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**COMMERCE**  
**NEWS**

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BUREAU OF  
ECONOMIC ANALYSIS

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BEA 80-49

Federal Deficit Increases in Second Quarter 1980

The federal deficit, as measured in the national income and product accounts (NIPA's), increased \$25.1 billion in the second quarter of 1980 as federal government receipts declined and expenditures increased, according to the Bureau of Economic Analysis of the U.S. Department of Commerce.

The second-quarter deficit was \$48.0 billion at a seasonally adjusted annual rate, compared with a deficit of \$22.9 billion in the first quarter.

Receipts declined \$7.0 billion to \$531.4 billion. Corporate profits tax accruals declined \$19.5 billion, reflecting a large drop in corporate book profits. Indirect business tax and nontax receipts increased \$9.2 billion, due to an increase in the windfall profits tax, which was in effect for the first full quarter. Personal tax and nontax receipts increased \$3.3 billion; contributions for social insurance were unchanged.

Expenditures increased \$18.2 billion to \$579.5 billion. Transfer payments to persons increased \$6.3 billion, largely because of a \$4.4 billion increase in unemployment benefits. Defense purchases increased \$4.5 billion. Net interest paid increased \$3.8 billion. Nondefense purchases increased \$2.6 billion, including \$1.2 billion for net purchases of agricultural commodities for price-support programs. Subsidies less the current surplus of government enterprises increased \$0.9 billion; grants in aid to state and local governments were unchanged.

The NIPA statement of government receipts and expenditures calculated by BEA is integrated conceptually and statistically with the rest of the national income and product accounts. It differs in several respects from

FEDERAL GOVERNMENT RECEIPTS AND EXPENDITURES  
(Billions of dollars)

BUREAU OF ECONOMIC ANALYSIS

	1977	1978	1979	1979			1980	
				II	III	IV	I	II <sup>P</sup>
				Seasonally adjusted at annual rates				
<b>Receipts</b> .....	375.4	432.1	497.6	485.8	504.8	524.7	538.4	531.4
Personal tax and nontax receipts .....	169.6	194.9	230.0	223.4	235.2	248.5	246.1	249.4
Corporate profits tax accruals .....	61.8	72.0	78.2	74.9	79.4	81.4	86.8	67.3
Indirect business tax and nontax accruals .....	25.1	28.1	30.0	29.9	30.0	30.7	33.8	43.0
Contributions for social insurance .....	118.9	137.0	159.3	157.5	160.2	164.1	171.7	171.8
<b>Expenditures</b> .....	421.7	459.8	509.0	492.9	516.1	540.4	561.3	579.5
Purchases of goods and services .....	144.4	152.6	166.6	161.7	162.9	178.4	186.2	193.3
National defense .....	93.7	99.0	108.3	106.0	109.0	114.6	119.6	124.1
Compensation of employees .....	42.9	46.1	49.2	48.4	48.7	51.6	51.9	52.1
Other .....	50.8	52.9	59.0	57.6	60.3	63.0	67.7	72.0
Nondefense .....	50.6	53.6	58.4	55.7	53.9	63.8	66.6	69.2
Compensation of employees .....	23.5	25.7	27.8	27.4	27.6	29.0	29.3	30.4
Other .....	27.1	27.9	30.6	28.3	26.3	34.8	37.3	38.8
Transfer payments .....	172.7	181.4	202.8	201.9	217.6	222.7	230.0	236.3
To persons .....	169.5	181.6	205.6	198.0	213.9	217.8	225.2	231.5
To foreigners .....	3.2	3.7	4.2	3.9	3.7	5.0	4.8	4.8
Grants-in-aid to State and local governments .....	67.5	77.3	80.4	77.7	81.8	84.3	86.0	86.0
Net interest paid .....	29.0	34.8	43.1	42.6	43.5	46.2	50.2	54.0
Interest paid .....	35.4	43.4	53.9	53.1	54.8	57.5	61.8	66.0
To persons .....	29.9	34.8	43.1	42.6	43.9	46.6	50.0	54.9
To foreigners .....	5.5	8.7	10.8	10.6	10.9	10.8	11.8	11.2
Less: Interest paid to government .....	6.4	8.6	10.9	10.6	11.3	11.3	11.5	12.0
Subsidies less current surplus of government enterprises .....	8.1	9.7	9.1	9.0	10.2	8.8	8.9	9.8
Subsidies .....	7.5	9.1	8.2	8.3	7.9	8.4	8.3	9.1
Less: Current surplus of government enterprises .....	-.6	-.6	-.9	-.7	-2.3	-.4	-.6	-.7
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0	.0
<b>Surplus or deficit (-), national income and product accounts</b> .....	-46.3	-27.7	-11.4	-7.0	-11.3	-15.7	-22.9	-48.0

P= Preliminary.

the unified budget; unlike the unified budget, it excludes financial transactions, such as loans, and 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 journal of the Bureau of Economic Analysis. The Survey of Current Business is available from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. First class mail: annual subscription \$35.00 domestic. Second class mail; annual subscription \$22.00 domestic, \$27.50 foreign, single issue \$1.90 domestic, \$2.40 foreign.