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BUREAU OF
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Federal Deficit Increases in
Fourth Quarter 1976

Federal Government expenditures increased more rapidly than receipts, and the Federal deficit, as measured in the national income and product accounts, increased in the fourth quarter, according to the Bureau of Economic Analysis of the U.S. Department of Commerce.

The deficit amounted to \$59.2 billion, up \$1.8 billion from the third. For calendar year 1976, the deficit was \$58.6 billion, compared with \$71.2 billion in 1975 and \$11.5 billion in 1974.

Fourth-quarter expenditures increased \$14.5 billion to \$405.6 billion. Grants-in-aid to State and local governments increased \$5.4 billion, including \$2.2 billion for the first countercyclical revenue sharing payments. Transfer payments increased \$3.4 billion. Social security benefits increased \$2.7 billion, including \$0.8 billion for retroactive payments. Cost-of-living increases boosted veterans benefits \$0.6 billion. Defense purchases increased \$2.8 billion, including \$1.4 billion for an October military and civilian pay raise. Nondefense purchases increased \$1.6 billion, including \$0.7 billion for the pay raise; agricultural purchases also increased. Net interest paid and subsidies (less the current surplus of government enterprises) each increased \$0.7 billion.

Receipts increased \$12.6 billion to \$346.4 billion. Personal tax receipts increased \$7.3 billion; social insurance contributions increased \$2.7 billion. Both increases were largely attributable to rising personal income. Corporate profits tax liabilities increased \$2.3 billion, reflecting a large advance in corporate profits. Indirect business taxes increased \$0.3 billion.

The NIPA statement of Government receipts and expenditures calculated by BEA differs in several respects from the unified budget, and is integrated conceptually and statistically with the rest of the national income and product accounts. Unlike the unified budget, it excludes financial transactions, such as loans; it also records several categories of receipts and expenditures on a timing basis that is different from the budget. It is published quarterly at a seasonally adjusted annual rate.

Additional data appear in the Survey of Current Business, the monthly magazine published by the Bureau of Economic Analysis.

The Survey is available from most District Offices of the Department of Commerce or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402, at an annual subscription price of \$48.30, including weekly supplements; single copy \$3.00.

Federal Government Receipts and Expenditures
(Billions of dollars, seasonally adjusted at annual rates)

| | 1974 | 1975 | 1976 | 1975 | | | | | 1976 | | | | | | | | | |
|--|-------|-------|---------------------|-------|-------|-------|-------|---------------------|------|----|-----|----|--|--|--|--|--|--|
| | | | | IV | I | II | III | IV | I | II | III | IV | | | | | | |
| Receipts ----- | 288.2 | 286.5 | 303.5 ^{1/} | 306.7 | 316.5 | 324.6 | 333.8 | 346.4 ^{1/} | | | | | | | | | | |
| Personal tax and nontax receipts ----- | 131.2 | 125.7 | 145.3 | 135.1 | 137.7 | 141.9 | 147.2 | 154.5 | | | | | | | | | | |
| Corporate profits tax accruals ----- | 45.6 | 42.6 | 55.7 ^{1/} | 49.4 | 53.1 | 54.8 | 56.2 | 58.5 ^{1/} | | | | | | | | | | |
| Indirect business tax and nontax accruals ---- | 21.7 | 23.9 | 23.5 | 25.5 | 22.8 | 23.3 | 23.8 | 24.1 | | | | | | | | | | |
| Contributions for social insurance ----- | 89.8 | 94.3 | 105.8 | 96.6 | 102.9 | 104.6 | 106.6 | 109.3 | | | | | | | | | | |
| Expenditures ----- | 299.7 | 357.8 | 388.9 | 376.0 | 380.3 | 378.7 | 391.1 | 405.6 | | | | | | | | | | |
| Purchases of goods and services ----- | 111.6 | 124.4 | 133.4 | 130.4 | 129.2 | 131.2 | 134.5 | 138.9 | | | | | | | | | | |
| National defense ----- | 77.3 | 84.3 | 88.2 | 87.1 | 86.2 | 86.9 | 88.5 | 91.3 | | | | | | | | | | |
| Compensation of employees ----- | 37.7 | 40.0 | 42.2 | 41.3 | 41.6 | 41.7 | 42.0 | 43.6 | | | | | | | | | | |
| Other ----- | 39.6 | 44.3 | 46.0 | 45.8 | 44.6 | 45.2 | 46.5 | 47.6 | | | | | | | | | | |
| Nondefense ----- | 34.3 | 40.1 | 45.2 | 43.2 | 42.9 | 44.2 | 46.0 | 47.6 | | | | | | | | | | |
| Compensation of employees ----- | 17.2 | 19.3 | 21.1 | 20.2 | 20.6 | 20.8 | 21.1 | 22.0 | | | | | | | | | | |
| Other ----- | 17.1 | 20.8 | 24.1 | 23.1 | 22.3 | 23.4 | 24.8 | 25.6 | | | | | | | | | | |
| Transfer payments ----- | 117.6 | 148.9 | 162.2 | 154.9 | 160.3 | 158.7 | 163.1 | 166.5 | | | | | | | | | | |
| To persons ----- | 114.3 | 145.8 | 159.0 | 151.8 | 157.2 | 155.6 | 159.8 | 163.3 | | | | | | | | | | |
| To foreigners ----- | 3.2 | 3.1 | 3.2 | 3.2 | 3.1 | 3.1 | 3.4 | 3.2 | | | | | | | | | | |
| Grants-in-aid to State and local governments - | 43.9 | 54.4 | 60.2 | 58.0 | 58.8 | 56.3 | 60.1 | 65.5 | | | | | | | | | | |
| Net interest paid ----- | 20.9 | 23.5 | 27.5 | 25.6 | 26.6 | 27.4 | 27.7 | 28.4 | | | | | | | | | | |
| Interest paid ----- | 24.1 | 27.2 | 32.3 | 29.6 | 31.1 | 32.3 | 32.7 | 33.2 | | | | | | | | | | |
| To persons ----- | 19.8 | 22.7 | 28.0 | 25.2 | 26.7 | 27.9 | 28.3 | 29.1 | | | | | | | | | | |
| To foreigners ----- | 4.3 | 4.5 | 4.3 | 4.4 | 4.4 | 4.4 | 4.4 | 4.2 | | | | | | | | | | |
| Less: Interest paid to government ----- | 3.2 | 3.7 | 4.8 | 4.0 | 4.5 | 4.9 | 5.0 | 4.9 | | | | | | | | | | |
| Subsidies less current surplus of government enterprises ----- | 5.2 | 6.5 | 5.6 | 7.1 | 5.4 | 5.2 | 5.6 | 6.3 | | | | | | | | | | |
| Subsidies ----- | 3.5 | 4.5 | 5.1 | 4.9 | 5.0 | 4.8 | 4.9 | 5.5 | | | | | | | | | | |
| Less: Current surplus of government enterprises ----- | -1.8 | -2.0 | -0.6 | -2.2 | -0.3 | -0.4 | -0.7 | -0.8 | | | | | | | | | | |
| Less: Wage accruals less disbursements ----- | -0.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| Surplus or deficit (-), national income and product accounts ----- | -11.5 | -71.2 | -58.6 ^{1/} | -69.4 | -63.8 | -54.1 | -57.4 | -59.2 ^{1/} | | | | | | | | | | |

1. Corporate profits tax accruals and related totals are preliminary and subject to revision next month.