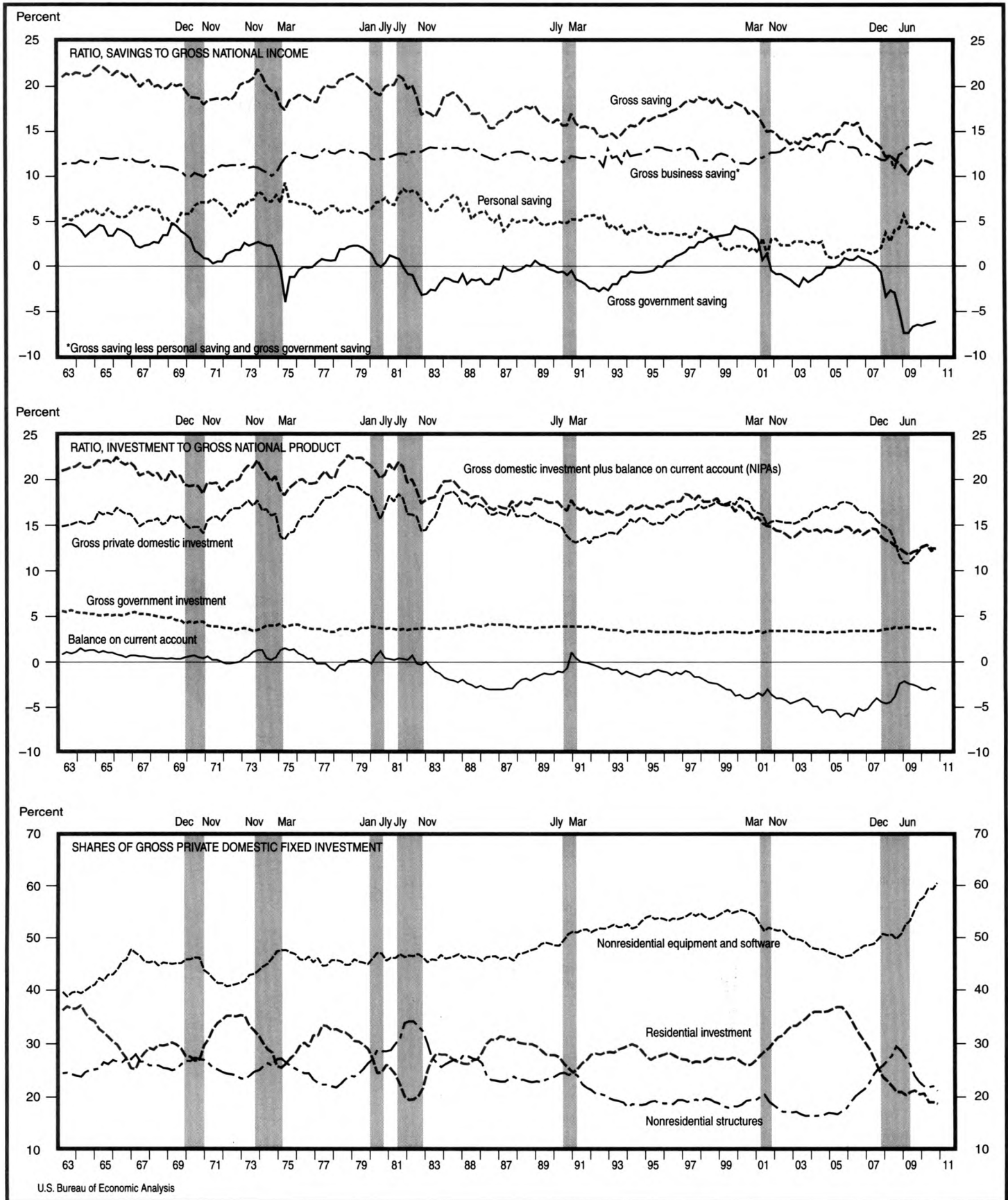


SELECTED NIPA SERIES

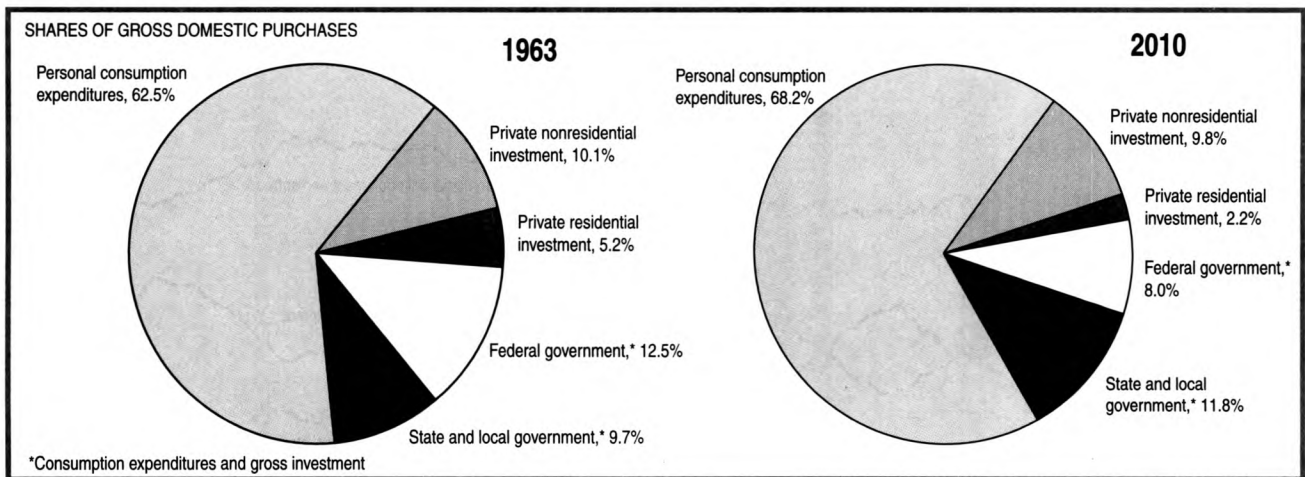
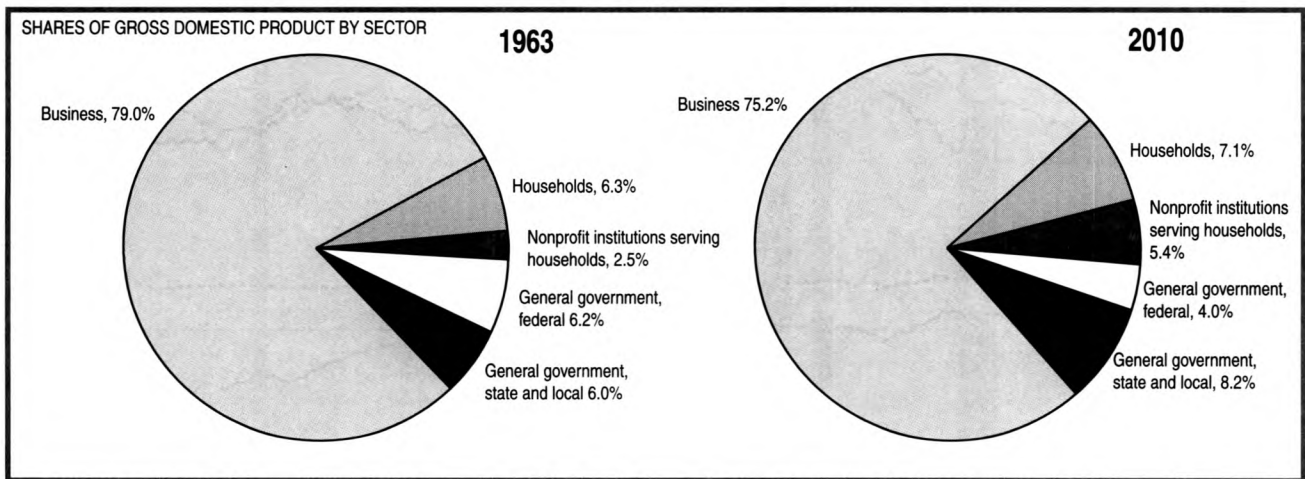
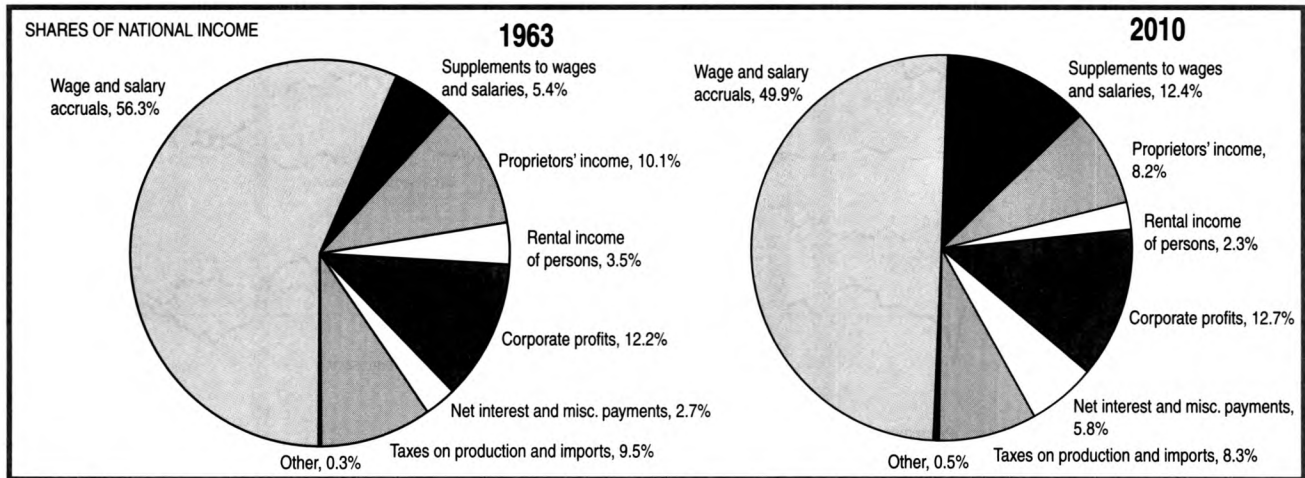


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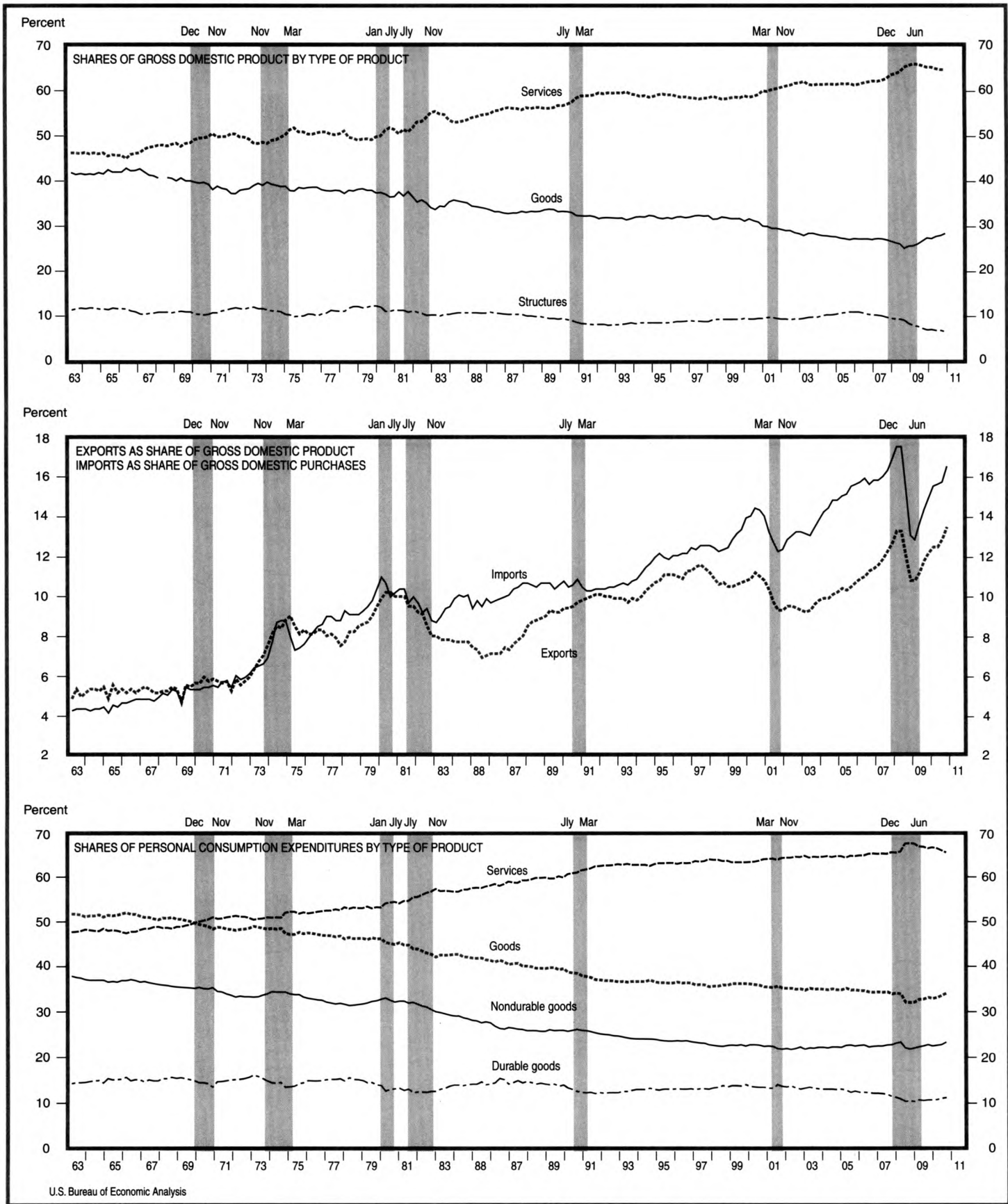


SELECTED NIPA SERIES

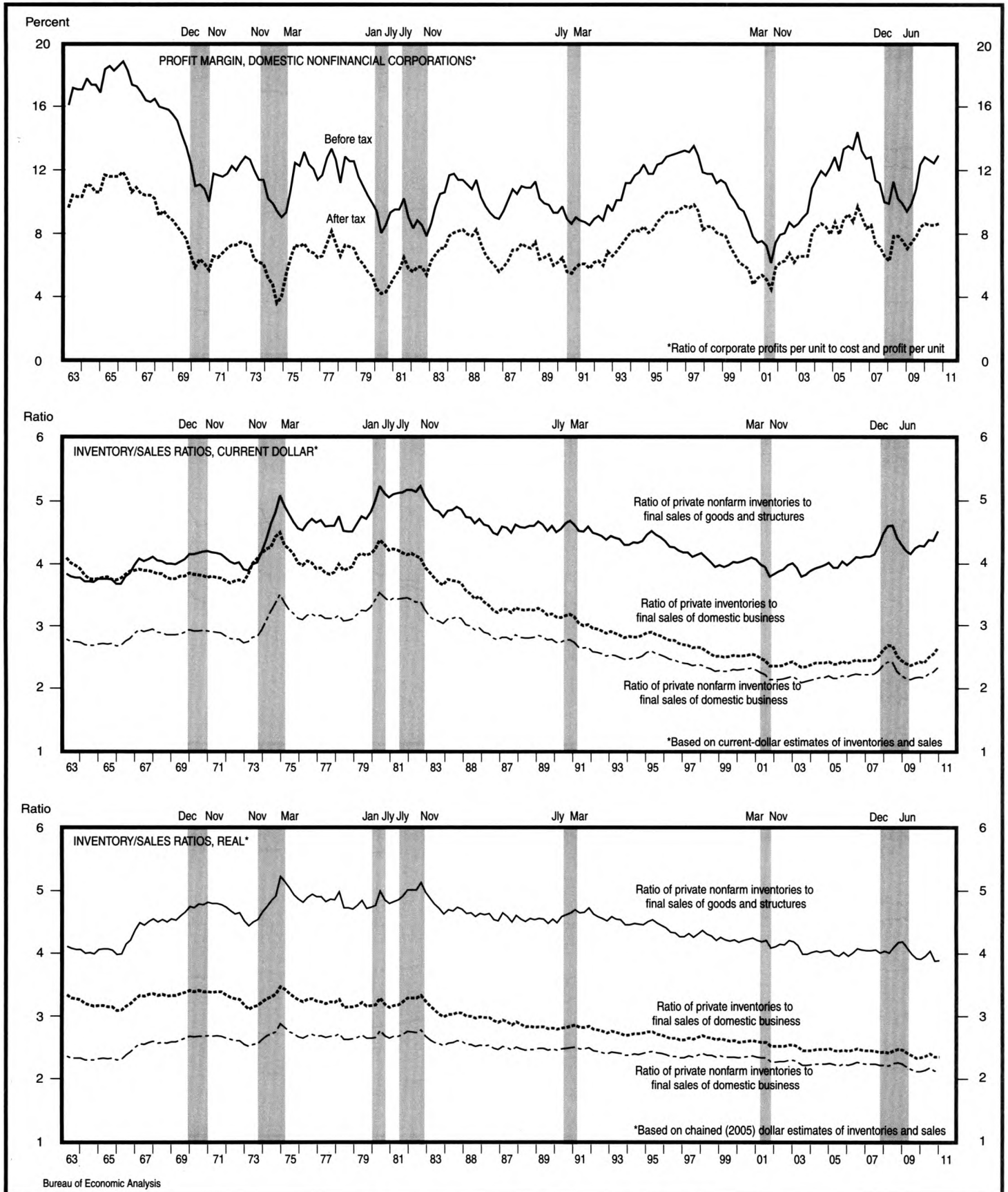


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G. Investment Tables

Table G.1. International Investment Position of the United States at Yearend, 2008 and 2009

(Millions of dollars)

Line	Type of investment	Position, 2008 ^r	Changes in position in 2009				Total (a+b+c+d)	Position, 2009 ^p
			Attributable to:					
			Financial flows (a)	Valuation adjustments				
Price changes (b)	Exchange-rate changes ¹ (c)	Other changes ² (d)						
1	Net international investment position of the United States (lines 2+3)	-3,493,882	-216,075	522,929	276,730	172,452	756,036	-2,737,846
2	Financial derivatives, net (line 5 less line 25) ³	159,635	-50,804	(⁴)	(⁴)	⁴ 19,103	-31,701	127,934
3	Net international investment position, excluding financial derivatives (line 6 less line 26).....	-3,653,517	-165,271	522,929	276,730	153,349	787,737	-2,865,780
4	U.S.-owned assets abroad (lines 5+6)	19,244,875	(⁵)	(⁵)	(⁵)	(⁵)	-865,791	18,379,084
5	Financial derivatives (gross positive fair value).....	6,127,450	(⁵)	(⁵)	(⁵)	(⁵)	-2,615,443	3,512,007
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17).....	13,117,425	140,465	1,066,119	357,956	185,112	1,749,652	14,867,077
7	U.S. official reserve assets.....	293,732	52,256	56,941	875	0	110,072	403,804
8	Gold.....	227,439	0	⁵ 56,941	.....	⁶ 0	56,941	284,380
9	Special drawing rights.....	9,340	48,230	.....	244	0	48,474	57,814
10	Reserve position in the International Monetary Fund.....	7,683	3,357	.....	345	0	3,702	11,385
11	Foreign currencies.....	49,270	669	.....	286	0	955	50,225
12	U.S. government assets, other than official reserve assets.....	624,100	-541,342	.....	(⁷)	17	-541,325	82,775
13	U.S. credits and other long-term assets ⁷	69,877	1,936	.....	(⁷)	17	1,953	71,830
14	Repayable in dollars.....	69,604	1,936	.....	.....	17	1,953	71,557
15	Other ⁸	273	0	.....	(⁷)	.....	0	273
16	U.S. foreign currency holdings and U.S. short-term assets ⁹	554,222	-543,278	.....	(⁷)	.....	-543,278	10,944
17	U.S. private assets.....	12,199,593	629,552	1,009,178	357,081	185,095	2,180,906	14,380,499
18	Direct investment at current cost.....	3,742,835	268,680	-12,201	79,124	-27,247	308,356	4,051,191
19	Foreign securities.....	3,985,712	208,213	1,021,379	255,694	0	1,485,286	5,470,998
20	Bonds.....	1,237,284	144,909	84,123	27,269	0	256,301	1,493,585
21	Corporate stocks.....	2,748,428	63,304	937,256	228,425	0	1,228,985	3,977,413
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	794,699	-124,428	.....	8,404	115,550	-474	794,225
23	U.S. claims reported by U.S. banks and securities brokers, not included elsewhere.....	3,676,347	277,087	.....	13,859	96,792	387,738	4,064,085
24	Foreign-owned assets in the United States (lines 25+26)	22,738,757	(⁵)	(⁵)	(⁵)	(⁵)	-1,621,827	21,116,930
25	Financial derivatives (gross negative fair value).....	5,967,815	(⁵)	(⁵)	(⁵)	(⁵)	-2,583,742	3,384,073
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34).....	16,770,942	305,736	543,190	81,226	31,763	961,915	17,732,857
27	Foreign official assets in the United States.....	3,939,998	450,030	-13,584	219	-2,824	433,841	4,373,839
28	U.S. Government securities.....	3,264,139	441,056	-104,274	.....	-8,524	328,258	3,592,397
29	U.S. Treasury securities.....	2,400,516	561,125	-92,297	.....	1,708	470,536	2,871,052
30	Other.....	863,623	-120,069	-11,977	.....	-10,232	-142,278	721,345
31	Other U.S. Government liabilities ¹⁰	40,577	57,971	.....	219	0	58,190	98,767
32	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	252,608	-70,851	.....	.....	5,700	-65,151	187,457
33	Other foreign official assets.....	382,674	21,854	90,690	.....	0	112,544	495,218
34	Other foreign assets.....	12,830,944	-144,294	556,774	81,007	34,587	528,074	13,359,018
35	Direct investment at current cost.....	2,521,353	134,707	-5,761	3,560	18,927	151,433	2,672,786
36	U.S. Treasury securities.....	850,921	22,781	-47,510	.....	0	-24,729	826,192
37	U.S. securities other than U.S. Treasury securities.....	4,620,798	59	610,045	56,261	0	666,365	5,287,163
38	Corporate and other bonds.....	2,770,606	-136,296	150,665	56,261	0	70,630	2,841,236
39	Corporate stocks.....	1,850,192	136,355	459,380	.....	0	595,735	2,445,927
40	U.S. currency.....	301,139	12,632	.....	.....	0	12,632	313,771
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	731,539	-1,460	.....	4,638	-69,240	-66,062	665,477
42	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	3,805,194	-313,013	.....	16,548	84,900	-211,565	3,593,629
Memoranda:								
43	Direct investment abroad at market value.....	3,103,704	268,680	737,062	194,222	-817	1,199,147	4,302,851
44	Direct investment in the United States at market value.....	2,552,572	134,707	422,683	10,621	568,011	3,120,583

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¹ Less than \$500,000 (+/-)

..... Not applicable

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

2. Includes changes in coverage due to year-to-year changes in the composition of reporting panels, primarily for bank and nonbank estimates, and to the incorporation of survey results. Also includes capital gains and losses of direct investment affiliates and changes in positions that cannot be allocated to financial flows, price changes, or exchange-rate changes.

3. Financial flows and valuation adjustments for financial derivatives are available only on a net basis, which is shown on line 2; they are not separately available for gross positive fair values and gross negative fair values of financial derivatives. Consequently, columns (a) through (d) on lines 4, 5, and 24, 25 are not available.

4. Data are not separately available for the three types of valuation adjustments; therefore, the sum of all three types is shown in column (d).

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

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

7. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

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

9. Includes foreign-currency-denominated assets obtained through temporary reciprocal currency arrangements between the Federal Reserve System and foreign central banks. These assets are included in the investment position at the dollar value established at the time they were received, reflecting the valuation of these assets in the Federal Reserve System's balance sheet. The movement of exchange rates does not affect this valuation.

10. Includes U.S. government liabilities associated with military sales contracts and U.S. government reserve-related liabilities from allocations of special drawing rights (SDRs).

Table G.2. U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 2006–2009

[Millions of dollars]

	Direct investment position on a historical-cost basis				Financial outflows without current-cost adjustment (inflows (-))				Income without current-cost adjustment			
	2006	2007 ¹	2008	2009	2006	2007 ¹	2008	2009	2006	2007 ¹	2008	2009
All countries, all industries	2,477,268	2,993,980	3,219,725	3,508,142	224,220	393,518	330,491	248,074	304,114	350,237	382,575	325,467
By country of foreign affiliate												
Canada	205,134	250,642	239,170	259,792	-1,551	22,331	5,986	18,085	23,542	21,170	32,410	19,865
Europe	1,397,704	1,682,023	1,831,246	1,976,222	147,687	239,803	192,691	129,014	153,702	175,702	191,650	173,623
<i>Of which:</i>												
France	63,008	74,179	81,753	85,801	7,076	12,010	-168	2,393	5,801	5,494	5,228	2,390
Germany	93,620	100,601	108,217	116,832	2,703	9,569	1,154	6,775	8,081	9,356	8,401	5,851
Ireland	86,372	117,708	146,672	169,924	20,148	15,506	25,433	24,704	17,865	21,994	24,477	27,063
Netherlands	279,373	412,122	426,762	471,567	41,118	109,097	52,839	42,974	35,644	44,255	49,618	52,654
Switzerland	102,022	94,675	132,126	148,239	11,019	7,365	23,700	15,039	14,231	14,543	19,297	18,919
United Kingdom	406,358	426,357	449,521	471,384	30,535	21,978	37,138	20,119	26,772	21,412	27,214	22,561
Latin America and Other Western Hemisphere	418,429	556,160	591,363	678,956	35,672	55,324	77,018	66,149	53,532	72,600	78,558	69,598
<i>Of which:</i>												
Bermuda	133,480	211,708	213,863	245,671	19,944	14,785	21,903	26,588	15,586	23,176	23,803	19,985
Brazil	33,504	48,807	44,532	56,692	223	5,585	4,179	2,663	5,253	7,617	9,546	7,377
Mexico	82,965	91,046	69,610	97,897	9,444	9,798	6,898	5,924	9,606	11,634	10,368	7,640
United Kingdom Islands, Caribbean	84,817	105,829	129,243	141,527	-6,374	12,640	21,701	10,198	5,112	10,431	9,829	14,772
Africa	28,158	32,607	37,221	44,805	5,157	4,490	3,764	5,733	7,208	6,726	6,801	5,067
Middle East	24,206	28,448	31,886	37,012	5,699	4,070	3,907	4,925	6,043	7,692	9,064	5,100
Asia and Pacific	403,637	444,101	488,839	511,355	31,556	67,500	47,125	24,168	60,086	66,347	64,092	52,214
<i>Of which:</i>												
Australia	67,632	84,331	94,451	106,370	1,473	10,122	10,182	6,202	6,596	7,840	8,369	5,231
Hong Kong	39,636	40,720	40,014	50,459	4,174	11,533	-332	6,367	8,130	7,681	5,730	5,742
Japan	84,428	85,224	101,918	103,643	2,709	15,721	-1,150	6,140	7,627	7,862	7,667	8,929
Singapore	81,879	93,529	86,048	76,862	8,035	14,003	8,996	5,833	15,563	19,045	17,487	9,525
By industry of foreign affiliate												
Mining	121,006	141,299	153,442	171,106	21,903	19,857	27,293	22,259	29,848	32,315	40,940	27,542
Manufacturing	441,724	484,839	484,596	541,080	42,359	71,977	33,955	47,707	57,677	66,435	60,895	44,624
Food	31,215	40,588	41,201	45,247	2,736	11,045	3,939	3,429	4,278	4,525	3,506	2,654
Chemicals	94,519	95,915	114,171	129,529	5,778	11,452	16,571	15,759	12,523	14,154	15,520	14,207
Primary and fabricated metals	18,773	22,244	20,078	23,186	2,490	3,440	2,445	611	2,044	2,405	1,788	735
Machinery	29,136	31,257	39,093	43,612	3,711	5,630	7,451	3,627	3,344	5,735	5,983	3,766
Computers and electronic products	63,113	69,467	65,530	65,598	13,458	6,583	4,687	182	12,542	12,253	10,213	6,416
Electrical equipment, appliances, and components	16,293	19,979	23,582	24,694	2,753	4,425	4,633	1,316	1,919	1,870	2,202	1,718
Transportation equipment	50,663	60,612	45,456	47,235	1,563	11,532	-11,614	804	4,257	5,733	1,420	-1,721
Other manufacturing	138,013	144,777	135,466	161,978	9,869	17,871	5,842	21,980	16,771	19,762	20,262	16,849
Wholesale trade	138,211	150,089	176,869	198,985	14,835	12,874	33,171	21,296	24,321	28,527	29,564	24,154
Information	100,445	116,923	135,037	149,826	3,851	8,562	13,635	11,700	11,526	11,144	13,806	14,404
Depository institutions (banking)	81,637	123,202	116,874	114,032	-6,441	10,785	5,322	-17,473	-6,362	-7,927	1,901	-66
Finance (except depository institutions) and insurance	514,462	649,773	688,160	746,993	25,825	82,169	55,672	42,063	39,402	42,802	42,915	38,774
Professional, scientific, and technical services	69,213	81,344	74,691	77,474	9,377	12,094	10,253	6,545	9,480	8,953	6,732	6,743
Holding companies (nonbank)	838,566	1,039,045	1,181,323	1,279,952	97,498	153,562	133,959	99,246	120,884	146,576	166,976	152,471
Other industries	172,004	207,466	208,733	228,693	15,012	21,637	17,232	14,731	17,338	21,411	18,847	16,821

1. The direct investment position, financial outflows, and income reflect a discontinuity between 2006 and 2007 because of the reclassification of permanent debt and associated interest, a component of income, between affiliated depository institutions from direct investment to other investment accounts.

NOTE: The data in this table are from tables 14 and 15 in "U.S. Direct Investment Abroad Tables" in the September 2010 SURVEY OF CURRENT BUSINESS.

Table G.3. Selected Financial and Operating Statistics of Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2008

	All nonbank foreign affiliates						Majority-owned nonbank foreign affiliates						
	Millions of dollars					Thousands of employees	Millions of dollars					Thousands of employees	
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates		Total assets	Sales	Net income	Value added	U.S. exports of goods shipped to affiliates		U.S. imports of goods shipped by affiliates
All countries, all industries	12,504,725	6,107,864	956,357	269,752	337,057	11,879.4	11,443,211	5,202,191	872,506	1,211,854	260,373	318,486	10,123.8
By country of affiliate													
Canada	955,514	617,615	66,148	78,100	(D)	1,082.4	908,594	593,283	63,046	126,352	75,809	107,945	1,064.4
Europe	7,419,907	3,147,942	525,813	74,868	83,297	4,820.1	6,876,406	2,726,149	487,414	638,280	72,734	82,522	4,213.3
<i>Of which:</i>													
France	352,752	243,870	13,330	(D)	7,942	636.8	334,243	231,869	12,386	56,712	5,334	7,785	604.4
Germany	600,177	388,658	21,984	10,720	(D)	671.5	546,547	347,394	20,287	94,127	10,715	7,208	621.3
Netherlands	1,276,966	318,605	147,566	(D)	5,699	244.4	1,197,498	232,802	139,344	33,296	12,739	5,698	228.8
United Kingdom	1,727,600	681,792	9,193	15,985	13,601	1,328.0	1,605,149	622,447	3,103	165,991	15,927	13,576	1,174.2
Latin America and Other Western Hemisphere	1,913,412	691,555	187,832	57,525	68,742	2,321.6	1,760,796	598,005	176,314	140,149	55,209	65,072	1,935.7
<i>Of which:</i>													
Brazil	160,699	157,495	13,318	6,034	(D)	505.9	150,019	147,757	12,687	38,915	5,860	3,304	485.8
Mexico	193,682	207,031	10,268	40,262	49,834	1,107.2	164,617	168,435	8,199	30,753	38,259	46,762	901.7
Africa	197,015	110,624	42,072	1,412	(D)	219.2	178,471	97,192	39,755	57,267	1,316	6,458	172.4
Middle East	160,235	120,970	26,619	1,151	(D)	122.5	88,928	48,586	9,311	21,269	1,000	2,267	90.9
Asia and Pacific	1,858,643	1,419,158	107,873	56,695	60,749	3,313.7	1,630,016	1,138,976	96,666	228,536	54,307	54,221	2,647.1
<i>Of which:</i>													
Australia	280,155	177,554	18,282	5,704	2,947	322.2	266,702	148,938	17,413	46,058	5,609	2,946	288.2
China	161,987	171,733	12,472	(D)	7,516	950.2	124,331	131,372	11,161	27,296	3,927	7,140	774.2
India	47,440	41,203	3,058	1,042	(D)	384.3	35,931	33,503	2,916	9,363	926	727	313.4
Japan	595,861	321,119	12,235	12,197	(D)	583.5	508,081	200,857	8,990	44,094	11,794	1,458	296.7
By industry of affiliate													
Mining	742,815	485,267	115,521	2,492	25,617	M	611,524	338,021	92,792	221,006	2,446	25,617	198.2
Utilities	84,583	120,524	3,801	608	(D)	37.9	57,810	48,708	2,876	8,772	608	(D)	27.3
Manufacturing	2,260,530	2,731,326	163,861	168,628	243,318	5,438.1	1,880,285	2,285,194	132,111	517,133	161,427	224,990	4,600.1
<i>Of which:</i>													
Food	167,153	213,437	9,379	5,252	9,668	491.9	151,821	199,283	9,661	34,516	5,167	9,560	434.3
Chemicals	568,875	505,640	51,017	28,069	21,826	721.8	504,184	457,020	43,218	110,154	27,663	19,658	627.1
Primary and fabricated metals	100,653	93,495	5,104	4,269	6,814	241.5	94,619	87,224	5,042	21,562	4,223	6,732	230.2
Machinery	162,511	170,408	14,268	10,312	16,324	472.2	145,673	149,311	13,078	36,911	9,942	15,591	400.7
Computers and electronic products	258,442	303,672	19,011	25,476	(D)	721.8	239,059	296,874	19,761	49,729	25,392	48,284	700.4
Electrical equipment, appliances, and components	66,093	54,624	3,743	(D)	(D)	269.1	59,980	47,514	3,631	11,742	3,167	5,898	231.4
Transportation equipment	285,370	483,091	5,101	64,021	(D)	1,000.5	244,774	410,221	2,646	62,036	60,146	74,378	902.3
Wholesale trade	793,580	1,423,914	63,409	82,265	62,805	825.1	773,583	1,391,801	62,270	157,274	80,620	62,583	796.8
Information	447,556	294,122	20,868	(D)	154	507.4	298,446	184,756	8,670	46,380	905	154	361.1
Finance (except depository institutions) and insurance	2,810,330	306,349	21,608	27	(D)	286.6	2,731,396	285,963	19,828	46,482	26	(D)	239.6
Professional, scientific, and technical services	289,047	177,717	20,142	3,387	(D)	702.4	284,921	173,692	19,809	67,463	3,377	(D)	679.3
Other industries	5,076,283	568,646	547,149	(D)	1,422	M	4,805,245	494,056	534,150	147,343	10,963	1,404	3,221.5

D Suppressed to avoid disclosure of data of individual companies.
Notes: 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.
The data in this table are from "U.S. Multinational Companies: Operations in the United States and Abroad in 2008" in the August 2010 Survey of Current Business.

Table G.4. Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of U.S. Affiliate, 2006-2009

[Millions of dollars]

	Direct investment position on a historical-cost basis				Financial inflows without current-cost adjustment (outflows (-))				Income without current-cost adjustment			
	2006	2007 ¹	2008	2009	2006	2007 ¹	2008	2009	2006	2007 ¹	2008	2009
All countries, all industries	1,840,463	2,055,176	2,165,748	2,319,585	237,136	265,957	324,560	129,883	144,755	123,881	111,764	89,186
By country of foreign parent												
Canada	165,281	205,381	194,140	225,836	14,770	47,425	21,998	25,813	14,555	10,342	8,064	6,715
Europe	1,326,738	1,478,383	1,555,208	1,685,279	182,575	161,704	202,924	83,725	98,286	79,343	86,662	76,981
Of which:												
France	147,799	153,713	157,172	189,285	29,078	4,701	16,862	24,046	14,550	3,602	13,760	8,145
Germany	205,969	213,159	201,424	218,153	39,540	9,693	-1,481	16,210	10,324	4,084	-893	11,664
Luxembourg	89,157	120,945	118,283	127,768	17,923	28,763	414	12,422	2,710	4,625	3,082	598
Netherlands	182,014	189,469	199,137	237,959	25,543	18,434	75,568	5,416	20,250	21,260	11,047	13,117
Switzerland	134,568	151,513	164,534	189,371	1,177	-3,194	43,325	8,638	2,862	6,203	22,511	14,733
United Kingdom	414,629	424,046	454,328	453,875	38,547	37,183	41,314	12,632	36,555	26,292	23,890	23,344
Latin America and Other Western Hemisphere	66,583	49,828	46,130	27,864	11,808	-4,658	29,509	8,372	7,113	7,678	6,772	48
Of which:												
Bermuda	9,223	-2,676	4,116	-13,181	7,047	-11,805	5,971	4,492	670	594	3,302	-263
Mexico	5,310	7,688	9,444	11,361	2,265	717	2,369	913	923	1,197	1,185	672
Panama	11,924	932	822	1,045	1,618	1,037	228	159	1,851	1,170	415	179
United Kingdom Islands, Caribbean	28,367	34,588	24,401	17,529	3,845	7,322	18,718	-1,649	1,826	2,609	580	214
Venezuela	5,380	4,181	4,567	4,850	-1,362	-1,980	569	283	818	(D)	(D)	-461
Africa	1,976	1,535	2,309	1,689	255	-207	948	-787	207	175	75	(D)
Middle East	10,112	14,896	17,242	17,614	2,504	5,196	3,652	600	1,243	470	-467	(D)
Asia and Pacific	269,772	305,154	350,718	361,303	25,225	56,497	65,529	12,160	23,350	25,873	10,658	5,656
Of which:												
Australia	38,777	37,514	40,626	45,663	2,174	16,706	14,890	6,732	5,773	6,649	3,118	2,326
Japan	204,020	229,408	259,753	264,208	16,466	26,576	36,377	4,373	16,190	16,751	7,108	2,639
By industry of U.S. affiliate												
Manufacturing	569,324	684,555	746,475	790,568	98,508	148,075	87,446	48,136	55,253	48,503	40,062	31,698
Food	50,339	26,903	23,849	20,004	6,550	2,200	282	-4,356	3,987	2,652	2,959	3,671
Chemicals	135,054	190,049	187,332	203,760	30,404	58,926	4,856	14,137	14,015	19,818	14,064	17,809
Primary and fabricated metals	34,812	42,453	47,645	48,693	8,341	8,596	10,626	2,939	5,484	4,216	3,708	-396
Machinery	41,600	93,091	88,730	95,585	9,957	37,142	4,665	6,627	1,908	2,180	2,336	1,638
Computers and electronic products	48,944	44,410	59,757	55,349	23,312	980	14,818	-4,232	5,633	-2,322	841	103
Electrical equipment, appliances, and components	25,537	20,112	20,561	24,004	3,249	9,404	461	3,261	1,781	1,712	1,165	945
Transportation equipment	67,505	93,053	83,907	96,872	-4,134	13,228	-5,908	12,789	3,614	1,065	-29	-3,982
Other manufacturing	165,532	174,482	234,695	246,302	20,829	17,599	57,645	16,971	18,831	19,183	15,018	11,910
Wholesale trade	255,590	294,697	316,581	328,430	20,907	32,077	42,376	12,853	25,295	24,494	25,089	9,646
Retail trade	31,677	31,363	40,129	44,330	2,789	-1,060	7,826	4,805	2,557	2,358	1,995	2,604
Information	135,986	155,704	164,491	146,114	27,321	10,825	10,452	-10,874	5,720	5,973	3,438	3,464
Depository institutions (banking)	135,391	107,242	92,565	111,913	13,794	-1,237	23,202	8,999	7,535	1,798	521	-2,447
Finance (except depository institutions) and insurance	283,364	275,722	238,875	293,204	37,614	-8,398	69,585	24,188	7,839	6,005	9,341	16,525
Real estate and rental and leasing	41,924	53,780	57,459	54,539	435	6,809	3,981	625	3,054	3,232	2,742	710
Professional, scientific, and technical services	47,597	55,201	62,934	46,087	3,636	8,853	9,705	1,531	1,566	2,608	3,665	1,796
Other industries	339,610	396,912	446,238	504,399	32,131	70,014	69,986	39,621	35,935	28,910	24,910	25,190

D Suppressed to avoid disclosure of data of individual companies.

1. The direct investment position, financial inflows, and income reflect a discontinuity between 2006 and 2007 because of the reclassification of permanent debt and associated interest, a component of income, between affiliated depository

institutions from direct investment to other investment accounts.

Note. The data in this table are from tables 14 and 15 in "Foreign Direct Investment in the United States Tables" in the September 2010 SURVEY OF CURRENT BUSINESS.

**Table G.5. Selected Financial and Operating Data of U.S. Affiliates of Foreign Companies
by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 2008**

	All affiliates						Majority-owned 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	12,666,896	3,819,986	-28,851	6,279.2	246,685	587,994	11,671,560	3,448,568	-4,118	670,284	5,593.5	232,413	566,925
By country													
Canada	1,161,937	299,570	1,433	717.2	11,636	35,189	1,095,047	256,319	2,186	62,554	515.9	9,557	33,932
Europe	9,076,176	2,263,147	-12,719	3,942.9	126,423	226,037	8,590,080	2,063,938	-15,099	423,365	3,614.5	120,466	214,937
<i>Of which:</i>													
France	1,308,792	306,760	7,973	598.3	13,318	20,243	1,263,179	278,483	2,762	57,521	550.2	12,217	19,402
Germany	1,705,228	458,952	-30,298	722.7	(D)	(D)	1,583,013	394,109	-11,458	82,445	614.2	34,547	65,472
Netherlands	903,406	343,402	3,137	386.6	(D)	(D)	37,346	883,357	-1,687	56,173	371.5	19,373	37,259
Sweden	70,927	52,205	1,020	182.2	5,405	6,940	70,690	51,747	995	13,446	181.5	5,398	6,934
Switzerland	1,671,263	220,345	-13,510	413.4	9,338	16,574	1,654,932	212,525	-12,792	48,836	394.4	9,142	16,252
United Kingdom	2,302,076	(D)	(D)	1,047.5	(D)	40,001	2,171,515	543,771	16,519	108,820	957.4	27,726	39,027
Latin America and Other Western Hemisphere	427,523	212,964	3,281	389.8	(D)	(D)	401,953	197,282	3,360	51,391	377.4	11,788	37,882
<i>Of which:</i>													
Bermuda	(D)	73,520	1,208	M	(D)	(D)	238,206	70,890	1,632	24,494	208.5	(D)	(D)
Mexico	37,397	22,867	586	L	(D)	(D)	36,988	20,879	614	5,858	46.2	1,086	3,565
United Kingdom Islands, Caribbean	41,044	(D)	(D)	30.1	112	(D)	40,988	12,828	238	4,486	30.1	112	(D)
Venezuela	(D)	(D)	(D)	I	(D)	(D)	21,523	(D)	(D)	5,062	6.4	(D)	(D)
Africa	(D)	7,559	246	6.7	799	(D)	5,116	7,443	204	1,257	6.6	797	176
Middle East	153,039	102,911	-5,907	89.6	2,261	(D)	135,980	96,610	-5,845	11,519	77.4	2,256	(D)
Asia and Pacific	1,664,244	835,173	-17,373	1,038.4	82,692	238,047	1,351,370	748,908	10,612	109,509	928.8	77,411	232,795
<i>Of which:</i>													
Australia	184,255	46,702	3,348	84.3	(D)	(D)	169,185	40,873	3,517	10,569	81.5	3,572	2,170
Japan	1,061,694	626,996	8,899	741.7	64,225	187,728	1,026,574	590,923	8,623	87,651	691.0	60,031	183,836
Korea, Republic of	41,827	(D)	(D)	28.6	10,895	(D)	41,213	58,741	-1,657	1,966	27.4	10,849	37,928
United States	(D)	98,662	2,187	94.7	(D)	(D)	92,014	78,068	464	10,690	72.8	10,138	(D)
By industry													
Manufacturing	1,700,407	1,428,083	-1,793	2,256.0	141,898	242,185	1,500,219	1,288,552	14,800	280,329	2,115.5	131,300	223,993
<i>Of which:</i>													
Food	81,432	96,812	3,002	173.9	11,084	5,208	79,871	93,263	2,787	17,345	169.6	11,023	5,164
Petroleum and coal products	118,219	237,188	4,489	40.0	9,612	(D)	115,965	226,817	4,480	22,040	38.1	(D)	63,080
Chemicals	384,926	275,506	9,694	M	31,230	47,392	375,916	267,418	8,513	65,577	305.8	30,048	46,827
Nonmetallic mineral products	104,111	58,098	-1,082	159.7	1,470	1,365	103,367	57,089	-1,181	19,109	157.1	1,431	1,277
Primary and fabricated metals	112,911	112,971	1,028	185.4	9,148	8,924	106,130	100,600	1,144	23,242	178.3	8,563	7,748
Machinery	124,838	97,627	1,745	245.1	14,428	12,450	123,445	94,887	1,698	25,474	241.3	14,257	11,705
Computers and electronic products	106,833	65,236	-6,630	172.3	14,297	13,388	99,150	60,476	-6,302	12,578	164.7	13,229	12,823
Electrical equipment, appliances, and components	45,705	(D)	(D)	75.7	3,245	5,486	45,603	31,792	2,448	10,795	75.4	3,236	5,476
Transportation equipment	(D)	285,672	-20,758	485.6	31,135	64,254	245,902	219,616	-1,482	40,292	420.5	26,574	54,218
Wholesale trade	706,493	1,053,989	24,349	661.1	92,090	324,195	695,840	1,019,137	22,913	116,400	648.8	89,824	322,319
Retail trade	87,354	159,752	379	M	(D)	(D)	68,003	120,905	1,485	27,468	464.4	700	7,303
Information	471,101	174,192	13,537	365.5	1,369	(D)	254,337	101,672	-1,106	35,771	249.1	968	644
<i>Of which:</i>													
Publishing industries	(D)	45,643	-2,656	138.5	947	544	97,448	40,415	-3,309	14,119	122.1	(D)	544
Telecommunications	186,079	(D)	(D)	M	75	(D)	82,866	35,515	527	11,347	59.2	(D)	48
Finance and insurance	8,533,653	538,652	-91,845	485.9	0	(*)	8,111,541	494,441	-63,322	61,996	407.5	0	(*)
Real estate and rental and leasing	175,333	29,946	-10	40.8	(D)	(D)	140,526	24,925	-781	13,171	39.4	(D)	(D)
Professional, scientific, and technical services	126,495	81,974	2,279	M	591	(D)	120,883	78,727	2,449	26,870	248.3	565	348
Other industries	866,059	353,398	24,254	1,555.7	9,989	12,856	780,211	320,210	19,444	108,280	1,420.5	(D)	(D)

D Suppressed to avoid disclosure of data of individual companies.

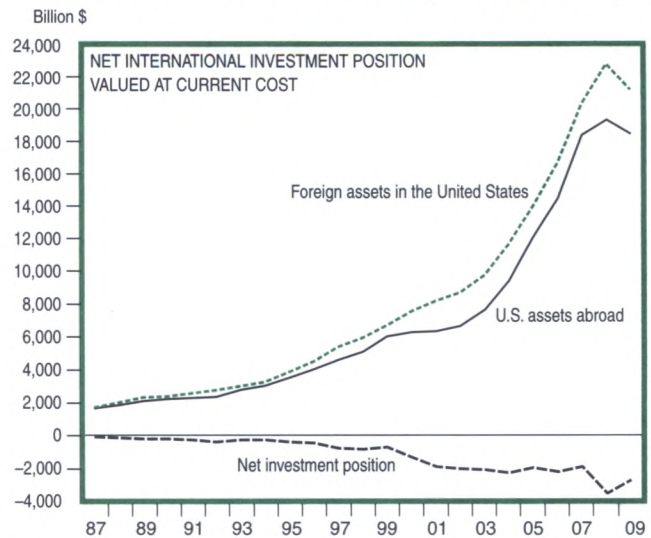
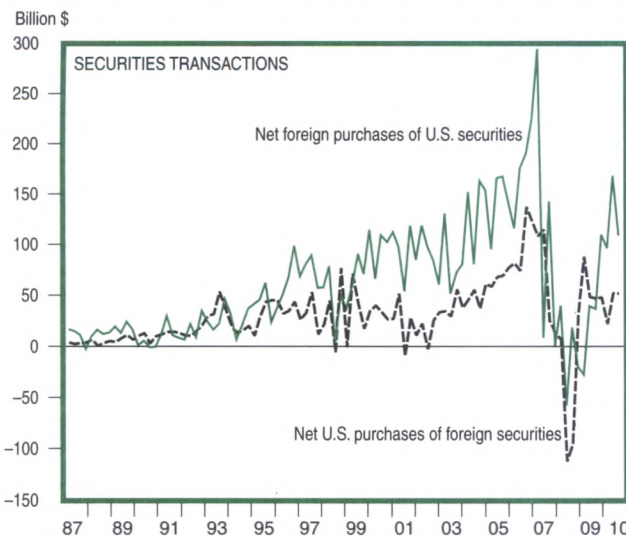
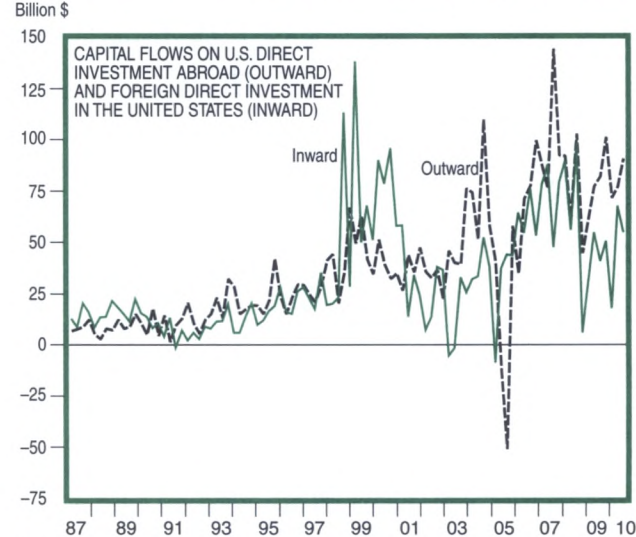
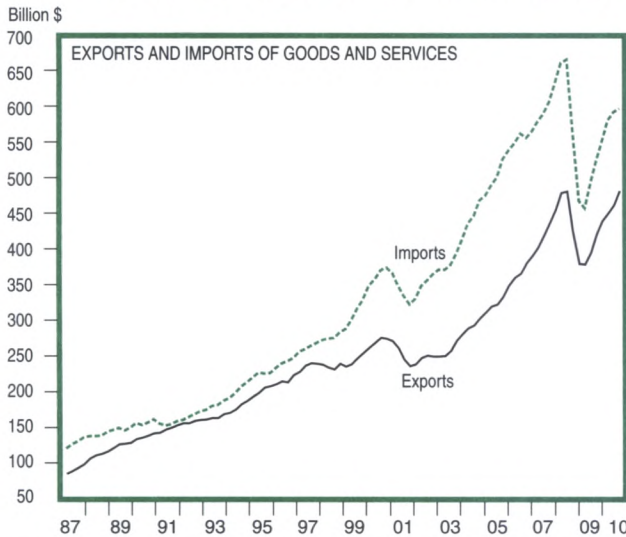
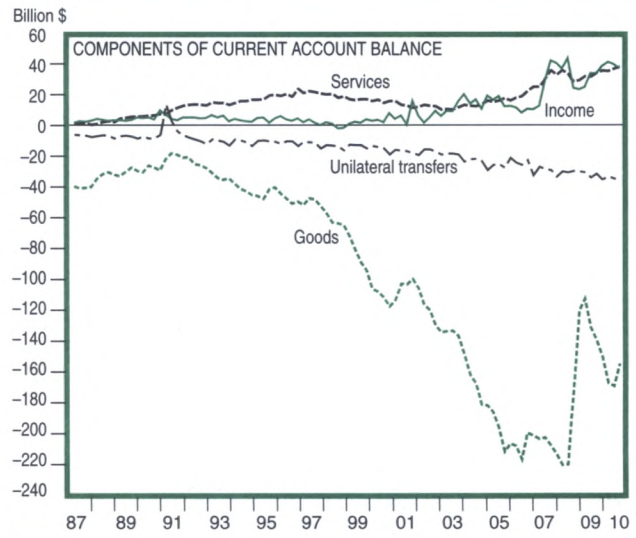
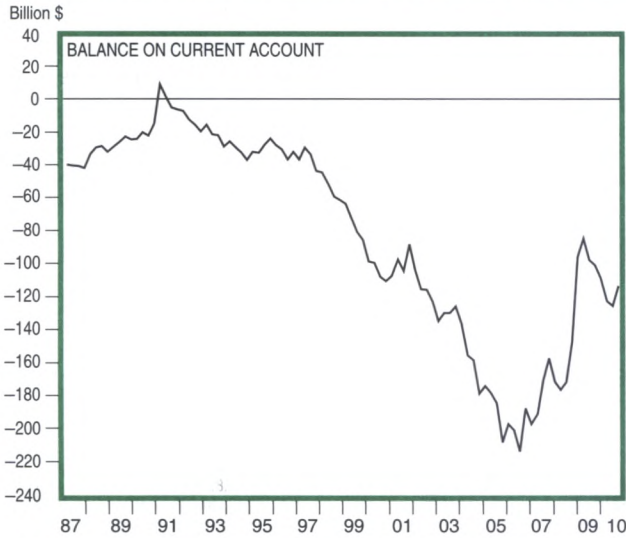
Notes. Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999;

L—50,000 to 99,999; M—100,000 or more.

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 2008" in the November 2010 Survey of Current Business.

H. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY



NOTE: All series except those for the international investment position are quarterly and are seasonally adjusted when adjusted data are available. The series are from tables F.2, with opposite signs in some cases, and G.1.
U.S. Bureau of Economic Analysis

Table I.2. Annual Personal Income and Per Capita Personal Income by State and Region

Area	Personal income					Per capita personal income ¹				
	Millions of dollars					Percent change ²	Rank of percent change	Dollars	Rank in the U.S.	
	2006	2007 ^r	2008 ^r	2009 ^r	2010 ^p				2009-2010	2010	Percent of the U.S. average
United States	11,256,516	11,900,562	12,380,225	12,168,161	12,530,101	3.0		40,584		
New England	649,981	688,585	708,789	694,579	715,304	3.0		49,520		122.0
Connecticut	184,049	197,029	200,364	194,547	200,154	2.9	26	56,001	1	138.0
Maine	44,307	46,354	48,297	48,180	49,548	2.8	28	37,300	29	91.9
Massachusetts	304,855	322,543	333,815	327,395	337,542	3.1	21	51,552	2	127.0
New Hampshire	53,765	56,418	57,793	56,488	58,036	2.7	30	44,084	9	108.6
Rhode Island	40,664	42,661	44,061	43,594	44,817	2.8	29	42,579	15	104.9
Vermont	22,341	23,580	24,460	24,376	25,207	3.4	14	40,283	19	99.3
Midwest	2,046,137	2,177,747	2,243,946	2,201,921	2,276,930	3.4		47,293		116.5
Delaware	33,350	34,702	35,615	35,048	35,883	2.4	42	39,962	20	98.5
District of Columbia	34,787	37,525	40,635	41,282	42,749	3.6		71,044		175.1
Maryland	252,431	264,798	274,286	274,980	283,049	2.9	24	49,025	4	120.8
New Jersey	411,429	436,120	447,989	435,216	446,464	2.6	36	50,781	3	125.1
New York	851,437	915,526	937,173	908,997	946,054	4.1	2	48,821	5	120.3
Pennsylvania	462,704	489,076	508,249	506,397	522,731	3.2	16	41,152	16	101.4
Great Lakes	1,635,232	1,702,732	1,759,394	1,721,065	1,770,581	2.9		38,141		94.0
Illinois	504,493	532,587	554,795	540,380	553,753	2.5	40	43,159	11	106.3
Indiana	206,868	214,641	223,683	218,527	226,562	3.7	8	34,943	41	86.1
Michigan	334,858	344,234	353,140	342,114	351,830	2.8	27	35,597	36	87.7
Ohio	390,457	404,623	414,458	408,707	419,871	2.7	31	36,395	34	89.7
Wisconsin	198,556	206,648	213,317	211,337	218,564	3.4	13	38,432	27	94.7
Plains	714,501	758,810	802,099	788,937	809,882	2.7		39,496		97.3
Iowa	100,573	107,500	114,429	113,236	116,616	3.0	23	38,281	28	94.3
Kansas	98,577	104,847	111,957	110,418	113,375	2.7	33	39,737	21	97.9
Minnesota	205,857	216,840	226,149	220,413	227,234	3.1	22	42,843	13	105.6
Missouri	198,727	209,131	219,695	216,637	221,465	2.2	45	36,979	32	91.1
Nebraska	62,810	67,569	71,568	70,665	72,244	2.2	44	39,557	22	97.5
North Dakota	21,375	23,637	26,591	26,393	27,305	3.5	12	40,596	18	100.0
South Dakota	26,582	29,285	31,710	31,174	31,643	1.5	49	38,865	25	95.8
Southeast	2,580,723	2,728,855	2,836,634	2,803,393	2,888,554	3.0		36,851		90.8
Alabama	144,463	151,999	158,697	157,324	162,249	3.1	17	33,945	42	83.6
Arkansas	82,918	89,312	93,481	93,374	96,663	3.5	10	33,150	46	81.7
Florida	690,268	721,052	739,403	722,328	738,373	2.2	46	39,272	24	96.8
Georgia	311,855	330,702	342,935	335,466	343,817	2.5	38	35,490	37	87.4
Kentucky	126,719	132,703	138,486	139,166	144,711	4.0	3	33,348	44	82.2
Louisiana	143,223	156,618	169,791	169,046	174,292	3.1	20	38,446	26	94.7
Mississippi	81,098	86,585	90,347	89,743	92,539	3.1	19	31,186	50	76.8
North Carolina	297,596	316,956	329,970	327,199	339,828	3.9	5	35,638	35	87.8
South Carolina	134,197	142,167	148,892	148,265	153,392	3.5	11	33,163	45	81.7
Tennessee	200,227	211,342	215,160	215,819	224,064	3.8	6	35,307	39	87.0
Virginia	316,298	335,319	348,265	347,284	358,140	3.1	18	44,762	7	110.3
West Virginia	51,862	54,100	57,208	58,378	60,484	3.6	9	32,641	47	80.4
Southwest	1,209,262	1,290,504	1,393,470	1,374,823	1,423,081	3.5		38,103		93.9
Arizona	206,958	218,588	223,961	219,027	223,716	2.1	48	34,999	40	86.2
New Mexico	59,274	63,036	66,773	66,856	69,676	4.2	1	33,837	43	83.4
Oklahoma	118,749	124,762	134,505	132,132	136,627	3.4	15	36,421	33	89.7
Texas	824,281	884,119	968,231	956,808	993,063	3.8	7	39,493	23	97.3
Rocky Mountain	372,380	396,108	415,428	407,951	417,827	2.4		38,285		94.3
Colorado	194,390	205,242	214,977	210,513	215,259	2.3	43	42,802	14	105.5
Idaho	46,253	49,077	50,502	49,245	50,565	2.7	32	32,257	49	79.5
Montana	30,447	32,464	34,141	33,957	34,943	2.9	25	35,317	38	87.0
Utah	78,378	85,106	88,792	87,947	90,090	2.4	41	32,595	48	80.3
Wyoming	22,912	24,220	27,016	26,289	26,970	2.6	35	47,851	6	117.9
Far West	2,048,299	2,157,219	2,220,464	2,175,491	2,227,942	2.4		42,372		104.4
Alaska	26,304	28,108	30,563	30,182	31,374	3.9	4	44,174	8	108.8
California	1,495,533	1,566,400	1,604,155	1,566,999	1,605,790	2.5	39	43,104	12	106.2
Hawaii	49,124	52,555	54,700	54,594	55,801	2.2	47	41,021	17	101.1
Nevada	97,844	103,710	104,730	99,566	99,913	0.3	50	36,997	31	91.2
Oregon	127,403	133,821	139,306	138,453	142,113	2.6	34	37,095	30	91.4
Washington	252,091	272,625	287,011	285,696	292,950	2.5	37	43,564	10	107.3

p Preliminary

r Revised

1. Per capita personal income (PCPI) estimates for 2010 were calculated using the April 1, 2010 decennial census population counts that were released by the Census Bureau in December 2010. Revised estimates of PCPI for 2001-2009 are not published because intercensal state population estimates consistent with the 2000 and 2010 decennial census counts are not currently available.

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 2 in the "Regional Quarterly Report" in the April 2011 SURVEY OF CURRENT BUSINESS.

Table I.3. Disposable Personal Income and Per Capita Disposable Personal Income by State and Region

Area	Disposable personal income						Per capita disposable personal income ¹			
	Millions of dollars					Percent change ²	Rank of percent change	Dollars	Rank in the U.S.	Percent of the U.S. average
	2006	2007 ^r	2008 ^r	2009 ^r	2010 ^p						2010
United States	9,905,432	10,413,288	10,943,329	11,029,248	11,364,177	3.0		36,808		
New England	558,095	584,036	610,750	616,404	634,438	2.9		43,921		119.3
Connecticut.....	153,813	162,375	168,388	168,984	173,686	2.8	34	48,596	1	132.0
Maine.....	39,596	41,313	43,148	44,067	45,389	3.0	25	34,169	30	92.8
Massachusetts.....	260,656	271,640	286,313	289,426	297,986	3.0	27	45,511	2	123.6
New Hampshire.....	48,178	50,261	51,900	51,903	53,359	2.8	32	40,532	7	110.1
Rhode Island.....	35,953	37,564	39,205	39,710	40,916	3.0	24	38,873	12	105.6
Vermont.....	19,899	20,884	21,796	22,313	23,102	3.5	15	36,920	19	100.3
Mideast	1,755,189	1,848,506	1,926,017	1,946,195	2,016,228	3.6		41,878		113.8
Delaware.....	29,108	30,243	31,354	31,668	32,479	2.6	40	36,171	24	98.3
District of Columbia.....	30,114	32,176	35,526	36,928	38,281	3.7		63,619		172.8
Maryland.....	217,700	226,944	237,990	244,353	252,613	3.4	16	43,753	4	118.9
New Jersey.....	355,529	372,187	387,065	386,511	397,366	2.8	31	45,197	3	122.8
New York.....	714,843	759,029	786,454	789,567	823,412	4.3	2	42,492	6	115.4
Pennsylvania.....	407,895	427,927	447,629	457,167	472,077	3.3	19	37,164	17	101.0
Great Lakes	1,447,415	1,498,573	1,560,477	1,565,905	1,613,284	3.0		34,753		94.4
Illinois.....	443,565	464,450	489,363	488,856	501,638	2.6	38	39,097	11	106.2
Indiana.....	184,570	190,383	199,689	199,713	207,148	3.7	9	31,949	41	86.8
Michigan.....	299,376	305,994	315,718	313,608	323,472	3.1	21	32,728	36	88.9
Ohio.....	344,743	355,910	367,635	372,412	382,806	2.8	33	33,182	34	90.1
Wisconsin.....	175,160	181,836	188,072	191,316	198,220	3.6	12	34,855	28	94.7
Plains	635,546	670,781	712,163	717,483	736,652	2.7		35,925		97.6
Iowa.....	90,432	95,877	102,355	103,495	106,654	3.1	23	35,010	27	95.1
Kansas.....	87,754	92,554	99,449	100,415	103,325	2.9	30	36,215	23	98.4
Minnesota.....	179,851	188,367	197,412	197,896	203,730	2.9	28	38,411	15	104.4
Missouri.....	177,581	185,762	195,741	197,735	202,504	2.4	42	33,813	31	91.9
Nebraska.....	56,222	60,174	64,169	64,668	66,052	2.1	48	36,166	25	98.3
North Dakota.....	19,412	21,337	23,953	24,167	24,884	3.0	26	36,997	18	100.5
South Dakota.....	24,293	26,710	29,084	29,106	29,503	1.4	49	36,236	22	98.4
Southeast	2,302,607	2,429,703	2,551,454	2,575,871	2,657,573	3.2		33,904		92.1
Alabama.....	129,861	136,352	143,517	145,072	149,905	3.3	17	31,363	43	85.2
Arkansas.....	75,136	80,465	84,458	85,970	89,130	3.7	11	30,567	45	83.0
Florida.....	614,903	642,460	670,921	669,319	684,611	2.3	45	36,413	20	98.9
Georgia.....	275,989	292,117	307,449	307,123	315,033	2.6	39	32,519	38	88.3
Kentucky.....	113,474	118,249	123,634	127,176	132,464	4.2	3	30,526	46	82.9
Louisiana.....	129,587	142,008	152,424	154,350	159,896	3.6	13	35,271	26	95.8
Mississippi.....	74,603	79,543	83,032	83,723	86,513	3.3	18	29,155	50	79.2
North Carolina.....	263,532	278,855	293,434	298,266	310,542	4.1	4	32,567	37	88.5
South Carolina.....	120,475	127,171	134,779	137,145	142,058	3.6	14	30,713	44	83.4
Tennessee.....	182,823	192,528	201,706	202,540	210,346	3.9	6	33,146	35	90.1
Virginia.....	275,159	291,099	304,730	311,634	321,528	3.2	20	40,186	10	109.2
West Virginia.....	47,064	48,857	51,371	53,554	55,547	3.7	10	29,977	47	81.4
Southwest	1,087,780	1,158,581	1,257,138	1,266,454	1,311,863	3.6		35,125		95.4
Arizona.....	184,234	194,674	202,583	202,951	207,377	2.2	47	32,443	39	88.1
New Mexico.....	53,451	56,882	60,743	61,851	64,678	4.6	1	31,410	42	85.3
Oklahoma.....	106,223	111,142	120,535	121,036	125,658	3.8	7	33,497	33	91.0
Texas.....	743,873	796,084	873,277	880,615	914,149	3.8	8	36,354	21	98.8
Rocky Mountain	328,862	347,479	369,053	371,452	380,959	2.6		34,906		94.8
Colorado.....	170,853	178,875	189,832	190,716	195,184	2.3	43	38,810	13	105.4
Idaho.....	41,189	43,654	45,420	45,395	46,720	2.9	29	29,804	49	81.0
Montana.....	27,299	28,842	30,532	31,090	32,052	3.1	22	32,395	40	88.0
Utah.....	69,370	74,949	79,226	80,274	82,428	2.7	35	29,823	48	81.0
Wyoming.....	20,151	21,159	24,044	23,977	24,575	2.5	41	43,602	5	118.5
Far West	1,789,939	1,875,628	1,956,275	1,969,485	2,013,180	2.2		38,287		104.0
Alaska.....	23,892	25,320	27,559	27,675	28,786	4.0	5	40,530	8	110.1
California.....	1,298,263	1,351,033	1,403,111	1,409,991	1,440,775	2.2	46	38,674	14	105.1
Hawaii.....	43,547	46,629	48,906	50,037	51,182	2.3	44	37,625	16	102.2
Nevada.....	86,564	92,006	94,843	92,226	92,665	0.5	50	34,313	29	93.2
Oregon.....	111,224	117,516	122,134	125,414	128,695	2.6	37	33,592	32	91.3
Washington.....	226,448	243,123	259,722	264,142	271,077	2.6	36	40,312	9	109.5

p Preliminary
r Revised

1. Per capita disposable personal income (PCDPI) estimates for 2010 were calculated using the April 1, 2010 decennial census population counts that were released by the Census Bureau in December 2010. Revised estimates of PCDPI for 2001-2009 are not published because intercensal state population estimates consistent with the 2000 and 2010 decennial census counts are not currently available.

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 in the "Regional Quarterly Report" in the April 2011 Survey of Current Business.

Table J.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2007–2009—Table Ends

Area	Personal income					Per capita personal income ¹					
	Millions of dollars			Percent change from preceding period ²		Dollars			Rank in United States	Percent change from preceding period	
	2007	2008	2009	2008	2009	2007	2008	2009	2009	2008	2009
Tallahassee, FL	11,849	12,217	12,180	3.1	-0.3	33,514	34,204	33,833	220	2.1	-1.1
Tampa-St. Petersburg-Clearwater, FL	102,416	104,955	103,386	2.5	-1.5	37,775	38,445	37,632	124	1.8	-2.1
Terre Haute, IN	4,857	5,095	5,106	4.9	0.2	28,571	30,004	30,067	322	5.0	0.2
Texarkana, TX-Texarkana, AR	4,222	4,523	4,553	7.1	0.7	31,401	33,263	33,118	241	5.9	-0.4
Toledo, OH	22,249	22,572	22,303	1.5	-1.2	32,944	33,523	33,178	238	1.8	-1.0
Topeka, KS	7,974	8,404	8,487	5.4	1.0	34,880	36,576	36,770	141	4.9	0.5
Trenton-Ewing, NJ	19,090	19,673	19,024	3.1	-3.3	52,530	53,961	51,947	11	2.7	-3.7
Tucson, AZ	33,070	34,918	34,516	5.6	-1.1	33,183	34,578	33,833	220	4.2	-2.2
Tulsa, OK	35,773	38,585	37,534	7.9	-2.7	39,499	42,122	40,402	68	6.6	-4.1
Tuscaloosa, AL	6,766	7,106	7,066	5.0	-0.6	32,814	34,018	33,515	232	3.7	-1.5
Tyler, TX	7,075	7,888	7,843	11.5	-0.6	35,730	39,211	38,319	107	9.7	-2.3
Utica-Rome, NY	9,227	9,628	9,757	4.3	1.3	31,450	32,879	33,269	237	4.5	1.2
Valdosta, GA	3,667	3,960	3,963	8.0	0.1	28,157	29,621	29,184	341	5.2	-1.5
Vallejo-Fairfield, CA	15,632	15,919	15,866	1.8	-0.3	38,503	39,181	38,961	92	1.8	-0.6
Victoria, TX	3,936	4,310	4,201	9.5	-2.5	34,692	37,723	36,408	152	8.7	-3.5
Vineland-Millville-Bridgeton, NJ	4,716	4,972	5,028	5.4	1.1	30,345	31,715	31,877	278	4.5	0.5
Virginia Beach-Norfolk-Newport News, VA-NC	64,169	66,458	66,173	3.6	-0.4	38,387	39,790	39,518	79	3.7	-0.7
Visalia-Porterville, CA	11,792	12,018	11,911	1.9	-0.9	28,333	28,456	27,721	351	0.4	-2.6
Waco, TX	6,874	7,369	7,530	7.2	2.2	30,116	31,923	32,265	264	6.0	1.1
Warner Robins, GA	4,223	4,433	4,494	5.0	1.4	32,166	33,215	33,114	242	3.3	-0.3
Washington-Arlington-Alexandria, DC-VA-MD-WV	297,458	310,761	312,059	4.5	0.4	55,986	57,784	56,984	4	3.2	-1.4
Waterloo-Cedar Falls, IA	5,606	5,984	5,999	6.7	0.2	34,511	36,566	36,376	153	6.0	-0.5
Wausau, WI	4,709	4,813	4,746	2.2	-1.4	36,228	36,730	36,058	162	1.4	-1.8
Wenatchee-East Wenatchee, WA	3,401	3,631	3,661	6.7	0.8	31,790	33,526	33,299	236	5.5	-0.7
Wheeling, WV-OH	4,436	4,682	4,674	5.6	-0.2	30,390	32,293	32,318	263	6.3	0.1
Wichita, KS	22,827	24,293	23,855	6.4	-1.8	38,342	40,273	38,935	93	5.0	-3.3
Wichita Falls, TX	5,114	5,735	5,632	12.1	-1.8	34,497	38,852	38,202	110	12.6	-1.7
Williamsport, PA	3,522	3,672	3,727	4.2	1.5	30,148	31,473	31,900	277	4.4	1.4
Wilmington, NC	11,471	12,061	12,041	5.1	-0.2	33,786	34,653	33,964	215	2.6	-2.0
Winchester, VA-WV	4,103	4,240	4,227	3.4	-0.3	33,867	34,581	34,094	211	2.1	-1.4
Winston-Salem, NC	16,893	17,470	16,970	3.4	-2.9	35,791	36,392	34,996	191	1.7	-3.8
Worcester, MA	33,092	34,193	33,773	3.3	-1.2	41,572	42,777	42,021	51	2.9	-1.8
Yakima, WA	6,874	7,428	7,474	8.1	0.6	29,594	31,624	31,265	295	6.9	-1.1
York-Hanover, PA	14,821	15,460	15,427	4.3	-0.2	35,154	36,312	35,966	164	3.3	-1.0
Youngstown-Warren-Boardman, OH-PA	17,973	18,142	17,851	0.9	-1.6	31,468	32,028	31,709	286	1.8	-1.0
Yuba City, CA	4,842	5,096	5,178	5.2	1.6	29,673	30,885	31,279	294	4.1	1.3
Yuma, AZ	4,679	4,868	4,994	4.0	2.6	24,734	25,185	25,356	361	1.8	0.7

1. Per capita personal income was computed using Census Bureau midyear population estimates.

2. Percent change calculated from unrounded data.

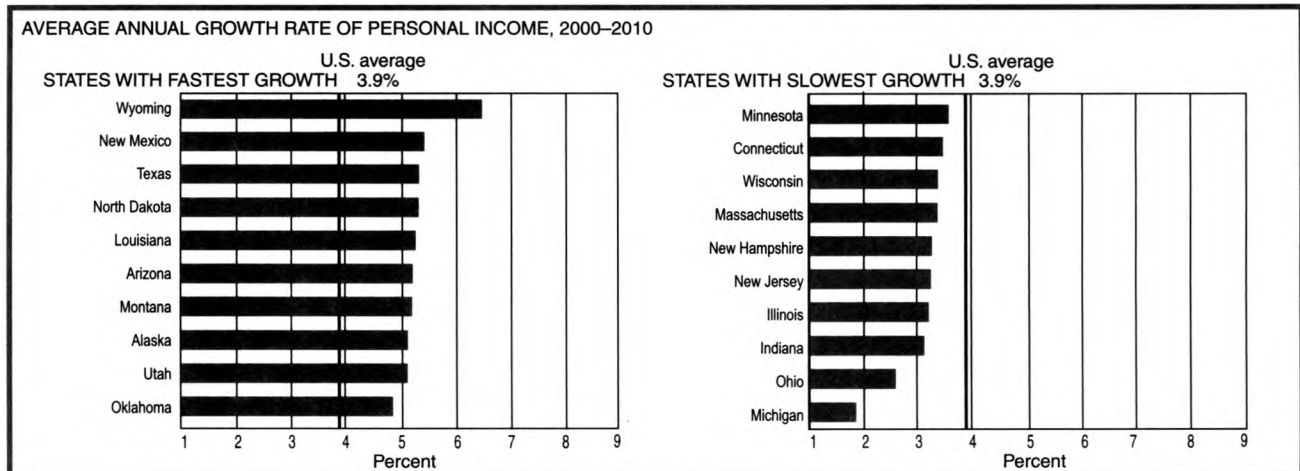
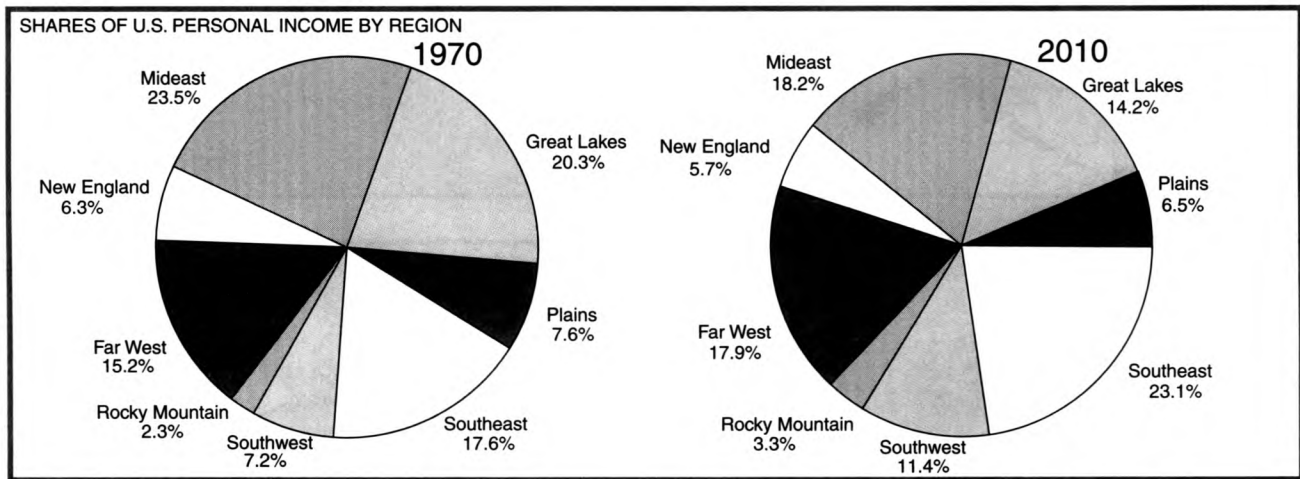
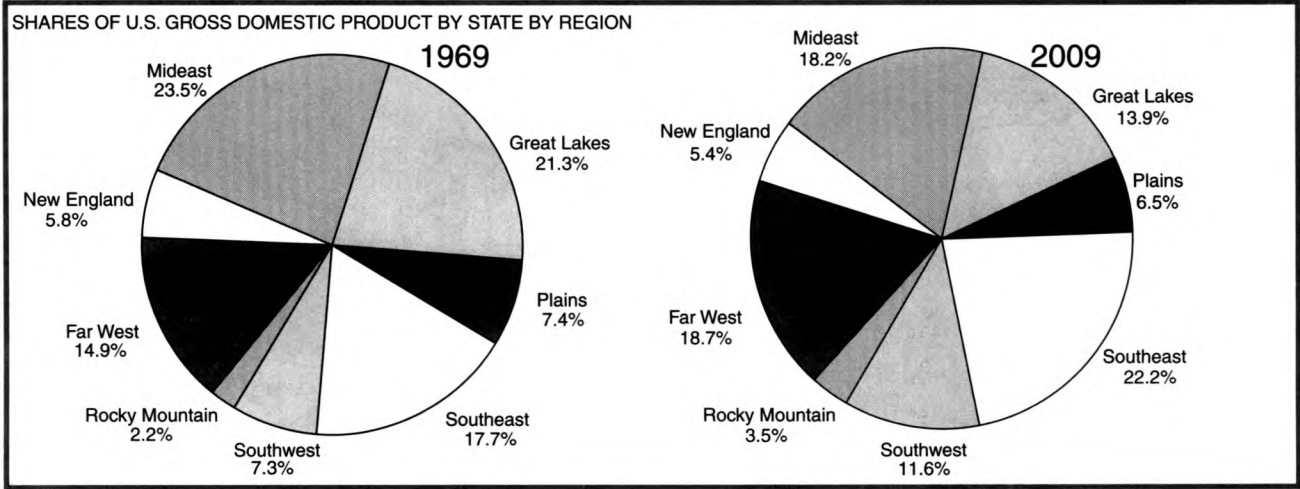
3. The personal income level shown for the United States is derived as the sum of the county estimates. It differs from the estimate of personal income in the national income and product accounts because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data.

4. The metropolitan area definitions used by BEA for its personal income estimates are the county-based definitions issued by the Office of Management and Budget in June 2003 (with revisions released February 2004, March 2005, December 2006, November 2007, November 2008, and December 2009) for federal statistical purposes.

Source: Table 1 "Personal Income and Per Capita Personal Income by Metropolitan Area, 2007–2009" in the May 2011 SURVEY OF CURRENT BUSINESS.

K. Charts

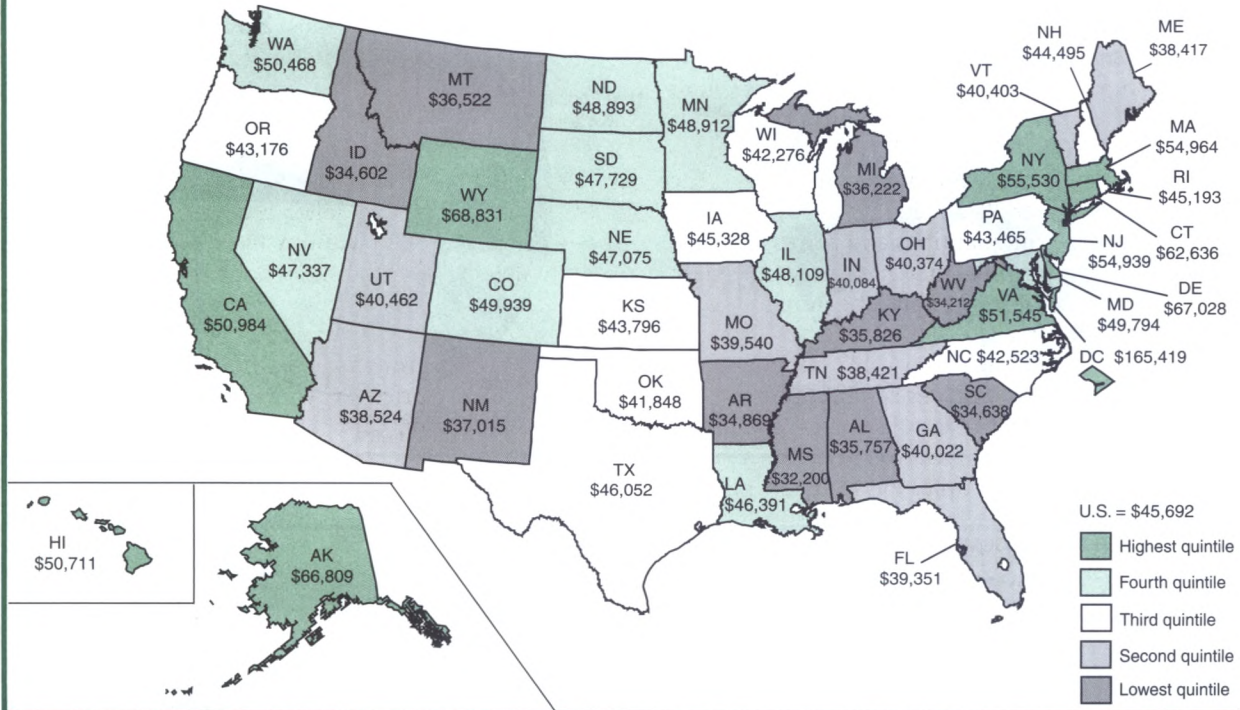
SELECTED REGIONAL ESTIMATES



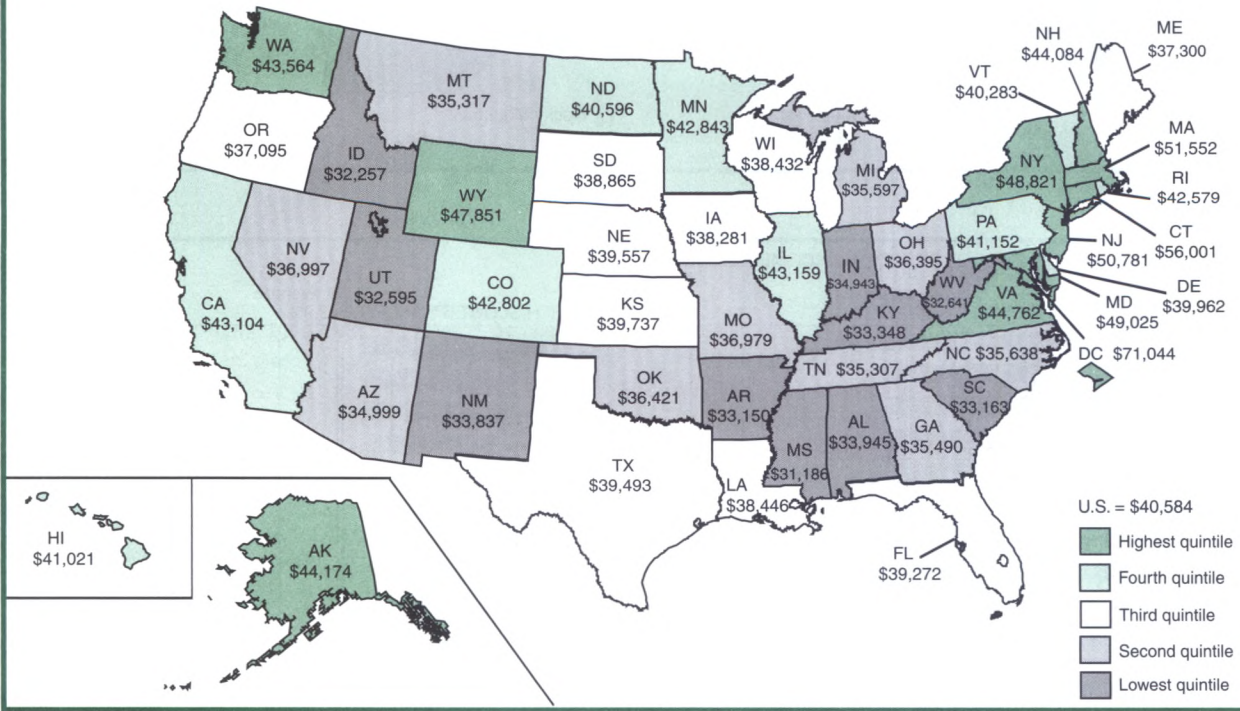
U.S. Bureau of Economic Analysis

SELECTED REGIONAL ESTIMATES

PER CAPITA GROSS DOMESTIC PRODUCT BY STATE IN CURRENT DOLLARS, 2009



PER CAPITA PERSONAL INCOME, 2010



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 2005—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 2006–2007 uses prices for 2006 and 2007 as weights, and the 2006–2007 annual percent change in the GDP price index uses quantities for 2006 and 2007 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 (2005) dollar estimates.” For most series, these estimates are computed by multiplying the current-dollar value in 2005 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2005 and if real output for this component increased by 10 percent in 2006, then the chained (2005) dollar value of this component in 2006 would be \$110 (\$100 × 1.10). The percent changes calculated from the chained (2005) dollar estimates and from the quantity indexes are the same; any differences will be small and due to rounding.

The chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP (or to any intermediate aggregate) in a table, because the relative prices that are used as weights for any period other than the reference year differ from those of the reference year. A measure of the effect of such

differences is provided by a “residual” line—the difference between the chained-dollar value of the main aggregate in the table and the sum of the most detailed components in the table. For periods close to the reference year, when the relative prices that are used as weights have usually not changed much, the residuals tend to be small, and the chained-dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. For periods further from the reference year, the residuals tend to be larger, and the chained-dollar estimates are less useful for analyses of contributions to growth. In particular, for components for which relative prices are changing rapidly, the calculation of contributions based on chained-dollar estimates may be misleading even just a few years from the reference year. Thus, contributions derived from quantity indexes provide a better measure than contributions derived from chained-dollar estimates; contributions based on quantity indexes are shown in selected NIPA tables 1.1.2, 1.2.2, 1.5.2, 2.3.2, 3.9.2, 4.2.2, and 5.3.2.

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

For most quarterly NIPA estimates, *percent changes* in the estimates are also expressed at annual rates. Calculating these *changes* requires a variant of the compound interest formula:

$$r = \left[\left(\frac{x_t}{x_0} \right)^{m/n} - 1 \right] \times 100$$

where r is the percent change at an annual rate; x_t is the level of activity in the later period; x_0 is the level of activity in the earlier period; m is the periodicity of the data (for example, 1 for annual data, 4 for quarterly data, or 12 for monthly data); and n is the number of periods between the earlier periods and the later periods (that is, $t - 0$).

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

1. See J. Steven Landefeld, Brent R. Moulton, and Cindy M. Vojtech, “Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes,” *SURVEY OF CURRENT BUSINESS* (November 2003): 8–16.

Reconciliation Table

Table 1. Relation of Net Exports of Goods and Services and Net Receipts of Income in the NIPAs to Balance on Goods and Services and Income in the ITAs

[Billions of dollars]

	Line	2009	2010	Seasonally adjusted at annual rates					
				2009		2010			
				III	IV	I	II	III	IV
Exports of goods and services and income receipts, ITAs	1	2,159.0	2,496.6	2,162.9	2,305.7	2,403.2	2,457.4	2,508.8	2,617.1
Less: Gold, ITAs.....	2	13.9	17.6	14.3	15.3	17.9	14.7	20.0	17.6
Statistical differences ¹	3	0.0	-2.5	0.0	0.0	-5.4	-5.1	0.2	0.2
Other items.....	4	1.5	2.0	1.5	1.3	2.0	2.3	2.0	1.6
Plus: Adjustment for grossing of parent/affiliate interest payments.....	5	8.0	7.3	7.2	7.1	6.2	6.6	8.1	8.3
Adjustment for U.S. territories and Puerto Rico.....	6	49.6	50.1	48.6	51.8	49.7	54.6	51.7	44.5
Services furnished without payment by financial intermediaries except life insurance carriers.....	7	7.0	6.7	6.6	6.6	7.0	7.3	6.3	6.0
Equals: Exports of goods and services and income receipts, NIPAs	8	2,208.2	2,543.7	2,209.5	2,354.6	2,451.5	2,514.0	2,552.8	2,656.5
Imports of goods and services and income payments, ITAs	9	2,412.5	2,829.4	2,418.4	2,584.3	2,698.4	2,815.7	2,873.8	2,929.6
Less: Gold, ITAs.....	10	8.8	12.5	8.8	10.9	9.7	11.8	10.3	18.4
Statistical differences ¹	11	0.0	-5.8	0.0	0.0	-4.5	-5.6	-6.6	-6.6
Other items.....	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: Gold, NIPAs.....	13	-5.1	-6.2	-5.2	-5.8	-6.2	-4.2	-6.3	-8.2
Adjustment for grossing of parent/affiliate interest payments.....	14	8.0	7.3	7.2	7.1	6.2	6.6	8.1	8.3
Adjustment for U.S. territories and Puerto Rico.....	15	34.8	41.5	32.4	34.2	40.1	38.7	36.6	50.4
Imputed interest paid to rest of world.....	16	7.0	6.7	6.6	6.6	7.0	7.3	6.3	6.0
Equals: Imports of goods and services and income payments, NIPAs	17	2,448.3	2,871.8	2,450.6	2,615.5	2,740.2	2,857.9	2,914.9	2,974.4
Balance on goods and services and income, ITAs (1-9)	18	-253.5	-332.8	-255.5	-278.6	-295.2	-358.3	-365.0	-312.5
Less: Gold (2-10+13).....	19	0.0	-1.1	0.3	-1.4	2.0	-1.3	3.4	-9.0
Statistical differences (3-11) ¹	20	0.0	3.3	0.0	0.0	-0.9	0.5	6.8	6.8
Other items (4-12).....	21	1.5	2.0	1.5	1.3	2.0	2.3	2.0	1.6
Plus: Adjustment for U.S. territories and Puerto Rico (6-15).....	22	14.8	8.6	16.2	17.6	9.6	15.9	15.1	-5.9
Equals: Net exports of goods and services and net receipts of income, NIPAs (8-17)	23	-240.1	-328.1	-241.1	-260.9	-288.7	-343.9	-362.1	-317.9

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.

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 are used to prepare the estimates.

Concepts and Methods of the U.S. National Income and Product Accounts

“Introductory Chapters 1–4” (2009)

“Chapter 5: Personal Consumption Expenditures” (2009)

“Chapter 6: Private Fixed Investment” (2010)

“Chapter 7: Change in Private Inventories” (2010)

Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends (2002)

An Introduction to National Income and Product Accounts (2007)

Measuring the Economy: A Primer on GDP and the National Income and Product Accounts (2007)

The following SURVEY articles describe the 2009 comprehensive revision of the NIPAs.

“Initial Results of the 2009 Comprehensive NIPA Revision” (August 2009)

“Improved Estimates of the National Income and Product Accounts: Results of the 2009 Comprehensive Revision” (September 2009)

Preview of the 2009 Comprehensive NIPA Revision Changes in Definitions and Presentations (March 2009)

New Classifications for Personal Consumption Expenditures (May 2008)

Statistical Changes (May 2009)

“Preview of the Revised NIPA Estimates for 2002: Effects of Incorporating the 2002 Benchmark I-O Accounts and Proposed Definition and Statistical Changes” (March 2008)

In addition, see the following articles.

“Annual Revision of the National Income and Product Accounts” (August 2010) presents revisions and describes any changes in the data and the methods used to prepare the estimates.

“Updated Summary of NIPA Methodologies” (November 2010) describes the source data and methods that are used to prepare the estimates.

“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.

“The Reliability of the GDP and GDI Estimates of U.S. Economic Activity” (February 2008) 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 (now called second), and final (now called third) 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 1999–2008” (November 2009) describes the improvements that were incorporated into these estimates as part of the 2009 comprehensive NIPA revision.

Satellite account. This account extends the analytical capacity of the NIPAs by focusing on the effects of a particular aspect of economic activity on GDP.

“Research and Development Satellite Account”

For 1959–2002 (December 2006)

For 1959–2004 (October 2007)

For 1959–2007 (December 2010)

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), the benchmark input-output accounts, and two satellite accounts.

Annual industry accounts. “Preview of the Comprehensive Revision of the Annual Industry Accounts” (March 2010) provides the details about the upcoming comprehensive revision.

“Annual Industry Accounts” (June 2010) presents the comprehensive revision of these accounts and summarizes the source data and any changes in the methods that are used to prepare the estimates.

Benchmark input-output accounts. *Concepts and Methods of the U.S. Input-Output Accounts* (September 2006) describes the concepts and methods that underlie the preparation of these accounts.

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

“U.S. Travel and Tourism Satellite Accounts”

For 2004–2007 (June 2008)

For 2005–2008 (June 2009)

For 2004–2009 (November 2010)

For 2007–2010 (June 2011)

International accounts

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

International transactions accounts and international investment position accounts. “A Guide to the U.S. International Transactions Accounts and the U.S. International Investment Position Accounts” (February 2010) introduces these accounts.

The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures (1990) describes the methodologies used to prepare the estimates in the ITAs and the international investment position of the United States. These methodologies are usually updated and improved as part of the annual revisions of the international transactions accounts. The updated and improved methodology is described in a series of articles, the latest of which was published in the July 2010 SURVEY.

“Modernizing and Enhancing BEA’s International Economic Accounts: A Progress Report” (May 2011) updates BEA’s plans to introduce the new international statistical standards from recently updated manuals and its plans for changes that will be included in the June 2011 annual revision.

Direct investment. Updated methodologies are available in *U.S. Direct Investment Abroad: Final Results From the 2004 Benchmark Survey* (2008) and in *Foreign Direct Investment in the United States: Final Results From the 2002 Benchmark Survey* (2006).

Additional improvements are described in the following annual articles: “Direct Investment Positions: Country and Industry Detail” (September) and Operations of U.S. Multinational Companies (August) and of U.S. Affiliates of Foreign Companies (November).

International services. The methodology used to prepare the estimates is usually updated and improved in a series of articles, the latest of which was published in the October 2010 SURVEY.

“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.

Regional accounts

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

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

State Personal Income (2009) describes the improvements in the methodology that is used to prepare the quarterly and annual estimates. This methodology has been updated in “Regional Quarterly Report: Comprehensive Revision” (November 2009).

Local Area Personal Income (2009) describes the detailed methodology that is used to prepare the estimates for counties, metropolitan divisions and areas, micropolitan areas, and BEA economic areas and regions. This methodology has been updated in “Comprehensive Revision of Local Area Personal Income” (May 2010).

Gross domestic product. Estimates of gross domestic product (GDP) are prepared for states and metropolitan areas.

Gross Domestic Product by State (2006) describes the sources and the methods that are used to prepare the estimates.

“Gross Domestic Product by State” (December 2010) presents the results of the most recent comprehensive revision.

“Introducing New Measures of the Metropolitan Economy: Prototype Estimates of GDP by Metropolitan Area” (November 2007) describes the potential uses of the estimates.